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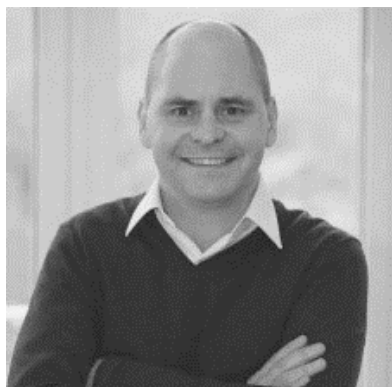
Publicitas

The Format Effect Series

The Influence of Advertising
Formats on Consumer Emotions
and Brand Reaction

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About the author



Mike Jeanes

Global Head of Insights

CONTACT:

E: mike.jeanes@publicitas.com

Mike is the Global Head of Insights for Publicitas. He has 25 years' consumer research experience on both the agency and client side, working for some of the world's largest print, TV and digital brands.

Mike's career has focused on exploring consumer product and service needs, evaluating market trends and providing innovative research and insight solutions. The results have helped direct product and brand development, secure significant advertising investment and demonstrate ROI for clients.

With ever greater demand by advertisers for data and insight, Mike's project findings are frequently presented at conferences, or feature in white papers. Some have won awards, and others have generated significant press and social media engagement.

Positioning research at the heart of any company reflects Mike's passion for seeking out innovative research approaches and delivering new ideas, practical actions and creative outputs.

ABOUT PUBLICITAS

Publicitas is the world's leading international marketing services company operating in more than 25 major markets. Equipped with the latest technologies, powerful data and research capabilities, Publicitas provides advertising solutions through the most valued, targeted and effective media. We offer unequalled access to quality audiences across all media channels globally. Our multimedia solutions include bespoke campaign management and implementation. We reach premium audiences through our extensive global portfolio of quality news media and digital platforms. These include mobile, video, social and transparent in-house programmatic solutions, luxury magazines, outdoor spaces, leading television and radio networks and inflight media. Mediascope Publicitas, Publicitas Content, Matrix Media in India & Asia and Adnative in Europe are sister companies. www.publicitas.com

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THE FORMAT EFFECT SERIES

The influence of advertising formats on consumer emotions and brand reaction

1. LIVING IN A MOBILE WORLD

In today's world, the way we live our lives is pervaded by the significant changes and developments in technology. Mobile penetration has reached epidemic proportions globally and consumers now rely on their mobile devices for almost everything they do. From accessing breaking news, to instant communication via social or chat, shopping, streaming video, stock trading and mapping. Our connected way of life, now gives us the ability to control and influence the environment around us via our mobile devices.

In terms of content types, formats and platforms, consumers continuously adapt to creative and innovative ways to access and absorb information. The way consumers interact and engage with content is becoming increasingly important to both publishers and brands alike. At the same time, consumers are also becoming more selective about the information they consume and are less tolerant of intrusive advertising. With this in mind, the ability to target consumers with engaging and relevant digital advertising, in an 'appealing format', is a key consideration for marketers.

2. THE INDUSTRY PERSPECTIVE

Publicitas Marketing Priorities 2016, a global survey among agencies, publishers and brands, recognises some of these trends. The findings reinforce the continued influence of mobile technology, with 'The power of mobile devices' cited as the number one tech priority across all regions. The results also show that video and mobile are two of the fastest growing areas of digital advertising investment, with social media and programmatic high on

the agenda. There is also an awareness of the importance of emotional marketing with two thirds of global marketers *'strongly agreeing'* that *'Advertising is more effective if it makes an emotional connection with consumers'*.

Content marketing remains the number one consideration for publishers, agencies and brands alike, and many brands are now becoming content publishers as they embrace the need to create engaging, interesting and enjoyable content for consumers. This need to engage consumers extends to advertising formats which could explain why *Marketing Priorities* highlighted *'rich media ad formats'* and *'mobile video'* as top ten global marketing considerations.

Although mobile rich media ads are nothing new to the digital advertising world, ad investment in this area continues to grow and there is an increasing understanding that they can help create a more engaging experience for the user, connect consumers with a brand, and encourage them to take action.

