



EMBEDDED VIDEO IN EMAIL: EXPLORING ITS VIABILITY AS A MARKETING TACTIC

Written by David Daniels, The Relevancy Group, LLC
June, 2013

*New Strategies
to Optimize
Embedded
Video in Email*

Embedded Video In Email: Exploring Its Viability As A Marketing Tactic

Written by David Daniels, The Relevancy Group, LLC

About The Research: New Strategies to Optimize Embedded Video in Email

The Relevancy Group's members have an early advantage in exploring the uses and outlook of Embedded Video in Email marketing. Although the Embedded Video in Email sector really only began maturing two years ago, this researcher has addressed the topic during the past decade in a variety of formats, including a book on email marketing. Video in email has always made sense in theory, but technical challenges made it impractical for general applications. This paper leverages data from The Relevancy Group surveys, interviews with marketer end-users, and other sources to shed light on best practices for this emerging approach to email marketing.

Key Questions:

- What are the challenges and opportunities involved with using Embedded Video in Email?
- Why is Embedded Video in Email a new and innovative approach?
- What are the latest changes seen in email user behavior, and how might that impact video?
- What results can marketers expect from Embedded Video in Email?

Executive Summary: Embedded Video in Email Enhances the Inbox Experience

Though lack of mail client support for embedded video may challenge some marketers, particularly B2B (Business to Business) marketers, the ever-growing consumer adoption of video presents a tremendous opportunity for B2C (Business to Consumer) senders. Aided by the ubiquity of mobile email consumption, marketers can now embrace Embedded Video in Email without many of the substantial limitations previously associated with this marketing practice. The tactics and findings presented in this paper identify a perfect storm for the adoption of Embedded Video in Email. Put into action with the right innovations, Embedded Video in Email can deliver an array of improved response metrics for engagement, conversion, and dollars. After years of incubation, the time for Embedded Video in Email has arrived.

For more information on The Relevancy Group's services, visit www.therelevancygroup.com, call (877) 972-6886, email info@therelevancygroup.com

Find us on twitter @emaildaniels <https://twitter.com/EmailDaniels> @relevancygroup and on Facebook at <http://on.fb.me/AeWb7o>

Reproduction by any method or unauthorized circulation is strictly prohibited. The Relevancy Group's reports are intended for the sole use of clients. For press citations please adhere to The Relevancy Group citation policy at <http://relevancygroup.com/press.htm>. All opinions and projections are based on The Relevancy Group's judgment at the time of the publication and are subject to change.

Introduction: Deciphering the Opportunity for Embedded Video in Email

Online video use is growing in popularity. YouTube now boasts 4 billion videos viewed each dayⁱ. However, embedding video in email marketing messages is still nascent—but early adopters are experiencing higher click-through and conversion rates by properly using video in email. The Relevancy Group identifies the concept of using video in email marketing messages with the phrase: “Embedded Video in Email,” also known as EVE. While offering many benefits, Embedded Video in Email is not a panacea for all email marketers. A number of challenges to leveraging Embedded Video in Email remain—but so do many opportunities. The following research details these hurdles and prospects, and offers tactics to ensure success when embedding video in email.

Understanding the Embedded Video in Email Landscape

Embedded Video in Email presents a great opportunity for B2C marketers, who can currently reach an average of 61.4 percent of email recipientsⁱⁱ with video in the inbox. This prodigious audience reach is driven by the myriad of web-based, desktop, and mobile email clients that can fully render video in email. However, B2B marketers face greater challenges to Embed Video in Email, as they can on average only reach 36.7 percent of recipientsⁱⁱⁱ. This challenge to embedding video in email marketing is explained by email reader clients. B2B marketers face a lack of video support in Microsoft Outlook 2007 and 2010, both of which remain widely deployed email clients for businesses. Looking ahead, current widespread consumer migration to smartphones for both personal and business email provides greater audience reach potential for Embedded Video in Email. This will eventually ease business-to-business roadblocks.

