Improving Ad Performance Online: The Impact of Advertising on Quality Content Sites

Wave 2

January 2009
The Online Publishers Association (OPA) is a not-for-profit trade organization dedicated to representing high-quality online content providers before the advertising community, the press, the government and the public.

OPA’s membership has an unduplicated audience of 149.3 million unique visitors or 79% reach of the U.S. online population (comScore, August 2008)
Research Objectives & Method

• Objective: To understand the value of advertising on quality content sites, represented by OPA Members, using Dynamic Logic MarketNorms data
  – MarketNorms is the industry standard method for measuring online advertising’s effectiveness and branding impact

• OPA previously released its MarketNorms report in August ‘08 (Wave 1) comparing industry ad effectiveness averages with content sites (i.e., OPA Members), portals and ad networks

• While OPA Members outperformed the ad effectiveness of their competitors in the first analysis, with this report OPA tracks how online advertising effectiveness changes over time
Site Categories in this Study

- **MarketNorms** – The industry benchmark for online ad effectiveness, with results from 4,000+ AdIndex® research studies based on 6 million+ respondents

- **Content Sites** – OPA Members in the aggregate serve as a proxy for Content Sites. OPA Members are media organizations whose focus is the creation of professional content (see next slide for OPA Member roster)

- **Portals** – Provide multiple functions such as search, e-mail, directories and content from third-parties. Examples include AOL, MSN and Yahoo

- **Ad Networks** – Aggregators and sellers of non-premium ad inventory across third-party sites, typically small to medium size sites. Examples include Advertising.com, Tribal Fusion and ValueClick
Online Publishers Association
Detailed Findings
## Ads on Content Sites – Represented by OPA Members – Have the Greatest Impact

- Ads on These Content Sites Raise Awareness, Message Association, Brand Favorability and Purchase Intent More than Portals and Networks
- Ad Networks Provide Advertisers with the Smallest Lift

### Ad Effectiveness Deltas by Site Category, Wave 2

<table>
<thead>
<tr>
<th></th>
<th>Aided Brand Awareness</th>
<th>Online Ad Awareness</th>
<th>Message Association</th>
<th>Brand Favorability</th>
<th>Purchase Intent</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPA</td>
<td>4.4 <strong>BCD</strong></td>
<td>6.6 <strong>BCD</strong></td>
<td>3.9 <strong>BCD</strong></td>
<td>2.8 <strong>BCD</strong></td>
<td>1.7 <strong>BD</strong></td>
</tr>
<tr>
<td>MarketNorms</td>
<td>2.5</td>
<td>5.3</td>
<td>2.8</td>
<td>1.6</td>
<td>1.3</td>
</tr>
<tr>
<td>Portals</td>
<td>2.9</td>
<td>5.5</td>
<td>2.7</td>
<td>1.5</td>
<td>1.4</td>
</tr>
<tr>
<td>Ad Networks</td>
<td>2.1</td>
<td>4.4</td>
<td>2.0</td>
<td>0.5</td>
<td>0.4</td>
</tr>
</tbody>
</table>

Source: Dynamic Logic’s MarketNorms campaigns over last 3 years through Q2 2008, OPA through Q3 2008

A/B/C/D = Statistically significant difference at a 90% confidence level

Ad awareness on OPA sites is significantly greater than awareness on MarketNorms (B), portals (C) & ad networks (D)
These Content Sites Defy Industry Trends, Largely Improving Their Ad Effectiveness Over Time

- Purchase Intent Declined During a Weakened Economy
- Performance of Ads Run on Ad Networks Has Eroded Considerably

<table>
<thead>
<tr>
<th>% Change in Ad Effectiveness Deltas, Wave 1 &amp; Wave 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aided Brand Awareness</td>
</tr>
<tr>
<td>-----------------------</td>
</tr>
<tr>
<td>OPA</td>
</tr>
<tr>
<td>MarketNorms</td>
</tr>
<tr>
<td>Portals</td>
</tr>
<tr>
<td>Ad Networks</td>
</tr>
</tbody>
</table>

Wave 1: OPA deltas significantly different from MarketNorms, Portals and Ad Networks on all brand metrics except Online Ad Awareness versus Portals
Wave 2: OPA deltas significantly different from MarketNorms, Portals and Ad Networks on all brand metrics except Purchase Intent versus Portals
Sponsorships on These Content Sites are Significantly More Effective than on Portals

Sponsorship Deltas, Wave 2

Sponsorships are marketing efforts where the objective is to connect a brand with a separate and identifiable event, person, place, content area or promotion.