3. CONNECTING WITH CONSUMERS

The Format Effect Series is a two-part consumer research programme based on a partnership between Publicitas, Kantar Millward Brown and Huawei's Honor smartphone brand. The research explores the level of consumer appeal of different mobile (Part I) and video (Part II) advertising formats, and measures the impact these formats have on key brand measures. The study also evaluates how a variety of digital ad formats make consumers feel, and how they trigger different reactions and emotions. The Format Effect Series is the first global research programme of its kind that focuses on the emotional connection that mobile and video ad formats have with consumers. This report summarises the key findings, and provides the pointers required to help marketers understand the influence that these formats have on consumer behaviour and brand appeal.

The Format Effect Series set out to test the following hypotheses:

- Interactive mobile ad formats and outstream video ads are more appealing than interstitial formats and pre-roll
- They are more likely to gain stand out, and enhance brand awareness
- They can improve brand favourability and encourage action
- Creative mobile ad formats and outstream video generate an important emotional connection with the consumer

4. THE RESEARCH APPROACH

The research programme surveyed 1,800 consumers across Singapore, UK, France and USA. Four mobile formats were tested via a mobile device, and two video formats were measured via desktop. Fieldwork was carried out in August 2016 and Huawei's Honor smartphone was the chosen brand for the research.

The methodology used a simple A vs. B survey approach where each respondent was only shown one ad format and then asked their opinions on the ad formats and the brand. Samples sizes and demographic structure were equally balanced across all countries and formats tested.

The four mobile formats measured in The Format Effect Part I included an interstitial and three interactive formats: spin cube, flip board and slider (see figure 1). This report compares the interactive spin cube results with the interstitial, the two formats showing greatest differentiation.

Figure 1: Mobile formats measured



The Format Effect Part II measured outstream video and pre-roll (see figure 2).

For the pre-roll test, in order to control the environment, respondents were asked to select an editorial clip of their choice to watch after viewing the pre-roll ad. Similarly, for the outstream test, respondents were asked to choose an article to read, within which the outstream video unit was placed. The articles used for the outstream test were transcriptions of the editorial video clips.

Figure 2: Outstream video ad measured



5. THE FORMAT EFFECT

There's plenty of evidence in the market place to show that interactive mobile ads can enhance CTR, but it's important to look beyond base measures. Understanding the impact of advertising formats on the user experience is an important consideration for any digital and mobile marketer, and there are a series of format effects that emerge from this research.

5.1 Creating format enjoyment

If a consumer enjoys advertising formats and content, they are more likely to respond to it in a positive way, and results from The Format Effect Part I show that 41% of those exposed to an interactive mobile format consider the ad to be *'enjoyable'* and 15% claim to *'enjoy it very much'*, which is +88% higher than those exposed to an interstitial (8%). Among millennials (adults aged 18 - 34), levels of enjoyment with an interactive format increased further (from 41% to 45%).

The Format Effect Part II results show higher levels of enjoyment for both video formats tested compared to the mobile results, with almost six in ten enjoying either video ad format. However, it is outstream video ads that are more likely to encourage continued consumption of other content compared to pre-roll. The video test revealed that 65% of those exposed to a pre-roll ad continued to watch their selected editorial clip after the ad had finished. In comparison, 74% of those seeing an outstream ad, claimed to read their chosen editorial piece in which the ad was placed. A much higher percentage of millennials exposed to an outstream ad unit went on to read the article of their choice (85%) compared to those seeing a pre-roll (70%), suggesting that millennials are more receptive to outstream video inventory, and consider it less likely to disrupt their content consumption experience. Millennials expect visual stimulation, the flexibility to move around the content, expanding, pausing and closing when they choose. Giving them this freedom encourages format appeal.

