

# INFLUENCE & IMPACT ACROSS ALL CHANNELS – HOW DIGITAL ADVERTISING TRIGGERS ACTION ONLINE AND OFFLINE

Steve Thomson, MD Keller Fay UK

Sean Adams, Head of Insight, Commercial, News UK

## Introduction

As the digital age unfolds and evolves, news media owners are under increasing pressure to demonstrate the value of their audiences and content. Reductions in readership and circulation for traditional print are well documented, and the commercial implications of this have been much-discussed.

The appetite for news content is still strong of course, and news brands have established strong presences on digital platforms. Newsbrands reach 46 million adults in the UK each month, which is more than Google. In the UK, certain titles have successfully built large digital audiences, around a free access model. News UK has chosen a different path, with most *Times* and *Sun* content only accessible via a paid subscription. But in both scenarios, the transition from print to digital has increased the commercial challenges newspapers face, with revenues from both digital subscription and advertising mostly failing to compensate for the decline on the print side.

A key strategic goal for News UK, therefore, has been to demonstrate the value of its **digital** content and audiences. This is particularly the case in a climate where the huge amount of advertising inventory in the digital world has resulted in media impressions being increasingly commoditised and a downward pressure on prices. We believe that our titles (indeed all newsbrands) deliver attentive, engaged and influential audiences, and provide high quality, trusted environments for advertisers. This in turn provides the context in which advertising will be more effective – digital impressions are **not** equal, and the same ad showed to the same person has a different value when seen in *The Times* vs. another media owner's environment.

Our challenge – particularly in the case of digital - is to prove that the environment and the strength of relationship between readers and our titles will return stronger outcomes for advertisers.

## The newsbrand effect

What is the basis for believing that we provide a more successful environment for digital advertisers in a title like *The Times* or *Sunday Times*? There are a number of factors, beyond the obvious benefits of reaching audiences with an attractive demographic and lifestyle profile – after all it could be argued that such people can be served advertising via all kinds of other media.

Newsbrands have an edge in several respects

- Trust and affinity
- Attention & engagement
- Audience influence and social reach
- ACTION – doing more, buying more, sharing more

..but can we prove this, and allow our content and environment to get the commercial return they merit?

In terms of **trust and affinity**, we know that newspaper readers – and especially subscribers – have a high degree of attachment to their favourite paper. It's a special relationship that is unlike any other in this attention-deficit media world we live in.

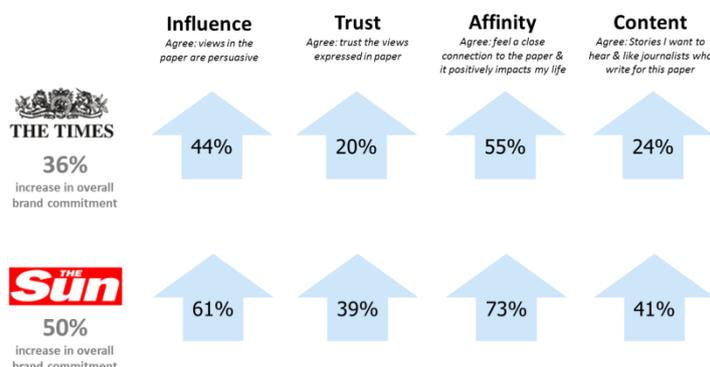
The Times is like a very intellectual and trusted friend, I do trust The Times

Times reader, Manchester

Research<sup>1</sup> we conducted in 2013 found that 45% of newspaper readers “would be lost” without their favourite newspaper. Newspapers enjoy a unique relationship with their regular readers which is much more than just functional. These relationships often endure over long periods of time - and they are reinforced daily.

This might all come across as a bit 20<sup>th</sup> Century, rooted in an age where people bought ‘their’ paper in the local newsagent – and hence not relevant to digital platforms. In fact, News UK has found that its digital audiences – who are of course paid subscribers – are especially committed and passionate about their preferred newsbrand – compared to print readers (including print subscribers), and newspaper readers in general<sup>2</sup>. This is particularly the case for **tablet readers**, who display particularly strong affinity and trust The Sun and The Times.

