Dynamic Logic

Advertising Reaction Study

Executive Summary - November 2001

Study objectives:

The study, which was conducted through an online survey, aimed to measure the following three general topics:

- General consumer attitudes towards online advertising
- Perceptions of different forms of online advertising
    - How pop-ups compare to various forms of offline media
    - The number of pop-ups appropriate to keep content sites free to consumers
- Consumer attitudes towards advertising in times of war

Methodology:

The data was gathered through an online survey hosted by Dynamic Logic. Respondents were invited to participate via email and offered a chance to win a sweepstakes as an incentive. The invited list of 5,000 was randomly selected from Dynamic Logic's database of respondents who have participated in prior research. All respondents in the database were recruited via random sampling on websites. 413 respondents completed the survey, which is an 8% response rate. The data was gathered from September 28 – 30, 2001.[1]

Findings:

1. Banners generate the most favorable opinions

- Over half of the consumers in the study (53%) have a positive attitude towards the banner format of online advertising.

Results indicate that consumers have become accustomed to the standard banner format, with its relatively small size and non-intrusive delivery. Its appeal is high compared to other online ad formats. The newer, larger formats rank second and third, respectively, with 35% of respondents indicating they are positive about skyscrapers and 17% about large rectangles. On the other end of the spectrum, only a small number of respondents had positive feelings towards the more intrusive formats such as pop-ups (6% positive) and full pages interstitials (3% positive).

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[1] *The data was gathered through an online survey, with a sample of 413 consumers. Respondents were recruited from Dynamic Logic's database via an email invitation. Respondents who reside in the Dynamic Logic database have been recruited through various forms such as email, banners, links, referrals, and pop-ups. The results for this study were weighted to the US online population profile to reduce any potential bias towards pop-ups.*

2. Consumers feel advertising is necessary to keep sites free, even if the ads are distracting

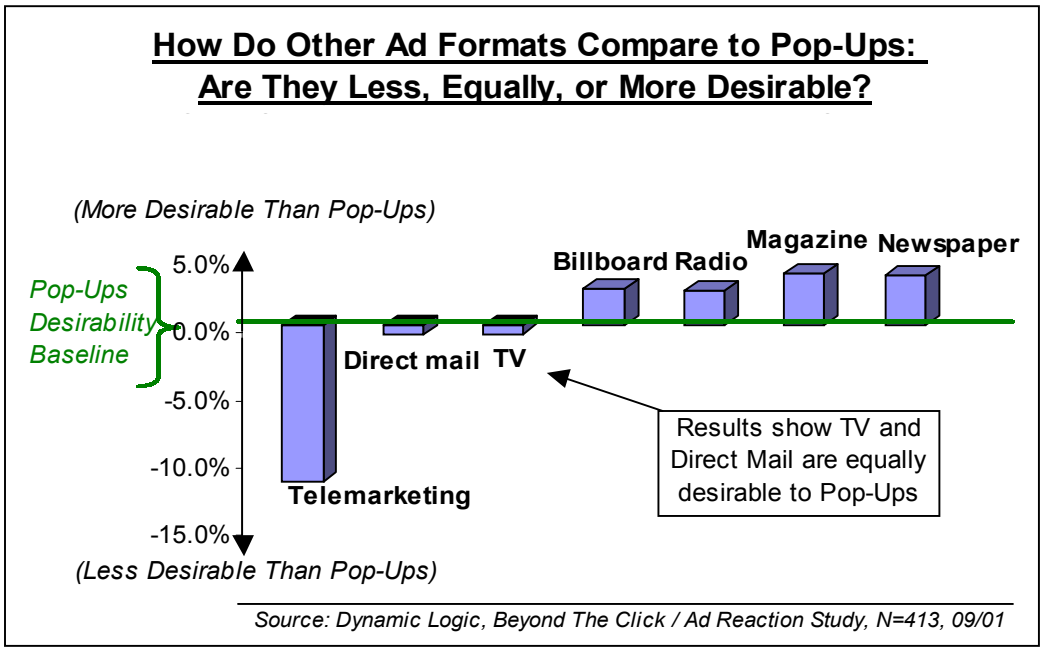
- 85% of respondents agreed to the statement: "Advertising is necessary to support the web sites I like to visit and keep them free, even if the ads distract me from what I am doing".

The result demonstrates that consumers recognize value in online content and feel that advertising is necessary to access online content at no charge. Despite the distracting nature of advertising, the fact that 85% agreed with the statement illustrates the value of free online content to the consumer.

3. Pop-ups on par with TV ads and Direct Mail in their desirability

Because it is likely that people will always prefer less advertising to more, Dynamic Logic sought to explore consumers' relative attitudes to different forms of advertising; specifically, how consumers felt about pop-ups *in comparison* to other forms of advertising. This is an important question for the online advertising industry and for our company, which frequently employs pop-ups to recruit research respondents.

Respondents were asked to compare pop-ups to other forms of advertising in terms of desirability. The chart below shows the calculated mean perception relative to pop-ups and how each individual forms of advertising were indexed against that mean.



The results indicate that consumers put pop-ups roughly on par with TV ads and Direct Mail in terms of relative desirability. Telemarketing and Direct Mail are less desirable than pop-ups, while Print, Radio, and Billboard advertising are more desirable forms of advertising.

