

The Marketer's Guide to **YouTube Ads**

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PPC Associates
holistic online marketing

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An Introduction to YouTube

Even if you've never advertised on it, you know YouTube. You've watched videos of kittens or football highlights or biting Charlies on it. Chances are you've been served ads on it. And if your company has any kind of brand/product content, you should be figuring out how to put YouTube to work for you.

In *The Marketer's Guide to YouTube Ads*, we'll explain why it's such a powerful tool and what metrics you can expect (or tell your clients to expect) from a well-run campaign. We'll also explore the two platforms, the various ad types, and the available targeting options.

So...why use YouTube?

This one's easy: it's the world's largest video ad network, and thanks to Google's 2006 acquisition, it's tightly integrated into AdWords (the SEM's lifeblood). It has reach. It has control. And if you've worked with an AdWords account, you'll have a good handle on running it before you create your first campaign.

Perhaps the coolest thing about YouTube advertising is that you can use it as a search platform, to reach a limited set of high-intent users, or as a display platform, which basically works the same way any other GDN campaign does.

Here's what Red Bull's search and display ads look like:

YouTube Q Browse Movies Upload ronppca

This account is managed by ppcassociates.com [Learn more](#) X

Filter ▾ About 143,000 results Sort by Relevance ▾

Fly With Red Bull
 Watch Red Bull Flugtag As Teams Fly Their Flugtag Machines In Chicago
 by GivesYouWings | 134,844 views
 0:31

GoPro HD Redbull Soulwave
 Check out epic footage from the Redbull SUP & Windsurf competition.
 by GoProCamera | 280,527 views
 3:27 Ads

Red Bull
 Experience the world of Red Bull like you have never seen it before. With the...
 Backyard BMX and Motocross park - Red Bull Farm Jam
 CHANNEL 2,238 videos | 521,811 subscribers
 by redbull

Red Bull Joyride 2012 Canada Recap
 The level of difficulty of the Red Bull Joyride course, designed by the athletes...
 HD 1 week ago | 65,012 views

509 Volume 7 Snowmobile
 New snowmobile film from 509, VOL 7 Watch now. Starring Chris Burandt
 by 509Films | 116,750 views
 4:10

Crazy Cat
 On the the Red Blanket. Very funny!
 by alwayshungrycat | 1,258 views
 1:36

Ab Workout by Flex Belt
 Tone, Strengthen & Firm your Abs. FDA Cleared Ab Belt. Check it Out.
 by flexbeltabbelt | 29,768 views
 24:05

YouTube Search Ad, above

Red Bull Joyride 2012 Canada Recap



Subscribed

2,239 videos



Like Add to Share

64,730

People who watch fashion videos.



GoPro HD Redbull Soulwave
by GoProCamera
280,527 views

Ad



Red Bull Signature Series - Hare Scramble
by redbull
43,045 views

YouTube Display Ad, above

Why not use YouTube?

Before it starts sounding like I'm working from a certain office in Mountain View, I should add that YouTube won't work for all companies. If you're gunning only for direct-response ROI and have a limited budget, it's not for you. If you have very little brand/product video content, don't have much of a content budget, and can't even figure out what kind of content might drive sales, it's not for you.

What can you expect from a good YouTube campaign?

Let's say you do have a strong brand or product (this can be a tangible product, a B2B service, a great university, etc.) And some good existing content, like this great video from DC Shoes. You should be on YouTube yesterday — provided you have the marketing budget for it and the right expectations.

YouTube is a content distribution channel, period. This means you should let the content do the work to market your brand/product and build awareness, which must be the primary goal of the campaign.

This also means that, no matter how targeted and customized your campaign, YouTube is not a bottom-of-the-funnel channel. No matter how good the content, you're not going to double conversions in a week. You will get conversions if you're targeting the right audience, but because video ads are less focused on direct response, some risk tolerance is necessary to build a YouTube campaign.

Now that you've been persuaded to advertise on this (very powerful) channel, we'll break down the differences and relative strengths and weaknesses of the two available platforms.

A Breakdown of the AdWords vs. AdWords for Video (AWFV) Platforms

AdWords

How does it work?

It functions just like the AdWords you know and love, with the exception that ads must be built in the UI and cannot be created in AdWords Editor. With this use of AdWords, note that "clicks" are actually "views," meaning that users stayed on the video view page long enough to register as a view.

Who should use it?

People who want to use the old "Promoted Video" format will be comfortable with this platform. Its benefits are: the ability to scale quickly through AdWords Editor; and access to AdWords segmentation and reports. It's also good for marketers comfortable using search as a conversion-focused campaign.

⚠ This Promoted Videos template will soon be replaced by the [TrueView in-search and in-display ad formats](#). Depending on your goals, you'll need to use these updated formats either here or in [AdWords for video](#) when building your campaigns. [Learn more about these tools](#).

