

CAPITALIZING ON THE CONTENT ERA

Leveraging Native Video to Drive Brand Equity

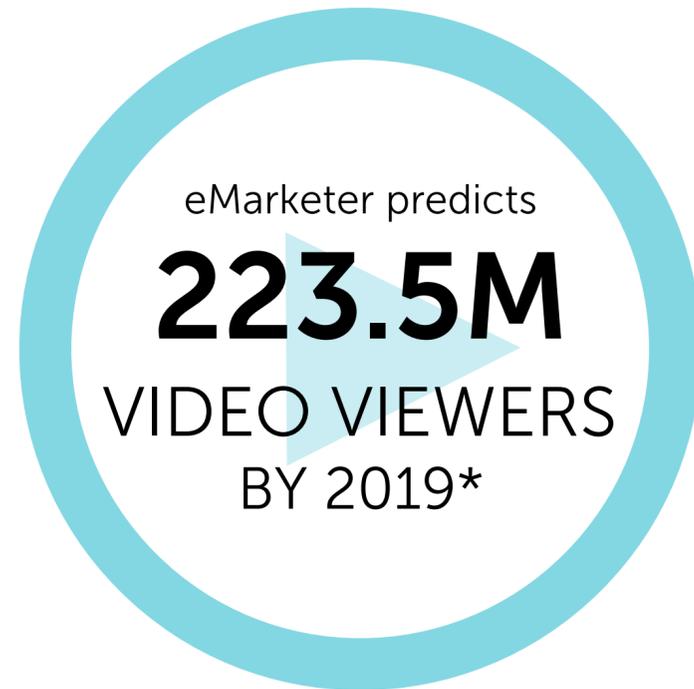
ACE
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BuzzFeed

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The Long Form Native Video Opportunity



Source: comScore Mobile Metrix, December 2014
Source: comScore Mobile Metrix, July 2015
Source: eMarketer, September 2015

Video viewership is on the rise!

eMarketer predicts that there will be 223.5 million digital video viewers in 2019. Video viewing on desktop has increased by 78% in the past two years. Among tablet owners this is even higher; they are spending nine hours monthly on YouTube, 90% growth year over year.

This is not news for marketers. They are already spending \$7B annually on digital video ad spending (and that is anticipated to double by 2019.)

Ad avoidance is rampant.

Parallel to the rise of video viewership is the rise of ad avoidance. According to PageFair and Adobe's 2015 Ad Blocking Report, US ad blocking **grew by 48%** to reach 45 million active users in 12 months up to June 2015.

Within this current environment to dodge, flee, and ignore ads, **Long Form Native Video** has become more prevalent and **offers an opportunity for marketers to make content viewers actually want to watch.**



Long Form Native Video

Digital video between 1:30 and 5 minutes in length that is sponsored or co-branded by an advertiser, but created in the voice and style of a publisher.

Analysis Background



Moving money is the easy part. Understanding how to optimize Long Form Native Video (LFNV) is an emerging field. Holistically there are two core components:

- Content – Do I have the best ad possible?
- Context – Is it in front of the right people, on the right platform, at the right time?

This research is focused on understanding Content – Do I have the best ad possible? To get to the bottom of this we partnered with BuzzFeed who, with over a billion video views each month, is YouTube's largest video partner.

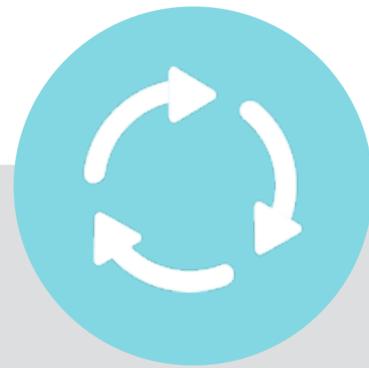
Ace Metrix partnered with BuzzFeed to collect and measure the resonance of this emerging format. Our analysis includes creative resonance measures for 79 Long Form Native Videos created by BuzzFeed, Funny or Die, Mashable, College Humor, Vice, and Refinery29.

Since 2009, Ace Metrix has measured the creative impact of over 50,000 ads across all product categories. For every ad measured, 500 respondents view the ads online and are asked closed and open-ended questions about the effectiveness of the ad.

