

The State of Video Marketing & Advertising:

How Retail Brands Are Optimizing Investments with Data-Driven Creative





Pressing Play on a New Era of Marketing & Advertising

The power of video is undeniable.



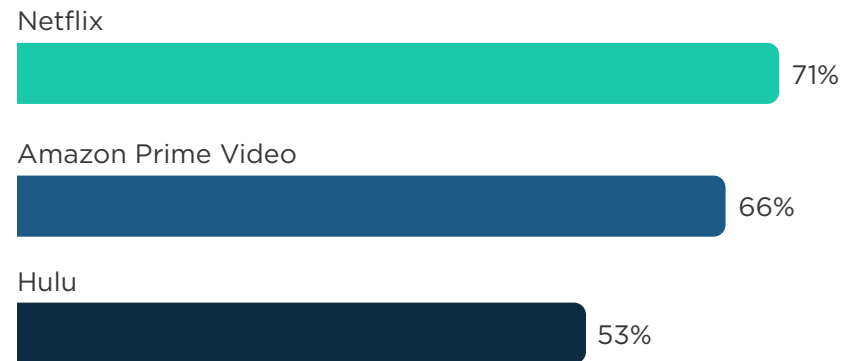
In **120 seconds or less**, a well-crafted clip can provide inspiration, insight and entertainment.

It can fully immerse a person into your brand, its values, intentions and stories. Most of all, it can drive action.

And consumers are clamoring for this depth of storytelling. **Nearly 3.5 billion internet users** will watch video content in 2023, and platforms like Instagram, YouTube and TikTok are making it easier for people to consume. **Younger consumers** especially are flocking to videos that tell unique stories, feature fun facts and even product hauls, which ultimately lead to purchase. The overwhelming response to this social content has inspired brand marketers to rethink the role that video plays in their approach to storytelling.

Simultaneously, connected TV (CTV) has emerged as a popular channel as consumers have increasingly shifted their media consumption from linear TV to streaming.

The three most-used **video-on-demand services** in the U.S. are:



These platforms have rolled out ad-driven tiers that are valuable for both consumers and advertisers. After all, these services alone have a collective **480+ million subscribers**, giving brands and retailers an incredible opportunity to get in front of a much larger market of consumers in a more cost-effective way. Most of all, the rise of CTV gives marketing teams another new and powerful medium to intelligently reuse their video creative and optimize their investments.



Now is the time for brands and retailers to double down on their video creation efforts, invest in creative testing and learning, and explore ways to maximize their reach and impact. But where do their priorities lie? And what knowledge, creative and technological gaps are impacting their success (or lack thereof)?

We surveyed more than 100 executives to find out.

The results point to an exciting inflection point in the marketing landscape, where consumers expect more engaging and dynamic content — and brands are feeling the heat to perform at scale. Specifically, we found:

1.

Brands that have previously invested in video marketing and advertising plan to maintain or increase their investments in the future.



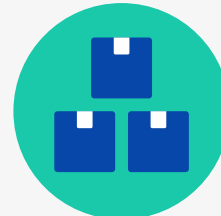
2.

Social media is the primary channel driving video creation efforts, but CTV is gaining steam as audiences for ad-supported streaming services grow.



3.

While many brand, digital and social teams collaborate on video ideation and creation, they're leaving out store and product teams that can make their video creative more relevant for consumers.



4.

As marketing teams face heightened pressure to optimize their creative investments, they're focused on repurposing their content and measuring every outcome.





Video Climbs Up the Marketing Priority List



Given the influence of video across marketing channels, it is unsurprising that most of our respondents (**67%**) already invest in video marketing and advertising.

An additional **14%** of respondents said that while they don't currently invest in video marketing and advertising, they planned to do so over the next year.

In today's highly visual media landscape, video is core to good brand storytelling and comprehensive content and performance marketing strategies. For many brands, video is becoming a foundational element of their campaigns — not an ancillary afterthought. And the brands that have invested in video intelligently are doubling down on their efforts.

Most respondents (**78%**) said their video marketing and advertising budgets increased at least slightly in 2022.



This growth trajectory will continue, as slightly more respondents (**81%**) shared that their video budgets will increase through 2023.

These results lead us to believe that brands investing in video are seeing an impact on their business. They're seeing desired outcomes and the overall return on ad spend (ROAS) they require to win the budget they need to successfully invest in video creative, supporting platforms that enable efficiency and scale as new channels and apps emerge.



Take CTV as an example.

While this particular category has only emerged in recent years, the audience is poised to grow significantly over time.



