

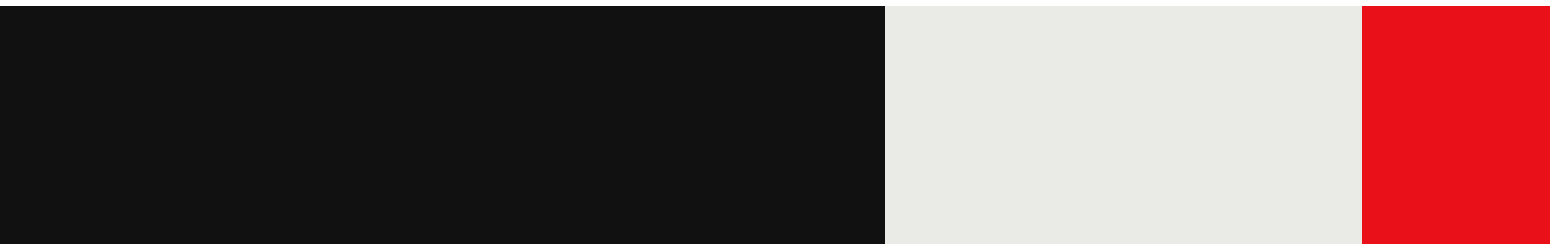
# Proposed change in video ad categories sparks debate

Article



**The controversy:** An Interactive Advertising Bureau (IAB) proposal to add a new classification for instream video ads could have big implications for buyers and sellers.

**The proposal:** Instream ads, which run before, during, or after digital video content in a video player (pre-roll, mid-roll, post-roll video ads) or as overlays, would be divided into two



new categories: **primary instream** and **accompanying instream**. Instream ads make up the bulk of video advertising on platforms like **YouTube**, and they also include social network ads on platforms such as Facebook Watch and Snapchat Shows—but not within social feeds.

- **Primary instream** would require the viewer to start the video, with sound on. It would represent between 5% and 10% of total video inventory, with CPM rates comparable to connected TV.
- **Accompanying instream** would encompass other videos that accompany editorial content, but they could be played automatically with the sound off. This group would make up about 40% of total video inventory.
- **Outstream ads**, which run alone or within their own player in a display placement, would make up the remaining 50% of video inventory.

**The tension:** The new specification, floated at the IAB's annual leadership meeting in January, came after feedback the IAB received following an August 2022 proposal that would have narrowed the criteria for instream, resulting in a scenario in which 90% of the inventory that previously counted as instream would be considered outstream, according to comments attributed to **Mediavine** CEO Eric Hochberger in [Adweek](#).

- That proposal drove a wedge between advertisers and publishers. Advertisers welcomed the idea for the clarity it would bring about what they are buying when they invest in instream ads, but publishers complained it would result in lower revenues, since instream ads typically command CPMs that are 15% to 20% higher than outstream.

**Our take:** The economic stakes are high. US digital video ad spending will reach \$93 billion this year, on its way to over \$143 billion in 2026. Its growth will outpace [digital ad spending](#)—a barometer of how important video is to the ad industry. Additionally, [native video ad spending](#)—which is made up mainly of outstream ads—is on track to top \$38 billion this year and will grow at double-digit rates through 2024.

