ACCELERATED ADOPTION OVER THE LAST YEAR

So, brands’ engagement with consumers must also evolve

INTERACTIVE ADS ARE A GROWING WAY PEOPLE CAN DIRECTLY ENGAGE WITH BRANDS, BY ENCOURAGING THEM TO ACT
WE SET OUT TO...

1. Determine the value of interactive ads

2. Explore what marketers should consider when leveraging interactive ads
WE RAN SOME EXPERIMENTS

What
Controlled testing of standard and interactive ad formats on high- and low-quality sites

<table>
<thead>
<tr>
<th>Websites Tested</th>
<th>Ads Tested</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High</strong></td>
<td><img src="image" alt="Keep our planet clean" /></td>
</tr>
<tr>
<td>Premium content with low ad load (4 ads)</td>
<td></td>
</tr>
<tr>
<td><img src="image" alt="Control (Public Service Announcement)" /></td>
<td><strong>Low</strong></td>
</tr>
<tr>
<td>Click-bait like content, with high ad load (10-48 filler ads)</td>
<td></td>
</tr>
<tr>
<td><img src="image" alt="Let’s go." /></td>
<td><img src="image" alt="Standard Video (Native)" /></td>
</tr>
<tr>
<td><img src="image" alt="Let’s go." /></td>
<td><img src="image" alt="Moments + Touchpoints" /></td>
</tr>
<tr>
<td><img src="image" alt="Moments + Video" /></td>
<td><img src="image" alt="Moments + Carousel" /></td>
</tr>
</tbody>
</table>

| 6 Online Environments | 17 Advertisements | 35 Interaction Metrics Tracked | 4,047 Participants |
PARTICIPANTS
Participants recruited from nationally representative online panel (n=4,047)

SURVEY
Initial survey with demographics and screeners

AD EXPOSURE
Participants randomized into a test cell and selected an article topic of their choice. All content appeared on a high- or low-quality website. All participants were served a test or control ad

- Test = Standard Video or Interactive Ad
- Control = Public Service Announcement (PSA)

MEASUREMENT
Post exposure survey to measure traditional brand metrics and qualitative feedback. Interactions tracked
BRANDS TESTED

- ORIGINS
- CANADA DRY BOLD GINGER ALE
- TOY BRAND
- AUTO BRAND
INTERACTIONS AT WORK
INTERACTIVE ADS CAPTURE ATTENTION & BUILD FAMILIARITY AMONG THOSE WHO MATTER THE MOST

Impact Of Ad Format
Those In-Market for Product - Delta (Test – Control)
- Standard Video Ads
- Interactive Ads

Aided Ad Recall
- +15%†
- +23%†

Brand Familiarity (Very/Somewhat Familiar)
- +3%
- +6%†

† = significant difference between control and test at >90% confidence

All Brands (In-Market, High Quality Sites): Interactive Ads n=520, Standard Video n=176, Control n=167
ABILITY TO LEARN MORE INSPIRES ACTION, PARTICULARLY INTENT TO TAKE THE NEXT STEP

Action(s)* Likely To Take After Seeing Ad
Interactive Ads - % Agree

- Look for product: 64%
- Look for deals: 63%
- Seek more info online: 59%
- Recommend: 57%
- Read consumer reviews: 56%
- Visit brand website: 55%
- Share the ad: 40%

Would likely perform any action: 76%
Would not likely perform any action: 24%

*Ad Actions: Share the ad, seek out more information about the product online, recommend the brand to others, look for special deals/offers, visit the brand’s website, look for the product in store or at a retailer that sells the product, read consumer reviews
All Brands (High Quality Sites) Interactive Ads n=1,211
Q: After seeing that ad, how likely are you to do the following?
INTERACTIVE ADS SIMPLY OUTPERFORM

Impact Of Ad Format - Delta (Test – Control)

Brand Favorability
(Very Favorable)

Search Intent
(Very Likely)

Purchase Intent
(Very/Somewhat Likely)

+5%↑ Interactive Ads

+3% Standard Video Ads

All Brands (High Quality Sites): Interactive Ads n=1,211, Standard Video n=404, Control n=401

↑ = significant difference between control and test at >=90% confidence
INTERACTIVE ADS OUTPERFORM REGARDLESS OF INTERACTION

Modeling was used to isolate the impact of ad type and ad interaction by controlling for key variables including, but not limited to, age, gender, income, pre-existing brand affinity, and typical interaction behavior.

