

Chapter 16

Point of Involvement, Purchase and Consumption: The Delivery of Audience Engagement

Neal M. Burns

The University of Texas at Austin, USA

ABSTRACT

Advertising effectiveness and its measurement has characteristically been a subject of concern and debate and with the availability and access of the Internet and digital technology the issue is still elusive and complex. This chapter provides a review of the measures that were frequently used to determine the audience that was impacted with traditional media resources as well as those media and message processes generally called new or “alternative” - in that they are different than the traditional electronic, print and out-of-home that have been used by advertisers and their agencies for more than 100 years. The chapter reviews and discusses which measures are simply cost indices and which are measures of effectiveness. The emphasis reflects the interests of both those working in the field as practitioners as well as those involved in its research and instruction. In a profession in which decisions in the past were built upon cost per thousand (CPT or CPM), cost per point (CPP) and the challenges of ROI and share fight, the metrics for new media must be precisely defined, valid and reliable. Assessing advertising effectiveness is—as has been said—challenging. The need to inform, persuade and sell in a global marketplace with a technological base that incorporates all we have used in the past plus the networks and mobile delivery now available have already served to make this aspect of communication a compelling set of opportunities. Digital media and delivery are revolutionary and their impact will be profound. Ideally, the problems to be solved will bring those doing the research and those in practice closer than they have been in the past. The metrics to be developed and the narratives that will follow will reflect the ways in which we relate to products and services and to each other in the 21st Century.

DOI: 10.4018/978-1-60566-792-8.ch016

INTRODUCTION

Advertising delivery has always been characterized by the rapid adoption of available technology in the hope of reaching the desired audience in new—sometimes surprising—and effective ways. Wonderful histories of advertising’s development have been written (e.g. Presbrey, 1929; Wallechinsky, & Wallace, 1975-1981), but a brief recap here may help frame this chapter. Somehow, given the excitement of new technology, innovative metrics and the joy and frequency with which so many of us send 140 character messages - it seemed reasonable to start at the very beginning.

HISTORY, MEDIA AND MEASUREMENT

There are stories—perhaps apocryphal—about early messages (circa 900 AD) carved in the steps leading up from the sea in the Greek islands that advertised various houses of prostitution for the benefit of those sailors that had just landed. Town criers in the marketplace during Greek and Roman times announced the goods and bargains offered by mall merchants—demonstrating the value of a loud voice in the market place and the value of delivering advertising messages close to the point of purchase.

The birth of print advertising is generally attributed to ads for health and beauty aids appearing among some British newspapers in the 1600’s (British Library)—as well as occasional requests for the return of lost horses. Posting offices, where one could write and place help wanted or information about lost wagons and animals, were fairly common in British cities and co-existed for a time with newspapers. The superiority of the newspaper in terms of distribution and targeted ownership enabled the medium to flourish and in the late 1600’s published newspapers were inundated with ads. Printing, distribution and improvements in the manufacture of paper enabled magazines to soon

join the genre of print media (Fleming, 1976) and content and resulting popularity served to define special interests. Magazines were quickly realized to be an excellent vehicle for the placement of ads primarily intended for the readership of the particular publication. Combined with the introduction of these advertising resources, normally delivered directly to the residence of the intended recipient, a desire to reach the audience where they worked, played and traveled developed.

The Brits again are often referenced as the introductory source of outdoor advertising signs (Fleming, 1976). In a short period of time England was so over-saturated with pasted-up notices and posters that Charles II, feeling the need for advertising regulation, pronounced, “No signs shall be hung across the streets shutting out the air and the light of the heavens” (Wallechinsky, & Wallace, 1975-1981). Yet, the apparent ease with which these outdoor messages could be posted and the rapid rate at which they proliferated were considered proof of their popularity—and for some—their effectiveness. Yet, American advertising history (Applegate, 1998) and that nation’s love of their cars and the open road certainly requires a mention. The road-side presence of Burma Shave’s small, outdoor poster boards and their windshield height, were part of almost any road trip in America. The signs came in groups of four and in sequential fashion presented a humorous rhyme—or advertising jingle/haiku - that always ended with the words “Burma Shave”. These signs preceded the widespread erection and rental of roadside billboards in the USA, and they demonstrated the appeal and recall of well designed, well placed outdoor ads (Margolin, Brichta, I., & Brichta, V., 1979). In time these developments and the importance of outdoor advertising would create the category referred to as out-of-home - OOH.

The advent of electronic media, however, provided the opportunity of reach rarely imagined by the originators of print and outdoor advertising vehicles. With the availability of radio and the opportunity to create product supportive

messages (i.e., advertising), agencies who were now accepted as part of the capitalist economic engine conceived and wrote stories that could be enacted within the total purchased time segment and serialized so that continued interest with the characters and the saga itself was maintained. These broadcasts served as vehicles for the agency's client's advertisements—with the show often being the exclusive domain or vehicle for a single product or advertiser and also served as one of the early models for television programming. Television became an instant resource for network and spot ads—as well as infomercials—and the use of electronic media combined with print became the model for integrated advertising campaigns—and at times outdoor was used for extending presence and memorability. Clearly the addition of sight with sound was expected to produce a message with more impact and engagement value than had previously been experienced.

