

“The Click Remains Irrelevant: ‘Natural Born Clickers’ Return”

Master Class Session

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Background

- Original **Natural Born Clickers** study found that clicking was a rare occurrence and that most clicks were accounted for by a small, unrepresentative portion of the total online population
- Concluded that optimizing a campaign to clicking behavior limits the potential influence of an advertiser's campaign on the total online audience



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Natural Born Clickers 2

Objectives

1. Validate the results of the original study and look for any shifts in clicking behavior since 2007
2. Examine how clicking behavior differs (or does not) within four key advertiser categories
3. Establish the value of online advertising via metrics other than the click



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Methodology

- comScore's proprietary technology passively tracks all digital activity
 - All actual creatives load into the browser and are categorized by industry and advertiser
 - All exposures and clicks are recorded
- Categorized each panelist as clicker or non-clicker based on behavior in March 2009
 - Further divided clickers into Heavy (4+ clicks), Moderate (2-3 clicks) and Light (1 click)

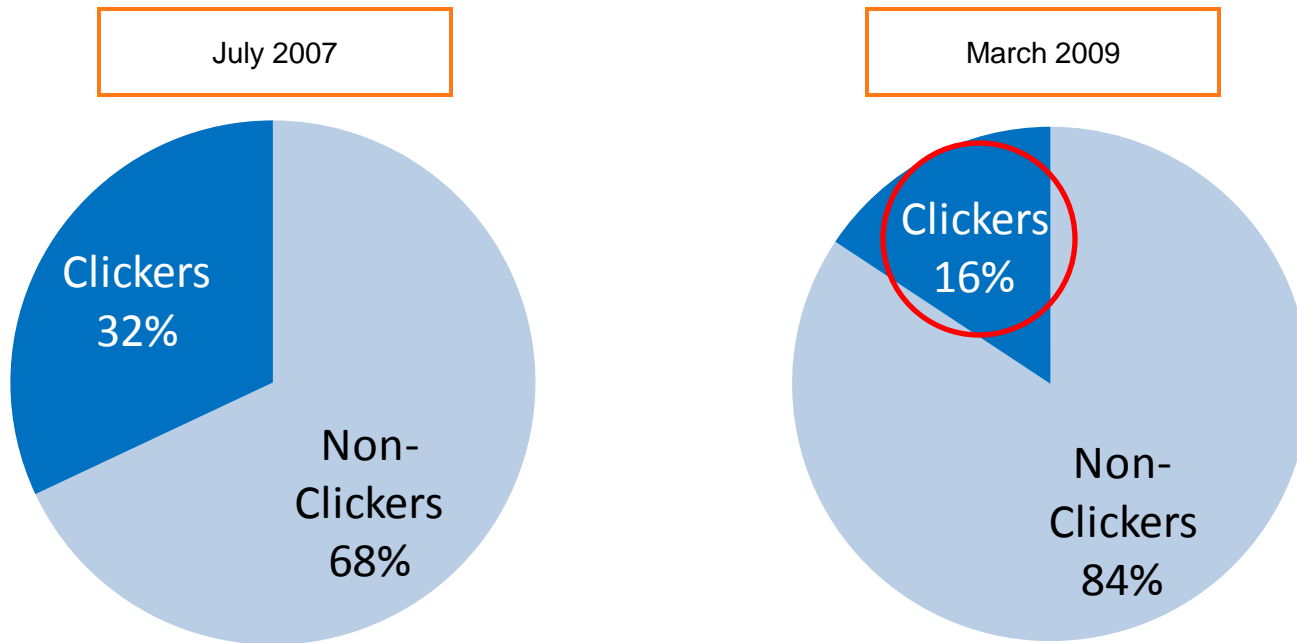


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Half as Many Clickers in 2009 vs. 2007

- Only 16% of internet users clicked on at least one display ad in March 2009



Source: comScore, Inc. custom analysis, Total US Online Population, persons, July 2007 and March 2009 data periods

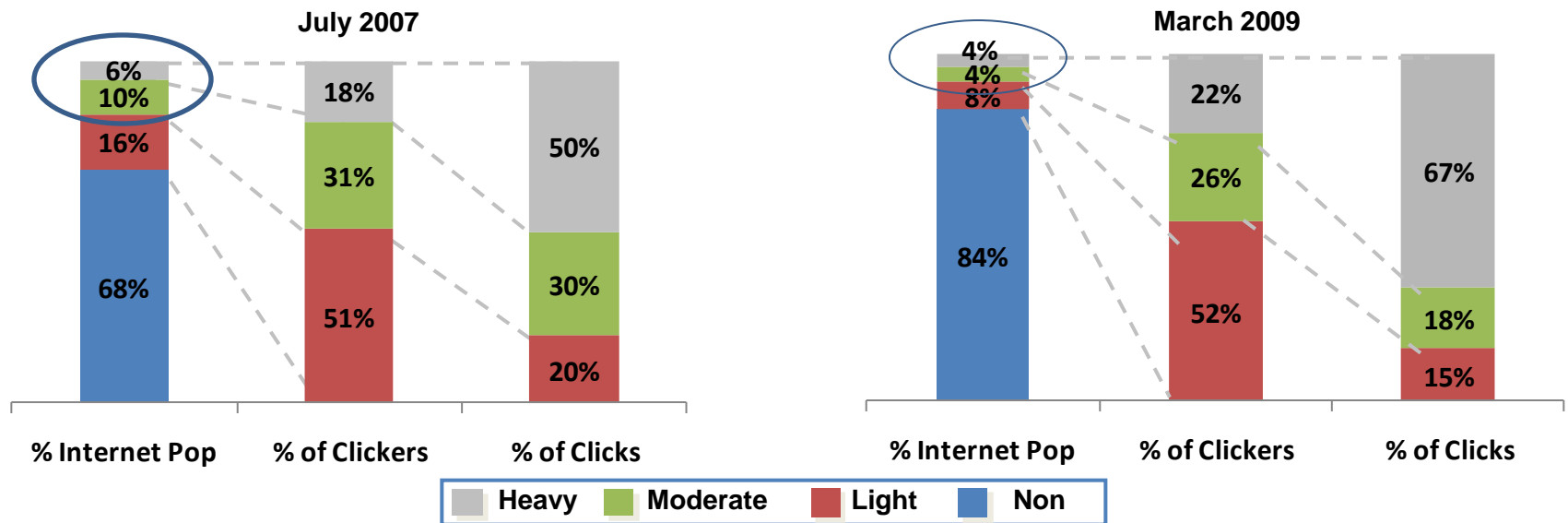


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Heavy Clickers Account for an Even Larger Proportion of Total Clicks in 2009

- Heavy and Moderate clickers are only 8% of the internet population but account for 85% of all clicks



Source: comScore, Inc. custom analysis, Total US Online Population, persons, July 2007 and March 2009 data periods

