

THE INFLUENCE OF AD PLACEMENT ON THE EFFECTIVENESS OF THE ONLINE CAMPAIGN

Izabella Anuszevska, Ph.D., Millward Brown SMG/KRC

Summary

There are reports proving that online advertising effectiveness scores are numerically higher on quality, original content sites than on the Web, portals or ad networks (see: Improving Ad Performance Online: The Impact of Advertising on Content Sites, OPA 2010).

The aim of presented study is to supply an additional case supporting the result mentioned above and to show that the effect is especially true when a special choice of quality sites are employed. Not only have the sites in question the original content but they are also created in a special “press-like” mode. The advertisement effectiveness is analyzed using standard indicators: 1) ad awareness, 2) message association, 3) brand favorability and 4) purchase intent. The research was conducted as a DynamiLogic adIndex test and the independent Dynamic Logic MarketNorms® data were applied. The results of the study were compared to several benchmarks, including norm for premium sites.

We planned to start the discussion that the advertisements on the “press-like” sites (or media sites) might be more effective even in comparison to the advertisements published on quality sites (like those represented by the Online Publishers Association (OPA)).

Being at the moment only a singular case, the study however has two advantages. This is the reproduction of the research carried out in the USA by the Online Publishers Association (OPA) but conducted in a country with lower internet penetration (~ 60%). Secondly, the study raises the issue of the advertisement effectiveness on the specific type of the quality sites – “press-like” sites.

1. Introduction and previous research

Internet as an advertising medium is constantly gaining in importance. There are opinions that within the next five years the share of Internet in general advertising spending will exceed the share of television (Forbes, 8/26/2011). It also means increasing competition among operators offering ad space online. We intuitively feel that one type of advertising space is unequal to another. Publishers, derived from the printed press market, are currently working intensively on the digital platform. Their Internet offer is distinguished by the high standard of journalism that stands behind it - these are the sites that provide valuable and unique content, in contrast to the short-cut, superficial and chaotic information available on many portals offering general information content.

The above mentioned intuition about the advantages of high-quality content sites requires verification using quantifiable indicators so that it could be treated as an argument in talks with advertisers.

Mission to provide this kind of information was undertaken on the U.S. market by the Online Publishers Association (OPA). This organization, bringing together substantial group of renowned operators, aims to represent the interests of internet publishers who provide high-quality content on their sites. One of the measures taken for this purpose is to conduct repeatable studies documenting greater efficiency of advertisements placed on pages with high-quality journalism distinguishing them from other portals or so called Ad Networks. Members of this Association are publishers known for years on the printed press market who have their own professional teams of journalists, editors, graphic designers and photographers.

General thesis resulting from the OPA research concerns the advantages of advertising space available on quality content sites. To assess the effectiveness of advertising message - a number of standard indicators (Brand Metrics) were used. The following table compares these indicators with the typical wording of questions which are used to measure them.

Table 1. Indicators of on-line ad effectiveness

Brand Metrics	Typical wording
– Aided Brand Awareness	–Have you heard of the following brands of product category?
– Online Brand Awareness	–Have you seen the following brands of product category advertised online in the past 30 days?
– Message Association	–Which of the following brands, if any, uses the following message in its advertising?
– Brand Favorability	–How would you describe your overall opinion about each of the following brands of product category?
– Purchase Intent	–Next time you are looking to purchase a product, how likely are you to consider each of the following brands?

Source: Dynamic Logic’s AdIndex methodology description

In order to assess the value of the indicators obtained by the ads placed on the quality content sites, the indicators are related to the value of market norms. It is a benchmark derived from a few thousands of online advertising effectiveness tests that have been carried out so far on a total sample of over 8 million respondents.

In its report OPA presents many specific findings relating to the effects observed in particular target groups (e.g., a significantly greater impact of advertisements published on the quality content sites on young and affluent people). Many observations also apply to ad effectiveness analyzed when divided into advertised product categories, such as automotive, financial services, travel, telecommunications, entertainment, etc. In all these cases, there is a predominance of quality content sites as advertisement vehicles. What is particularly worth emphasizing - advertising on quality content sites generates above-average growth of hard-to-modify indicators such as Brand Favorability and Purchase Intent. Also a number of conclusions about the greater efficiency of specific ad formats were formulated, for example: large-format ads published on quality content sites significantly stronger influence such important indicators as Brand Favorability and Purchase Intent.

