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Introduction



For decades, marketers have understood the power of video to communicate ideas and tell stories in a way that has unmatched emotional appeal. Like virtually all non-digital advertising, video was a one-to-many medium that had undergone evolutionary change since the first TV commercials.

The explosion in broadband and mobile broadband over the past few years, though, has opened up countless new opportunities that have brought numerous variables. These run the gamut from general customer data integration issues to the unique challenges of customizing video for a wide range of media, formats and audiences.

In this white paper, we will examine how leading brand marketers perceive their adoption of video advertising, their beliefs about integrating data, their adoption of KPIs to determine success, and what their plans and expectations are for 2018 regarding the impact of video. Their reactions paint a picture of a rapidly evolving medium—one that is showing signs of success today and which ultimately promises to blend the art of engaging video with the science of data-driven marketing.



About the quotes:

Susan Venen-Bock, general branded content manager at Ford, spoke with Brand Innovators about her experience and perspective regarding the explosion of video marketing and advertising.



ON VIDEO AD GROWTH

"We're doing less display and banners and trending towards video. When digital first exploded, you had to find the budget to fund appropriately; so you took from print, from out-of-home. That's now happening with video content. Within digital budgeting, how do you apply the right resources?

"As the digital pie grows, it doesn't necessarily mean the overall budget grows. You must adjust channel mix appropriately to fund faster growth areas like individualized content."

Key Findings

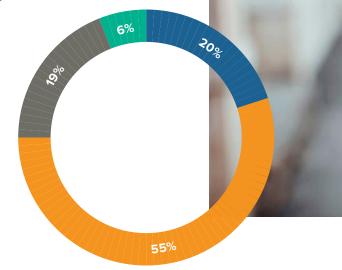


Included within this report are insights from Brand Marketers and how they view their current and future video marketing strategy. Thoughts on data driven creative and the future of video advertising are highlighted from the perspective of leaders within brand advertising. Most importantly, Brand Marketers give a glimpse of where they expect their video advertising strategy to evolve to in 2018.

Few Companies See Themselves At The Leading Edge

As a whole, respondents reflected a classic bell curve distribution when thinking about the leveraging of their current video assets.

More than half thought they were on par, with about 20 percent each reporting that they were covering the basics or were doing better than the industry average. Only six percent characterized themselves as innovators.



QUESTION:

Which of the following statements best describes how your video assets are currently managed to produce a holistic view of your activities?

- Basic—we are doing the bare minimum relative to what we should be doing
- On Par—we could be doing more, but we are about average for our industry
- Advanced—we do a better job than average here
 - Innovator—we have a long history of innovation and are ahead of competitors



Leveraging Customer Data Proves More Challenging

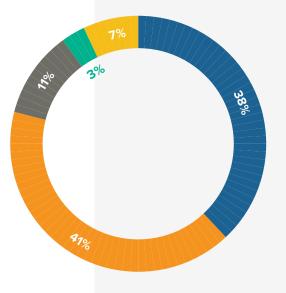
Brands may be split evenly on overall holistic presentation of their video assets; however, they rated themselves as further behind the curve when it came to leveraging customer data to maximize the effectiveness of those assets.

The largest group of users, 38 percent characterize their efforts as basic and just 11 percent characterize their efforts as being ahead of the pack. Seven percent reported that they weren't engaging customer data to optimize video assets at all.

QUESTION:

Which best describes how your customer data is currently being used to make your video assets as effective as possible?

- Basic—we are doing the bare minimum relative to what we should be doing
- On Par—we could be doing more, but we are about average for our industry
- Advanced—we do a better job than average here
- Innovator—we have a long history of innovation and are ahead of competitors
- NA—we are doing nothing



DMPs Provide An Incomplete Solution

Having a Data Marketing Platform (DMP) and Demand-Side Platform (DSP) isn't enough; brand marketers need partners who know how to leverage them.

DMPs have promised to ease the chore of reconciling identity across multiple advertising touchpoints, but they have fallen short of a panacea. Respondents showed a wide range of strategies in terms of their use of advertising technologies with respect to DMPs and DSPs. In general, the statements revealed a lack of knowledge of or responsibility for usage of these tools with nearly 30 percent saying another group within the company managed DMP/DSP integrations and another 20 percent saying that they were unaware of what role, if any, these tools played in their video advertising strategy.