Long Form Native Video: 6 Key Insights & Learnings



Performs on par with TV ads



Complements rather than competes with TV advertising



Creates a unique pathway for brands to connect with potential new customers



Performs particularly well with **"Super Sharers"** on social media



Backs into **Social Media KPIs**



Elicits a **stronger emotional connection** than TV



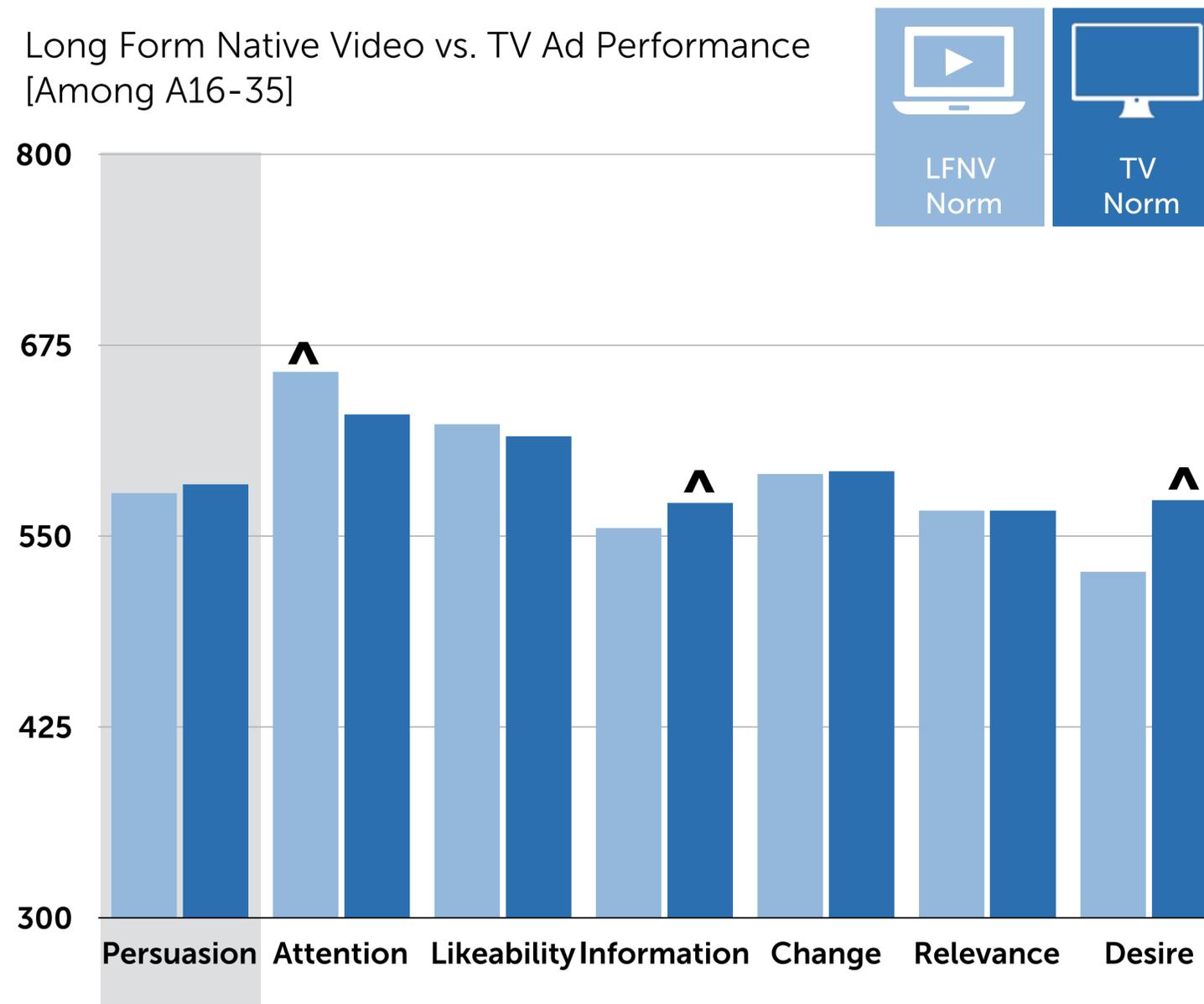
LFNV Performs On Par With TV

As Long Form Native Video continues to evolve and grow, comparing the creative resonance to TV gives marketers an important benchmark to understand when and how it should be leveraged.

Among the predominant audience group, viewers aged 16 to 35, LFNV performs on par with TV for 'Persuasion'. While on par for the holistic 'Persuasion' score, **the key performance advantage for LFNV is its ability to grab a viewer's 'Attention'**—a priority in today's environment of heightened ad avoidance.

This strong performance gives credence to the potential of influencing and engaging consumers to a degree similar to TV, but in a manner unique to today's evolving digital landscape.

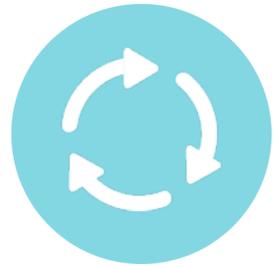
Long Form Native Video vs. TV Ad Performance [Among A16-35]



^ Indicates significantly above norm @ 90% confidence

Persuasion

A combined metric of 6 key marketing objectives: Attention, Likeability, Information, Change, Relevance, and Desire.



LFNV Complements TV

Looking across the Ace Metrix database of 50K TV and digital ads, we see they **typically fall into one of three major personality typologies: Breakthrough, Communication, or Product building.**

As all good marketers know, to ensure longevity you must build brands with an eye toward the future, not only sell products in the moment. When TV ads focus on product-specific education or desire building, they trade-off on their ability to “Breakthrough”.