The most important results obtained from repeated studies carried out by OPA can be summarized as follows:

1. Ads on the quality content sites raise Awareness, Message Association, Brand Favorability and Purchase Intent more than is reported by Market Norms (and more than Portals and adNetworks)
2. Counter to industry trends, ad effectiveness on quality content sites increased over time (however this effect ceased to occur in 2010)
3. Video’s and rich media’s ad effectiveness is generally higher on the quality content sites
4. Visitors to the quality content sites are more involved with interactive ads, and more likely to make the purchase

2. Overview of AdIndex Methodology

The observations reported above come from the results of AdIndex test, which is licensed by Dynamic Logic. This research is based on the classic model describing the process of advertising impact (Lavidge and Steiner 1961) which distinguishes subsequent stages of consumers’ relation towards an advertising message. First of them is the cognitive stage corresponding to brand or advertising awareness, next one is the affective stage (corresponding to favorability or preference) and finally – the behavioral stage expressed in actual purchase. Those phases are matched by previously cited indicators of advertising effectiveness, as shown in the table overleaf.

Table 2. Indicators of on-line ad effectiveness and its definition

Metrix	Definition	Phase
– Aided Brand Awareness	Measures the level of familiarity respondents have with the brand	Cognitive stage
– Online Brand Awareness	Measures the level of claimed awareness respondents have with any brand-related on-line communications	
– Message Association	Measures the extent to which respondents can match the campaign messaging with the sponsor or brand.	
– Brand Favorability	Measures the extent to which respondents have a positive or favorable opinion of the brand.	Affective stage
– Purchase Intent	Measures the likelihood of respondents to make a purchase	Behavioral stage

Source: Michelle De Montigny, Robert Cardarelli, Wayne Eadie, William Havlena (2007)

Methodologically - measuring the effectiveness of an on-line campaign is performed by means of a classic experimental design with a control group. Measurement is assumed here to be carried out on a group of subjects who are exposed to the ad impact and those who haven't seen the advertisement - and then the results are compared. The differences are interpreted as the effect of communication impact.

The key issue is to select the control and experimental groups. The method of selecting the control and experimental groups used in the AdIndex study is based on tracking all views of a tested ad and recording cookie files. By means of this operation it is possible to determine whether the user had contact with the ad or not in the course of his/her Internet activity. Both groups - those users who have not seen the advertisement and those who have - are offered to complete a short questionnaire with questions such as presented in Table 1. People from the first group constitute the control group and those from the other one - the experimental group. It should be pointed out that the control group subjects are selected from among visitors to the same sites where the ad is placed and that the demographic structure of the two groups is equivalent. Any discrepancies are corrected by analytical weighting of the results.

This method has many advantages but also certain limitations. It is a common practice for some Internet users to remove cookies¹. Such users are interpreted as members of the control group, whereas - in fact - they may have been in contact with the advertisement. We cannot also exclude the fact that the user might have come in contact with the add while using Internet on another computer. So - although there is some difficulty with unequivocally correct identification of the control group subjects - the research approach described here is well adapted to online advertising specificity.

The main advantage of this research method is the possibility of an ongoing selection of control groups. Selection of the control group before the campaign (being the typical procedure) can lead to a distortion of final study results. Online advertising is usually part of a broader plan of promotional activities (including e.g., television), so - when comparing the results of the previously selected control group with those obtained in the experimental group - it is difficult to decide how far the observed differences result from the studied online campaign impact and how far - these are the effects of other, parallel promotional activities. By recruiting the control group on an ongoing basis, we gain access to people who - with equal probability as the experimental group - may have come into contact with other forms of communication activities of a particular brand. What distinguishes them from the experimental group is contact with the online advertisement, which is exactly the element whose effectiveness we wish to evaluate. It should also be noted that incorrect identification of some members of the control group (i.e., classifying them as people who saw the ad) would lead to an underestimation of the effectiveness of online advertising². So one can assume that, in reality, the difference between the control and experimental group is more significant than observed. Thus, the reported result can be regarded as conservative and - therefore - safer.

At the stage of the results analysis, the differences in percentage points between the experimental group and control group are indicated by Δ and these are the values which are related to the base of norms created on the basis of all realized AdIndex tests. The database of the Market Norms is stored and classified into a number of criteria, among which the following are worth mentioning: product category, type of a target group, advertisement characteristics (e.g., size, presence of additional elements, e.g., video), etc. Norms can also be narrowed down geographically and related, for example, to the European or American market.

