Orlando | New York





IAB Topline Report January 30th, 2015

Summary: Rising Stars Ads and Brand Equity

iab. IAB Display Rising Star Ads generate **4X more AD RECALL** compared to Legacy UAP Ads.

IAB Display Rising Star Ads generate **3X more AD INTERACTION: 34% interacted** with an IAB Display Rising Star Ad as compared to only 11% who interacted with a Legacy UAP Ad.

IAB Display Rising Star Ads show 30% Higher Brand Lift compared to Legacy UAP Ads. Brand Lift is even stronger for those who interact with the IAB Display Rising Star Ads.

Eye Tracking lab data shows 62% of Ad Impressions received a Gaze for IAB Display Rising Star Ads as compared to 38% for Legacy UAP Ads.

The average gaze duration per respondent in a session for IAB Display Rising Star Ads was **5X longer** than Legacy UAP Ads (4.5 seconds versus 0.9 seconds respectively).

Summary: Rising Stars Ads and Brand Equity

Ad effectiveness measurements show IAB Display Rising Star Ads draw significantly **higher** ad **Attention** and **Interest**. They are also significantly **more Engaging** and **Persuasive**.

iab. IAB Display Rising Star Ads were also rated less Annoying and respondents were less likely to avoid looking at these Ads compared to Legacy UAP ads.

When asked what they thought of the new IAB Display Rising Star Ad format compared to the other traditional online Ads, about 65% of respondents think that Rising Star ads give more personality to the brand, 64% think the ads are more engaging, 60% that they give more control to the consumer, 60% think Rising Star ad provide more information, and 58% think that they are more entertaining or more attractive.

Research Objective Are IAB Display Rising Stars Ads More Effective in Brand Building?

Background:

The research done to date on the IAB Display Rising Star Ad units shows increased ad interaction behaviors, indicating higher degrees of attention and involvement than the Legacy Universal Ad Package (UAP) Ads.

However, the question remained whether the IAB Display Rising Star Ads are more effective than the Legacy UAP Ads in brand building.

Research Objectives:

- Assess the Effectiveness of IAB Display Rising Star Ads in brand building.
- Assess the role of Interactivity of IAB Display Rising Star Ads on brand building.



Four IAB Display Rising Star Ad formats were used for the study. Ad units represented a mix of industries and creative executions. Ads selected for the study had to be available in both the IAB Display Rising Star Ad format as well as in the Legacy UAP Ad format to allow for comparison. 10 such pairs were selected for the study.



Test Websites Created by C3R

Custom websites were developed for the free browsing activities conducted during the lab sessions and online survey.

Custom websites were developed for the purpose of the study. The websites were fully interactive to allow for an immersive browsing experience.

The websites provided the ability to:

- Customize content
- Change advertisements freely
- Contain browsing activities within the online space



Respondents browsed freely through custom-built travel and health websites.

The genres were selected for their universal appeal.

In addition, the content in the health and travel genres are generally the least sensitive to change over time.

2 Phase Study Design IDI Eye Tracker Sessions and Quantitative Survey

Qualitative and quantitative research was conducted to measure the effectiveness of IAB Display Rising Star ads over Legacy UAP Ads in brand building.

Phase 1: IDI Eye Tracker Sessions

Qualitative in-lab individual eye tracker sessions were conducted to observe user behavior and gather respondent feedback on the IAB Display Rising Star ads.

- N=96
- 10 Ad pairs were tested.
- 24 cells of n=4 each were exposed to 4 test ads.
- Design allowed each Ad to be rated by at least 18 consumers.
- 2 Custom Websites.



Phase 2: National Online Survey

Quantitative online surveys were conducted to validate qualitative findings and measure the effectiveness of IAB Display Rising Star ads over Legacy UAP Ads on brand building.

- Total N=1515
- 2 Survey Options were created to measure effectiveness of Ads with Interaction or without interaction.
- 10 Cells of n=60 (minimum) was obtained in each of the 2 survey options.
- Design allowed each Ad to be rated by at least 120 respondents.
- 1 Custom Website.

