



Reimagining Digital Ad Engagement

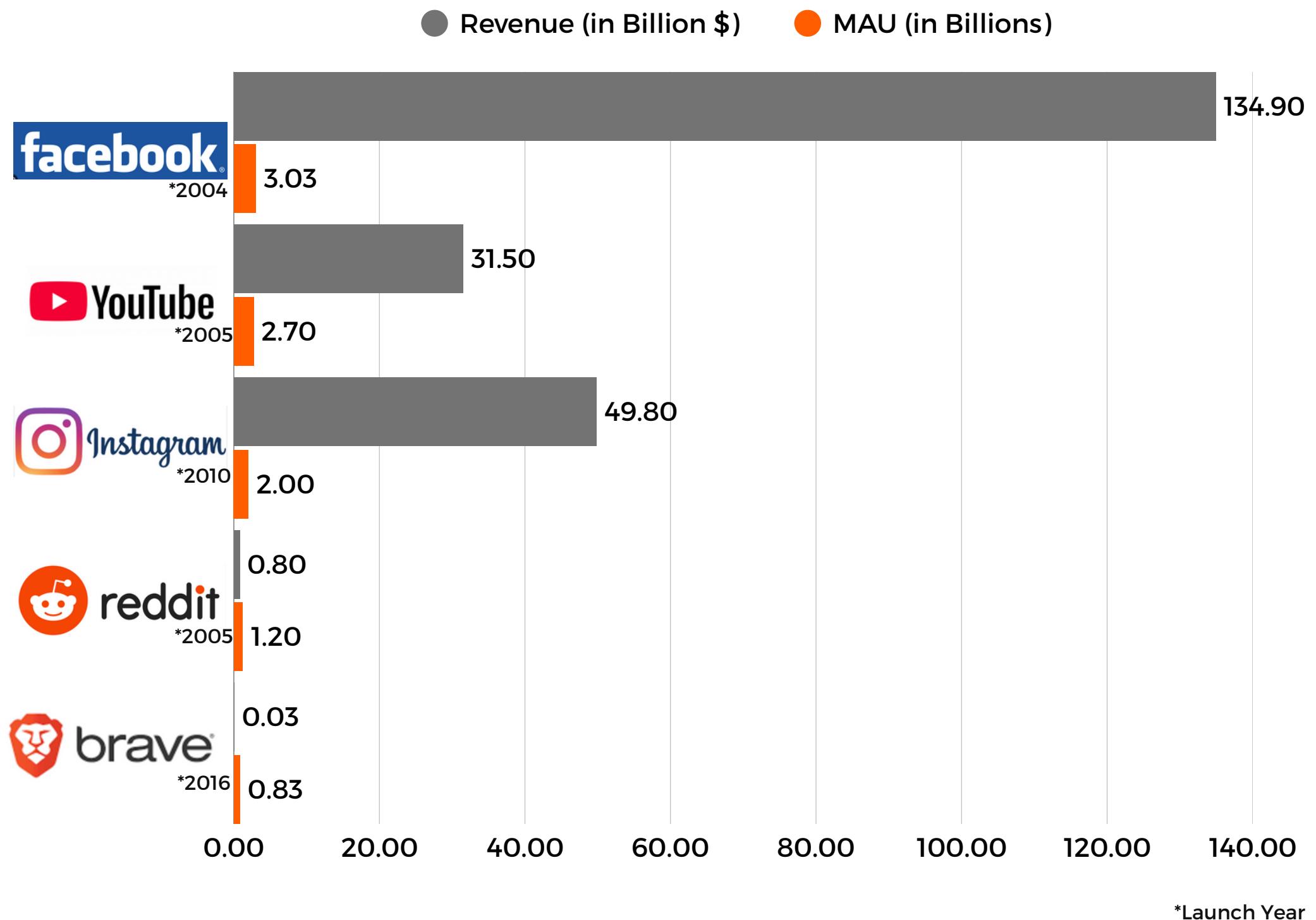
A Comprehensive User Perception and Incentive Research Study

- Darshan, Dhairyा, Maahi, Yash



Reddit

Digital Platform Ad Landscape



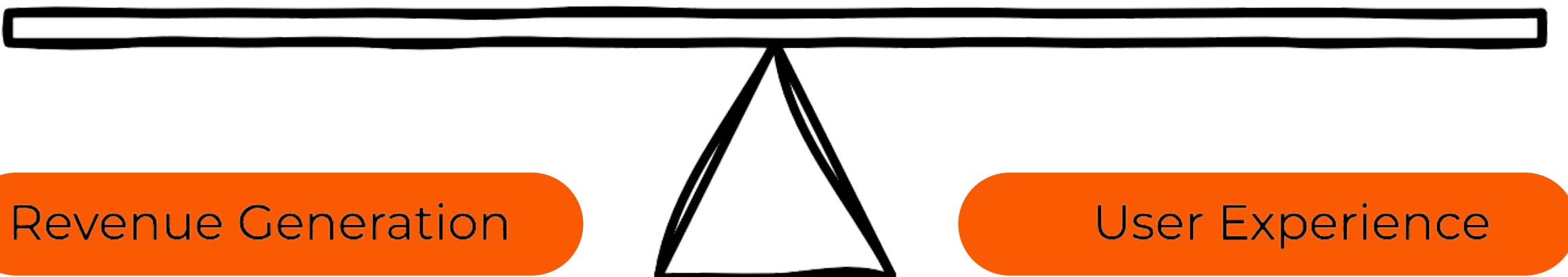
Key Factors of Difference

- User base size
- Advertising effectiveness
- Parent company support
- Platform evolution
- Global reach

*Launch Year

The Reddit Landscape: Ads, Users, and Revenue

-  Commercial interests prioritized
-  Traditional ad reliance
-  Increased ad revenue
-  Trust erosion occurs
-  Declining engagement
-  User frustration rises



The Digital Advertising Paradox

The Challenge

- 📣 Advertisements are ubiquitous
- 😕 User dissatisfaction is growing
- 💡 Misalignment between user expectations and current advertising models

Our Mission

Deep Dive into User Perceptions and Preferences



Goal:

Transform digital advertising from a user frustration to a value-driven experience

Purpose

Validate our Three-Tier Advertising Ecosystem by understanding:

- User ad engagement preferences
- Willingness to trade privacy for rewards
- Potential monetization strategies

Methodology

Platform: Qualtrics

Participants: Reddit and Non-Reddit Users

Techniques:
Quantitative Survey
Conjoint Analysis*
A/B Testing Scenarios*

Into the Reddit Rabbit Hole: Survey Design

Key Focus Areas

- Reddit Usage Patterns
- Ad Interaction Preferences
- Reward Motivations
- Privacy Trade-offs

