

DIGITAL VIDEO AT THE INFLECTION POINT

**How brands are learning to
use digital video to drive
profitable sales**

A Thought Leadership Study
by Sequent Partners



EXECUTIVE SUMMARY

A recent report from Russell Reynolds on the staggering level of CMO turnover cites as the cause, “The business world today places intense demand for a quantifiable ROI on every dollar of marketing expenditure—and an overly optimistic expectation that digital will be able to deliver it.” To demonstrate real ROI from campaigns, marketers are constantly seeking innovations that can drive sales and prove their returns.

When it comes to digital video advertising, marketers have traditionally relied on the medium to deliver branding objectives with less of a focus on sales goals. However, the following research reveals that digital video is at its inflection point of the adoption curve, moving from a branding to a sales tool.

MAJOR FINDINGS

Digital Video Will Become a Key Revenue Generator for Marketers

In this research, we found that 65 percent of marketers say that digital video is growing in importance for driving offline sales. That near-future view contrasts with the current state where a smaller 42 percent of advertisers see digital video as superior to other leading media for directly impacting sales. Marketers today are more likely to view digital video as a branding tool with more than half seeing it as a superior tool for building brand awareness and favorability, telling their brand’s story and connecting with consumers emotionally. We were intrigued to find that 28 percent of marketers see the value of digital video for both marketing missions.

Marketers’ Perceptions of Digital Video Are Shifting

The study revealed a disconnect between marketers’ perceptions and their experience with digital video—87 percent reported enjoying positive ROIs with the medium. Some of them reported enviably high ROI levels, which made us want to clarify: Why the disconnect?

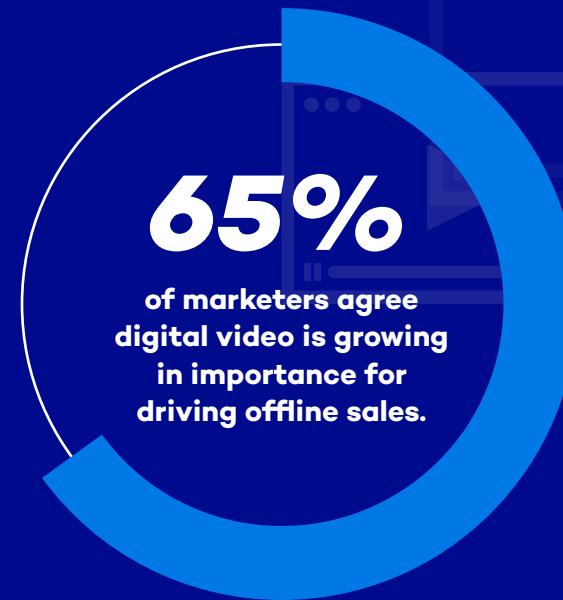
It seems that perceptions have not yet caught up with the hard facts and marketers' actual experience. We learned that marketers are struggling with ROI measurement for digital video, but the majority expect to have hard financial KPIs in place within the next year or two. The evidence found in this study indicates that digital video can perform well on those KPIs.

Evidence Shows Strong Potential for Digital Video to Drive ROI

The study shows that some marketers don't fully appreciate the success drivers for digital video. By studying the hard behavioral evidence, it became clear that the key to successfully using digital video to drive sales is embracing the power of targeting, personalization and effective creative and learning through behavioral ROI analytics. Brands that can master these capabilities will enjoy higher ROI for their marketing expenditures.

Measurement Providers Share Key Digital Video Success Drivers

The study shows the investment that leading measurement providers, such as J.D. Power, Nielsen Catalina Solutions and Oracle Data Cloud, have made to quantify the potential of digital video as a sales-driving tool.



For the study, we conducted in-depth interviews and an extensive quantitative survey among today's leading auto, CPG, retail and travel brands as well as each industry's respective ROAS measurement providers (such as those mentioned previously). The full report highlights marketers' current perceptions, recognized challenges and future expectations for digital video. The findings show that companies are making efforts to embrace digital video as a sales driver.

As a final takeaway, we've included a list of recommendations marketers can use to successfully implement digital video marketing strategies that deliver greater effectiveness, increased sales and strong ROI.

INTRODUCTION

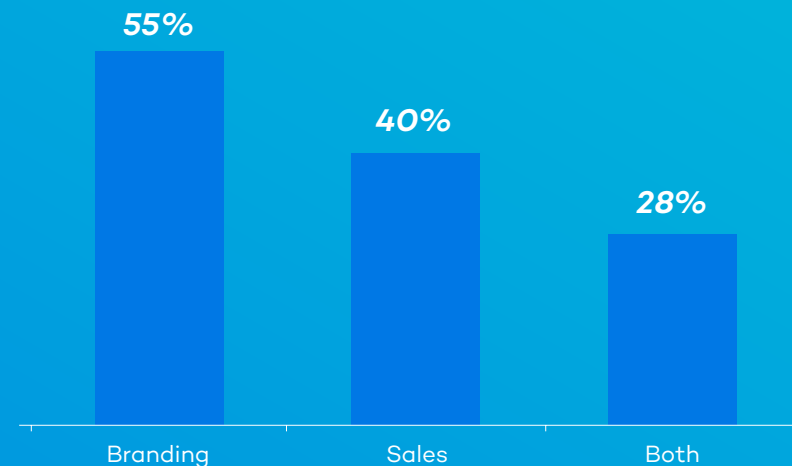
DIGITAL VIDEO AT THE INFLECTION POINT

Consumers' use of digital media is changing rapidly. Recently, comScore reported that total digital usage has tripled since 2010, and according to Nielsen, digital video consumption has increased 25 percent over the past year. Marketers' adoption of digital video has not kept pace with consumers, but we are beginning to see the signs of change.

Marketers' expectations of video are evolving from its traditional role as a broad reach and awareness tool to a medium that also motivates sales. The findings in this report reveal that 65 percent of marketers agree digital video is growing in importance for driving offline sales. This majority shows that digital video stands at its inflection point, ready to accelerate.

PERCENT OF MARKETERS WHO SEE DIGITAL VIDEO AS SUPERIOR FOR BRANDING, SALES, OR BOTH

Q: How do you expect digital video to compare to other leading media at accomplishing these marketing objectives?



Sequent Partners recently investigated the current market perception and state of video. Underwritten by Eyeview, we investigated which aspects of digital video excited marketers the most. We set out to learn how they want to use digital video, what its role is in the marketing mix, what they would swap to do more digital video and what expectations they might have about the medium.

The goal was to examine digital video at this precise moment in time, when the curve is tilting, as we near the inflection point. We examined digital video as it becomes a highly personalized, targetable medium that can both build brands and directly drive sales.