Phase 1: Eye Tracker Lab



Total Number of Ad Impressions

Total Number of Ad Fixations

(milliseconds) in the session

Percent of Respondents with Gaze

Number of Ad Impressions with Gaze

Percentage of Ad Impressions with Gaze

Total Ad Fixation Duration (milliseconds)

Average Ad Fixation* Duration per Respondent

Eye Tracker Gaze Data

IAB Display Rising Star Ads Have More Engagement Across Metrics

IAB Display Rising Star

Ads

934

581

N=96

62.2%	38.2%	Rising Star Ads.
4,432	831	
920940	169120	On average, respondents spent
4,525	881	over 5x as long
93.7%	59.9%	viewing a RS ad
		a

Legacy UAP Ads

806

308

Ad impressions with gaze was **63%** higher for IAB Display Rising Star Ads.

Phase 2: Quantitative Survey

Survey Option A with no Ad Interaction (n=804) Survey Option B with Ad Interaction (n=711)



Option A: Respondents were force exposed to the test ads as they would naturally appear on the site without the ability to interact. **Option B:** Respondents were force exposed to the test ads as they would naturally appear on the site with instructions to interact.

Unaided Ad Recall Was 4X Higher For IAB Display Rising Star Ads

N=1515

After completing the free browsing exercise, respondents were asked to recall the brands they saw during their session in an Unaided Ad Recall task.

■ IAB Display Rising Star Ads ■ Legacy UAP Ads

Consumers Recall Seeing over <u>One Third</u> of All IAB Display Rising Star Ads, almost <u>Four Times the Ad Recall</u> of

Legacy UAP Ads



Unaided Ad Recall: Please try to recall as many advertisements as you can.

12 Aided Recall Was Nearly 3X Higher For IAB Display Rising Star Ads

N=1515

After completing the free browsing exercise, respondents were asked to recall the brands they saw during their session in an Aided Ad Recall task from a list of shown ads and decoy ads.

IAB Display Rising Star Ads Legacy UAP Ads 50% Consumers Recall Seeing Half of All IAB Display Rising Star Ads, almost Triple the Ad Recall of Legacy UAP Ads



IN-1212

Ad Effectiveness & Brand Lift C3Research AEP Model Was Used For Ad Effectiveness / Brand Lift

C3Research's proprietary quantitative model of Ad Processing was used to assess ad effectiveness. The model looks at Attention, Engagement and Persuasion as the three dimensions of Ad Effectiveness that build brand equity and purchase intentions.

After completing the free browsing and ad recall task, respondents were exposed to a Legacy UAP Ad and ad and brand ratings were obtained as outlined below.

- The ads were first shown in a brief exposure setting to obtain ratings on the Attention dimension.
- The ads were then shown in a full exposure setting followed by ratings on Engagement, Persuasion and Brand Rating metrics.

A second round of testing was repeated for the IAB Display Rising Star Ads. Each of the dimensions consisted of multiple scales as shown below:

Attention • Ad Avoidance – 2 items • Comprehension – 2 items • Fast Scrolling – 2 items • Interest – 3 items	Engagement • Humor – 2 items • Emotional – 2 items • Annoying – 2 items • Distasteful – 3 items • Design – 2 items • Creative – 2 items • Entertaining – 2 items	 Persuasion Changed Thinking – 2 items Relevance – 2 items Trust – 2 items Novelty – 2 items Useful Information – 2 items Counter Thoughts – 2 items
Reliability Score (Cronbach Alpha) Range: 0.79 to 0.87	Reliability Score (Cronbach Alpha) Range: 0.75 to 0.90	Reliability Score (Cronbach Alpha) Range: 0.72 to 0.82
Brand Equity Brand Feelings Brand Consideration Brand Opinion 	 Brand Equity was measured only in post test after forced ad exposures to avoid priming the respondents. A Brand Equity Index Score was calculated as the average of the three items and multiplying them by 100. 	

Reliability Score (Cronbach Alpha) 0.95

After exposure to the ads, respondents were asked to rate them on a 5 point Likert scale on a number of attributes used to assess Ad Effectiveness.

