Measuring the effectiveness of online advertising

Study conducted by PwC for IAB France and the SRI
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Introduction

Over the past five years, advertising budgets allocated to internet media have grown spectacularly. In 2010, the internet will represent 16% of total advertising expenditure worldwide and this figure could reach 21% in the next four years. This growth is significantly fuelled by search and “performance” tools (affiliate marketing, email, comparison websites, etc.), although display advertising continues to represent a large portion of online budgets (49% in 2010 and 45% in 2014).

Two trends are driving this boom:

• an increase in Web usage which strengthens the internet’s role in providing recommendations and preparing consumers to make purchases and recommendations
• developments in targeted advertising formats and techniques which help shape more communicative and relevant online campaigns

Although the internet is by nature a quantifiable medium, online strategies are not yet adequately based on a suitable performance measure. Advertisers realise that measuring performance is an important issue, but for the most part they face difficulties in implementing appropriate methods and indicators. This is first of all put down to a lack of resources, but other reasons often alluded to are organisation, tools and the need to strengthen expertise.

This new environment has prompted advertisers to consider several fundamental questions:

• Which media mix should be used to achieve an optimum communications strategy?
• How can digital media be most effectively combined with other media?
• How do online communications influence a brand’s image and reputation?
• How can the impact that online advertising has on bricks-and-mortar distribution networks be measured?
• Which targeted advertising formats and techniques are best suited to the marketing objectives?

Aside from traditional clickthrough rates, the limitations of which are outlined in this study, there are several indicators available to advertisers, including the web-based gross rating point (GRP), return on investment (ROI), media post-tests, exposure time and the engagement rate. However, it is important to define in which framework and with which objectives these resources should be used.

The purpose of this study is to identify the different ways of measuring the effectiveness of online advertising. It is aimed at online marketing and media buying professionals and, more generally, at all departments involved in digital media.

Our study focuses on measuring the performance of display advertising and covers seven key approaches:

• Defining an online communications strategy
• Measuring the Web’s contribution to branding objectives
• Measuring the impact of online campaigns on offline sales
• Measuring media mix effectiveness
• Analysing the impact of online advertising on browsing behaviour
• Assessing the impact of targeting on all aspects of the campaign
• Measuring the impact of advertising formats on campaign performance

For each of these topics, our aim is to analyse market trends based on benchmark studies conducted by market research institutes, advertising agencies and sales agencies, companies specialised in measuring advertising performance and consultancy firms.

We interviewed several advertisers from a variety of industries as well as three media agencies in order to understand their view of the key issues at stake and identify together the best resources for measuring the effectiveness of online advertising.

We hope that this study will provide you with useful insights to help you plan for the future.
Key points of the study

New opportunities, new measurement challenges

Today the internet is at the core of communication and consumption behaviour. For example, internet users in the U.S. spend 58 minutes watching video or surfing on the web7. 78% of internet users state that they consult a website before buying a product4.

As social networks develop, the Web has also become a place where a brand’s reputation and image is shaped.

Advertising formats are more developed, videos more sophisticated and targeting tools more focused. Now that advertisers are better equipped for communicating on the Web, they are gradually directing their budgets towards online advertising. Measuring online advertising performance is therefore becoming critical for them.

For display advertising campaigns, the clickthrough rate remains the most widely used indicator, but is not without its limitations. In 2009, only 16% of internet users clicked on advertisements8. In addition, this rate gives no indication of the impact of a campaign on a brand’s image or on the consumer’s subsequent browsing or purchasing behaviour. So there is now a real need to find other solutions...

Starting point: a clear online strategy

Developing the brand experience, growing online or offline sales, generating leads, reducing acquisition costs... an online campaign can have many objectives.

It can have many resources too, including brand websites, search tools, rich media campaigns, presence on community networks and website sponsoring.

Which online resources achieve the best performance in terms of a campaign’s objectives? How much of the budget should be allocated to each resource? For advertisers investing 10%-30% of their budget in online advertising, and up to 50% in some campaigns, these questions are crucial7.

Facing this realm of possibilities, the advertisers who were interviewed identified two key imperatives:

• Defining a clear and measurable online strategy with indicators tailored to each objective
• Measuring the Web’s performance together with that of other media, in terms of coverage, impact on the brand and additional sales

Measuring the impact of campaigns on the brand

61% of American advertisers find that the internet meets branding imperatives such as awareness, recognition, brand loyalty and purchase intent. Several studies demonstrate the impact the Web has on a brand. For example, an analysis conducted on a campaign run by a catering firm reveals that brand identification improved by 10%2. Similarly, a luxury goods campaign achieved a rise of 9%. By studying display advertising campaigns run by four advertisers from different industries, Médiamétrie NetRatings revealed that the purchase intent of internet users who were exposed to these campaigns increased by 11%. In a study of 73 display advertising campaigns reaching 100,000 internet users, United Internet Media found that the internet enabled the rate of aided brand awareness to jump by 26%9.

Post-test studies continue to be the benchmark method for evaluating the impact of campaigns on a brand. In this respect, it is increasingly common for advertisers to carry out specific analyses on the Web.

Indicators other than the clickthrough rate can however help determine the impact online advertising has on branding. By measuring exposure, advertisers are aware of the actual visibility of a display advertisement and the average time during which internet users are exposed to the advertisement. This indicator will continue to develop in the future with the standardisation of measurement methods.
Measuring interaction also provides an initial analysis of the impact a video or rich media campaign has on a brand. Several studies have revealed a close correlation between interaction and impact on a brand’s reputation and image.

Advertisers can also assess the impact of their branding campaigns by internet users’ engagement on a website. This is achieved by analysing every aspect of their browsing behaviour, including depth, duration and actions.

From our meetings with advertisers, we discerned a strong tendency to develop these online indicators, which provide a responsive interpretation of the impact on their brands and can be monitored over the long term.

**Do online campaigns generate offline sales?**

In 2009, 24% of French internet users interviewed by IFOP responded that they could be enticed to buy a product advertised online. The same percentage of respondents said that TV advertising could influence them in the same way. In 2010, eight out of ten internet users interviewed by Médiamétrie reported consulting a website before purchasing a product.

This trend is confirmed by assessing the impact that online advertising campaigns have on offline sales. After analysing the purchasing behaviour of a panel of 185 million consumers, comScore showed that exposure to display advertising campaigns resulted in a 10% increase in shop sales.

The objective of online advertising is therefore not just to boost web traffic and online sales. It also has real leverage to boost sales in bricks-and-mortar distribution channels. But how can this be demonstrated and evaluated?

**Post-tests** assess the impact of advertising campaigns on consumer behaviour and purchase volume. **Econometric models** can be used to measure the impact of advertising on the Web and other media on sales over time, but they require a relatively long observation period.

In general, advertisers often use an empirical measurement method by cross-checking sales data against media campaign strategies. Many advertisers feel this method could be improved as a number of organisational and technical issues make the indicators difficult to implement.

**Finding the most effective mix of the Web and other media**

Media use is becoming increasingly interlinked. In 2009, 40% of European consumers watched TV at the same time as browsing on the internet at least once a day. The Web is viewed as a means of both extending coverage and optimising performance with a fixed budget. A study carried out by Nielsen for an alcoholic beverage manufacturer revealed that by reallocation 10% of the TV advertising budget to the Web, the advertiser succeeded in increasing its audience by 3.4% and boosting the campaign’s total GRP (gross rating point - see definition on page 30) by 20.7 points. Mixing media is an effective means of branding, which in some cases can enhance brand awareness and loyalty by up to 20%.
Media agencies propose different techniques for measuring the impact of media mixes that show the impact of a shift to more frequent and repeated Web use. These decision-making tools can be complemented by conducting post-tests on the contribution made by different media to branding objectives. In spite of this, comparing the effectiveness of TV and online data presents a real challenge to advertisers, 70% of whom say they would like to be able to compare more easily the effectiveness of online and TV advertising.

**What impact does display advertising have on the behaviour of internet users?**

Exposure to advertising has an impact on the behaviour of internet users on the brand website. A study conducted in 2009 by the Online Publishers Association reports that the time spent by internet users on websites is on average 50% higher following exposure to a display advertising campaign. Advertisers should identify and assess this impact, so as not to undervalue display advertising in relation to search. Multi-exposure analysis can enable advertisers to define the right level of message repetition and the most effective combination of online advertising resources.

**What is the impact of targeted advertising?**

Behavioural targeting is expanding rapidly. According to eMarketer, it will grow annually by 23% over the next five years in the United States. Retargeting, in particular, is advancing exponentially and is generating up to 16 times higher post-click conversion rates. Online retailers closely monitor its impact on conversion, but its impact on brands is seldom measured by brand-focused advertisers. In the future, measuring the impact of behavioural targeting will be essential because real-time online auctions will promote its wider use.

**Which are the most effective advertising formats?**

It is estimated that video and rich media will represent 63% of the European market in 2014, compared with 40% today. Even so, in certain cases a static banner remains the most effective way of conveying a message. Advertisers should therefore measure the impact of different formats in order to choose the ones best suited to their needs.

New methods are emerging for measuring the impact of rich media. As the clickthrough rate proves to be an inadequate form of measurement, the interaction rate and time are becoming key. Measuring interaction enables the impact of video or rich media campaigns to be measured. Behavioural targeting enables the impact of rich media campaigns to be on a brand to be analysed. It is especially relevant for advertisers who do not aim to increase web traffic or website engagement. With the emergence of these new formats, creativity once again offers the means to stand out from the crowd. Approaches designed to pre-test the impact of online creations may develop further in the years ahead.

