permissionTV

Online Video 2.0:
Rules of Engagement

Top Five Tips for a Successful Video Strategy

Abstract:

Unlike the first era of online video, characterized by passive, linear video experiences, today's successful online video strategies focus on critical elements such as user engagement, relevancy, interactivity, usability and measurability. This paper will review how successful brands like BobVila.com, the Boston Symphony Orchestra, and Toyota Scion are engaging consumers and reaping the benefits of online video. In addition, we will explore the top five tips for successful initiatives as online video moves into the Video 2.0 era.

Introduction:

A recent study from ABI Research estimates the number of viewers who access video via the Web will nearly quadruple in the next few years, reaching at least one billion in 2013[1], while Forrester views streaming video advertising as the fastest growing segment of the interactive ad market and predicts it will hit $7.2 billion in 2012[2]. This growing consumption of online video provides marketers with new ways to promote their brands, engage with consumers, expand reach and explore new monetization methods. Despite these optimistic forecasts, many interactive agencies and in-house developers have yet to deliver scalable online video experiences that meet consumers' demand for more relevant and interactive encounters.

Because consumers are free to watch any program at anytime and anywhere, marketers are quickly realizing that the consumer is king in online video. Successful online video strategies will focus on critical elements such as user engagement, relevancy, interactivity, usability and measurability.

Video 2.0 – The Evolution:

Rewind: Video 1.0
The first period of online video focused on the simple distribution of video on the Web – it was only about adding existing video to a Website. Video 1.0 was passive, linear and not very compelling.

Based on the pervasive failure to rethink the application of video in a Web context, the initial wave of online video initiatives tried to force a round peg into a square hole. While the Internet is an inherently interactive medium, many thought simply adding video to a Website was enough. Similar to when newspapers and magazines first attempted to publish online content, early online video efforts ignored the consumer expectation of interactivity and delivered passive experiences that were unable to deeply engage viewers. As a result, user engagement time was too short and consumers were not spending enough time with the video and brand. For example, while the average online video lasts 2.8 minutes, viewers of Video 1.0 only tuned in for an average of 42.5 percent of the video – resulting in almost two hours per month per viewer of lost engagement opportunity[3].

In addition, fear of the unknown and an industry reticent to change were also primary roadblocks for online video advertising and the growth of the industry as a whole. In fact, industry leaders noted that creating effective Internet spots had been extremely difficult in an industry conditioned to lure consumers with 30-second and 60-second television spots[4].

Video 1.0 relied on inefficient advertising methods that were interruption-driven. For instance, mandated pop-up advertisements or intrusive 30-second pre-roll advertisements promoting unrelated content to an uninterested and disengaged audience. For example, a middle-aged, single woman is most likely not interested in viewing 30-second advertisements for men's shaving cream every time she goes to catch up on her favorite daytime soap online. With no way to accurately measure this one-way communication vehicle, analysis was impression-based and lacking reliable industry standards.

Press Play: Video 2.0

Online video distribution is only the tip of the iceberg. Content owners, brand marketers and advertisers are now realizing that the consumer has the ultimate control in online video. A renewed focus on critical elements such as user engagement, relevancy, interactivity, usability and measurability is

heralding a new era of mutually beneficial relationships between the consumer, the content owner and the advertiser.

Video 2.0 engages consumers in a conversation and enables them to spend longer periods of time interacting with the content and brand. Increased engagement has the potential to drive further reach as the Pew Internet & American Life Project found that more than half of online video viewers share the link with others, and most online video viewers watched the online videos with other people[5].

By delivering interactive online video experiences that are relevant to the viewer's individual preferences and needs, Video 2.0 offers maximum impact and meets a range of business goals. For example, creating a new revenue stream for the 20-year-old Bob Vila brand, reaching a broader audience for the Boston Symphony Orchestra (BSO) and delivering a branded experience for Toyota Scion to better engage with their target audience.

• Bob Vila turned 20 years of existing television content into a profit center through an interactive online video experience on BobVila.com.

• The BSO launched the first-ever online video initiative by an orchestra to reach a younger, global audience on the Internet, connecting with consumers through educational and entertaining content.

• Leading interactive agency WhittmanHart delivered a video-centric Web experience for Toyota Scion to reach a Gen-Y audience, meeting their client's immediate needs and helping them win the entire Toyota account.

Pause: Video 1.0 vs. Video 2.0

To put it simply, Video 1.0 put content in video form on the Internet, while Video 2.0 takes that video and turns it into an interactive Web experience instead of just a static, reactive viewing experience.

| Video 1.0	Video 2.0
Interruption-driven	Permission-based
Impression-based	Measured and Adaptable
Highly Inefficient	Relevant and Highly Targeted
Linear Video	Interactive and Actionable
One-way	Social

Video 2.0 Rules of Engagement:

Permission-based – Put the viewers in control – they want to decide when to tune in, what content to view and for how long.
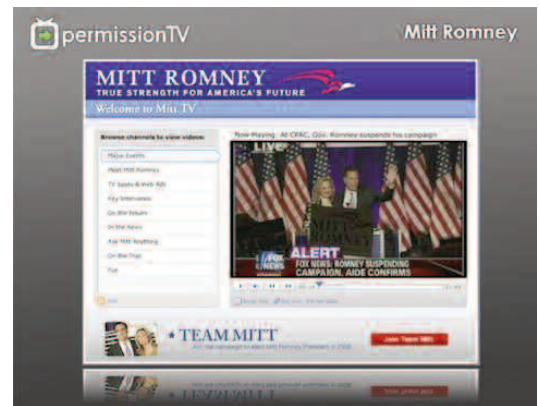
"Mitt TV," Mitt Romney's video gallery, features all speaking engagements, debates, interviews and news clips to tell his story to constituents, supporters and undecided voters who wanted to learn more.

