

CONJOINT ANALYSIS FOR EFFECTIVE USE OF ONLINE VIDEO ADVERTISING ON VIDEO SHARING WEBSITES

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ABSTRACT

This study employs conjoint analysis to ask which online video advertising formats consumers prefer. It is important to test whether giving people a choice of ads they have to watch helps how much they are willing to pay for entertainment content to avoid video ads, and what the influence of ad length is on those preferences. The study also looks at how other consumer responses, like advertising skepticism and attitude toward advertising in general, influence their preference structures.

Choice-based conjoint experiment was employed with four attributes: ad choice, length of online video ads, number of online video ads, and membership price. The results indicated the impact of giving participants ad alternatives (i.e., ad choice) when using online video ads. Also, it was found that participants want to watch fewer ads and pay less money to buy membership on video sharing websites to avoid ads. However, considering the interaction effects, it is recommended using online video ads with ad choice and 15 seconds. When including ad choice in online video ads, it is possible to increase the number of ads. Regarding the trade-offs between watching ads for free content and paying for ad-free content, negative ad perception did not generate the trade-offs, while positive ad perception supported the trade-offs. The implications of these findings for researchers and advertisers are further discussed.