

The Modern Publisher's Guide to Video Advertising

Tips, insights, and best practices for
better digital video monetization



The Money is in Video



By 2021, 82% of internet traffic will be video. As video consumes the digital landscape, the opportunity for monetization has never been better. In fact, online video ad spend in the U.S. climbed to an all-time high of [\\$11.9 billion in 2017](#) and now represents 14% of all digital advertising.

JW Player is here to help you make video your #1 source of revenue. We understand the ecosystem is complex, and it isn't always clear how to scale your business.

This Video Advertising Playbook is your guide to a more successful monetization strategy. In plain English, we'll cover the key players in the ad ecosystem, innovations in programmatic advertising, how to improve ad performance, and building your ad stack.

Discover how you can transform your business with the power of video.

Let's get started!

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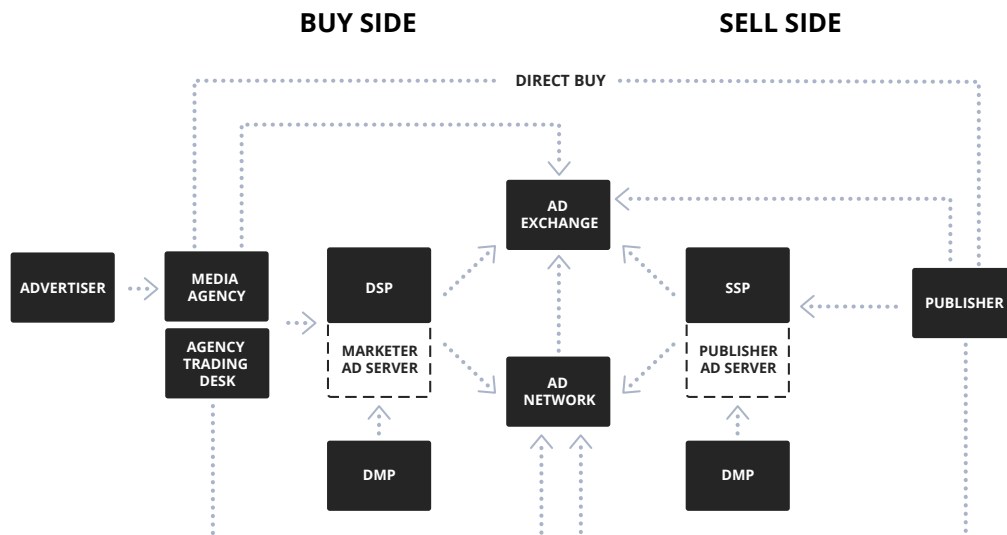
CHAPTER 1:

THE PROGRAMMATIC VIDEO ECOSYSTEM

Long story short: Video advertising has come a long way. From the days when sales mainly occurred by picking up the phone and when early prerolls ran like television spots without tracking, much of video advertising now takes place in milliseconds within a complex and programmed ecosystem.

Projected to draw [80% of all digital video dollars](#) by 2020, programmatic advertising is the automated buying and selling of ad inventory through a digital marketplace that connects advertisers and publishers.

▶ How Programmatic Advertising Works



BUY SIDE

Represents the “Demand” for ad space

Wants to find the best ad placements for the lowest prices possible

Reporting done via advertiser ad servers, DSPs, and/or buy side DMPs

SELL SIDE

Offers the “Supply” of ad space (inventory) via websites, videos, and mobile

Wants the highest bidder for their ad inventory and the highest CPM

Reporting done via publisher ad servers, SSPs, and/or sell side DMPs

KEY ELEMENTS OF THE ECOSYSTEM

Ad Exchange – A digital marketplace where advertisers purchase ad space from a wide range of publishers in rapid, real-time auctions

Ad Network – A network that collects and curates ad inventory from selected publishers and sells it to advertisers at a price

Ad Server (Marketer) – Technology for centralized storage, tracking, and delivery of advertising creatives

Ad Server (Publisher) – A web server that stores digital advertising content and serves it to website visitors. Specifically, the ad server stores and manages advertiser creative tags and tracks when and which ads appear on the publisher site or video, among other metrics

Agency Trading Desk (ATD) – An agency that facilitates programmatic media buys on behalf of advertiser clients; publishers can access it directly or through a larger media agency

DSP (Demand Side Platform) – Software that helps buyers make decisions against publisher inventory. A DSP considers target audience and other factors, looks for the right inventory for ad placement, and fires bids.

