

AOL video service to debut with Intel, Kraft ads



By Kenneth Li

Wed Mar 15, 12:05 AM ET

AOL said it plans to launch on Wednesday one of the biggest free video services on the Internet, serving up vintage shows and short clips backed by online advertisements.

The service, called In2TV, will launch with four advertisers -- Intel Corp., Kia Motors Corp., Kraft Foods Inc., and Hershey Co.

"It's from the strength of the online advertising market that we can bring free on demand (videos)," Kevin Conroy, executive vice president of AOL Media Networks said in an interview.

In2TV will feature thousands of shows from corporate sibling Warner Bros., which owns the rights to shows that include "Welcome Back Kotter," "Kung Fu" and "Growing Pains."

AOL, the online division of Time Warner Inc., is gearing up to take on Microsoft Corp., Google Inc., Yahoo Inc. (Nasdaq:YHOO - news) and Apple Computer Inc., which have their own designs on digital entertainment.

AOL now sees video as a linchpin to the company's turnaround after its online presentation of the Live 8 global concerts last year were watched by more viewers than those on TV.

Free videos will make up the bulk of its growth, Conroy said. "The real volume of activity is in the free streaming (video) model," he said.

AOL, once known for its easy-to-use Internet dial-up modem service, has watched millions of its subscribers flee to higher speed offerings. Over the past two years, it has aimed to replace lost services revenue with online advertising.

It has moved more of its once subscription-based music videos and services to its free AOL.com Web site to boost advertising.

He said In2TV was in discussions with other program owners, including those not owned by Time Warner, to have their shows appear on the network.

Advertisers have been keen to get placement on AOL's online video network, Conroy said. The company sold out its initial forecasts for the amount of advertising inventory on In2TV, which it has now expanded, he said.

By the end of the second quarter, AOL plans to expand its video service to include paid downloads. It also plans a subscription service sometime in 2007, the company has said. Downloads are expected to cost about \$1.99 per episode.

NEW FEATURES ON THE DIAL

Some videos will be available using a system it calls Hi-Q video format, which presents shows in DVD-quality.

Users would be required to download free software to enable computers to store the videos on their hard drive.

AOL, which currently lets users search for shows and videos by actor and title, in the coming weeks will allow searches by chapter or notable spots in a show.

For example, actor Brad Pitt's 1987 guest appearance on "Growing Pains" would be easily searchable.

"We want to make the (video) search experience more and more granular as we see search as a primary navigation tool" for video, Conroy said.

AOL purchased video search engine technology company Truveo late last year and Singingfish in 2003.

Copyright © 2006 Reuters Limited. All rights reserved. Republication or redistribution of Reuters content is expressly prohibited without the prior written consent of Reuters. Reuters shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

Copyright 2006 © Yahoo! Inc. [Privacy Policy](#) | [Terms of Service](#) | [Send Feedback](#) | [Help](#)