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VIDEO DSP  
A TAPTICA COMPANY

**MAGNA**

IPG MEDIA LAB

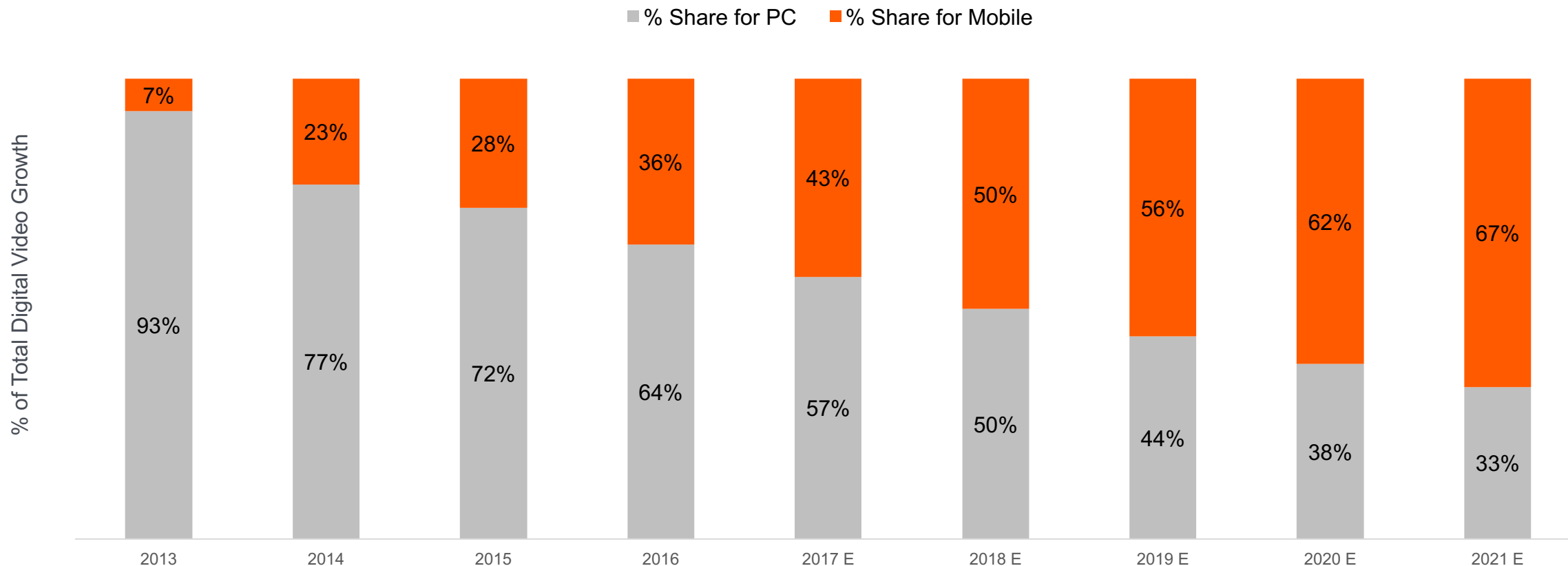
# THE INTERACTIVE EFFECT:

A Key to Surviving in the Attention Economy of a Mobile-First World

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# MOBILE WILL ACCOUNT FOR LARGE AMOUNT OF GROWTH

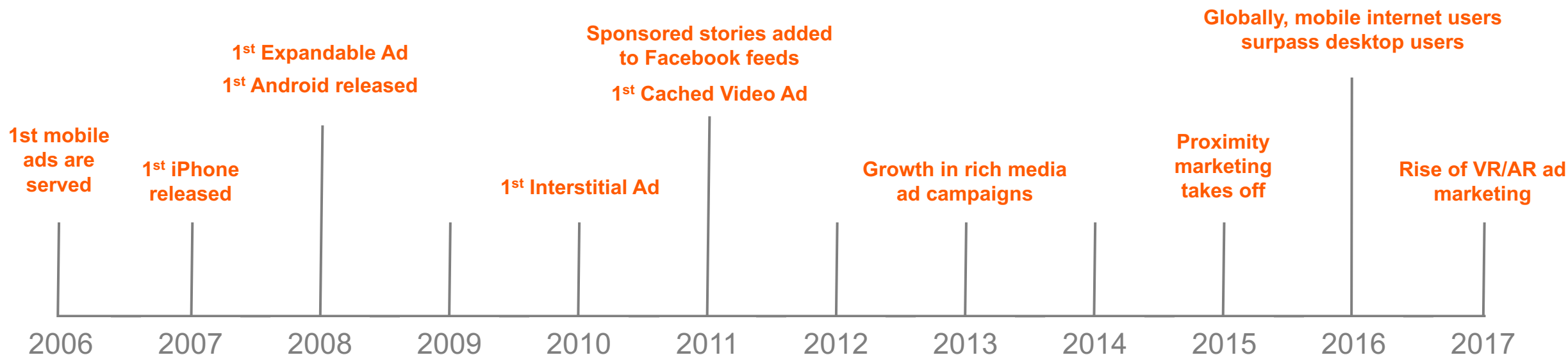
Growth accounted for by device



Source: MAGNA GLOBAL December 2016 US Forecast

# NEW TECHNOLOGY = NEW OPPORTUNITIES

- We've moved from banners to video.
- Smartphones now have advanced features to understand the context of a consumer and their environment. This has opened up the opportunity for advanced tech integrations within advertising.



**"Mobile is intimate; video is engaging.** As the digital world becomes less a proxy for our 'real' world, and becomes the 'real world' itself, interactivity can build organic connections between viewers and branded messages, especially in a mobile-first world. It is becoming clearer that interactivity is the future of mobile video."



**Chad Stoller**

EVP, Global Chief Innovation Officer  
Universal McCann

# WE DECIDED TO EXPLORE INTERACTIVE VIDEO ADS

Can interactive ads actually increase the amount of time consumers spend with the brand?

Can interactive ads drive brand KPIs?

If so, are there best practices marketers should follow to optimize mobile interactive ads?



A low-angle, upward-looking perspective of several tall skyscrapers with glass facades, reaching towards a pale sky. The buildings are arranged in a way that creates a sense of height and scale. The text is centered over the middle of the image.

