

Brands Assign Bigger Budgets Towards Content Marketing on Digital Video, Yet Struggle with Verifying ROI, According to New Study from DigitasLBI & IAB

In-Depth Interviews with Senior-Level Marketers Show Need to Better Assess Cost, Quality and Measurement

NEW YORK, NY (April 30, 2015) — Content marketing that leverages digital video is seen as one of the best storytelling mediums by marketers and is garnering bigger, standalone budgets accordingly, yet these same brand advertising executives are challenged with justifying its ROI, according to a qualitative study—“Content Revelations”— from DigitasLBI and the Interactive Advertising Bureau (IAB), and conducted by Advertiser Perceptions. “Content Revelations” is a research supplement to a quantitative report, “[Digital Content NewFronts: Digital Video Spend Study](#)”, released on Monday, April 27th by the IAB.

Senior-level digital video decision-makers across Automotive, CPG, Financial Services, Pharmaceutical, and Retail took part in one-on-one 45-minute interviews, revealing three key insights that align with statistics from the IAB quantitative research (*).

I. Content Marketing presents an ideal way to form authentic consumer relationships; therefore, its importance as a brand-builder is growing. According to one marketer, “the content is seen as a way to create ‘a world’ for the brand outside of the product.”

Supporting Stat: Two-thirds of marketers and agency executives believe that Original Digital Video will become as important as original TV programming within the next three years.

“I think brands should have a voice. And content is an incredibly expressive way to visualize and create an ethos around that voice.”

— Sr. Media Director (CPG/Alcohol)

II. As a result of content marketing’s growing prominence and value within the overall marketing mix, Content Marketing budgets are evolving and increasing.

Supporting Stat: Original Digital Video as a proportion of TOTAL Digital Video budget by marketers has increased by 17%, between 2013 to 2015 (projected).

“Two years ago, my video content budget was probably zero. Last year, it was maybe \$2Million. In my 2016 plan, I have budgeted \$15million.”

— Product Manager (Pharma/Rx)

III. Cost, quality, and measurement are the biggest factors inhibiting marketers and publishers from driving sustained performance in content initiatives.

Original Digital Video is seen as being most useful for driving consumer engagement and upper funnel sales objectives. Several marketers cited the need to account for original content production costs separate from traditional

“The paradigm that has to change is you can’t consider [content marketing] as a fixed cost...unfortunately I don’t think every company has come to that enlightened point of view yet.”

— Global Advertising Director/Auto

digital costs. From an ROI perspective, it's being held to the same standards as paid media, therefore it *looks* expensive. With this, marketers are looking for new ways to account for original content's influence on less concrete measures like consumer engagement and brand awareness/favorability.

Supporting stat: ROI vs. other Media (54%), Quality of Content (45%), Audience & Campaign Measurement (41%) and Price (39%) are the top *obstacles* to spending more on Original Digital Video among marketers.

"We try to attribute [original digital video] to sales. We have a hard time doing that. We know it works from an awareness perspective. There's a big opportunity for the industry – to figure out collectively how we measure this type of program. We [as advertisers] need that to help justify all the things that we do. -- Director, Digital Engagement Group, CPG (Beverage)

"This study confirms that brands clearly understand content marketing's power to effectively connect with consumers," said Randall Rothenberg, President and CEO, IAB. "Marketers recognize that digital video is a valuable player in that mix, with tremendous potential for growth. Its combination of sight, sound and motion – united with interactivity – creates compelling storytelling opportunities."

"As a NewFronts co-founder, we are delighted that marketers are seeing and seizing original video content as a place and space to create stories worth telling," says Tony Weisman, CEO, DigitasLBI North America. "The opportunities for brands to create and distribute compelling content that will engage, move, and surprise audiences has never been greater."

In addition, the analysis of the brand leadership interviews revealed a guide on marketer expectations for building a successful content partnership:

IV. Six-Point Ideal Content Partner checklist (based on the cumulative interviews)

- ✓ Clear definition of program objectives upfront; agreement on specific metrics.
- ✓ Intentional approach to platform; mobile first or screen-agnostic.
- ✓ Quality production values that rival linear TV.
- ✓ Tiered sponsorship opportunities for different spend levels and time commitments.
- ✓ Measurement plan that recognizes value of consumer engagement with a brand.
- ✓ Adequate promotion and distribution scale.

"We look for partners who can help us drive relevancy with their audience and then quality of the content to help drive a brand message across in every authentic way." — Director, Digital Engagement/CPG/Beverages

(NOTE: (*) All supporting stats are from the IAB "Digital Content NewFronts: Video Ad Spend Study," April 2015)

Methodology

To supplement the Digital Content NewFronts quantitative study released on April 27th, 2015 by the IAB, DigitasLBI and IAB partnered with media market research firm Advertiser Perceptions to conduct qualitative depth interviews with 11 digital video decision-makers across key verticals: Automotive, CPG, Financial Services, Pharmaceutical, and Retail. To view the entire report, please go to <http://www.iab.net/contentrevelations>.

About DigitasLBI

DigitasLBI is a global marketing and technology agency that transforms businesses for the digital age. We help companies of all shapes and sizes decide What's Next... and then we take them there. Also a top ten global agency, DigitasLBI is comprised of 6,000 digital and technology experts across 40 offices in 25 countries worldwide. DigitasLBI is a member of Publicis Groupe, [listed on the Euronext Paris Exchange – FR0000130577 – and part of the CAC 40 index] the world's third largest communications group. With approximately 60,000 professionals spanning 108 countries on five continents, Publicis Groupe offers local and international clients a complete range of communications services. <http://www.publicisgroupe.com> @PublicisGroupe

About the IAB

The Interactive Advertising Bureau (IAB) empowers the media and marketing industries to thrive in the digital economy. It is comprised of more than 650 leading media and technology companies that are responsible for selling, delivering, and optimizing digital advertising or marketing campaigns. Together, they account for 86 percent of online advertising in the United States. Working with its member companies, the IAB evaluates and recommends standards and practices and fields critical research on interactive advertising. The organization is committed to professional development, elevating the knowledge, skills, and expertise of individuals across the digital marketing industry. The IAB also educates marketers, agencies, media companies and the wider business community about the value of interactive advertising. Founded in 1996, the IAB is headquartered in New York City.

About Advertiser Perceptions

When it comes to gaining knowledge and clarity about what advertisers think, nothing compares to what Advertiser Perceptions delivers. They are the world leader in providing media company executives with the research-based advertiser insight and guidance necessary for producing superior advertiser experiences, strengthening media brands, improving advertiser satisfaction and increasing advertising sales. The company specializes in determining, analyzing, communicating and applying what advertisers think — their plans, opinions and motivations.