

BRANDS NOT MEETING CONSUMER DESIRE for VIDEO

Levels Beyond surveyed more than 1,000 people in the United States and more than 500 marketers, and the results are detailed in the following report.



RESEARCH SUMMARY

Video offers high engagement with audiences and there are many studies that show how it ultimately leads to greater brand loyalty. **Today's consumers are starting to think of brands more as media companies** and want highly engaging, informative and entertaining video content from the companies where they plan to spend their discretionary income.

Brand managers and marketing professionals intuitively understand the need to broaden the scope of touch points with their customers in the new world of connected devices. They also know that video is becoming more important as a means of communication, but they are challenged with how to manage video for ROI.

Original research commissioned by Levels Beyond – the creators of the Reach Engine content inventory platform – provided insight into not only how people consume video online, but how those videos can change opinions and can drive purchasing decisions. Reach Engine is designed to enable companies to more effectively use video in the new world of connected devices, and it is in use by several major consumer brands.

The research shows that brand content usage is no different from other content usage and was forever altered by consumer adoption of smart phones, tablets and social media. The study focused on three areas:

- The changing way consumers are interacting with video
- The evolving role of brand video
- The role of video in driving brand loyalty

The research offers brand managers and marketing partners a chance to dig deeper into these points related to varying channels and devices, including mobile and social channels.

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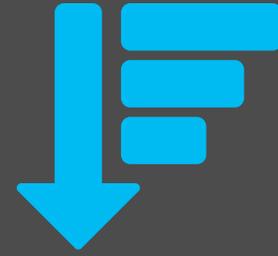
The survey captured both consumer and professional brand marketer attitudes towards the role of video – with a surprising disconnect between the two groups.

Some highlights of the survey include:



Consumer Brand Video Demand

- 59%** watch a brand video when they visit a website
- 40%** watch video over reading the same information from a brand
- 61%** watch company-produced videos if friends have shared them



Marketer Video Priority

- 75%** say producing and delivering video is not a top priority – excluding commercials
- 47%** do not plan to increase their video production in 2014

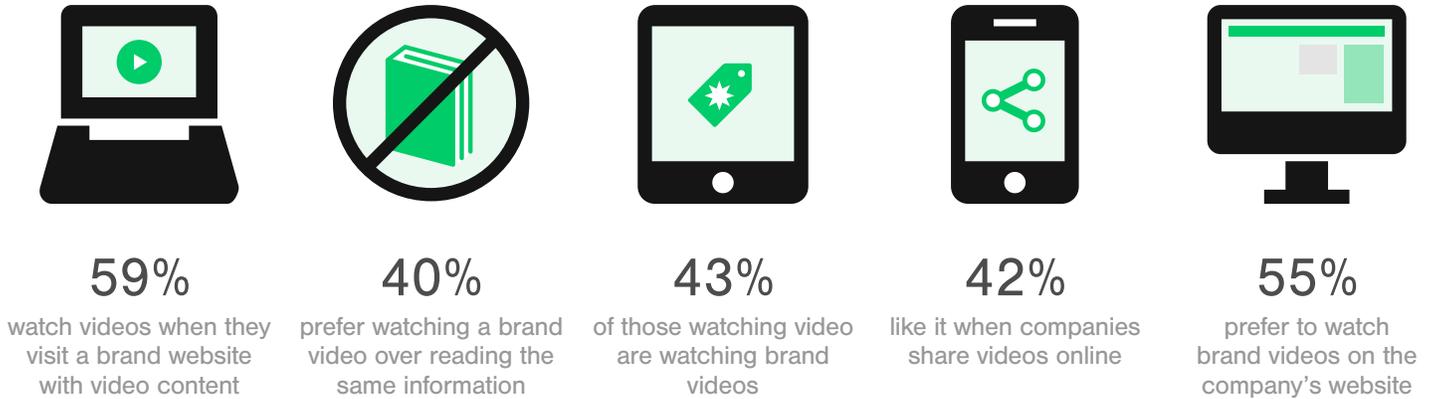
CONSUMERS WANT TO GIVE BRANDS THEIR EYEBALLS

The evolution of technology has made it easy for consumers to engage with brands across multiple formats and devices, from mobile and tablets to the explosion of social media. As a result of these new technologies, the ways in which companies can interact with consumers has become forever altered.

