

## Numbers, Please: Digital Game Changers: How Social Media Will Help Usher in the Era of Mobile and Multi-Platform Campaign-Effectiveness Measurement

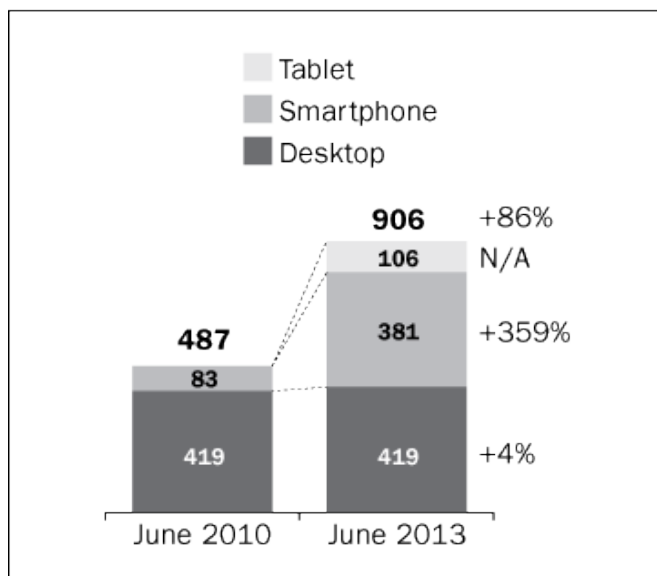
Gian Fulgoni and Andrew Lipsman

comScore, Inc.

### INTRODUCTION

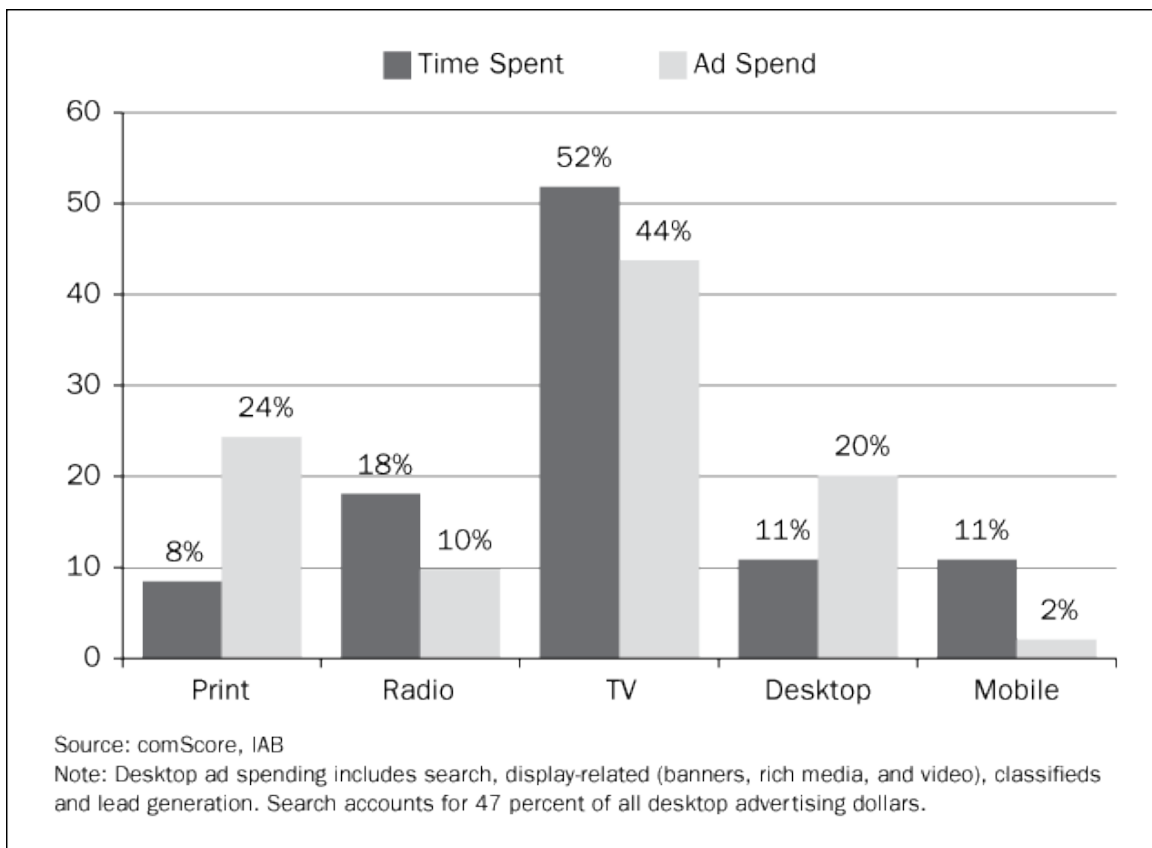
#### *Addressing the Mobile Monetization Gap*