¹ Cookies are not accepted by approximately 2% of internet users (source: Gemius SA, gemiusTraffic: 09.2011)

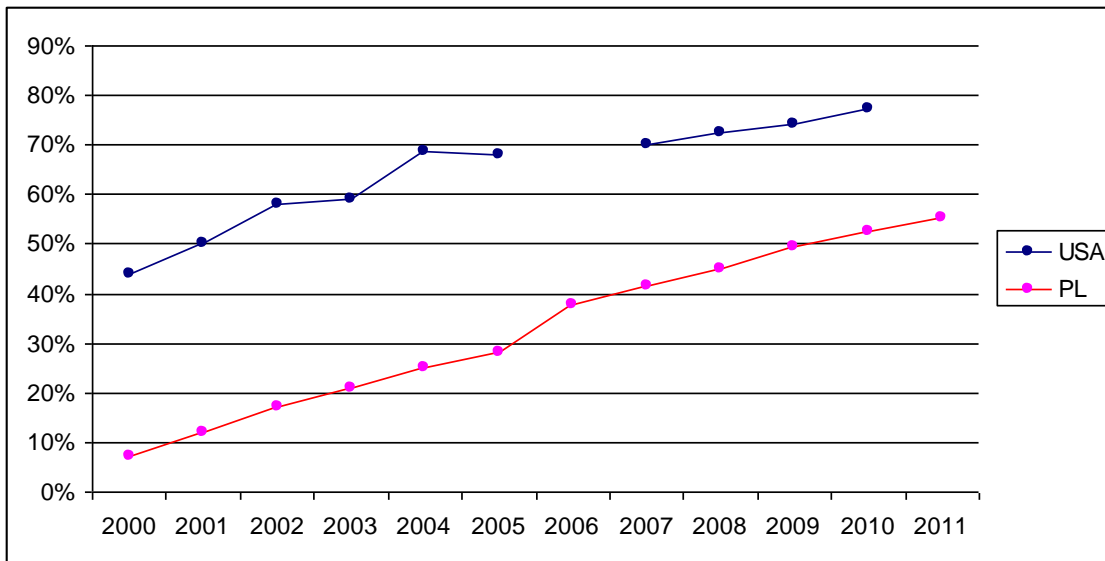
² Only those users who do not share their computers are recognized as members of the experimental group. This lets us avoid the risk that someone is treated as member of experimental group, due to the fact that the ad appeared on his/hers computer while someone else was using it. In such situation we cannot univocally assume that the respondent was actually exposed to the ad.

3. Characteristics of the Polish market

The situation on the Polish online advertising market does not deviate from the one characterized in the introduction. Advertisers' interest in Internet as a medium is constantly growing (it accounts for 16% of all advertising spending and grows several percent per year). Press publishers are seeking methods to monetize the advantages which they possess in the form of valuable, authored content presented on their website. The Polish market is not organized well enough to have the equivalent of the American association OPA operating on it. For this reason, the scope of the study carried out on the Polish market does not match the measurements performed on behalf of OPA.

Polish market is still characterized by lower Internet penetration than Western Europe, Scandinavia and the USA. Although a steady growth has been observed in this respect over recent years, still less than 60% of the population have access to Internet. The reason for this status quo is - historically determined - weak telecommunications infrastructure which started being built intensively as late as the early 90s and relatively high current costs of Internet access. Figure 1 illustrates the change in Internet penetration in Poland over recent years. As the reference the data from the American market are presented.

Figure 1. Internet penetration In Poland and USA in the years 2000 - 2011



Source: NetTrack survey, Millward Brown SMG/KRC, 2000 – 2011
www.internetworldstats.com/am/us

It can be observed that despite a steady growth – its dynamics (good as it is) has stayed at the same level over the last decade, which could lead to the conclusion that it will take a few more years to reach 80% Internet access level.

Of course, Internet penetration in different demographic groups is not uniform and there are user categories in which it has exceeded 80%. These categories, according to intuition, are young people, residents of large cities and people with higher education. On the other hand, in rural areas (inhabited by about 1/3 of the Polish population) Internet is used by significantly less than 50% of the population. Even lower percentage of Internet users is observed in the group of the elderly people – Internet is used only by 16% of people above 60 years of age. The situation described here raises the issue of the groups vulnerable to the so-called digital exclusion, which has some implications for Internet research in Poland.

