

ONLINE VIDEO: BRANDS AND AGENCIES CATCH THE WAVE

- ▶ A survey of decision-makers from brands and agencies about their current use and future plans for online video.

TURNHERE | internet video



ABOUT TURNHERE

TurnHere, Inc. is a leading Internet video marketing services company that leverages a growing network of professional filmmakers around the world. Companies from industries as diverse as media, publishing, travel, local, retail and real estate come to TurnHere for production of broadcast-quality online video content and Web distribution. Using a coalition of more than 8,000 filmmakers across 70-plus countries, TurnHere creates affordable Internet videos that deliver emotionally engaging and authentic content to the right audiences. The company works with customers to develop creative treatments and strategies and produces effective video solutions that drive viewer action. Founded in 2005, TurnHere is privately held with headquarters in Emeryville, California.

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SURVEY

Video is shaping the way the Web is experienced. People turn to video for entertainment and news, while businesses use video to establish brands and drive sales. In fact, more than 21 billion videos are watched every month¹ and online video is one of 2009's only growth areas across all marketing². In Q3 2009 TurnHere conducted a survey of brands and marketing agencies from a wide range of industries to explore current and future trends in online video. The survey's objectives were to ascertain:

- Current level of online video use
- Planned adoption of online video over the next 12 months
- How online video use and planned adoption compared to other online marketing opportunities
- Trends and feedback on popular types of online video use
- Overall satisfaction with online video efforts
- Opportunities to improve online video for brands and agencies

SURVEY PARTICIPANTS

Survey participants came from companies of all sizes, with annual marketing budgets of as low as \$100,000 to more than \$5 million.

The 116 respondents represented:

- Fortune 500 brands, regional brands, digital, PR and traditional agencies
- All levels of the decision-making hierarchy, from CEOs, heads of PR and marketing departments to account managers

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¹ ComScore, August, 2009

http://www.comscore.com/Press_Events/Press_Releases/2009/8/U.S._Online_Video_Market_Soars_in_July_as_Summer_Vacation_Drives_Pickup_in_Entertainment_and_Leisure_Activities_Online

² Emarketer, December 2008

KEY FINDINGS

Survey results support the conclusion that branding on the Web through video is and will continue to be an important online marketing tool:

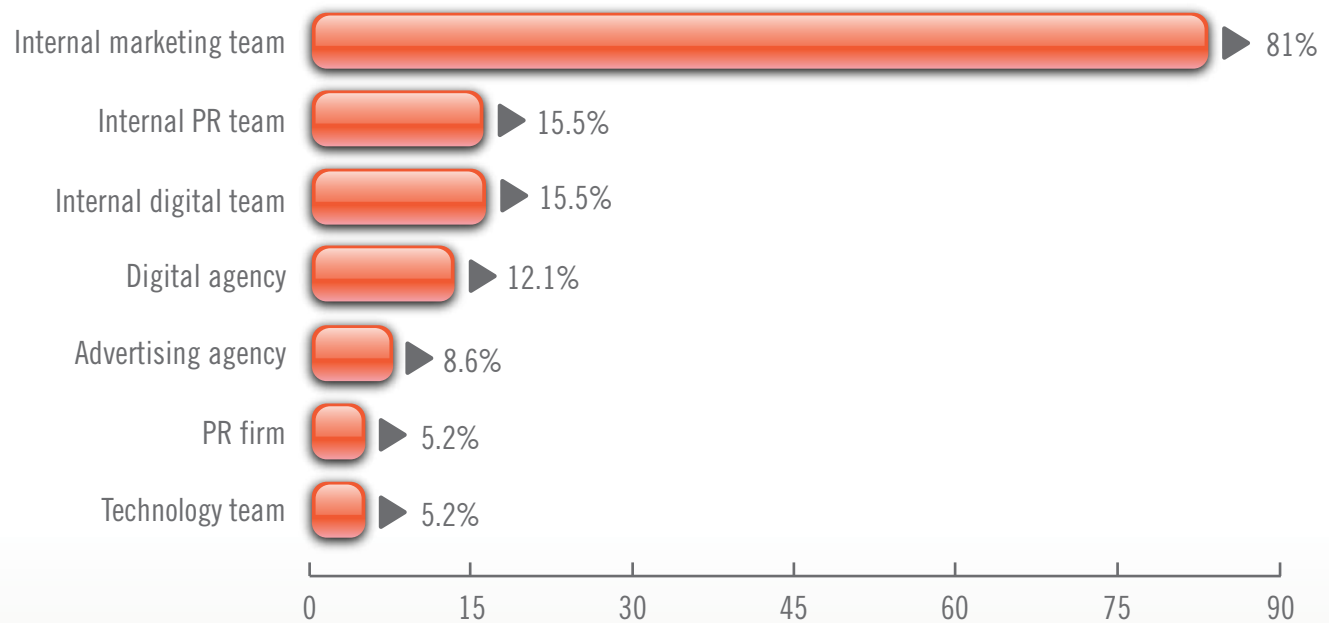
- 83.5% of respondents are already using online video in their marketing efforts in one form or another
- Branded content is the preferred online video content type among respondents with the highest current use among video formats, highest overall satisfaction levels and highest likelihood of future use
- 57.3% of respondents have created branded video content for the Web while 38.7% have created editorial video content
- 40% of respondents have used video for product or service demos and 37.3% have used video for customer or employee testimonials
- The top reasons for video use given: branding (60%), gaining exposure on video sites like YouTube (54.7%) and creating viral content (48%)
- Those that chose not to use online video cited cost (66.7%) and lack of clear ROI (33%) measures as the top two reasons
- 90.7% of respondents are likely (>50%) or highly-likely (>75%) to use online video in their marketing efforts in the next 12 months

ONLINE VIDEO TODAY: FIRMLY ENTRENCHED IN THE MARKETING MIX

COMPANY ONLINE VIDEO DECISIONS ARE DRIVEN FROM WITHIN

In most companies the internal marketing team is responsible for making decisions about use of online video (81% of respondents). Internal PR teams and internal digital teams were second with 15.5% each.

