

Introduction to the Cross Media Optimization Study



Greg Stuart
CEO

Only Marketing is Not Optimized

“Advertising is the last area of spending where the return on investment is not known.

Because of this, it tends to be the first area to be cut.”

Dr. Pete Sealey

- Professor, Berkeley's Haas Graduate School of Business
- Former head of Marketing for Coca-Cola

Largest Cross Media Study Ever Conducted

Landmark study
methodology assesses
“Cost Effectiveness”
of each Medium

Scientifically evaluates
real world, in-market
campaigns

Marketers carefully
considered
methodology



Introducing the Participants



IAB: The organizing Association

Marketing Evolution/Rex Briggs:

Developed landmark study methodology and executed the studies

Dynamic Logic: Applied AdIndex® product to collect consumer views and behavior

ARF (Advertising Research Foundation): Endorsed the study methodology

Forrester Research: Full analysis & review

Publishers Funded Part of Study

CNET Networks

msn

AOL

Forbes.com

YAHOO!

washingtonpost.com

WALT DISNEY
INTERNET GROUP

iVillage

WSJ.com THE WALL STREET JOURNAL.
ONLINE

USA
TODAY.com

ESPN.com

abc



NYT_d

new york times digital

U
UNICAST

terra
lycos



excite

iwon

UNIVISION.com

real

Meredith
CORPORATION
Better
Homes
and Gardens
LHJ.com
JOURNAL

24-7
REALMEDIA

flipside
network

TechTarget

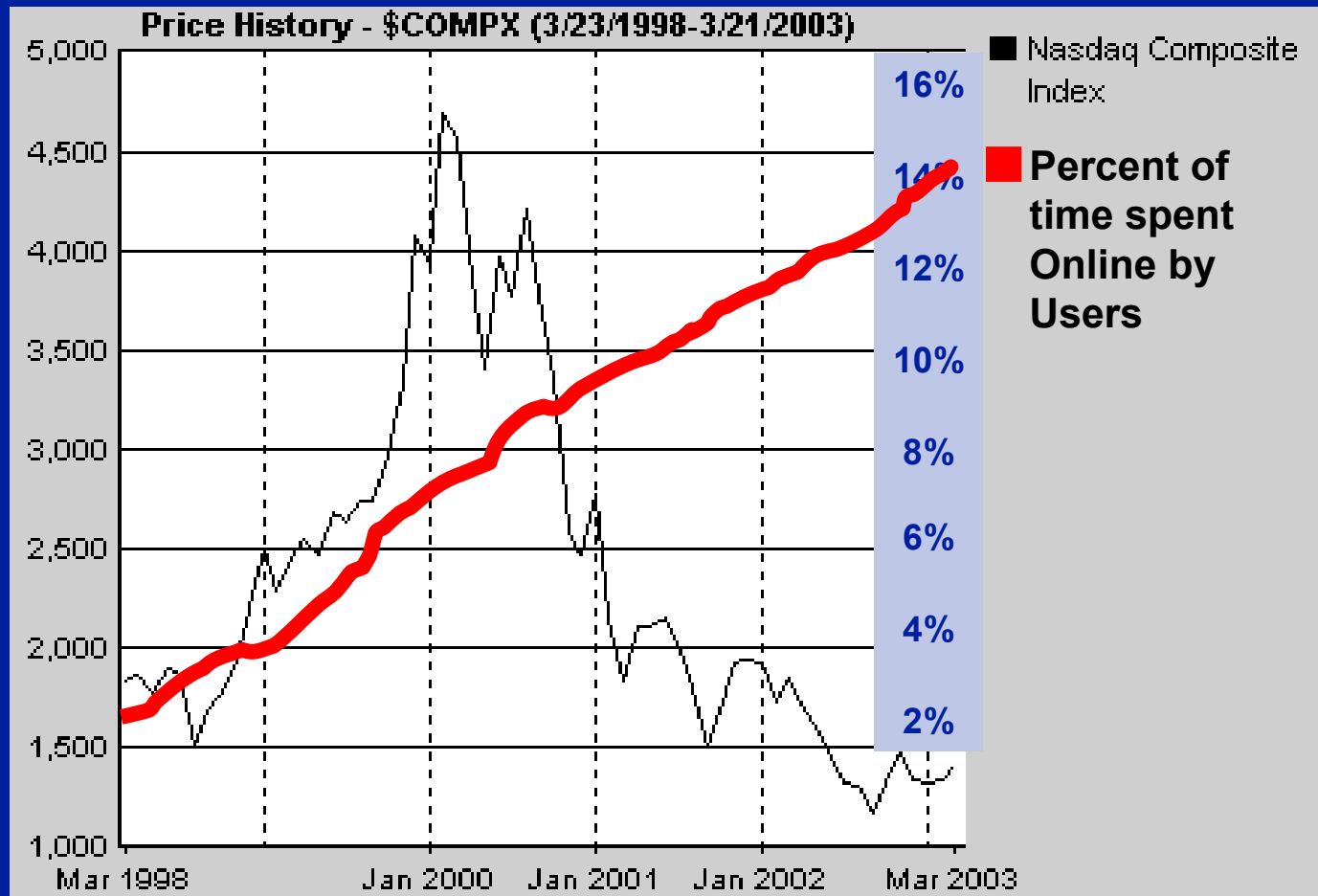
Google

cars.com
How to shop online

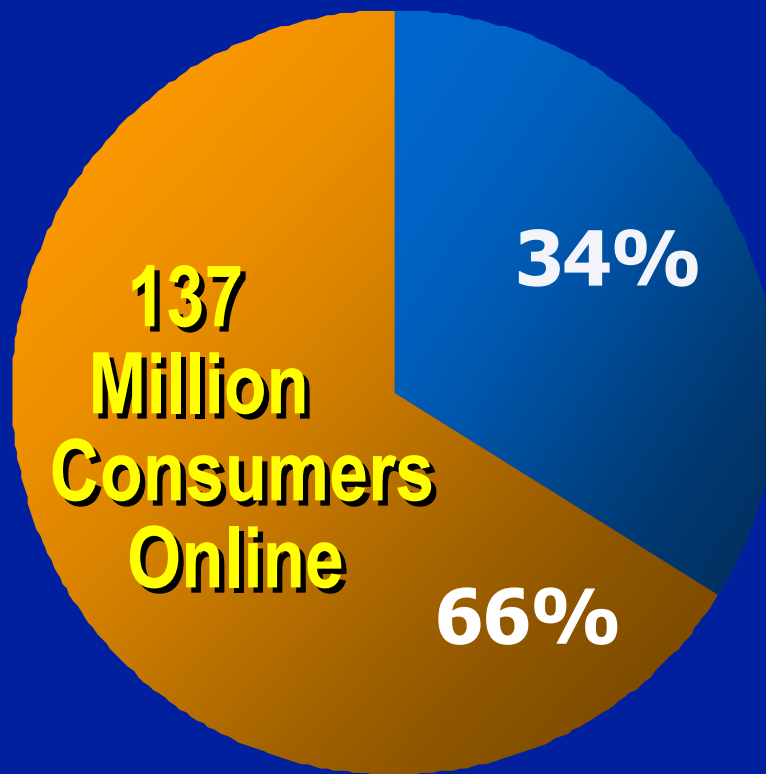
State of The **Union**: **Interactive** Medium



Which trend matters to marketers?



