

# **Measurement and evaluation of online advertising campaigns**

An exploratory examination of the Irish market

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## **ABSTRACT**

The Internet has gained enormous importance as an advertising medium. At the same time, the question of marketing accountability has become one of the top areas of research for researchers and practitioners who aim at optimal marketing budget allocations. The development of online advertising has had a huge impact on marketing, and its accountability is often held up as one of the main advantages over traditional advertising. But just how are online advertising campaigns measured and evaluated and what does the future hold for this area of advertising?

**Purpose** The purpose of this thesis is to identify how Irish marketing professionals measure and evaluate online advertising campaigns, what challenges they face, how online is changing the advertising landscape and to predict what the future holds for online advertising.

**Literature Review** The literature review examines the history of advertising and how the birth of the Internet has transformed the dynamic of the industry. The various types of online advertising are discussed as well as the Irish advertising market as a whole.

**Method** A mixed-method approach was used to gather research in the area. Quantitative research comes in the form of a questionnaire that was completed by 50 professionals in the Irish market, while six in-depth interviews were carried out as part of the qualitative research conducted into the topic area.

**Conclusions** It was discovered that while a number of factors are used to determine the success or failure of an online advertising campaign, the most important aspect is the creation of pre-campaign objectives, which must also be realistic. Online advertising has developed rapidly over the past few years in Ireland as it offers more accurate measurement, tracking and subsequently evaluation of campaigns which makes the budget spend more accountable. The indications are that online advertising will continue to grow as traditional advertising continues to decrease, but most professionals agree that traditional advertising still has an important role to play in conjunction with online advertising.

## **DECLARATION**

I hereby declare that the following research is entirely my own work. All information other than my own contribution has been fully referenced and listed at the end of the study. All the research conducted was done in compliance with the requirements of the MSc in Marketing for the National College of Ireland.

The final word count for this dissertation exclusive of the abstract, table of contents, acknowledgements, bibliography, references and appendices is 15,551 words.

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## **CHAPTER ONE INTRODUCTION**

*Research suggests that companies should be using the Web to provide detailed quality information about products and services - Online Marketing (June 1995)*

With the advent of the Internet, online advertising has become a topic of increasing interest to academic research (Ha 2008; Kim and McMillan 2008). In the past decade, Internet advertising has grown beyond simple banner advertising to include new advertising models and online channels (e.g., on-demand advertising like search engine advertising and price comparison website advertising) that make better use of the Internet's unique potential for interaction between consumer and advertiser (Rappaport 2007). However, research on the effectiveness of these particular online advertising channels is still rare (Breuer, Brettel and Engelen 2011).

Online advertising can be traced back to the infancy of the Internet, which has become a major source of information consumption, and to some extent, has replaced old media such as radio television and the newspaper (Tavor 2011). Academic research in Internet advertising has grown exponentially in the past decade in search of the role of the Internet as a marketing tool (Pergelova, Prior and Rialp 2010). Ambler (2000) believes that from a budgetary context perspective, the biggest part of marketing expenditures is generally allocated to advertising and promotion. Briggs and Hollis (1997) have stated that the pressure to justify advertising expenditures has led marketers to look for a new advertising mix, stressing Internet advertising. Pergelova et al (2010) argue that online advertising is highly cost-effective relative to other media, particularly when taking into account its reliability for more precise targeting and two-way dialogue with customers. According to Roberts and Ko (2001) it is the interactivity that the Internet offers that makes it such a substantial advertising vehicle.

This research will seek to uncover the rationale behind online advertising campaigns and more specifically the measurement and effectiveness of those campaigns from the perspectives of the advertiser. The online advertising industry in Ireland will be the chosen market, with in-depth interviews and a survey among online professionals across a wide variety of industries to uncover insights into measurement and evaluation online advertising campaigns. The research will be confined to the Republic of Ireland due to time limitations which will not allow the research to be carried out in a broader geographical area.



The dissertation will focus on what exactly is 'effective' online advertising with both primary and secondary research applied to get a comprehensive understanding of the topic.

## **CHAPTER TWO ADVERTISING**

In this section, the key literature relevant to this dissertation is reviewed and classified into prominent areas within the broad topic of location based advertising. The preceding section details the outcome of the review and the conclusions derived from it.

### **2.1 Advertising**

Advertising is one of several methods of promotion that many companies consider as an important tool for communicating with their customers about products and services they have to offer (Werner 2013). Belch & Belch (2004) define advertising as any paid form of communication to promote an organisation, a product or an idea while state that one of the most important benefits of advertising is that it facilitates the consumer becoming an active rather than a passive agent in the economic cycle. In order to make purchasing decisions or social decisions, the consumers must be informed (Hart 1995). Advertisements communicate messages and serve two functions: to inform and to persuade (Singh and Dalal, 1999). In his overview of the economics of advertising, Schmalensee (2008) takes a very different view to Hart (1995) and argues that hyperbole surrounding the promise of commercial persuasion of consumers might have been ill-placed. Schmalensee (2008) takes the viewpoint that empirical studies suggest that advertising is not an important determinant of consumer behaviour and that advertising follows rather than leads cultural trends. Schmalensee (2008) adds that in relation to the core issue of whether advertising is anterior pro-competitive, the evidence suggests that advertising is associated with lower prices.

