

THE IMPACT OF VIDEO ON THE HIDDEN SALES CYCLE

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Report Highlights

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95% of Best-in-Class marketers are using video at part of their content marketing program.

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Companies using video require 37% less visitors to achieve same results as those companies not using video.

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Video users more than 2.5 times more likely to be able to capture content metrics across all channels than their non-user counterparts.

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Leading companies are using video across multiple channels successfully, the most popular on a company's website (74%).

As content marketers strive to gain the attention of prospective buyers, video is playing an important role with Best-in-Class companies leveraging video and reporting better performance across several key metrics.

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Buyers are drawing a line in the sand about how they want to be communicated to and video is among the top preferred media types.

In today's marketplace, the buyer has taken control of their journey; leveraging the web to conduct research and educate themselves at their own pace. This puts pressure on marketing to own and nurture the buyer relationship earlier and longer than they ever have before, a phenomenon that Aberdeen calls the "[Hidden Sales Cycle](#)." To do this successfully requires content and creativity, pressures cited by marketers in a recent Aberdeen survey in which respondents were asked a variety of questions about their strategy, challenges, capabilities and results. Specifically, marketers cited the need to drive nurture-based marketing and the proliferation of channels to get to buyers as the top two pressures driving their content marketing strategy. At the same time, buyers are drawing a line in the sand about how they want to be communicated to and video is among the preferred media.

This report will look at the video trends of successful companies and uncover the role that video plays in the hidden sales cycle, as well as the significant impact that video is having on marketing results.

Why Video

It is no secret that marketers have embraced content marketing at the core of their strategy as an effort to win the hidden sales cycle. This is a topic that is widely documented and recently covered in the Aberdeen reports, entitled [Content Marketing and the Road to Revenue: Answering the Questions](#).

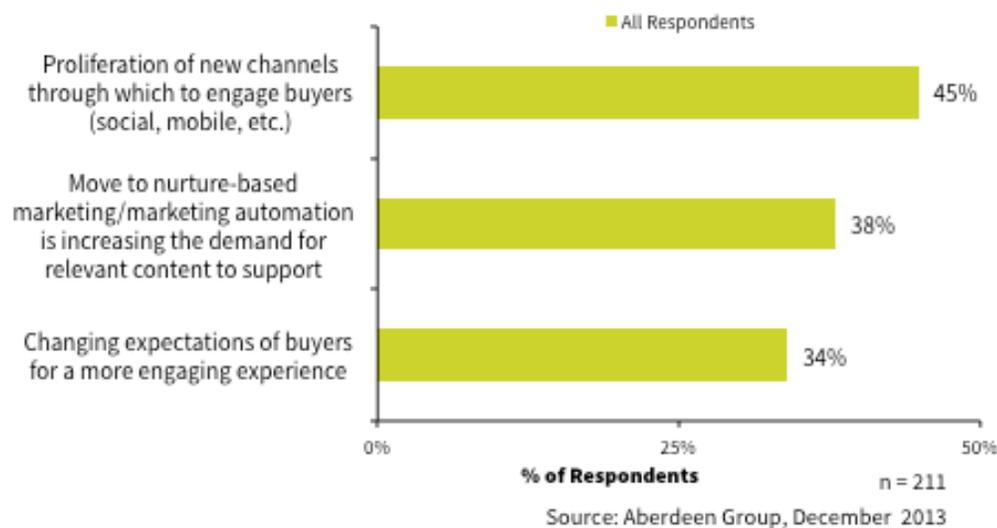
An astonishing 75% to 80% of companies have an active content marketing initiative in place, making it evident that just doing content marketing alone won't differentiate you from others. To succeed in a congested content marketplace, savvy marketers

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are being smart about their mix of media types and distribution channels to achieve superior performance.

Why is it, that marketers have felt the pressure to evolve their strategies to be centered around content? Figure 1, below, shows the response when asked to select the reasons they had chosen to implement a content marketing strategy. As you can see in the chart, the top three responses very clearly show pressures felt by the marketers to respond to a marketplace that has more channels, requires content to support nurturing, and has raised the pressure to create engaging experiences for the buyer.

Figure 1: Marketing Approaches and Buyer Expectations are Driving Content Marketing



Marketers have responded to these pressures by implementing clear objectives that address these challenges head on. Among the top three objectives cited are multi-channel strategy (44%) along with increasing content quality (45%) and quantity (40%). When you consider this, it's no wonder that video is finding a home in B2B content marketing strategies.

