

Measuring the Impact of Engaging Experiences

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As the Human Experience Company, SMG believes that consumers' **experiences** with our brands matter. As an agency, our job is to help create meaningful brand-relevant and consumer-relevant experiences that work with media to augment the impact for the brand, in terms of its equity, consumer journey and, ultimately, sales. For experiences to be powerful, we believe they need to disrupt, getting consumer attention for our brands; connect by integrating into everyday lives and communities; and be driven to the right person at the right moment, offering value to that individual. We also believe they need to connect across the screens and devices and communities that consumer use on a daily basis.

What we had not done, however, was quantify the value of the brand experience relative to media exposure. With more brands putting effort and funding into content integrations, brand-related communities, or individualized customer programs, we felt that it was necessary to show that there was a demonstrable value to both consumers and brands from these kinds of experiences. That is, we set out to prove the idea that a combination of exposure to media and positive experience with the brand would elicit greater consumer value and impact. We also wanted to discern whether the type of experience made a difference, as well as the impact of the type of media, including print and digital.

Our basic research hypotheses were as follows:

- A positive brand **Experience** will complement and supplement media **Exposure**, increasing the likelihood that target consumers will **take action**
- The type of experience and type of media will lead to different actions taken by consumers, depending on where they are in the purchase funnel.

Background

SMG first explored how brands can effectively create meaningful human experiences in 2012. We created a framework, based on a largescale segmentation study that could guide us in how best to develop such experiences. The research focused on four "C's", each of which could provide consumers with different kinds of values and benefits that went beyond the functional attributes the brand might provide. *Currency*, for example, helps create a value exchange between brand and consumer to deliver meaning beyond the product qualities. *Conversation* looks at how to develop experiences with brands that people will want to share with others. For the third C, *Content*, the idea is to tell the brand's story in ways that create an emotional bond with consumers. And last but not least, with *Community*, we harness the power of a group to create a meaningful brand-related experience. By considering ways that we could create these different types of experiences for consumers, SMG has been able to help our brands deliver more impactful and successful campaigns.

This current research grew out of the 4 C's work, to look at these different types of experience relative to media exposure. It began as a pilot study in the United Kingdom in the latter part of 2013. We tested our initial hypotheses using five brands that included both media exposure and some kind of brand experience in the campaign, and evaluated the consumer response, via online surveys, immediately after the campaign ended. We did indeed find that positive brand experiences added value to the media exposure, leading to noteworthy increases in self-reported measures such as brand awareness and purchase intent.

Methodology

Having seen some interesting local market results, we decided to explore these preliminary findings at a global level in 2014. Here, we included measurement of 17 brands in 9 different countries to cover a number of different categories and all major geographic regions. Partnering with Toluna, for each brand's campaign we conducted an online survey after the campaign had ended to assess the impact among those who could confirm media exposure (test group) and those who could not (control group). Within the media-exposed, we asked a series of questions related to their brand experiences. All respondents were asked if they had taken any of ten specific brand-related actions, from consideration, to social media, to brand purchase. Each campaign's sample was in line with that particular brand's target audience. While we could have collected behavioral media exposure in some markets, we could not do so in all, and therefore prioritized consistency of reporting, which meant that all the media exposure was self-reported by respondents.

The types of experiences that consumers might have with brands were categorized based on the "4 C's" work: Content, Currency, Conversation, and Community. Consumers who had been exposed to the media campaign for a specific brand were asked for their level of agreement with a series of statements related to each particular 'C'. For example, under Content, we included statements such as "the Experience inspired me", and "the experience created strong positive emotions". The Currency experience focused on the value the brand can provide: "The experience was valuable", and "the experience showed the brand understands me". A Conversation experience, as the name suggests, involved the consumer talking about the brand with others, or communicating with the brand through social media. Lastly, Community experiences were captured through statements such as "the experience made me feel part of a community" or made me "do something with someone I know".

Consumers responded to each of 17 separate ‘experience statements’ by noting their agreement/disagreement on a 10-point scale. An “experience” was defined as positive if the statements that laddered up to that experience had an average score of 7 or above. An overall experience score, based on the combination of content, currency, conversation and community experiences, was also calculated.

