



## Marketers connect with online video

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Although it has largely been the province of business-to-consumer marketers to date, online video has started to attract b-to-b companies. Encouraged by the results, these marketers, along with interactive agencies and technology providers, predict online video's use by business marketers will increase substantially in the next year.

"We're still in the early stages, in terms of people embracing video as a marketing strategy. But we will see that number grow significantly," said Lou McErlean, VP-sales and marketing for MCD Communications, a Dallas-based company that develops video content linked to e-mails.

The advantages of using online video to reach business customers include the creation of a more involving experience, the ability to repurpose existing video assets, the opportunity to take advantage of broadband connections in the workplace and the potential to do extensive tracking of a viewer's interactions.

The disadvantages include the cost of producing video and the relative newness of the technology, which can lead to glitches when the video is deployed across different sites and platforms.

For marketers that already have video assets, it's relatively simple to repurpose this content for use online, either as a banner or even in a full-screen format. Top b-to-b Web sites such as CNBC, MSN and BusinessWeek.com work with third-party vendors such as Unicast, EyeBlaster and PointRoll to deliver video in ads for a premium of several dollars per CPM. And on-demand video environments where ads can be placed are becoming increasingly common on sites such as ESPN.com, CNet.com and ABCNews.com.

Chris Morrison, a project manager with Wunderman Interactive in London, recently started using EyeBlaster's video ad banners for a document management solutions company as a of repurposing its TV spot. One goal of the campaign was to engage the attention of consumers who might ignore a typical banner ad.

"You could have the flashiest standard 468 by 60 ad banner, but people still know it's a standard banner," said Morrison. "All of a sudden, with this new format, you have a video that users know they can engage with."

EyeBlaster's technology downloads a small initial piece of content to a page and then downloads the video content in the background before asking users to click on a play button to view the video clip.

Morrison pointed out that he can track such things as how much video a user viewed, whether they paused or rewound the clip and what they did afterward.

"It's a very rich ad unit," Morrison said.

Unicast recently introduced a full-screen ad unit called the Video Commercial that plays up to 30 seconds of broadcast-quality video as users move between pages of a site.

AT&T Corp. ran Video Commercials for its business services across a number of sites, including areas of About.com, AccuWeather.com, MSN.com and Forbes.com. The commercial reused video shot for the telecommunication company's "Can Your Network Do This?" campaign, which appeared on TV at the same time, and contained links at the end for users to find out more about AT&T's solutions.

Jay Krihak, a partner at Digital Edge, the agency that developed and bought the video ads for AT&T, said that online video is starting to become an important tool for b-to-b marketers for both branding and direct response.

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"If you think of video as content, we're just looking at the Web as just another platform on which to distribute," Krihak said.

A research study conducted after the campaign showed that the AT&T ads increased purchase intent by 55% and association of the company with its core message by 41%, both results being significantly better than those for campaigns not using online video. In addition, a relatively low 24% of users said they found the ad annoying.

Since Unicast introduced the new ad format in March, b-to-b marketers that have used it to reach customers include Verizon, WebMD Corp., Nextel Communications, Brown Co., ING and Wachovia Corp., according to Unicast.

Allie Savarino, VP-global marketing at Unicast, said that while marketers are mostly repurposing existing video content for their online commercials, she predicted more companies will shift to making customized videos by the end of the year.

"For business-to-business marketers, this might mean product demonstration videos and other examples that get across deeper elements of their products and services to customers," Savarino said.

Others, however, said that the cost of producing video is still likely to be prohibitive for most marketers.

"Video production is still too expensive to create and stream to use for marketing purposes. I see businesses spending far more on paid inclusion and commercial searches than on video," said Kelly Ring, an analyst with Yankee Group.

One company that's had some success getting marketers to invest in producing videos for marketing purposes is MCD Communications.

MCD, which began as a radio production studio, developed a product two-and-a-half years ago called ElectroMail that sends e-mails to potential customers with links to video that's been specifically shot for a particular campaign. B-to-b clients that have had success with ElectroMail include event marketers such as the American Airlines Center in Dallas and the SBC Cotton Bowl.

A typical ElectroMail package costs between \$5,000 and \$20,000.

"It's more expensive than normal advertising, but the returns we're receiving versus our typical marketing products are much greater, as far as people contacting us to want to know more," said Brad Mayne, president of Center Operating Co., which manages the American Airlines Center.

#### Tracking video watchers

The company's objective was to sell high-priced corporate suites and box seats to its sporting events, and MCD shot video of Dallas Mavericks owner Mark Cuban inviting potential customers to check out the arena and see the benefits of premium seating. Other areas of the message contained video testimonials from current suite owners, as well as slides showing the luxury suites and box seats.

Slightly different messages were sent to about 6,000 people in Center Operating's customer database, and the company was able to track which videos, if any, each customer had seen, and also whether they had clicked on the contact information included in the message.

The results were that Center Operating was able to sell enough premium seating in a month to cover the cost of producing and sending out the video ads, which Mayne said was "under \$50,000," as well as double the number of one-on-one meetings with potential luxury suite buyers it had set up at this time last year using traditional direct mail efforts.

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The tracking capability also enabled salespeople following up with customers by phone to know how much the customers already knew about the product and direct the conversation accordingly.

Mayne said he plans to use ElectroMail in the future for group sales and other special events.

"Because the medium is so new, it can really jazz up even the projects that seem the most boring," McErlean said.