The Importance of Video Advertising in a Digital World
Introduction

Online video was once considered an afterthought in most advertising campaigns, however, over the past two years, we have witnessed a tremendous shift within digital marketing from desktop to mobile. Last year we saw advertisers start to take mobile seriously, in 2017 expect to see video an influx in online video content and advertising. Cisco recently stated in The Guardian, that by 2017, video will account for 69% of all consumer internet traffic. One in three Britons view at least one online video per week, which is 20 million people in the UK alone.

Advertisers have increased investment in video advertising by 114% - an 85% increase from just two years ago and according to Forbes, a Cowen and Company study indicated that mobile video ad spend will reach $8.6 billion by 2018. In addition to this, 76% of marketers polled stated they would be increasing their use of YouTube and video marketing.

Given this rapid growth, and video’s projected climb, advertisers should be including a well thought-out video strategy in their marketing plans which defines metrics for success. Video is an integral part of the marketing mix now; it’s easy to share, easy to use, has the potential to go viral, ideal for mobile marketing, and engages users immediately. In fact, seven out of ten people view brands in a more positive light after watching a video. As for mobile, marketers who have invested wisely in the medium will reap the rewards, as 41% of video play share happens via mobile.
3 Reasons to Invest in Video Content Marketing

Cost Efficient & Easy to Use

You no longer have to be technically inclined to edit and upload professional looking video content. Much of this can be done in-house instead of paying videographers. This means brands with smaller advertising spend can get a foot in the door and capture a share of the video audience that traditionally goes to bigger brands with higher budgets.

B2B Wins

According to a ReelSEO survey, 96% of B2B organisations use video in some capacity in their marketing campaigns.

Video content is a quick and easy way to tell your story; if you create a captivating and relevant video, users and potential clients will seek it out. B2B marketers should take note: according to a recent study, 70% of B2B buyers and researchers watch videos throughout their path to purchase, which is a 52% jump in two years.

Popular video types include product descriptions, ‘about us’, quick tips and testimonials. All of these formats allow viewers to consume information in a faster more engaging manner.

Creating an Emotional Connection

A well developed video is able to quickly create a positive emotional connection to a product, service, or brand. Whilst other forms of content can create emotional responses, video has the edge due to the speed at which a viewer is able to identify with the product. This connection with a brand helps gain new customers and cement brand loyalty.

Audiences are far from captive anymore - they have the ability to block or skip a poor video. On the other hand, advertisers who become strong storytellers will be rewarded with a popular, highly shared (and in some cases, a potentially viral) video that not only drives traffic but increases sales.
Popular Platforms: The Major Players

There are many video advertising platforms flooding the market but for marketers looking to get the biggest return out of this ad format, there are three major players:

**YouTube**

With over 105 million unique viewers per month, YouTube is at the forefront of video marketing and is one of the largest and most popular platforms for advertising. Over the past few years, YouTube has branched out to specialise in paid advertising and offers brands a multitude of formats, placements and retargeting capabilities.

**Google Preferred**

Google Preferred features popular YouTube channels, separated into categories like food, music, fashion, and comedy. Like cable TV packages, advertisers can pre-select from these categories, delivering ads to the top 5% of YouTube channels (determined by popularity and passion). It allows advertisers access to the latest break-out content, with extensive reach and the potential to deliver impressive results. Marketers can also buy on Google Preferred programatically via DoubleClick Bid Manager, so that all video campaigns can be managed in one place.

**YouTube Director**

YouTube Director targets small businesses that want to get a foothold in video advertising but are lacking the ad spend to hire an agency or firm. This business app on iOS allows anyone to make a video straight from their phone with no previous editing experience. It walks you through content creation and how to frame a shot. The app then allows advertisers to run AdWords campaigns using the freshly created video. YouTube Director has been available in the UK since October 2016.

**YouTube Annotations**

When creating video content, YouTube Annotations can help keep viewers engaged by adding comments, calls-to-action, and offering important information during the video. In turn, Annotations will help keep viewers locked on your channel, drive website traffic, and generate business leads. For example, advertisers could overlay a button on the video that would lead directly to the purchase page for a pair of jeans worn in the video.

**YouTube Live**

YouTube also upgraded their live streaming capabilities, as its previous incarnation had neglected mobile entirely. Entitled YouTube Live, an organic video platform, it intends to challenge Facebook Live’s domination of mobile live streaming. What is it adding to the table that differentiates it? YouTube claims that its service, offers the most immersive, fast and reliable experience. Currently, there is no way to monetise the channel but that may change in the future.
Facebook

Facebook, like Instagram, waded into video in 2013, starting off with autoplay videos in user’s newsfeeds. In two short years, Facebook video use has exploded. They further upped their game by taking on video heavy weights, YouTube and Periscope, when they launched live streaming in August 2015. Initially, live streaming was reserved for verified accounts only, but on April 6, 2016, Facebook opened live streaming to all users.

