

WILL PRINT DROWN OR SURF ON THE THIRD WAVE OF DIGITAL ADVERTISING?

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1 THE THIRD DIGITAL WAVE

Several digital waves have hit legacy media since internet first became a new platform for publishing and advertising, and the waves seems to grow bigger and more difficult to manage. Or are we still waiting for the perfect wave?

- In the first wave of digital advertising – advertisers tried digital advertising.
- In the second wave they complemented legacy media with digital advertising
- In the third wave advertisers abandoned print (legacy media) media for new shiny digital toys.

In the aftermath of the third wave researchers observed advertising campaigns washed up on the rocky shores on the island of “under achieving advertising”.

This can partly be explained by the ongoing debate on fraud, click farms, ad blockers and viewable impressions. It seems as many advertisers do not receive the inventory they bought and hence the expected results would not be delivered.

2 RESEARCH’S ROLE IN CREATING A BETTER UNDERSTANDING OF OUR CONNECTED LIFE

In 2014 TNS conducted a global (50 countries) syndicated study uncovering the “Connected Life” and its consequences to marketing. Approximately 50 000 respondents responded to the global study.

In this paper the focus is on Norway and Sweden since these two countries are two of the world most highly digitally penetrated (88 and 92 % digital weekly penetration).

The report reached a number of conclusions for the Nordic Countries:

- Multi-device capability must be built into any brand strategy. Advertisers simply cannot rely on going all digital or by all means all analogue.
- Moderate time spent on devices implies that delivery of messaging and content via traditional channels should still be core in reaching Swedish and Norwegian consumers. In most cases it was deemed as an absolute necessity to put the lion’s part of the advertising investment in legacy media.
- Look for opportunities to target consumers at specific day parts via specific channels. Online can be used throughout the day as either the lead channel, or as support. Online video should also be incorporated into the media mix, given that parts of the Swedish market have already shifted video viewing online. This is actually a call to arms for a better usage of the time element both in digital and legacy media.

In the light of these conclusions one of the reasons for many campaigns washing ashore with dismal result is most likely due to, too many advertisers trying to surf on the third wave of digital advertising without reading ”the consumer insight” currents correctly.

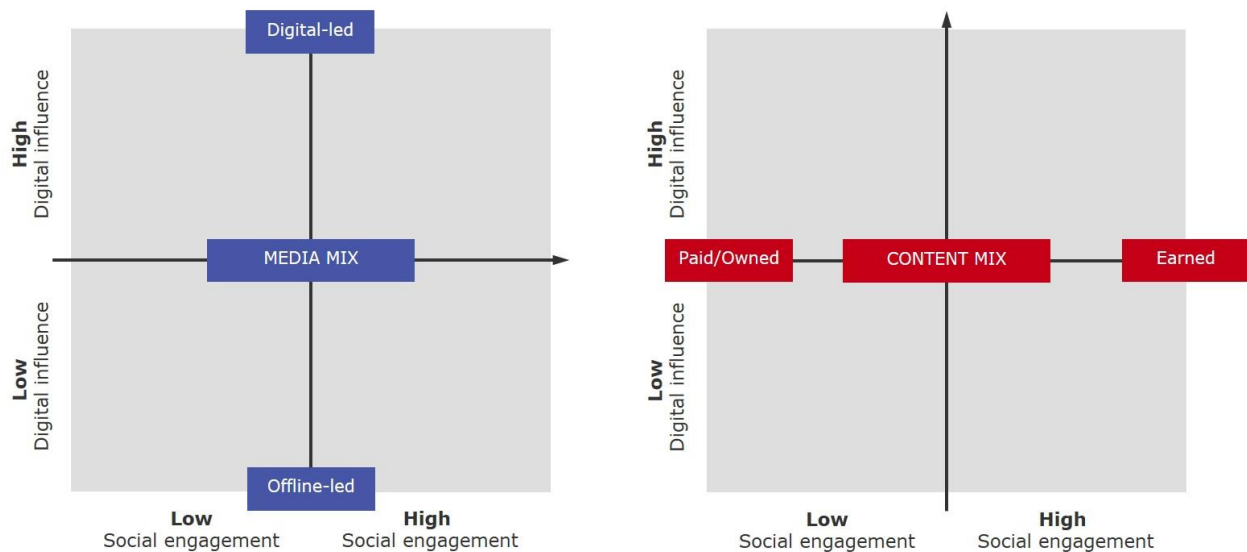
3 THE DIGITAL SEGMENTATION IN CONNECTED LIFE

Connected life covers many areas of consumer’s relationship to the new digital world. In this paper we will however only focus on the three aforementioned conclusions and theirs consequences to print media.

