Video Advertising Essentials: Best Practices For Boosting ROI

A Meta-commissioned report by Analytic Partners
Running an advertising campaign is a bit like building a house. To construct your dream home - or campaign - you need all the construction elements to work together in harmony.

Most people building a house also have one eye on its value and the potential return on investment it may one day deliver. With time, most home-builders can expect a decent return on their investment.

But for marketers running a campaign, perfecting the tactics to deliver a strong return can be fiendishly difficult.

The difference between success and failure is often equally stark. When campaigns are run optimally, relatively modest marketing spend can drive outsized results.

But when the tactics don’t work, campaigns can be a major drain on resources. And at a time when economic conditions are especially tough, that’s not a risk most businesses want to take.

Marketers, in short, need to be able to act with confidence that their campaigns will work.

That’s why Meta commissioned a Marketing Mix Modelling (MMM) study from Analytic Partners, a global leader in marketing measurement and optimisation.

The research was extraordinarily wide ranging - examining six industries, 17 brands, 70 campaigns and over 500 ads. Its goal was to unpick a campaign’s core components to understand what really drives higher return on investment.

This report identifies the levers marketers can pull to give their campaigns the best chance of success on Meta’s technologies. Getting these choices right is fundamental to ensuring a campaign’s cut-through and efficiency, particularly in a crowded and highly competitive landscape.

So read on to discover the key insights from the report, and how you can prosper in an often complex and highly dynamic space.
Analytic Partners’ research has come at a timely moment, as businesses grapple with declining marketing budgets and an economy under siege. These factors are putting mounting pressure on decision-makers, who need to continue delivering strong returns.

It’s a set of circumstances compounded by the long list of issues marketers face - from data compliance to intimidating new technology - in a rapidly shifting digital environment.

The results of this research, however, can help cut through the noise and identify the best places to direct your attention.

The place to start is with the campaign’s foundations.

When it comes to creating robust advertising, there are two foundational areas to consider - the visual and media elements.

1. Visual elements: These include content, imagery, length and messaging.
2. Media elements: These include placements, reach, frequency and objectives.

Ensuring that visual elements are fit for purpose has proven to be one of the most important drivers of ROI, with Analytic Partners revealing that 70% of online video ROI was dependent on visual choices\(^1\).

Despite this finding, it’s absolutely imperative that marketers ensure that both visual and media elements both perform to their maximum potential.

### ROI GENOME: CONTRIBUTION TO ROI

<table>
<thead>
<tr>
<th></th>
<th>Visual</th>
<th>Media</th>
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<td>62%</td>
</tr>
<tr>
<td>Online Display</td>
<td>65%</td>
<td>35%</td>
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<tr>
<td>Online Video</td>
<td>70%</td>
<td>30%</td>
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</tbody>
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\(\text{ROI GENOME: CONTRIBUTION TO ROI}\)

\(\text{Visual: Copy, imagery, communication} \quad \text{Media: Flighting, duration, placement}\)
Who’s the target?

The first step of a campaign’s media execution is determining who exactly it is meant to be speaking to, as well as how many people it should be reaching.

One of the most common challenges posed to marketers is whether to adhere to a narrow or broader targeting view. However, the research has shown that a broader target audience and extensive reach will provide better returns over a smaller target strategy.

When advertisers use broader audiences, it provides greater flexibility to the AI capabilities of Meta technologies, giving it greatest freedom to deliver the best value.

Unsurprisingly, the study revealed that, Australia-wide, targeting audiences under nine million didn’t perform as well as targeting an audience between nine and 12 million.

Reaching an audience of that size may sound intimidating, but this is where tools like AI and platforms with massive reach - such as Facebook and Instagram - can really be leveraged.

The lesson? Think big, and think broad, when it comes to your targeting.
How do you target the audience?

When it comes to identifying ROI-driving factors, there are two main strategies that Analytic Partners saw as the most effective. The first is the use of video advertisements. The ubiquity of video in our lives today, coupled with its widespread consumption, provides a golden opportunity for advertisers.