Results of regression analysis cited in reliability scores yield three dimensions related to Ad Effectiveness (Attention, Engagement, Persuasion) and Brand Equity.

Brand Equity IAB Display Rising Star Ads Show A Higher Brand Lift

N=1515

Brand Equity Index* Score

■ IAB Display Rising Star Ads ■ Legacy UAP Ads



Brand Equity Index Score

On average, IAB Display Rising Star

Ads experience a **29.5% higher**

brand lift with respect to Legacy UAP Ads

* Index score calculated from a composite scale measuring Change in Brand Opinion, Brand Feelings, and Brand Consideration. See slide 10 for details.

Differences in Mean ratings of Brand Equity change were significant at 95% Confidence Interval

N=1515

Ads were more interesting and respondents were less likely to avoid IAB Display Rising Star Ads.

IAB Display Rising Star Ads were rated more interesting and received a higher attention score. Respondents were also less likely to avoid such ads compared to the Legacy UAP Ads.

Legacy UAP Ads were rated marginally higher in ease of comprehension.



**Avoidance & Scrolled Fast values were reversed to be comparable to the other dimensions.

† marginally significant at 90% Confidence Interval

All items in each dimension were measured on a 5-point Agree-Disagree scale

Ad Engagement IAB Display Rising Star Are More Engaging

Ads were entertaining, creative, humorous, and evoked emotions. They were also less annoying.

IAB Display Rising Star Ads were rated significantly higher than Legacy UAP Ads across ALL Engagement dimensions.

Important to note that the IAB Display Rising Star Ads were considered less annoying than Legacy UAP Ads, despite the fact that IAB Display Rising Star Ads tend to be bigger in size and longer in duration!



**Annoying and Distasteful values were reversed to be comparable to the other dimensions.

*significant at 95% Confidence Interval All items in each dimension were measured on a 5-point Agree-Disagree scale Ads were higher on Useful Information, Trust, Novelty, Changed Thinking, and Relevance.

IAB Display Rising Star Ads are more persuasive than Legacy UAP Ads. IAB Display Rising Star Ads

were perceived to provide Useful and Trustworthy information. The Ads were also rated higher on Novelty, Relevance, and Changed Thinking about the brand.

**Counter Thoughts values were reversed to be comparable to the other dimensions.



*significant at 95% Confidence Interval

All items in each dimension were measured on a 5-point Agree-Disagree scale

N=1515

Effects of Interaction on IAB Display Rising Star Ads



N=1515

After the naturalistic free browsing sessions, respondents were asked whether they had interacted with the ads. 34% of respondents recalled interacting with IAB Display Rising Star Ads whereas only 11% recalled interacting with the Legacy UAP Ads.

■ IAB Display Rising Star Ad ■ Legacy UAP Ad

1 in 3 recall interacting with IAB Display Rising Stars ads

3x higher interaction rate than Legacy UAP ads



Please tell us how many ads you interacted with during the web browsing session.

Effects of Interaction on IAB Display Rising Star Ads

During the forced exposure exercise, respondents either viewed the test ads with no ability to interact (Option A), or were instructed to interact with the test ads (Option B).

Option A

N=804

Respondents were force exposed to the test ads as they would naturally appear on the site without any interaction.

Option B

Respondents were force exposed to the test ads as they would naturally appear on the site with instructions to interact.

21 Interaction With IAB Display Rising Star Ads Lifts Brand Equity Further

N=1515

In both survey options (with or without Interaction), positive brand equity is created. However, the change in brand equity is stronger when respondents interact with the IAB Display Rising Star Ads in Survey Option B.

Brand Equity Index* Score

■ Interaction (Option B) ■ No Interaction (Option A)



Brand Equity Index Score

* Index score calculated from a composite scale measuring Change in Brand Opinion, Brand Feelings, and Brand Consideration. See slide 10 for details. The change in **brand equity** was **16.6%** higher for respondents who interacted with the IAB Display Rising Star Ads.