But we will also use the digital segmentation which was created since it both carries explaining power and can be used in everyday planning situations.

The digital segmentation was created by using two axes resulting in a segment matrix.

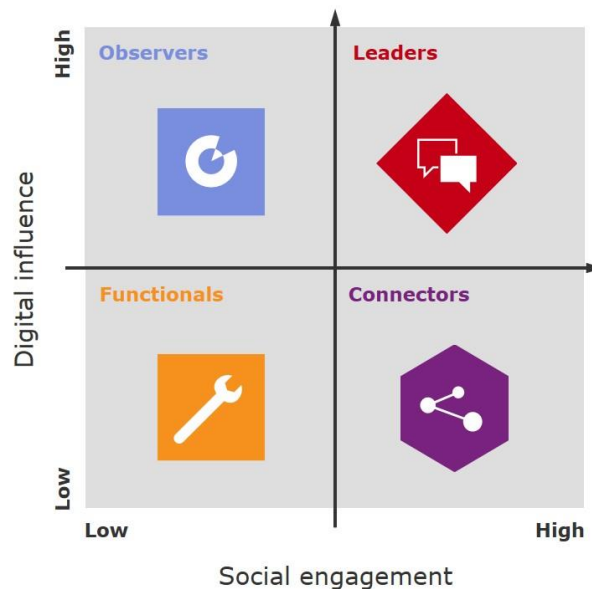
- The *digital influence* axis showed the level of digital influence the respondent claimed to be under
- The *social engagement* axis showed the level of engagement in social media the respondent claimed



The digital influence axis could then be said to give an indication on the level of investment mix which the advertiser needs to make in the required target group.

In the same manner the social engagement axis show the content mix in regards of paid/owned versus earned media which is needed

From these axes a traditional segmentation matrix was made resulting in these four segments.



Functionals

With either poor access (emerging markets) or little interest in digital technology (developed markets), this group is still influenced far more by the world outside than the internet, particularly offline media.

- Less engaged in Digital Media and Technology
- Less engaged in Social Media
- Still consuming large amounts of traditional media
- Digital not as prevalent in the decision path

Observers

The internet is a huge source of information for this group, but they show little interest in engaging, with or being influenced by, social media

- Heavily engaged in digital media & technology
- Social media is not as important to them as other groups
- Use digital through the day, across multiple devices in many markets

Connectors

Often “new” to the internet and keen to do more, this group may have to prioritize how they spend their limited online time, and choose social every time

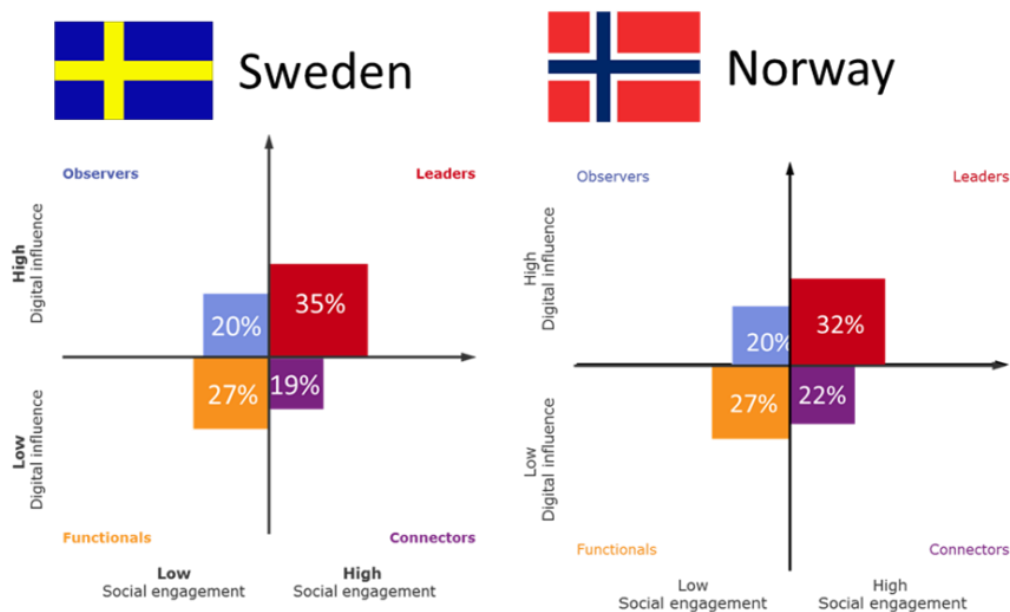
- Highly engaged in social – an important part of their life
- A consumer of social (rather than an influencer)
- Not a heavy user of digital outside of social, compared to others

Leaders

Quick to adopt new technologies and see digital as an end in itself, this group are both heavily influenced by, and heavily influential, on digital and social channels

- Highly engaged with both digital & social media
- Typically more vocal in social media
- Constantly connected through the day, across multiple devices in many markets
- Harder to reach via traditional media
- Greatest influence of digital & social in the decision path

In the Swedish and Norwegian market the results of the segmentation was as follows.