Impact Of Ad Type And Interaction - % Agree

- **Control**
- **Standard Video Ads**
- **Did Not Interact with Interactive Ad**
- **Interacted with Interactive Ad**

Brand Favorability (Very Favorable)

- 26% Control
- 35% Standard Video Ads
- 38% Did Not Interact with Interactive Ad
- 45% Interacted with Interactive Ad

Search Intent (Very Likely)

- 9% Control
- 21% Standard Video Ads
- 31% Did Not Interact with Interactive Ad
- 36% Interacted with Interactive Ad

Purchase Intent (Very/Somewhat Likely)

- 60% Control
- 76% Standard Video Ads
- 81% Did Not Interact with Interactive Ad
- 84% Interacted with Interactive Ad

Logistic regression used to model effects of ad type and interactions, while controlling for key variables including pre-existing brand affinity and typical interaction behaviors.

All Brands (High Quality Sites): Interacted with Interactive Ad = 909, Did Not Interact with Interactive Ad n=1,107, Standard Video n=404, Control n=401

† = significant difference between control and test at >=90% confidence
A TOOL TO RE-ENGAGE
INTERACTIVE ADS CAST A WIDER NET BY INSTANTLY GRABBING ATTENTION

People aren’t necessarily interacting because they like the brand

<table>
<thead>
<tr>
<th>Reason(s) for Interacting</th>
<th>% Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The ad caught my attention</td>
<td>49%</td>
</tr>
<tr>
<td>I was just curious</td>
<td>38%</td>
</tr>
<tr>
<td>It looked like it would be fun</td>
<td>28%</td>
</tr>
<tr>
<td>I like the brand</td>
<td>27%</td>
</tr>
<tr>
<td>I was interested in the product</td>
<td>22%</td>
</tr>
<tr>
<td>I wanted to learn more</td>
<td>21%</td>
</tr>
<tr>
<td>I usually interact with ads</td>
<td>8%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
</tr>
</tbody>
</table>

Q: We noticed that you chose to interact with the ad you were shown today. Why did you choose to interact with the ad?

All Brands (High Quality Sites) Interactive Ads n=1,211

Q: We noticed that you chose to interact with the ad you were shown today. Why did you choose to interact with the ad?
HARD-TO-CONVINCE AUDIENCES DRAWN IN BY CURIOSITY

Reason(s) for Interacting - Indexed to Audience Counterpart

- Indexed to Those With Positive Pre-Existing Brand Affinity (100)

Previous Brand Rejectors

- Liked the brand: 113
- Was interested in the product: 113
- Ad caught my attention: 113
- Looked fun: 113
- Wanted to learn more: 113
- Just curious: 113

- Indexed to Those Immediately In-Market (100)

Those Not Immediately In-Market for Product

- Liked the brand: 105
- Was interested in the product: 105
- Ad caught my attention: 105
- Looked fun: 105
- Wanted to learn more: 105
- Just curious: 105

Note: Previous brand rejectors are those without strong brand affinity prior to ad exposure. All Brands (Interactive Ads, High Quality Sites) Previous Brand Rejectors n=107, Not In Market n=148

Q: We noticed that you chose to interact with the ad you were shown today. Why did you choose to interact with the ad?
REJECTORS SEE THE BRAND ANEW THROUGH INTERACTIVE ADS

Interactive ads effectively shape opinions of “quality” and “innovation” among those who have previously rejected the brand

Impact of Ad Format – Previous Brand Rejectors - Delta (Test – Control)
- Standard Video Ads
- Interactive Ads

Note: Previous brand rejectors are those without strong brand affinity prior to ad exposure
All Brands (High Quality Sites, Previous Brand Rejectors) Interactive Ads n=531, Standard Video n=173, Control n=184
↑ = significant difference between control and test at >90% confidence
ULTIMATELY, REJECTORS ARE PERSUADED TO RECONSIDER

