

AOL PLEDGES COMMON CURRENCY AND AUDIENCE GUARANTEE TO ONLINE VIDEO ADVERTISERS



AOL has become the first big publisher to guarantee audience delivery for online video advertising campaigns purchased across its properties. Its new offer is based on the existing television model of audience demographics rather than on clicks and impressions. What this means is that AOL will undertake that an ad will be seen, by a section of the people whom the advertiser is targeting, at least a pre-specified number of times. Moreover, the company said, "it will utilize Nielsen Online Campaign Ratings' reach, frequency and gross rating point measurements," to assess how much they have managed to deliver the ads to the looked-for target audience. Steve Hasker, President, Media Products and Advertiser Solutions, Nielsen said, "We are pleased that AOL, the first major publisher to use an audience demo-based guarantee model for its online video inventory, turned to Nielsen's highly accurate reach, frequency and online GRP measurement to drive increased confidence in their platform as a brand medium. We look forward to working with them to demonstrate their ability to effectively deliver on their clients' goals." AOL's audience guarantee means that advertisers will only pay for the percentage of its intended viewers that the advertisements actually reached. Nielsen would authenticate and confirm the percentage. Senior Vice-President, AOL Video said, "As marketers and advertisers increasingly shift dollars from traditional television advertising to the Web, partnering with Nielsen puts AOL in a unique position to offer a more cost effective mechanism for reaching targeted audiences and a better or equal brand lift, reach and recall. AOL has a significant volume of high-quality content valued by advertisers and we are excited to take the lead on showing marketers the value and differentiated results we can guarantee." Online video ads are one of the fastest-growing formats: eMarketer predicted a 52% increase in online video ad spend for 2011. However, it has lagged behind the increase in time that consumers spend online. Advertisers feel that having a same yardstick for both online video ads and television will make it easier for them to decide about shifting advertising allegiance to online video. Jordon Bitterman, a senior vice president at Digitas, a digital ad firm owned by Publicis said, "In order to move dollars from traditional TV to digital, publishers are feeling the heat to offer buys based on the TV currency." Eyeing a larger share of ad dollars is crucial for AOL. Its share of the US online advertisement has fallen considerably and eMarketer estimates its share of US online ad revenue will drop to 2.4 percent. Adding to the pressure, the company has spent extensively on acquisitions over the last few years, which includes buying news-and-commentary site Huffington Post. Additional ad revenue will provide it the requisite impetus to transform itself from an Internet-access company into an ad-driven media company.

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