



MEDIA MATTERS

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To media agency executives, media directors, creative directors, account planners, interactive media placement directors, media researchers, media committees and SFNAs.

The Distinct Role of Online Video in the Marketing Mix

The following excerpt of the new book, "Show Me: Marketing with Video on the Internet" was provided by the author, Jessica Kizorek, a partner at Two Parrot Productions. This brief is from the soon-to-be-released second edition. The AAAA thanks Ms. Kizorek for drafting this excerpt.

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Brands are scrambling to revise their communications strategy to reach consumers as they spend more time with newfound electronic pursuits. As eyeballs are straying from broadcast television and print, businesses that are stubbornly holding on to traditional marketing methodology are experiencing a big dose of reality.

As an example: the majority of media dollars are still spent on TV. In the United States, more than 25 percent of households have DVR, according to Convergence Consulting Group. Of those households, 60 percent of television is viewed in a time-shifted environment and 92 percent of the ads are skipped when watched in a time-shifted environment, which equates to about \$50 billion in wasted media ad dollars.

By 2011, it is estimated that DVR penetration will reach 48 percent. As viewership of television advertising continues to plummet, Internet users in the United States watched more than 11.5 billion online videos in May 2008, up 13 percent over February 2008 and 64 percent over March 2007, according to comScore Video Metrix.

The broadband channel has done nothing more than augment the usability and reach of what is already a powerful medium. For major brand advertisers, online video campaigns are not a competitive edge but rather a cost of doing business. Consumers are expecting a dynamic online experience from the global brand names – they want to be impressed.

People shop online. They sell online. They socialize online. They date online. They play games online. They educate themselves online. They entertain themselves online. They network online. The industry can no longer clutch to the excuse of uncertainty or fear – the

time has come to allocate a significant portion of advertising spend to reach consumers in the online environment.

The Book: “Show Me: Marketing with Video on the Internet”

Show Me is an important assessment of the role online video is playing in the online marketing space. Technology is making meaningful shifts in how consumers are interacting with marketing messages, and consequently, the book is less about technology than it is about utilizing video as a powerful form of communication. It provides the foundation upon which an effective video marketing campaign can be launched. Today.

For Starters: Entering the Inner Psyche of the Web Video Consumer

On the Internet, relationships – both personal and commercial – are either built or dismantled in a split second. Users are reactionary, opinionated, impatient and protective. Most of all, they are savvy. Marketing messages are hit or miss these days largely because the individual mindset and social mannerisms of the online audience are so widely ignored. Ever wonder what interactions engage them versus have them slam the door in your face?

Organizations have a tremendous opportunity to tap into a culture of consumers who are hungry for content that they can both view and pass on to their friends, family and colleagues. And it couldn't be more simple – the key strength of online video is the ease in which it is forwarded on to the next set of eyes.

People share video because it reinforces and strengthens the bond between the sender and the recipient. When someone shares a YouTube video, there is a subliminal communication taking place: “You would like this because I know you and I'm in touch with who you are as a human being and I want to provide you with something you'd be interested in.”

In the business world, a viewer may send someone a video clip to educate or inform a potential client. They are effectively saying to that person, “We are on the same page. We should do business because you can count on me and I'm listening to what you need. You can trust me; I know what's going on.”

And as the recipient of a video clip, immediately the relationship strengthens. If the video is not relevant or inappropriate, it weakens the bond right there and then. The deterioration of rapport may be conscious or unconscious. The sender becomes either a resource or a waste of time.

Video content can be of tremendous value to your audience, be it for the purpose of entertainment or information. The key is to provide value and give your target a reason to

share that value with the people in their life. If they were to forward your video, would it make them look funny? Caring? Sensitive? Smart? Like an Expert?

People's behavior online is unpredictable and constantly shifting. They are swift, governed by random tangents and split second decision-making. The depth of relatedness is minimal, as people are constantly looking for the next best video, the next best Web application, the next best social networking site, and the next best cyber friend. The rate at which new content is developed has led to an intrinsic sense of adventure and discovery, with very little sense of loyalty to a particular interface or brand.

