



FROM CONTENT CREATION TO VALUE CREATION

*How Marketers Can Benefit by
Maximizing Post-Production*

PostAdsGroup
EXPERTISE IS THE BOTTOM LINE

THE PROLIFERATION OF VIDEO CONTENT

How Managing Post-Production Can Assist Marketers

Marketers today are facing a major disruption in

their business as they confront an insatiable demand for fresh content. Content creation and distribution have reached new levels of complexity: A recent survey of 400 marketers by McKinsey & Co. and the Association of National Advertisers shows that 80% of marketers believe the need for content is the top disruption.

This need-for-content phenomenon isn't going away anytime soon. In fact, content volume for marketers overall is growing at a rate of 200% annually, according to Forrester Research. It's clear that marketers are devoting more resources to producing more content—and that need is most obvious in video, where brand marketers are trying to keep up with ever-growing viewership across multiple platforms and screens.

Consider the following:

- Brand marketers plan to spend almost 48% of their Internet video budgets on “made for digital” video programming, according to a 2014 IAB survey of brand marketers. In fact, 75% said they expect original digital video will become as important as TV programming in the next few years.
- The time spent with digital video has doubled in just two years. Consumers ages 18 to 34 watched almost 4.5 hours of TV and spent 35 minutes a day with digital video, according to Nielsen's 2014 Cross-Platform report.
- YouTube claimed 1 billion users worldwide in 2014, and says the number of hours people are watching each month is up 50% from the previous year. At the same time, both Facebook and Twitter are increasingly driven by video content.

While demands for video are expanding, the demands on video are growing as well. Video content now needs to be platform-specific (a six-second Vine video or a 30-sec-

ond TV spot or a two-minute YouTube clip); it needs to be global; and, increasingly, it must be delivered in real time across all platforms and markets.

But despite the focus on video content—and the enormous sums spent on both the creative product and media buys—few marketers have established a beginning-to-end video production process or even inventoried how their brand content gets to the end viewer and what happens to that content after it runs. The CMO Council has identified “tracking the operational impact of siloed content in the marketing supply chain” as a key concern for marketers. Not only does that lack of oversight jeopardize the hard work of brand teams, it can also create cost-inefficiencies.

In its October 2014 survey report with the ANA, McKinsey says: “What's astonishing ... is that 84% of marketers do not have a formal content strategy or underlying production and distribution processes. While marketers have been increasing investment in content creation and distribution, the lack of true ‘content supply-chain management’—involving the agencies, production houses, functions and media companies that create and distribute a brand's content across all channels—will undermine efforts to positively shape the customer experience.”

Video post-production is one key area that offers brands an opportunity to boost output while streamlining costs.

FOCUSING ON POST-PRODUCTION

For video, the answer for marketers looking to make the most of their assets resides in post-production. Post-production includes everything that happens after the creative agency finishes the production shoot—and has largely remained a mystery to most CMOs.

Says Chris Furse, executive director at digital agency VML and a former marketing executive at Burger King and Maaco, “Post-production is the part of the business that we tend to think least about—the least glamorous part of the work. Traditionally it has not been something marketers think about. They put it in [the] hands of their agencies.”

John Lick, former executive producer-broadcast for Target Corp. and current co-chairman of the ANA Production Management Committee, puts it this way: “On the production side, we are getting more and more efficient because there are more people in the marketplace offering services to help agencies and marketers. But the same can’t be said for post-production, which can be equally complex. We are still finding our way.”

Leading the movement to assess and redraw video post-production and distribution processes is a small but increasing number of global advertisers. One reason is cost-related. Market leaders such as General Mills, Procter & Gamble Co. and Unilever have said publicly that they are working to cut “nonmedia” or “nonworking” marketing spending, such as production costs.

Another of those global marketers is Warner Bros. Entertainment, which has changed the process and the technology it uses to produce and deliver overseas ads for its movies, says Susan Steen, senior VP-worldwide marketing services for Warner Bros. Pictures. Not only has the effort improved the quality and efficiency of its overseas advertising, she says, but it’s also cut costs in the process.

EVALUATING POST-PRODUCTION WORKFLOW



“If there were any area that could use a hands-on evaluation, a workflow discussion or a process improvement, it is likely post-production. In part that’s because technology is moving so fast, we are doing things differently than we were six months ago.”