Impact of Ad Format – Previous Brand Rejectors - Delta (Test – Control)

- Standard Video Ads
- Interactive Ads

Search Intent (Very Likely)

-3%

+5%↑

Purchase Intent (Very/Somewhat Likely)

+5%

+9%↑

Note: Previous brand rejectors are those without strong brand affinity prior to ad exposure
All Brands (High Quality Sites, Previous Brand Rejectors) Interactive Ads n=531, Standard Video n=173, Control n=184
↑ = significant difference between control and test at >90% confidence
INTERACTIVE ADS BEST ABLE TO STORYTELL RESONATE MOST AMONG REJECTORS

**Impact of Ad Format** – Previous Brand Rejectors - Delta (Test – Control)

- Standard Video Ads
- Interactive Ads

**Search Intent** (Very Likely)
- Moments + Touchpoints: -3%
- Moments + Video: +6%↑
- Moments + Carousel: +5%↑

**Purchase Intent** (Very/Somewhat Likely)
- Moments + Touchpoints: +9%↑
- Moments + Video: +12%↑↑
- Moments + Carousel: +6%↑↑

Note: Previous brand rejectors are those without strong brand affinity prior to ad exposure

All Brands (High Quality Sites, Previous Brand Rejectors) Interactive Ads n=531, Standard Video n=173, Control n=184

↑ = significant difference between control and test at >90% confidence
THE FORMAT
DEEP DIVE
INTERACTION CAN BE LOWER WITH LESSER-KNOWN AD FORMATS

Interaction Rate - Indexed To Average (100)

Touchpoints should be noticeable to encourage people to interact

38 TOUCHPOINTS

Clicked on hotspot(s)

162 CAROUSEL

Swiped through carousel image(s)

Moments + Touchpoints

All Brands (High Quality Sites): Moments+Touchpoints n=409, Standard Video n=404, Control n=401

↑ = significant difference between control and test at >=90% confidence
**TOUCHPOINT ADS PIQUE INTEREST, DELIGHT & DRIVE INTENT TO SEARCH**

**Ad Opinions** - Indexed to Interactive Ads Average (100)

<table>
<thead>
<tr>
<th>Above</th>
<th>Indexed to Interactive Ads Average (100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique</td>
<td>106</td>
</tr>
<tr>
<td>Delighted me</td>
<td>109</td>
</tr>
<tr>
<td>Kept my attention</td>
<td>113</td>
</tr>
<tr>
<td>Piqued my interest in the product</td>
<td>114</td>
</tr>
</tbody>
</table>

All Brands (High Quality Sites): Moments+Touchpoints n=409, Standard Video n=404, Control n=401

↑ = significant difference between control and test at >90% confidence
PEOPLE ARE MORE LIKELY TO INTERACT WITH ADS THAT FEEL MORE FAMILIAR TO THEM

The carousel format felt more familiar to people, as opposed to the touchpoints format which was seen as more unique.

Ad Is “Different From Other Ads I See” (Very/Somewhat Different)
Indexed to Interactive Ads Average (100)

Interaction Rate
Indexed To Average (100)

ABOVE
Indexed to Interactive Ads Average (100)

Moments + Carousel

Click on the image to view the interactive carousel.

All Brands (High Quality Sites): Moments+Carousel n=400, Standard Video n=404, Control n=401
↑ = significant difference between control and test at >90% confidence

Moments + Carousel

Click on the image to view the interactive carousel.

All Brands (High Quality Sites): Moments+Carousel n=400, Standard Video n=404, Control n=401
↑ = significant difference between control and test at >90% confidence
HIGH INTERACTION = STRONG PERSUASION

Brand Metrics - Delta (Test – Control)
- Standard Video Ads
- Moments + Carousel

Brand Favorability
(Very Favorable)

Purchase Intent
(Very/Somewhat Likely)

+6%↑
+3%

All Brands (High Quality Sites): Moments+Carousel n=400, Standard Video n=404, Control n=401
↑ = significant difference between control and test at >90% confidence
MOMENTS+VIDEO ADS DRIVE IMPACT EARLIER THAN STANDARD VIDEO

Impact Of Video Completion On Purchase Intent (Very/Somewhat Likely) - % Agree
- Standard Video Ads
- Moments + Video

Moments + Video surpasses after 30% completion. People may be reading the article while standard video is playing.