Online Delivers the Audience

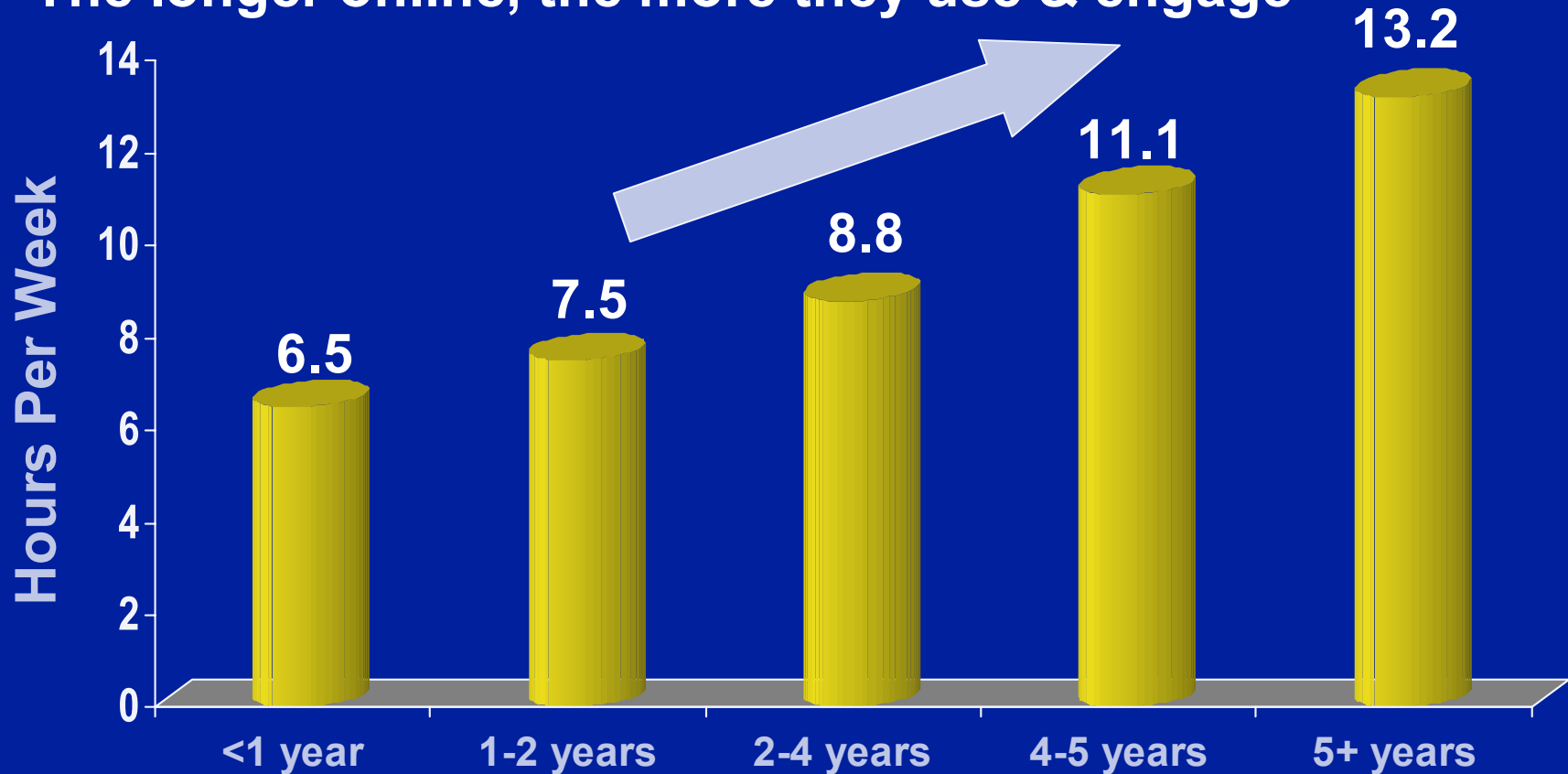


**Fully Two
Thirds of the
Adult U.S.
Population is
Now Online**

Source: Harris Interactive, April 2002

...And their Usage Doubles Over Time

The longer online, the more they use & engage



In Fact, Essential to Consumer's Lives

When was the last time you:



Expedia.com®

42% Travel Info/Mo.



YAHOO! GetLocal Maps
MAPQUEST.

21% Map Info

92% News At Work

26% Check Quotes

40% Not Decided

CNN.com.



new york times digital

USA TODAY .com



washingtonpost.com

CBS Market Watch
Weekend Edition

Forbes
.com



THE WALL STREET JOURNAL
ONLINE

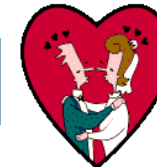


30% "Competitive" Research

15% "Making New Friends"

hotjobs®
a YAHOO! service

match
.com



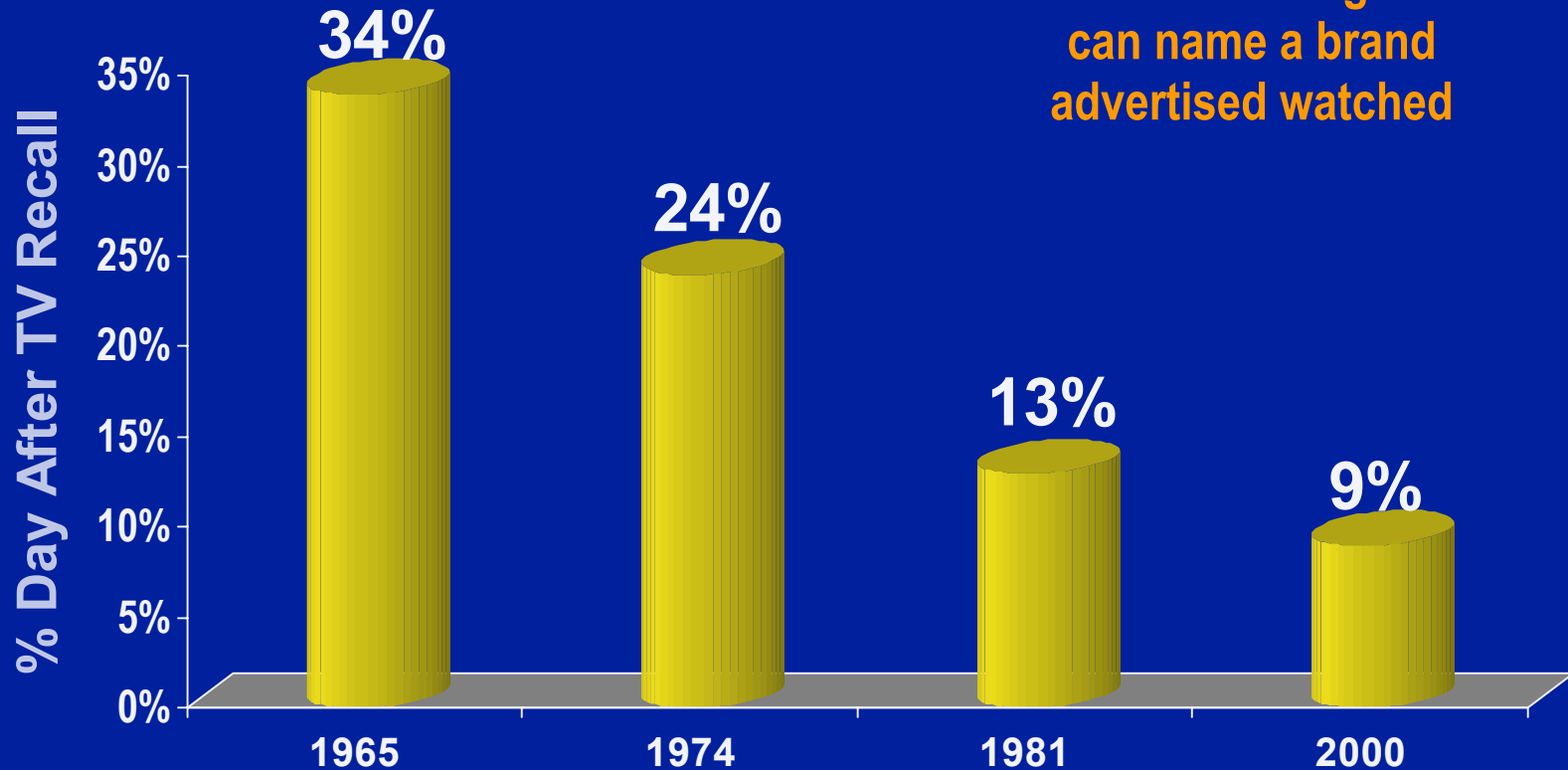
Source: Jupiter, eMarketer, Forrester, NetRatings

The Interactive Medium Matures

ried ry ment ny	Shakeout in the Number of Ad Providers	Better Coordination within the Industry	75% of Top 25 Online Ad Businesses are Profitable	Co of P In
Contracts: IAB/AAAA's Terms & Conditions	IAB/AAAA's Ad Measurement Guidelines	Efficiencies Via IAB Rich Media Guidelines v1.0	IAB/AAAA Universal Ad Package	
onal the pport ves	Stronger Interactive Trade Association	Tripled Membership in the last 16 months	More than Doubled the IAB Annual Budget	16 Cor Ta

The Media Landscape Has Changed

Percent of adult evening viewers who
can name a brand
advertised watched

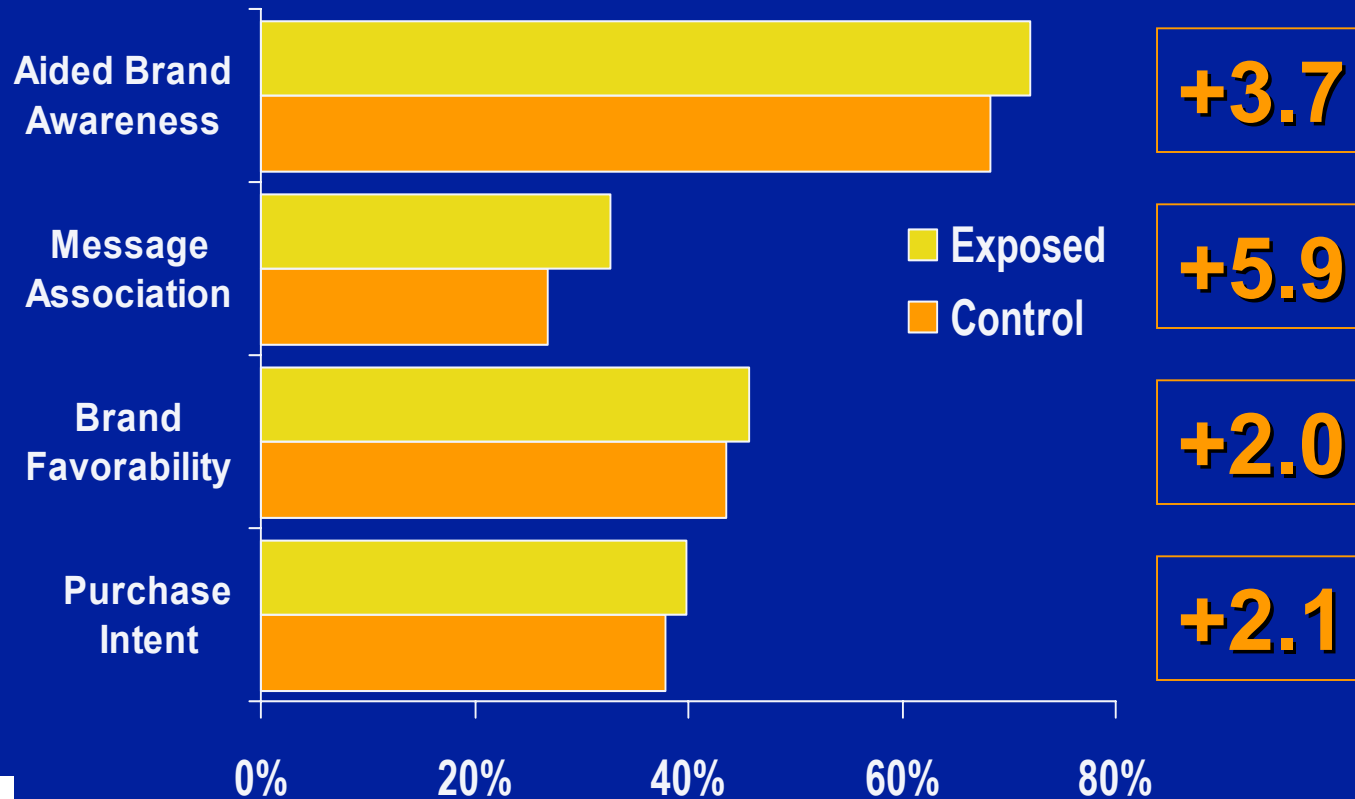


Source: NAB (1965-1986); Nielsen (2000)

Perhaps you have questions about the
Effectiveness of Online advertising...



