ONLINE ADVERTISING AND STREAMING MEDIA

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Abstract:

An article in the New York Times by Brad Stone [1], published March 11th, 2008, inspired the topic of this research project. It explained the experiments done by *hulu.com* about the placement of advertisements in online streaming media. Viewers had the choice of commercials they wanted to watch and also the option to skip all advertisement breaks. This meant the viewers would only watch the first two minutes of commercials and then their show would play uninterrupted. This research was conducted to test *hulu.com*'s results. This project included 15 and 30 seconds advertisements inserted into a 30-minute video to check which had the most effect on the human participants. Specifically, knowledge of which duration (15 seconds vs. 30 seconds) and placement (at 0 minutes, 10, and 20 minutes of the video) of advertisements viewers remember most. The results would further help marketeres in advertising their products online.

Introduction

The results collected from the research are aimed to give awareness to advertisers to the effective way to send a message in a short period of time to a wider audience, thus reducing the costs of advertisements. The main objectives of the research project were to determine the placement of the advertisements in online streaming media that the viewers prefer, determine their reactions towards the placements of the advertisements while watching online streaming media, determine if they recalled the advertisements that were placed in a video, determine the length of advertisements they preferred during online streaming media, determine what they did during the advertisements, and collect current viewing habits of students in regards to online streaming media. The survey and the observational research were conducted on College of St. Scholastica students between the ages of 18-24 years.

Literature Review

The article by Roberts Johnnie L, entitled, *Watching the Watchers* [2]**,** focused on the increase of people who are downloading and streaming video online. The author was interested in how online viewing of videos is affected by gender, age and economic status. He also showed how the introduction of gadgets like the iPod has increased use of online videos. Roberts Johnnie said that according to an earlier research by NBC, Today's Media Consumer: Attitude, Behaviors and Trends, people aged between 10-30 years are the ones using the computer for streaming media. The article showed that more people preferred watching shows online because they have more control over the watching experience. Our research on the other hand focuses on students and their streaming behaviors. That is the age group between 18- 25 years. This article manages to highlight the fact that marketers and advertisers' are trying to find attractive ways of advertising their products or services online.

In a different article called *Exploring the Effectiveness of Advertising in the ABC.com Full Episode Player* by Mark Loughney, Martin Eichholz, Michelle Haffer, from ABC Television Network [3] did their on the effectiveness of advertising on streaming media during episodes on ABC.com. Their results showed that participants recalled advertisements two and half times that of typical advertisements on TV. Their results showed that people recalled advertisements in streaming media on ABC.com because they were so few and brief.

Methods

Participants were given an overview of the research study and were asked to sign a consent form to record their actions while online. Participants were randomly assigned to one of three groups, each of which had to watch a different variation of the video. The video remained the same, however, the placement and the length of the advertisements was different for each group.

Group 1: Watched 3x 15 seconds advertisements (Taco Johns advertisements) shown at 0:00, 10:00, and 20:00 of the 30 minute video

Group 2: Watched 3x 30 seconds advertisements (Sammy's Pizza advertisements) shown at 0:00, 10:00, and 20:00 of the 30 minute video

Group 3: Watched 3x 30 seconds advertisements (Sammy's Pizza) shown at 0:00, 0:30, 1:00 minute of the 30 minute video.

Advertisement footage was donated by two local organizations, Taco Johns and Sammy's Pizza. The video was used from a database of open source videos.

The participants filled out a survey online after watching the video. Testing sessions were standardized and followed a script to ensure that participants had a similar schedule as possible. Behavior of the participants was recorded during their time of watching the video. This included if they were bored or being inattentive. The screen of the computer was recorded when the participants were watching the video. This made it possible check if participants watched the advertisements or they were at another website at the time the advertisement showed. By analyzing all the videos of the participants' trend of online video viewing behaviors was got.

Results and Discussion:

The survey (see *Table 1* for results) given to the participants right after the viewing included questions about the length and placement of the advertisements. Also, the survey asked questions about the advertisements' overall content and about the participants' viewing habits. The percentage of every answer was computed in order to determine the most effective way to stream commercials during videos.

Advertisement Duration and Placement:

The first group of questions gathered information about the duration and placement of advertisements the participants liked and remembered the most. The first question asked what advertisers sponsored the video they watched. 38% of the participants watching Taco Johns advertisements chose Taco Johns. On the other hand, 91% of participants watching Sammy's Pizza advertisements choose Sammy's Pizza as the advertiser sponsoring the video. The second question of the survey asked how much they could recall the advertisements. 80% of the participants in Group 2 and Group 3 answered that they could recall part of it when the advertisements were 30-seconds long. 60% of the participants in Group 1 answered that they could also recall part of it when the advertisements were 15-seconds.

With 30% difference in the second question and results from the first question, it was concluded that participants could recall the advertisements that were longer more than the short one.

