

Brand advertising and digital

**An IAB Europe
White Paper**

Introduction

Growing global competition, saturated markets and media fragmentation are putting more pressure on marketers to justify how they spend their marketing budgets. Digital has proved to be a unique and flexible medium that can deliver across all areas of marketing communication and within the entire purchase funnel.

We've come a long way since the first online advertising banner was sold and displayed. What began with the humble fullsize banner has evolved into hundreds of online ad formats.

New media advertising offers multiple opportunities and benefits that traditional media do not; it is the ability to target audiences precisely and accountability through measurement that we are most concerned with in this white paper. Yet despite its measurability for direct response campaigns, digital is often misunderstood, misrepresented and undervalued in the majority of media plans focused on brand building and awareness campaigns.

As with any new frontier, running branding campaigns online offers both risks and rewards to the advertiser. Those who prefer to stay with their familiar and comfortable marketing plans risk not only missing out on today's new media savvy audiences, but also in being out-performed by those who are already experimenting with digital brand advertising options.

There is a huge demand from the advertising industry for more detailed information, research and case studies that prove the strength of digital for online branding. This white paper is designed to provide useful evidence of how digital campaigns can support brands online by reviewing valuable and up-to-date insights from the most respected market players and service providers in our industry.

On behalf of IAB Europe and the Brand Advertising Steering Committee, I hope this publication will help advertisers, marketers and agencies to understand the use and impact of online for brand campaigns.

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Contents

Executive Summary	1
The media landscape has changed	2
Measuring this new landscape	3
<i>Is the click dead...?</i>	
<i>Online display affects the entire purchase funnel</i>	
Brand Effectiveness	5
<i>What impact does online display advertising have on consumers' awareness?</i>	
<i>How does display advertising influence consumers brand perception?</i>	
<i>What impact does online display advertising have on sales?</i>	
<i>What's the optimal ad frequency for increasing brand awareness when advertising online?</i>	
<i>Compared with television's brand impact, how does online advertising perform?</i>	
Formats	7
<i>Does size count?</i>	
<i>Rich media and engagement</i>	
<i>Are video ads the next big thing?</i>	
<i>Video length should depend on objectives</i>	
<i>Comparable effectiveness but higher efficiency for online video ads</i>	
Targeting	9
Cross Media	10
<i>Shifting budgets towards online</i>	
<i>Cross media advertising is effective</i>	
Appendix	11

Executive Summary

For many advertisers digital is already a preferred channel for delivering sales-related and performance-oriented objectives; not only are results and ROI measurable, but they can be improved during a campaign. However relying solely on 'click' results to measure display advertising campaigns is misleading. Put simply, the contribution display advertising makes to the majority of audience engagement is not recognised. This is particularly true for brand metrics and conversions and overall, for evaluating the effectiveness of online brand campaigns. Even search relies on digital brand awareness campaigns. A quarter of conversions are search related and without supporting brand advertising, these direct marketing campaigns would be far less successful.

Display advertising affects the entire purchase funnel. It has been shown to be 20 times more likely to drive online behaviour than clicks can measure. Many studies from leading players and research companies in the sector have shown that display advertising has significant impact on brand awareness, brand perception and ultimately on sales, both online and offline.

Digital media consumption has not yet overtaken television as the most effective vehicle for reaching large audiences in a short period of time, but it is well on the way. Compared with television, online display advertising generates higher engagement and efficiency rates (based on the development of larger and more impactful ad formats). Creative rich media formats deliver engagement and 'dwell' better than simple banner ads. Video advertising has experienced significant growth in the past two years and can have a considerably higher impact on brand awareness, brand favourability and purchase intent than other non-video formats.

Targeting technologies can also make the most of user data, boosting advertising efficiency and effectiveness by controlling frequency in the target group. These techniques also add value through other means, including allowing messages to be tailored to specific audiences, limiting wastage and positively impacting brand metrics at lower costs than non-targeted campaigns. By comparison, traditional media are becoming less able to reach all audiences and specific target groups - such as younger consumers - across the day. Placing more emphasis on digital within the media mix has shown significant impact on brand metrics and sales.



