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DoubleClick//Nielsen//NetRatings/IMS Cross-Media Reach and Frequency Planning Studies

American Airlines, Kraft and Subaru

Executive Summary

When brand marketers talk about advertising effectiveness, they express it in terms of audience reach (number of consumers exposed to an ad expressed in gross ratings points) and frequency (number of times a consumer is exposed to an ad). These metrics are derived for television and print from Nielsen panel-based ratings numbers. Media planners have had nearly 50 years of experience with traditional media data and have learned how achieving various ratings goals (GRPs) at various frequencies can translate into both brand awareness and sales. In the past ten years, the advent of the online medium has shifted consumer media usage patterns and demanded comparative and reliable online effectiveness metrics for marketers.

Online media can contribute gross reach (GRPs) to campaigns and is especially efficient at extending reach into audiences that rarely watch television.

As each ratings point translates into more than one million consumers, even slight shifts in reach can greatly impact the effectiveness of a media plan.

While online advertising has grown into a six billion dollar industry, its role in the media mix is not well understood due to a disconnect between the way online and traditional media planning and buying are conducted. Things have changed: panel-based reach data (similar to television ratings) is now available for the online medium. Using the latest media planning software tools from IMS and both online and offline reach data from Nielsen//NetRatings, DoubleClick's Cross-Media Reach and Frequency Planning Studies demonstrate that marketers can reach more consumers effectively in their target audience by redistributing their advertising spend across media.

Objectives/Methodology

DoubleClick commissioned Nielsen//NetRatings and IMS to develop these case studies using their WebRF tool. The goal of the study was to demonstrate the impact of media allocation shifts on targeted audience reach. VNU's Nielsen

family of companies is the largest producer of US media ratings for both off-line media (for television and print via Nielsen Media Research, Scarborough) and online media (Nielsen//NetRatings). IMS, another VNU company, is the leading

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software company that develops the tools with which advertising media planners access ratings data. DoubleClick provides online advertising campaign tools (ad serving, tracking and reporting) and has linked WebRF with its MediaVisor campaign planning and management solution.

The WebRF tool, which is in the developmental stages, creates a cross-media planning platform that extends traditional reach and frequency data into online advertising. Working with Kraft (Oscar Mayer Lunchables, Philadelphia Cream Cheese and Planter's Peanuts) and Temerlin McClain (the agency of record for Subaru and American Airlines), a team from DoubleClick, Nielsen//NetRatings and IMS examined 2002 campaigns from these brands. They created custom media-mix simulations for each and began to assess shifts in reach and frequency across media using the WebRF tool. For the purposes of this study, MRI media consumption data was appended to the Nielsen data. MRI, which provides qualitative (demographic and behavioral) audience measurement for print and television, has data that shows the relationship between demographics and media consumption behavior. The MRI data,

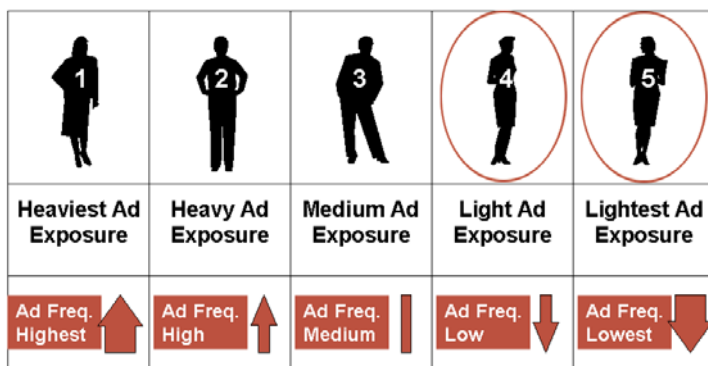
While online advertising has grown into a six billion dollar industry, its role in the media mix is not well understood due to a disconnect between the way online and traditional media planning and buying are conducted—WebRF can bridge the gap.

which is expressed in “quintiles” (five segments of media usage degrees), explained in more finite audience detail the media consumption patterns within GRPs achieved by these campaigns.

Key Findings

- The web, which is now used by 70% of the US population (Yankee Group, 2002), has become a reach medium. Online can contribute to gross reach (GRPs) for most campaigns, even those that predominantly use television. In some cases, shifting spending to online added three ratings points to an existing campaign, translating into more than three million additional consumers exposed to the campaign.
- With current media fragmentation, TRPs (targeted audience points) may be a better way to assess media. GRPs do not show the tendency for campaigns that primarily use television to overreach (achieve very high frequencies) those who watch television often, while under-reaching (achieving less than optimal frequency) those who rarely watch television. As more desirable consumers within a target audience—especially professionals, teens and working women—are spending less time watching TV and more time online, they cannot be efficiently reached through television alone.
- In every campaign studied, adding to the online portion of the media mix increased exposure to the portion of the target audience that watched less television.

For the campaigns studied, “heavy” TV viewers see the ads most often, while “light” viewers have low exposure



Online is especially good at increasing reach and frequency of consumers #4 and #5, who are “light” TV viewers.