DMP (Data Management Platform) – Technology that stores, manages, and activates audience data

SSP (Seller Side Platform) – Software that helps publishers manage and fill ad space, setting up rules for when and which bids are accepted to maximize revenue. SSPs can also protect brand safety by determining if creatives are appropriate for the publishers' site or video

Media Agency – An agency that develops and executes advertising campaigns on behalf clients, including campaign objectives, target audiences, and communication narratives. Their operations could include agency trading desks (ATDs).

For a complete list of definitions, see Appendix A: Glossary.

CHAPTER 2:

LET THE SALES BEGIN

WHAT'S FOR SALE?

In-Stream Video Ad

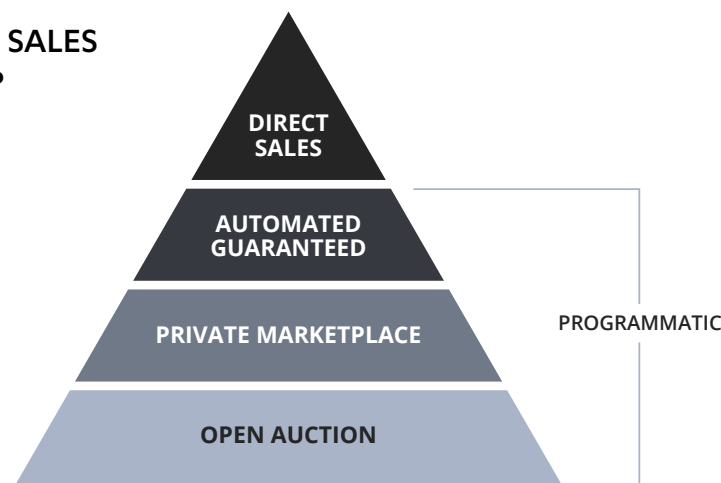
A video ad that appears before an editorial video (preroll), during (midroll), or after (postroll).

Out-Stream Video Ad

A video ad played outside of the editorial content. The ad could be:

- ▶ In-Banner - Inside a display ad (paid online advertising typically in the form of an image or banner)
- ▶ In-Article - Between paragraphs of an article
- ▶ In-Feed - Between posts in a feed like ones for news and social media
- ▶ Interstitial - Full-screen in an app

WHAT TYPES OF SALES ARE AVAILABLE?



ADS ARE SOLD IN VARIOUS WAYS:

Publisher-Direct Sales

Advertisers buy directly from publishers one-on-one (rather than using an auction) and agree on CPMs and other parameters in mutual contracts, including “make-good” guarantees if publishers under deliver.

Automated Guaranteed

A programmatic version of the direct sale, automated guaranteed sales bring together one buyer and one seller through a digital platform within the exchange. These sales are also known as **preferred deals**.

Private Marketplace

Sellers invite select advertisers to compete for inventory in the exchange.

Open Auction

All advertisers within the exchange can bid for inventory.

Some of the most successful publishers use programmatic advertising to supplement more traditional, direct approaches.

HOW ARE SALES MADE?

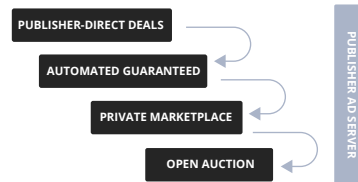
Once an ad server receives an ad request, it automatically chooses the type(s) of sale to initiate. The selected sale(s) could occur within an exchange (if programmatic) or outside the exchange (if direct).

TRADITIONAL AUCTION

Waterfalls

The waterfall is a traditional approach to ad serving. Bidding occurs in a **defined sequence**, and price points are not adjusted until each stage is complete.