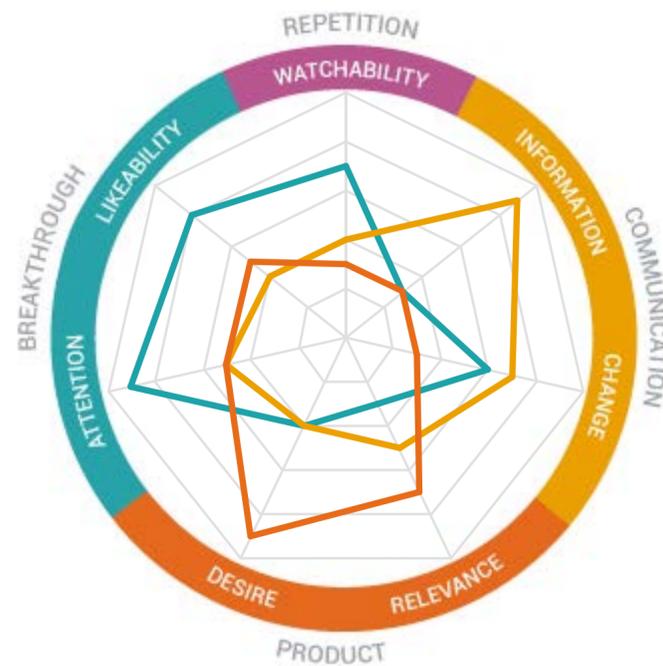
Enter Long Form Native Videos, viewer-centric content that inspires consumers to actually seek them out and choose to watch. **Long Form Native Videos significantly enhanced “Breakthrough” creates a powerfully complementary “viewer-first” advertising opportunity, which when paired with traditional “product-first” television ads enhances a brand’s ability to holistically penetrate consumer hearts and minds.**

Ad Personality

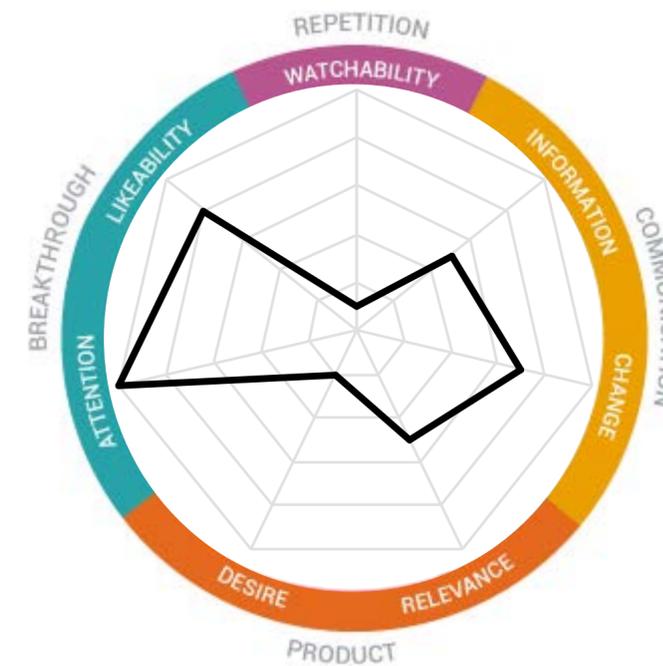
Ad Personalities looks at the relative importance of seven key communication levers: Attention, Likeability, Re-Watchability, Information, Change, Relevance, and Desire. The results highlight the “stand-out” levers in an ad. Like a personality test, results aren’t good or bad, they highlight what’s unique about an ad vs. its peers.



Typical TV Ad Personalities



Typical LFNV Ad Personality



BREAKTHROUGH

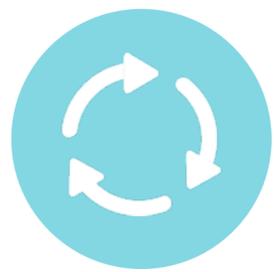
Some ads are born to entertain, to break through the clutter and grab attention.

COMMUNICATION

Some ads shine brightest after attention is achieved by delivering useful information or changing brand perception.

PRODUCT

Some ads shine brightest after attention is achieved by triggering Pavlovian desires or proving relevant.



LFNV Complements TV

DiGiorno successfully combined formats to drive attention and create desire

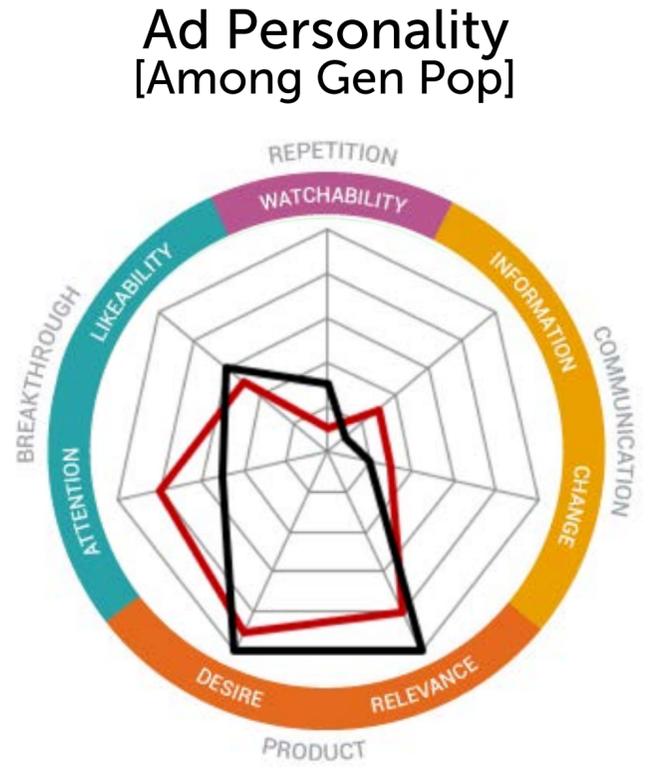
The DiGiorno LFNV 'People Try Making Pizza for the First Time' offered viewers relatable and humorous views into various attempts to make pizza start to finish. The engaging video introduced a new product, DiGiorno Pizzeria Thin Crust Pizza.

