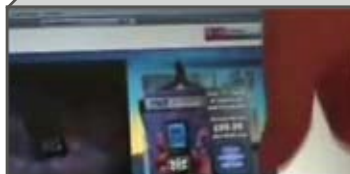


simply

work.

ONLINE VIDEO:  
WHAT THE STATISTICS  
CAN'T TELL YOU



Published 27th March 2008

[www.ignoreatyourperil.tv](http://www.ignoreatyourperil.tv)

# INTRODUCTION

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## Why is Internet TV important?

Launched just three years ago, YouTube is now one of the top five most popular sites on the Internet and hosts 73 million video clips watched hundreds of millions of times a day. Print titles ranging from the Financial Times and The Sun newspapers to magazines such as Elle and Time have been as quick as dedicated online publishers to put video at the heart of their editorial offer. In retail, video product demonstrations and reviews are becoming a key driver for e-commerce with services such as CNET TV and Borders BookZone blazing a trail.

The growing popularity of watching video online is matched by advertiser interest in the medium. Internet video advertising combines the power of moving pictures with the precision and interactivity of online advertising. At a time of economic uncertainty and increasing dissatisfaction with the accountability of broadcast TV advertising, online video advertising is delivering double digit click through rates and high levels of attention and engagement.

## What the research set out to discover

Headline grabbing usage statistics are one dimensional in terms of helping the practitioner in this space understand the market opportunity. The 'colour' in the story has to come from understanding the qualitative considerations of 'how' and 'why' as much as 'how many'.

Simply worked closely with media specialist Work Research to devise the methodology for an in-depth qualitative study capable of understanding exactly how people think about, find and use the host of new online video services.

# INTRODUCTION

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## **Key areas the research set out to illuminate were:**

- **Is this niche or a mass market activity?**
- **How do people think about, find, use and share services?**
- **Is viewing incremental or a substitute for existing media usage?**
- **How does viewing online differ from traditional TV viewing?**
- **Are users receptive to video advertising and what do they expect from it?**

## **Why are these findings important?**

This is the first serious qualitative study to unpick the complexities of the new online video ecology and explode the misconception that all that's on offer is homemade comedy and soap catch-ups.

It examines why online video is a compelling new advertising medium and suggests some revealing insights about the relationship between broadcast and PC viewing.

It provides a snapshot of a fundamental shift in mainstream media consumption behaviour that is vital for brands, publishers and retailers to understand.

# EXECUTIVE SUMMARY

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To view the video that accompanies this report please click [www.ignoreatyourperil.tv](http://www.ignoreatyourperil.tv)



***If I can't watch what I want to watch, I'll watch it on my PC upstairs***

Male, early 30s



## Viewing video online is a mainstream activity

Across the research sample, it was evident that online video viewers are thoroughly mainstream with no evidence of users being overly 'techie' or interested in very niche interests.

## The PC has become the 2nd TV set

Whether it's because the living room TV is being hogged by a partner or child, or a favourite show has been missed, the PC is taking over as the 'second TV' in the home.

For a number of male respondents, retiring to watch online video in the study was tantamount to escaping to their 'virtual shed' where they could indulge their personal interests away from the bustle of family life.



***Keep my daughter occupied with the TV so I can get some peace and quiet on the computer!***

Female, early 20s



## There's more to Internet TV than comedy snippets and catch up

We see three distinct categories of online content emerging which we have characterised: *Snippets*, *Boutique* and *Catch-Up*. Each serves different needs and entails a different associated viewing experience.

**Snippets** are short, quick to watch, and whilst focused on the screen, users are often also multi-tasking – talking on an internet phone or emailing links to friends for example.

We observed that **Boutique** is really about task-based viewing where content is instructional or helps with information gathering around keen interests. People who are in this mode have high attention levels because of their interest in the subject matter.

**Catch-up** online is longer in duration as it corresponds with broadcast programme lengths and tends to be viewed in a more relaxed mode. This activity is really where the computer literally takes on the role of the second TV.

# EXECUTIVE SUMMARY

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***I don't mind when they know the kind of thing that you want to view, so if it's something that's personalised in terms of looking at what you're doing***

Male, early 30s



## **Online video delivers unusually high engagement – an 'Apex of Attention' is achieved where needs-based viewing meets relevant advertising**

The research revealed an 'Apex of Attention' with *Boutique* viewing where the focused, task-driven mindset lends itself to unusually high receptiveness and propensity to interact with video advertising when it is relevant to the video content.

Advertising occupies a new space between online display and the traditional TV spot. Compared to broadcast TV, online video offers very high levels of attention and engagement, but responses to advertising differ depending on the category of content.

Overall, at its best, advertising is relevant and elicits an engaged response. At worst it is seen as intrusive and out of place. Attitudes to advertising around amateur content were particularly ambivalent. With Catch-up viewing the commercial contract works more like traditional TV. When ad content is short it is generally accepted because of its familiar placing. Success is all about relevance and seamlessness.

