idomoo

2023

State of Video Technology Report

Consumer Trends in Digital Comms

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Introduction

Brands aren't giving customers what they want.

Keeping up with consumer communication preferences is a constantly moving target. Consumers are inundated with digital messages, making it increasingly difficult for businesses to capture their attention.

Our findings in this study show that video is one of the most effective ways to communicate with and influence customers. This research explores both consumer preferences regarding video and quantifies the impact of video in its various forms as a digital communication tool.

Idomoo conducted a survey of 2,009 consumers in the U.S. and U.K. revealing that a sweeping majority of consumers like receiving video communications from brands (when they get them) and want more in the future.

Despite this, video is still severely underutilized by brands as a communications tool, validating the findings from last year's market study.

Based on survey responses, we found that video is most powerful when personalized, promoting positive feelings towards brands such as trust, loyalty and purchase intent and also creating buzz through word of mouth.

This is most noticeable among high-value consumers such as younger and higher income demographics.

> **Video, especially advanced video tech, is in highest demand among younger consumers and high earners.**

As with all technology, video communications are changing. Not only are they personalized, but they can be interactive or customizable by the user or even generated via AI. As the data shows, these advancements are piquing consumer interest, especially among the high-value demographics noted above.

Brands will need to adapt to this growing demand for advanced video content if they wish to communicate effectively with current and potential customers.

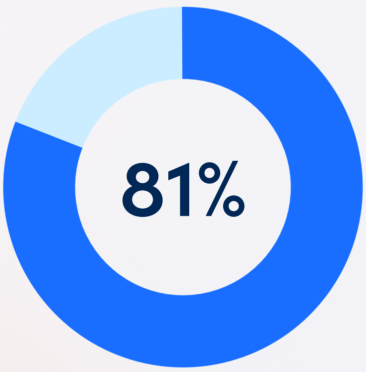
A Missed Opportunity

There's a "video gap" when it comes to customer communications.

It's no secret that people like video, but it's also a preferred form of communications between consumers and brands. At least, it is if you ask consumers. More than 8 out of 10 want the brands communicating with them to use video more often.

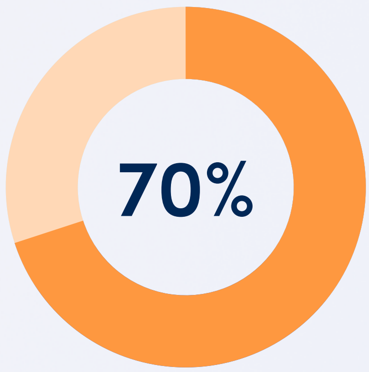
However, a majority of those surveyed report they infrequently, if ever, receive video comms from businesses they have a relationship with. This represents a major opportunity for brands — relatively low-hanging fruit for those looking to boost engagement in a big way.

Consumers Want More Video...



of respondents want brands who communicate with them to use video more

But Brands Aren't Delivering



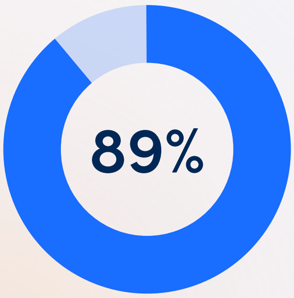
of respondents say they rarely or never receive video from brands

This situation is changing, but far too slowly to come close to meeting consumer demand.

In 2022, **74%** of consumers said they rarely or never received video from brands, a percentage that dropped only 4 points in 2023. There's still massive room for improvement.

This is especially true when you consider that some of the highest value consumer demographics want video the most.

> **Younger consumers and high earners are the most interested in receiving videos from brands.**



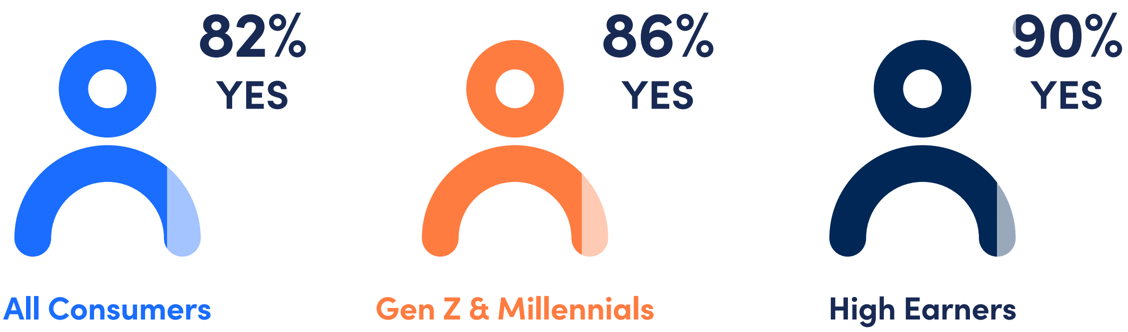
of younger and high earning consumers want more video from brands

Younger consumers and high earners are also more likely to want more video from brands. While **81%** of all consumers want more video, that percentage rises to **89%** for both of these high-value demographics.

