Creating Online Video That Cuts Through

A Facebook commissioned report by Analytic Partners & The Lab
Consumer behaviour has taken an evolutionary leap forward since early 2020. People of all ages are online in vastly greater numbers and the mass adoption of digital channels and solutions has revolutionised our lifestyles.

Especially noteworthy is the ongoing rise of video, which is now the pre- eminent medium for brands to reach their customers.

The emergence of these new trends means brands need to adapt in order to meet their customers where they are. Consequently, marketers are searching for innovative ways to make their investments in digital campaigns work even harder.

To help achieve this goal, Analytic Partners, a global leader in marketing measurement and optimisation, and The Lab, a leading Australian cultural and human insights agency, have partnered with Facebook to produce this social online video effectiveness report.

This report explores the levers that can be pulled to improve online video effectiveness. And when advertisers get it right, it can be highly rewarding, with brands studied by Analytic Partners raising their Facebook return on investment by up to 42%.

With so much at stake, ensuring the successful execution of social video campaigns has become essential. This report draws on extensive research to show how brands can make this ambition a reality.
For some time now, Analytic Partners research has demonstrated the very high short-term return on investment (ROI) of most digital activity. Similarly, we have observed the very high long-term ROI of video - regardless of the screen it is on.

Historically, social media rates highly for driving short term ROI, however the environment is changing fast. For a long time, social media feeds were largely populated with static images. Today however, video activity across Facebook, for example, is in the ascendance.

This is significant, as the more we break out static from video, the greater difference we can observe in performance. One of our key findings is that per $1 invested, social online video can help drive +39% more sales than social static.

Given its ability to deliver appreciable returns, there is a strong business case for brands to invest in social online video. However, our research has shown that not all video is created equal - some campaigns are clearly more effective than others. For example, one client we assessed saw its highest performing online video creative driving 680% higher ROI than its lowest performing creative.

So the question is, how can marketers ensure that their social online video is of the highest quality and thus driving maximum return on investment?

**RELATIVE RETURN ON INVESTMENT**

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Source: Analytic Partners, 2010–2020 Australian Norms
The effective media recipe

For all media channels, there are many different ways to improve effectiveness. In the process of our research into online social video, we grouped these into two categories:

1. **Executional elements** - This is how the media is executed and run on the channel. Functions that fall into this category can include targeting, formats and duration.

2. **Creative quality** - This is simply the quality of the creative that was run on the channel.

From our analysis, the single largest impact on online video performance is creative quality. On average we found 70% of the potential ROI comes from the creative itself and the remaining 30% is driven by the executional elements.

With this in mind, we set the challenge to investigate both elements and worked with three blue chip advertisers in Australia (from FMCG, Financial Services and QSR) over a period of 12 months to evolve a number of different online video campaigns. These learnings generated some repeatable findings across their social campaigns.

**WHAT DETERMINES ONLINE VIDEO EFFECTIVENESS?**

**Executional Elements**
e.g. flighting, duration, daypart, site etc

30%

**Copy Quality/Creative**
e.g. content, communication, engagement etc.

70%

Source: Analytic Partners ROI Genome 2005-20
The Science - Mastering the Execution

There are three executional elements our research focused on.

1. **Objectives** - Choosing a different objective to optimise for your campaign can have an impact on your ROI. We investigated three objectives for our advertisers - reach, brand awareness and engagement.

2. **Formats** - In recent years, new Facebook video formats such as Stories and In-Stream have been launched, providing advertisers with additional ways to communicate with consumers. The introduction of Stories and In-Stream to feed has resulted in even higher ROI.

3. **Video length** - We have found that both short and long-form videos can drive a better ROI than standard 15 or 30 second ads. While super short video ads have increased in popularity of late, advertisers can also drive results with highly engaging, long-form online video. It’s recommended to align video length to the campaign’s objective - for example, long-form video helps brand building and increases emotional connection, while shorter ads are useful to drive a specific action or awareness.
Execution Case Study: QSR Brand

As part of this study, we worked with a QSR brand on optimising its Facebook execution and measuring the impact of these changes on its ROI.

Since the end of 2016, the QSR brand began to include more placements in their Facebook campaigns. By doing so, this started to allow the Facebook auction to deliver more effectively and reach their target audience at a lower cost per impression than before. Following this, the QSR brand also began to adopt automatic placements, which gave the Facebook delivery system even more flexibility to run ads across multiple different placements based on maximising the number of conversions at the lowest cost. This enabled them to get the best results available and further improve its ROI.

As a result of this change to its Facebook execution, we have seen the QSR brand’s ROI improve steadily over time. Since Q4 2016, its Facebook ROI has more than doubled.

**QSR BRAND – RETURN ON INVESTMENT INDEXED TO Q4 2016**

Source: Analytic Partners QSR Case Study
To understand what defines a high performing online video creative, we had to go beyond the numbers. We needed to understand the human perspective on the impact of best in class online video.

The Lab spent several months with experts and consumers observing and questioning how and why online video creative had worked at a cognitive and emotional level. This culminated in a number of consumer workshops to pull apart the ingredients that went into the best creative.