In 2013, when we compared the feelings of Print+Tablet readers to Print only, we saw we saw significant increases in the commitment levels to both brands from those consuming across print and tablet, on four key dimensions we had identified: influence, trust, affinity and perceived value of content<sup>3</sup>.



There are indications that tablet readers are particularly valuable because of the way they consume the ‘paper’ is closer to that for the print edition – taking the time to go through page-by-page rather than jumping straight to a specific article. Our research shows that depth behaviour is associated with print & tablet, with readers devoting over 40 minutes to the edition, while dwell times for other platforms are more typically 10-20 minutes and may typically involve shorter ‘check in’ behaviour on multiple occasions. This more immersive read is surely a more favourable context in which to view advertising.

Can we prove that? There have been a number of research studies indicating significant contextual impacts on advertising impact, all generally indicating that advertisers benefit from placement in a more familiar, trusted, and ‘quality’ environment. The recent Newsworks experimental research<sup>4</sup> is an example – this assessed ad impact on a number of dimensions among readers seeing ads in their preferred newspaper (non-readers saw the same ads in a newsbrand context but by definition have no affinity with the title). The outcome was significant uplifts on measures such as brand consideration and ‘love’ – with further evidence that the tablet is able to match (& possibly exceed) the benefits of traditional print in these respects. Last year’s research by Inskin Media and RAPP<sup>5</sup> showed similar effects – show an ad in a trusted, quality environment, and it will have a demonstrably stronger impact and will be more likely to achieve favourable outcomes for the brand.

So, has that argument been won – isn’t this evidence alone sufficient to convince advertisers that digital ad impressions are far from a commodity to be bought indiscriminately at the Programmatic Pound Shop? Perhaps – but our sense is that advertisers and agencies are more convinced by evidence of actual behaviour and impact, rather than softer brand measures or intent. And even if context and quality support a case for a premium ad inventory, how big can or should that premium be?

### Attention in the digital age

In terms of **attention**, the broader context is that **all** digital advertising has a challenge to get seen and noticed. We’re all familiar with current ‘viewability’ debates about the degree to which digital ads are seen at all, with measurements suggesting that 50% or more of ad impressions are not ‘real’, for a number of reasons. But even the real impressions might be a most fleeting glance at best – a reminder that according to industry benchmarks, an ad only needs to receive a 1 second view of half the ad to count as an impression

Even if we can accept that this brief exposure can have impact, and deliver ROI, obviously an advertiser would generally *prefer* a longer exposure. This is common sense, but if proof is needed it is available – for example Microsoft<sup>6</sup> showed significant uplifts on brand measures such as ad recall, brand favourability and purchase intent when ad dwell time increases. For newsbrands, it is again a reasonable hypothesis that a more considered read and strong/positive relationship with the media brand will create a more fertile environment for advertising. Newsworks’ Tablet Project shows this to be the case, with comScore data indicating an average dwell time on tablets up to 40 times better than online norms<sup>7</sup>.

It’s also reasonable to assume that paid subscribers are more likely to dwell on ads for longer, given that there is a degree of commitment towards the media content/site, though since all our digital users are now subscribers this is academic for News UK.

### Digital audiences are connected in many ways

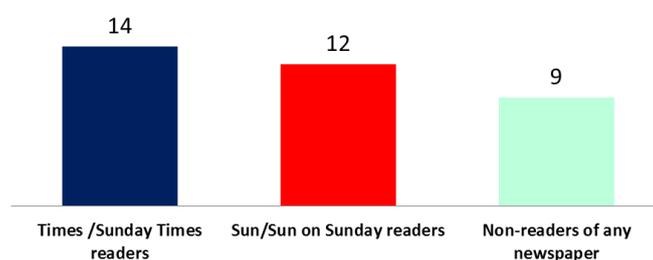
Turning to **influence and social reach**, we know that a significant element of the return on any advertising comes via **amplification** – triggering brand conversations and sharing of branded content, both online and offline. Do newsbrands offer any advantages in this respect?

Word of mouth and social reach is one of the trump cards newsbrands possess. Research in the UK and elsewhere consistently shows that newsbrand audiences have significantly stronger social reach, are more influential, and have more brand conversations, compared with those who get their news elsewhere (or not at all).