1,000+ Ads Tested – Online Advertising Works!



Mean Changes for Four Measures of Effectiveness

Source: Dynamic Logic MarketNorms – Database of 400 campaigns

**All measures statistically significant at 99%; n=campaigns; between 375 and 416*

The New Marketing Question

No longer talking about **Why** Online
How to integrate

Specifically, how to **integrate** to maximize:

- Brand Awareness
- Brand Image
- Purchase Intent & Sales

The New Marketing Mix



*“When I point,
look where I point,
not at my finger.”*

Warren McCulloch, noted neurophysiologist and father of computational neuroscience

A Word About The Methodology



The Study's Methodology and Rigor Are Widely Accepted and Respected



*Endorsed by the **Advertising Research Foundation** (ARF)*

*Nominated for **ESOMAR** John & Mary Goodyear Award
(Best International Research)*

*Reviewed and Analyzed by
Forrester Research*

*Endorsed by Major Agency **Media Research Directors***

Offline or Online -- Same Results

Both **Colgate** (Total Toothpaste) and **Kimberly-Clark** (Kleenex) executed companion phone studies that confirmed online is inline with other research methods

Message: You can study Consumer attitudes very accurately through a *purely web-based* survey!

Common Marketers Objectives

Brand Awareness

Brand Image

Purchase Intent & Sales

Key Findings from XMOS

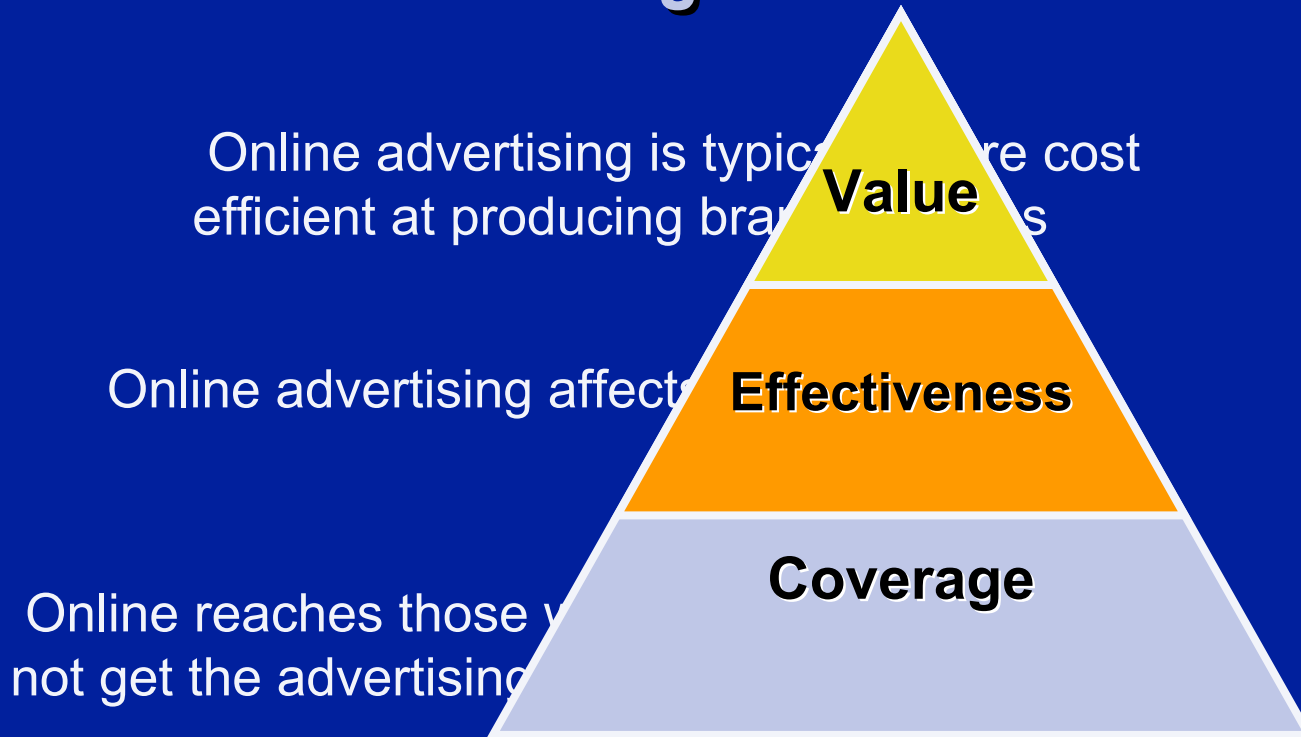
The major findings of the Study to date



The Key Finding of the Study

Same budget
Better results

Why does Increasing Online produce better results within the same budget?