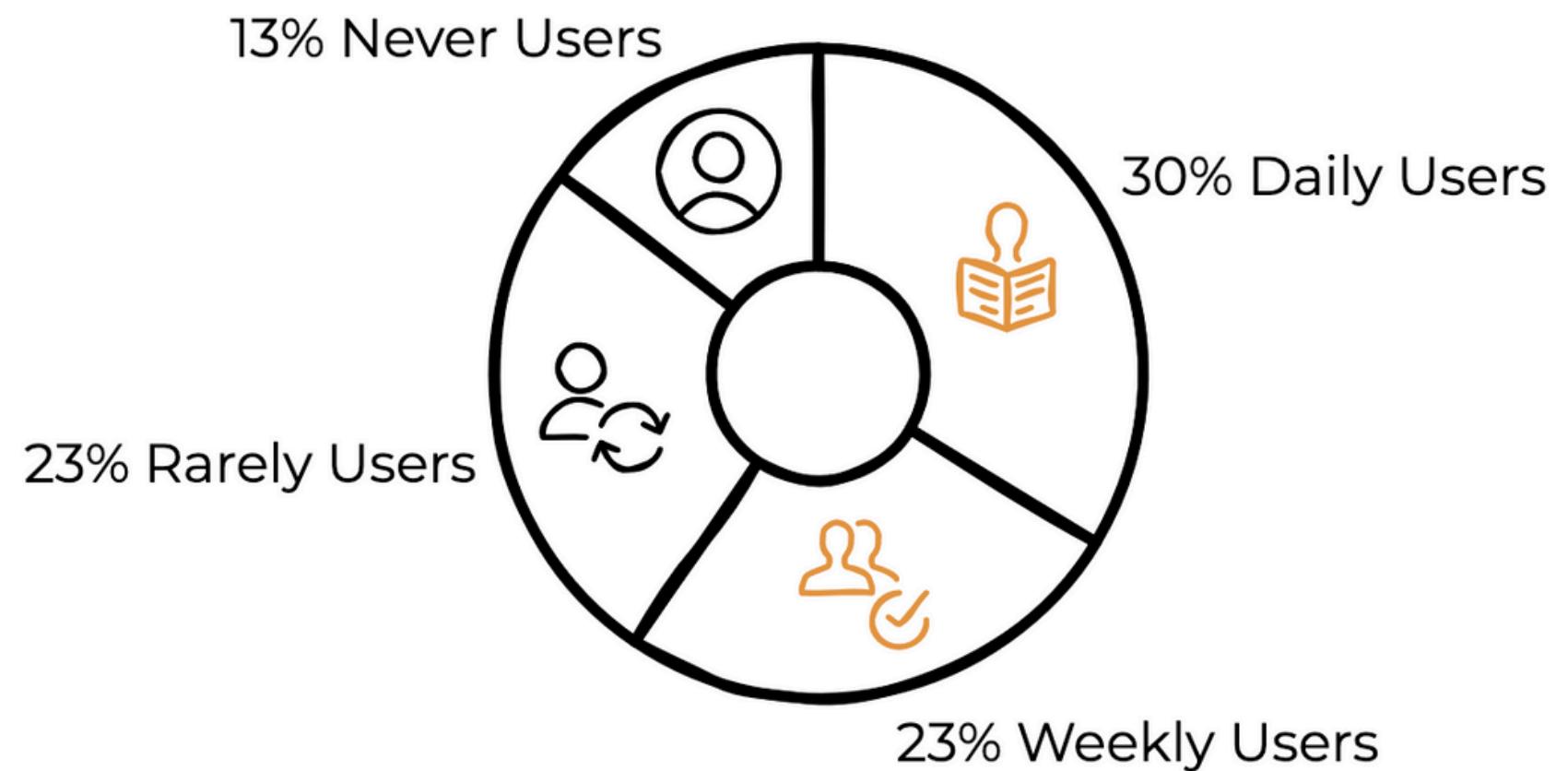




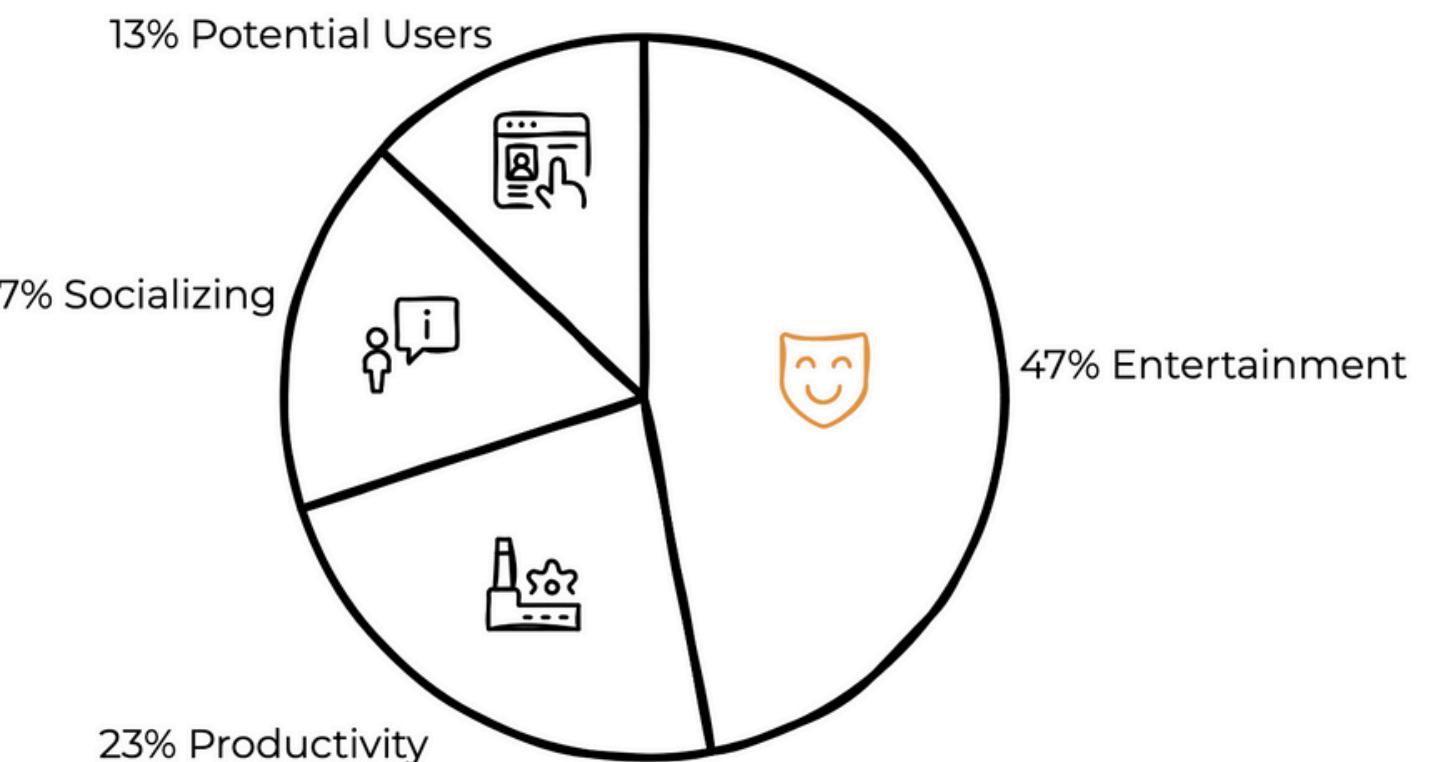
Survey Results



1. Reddit Usage Patterns



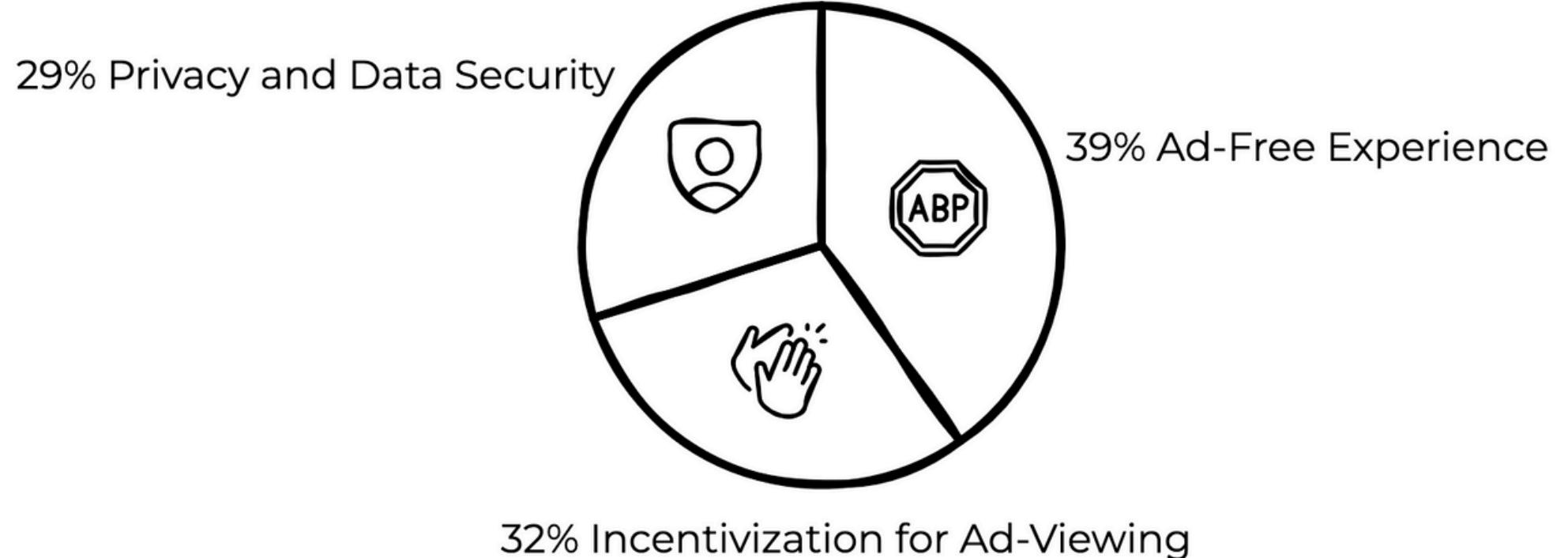
Focus on the 53% who are **daily or weekly users**, as they represent the core audience for a reward-based ad model.