**WE WENT TO GREAT LENGTHS!**

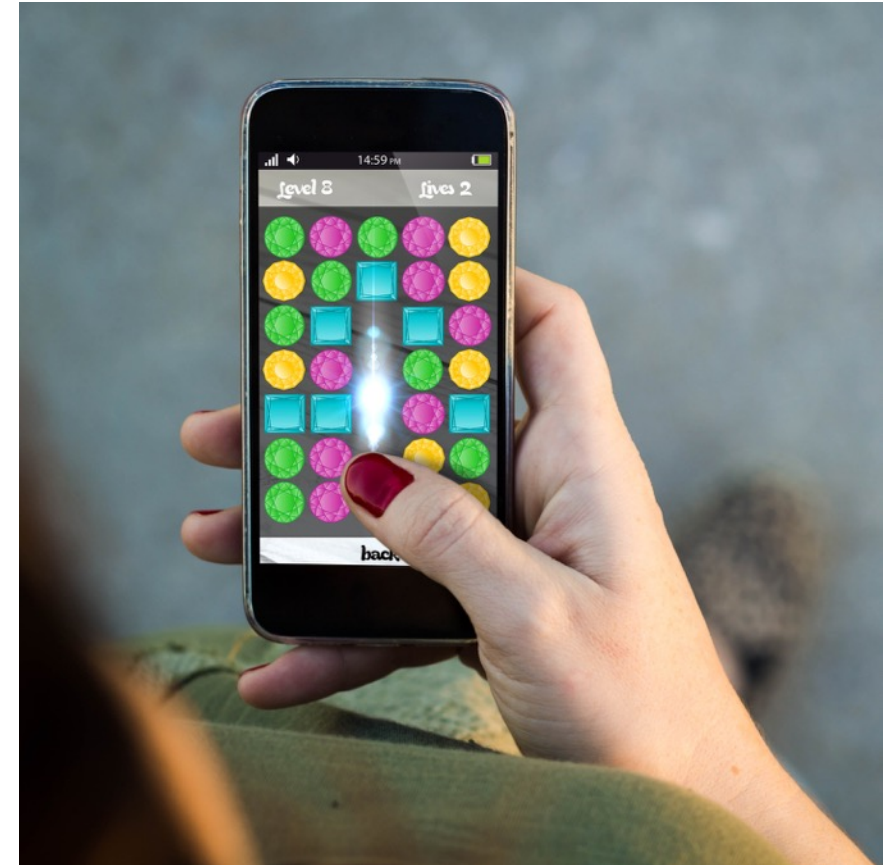
# WE WENT BROADER AND DEEPER THAN EXISTING RESEARCH ON INTERACTIVE ADS

## Enhanced design

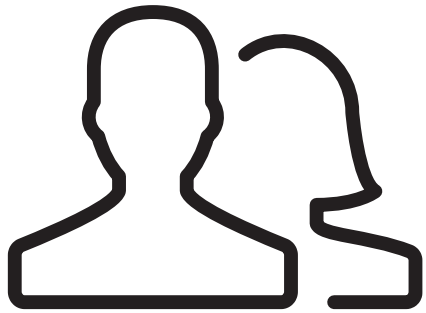
- Built a custom app in order to track interactions within realistic media experience
- Experimental design to ensure confidence in results
- Tested many different interaction types in a scientifically controlled environment

## Enhanced insights

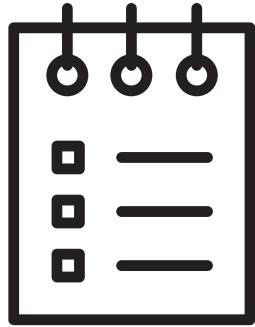
- Best practices
- Qualitative



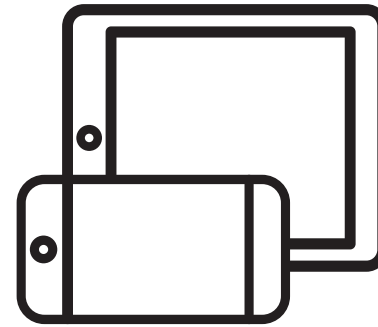
# WE USED EXPERIMENTAL DESIGN



Participants recruited from nationally representative online panel across Smartphone and Tablet (n=2,157)



Initial survey with demographic and media consumption questions



Participants randomized into test cells and selected content to view. Users downloaded custom app to view content

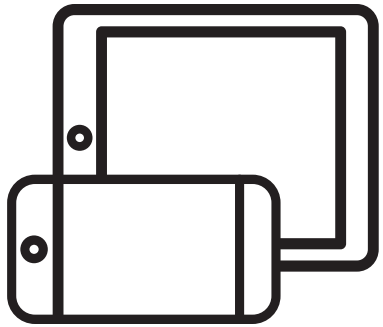
Tracked interaction behaviors



Post exposure survey to measure traditional brand metrics and qualitative feedback



# IN-DEPTH TESTING



2

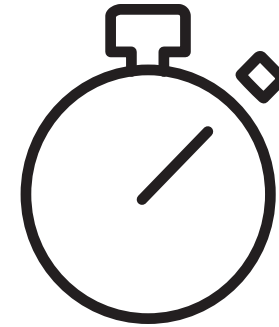
Devices



6

Types of ads

- Control
- Non-Interactive
- Interactive:
  - Character Focused
  - Entertainment Focused
  - Product Depth
  - Product Breadth
  - Earned Skip



2

Ad lengths

- 15 sec
- 30 sec

# AND...4 INDUSTRY VERTICALS

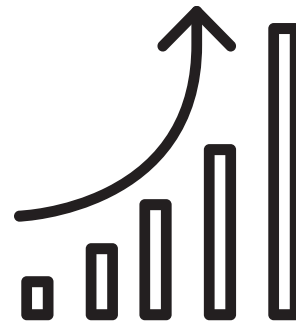


A close-up, low-angle shot of a computer keyboard, focusing on the keys. The image is dark and moody, with a heavy black overlay that makes the text stand out. The keys are visible as a grid of raised, rectangular shapes.

**CAN INTERACTIVE ADS EXTEND  
TIME WITH CONSUMERS?**

# YES

Interactivity  
=  
more time  
with consumers



# 47% LIFT

in time spent

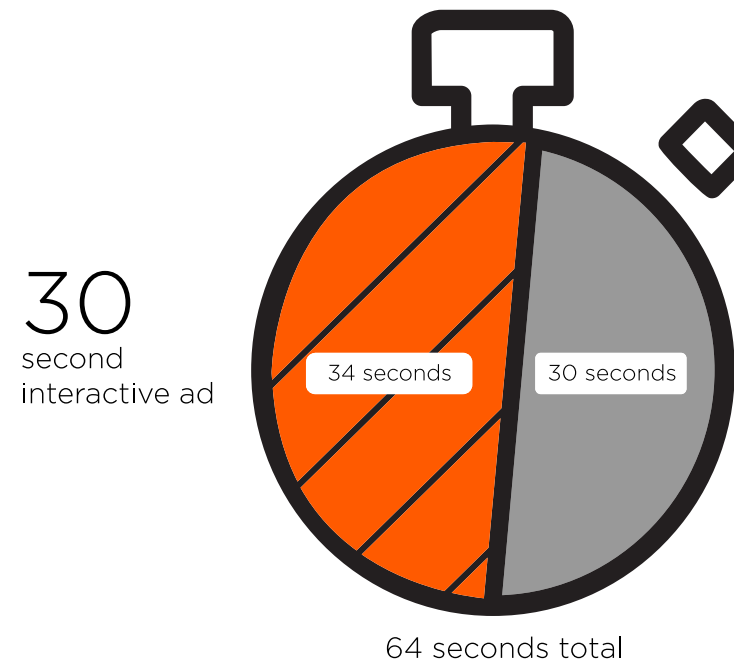
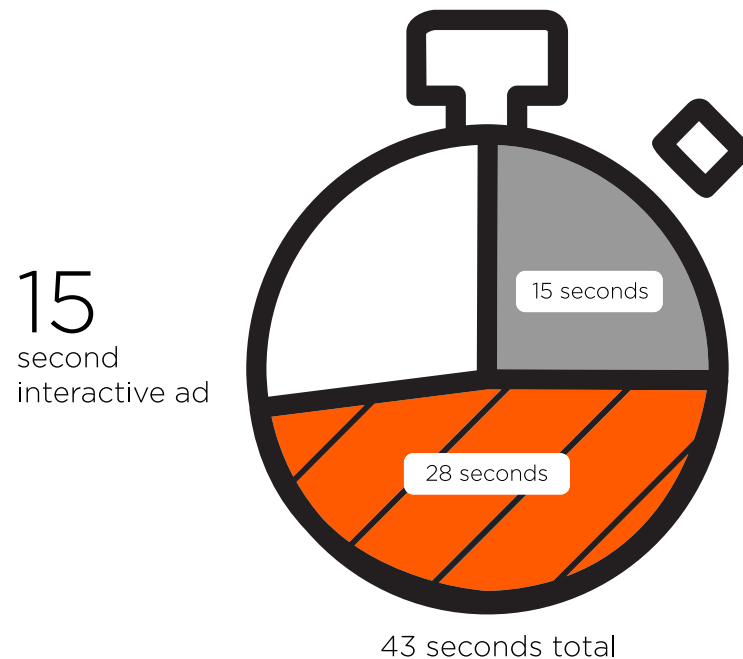
Total Interactive Ads Compared  
to Non-Interactive Ads

