

# Comparing User Engagement across Seven Interactive and Social-Media Ad Types.

A Collaborative Study by

Psychster Inc.



**Executive Summary.** Increases in social networking and interactive advertising technology have led to a variety of new options for advertisers and publishers. With the expansion of this medium, choosing the right ad type for a campaign may not always be straightforward. The purpose of this study was to experimentally test user engagement across a variety of so-called “widgets,” defined to be interactive ad types that may prompt users to engage their peers in a social manner. Survey respondents were randomly assigned to view a narrated video of one of 7 ad types, and then report on their engagement, perceptions, and purchase intent. A summary of the findings are as follows:

- **Sponsored Content ads**, in which individuals viewed a holiday page that was “brought to you by” a leading brand, were the **most engaging** but produced the **least purchase intent** of the 7 ad types tested.
- **Corporate Profiles** on social-networking sites produced **greater purchase intent and more recommendations when users could become a fan and add the logo to their own profiles** than when they could not.
- **Give and Get Widgets** in which individuals could create and customize something (a car or a dinner menu) and then either send it to a friend (“give” widget) or keep it for themselves (“get” widget) **were more engaging than traditional banner** advertisements but no more likely to produce an intent to purchase.
- **The above conclusions held across brands** (a leading soup brand and a leading car brand) **and publishers** (on Allrecipes.com and on Facebook.com), but **like traditional ads, widgets had increased success if the brand was relevant to the website** (i.e. a soup brand on a cooking website).

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## Attribution.

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**Background and Research Questions.** Although banner advertising still dominates the web, advertisers and publishers now have a much wider array of choices due to advances in interactive web technology and the rapid rise of social networking. Beyond merely clicking, users may now read special holiday or sports-related content that is “brought to you by” advertisers. Or they may create digital products, like customized cars or weekly food menus, and then either save them for themselves or give them to friends. Companies now routinely create profiles on social networking websites and encourage users to become fans or even display corporate logos on their personal profiles. And of course, traditional banner ads or email-newsletters still exist and are widely used.

These ad types differ in the cognitive, social, and motivational foundations that make them a success, as well as the time and cost to bring them to market. As advertisers continue to transition marketing dollars to the web, and as publishers compete to offer effective inventory, empirical research is needed to make informed choices.

This study tested the key questions at right. Whereas other research might focus on marketing spending or performance metrics, this study concentrated on website users’ attitudes toward different ad types and the brands they promoted.

**Key Question:** Are some ad types more effective than others?

**Secondary Questions:** Do ad types work for all brands on all sites? Must the brand be relevant to the website for the ad to work?

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**Methodology.** To address the above questions, [Allrecipes.com](http://Allrecipes.com), the leading cooking/recipe website, commissioned Psychster Inc. to design a multivariate online experimental survey.

Mockups were created of seven ad types (see descriptions below), appearing on one of two publisher websites (Allrecipes, or Facebook), and promoting one of two brands (a leading soup brand and a leading car brand), for a total of 28 combinations. To capture the interactive nature of the ads, a video was recorded showing the screen activity of someone interacting with the mockups, complete with a narration. For example, the narration for the sponsored content ad went, *“The scenario is: you’re on [website]. You look at the current holiday page for St. Patrick’s Day. You notice that this page is sponsored by [brand]. You decide to look at Irish cookie recipes. You look over the recipe and again notice that this page is sponsored by [brand].”*

These videos were imbedded in the survey, and respondents were randomly assigned to view only one. Afterward, they rated their attitudes on a variety of metrics. Designed as a multivariate experiment in this way, we were able to conclude that any difference in the metrics was in fact **caused** by the ad-type to which people were exposed.