5.2 Encouraging participation

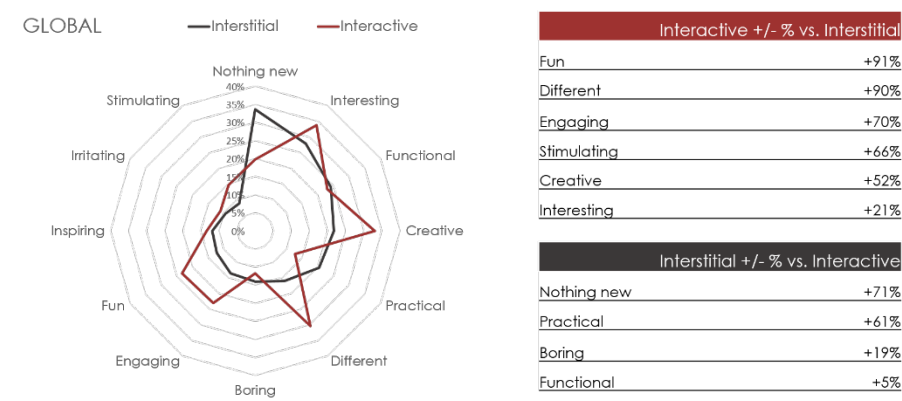
People are time pressured in today's digital world, and as attention spans decline, consumers are now making their consumption and purchasing decisions at speed. This means marketers now have less time to influence brand perception, consideration or purchase. So the first, and arguably, the most difficult stage in any advertising campaign is to capture and retain the attention of its audience. One way to help gain stand out is by encouraging consumer participation. By enabling audiences to interact with the screen, there is a higher chance of holding consumer attention, and ensuring content message delivery. This is where interactive mobile ads can really gain ground over standard formats.

Results from the mobile test show that just under half (48%) of those exposed to an interstitial considered the ad to be '*different from other ads seen*'. This compares to two thirds of those exposed to an interactive format, an uplift of +37%. And among those considering the interactive ad to be '*very different*', this uplift increases +85%.

5.3 Projecting a favourable image

When asked to describe the mobile ad formats tested against a series of image descriptors, interactive and interstitial formats are perceived differently, with very different 'image footprints'. Those exposed to an interactive format consider the ads to be much more '*fun*'. They are also considered to be more '*engaging*', '*different*', '*stimulating*' and '*creative*', and these are the attributes that are most likely to encourage action and the ones that many brands strive to deliver through their ad campaigns. On the other hand, those exposed to an interstitial rate the ad more highly for: '*nothing new*', '*practical*', '*boring*' and '*functional*' (see figure 3).

Figure 3: Format differentiation against image descriptors



Q. Which of the following words best describe the ad format you have just seen?

6. THE BRAND EFFECT

The Format Effect Series shows that interactive mobile formats and out-stream video ads deliver higher levels of enjoyment, and more attractive image attributes compared to standard formats, but to what extent can mobile and video ad formats effect brand awareness and other brand metrics?

6.1 Raising brand awareness

Brand awareness is a measure of how well known a brand is in the marketplace, and a memorable brand has significant advantages when a consumer enters a purchasing situation and begins to evaluate brand options. Building a recognisable brand is an important stage in becoming front of mind, driving brand appeal and building brand image. This is why improving brand awareness is often cited as primary objective for advertising campaigns, and selecting appealing and engaging advertising formats can help build this awareness. The Format Effect Part II results show that 16% of those who saw a pre-roll video ad claimed to have '*definitely remembered*'

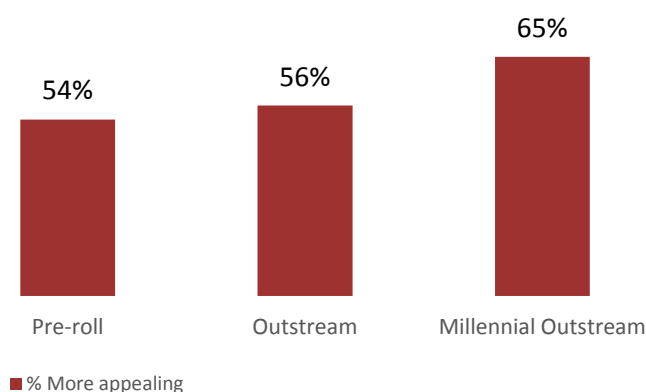
the brand shown in the ad. This compares to 21% of those exposed to an outstream video ad, an uplift of +27%.

6.2 Understanding the value of brand appeal

High levels of brand appeal, can not only draw consumers in, but can also encourage them to return, and share their experience with others. The Oxford Dictionary definition of *'appeal'* is to be *'attractive', 'pleasing' or 'interesting'* and for marketers keen to raise the appeal of a brand, these are key attributes to focus on and monitor.

