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THE JOURNAL REPORT: SMALL BUSINESS

Managing Technology
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How to use video to expand your business in a YouTube world

By RAYMUND FLANDEZ
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Online video has become a daily fix for millions of people. Now entrepreneurs are starting to cash in on that obsession.

Consider Valentina Trevino. The 29-year-old Chicago artist and filmmaker regularly posts videos on YouTube, showing how she created a painting and what it means to her -- and musing quirkily on a host of matters. In one clip, she ruminates about the strange connection between the ballerinas in Edgar Degas's art and Britney Spears's custody battles.

SMALL BUSINESS PODCAST



PODCAST: Michael Boland, a Kelsey Group analyst, talks about how small firms can get into video.

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THE JOURNAL REPORT



There's a right way for franchisers to introduce new technology to their franchisees. And a wrong way. Plus, entrepreneurs have shied away from rebranding their companies. But as competition rises and costs fall, that's starting to change.

See the complete Small Business report.

The unorthodox formula has brought her a total of 8.2 million

At the end of her clips, Ms. Trevino includes a link to eBay, views on YouTube -- and, just as important, a host of buyers! where viewers can buy the featured piece. (See an example.)

So far, she has sold every painting she has offered this way - 49 at last count -- at prices ranging lately from \$500 to \$1,000 each. She also sells prints of her work and merchandise bearing the images and her slogan, "Eat Your Cookies." Before she started the YouTube diary, she says, she had to give up painting to pay the bills. Now it brings her a regular income.

A host of small businesses are trying this new twist on Web promotion, sending short films to Google Inc.'s YouTube and

other popular video sites, advertising everything from root beer to blenders to bullet-resistant backpacks. For one thing, it's hard to beat the price: It costs nothing to put something on a video-sharing site, unlike buying television time or a regular Internet ad. And the videos let companies use a creative and personal touch that wouldn't work in traditional ads.

"It's so different than the message-driven approach to marketing that most kinds of advertising is," says David Meerman Scott, author of "The New Rules of Marketing and PR." "You don't have to talk about your product per se. You can just have fun with it."

But that leaves some big questions for companies that want to try their hand at videos. How does a small business thrive in a YouTube world? What makes some videos skyrocket in viewership and others bomb? Are there guiding principles that will produce a bankable ad?

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Many entrepreneurs say luck or timing had at least something to do with their success. But a closer look at their stories reveals valuable lessons that any small business can apply. Here, then, are some of the most successful small-business videos, and the factors that took them to the top.



BLENDTEC: BE FUNNY

By far, the most common element among successful videos is comedy. Rather than offering airless advertisements or canned commercial messages, these videos deliver laughs as well as pitching a product.

Case in point: Blendtec, a division of K-TEC Inc., of Orem, Utah. In the past year, the high-end blender maker has drawn more than 60 million views for its "Will It Blend?" video series¹². The premise is simple. A laconic host, Blendtec CEO Tom Dickson, uses the company's blenders to grind up everything from credit cards to golf clubs to an iPhone. Cheesy music plays in the background, and cheesy jokes fly freely.

George Wright, Blendtec's director of marketing, says the series got started with a simple observation. He realized that Mr. Dickson tested his blenders by putting¹³

2x2 boards inside and letting them rip. (See a video.)

Retail sales of the blenders have shot up 500% since the company started the series last year. This year, total sales are projected to top \$40 million. And the series has brought Blendtec tremendous name recognition. When employees demonstrate the products at big-box retailers, people come out and say, "That's the blender that can blend marbles!" says Mr. Wright. "Before that, [employees] were having to introduce the company."

The videos have also brought some new opportunities. Earlier this year, Novell Inc., a Waltham, Mass., provider of open-source software and services, paid Blendtec about \$5,000 to do a "Will It Blend?" video for a company event. In the movie, a number of items got blended: a Microsoft Vista CD, razor blades, a stuffed animal, a flash drive and a Red Bull beverage.

"We thought this would be something fun for our customer base," says Russ Dastrup, Novell's corporate videographer. The message? "Novell Technology allows you to blend a variety of operating systems and applications into a seamless network," Mr. Dastrup says.