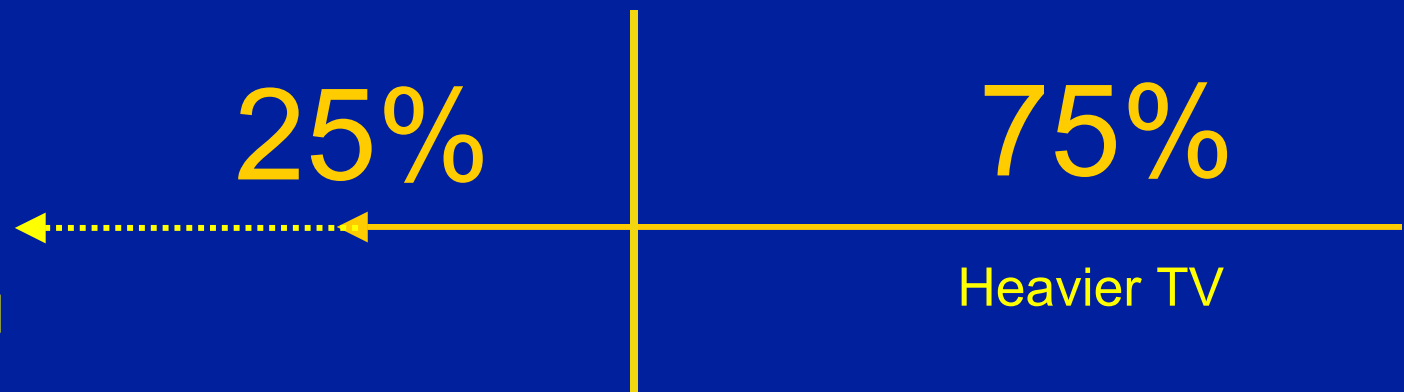
Coverage



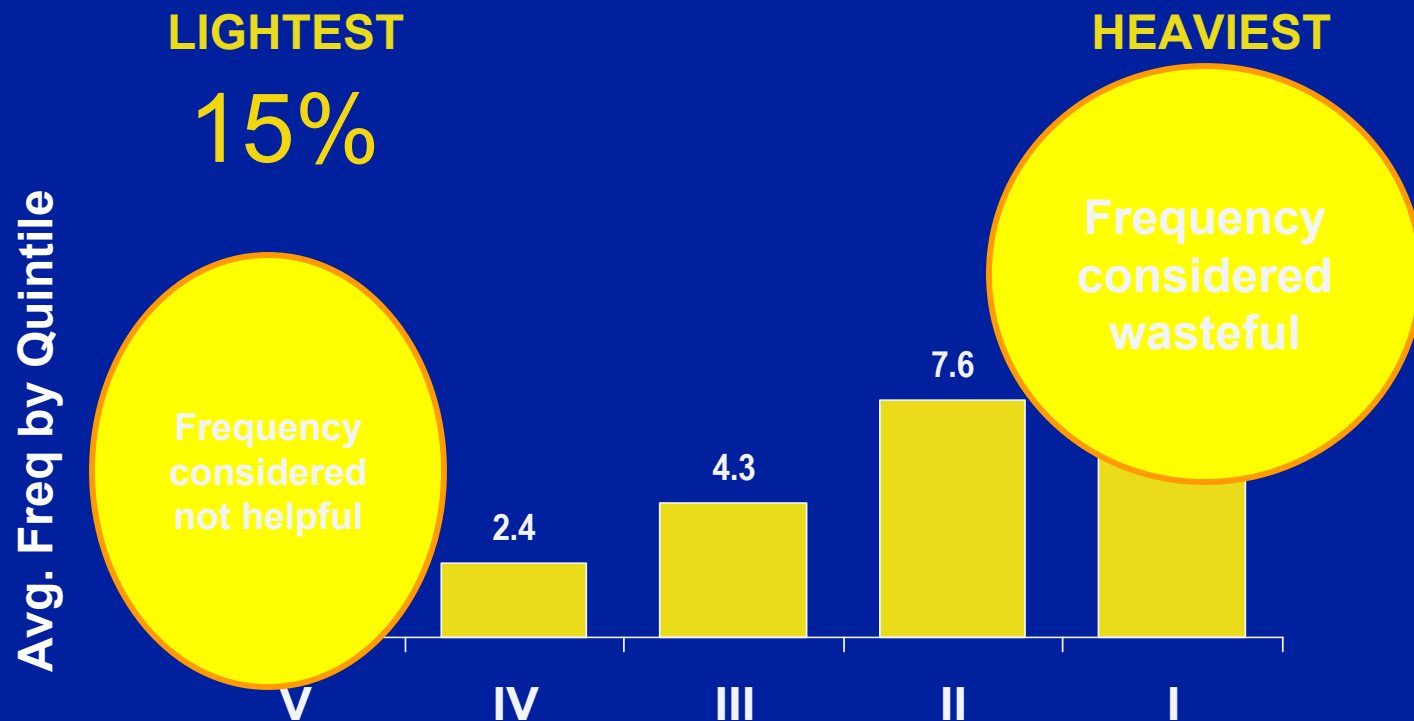
Media Coverage

potholes

Coverage



Frequency Does Not Fall Evenly



Coverage

Lightest Quintile

+15%

45%

60%

Heavier TV

Not Reached
By TV

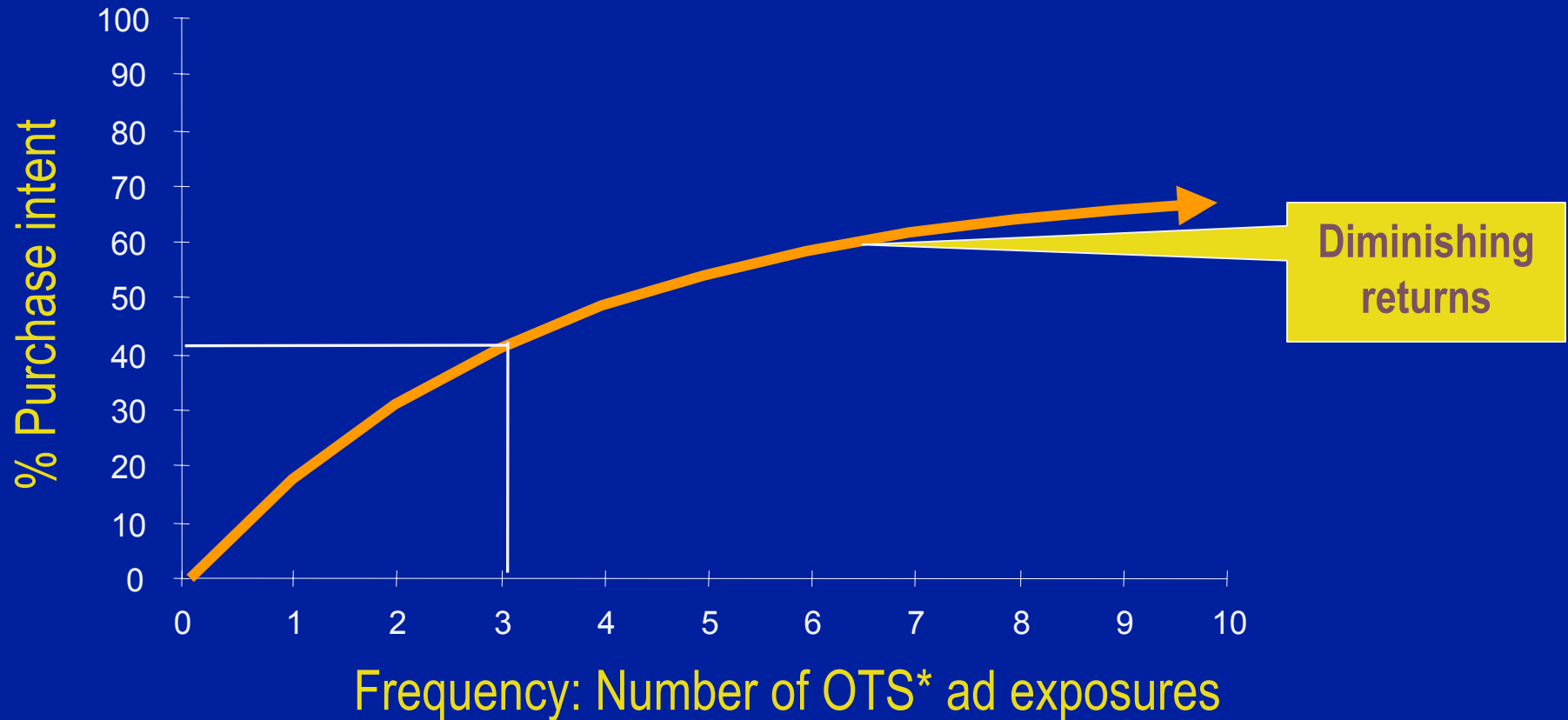
Coverage



Media potholes!

