Why, When and How Much to Entertain Consumers in Advertisements?

A Web-based Facial Tracking Field Study

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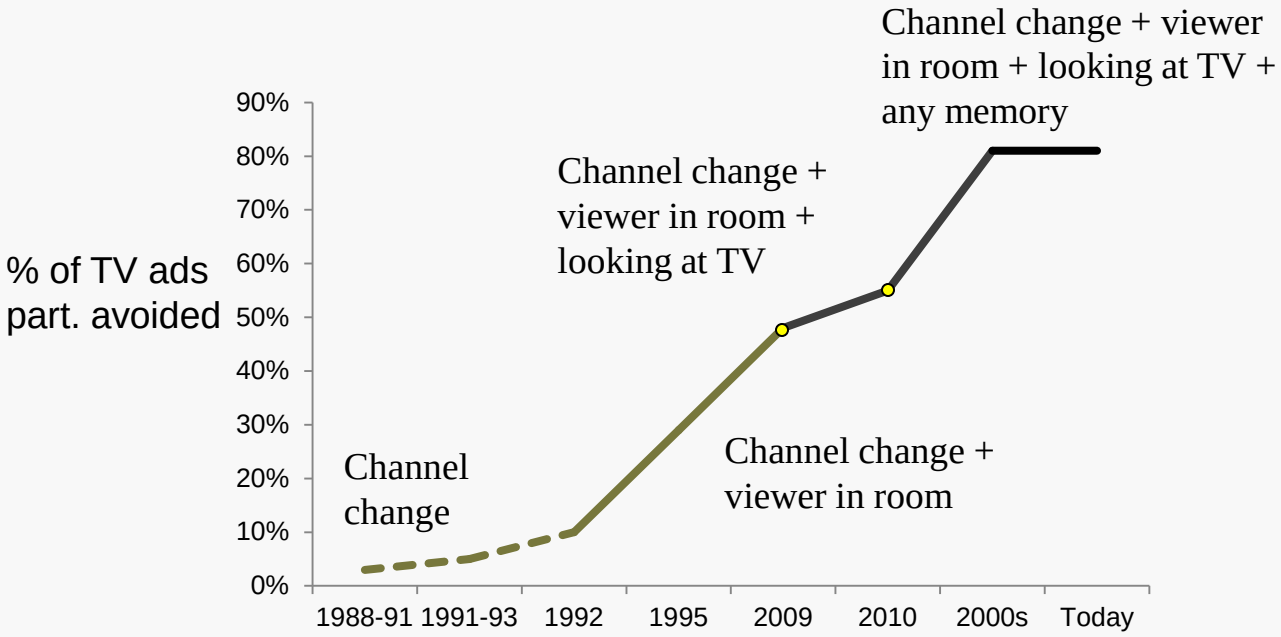
Broad research framework



I. Consumer-focused stage

II. Advertiser-focused stage

Ad Content → Attention → Persuasion

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1. How to use **entertainment** effectively in TV and online video ads?

2. How to do “**branding**” in TV and online video ads?

3. What are the benefits of **face-tracking** to create and test ads?

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Motivation

"Good copywriters have always resisted the temptation to entertain…The purpose of a commercial is not to entertain the viewer, but to sell him."

David Ogilvy in 'Confessions of an Advertising Man,' 1963.

"… the latest wave of factor-analysis reveals that [entertaining with] humor can now sell."

David Ogilvy in 'Ogilvy on Advertising,' 1985.

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Why?

Direct costs	
Shipping:	13 ¢
Advertising:	7 ¢
Can:	4 ¢
Liquid:	1 ¢
Price (Amazon):	67 ¢

Pepsi spent $456 million on TV advertising in the US in 2011. Of this, about $275 million went to entertainment content with no direct association to the brand, product or its benefits.

Question 1. Why entertain consumers (so much)?

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Definition of entertainment

Entertainment content	Information content
"entertaining, warm, and playful material that makes the ad pleasant to watch" or "lively, amusing, imaginative or clever"	Content about the product, brand or advertiser
Ex: humor, creative imagery, creative story, upbeat music, fun	Ex: features, benefits, facts of brand/product

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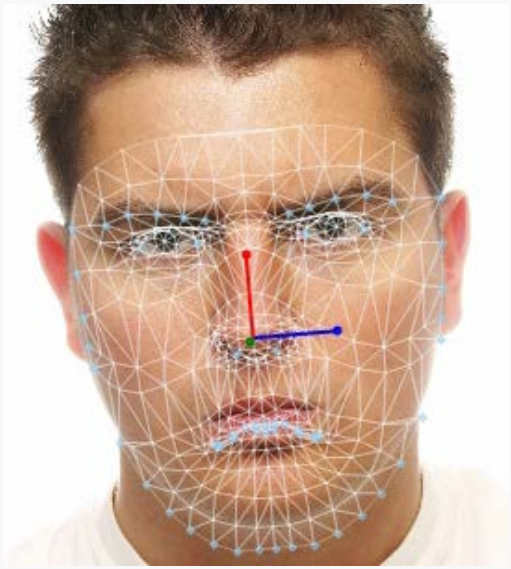
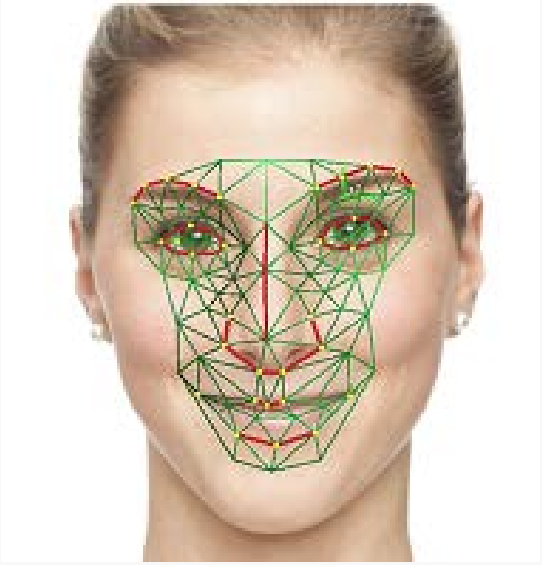
Measuring entertainment moment-to-moment

Tracking the face



Tracking Joy



Source: Noldus

⇒ Teixeira et al. (2011) showed that this approach to classifying emotions is better than using laypeople and no worse than experts using Ekman's FACS.

