



THE 360° EFFECT

UNDERSTANDING IMMERSIVE VIDEO

M/GNA

IPG MEDIA LAB

 RHYTHMONE

CURRENT STATE OF 360° VIDEO

12%
OF BUSINESSES
HAVE USED 360°
FOR MARKETING



88%
OF BUSINESSES
HAVE NOT USED
360° VIDEO FOR
MARKETING

CURRENT STATE OF 360° VIDEO

86%

OF THOSE THAT
HAVE USED
360° MARKETING

said it was an effective
marketing tool

360°



360° VIDEO OFFERS UNTAPPED POTENTIAL FOR MARKETERS

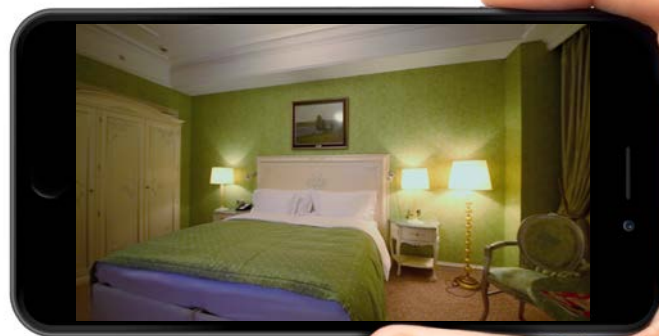
Past Experience with 360° Video

- Yes, I have experienced 360° videos before today
- No, today was the first time
- Not sure

12%

32%

56%



BUT,

**WHAT DO CONSUMERS
THINK ABOUT 360° +
MARKETING?**



AND

**HOW SHOULD
MARKETERS
APPROACH 360°?**

METHODOLOGY

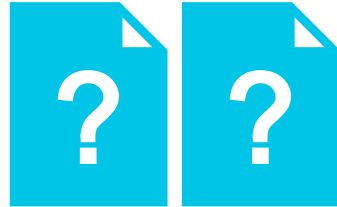
1°

Participants recruited from nationally representative online panel across PC, smartphone, and smartphone compatible VR devices (n=2,159)



2°

Initial survey with demographic and media consumption questions



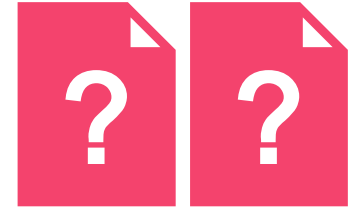
3°

Participants randomized to single test cell and select content to view. Note that VR device owners were instructed to take survey on smartphone and have VR device nearby



4°

Post exposure survey to measure traditional brand metrics and gather qualitative feedback

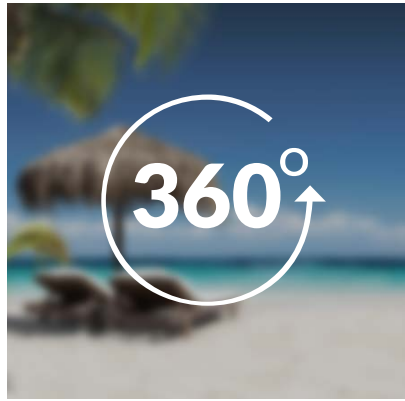


WHAT WE TESTED



CROSS-DEVICE

Testing was conducted on PC, Smartphone, and smartphone compatible VR devices (Google cardboard, Daydream and other VR devices)



360° BRANDED CONTENT

360° Branded Content for 3 brands in different industry verticals



STANDARD BRANDED CONTENT

Standard Branded Content (non-360°) from each test brand for benchmarking



4 ADDITIONAL STRATEGIES

1. **Ad versions** (:30 version)
2. **Instructional cues**
3. **Contextual Theme**: 360° ad in front of content with similar theme/topic
4. **Contextual Format**: 360° ad in front of 360° content

MAJOR BRANDS ACROSS DIFFERENT INDUSTRY VERTICALS PARTICIPATED

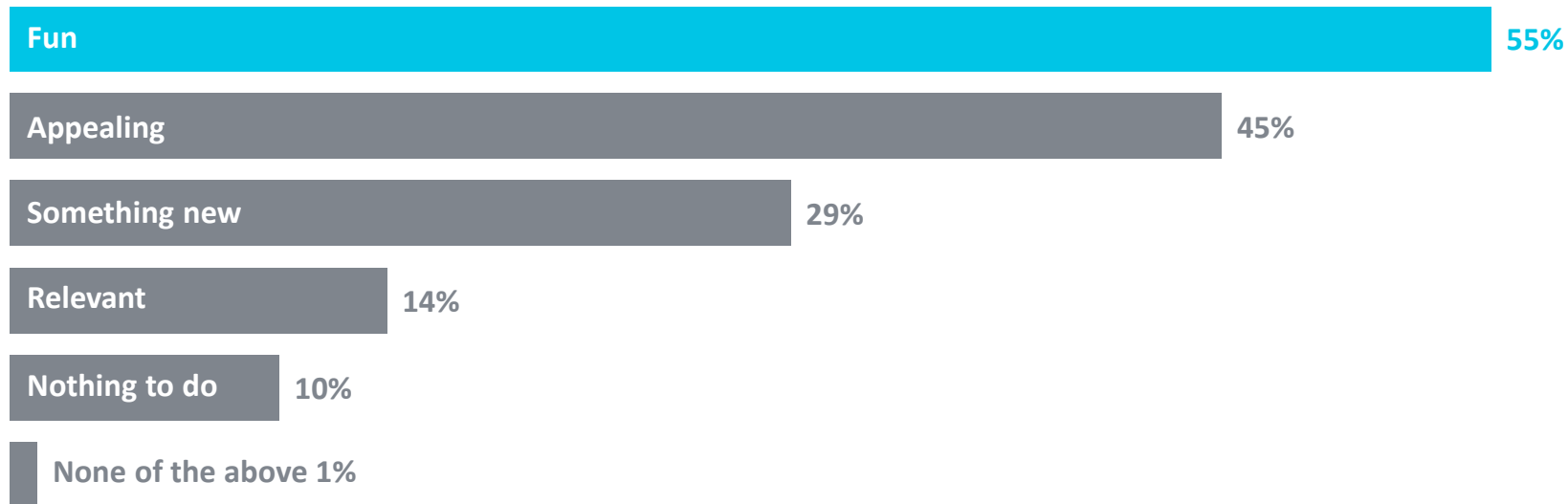




THE CONSUMER[°] POV

CONSUMERS ARE EXPECTING FUN WITH 360°

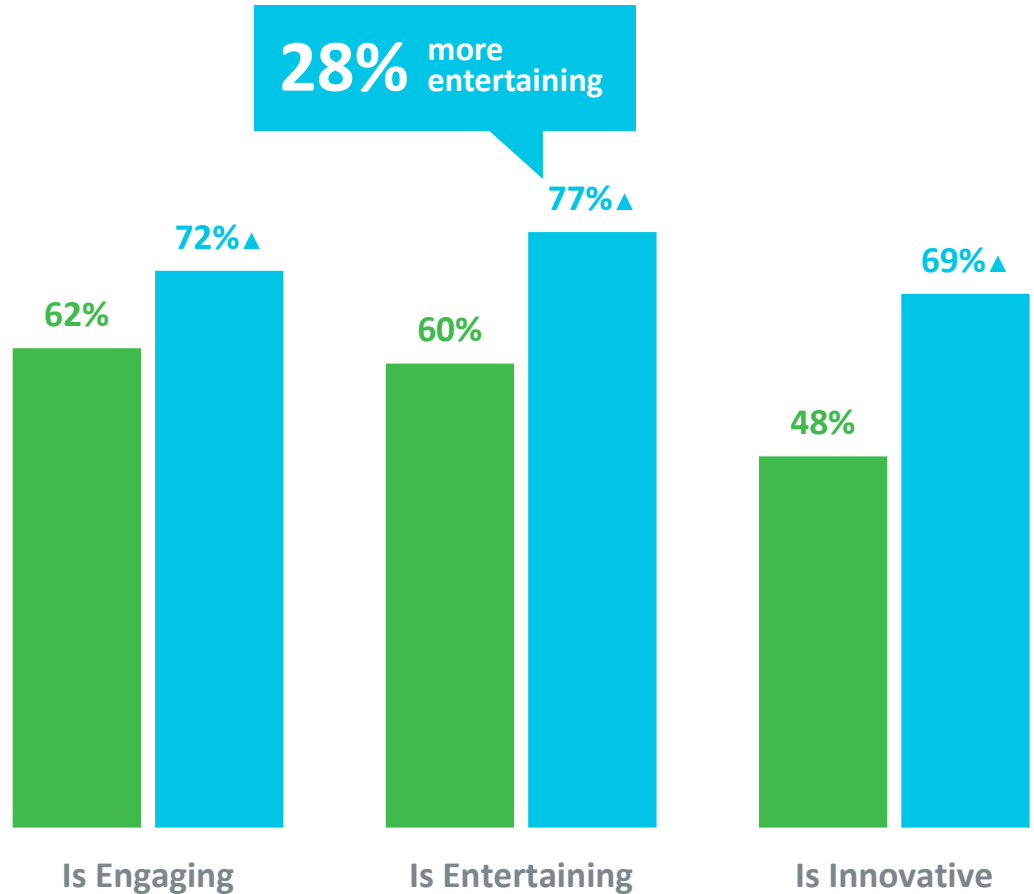
Reasons For Engaging With 360° Video



AND 360° VIDEO DELIVERS!