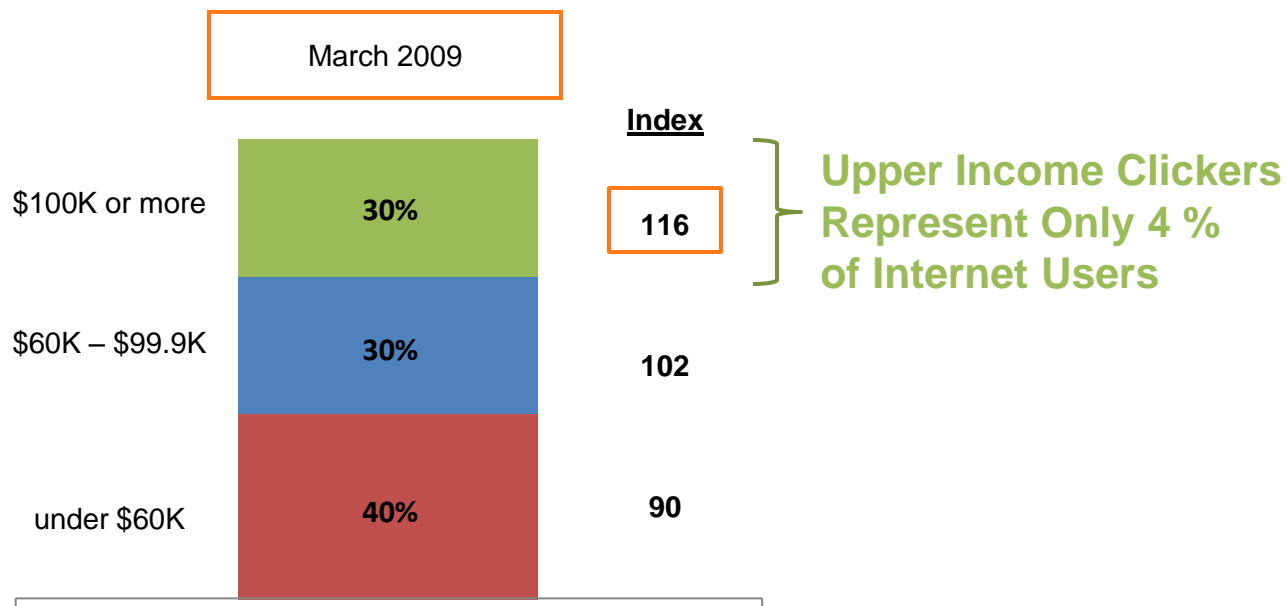


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With These Challenging Economic Times, There has been a Shift in Clicker Demographics

Percent of Clicks by Household Income Segment



Source: comScore, Inc. custom analysis, Clicks distributions by household income segment (persons), March 2009 data period. Indices are vs. Total US Internet Population.

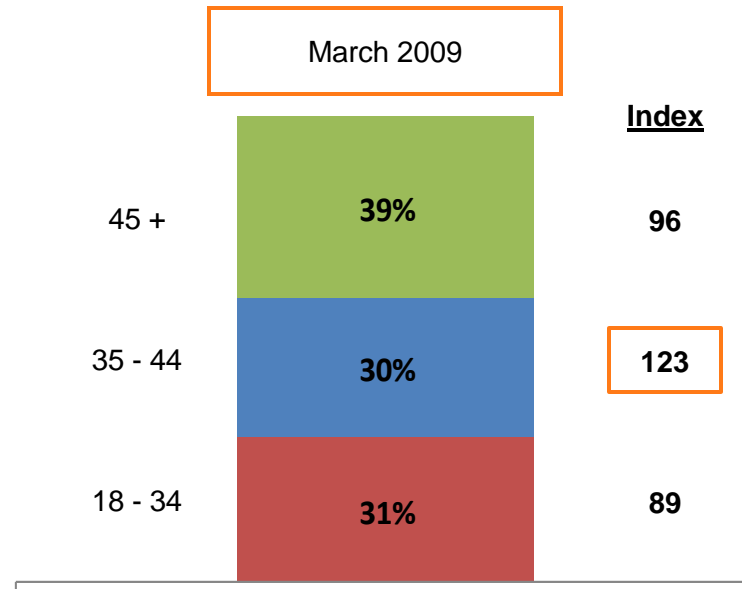


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Based on the Distribution of Clicks, There's a Skew Among Those 35-44 Years Old

Percent of Clicks by Age Segment



Source: comScore, Inc. custom analysis, Clicks distributions by age segment (persons), March 2009 data period. Indices are vs. Total US Internet Population.



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Clicking by Advertiser Category

- Examine how clickers and clicking behavior differ (or do not) within four key advertiser categories
 - 1) Consumer Packaged Goods (CPG)
 - 2) Insurance (Financial Information/Advice)
 - 3) Retail/Consumer Electronics
 - 4) Education/Information
- Categorized each panelist in terms of exposure to each advertiser category in March 2009
 - Exposed Clickers are panelists who were exposed to at least one display ad in the category and clicked at least one display ad in the category
 - Exposed Non-Clickers are panelists who were exposed to at least one display ad in the category
 - Non-Exposed are panelists not exposed to any display ads in the category

Custom CPG category made up of the top 20 CPG advertisers in March 2009

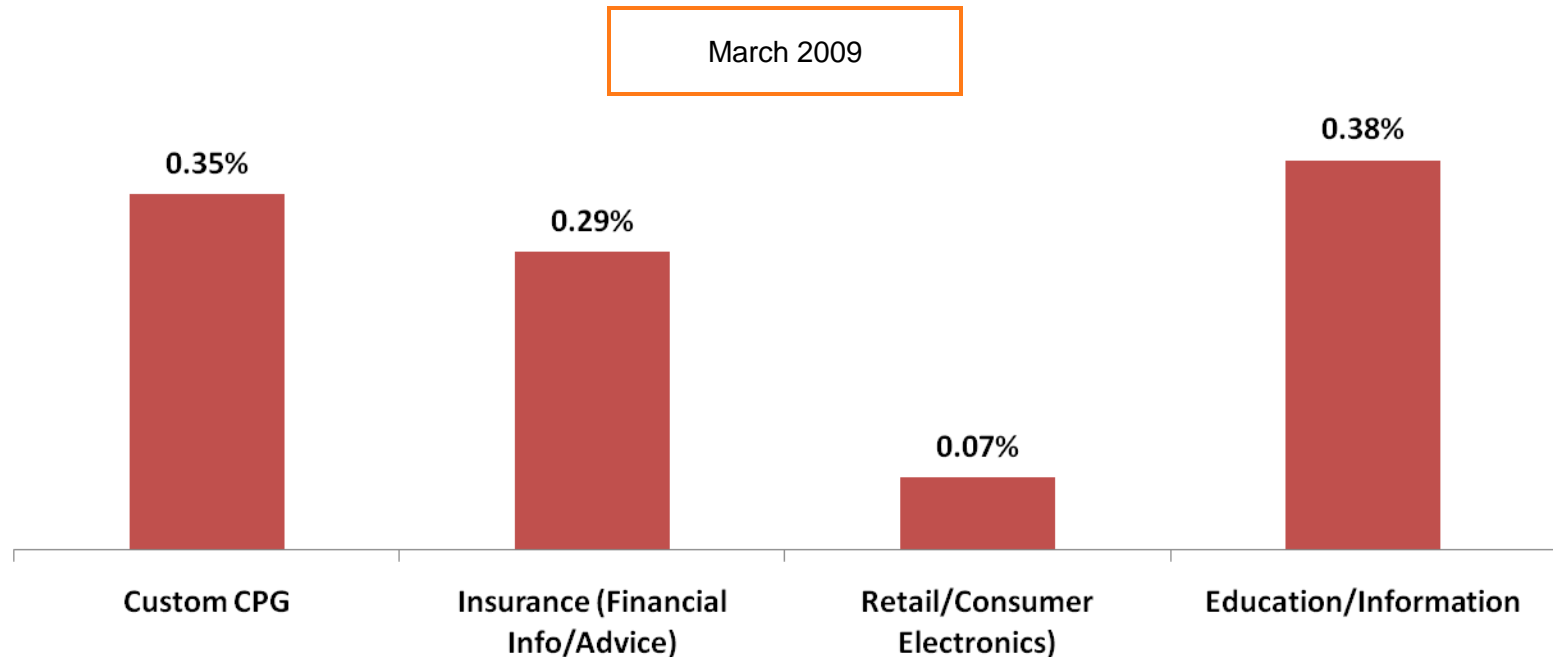


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Click Through Rates are Minimal in Each Category