The media landscape has changed

The number of internet users continues to grow. In 2009 already 50% of all European households had access to the internet. The usage time has also increased significantly in the last few years. While Europeans spent an average of 9 hours per week online in 2009 it is expected, that by the middle of 2010 Europeans will spend more time on the internet than in front of their television sets.¹

Classic media consumption is shifting to internet connected devices – PCs, smart phones, games consoles. We no longer lean back for all our entertainment – much is consumed online, wherever we happen to be. And whether audio-visual or text, informative or emotional, the internet can bring together the strengths of other media channels to the audience. There is however still a major gap when comparing ad spend between online and offline media.

Looking at media meshing trends, online even takes a part of time spent with TV. Today 70% of Europeans use the internet and TV simultaneously². Some audience groups elusive to traditional media such as TV and radio are prevalent online - 14-19 year olds in particular are heavy users of the web and social media. And whereas traditional media has its peak times, such as drive time on the radio during the morning commute to work and 8-10pm on TV in the evenings, the internet delivers reach to audiences at different times of the day.

This development has not come to an end. The more consumers have convenient access through high-speed connections and a range of connected devices, the more they will adapt their media consumption habits. Advertisers must therefore understand these changes and evolve their marketing strategies to reach their target consumers wherever and whenever they are using media.



Measuring this new landscape

By its nature, brand advertising is about reaching consumers and presenting a brand story to them with a view to changing their longer-term opinion of the brand. So whilst measuring interaction with an ad is a positive measure of effectiveness, it is far from the whole story of how it impacts consumers. If we think about TV advertising or print ads while the campaign has one aim of shifting perceptions, the ROI of the campaign is measured by the number of people reached – how many people saw the advertising, and how many times they were exposed to it. Huge global advertisers measure not on the value of sales that are generated, but how many people saw the brand message, and how their opinions changed.

Taking the same principle to online, to measure the effectiveness of branding campaigns online predominantly on their click through rate (CTR) is missing the point.

This should mean that the nature of brand campaigns means that a much simpler measure of campaign success - reach and frequency - can be used. From there, advertisers can calculate Gross Rating Points (GRP).

However, it's not as simple as it sounds. The nature of the internet means that much more engagement and interaction is currently possible than in other media. If we compare a static banner ad and a small interactive game ad both on the same webpage, we may see that they have the same reach and frequency, but by the nature of the interaction that the latter offers, the brand effect may be much greater. For this reason, measures of engagement are also under discussion, with the concept of Dwell just one of those.

Is the click dead...?

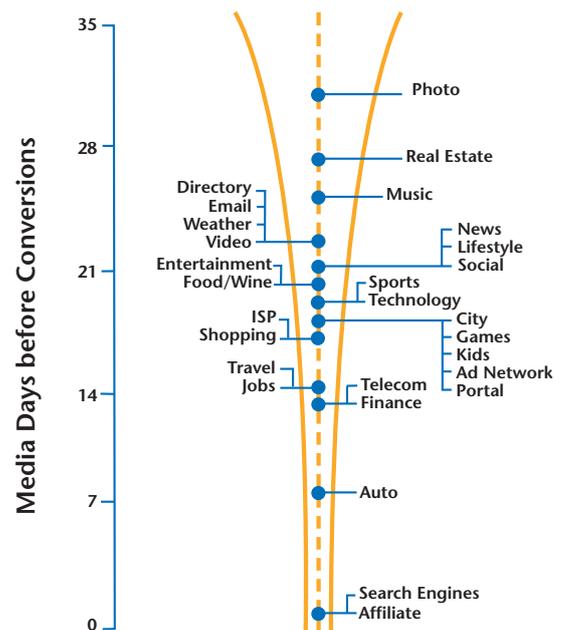
Most marketers still rely on clicks to justify their digital media spend, but, as Eyeblander research has shown, internet users interact with nearly 10% of all rich media ads, compared to less than 0.4% they click on.³ Today all clicks generated on the internet can be attributed to only 16% of internet users – in other words, a small, unrepresentative portion of the total online population.⁴ So the question is, are those the users an advertiser would want reach with their communication? As United Internet Media - Germany's biggest digital sales house - has found out, the average heavy clicker is aged 40-59 and has a low/medium education and income level.⁵

A further challenge evolving around the supremacy of the click for measurement at present is that between 93-95% of all audience engagements with display advertising receive no credit when determining the brand campaign effectiveness. Today, consumers are exposed to multiple ads over time prior to conversion, yet only the last ad seen counts for the conversion (so called "last ad" model).⁶

The problem with a click-oriented evaluation approach is that it ignores the contributions of any previous ads and only focuses on a short period of time at the bottom of the purchase funnel. The exposure to online display ads may increase the likelihood that a consumer will make a site visitation; click rates do not take into account that convincing consumers to take action is a process which takes place over time.

