Internet vs. TV Advertising: A Brand-Building Comparison

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Display Ad Share Growth

Source: Forrester Research Interactive Marketing Forecasts, 2011 To 2016 (US)
Still, TV assumed to be the main brand-building medium

“Any fool can put on a deal, but it takes genius, faith and perseverance to create a brand...”

David Ogilvy, 1911-1999
Hard to compare
Unique data set presents an opportunity

- 20 campaigns across 3 verticals:
  - CPG (13 product categories)
  - telecom (5 product categories)
  - finance (2 product categories)

- Tracking performance of 4 ad formats:
  - TV
  - online video
  - rich media
  - banners
Data collection procedure

- watches TV naturally
- browses web naturally
- rewardtv.com quizzes
- online ad creative tagged

Which of these shows did you watch yesterday?
Measure of interest is ability to link creative to brand

1. In a commercial during this show, who spoke directly to the camera and said, "I just bought stock - you just saw me buy stock," as he sat at a computer keyboard?
   - Well-spoken baby who eventually spat up all over the place
   - Monkey wearing a custom-tailored suit and a fine silk tie
   - Simple peasant from the past who came from a rural village
   - Alien from outer space and did not speak earth language

2. What was this commercial for?
   - E*Trade
   - TD Ameritrade
   - Scottrade
   - Charles Schwab
Comparison of inflight brand recall: Internet vs. TV

- TV better than banner and rich media
- Video better than TV
Comparison of inflight brand recall: Traditional lift measure

- Assumes random guessing
- Pre-existing brand knowledge same across formats
Is pre-existing brand knowledge the same across formats?
Pre-campaign brand recall measures are not constant

- Recall rates deviate significantly from 0.25
  - Vary from 0.08 to 0.54
  - Vary both across campaigns and formats

⇒ Traditional methodology inappropriate
Can we use the pre-campaign measures as control?

- Pre-campaign sample is not the same as inflight
  - Sometimes as few as 24% are ultimately exposed to campaign
  - Exposure rates to both focal campaign and across campaigns are different

→ Need to ensure equivalence of samples
Our methodology: Nearest-neighbor matching estimator

- Match in-flight respondent to pre-survey respondents based on:
  - Internet exposures to focal campaign by format.
  - Total number of TV exposures to all campaigns.

- Exact matches:
  - TV 96%
  - Banner 85%
  - Rich media 80%
  - Video 71%
Differences in pre-campaign brand recall across formats

- Banner and rich media have lower pre-existing knowledge than TV.
No significant lift differences between TV and online
Summary

- Brand knowledge differs across advertising campaigns and media formats, and from a simple baseline.
- Controlling for pre-existing brand knowledge changes assessment of relative performance of TV and Internet advertising on branding metrics.
- Internet advertising is as effective as TV in terms of affecting brand recall.
THANK YOU