

The Digital Challenge:

BEING GREATER WITH DATA

The metrics required to evaluate
the effectiveness of digital
advertising for brand campaigns.

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“It’s time for digital media to grow up and for clients who are running full-on marketing campaigns to really understand how their campaigns are performing if they spend \$5 million or \$1 million or \$800,000 online, across various sites and fragmented audiences.”

Curt Hecht, President, Publicis Groupe’s VivaKi Nerve Center, April 22 2009

Mind The Gap

Despite digital’s reputation as the most measurable of all media, marketers continue to grapple with how much to invest in the medium because of the sheer abundance of data generated and the myriad of ways to measure it.

According to the findings of the MIA Project¹ (Measurement of Interactive Audiences) marketers are crying out for consistent and transparent online measures. Out of 800+ marketers that were surveyed globally, 96 percent of respondents said that it is important for measurement calculations to be clear and transparent — only 29 percent were satisfied that this is the case in practice.

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Similarly, 96 percent of those surveyed said that it was extremely important to have consistency in terms of measurement calculations, yet less than a quarter (23 percent) were satisfied that this need is fulfilled.

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It is clear there is significant room for improvement in digital measurement but what does it take to ensure that we deliver the transparency and consistency that our customers crave? In my mind there are two essential measures to evaluate a campaign’s success — quantity and quality. Most successful advertising campaigns are trying to achieve great effectiveness (quality) on a large scale (quantity). This translates to two questions that digital needs to provide an answer for brand advertisers:

1. Measures of efficiency in reaching a target audience (quantity).
2. Validate the value digital media adds to a brand (quality).

A Question of Quantity

Audience reach and frequency measures are common in traditional media planning.

In pre-campaign planning these measures inform on whether the target audience is available to buy within the specific media channel. Post campaign, they are used to evaluate the efficiency of the buy in reaching the target audience compared to other media.

In the online world, site reach by audience is commonly available, answering the question on whether the target audience is available to buy within the specific media channel. The problem is that campaigns do not buy 100 percent of the page views on a site — and hence this data has limited value in predicting and optimising the campaign's overall performance for a specific target audience.

Online post campaign evaluation provides measures of impressions and clicks whilst traditional media uses measures of audience reach, frequency and GRPs. Digital generally focuses on measuring immediate actions post exposure, whereas other media demonstrate the delivery of an ad to a specific target audience. The outcome is that digital campaigns tend to be planned, bought and evaluated in isolation, restricting budget allocation, cross platform synergies and campaign optimisation.

Fortunately, the data and analytics do exist to deliver comparable audience reach and frequency measures for online campaigns. By combining publisher server log data of campaign impressions with online panel data (from companies such as Nielsen and comScore²) we are able to report back on the audience delivery of a campaign.

The challenge is to ensure the accuracy of the online panels and to push for this fusion [with publisher server log data] to happen so that true campaign reach and frequency measures can be readily accessible to advertisers.



Exploring the Case for Digital GRPs

Advertisers and agencies are accustomed to buying offline media in terms of GRPs or Gross Rating Points.

It provides them with a comparative measure across traditional media and they are therefore keen to extend it to online. In its simplest form, the calculation for GRP is:

GRP = % audience reach x frequency x 100

Hence if we now have a way to calculate the audience reach and frequency for online campaigns, online GRPs are just a calculation away. However, we would challenge the extent of their usefulness in the digital space. There are obviously some positives for using digital GRPs:

1. It is a currency that agencies and clients are already familiar and comfortable with.
2. It provides a standard matrix where digital can be compared to other media – and hence instruct appropriate budget allocations by media.

But does it? GRPs, by definition, are a gross reach figure. 100 GRPs could therefore mean either that 100 percent of the target audience are reached once, or one percent of them are reached 100 times, or any combination thereof.

To add further complexity let's remind ourselves that different media and media element mixes yield different results. That is, 100 GRPs of radio is different to 100 GRPs of TV or a newspaper. 100 GRPs of day time TV is different from 100 GRPs of peak time. Similarly, online GRPs will yield its own unique results that will vary by format and context. Applying equivalence factors and frequency capping measures specific to the medium go some way to refine the GRP measures. Yet, we would argue that there is no 'one-size-fits-all' GRP number for a given effective reach. Therefore, GRPs alone cannot answer the critical tactical question of where to allocate spend.

Our belief is that reporting campaign reach and frequency for the bought audience (against the whole audience, not just those who are online or digitally enabled), developing knowledge of optimal frequency by media and frequency capping tools, will provide a familiar frame of reference and go a long way in improving the transparency and credibility for digital advertising. However, these quantity measures need to be utilised in conjunction with measures of audience quality to ensure brand campaigns can be effectively planned, the performance is optimised and accurately evaluated.

Validating the Quality of the Digital Audience: Dwell on Branding

To validate the value digital media adds to a brand we need to recognise digital's uniqueness — in terms of levels of engagement and interaction with an audience.

We know that consumers are willing to engage with brands in active and explorative ways on their own terms. To capitalise on all that digital has to offer there needs to be a greater understanding of the role digital plays within the purchase funnel, and further exploitation of digital's creative capabilities and targeting opportunities.

Based on 14 years of TV advertising tracking and in-market performance of ad campaigns among consumers, IPSOS published details that the creative execution, that is the ad itself, accounts for around 75 percent+ variance in advertising performance. Therefore, media scheduling (that is when and where the message is shown) only accounts for around 25 percent³.

Campaign evaluation is incomplete without measuring the effectiveness of the message (the ad creative), this is coming increasingly important as if the ad resonates with an audience it is more likely to also be adopted virally — improving the longevity, kudos and reach of a campaign. Opinions on 'what makes a good ad' may be divided but the end goal is the same — to stimulate an effective level of attention amongst the target audience to ultimately drive a favourable response towards the brand.