A qualitative study and a 200-person quantitative survey were conducted of marketing decision-makers in consumer packaged goods, automotive, travel and retail. Measurement companies that study the impact of digital video campaigns were interviewed to see what insights they have about where the industry is and where it will be going. Sixty-five percent of marketers agree that in 1–2 years, the medium will no longer be pigeonholed into one role, but seen for its multidimensional branding and sales powers. That’s nearly two-thirds of marketers who say digital video is growing in importance for driving offline sales; this is the tipping point—when digital video becomes widely used for sales objectives.

A substantial proportion of marketers (40 percent) already see digital video as a sales driver. Interestingly, 28 percent of marketers recognize it to be both a superior branding medium and a superior sales driver. This particular group of marketers stand out because their attitudes and behavior signal what it will take for the medium to be perceived as a truly multidimensional marketing tool.

There are two essential characteristics of the medium that must be embraced by a larger number of people to carry digital video over the tipping point:



Targeting. Targeted digital video campaigns perform much better than non-targeted efforts.

Personalization. Versioned, personalized and localized campaigns also perform far better than mass digital video campaigns.

These two distinct characteristics will incentivize increased interest and use of the medium as a sales driver over the next two years. The final cog in the wheel will be return on investment. When marketers see strong returns, it will be easy for them to embrace the medium as a sales tool.

Right now, many marketers evaluate digital video on web behavior such as video completes, click-throughs, and other engagement metrics. However, as their understanding of video expands, their expectations will change and they will begin looking for greater financial return—ROI or ROAS—as well. Confidence in the financial return from digital video investments will drive the medium through the inflection point.

DIGITAL VIDEO'S SALES POWER

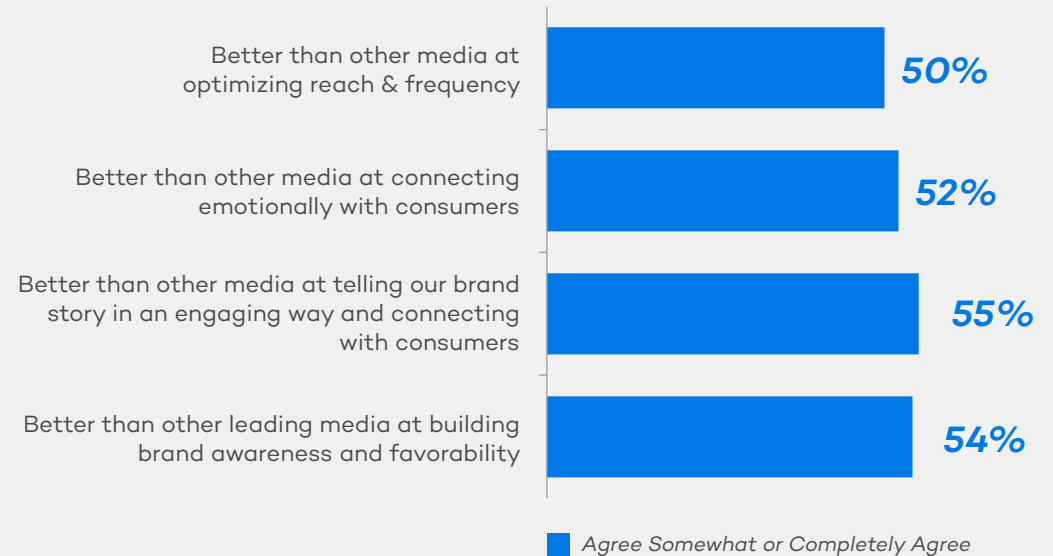
The majority of marketers see digital video as a way to connect emotionally with consumers and tell the brand's story in an engaging way.

However, a large portion of marketers can see that limiting the role of digital video to branding efforts is a temporary stage in the medium's evolution. They recognize the potential it will have in other roles as well, particularly in driving sales. As mentioned, 65 percent say it is growing in importance for driving offline sales while 42 percent already see it as "better than other media at driving sales". An additional 40 percent don't deny its ability to drive sales, but they see digital video as "about the same" as other media.

As one CPG marketer put it: "Video is used as a top-of-the-funnel medium for generating awareness and extending television reach. But because of the interactivity and ability to collect a lot of data,

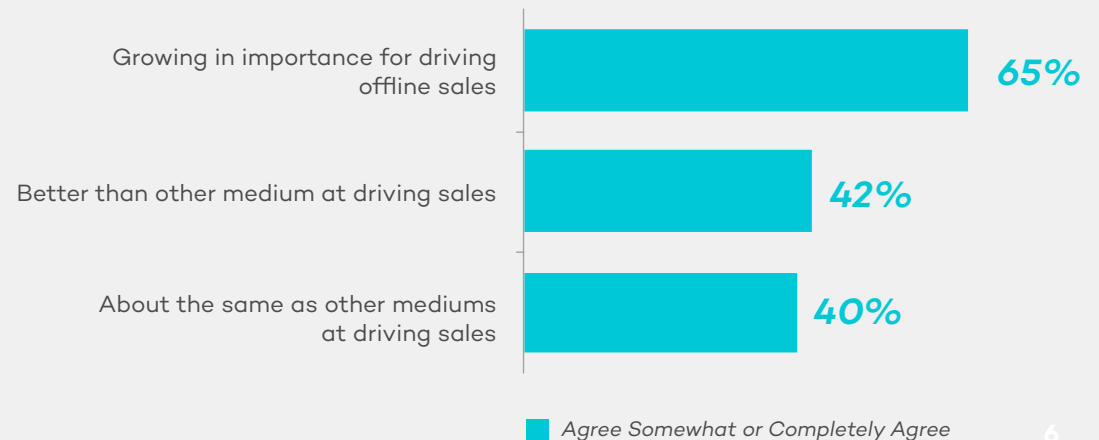
DIGITAL VIDEO STRENGTHS

Q: How do you expect digital video to compare to other leading media at accomplishing these marketing objectives?



HOW MARKETERS PERCEIVE DIGITAL VIDEO

Q: Please indicate your agreement/disagreement with the following statements about digital video:



it's useful nearer to the point of purchase (if that's appropriate for the brand). We also look to video for its ability to efficiently target geography, timing and certain consumer segments . Plus, you've got the ability to connect to other digital outlets—you can see where people go before or after a video ad.”

“We use the power of video to engage the user, drive digital traffic and have consumers engage with sites. We pull them down the funnel towards considering the brand.”

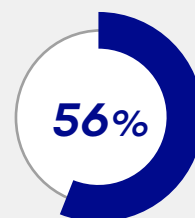
Jeff Cronin, Hyundai National Media Manager, Innocean

REASONS FOR DIGITAL VIDEO'S APPEAL

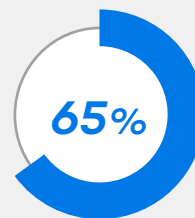
We asked marketers what else about digital video is important to them and found there are strong characteristics outside video's classic role. For instance, digital video aligns with marketers' current emphasis on targeting, efficiency and programmatic. It can be personalized, like display, and it's easy to track and prove video's impact.

