

Snack-Size Video: New & Improved!

by Daisy Whitney, May 2007 issue

Major media companies and long-time TV vets reclaim the web with original content

Skateboarding dogs and toilet-trained cats aren't likely to be the short-form video stars of the future. In the first quarter of 2007, the medium of snack-size entertainment consumption has entered a more professional phase, with both NBC and ABC joining the new business of original Web production, as well as industry heavyweights like Michael Eisner and Steven Bochco.

What's more, a handful of online stars have started to emerge. They are folks who are producing higher-quality content regularly with a story line and a theme, such as Amanda Congdon, Ze Frank and the "Ask a Ninja" creators. And they have advertisers supporting them, such as Dove, Paramount and Dewar's.

Both entertainment stalwarts and budding talents are edging away from the homegrown, viral-video fare that defined the early days of the YouTube generation. Instead, this crop of creators and backers is tilting toward professionally styled content and traditional business strategies.

"I don't think that [user-generated content] goes away," says Michael Eisner. "It is a new kind of form, and democratization of creativity is not going to disappear. But I don't think it will be the only video. I think it will be replaced, but not eliminated, by professionally produced video."

ADVERTISERS SIGN ON

Consider some of these recent moves in online video by the creators of two popular series: "Ask a Ninja," a winner in the first YouTube Video Awards, signed with Federated Media to handle ad sales early this year, in a deal that's said to be worth in the seven figures based on reaching certain advertising goals.

"The Show With Ze Frank" snagged Dewar's as a sponsor of the archives of the show, now being shown for a limited run on Blip.tv. As for the stalwarts, Bochco launched his "Café Confidential" video confessional project in March on Metacafe, with American Apparel as the sponsor. In early April, Eisner's online studio premiered the 80-episode online series "Prom Queen" on MySpace, Veoh Networks, YouTube and other sites with ELLEgirl, Fiji Water, POM Wonderful and Teleflora.com attached as advertisers. In addition, NBC plans to produce an online series for Break.com, and the site expects to land advertisers by its second-quarter launch.

"It clearly suggests there is money to be made," Bochco says.

And then there's ABC.com, which has delivered primetime episodes and related fare so far. But now abc.com has premiered its first original series created for the Web called "Voicemail," which will continue its rollout over the second quarter. Each one-minute episode features a story line based on some of the 3,000 voicemail messages the Web show's co-creator, Michael Wilde, saved and made into a movie in 2005. The show is not specifically ad-supported, but ABC hopes it will drive more Web traffic to its site, which generated 8.5 million unique visitors in February.

These forays into Web originals come as the networks war over both viewers and copyright issues with popular online video aggregators such as YouTube. NBC Universal and News Corp. announced plans to create a new Web business that will feature their TV shows, movies and clips.

The moves also come as online companies like Yahoo appear to be backing away somewhat from creating original video. Two years ago, when the company hired former ABC exec Lloyd Braun and set up shop in Santa Monica, it was widely assumed that Yahoo aimed to step up efforts to create original Web content. The Internet portal even launched a few pricey video initiatives, including "Kevin Sites in the Hot Zone," featuring Sites as he parachuted into conflicts around the world. But Yahoo, like other online-only companies, hasn't yet made a huge splash with original content.

WHO'S WATCHING?

This rapid-fire introduction of new online video shorts is author Chris Anderson's "Long Tail" made manifest, says T. S. Kelly, senior VP and director of research and insight at Media Contacts. "Content following consumer behavior following content," he adds. "We jumped on the upcoming FOX/NBC Universal video project with a number of clients. Bottom line — if any of these new video efforts eventually offer both a sizable and qualitative audience, marketers will take interest."

But the big challenge with any online video project — network or independent — remains metrics. Though the Internet is touted for its measurability and accountability, there is still a lack of consistent audience metrics from comScore and Nielsen//Net Ratings, as well as other video performance data.

"These are things that current online video efforts offer only in limited quantities. For this emerging video platform to attract dollars, the metrics have to be there," Kelly says. "Yes, comScore is doing their best and Nielsen has also made some noise in this area. Results, though promising, will need to be much more thorough and consistent. Moving forward beyond this period of experimentation, marketers will stress accountability, expecting much, much more from media firms and measurement companies. For marketing dollars to follow en masse this issue is non-negotiable."

But the market undoubtedly will grow. After all, online producers posting their shows and series are merely satisfying a loud demand from consumers and advertisers for online video. Research firm eMarketer estimates that online video ad sales will surge 89 percent this year to \$775 million.

And with the cream of the online crop starting to rise up and produce actual stories rather than silly stunts online, the balance of power may sway to the talent rather than the distributors. "Demand is shifting to the content creators and the content itself. It's becoming a more competitive marketplace," says Jordan Levin, the former CEO of The WB, who's now a founding partner with Generate, a new-media online production shop and talent management firm.

Still, creators should be careful about what they sign because the ad potential is unknown, comments John Battelle, chairman of Federated Media Publishing, which connects independent Web sites with marketers. Advertisers are eager to sponsor online video, but no one knows for sure how strong the demand will be, he says.