Consumers consider brand video the preferred way for marketers to share information as it creates true engagement and builds brand loyalty.

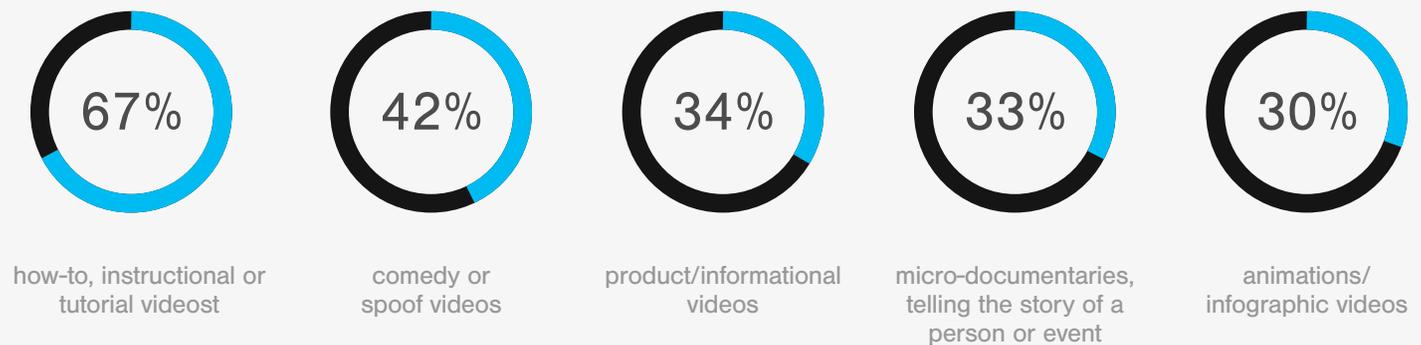
Device empowered consumers, accustomed to using video in their daily lives and viewing content made by family and friends, want to move beyond traditional one way marketing communication and are interacting with brands. Our research shows that when visiting brand websites, consumers are increasingly looking for video content, with 59 percent saying they're likely to watch videos when they visit a website that has video content, and 40 percent say that they would rather watch a video than read information from a brand containing the same information.

The Consumer Demand for Brand Video



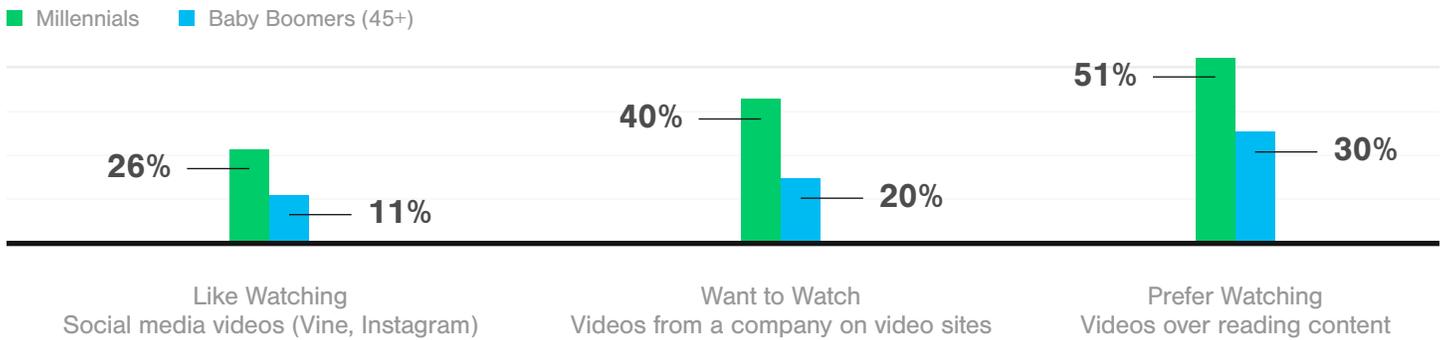
Using video effectively also means that marketers need to know what types of video content consumers want to see. The survey showed that consumers want video to be informative or entertaining, looking most often for instructional or comedic video content, versus interviews, testimonials or straight up product advertising.

