

The Revolution Will Be Televised, Online

insight

Steven Cisowski | August 2008



As an interactive media planner and an avid video enthusiast, I am admittedly excited about the future of online video. The medium is developing quickly, and since publishers and consumers alike are thinking of jumping on board, the computer screen is quickly becoming as eminent as the good old “boob-tube” itself.

The Ipsos MediaCT research firm recently reported that from February 2007 to February 2008, video consumed on televisions by users who regularly download video content fell from 75% to 70%. During the same time, however, video consumed on a PC increased from 11% to 19%. Several factors can explain these findings. For one, the survey included only respondents who are already current video downloaders, and secondly, this timeframe was characterized by an industry anomaly, namely, the Writers Guild of America strike. But the study indicates that people who consume video content online rather than from a TV are finding more reasons to stay online, which is great news for interactive advertisers. Publishers are preparing to address their marketing needs.

Problem:

Multimedia multitaskers continually find new routes to media.

Solution:

This paper evaluates the marketing potential of several new media outlets.

Benefit:

For planning, marketing demands a continual evaluation of new media publishers.

For a generation of media-multitaskers

As the Internet becomes more immersed in the marketing media mix, publishers are evolving into mechanisms that provide marketers greater cross-channel messaging. The television network CW, for example, introduced new ad-supported snippets of content dubbed “Cwingers.” These 90-second mini-episodes feature storyline extensions from “Gossip Girl” and the new “Beverly Hills 90210” spinoff series, which continue during commercial breaks in online-only segments. To complete the cycle, the CW will air the third part of each segment on TV during another commercial break. Such an experience forces the engaged viewer to toggle back and forth between TV and online – a not so revolutionary idea since many reports find that younger consumers are “media multitaskers,” watching TV while simultaneously engaging in online content.

“Potentially revolutionary”

Potentially revolutionary is Hulu, the premium video site jointly owned by NBC Universal and Fox. I must confess to watching endless amounts of near high-definition “Saturday Night Live” clips on Hulu, but my excitement about this site’s future lies in its advertising opportunities. Not only has it become one of the few quality video destinations that offer demo and geographic-targeted ad experiences that users can customize, but it is gaining enormous reach since it has gained more distribution partners, namely TV Guide and Break.

Hulu is also showing strategic promise for advertisers and is establishing its footprint in the competitive online video space for advertisers. It recently created a branded channel on YouTube, a move that may appear counterproductive since the Google-owned market leader of video sites is its biggest competition. But the bold move may be beneficial, since its presence on YouTube essentially provides users the impetus to visit Hulu instead, where they can watch higher-quality videos in a more official, and – not to mention – legal way. Its success so far is evidenced by the fact that one weekend this past spring, eight of top 20 most-viewed videos on YouTube came from the Hulu channel, including clips from “The Simpsons” and “Family Guy.”

The site has plans to expand beyond offering marketers simple pre-roll ads; it is experimenting with creating custom sponsorship packages for advertisers. For example, to promote Honda’s new 2008 Pilot SUV, it is creating an exclusively sponsored channel comprised entirely of the pilot episodes of every show under its umbrella. It is refreshing to see an up and coming site with a plethora of highly demanded content begin to develop its capabilities and offer engaging opportunities for marketers and users alike.

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Other Web properties appear to be following suit. The ever-growing Glam Network, which last year surpassed iVillage as the most popular destination for women, has just announced its video arm, GlamTV. Like Hulu, this property is building distribution relationships with content providers like E! Online,

Lifetime, and Sony BMG. And like Hulu, it is developing advanced advertising opportunities, like overlays, co-rolls, and screen takeovers.

Tailoring media plans

Just in time to help marketers and ad agencies take advantage of these online video developments, Nielsen and NBC Universal have decided to collaborate and begin to establish more detailed sales measures for online video users. Moving past traditional profile points, such as demographic, reach, and frequency, these new metrics will include data on specific verticals, including pharmaceuticals and packaged goods. The more marketers know about the habits of these video users, the better they will be able to tailor their media plans and create greater demand for content.

About the Author



Steven Cisowski joined Avenue A | Razorfish in November 2006 as an Assistant Media Planner on the AstraZeneca and DuPont Corian accounts. He currently works on the Heinz and Roche Pharmaceuticals accounts and covers media industry trends on his weekly newsletter and blog, The Media Times. Please share your insights or thoughts to steven.cisowski@avenuea-razorfish.com.

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