We then used respondent scores of their experiences, together with self-reported exposure and past purchase behavior data, to build a stepwise regression model for each action taken. The R^2 , or how well these limited variables explained the respondents’ likelihood to take an action, was evaluated to see how well the model fit the data. In addition, other diagnostic metrics were looked at to make sure the model was not over- or under-specified and to ensure that there were no issues with multi-collinearity.

Various models were run and compared. Through this process we were able to determine that a generalized linear model was the best fit (versus a logistic model).

Findings

We called our research “GEMS”, which stands for the Global Experience Measurement Study, but also refers to the ‘gems’ we discovered. At a broad level, we had three major findings:

1. The global study confirmed and reinforced our initial pilots. Experiences do matter and they do drive brand action.
2. Brand experiences have significant additional impact beyond simply media exposure, in terms of the actions consumers will take with brands.
3. There is a cumulative – and positive – impact from the number of positive experiences and the number of media channels to which consumers are exposed.

People who were exposed to the campaign and had a positive experience were significantly more likely to take any action than those who had only been exposed. Looking across all the data, we saw that about one in five (19 percent) of the non-exposed took a brand action. This figure more than doubled among the media exposed (46 percent). But among those exposed who also said they had a positive brand experience, about two-thirds (68 percent) said they had taken a brand action.

[Chart 1 about here]

Overall, about half of those people who were exposed to a campaign said they had a positive experience (52 percent). This varied somewhat by type of experience, ranging from a low of 44 percent for Conversation experiences to a high of 70 percent for positive Content experiences. We also saw a clear – and significant – relationship between the positive experience and taking subsequent actions (R^2 of 0.6). Overall, Community and Conversational experiences drove the most Actions, with seven in ten (71 percent) of those exposed and having a positive experience in those areas saying they took a brand action.

We found that the greater the number of positive experiences in multiple places, the higher the likelihood of purchase. For respondents claiming just one positive experience type, 16 percent said they intended to purchase the brand. That increased to 29 percent for those with positive experiences in two areas, 37 percent for three and nearly half (46 percent) intending to purchase the brand if they had had a positive experience in all four of the groupings. The number of media channels made a difference as well. The positive experience score increased as the number of media channels to which people were exposed went up.

Differential Effects of Media and Experience in the Purchase Funnel

Our next set of analyses delved more deeply into how brand experiences might have differential impact throughout the purchase funnel. Here, we wanted to confirm our hypothesis that the type of experience and type of media would result in different actions taken by consumers. Indeed, that is what our analysis confirmed. Using a multiple regression, we found a statistically significant causal relationship between having positive experiences and taking specific brand actions. The relationship was stronger the further down the purchase funnel. At the highest level, slightly less than half (46 percent) of the decision to ‘find out more’ about a brand was explained by positive experiences, whereas close to 60 percent of the decision to follow a brand on Facebook or Twitter was driven by the positive experiences.

[Chart 2 about here]

For broad awareness (“Find out more about the brand”), it is important for brands to create positive Currency (or value) experiences. And to do so most effectively, multiple media channels play a role. This was the one area where Print media had a clear impact, coming in just behind TV in terms of the medium’s ability to drive consumers to take that action.

For the next step, getting brands into a consumer’s consideration set, it is a positive Content experience that is key. It is notable that this type of experience was more powerful than past purchase behavior in driving consideration. The one media channel at play here was Social, suggesting that consumers rely on their online conversations with others to increase their likelihood of considering a brand.

As consumers move closer to purchase, the Content experience and Social media both drive action, although past purchase behavior is more important, and Search has a significant role.

After purchase, consumer recommendations to others are driven by the Content experience they have had with the brand, and rely on Social media to share their experience with others.

For consumers to follow a brand on Facebook or Twitter, it is perhaps not surprising that a positive Conversation experience is the key driver, along with Social media. An interesting difference was found, however, between these two sites, where for Twitter, Mobile becomes a key driver of the action, along with Social.

The Business Impact of Brand Experiences

Not only did our models show the importance of experiences in certain key media channels, our clients' business results further validated our findings. Substantial improvements in business KPIs could be seen throughout every step of the purchase funnel for the campaigns we monitored. For brands where the value proposition (i.e., Currency) was clear, campaign surveys revealed significant lifts in awareness and positive effects on brand equity. Increases in both leads and website traffic were also seen for brands that had positive Content experiences, signaling greater consumer consideration. Most importantly, client and other attitudinal data showed clear increases in sales and purchase intent. We saw 5% to 10% lifts in purchase intent, which is typically one of the hardest metrics to move. In addition, brands enjoyed increased sales, high penetration levels and increased volume share over key competitors. Brand advocacy from positive Conversation and Community experiences drove increases in the social fan base and very strong social engagement.

