



THE ROI OF AN EXPLAINER VIDEO

A MARKETER'S GUIDE FOR
CALCULATING A MEASURABLE RETURN

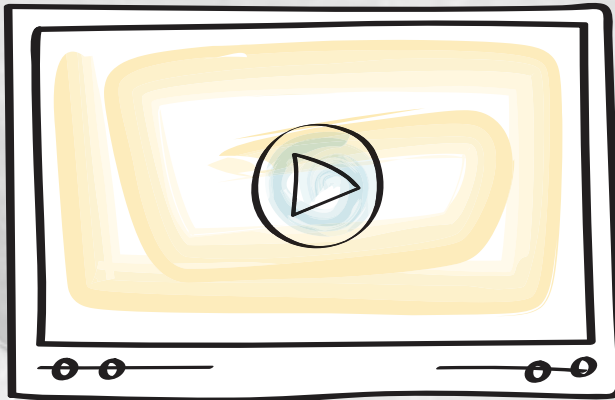


REVOLUTIONTM
PRODUCTIONS
INNOVATE.ANIMATE.ENGAGE.

THE COST OF AN EXPLAINER VIDEO

THE INVESTMENT

The average cost of an online explainer video typically costs between \$6,000 and \$10,000 USD to produce. For our scenario we will produce two 90-second motion graphic videos for an estimated investment of \$16,000.

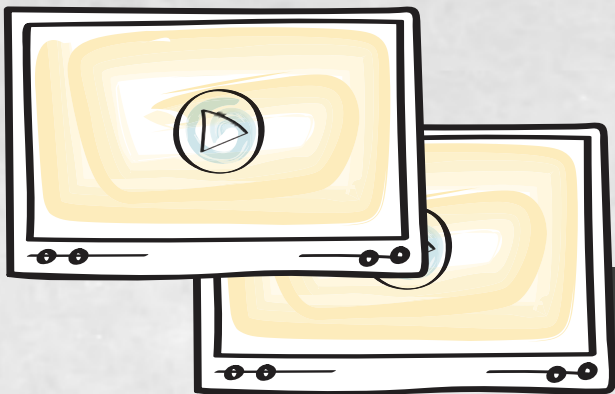


STANDARD PRODUCTION INCLUDES:

- Length
- Type of Animation
- Voice-Overs
- Lip Synching

TYPICAL COST
\$6,000-\$10,000

YOUR PROJECT



TWO 90-SECOND VIDEOS

FUNCTION OF VIDEOS:

Break down a complicated product into a story that is easy to understand for new and existing customers.

ESTIMATED INVESTMENT
\$16,000

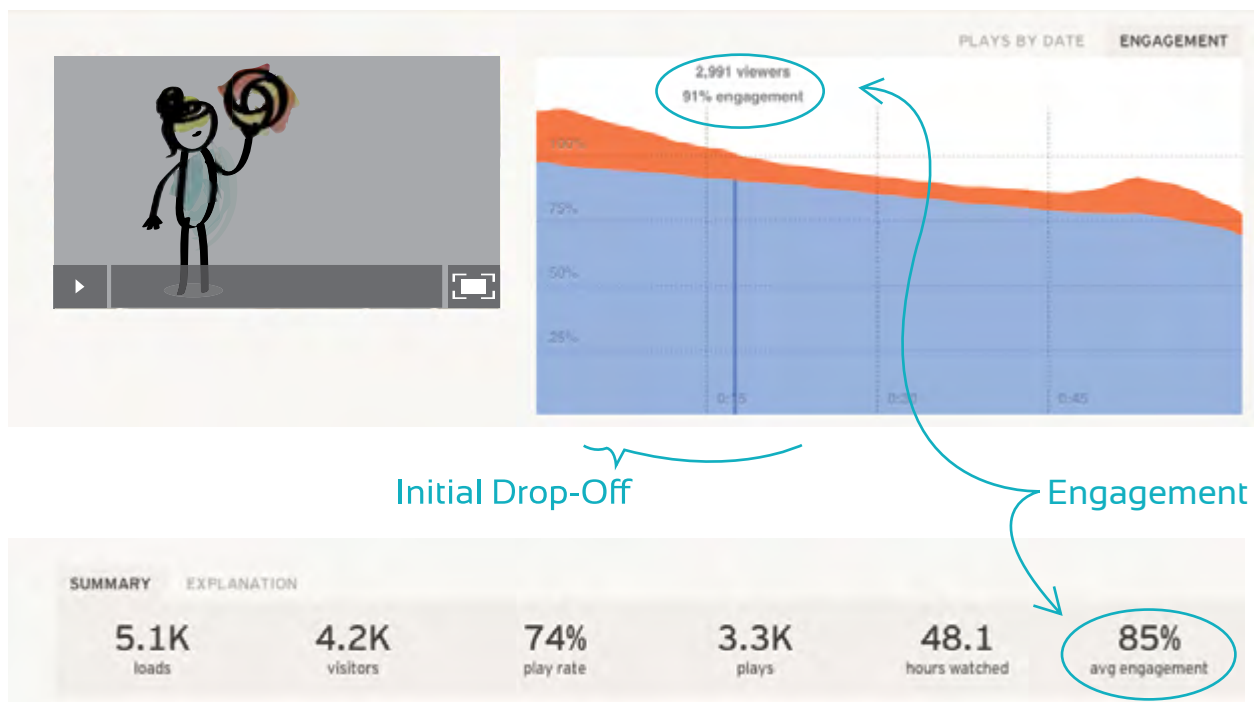
VIDEO HOSTING SERVICE

TOOLS TO DETERMINE EFFECTIVENESS

Utilize a powerful video hosting service such as Wistia to comprehensively track valuable information such as engagement rates and heat maps.