Click Through Rates (CTR)
Percent of Exposed Who Clicked on Ad



Read as: Of those who were exposed to at least one CPG display ad in the (custom) CPG category in March 2009, 0.35% "clicked through".
Source: comScore, Inc. custom analysis, Total US Online Population, machines, March 2009 data period

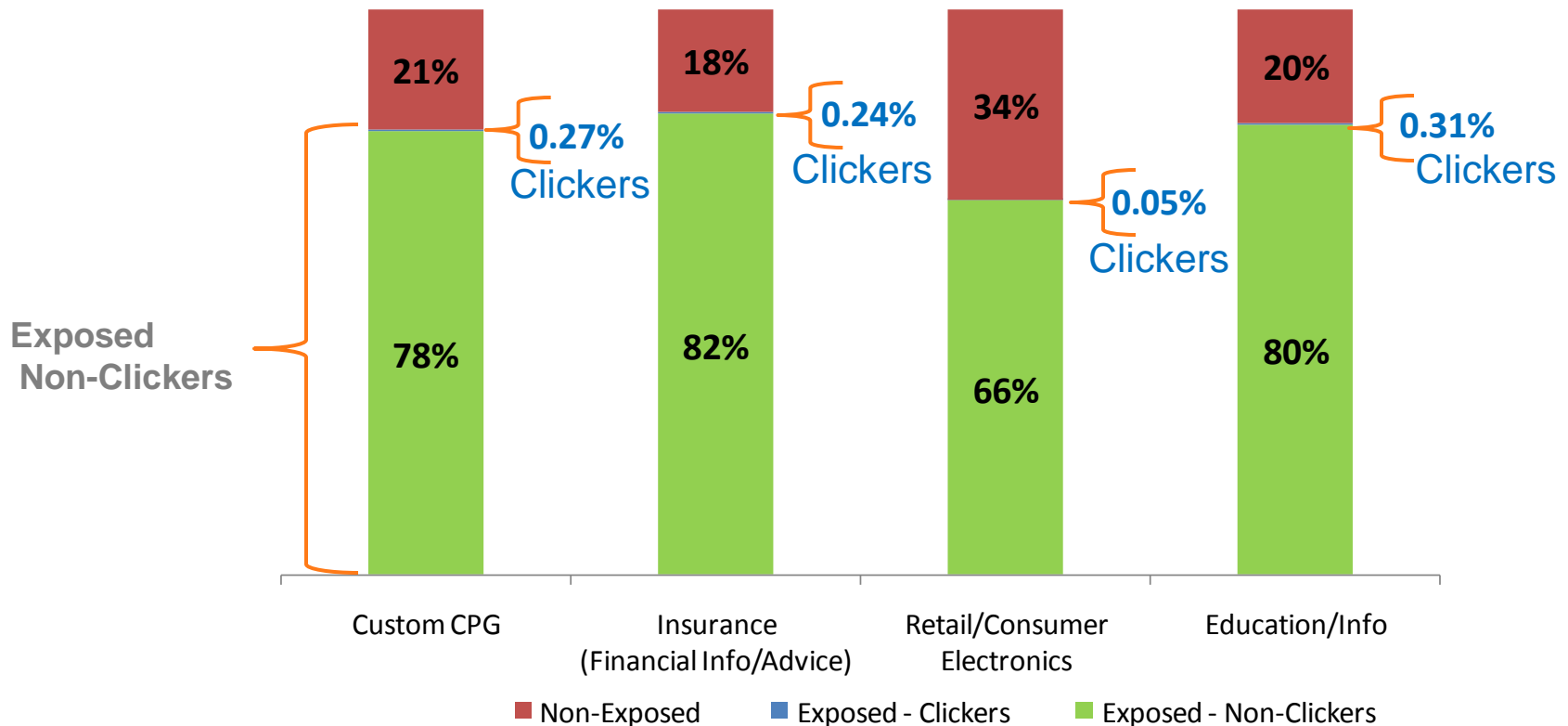


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Exposed Clickers are an Extremely Small Group for All Four Categories

% of Total US Online Population by Category – March 2009



Read as: 78% of the US online population in March '09 was exposed to at least one display ad in the (custom) CPG category, and did not click
Source: comScore, Inc. custom analysis, Total US Online Population, machines, March 2009 data period

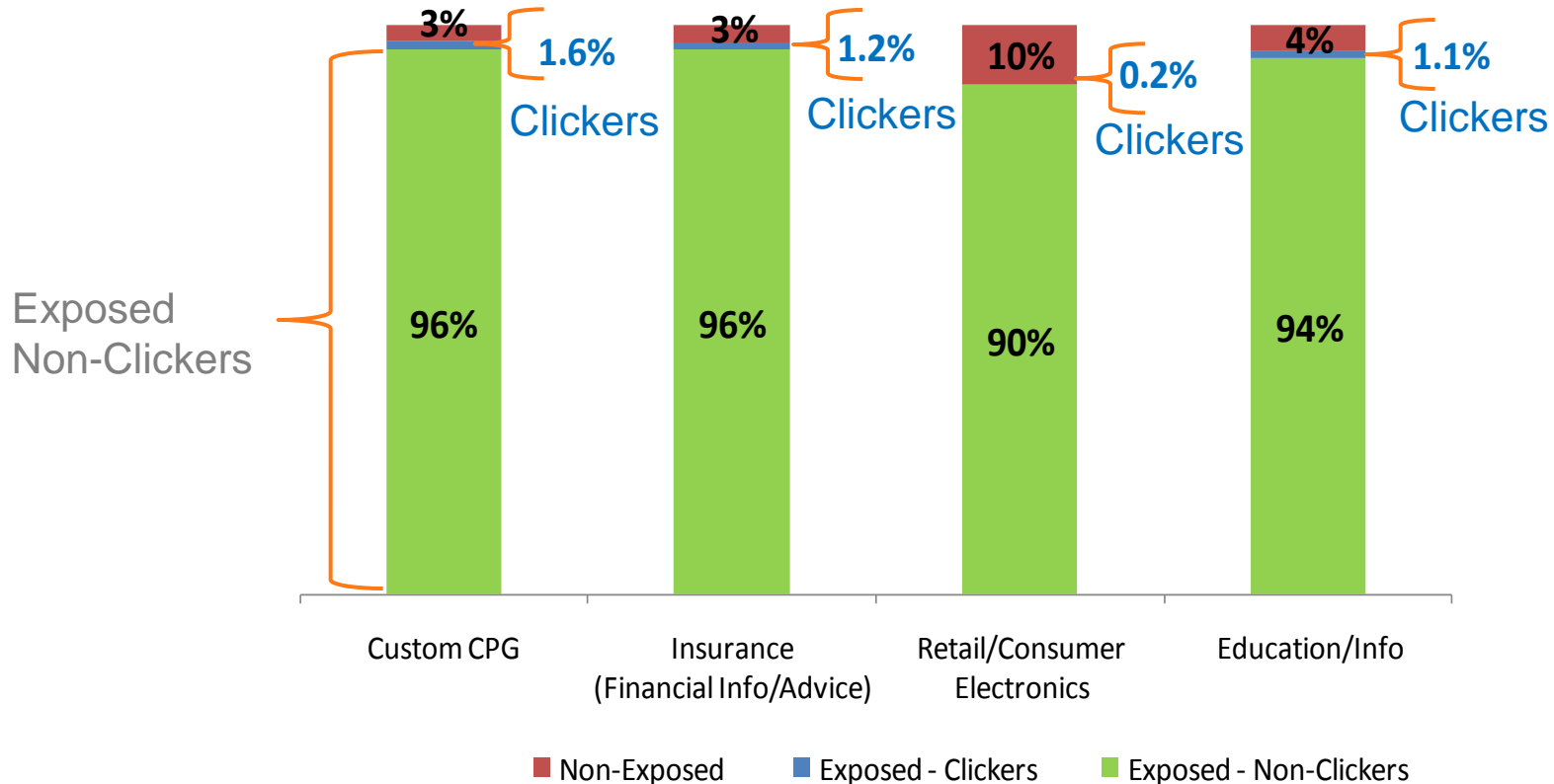


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Exposed Non-Clickers Account for the Vast Majority of Unique Visitors to Advertised Category Sites