We were not surprised to find out that many marketers agreed these features were important. Versioning and personalization emerged as a way to drive relevance. “We can make hundreds of thousands of versions—this helps us be relevant and send more personalized messages that may be more compelling. We can really hit the consumer's passion point,” said a retailer in our study.

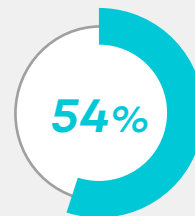
Increased targeting, both geographically and demographically, and the ability to monitor pre- and post-exposure behavior is also compelling for marketers.



56% see that digital video fits with the current emphasis on data, targeting, efficiency, and programmatic.



65% agree that digital video can be personalized like search and display.



54% believe digital video is easy to track and prove digital video's impact.



THE PERCEPTUAL GAP

It's curious that only 42 percent of marketers see digital video as "better than other media at driving sales" while 53 percent say it has a strong ROI. Clearly, there's a gap between the perception of digital video as an upper-funnel vehicle and the strong lower-funnel performance they are actually seeing.

What's behind this gap? We looked to marketers' experience with the medium for an explanation. Marketers who feel that "It is neither better nor worse than other media at driving sales" are least likely to agree that it has a strong ROI (45 percent). Rather, they are most likely to say digital video's

ROI is about the same as other media. What will it take for them to get off the fence?

Whenever we think about ROI, one side of the equation is the initial investment in the medium. Digital video is typically expensive and good content is in high demand. It may be effective but becomes less efficient than other media because of the higher costs.

"The challenge with online video right now is that the costs are still more expensive than TV. Online is not as efficient—it is effective but more expensive, but the CPMs creep up, so ROI is not that attractive,"

-CPG Marketer

DIGITAL VIDEO STRENGTHS OVERLOOKED

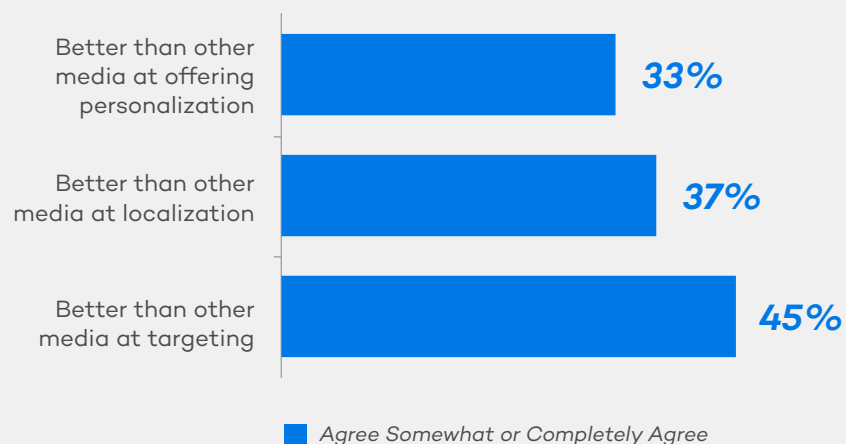
Another issue we see is a lack of awareness of some of the factors that will enhance digital video's ROI—specifically targeting, localization and personalization. Most marketers don't appreciate these core strengths quite yet.

It's promising that 54 percent of marketers agree that it can “work at both the top and bottom of the purchase funnel,” but there is definitely a disconnect in the way the medium is being deployed right now.

It's possible the marketers who are only using digital video to accomplish upper-funnel tactics are not taking advantage of the key facets of the medium most likely to enhance their financial return. We fully expect this situation to change over time, based on our discussions with marketers about their ROI expectations.

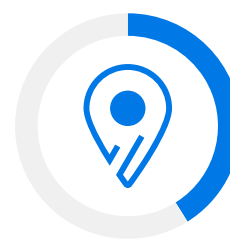
MARKETERS OVERLOOK KEY DIGITAL VIDEO STRENGTHS

Q: How does digital video compare to other leading media in accomplishing these marketing objectives?



TARGETING

only **45%** think video is better than other media at targeting



LOCALIZATION

only **37%** think video is better than other media at localization



PERSONALIZATION

only **33%** think video is better than other media at personalization

THE LACK OF ROI MEASUREMENT

Only half of the marketers we studied actually use ROI to evaluate digital video. The others struggle with the task and have difficulty attributing sales to digital video. A CPG manufacturer said, “The drive to brick-and-mortar retail is the holy grail, but attributing our digital efforts to in-store is hard to do. We don’t have our arms around that yet—we’re one step removed from the traffic.”

Surprisingly, retailers are not having an easier time in understanding the contribution of the medium either. One retail marketer said, **“We’re flying a little blind. We need to understand each touchpoint along conversion routes and how they’re different by person. We need to know the contribution of each investment because we know each has a different role.”**

Marketers need ROI measurement to better manage digital video’s unique assets and to understand its potential to drive sales. The current ROI measurement gap is a major factor underlying the current perceptual gap. The difficulty of looking at digital video’s ROI is very top of mind, and we got a sense that in the next 1-2 years, these challenges will be met. “We look at ROI, but it’s

hard to pin down. We have historically attributed activity to last click—which makes digital look too good. We are moving to multi-touch attribution to better understand all the channels along the journey,” said a retailer.

The quantitative study shows how this is likely to change in the near future. Marketers are very intent on evaluating digital video in the same way as other media: through ROI and other financially based KPIs. In the next 1-2 years, 60 percent of marketers plan to use ROI and 61 percent will use cost per acquisition as KPIs to evaluate digital video. About 70 percent will continue to use site traffic, as they do today.