## **The Content Continuum**

<b>Snippets</b>	<b>Boutique</b>	<b>Catch-up</b>
<ul style="list-style-type: none"><li>• Short form; from 5 seconds to 5 minutes</li><li>• Amateur content</li><li>• Social; shared, forwarded, watched with friends</li><li>• Needset is experimentation, discovery, entertainment</li><li>• Anytime media – work, home, mobile</li></ul>	<ul style="list-style-type: none"><li>• Mini videos; from 2 to 5 minutes</li><li>• Independent professional content</li><li>• Privately consumed; cult, niche, obscure, watched in private</li><li>• Needset is task based</li><li>• Evenings, weekends in home</li></ul>	<ul style="list-style-type: none"><li>• Longer form; from 5 minutes to feature length</li><li>• Professional/owned content</li><li>• PC becomes 2nd TV; private, comfortable, relaxed</li><li>• Needset is functional/ convenient, indulgent/ empowered</li><li>• Peak time in home</li></ul>

# METHODOLOGY

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Simply Media and Work Research have carried out the first serious qualitative UK research investigating how we think about and watch video on our computers. The research explores our interaction with a wide range of online content, from amateur YouTube clips to professional made-for-web programming.

Individual face-to-face interviews were conducted as the basis for the research among groups recruited in London and Manchester. In preparation, the group was asked to complete various tasks online and keep a video diary of their viewing activity.

The participants ranged in age from 18 to 40 years old and were from a variety of backgrounds. There was no social grade filter – the only stipulation was that they had a computer with broadband access at home, and were regular users of online video services. There were twice as many women as men in the sample.

# FINDINGS

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***YouTube is more for a giggle, I wouldn't use it for anything else, I like the biggies like the TV or entertainment channels which have the 'WOW FACTOR' and get your attention straight away***



***I know where to look now, I can go there or go there, spend a lot more time watching TV programmes on the internet, all stuff I wanna watch...I'm king of my own computer***



**To view the video that accompanies this report please click [www.ignoreatyourperil.tv](http://www.ignoreatyourperil.tv)**

## **Who & Where?**

A number of typologies emerged from the research: Professional men in their 30s who are co-habiting; mums with children at home and a 'digital generation' of men and women under 25. Notably, none were unusually technology-savvy 'geeks' nor were they fans of highly niche programming, such as science fiction.

Laptops were popular among the group, with desktops often situated in the study or second TV room or front room for those people with children who need monitored usage. Some expressed interest in linking their computers up to the TV, especially to view longer form content, but there were no examples of this actually taking place. As an interim measure a number of users linked laptops to a bigger computer screen, especially when viewing in the study.

## **What & Why?**

### **Why are they watching?**

Online Video meets a variety of needs, from killing time and quick entertainment bursts to indulging niche interests and information gathering. The purpose of watching is again split into three categories as outlined below.

Different sites meet different needs. One of our group commented *'YouTube is more for a giggle, I wouldn't use it for anything else, I like the biggies like the TV or entertainment channels which have the 'WOW FACTOR' and get your attention straight away'*

We observed an empowered consumer able to control what he watches and when he watches – a state that is summed up in this comment, *"I know where to look now, I can go there or go there, spend a lot more time watching TV programmes on the internet, all stuff I wanna watch...I'm king of my own computer"*

# FINDINGS

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From comedy clips on YouTube, to full length TV shows, our viewers are accessing a wealth of online content, which we have categorised as follows:

Snippets	Boutique	Catch-up
<ul style="list-style-type: none"><li>• Amusement</li><li>• Entertainment</li><li>• Discovery</li><li>• Following links</li><li>• Communal and peer driven</li><li>• Killing time</li></ul>	<ul style="list-style-type: none"><li>• Information</li><li>• Discovery</li><li>• Something extra</li><li>• Task driven</li><li>• Indulgence of interests</li></ul>	<ul style="list-style-type: none"><li>• Catch ups</li><li>• Entertainment (mainly)</li><li>• Indulgence of interests</li><li>• Convenience</li><li>• Reclaiming TV time</li></ul>



**Video sites serve my interest at that very moment it's not general content that TV provides**

Female, mid 20s



**Normal TV is not customised to my routine, I don't have a routine, I can't go home just to watch the news**

Female, mid 20s



## When and How?

In the *Boutique* and *Catch-up* categories, online content takes the role of the 'second TV' in the home. Key viewing times include:

- **At home in the evening**
- **Peak television time when partner or children are hogging the remote, or when there's nothing they want to watch**
- **Coming home from work late and catching up on missed TV programmes**
- **Very late at night when there's nothing on television**
- **Sunday mornings while nursing a hangover**
- **Daytime for stay-at-home mums**

In the *Snippets* category, the short-form nature means that viewing is much less confined. People are watching short videos any time that web access is available. It is often viewed as a complement to other media, as a way of further investigating a topic.