⇒ Benefits: unobtrusive, moment-to-moment, no cognitive efforts, returns to zero baseline.

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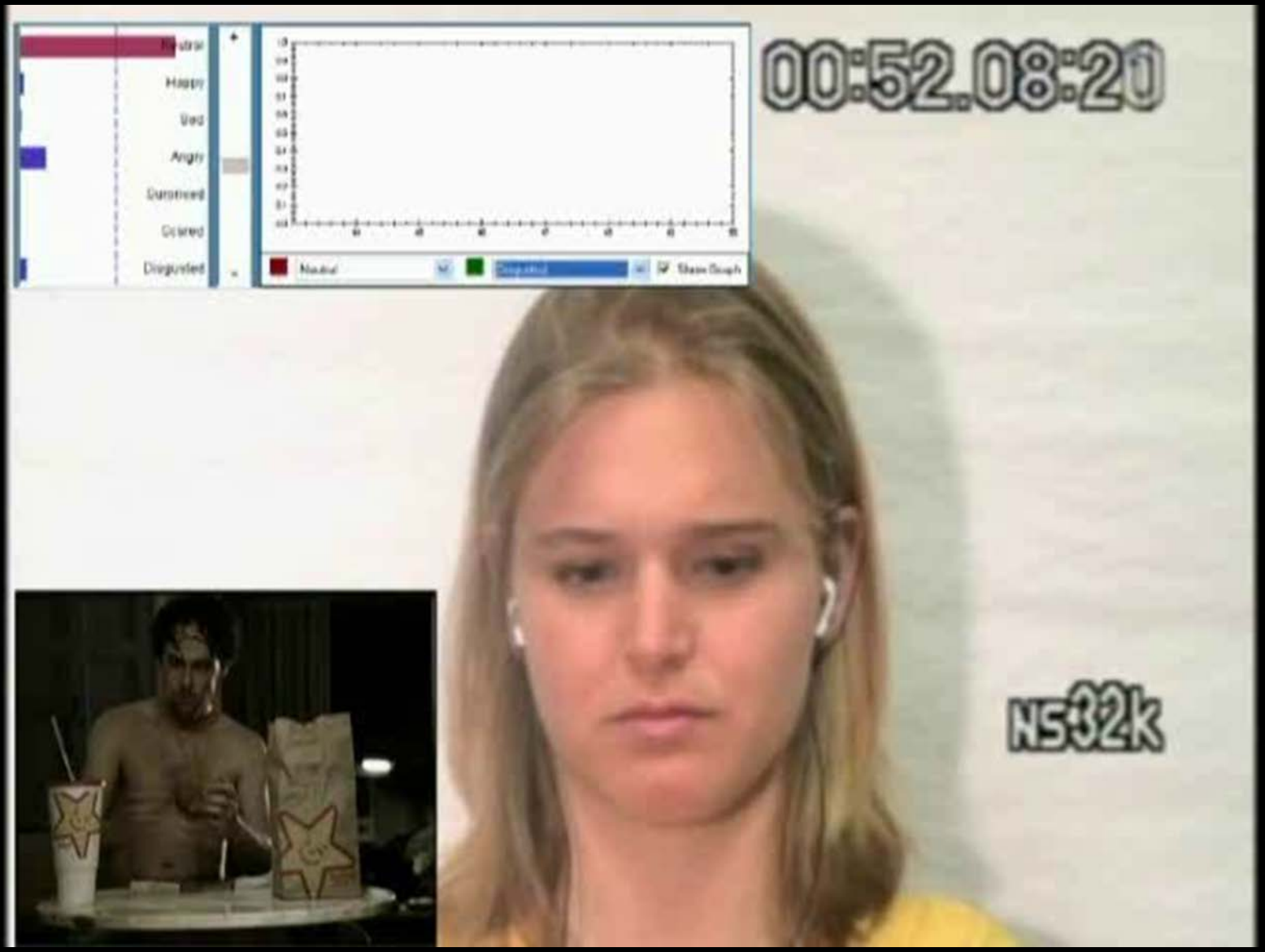

