

MEASURING THE COMPLEMENTARY EFFECTS OF ONLINE AND OFFLINE MEDIA

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Advertisers are increasingly integrating Internet advertising into their branding campaigns and engaging in research to help them understand how online and offline can be combined to create synergistic effects. Yahoo! and Dynamic Logic have partnered to help clients measure the separate and combined branding effect of different elements in their media mix, utilizing a methodology that isolates the effects of online and offline media components. Results from two case studies from the retail and packaged goods sectors demonstrate how online advertising can help build brands when properly integrated with offline media such as television, print, and cinema advertising. The campaigns in the case studies were measured using Media Synergy Studies, one of Dynamic Logic's CrossMedia research products.

INTRODUCTION

Over the past several decades, various methodologies have been developed and employed to measure advertising effects. These methods, such as telephone tracking and media mix modeling, can account for advertising activity at high thresholds of spending and reach. However, as new advertising channels emerge, such as the Internet, advertisers are finding that they need new methods to adequately measure vehicles that have a relatively low reach and spend, but may present opportunities to achieve significant branding effects. Some of these new methodologies, such as Dynamic Logic's Media Synergy Studies, utilize Internet sampling along with media weight and electronic tracking data to measure all of the components of a cross-media campaign. These methods have been designed to account for the separate and combined branding effectiveness of online and offline media channels.

Methodology

Media Synergy Studies are based on live, in-market tests that measure a campaign's impact on the audience to which the campaign is targeted, both online and offline. Recruitment is done over the Internet. Combining Dynamic Logic's proprietary AdScout tracking system and a specially-tailored survey instrument, the research correlates advertising "opportunity to see" (OTS) with brand attitudes, utilizing a control/exposed research design.

Research Design









The research is based on comparisons of respondent groups who have exposure opportunity to different combinations of media. Each of these groups is compared against a baseline control group.

Various combinations of media can be measured and compared. The most basic research design features four cells: Web-only, Offline-only, Web+Offline and Control, as illustrated by figure 1.

Determining Exposure Opportunity

The methodology is based on measuring advertising opportunity to see (OTS), the standard basis many advertising effectiveness methodologies. To determine exposure opportunity to online creative (online OTS), the studies utilize AdScout, a patent-pending cookie technology that is part of Dynamic Logic's AdIndex system. When survey respondents enter the survey, the system recognizes whether or not they have been served any online ads in a given campaign. In addition, the system identifies exactly which creative or combination of online creative was served, on what sites the creative was served, as well as exposure frequency and recency.

Figure 1
MEDIA SYNERGY STUDIES, BASIC CELL DESIGN

Statistically similar groups	Were They Exposed to the Web Advertising?	Were They Exposed to the Offline Advertising?
Web-only Group 		NO
Offline-only Group 	NO	
Web + Offline Group 		
Control Group 	NO	NO

Offline advertising OTS is survey-based and measured by self-reported media usage. The offline media schedule is reconciled with media usage reported by the respondent to determine if they had an opportunity to see or hear the advertisement.




The survey instrument is customized to adapt to the campaign media plan. The following examples show how offline exposure opportunity is measured for different media.




Print (Magazines)

Due to its visual nature, the Internet is well suited for gathering self-reported magazine media consumption data. While respondents may have trouble remembering whether they read a particular issue when prompted by a date, showing them the cover of a particular issue enables them to recall readership with a high degree of accuracy.

Figure 2 shows an example of a survey question for print. Magazine cover images can be added mid-recruitment as they hit the newsstands and shipped to subscribers.

Figure 2
MEDIA SYNERGY STUDIES, SAMPLE PRINT QUESTIONS

Read or Looked Through: <u>Entertainment Weekly</u>					
5/31/02	6/7/02	6/14/02	6/21/02	6/28/02	7/5/02
			<div style="border: 1px solid red; padding: 5px; text-align: center;">Magazine Not Yet Available</div>	<div style="border: 1px solid red; padding: 5px; text-align: center;">Magazine Not Yet Available</div>	<div style="border: 1px solid red; padding: 5px; text-align: center;">Magazine Not Yet Available</div>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Read or Looked Through: <u>Newsweek</u>					
6/03/02	6/10/02	6/17/02	6/24/02	7/01/02	7/08/02
			<div style="border: 1px solid red; padding: 5px; text-align: center;">Magazine Not Yet Available</div>	<div style="border: 1px solid red; padding: 5px; text-align: center;">Magazine Not Yet Available</div>	<div style="border: 1px solid red; padding: 5px; text-align: center;">Magazine Not Yet Available</div>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Television and Radio

Exposure opportunity for television and radio advertising can be determined by asking respondents whether they watched or listened to programming where the campaign advertising ran. If advertising is running on a single, specific event, then respondents who report listening or watching the event are determined to have the opportunity for exposure.