**American Airlines Planning Study:
Extending Reach of the Business and
Leisure Traveler**

American Airline’s advertising campaign was targeted to business and leisure travelers, ages 25–54 with relatively high incomes (\$60K+). To reach this target, Temerlin McClain used primarily spot TV and cable augmented by newspapers and, in contrast to the other campaigns studied, devoted a relatively high percentage of the media mix to online (5%). By deconstructing the campaign target into online and offline viewers, it was determined that the online portion of the target (83%) was younger and more likely to be males with higher incomes than the 17% who had not accessed the Internet in the last 30 days. The online segment also tended to read magazines frequently and to view any form of television (daytime or primetime) very infrequently. Using this as a rationale for redirecting spend away from television and toward online media, a planning scenario was developed that increased the online spend from 5% to 15%, resulting in:

- A reach increase of 3.2 points (from 61.1% to 64.3% of the target audience)
- An insignificant frequency decline (from 6.8 to 6.6)
- A GRP increase from 416 to 425.

Breaking this information into audience quintiles by media usage (using the MRI data), the story gets even more dramatic:

- GRPs among heavy TV users (the least desirable portion of the target due to lower income and professional status) declined from 202.2 to 191.1
- GRPs among light-to-medium TV users (the more desirable, more difficult to reach portion of the target) increased from 34.9 to 44.1

- Frequency of exposure among light-to-medium TV users increased from 2.86 to 3.43, while it declined among heavy TV users from 16.57 to 14.73.

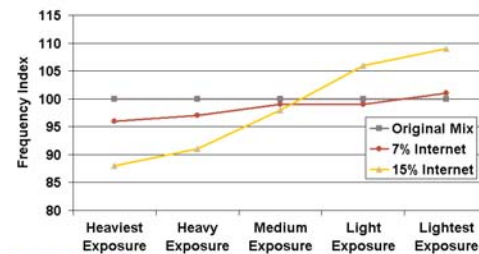
Adding to online increases reach and frequency for American Airlines

	Reach	Freq.	GRP
Original Schedule	61.0	6.8	416
7% Internet	63.0	6.8	426
15% Internet	64.2	6.6	425

AmericanAirlines®

Reach increased by more than 3 points, or more than 3 million consumers.

Adding online to the mix increases frequency among the lightest exposed in the campaign



AmericanAirlines®

Increasing online portion of media mix increases frequency of those with lightest campaign exposure, while decreasing frequency of those more heavily exposed.

Subaru: Extending Reach of Adults

Subaru’s advertising campaign was targeted to adults, ages 25–54 with incomes of \$60K+. To reach this audience, they used primarily cable television and some network television augmented by a wide variety of magazines, some for reach and some that appeal to adults with lifestyle interests demanding all-wheel drive vehicles. They had only one online placement on People Online. By deconstructing the campaign target into online and offline viewers, it was determined that the online portion of the target (70%) was younger,

more educated and was likely to have higher incomes than the 30% who had not accessed the Internet in the last 30 days. Just as with American Airlines, the online portion of the target watched less TV and read more magazines. Using this as a rationale for redirecting spend away from television toward online media, a planning scenario was developed that increased the online spend to 7%, resulting in:

- An increase of reach from 94.7% of the target audience to 95.3%
- A negligible decrease of frequency from 15.9 to 15.8
- No change in the Gross Ratings Points of 1507.

Breaking this information into audience quintiles by media usage (using the MRI data), the story gets more dramatic:

- GRPs among heavy TV users (the least desirable portion of the target due to lower income and professional status) declined from 675.2 to 654.0
- GRPs increased among light TV users (the more desirable, more difficult to reach portion of the target) from 75.4 to 78.4
- Frequency of exposure among light TV users increased from 3.98 to 4.11, while it declined among heavy TV users from 35.66 to 34.30.

Subaru's initial campaign achieved extremely high reach of its target, so shifting spend to online did not have the dramatic results seen by American Airlines. However, reach was increased overall and exposure improved among the portion of the audience that watched less television.

Oscar Mayer Lunchables and Philadelphia Cream Cheese: Extending Reach of Women and Moms

Oscar Mayer Lunchables aimed to convince moms in the United States ages 25–54 to choose this convenient product for their children's lunches. To accomplish this, 48% of the budget was devoted to national TV, including *Lifetime* and *Martha Stewart*. The rest of the budget (52%) was devoted to women's magazines and mass-reach magazines like *People*. By deconstructing the campaign target into online and offline viewers, it was determined that the online portion of the target (83%) was younger and more educated than the 17% who had not accessed the Internet in the last 30 days. The online portion of the target watched less TV and read more magazines. Using this as a rationale for redirecting spend away from television toward online media, a planning scenario was developed that increased the online spend to 15%, resulting in:

- An increase of reach from 83% of the target audience to 87%
- A decrease of frequency from 6.9 to 5.9
- A decrease in Gross Ratings Point from 571 to 511.