TV ad 'The Shortest Distance' promoted the brand's flagship pizza with a product-focused approach, combined with a bit of humor about waiting of the pizza delivery guy. This left respondents hungry and in the mood for pizza.






People Try Making Pizza For the First Time
 Publisher: BuzzFeed
 Brand: DiGiorno
 Product: DiGiorno Pizzeria Thin Crust Pizza
 Air Date: 8/13/15
 Length: 3:10





The Shortest Distance
 Brand: DiGiorno
 Product: DiGiorno Pizza
 Air Date: 01/12/15
 Length: 0:15




"This was an EXTREMELY fun ad to watch! It almost made me forget I was watching an advertisement at all. It was entertaining and made me laugh, and I related to the people making the pizza."



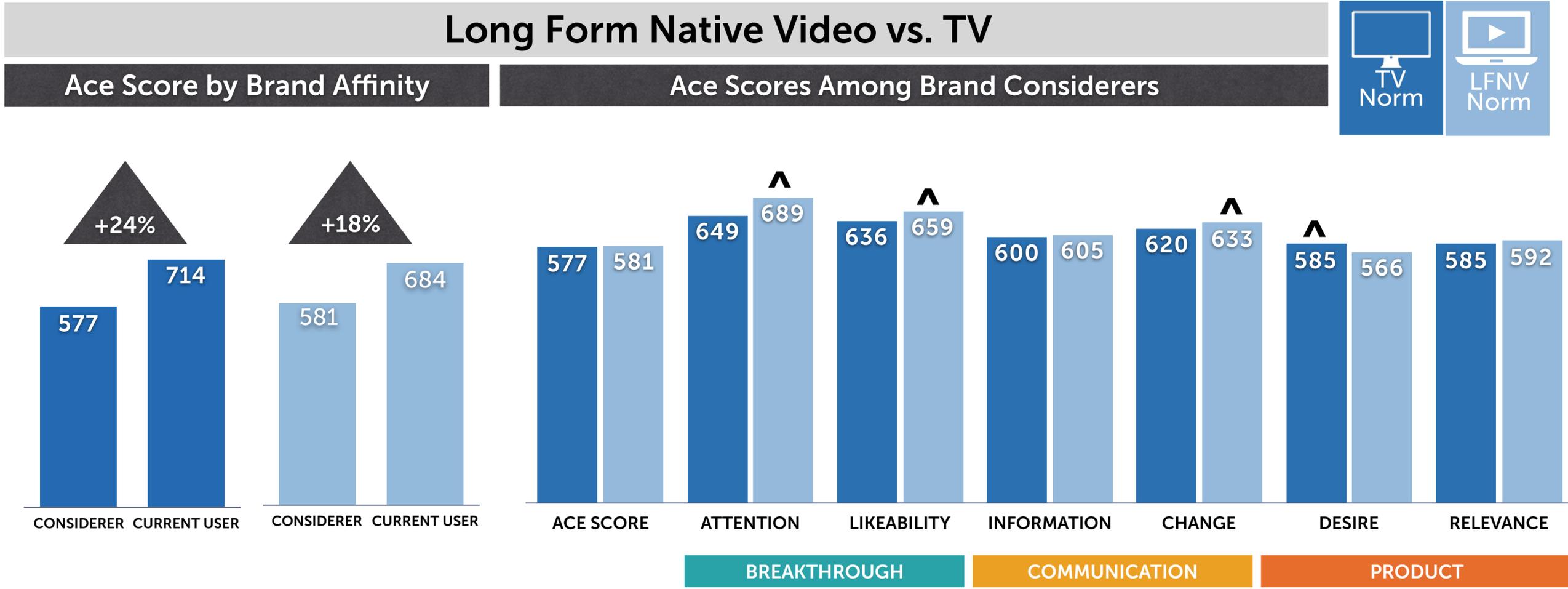
"Great ad that makes me hungry for pizza every time I see it."



LFNV Helps Connect with New Customers

When we further segmented results by Current Users of a brand vs. those Considering the brand we found that Considerers found Long Form Native Videos more likely to drive Attention, Likeability and Change perception than TV ads.

Why? It's likely more difficult for traditional Television ads with a heavy product focus to also capture the highly relevant and emotionally connecting tone needed to drive attention and likeability. Put another way, since "the product" is by definition not currently a relevant part of the life of a non-user, "product-first messaging" provides a weaker creative connection point.



Long Form Native Video creates a unique pathway to **connect brands to potential new customers.** Brand considerers found Long Form Native Videos more attention grabbing and more likely to change their perception of the brand.