Limitations

Although this research covered multiple markets, brands, and campaigns, it did produce several challenges. These included the need to gather all the data via online surveys. While this methodology is fairly standard for attitudinal measures and actions taken, it also meant that all media exposure was self-reported. Additionally, since this research was conducted around live, in-market campaigns, we had no control over consumers' actual exposures or experiences. Finally, while we attempted to include a broad assortment of product categories and types of brand experiences, we know that this research cannot fully represent all brands. We do believe, however, that our findings are valid and noteworthy, indicating a quantifiable value for a positive brand experience.

Implications and Recommendations

This research provides clear direction for advertisers, agencies, and media companies. Overall, it validates and reinforces the importance of giving consumers worthwhile experiences with brands, beyond simply delivering ads in media. The power of a positive experience is real. It works throughout the purchase funnel, driving consumers to take the actions that advertisers want and need. For media companies, particularly those with print and digital offerings, creating those positive experiences not only helps advertisers deliver on their strategic objectives, but also helps drive consumers through the purchase funnel.

For upper-funnel measures, such as driving awareness, it is recommended that brands utilize an array of media, but do so in a holistic way both in terms of message delivery and brand/content experiences. This is where print can play a key role, building upon its historical role of displaying the message to a more contemporary one that includes delivering the branded and/or integrated content.

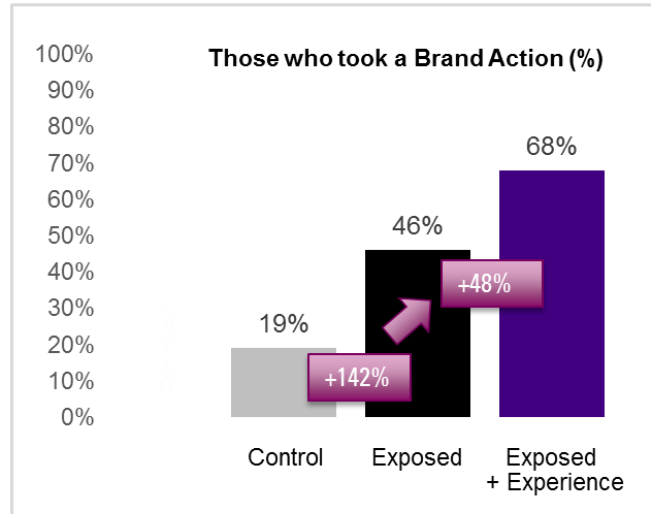
As consumers move to brand consideration and purchase, the Content experience really is key. Social media and search have each grown in importance for consumers in these areas, and brands should continue to explore how best to move consumers from a utilitarian mindset to one that is better able to showcase the brand's message and meaning. While past purchase behavior is still important, consumers have so many choices that brands cannot rely simply on previous brand loyalty to drive future purchases.

Finally, in terms of brand advocacy, it is important to ensure that brands are integrated into consumer conversations and into the content consumed. While social media is perhaps the most obvious route for brands to take, other media types (such as print or video) should harness their social power and influence to facilitate the brand's connection with consumers.

Summary and Conclusions

The value of a brand experience, when combined with media exposure, is not only important for advertisers to consider in a world of decreasing consumer attention and increased consumer choice, but SMG's research definitively proved that they work synergistically to drive marketplace results. There is a cumulative impact when the number of positive experiences or number of media exposures increase. The types of media and positive experiences vary, depending on where the consumer is in the purchase journey. Print's strongest effect is seen in upper-funnel awareness building, where it can help to deliver brand values, whereas digital media, especially search and social, drive more of the lower funnel activities in combination with positive content experiences. Social media are also vital for brand advocacy, enhancing consumer conversations around brands.

Chart 1: The Power of Positive Experiences



Ex: Among those exposed to the brand with a positive Experience, 68% took any action
All results significant at 95%

Chart 2: Differential Impact of Positive Experiences through Purchase Funnel



*Adjusted R² value from multiple regression

To be read as: 52% of the decision to Recommend a brand is driven by positive experiences within certain media channels