Breaking this information into audience quintiles by media usage (using the MRI data), the story gets more dramatic:

- GRPs among heavy TV users (the least desirable portion of the target due to their age and lower education) declined from 296 to 260
- GRPs increased among light TV users (the more desirable, more difficult to reach portion of the target) from 16 to 17
- Frequency of exposure among light TV users increased from .96 to 1.01,

while it declined among heavy TV users from 17.82 to 15.03.

A planning scenario for Kraft's Philadelphia Cream Cheese, which targeted women 25–54, did not produce such dramatic results. Online seems especially effective for campaigns with more specific demographic qualifiers, such as the presence of children in the household.

Planter's Peanuts: Extending Reach of 18–34 Year Olds

Planters sought to reach younger adults (18–34 year olds). Their campaign primarily used national TV with one-quarter of the budget devoted to men's interest magazines like *Rolling Stone* and *Sports Illustrated*. Three percent of their budget was devoted to high-reach men's sites like ESPN.com. By deconstructing the campaign target into online and offline viewers, it was determined that the online portion of the target (57%) was younger, more likely to have kids and more educated than the 43% who had not accessed the Internet in the last 30 days. Just as with American Airlines, the online portion of the target watched less TV and read more magazines. Using this as a rationale for redirecting spend away from television toward online media, a planning scenario was developed that increased the online spend from 3% to 15%, resulting in:

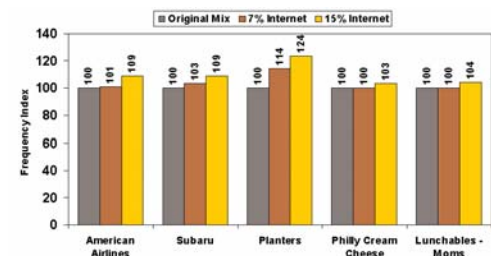
- An increase of reach from 92.0% of the target audience to 94.2%
- A negligible decrease of frequency from 10.4 to 9.8
- A decrease in Gross Ratings Point from 957 to 927.

Breaking this information into audience quintiles by media usage (using the MRI data), the story gets more dramatic:

- GRPs among heavy TV users (the least desirable portion of the target due to their age and lower education) declined from 433 to 393
- GRPs increased among light TV users (the more desirable, more difficult to reach portion of the target) from 38 to 48
- Frequency of exposure among light TV users increased from 2.1 to 2.6, while it declined among heavy TV users from 23.5 to 20.9.

While Planter's target was almost as broad as Philly's, shifting spending to online was more effective due to the age of the target. Increasing the online spend enabled them to reach over two million previously untouched, younger consumers along with increasing targeted reach and frequency to the portion of the audience that watched less TV.

Frequency of reaching lighter viewers increased for all campaigns



Conclusions

In an era of shifting media consumption, traditional media buys alone cannot efficiently reach key segments of a target audience. Even with television as the predominant medium in a campaign, advertisers can increase incremental reach by adding online to the media mix. This is especially true for brands like American Airlines and Subaru that target more educated, affluent consumers, brands like Planter's Peanuts that target younger

audiences, and Oscar Mayer Lunchables that target moms.

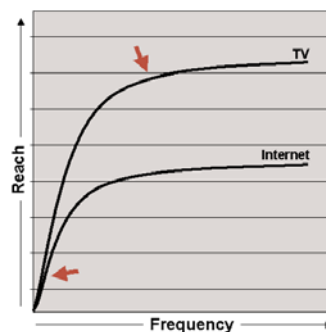
Online is less likely to improve reach of a very broad target, such as women ages 25–54 for marketers like Philadelphia Cream Cheese. If Kraft had been looking to reach women ages 25–54 working outside the home, a shift to online would have generated more dramatic results.

GRP analysis alone does not reveal overexposure or underexposure of target audience reach (TRPs). In every campaign studied, exposure to the portion of the target that typically watched less TV was increased by adding to the online portion of the media mix. As online usage continues to increase—and as online users continue to dramatically reduce their TV viewing time—marketers should look beyond GRPs and incorporate media usage quintile data in order to truly assess the effectiveness of their buys. (Television viewing among those who have been online six years or longer has declined from 16 hours per week to 10.2 hours, while even new online users decreased TV time from 16 hours per week to 13.2 hours [UCLA Internet Report, 2/03].)

Online is a medium that has great commonalities with print and should be included in a media plan for many of the same reasons: it offers vehicles that add mass reach (e.g., online portals are roughly the equivalent of a *People Magazine*) along with vehicles that add highly targeted audience composition and context related to the advertising (e.g., Cars.com is roughly the equivalent of *Road & Track* for reaching a target of male auto enthusiasts). In order to increase reach with online, a media schedule must include both high-reach (portal) sites and vertical (content) sites. Just as with print, vertical sites add a degree of context unmatched by broadcast media, but that cannot be accurately measured in this analysis.

Why online advertising increases reach and frequency of campaigns

- Reach/Frequency curves tell the story
- As more is spent on TV, high frequency of heavy TV viewers results, but reach doesn't grow
- Online can increase reach and frequency of lighter TV viewers



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