

Dragonfly delivers content by video with local ads

BY MARY HUNT

Local publishers need hyperlocal content to compete and attract – or keep – local advertisers. That's the truism that rules the current marketplace. But how to add local video inexpensively enough to attract local classified advertisers is the question.

A start-up, Dragonfly, is looking to fill that niche. And it's looking good enough to investors to have recently attracted \$2 million more in financing, bringing its total investment to date to more than \$3 million.

Dragonfly attracted widespread attention with its MovieMaker product, which lets companies publish, track and analyze long-form videos with a turnkey platform. The company's core technology lets it compress and deliver video with no delays or interruptions.

Dragonfly CEO and founder Guy Nouri told Classified Intelligence, "Two big things are going on online right now, social networking and video. Video is moving away from Flash and multimedia tricks. Flash is also very expensive; video is common, easier to use, you can capture anything."

While one aspect of Dragonfly's business continues to be to provide ever-better and higher-definition video to major companies and sites, Nouri is also



focusing on newspaper sites and local publishers as natural users for the Dragonfly video system.

"Publishers just need to realize that local is good," Nouri told us. "We deliver a system that can handle whatever video you shoot. Local publishers have content expertise. As opposed to YouTube, which puts video out there for everybody, you know who your audience is; you own them." Dragonfly can work with video created by reporters or by local advertisers, even shot with a camera phone.

While Dragonfly does not maintain its own ad network, it does have relationships with several, and its clients can sell their own advertising and / or access video ad networks that Dragonfly can recommend. "We can get you started at a price that makes sense to a local newspaper, and if you need help, we will bring in an ad server to support revenue," Nouri said.

The price to set up a Dragonfly system for a publisher's Web site starts at about \$5,000, a company representative told CI. "It's not a cookie-cutter, license-a-tool system," Nouri explained. "They have to make a commitment to have one or more people oversee video, and then we are happy to partner with them and set up a strong video community to help them quickly and affordably bring fresh content to market."



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Internet, mobile advertising and games. The next big thing could be mobile TV. Not so hot: podcasts, ringtones, true tones, location-based services – big hopes especially in this field were not fulfilled; pure mobile communities also didn't take off; established online-communities with mobile extensions fared much better. His most urgent recommendation: Look for alliances; don't do it alone. And don't ignore the youth; try to understand them and learn.

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"Google has six lessons for newspapers," Len Kubas of Kubas Consultants in Canada, told attendees: "1. Easy buying process – simple, hassle-free

transactions; 2. do-it-yourself ad creation and referrals; 3. Promote frequency in print; 4. Low-cost advertising can be profitable; 5. Monitor results and make incremental improvements; 6. Commit to continuous innovation."

How might that look in newspapers' practice? Séverine Lago, senior strategist at Publicitas S.A., Switzerland, outlined dynamic-pricing models that 10 publishers will test-run in 2008. Among the concepts chosen for the tests were formats, placement / position, price differentiated according to specific days / seasons, stand-by ads, last-minute ads, early time of booking, various packages (print, multimedia, with or without services), auctions, target-oriented CPM, response elements, flat rate, non-linear scheme, clubs and bonuses. We'll see which stick to the walls.