When advertising is running for periods of time across TV or radio programming, respondents are asked about frequency of viewing/listening of that programming. The weight of the advertising running is reconciled with media consumption data from the survey to measure impact of those broadcast efforts.

Figure 3 shows an example of such a question for both radio and television exposure opportunity.

Figure 3
CROSS-MEDIA RESEARCH, SAMPLE BROADCAST QUESTION

Please rate how often you watch the following shows on ESPN.

	I rarely miss it	I watch it occasionally	I hardly ever watch it	I never watch it
NFL Countdown	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
NFL PrimeTime	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sportscenter	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
NFL 2Night	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Recruitment

Recruitment for Media Synergy Studies is done over the Internet, which allows for cost-efficient data gathering. Respondents are recruited on sites where the online advertising is running. A pop-up recruitment creative is randomly served to every nth visitor to the Web sites where the online advertising is running, reflecting a random sample of the online audience of the online element of the campaign. Normally, a cash sweepstakes incentive is offered to respondents.

Analysis

The aggregate results analysis is based on a comparison of attitudinal scores for each of the respondent groups. The average scores for each exposed cell, representing respondents who were determined to have an opportunity to see advertising on one or more media channels, is compared to the control baseline. Percent increases are calculated and tested for statistical significance using ANOVA testing and post hoc statistical measures.

Additional analysis is done on target segments. Specifically, the influence of each media channel between the aggregate and target segment is analyzed, which indicates any differences in sensitivity to the various media channels between the target and overall population. Analysis of the impact of different levels of online advertising frequency among the Web-only sample is also provided.

CASE STUDY: LEVI'S TYPE 1 JEANS

Background/Summary

Celebrating its 150th year in business, Levi's launched Levi's Type 1 Jeans for men and women in the spring of 2003. The new denim line was designed to capture the essence of the Levi's brand while giving the style a modern flare.

To attract young consumers, Levi's engaged in a multi-media advertising campaign that included television, movies, print and the Internet and targeted teenagers and young adults ages 13-24. The print element of Levi's Type 1 Jeans included *Cosmopolitan*, *FHM*, *YM*, *Maxim* and *Vibe*. They also advertised during television shows such as *That 70s Show*, *Friends*, *Will & Grace*, *Saturday Night Live* and on MTV, Fox Sports Networks and ESPN among others.

By advertising on the front-page of Yahoo! and throughout the Yahoo! Network, Levi's was able to substantially increase the effectiveness of their integrated campaign. Moreover, the results of the campaign demonstrate that Yahoo! advertising can have significant, synergistic effects when working in combination with offline media.

Marketing Goals

- Raise awareness of Levi's Type 1 Jeans
- Increase purchase intent among women ages 13-24

Campaign Elements

Levi's designed online advertisements that closely reflected the offline campaign running across TV, cinema and print. The online campaign utilized larger formats that Dynamic Logic research has shown can be more effective in building brands attitudes.

Results

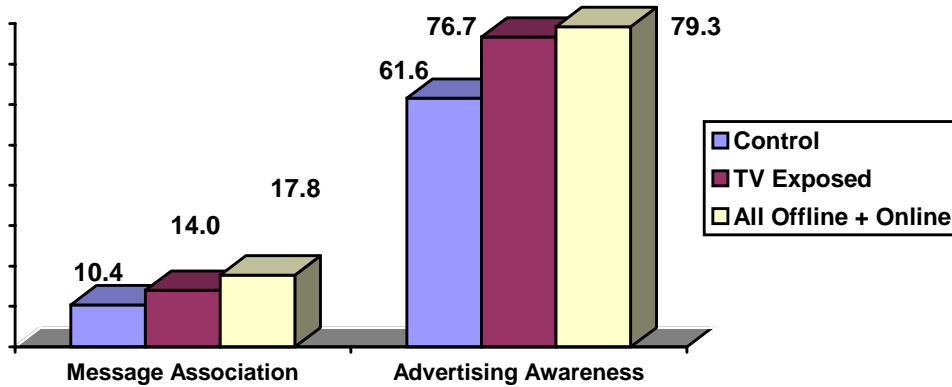
Levi's online advertising on Yahoo! demonstrated substantial value in working alone and in combination with offline advertising. In many instances, the inclusion of the web was associated with significant brand increases.