47% of Reddit users prioritize entertainment, **Targeting entertainment-driven users** can maximize ad engagement for monetization strategies.

Voices of the Community

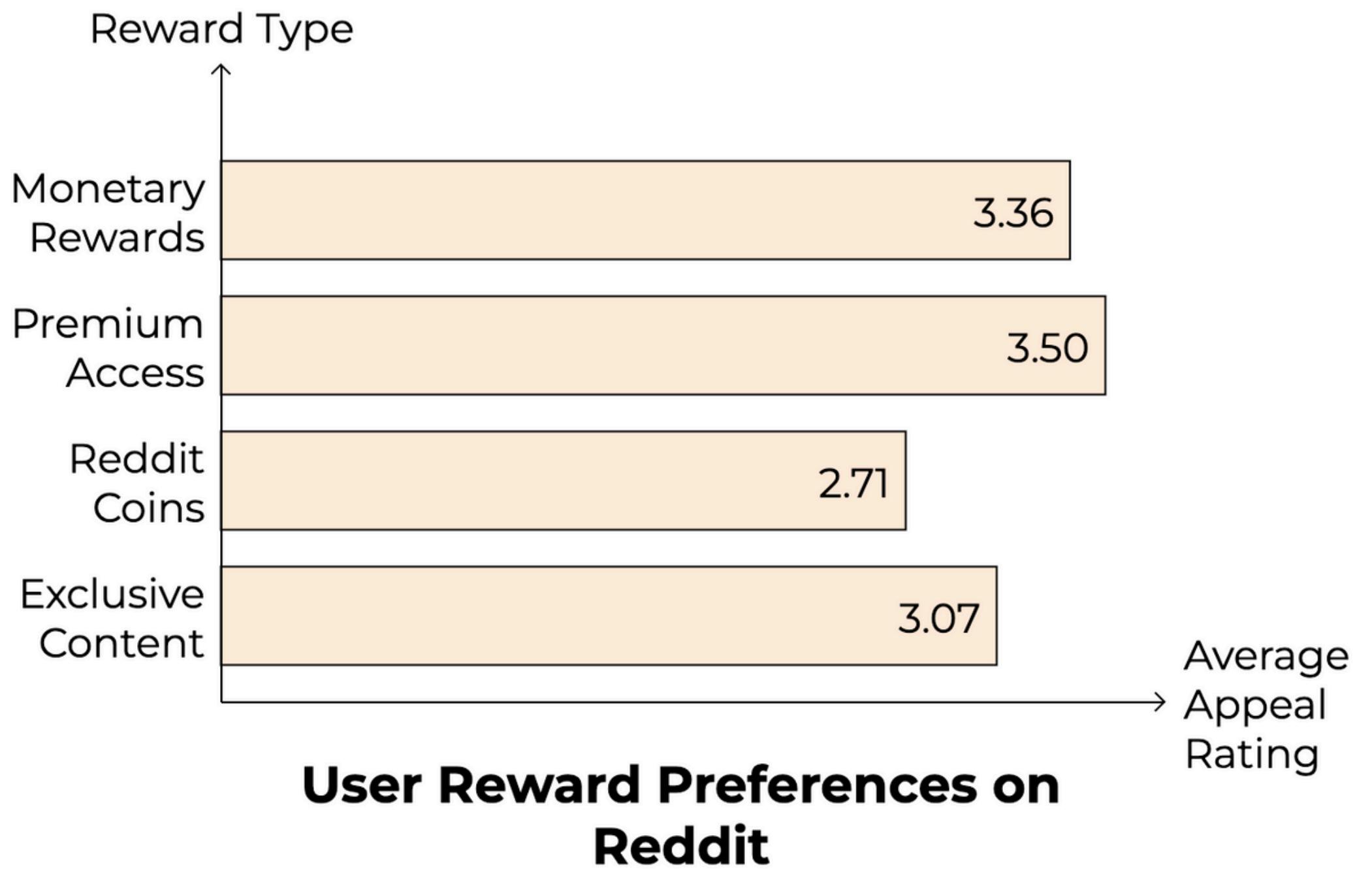
2. Feature Prioritization



Voices of the Community

- **Ad-Free Experience:** Ranked most important by 39%.
- **Incentivization for Ad-Viewing:** Ranked second by 32%.
- **Privacy and Data Security:** Ranked third by 29%.
- **Implication:** Users want a **balance between ad-free experiences and tangible rewards**. Privacy, while important, is not the primary concern unless data misuse is evident.