The business models developed to make these methods of delivering mediated messages financially rewarding were complex and incorporated a number of critical dimensions. The notion of time and space as inventory to be sold, and its value depending on day part and seasonal issues, was understood fairly early. The concept of engagement—finding some way of capturing the nature and value of the interaction that existed between the message being delivered and its intended audience—also began to surface, although establishing those relationships in a definitive and financially meaningful way proved difficult.

Delivering the opportunity for a message to be seen led to ways of defining the reach and frequency (R & F) a delivery mechanism or medium possessed—and pricing based upon those numbers led to the emergence of a relatively standard and widely adopted metric pricing determinant known as CPM (the cost for the advertiser to reach one thousand persons, i.e., Cost of Ad / Audience Delivered x1000). Given the acceptance of a set of assumptions, by the emerging national publications and by the electronic media, analysts allowed

reach and frequency estimates of audience size and share to dominate reports concerning the success of placement in a particular medium. It also enabled planners and buyers to compare costs of alternative media and the “R & F” metric became the organizing framework for defining the advertising mix. Firms like Arbitron and Nielsen emerged to realistically provide the best estimates of the impact of the advertising placed.

The well established language (CPM, CPP, CPI and related metrics) of media buyers and planners— as well as that of broadcasters and advertisers would need to adapt to properly reflect the alternative media being used in the delivery of marketing communications in the 21st Century. With broadband access and the rising importance of mobile and in-place digital communication, revisions in the thinking about cost and effectiveness of media delivery were needed. The efficiencies delivered at new alternative digital and experiential brand touch points, in terms of both audience reach and desired impact, were not adequately reflected when analyzed using traditional metrics (Harris Interactive, 2009; Passikoff, Keys, & Schultz, 2007).

The business itself was constantly driven by a desire to understand if the advertising was working. Both those paying for the message development and its placement as well as those who created the work and determined its exposure strategy (media planning and buying) wanted to know what was producing results and what was not. And, shortly thereafter the media itself -- stations, networks, magazines -- wanted evidence of the superiority of their delivery as a way of maintaining price point and proving their value over competitive entries. Key questions begging for answers included: Did the ads result in more traffic in the stores? Were more products sold when the advertising ran? Did the ads help build brand loyalty? Were the ads well liked? Did the intended audience hear or see the material—and if so, how would we know the value of the ads that were placed/viewed? In short, was the audience

“engaged”? And, of course, as Western commercialization developed and the United States took a “leadership” role in the development of advertising and marketing strategies and tactics, questions about our culture and value system also became fair game.

THE RESEARCH PROCESS

As one prepares a chapter on advertising and in the process assembles a supportive bibliography on advertising and on advertising research there is—sadly—an inescapable conclusion; advertising research is the cause of statistics (and you probably thought it was baseball - or smoking). The primary emphasis of most advertising research has focused—as mentioned above - on the impact of advertising on the consumer (Gerdes, Stringam, & Brookshire, 2008; Walker, 2008). Did they like it, did they understand it, did they remember it, did they buy it, would they consider buying it. There are clearly giants in advertising research - Daniel Starch, Arthur Nielsen, Charles Osgood (1957) and others (Applegate, 1998)—whose work has served to define the category and bring new tools to help answer these questions as well as framing new issues.

In addition to some historical review and an examination of marketing analytics, this chapter also considers advertising in the context of social expression since that point of view supports a better understanding of media technology and the ways in which people relate to it - which is the substance of this article. In one way or another the nature of the audience’s involvement with the advertising calls for a descriptive terminology; ideally, a description that helps establish the intellectual, emotional and behavioral actions the message produced—as well as support for the pricing structure upon which the time or space sold is based. Such a representation must also include an understanding of the attitudes and behavior of the audience. Such consideration allows us a brief

excursion to consider the relationship between contemporary media and the postmodern era as used and reflected in the work of the advertising profession (Ewen, 1976).

Jean-Francois Lyotard (1979), the French philosopher, has written extensively on the impact of postmodern attitude and execution in art and literature and it is tempting and instructive to consider its impact on advertising as well. For example, Lyotard wrote that postmodernism has brought an ending to the “Grand Narrative”, a term he introduced in his book *The Postmodern Condition* (Lyotard, 1979). Lyotard believed that these accepted narratives provided the rationale for myths and historical events that established the power relationships within society and also made them “legitimate” and believable. Today, he suggested, postmodern society is surrounded by a plethora of “small narratives” all representing different points of view and all, presumably of equal value.

As examples of small narratives in advertising, consider campaigns like “Mikey likes it”, “You deserve a break today” or “Got milk” (all of which may be found at www.youtube.com) among many, many others. These almost personal and often non-supported points of view are accepted by their audience and are considered of value. They are worthy of expression, in large part, since the sense and earlier belief that there exists a moral and ethical—perhaps even religious - standard that assigns importance and value—i.e., the grand narrative - has been replaced. Society at large accepts a number of different perspectives, and incorporates them as part of our culture. The creative product of the ad agencies heralded the postmodern era. Even in a short period of time the shift from an Ogilvy-agency ad to the Bernbach look and feel was unmistakable. It represented the shift from the established, almost “Protestant-like” values to highly idiosyncratic behavior and redefining or totally ignoring the “rules” for typography, white space and the rest—“doing your thing”.