**Five levels for effectively measuring online advertising**

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Level of maturity and trend in use</th>
</tr>
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<tbody>
<tr>
<td>Display</td>
<td>Mature, minimum indicator</td>
</tr>
<tr>
<td>Actual exposure</td>
<td>On the rise, being trialed by many advertisers</td>
</tr>
<tr>
<td>Interaction</td>
<td>Often only partially exploited</td>
</tr>
<tr>
<td>Browsing</td>
<td>Developing, rapidly, in line with growth in rich media and video</td>
</tr>
<tr>
<td>Number of impressions</td>
<td>Developing, depending on advertisers</td>
</tr>
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</table>

**Key points of the study**

Study conducted by PwC for IAB France and the SRI: Measuring the effectiveness of online advertising.
New ways of using the internet help boost the development of online advertising

Simultaneous use of the internet and TV is becoming more widespread

The emergence of the internet has not replaced the use of other media, particularly TV. Rather than competing, these two media complement each other. The internet acts as an extension to the TV experience. As demonstrated by a Microsoft Advertising study, 78% of internet users believe that watching videos online complements their TV use. Internet users look out for specific, unusual and previously unavailable content.

This simultaneity in media consumption enables the brand experience to be prolonged through online media and encourages advertisers to mix the Web with other media.

The internet asserts itself as an essential tool for influencing and preparing purchases

Today, the internet is at the heart of purchase processes. The 2010 FEVAD-Médiamétrie barometer shows that 78% of internet users consulted a website before buying a product. The Web is becoming a highly influential medium, in the same way as TV. Internet users know how to make the most of the numerous resources available to them, including retail websites, consumer reviews, comparison websites and forums. This trend has been strengthened by the crisis, the slowdown in household spending and the development of “hunter” or opportunistic behaviour.

This development underpins the importance for advertisers to conduct as detailed an analysis as possible of the multi-channel purchasing path used by buyers. It is vital to understand the impact advertising has on offline sales and in particular its ability to foster consumer engagement and influence consumers’ decisions.

Social networking offers advertisers a new platform for expression

Internet users spend a tremendous amount of time using exchange and communication services on the Web. According to Médiamétrie/NetRatings, internet users spend on average 3 hours 40 minutes per month on instant messaging, 4 hours 8 minutes on community networks, 2 hours 40 minutes on emailing and 1 hour 15 minutes on online auctions or classified ad websites.

This new use of media, including community and social networking sites, generates additional advertising space which provides advertisers with remarkable targeting opportunities (through a greater targeting capacity and increased exposure times).

Nevertheless, advertisers must assess the relevance and effectiveness of these new spaces in relation to their own communication objectives.

“Advertisers are aware of the large number of resources available to them for measuring the effectiveness of online advertising. It is up to each one of them to select the most useful indicators for their interactive strategy and develop an online culture within their environment.”
Thierry Limousin
Digital Director, Samsung

Formats and targeting techniques are evolving

The increased number of advertising formats and spaces requires the actual visibility of advertisements to be measured.

Continuous innovation and greater choice in formats mean that analysing the actual impact of different advertisements is a complicated procedure. This impact depends on at least two factors: the screen space, or proportion of the screen used by the banner; and the duration of the advertisement.

With webpages becoming more elaborate, it is necessary to measure the difference between the impressions delivered and the impressions seen by the user. In fact, only the latter are likely to have an impact on the user.

Based on these ideas, resources are emerging for measuring advertising exposure which help improve measurements of the impact of advertising in terms of branding.
Rich media and video advertising offer new brand experiences

Rich media formats have advanced considerably over the past five years. This progression heightens the communicative potential of online advertising. Links to a brand website are no longer the be-all and end-all of developing a brand experience.

The clickthrough rate no longer provides an adequate measure of the impact of these advertisements. Indicators therefore need to be put in place in order to gauge the interaction with advertisements. It is also necessary to analyse the impact these new formats have on reputation, recognition and brand loyalty.

These enriched formats bring the creative dimension of online advertising to the fore. Measuring the effectiveness of creative approaches and the ability to adapt is now a critical performance driver.

Developments in behavioural targeting increase the effectiveness of campaigns

Behavioural targeting has become far more widespread these past few years and is used in advertising campaigns to reach out to the right audience. By examining the browsing behaviour of internet users, profiles can be established for which display advertisements can then be designed in accordance with the internet users’ interests or purchasing habits. For years, media planners have been searching for useful targeting methods and have often had to make do with information on gender, age and socio-professional groups. Behavioural targeting now provides an answer to their needs and often generates significantly higher conversion rates. It can also be used in branding to draw the consumers’ attention to a product while they are shopping and tends to have positive results in terms of brand recognition and opinion.

Accordingly, behavioural targeting is perceived as a means of bolstering the effectiveness of online advertising in the future, although its impact has to be measured.

Monitoring the performance of online advertising is becoming a key challenge

Advertisers see measuring the effectiveness of their campaigns as a key challenge in their interactive communications strategy

The internet is reputed to be a quantifiable medium but advertisers are still dissatisfied with the tools available to them for evaluating its performance. Faced with an overwhelming amount of generated data, they express a need for transparent and comparable information.

The majority of advertisers with whom we met confirmed that measuring effectiveness is instrumental to their online strategy. Some advertisers wish to further broaden their measurement tools, for example by analysing web traffic or assessing engagement more systematically. Others highlight the need for a better handling of available data. They also insist on the need to converge Web data with data from other communication sources in order to enhance multi-channel monitoring.

Numerous metrics are available, but the clickthrough rate is still the most widely-used indicator

A study conducted by PwC in 2010 reveals that 60% of respondents rely on the clickthrough rate to measure the effectiveness of their interactive marketing campaigns (Figure 1). This indicator is measured much more extensively than other metrics such as the amount of incremental sales generated, the campaign ROI, the brand’s reputation and the engagement on the Web.

The tendency to use this indicator can be explained by its user-friendliness and by the difficulties experienced by some advertisers in implementing more suitable or transversal indicators.

The clickthrough rate underestimates the actual impact that display advertising has on the brand

A study carried out by comScore in 2009 indicates that the number of “clickers” is declining progressively. The number of internet users clicking on advertisements decreased by 50% between 2007 and 2009 and in 2009 only 16% of internet users clicked on advertisements. Moreover, a small portion of internet users accounts for almost all clicks on online advertisements (8% of users produce 85% of clicks). The profiles of those internet users that do click on advertisements are also quite specific (young people between the ages of 25-44 with income of less than USD 40,000 per year) and do not always correspond to the advertisers’ target audience.

This study also outlines the numerous effects brought about by display advertising which are not taken into account by the clickthrough rate. For example, a significant portion of internet users return to the website several days after being exposed to the advertisement. It also appears that prior exposure to display advertising campaigns has a positive impact on search behaviour.

Perhaps the most limiting factor of the clickthrough rate is that it does not provide any information on the kind of impact that exposure to an advertisement gives rise to, whether this is in terms of awareness, recall, engagement or purchase intent.

Customised measurement tools are therefore required in order to effectively monitor online advertising: we have identified seven key approaches for this purpose.

Figure 1 – Indicators used by advertisers in the USA to measure the performance of their online marketing campaigns

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clickthrough rate</td>
<td>60%</td>
</tr>
<tr>
<td>Lead generation</td>
<td>49%</td>
</tr>
<tr>
<td>Response rate</td>
<td>46%</td>
</tr>
<tr>
<td>Incremental sales</td>
<td>40%</td>
</tr>
<tr>
<td>Return on investment (ROI)</td>
<td>38%</td>
</tr>
<tr>
<td>Brand awareness or reputation</td>
<td>32%</td>
</tr>
<tr>
<td>Requests for information</td>
<td>27%</td>
</tr>
<tr>
<td>Engagement with Web content</td>
<td>22%</td>
</tr>
<tr>
<td>Media impressions</td>
<td>17%</td>
</tr>
</tbody>
</table>
Seven key approaches to effectively measuring online advertising

Defining the objectives of online communications strategies

The online strategy is the convergence point of media buying and marketing imperatives

The advertisers we interviewed allocated 15%-30% of their total advertising budgets to online advertising. Some online advertisements even represented more than 50% of the total campaign budget. Despite a moderate increase in online expenditure in 2008 and 2009 and, in particular, a tight rein on display advertising expenditure, all of these advertisers expect to invest even more heavily in online advertising over the coming years.

Advances in Web use now enable advertisers to take advantage of a wide range of online tools that go beyond the traditional trade-off between search and display in order to develop their online communications:

• Brand websites and co-branded websites
• Resources for measuring customer prospects and lead generation
• Presence on community networks
• Rich media campaigns
• Content sponsoring, brand content

As a result of these two trends towards greater use of i) online advertising and ii) newly developed online advertising tools, advertisers are asking themselves several questions: How much of the advertising budget should be allocated to the internet? How much should be allocated to each form of advertising within the online strategy? Which online tools are best able to meet my campaign objectives?

The answer to these questions lies in devising and measuring an online strategy, taking into account two factors:

• A marketing factor which aims to assess the effectiveness of online methods with regard to campaign objectives in terms of the impact on the brand (awareness, recall, brand preference, etc.) and/or performance (online and offline sales growth, generation of opportunities, etc.)
• A media buying factor which aims to manage communication budgets by assessing the Web’s potential to contribute effectively to the media strategy (target coverage, message repetition, media mix)

From an organisational point of view, we realised that measuring the performance of online advertising represents a challenge for both Marketing and Media departments. There are several organisational models which take into account these two factors.