Along the purchase funnel, marketers must start by grabbing users' attention, creating preference and then finally raising intention to act. As shown in Figure 1 depending on the publishers' category, web sites reach consumers at different times prior to conversion. Entertainment sites for example drive consumer awareness and are often reached days or weeks prior to conversion. Search engines on the other hand tend to generate purchases because users are highly involved whilst searching for specific key words.⁷

Figure 1 Median Ad Delivery Time by Site Category



Interviewing 700 of the leading U.S. marketers, Bain⁸ found that the following metrics were most important in order to validate the effectiveness of online brand-building campaigns:

1. Brand awareness
2. Favourability
3. Likelihood to recommend
4. Purchase intent

For advertisers it is vital to consider all the touch points consumers see prior to conversion. Web sites located in the upper funnel have shown to be valuable sources of new

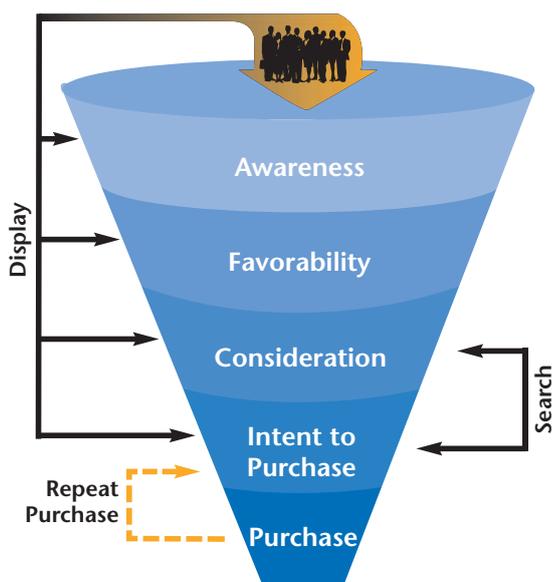
Measuring this new landscape

prospects which feed traffic to the lower funnel sites. By taking all touch points affecting brand metrics into account, advertisers are able to calculate an accurate campaign ROI.

Online display affects the entire purchase funnel

By analyzing 1,300 campaigns from 207 advertisers in 21 vertical markets, which included both display and search advertising, Eyeblaster⁹ has shown that online display advertising contributes a greater share of conversions than search engine advertising. They concluded that 72% of conversions arrived as a direct result of the display campaign; only 23% of the conversions were a direct result of search activities.

Figure 2 The Role of Search and Display in the Funnel 2010



Display initially generates interest for that brand or product, since consumers knowledge results from a variety of marketing touch points along the purchase funnel prior to initiating a search query (Figure 2). Atlas research for Alltel Wireless indicated that search was credited with 35% of all conversions via the “last ad” model, although 98% of all touch point engagements prior to conversion came from online display ads. Taking all consumer touch points into account, Atlas showed that 60% of Alltel’s sales credited to search (with the “last ad” model) should be reattributed to online display.¹⁰

Key facts at-a-glance

- The click has been proven not to be an appropriate measurement tool for every online campaign
- When relying on click rates the majority of audience engagements do not receive any credit for their contribution to brand building
- The most important metrics for brand building campaigns are brand awareness, purchase intent, likelihood to recommend and favourability
- Analysis of more than a thousand campaigns shows in 72% of all cases display advertising initiates conversions. Only 23% of conversions were a direct result of search activities.



Brand Effectiveness

A number of relevant research studies have been conducted in multiple markets to prove digital advertising effectiveness. The Q&A structure below aims to cover a few of the main issues around the use of online for brand-building and other marketing aims.

What impact does online display advertising have on consumers' awareness?