Users are constantly asking themselves, "Do I like this?" Their behaviorisms exhibit a strong sense of opinion and correlated action. When a user clicks off your video before it's reached the end, they have made a decision:

"I'm not interested."

"You are boring."

"You are not worth my time."

From a marketing perspective, it's integral to relate to them as how they want to be known. You must enter their world, be agreeable, be their ally and be what they are looking for. Only then will they listen, chose you and pull you in.

Why the Web is like Broadcast on Steroids

Unlike television advertising, online video campaigns take advantage of the immersive experience of video as well as the interactive, targeted strengths that the Internet provides. Here are six reasons to love creating video content for the Web:

- *Creative Freedom.* Digital media campaigns eliminate the constraints of the 30-second spots. The Internet is not just another cable channel. People will watch four, five, even 10 minutes of online advertising when it's compelling. The amount of flexibility that the Internet environment offers provides a new level of creative freedom.
- *E-commerce Explosion.* When the seller can show consumers exactly what they are buying at the moment they are ready to purchase, the chance of capturing the sale is much higher. Video is a critically important element to sales. Many companies report products accompanied by video demos have higher conversion rates than similar products without video. Video salesmanship is especially effective when combined with detailed product information, customer reviews and multiple photographs.
- *Instantaneous Availability.* The nature of the Internet is NOW. People want instant search, instant results, instant explanation and instant gratification. If you can't provide them with what they are looking for in this moment, they will move towards someone else who will. When consumers have all the relevant information at their

fingertips, they are left satisfied and clear about what you have to offer. And they will make the decision to purchase immediately.

- *Easily Shared.* One click. “Share with a Friend.” Word of mouth is the single most empowering tool available to marketers together. For decades, the only way to spread ideas with the masses was to beg the media to cover something or buy expensive advertising. The Web can propel a brand or company to instant fame and fortune. Having other people tell your story creates momentum.
- *Cheap Distribution.* Buying airtime on broadcast television is often times more expensive than producing the video content itself. Online video is changing the nature of business because it gives marketers a greater degree of media capability with less reliance on media providers. The subsequent visibility of the video experience is so much more significant in terms of reach and accessibility.
- *Real-Time Feedback.* Real time feedback allows marketers to put creative content to the test, learn on the fly then modify content that doesn’t perform as anticipated. It’s far more effective to know whether the video is working than to play dumb and ignore the problem. The issue can either be addressed in the next campaign, or even in the current one. Marketers now have the ability to understand exactly how much face time they’re actually getting with the user, and whether behavior is modified as a result.

Approach the Medium with a Particular Mindset

- *Think Non-Linear.* Stories are no longer told from start to finish. Viewers now select parts and pieces to view in the order they want. When designed as an arena in which they can watch as much or as little as they desire, it occurs as an entertaining exploration of content. Being able to navigate between short clips in any order can keep the viewer engaged longer because they are actively driving and engaging in the experience.
- *Keep It Simple.* In the world of Internet communication, simple is powerful. Avoid complex plots and minimize distracting backgrounds to keep the viewer’s eyes and mind focused. The best approach for a Web video is to choose a clear and simple theme. A funny video should just be funny; a sexy video should just be sexy. Once a theme is chosen, embrace it 100 percent. Subtlety doesn’t get a Web video anywhere.
- *Reconsider Big Budgets.* In the emerging world of online video, consumers are not as preoccupied with glossy, high-budget, Hollywood-type productions. Videos made on a shoestring budget might have the same chances of success as those produced with a budget of \$2 million. Quality is appropriate, when appropriate for your story. More importance lies in the message itself than the dollar amount spent on the production.
- *Return to Local.* In the past, one video message was broadcast to the masses. The focus is moving from volume marketing to a highly attuned attention on targeting local micro-communities. The emphasis is more on connecting with the ideal user – the

perfect consumer – not just broadcasting to the masses. The Internet is a highly personalized medium that lends itself to niche rather than large-scale marketing. Marketing budgets are shrinking when efforts are focused on producing a specific result with a specific audience.