Some measurement techniques are expected to exhibit substantial growth over the next two years. Notably:

Cost per acquisition: +53%

ROAS: +31%

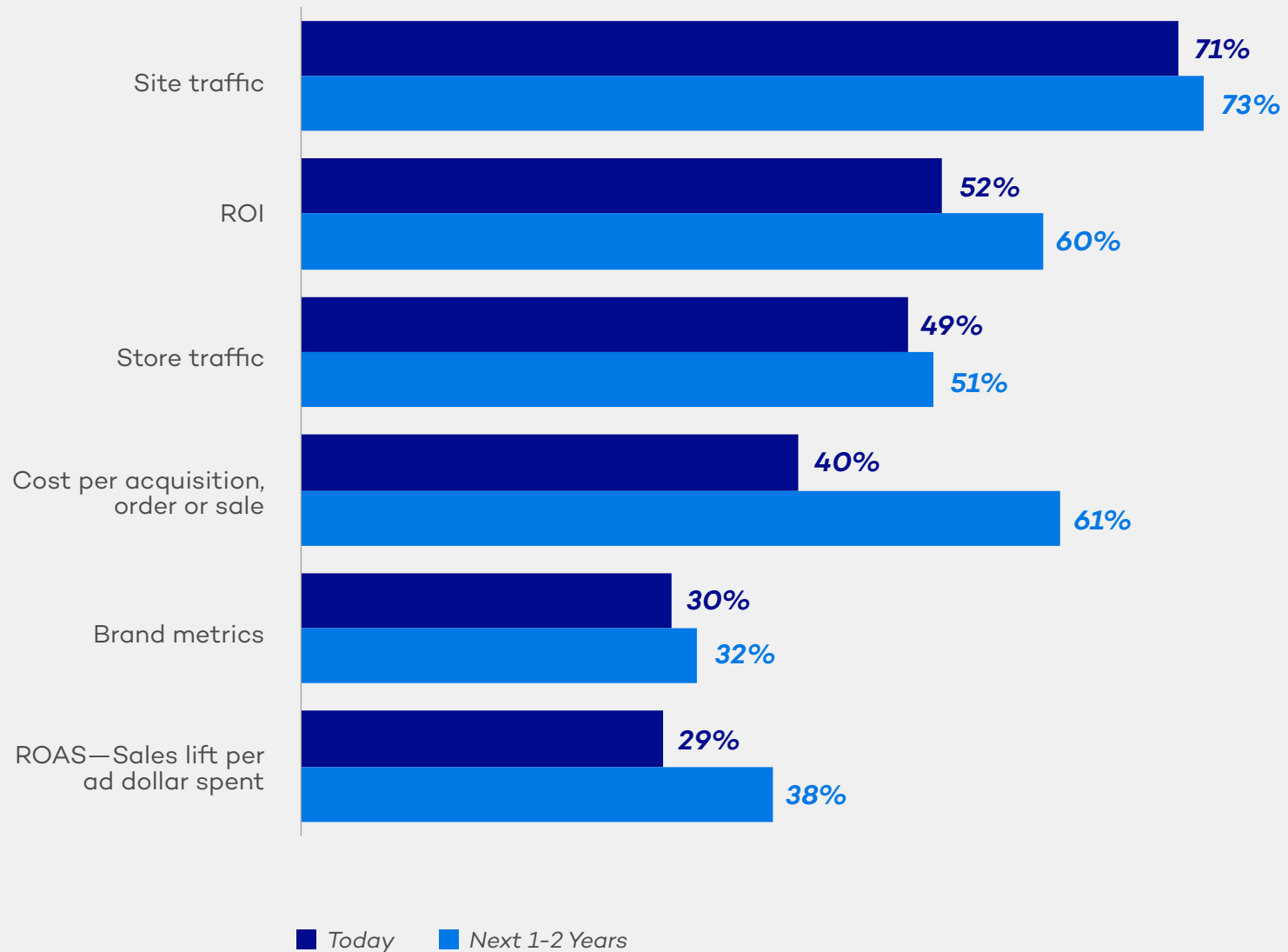
ROI: +15%

Although there isn’t much opposition to using digital video to drive sales, there seems to be some complacency. The general marketplace perception of digital video’s financial performance is average, not outstanding. But we think that perception is based on a lack of appreciation for digital video’s targeting and personalization capabilities and the problems with attribution and ROI measurement performance. Both these issues will undoubtedly be addressed in the coming years given marketers’ interest in harder measures of performance.

HOW MARKETERS MEASURE DIGITAL MEDIA PERFORMANCE

Q: How do you measure digital video performance today?

Q: How would you want to measure digital video performance in the next year or two?

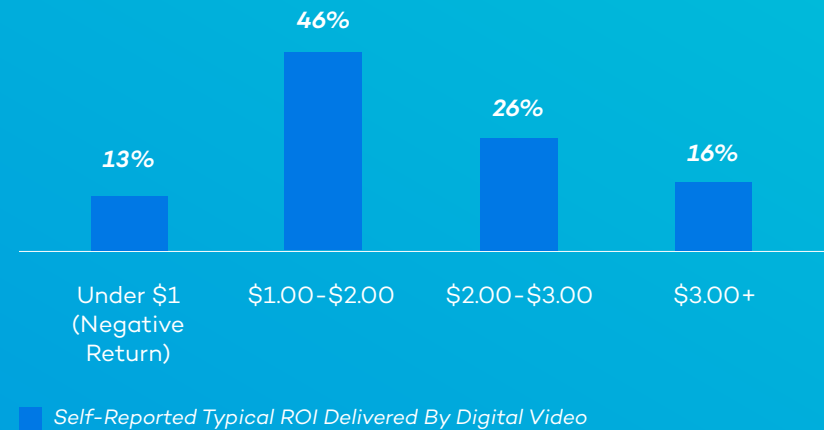


REALITY CHECK, THE HARD ROI EVIDENCE

In contrast to their perceptions about video's ROI capabilities, most marketers actually report having a positive return from their digital video investments. A really small portion—only one in eight marketers—say they've experienced a negative ROI. Even marketers who don't necessarily believe that digital video drives sales better than other media have had positive ROI experiences.

DIGITAL VIDEO ROI SELF-REPORTED EXPERIENCE

Q: How would you categorize the kind of ROI you have experienced with digital video recently?



Only one in eight say they have experienced negative ROI with digital video.

Among the same marketers, 20 percent said that digital video was not better than other media at directly impacting sales, and 38 percent said it was about the same as other media. In total, 58 percent did not see digital video as a superior sales driver, yet 87 percent have had a positive ROI experience with the medium.

This is intriguing as it appears marketers' cautious perceptions about digital video as a sales driver haven't caught up yet with their own generally positive ROI experiences. We see this as another indication of the medium at its inflection point. It's only a matter of time before marketers' perceptions are more shaped by their actual marketplace experience than their preconceived notions. When that happens, the medium will emerge as a multidimensional tool capable of supporting branding efforts while generating sales and traffic.

Marketers report that digital video's ROI can be very strong. You will see below that when key success drivers are applied, digital video's ROI can be even stronger.

“I hold digital as my accountable advertising medium. It shows the best promise on showing a return on investment. Consumer targeting and geo-targeting close the loop and bring them back to the dealership. For low cost, we can tailor the message and send one with the greatest ROI. Video is nimble, accountable and effective.”

Lee Certilman, Tri Honda Dealers, Executive Board Member, President, Nardy Honda Smithtown.