United Internet Media carried out a benchmark study analysing 73 case studies with over 100,000 participants. In their study they found an average brand awareness lift of 6% and significant increase of aided brand recall of 26% due to online campaigns. Looking across several sectors, they also found an impressive increase in recall of the online ads. The automotive, FMCG, retail and health sectors showed incremental increases between 43% and 63%.¹¹ Looking at other campaigns, BMW's Efficient Dynamics Technology campaign on Yahoo! Spain increased awareness by 16% and was able to communicate the benefits of the complex automobile technology.¹² In the Spanish market MetrixLab found that a large-formatted ad on YouTube led to an increase of 19% of top-of-mind awareness and 21% higher spontaneous awareness.¹³ A product innovation campaign introduced by McDonald's even showed 28% aided recall on Yahoo! Spain and an 82% brand association.¹⁴

Online display advertising can instil positive brand memories 24 hours post exposure¹⁵ and that impact persists over time. A Nielsen Online case study has found out that an online video ad had 54% recall the day after exposure. After six days recall was still on a level of 44%, the same recall television had only one day after exposure.¹⁶

How does display advertising influence consumers brand perception?

The view through is a performance indicator that is complementary to the click. It captures the impact of online advertising impressions on attitude and future behavior. ComScore has proven that, when digital campaigns have a branding objective, optimising for high click rates does not necessarily improve campaign performance.¹⁷ The researchers aggregated 139 brand effectiveness studies in order to find out what impact online advertising has on consumers future behaviour. By analysing ad exposure they found that seeing an ad increases the likelihood of visiting the advertiser's site and over time the likelihood that consumers will convert.

The impact of display advertising on brand perception can be shown by consumers engagement with the brand. comScore

found visitation to the advertiser's web site was lifted by at least 46% over a four-week period. The likelihood of searching for the advertiser's brand was increased by at least 38% over the same four week period.¹⁸ comScore's European findings seem even more impressive, showing that web site visitation is increased by 72%, and brand search by 94% on average.¹⁹ In the US market the Online Publishers Association also found that about 20% of consumers searched for brands they saw advertised on one of the country's top 50 web sites. They also showed an increase of nearly 30% in site visitation and 55% more time spent on the brand's web site due to online branding campaigns on average.²⁰

What impact does online display advertising have on sales?

Studies analyzing both online and offline retailers' sales comScore found that the exposure to an online display ad led to an average lift of 27% for online sales and 17% for offline sales.²¹ MetrixLab's study on the online campaign for the blockbuster film X-Men showed that internet users seeing a large format ad had an 8% higher desire to see the movie pre-release. Post-release research pinpointed a 10% increase in cinema visits among those who saw the ad.²² US research conducted by Nielsen analysed 400 digital campaigns and found a 32% average increase in offline sales, whilst also showing that online display advertising was able to create a 157% average ROI.²³

What's the optimal ad frequency for increasing brand awareness when advertising online?

Microsoft Advertising's European campaign research for the motion picture "Get Smart" shows a clear impact of frequency on brand awareness. While aided brand awareness rose by 3% after one contact with an online ad, six or more contacts led to an increase of 31%.²⁴ Looking at 42 studies with almost 52,000 respondents, United Internet Media found similarly that a brand awareness lift of 22% can be achieved with six to seven contacts.²⁵ Regarding campaign metrics such as purchase intent, impact seems to start increasing at a frequency of four to nine ad contacts.²⁶ However, increasing awareness may not be as vital to each sector: for CPG the purchase process is typically short due to low involvement, so campaigns may not require intensive expenditure in building up awareness. Advertisers are able to cap online frequency, meaning users are only exposed to an ad a specific number of times, keeping campaign efficiency up and avoiding over-delivery to individual consumers.

Brand Effectiveness

Compared with television's brand impact, how does online advertising perform?