% of Unique Visitors to Advertised Sites by Category – March 2009



Read as: In March '09, 96% of the Unique Visitors to the (custom) CPG category sites that had at least one display ad supporting them were Exposed Non-Clickers
 Source: comScore, Inc. custom analysis, Total US Online Population, machines, March 2009 data period

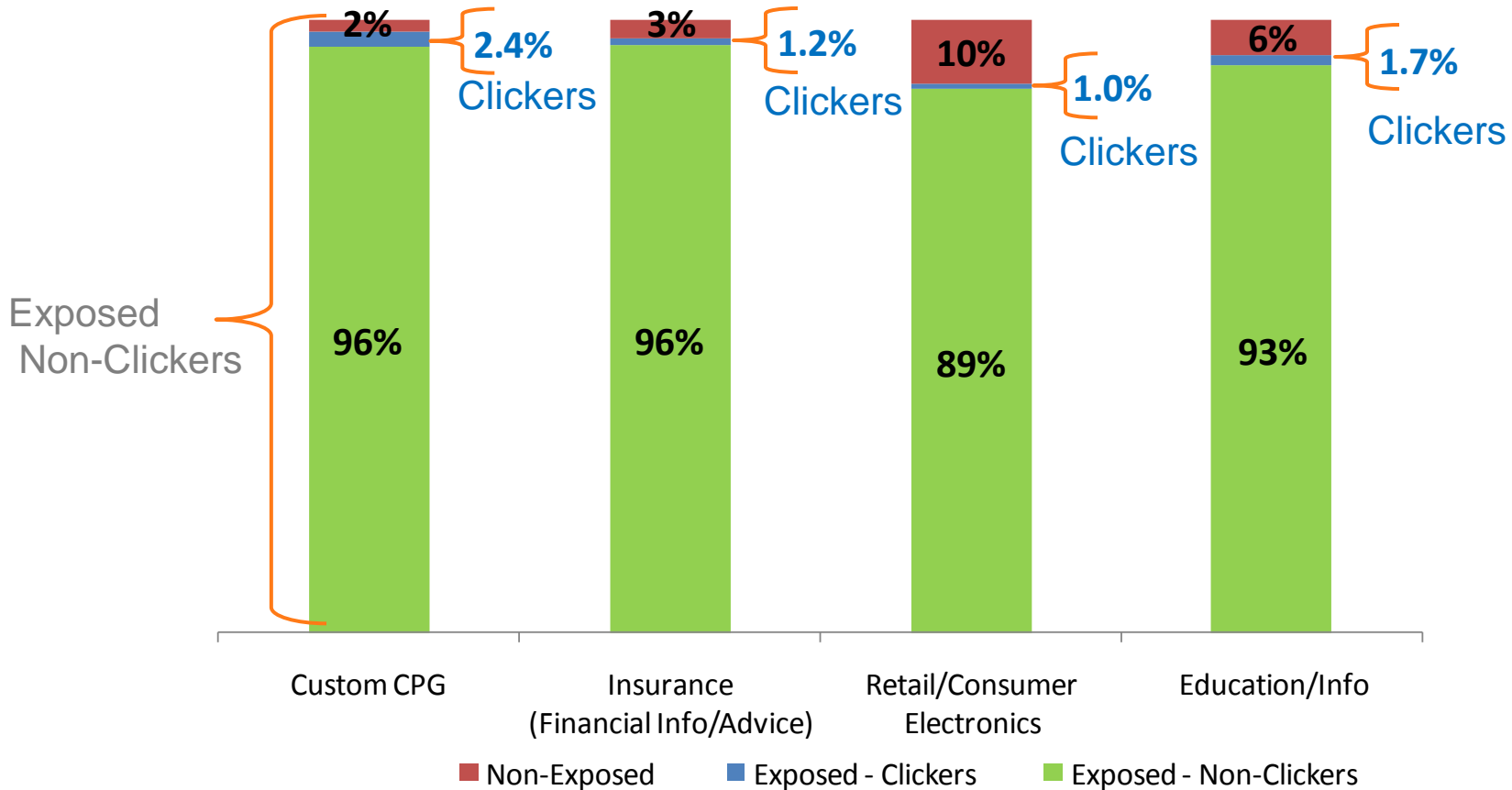


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Exposed Non-Clickers Also Account for the Majority of the Pages Viewed on Advertised Site Categories

% of Total Pages at Advertised Sites by Category – March 2009



Read as: In March '09, 96% of the page views for the (custom) CPG category sites that had at least one display ad supporting them were from Exposed Non-Clickers
 Source: comScore, Inc. custom analysis, Total US Online Population, machines, March 2009 data period