OPA

MarketNorms

Portals

Average Delta

9.1
6.5
5.4

+40%
+69%

Source: Dynamic Logic’s MarketNorms campaigns from the last 3 years through Q2 2008, OPA through Q3 2008

A/B/C = Statistically significant difference at a 90% confidence level
Sponsorships on These Content Sites are More Effective – with Portal Sponsorships Declining over Time

Sponsorship Deltas, Wave 1 & Wave 2

Sponsorships are marketing efforts where the objective is to connect a brand with a separate and identifiable event, person, place, content area or promotion

<table>
<thead>
<tr>
<th></th>
<th>Wave 1</th>
<th>Wave 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPA</td>
<td>9.5</td>
<td>9.1</td>
</tr>
<tr>
<td>MarketNorms</td>
<td>6.6</td>
<td>6.5</td>
</tr>
<tr>
<td>Portals</td>
<td>6.9</td>
<td>5.4</td>
</tr>
</tbody>
</table>

A/B/C/D/E/F = Statistically significant difference at a 90% confidence level

22% Drop
Ads on Content Sites – Represented by OPA Members – Have Significant Impact on Young and Affluent Audiences

• 18-34 year olds are more responsive to ads on these content sites
  – Brand favorability scores are twice as high than for ads on portals
  – Purchase intent metrics are 33% greater than ads on portals

• Compared to industry averages, affluent audiences exposed to ads on these content sites more likely…
  – Become aware of the advertised brand
  – Remember the brand’s message
  – Form favorable opinions about the brand
  – Intend to make the purchase

• Sponsorships on these content sites are a particularly effective way of connecting with up-scale consumers – with success scores more than twice as high as sponsorships run on portals
18-34 Year Olds’ Brand Favorability and Purchase Intent Metrics are Higher for Products Advertised on These Content Sites

<table>
<thead>
<tr>
<th>Metric</th>
<th>Gender</th>
<th>OPA</th>
<th>MarketNorms</th>
<th>Portals</th>
<th>Average Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Favorability, 18-34</td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Brand Favorability, F 18-34</td>
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<tr>
<td>Brand Favorability, M 18-34</td>
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<td>Purchase Intent, 18-34</td>
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<td>Purchase Intent, F 18-34</td>
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<td>Purchase Intent, M 18-34</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Source: Dynamic Logic’s MarketNorms campaigns from the last 3 years through Q2 2008, OPA through Q3 2008
A/B/C = Statistically significant difference at a 90% confidence level

= Lift (OPA vs MarketNorms, OPA vs Portals)
18-34 Year Olds’ Favorability is Higher for Brands Advertised on These Content Sites, and Their Favorable Opinions Largely Increased Over Time

### Brand Favorability Deltas, Males & Females 18-34, Wave 1 & Wave 2

<table>
<thead>
<tr>
<th>Gender</th>
<th>Wave 1</th>
<th>Wave 2</th>
<th>Average Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.8</td>
<td>1.6</td>
<td>1.7</td>
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<tr>
<td></td>
<td>2.2</td>
<td>1.8</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td>2.4</td>
<td>3.3</td>
<td>2.8</td>
</tr>
<tr>
<td>F</td>
<td>1.4</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td>2.6</td>
<td>3.0</td>
<td>2.8</td>
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<tr>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>M</td>
<td>1.9</td>
<td>1.7</td>
<td>1.8</td>
</tr>
<tr>
<td></td>
<td>2.3</td>
<td>3.0</td>
<td>2.6</td>
</tr>
<tr>
<td></td>
<td>4.5</td>
<td>4.5</td>
<td>4.5</td>
</tr>
</tbody>
</table>

**Average Delta**

- 1.8
- 1.6
- 1.4
- 2.2
- 1.8
- 2.4
- 3.3
- 1.4
- 1.4
- 2.6
- 3.0
- 4.5

**A/B/C** = Statistically significant difference at a 90% confidence level
Purchase Intent Metrics are Higher for Products Advertised on These Content Sites