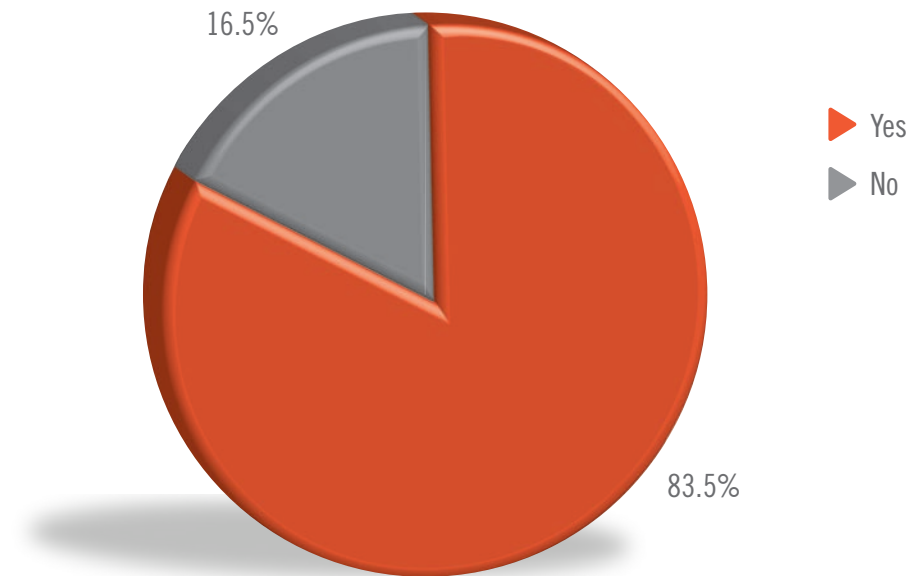
Who makes decisions regarding the use of online video in your organization?



ONLINE VIDEO HAS A PROMINENT PLACE IN THE BUSINESS MARKETING ARSENAL

A sizeable majority of companies see video as an integral component of their online marketing efforts (83.5%).

Are you currently using video in your online marketing?

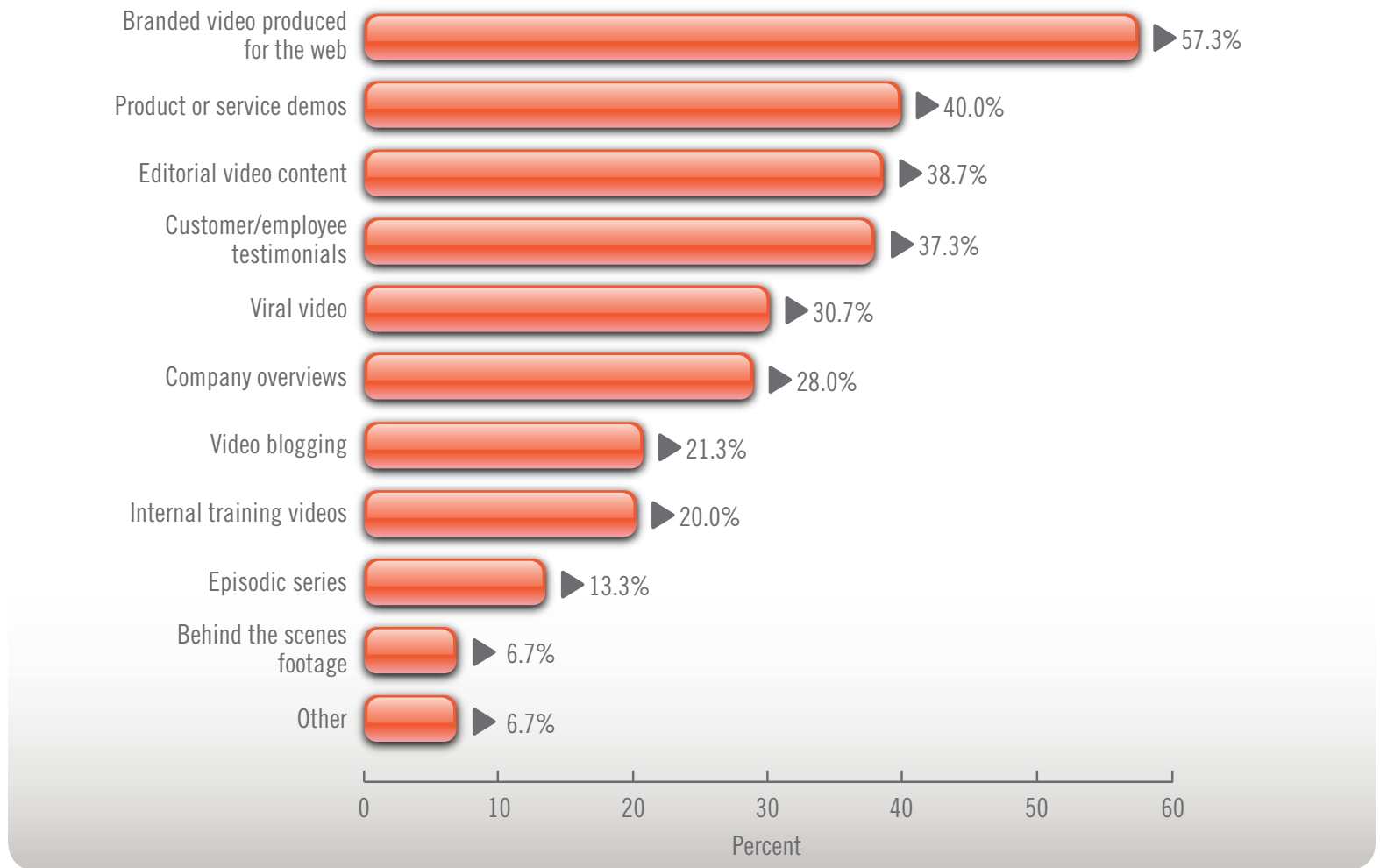


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BRANDED ONLINE VIDEO IS THE FAVORED VIDEO FORMAT

Survey results indicate that companies experiment across a wide range of video marketing. Most (57.3%) have chosen to create branded video* for the Web in the last 12 months. Respondents indicated that they also used online video for demonstrations (40%), editorial (38.7%) and customer and employee testimonials (37.3%).