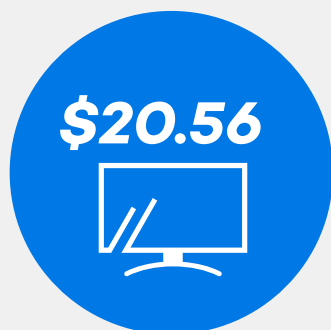


Other marketers said that if the evidence of a strong ROI were there, they'd be more interested in using digital video. "If the ROI argument was positive, we would use more digital video for traffic generation, both online and offline," said one marketer. Another concurred. "If the ROI were there, it would make sense and we'd use more of it." And marketers are open to looking at media companies' measurement insights. "If I were a media company with video properties, proving out the ROI to a media person would be groundbreaking."

INCREMENTAL SALES FOR EVERY THOUSAND IMPRESSIONS



Digital video



Linear TV



Display

The hard evidence showing the sales-generating power of digital video comes from a variety of sources, such as Nielsen Catalina Solutions (NCS), J.D. Power and MasterCard Advisors. These quantitative measurement solutions help us see the sales-generating power of digital video and how that power can be enhanced by four key success drivers.

NCS presented a major study (Multi-Media Sales Effect Studies from 2004-Q4 2015, June 2016) of their norms by medium from over 1,400 studies at the ARF Audience Measurement conference in June 2016. At the conference, NCS showed that digital video had an average revenue ROAS of \$1.53 and that digital video's ability to drive sales is very strong—\$23.48 in incremental sales for every thousand impressions. That's higher than display (\$16.95) and even linear TV (\$20.56). The primary challenge digital video faces, as the qualitative study showed, is cost.

Looking at the three cases Eyeview tested with NCS in 2015 that are at the high end of the range, we find average ROAS of \$3.93. The best of the three produced an ROAS of \$4.34—all enviable returns.

In another case measured by MasterCard Advisors, a retailer ran a digital video campaign from March–May 2015 targeting key buyers and prospects by using their CRM data, third-party segmentation, website visitation data and geographic proximity to store locations. Getting all these factors right rewarded the retailer with a \$6.00 ROAS.

An auto dealership case for TriHonda Dealers, measured by J.D. Power, produced a staggering \$7.83 ROI—returns to the bottom-line, not just revenue.

All of these are impressive returns on targeted, personalized and versioned videos, and proof that digital video can drive profitable sales.

DIGITAL VIDEO CASE STUDY

**DIGITAL VIDEO
DRIVES \$7.83 ROI FOR
AN AUTOMOTIVE
ADVERTISER**

CHALLENGE:

A tri-state dealer located in New York, New Jersey and Connecticut wanted to explore digital video as a sales driving tool. Eyeview leveraged consumer data, dealership pricing, offers and geo-fencing parameters for dealerships to deliver personalized videos to local auto shoppers ultimately driving them to purchase at local dealerships.

PROCESS:

Eyeview established a “conquesting strategy” by identifying and targeting in-market auto shoppers interested in competitive models with key differentiated features. 8,800 personalized videos were generated including relevant pricing, offers and maps for the closest dealership. Videos were delivered to 8 million local auto shoppers via desktop and mobile.

RESULTS:

The digital video campaign produced \$1.5 million in incremental profit – and 88 percent was derived from the models featured in the videos. The automotive advertiser received a \$7.83 ROI, 29 percent higher among auto shoppers exposed to the Eyeview video. All told, according to J.D. Power, there were 912 more cars sold.

BEYOND THE DIGITAL VIDEO INFLECTION POINT

Digital video is clearly poised at its inflection point—right between being used solely as a branding and awareness tool and being a multidimensional medium that can also drive sales. What will it take to accelerate that transition?

When marketers were asked what evidence would cause them to shift more funds to digital video, there was still a strong emphasis on the digital ecosystem.

75%

would move money if they had proof that digital video was more efficient than other tactics at driving website visits

74%

said they would be motivated by evidence regarding driving online sales.

Digital video is clearly consigned, by some marketers, to the digital silo, but not entirely. Sixty percent would be motivated by proof of digital video's superior efficiency at driving offline sales and 57 percent by proof about driving foot traffic. This group is in the process of crossing the chasm.

“We work with Datalogix (Oracle) to get sales impact—which is the next horizon when we will truly optimize our media based on sales impact versus a higher level of attitudinal or behavioral metrics. Getting to specific campaigns is where we are going,”

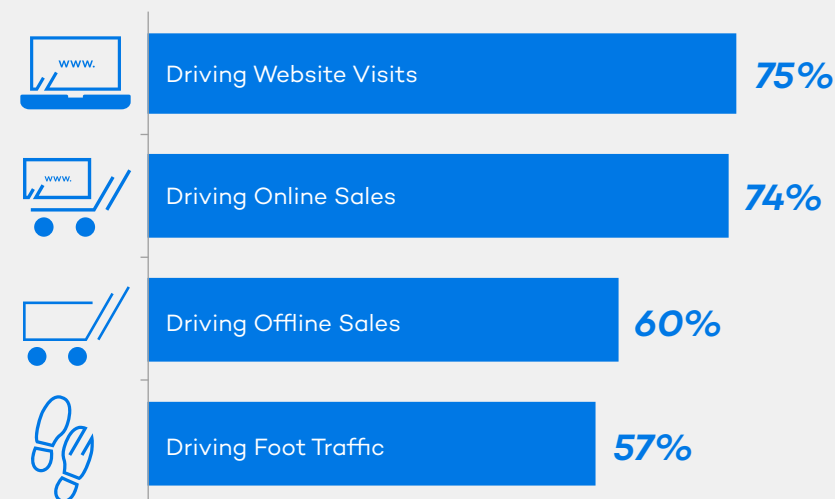
-CPG Manufacturer

A retailer who believes in the power of digital video said, “We now have the tools to better understand the contribution of video. We always went on judgments, but we’re now supported by the data. Our decisions are in color now, and before they were in black and white.”

As we’ve seen, ROI issues play a big role in media adoption. Marketers are still monitoring this closely but say it’s still early. Many marketers, like Conagra, are evolving from marketing mix modeling, which is often unable to measure digital video due to its scale, to more granular and actionable attribution modeling.

MARKETERS READY TO MOVE BUDGET WITH PROVEN VIDEO ROI

Please indicate your agreement/disagreement with the following statements: I would recommend shifting funds to digital video in the next year or two if there was proof that it was ...