Video has a unique ability to forge a connection with the viewer almost instantaneously. And contrary to popular opinion, we clearly still have the attention spans to be able to immerse ourselves in content, as average watch times are increasing.

But our bar is now set high.

As consumers, we want and demand better content. On the flip side, our patience for mediocrity is low - we can be ruthless in our rejection of unengaging content. We have less tolerance for spending valuable time and dollars on things we are not interested in.

Our experts in media and advertising told us that they love the online video medium. It can create a more intimate connection when interspersed with the content we know they love.

When executed brilliantly, people engage more with ads on social; tagging, commenting and sharing. Using online video also ensures younger audiences are reached. But it can also be more effective amongst an older audience – they scroll through feeds more slowly, meaning it is more likely to grab their attention. And importantly, it helps brands to express new parts of their personality and be agile, on trend and contemporary.
The Effectiveness Scorecard

Through extensive research and testing with customers, The Lab created an effectiveness scorecard to help advertisers optimise the most fundamental components of online video in order to get results. The framework has been used both to build creative from the ground up, and to tweak existing creative for success in an online format. There are 11 best practice principles in the framework.

We’ve split these principles into Best Practice vs. Highly Recommended categories for advertisers. For Best Practice, these are principles that we’ve seen to be fundamental to a high quality online video creative and that every advertiser should aim to achieve for every ad they produce. On the other hand, Highly Recommended principles are the additional factors that can help turn a high quality creative into an even higher quality creative and so every advertiser should aim to experiment with these principles.
# Best Practice

| Frame for Mobile | In Australia, 17 million people access Facebook every month on mobile and 14 million people do so every day. With this in mind, online video creative needs to be built for mobile. For Facebook, this means using a vertical 4:5 format on the Facebook platform and a square format on Instagram. |
| Made for Sound Off | Given that online video content will start playing on Facebook without sound, ensure online video creative is made for sound off. This means that when making the ad, it should be able to be viewed, understood and enjoyed without needing any sound. |
| Showcase the Product or Service | It is important that any creative features or showcases the product or service that is the main subject of the ad. Not doing this can lead to consumers being confused about what the brand is trying to communicate. |
| Have a Single Message Focus | Similarly, communicating a clear and single message in the creative is important to an effective online video ad. Avoid trying to squeeze in multiple messages into the one creative. |
| Showcase Unique Brand | The nature of Facebook means that only a fraction of ads is frequently viewed. In order to take advantage of this viewing behaviour, ensure that the creative’s branding and message is near the start of the video, as well as having movement in the first few seconds to capture attention. Specifically for branding, showing this up front and throughout the video helps aid consumers in remembering the right brand with the creative. |
| Get to the Point | Similarly, having the creative’s clear message up front makes it easier for consumers to take out the key message. If the message is later in the video, it’s likely that consumers can miss the key information. |
| Use Movement or Fast Edits Upfront | Having movement or fast edits up front can capture consumers’ attention and make it more likely for them to continue watching the rest of the video. Aim to include some quick, fast paced movement at the start and avoid having a still introduction. |
The way people consume digital content is significantly different to how they consume content on more traditional media channels. Viewing Facebook content on a mobile device is more likely to be via quick scrolling and paying less attention to each individual piece of content.

As a result, an online video creative that is more succinct in its message and shorter in length is more likely to be effective than a longer one.

That said, we have seen that longer form ads (i.e. more than 60 seconds) can also perform well from an ROI perspective, meaning that there is a place for longer form ads, however they should also be succinct in their messaging.

Because of the difference in how content on digital and traditional media channels is consumed, ads of this style frequently follow a conventional storytelling arc, which is characterised by a slow start, a peak in the middle, and then concludes with a resolution.

Because consumers often view only a fraction of online video ads, these should follow a storytelling arc that starts with a bang before concluding shortly afterwards.

Building on the above principle, including more peaks in the story via twists and surprises can continue to capture consumers’ attention throughout the video and make them watch to the end.

To continue capturing consumers’ attention, include bright colours and close ups of any details or features. Given that the mobile screen size is significantly smaller than more traditional media channels like TV or cinema, including close ups can more effectively show and communicate the target product or service.
To help visualise these principles in action, Facebook built its own banks - Uptown and Downtown Bank, where both banks are trying to reach the same customers with two very different approaches to creative.

**DOWNTOWN BANK**

Downtown Bank’s creative was built for sound off and maximised the mobile space. However, despite being shown in Stories, the creative was primarily a static visual shown as a video with no movement to capture attention.

In addition, the creative also does not showcase any visuals of its credit card, likely making it more difficult for consumers to understand what product or service was being advertised.

**UPTOWN BANK**

Uptown Bank's creative was built for the Facebook platform. While it also maximised the mobile space and was built for sound off, its credit card creative focused on a credit card to clearly communicate the advertised product.