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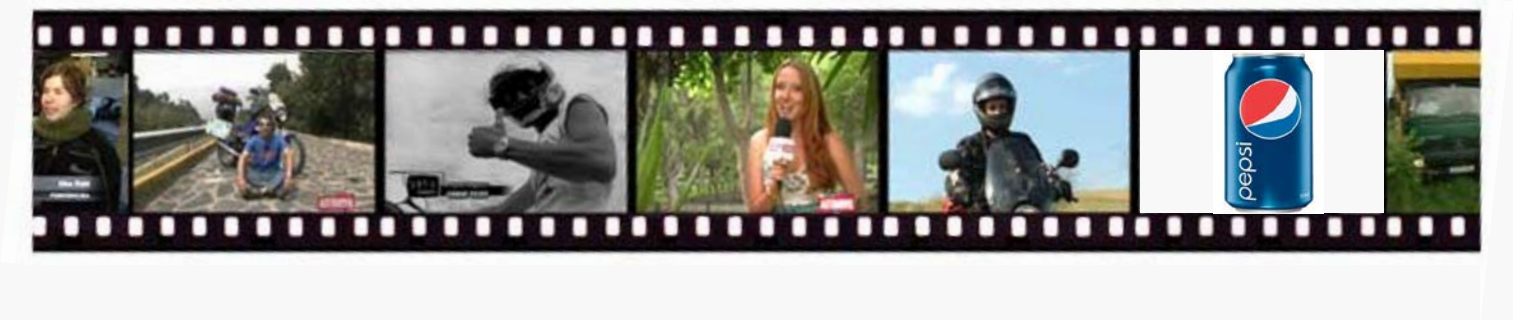
When?

Association transfer hypothesis (Janiszewski and Warlop 1993):

Show the brand (conditioned stimulus) in the beginning of ads, then show entertainment (conditioning stimulus).



But many ads have the brand only at the end.

Question 2. When to entertain consumers?

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How much?

A recent survey showed that 73% of Super Bowl viewers regard them not as ads but as entertainment (NRF 2012).

"People have gotten confused between what is entertainment for entertainment's sake and what is actually smart marketing messaging."

Peter Krivkovich, president and CEO of Cramer-Krasselt

"The two places to err in a commercial are all entertainment and no selling or all selling and no entertainment. Everyone watches and nobody buys anything or nobody watches."

Jon Bond, co-founder of Kirshenbaum Bond & Partners.

Question 3. How much to entertain consumers?

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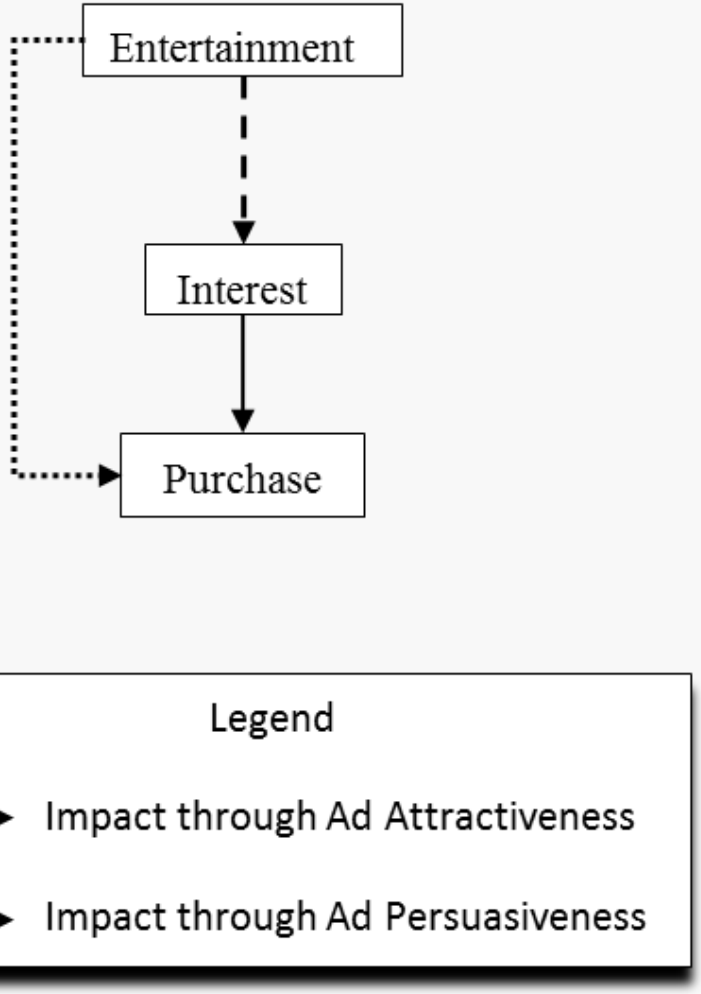
A simple conceptual model



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Experimental approach

Choose product categories: **3 categories**

Randomly select brands in these categories: **30 brands**

Randomly select ads for these brands: **82 ads**

Show a sample of these ads to consumers: **20/person**

1. Measure their expressed level of being entertained
2. Measure their viewing interest and purchase intent

+

+

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Brands and ads used

- Beverage (35 ads)

  Coca Cola, Coke Zero, Cravendale, Cumberland Farms, Diet Pepsi, Glaceau Vitamin Water, Lipton Brisk, Mountain Dew, Muscle Milk, Pepsi, Pepsi MAX, Red Bull, Snapple, Sobe and Sun Drop.

- Confectionary (24 ads)

  Cadbury, Dentyne, M&Ms, Skittles, Snickers, Starburst, Stride and Trident.

- Alcohol (23 ads)

  Bud Light, Bud Light Lime, Budweiser, Captain Morgan, Dos Equis, Made in Milan and Ten Cane Rum.

DATA: ~ 5000 viewing instances, 275 participants.

