

MARKETING WITH VIDEO

The State of Video Production in Australia

A study conducted
with members of the
Australian Marketing Institute (AMI)





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INTRODUCTION

As part of the Australian Marketing Institute's dedication to furthering the knowledge and expertise of professional marketers across Australia, we have partnered with Creativa Videos to investigate the use of video as an effective medium to communicate and engage with our audiences.

At present, video is assumed to be one of the highest performing media forms employed by organisations of all sizes, often representing a significant tactic and spend in their marketing plans. This is especially evident in the explosion of video use on social media platforms such as Facebook, Instagram and YouTube.

However, there are also a lot of unanswered questions in this field that may act as barriers to video's effective use, such as cost and time, or even a lack of understanding and appreciation. This study aims to examine the role video plays in marketing strategy, and to further inform us all regarding its use as a powerful medium to connect with our customers.

The study incorporated AMI member perspectives and was conducted via the AMI's Intelligence Connected Insight Community. This platform is an exclusive platform for Australian marketers to express their ideas and opinions in key areas that are changing the marketing landscape.

We thank everyone who contributed and whose views are contained herein, and I encourage all AMI members to join the online insights community to participate in future studies of relevance to our profession, so your voice can be heard too.



Lee Tonitto

CEO of the Australian Marketing Institute

EXECUTIVE SUMMARY

Marketing with Video: The State of Video Production in Australia

is based on a study conducted in partnership with Creativa Videos during April 2017, with Australian Marketing Institute (AMI) members across the country.

BACKGROUND

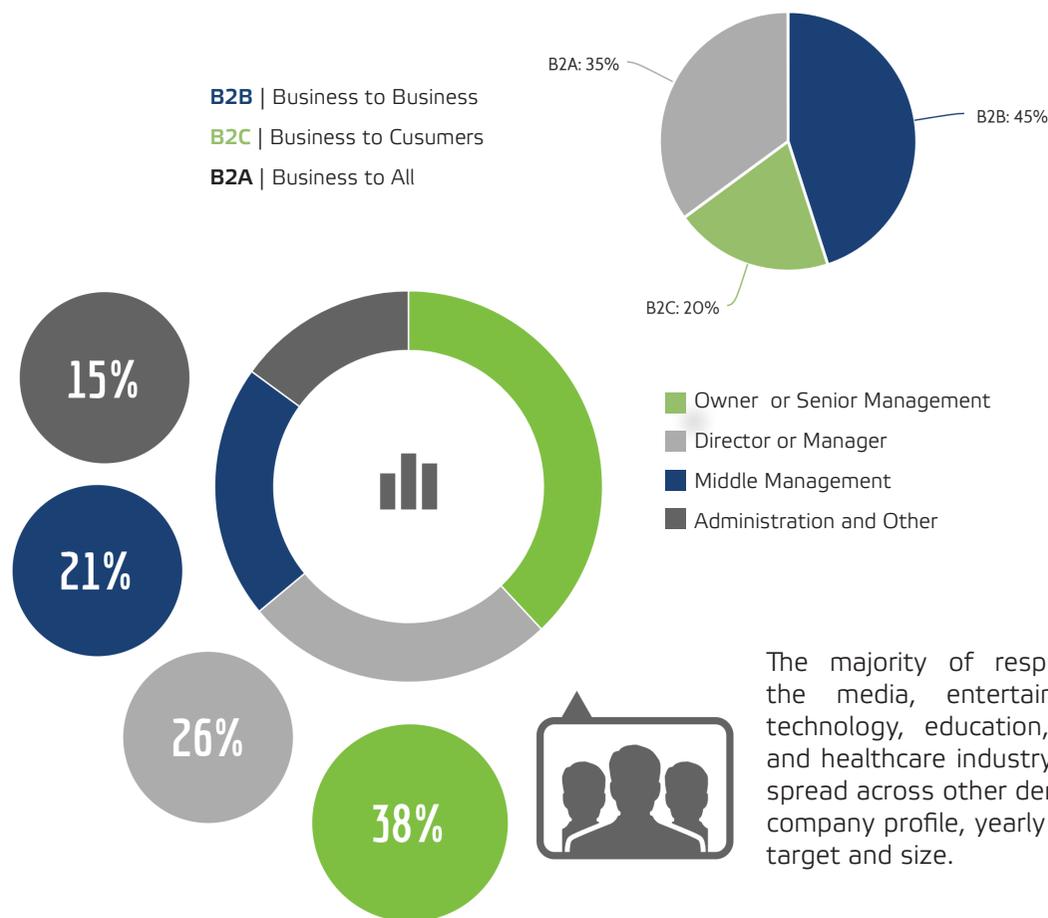
The objective of this study is to investigate the current state of video production and marketing across organisations, businesses and companies in Australia. This white paper aims to understand the practice, successes and obstacles of video marketing.