Opinions of Branded Content

- Standard Branded Content
- 360° Branded Content



CONSUMERS SAW 360° AS INNOVATIVE BECAUSE IT WAS ABLE TO SHOWCASE THE VERSATILITY OF THE BRAND

Innovation Feedback



**“IT SHOWED A LOT OF DIFFERENT
OPTIONS FOR THE CRUISE SHIP,
NOT THE SAME EVERYDAY STUFF”**

“EVERYTHING THAT IS OFFERED”

**“IT SHOWS NEW
AND EXCITING
THINGS TO DO
IN A CRUISE”**

**“IT SHOWS WHAT THEY
OFFER ABOVE OTHERS
WITH THE 360° VIEW”**

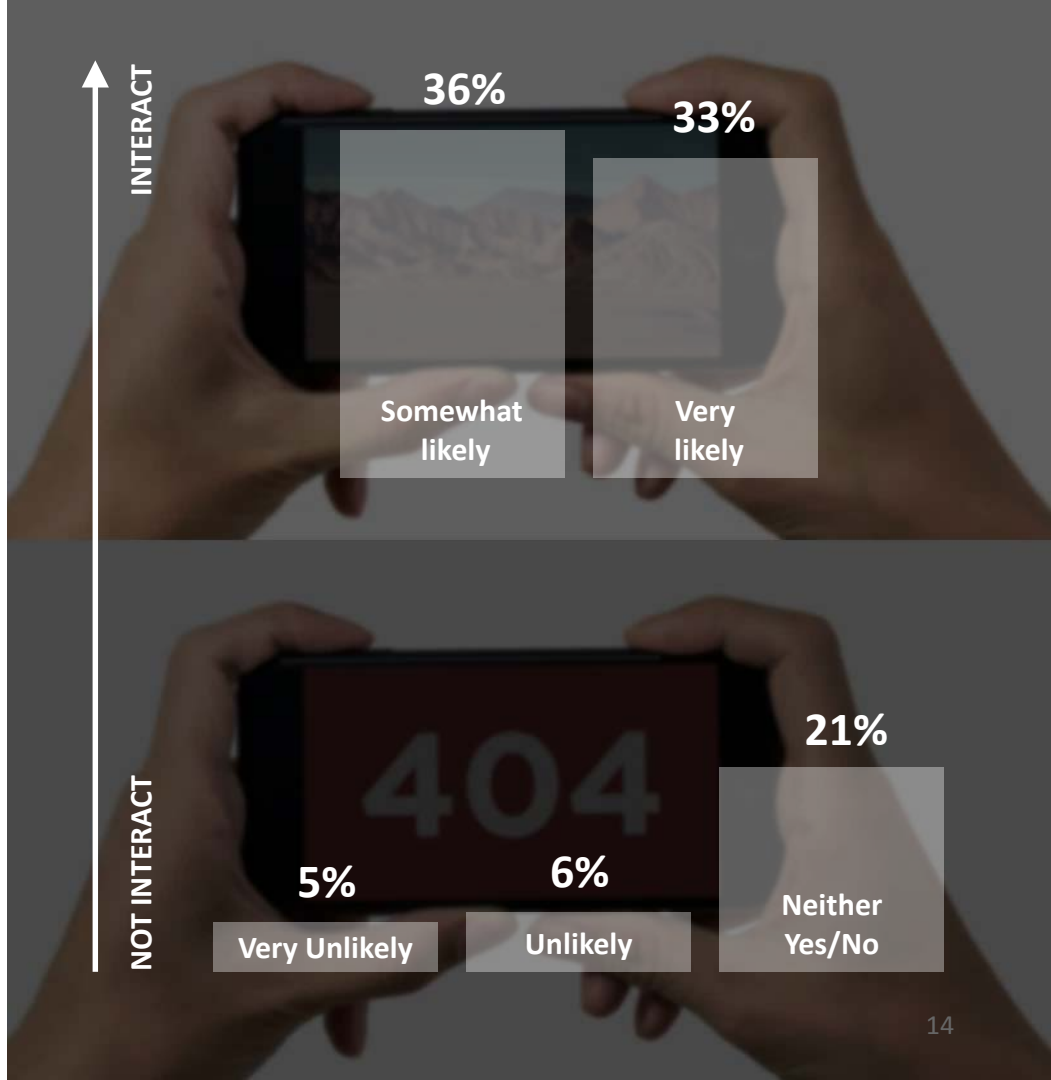
**“ABLE TO EXPERIENCE THE
DIFFERENT VIEWS AND FEELS
FROM THE POINT OF VEHICLE”**

THE IRON IS HOT.

CONSUMERS WELCOME 360°, EVEN FOR MARKETING PURPOSES

Intent to Interact with 360°

Q: How likely are you to interact with 360° video ads or content created by brands in the future?
Total 360° N=2,952

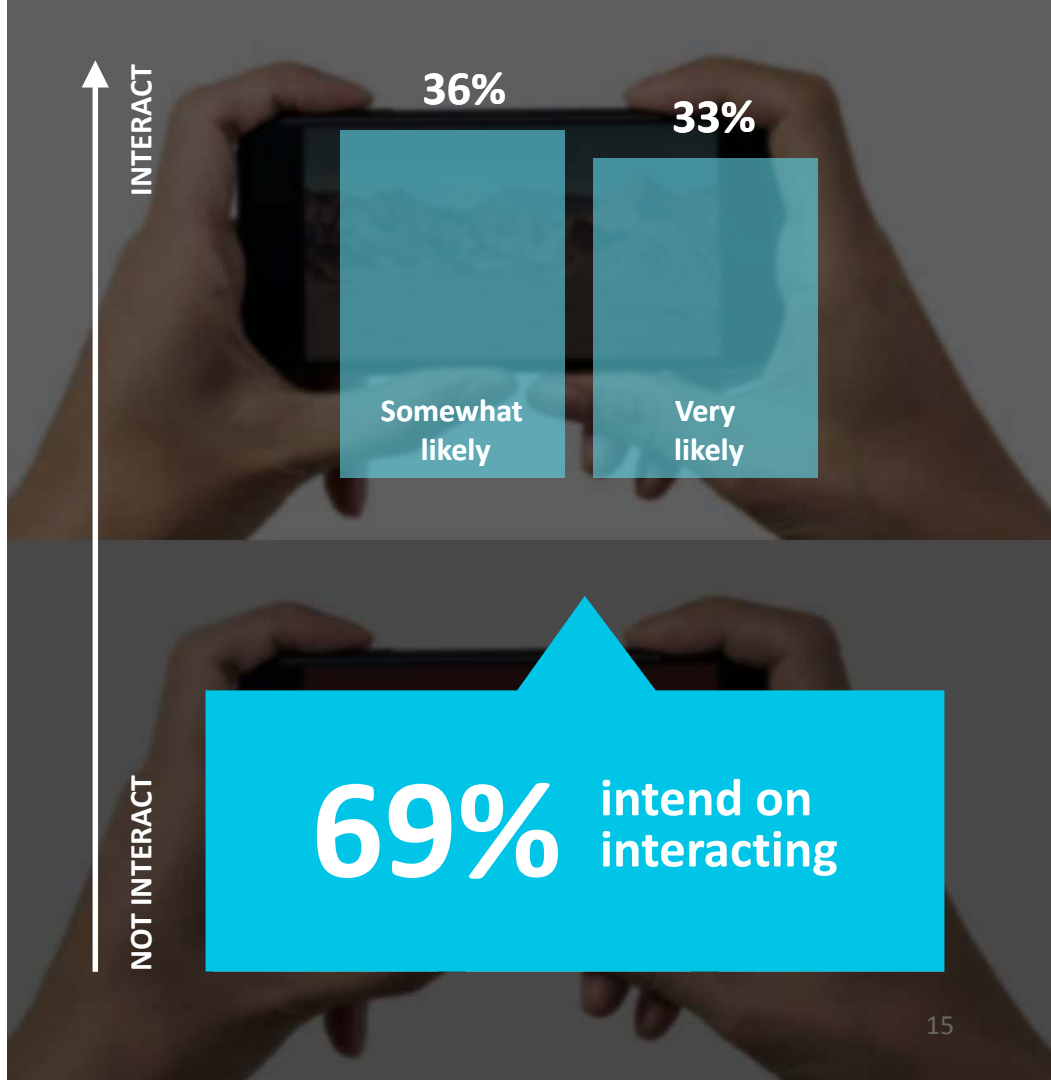


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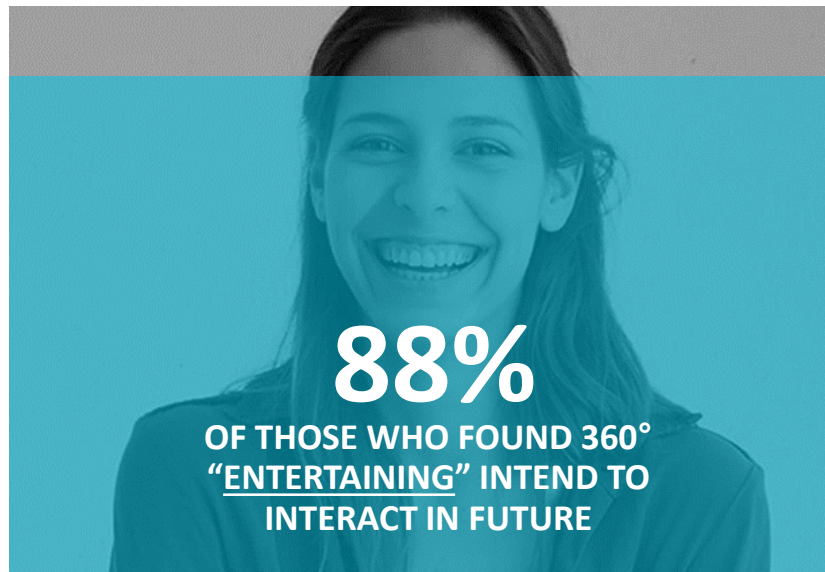
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GOOD EXPERIENCES BREED FUTURE ENGAGEMENT WITH 360° MARKETING

