

DYNAMIC LOGIC
RESEARCH

October 2009

What's Working: Empirical Generalizations of the Branding Impact of Multimedia Campaigns

This aggregated analysis of 39 multimedia campaigns demonstrates how television, magazines, and online advertising work together to drive brand metrics and also provides a look at return on spend for each medium and media combination.



William J. Havlena, Ph.D.
Vice President,
Research Analytics
Dynamic Logic
billh@dynamiclogic.com

BACKGROUND

Integrated marketing campaigns aren't new, but the simple "did it work" questions have become more complex. As consumers are increasingly becoming ad avoiders and as new media platforms continue to emerge, marketers are faced with the challenge of understanding the optimum combination of elements in their media mix. Clients rely on Millward Brown and Dynamic Logic to shed light on these questions, allowing them to make better investments moving forward.

Our CrossMedia Research™ solutions measure the branding impact and efficiency of multimedia campaigns and provide clients insights on how best to manage their media dollars more effectively. To date, we have conducted more than 300 CrossMedia Research studies for a range of clients across multiple industries.

While campaigns differ in their objectives, there are some commonalities we see across client work. For new products or campaigns targeted to new markets, the primary objective is often brand awareness. For more established brands, campaign objectives may be to build purchase intent, highlight specific brand attributes and ultimately drive sales.

For this analysis, we aggregated results from 39 studies from our database to provide an understanding of how different media work together and impact behavior as consumers go through the buying process, i.e., the purchase funnel. We chose these 39 studies because they all had a combination of television, consumer magazine, and online (display) advertising and also demonstrated similar media allocation and duplication levels. Of the 39 campaigns, 17 involved products in Consumer Packaged Goods (CPG) categories, while 22 were non-CPG campaigns. Our findings update similar analyses conducted in 2004 (on 17 studies) and in 2007 (on 32 studies). We also present an analysis of the cost efficiency of a subset of 10 campaigns for which advertising spend and reach data were available for the three media.



KEY FINDINGS

The results of the aggregate analysis indicate that:

- All three media — television, magazines, and Internet — are effective at increasing consumer awareness, preference, and purchase intent
- TV remains a strong medium for increasing brand and advertising awareness, when considering both overall reach and the impact among the reached audience
- Exposure to online advertising together with TV was associated with increased levels of unaided (or top of mind) brand awareness, an important measure of brand salience
- As was seen in the 2004 and 2007 analyses, magazine advertising continues to be associated with the largest increases in both brand favorability and purchase intent/consideration

The analysis of return on media spending finds that:

- Opportunity to see magazine advertising is associated with the largest number of consumers impacted per media dollar spent, based on the subset of 10 studies, in terms of brand awareness, ad awareness, brand favorability, and purchase intent/consideration
- Combined exposure to TV, online display, and magazine advertising proves most cost efficient for increases in campaign message association

METHODOLOGY

Our CrossMedia Research™ design is based on a live, in-market test that measures a campaign's impact on the audience to which the campaign is targeted, both online and offline. Respondents are usually sampled by using a nationally (or regionally) representative online panel to account for audiences that are reached by both traditional offline and online media. For most digital campaigns, additional sample is recruited directly from the footprint of the online plan and our proprietary AdScout tracking system is used to understand respondent-level exposure to the digital advertising. Using an online survey instrument, the research relates advertising "opportunity to see" (OTS) for both offline and online media to brand attitudes, utilizing a control/exposed research design. The analysis is based on comparisons of respondent groups that have exposure opportunity to different combinations of media, where each of these groups is compared against a baseline control group.

For the purposes of gathering a deeper understanding of a medium's role within the hierarchy of advertising effects, six widely recognized branding metrics are used in our CrossMedia Research studies. Minor variation in question wording exists due to the specific requirements of individual brand categories:

Six Brand Metrics from the Traditional Purchase Funnel

Key Metrics	Definition
Unaided Brand Awareness	Measures top-of-mind familiarity respondents have with the brand listed
Aided Brand Awareness	Measures the level of familiarity respondents have with the brand listed
Aided Advertising Awareness	Measures the level of claimed awareness respondents have with any brand-related marketing communications
Message Association	Measures the extent to which respondents can match the campaign messaging with the sponsor or brand
Brand Favorability	Measures the extent to which respondents have a positive or favorable opinion of the brand
Purchase Intent	Measures the likelihood of respondents to make a purchase



MEASURING "OPPORUNITY TO SEE" (OTS)

As noted earlier, the studies utilize AdScout, a patented cookie technology, to determine each respondent's opportunity to see online advertising. When respondents enter the survey, the system recognizes whether or not they have been served any online ads in a given campaign. Television and radio advertising OTS are 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 the advertisement and if so, how many times. Magazine and newspaper OTS are determined either by specific-issue level reading or by frequency of reading.