CTV advertising is **expected to grow by 13.2% globally in 2023 to \$25.9 billion.**



CTV ad revenues will experience an **annual compounded growth rate of 10.4% between 2023 and 2028.**

Brands can maximize the ROI of this growing channel by investing in solutions that provide geotargeting and personalization capabilities, real-time analysis and insights that will fuel their success. Combined, these features will ultimately allow them to improve the impact of their video creative and channel investments.

How has your video marketing and advertising budget changed?

2022 2023

Increased significantly



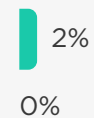
Increased slightly



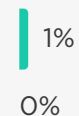
Stayed the same



Decreased slightly



Decreased significantly



But what about the **19%** of respondents who said they don't currently invest in video? Most (**60%**) said it's simply not a priority for their brand right now.

This connects to a much larger issue in the world of marketing. Many teams feel strapped for time and resources; and when they do have the ability to test and tinker with different creative outlets, they are feeling the pressure to meet, and even exceed, leadership expectations. As a result, they may find that it's wiser to focus on the channels and tactics they know will perform well.



However, video's role in the marketing universe will only expand over the coming years.

If brands aren't investing now, they will be at a disadvantage. Now is the time for brands to develop the internal workflows that allow them to create and optimize video content at scale through intelligent content creation and repurposing.

Why doesn't your company invest in video marketing and advertising?

(Respondents were able to select all that applied.)

It's not a priority in our brand strategy



We did, and it didn't perform well



We don't have enough budget



We don't have the right talent to create content successfully



Other





As Video Becomes Ubiquitous, Brands Diversify Their Channel Mix

There is a common adage in the marketing world: “If a picture is worth a thousand words, a video is worth a million.” Now, imagine how many words videos are worth when they’re promoted and amplified across several channels!

Instagram, TikTok, YouTube and other platforms are expanding their video advertising offerings to provide brands with an impactful vehicle to tell their stories in a compelling and concise way. Brands are clamoring to test and invest in these new offerings, largely due to the reach and influence of these tactics.

In fact, respondents are investing in several channels, with most turning to Facebook, YouTube, TikTok and Instagram.



While the adoption of these platforms is not surprising, **TikTok’s penetration among brands is worth calling out** — especially given its relatively short history.

Research from **Morning Consult** revealed that Gen Z is especially engaged in video content on TikTok: **64%** of these consumers enjoy “story time” videos, where a creator details a story from an event or situation, and **62%** said the same of “fun fact” videos, where a creator provides an interesting piece of information about a topic.



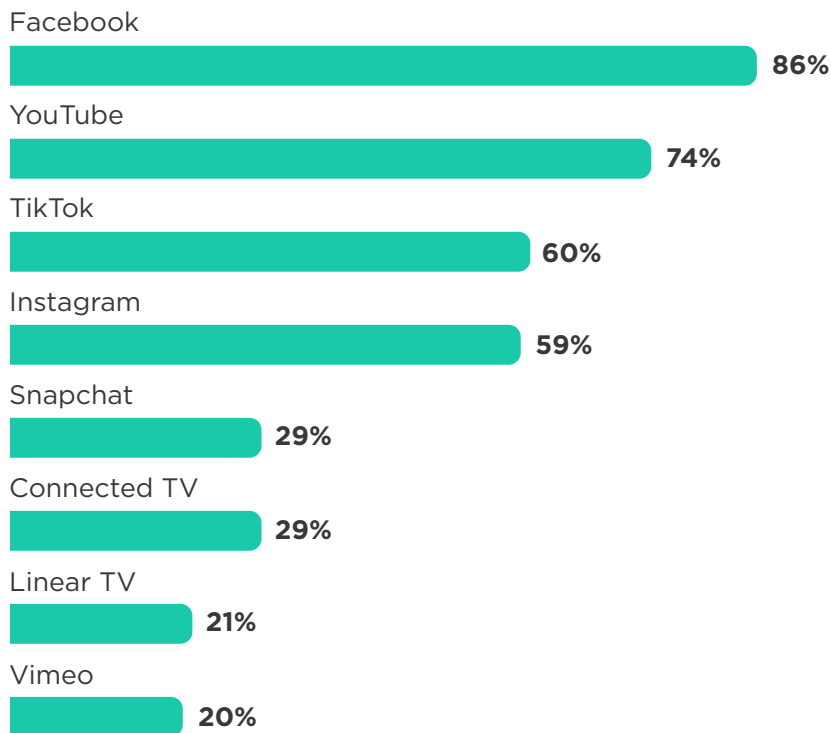
“Haul” videos, where a creator shows products they purchased, sometimes from a single brand, are the most likely to drive Gen Z purchase behaviors, with **42% of consumers saying they bought a product shown in such a video.**



Although more brands plan to add the core social networks to their video advertising mix over the next 12 months, they are clearly aiming to diversify. **These brands understand the unique value of social media, CTV and linear TV**—and there is clear opportunity to embrace all of them holistically, by reusing video content intelligently and tapping into what makes each channel unique.