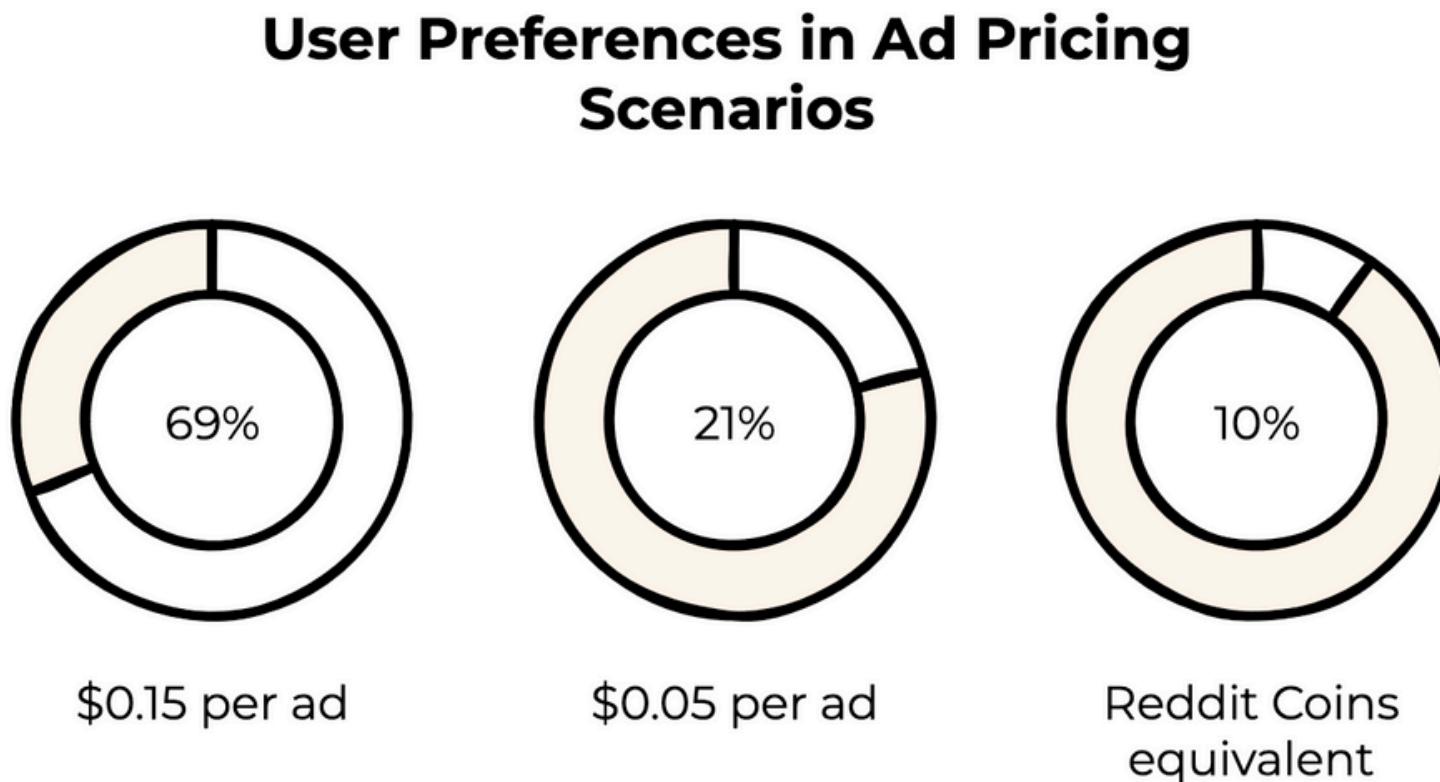
3. Reward Preferences



Voices of the Community

- Implication: Users prioritize **direct financial benefits or ad-free options** over less tangible rewards like platform perks.

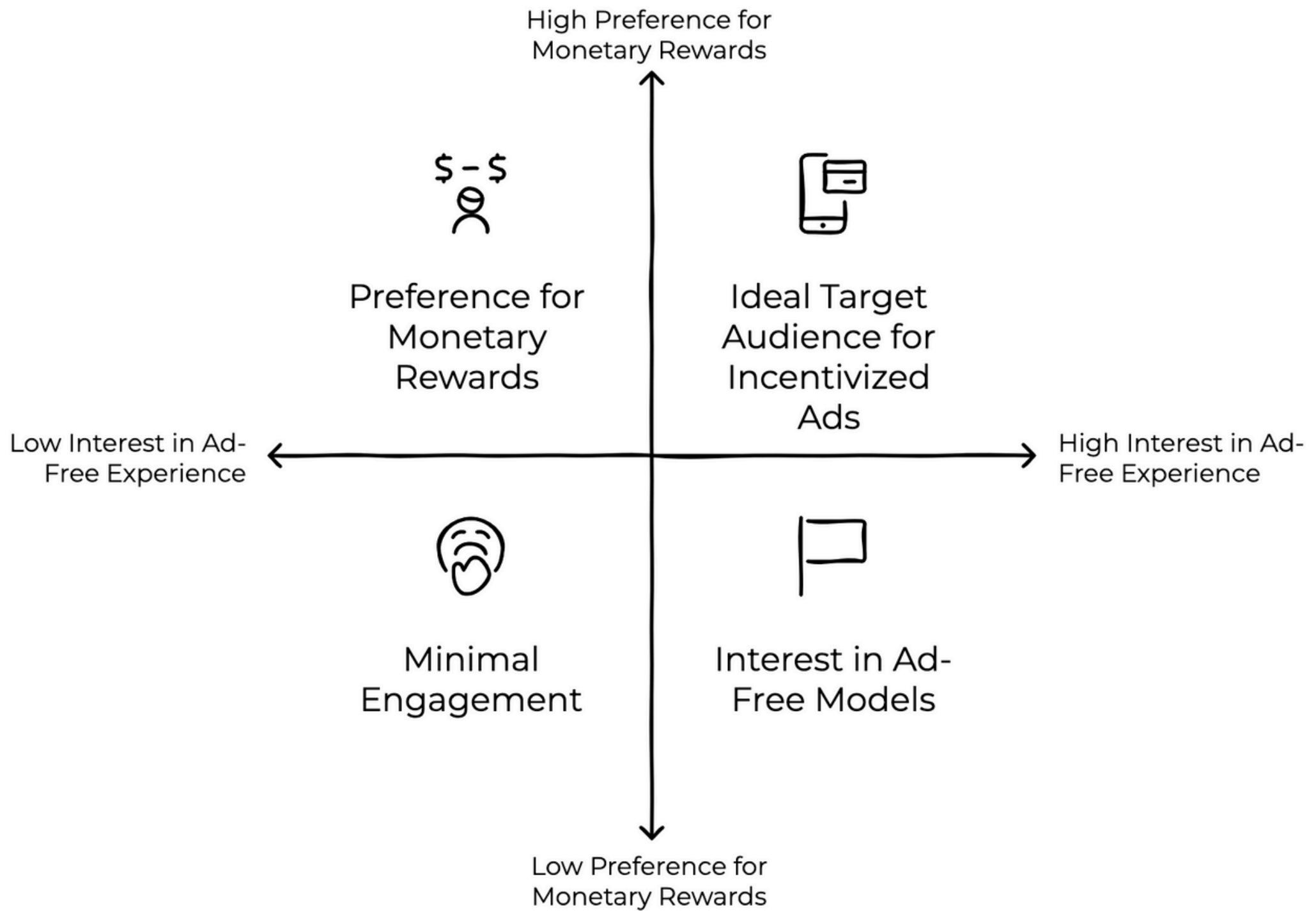
4. Trade-Off Scenarios



- Scenario Preferences:
 - **69% users chose \$0.15 per ad** with personalized targeting, despite potential privacy concerns.
 - 21% users selected \$0.05 per ad.
 - 10% users opted for \$0.10 per ad view.
- Implication: Users are willing to trade privacy for **higher monetary rewards**, making personalization a key driver of engagement.

Reddit

In a Nutshell.....



Voices of the Community

- 1. Engaged Users:** 53% users are frequent Reddit users and the ideal target audience for incentivized ads.
- 2. Trade-Off Behavior:** 69% users prioritize higher monetary rewards over privacy concerns.
- 3. Monetary Rewards Are Key:** Users favor direct financial benefits, with 3.36/5 for monetary rewards and 3.50/5 for premium access.

Three-Tier Advertising Ecosystem



Personalized Engagement Tier

- Opt-in data sharing
- Monetary incentives
- Hyper-relevant advertising



Premium Privacy Tier

- Complete ad-free experience
- Maximum data protection
- Subscription-based model

