

ONLINE ADVERTISING: WHAT WORKS – IMAGE OR INFORMATION?

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SUMMARY

As click-through rates (CTR) fall (Drèze and Hussherr 2003; Hollis 2005), trust in the value of online advertising has also nosedived, leading to a decline in online advertising expenditures (*BusinessWeek* 2007). But who decided CTR is the be-all, end-all measurement for the success of an online ad? Fortunately, recall and recognition, the most prevalent forms of advertising measurement for offline advertisements, have also been used recently to measure online ad effectiveness. Still, practitioners continue to operate under the concept that online ads are measured by CTR, and therefore follow a cost-per-click model of advertising expenditures. Unfortunately, a self-perpetuating downward spiral has evolved, making some practitioners believe an investment in online ads is a waste of marketing capital. This paper examines why that is and what marketers, and marketing researchers, should do about it, if anything.

Research

The question of whether online advertisements should be measured by CTR or a behavioral response, such as intent to purchase or message recall, is essentially a debate to determine if online ads should be designed for direct response or for branding purposes (Broussard 2000). Chandon, Chtourou, and Fortin (2003) concluded that CTR may actually under-represent the impact on sales, while Drèze and Hussherr (2003) found Internet users (1) avoided looking at ads while online, but (2) do perceive banner ads in their peripheral vision, and therefore (3) are affected more by banner message rather than how the message was conveyed. They concluded that the function of online advertising should be to influence people. Recognition and awareness of the brand can be developed even if consumers are not clicking on the banner ad (Briggs and Hollis 1997).

The purpose of this paper is to answer the following questions: (1) How well do consumers recall online ads designed to support a brand? (2) How well do consumers recall online ads designed to support a product? (3) Do consumers recall one type of online ad more frequently than another?

To understand the persuasion process taking place in consumers through the use of online advertisements, this study's theoretical foundation is based on the Elaboration

Likelihood Model (Petty, Cacioppo, and Schumann 1983) that says consumers process persuasive information differently. Need for Cognition can be used to measure the inherent trait that consumers have to engage in problem solving activities (Peltier and Schibrowsky 1994) and whether they tend to regularly exhibit high-NFC or low-NFC characteristics (Haugtvedt, Petty, and Cacioppo 1992). Haugtvedt and Petty (1992) showed that NFC has an effect on message elaboration, motivation to process information, attitude change, message persuasiveness, and message recall. In their research, Wang, Wang, and Farn (2009) found that NFC is a good determinant for measuring ad effectiveness in an online environment.

Methodology

Using experimental design, two types of banner advertisements were developed – one image-based that could be used to support a brand, and one information-based that would be akin to advertisement supporting a product. Because consumers visit web sites to search for information on a topic of their interest (Yoo 2007), an instrument was developed for online data gathering to simulate a consumer using the Internet to search for information. Following a priming paragraph, respondents were presented three consecutive images of a web page that featured a photograph and an introduction to a story about the current event on the first page followed by a continuation of the story on the subsequent pages. One banner ad of each company was placed on top of each page. The combination of web page and banner ad was randomized so that respondents saw banner ads – either image-based or the information-based – in random order. The dependent variable was “advertisement recall” measured three times per respondent in unaided, partially aided, and fully aided situations over the course of questionnaire administration. Independent variables were Advertisement Type and Need for Cognition (NFC).

The results were analyzed using MANOVA because of the multivariate nature of the 2 x 2 x 3 experimental design. The between-subjects interactive effect of Ad Type and NFC was found to be significant ($M = .756, F = 5.279, p = .023$) for unaided recall, indicating that consumers with a high NFC were able to recall banner ads featuring information-based content at a greater level than their low NFC counterparts, while low-NFC consumers were able to recall image-based banner ads at a greater level than high-NFC consumers.

In addition, high-NFC consumers recalled the information-based advertisements at a higher rate than low-NFC consumers recalled the image-based ads ($M_{\text{high}} = 1.29$; $M_{\text{low}} = 1.24$) and also recalled the image-based ads at a higher rate than low-NFC consumers recalled the information-based ads ($M_{\text{high}} = 1.12$, $M_{\text{low}} = 1.11$). No significance was found for level of cognition when respondents were given partial or full aid in recall, demonstrating that the recall of the banner ads was solely based on inherent traits of cognition rather than assistance from external sources.

Discussion

For researchers, Need for Cognition was verified as a moderator for online persuasive communications. For practitioners, the results indicate that message association may be more important than message content, and therefore marketing managers must have an online message strategy to augment their marketing mix. If the overall advertising strategy is to support the brand, care must be given to locations where banner ads should be displayed in order to maximize individual differences in NFC among consumers. References are available upon request.

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