## The seven different ad types were:

- 1. Banner** – This type consisted of a traditional ad on a website; the narrator clicked the ad to view the brand's website.
- 2. Newsletter** – This type consisted of an ad on a website; the narrator clicked an ad then signed up to receive the brand's newsletter.
- 3. Corporate Profiles with Fans and Logos** – This type consisted of a profile page, showing photos and notes left on a message board. The narrator further became a fan of the brand, and upon doing so, places the corporate logo on his or her own profile.
- 4. Corporate Profiles without Fans and Logos** – This ad type was identical to the former, except that no mention of fans or logos is made.
- 5. Get Widget** – This ad type consisted of a widget application where the narrator created a digital product and saved it for him or herself. For the car brand, the digital product was a car with customized interior and exterior colors. For the soup brand, the digital product was a collection of recipes based on an ingredient search.
- 6. Give Widget** – This ad type was identical to the Get Widget, except that after creating the digital product, the narrator sent it via email to a friend.
- 7. Sponsored Content** – This ad type consisted of a special St. Patrick's Day page with a mix of editorial and user-generated content. Twice during the video, the narrator pointed out that the page was sponsored by a company (either the leading soup brand or the leading car brand).

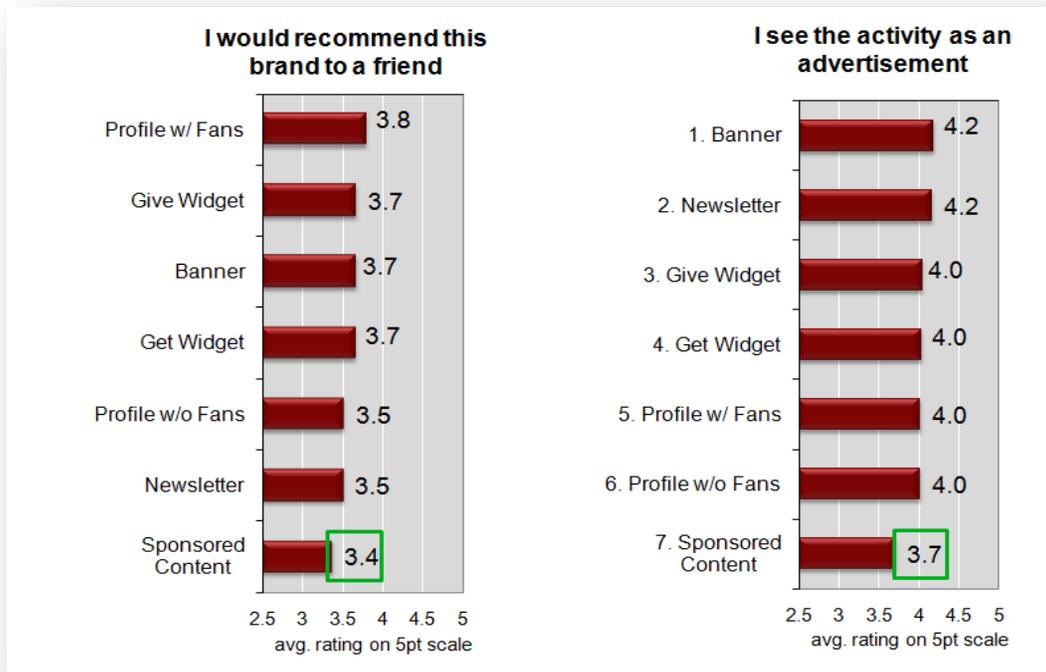
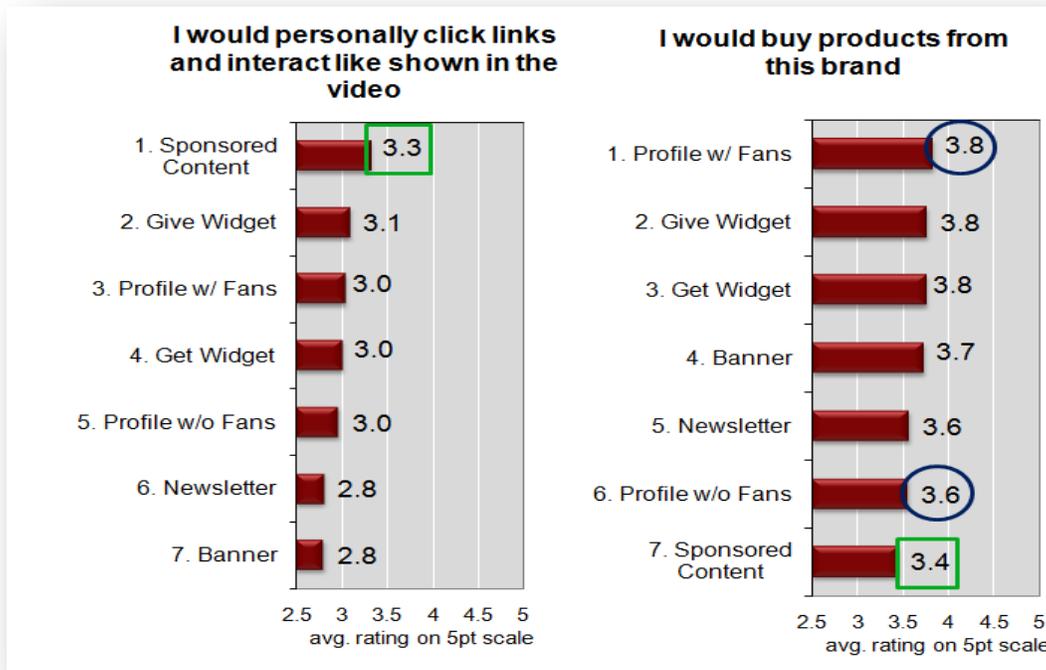
**Respondents.** All surveys were fielded in May, 2009. The variations of the survey that depicted the ad types on Allrecipes were shown to **478 Allrecipes users** who were recruited via a site-wide popover. The variations that depicted ad types on Facebook were shown to **681 Facebook users** recruited via a panel company. Thus it is important to note that Allrecipes ads were only tested among Allrecipes users and Facebook ads were only tested among Facebook users. This decision was made to increase the ecological validity of the study by being more naturalistic, although it prevented us from testing the effect of the website independently of the website users.

