



Connecting the Marketing Community

Published: March 06 2007

## Online Video is Worth More than TV!

By **Jim Meskauskas**

**Online video audiences can be worth more than offline audiences. Find out what is needed to make that argument powerful for your clients.**

The cycle of discussion about online video's arrival as an advertising vehicle seems to now be about three months long. The last go-around for discussion about online video was near the end of last year when predictions for 2007 were being made. At the time, in November of 2006, the word on the street and in the trades was an [89 percent increase in spending](#), somewhere in the neighborhood of \$775 million.

In the same month, [a survey of leading ad executives](#) released by the American Advertising Federation stated that they "expect a large share of their advertising budgets over the next few years, originally slated for broadcast and cable TV advertising, to shift to online video buys."

For a long time it's seemed that video online has been poised to take advertising's pole position. Integration of the video format and the online platform has been on the verge of becoming the quintessential marriage of new technology and an established content format.

But video online and integration -- to borrow from [Upstream Group President Doug Weaver](#) -- is like Soccer in the United States: it is regularly talked about as being the next biggest thing to hit the scene but only experiences temporary and periodic surges in popularity.

While video's appeal to the marketing imagination is popular, its use by most advertisers remains sporadic at best and looked upon with skepticism at worst.

When clients ask about the use of online video, whether or not it should be included as part of an online advertising campaign or how it compares to traditional video, here are some things to consider.

### **Online video is CHOSEN**

Yes, people choose the programs they watch. Much of the time. Sometimes the "dial" -- or digital channel selection or whatever -- is where it is because that's where it was the night before when the TV was turned on and the cable box fired up. A person comes home, tosses his or her jacket over the back of a chair, turns on the boob tube, and then walks out of the room to change clothes, feed the cats, open the mail, pour a glass of wine and generally get on with life. All the while, programming is being broadcast accompanied by advertising.

The logo for Undertone Networks features the word "UNDERTONE" in a blue, sans-serif font above the word "NETWORKS" in an orange, sans-serif font. Below the text is a stylized graphic of a blue and orange wave.

UNDERTONE  
NETWORKS™

A graphic for Undertone Networks featuring a blue and orange wave at the top, with the text "Reach your audience in the" in white on an orange background.

Reach your  
audience in the

Online, the decision to watch online video content is subject to much the same kind of "lean forward" consideration as the rest of online content. When the video is being watched, it is being watched as a consequence of deliberate choice, which offline TV programming might not be.

### **The audience is REAL**

In traditional broadcast, when I buy television I pay on a per-rating basis. A rating point is one unit of one percent.

That means that if there are 100 people in my target universe, one person is one rating; if there are 1,000 people in my target universe, 10 people make up one rating point. But when I buy ratings against my ads, it is the ratings of the *program* that I am buying, not of the ads themselves. Also, I'm paying for a potential audience: what is called "OTS," or, Opportunity to See.

I don't buy an actual audience. I am paying for the hopes of accumulating an audience.

With online, I am paying for an audience that is actually there. That video doesn't roll unless someone makes it do so. If the audience isn't there, the inventory doesn't exist and so therefore there is nothing for the advertiser to pay for.

Does this warrant a premium? That's for the marketplace to decide.

### **What's still needed?**

What's still needed is something the industry has clucked about off and on for years: reach and frequency. Without some measurement of communication delivery goals, we cannot articulate what online can accomplish for an advertiser in a way that traditional media and marketing persons will understand.

I have a client who is asking for it for a standard banner campaign so that they can understand their online with their other media.

Online video is close enough to television to feel familiar to traditional marketers and advertisers. However, without being able to quantify it in a way that is also familiar, suspicions about online video may linger.

*Media Strategies Editor Jim Meskauskas is vice president and director of online media for [ICON International, Inc.](#), an Omnicom Company. [Read full bio.](#)*