

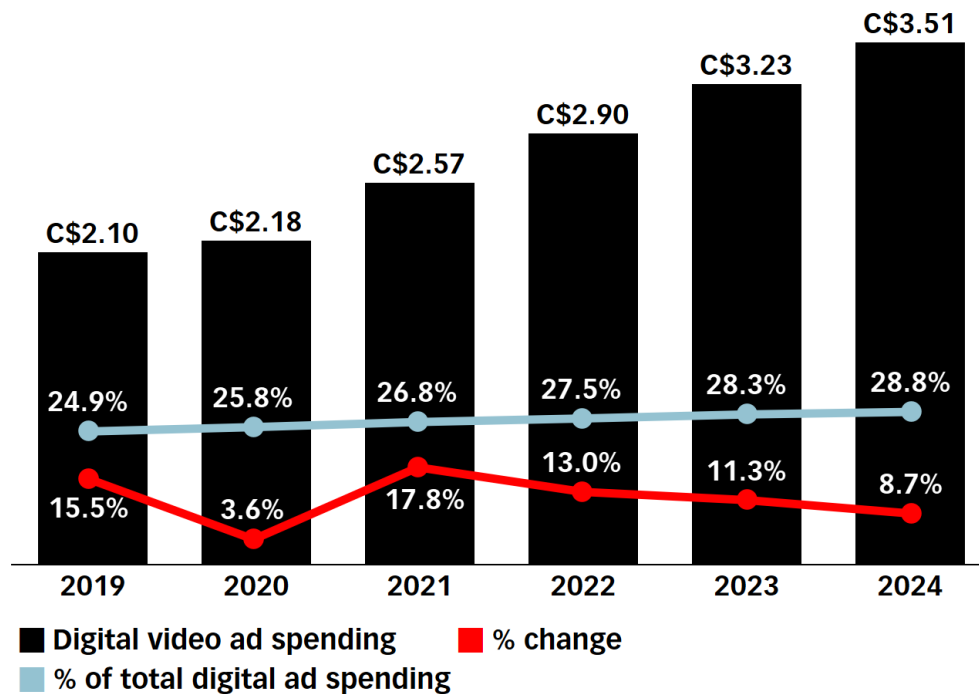
Digital Video Ad Spending to Climb in Canada, Even During Pandemic

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Paul Briggs

Digital video is the lone silver lining in Canada's ad market. Despite the pandemic, video ad spending will grow 3.6% this year to reach CA\$2.18 billion (\$1.64 billion). Video's growth has surged in the past five years, increasing more than sixfold from CA\$358.0 million in 2015.

Digital Video Ad Spending in Canada, 2019-2024
billions of C\$, % change and % of total digital ad spending



Note: includes in-banner, in-stream and in-text; includes advertising that appears on desktop and laptop computers as well as mobile phones and tablets

