# Grammarly: Narrative or Nonnarrative Ads?

Section 5

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# Introduction

Advertising on video streaming platforms has become a trend

- Low costs
- Large audience base
- Easy and flexible

Grammarly current video ads types: Narrative and Non-narrative

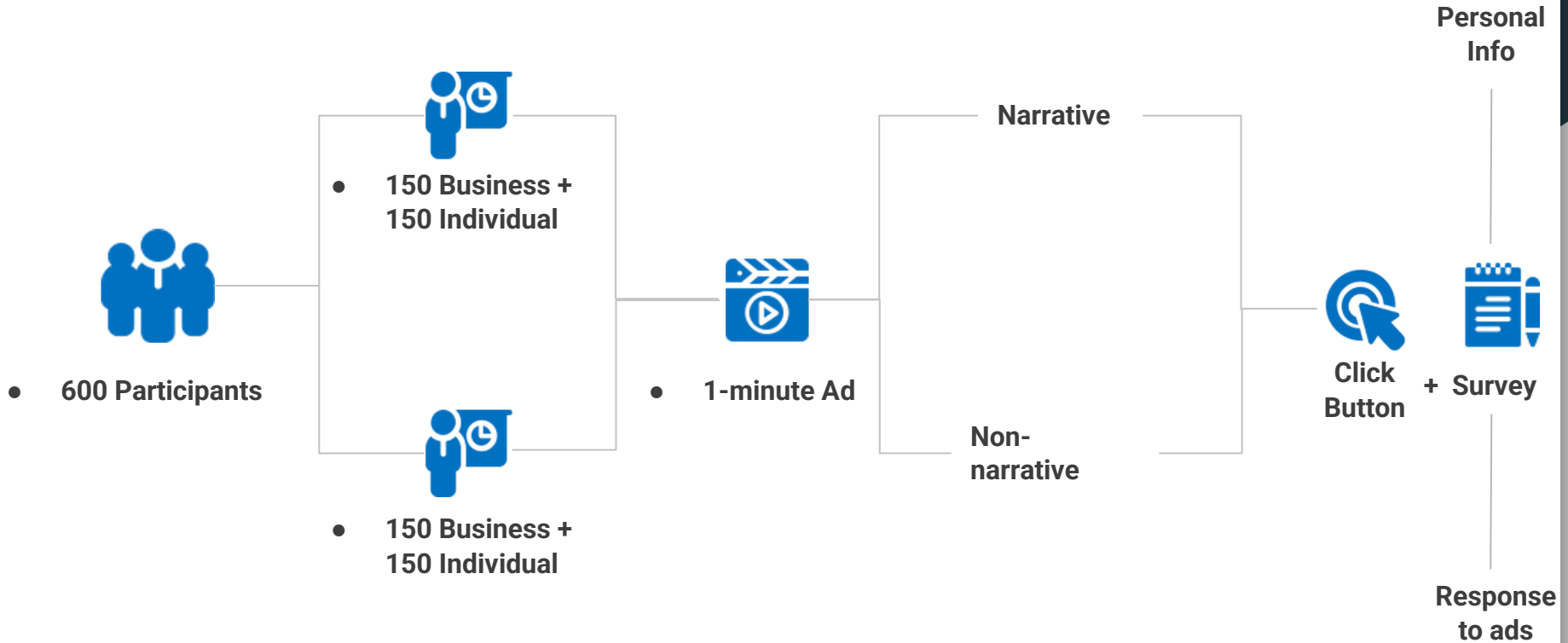Dilemma: How effective video ads are to the target audiences

Exploration: Do audiences respond differently to different types of ads ?

# Hypotheses Development

- $H_{1A}$: *The click-through rate of Grammarly's narrative advertising is higher than Grammarly's non-narrative advertising, i.e., $CTR_{nar} > CTR_{non}$*

  - ➢ A favorable attitude (Cho, 2003) , the consumers' enjoyment (Calder, et al., 2009), and animation (Chandon et al., 2003)  derived from online advertising lead to higher clicks on ads.