All Brands (High Quality Sites): Moments+Video n=402, Standard Video n=404, Control n=401
↑ = significant difference between control and test at >=90% confidence
WHAT TO KNOW WHEN PLANNING
# INTERACTIVE FEATURES FOR ALL

**Desired Interactive Features**

<table>
<thead>
<tr>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Touchpoints that allow you to tap on specific features of the product</td>
<td></td>
</tr>
<tr>
<td>360 virtual reality experience to better visualize the product</td>
<td></td>
</tr>
<tr>
<td>Augmented reality to better visualize the product</td>
<td></td>
</tr>
<tr>
<td>Short video to learn more about the product</td>
<td></td>
</tr>
<tr>
<td>Shoppable Video (e.g. a graphic that allows you to change colors of a shoe)</td>
<td></td>
</tr>
<tr>
<td>Fun game</td>
<td></td>
</tr>
<tr>
<td>Informative quiz</td>
<td></td>
</tr>
</tbody>
</table>

- **In-market for product**
- **Has purchased the brand before**

- **In-market for product**
- **Have NOT purchased the brand before**

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- **The unique touchpoints format is effective for any consumer**
- **360 features** resonate most among those without previous experience with the brand and may need more product information
- **Fun games** are a good option for those who already have brand experience

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All Brands: In-market & past purchasers n=1,171, In-market & non-past purchasers n=570
IF A SPECIFIC MESSAGE IS IMPORTANT, DON’T BURY IT

Impact of Ad Format
Those In-Market for Product - Delta (Test – Control)

+17%↑
Standard Video Ads

+4%
Interactive Ads

MESSAGE ASSOCIATION
ENSURE INTERACTIVE ADS HAVE STRONG VISUAL CUES

Reason(s) for Not Interacting - % Agree

- I didn’t know I could interact: 54%
- I avoid interacting with most ads: 29%
- I’m not interested in the product/service advertised: 17%
- I was afraid of being pulled away from the page: 15%
- I didn’t notice the ad: 12%
- I’ve seen the ad before: 7%
- I don’t like the brand: 5%
- Other: 4%

Mainly driven by Moments+Touchpoints

All Brands (High Quality Sites) Interactive Ads n=1,211
Q: We noticed that you didn’t interact with the ad you were shown today. Why did you choose not to interact with the ad?
HIGH QUALITY WEBSITES ALLOW INTERACTIVE ADS TO SHINE

Impact of Site Quality on Interactive Ads - Delta (Test – Control)

- Low Quality Sites
- High Quality Sites

Unaided Ad Recall (First Mention)

- +25%↑
- +18%↑

Purchase Intent (Very/Somewhat Likely)

- +2%
- +5%↑

All Brands (Interactive Ads) High Quality Sites n=1,211, Low Quality Sites n=1,214

↑ indicates significant difference between control and test at >90% confidence
People are 7% more likely to interact with interactive ads when the site is viewed as “high quality”
IMPLICATIONS

The rising interactive ad format shows promise in elevating ad performance compared to standard video ads.

1. CASTING A WIDE ATTENTION NET
   Eye-catching nature and curiosity towards interactive ads draw in a broader audience beyond those who already like the brand.

2. A TOOL FOR RE-ENGAGEMENT
   Interactive ads re-engage hard-to-influence audiences, such as past brand rejectors and those not looking to purchase immediately.

3. ENVIRONMENT IS KEY
   Legitimacy and site quality can be the difference between people interacting or not.
When people don’t interact with interactive ads, it’s because they didn’t know they were interactive to begin with. Aim for strong visual cues to grab attention and encourage interaction (e.g., pulsating touchpoints now available through Verizon Media’s DSP).

Tailor your interaction features to the audience you are aiming to influence. For example, an acquisition strategy may benefit from different interactive features than strategies focused on existing customers.
THANK YOU