“Increases in online budgets must be based on appropriate performance measures, in order to justify and optimise digital investments.”
Matthieu Couturier
Media Director, Leclerc

“We have a wide range of online resources available (search, display, social networks, brand websites, media partnerships, etc.) which we use in different ways depending on the objectives of our brand campaigns. For each one, we use specific measurement indicators and assess the final contribution made by online resources to the effectiveness of our brand strategy.”
Julien Guiraud
Digital Marketing, Manager, Coca-Cola

“The Web offers specific indicators which are very instructive. However, it is essential to converge Web performance measures with those of other advertising channels in order to develop a coherent strategy across all media.”
Frédéric Guichard
Marketing Director, Danone Still Water division
To be effective, the internet must be embedded in the overall marketing strategy

Many online indicators are available to digital media managers. Such an array of indicators allows for specific, and often more responsive, measurements to be taken of internet advertising. But a wide variety of indicators does not always provide a suitable measurement of the effectiveness of a marketing strategy. Some advertisers run the risk of “infobesity”. Rather than measuring data using a broad spectrum of indicators, it is more important for advertisers to synthesise and compare data between different media (the Web, TV, radio, press, etc.). Most advertisers emphasise the need for integrated measuring and tracking systems, in three areas in particular:

• Understanding media coverage and repetition
• Analysing the impact of campaigns on the brand
• Measuring the impact on sales

More sophisticated advertisers design strategies which incorporate all types of media. These are then applied to tracking systems managed by Web experts. The online strategy is not considered in isolation, but in terms of its contribution to the overall marketing and sales objectives.

Online tools are becoming increasingly specific and their performance must be evaluated in each campaign

The ability to create online tools for different campaigns provides advertisers with an edge in what is a highly competitive market. Bespoke tools such as brand websites, one-off initiatives, brand content and social network campaigns should be individually measured in terms of their visibility, engagement or impact on the brand’s image. It is equally important to ensure clear visibility in monitoring online campaigns by using comparable indicators and analyses which are regularly shared. To assess online performance over the long term and shed a strictly opportunistic and short-term view, particular emphasis must be placed on preparing annual performance reports. Due to rapid advancements in this form of media, the ability to learn is crucial.

In view of the different possible objectives, suitable indicators need to be defined and implemented

We provide below a rough outline of the different objectives an online advertising campaign may have:

• Branding: the purpose of branding campaigns is to bolster different components of the brand, such as awareness, image or purchase intent. These campaigns generally form part of a wider media strategy and it is their combined impact with other media which is often measured.
• Developing customer engagement also falls within the framework of branding and aims to broaden the online brand experience, but with the specific objective of interacting directly with the internet user.
• Growing offline sales continues to represent the ultimate objective of a brand campaign, with the exception of institutional campaigns. This objective can be more specifically sought or measured for certain campaigns and as such evaluated with greater precision.
• Growing online sales: these campaigns specifically aim to generate sales on the brand website or on partner networks. Such campaigns can also simultaneously pursue conversion and branding objectives.
• Generating leads is based on a performance-oriented approach, but does not aim to increase online purchases. The objective is to get to know the internet user using interactive resources for classification purposes, such as games and questionnaires.
• Boosting coverage and message repetition: with rising penetration rates, the Web is quickly becoming a mass medium which allows for greater message exposure. One of the objectives of a Web campaign can be to strengthen the message coverage and repetition achieved through other media.
• Reducing acquisition costs can be another ambition of an online campaign. This is fundamental for performance-focused advertisers.

These different objectives are not incompatible and the same campaign can, for example, aim both to develop the impact of the brand and generate an increase in shop sales.

For each of these objectives, different indicators can be used. The following page presents an initial but by no means exhaustive list, which gives an idea of the range of measurement tools available to advertisers. The same indicator can often be suitable for measuring different objectives.

“Effectiveness is measured campaign by campaign, on a weekly, even daily, basis. But long-term performance reports covering all campaigns must also be prepared in order to unlock synergies between online resources and devise strategies for the following year.”

Irène Labus
Digital Analytics Director, Havas Digital
### Nine categories of indicators for measuring online performance

<table>
<thead>
<tr>
<th>Display</th>
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<tbody>
<tr>
<td>• number of impressions</td>
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<td>• number of “visible” advertisements</td>
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<tr>
<td>• number of advertisements viewed</td>
</tr>
<tr>
<td>• exposure time</td>
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<td></td>
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<tr>
<td>Conversion</td>
</tr>
<tr>
<td>• clickthrough rate</td>
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<tr>
<td>• conversion rate</td>
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<tr>
<td>• post-view conversion rate</td>
</tr>
<tr>
<td>• post-click conversion rate</td>
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<tr>
<td>• number of visits generated</td>
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<td>• number of pages viewed</td>
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<tr>
<td>• length of visit</td>
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<td>• abandon rate</td>
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<tr>
<th>Traffic</th>
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<td>• number of visits generated</td>
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<td>• number of pages viewed</td>
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<tr>
<td>• length of visit</td>
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<td>• abandon rate</td>
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<tr>
<th>Interaction</th>
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<td>• interaction rate</td>
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<td>• interaction time</td>
</tr>
<tr>
<td>• expansion rate</td>
</tr>
<tr>
<td>• rate of videos viewed</td>
</tr>
<tr>
<td>• rate of videos viewed in full</td>
</tr>
<tr>
<td>• video viewing time</td>
</tr>
<tr>
<td>• activity on social networks</td>
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<table>
<thead>
<tr>
<th>Subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td>• number of subscriptions</td>
</tr>
<tr>
<td>• (requests for information, games, newsletters, etc.)</td>
</tr>
<tr>
<td>• subscription rate</td>
</tr>
<tr>
<td>• recommendation rate</td>
</tr>
<tr>
<td>• (social networks, viral e-marketing campaigns)</td>
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<table>
<thead>
<tr>
<th>Media</th>
</tr>
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<tbody>
<tr>
<td>• gross rating point (GRP)</td>
</tr>
<tr>
<td>• memorised coverage</td>
</tr>
<tr>
<td>• coverage rate</td>
</tr>
<tr>
<td>• message repetition rate</td>
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<table>
<thead>
<tr>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>• additional sales generated</td>
</tr>
<tr>
<td>• revenue generated</td>
</tr>
<tr>
<td>• lead conversion rate</td>
</tr>
<tr>
<td>• impact on the frequency and volume of purchases</td>
</tr>
<tr>
<td>• retail outlet traffic generated by the Web</td>
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<table>
<thead>
<tr>
<th>ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>• acquisition cost (offline vs. online)</td>
</tr>
<tr>
<td>• ROI (revenue generated advertising expenditure)</td>
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<table>
<thead>
<tr>
<th>Post-tests</th>
</tr>
</thead>
<tbody>
<tr>
<td>• impact on awareness</td>
</tr>
<tr>
<td>• impact on advertisement recall</td>
</tr>
<tr>
<td>• impact on brand image</td>
</tr>
<tr>
<td>• impact on purchase intentions</td>
</tr>
<tr>
<td>• impact on recommendations</td>
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</tbody>
</table>

### Which indicators should be paired with which objectives?

<table>
<thead>
<tr>
<th>INDICATORS</th>
<th>Online advertising campaign objectives</th>
<th>Display</th>
<th>Conversion</th>
<th>Traffic</th>
<th>Interaction</th>
<th>Subscription</th>
<th>Coverage</th>
<th>Offline sales</th>
<th>ROI</th>
<th>Post-tests</th>
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<td>Contributing to the brand’s development</td>
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<td>Developing engagement</td>
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<td>Growing offline sales</td>
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<td>Growing online sales</td>
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<td>Generating leads and classifying potential customers</td>
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<td>Reducing customer acquisition costs</td>
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Seven key approaches to effectively measuring online advertising

“For several years now we have considered the Web to be a key medium for developing our brands. Our online investments increase annually by almost 15%. One of our main focuses is establishing strong long-term relationships with partner websites such as MSN for the Coca-Cola zero Gaming Zone, Skyrock for the Kohop mutual aid site, and Yahoo! for Coca-Cola light. It is therefore crucial that we measure internet users’ exposure to these campaigns and the impact this has on the image they have of our brands.”

Julien Guiraud
Digital Marketing Director, Coca-Cola

Measuring the Web’s contribution to branding objectives

Advertisers value the Web to an increasing extent as an effective medium for developing their brands

In view of the growing number of advertising slots, numerous performance-based offers have been developed by advertising sales agencies. These models comprise “pay per click” or “pay per action” (purchases, appointments, registrations, etc.) advertising, and prove very popular with advertisers whose objectives are focused on conversion.

Nevertheless, advertisers do not only regard online advertising as a means of generating traffic or purchases. The advertisers we interviewed confirmed that ever greater attention is placed on the impact the Web has on brand awareness and image. This trend is especially true of certain industries such as luxury goods or consumer goods, which incorporate the Web more widely in their media strategies. Branding tools are also becoming increasingly varied (brand websites, rich media campaigns, presence on social networks, content sponsoring, etc.). Measuring the effectiveness of branding tools therefore represents a key priority for advertisers.

As demonstrated in a study by Bain & Company, although performance investments represented 59% of the market in the United States in 2009, 61% of these same advertisers judged the internet to be well-suited to addressing their branding needs (Figure 2).

The all-inclusive aspect of this assessment should not conceal the individual objectives of advertisers, which can be classified in three categories:

• Online retailers whose communication budgets correspond to objectives of increasing web traffic and online sales
• Advertisers who view the Web purely as a means of promoting the brand and whose main objective does not necessarily focus on acquiring customers or increasing sales (for example, in the luxury goods or consumer goods industries)
• Advertisers who combine branding with online sales and customer acquisition (for example, in the automotive and telecoms industries)

Measuring brand effectiveness is becoming increasingly important for these last two categories as they refocus their budgets on digital media.

Figure 2 – Breakdown of advertising expenditure and advertisers’ marketing objectives – USA, 2009
In addition to the clickthrough rate, several studies have assessed the impact that the Web has on brand awareness, recall and image.