This includes high-income earners and younger consumers (Gen Z and millennials), two key demographics identified in last year's study as having similar digital communications preferences, especially regarding video technology.

Not surprisingly, when people do get video communications, they're happy about it. Of those lucky enough to receive video from brands, **82%** say they like it. As before, this trend is strongest among younger and more affluent consumers.

Consumers Who Like Receiving Video From Brands



Respondents included only those who already receive video from brands.

Personalized Video

Data-driven video consistently outperforms generic video.

If not using video presents a missed opportunity for brands in their digital comms strategy, not using personalized video is an even greater oversight.

Personalized video consistently outperforms regular, non-personalized video across every metric measured. This includes making consumers feel valued, promoting brand loyalty, building trust and making the consumer more likely to buy from and recommend the brand.

What Is Personalized Video?

Personalized Video Compared to Generic Video

4.4x
more likely to make a customer feel valued by a brand

3.5x
more likely to make a customer recommend the brand

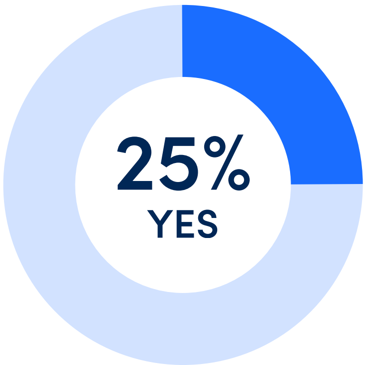
3.8x
more likely to increase loyalty and brand trust

3x
easier to understand

This reinforces findings from last year. Year over year data for likelihood to recommend the brand, ease of understanding and the customer feeling valued show personalized video remained just as effective in these themes. And it scored even higher this year when it comes to loyalty and brand trust.

Yet personalized video, despite delivering better results than generic video, is used by brands even less. This is most noticeable in the U.K., where only **22%** of the consumer population have ever received a personalized video from a brand. This is still better than last year, when only **13%** had received one.

Have You Ever Received a Personalized Video From a Brand?



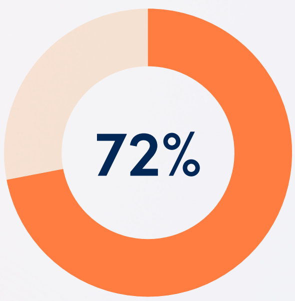
	U.S.	U.K.
YES	29%	22%
NO	71%	78%

After consumers were shown an example of what personalized video is, most consumers said they were interested in receiving this kind of video from brands.

This preference is fairly evenly split among both countries surveyed, with Americans being slightly more interested in personalized video. However, when ranking their interest on a scale of 1-5, younger consumers and high-income earners expressed the highest levels of interest.

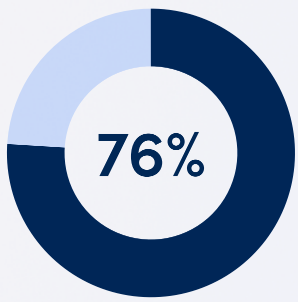
Consumers are
3.5x
more likely
to express high levels of interest in receiving personalized video.

Gen Z & Millennials



express **high levels of interest** in receiving personalized video.

High Earners



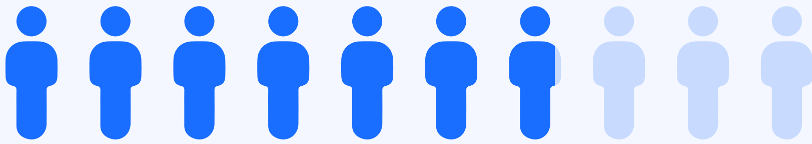
express **high levels of interest** in receiving personalized video.

A WORD ABOUT DATA

Most consumers are happy to share data with brands they trust to enable a more personalized experience. Improving brand trust (as personalized video does) can increase confidence in sharing data.

