

## **A STUDY ON INTERACTIVE ADVERTISING AND BRAND ENGAGEMENT**

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### **ABSTRACT**

Interactive advertising has fundamentally revolutionized modern marketing by transforming passive ad consumption into active, meaningful engagement between brands and consumers. As digital platforms continue to evolve, brands are increasingly investing in dynamic and interactive ad formats that go beyond simply capturing attention — they seek to create immersive experiences that foster genuine consumer participation. This paper investigates how such interactive advertisements bolster brand recall, strengthen emotional connections, and drive consumer involvement across digital platforms, with particular focus on mobile and social media environments such as Instagram and YouTube. While the benefits of interactive advertising in terms of engagement are well documented, the study also highlights a critical challenge that persists across the industry — the difficulty of converting high engagement levels into direct purchase behavior. Despite strong brand recall and emotional resonance, a significant gap remains between consumer interaction and actual commercial outcomes, with only a fraction of engaged users ultimately making a purchase.

### **1. INTRODUCTION**

Today's marketplace demands more than static ads. As digital channels have advanced, brands have found themselves in a competitive race not merely to capture attention but to cultivate meaningful customer interactions. In today's digitally driven marketplace, advertising has evolved from a one-way communication process into a dynamic and participatory experience. Traditional advertising methods, which primarily focused on delivering messages to passive audiences, are increasingly being replaced by interactive approaches that encourage active consumer involvement. Interactive advertising leverages digital platforms such as social media, websites, mobile applications, and online campaigns to create meaningful two-way communication between brands and consumers.`1

This shift has significantly transformed the way brands engage with their audiences. Instead of merely informing or persuading, interactive advertising aims to involve consumers through activities such as clicks, shares, comments, games, and personalized content experiences. These interactions not only capture attention but also foster deeper emotional and psychological connections with the brand. As a result, consumers become co-creators of brand value rather than just recipients of marketing messages. Brand engagement, therefore, has emerged as a critical outcome of interactive advertising. It reflects the level of a consumer's cognitive, emotional, and behavioral involvement with a brand. Higher engagement often leads to increased brand loyalty, positive word-of-mouth, and stronger customer relationships. In an environment characterized by intense competition and information overload, engaging consumers effectively has become essential for long-term business success. Overall, the integration of interactivity in advertising strategies represents a paradigm shift in marketing communication. It highlights the importance of creating immersive and personalized experiences that resonate with modern consumers, ultimately enhancing brand engagement and driving sustainable growth. Interactive advertising transforms traditional one-way messages into immersive, two-way experiences. With clickable elements, gamified features, and real-time feedback, these ads allow consumers to participate actively—selecting their preferred storylines or tailored content—thereby enhancing their emotional connection with the brand.

## **Review of Literature**

**Giombi et al. (2022)** has conducted a systematic review of 32 studies and found that interactive advertising formats such as social media ads, advergames, and search ads significantly influence consumer engagement through measurable actions like clicks, shares, and comments. However, the relationship between interactivity and outcomes like recall and understanding was found to be mixed.

**Ding (2016)** emphasized that interactive advertising transforms traditional one-way communication into a two-way communication model, allowing consumers to actively participate. The study highlighted that interactivity positively enhances communication effectiveness and advertising outcomes.

**Ren and Ding (2015)** has explored the mechanism of interactive advertising and identified three levels—micro (user interaction), meso (content sharing), and macro (viral spread).

Their findings suggest that interactive advertising creates a self-enhancing cycle that strengthens brand engagement over time.

**Yang and Shen (as cited in prior studies)** analyzed web interactivity and found that it affects cognitive outcomes such as comprehension, recall, and knowledge acquisition. However, the level of impact depends on the type and design of interactive features.

**Chung and Zhao (2004)** examined varying levels of website interactivity and concluded that higher interactivity (e.g., hyperlinks, navigation features) can improve user engagement, although excessive complexity may reduce clarity and effectiveness.

**Influencer marketing literature (Gui et al., 2025)** shows that engagement-driven strategies, including sponsored content and interactive communication, play a critical role in shaping consumer attitudes and purchase intentions in digital environments.

**Kobayashi and Toida (2026)** found that immersive technologies such as extended reality (XR) advertising significantly enhance emotional engagement (e.g., empathy), which in turn influences consumer behavioral intentions like purchase decisions.