The individual campaign results are based on a comparison of attitudinal scores for groups of respondents with opportunity to see different media or combinations of media advertising. 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, are compared to a control baseline collected prior to the campaign start date. Percentage-point increases are calculated and tested for statistical significance using a two-tailed t test for population proportions at a 90% confidence level. Campaigns included in these aggregate results include those which have television, magazine, and online media scheduled comparatively at similar time periods, where the audience overlap did not result in highly discrete groups with atypical audience characteristics.

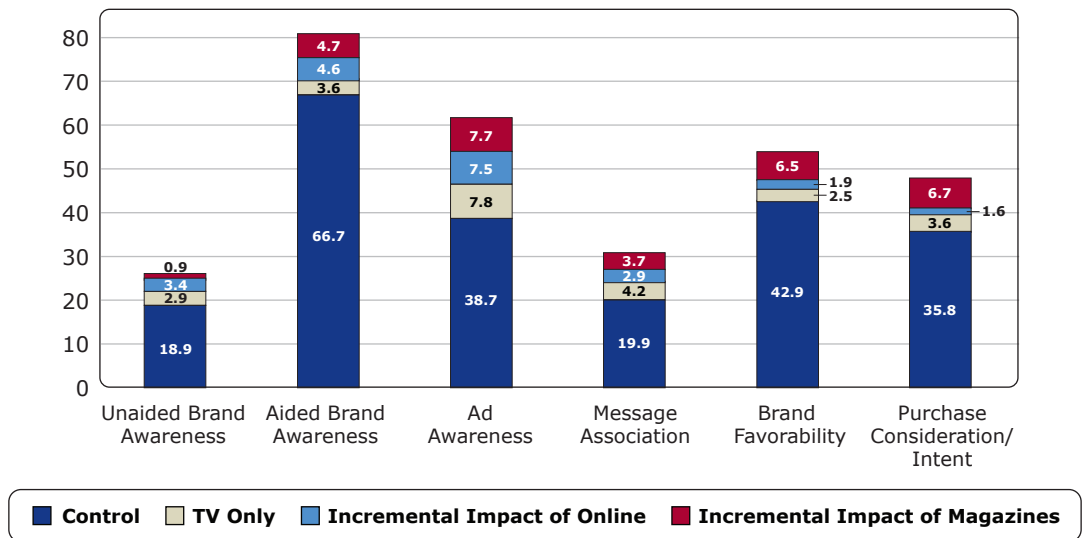
The charts in this paper display the incremental contribution of each medium to the six brand metrics from the traditional purchase funnel. The Internet increase represents the additional impact of online advertising on top of TV alone by comparing consumers with opportunity to see only TV advertising with those having opportunity to see both media. The magazine increase denotes the change in each metric produced by adding magazine advertising to TV and Internet using the same approach.

CAMPAIGN EFFECTIVENESS RESULTS

TV, online display, and magazine advertising all produced increases in measured brand awareness, ad awareness, and persuasion

The results indicate that all three media — television, magazines, and Internet — are effective at increasing consumer awareness, preference, and purchase intent. These results are generally consistent with earlier analyses. It is clear that, across the full set of 39 studies, additional media exposure is associated with higher levels of branding across all levels of the purchase funnel.

Chart 1: Overall Campaign Effectiveness (based on 39 studies)





TV remains a strong medium for awareness-building overall, while online advertising built top-of-mind awareness among the reached audience

TV remains a strong medium for increasing brand and advertising awareness. While magazine and online advertising are associated with incremental increases over television alone among those reached by these media, the largest increase in this metric across the total media audience is generally fueled by TV exposure since it usually reaches more consumers than either magazines or online. On average, magazine and online advertising performs similarly at creating incremental brand and advertising awareness. Online OTS is also associated with increased levels of incremental unaided brand awareness, similar to the increases produced by OTS for TV alone.