The advertising-based digital-media economy took the better part of two decades to develop, but the realities of an exceptionally rapid shift from desktop to mobile platforms is creating the most disruptive event in the industry's history. Marketers are having to contend with a platform that has significant size limitations, while publishers are faced with the possibility of trading dollars for dimes as consumers move from the digital "big screen" to the "small screen." Consider that more than half of all digital time spent online already occurs using smartphones and tablets (See Figure 1)—a stark change from just three years ago, when tablets were being introduced to the market and smartphone activity was still considered a rounding error in the grand scheme of digital engagement.



**Figure 1** Total U.S. Internet Usage in Minutes (Billions) by Platform

Although the shift in digital usage from desktop to mobile has been rapid, a realignment in advertising spending continues to lag considerably. A comparison of share of mobile advertising dollars and share of media time spent by consumers on mobile devices reveals a sizeable gap. That difference must decrease or the variance will present a risk to the existing revenue streams of many established digital-advertising businesses (See Figure 2).



**Figure 2** Percentage of Consumer Time Spent vs. Advertising Spend by Medium

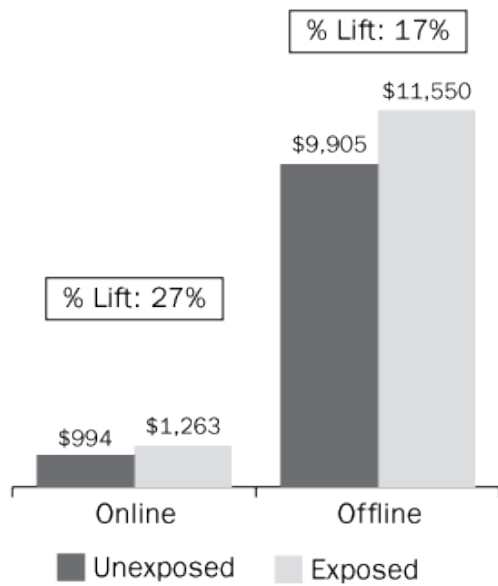
History has shown that advertising investments always lag the shifts in consumer behavior, largely because advertisers want proof of a new medium's effectiveness before they are willing to make major changes in their marketing mix. Attracting advertising dollars to an emerging medium is not simple; witness the shift in dollars as media consumption moved from print to digital. By revisiting what ultimately helped unlock these advertising dollars during that shift, however, we can begin to predict what may help accelerate the monetization of mobile advertising.

#### *How Effectiveness Measurement Helps Unlock Advertising Dollars*

Before marketers had either the specific option of Google or the larger medium of search, early monetization of the Web basically consisted of collecting pennies for banner advertisements. When search began to generate click-through rates and conversions that demonstrated a return on digital marketing investments, however, advertising dollars began to shift to the Web—at least for businesses that sold their goods and services online. For industries such as consumer packaged goods (CPG), however, whose e-commerce business still remained slight, advertising budgets largely remained committed to such traditional media channels as print and television.

It was not until around 2008 that industries that did business mainly through offline sales channels began to consider online as a branding advertising medium that could both build long-term brand equity and drive offline sales (Fulgoni and Mörn, 2009). And with that shift came the realization that online advertising was much more than just a direct-response medium and that it could lift both online and offline sales—even in the face of click rates on advertisements in a campaign that averaged only 0.1 percent (See Figure 3).