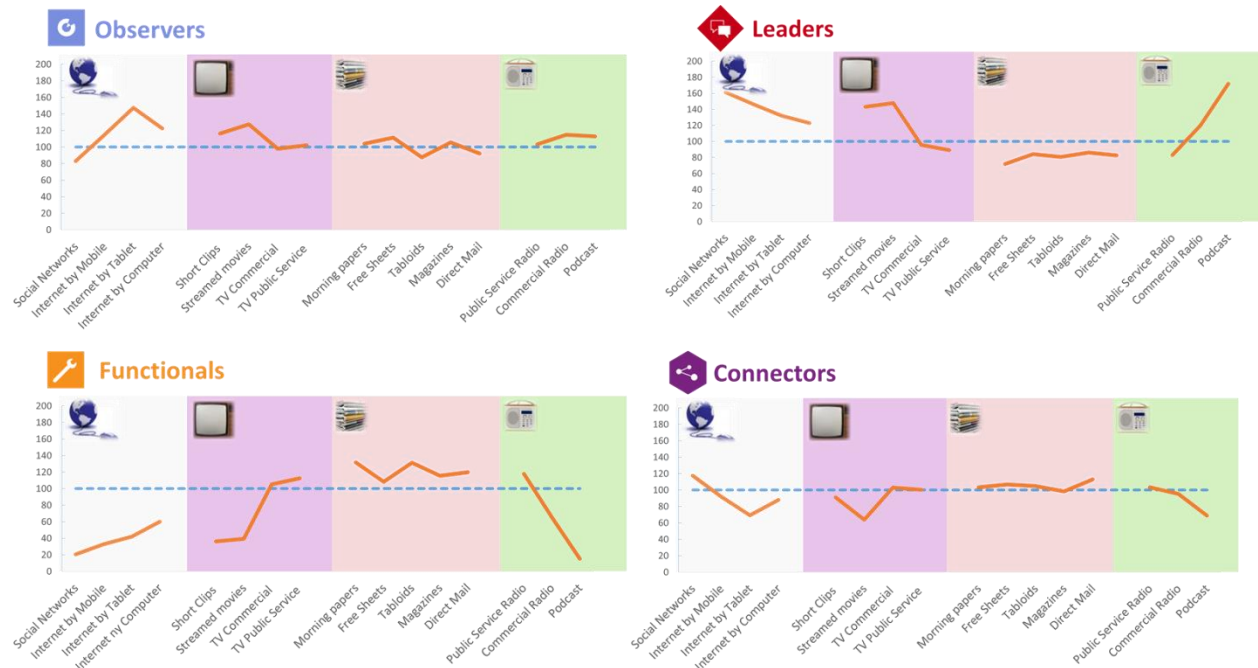
It is easy to think that because both Sweden and Norway are highly digitalized countries most people will be digital early adopters. The important learning from the segmentation however is that even though (or exactly because) both Norway and Sweden are highly penetrated digital countries people do not use digital in the same way.

Even though ‘Leaders’ is the biggest segment we can see that the less digital and less social ‘Functionals’ are the second largest segment.

This results in a need for mixed media campaigns rather than solus digital ones. Increasing the digital media spend to reach low digital users is not a cost efficient option. In the same way as increasing the print advertising to reach non-readers would be ineffective.

When the Connected Life segments are examined from a media consumption perspective (see below) the strength of the segmentation for a media planner becomes obvious. But even though we clearly see that the segments work in the way they were

expected to it is also interesting to observe that there does not exist anything as clear-cut as a pure digital or analogue segment. People are more complex and so should media plans be.



4 CONNECTED LIFE MEETS THE BIGGEST ADVERTISERS

In the next step we analysed some of the Nordic countries largest advertisers to examine their target groups' distribution over the connected life segments. The different brands target groups showed a considerable variation over the digital segments. In the graph below the more digital segments can be seen in the beginning and the target groups will then be less and less digital.

As much as people are different it seems as brands are and this seem to indicate that a one size fits all marketing strategy might not be the most cost efficient choice for any brand manager.



4.1 EXTENDING THE DIGITAL SEGMENTATION AND THE ADVERTISED BRANDS INTO MEDIA PLANNING

One of the classical problems with many segmentations is that it is not connected into a planning environment (buying & selling) which makes practical usage limited.