With the technological advances that have essentially ushered in digital media and defined it, postmodern thought and new values were enabled. When combined with the fracturing of the social contract and with the end of (or certainly diminished) trust in leadership it was clear the relationship between the audience and the media was to be redefined. Along with new media, new authoritative voices sprang up introducing a new cohort of entrepreneurs and thought leaders—e.g., Jeff Bezos of Amazon, Sergey Brin and Larry Page of Google and Jeff Skoll of eBay - who understood the monetization of their new products and services and the viral spread that would occur to those widely dispersed audiences using the Internet, e-mail text messaging and blogs.

The ways in which the audience of the 21st Century relates to the media options with which they are presented differs significantly from the previous and well - established delivery and participatory behavior of earlier populations. Audience share, as measured by the number of households and CPM, has slipped dramatically (Heaton, 2009; Klaassen, 2009), and the consequences have been apparent in the economic crisis of 2008-2009. Newspapers in spring of 2009 reported cutting more than 31,000 jobs, while the broadcast industry (radio and TV) at the same time reported reducing employment by 13,000 jobs. Advertising agencies were comparably affected with BNET reporting more than 30,000 jobs lost during that same period (Edwards, 2009). In part, these staffing changes were all related to the new viewing habits of the American audience.

The range of available media and the amount of time spent with the media selected have changed—not necessarily across the board but within particular segments (Eastin, Yang, & Nathanson, 2006). The rigor with which television audiences watch their favorite shows and the times at which they watch them have changed dramatically. In the Solution Research Group Consultants' Digital Life Study (Solution Research Group Program, 2009) respondents who had seen one of the lead-

ing 20 prime time shows during the past 24 hours were asked to identify the source of their viewing. Among all respondents 25% of prime time viewing was time shifted using a DVR, broadband, mobile or similar device. In those households with DVR respondents preferred using it as a means of time-shifting and reported that they regularly skipped viewing the commercials compared to only half the viewers doing so in the study one year earlier.

The “rules” developed and adopted during the 1980's for media participation by the audience have been transformed as a function of available technology and lifestyle (McLuhan, M., Hutchon, & McLuhan, E., 1978). In attempting to answer questions of current media participation the advertising research and measurement discipline—and industry—grew, charged with determining the effectiveness and comparative cost benefits of alternative media buys and strategies. The surprise in the midst of the revised emphasis on judging the effectiveness of advertising was the growing decline in viewership, readership and overall participation with traditional media. As the topic of declining viewership became one which moved from off-handed comments among media planners to topics at national meetings to best-selling business books, two major dimensions were identified that helped frame the discussion: attitudes and values of the viewing audience and the accessibility of broadband communications. Every audience cohort studied reported that the source of viewing has time shifted through the use of a DVR, broadband, mobile device or similar technology. Almost simultaneously, the importance of social networks and the amount of time key age cohorts allocated to their usage grew.

Clearly the use of DVR and time-shifting regarding television alters the relationship between the share of audience that has their sets tuned to the show as opposed to the audience actually exposed to the advertiser's commercial. Ideally, clear cut, well-defined measures would be welcomed by both the advertiser and the venue or retail outlet that houses the signage. Yet, settling on a

standard to express value delivered is far more complex than appears at first blush. Advertisers, for example, now have the ability to answer the famous “Wanamaker query” (paraphrased as ‘half my advertising is worthless—I just don’t know which half’) and examine store sales as a measure of the effectiveness of the ads placed. Sales is, for many advertisers, the most important measure of success. The retailer’s perspective, however, may be more focused on other indices of message effectiveness—for example - dwell time in the establishment or data demonstrating that the messages and content displayed resulted in a larger register ring are two frequent concerns.

In assessing media effectiveness researchers and practitioners have rather consistently looked at four key parameters. Reach - normally understood as the number of persons (sometimes households, etc.) that will read/hear/see the advertisement; frequency - usually considering two dimensions—how often the ad appears in the medium and the number of times that a member of the desired audience sees it; impact—is a shorthand way of describing position, look or length of the ad (e.g., four color as opposed to black and white); and finally, continuity—knowing that the pattern of ad insertions over time, while it may not increase costs, can increase ad effectiveness.

Generally speaking, ad agency media planners and buyers, as well as their client counterparts, consider the exposure their expenditures will produce and look closely at Gross Rating Points (GRPs)—the accepted measure of how much advertising exposure will be delivered to a particular population on a per capita basis. GRPs are the mathematical product of reach and frequency: if the reach is 80% and the average frequency is 2.5, then the GRPs total 200. GRPs thus provide a comparative measure of per capita advertising exposure. They incorporate both how much advertising exposure potentially exists and how many of a particular population may have viewed that exposure (Wikipedia).

