

and peering through it, as if looking at the user. To offer interactivity and more flexibility, rich media vendors are deploying new technology to expand the size of the ad.

These new technologies go by many names—expandables, rollovers, mouse-overs—but they follow the same principle: Users initiate play by rolling their mouse over a piece of the ad. It will expand and reveal a video start menu—an element that, if intuitive, has icons representing play, pause and close.

**Contextual:** A variety of companies are tweaking the aforementioned concept with a different tack: placing ads adjacent to videos, thus hoping to entice users to click on them. VideoEgg, for instance, places expandable start menus along the borders of a video. Forrester analyst Brian Haven predicts that advertisers will one day be able to create text-based ads that run adjacent to or across the bottom of a video. This offering depends on advanced audio search technology that can match content in the video to the ad content.

Connected Ventures offers what it calls its “lightbox” technology, which consists of a frame that encircles the video, with clickable advertising content.

**Webisodes and branded video:** An up-and-coming popular format is the brand-created video clip, which can run a few minutes in length, often with interactive elements, video game features and/or distinct storylines (the latter are often called webisodes). Major advertisers such as Jeep and American Express are calling on Hollywood to better tell their stories and entertain customers—while getting across subtle marketing messages.

### Advertising venues: Match placement to strategy

Since different sites have different demographics, formats and pricing, it makes sense to determine the media-buying strategy early on—since that can determine many creative and formatting decisions for your content. Placement options include a hosted microsite, your own corporate web site, an online publisher’s site or a social media site.

The lion’s share of video-streaming activity at Google Sites, the Internet’s top streaming video property, occurred via YouTube, which accounted for 992 million video streams initiated, according to January 2007 research by comScore. Despite all

the hype over social networking, those sites are barely on the radar screens of marketers that value “professionally created content,” according to eMarketer senior analyst David Hallerman. Yet certain marketers are taking the risk, putting up videos on YouTube or submitting them to bloggers, says Bill Rice, president of the Web Marketing Association.

Keep in mind that buying a space on a commercial news site or major portal comes at a price, typically a CPM of \$25. According to Doug Rozen, VP-interactive marketing at Carlson Marketing Worldwide, a home-page spot on sites such as AOL or Yahoo! can cost \$1 million for a single-day

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takeover (Ms. Paoletti would not discuss pricing information, and AOL did not respond to interview requests).

Yet, Mr. Rozen says, for major product announcements, the strategy can pay off: “Last year with Nestlé we attracted 33 million people at MSN in one day. That is a lot of volume.”

Depending on your budget or your level of comfort with online video, an initial experiment on your own website might be a better way to get started. “You need to do it smartly,” Mr. Rozen says. “Incorporate it into the experience of the site, and provide emotional context.”

### Metrics: The manna of measurement

What can you measure? Almost anything, apparently. Mr. Paparo says that DoubleClick tracks 100 separate events for rich media, analyzing behaviors such as whether the viewer watched the ad and for how long, and what percentage of people replayed it, expanded it, clicked through for more information or even went to the e-commerce site to make a purchase.

But metrics can go even deeper than that. Through the use of cookies, you can track if someone searched for your URL at any point after seeing

the ad. Of course, this doesn’t work if users clear out their cookie files on a regular basis.

### Costs: Stand by for more radical change

The cost of creating online video is shaking up the advertising industry as well. “That’s the beauty of the web,” says Brad Inman, CEO of TurnHere, an Emeryville, Calif.-based production company. “Production is no longer a huge undertaking with caterers and lighting crews.” Editing can be done electronically and uploaded to a delivery network’s media server easily; this also gives advertisers the ability to experiment more freely.

Depending on the equipment used and the complexity of what you’re recording, you can get started for less than \$1,000, says Mr. Inman, and then post video on your own website. Even if you’re recording high-definition content, you’ll still only pay between \$4,000 and \$6,000, and the price is coming down, says Jon Vanseader, video production supervisor at Toronto-based Clutch Marketing.

If you’re striving for a highly professional look, of course, you can spend hundreds of thousands of dollars on production, and placement costs can run into six figures.

No matter your budget and strategy, don’t let the promise of new whiz-bang technology distract you from the real issues at hand. Experts insist that even with online video marketing, the fundamentals still apply: What’s your brand? How will you communicate it across different channels? Those basics have nothing to do with technology.