However if a digital segmentation which is meant to determine the media mix between digital and analogue is to be of practical usage the media surveys used in media planning need to cover both digital and analogue media. Luckily (well actually luck has nothing to do with it!) this is the case in Sweden and Norway (Callius, Peter, Peter Masson, Patrik Unell & Jimmy Bolander, (2011)) (Sandvik, 2012 & 2013).

Consequently the segmentation has been included into the multimedia planning environments in both Sweden and Norway.

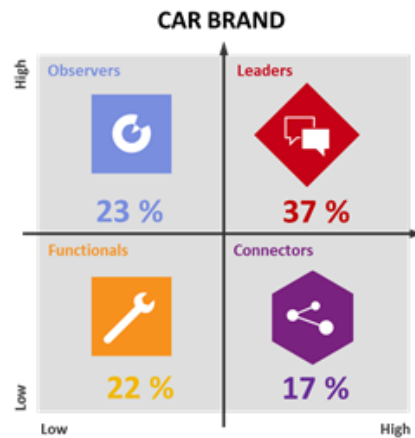
4.2 PROVING PRINT BRANDS WORTH IN THE PLANNING PROCESS

Let us now show how the digital segmentation in combination with passive and claimed digital and analogue media consumption in combination with a multimedia planning software can be used to show how planners can prove legacy media's worth even in high digital penetrated countries as Sweden and Norway.

In the paper the main focus will be the result of the research so the description of the research will be shown in the appendix.

Case 1 – Car Brand

In the first case a major car brand target group was created. The target group was relatively wide with a size of 34 % of the population. The car brand had a predominately digital footprint and hence a pure digital campaign was created at first

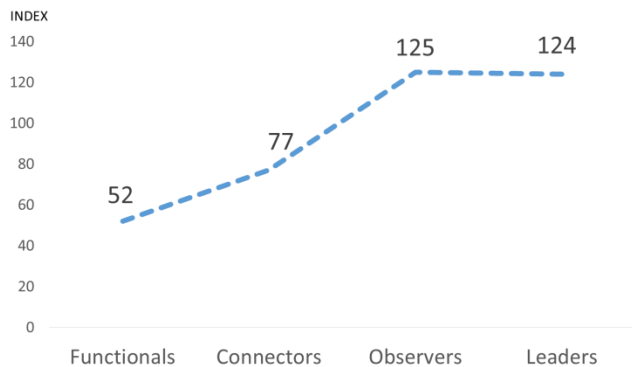


For the first digital plan an optimization was made on a selection of the www and mobile sites with the highest target group reach, CPT and profile. In the end optimization 10 sites were chosen. The sites were bought with very different share of voice distribution – ranging from 5 % to 35 % of the total inventory.

A panorama ad on each site's landing pages was used in the optimization. To level the playing field between different media prices in all optimizations were gross and not net. In the first case 6 122 000 impressions were bought over one week to a cost of 150 000 euro.

The result of the digital optimization was:

- 49,8% target group reach
- OTS 1,8



The Net reach distribution of target individuals did (graph above) however, not surprisingly, indicate an extremely skewed campaign.

In order to both balance the campaign and reach more of the target group print was now added to the formula.

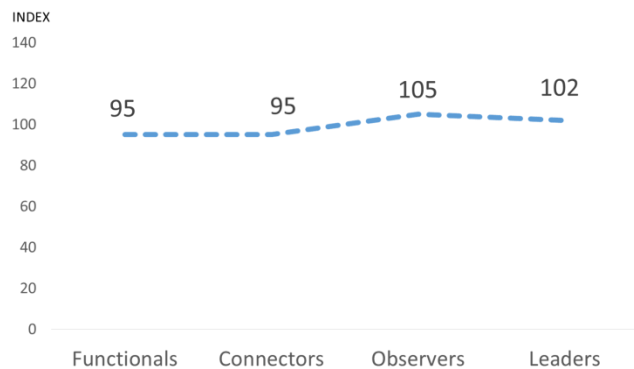
Adding print to the mix

The connected life segmentation showed that 39 % ('Functionals' and 'Connectors') of the target group were less digital and hence 39 % of the budget were detracted from the digital campaign and put into print. A selection of print titles with the best CPT, profile and reach levels were chosen.

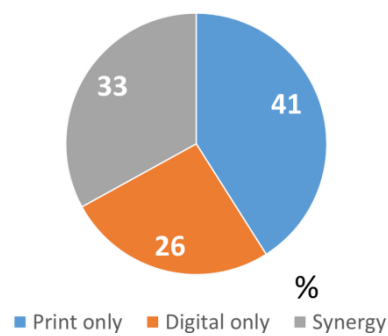
61 % of the budget went into digital and 39 % into print. 3 719 000 impressions (PV) + 1 865 000 gross print contacts were bought.