Non-Interactive n=171, Interactive n=923



# WHEN SOMEONE INTERACTS, ADDITIONAL TIME CREATES A “SUPER IMPRESSION”

Ad length plus additional time gained during interaction



Regardless of ad length, brands gain ~30 seconds with consumers when they interact

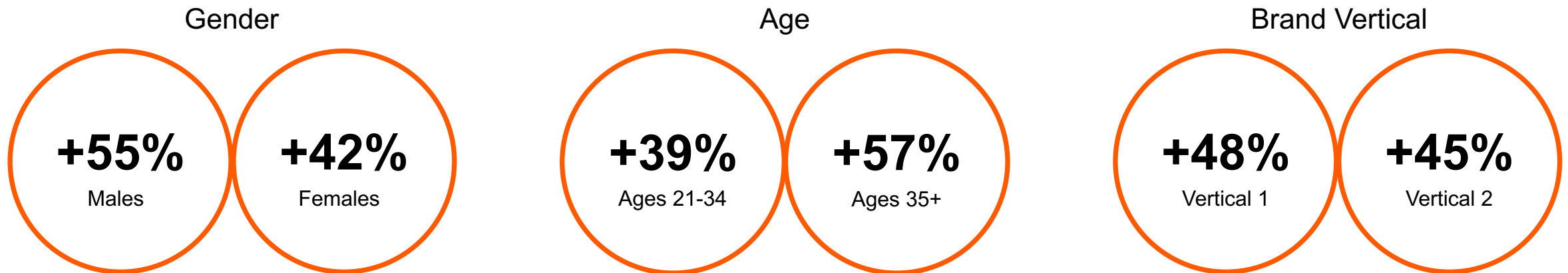
- Additional time gained From interaction\*
- Video ad length

\*Among those who interacted; 15 sec n=88, 30 sec n=155

# INCREASED TIME SPENT IS NOT UNIQUE TO DEMO OR INDUSTRY VERTICAL...

Time spent with ad by demographic

## Percent Lift in Time Spent With Interactive Ad Compared to Non-Interactive Ad



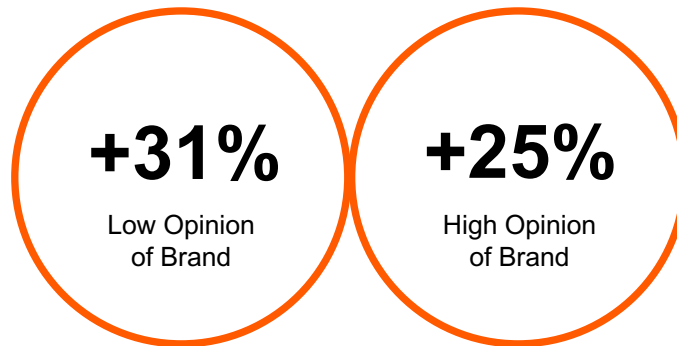
Non-Interactive n=171, Interactive n=923

