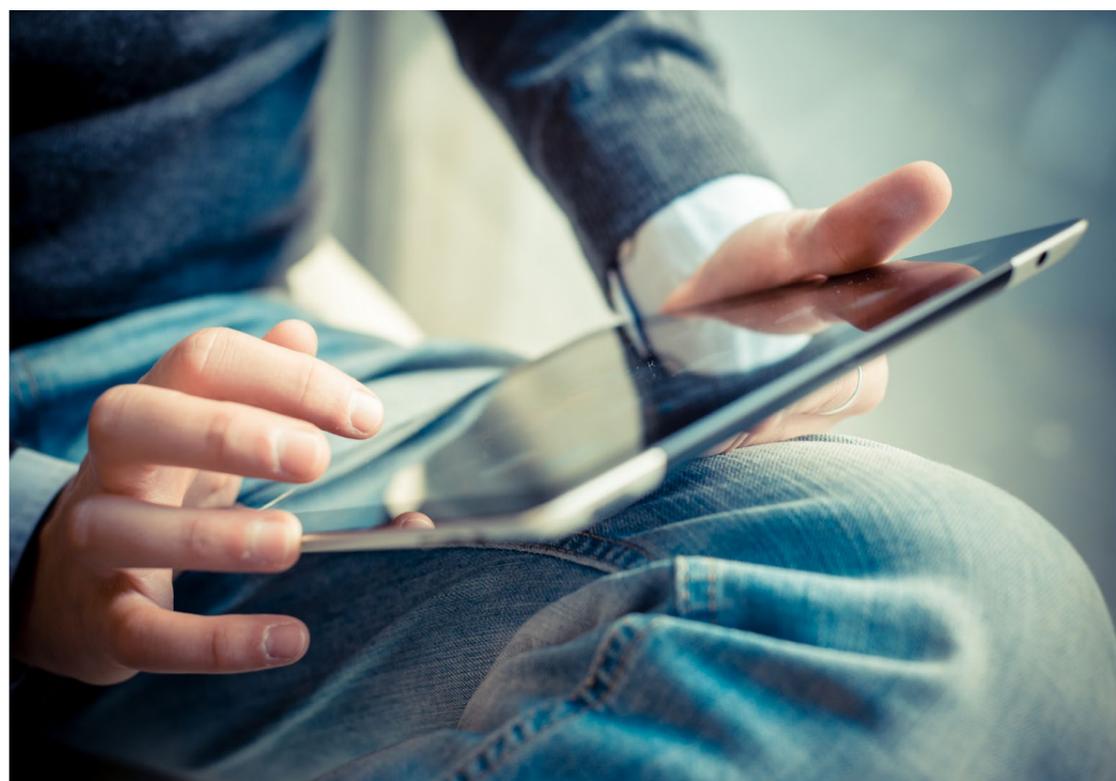


A close-up, profile view of a man with a slight smile, looking towards the right. He is holding a tablet computer with both hands. The tablet screen displays a complex dashboard with various charts, graphs, and data points. The background is a blurred office environment with windows and interior lights.

# ANALYZING THE TRUE POTENTIAL AND VALUE OF DIGITAL ADVERTISING

## THE SPECTACULAR RISE OF DIGITAL ADVERTISING



In 2015, the digital ad industry was worth US\$170 billion and accounted for nearly 30% of all ad spend. Approximately half of this spend went to display advertising (banners, video and mobile) while most of the rest went to search ads.

**China will become the world's largest digital ad market by proportion of spend in 2018.**

Digital assets now represent a significant proportion of CMOs' advertising budgets globally. In 10 of the 59 markets global media network Carat\* analyzed recently, digital is now the principal medium used by advertisers and their agencies. Furthermore, in 2015, the UK became the first country in the world where half of all advertising spend went to digital media.

In the US, digital ad spend is projected to surpass TV for the first time in 2017. And China will become the world's largest digital ad market by proportion of spend in 2018.

\*Carat is a UK registered trademark of the Dentsu Aegis Network.

## THE CHALLENGE TO DIGITAL AD MEASUREMENT: MYTHS AND MISCONCEPTIONS

Despite the enormous investment in digital advertising today, the perceived need among industry players to demonstrate accountability for the quality of advertising being produced using effective research tools is surprisingly low. In fact, it is nowhere near the level that has long been the norm for traditional media such as TV and print advertising.