METHODOLOGY

The study included the quantitative online survey data from 182 members, and provides an interesting insight into the trends, challenges, uses and roles that video plays (or not) in the current commercial landscape.

PARTICIPANTS

Study participants spanned a wide range of positions within their organisations, with over one-third at the Owner or Senior Management level, just over one-quarter at the Director and Manager level, and the remaining ranging from Middle Management, Administration and Other.



The majority of responses came from the media, entertainment, publishing, technology, education, financial services and healthcare industry, with a fairly even spread across other demographics such as company profile, yearly turnover, customer target and size.

EXECUTIVE SUMMARY

There were **five** main findings:

- 1 | There is a **considerable demand** for video production, with organisations prioritising quality and reliability from the video production companies they engage.
- 2 | The majority of respondents said that their organisations produce **less than 5 videos per month**.
- 3 | More than half of respondents identified that the **average cost** of each video project was **less than \$5,000**. Overall, the majority of organisations using professional video production companies spent less than \$10k, while a few actually spent over \$50,000.
- 4 | A large majority of the organisations in the study are using video primarily for **brand awareness & credibility**.
- 5 | The most successful **video length is 1 minute** and mostly distributed through their business website and on YouTube.

These findings are indicative of the exponential growth in video marketing, and while the results are certainly insightful to offer perspective and a glimpse into underlining rationale, they are also consistent with what we are typically witnessing around the current marketing landscape on an international level, even if Australia is trailing behind the rest of the world.

People from all walks of life are now engaging with video on a more intimate level than ever before. However, due to the high availability on offer to them already at their fingertips, they are also demanding higher quality production and wow factor, too. Customers are searching out content for a wide range of needs, from 'how to' videos, to education and entertainment, and if organisations are not adapting to this demand, their brands will quickly become invisible, lost or even forgotten.



1 | VIDEO CONTENT: THE ESSENTIAL CORNERSTONE OF MARKETING

Shifts in customer behaviour always have a significant impact on marketing and the types of activities that produce the best results. Over the recent years, attention spans have become shorter, and people are now looking to invest time into more visual content. As a result, there has been a surge in the popularity of video as a way brands are communicating directly with audiences.

Video content is therefore taking the world by storm, owning a significant share of people's attention when browsing content within the digital space. With the rise in popularity of YouTube, Instagram video, Facebook Live and SnapChat over the recent years, it's evident that video increases engagement with audiences.

With video's results quickly surpassing other marketing approaches, it's understandable that many businesses are shifting their marketing strategy to incorporate more video content in order to reach their target segments effectively.

VIDEO CONTENT AND THE ROLE OF MARKETING

Knowing that the demand for interesting videos is on the rise, it's no surprise that its use in content marketing is increasing. Given that YouTube is now the second most used search engine on the web, second only by Google, and that Facebook's video streaming is growing exponentially every year, Marketing professionals should not be taking this trend lightly.

Unfortunately, as indicated from this study, it seems that many organisations still view video as a 'nice-to-have' rather than critical. Yet, if consumers are demanding video as their preferred communication method and a brand doesn't deliver, organisations are at risk of haemorrhaging prospective customers.

HOW ARE MARKETING DEPARTMENTS RESPONDING?

All-in-all, the research indicates that marketing departments are adapting fairly well to the trend, with almost 70% having commissioned a video production agency to create Marketing videos for them.

With modern technology making the creation of content very easy, it's tempting for businesses to meet their customers' insatiable appetite for video using a SmartPhone and simple video editing software to produce videos in-house. However, due to the high saturation of content out there, customers are incredibly spoilt for choice, which means that it takes far more than an average video to have a significant impact, This certainly explains why marketing professionals are turning to external parties to for assistance with creative development and increased production quality.

For the 12% of survey respondents who didn't create video content, a sizable 35% of them said they didn't have budget, while a further 38% admitted they had no interest, never considered it or believed it wasn't applicable.