Traditional Waterfall Approach (Google Ad Manager)



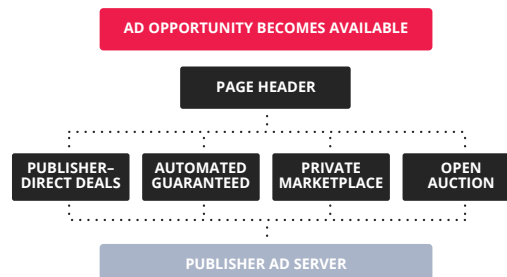
UNIFIED AUCTION

Unified auctions provide all bidders with equal and simultaneous opportunity to buy inventory in real-time.

Header Bidding

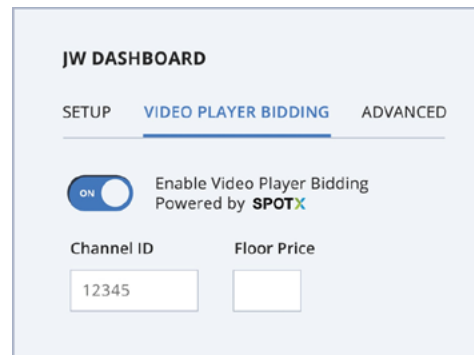
Originally built for display advertising (and still used by 70-90% of publishers for this purpose), header bidding is a process that allows publishers to use unified auctions instead of waterfalls. Sellers reach multiple bidders at the same time and can compare CPMs. Implemented with a code in the header of the page, this approach improves a publisher's chance for getting an optimal bid and enhances overall transparency in the exchange. However, technical implementation is difficult.

Header Bidding Approach

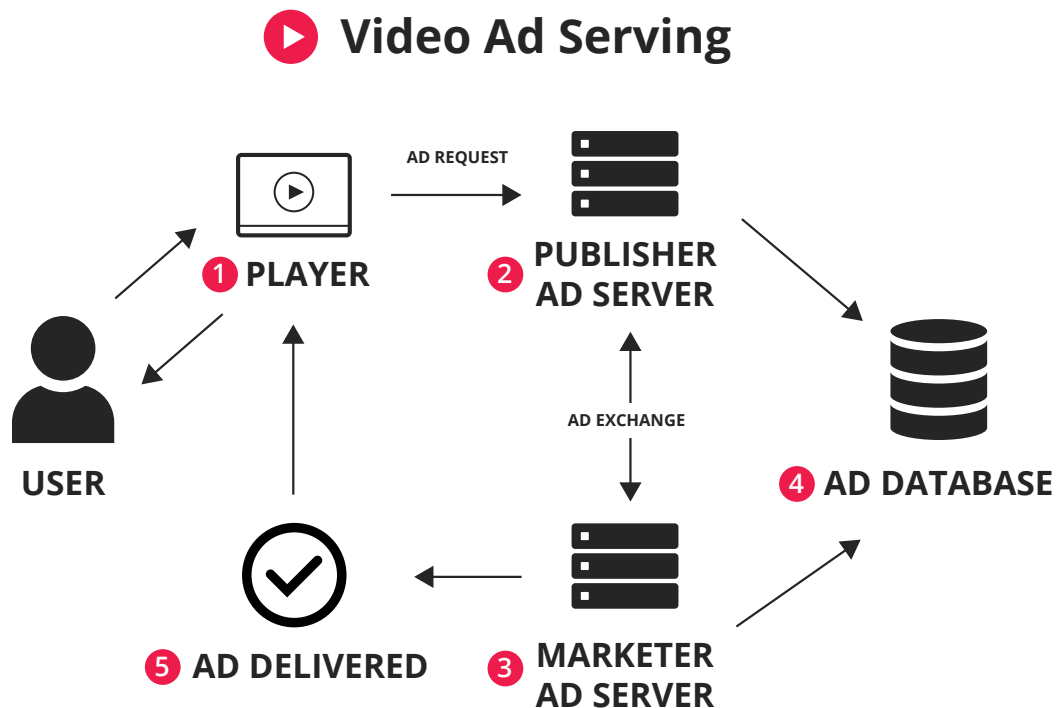


Video Player Bidding

Introduced by JW Player in 2018, Video Player Bidding is a video advertising approach that removes the technical complexities of header bidding. Built directly into the player, Video Player Bidding offers the benefits of header bidding without the header. The solution provides extensive access to demand sources—65+ DSPs via our partner SpotX—with just one click.



