THE STATE OF

VIDEO MARKETING

2017

High Performance Marketing
DEMAND METRIC

IN PARTNERSHIP WITH:

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Benchmark Study Report

November 2017

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Introduction

Marketers need little convincing these days that video is a powerful content form. By every measure – conversion, SERP ranking, time on page, likes, shares and any other form of engagement – video's power to inform and persuade is unmatched.

Pundits project that this year, **69 percent of all web traffic will be video, a clear indicator of the demand for this content form**.

The barriers to using video have fallen as this content type has evolved. Just over a decade ago, video production required expensive cameras, studios and software editing suites.

Today, however, **about 70 percent of U.S. and Canadian adults carry with them the tools for video production, right in their pocket.**

In the past decade, the cost and skills needed to produce video has gone down, while the quality and convenience has improved.

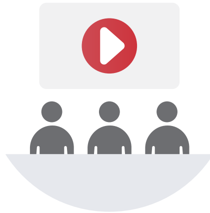
Video content also benefits tremendously from the social media networks that serve as distribution channels. This study, now in its fourth year, continues to examine how marketers are using video, the new approaches, tools and applications they are using and what kind of results they are getting.

The data is clear: video is a content form that remains fresh and engaging.

As this report details the findings from the **2017 Video Content Marketing Benchmark Study**, it will identify best practices and recommendations to help marketers get the best return on their investment in video content.

Executive Summary

Over 70 percent of this study's participants were in marketing roles in B2B or mixed B2B/B2C organizations that reported revenue growth in the most recently completed fiscal year. All of the organizations that participated in this study are using video to some degree in their marketing efforts. Agencies and studios were disqualified from contributing to the study.



Key Findings

- For the fourth consecutive year, over 90 percent of study participants report that the video is becoming more important as a form of marketing content.
- The volume of videos produced annually has increased year-to-year, from an estimated average of 29 in 2016 to 38 in this year's study.
- The use of video in places like websites, social media, landing pages and sales conversations has increased year-over-year.
- Product videos are the most common type of video, produced by 63 percent of organizations in this study.
- More study participants are using metrics to track video content effectiveness, with only 13 percent reporting that no metrics are in use, compared to 23 percent in 2016. However, the use of advanced metrics has remained flat over all study years.
- The percentage of organizations that have integrated video viewing data—and are exploiting it—with key sales and marketing systems jumped from 13 to 20 percent.
- Usage of video viewing data by members of the sales team, to qualify, engage or influence deals, is up 13 percent year-over-year.
- There has been a two-fold increase in the number of people who use video with the execution of their Account-Based Marketing (ABM) strategy.
- Video marketing budgets have stayed the same or grown for 90 percent of study participants.

This report details the results and insights from the analysis of the study data. For more detail on the survey participants, please refer to the **Appendix**.

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The Importance of Video

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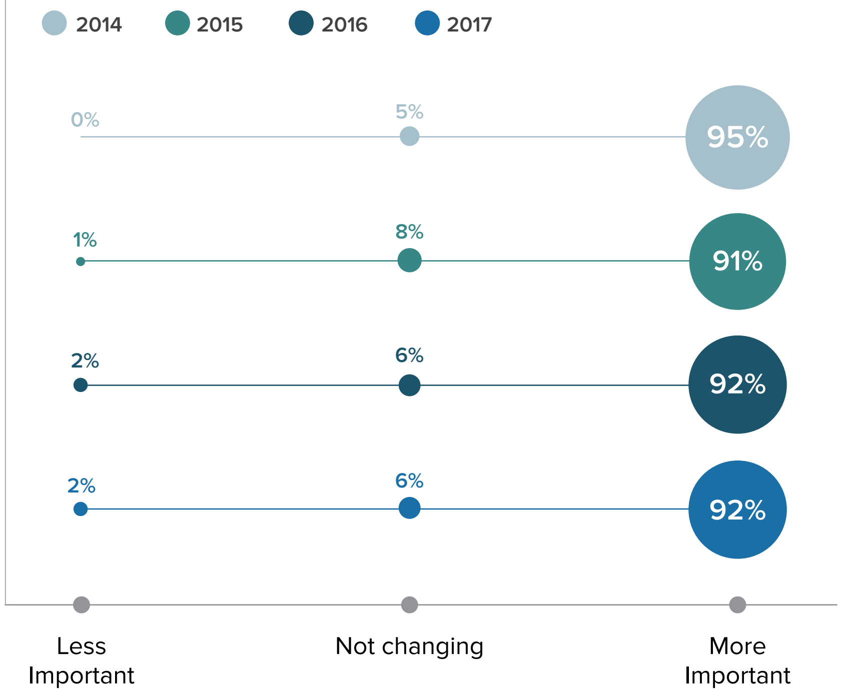
The importance of video as a form of marketing content continues to grow for almost all study participants. The year-in-year-out consistency of video content importance is shown in **Figure 1**.

These figures represent an endorsement of video content from marketing professionals. In this digital age where new content forms are born, live, and fall from favor in months, the consistency of video content performance across each year of the study is remarkable.

FIGURE 1

The Changing Importance of Video as Marketing Content

Almost all study participants report that video content is becoming more important.



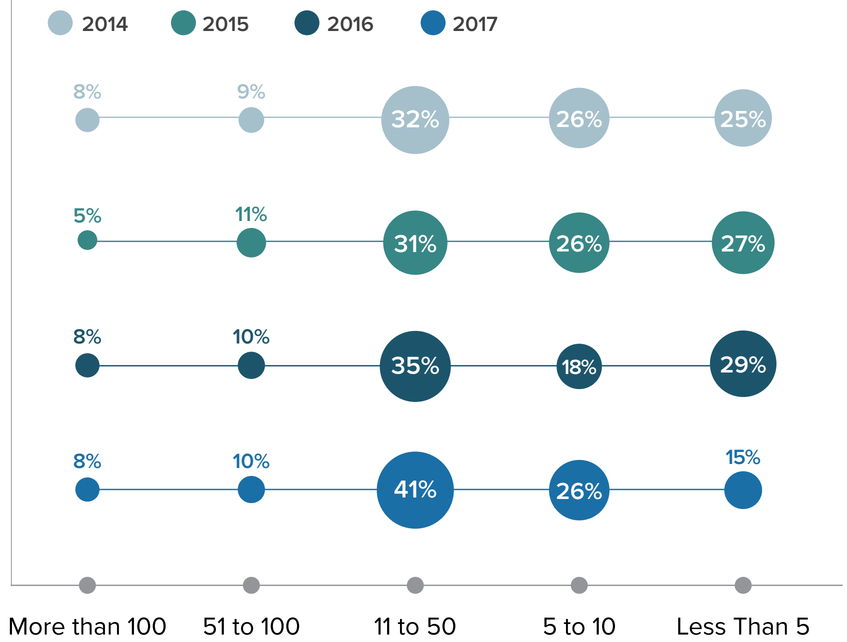
Video production numbers can also provide insights into the value of video content. Organizations will not invest in content that is perceived as ineffective. The study tracks annual video production quantity, and **Figure 2** shows this year-to-year comparison.

In last year's study, 53 percent of study participants produced 11 or more videos annually. **This year the figure has risen to 59 percent.** Looking at the way the production data in **Figure 2** is distributed, in 2016 the average number of videos produced annually was in the lower end of the 11 to 50 video range, or about 29 videos. **For 2017, the average falls in the upper half of this same range, for an estimated 38 videos annually.**

FIGURE 2

Marketing Videos Produced Annually

Production figures for video rose again in 2017.



In past studies, differences in the volume of videos produced based on company size were pronounced: overall, small companies produced fewer videos. **Table 1** shows the percentage of study respondents that produced fewer than five videos annually, by company size.

As recently as 2015, more than one-third of small companies were producing less than five videos annually, and the gap between small and large companies was 30 percent. In the current study, **just one in five small companies are producing less than five videos annually, and the gap is now in the single-digit range**. This data suggests that the cost and tools for production is putting video within easy reach of even the smallest companies. Highly accessible tools, like the **Vidyard GoVideo plugin**, are making video very simple to create and distribute.

1 in 5

small companies are producing less than five videos annually

88%

of large companies are currently producing more than 5 videos annually

TABLE 1

The video production gap has narrowed considerably.

Company size (Annual Revenue)	Percent Producing Less than 5 Videos Annually			
	2014	2015	2016	2017
Small ($25 million or less)	27%	35%	38%	20%
Medium ($26 - $499 million)	28%	11%	25%	10%
Large ($500 million+)	6%	5%	17%	12%

One thing that makes video a favored marketing content form is the ability to use it in many ways and places. **Figure 3** summarizes where study participants are using video content.

Websites and social media (including blogs) continue to lead as top locations for marketers to use video content, and **usage is up across the board year-to-year**, as shown in **Figure 3**.