MJ SAFETY SOLUTIONS: TAP INTO CURRENT EVENTS

At first glance, "My Child's Pack" breaks all the rules of online video. It isn't funny or entertaining -- in fact, it's downright somber. But it has gotten nearly 25,000 hits on YouTube since early August because of its timely message.

The video begins with a startling statistic: "328 school shooting incidents with injury or death in North America since Columbine." It segues into photographs and news clips of the Columbine and Virginia Tech shootings. Then comes the pitch: a bullet-resistant backpack from MJ Safety Solutions LLC, of Danvers, Mass. (See the video. ¹⁴)

Co-founder Joe Curran, a carpenter for a construction company, says the company has sold 1,000 backpacks, at \$175 each, since the video was released. He says the company has also received hundreds of thank-you letters from concerned parents, and a local police officer has started buying the backpacks for his grandchildren.

The seed for MJ Safety was planted in 1999, in the wake of the Columbine shootings. Mr. Curran and the other founder, Mike Pelonzi, started talking about their own kids and how ineffective their school policy would be in the event of a shooting. They decided that there was a need for "products out there to protect children in that situation," says Mr. Pelonzi.

This summer, when the backpack was finally ready for release, the Boston Herald planned to publish an article about it. The co-founders knew that a visual demonstration would help, so they cribbed together a short video with the help of family and employees. Toward the end of the clip, Mr. Curran's 13-year-old daughter, Amanda, gamely smiles as she holds up the backpack to shield her head and chest.



The Boston Herald provided a link to the YouTube video, and the groundswell started. "In reality, we're just concerned dads," Mr. Curran says. "We're not business marketing geniuses. It just happened that way."

ALL NATURAL MAINE ROOT: FIND A PARTNER

Most small businesses don't have the resources for an in-house video-production staff. So, finding a partner such as an advertising agency can help get a video campaign off the ground or spiff up a lackluster idea.

But there are a couple of caveats. This option may end up costing thousands of dollars -- a significant payout for most entrepreneurs, and a lot more than most companies spend on promotional videos. It's also crucial for companies to shop around for the right partner. The videos will turn out better if the ad agency understands the small business well and plays to its strengths.

For instance, back in 2005 All Natural Maine Root LLC, an organic-soda maker in Scarborough, Maine, was looking to boost sales but had scant resources for a marketing campaign. It found a good partner in Door Number 3 Inc. of Austin, Texas. The ad agency liked the product and clicked with the company's founders, Mark and Matt Seiler. And the agency saw the chance to do a campaign that would showcase its own creative abilities.

That led Door Number 3 to give the soda makers a big break on price. Maine Root paid about \$20,000 for the campaign, but the campaign could have easily cost between \$75,000 and \$150,000, says Mary Pat Mueller, president of Door Number 3.

The two companies decided the best approach to the videos was comedy. "The key to a successful viral video campaign is to make people laugh," Ms. Mueller says. "That way, they'll want to pass it on -- and, that way, they'll look like the hero and the deliverer of the entertainment."

The concept also fit the Seiler brothers' personalities. "Their sense of humor is their brand," Ms. Mueller says. "If you meet them at tastings, they're outgoing, they're always joking."



Together, the two firms came up with a premise for the campaign: mock exposés about soda. Root-beer activists pull off a late-night break-in at a corporate root-beer facility to free Maine Root soda bottles from the Director of Fructose Injection. A "Sugarcane Shuffle" rapper riffs about how "I like my root beer all natural / cause sugarcane is all my tongue will allow / All the others just taste like puppy chow / So Maine Root just stand and take a bow...."

Door Number 3 sent the videos to several sites, including

¹⁵ YouTube, ¹⁶ stupidvideos.com, ¹⁷ ifilm.com, ¹⁸ purevideo.com and ¹⁹ tvlinks.com; it also created a ²⁰ dedicated site for the clips, freerangerootbeer.com. To spread the word, the agency contacted popular root-beer and soda blogs. Major media outlets, such as CNBC and CBS's "Early Show," also picked up on the story.

The results have been dramatic. Before the campaign began last fall, Maine Root averaged about \$500,000 a year in retail sales. So far this year, sales have soared to more than \$3 million. "Door Number 3 played a huge part in our success," says Mark Seiler, Maine Root's co-founder. "They kind of took a chance on us. And I think it really worked."

