

CBS to Lay Bare Its Plans

Web-Video 'Skins' To Be Main Ad Tool In a 'Burly' Venture

CBS is about to start showing some skin.

About a year after they were introduced, a handful of video-ad formats—called bugs, tickers and skin—are jockeying to become the favorites among marketers.

The skin format, in which the ad appears in a graphic surrounding the window where the video plays, has been slower to gain momentum because it isn't widely available on top video sites. But it is about to get a lift.

On Wednesday, CBS will announce that it has reached a deal to carry an irreverent show called "The Burly Sports Show" on CBSsports.com. The show, which draws two million visitors each month, covers wacky events such as a failed marriage proposal during halftime of a Houston Rockets basketball game and a baseball mascot's fall during a running race. A part of the distribution deal is CBS's plan to use the skin format as the primary tool to sell ads next to the show.

For all the hoopla over online video, the video-ad business still is finding its feet. Just last month, the Interactive Advertising Bureau, a trade group that represents more than 375 publishers, released standards for various types of online-video ads. The new formats, which deal with the technical specifications of the commercials, cover preroll, midroll and postroll ads (ads that appear before, during and after a video), and the formats for skin, bugs and tickers. (Bugs are logos that appear in text or graphics on or next to the video, while tickers are horizontal bars that usually run on the bottom of the video.)

But the formats are just the beginning of trying to build a foundation for these emerging types of video ads. Ad executives still are trying to figure how much to pay for an ad bug or an ad skin—different publishers use different formulas to come up with their ad rates—and how to gauge their effectiveness.

"How do you really measure how successful it is? That's the gap that has to be closed with video," said Sean Muzzy, senior



CBS plans to carry "The Burly Sports Show" on its Web site and will use a format known as a skin to sell ads next to the show.

partner and media director at Neo@Ogilvy, a digital-ad agency owned by WPP Group's Ogilvy and Mather.

When it all shakes out, it is unlikely a single video-ad format will be the winner. Rather, several are likely to predominate. In addition to trying to see how the formats stack up

against each other, marketers also are experimenting with using formats in conjunction with each other. Advertisers are expected to spend \$989 million on online-video advertising this year, more than double the \$471 million in 2007, according to Forrester Research, of Cambridge, Mass. But that growth is off a small base.

"The Burly Sports Show" is produced by a company called Heavy, which is one of the major companies in the skin-ad business. Heavy, which is trying to strike agreements with other online publishers, said skins are one of the most-effective forms of online-video ads. It claims that click-through rates on the ads displayed in the video skin average 1.68%, compared with the fraction of a percentage point marketers see on most banner ads.

The technology also can include a video-search function, which could carry videos from multiple publishers, and a section to display related videos. Heavy said these features encourage viewers to watch more videos, which would mean a bigger audience a publisher can sell to advertisers.

But marketers said each format has its pros and cons. Marketers like skin ads because they can easily swap out ads to target certain groups of con-

sumers; the skin ad appears behind the video and isn't related to what goes on inside the video. But advertisers also said that because the skin ad appears in the background of a video, viewers can easily ignore them.

Marketers also like preroll, midroll and postroll ads because they can take the TV ads they already have created and chop them up to fit the Web. But marketers said these ads often aren't appropriate for short videos, noting users become annoyed when there is a 30-second ad for a minute-long content clip.

Heavy isn't the only company in the skin-ad game—In-Skin Media, among others, also is courting publishers. And Heavy faces other potential challenges. Founded in 1999 as a producer of online shows aimed at 18- to 34-year-old men, Heavy plans to announce Wednesday that it is splitting off its video ad-technology business into a company called Husky Media.

It will soon find out whether there is a robust enough market for its skin-ad technology to support a stand-alone company. CBS, for one, said it didn't decide to work with Heavy because of the skin ads; instead, it was attracted to the sports show. CBS said the deal is a way to boost the entertainment on its site.

"[Heavy's video-ad tool] didn't drive why we did the deal. We did the deal for the content," said Jason Kint, senior vice president and general manager of CBSsports.com and CBSNews.com.

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