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

August 2008
Online Publishers Association

• 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 131.7 million unique visitors or 73% reach of the U.S. online population (comScore, July 2008).
Online Publishers Association
Research Objectives & Method

• To understand the value of content sites for advertisers by using Dynamic Logic MarketNorms data
  • MarketNorms is the industry standard method for measuring online advertising’s ad effectiveness and branding impact
  • MarketNorms data benchmarks online ad campaigns from 3,900+ AdIndex surveys on more than 6 million people, evaluating over 163,000 creatives across a dozen+ industries and hundreds of sites

• As a proxy for content sites, Dynamic Logic calculated OPA members’ aggregate ad effectiveness scores

• To measure the value of advertising on content sites, we compare OPA with overall MarketNorms, as well as portals and ad networks
Online Impact on the Purchase Process

- Research by Dynamic Logic, Pew Internet, DoubleClick and comScore has shown the importance of online through the purchasing process – from initial awareness and product selection to buying decisions.

- *But not all sites are equal* – many sites may be involved at the top of the funnel – but media sites also build the relationship further down the funnel with trustworthy content relevant to users and context relevant to advertisers.
Detailed Findings
Ads on Content Sites have Greater Impact Throughout the Purchase Funnel

- Ads Placed on Content Sites Raise Brand Favorability and Purchase Intent Significantly More than Ads Run on Portals
- Ads on Content Sites Provide Double the Brand Favorability and Purchase Intent than Advertising Placed with Ad Networks

<table>
<thead>
<tr>
<th>Ad Effectiveness Deltas by Site Category</th>
<th>Aided Brand Awareness</th>
<th>Online Ad Awareness</th>
<th>Message Association</th>
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<tbody>
<tr>
<td>OPA</td>
<td>3.2</td>
<td>6.2</td>
<td>3.9</td>
<td>2.2</td>
<td>1.8</td>
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<td>MarketNorms</td>
<td>2.7</td>
<td>5.7</td>
<td>3.2</td>
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<td>Portals</td>
<td>3.2</td>
<td>6.2</td>
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<td>1.8</td>
<td>1.6</td>
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<tr>
<td>Ad Networks</td>
<td>2.6</td>
<td>5.1</td>
<td>2.4</td>
<td>0.7</td>
<td>0.9</td>
</tr>
</tbody>
</table>

OPA averages are significantly (at 90% level) different than those of the MarketNorms, Portals and Ad Networks for all metrics except Awareness.

Source: Dynamic Logic’s MarketNorms campaigns from the last 3 years through Q4 2007, OPA through Q1 2008
OPA N=1,185 campaigns, n=883,688 respondents; MarketNorms 2,231/3,995,139; Portals 1,193/1,301,451; Ad Networks 252/110,773
Sponsorships on Branded Content Sites are 36% More Effective than on Portals

Sponsorship Deltas

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: 9.4
  - +42%
- MarketNorms: 6.6
  - +36%
- Portals: 6.9

Average Delta

Source: Dynamic Logic’s MarketNorms campaigns from the last 3 years through Q4 2007, OPA through Q1 2008
OPA N=1,185 campaigns, n=883,688 respondents; MarketNorms 2,231 /3,995,139 ; Portals 1,193/1,301,451
Ads on Content Sites Have Significant Impact on Younger and Affluent Audiences

• 18-34 year olds are more responsive to ads on content sites
  – 33% more likely to form favorable opinions about advertised brands than ads on portals
  – 50% more likely to make the purchase than ads seen on portals

• Affluent audiences are more receptive to ads on content sites
  – 55% more likely to get the brand’s message, 33% more likely to have a favorable opinion and 24% more likely to purchase
  – Sponsorships on content sites are a particularly effective way for getting through to up-scale consumers
18-34 Year Olds Brand Favorability and Purchase Intent Metrics Numerically Higher for Products Advertised on Content Sites