While advertisers continue to be naturally inclined to using TV for building or developing brand awareness, many studies show the Web’s potential impact on the different components of a brand:

**Impact on brand awareness**

To determine the impact that advertising has on brand awareness, Nielsen analysed the impact of several campaigns broadcasted on TV and on catch-up TV on the Web. It appears that in certain sectors such as the automotive and beverage industries, the Web doubled the brand recall compared with TV (Figure 3). These higher online rates can be explained in particular by the internet’s capacity to retain the user’s attention and also by a lower number of advertising spots.

By studying several thousand campaigns, Millward Brown established that the most effective campaigns (top 20%) scored six points more on aided brand awareness than the overall average. The least effective campaigns (bottom 20%) scored half of the overall average in terms of the impact on brand awareness, demonstrating the broad range of impacts. These wide-ranging results highlight the impact that format, design quality and targeting accuracy have on brand awareness.

**Improved advertising message recall**

The Web is proving to be a successful means of stimulating message recall in particular with the emergence of video formats. A Nielsen study reported that an online video advertisement had a recognition rate of 54% one day after exposure and 44% six days after exposure, still higher than the recognition rate of a TV message at D+1 (Figure 4). Targeting, as well as the more active viewing environment, can once again explain the Web’s performance.
Improved brand image

Several studies also revealed the positive impact of the Web on the brand’s image. For example, an analysis conducted on a display advertising campaign run by McDonald’s in 2009 shows that the online campaign improved brand identification by 10%. Similarly, a L’Oréal campaign succeeded in improving brand identification by 9%.

The impact that online advertising campaigns have on the brand’s image can be further improved by appropriately combining different interactive advertising formats. A study carried out by Nielsen in 2009 demonstrates that mixing display and video formats considerably improves a brand’s image in comparison with a display-only campaign, notably in terms of innovation (41%) and performance (30%).

Positive impact on purchase intent

By studying display advertising campaigns run by four advertisers from different industries, Médiamétrie NetRatings revealed that the purchase intent of internet users who viewed these campaigns increased by 11%. The impact on purchase intent is influenced by the type of website on which the advertisement is run. The Dynamic Logic study carried out for OPA (Online Publishers Association) reports that campaigns published on premium websites have a stronger impact on purchase intent than those published on advertising portals or networks (Figure 5).

Post-tests used with greater frequency to measure effectiveness

Some of the advertisers we interviewed within the framework of this study carry out post-test studies which specifically analyse online media. These tests allow them to measure the impact that their own online campaigns have on their brand. These analyses very rarely apply to Web-only campaigns since the advertisers we met hardly ever use this type of approach. The tests can also be used to measure the impact of mixing media on branding objectives.

Measuring exposure to online advertising is a new way of guaranteeing the visibility of online advertisements

With the increasing number of advertising banners and the growing uncertainty surrounding their actual visibility, some indicators for measuring advertising visibility have been developed which assess the effectiveness of the banner displayed and calculate its effective display time.

These approaches aim to measure with greater accuracy the actual impact of display advertising. They also enable advertisers and agencies to measure the performance of pages, formats and advertising slots in order to optimise their campaign. Advertising sales agencies also use these indicators to optimise the performance of their advertising slots and therefore differentiate their product offering.

The graph in Figure 6, published in an Alenty study for APPM (now SPM - Syndicat de la presse magazine) shows the difference in performance of various formats in terms of their visibility time.

“During post-tests on multimedia campaigns, we notice, for example, the incremental impact of online advertising on internet users who are also exposed to TV to some extent. This enables us to allocate budgets between different media in a way that improves the overall impact of the campaign on our audience.”

Matthieu Couturier
Media Director, Leclerc
Seven key approaches to effectively measuring online advertising

“Measuring exposure time is a good way of improving the effectiveness of online campaigns. It provides a more realistic image of a campaign’s effectiveness than simply measuring the display time. More and more advertisers are using this indicator and it will continue to be improved over the coming years.”

Mathieu Morgenztern
General Manager, Isobar

These approaches are currently being trialled in France and are likely to be more widely used in the years ahead. They should lead to the development of pricing models linked to the advertisement’s actual display time (“guaranteed visibility”) and facilitate the classification of advertising spaces according to their average exposure time. This could create a more transparent market with clearer distinctions between premium and standard slots.

Measuring interaction with rich media formats is a key indication of the impact a campaign has on a brand.

In order to measure interaction, time and frequency indicators have been developed:

- The interaction rate (or Dwell rate) measures the percentage of internet users who interact with a given banner.
- The interaction time (Dwell time) measures the average time during which internet users interact with the advertisement (for example, video viewing time or expansion time of an expandable banner).
- The Dwell indicator is calculated by multiplying the interaction rate with the interaction time.

These indicators offer an interesting alternative to the clickthrough rate which is often inadequate for formats which do not necessarily incorporate a “call to action”. An Eyeblast study recently showed that interaction rates for rich media formats are around 10%, while only 4 in 1,000 internet users click on standard formats.

A correlation can be observed between interaction and impact on the brand. A Microsoft Advertising case study reported an increase of 7 points in terms of brand awareness for advertisements with higher interaction rates.

There is also a correlation between the Dwell indicator and the internet users’ subsequent browsing behaviour. A study conducted in 2009 by Microsoft/Eyeblast® on 800 campaigns showed that the 10% of campaigns with the highest Dwell rate generated:

- 70% more traffic
- 83% more time spent on the website
- 125% more pages viewed

in comparison with the 10% of campaigns with the lowest Dwell rate.

Monitoring interaction indicators in real time provides a key indication of the reputation and recognition of the brand. The average results recorded in the Eyeblast study® were as follows:

- 8.7% interaction rate
- 53 seconds

There are significant differences between industries: for example, the entertainment industry generates double the average Dwell rate due to the creative nature of its content.

According to the advertisers we interviewed, levels of maturity in rich media and video formats vary considerably. Most advertisers emphasise that the specific indicators available for measuring interaction time offer an interesting, responsive and cost-effective first interpretation of the campaign’s effectiveness. Nevertheless, they would not be willing to replace more detailed post-tests because they do not provide any indication of the impact on the brand’s image.

Analysing browsing behaviour measures the “brand experience” generated by online advertising.

Advertisers whose main objective is not to increase sales, but to develop their brand’s presence and impact on the internet are to an increasing extent aiming to develop the brand’s “experience”. On the Web, this can be represented by visits to a brand website or a partner website or by participation in a specific action linked to the brand.

To evaluate the impact of these actions, we can measure the target internet user’s engagement by determining the impact a campaign has on his/her subsequent browsing behaviour.
Seven key approaches to effectively measuring online advertising

“In addition to the clickthrough rate, we measure the brand experience offered to internet users. Whatever the means of communication, we endeavour to measure engagement in the form of committed interactions (videos viewed, comments posted, gaming sessions, calls, etc.)”

Julien Guiraud
Digital Marketing Director, Coca-Cola

“The Web’s ever growing coverage currently makes this an essential form of media for expanding coverage and increasing message repetition on certain targets.”

Matthieu Couturier
Media Director, Leclerc

This can take several forms:

- Time spent by the target internet user on the advertiser’s or partner’s website
- Number of pages viewed by the targeted internet user
- Actions carried out on the website (viewing a video, registering for a competition, signing up to a mailing list, etc.)
- Depth of browsing (i.e., the number of pages visited on the same clickstream)
- Engagement on social networks

However, these indicators cannot be standardised and compared across the market. They are specific measurement tools which are used in one or more campaigns and which are customised in line with the brand’s multimedia strategy.

The Web’s potential as a branding medium depends on the ability to compare different media in terms of coverage and repetition

In order to compare different media more easily, for the past few years media agencies have been referring to the “Web GRP” concept. This is when the gross rating point is applied to the internet, and is defined as follows:

\[ GRP = \frac{\text{percentage of a target audience reached by an advertisement}}{\text{message’s average repetition per targeted individual}} \]

Nevertheless, some of the advertisers we interviewed use the Web GRP when preparing their media strategy, often alongside a “recognition beta”, which measures the recognition rate for different advertising media for a given target audience. This basis is then used to determine the memorised coverage.

Measuring the effectiveness of online advertising is a key issue in managing campaigns and justifying the media. Selecting which types of media to use largely depends on coverage indicators and planning tools.

What are the branding objectives of my online advertising campaign?
- My brand’s reputation?
- Recognition and association of the slogan with the brand?
- Brand awareness and image (opinion, preference)?
- Purchase intent?

What impact do these campaigns have on these different branding objectives?
- By comparison with other media?
- When combined with other media?
- How often should they be measured?

What are the best interaction and engagement indicators for measuring the effectiveness of my image campaigns?
- Interaction rate/time?
- Average number of pages viewed after the campaign?
- Average length of visits?
- Number of videos viewed?
- Others?
**Processes and resources**

**Conduct post-tests on online advertising campaigns**

**Process**
Conduct post-tests with market research institutes to assess the impact that online advertising has on the different aspects of branding.

**Target deliverables**
- Analysis of the impact of online advertising campaigns on
  - Awareness
  - Recall
  - Association of the message with the brand
  - Purchase intent
- Comparison of how the internet and other media score on these components
- Separate analysis by product and by target
- Comparison with market norms

**Comments**
Nowadays, these analyses are frequently carried out on other media, in particular TV. However, a growing number of advertisers, notably in the consumer goods industry, conduct regular post-tests to assess the performance of their online branding campaigns. This investment is vindicated by the increasing portion of communication budgets allocated to online strategies.