LOOKING AT ENGAGEMENT AND DIGITAL MEDIA

In studying CPM and GRP comparisons it is important to realize that the numbers are, “generalized averages”; CPM varies by market as well as media selected and time of day or issue. The orientation that the digital signage industry promotes goes beyond these metrics and claims to deal more with effectiveness than price indices. What then, should serve as the metric that helps compare advertiser’s purchases in these new media with traditional media expenditures? And, which measures are really simply cost indices and which are measures of effectiveness? In a profession in which decisions in the past were built upon cost per thousand (CPT or CPM), cost per point (CPP) and the challenges of ROI and share fights, what should the operative criteria for new media and experiential advertising expenditures be?

As the dynamics of consumer and communication channels change, marketers seek new and better ways to measure the effectiveness of their programs and justify their marketing spend. The notion of “engagement” is considered by some (e.g. Appelbaum, 2001; Burns, 2009; Haven, 2007) to be a particularly valuable analytic measurement of content effectiveness, of customer value and brand strength. The Advertising Research Foundation (ARF) gave strong visibility to the importance of engagement in its conference in 2006 and the associated and widely circulated white paper “Measures of Engagement” (Plummer, Cook, Diforio, Sokolyanskaya, & Ovchinnikova, 2006). The ARF defined engagement as “an integrative concept that has to span engagement with the brand, engagement with the idea or ‘creative’ and engagement with the media or context.” A “turned-on” customer, they continued, results from stimulating co-creation (i.e., additional ideation, personal associations, future visions, etc), which in turn, leads to a more personal, deeper relationship with the brand and product.

Engagement with the message(s) being delivered is a complex measure and as has already been discussed is not simply defined by a single dimension (Eastin, Yang, & Nathanson, 2006). The level of engagement that occurs and is demonstrable is a function of the perceived relevance of the message to the audience market. The brand evangelists for the product being promoted find that the content speaks to them about their life style and the important role played by the product or service. There is also a segment of the audience—often identified as non-users or rejectors (members of this segment may have been users in the past but have stopped) - for whom the message has little, if any, value. Another group however - often called “persuadables”—(a notion introduced to the author in the mid 1980’s by Jack Supple, then Executive Creative Director at the Minneapolis advertising agency Carmichael Lynch)—represents an opportunity to build share, and messages encouraging their engagement can be particularly effective.

It is important to note the behavioral or emotional engagement sought is not limited to purchase. For segments like those identified above there are several levels of interaction that can suggest building a brand relationship or having the consumer enter the “franchise”. These may include visiting the brand’s web site, responding to a relevant blog, downloading information, agreeing to receive additional e-mail, or serving to strengthen the feelings about a product or brand already purchased. Clearly the engagement of those receiving the message and the level of subsequent participation varies as a function of the personal relevance of the message, its content and tone of voice and the place in which it was delivered.

The benchmark for many has been the presence and the level of engagement—emotional, intellectual and behavioral - in some ways reminiscent of the concept of “**flow**,” an experience that is at once demanding and rewarding, which Mihaly Csikszentmihalyi has described so well

in his work (Csikszentmihalyi, 1997). Yet, the ways in which consumption of media occurs today reflects a shift from attending solely to “major” broadcasts or narratives to being open to and presented with a more diverse set of shorter episodes, varying in length and content, many of which occur simultaneously. Thus, an agreed upon set of measures defining engagement has been elusive. Today, in an over-saturated, multimedia, multitasking world, the effectiveness of message delivery and shifting attention challenges notions of deep emotional and behavioral engagement. An emerging literature (Davenport, & Beck, 2001; Eastin, Yang, & Nathanson, 2006) on the level of comprehension occurs with multi-channel stimuli and the ability of the central nervous system to attend to simultaneous delivery is also an important aspect of engagement but beyond the scope of the present paper.

Almost every current study on media usage reports that the source of viewing has changed through the development and adoption of the DVR, broadband, mobile device or similar technology. For example, Nielsen has reported that the heaviest users of the Internet are also among the heaviest viewers of television: the top fifth of Internet users spend more than 250 minutes per day watching television, compared to 220 minutes of television viewing by people who do not use the Internet at all (Nielsen Reports, 2008). Nielsen found the reverse is true as well - the lowest consumers of television have the lowest usage levels for the Internet.

Further, the Nielsen study showed that almost one-third of in-home Internet activity occurred while the user was watching television, demonstrating that there is a significant amount of simultaneous Internet and television usage; an example, perhaps, of the plethora of “small narratives,” in Lyotard’s terms, with which we are surrounded as well as consumer multi-tasking behavior (Foehr, 2006). Nielsen’s ratings now include DVR watchers, as well as time shifting among the audience not only through their own

recording devices but through the use of services like HULU (a free online video service that offers hit TV shows with altered short commercials that cannot be deleted from the transmission) - another example of the kind of control desired by the audience of their media exposure. At the same time, describing the precise relationship between the exposure to the message and the viewer's/customer's behavior remains quite complex. In today's media environment the relationships among the different channels, and their collective impact on a customer's buying decision, are far more difficult to gauge (and influence) than they once were. Yet, basic to the decision to advertise and place the ad is the ability of the network and/or the agency to provide some evidence that the message was, in fact, seen.

