

Studie DoubleClick Touchpoints IV

http://www.doubleclick.com/us/knowledge_central/research/advertising/

How Digital Media Fit into Consumer Purchase Decisions (November 2006)

By Heath Row, Research Manager, DoubleClick

Additional analysis and editing by Rick E. Bruner, Research Director, DoubleClick

Executive Summary

For the last four years, the DoubleClick Touchpoints consumer survey has helped identify and quantify the impact of various media and other influence factors on consumers' purchase decision making process. The primary point is clear: The Internet - in its various forms of websites, search engines, advertising, email, and professional and consumer reviews - is highly influential at every stage of the process, from first awareness to final decision making. In fact, the web influences purchase decisions - online and offline - more than any other factor. And corporate websites have more impact than any other kind of sites and services.

Based on feedback from our clients and the market, the DoubleClick team decided for the fourth annual edition of the study to examine the impact of some newer online trends, as well as to learn more about how people perceive ads. This summary of the overall DoubleClick Touchpoints IV study will be the first of a series of research papers on those topics based on this year's survey of more than 6,000 U.S. Internet users.

In this paper, we examine the following key findings:

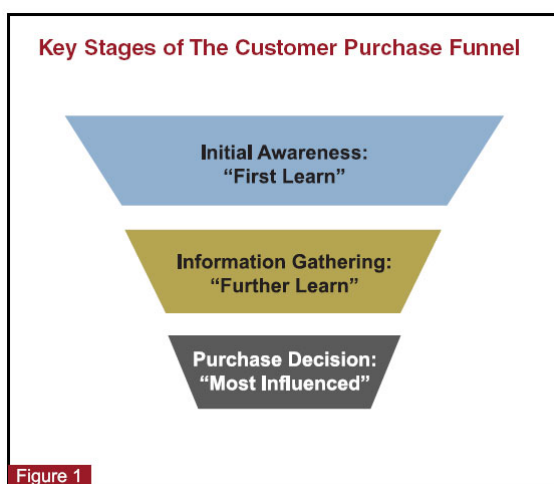
- Consumers acknowledge that online video shows great potential for advertising.
- Consumers say they are more likely to "view through" ads (visit advertised sites without clicking on ads) than click through.
- The importance of digital media in the purchase process can vary greatly by vertical. Travel and finance purchase decisions, for example, are greatly dominated by the Internet. For other sectors, the mix of influence is less concentrated on online channels.
- Consumers see the value of advertising as part of the purchase consideration phase of shopping. That may surprise some advertisers who view the key value of ads at the top of the purchase funnel.

Objectives

Since the first DoubleClick Touchpoints consumer survey in 2002, the study has been designed to understand what are the key influences people take into consideration when they decide which products and services to buy (regardless of whether they buy them online or offline).

Along with its partners ROI Research and eRewards, DoubleClick conducted an online survey in July 2006 of 6,121 U.S. adults (18 years old and older), representative of the population of Internet-using adults in this country. The survey asked respondents about their purchases in the previous 12 months within the following 15 categories: automotive, banking, credit cards, investments, mortgages and loans, air travel, hotels, rental cars, telecommunications service plans, consumer packaged goods (personal care and household care products), apparel, consumer electronics, housewares and furniture, movie tickets, and prescription drugs.

The survey then routed respondents into a set of questions specific to one of the product categories in which they indicated they had made a purchase in the last year. The framework of the survey was more or less the same for each vertical, allowing DoubleClick to see how respondents answered questions differently for individual vertical industries, as well as letting us roll up the responses to analyze common trends across all industries.



Specifically, we asked participants about the three unique phases of the purchase process (see **Figure 1**): initial awareness ("How did you first learn about..."), information gathering ("How did you further learn about...") and purchase decision ("Which of the following most influenced...").

At each step of the decision-making process, respondents were asked to choose from approximately 15

marketing and information factors – touchpoints - to identify which had the biggest impact on their awareness, consideration, and final decision.

Finally, the survey prompted participants to consider all of the touchpoints in relation to each other in order to gauge which one had the biggest impact on their purchase decision.

For more details about the structure of this study, please refer to the Methodology section at the end of this report.

Key Findings

Last year's DoubleClick Touchpoints III report found that Internet users cite websites above all other factors as an influence on their purchase decisions, and that of a range of types of websites we asked them about, corporate websites have the most influence. This year's research finds that that's still true.