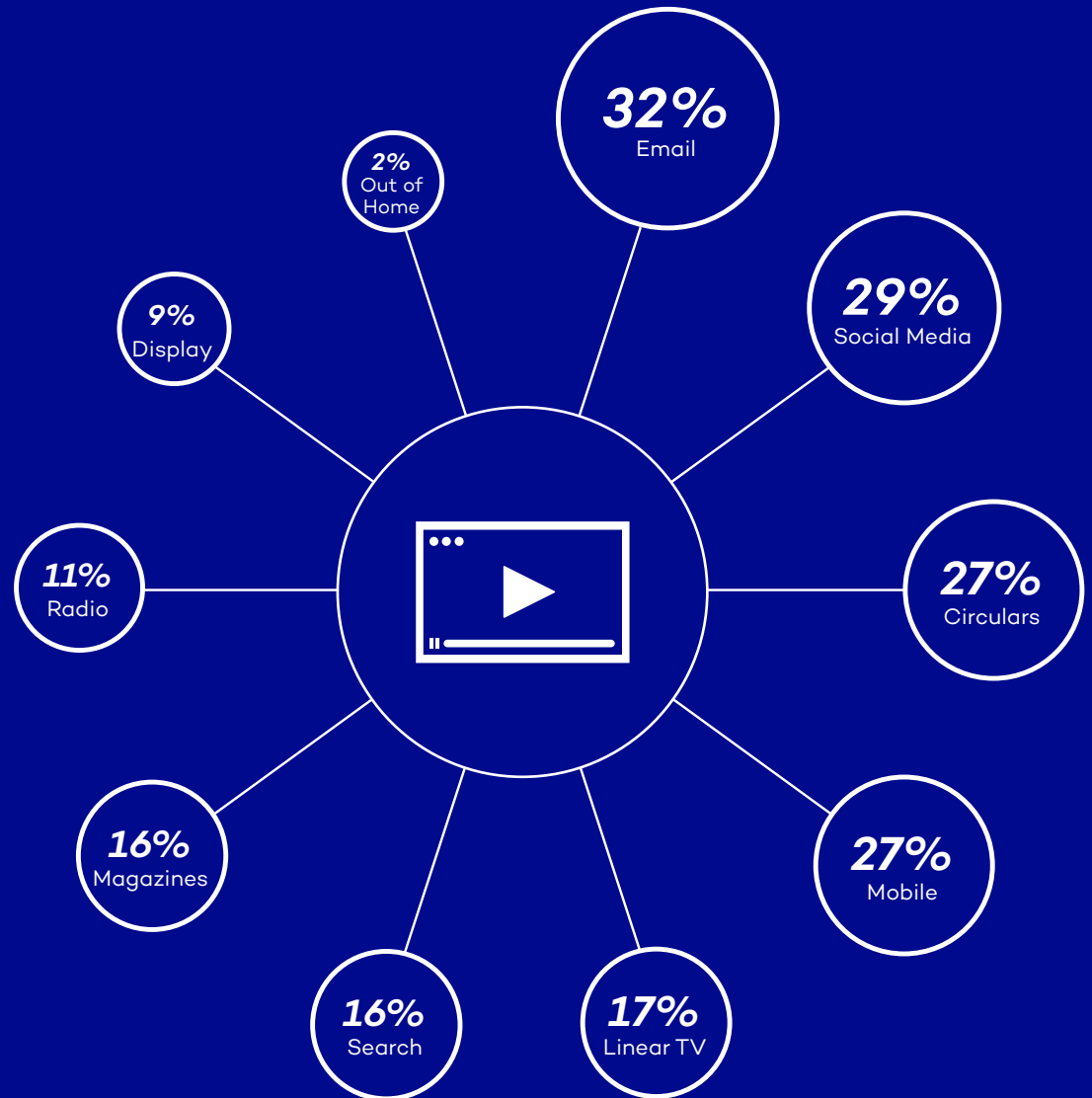
“For ROI, we still use mix modeling. We’re doing an early assessment with new tools to get a quicker read so we can make more in-market adjustments than we can with mix models.”

Fernando Arriola, VP Marketing, Conagra

NEW BUDGET FOR DIGITAL VIDEO WOULD COME FROM:

Q: If you were to shift funds to digital video, where would it most likely come from? (select all that apply)

Marketers provided some insights into how they would fund digital video in the next 1-2 years. We see incremental digital video funds being sourced from static media like email (32 percent), Circulars (27 percent) and social and mobile media (29 percent, 27 percent). It appears that marketers are ready to employ digital video for a variety of tasks. The motivational power of video is widely appreciated and now we see a growing understanding that digital video can play a number of different roles, delivering different messages.

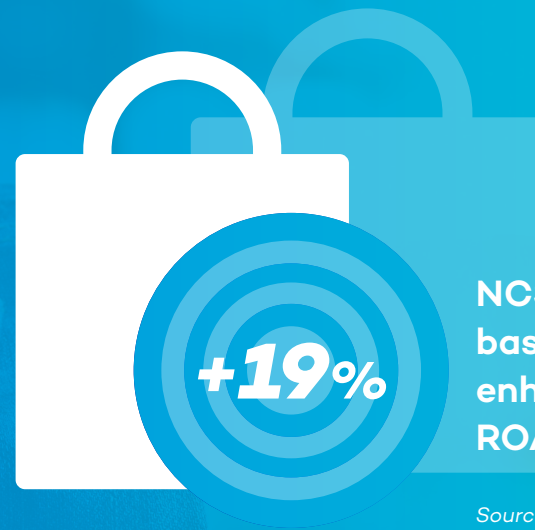


4 KEY DIGITAL VIDEO SUCCESS DRIVERS

1. GETTING TARGETING RIGHT

We know targeting is a significant success driver as a Nielsen Catalina Solutions report showed that targeting provides a 19 percent improvement over untargeted digital video campaigns.

This insight is just becoming appreciated; 52 percent of marketers said it will be important to target customers with their CRM system and 48 percent said “it will be important to target consumers with behavioral targeting.”



NCS purchase based targeting enhances digital ROAS by 19%

Source: Nielsen Catalina Solutions

The observations of the ROI measurement companies are much more emphatic than the tepid results from the marketers. **“If you target a campaign to the right buying audience, you can literally more than double the lift. We’ve seen very robust studies on this across a huge battery of campaigns.”**

-Robin Opie, Vice President: Data Science at Oracle Data Cloud

Among those marketers who believe that digital video is a superior sales driver, 65 percent also believe it is superior at targeting.

Clearly, some marketers see targeting as part of the digital video package and others don’t. Marketers that unlock the power of targeting will increase their chances of success.

2. GETTING PERSONALIZATION RIGHT

Of all the tactics marketers consider important, efficiently personalizing content for each target segment was at the top of the list, cited by 57 percent as their top priority. In the group of marketers who consider digital video a sales-driving tool, 74 percent recognize video's personalization powers.

Although targeting is pretty standard practice in digital and a growing capability in addressable television, personalization is not yet recognized as a best practice. There are more hurdles here from a cost, talent and logistics standpoint, and these challenges were voiced frequently in our conversations with marketers.

“We are seeking more personalized conversations. Dynamic creative is costly and cumbersome. Digital is hard to personalize, but if the ROI were there, it would make sense and we'd use more of it.”

