

Measuring Success



An Advertising Effectiveness Series from the IAB

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Ever wonder why the standard TV commercial is 30 seconds as opposed to, say, 60 seconds? The reason is, in part, due to some insightful research in the 1960s by a company I once worked for (Yankelovich). They found that doubling the length of the commercial didn't add much to its effectiveness. Hence, advertisers adopted the 30-second spot. Good research can play an instrumental role in helping to shape the evolution of an advertising medium. We should applaud the research that helps us quantify the value of new online ad formats. And thanks to these new formats online advertising just got better. Not just a little bit better – much, much better.

What made it better is the larger Interactive Advertising Bureau (IAB) Interactive Marketing Units (IMU) ad formats. These new ad formats complement the banner and allow a larger visual experience, deeper messaging and increased branding effectiveness. How much better is the branding effectiveness?

The results of a comprehensive advertising effectiveness study conducted by research firm Dynamic Logic answered that question. So did a study from ACNielsen.consult, Diamater, Millward Brown IntelliQuest and Ipsos-ASI. Regardless of the source, the findings are (in three words) "Online builds brands." These new research studies provide the industry with some of the best insight into which sizes, technologies and implementation techniques are most effective.

Five separate research studies. One conclusion: Online builds brands.

Each research study looked at a slightly different issue.

- ARF Study (conducted by Ipsos-ASI) pre-tested various ad sizes to estimate effectiveness and consumer response
- IAB Study (conducted by Dynamic Logic) measured the value of larger ad sizes on

branding metrics

- CNET.com study (conducted by Millward Brown IntelliQuest) compared a new interactive format against the norms for banners
- MSN Study (conducted by Dynamic Logic) measured the value of the larger size, and the value of interactive units using DHTML and other rich media technologies
- DoubleClick Study (conducted by Diamater) measured not only the value of larger sizes and the value of rich media such as Audio, Video and Macromedia Flash, but also the effectiveness of serving larger ads on the page, popping up over the page, or interstitched as transitions between pages

The ARF study was among the first to conclude, "bigger is better," but that was in 1998, a time in which many interactive advertisers were focused on other issues. And publishers were concerned about alienating consumers with the larger ad units. For the most part, the findings fell on deaf ears.

Fast-forward a couple of years and the receptivity to these branding units is dramatically better. Most consumers have faster Internet connections. Publishers have found that the vast majority of consumers accept these new larger units. And marketers now see advertising as better way to reach Web users (as opposed to expecting consumers to visit the corporate Web site). Advertisers seem delighted to have more space on a publisher's Web site to bring their message to the consumer.

The industry, through the IAB, has agreed on formats, streamlining development for ad agencies. A host of new studies highlights that new sizes, new ad technologies, and new ad placement techniques can produce stellar results for advertisers. As one would suspect, the results range from one advertiser to the next. Here is a summary of the research findings on average:

Examples of IAB Ad Formats

Banner: 468 X 60



Skyscraper: 160 X 600



Large Rectangle: 360 X 300



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Large Size: The IAB, ACNielsen.consult, CNET Networks, Inc., DoubleClick and MSN studies converge on the point that online advertising successfully builds brands. The Skyscraper and Large Rectangle improve key branding metrics by an average of 40 percent (for a single ad exposure) compared to baseline measures.

New technologies: MSN and DoubleClick studies examined ad technologies such as Audio, Video, Flash, and DHTML. The studies found that each improved the effectiveness of these larger ad units above and beyond standard animated Gif images. Flash and DHTML seem to hold the most promise. Flash, for example, increased branding metrics by 71 percent for the three ads Diameter measured. Dynamic Logic measured DHTML and found it produced an average lift of 19 percent.

Ad position: The DoubleClick study measured ad positions: (1) on the page, (2) as a pop-up over the page, and (3) as an interstitial in the transition from one Web page to the next. The DoubleClick study suggests that so-called “interstitials” work as much as 194 percent better at boosting brand effectiveness. Furthermore, for the brands Diameter measured, pop-up ads displayed over the page may actually be slightly less effective than the same size ad displayed on the Web page. Pop-ups lifted branding metrics an average of 52 percent while the same size Large Rectangle ad displayed within the page lifted the same branding metrics by 55 percent.