–John Lick

Co-chairman, ANA Production Management Committee

IT’S NOT JUST TV ANYMORE

There is a tendency for marketers to look at TV

as the starting point and biggest canvas for their ads. Certainly for many brands, TV still represents the biggest audiences and largest expenditures of a campaign. “But it is an error to not pay close attention to more modest video placements, so that you are ensuring the quality is there, too,” Mr. Furse says. A marketer and its agencies, he says, must “deliver best-in-class, quality video for all screens.”

The shift in media dollars from television to online advertising is increasing the volume of video production—and with it, a dizzying set of formats and deliverables required for marketers coming out of post-production. Creative agencies are now shooting commercials digitally as opposed to on film, so there are exponentially more hours of footage being shot and edited to create the finished TV commercials and Web videos being shared with the masses.

With more and more direct integrations into video platforms—from social platforms such as Twitter, Vine, Instagram and Facebook to pre-roll ads and on-demand TV systems—most platforms require that an advertiser deliver not just a TV spot but also creative tailored for the smaller screen or the platform’s specific time and space requirements.

“Why must marketers change how they handle post-production?” asks Ian Wheal, global strategy director

POST-PRODUCTION AND EFFICIENCIES OF TIME



“Cost-savings alone is not best practices in marketing. Make sure that whatever you are trying produces efficiencies of time as well as saving money.”

–Susan Steen

Senior VP-Worldwide Marketing Services
Warner Bros. Pictures

of Adstream, a digital asset management and ad distribution company. “With the new media platforms and growth of digital video, platforms are asking their brands to create five to 10 different file types and bits of creative—for the same budget.”

EMERGING POST-PRODUCTION PLATFORMS: OWNING THE FUNNEL

In this era of global content creation, the industry is witnessing marketers, ad agencies and third-party post-production suppliers shedding their traditional roles

as they relate to capability and service models. As more brands are sold globally, advertising and other video content may be created for a primary market but then “transcreated”—translated or adapted culturally for overseas markets.

“The world is becoming flatter,” says Marcelo Gandola, exec VP-North America for WPP-owned Hogarth Worldwide. “Today you are looking at more projects from a global perspective—markets are increasingly intertwined. You need to take your original master ad and have the ability to spread it out globally. Years ago people did not think about things in that sense.”

MARKETERS, AD AGENCIES & SUPPLIERS

Shedding Traditional Post-Production Roles

TRADITIONAL MODEL



MARKETERS

- CONTENT CREATORS
- Limited visibility into post process.



AD AGENCIES

- IDEATORS
- Post services procured by agencies.



SUPPLIERS

- CONTENT EXECUTORS
- Provide full-service post capability.

EMERGING MODEL



MARKETERS

- CONTENT CREATORS
- IDEATORS
- Building in-house ad agencies.
- CONTENT EXECUTORS
- Building in-house post-production.



AD AGENCIES

- IDEATORS
- CONTENT EXECUTORS
- Building in-house post-production.



SUPPLIERS

- CONTENT EXECUTORS
- Competing for marketer-direct deals.

WPP's Hogarth is one example of an agency holding company decoupling production from creative functions and building in-house post-production capability, including editorial, visual effects, animation, color correction and digital asset management. Historically these are services that ad agencies have outsourced to third parties.

An ANA survey says that 57% of marketers, including Apple, Target and Wells Fargo, have their own in-house creative content departments. In addition to WPP-Hogarth and Williams Lea-owned Tag Worldwide, agency holding companies now owning and operating in-house trans-creation companies include Publicis (Prodigious), Omnicom (eg+ Worldwide) and Interpublic (Craft). Traditional third-party editorial, visual effects, color correction and animation boutiques still exist but increasingly seek to work with marketers *directly* as preferred suppliers in order to bypass their traditional ad agency patrons that have emerged as formidable competitors.

The workflow historically used to execute these functions *must* transform in order to handle the proliferation of video content, and all three players—marketers, ad agencies and post-production suppliers—have their hands in redefining, recreating and ultimately owning the new post-production platforms.

With both marketers and ad agencies bringing post-production capability and functionality (not to mention revenues) in-house, it becomes something more

significant than just an emerging workflow trend: It's a change in the DNA of organizations. This new post-production DNA operating inside marketers and ad agencies represents a redefinition of the concept of supply chain management—it's a change from content creation to value creation. Marketing dollars previously spent out-of-house with third-party suppliers become reallocated for more creative and media. For ad agencies, these new revenue streams help fund in-house technologies that support their clients' content needs.

