



Video Special: Branded Channels

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Quick facts

- 27.4m UK web users watched 3.2bn videos online last June, according to ComScore. Brands including Borders and Bounty are launching web TV channels this year
- Viewings on Borders.tv hit 750,000 in the first 11 weeks
- Online TV could be a more effective advertising and branding channel than pre-roll
- Brands are looking at ways to understand how online TV channels can drive ROI

Let's... do the show right here

While 2007 was all about social networking, this last year has seen branded online TV channels become a focal and investment point for brands and publishers. Going beyond basic branded channels on YouTube, companies such as book retailer Borders and parenting site Bounty have launched standalone web TV propositions hosting bespoke and exclusive video content.

The moves have been qualified by statistics clearly demonstrating consumers' infatuation with online video. ComScore reports that more than 27.4m UK users — 78% of the total UK web audience — watched 3.2bn videos online last June. The average video duration was three minutes, while the total viewing audience watched 161m hours of video content through the month. The web lowers the barriers to entry for brands that don't want to run their own TV channel.

Perhaps the most high-profile example of a branded TV channel is Audi's. Launched in May 2007, it includes a live TV channel with presenters and scheduled Audi-based content, as well as content on-demand. One of the most recent UK entrants to the market is pharmacy giant Boots (Boots trials video content ahead of online TV channel. The retailer is running a video trial on some of its product pages, with a view to rolling out a full web TV proposition at a later date.

A Boots spokeswoman said, "Boots.com is becoming more than an ecommerce site to offer customers real-life solutions to both their everyday problems and bigger issues. We're looking at the most appropriate ways to deliver this and will be offering interactive content alongside static and video content. Video allows us to bring the subject to life in bite-sized chunks, whether it's a how-to guide or an interview with an expert."



Video takes hold

Two of the key factors in brands like Boots making online TV plays are the successes of the BBC iPlayer and YouTube. Likewise, video instruction sites such as Howto.tv and VideoJug are key destinations for consumers wanting guidance on specific subjects, as well as being place where brands can be associated.

John Gillespie, UK MD of online video specialist Kewego, which has clients including Peugeot and Coca-Cola, says, "The success of YouTube proved that the technology now works. People can produce content cheaply and get it on the internet quickly, knowing that people will watch it in their thousands, if not millions."

The attraction of online video, especially on a standalone site, is that you have a captive audience, he says. "A 30-second TV spot may be about grabbing attention, but people deliberately deciding to visit your site demonstrates their willingness to engage, meaning you can go into more detail. You can showcase products, the technology behind them, how you built them and so on, giving a richness of communication with what you know is an interested consumer," says Gillespie.

But the drive towards online TV might also be caused by frustration with other online video ad formats. Henry Scott, CEO of Simply Media, which runs Borders' online TV channel among others, says pre-roll advertising hasn't had the impact some predicted. "The publisher is pressing to reduce the number of pre-rolls and their duration, while the advertiser wants to increase them," he explains.

"That creates conflict, meaning it's difficult to create a marketplace where everyone wins."

As such, Scott says many brands are changing their attitudes towards how they work with video. Rather than concentrating on pre- or post-roll ads, they're looking at how to communicate their brand message to an existing or incremental audience through video presentations.

"People like watching video, we know that, so you use that to deliver meaningful content and create a really rich association between the brand, the product and the people you're supposed to be talking to," he says. "We're advising all our clients to consider video content as an ad rather than putting ads against other content. Similarly, this is becoming a form of PR activity as opposed to straight advertising activity."

Parenting site Bounty launched Bounty.tv last month. Content includes parents talking about issues like morning sickness and how to bond with a newborn child. Content director Guy Phillips says it's a prime example of a brand understanding the needs of its audience, one that's looking for the right information from the right sources.



"The main driver is that we know our audience very well," he says. "People love video, including parents and prospective parents. It's a significant investment in video by us. It's very clear that if you don't have a broad mix of content distributed in different media types then you're doing your users a disservice."