So why don't more advertisers check the quality of their digital ads, in particular display advertising (as opposed to search advertising)? These ads are inherently more creative in their executions, producing a huge variation in performance.

It could be because display ads have gone from occupying a very small part of the overall advertising budget to a much greater share in a relatively short time. Consequently, the need for CMOs to demonstrate accountability is rising proportionately. The industry has taken some time to respond to this requirement. We believe the lack of practical research tools to measure digital ad effectiveness may well have been a contributing factor.

The absence of these tools may have also helped to create some myths or misconceptions that have gained credence:

- **Myth 1:** "I can learn all I need to know about the performance of my display banners from telemetry metrics such as click-through rates."  
**Debunked:** Click-through rates are not at all representative of the digital banner experience. In fact, less than 1% of people actually click on banners – so how do the ads work for the other 99%?

**Click-through rates are not at all representative of the digital banner experience. In fact, less than 1% of people actually click on banners.**

- **Myth 2:** "If my ad is showing weak click-through, I can change it very quickly and cheaply, no harm done."  
**Debunked:** We know from research that low-quality banners can really damage your brand and sometimes can be worse than not advertising at all. Testing the ad before it runs prevents this issue.
- **Myth 3:** "My production costs are pretty cheap. It's not going to be cost-effective or time-efficient to test all the display banners in my campaign."  
**Debunked:** This cost-benefit conundrum was in fact the driving force behind the development of GfK's solution. With this solution, pre-screening of display banners can now be done very quickly and cheaply. Not only can this inform decisions about ad rotations, but the use of a unique learning interface also helps guide future banner creative development.

# MAKING THE MOST OF YOUR DIGITAL ADVERTISING

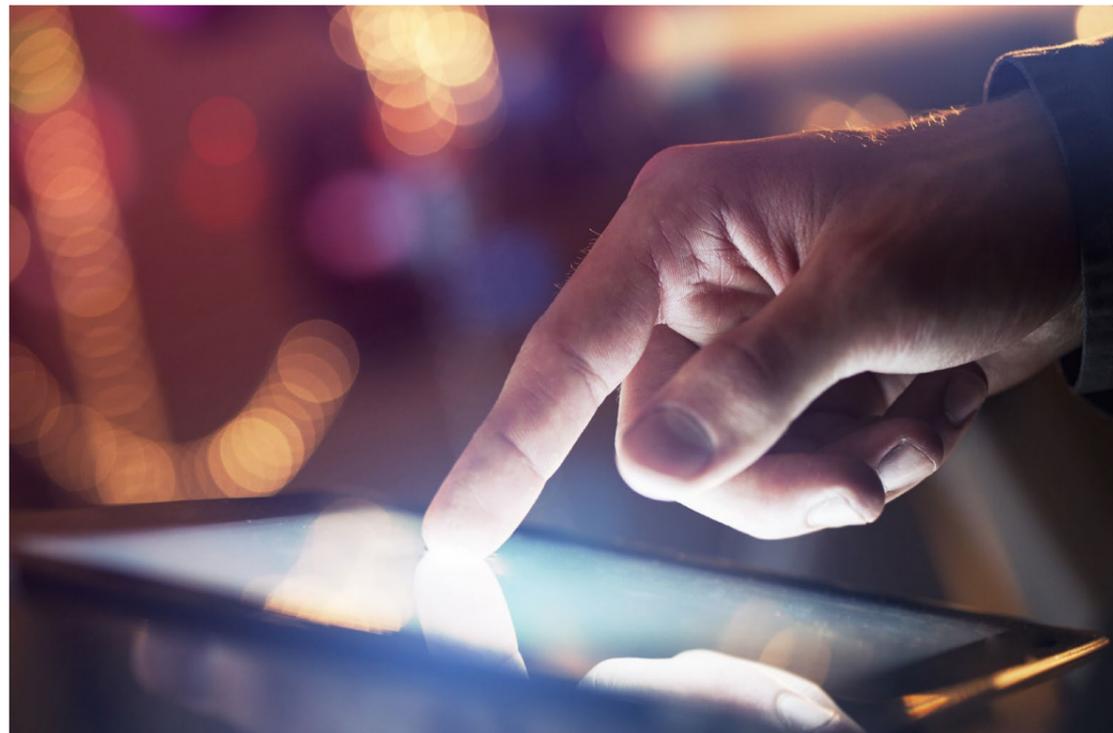
It's important to consider how connected consumers typically encounter display banners on a webpage. Most of the time, far from being in a mindset to notice advertising, consumers are preoccupied with scanning a page for interesting content, being selective about what they choose to view.

