

# Getting the best from your Investment in video

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## Getting the best from your investment in video

Normally the first question we receive from a potential new client wanting a video for their business is how much will it cost? However, at Tallboy, we feel the first question should be, what return or results do I want from this video?

ROI or return on investment is key in business. What you put in should generate profits several times your original cost. So for the Hollywood studio executives, the sign of a successful movie is not the glitz and glamor of Oscar night, it's about the ROI.

The average movie earns about four and a half times its original budget in global box office revenues – so around 450% ROI. That means that every £1 spent they will get £4.50 back on average. Of course, there are different ways of calculating the original budget and it may or may not include marketing. But anything less than 400% ROI gives Hollywood accountants' long, sad faces.

If you want to make a video for your business, the same rules apply. What is the return you want on your investment in making the film? If you are filming a conference, is it to use as a marketing tool to attract more people to next year's event? Is it to enhance your reputation? Is it to generate more customers? Is it to reassure your staff, making them feel valued and ensuring you retain your best people?



The cost of making a video can be seen as high, but not if viewed in the context of what you need it to do. As we've said before (and will say again) having video on your website significantly increases your ranking on Google – some say by about 80%. Calculate how having a video could lift you in the rankings, and in turn, estimate the potential increase in customers.

Thinking of the return you want shows the value of video – it's a business tool that generates profits, both in a monetary or reputational sense.

## Facts



Avatar won two Oscars and has made over \$2.7 billion worldwide. However, its ROI is 500% as it cost so much to make. Average in Hollywood terms.



The Matt Leblanc war-comedy "All The Queen's Men" is the movie with the worst ROI at -99.92% . That means it got back just 0.08% of the cost of making it. We haven't seen it either.



The most profitable film of all time (according to CNBC) is My Big Fat Greek Wedding. Because of massive worldwide popularity, marketing strategy and word of mouth appeal, its ROI was 6150%



ET, the Extra Terrestrial, comes second – but way behind with a ROI of 3172%





## Getting Return on Investment

Comcast recently released its 2014 4th Quarter Agency Forecast Survey. Fifty percent of respondents said “unsure” when asked about their confidence in getting good ROI from video ad purchases, and only 15% said they’re “very confident.”

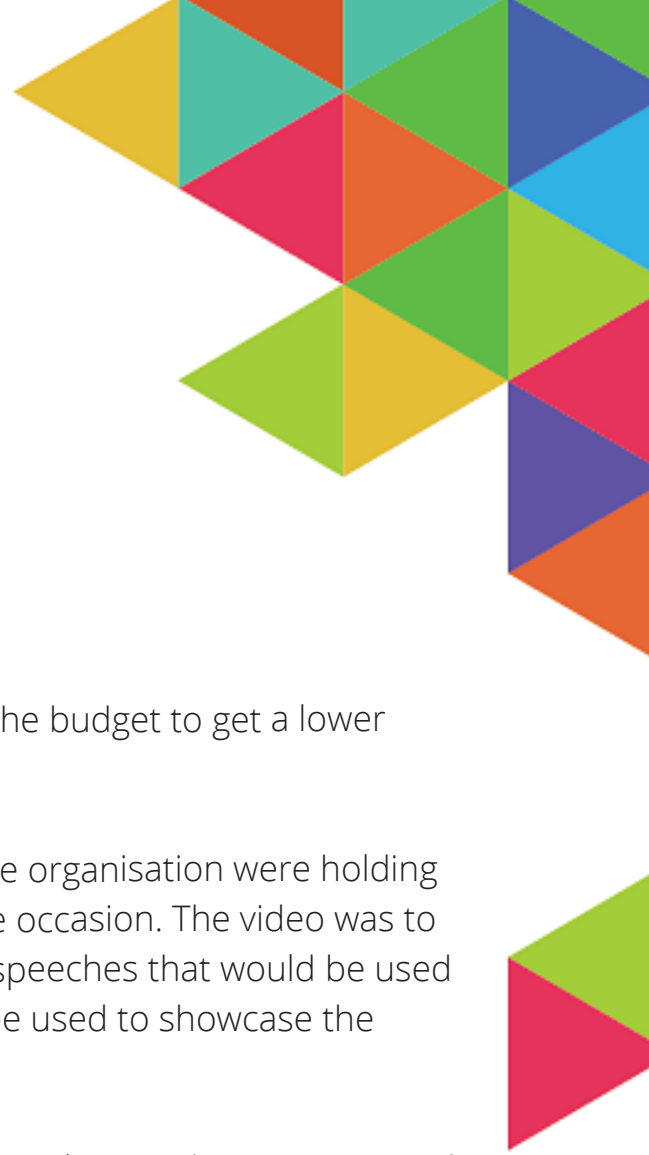
So how do you get a good ROI? The simple answer is ‘That Depends’. It depends on setting the right goal for the video and having realistic expectations.

Video should not be viewed simply as an expense but also as an investment in your brand. A video made this year, could be next years sales and marketing tool – the investment should be accounted for across two financial years, and possibly shared by more than one department.

### Plan your investment

You get what you pay for and spending on video should be viewed as an investment. It’s important to get the most out of this investment. Planning is key to getting the most from the investment. Think about what you want to say, who is it aimed at, why do you need to communicate, when you need to say it and how will it get seen.