Note: Your existing ads will not be affected.

Currently available in [select countries](#).

New! Drive traffic to your website from your Promoted Video using [Call to Action overlays](#).

Ad Name

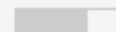
Relevant to Ad

Headline and Description

Watch this awesome video

Compelling copy for the video

Not selling the product



YouTube Video

[Select a YouTube video](#)

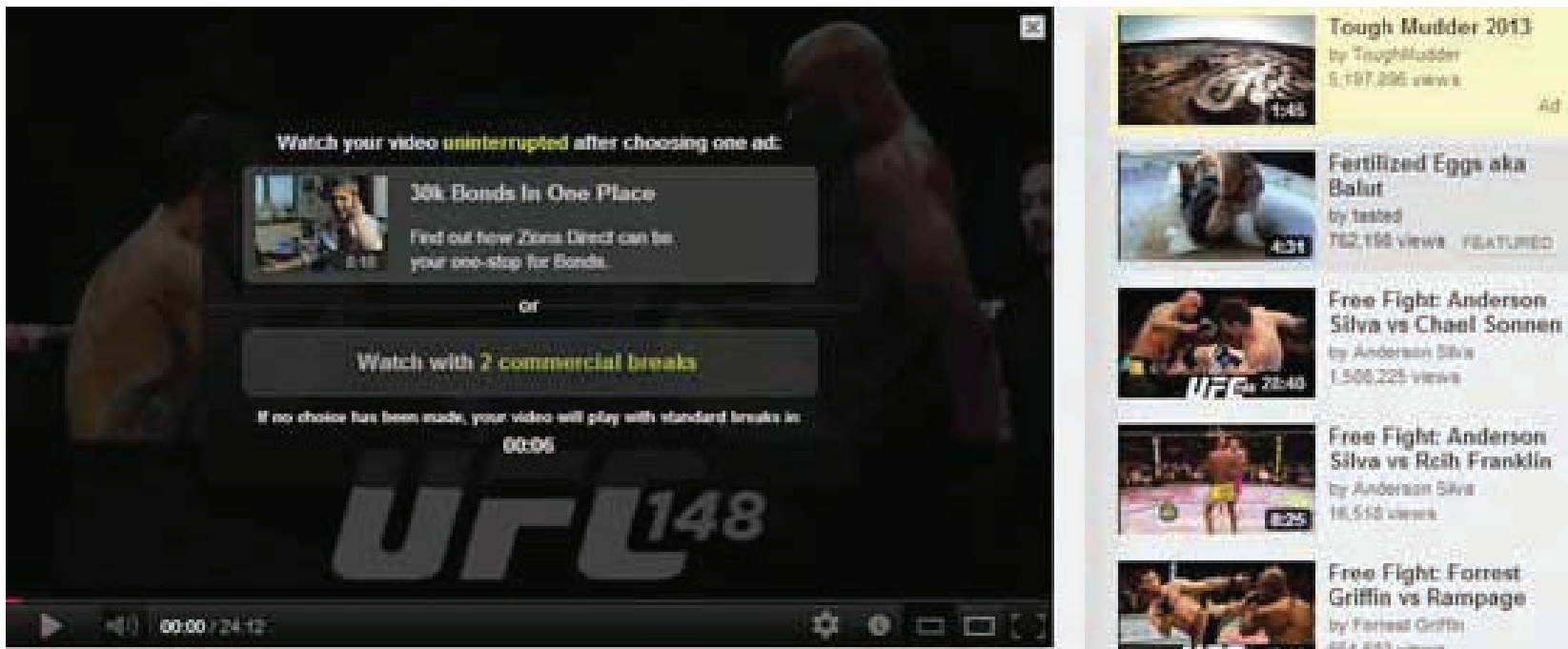
Select the video you want to promote.

Who shouldn't use it?

Anyone interested in video view metrics, anyone who wants to run TrueView in-stream ads, or anyone who wants to get in front of a new audience (since the most reliable way to do so is with TrueView in-stream).

How is it limited?

AdWords only works for in-search and in-display ads (note: we'll break down the different types of YouTube ads in part 3). It does not support video-view metrics.



In-slate ad (left) is only available through AdWords for Video; you can get in-display ads (right) on either platform.

AdWords for Video (AWFV)

How does it work?

AWFV has a new UI. It maintains a similar structure to AdWords platform in campaigns and uses targeting groups in place of ad groups. Ads are at the campaign level and can be distributed across one or all targeting groups in the campaign. When creating the ad, users have the option of utilizing one of four ad types: in-stream, in-search, in-display, in-slate (again, ad type breakdown coming in part 3 of the series).