**Measuring interaction in rich media campaigns**

**Process**
Assess the impact of rich media/video campaigns with interaction indicators
- Interaction rate
- Interaction time
- Dwell compound indicator (time x interaction rate)

**Target deliverables**
- Analysis of the performance of rich media campaigns
- Comparison of the respective performance of rich media campaigns
- Definition of objectives

**Comments**
These analyses can only be conducted on rich media campaigns, on which advertisers are spending an increasing portion of their budgets. A large number of ad servers provide advertisers with data, but these data are used inconsistently today.

**Measuring the actual exposure of online advertising campaigns**

**Process**
Measure the actual exposure of these campaigns, i.e., how effectively banners are viewed by internet users, and measure the average exposure time of these campaigns.

**Target deliverables**
- Percentage of displayed advertisements which are actually visible
- Average exposure time of displayed advertisements

**Comments**
These indicators are currently being trialed, and although they should become more widely used, their high technical cost is slowing down take-up. In the long term, these indicators could have a strong impact on purchasing models by enabling advertising sales agencies to develop advertising offers with "guaranteed visibility".
Seven key approaches to effectively measuring online advertising

Measuring the impact of online campaigns on offline sales

The internet has become as influential as TV in promoting the impulse to purchase

The internet is having an increasing impact on consumer behaviour and buying strategies. Online advertising is proving to be an effective means of enhancing product visibility, reinforcing purchase intent and triggering the decision to purchase. Measuring the impact of exposure to online advertising on sales — and not only online sales — is therefore a key indicator for advertisers.

Similarly to offline media, exposure to online advertising awakens the consumer’s intention or impulse to purchase. In 2009, 24% of French internet users interviewed by IFOP41 responded that they could be enticed to buy a product advertised online. The same percentage of respondents said that TV advertising could influence them in the same way (Figure 7).

Furthermore, a study conducted by IAB NetImpact in 2009 revealed that exposure to an online advertising campaign increased internet users’ purchase intent by 11%42. After having been exposed to an online advertising campaign, 59% of internet users said that they intended to purchase or use the advertiser’s products, compared to 53% of internet users who had not been exposed to the campaign.

These studies reveal that the reach of online advertising is not only restricted to online sales. Understanding the impact on offline sales has become essential for advertisers to develop their media strategies.

Online advertising has become essential to consumers in preparing their purchases

In addition to fuelling the impulse to purchase, consumers rely increasingly on the internet as a source of information and a medium for preparing their purchases. In 2010, eight out of ten internet users surveyed by Médiamétrie responded that they consulted a website before purchasing a product, representing 3% more than in 200943. Internet users primarily seek reliable information by checking descriptions of the product they wish to buy (66%), consumer reports (63%) or other websites such as those allowing consumers to compare prices (55%).

For 29% of French internet users, the internet is the most reliable medium for finding information about potential purchases (Figure 8). This is even more the case in the tourism (63%) and automotive (53%) industries44 where purchases are less frequent but involve higher amounts.

In this context, internet users believe that online advertising plays a key role in the purchasing process. According to an IFOP study for Microsoft Advertising on the impact of online advertising on preparing purchases, some three out of four internet users consider that online advertising helps them find more detailed product information than other media (Figure 9). On the lookout for the best prices, 69% of internet users associate online advertising with the possibility of finding printable coupons45.

Figure 7 – Advertising media having the greatest impact on the impulse to purchase (% of respondents) – France, 2009

<table>
<thead>
<tr>
<th>Media</th>
<th>% of Respondents</th>
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<tbody>
<tr>
<td>Internet</td>
<td>24%</td>
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<tr>
<td>TV</td>
<td>24%</td>
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<tr>
<td>In-store advertising</td>
<td>20%</td>
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<tr>
<td>Press</td>
<td>17%</td>
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<tr>
<td>Radio</td>
<td>9%</td>
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<tr>
<td>Outdoor display advertising</td>
<td>7%</td>
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Figure 8 – Media considered the most reliable (% of respondents) – France, 2009

<table>
<thead>
<tr>
<th>Media</th>
<th>% of Respondents</th>
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<tbody>
<tr>
<td>Internet</td>
<td>29%</td>
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<tr>
<td>TV</td>
<td>20%</td>
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<tr>
<td>In-store advertising</td>
<td>19%</td>
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<tr>
<td>Press</td>
<td>13%</td>
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<tr>
<td>Radio</td>
<td>12%</td>
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<tr>
<td>Outdoor display advertising</td>
<td>6%</td>
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As the internet becomes more widely used for preparing purchases, online advertising is proving to be an effective means for driving brand awareness and guiding consumers. Online advertising is central to corporate digital strategy, alongside website development and e-CRM solutions.

Online advertising significantly increases sales made through bricks-and-mortar distribution networks

Several international studies have shown the impact of online advertising on physical sales. Internet users that have been exposed to online advertising are more inclined to purchase products in stores.

By analyzing the purchasing behaviour of a panel of 185 million consumers, the market research institute comScore highlighted the importance of exposing internet users to display advertising campaigns which, on average, increase online sales by 42% and in-store sales by 10%.[9]

The study also revealed that the value of an average shopping basket of an internet user who had been exposed to advertising was 7% higher than one who had not (Figure 10).

These results highlight the advantage for advertisers of stepping up their investments in online marketing in order to boost the effectiveness of their traditional sales channels. Measuring the impact of online advertising on a regular basis should be part of this approach.

Measuring the impact of advertising campaigns on consumer behaviour and purchase volume through post-tests

Post-tests are used to measure the impact of national advertising campaigns on sales in the distribution network. The traditional media (TV, radio, cinema, press or display advertising) have been using post-tests for years to analyse the impact of online campaigns on sales. It should be noted that the impact of the internet alone has never been tested since very few major national advertising campaigns are 100% Web-based.

This system measures the impact of an advertising campaign in terms of the amount, frequency and type of purchases on a given panel of consumers. The analyses can be fine-tuned to focus on specific targets or exposure levels in order to identify adjustments to be made for future campaigns.

“Econometric models are powerful tools that steer investments according to their impact on sales. In order to be truly pertinent they require an observation period of at least two years”

Mathieu Morgensztern
General Manager, Isobar

Figure 9 – Advantages of online advertising – France, 2009

Figure 10 – Increase in the number of buyers after exposure to a display advertising campaign – USA, 2008
Econometric models can be used to measure the impact of advertising on the Web and other media on sales over time. Econometric models illustrate sales curves in relation to advertising. They are useful in planning advertising actions.

Only a small percentage of the advertisers we interviewed use econometric models to assess the impact of advertising on sales.

The impact of online advertising on sales is often measured empirically. The impact of online advertising on sales can also be assessed in a more “empirical” manner by using special purpose systems. Point-of-sale surveys can also be used to gather information concerning a consumer’s origin and reasons for visiting, without having statistical significance.

Cross-checking sales data with the advertising media plan also reveals the trends and impacts of the different media (and combinations thereof) on sales. These analyses can be fine-tuned based on geographic or demographic criteria. Advertisers may occasionally encounter difficulties during their implementation and so Web teams and distribution network teams are required to work closely together.

“For Citroën, combining TV and online advertising has proven to be particularly effective. We systematically monitor the correlation between advertising campaigns and sales data which allows us to assess this impact on the basis of experience.”

Philippe Boutron
Media Director, Citroën
Seven key approaches to effectively measuring online advertising

Processes and resources

Using post-tests to measure the impact of online advertising campaigns on offline sales

Process

Survey of a panel of consumers to measure the impact of advertising on online sales by comparing the purchasing behaviours of those that have been exposed and those that have not been exposed to the online advertising.

Target deliverables

- Increase in purchases by those exposed to the online advertising
- Exposure to online advertising impacts the amount and type of purchases

Comments

Measuring the impact of advertising on offline sales requires the involvement of market research institutes in order to collect and analyse data. These analyses are carried out annually or for major campaigns and generally cover several media.

Measuring media mix effectiveness

Increase in simultaneous TV and internet use

Like TV, the internet has become a part of everyday life. A study conducted by Thinkbox in partnership with IAB UK on the complementary nature of TV and the internet revealed that 47% of respondents used both media at least once a day. Just a few years ago, advertisers still considered that the internet could only be used for targeting and conversion. Internet has since become a powerful medium with a reach that is increasingly comparable to that of TV.

Consumers are increasingly using different types of media simultaneously, especially TV and the internet. A Nielsen study showed that the time spent watching TV while using the internet increased by 34.5% in 2009. According to Microsoft, 70% of European consumers watch TV and use the internet at the same time at least once a month and nearly 40% on a daily basis.

Consumer experience has therefore become central to the media mix strategy. In order to adapt to these changes it has become essential to understand and evaluate the impact of media mixing. Broadly speaking, advertisers need to identify the impact of mixed media campaigns involving the internet and traditional media such as TV. What additional coverage does the internet provide? What is the impact on brands and sales? What is the right media mix? What is the best way to plan the campaign? Changing practices have placed these key questions high on advertisers’ agendas.

The internet’s expanding role in media plans

The amount invested in online advertising has risen over the last several years and is increasingly combined with other media. In 2009, 64% of TV advertisers in France used the internet for their advertising campaigns compared to only 32% in 2004. Kantar Media reported that 88% of the top 500 advertisers in France advertised online.

As a result, advertisers are stepping up the integration of online advertising in their marketing strategies.
Online advertising boosts campaign effectiveness

**Optimising the advertising budget**

There is no hard and fast rule concerning the optimum budget allocation. However, a recent study conducted in Germany among the largest advertising networks in partnership with Procter & Gamble looked into what portion of the budget of a media campaign should be devoted to online advertising. The study demonstrated that, for the same budget, advertising campaigns were more effective when at least 15% of that budget was spent on online advertising. The study also revealed that display advertising had nearly the same impact as TV advertising with a much lower budget.

