

Smart Growth in an Era of Digital Disruption

insight

Amy Vickers | May 2007



The speed and depth of changes to the media landscape in 2006 signal broad cultural change. Social media and the attendant shift towards transparency have connected and empowered consumers like never before. Sites like Digg, LinkedIn, and TripAdvisor, in addition to the rapidly expanding blogosphere, have given consumers the power of influence. Similarly the growing availability and popularity of mobile entertainment, online video, and video on demand have increased consumer options and control over engagement.

At the same time, the amount of money spent on online advertising has surged, reaching an estimated \$19.5 billion in 2007! In this era of authority-shifting and time-shifting, how are marketers realizing return on such investments? Amid this dynamic and supercharged environment of new technologies and behaviors around media creation and consumption, how do marketers measure the relative merits and drawbacks of individual channels and technologies with an eye toward separating hype from reality and sound investment opportunities from risk without reward?

By defining (or redefining) the methods of assessing digital media channels, indeed it is possible to arrive at a relatively quantifiable position from which to make reasoned business decisions. The overarching factors are threefold: (1) balance segmented audience behavior; (2) appreciate that reach in new media is not only a measurement of width but also depth; (3) carefully define how results will be measured.

Consider the following challenge – how does one capture media interaction, i.e. the effect of concurrent online and offline media campaigns on online awareness and behavior?

The solution involves testing online display advertising vis-à-vis markets with offline advertising spend. A test group of seven markets with offline spend was compared to a control group of seven markets without offline spend. Both groups were tested with and without display media exposure. All groups were evaluated using the following metrics: total conversion, view-based conversions, search clicks, and search conversions.

For conversion rates by media exposure, total conversions for the group with both online and television advertising was .59 compared to .17 for the group with only television advertising. This and related data indicate that online media has a strong positive impact on conversions – with and without television advertising.

For view-based conversions driven by online banners, 61.2% of conversions were the result of online and offline advertising and 57.3% of conversions were driven by online banners alone, i.e. online advertising without television advertising.

The key take away? Accurate measurement of online and offline campaigns is possible. Furthermore online and offline campaign strategies should be coordinated and measured together to achieve maximum results and understand true impact.

Of course, despite the challenges of measuring media campaigns, they are easier to measure than brand impact. Regardless of advertising vehicle – from web media to flash micro-sites, branded search keywords to blog buzz – what is the ROI of online branding?

The methods for measurement are myriad. Industry standard metrics include brand exposure duration (BXD), brand favorability, and intent to purchase. BXD seeks to qualify the amount of time a user interacts with a brand, e.g. site visit duration or number of videos segments viewed, etc. Brand favorability and intent to purchase deploy intercept surveys to link consumer perceptions to actual site behaviors. Two methods unique to Avenue A | Razorfish are brand optics and brand navigation. Brand optics is the process of linking behavioral data to attitudinal brand perspectives vis-à-vis tracking and surveying techniques. Brand navigation scoring is a framework for calculating breadth and depth of brand engagement vis-à-vis level of site exploration.

One of the newest and most interesting forms of representing brand centric data is brand focused reporting ala buzz measurement. This method involves measuring the impact of user-generated content. Consider the amount of “buzz” about a particular brand vis-à-vis blogs, message boards and forums, public discussion groups (e.g. Usenet), portal based discussions groups (e.g. Yahoo, MSN, and AOL), online opinion / review sites and services, online feedback / complain sites, and let’s not forget YouTube. All these references to brands can be captured, assessed, and reports on via an analytics dashboard. This is akin to continuous focus group testing and extremely powerful for determining business strategy.

Beyond these and other methods, digital brand measurement is still in its infancy. As the landscape continues to shift and consumers exercise greater control, unique brand-building methods and their attendant means of measurement will evolve. This is the era of digital disruption and the brave new world of online marketing.

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About the Author



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About Avenue A | Razorfish

Avenue A | Razorfish is one of the largest interactive marketing and technology services agencies in the world. The company helps industry leaders such as Kraft, Dell, The New York Times, and Starwood Hotels use digital channels to acquire and service customers. Avenue A | Razorfish's full suite of digital offerings includes online advertising, Web site design and development, email and search engine marketing, emerging media strategies, and enterprise portal development. Its award-winning client teams have a deep understanding of customer needs and provide solutions through distinct business disciplines that include: analytics, strategy, technology, media, creative, and user experience. An operating unit of Seattle-based aQuantive, Inc. (NASDAQ: AQNT), Avenue A | Razorfish has offices in major markets across the United States, and global operations in Australia, China, France, Germany, Japan and the United Kingdom. For more information visit: avenuea-razorfish.com.

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