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Other measures collected

- Individual-specific
  - Degree of extraversion[b]
  - Demographics (age, gender)[a]
- Ad-specific
  - Prior ad familiarity[d]
  - Ad length and 1st brand appearance
- Brand-specific
  - Prior purchase consideration[b]
  - Prior entertainment/fun evaluation[b]
- Category-specific
  - Prior knowledge[b]
  - Prior interest[b]
  - Prior purchase frequency[b]

[b] Before
[d] During
[a] After

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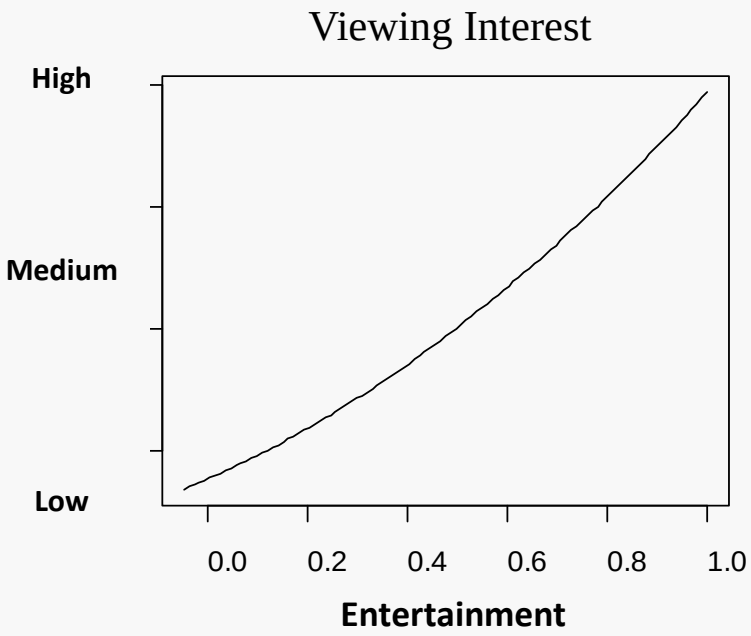
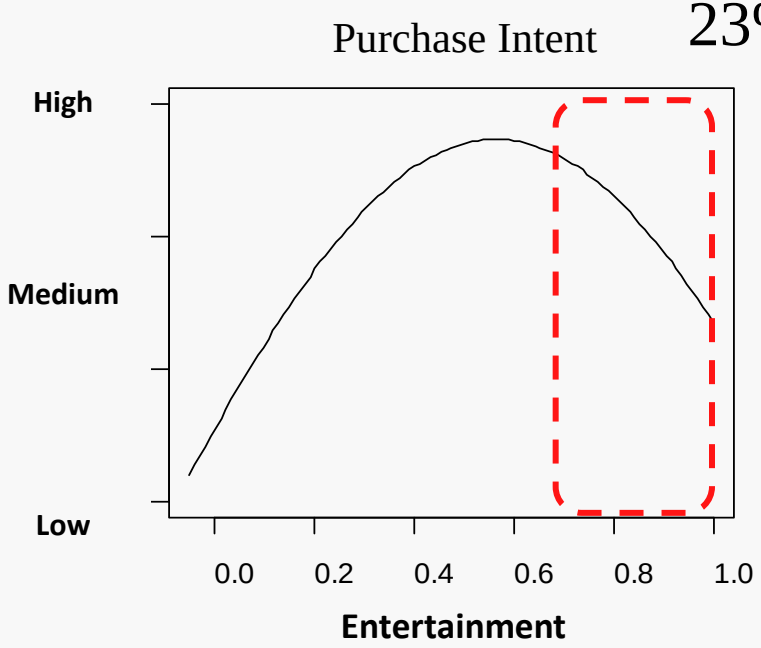
Effects of Entertainment

Question 3. How much to entertain consumers?





23% of ads

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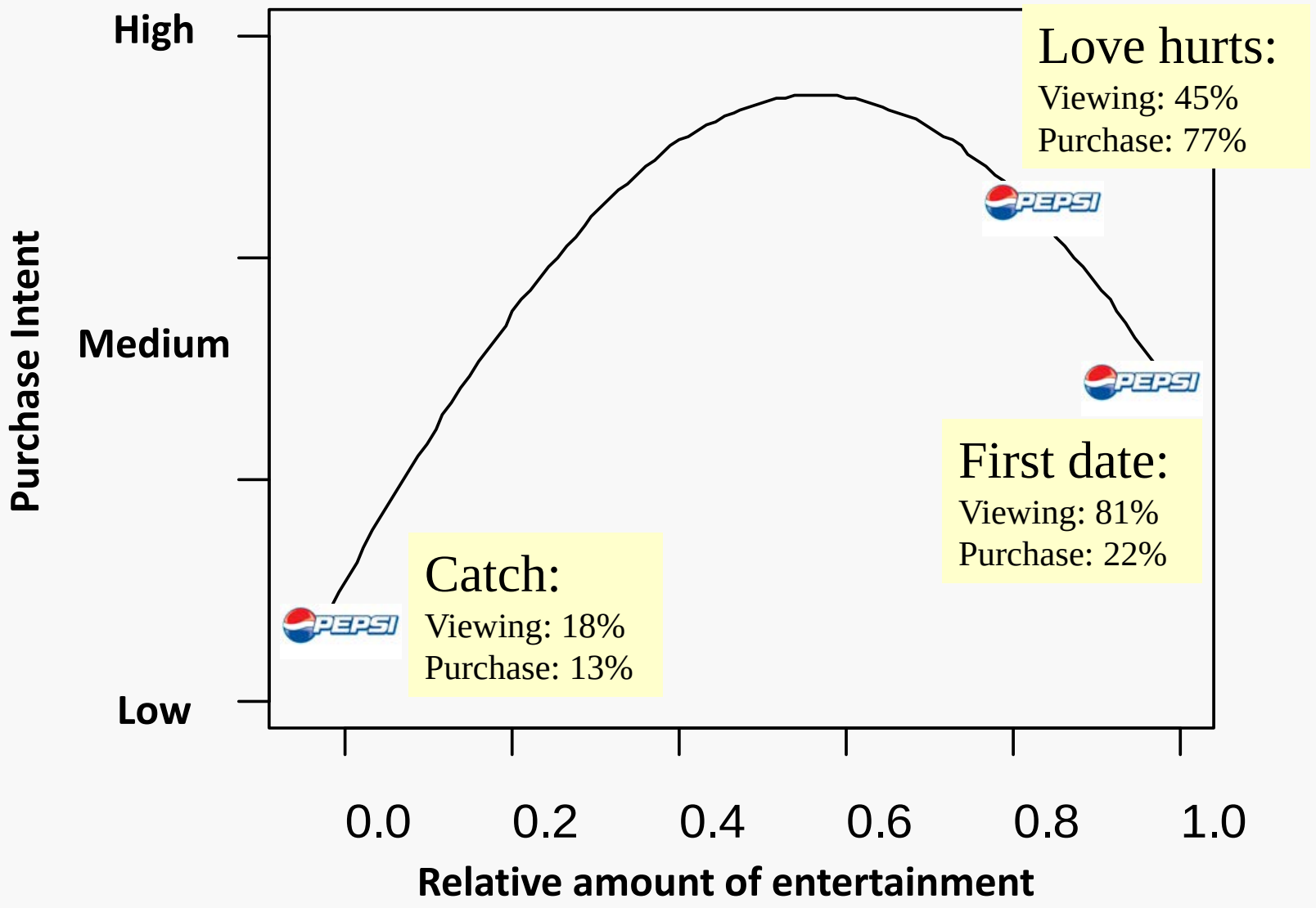
Pepsi Max is not maximizing