HOW DOES VIDEO AD SERVING WORK?



STEPS

1. Viewer arrives at the video player. Player requests the ad from the publisher server.
2. Ad tag instructs the publisher server to serve the ad OR sends the call to the marketer ad server.
3. The marketer ad server receives the ad request if the publisher server does not host the ad.
4. Publisher and Marketer servers report data.
5. The video ad is delivered.

Having separate servers on both the buy and sell sides encourages accountability in tracking ads. Because discrepancies can occur, sometimes publishers can “lose” money when impressions are counted according to the marketer’s server. A number of factors—such as the type of business or contract—can influence how discrepancies are reconciled.

Reasons for the discrepancies range from technical issues like slow connections to changes in marketer decisions. Eliminating ad errors can help publishers maximize their ad revenue.

WHAT ARE AD TAG STANDARDS?

For scalability and consistency within the ad ecosystem, all video publishers should use ad tags that follow at least one of these standards:

VAST (Video Ad Serving Template)

Developed by the IAB (International Advertising Bureau), this video ad standard is the most widely accepted. It allows video servers and video players to speak a common language, and it collects data on ad performance.

VPAID (Video Player Ad-Serving Interface Definition)

VPAID is a video ad standard that supports interactive ads. (For example, consumers might see a car advertisement that allows them to explore features by clicking and moving various parts of the car.)

Although VPAID provides insight into video creatives and helps combat fraud, it creates challenges like latency because it requires an extra layer of Javascript (a “wrapper”) in order to work with a video player.

Google IMA*

Google’s version of VAST integrates with Google Ad Manager.

FreeWheel*

High-end publishers and broadcasters use ad tags under this standard to optimize the value of their inventory across all screens, data systems, and sales channels.

*JW Player supports Custom Integrations.

CHAPTER 3:

MEASURING VIDEO AD PERFORMANCE

Not all ad impressions are created equal. An ad impression's value or quality depends on various factors. Here are some things to consider.

WHAT AFFECTS AD PERFORMANCE?

Intent to watch – Do your viewers know that a video is about to play on the site? Did they come to read an article or something other than watch a video?

One of the most important predictors of greater revenue is a viewer's intent to watch. When viewers choose to see a video, they are much more likely to watch the entire ad. Set clear expectations before they arrive on your video page so that the viewing experience is initiated by the user and as relevant as possible.

The quality of the traffic – Who's coming to your site and what do they do once there? (i.e. read articles, click through photos, scroll through posts, etc.?)

Player placement – Videos placed above the fold typically monetize better. Make sure you use a large player that's the focal point of the page.

If your player is at the top of the page, track how long viewers stay on the page; if they're leaving quickly, the video content isn't enticing enough for viewers to sit through an ad. If your player is at the bottom of the page, make sure people aren't navigating away when the player begins.

Player size – Choose a responsive dimension such as 16x9 and a screen that's at least 600x400 pixels, and then make sure the parent div container of the embed is as wide as possible, especially on mobile, to occupy the maximum amount of real estate.

WHAT ARE KEY PERFORMANCE INDICATORS?

Ad requests

Total number of ad requests received—but not necessarily filled—by an ad provider

Video ad impression

The moment when an ad is displayed in a video player (i.e. delivered in the first frame). If the ad was skipped, the impression still counts.

Complete rate

The percentage of ads that finish out of the total number of ad plays. The higher the content quality, the more likely viewers will watch the entire ad. A video's placement on the page can impact its completion rate.

CPMs

Cost per thousand impressions. The total ad spend divided by the total number of impressions, multiplied by 1,000. *See appendix B.



Average video advertising CPMs are 5x to 10x higher than average display ad CPMs.

CTR

Click-through rate. The number of clicks on the ad divided by the number of impressions.

Engagement

Dependent on factors such as ad format, device, and campaign, engagement can cover various measures, including CTR, completes, campaign awareness, and brand recall.

Fill rate

The total number of impressions delivered divided by the number of requests. Fill rate measures the rate at which an ad was displayed.