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Aberdeen used four key performance criteria to distinguish the Best-in-Class (top 20% of aggregate performers) from the Industry Average (middle 50%) and Laggards (bottom 30%). Best-in-Class firms achieved the following performance metrics:

- 7.6% average website conversion rate, compared with 4.5% for Industry Average and 2.6% for Laggards
- 23% year-over-year increase in unique website traffic versus 8.8% increase for Industry Average and 4.0% decline for Laggards
- 17% year-over-year growth in marketing's contribution to revenue compared with 5.6% growth for Industry Average and 4.1% decline for Laggard firms
- 20% growth in company revenue, vs. 6.8% for Industry Average and 4.5% decline in revenue for Laggard companies

Today, 95% of Best-in-Class Marketers (as defined by sidebar on page 4) are using video as part of their content marketing strategy and, concurrent with that, they are experiencing better results with content engagement.

This improvement in engagement is vital to the "marketing machine." The use of video, both live and on-demand, coincides with important increases in performance on key marketing metrics. Among those metrics are:

- ➔ **Companies using video require 37% less visitors to achieve same results.** This is due to the differences in average website conversion experiences by users of video in relation to non-users. Average website conversion for users of video is higher (4.8%) than those that don't use video (2.9%).
- ➔ **Companies using video demonstrate a lower cost-per-customer acquisition.** Specifically, companies using video report an average cost per marketing-generated lead of \$93 while their counterparts, who are not using video, report an average cost per marketing generated lead of \$115. This represents a cost reduction of 19%, significant when you consider the importance of marketing ROI.
- ➔ While the conversion numbers may not seem like a huge increase, the impact on marketing-generated revenue is significant when modelled out. In fact, the difference in number of deals closed (using average metrics from the Aberdeen Report, *Marketing & Sales Performance: The Roadmap to Revenue & Its Tollgates*) is a whopping 65%. See the section below on calculating the impact of video for more detail on how this plays out.

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Calculating the Impact of Video

Today's marketers are using conversion metrics at the various lead stages to calculate their activity requirements and predict the impact of their efforts on revenue.

There are a variety of funnel formulas, but for the sake of this exercise, the average rates were leveraged from the Aberdeen report entitled, [*Marketing & Sales Performance: The Roadmap to Revenue & Its Tollgates*](#).

As you can see in Table 1, below, we have calculated the gain in marketing generated revenue from a hypothetical example that looks at a company with 400,000 website visitors annually. You can easily estimate the difference between with and without video for yourself using your own website visitor numbers and average deal size.

Table 1: Increases in Marketing Generated Revenue from Video Use

Lead Stage	Without Video	With Video	Increase in Marketing Generated Revenue
Website Visitors	400,000	400,000	----
Responses	11,600	19,200	----
Qualified Leads	2,587	4,282	----
Opportunities	936	508	----
Closed Deals	89	147	----
Average Deal Size	\$12,000	\$12,000	----
Marketing-Generated Revenue	\$1,068,869	\$1,769,163	\$700,294

Source: Aberdeen Group, September 2014

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The conversion from visitors to responses, discussed on page 4, is 4.8% with video and 2.9% without video. By multiplying the number of visitors by each of these numbers, you will receive the number of responses.

Conversion from response to qualified lead, from qualified lead to sales-actioned lead, from sales-actioned lead to opportunity, and from opportunity to close can be calculated utilizing the below table, excerpted from the Roadmap report cited above.

Table 2: Benchmarks of Conversion Rates at Tollgates

Conversion Metric	Best-in-Class	Average	Laggard
Marketing Responses to Qualified Lead	35.6%	22.3%	9.7%
Qualified Lead to Sales-Actioned Lead	53.4%	36.2%	10.6%
Sales-Actioned Lead to Sales Opportunity	56.8%	32.8%	9.8%
Sales Opportunity to Closed Deal	45%	29%	21%

Source: Aberdeen Group, April 2014

Regardless of whether or not you choose to calculate the rates for yourself, it is easy to see that the use of video has an impact on marketing results, both from a cost and revenue perspective.