Campaign	Status	Budget	Impressions	Views	Avg. CPV	Total Cost	View Rate	Video played to:				Website Clicks	CTR	Avg. CPM	Follow-On Views
								25%	50%	75%	100%				
Campaign 2	Paused	\$150.00/day	25,699	7,290	\$0.06	\$446.54	28.37%	95%	52%	39%	30%	225	0.88%	\$17.38	18
in-search			17	0	\$0.00	\$0.00	0.00%	—	—	—	—	0	0.00%	\$0.00	0
in-slate			0	0	\$0.00	\$0.00	0.00%	—	—	—	—	0	0.00%	\$0.00	0
in-display			0	0	\$0.00	\$0.00	0.00%	—	—	—	—	0	0.00%	\$0.00	0
in-stream			25,682	7,290	\$0.06	\$446.54	28.39%	95%	52%	39%	30%	225	0.88%	\$17.39	18

Who should use it?

Advertisers who want access to video-view metrics and use quality of view as a KPI; advertisers who want to create in-stream and in-slate ads; advertisers who want to get in front of a new audience; and advertisers who value the power of commercials for branding and awareness and seek a more targeted and cost-effective platform with better reporting.

Who shouldn't use it?

Advertisers using in-search and in-display only where view metrics are not important; advertisers who value the Dimensions tab and segmentation; advertisers attempting a DR campaign using search.

How is it limited?

AWFV has much lower caps than the AdWords platform, e.g. 10 targeting groups and 400 ads. If you use more than one target in a group, your ad is only served to the intersection — and not the combination — of the targets. It definitely has cool segmentation, but it's missing some core AdWords features such as geo reports.

Still with us? Great! On to:

A Breakdown of YouTube Ad Types

There are five types of YouTube ads: in-search, in-stream, in-slate, in-display, and preroll. We'll break down how they appear, which platforms offer them, and best use cases. Here goes...

In-Search Ads

Also known as promoted video and formerly known as YouTube advertisements, in-search ads appear on the search screen of YouTube.com.

When would you use them?

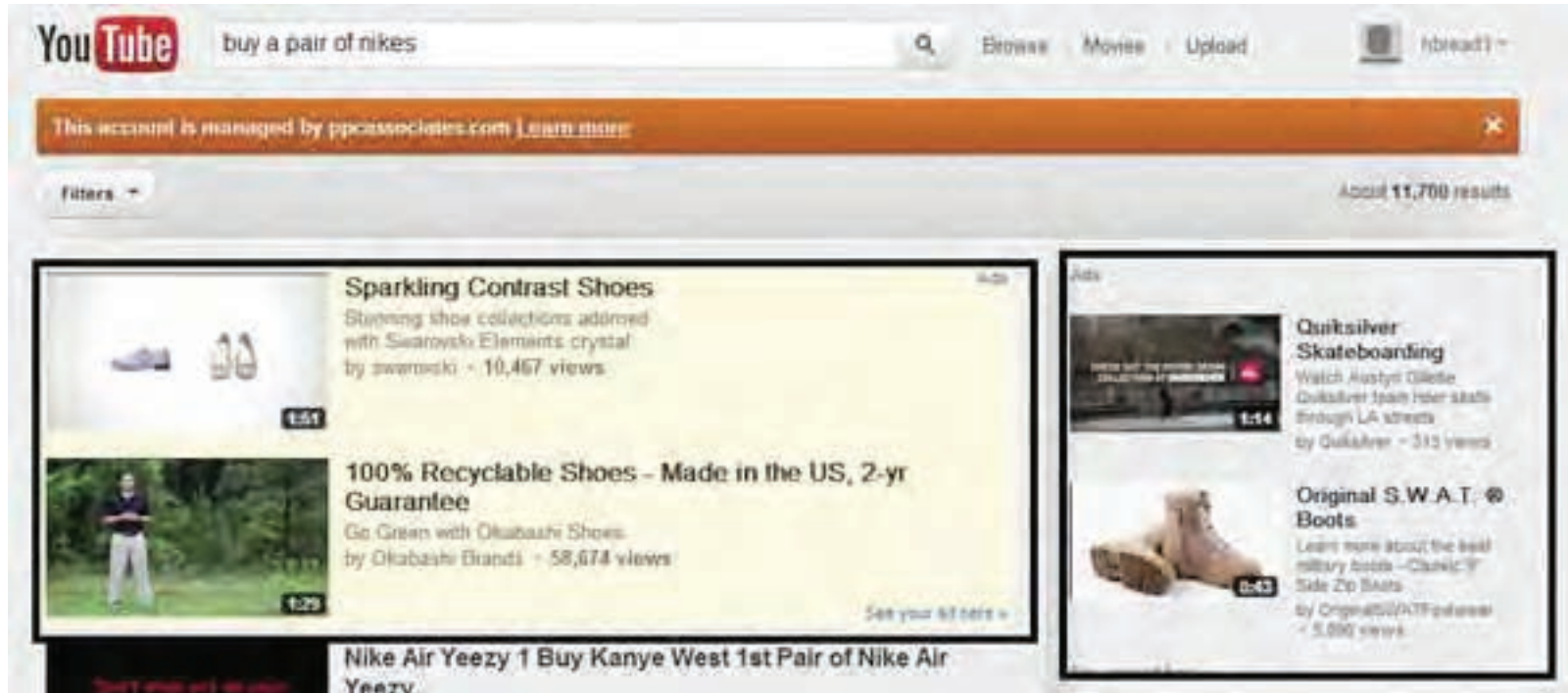
They're your best bet among YouTube ads if your primary objective is driving conversions, since the browser has already expressed some intent. If you have a brand channel, you definitely want to own brand search terms so you are able to show the video of your choosing. If the product or service advertised fits a particular need, such as apparel, it also makes sense to run them for search terms for tips or how-to's.