Purchase Intent Deltas, Males & Females 18-34, Wave 1 & Wave 2

<table>
<thead>
<tr>
<th></th>
<th>OPA</th>
<th>MarketNorms</th>
<th>Portals</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-34, Wave 1</td>
<td>1.2</td>
<td>1.5</td>
<td>1.8</td>
</tr>
<tr>
<td>18-34, Wave 2</td>
<td>1.6</td>
<td>1.2</td>
<td>1.8</td>
</tr>
<tr>
<td>F 18-34, Wave 1</td>
<td>1.1</td>
<td>1.2</td>
<td>1.8</td>
</tr>
<tr>
<td>F 18-34, Wave 2</td>
<td>0.9</td>
<td>1.2</td>
<td>1.8</td>
</tr>
<tr>
<td>M 18-34, Wave 1</td>
<td>0.9</td>
<td>1.5</td>
<td>2.2</td>
</tr>
<tr>
<td>M 18-34, Wave 2</td>
<td>0.8</td>
<td>1.4</td>
<td>2.1</td>
</tr>
</tbody>
</table>

A/B/C = Statistically significant difference at a 90% confidence level
Ads on Content Sites – Represented by OPA Members – More Likely Resonate with Affluent Audiences

Ad Effectiveness Deltas for $75K+, Wave 2

Source: Dynamic Logic’s MarketNorms campaigns from the last 3 years through Q2 2008, OPA through Q3 2008

A/B/C = Statistically significant difference at a 90% confidence level

= Lift (OPA vs MarketNorms, OPA vs Portals)
Almost All Metrics for Ads on These Content Sites Improved with Affluent Audiences

Ad Effectiveness Deltas for $75K+, Wave 1 & Wave 2

*Statistically significant difference at a 90% confidence level
Sponsorships on These Content Sites Have Greater Impact with Affluent Audiences

Sponsorship Deltas, $75K+, Wave 1 vs. Wave 2

Sponsorships are marketing efforts where the objective is to connect a brand with a separate and identifiable event, person, place, content area or promotion.

<table>
<thead>
<tr>
<th>Platform</th>
<th>Wave 1 Delta</th>
<th>Wave 2 Delta</th>
<th>Lift</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPA</td>
<td>11.3</td>
<td>11.0</td>
<td></td>
</tr>
<tr>
<td>MarketNorms</td>
<td>6.7</td>
<td>6.4</td>
<td>+72%</td>
</tr>
<tr>
<td>Portals</td>
<td>8.3</td>
<td>5.4</td>
<td>+104%</td>
</tr>
</tbody>
</table>

A/B/C/D/E/F = Statistically significant difference at a 90% confidence level

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Ad Effectiveness by Industry Type

- CPG, Financial Services, Telecom and Travel benefit by advertising with OPA Members – high quality content sites – especially for the more difficult to move metrics like brand favorability and purchase intent

- In Wave 2 we add Entertainment and Technology ads to the analysis, with similar results for these content sites
CPG Brand Favorability and Purchase Intent Ad Effectiveness Were Higher on These Content Sites

CPG Ad Effectiveness Deltas, Wave 1 & Wave 2

| Source: Dynamic Logic's MarketNorms campaigns from the last 3 years through Q2 2008; OPA through Q3 2008 |
| A/B/C/D = Statistically significant difference at a 90% confidence level for Brand Favorability |
| a/b/c/d = Statistically significant difference at a 90% confidence level for Purchase Intent |

Brand Favorability
- Wave 1: A = 2.6, B = 1.7
- Wave 2: C = 3.2, D = 1.7

Purchase Intent
- Wave 1: a = 2.4, b = 1.9
- Wave 2: c = 2.0, d = 1.7

Average Delta
- OPA
- MarketNorms

+88%
Financial Services Ads on These Content Sites Continue to Have Positive Impact

Financial Services Ad Effectiveness Deltas, Wave 1 & Wave 2

Brand Favorability

Wave 1
- A: 1.5
- B: 1.5

Wave 2
- C: 1.7
- D: 2.1

Purchase Intent

Wave 1
- a: 1.1
- b: 1.0

Wave 2
- c: 1.5
- d: 1.2

Average Delta

Source: Dynamic Logic's MarketNorms campaigns from the last 3 years through Q2 2008; OPA through Q3 2008

A/B/C/D = Statistically significant difference at a 90% confidence level for Brand Favorability
a/b/c/d = Statistically significant difference at a 90% confidence level for Purchase Intent