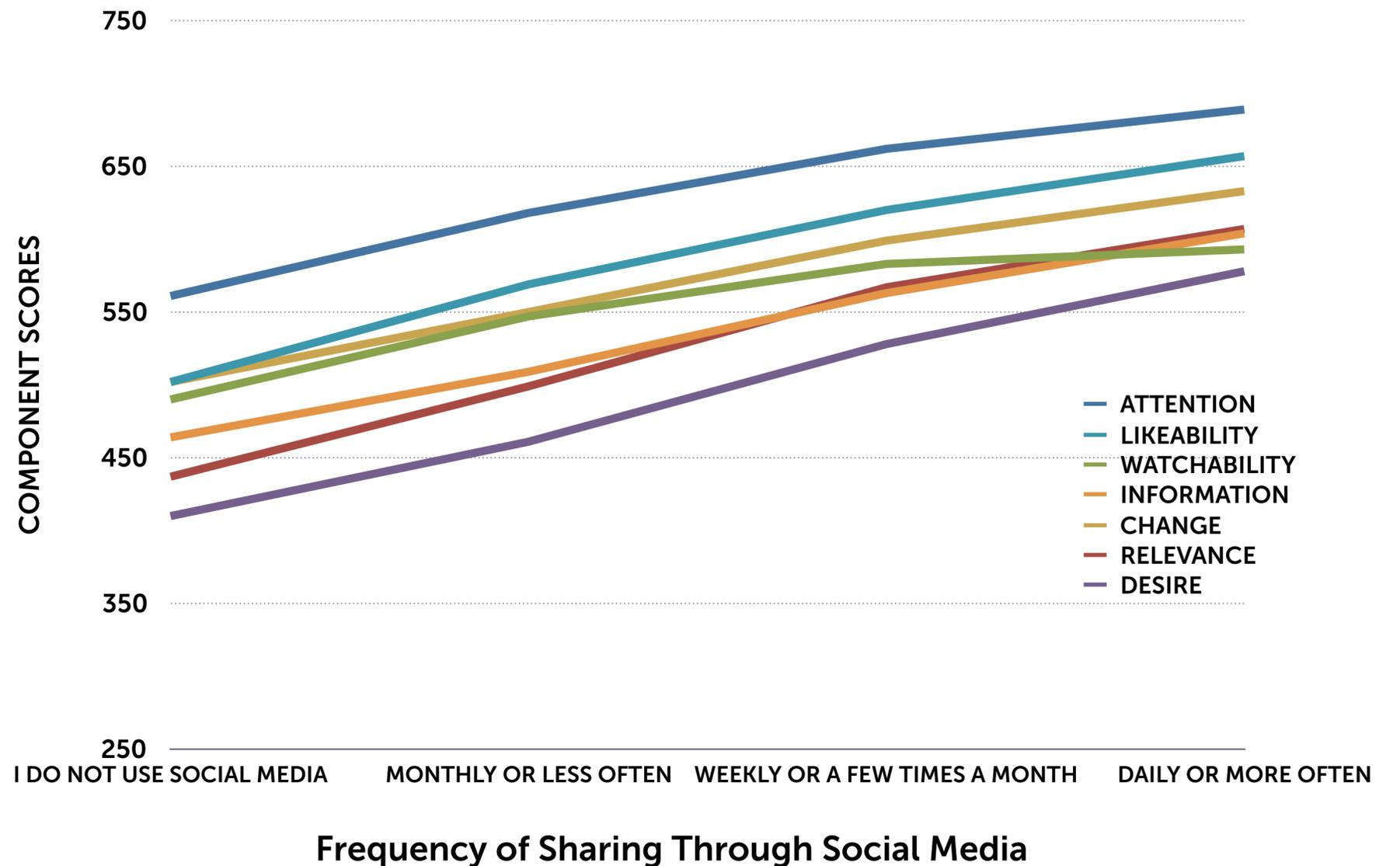


LFNV Leverages Social Media Influencers

Long Form Native Video performs particularly well amongst “Super Sharers”, presenting an opportunity for brands to leverage these influencers to amplify distribution of their content.

Roughly two-thirds of respondents share content on social media sites weekly or more often, with 33% of them sharing every day. These “Super Sharers” are a critical audience for marketers. They are influencers and can drive **amplification and organic distribution of a brands’ content**. The good news is that Long Form Native Video resonates more across all dimensions among these Super Sharers.

Component Scores Performance Improves with Sharing Frequency





Social KPIs Correlate To Brand KPIs

Views, likes, and shares are common metrics for Long Form Native Video but the relationship between these digital KPIs and creative effectiveness hasn't been fully established. To get to the bottom of this we correlated the digital KPI performance with creative effectiveness measures, and identified which drove in-market performance. Here they are:

1

2

3

VIEWES	TIME WATCHED	SUBSCRIPTIONS DRIVEN	SHARES
1,601,044	4 years	123	386

1. View duration drives attention.

For ads with low view duration, the majority of viewers claimed that they were "engaged at the start, but lost interest by the end." To drive strong completion, Long Form Native Videos which hit the right balance between length and engagement, win.

2. Like:Dislike ratio drives attention, likeability, watchability.

Focus on maintaining interest from start to finish with an emotional story, leveraging heartfelt or social themes, to inspire viewers to hit the Like button.

3. Share rate drives perception change.

'Change' worthy content drives social sharing. Drive change with content this is unique and more likely to be shared.