When wouldn't you use them?

If the goal is to maximize views at the lowest CPV, search is not the best channel; it's usually more expensive than other options.

Supported by AdWords or AdWords for Video (AWFV)?

Both.



The screenshot shows a YouTube search results page for the query "buy a pair of nikes". The page features several video advertisements. The first ad is for "Sparkling Contrast Shoes" by Swarovski, with 10,467 views. The second ad is for "100% Recyclable Shoes - Made in the US, 2-yr Guarantee" by Okabashi Brands, with 58,674 views. The third ad is for "Original S.W.A.T. Boots" by Original SWAT Footwear, with 5,090 views. The fourth ad is for "Quiksilver Skateboarding" by Quiksilver, with 313 views. The fifth ad is for "Nike Air Yeezy 1 Buy Kanye West 1st Pair of Nike Air Yeezy".

In-Stream Ads

These ads are skip-able long-form video content shown as a pre-roll to other video content. Think of them as a affordable (less expensive than in-search), well-targeted, skip-able commercial spots.

When would you use them?

In-stream ads are best for awareness, branding, and video views. They're a great way to get in front of a new audience at the very top of the funnel (from there, you can use retargeting to reengage users). They're also good for driving views in general, though the views tend not to be the best quality since the run time is shorter than other ad types.

When wouldn't you use them?

They're not the best option for driving conversions or quality views.

Supported by AdWords or AWFV?

AWFV only.

In-Slate Ads

These ads are non-skip-able pre-roll to other video content; they must be selected by users among several options. In-slate ads have limited volume, but they're great long-form options.

When would you use them?

They're great for branding plays and when it's vital that users see the entire video. Volume may improve as Google pushes for more original long-form content.

When wouldn't you use them?

If you need volume or direct conversions, in-slate ads aren't the best choice.

Supported by AdWords or AWFV?

AWFV only.

Ad Formats

In-search


In-slate

In-display

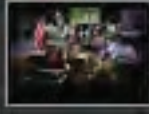
In-stream

Preview

Watch your video **uninterrupted** after choosing one ad:



Test Ad 1
Test ad description line 1
Test ad description line 2

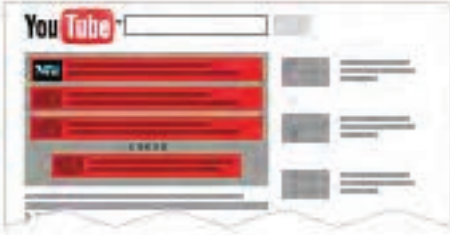


Test Ad 2
Test ad description line 1
Test ad description line 2

or

Watch with **4 commercial breaks**

If no choice has been made, your video will play with standard break in
00:20



?

In-Display Ads

These come in one or more of three formats. They're shown in the Google Display Network, with the displayed form being based on both the advertiser's and webmaster's settings. They're also known as promoted video.

When would you use them?

These work best when you have an engaging piece of content that users would want to click and watch. They drive higher-quality views than in-stream ads, since the video must be selected. These are also best ad type for managed placements (if you want the ad to show alongside specific videos only).

When wouldn't you use them?

You wouldn't use them if the content isn't enticing enough for the viewer to select on his/her own.

Supported by AdWords or AWFV?

Both.

Preroll Ads

These are 15- or 30-second non-skip-able spots. They're most comparable to television commercials and work on at CPM basis.

When would you use them?

