

HOW LEADING BRAND MARKETERS ARE USING PERSONALIZED VIDEO TO DRIVE SALES

MAR 2018

Clinch

with

**Brand
INNOVATORS**

INTRO

For decades, marketers have understood the power of video to communicate ideas and tell stories in a way that has unmatched emotional appeal. But while digital media has provided many new platforms, video has struggled to compete with other kinds of digital ads in terms of performance and return on ad spend (ROAS). This is because marketers have struggled to personalize video for their dynamic audience(s), spending significant budgets and efforts to identify and target with very high precision, while ignoring the value and power of personalizing creatives.

In this white paper, we examine how leading brand marketers are leveraging video. Through a survey of more than 200 brand marketers, we studied the momentum of video versus other ad types, whether videos are being personalized/customized and to what extent, the kinds of personalization criteria being used and the results being generated from video personalization and customization.

A persistent theme is the desire to customize video production (for platforms) and personalize video creative (for target consumers). Some key findings include:

- Video is the fastest-growing advertising format
- More brands are now producing video for digital platforms than for TV
- Facebook is the #1 video platform, followed by YouTube
- More than 66% of video creative is for mobile
- 75% of digital video ads are still being repurposed from TV , 50% not yet shortened for Facebook and YouTube recommended six-second formats
- 50% of brand marketers “personalize” video, but with limited scale
- 72% of those who customize or personalize video ads for Facebook and YouTube report it boosts their KPIs

Costs aside, limited capabilities to optimize and personalize production of video ads are the biggest challenge respondents report, suggesting that the advent of advanced tools to solve for these perceived limitations have the potential to help increase the performance and ROAS of digital video advertising.

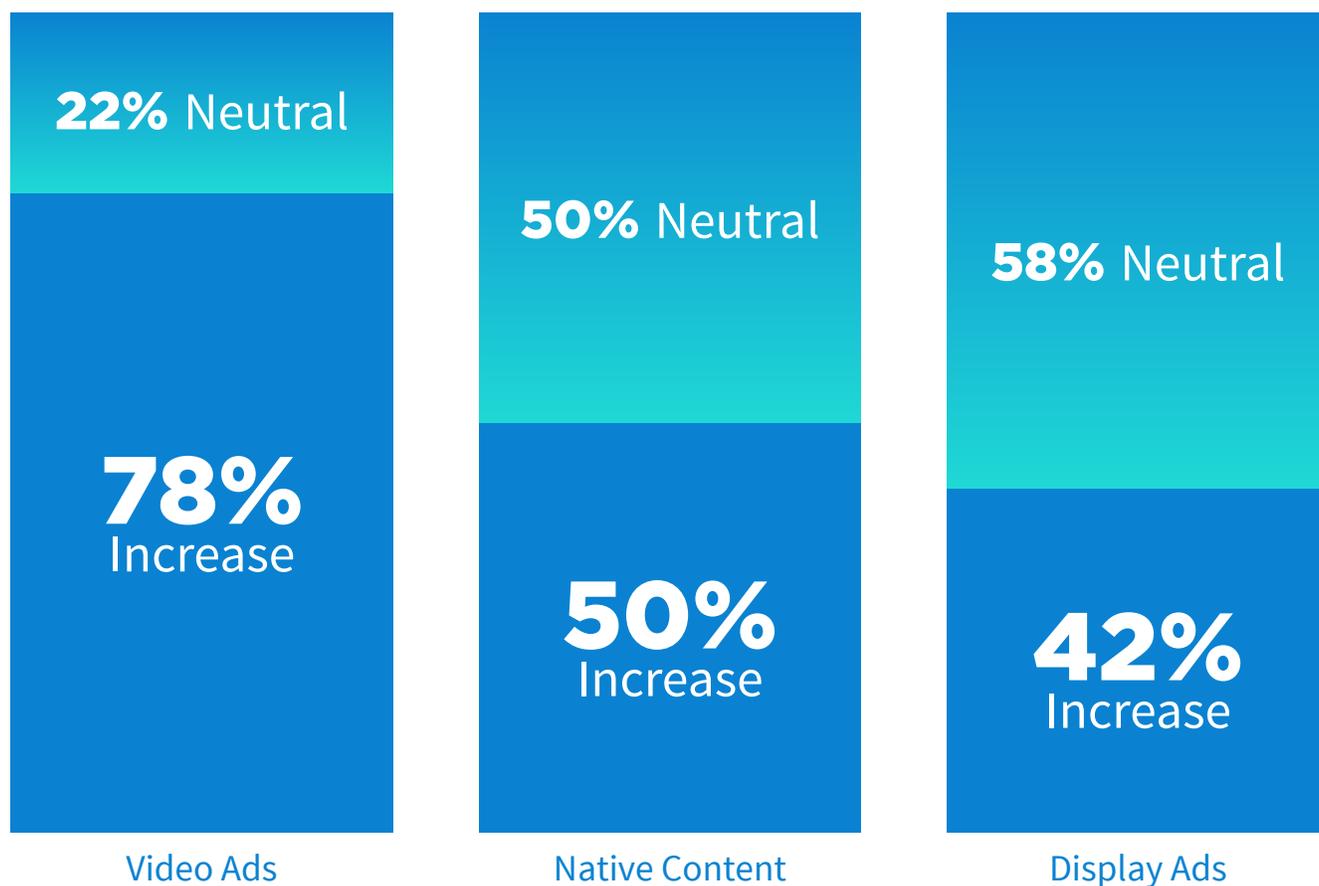
●
FACEBOOK
#1
VIDEO
PLATFORM,
YOUTUBE #2