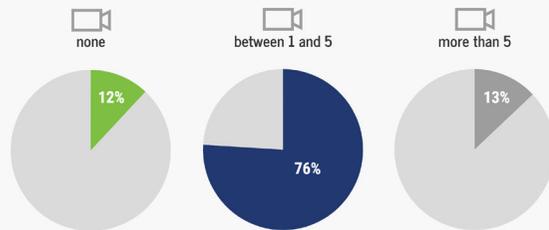
This is quite alarming. If watching video is growing and dominating the way people are spending their time online, then these organisations who are not using video in the marketing portfolio may be missing an opportunity to reach and engage With their targeted audiences.

Reasons for not creating videos included lack of budget, no interest, no opportunity or it wasn't applicable to their business.

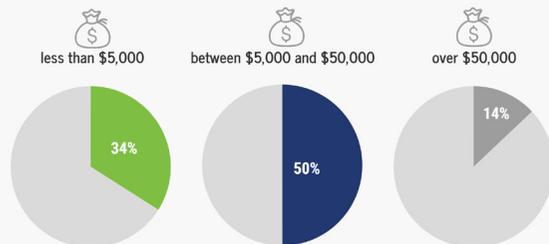


2 | INVESTMENT IN VIDEO CONTENT BY MARKETING

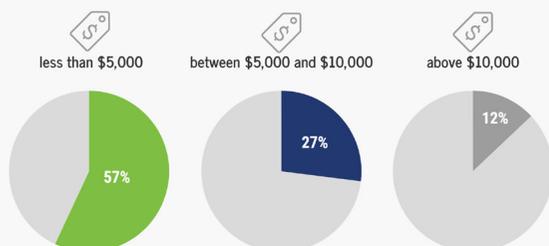
Average Number Of Videos



Over the last financial year, overall video spend:



Average cost of each video:



From the survey, 76% of respondents created between one and five videos, with the numbers tapering off dramatically after this. This indicates that marketing professionals do still not regard video production as a priority.

Given that marketing departments are producing collateral, blogs and social media posts frequently, the results demonstrate that when it comes to video content, organisations are not as committed over the long term. It seems that marketing professionals, while mostly appreciating the need for video content, are not willing to produce them at the same quantity as other forms.

From the results of this survey, we could make the assumption that the lack of emphasis on video creation is attributed to the time and financial costs required to produce video content.

Given that the overall budget spend to produce video content appears to be considerably more than other forms, it's understandable why the numbers of video produced tend to be fairly lower.

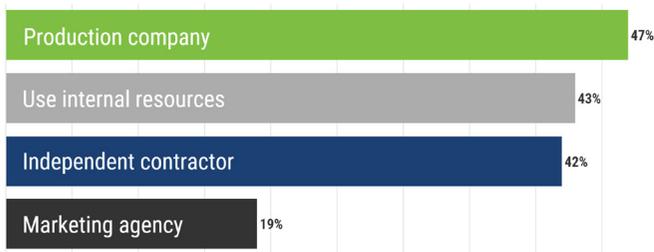
These responses are consistent with the overall yearly spend results, and solidifies the conclusion that video production can be costly, which creates a barrier to using this medium regularly, despite the demand by customers.

"It varies depending on the resource we use. Internally produced video is under \$,999 and externally produced \$5,000 to \$9,999."

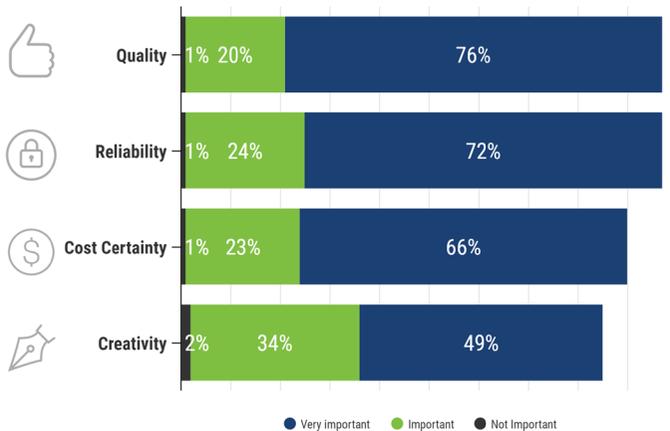
As a result, organisations are a far more conservative with the number of videos produced, seem to prefer quality over quantity.

