

Adconion Identifies Video Re-Targeting Opportunities



AN INTERVIEW WITH:

Nick Higgins

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Adconion Media Group is an independent global online audience network. Adconion's clients include advertising agencies, marketers and premium content sites that represent a wide range of sectors. Adconion supports performance-driven campaigns with a measurable direct response element, as well as a companion branding effect. As an online audience aggregator, Adconion places brands and content in front of the right audiences.

Nick Higgins came to Adconion from MSN. Prior to joining MSN, he worked for Maher & Holmes Sydney and in radio and television sales with the Australian Radio Network in Melbourne and Channel Ten in Sydney.

Here, he discusses the differences between online video consumption in the US and other parts of the world, the benefits of re-targeting online video and his multifaceted take on engagement.

eMarketer: What is Adconion's expertise?

Nick Higgins: We've been around since 2005. According to comScore, we're the second-largest presence online, with approximately 300 million unique visitors interacting with our network on a monthly basis. To put it in perspective, an online video campaign that ran across our video network in January 2009 was seen by around 26 million viewers. The "American Idol" finale had around 27 million viewers.

Our proprietary software and interaction with audiences on a daily basis have given us great insight and understanding into the actions of people online within our audience and network. This allows us to ensure that our client

brands offer the right content to relevant target audiences.

Over the last year, we developed our video ad server, or as we like to call it, our content server. We refer to it as a content server because it's not just video assets, but video games and other forms of content that may need to be syndicated across the Web. We have offices in the US, Australia, the UK, Germany, France and Spain and deliver campaigns into 52 markets around the world.

We've rolled out video in North America, Australia, the UK and Germany, and are planning to roll out in Spain and France. We also have a global sales team based in London serving regional and global clients. This enables us to launch simultaneous multinational campaigns for clients through a single point of contact.

eMarketer: What, if any, differences do you see between North America and other markets in terms of online video consumption habits?

Mr. Higgins: In the UK, of the billions of streams that were generated in January 2009, approximately 5% came from the top five television networks. I thought that was really interesting. Fifty percent of that traffic was generated by BBC Worldwide, which is noncommercial.

Television teams in the UK are now starting to buy preroll or in-stream video, while digital teams are working largely with in-banner advertising. Television buyers tend to stick with the programs they're familiar [with], which can be problematic when they don't have much inventory to play with.

eMarketer: How is that different from what you know about the US online video market?

Mr. Higgins: Online video in the US is interesting. There's an abundance of everything. You have all of the big brands doing well online, so if you look at the major TV networks—ABC, CBS, FOX and so forth—there is a plethora of traffic and inventory. That said, not all of the inventory is premium, which goes back to the global challenge of “scale.”

There is an opportunity for semi-professional content if there is a big fan base. The major challenge for the semi-professional content producers will be to provide a brand-safe environment for advertisers.

As soon as you step out of North America, preroll inventory and access to premium content are greatly reduced.

eMarketer: Why is premium content harder to access outside of North America?

“The lack of scale has forced a number of video portals to go bankrupt.”

Mr. Higgins: Primarily due to a lack of inventory, which is a global problem. Achieving scale is a challenge. I'm referring to scale for advertisers and video portals. The lack of scale has forced a number of video portals to go bankrupt.

eMarketer: There has been a lot of discussion in the US about finding an alternative to preroll video. What is a more interactive or engaging unit?

Mr. Higgins: I find that a lot of the conversations at many of the North American digital advertising events that I attend are very linear. The conversation is often just focused on in-stream video products. The fact is that the digital medium is far more versatile and interactive, and in-stream is just one facet of what is available to marketers.

A good example of this is starting a consumer's journey off around premium content. Say it's preroll video within CBS's "Late Show" on CBS.com. Using the Internet, brands can re-target the user from the preroll experience and reach consumers in-banner.

You can then start sequential messaging to a brand's target audience creating a story and experience. You can also start playing with the different formats, such as in-stream to in-banner video. Or create sequential messaging across different ad formats.