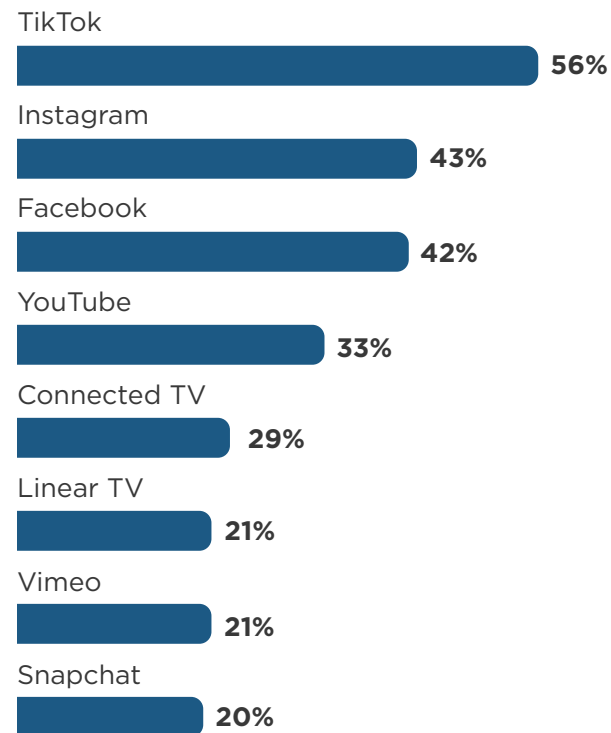
What video marketing and advertising channels do you currently invest in?

(Respondents were able to select all that applied.)



What new channels do you plan to add to your marketing and advertising mix over the next 12 months?

(Respondents were able to select all that applied.)





Marketers are Feeling Pressure to Perform; Intelligent Creation and Repurposing Helps them Create Impact

Marketing teams want to get maximum value from their video investments. However, many say they are struggling to get the buy-in they need to create the best content they can.



When asked to share their top video advertising challenges, most said they had trouble getting the budget they needed to create high-quality video content (**53%**).

The same number of respondents said they had trouble measuring the impact of their video ad campaigns, and the final challenge to round out the top three is “creating enough content to satisfy organizational needs.”

These three challenges are intrinsically linked. Brands know they need to invest in video to reach and resonate with consumers. And they need to create enough content to be present across key video advertising channels. These various channels have different offerings, parameters and keys to success; brands need a creation, amplification and measurement strategy that allows them to repurpose content intelligently to meet their goals. This is where solutions like MNTN’s **Creative-as-a-Subscription (CaaS)** come in handy.

What are your top challenges regarding your video marketing and advertising efforts?

(Results reflect top-five challenges selected by respondents.)