Table 3. Internet penetration in demographics

Total	55,57%
Size of place of residence	
Cities over 500 000	72,42%
Cities 200-499 000	67,71%
Cities 100-199 000	60,72%
Cities 20-99 000	58,13%
Cities up to 20 000	55,96%
Villages	45,39%
Age category	
15-24	88,82%
25-39	74,59%
40-59	43,00%
60 or above	15,84%
Education level	
Elementary	42,04%
Basic vocational	32,09%
High school	65,09%
Higher (college / university)	88,57%
<i>Missing data</i>	45,06%

Source: NetTrack survey, Millward Brown SMG/KRC, 2011

The outlined situation shows that the specificity of the Polish market differs from the American one³. Therefore it was impossible to conclude that the effects observed in the study conducted at the request of OPA would automatically occur on a similar scale in Poland.

One of the leading Polish publishers – Agora, originally deriving from the printed press segment (where it still operates by issuing – among others – one of the most popular Polish daily newspapers) decided to carry out a smaller-scale replication of the previously described measurements conducted in the USA. Sites in the portfolio of the above mentioned publisher have the advantage of the high quality online journalism editorial content, falling within the category of quality content sites or media sites.

4. AdIndex test in Poland – the limited reproduction of OPA research

The aim of this study was to evaluate the effectiveness of an advertising campaign allocated for quality content sites and to compare the results to the market norms for a given product category and to the norms set by OPA. The following market norms were used: (1) overall for Automotive category (2) European for Automotive category, (3) overall for quality sites (OPA) and (4) for the Automotive category on quality sites. Norms (5) for Interactive ads and (6) Interactive ads on quality sites was also taken into account.

The campaign was dedicated to one of the leading automotive brands and informed about the advantages of the new model of a minivan family car. Banner display campaign was accompanied by a thematic, dedicated page called microsite, containing interactive tool for trip planning. Microsite was visibly labeled with the name of the advertised brand and its links have been placed next to the banner advertisement and also in numerous editorial texts which were published on the publisher's pages. These two disjoint elements of the ad campaign are analyzed separately.

Selection of the pages on which the advertisement appeared was determined by their themes profile and the structure of these sites' users. All of them can be defined as quality content sites or media sites. They contain original editorial material, are

³ Data for 2010 show 77.3% Internet penetration in USA. 55% of Internet penetration (what is the current value for Poland) was exceeded in USA in 2002 (www.internetworldstats.com/am/us.htm)

edited by specialist editorial, graphic and photographic teams. These are also modern websites that enable the users to take full advantage of all the achievements of modern electronic medium. Placing ads on websites was controlled and any inappropriate contexts were carefully avoided. An advertiser could be sure that not only will the ad be issued with planned intensity, but that it will not appear in a random environment. Editorial effort was also focused on thoughtful and appropriate placement of links to the microsite in relevant articles.

In the publisher’s opinion websites that have become an advertising medium can be described as created using the knowledge and experience typical for professional editors (traditional media sites) and the advertisement allocation was performed on the basis of a deliberate and determined plan (which is close to the process of allocating ads in printed press).

Media plan did not assume placing the elements of advertising on portals (which provide multiple functions such as search, e-mail, directories and content from third-parties) nor on adNetworks being aggregators and sellers of non-premium ad inventory across third-party sites (typically small to medium size).

The campaign has been measured in terms of effectiveness by AdIndex test conducted by MillwardBrown in cooperation with – DynamicLogic.

Table below shows basic indicators (Brand Metrics) obtained for the studied campaign The indicators’ values are presented as the difference in percentage points between the results obtained in the experimental group and those in the control group.

Table 4. Brand Metrics in the studied advertising campaign related to the norms

	Banner advertisement Δ [%]	Microsite Δ [%]	Market norms [Automotive] Δ [%]
Aided Brand Awareness	7,7	9,3	1,2
Online Ad Awareness	4,4	7,8	3,3
Message Association	4,8	18,4*	2,0
Brand Favorability	9,5*	12,7*	0,4
Purchase Intent	7,8	12,1*	0,5

Source: Dynamic Logic’s MarketNorms campaigns over last 3 years through Q4 2009, MN=278

The first observation concerns the statistically significant difference between the results in the experimental group and the control group in the case of Brand Favorability for a banner campaign and - for a microsite campaign - additionally on the Message Association and Purchase Intent dimensions.

