



Display: more than just **click-throughs**

Some advertisers believe in the value of online ads for branding purposes, but other clients are yet to be convinced. *David Murphy* reports on the brand-building potential of online display

Ask 100 people in the online advertising industry for the best thing about their medium, and it's a safe bet that "accountability" will crop up before too long.

Online is about as trackable and accountable as advertising media get. One of the reasons why the online market has expanded so rapidly in recent years – more than trebling in size from £825m in 2004 to £2.81bn in 2007 – is not just because it works, but because media owners can prove it works.

As a direct response medium, this high level of accountability is extremely welcome.

However, success in this area has tended to

obscure the fact that, as the internet matures, online display can also be used to good effect for brand building.

Melanie Clark, insight director at search specialist Steak, says: "The fact it is possible to track click-throughs on an online ad became the way of measuring display ads' effectiveness, and banner ads have struggled with this ever since."

Phil Cowlshaw, media manager at digital agency Blue Barracuda, agrees. He says: "Many clients are primarily concerned with the response metrics, but even if they don't click on an ad, they are exposed to the impression."

"So, by tracking the impression cookie, you can see the sizes and formats of banners they

have been exposed to, and then start to calculate what is working in branding terms."

One company specialising in measuring the branding impact of online display is Dynamic Logic. Over the past few years, the company has surveyed more than 5.5 million people around the world to gauge opinions about more than 4,000 online advertising campaigns, and has measured almost 100,000 online creative executions.

The firm's MarketNorms database holds results from more than 4,000 AdIndex research studies, which measure the attitudinal impact of advertising. The data for Europe shows a 2.1% uplift in aided brand awareness among consumers exposed

to a brand's online advertising, accompanied by a 1.3% increase in brand favourability, and a 0.9% increase in purchase intent.

The MarketNorms data also ranks different online creative formats for their effectiveness in raising brand awareness, with the half-banner (3.6% uplift), rectangle (3.3% uplift), and half-page (2% uplift), occupying the top three slots.

However, despite these encouraging figures, Dynamic Logic's head of global marketing and business development Christina Goodman believes advertisers still need educating about the merits of online advertising as a brand-building tool.

She says: "The proportion of ad spend on search and direct response campaigns compared

£1.68bn

Total online ad spend for the first half of 2008

Source: IAB/PwC

£3.58bn

Forecast for total online ad spend in 2009

Source: eMarketer

* Retail

Aeolve, the data insight arm of Aegis Media, considered five well-known retailers – Debenhams, John Lewis, Marks & Spencer, the ill-fated Woolworths and Next – to assess the branding impact of online advertising for high-street retailers.

The research found consumers actively seek and passively consume information about high-street retailers from sources including advertising, PR, word-of-mouth and websites. Consumers' brand engagement with department stores centred on four key factors: image, quality, sales and service.

The research also found three key themes across the category. These were described as: emotional/intangible (including customer service, heritage, reputation, quality and trust); functional/tangible (including product range and presence of mainstream brands); and cues/prompts (including advertising, familiarity, nationwide presence and standardised layout).



The quantitative research was undertaken among 1,024 females aged 30 to 50, who had to have shopped in at least three of the stores in the past six months. The base level of brand engagement for high-street retailers (i.e. the engagement the audience would have with the brands if they avoided the other influences that were tested) was a third.

On average across the five brands, the study found online display ads contributed 40% of the gross communications effect, compared to 31% for press, 19% for TV, 8% for radio, and 3% for outdoor. Online advertising for the sector was 16 times as effective per pound spent as the all-media average.

Methodology: The case studies are based on research commissioned by the IAB and carried out by Aeolve. Each study was designed to demonstrate the ability of internet advertising to drive engagement, to measure the impact of internet advertising on brand strength relative to other media (press, outdoor, TV and radio), and to identify how internet advertising works alongside other brand contact.

* Fast moving consumer goods: soft drinks

Aeolve (then Carat Insight) undertook a study of four soft drink brands – Powerade, Pepsi, Coca-Cola and Coca-Cola Zero – to assess the branding impact of online advertising for the soft drinks category.

Qualitative research established that the category needs in this sector fell into three areas: physically led (influenced by factors such as taste); emotionally led (mood, desire), and rationally led (habit, temperature). These needs applied equally to all respondents, irrespective of life stage.

Quantitative research was carried out among 1,000 ABC1 men aged 30 to 45, in full-time employment and with no children. It found there were six engagement factors for soft drinks – affinity, salience, taste, differentiation, health and provenance – each made of several brand perceptions. These included: "This brand is refreshing" (taste), and "This brand is aimed at people like me" (affinity). The study also found the



top five attitudes delivered 60% of brand engagement, with taste, affinity and refreshment the key criteria. Brand engagement was defined with reference to three statements: "Brand X is the first soft drink I would think to buy", "I prefer Brand X to all other soft drinks," and "I intend to purchase Brand X in the near future."