3 | CREATING VIDEO: THE HOW AND WHY

How Does Your Organisation Produce Videos?



Which service areas of a film production company are important?



The process of creating video and the rationale behind the strategy are two very important factors when trying to find the link between the state of video production and marketing as a practice.

As respondents were able to select more than one category here, there was a lot of overlap between the three main methods that organisations are commissioning video content to be produced. While internally produced video is definitely a popular option, it was not a standout result when compared to the collective use of several external options such as production companies, independent contractors and agencies, further strengthening the inference that marketers are keen to look externally for professional video quality.

It also aligns with the previous inference that organisations are choosing to pursue quality content over quantity. Additionally, 76% of respondents noted that quality was a very important attribute when commissioning external organisations to undertake their video work.

What is interesting is the lower result for the use of marketing or branding agencies to produce video. This represents a loss of market share for these agencies within this area, alluding to the fact that marketing professionals are ‘cutting out the middleman’ to go straight to the source.

SOURCING EXTERNAL VIDEO PRODUCTION

So, where are marketers finding the right video producers for the job? The research indicates that testimonials and WOM (Word of Mouth) are important, with 50% selecting a video production organisation based solely on referrals/recommendations, and another 40% continuing with ones they have worked with before.

Paradoxically, the research suggests that marketers are resistant, if not almost immune to advertising, with only 2% saying they would select a video company based on their above-the-line promotional activities. Even basic web searches were a low 14%, putting a dampener on the effectiveness of SEO for these companies; but even less was the 8% who chose based on the videographer's previous work with other clients.

This is a very enlightening (if not a surprising) result, for both the marketers and the video companies themselves, as it seems to contradict what both parties would assume to be the typical way that each meet each other.

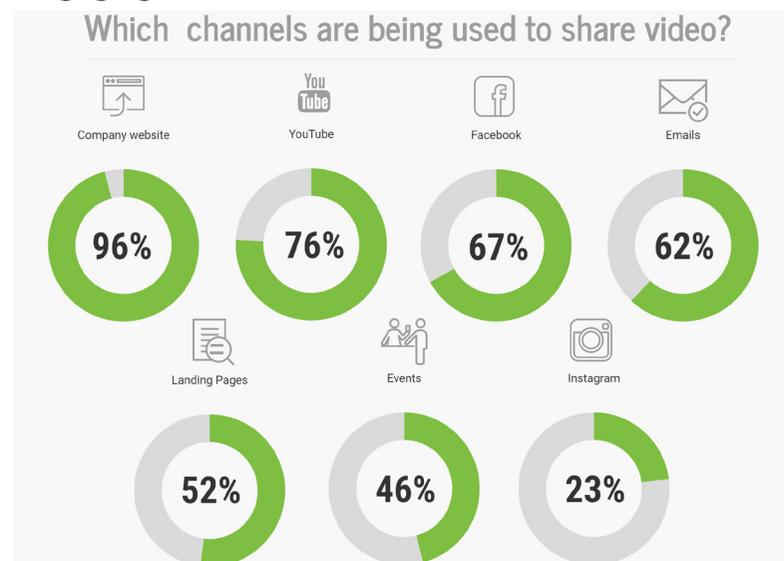
VIDEO DISTRIBUTION

There are plenty of distribution channels available to an organisation, and after spending considerable resources on production, the overlapping results reflect that marketing professionals are effectively utilising several methods for each.

These statistics show that marketers have a sound understanding of the need for a wide distribution spread of video content in order to connect with their audiences. Naturally, the goal is to draw people toward the only digital asset that an organisation truly owns: their website. Once customers are there, they can be directed through to the correct sales funnels through designated Calls To Action (CTA) established throughout the website.

However, marketers are also realistic about the trends of customer behaviour, which means they also understand how important it is to place their video content across the most popular portals, such as YouTube and Facebook.

Additionally, video is being used as a supportive mechanism for landing pages, emails and events, which are ideal channels for video, given that the customer is in the right state of mind for faster, more engaging content.