Intent to Interact with 360° in the Future



GOOD EXPERIENCES BREED FUTURE ENGAGEMENT WITH 360° MARKETING

Intent to Interact with 360° in the Future

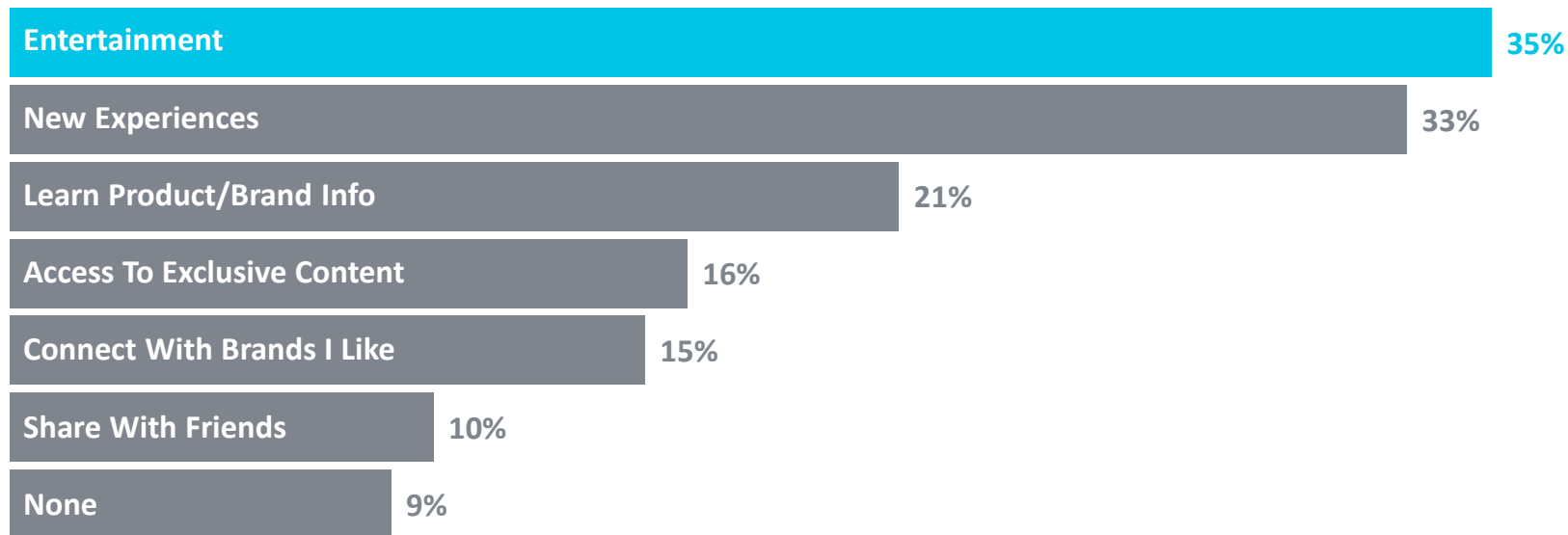
EVEN THOSE WHO DIDN'T
ENJOY OUR 360° VIDEO
WILL GIVE IT ANOTHER
SHOT IN THE FUTURE



54%
OF THOSE WHO FOUND 360°
"NOT ENTERTAINING" INTEND TO
INTERACT IN FUTURE

THEY CRAVE NEW EXPERIENCES AND ENTERTAINMENT

Reasons for Future Engagement with 360°

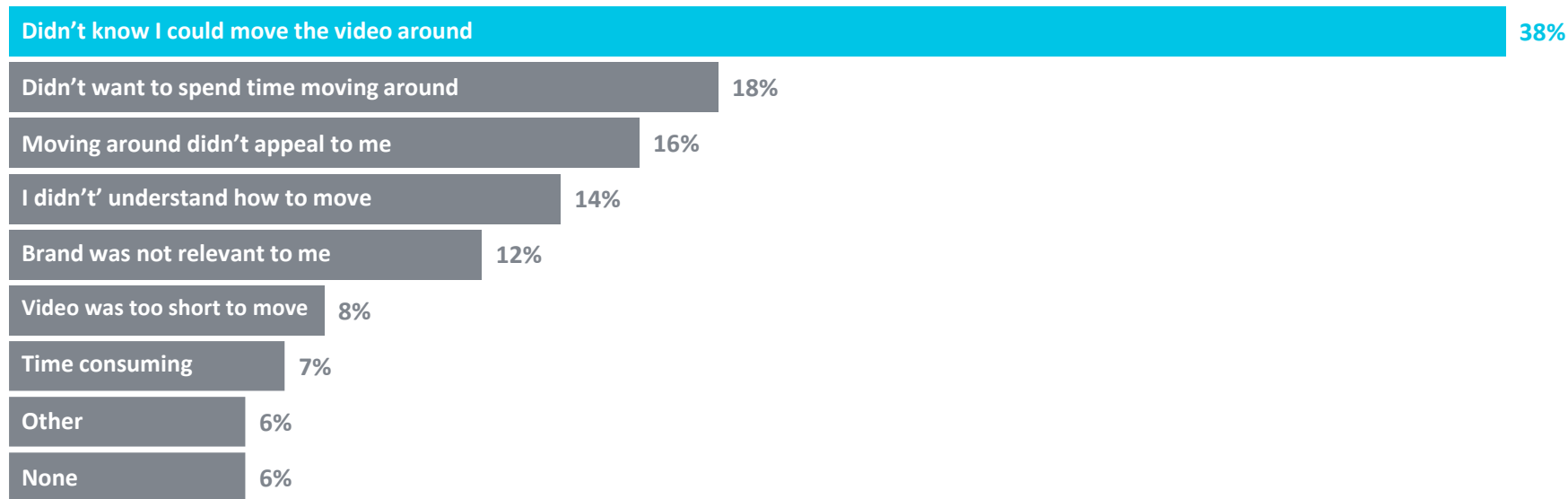


Q: Which of the following would be a reason for you to interact with 360° video ads or content created by brands in the future? (Please select all that apply)

Total 360° N=2,952

PRIMARY BARRIER FOR 360° IS SIMPLE LACK OF EDUCATION

Reasons for NOT Engaging with 360° Video

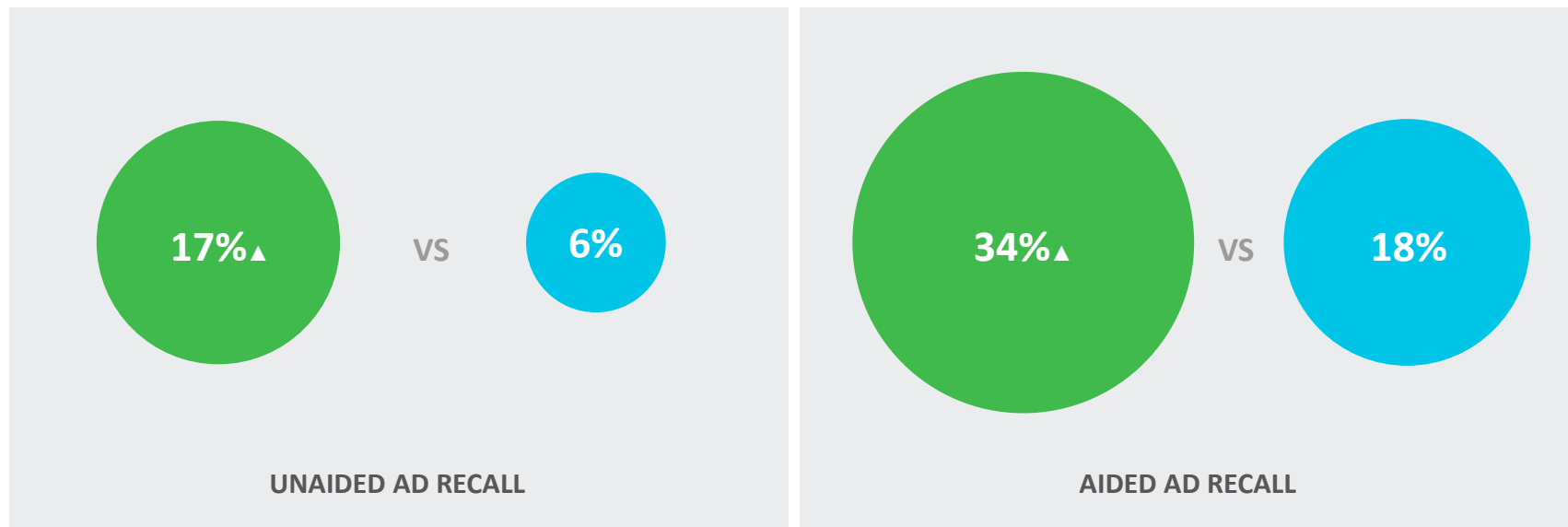


BRAND
CONNECTIONS:
**A MISSED^o
OPPORTUNITY**



360° VIDEO FAILED TO MAKE STRONG CONNECTIONS BETWEEN VIDEO & BRAND

AD RECALL - Impact of 360° Video ● Standard Branded Content ● 360° Branded Content