What type of online video have you made in the last 12 months? (select all that apply)



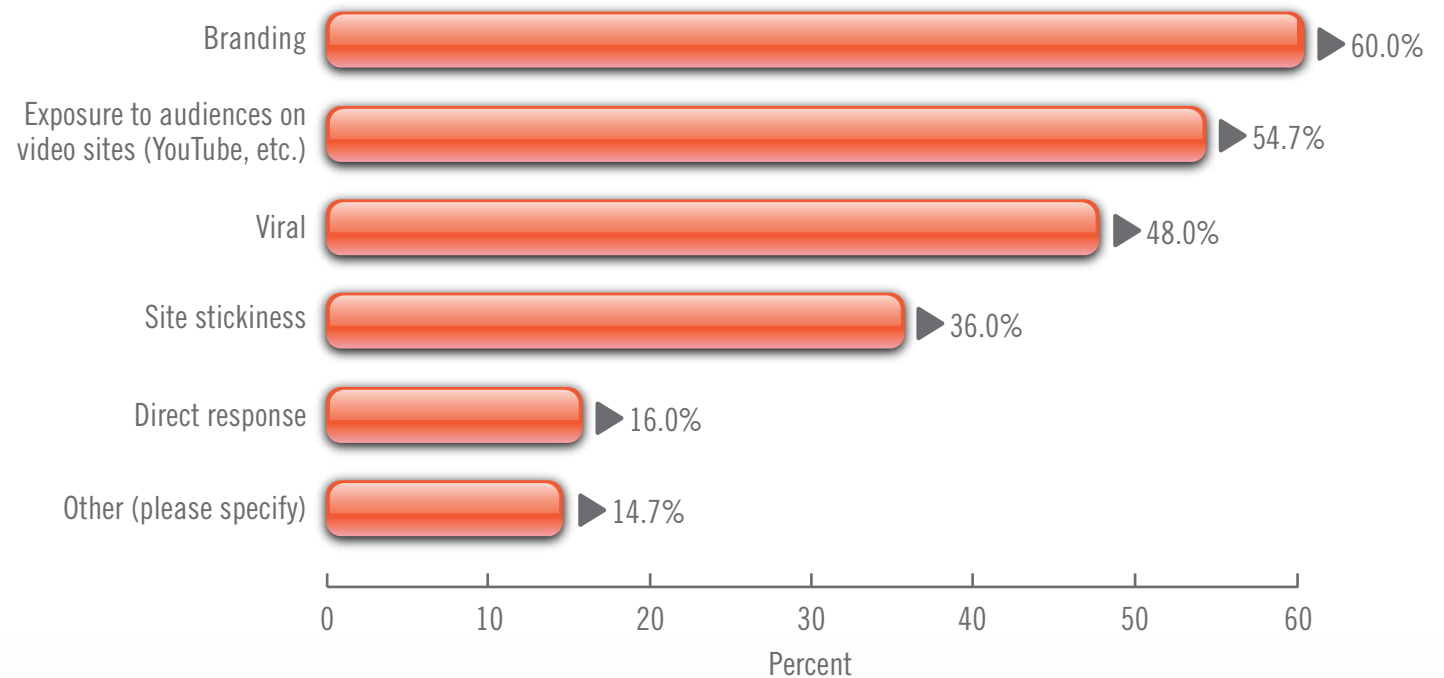
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* Branded video is content produced by companies as a compelling way to feature their products or services. It is not editorial content or traditional TV advertising; but is rather informational video sponsored by the promoting company.

BRANDING AND VIEWERSHIP DRIVE ONLINE VIDEO USE

Branding (60%) and reaching the large video-viewing audiences on video sites (54.7%) are leading reasons companies use online videos. Respondents also mentioned viral campaigns (48%) and keeping people on their site (36%).

What are the major factors that compelled you to use online video?