-Retail Marketer

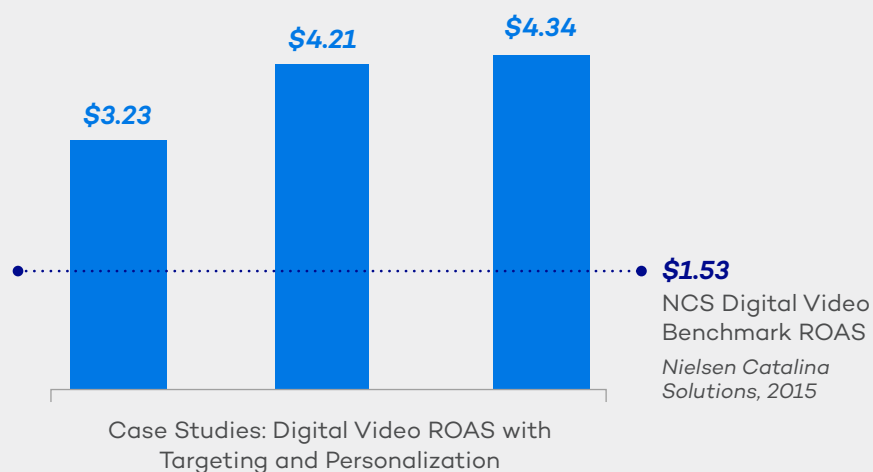
Additionally, the costs of versioning can stall implementation. “How do you do the versioning to speak



to each consumer? We would need to swap flavors and products. We want to get the right product and right message to the right target and at right time, but agencies will charge for this versioning,” said a CPG manufacturer.

Let's look at measured performance. If we compare the NCS norm versus the three cases for which we have both targeting and personalization, we see even stronger sales lifts. All three deliver more than double the NCS digital video sales norm.

RETURN ON AD SPEND FROM DIGITAL VIDEO



Consider the best-performing case from NCS, the one that received a \$4.34 ROAS, which is one of the strongest ROI stories. This digital video incorporated targeting, personalization, versioning and compelling incentives to buy.

The importance of personalization shines through in these cases, but there are no norms yet. However, it's clear this is another critical success factor in enhancing digital video performance.

Marketers may view personalization as cumbersome, time-consuming and expensive, but the power is clear. As the industry removes the barriers, this advantage will really make a difference in digital video ROI and adoption.

3. GETTING THE CREATIVE RIGHT

Modelers report that creative can account for 70 percent or more of the sales-effectiveness power of advertising. It is the variable, so it's not surprising that marketers are concerned about getting the right message and strategy to the right person.

There's a lot of dialogue in digital about targeting—but clearly the message is a key factor. Of course, we recognize there's no formula for “getting the creative right”, but the first step is to appreciate its importance. As one automotive marketer told us: “The number-one medium on any platform is video, but you need to create a smart experience—continuing stories, having different versions on different platforms. If we did it more consistently, it would drive more consumer adoption. Repurposing TV video is the greatest fault among us marketers in this space. We just check the box and move on without thinking, without considering how to drive brand affinity further. Move the story further instead of repetitive frequency.”

“Creative is 75 percent of effectiveness. We can find a good CPM and a channel to reach them, but if the creative isn't relevant or eye-catching, in the first three seconds, we're dead in the water.”

Jim A. Kiszka, Associate Director, Experience Planning, Kellogg Company

4. GETTING MEASUREMENT RIGHT

It's a truism that you can't manage what you can't measure. Marketing success is driven by the ability to measure performance, learn and make improvements based on that learning.

Over the past few years, powerful sales-lift measurement capabilities have been introduced by Nielsen/NCS, Oracle, Kantar, MasterCard, and J.D. Power. Marketers can now drill down to measure the ROI of individual media in ways that marketing mix models can't. Every marketer we spoke to said they were pursuing more actionable, comprehensive and reliable attribution models as a means of measuring and managing advertising ROI.

"Online to offline matching provide our clients with critical capabilities to measure ROI and optimize spend, creative and placement. Together these provide the potential for significant performance gains," said Thomas King, Vice President of PIN, J.D. Power.

"We can see what's working, who it worked on, and put together a learning agenda over 3-6 months to methodically test and understand. I think the companies that do that will create an enormous advantage for themselves in the market. This is literally a big enough concept that it could actually create winners and losers in the market," said Robin Opie, Vice President Data Science at Oracle.

"Advertisers are looking for third-party, objective data to find the perfect blend of linear TV and digital video and other digital and mobile and social media. We see more and more demand from our advertisers for cross-platform studies of the overlap and the amount of synergy driven by the overlap."

-Carl Spaulding, Executive Vice President of Product and Strategy, Nielsen Catalina Solutions

OUTCOME-BASED VIDEO: A MARKETER'S CHECKLIST



Eyevue uses this checklist to help brands drive sales outcomes via digital video and advanced TV. How many are you using in your video marketing strategy?



1. Audit Your Current Marketing Strategies Tied to ROI - Incorporate Digital Video

Tying video marketing to actual sales is a new concept for many marketers. Start by evaluating your revenue-generating marketing strategies and identify which business objectives could use additional support, which marketing channels are declining in effectiveness, and how they could benefit from digital video's strengths.



3. Use Data to Personalize the Creative

For a marketing campaign to truly resonate with an audience, it has to be relevant to their individual wants and needs. Using your updated CRM data from the previous step, personalize videos for customers based on their unique preferences, which products are most applicable to their lives, where their nearest location is, and what the weather looks like in their area.



2. Leverage Your Business and Customer Knowledge

Outcome-based video marketing starts with having the right knowledge about your customer base. Make sure your CRM system is up-to-date and reflects your most important audience details to target them effectively. Putting in this legwork at the beginning and then incorporating it into ongoing processes will easily set you up for outcome-based video campaigns.



4. Quantify the Video Experience

Marketers have myriad tools to measure engagement, but they need to start considering how to measure actual sales driven from video marketing campaigns. Although expensive, third-party measurement providers are a great resource for determining in-store sales. Be sure to use test and control methods as they're the most reliable for proving ROI with video.

A FINAL NOTE

In conclusion, we were excited to investigate the state of digital video with our client, Eyeview. We were impressed with the capabilities of the medium—the vast number of options available to marketers today. Their current concerns and issues were valid—some are sizeable and present real hurdles that need to be overcome to achieve success.

However, what we found most fascinating is that digital video has strong financial returns, and unique capabilities to drive sales while still building brands. Marketers don't currently use digital video to its full potential as a

sales-driving tool, but indications are that this medium is poised and ready to mature in the next 1-2 years. There are a lot of believers out there—those who've seen digital video drive sales—and their stories and case studies will help propel marketers who have more limited views of the medium. As marketers learn to apply key digital video success drivers—targeting, personalization, creative excellence and improved attribution measurement—digital video will be known for its power to endear brands to consumers while driving sales at the same time. This is the latest exciting tool in the marketer's toolkit.