What is more, it turns out that - for a banner campaign – the obtained differences between the experimental group and control group place the analyzed campaign visibly above the average for the automotive category at least on 4 of the 5 dimensions, i.e. Aided Brand Awareness, Message Association, Brand Favorability and Purchase Intent⁴. These last two measures - as most related to the actual purchase process - are considered to be the most difficult to modify through advertising. Meanwhile, the observed Δ value ranks them above the 95th percentile. This means that only 5% of advertising campaigns in the automotive industry achieved such results or higher. If the base of market norms is narrowed down just to automotive campaigns conducted in Europe, then the value of Δ for Brand Favorability is literally the highest among all previously tested ads, and Purchase Intent is placed at the 98 percentile.

Also the difference between the experimental and control group in Brand Awareness is placed above the 80th percentile.

Table 5. Values of selected indicators related to percentile matrix

	20% of the weakest Δ [%]	Average Δ [%]	20% of the best Δ [%]	Studied banner ad Δ [%]
Aided Brand Awareness	-3,7	1,2	6,2	7,7
Brand Favorability	-5,5	0,6	7	9,5
Purchase Entent	-5,2	0,6	7,6	7,8

Source: Source: Dynamic Logic’s MarketNorms campaigns over last 3 years through Q4 2009,

⁴ The Online Ad Awareness is also higher but the difference is of smaller scale.

You can expect equally impressive results for this part of the campaign which was carried out using the microsite, but not enough tests have been conducted and we do not have suitable market norms for the tested product category.

The results presented so far have supported the thesis of significantly higher efficiency of the studied campaign in relation to the market norms for the appropriate product category. This outcome is generally consistent with that achieved in the OPA research. By comparison of Δ values for particular advertising effectiveness indicators with the average result of quality sites (represented by OPA) you can make further observations. It turns out that changes in indicators corresponding to the affective and behavioral phase (namely: Purchase Intent and Brand Favorability) are significantly higher in this study than reported by the OPA for the Automotive category.

Table 6. Comparison with the OPA norm for the Automotive category

	Banner ad Δ [%]	OPA [Automotive]
Aided Brand Awareness	7,7	2,2
Online Ad Awareness	4,4	4,4
Message Association	4,8	3,8
Brand Favorability	9,5*	1,3
Purchase Intent	7,8	0,8

Source: Dynamic Logic's MarketNorms campaigns over last 3 years through Q4 2009, OPA N=151

As mentioned before, there is no market norm for the microsite in the Automotive category, but the norm for Interactive Adds can serve as some approximation here, especially since the essential function of microsite was to offer users certain interactive tools on the site. The norm for thus defined category in comparison with the results achieved in the present study is illustrated in the table below. Additionally - in the last column – we present the market norm for Interactive Ads allocated on quality sites.

Table 7. Comparison with the market norm for Interactive Ads

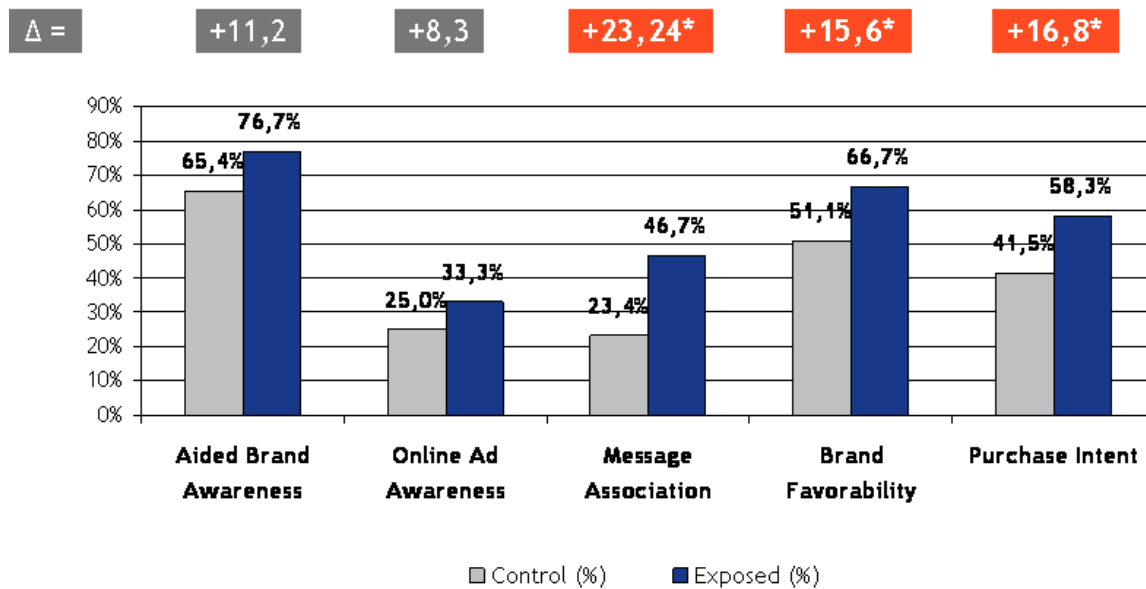
	Microsite Δ [%]	Market norms [Interactive Ad]	OPA [Interactive Ad]
Aided Brand Awareness	9,3	1,4	2,5
Online Ad Awareness	7,8	3	5,6
Message Association	18,4*	1,2	3,2
Brand Favorability	12,7*	0,8	1,9
Purchase Intent	12,1*	0,7	1,5