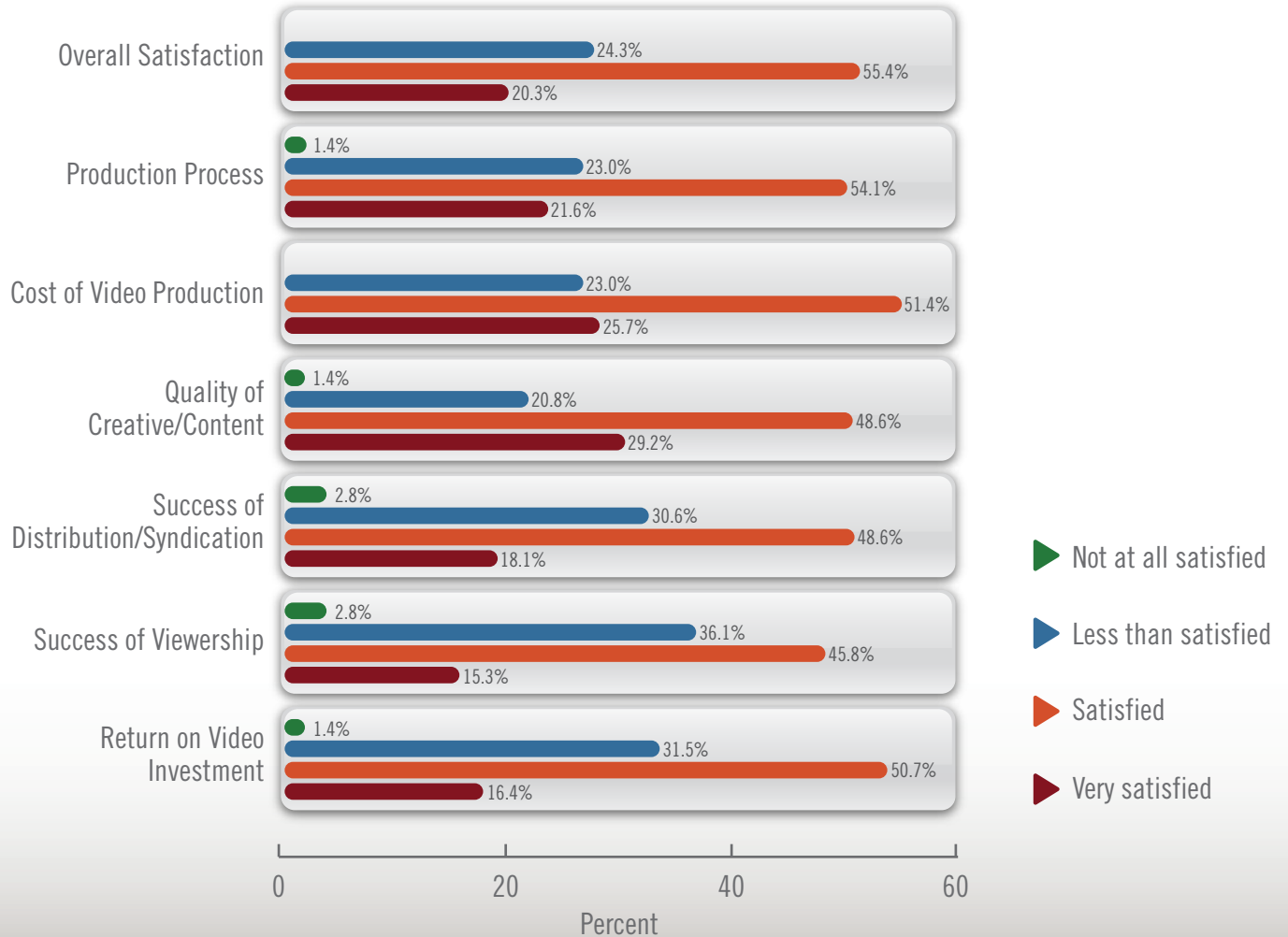


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COMPANIES ARE SATISFIED WITH THEIR ONLINE VIDEO EFFORTS

In general, companies are happy with their online video efforts, with 55.4% satisfied and 20.3% very satisfied. Lack of video viewership is a key concern for overall satisfaction levels. Importantly, 67.1% of respondents were satisfied or very satisfied with return on video investment.

How satisfied are you with your online video implementation?