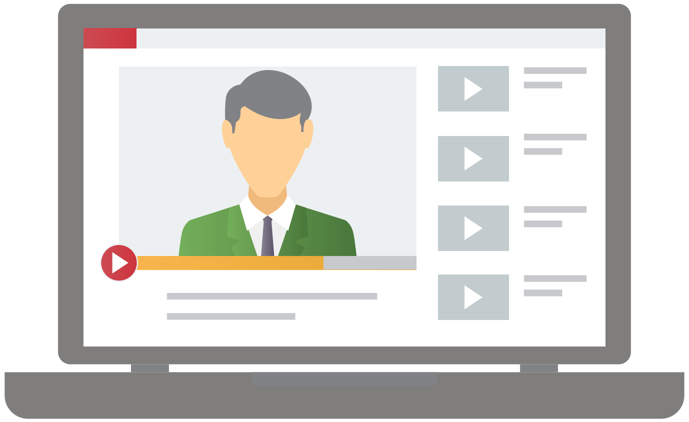
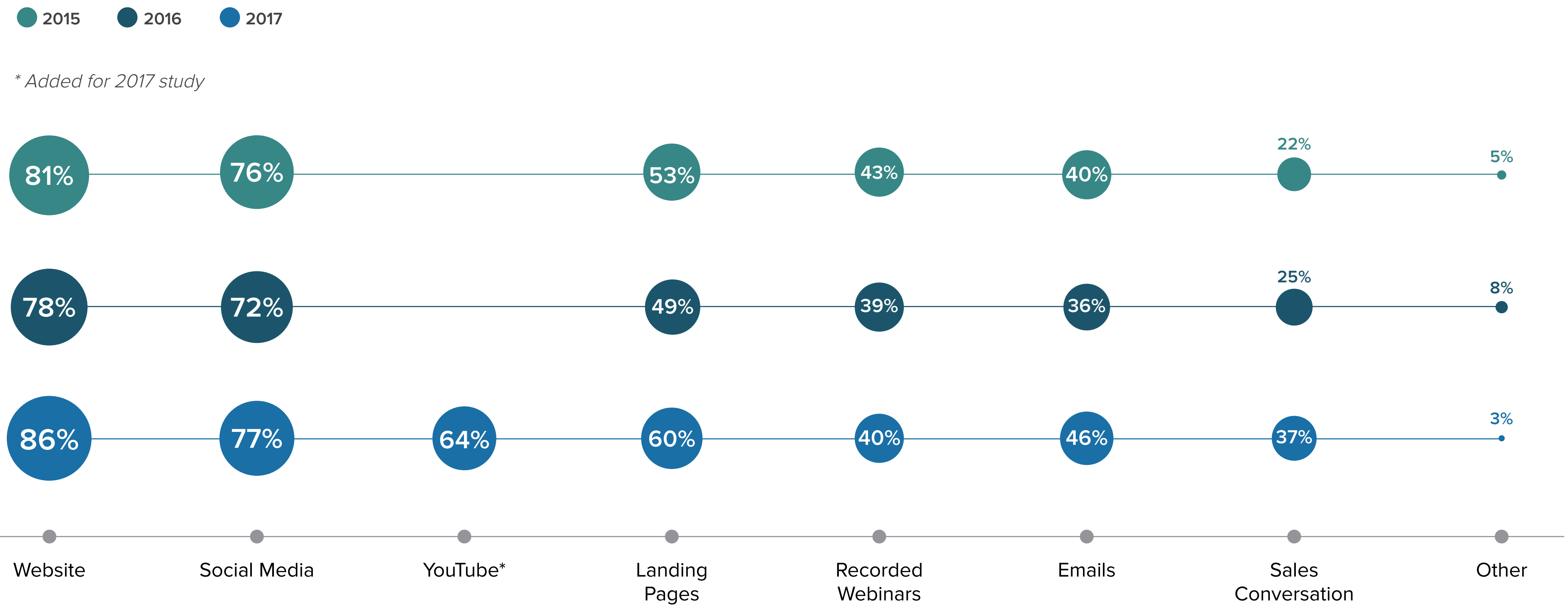


FIGURE 3

Where Video Content is Used

Usage of video has increased in each area.



Usage patterns show some differences when this data is segmented by company size, as shown in **Table 2**.

It is curious that large companies show much less usage of video in email marketing efforts, at less than half the usage level compared to small and medium-sized companies. This data likely reflects concerns about the effectiveness of traditional email marketing, and suggests that large companies are looking for better approaches and/or new ways to boost engagement in email marketing. That better way may be using video within email marketing and other channels. Ultimately, **marketers need approaches and content that convert well, and the growth of video across locations offers another endorsement of its effectiveness.** The next section of this report will examine the conversion performance of video in more detail.

24%

of large companies in study use video marketing in emails

Website

is the most common place for video usage across all company sizes

TABLE 2

The biggest differences in usage are for email and landing pages.

Where Video is Used	Company Size		
	Small	Medium	Large
Website	83%	92%	85%
Social media	79%	77%	71%
YouTube	55%	75%	68%
Landing pages	49%	75%	62%
Recorded webinars	44%	52%	53%
Emails	52%	52%	24%
Sales conversations	38%	31%	44%

The study also inventoried the types of videos that marketers create and deploy, which **Figure 4** summarizes for the current study year compared to past studies.

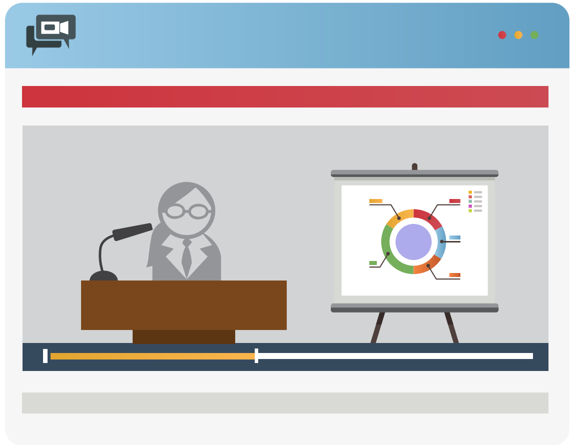
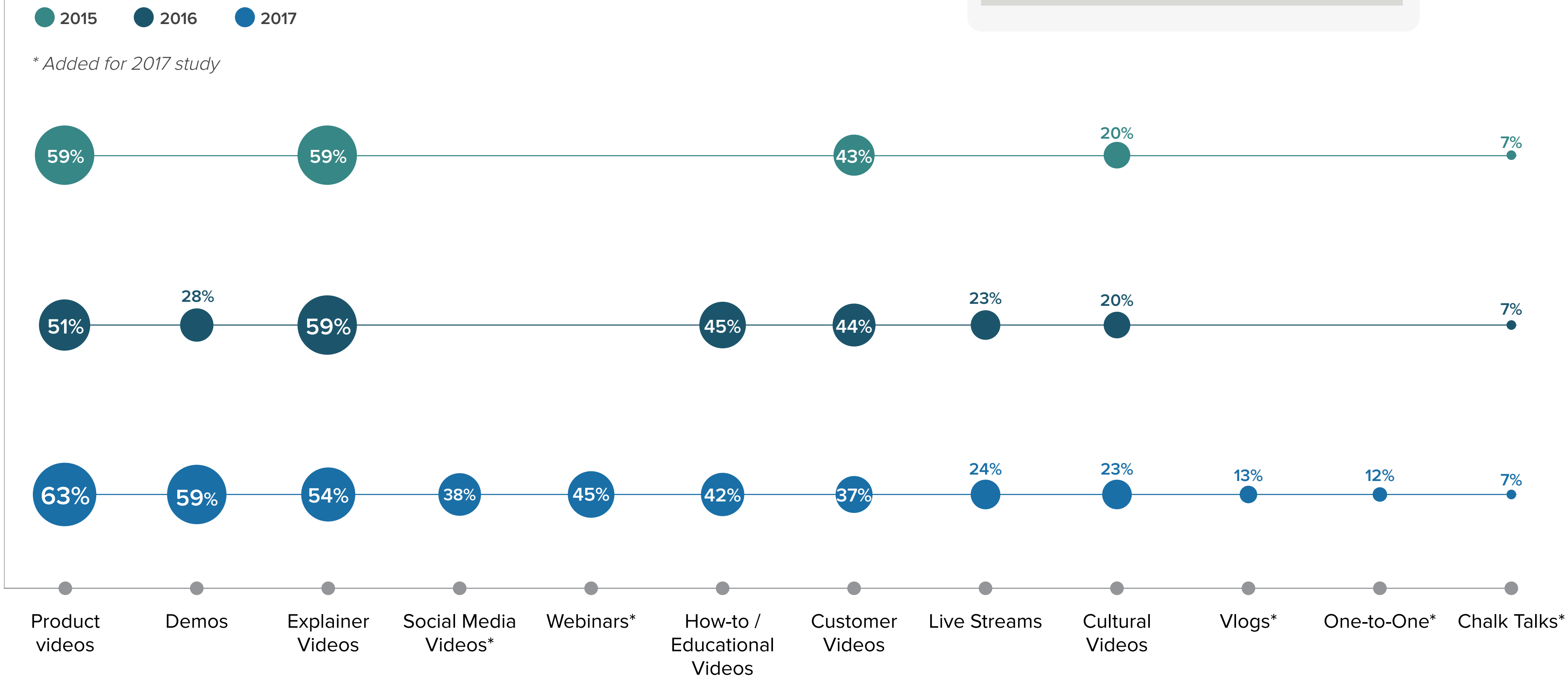


FIGURE 4

Types of Videos

Product videos are the most common type.



Since the 2016 study, Product videos have eclipsed Demo and Explainer videos as the most common type produced. Where videos are used (Figure 3) and which types of videos are in use (Figure 4) are correlated. This relationship is illustrated in **Table 3**.

TABLE 3

The top three types of videos in use by place of use.