Differences in Mean ratings of Brand Equity change were significant at 95% Confidence Interval

22 Ad Engagement Interaction Leads To Higher Ratings On Entertainment And Humor

Respondents who interacted with IAB Display Rising Star Ads rated them higher on Humor, Emotional Response, and Entertainment suggesting a deeper level of engagement with the Ads.



**significant at 95% Confidence Interval All items in each dimension were measured on a 5-point Agree-Disagree scale* Ad Persuasion Ads Are More Persuasive When Respondents Interact

Strongly No Interaction Interaction Agree=5 N=804 N=711 Δ Interacting with IAB Display Rising Star Ads leads to a significant lift in persuasion. Increased persuasion Neutral 3 appears to be driven by Changed Thinking about the brand and Relevance of the brand message. 2 Changed * **Relevance*** Trust Useful PERSUASION Novelty Counter Strongly Thinking Information Thoughts Disagree=1 [Reversed]

> *significant at 95% Confidence Interval All items in each dimension were measured on a 5-point Agree-Disagree scale

24 Brand & Product Liking, Curiosity, And Learning Drives Interaction

Brand and Product Interest are obviously an important reason for interaction.

However, note how curiosity, ad's ability to draw in, and learning are cited as the reason for interaction. This would suggest that IAB Rising Star Ads can drive interaction with the ads by making the Ads intriguing as well as making learning about the brand entertaining and fun.

Just entertainment may not be enough of a motivation to interact as is seen from the low 43% of users who cite this as a reason to interact.



I interacted with the Ad because...

Data based on percent of respondents who selected 'Agree' or 'Strongly Agree'

N=516

Reasons for NO Interaction Consumers Usually Don't Click On Or Interact With Ads

I did not interact with the Ad because...

About 90% in this group cite "Don't usually Click / Interact with Ads" as their main reason for not interacting. IAB Display Rising Star had to get past this behavioral barrier for increased effectiveness. Ads also have to provide additional value in terms of learning or information to induce people to interact with the ads.

Almost one third also cite "I did not know I could interact" as the reason for not interacting. This calls for making the interaction elements more salient in the ads.



Data based on percent of respondents who selected 'Agree' or 'Strongly Agree'

N=782

Ad Comparison Metrics

Some major findings from the Qualitative phase of the research were presented in the survey to obtain statistical validation.

New Ad Format vs. Traditional Ads IAB Display Rising Star Ads Preferred To Traditional Ads

N=1515

Overall, the IAB Display Rising Star Ads were considered more interactive, engaging, entertaining & attractive. Respondents felt that they gave the brands more personality as well as gave them more control and information. However, they were split on whether they found the ads intrusive or annoying.



Compared to the traditional online ads, the NEW Ad Format...

28 IAB Display Rising Star Ads are More Interactive

N=1515

IAB Display Rising Star Ads are rated more interactive by most of respondents because they are able to stay on the page when they click on the ad, there are many unique elements in the ad to play with, and it offers many different ways to interact with the ad.

Compared to the traditional online ads, the NEW Ad Format... IS MORE INTERACTIVE



The NEW Ad Format is MORE INTERACTIVE because...

Scale of 1 to 5 where 1=Strongly Disagree & 5=Strongly Agree

I can stay on the page when clicking on it	3.71
there are many unique elements to play with	3.63
it provides so many different ways to interact with the ad such as click, drag, expand, mute, etc.	3.62

The NEW Ad Format is LESS INTERACTIVE because... Scale of 1 to 5 where 1=Strongly Disagree & 5=Strongly Agree

there is not much I can interact with	3.19
there are few elements I can interact with	3.12
the ad will take me to another page wherever I click on it	3.10

29 IAB Display Rising Star Ads Have More Personality

N=1515

IAB Display Rising Star Ads present the brand story in a visually rich & exciting way which gives the brands more personality. However, some were unable to relate to the story of the ads & did not find the ads cohesive as the content was not connected to the brand or product.

Compared to the traditional online ads, the NEW Ad Format... GIVES MORE PERSONALITY TO THE BRAND



The NEW Ad Format gives MORE PERSONALITY to the brand because...

