

Consumers view ads as necessary trade-off for Web 2.0

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As more and more consumers use digital content services — such as social networking and videos — they're more willing to accept advertising if it means the services have no fee.

That was one of the findings of an IBM survey of 2,800 people in six countries — Australia, Germany, India, Japan, the U.K. and the U. S. More than 70 percent of respondents said they preferred the ad-supported model to paying a fee for the services.

Compared to a similar survey done last year, twice as many people are using digital content services: 60 percent use social networking and 40 percent have Internet data plans for mobile devices such as cellular phones.

Other highlights of the survey are:

- 76 percent of consumers have watched video on their PC, up 27 percent from last year.
- Of those who have watched videos on their PC, 45 percent are doing so regularly -- at least a few times per month.
- 32 percent indicated they have watched video on a portable device or mobile phone, up 45 percent from last year.
- More than half of respondents who have watched online video claim they watch slightly less (15 percent) to significantly less (36 percent) television as a result.
- The 13-24 year old segment owns an average of four to five

multimedia devices.

"Consumers have grown accustomed to accessing new forms of content through alternative sources, such as online video and video-on-demand, at no cost to them — no fee, with very limited advertising shown," said Saul Berman, Global Lead Partner, Strategy & Change Consulting, IBM Global Business Services and the author of many recent IBM studies.

"The industry must find appealing ways to monetize new content sources or risk a similar fate as that of the music industry where value shifted away from core players."

Provided by IBM

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