As of 2017, Facebook is poised to become the video champion. Periscope is in serious decline, and Youtube is lagging behind in terms of live streaming usage. Facebook is winning because it is offering an all-in-one platform - messaging, social interaction, advertising and now video streaming. It also allows users to save videos for replay at a later date - something Periscope doesn’t allow, deleting videos after 24 hours. In addition to this, the service it was using to save videos, Katch.me, shut its doors in May 2016, leaving Periscope in a lurch. Users quickly abandoned ship for Facebook Live as their “go-to” for video streaming.

What makes this platform a win for advertisers? Live feed viewers watch videos three times longer and engage with them ten times more than pre-recorded video. Facebook edges out other video streaming sites because brands already have followers ready to go - they don’t have to spend ages building engagement on a new platform. Its user base is the largest of the three platforms and it also scores top marks for ease of use. Video can be uploaded directly to Facebook, bypassing the need to use YouTube to create a video and upload it. In April, rumours surfaced that monetisation of Facebook Live was not far off on the horizon. Later in Autumn, Facebook began testing real-time ads and toyed with inserting 15 second ads in the middle of live broadcasts. These mid-roll ads are an attempt to thwart users from skipping ads, which often occurs when the ad is presented at the beginning of a video. Monetization still hasn’t launched but advertisers will be pleased to hear that it is definitively in the works for 2017.

Facebook’s interface was given a make-over, making it easier for users to watch videos and in turn, easier for marketers to reach potential viewers. In fact, Facebook matched YouTube’s 4 billion views per day in April 2015, and surpassed the former video giant by the end of 2015. It topped 8 billion video views per day, demonstrating it is a strong contender when it comes to video advertising. In addition to this impressive result, video completion rates are as high as 78%, thanks to Facebook’s latest algorithm tweak skewing heavily towards video viewing. It’s a winning combination that’s hard to ignore for advertisers who are looking to video to increase reach and ROI.
Instagram

Instagram launched video on its' photo sharing platform in June 2013. Three years later, Instagram has dipped its toe into monetisation with paid video content for advertisers. In February 2016, Instagram went even further, lengthening its video viewing time from 30 to 60 seconds.

As of December 2016, Instagram has grown exponentially and currently boasts 600 million users per month, with the last 100 million joining in the last six months. They are riding the wave that is shifting from TV to online video advertising.

The issue with Instagram video advertising is similar to Facebook, many viewers tend to use the platform when they are on the go via mobile. This means that they are often in public spaces when accessing content and have the sound turned down. Advertisers on Instagram and Facebook have attempted to combat this by presenting ads that do not require volume to be engaging, including promoting the use of subtitles in videos. Instagram has realised how lucrative video advertising has been and has rolled out carousel video ads in March 2016 in order to encourage advertisers to use their platform. Advertisers can show up to five videos per ad. In December, Instagram announced its latest update to video: Live Video on Instagram Stories to help businesses connect with users. The only downside is that this format suffers from the same problem as periscope - it disappears after the video has launched, meaning that brands have to hop to catch users in the moment to reap any rewards.

Conclusion

When you combine video and mobile advertising the result surpasses anything either can achieve alone. Gains made in accessibility and ease of use have levelled the playing field so that businesses of any size and budget can make the most of video advertising. Add to that, the expansion of video on channels other than YouTube, such as Facebook and Instagram, allowing for greater competition and more options for marketers looking to break into video advertising. It is no small wonder that interest in video has exploded and money is shifting quickly from TV to online advertising. As we begin 2017, expect this trend to continue as social channels are now trying to find ways to monetize live streaming video, and reach audiences in engaging ways.
Who is NMPi

NMPi are an award-winning digital agency helping ambitious brands maximise the potential of their online marketing. Based out of London, UK we work with clients ranging across sectors including retail, travel and finance, and operate across more than 100 countries, in over 55 languages.

Market Leading Technology
Our internal technology platform helps to deliver a “full-funnel” approach to find new customers and convert your existing prospects.

Full Transparency
We deliver full transparency to our clients, receive in-depth information on where your budget is being spent and where your results

International Reach
With over 400 digital staff in 23 locations worldwide, we deliver localised campaigns to over 100 markets in 55 different languages.

Proven Approach
We have developed a proven strategy to deliver highly targeted and successful campaigns with the right message, to the

Customer Understanding
Through our integrated approach to digital activity, receive a full-funnel view of the consumer, from initial impression to final conversion.

Award-Winning Expertise
With over 12 years of experience in the digital industry, we have helped numerous brands create a step-change in their business.

Paid Search
Innovative strategy delivered by an award-winning team.

Programmatic Display
Reach the right customer, with the right message, at the right time.

Analytics
 Grow your business by truly understanding your customer’s needs.

Paid Social
Great channel for increasing sales and driving growth.