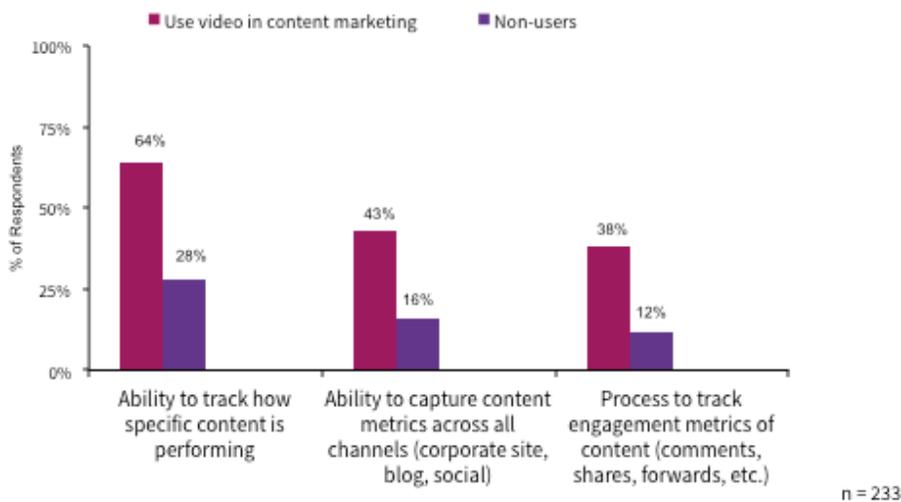
Tracking Results

Perhaps most interesting, Aberdeen research shows that video users are also demonstrating more sophisticated use of metrics. Video users more than 2.5 times more likely to be able to capture content metrics across all channels than their non-user counterparts.

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Figure 2, below, highlights additional specifics relative to use of metrics by users and non-users of video.

Figure 2: Video Enhances Content Analytics



Source: Aberdeen Group, December 2013

This adoption of content metrics is likely related to the effect of the video platforms used. Today's video platforms provide a plethora of metrics, many in real-time, allowing marketers to know more about their audience and how they are engaging with the content than ever before.

As it relates to analytics used with video, marketers should be thoughtful about the metrics they rely on. For example, the metrics associated with a live video event, such as a webinar, may be different than those you wish to use for on-demand video. And, the channel on which you promote your video, be it Facebook, twitter or via a video hosting platform or landing page, will make the difference in the metrics you wish to capture.

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→ [Related Research](#)
Marketing &
Sales
Performance:
The Roadmap to
Revenue & Its
Tollgates

Approaches to Video

Aberdeen data suggests that 83% of leading companies and as many as 72% of followers have the ability to generate original video content internally. Some of these companies continue to outsource as well, but are being thoughtful about what resources to use when.

Leading marketers are using video across multiple channels, with the most popular places being the company website: 74%, social media 41%, and the company blog 37%. Marketers are considering different kinds of video for different purposes, with video on-demand a great fit for repeatable demand generation programs. Live video is used for driving awareness and event-driven attention.

And, they're executing well: Seventy-three percent (73%) of companies developing original video content rank execution as 4 or 5 on that 1-5 scale (5 being highest), compared with just 50% of other companies (those without the ability to create original video content.) The takeaway here is that adoption of video-development capabilities seems to have a positive impact on closing the quality content execution gap.

What's Next?

In the age of the hidden sales cycle, marketing content is the supreme driver of customer and prospect engagement. Data shows that video is a rising star to help companies garner attention. With video gaining popularity, companies should look to align their use of video with the buyer's journey and offer a creative mix of video approaches to heighten engagement. Important questions to ask yourself regarding use of video in B2B marketing efforts include:

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- ➔ Do you know all the places your buyers visit? Do you want the ability to embed video in all of these places? Do you need your video platform to integrate with social?
- ➔ Do you have the ability to capture the contact information of viewers for the purposes of lead generation? Are you able to get this information into your marketing automation or to sales for follow up?
- ➔ Have you agreed upon success metrics for your video program? Does your video platform offer you the metrics you need to be successful?
- ➔ Will your audience want a combination of live and on-demand video to maximize their engagement?
- ➔ How will you drive exposure to your video content?

As you look to incorporate and optimize the use of video in your marketing efforts, the challenge will be to stay ahead of the pack in an environment that is rapidly maturing. Those that do this well and push the envelope with originality will differentiate from others as their brand competes for the attention of their target audience.

The challenge will be to stay ahead of the pack in an environment that is rapidly maturing.

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For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

[*Marketing & Sales Performance: The Roadmap to Revenue & Its Tollgates*](#); April, 2014

[*Content Marketing and the Road to Revenue: Answering the Questions*](#); May, 2014

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About Aberdeen Group

For 26 years, Aberdeen Group has published research that helps businesses worldwide improve performance. We identify Best-in-Class organizations by conducting primary research with industry practitioners. Our team of analysts derives fact-based, vendor-agnostic insights from a proprietary analytical framework independent of outside influence. The resulting research content is used by hundreds of thousands of business professionals to drive smarter decision making and improve business strategy.

Aberdeen's content marketing solutions help B2B organizations take control of the Hidden Sales Cycle through content licensing, speaking engagements, custom research, and content creation services. Located in Boston, MA, Aberdeen Group is a Harte Hanks Company.

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