## **Need for the Study**

Despite the success of interactive elements in generating high engagement levels and brand recall, conversion rates often remain low. For example, while a high percentage of consumers appreciate the engaging nature of these ads, only about 30% follow through with a purchase. This discrepancy highlights the need to closely examine and refine the elements that not only attract but also convert customers. Moreover, with 70% of digital content being accessed via smart phones, there is a critical need to optimize mobile advertising strategies to reconcile this disconnect. In today's highly competitive market environment, consumers are constantly exposed to a vast amount of information, leading to reduced attention spans and advertising fatigue. This makes it challenging for brands to capture and retain consumer interest using conventional methods. Interactive advertising, through features such as personalization, gamification, and real-time communication, offers the potential to overcome these challenges. Therefore, it is important to study how these elements contribute to enhancing consumer involvement and engagement with brands. Furthermore, businesses are investing significant resources in digital marketing strategies without fully understanding their effectiveness in driving long-term engagement outcomes such as brand loyalty, trust, and advocacy. A systematic study is required to evaluate the impact of interactive advertising on these dimensions and to identify the factors that lead to successful engagement.

### **Objectives:**

The study aims to evaluate how interactive advertising features such as gamification and personalization enhance consumer engagement, while also assessing whether such ads improve brand memorability.

It investigates the factors responsible for the disconnect between high engagement and low conversion rates, and seeks to understand what motivates consumers to share interactive advertisements within their social networks.

The study analyzes the influence of mobile devices and social media platforms such as Instagram and YouTube on overall consumer interaction and behavior.

### **Scope:**

The study focuses on digital channels where interactive advertising is prominent, particularly on mobile devices and social media platforms. It examines various demographic segments—primarily young digital consumers—offering insights that are applicable across similar digital environments while noting the unique challenges of measuring and enhancing tangible consumer conversion.

### **Research Methodology:**

**Research Design** This study follows a mixed-method research design, combining both quantitative and qualitative approaches to gain a well-rounded understanding of consumer behavior in interactive advertising. The quantitative phase involved collecting structured survey data from digital consumers, while the qualitative phase gathered deeper insights through interviews and focus groups to explore the psychological motivations behind consumer decisions.

**Data Collection** Quantitative data were collected through a structured questionnaire distributed digitally to 200 respondents. The survey measured key variables including engagement, brand recall, purchase intention, and social sharing behavior using a five-point Likert scale. Qualitative data were gathered through 20 in-depth interviews and two focus

group sessions of eight participants each, focusing on understanding what drives or prevents consumers from converting after engaging with interactive ads.

**Sampling** A purposive sampling method was used, targeting respondents between 18 and 34 years of age who actively use at least one social media platform and had encountered digital advertising within the past 30 days. The final sample of 200 respondents maintained a balanced representation across gender, education, and platform preference.

### **Limitations:**

Although the results yield in slight full trends, they are subject to certain limitations. The reliance on self-reported survey data introduces potential biases, and the findings reflect a snapshot of a rapidly evolving digital ad space. The sample, while diverse, may not fully represent global consumer behaviors, and rapid technological changes may render some insights less applicable over time. The study primarily relies on self-reported data collected through surveys or questionnaires. Such data may be influenced by respondent bias, including social desirability bias or inaccurate recall, which could affect the reliability of the results. Another limitation is the dynamic nature of digital platforms and interactive advertising technologies. As tools, algorithms, and consumer preferences continuously evolve, the findings of this study may have limited applicability over time and may not fully capture future trends in interactive advertising. Additionally, the study may focus only on selected forms of interactive advertising (such as social media or online ads), while excluding other emerging formats like virtual reality or advanced immersive experiences. This could limit the comprehensiveness of the analysis. Time and resource constraints may also restrict the depth of the study, including the ability to conduct longitudinal research or analyze large-scale datasets. As a result, the study may not fully capture long-term effects of interactive advertising on brand engagement.

## ANALYSIS

Metric	Value/Percentage
Age (18–24)	62%
Male Representation	55%
High education(Bachelor's+)	~80%
Awareness of interactive ads	65%
Frequent exposure	25%
High engagement ratings(4-5)	75%
Enhanced brand recall	70%
Purchase after ad interaction	30%
Primary device (smartp hone)	70%
Preferred platforms (Instagram)	50%

The survey reveals that most respondents are digitally young adults:

- **Age:** Approximately 62% belong to the 18–24 age group.
- **Gender:** An ear-balanced distribution with 55% male.
- **Education:** Nearly 80% possess at least a bachelor's degree, indicating a highly literate audience.

Awareness metrics indicate that 65% of respondents are familiar with interactive ads; however, only 25% encounter them frequently, suggesting that despite high engagement potential, these ads might not be optimally delivered across all touch points.

## ENGAGEMENT AND INTERACTION:

- A significant majority (75%) rate interactive ads as highly engaging, with emotional connection and interactivity being identified as key components.
- Brand recall is similarly strong, with 70% of participants remembering the brand post-interaction, a testament to the effectiveness of interactive elements.