Yet it's within this environment that your banner ad has to catch the attention of consumers. Think about how difficult this is to achieve, and it's no surprise that a banner's ability to get noticed on a webpage turns out to be a key indicator of whether or not the ad will be successful.

With this dynamic in mind, GfK Digital Ad Pulse considers four aspects of your ad's breakthrough potential to assess its true value:

- **Avoid:** Has your ad simply failed to register with viewers?
- **Hook:** Is your ad noticed quickly?
- **Hold:** For how long does it get the viewer's attention?
- **Positive imprint:** Has the encounter with your ad, however brief, left a positive imprint with the viewer?

**A banner's ability to get noticed on a webpage turns out to be a key indicator of whether or not the ad will be successful.**



# OUR APPROACH: SEVEN WINNING FEATURES OF OUR SOLUTION

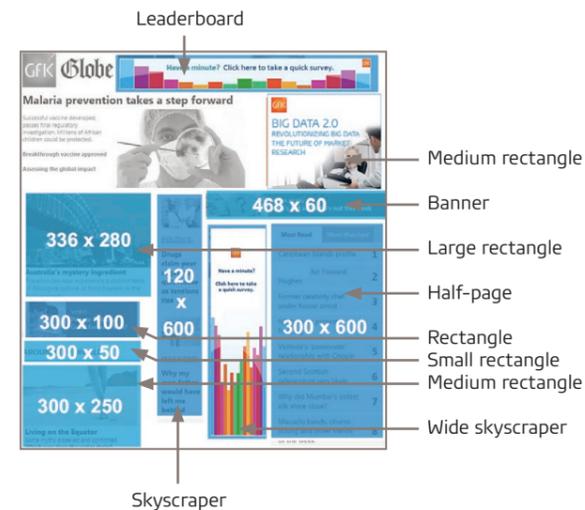
- 1. Versatility of design fulfills multiple needs**  
GfK Digital Ad Pulse can be used to serve a number of needs and purposes. For example, it provides you with a:
  - low-cost solution for testing competitor advertising
  - means to understand the strengths and weaknesses of past campaigns to help maximize the effectiveness of future activity
  - method to assess the creative power of current live campaigns
  - way to identify the comparative strength of ads before they go live to inform ad rotation decisions

- 4. Unique visual spotlighting measures ad breakthrough**  
The latest thinking in cognitive psychology on how people bring into focus the images they want to look at is behind this feature. Visual spotlighting works by showing viewers a slightly blurred webpage. Clicking on a point of interest on the page activates a dime-sized "spotlight" that brings that area into focus. This spotlight is then moved across the page to bring into focus the content that viewers want to look at. Software records the path and pace of the spotlight as it is moved across the page. From this we can passively measure your ad's ability to break through on the webpage against our Hook, Hold and Avoid criteria.

- 2. Testing in a realistic web environment more accurately measures ad effectiveness**  
By testing your ads in the context of a webpage and simulating how they will appear to consumers in real life, you get an accurate measure of their ability to break through.

- 3. A flexible platform accommodates a variety of different ad sizes and formats**  
By constructing a mock webpage with modular content that is the same size as the most common banner ads, we can test different ad sizes very easily. Your static, dynamic and interactive ads – from the extremely simple to the highly complex – can also be accommodated.

**Unique spotlighting accurately assesses breakthrough of ads.**



**Modular content within "dummy" web environments accommodates all standard ad sizes.**

**5. Use of GfK's Ad ConX tool helps determine ad impact**

Using our Ad ConX tool, the ability of your ad to leave a lasting impression can be measured. While visual spotlighting measures breakthrough, our Ad ConX drag-and-drop exercise measures the extent to which this breakthrough has resulted in a positive and memorable experience for the viewer. Our development work shows a strong relationship between the results of our Ad ConX exercise and those generated by our spotlighting tool and Hold measure. It makes intuitive sense that the more time people spend viewing an ad, the more likely it is to leave a lasting impression.