- *Target Your Audience.* The key to effective and profitable Web video is the overall relevance to the user. The access to serving consumers relevant marketing messages is making sure there is a contextual association between the content and the advertisement, and a marketing messages related to established user behavior.
- *Create a Community Dialogue.* Internet users are far from passive participants in this new world of online communication. They want to share, connect, partner and participate. They are demanding the opportunity to express themselves with video, audio, photos, animation and text – and exchange their experiences with a growing network of friends and acquaintances. Provide opportunities for consumers to use the product and brand as part of their own self-expression.
- *Work the Social Network.* The era of one-way messaging is coming to a close as consumers are more interested in recommendations from others above messaging from loudspeaker advertisers. For thousands of years before industrial communication, people chose a doctor or neighborhood based on social circles, reputation and word-of-mouth suggestions. With the advent of closely-knit online social networks, people are returning to their conversational roots. Providing people with interesting content they can post and respond to within their social networks allows them to validate your brand in the presence of their network.
- *Invite Customer Participation.* Accommodate and empower users by offering them the opportunity to participate in the brand’s story. Allow people to develop their own messages. Encourage people to react to the brand or product and incorporate it into their own life; to adopt it as their own, per se. Part of moving consumers down the purchase cycle is guiding them from awareness to consideration. “This objective is achieved in the interactive space by adding levels of true engagement,” says Christine from Carat. Ask users to participate in all ways possible, from printing out coupons and playing games to posting photos or videos of themselves with the product. Give them a voice.
- *Generate Buzz.* In place of established protocol, businesses are putting a greater emphasis on being unpredictable and surprising. This strategy, whether achieved through shock value, humor, chaos, or catastrophe, is the only way to penetrate the senses of consumers who are intentionally blocking out the sea of information being thrust in their face.

Tread Carefully and Don’t Intrude

Online video consumers are not willing to be bombarded with advertising messages that interrupt or distract from their viewing experience. For online video marketing to be truly

effective, producers will need to use approaches that honor the mindset of the consumers that will be interacting with their messages.

In the past, tactics such as pop-up windows dominated people into paying attention. It was hard to ignore windows when they dropped in on top of what users had chosen to view. Even recently, a video advertisement for a new theatrical release smothered the home page of MySpace making it impossible to sign in until you found the little hidden close button. Video is especially irritating when it plays automatically without being muted, driving audio into the eardrums of the viewer who then scrambles to turn it off.

Tolerance for these types of messaging has deteriorated rapidly, and is being replaced by an attitude called, "You can't make me," or "Get the hell out of my way." Consumers have a knee-jerk reaction to such invasive content, and make an aversive mental note that they may reference in the future when faced with purchase decisions. Research shows that standing between people and what they're looking for is a sure fire way to enrage them and make a negative brand impression.

Integrate the Approach—Else Die in Your Silo

Tight interaction of marketing activities is the sign of a well-designed marketing campaign. These days, individual channels—even Web video—are less effective when isolated. Fabulous ideas get killed when team members don't want to break out and work in an integrated setting. By gathering the field experts from the start to work together as a team, brand managers are able to create a cohesive strategy and properly allocate the budget to achieve the overall objectives of the brand as a whole. The brands that are winning are utilizing highly integrated and organized cross-media tactics. They are connecting the dots.

Forget the Heavy Sell

Users are consuming video to be informed, entertained, educated and inspired. To best position online video segments, be clear from the beginning about the incentive that would drive viewers to sit through and even seek out a video.

Users will not consume video until they are convinced that it fills their wants and needs in the first place. Since it takes time to watch, people need to know up front whether they want to take the time to watch it. Use text and photos to give viewers a preview of what the video has to offer, and always note the length of the video so they are clear about what to expect. Solid information delivered quickly and clearly is the best way to please an audience.

Consider the Viewing Environment

The physical environment in which a video is watched has a large impact on how the mind processes the experience. If they have any difficulty viewing a video, they will leave. Online consumers are not invested in the viewing experience the same way they are when they go to the movie theatre on a Sunday afternoon to see a matinee.

