



Online videos add interactive shopping technology

Reuters

updated 6:23 p.m. PT, Sun., Jan. 25, 2009

NEW YORK (Billboard) - Ever watch a music video and wonder where you might be able to buy the bass player's skinny jeans? A new company called Clikthrough is counting on it.

The San Francisco-based startup has developed an interactive technology to monetize online music videos by enabling viewers to click on an item in a video to get purchasing information.

The company has partnered with U.K.-based Sony Music Entertainment label Phonogenic Records to put the model to the test. The first encoded video, for Irish rock trio the Script's single "Breakeven," debuted at Clikthrough.com in December.

The 255-second video contains 242 product "hot spots," or clickable segments. When a user passes their computer mouse over those sections of the image, they bring up a sidebar with detailed information, purchasing links via "preferred partners" and other e-mail and wish-list options. The 38 products in the "Breakeven" video range from an Alexander McQueen black wool jacket to a Sennheiser microphone to plane tickets on Aer Lingus.

Clikthrough said this equals a total product exposure value of \$170,219, or \$667 of merchandise per second of video. Clicking on members of the band or various locations within the video's Dublin setting yields historical, cultural or personal information on each subject.

Similar dynamic technology has been developed for product placement or sponsorships in video games, but eMarketer music analyst Paul Verna said that music is a fledgling area for this type of monetization.

"Attaching (embeddable content) to music videos seems like a smart idea, given how pervasive and sticky the content is -- and how amenable the viewing audience seems to be to receiving advertising messages," Verna said.

NEW ADVERTISING MODELS

Clikthrough CEO Abe McCallum said clickable videos are part of the advertising industry's search for new ad formats for Internet video content.

"We're saying, 'If you're highly engaged with the video, it's not just the concept of product placement, it's the fact that you saw something you're interested in, and you want to click on it and find out what it is,'" McCallum said.

When Phonogenic produced the "Breakeven" video with the Script, only a Nokia N96 phone appeared as part of an advertiser arrangement. The other products are effectively getting free exposure in the effort to demonstrate the technology's potential. Phonogenic director Paul Lisberg said that the label, which is also home to Natasha Bedingfield and Edwina Jhonson, was eager to experiment with the technology even though product placement deals hadn't been established.

"We thought it would be a fun, new way to interact with our fans, and also a potential business model," Lisberg said. "We wanted to be early adopters of this, we want to embrace the technology, and this particular band does too. In all honesty we're not exactly sure where it's going, but we see this as the future."

The hope is that Clikthrough's technology will give advertisers additional incentive to sign product placement deals with partner labels and artists. Clikthrough would then share in revenue generated from each click.

The "Breakeven" video is available only on Clikthrough's Web site, but McCallum said the company's goal is not to be a distribution hub.

"We're working on partnering with companies like YouTube, Yahoo, AOL, to distribute these videos on their sites," he said.

Reuters/Billboard

Copyright 2009 Reuters. Click for restrictions.

URL: <http://www.msnbc.msn.com/id/28846953/>

[MSN Privacy . Legal](#)

© 2009 MSNBC.com