**6. A report card shows whether your ad is "FIT"**

To create winning digital advertising, your ads need to be visible, on brand and inspire action. They need to fascinate, identify and trigger – we call it "FIT". Using GfK Digital Ad Pulse, we test your ads through a connected consumer lens so that you can see what captures attention, enabling you to create and modify your campaigns so that they are always "FIT" for purpose. Critically, you are provided with the results in the form of an intuitive fully-automated report card very quickly after fieldwork has been completed.

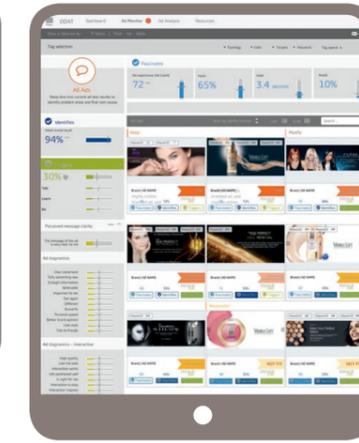
**7. A proprietary visualization tool helps raise the quality of your digital ads**

GfK Digital Ad Pulse also stores all of your tested ads in a proprietary visualization tool to support the rapid decision-making and bigger-picture learning that we know is critical for your success.

**Dashboard view** provides an overview of the performance of all ads tested to date



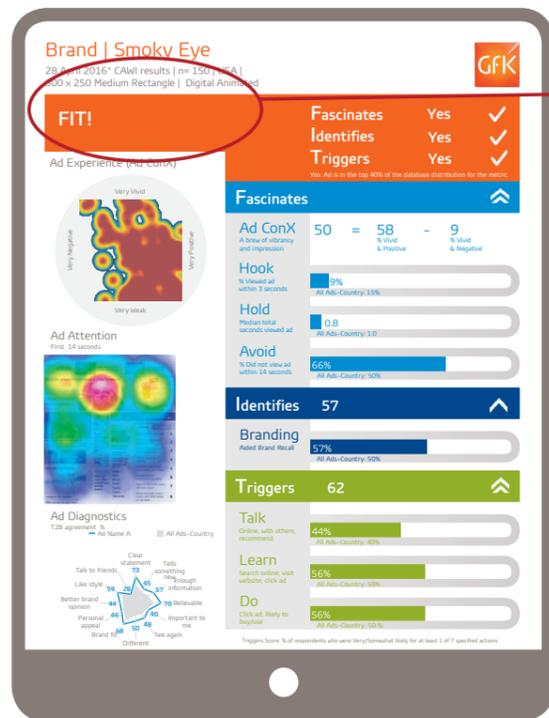
**Ad monitor view** provides a detailed assessment of a selected individual ad



**Ad analysis view** provides custom views of the database to facilitate bigger picture learning



**"FIT" classification and automated report card intuitively summarizes ad performance.**



<b>FIT!</b>	A well-branded, visible ad that inspires action	Motivating	An ad which inspires action, but is neither well-branded nor visible
<b>Branded &amp; Motivating</b>	A well-branded ad that inspires action but isn't visible	Branded	An ad which is well-branded but is neither visible nor inspires action
<b>Motivating Entertainment</b>	A visible ad that inspires action but isn't well-branded	Entertaining	An ad which is visible but is neither well-branded nor inspires action
<b>Branded Entertainment</b>	A visible, well-branded ad that fails to inspire action	Not FIT!	An ad that fails to inspire action and is neither visible nor well-branded

**With proven methodologies and a flexible platform, GfK Digital Ad Pulse makes justifying your digital ad spend quick, effective and strategically sound.**

**In summary, clients benefit from:**

- Screening of digital display banners quickly and cheaply.
- Measurement of all the display ads in your campaign as we accommodate virtually any size and format of banner ads.
- Understanding how and why an ad gets noticed on a webpage – much more valuable than inferring performance via click-through metrics.
- Critical data on the potential of your banner ads at speed via an automated reporting system.
- Bigger picture insights by storing high volumes of tested ads in a proprietary visualization tool.

**Questions? Contact us!**

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## About GfK

GfK is the trusted source of relevant market and consumer information that enables its clients to make smarter decisions. More than 13,000 market research experts combine their passion with GfK's long-standing data science experience. This allows GfK to deliver vital global insights matched with local market intelligence from more than 100 countries. By using innovative technologies and data sciences, GfK turns big data into smart data, enabling its clients to improve their competitive edge and enrich consumers' experiences and choices.

[www.gfk.com](http://www.gfk.com)

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