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E-COMMERCE REPORT

Advertisement

Television Commercials Come to the Web



Scenes from a Pepsi commercial to be run on several Web sites, starting Tuesday.

By **BOB TEDESCHI**

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TELEVISION commercials, in all their big, loud glory, are coming to the Web.

Beginning tomorrow, more than a dozen Web sites, including MSN, ESPN, Lycos and [iVillage](#), will run full-motion video commercials from Pepsi, AT&T, Honda, Vonage and Warner Brothers, in a six-week test that some analysts and online executives say could herald the start of a new era of Internet advertising.

"It's TV, without the television," said John Vail, director for digital media and marketing for Pepsi-Cola North America, a unit of [PepsiCo](#).

Video advertisements from major marketers have dotted the online landscape sporadically in recent years, but the new ads differ from their precursors in one critical respect: until now, none have run at 30 frames a second, the speed of TV video. As a result, most multimedia ads are less sharp than TV images, even for people with

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fast connections.

The new ad technology, from Unicast, an advertising company based in New York, invisibly loads the commercial while unwitting users read a Web page, then displays the ad across the entire browser area when users click to a new page. The resulting ad is identical to TV, whether the user has a high- or low-speed connection. The company says the technology evades pop-up blockers, but the person can skip the ad by clicking a box.

Unlike TV viewers, Internet users will not be deluged with these ads, at least in the short term. According to Unicast, 100 million ads will be served to individual PC's beginning tomorrow through the end of February. That may sound like a lot, but publishers, who can track a user's repeat trips to a Web site, say they will generally limit a person's exposure to the ads to one a day.

Unicast says it hopes 50 million to 75 million people will view the ads. Pepsi plans to distribute two ads, which have run on TV in the last few months. In one, titled "Just Lunch," a dog steals its owner's sandwich and Pepsi, and replaces them with a cat. In the other, "Vacuum," a vacuum cleaner hunts a Pepsi drinker and eats his pants. At the end of each, users will be shown links to more ads, on the Pepsi Web site. (Those ads use so-called streaming video technology of an older vintage, and are less than TV quality.)

Mr. Vail, of Pepsi, said he would monitor online viewers' reactions through a tracking study conducted by the research firm Dynamic Logic, to determine how much use Pepsi will make of such ads in the future. "Yes, it's intrusive," he said. "But I think customers will like it, because it will be so far superior to anything they've seen online."

James Nail, an analyst with the technology consulting firm [Forrester Research](#), agreed. "This is the best full-motion, full-video TV ad technology that I've seen," he said. "I expect big demand from advertisers for this."

Among other features, Mr. Nail says he appreciates the fact that the ads do not slow Web surfing. The commercials load into a computer's temporary memory, and only when a page is idle. If a user clicks to a new page within the site before the ad is fully loaded, the process is merely paused until the browser is again idle. The ads run on Windows Media Player software, which an estimated 8 of 10 Internet users have on their computers.

Mr. Nail predicts that Internet users will react well to the ads, both because they can click away if they choose and because the advertisers involved have brands that "people have positive reactions to," he said, adding, "So I think they'll get a little more leeway, at least initially."

If users are annoyed at this development, they can blame high-speed connections. Richard V. Hopple, Unicast's chief executive, said he decided to release the company's "video commercial" technology now because high-speed connections - known as broadband - have reached significant numbers. The number of United States households with broadband connections reached 49.5 million late last year, or 38 percent of all households, according to Nielsen/NetRatings, an Internet research firm. Of the 50 million people who surf the Web at work, 94 percent have broadband connections, according to comScore Networks, another Internet research firm.

With so many people surfing with broadband connections already, and with many more expected to switch to high-speed connections this year, publishers may be tempted to run video ads with much greater frequency, Mr. Nail, of Forrester, said. "The question is, do they understand the need to exercise some restraint, or will they just see this is as the way to make money, and just grab all the cash they can?"

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