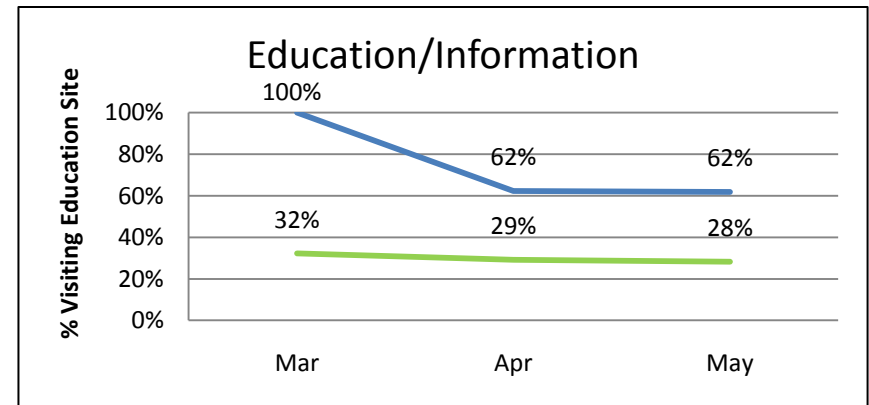
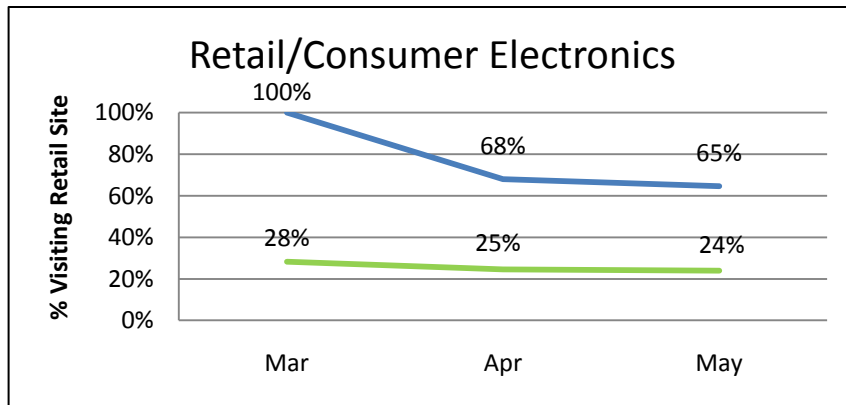
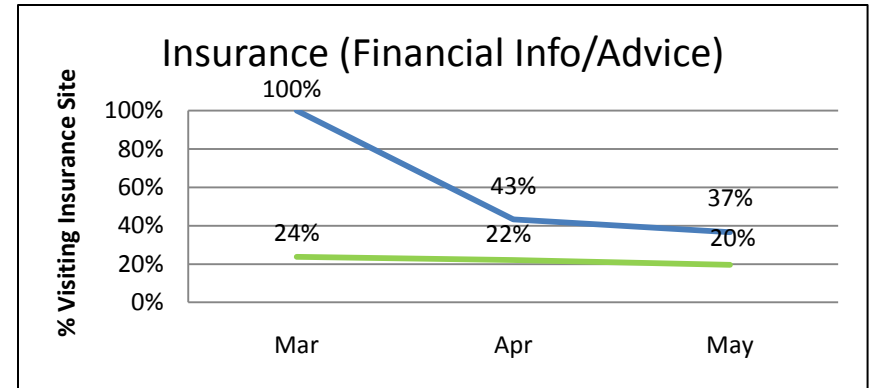
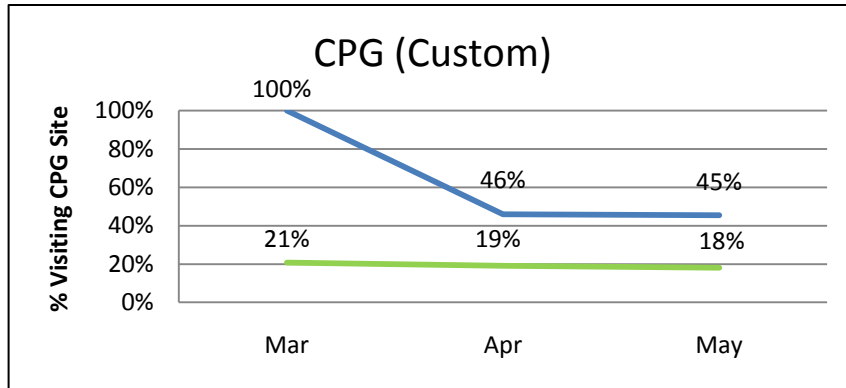


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Exposed Non-Clickers Are More Likely to Visit Category Sites in Subsequent Months than Exposed Clickers

% Visiting Category Advertisers' Sites In Exposure Month and 2 Months Following



Exposed - Clickers Exposed - Non-Clicker



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Summary

- Clickers are an increasingly rare group
 - Only 1/6th of internet users clicking on at least one display ad in March 2009
- Heavy clickers continue to account for a disproportionate amount of advertising clicks
 - 4% of internet users account for 67% of all display ad clicks
- Within 4 key advertiser categories we see consistently that clickers are a small group accounting for a minimal proportion of category site visitors and page views
 - Non-clickers show more consistent category interest than clickers



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Implications

- Focusing on the click ignores the 84% of internet users who never click and the 90+% of category site visitors who were exposed to ads but did not click
- Advertisers need to move away from this metric and start measuring the success of a campaign against its actual objectives (awareness, preference, sales, etc.)
 - Driving clicks is never the true purpose of a campaign



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How Online Advertising Works

The View-Through Impact of Display Advertising



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June 2009 Journal of Advertising Research: comScore's "Whither the Click?"

- Journal of Advertising Research
 - “What We Know About Advertising: 21 Watertight Laws for Intelligent Advertising Decisions”
 - The 21 most important pieces of advertising research
- comScore's "Whither the Click?"
 - 200+ comScore studies conducted to assess impact of paid search and online display ads on:
 - site visitation
 - trademark search
 - online and offline sales



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comScore's Analytical Design

- Real world analysis: comScore panelists divided into matched groups (exposed and non-exposed to advertising)
 - Search only
 - Display ads only
 - Search and display ads
 - Neither
- Passively measured behavior, no surveys involved:
 - Online activity through comScore behavioral panel
 - Linked to in-store buying through retailer loyalty cards and POS scanner data
- Analytical design compares behavioral changes in test and control groups from pre-campaign to campaign time periods

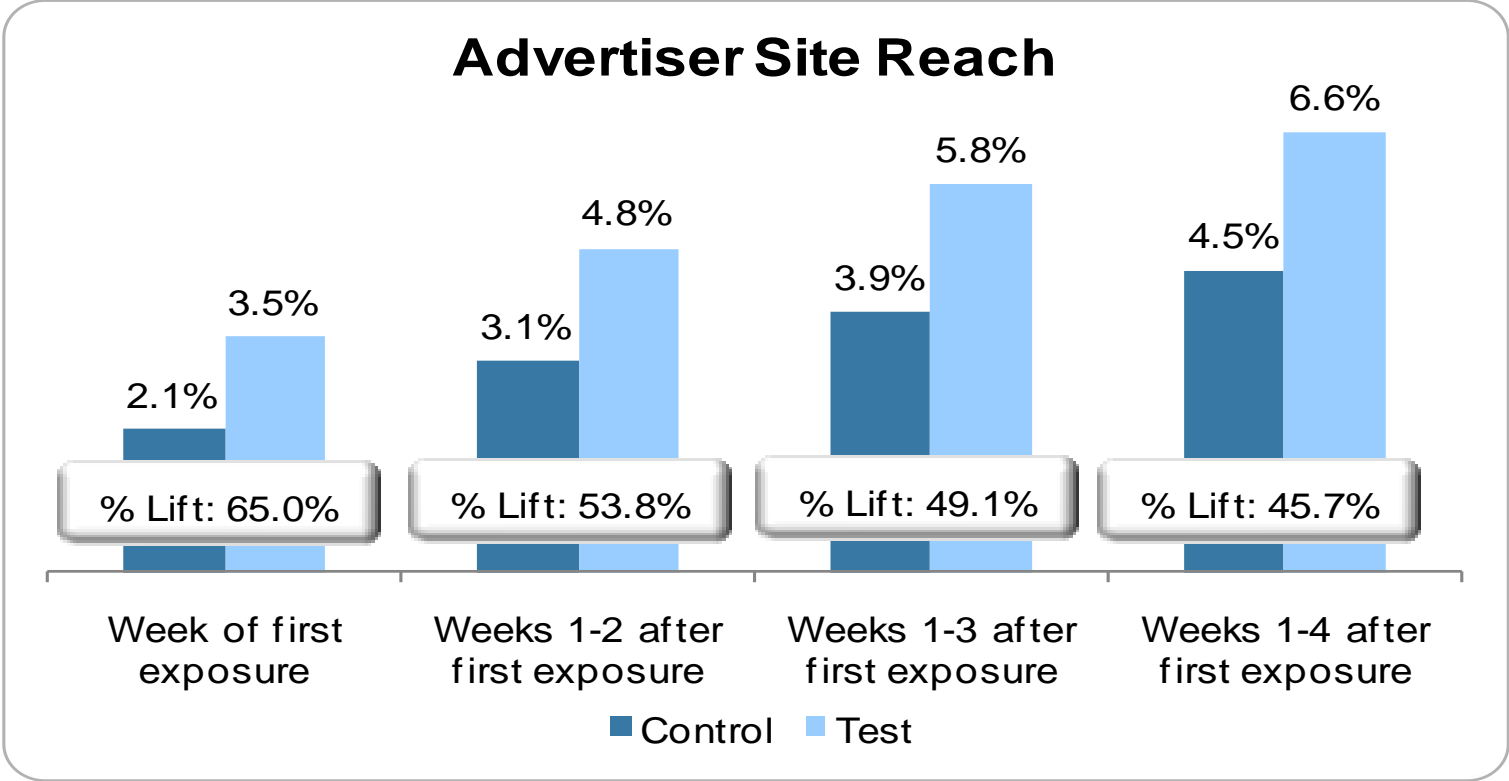


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The impact of display ads on site visitation: There is a significant impact within the 1st week, with a substantial lift being observed over the four weeks following initial ad exposureeven with minimal clicks