Measuring the impact of video ad campaigns



Getting budget to create high-quality video content



Creating enough video content to satisfy organizational needs



Getting buy-in from C-suite or other company leaders



Hiring the right talent to create high-quality videos



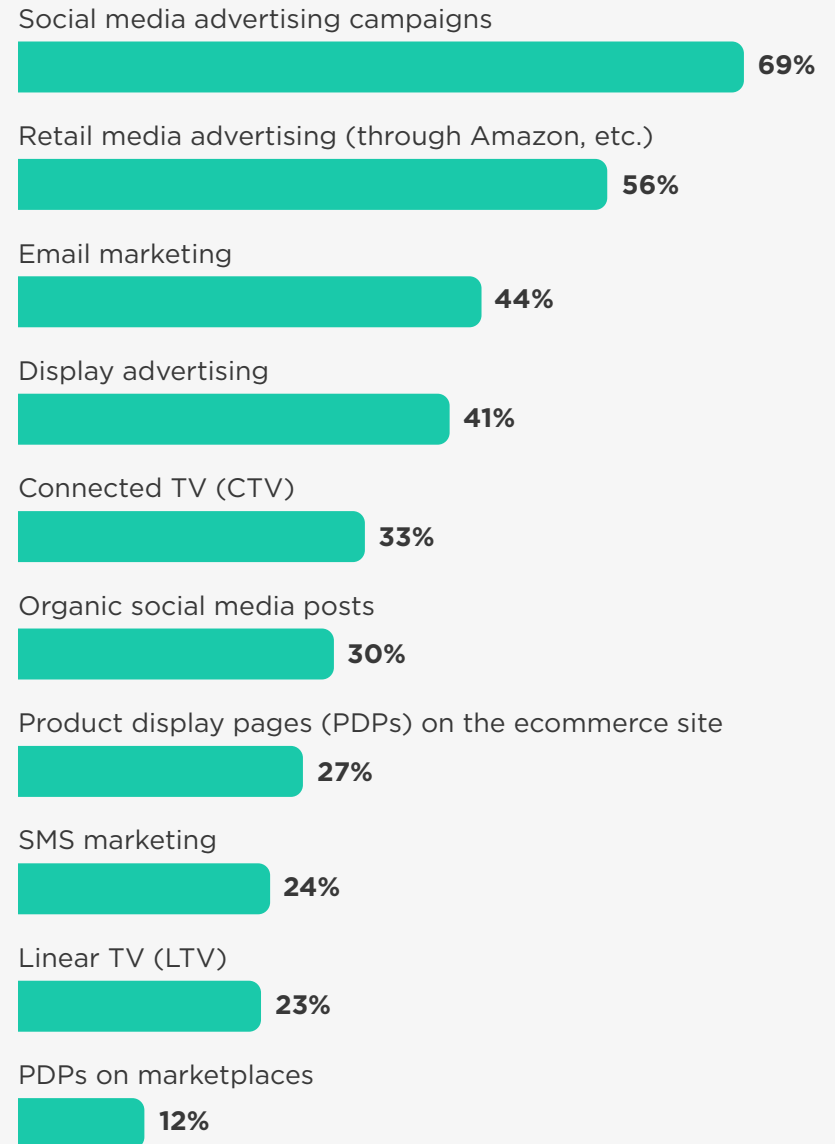
While there are some nuances to each channel, brands can repurpose the core narrative components of videos to create consistency across channels. Some brands are already doing this to drive efficiency and performance.

Respondents are largely creating original video content for their social media advertising campaigns (**69%**), retail media advertising (**56%**) and email marketing (**44%**). However, there are less popular channels that present new opportunities for brands to maximize the reach and value of their video creative.

Specifically, reusing social video content for TV is an untapped opportunity. It's a great way for brands to stretch their budget and get the most value out of video investments, but it also supports storytelling consistency and brand recall, which are key to ensuring video campaigns resonate.

What is interesting to note is the role that CTV and LTV play in brands' holistic video marketing and advertising strategies. For both original and repurposed video content creation, CTV beat out its linear counterpart. However, more respondents are repurposing their existing video content for LTV. A lot of early adopters of CTV dipped their toe in by repurposing social assets, but the small gap between repurposed and net-new content creation means that we may see more brands develop unique video creative for CTV in the future.

Channels driving original content



Channels where videos are being reused and repurposed

Social media advertising campaigns



Retail media advertising (through Amazon, etc.)



Email marketing



Organic social media posts



Connected TV (CTV)



Display advertising



SMS marketing



Product display pages (PDPs) on the ecommerce site



Linear TV (LTV)