The Types of Brand Video Consumers Want to Watch



It's no surprise that Millennials are driving video demand. Younger consumers came of age during the proliferation of smartphones and social media, and are generating a greater demand for video content, and consume much more social video than older generations. They're almost twice as likely to watch videos from a company on video sites like YouTube and Vimeo than Baby Boomers, and outpace Baby Boomers in the demand for watching video over reading content, with 51 percent of Millennials wanting to watch video content, compared to 30 percent of Baby Boomers.

Millennials Driving Brand Video Growth



IT'S ALL ABOUT THE SHARE

While the majority of people can watch the video available on a brand's website, marketers can be left wondering how to distribute videos in a way that proactively reaches core consumers beyond their controlled content distributions. The real **challenge of brand video is reaching target consumers in a scattered audience environment**. The solution may lie in social channels, because for consumers, it's all about the share.

The majority (73 percent) of brand marketers reported that they measure the success of a video based on the number of views it receives, but they may be missing the connection between views and deeper, more effective engagement. Levels Beyond research suggests that brands should look closely at social shares, comments and "likes" for a more complete measurement of the success of a video. The video measured in views alone may not have reached its potential for helping the brand messaging objectives.

When asked what draws them to watch a video, consumers continually pointed to the fact that they're relying on their personal and social networks as indicators of when they should watch a video.

The Importance of Social Sharing



61% are more likely to watch company-produced videos that friends have shared



45% are more likely to share brand videos



38% think a brand video is worth watching when it's trending on social sites

It's another trend being driven by younger generations. Social media videos appeal most to Millennials, with over a quarter of Millennials preferring them, a number that steadily declines over each generation. Only 11 percent of those over age 45 are interested in social media video content.

Ironically, 75 percent of marketers say they are rarely or never producing videos for their social media followers. The simple fact is that social channels hold one of the biggest opportunities for brands to distribute videos and reach a larger audience through trending and social sharing. Consumers want more than just text updates – video offers brands an easy opportunity to engage more effectively with consumers across social channels.

Video offers brands an easy opportunity to engage more effectively with consumers across social channels.

Brands Missing Social Connection

75%



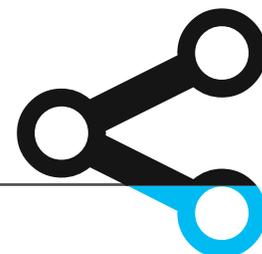
75% rarely or never produce videos for social media followers

73%



73% measure video success by number of views

29%



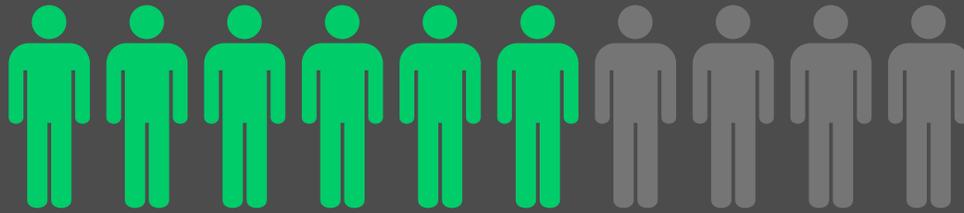
Only 29% measure video success by number of social shares

THE BRAND VIDEO DISCONNECT

Much has been said about the video consumption habits of consumers, but what is less clear is if brands are prepared to take advantage of the appetite for video, and whether they're prioritizing the investment in production and the technology necessary to manage and distribute video across multiple platforms.