Landing Pages	Emails	Website	Social Media	YouTube	Recorded webinar	Sales conversations
Product (74%)	Demos (64%)	Product (63%)	Product (67%)	Product (74%)	Webinars (80%)	Demos (75%)
Demos (65%)	Product (58%)	Demos (60%)	Demos (60%)	Demos (59%)	Demos (66%)	Product (64%)
Explainer (59%)	Explainer (55%)	Explainer (56%)	Explainer (57%)	Explainer (57%)	Explainer (65%)	Explainer (61%)

For most use cases, "Product" videos see the greatest use. The gap between the trifecta of Product, Demo and Explainer videos, however, is narrow. Some subtle shifts in the types of videos produced occurs as the production volume increases. These shifts are shown in **Table 4**.

Increased volume of video production doesn't create more variety in the mix of videos produced until the number of videos produced annually crosses the more-than-fifty threshold, at which point customer videos begin to make an appearance in this ranking.

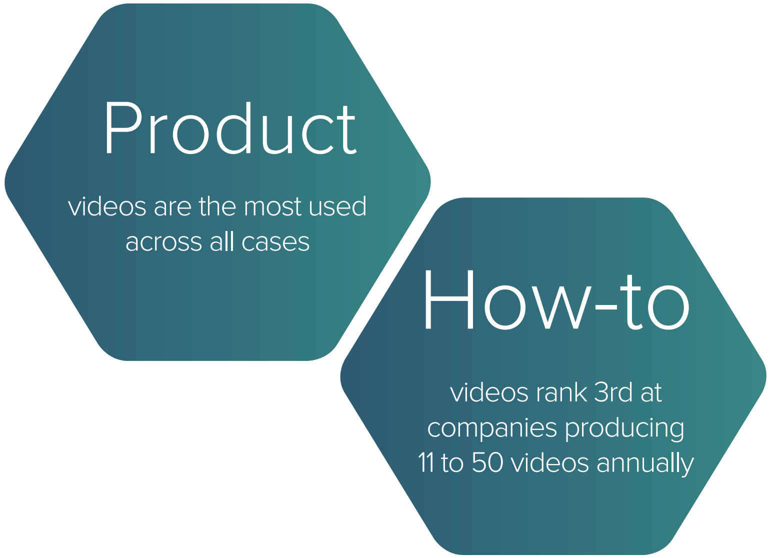
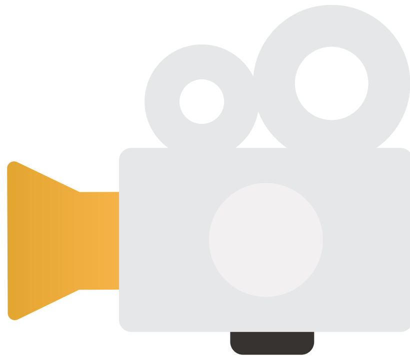


TABLE 4
Top three video types produced by annual production volume.

Rank	Number of Videos Produced Annually			
	Less than 5	5 to 10	11 to 50	More than 50
1	Product	Product	Explainer Demos (tie)	Product
2	Explainer	Demos	Product	Explainer Demos (tie)
3	Explainer Demos (tie)	Explainer	How-to	Customer



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The Performance of Video

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Marketers love to see their content go viral, but viral videos are a relatively rare occurrence and not necessary to produce excellent results. Getting a wide audience for a video is certainly desirable, but the goal of any marketing content is to gain conversions: getting those exposed to the content to take the desired action, whatever action that may be.

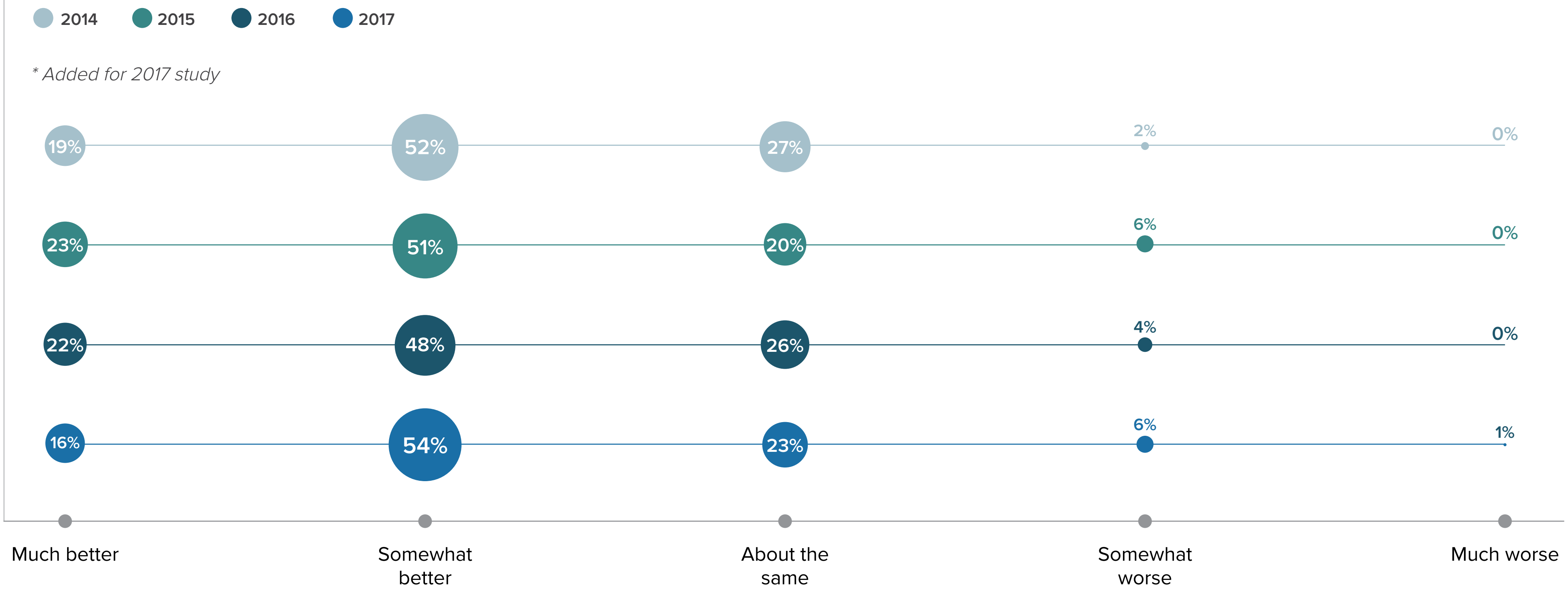
Figure 5 shows the current conversion performance of video compared to other types of content.

The conversion performance of video compared to other content types remains strong. **Over the four years of this study, the percentage of participants that report video converts somewhat or much better than other content types has averaged 71 percent.** Video remains a favored content type for marketers looking to engage their audience.

FIGURE 5

Conversion Performance of Video

70 percent of study participants report that video converts better than other forms of content.



From a marketing perspective, having content that produces conversions is the path to generating revenue, and ultimately, a measurable return-on-investment (ROI). Each year of this study has collected data about the relative ROI movement of video: is it getting better, staying the same or declining? **Figure 6** displays this data.

The most troubling insight that **Figure 6** reveals is that 28 percent of study participants do not know the ROI of their video marketing efforts.

It is possible to determine the ROI of video by measuring how it is consumed by leads in the sales pipeline, and this measurement is enabled by integrating video consumption data with CRM or Marketing Automation systems. This integration status and its implications for ROI are explored fully in an upcoming section of this report. The relationship between conversion performance and ROI, however, is simple and intuitive: study participants that report video converts better are seeing a correspondingly higher ROI.

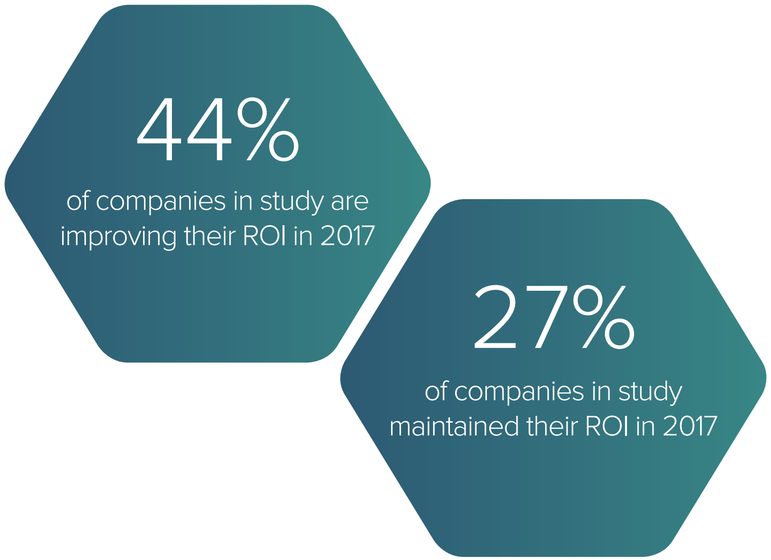
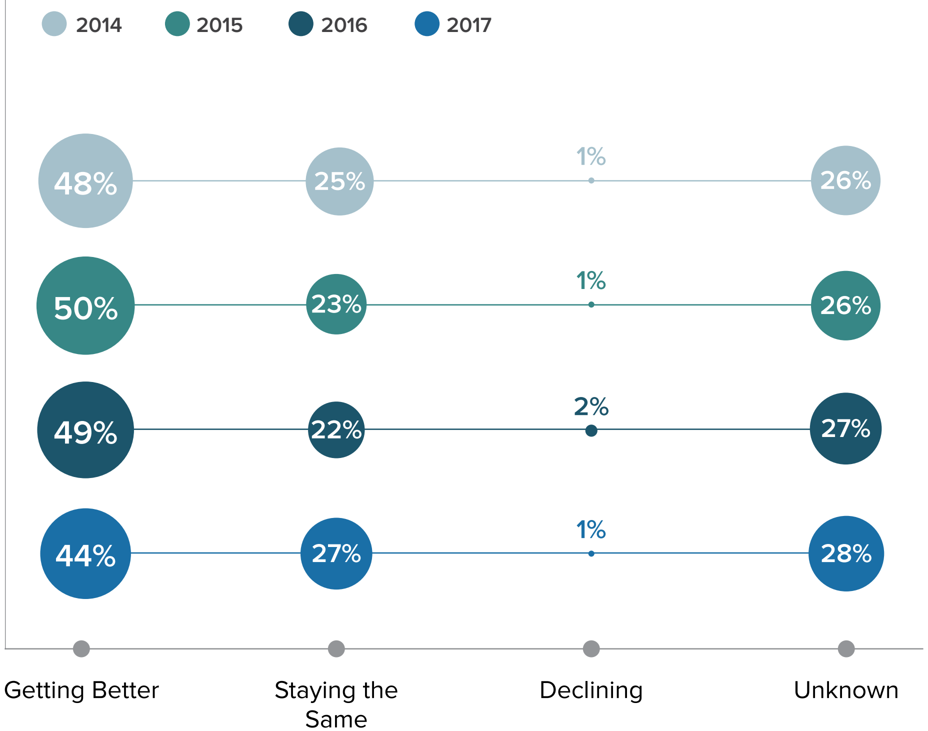