When analyzed across all vertical industries, 18% of respondents in the DoubleClick Touchpoints IV survey said they were most influenced in their decision to buy a new product or service by research they did on a website, as shown in **Figure 2**. That is greater than the number of people who cited seeing the product or service offering in a brick-and-mortar store or word of mouth, the next two most influential factors.

As for advertising media, 3 percent of the respondents cited web advertisements as having most influenced their decision (a number that was much greater in certain categories, such as air travel and investment). That was roughly on par with the influence respondents attributed to TV, direct mail and print ads, and significantly higher than radio or outdoor ads or telemarketing.

Touchpoints IV uncovered several new findings worth exploring.

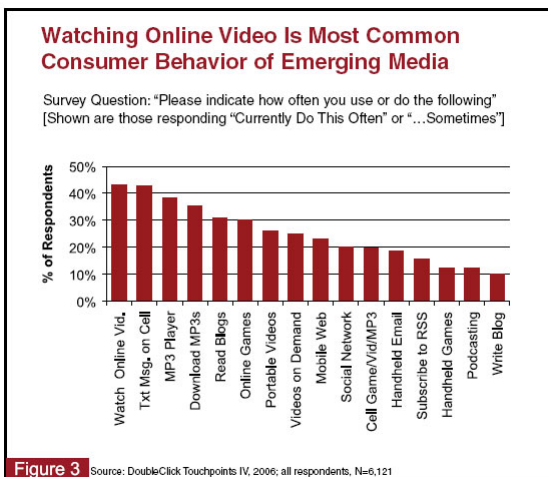


Online Video Is Ready to Go

Mainstream media headlines bear this out: Online video has arrived. From Google's \$1.65 billion acquisition of YouTube to the NFL's encouraging sports fans to create their own video ads for the Super Bowl, it's clear that people are watching video online.

As shown in **Figure 3**, a full 43% of Touchpoints survey respondents reported watching video online.

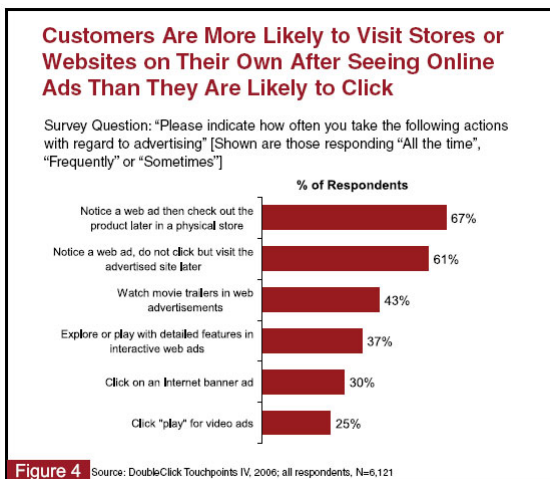
In fact, this is the most popular online activity of a list of types of emerging media included in the survey, equal to the number of people who send text messages using their cell phone. Online video is more popular than use of portable MP3 players (38%).



Online video also has people's attention as an ad platform. In a separate question, 43% of respondents said they watch movie trailers in online ads "all the time," "frequently," or "sometimes," and 25% click "play" on video ads that often as well.

Consumers Are More Apt to "View Through" Ads Than Click Through

Historically, online advertisers have focused intently on click-through rates - the percentage of ad impressions in a given campaign that impel people to click through to the advertiser's site. Increasingly, however, advertisers have come to recognize that a significant amount of the effectiveness of online ads comes in the form of a "view through" - that is, when people visit an advertised website after seeing an online ad but without having clicked on the ad, navigating directly to the site on their own instead. In some cases, they do so moments after seeing the ad. In other cases, they might do so days or weeks later. (For further details on this metric, refer to DoubleClick's report "In-Direct Response to Digital Advertising: Best Practices in Measuring Response Over Time; Continental Airlines Case Study.")



The Touchpoints IV survey showed that consumers, too, recognize the view-through phenomenon. In one question, we asked consumers how often they were likely to take a variety of actions in response to different forms of advertising (see **Figure 4**). With regard to online ads, twice as many people said they had at least sometimes "notice a web ad, do not click but visit the advertised site later" (61%) compared to those who said they

click on banner ads at least sometimes (30%). This 2:1 ratio in favor of view-through over click-through is consistent with what DoubleClick sees from actual campaign performance metrics with many of our clients.