Two major influences are responsible for a re-examination of advertising effectiveness metrics. The current consumption of media reflects a shift from attending to "major" presentations - e.g., viewing 30 minutes plus of TV (followed and interrupted by commercials) in the style of the grand narrative - to being presented a more diverse set of shorter episodes, varying in length and content, many of which are presented simultaneously. One way of looking at the change is the movement from a single channel narrative model of particular content to one of sequential engagement with a variety of content - and in the presence of multiple channels. Although the phenomenon is not particularly new, interest in simultaneous exposure to multiple channels of information has again captured the interest of behavioral scientists studying the relationship between attention and effectiveness of advertisements (Max, 2008; Passikoff, Keys, & Schultz, 2007). The current multi-channel, multi-media environment raises the competitive advertising effort to gain audience attention. And, with the end (or clearly the diminution) of interruptive advertising methods, the production and display of interactive user generated content is likely to prevail. Yet in the complexity of the media presented "prevail" is

very likely a transient phenomenon and represents the period of time that a dominant message may emerge as "figure" in a shifting figure-ground relationship (Jordan, 1968). In media environments that encompass in-place and mobile digital presentations, the goal is to devise or encourage content that captures audience attention and participation and then to 1) demonstrate positive economic outcomes to the advertiser and 2) build messaging programs around the goal of stimulating more engagement behaviors.

It's important to note that attention and engagement, when used to describe the degree of interaction between one exposed (e.g., the audience) to content/ or message is not limited to a purchase of a product or service; it encompasses all the interactions that a prospect or customer may have in relation to a brand. There are a number of pre- or post-sale activities that can be (directly or indirectly) predictive of a future purchase or re-purchase; they include visiting a Web site, downloading a whitepaper, calling customer service, recommending a product, or commenting on a blog.

Some of the newer metrics, like Net Promoter® and several other services and applications on the web, continually seems to demonstrate the effectiveness of word-of-mouth (W-O-M) as the primary advertising techniques. (Google - and Microsoft's newcomer Bing - are in that context little more than aggregations of what others say about the topic, person, brand, product or service - a technologically compiled W-O-M.) A Net Promoter® score analyzes customers' responses to a website query roughly concerning satisfaction and categorizes them based upon the likelihood that the respondent will recommend the product or service to others (Keiningham, 2007). The "net" score is essentially an arithmetic value arrived at by subtracting the values attributed by those somewhat negative or detracting points of view from those respondents with positive points of view. Generally, three groups are identified ranging from enthusiasts to unhappy customers; Promoters, Passives and

Detractors. Thus, while the metric is simple and straight-forward, the question itself (Would you refer a friend?) may be considered as “leading” by some and is not applicable across all commercial categories. And the net score provides little suggestion for remedy—improved sales training, cleaner rest rooms, competitive pricing, etc. Yet, its ease of administration and computation may be an example of the great desire on the part of advertisers to possess a “marker”—an indication of advertising effectiveness—from data that can be easily collected and understood.

MEASURING AND EVALUATING ENGAGEMENT

The research tools available for measuring engagement have been in use for the past 50 years with varying levels of success and for the most part do an adequate job. Brand recognition and recall studies with varying distance from initial exposure, association techniques, customer satisfaction surveys, all give some indication of how customers feel about a product, service, or brand. Consider the intricate relationship between just two channels: the Internet and a retail store. A consumer can visit a store to look at a product, purchase it, and bring it home. Or, she may look at the product in the store, then go home to compare prices on the Internet, and purchase from a lower-priced competitor. Alternatively, she may do her homework first on the Internet (e.g., comparing prices and features or reading customer reviews), buy the product from a trusted vendor, and then have it shipped to her house or pick it up at one of the retailer’s local outlets. Two channels, with multiple behaviors and multiple types of engagement.

As the dynamics of consumer and communication channels change, marketers are seeking new and better ways to measure the effectiveness of their programs and justify their marketing spend. Brian Haven of Forrester Research has proposed

a metric that defines engagement as “the level of involvement, interaction, intimacy, and influence an individual has with a brand over time”. The metric—Forrester’s estimate of audience engagement—described in Brian Haven’s 17 page report is built from both online and offline data, using quantitative and qualitative measures and what Forrester calls “the fuzzy areas in the middle best characterized by social media”

Major advertisers and measurement firms have tried to add a level of precision to in-store metrics in an attempt to provide a measure that would satisfy both the advertiser and the retail establishment. One such attempt called PRISM (Pioneering Research for In-store Metrics) focused upon the in-store traffic and the level of support or compliance with the promotional efforts at the retail level by store management (In-Store Marketing Institute). PRISM suggested and tested the premise that the likelihood of the store’s patrons seeing the message was a function of two variables; in-store traffic and store compliance with advertiser marketing instructions. While the system had promise, costs of installation, management and analysis became larger and more complex than initially planned and Nielsen suspended the effort in early 2009 (The Market Research Industry Online, 2009).