**Despite click rates of only 0.1%, display ads can successfully lift retailer sales—both online and offline**



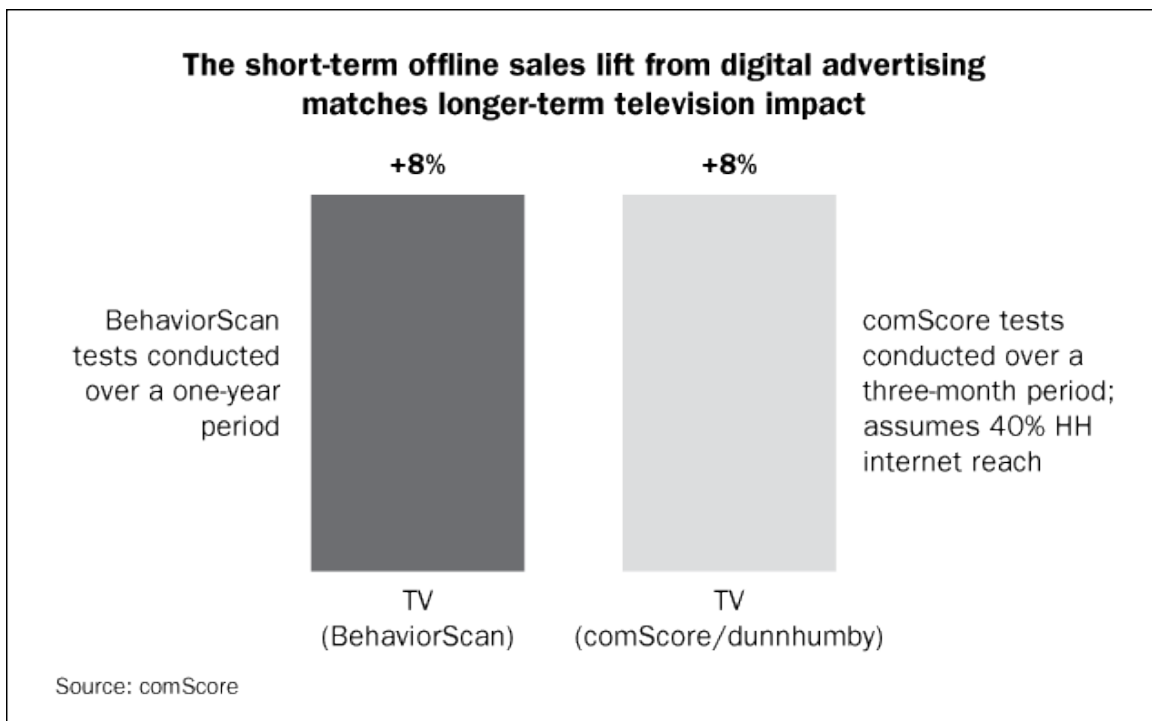
Source: comScore

**Conclusions**

- Exposure to display ads doesn't just impact online sales – it lifts in-store sales as well
- The absolute dollar lift in offline sales is 5x higher than the lift in e-commerce sales
- The click is misleading as a measure of campaign effectiveness

**Figure 3** Dollar Sales Lift among Households Exposed to Online Advertising

Further research showed that the in-store sales lift from digital advertising in a three-month period was equal to that obtained from television advertising over a 1-year period, providing additional justification for the movement of advertising dollars to digital (See Figure 4).



**Figure 4 Offline Sales Impact of Advertising for CPG Brands: Television vs. Digital**

The faster response to digital advertisements can likely be attributed to the more precise targeting inherently possible online, which results in a higher number of advertising impressions being delivered to the target audience in a given period of time.

With clear ways of tying online advertising exposure to offline sales impact, retailers, CPG brand manufacturers, and other advertisers became digital converts. Advertising dollars began to flow to online, with display-related advertising spending in the United States as measured by the Interactive Advertising Bureau increasing by a cumulative 58 percent from 2008 through 2012. Today, digital advertising in all of its forms is larger individually than newspaper, magazine, and radio spending and equivalent to half of all television advertising spending.

The digital-media industry now finds itself at another point in time when consumer eyeballs have moved, but brand advertisers still need convincing—in the form of quantitative data—that they should begin to shift meaningful parts of their advertising budgets to mobile. As research proof of the effectiveness of mobile advertisements emerges in the future and demand increases, CPMs should rise, and we can expect to see mobile ad dollars come into greater alignment with mobile's share of engagement.