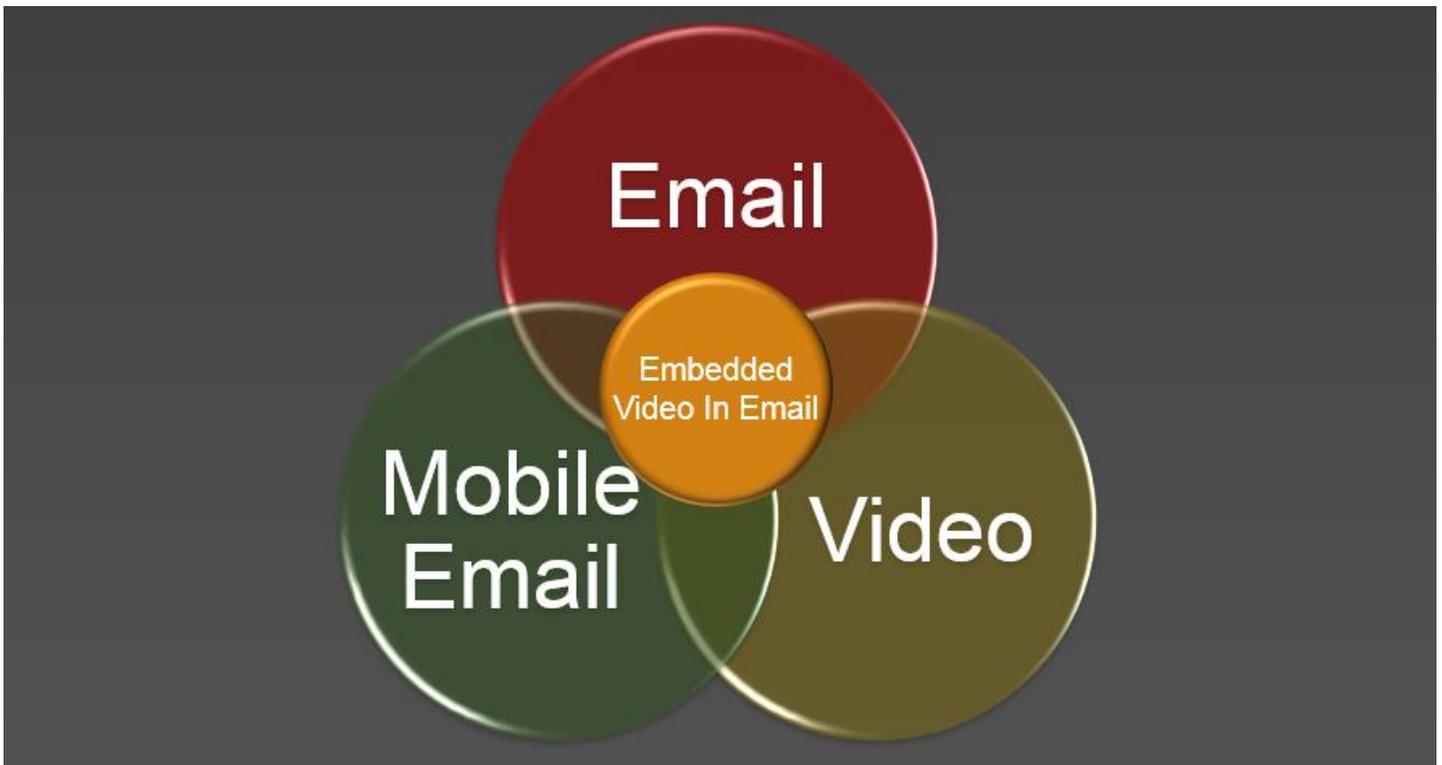
Embracing the Ubiquity of Email and the Future of Video in Mobile Email

The popularity of social networks often overshadows the continued importance and dominance of email. Email remains a vital communication channel. Our unique individual email address is our digital fingerprint; necessary to join social networks, make purchases online, and perform other important online functions such as banking. When evaluating whether Embedded Video in Email is right for your organization, consider the realities of consumer behavior online:

- 204 million emails are sent every minute, compared to 6 million Facebook page views per minute and 1.3 million video views on YouTube per minute^{iv}
- Mobile email adoption is now ubiquitous. In 2010, The Relevancy Group found in a survey of 1,000 consumers that forty-two percent were using smartphones to engage with email. Two years later, in 2012, Return Path found that mobile email usage had gone mainstream with eighty-eight percent of consumers using email on smartphones.^v
- 18-to-34 year-olds are spending seventy-four percent more time watching YouTube on their smartphones this year than they did last year. This is on par with the number of people in this demographic who check out the video platform on their desktop or laptop computers.^{vi}

A tremendous opportunity exists for Embedded Video in Email. Why? Consumers love video on nearly any screen, and in almost every email environment. Given the increased support for video in web-based email clients, the soaring utilization of email on video-ready mobile devices, and the growing consumer desire to view video, The Relevancy Group recognizes Embedded Video in Email as one of the most exciting new opportunities that we have seen in recent years (Figure 1).

Figure 1. The Ubiquity of Email, Video, and Mobile Creates Opportunity



Source: The Relevancy Group, LLC 6/13

Tactics for Deploying Video Embedded in Email

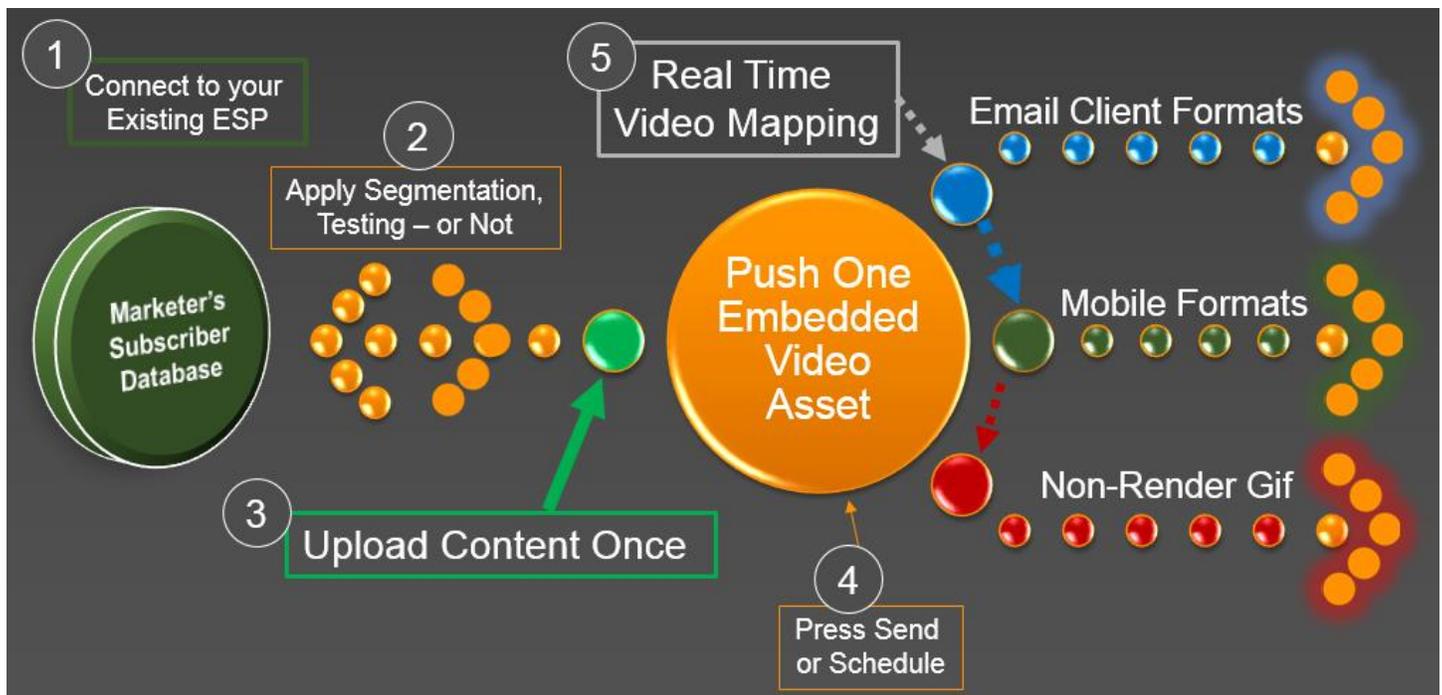
Successful Deployment of Embedded Video in Email requires embracing the following tactics:

- *“Sniff” the Mail Client:* Embedded Video in Email should be combined with innovative technologies to ensure that video can reach a maximum number of recipients. In particular, technologies should be utilized that “sniff” (detect) which email client the message is being delivered to, at the moment the message is opened. The sniffing process allows a properly formatted video to be delivered to the specific smartphone, desktop email client, or webmail client.
- *Enlist Animated Images:* When the message reaches an email client that does not support embedded video, a silent animated .GIF or .PNG image should be displayed instead, if possible. While not a video, this approach provides a call-to-action such as “click to see and hear the full video.” When employed properly, this approach also reduces problems with deliverability and content rendering.
- *Smart Video Versioning:* To further mitigate delivery and rendering issues and provide a fully enriched recipient experience, seek out solutions that support Smart Video Versioning. With this approach, many video and image assets are automatically created from a single source video file. This reduces production and content development costs, and ensures that each recipient sees a video experience optimized for his specific email client.

- *Real-Time Video Mapping:* This innovative tactic significantly accelerates the marketer’s production process, and enhances the recipient’s experience. Without having to segment lists, or upload or encode email client-specific videos, Real-Time Video Mapping ensures that the correct version of the video is rendered. This deployment is done when the recipient opens the message, making a dynamic, seamless experience even when a subscriber changes their smartphone, for example from an Apple to an Android device.
- *Enterprise ESP Integration:* While stand-alone video hosting applications exist on the market, The Relevancy Group suggests choosing an Embedded Video in Email provider that can integrate with the leading ESPs (Email Marketing Service Providers). In most approaches, the integration effort is minimal, with concise code being copied into the message body.

In a February 2013 survey, The Relevancy Group asked marketers about the inhibitors to utilizing video as an email content asset. Beyond those that did not have any video content, twenty-seven percent of email marketers cited the increased production costs of Embedded Video in Email^{vi}. With the innovations and tactics explained above, these challenges are mitigated, improving the efficiency of the production process (Figure 2).