Video content is what the binge-watching audiences crave. Marketers in turn are creating enormous amounts of video content, and agencies are bursting at the seams trying to keep up with the demand for new content. Post-production is simply the massive funnel in which all of the hours of video footage being shot are distilled into finished content. No wonder there's an arms race to own this funnel.

QUALITY CONTROL OF GLOBAL CONTENT

Even if a marketing campaign is not intentionally a coordinated global release, in today's connected world, advertising is accessed and shared worldwide almost immediately on websites and social media.

Ms. Steen says addressing how TV spots and trailers for the company's big movies were versioned, tagged and dis-

DISTRIBUTING GLOBAL VIDEO CONTENT



"More and more, we are dealing with global agency groups and brands. And the No. 1 issue is how many different versions and how much additional content they need for all their markets—and how that can be done as efficiently as possible."

—Peter Kuhn
President, Adstream Americas

THE HANDS-ON APPROACH TO VIDEO



"Without a good approach to post-production, you put your overall product in danger. With the way video is consumed today, you need to think about: How is this commercial or content going to perform across devices? How does it need to be cut, presented, distributed to reach customers in the best and most effective way?"

—Chris Furse
Executive Director, VML

tributed around the world was a high priority. Theatrical movie releases are all about generating buzz for a movie's premiere; there is no time to waste. "We are so tight up on deadline with our TV spot delivery [that] we don't give our overseas offices any extra time to make those changes" in language or cultural adaptations, she says. "They are twice-challenged."

Warner Bros. employed a new technology platform to speed up the process of transcoding ads for the 65 countries its movies reach. Before redoing its post-production process, the studio might have had time to re-create its movie ads in five different languages. Today, it can

produce ads in 35 to 40 languages in a timely fashion.

Ms. Steen emphasizes the importance of overseeing the transcoding of ads. "If you don't do it yourself, someone will create a new version themselves and post it or get it on the air—and you don't want your ad content posted by someone else not invested in the quality, even a well-meaning person," she says.

BEST PRACTICES FOR POST-PRODUCTION

Within the post-production and ad distribution

workflow, there are five areas in which review and process improvement are possible:

-  Editorial and master finishing.
-  Distributing TV and digital ads.
-  Admin functions: traffic and talent payments.
-  Global adaptations.
-  Managing digital assets.

In many companies, each of those areas is likely handled by one or more vendors. As they begin reviewing their approach to post-production, marketers need to ask: Are there opportunities to streamline the process? Is there

THE VALUE OF MANAGING VIDEO ASSETS

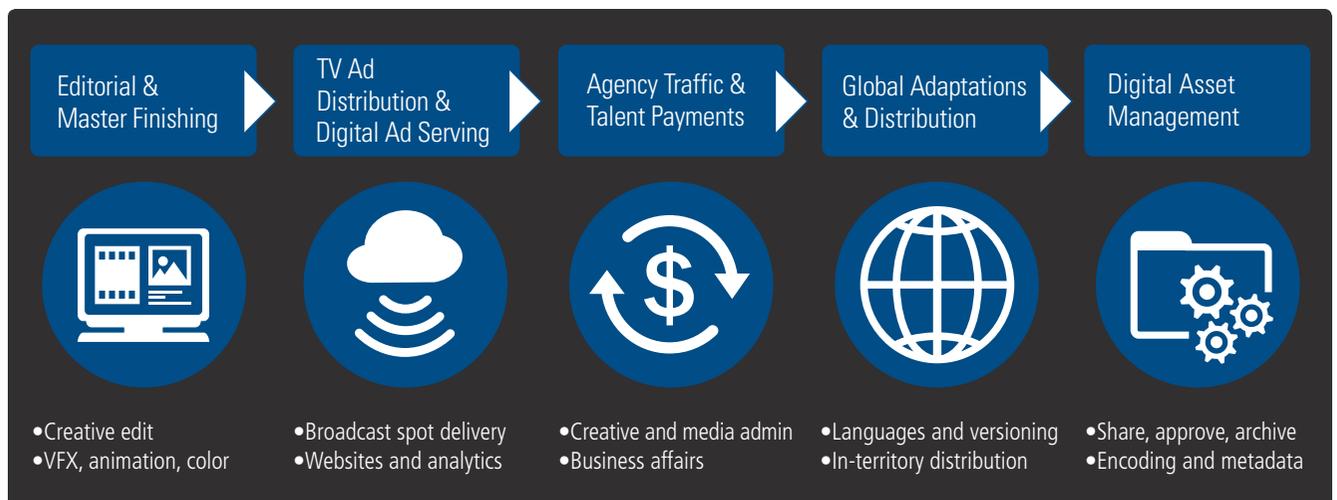


"You can't always cover every contingency for every market in one 'supershoot,' but being organized from the start helps to be more efficient, as does having all the video assets in one repository."