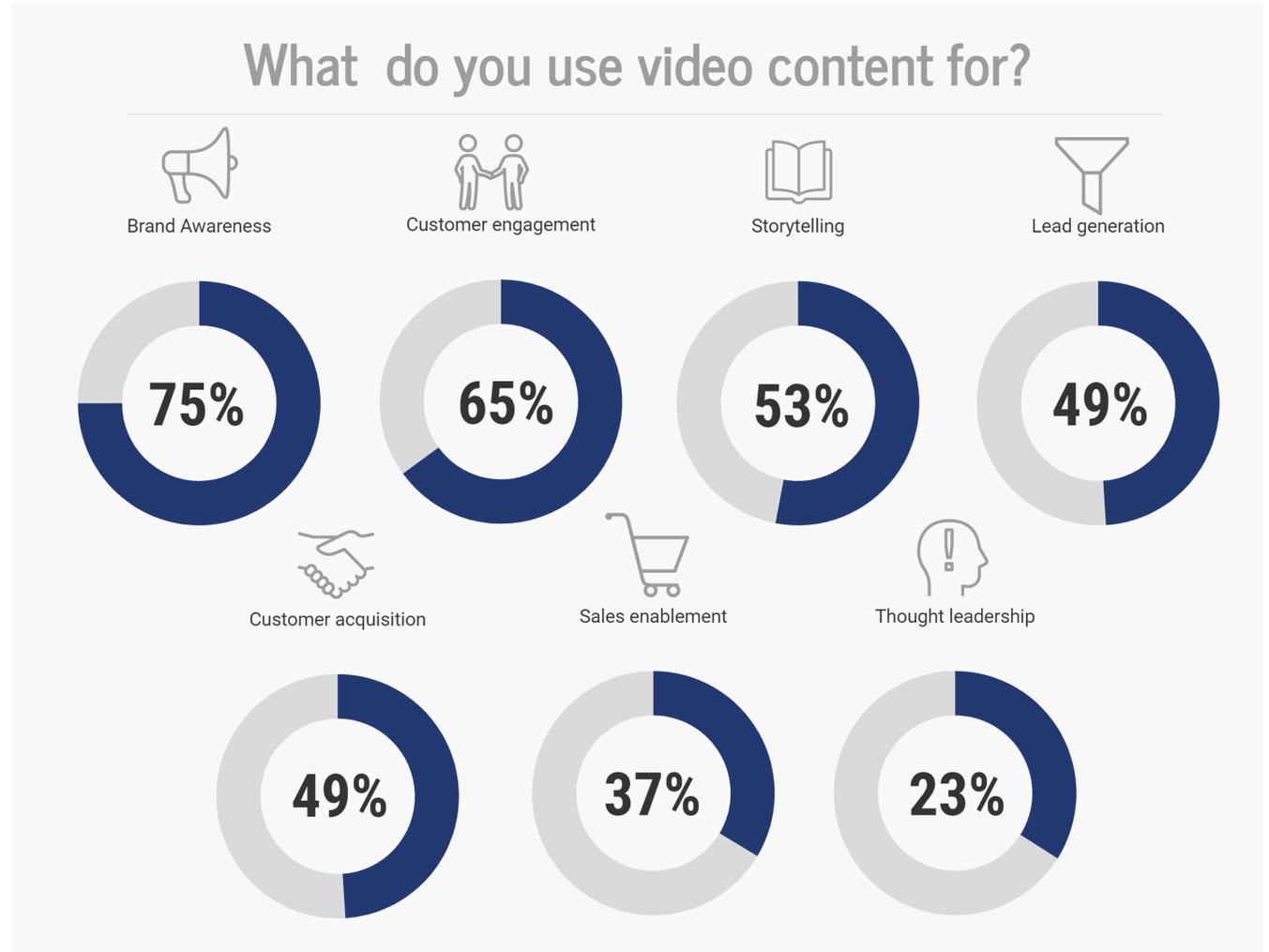


VIDEO PURPOSE

As marketing professionals are aware, all strategy and tactics lie in the achievement of an overarching goal, and video content is no exception.

With two-thirds of respondents aiming for brand awareness and credibility as the primary goal, it is consistent with the modern approach to content strategy, which revolves around offering potential customers empowering and useful information on which to make their own purchasing decision, as opposed to a focus on forceful, direct selling.

Story-telling and thought leadership also indicate a growing trend that organisations are aiming to align their positioning alongside the customer, rather than as a separate entity, and then convert after trust and relationship is established.





4 | THE MEASUREMENT OF RESULTS AND ROI

As with any marketing activity, the results and Return On Investment (ROI) are the way to gauge if a project has been successful or not. Video is easy to measure with clear and definitive metrics, such as views, clicks and overall engagement.