PDPs on marketplaces



We don't repurpose our video content





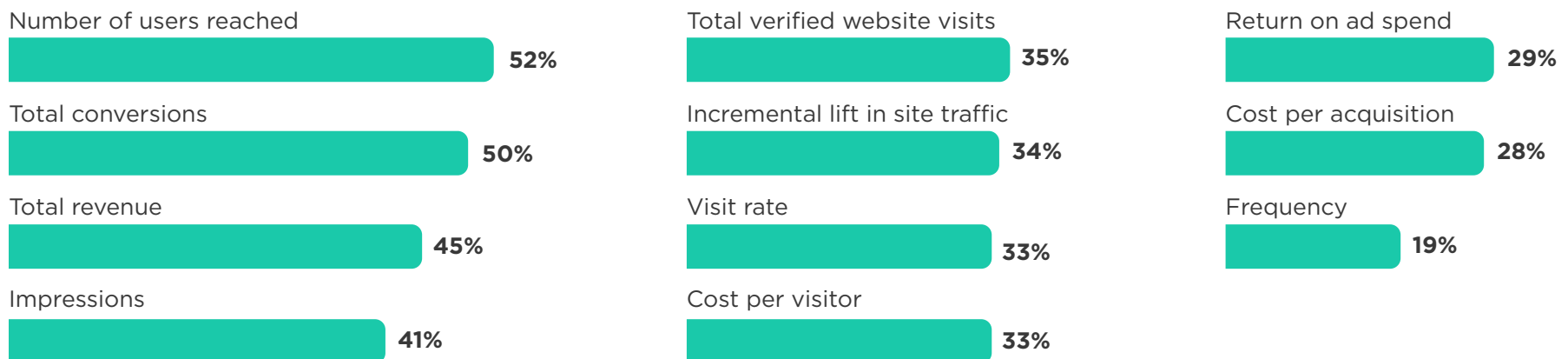
Connecting the Creative Dots with KPIs

Intelligent video creation and repurposing can help brands tackle the big bandwidth issue, but effective measurement is what helps them optimize their creative efforts — and their investments.

Most respondents are, rightfully, monitoring several KPIs, with most referring to overall reach, total conversions, total revenue and total impressions. These metrics are great for gauging reach and brand awareness, but as marketing teams feel more pressure to prove the value of their creative investments, they need to embrace more robust performance marketing metrics.

Which KPIs do you use to measure the impact and value of your video advertising efforts?

(Respondents were able to select all that applied.)



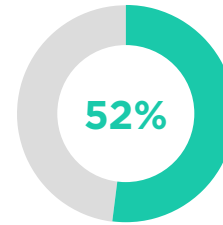
When considering their video advertising mix, marketing teams need to understand the depth of data they're able to glean from specific channels. For example, measuring cost per acquisition, total conversions and return on ad spend is incredibly difficult for linear TV campaigns. CTV can offer more granular metrics that fold into how other digital channels (like social and display) are measured.

Based on the feedback respondents shared about how they're measuring the impact of their video content specifically, it is clear that there is a gap between the metrics they're currently tracking (largely reach- and awareness-based metrics) and what they hope to measure in the future, such as return on ad spend and cost per acquisition.

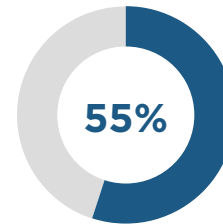


However, respondents are clearly looking for more actionable insight to support their video advertising efforts moving forward.

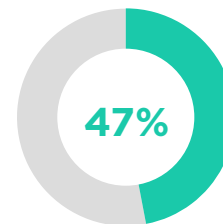
When asked which marketing and advertising topics they'd like to learn more about, the top three were related to executives' hunger for best practices to help them create more effective video campaigns and strategies:



Tactics for maximizing ROI of video investments



How to develop a cohesive video strategy



Measurement and attribution



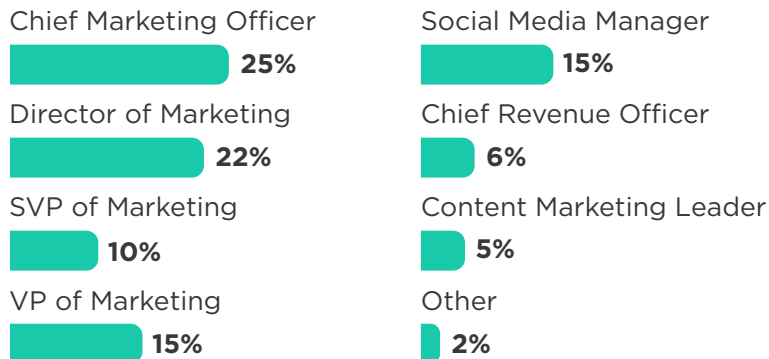


Video Creation is an All-Hands-on-Deck Effort

Effective video marketing and advertising requires collaboration across several teams. From ideation to execution, the C-level, digital marketing, content marketing and social media teams all play their roles.

However, the most fascinating finding was related to who oversaw the entire video marketing and advertising strategy. While one would think that this would be an initiative driven by the VP or director of marketing, most respondents said the CMO was the key decision-maker and overseer.

Who oversees the video marketing and advertising strategy within your organization?



We dug deeper into the data to see if there was a connection between the role of the CMO and companies' overall size (by revenue). What we found was:

- Among companies generating \$10M to \$300M, the director of marketing (**22%**) and social media manager (**26%**) oversaw the strategy.
- Among companies generating between \$300M and \$800M, **50%** said the CMO oversaw the strategy.
- Among companies generating more than \$800M, the SVP of marketing (**21%**) and VP of marketing (**29%**) oversaw the strategy.