In addition, the creative also leveraged movement and quick edits at the start of the video to capture attention and had strong, vibrant visuals and branding cues throughout.
Creative Case Study: Financial Services Brand

When we first started working with this Financial Services brand, we began using the creative effectiveness scorecard to score how its historical ads were performing. For each principle, we assigned a score based on how well the creative met that principle, with 5 being that it fully met the principle and 1 being that it did not meet the principle.

For one of their lower performing ROI creatives, we found that this creative was well framed for mobile and had a single clear message, however it followed a more traditional story arc. The product, branding and message was not showcased at the start and came towards the middle and end of the creative. In addition, the creative was fairly dark – all leading to consumers potentially not grasping the core message or branding.

Following this, we worked with the Financial Services brand and Facebook to improve its creative. A campaign was created and built, where the resulting creatives showcased a clear message upfront, had branding early and throughout the video and used a combination of bright colours and movement to attract attention from the start of the video.

We then measured the impact of the campaign on its ROI, where we found that it had a 3-4x increase in ROI when compared to their average Facebook campaign. This further reinforces how important creative optimisations are to improving overall effectiveness.
Case Study: FMCG Brand

To bring both execution and creative elements together, Analytic Partners worked with Facebook and an FMCG brand to improve its overall performance.

With the existing Analytic Partners’ evidence on Facebook executional best practices, the brand adopted a lot of these findings. It increased its buying of reach-based campaigns and also added additional video formats, such as Stories and In-Stream to its video buying.

From a creative perspective, one of the brand’s lower performing creatives featured its new product launch. This creative did well in achieving mobile first creative principles and having a single, clear message. However, the creative had a lack of consistent branding throughout the video and it took some time to communicate the ad’s core message about a new product. While the creative did well to focus and zoom in on the product, often the logo and product was cut off and not easily distinguishable to the naked eye.

Following this, we worked with Facebook and the FMCG brand to improve its creative for another new product launch. We ensured that the target product was in clear focus and easily distinguishable from the start and throughout the video, which resulted in consistent branding. In addition, including captions at the start to communicate the new product helped get the core message and product across to consumers.

By making these executional and creative changes, we measured a +42% uplift in its Facebook ROI. It shows the potential increase that is available to Australian marketers by focusing on some basic executional and creative principles of online video.
What’s Next?

In an industry where every dollar counts, it is imperative to always be improving your marketing’s effectiveness and making every channel work harder.

From working with each of these three advertisers, it is clear that there is a major upside to optimising your Facebook execution and creatives. In order to achieve this, we recommend the use of executional learnings, the creative effectiveness scorecard and experimentation to help determine what works best for your brand.

As we build foundational knowledge, social online video results will continue to improve and the range of results seen in the market will narrow. But that will take time - so the advantage lies with those who move first.
About the Authors

Andrew Therkelsen
Andrew Therkelsen is the MD of The Lab in Sydney, an insight and strategy agency that uses the most contemporary human and cultural insights to create brilliant leaps for brands through fresh perspectives. Over the last 20 years he has specialised in developing and optimising creative campaigns through the lens of the customer, utilising techniques drawn from psychology, sociology, behavioral economics and semiotics.

Paul Sinkinson
Paul Sinkinson leads the Australian Analytic Partners offices, working with local clients to deliver consistent measurable improvements in marketing. Over 20 years Paul has worked in Australia, New Zealand and Europe across a wide range of industries. From delivering pricing studies with 9 figure profit impacts, to helping clients double their marketing ROI over 5 years, Paul has a passion for reducing the complexity of the fragmented marketing environment to create clear pathways for growth. He is a regular conference speaker on marketing ROI and measurement.
Methodology

Marketing Mix Modelling (MMM) analyses was performed to inform this whitepaper. MMM uses econometric modelling to understand how different variables drive a business outcome like sales.

Analytic Partners develops holistic models using time series data including sales, non-media related drivers (such as price, promotions, distribution, seasonality and other macroeconomic factors) as well as media itself.

The model mathematically measures the relationship between each of these variables and their sales contribution, which can then be used to calculate a return on investment for each paid marketing channel.

Analytic Partners’ ROI Genome™ captures hundreds of billions in measured marketing spend, amassed over two decades, across industries and countries. It contains more than two million marketing metrics and goes beyond traditional benchmarking to understand and quantify the drivers of ROI and performance at a fundamental level in order to establish principles and truths for success.

The Lab conducted 10 interviews with leading ad agency creatives, client-side brand and social owners and media agency strategists. In addition, 6 x 2 hour consumer led System 1 workshops were conducted with an extensive behavioural pre-task that tracked behaviour, attention and engagement in social advertising.

Sources

1 Short term ROI is defined as ROI measured within the year of the activity. Long term ROI is defined as ROI measured over the next three years.

2 Engagement was the lowest performer from an ROI perspective, as the incremental costs were not offset by enough incremental volume in comparison to the other objectives. By the same token, reach had the highest ROI because the costs were relatively lower and there was significant volume driven, which reinforces broader research across the industry showing that reach drives incremental sales performance.

3 Facebook data. Q4 2020. (Statbook)