Ad Effectiveness Deltas, Males & Females 18-34

- **OPA**
- **MarketNorms**
- **Portals**

### Brand Favorability
- Ages 18-34
- Averages: OPA 2.4, MarketNorms 2.2, Portals 2.2

### Brand Favorability
- Females
- Averages: OPA 2.6, MarketNorms 2.3, Portals 2.5

### Brand Favorability
- Males
- Averages: OPA 2.3, MarketNorms 2.3, Portals 2.5

### Purchase Intent
- Ages 18-34
- Averages: OPA 1.8, MarketNorms 1.8, Portals 1.8

### Purchase Intent
- Females
- Averages: OPA 1.8, MarketNorms 1.8, Portals 1.8

### Purchase Intent
- Males
- Averages: OPA 2.2, MarketNorms 1.5, Portals 0.9

**Source:** Dynamic Logic's MarketNorms campaigns from the last 3 years through Q4 2007, OPA through Q1 2008

OPA averages are significantly (at 90% level) different than MarketNorms and Portals for all groups except Purchase Intent MN 18-34, Portals 18-34 Males and Brand Favorability MN 18-34 Males

**Note:** OPA N=1,185 campaigns, n=883,688 respondents; MarketNorms 2,231 /3,995,139 ; Portals 1,193/1,301,451

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Ads on Branded Content Sites Significantly More Likely to Increase Message Association and Purchase Intent for Affluent Audiences

Ad Effectiveness Deltas for $75K+

<table>
<thead>
<tr>
<th>Metric</th>
<th>OPA</th>
<th>MarketNorms</th>
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</thead>
<tbody>
<tr>
<td>Aided Brand Awareness</td>
<td>3.2</td>
<td>2.5</td>
</tr>
<tr>
<td>Online Ad Awareness</td>
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<td>6.1</td>
</tr>
<tr>
<td>Message Association</td>
<td>4.8</td>
<td>3.1</td>
</tr>
<tr>
<td>Brand Favorability</td>
<td>2.4</td>
<td>1.8</td>
</tr>
<tr>
<td>Purchase Intent</td>
<td>2.1</td>
<td>1.7</td>
</tr>
</tbody>
</table>

OPA averages are significantly (at 90% level) different than MarketNorms for all metrics except Awareness and Brand Favorability.

Source: Dynamic Logic’s MarketNorms campaigns from the last 3 years through Q4 2007, OPA through Q1 2008
OPA 75k+ N=585 campaigns, n=215,555 respondents; MarketNorms 75k+ 1,515 /824,909

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Sponsorships on Branded Content Sites have Greater Impact Among Affluent Audiences than MarketNorms and Portals

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>Average Delta</th>
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</thead>
<tbody>
<tr>
<td>OPA</td>
<td>11.3</td>
</tr>
<tr>
<td>MarketNorms</td>
<td>6.7</td>
</tr>
<tr>
<td>Portals</td>
<td>8.3</td>
</tr>
</tbody>
</table>

OPA averages are significantly (at 90% level) different than MarketNorms in the Sponsorship Metric.

Source: Dynamic Logic’s MarketNorms campaigns from the last 3 years through Q4 2007, OPA through Q1 2008.
OPA 75k+ N=585 campaigns, n=215,555 respondents; MarketNorms 75k+ 1,515/824,909, MarketNorms Portals 75k+ 546/208,391
Ad Effectiveness by Industry Type

• CPG, Financial Services, Technology, Telecom and Travel all benefit by advertising on content sites – this is especially true for the more difficult to move metrics such as brand favorability and purchase intent
  – For example, Telecom ads on content sites are more than twice as likely as the industry average to create positive feelings about advertised brands and drive audiences to purchase
Across Industries, Content Sites Have Numerically Greater “Close to Purchase” Metrics

### Ad Effectiveness Deltas by Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>OPA</th>
<th>MarketNorms</th>
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</thead>
<tbody>
<tr>
<td>CPG Brand Favorability</td>
<td>2.6</td>
<td>1.7</td>
</tr>
<tr>
<td>CPG Purchase Intent</td>
<td>2.4</td>
<td>1.9</td>
</tr>
<tr>
<td>Financial Services Brand Favorability</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Financial Services Purchase Intent</td>
<td>-0.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Telecom Brand Favorability</td>
<td>2.3</td>
<td>0.7</td>
</tr>
<tr>
<td>Telecom Purchase Intent</td>
<td>2.2</td>
<td>-0.1</td>
</tr>
<tr>
<td>Travel Brand Favorability</td>
<td>2.4</td>
<td>2.1</td>
</tr>
<tr>
<td>Travel Purchase Intent</td>
<td>2.4</td>
<td>1.6</td>
</tr>
</tbody>
</table>

**Average Delta**

- OPA averages are significantly (at 90% level) different than MarketNorms for all metrics except CPG Brand Favorability, Financial Svcs Purchase Intent and Travel Brand Favorability.