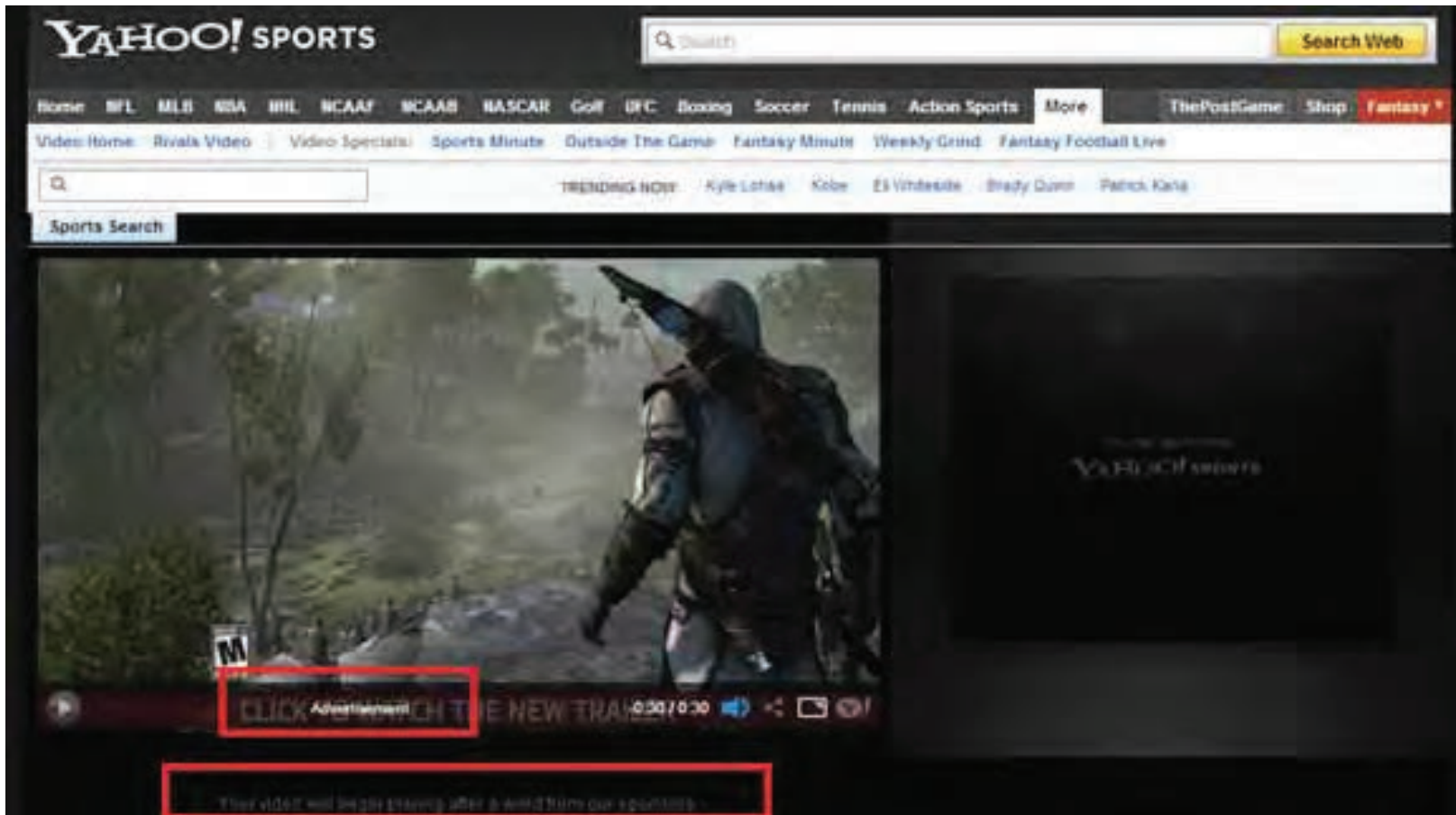
They're great if you have a 15- or 30-second commercial or video ready to go; they're good plays for branding and awareness. Great for something like a new product release.

When wouldn't you use them?

Don't use them to drive views; this is the only ad type that doesn't count towards views.

Supported by AdWords or AWFV?

AdWords only.



By this point, you should know which ads you want to use (and which platform to use for building and reporting). Last but not least:

A Breakdown of YouTube's Targeting Options

Before we break down the available targeting types (search, audience, targets/contextual, managed placements, and demographic), a quick note: on the AdWords platform, you have the option of broad or specific reach; in AdWords for Video, you are stuck with specific reach.

Specific reach means that when two or more targets are chosen, the ads will only reach the intersection of the two. Broad reach will be shown to the combination of the targets, meaning whatever is available for each target, not just where they intersect.

Now, on to the targeting types! For each, we'll offer a quick description, with recommendations of which ad types to use with each targeting type and screenshots of the respective UIs. Here goes:

Search

YouTube is treated as a search partner by Google, so search works the same as a traditional AdWords campaign, reaching a limited set of high-intent users. Queries tend to be focused on head terms, and — as with traditional search - it's an established best practice to own your brand terms.

Best for which ad types?

Works with TrueView in-search ads only.

