



## The Rise of Online Video Ads

By [Harry Gold](#) , September 18, 2007

A while back, I [examined](#) an interesting Chicago Interactive Marketing Association (CIMA)/William Blair study showing that rich media growth had outstripped search for the first time and that much of the growth was driven by traditional big-brand advertisers, such as those in auto and finance.

Why is rich media drawing big brands and big dollars at such an accelerated rate? Broadband penetration and video. Video is central to rich media, and more people are consuming a major portion of video-based media online. We love hitting that "play" button! EMarketer projects U.S spending on online video advertising [will rise to \\$4.3 billion](#) in 2011, from \$410 million last year.

Most every serious site currently offers video ad units that include pre-rolls, click-to-play ads (Google is really big on serving these on its content network), video ads embedded in custom-skinned players, and environments that take over the page. The ways in which sites are packaging video as an advertising product expand every day. It's all incredibly exciting.

Something important occurred that woke big-brand advertisers up to the Web. Video enables them, together with their traditional ad agencies used to doing TV ads, to easily migrate the video-based branding formula they'd been using for years. They discovered migration to the Web can occur with a few small adjustments in formatting and media buying. Granted, some advertisers do it right, while others are simply putting a "play" button on existing :15 and :30 spots. But what's important is advertisers and ad agencies no longer perceive the Web as a home for boring old animated banners. They see it as a place for video and audio sensory candy that feels comfortable to them.

As online ad viewership rises, online video ads will be able to truly compete with their broadcast counterparts. Online video ads will be delivered with an accuracy never dreamed possible with broadcast video.

Think of the power and value when media planners can say, "Your Dove Beauty Bar commercial will only be shown to profiled or registered users of a portal, say MSN or Yahoo. We can guarantee it will be seen only by women above the age of 24, and they'll see all three of your ads in sequence. Furthermore, we'll guarantee how many ads will actually be viewed -- not just broadcast."

Broadcast TV, which relies on ratings, will never be able to make a similar guarantee to advertisers.

We need only look at our own online video behavior to appreciate its power and allure. I surf YouTube videos like I surfed the Web in '96. Yet for the most part, user-generated content isn't where the majority of online ads live, and it clearly isn't the route YouTube and Google have chosen to follow. Also, what reputable advertiser wants to risk showing her brand before a video of a guy shooting bottle rockets out of his butt? On YouTube, we're seeing very polite, user-initiated click-to-play video ads.

The majority of the pre- and post-rolls can be found on sites with content possessing a higher production value. This includes, but isn't limited to, sites that offer video news, movie trailers, music videos, weather, and sports.

Many of the best practices that apply to other forms of online advertising also apply to video as well:

- **Keep it short.** Fifteen-second spots are viewed all the way through at a higher rate than :30. I interviewed people from AutoTrader.com, Jumpstart Automotive Media, and ESPN. All echoed this sentiment.
- **Try a two-parter.** If you absolutely need more than 15 seconds, try teasing people with a :15 pre-roll,

then hit them with a :30 (or longer) post-roll. If you do it right and film for that configuration, you can make people anticipate the spot's end. Remember, you must film for the Web to accomplish this.

- **Film for the Web.** The best online ads are created for the medium, accommodate a :15 pre-roll, fit nicely in a small window, create anticipation for the post-roll, or interact and instruct on what to do with the click elements and calls to action that may be in the ad or around the player.
- **Avoid chopping.** Try not to take a :30 TV spot, chop it down to :15, and stuff it into a little player. If you do, be seamless. Melanie Allgood, senior product manager at AutoTrader, suggested, "Trim the front and back bumpers and [add] fades to black."
- **Practice good manners.** If you're producing a spot longer than :30, user-initiated video is most polite. But you must be creative to induce people to hit "play." If you do this right and have a good spot, people will most likely watch the whole thing. Maria Wyse, director of sales at Jumpstart, said, "User-initiated video and content is not intrusive or obnoxious; it will normally engage the viewer for a longer period of time than a standard unit."
- **Nest in relevant content.** If your ad is nested in relevant content, it will perform much better and be more appreciated because it adds to the consumer's information gathering and entertainment experience. Said John Zaccario, ESPN's VP of digital media sales, "Anytime you create a short-form video that is contextually relevant to the content on the site, that's ideal."

Next, I'll deconstruct a comprehensive study of people's online video consumption habits as well as their behavior regarding online video ads.

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