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# Finding Efficiencies in the Mix using Cross-media Research: A Philips Case Study

November 3, 2004

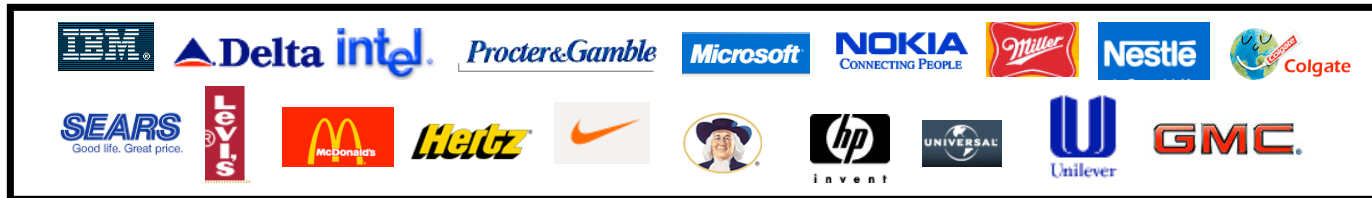
Peter Gales, Philips  
Jeffrey Graham, Dynamic Logic  
William Havlena PhD, Dynamic Logic



**PHILIPS**

# Dynamic Logic/Philips Partnership

- **Dynamic Logic** is an independent research company specializing in advertising effectiveness measurement
  - Clients include 47 of the Top 50 U.S advertisers
  - 70+ CrossMedia campaigns measured
  - Dynamic Logic's CrossMedia clients include:



- **Philips**
  - A global leader in color television sets, lighting, electric shavers, medical diagnostic imaging and patient monitoring, and one-chip TV products. Its 165,300 employees in more than 60 countries are active in the areas of lighting, consumer electronics, domestic appliances, semiconductors, and medical systems.

# What Did Philips Want to Learn?

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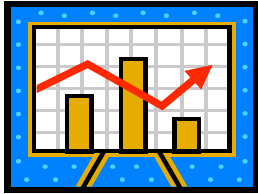
- Philips engaged Dynamic Logic to:
  - Quantify the value of an integrated marketing campaign
  - Hold each medium accountable to brand objectives
  - Identify opportunities for improved efficiency
  - Recommend changes to media allocation

# Campaign Research Background

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- Integrated campaign for a personal care product targeted towards younger men and women
- Utilized Magazines, TV and Online Advertising
- Goals were to:
  - Increase brand equity, including Purchase Intent
  - Influence a younger demographic through efficient media vehicles

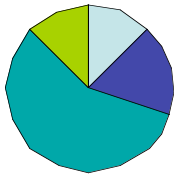
# Research Analysis Process



- Measure success of campaign against branding goals
  - Quantify impact of media channels
  - Understand media impact against different audiences
  - Identify media synergies