Several of the advertisers interviewed reported that increasing the proportion of their marketing budget spent on online advertising had enabled them to reduce their acquisition costs.

**Extending the advertising reach**

Increasing the portion of online advertising in the media mix can be a way of reaching a broader population for the same budget. A study carried out by Nielsen for an alcoholic beverage manufacturer revealed that by reallocating 10% of the TV advertising budget to the Web, the advertiser succeeded in increasing its audience by 3.4% and boosting the campaign’s GRP by 20.7 points.

**Impact on the brand**

A quantitative and qualitative study performed by Thinkbox in 2008 demonstrated that using online advertising to round out a TV campaign increased branding impact on consumers exposed to the advertiser can implement those exposed to several media, ensuring the consistency of the message delivered across all channels; optimising budget allocation by reallocating a percentage of the TV (or other media) budget to online advertising. This method allows advertisers to measure and optimise budget allocation.

**The challenge of measuring the effectiveness of cross media**

Although the majority of advertisers recognise the advantages of the Web, particularly in terms of providing additional reach, accurately measuring media mix effectiveness is no easy task. Forrester Research Inc. conducted a survey among marketing managers that showed nearly 70% of advertisers would like effectiveness indicators for TV and online advertising to be more easily comparable (Figure 12).

**Several ways of measuring the impact of media mix**

- **Panels**

  Conducting post-tests with consumer panels is one way of measuring the performance of cross-media advertising campaigns. By comparing the impact on consumers exposed to advertising on one medium with those exposed to several media, the advertiser can implement performance drivers such as:
  - optimising budget allocation by identifying the best media mix;
  - customising advertising formats to the type of message;
  - ensuring the consistency of the message delivered across all channels;
  - improving the definition of campaign targets.

- **Advertising budget share-shift**

  Statistical models can be used to measure the contribution of each medium to the overall campaign. These models measure the performance of different media plan scenarios on the basis of historical sales data, media plans and customer segments.

  Basically, the purpose of these simulations is to measure the change in the reach, frequency and GRP achieved by reallocating a percentage of the TV (or other media) budget to online advertising. This method allows advertisers to measure and optimise budget allocation.

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**Figure 12 – What do you think about advertising effectiveness indicators?**

- Internet usage measurement is more useful than television viewing measurement
- I wish it were easier to compare TV ratings with online data
- Comparing marketing effectiveness across media (TV, Internet, print, etc.) is a challenge for my company

**Figure 11 – Number of respondents who said they would use/buy the brand in the future**

- I feel like I know this brand really well
- Brand offers something unique
- I am familiar with this brand

<table>
<thead>
<tr>
<th></th>
<th>Seen neither on TV nor online</th>
<th>Seen on TV only or online only</th>
<th>Seen both</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel like I know this brand really well</td>
<td>33</td>
<td>48</td>
<td>67</td>
</tr>
<tr>
<td>Brand offers something unique</td>
<td>29</td>
<td>39</td>
<td>63</td>
</tr>
<tr>
<td>I am familiar with this brand</td>
<td>53</td>
<td>71</td>
<td>77</td>
</tr>
</tbody>
</table>
Seven key approaches to effectively measuring online advertising

Analysing the impact of online advertising on browsing behaviour

Prior exposure to online advertising campaigns impacts internet users’ browsing and searching behaviour

Long-term impact on web traffic

By analysing the results of 170 advertising campaigns across a panel of 2 million internet users, the market research institute comScore found that advertising not only increased direct traffic, it also impacted web traffic over the long term. Four weeks after first exposure to the campaign, the lift (number of additional visitors) generated by the campaign rose progressively to 2.1 points (Figure 13).

Therefore, the clickthrough rate and number of visits generated directly by the campaign only provide a partial view of the impact of online advertising on web traffic.

Display advertising boosts online searches related to the brand

Online advertising exposure stimulates online searches. Various studies have shown that display advertising triggers a significant rise in the number of campaign-related searches, demonstrating the intrinsically complementary nature of display advertising and search. Advertisers should identify and assess this impact, so as not to underestimate the benefit of traffic generated by display advertising on search.

According to comScore, the probability that consumers in Europe perform a search on the brand, or keywords relating to the brand, is multiplied by 2.3 after exposure to an online advertising campaign (Figure 14).

Another study conducted by iProspect revealed that one third of internet users had performed at least one search related to an online advertising campaign in the past six months.

How should I effectively manage the media mix?

– TV and the internet, radio and the internet?
– What are the most effective combinations?
– What methods should be used to meet the campaign’s objectives?
– What is the right media mix? What is the best way to plan the campaign?
– How can I deliver consistent messages across all channels?
– Which media mix should be used for different targets?

An effective media mix should:

– Link the campaign’s objectives to the right channel
– Be aligned with the target audience
– Not lead to traffic dilution

Figure 13 – Percentage of internet users that visit the advertiser’s website after exposure to a campaign – USA, 2008

<table>
<thead>
<tr>
<th>Week 1</th>
<th>Week 2</th>
<th>Week 3</th>
<th>Week 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lift : +1.4%</td>
<td>Lift : +1.7%</td>
<td>Lift : +1.9%</td>
<td>Lift : +2.1%</td>
</tr>
<tr>
<td>Visitors not exposed to the campaign</td>
<td>Visitors exposed to the campaign</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Key questions for advertisers

What are the advantages of online advertising compared to traditional media?

– At first sight, on reach and repetition?
– In hindsight, on brand image and reputation?
– Ultimately, on sales?

How should I effectively manage the media mix?

– TV and the internet, radio and the internet?
– What are the most effective combinations?
– What methods should be used to meet the campaign’s objectives?
– What is the right media mix? What is the best way to plan the campaign?
– How can I deliver consistent messages across all channels?
– Which media mix should be used for different targets?

Display advertising boosts online searches related to the brand

Online advertising exposure stimulates online searches. Various studies have shown that display advertising triggers a significant rise in the number of campaign-related searches, demonstrating the intrinsically complementary nature of display advertising and search. Advertisers should identify and assess this impact, so as not to underestimate the benefit of traffic generated by display advertising on search.

According to comScore, the probability that consumers in Europe perform a search on the brand, or keywords relating to the brand, is multiplied by 2.3 after exposure to an online advertising campaign (Figure 14).

Another study conducted by iProspect revealed that one third of internet users had performed at least one search related to an online advertising campaign in the past six months.

Figure 13 – Percentage of internet users that visit the advertiser’s website after exposure to a campaign – USA, 2008

<table>
<thead>
<tr>
<th>Week 1</th>
<th>Week 2</th>
<th>Week 3</th>
<th>Week 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lift : +1.4%</td>
<td>Lift : +1.7%</td>
<td>Lift : +1.9%</td>
<td>Lift : +2.1%</td>
</tr>
<tr>
<td>Visitors not exposed to the campaign</td>
<td>Visitors exposed to the campaign</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Online searches for brands are generally carried out on generic terms related to the advertisement’s content. Therefore, one of the major challenges for advertisers is to ensure consistency between display advertising campaigns and keywords purchased in search engines and between advertising and creative content across different media.

It is therefore important to analyse not only the impact of display campaigns on the number of search requests generated in search engines, but also the origin of website traffic (banners, search engines, sponsored links, URLs, related websites) in order to fully understand the impact online advertising has on web traffic.

**Display advertising promotes site engagement**

Display advertising also has an impact on internet users’ behaviour on the advertiser’s website\(^a\), in terms of the time spent and number of pages viewed. A study conducted by OPA in 2009 showed that internet users’ site engagement increased by nearly 50% after being exposed to a display campaign (Figure 15).

**Using tracking tools to analyse post-campaign browsing behaviour**

What do internet users do after having clicked on an advertising banner? How many of them actually click? What sections of the websites do they visit? How much time do they spend on the website? Tracking or analysing web traffic allows for a better understanding of how advertising campaigns impact internet users.

Tracking is used to:
- Assess the conversion rate between the advertisement displayed and the action performed on the website (purchase, registration, etc.)
- Monitor clickstreams (pages and sections visited, depth of visit)
- Measure the time spent on the website
- Trace the web traffic origin (banners, search engines, sponsored links, URLs, related websites, etc.)

These analyses ultimately optimise the conversion funnel by simplifying clickstreams.

---

**Figure 14** – Increase in the number of search engine requests following exposure to an online campaign – USA, 2009

<table>
<thead>
<tr>
<th>Brand keywords</th>
<th>Keywords related to the campaign</th>
</tr>
</thead>
<tbody>
<tr>
<td>x1.9</td>
<td>x2.7</td>
</tr>
</tbody>
</table>

“**Our online campaigns are aimed at boosting site engagement. Therefore, it is important that we use tracking tools to analyse clickstreams, as the campaign’s success depends on maintaining quality across all steps of the visit.**”

Frank Desvignes
E-business director, BNP Paribas

“**Post-view analysis is a key area for improvement in our online campaigns. Conversion indicators (requests for trials, catalogues, etc.) and browsing behaviour analytics (time spent, sections viewed, depth of visit, etc.) allow us to categorise our audience and assess the impact of our advertising campaigns.**”

Philippe Brouthon
Media Director, Citroën

When analysing browsing behaviour, it is important to distinguish between “site centric” and “user centric” approaches.

The first approach consists of analysing the internet user’s clickstream (categories visited, time spent, actions performed) and may be correlated to the advertisement in the event that web traffic is generated by clicking on an advertising banner. This approach offers a wealth of information but it does not allow for cross-checking against internet users previously exposed to the ad. It also precludes analysing the impact of the advertisement on browsing behaviour on the website.