In The Format Effect Part I, 48% of all respondents seeing an interactive mobile ad format felt that the ad makes the brand seem *'more appealing'*, and this increases to 52% among millennials. Similarly, The Format Effect Part II shows that 56% of those exposed to an outstream video ad claimed that the ad made the brand seem *'more appealing'*, compared to a slightly lower proportion of those exposed to pre-roll. Among millennials, the percentage who claim that an outstream ad makes the brand seem *'more appealing'* increased from 56% (among the total sample) to 65% (see figure 4).

Figure 4: Brand appeal among video ad format exposure groups



Q. How did the ad make you feel about the brand? The ad made the brand seem . . .

6.3 Building brand stand out

Results from the mobile test show that over 4 in ten of those exposed to an interactive format, agree that the ad makes them consider the brand measured to be *'different from other mobile brands'* and 14% consider it to be *'very different'*, this is an uplift of +65% compared to those exposed to an interstitial. Among millennials exposed to an interactive ad, those considering the brand to be *'very different'* doubles from 9% to 18%.

The Format Effect Part II reveals higher scores for video compared to the mobile results. In total, 49% of those exposed to pre-roll felt the ad makes the brand seem *'different from other mobile brands'* compared to 56% among those exposed to an outstream video unit. Millennials prefer video content to other formats, but they also want control of their video ad experiences. Among millennials, the influence of an outstream ad on brand difference was further enhanced with 62% considering the brand measured to be *'different from other mobile brands'*. On the other hand, millennials exposed to a pre-roll ad showed minimal movement compared to the total (49% vs. 51%).

6.4 Connecting formats with brands

The mobile test has already shown that a high proportion of respondents exposed to an interactive mobile format consider the ad to be *'different from other ads seen'*, but how does this link with the brand? Among those exposed to the interactive mobile ad format, 64% also consider the look and feel of the ad to *'fit the image of the brand'*.

There is a close relationship between the perceptions of mobile ad formats and some key brand measures. For example, among those considering the interactive format to be *'different from other ads seen'*, 88% also consider the brand measured to be *'different from other mobile brands'*. This pattern is similar when comparing other format and brand measures, and implies that perceptions of ad formats can directly influence the opinions of a brand.

6.5 Driving consideration and purchase

The ultimate goal for any ad campaign is to convert exposure into sales, or at least encourage consideration. The Format Effect Part I confirms that interactive mobile ad formats are more engaging, different, stimulating and creative, and these formats can increase brand appeal and differentiation, but can this lead to action? Of those seeing an interactive mobile ad, almost half would consider purchasing the brand in the future as a result of seeing the ad, and 14% said that they would be '*much more likely*' to consider a purchase. This is +32% higher than those exposed to an interstitial, and a true testament that interactive formats can influence action and sales.

The Format Effect Part II video results were slightly higher than the mobile test. 48% of respondents exposed to a pre-roll ad claimed that the ad would make them consider purchasing the brand. Among those exposed to the outstream ad, this increased to 53% (+11% uplift). In addition, 22% said they would be '*much more likely*' to consider a purchase, an uplift of +65% compared to those exposed to a pre-roll. Among millennials exposed to an outstream video unit, consideration rocketed from 53% (total sample) to 65%.

7. THE EMOTIONAL EFFECT

Creating an emotional connection with the consumer is important in building brand interest and engagement, which can ultimately influence consideration and purchase. Whilst it is useful to understand which ad formats align with which image descriptors, this is very different to understanding 'how' a consumer 'personally feels' when they are exposed to different ad formats.

The Format Effect Part I reveals that exposure to an interactive mobile ad triggers certain feelings or emotions not experienced by those exposed to an interstitial. This is particularly true for a selection of shorter-term emotions

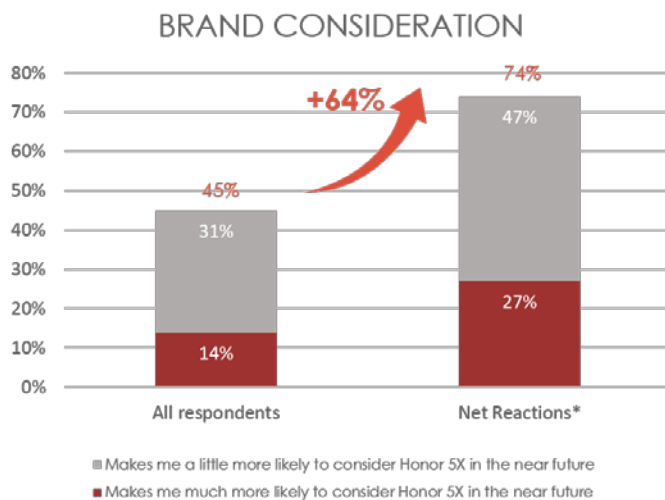
where scores are significantly higher for *'surprised'* registering a +90% advantage compared with the interstitial, *'excited'* (+70%), and *'intrigued'* (+33%).

