

The Halo Effect:

How Advertising on Premium Publishers Drives Higher Ad Effectiveness



Overview

Executive Summary

comScore conducted research to examine the branding effectiveness of digital display ads appearing on Digital Content Next (DCN) member sites compared to non-member sites. DCN is a consortium of digital publishers whose brands have a direct relationship with the consumer and therefore are more likely to be household names and are generally considered to be “premium publishers”; therefore, this study can be interpreted as a way of understanding the branding value of premium publishers vs. all other publishers. The study found that this segment of publishers delivered significantly better branding effectiveness results across a number of measures. The primary driver of this increased effectiveness is the halo effect that comes from the value of the contextual environment in which these ads are seen.

KEY FINDINGS FROM THE STUDY CAN BE SUMMARIZED AS FOLLOWS:

- Display ads on DCN premium publisher sites had an average of **67% higher brand lift than non-DCN** publishers, confirming that premium sites deliver premium performance.
- Premium publishers are more than **3x more effective in driving mid-funnel brand lift metrics**, such as favorability, consideration and intent to recommend.
- Premium publisher effectiveness is driven in part by **higher viewability rates** which include lower levels of invalid traffic.

Research Background

The rapid growth of programmatic advertising in recent years has aroused concern over whether digital ad impressions are becoming increasingly commoditized. An audience-centric approach to buying, while more efficient in some ways, can also overlook other important factors that determine advertising effectiveness, such as media quality. If ads delivered programmatically are largely agnostic to the context in which they are delivered, then one could argue that Digital Content Next (DCN) publishers represent the opposite end of the spectrum in digital. DCN is an industry trade group representing many name brand digital publishers across a variety of content verticals, including news, sports, health, finance, lifestyle and entertainment. These well-known media brands tend to sell most of their inventory directly to advertisers and provide a context for their content that is more meaningful to their readers.

Given this backdrop, comScore wanted to understand to what extent media quality mattered in driving advertising effectiveness. Is it true that ads appearing on premium publishers, all else being equal, performed better than on other inventory? And if it's true that premium inventory performs better, how much more valuable is it?

In order to answer these questions, comScore decided to compare metrics of inventory quality and advertising effectiveness for this particular set of premium publishers vs. all other publishers. The study analyzed the brand lift results for 15 large brand display ad campaigns across a number of advertiser categories, including consumer packaged goods, household goods, auto, consumer electronics, and telecom. The campaigns were selected from among previously run comScore Brand Survey Lift studies that were (1) sufficiently large in impression volume, (2) ran on both DCN and non-DCN publishers, (3) had at least 400 total survey respondents, (4) had at least 75 respondents in the DCN publisher exposed group, and (5) had at least one brand metric showing statistically significant lift. The ad impressions included in this analysis ultimately ran on a representative sample of 28 of the 75 members listed on DCN's website.

It should be noted that this study could have been designed a number of different ways to understand the value of premium content in digital publishing. It could have analyzed directly bought inventory vs. programmatically bought inventory, or analyzed different placement strategies. We selected this specific set of publisher brands from DCN member companies in order to evaluate the extent to which advertising seen on a premium brand's site is more effective due to that brand's halo effect. Because of this particular criteria, please note that certain metrics in this report do not necessarily align with other definitions of "premium."

Finally, it should also be noted that this report was not commissioned by DCN or any of its member companies. comScore undertook this research independently in order to test the hypothesis of whether or not premium publishers drive superior advertising effectiveness. While the results were shared with DCN prior to publication, they did not have any influence over the design of the research or its findings.

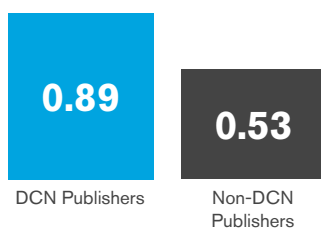
Research Findings

The research demonstrated that ads appearing on DCN premium publishers were significantly more effective in driving brand lift. While some of this effect was due to higher ad viewability on premium sites, the more significant driver was the halo effect of appearing on these sites.