Video, compared to brand awareness and reach tactics, tends to drive a higher response from audiences. However, producing video advertising campaigns often incurs a higher cost. This means that the ROI both methods generate is fairly similar, with video views only providing an decrease of 4% in ROI compared to brand awareness and reach.

Both are therefore capable of achieving high ROI, but do so in different ways. Video is capable of more complex messaging, whilst brand awareness and reach can be leveraged for maintaining presence in market.

The second key factor when targeting an audience is placements - the different places your ad can be shown, such as Facebook Feed, Instagram Stories, In Stream and Reels. Why is it important? Because additional placements can be one of the most effective ways to achieve higher returns.

By increasing placements within a campaign, marketers can reach more people while keeping costs down. Analytic Partners has specifically found that campaigns with more than eight placements are 3x more effective than those with between one and three.

In general, ROI will increase with the more placements you purchase, with the biggest jump in ROI observed between campaigns with six to seven placements and those with more than eight.
How often should you show up?

Frequency can be a tricky thing to perfect. No one wants to see an ad too many times. But conversely, if it’s shown only occasionally, your audience may not even notice it.

So where’s the sweet spot? The research revealed that **ROI is highest when a campaign has an average weekly frequency between 1 and 1.5** - for example, a six week campaign that had a frequency of between 6 and 9. An average weekly frequency of one achieves ROI 22% higher than a campaign with a frequency between 0.5 and 1.

Efficiencies will markedly begin to drop again when ads have a frequency of 2 or more, so it’s best to stay within the above range in pursuit of maximum ROI.
A visual feast for the senses

The key to propelling ROI to new heights - especially where video advertising is concerned - is going beyond the numbers, and maximising your visual elements.

Make sure you’re mobile optimised

We live in a highly digitised world and the vast majority of people use their mobiles to consume video content.

The research reveals with crystal clarity exactly why campaigns now need to work on handheld devices, with mobile-optimised assets delivering 1.9x the ROI of non-mobile optimised assets.

Mobile-optimisation is therefore a standard recommendation we make for all advertisers, and can guide other creative decisions.

All of these factors reflect the preferences of today’s consumer audience. People today are generally rushed, always on the go, and bombarded with advertising. Failing to properly optimise for these realities can disadvantage your brand, and mean your ad may struggle to resonate.

WHAT DOES MOBILE-OPTIMISATION REALLY LOOK LIKE?

- Ads that run for 15 seconds or less
- Square or Tall aspect ratio (with the exception of Facebook’s In-Stream)
- Made for sound off (using supers or captions if appropriate)
- Features brand links up front

Amongst these features, ensuring an ad is created for a sound off environment is one of the most powerful differentiators, achieving 4.8x improvement over ads not built for sound off.

To do this effectively, think of using sound to emphasise the ad’s message, but ensure it can still be delivered with sound off. This is where captions and supers can be particularly useful.
Establish your visual identity

For an ad to be successful, it needs to establish its identity clearly. Doing so creates a connection between the brand, product and consumer, laying the platform to deliver higher ROI. Logos, timings, and product visibility are all central to a campaign’s identity.

Your first consideration should be the prominence of your logo. Our research uncovered that **ROI was over 5x higher when a logo was used in the ad**, and was **also highest when it appeared within the first two seconds**. By this simple rule of thumb, you give your brand a much higher chance of becoming encoded in a viewer’s mind.

![ROI by Logo Visibility](image)

This extends to products displayed within ads, with ROI highest when the product has a visible logo. The research showed that ROI was 26% higher than when the product was present but without a visible logo. It’s worth noting that when converting TVC ads, logos can be harder to see on mobile.

It’s also important for products to appear sooner rather than later. **ROI was 2.3x higher when the product appears in the ad within the first two seconds** compared to when it appeared between two and four seconds into the ad.

Marketers also shouldn’t be afraid to boldly display the product throughout the ad. In fact, **when the product takes a significant proportion of the frame, ROI was 36% higher than when the product is easily noticed but not the primary focus**.