Surprisingly, 30% of participants in Group 1 and Group 2 responded that they liked the length of the advertisements even though; Group 1 had 15 seconds advertisements while Group 2 had 30 seconds advertisements. Participants in Group 3 who watched 3 30-second advertisements all placed at the beginning and 50% of the participants in Group 3 didn't like the length of the advertisements. With these results it was concluded that participants don't mind how long the advertisements are when they are scattered throughout the video but they do mind when they are all together making the overall advertisement viewing longer.

Furthermore, Question 4 asked whether or not participants liked how the advertisements were placed in the video. 30% of the participants in Group 1 didn't like or did not mind how advertisements are placed in videos. Group 2 had similar results, 30% of participants didn't like or didn't mind the placement of advertisements in a video. 60% of Group3 liked the way the advertisements were placed. All advertisements in this case were at the beginning instead of scattered throughout.

With these results it is concluded that participants like when advertisements are placed at the beginning but at the same time they don't like when they are long. A possibility would be to stream shorter advertisements and place them all the beginning so the overall length of the advertisements viewing is less.

Success of Advertisements:

The second group of questions gathered information about which advertisement was more successful.

Question 8 addressed this by asking how well the advertisements produced by Taco Johns and Sammy's Pizza presented the product, caught the attention of the audience, got across products' qualities or features, presented a new/fresh image of the brand and positively changed opinions about the product. For this question rank 0 was created for "Not at all successful" and all the way to 5 for "Very successful" (*See Appendix A*).

50% of the participants who watched Sammy's Pizza advertisements gave them a rank of 4 while (40%) gave the advertisements a rank of 3 in presenting the product. On the other hand, 70% participants who watched Taco Johns advertisements thought they were not at all successful. Only 30% of the participants gave the advertisements a higher rank of 4.

Viewing Habits:

This survey also included questions about the participants' overall viewing habits in order to get some background information. 37% of the participants said they spend less than 2 hours and 33% of the participants said they spend 2-8 hours watching TV a week. Furthermore, 50% of the participants said that they spend less than 2 hours watching shows on the Internet in a week.

This is a surprising result because previous research proves that more people are watching shows online than on the TV. The research group discussed that a possible reason for this may be due to the slow Internet connection that the campus (College of St. Scholastica) has which makes online streaming videos harder to watch.

Another question asked whether or not they are more or less likely to watch shows online than one year ago. For this question, 50% of the participants said that they were much more likely. The last question about the participants' viewing habits asked them to choose the best statement that describes their viewing habits. 43% of the participants said that they mostly watch shows on TV but sometimes they watch episodes they missed online.

Conclusion/Observations of Viewing:

The main objectives of the research were answered. Participants preferred when the short advertisements placed all at the beginning than being placed throughout the video.

On the other hand, the research group found out that when advertisements are longer people can recall them better than when they are short, this poses a challenge to marketers as to which they want to sacrifice.

 The research group also found out that when advertisements are longer people can recall them better than when they are in a shorter format. In addition, the questions that asked about overall viewing habits revealed that people spend no more than 2 to 8 hours watching shows on TV and less than 2 hours watching shows online.

Overall, students usual open multiple websites while they are watching videos online. The most frequented websites are emailing websites, facebook, as well as blackboards for academics.

References:

[1] Brad Stone , *Testing Over, Hulu.com to Open Its TV and Film Offerings This Week, New York Times*, published March 11th, 2008

[2] Johnnie L , *Watching the Watchers by Roberts, from the Newsweek*, 7/17/06, Vol. 148 Issue 3, pp. 38 – 39.

[3] Mark Loughney, Martin Eichholz, Michelle Haffer, *Exploring the Effectiveness of Advertising in the ABC.com Full Episode Player*, ABC Television Network, Journal of Advertising Research, September 2008

[4] Hein Kenneth, *PCs Stealing TV's Share of Screen*, Brandweek. 6/23/08, Vol. 49 Issue 25, p. 16.

[5] Camtasia Software Products

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Table 1

Results of Survey

	Group 1	Group 2	Group 3
Question 2			
Taco Johns	38%		
Taco Bell	38%		9%
Pizza Hut	8%		
Sammy's pizza		91%	91%
I don't remember	15%	9%	
Question 3			
Part of it	60%	80%	80%
Other, remember the beginning	10%		
Other, skipped them	10%		
product advertised		10%	

Everything	10%	10%	20%
Nothing at all	10%		

Question 4

Didn't like it	30%	30%	10%
Liked it somewhat	20%		40%
Didn't like it at all	20%	30%	20%
Liked it a lot		10%	30%
Don't Mind	30%	30%	

Question 5

Didn't like it	20%	20%	50%
Liked it a lot	30%	30%	10%
Didn't like it at all	10%	20%	10%
Don't Mind	20%	10%	10%
Liked it somewhat	20%	20%	20%

Question 6

The Setting	10%	30%	10%
Presentation of product	40%	10%	30%
Nothing attracted	30%	20%	10%
Other, skipped the advertisements	10%		
Other, awful commercial			10%
The Storyline	10%	40%	40%

Question 7

Don't like it	40%	30%	50%
Don't mind	30%	30%	10%