Viewability rate

The percentage of a video ad that is visible from the player. An ad impression counts as “viewable” when at least 50% of the ad is seen for a minimum of 2 seconds. Viewability should ideally be above 60%. The closer to 100%, the higher the CPM.

- **Audible and visible on complete (AVOC):** AVOC is another measure of viewability, taking into account the percentage of impressions that occurred when the ad was visible and audible on completion.

OPTIMIZING FOR HIGHER CPMS

Owned and Operated Site

Drive viewers from social media back to your site and take control of your monetization.

In-stream or OTT video ads

Leverage channels that offer increased viewability.

Click-to-play

Make the ad experience less disruptive with a click-to-play option.

Large player

Set your player as the focal point of your page.

High viewability

Aim for a viewability of at least 60%.

Editorial content

Create an intent-to-watch experience with compelling content.

CHAPTER 4:

GETTING STARTED WITH VIDEO ADVERTISING

There are many ways to build an ad stack. Based on our work with hundreds of publishers, JW Player has developed the following checklist to help you explore the options that will make the most sense for your business and help get your company on the path to success.

Where will you find your demand sources?

- ▶ Does your team sell ads directly?
- ▶ Are your display advertising buyers also interested in video?
- ▶ Do you work with SSPs/ad exchanges that are interested in video ads?
- ▶ If you're using an SSP/ad exchange, are video ads available?

How will you manage your demand?

- ▶ Which software tools, SSPs, and/or ad servers do you need to manage your demand?
- ▶ Does your current display ad server support video?
- ▶ Does it make sense to use Google Ad Manager (formerly DFP, the most popular sell-side ad server)?

Who will run your monetization strategy?

- ▶ Do you have someone in-house who is knowledgeable about video monetization?
- ▶ If not, should you hire an expert?
- ▶ Or should you outsource to third-party vendors?
(JW Player recommends this option based on our experience with client success.)

A WORD ABOUT BRAND SAFETY

As digital advertising grows, transparency in the ad ecosystem has become increasingly important. When an ad passes through several hands on its way to the publisher, the risk of false impressions increases.

Brand safety is a two-way street for buyers and sellers. It allows advertisers to ensure that their ads appear in relevant placements, and it helps publishers increase the value of their inventory.

To combat fraud, the IAB developed **ads.txt**, a tool that lists authorized sellers of publisher inventory, via a text file integrated into servers or programmatic platforms. Advertisers can then validate whether their ads are reaching the intended audience. JW Player supports initiatives like ads.txt to clean up fraudulent ad inventory and bring more transparency to the market.

MORE TIPS FOR GETTING STARTED

As you build out your ad stack, think of the layers of an onion—start with a core and work your way outward to other members of the digital marketplace.

Step 1

Foster a relationship with your advertisers, even if your exchanges will primarily be programmatic. A proven way to grow demand is the personal relationship.

Step 2

Gradually incorporate other participants—DSPs, agency trade desks, data management platforms, etc.—as your video business grows.

Step 3

Ensure that ads load quickly by verifying with advertisers that their ad tags have limited wrappers, which slow down delivery. Track ad load speeds using player metrics such as the ad call start time, end time, and length.

Step 4

Experiment with different advertising approaches. Reduce the size of waterfall or fallback ad tags to balance ad revenue and user experience. Take advantage of the latest innovation on the market—Video Player Bidding—to reduce latency and increase demand.

CHAPTER 5:

HOW JW PLAYER CAN HELP

A common misconception is that video advertising is like display advertising.

It's not.

The complexities can be substantial—and JW Player is here to help. From our lightning-fast player to our full-stack ad tech integration and our team of video experts, we offer best-in-class support to help you maximize your fill rates, CPMs, and revenue.

JW DEMAND

We offer consultative services to help you make the most of your monetization strategy. Our JW Demand experts can uncover ways to grow your ad revenue and walk you through step-by-step improvements that you can make today. They will make recommendations based on factors like how viewers get to your site, what kind of video content you have, and how your website is configured.

UNIVERSAL SUPPORT

We make sure our player stays up-to-date so that it works with any ad server and the latest ad standards (VAST 4.0 and VPAID 2.0). As a Google Certified Publishing Partner, we're certified with Google Ad Manager (formerly DFP & AdX). In addition, with IMA SDK support, we offer seamless integration with Google Ad Manager.