=Lift
Telecom Ad Effectiveness is Greater on These Content Sites

Telecom Ad Effectiveness Deltas, Wave 1 & Wave 2

Brand Favorability

Wave 1
- A
- B 0.7

Wave 2
- C
- D 1.7

Purchase Intent

Wave 1
- a
- b -0.1

Wave 2
- c
- d 1.0

Average Delta 0 1 2 3

Source: Dynamic Logic’s MarketNorms campaigns from the last 3 years through Q2 2008; OPA through Q3 2008
A/B/CD = Statistically significant difference at a 90% confidence level for Brand Favorability
a/b/c/d = Statistically significant difference at a 90% confidence level for Purchase Intent

= Lift

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Counter to Industry Trends, Travel Ads on These Content Sites Held Steady Over Time

Travel Ad Effectiveness Deltas, Wave 1 & Wave 2

- Brand Favorability
- Purchase Intent

Average Delta:
- 0
- 1
- 2
- 3

Source: Dynamic Logic’s MarketNorms campaigns from the last 3 years through Q2 2008; OPA through Q3 2008

A/B/C/D = Statistically significant difference at a 90% confidence level for Brand Favorability
a/b/c/d = Statistically significant difference at a 90% confidence level for Purchase Intent

Lift
Entertainment and Technology Brands are Better Served by Advertising on These Content Sites

Ad Effectiveness Deltas by Industry, Wave 2

<table>
<thead>
<tr>
<th></th>
<th>OPA</th>
<th>MarketNorms</th>
<th>Portals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Entertainment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Favorability</td>
<td>2.4</td>
<td>3.3</td>
<td></td>
</tr>
<tr>
<td>Purchase Intent</td>
<td>2.3</td>
<td>2.6</td>
<td></td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Favorability</td>
<td>2.0</td>
<td>1.7</td>
<td></td>
</tr>
<tr>
<td>Purchase Intent</td>
<td>1.2</td>
<td>1.3</td>
<td></td>
</tr>
</tbody>
</table>

Average Delta

Source: Dynamic Logic’s MarketNorms campaigns from the last 3 years through Q2 2008; OPA through Q3 2008

A/B/C/D = Statistically significant difference at a 90% confidence level for Brand Favorability
a/b/c/d = Statistically significant difference at a 90% confidence level for Purchase Intent

= Lift (OPA vs MarketNorms, OPA vs Portals)
Ad Effectiveness Beyond the Banner

• Video ads on content sites – represented by OPA Members – have greater impact
  – For example, brand favorability and purchase intent are 60%+ greater on these content sites than MarketNorms averages

• Rich media ads more effectively engage these content site visitors
  – making such sites better platforms for alternatives to banners
  – Compared to portals, these content sites’ online awareness scores are 25% higher, and brand favorability scores are almost double (87%)
  – OPA Members’ message association scores are 85% higher than ad networks, and 54% more than portals

• Consumers are more involved with interactive ads on content sites
  – Message association scores are 80% greater than with interactive ads on ad networks
Video Ad Effectiveness is Particularly Strong Among OPA Member Sites for Top Funnel Metrics

Video Ad Effectiveness Deltas, Wave 2

- **A/B/C** = Statistically significant difference at a 90% confidence level

Source: Dynamic Logic’s MarketNorms campaigns from the last 3 years through Q2 2008; OPA through Q3 2008

A/B/C = Statistically significant difference at a 90% confidence level
Video Ads on Content Sites – Represented by OPA Members – Outpace Industry Averages

Video Ad Effectiveness Deltas, Wave 1 & Wave 2

*Statistically significant difference at a 90% confidence level
Rich Media Ad Effectiveness is Generally Higher on These Content Sites

<table>
<thead>
<tr>
<th>Rich Media Ad Effectiveness Deltas by Site Category, Wave 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>OPA</td>
</tr>
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<tr>
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</tr>
<tr>
<td>Ad Networks</td>
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</tbody>
</table>

Rich media includes a variety of technology formats, including: Unicast Superstitials, dHTML (Eyeblaster, MSN's NGAP, Shoshkalees, Eyewonder, Klipmart), Enhanced Flash (PointRoll), among others.

