

How Far Will Consumers Go to See Your Content?

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By Brian Morrissey

NEW YORK It launched at the Super Bowl, ad land's most visible platform, and was heralded by some as the future of advertising in the digital era. But Bud.tv, just five months after the fanfare, has fallen flat. Last week, Anheuser-Busch executives said they would overhaul the project.

The story of Bud.tv, a \$30 million branded entertainment channel that A-B had hoped would reach young male consumers, is a case study of the promise and complications of digital ad initiatives. At heart, the question is whether centralized brand-content hubs are compatible with the YouTube era of instant gratification, particularly if users are required to jump through hoops just to see them. In other words, content may be king, but only with a free-flowing distribution system that delivers it to consumers when and where they want it.

"The irony of Bud.tv is that Bud was basically creating a network and programming it," said Ian Schafer, CEO of Deep Focus, an independent Brooklyn, N.Y., agency. "It's contradictory to the way [people] are consuming content."

Created by Omnicom's DDB, Bud.tv instead was the quintessential hub. Its videos—which include a fake-celebrity reality program, Truly Famous, and a makeover series, What Girls Want—cannot be taken from the site and embedded on a MySpace page, in the manner that made YouTube so popular. They cannot be posted to Digg and do not air on Internet sites popular with younger users. They're also not available for the iPod, cell phones or other channels. The site, which A-B execs initially hoped would gather an audience of 3 million by year's end, has seen its monthly visitors fall from 253,000 in February to 152,000 in March, per ComScore. Last month, its count was too low for the measurement service to gauge.

As for the strategy change, sources said A-B plans to mostly abandon Bud.tv in its current incarnation, while not walking away from producing branded entertainment. Instead of forcing users to come to it, A-B is said to be working through distribution partners like Viacom's ComedyCentral.com. Bud.tv will collect e-mail addresses to alert fans when and where the content is airing, per sources.

A-B executives declined to specify what form Bud.tv will take. Tony Ponturo, vp of global media and sports marketing, said in a statement, "Its current structure might fade away as we learn more about consumer connectivity and building a social network."

In its about-face, A-B is joining a growing number of marketers and media companies making their content portable and accessible by consumers wherever they are. CBS, which had built a separate site for its content, last week struck deals with a raft of digital distribution channels, from syndicated Web video services to widget makers. Similarly, NBC, which initially only aired programming on NBC.com, has linked up with News Corp. to form a video syndication service to distribute shows on MySpace, Yahoo, MSN, AOL and elsewhere.

Marketers are also getting into the distribution act. Omnicom agency Organic has rethought several campaigns for clients, sometimes forgoing a brand site altogether, as it did for Fox. The studio's movie, John Tucker Must Die, was the first major film to use a MySpace page as its only presence online. Deep Focus is in the midst of a campaign for HBO that is distributing gratis the first episode of Flight of the Conchords on HBO.com and through MySpace's video player, enabling it to be distributed throughout the Web. Critical Mass, an Omnicom agency with heritage as a site builder, has shifted its focus to digital content distribution for clients like Rolex.

"If you believe as creators that in the next few years content will truly be king, you have to embrace dissemination," said Scott Shamberg, vp of e-marketing at Critical Mass.

The multiple-step registration process was also a problem for Bud.tv. Thanks to pressure by state attorneys general, which threatened to sue A-B over the project, the site has, in the words of CEO Anheuser Busch IV on an earnings conference call last week, "a Fort Knox entry system" to verify the age of visitors.

"I can't even figure out how to get into the Web site," Busch admitted.

Yet some brands believe consumers will put in extra effort at a centralized site if the content and experience are exceptional. Verizon hopes this is the case. Earlier this month, it launched a viral movie-generator site, Action Hero (verizon.com/actionhero), that allows users to make their own animated film using sophisticated computer-generated graphics that upload a person's image onto a character, a 10-15 minute process. Due to the production power needed, Verizon requires up to 24 hours before the movie is sent to users.

Taras Wayner, ecd at R/GA, which built the site, said the trade-off for the long process was an improved experience unlike anything else on the Web. "You can make it faster, but the quality would be that much lower," he said, noting the application is expected to hold a consumer's attention for up to 15 minutes.

Yet many doubt whether even these deep, time-consuming experiences fit with the fast-twitch nature of the Web, where users bounce from site to site, video to video. Keeping experiences dead simple and quick tends to win out in the end, said Rick Corteville, executive director of media at Organic. "We know there are a lot of people we're trying to reach who don't have a lot of time," he said. "It's still a big step for them to go through multiple steps to get some benefit. It's a snack culture."

Despite Bud.tv's likely flameout, agency executives all expressed hope that it would not deter brands from putting significant resources behind content creation. Hiccups are only normal, pointed out Mat Zucker, ecd at Omnicom's Agency.com's New York office, citing Apple's unsuccessful first foray into mobile devices that eventually led to the creation of the iPod. "Thank God for the Newton," he said.

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