John Lewis Christmas ads always create a lot of social media hype along with media coverage and the 2015 Christmas Campaign was no exception. It involved high production values and even had to create a set representing the moon. The video is hosted on YouTube and has had nearly 25 million views. But how much did this video contribute to John Lewis’s bottom line? According to Marketing Week “for the week ending 14th November, the department store reported its first weekly sales total to surpass £100m. The £110.4m total was an increase of 1.5% year on year and up a whopping 15.8% on the previous week when the ‘Man on the Moon’ ad launched.



The same is true of the opposite scenario. Cutting the budget to get a lower outlay, will not give you a greater ROI either.

Imagine the Communications department of a large organisation were holding an annual conference and they wanted to video the occasion. The video was to be played out on their website, to record key note speeches that would be used and replayed at other times, the video would also be used to showcase the senior management team in staff training sessions.

Roll forward 6 months later and now the Sales and Marketing department need some content to market the coming years conference. Last years footage of speakers and speeches is good – but what the Sales and Marketing department really need now is video content to attract potential attendees and event sponsorship; Vox pops interviews with buoyed up attendees and shots of networking areas with sponsors' stands bustling with people would really help sell the event.

## **See the bigger picture**

Planning ahead means carefully thinking through all the requirements and making the most of the opportunity to get footage. Thinking a video production through from a strategic perspective can reap rewards and give a greater ROI in the long run. It may mean spending a little more on a larger team, more kit and an experienced Director who gets the bigger picture and knows how to get the most out of the shoot – but cutting costs may turn out to be a false economy and just mean finding additional footage, setting up another shoot some time later, or needing a much more complicated edit to get the video you want.

## Think Strategically

Thinking through video content requirements strategically in a long-term approach can mean that you get more from your annual video budget. Planning your video content in an editorial approach across a year, can lead to economies of scale with effect use of shoots and edit time. By sharing your annual video requirements with your video production company means that you can benefit from their knowledge and expertise in production planning and management.



## More Bang for your buck!

If you do a great job of creating a solid editorial calendar for your content marketing, it allows you get to get some economies of scale out of your video production. Typically, productions work on a fixed cost-per-day basis. However, with a little ingenuity you can increase your production in terms of filming more in one day and editing a tiny bit more, and thus get more video content than just the one you initially planned. So how much should you budget for a Video?



# How to set a budget for your corporate video

When you are setting your budget for a corporate video we suggest you consider three key things.



## Time

How much time is needed to manage the project from start to finish. How will you involve a production company, will they get involved in, writing, filming, creating special effects and editing. More time, more people, more money. More return on investment from the finished product.



## Talent

Talented and experienced people cost more. But you do get a better product. Video production is a team effort. Just look at the credits on any feature film. At Tallboy we don't use a cast of thousands but will have between 3-7 experienced, talented creative working on our clients video at any one time.



## Tools

Will you want it to be filmed with an iPhone or with a full camera crew. How do you want to look in your video? Do you want people to understand what you are saying? Do you want intricate graphics that bounce all over the screen? Having the right tools matter. General rule the more 'fancy' you want your video to look, the more it will cost.





## **Cost is important - we get that**

Particularly now with so many options - from low-cost do-it-yourself video blogs to polished corporate overviews. Firstly – what return do you want for investing in a corporate video? Do you want to increase credibility, build your brand, attract new customers or recruit new staff? What you put in will reflect on what you get out. If you are a professional company, you need something that mirrors that. Trying to recruit top talent with a video shot on an iPhone will not help your credibility. So based our guidelines – here’s how the price for video services is determined.

### **AMATEUR**

**If you want to make a blog, do it yourself. It's free. But may not look very good or reflect your brand.**

### **SEMI-PRO**

**Think wedding video. Filmed by someone who likes using a camera. Could be extremely talented, might just be average. Wide variation in quality and content - you get what you pay for. Little support.**

**Approx £500 - £1,500**

### **PROFESSIONAL**

**Quality is good, but if you want help with content, forget it. Solid, unexceptional. No frills. Experienced crew, basic editing.**

**From £2,500 for a 2 minute video**

### **PREMIUM**

**A wow video that generates buzz, wins awards and makes you look great.**

**Captures exactly what you wanted to say. Great storytelling, clever filming, amazing post-production tricks. Sky-high production values. Watch Tallboy's showreel to get the idea. Support with delivering and getting your video seen.**

**3 minute video - from £7,500**



## Don't bish-bash-bosh it!

Less than a decade ago, the equipment needed to make a video was prohibitively expensive and complicated. Now you may even have basic editing software on your home computer and any of your children studying for their IT GCSE will know how to create a film.

But we should think of Jamie Oliver to inject a note of caution. His easy-to-follow bish-bash-bosh Naked Chef cookbooks inspired a whole generation to go into the kitchen. And some of us now can cook really well. And others follow the recipe and still end up with something that resembles a Jackson Pollock painting rather than a plate of food. (And tastes like one too!).

And so it's the same with video. Just like a soufflé, you may have all the ingredients – camera, editing tools, graphic software – but the skill is in putting it together. If you don't have the right talent or time, there's a danger that just like your soufflé, your video will end up as a mess!

### In summary...

- ▶ Don't plan your video budget based on what you think you need to spend. Budget for a video by thinking about the impact that it will have on your business and the results that you expect to see.
- ▶ Think message and content - rather than the medium. Video is a communications tool, so don't get caught up with the technology and gadgets
- ▶ Plan ahead. Think about what video communications you will need over a 6-12 month period to get the most from your shoot and edit time. This will increase your return of investment.

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