FIGURE 6

How is the ROI of Video Changing?

ROI of video marketing shifted slightly in the current study year.



The most mature video marketers use advanced metrics to link the content source to the revenue it influenced. **Figure 7** summarizes video metrics usage for all study years.

In order to understand how video converts and how to calculate its ROI, this study measures three categories of video content effectiveness metrics:

1. Basic

Measures of consumption such as views or shares. These are relatively easy to capture. However, they don't allow for determination of ROI, nor do they provide indicators of engagement. For these reasons, their usefulness is limited.

2. Intermediate

Basic measures of engagement, such as average viewing duration. With intermediate metrics, insights into video viewing behavior begin to emerge.

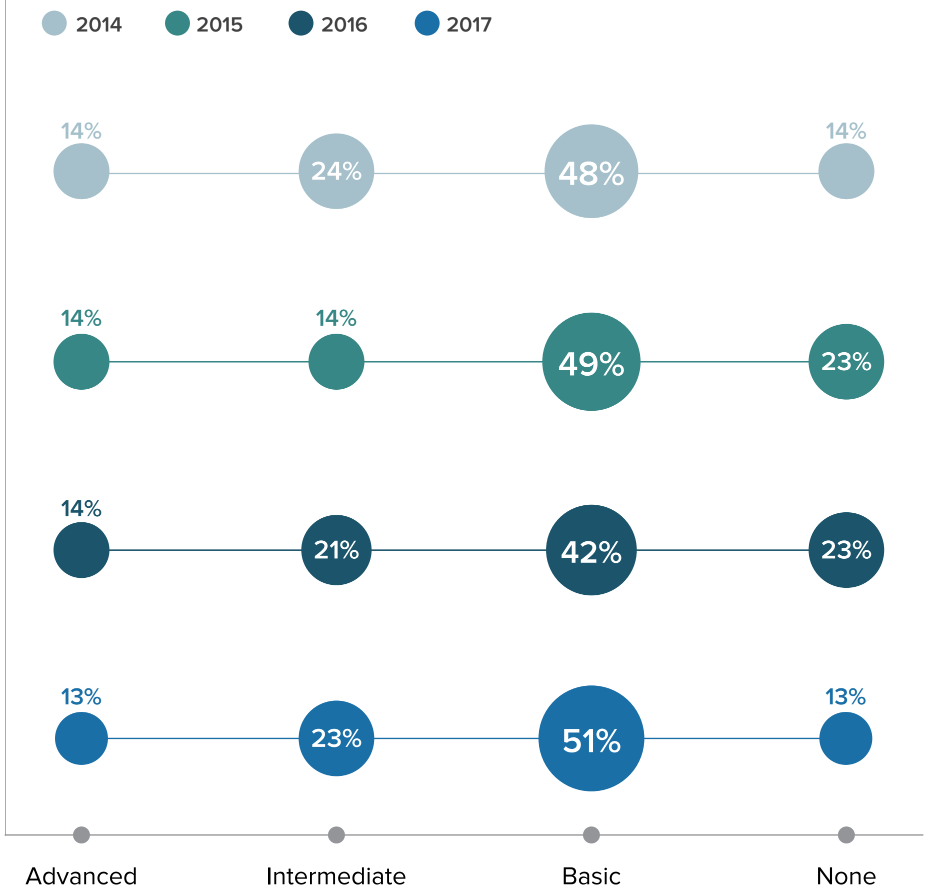
3. Advanced

Include views by embed location, viewer drop-off rates, viewing heat maps or attribution to sales pipeline. With these metrics, precise determinations are possible regarding revenue impact and ROI.

FIGURE 7

Video Content Effectiveness Measures in Use

The usage rate of advanced metrics is flat for all study years.



While the segment of those who are using advanced metrics is comparatively small, the ROI impact related to advanced video metrics usage is immense. **Figure 8** compares the reported ROI for each metrics usage category.

There are some important points to make from the data presented in **Figure 8**:

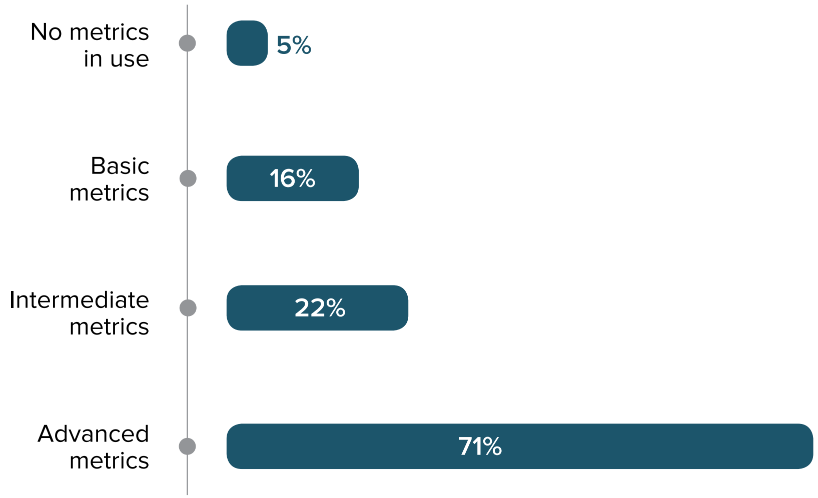
1. A true and accurate measurement of the ROI of video (or any type of content) requires the adoption and use of advanced metrics. When advanced metrics are not in use, ROI determination is an estimate at best.
2. When advanced metrics are in use, marketers have the information they need about video content performance to achieve even better results.
3. The best way to capture and exploit advanced metrics is to integrate video viewing data into Marketing Automation and/or CRM systems.

The use of advanced metrics is a prerequisite to achieving the greatest impact and highest ROI from video marketing efforts.

FIGURE 8

% Reporting Video ROI is Much Better

The use of advanced metrics has a big effect on ROI.



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Video Viewing Data Integration

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Integrating video viewing data into Marketing Automation and/or CRM platforms enables the tracking and usage of advanced metrics. This integration provides other benefits as well. **Figure 9** shows the status of this integration from each year of this study.

It appears that the study participants from 2016's study that indicated plans to integrate this data had more than just good intentions—they acted.

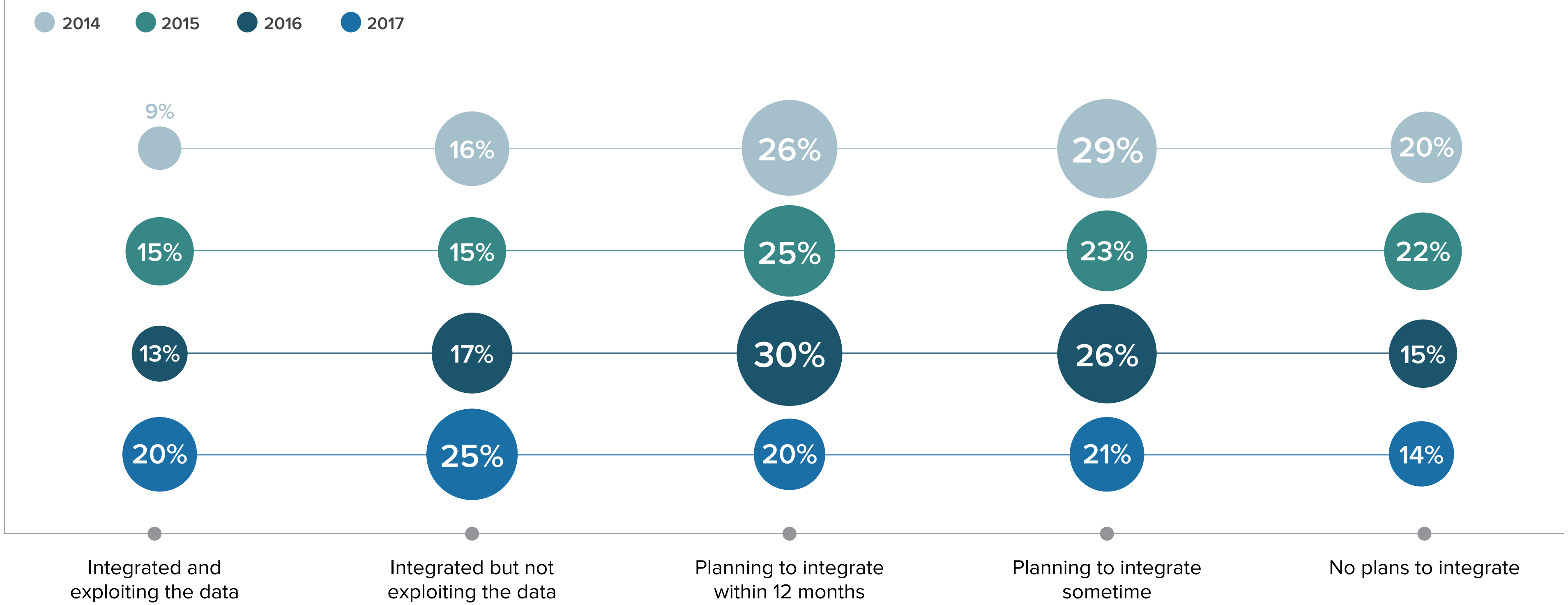
The data in **Figure 9** reveals some encouraging trends:

1. A significant increase in the population of marketers who have integrated video viewing data—and are using it! One in five marketers in this study fall into this category.
2. The overall level of integration of video viewing data, regardless of whether it is in use, has climbed 15 percentage points, from 30 percent in 2016 to 45 percent today.

FIGURE 9

Integration Status of Video Viewing Data

This year's study participants report a healthy increase in the integration and use of video viewing data with key sales and marketing systems.



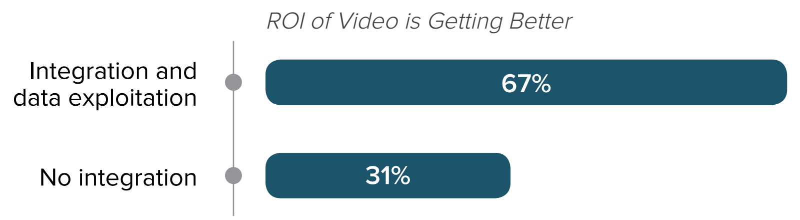
The ROI that study participants report for their video marketing efforts correlates to their integration status. **Figure 10** compares the ROI when there is no integration to when integration and exploitation of video viewing data exists.

This comparison makes a compelling business case for integrating video viewing data with Marketing Automation and CRM systems: **those who have done so are almost twice as likely to also report that their video ROI is getting better.**

FIGURE 10

Integration of Video Viewing Data & ROI

Integrating video viewing data into sales and marketing systems has a major effect on ROI.



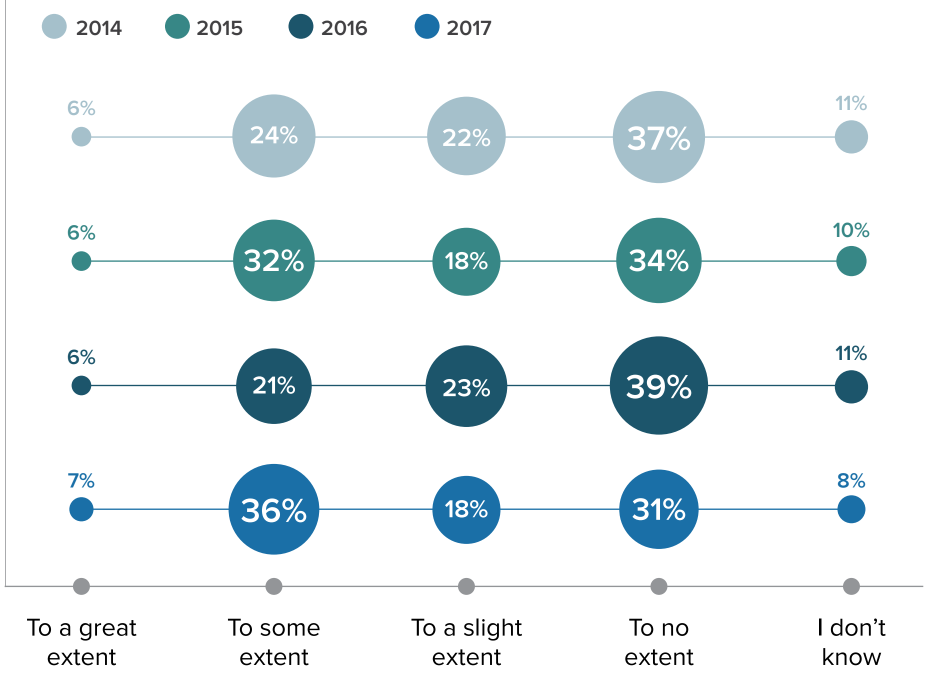
The higher integration levels seen in this year's study are reflected in the way members of the sales team are using this data, which is summarized in **Figure 11**.

Over two-thirds of study participants indicated that it is important for the sales team to have access to customer and prospect video viewing data. **Figure 11** shows that **sales team are getting value from using this data, with an increase in all levels of use from 50 percent in 2016 to 61 percent this year.** This usage is no doubt enabled by the higher levels of integration shown in Figure 9.

FIGURE 11

Sales Use of Viewing Data to Qualify, Engage or Influence Deals

Overall usage of video viewing data by the sale team is up year-to-year.



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Producing & Hosting Video Content

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This year, the study continues to look at who is creating, or commissioning the creation of video content, and where it is hosted.

Figure 12 shows the personas within the organizations that participated in this study that are creating video.

With content marketing strategy and execution traditionally belonging to marketing, these results are not surprising. The sales organization shows the biggest year-to-year increase, and all functions represented show an increase, with the exception of the internal communications team.

FIGURE 12

Who is Creating Video

Marketing creates the lion's share of video content.

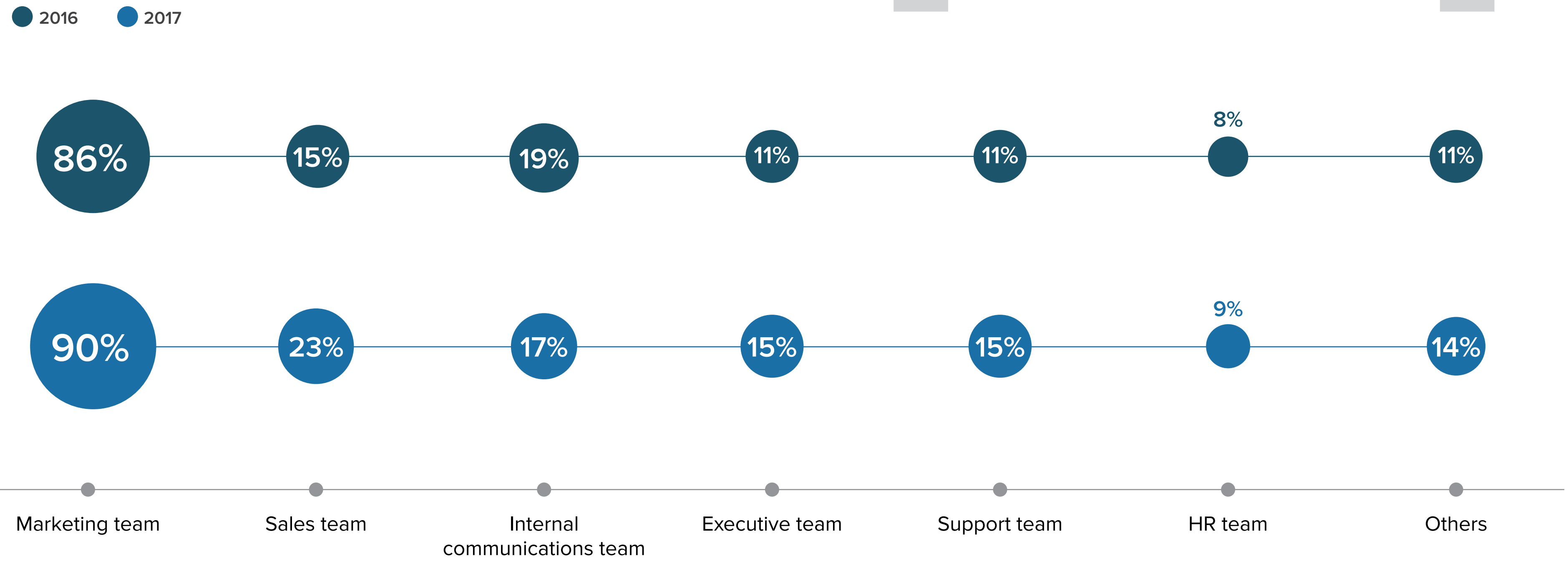


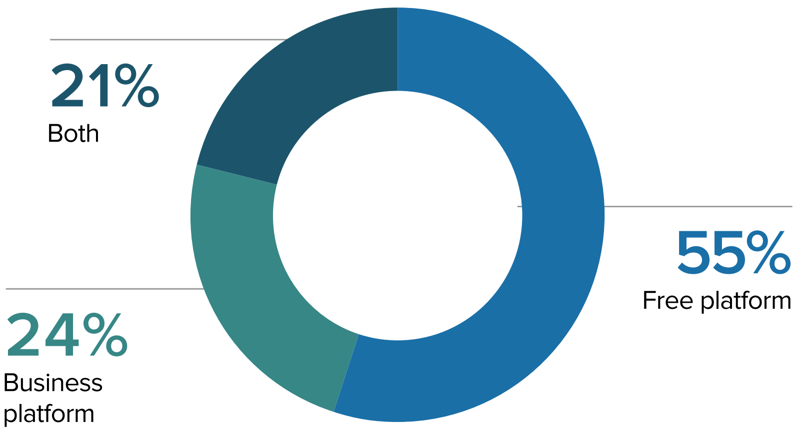
Figure 13 shows where organizations in the study are hosting and managing their video content.

