

## **Video advertising on the internet**

While commentators worldwide clamour to heap superlatives on the internet it remains in essence a poorly organised- albeit very convenient- library. For the latter part of the twentieth century developed countries had been slowly moving further and further away from print as we became more used to the telephone, TV and radio. Letter-writing was a dying art and soap operas were replacing books. The arrival of the internet however, has meant a resurgence of letter (email) writing, library (web) research and catalogue (online) shopping.

It is unlikely however, that the internet will remain a printed medium. In 2002 around one million Britons connect to the internet via broadband\*. Today the UK has moved ahead of Korea to become the country with the highest broadband penetration in the world; forty one percent of British households have a broadband connections\*\*. Broadband adoption has been on the increase worldwide and this increase in bandwidth means that the idea of video on the web is no longer consigned to science-fiction. Moreover it would appear that the demand is there. Analysts have, in the past, postulated that users would not watch video online until the resolution could be increased to match that of TV. Youtube's 100,000,000 streams per day goes a long way towards proving them wrong. Both Google and Yahoo have recognised the growing importance of internet video and quickly introduced a "video" search option. More recently Google paid a record breaking sum of over a billion dollars for the website youtube.com.

As video becomes an increasingly prominent aspect of the internet, so too will video advertising. This has marketers and advertisers in something of a frenzy and the reason is simple. Truly international video advertising is now becoming an affordable reality. The potential to reach everyone on the planet with video advertising might not be possible yet but we are a lot closer.

At present, there are a number of different ways video can be used in advertising on the web. The most obvious being that companies can post stream-able video on their website. Web shoppers typically spend around three seconds on a page before moving on to the next one on Google's list. An important part of selling or keeping individuals on your site is to break this cycle of opening and closing windows and keep them at your site for longer. Video can do this. It lends a "wow" factor to a site and adds entertainment, giving companies the ability to engage with the individual and draw them into their brand or product. Also, when web users have many different sites to choose from it offers the all important opportunity to persuade them with video rather than with text. The expression is "seeing is believing" not "reading is believing". Many industry experts have suggested that in as little as three years companies who don't have video on their website will begin to be regarded in the same way that companies without a website are regarded now; inconvenient and behind the times. Part of this speculation is drawn from how people like to obtain information. As previously mentioned, until the arrival of the internet, western

societies had been getting more and more of their information visually. Once it becomes clear that this can happen on websites too, public patience and enthusiasm to read web-pages will not last long. Particularly if they are two clicks from a website that offers them the same thing in video.

Video on your website has many advantages and can potentially offer a great deal more traffic or business. This is only true, however, if browsers can be diverted there in the first place. Until recently this has been done with banner ads, pay per click or print and TV advertising. Technological developments look set to change this slightly. Banner ads can now work as they have in the past, using text or flash animation, or they can take the form of a video advertisement. Yahoo and MSN sell video advertising space on their most viewed pages and while screen size has long been a concern, companies like Klipmart have developed software to combat this by creating windows that the viewer can either shrink or expand depending on his or her interest. Possible future changes include what Klipmart refer to as “Hotspotting” which will allow areas of video to become clickable like a hyperlink. This will allow viewers to watch one video and click different links on different parts of the screen depending on their interests. What this will mean in terms of product placement, multi-product advertising or interactive video advertising is, as yet, unclear. What seems certain, however, is that technological improvements in video and software will soon mean that the only restriction to what can be done on the web will be our imagination.

It is imagination which is key to another form of video advertising, known in the industry as the “viral”. Taking its name from viral advertising, a “viral” is designed to be entertaining or engaging enough that people will forward the file or a link to friends and colleagues the same way as they would with a joke; spreading it like a virus. It is this technique which has many video, TV and film professionals most excited as it offers the greatest creative freedom. Entertainment is, after all, why many of them are in the business.

Virals tend not to be very good a selling since they are designed to entertain. They can however be used very effectively to promote brand image or a website. BT, burger king, Trojan condoms, pot noodle and many other international companies have been quick to realise this and commissioned some of the best viral ads last year. This reflects a growing trend in business not to use advertising to sell but rather to push people to your website. Once they are there, the sales process can begin in earnest. While businesspeople seem happy to accept this as a new marketing strategy, many seem unwilling to take it to a logical conclusion. Audio visual advertising has been the cornerstone of marketing for many years because it is the most effective way of communicating with and selling to people. The internet has the capacity to reach an unprecedented number of people worldwide. Is there any reason not to combine these tools?

If ad spending is a reasonable indicator then it would appear that the answer is no. The

amount of money spent on internet video advertising is expected to triple from \$225 million to \$640 million next year and will continue to increase to around \$1.5 billion by the end of the decade. Exactly what will happen in the future is never clear but it is a very exciting time for video and for business.

\*bbc, \*\*Western Mail