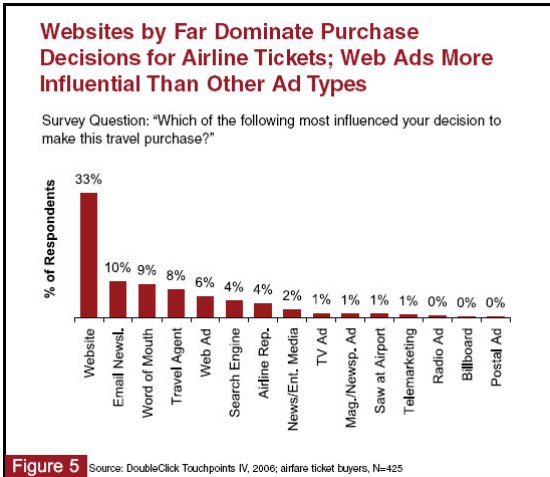
Strikingly, an even larger number (67%) said that they sometimes visit a physical store after seeing web ads.

What is clear from this analysis is that, at least in the perception of consumers, the impact of web ads is more pronounced in their indirect, brand-oriented effect on behaviors rather than in the direct click-through action that so many advertisers still use as the primary way to value the results of online advertising.

Purchase Behavior Varies Considerably by Vertical Industry

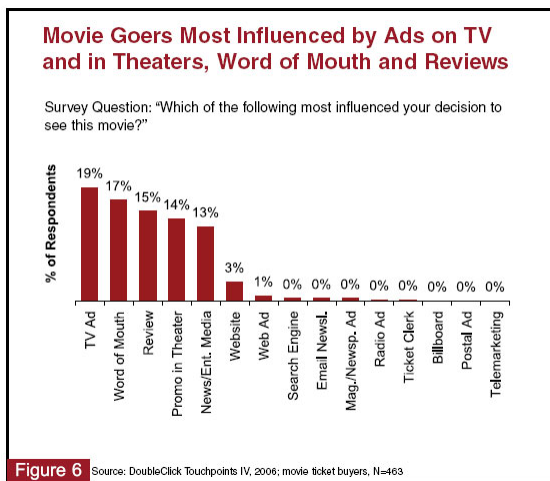
Some characteristics of the role that the Internet and other touchpoints play in purchase decisions is consistent across most verticals. For example, websites are a vital factor for awareness and consideration for most categories, as is word of mouth. But to a large extent, the purchase funnel looks substantially different when comparing various product categories. In hard asset categories such as home products and apparel, physical retail stores remain

the most important touchpoint for all three stages of the purchase decision making process. In more service-oriented verticals, such as investments and telecommunications, word of mouth was particularly important, being the top response in the first-learning and final-decision stages.



For air travel, hotels, and rental cars, the web overwhelmingly dominates as the most influential factor for decision making, as shown for airfares in **Figure 5**. For movie tickets, the web didn't even make the top five responses at any stage of influence.

Instead, TV ads play an extremely important role in promoting movie releases, as shown in **Figure 6**.



These data may be slightly misleading if one were to conclude from them that web advertisers is less effective for categories such as housewares, consumer packaged goods or apparel, where few respondents cited web ads as a major factor in their decision. What is just as likely is that consumers are less inclined to cite web ads as a part of their decision in these categories precisely because advertisers in those categories are

investing less in web marketing, so consumers have less chance to see ads online for those products.

People Use Online Ads More for Learning About Products Than Discovery

A close examination of the data reveals that consumers are more likely to value the role of certain types of ads - particularly forms of online media - as part of the information-gathering and consideration phase of the shopping decision cycle rather than as a source of initial awareness about those products. This may surprise some advertisers, who may be inclined to understand the value of ads as primarily an awareness vehicle instead of an information tool during the consideration phase of shopping.

For example, when examined across all industries, consumers valued the role of word of mouth almost equally as a source of first awareness and further learning: 12% and 13% respectively. Similarly, 14% said they first learned about a product or service when they "saw it in a store," compared to 18% who cited "saw it in a store" as how they further learned about it.

Yet, 8% of respondents cited web ads as a source of further learning compared to only 4% that cited web ads as a source of first learning. That means that respondents were twice as likely to consider the value of web ads being a means of product research compared to initial awareness. Similarly, respondents were much more likely to perceive the value of radio ads, search engines, and websites in the purchase funnel as being a tool for product education rather than initial awareness.