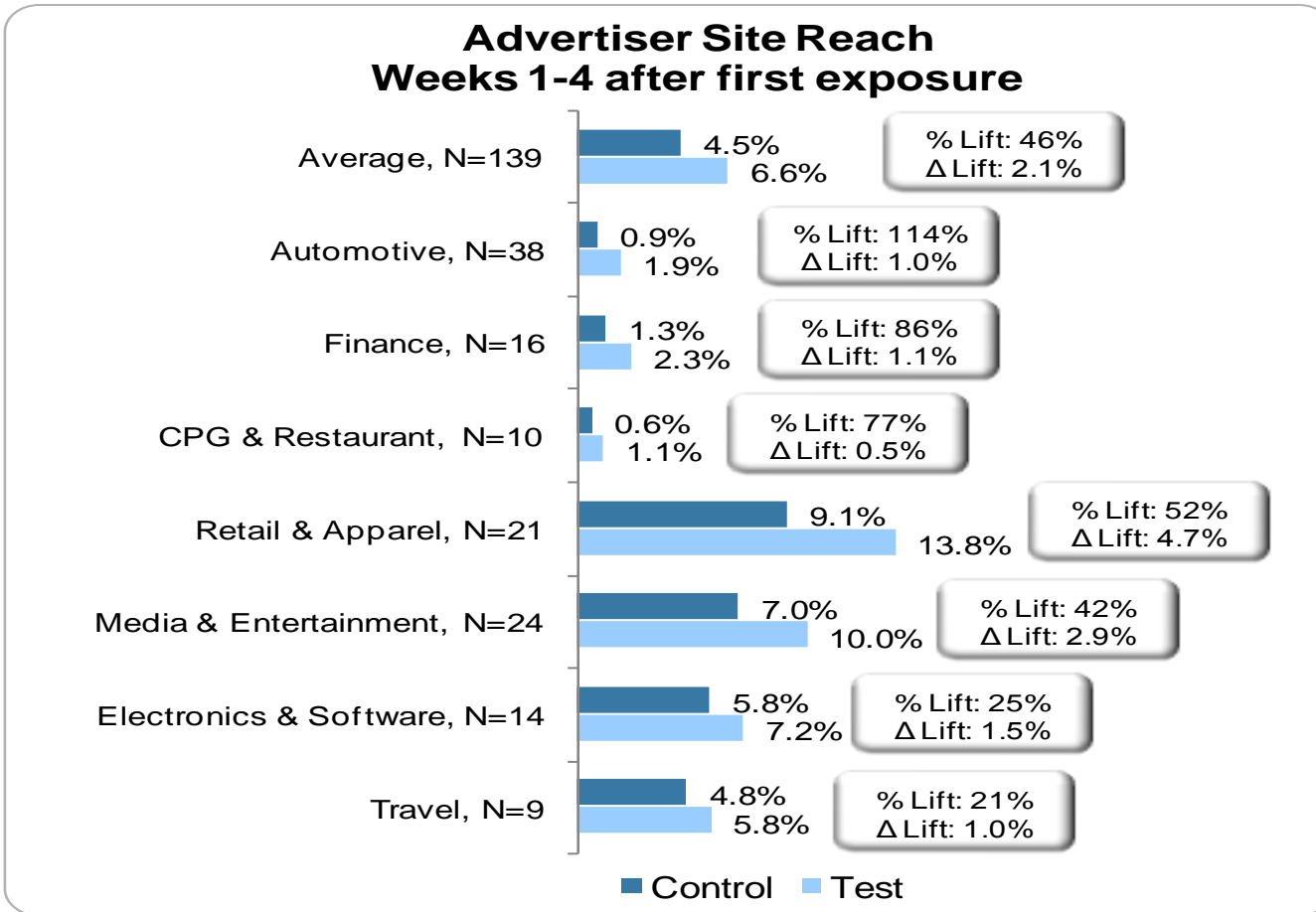
Results from 139 comScore Campaign Effectiveness Studies



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Display Ads Lift Site Visitation Across All Verticals



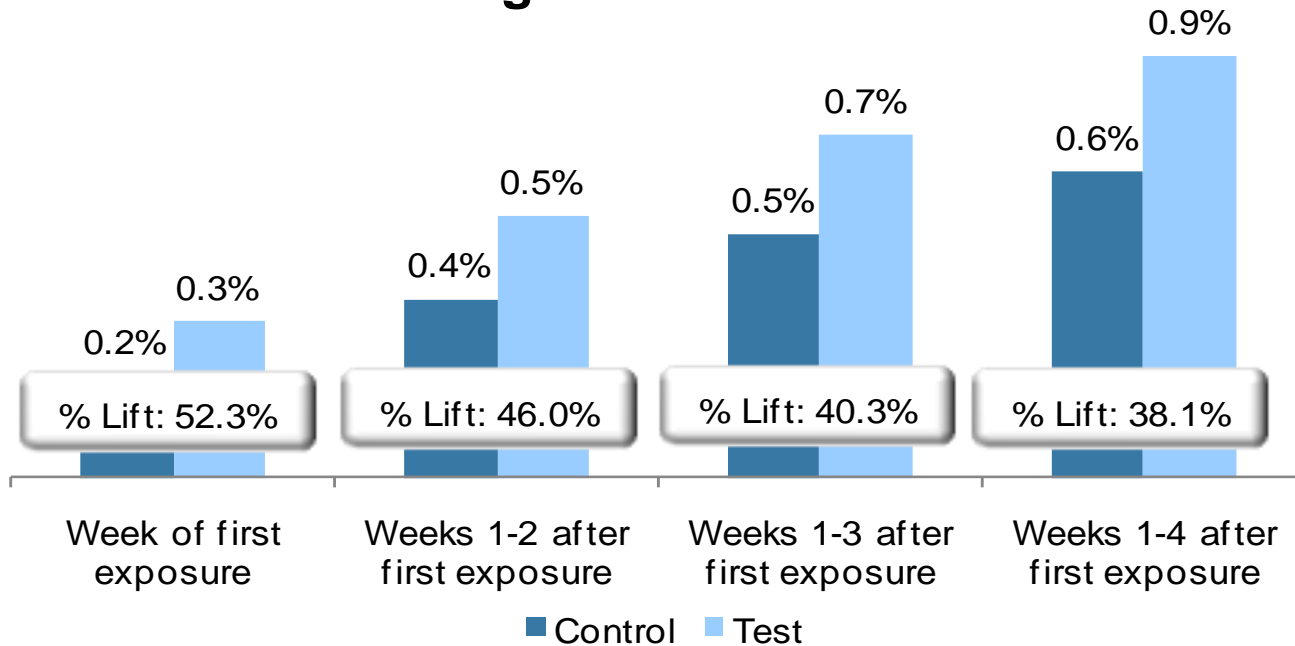
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Display Ads Successfully Lift Trademark Search Activity

