

Report: Facebook captures 25 percent of U.S. digital video ad revenue

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Facebook Inc. is rapidly increasing its ad revenue from video, capturing 25 percent of the nation's digital ad spending in that category, according to a forecast released Tuesday.

Facebook is expected to bring in \$6.8 billion in digital video [ad revenue](#) this year, up 42 percent from 2017, according to research firm EMarketer. The Menlo Park, Calif., company, which owns photo and video app Instagram, is outpacing video ad sales for other social media competitors, including Twitter Inc. and Snap Inc. Facebook commands 87 percent of U.S. social network video ad spending, compared with Twitter's 8 percent and Snap's 5 percent.

The growth comes as Facebook has been heavily investing in expanding its video offerings with several scripted shows such as "Sorry for Your Loss," which stars Elizabeth Olsen and has received critical acclaim similar to network TV shows.

The longer-video format gives Facebook more opportunities to sell ads and encourage its 2.2 billion monthly active users to spend more time on the social network, analysts said.

"Increasingly, the type of advertising (businesses) have done on TV is more available to them on streaming and social platforms," Paul Verna, a principal analyst for EMarketer, told the Los Angeles Times last month.

Facebook's video ad sales are expected to represent nearly 30 percent of the company's total revenue this year, EMarketer said. That's a huge growth compared with EMarketer's estimates for 2017, when Facebook's video ad sales represented just 12 percent of the company's total ad revenue.

Video has become a popular way advertisers reach consumers, as more people spend time watching shows on their smartphones. This year, video ads will represent a quarter of U.S. digital ad spending, according to EMarketer.

"It's just assumed that all these digital platforms are part of the new TV,"

Verna said.

Video ads also are driving Santa Monica-based Snap's ad [revenue](#), representing 60 percent of those sales, EMarketer said.

The research firm did not count YouTube in its projection of video ad spending on social networks, saying it is not considered part of that category. But the Google-owned company continues to be a major player for U.S. digital [video ads](#). This year, YouTube is expected to bring in more than \$3 billion in net [video](#) ad sales, the firm estimates.

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