# ...EVEN ENGAGING PREVIOUS CUSTOMERS AND THOSE WITH LOWER BRAND OPINIONS

Time spent with ad by demographic

## Percent Lift in Time Spent With Interactive Ad Compared to Non-Interactive Ad

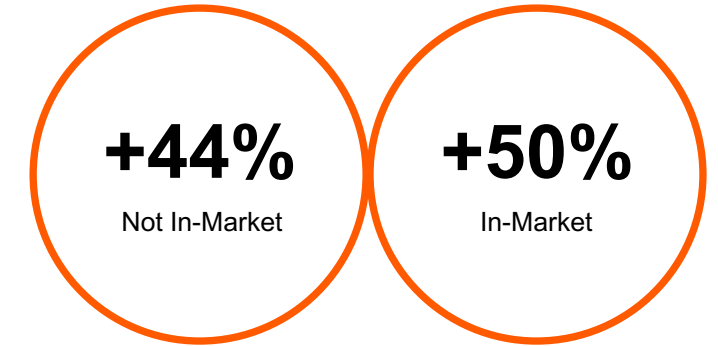
### Pre-existing Brand Affinity



### Past Brand Purchase\*



### In-Market Status

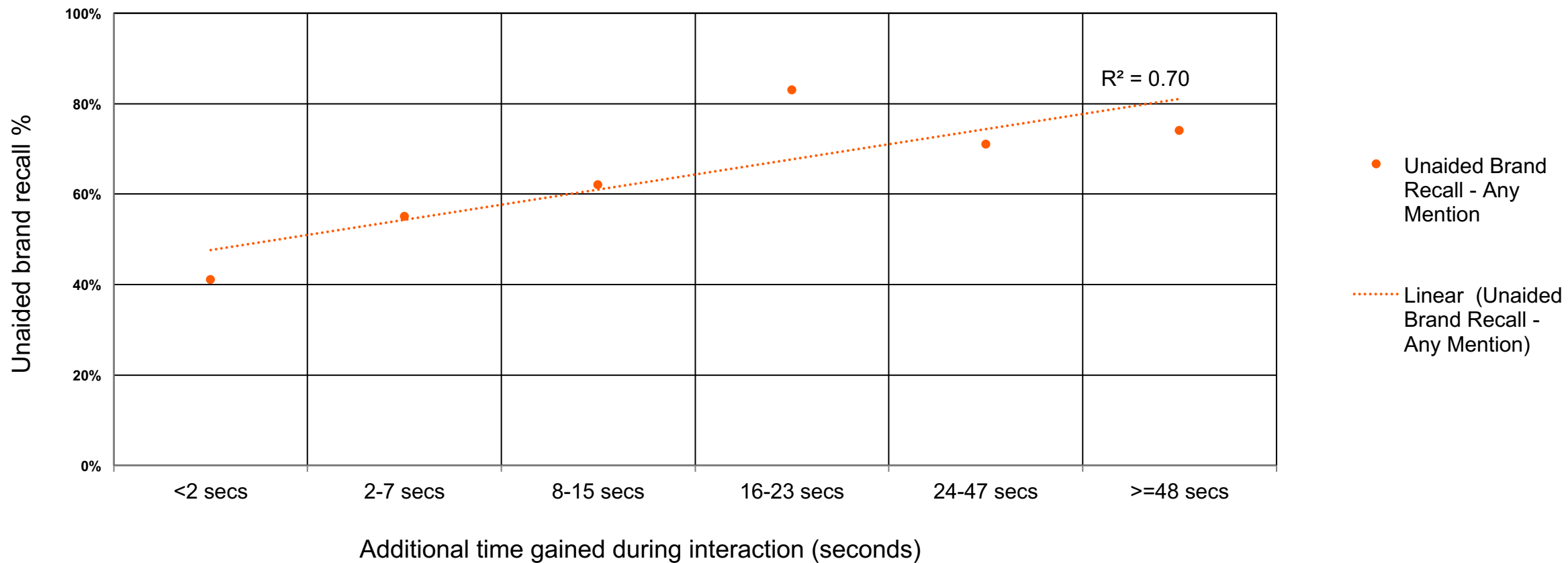


Non-Interactive n=171, Interactive n=923

\*Only 1 brand included in Past Purchase

# MORE TIME SPENT IS UNQUESTIONABLY GOOD FOR BRANDS

Correlation between time spent & brand recall



N=533

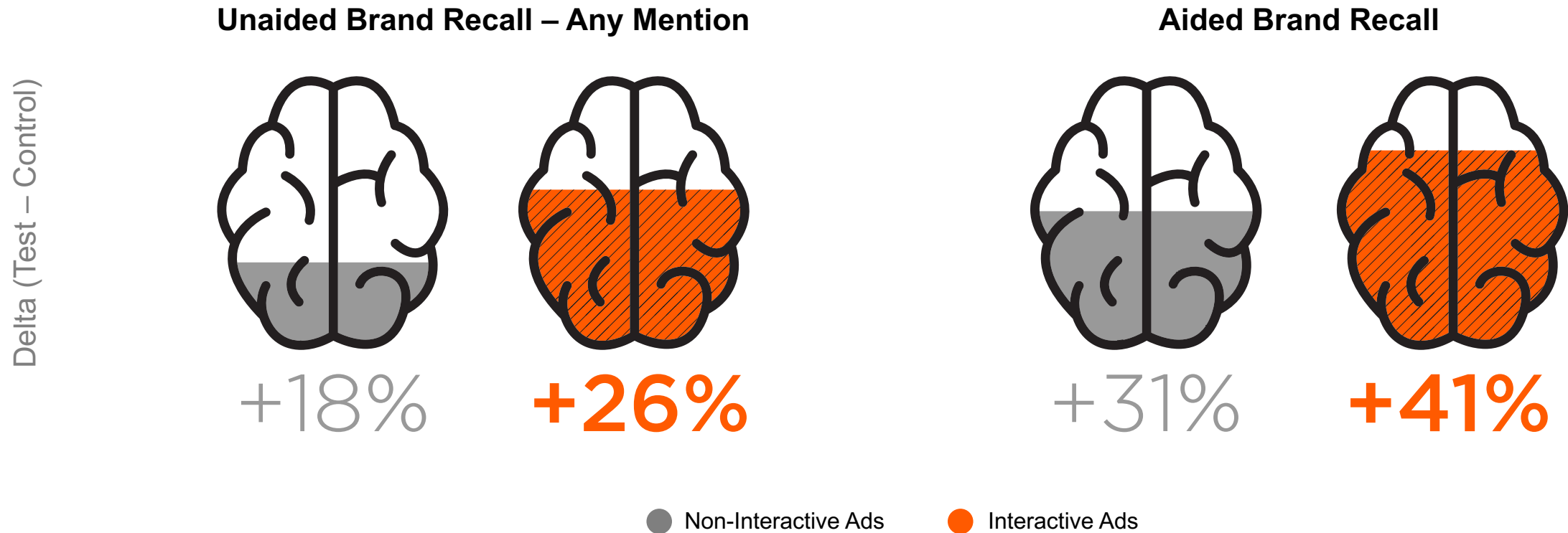


A close-up, low-angle shot of a computer keyboard, focusing on the keys. The image is dark and moody, with a heavy black overlay that makes the text stand out. The keys are visible as a grid of raised, rectangular shapes.

**SO, HOW MUCH IMPACT CAN BRANDS  
EXPECT FROM THE FULL MEDIA BUY?**

# Whether you interact or not, interactive ads **ARE** more memorable

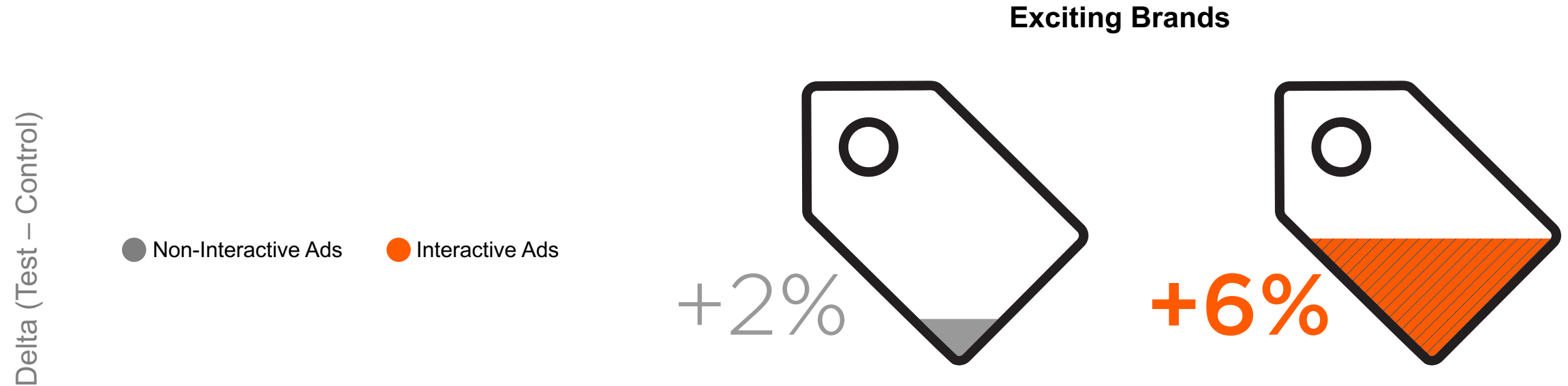
Impact of interactive ads on brand recall



Control n=276, Non-Interactive n=543, Interactive n=1,142

# MERE PRESENCE OF INTERACTION MAKES BRANDS MORE “EXCITING,” REGARDLESS OF WHETHER CONSUMERS ENGAGE

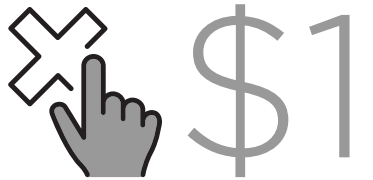
Impact of interactive ads on brand perceptions