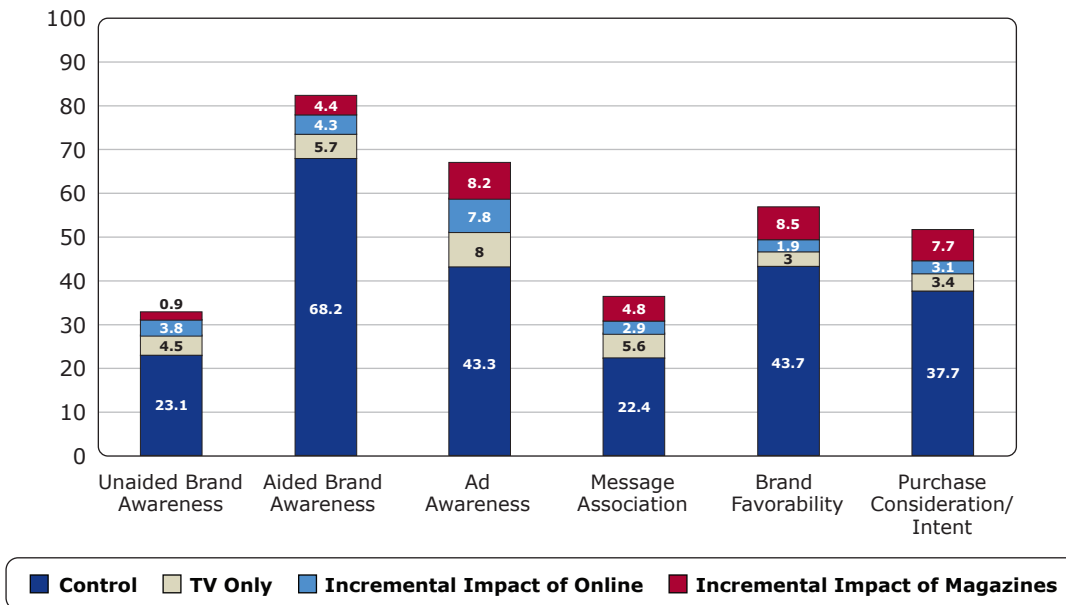
Magazine advertising continues to be strongly associated with brand favorability and purchase intent/consideration

As was seen in the 2004 and 2007 analyses, magazine advertising continues to be the strongest driver of brand persuasion, as measured by increments in both brand favorability and purchase intent/consideration. For both of these metrics, the increase associated with magazines over the level seen for TV and online exposure is greater than the increase produced by adding online OTS to TV.

CPG VS. NON-CPG FINDINGS

The overall pattern of results is similar within the 17 CPG studies, although the average effect sizes appear to be slightly larger. Again, all three media contribute similarly to aided brand and advertising awareness, with TV and online contributing more strongly to unaided brand awareness and magazines contributing more strongly to brand favorability and purchase intent/consideration.

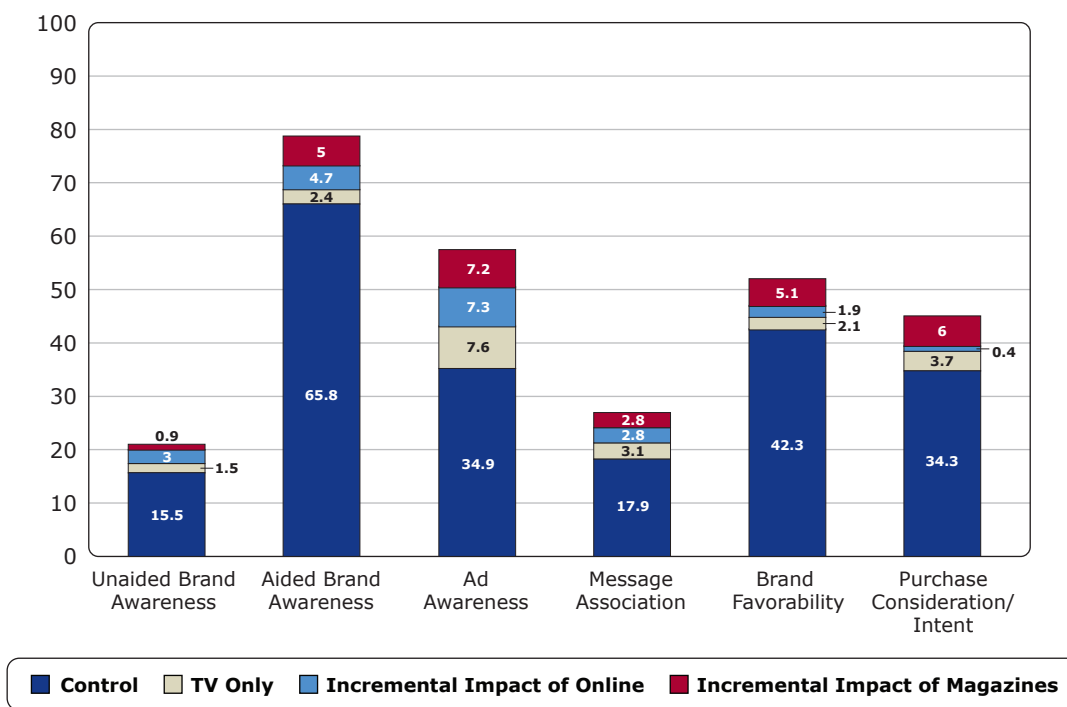
Chart 2: Overall Campaign Effectiveness (for 17 CPG studies)