For branding campaigns, advertising on television is the first choice for many marketing executives in order to achieve communication goals that involve addressing a large audience in a short period of time. Although digital is not yet able to provide the reach television offers on a daily basis the question remains, what impact does online advertising provide compared with TV? Eyeblander found that across all sectors consumers are both willing to engage with brands and explore them, even though they may not necessarily click on online ads. They will even do so for over 50 seconds – almost the length two TV ads would have.²⁷ And because consumers are compelled to actively watch (when watching a video clip), MetrixLab found that pre-roll video ads get the message to consumers far better than a TV commercial block and even have a higher spontaneous recall. The study also shows that forced exposure to an ad (e.g. video ad running prior to actual video) doesn't make ads less likeable.²⁸

ComScore's CPG Ad Effectiveness Study analysed the purchase behaviour of 200,000 users around various CPG (Consumer Packaged Goods) brands by comparing purchase behaviour of those exposed to specific online ads and those without advertisement contact. Over a three-month period 80% of all campaigns showed a positive 9% average lift in sales. Compared to this, twelve-month TV impact, measured by Information Resources, shows an average lift of 8%.²⁹

A Carat Insight brand engagement study has shown online advertising for soft drinks is three times as effective per euro spend than the all media average. An 8.5% budget share is able to achieve an ad effect of 24% in terms of ROI.³⁰ For department stores 40% of brand engagement was influenced by online display advertising with only 3% ad spend share. Compared to that, television's impact on consumers' engagement was only 31%.³¹

Key facts at-a-glance

- Looking at brand effectiveness, the click has been shown not to cover relevant aspects of campaign evaluation
- Online display advertising has been proven to have significant impact on consumers' brand awareness, brand perception and sales both online and offline
- Campaign analysis leads to the conclusion that the optimal frequency would be six to seven contacts, depending on the goals set
- Compared with television, online display generates higher engagement rates and substantially higher efficiency than TV campaigns. Users interact for nearly 60 seconds with an online ad – twice as long as a standard TV spot normally airs.



Formats

In the early days of online, display advertising ads were mostly small, simple formats, and users' response to seeing them was high. As connection speeds and the penetration of broadband internet connections have increased, the range of possibilities available to advertisers online has grown. Today the branding effectiveness of online campaigns is being lifted through enhanced rich media formats including video ads. Here we focus on some of these display advertising formats.

Simple banner ads (either static or dynamic) are generally the simplest format and the easiest to build, with commensurate pricing compared to other online display formats. Size, placement and style are all hugely variable, and all have an impact on ad effectiveness. Their relative simplicity doesn't detract from their utility; they are still hugely popular with advertisers, and numerous research studies show their effectiveness for branding.

Interactive rich media formats are rapidly gaining ground. The theory behind these is that while watching a video or looking at a banner is a passive way of a consumer seeing a brand's message, encouraging a consumer to interact with a branded property provides a much deeper brand experience and hence builds a great brand affinity.

Advertisers may ask themselves what formats suit their needs best. Various research projects have been conducted to find the answers, what impact they have on brand metrics and how innovative formats can be integrated into marketers' communication. Here we review some of the most interesting findings.

Does size count?

The question of size is always worth a debate and as recent study results show, size actually does matter. United Internet Media has shown that online ad recall can be increased by more than 120% when using large ad formats instead of small ones. Online campaigns using large online formats achieved a three times higher brand awareness score.³² Eyeblaster's global research analysed over 42 billion rich media impressions spanning all formats, and found that they achieved longer engagement time than the average 30 second TV spot.³³

Looking at the development of online formats used in mature markets, it's clear that large formats are growing in popularity for online campaigns. Rich media formats with video have had the highest growth rates recently. In Germany, for example, the increase in usage of video ads was 264% between H1 2008 and H1 2009.³⁴ As eMarketer has shown, US marketers also know of online video's advantages: in 2009 average spending

per hour viewed was \$0.13 for television, compared to \$0.17 for online.³⁵

Rich media and engagement

The success of an advertising campaign is highly dependent on creativity and the opportunities to transform a creative strategy into an online ad that performs well in terms of engagement and impact on the brand are manifold. Rich media allows advertisers to include video, audio or dynamic data fields in their ads in order to stimulate attention and engagement. Engagement can be anything from a consumer mousing over an ad to start a video to expanding ads to custom interaction. According to Microsoft Advertising's "Dwell on Branding" research the higher the dwell score achieved (multiplying the average time that users spend actively engaging with a rich media ad with the proportion of users engaging) the greater the uplift in key brand metrics such as brand awareness, brand favourability and purchase intent. High dwell campaigns were also significantly more effective at driving branded searches, increasing traffic to the brand site, and leading to more engaged users on the website.

