

# Video Distribution July 2015: A highly fragmented race to the top

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# In May we saw record reach, having increased our Video UVs YoY by 337%



Distribution accounted for 29% of those UVs,  
highest % in our category

month ever in May, jumping two spots ahead of Yahoo!  
Finance and IBT Media in comScore's Business and Finance  
category to become the global leader in digital video for the

We expanded our reach by launching our own network, working through new attribution opportunities and taking advantage of a fragmented distribution marketplace.

Today, we'll look at those different levers and trends that promise to create an opportunity for all producers and publishers.

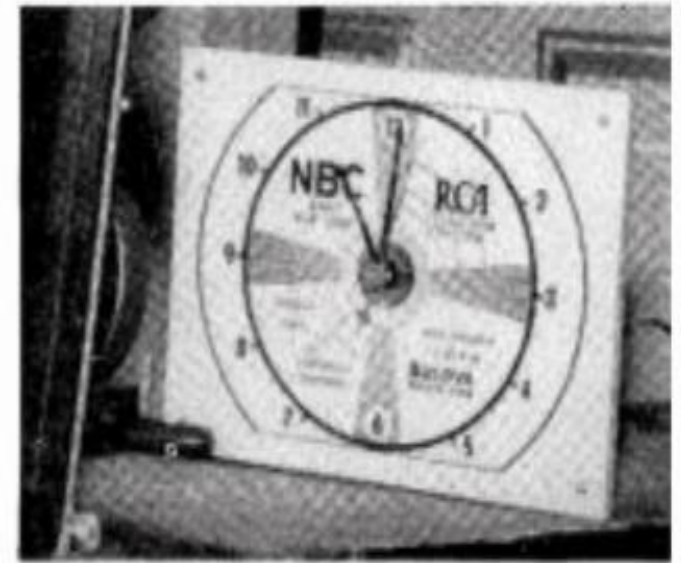
# First, back to basics

“Driving revenue is easy in video — driving profits is exponentially harder.”

– Bryan Goldberg, Digiday, January 7, 2015

# Why is revenue so easy ?

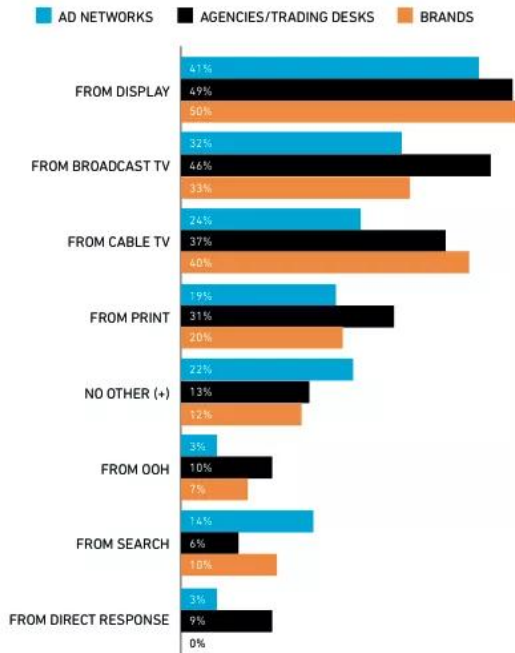
- 74 years and two weeks ago, Bulova paid WNBT (WNBC) \$9 for 10 seconds of air time before a Phillies/Dodgers game (would equal \$145.59 in today's dollars). It didn't even have a companion banner.
- Sun Oil Company (Sunoco), Lever Brothers (Unilever) and P&G followed that afternoon.
- Brand marketers, for good reason, have never fallen out of love with video.
- It took brands a few years to embrace digital video but they're here now.