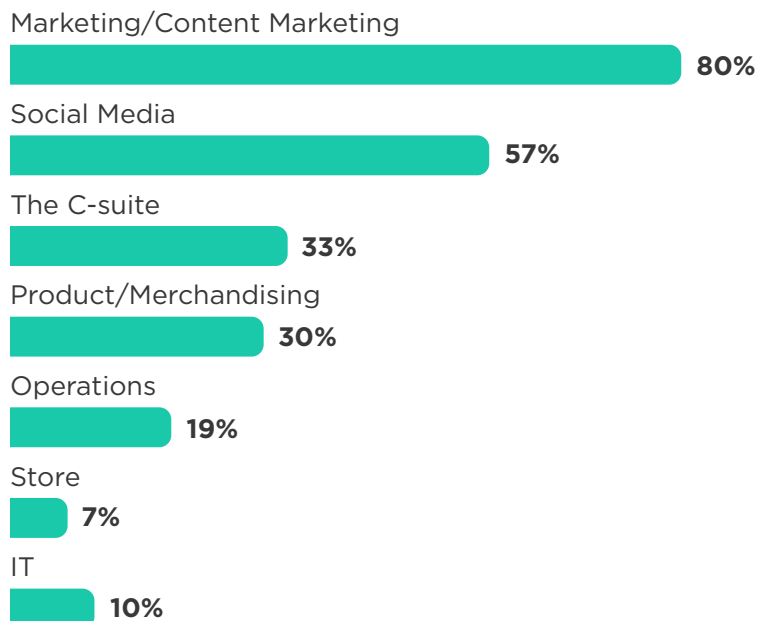
These results lead us to believe that company size could influence who drives video strategy. Companies in the \$300M to \$800M range are in a phase of growth and scale, which means the CMO may play a more critical role in driving key growth channels such as video.



When the time comes to actually go through the video creation process, digital marketing typically drives the work **(44%)**, followed by social media teams **(25%)**. Social media has historically influenced video investments, which is why they traditionally drove the overall process. Digital marketing taking control means that video is now considered a holistic, business-wide investment, not a social media tactic.

Which teams and functions are involved in the ideation, execution and measurement of video marketing/ad campaigns?

(Respondents were able to select all that applied.)

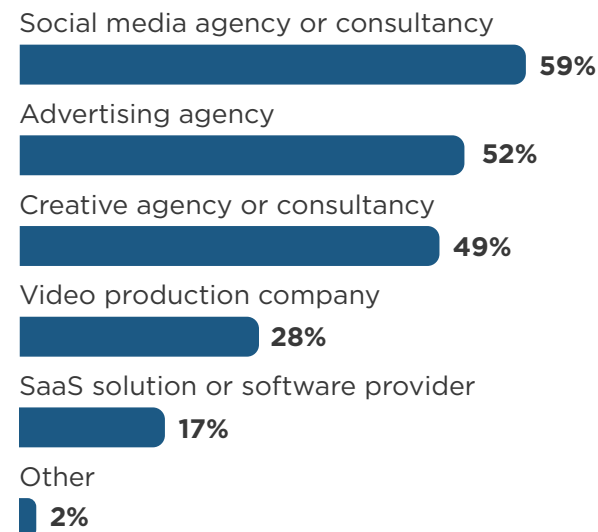


All respondents tap a variety of different partners to support their video efforts, with most using social media agencies and consultancies **(59%)** — a result that shows the prevalence of social media and video being a

joint strategy. Brands also are working with advertising agencies **(52%)** and creative agencies **(49%)**, but a fair number **(17%)** are using SaaS solutions to support their ad creation efforts, which is a surprising outcome in an agency-dominated field.

What types of third-party companies do you work with for your video campaigns?

(Respondents were able to select all that applied.)



But there is an opportunity for brands to better collaborate with other functions that influence the success of video marketing and advertising campaigns. Few participants said they worked closely with product/merchandising **(30%)**, operations **(19%)** and stores **(7%)** to drive their efforts. Arguably, you need creative input and data-driven insights from these teams to ensure video campaigns are relevant and compelling.





Embracing the Era of Data-Driven Creative

Brands and retailers know they need to invest in video in order to be discovered by their target customers. However, at a time when budgets are increasingly being scrutinized, and even cut, they also know that they need to make smart decisions. That doesn't just apply to the channels used to promote and amplify videos; it also applies to the entire creative process.

As marketing teams refine and expand their video strategies, they need to ensure that:

- Collaboration with leadership and other relevant functions is embedded into the ideation and execution of all video campaigns;
- Data informs all creative decisions, from the specific channels being used to the storytelling methods and the calls to action used;
- They leverage the unique targeting and personalization capabilities of different video advertising platforms; and
- KPIs and performance insights are used to uncover opportunities to refine, adapt and better tailor video campaigns to distinct values of different apps and platforms.