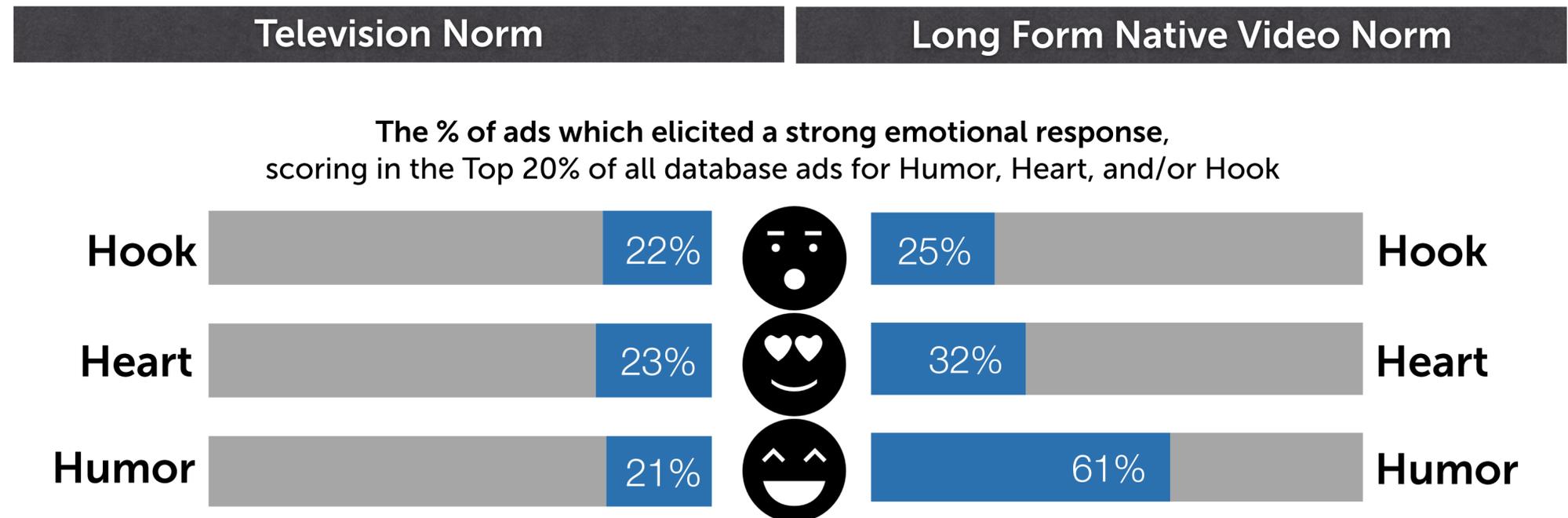


LFNV Elicits an Emotional Connection

Research has shown that brands that can form an emotional connection with their audience “command greater usage, consideration, loyalty and pricing power”¹. To understand more about this factor we turned to deeper analysis on the sentiments that were driving emotional connection: Hook, Heart, and Humor.

Our analysis revealed that Long Form Native Videos are more likely to elicit a strong emotional connection in all 3 sentiment categories than the average TV ad. 61% of Long Form Native Video ads fall into the Top Quintile of the database for Humor, and 32% fall into the Top Quintile for Heart.

Emotional Connection



Source: Ace Metrix. Demo = Gen Pop. Television Norm # ads = 5,679. LFNV # ads =79.

Ace Metrix emotional measures are calculated through a rigorous Natural Language Processing (NLP) model which groups together words and phrases found in viewer open-ended verbatims that are related to three distinct sentiments: Hook, Heart, and Humor.

Hook: Captivating, mesmerizing, mind-blowing
Heart: Tugs at heartstrings, admirable, inspiring
Humor: Sometimes broadly appealing to many, sometimes intensely arousing to some

Ads are placed in quintiles based on performance of nearly 50,000 ads in the Ace Metrix database.

Five Keys to Long Form Native Video Success

We tagged the Long Form Native Videos in our database with nearly 40 ad characteristics to better understand what works well.

1

Entertain with emotion.

2

Hook and engage viewers with a story.

3

Connect with viewers by giving them practical and useful tips.

4

Leverage text overlay when using a Tips, Tricks, How-To approach.

5

Make sure there's a natural fit between category and content.

1 Entertain With Emotion

Top performing LFNV ads made a strong emotional connection with viewers and were able to entertain by leveraging heartfelt sentiment. Interestingly, nearly the same proportion of poorly performing ads also featured humor, but were unable to gain viewer buy-in. Why? Funny isn't easy. There is a risk of humor falling flat, and not resonating with viewers. **Leveraging a heartfelt approach appears to be less risky than using humor, with this characteristic being more unique to top performing ads.**

Norton used its partnership with BuzzFeed to create a heartfelt, emotional and relatable story about the bond between siblings. The ad was successful at grabbing Attention, Likeability, and Relevancy.