WORLD-CLASS TECHNOLOGY

With our buffer-free HTML5 player, you can deliver a better user experience and access increased ad inventory. Our broad standards and error data help reduce the number of ad errors. We also offer the only integrated player bidding solution on the market.

JW PLAYER TIP #1

Don't embed a video for the sake of embedding a video. Make sure that the video is relevant to the article.

JW PLAYER TIP #2

More video plays (and impressions) don't necessarily equal more revenue. Ensure quality over quantity when managing your inventory.

JW PLAYER TIP #3

Have one programmatic platform, then bring in additional demand through other channels (such as Facebook or Google).

APPENDIX A: GLOSSARY

Ad call – A request to display ads, which a web browser or video player sends (via ad tags) to an ad server or ad exchange

Ad code – Response to the ad call

Ad error – An error that occurs when an ad is requested but not filled

Ad exchange – A digital marketplace where advertisers purchase ad space from a wide range of publishers in rapid, real-time auctions

Ad network – A network that pools together ad space from several publishers and sells that inventory to advertisers

Ad server (Marketer) – Technology for centralized storage, tracking, and delivery of advertising creatives

Ad server (Publisher) – A web server that stores digital advertising content and serves it to website visitors. Specifically, the ad server stores and manages advertiser creative tags and tracks when and which ads appear on the publisher site or video, among other metrics

Ad tag – A snippet of code that is placed on the web page where an ad will be delivered. Publishers use them to sell space on their website; advertisers use them to direct the browser to creative elements; and ad servers use them in ad calls. Ad tags can also be used to collect segment information about users

Agency trading desk (ATD) – An agency that facilitates programmatic media buys on behalf of advertiser clients

Automated guaranteed – A programmatic version of the direct sale, bringing together one buyer and one seller through a digital platform within the exchange. Also known as preferred deals

Completion rate – The percentage of ads that reach the end, out of the total number of ad plays

Content distribution network (Akamai) – A system of servers that delivers cached versions of content in various places at the same time

Display ad – Paid online advertising, typically in the form of an image or banner

DMP (Data Management Platform) – DMPs are used by both digital advertisers and publishers to store, manage, and activate audience data, often from multiple sources. As a repository for all audience data, DMPs enable audience analytics and discovery. Segment data from DMPs can also be passed to DSPs for audience targeting.

DSP (Demand Side Platform) – Software that automates digital advertising buys across multiple ad exchanges. DSPs look for inventory that best supports an advertiser's campaign objectives and fires bids. DSPs enable users to optimize a variety of factors, including target audience, reach, frequency, brand safety, CPA, and CPM.

Fill rate – The total number of successful ad impressions divided by the number of ad requests

FreeWheel – An ad tag standard used by high-end publishers and broadcasters

Google Ad Manager – A combination of Google DFP and Google AdX, introduced in June 2018

Google DoubleClick Ad Exchange (AdX, now part of Google Ad Manager) – Google's ad exchange

Google Doubleclick for Publishers (DFP, now part of Google Ad Manager) – A publisher ad server, made by Google, that streamlined ad management, including trafficking ads across multiple channels, forecasting available impressions, and maximizing revenue

Google IMA – Google's version of VAST, which integrates with Google DFP

Header bidding – A process that allows publishers to reach multiple bidders simultaneously and compare CPMs. With a code in the header of the page, this approach improves a publisher's chance of getting an optimal bid and enhances overall transparency in the exchange

In-banner video ad – An out-stream video ad that appears inside a display ad

In-Stream video ad – A video ad that appears before an editorial video (preroll), during (midroll), or after (postroll)

Intent to watch – 1) a viewer's expectation to watch a video; 2) a viewing experience that supports consistency between what a viewer anticipates and what is actually played

Open auction – A video advertising sales approach in which all advertisers within the exchange can bid for inventory

Out-Stream video ad – A video ad played outside of the video content

Preferred deals – See automated guaranteed

Private marketplace – A video advertising approach in which sellers invite a finite number of advertisers to compete for inventory in the exchange