Control n=276, Non-Interactive n=543, Interactive n=1,142

# ADVERTISING BUDGET GOES FURTHER WITH INTERACTIVE ADS

## Indexed CPM Cost



NON INTERACTIVE AD



\$1.19

INTERACTIVE AD

When adjusting CPMs for impact on persuasion ↓

## New Indexed Cost per Impact



NON INTERACTIVE AD



\$0.48

INTERACTIVE AD

Dollars go **52%** further with interactive ads because they have more impact on persuasion\*

\* Cost per impact per thousand = Cost to make 1,000 people to move from neutral or not favorable to very or somewhat favorable

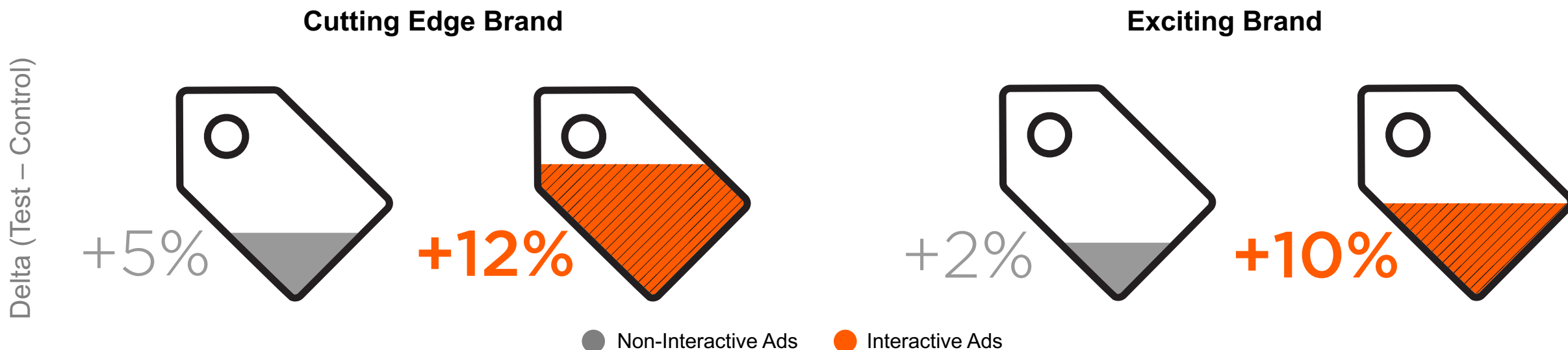


A close-up, high-contrast photograph of a computer keyboard. The keys are dark and have a textured, slightly raised appearance. The lighting creates strong highlights and shadows, emphasizing the mechanical structure of the keys. A semi-transparent dark grey overlay covers the entire image, providing a background for the text.

**HOW VALUABLE ARE  
THE INTERACTIONS?**

# New & improved view on the brand once consumers interact...

Brand attributes among those who interacted with ad



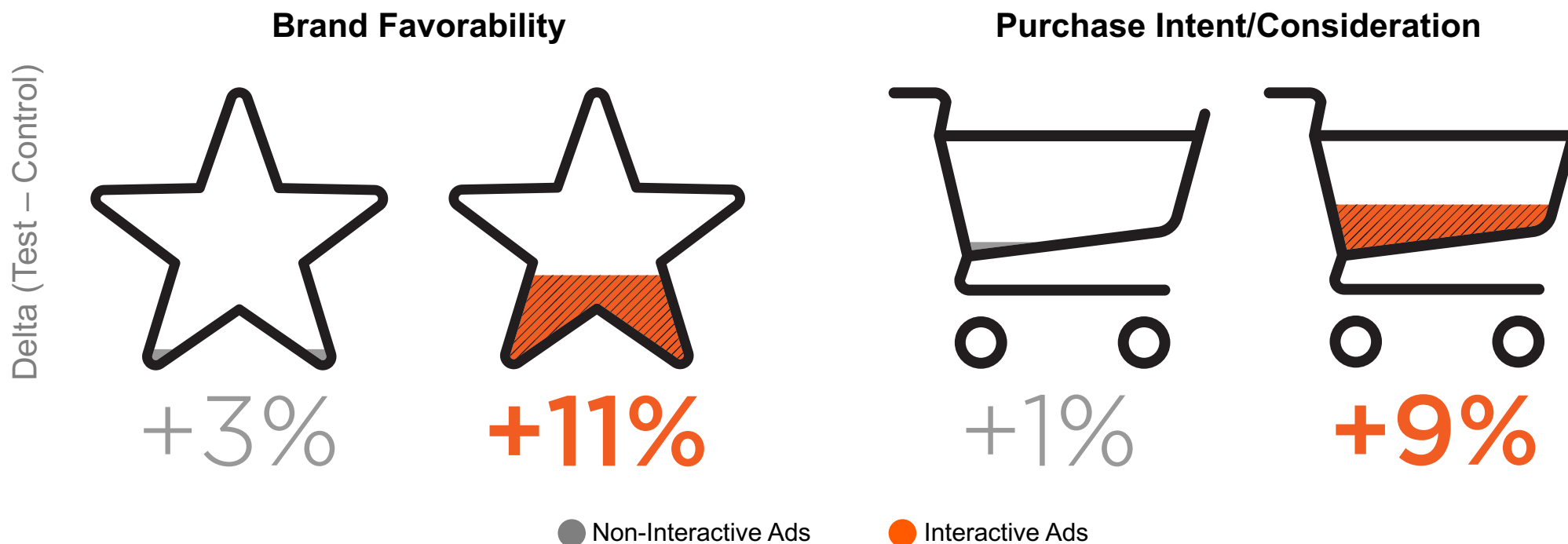
“It's a more active experience than just sitting back and staring at an ad, and in that way it can get me interested in brands I might otherwise have just ignored, or help me learn something about a brand that I didn't know before.”

Control n=276, Non-Interactive n=543, Interactive n=354

\*Controlled for pre-existing affinity that may drive interaction

# ...Which ultimately **DRIVES** 9x higher impact on purchase intent

Persuasion metrics among those who interacted with ad



“Blue Moon [SIC] interactive ad was **awesome** cause it actually chose a beer flavor I haven’t tried before. So I’m willing to go buy a pack and see if its equivalent to my taste”

Control n=276, Non-Interactive n=543, Interactive n=354

\*Controlled for pre-existing affinity that may drive interaction



# SO FAR WE'VE LEARNED...



Every second spent engaging with a consumer is valuable. Adding interactivity can extend the time people spend with brands, turning a :15 ad into a :43 ad when someone interacts.



Interactive ads further marketers' advertising budget by getting more impact for the same budget.



When someone interacts it improves their likelihood to convert. By giving consumers agency to choose whether or not to interact, it allows those that are interested to gather relevant information.





A close-up, high-contrast photograph of a computer keyboard. The keys are dark and have a textured, slightly raised appearance. The lighting creates strong highlights and shadows, emphasizing the mechanical nature of the keys. A dark, semi-transparent overlay covers the entire image, providing a background for the text.

# OPTIMIZATION HANDBOOK



A close-up, low-angle shot of a dark-colored computer keyboard. The keys are visible, with some showing signs of wear. The lighting is dramatic, with strong highlights and deep shadows, emphasizing the texture of the keys. Overlaid on the center of the image is the text "WE LOOKED INTO MANY FACTORS!" in a bold, orange, sans-serif font.