Keller Fay's TalkTrack® research has the most robust evidence for this, as it is based on actual word of mouth (WOM) - daily diary records of conversations people have with their friends, family and work colleagues, both online and offline (90%+ of UK brand/product conversations are offline).

In terms of WOM volume, UK newspaper readers have significantly more conversations about brands and products in a typical day, compared with non-readers..

#### No. of brand/product conversations per day



Source: Keller Fay Group's TalkTrack® Britain, 12 months to July 2015<sup>8</sup>

Thus, Times readers report 47% more brand/product conversations in a typical day compared with people aged 16-69 who do not read any newspaper. Sun readers have 30% more conversations, again clearly more talkative. This is despite the fact that both audiences contain below-average proportions of younger women, who have the highest amounts of WOM typically.

Newsbrands' digital audiences are even more social and talkative. For the Times, for example, digital platform users have 38% more conversations than print-only readers, while for the Sun the difference is a whopping 62%. Most of these conversations are offline – in-person or on the phone – but digital audiences have many more online conversations, too – both in social media channels but also privately via IM, email, etc.

These levels of WOM are far above those for many other digital media – for example Times digital readers have almost 50% more conversations than the average Facebook user, and 33% more brand WOM (based on the number of brands mentioned/discussed in a typical day).

Why is this? In part it is the values and mindset of the audience itself – newspaper readers are more curious, information-hungry people who are interested in the world around them, and have more to say and share as a result. There is a lifestyle edge – newsbrand users are more likely to be in employment, and also go out more socially – so they are simply out there interacting on a greater scale. And, of course, newspaper content itself – both editorial and advertising – stimulates conversation. Newspaper readers are significantly more likely to reference ads in their conversations about brands, and that is especially true of digital readers and subscribers.

#### News audiences are especially influential

Newsbrand audiences also score highly on their overall **influence** – the degree to which information and opinion travels further and with more authority from person to person. All newsbrand audiences index high for Conversation Catalysts® - a group of people defined by bigger/broader social networks (i.e. more friends) and above-average interest and knowledge across various product categories (i.e. they are more likely to give advice to others). Once again digital audiences have particularly attractive profiles, compared with non-readers of newspapers, users of services such as Facebook and Twitter, and in fact pretty much everybody.

Hence it is evident that newsbrand digital audiences are highly attractive, both in terms of their direct impact and profile, but also their amplification and social reach. With much brand WOM and influence being 'real-world', the benefit of targeting newsbrand audiences is more than just a reach/numbers game, but increases the opportunity for brands to influence conversation in different contexts – e.g. a conversation about drinks while in the pub, or about cars while out on the street.

And while theoretically these connected and influential types can be reached via other digital channels, we've seen the impact of context and a trusted environment.

So, digital audiences deliver benefits to advertisers in many ways. But we had a further goal to shed light on the impact of digital (newspaper) advertising on reader behaviour, showing how exposure to advertising and editorial content can promote action in a number of ways, in both virtual and real worlds.

Hence, research was undertaken to further highlight the impact of digital newspaper advertising in several ways. Firstly, by showing how digital ads can directly drive behaviour both online and offline – and also to show how online and offline channels interact, underlining the need to treat consumers/readers as rounded individuals, and to promote a less-siloed approach to media planning and ROI evaluation.

The importance of including the offline impact of digital advertising is particularly key, as this is often overlooked in any assessment of impact and ROI. That is partly because digital outcomes are easier to measure, and also because the importance of offline influences/actions towards the 'last click' are overlooked. For example – the path from ad exposure to search or a website visit might be via a conversation with a colleague in the office. Moreover, there are purely offline outcomes of course – a store visit inspired by a digital ad, for example (again possibly reinforced by a friend's recommendation)

To shed light on the volume and nature of these various interactions, News UK commissioned a unique research project called Project Footprint which provided a single-source analysis of the combined online and offline impact of digital content – both editorial and advertising.

Our starting point was to recruit a sample of 70 Times tablet edition readers and subscribers. As noted above, tablet users are of particular interest given their more in-depth consumption of Times content. We also know (from TalkTrack) that Times tablet users are highly influential and social, both online and offline, though at present their social value is sometimes mistakenly framed (and measured) in online channels only.