Observation 1: Online advertising increases Message Association and Advertising Awareness

Online advertising created significant increases in all four awareness metrics, including 7.4% increase (delta) in Message Association and 17.7% increase (delta) in Advertising Awareness, over the gains of television. These increases

compare favorably to Dynamic Logic’s MarketNorms™ averages for Retail campaigns that include online advertising only.

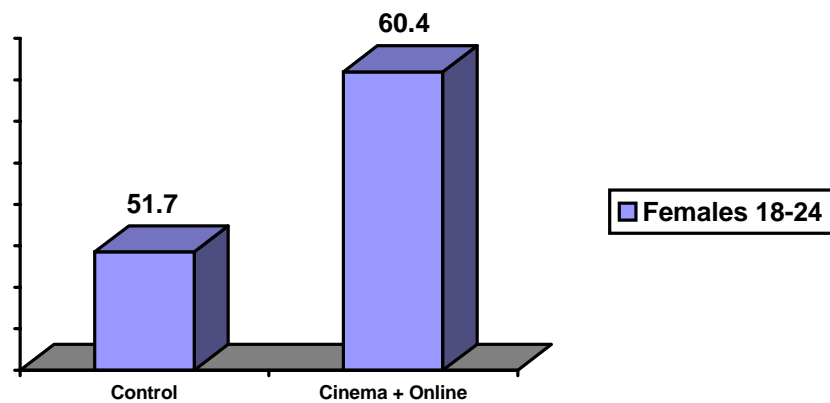
Figure 4
ONLINE ADVERTISING INCREASES MESSAGE ASSOCIATION
AND ADVERTISING AWARENESS



Observation 2: Online advertising increases Purchase Intent

In combination with cinema, Levi’s online advertising caused an 8.7% increase in Purchase Intent among young women ages 18-24.

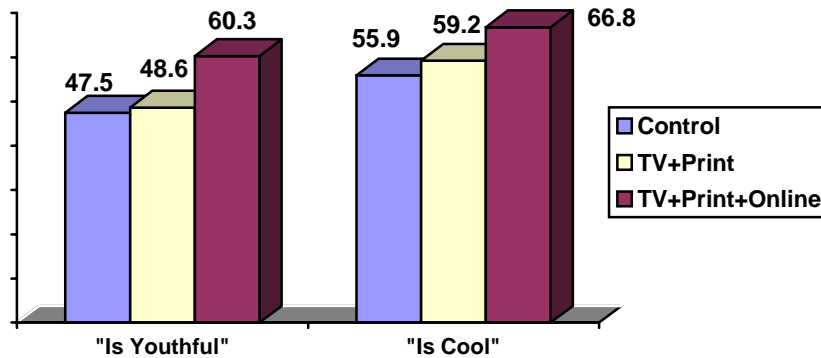
Figure 5
ONLINE ADVERTISING INCREASES PURCHASE INTENT



Observation 3: Online significantly increases Brand Attributes

Among women ages 18-24, online advertising significantly increased two key brand attributes, describing Levi’s as “youthful” and “cool.” TV + Print was less effective among this target audience compared to the TV + Print + Online combination.

Figure 6
ONLINE SIGNIFICANTLY INCREASES BRAND ATTRIBUTES



Conclusion

Through Yahoo!'s website, Levi's was able to achieve its online advertising goals by reaching consumers who were not reachable through other media channels such as TV or print due to various media consumption habits.

Yahoo! was able to specifically target the consumers most important to Levi's ad campaign and help them raise Brand awareness, Message Association, and Purchase Intent in the key demographic target.

CASE STUDY: QUAKER OATS

Background/Summary

In August 2003, Quaker Oats launched the first no-bowl oatmeal with Quaker Oatmeal Breakfast Squares. Quaker recognized the need for more satisfying breakfast options and introduced the new product to address changing lifestyles. To correspond with its nationwide product launch, Quaker Oats launched a multi-platform advertising campaign that included television, magazines and the Internet.

By advertising on the Yahoo! website, Quaker was able to generate awareness for its new product and encourage consumers to try Quaker Oatmeal Breakfast Squares. The results demonstrated that Yahoo! advertising can be effective in building brand awareness and driving purchase, particularly when working in combination with offline media.