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The ‘how much’ Principle

Entertainment always improves ad interest and improves purchase intent only up to a certain point.

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Why does excessive entertainment hurt PI?

1. Association Transfer Order: Works when conditioning stimulus comes after conditioned stimulus (Janiszewski and Warlop 1993)

2. Crowding out hypothesis: More entertainment means less information in ads (Sternthal and Craig 1973).

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Defining type of entertainment

Non-Brand Associated Entertainment (NBAE)

Brand Associated Entertainment (BAE)

Note: NBAE=21%, BAE=24%.

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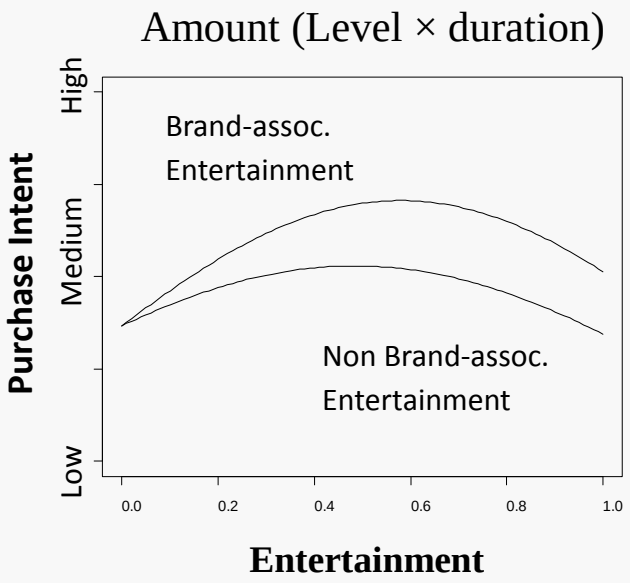
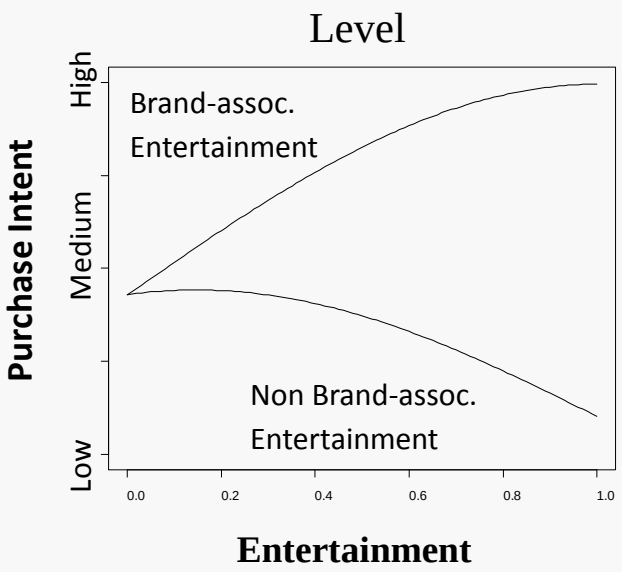
Effects of entertainment

Question 2. When to entertain consumers?