Norton successfully entertains with emotion



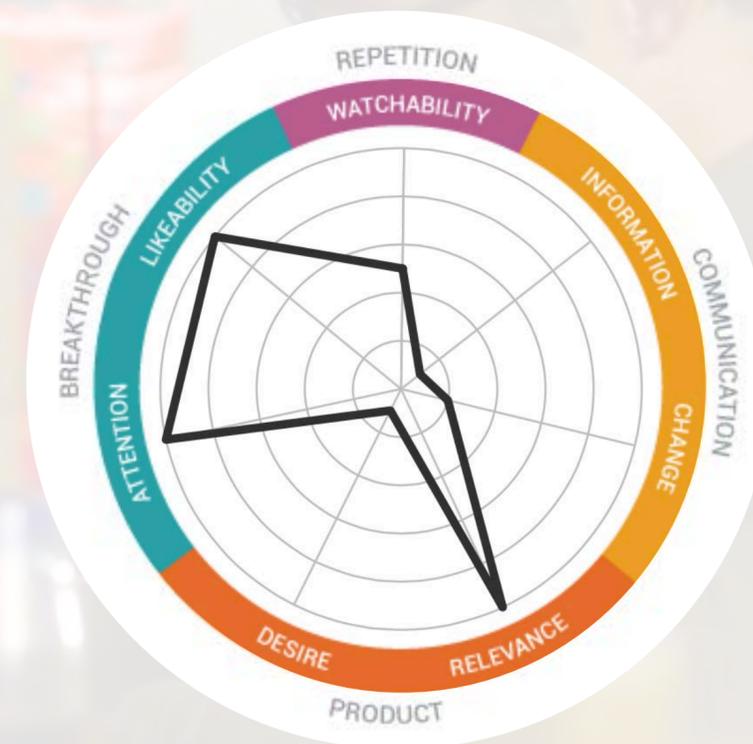
BuzzFeed



Life Is Better When Someone Has Your Back

Publisher: BuzzFeed
Brand: Symantec
Product: Norton
Air Date: 10/16/14
Length: 1:28

Ad Personality [Among Gen Pop]

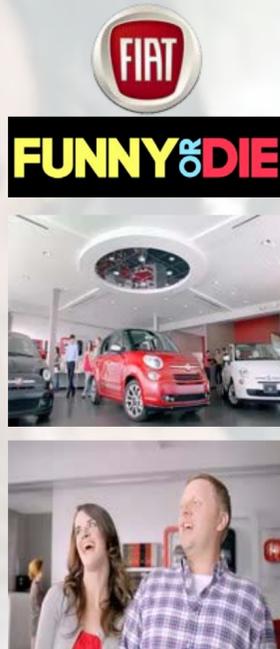


"Man tear jerker... going to go hug my kids. Certainly frames up a different view of anti-virus/malware protection as a watchful parent or sibling. We are here to watch out for you so don't be afraid to venture out.... be bold but not blind... nice."

2 Hook and Engage With a Story

Telling a cohesive story both entertains viewers and makes it easier to follow. Having an arc to the story and clear resolution hooks viewers and entices them to want to keep watching.

Funny or Die video 'Back Seat Italians' featuring Fiat relays a humorous story that entertained and shifted perception of the Fiat brand among a gen pop audience.

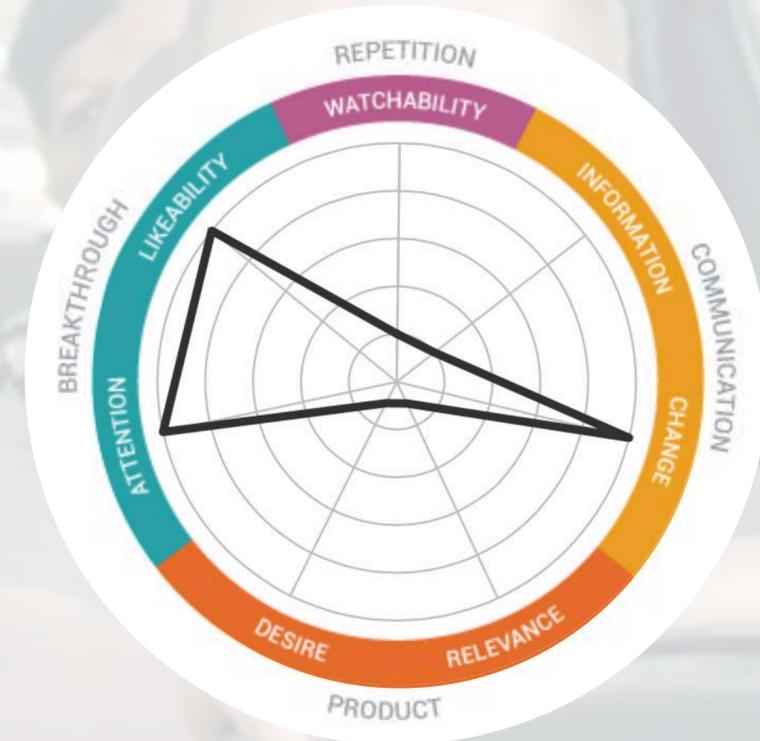


Fiat engages with entertaining story



Back Seat Italians
Publisher: Funny or Die
Brand: Fiat
Air Date: 08/02/13
Length: 3:02

Ad Personality [Among Gen Pop]



"Loved the ad, very funny and engaging. The car advertised is appealing and sporty."