Programmatic advertising – The automated buying and selling of ad inventory through a digital marketplace (ad exchange) that connects advertisers and publishers

Publisher-direct sales – A video advertising approach in which advertisers buy directly from publishers one-on-one (rather than using an auction) and agree on CPMs and other measures in mutual contracts, including "make-good" guarantees if publishers under deliver

SSP (Seller Side Platform) – Software that helps publishers and digital out-of-home media providers to manage their advertising space, fill it with ads, and maximize monetization. SSPs automate decisioning on advertisers' bids, setting up rules for when and which bids are accepted. SSPs can also protect brand safety by determining if creatives are appropriate for the publishers' site or video.

VAST (Video Ad Serving Template) – The most widely accepted advertising standard. Developed by the International Advertising Bureau, it allows ad servers and players to speak the same language and collects data on ad performance

Verification vendors – 3rd party technology partners that measure delivery, viewability, brand safety, and fraud

Viewability rate – The percentage of a video ad that is visible from the player. An ad impression counts as “viewable” when at least 50% of the ad is seen for a minimum of 2 seconds

- Audible and visible on complete (AVOC): AVOC is another measure of viewability, taking into account the percentage of impressions that occurred when the ad was visible and audible on completion.

VPAID (Video Player Ad-Serving Interface Definition) – A video ad standard that supports interactive ads

Waterfall – A traditional approach to making video advertising deals. Bidding occurs in a defined sequence, and price points are not adjusted until each stage is complete

APPENDIX B: CPM MATH in 3 STEPS

EQUATION:

$$\text{Ad Revenue} = \left(\frac{(\text{Total Impressions} \times \text{Fill Rate \%})}{1000} \right) \times \text{CPM}$$

EXAMPLE: 2 MILLION AD REQUESTS | 40% FILL RATE | \$8 CPM

HOW MUCH AD REVENUE DID YOU MAKE?

1) CALCULATE THE NUMBER OF AD IMPRESSIONS.

2,000,000 ad requests x 40% filled = 800,000 ad impressions

2) CPM = COST PER THOUSAND IMPRESSIONS.

A simple trick for a quick calculation is to “drop 3 zeros”

800,000 ad impressions / 1,000 = 800

3) MULTIPLY BY COST PER THOUSAND IMPRESSIONS. (\$8)

\$8 x 800 = \$6,400

YOUR TOTAL AD REVENUE IN THIS SCENARIO IS \$6,400.

$$\text{\$6400} = \left(\frac{(2,000,000 \times .40)}{1000} \right) \times 8$$

APPENDIX C: THE EVOLUTION OF VIDEO ADVERTISING

THE ARRIVAL OF VAST

As the first standard for video advertising, this groundbreaking development from IAB ensures greater consistency across all platforms.

IN-BANNER VIDEO ADS GROW IN POPULARITY

Display ads can now host in-banner videos. Scalable, but not a great user experience.

THE FIGHT AGAINST FRAUD

A lack of transparency due to fraudulent ad data escalates, leading to present-day, anti-counterfeit tools like Ads.txt.

THE RISE OF VIDEO ADVERTISING

Early video ads enter the market like TV spots: Publishers receive the creative directly and host it as pre-roll with little to no tracking.