Among the subset of 22 non-CPG campaigns, the incremental increases associated with online and magazines are greater than the TV increase for aided brand awareness. In addition, adding opportunity to see online display advertising to TV is associated with the largest increment in unaided brand awareness and online advertising appears to contribute more strongly to message association for non-CPG compared to CPG campaigns. The results for Brand Favorability and Purchase Consideration are similar to those seen for CPG campaigns.

Chart 3: Overall Campaign Effectiveness (for 22 non-CPG studies)



CAMPAIGN EFFICIENCY RESULTS

In addition to analyzing the increases in the branding metrics for the 39 studies, we selected a subset of 10 studies for advertising return analysis. For each of these 10 studies, clients provided information about the media spend and audience reach that allowed us to calculate the number of consumers reached through each medium and the number of consumers affected by the advertising exposure. We calculate ROI measures by multiplying the media or media combination reach by the campaign effectiveness as measured by the CrossMedia Research study. This yields an estimate of the total number of consumers impacted by exposure to that medium or media combination. The number of consumers is then divided by spend in that medium or media combination. The resulting calculation produces the number of people impacted per dollar spent among those with opportunity to see the campaign advertising. This return on spend was determined for each medium and media combination included in the CrossMedia Research™ analysis. The results presented here were calculated by determining the efficiency for each study separately and then averaging the findings for each stage of the purchase funnel.

The table below displays the average number of consumers impacted per media dollar spent. The higher the number in a given cell, the more cost efficient the campaign among that portion of the media audience. These numbers can be interpreted as the inverse of a cost-per-person analysis, in which a lower cost-per-person is associated with higher efficiency.



Chart 4: Campaign Efficiency by Media Combination (based on the number of people impacted per media dollar spent)

	TV	Online	Magazine	TV+ Online	TV+ Magazine	Magazine+ Online	TV+ Magazine+ Online
Aided Brand Awareness	0.8	0.5*	2.3	0.6	0.8	1.2*	0.8
Ad Awareness	0.5	0.4*	3.4	0.6	0.8	1.1*	1.0
Message Association	0.2	0.2*	0.2	0.2	0.2	1.0*	0.5
Brand Favorability	0.2	**	1.9	0.1	0.5	1.1*	0.6
Purchase Consideration/Intent	0.8	0.3*	4.8	0.3	1.2	1.3*	0.8

■ Denotes most cost-effective medium for metric

*Denotes fewer than 6 studies for this metric/media combination

Opportunity to see magazine advertising produced the greatest number of consumers impacted per media dollar spent

The results of the cost analysis indicate that magazines are the most efficient medium in four out of five stages of the purchase funnel across these ten studies: aided brand awareness, ad awareness, brand favorability and purchase consideration/intent. The opportunity to see the combination of TV, online, and magazines is the most efficient for message association.

Although these findings are consistent with results seen across studies, it should be noted that these results are based on a small set of ten consumer campaigns and that the overall results of these campaigns with regard to advertising effectiveness differed slightly from the pattern seen across the larger set of 39 campaigns in the aggregate effectiveness analysis.

SUMMARY

Viewed together, the campaign effectiveness and cost analyses provide a picture of how TV, magazines, and online advertising have worked across recent cross media campaigns. Although the number of studies is small and the results cannot be interpreted as normative, they do offer some insight concerning the pattern of results often seen in such campaigns:

- Television is still a strong awareness- and persuasion-building medium
- Online can produce increases in brand and advertising awareness similar to those produce by TV
- Magazines dominate increases in brand favorability and purchase intent
- Performance of media differs across product categories depending on audience characteristics, creative quality, creative integration, and usage of media vehicles
- Online video can intensify the impact of television advertising

To meet their specific objectives, clients may find it useful to generate aggregate findings specific to their industry and category. These norms can serve as benchmarks for campaign measurement and can help advertisers develop more efficient and effective campaigns in the future for a more powerful return on investment.