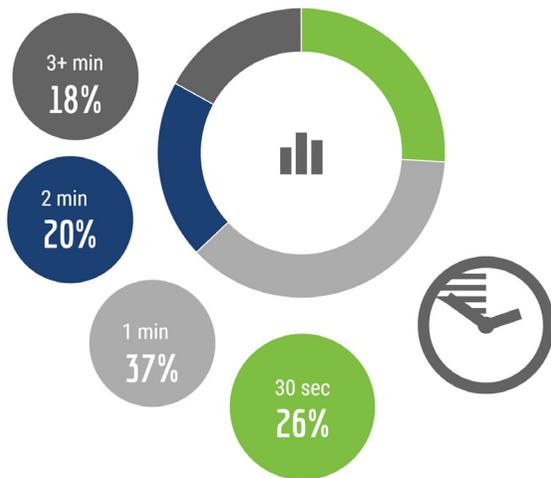
However, if the results are anything to go by, there is a significant amount of basic measurement being employed, with 56% of respondents only taking into account view and share metrics. The next 39% use an intermediate level by observing general engagement scales such as average viewing duration. This leaves a surprisingly low 5% of marketing professionals seeking out advanced measurements, which include revenue generation and direct ROI.

This indicates that there is either a lack of time or a lack of understanding of the range of metrics available to a business which not only gauges the success of a video, but can provide more of an insight into current market conditions, audience trends and effective messaging.

LENGTH OF VIDEO

The majority believed that a 60 second video were the most successful, when it came to audience engagement. This is consistent with typical audience trends of today, having a short attention span due to bombardment of content, demand for personalisation and being time poor.

Video Length Success



OBSTACLES TO VIDEO SUCCESS

Over half of the respondents said that budget constraints and production costs were the biggest limitation, and a further 34% saying they lack the budget to promote it after production. Interestingly, 38% believe that they could not attribute an ROI to video content, which is congruous with the above conclusion made about marketing’s lack of understanding around video ROI metrics. After all, if the marketing team cannot justify the spend on video marketing, which comes through in the results, with 13% blaming a lack of management support.

“Clients are still coming to terms with the effectiveness of this media”

“Budget restraints and how/ where to best use them”

“Simply access to budget resources and resistance to change from clients”

“The legal industry where I work is a slow adopter of innovative marketing techniques that do not directly bring in business. This is slowly changing with the acceptance of senior decision makers of the importance of digital technology and communicating our brand mess through this channel.”

“Small Team with limited resources so haven’t been able to dedicate as much time as would have liked to this”

“Lack of strategy and internal resource to develop and manage the project”

“Super expensive and lack of time and technical skill to produce”

“Mainly cost and trying to measure ROI compared to other marketing methods”

“Cost – pure and simple!”

“It’s no use having a lot of great videos if you can’t get them employed and utilised. This is a relatively new space for us and we are finally getting support across the organisation, so more messages are being considered for video rather than a standard letter etc”

“Time consuming and cost prohibitive and low ROI. The funds are better spent on lead generation campaigns with genuine offers.”

“We utilise in-house resources frequently to produce video – it is fast becoming one of our most important elements of content generation”

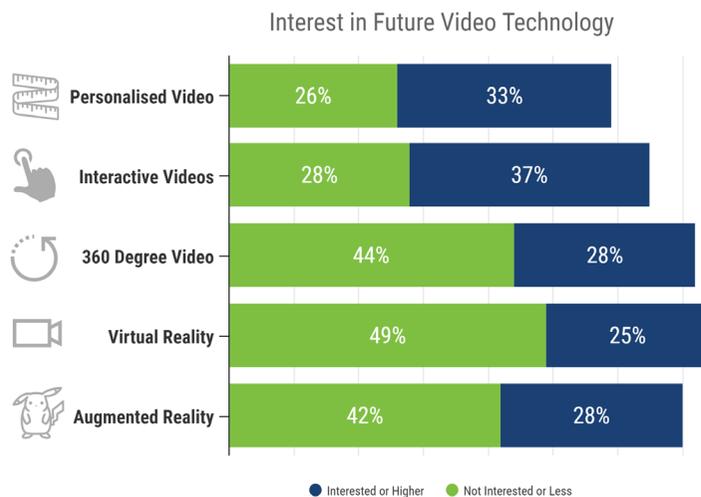
“Time constraints on key business personnel to work on ideas, scripts and getting videos recorded”

“Time, money, proof it works to give a higher return than investment”



4 | THE FUTURE OF VIDEO

Marketing, as a practise, is continually evolving every day, especially when it comes to the digital technology, and video is no exception. Marketers must always continue to innovate and take advantage of future advancements to better engage and interact with customers.