When asked if they felt they were doing a good job of meeting the consumer demand for video, 60 percent of marketers were confident that they were meeting the demand. But the two groups directly revealed that there's a disconnect between consumer demand and brand output.

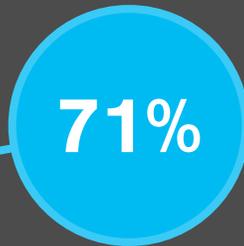
Do as I Say, Not as I Do



59% of consumers would watch video content on a brand's website



But **53% of marketers** don't think consumers want to see videos from their company



But **40% say their brands** are rarely using video



71% of marketers agree that brands should be video content producers

It is clear that brand marketing teams recognize that they should increase video content volume. But our research shows a gap not only between what consumers want and what brands are providing in terms of video, but also between what marketers believe brands should be doing with video, and what they actually are doing with video.

The majority of marketers (75 percent) are not prioritizing video beyond advertising, and nearly half (49 percent) are failing to dedicate enough of their budget to video, with currently no plan to change that in the next year.

Prioritizing Video Content



75%

claim producing and delivering video for consumers is **not a top priority**

47%

don't plan to increase their video production in 2014

In addition to prioritizing investment towards the production and distribution of video, brand marketers should ensure that they're delivering the types of video content that consumers want to watch. Consumers overwhelmingly wanted to watch videos that are informing or entertaining, and a majority of consumers prefer to watch instructional or how-to videos, comedy or informational product videos.

Brand marketers are working to meet the demand for instructional and how-to videos, but are also focusing on event videos,

interviews and testimonials. The survey suggests that brand managers should invest time in learning the types of videos their consumers want to watch and ensure that they're focusing their resources on producing those videos.

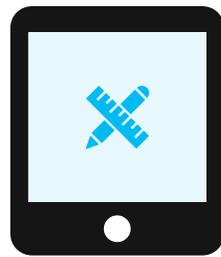
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The Types of Video Brands are Publishing



33%

videos from events



33%

how-to, tutorials
or instructional



30%

interviews



25%

testimonials

CONCLUSION

Video is emerging as a medium of choice for a new generation, and while marketers recognize this changing landscape and its impact, they haven't entirely evolved their marketing strategies to capture the opportunity.

By making supplemental video a higher priority, brands increase the chances to reach and influence a larger audience in a highly engaged environment. The power of social sharing and its impact on consumer behavior means that brands that focus on social channels will see a greater return on the time, effort and budget invested in social video.

Key takeaways for brand managers looking to capture the opportunity of video include:

- **Prioritizing the production and distribution of video content is a must**, with the majority of people expecting to watch video on company websites and social channels
- **Focusing on social channels holds the most opportunity for video**, with most people watching videos that have been shared by their personal or social network
- **Understand the types of video that your target consumers want to watch** and deliver those types of videos
- **Companies need to be technologically prepared** to delivery video across multiple platforms and formats.

METHODOLOGY



Levels Beyond surveyed over 1,000 consumers and 500 marketing professionals in June 2014 through an online survey. Responses were collected from both male and female respondents, ages 18 and up, in the United States. Responses were random, voluntary and anonymous. The surveys consisted of approximately 20 questions, using multiple option questions with one or more answers.

ABOUT LEVELS BEYOND

Levels Beyond is the company behind the Reach Engine content inventory platform. Reach Engine turns passive digital content libraries into active inventory for global businesses. The Reach Engine platform manages and delivers both short and long-form content to the devices and media that audiences are using and consuming, including emerging platforms that have forever changed consumer habits. Reach Engine manages millions of digital video files every month for some of the largest and most sophisticated media companies and consumer brands in the world. Founded in 2000, Levels Beyond is privately-held and headquartered in Denver.

See what Reach Engine can do for your organization

To get a demo, call (303) 495-2424 or email info@levelsbeyond.com