Not only are you changing the messaging and the level of interactivity, depending on your message, you could be driving people down through the communications funnel to brand awareness and engagement and ultimately to a retail offer.

eMarketer: Can you offer an example of a category that's using these types of video solutions?

Mr. Higgins: In Europe, we're working with a large automotive company that has looked at the different levels of interaction that they generate via display advertising. This company has tested various ad formats to drive traffic to their Website and encourage in-banner video brand experiences.

Once users have visited their site, the re-targeting takes place with video. They're able to extend the brand experience at a very low cost. There's a lot of effort, time and money going into building Websites and driving traffic to them. Re-targeting offers a more cost-effective extension of that messaging.

eMarketer: Was this particular brand trying to launch a new product? What was the business objective?

Mr. Higgins: The re-targeting was complementing a host of marketing objectives. However, it was primarily a product launch designed to increase awareness and, ultimately, new vehicle test drives.

eMarketer: What kind of ROI resulted from using this method?

Mr. Higgins: Depending on where video was used, the ROI is going to be twofold. There's a caveat—the use of video as the initial engagement, i.e., Web planning against a demographic or category of size, will be around launching the brand to the right audience. Then the measurements are delivery of the assets, which is the awareness component. The second factor is engagement. Engagement represents the level of interactivity, which depends on how many videos or features within the ad unit the audience has interacted with.

eMarketer: How many options can you offer within the ad unit?

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Mr. Higgins: Unlimited. And we’re finding that provided the content is right and it’s matched to the right audience, we’re generating a high level of interactivity. My definition of interactivity is users watching multiple video clips and engaging with the various features within the ad unit.

eMarketer: What are the benchmarks for engagement?

Mr. Higgins: This goes back to defining the campaign objectives and who’s buying the media. The reason for this is that if I go to the TV buyers, they may say, “I just want to syndicate my 30-second television commercial, provided I know that it’s played in front of the right audience.”

However, if I’m talking to someone who’s spent five to 10 years in digital media, they’re likely to be a lot more focused around levels of engagement—how many rollovers and how much time was spent interacting with the brand.

And then sometimes, depending on the agency, there’s a back-end metric. A large portion of people involving themselves with video have moved away very quickly from the click-through rates, because they understand that’s not the true level of engagement.

I have a lot of respect for preroll as an ad unit. It’s a natural extension of TV. People know what to expect from the linear experience. However, it’s not scalable. The networks are focusing on traditional ad units as the “superhighways of the Internet” and are putting a lot of energy into developing creative messaging. These are extremely rich and engaging custom ad units with multiple video clips, diverse features and functions. The units will say things like, “watch more video clips,” “view postcards,” “find a dealer” or “send to a friend.”

eMarketer: What is the time period during which this type of re-targeting journey occurs?

Mr. Higgins: That’s a good question, and it’s still being worked on. The short answer is that it’ll vary. To be able to re-target anything, you have to have a high level of traffic or a robust media campaign. If you start off very small, the re-targeting opportunities only get smaller and smaller. Some would question the rationale of setting up this sort of campaign unless you are re-targeting deep in the decision-making process. But what’s interesting is that with re-targeting, you’re always playing with media efficiencies. You can re-target premium ad buys, such as video on premium publishers, with lower-cost standard display.

eMarketer: What, to your mind, is keeping online video from catching fire?

“Having a uniform reach and frequency metric

would definitely help.”

Mr. Higgins: No-brainer—it’s scale. I think those marketers that have not had the chance or the opportunity to dive into video are now being forced to because of the consumption habits. Having a uniform reach and frequency metric would definitely help.

eMarketer: Is there any market in particular that seems to be more progressive with online video?

Mr. Higgins: Very interesting you should ask. I feel that the US is still the dominant player. There are challenges behind international video, including scale and the cost of entry. For portals to operate video products can be a major burden given the technology, content licensing fees and CDN [content delivery network] expenses.

From the technology side of the business, I like to keep an eye on the Nordic and Israeli companies. There is always something good emerging from those parts of the world.