●
66%
OF VIDEO
CREATIVE IS
FOR MOBILE

●
72%
REPORT
PERSONALIZED
ADS BOOST
KPIs

THE RISE OF VIDEO

How do you expect production of the following types of ads to change in the next year at your company?

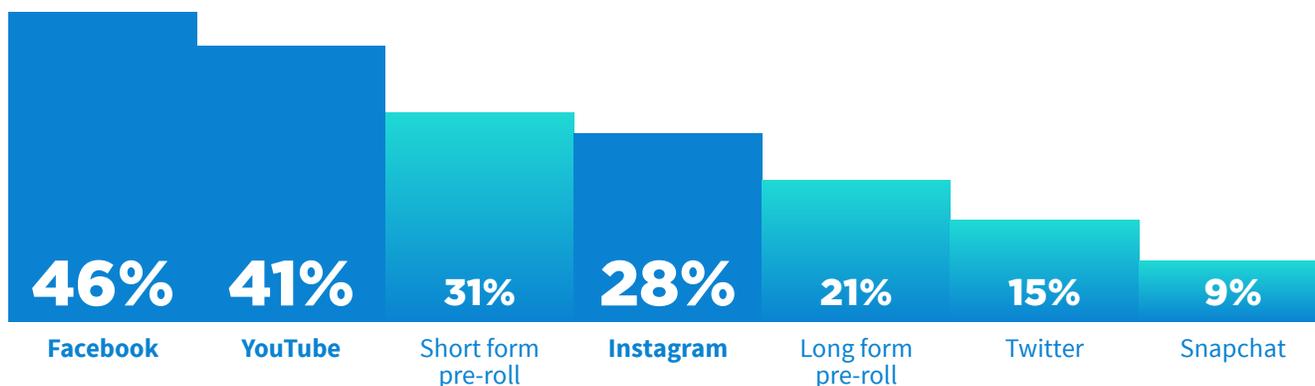


Video continues to grow rapidly, particularly at the expense of other kinds of media. In contrast, text ads are set to endure the most significant decrease with 71% of respondents seeing the number of such ads decline this year.

FACEBOOK AND YOUTUBE DOMINATE

For the first time, marketers are putting more weight behind Facebook-owned properties than YouTube, making it a critical platform for leveraging the power of video.

What percentage of your video ads do you produce for the following properties?



While a few online destinations stand out as key targets for online video, marketers are considering a wide range of properties. As two of the largest digital repositories of video, Facebook and YouTube represent the most popular destinations for video ads. Facebook's reach is also enhanced via its ownership of Instagram, which is cited as a target for video ads by 28% of respondents. That was almost as high as general short-form pre-roll at 31%, which was more often targeted than long-form pre-roll at 21%.

74% of marketers adopt online video from their professionally produced commercials. This is a mistake!

TV commercials and other video assets remain a critical source of video content for digital advertising. Seventy-four percent adopt their TV ads for the web. Given the power of digital platforms, the different user experience each platform offers and the vast data available to tailor creative, we know that creating one ad to deploy across all digital platforms will not generate the ROI marketers require.

While TV commercials provide a ready source of video for web ads, digital advertising often demands shorter spots than the 15 to 30 seconds that typically define a TV spot; Facebook and YouTube recommend six seconds. 44% of respondents don't shorten TV ads to the recommended length.

"We're always trying to look at each channel and say, 'How do we do it differently for the nature of the channel? What I can do on Facebook that I can't do on YouTube or that I can't do on Snapchat?"

*-Jennifer Dalipi,
Coty*

IT'S ALL ABOUT PERSONALIZATION

Only 25% of marketers surveyed personalize video ads.

In 2018, the definition of personalization will change. While the majority of marketers surveyed report that they generally personalize display ads using a range of criteria, only 25% said that they do so for video ads. Right now, marketers define personalization as creating a handful of versions to address broad-ranging demographics – men, women, or regional. We define this as customization. Instead, we expect personalization to mean creating an unlimited number of versions/creatives to uniquely address customer needs.

