

IBM Digital Media Survey: Interpreting The Stats

By Eric Franchi Tuesday, November 25, 2008 10:00 AM ET



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Global technology leader IBM released highlights from its second annual digital media survey this week. The company surveyed 2,800 individuals around the globe on their media consumption habits and asked specific questions tailored around video advertising. The full summary can be read [here](#). While I read every published study regarding online video, this one was particularly interesting since it was consumer-based and asked very relevant questions.

There are three key findings that I zeroed in on as critically important as the online video ad industry enters what could be a true breakout year in 2009 (for the record, fellow MediaPost writer, Cory Treffeletti, thinks 2008 was a breakout year for online video because of Hulu's success, and I agree. However, I'm talking about the implications for advertising specifically).

Online is winning: 76% of users have watched video on their PC, up 27% from 2007. Nearly half of them (45%) say they do it regularly and that they watch less TV as a result. One of the barriers to online video advertising's breakout has been a lack of scale. Based on these stats, critical mass via a shift to online may be well underway.

Ad-supported works (if done right): An overwhelming majority (70%) support having their content free and ad-supported rather than having to pay for it. However, in an online environment, users would rather see ads before or after their viewing. Commercial interruption and/or product placements scored negatively. What does this mean? Despite the protests of some, pre-roll is likely to remain the key ad unit for the foreseeable future. Post-roll is another opportunity that should be investigated further: how can publishers incentivize users to stay past the end of the video?

Give to receive: A significant amount (nearly 60%) of those surveyed were willing to provide data on themselves (demo, lifestyle and communications preferences) if they received something of value in return. Items ranged from free music or videos to things like travel points. Also interesting was that the quid pro quo protocol was expected more internationally (45% for U.S. versus 60%+ for non-U.S.). This is an interesting prospect for destination sites: can they offer some exclusive content to users who register, and then monetize that effectively via higher rates for targeting? That sounds like a very reasonable proposition.

A final thought on this: watch the video that accompanies the online press releases. Hearing answers from those not only in New York and Los Angeles but Tokyo, Frankfurt and Mumbai is fascinating and puts the global change at hand truly in perspective.