

What Is...

Clarifying marketing topics and terms



A Video Impression

Understanding the Foundation
of Media Buying

March 2024



What Is a Video Impression?

Untangling and simplifying marketing topics and terms

Video Impression Defined

A video impression is a metric used to **quantify the number of views** a video ad has achieved when served to an audience. It is often used as the core metric for media measurement and transaction via cost-per-thousand (CPM) impressions.

Overview

An impression is the **standard metric** for buying and selling video ads; however, it is **not a standardized metric and can vary greatly across media channels** (and even within the same media channels). As the video ecosystem continues to evolve and further fragment, so does the definition.

With approximately **\$167 billion dollars projected to be spent on video advertising in the U.S. in 2024¹**, knowing how the definition of an impression can vary across, and within, their media channels enables marketers to **optimize their buying decisions, allocate their budgets more effectively** and **determine their true CPM**.

In this piece, we will showcase the importance of **knowing the value of impressions**, the **benefits for understanding their value** and we will provide **tips for understanding your impressions** through the campaign lifecycle.

The Common Metrics Impressions Support



Reach

Definition: The number of people exposed to a single ad served.

Formula: Reach = Impressions / Frequency



Frequency

Definition: The number of times a person is exposed to an ad, or an ad is served

Formula: Frequency = Impressions / Reach



CPM

Definition: Cost per mille/thousand (CPM) determines the price for every 1,000 ad viewers.

Formula: Campaign Spend / Impressions x 1000

Examples: CPM, eCPM, vCPM



Outcomes

Definition: Performance metrics used to quantify the impact of an ad

Example Formula: CTR = Clicks / Impressions

Other metrics: brand awareness, online sales, store visits, etc.

The Value of Buying and Measuring Based on Impressions



Increased Granularity

Evolving from traditional GRP-driven buying to impression-based buying gives marketers a more thorough and accurate view of audiences. Shifting from ratings to impressions can lead to increased supply enabling more cost-effective planning, buying and measuring of video campaigns.



Audience-Based Buying

Audience-Based Buying enables advertisers to effectively target their best customers through data-driven segments (based on behavioral, attitudinal, lifestyle or transactional data), adjust creative messaging, and engage with multiple target audiences across video platforms.



Cross-Platform Currency

As the video ad ecosystem continues to evolve and shift, the future of currency must account for multi-screen viewership and campaign strategies. The cornerstone for cross-platform transactions is impression-based buying which links linear and digital for holistic measurement.



Flexible In-Flight Optimizations

Campaigns focused on impressions allow for budgets and inventory allocation to be shifted seamlessly across inventory (platforms, channels, programs, etc.) to effectively reach the target audience throughout the campaign flight.²



Tied to Outcomes

Measuring full funnel outcomes such as brand awareness, online search, in-store visitation, and sales enables marketers to effectively evaluate their advertising ROI and quantify the full impact on their marketing efforts. Proving the performance can inform future campaign strategies and potentially justify increased budgets.

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The Benefits of Understanding the Value of Your Impressions

Accurate valuation of impressions is crucial for marketers as it allows them to gauge the **effectiveness and efficiency of their omnichannel advertising strategies**. By understanding the true value of impressions, brands can optimize their buying decisions, allocate their budgets more efficiently and determine their true CPM. This knowledge empowers marketers to differentiate the value of their impressions in the market.



Effectiveness & Efficiency



Informed Strategic Decisions



Allocated Budgets for Maximum Impact



Enhanced Competitiveness

*“I think [advertisers] need to, at a high level, **understand what they’re buying and understand why they’re buying** something. Transparency and really understanding it. Knowledge is power. **If you don’t understand it, you’re not going to understand the work behind it good or bad**, and rate-wise good or bad as to whether it’s worth it.”³*

– Anonymous Agency Account Lead

Tips for Understanding Your Impressions

Know How Each Impression is Quantified



- ▶ Not all impressions are created equal. Work with **transparent** partners and organizations who provide **clear definitions and guidance** of what is presented in the campaign setup and execution strategies (e.g., CPM, user interfaces, reporting, etc.).