QUESTION:

Which of these statements is true for you?

Honestly, I don't know.

21%

Another group within my company manages our DMP / DSP integrations

29%

I have a DMP and a DSP and I use them as part of my video marketing strategy

19%

I have a DMP and a DSP partner but I'm not leveraging them for my video marketing strategy



I have a DMP where all my customer data is stored but I don't use it as a tool when determining my video marketing strategy









Brands Lean On Partners For Video Deployment

Given the relative difficulty that marketers perceive when it comes to leveraging customer data in video marketing, it's not surprising that many rely on external partners to assist in maximizing their video assets.

Still, companies generally try to keep customer data close. About 35 percent of respondents said that they allowed their agency to handle or manage all issues related to deployment while about a third said that they worked with a small selection of third parties. And while less than a quarter of respondents said that they worked with numerous third parties, a little over 10 percent said that they used only proprietary or internal tools when deploying video assets.

QUESTION:

Which of the following statements best describes how your customer data is currently being used to make your video assets as effective as possible?

We work with a small selection of third parties when deploying video assets

31%

We work with numerous third parties, including agencies and various software vendors

23%

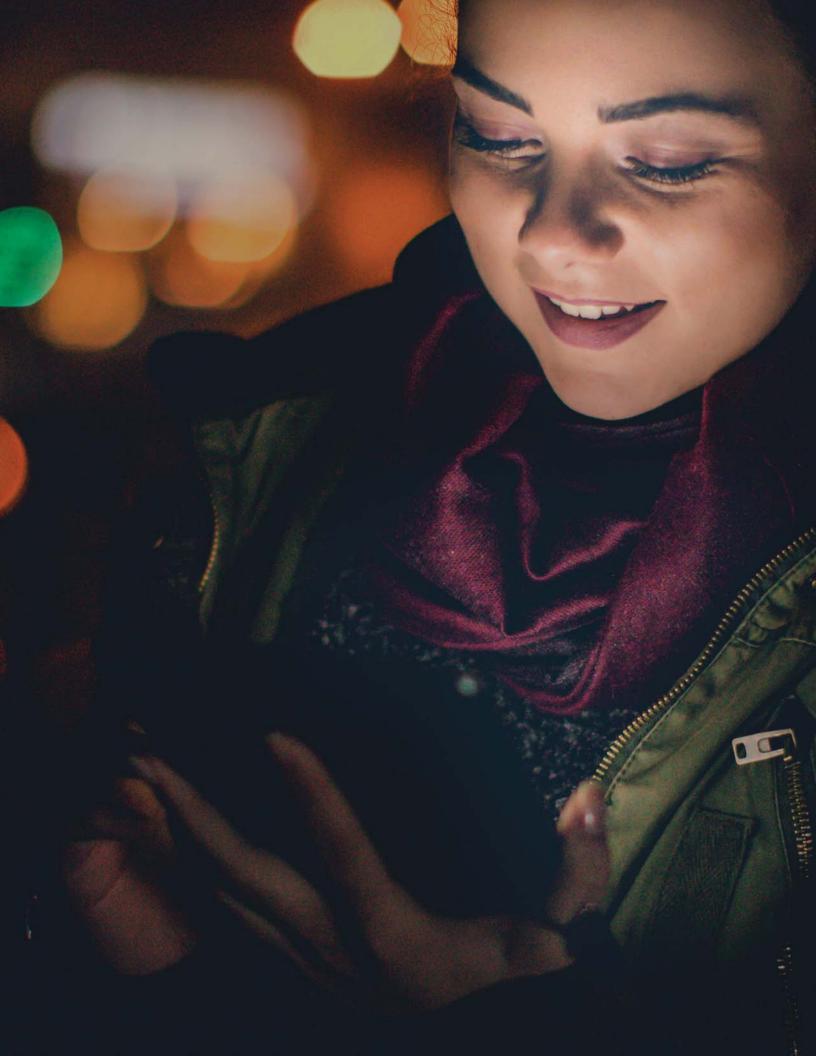
We allow our agency to handle/ manage all issues relating to deployment

35%

We use only proprietary/ internal tools when deploying video assets

11%





ON MOBILE VIDEO EXPERIMENTATION

"Last Olympics, we shot a TV ad for mobile format. We asked, "Are old methods the way to go to market, to plan our video? Or, looking to the future, can we shoot, then customize, for specific targets or channels to get a better bang for the buck?" Messaging is different down the funnel, and video needs to be adapted appropriately."