Almost 7 out of 10 consumers

(68%) trust businesses to keep their data secure.



The majority of consumers also say they want more personalized communication from brands, with younger and high-income consumers the most interested.

61%

All Consumers

66%

Gen Z & Millennials

74%

High Earners

Brands can integrate personalization into their video content strategy to level-up their digital communications. Findings showcase the positive influence of data-driven video on consumers, from fostering a stronger sense of trust to building brand affinity.

Further, data suggests receiving personalized videos makes an impression with consumers long after the video is done playing and can improve their likelihood to purchase and increase brand awareness through word-of-mouth recommendations in the future.

MAKE IT OMNICHANNEL

While people want video and personalized communications, they want it on their terms, meaning it should be easily accessible across devices and channels.

Making content easy to access across channels was the

No. 1 request

for personalized communications by respondents who said they receive such brand communications. (Their second request? To make it more visual.)

Although email is still the most preferred brand communications channel to receive content (text, images, GIFs or video), it's falling off. **Compared to 2022, consumers were**

17% less likely

to rank email as their favorite channel in 2023.

The data also shows consumers appreciate high quality video from brands. They're exposed to high quality content on a regular basis — and below-the-line digital video comms that brands send to their customers shouldn't be any different.

Respondents were shown two kinds of personalized videos for the same use case — one a live-action video with a markedly higher production value and the other a simpler animated video. Viewers ranked the video with higher production value as more likely to make them buy from, recommend and feel valued by the brand.

Consumers are over

2x

more likely

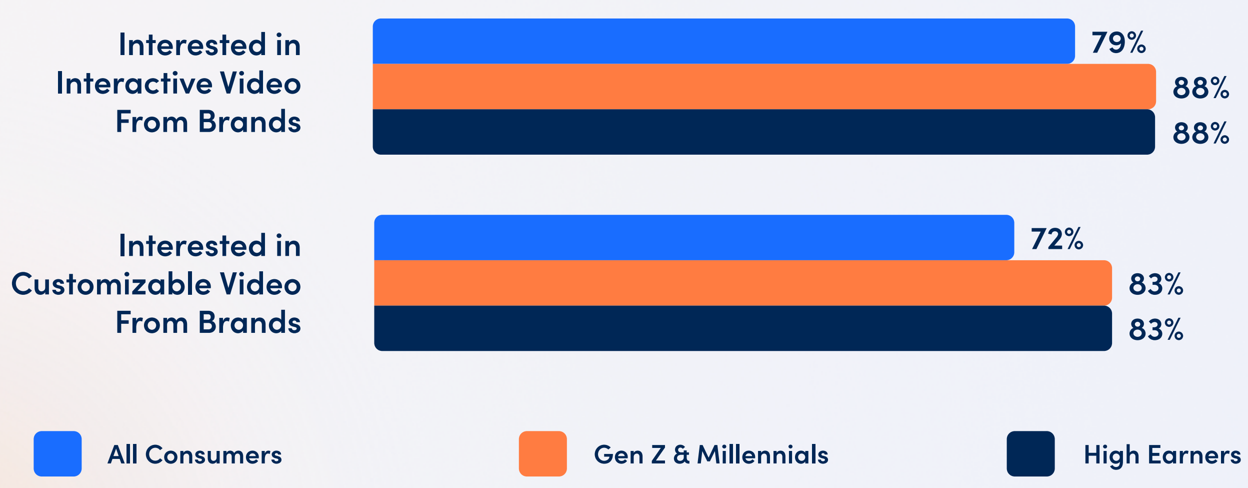
to prefer the style of high quality personalized videos.

Video Innovation

The latest tech draws the most interest from high earners and younger consumers.

Innovative video technologies are powerful new tools brands can integrate into their marketing playbook.

This goes beyond personalized video, involving interactivity, user customization in the player and generative AI. While many consumers are eager to see advanced video tech added to the digital communications they receive, young and high-income consumers are particularly interested.



Interest in the newest video technology, incorporating artificial intelligence (AI), spikes highest among the young and affluent.

Gen Z and millennials were **49%** more likely to be interested in AI-generated video compared to other age groups. Meanwhile, high-income earners were **29%** more likely to be interested in AI-generated video compared to other income brackets.