The studies are unanimous that the Skyscraper and Large Rectangle ad units provide greater value for the advertiser. Furthermore, advertisers can get even more value by using Rich Media technology such as Flash and DHTML. And finally, interstitial ads can add substantially to online branding effectiveness.

So, there it is: Larger, richer ads work like a charm. And if you can get a Web site to accept a large interstitial, even better. But let’s move from generalities to specifics. Participants in the IAB study, conducted by Dynamic Logic, were gracious enough to allow their data to be shared on a brand-by-brand basis. So here is what we learned: Whether your brand is established or new, these larger formats can help achieve a variety of marketing objectives.

Consider the example of Vaniqa, a pharmaceutical product from Bristol-Myers Squibb. Its ad ran on iWon. Never heard of Vaniqa? Well, you’re not alone. Seventy-seven percent of consumers surveyed in IAB’s study had never heard of Vaniqa. Vaniqa is a new brand for Bristol-Myers. A key goal is to increase the number of people who know the brand name and, if possible, connect the Vaniqa brand name with the ad message.

So how did Vaniqa do? Vaniqa started with 23 percent brand awareness and after a **single**

exposure to the Skyscraper boosted brand awareness to 30 percent. That seven-point increase represents a 30 percent lift in brand awareness and would come as welcome news to any brand manager.

Now,
Up Close
is Up to
You.



While the Skyscraper ad format worked nicely, the Large Rectangle format did even better. It increased brand awareness from 23 percent to 33 percent – a 10-point gain, or 43 percent lift.

To recognize the Vaniqa brand name is one thing. To get the core advertising message is even more important. You see, Vaniqa is a product that inhibits the growth of facial hair on women. Its core advertising message is: “Now Up Close is Up to You.” Before seeing this ad, only 14 percent of consumers could connect that message with Vaniqa. After seeing the Large Rectangle, 28 percent connected “Now Up Close is Up to You” with the Vaniqa brand.

The Vaniqa case paints an encouraging picture for advertisers – especially those with brands that are new or relatively unknown to a target audience. But what about a well-known established brand? Can a single ad impression make a difference for an icon brand that everyone has heard of?

The answer is YES! Take a soft-drink brand with nearly 100 percent awareness. The brand was built by thousands of ad messages and refined by hundreds of purchases and use (yes, if you’re part of their target, you’ve certainly

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consumed more than a hundred units of their product). We are familiar with the taste, the logo and the jingles. So what could such a brand possibly get out of online advertising?

The answer is tactical messaging. The soft drink's battle is not the same as Vaniqua's. Its battle is not to create a name – it has already done that. Rather, its battle is to stoke the flames of interest with consumers who are already aware of the brand. Its battle is to steal market share from its equally well-known competitors.

The soft drink's marketing often focuses on promotional events, contests and giveaways. The focus of the ads we tested are prime examples of such a promotion. The brand's online strategy extended the marketing of this promotion into a Tween audience (20-something and teens). The Web site Snowball.com, a leader in this market segment, worked with the brand to bring the soft drink's seasonal promotion to life through a medium rectangle online advertisement.

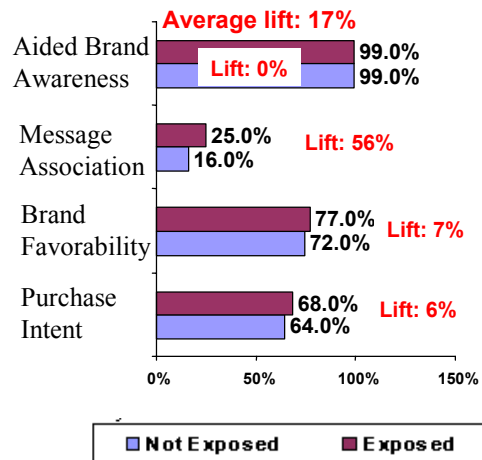
With nearly 100 percent brand awareness, the focus is on message association, brand favorability, and purchase intent (not brand awareness). The new formats boosted the association with the promotional phrases from 16 percent to 25 percent for the Skyscraper and from 16 percent to 29 percent for the Rectangle. Impressive results, considering the increase was caused by only one online ad impression.

And even though brand attitudes are extremely well established and entrenched for the soft drink brand, the Rectangle format managed to lift top 2 box brand favorability by 5 points, from 72 percent to 77 percent. That's a 7 percent lift!