#### *The Social/Mobile Partnership*

Even as many publishers and media companies struggle to monetize mobile effectively, social media have been outliers in their ability to attract mobile advertising dollars in a meaningful way. Consider that the two leaders in the social-media space—Facebook and Twitter—attracted an astounding 49 percent and 71 percent of their Q3 2013 advertising revenue, respectively, from mobile platforms.

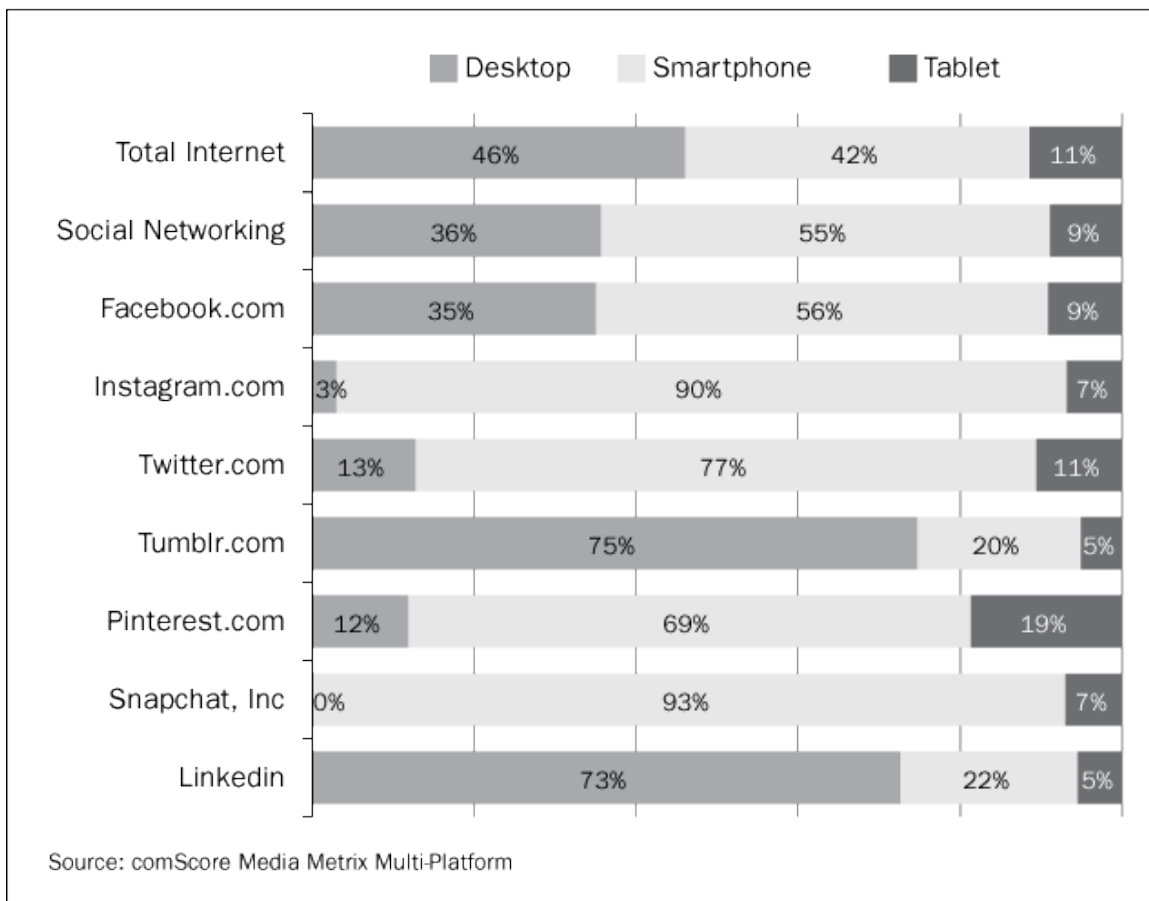
Ultimately, the leading social-media companies will facilitate a new era of marketing-effectiveness research in mobile. With advertising dollars already supporting their mobile businesses in a significant way—combined with native-advertising formats that scale across platforms and big data assets to enable granular measurement—social is primed to expedite a new era of mobile and multi-platform advertising-effectiveness measurement.