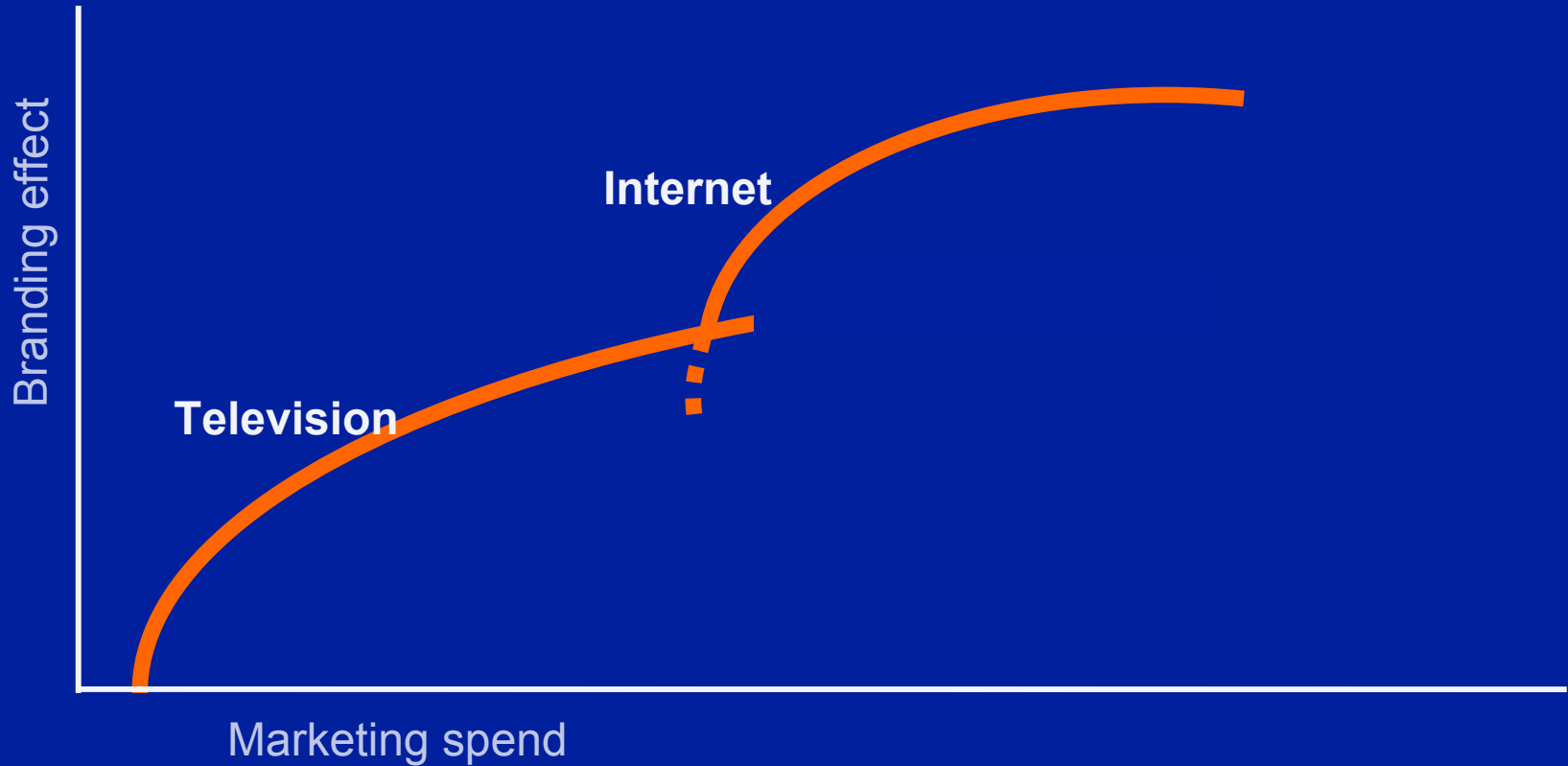
Effectiveness and Value

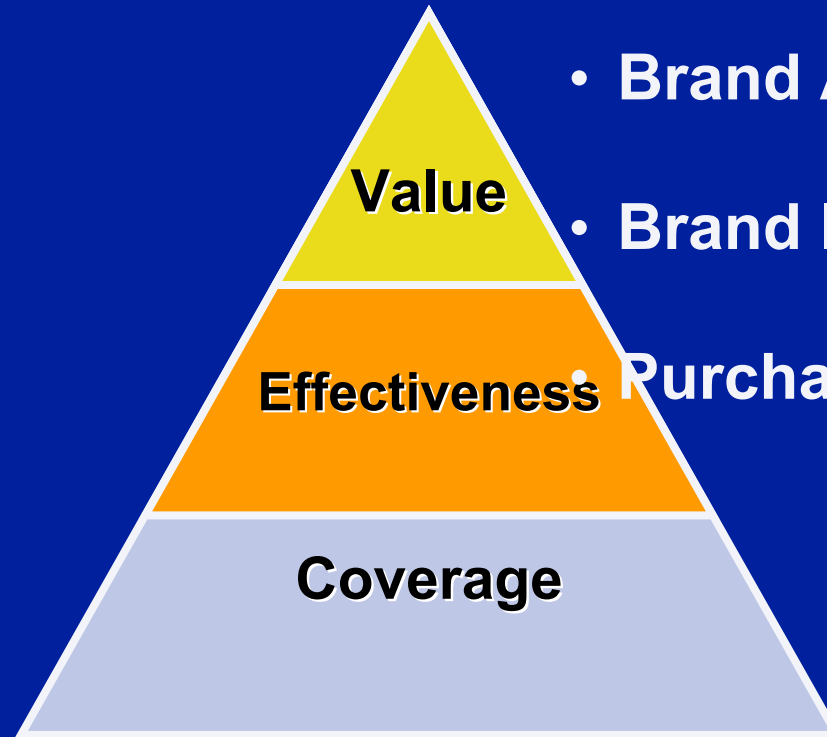
Effectiveness and value



*OTS = Opportunity to see advertisement based on GRP levels

Effectiveness and value





- Brand Awareness

- Brand Image

- Purchase preference

Growing Brand Awareness

The major findings of the Study to date



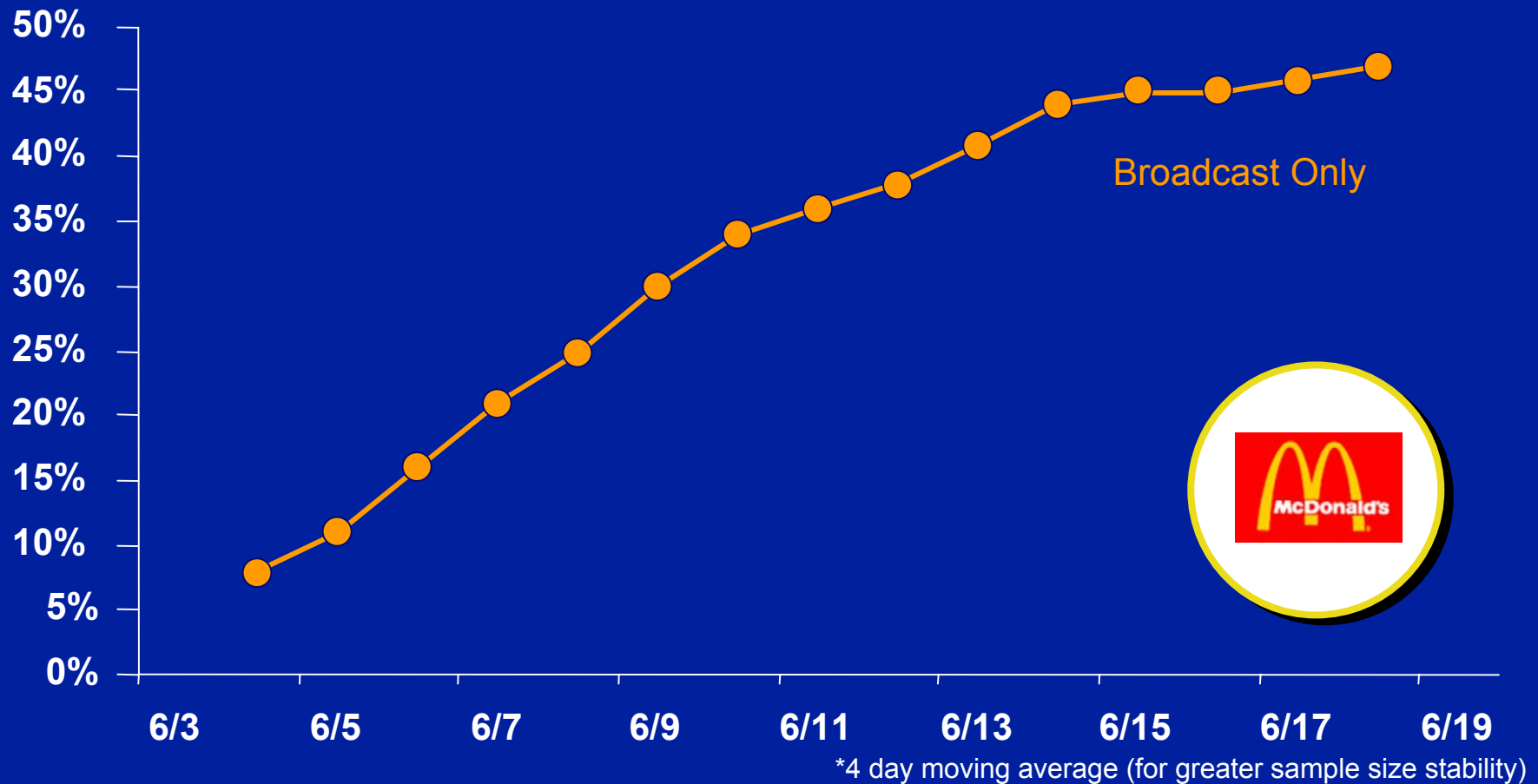
Growing Brand Awareness



Increasing Online is
more cost effective
way to build brand
awareness

Product Awareness

Aided awareness: Grilled chicken flatbread sandwich

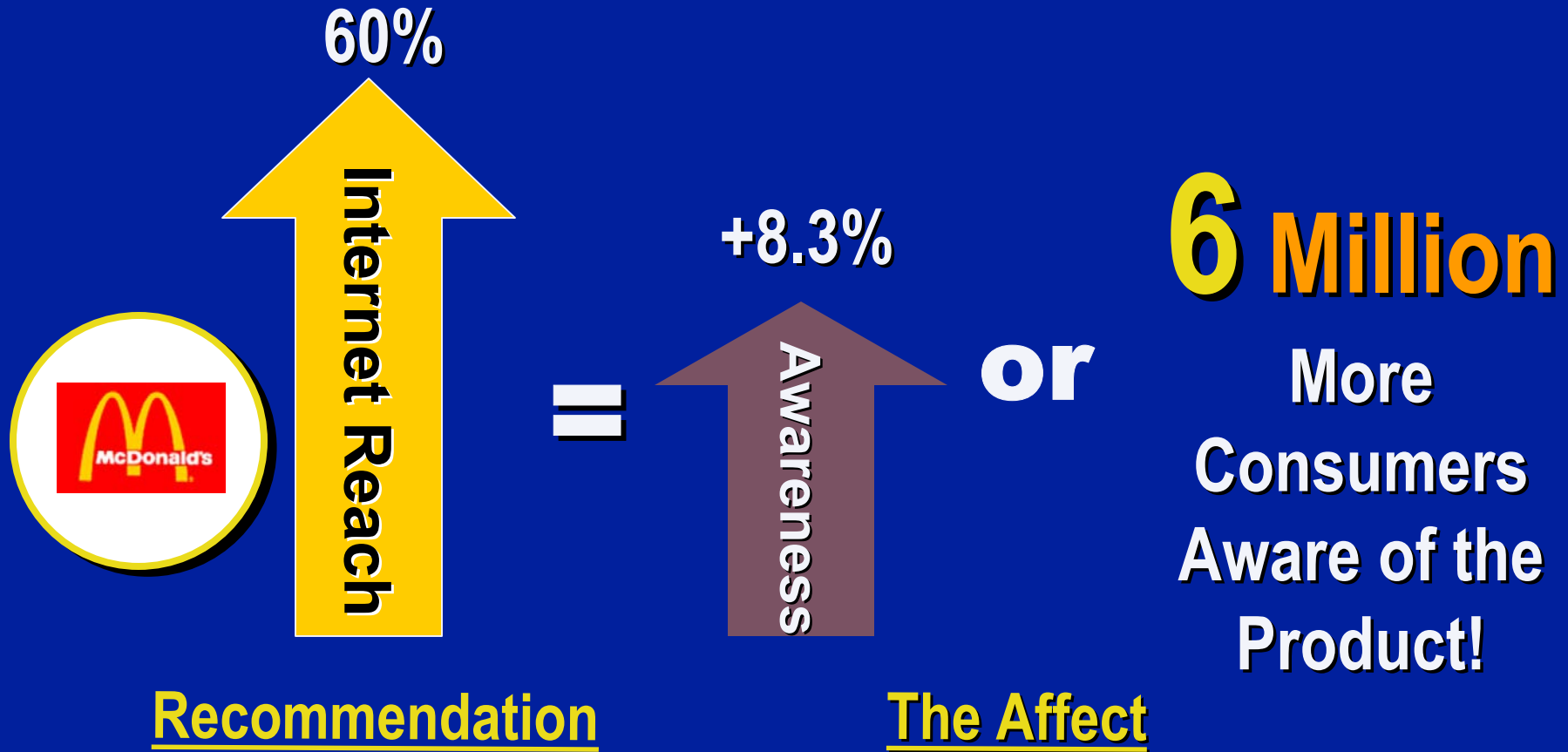


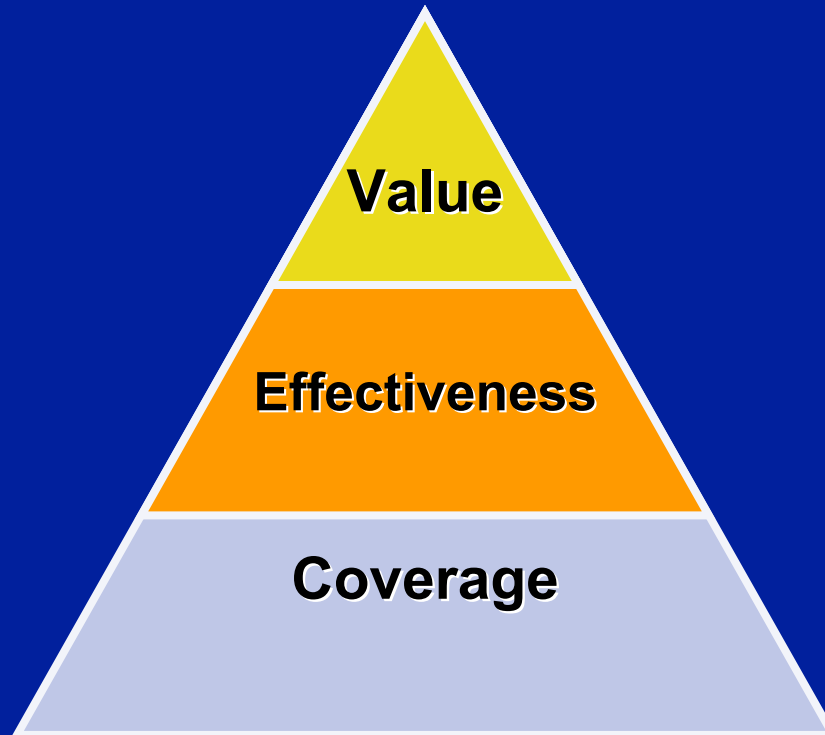
Online builds brand awareness

- *Online advertising:
- 60% reach/2.0 frequency
 - TV TRPs trimmed by approximately 20%



Optimizing for Brand Building





Positioning the Brand Brand Image

The major findings of the Study to date



Building Brand Image

For McDonald's Flatbread Sandwich...

