TV And Online Video Advertising Slow To Integrate

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Fear of change, complexity and simple inertia hold back ad integration

Someday, online video will almost certainly become so disruptive that TV advertising will have to integrate with it.

Several forces are in play that will likely fuel that eventual fusion, most notably the availability of high-quality video content and associated advertising across five increasingly used digital screensâ€"desktop computers, notebook computers, smartphones, tablets and connected TVs.

But in the short term, the fusion of online video ads and TV commercials into singular campaigns will remain incomplete.

â€œWhatâ€™s standing in the way? The core factor is a fear of financial loss within the TV industryâ€"broadcast and cable netw and cable providers (which are often also ISPs),â€• said David Hallerman, eMarketer principal analyst and author of the new report, â€œDigital Video and TV Advertising: 16 Forces that Will Help or Hinder Integration.â€• â€œThose fears are leading to ta such as broadband and mobile data caps, which can reduce video usage, and the use of authentication protocols to block cord-cutters from accessing TV content online.â€•

In the meantime, online videoâ€™s ad spending growth will far outstrip TVâ€™s growth through 2016, fueled more by the desire of brand advertisers than by the actions of media companies and other established content owners.

The growing consumer appeal of connected TVs is one force in favor of integration between online video and TV advertising. Itâ€™s also why 28% of brand advertisers and agencies in North America expected to buy ads on that platform in 2012, up from 8% in 2011, according to a report from Adap.tv and DIGIDAY.

The growing online video audience, and its devotion to watching ever more content online, is another factor favoring integration. But the forces arrayed against it are also strong, including the fear of cannibalization, the inability of content owners to sell sufficient ad loads online, the complexity of buying and measuring digital ads, and, of course, simple inertia.

â€œItâ€™s going to take years for digital video advertising to blend more fully with TV advertising, but time is on digitalâ€™s sid Hallerman. â€œThe five digital screensâ€"desktops, notebooks, tablets, smartphones and connected TVsâ€"are where audience increasingly watch TV and other video content, and brands need to reach them anytime and everywhere.â€•

The full report, â€œDigital Video and TV Advertising: 16 Forces that Will Help or Hinder Integration,â€• also answers these key questions:

- What forces are making the fusion of TV and online video advertising inevitable?
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- How powerful are the forces that could block cross-media video advertisingâ€™s growth?
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- Will strategic factors entice large brand marketers to add more digital to their TV-focused ad budgets?

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13 June 2012