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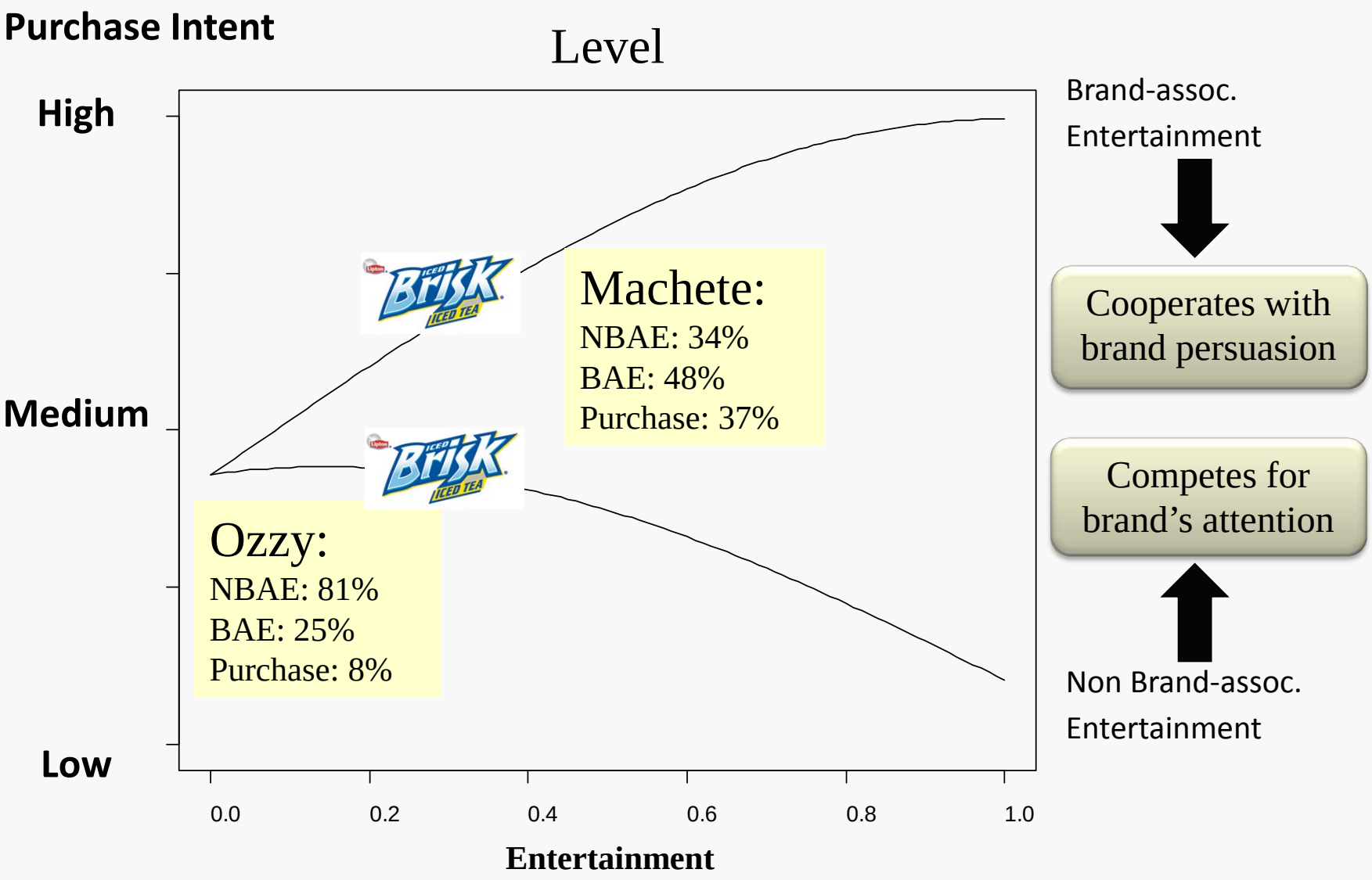
Among other things, branding matters



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The ‘when’ Principle

Brand-associated entertainment improves purchase intent while non-brand-associated entertainment diminishes it.

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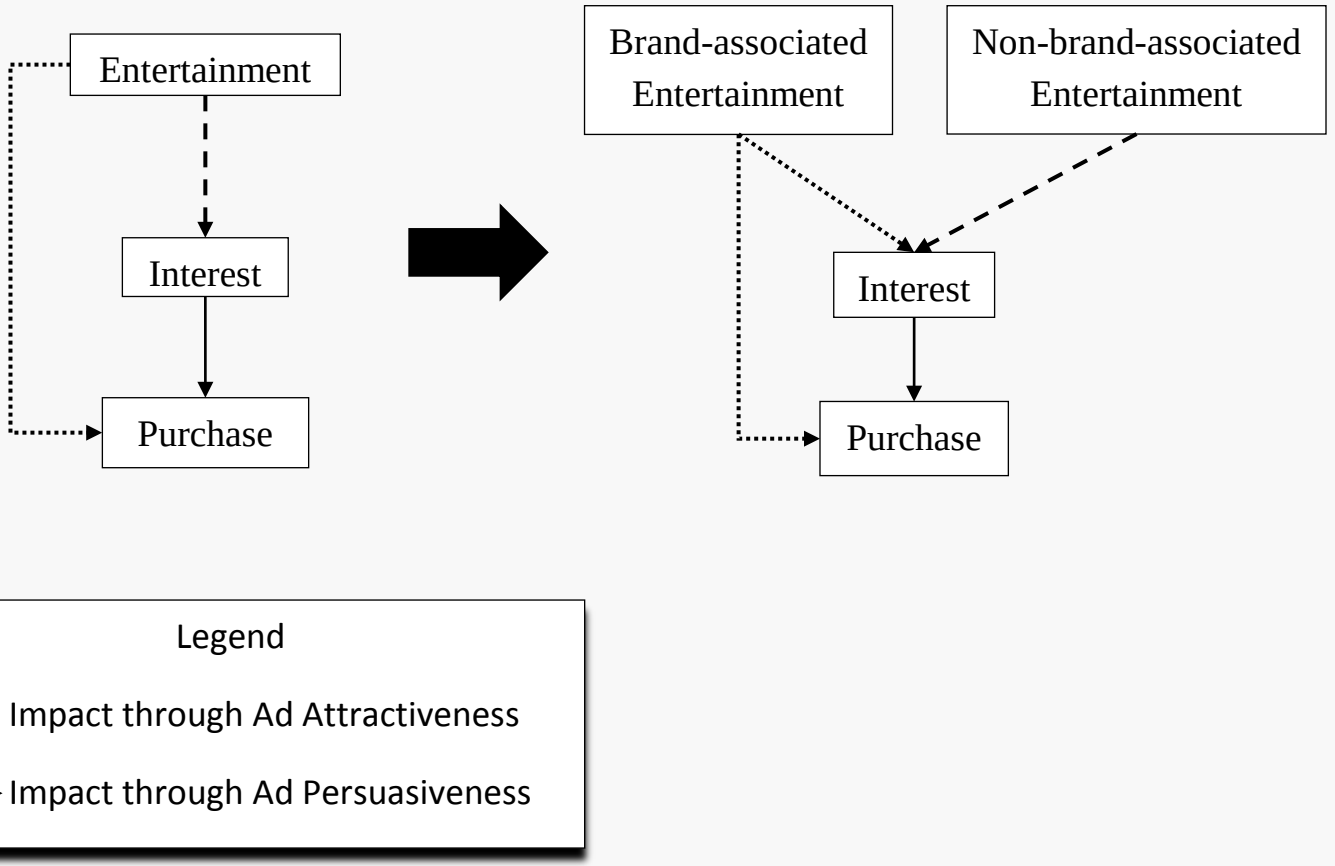
A revised conceptual model of entertainment