The PRISM approach reflected the importance of accurate measurement of in-store customer traffic and understood and valued the active participation of store management in supporting the media. Yet, the development of behavioral targeting and the realization of the differential value of certain segments to an advertiser was not an integral part of the equation. The inclusion of the quality of the audience viewing the digital media was a key part of the approach of vJive Networks, an advertising-driven digital signage network that was founded in 2004 (www.vjivenetworks.com). Currently vJive reports being in more than 1,000 venues across the top 25 metropolitan areas in India. Looking for a way to quantify the value of their screens to potential advertisers, vJive chose not to focus on merely measuring traffic, footfall

or “opportunities to see”—essentially Reach and Frequency metrics typical of existing electronic and print media. Instead, they looked to the retailers themselves to supply these data, or to existing organizations that provide census data—and elected to supplement those indices with data describing the value and purchasing power of the establishment’s audience or patrons. The increased marketing segmentation and the differential value of retail shoppers in India helped to underscore the value of this new measure.

Thus, vJive - as opposed to only reporting the quality of engagement with on-screen content - also focuses on the geo-demographic descriptors, e.g., household income, education level, frequency of dining out and other variables that help define the value of the advertisements that appear on screen. Rather than non-differential pricing of the available network inventory of advertising time and space, vJive developed the Screen Consumption Quotient (SCQ) metric, an overall location value score based in part on foot traffic in the establishment, but heavily influenced by evaluating the descriptors listed above. Seventy percent of the SCQ score incorporated by vJive is based on the Household Potential Index data published by the Media Research Users Council, India and 30% on the revenue is based upon estimates of in-store traffic. The SCQ score incorporates a value for customer quality over quantity. Screens in stores with high SCQ scores have their ad inventory priced accordingly and reflect the value to the advertiser of the relevance and behavior of the audience being reached (Gerba, 2008).

Whether other network owners will follow vJive’s lead remains to be seen. If so, one might expect a similar metric to start appearing in U.S. digital signage networks. By instituting standard rates and values ascribed there will be one less barrier to adoption for advertisers still hesitant to spend money on a new in-store digital advertising medium. The author believes that digital network owners and management will, in all likelihood, institute measures similar to vJive’s. Related

approaches have been launched as may be seen in the media planning business of Handshake Marketing and Business Development (<http://www.handshakemarketing.com>), SeeSaw Media (www.seesawnetworks.com), by the Barfly/Touchtunes bar and restaurant penetration (<http://www.touchtunes.com/barfly.html>), Captivate Networks ¹ (<http://www.touchtunes.com/barfly.html>), ADCENTRICITY (and their partnership with Impact Mobile) (<http://www.adcentricity.com>), and a host of other special purpose digital screen advertisers. The Nielsen/Arbitron metric leaders are, at the time of this writing, also examining this approach as well as monitoring the impact and effectiveness of in-store digital screen advertising. In the short term, adding the customer value component to the pricing equation is likely to help stimulate adoption of the new metric by advertisers and their agencies and establish the full value of in-place digital signage (Burns, 2008).

With broadband the new networks have had the ability to launch digital out of home displays with some ease—although fully implementing digital-out-of-home (DOOH) for consumer input and texting is more challenging. Representing an advertising medium that in some cases goes beyond the point of purchase to the point of consumption, digital displays are gaining a portion of the advertising spend and offer measurement opportunities that are accessible and quantifiable. These in-place media listed above include digital and programmable displays at beer and wine coolers in groceries and convenience stores, specialty channels in pharmacies and doctor’s waiting rooms, flight information displays at airports, hotel in-room screens, elevators, corporate communications screens in conference rooms and lobbies and in bars and restaurants (e.g., the Handshake or SeaSaw capabilities). While the business models for these applications differ, they illustrate the convergent and pervasive influence of this medium as an advertising vehicle.

Behavioral engagement metrics such as Forrester’s can give advertisers a window into not

only which stage individuals are at in their progression from prospects to customers, but also the velocity at which they are moving toward the end goal. Not unlike websites on the Internet, a number of measurements can be obtained from the attentiveness and interaction encouraged by DOOH. These include measures of interaction via SMS with the screen and good estimates of screen attention and when the attention occurs generated by eye cameras. Such insights into the value of all stages of the customer “pipeline” can help marketers determine the impact that marketing efforts may have on increasing that value. The measured result, however, does not have to be a sale (i.e., a direct (or immediate) economic transaction). Equally important are the many indirect methods for increasing value, such as a referral that leads to a new customer, or a white-paper download that educates a prospect and influences a future product decision. The web provides us with sufficient data to track how customers or prospects are engaging with a company; the key is to synthesize it into a clear model for demonstrating either short- or long-term economic benefit (Keiningham, 2007). And, the current emphasis for the metrics used is for output related effects rather than the “input” measurements that have been so closely associated with traditional media planning in the past.

WRAPPING UP

As those of us in advertising and marketing explore, begin to understand and use media and message processes generally called new or “alternative” - in that they are different than the traditional electronic, print and out-of home that have characterized the business for the past 125 years - we struggle to develop an appropriate analysis of their effectiveness. What should serve as the metric that helps us compare advertiser’s purchases in these new media with traditional media expenditures? And, which measures are simply cost indices and which are measures of

effectiveness? In a profession in which decisions in the past were built upon cost per thousand (CPT or CPM), cost per point (CPP) and the challenges of ROI and share fight, what should the operative criteria for new media and experiential advertising expenditures be (Heaton, 2009; Klaassen, 2009)?