VPAID ENTERS THE MARKET

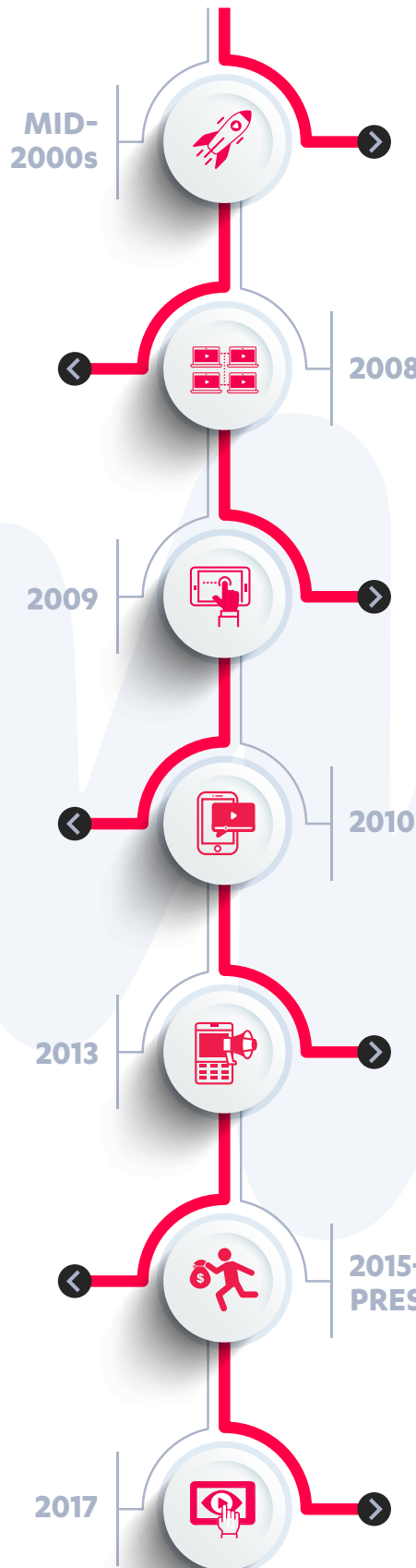
The VPAID ad standard makes interactive ads possible, but misuses in tracking increase ad latency.

AUTOSTART VIDEO LAUNCHES ON FACEBOOK

Initially popular, autoplay proves to be disruptive, with publishers like Facebook, Google, Apple, opting for captioned or sound-off autoplays.

CLICK-TO-PLAY & VIEWABILITY

Intent to watch and strategically visible placements for players are key to improving user experience—as well as the bottom line.



APPENDIX D: CONFIGURE ADS IN THE JW PLAYER DASHBOARD

To begin monetizing videos through the JW Dashboard, you'll need a valid ad tag from your ad server and a player that has advertising turned on.

Using the JW Player Dashboard, you can associate an ad tag to a particular player by creating an ad schedule. This allows you publish the same ad tag with specific player settings alongside any number of videos. You can easily create a side-rail ads player as well as main content ads player.

Creating an Ads Player

1. Log in to the JW Dashboard.
2. Navigate to the Players section under Publish.
3. Click New Player or edit an existing Player.
4. Set your desired playback settings and other customizations.
5. Open the Monetize pane of the player builder.
6. Turn Advertising on.
7. Select Create New Schedule from the Select Ad Schedule dropdown menu to quickly create an ad schedule with a pre-roll. You can also select from any previously selected Ad Schedules.
8. Choose the type of ad tag that you would like to associate with this player and a name for your new Ad Schedule.
9. Enter the tag URL or a URL to your VMAP file in the Value field.
10. Set the text for the user interface elements that you desire.

Publishing Your Ads Player

Now that you have an ads player, all you need to do is publish it with content. Choose your media from the Video List page and click Embed. On the Generate Embed Code dialog, select your ads player. You can also take the cloud-hosted player url for the player and place it on the page where you need an ads player.

1. Navigate to Videos under Manage.
2. Press the blue "embed" button for the video you want to publish.
3. Make sure your Ads player is chosen. If not click Change and select a new player.
4. You can preview your ads on the Preview Page.
5. Choose JavaScript or iFrame embed and copy the code to place on your page.

SKIPPING ADS

You can enable a 'Skip Ad' interface element during ad playback and even customize the countdown message as well as the skip text. Enabling skipping provides better engagement for your viewers. Note that ads that have VAST 3.0 skip offset in the response use the skip offset from the tag and not from your player settings.

MAKE VIDEO YOUR #1 SOURCE OF REVENUE

In our rapidly evolving digital world, video monetization is a strategic move that's poised to change your entire business—but only if you navigate the ecosystem well.

With the right video tech partner, it doesn't have to be complicated.

Let's Talk



We're the company that pioneered video on the web and became the world's largest network-independent platform. The first player on YouTube, JW Player now serves 1 billion users each month--accounting for 20 billion views and more than 900 million hours of video. Our world-class video technology empowers media giants like **Univision**, **VICE Media**, **Hearst**, **Fox**, and **Business Insider** to tell outstanding visual stories.

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