Why don't you personalize Facebook or YouTube ads?



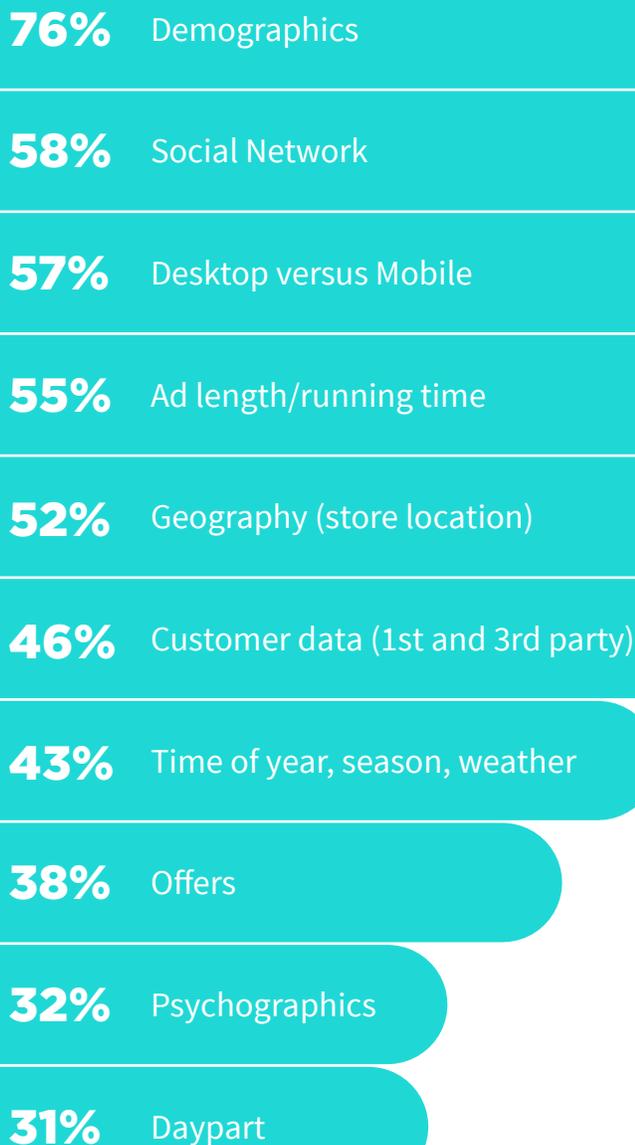
90% see benefits in Facebook and YouTube video ad personalization.

Furthermore, 70% of those who customize ads said that they have seen improvement to their KPIs, while another 17% said that they had seen benefits even without a KPI impact.

"... there is a high volume of transactions that we need to drive daily. That doesn't mean you can't personalize for someone who only eats beef and ensure that they do not receive content for a chicken promotion. That type of personalization has the potential to deliver a stronger ROI."

*-Nicole Kane,
McDonald's*

Which of the current factors are you using or would like to use to personalize video ads?



Video ad customization using the obvious and commonly available data, such as demographics and desktop versus mobile, will not produce the required KPIs for marketers. Marketers need to go deeper and more granular, leveraging the true power of video ad personalization. When asked what kinds of data they would like to use to customize video ads, marketers demonstrated a significant demand to explore other customization criteria beyond basic demographics and device type, and rely more on customer data (1st and 3rd party), geography, weather and psychographics.

REDEFINING VIDEO KPIs

Data-driven video personalization increases sales. This is why sales lift should be one of the main KPIs for marketers.

What KPIs are you currently using to measure the effectiveness of video ads?

72% Engagement lift

68% Website visitors

66% Brand awareness lift

62% Social interactions

54% Sales lift

26% Offer acceptance

Respondents reported using a wide range of KPIs to evaluate the effectiveness of their video ads. These results indicate that marketers are using the same metrics to evaluate TV commercials to measure digital video effectiveness. However, when done correctly, digital video can be a significant sales generator.

Advertisers are just beginning to realize the dramatic impact data-driven creative video personalization can have on KPIs and ROAS.

“If we can reach our customers better in digital formats with more refined strategic targets, then we’re going to take advantage and do just that.”

*-Nicole Kane,
McDonald’s*

Clinch is a personalized advertising solution for video and display, driving sales and ROAS across programmatic and social media. Clinch combines brand, product and consumer data with dynamic creative messaging to generate unlimited personalized ad versions, targeting consumers across all platforms and devices including web, mobile, in-app, social OTT and Connected TV.

METHODOLOGY

This report was based on a survey of 227 brand marketers who are part of the Brand Innovators community, 157 of whom engaged directly in video advertising on digital platforms, over 70% are from media agencies, brands or creative agencies, and the majority hold the title of VP, director or senior manager.

For more information, contact us: info@clinch.co

Clinch

www.clinch.co



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.

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