

# The Promise of Online Video

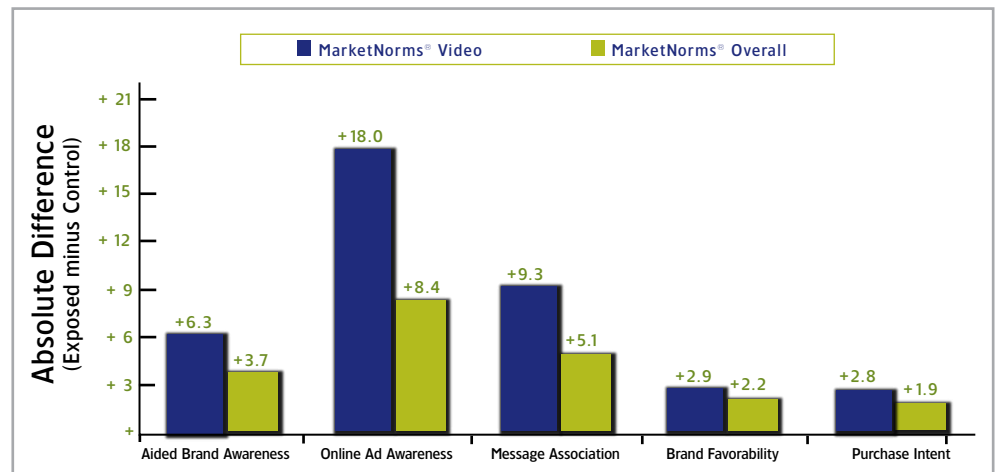
The sellers of online video advertising are singing its praises and extolling its virtues, promising a more engaged audience for online video compared to a relatively passive one for TV. But have we actually reached the tipping point when budgets shift from TV to online? And how can marketers best utilize this emerging media?



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As the ability to broadcast video content has gone beyond television to the Internet, mobile phones, and even games, video advertising has followed. While today online video advertising accounts for only a miniscule proportion of media budgets, it presents a significant opportunity for advertisers to extend the reach of their campaigns with compelling content. Television had a monopoly on video for decades, but now advertisers can use video to reach online audiences as well. As evidenced by analysis from the Dynamic Logic MarketNorms® database, summarized in the graph below, video ad formats are clearly more effective than other forms of online advertising at breaking through clutter and conveying messages. But does this mean that the advertising is more engaging?



Source: Dynamic Logic MarketNorms, Q2 06

While data like this may be encouraging, we believe that the difference is due, at least in part, to the novelty of the new format, not because people appreciate the current interruptive tactics used to expose online video ads. As a result, the ability of online video advertising to “stop people in their tracks” may be short-lived.

This is not the first time we have seen a new online ad format burst out of the gate with great promise and fanfare. In the early days of rich media, we observed that ads using the new technology outperformed more established static display formats on a variety of key brand metrics. As rich media became more commonplace, however, we saw it lose much of the sizeable advantage it once seemed to hold over the more “traditional” formats. If online video advertising is to fulfill its promise, advertisers must learn to leverage its very real advantages so that it continues to be effective after the novelty has worn off.

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### **Where to Start: TV Ads?**

Uncertain as to what approach might be best, advertisers have often responded to the online video opportunity by simply placing TV ads online. This approach does not fully leverage the power of the online medium, nor does it account for the different viewing environment that exists online. In fact, the use of online video advertising in its current form actually runs contrary to the current marketing “mantra” of engagement because users have failed to understand the way in which viewers “consume” the media.

Television has traditionally been a medium associated with relaxation. Content is presented to viewers who are looking to be entertained or informed. Though DVRs now offer the opportunity to control and interact with television content, most TV viewers still tend to lean back and receive the programming. In this viewing mode, advertising breaks are expected and sometimes even welcomed. But while often entertaining and involving, TV commercials are not always immediately relevant to viewers. People rarely make



decisions about which brand to buy while watching TV but advertising can seed ideas that may be influential at a later time.

The Internet is different. When online, people are actively seeking information or content, leaning forward as they interact with what’s on the screen. The audience is truly engaged. When advertising is relevant to a user’s activity and mindset, this active involvement can carry over from the content to the marketing message. But advertising that is not immediately relevant to the task at hand is likely to be regarded as an annoying interruption.

While the precise targeting capability of online video advertising increases the likelihood of reaching someone in the desired audience, possibly even someone who is ready to purchase, targeting alone cannot ensure that those viewing will be receptive. While the ad content may be relevant, the ad exposure is not always expected or welcome. Unlike the well-established television model where viewers expect advertising breaks and accept a mix of relevant and irrelevant ads, those online may be exposed to video advertising when they are not expecting it. Particularly with in-stream video advertising, ads may be viewed as disruptive or interfering with the task at hand, which might be checking out breaking news, searching, or visiting a sports site. As a result, there is a likelihood of generating a negative response unless the advertising is especially relevant or has very high entertainment value.