Figure 2. The Efficiency of Embedded Video in Email



Source: The Relevancy Group, LLC 6/13

The Benefits of Utilizing Embedded Video in Email

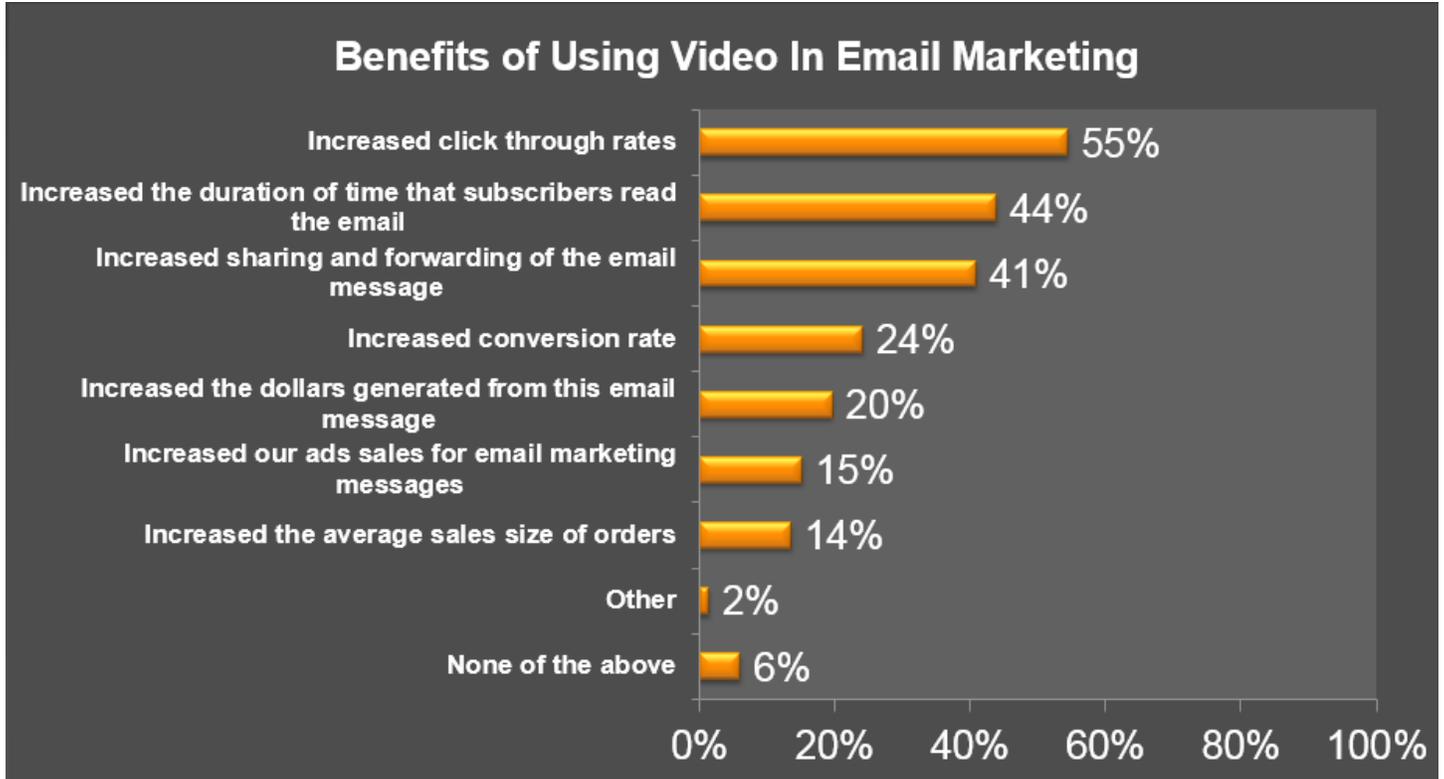
Twenty-five percent of the email marketers that The Relevancy Group surveyed said that they have utilized video in their email marketing. Many have documented benefits, including fifty-five percent that report higher click-through rates. Many also cite higher engagement, social sharing, and increased conversion rates (Figure 3).^{viii}

In previous research on this topic, The Relevancy Group found that marketers that utilize video in email can experience on average forty percent higher revenue in a month than those marketers that do not employ video in email.^{ix}

To further clarify, we interviewed more than a dozen marketers utilizing Embedded Video in Email, and we documented the following benefits:

- **Increased Sales:** Sole Society, an online retailer of high-quality shoes, handbags, and accessories, saw a twenty-six percent lift in sales over the previous week through the utilization of Embedded Video in Email. They also reported serving the video (or animated GIF) to only half of their list. Additionally, clothing retailer Express disclosed to us that by using Embedded Video in Email they experienced a “fifty-five percent improvement in revenue per email delivered” and “thirty-three percent higher conversions.”
- **Improved Email Click-Through and Email Engagement:** Bare Escentuals, a popular cosmetics retailer, shared that their “click-through rate doubled compared to prior emails featuring non-embedded video.” Similarly, BrightWave Marketing, a North American email marketing agency, shared that one of their clients experienced a ten percent increase in their overall email engagement metrics. Many more marketers reported similar results, including the advertising agency Leo Burnett Argentina, who experienced an “increase in click-through rates.”
- **Improved Measurement That Can Alter Strategy and Tactics:** Discovering some of the ancillary benefits of Embedded Video in Email, a large international media and entertainment company revealed: “[We] got a much clearer picture of the drastic shift to mobile with our consumers.” Intelligence on how to shape your overall content marketing plan can be just as crucial as immediate topline results
- **Increased Ad Impressions and Reach:** A leading online retailer in the UK using Embedded Video in Email reported to us: “We saw when embedding an advert in the email during the day before it launches on TV, that evening we get more impressions than if we embed any other type of content.”