Susan Venen-Bock Content Manager, Ford Motor Company

Marketers Miss Full Potential Of Audience-Segmented Video Within Limits

One of the primary advantages of digital advertising is the theoretical ability for personalized advertising based on a variety of factors.

But of course, marketers must be able to know what's possible. Four out of five respondents believed that first-party data could be used to segment and promote digital ads. Some capabilities had less recognition with slightly more than half of respondents believing that TV ads could be interactive or that ads could be personalized based on temperature. And while 31 percent of brand marketers believed that all of our test capabilities were possible, there was considerable skepticism about the cost of implementation, with 45 percent not believing that creative could be customized into hundreds of variants for less than \$20,000.

QUESTION:

Which of these statements do you believe is possible today? (click all that apply)









1st party data can be used to segment and personalize digital advertising creative.

Digital advertising can be delivered based on point of purchase data. TV ads can be interactive.

Video advertising can be delivered based on the temperature outside.







Creative video advertising units can be customized into hundreds of variations for less than \$20,000 total cost. All of the above

None of the above







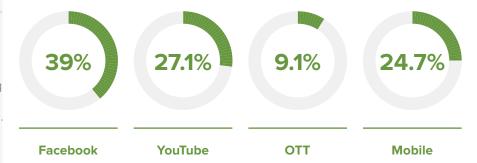
Facebook, Youtube Dominate Video Ad Spend

The dominance of Facebook and Google in digital advertising at large extends to video, specifically YouTube in the case of Google.

In part because of a more integrated buy and more precise targeting, Facebook has captured the lion's share of video capturing nearly 40 percent of spent by brand marketers. YouTube is a solid second with marketers reporting it's capturing nearly 27 percent of digital video advertising spend. The recent rise in mobile video is reflected in a quarter of ad spend being on mobile, a figure that is sure to rise over time. Meanwhile, fast-growing OTT video platforms are attracting 9 percent of video ad spend.

QUESTION:

Approximately what % of your digital video advertising spend (or your client's if you are an agency) is going to the following platforms:





Mobile Media Still An Afterthought

Mobile may be on the rise in terms of ad spend dollars, but those dollars don't always flow to mobile intentionally.

28 percent of surveyed marketers said that most of their mobile media was purchased without regard to device specifics while nearly a quarter said that they largely purchased via mobile-specific media partners. Those using a DSP to purchase most of their mobile media, however, were far more likely to have it specifically targeted at mobile devices with 28 percent of marketers reporting that most of their mobile media was specifically purchased specifically asked for mobile inventory and only 8 percent saying that they did not specify mobile media when using a DSP.

QUESTION:

Through a DSP,

specifically asking

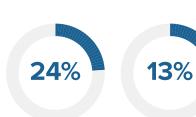
for mobile inventory

How is most of your mobile media bought?



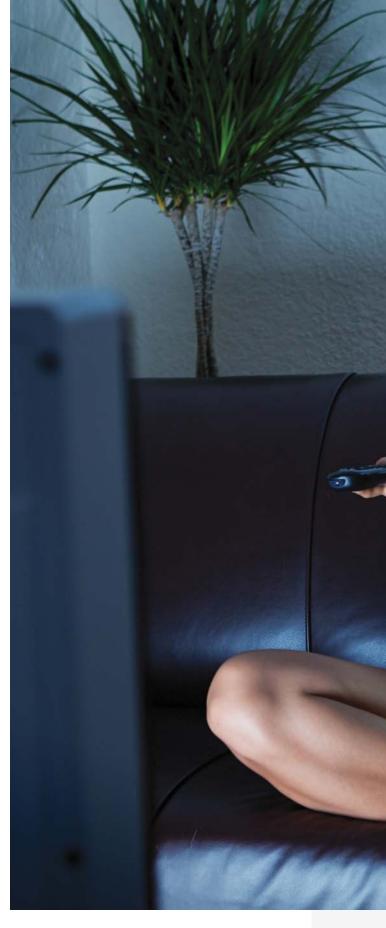
Through a DSP, without specifically asking for mobile inventory