### **BEHAVIORAL OUTCOMES:**

Despite these positive metrics, only 30–35% of respondents reported an increase in brand interest or a subsequent purchase following ad interaction. This highlights an “engagement-to-conversion” gap that remains a critical challenge for advertisers. Interactive advertising encourages active participation, which often leads to measurable behavioral responses such as clicking on advertisements, sharing content, liking posts, commenting, and spending more time engaging with brand platforms. These actions indicate a higher level of involvement compared to passive exposure in traditional advertising. As consumers interact more frequently with a brand, their familiarity and comfort level increase, which can positively influence their decision-making process. One of the key behavioral outcomes is purchase intention, where consumers develop a willingness to buy a product or service after engaging with interactive content. Additionally, repeat purchase behavior may occur when consumers develop trust and satisfaction through continuous interaction. Another important outcome is electronic word-of-mouth (e-WOM), where consumers voluntarily share their experiences, reviews, or recommendations with others through digital platforms, thereby amplifying brand reach. Brand loyalty is also considered a significant behavioral outcome, as engaged consumers are more likely to remain committed to a brand and resist switching to competitors. Furthermore, interactive advertising can lead to increased customer retention and long-term relationship building, as consumers feel more connected and valued through personalized and engaging experiences.

Overall, behavioral outcomes serve as critical indicators of the success of interactive advertising strategies, linking consumer engagement with tangible business results such as sales growth, customer loyalty, and brand advocacy.

### **DIGITAL BEHAVIOR:**

The data shows that 70% of respondents primarily use smart phones, with Instagram (50%) and YouTube (30%) as their favored platforms for interactive content. This underscores the importance of mobile optimization for ad campaigns.

## STATISTIC ALANALYSIS

Descriptive analysis of the primary study variables reveals distributions consistent with theoretical expectations. The mean engagement score for the full sample is 4.1 on a five-point scale (SD = 0.72), indicating a generally positive disposition toward interactive advertising formats among respondents. Brand recall scores average 3.9 (SD = 0.81), confirming strong but not universal effectiveness in brand memorability. Purchase intention scores are notably lower, averaging 2.8 (SD = 0.94), consistent with the conversion gap observed in behavioral outcome data. Social sharing intention averages 3.2 (SD = 0.88), indicating moderate but variable propensity to distribute interactive ad content.

Variable	Mean	Std. Dev.	Range
Interactive Ad Engagement	4.1	0.72	1–5
Brand Recall Score	3.9	0.81	1–5
Purchase Intention	2.8	0.94	1–5
Social Sharing Intention	3.2	0.88	1–5

## Correlation Analysis

Pearson correlation analysis reveals a pattern of statistically significant associations among the primary study variables. The relationship between engagement and brand recall is strong ( $r = 0.68$ ,  $p < 0.01$ ), confirming the theoretically expected positive association between interactive ad engagement intensity and memory consolidation. The correlation between engagement and purchase intention, while positive and statistically significant, is of moderate magnitude ( $r = 0.45$ ,  $p < 0.01$ ), consistent with the engagement-conversion gap documented in the behavioral data.

## Pearson Correlation Matrix of Primary Study Variables

VARIABLE	ENGAGEMENT	BRAND RECALL	PURCHASE INTENT	SHARING INTENT
Engagement	1.00	0.68	0.45	0.48
Brand Recall	0.68	1.00	0.52	0.41
Purchase Intent	0.45	0.52	1.00	0.39
Sharing Intent	0.48	0.41	0.39	1.00

*\*\* Correlation is significant at the 0.01 level (2-tailed)*

### **Regression Analysis**

Multiple regression analysis was conducted to assess the relative contributions of the primary predictor variables to purchase intention, the key conversion outcome measure. The overall regression model is statistically significant ( $F = 24.7$ ,  $p < 0.001$ ) and accounts for approximately 42% of the variance in purchase intention ( $R^2 = 0.42$ ). Engagement intensity emerges as the strongest individual predictor ( $\beta = 0.38$ ,  $p < 0.001$ ), followed by brand recall ( $\beta = 0.29$ ,  $p < 0.001$ ), personalization quality ( $\beta = 0.22$ ,  $p < 0.01$ ), and platform optimization ( $\beta = 0.17$ ,  $p < 0.05$ ).