This suggests that AI may be the next wave in video innovation. In 2022, younger and higher income consumers were much more interested in interactivity and user customization than the general population. Now, the data shows that other demographics have "caught up" with these early adopters in their preference for both video interactivity and customization.

> **Younger consumers and high earners were more likely to be interested in AI video.**

According to survey responses, this interest in advanced video communications has practical applications for businesses since it influences consumer behavior. This includes being more likely to engage with brand content and purchase the brand's products or services.

Gen Z & Millennials

53%
more likely
to engage with a brand's content if they use innovative video tech.

63%
more likely
to buy from a brand that uses innovative video tech.

Compared to older demographics

High-Income Earners

26%
more likely
to engage with a brand's content if they use innovative video tech.

67%
more likely
to buy from a brand that uses innovative video tech.

Compared to other income brackets

U.S. consumers also demonstrated higher levels of interest in every kind of innovative video tech included in the survey compared to consumers living in the U.K.

Consumers Interested in Interactive Video

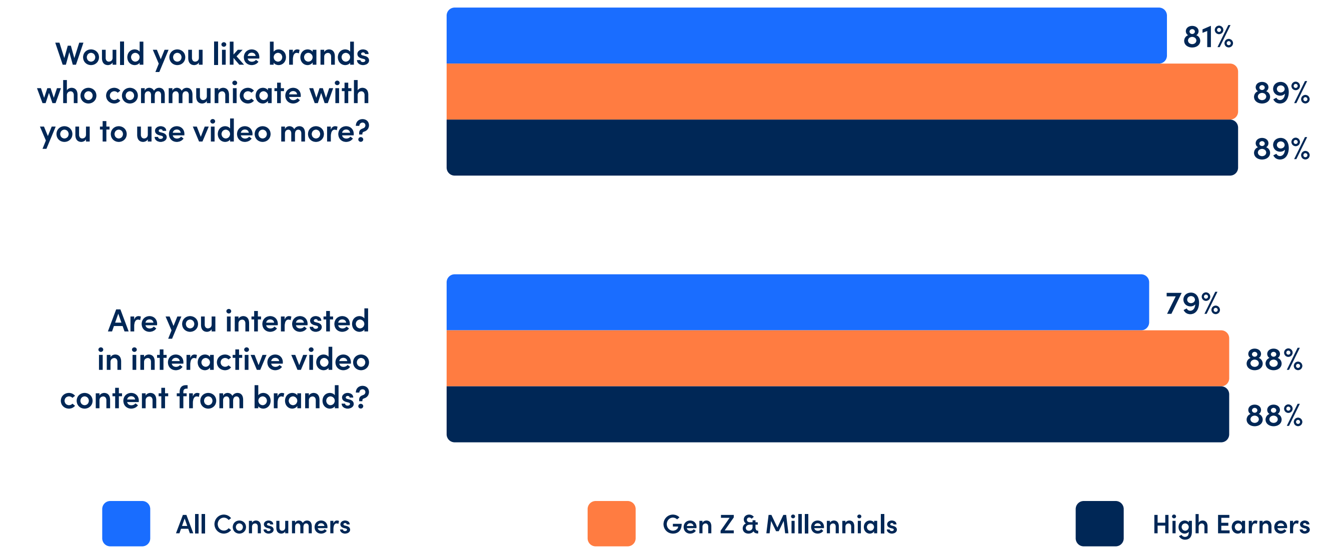
For example, **83%** of consumers in the U.S. show an interest in interactive video content from brands while only **76%** of consumers in the U.K. say the same.

The Young and the Rich

Early adopter segments are again leading the way with the demand for video innovation.

Younger and more affluent consumers were the two demographics identified in 2022 as valuing video communications from brands more than the general public.

Again this year, survey data showed both of these demographics are more likely to be interested in video technology as a whole. This includes generic video and personalized video as well as video with advanced capabilities like interactivity and user customization. These consumer segments were also more likely to trust brands with their data to enable personalization.



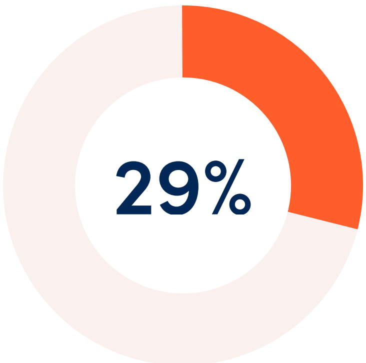
Both early adopter cohorts showed an especially strong interest in the next wave of innovation: AI video. This may indicate that the desire for AI-generated video content will become more mainstream in future.