This time the optimization showed a very different result:

- 68,7% target group reach (38 % increase from digital campaign)
- OTS 1,8 (same OTS level)



In this campaign the Net reach of the 'Connected Life' segments (see graph above) were also almost in line, indicating a well-balanced campaign. As a bonus – the planner also were able to see that 33 % of the net campaign were individuals who were reached both in digital and in print.



So just by redistributing the budget according to the digital segmentation and by adding print to the digital optimization **a 38 % increase in net reach and a 33 % synergy factor** has been achieved.

This in itself can explain why many pure digital campaigns do not achieve the results the advertiser expected – they are simply put unbalanced and fail to reach the whole target group.

Case 2 – Building Material (DIY)

In the second case a major building material (DIY) store target group was created. The target group was 37 % of the population and in this case the target group was slightly less digital than in the first case. In this case 57 % of the target group had a predominately digital footprint.

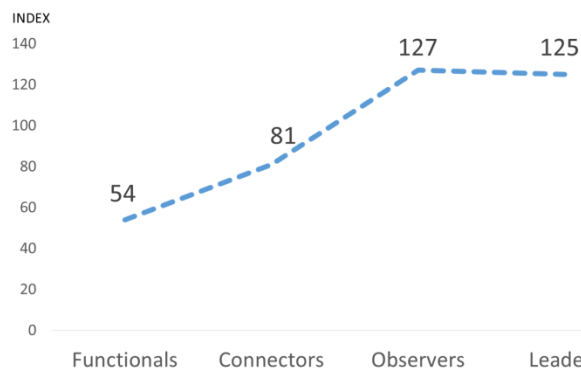


As in the first case an optimization was made on a selection of the www and mobile sites with the highest target group reach, CPT and profile. The share of voice distribution – ranged from 5 % to 20 % of the total inventory.

A panorama ad on each site's landing pages was used in the optimization. To level the playing field between different media prices in all optimizations were gross and not net. In the second case 3 962 000 impressions were bought over one week to a cost of 95 000 euro.

The result of the digital optimization was:

- 44,6 % target group reach
- OTS 1,4



As in the earlier case the Net Reach distribution of target individuals (graph above) indicate a digitally skewed campaign.

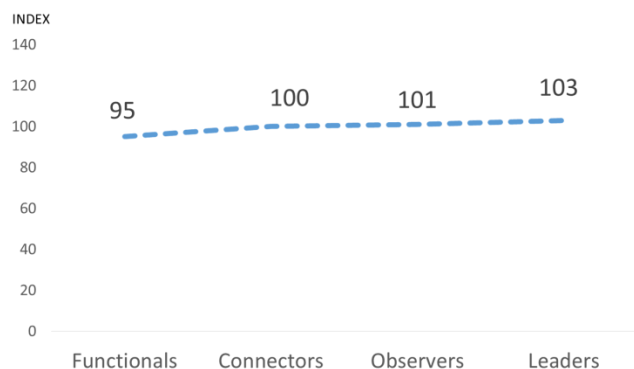
Adding print to the mix

The connected life segmentation showed that 51 % of the target group were less digital and hence 51 % of the budget was detracted from the digital campaign and put into print. A selection of print titles with the best, CPT, profile and reach levels were chosen.

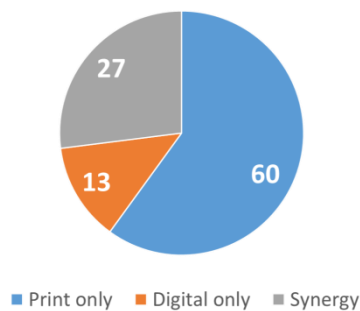
49 % of the budget went into digital and 51 % into print – 1 977 000 impressions (PV) + 2 047 000 gross print contacts were bought. The optimization showed the same improvement as in the earlier case.

Optimization with print added in the mix – yet again very different results:

- 62,9 % target group reach (41 % increase from digital campaign)
- OTS 1,7 (21 % increase from digital campaign)



As in the earlier case the campaign was now balanced and for 27 % of the reached target group synergies were created since they were reached both in digital and print.



Once again we could by merely redistributing the budget according to the digital segmentation and by adding print to the digital optimization achieve **a 41 % increase in net reach and a 27 % synergy factor**.

So redistributing the digital spend to print looks to be a ROI friendly approach for most advertisers. But for a planner to achieve this it means that the underlying research must include both measurement of print and digital and it also requires skilled planners who can navigate both analogue and digital eco systems.

5 ‘WAR OF THE MEDIA WEIGHTS’

But the story of print is not completely told yet. It is time to start considering using media weights (Callius & Masson, 2009). Media weights are in our experience a ‘must’ to equate the different media currencies.