- Screen Size
TV = Full screen, larger size
Computer = Partial screen, smaller size
- Image Quality
TV = Consistent transmitted and received image quality
Computer = Differing levels of image quality
- Screen Control
TV = Creator controls onscreen action
Computer = Viewer controls onscreen action
- Interactive Experience
TV = Sit back, relax, passive environment
Computer = Lean forward, interactive, dynamic environment
- Conversational Atmosphere
TV = Corporation = Business to individual
Internet = Community = Individual to individual

Pay Close Attention to the Interface

It's impossible to talk about online video without an acute awareness of the interface in which the video content is planted. The interface will not only influence the way they feel about the video—it also determines whether they will be able to find it. Video doesn't stand on its own—it is clothed and modeled by the user interface in which it appears. Video allows for a clear communication of the brand message, but equally as important is the context in which that video is placed.

Venues such as YouTube may be free, easy, and highly trafficked, but the strength of the brand is diluted by all the unrelated content on the page. For ultimate impact, position the video in an interface that is as clean and focused as the message itself.

Encourage and Facilitate Sharing

When a friend presents a video clip to the viewer, the personal relationship provides a greater degree of relatedness to the content being shared. Viewers are much more likely to click on video links that come from friends, family, and co-workers.

Consumers are converted into advertisers when they actively endorse a product or passively forward an intriguing marketing message. The Internet provides a potentially unlimited number of distribution opportunities. Web sites, blogs, directories and content distribution services all lend themselves to the capillary distribution to wide reaching audiences. The true advantage comes in allowing video content to be easily downloaded, redistributed and even re-published on different sites.

When video content can be grabbed and re-used on the Internet, limited distribution is replaced by the power of exposure that millions of bloggers and video content sites may unexpectedly give to the material. Unlike television, radio, or print advertising, online video doesn't disappear when the ad campaign is over or the ad budget runs out. The video ad is there to stay – available indefinitely. The degree of its penetration is dependent largely upon the consumer's ability and eagerness to share it.

Utilize Many Distribution Channels for your Content

The more distribution mechanisms there are being used to spread the video the better. It's important not to lock videos in a protocol that forces viewers to have to come to a specific site to see it. The most effective and powerful way to extend marketing reach and exposure is to use free, openly redistributable video embedding. Provide cut-and-paste, embeddable HTML or JavaScript code, allowing other content publishers to redistribute and publish videos in seconds.

In every instance, make it easy to "tell a friend," or "share this video." Provide the viewer with a familiar icon that will encourage them to share the video with either a single email address, or an entire list. Following initial traffic, brand building will increase and one-to-one relationships will begin to develop as the community increases in size and reach.

In addition to paid placements like banner ads or in-roll, plant and utilize branded video content across all the distribution channels:

- Corporate Web sites
- Blog Pages
- Social Networking
- Video Hosting Sites (e.g., YouTube)
- Video E-mail
- Podcasts and RSS Feeds

- iTunes
- Mobile.

No matter how brilliant the final video, the whole production will be a waste of time and money unless it engages the right people and elicits the desired response.

Befriend the Metrics—An Opportunity to Prove Your Worth

Advertisers continue to shift larger portions of their budgets online. As they do so, maximizing the return on online ad dollars is becoming increasingly important. Savvy online advertisers are not delivering video ads just for the “wow” factor – they are expecting quantifiable and significant returns on their ad dollars.

- *Impressions.* Number of times an ad has been called up and successfully loaded by publisher and by insertion.
- *Click-Throughs.* Measure how many people clicked on and viewed the advertisement.
- *View time.* Tracks how much of the ad was viewed, and how much time was spent on the site in addition to the video.
- *Time Until First Interaction.* At what point did the message catch the user’s attention and cause an interaction?
- *Frequency.* Learn how many times the video was viewed by each user.
- *Viral Quality.* Measure how many users forwarded and downloaded the ad.
- *Hover Time.* Record how much time users spend interacting with ad content.
- *Conversions.* How did the ad drive behavior?

Clients expect digital programs to be accountable, and industry professionals see this acute level of measurability as an enhancement that will soon hold interactive marketing to higher standards than other mediums. In the end, metric reporting will provide advertisers real time feedback, allowing them to more quickly judge and react to the effectiveness of their campaign. It will also make for a highly dynamic medium where creatives can continuously adapt their approaches according to metric success and failure.