# FINDINGS

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***I'm online at night, when it's quiet when the kids have gone to bed. Its ME time. I'm open minded I want to be stimulated and entertained***

Female, late 30s



## How are they watching?

All viewers gave their full attention to online video content, but whilst viewers of snippets exhibited classic web multitasking behaviour, catch-up viewers displayed lean back TV-watching behaviours, such as sitting back on the sofa or pausing online streaming during a longer feature.

The research revealed an 'Apex of attention' with *Boutique* viewing whereby the focused, task driven mindset lends itself to unusually high receptiveness and propensity to interact with video advertising when it is relevant.

Snippets	Boutique	Catch-up
<ul style="list-style-type: none"><li>• Full attention</li><li>• But also normal web behaviours Multi tasking, surfing</li><li>• Interaction an important element Sharing, forwarding, reviewing</li></ul>	<ul style="list-style-type: none"><li>• Full attention</li><li>• Task driven attitude</li><li>• Dislike distractions and interruptions</li><li>• Interaction limited to reviewing</li><li>• And impatient, esp. when things download slowly</li></ul>	<ul style="list-style-type: none"><li>• Full attention</li><li>• But also normal TV behaviours lean back, comfortable, low involvement processing</li><li>• Pause facility allows breaks</li><li>• And impatient, esp. when things download slowly</li></ul>

## Consumer attitudes towards advertising

The traditional contract between advertisers, platform owners and viewers is in a state of flux. A once simple 'deal' – watch these ads and the content is free - has been generally obscured by a variety of other arrangements. We now often pay for our media through subscriptions ('premier' content like football or mobile downloads for example), but we also get free media and free content in other areas.

# FINDINGS

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***If I'm on the computer and it comes on before a clip, I'm not gonna move because the ad's there, I would normally just watch it and wait for the clip to start***

Female, mid 20s



This research focused on video advertising formats. In the interviews, video advertising in the *Boutique* and *Catch-up* categories - mainly pre and mid roll - fares well. In these categories most viewers have a high perceived value of the content and appreciate that free content is too good to be true. Some even reported positive experiences when the advertising is linked and relevant to their *Boutique* viewing. In most cases the adverts are short and perceived as unavoidable, and countdown timers are used to manage the viewer patience level.

This positive response to advertising is a first for the authors of this study who remarked that whilst the majority of their work involves examining different media contexts in advertising, it is rare to get positive responses (Cinema and Underground being the two major exceptions).

In contrast, advertising around *Snippets* suffers a more negative response. There is still a debate around whether it is appropriate to have advertising around amateur content online at all.



***I don't mind when they know the kind of thing that you want to view, so if it's something that's personalised in terms of looking at what you're doing***

Male, early 30s



Non-video advertising such as banners and pop-ups are generally unpopular with people engaged with this content unless related to the video. Furthermore, the intrusive nature of advertising can make some viewers impatient. This is really about the viewing 'mode'. Whilst people are in entertainment or task driven mode, they are easily annoyed by advertising that they consider to be intrusive. It stands between them and their fun.

In summary, in the context of this research, advertising returns to a more traditional role in the 'deal' that people are entering into with the media owner. The contract is simply about content in return for watching some ads.

The other reason that we see an enlightened view of the commercial contract in certain types of online TV and video is that the pre-roll is a highly successful format; it is short, unavoidable, acts as an introduction to the content experience and at best it is disarmingly relevant.

# THE AUTHORS

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## **About Simply Media TV**

Simply is an Internet video specialist with a portfolio of genre-based channels catering to sports and lifestyle interests. The company has in-house expertise across the entire value chain - producing and licensing video content, selling advertising and providing technical and creative services. Clients for these services include Yahoo!, Boots, Borders, Huggies and iVillage (NBC).

In addition to its Internet TV assets Simply owns a distribution network spanning 5 broadcast channels on Sky, and 3,000 screens in hair salons, garden centres, post offices and gyms.

### **Simply's channels include:**

**[www.babychanneltv.com](http://www.babychanneltv.com)**

**[www.avenue11.com](http://www.avenue11.com)**

**[www.beautyzone.tv](http://www.beautyzone.tv)**

**[www.golfbug.tv](http://www.golfbug.tv)**

## **About Work**

Work has been researching advertising and media for over ten years and during that time has developed a set of tools and techniques that cover the whole communications spectrum.

Founder Justin Gibbons spent six years at PHD Media, most enjoyably as Director of the Strategic Services department. During his time there he pioneered the use of qualitative research in media and conducted the world's first neuro-scientific experiment into communications effects.

He has won Marketing and Media Week awards for his research and is a regular speaker at conferences including the Edinburgh TV Festival, BAFTA, Channel 4, and recently the Norwegian Advertising Association.