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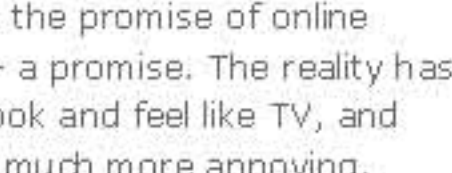
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### New Formats Give Online Video Ads Potential

Race is on to Reinvent as Advertisers Seek Cheaper Ways to Reach Viewers

by [Michael Learmonth](#)

Published: [June 29, 2009](#)



THE "ENGAGEMENT" MODEL: On video-ad network ScanScout, advertisers pay for specific actions rather than impressions.

The reason for this is twofold: advertisers and agencies were reticent to spend money on new creative for online video, and the video market itself was splintered, and lacked the kind of content advertisers were comfortable with.

But with the TV-upfront market frozen and advertisers looking for lower-cost means to reach consumers, a push is on to try formats that could finally realize some of the potential of online video with targeted ads that engage with real interactivity. "As prime-time audiences decrease, it makes sense to go where the audiences are going," said Chris Allen, VP-video innovation at Starcom USA.

Vivaki, like Starcom a unit of Publicis, is running a year-long test of different formats for both long- and short-form content known as "The Pool." Earlier this year Reckitt-Bendick, marketer of Clearasil and Lysol, primed the market with a \$20 million budget shift to the web from TV for campaigns on ad networks like Yume, Brightroll and Nabrr.

"Funky transition period" Meanwhile, a flurry of innovation is taking place across the industry to move marketers away from static pre-rolls and impression-based pricing to different models that take advantage of the web.

"We're in this funky transition period in the industry; the lion's share of what advertisers are doing is repurposing TV creative for video, but some are dipping their toe into new creative and testing new formats," said Hulu Senior VP Jean-Paul Colaco.

The goal here is to lure more dollars online and increase the size of what IPG unit Magna Global estimates will be a \$700 million pie in 2009. Nearly 80% of the U.S. online audience watches video, according to ComScore, but the time spent is just 1% of TV viewing, which is a \$70 billion market. So an argument could be made that online video is getting its share, but no one here is making that argument, are they?

Here's sampling of some of the latest efforts to reinvent online video ads:

■ CBS, through its TV.com unit, is experimenting with a system that would allow users to earn credits by watching ads. Earn enough credits and you can watch ad-free. It's also experimenting with bigger ad loads. Typically a half-hour show online has two minutes of ads, compared with eight minutes on TV. CBS is pushing that up to five minutes with no measurable consumer blow-back.

■ Tremor Media has rolled out a host of ad units called vChoice that bring interactivity into the player. Viewers can choose the ad they watch, dig deeper into related content, watch a product demo and play a game all without leaving the video experience. Some units allow advertisers to use their existing creative. Others "push the boundaries of what has been done by allowing new, nonlinear storytelling," said Shane Steele, Tremor VP-marketing.

■ Hulu pioneered the choose-your-own pre-roll "ad selector" unit, which allows users to choose an ad, including a long-form movie trailer in exchange for an ad-free episode. The site has also experimented with ad-free blocks where an advertiser such as McDonald's buys up the ad inventory to make prime time ad-free. The Disney-News Corp.-NBCU joint venture has also tried live ads, like the faux "teletthon" for Microsoft's search engine, Bing.

■ YouTube introduced its own variation on choose-your-own-ads just last week. Google's video site is trying out a system where viewers can choose to watch a pre-roll ad or a "promoted video," which itself is a media buy. Either way, the view helps YouTube fulfill guarantees made to advertisers.

■ Then there are "engagement" pricing models where the advertiser pays for a specific action, rather than an impression. Video-ad network ScanScout, for example, serves rich overlays that allow users to hover over or click to watch an ad or movie trailer. The network did a deal with Universal Pictures for "Fast and the Furious 4," where the studio paid for a number of completed views of the trailer rather than impressions.

#### 4 Comments

By jkantor1 | St. Petersburg, FL [June 30, 2009 08:47:43 am](#)

They just haven't figured it out. It doesn't matter what you do - if the ads aren't targeted to the viewer, they won't watch them.

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By martinruss | New York, NY [June 30, 2009 01:00:17 pm](#)

The sampling of 'targeted ads with real interactivity' has some interesting ideas, but nothing that really stretches the current online video format very hard. I've found that allowing the audience member to do things like choose the duration of an ad (like Hulu) wins their favor, but it's not as customized as letting them show or hide the presenter, tell one of thousands of stories or just select the type of content to watch.

Making video delivery seamless and instant with these many options gives users a more personalized experience and tends to deliver the brand awareness, click-throughs, engagement, and ultimately ROI, that these initial online video formats haven't produced yet.