Marketing Goals:

- Raise awareness of new product, Quaker Oatmeal Breakfast Squares
- Increase trial and purchase intent among adults ages 35-54
- Evaluate effects of online advertising in conjunction with offline media

Campaign Elements

Magazines

Good Housekeeping, Redbook, Real Simple, Southern Living, People, Newsweek, Time, Jet, Men’s Journal, Organic Style among others.

Television

Third Watch, West Wing, Friends, Alias, Today Show, Good Morning America, My Wife & Kids, George Lopez and other similar programming

Cable networks

Food Network, History Channel, TV Land, American Movie Classics and Sci-Fi Channel

Internet

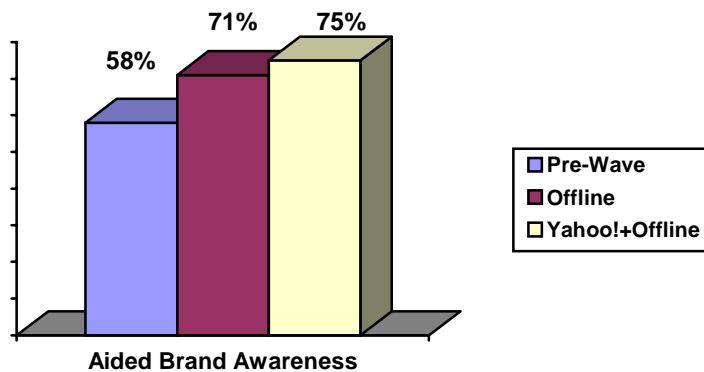
Yahoo! Network

Results

Observation 1: Online advertising increases Brand Awareness among target audience

Yahoo!’s online advertising was a key driver in raising brand awareness among adults ages 35-54, Quaker Oatmeal Breakfast Square’s target. Yahoo! added 4 percentage points to the offline-only media combination.

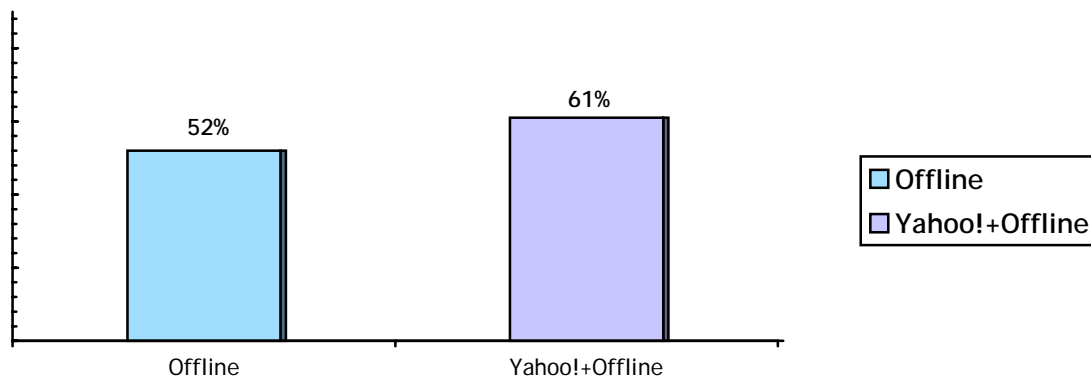
Figure 7
ONLINE ADVERTISING INCREASES BRAND AWARENESS
AMONG TARGET AUDIENCE



Observation 2: Online advertising increases Purchase Intent among heavy users

Yahoo! advertising also added substantially to the effects of offline media, particularly among frequent purchasers of breakfast bars. Among those who typically purchase breakfast/cereal bars at least every three months, exposure to Yahoo!+Offline significantly influenced purchase intent, increasing it by 9 percentage points. This increase was 17% higher than the Purchase Intent score for offline exposure.