Question 1. Why entertain consumers (so much)?



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The ‘why’ Principle

Entertainment either attracts attention to the ad or persuades consumers to the brand.

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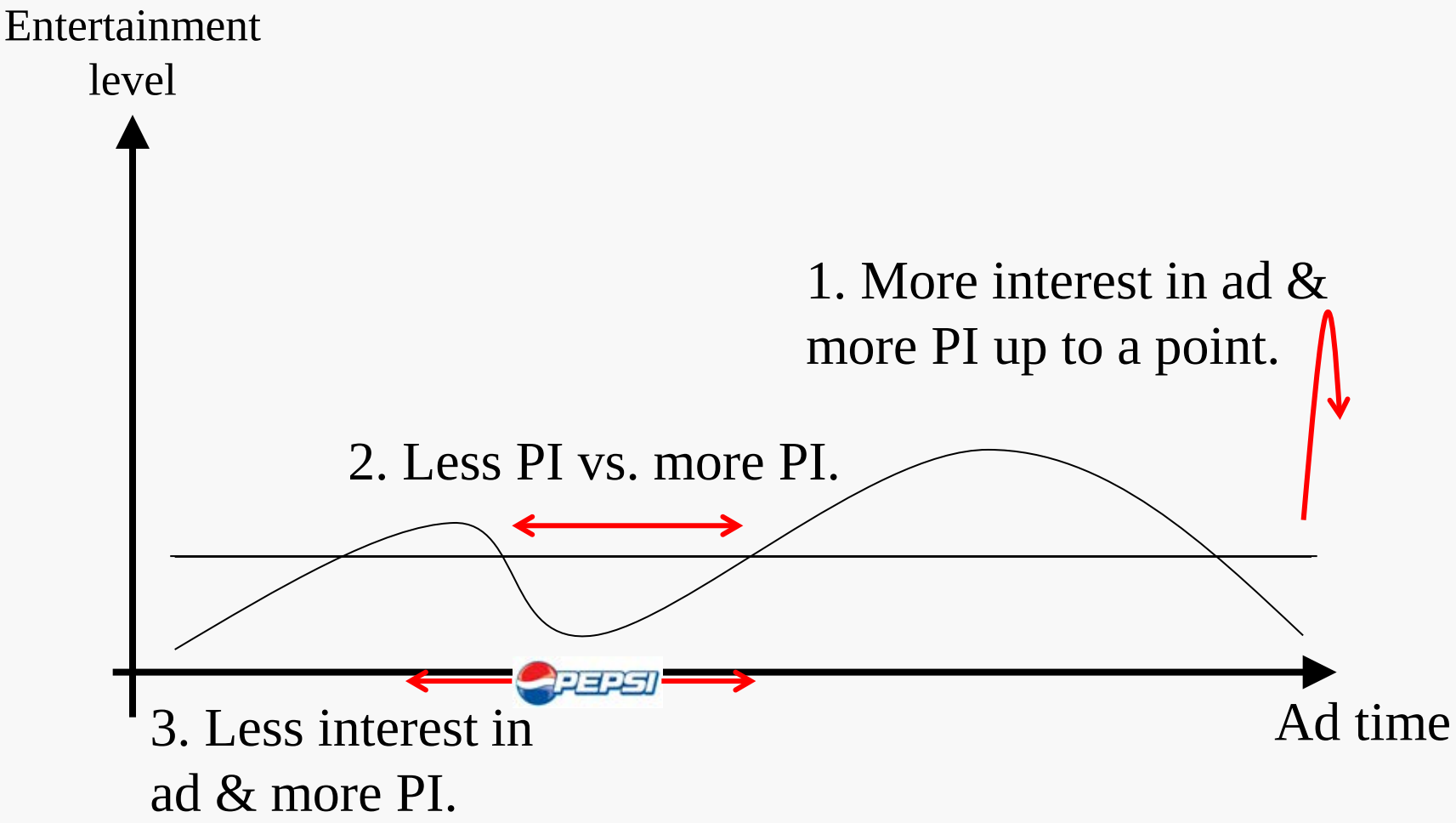
What to consider when using entertainment?



Focus on these 3 key decisions.

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Key takeaways

1. If your goal is to use entertainment to sell products, DO NOT use too much of it.

2. To sell also use most of it (but not all) after showing the brand.
   2.1 Be very careful where you place the 1st brand image!

