

TAKE NOTICE; YOUTUBE LAUNCHES NEW ADS



In a new twist in the ever changing ad-world; the “old” selling of TV spots through demographics is giving way to the pioneering YouTube way of selling sponsorships. YouTube is pioneering the new ad model to support its batch of video channels. Sponsorships (which include display, overlay and pre-roll) run to an annualized \$4 million to \$6 million, depending on the channel, with the pre-roll coming in on the high end of the industry average—about a \$20 CPM. Working on a shared revenue model, YouTube gives a grant for production then splits profits from ad sales with creators after that first investment is recouped. Rather than demostats, Keyword targeting is used for these packages, with typical suites of channels having themes like Moms, Young Hollywood and Automotive. “We have four shows, and another five or six planned over the next couple of months, You have to constantly refresh the content,” says Rob Weiss, CCO of EQAL, which is producing fashion and beauty channel U Look Haute (which debuts Tuesday), saying he likes the flexibility of the model. Question? Are the YouTube ads that appear in the videos rubbing some users the wrong way? YouTube being the current king in the area of online video, YouTube particularly, would be interested in Video ads because so many of their videos appear outside of YouTube. Video ads on YouTube have been on horizon all along. The common pre-roll ads tend to piss off viewers while post-roll is not as effective since the content has already been seen. The new format (Embedded Video Ads), already tried by Google, does something a little different. The new format slide in an ad from the bottom of the video about 10 seconds into the clip and overlays right on top of the video. Clicking on the ad pauses the video and shows the advertisement, and when you close the ad the video continues playing. Viewer’s responses: “what’s the big deal. tiny ad and it disappeared. Compare that with the shit that yahoo makes you watch 40 secs between each vid. Google paid 1.6B for utube they should make some money of their investment” also “I gotta’ agree here. As if “Just a small percentage of viewing space” isn’t a big deal. It is a big deal. I don’t want ads invading the pleasure of viewing videos on youtube. It’s obtrusive and annoying.”

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