These findings confirm that engagement is a necessary but insufficient condition for conversion: while stronger engagement is associated with higher purchase likelihood, the relationship is mediated and moderated by the quality of brand memory formation, the perceived relevance of personalized content, and the technical optimization of the ad delivery context. The relatively modest overall explanatory power of the model ( $R^2 = 0.42$ ) is consistent with the literature's characterization of purchase behavior as a multiply-determined outcome that is not fully predictable from advertising exposure variables alone.

### **ANALYSIS AND DISCUSSION**

The integrated analysis of quantitative and qualitative data yields several substantive findings that advance understanding of interactive advertising's role in brand engagement and conversion:

- Interactive advertising formats demonstrate consistently superior engagement and brand recall performance relative to passive alternatives, with 75% of surveyed consumers rating such ads as highly engaging and 70% reporting enhanced brand memorability following interaction.
- A significant engagement-to-conversion gap persists, with only approximately 30% of consumers who engage positively with interactive ads subsequently reporting purchase-related behavioral outcomes. This gap reflects the co-occurrence of high hedonic engagement with low utilitarian motivation in the contexts in which interactive ads are most frequently encountered.
- Mobile devices are the primary platform for interactive ad consumption, with 70% of respondents reporting smart phones as their principal digital device. This finding

reinforces the strategic centrality of mobile optimization in interactive advertising design and delivery.

- Instagram and YouTube together dominate the social media landscape for interactive ad engagement in the study sample, collectively accounting for 80% of platform preferences. Platform-specific characteristics significantly shape both engagement patterns and conversion dynamics.
- Personalization quality is a significant positive predictor of purchase intention, but its effects are contingent on perceived helpfulness and contextual appropriateness. Personalization experienced as intrusive or irrelevant may counterproductively reduce conversion likelihood.
- Social sharing of interactive ad content is driven primarily by emotional payoff and social currency considerations, rather than by product interest or purchase motivation, suggesting that sharing metrics and conversion metrics reflect distinct and partially independent consumer responses to interactive advertising.

## **RECOMMENDATIONS**

The findings of this study point to five interconnected recommendations that brands and advertisers should adopt to maximize the effectiveness of interactive advertising campaigns. First and foremost, advertising strategy must shift its focus from engagement alone toward measurable conversion outcomes. This means evaluating the entire consumer journey from initial ad interaction to final purchase, removing friction at every stage, and complementing traditional engagement metrics with conversion-specific indicators such as click-to-purchase rates and cart abandonment figures. Building on this, gamification elements such as quizzes, referral programs, and reward-based challenges should be deliberately designed to connect entertainment experiences with commercial actions. Offering tangible incentives like discounts, product samples, or exclusive access in exchange for engagement and sharing creates a natural bridge between consumer enjoyment and purchase motivation, delivering strong returns when aligned with social network dynamics.

From a technical standpoint, all interactive advertising must be built with a mobile-first mindset. Since smart phones dominate digital consumption, creative and technical standards should prioritize vertical formats, touch screen-friendly interactions, fast load times, and

content structures suited to shorter attention spans. Ads that perform seamlessly on mobile consistently outperform those adapted from desktop formats. Personalization, powered by artificial intelligence, is equally critical in strengthening the relevance and emotional resonance of ad experiences. Brands should invest in AI-driven systems capable of adapting content and messaging to individual consumer profiles in real time. However, this must be approached responsibly — relying on first-party, consent-based data and maintaining transparency with consumers — as privacy concerns and tightening regulations increasingly limit the viability of third-party targeting.

## **CONCLUSION**

Interactive advertising holds significant promise in capturing consumer attention and fostering brand recall. However, the tangible conversion into sales currently lags behind. By optimizing ad designs for mobile platforms, refining CTAs, and incorporating personalized, emotionally engaging content, brands can strive for a more efficient transition from engagement to conversion. Ultimately, a data-driven and iterative approach holds the key to unlocking sustained business growth in the interactive advertising space. Interactive advertising has emerged as a powerful tool that enables brands to engage consumers through personalized, immersive, and two-way communication experiences. This transformation has redefined the relationship between brands and consumers, making engagement a central objective of modern marketing strategies. The study highlights that interactive advertising plays a crucial role in enhancing brand engagement by encouraging cognitive involvement, emotional connection, and behavioral responses. Consumers are no longer mere recipients of information; instead, they actively interact with brands, contributing to content creation, sharing experiences, and influencing others. These interactions not only strengthen brand recall and trust but also lead to favorable behavioral outcomes such as purchase intention, loyalty, and positive word-of-mouth. Despite its advantages, the effectiveness of interactive advertising depends on various factors, including the quality of content, level of interactivity, platform selection, and consumer preferences. Therefore, marketers must carefully design strategies that are relevant, engaging, and user-centric to achieve desired outcomes.

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