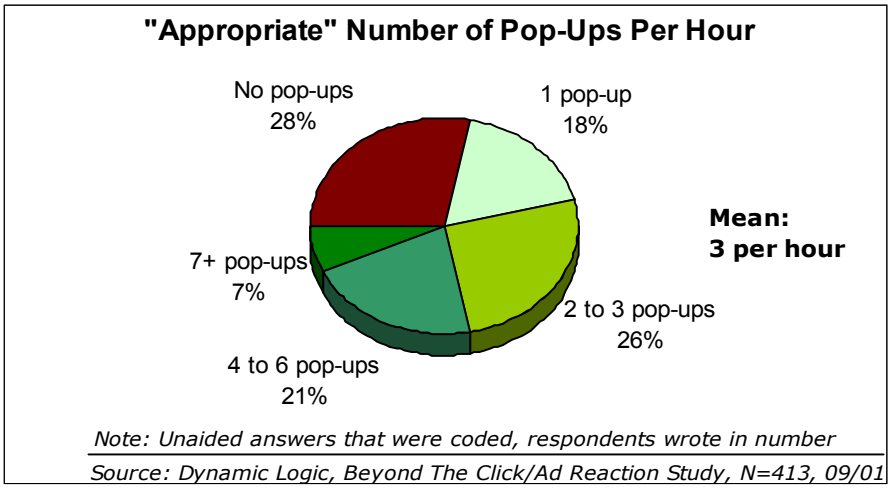
This data should not be misinterpreted to suggest that pop-ups, TV, and Direct Mail are equally effective with consumers. But it is possible that when respondents factor in multiple considerations (duration of exposure to creative, ability to control/end experience, targeting/relevancy, interactivity, etc.), they view pop-ups comparable to other forms of advertising in terms of intrusiveness and desirability----one more fact of life in an ad-supported media world.

4. Consumers will accept limited number of pop-ups to access preferred and free online content

- 72% feel some pop-ups are appropriate; the mean number is 3 per hour

Respondents were asked how many pop-ups PER HOUR they feel are APPROPRIATE to support the free web sites they like to use. 28% of the sample said no number of pop-ups were appropriate even to support a web site they liked, while 72% indicated that some amount of pop-ups per hour. Among the latter group, the amount deemed appropriate varied.

The chart on the right shows how the various thresholds for pop-up tolerance with 18% supporting one pop-up per hour, 26% supporting 2-3 pop-ups per hour and so on. The calculated mean rounds up to 3 pop-ups per hour as the general level of "appropriateness." As other data in the survey demonstrates, consumers are for the most part open to the necessity of online advertising, and they are willing to endure a certain level of distraction if it means that the web sites they like to visit are free.



5. Consumers provide strong support to advertising during the periods of war and expect advertisers to be sensitive about the issue

- 67% feel that US companies should advertise the same (as they would normally do) or more during periods of war.
  - 8% say they should advertise more than non-war period
  - 59% say they should advertise the same as non-war period
- 13% feel that US companies should advertise less

- 20% did not have conclusive opinion about advertising during the war.

The respondents were asked to comment on reasons for their opinion to the question. The majority of those surveyed indicated that they want the US economy to remain strong and feel that advertising is necessary to support it. Many also indicated that they do not want life to change drastically as a result of war and see advertising as part of "everyday life." In fact, over half felt that advertising should remain the same as a non-war period, while 20% did not have conclusive opinions.

Many expressed mixed feelings about the content of ads as well as the interfering nature of advertising (getting in the way of getting important information/news out to public.) Some respondents advise advertisers to link their efforts to patriotism and supporting the effort, but not to the point where it seems they are jumping on the bandwagon for commercial reasons. Generally speaking, the results demonstrate that advertisers should continue to advertise while properly addressing sensitive issues surrounding the war and crisis.

Below are some select verbatim responses and general themes from each cohort, gathered from an open-ended question about why respondents answered the way they did about whether companies should advertise more of less during a time of war.

MORE group:

- "Advertising is a means to continue the growth of our economy."
- " Consumers are the new soldiers of war in the new millennium."
- " To help the war effort."

SAME group:

- "The business of the country needs to continue."
- " The more life stays the same, the more stable our economy will be."
- " By advertising less, we would be giving the enemy what they want..."

LESS group:

- "People will be trying to find news about war, not ads."
- "War time is not a time for corporations to be concerned about their profits."
- " Are we there to win a war or there to make a profit?"
- " In a time of crisis, I don't want to know who has the best phone service."

DON'T KNOW group:

- "Depends on the product or service being advertised..."
- "There are all kinds of wars going on all over the planet - why should advertising be subject to any special rule?"
- "Should be the last thing on people's minds."
- "It's not about more versus less, it's about WHAT to advertise."

There are interesting implications here for companies that are trying to determine what they should do regarding their advertising. Based on the initial read - the majority of those surveyed (two-thirds) want the US economy to remain strong and feel that advertising is part of that equation. They also don't want life to change drastically as a result of war and they see advertising as part of "everyday life." Nonetheless, many people have mixed feelings about the content of some ads as well as the interfering nature of advertising (getting in the way of getting important information/news out to public.) Clearly, the subject is a sensitive one, and may depend greatly on the product/service being sold.

Of course, these results may vary depending on an advertiser's target audience. But generally speaking, it would seem that companies should continue to advertise, but with instructions to publishers to pull ads during intense crises. This is standard practice for many publishers. It should also be noted that our study shows that 85% of those surveyed agree with the notion that disruptive advertising is necessary to keep the web sites they like to visit free.

In summary, consumers accept many different kinds of advertising online and offline, and while they may not love advertising, they appreciate its role in keeping the economy strong, especially in time of war.

For more information on this study, please contact:

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