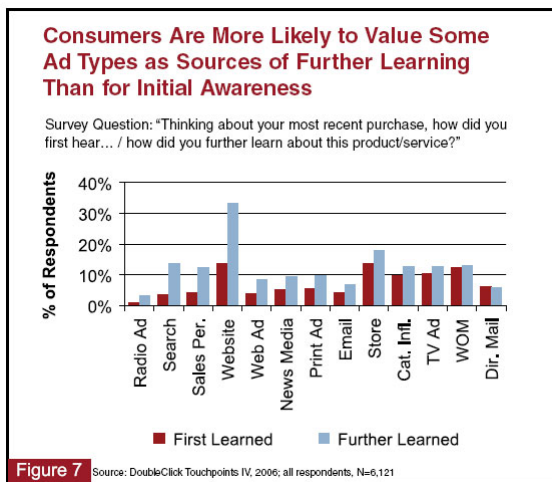


Figure 7 shows how the leading touchpoints rank in terms of their likelihood to be valued more in the "further learning" phase of shopping as opposed to "first learning." The touchpoints in this chart are ordered from left to right by those that show the greatest proportional change in their position in the purchase funnel from first learned to further learned.

For example, 0.75% of respondents cited "radio ads" as how they first learned of a product compared to 3% who cited them as where they went for "further learning," meaning people were four times more likely to consider the value of radio ads as a means of learning than as a source of discovery. Likewise, people were almost four times more likely to cite the value of search as that of further learning than first awareness; three times as likely to say so for sales people, and more than twice as likely for websites and web ads.

On the flip side, the touchpoints seeing a product in the store, TV ads, word of mouth, and direct mail were viewed by respondents nearly equally as sources of first learning and further learning.

This phenomenon is especially pronounced in specific vertical industries. In the air travel, hotels, and rental cars categories, between 18-20% of respondents indicated that they turned to web ads for further information. In each of those categories, web ads were the fourth most popular touchpoint for further learning. Similarly, in the investments category, web ads were the third most popular source of further information, with 12% of respondents selecting it as an option. And in the credit cards category, web ads also came in third, with 9% of respondents citing them for that.

Conclusions

Online video is as hot with consumers as it is with advertisers. Of a long list of emerging media we asked them if they were using, watching video online was cited most often, with 43% of consumers saying they did so today. With the widespread adoption of broadband Internet access (more than 80% of U.S. Internet users in 2006, according to eMarketer), publishers should provide as much quality streaming video content as they can to meet the growing demand from consumers and advertisers alike.

Advertisers should optimize their online advertising campaigns around the view-through metric. Consumers' perceptions of the impact of online advertising validate what many see in the results of their online campaigns: More consumers react to ads by visiting the advertised websites directly rather than clicking on an ad.

Categories that have heavily invested in online marketing, including travel, finance and telecommunications, have seen the medium's capacity to influence customers demonstrated powerfully. These categories were among those first to invest significantly in online. Before marketers in other categories should assume, based on the results of this survey or other third-party data, that online ads do not work as well for their markets, those companies should first test investment levels online that are adequate to measure web ads in comparison to investments in other media. It's likely that consumers are citing the influence of web ads less in other sectors only because there are few web ads to be seen in those sectors because those marketers have not yet invested adequately in the channel for it to demonstrate its relative benefit in the mix.

People use web ads as learning tools. The value of ads in those cases might be further along the purchase decision making process than advertisers traditionally believe. In some cases, the primary purpose of ads should not be to brand or increase awareness, but to inform or offer additional guidance and advice that could lead to a purchase decision. Advertisers should bear this in mind when creating and planning campaigns. For example, advertisers might target media buys based on where consumers are likely to be "in-market" for relevant products, as well as using features in ad creative, such as rich media and video, to highlight product benefits and offer online demonstrations.

Methodology

Touchpoints IV was fielded in July 2006. ROI Research helped DoubleClick manage the research project. Survey respondents were solicited from eReward's opt-in panel of research participants, which is normalized to reflect the Internet-using population in the U.S. A total of 6,121 adult (18 years old and older) Internet users completed the survey.

More than 400 respondents completed the survey for each of the 15 vertical industry sectors (except for hotels [391] and car rentals [302]). Results for the total sample of 6,121 adults should be representative for the total U.S. population of Internet users to a margin of error of 1.2% at a confidence level of 95%; the smaller industry segments of 400-plus respondents should be representative to a margin of error of 4.9%

Report Contributors

Writing: Heath Row, Research Manager

Editing and analysis: Rick E. Bruner, Research Director

Data analysis: Jai Singh, Research Manager

Research project management: Ed Snider, ROI Research