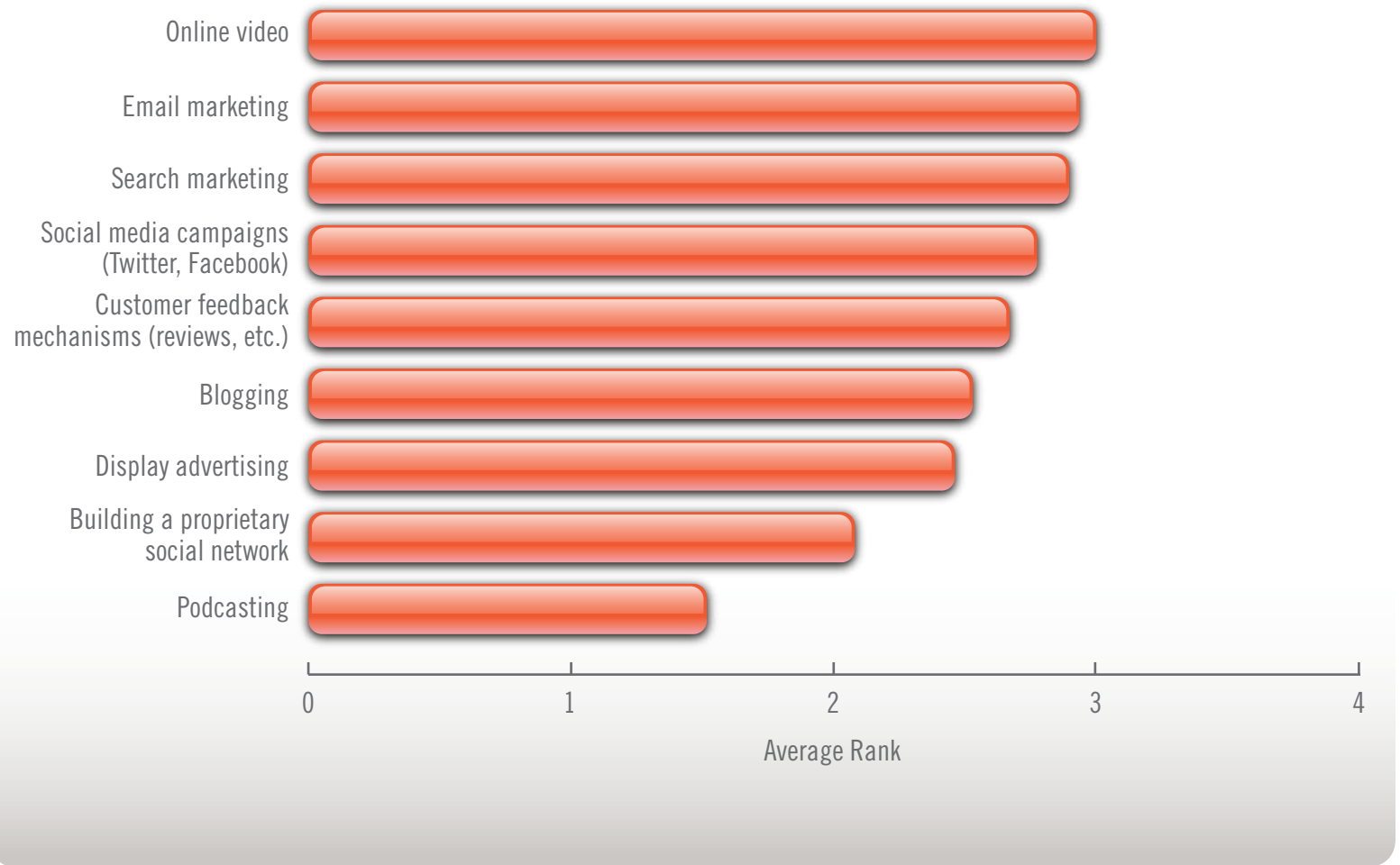


A BRIGHT FUTURE FOR ONLINE VIDEO MARKETING

ONLINE VIDEO IS A TOP MARKETING PRIORITY FOR 2010

Of all online marketing tools, Internet video is a top priority among marketers for 2010, edging out both email marketing and search marketing.

Please rank the priority of the following online marketing initiatives for your company in 2010 from 1 (being not a priority) to 4 (being a top priority).

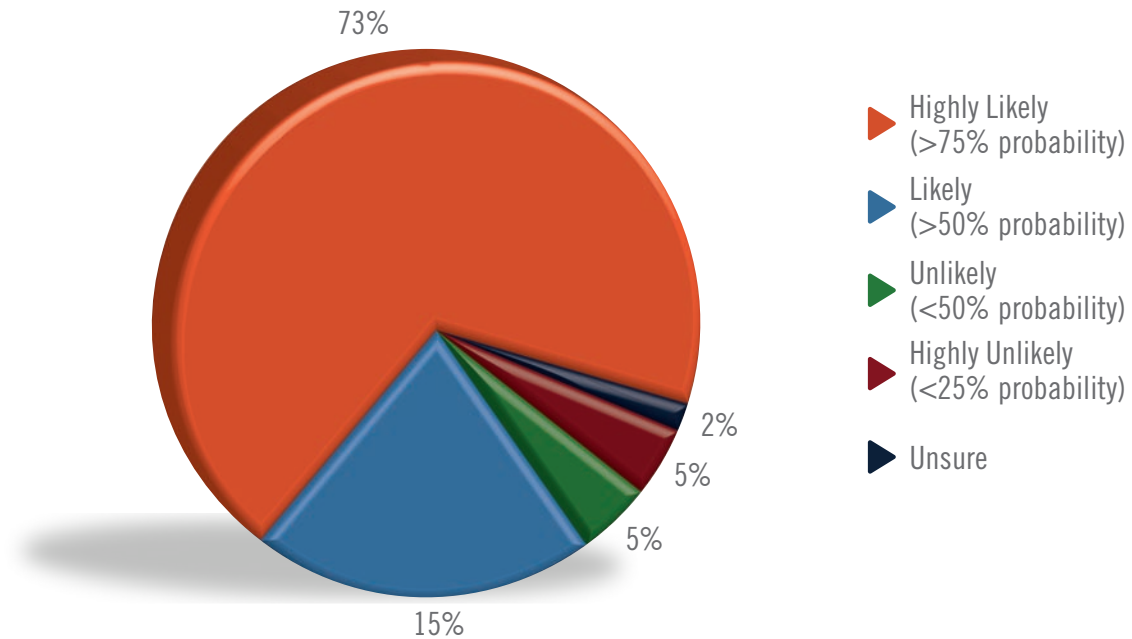


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COMPANIES PLAN TO MAKE ONLINE VIDEO AN IMPORTANT PART OF THE MARKETING MIX IN 2010

Online video will play a key role in online marketing efforts over the next year. In 2010, 9 out of 10 respondents plan to incorporate online video into their marketing mix.

How likely are you to use video in your online marketing efforts in the next 12 months?

