

Nielsens release of commercial data has led to quite a bit of discussion in the advertising industry about what counts as a commercial worth paying for.

Is a commercial only worth paying for when its viewed live, during its run in a broadcast ? Should a commercial only be worth paying for if its viewed within 3 days of its broadcast ? Are there viewings of commercials from a DVR that are not worth paying for, or should the price be different dependent on when its viewed ?

These may ultimately be only negotiations to get the best possible price for a commercial, but what I find interesting is the silence when it comes to the impact these discussions may have on internet video advertising.

Very, very little video viewing online is streaming video of live programming. Internet video viewing is almost exclusively from on demand sources.

So riddle me this. If the Internet is the ultimate DVR for video, will advertisers put comparable pricing parameters on internet video that they are trying to put on TV DVR commercial viewing ?

If they do, and only pay for videos viewed within 3 days of the video being posted, won't that put a huge crimp in the internet video business ?

Of coures the argument is that they wont put a deadline on viewing for which they will pay, but how can they not create a pricing hierarchy ?

Currently online video advertising seems to be sold by the playback. An advertiser buys X number of views at a given CPM.or buy price , to be played in , in front of, around , next to or after specific or a range of content..

What is not known for larger buys is just how long it will take to fulfill the buy. Minutes. Days. Weeks ? It depends .

What we do know is that the amount of video inventory is literally exploding and pricing is coming down. I think its going to be impacted by the outcome of DVR valuations. That there will be and should be timing constraints put on delivery. If an ad is delivered within the first 3 days, its full price. From there, it comes down because the value comes down.

It will be interesting to see what happens.

One more topic I want to cover briefly. That is measuring audience of online video. This is actually very simple, and video content hosts are hiding the important data that advertisers need and should be using.

The only real numbers that matters to define the audience of a video hosting site are the maximum number of simultaneous viewers in any given hour and the average number of simultaneous viewers. Every other number, whether its views, "streams started", whatever is meaningless and misleading. Just ask their bankers which number is more important, the maximum number of streams they wlil serve and the resulting bandwidth peaks, or the number of views they get.

If you want to compare the popularity of Youtube vs AOL Video, get them to publish these numbers, or give 3rd parties the ability to monitor these stats. They certainly monitor them to manage their bandwidth, so its easy for them to do..

This is the only true way to gauge relative popularity. Every other number is BS.

The same concept could be applied to regular websites as well. The number of simultaneous connections will tell you just how popular the site is.

Advertisers have growing leverage. It will be interesting to see how they use it.