For advertisers these results indicate that smaller ad formats generate shorter dwell times, and so messages should be kept short and concise. Large formats, on the other hand, allow a greater field for creative and interactive online banners. But besides size, what counts is surely how they are presented: web site visitors seem to dislike advertisements that cover up content or start without their interaction. Eyeblaster has shown that auto-initiated formats achieve lower dwell time than user-initiated formats. That is because visitors pay less attention to them than if the videos start on user-action. Beside a higher level of attention, consumers probably rate user-initiated advertisements more positively than when being interrupted during their journey on a website.

Are videos ads the next big thing?

There are two main types of video formats: video formats which are placed into the content of a web site, so-called in-page formats; and those in which advertisers embed their video message directly into video content. The latter, so-called in-stream video formats can be differentiated: pre-rolls show the advertisement before the main video content starts, mid-rolls are placed between two parts of video content and post-rolls present the video ad after the main content has finished. Compared with traditional media advertising, online video advertising is rated well by users. Particularly in the context of watching free content, users are more likely to tolerate advertisements in their video content. Pre-roll ads are generally

Formats

the most used; they are short and unavoidable and they act as an introduction to the content experience. As for all advertisements, video ads are rated highest when relevant for consumers.³⁶

Microsoft Advertising's research on the effect of online video ads for film marketing showed that when viewed online users responded more positively to the ads than if seen in a cinema. 74% of all viewers rated their experience with the online ad as positive.³⁷ As found in a German study by Zukunft Digital, brand effectiveness is significantly increased when videos are adapted to users needs and when containing interactive elements such as coupons. The results also indicated that it is not necessary for users to view an online video completely. The time a consumer spends watching an online video does not significantly affect brand metrics: watching a video to the end does not necessarily produce better results in achieving branding goals. Rather brand effectiveness increases as frequency increases.³⁸ Besides frequency, users' receptivity influences video performance: prominent placements increase viewers' involvement leading to higher brand effectiveness.

When analysing in-banner videos Eyeblaster showed a 30% lift in dwell rate (cumulative instances of where a user interacted with the ad divided by served impressions) compared to non-video rich media. Video almost doubles the average dwell time, from 37 seconds to 72 seconds compared to non-video formats.³⁹ Even with higher production costs for video ads (+ 20% compared to non-video ads), Eyeblaster's research proves video's efficiency: video ads ROI is double that of non-video ads.⁴⁰

Video length should depend on objectives

When it comes to changing brand perception or encouraging consumers to take action, according to IAB US research, user initiated 15-second video ads have the highest impact; 30-second ads are best for showing complex and emotional messages. Short ads can be placed in mid-roll placements; longer ads should not interrupt content, because this would generally lead to viewer irritation. Although as ever, these results must always be seen in the context of the communication goals of specific campaigns.⁴¹

Comparable effectiveness but higher efficiency for online video ads

In 2009 Plan.Net, one of Germany's largest digital agencies, and United Internet Media⁴² carried out a major study to compare TV and online objectively. The first of its kind, it worked on the basis of analysing multiple commercials under reliable conditions. Across the base of 270 respondents the research found that online video ads are just as effective as those on TV. Online video ads even achieve slightly higher impact on the measures of unaided brand awareness and ad recall than TV commercials. In addition, due to the potential for targeting, online video ads are more efficient than TV advertising, since spread loss is minimized substantially.

Whatever the format, it is always important to assess the campaign objectives, the target audience and the context for the ads. For example, a blanket campaign of banner ads will generally provide a wide audience reach with a high average frequency of exposure; video ads will usually reach a more specific audience (younger, more frequent consumers of online), but will present a brands message in a more unavoidable way to a more engaged audience. Interactive rich media formats will engage more specific audiences, but provide the most engaging brand experience to those consumers that take part.

Key facts at-a-glance

- Large formatted ads generate longer dwell time and a higher impact on users awareness
- Consider creative insights when producing online ads
- Creative rich media formats drive engagement and dwell better than simple banner ads
- Videos ads are becoming more important to advertisers, as they have been shown to be highly effective
- The effectiveness of online videos is comparable to that of TV spots – and generally with higher efficiency.