Premium Publishers Drive Much Higher Brand Lift, Particularly Mid-Funnel

The study began by comparing the brand lift effectiveness of ads delivered on these sites according to the metric brand lift at one impression, which is a calculation of impressions-weighted brand lift. Across a number of effectiveness metrics, ads appearing on DCN sites outperformed those on non-DCN sites by 67%, with an average brand lift of 0.89 vs. 0.53.

AVERAGE BRAND LIFT*



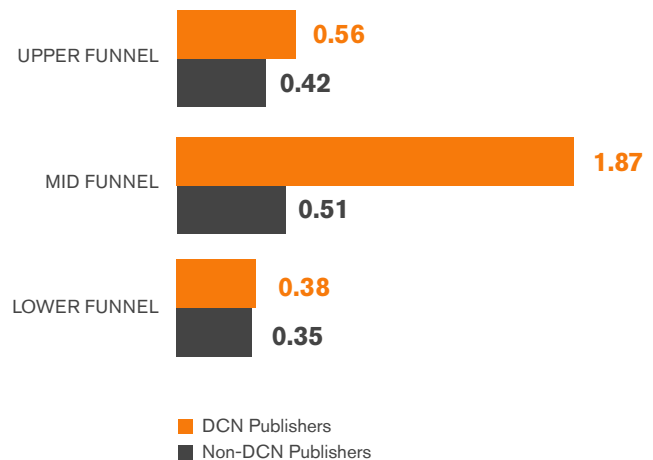
*Impressions-weighted

The research examined brand lift effectiveness for the DCN and non-DCN publisher sets across different phases of the marketing funnel:

- Top Funnel** – Awareness, Recall, Message Association
- Mid Funnel** – Favorability, Consideration, Intent to Recommend
- Lower Funnel** – Purchase Intent, Share of Consumer Choice

The results showed that the average brand lift for ads on DCN premium publisher sites was higher on a statistically significant basis across all three phases of the funnel. DCN premium publishers performed 32% better on top-funnel metrics (0.56 point brand lift vs. 0.42) and 9% better on bottom-funnel metrics (0.38 point brand lift vs. 0.35). But what stands out the most is that ads on DCN premium publishers were more than 3x as effective mid-funnel with a lift 1.87 points vs. 0.51.

AVERAGE BRAND LIFT*



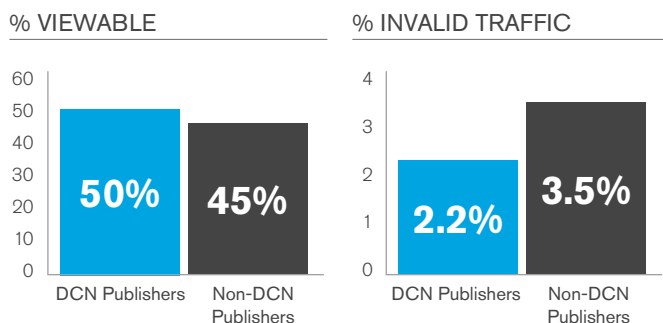
*Impressions-weighted

This outsized mid-funnel performance is of particular significance for the large consumer brands that drive the majority of digital ad spending. These brands will tend to have already established high brand awareness and therefore prefer to focus more on influencing how consumers feel about the brand so that they are more likely to purchase that brand when they are in the market to do so. These data suggest that premium publishers may do a particularly effective job at moving the needle at this key phase of the marketing funnel.

DCN Publishers Have More Viewable Ad Inventory and Less Invalid Traffic

One important factor contributing to the effectiveness of publishers' inventory is their viewability rate. Since ads that aren't viewable by definition have no impact on their audience, sites with lower viewability rates dilute the overall effectiveness of impressions running on their site.