Relevant and highly targeted – Enable viewers to seamlessly move between entertainment, education and marketing modes as needs and desires change for optimal context.
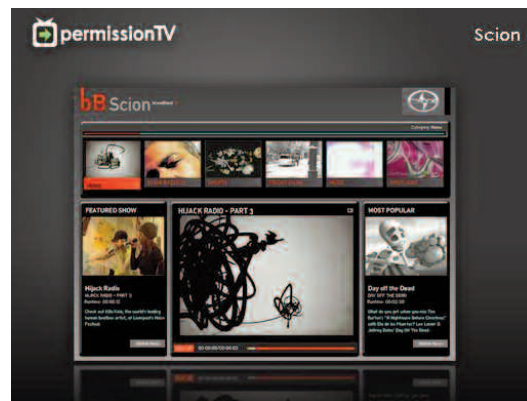

The Scion Broadband channel, created by WhittmanHart, is a branded video and music portal that delivers an entertainment showcase for upcoming musicians, filmmakers, producers and directors to connect with the target Gen-Y crowd.

Measurable and adaptable – Assess the interests, needs and behavior of your audience, and continuously tailor the content and experience appropriately to achieve optimal results.


BobVila.com's video-centric site continually adapts based on usage patterns. From adding short "How-To" and "Step-by-Step" videos to changing the pre-roll ad cycle and ensuring highly targeted, non-intrusive advertising, BobVila.com evolves to meet user demands.

Interactive and actionable – Bring the interactivity of the Web into the video experience.
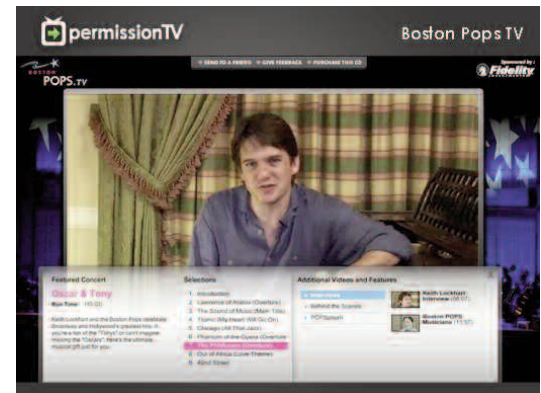
BostonPopsTV provides broad exposure and attracts a younger demographic by providing an engaging online video experience. Interactive commentary ranges from conducting lessons to providing information about the instruments or musician. The site has successfully increased CD and concert ticket sales.

Social – Provide opportunities for individuals and groups to shape their own stories, engage with each other and your brand and create new forms of entertainment and education.
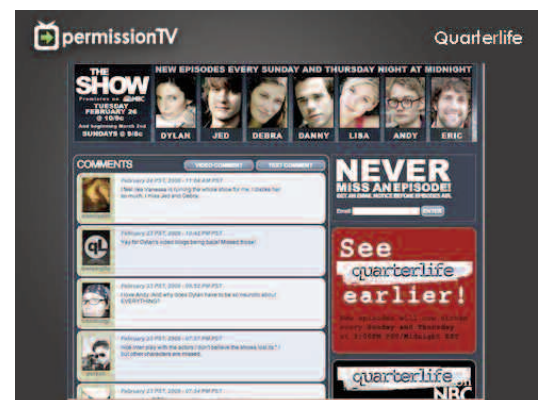
quarterlife, an original Web series picked up by NBC, bases the storyline on viewer feedback and encourages visitors to create their own blog and directly interact with the cast members and community.

Fast Forward: What's Next

As the rules of engagement continue to evolve, content owners and marketers need to implement flexible online video platforms that will scale to meet the inevitable rising demand for relevant, interactive experiences. There may not be a crystal ball to tell us what the future of online video has in store, but one thing is guaranteed: consumers will write the script.

Sources:

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2 Schadler, Ted. "A Market Researcher's Introduction to the US Interactive Marketing Forecast, 2007 to 2012, " Forrester Research, May 29, 2008

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5 Madden, Mary. "Online Video," Washington, DC: Pew Internet & American Life Project, July 25, 2007

About PermissionTV

PermissionTV provides a flexible online video platform for brand marketers and advertisers, media companies and publishers, as well as their agencies, content producers and technology providers. This platform helps organizations leverage the power of online video to achieve their marketing objectives through the creation and management of customizable experiences. PermissionTV's online video tools help customers such as Bob Vila, Boston Symphony Orchestra, FHM Magazine, Harvard Business Publishing and Intercontinental Hotels capture new audiences, enhance relationships, maximize customer value and generate revenue. For more information, please visit www.permissiontv.com.