Targeting

All media offer advertisers the ability to control advertisement delivery to a greater or lesser degree. The digital industry is no exception and has developed various targeting technologies in order to identify consumers online and deliver advertising to defined audience groups, based on various criteria. User data and targeting technologies are hugely effective in reducing wastage and increasing advertising ROI. Cross-media campaigns can also benefit from targeting, since target groups can be reached in the medium they mainly use. For example, a target group consisting of women aged 20-49 could be split in two: users aged 20-29 could be reached effectively online while those between 30-49 years of age may be reached best on TV.

Targeting is delivering digital advertisement based on different parameters automatically and target-oriented to specific audiences.

Tools

- Technical targeting: Frequency capping, Geo and Regional Targeting, Targeting by date and time, bandwidth or browser
- Language based targeting: Keyword, Contextual and Semantical Targeting
- Behavioural targeting: Targeting consumers based on past surfing behaviour
- Predictive behavioural targeting: Targeting based on specific attributes such as buying attitudes, socio-demographic or psychographic attributes with the aid of statistical predictions based on various data sources.

Campaign analysis has shown that delivering targeted advertisements can increase brand metrics significantly compared to non-targeted campaigns. Over numerous campaigns that used targeting, ad-recall was lifted up to 140%, brand awareness up to 277% and purchase intent even up to 390%. Compared to non-targeted campaigns with the same budget, average campaign reach can be up to three-times higher by using targeting technologies. At the same time the effective CPM can drop by up to 75% since targeting is able to minimize spread loss.⁴³

One may ask how these results relate to other media: United Internet Media further compared the efficiency of a 30-second video ad to be aired on Germany's three largest TV stations and on their general interest online portals. They generated an

amazing 75% lower CPM for the online campaign compared to a single spot on television.⁴⁴ Recent global research from the Network Advertising Initiative, a U.S. cooperative of online marketing and analytics companies, also shows that ads targeted based on surfing behaviour cost on average twice the price of a run of network ads; they do, however, generate over twice as high conversion rates, justifying their higher costs.⁴⁵

As targeting offers clear advantages for advertisers, the question remains how consumers perceive online advertising and in particular, targeted advertising. IAB UK⁴⁶ found that internet users don't entirely reject online advertisements. Although one-third says they dislike online advertising, 70% feel positive or neutral towards online ads. Further, the study of over 1,000 respondents indicated that 36% of internet users admit to seeing relevant ads while they surf the web – of those who feel positively about online ads, 89% say the ads they're seeing are relevant. As described, higher relevance leads to higher efficiency. If recipients see ads that are relevant to them, they are more likely to pay attention to them and remember their messages.

Even though personal data security is important to the majority of internet users, online ads using behavioural targeting do not transfer negative associations to the advertised brands. In fact 21% of respondents even say that being aware of a brand using online behavioural advertising makes the brand more appealing, 53% see no positive or negative change of brand perception.

Key facts at-a-glance

- Carrying out online campaigns with targeting criteria has been shown to have substantial positive effects on brand metrics and at the same time raising efficiency
- Compared with run-of-network campaigns, targeted campaigns have been shown to be more than twice as effective
- Targeted campaigns have a positive impact on users' perception: one quarter of internet users say that ads are more appealing to them if targeted.



Cross Media

Cross media campaigns can achieve a considerable lift in branding metrics because of the effect of multiple contacts with identical advertising messages. So rather than viewing online and TV as competing media advertisers, we should see that they actually complement each other in creating a consistent message to consumers. It is important for marketers to understand how to fit digital into their media mix with an appropriate share of budget to allow the achievement of brand communication objectives in an efficient and effective manner.