Evaluate the True Value of Your Impressions



- ▶ **Accurate valuation** of impressions is crucial for marketers as it allows the ability to gauge the **effectiveness** and **efficiency** of their omnichannel media campaigns. Impression validation and quality control can unlock the power of targeted campaigns at scale.

Optimize Your Advertising Budget to High-Value Impressions



- ▶ While quantity and scale matter, **quality impressions** are table stakes for **effectively reaching target audiences** and **driving ROI** on modern omnichannel campaigns. Brands should prioritize and allocate budgets to high-quality impressions available across premium media channels.

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Examples of Third-Party Vendors Measuring Impressions



Common Types of Impressions (MRC/IAB Definitions) ⁴

When analyzing campaign results, be sure to know the type of impressions you are reviewing; particularly on digital platforms where there is greater complexity in the impression type reported

1. Standard Impressions

An ad creative is sent from the ad server but not necessarily rendered on the screen



2. Rendered Impressions

An ad creative is delivered and loaded to the screen but not necessarily visible



3. Visible Impressions

At least 1% of an ad creative appears on screen but not necessarily viewable



4. Viewable Impressions

100% of an ad creative appears on screen for 2+ seconds



Related Terms

Metrics & Ad Types

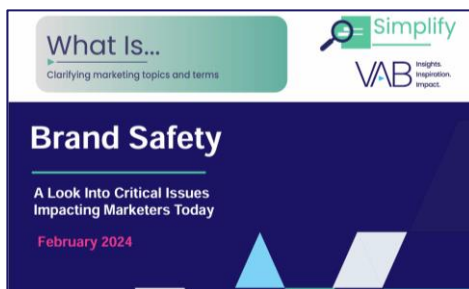
- **Begin to Render:** A buyer's ad must load and begin to render before an impression is counted.
- **CPM:** Cost Per Mille (thousand) determines the price for every 1,000 ad views.
 - **Subtypes:**
 - **eCPM:** effective Cost Per Mille (thousand); highlights the value of impressions based on generated revenue.
 - **vCPM:** viewable Cost Per Mille (thousand); the value of every 1,000 ad views that are viewable on a screen.
- **GRP:** Gross Rating Point; the percentage of a target demographic reached by an ad or campaign.
- **Reach:** The number of people in a target audience exposed to an ad or campaign.
- **Frequency:** The number of times a person is exposed to an ad or the number of times an ad is delivered throughout a campaign.
- **Rating:** The percentage of the total potential audience exposed to an ad or campaign.
- **Outcomes:** Performance metrics used to quantify an ad or a campaign's efficacy.
- **Invalid Impressions:** Impressions generated by bots or non-human traffic that can artificially inflate the impression counts.
- **Time Qualifier:** The minimum amount of time an ad must appear on screen to count towards delivery for measurement.
- **Average Ad Duration:** The average length of an ad used on the media channel or campaign.
- **Average Ad Screen Coverage:** The threshold standard for the portion of an ad to be visible on a screen to be deemed viewable. This primarily applies to digital platforms.
 - ***Varies =** can vary based on ad type and digital platform.
- **In-Stream:** Ads played before, during or after the streaming content that the consumer has actively participated in viewing. The sound must be on by default at the start to qualify as in-stream.
- **Outstream:** Ads in video format that are served alone, usually on a webpage. This can include in-banner video, in-page video. Also, the sound is off by default.

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About VAB

VAB plays a dual role in the video advertising industry. We are leading the change to bring about a more innovative and transparent marketplace. We also provide the insights and thought leadership that enables marketers to develop business-driving marketing strategies.

Drawing on our marketing expertise, we **simplify** the complexities in our industry and **discover** new insights that **transform** the way marketers look at their media strategy.

We are committed to your business growth and proud to offer VAB members, brand marketers and agencies **complimentary access** to our continuously-growing Insights library. **Get immediate access** at theVAB.com.

Sources

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3. Kroll, ANA Programmatic Media Supply Chain Transparency Study, August 2023
4. MRC, *Viewable Ad Impression Measurement Guidelines*, September 4, 2019