For digital we now need to further level the playing field by taking the difference between page views, served ad impressions and viewable impressions into account.

It is interesting to consider the words of Sherill Mane (IAB) concerning viewable impressions and their view that this would give digital an advantage when it actually, at least in the short run, could mean the opposite.

"All the talk about one metric obscures an important fact: 3MS is about defining metrics to make cross-media planning, buying and evaluating comparable. This is being done so that brand dollars can flow more readily to digital media. We cannot miss this opportunity to be where consumers are. The viewable impression is just one input into establishing an audience currency – the digital GRP – which 3MS and the MRC are working towards introducing in 2015"

- Sherrill Mane - Interactive Advertising Bureau's (IAB)

And to “make cross-media planning, buying and evaluating comparable” is exactly what we now will do. To do this we will now want to calculate a probability of open eyes in front of the advertising.

The weights which we used were the following:

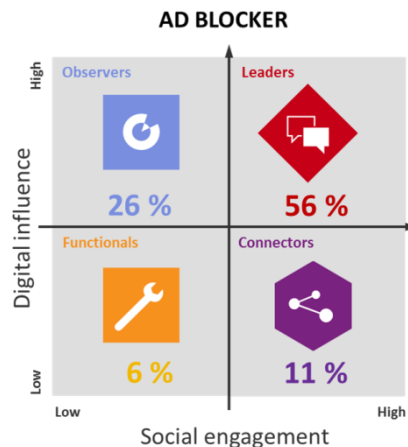
- For print a weight of 0,8 were used. 0,8 being the average page traffic (spread pages) according to Nordic page traffic research (Futsæter, Sandvik & Østnes, 2009) and other indicators of amount read (Sandvik, Holbæk-Hanssen, Østnes & Futsæter, 2011).
- For digital - first all impressions reaching people who use an ad blocker has to be considered (in Sweden 17,9 %). These were detracted as individuals (This is not entirely correct since a person with an ad blocker actually could chose to get ads from one of our selected sites but that is unfortunately beyond of our grasp).

Many different numbers have been thrown around in what is to be considered an average for premium sites. We have chosen to use the level of 68 % which in discussions with IAB Sweden and buyers and seller of digital space seem to be the average number of view ability at a premium site. Research by Google and ComScore indicates a level of approximately 50 %.

In the next step we down weighted all impressions by 32 % - indicating that 32 % of the bought impressions were actually not viewable.

Case 1 – Car Brand. Adding media weights to the campaigns

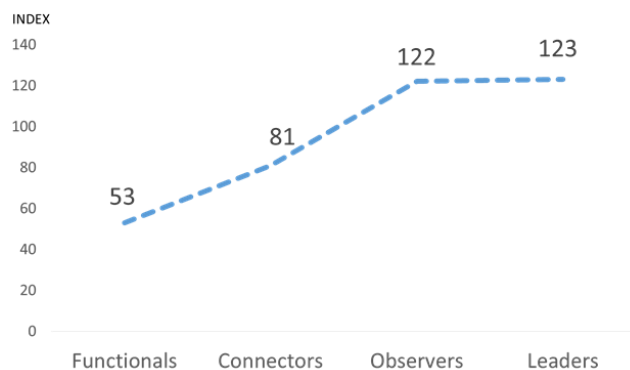
When media weights were applied to the digital campaign the result was of course as would be expected lower.



Not surprising the composition of individuals with ad blockers were extremely skewed towards the more digital segments where we also would expect the highest pressure in any digital campaign.

The new result of the weighted digital campaign was:

- 33,6 % target group Net reach (33 % decrease from unweighted digital campaign)
- OTS 1,5 (Decrease from 1,8 to 1,5)



When comparing with the original campaign which reached 49,8% we see that the used weight of 0.68 and the detracton of ad blockers "only" led to a decrease in net reach of 33 %.

The reason for this is the relatively high levels of page views at each site visit.

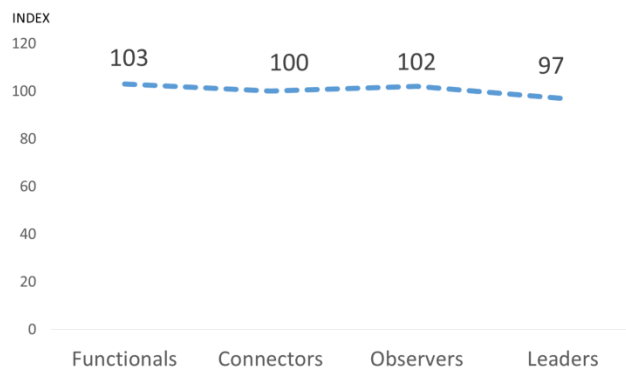
The skewed distribution from before was also (as should be expected) more or less exactly the same as before.