Shifting budgets towards online

A pertinent question many marketers ask at this point is “What is the effect of shifting X% of my advertising budget to online?” Nielsen has investigated this very question. By taking the TV schedule of Budweiser and reapplying different levels of their budget to Yahoo!, they found some interesting results. By moving 10% of their advertising budget from TV to digital, advertisers are able to increase audience reach by 3.4% - without changing the overall advertising budget. Nielsen’s research also shows that not only can net audience reach be increased, but increasing online budget boosts Gross Rating Points (GRPs). Because ads on the internet mostly have a higher frequency than TV, shifting 15% of TV budget produces 21% more GRPs.⁴⁷

Within cross-media planning in mature media markets, marketers can count on the internet to create reach within their target groups and thereby expand TV reach. By linking internet and television usage, Nielsen has proven that online advertising also contributes to branding aims by providing frequency against lighter television users. Campaign analysis in the US has shown that up to 90% of recipients reached online were either not reached by a certain TV campaign, or reached fewer than three times.⁴⁸ A well-balanced multimedia campaign can fill in the gaps in media consumption – while a TV campaign will reach TV viewers, an engaging online element means that those who don’t watch TV are exposed to the brand message, and for those who consume both, the message is reinforced.

Cross media advertising is effective

With cross media campaigns, consumers are engaged more intensively with the message (through exposure to the same message in different channels), and thus advertising effectiveness increases. Compared to solus TV campaigns the inclusion of online advertising leads to an overall additional average lift of brand metrics by 18%.⁴⁹ This is of course specific to each industry. Cross media campaigns in the automotive sector have shown a metrics average uplift of 25%.

Recently the six largest online publishers in Germany (Yahoo!, Interactive Media, Tomorrow Focus, Axel Springer, Microsoft Advertising and United Internet Media), together with multi-national CPG marketer Procter & Gamble, intended to discover

which impact cross media – especially online and television – have on consumers brand perception and purchase intent. The key results show that high loyalty to a website increases brand effectiveness of ads on that site as internet users are familiar with the site and are less distracted by website elements, which allows higher cognitive abilities to assimilate advertising. The research further found that a higher online share in the media mix increases campaign efficiency, with the ideal share of online showed to start at 15% budget share. Importantly online display advertising achieved similar recall as the TV ads although at lower cost. The research also underlined the cross media effects of integrating online into the advertising mix: the inclusion of online was increased brand recognition in print and television, since the average number of consumer touch points with the campaign was increased.⁵⁰

Whatever the communication goal, online is able to increase brand metrics along the entire purchase funnel. Turner conducted a study with over 2,400 respondents in UK, France, Germany, Norway, Sweden, Denmark, Poland, Singapore and Hong Kong to find out the impact of cross-platform campaigns on brand metrics. They found that by adding online as an additional touch point to TV, unaided ad recall was increased by 10% leading to a positive change of brand perception.⁵¹

For Unilever’s Dove launch campaign using print, TV and digital in the Netherlands, Forrester research showed its dominance, with an increase in spontaneous recall of 14%, compared to 11% for television.⁵² Analysis of McCain’s cross media campaign found that online encouraged greater lifts in ad awareness (+10%), brand favourability (+8%) and likelihood to purchase (+11%) than the solus TV campaign.⁵³

Key facts at-a-glance

- Traditional media has been shown not to reach all audiences across the day. Integrating online to the media mix can expand reach and fill in where classic media exhausts
- Cross media campaigns including online display advertising have shown a significant impact on brand metrics
- Introducing online to the media mix does not lead to cannibalisation; it actually increases users’ brand engagement
- The ideal share of online within cross media campaigns has been shown to be 15%
- In order to generate high impact on the brand, advertisers should take advantage of the unique properties each channel offers in order to deliver a consistent brand picture.

Appendix

- 1 Microsoft Advertising: Europe Logs On, 2009
- 2 Microsoft Advertising: Media Meshing – Meet Europe’s media multi-taskers, 2009
- 3 Eyeblander: Trends of Time and Attention in Online Advertising, 2009
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About IAB Europe

Our mission is to promote, protect and prove the value of the European digital advertising industry.

IAB Europe exists to promote the growth of Europe's interactive advertising markets through events, partnerships and communications activity, to protect the interests of the industry through an active programme of public affairs and to prove the value of the market through research and education.

The power of IAB Europe comes from its extensive membership at both country and corporate levels. Our national membership of 26 countries spans the entire continent - not only the mature markets of Western Europe, but also rapidly evolving markets including Croatia, Czech Republic, Romania, Russia, Slovakia and Ukraine. Our corporate membership includes advertisers, major media groups, publishers and portals, agencies, research companies and technology and service providers.

The only body that truly represents the interests of the European digital and interactive advertising industry.



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