For video advertising to remain successful, online or off, advertisers must truly engage their audiences and create an environment and viewing experience where advertising is welcome.

### **Maximizing the Opportunity**

Marketers need to learn how to best leverage the available video ad formats in order to achieve their advertising goals and realize the best return on their marketing investment.



### ***Learning from television***

A great deal of what we have learned from our study of television advertising applies directly to online video. First and foremost, creativity is key. When viewers see your ad online, would you rather they hit play again or do their best to get rid of it? And after seeing the ad, what will they remember? We know that not everything in a commercial is remembered; only the most involving elements of an ad remain in memory. Therefore, in order to ensure that an advertisement is remembered and has the opportunity to impact purchase, the creative idea should link tightly to both the brand and the communication.

### ***Keep it short and simple***

While a repurposed 30-second TV commercial may be of some benefit, shorter units may have an even greater impact. Short ads may reach a broader audience by communicating a simple message before viewers have the opportunity to become irritated or impatient and stop the player. Ad length is especially important as pre-roll and post-roll become dominant video formats.

Even fifteen-second spots may be longer than is optimal. But how do you tell a brand “story” in something that may only be played for a few seconds? Ensuring that the creative idea is intact is critical; those seconds of creative need to clearly focus attention on the brand and the message.

Within these shorter formats, it is critical to focus on a single key message. When an ad tries to convey too many messages, the communication of any individual message invariably suffers. The challenge of conveying multiple messages is magnified when utilizing shorter formats.

In order to convey a more complete brand “story,” two techniques may be useful: sequencing and telescoping.

Sequencing conveys a storyline in short installments over a number of exposures. Telescoping uses one short segment to pique the interest of users and then offers them the chance to continue viewing a longer video on the brand’s Web site. This technique is increasingly being used in traditional broadcast TV and would naturally fit into the online scheme.


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### ***Leveraging the mindset***

Advertising which is placed in an interactive viewing context needs to establish relevance quickly. This can be done by reaching the audience when they are in the right mindset. Therefore, the ad creative should fulfill the same need as the content. When an ad is relevant to the task at hand, its chance of registering a message is maximized.

Different types of advertising will be needed for different contexts. For example, consumers might be more receptive to mid-roll advertising embedded in online TV-style programming because it appears more akin to ads with which they are familiar. But now that DVRs offer television viewers the ability to skip over commercials, how will these viewers feel when they cannot skip over online versions of the very same ads?

There may even be some contexts where advertising should be strictly permission based. For example, having to endure a 15-second ad for the retailer *Best Buy* before gaining access to a digital camera review is likely to irritate shoppers and make them want to buy the camera anywhere but *Best Buy*. A more engaging approach might be to offer a banner or button labeled “Where to Buy,” which, when clicked, shows the *Best Buy* ad before listing all the possible retail options.



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### **Explore companion ads**

Online video rarely appears alone on a Web page. Therefore, advertisers have the opportunity to link their brand and message to the video through additional companion ads. Consider ways that this can be employed. For example, if a dog in the video is the focus of the creative idea, use a similar dog in the companion display ads, along with a logo and simple message. This way, even if they do not watch the full video, viewers have a visual cue that the two ads are linked. Companion ads can be used not only to provide an opportunity to interact and respond directly to an ad, but can also provide an additional branding opportunity.

### **Conclusion**

While it is clear that online video has significant potential to extend media reach, influence consumer behavior and build brands, the promise has yet to be fully realized.

Given the rapidly growing penetration of broadband, viewing video on the Internet will eventually be as commonplace as browsing for written news. We have seen video content evolve from short clips of news programs to full-length episodes of our favorite television shows. While the type of video content has evolved steadily, our ability to fully actualize the online video advertising opportunity has been limited. Online publishers and broadcasters are doing their part by experimenting with advertising models to find out what consumers will be receptive to, but the marketing community must also contribute.

In conferences and numerous published papers, we bang the drum about engagement, but when faced with a new media opportunity to reach out to a more targeted audience with what may be more compelling content,

we fail to truly engage. In order for online video advertising to reach its full potential, not only do ad inventories need to be maximized, but our ability to deliver well-branded creative in a consumer-friendly fashion needs to be addressed. We can no longer “lean back” and assume the television advertising model will work online.

The viewing experiences for Internet and TV will continue to merge and the challenge of reaching out to a truly engaged audience will only grow. Internet browsing is becoming more of a “lean back” activity, as more and more video content is available to be consumed in a relaxed mode. At the same time, television viewing is becoming more “lean forward” as viewers use their remotes to avoid commercials and actively navigate their DVRs to find what they want to see.

Consumers will continue to follow the video and advertisers will follow the consumers. But if advertisers are to succeed with online video, they must learn to engage viewers in a manner that is appropriate to the individual and the viewing context.

**For more about online video marketing, see [www.mb-blog.com](http://www.mb-blog.com)**