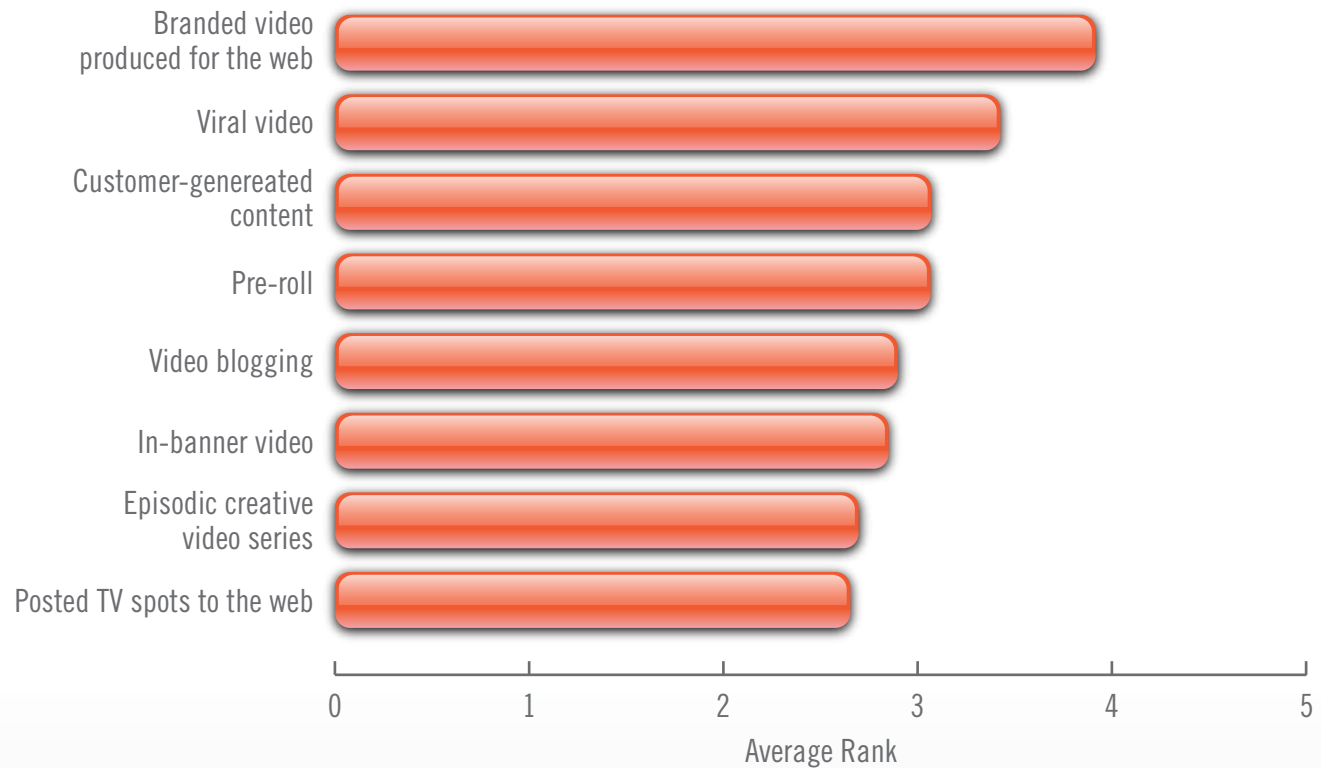


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BRANDED CONTENT WILL CONTINUE TO BE THE FOCUS

Marketers see branded content as essential to their online video efforts. Branded video is clearly in the forefront of video formats most likely to be used in 2010, followed by viral video. Episodic series and repurposed TV spots tied for least likely to be used.

Of the following types of video how likely are you to try any of these formats in the next 12 months (with 1 being highly unlikely and 5 being highly likely)?

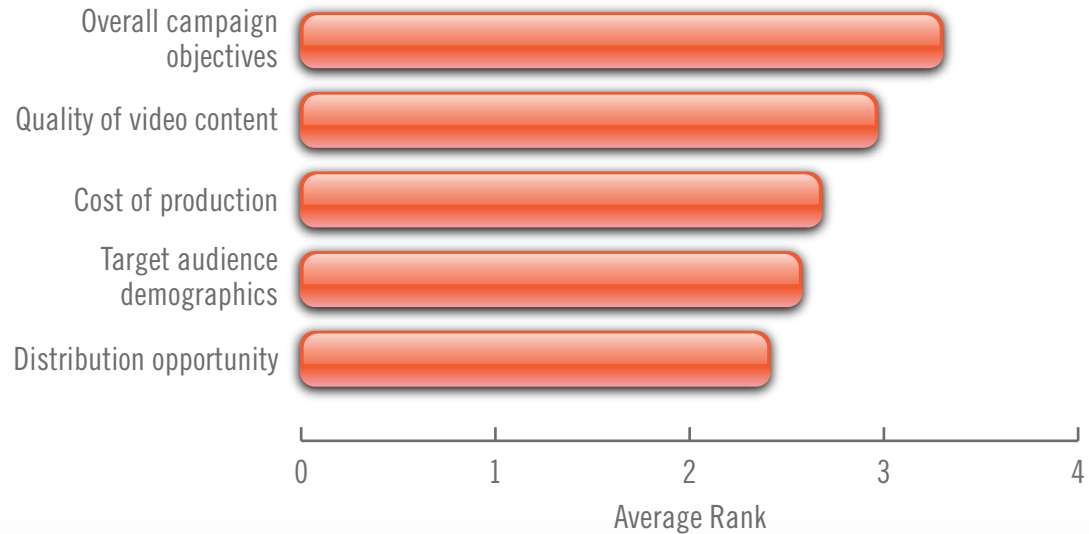


WHAT INFLUENCES MARKETERS' DECISIONS TO USE ONLINE VIDEO?

QUALITY AND COST IMPORTANT CONSIDERATIONS FOR MARKETERS

In addition to aligning with overall campaign objectives, marketers consider quality and cost priorities above audience demographics and distribution opportunity in their decision-making process.