Through a crossdevice package we buy from media partners without specific device focus



Through mobilespecific media partners Other (please specify)







Brand Marketers Embrace Digital Video KPIs

When it came to effectively measuring the success of a marketing campaign, marketers coalesced around metrics specifically created for the task, but also employed other measures.

Nearly nine out of 10 respondents recognized the value of using digital key performance indicators (KPIs) in measuring the effectiveness of an online ad campaign as opposed to only 30 percent using more traditional media KPIs; However, recognizing the impact that online influence can have on offline behavior and reflecting improvements in enabling such tracking, 65 percent of those surveyed looked to those KPIs as a measure of success. Less than half of respondents looked to media savings as a success market, while roughly a third looked to location-based KPIs.

QUESTION:

What do you care about when it comes to measuring the success of a marketing campaign (pick as many as apply)?







Digital KPIs: CTR, engagement (time spent), sign-ups, lead gen forms, etc.

Transaction KPIs: online or offline purchase

Media savings / maximization





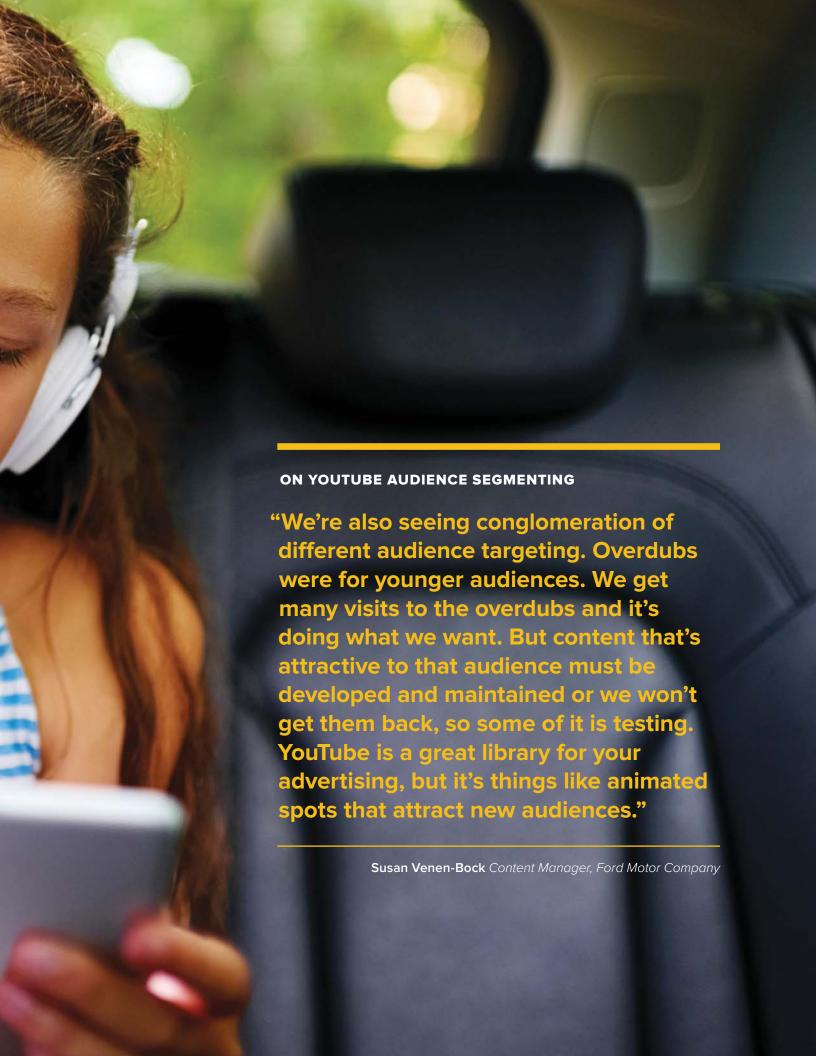


Location based KPIs: foot traffic/ drive to location

Traditional Media KPIs: TV Tune-In, GRP

Creative awards





Funding Is The Gating Factor In Video Advertising Volume

When asked about inhibitors toward spending more on video advertising, respondents were more likely to point to budgetary concerns than concerns with video per se.