**WE LOOKED INTO MANY FACTORS!**

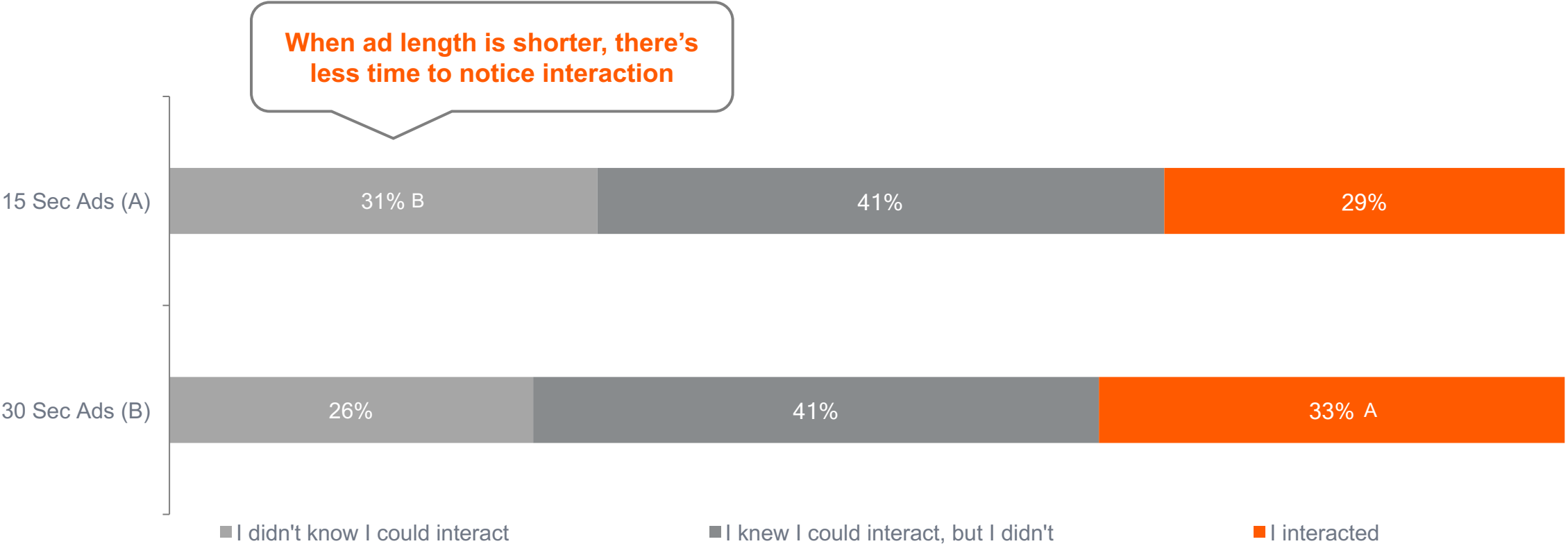
# We looked at ad length



- 15 Sec Ads
- 30 Sec Ads

# PRIORITIZE ADDING INTERACTIONS TO 30 SECOND ADS

Awareness of Interaction on Mobile



15 sec n=570, 30 sec n=572



# We looked at calls-to- action

## Vague

- Little information about what to expect from interaction
- Example: “Clothing that fits; Tap for more”

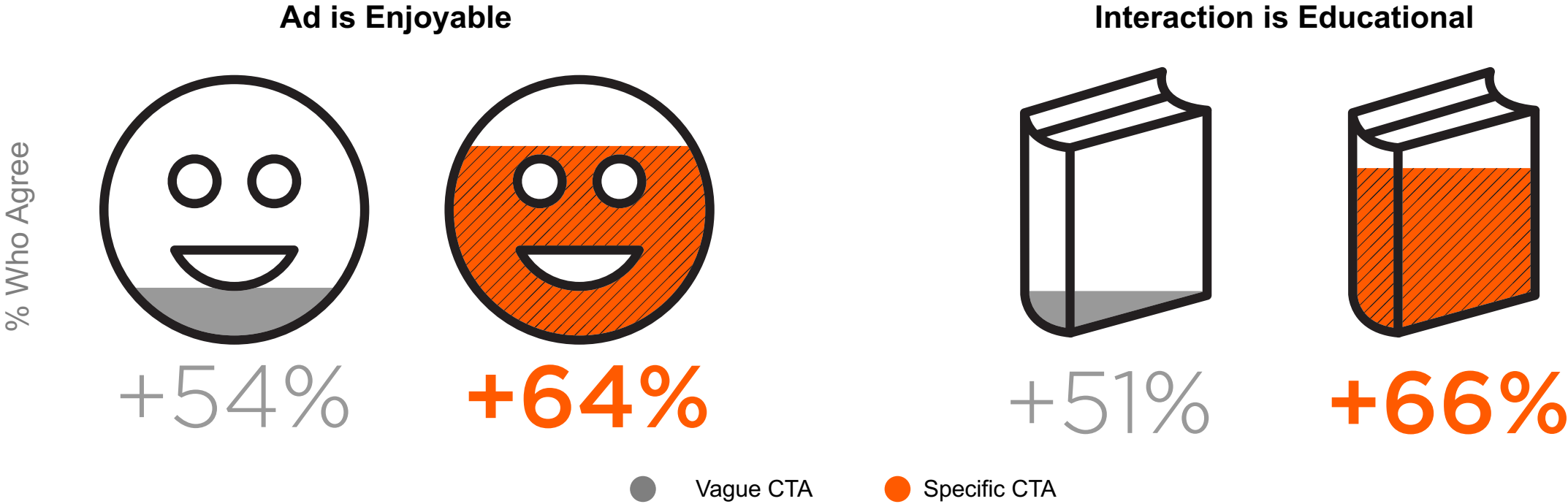
## Specific

- Detailed information on what to expect from interaction
- Example: “Guide to dressing for your body type; Tap to find your fit”



# BE EXPLICIT WITH THE CALL-TO-ACTION SO CONSUMERS KNOW WHAT TO EXPECT

Perceptions of Experience



Everyone/Those That Interacted: Specific n=147/54 Vague n=142/63  
\*Among those who interacted with ad