But if video can tell your story better, then by all means get started—there are plenty of ways to get your feet wet. •

*Additional research for this story was done by Polly Schneider Traylor.*

# Do's & Don'ts

## How to thrive using the web's latest sensation

By HOWARD BALDWIN

When Intercontinental Hotels wanted to develop a marketing campaign highlighting the local knowledge and personal services of its concierges, it decided that video was the best way to communicate—given its ability to establish a more intimate, one-to-one relationship with a prospect. But because the video would relate to specific cities, the global hotel chain wanted to post it on its websites, not embark on a widespread TV campaign.

Working with TurnHere, an Emeryville, Calif.-based production company, Intercontinental hired local videographers to interview and film their concierges around the country, and then edit the footage into two-minute clips. No big production. No account executives hovering. Just the concierges talking about the cities they know best and the services they offer. The upshot? Intercontinental was so happy with the first six that it ordered 44 more.

Embodied in Intercontinental's project are multiple best practices for online video marketing. It started small. It started inexpensively. It kept the videos short and personal. It was willing to experiment in three key areas: technique, distribution and content.

It's not too early to discuss best practices for an area as nascent as online video marketing—especially since companies such as Intercontinental already are seeing positive results from their efforts.

### Technique do's and don'ts

**Do keep it simple.** With Intercontinental, says Brad Inman, CEO of TurnHere, "There was no micromanaging from marketing. It allowed for creativity, which matches what people want on the web...real people, not actors or CEOs reading from scripts." Because the concierges were local and intimately familiar with the hotel, they represented a trustworthy source of information. Best

of all, each video only cost a few thousand dollars.

**Do make the video short and the controls visible.** Arguments rage about length of ads: No one's going to sit through a 30-second pre-roll ad to watch a two-minute video, yet longer formats are emerging nonetheless, as branded (i.e. stand-alone) video. The Tremor Media ad network recently went on record recommending that pre-roll ads be no longer than 15 seconds.

Regarding visibility, keep in mind that users aren't psychic. Label the controls clearly. Make sure it's clear how they can start, stop, replay and even close the video if they want.

**Don't translate video made for TV to the web.** "Online video display is smaller than television, so what looks great large may not look great small," says Jon Vaseader, video production supervisor at Toronto-based Clutch Marketing, which offers video production services for mid-size companies. That means sticking to close-ups, avoiding long shots and creating chapters if you have longer content, he advises.

**Do give the user as much control as possible.** A viewer should be able to click on icons for more information or even play games, since interactivity is a core component of online video advertising (and the web, for that matter).

### Distribution do's and don'ts

**Do syndicate.** "Once you've created video, it's important to extend its reach," says Mr. Inman. "It's the most powerful and most engaging tool since e-mail." Coldwell Banker creates what Charlie Young, its senior VP-marketing, calls "content-neutral" videos that don't overtly promote real estate services, but discuss what to look for at an open house, or what to consider when buying a second home. They're available on HGTV's website, but they're also repurposed on social networking sites such as YouTube and Yahoo! Video.

**Do develop an integrated online and off-line strategy for best results.** "In today's marketing, everything is interactive and integrated," says Marjorie Kalter, a professor of direct and interac-

tive marketing at New York University. Consumers expect a brand to be consistent no matter how they encounter it. For example, use the same actors in your TV spots as you do in your webisodes and promote your online video campaign with a print ad in a major newspaper or magazine.

### Content do's and don'ts

**Do experiment.** One of the problems with television advertising is that when you invest \$3 million in production, not to mention the media buys, the result has to be perfect out of the gate. Online video has different rules because of its lower production costs. "You can try things and if it doesn't work, take it down," says Mr. Young, who adds that web prospects are more tolerant of unconventional approaches.

When it comes to testing, Mr. Young uses an informal system: He asks Coldwell Banker's 120,000 sales associates to take a look and report their reactions.

**Don't go for the hard sell.** It only takes a click of the mouse for someone to abandon your message. "People are on your site because they want to learn," says Mr. Young. "There's a fine line of how hard you push things at them."

**Do consider offering user-generated content—once you've monitored it, of course.** On its Scoop site, Häagen-Dazs asks people to upload suggestions for new ice cream flavors and even videos on how they created those flavors. Thousands of people have responded with recipes, and visitors can vote for their favorites to become a new flavor.

**Do include a call to action.** The value of online video is that you can record reactions, especially whether someone clicked through to a website to get more information. Clearly label what a viewer can do next: Request more information, get a free sample or enter a contest.

These are the best practices as they stand today. The most exciting thing about jumping on a new trend is that sometimes you get to make your own rules. You can, as Mr. Young says, experiment and be forgiven. So be bold. •