**Metrics.** After viewing the video, respondents answered a series of questions both about how they viewed the **brand** featured in the video, and how they viewed the **activity** shown in the video. Within each group, there was a high degree of correlation between all the metrics, so only the most informative are reported here (see below).

### Key Metrics (5-point agreement ratings)

1. I would personally click links and interact like shown in the video.
2. I would buy products from this brand.
3. I would recommend this brand to a friend.
4. I see the activity as an advertisement.

**Results.** An analysis of variance (ANOVA) revealed significant differences across ad types; multivariate  $F(6,1065)=2.49, p < .001$ .



**1. Sponsored Content produced the highest interaction ratings, but the lowest purchase intent and viral recommendations.** The green squares in the figures above show that people reported being more likely to interact with sponsored content than with any other ad type ( $ps <$

.05). And they were least likely to see it as an ad. However, sponsored content was least likely to elicit purchase intent and a recommendation to friends. Thus, sponsored content was the most engaging of the ad types, but least likely to trigger consumer behavior or viral spread.

**2. Corporate Profiles caused higher purchase intent when people could become a fan and put a logo on their own profile than when they could not.** The blue circles in the figure above show that purchase intent was significantly higher when people could become a fan of a corporate profile than when this functionality was absent ( $p = .03$ ). Similarly, people were significantly more willing to recommend profiles to friends when they could become a fan than when they could not ( $p = .03$ ). If this were a field study, it would be unsurprising that customers who “brand themselves” with a company’s logo are more likely to buy from that company and recommend it to others. But because this was an experimental study where naïve users were randomly assigned to view such profiles, it suggests that this allowing people to become a fan and add a logo to their own profiles **causes** an increase in purchase intent and recommendations.