UI of AdWords platform:

Display Keywords
gopro, gopro hero, gopro hd, gopro hd hero2 [Edit](#)

Placements
Choose websites where you'd like to show your ads. [Learn more](#)
Need more ideas? Try the [Placement Tool](#).

Search for placement ideas Selected placements: 0

Enter a word, phrase, or website

[Add multiple placements at once](#) [?]

The shaded area indicates potential reach according to your targeting settings.

Selected targeting

Display Keywords

[Learn more about where your ads might appear and what bid will be used.](#)

Topics
[All](#) [?] [Edit](#)

Interests & Remarketing
[All](#) [?] [Edit](#)

Gender
[All](#) [?] [Edit](#)

Age
[All](#) [?] [Edit](#)

UI of AdWords for Video platform:

Target people who are searching [?]
For your ads to appear next to search results we need a set of keywords that will trigger them.

YouTube search keywords [?]

Enter keywords line by line	Selected keywords: 0 remove all

Audience

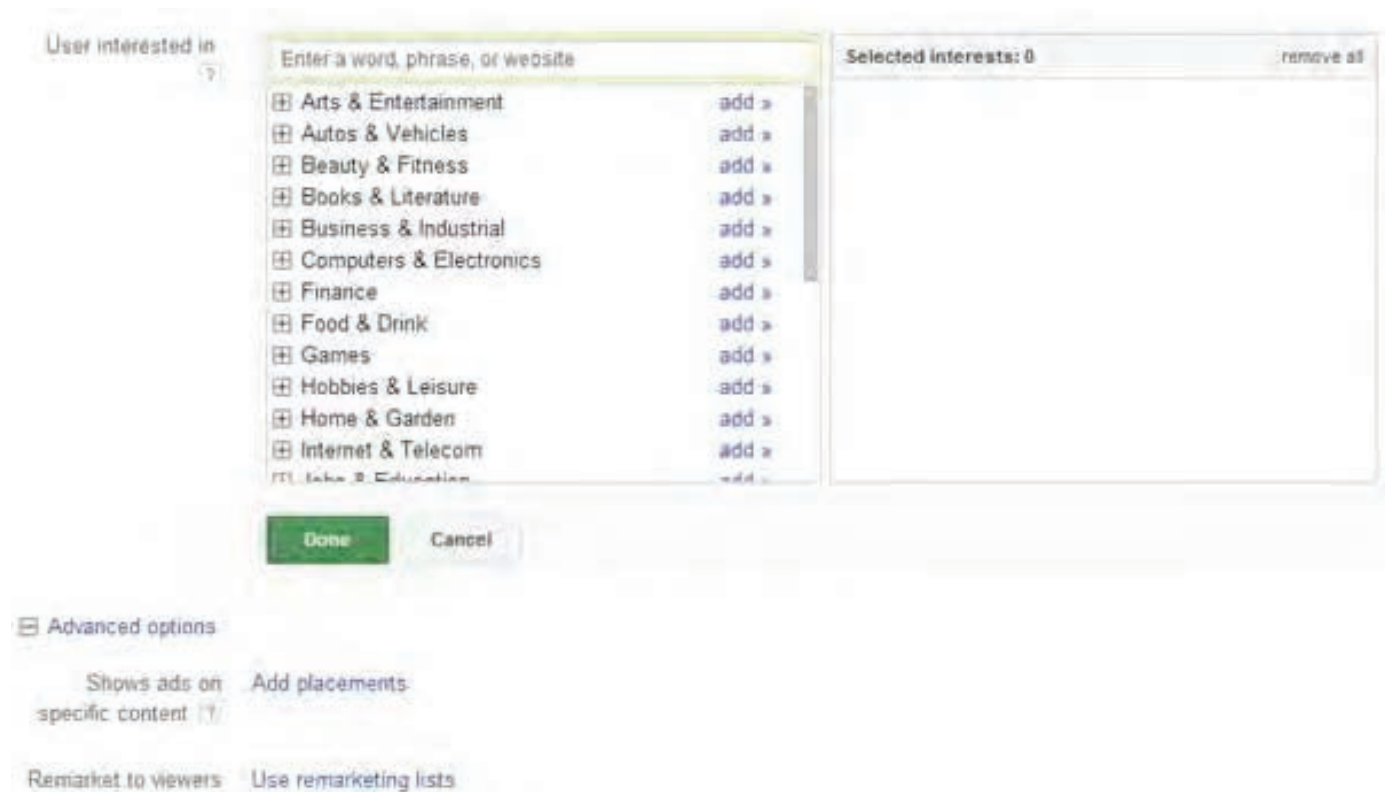
Works through either interest targeting (through Google's user profiling) or remarketing. It's a great volume driver; no matter what sort of content is available through YouTube, you have a way to reach your particular audience.

Best for which ad types?