#### MARKET ENABLERS

There are three critical factors that will support the creation of a multi-platform effectiveness metric:

- Mobile-Platform Shift

The rapid shift to smartphones and tablets—already apparent to any publisher—is changing some sectors much more rapidly than others. Social media, especially, have outpaced the rest of the market in mobile engagement, with 64 percent of time spent in the category now occurring on these platforms, compared with desktop at 36 percent (See Figure 5).



**Figure 5** Percentage of Online Time Spent on Content Categories by Device Used

With mobile now accounting for the majority share of time spent by consumers in the digital ecosystem, leading social-media companies have every incentive to prove the value of their platform to further accelerate monetization.

- Native Advertising

One especially important element that the leading social networks seem to share is their use of native advertising formats (*e.g.*, Facebook’s “Sponsored Story” in News Feeds and Twitter’s “Promoted Tweet”). LinkedIn, Tumblr, and Pinterest also either have introduced their own native ad formats or appear poised to do so.

Why are native advertisements such a comfortable fit for social-media companies? Largely for three reasons:

- To sell native advertisements effectively, companies must be able to deliver them at sufficient scale, which each of these social-media companies is able to do.
  - The content experience for social networks tends to feature a News Feed, which enables the integration of native advertisements into a natural content flow.
  - This content orientation translates especially well to the mobile experience—particularly with the use of infinite scrolling—providing the opportunity for larger advertisements that consume more real estate on the screen than standard mobile-advertising units.
- Big-Data Enablement

The final (and most compelling) reason why mobile will hasten a new marketing metric is the way in which “big data” are revolutionizing effectiveness measurement. Much of the value of such abundant sources of information stems from researchers’ ability to synthesize data sets at scale and produce measurement samples that are many orders of magnitude larger than what was available previously.

In the case of measuring digital-advertising effectiveness, studies of in-store sales lift once required linking online measurement panels with offline sales databases (*e.g.* grocery store loyalty-card data) in an anonymized fashion. Such methods produced sufficient sample sizes to measure the sales lift across many (but not all) large brands, but some were limited in their ability to perform a more granular level of analysis.

New census-level measurement techniques—cookie matching, for example—are enhancing the use of a panel and can match advertising exposure to in-store sales data with sample sizes numbering in the millions rather than the hundreds. Both Facebook and Twitter have developed measurement partnerships with third-party data providers that, through anonymized cookie matches, enable a tight linkage between their users’ advertising exposure and offline buying data.

As a result, marketers have powerful quantitative data on brand return on investment (ROI), which, in turn, gives them the confidence to invest more in social marketing and advertising.

## A NEW VALUE PROPOSITION

With technological and market enablers coming into alignment, there remains a legitimate question as to how powerfully the measurement of multi-platform marketing effectiveness may change the practice of marketing research.

To understand its potential, we must explore the ways in which such metrics can introduce new value into the digital ecosystem. Fundamentally, effectiveness measurement:

- provides metrics that can deliver both top-line and bottom-line improvements and
- helps marketers optimize campaigns in a way that maximizes impact and/or in a way that helps reach the right audiences more efficiently.