U.S. vs. U.K.

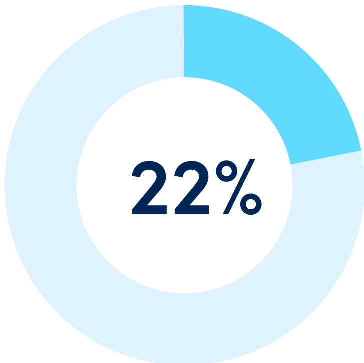
Americans receive and want more advanced video comms than their U.K. counterparts.

Consumers on both sides of the pond are keen to receive video content from brands. However, U.S. consumers show slightly higher levels of interest in video, including with personalization. For the latter, this may be due to the higher level of penetration of personalized video in the U.S. market.

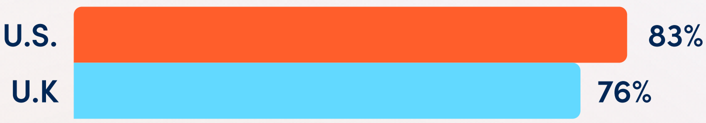
U.S. Consumers Who Have Received a Personalized Video



U.K. Consumers Who Have Received a Personalized Video



Consumers Interested in Interactive Video



Americans also showed higher interest in advanced video functionalities on the whole. This was consistent across interactive, user customizable and AI-generated video with the highest interest interactivity.

Innovative video tech also influenced these consumers in slightly different ways.

While consumers in both countries were almost equally interested in engaging with branded content when the business uses advanced video tech, Americans were more likely to see the brand as innovative and purchase its products or services.

U.S. consumers are

38%

more likely

than U.K. consumers to buy from a brand that uses innovative video tech.

Conclusion

There’s a huge opportunity for brands to engage customers through advanced video technologies.

Consumers don’t just expect video from brands. They want it to be personalized and high quality, and consumer trends are pointing toward the next generation of video tech with interactivity, customization and AI.

Companies that embrace these new and innovative technologies will have a stronger impact on potential and current customers’ brand perceptions and purchasing behaviors.

> **Personalized video content is especially powerful for brands looking to connect with consumers and drive loyalty in a more meaningful way.**

Data suggests communicating with customers via personalized video boosts brand affinity, increasing loyalty, trust, feelings of value and likelihood to recommend the brand.

As discovered in last year’s study, younger and high-income consumers are among the demographics most desiring and most influenced by personalized video. This year, they are again proving to be early adopters, forecasting what the general population of consumers will want next when it comes to video innovation.

Brands will need to be ready to adjust their digital communications strategies to meet these consumer preferences. To do this, they must explore tools and processes to embrace video innovation and personalization at scale, giving each customer the next-level digital experience they demand.

Sharing This Report

You are welcome to share data from this market study on your website as long as you provide a link to Idomoo in a prominent place alongside the statistics and findings shared.

Methodology

2,009 CONSUMERS

U.S. AND U.K.

APRIL 2023

Idomoo commissioned Atomik Research to conduct an online survey of 2,009 consumers in the U.S. and U.K. The sample consists of 1,005 U.S. adults and 1,004 U.K. adults. Demographic characteristics such as gender, age, region and household income are representative of each country's overall population. The margin of error is +/-2 percentage points with a confidence level of 95%. Fieldwork took place between April 2 and April 10, 2023.

High earner respondents are considered to be those with an annual income over $150,000 in the U.S. or over £75,000 in the U.K.

Consumers were shown various personalized videos created using Idomoo's Next Generation Video Platform to gain an understanding of this concept prior to being asked questions related to the survey topic. They were also shown a non-personalized video as a point of comparison.

About Idomoo

Idomoo's fully open Next Generation Video Platform combines data with video to deliver an unparalleled customer experience.

Brands can create millions of Personalized and Interactive Videos in cinematic quality and up to 100x real time. This 1:1 digital communication is proven effective, sparking 5x engagement and 8x conversions. Clients include global leaders like JP Morgan Chase, Google, Vodafone, Ubisoft, Oracle and others.

**For more information,
visit www.idomoo.com.**

About Atomik Research

Atomik Research, a division of 4media group, is a versatile market research agency offering insightful qualitative and quantitative findings that get people talking.

Their dedicated team includes experts with backgrounds in consumer research, behavioral profiling, business intelligence, communications, performance measurement and advanced data analytics.

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