Source: Dynamic Logic's MarketNorms campaigns over last 3 years through Q4 2009; OPA=479; MN=666

In accordance with the reported findings obtained under repeated tests carried out by OPA, visitors to the content sites are more Involved with interactive ads, and more likely to make a purchase. Against this background, the results achieved in our study are particularly good, as most measures of efficiency reach here higher values not only in comparison with the general market norm but also with the norm for quality sites. Of course one should remember about the lack of full correspondence between the microsite with an in-built functionality for trip planning and Interactive Ads, which mainly consist of forms of advertisements such as radio buttons and rollovers (i.e. executions that involve the audience without having them click-through or leave the web page).

The analysis in the target group revealed an additional advantage of microsite. The target group for the advertising campaign consisted of people living in households of three or more people, aged 30-44, with a defined level of income. What should be noted here are double-digit (and statistically significant) values of Δ for the majority of indicators (including those with a persuasive meaning) when the results are analyzed in the target group. This proves that the communication on microsite is particularly well matched to the recipients. For these analyses it was not possible to refer the results to an adequate market norm.

Figure 2. Brand Metrics in target group: 30-44, income 2500+ PLN, households of 3 people and more



5. Discussion

The presented results are fragmentary and at this stage they cannot be the basis for generalizations. In particular, it cannot be formally excluded that the high efficiency of the studied campaign was largely due to the successful creation of the advertisements. It seems unlikely, however, because the ad did not differ from the standard adopted in its product category.

Further research projects are planned, which - we hope - will allow to create the base of market norms, thanks to which formulation of more general conclusions will be entitled. At this moment we can only conclude that the case examined by us is fully compatible with the regularities reported in OPA studies.

At this stage it is not possible to bring up an interesting issue concerning the changes of the effectiveness of different on-line advertising media (quality sites, portals, adNetworks) over the course of time. We hope that further studies will confirm also for Poland the observations made by OPA that quality sites are improving their ad effectiveness over time, even in the period of economic slowdown.

There is a promising finding that seems to indicate systematically higher results - compared to the market norms - of the studied advertisement on the dimensions with persuasive meaning, namely Brand Favorability and Purchase Intent. These results are also higher than the norms developed for quality sites. This may be due to the specific nature of the sites, which served as media for the analyzed campaign. Not only have the sites in question the original content but they are also created in a special “press-like” mode. This means that the content is - in their case - of paramount importance, though of course they are not deprived of all the technological features typical of modern websites. In relation to these pages the term „media sites” is particularly relevant and reflects their character. If the obtained result was confirmed in subsequent studies, we could put forward the thesis about the role of content and unique potential of Internet in the hands of publishers.

Having in mind the findings collected by OPA: „For ad effectiveness, environment matters – and Content Sites help advertisers ‘move the needle’”, we can state that the first study of this type carried out on the Polish market fully confirms this hypothesis and our results show the mutually advantageous link between print and digital worlds.

References

1. Lavidge, Robert J. and Gary A. Steiner (1961), "A Model of Predictive Measurements of Advertising Effectiveness," *Journal of Marketing*, vol. 25 (6), 59-62.
2. De Montigny, Michelle; Cardarelli, Robert; Eadie, Wayne; Havlena, William "Measuring Magazine Advertising Effectiveness And Synergies", Presented at Vienna 2007
3. Improving Ad Performance Online: The Impact of Advertising on Content Sites, OPA 2009 – 2010
4. Online Ad Spend to Overtake TV by 2016, *Forbes* 8/26/2011
5. <http://www.internetworldstats.com/am/us.htm>

Data sources:

1. AdIndex Study, MillwardBrown – under the license of DynamicLogic, 2010
2. NetTrack survey, MillwardBrown, 2000 – 2011
3. Gemius SA, gemiusTraffic, Cookies Acceptance Rate, 09.2011