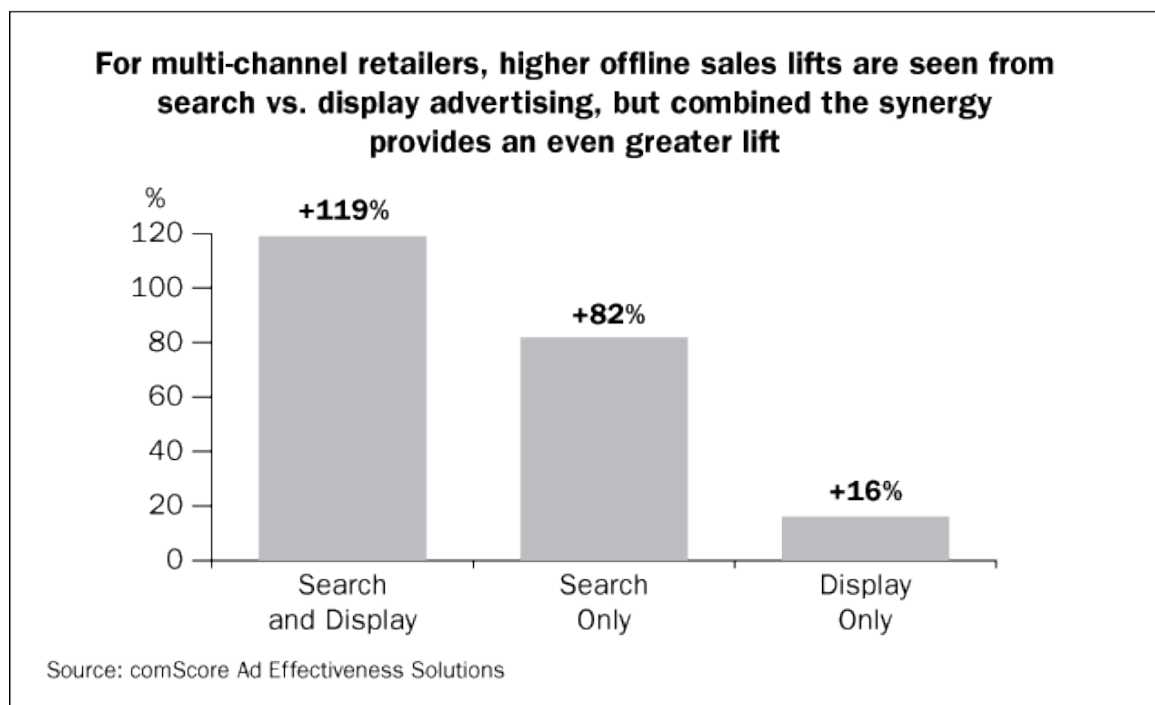
### *Quantifying Improvements in Multi-Platform Campaign Effectiveness*

Top-line campaign effectiveness perhaps is a more elusive proposition than efficient allocation of media spend. Advertising can be tweaked and messaging honed to ensure the greatest effect on consumers reached, but the market research industry has focused less frequently on how messaging effectiveness can be improved strictly through media allocation.

In a study of multi-touchpoint brand exposure, individuals who were not exposed to the brand advertising campaigns (control group) were compared to three demographically and behaviorally similar groups of individuals:

- exposed to only a branded search campaign,
- exposed to only a branded display campaign, and
- exposed to both the search and display campaign.

The results showed statistically significant sales lifts in sales across all three exposure groups, and—as expected—the group exposed to both search and display campaigns experienced the greatest lift. What was notable, however, was that the lift was significantly higher than would have been expected based on the lifts achieved by the search-only and display-only groups (See Figure 6).