Results from 139 comScore Campaign Effectiveness Studies

% Making a TM/Brand Search



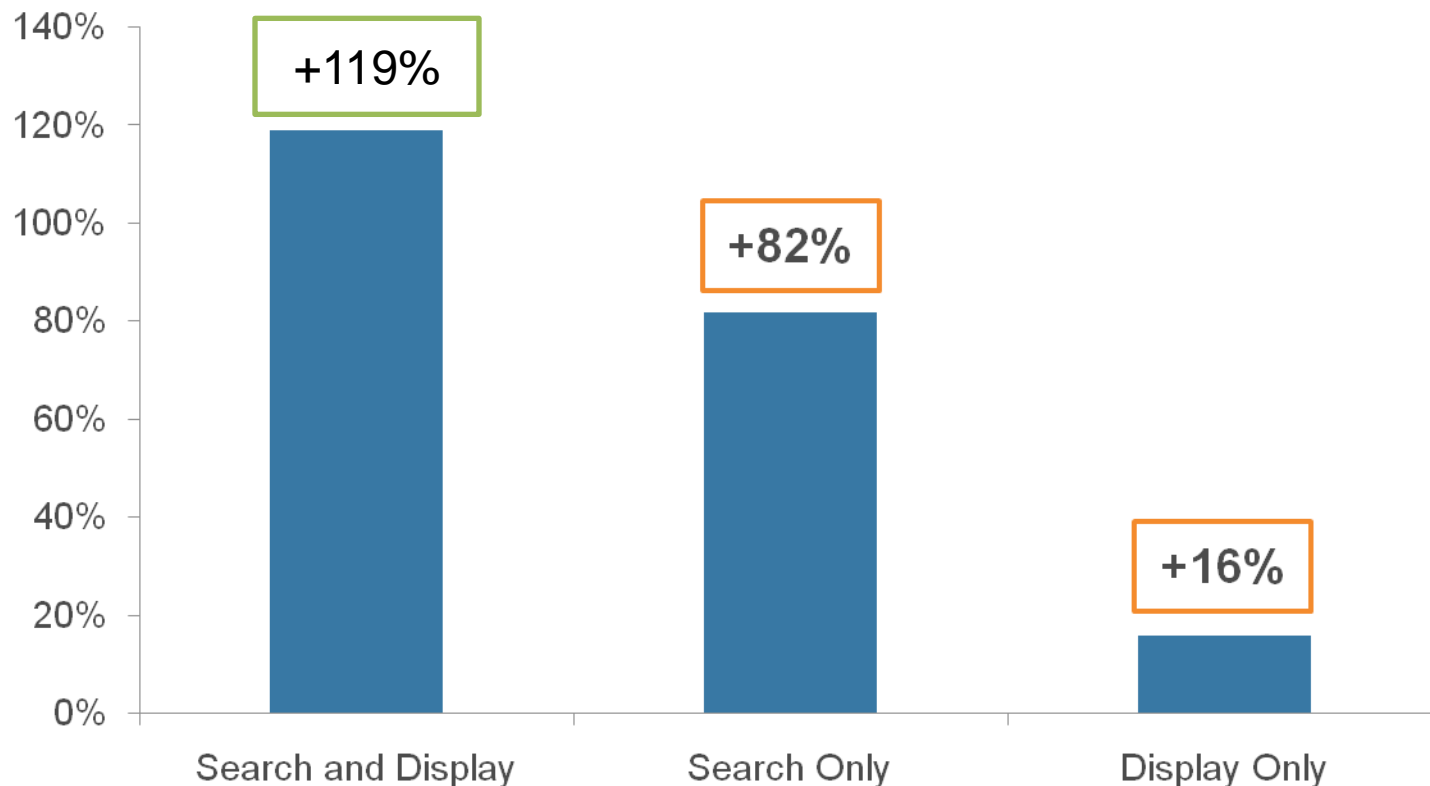
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For multi-channel retailers, higher OFFLINE sales lifts are seen from search vs. display advertising, but combined, synergy provides an even greater lift

Incremental Lift in Retailers' Offline Sales per (000) Exposed

Source: comScore Ad Effectiveness Solutions



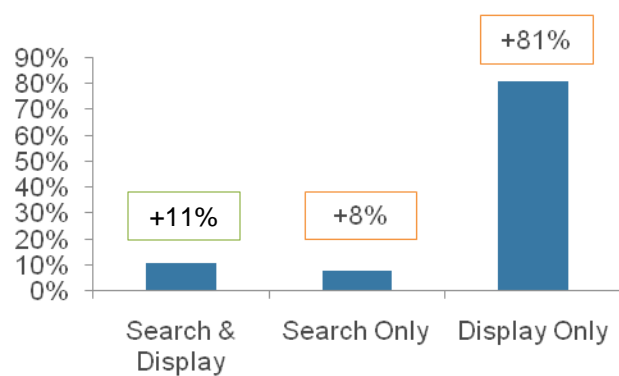
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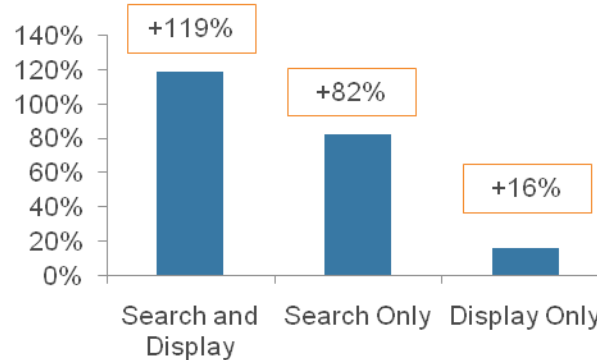
For multi-channel retailers, the higher reach of display ads often helps lift total offline sales more than does search. But, synergy gains can be obtained by using display overlaid on a search campaign

- The overall number of people reached by display ads is typically much higher than search
- As a result, even though the sales lift **among those exposed** to a search ad is higher, the **total dollar sales** gained from display ads is often larger than search due to the smaller lift acting on a larger base

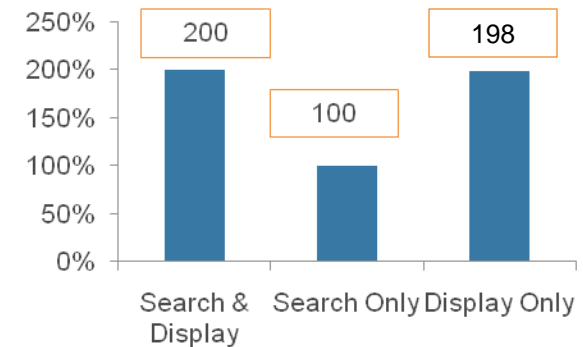
% of Households Reached



Incremental Impact on Offline Sales per (000) Exposed



Total Sales Volume Lift Index



Note: 0 equals par in above chart.