Communications were found to increase soft drink brand engagement by 5%, with online advertising accounting for 24% of the communication effect, compared to 43% for TV and 32% for press. Outdoor and radio barely registered.

Overall, online advertising for soft drinks was found to be three times as effective per pound of advertising spend as the all-media average.

* Automobile (small cars)

Aeolve (then Carat Insight) assessed the branding impact of online advertising for the small-car category by undertaking a study involving Renault Clio, Mini, Ford Fiesta, Toyota Aygo and Nissan Micra.

The research established that there are three dominant attitudes that hold the key to brand engagement with small cars. These were: "I like the shape," "It is a car for someone like me," and "It is a fun car."

Quantitative research was carried out among 1,000 ABC1C2 women with children under the age of 16, who had either bought a new car in the past three years, or were seriously considering buying one in the next 12 months.

The research among this group found that the internet is the primary tool in the research process preceding a new car purchase, with 22.9% of the sample naming the internet as a media channel where they would look for a car review.

This was more than twice as many as the



nearest channel, specialist car magazines, at 10.5%.

In addition, 23% of the sample recognised an ad they had seen online, compared to 44% for TV, 25% for press and 18% for outdoor.

The base level of brand engagement was 50%, with the rest driven by other factors, the largest of which was brand communications.

Of these, online advertising was found to contribute 39% of the communications effect, compared to 37% for press and 18% for TV.

When the individual contribution of each ad was measured, the online ads were found to drive brand engagement by about 30% more than TV and about 10% more than press.

Online display

BAA
Headline / Design / Brand / Content / Strategy / Image

Set your watch to 'me' time.
 With a great choice of top name shops,
 it's time to treat yourself.

Shopping to fly for.

Taking off: British Airways is employing online display advertising as an integral component of its To Fly For branding campaign

to brand-building campaigns shows there is still an education job to be done. Online can build brands: it is not just about click-through rates or conversions."

The majority of online spend – 58.3% of the £1.68bn spent online in the first half of 2008 – goes on search, but there is a growing school of thought that brands can benefit from using search and display in tandem.

For example, a study carried out by Specific Media and comScore in the US, which looked at 60 campaigns run by Specific Media, identified a 144% uplift in the automotive category in the willingness of consumers to use branded, as opposed to generic, search terms after being exposed to display advertising. The retail category rose 69%, while travel and tourism increased 274%.

And with the massive growth in search set to start slowing in 2009 – last December, eMarketer slashed its forecast of 17.2% growth for online in

2009 to just 7.2% – clients will increasingly want to see better value from their display spend.

Mark Rabe, managing director of sales at Yahoo UK & Ireland, believes the fast moving consumer goods (FMCG) sector presents opportunities for increase in a downturn.

"Almost 20p of every pound spent on media in the UK goes online, but in the FMCG category, only around 3.5 to 4% of budgets go online," he says.

"If you're looking at real opportunities for online advertising, the FMCG sector is a good example of a vertical that is all about branding and has real headroom."

Cameran Harman, Platform-A's head of product and property sales, shares Rabe's enthusiasm. He says: "There is a huge willingness from advertisers to take time and care to work out how to get a brand message out online.

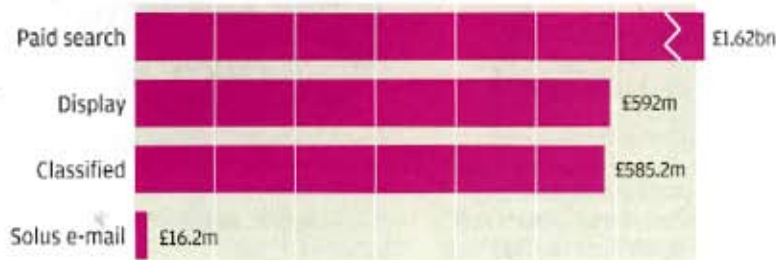
"In addition, advertisers now have to use online whether they like it or not. Five years ago, clients could afford to view online as just an acquisition channel, but agencies and clients now have a better understanding of how online media works, which puts pressure on digital teams and means there is far more interest in making full use of the medium."

Judging by the opinion of Nick Adderley, marketing and insight director at British Airways Authority (BAA), Harman may be right. BAA uses online display primarily to drive direct response for advance car parking bookings, and Adderley concedes he sees online as a direct response medium first, and a branding medium second.

Encouragingly, however, he adds: "Our current To Fly For campaign does have an overall branding effect, and online advertising is an integral part of the strategy. Previous activity has shown us that if you have sufficient direct response-driven display around the web, targeted at the right audiences, then you can start to see a broader branding effect."

Adderley is only one client out of the thousands of advertisers out there, but anyone who believes in the value of online display as a brand-building tool should be encouraged by BAA's example. ■

Breakdown of online ad spend 2007



Breakdown of online display ad spend 2007



Source: IAB/PwC