Getting consumers to feel *'excited'* through creative ad formats can enhance brand perception and engagement, and results from The Format Effect Part I show a 'doubling effect' on key brand measures including appeal and consideration among those who claim to be *'excited'* by any of the mobile ad formats measured.

When comparing the results of any respondent feeling either *'surprised'*, *'excited'* or *'intrigued'*, against the total sample for a selection of brand measures, the results are compelling. Triggering these key emotions through advertising can have a significant impact on brand favourability, brand image and consideration. In fact, 75% of those who selected at least one of these key emotions, claimed that the ad made the brand seem more appealing, compared to 46% among the total sample, an uplift of +64%.

If advertisers can trigger a specific set of emotions through the formats and creative used in ad campaigns, the brand value and commercial uplifts could be significant. When looking at these grouped emotions against brand consideration, the differences are pronounced with 74% claiming that the ad would make them consider purchasing the brand in the future compared to 45% among the total sample (see figure 5). Delivering these shorter-term emotions using interactive mobile ad formats could also help marketers engage with time-squeezed consumers, or impulsive buyers.

Figure 5 – Consideration based on key emotions



Q. How will the ad effect your consideration of the brand?

8. SUMMARY

Continued technology change is influencing the way we do everything today. Information is instant, and the channels of content distribution are ever increasing. Consumers are constantly seeking out new and innovative ways to engage with content, and there is an increasing need for enhanced visualisation, sound and movement via continually evolving formats and platforms. Underpinning all these changes is the desire to govern what content is consumed, when, where, and in what format – and this need for control is particularly prevalent among millennials.

The Format Effect Part I confirms a preference for interactivity. Not only are interactive mobile ad formats more appealing than standard types, brands that advertise in an interactive environment can benefit from an uplift for many brand measures, including brand image and consideration. Interactive mobile formats also deliver key emotions that standard formats do not. These include *'surprised'*, *'excited'* and *'intrigued'*, and by triggering some of these emotions in the content and formats used in advertising campaigns, this can result in a 'doubling effect' of key brand metrics.

The Format Effect Part II confirms high levels of interest and appeal for video formats, and this is particularly true for millennials. Due to its less intrusive nature, outstream video ads in particular, deliver higher levels of engagement compared to pre-roll. But the story for outstream advertising clearly rests with millennials, where levels of brand appeal, brand image and consideration were significantly higher for millennials exposed to outstream formats compared to those exposed to pre-roll, and it is brands that plan to reach this target audience that will benefit the most from outstream video inventory.

9. KEY POINTERS

According to our findings, these are the key things you need to consider, when choosing the right formats for your ads.

1. Achieve stand out. If advertising can be seen to be 'different from other ads' by the formats within which they appear, they are more likely to get noticed quickly
2. Create enjoyment. Consumers that enjoy an advertising format are more likely to digest the messages it conveys and respond to it positively, even show it to others
3. Deliver attractive formats. If a format delivers attractive 'image attributes' it is more likely to connect with the consumer in a positive way, hold their attention, and have a positive impact on brand attributes
4. Consider format appeal. There is a close relationship between format appeal and the perception of the brands. A positive perception of an ad format, can instill a positive brand opinion
5. Remember empathy when developing creative. If the right emotions can be triggered, it has a potential 'doubling effect' on key brand measures

6. Grab attention. The ultimate goal is to drive purchase consideration and enjoyable formats that grab attention, and deliver positive image attributes, can enhance brand opinion and help build consideration
7. Consider environment. If format is important, the results confirm that the environment they are delivered in is equally important, creatively formatted advertising feels more attractive when placed in appealing content
8. Think about Millennials. Millennials consume content and formats differently and this needs to be considered