In the digital world we know that we can employ a number of tactics (such as the use of video or expansions) to stimulate a user reaction, and we can measure the amount of time a user spends looking/interacting with the advert (that is "dwell time" or "interaction time"). Obviously the time spent exposed to an advert is a familiar metric to many; for example, TV evaluates a campaign success by applying factors to adjust each ad to a 30 second exposure (30 second equivalent ratings). However, in the digital world, we are able to take this to another level of accuracy, providing actual exposure times to ads via ad server data.

We believe that measuring the engagement that the advert provokes provides a good surrogate measure for the level of attention paid to the ad — which, once combined with brand behaviour post exposure, will be able to give us a reading on whether there is a positive correlation between ad engagement and brand behaviour.

We have collaborated with Eyeblaster and comScore to create paired matching test and control groups of people⁴ across 20 campaigns spanning four EMEA countries that ran across Microsoft Advertising services in January-June 2009. By assessing the online behavioural impact of exposure to high dwell campaigns vs. those unexposed to the campaign (but comparative to campaigns that produced lower 'total dwell scores'⁵) we are able to ascertain whether campaigns with higher dwell scores produce more favourable post exposure behaviours online. This initial exploration has produced some interesting conclusions to-date; Campaigns with a higher dwell score also deliver higher:

- Branded search-term activity.
- Visits to brand sites.
- Uplifts in numbers of engaged visitors to brand site (measured in pages consumed and time spent on the brand site).

The ambition is to take these findings a step further, working with a number of clients to explore whether high levels of online engagement (total dwell⁵) also have a positive correlation on offline brand perception and behaviour. If this proves correct, then it seems prudent to add total dwell as a measure of success to campaign reporting going forward. This metric, once standardised in definition, is relatively easy to monitor across all campaigns. It can also be aggregated to provide 'digital norms', a useful aid in the brand campaign evaluation process.



Conclusions

“When marketers say they want to measure online branding effectiveness, there are really two questions they want answered:

1. How successfully and efficiently did I reach my target audience?
2. Did my advertising influence the intended target’s attitudes, perceptions or behaviours associated with the brand?”

Geoff Ramsey, CEO eMarketer, The Great GRP Debate, July 2009

Reach is a simple but powerful criterion for success in marketing — advertisers want to quantify how many people had a chance to see their brand’s message. That’s a fundamental question—no matter what the medium and has become the currency by which traditional media is bought and sold. Providing digital campaign reach and frequency figures through ad server/ audience panel fusions responds to this need and provides a comparative measure to the non-digital world. The second question, ultimately speaks to measuring the campaigns ROI i.e. its quality. Finding a scalable and cost effective quality measure is a shared challenge across all media. However, early indications suggest monitoring the time spent engaging with digital executions provides a positive step forwards. Being greater with data demands that we recognise what our clients require (that is the quantitative and quality measures) and then draw on the strengths of what digital panel and ad server data can deliver to provide scalable (and possibly new) solutions with greater accuracy than has ever been achieved before.

All media is migrating to a digital platform so now is the time not only to learn from, but to leap forwards in terms of measurement — using the best of the existing measurement frameworks and seizing the opportunity of setting the measurement

“The challenge is getting that vertical measurement up to par across all channels before we can fully integrate it. And that’s the problem —the way that Print media or TV is measured is just not up to the standard of measurement that we can get through digital channels.”

Charlotte Wright, Head of Strategy,
MEC Global Solutions, Imagine 09

agenda of the future. Providing and learning from digital campaign measures of reach, frequency and total dwell scores, will provide a positive leap in the right direction and one Microsoft Advertising is actively pursuing.

¹The MIA Project (Measurement of Interactive Audience,) is a joint initiative between the European Interactive Advertising Association (EIAA) and the Interactive Advertising Bureau Europe (IAB Europe) which aims to improve the Internet’s accountability as an advertising medium. The Audience and Traffic Measurement Survey was co-funded by the MIA Project partners the EIAA and IAB Europe, and by the IFABC. Available in 15 languages to target the world’s largest broadband markets, the research aggregates the views of users of online measurement services from across the media industry.

²Other local audience panel providers include ÖWA (Austria), Gemius (Denmark, Poland), TNT Gallup (Finland), AGOF (Germany), Median (Hungary), STIR (Netherlands), Metriweb (Belgium, Switzerland).

³John A Hallward, Is Anyone Paying Attention to Your GRPs? A Research Study Assessing Quality of Media Exposure, IPSOS TV Workshop October 2000

⁴Test and control groups: Based on passively observed exposure to an advertisement, a test group of panelists exposed to each of the campaigns was generated, irrespective of whether they clicked on an advertisement or not. A control group of panelists not exposed to the campaign also was generated. This group had no exposure to the advertisements, but exhibited

the following characteristics when compared to the test group(s):

- Similar historical usage of the Internet overall;
- Similar historical visitation to the sites where the advertisements were in rotation;
- Similar historical total search behaviour online;
- Similar distribution on the following household demographics: age, income, census region or residence, and connection speed.

I.e. the intention is to create two groups that are identical with the exception of the exposure to the online display advertising being tested.

⁵Dwell scores – is a measure of ‘total dwell’ that is dwell time x dwell rate. This takes into account the total time spent viewing a campaign (dwell time) as well as the number of impressions that were dwelled upon as a proportion of the total impressions served (dwell rate). Dwell is defined as an active engagement with an ad. It includes positioning the mouse over an ad, user-initiation of video, user-initiation of an expansion, and any other user-initiated Custom Interaction. Unintentional dwell, lasting less than one second, is excluded.

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