METHODOLOGY

Qualitative interviews were conducted among marketers during May and June of 2016. We spoke with:

Fernando Arriola	<i>Vice President, Marketing</i>	<i>Conagra</i>
	<i>Senior Vice President</i>	<i>Team Detroit</i>
	<i>Vice President</i>	<i>Bank of America</i>
Lee Certilman	<i>Executive Board Member, President, Nardy Honda Smithtown</i>	<i>Tri Honda Dealers</i>
Jeff Cronin	<i>Hyundai National Media Manager</i>	<i>Innocean</i>
	<i>Senior Vice President</i>	<i>Bank of America</i>
Beth Gray	<i>Senior Director, Media Strategy</i>	<i>American Signature</i>
	<i>Senior Manager, Media</i>	<i>Weight Watchers</i>
Jim Kiszka	<i>Associate Director, Experience Planning</i>	<i>Kellogg Company</i>
Ellen Liu	<i>Senior Director, Media</i>	<i>Clorox</i>
	<i>Senior Assistant Brand Manager</i>	<i>P&G</i>
	<i>Associate Director</i>	<i>Leading Auto Manufacturer</i>
	<i>Senior Manager, Media</i>	<i>Hasbro</i>
Kate Sirkin	<i>Practice Lead, Analytics and Insight Americas and Audience Insight Global</i>	<i>Publicis Media</i>
	<i>Brand Manager</i>	<i>P&G</i>

A quantitative survey was conducted online among 202 marketers during June of 2016.

A questionnaire was developed to capture marketers' perceptions of:

- *The suitability of digital video in addressing specific marketing goals*
- *Perceptions of attributes of digital video*
- *How digital video performance is measured and should be measured in future*
- *Evidence that would encourage them to increase their allocation to video and where those funds would be sourced*
- *Key tactics for superior digital video performance*
- *Current ROI performance of digital video*

In June 2016, 202 marketers completed the questionnaire with 25 percent in each of the following categories:

- *CPG*
- *Retail*
- *Auto*
- *Travel*

Fieldwork was very ably handled by Phronesis.

All respondents play some role in their company's media budget setting and allocation process:

What is your role in the media selection, decision-making process?

	Total	202
Part of decision-making process	%	47%
Sole decision-maker	%	23%
Influencer, not decision-maker	%	23%
Budget owner	%	18%

While we screened for experience with digital video, respondents exhibited experience with a range of other media:

Which of the following paid media outlets is your company currently using?

	Total	202
Digital Video	%	100%
Print	%	72%
Social Media	%	69%
Television	%	64%
Search	%	45%
Radio	%	43%
Digital Display	%	35%
Out of Home	%	15%

Questionnaire respondents had the following relevant job titles:

Digital Marketing Head	CMO	Marketing Head	Advertising Head
Sr. Marketing Manager	Digital Marketing Head	Content Director	Marketing Manager
Marketing Director	CMO	Social Media & Marketing Head	SVP Marketing & Sales
Advertising Manager	Head Marketing & Advertising	Content Head	Marketing Manager
CMO	Marketing Head	Marketing VP	VP Advertising
Director Marketing	Content Advisor	Department Head Marketing	SVP Marketing
Digital Marketing Head	Digital Marketing Head	Marketing Coordinator	Director Marketing
VP Marketing	Advertising Manager	Advertising Head	SVP Marketing
Advertising Head	Content Manager	VP Marketing	Advertising Head
Content Director	Marketing Director	Social Media & Content	Marketing Manager
CMO	VP Advertising	CMO	CMO
Digital Marketing Head	Content Advisor	VP Marketing	Director Marketing
Advertising Head	Marketing Director	VP Marketing & Advertising	Social Media & Content Head
Social Media & Content Director	VP Marketing	VP Marketing	Advertising & Marketing Head
Marketing Head	Marketing Director	CMO	Social Media & Content Head
Advertising Head	Digital Marketing Coordinator	Social Media & Content	Advertising & Marketing Head
VP Marketing	Digital Marketing Manager	Head Marketing & Advertising	CMO
Marketing Director	Advertising Head	SVP Marketing	Marketing Manager
VP Marketing	VP Marketing	Regional Marketing Head	Advertising & Marketing Head
Digital Marketing Coordinator	Advertising Head	Advertising Head	VP Marketing
Director Marketing	Sr. Marketing Manager	VP Marketing	Marketing Head
Marketing Manager	North Marketing Head	Advertising Head	Lead Marketing
Social Media & Content Manager	Head of Content	Marketing Manager	Advertising & Marketing Head

Marketing & Advertising Director	Head Marketing & Advertising	Director Marketing	Content Advisor
Content Director	VP Marketing	CMO	Marketing Head
Managing Director	Content Director	Regional Marketing Head	Advertising Head
VP Marketing	Marketing Manager	Director Marketing	Social Media & Content
Content Director	VP Marketing	VP Advertising	Marketing Director
Marketing Head	Content Director	Social Media & Content Manager	VP Marketing
VP Marketing	Managing Director	Marketing Manager	Head Marketing & Advertising
Head of Content	CMO	Director Marketing	SVP Marketing Head
Content Director	Marketing Manager	Sr. Marketing Manager	Sr. Marketing Manager
Content & Advertising Director	Content Manager	Content Manager	Marketing & Advertising Head
Marketing Head	Content Director	Marketing Head	Head of Content
SVP Marketing	Advertising & Marketing Manager	Sr. Marketing Manager	Marketing Director
VP Advertising	VP Marketing & Sales	Advertising Head	Content Manager
Marketing Director	Advertising Head	Marketing Head	VP Marketing
Sr. Marketing Manager	Content Manager	Digital Marketing Head	Head - Media
Content Manager	Marketing Manger	Director Marketing	Marketing Head
Marketing Head	VP Marketing	Marketing Manager	Social Media & Content Director
CMO	Content Advisor	VP Marketing	Marketing Manger
Marketing Director	Head Marketing & Advertising	Advertising Head	Social Media & Content
Marketing Manager	Marketing Head	Content Head	Sr. Marketing Manager
Content Manager	Content Manager	Advertising Head	Marketing Manager
Social Media & Content	CMO	Content Head	Marketing Director
Advertising Head	Content Manager	Advertising Head	Marketing Head
Social Media & Content Manager	Advertising & Marketing Head	Marketing Manager	Sr. Marketing Manager
Marketing Manager	VP Advertising	Social Media & Content	VP Advertising
VP Marketing	Advertising Manager	SVP Marketing & Advertising	Head Marketing & Advertising
Marketing Director	Content Advisor	VP Advertising	SVP Marketing
Digital Marketing Director	SVP Marketing & Sales	VP Marketing	SVP Marketing