**3. Give and Get Widgets were more engaging than Banners and Newsletters, but not more likely to increase viral recommendations or purchase intent.** Like Profiles with Fans, Give and Get Widgets were the best all-around ad types across all metrics. People were significantly more likely to want to interact with ads where they could create and customize something (a custom car or a dinner menu) compared to banners or newsletters ( $p < .05$ ). However, they were not significantly more likely to recommend the brands to friends or show an intent to purchase.

**4. The above conclusions held across websites and brands.** The best and worst-performing ad types on the metrics as shown in the figures above were the same on both Allrecipes and Facebook, and for both the soup brand and the car brand. (The ANOVA produced no significant two-way interactions involving ad types.) Although future research should test additional brands and sites, there was no suggestion from this study that some ad types would only work for some brands in some contexts.

**5. No ad type was so engaging that it overcame the advantage found by matching the brand to the website.** It is widely believed that ads are at an advantage when the brand relates to the site on which it appears. Our findings replicated this effect, such that the soup brand performed better on Allrecipes than it did on Facebook. Despite the variability across ad types described above, no ad type was so engaging that it overcame this advantage. (The ANOVA produced no significant three-way interaction between brand, website, and ad type.)

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**Conclusions.** In the research presented here, we tested reactions to seven types of interactive and social ad types, shown on two different websites, promoting two brands. Not surprisingly, the success of an ad was increased by matching the brand with the website. However, there was clear evidence that different ad types were more suitable to different marketing objectives.

**Sponsored-content** ads produced the highest interaction ratings but the lowest purchase intent of the 7 ad types studied. This suggests that this type of ad **may be a good marketing strategy for raising brand awareness, and for generating positive associations and engagement with the brand.** But it would appear to be a less favorable choice where sales is the main objective.

**Corporate profiles** were among the most likely ads to **trigger purchase intent - but only if people can become a fan and placed a logo on their own profile**. On social networking sites and sites devoted to user-generated content, this type of ad can be quite inexpensive. Although its engagement value has often been touted, this study indicates that it also has a strong commercial impact.

**Give and Get Widgets** were more engaging than Banner or Newsletter ads, which helps to justify their increased costs to produce. Overall, widgets **are good all-around strategies for increasing viral spread, purchase intent, and positive brand attitudes**. Interestingly, however, functionality allowing users to send the digital products to others did not increase the likelihood of recommending it to a friend. Thus, it may be wise to develop inexpensive means of sharing (links or tweets) rather than more expensive ones (e.g. custom messaging to other site users).

In general, all of the activities were indeed perceived to be advertisements. Although none of the ads fully “disguised” themselves, sponsored content scored lowest on this scale, but possibly at the expense of a strong call to action. Although **Banners and Newsletters** were most likely to be seen as ads, they **were among the best at triggering purchase intent and viral recommendations**. So again, traditional advertising may be the best choices depending on the goals of a campaign.

**Psychological Processes at Play.** Why might becoming a fan and putting a logo on one’s own profile **cause** an increase in purchase intent? The classic phenomena of **cognitive dissonance** (Festinger, 1957) is likely to be at play. For decades psychologists have observed that people strongly avoid the tension associated with **discrepancies between their actions and their behavior**. So not surprisingly, once people purchase products from a brand, they report liking the brand more. But the reverse is also true – when people declare publicly that they like a brand (by putting a logo on their profile for all of their friends to see) *they are more likely to buy from it*.

So while the absence of a clear “call to action” may be the reason that sponsored content did not produce strong purchase intent in this study, something more subtle and apparently more powerful may account for the commercial potential of encouraging visitors to become a fan of a corporate profile. Although further testing may be needed to confirm the reason for this finding, social and cognitive explanations may be as likely as motivational ones.

If the goal is brand awareness and positive associations, **Sponsored Content** may be the best choice.

If the goal is purchasing and loyalty, then **Profiles that allow people to become Fans** and add logos to their own profiles may be the best choice.

If the goal is purchasing and the best ROI, **Banners and Newsletters** may still be the best choice.

**To view the videos used in this survey, please contact the authors.**