Source: Dynamic Logic's MarketNorms campaigns from the last 3 years through Q2 2008; OPA through Q3 2008
A/B/C/D = Statistically significant difference at a 90% confidence level
Counter to Industry Trends, Rich Media Ad Performance on These Content Sites Largely Improved Over Time

<table>
<thead>
<tr>
<th>% Change in Rich Media Ad Effectiveness Deltas, Wave 1 &amp; Wave 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Aided Brand Awareness</td>
</tr>
<tr>
<td>-----------------------</td>
</tr>
<tr>
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Wave 1: OPA deltas are significantly higher (at 90% level) than MarketNorms, Portals and Ad Networks for all metrics except Message Association, Brand Favorability vs. Ad Networks, and Aided Brand Awareness vs. Portals.
Wave 2: OPA deltas significantly higher (at 90% level) than MarketNorms, Portals and Ad Networks on all brand metrics except Purchase Intent; OPA outperforms Ad Networks on Purchase Intent.
Visitors to These Content Sites are More Involved with Interactive Ads, and More Likely to Make the Purchase

<table>
<thead>
<tr>
<th>Interactive Ad Effectiveness Deltas by Site Category, Wave 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aided Brand Awareness</td>
</tr>
<tr>
<td>------------------------</td>
</tr>
<tr>
<td>OPA A</td>
</tr>
<tr>
<td>MarketNorms B</td>
</tr>
<tr>
<td>Portals C</td>
</tr>
<tr>
<td>Ad Networks D</td>
</tr>
</tbody>
</table>

Interactive ads are executions that involve the audience without having them click-through or leave the web page. Radio buttons and rollovers are examples of interactive ads.

Source: Dynamic Logic's MarketNorms campaigns from the last 3 years through Q2 2008; OPA through Q3 2008
A/B/C/D = Statistically significant difference at a 90% confidence level
Interactive Ad Performance on These Content Sites Defy Industry Trends

<table>
<thead>
<tr>
<th>% Change in Interactive Ad Effectiveness Deltas, Wave 1 &amp; Wave 2</th>
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<tbody>
<tr>
<td></td>
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<tr>
<td>OPA</td>
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<tr>
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Interactive ads are executions that involve the audience without having them click-through or leave the web page. Radio buttons and rollovers are examples of interactive ads.

Wave 1: OPA deltas are significantly different (at a 90% level) than MarketNorms, Portals and Ad Networks for all metrics except Message Association and Brand Favorability vs. Portals

Wave 2: OPA deltas significantly different (at a 90% level) from MarketNorms, Portals and Ad Networks on all brand metrics except Purchase Intent; OPA outperforms MarketNorms and Ad Networks on Purchase Intent
Bigger Ads are Well Received on These Content Sites, Not Seen as Intrusive in this Environment versus Portals and Other Sites

Full & Half Page Ad Effectiveness Deltas, Wave 2

\[ \text{Average Delta} \]

\[ \begin{align*}
\text{Brand Favorability} & : 4.5^{BC} & & 1.5 & & 0.1 \\
\text{Purchase Intent} & : 4.3^{BC} & & 2.0 & & 0.4 
\end{align*} \]

Source: Dynamic Logic’s MarketNorms campaigns from the last 3 years through Q2 2008; OPA through Q3 2008

A/B/C = Statistically significant difference at a 90% confidence level
Brands Benefit Running Large Ads on These Content Sites, Where They’re Well Received

Full & Half Page Ads Brand Favorability Deltas, Wave 1 vs. Wave 2

- OPA
  - Wave 1 A: 3.7
  - Wave 2 B: 4.5
- MarketNorns
  - Wave 1 C: 0.9
  - Wave 2 D: 0.1
- Portals
  - Wave 1 E: 2.1
  - Wave 2 F: 1.5

A/B/C/D/E/F = Statistically significant difference at a 90% confidence level
Large Ads on These Content Sites are More Likely to Drive Purchases

Full & Half Page Ads Purchase Intent Deltas, Wave 1 vs. Wave 2

**OPA**
- WAVE 1 A
- WAVE 2 B

**MarketNorms**
- WAVE 1 C
- WAVE 2 D

**Portals**
- WAVE 1 E
- WAVE 2 F

Average Delta
- 0.0
- 1.0
- 2.0
- 3.0
- 4.0
- 5.0

A/B/C/D/E/F = Statistically significant difference at a 90% confidence level

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For ad effectiveness, environment matters – and high quality content sites help advertisers ‘move the needle’

- OPA Member sites’ ad effectiveness consistently outperform other sites – including portals and ad networks, even during an economic recession

- OPA sites have largely improved their ad effectiveness over time, unlike portals and ad networks

- These content sites generally do a better job of integrating advertising into professional video, as well as rich media and interactive ads

- Sponsorships on these content sites achieve greater lift than sponsorships on portals, where effectiveness has fallen below the industry average
For More Information

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