More significantly, top 2 box purchase intent increased from the baseline of 58 percent among those not exposed to online advertising to 63 percent for the Skyscraper and to 65 percent for the Rectangle. That's a 10 percent to 12 percent lift for the new larger ad formats!

Genuity (on CNET.com) and uBid (on MSN) also performed well. The specific details of their performance are contained in the full report (which you can obtain from IAB or Dynamic Logic).

Soft-drink Rectangle Ad



Richer and More Interactive is Better

In addition to the evaluation of the larger formats, studies like MSN's (conducted by Dynamic Logic) or DoubleClick's (conducted by Diameter) shed light on ways in which advertisers might use the larger sized ads. These studies asked: What if the advertiser used richer or more interactive media on the new larger advertising canvas? Or, what if the advertiser served this larger format as an interstitial?

The IAB study focused like a laser on the question of size. The study used the most basic form of online advertising technology, Gif animation. The MSN and DoubleClick studies took the question a step further. They not only measured the value of larger formats (confirming the results of the IAB study), they measured the impact of Gif, Audio, Video, Flash and DHTML.

In the DoubleClick study, conducted by Diameter, it found that Audio and Video improved the branding performance. In all, Diameter measured three brands and found that Audio produced an average lift of 14 percent and Video delivered a lift of 9 percent. This compares to an average lift from Gif animated ads of 4 percent. However, these results pale in comparison to what Flash produced. Flash, a vector based animation technology that allows advertisers to create a fairly rich graphical experience in a small file size, improved brand measures with an average lift of 71 percent.

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MSN conducted similar research with Dynamic Logic. It tested a different set of brands (uBid and ShareBuilder) and found Flash improved brand awareness by 5 percent (from 38 percent to 40 percent) while DHTML produced 13 percent lift (from 38 percent to 43 percent).

This is good news because it means that an advertiser using these technologies in conjunction with the larger formats can get even better branding results than what was observed in the IAB study.

Bigger is better, and richer, more interactive advertising is best. All this is not to say the banner is dead. Far from it. The research confirmed that the familiar and convenient ad banner builds brands, too. While the new larger ad formats generally pack more branding punch than banners (suggesting different cost for the different ad types), banners produce branding results and are the most accepted format across the World Wide Web. In fact some believe that an important part of advertising success is the consumer seeing the advertisers' message in different parts of a Web page, in different contexts. These marketers believe that this increases the likelihood that the consumer will browse a Web page and notice an advertisement. While the theory has yet to be fully researched, it is a good working hypothesis and reason to use several online ad formats in an attempt to gain the attention of consumers.

For advertisers these new larger formats represent a great opportunity to increase use of online advertising as part of your marketing mix. For publishers, these new formats represent an opportunity to increase the value of each Web page they serve.

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Sidebar: A Note to Publishers

For publishers that are considering these larger ad sizes and new formats such as interstitials, consider the fact that these new formats work better. This means that advertisers get more value for their advertisements. This may justify a price premium over banners. If you have a Web page that currently carries a banner, consider switching some of your inventory to the Large Rectangle, for example. Your cost of creating that Web page remains about the same, however, the value of that page to an advertiser just increased!

Interstitials may be a better solution than pop-ups. The evidence from the DoubleClick/ Diameter study is that interstitials work much better in terms of branding results. Techniques for serving interstitial ads while allowing the Web page to load in the background (as a Webmercial does) may provide the right balance of advertiser messaging and deferential politeness to the Web user. Such technology displays a message telling the consumer that the Web page is loading while the ad plays. The consumer moves from the interstitial ad to a fully-loaded Web page, thus mitigating feelings among consumers that advertising is unreasonably slowing page load.

Concerned about moving to these formats too quickly? Reluctant to give up proven banner inventory? Here's a solution: Some Web sites are blending their pages so that different page templates are served containing precisely the same editorial content but different ad shapes. In other words, two consumers coming to the same page may see different layouts, one with a banner and one with a Large Rectangle, for example. This allows the publisher to accept these new formats without having to let go of the standard ad banner.

These new formats are great tools to help your customers achieve their marketing goals. Continuing research efforts to better understand how to make the best use of the space can help form a valuable partnership between publisher and advertiser. For more information on the formats, visit: www.iab.net.