# I'd wager the revenue is going to stay "easy"

- Digital display brand \$ will shift to video
- Snake People choosing Digital Video over TV
- TV & Digital Video inventory will converge by 2020

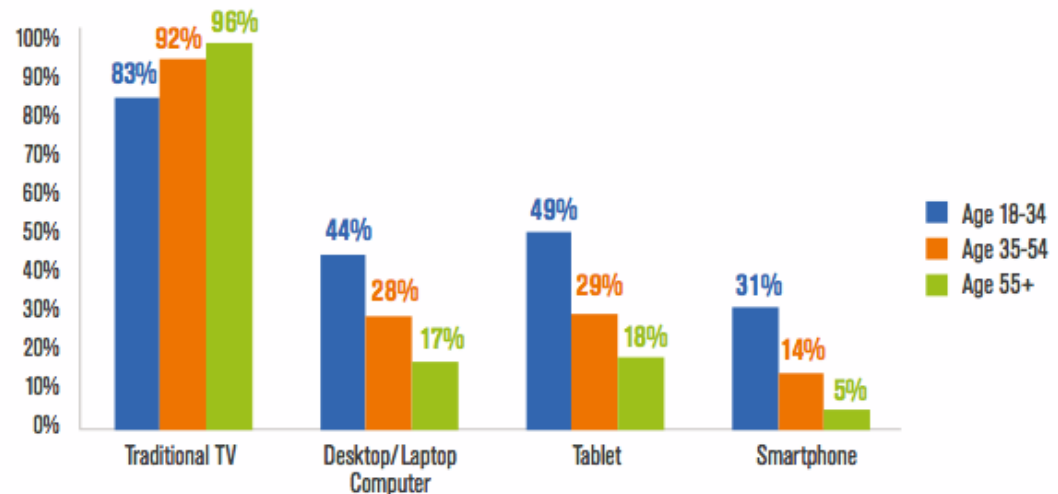
BUYERS BY DETAIL: FROM WHICH CHANNELS WILL YOU BE SHIFTING BUDGET TO FUND YOUR INCREASE IN VIDEO AD SPENDING IN THE NEXT 12 MONTHS?



TV Viewing Platform Incidence

Within the past month, on which screens have you watched original TV series?

Source: comScore





# But why is profitability so hard?

- Because original video is expensive and not enough video producers are realistic about their ability to drive streams.

Show of hands:

How many of you know your cost per video? What about your average streams & eCPM?

# I am here to help...

## Introducing: WillMyVideoBreakEven.com

### What Will It Take to Break Even?

Input Cost per Video

Input eCPM

Break Even = This # of Streams  
per Video

\$

\$

Input eCPM

Input # of Streams per Video

Break Even = This Cost per  
Video

\$

Input Cost per Video

Input # of Streams per Video

Break Even = This eCPM

\$



# Let's look at a few Bloomberg videos

	BBG O&O	Dist 1	Dist 2	Dist 3	Dist 4	TOTAL
2022 Qatar World Cup Will Never Happen: Fry	2397	295	1,876	199	87,473	92,240
Earnings	\$179.78	\$ 2.66	\$ 3.39	\$ 0.70	\$ 306.16	\$ 492.67
Obama: Confederate Flag Removal Doesn't Insult Soldiers	67	410	1,893	8	52,947	55,325
Earnings	\$	\$ 3.69	\$ 5.95	\$ 0.03	\$ 185.31	\$ 200.01
Watch President Obama Scold a Heckler	1,228	100	1,419	54,014	31,247	88,008
Earnings	\$ 92.10	\$ 0.90	\$ 2.75	\$ 189.05	\$ 109.36	\$ 394.16
High-Rising Trump: Why's Everyone So Surprised?	3,899	1	2,785	4,818	66,401	77,904
Earnings	\$ 292.43	\$ 0.01	\$ 8.62	\$ 16.86	\$ 232.40	\$ 550.32
Pao Said to Seek \$2.7M to Walk Away From Gender Lawsuit	974	316		135,871		137,161
Earnings	\$ 73.05	\$ 2.84		\$ 475.55	\$ -	\$ 551.44
Donald Trump: Scott Walker Has 'a Lot of Problems'	10,453	819	61,886	660		73,818
Earnings	\$ 783.98	\$ 7.37	\$ 429.77	\$ 2.31	\$ -	\$ 1,223.43
How Would You Fix Twitter	54	9	408	456,107		456,578
Earnings	\$ 4.05	\$ 0.08	\$ 0.32	\$ 1,596.37	\$ -	\$ 1,600.83
Here's Why U.S. Can't Put Boots on the Ground in Iraq	16,174		3,490		6,761,442	6,781,106
Earnings	\$ 1,213.05	\$ -	\$ 4.16	\$ -	\$ 23,665.05	\$ 24,882.26
The China-Pakistan Fighter Jet	171,789					171,789
Earnings	\$ 12,884.18	\$ -		\$ -	\$ -	\$ 12,884.18