It's easy to understand the allure of free platforms. But marketers need to make decisions about where to host video based on more than cost. They must also consider how various hosting platforms allow them to best manage their brands and control the viewing experience. Marketers need to fully understand the implications of their hosting choices.

FIGURE 13

Video Hosting & Management Platforms Usage

More than half of study participants only host on free platforms.



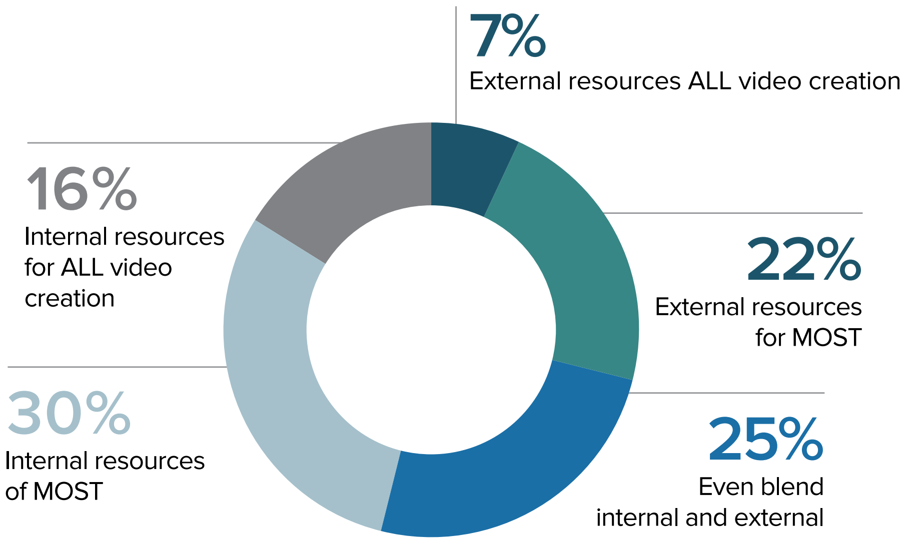
The ease of producing quality video content has improved dramatically over the life of this study. Not so long ago, the requisite skills and expertise were often not found within many marketing departments. Today, most organizations create video using a blend of internal and external resources, such as agencies, studios, freelancers or contract employees. **Figure 14** shows this spectrum of resource usage for video creation.

Twice as many organizations create video entirely in-house as compared to those that completely outsource it. **Most organizations blend external resources with internal ones to create their videos, and on average, the division of responsibility is almost even, slightly favoring the use of internal resources.**

FIGURE 14

Resources for Video Creation

Few organizations completely outsource video creation.



Companies use and blend resources to create videos differently depending on the size of the company. **Table 5** shows these differences.

Small companies rely most heavily on internal resources, while large companies rely most heavily on a blend of external and internal resources.

TABLE 5

Video production resources by company size

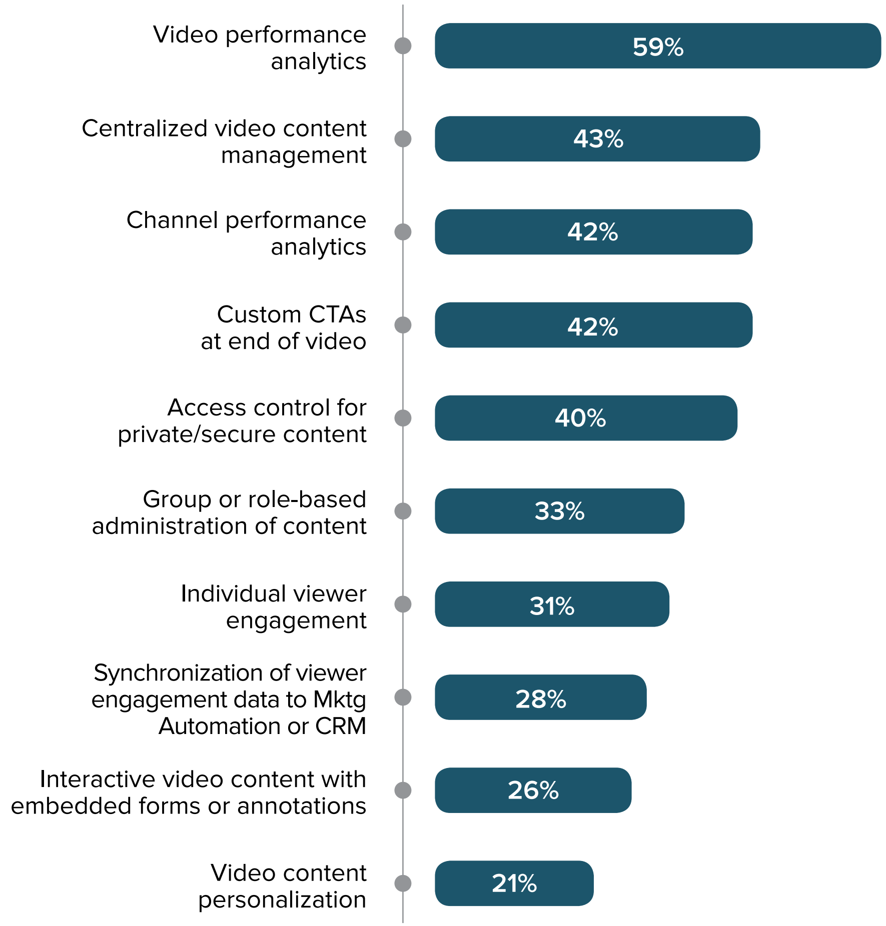
	Small companies (less than $25 million in annual revenue)	**Medium companies** ($25 to $499 million in annual revenue)	**Large companies** ($500 million or more in annual revenue)
External resources for most or all video creation	24%	35%	29%
Even blend of internal & external resources	22%	15%	47%
Internal resources for most or all video creation	54%	50%	24%

The features and functions available for use in creating marketing video have expanded tremendously. For the first time, this study catalogs their usage in **Figure 15**.

FIGURE 15

% Reporting Video ROI is Much Better

The majority do not use most of these functions with video.



Many of these features help shift the video viewing experience from a passive to an active one, and as a later section of this report will discuss, they help drive satisfaction with the use of video content. For clarity, some of these features are defined in more detail below:

- **Video performance analytics:** views, drop-off rate, etc.
- **Channel performance:** views by channel
- **Individual viewer engagement:** tracking views and engagement of each individual

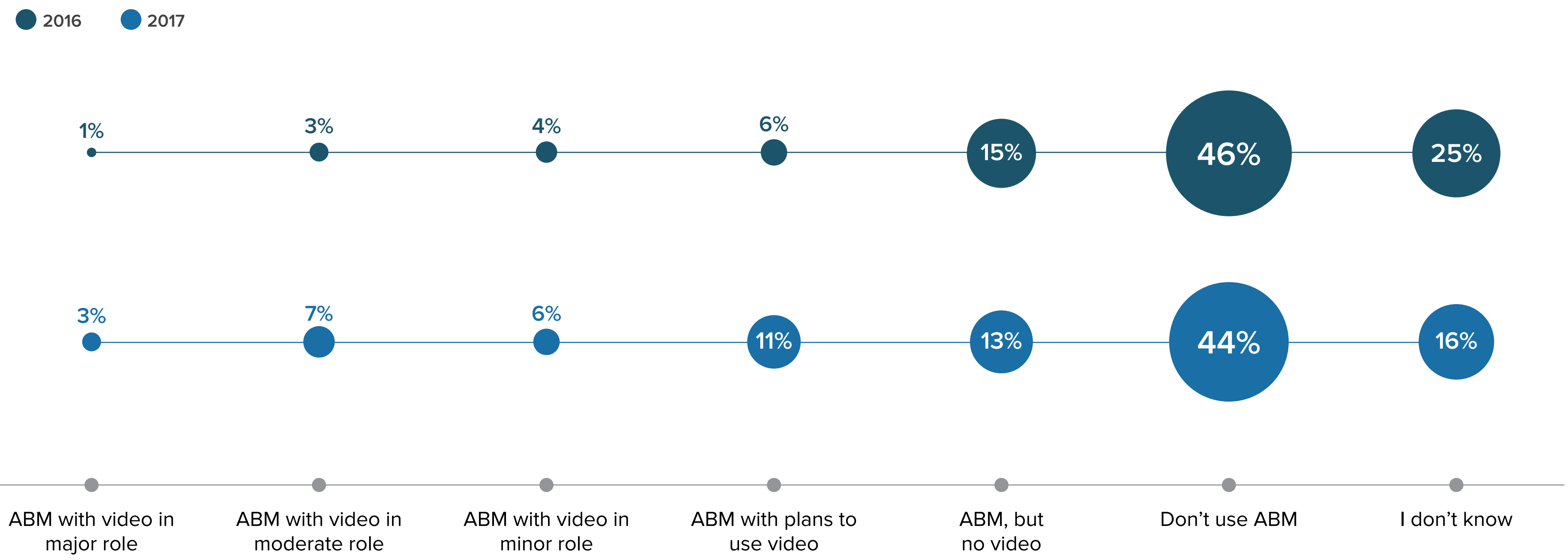
In the 2016 study, participants were asked to share their usage status of the Account-Based Marketing (ABM) strategy and, if they were using ABM, the degree to which video content played a role. **Figure 16** updates this usage data for 2017.