Fewer than half cited the need for it to be proven effective while only 29 percent reported that a lack of known KPIs was an issue. The more topical concern around preserving brand safety and association was also cited by only 30 percent of respondents. Three fourths of respondents, however, cited cost or budget as a factor standing in the way of further investment in video.

QUESTION:

Is there anything inhibiting your ability to invest more in video? (Please mark all that apply)











Cost/Budget

Proven effectiveness

Concern around brand safety and association with questionable **Known KPIs**

Risk of fraud



Budget And Expertise Limit Adoption Of Customized Video

Customized video creative brings a dynamic aspect to a proven marketing medium, but enjoying its benefits requires preparation and investment.

Reinforcing earlier points that a lack of faith or KPIs is not a major issue at this point, respondents indicated that agencies have supported customized video efforts. In addition, a lack of data did not factor as a major inhibitor. Rather, as with video in general, a lack of time, expertise and available funds emerged as placing the greatest constraints on customized video. Two thirds of respondents cited budget constraints as an exceptionally important inhibitor and more than half cited a lack of internal expertise of bandwidth as such.

26%

QUESTION:

Is there anything inhibiting your ability to invest more in video? (Please mark all that apply)

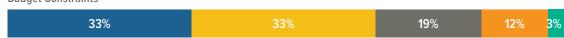








Budget Constraints



Simply not enough of a priority

16% 26%	37%	9%	12%
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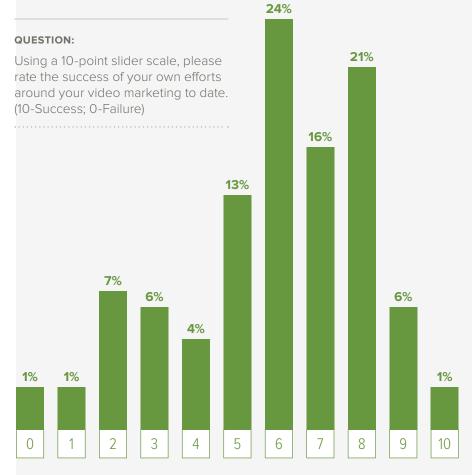


24%

Video Advertising Provides Room for Improvement and Success for Many

In general, marketers assessed their video marketing efforts to date as somewhat to moderately successful.

On a scale of 0 to 10 with 0 representing failure and 10 representing success, over 60 percent of respondents characterized their efforts between a 6 and 8. Another 13 percent fell right in the middle, rating their efforts a 5. While the majority of respondents saw their efforts as relatively successful, 19 percent rated them below a 5.









Almost 80% Will Increase Their Video Advertising In 2018

The future will usher in positive changes for video advertising, according to brand managers.

In thinking about their 2018 plans, 4/5 of respondents expressed that they see video demanding more focus next year as opposed to this year. Meanwhile, about ¾ saw customer data affecting their video strategy in the coming years with no respondents believing that customer data will play a lesser role. Despite this greater integration, respondents were overwhelmingly optimistic regarding the difficulty of implementation, with 71 percent expressing that they thought it would get easier and only 8 percent thinking it would get harder.

QUESTION:

How do you think your focus on video in 2018 compare to this year?



- 79% More focus than in 2017
- 19% The same focus as in 2017
- 1% Less focus than in 2017

QUESTION:

In 2018 and beyond, how will customer data affect your video strategy?



- 76% Increased impact
- 0% Decreased impact

- 19%
 - The same impact

5% Not sure

QUESTION:

In 2018 and beyond, do you think it will get easier or harder to adopt digital video?



- 71% It will get easier
- 8% It will get harder

- 21%
- It will stay about the same
- 1%

Not sure





Today

QUESTION:

If you could pick one word to describe your current video marketing efforts to date, what would it be?