ENGAGEMENT & DROP-OFF RATES



HEAT MAPS



Statistical Views

- Section(s) Viewed Once
- Section(s) Rewatched Once
- Section(s) Rewatched Twice
- Section(s) Rewatched Three Times

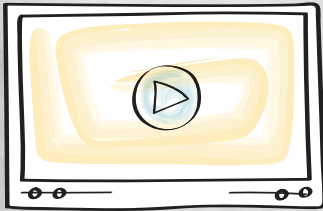
Rewatched

Section Skipped

ASSIGNING FINANCIAL VALUES

PAGE VIEWS

Assign a financial value to each page view that results from the video and establish a monetary value. In this scenario, we set each view at \$0.15 and had 115,000 views.



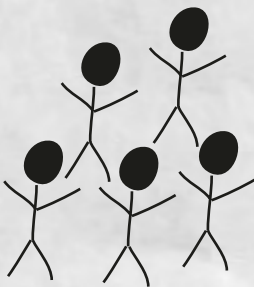
1 PAGE VIEW = \$0.15

Landing Page Q1 Views = 115,000

ENGAGEMENT RATE

In a perfect world, viewers would watch the entire video (100% Engagement).

For a more accurate value, factor in the engagement rate.



Average Q1 Engagement = 88%

Overall Monetary Value for Viewership = \$ 15,180

Page View Financial Value	X	Average Engagement	=	Overall Monetary Value for Viewership
\$ 0.15	X	0.88	=	\$ 15,180

TRACKING YOUR RESULTS

DISTRIBUTION CHANNELS

Individually track the results of each medium in which you used your video. In this scenario we use an email campaign to contact 6,000 people with our video links and received a 60% CTR; resulting in 3,600 page views.



Email Campaign (6,000 recipients) = 3,600 visits to the website

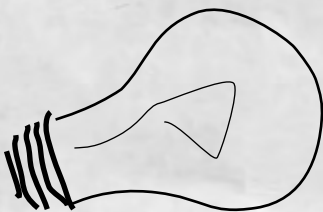
Overall Monetary Value for Email Campaign = \$ 540

60%
CTR

Page View Financial Value	X	Email Campaign Visits	=	Overall Monetary Value for Email Campaign
\$ 0.15	X	3,600	=	\$ 540

NEW LEADS

Assign a financial value to each new lead that is generated as a result of the video. Our scenario saw 118,600 total viewers and 5,930 new leads (5%).



1 NEW LEAD = \$0.30

Total Viewers = 118,600

New Leads = 5,930

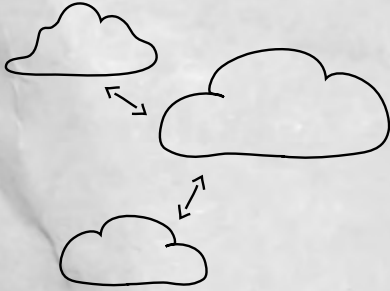
Overall Monetary Value for New Leads = \$ 1,779

+5%
LEADS

New Lead Financial Value	X	Quantity of New Leads	=	Overall Monetary Value for New Leads
\$ 0.30	X	5,930	=	\$ 1,779

NEW SALES

Factor in new sales that can be attributed to the online video. Of our 5% of new leads, we generated 415 new sales in Q1 for a product that was priced at \$150 for a monthly subscription. For Q1 we saw an average income of \$124,500.



New Sales in Q1	=	415
Monthly Subscription	=	\$ 150
Average Q1 Return	=	\$ 124,500

+7%
SALES

Quantity of New Sales	X	Product Price	X	Months in Q1	=	Overall Monetary Value for New Sales
415	X	150	X	Range of 1-3	=	\$124,500

EMPLOYEE PRODUCTIVITY

Consider the amount of time your employees are spending on sales and support calls. Make a composite comparison of these times pre and post video usage to measure employee productivity.

	PRE	POST
Sales & Marketing	5 Employees x 2 Hours/Week	15%
Function	Supporting Confused Clients	REDUCTION IN TIME SPENT
Client Pricing	\$ 12 per Hour	\$ 12 per Hour
Support Cost per Quarter	\$ 480	Saved \$ 264 WITH INCREASED PRODUCTIVITY

EVALUATING THE RETURN

INVESTMENT

Two 90-second Motion Graphic Videos:

- Strategic Marketing Consultation
- Creative Scriptwriting
- Completed Character Animations in Vector Files
- Professional Voice-Over
- Hosting & Analytical Advising



\$ 16,000

RETURN

Page Views & Engagement	=	\$ 15,180
Email Campaign	=	\$ 540
Generated Leads	=	\$ 1,779
Increased Productivity	=	\$ 264
<hr/>		
Overall Value Subtotal	=	\$ 17,763
Overall Sales	=	\$ 124,500

GRAND TOTAL

\$ 142,263

COMPREHENSIVE ROI

After an initial investment of \$16,000, this scenario, *which is based on real client results*, had an overall return of \$126,263



nearly **8X** the
original investment!



ABOUT REVOLUTION PRODUCTIONS

Revolution Productions is a boutique video agency that specializes in producing animated explainer videos that deliver measurable results.

As a full-service animation agency we offer a range of services that cover the life-cycle of an explainer video that fall into our four main areas of services:

- Strategy
- Creative Storytelling
- Production
- Hosting & Analytics

Revolution Productions is registered in the UK with subsidiaries in Houston, Berlin and Buenos Aires.



CONTACT US

If you are interested in learning more about how an animated video can impact your business, contact us for a free, no-obligation consultation.

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