Source: Dynamic Logic’s MarketNorms campaigns from the last 3 years through Q4 2007; OPA through Q1 2008.
Ad Effectiveness Beyond the Banner

• Video ads on content sites have greater impact
  – For example, brand awareness and favorability are about 40%+ greater on content sites than MarketNorms averages

• Rich media ads are more effective at engaging content site visitors
  – making content sites a better platform for newer ad technologies
  – Rich media ads are 25% more likely to be seen when placed on content sites than when run on ad networks
  – Visitors are about 66% more likely to remember advertised messages on content sites than ad networks, and more than twice as likely to develop favorable brand opinions

• Consumers are more involved with interactive ads on content sites
  – Message association is almost 70% greater than interactive ads placed with ad networks
Video Ads Placed on Content Sites Significantly Raise Brand Awareness and Favorability

Video Ad Effectiveness Deltas

- **Aided Brand Awareness:**
  - OPA: 6.9
  - MarketNorms: 3.8
  - Delta: +82%

- **Online Ad Awareness:**
  - OPA: 15.4
  - MarketNorms: 11.1
  - Delta: +39%

- **Message Association:**
  - OPA: 7.6
  - MarketNorms: 4.9
  - Delta: +55%

- **Brand Favorability:**
  - OPA: 3
  - MarketNorms: 1.8
  - Delta: +67%

- **Purchase Intent:**
  - OPA: 2.6
  - MarketNorms: 1.8
  - Delta: +44%

OPA averages are significantly (at 90% level) different than MarketNorms in all metrics except Purchase Intent.

Source: Dynamic Logic's MarketNorms campaigns from the last 3 years through Q4 2007; OPA through Q1 2008. OPA Video N=32 campaigns, n=19,979 respondents; MarketNorms Video 157/205,677
Rich Media Ads Generally Perform Better on Branded Content Sites

<table>
<thead>
<tr>
<th>Rich Media Ad Effectiveness Deltas by Site Category</th>
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<tr>
<td></td>
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<tr>
<td>-----------------------------------------</td>
</tr>
<tr>
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<td>Ad Networks</td>
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*Rich media includes a variety of newer technology formats, including: Unicast Superstitials, dHTML (Eyeblaster, MSN’s NGAP, Shoskhalees, Eyewonder, Klipmart), Enhanced Flash (PointRoll), among others.*

OPA averages are significantly (at a 90% level) different than MarketNorms, Portals and Ad Networks for all metrics except Message Association across board, Brand Favorability vs. Ad Networks, and Aided Brand Awareness vs. Portals.

Source: Dynamic Logic’s MarketNorms campaigns from the last 3 years through Q4 2007; OPA through Q1 2008
Content Site Visitors are More Involved with Interactive Ads, and More Likely to Make the Purchase

<table>
<thead>
<tr>
<th>Interactive Ad Effectiveness Deltas by Site Category</th>
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<th>Online Ad Awareness</th>
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</thead>
<tbody>
<tr>
<td>OPA</td>
<td>2.9</td>
<td>7.0</td>
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<td>1.9</td>
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<tr>
<td>MarketNorms</td>
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<td>6.0</td>
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<td>1.1</td>
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</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.

OPA averages are significantly (at a 90% level) different than those of the MarketNorms, Portals and Ad Networks for all metrics except Message Association and Brand Favorability vs. Portals.

Source: Dynamic Logic’s MarketNorms campaigns from the last 3 years through Q4 2007 ; OPA through Q1 2008
**Large Ads on Content Sites More than Double Brand Favorability and Purchase Intent Over Industry Norms and Almost Twice as Effective as on Portals**

**Full & Half Page Ad Effectiveness Deltas**

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OPA averages are significantly (at 90% level) different than MarketNorms and MarketNorms Portals in all metrics

Source: Dynamic Logic’s MarketNorms campaigns from the last 3 years through Q4 2007; OPA through Q1 2008

OPA N=61 campaigns, n=31,604 respondents; MarketNorms 151/189,624; Portals 50/46,247

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Executive Summary

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

• OPA sites outscored MarketNorms 41 out of 43 times across metrics measuring overall ad effectiveness and by demo, industry and ad format

• Content sites are particularly effective at improving brand favorability and purchase intent – typically the most difficult metrics to impact

• Content sites do a better job of integrating advertising into professional video and rich media

• Sponsorships on content sites achieve greater lift than sponsorships on portals
For More Information

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