The overarching recommendation? Don’t be afraid to show off your logo and product – particularly within the first two seconds.
Surefire strategies to keep campaigns interesting

The importance of sparking attention and generating interest can’t be overstated. Marketers and advertisers are keenly aware of the increasing competition for consumers’ eyeballs, but often don’t know how to seize attention. There are, however, a few clear steps they can take in order to capture interest in an effective way.

Bringing your product to life is one of the best ways to do this. Generally speaking, products in isolation don’t get consumers’ pulses racing. So showing how they can benefit your audience’s life is a powerful motivator to purchase.

This can be achieved by placing products within lifestyle situations, such as sporting events or celebrations, which saw ROI increase by 26%, compared to when the ad simply featured a product-focused story.

Secondly, it’s a wise option to entice your customers with the new. **ROI is almost 3x higher when an ad features a promotion versus when the product appears in the first two seconds.** This also goes for products or services that are highlighted as “new”, with **ROI 1.2x higher than when there is no mention of “new”**.

So in efforts to capture interest, being upfront and direct is fundamental, as well as understanding what your audience really wants to see from your brand.
To explore how effective getting these elements right can be, Analytic Partners joined forces with Meta and global coffee juggernaut Nescafé to find out.

To do this, Nescafé implemented a number of recommended execution and visual principles. Here’s what transpired:

**Execution:**
- **WHO:** Nescafé targeted a broad audience of Australians aged between 35 and 65
- **HOW:** It utilised six placements
- **HOW OFTEN:** It ran a campaign with a weekly frequency of 2.3

**Visual:**
- **STYLE:** Videos were optimised to work with sound off as well as on. Video was chosen over static ads, while a Tall aspect ratio was used.
- **IDENTITY:** The logo was upfront and viewable on the product, and the product was the primary focus of the ad.
- **INTEREST:** Messaging highlighted the “new”

Through these comprehensive changes, Nescafé managed to achieve a number of its key goals. The company saw a 2.2x lift in campaign awareness and a 5.3x lift in purchase intent metrics. Nescafé also ultimately saw a 75% uplift to its margin, and a 3.8x increase in weekly revenue.

These findings indicate the strength of Analytic Partners best practices for Meta’s technologies, boosting revenue, awareness and intent. The phenomenal results ultimately exceeded all expectations, and proved how Nescafé could not only deliver powerful incremental ROI, but also simultaneously hit other key business targets.

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**The perfect blend with Nescafé**

2.2X  
Lift in campaign awareness

3.8X  
Increase in weekly revenue

5.3X  
Lift in purchase intent

75%  
Uplift to Nescafé margin

All results are self-reported and not identically repeatable. Generally expected individual results will necessarily differ.
What’s Next?

With economic headwinds continuing to blow, now is the right time to take a closer look at the levers you can pull to generate greater ROI for your ad campaigns.

This research cast a wide net across a cross-section of industries, identifying the key foundational elements that the most successful ads have in common. It also busts some common myths about marketing, and provides easily-implementable strategies to build into your marketing activities.

Whilst some suggestions may seem obvious, they are overlooked more often than you think. This report provides clarity on which of these suggestions are absolutely essential in attaining the results your campaign needs.

It may seem difficult to juggle these many marketing principles, but getting it right means optimising your marketing budget and avoiding wastage. Armed with these findings, any business can now begin to improve the bottom line of its campaigns.

One thing’s for sure. Taking these steps now can help safeguard businesses into the future.

*This report forms part of the fourth chapter in Meta’s Data, Creativity and Advertising Excellence series. To discover more, visit the bespoke hub here.*
About the Author

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 nine figure profit impacts, to helping clients double their marketing ROI over five 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 report. 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 GenomeTM 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.

Sources

All statistics unless otherwise stated: “Meta Analysis” by Analytic Partners (Meta-commissioned study covering 70 campaigns across 6 industries in AU, 2020 - 2021)

1 Analytic Partners: ROI Genome (2018)
2 Measured via Meta brand lift
3 Measured via Analytic Partners MMM vs non-optimised activity