Now is the time for brands to build out effective and streamlined creative pipelines that fuel their short- and long-term video needs.

CaaS from MNTN allows marketers to regularly update their video creative with multiple ad variations throughout the year, so they can easily produce TV ad creative without investing in anything but their media goals. With robust creative tools, targeting capabilities and performance insights, teams can keep messaging fresh via timely sales and seasonal content, seamlessly repurpose video creative across other video channels to tell a cohesive story, and make CTV a viable performance channel.

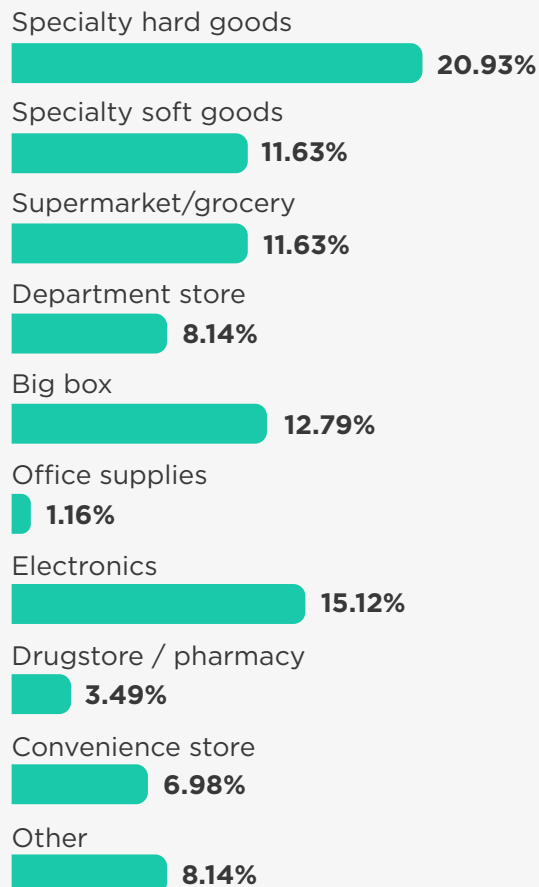
Boost Your Video Performance





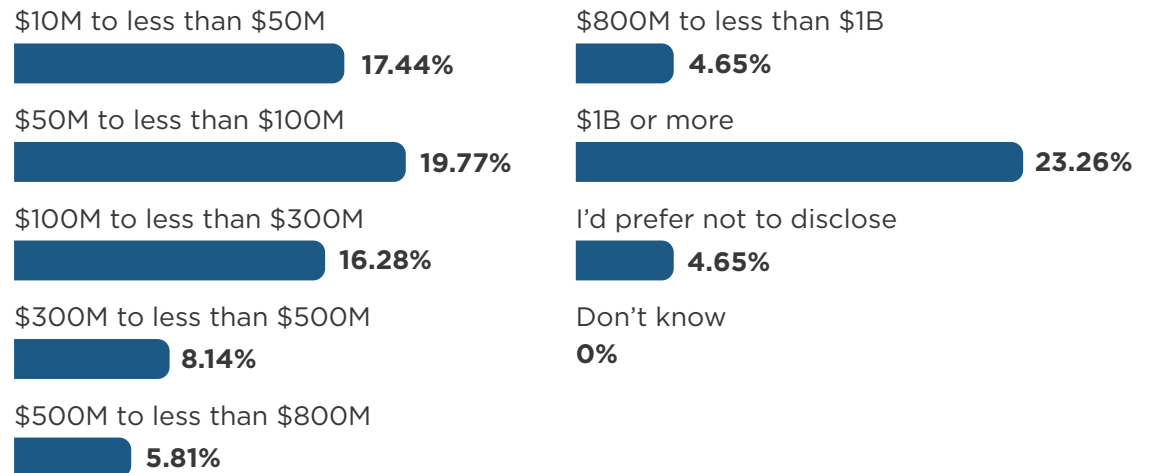
About Our Respondents

What is your business category?



