An Experimental Study of the Relationship between Online Engagement and Advertising Effectiveness

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Abstract

We discuss consumer engagement with a website, provide a systematic approach to examining the types of engagement produced by specific experiences, and show that engagement with the media context increases advertising effectiveness. Based on experiments using measurement scales involving eight different online experiences, we advance two types of engagement with online media — Personal and Social-Interactive Engagement. Our results show that both types are positively associated with advertising effectiveness. Moreover, Social-Interactive Engagement, which is more uniquely characteristic of the web as a medium, is shown to affect advertising after controlling for Personal Engagement. Our results offer online companies and advertisers new metrics and advertising strategies.

Keywords: Online advertising; Engagement; Consumer behavior; Context effects; Online media; Internet marketing

Introduction

Media provide a context for advertising that may affect consumer responses to advertising. Many studies have investigated possible media context effects. The most general conclusion is that when consumers are highly “engaged” with a media vehicle they can be more responsive to advertising (e.g., Aaker and Brown 1972; Bronner and Neijens 2006; Coulter, 1998; Cunningham, Hall, and Young 2006; DePelsmacker, Geuens, and Anckaert 2002; Feltham and Arnold 1994; Gallagher, Foster, and Parsons 2001; Nicovich, 2005; Wang, 2006). While this conclusion is not surprising, media buyers do not consider consumer “engagement” with a media vehicle in their decisions, except in secondary, ad-hoc ways. For example, the price of print advertising is determined by circulation, the location of the ad within the publication and characteristics of the ad such as the number of colors; and algorithms used to place banner and sidebar ads do not consider consumer “engagement” with the hosting site.

There are many explanations for why consumer “engagement” with the surrounding media context is not considered when making advertising decisions. One reason, as we will demonstrate in the next section, is that many practitioners and academics do not agree on what “engagement” is. Making matters worse, related terms such as “involvement” and “experience” are also used in the academic and trade literatures without any consensus over whether or how they are different from “engagement.”

At the same time, advertisers are searching for ways to overcome the problems of ad clutter and avoidance (Cho and Cheon 2004). Leveraging the media context is a potential solution since advertisers have (at least some) control over where their ads appear and we know that context can affect reactions to ads. Moreover, online media is gaining prominence and spending on online advertising is growing at a rapid pace (Shankar and Hollinger 2007). It is important to better understand how engagement is related to the effectiveness of advertising in the context of online media.
The contribution of this paper is twofold. First, we define consumer engagement with a website and its relationship to online experiences. As summarized below, other work has explored distinct online experiences and related concepts. This article conceptualizes engagement as a second-order construct that is manifested in various first-order “experience” constructs. We theorize that our engagement construct is causally related to consumer responses to online advertising. Second, we develop measures of engagement and test our theory by evaluating whether these measures are associated with consumer evaluations of a banner advertisement. We close with a discussion on how understanding engagement can help the online firms manage their sites and advertisers improve the effectiveness of their ads.

Engagement, experiences, and advertising effectiveness

What is engagement?

Most people know what “engagement” with media feels like. Those who are “engaged” with, for example, a television program or website have a certain connection with it and probably view or visit it often. But it is difficult to define the concept of engagement beyond loose descriptions such as feeling a connection and using it often.

We begin with what engagement is not. Our conceptualization of engagement is different from others who have characterized it in ways that we regard as consequences of engagement. Marc (1966), for example, defines engagement as “how disappointed someone would be if a magazine were no longer published.” Syndicated market research often asks whether a publication is “one of my favorites,” whether a respondent would “recommend it to a friend” or is “attentive.” Many equate engagement exclusively with behavioral usage. That is, they define “engaged” people as those who visit the site often, spend substantial time on the site, or have many page views. The Advertising Research Foundation (ARF) gives the definition “media engagement is turning on a prospect to a brand idea enhanced by the surrounding context” (ARF, 2006). Clearly “engagement” has many different meanings.

We argue that all of the meanings discussed above are consequences of engagement rather than engagement itself. It is engagement with a website that causes someone to want to visit it, download its pages, be attentive to it, recommend it to a friend, or be disappointed if it were no longer available. Likewise, researchers have known for years (see citations in Introduction) that the media context can “turn on” a prospect to some advertised brand, but again, this is a consequence of engagement. Engagement is antecedent to outcomes such as usage, affect, and responses to advertising.

To think about what engagement really means, let us return to the basic notion of a sense of being connected with something. We feel this intuition is essentially correct, but needs elaboration to be useful. The fundamental insight is that engagement comes from experiencing a website in a certain way. To understand engagement we need to understand the different experiences that consumers have in connecting with the site (see Fig. 1). Consumer engagement with a website is a collection of experiences with the site.

We define an experience as a consumer’s beliefs about how a site fits into his/her life. For example, content can be engaging because users have a utilitarian experience with it. That is, they believe that the site provides information to help them make important decisions and accomplish something in their lives. Other content can be engaging because it provides users with an intrinsically enjoyable experience, enabling them to unwind and escape from the pressures of daily life.

To be engaging, different sites need not deliver the same experiences. Some sites could be engaging because they provide high levels of a utilitarian experience while other sites could be engaging because they are intrinsically enjoyable. Experiences are not necessarily mutually exclusive and some content could engender high levels of multiple experiences. It is necessary to realize that there is more than one path to engagement and that the different paths are realized by offering different experiences. Consider, for example, the travel section of www.nytimes.com. Some articles could engage readers by creating a utilitarian experience, where the reader believes the articles give useful advice about what to do and where to stay at certain destinations. Other articles could be engaging because they offer intrinsic enjoyment. A narrative story about some travel adventure could relax readers and “transport” them to a different place and not provide utilitarian “how-to” detail. Similarly, different consumers could have different experiences with the same content.

In the language of measurement models, experiences are first-order constructs while engagement is a second-order construct. We shall use the term experience whenever we refer to a specific set of consumer beliefs about a vehicle such as utilitarian or intrinsic enjoyment, and the term engagement whenever we refer to the overall experiences of a vehicle.

Online experiences

It follows from the above discussion that we need to determine the first-order experiences before we can measure this second-order construct of engagement. There are many independent streams of research examining consumers’

Fig. 1. Engagement and its consequences.
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