Source: eMarketer, June 2020

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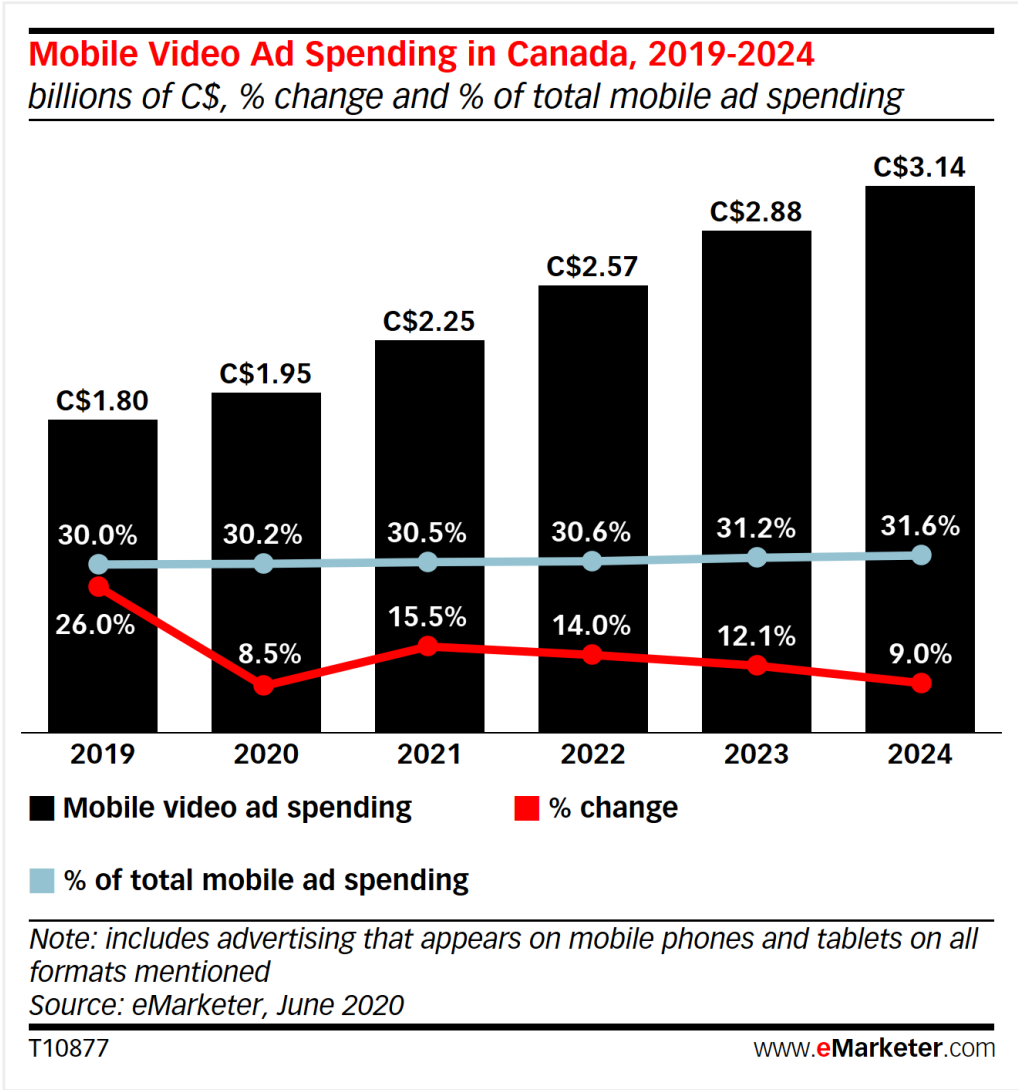
The format's strength is rooted in social media, which has maintained a healthy audience throughout quarantine measures. Also, digital video is proving to be an effective alternative to TV for branding efforts, which are an increasing priority for campaigns aiming to build goodwill in a time when transacting is restricted.

Digital video spending could get a bump from TV's hit during the pandemic, especially related to sports content, which drives a sizable audience and spend level for live linear TV.

In 2020, video will surpass traditional digital display spending in Canada for the first time. Video now makes up 25.8% of all digital ad spending. For each of the past five years, video topped all other digital formats in annual growth.

Video’s ascendance in Canada took years to develop. Even with YouTube’s strong audience in Canada and the heavy monetization of pre- and mid-roll in-stream ad units on the platform, our forecasts showed video accounted for less than 10% of digital spending in Canada up until 2016. But in 2017, video’s share jumped to 22.8%, the result of the vastly improved video placements in social media. Instagram Stories video ads debuted in Canada in 2017, contributing to an apparent tipping point for outstream video.

Video advertising is even more prevalent on mobile devices because of the heavy mobile consumption of social media. Video will account for 30.2% of total mobile advertising in 2020. Mobile video spending will reach CA\$1.95 billion (\$1.47 billion) this year, and will grow 8.5% next year. Mobile will account for 89.6% of the digital video market in 2020.



Despite heavy growth in recent years, there's been a shortage of in-stream video ad inventory supply in Canada historically, especially in programmatic channels. Traditional publishers with a specialty in news and TV have preferred to sell premium ad placements in video directly or in private marketplaces where a limited number of buyers and sellers can transact. The shortage of quality inventory is especially acute in Quebec, where only a handful of publishers are producing monetizable video content in French for programmatic transacting.

To learn more about how the coronavirus is affecting Canada's total ad spend, eMarketer PRO subscribers can read our recent report:

Report by Paul Briggs Jul 02, 2020

Canada Digital Ad Spending Update Q2 2020

CANADA DIGITAL AD SPENDING UPDATE Q2 2020

Total Ad Spending Will Take a Hit,
While Digital Remains Flat

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