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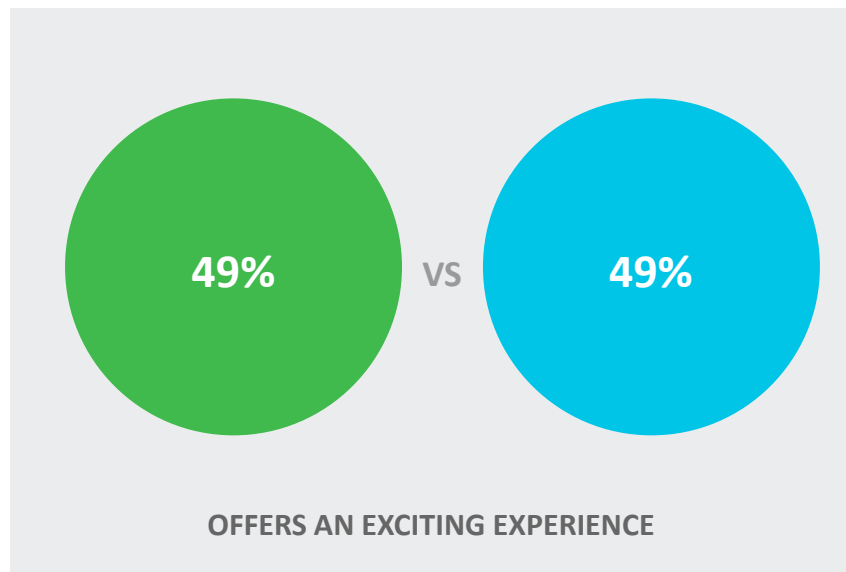
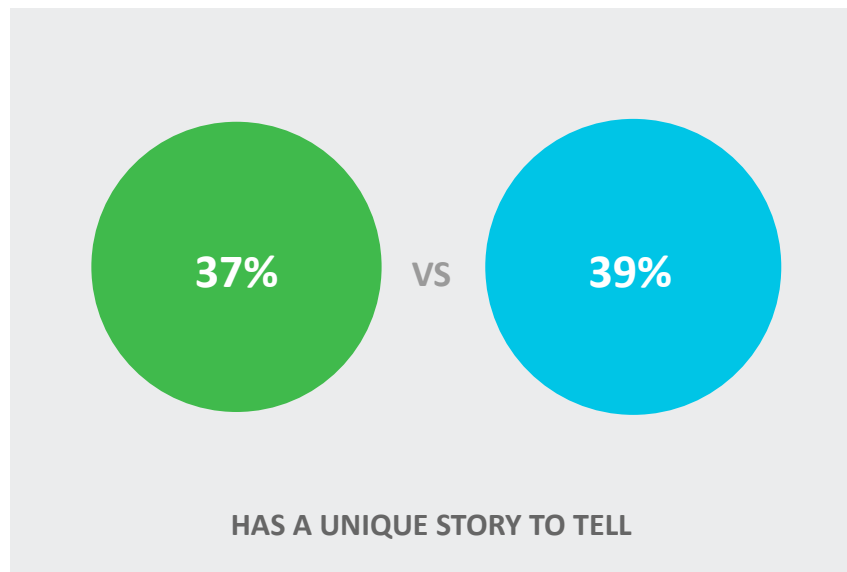


THEREFORE, BENEFITS OF 360° ARE NOT TRANSFERRED TO THE BRAND

BRAND ATTRIBUTES - Impact of 360° Video

● Standard Branded Content

● 360° Branded Content



WHEN THE CONNECTION BETWEEN BRAND AND CONTENT IS MADE, BRANDS REAP THE BENEFITS OF 360°

PERSUASION METRICS - Impact of 360° Among Those Who Recalled Brand

● Standard Branded Content ● 360° Branded Content



NEW TECH
IS NOT°
FOR ALL



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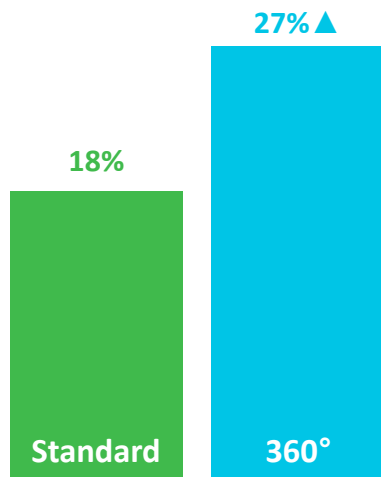
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RHYTHMONE

SOME FOUND 360° OVERWHELMING...

Opinions of Branded Content
"IS OVERWHELMING"



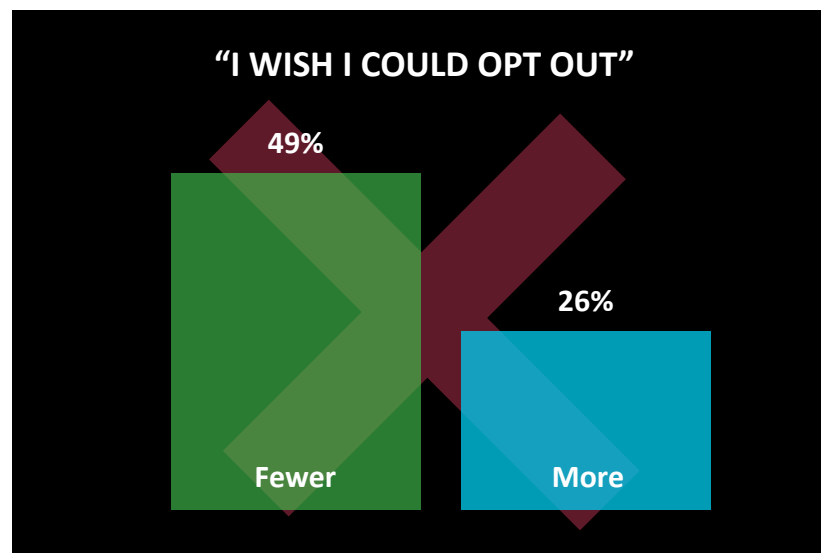
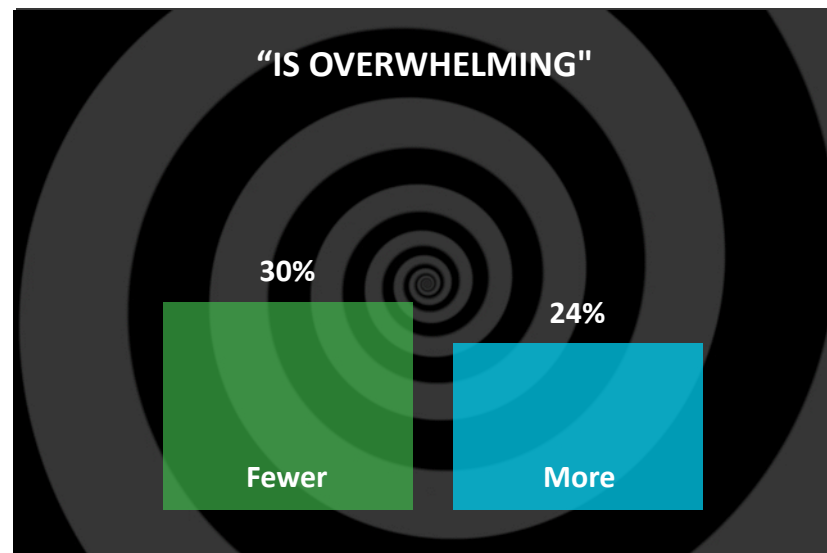
Standard BC N=139;
360° BC N=79
▲ Statistically
significant difference
at >=90% confidence