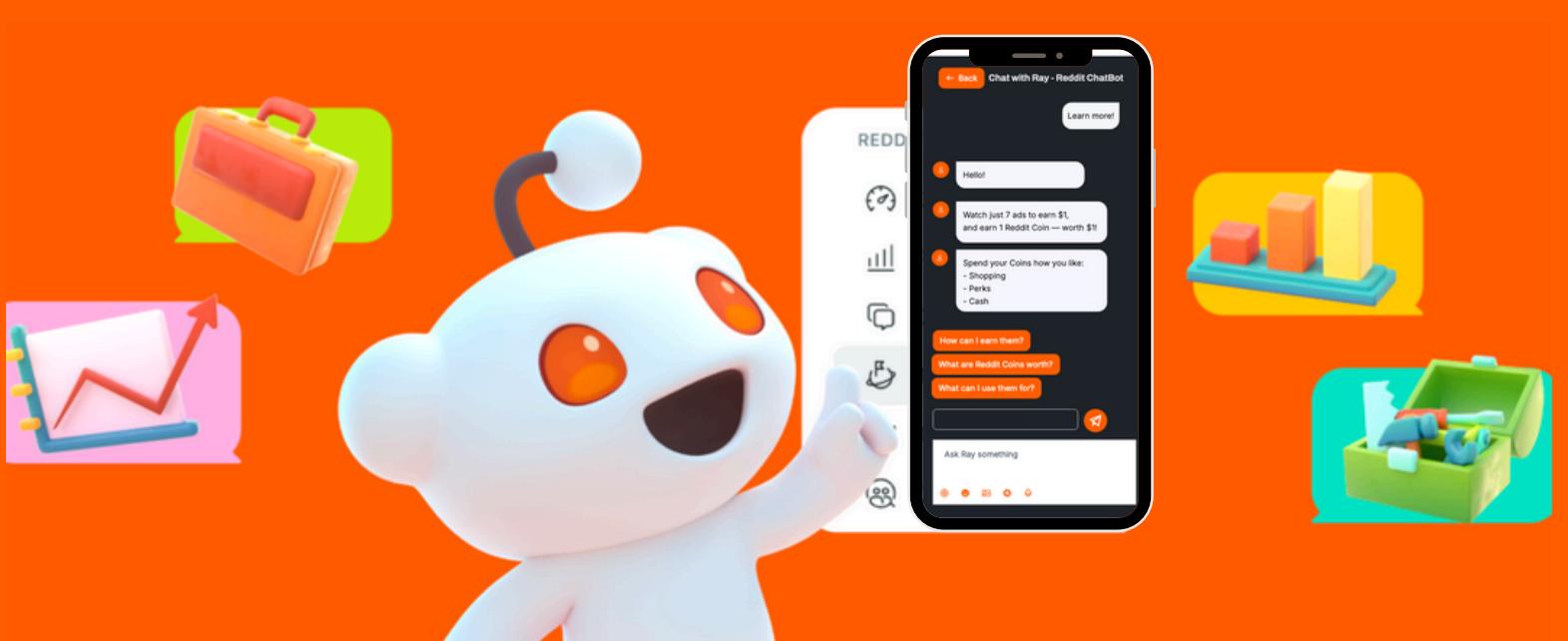


Traditional Free Tier

- Existing Reddit advertising model
- Broad targeting
- No additional features



A/B Testing



Approach

- Conducted A/B testing by simulating AI-driven survey responses along with human insights.
- Designed targeted questions to capture qualitative and quantitative data on user preferences.

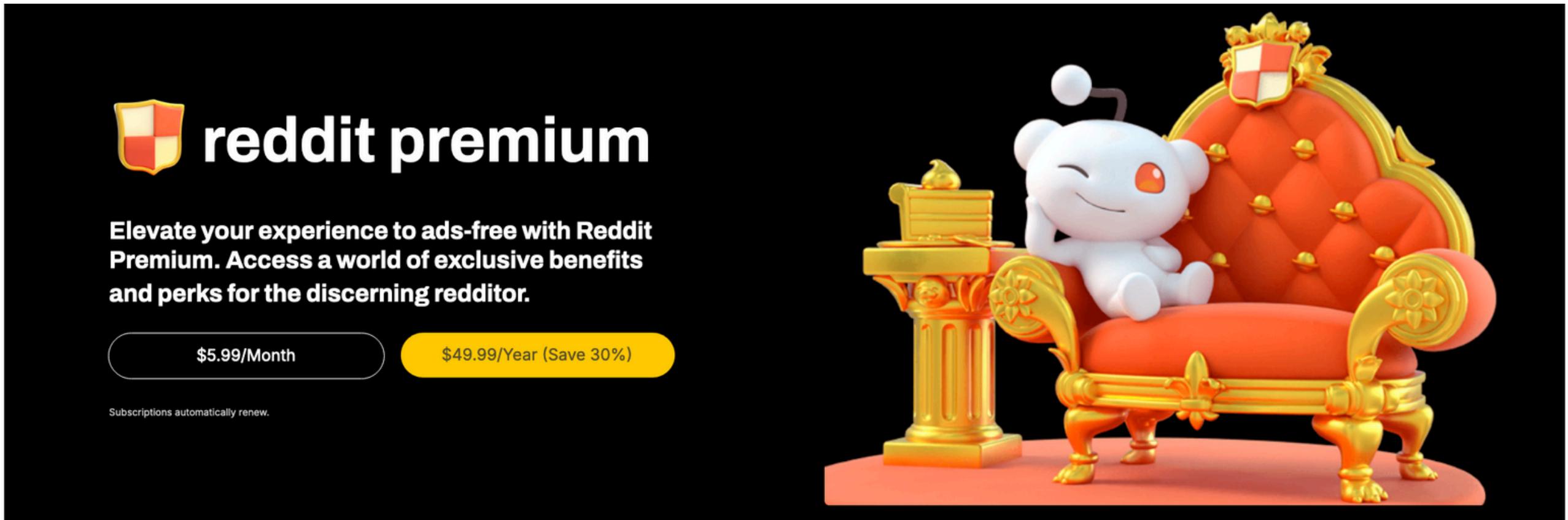


Methodology

- GPT acted as a proxy user base, answering the designed questions with varying preferences and motivations.
- Identified key drivers of satisfaction and engagement, providing recommendations for Reddit's ad and subscription strategy.

Reddit

Current Model



reddit premium

Elevate your experience to ads-free with Reddit Premium. Access a world of exclusive benefits and perks for the discerning redditor.

\$5.99/Month \$49.99/Year (Save 30%)

Subscriptions automatically renew.

Embrace the luxury of ads-free



Ads-free browsing

Enjoy Reddit without interruption



Avatar gear

Exclusive avatar outfits and accessories



Premium lounge

The secretive members-only subreddit



Premium icons*

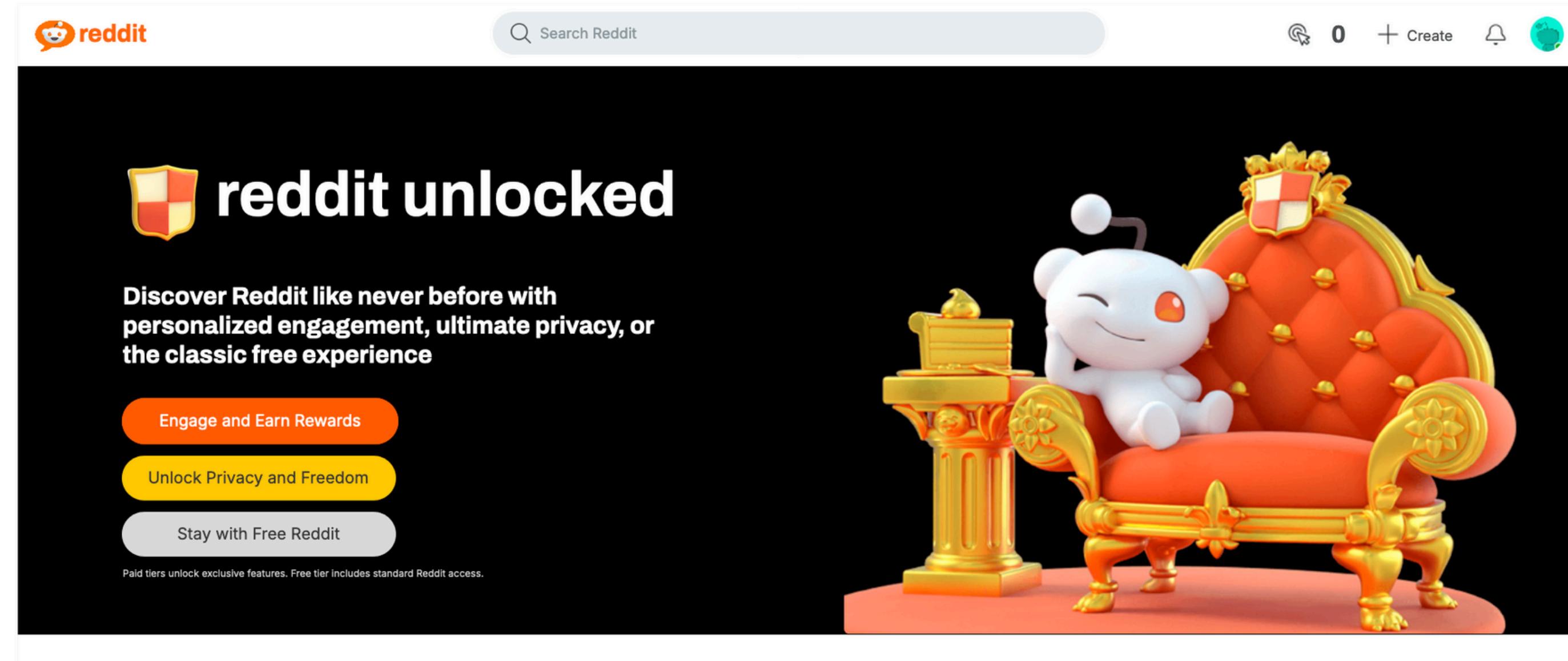
Tailor the app to express your style

\$5.99/Month \$49.99/Year (Save 30%)

The Great Subscription Showdown

Reddit

Dynamic Tier Selector



The screenshot shows the top navigation bar of the Reddit website, including the logo, search bar, and user interface elements. Below the header, a large promotional banner for "reddit unlocked" is displayed. The banner features the Reddit logo icon and the text "reddit unlocked". It describes three tiers: "Discover Reddit like never before with personalized engagement, ultimate privacy, or the classic free experience". Three buttons are shown: "Engage and Earn Rewards" (orange), "Unlock Privacy and Freedom" (yellow), and "Stay with Free Reddit" (grey). A small note at the bottom states "Paid tiers unlock exclusive features. Free tier includes standard Reddit access." To the right of the banner is a 3D rendering of the Reddit mascot, Snoo, sitting on a large, ornate red and gold throne.