As ABM becomes a mainstream B2B marketing strategy, the use of video to facilitate the strategy has doubled since last year's study, growing from 8 percent to 16 percent of organizations that are using video to any degree with ABM. Those who plan to use video with ABM have also nearly doubled in the past year.

FIGURE 16

Video Functionality Usage

Video usage and plans for usage with ABM have increased year-to-year.



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Video Content Budget

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Marketing budgets reflect the organization's priorities, and the way initiatives are funded is perhaps the truest indicator of their perceived value. **Figure 17** summarizes video content budget growth for all years of the study.

Video content budgets are increasing for over half of the study participants, although not at the rate of previous years. However, the annual volume of videos produced shown in Figure 2 is increasing, implying that marketers are able to increase production without increasing costs.

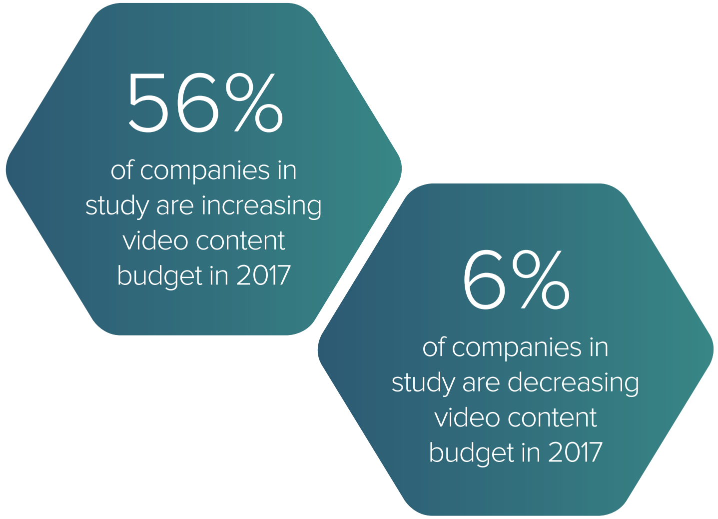
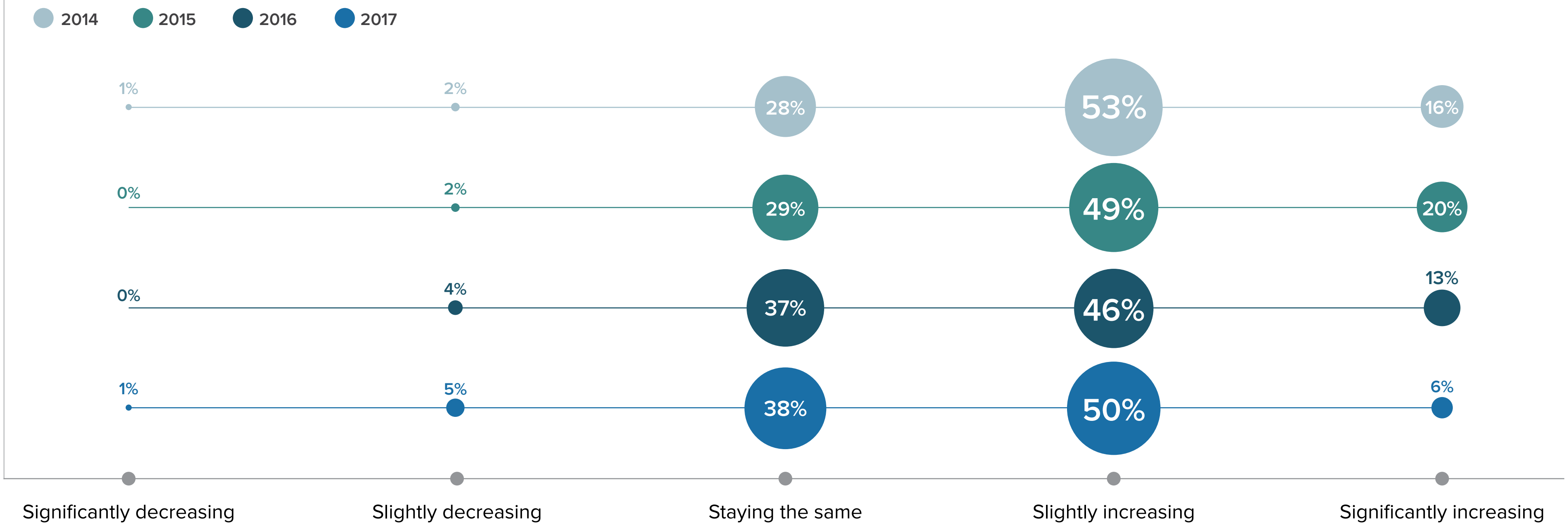


FIGURE 17

Video Content Budget

Video content budgets are staying the same or growing for well over 90 percent of the organizations in this study.



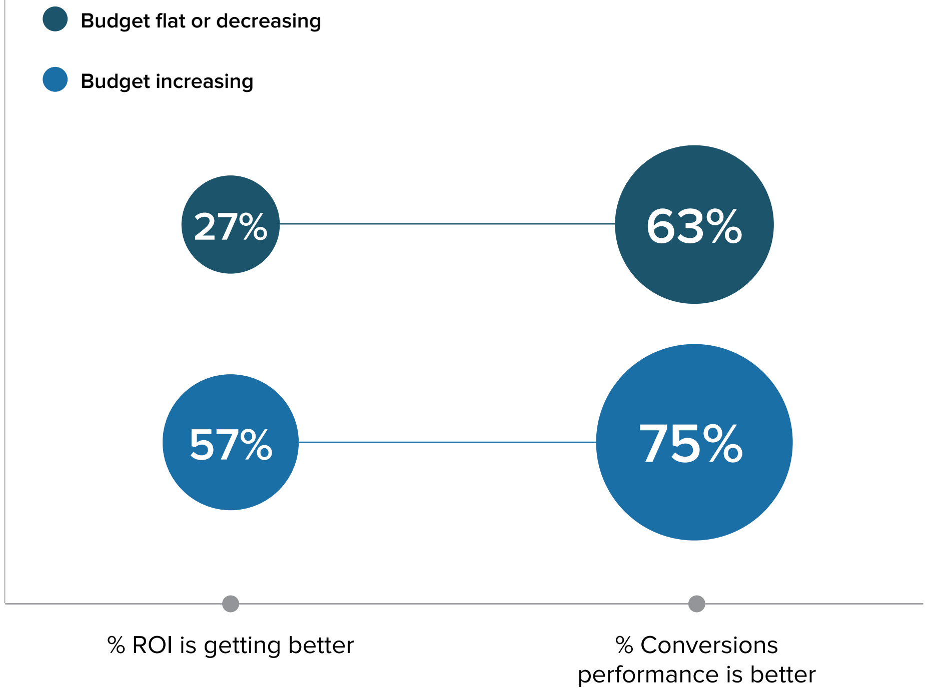
Budgets, ROI, and conversion performance are all correlated. **Figure 18** shows what this correlation looks like.

Though it is a bit of a chicken-and-egg dilemma to determine whether higher funding for video content performance produces better ROI and conversion performance, or if the ROI and conversion performance make the business case for higher funding, it is most likely the latter case. Whichever one is true, however, the link between budgets, ROI and conversion performance is firmly established in the study data.

FIGURE 18

Video Budgets and ROI, Conversion Performance

Higher video content marketing budgets are related to better ROI and conversion.



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Satisfaction with Video Marketing Results

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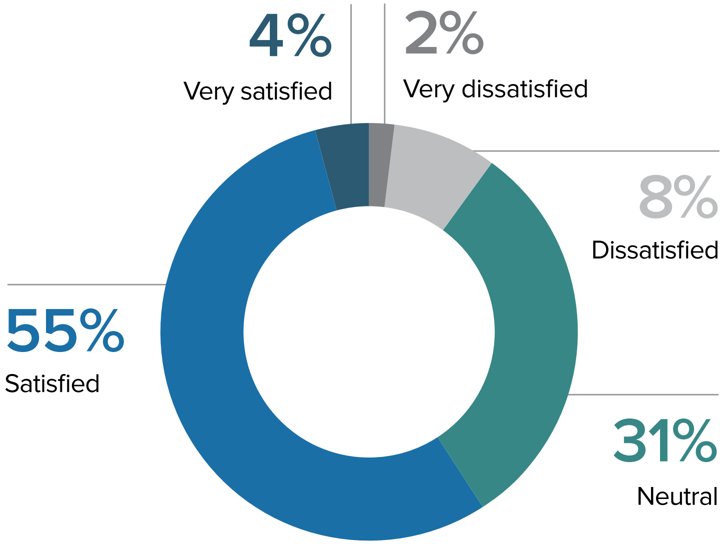
This study has not looked at overall satisfaction with the results of video marketing efforts until this year. **Figure 19** shows how this year's study participants rated their satisfaction.

FIGURE 19

Satisfaction with Video Marketing Results

Just 10 percent of study participants are dissatisfied with the results of their video marketing efforts.