- $H_{2A}$ : *Audiences who watch the narrative ads are more willing to use the Grammarly than those who watch the non-narrative ads, i.e., $WIL_{nar} > WIL_{non}$*

  - ➢ Chang (2009) suggests that narrative advertising works better in persuasion, similar feelings and sympathy (Escalas, 2004). Emotional elements influence purchase preference regarding an experience service (Zhang et al., 2014).

- $H_{3A}$ : *Business users who watch non-narrative ads are more willing to use the Grammarly than those watch narrative ads, i.e., $BUSWIL_{non} > BUSWIL_{nar}$*

  - ➢ Mudambi et al. (2020) point out B2B advertising is more technical in nature and the buying process is more formal.

# Method & Operations



600 Participants

- 150 Business + 150 Individual
- 150 Business + 150 Individual

- 1-minute Ad

Narrative

Non-narrative

Click Button

+ Survey

Personal Info

Response to ads

# Variables

**The survey involves:**

1. Age
2. Profession
3. User Type (Business or Individual)
4. Highest Education
5. Gender
6. Whether English is the respondent's first language
7. Whether the respondent has heard about Grammarly
8. Whether the respondent has used Grammarly
9. How much do you like the ads?
10. How likely would you use Grammarly after watching the ads?
11. What is the main message from the ads?

**Using Willingness-- Likert Scale**

# Analysis Results

| | Focus | Assumption | Test | Mean Effect | Percentage of True Negatives |
|---|---|---|---|---|---|
| Hypothesis 1 | Click-Through Rate v.s. Ads Type $H_A: CTR_{nar} > CTR_{non}$ | n = 300 $CTR_{non}$ ~ Bernoulli (p=0.3) $CTR_{nar}$ ~ Bernoulli (p=0.4) | Two-Sample Proportion Test | 0.09957 | 80.9% |
| Hypothesis 2 | Using Willingness v.s. Ads Type $H_A: WIL_{nar} > WIL_{non}$ | n = 300 $WIL_{non}$ ~ Normal (3.2, 0.6) $WIL_{nar}$ ~ Normal (3.2+0.6*1/3, 0.6) | Two-Sample T-Test | 0.20095 | 98.9% |
| Hypothesis 3 | Business Customers' Using Willingness v.s. Ads Type $H_A: BUSWIL_{non} > BUSWIL_{nar}$ | n = 150 $WIL_{nar}$ ~ Normal (3.2, 0.6) $WIL_{non}$ ~ Normal (3.2+0.6*1/3, 0.6) | Two-Sample T-Test | 0.19329 | 87.1% |

✓ Meaningful & Significant

# Significance & Next Steps

- Ad Design
  - More narrative or non-narrative?
- Ad recommendation
  - Who should see the ads?
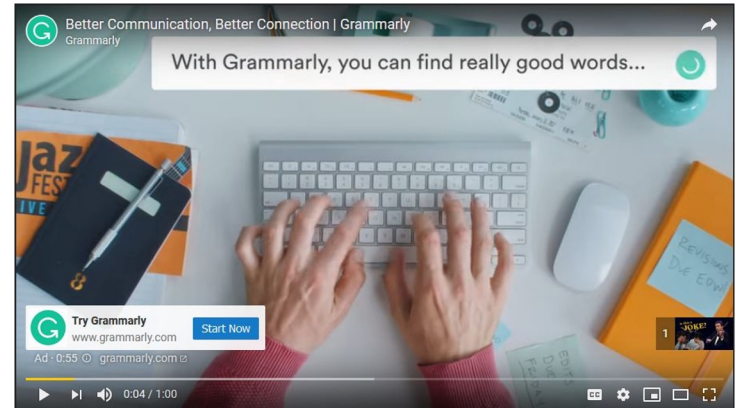
# Thanks!
## Any questions or comments?