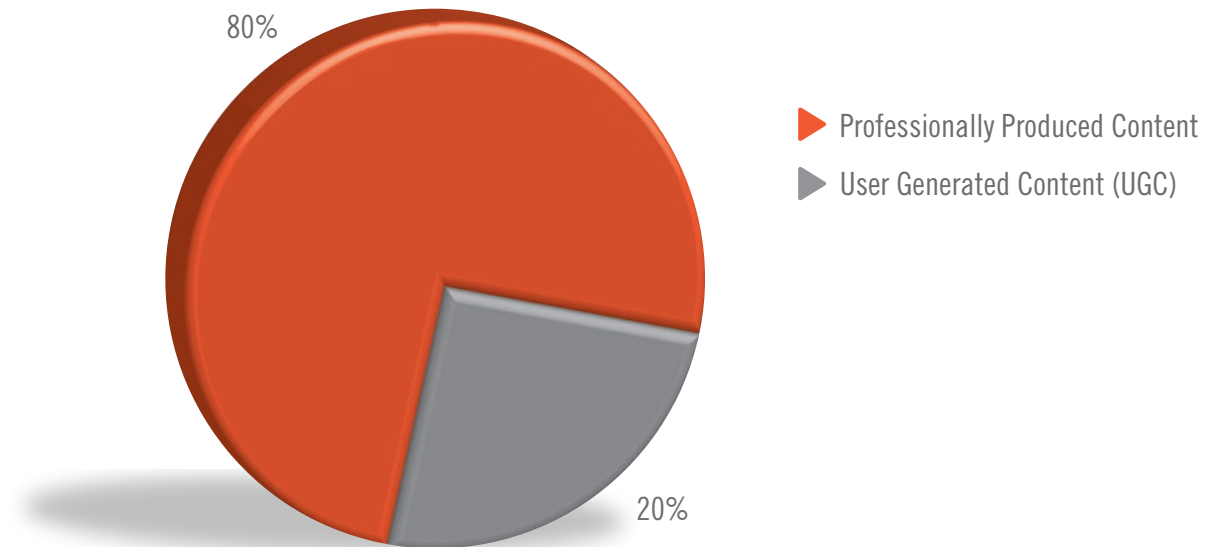
Please rank the following considerations from 1 (being least important) to 4 (being a top priority) in their order of importance when determining whether to use online video or not.



PROFESSIONALLY PRODUCED CONTENT IS PREFERRED OVER USER GENERATED

Marketers overwhelmingly prefer professionally produced content 4-to-1 over user generated content.

In considering using online video are you more likely to use professionally produced content or UGC?

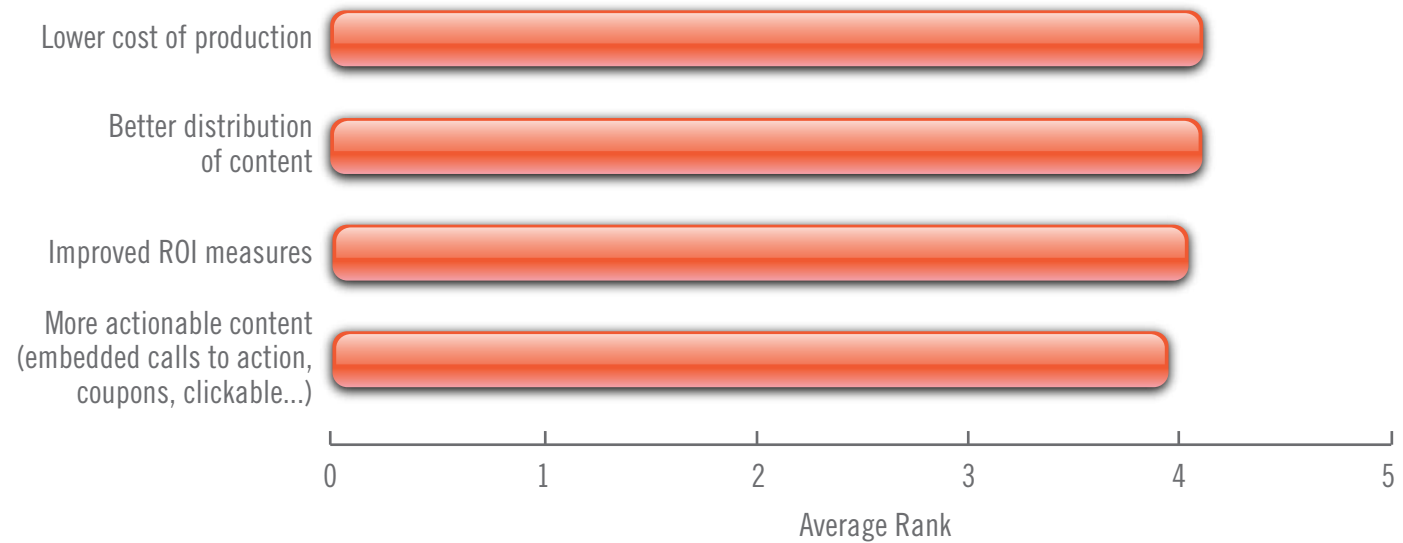


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INNOVATION ACROSS THE BOARD IN ONLINE VIDEO IS TOP PRIORITY FOR MARKETERS

No single improvement in online video is a top priority for marketers, with lower costs, improved distribution and measurement ranking equally as major influencers in the decision to use online video.

What innovations in online video would make you more likely to use it in your online marketing (with 1 being highly unlikely and 5 being highly likely)?