For example, while we may know that the likelihood of purchase increases among those in the audience that download a whitepaper, the precise gain in sales (and thus ROI) is still a reasonable estimate and not quite as “quantitative” as many would like. Similarly, positive word-of-mouth increases the product interest and significant transaction likelihood of many of those in the communication network but an index that describes the gain and is accepted by advertisers and their agencies is needed.

New metrics that are precisely defined and are both valid and reliable, will be critical for the monetization of alternative media, as well as helping us understand the ways in which we relate to mediated content delivered in accordance with contemporary technology and life style. Time shifting for example, frequently used (and enjoyed) by younger age group is a consequence of the availability of DVR, mobile technology and web sites like hulu (www.hulu.com) mentioned earlier. Yet, the growth of these alternative viewing sources for movies and TV shows is also an indication of a desire to avoid exposure to the advertisements that essentially have formed the economic platform for commercial television and radio broadcasts of the last century. Internet advertisers and their agencies are also finding that the “pop-ups” and musical inserts they are currently using conform to the definition of advertising as initially put forward by Roy Spence, one of the founders of the Austin, Texas advertising agency GSD&M; his term “the uninvited guest” continues to represent a valid view of the ways in which ads are used to interrupt the narrative and are often perceived by the intended audience. Harris Interactive (2009) recently reported that many US consumers are “very frustrated” by the

number, frequency and style of many common types of internet ads. In contrast the effectiveness and use of social networks in promoting interest and sales of products is increasing. A recent report of consumer reviews for movies was found to be a significant predictor of box office revenue for Hollywood movies (Dellarocas, Award, & Zhang, 2004). Using online review metrics, it was shown that a higher volume of consumer reviews on *Yahoo! Movies* Web site was related to increased box office sales. Absolut Vodka as part of its aggressive campaign for market share has a frequently visited Facebook page called Top Bartender (<http://www.facebook.com/AbsolutTopBartender?ref=search>), Dell Computer's blog "Direct2Dell" (<http://en.community.dell.com/blogs/direct2dell/>) is an important source of information supported by well established users and loyal customers. And, a well-targeted use of twitter by Burton Snow Boards (<http://www.burton.com>) can be seen at their site [storedotburton](http://twitter.com/storedotburton) (<http://twitter.com/storedotburton>).

Assessing advertising effectiveness is—as has been said—challenging. The tools of advertising research must meet the standards that are applied to all contemporary research; such tools are expected to be statistically reliable, the studies in which they are used should involve representative samples that will be considered projectable by others in the field and they need to have been vetted by the industry as relevant to the task at hand—i.e., measuring what they purport to measure. New media and their relationship to technology will be for the next several decades a source of discovery and enlightenment for both the industry and the academy. The need to inform, persuade and sell in a global marketplace with a technological base that incorporates all we have used in the past plus the networks and mobile delivery now available have already served to make this aspect of communication a compelling set of opportunities. As Bob Garfield so elegantly points out in the Chaos Scenario (Garfield, 2009) the changes in place today as well as those that are, in a sense,

moments away are not merely innovative nor are they on the same continuum as newspapers, magazines, radio and television. Digital media and delivery are revolutionary and their impact will be profound. Ideally, the problems to be solved will bring those doing the research and those in practice closer than they have been in the past. The metrics to be developed and the narratives that will follow will reflect the ways in which we relate to products and services and to each other in the 21st Century.

REFERENCES

- Absolut Top Bartender on Facebook*. (n.d.). Retrieved from <http://www.facebook.com/AbsolutTopBartender?ref=search>
- Adcentricity*. (n.d.). Retrieved from <http://www.adcentricity.com>
- Appelbaum, A. (2001, June). The Constant Customer. *Gallup Management Journal*.
- Applegate, E. C. (1998). *Personalities and Products: A Historical Perspective on Advertising in America*. London: Praeger.
- British Library*. (n.d.). Retrieved from <http://www.bl.uk/reshelp/findhelprestype/news/index.html>
- Burns, N. M. (2008). *Establishing cost and effectiveness rationale for digital out of home media* (White Paper). Barfly Networks.
- Burns, N. M. (2009, April). *In-store Persuasive Technologies*. Presented at Persuasive Technology 2009 Meeting, Claremont College, USA.
- Burton Snowboards*. (n.d.). Retrieved from <http://www.burton.com>
- Captivate*. (n.d.). Retrieved from <http://www.captivate.com>