<http://www.realtimecontent.com>

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By Rodney33 | FRISCO, TX [July 2, 2009 12:02:07 am](#)

:30 One-Way Spots RIP

A giant miss in this article and in general for the ad industry is an understanding of the diminished role TV spots will play in the very near future.

Current TV spots with one-way communication are being ignored more than ever and in their current state will soon be a memory.

Tools like Clickable, that allow the viewer to click on objects they're watching in a video while it's playing in real time, for more information and links to purchase, will be the norm. Clickable has already been used on portals like CBS, Bravo and a variety of other sites.

By the way, Clickable experience delivers best results when embedded in entertainment and news content, not commercials. Watching a cooking show and want to know where to get the special ingredients? Click on them and maybe even get a coupon sent to your smart phone from Deal Chime.

Speaking of smart phones, they will soon be the number one way US consumers access the web. Cell phones outnumber computers by 3x, smart phone penetration is already in double digits and a just released survey conducted by Best Buy shows that even in the middle of a recession, 40% of all cell phone owners who don't have a smart phone, plan to purchase one within the next year.

Couple this with a new higher speed wireless internet which is on the way, including the 700Mhz spectrum recently vacated by TV's migration to HD and you are talking about truly engaging real time, one-to-one communication. With new connection speeds dwarfing 3G, video will become an important part of the hand held web, which will be even smarter than computer based web, because it incorporates GPS location-based messaging, like Deal Chime and other products are already doing.

Additionally, two-way video will become an important platform for smart phones that will quickly change the query and on-line shopping experience.

So, rather than trying to figure out how the web can adapt to support TV spots, our industry needs to be focused on putting the web to work for them. A lot of outstanding tools are already available. Hulu and Clickable is low-hanging fruit. Building Deal Chime into ads to provide the instant ability to shoot offers to phones and computers when the consumer engages is a no-brainer.

Creating informational video chunks that are emotional, engaging and entertaining like a good TV spot, that are designed help consumers make decisions with built-in tools and links and allow them to share their own comments in the content (good or bad) to post with their trust network of friends and family through social media sites will accelerate trust and grow brands faster, because the customer will own and endorse the information.

If this sounds a little far fetched and futuristic, it's not. This is real and it's happening faster than you think. I know because I've spent a good part of my career working in and around communications for wireless telecom, cable,

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By Rodney33 | FRISCO, TX [July 2, 2009 12:06:29 am](#)

broadband, technology, entertainment, financial services, consumer packaged goods and retail.

I've had enough soggy sandwiches in dark rooms reviewing technological product roadmaps to find solutions in how all these things can become applicable for consumers to know, the :30 one-way spot is dead.

Rodney Mason, CMO

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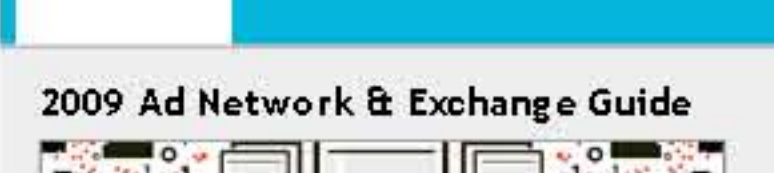


A Three-Part Video Interview With Ad Age Editor Jonah Bloom at the 4A's Leadership Conference

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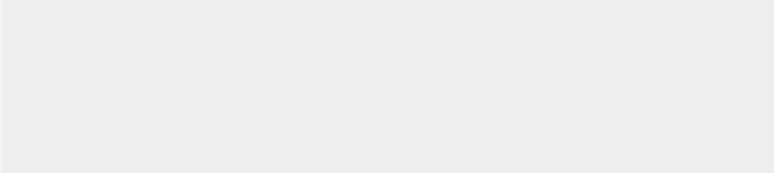
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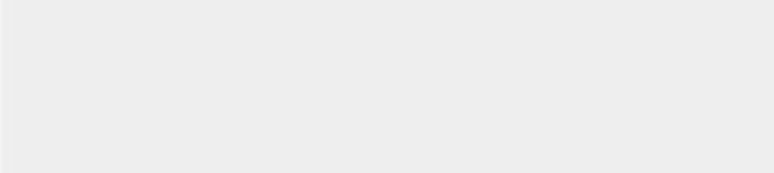
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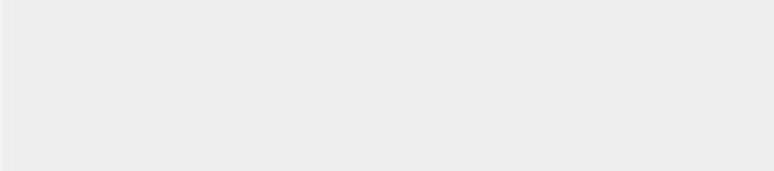
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