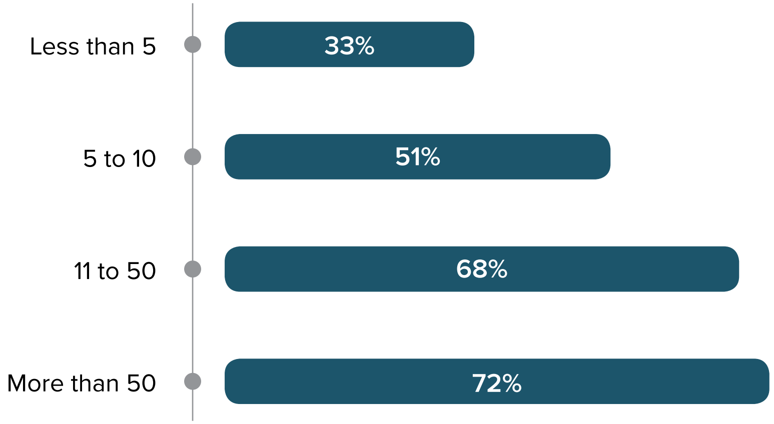
It is important to keep in mind that satisfaction is an outcome, and with this data now part of the study, it became possible to identify some of the drivers of satisfaction. One of the correlations to satisfaction is the annual volume of videos produced by study participants. **Figure 20** shows how satisfaction increases with the volume of videos produced.

FIGURE 20

Satisfaction & Annual Video Production Volume

Satisfaction increases as video production volumes increase.

% Satisfied or Very Satisfied



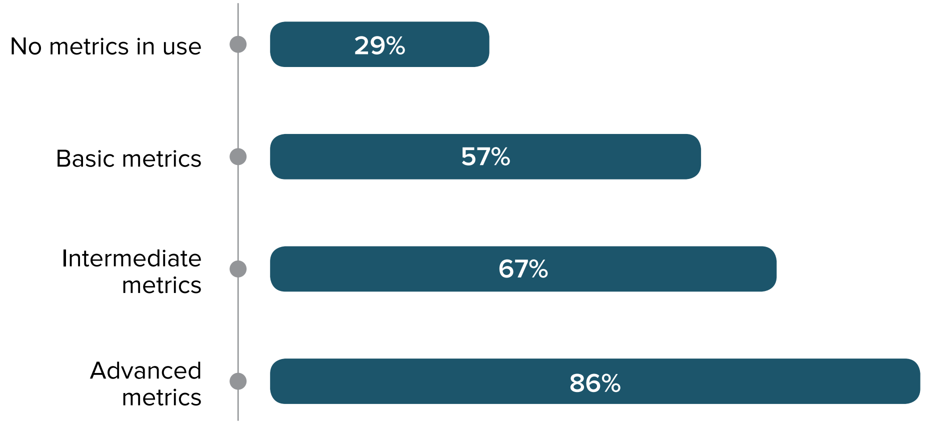
The use of certain kinds of metrics from Figure 8 to measure the effectiveness of video content, also correlates to satisfaction. **Figure 21** shows this relationship.

FIGURE 21

Satisfaction & Metrics Usage

The use of advanced metrics drives satisfaction significantly higher.

% Satisfied or Very Satisfied



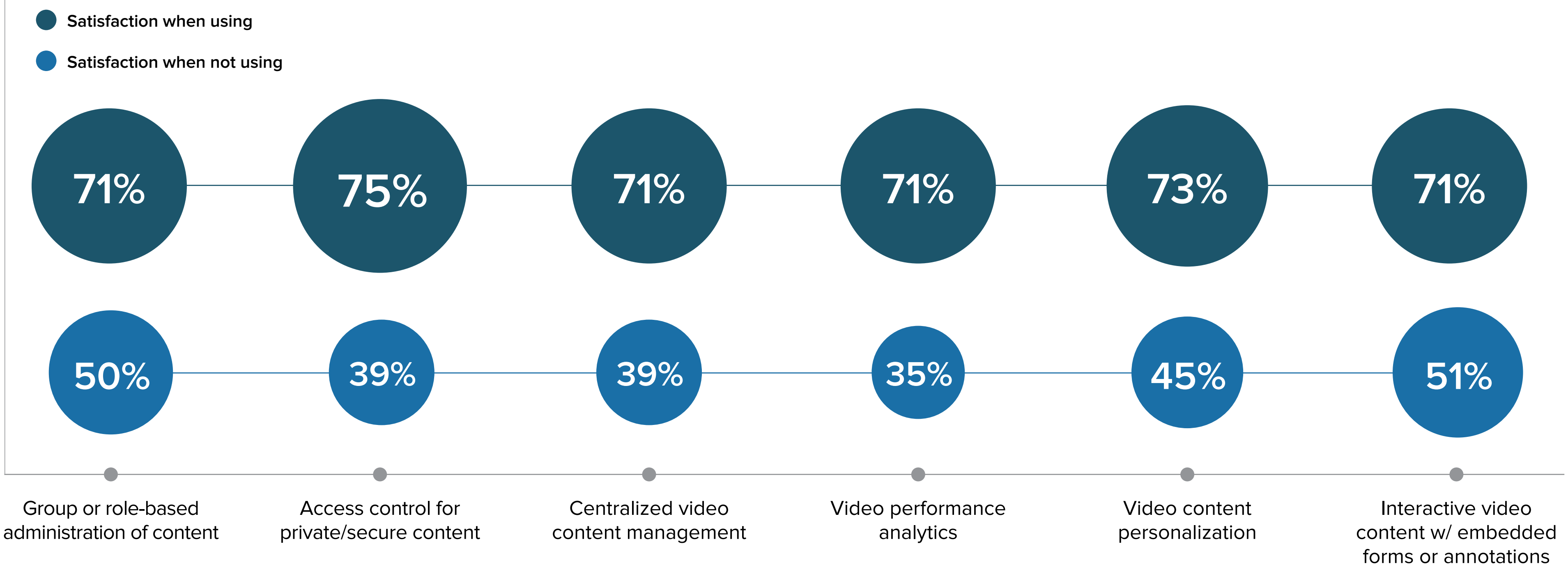
The adoption of some of the features and functions shown in Figure 15 also correlate to higher satisfaction with video marketing results. **Figure 22** shows the difference in satisfaction for these features/functions when they are versus when they are not in use.

The use of any one of these video features/functions has the ability to drive satisfaction with video marketing results higher. **The satisfaction gap between those who use them and those who do not is substantial, averaging 29 percentage points.**

FIGURE 22

Satisfaction & Video Feature/Function Usage

These video features/functions are major drivers of higher satisfaction with video.



Analyst Bottom Line

Analyst Bottom Line

As a content form, video remains as important as ever, and this importance is reflected in increased usage, both in terms of volume produced and places where video is used. This year's study reinforces many of the best practices identified in past years, while introducing some new ones. Marketers that want to leverage video in the most effective way and produce the highest possible return should implement the following recommendations:

Track advanced metrics. There's no getting away from the fact that advanced metrics are the only ones that can accurately tell marketers the revenue impact any of their content is having, and video is no exception. Views by embed location, viewer drop-off rates, and attribution to sales pipeline are all examples of advanced metrics that marketers should track for video content. How can marketers do this? See the next recommendation...

Integrate video viewing data. This integration facilitates the tracking of advanced metrics, and marketers reported gains in the integration of viewing data with Marketing Automation and/or CRM systems in this year's study. This is important because when this data is stored in sales and marketing systems, the viewing data becomes easy to access and use in order to gain insights about leads in the pipeline.

Pump up the volume. Heavier users of video are getting better ROI from their use and are more satisfied with the results they are getting. Greater video volume seems to be better where marketing with this content form is concerned. Marketers that have so far just dipped their toes in the video marketing pool should consider plunging in.

Use advanced features and functions. All of the video marketing features and functions identified in Figure 15 have benefits, and many of them also drive higher satisfaction. Marketers need to make the inclusion of these features and functions a standard part of their production process. Many of these feature and functions are only available through the use of a video platform for business.

Most marketers long ago recognized the potential and value of video content. By implementing these recommendations, marketers can take their video marketing efforts to the next level of effectiveness.

Acknowledgements

vidyard

Vidyard is the video platform for business that helps organizations drive more revenue through the use of online video. Going beyond video hosting and management, Vidyard helps businesses drive greater engagement in their video content, track the viewing activities of each individual viewer, and turn those views into action. Global leaders such as Honeywell, McKesson, Lenovo, LinkedIn, Citibank, MongoDB and Sharp rely on Vidyard to power their video content strategies and turn viewers into customers.

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Appendix: Survey Background

This 2017 Video Content Marketing Metrics Benchmark Study survey was administered online during the period of October 5 through October 28, 2017. During this period, 159 complete responses were collected and used in the analysis of the data for this report.

The representativeness of these results depends on the similarity of the sample to environments in which this survey data is used for comparison or guidance.

Summarized below is the basic categorization data collected about respondents to enable filtering and analysis of the data:

Type of organization:

Mostly or entirely B2B	57 percent
Mostly or entirely B2C	15 percent
Blend of B2B/B2C	28 percent

Primary role of respondent:

President, CEO or owner	7 percent
Marketing	75 percent
Sales	5 percent
IT	6 percent
Other	7 percent

Annual sales:

Less than $10 million	32 percent
$10 to $24 million	16 percent
$25 to $99 million	16 percent
$100 to $499 million	14 percent
$500 to $999 million	5 percent
$1 billion or more	16 percent

Revenue growth environment in most recent fiscal year:

Significant increase	21 percent
Modest increase	51 percent
Flat	17 percent
Modest decline	10 percent
Significant decline	1 percent

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