Monetize via product sales (video ads and boosts) and sponsored content delivering brand impressions Somewhat engaging, but not on the forefront of technology

Video Ad Efforts Characterized As Early Stage

When asked to choose one word to describe their video efforts in 2017, the descriptors tended to run the gamut from baseline to acceptable performance with words such as Minimal, Basic, Average and Nascent emerging as some of the more popular choices.

Another tier of descriptors showed signs of acceptance with words such as Efficient, Effective, Evolving, Great an, Growing, Improving and Solid. Of course, there was also the occasional signs of frustrations expressed in words such as Poor, Disjointed, Archaic, Antiquated, and Lackluster.



Tomorrow

QUESTION:

If you could pick one word to describe your video efforts TOMORROW, what would it be?





Optimism Abounds For 2018 Video Efforts

The quantitative ramp seen by brand marketers for 2018 were consistent with their qualitative description of video in the coming year.

When respondents' perceptions tended toward baseline expectations in 2017, there was widespread optimism in terms of how they viewed the coming year, with words such as Better, Increased, Innovative and Targeted leading the way. Other popular phrases included Focused, Learning, Consistent and Improving. Pessimists, however, expressed concern through words such as Challenging, Difficult, and Expensive.

Methodology



In August and September of 2017, Innovid and Brand Innovators surveyed 140 marketing executives from leading brands regarding their opinions regarding video ad usage. The largest percentage of respondents came from CPG, were at the manager or director level, and claimed marketing as their leading responsibility.

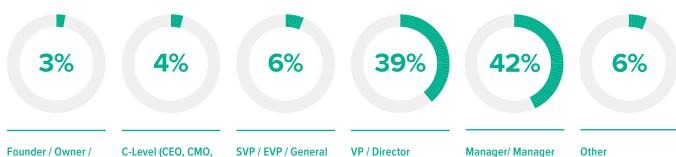


QUESTION:

Which of the below BEST describes your current job title/ level of responsibility?

Managers and VP/Directors were the main contributors to the survey. The positions were split almost evenly, combining to make up more than 80 percent of the survey respondents. The next level up

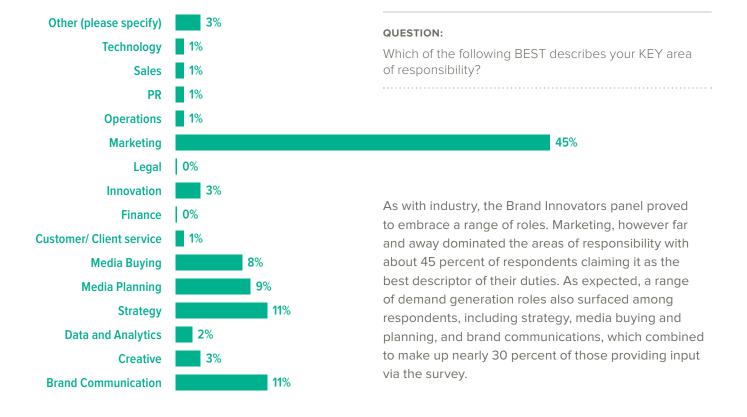
the executive ranks accounted for about 13 percent, again split about evenly between EVPs/SVPs and the most senior levels of the organization.



Partner

CTO, etc.)

Manager





www.innovid.com



Founded in 2011, Brand Innovators is the largest professional organization of brand marketers, with a community of over 7,000 marketing professionals from Fortune 500 and other leading brands throughout the United States and the UK. The Brand Innovators Advisory Board includes some of the most innovative brand marketers and "change agents" in the marketing and media industries.

The company will produce events in 2017 in cities such as Atlanta, Ann Arbor, Boston, Cannes, Chicago, Dallas, Las Vegas, Los Angeles, Miami, Minneapolis, New York, San Francisco and Toronto, providing brand marketers with continuing digital education and intimate peer-to-peer networking opportunities. Events are underwritten by more than 100 "best-of-breed" growth stage and established digital media and advertising technology companies, including Bitly, Outbrain, AOL and Google.

For more information, visit www.brand-innovators.com