MAKE MAGAZINE: BE USEFUL

Entertainment value helps a video succeed. But that isn't the only approach that works. Some small businesses have carved out a lucrative niche by giving viewers information they can use.

Consider Make magazine, a guide for do-it-yourselfers. Published by O'Reilly Media Inc. of Sebastopol, Calif., the magazine produces weekly how-to videos for a host of projects -- everything from making your own catapult to creating a cigar-box banjo.

The clips average about a million views a month on iTunes, ²¹ Blip.tv and YouTube. (The most popular: a guide to screen-printing T-shirts.) The videos have also brought in lots of business. For instance, attendance has ballooned at an annual convention sponsored by Make, and the magazine sees dozens of ²² new subscriptions every month. (See some examples.)

"How-to videos are one of those things that lasts, that have a shelf life," says Phillip Torrone, senior editor at Make. "It's not like a YouTube video that's a 30-second funny thing. It might be something that they can watch over and over again."

Of course, entertainment value is still important, even if it isn't the main focus of the videos. For instance, Make realized it would need a charismatic host to make the clips lively. Mr. Torrone discovered Bre Pettis, an art teacher from Seattle who had been videoblogging about his students' art projects. Mr. Pettis, Mr. Torrone says, was like Mr. Rogers, Mr. Wizard and Bill Nye "The Science Guy" rolled into one.

Make's publisher, Dale Dougherty, agreed to bring Mr. Pettis on board in early 2006 -- after seeing a video of Mr. Pettis accidentally harpooning his cellphone. "There was a bad-boy kind of thing that I liked about it," Mr. Dougherty says. "It wasn't boring."

Mr. Pettis, jokes Mr. Torrone, "has been voiding the warranty of electronics ever since."

The 35-year-old Mr. Pettis, who now lives in New York, posts a video each Friday. In general, he spends one or two days on research and two days filming. He then takes a day or two to edit the video and write up a PDF with detailed instructions for viewers. "It's what I love to do," says Mr. Pettis. "It's my passion, making things and being creative and supporting others' creativity."

MOE'S SOUTHWEST GRILL: GET YOUR CUSTOMERS INVOLVED

There's one simple way to sidestep all of the complications of creating a video: get customers to do the work. Big companies have famously solicited user-made ads, including McDonald's Corp. and Domino's Pizza Inc. Now small firms are learning the value of the strategy.

Last year, Moe's Southwest Grill of Atlanta started a "Burrito in Every Hand" campaign, encouraging customers to send in 30-second videos about the food. The clips were posted on a Web site, where visitors could vote on them; the company reviewed the 20 highest-rated clips and picked a winner. (See [the video](#).²³) The grand prize: Moe's burritos for life, equal to 2,860 vouchers good at any participating Moe's franchise.

Moe's received about 40 submissions that met the guidelines, and the promotional Web site got 211,000 visitors. "We knew that our customers would really enjoy getting involved," says Sara Riggsby, director of marketing for Moe's, which is now owned by Atlanta-based Focus Brands Inc., the operator of Carvel and Cinnabon shops.

Ms. Riggsby says that the company has seen increased sales since the program ran. And Moe's achieved its goal of building brand awareness among younger customers: The majority of the participants were ages 18 to 25. The company's email marketing database also grew to 200,000.

The winners: four amateur rappers. Michael Squitieri, a 20-year-old acting major at Boston's Emerson College, wrote the script, and his friend Kevin Schwoer, 21, edited and put original music into the video. The group, which goes by the name "Notorious M.O.E. and Nacho Daddy," is now working on a radio commercial for Moe's.

--Mr. Flandez is a staff reporter in The Wall Street Journal's New York bureau.

Write to Raymund Flandez at raymund.flandez@wsj.com²⁴

Hyperlinks in this Article:

- (1) <http://www.youtube.com/user/valsartdiary>
- (2) <http://podcast.mktw.net/wsj/audio/20071123/pod-wsjflandez/pod-wsjflandez.mp3>
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- (12) <http://www.youtube.com/user/Blendtec>
- (13) <http://www.youtube.com/watch?v=B8H29jU8Wrs>
- (14) <http://www.youtube.com/watch?v=t1iJRDffNMc>
- (15) <http://youtube.com/watch?v=KlxSy6vMKml>
- (16) http://www.stupidvideos.com/video/song_dance/Sugarcane_Shuffle/
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