# We looked at type of information

## Breadth

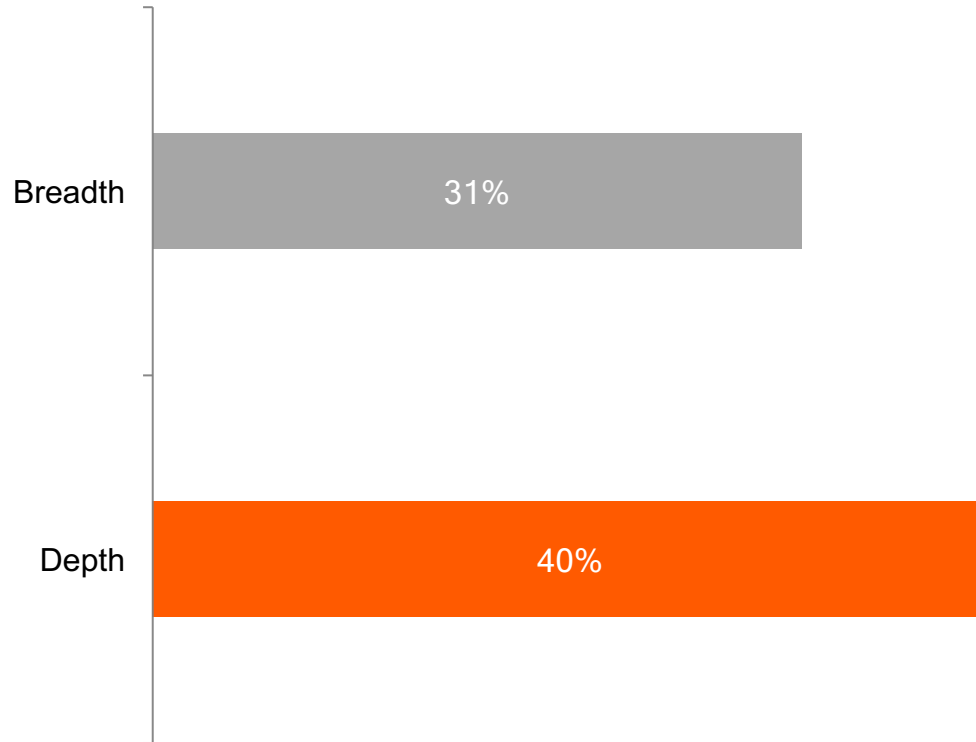
- Broad overview of many products
- Example: Interaction provides general overview of fashion lines

## Depth

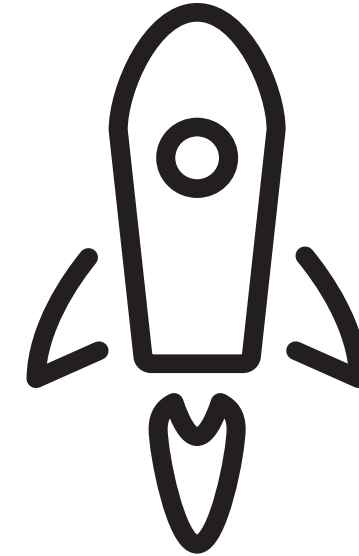
- Deep dive into specifics of one product
- Example: Interaction details specifics of fits of different jean styles

# PEOPLE INTRIGUED BY DEEP DIVE INTO A SPECIFIC PRODUCT

Percent Who Interacted by Interaction Type



Breadth n=145, Depth n=143



**32% Lift**  
over breadth

# We looked at interaction theme

## **Product**

Interaction focused on product

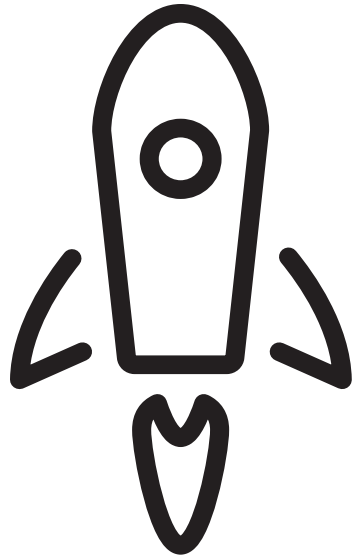
## **Entertainment**

Interaction focused on fun (game)

Interaction focused on prominent person connected with the brand

Example: Interaction detailing how celebrity endorser dresses for the season

# ENTERTAINMENT = MORE TIME WITH THE BRAND



## 15% Lift

in time spent with ads

employing entertainment focused interactions  
compared to ads with product focused interactions

Time Spent: Entertainment n=411, Product n=406



# BIG GAINS FOR ENTERTAINMENT INTERACTION WHEN PEOPLE INTERACT

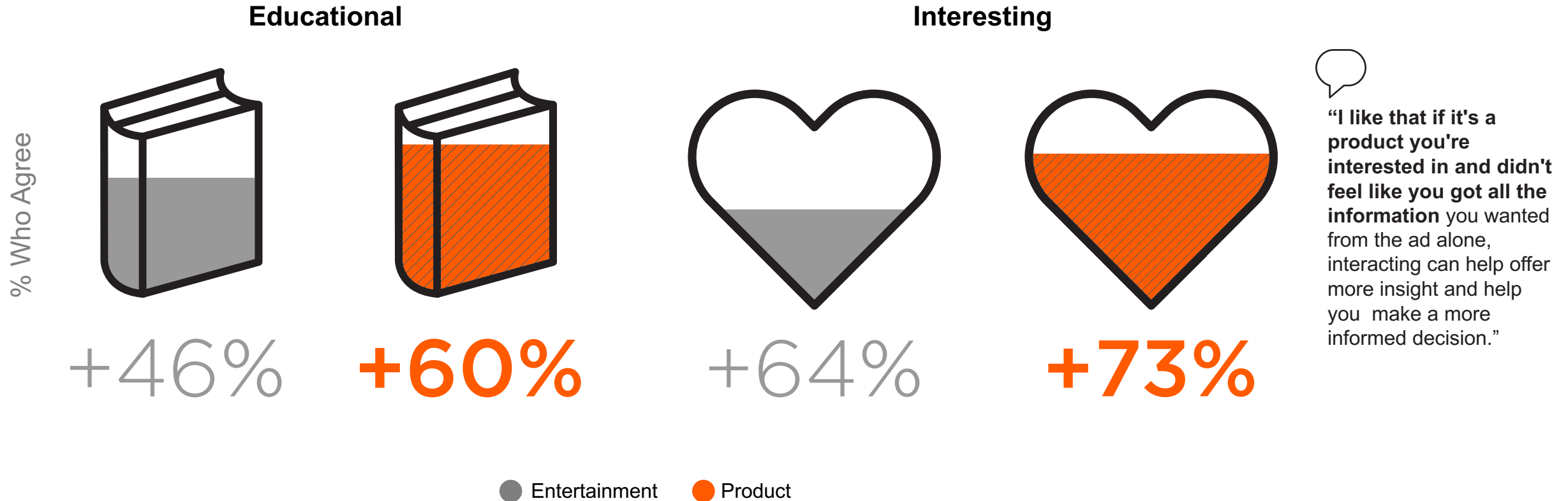
Brand metrics for entertainment vs. Product interaction

	Everybody	Those that Interacted
	<i>Entertainment Minus Product Interactive Ad</i>	
Aided Ad Recall	+0% - tie	+9% - entertainment wins
Brand Favorability (T2B)	+3% - tie	+9% - entertainment wins
Purchase Intent	-1% - tie	-3% - tie
Recommendation Intent (T2B)	+4% - tie	+8% - entertainment wins
Cutting Edge Brand (T2B)	+5% - tie	+10% - entertainment wins