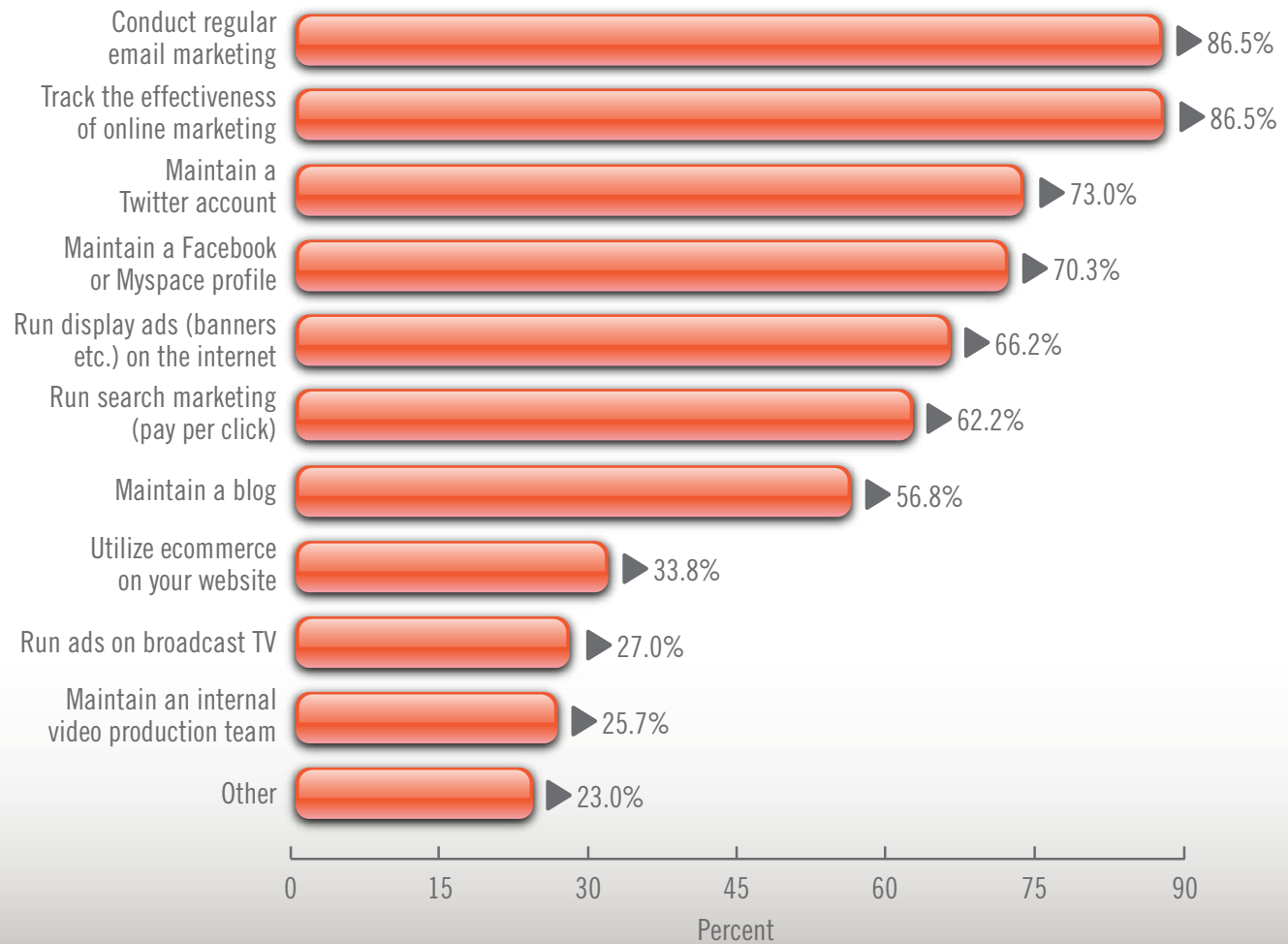
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ABOUT THE RESPONDENTS

MARKETERS ARE HEAVILY ENGAGED WITH A RANGE OF ONLINE AND NEW MEDIA TACTICS

Survey respondents are involved in a wide variety of traditional online and new media marketing efforts, with email marketing and tracking at the top of the list (86.5%).

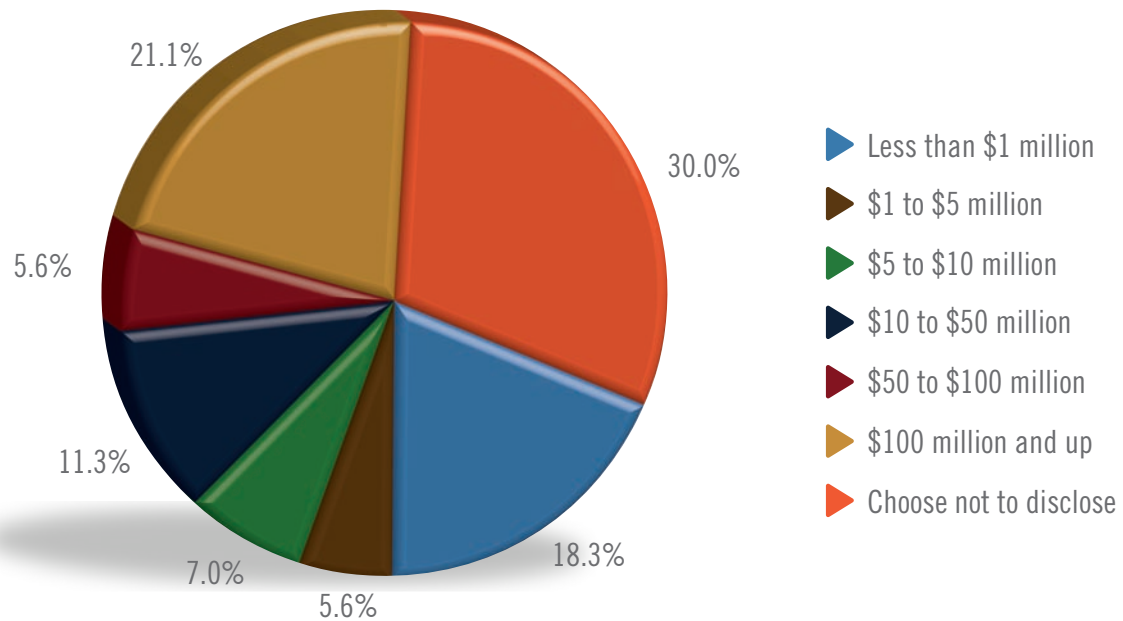
Does your business utilize any of the following marketing activities?



COMPANIES RANGE FROM SMALL BUSINESSES TO LARGE BRANDS AND AGENCIES

Annual revenue of respondents' companies range from less than \$1 million to \$100 million and up, with 31% declining to disclose.

What is your company's size (based on annual revenue)?



Additional Information
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