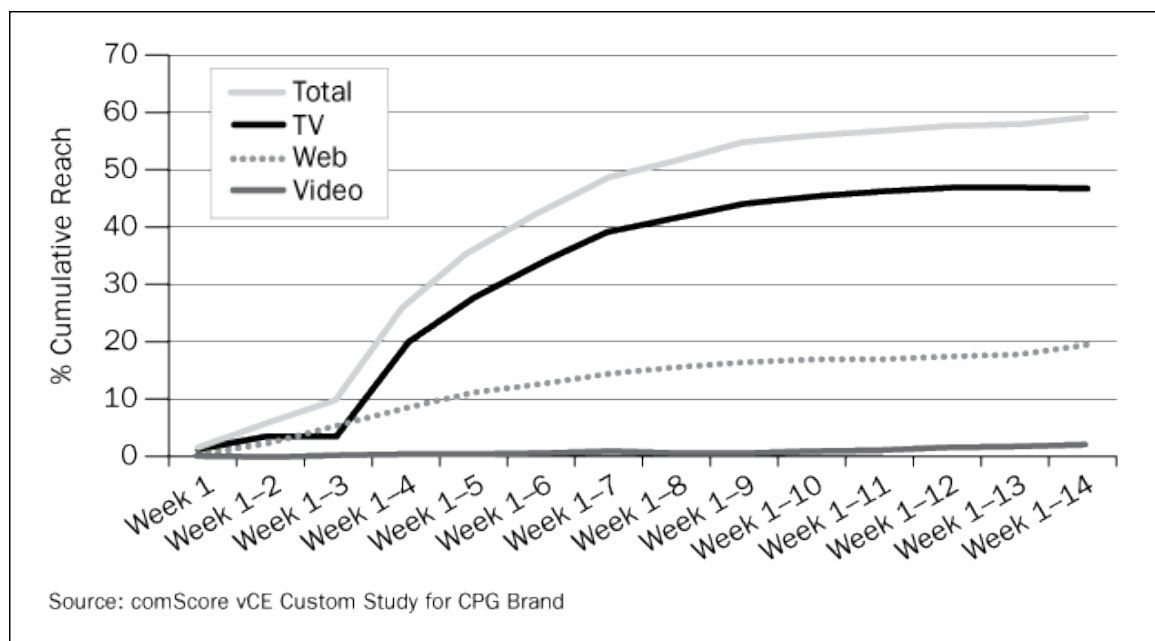


**Figure 6** Incremental Life in Retailers' Offline Sales  
per (000) Exposed

Why is the sales lift so pronounced with the exposure via multiple touchpoints? Perhaps exposure via one touchpoint “primes” the user to be more receptive to the exposure from the second touchpoint. In such cases, display advertising may create the brand equity that search converts into a sale. Perhaps consumers’ pattern recognition is superior when they observe a similar message in different contexts. Whatever the reasons, this effect is observable and measurable and can be very powerful to marketers hoping to deliver top-line performance improvements.

The other way multi-platform campaign effectiveness measurement can create new value is by driving efficiencies in audience targeting. For decades, most media have been bought and sold in silos—an understandable practice given that media platforms have their own unique characteristics. As all media become more digital, however—and the required multi-platform databases increasingly become available—marketers will shift their resources toward integrated media planning.

When media are planned in silos, the ability to optimize for key metrics (e.g., reach, frequency, and GRPs) is limited to what can be done within each individual platform. To increase reach within one platform when the campaign is achieving rapidly diminishing returns often translates into spending much more than is necessary. With an integrated view of campaigns and the appropriate multi-platform data, however, media planners can use osmosis between channels to ensure that dollars are being optimally allocated. This especially can be useful in planning against certain demographics (e.g., males ages 18–34) that are notoriously elusive on television but are among the heaviest online video and mobile media consumers (See Figure 7).



**Figure 7** Cumulative Audience Reach (%) for a Multi-Platform Campaign

In this example, the use of Web advertising—display and, to a lesser degree, online video—is able to increase cumulative reach substantially over what might be achieved by using television alone. In fact, without overlaying digital advertisements, this campaign's reach would top out at less than 50 percent of the population. With the digital overlay, the campaign boosted its cumulative audience reach by 12 percentage points.

#### Why Social Will Help Drive the Multi-Platform Effectiveness Market

Social networks not only have the required advertising scale, mobile orientation, and the big-data assets to engage in multi-platform advertising effectiveness measurement, they have the incentive and resources to prove the value of their digital-media platforms.

With most national brands focused on the need for scale in their advertising campaigns, television historically has been the primary media channel for branding advertising. In social media companies' quest for television advertising dollars, the framework for this discussion, therefore, has revolved mostly around television—whether in terms of how social-media platforms compare favorably with television reach or how they can be complementary to television.

On Facebook's Q2 2013 earnings call, COO Sheryl Sandberg said, "Every night, 88 million to 100 million people are actively using Facebook during prime-time television hours in the United States alone." Her statement was an attempt to demonstrate Facebook's value proposition to advertisers as a reach medium on par with television.

Twitter has also attempted to throw its hat into the ring with a Twitter-based TV rating metric. While reach and GRPs are fair and worthy means of demonstrating the value of these massive digital media channels, they are not waging the battle for media dollars on their home turf.

Multi-platform campaign effectiveness measurement stands to change that.

In the digital-marketing ecosystem, desktop, smartphone, and tablet advertising markets continue to compete on their own merits for an increasing larger share of the advertising dollar, but they ultimately are much more valuable as partners. Together, these platforms stack up much more favorably against television, both in terms of total time spent (now equivalent to 40 percent of the time spent watching television) and in their ability to deliver against national brands' reach, frequency, and GRP objectives.