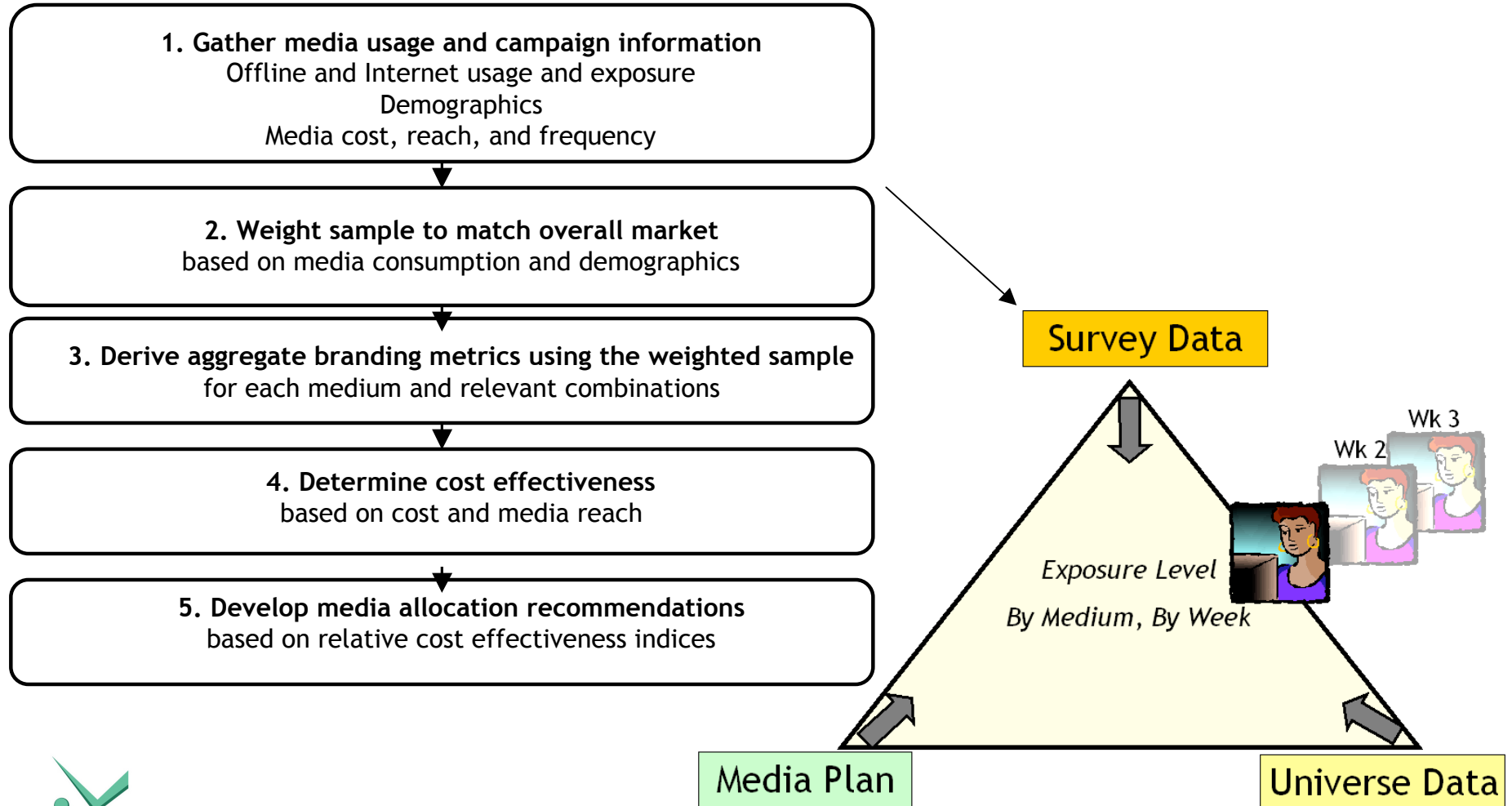


- Analyze cost effectiveness of campaign by medium
  - Calculate the relative cost per person




