- Compared to Last Year, Advertisers Rely Less on Print Ads and More on Internet and Digital.* (2009, July). Harris Interactive.
- Csikszentmihalyi, M. (1997). *Finding flow: the psychology of engagement with everyday life.* New York: Basic Books.
- Davenport, T. H., & Beck, J. C. (2001). *The attention economy: understanding the new currency of business.* Harvard Business School Press.
- Dellarocas, C., Award, N., & Zhang, X. (2004). *Exploring the Value of Online Reviews to Organization: Implications for Revenue Forecasting and Planning.*
- Digital Life America.* (2009, May). Solution Research Group Program. Retrieved from <http://www.srgnet.com/us/programs.html>
- Direct2Dell.* (n.d.). Retrieved from <http://en.community.dell.com/blogs/direct2dell/>
- Eastin, M. S., Yang, M.-S., & Nathanson, A. I. (2006, June). Children of the net: An empirical exploration into the evaluation of internet content. *Journal of Broadcasting & Electronic Media*, 50(2), 211–230. doi:10.1207/s15506878jobem5002_3
- Edwards, J. (2009, July 29). *BNET's Ad Agency Layoff Counter: 34,828 Jobs Lost.* Retrieved from <http://industry.bnet.com/advertising/1000433/bnets-ad-agency-layoff-counter/>
- Ewen, S. (1976). *Captains of Consciousness.* New York: McGraw-Hill.
- Fleming, T. (1976). *How it was in advertising: 1776-1976.* Mandan, ND: Crain Books.
- Foehr, U. G. *Media Multitasking among American Youth: Prevalence, Predictors, and Pairings.* Menlo Park, CA: The Henry J. Kaiser Foundation.
- Garfield, B. (2009). *The Chaos Scenario.* Stielstra Publishing.
- Gerba, B. (2008, January 1). Media Metrics: Finding the Darjeeling Limit. *MediaPost Magazines.*
- Gerdes, J. Jr, Stringam, B. B., & Brookshire, R. G. (2008). An integrative approach to assess qualitative and quantitative consumer feedback. *Electronic Commerce Research*, 8(4), 217–234. doi:10.1007/s10660-008-9022-0
- Handshake Marketing and Business Development. (n.d.) Retrieved from <http://www.handshakemarketing.com>
- Haven, B. (2007, August). *Marketing's New Key Metric: Engagement.* Forrester Research Report.
- Heaton, T. (2009, July 20). *CPM rates are falling (Thank God).* Message posted to <http://www.thepomoblog.com/>
- Hulu.* (n.d.). Retrieved from <http://www.hulu.com>
- In-Store Marketing Institute.* (n.d.). Retrieved from <http://www.instoremarketer.org>
- Jordan, N. (1968). *Themes in Speculative Psychology.* London: Tavistock Publications.
- Keiningham, T. L. (2007). A longitudinal examination of net promoter and firm revenue growth. *Journal of Marketing*, 71(3). doi:10.1509/jmkg.71.3.39
- Klaassen, A. (2009, January 29). Online CPM Prices Take Tumble. *Advertising Age.*
- Lyotard, J.-F. (1979). *The Postmodern Condition.*
- Margolin, V., Brichta, I., & Brichta, V. (1979). *The promise and the product: 200 Years of American advertising posters.* New York: Macmillan.
- Max, K. (2008, June). *Media engagement - developing consistent measures across multiple media channels.* Budapest, Hungary: ESOMAR Worldwide Multi Media Measurement (WM3).
- McLuhan, M., Hutchon, K., & McLuhan, E. (1978). Multi-media: The laws of the media. *English Journal*, 67(8). doi:10.2307/815039

Point of Involvement, Purchase and Consumption

Nielsen Shutters, P. R. I. S. M. *Initiative*. (2009, January 26). The Market Research Industry Online. Retrieved from <http://www.mrweb.com/drno/news9467.htm>

Osgood, C. E., Succi, J. G., & Tannenbaum, T. H. (1957). *The Measurement of Meaning*. Chicago: University of Illinois Press.

Passikoff, R., Keys, B., & Schultz, D. E. (2007, October). Cross-media Engagement Evaluations. *Admap Magazine*.

Plummer, J., Cook, B., Diforio, D., Sokolyanskaya, I., & Ovchinnikova, M. (2006, June). *Measures of Engagement* (White Paper). Advertising Research Foundation.

Presbrey, F. (1929). *The History and Development of Advertising*. New York: Doubleday.

SeeSaw Network. (n.d.). Retrieved from <http://www.seesawnetworks.com>

Storedotburton on Twitter. (n.d.). Retrieved from <http://twitter.com/storedotburton>

Target Rating Point. (n.d.). Wikipedia. Retrieved from http://en.wikipedia.org/wiki/Target_Rating_Point

Touchtunes. (n.d.). Retrieved from <http://www.touchtunes.com/barfly.html>

TV Viewing and Internet Use are Complementary. (2008, October). New York: Nielsen Reports.

vJive. (n.d.). Retrieved from www.vjivenetworks.com

Walker, R. (2008). *Buying In the secret dialogue between what we buy and who we are*. New York: Random House.

Wallechinsky, D., & Wallace, I. (1975-1981). *History of Advertising: Ancient History, Middle Ages and the Early Days*. Retrieved from Trivia Library website: <http://www.trivia-library.com/a/history-of-advertising-ancient-history-middle-ages-and-the-early-days.htm>

ENDNOTE

- ¹ The Captivate Network, owned by Gannett Media is an example of conventional media companies reaching out and acquiring or entering the digital and alternative media space.