The second approach consists of using cookies to analyse the browsing behaviour of internet users that have been exposed to the ad. This system is installed on the advertiser’s ad server and provides an accurate measurement of the ad’s impact on the basis of conversion indicators.

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**Figure 15** – Internet user site engagement after exposure to an online campaign – USA, 2009

<table>
<thead>
<tr>
<th>Time spent by unique visitor</th>
<th>Number of pages seen by unique visitor</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>155</td>
<td>151</td>
</tr>
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</table>

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<th>Visitors not exposed to the campaign</th>
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</tbody>
</table>
Seven key approaches to effectively measuring online advertising

“Multi-exposure analysis has become essential for advertisers. They need to know how many times an internet user has been exposed to an advertisement before buying online. They also want to know if an internet user has been exposed to one or more campaigns before clicking on a sponsored link in order to find the right mix between search and display.”

Irène Labus
Digital Analytics Director, Havas Média

Millward Brown’s study on format effectiveness revealed that the greater the repetition, the bigger the impact on brand indicators6. Yet this technique is not without its risks. Advertisers have to find the right level of capping7 to be able to limit the risks related to advertising invasiveness and the brand image.

In order to optimise performance, the analysis of campaign effectiveness focuses on three areas:

• Analysis of advertising performance based on campaign capping. This allows advertisers to optimise message repetition and improve the conversion rate.

• Analysis of advertising exposure to customers who have bought or who are in the process of buying a product (product consultation, recommendations, incomplete order). This allows advertisers to identify the amount of repetition that generates the best conversion rate.

• Analysis of the impact of repetition on brand awareness and image.

Many advertisers see web traffic analysis and clickstream optimisation as key performance drivers

Analysing and understanding clickstreams are recognised as key performance drivers by advertisers. Although all advertisers acknowledge the importance of these drivers, their level of integration and maturity of use varies considerably. The recommended approach taken by certain advertisers is to implement unified tracking systems based on relevant indicators selected in line with pre-defined campaign objectives.

Maturity in the use of tracking tools depends on the advertiser’s needs. For example, online retailers have already been using clickstream analysis for several years as they are subject to ROI-related objectives for which clickstream optimisation is a key performance driver. Branding-oriented advertisers make less use of this technology but are increasingly aware of the potential of these tools for customer analysis and multi-channel approaches.

*According to IAB, capping is the maximum number of times a user is exposed to the same advertisement of a given campaign over a designated period of time.

Key questions for advertisers

How do different online advertising techniques contribute to the conversion rate?

• How often are internet users exposed to the advertisement before performing an action on my website?

• Which channels did they use (display advertising, search engines, affiliate marketing, etc.)?

• How can I optimise my online budget accordingly?

What is the best level of advertising density?

• How many times should a message be repeated to enhance campaign performance?

• How could brand image be affected? (level of intrusiveness?)

What are my customers’ clickstreams?

• What is the post-click/post-view conversion rate?

• Which sections of the website did they visit?

• How much time on average did they spend on the website?

• What is the abandon rate at the different steps of the visit?

How much traffic does each source contribute to my website?

• Display advertising?

• Search engines?

• Sponsored links?

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Seven key approaches to effectively measuring online advertising

Assessing the impact of targeting on all aspects of the campaign

Behavioural targeting is on the rise

Online advertising lets advertisers more accurately segment their audience and interact with users. There are six main types of targeting providing advertisers with a complete set of solutions as summarised in the table opposite.

<table>
<thead>
<tr>
<th>Types of targeting</th>
<th>Targeting principles and criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographic</td>
<td>Targeting consumers based on: age, gender, socioeconomic category and family status</td>
</tr>
<tr>
<td>Geographic</td>
<td>Targeting audiences in a given location: country, region, city</td>
</tr>
<tr>
<td>Time-based</td>
<td>Delivering advertising messages at relevant periods of the year or on relevant days or times of day for maximum impact</td>
</tr>
<tr>
<td>Contextual</td>
<td>Placing the advertisement next to related content on the host website</td>
</tr>
<tr>
<td>Behavioural</td>
<td>Targeting based on the past browsing behaviour. Profiles are built based on interests, types of purchases and demographic criteria</td>
</tr>
<tr>
<td>Retargeting/Remessaging</td>
<td>Advertising to prospective customers who showed interest in a product or abandoned during purchase</td>
</tr>
</tbody>
</table>

The first four types of targeting have already been widely used for many years. Behavioural targeting and retargeting are currently gaining ground, particularly in e-commerce. According to eMarketer’s estimates, the behavioural market in the United States is set to grow 23% annually over the next five years to USD 2.6 billion (Figure 16). A similar trend is expected in Europe.

Behavioural targeting is widely used to increase conversion rates

Several studies have shown that behavioural targeting increases campaign performance, and impacts conversion indicators in particular. Another study conducted by an American university among 12 advertising networks showed that the clickthrough rate for behavioural advertising was double the rate for traditional advertising.

Yahoo! also analysed the impact of behavioural targeting on a Dell campaign which revealed that post-view and post-click conversion rates were 8.5 and 6.5 times higher, respectively, when internet users had been exposed to behavioural targeting (Figure 17).

As illustrated in Figure 17, simply measuring the clickthrough rate is not sufficient to analyse the full impact of the advertising campaign. Two levels of analysis are required:

- the post-click conversion rate measures the number of sales generated by customers directed straight from the advertisement;
- the post-view conversion rate establishes a correlation between people having been exposed to the advertisement without clicking and online sales made by the same people.

Figure 16 – Growth of the behaviourally targeted online advertising market in the US
The impact on branding is likely, but rarely measured

Although behavioural targeting is mainly aimed at improving conversion, it also appears to have a positive branding impact. In order to assess the influence of behavioural targeting on brand awareness and recognition, Wunderloop analysed the results of an advertising campaign for a family car. The study showed that although the car was targeted to a family market, the impact on brand image and recognition among this target group was limited, whereas the recognition doubled among the high-tech target group (Figure 18).

Behavioural targeting increases conversion rates

8.5fold

of visitors leave an e-commerce site without converting

90%

Behavioural targeting increases conversion rates

At this stage, advertisers rarely measure the impact of behavioural targeting on branding. There is not enough feedback to justify the widespread use of this technique. Further studies are therefore required in order to better understand the impact and generalise the use of such techniques.

Retargeting, a particularly effective performance driver for online sales

An effective tool for increasing conversion rates

Retargeting involves advertising to internet users based on previous internet actions that did not result in a conversion (consulting a product, abandoning a purchase, visiting a website). Many online retailers use retargeting since according to retargeting specialist Critéo, 90% of visitors leave a website without converting. Given that 70% of visitors are directed to e-commerce sites via paid advertisements, this technique is an extremely effective performance driver.

Online retailers are the most apt to use this targeting technique as are advertisers faced with performance challenges such as the need to boost conversion rates or online sales. Retargeting is effective since it reminds prospective customers of the advertiser, especially for products with longer purchase cycles (tourism, automobile, large purchases).
**Accurate management of capping and remessaging**

Even though the effectiveness of retargeting particularly in generating more sales has been proven, advertisers should be aware of the negative perception that internet users may have towards retargeting and targeting in general. An IAB UK study showed that internet users may perceive behavioural marketing as an invasion to their privacy which could hinder the development of this type of advertising. Therefore capping must be closely managed to prevent overexposure.

“We use retargeting to improve campaign performance. This technique has proven very effective in generating more sales. It must be carefully managed on two levels: frequency and capping.”

Céline Drolez
Web Traffic Manager, La Redoute

**Key questions for advertisers**

- How accurate are targeting tools used in my campaigns?
  - Are demographic and geographic targeting used effectively?
  - What portion of my marketing budget is invested in behavioural targeting and retargeting?
  - Considering my objectives, is this amount enough/excessive?

- How does the impact of targeting campaigns on campaign results?
  - What is the impact of behavioural targeting and retargeting on campaign performance?
  - What is the impact of behavioural targeting on branding indicators?

- How do internet users perceive my behavioural targeting/retargeting campaigns?
  - Do these campaigns generate a feeling of invasion of privacy?
  - How can this be managed? What is the best frequency/capping?
  - Is there enough information about protecting internet users’ privacy?
Measuring the impact of advertising formats on conversion and branding

Advertisers are faced with a growing number of formats and the development of rich media

According to a Forrester Research Inc. study⁶⁶, the growth of the advertising market in western Europe should be clearly led by video advertising which is expected to represent a quarter of the market in 2014, as well as by other rich media formats* (38%) (Figure 19).

The market research institute also highlighted that the current cost per thousand (CPM) for videos has largely declined which provides advertisers with an opportunity to test the attractiveness and relevance of this format.

Banners currently remain the most common advertising format on account of their cost, the simplicity in creating them and the ease of implementation. The advent of new formats with a greater capacity for expression offers advertisers more powerful and diverse online communication tools.

Given the proliferation of formats, advertisers are now faced with the challenge of effectively managing them, notably in selecting the most appropriate format for meeting campaign objectives.

Different formats produce differing results in terms of conversion and branding

The effectiveness of advertising formats has been the subject of numerous studies, which show that effectiveness depends on the format’s characteristics and on the advertiser’s objectives. Some formats are more effective in attaining conversion objectives, whereas others contribute more to brand image.

Different impacts on conversion

According to a study conducted by DoubleClick⁶⁸ interaction and clickthrough rates are highly correlated to the size of an advertisement and its page positioning. Clickthrough rates for certain large formats (e.g., 300 x 600 and 240 x 400) can be three times higher than for smaller formats (Figure 20).

Furthermore, static ads generate a higher clickthrough rate than those in Flash format, where the link to another website is less natural.