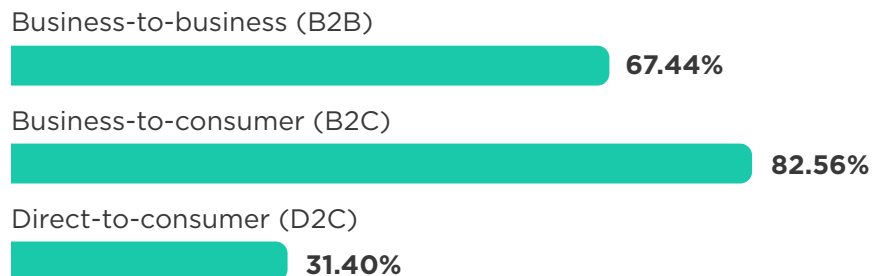
What is your company's total approximate annual revenue?

(Choose the best option.)



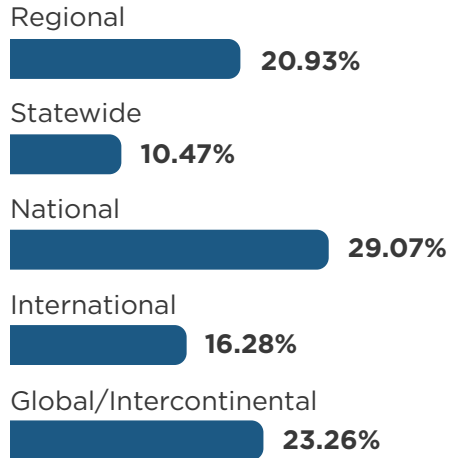
What are the primary markets you serve?

(Respondents were able to select all that applied.)



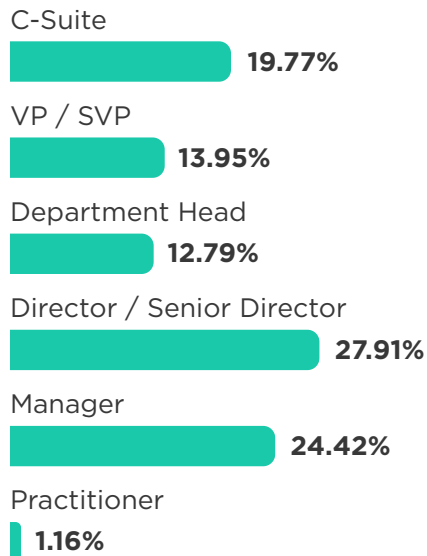
What is your organization's area of service?

(Choose the best option.)



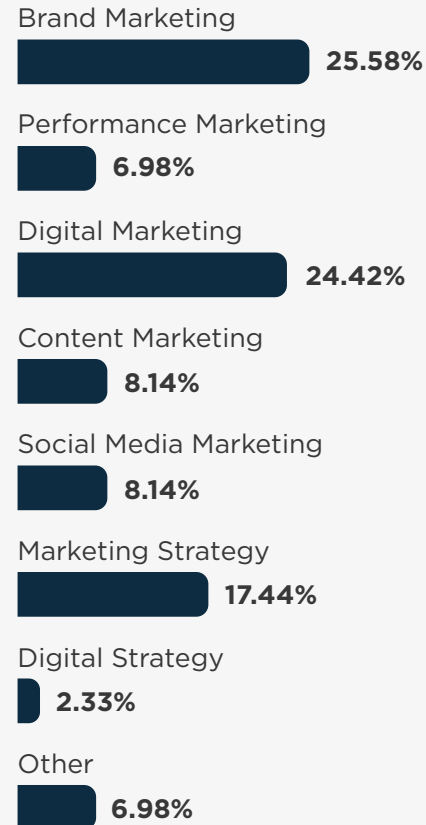
What is your seniority?

(Choose the best option.)



What is your role?

(Choose the best option.)





MNTN builds advertising software for brands to drive measurable conversions, revenue, site visits and more through the power of television. MNTN Performance TV is the world's first and only Connected TV advertising platform optimized for direct-response marketing goals. It redefines what advertisers can do with television, giving them the power to tie performance directly to their TV campaigns.

We believe television belongs right alongside paid search and social in advertisers' direct-response marketing strategies. That's why we applied our experience in building performance marketing software to create an ad platform that combines the precision of digital with the impact of television.

info@mountain.com



Retail TouchPoints and design:retail give all members of the retail world access to a vibrant community that combines insights, inspiration and opportunities to interact with their peers. We sit at the intersection of the art and science of retail strategy, providing granular data, high-value commentary, and aspirational success stories to help readers optimize customer experiences across all channels. Touching all facets of the retail ecosystem, including store experience and design, workforce management, digital marketing and engagement, and omnichannel optimization, our editorial content, multi-media resources and events take timely news and trends and transform them into tactical takeaways that meet the unique needs and priorities of our executive readers.

info@retailtouchpoints.com