Users can seamlessly switch between the tiers: Free, Personalized Engagement, and Premium Privacy. Each tier highlights its features and benefits upfront.

The Great Subscription Showdown

Reddit

Intuitive Design and Clear Pricing Structure

The Great Subscription Showdown

Choose Your Reddit Experience

Engage and Earn Rewards
Opt-in for hyper-relevant ads and earn rewards for your data.

\$4.99/Month

\$49.99/Year (Save 20%)

Ad-Free & Privacy First
Enjoy Reddit without ads, with enhanced data protection.

\$9.99/Month

\$99.99/Year (Save 20%)

Stick with Free
Access the original Reddit experience, supported by ads

Start for Free

Join the Free Community

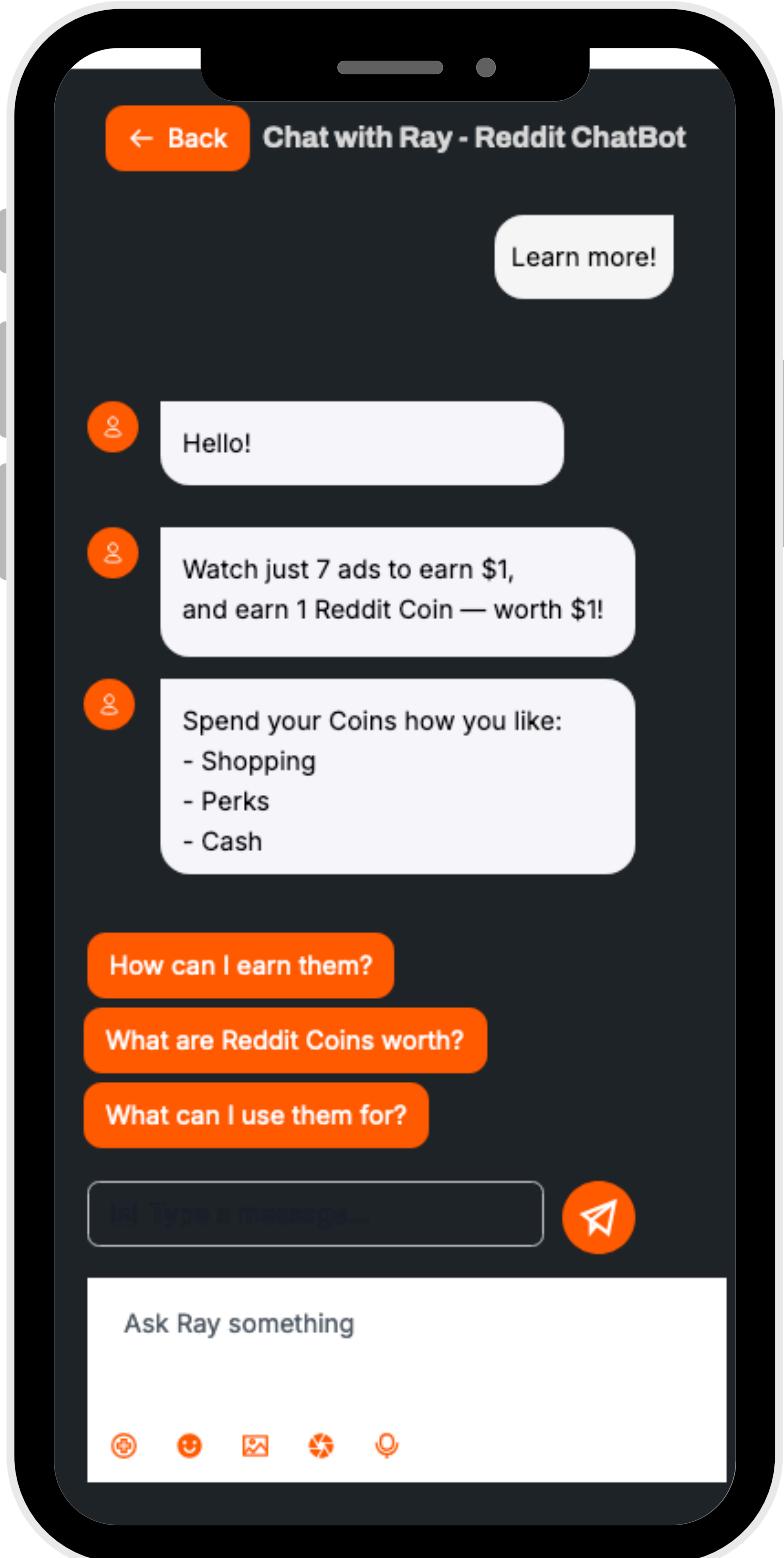
Subscriptions automatically renew.
Free tier includes standard Reddit features supported by ads.

Sit back, watch ads, and earn Reddit Coins!
Redeem your Coins for premium features, shopping, or direct cash-out options. Your downtime just became rewarding!

