

Direct Response Online Video, Revisited

by Eric Franchi, Monday, February 23, 2009



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LAST YEAR, WE PONDERED the question of why DRTV advertisers hadn't yet embraced online video as an outlet for sales generation. At the time, an easy answer could have been "who cares?" The media landscape as a whole was in the middle of a relatively strong year, with online continuing its excellent growth.

Fast-forward a few months, and things certainly look a lot different. Budgets have been cut or put on hold until the economic future becomes a bit clearer, and the fate of entire industries that were big advertising spenders (auto and financial) is still uncertain. A few direct marketers seized the opportunity in TV advertising and became household names overnight. The Snuggie began advertising in October and has sold over 4 million units to date, and Cash4Gold bought a Super Bowl ad! Media professionals understand what is going on -- brand advertisers have pulled back and these buyers are buying at locked-in remnant rates that ultimately spell profit for them.

While many of these advertisers have a presence online in the search, affiliate and display space, they still have yet to unlock the code to profit from online video. And frankly, it's not just the DRTV segment that is struggling to make video work online. Overall, we're not seeing success with CPGs, insurance companies and others that use online as a direct-response tool, be it for sales, couponing, lead generation or anything else. It's counterintuitive because online remains the accountable medium (including video, which is rapidly becoming as measurable as any other format), and there is more ad inventory available than ever right now, so why the lack of investment and experimentation in video?

For the DRTV product-pushers, the reasoning on the surface appears clear. The formula behind DRTV ads requires an optimal repetition of the product benefits, features and pricing that is made possible only within a longer timeframe than is acceptable online. But for the rest of the direct response/brand response segment, it's hard not to justify looking at video as a way to complement search and display direct response efforts.

Nothing engages like sight, sound and motion. Not only that, online video reporting can offer insight into completion, time spent and interaction rates, and when combined with ad server, site analytics and attribution reporting, can give a clearer picture of performance and ability to optimize than ever before. Then there are all of the standard targeting techniques such as day-parting, category and geography, which become all the more mainstream as video avails scale.

With the undeniable growth of online video and continued focus on innovation, perhaps we will unlock that code to driving ROI with video in 2009. Perhaps eMarketer's prediction of 45% growth for video will then prove to be too conservative. Wouldn't that be something?