Figure 8
PURCHASE INTENT AMONG FREQUENT BREAKFAST BAR USERS*



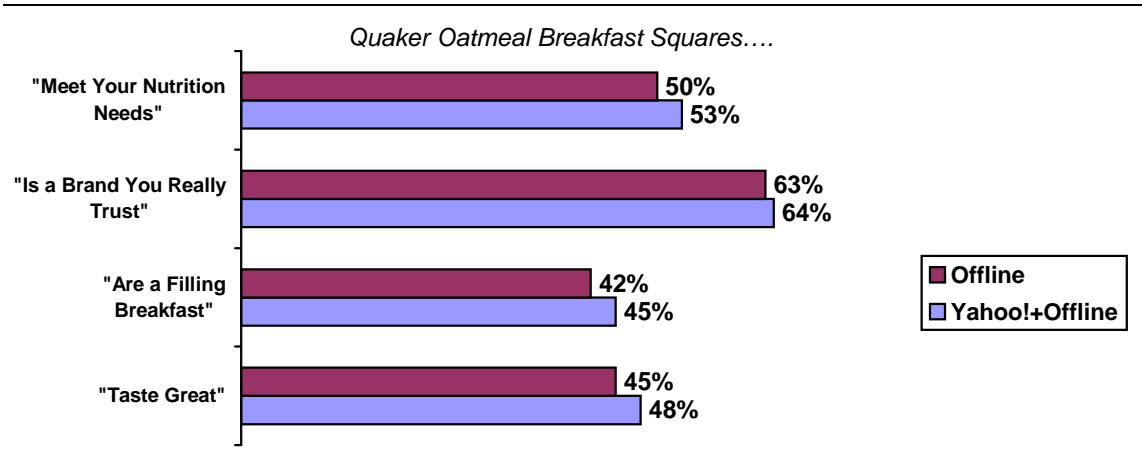
Offline includes TV and Magazine advertising.

**Typically purchase cereal/breakfast bars every three months*

Observation 3: Online advertising increases Brand Attributes

Online advertising on Yahoo! also increased Quaker's key brand attributes in conjunction with offline media.

Figure 9
INCREMENTAL EFFECTS OF YAHOO! ADVERTISING
ON QUAKER BRAND ATTRIBUTES



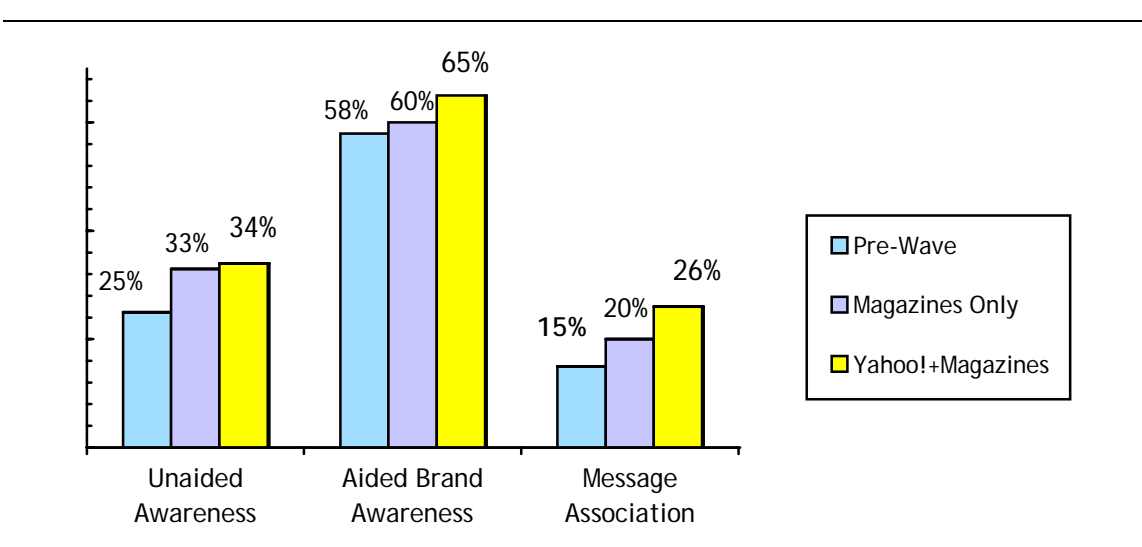
Offline includes TV and magazine advertising.

Note: Chart shows percentage point increase of Yahoo!+Offline over offline-only combination

Observation 4: Online advertising works synergistically with magazines

Yahoo! advertising, paired with magazines, significantly raised Brand Awareness and Message Association scores for Quaker Oatmeal Breakfast Squares compared to those exposed only to magazines.

Figure 10
ONLINE ADVERTISING WORKS SYNERGISTICALLY WITH MAGAZINES



CONCLUSION

In an increasingly fragmented media environment, advertisers are seeking out new ways to reach audiences and influence them across multiple points of contact. The ability to measure multiple media components (including emerging media vehicles with relatively low spending), allows advertisers to learn about how to use media to their fullest potential. Often that may include integrating media channels online and offline.

The case studies presented demonstrate the opportunity for marketers to partner with leading web sites such as Yahoo! to complement their offline media plans and create significant gains in branding measures. For the clients involved in the studies, the research was an important step in understanding the opportunities available to them in an increasingly challenging media environment.

THE AUTHORS

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