INTEREST IN FUTURE VIDEO TECHNOLOGY

However, there were a range of mixed responses when it came to the suggestion of many newer approaches to video production.

These were very mixed responses, and indicated a lot of polarity of interest with new forms of video technology. This may indicate reluctance or even a fear to change, given how quick and diversely video marketing is changing. However, there is the possibility that marketers are simply unfamiliar with the newer technologies, or they avoid them due to budget constraints. This puts the industry in a difficult position, as these new forms must be embraced by marketing professionals, because customers are seeking fresh and innovative ways such as these to really experience brands.

VIDEO PERSONALISATION

When presented with a case study example of video personalisation, around one in three responded that they were not interested. This again demonstrates a lack of appreciation of what audiences are starting to look for when searching for desirable content. However, on the other side of the scale, the combined percentage of interested and very interested scored slightly higher comparatively, which is consistent with the above results, where both polarities showed similar amounts of interest.



KEY FINDINGS

There were **five main findings** from the results:

- 1 | There is a **large demand for video production** amongst business decision makers, with the most important requirements being quality and reliability.
- 2 | The majority of respondents said that their organisations created **up to five videos**
- 3 | More than half of respondents identified that the **average cost** of each video project was **less than \$5,000**. Overall, the majority of companies using professional video production agencies spent less than \$10k, while a few actually spent over \$50,000.
- 4 | Companies are using video for two main purposes: **brand awareness** & credibility, and **customer engagement**.
- 5 | The most successful **video length is 1 minute** and mostly distributed through their business website and on YouTube.

KEY FINDINGS

What this survey found was marketing professionals are utilising video as part of their marketing strategy, but in a limited way,

Firstly, it seems that Marketing professionals, while appreciating the need for video content, are not willing to actually produce it at the same quantity as other forms. Video production can be costly, which creates a barrier to using this medium regularly, despite the demand by customers.

As a result, organisations are a far more conservative with the number of videos produced, choosing quality over quantity.

There are plenty of distribution channels for filmed content available to an organisation, and after spending considerable amounts of resources on production, the survey shows that Marketing professionals are effectively utilising several methods for each video, by sharing them across their own website, YouTube, Instagram, Facebook, Landing Pages and even Email.

Video has a lot to offer for the time and money spent on production, and the results show that the primary goals were aligned with the highest priorities of the marketing function. However, there was a significant amount of basic measurement being employed, meaning that many more accurate metrics, such as ROI, are being under-utilised or not measured at all.

There were varied reasons as to how the success of video marketing projects were determined, however the most prominent negative attribute was budget constraint.

Marketers must always continue to innovate and take advantage of future advancements to better engage and interact with customers, however, there were a range of mixed responses when it came to the suggestion of many newer practices in video production indicating a clear divide in willingness to adopt new methods and technology.

These new forms must be embraced by Marketing professionals, as customers are seeking fresh and innovative ways to really experience brands.



CONCLUSION

Due to the popularity of video, audiences are watching and sharing video content each and every day. It's up to Marketers to realise this opportunity, and undertake projects effectively if they want to truly engage with customers.

The benefits of video content are powerful and effective, which means that video is no longer just a 'nice to have', but must be an absolutely essential part of Marketing Strategy.

However, just like all content, videos must be interesting, offer value, and be relevant for your audience. If these factors are successfully achieved, then it's possible to see phenomenal results at cost-effective prices.

So, it's time for businesses to embrace video, because their customers are there waiting to hit the play button.



CONTACT US

Australian Marketing Institute

PO Box 322, St. Leonard's NSW 2065

Ph: 02 8256 1650

@: membership@ami.org.au

Creativa Videos

207 Glen Huntly Road, Elsternwick VIC 3185

Ph: 1300 901 858

@: hello@creativa.com.au

Creativa Videos

Level 3, 650 Chapel Street, South Yarra VIC 3141

Ph: 03 9662 9200

@: info@hpopenmind.com.au