3

Connect by Giving Practical Tips

Including tips and tricks in a Long Form Native Video isn't enough to make it a success. The information communicated needs to be practical and highly relevant to a person's daily life.

Holiday Inn partnered with BuzzFeed to create '8 Ways to Travel Smarter' which capitalized on the dreaded but necessary packing challenge that we all face. The very useful and practical advice given is what drove strong in-market performance.

Holiday Inn gives useful travel advice



8 Ways to Travel Smarter

Publisher: BuzzFeed
Brand: Holiday Inn
Air Date: 12/25/14
Length: 2:07

Ad Personality [Among Gen Pop]



Viewer Response

"I enjoyed the helpful packing tips. I feel like many people share these questions and don't think to look for the answers on their own. So Holiday Inn and BuzzFeed freely providing these is a great service."

4

Deliver Message With Text Overlays

All of the top Long Form Native Videos include on-screen text overlay of the featured content. This approach makes it easier for viewers to get the core messages even in environments where sound is disabled (like in Facebook newsfeeds).

"How to Get Glowing Skin from Almay & Refinery29" provides useful skin and makeup tips. The steady pace and upbeat music, combined with on-screen text overlays, made the ad informative, easy to follow, and memorable.

Almay delivers tips and tricks in memorable way

ALMAY
SIMPLY AMERICAN™



REFINERY29



How to Get Glowing Skin from Almay & Refinery29

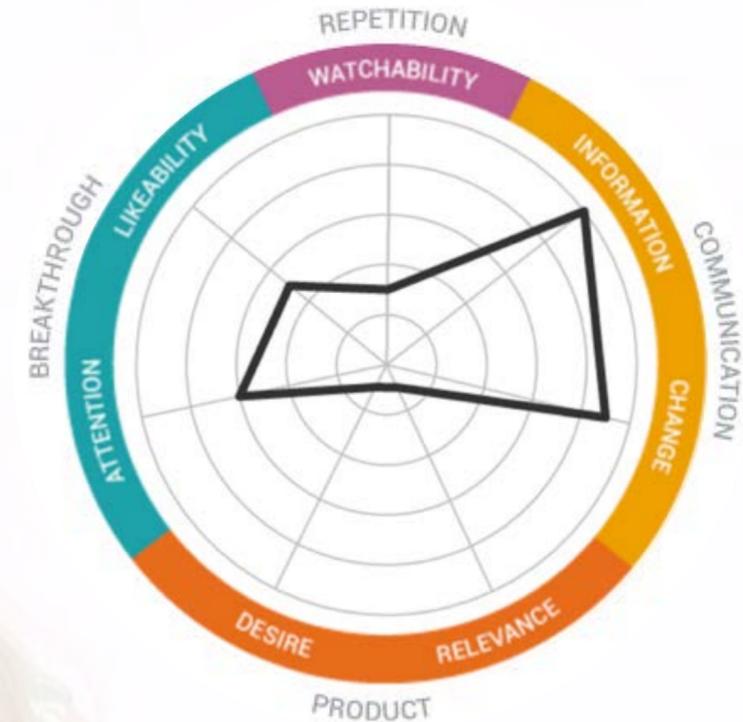
Publisher: Refinery29

Brand: Almay

Air Date: 04/21/15

Length: 1:10

Ad Personality
[Among Gen Pop]



"I thought it was cool that it gave a few tips and defined some of the terms for those who are not knowledgeable on makeup and beauty terms like myself."

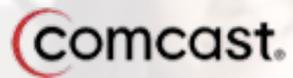
5

Category and Content That Fit Naturally

Comcast XFINITY ad uses story that is natural for the brand

81% of top ads featured content that had an authentic and natural tie-in to the advertiser category. Viewers aren't fooled easily. They know Long Form Native Videos are still ads, and they can easily detect when content feels forced or inauthentic. Top ads focused on the role that their respective categories play in daily life.

BuzzFeed Video's co-branded ad for Comcast XFINITY had a highly relevant story featured for the brand. The humorous approach to portraying the different types of people you watch TV with was something people related to, and the characters were mentioned frequently in viewer responses.



5 People You Watch TV With

Publisher: BuzzFeed Video
Brand: Comcast
Product: XFINITY
Air Date: 10/30/15
Length: 1:50

Ad Personality [Among Gen Pop]



"I thought the ad was very funny and easy to relate to because we all know someone like the people featured in the ad."

Key Takeaways

Long Form Native Video is a powerful component of a holistic marketing strategy. It complements traditional TV ads while offering significant advantages in driving attention and forging emotional connections between brands and consumers. **Within our current environment of ad avoidance, Long Form Native Video offers a unique positioning to marketers, a way to engage and connect with consumers through content they actually want to watch, seek and share.**



Key learnings about Long Form Native Video:

- Performs on par with TV ads for overall ad resonance
- Complements rather than competes with traditional TV ads
- Performs best among 'Super-Sharers' to amplify the reach of content
- Strategic way to connect with new customers
- Social KPIs (completion, shares, and views) are directly related to brand objectives
- Successful videos entertain with emotion and feature an authentic voice

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Leveraging Native Video to Drive Brand Equity



For more information about the contents of this paper or to inquire about other insights, contact Ace Metrix via acemetrix.com or call 800.279.7984.