- Recommend media mix improvements

# Methodology Process

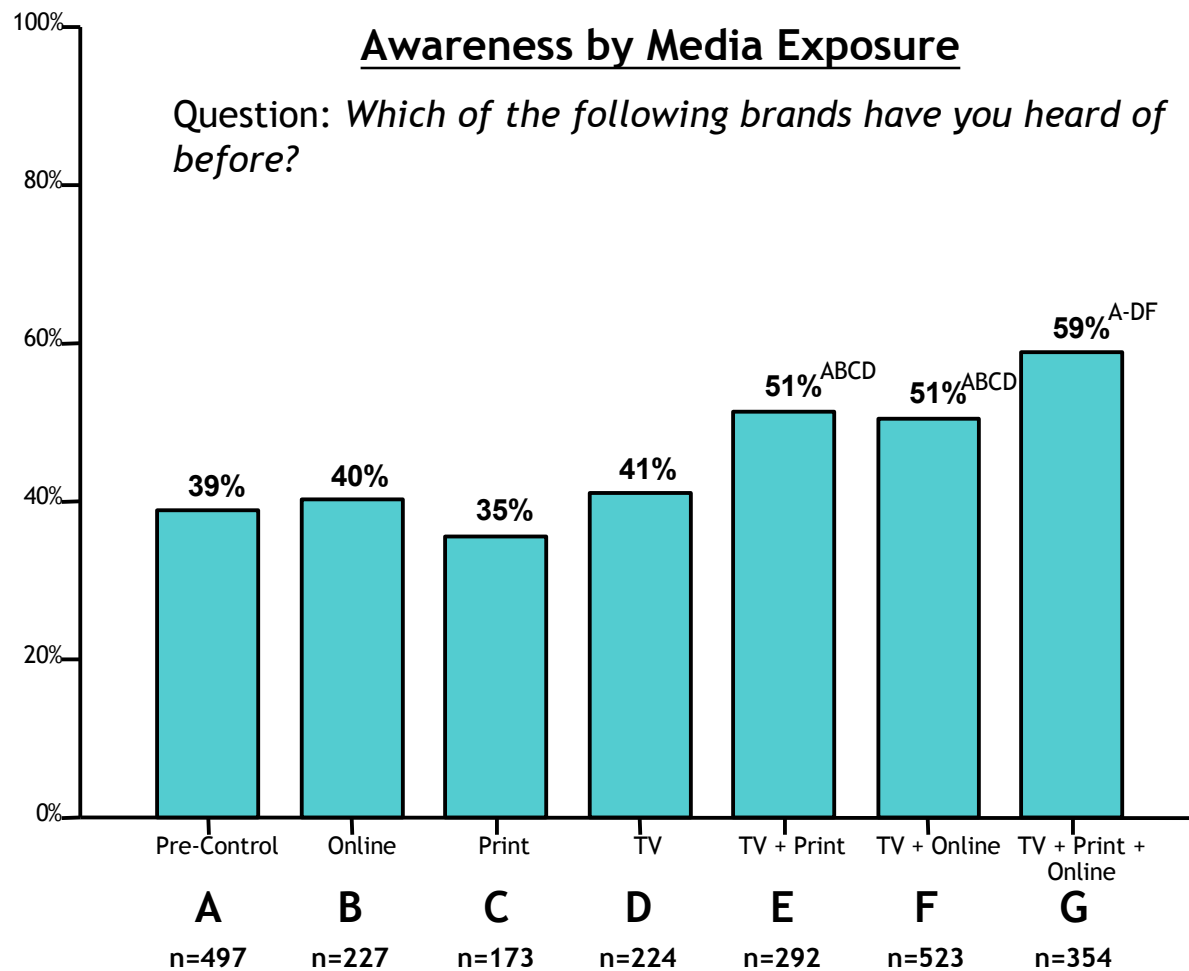


# CrossMedia Comparison Cells

	TV	Print	Web
 Control	NO	NO	NO
 TV-Only		NO	NO
 Web-Only	NO	NO	
 Print-Only	NO		NO
 TV+Web		NO	
 TV+Print			NO
 TV+Print+Web			

# Brand Metrics by Media Channel

- Exposure to two or more media was necessary to produce increases in “Awareness A” Metric



A/B/C/D/E/F/G = Statistically significant difference at a 90% confidence level



# Cost Efficiency Calculation

$$\text{Cost Per Person} = \frac{\text{Spend in Medium or Media Combination}}{\text{Branding Effect} \times \text{Target Reach}}$$

- Branding Effect = Exposed minus Unexposed brand scores
- Target Reach = Reach X Target market size

# Results: Cost Per Person \$\$\$

*Dollars Indexed to Average of Media Sums (100)*

- **Television** was generally ineffective when working by itself
- **Print** advertising was extremely cost-effective in this campaign, alone and in combination
- **Online** advertising alone was not cost efficient, but delivered good results when working with other media
- **Combination** of all media (TV+Print+Online) was cost efficient *and* had highest overall reach

	TV	Print	Online	TV + Print	TV + Online	TV + Print + Online
Average per Medium	---	41	193	44	163	61

# Summary of Results

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- **Integrated campaign was successful** in building all brand measures and attributes, and compares favorably to similar campaigns tested by Dynamic Logic
  - Combination of TV, Print and Online advertising worked synergistically in increasing brand equity measures
- Both Print and Online advertising were key components in driving branding success
  - **Print was particularly cost-efficient** among the younger demographic
- **Results suggest a larger budget allocation to print**, at the expense of TV, while maintaining the online investment, may lead to better marketing returns

# Making Measurement Systemic

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Research is being used as a systemic part of the advertising planning process

- **Actionable** – the right time of the year to drive planning
- **Scalable** – Used across brands with different targets
- **Repeatable** – Keeping up with changes in the media environment