THOSE WHO DON'T OWN AS MANY DEVICES WERE SOMEWHAT WARY

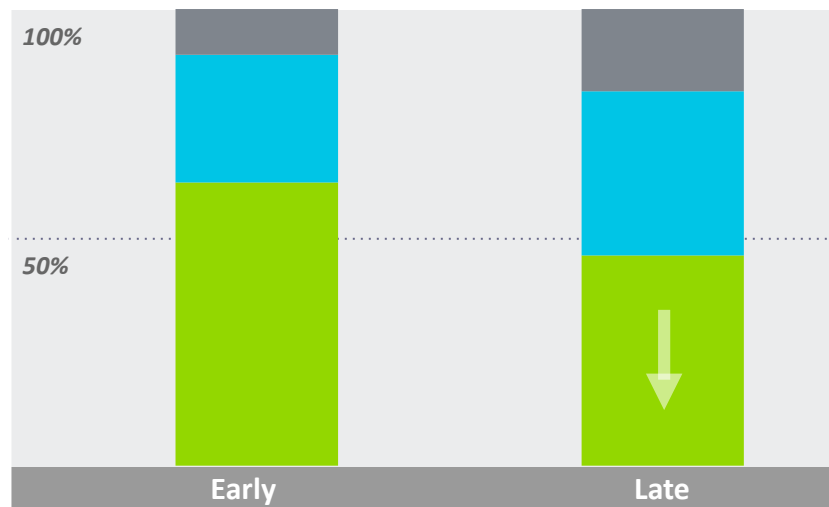
BY # OF DEVICES - Opinions of 360° Branded Content

● Fewer Than Avg. Devices ● More Than Avg. Devices

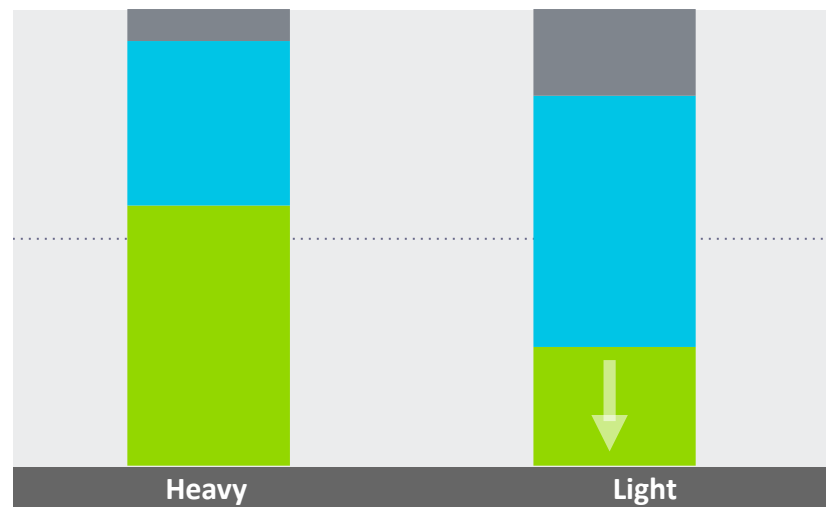


LESS TECH SAVVY CONSUMERS NOT AS LIKELY TO ENGAGE WITH 360°

Engaged with 360°? ■ Yes ■ No ■ Not Sure



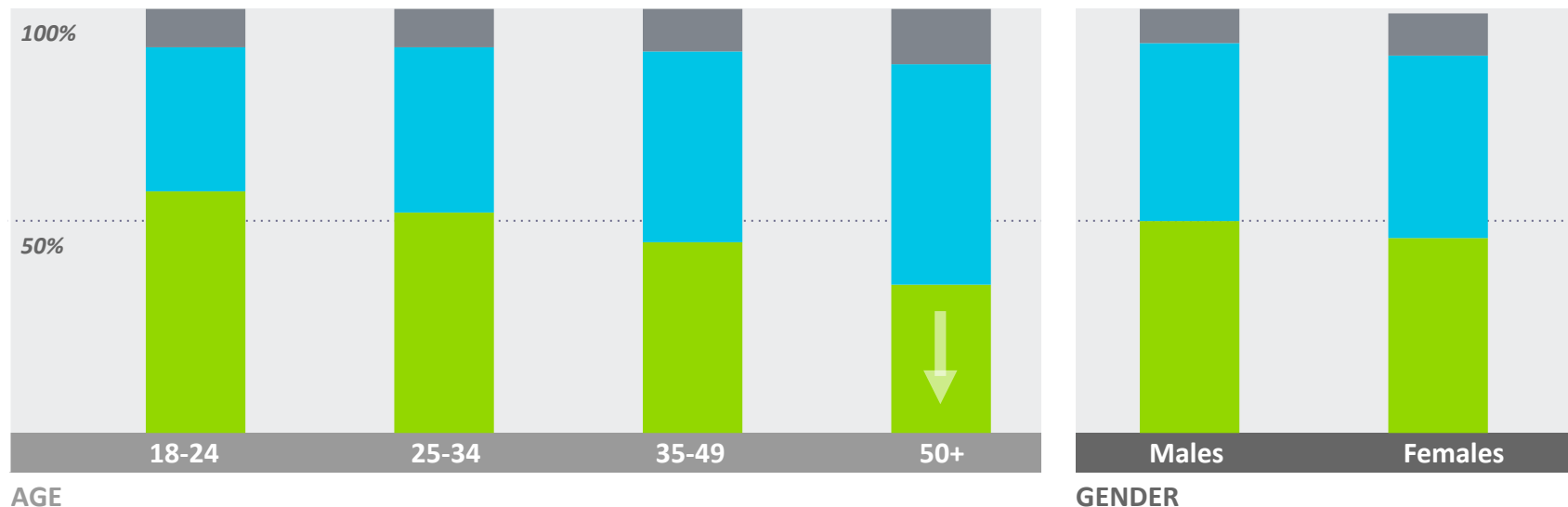
EARLY VS. LATE TECH ADOPTION



YOUTUBE VIDEO CONSUMPTION

AGE IS AN INDICATOR OF ENGAGEMENT WITH 360°, BUT GENDER IS NOT

Engaged with 360°? ■ Yes ■ No ■ Not Sure

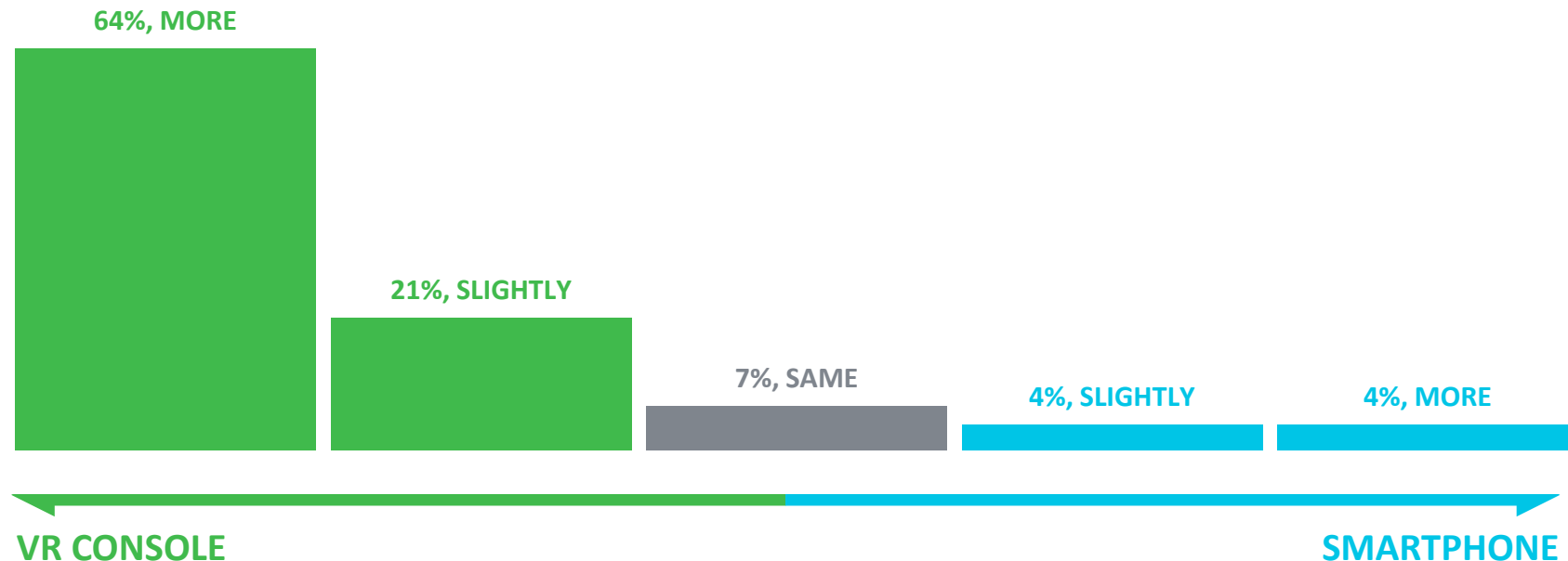




SMARTPHONE
**THE NEXT
BEST THING°**

NATURALLY, VR CONSOLE IS THE IDEAL CANVAS FOR 360° VIDEO

WHICH IS MORE ENGAGING – Opinions of VR Experience



Q: Thinking back to the last time you used your VR console, how does your VR console experience compare to your 360° video experience on a smartphone?