Adding media weights to the cross media campaign

The connected life segmentation showed that 39 % of the target group were less digital and hence 39 % of the budget were detracted from the digital campaign and put into print but this time a media weight was put both on digital 0.68 and the ad blockers removed (zero weight) and Print 0.8.

The result for the *weighted* cross media campaign showed:

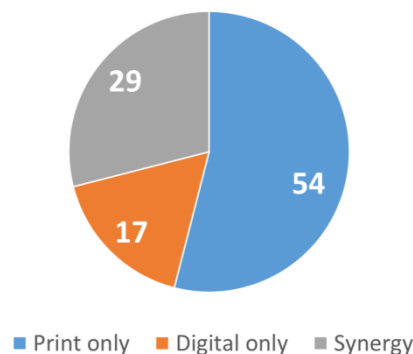
- 52,6 % target group reach (a 56 % increase from weighted digital campaign and a decrease from the unweighted cross media campaign with 23 %)
- OTS 1,7 (increase from 1,5)



All in all this means that the increase in net reach from the weighted digital campaign was a staggering 56 %.

The distribution of exposures over the different connected life segments were also “repaired” and the campaign was now once again balanced over the segments – as shown in the graph above.

The media weights used for digital can obviously vary a lot - If non premium sites are to be used the weight will have to be significantly lower – levels can also vary in different countries. Synergies were also created in 29 % of the cases.



But more importantly this result is a lot more in line with what an advertiser really could expect from a campaign. And it also indicates that a higher budget probably could enhance the campaign further.

Prints proposition will also be stronger the higher page traffic that can be established.

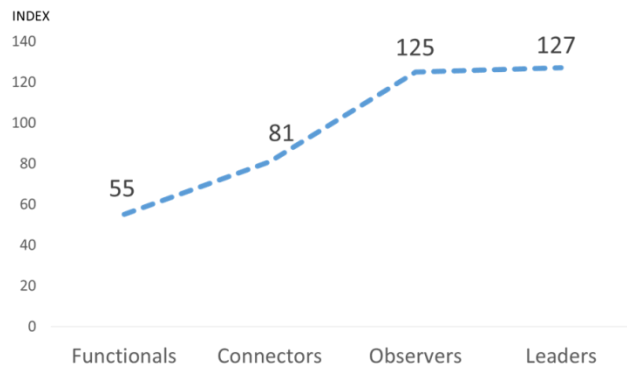
On the digital side publishers are squeezed between the wish to get more ads above the fold and hence more likely to be viewable – however this can lead to advertising overload which will mean that ad blockers will increase further or people will turn off mentally and resent the excessive frequency. The higher the usage of ad blockers the less leeway publishers will have for improving view-ability.

Case 2 – Building Material. Adding media weights to the campaigns

To show that the increase when print media is added to a digital campaign we will also continue the same exercise in case 2 which was slightly less digital originally.

The new *weighted* result - after detracting ad blockers and applying view ability weights - of the digital campaign was:

- 27,5 % target group reach (38 % decrease from unweighted digital campaign)
- OTS 1,4 (no change)



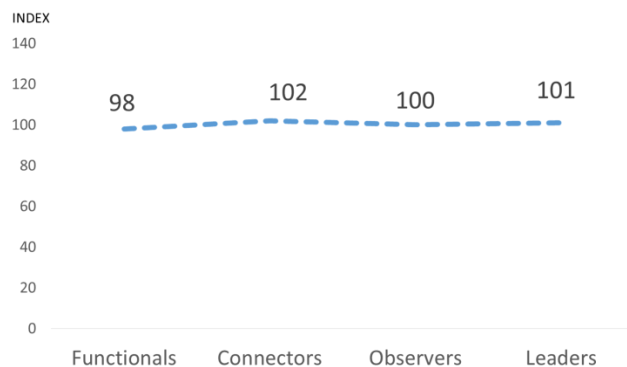
When comparing with the original campaign, which reached 44.6%, we see that the applied weight of 0.68 and the detracting of ad blockers "only" led to a decrease in net reach of 38 %. The skewed distribution was, however, still a fact.

Adding media weights to the cross media campaign

The connected life segmentation showed that 43 % of the target group were less digital and hence 43 % of the budget were detracted from the digital campaign and put into print but this time a media weight was put both on digital 0,68 and detracting the ad blockers and Print 0,8.