For this project, Times tablet subscribers were asked to download comScore tracking meters across all devices – their tablet of course but also mobile and PC. Over a period of one month (in November 2014) we were able to track readership/exposure of Times digital editions – both editorial and ad delivery – and link this to online behaviour in all its forms – search, website visits (advertiser &/or other relevant sites), social media, etc.

For offline behaviour, the same respondents used another tablet diary app, developed by Keller Fay to record conversation and offline sharing – about brands and products and some editorial content. Periodic surveys throughout the fieldwork month probed for other offline behaviours – store visits, purchasing – and also assessed brand preference and likely advocacy in the future. Covering a range of advertiser categories (retail, finance, auto, travel, arts/culture), we were able to understand the on- and offline outcomes of ad exposure in new ways.

We generated and analysed a lot of data – over 60 million data points in terms of web activity, and over 1,000 offline brand conversations. Our participants were largely very active online, in terms of content consumption and ad exposure, but also subsequent behaviour. In search, for example, across the month we recorded around 500 searches per person. Overall time spent online was about 63% higher than the UK online average. Similarly, offline behaviour was frequent and varied – multiple conversations per day across the categories we covered, and plenty of buying and shopping activity.

Checks were made against comScore and Keller Fay data to ensure that the sample for our Footprint (single-source) study displayed similar patterns of behaviour to those seen among Times tablet/digital readers in the wider population. For example, in the automotive category, the high levels of activity in Footprint matches what we see...

...in comScore data, where Times digital visitors/users are 77% more likely to visit automotive sites than the average web user

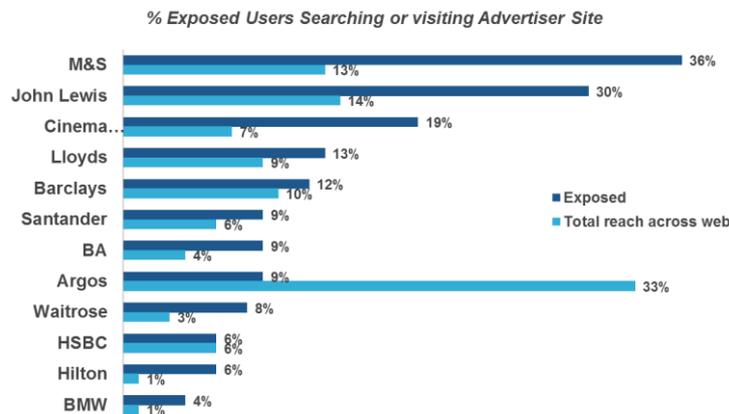
...in TalkTrack that Times tablet readers have over 50% more conversations about auto brands/products in a typical day; they are also highly influential, with broader social networks.

The Footprint research confirmed digital content's ability to drive online and offline outcomes for brands. We also saw close-up how online and offline channels interact and reinforce each other, in varied and sometimes quite complex ways

### **Driving digital outcomes & action**

The clearest evidence of digital ad impact is to measure subsequent online behaviour, across devices, which comScore enabled us to do. For categories such as auto or finance, a direct response in terms of an online purchase or switch within a few days/weeks of exposure was unlikely to be evident on any great scale, but most advertisers would be satisfied with an increase in search or brand website visits.

Uplifts on these measures were apparent for a number of advertisers tracked. Across a basket of 12 major advertisers, ad exposure in the Times drove higher online reach at all advertiser sites except HSBC and Argos when compared to their total online reach:



Where sample sizes allowed, we were able to observe that ad exposure also drove higher levels of online reach at a range of advertiser sites compared to those not exposed.

For example, as noted above, 36% of those exposed to an M&S ad in The Times subsequently visited the retailer’s online sites or searched online, compared to just 24% among the non-exposed group in the sample (still a high figure, reflecting heavy M&S activity generally during November). Clearly, exposure to the relevant ads amongst this group of Times readers drove online activity still higher. Similar effects were seen for financial services and entertainment advertisers.

We would expect a strong digital campaign to achieve these kinds of uplifts, even where there is a high level of ad activity in other media. Fieldwork was in November, and hence when some of 2014’s most prominent TV campaigns were launching, for retailers such as M&S and John Lewis. To achieve increases in online interaction during this period is no mean feat.