- New, Exciting, Different and Combination of great flavors

For Dove Nutrium Bar...

- Nourishes your skin, contains vitamin E and relevance

For Colgate

- Long lasting protection and complete protection

For Kleenex soft pack

- Convenient and innovative design

Cross-media synergy

Creative reinforced the core message across media

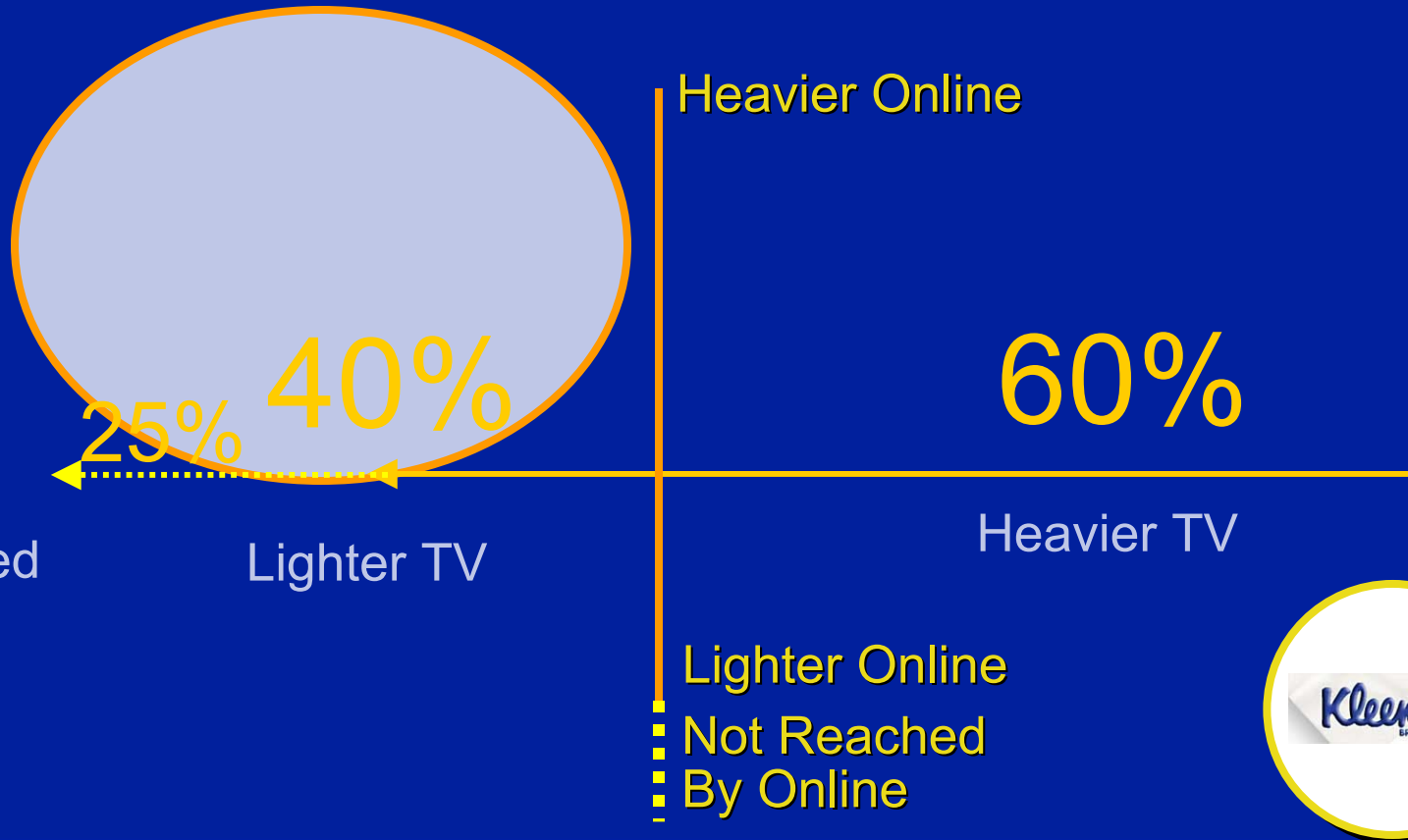


What about the
40% of your target
that are not reached by TV?

The Kleenex® TV campaign

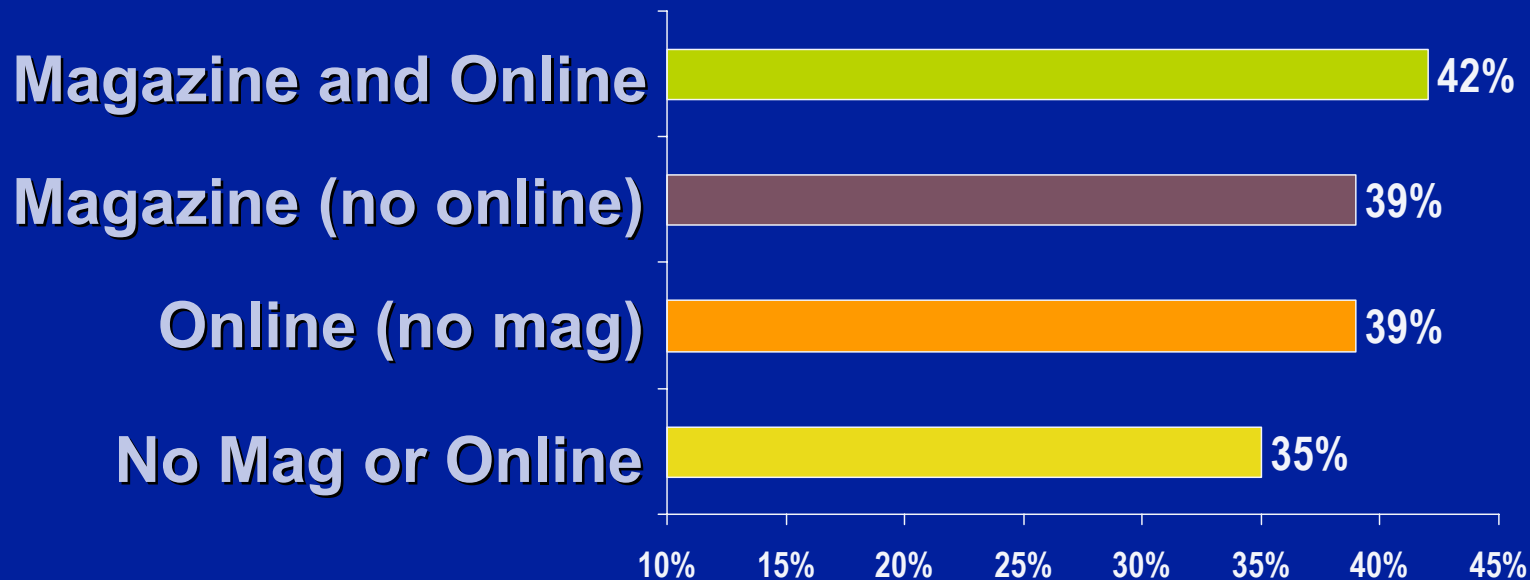


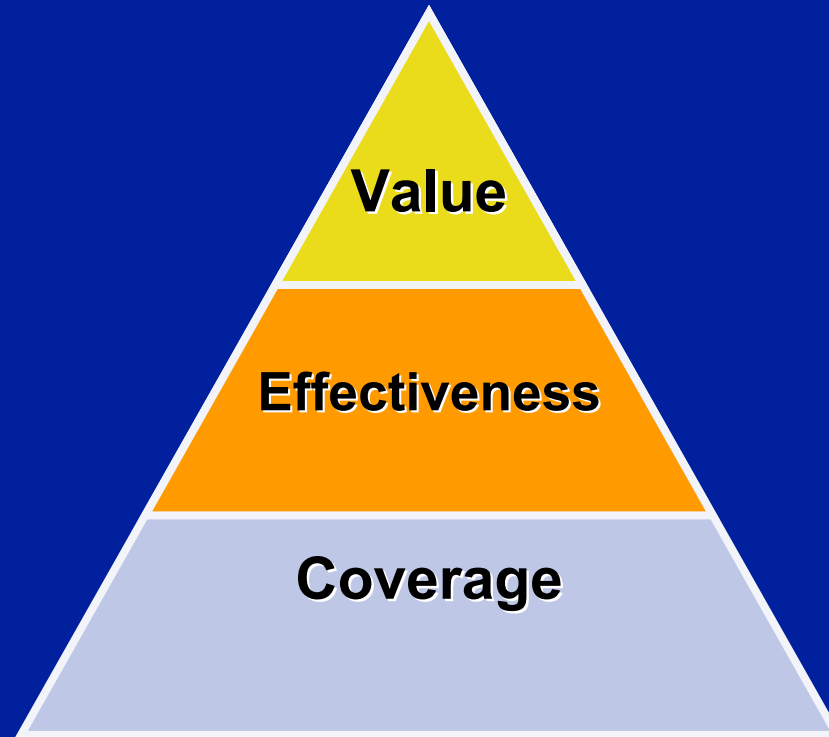
Campaign over 8 weeks



Summary of branding gains among lightly reached / not reached TV audience

Positive Brand association (top box average)