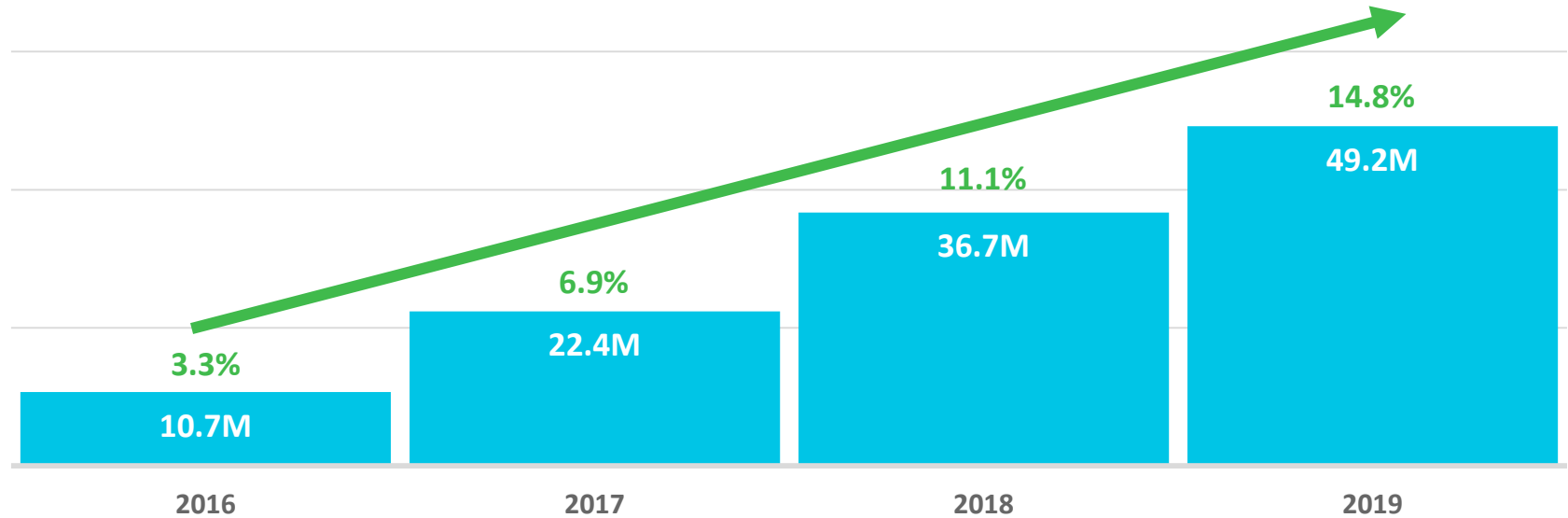
VR Device Owners N=112

BUT, REACH OF VR CONSOLE IS STILL LOW

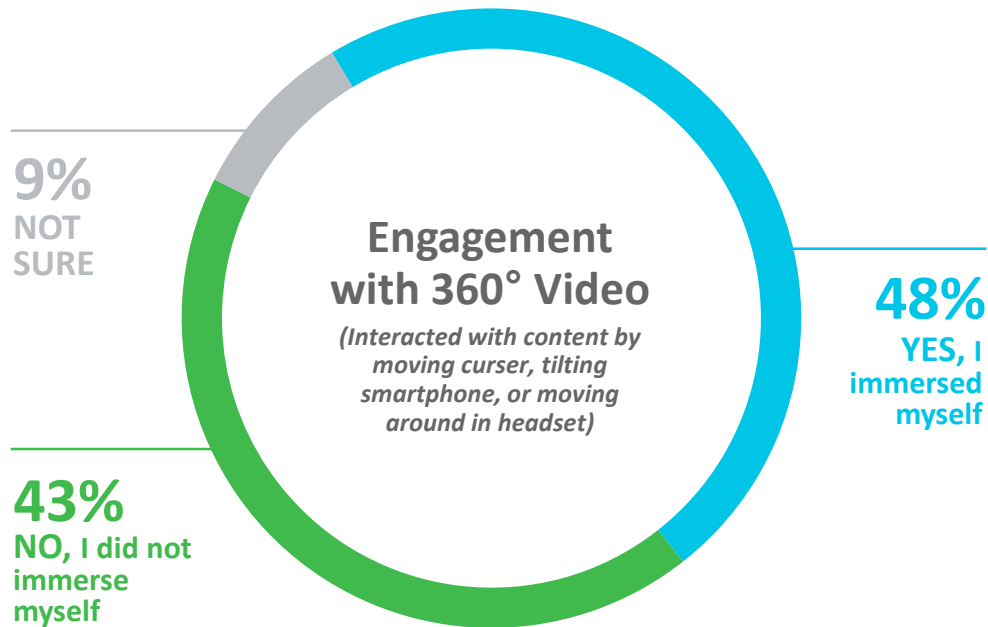
VIRTUAL REALITY USERS – US, 2016-2019

■ Millions

— % of Population



360° SMARTPHONE IS THE NEXT BEST THING TO VR IN-HEADSET, WITH MUCH HIGHER ENGAGEMENT RATES THAN PC



% BY DEVICE

Yes No Don't know

VR In-Headset (smartphone enabled)