**Digital impacts the real world**

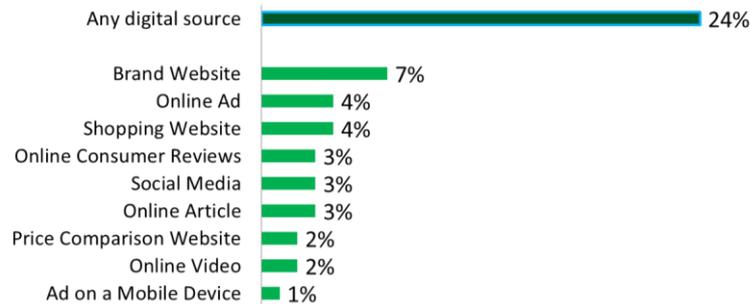
So we are certainly seeing digital consumption driving digital actions, but it is the ability to observe offline outcomes which adds another layer to our understanding.

We’ve noted that most – about 90% - of brand WOM is in-person or on the phone<sup>9</sup>. Digital audiences, including tablet edition readers, are more likely talk in online social media and other online channels, but even this group is far more talkative via traditional WOM channels – about 85% of their brand WOM is offline.

But we’ve always maintained that digital media has a big (and often overlooked) role in driving *offline* conversation. In TalkTrack, for example, we ask people to tell us which media sources they recall being mentioned in their recent (yesterday) conversations about brands and products. Econometric analysis confirms the role of paid media in driving WOM<sup>10</sup>.

In online and *offline* conversations, paid, owned and earned media get referenced a lot. Media/marketing sources are cited in over half of offline brand discussion, and a significant amount of this is digital activity. Online content is mentioned in one in four offline conversations:

### Digital content referenced in offline conversations



Source: Keller Fay's TalkTrack Britain 12 months to July 2015

In some categories this proportion is considerably higher – tech, travel, children's products and fashion all exceed 30% attribution for digital content.

Our Footprint study allowed us to see the offline impact of digital for real, however – based on ad delivery/exposure rather than attribution. We observed higher levels of conversation in our sample for a wide range of advertisers, when compared to the GB population as a whole – but that was to be expected given the highly social/vocal profile of Times tablet readers generally. More convincing, perhaps, were the uplifts in conversation levels among those viewing ads in the Times compared with the non-exposed:

Burberry	+150%
Audi	+114%
Lloyds	+67%
VW	+38%
Barclays	+36%
Mr Turner (film)	+28%
John Lewis	+16%

We also found a correlation between those exposed to advertising and other subsequent offline activity, whether making a brand choice or a purchase. Increases here ranged from a 7% uplift for John Lewis to 30% or more for auto brands such as Audi, BMW and VW.

A relationship between exposure and ongoing or future brand advocacy was also apparent. Brand advocates were highly likely to have seen an ad for their preferred brand



It might be argued that there is a degree of circularity here, of course – advocates are more likely to notice and be interested in a brand they know and like, so we cannot assume that exposure always drives advocacy. However, we challenge any conclusion that this kind of ad exposure is merely preaching to the converted (or at best strengthening existing brand relationships). Advocacy needs to be triggered as well as reinforced, and giving advocates reasons to begin conversations and spread the word should arguably be one of the goals of any campaign.

## Multiple interactions and effects are possible

A key goal of our research is to illustrate the blurring of digital and 'traditional' channels in terms of outcomes, and the degree to which they interact. For example, offline conversations can lead to search (& vice-versa), and our belief is that such multiple interactions serve to increase the possibility of an ad effect. A visit to a brand website following ad exposure is a desirable outcome, but perhaps better still if the site visit was preceded by a conversation with a friend who might confirm that the brand really does deliver on the promises of the ad. (thus: Ad exposure → conversation → website visit). Most brand WOM is positive, and the intervening discussion is likely to reinforce and complement the original brand message in the ad.

In in the Footprint research, in just one month, we observed encouragingly high proportions of exposed respondents both having a conversation and visiting/searching online in a variety of categories:

- Retail: 40%
- Film: 14%
- Banking: 13%
- Auto: 7%

We could also see the impact of editorial content. Brands can't expect to control that of course, but there will be occasions where authoritative news coverage can increase the impact of advertising and add to the levels of buzz for brands.

