



## New formats drive user engagement

B-to-b marketers see many advantages to producing online video advertising

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As online advertising continues to grow, b-to-b marketers are using more innovative ad formats such as online video, rich media and interactive banners to deliver more compelling and engaging messages to their target audiences.

Last year, online advertising revenue reached \$16.80 billion, up 34% from \$12.50 billion in 2005, according to the Interactive Advertising Bureau.

"The increase underscores marketers' understanding that interactive advertising can engage customers, build brands and sell products and services," said Randall Rothenberg, CEO of the IAB.

One of the fastest-growing areas of Internet advertising is online video. According to research firm eMarketer, spending on online video advertising will grow from \$775.0 million this year to \$2.90 billion in 2010.

"B-to-b marketers are using online video to educate and inform the audience about products and services being sold, particularly for products that have a longer purchase cycle," said David Hallerman, a senior analyst at eMarketer. "I think we'll be seeing a fair amount of spending on online video that is not even being counted because it's not a media buy," he said, pointing to marketers' use of video on Web sites, webcasts and other platforms.

B-to-b advertisers say there are many advantages to online video.

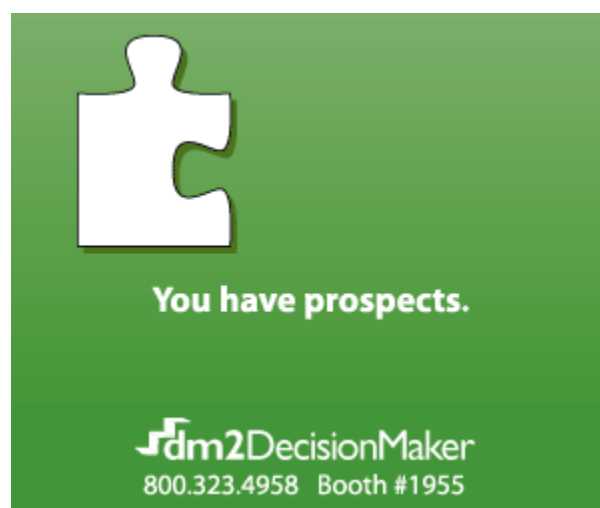
"Online video costs less than doing a 30-second TV spot, but a more important question is the value of a video asset versus that of an ad," said Doug Scott, senior partner and executive director-branded content and entertainment at Ogilvy North America. "The longevity of an ad is three to six months at best, but the longevity of a story being told about business solutions is much longer."

Ogilvy has been working with client IBM Corp. since November developing "long-form documentaries" that show how IBM is helping its customers solve business problems. So far the agency has created 10 films for IBM, featuring customers such as the National Football League, New York City Police Department and Professional Golf Association.

The videos are running on IBM's Web site, as well as being distributed on online media properties, including Google and YouTube, and on business and technology sites.

Companies such as Accela Communications and ON24 continue to make improvements to online video technology that provide more interactive, compelling formats for users.

In November, ON24 introduced Bannercast Live, an in-banner video platform that combines live webcasting with the targeting capabilities of banner advertising. Using Bannercast Live, advertisers can present live webcasts inside banner ads, without forcing users to leave the page they are on and go to another site. Cisco ran a Bannercast Live campaign last fall on sites including those of The New York Times and BusinessWeek.



Accela, which developed AccelaCast inBanner advertising, offers another leading platform for video banner ads. In October, the company debuted an on-demand online video series called Innovate, sponsored by AT&T and Hewlett-Packard Co.

The online video programs played within standard Flash-based banner ads and ran on the IT Video Network, a group of sites including InfoWorld.com, ITWorld.com, NetworkWorld.com and select TechTarget sites. The programs were between six and seven minutes, and featured technology content that users could play on demand.

Rick Bruner, research analyst at DoubleClick, said online video ads are proving effective as branding vehicles as well as direct response units. He pointed to recent DoubleClick research that found average click rates for online video ads were five times higher than click rates for ads without video. Also, 8% of online video ads generated some sort of interaction, such as playing the ad, expanding it or clicking on it.

In addition, the average video ad played two-thirds of the way through before users stopped watching it.

"Most advertisers see video ads as more of a branding vehicle than a direct response vehicle," Bruner said. "Nonetheless, these units get a much higher direct response rate on click-throughs."

While online video is being widely embraced by b-to-b marketers, other new online ad formats—such as floating ads, rich media ads and chat-in-banner ads—are proving effective to reach business audiences.

"Rich media is a very effective engagement model for business decision-makers," said Courtney Buechert, president of Eleven, a San Francisco b-to-b marketing agency.

"While system limitations were the biggest challenge in using some of these new formats, true business decision-makers are pretty jacked up technologically today."

However, he said, "All that same stuff is irritating to IT people. They find it annoying and intrusive, and not in a good way. Straightforward animated GIFs work well for them."

To target business decision-makers, Eleven created an online campaign for BEA Systems called "Liquid Thinkers." The term "liquid thinking" was coined to describe BEA's flexibility in making different technology systems interact and perform well together.

Eleven developed a campaign based on interviews with thought leaders at BEA client companies, such as General Electric Co., talking about their business and technology challenges and how BEA helped solve them.

Using floating ad technology, Eleven created what it calls "floating heads" of the interview subjects, which would pop up when business users were browsing Web sites and start talking. The ads were designed to drive users to a Web site to see the full interviews and get more information.

While these types of rich media ads are engaging and sometimes entertaining, simple text-based messages can work well if used in interactive ways, marketers say.

For example, when Intel Corp. launched its Quad Core processor in November, it used live chat sessions in banner ads to let users interact with technology experts. The campaign was developed by Universal McCann, New York, and used technology from Avivocom.

"If you look at the business and IT community, they are going online and that is where they're getting information," said Sandra Lopez, integrated marketing communications manager at Intel. "The online environment is becoming more user-initiated," she added. "We do not want to speak to the IT community—we want to speak with them and engage them."

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