Figure 3. Video in Email Increases Engagement, Social Sharing, and Conversion



Question: What have been the benefits of using video in your email marketing messages?

Source: The Relevancy Group, LLC Executive Survey, n=66 2/13, United States Only

Embedded Video in Email is Viable Now, and Deserves a Place in the Email Marketing Arsenal

While not perfect, video in email has come a long way in the last decade and is now immediately viable. Not all video in email solutions are created equal. Each different implementation demands scrutiny, but given our research the Embedded Video in Email solutions outlined above blend the best of technology innovation and marketing best practices to deliver optimal results. Embedded Video in Email (EVE) isn't for everyone, but with complicated products, high value products, or simply beautiful non-commodity items to sell, moving pictures are worth millions of words and thousands of pictures.

Do not give up on tried and true relevance empowering tactics such as segmentation, testing, and dynamic responsive offers. But when those tactics are combined with EVE, the data and results point to a significant uplift in a variety of key performance indicators. As always, remember that nothing is constant. Unless you are a media company, video might not work every time to increase the impact of every single mailing. But when used in the marketing mix across the connected marketing dialog, EVE has benefits just waiting to be activated.

Endnotes and References

ⁱ Google, YouTube reported statistics

ⁱⁱ Business to Consumer reach from LiveClicker supported email clients based upon a real world production messages

ⁱⁱⁱ Business to Business reach from LiveClicker supported email clients based upon a real world production messages

^{iv} Source: Intel's "What Happens In An Internet Minute"

^v The Relevancy Group, LLC Consumer Survey, 1/10 n=1,001 US only. ReturnPath

"Mobile Statistics – May, 2012" US only.

^{vi} Google corporate statistics 3/20/13

^{vii} The Relevancy Group, LLC Executive Survey 2/13 n=266 US only. Question Asked: Why don't you utilize video in your email marketing messages? [selected: n=200 marketers that do not use video in email marketing]

^{viii} The Relevancy Group, LLC Executive Survey 2/13 n=266 US only. Question Asked: What have been the benefits of using video in your email marketing messages? [selected: n=66 marketers that use video in email marketing]

^{ix} The Relevancy Group, Survey and Model – The ROI of Video In Email Marketing, March 2013

About The Relevancy Group, LLC | www.relevancygroup.com | (877) 972-6886 | info@therelevancygroup.com

The Relevancy Group provides market research, survey design and consulting. We provide educational and advisory resources to advance our clients and the markets understanding of relevance in order to deepen their customer relationships. The Relevancy Group is dedicated to educating the market on the imperative tactics needed to foster trust with consumers and improve an organization's relevance within the broader online economy. Working with the leading vendors and associations serving the household names that comprise our economy, The Relevancy Group acts as an educator and trusted advisor in the aim of optimizing cross-channel connected marketing strategy and tactics. The Relevancy Group publishes research, educational resources and consults with businesses on vendor selection and other strategic imperatives.

About The Author

David Daniels – CEO and Co-Founder, The Relevancy Group, LLC | On Twitter @emildaniels

For a quarter of a century, David has been a marketing industry proponent. Currently as CEO of The Relevancy Group, David directs market research and consulting essential to digital marketing. Direct Magazine said David is *“one of the most influential experts in email marketing, if not the most influential.”* Co-author of the book ‘Email Marketing An Hour A Day’, David has held senior level positions at Forrester and JupiterResearch, Apple, Anthropologie, MacWarehouse, Proteam and the earliest online retailers on CompuServe. David advises many industry associations including the OTA, writes a syndicated column for ClickZ and has been a contributor to the Weekend Today Show on NBC.