In this study, the perfect storm was evident around **Black Friday**. As advertisers heavily promoted their late November offers, the consumer frenzy was strong enough to generate editorial coverage in all news channels, including The Times. Coverage was not necessary always positive, as was the case in the many conversations readers had with their friends and family. But the buzz was sufficient to draw attention to the sales (and hence the ads), and sufficient, too, to endorse the credibility of the value/savings messages given out. On average, each person discussed 4-5 different retail brands with colleagues, friends and family, and it was apparent to many that real bargains could be had - confirmed by visits to the retailers themselves (online & real-world).

## Real World Effects - Paul's Journey

The research allows us to look at individual reader journeys to illustrate the nature of these interactions. For example, we tracked the activity of 'Paul', a reader in his 50s, in his quest for some new fashion.

Like many in his age group, M&S is a favoured brand, and at the beginning of November,. Despite viewing a John Lewis men's fashion ad on the 8th of November, Paul had a clear intent to shop at M&S, discussing its clothing range (offline), with positive sentiment expressed towards the brand..

But in the middle of the month, John Lewis challenged again. Paul had a conversation with his wife about the John Lewis Christmas adverts in the Times and on TV, actually referencing these ads in conversation, with positive sentiment expressed towards JL. Exposure to multiple ads in The Times followed coupled with reading a number of articles in the Times iPad app relating to Black Friday. The constant John Lewis advertising throughout the month, influenced Paul to visit John Lewis where he purchased a couple of jumpers with his wife's seal of approval. M&S was outgunned in the Times, and its other brand activity elsewhere proved insufficient - a potential M&S brand advocate was tempted elsewhere.

We saw similar instances in other categories where apparently sudden shifts in brand choice appeared to occur – based on just one or two ad impressions/exposures. The reality is often more complex, and conversations with others often appear to provide the necessary spur and reassurance to change course. Of course the brand has to stand up to that kind of informal scrutiny – poor experiences or reputation will undermine the impact of any campaign.

## Conclusions

The research confirmed that Times readers are a highly engaged audience – consuming more content and seeking out information at a considerably higher rate compared to the average. Reading editorial content can also help build interest in a topic and the desire to find out more which can effectively 'prime' them as a more receptive audience for (relevant) advertising.

We were also able to show how advertising effectiveness works in a number of interlinked ways, reinforcing brand advocacy, provoking conversations, driving online activity and stimulating offline action. The project highlighted the opportunity for advertisers to provide both continuity of presence and 'right time, right place' messages to capitalise on shifting reader purchase intentions.

Finally, the ability of digital content to drive action both online and offline is underscored. This has several implications – one being that advertisers should clearly seek to target people who are active and influential in all channels, online and off → in this respect newsbrands have a strong proposition.

And digital content – if it is interesting, exciting or differentiating – will stimulate offline outcomes. Its ability to drive real-world action – conversation, shopping, usage – should therefore be part of its evaluation and ROI analysis – likes, shares, search and clicks are only part of the benefit. Failure to measure digital media’s offline impact means we severely undercount its impact.

All media is social, and digital media content spreads both online and offline if there are compelling brand messages, a receptive, connected audience and a trusted, immersive environment. Newsbrands’ digital platforms are ideally placed to generate real-world action for brands, and it is imperative that we make that case if we are to get full value for our digital assets.

## **References**

1. Project Influence, Sparkler (2013)
2. Project Influence, Sparkler (2013)
3. Project Influence, Sparkler (2013)
4. The Company You Keep, Newsworks (2015) - <http://www.newsworks.org.uk/Topics-themes/75357>
5. Familiarity, Frequency and Fine Lines, InSkin (2014)
6. according to industry benchmarks, an ad only needs to receive a 1 second view of half the ad to count as an impression [Dwell on Branding - Research](#), Microsoft Advertising (2010)
7. The Company You Keep, Newsworks (2015)
8. TalkTrack Britain, Keller Fay (2011-15) - <http://www.kellerfay.com/keller-fay-uk/talktrack-britain/>
9. TalkTrack Britain, Keller Fay (2011-15)
10. Poetic study, Thinkbox, 2013