

Cool By Association?

by Eric Franchi, Tuesday June 17th, 2008



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There are many companies working feverishly to figure out the best way to monetize online video in its current state and over the long term. Over the past month, there has been an interesting development in the online video space that shows where some think the key lies. I call it “cool by association.” Let’s look at it more closely.

The first was in May, when YouTube announced its Buzz Targeting concept. YouTube’s algorithm will predict what videos are about to become viral hits right before they happen. They will then offer advertisers the ability to run ads in the overlay space at the very bottom of the video. With YouTube’s current stronghold on total video streams, it is a potential way to deliver scale, very quickly, against the most popular content of the moment.

Then, this past week, NewTeeVee launched NewTeeVee Station. It is a “best of the Web” concept site that uses human editors rather than algorithms to review and showcase currently popular online video clips. Outside of the clichéd man vs. machine comparison, it is an interesting concept that could catch on from a user perspective: a shortcut to find the hottest and most popular videos amongst the millions that are out there. This idea can also be adopted by any video portal or destination site, at least to a degree: promoting the most popular videos on the homepage, perhaps. Now, I don’t know NewTeeVee’s ad strategy, but to any media guy or gal, the potential opportunity stands out clearly. They could, via regular ad formats or sponsorship, enable a marketer to associate with what’s hot, right now.

The YouTube concept is clearly a scale play. Top videos on the site get millions of views, sometimes within a matter of hours. Assuming other video sites can gain a scalable audience, they can replicate the effect to a smaller degree. Outside of instant scale then, which can be achieved via other means (like an ad network roadblock), what we’re really talking about is using “cool” as a value proposition. As in, advertise alongside what is cool as a way to drive results, or at least gain brand coolness by association.

Is “cool” enough to work in the ROI-driven world of online video?

That’s the issue I think many brands are going to be wrestling with when evaluating opportunities like

this. There is definitely something to the idea; the built-in ability to get scale quickly, reach online influencers and promote the brand within what's hot right now. However, the nature of the Web and ease of creating, editing and uploading original content quickly, guarantees that there is no end in sight to the flow of one-time video hits. So, "cool by association" for a brand can happen, but how long will it be until the next hit? And is it worth the investment?

What do you think?