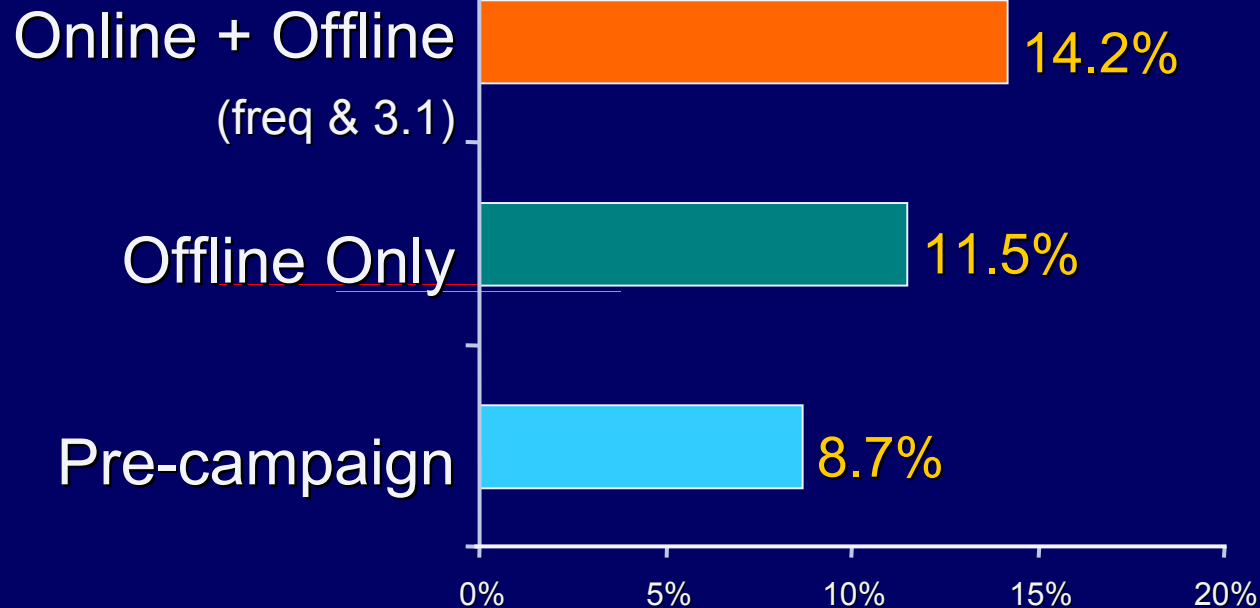
Purchase Intent & Sales



The major findings of the Study to date

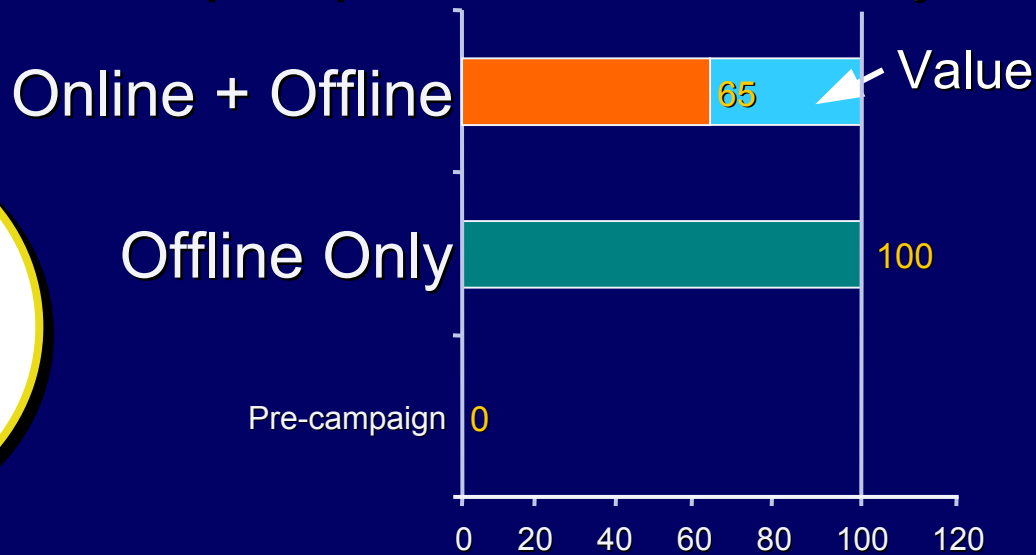
Effectiveness and Value

Purchase intent (top 2 box)



Value

Cost per person affected by advertising



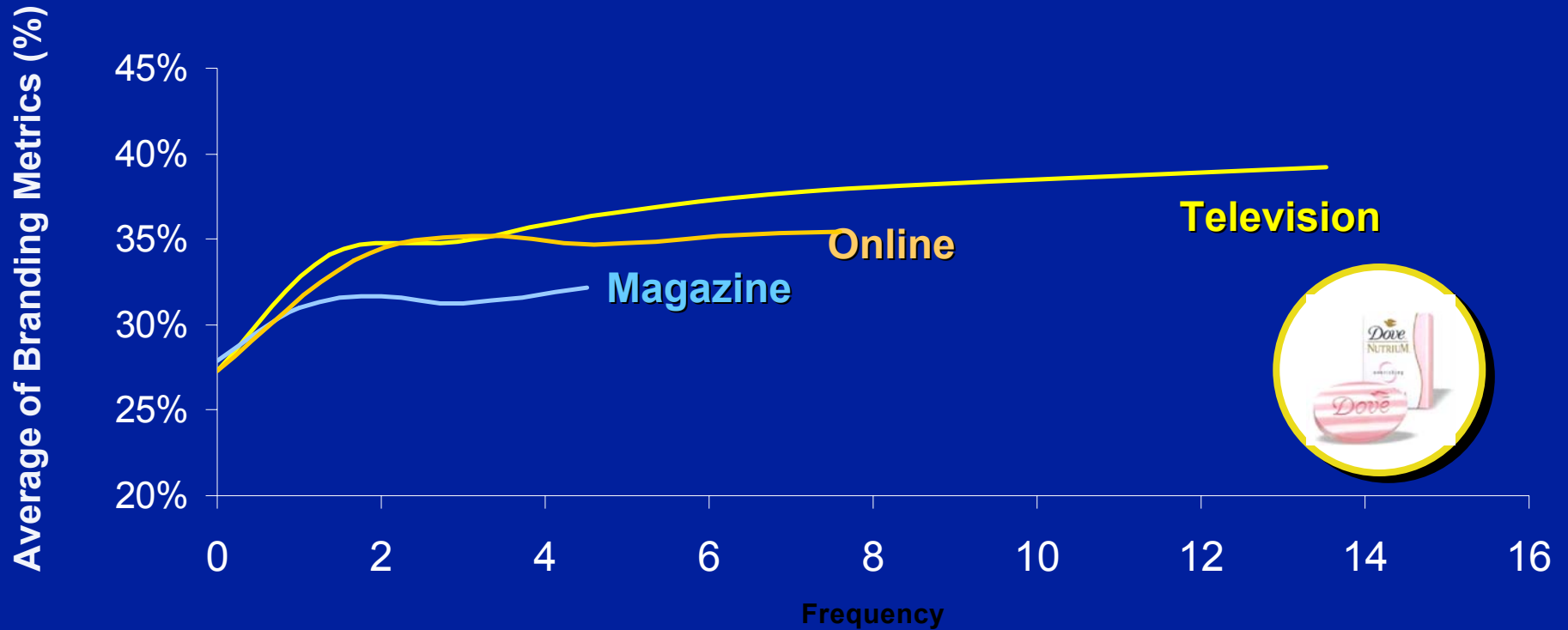
Optimizing Online

Results in a **14% increase** in purchase intent



Same Budget, **Better Results**

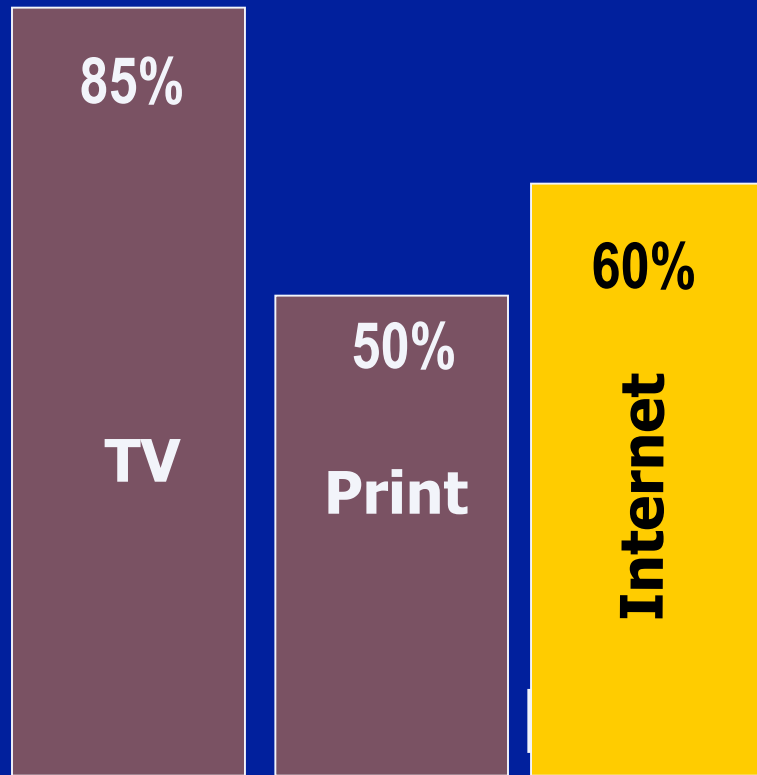
All Media Demonstrate Diminishing Returns



Number of advertising exposures

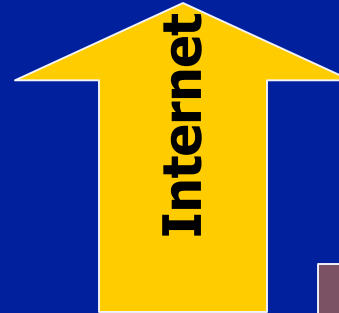
Optimizing the Dove Plan for Brand Building

Reach



Frequency

3.1 Impressions
(up from 1.7)



TV
5.5 impressions
(down from 6.0)

Print
2.0 impressions
(down from 2.6)