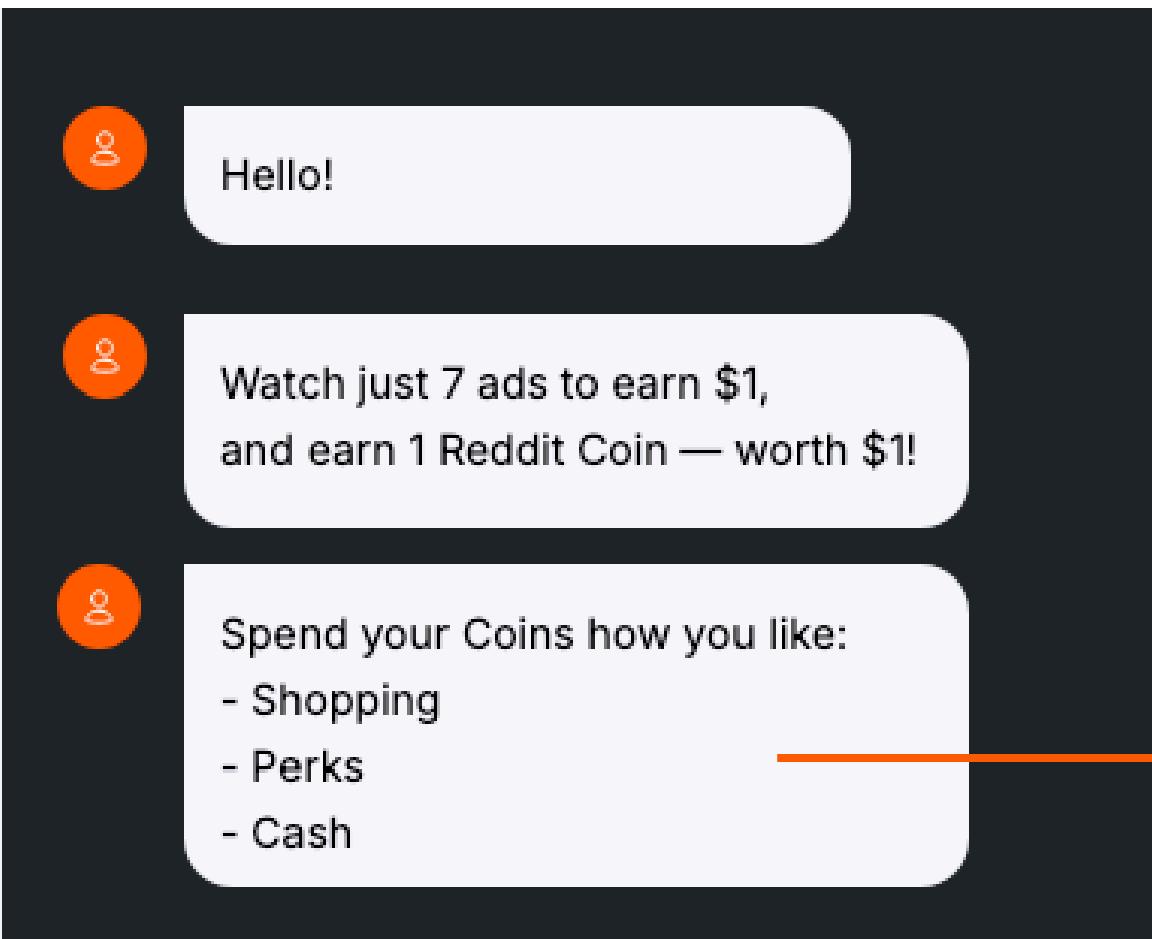
Visit the Reddit Premium FAQs

Chat with Ray

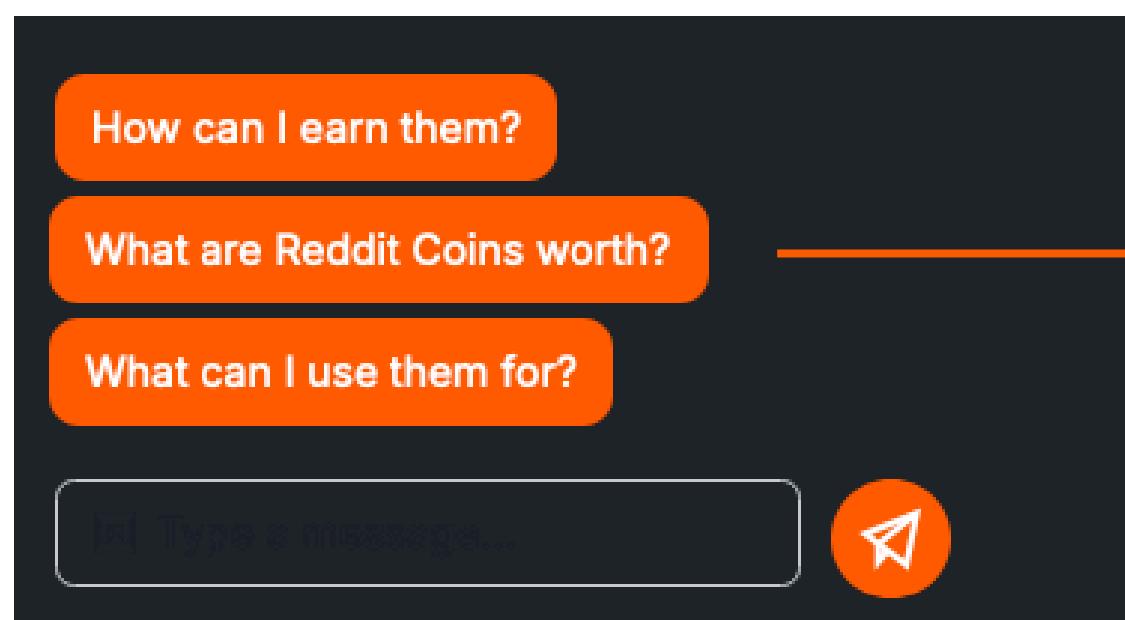
Reddit



Simplifying Subscription Rewards with Chatbots



Clear Rewards Explanation



Quick Actions

User Dissatisfaction

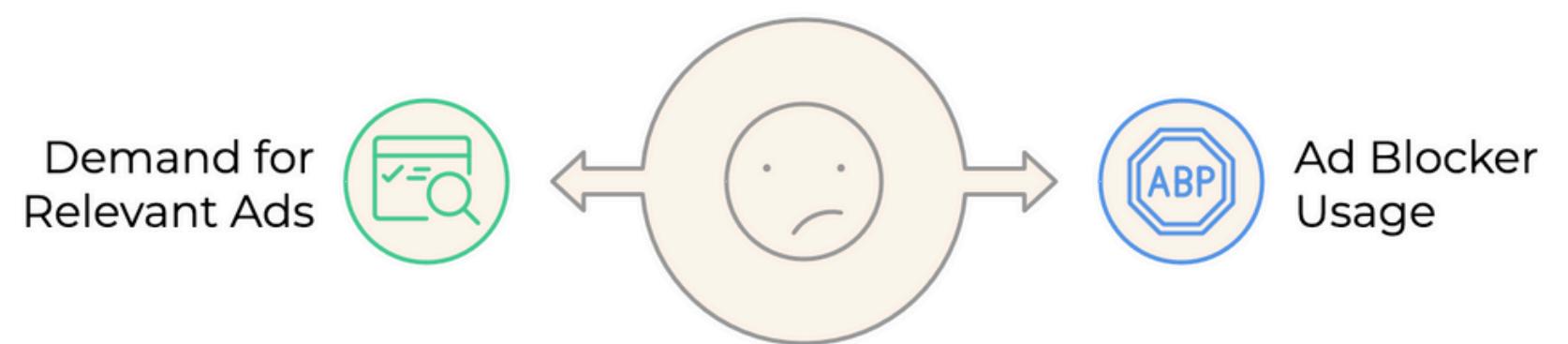
Ad Blocker Usage

High dissatisfaction with **intrusive ads**,
emphasizing the need for ad-free options

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Spam Concerns

Users demand relevant, **high-quality ads**
despite rewards.



Engagement Drivers

Reward-Based Engagement

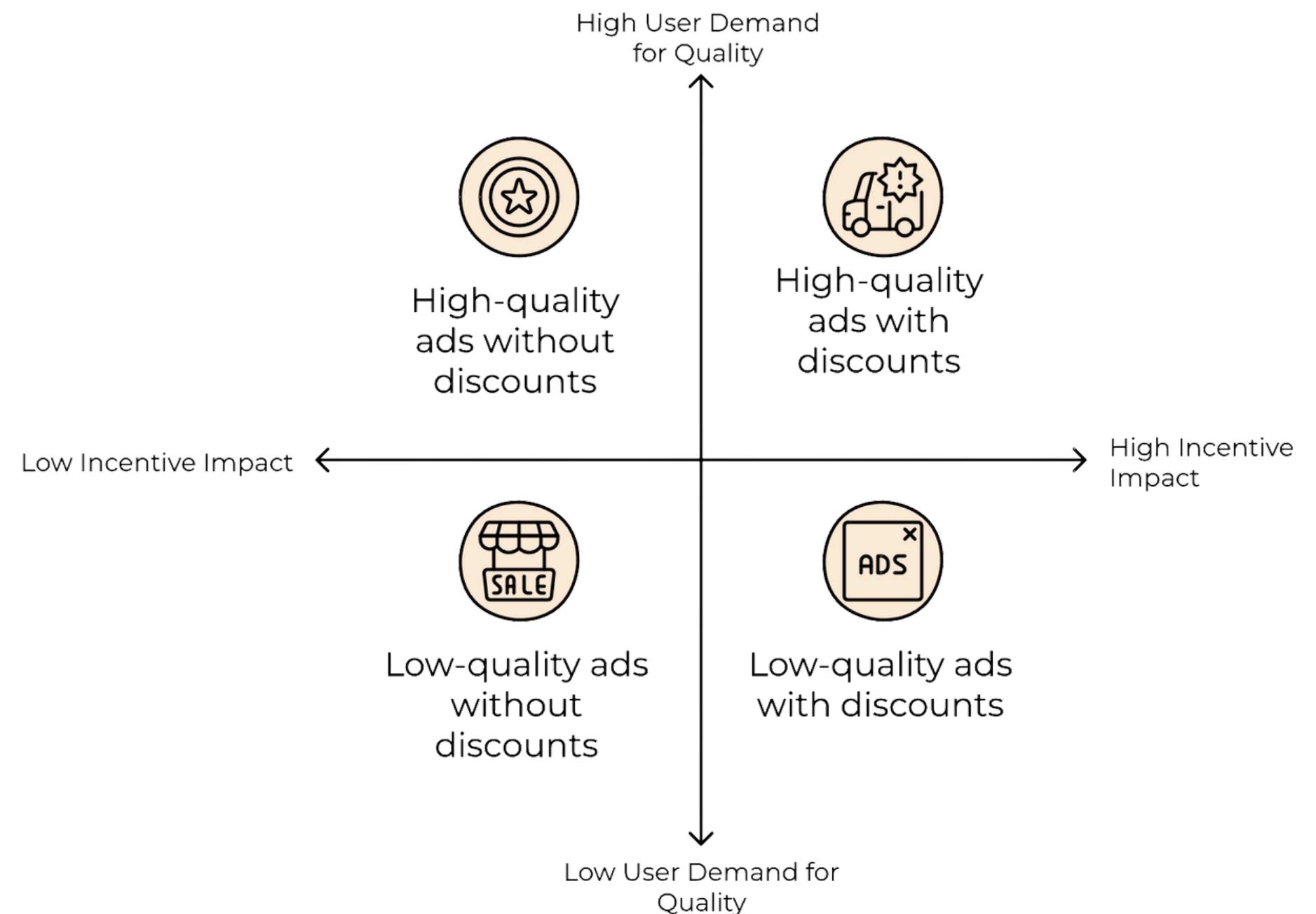
- Incentives like discounts and coins improve ad clicks by 10%.