What is holding back the ability to consider these platforms as a unified entity is that they tend to lack integration on the publisher side but, because the leading social networks sell native-advertising units that are consistent across platforms, they can streamline media planning and effectiveness measurement with the consolidated approach that is otherwise lacking around the industry.

But one branding advertising element that has been missing in most social networks' advertising offerings is video—which Facebook tried to address at the end of 2013 by testing auto-play video advertisements delivered in users' news feeds.

As digital-platform integration occurs, brands will gain confidence in their collective ability to deliver advertisements to the right audiences at the required scale. To accelerate the movement of dollars to digital, however, they also will want assurances that these advertisements are delivering improved ROI (or at least the same at lower cost) versus their current media allocations; hence, the need for multi-platform campaign effectiveness measurement.

As integrated digital campaigns prove their ability to achieve branding and sales lift on a consistent and repeatable basis across a variety of industry sectors, traditional media budgets will further shift.

These movements tend not to happen overnight, but with sound supporting research these changes do happen. Marketers shifted their allocation of advertising budgets when research proved online was effective in driving brand sales both online and in-store. As this next wave of research innovation occurs, the continued evolution of dollars toward mobile digital platforms is inevitable.

## CONCLUSION AND IMPLICATIONS

The multi-platform campaign effectiveness movement has a variety of far-reaching implications for the future of digital marketing. From the perspective of the measurement community, it swings open the door for highly granular analysis predicated on big-data assets that can improve campaign effectiveness by orders of magnitude. Measurement can help ensure that GRPs are optimally allocated not only across digital media platforms but against the right audiences, publishers, and even specific content to maximize performance.

Multi-platform campaign effectiveness also promises to accelerate agencies' move down the path of integrated campaign planning. Though much of the current agency media planning infrastructure maintains a somewhat siloed view of media, advertisers are likely to require more cross-media accountability as the metrics to effectively analyze and optimize in real-time become available and the shift of consumer time to multiple devices continues.

As advertisers and their agencies shift toward these emerging methods for multi-platform campaign optimization, we can also expect to see substantial changes in the structure of market mix models. They will:

- be retooled to better incorporate multi-platform data,
- be based on disaggregate consumer-level data, and
- deliver results much faster.

Multi-platform campaign effectiveness measurement is still in its nascent stages, but it is an impending tidal wave as the critical enablers come into place. It stands to significantly disrupt the existing cross-media measurement market, opening the door to the most granular and powerful measurement and analytics the media industry has ever seen.

With time, these advanced metrics will provide a substantially clearer assessment of digital marketing ROI and ensure that digital channels attract their fair share of media spend.

## Reference

Fulgoni, G., and M. P. Mörn. "Whither the Click? How Online Advertising Works." *Journal of Advertising Research* 49, 2 (2009): 134–142.

## About the authors

Gian Fulgoni is the co-founder and executive chairman of comScore, Inc. Previously, he was president/CEO of Information Resources, Inc. During a 40-year career at the c-level of corporate management, he has overseen the development of many innovative technological methods of measuring consumer behavior and advertising effectiveness. He is a regular contributor to the *Journal of Advertising Research*. Email: [gfulgoni@comscore.com](mailto:gfulgoni@comscore.com)

Andrew Lipsman is vice president/marketing and insights at comScore, Inc. covering multiple industries and overseeing the company's marketing communications, insights, and thought leadership initiatives. He began his career at The NPD Group, where he worked with clients such as Kraft Foods and Johnson & Johnson. Lipsman specializes in social media, e-commerce, online video, digital advertising, and multi-platform marketing. He is a previous contributor to the *Journal of Advertising Research*. Email: [alipsman@comscore.com](mailto:alipsman@comscore.com)

---

## © Copyright Advertising Research Foundation 2014

Advertising Research Foundation  
432 Park Avenue South, 6th Floor, New York, NY 10016  
Tel: +1 (212) 751-5656, Fax: +1 (212) 319-5265  
All rights reserved including database rights. This electronic file is for the personal use of authorised users based at the subscribing company's office location. It may not be reproduced, posted on intranets, extranets or the internet, e-mailed, archived or shared electronically either within the purchaser's organisation or externally without express written permission from Warc.