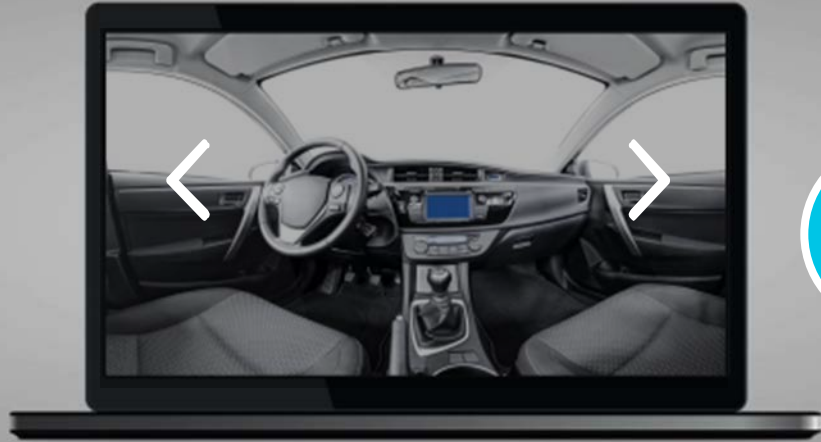
Smartphone



PC



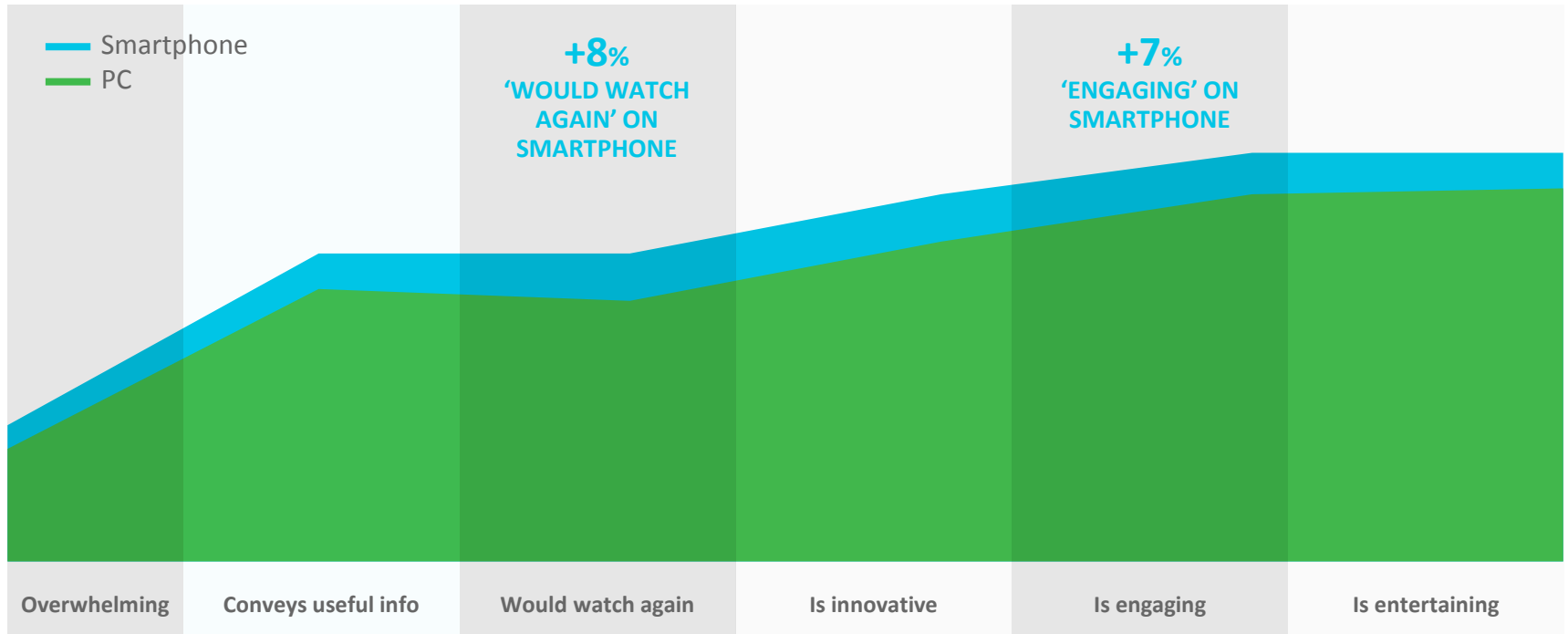
DRASTICALLY DIFFERENT USER EXPERIENCE BY DEVICE



VS



MORE OVERWHELMING, BUT SMARTPHONE OFFERS A BETTER 360° EXPERIENCE OVERALL



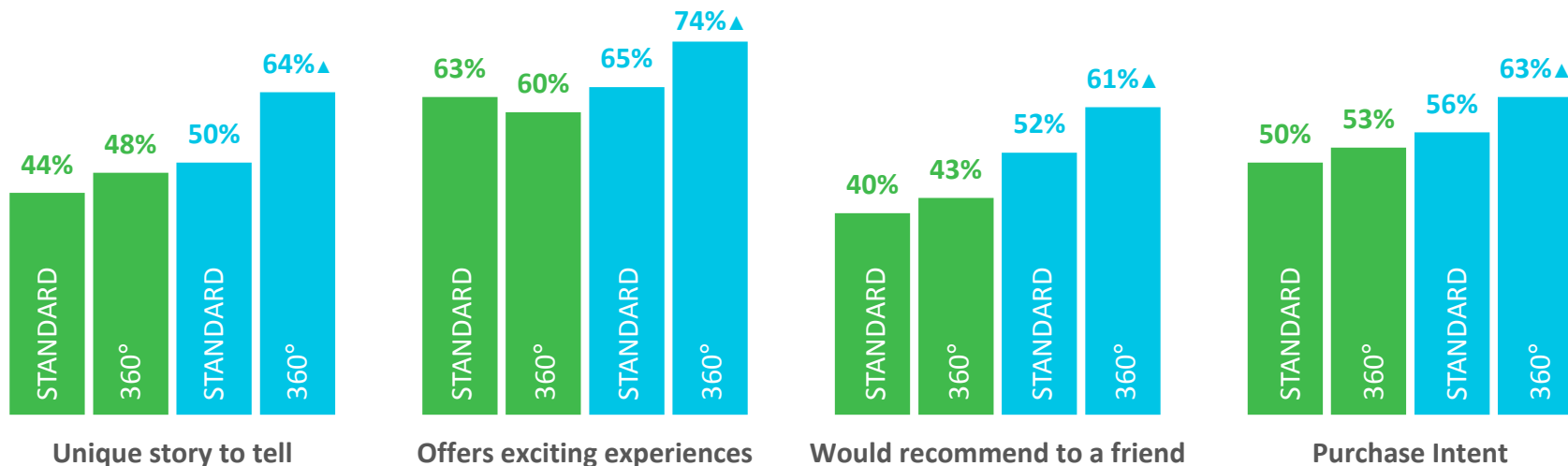
A person wearing a red jacket and a white knit hat is seen from behind, looking out over a busy city street, likely Times Square in New York City. The background is filled with tall buildings, billboards, and other pedestrians, creating a vibrant urban scene.

YOUR BRAND IN 360° A HOW TO

MORE IMMERSIVE USER EXPERIENCE ON SMARTPHONE PAYS OFF FOR BRANDS

PERSUASION METRICS - Impact by Device Among Those Who Recalled Brand

■ PC ■ Smartphone

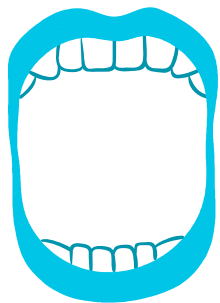


PC Standard n=139; PC 360° n=93; Smartphone Standard n=150; Smartphone 360° n=84

▲ Statistically significant difference at >=90% confidence between Standard and 360°

IN GENERAL, SOME HAD A DISAPPOINTING EXPERIENCE DUE TO LACK OF EDUCATION

Consumer Feedback



**“NEEDS TO MAKE 360° VIDEO
CONTENT MORE OBVIOUS IF
YOU WANT ME TO WATCH”**

**“I DISLIKE NOT KNOWING
ABOUT HOW TO MANIPULATE
THE VIDEO TO ENJOY THE
EXPERIENCE”**

**“IT WASN'T CLEAR WHAT TO
DO TO GET THE 360° VIEW”**

EDUCATING CONSUMERS ON 360° WITH THE USE OF INSTRUCTIONAL CUES HELPS THEM EXPERIENCE THE FULL POTENTIAL OF THE TECHNOLOGY

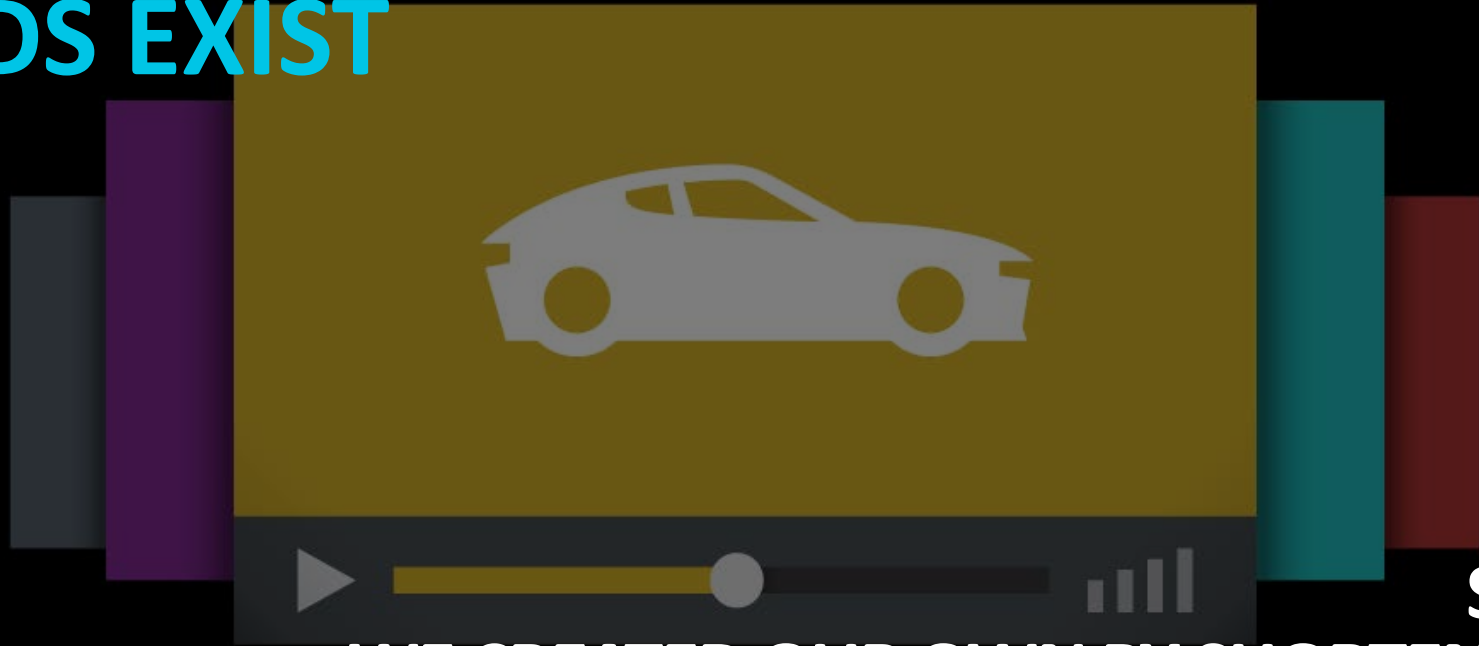
Impact of Instructional Cues ■ Instructional Cue ■ No Instructional Cue