Make More Money with Online Video

Video clips of products in action give the prospective buyers clarity about how the product would be relevant in their life. Video demos break down consumer resistance and concerns. Consumers end up being more confident with their decision to purchase, and are less compelled to do further research elsewhere. Companies who have made the switch to video email and video broadcasts have reported response rates that increased as much as 30 percent.

Here are some core monetization incentives for utilizing video:

- *Branding.* Building trust, confidence and relatedness will heighten the chance of sale and brand loyalty.
- *Consolidate Sales Cycle.* Providing content that demonstrates relevance leads consumers faster down the purchase path.
- *Lead Capture.* Offer video content in exchange for personal information.
- *Sponsorship.* Create relevant ties between content and sponsorship money.
- *Subscription.* If there is a demand, make people pay for access.
- *Solicitation.* Ask for donations, pledges and contributions through video—it works.

Create Layers of Interactivity to Pull Viewers in Further

Video as a medium is a flat image, a combination of sight and sound. It has a beginning and an end - an unfolding that is unalterable by the viewer.

This unalterable character of video doesn't synch up to the unique trait of the Internet – the power to directly navigate and manipulate the moment-by-moment experience. Whereas Internet video has largely wowed viewers up to this point, it is only a matter of time before it becomes a medium through which viewers navigate and explore. Video is evolving as the foundation upon which layers of interactivity are built.

The online user wants to interact with their content, not be at the effect of the content. It's foolish to expect the viewer to simply sit back and watch the same way they have with the television set. The "lean forward" nature of the Web will certainly be the driving factor in the development of new technologies that allow the viewer to watch at a surface level, then to dive deep into the video when they want to direct its course.

Rather than watching flattened images, in the near future users will interact with video similar to the way they interact with animated video games. For example, dynamic hot-spotting allows video creators and Webmasters to place activation fields atop moving pictures. Utilizing key framing technology, these animated hot-links move fluidly on top of video elements, and when clicked, transport users to a new destination.

Advertising is now evolving from clicking on a banner ad to clicking directly on a hat, purse, or T-shirt. When users see something they want, they have the ability to click on that item, inside the video, and purchase it immediately. This type of interactivity is radically shifting the idea of product interaction within commercials. It is incredibly useful for consumers, but not intrusive.

What Online Video Means For the Future

Globally, people are becoming less and less inclined to retrieve their information through text when video can communicate it faster and more thoroughly. Complex ideas and

processes can be easily absorbed and understood through the use of visual representations. Unlike reading, which requires significant education and intellectual development, sight and sound is a natural form of sensory communication that doesn't rely on the brain's ability to translate language into physical form. Moving images allows for the absorption of more information in less time with less intellectual effort.

The majority of adults still see the Web as a supplement to their daily lives. They gather information, buy music, book airline tickets, or link up with other singles who share a passion for dogs. For the most part, however, their social lives remain rooted in the traditional phone call and face-to-face interaction.

By contrast, the MySpace cohort lives in both worlds at once. Increasingly, America's youth uses social networks as a virtual meeting ground where they sit for hours at a time chatting with friends as if they were in the neighborhood park. As the first generation to grow up technologically fluent and fully wired, 20-somethings and teens are establishing their social identity on the Internet. That is where their time, their interest, and their trust lie.

Based on the sheer number of its members, MySpace will soon rank amongst the top-10 largest countries in the world. As local communities are defined more by common interests and passions, the entire concept of the nation-state will be impacted. What happens when individuals identify more with their online community than they do with their own country?

This electronically altered world has become so real that scientists are asserting that the behavior of the youngest generation is completely shaped by digital technology: that this might impact human evolution, transforming the physical brain and the way we think.

In closing, online video is a communication channel that is being used to capture and captivate consumers that are spending increasingly more time on the Internet. As the industry rapidly synchs up advertising spend with shifting behavior, broadband video is a medium that must be addressed when influencing the new era of consumer.

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(For more information on Jessica Kizorek's book, "Show Me: Marketing with Video on the Internet," please contact Jessica at jessica@twoparrot.com. The sources from which this paper is based are all acknowledged in the endnotes of the book, and in current research files.)