Our analysis of these campaigns indicated that the impressions running on the DCN premium publisher sites had an average viewability rate of 50%, above comScore's Q4 2015 viewability benchmark of 48% and well above the 45% viewability rate among non-DCN publishers included in this study. While this study did not examine the precise reasons for these differences in viewability, it could be driven by several factors. Premium sites might be more proactive in optimizing their site design around viewability; their users might spend more time on site, thereby allowing more ad impressions to fully render; they may be less likely to stuff low-quality ad impressions at the bottom of the page; or they may have less invalid traffic (IVT), which is not viewable by definition. Whatever the specific drivers, it's clear that premium publishers do deliver higher ad viewability.



comScore's Q4 2015 vCE benchmarks indicate that when using the directly-bought vs. programmatic definition of premium, there is wider divergence in viewability – 55% vs. 42%. These differences make sense, however, when considering that directly-bought inventory will necessarily skew towards the most viewable, above-the-fold inventory, whereas the DCN definition includes both directly-bought and programmatically sold inventory.

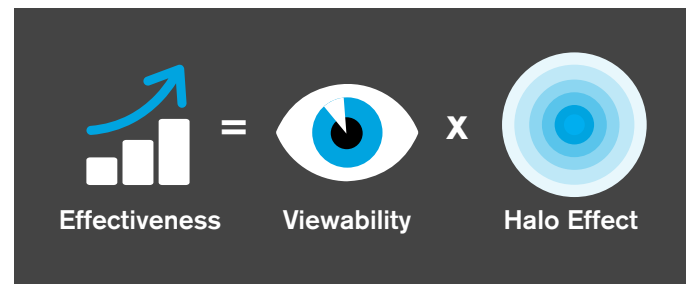
While DCN premium publishers generate higher viewability rates overall, they also attract substantially lower levels of invalid traffic (IVT). DCN premium publishers had a modest 2.2% of its traffic coming from IVT as compared to 3.5% among non-DCN publishers included in the study.

This finding makes sense given that premium publishers' tend to sell their inventory directly and offload little to the exchanges, where inventory is more susceptible to ad fraud. But again, it should be noted that the IVT disparity will be wider when explicitly differentiating between directly-bought and programmatically bought inventory, as opposed to publisher class.

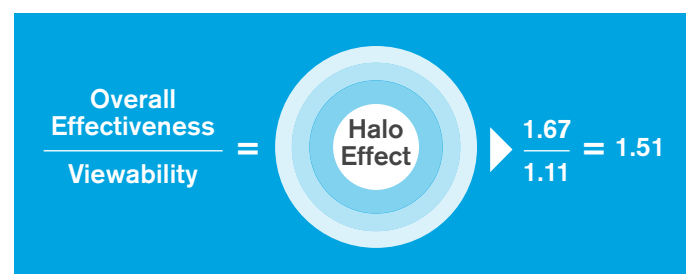
Putting it all Together: The Halo Effect

The DCN publishers performed better across every dimension of analysis in this study, from higher viewability to lower IVT to higher overall brand effectiveness. But to what extent is their higher effectiveness driven simply by being seen vs. the value of the context in which that brand is seen?

We can express the overall effectiveness of an ad as being the combined effect of its increased likelihood of being seen and the value of its surrounding context.



By factoring out the viewability effect, we can properly isolate the value of the halo effect. Since overall effectiveness for DCN publishers was 67% higher, and inventory quality was 11% higher (50% divided by 45%), it implies that premium publishers drive 51% higher effectiveness due to the halo effect.



Implications

This research provides important empirical evidence indicating that premium publishers deliver substantially higher branding effectiveness for online display ads, lending support to their tendency to carry higher CPMs.

While premium publishers perform better across all phases of the marketing funnel, their value in driving mid-funnel metrics is especially important since a critical element of most brands' marketing strategy is to convert awareness into positive feelings about the brand. Higher brand favorability and consideration are key determinants of what drives brand buying behavior when consumers are in-market for a particular product category.

Advertisers are likely to benefit from driving gains across all key brand lift metrics when advertising on premium publisher sites. But they may derive especially strong benefit in advertising on premium sites when they are specifically focused on increasing how consumers feel about their brands. Given the importance of this phase of the funnel to moving the needle for large, well-established brands, there may be merit to activating a digital media strategy that directs more of its spending toward premium publishers.

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