I like audience targeting best for TrueView in-stream; those ads are played before a video (rather than the user having to select it alongside other pieces of content). If you've targeted users with precision, odds are decent that they'll watch (without having to take the step of actively clicking the video).

I would recommend using remarketing for all ad types; the user is already engaged with the brand, and the goal is to reintroduce him/her to the brand and possibly a conversion event.

UI:



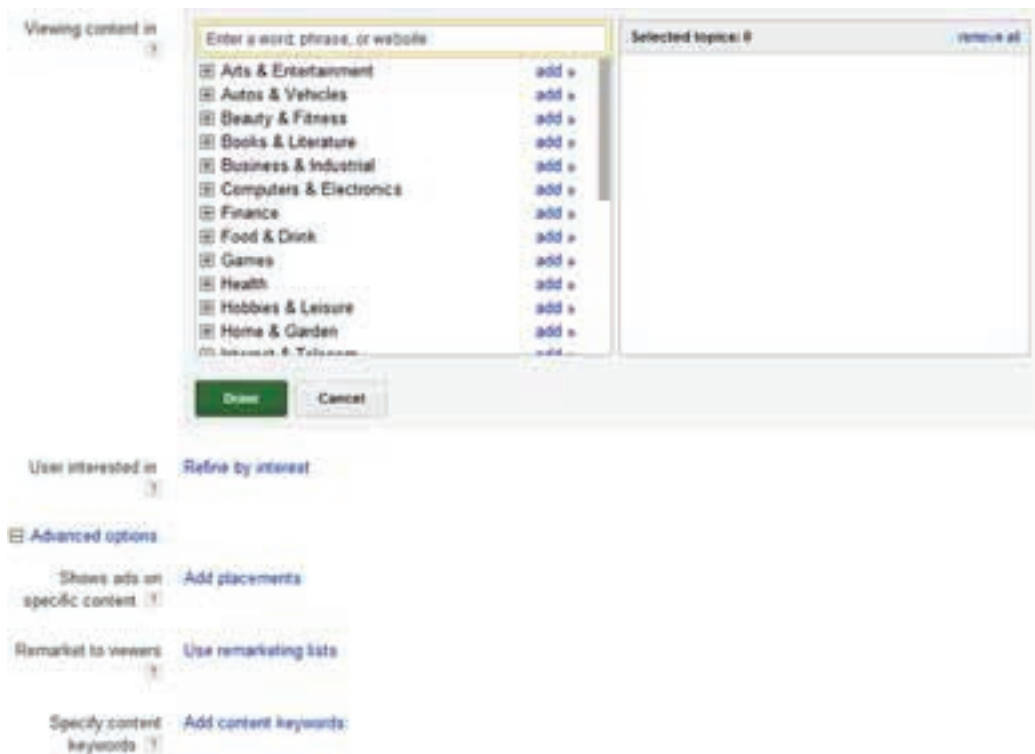
Topics/Contextual

Targets ads by what users are browsing/viewing content in. Because it's more precise than audience targeting, there's a smaller audience, and placements are more expensive.

Best for which ad types?

I like topics/contextual targeting best for TrueView in-display because it is most similar to the organic suggested videos. This way, the ad unit seamlessly blends with the user's content consumption, which is a great approach to content marketing.

UI:



Managed Placements

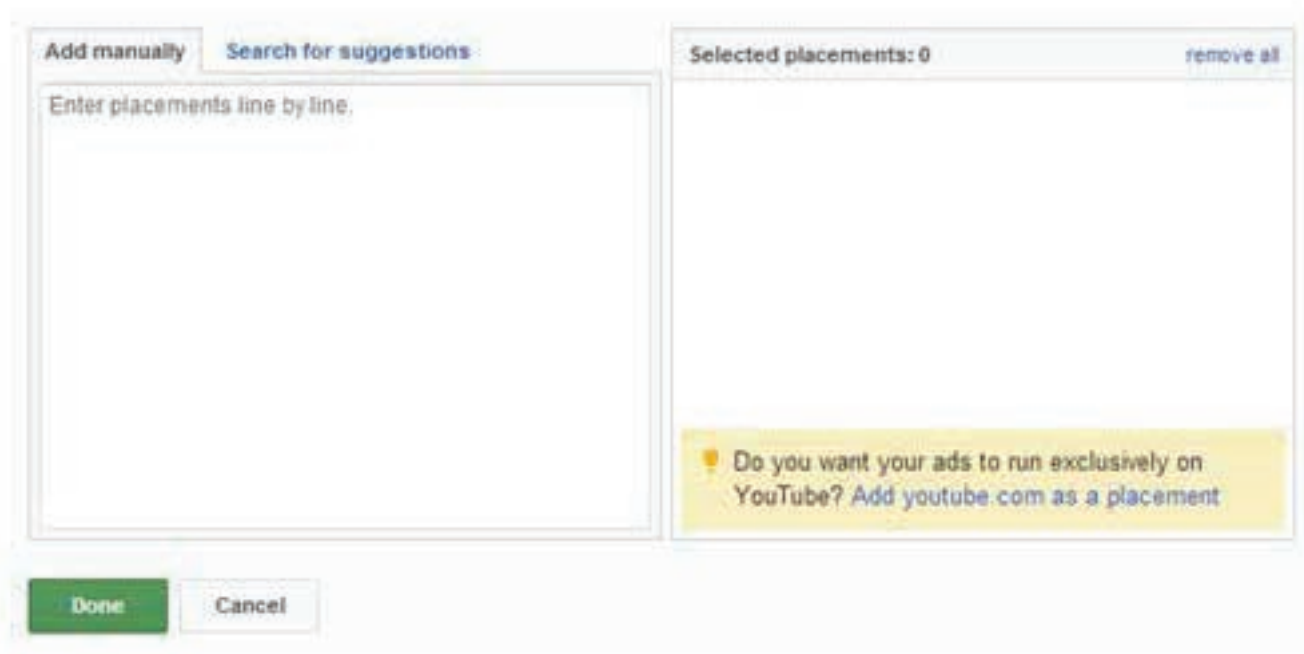
Extremely precise option with limited volume and high costs, and Google just made it available (again) for AdWords for Video. You can use it for high-impact targets like brand pages and even specific videos.