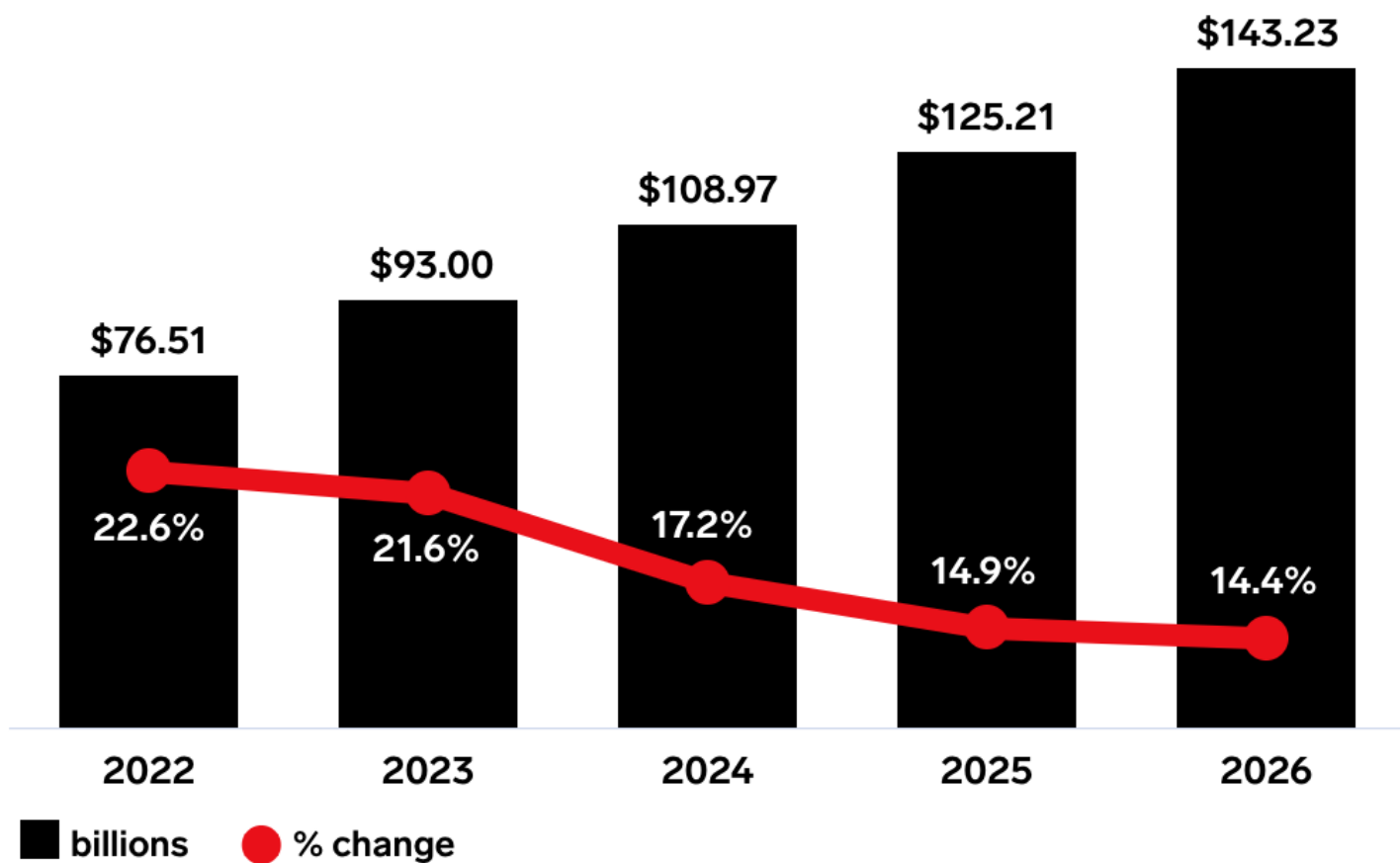
- The IAB's challenge is to give buyers more visibility into what they're getting when they purchase instream ads, while not compromising publisher revenues.

The IAB's comment period on this issue runs through March 26, so stay tuned for updates.

**Go further:** For more on the IAB specification, tune in to [this episode of the “Behind the Numbers” Daily.](#)

# Video Ad Spending

US, 2022-2026



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices; includes instream video ads such as those appearing before, during or after digital video content in a video player (pre-roll, mid-roll, post-roll video ads) and video overlays; includes social network instream video advertising in platforms such as Facebook Watch and Snapchat Shows; includes outstream video ads such as native, in-feed (including video ads in Facebook's News Feed and Twitter's Promoted Tweets), in-article, in-banner and interstitial video ads; data prior to 2017 excludes outstream video ads

Source: eMarketer, October 2022

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