—Marcelo Gandola

Exec VP-North America, Hogarth Worldwide

HOW MARKETERS CAN MAXIMIZE VIDEO: THE NEW POST-PRODUCTION PICTURE



technology that can be implemented to improve distribution or storage of video content? Can the speed, accuracy or cost of creating and distributing global versions of video content be improved?

Experts offer a few best-practice suggestions:

■ **The first step: Assess current state post-production workflows.**

“With so many moving parts and stakeholders, marketers need to assess their current-state post-production processes as a first step,” says John Lipuma, CEO of PostAds Group, a post-production consultancy. “Getting a full picture of where your resources are being dedicated and how dollars are being spent helps unlock efficiencies that new workflows and technologies have to offer.”

■ **Think about post-production needs at the beginning of the creative process.**

“Everyone gets so absorbed in the production effort, the strategy,” Mr. Lick says. “All too often it is not until you get there that a lot of marketers start to think about the endgame: all the different versions needed, how this version needs to differ from that one—whether that’s music, language or cultural nuances. If you wait until post-production to think about those things you will be too late and bog yourself down.”

Marketers need to think beyond TV spots to the smallest video unit. If the campaign will be on Vine, or if the ad will become a pre-roll spot, develop a plan for those as you go into production. There are only a handful of seconds on Vine to convey a message: Make sure the content is available to make that work.

■ **Recognize how valuable video assets are, and take stock of how you store and access that content for future use.**

“When a team is working to put together a campaign, the tendency is to be hyper-focused on getting it pro-

duced—not necessarily thinking about the ‘afterlife,’ ” Mr. Gandola says. “One of the biggest things you can do is to recognize how valuable those assets are—not just for that particular production but for extended use. There is not enough emphasis on the long-term viability of video assets and how they can be repurposed for future use.”

That means figuring out an organized and user-friendly system to gather and store video content—including retrieving content that runs in overseas markets.

■ **Make sure your efforts actually create efficiencies. Take time to find the right systems and processes for your specific needs.**

“Make sure potential new solutions fit your business needs,” says Ms. Steen. “We look at a lot of technology, but not all great ideas are right for your company.” She also advises shopping around before buying into any technology or software system.

As Mr. Furse says, “Let’s all recognize that we are not quite in a post-television world, but TV is changing; video use is changing. We need to embrace the facts. The quicker you do that, the quicker you can begin looking at your video assets to make them as effective as possible for your brand.”

■ **Understand production vs. post-production as separate disciplines.**

“The No.1 reason marketers overlook the value of post-production is because they mistakenly think they’ve got it covered in the production process. Post-production has become so complex, it’s really its own separate discipline requiring its own focus and expertise,” Mr. Lipuma says.

“Most importantly, look at the five parts of the post-production workflow holistically,” he says. “If you mistakenly address each of the five parts individually as disconnected silos and don’t understand how the sum of the parts works together, you’ll end up with a wasteful system of Band-Aid fixes versus an efficient, well-oiled machine.”

Ad Age

**CONTENT
STRATEGY
STUDIO**

The Ad Age Content Strategy Studio, an extension of Advertising Age and adage.com, works with companies to help them tell their brand stories their way. Built on Ad Age's heritage of editorial expertise and excellence, the Content Strategy Studio works to develop the ideas that create an emotional connection with customers. Through articles, blogs, video, microsites, research, events, white papers and other opportunities, it provides end-to-end solutions for brands that will create the story that's fueling today's conversations.

Storytelling for your brand by the brand that knows how to tell stories

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ABOUT POSTADS GROUP

Founded in 2007, PostAds Group is the industry's leading post-production consultancy for global marketers. We share our expertise with the global advertising community to identify, develop and implement new, profitable ways of finishing and distributing video content around the world. Hired directly by marketers, our work puts us in the trenches working with creative agencies, media agencies, digital agencies and the large marketing supply chains that support them. With offices in New York, Dallas, Miami, Los Angeles and London, PostAds Group works with the world's largest advertisers to pioneer best practices, processes, technology and cost-efficiencies across North America, Europe, South America and Asia-Pacific regions.

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