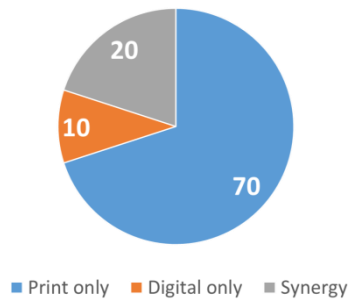
This time the result for the *weighted* cross campaign showed:

- 51,2 % target group reach (a 86 % increase from the weighted digital campaign and a decrease from the unweighted cross media campaign with 19 %).
- OTS 1,6 (increase from 1,5)



All in all this means that the increase in net reach from the weighted digital campaign was an amazing 86 % - with the same budget. The distribution of exposures over the different connected life segments were also "repaired" and the campaign was now once again balanced over the segments (see graph above).

The price we are paying for the extreme 86 % increase of net reach is that synergies are only created in 20 % of the cases.



These two cases have proved that prints proposition in a digital world still can stand strong. That is if print publishers and planners have the common sense to start thinking of targeted individuals (instead of machines ID's) and also by creating and using cross media environments which can take both digital and analogue media into account.

6 IN SUMMARY

- A Digital segmentation model can be a good help to assist planners in the budget allocation mix between digital and legacy media. It can also help planner balance 'unbalanced' media plans.
- Print (in combination with digital) is still a cost efficient (you did not show this in Gross terms) and important to reach a wider part of the target market and not only the digital natives. Advertisers simply cannot expect to reach mass markets completely using only digital media.
- Print in combination with digital can significantly increase the net reach of campaigns. Print publisher absolutely need to get their cross media offer flying. This can help them to at last find a survivable business model.
- Print publisher need to continue to push its digital content towards premium.
- Reaching low digital users by adding more digital media spend is inefficient and expensive. Reaching low print readers by adding more print to the campaign is equally stupid.
- Media weight must be used to equate currencies and to give advertisers a balanced view on what is achievable for a given budget.
- If media weights are not used the advertisers expectations on the result of the campaign will be highly unrealistic and this will possibly have a negative impact on the media brands themselves.
- Print has a unique opportunity to use the timing of the exposures to better help advertiser find the right contextual environment for their advertising
- The right research and planning software can help advertisers reach further into their communication and it can also if used correctly help print to surf and not to drown in the third digital wave.

APPENDIX

Online measurement

COMSCOREs Orvesto Digital meusermant combines a low tech large sample TGI/NRS survey (Orvesto Consumer) with a high tech user centric panel measurement and a site centric traffic measurement system.

Orvesto Consumer is the 'Establishment' survey with over 40.000 respondents/year (16-80 years). The Internet panel respondents are recruited 50% from previous interviewees of the Orvesto Survey over the last 18-24 months and 50% from the Orvesto Day Panel. A CAWI recruitment interview is e-mailed to potential panel members. Here relevant demographics and information of devices used for Internet is collected, both their private behavior and their work behavior.

Examples of questions are number of computers the respondents are using, different web browsers and usage of different devices to access internet such different computers, tablet or a smartphone. At the end of the interview, the tagging process starts, emails are being sent and the panel member is loaded to the database. To avoid reporting of Internet usage from other users than the panel member, a starting page is installed on multi user computers. This page is launched any time a browser is opened, the user should indicate whether he/she is a member of the panel or not, and is then redirected to the original start page.

As soon as the panel member approved the panel-id on all the devices used, the panel member is activated in the panel. The site owner must also implement COMEScore tags on all the sites and sections to be able to monitor the panels' online behavior. The only major disadvantage of the method is obviously then that only sites that have been tagged by their owner will be measured. Today the active www panel consists of 18 000 panelists.

Mobile measurement

To implement the panel-id on smartphones we link the panel member to a TNS-SIFO webpage which will set the panel id/identify actual cookie. COMEScore is cooperating with Mobiletech on the mobile measurement since Mobiletech own full access to the mobile network provider data (for example encrypted mobile numbers) this makes the model even more exact than the cookie alone technology used in the internet measurement. As in the www measurement the media owner must implement TNS-SIFOs specially developed mobile tags on all the mobile sites and sections to be able to monitor the panel and its movement. Today the active sub mobile panel consists of approximately 50 % of the www panelists.

Application measurement

To be able to measure mobile-app activity COMEScore developed a mobile-app which the panelists download on their smartphones / Ipad etc. The media owners implement a framework in their mobile-apps which allows e the COMEScore app to read and monitor the activity on the media owner's apps. Today the active sub application panel consists of approximately 25 % of the mobile panelists.

This appendix describes how the measurement system works in Sweden. In practice the Norwegian model is very similar with some differences. The main difference is that in Norway Spring is the tagging solution and both desktop and mobile are measured by spring. The panel size is 5.000 panellists. As a pragmatic approach we do not enclose a specific appendix for how it works in Norway.

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