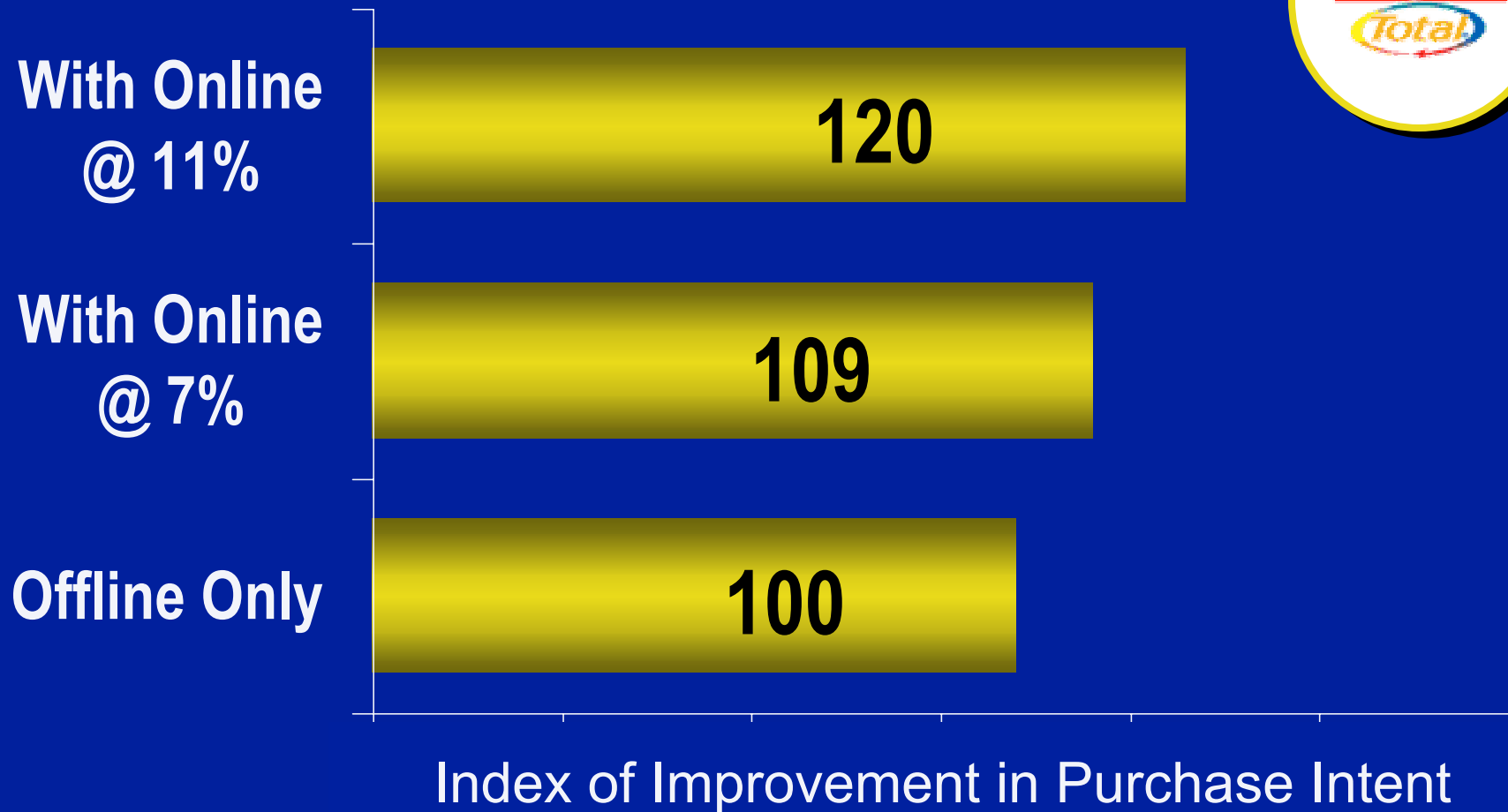
10% in
Original
Plan



Colgate Total Toothpaste

Online ads increase purchase intent

Effectiveness



Online is More Cost Effective than Other Media



Purchase Intent

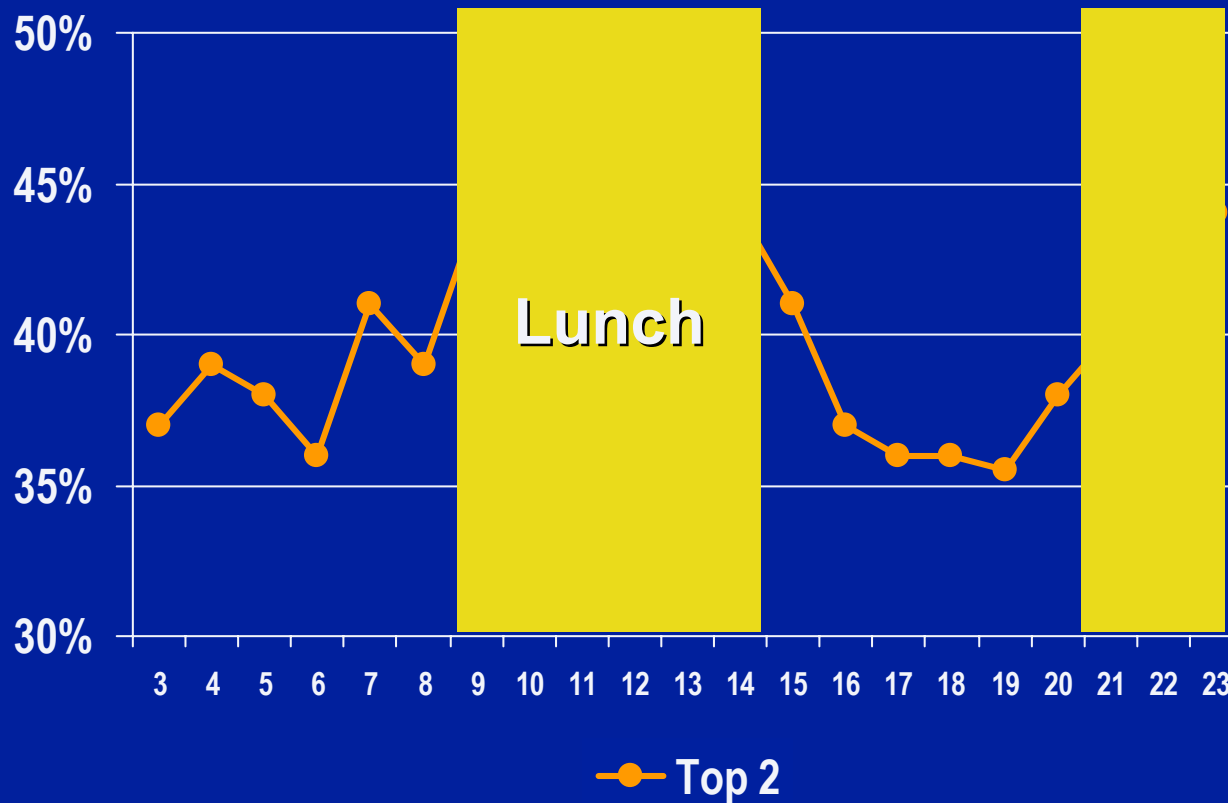
Online	TV	Magazine
(100)	(123)	(184)

Cost of Change by Other Media Indexed to Online

Effective TV and Print CPMs are compared and indexed to this number.

Purchase preference is influenced by time of day

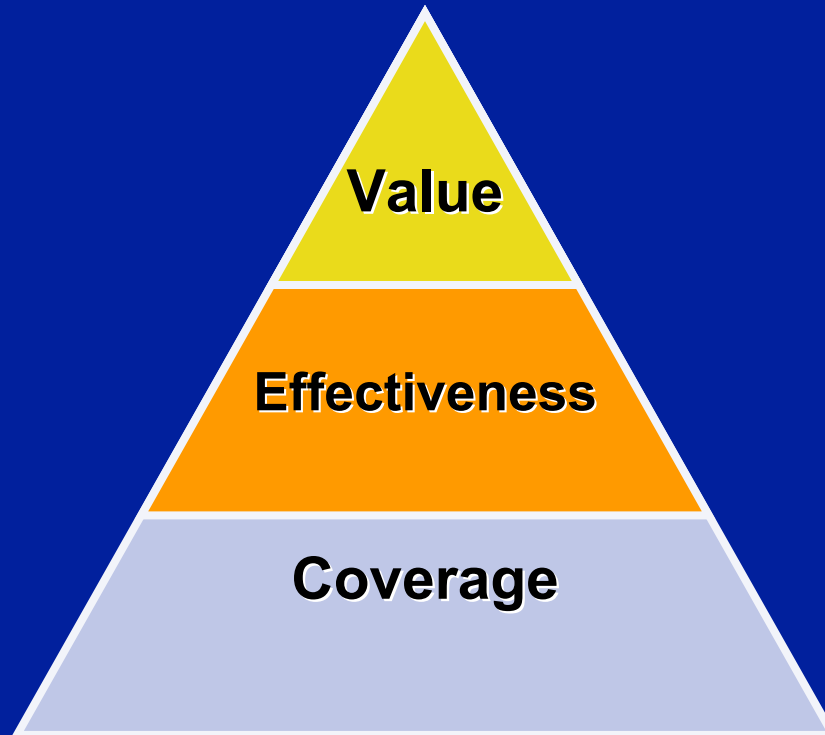
Purchase Intent: McDonald's Flatbread



Will You Get These Gains?

What happens if a brand
really reallocated?

...Would these results show up nationally?



Key Takeaways

Same budget
Better results



Recommendation for getting the marketing mix in proper sync

1. Form a **working group**
 - Include key brand, agency & research teams
2. Examine how online provides **coverage** to your target
3. Measure Online to Offline **effectiveness and value**
4. Persist! Continue to reinforce the idea that with Online, our marketing mix **could be optimized**

Recap: Topline Brand Results

Results



Awareness

+8%

Brand Image

+34%

+7%

Purchase Intent

+14%

+20%

Reco %
Online:

15%

13%

11%

10%

And more to come...

Base %
Online:

2%

1%

7%

2%

Thank You