# What does our look across distribution tell us?

- Profitability drivers
  - Strong on-site, high-RPM performance
  - Widest possible distribution
  - “Hits”
    - Inconsistent across distribution channels
    - Suggests different drivers at work beyond universal story appeal/video quality
    - Very little insight into why videos hit
- Lessons
  - Squeeze every possible stream out of a video
  - Distribute as widely as possible
  - Integrate video wherever possible on your own site
  - Don’t over-produce



# Distribution/Ingestion Platforms

- Potential Partners (who have I forgotten? Tweet me @jpmarcum)

- AolOn
- FEM
- Mediabong
- NDN
- Tout
- Tribune Content Agency
- Vemba
- Vidible
- Waywire
- Yahoo

Added post-presentation:

- Cinesport
- Perform Group
- Beachfront Media
- RAMP
- Ulive
- Storyful

- Most will backfill ad inventory

- Many allow both video producers and site publishers to sell

- Vidible & Vemba building out marketplaces for producers

- The list is expanding: Tout, Vemba, Mediabong, Tribune Content Agency and FEM all recent launches



A group of runners are competing in a cross-country race on a grassy hill. The lead runner, a man in a blue singlet and black shorts, is in the foreground, leaning forward in a powerful stride. Behind him, several other runners in various colored singlets (blue, red, white) are visible, though slightly out of focus. The terrain is a grassy slope, and the background shows more runners and spectators, suggesting a large-scale event. The overall scene is dynamic and captures the intensity of the race.

# The Race to the Top

# Viewability

- The end of auto-play below the fold will be a good thing
- Will lift the bar for video producers and video-only experiences
- Will force video/text integration innovation and quality
- May even create scarcity of inventory for premium publishers
- Not driving the market yet but would expect by 2016

# Semantic Matching

- We've spent a lot of time matching video output from BloombergTV with text reporting at Bloomberg.com
- Semantic matching is allowing producers and publishers to scale video and text integrations on their sites and beyond
  - Relevance yields highest quality experience
  - High match yields opportunity for auto-play video-in-lede
  - Scales editorial efficiency
- Mediabong, NDN, Vidible, FEM, Tout, Veeseo are all working to match their video offerings to partners

# Attribution, Analytics & Ad Ops

- Analytics remains an area in need of improvement
  - We're still waiting for a cross-platform competitive intelligence solution (our #1 ranking sounds a lot less cool when you realize it's just desktop)
  - Lack of insights from distribution partners leaves producers struggling to understand what worked/why/where
- Good news:
  - Many of the platforms are increasingly analytics driven
  - Comscore now allows joint attribution – “stacked tags” – between video producers and site publishers
  - DFP has empowered different sellers to share inventory easily
- At Bloomberg we seek to build a smart network – combining semantic matching, cross-platform analytics



# Bloomberg Video Network

- Invitation only network of publishers to distribute Bloomberg video – previously only available with a minimum guarantee
- Launched last month with USA TODAY/Gannett, TheStreet.com, Kiplinger, TheWeek UK, TheHill and others
- Goal is to allow publishers to focus on the video that is distinctly theirs
- Leverage our high CPMs - \$75 preroll – to drive high RPMs for partners

# Finally, let's address the elephant

- Facebook is a video distributor like none we've ever seen before.
  - Global. MVPDs are regionally distributed.
  - Live. YouTube has a shelf life, facebook has a feed.
  - MVPDs (and YouTube) give us channels. Facebook controls the remote.
  - MVPDs bring subscription revenue. Facebook sells ads...just like you.
  - They have no need to monetize third-party content directly.
  - Unlimited audience and more data than anyone.

Publishers, now is the time to react, push boundaries and deliver quality and...

A large group of people, mostly men, are gathered outdoors on a grassy field. They are all wearing white short-sleeved shirts and light-colored baseball caps. Many of them have their arms around each other, suggesting a team huddle or a group celebration. The background is slightly blurred, showing more people and some trees.

And continue to work together

Let me know how I can help

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[@jpmarcum](https://twitter.com/jpmarcum)