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The Smart Money Watches You Watch Videos

Sophisticated Tracking Gives Marketers a New Edge

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Last summer, a video clip featuring comedian Sarah Silverman went up on YouTube to promote CleanMyRide.org, an online campaign for cleaner fuel.

Then, two months ago, the video saw a sudden spike in traffic. But the video's producer, political-marketing firm MSHC Partners in the District, could not figure out what prompted the delayed jump.

To find out, MSHC turned to YouTube Insight, a measurement tool that was launched last month. The tool tracks how, when and by whom a video was watched. Using the data, the producer discovered what was behind the resurgence. When a clip of Silverman's appearance on "Jimmy Kimmel Live" was posted on YouTube, it drove new traffic to the older CleanMyRide video, said Michael Bassik, MSHC's vice president of interactive marketing.

Knowing exactly how a video becomes popular can be critical to selling advertising associated with it. The audience for video is growing rapidly; in February, U.S. Internet users viewed more than 10 billion online videos, a 66 percent increase over the same month in 2007, according to ComScore's Video Metrix service. Advertisers, meanwhile, spent \$554 million on online video promotions last year, compared with \$398 million in 2006, according to Jupiter Research. Still, many marketers have been reluctant to place big bets on ads paired with video, largely because it has been difficult to measure the ads' effectiveness.

"When you're a manager of a brand, the idea of risking a significant amount of money to understand this new social-media world is very challenging," said Troy Young, chief marketing officer of VideoEgg, an advertising network that places ads on video clips. A video might gain popularity because it was linked to in a blog or incorporated into a social-networking profile and circulated among friends, he said. The tracking tools can help an advertiser figure out whether the video is reaching the desired demographic and, therefore, whether it should buy ad space related to that video.

Online publishers such as CBS Interactive and advertising agencies such as Hill Holliday now use video-tracking services to help plan their ad strategies. Video creators, both amateur and professional, are starting to use these measurement tools to get a better view of which clips are most popular on which Web sites.

Well-known media-tracking companies such as Nielsen and ComScore have launched tools to track the popularity of video, the way they do with television and Web sites. In addition, at least a half-dozen start-ups, including Visible Measures and Quantcast, have designed their own systems to track how and where videos are watched and shared as they travel across the Web.

Visible Measures, based in Boston, for example, uses software to record when users rewind and fast-forward through a video, when they stop watching, and if the sound is turned on. It also tracks how popular video is on various sites and how clips are shared.

Another company, Quantcast, allows media companies to embed a "pixel" in each video to track how many times they are played by Web surfers. Quantcast's software also collects geographic and demographic data based on other sites users have visited and other information that is not personally identifiable, such as a specific Internet address. In addition to using software it developed, San Francisco-based Quantcast has a panel of 1.5 million volunteers whose Web-watching habits the company tracks, similar to the way traditional TV ratings are measured.

YouTube's own measurement tool helped CleanMyRide.org understand which strategies work best to drive traffic to videos it posted on the site.

"Going back into that campaign and tying specific spikes to various blog posts or other ad campaigns lets us know what we can expect from different kinds of online marketing," Bassik said.

Video-tracking tools let advertisers tailor their messages for specific audiences or test a variety of pitches before committing to an ad strategy, said Matt Cutler, vice president of marketing and analytics for Visible Measures, which is two years old.

"The goal is to be able to do an economic comparison to TV spending," he said. Unlike TV viewers, however, Internet users can rewind to certain parts of a video or forward clips to friends; both are signs that the audience is more engaged than it is with TV broadcasts, he said.

Other firms distribute video clips to a variety of Web sites, then show producers how well they fared with certain audiences. TubeMogul, based in Emeryville, Calif., distributes videos across the Web to sites such as MySpace, YouTube, Metacafe and Yahoo Video. "The All-For-Nots," for example, a Web series about a traveling band produced by Michael Eisner's start-up Vuguru, is distributed to sites by TubeMogul. The company then tallies how well each episode or season did based on how often it was viewed.

There is a downside: Having so many systems for measuring the success of Web video makes it harder to arrive at an industry consensus.

The lack of a universal standard for measurement is confusing for marketers, said Bobby Tulsiani, an analyst with Jupiter Research. Companies will have a harder time judging the efficacy of their ads if they must compare several types of measurements, he said.

Online tools offer greater depth of information about their viewers than current TV metrics, he said, but it may take a while before the industry agrees on a standard of measurement.

But some say they've already gained confidence in the value of video.

At the Catamount Ski Resort on the border of New York and Massachusetts, Vice President of Marketing Rich Edwards started posting homemade videos about the mountain on the resort's Web site. After putting new content on the site, Edwards said he notices an increase in online lift ticket sales, group lesson sales and lodging reservations.

Dragonfly, the company that hosts Catamount's videos, gauges the duration of viewing in terms of "vunits," or minutes of viewed video measured in 10-second intervals. Edwards said the videos have received 275,000 "vunits" since December.

He attributes the overall increase in business to the popularity of the site's video content and plans next season to use the data to solicit advertising for the site.

The data "tells me people are staying on the Web site," he said. "They might not be looking at the video for the whole three minutes, but while the video is running they're looking at our specials, our lesson packages."

Amateur videographers are also using the measurement tools to quantify the popularity of their videos, which in turn can boost their chances of finding sponsors.

Jodie Rivera, 24, posts spoofs and comedy sketches on her own YouTube channel, called Venetian Princess. Through YouTube's reporting tool, she discovered that viewership of her videos typically peaks on Wednesday evenings. She now uploads her videos on Tuesdays in hopes they will qualify for the "top-viewed" list the following day.

She also discovered she has a following in Britain, so she is planning new sketches based on British pop culture, and she may modify her upload schedule to fit the time difference. Being able to target her videos to fans has helped her attract ads, she said.

"It gave me a better idea of who my audience is," she said.