Best for which ad types?

I prefer in-display only, since you can work your content into users' consumption and transition to your brand's content. For in-stream ads, I'd skip managed placements in favor of demographic plus audience targeting.

UI:  Advanced options

Shows ads on
specific content ⓘ



Advanced options

Shows ads on specific content ⓘ

Add manually Search for suggestions

Enter placements line by line.

Selected placements: 0 remove all

Do you want your ads to run exclusively on YouTube? Add youtube.com as a placement

Done Cancel

Demographics

You can use this in combination with other targeting types to layer on age and gender targeting.

Best for which ad types?

I prefer overlaying demographics with other targeting and then applying to in-stream ads. Since in-stream ads are most effectively used for branding, it's best to hone in on the target demographic as much as possible. (Other ad units are more self-selecting.)

UI:



The screenshot shows the 'Demographic' targeting interface. It features a title 'Demographic (?)' and two main sections: 'Age' and 'Gender'. The 'Age' section contains seven options: '18-24', '25-34', '35-44', '45-54', '55-64', '65+', and 'Unknown*', each with a checked checkbox. The 'Gender' section contains three options: 'Male', 'Female', and 'Unknown*', each with a checked checkbox. Below these sections is a note: '*Unknown: Target people whose age or gender AdWords does not know.' At the bottom, there are two buttons: 'Done' (green) and 'Cancel' (white).

Parting thoughts

As we spelled out in the opening pages, YouTube advertising isn't for everyone. But it can be an incredibly effective channel for pushing brand awareness, building a brand community, and even getting the occasional conversion! Add this to the idea that Google's pouring resources into the channel to make it more and more viable – and easy for marketers to use – and I'd say it's high time to put what you just learned to use!

About PPC Associates

PPC Associates is a digital marketing agency located in the San Francisco Bay Area.

Our approach is what we call “holistic digital marketing.” We've identified seven core elements that go into effective marketing strategies, and we make sure to apply these principles to each of our clients. To be successful, we consider everything from your Web site usability to the time of day and geographic location of your sales.

We begin every engagement by getting a thorough understanding of: your business objectives; your Company's core strengths; and the interaction between your marketing campaigns and your Web site, your sales team, and your customer service department. As a client, you can expect us to constantly ask for greater understanding of your business and to use that information to further improve your marketing campaigns.

Finally, we've learned from experience that a marketing department that is considered a company's “cost center” is the first team to go when times are tough. We take the approach that all marketing should and must be a “profit center” for your business. This means that we work with every client to understand your business goals - either in terms of revenue, profit, or margin dollars - and then run your campaigns to meet or exceed these goals.

PPC Associates was founded in 2008 and has more than 60 clients, including GoPro, SurveyMonkey, OneKingsLane, and Eventbrite.

About the Author

Ron Fusco graduated from Binghamton University with a degree in Mathematics and Psychology. Prior to coming to PPC Associates in August 2010, Ron managed a gourmet Italian market, where he was responsible for P&L, staff, products, marketing, and day-to-day operations. Ron has grown an array of client accounts using diversified channels with a focus on granular reporting and precise attribution. He is a native New Yorker and enjoys cooking, music, biking, whiskey, exploring new cities, armchair economics, and tech news and forecasting.

Contact Us

To learn more about how PPC Associates can help improve your SEM, Facebook, YouTube, or display campaigns, please contact us at 650-539-4124 or visit our website.