*According to the IAB’s definition, rich media is an advertising format that incorporates visual animation or sound with user interaction.
Impacts on branding differ depending on the format used

By performing an in-depth analysis of 2,500 online advertising campaigns from the MarketNorms® database, market research institute Millward Brown® found that certain formats performed better for improving brand recognition while others were more effective in terms of brand image.

Flash and rich media formats appear to be the most effective formats for developing aided brand and advertisement awareness. These formats allow for more creativity which make them more visible and improve campaign recognition and brand promotion.

However, Flash and rich media formats may not perform as well as static formats for brand representation. According to Millward Brown, this could well be due to the fact that dynamic formats do not always deliver a message the user understands since the user will not always wait for the entire sequence to play. These formats also tend to be more invasive and, in certain cases, generate a less positive impact on the internet user’s opinion of the brand.Advertisers must manage the invasiveness of these formats which could represent a risk to the brand's image. Each format must therefore be monitored and the impacts on branding must be managed.

A study conducted by DoubleClick in 2009 presented similar results for GIF/JPG formats. These formats proved more effective than dynamic formats (except for video) on the brand’s image (Figure 21).

As with the conversion rate, the size of advertising banners has a direct influence on internet user brand engagement. United Internet Media analysed a selection of campaigns and demonstrated that the advertisement recognition rates could be increased 120% by using large formats.

Video advertising proves highly effective for branding

The same DoubleClick study revealed that video is the most effective format to develop all brand components, especially awareness and image. Nielsen conducted a study dedicated to the effectiveness of video format which showed that it generated a recognition rate 19% higher than traditional formats.

Several factors play a role in increasing the effectiveness of video format:

- better medium of expression,
- novelty, as the European video advertising market has only really developed since 2008,
- the display context: the advertisement appears following an internet user’s action; internet users are more receptive towards advertising that includes free video content.

Furthermore, an IAB study performed in the US proved the importance of adapting video length to campaign objectives. Online advertising spots that run for 30 seconds are more effective for spreading complex messages or generating emotions among internet users. Shorter 15-second formats are more effective in terms of improving site engagement and their flexible integration does not disturb internet users whether in pre-roll or mid-roll.

Figure 20 – Banner clickthrough rate in EMEA

![Figure 20](image1)

Figure 21 – Analysis of campaign effectiveness on branding components according to the format used – EMEA, 2009

![Figure 21](image2)
The advent of online video advertising has boosted the importance of the internet as a branding medium. Advertisers are gradually realising how effective this new format can be.”

Mykim Chikli
General Manager, Performics

New formats bring measurement challenges for advertisers

Availability of new indicators

The annual benchmark study performed by DoubleClick™ on the effectiveness of advertising formats reveals the limitations of using the clickthrough rate to measure the performance of a rich media campaign. At a relatively constant clickthrough rate of around 0.1%, interaction and expansion rates were extremely variable depending on the format used, which shows the highly differing impacts of campaigns (Figure 22).

The interaction rate provides advertisers with a first level of analysis of the internet user’s engagement and interest in the advertising message or brand.

Indicators such as view-through rate and watching time allow advertisers to assess quality.

The expansion rate supplements the interaction rate for expand banner formats by measuring the proportion of banners expanded following a user’s action.

Figure 22 – Clickthrough versus interaction/expansion rates by format
– EMEA, 2009

Although video and rich media formats are more effective for meeting certain objectives, they come with a higher CPM. The performance of the different formats therefore needs to be managed in order to make the right choice between formats with online advertising budgets still strictly limited.

Numerous advertisers question the utility of investing in video campaigns which are more costly than traditional formats. The use of indicators allows them to accurately measure the effectiveness of their video campaigns in order to define the right media mix.

For advertisers in particular, the issue is to analyse the correlation between interaction indicators and conversion rates, as well as the impact on online and offline sales.

The importance of choosing the right format

After interviewing a representative panel of advertisers in the United States, Bright Roll observed that only 52% of respondents were sure that their online video campaigns had been properly executed.

17% of them said that their campaign had been a failure and 31% were not in a position to say whether their campaigns had been properly executed. Again, these figures show advertisers’ need for visibility in order to guarantee the quality of campaign delivery. The study also revealed that the ability to display video advertising depends on the user’s internet speed which prevents a considerable portion of advertisements from being correctly delivered.

Although new formats are becoming increasingly richer, they need to be managed accordingly.

“To assess the performance of our online video campaigns, we strive to measure the correlation between the video view-through rate and the conversion rate (online trial requests), in order to ultimately measure the impact on vehicle sales.”

Philippe Boutron
Media Director, Citroën

31% of advertisers are unaware of whether their video campaigns were properly executed
Seven key approaches to effectively measuring online advertising

With the advent of new formats, creativity is becoming a differentiating performance driver and should be managed carefully

A Millward Brown study conducted across 2,500 campaigns revealed the wide variability of campaign effectiveness⁷⁶. For campaigns delivered in the same format and context, performance diversity can be attributed to creativity (Figure 23). Hence it is important to regularly assess the ad’s performance taking into account media format and internet user behaviour.

Market research institute Millward Brown identified several best practices for the design of online creations⁷⁷:

- Promote the brand during each advertising sequence.
- Ensure that each sequence can be understood on a standalone basis to optimise comprehension of the message as a whole.
- Use the “last-minute revelation” technique sparingly. This approach tends to be ineffective since internet users do not always watch the advertisement until the end.
- Use the brand’s offline visual identity in online advertising for cross-media campaigns.

Video advertising and the decline of TV advertisements

Most advertisers interviewed declared that online video advertising is identical or very similar to advertising designed for TV. Although the advertising spots are generally shorter, they are not specifically adapted to the Web, mainly for budgetary reasons. Several advertisers stressed that the performance of online advertising could be greatly improved by developing creative videos specifically intended for online use.

The importance of contextualising

Contextualising is also key in improving the effectiveness of online advertising campaigns. After analysing the performance of campaigns in the automotive and pharmaceutical sectors, Millward Brown reported that contextualised display advertising had a high impact on purchase intent and brand favourability indicators. Internet users are more appealing targets for advertisers as they actively search the Web for information on vehicles or for medical advice (Figure 24).

“Advertisers do not take online creativity as seriously as on TV. They do not test online advertising upstream. However pre-testing should develop as online media expand.”

Mathieu Morgensztern
General Manager, Isobar

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Seven key approaches to effectively measuring online advertising

“Online advertising should keep moving towards quality. This includes measuring the effectiveness of formats and creativity. In the long run, we will likely pre-test online advertising content like we do today for TV.”

Frank Desvignes
E-business director, BNP Paribas

New offers are emerging that are aimed at adopting campaign content to contextual factors (time of day, appropriateness of the programme/site) and changing programmes in line with the results obtained. These initiatives capitalise on the Web’s real time adaptation capacity.

Lack of pre-testing

None of the advertisers we interviewed currently carry out pre-tests for online advertising. Mainly used for TV spots, pre-tests enable advertisers to validate the ad’s creativity and its impact on brand image. Several of the advertisers interviewed mentioned that it would be possible in the future to apply the “test and learn” approach to online advertising in order to improve the effectiveness of creativity and the ability to meet campaign objectives.

Key questions for advertisers

Is the effectiveness of my online advertising campaign assessed?
– Through pre-testing? Through post-testing?
– By comparison with other media?
– How are my creative messages perceived?
How should I structure them?

Do the indicators I have allow me to...
– Effectively choose between formats?
– Optimise my investments?

What are the most effective formats to meet the objectives of my campaign?
– Conversion objectives? Branding objectives?

Which indicators should be monitored for each format?
– Interaction rate/length?
– Expansion rate?
– Rate of videos viewed? Rate of videos viewed in full?
– Average viewing time?
– Combination of indicators?
Processes and resources

Constructing the right online mix by selecting the most effective formats

Process

Assess and compare the performance of different formats (static/rich media/video):

- Which formats are effective as regards my campaign objectives? (awareness/site traffic/image/recognition)
- Which are the most effective in terms of acquisition cost?

Target deliverables

- Use of the most effective formats in line with marketing objectives and budget constraints
- Online budget optimisation

Comments

The effectiveness of different formats can be assessed at two stages:

- during the campaign, via indicators;
- after the campaign, via post-tests among internet users exposed to the campaign.

Reach is another important factor in the choice of format; video format can be limited by advertising slot availability, which in turn limits exposure. The type of product is also a determining criterion when choosing the format. Rich media and video formats have proven to be a good solution for products such as cars, where the visual factor is of great importance, but less effective with the financial or service industries.
Conclusion: towards an effective measurement approach

Measuring online advertising effectiveness is a complex matter especially in a perpetually changing environment where new resources, formats and uses are constantly being developed.

With an increasing portion of advertising budgets going to online campaigns, measuring performance is more than ever a key issue. Advertisers do not wish to blindly invest in this type of media even if they believe it is the right decision in the long run.

We have seen that there are many measurement tools and how important it is to select the appropriate ones. But in addition to selecting the right indicators, managing the effectiveness of online advertising also means rising to challenges in four areas:

- **Strategy**: reconcile viewpoints on the role that the internet should play in the media strategy;
- **Organisation**: spread Web culture within the company to reach a common understanding of the measurement tools by all parties involved;
- **HR**: build the necessary skill set by training existing employees or recruiting;
- **Operations**: implement appropriate tools to develop the relevant indicators and monitor them using the appropriate depth of analysis and at the right frequency.

Furthermore, new challenges to measuring advertising suggest that market-wide discussions be held from which will emerge a consensus on the following key issues:

- How to fine-tune the measurement of streaming and video audiences, particularly to determine on what day and at what time the content was viewed?
- How to measure the impact of multiple-exposure?
- What are the standards to be defined to measure the actual advertising visibility?
- How to reconcile user-centric and site-centric audience measurements?
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