

MEDIA & MARKET

ADVERTISING

Video Gets Entrée Into Email

Technology From Goodmail Opens a Long-Sought Horizon for Marketers

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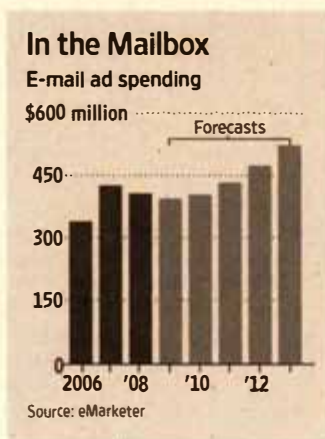
VIDEO IS COMING to email. Email-security firm Goodmail Systems plans to introduce Thursday a new technology to help marketers and media companies send videos via email. It screens video messages for bugs and viruses and emails them to consumers who have opted to receive them. The Mountain View, Calif., start-up is launching its video email service with Time Warner's AOL unit.

"Video is a great way to increase interaction with brands and marketing messages," says Marc Fleishhacker, managing director at WPP's Ogilvy Consulting. Adding video to email marketing boosts customers' interaction—such as opening the email or clicking on any of the content—by as much as 200% to 300%, he says.

"There are some technology challenges," Mr. Fleishhacker says, referring to security filters. "You have to make sure that your email gets beyond them and into the consumer's mailbox."

Marketers have long looked to video as a way to jazz up their promotional emails. But most efforts were put on hold because video messages tended to get lost in the shuffle as concerns about spam and viruses led Internet-service providers to block suspicious-looking files.

Goodmail, founded in 2003,



created its system, in which the video is embedded in the body of the email, to work within those security constraints. That is a departure from the way most marketers now promote their videos via email—as a captured image that includes a link to a Web site where the video plays.

A Seattle company called Eyejot provides technology that lets users send video messages in small batches of email and is working on a system for marketers conducting large campaigns, says Eyejot CEO David Geller. But Goodmail, which is working with media companies, marketers and Internet service providers, appears to be the first service seeking to ensure delivery of video emails by certifying them as virus-free.

Goodmail plans to charge a de-

livery fee of as much as \$10 per thousand emails, and share those revenues with Internet-service providers.

Industry executives say one shortcoming of the service is that Goodmail works only with Web-based email systems, cutting out consumers who access email through software programs like Microsoft Outlook.

As they rein in ad spending amid the recession, marketers have started relying more heavily on email and other targeted advertising to reach customers. Spending on online-video ads, meanwhile, is expected to increase 45% this year to \$850 million, according to research firm eMarketer, despite a sharp falloff in the growth of online advertising as a whole. Media companies are scrambling for ways to take advantage of that growth by boosting the advertising they sell on their videos.

"Video is the shiny new toy," says David Daniels, an analyst with Forrester Research.

But Mr. Daniels cautions against marketers broadcasting all of their TV spots via email to masses of consumers. "We live in a TiVo world. We already are commercial skipping," he says. "It could be overload, unless people are highly engaged with the brand." A better model, he says, might be for media companies to distribute their video by email

and sell ads alongside it.

Live Nation will be among the first marketers to test video emails with Goodmail. The concert promoter relies heavily on email marketing, sending 15,000 promotions last year to customers who subscribed to receive updates about events.

Adding video to those messages will give Live Nation the chance to better showcase its artists and give consumers a preview of shows, says Bob Frady, the company's vice president of digital marketing. It tested emails featuring video of Katy Perry as part of its efforts to promote the pop singer.

The email newsletter DailyCandy, which covers fashion and culture for a mostly female audience, plans to start sending videos via Goodmail next week. The newsletter, owned by Comcast, will begin producing video segments to complement its usual fare like shopping tips and restaurant reviews, says Catherine Levene, chief operating officer. It plans to sell short commercial spots to play before the programming starts.

To avoid paying Goodmail delivery fee out of its own pocket, Thrillist, a newsletter which has 750,000 subscribers aimed at young urban men, plans to send video messages only if they have been paid for by advertisers, says founder Ben Lerer. Thrillist said it has sold its first video campaign to camera maker Canon.