Instructional Cues: n=133; Without Instructional Cues: n=135

▲Statistically significant difference at >=90% confidence

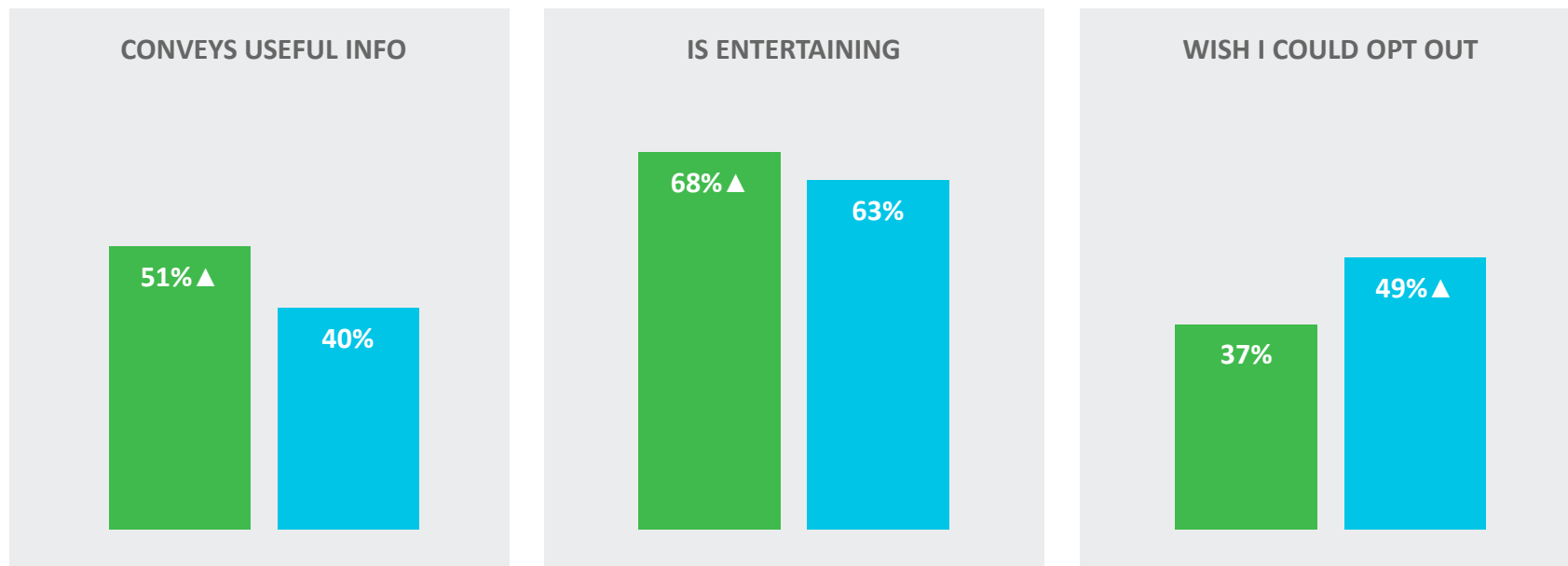
**FEW 360°
ADS EXIST**



**SO...
WE CREATED OUR OWN BY SHORTENING
TO :30 AND ADDING BRANDING**

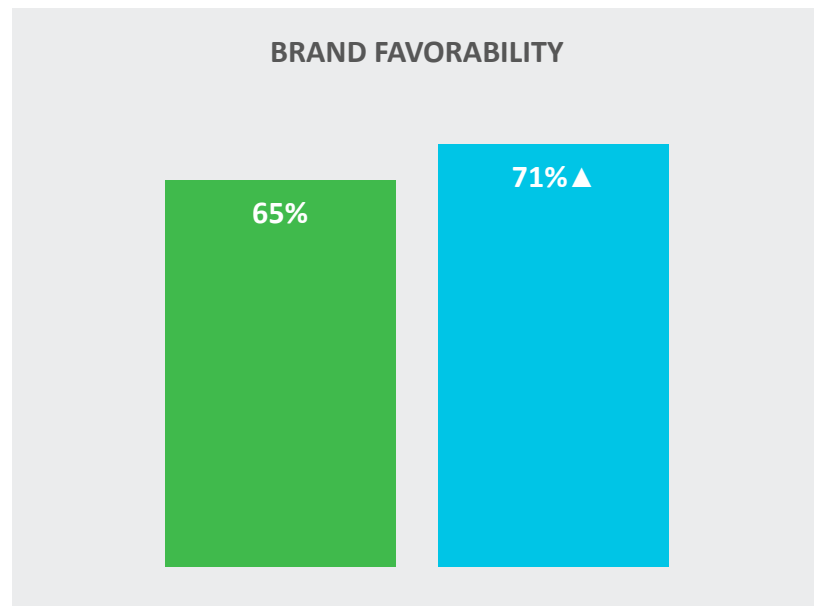
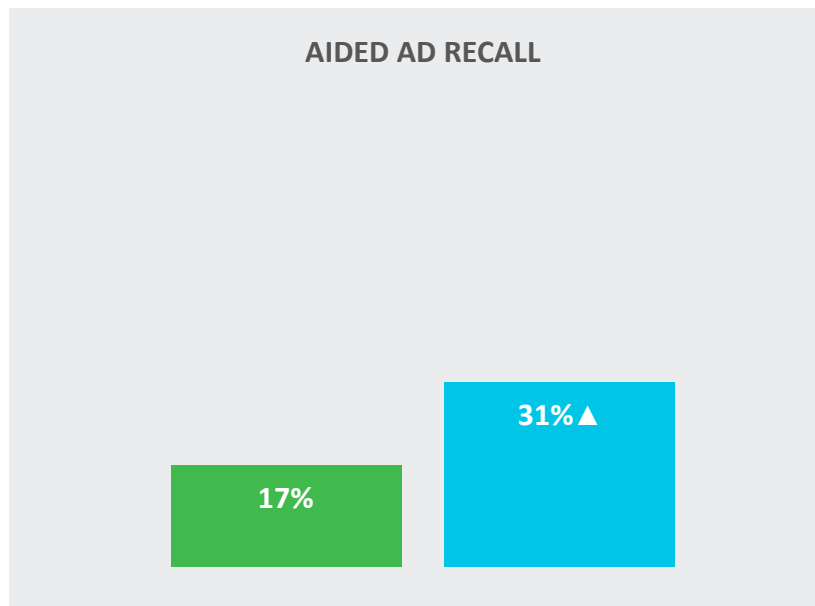
AS ALWAYS, PEOPLE LIKE BRANDED CONTENT BETTER THAN TRADITIONAL ADS, EVEN WITH 360°

VIDEO OPINIONS - Impact of 360° Video Type ■ 360° Branded Content ■ 360° Ad

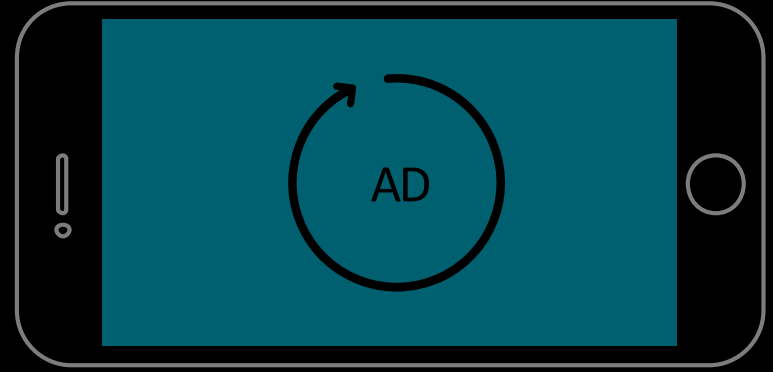
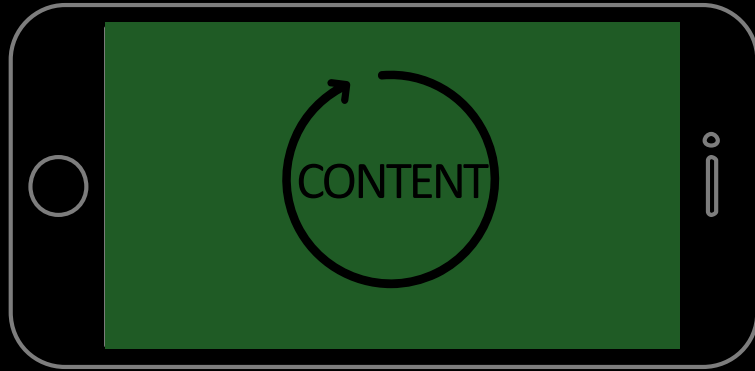


HOWEVER, STRONGER BRANDING GAVE ADS A LEG UP DESPITE SHORTER LENGTH

BRAND METRICS - Impact of 360° Video Type ■ 360° Branded Content ■ 360° Ad



WE WONDERED ABOUT THE HOLISTIC VIDEO EXPERIENCE



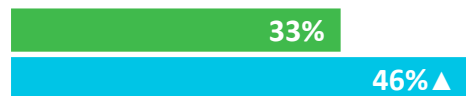
SO...
WE TESTED 360°
ADS IN FRONT OF
360° CONTENT

360° ADS ARE BETTER RECEIVED WHEN CONSUMERS ARE ALREADY IN THE MINDSET FOR 360° CONTENT

Impact of 360° Content Pairing ■ Standard Content ■ 360° Content

AD OPINIONS

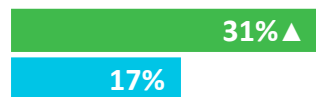
Relevant to the video that followed it



Is engaging



Is intrusive



BRAND OPINIONS

Brand offers exciting experiences



Brand that is relevant to me



OUR FINDINGS

1

Consumers are eager to experience 360°, even if created by brands. However, they have high expectations for fun and excitement

2

Early tech adopters are most likely to engage with and enjoy 360° video

3

Given the investment required for 360° video, following best practices is particularly important

THE IMPLICATION

Brands should be leveraging 360° video for marketing while the novelty is strongest. BUT, they need to deliver in order to live up to consumer expectations



360° video makes the most sense for brands targeting younger and more tech savvy consumers



BEST PRACTICES

- Prioritize smartphone, which offers a superior canvas for 360° compared to PC
- Including instructional cues while 360° is still new will provide a better user experience
- When available, running next to 360° content is a good idea
- Branding is crucial!