Everyone/Interacted: Entertainment n=442/185, Product n=438/181

# BUT IF MAIN GOAL IS EDUCATION, FOCUS ON THE PRODUCT

Perceptions of interaction by type\*

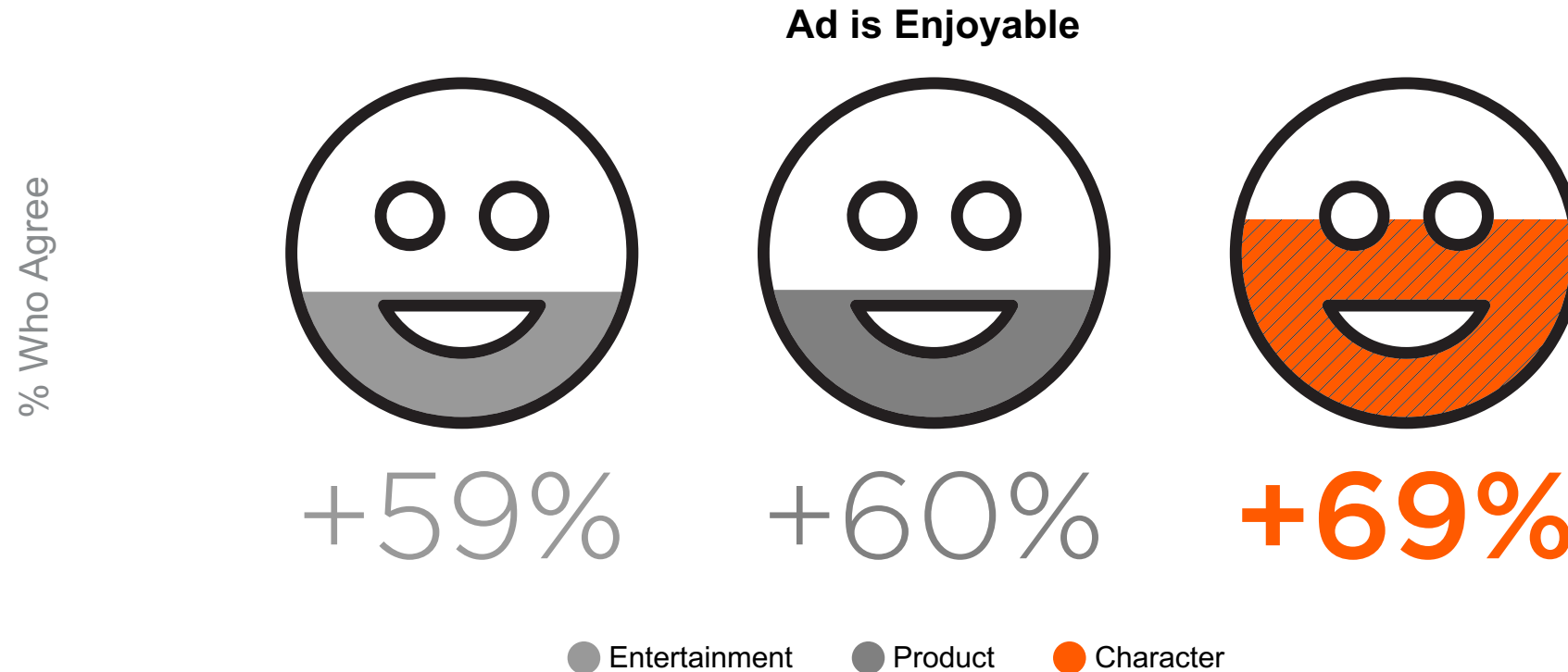


Entertainment n=185, Product n=181

\*Among those who interacted with ad

# HUMANIZING THE INTERACTION MAKES EXPERIENCE MORE ENJOYABLE

Perceptions of ad



When character is featured in the ad, maximize the use of the celebrity by featuring them in the interaction too

Entertainment n=149, Product n=144, Character n=145

# We looked at earned skip

## No earned skip

- After interaction, no ability to skip the ad

## Earned skip

- After interaction, could choose to skip the rest of ad

Earned skip

# WHEN GIVEN OPPORTUNITY TO SKIP UP-FRONT, IT DOESN'T DRIVE INTERACTION RATES

Percent who interacted by interaction type

No Earned Skip



Earned Skip



No n=292, Earned Skip n=285



Earned skip

# SOMETIMES EARNED SKIP CAN MAKE INTERACTION MORE FUN

Perceptions of interactive feature by earned skip vs no earned skip\*

	Brand 1	Brand 2
	<i>Difference between types – Winner only noted when statistically significant</i>	
Interaction is Enjoyable	+1% - tie	+29% - earned skip wins
Interaction is Interesting	+2% - tie	+11% - earned skip wins

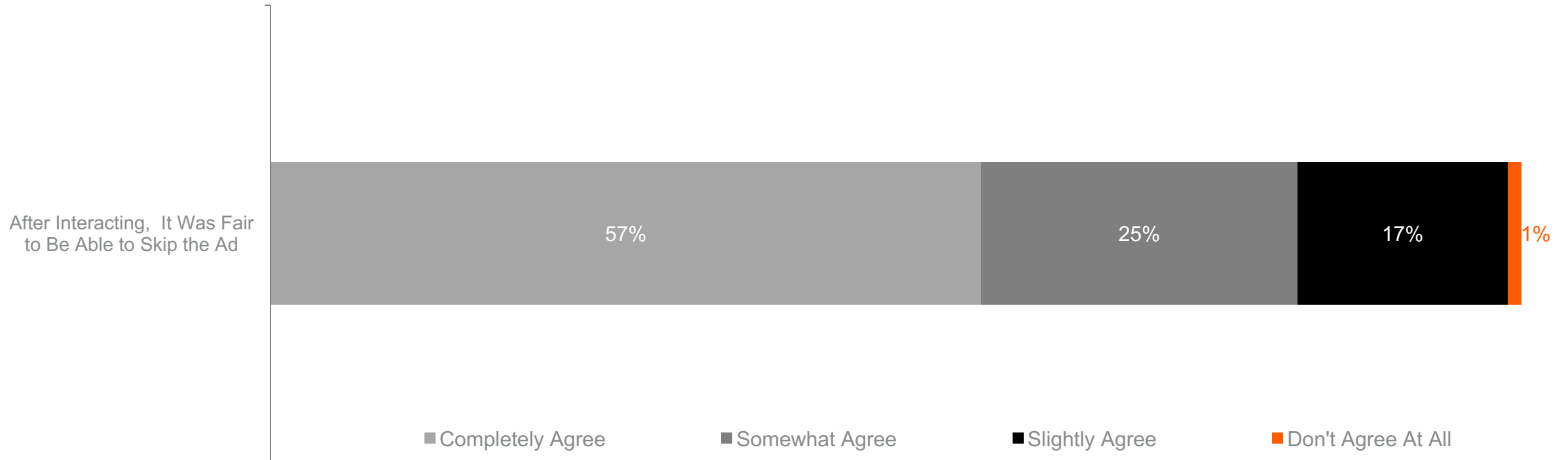
**Huge win** for perceptions of interaction for Brand 2 when earned skip present

Brand 1/Brand 2: No Earned Skip n=45/54, Earned Skip n=86/53  
\*Among those who interacted with ad

Earned skip

# CONSIDER ADDING EARNED SKIP TO INTERACTION; CONSUMERS APPRECIATE BEING COMPENSATED WITH SKIPPING CAPABILITY

Level of agreement among those with earned skip



N=95

# HOW TO OPTIMIZE

- Use a CTA that's specific about what to expect
- If media strategy includes education, provide a deep-dive into a specific product and its' features
- Entertainment-focused interactions can extend time spent with consumers and move the bottom line
- If a celebrity is showcased in the ad, create an interaction involving him/her
- Earned skip is a new feature worth including because it rewards consumers for engaging