3. If your goal is to increase interest, then entertain as much as possible, particularly in the beginning of the ad.

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Appendix

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Audience and Research Questions

Audience: Advertising and brand managers

Their problem: Advertisers are being forced to use some of the ad's time to entertain consumers in order to grab their attention. Considering the cost of TV advertising, this is very expensive. This research shows that using too much entertainment in ads can be detrimental to the ad's persuasiveness (e.g., sales impact).

This research addresses three fundamental questions in using entertainment in ads:

Question 1. Why entertain consumers (so much)?

Question 2. When to entertain consumers in ads?

Question 3. How much to entertain consumers?

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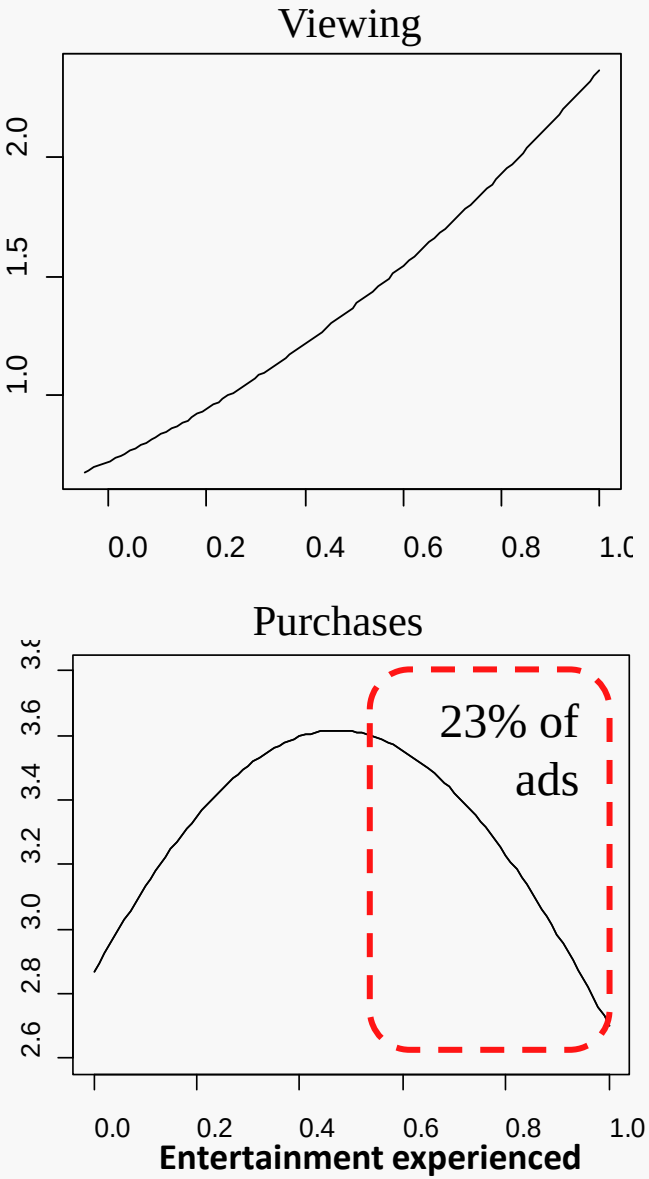
Findings and Implications

1. **How Much?** Entertainment always improves ad interest (top graph) and improves purchases only up to a certain point (bottom graph), decreasing thereafter. 23% of ads in the study "suffer" from the latter problem.

2. **When?** Entertainment presented *after* 1st exposure of the brand always improves purchases while entertainment presented *before* the brand always diminishes it.

3. **Why?** Entertainment either attracts attention to the ad or persuades consumers to buy the brand. Trade-offs depend on the stage of the purchase funnel the ad is intended to affect.



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Method: empirical model

We used a simultaneous mixed Bayesian model to assess the linear and non-linear effects of the amount of entertainment in ads on consumer's decisions to view the ad and purchase the brand. The model is depicted below:

Bayesian Simultaneous equation

Endogenous viewing

+ Prior brand consideration

$$y_{ia}^{P} = \alpha_{ia}^{P} + \beta_1 \cdot Entertainment_{ia} + \beta_2 \cdot Entertainment_{ia}^{2} + \beta_3 \cdot y_{ia}^{I} + \mathrm{B}_4 X_{ia}^{\prime} + \varepsilon_{ia}^{P}$$

$$y_{ia}^{I} = \alpha_{ia}^{I} + \beta_5 \cdot Entertainment_{ia} + \beta_6 \cdot Entertainment_{ia}^{2} + \mathrm{B}_7 X_{ia} + \varepsilon_{ia}^{I}$$

Ad and Individual-specific

Brand and Category-specific

Correlated errors

$$\boldsymbol{\varepsilon}_{ia} = \left[\varepsilon_{ia}^{I}, \varepsilon_{ia}^{P}\right] = N_2\left(\begin{bmatrix}0\\0\end{bmatrix}, \begin{bmatrix}\sigma_I^2 = 1 & \sigma_{IP}\\ \sigma_{PI} & \sigma_P^2\end{bmatrix}\right)$$

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Benefits and Limitations of Method

Benefit

- Unobtrusive collection of consumer experiences and behavior.
- Collection of data in the field as opposed to in a lab setting.
- Allowing for advertising competition, as consumers were exposed to multiple brands of the same product category.
- Highly scalable, quick and cost-effective approach to advertising testing.

Limitations

- The results apply to medium to low involvement product categories.
- No program content was used.
- We focus on the short-term effects of advertising.

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