Top Motivators

- Discounts (40%) and coins (35%) drive ad engagement.

Reward-Based Engagement

- Users demand relevant, high-quality ads despite rewards.



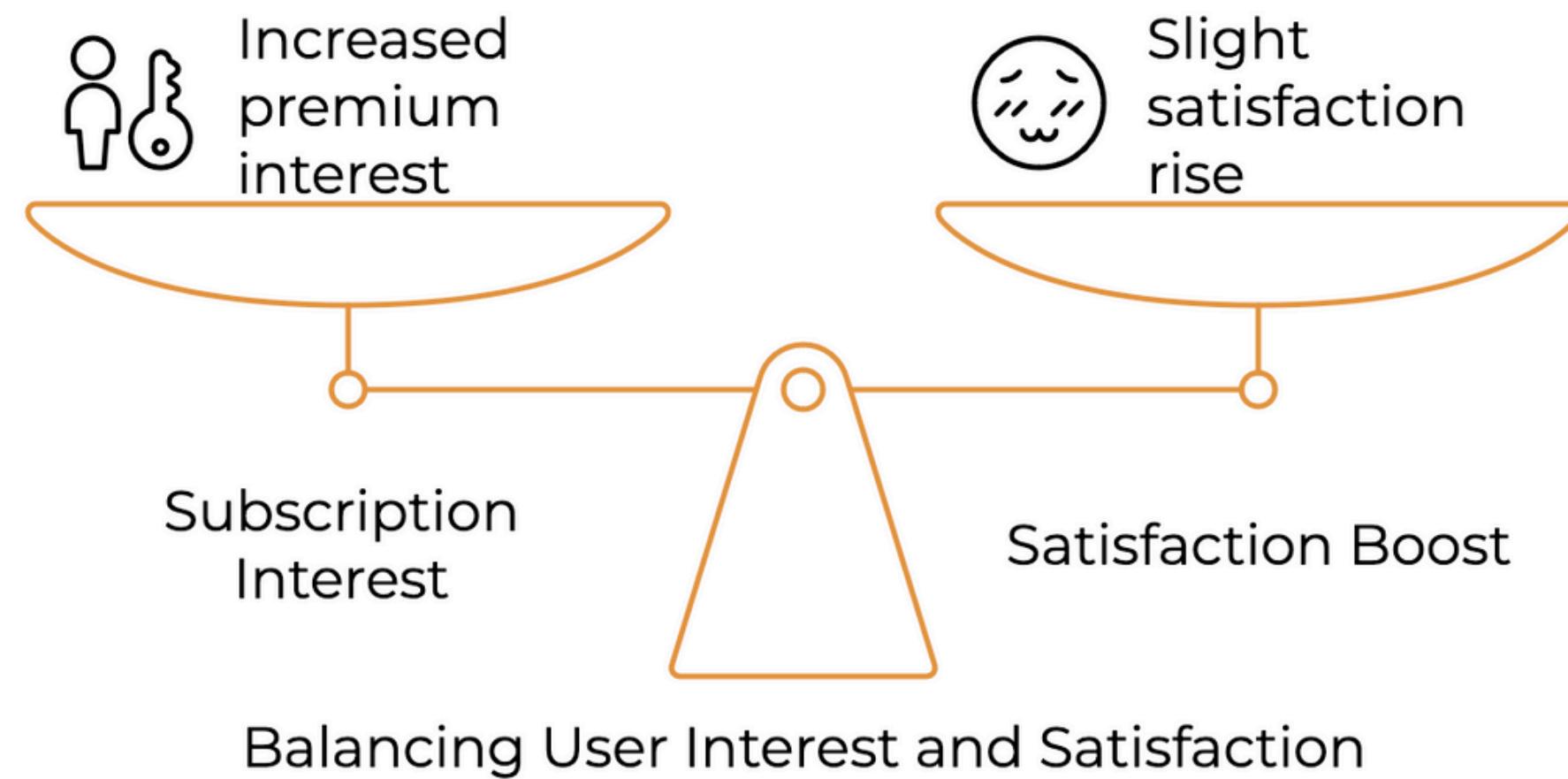
Subscription Impact

Subscription Interest Doubled

- 50% of users show increased interest in premium tiers with added flexibility.

Satisfaction Boost

- Free tier satisfaction improved slightly (from 7/10 to 7.5/10).

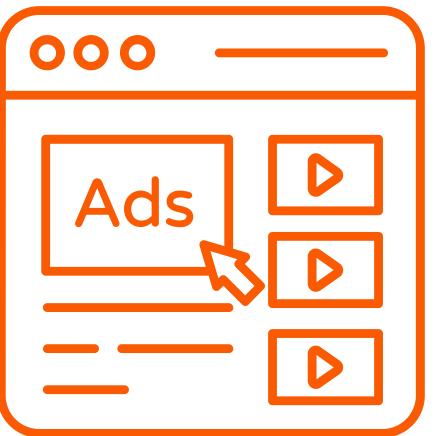




Unexpected Findings and The Way Forward



The Plot Twist: Unexpected Findings



subscribe

Ad Quality Control:
While rewards **increase engagement**, users are wary of spammy or irrelevant ads, highlighting the need for quality control.

Subscription Likelihood Boost:
Offering discounted Premium rates for ad engagement significantly improves **subscription likelihood**, with 3-Tier model UI scoring 8/10.

The Plot Twist: Unexpected Findings



Reward to Engagement Highlight:
75% users feel empowered when
rewarded for **engagement**,
describing the rewards-based
system as a 'win-win' scenario.



Tangible Rewards Preference:
In the 3-Tier model, monetary
rewards like coins and
discounts (75% combined) are
more **motivating** than privacy
features (20%), suggesting
users value tangible benefits
over abstract perks.

“A Holistic Path Forward for Reddit”

Introduce a three-tier monetization model:

- Leverage.
- An experimental R-Coin ecosystem

Play with Key Levers:

- Ad Dynamics
- Deploy algorithms to automate incentivization
- Use ML to classify user interest for viewing ads

Iterate and Evolve:

- Conduct small-scale pilots for new ideas
- Use A/B testing to optimize ad formats



THANK YOU