Scale of 1 to 5 where 1=Strongly Disagree & 5=Strongly Agree

the ad format is well suited to present the brand story	3.71
the brand presentation is visually rich and exciting	3.67
the ad is more about brand information than sales	3.63
my experience is richer and more positive with such ads	3.49

The NEW Ad Format gives LESS PERSONALITY to the brand because... Scale of 1 to 5 where 1=Strongly Disagree & 5=Strongly Agree

it just wants to sell me a product	3.69
I can't relate to the story in the ad	3.19
the message is not presented in any unique way	3.19
the content had nothing to do with the brand	2.74

30 IAB Display Rising Star Ads are More Engaging

N=1515

The different elements to be explored, uniqueness of these elements & the website within an ad concept make the IAB Display Rising Star Ads more engaging. However, some felt that the ad message took too long to unfold, making the ads less engaging.

Compared to the traditional online ads, the NEW Ad Format... IS MORE ENGAGING



The NEW Ad Format is MORE ENGAGING because...

Scale of 1 to 5 where 1=Strongly Disagree & 5=Strongly Agree

it has different elements I can explore	3.75
there are unique elements in the ad	3.69
it's like having a website in an ad	3.65
it appeals to my learning style	3.50
it has material relevant to me	3.49

The NEW Ad Format is LESS ENGAGING because... Scale of 1 to 5 where 1=Strongly Disagree & 5=Strongly Agree

I don't like playing with this ad	3.65
I don't find it interesting	3.59
it takes too much of my time to get the complete message	3.40
the size is so large I would purposefully look away	3.25
it has meaningless content	3.21

31 IAB Display Rising Star Ads Provide More Control

N=1515

Respondents felt that IAB Display Rising Star Ads gave them more control with the ability to choose what to watch as well as interact with the ad in different ways. However, some users have difficulty learning how to control and interact with the ads.

Compared to the traditional online ads, the NEW Ad Format... GIVES MORE CONTROL



The NEW Ad Format gives MORE CONTROL because...

Scale of 1 to 5 where 1=Strongly Disagree & 5=Strongly Agree

it lets me choose what I want to watch	3.87
I can interact with the ad in different ways	3.81
I can easily skip to the sections I want to watch	3.75

The NEW Ad Format gives LESS CONTROL because... Scale of 1 to 5 where 1=Strongly Disagree & 5=Strongly Agree

the ad elements start playing automatically	3.49
it is hard to figure out how to control the ad	3.29
I had trouble closing the ad	2.93

32 IAB Display Rising Star Ads are More Informative

As the IAB Display Rising Star Ads allow the users to explore the message more fully and provide layers of information about the product, they are considered more informative. However, these ads take longer to process and some find the information overwhelming.

Compared to the traditional online ads, the NEW Ad Format... IS MORE INFORMATIVE



The NEW Ad Format is MORE INFORMATIVE because...

Scale of 1 to 5 where 1=Strongly Disagree & 5=Strongly Agree

I can explore the ad to understand the message fully	3.85
it provides relevant information about the product	3.81
it has layers of information that I can access as I want	3.78
it gives me information about the topic in general	3.78
it provides information in an interesting way	3.77
it gives me the information I need to make a purchase decision	3.57

The NEW Ad Format is LESS INFORMATIVE because...

Scale of 1 to 5 where 1=Strongly Disagree & 5=Strongly Agree

it is more of a gimmick	3.22
it requires more time to process	3.07
there is meaningless information not related to the product	2.93
the information is overwhelming	2.67

33 IAB Display Rising Star Ads are More Attractive

IAB Display Rising Star Ads are considered more attractive by a majority of respondents as they have attractive visuals, are considered better produced and are overall more sophisticated looking.

Compared to the traditional online ads, the NEW Ad Format... IS MORE ATTRACTIVE



The NEW Ad Format is MORE ATTRACTIVE because it...