Another recent launch is PCAdvisor.tv, a standalone channel from publishing house IDG's computing title. It includes product reviews and tests from *PC Advisor*, but also third-party content from technology brands such as Samsung. Editor Paul Trotter said of October's launch, in partnership with video specialist Flixmedia, that while other publishers have had online TV propositions for some time, such as *The Telegraph*, it's only in the last couple of months that it's been clear such offerings will work.

"In many ways it's easier to look at product reviews online," he says. "We get so many products to look at each month that it's quick and easy for us to do a short video review, adding another element to the whole process."

Trotter adds that *PC Advisor's* proposition shows it isn't necessary to spend a fortune to create an effective TV channel. "We're not investing thousands in studios and equipment. But the production quality is good and from what we've seen so far it's what people want," he says. "If it takes three minutes to read a review then you might be better served by watching a three-minute review."

Simply Media's Scott says many companies would be surprised to think they have a potential online TV audience out there. "We're starting to do a lot of work in the financial area, an area people might think could be quite boring in terms of online TV," he says. "However, it's not to those seeking out information, of which there's usually plenty for any successful company."

Scott agrees with Trotter that running online TV channels is affordable to many brands, but stresses that the real challenge is how the content is made interesting. "If you come to the conclusion that you can't make it stimulating or interesting, don't bother as people won't watch it," he says. "It's a waste of money to go through the whole process of adding video only to find it doesn't add a new layer or dimension to your offering."

Proof of value

Bounty's Phillips warns there's a danger of brands jumping on a bandwagon. Just because people watch video online doesn't mean they'll watch yours. "I'm not certain people want or expect it from every site," he says. "What's clear is that, as a specialist or boutique publisher, video is a great way of putting across in an interesting way content we know is important. It's about making the right decisions but never assuming it's right for everyone. For every person



who'd rather see video content there'll be another who'd prefer a 10,000-word document."

So the challenge for online TV channels is to prove their worth. John Gillespie at Kewego says it might look great if your brand is getting a high level of views on its TV channel, but how do you know whether that's generating a return on investment? "In the current economic environment, everyone's looking to remove all extraneous costs," he says. "The promise of the web has always been that you'll know exactly which half, if not which quarter or tenth, is doing all the work, so brands will want to see how that applies to online TV."

Scott agrees. "If ad budgets are under pressure, do people go back to what they know and spend the money on TV, press and radio, meaning the discretionary budgets, such as digital and especially online TV, get squeezed out? Or do they reduce spend on traditional media and keep the discretionary spend? It's hard to know how that will pan out, so the challenge is to prove value."

Nick Atkinson, online marketing manager at Borders, says that now its online TV channel is established, the focus is entirely on understanding how it benefits the company in the long-run.

"We've had a year to two of people doing web TV channels but now the demands are to get ROI," he says. "We're looking at stuff like tagging videos and working with publishers to include, say, a voucher code that's specifically related to that video."

The theory is that Borders would know any redemption of that code was a result of someone watching the video. "We need mechanisms that can be specifically related to video. It's not enough to count views, you need to measure the revenues generated," says Atkinson.

Borders unveiled its online TV channel as the centrepiece of its ecommerce launch this summer. Heavily featured throughout the main site, it has exclusive interviews with authors like Terry Pratchett and Ian Rankin. In the first 11 weeks, Borders saw views hit 750,000. Despite this, Atkinson stresses that online TV channels aren't a guaranteed success for everyone.

"There has been a tradition in our industry of producing media for the sake of it, and in video YouTube has very much become a buzzword. People feel they have to be seen to be adopting this kind of thing," he says. "But they need to treat video as just another part of their overall marketing strategy and build in some focus and reasoning as to why they're creating these videos. I think we'll see videos becoming much more part of an overall campaign."

Brands shouldn't look solely at branded TV channels as their online video play, he adds, but as just one aspect of a host of opportunities in online communication. Borders, for example, is currently running a Where's Wally competition on Google Earth with Walker



Books and *The Telegraph*, tasking users to follow clues to find Wally on Google Earth each day. As part of the campaign, Borders is using video content hosted on YouTube to provide clues. "The videos are just an element of an overall strategy," says Atkinson. "So rather than just making a video and hoping it transfers into sales, I think you'll see more strategic placing of video in campaigns."