Source: comScore Ad Effectiveness Solutions

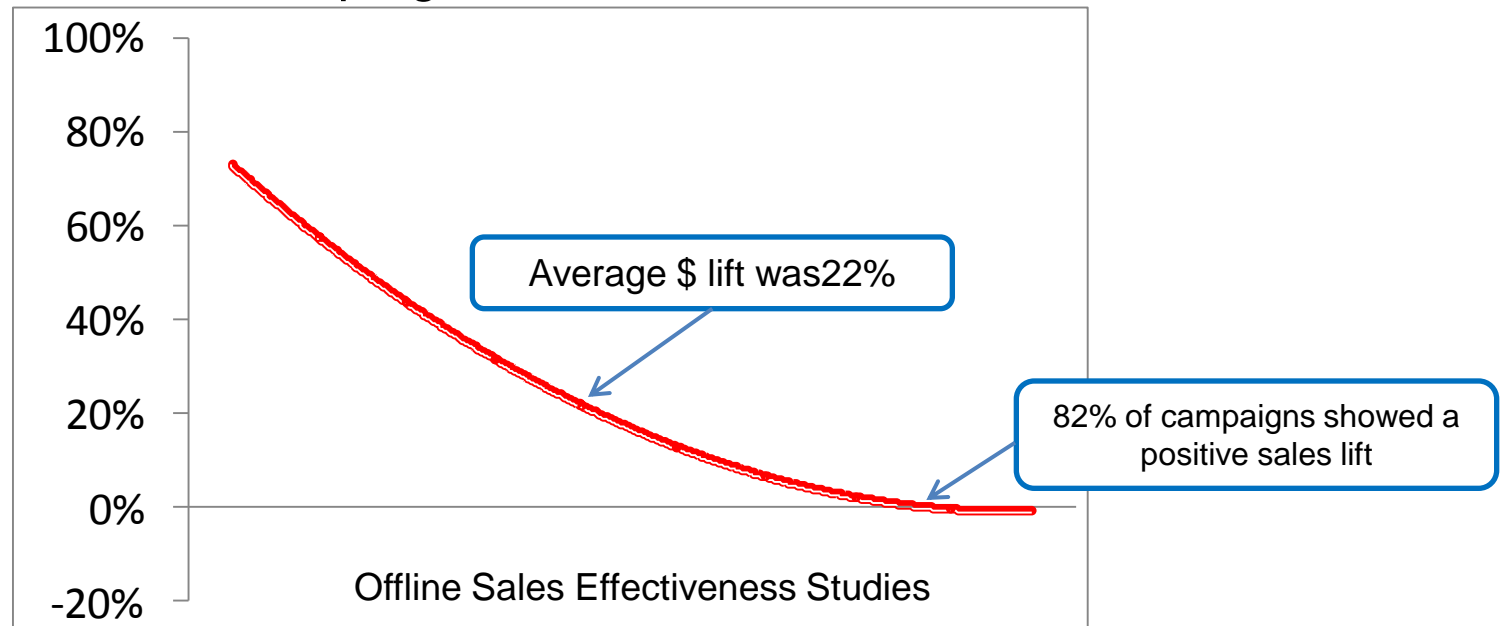


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82% of Online Ad Campaigns Measured by comScore have Generated an Average Lift of 22% in CPG Brand Sales in Retail Stores

- Campaigns we have analyzed:
 - Cookie Mixes, Cereal, Frozen Snacks, Pizza, Tea, Toothpaste, Juice Drinks, Deodorants, Snack Bars, Pasta, Meals and many more
- Online advertising (banners and rich media) increased (i.e. lifted) offline sales in 82% of all campaigns



Source: comScore CPG Ad Effectiveness Study

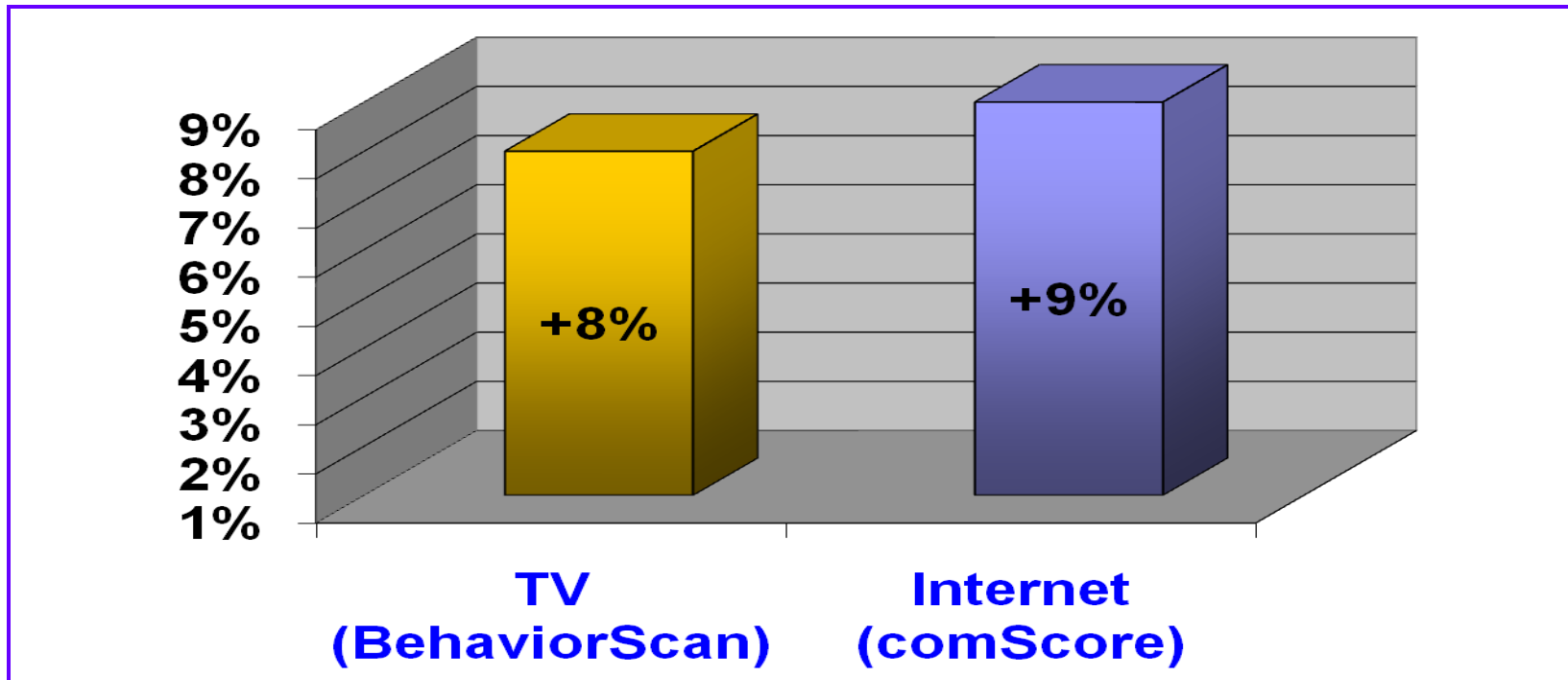


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Preliminary comScore Findings: Short Term Retail CPG Brand Sales Lift From Online Advertising Matches Long Term TV Impact

BehaviorScan tests conducted over one year period. comScore studies over three months
Assumes 40% Internet Reach Against Target



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Findings and Implications

- The number of clickers on display ads has dropped precipitously in the past two years:
 - Only 8% of Internet users account for 85% of all clicks
- The number of clicks on display ads is not an accurate predictor of the effectiveness of online display ads.
 - Even with no clicks or minimal clicks, online display ads can generate substantial lift in site visitation, trademark search queries, and lift in both online and offline sales.
- Higher offline sales lifts are found for search advertising vs. display, but the higher reach of display ads can generate higher absolute sales gains.
- When combined, the synergy of search and display campaigns provides even more lift.
- Online display ads shown to be as effective as TV in lifting retail sales of CPG brands



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