Scale of 1 to 5 where 1=Strongly Disagree & 5=Strongly Agree

has attractive visuals	3.92
is better produced	3.74
is more sophisticated looking	3.70
is placed in a location I prefer	3.56

The NEW Ad Format is LESS ATTRACTIVE because... Scale of 1 to 5 where 1=Strongly Disagree & 5=Strongly Agree

it is placed in the middle of my content	3.58
the size is too large	3.32
there is too much going on in the ad	3.19
the colors are too distracting	2.67

34 IAB Display Rising Star Ads are More Entertaining

N=1515

Respondents find IAB Display Rising Star Ads more entertaining than traditional ads as they are more creative, have unique elements, tell a better story and have a sense of drama. However, some find them boring and dislike the fact that they do not auto-play.

Compared to the traditional online ads, the NEW Ad Format... IS MORE ENTERTAINING



The NEW Ad Format is MORE ENTERTAINING because...

Scale of 1 to 5 where 1=Strongly Disagree & 5=Strongly Agree

it is more creative	3.88
it has unique elements	3.82
it is better at story telling	3.58
it has a sense of drama	3.24

The NEW Ad Format is LESS ENTERTAINING because...

Scale of 1 to 5 where 1=Strongly Disagree & 5=Strongly Agree

the presentation is boring	3.14
there are no unique elements	3.11
it is not very creative	3.06
it does not play on its own	2.79

35 IAB Display Rising Star Ads Split on Annoyance

Respondents are split on whether they find the IAB Display Rising Star Ads more or less annoying than traditional ads. While some do not find the ads 'pushy' or vying for attention, some feel forced to watch the ads.

Compared to the traditional online ads, the NEW Ad Format... IS LESS ANNOYING



The NEW Ad Format is LESS ANNOYING because...

Scale of 1 to 5 where 1=Strongly Disagree & 5=Strongly Agree

it does not try to push information on me	3.83
the elements are not flashing to grab my attention	3.82
the visuals are not distracting	3.73

The NEW Ad Format is MORE ANNOYING because... Scale of 1 to 5 where 1=Strongly Disagree & 5=Strongly Agree

I feel like I am forced to watch the ad	3.56
the visuals are distracting	3.18
the elements move too much	3.09

36 IAB Display Rising Star Ads Split on Intrusiveness

N=1515

Respondents are split on whether they find the IAB Display Rising Star Ads more or less intrusive. While they feel that the ads do not force themselves over the content, they find the ads too large and some consider that interrupting.

Compared to the traditional online ads, the NEW Ad Format... IS LESS INTRUSIVE



The NEW Ad Format is LESS INTRUSIVE because...

Scale of 1 to 5 where 1=Strongly Disagree & 5=Strongly Agree

- ...it does not force itself in front of the content I am reading 3.95
- ...it does not interrupt what I am doing on the page **3.92**
- ...it does not take me away from the page when I click on it 3.85

The NEW Ad Format is MORE INSTRUSIVE because... Scale of 1 to 5 where 1=Strongly Disagree & 5=Strongly Agree

it interrupts what I am doing on the page	3.70
it forces itself in front of the content I am reading	3.68
it is too big in size	3.41
it takes me away from the page when I click on it	3.40

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Ad Liking IAB Display Rising Star Ads Liked Over Other Ads

N=1515

IAB Display Rising Star Ads are liked significantly higher than other kinds of online ads.

The feature of interacting within an ad without leaving the page is appealing to respondents.

However, large ads that take over the web page, even temporarily, are not appealing.



There are many different types of ads online. Please rate how much you like or dislike the following types of ads.



7560 RED BUG LAKE ROAD SUITE 1030 OVIEDO, FL 32765 407.542.7751

> 200 PARK AVENUE SUITE 1700 NEW YORK, NY 10166 646.632.3720

Appendix

40 Interaction & Ad Attitudes More Positive Ad Attitudes Leads To More Willingness To Interact

N=1515

Despite the negative attitude towards online advertising, a sizeable portion of the population is willing to interact with Rising Star Ads. Overall, 37% of consumers say they are likely to interact with IAB Display Rising Star Ads in the future.

Even those with negative attitudes towards online advertising express some interest in interaction with IAB Display Rising Star Ads.

Overall, 37% of respondents would be likely to interact with ads in the future.