Presbrey (1929) says that advertising really has two histories. The history of advertising as we know it today dates from yesterday and also the history of advertising in all its forms harks back through the ages and into the haze that hides the beginning of humanity. Sampson (1874) and Presbrey (1929) are among the earliest writers around the area of advertising. Both began their histories with Babylonian trademarks, sales messages on walls in the Roman Empire, and carried right through to the town-criers and sign-makers of medieval European cities, thus creating a coherent historical narrative that saw their own 'advertising age' as the culmination of a 3,000-year-old process of gradual change and progressive improvement.

It was estimated that the global advertising market, driven by emerging markets such as China and India is worth \$464 billion in 2012 (Sharma 2011).

## **2.2 Online advertising**

According to Paul (1996), the Internet started life in 1968 as the 'International Electronic Network', conceived by the Advanced Research Projects Agency of the US Department of Defence. As the original purpose of the internet was to support education and research, by 1991 more than 3,000 institutional inter-networks were linked. Credit is also given to World Wide Web Consortium Director, Tim Berners-Lee, as the "inventor" of the Internet.

The World Wide Web, also known as 'the Web' is defined as 'user-friendly graphics-capable component of the Internet' (Pugsley and Trites, 2003) and as a cross between an electronic trade show and a community flea market (Berthan et al., 1996). It has been suggested that online advertising can be viewed as a "social contract" between Internet users and advertisers. The attributes contributing to this "contract" being: access to, and placement of, advertisements; message influence on fee; and information collection (Harker 2008). Online advertising, as a phenomenon, is in its third stage of development. Stage one featured simple text links with basic banner advertisements, whilst stage two witnessed the 'dot com' boom between 1997 and 2001; characterised by high investment, energy and interest, with groundbreaking new formats, such as rich media and flash standard (Harker, 2008). Stewart and Pavlou (2002) state that Internet advertising has transformed marketing communication from a one-way to a two-way process. Rappaport (2007) however cautions that it would be an error to think that control has shifted fully to the consumer. For the most part, brands still set the stage and establish the rules.

The goal of the advertising industry has always been to find a medium that's responsive and trackable, and on that basis the Internet would appear to be the Holy Grail (New Media Age, 2006). There are two types of online advertisement associated with Internet search engines: paid placement and Search Engine Optimisation (Sathish, Kumar and Bharath 2011).

Advertising credibility has been conceived and studied as the perception of the truthfulness and believability of advertising in general, not simply of a particular source or ad (Lutz 1985; MacKenzie and Lutz 1989, p. 51). Trust is one of the prominent disadvantage online marketers must deal with in an effort to win consumer credibility, with the lack of user privacy a serious issue as many marketers track users' activities online and send marketing messages that relate to their interests despite the users' wishes (Pergelova 2011). Another disadvantage is the disruption caused to users by the various types of online advertisements which again will impact the credibility of the advertising message and also the brand.

### **2.3 Growth of Internet advertising compared to traditional advertising**

Since the early 1990s, Internet advertising has grown exponentially and has occupied a place as a necessary part of the advertising mix (Pergelova et al 2010). Internet advertising is rising due to the fact it offers a different proposition to traditional advertising. Advertising on television, radio, newspapers, billboards or direct mail is based on large exposure and a particularly wide audience. According to Tavor (2011), Internet advertising on the other hand is based on relatively few channels that coalesce to bring forth a maximised target customer. Tavor (2011) adds that the Internet is the world's most powerful media advertising for two main reasons. First, almost every home has continuous access to the Internet. Second, the Internet has a daily audience that is greater than the sum of the entire historical audience of traditional media.

### **2.4 Social media advertising**

Gladwell (2000) suggests that big trends are started by small groups of people that have the power to communicate with, inform and influence one another in society. The rise in social media advertising also reflects a continued trend by marketers to establish more intimate relationships with their customers. In the digital age, more and more people in western cultures are finding new ways to connect with like-minded individuals (Wright et al 2010). Social media is about answering the basic human question on how we can help one another (Orr, 2009). Social media advertising will continue to be big business as long as it "remains the marketers' darling" (Strategic Direction 2011). In 2012 it was estimated that world-wide social media revenue would reach \$16.9 billion by the end of the year, an increase of 43 per cent from the previous year (Gartner.com 2012). One of the main contributors to the rapid increase in online spend in the Irish market is attributed to the growth in display spend on social media sites. Advertising on social media sites during the first half of 2012 came in at just under €3m (Silicon Republic, 2012).

### **2.5 Types of online advertising**

Rodgers and Thorson (2000) count five different formats of advertisements that are found on the internet. They include sponsorship, keyword linking, commercial sites, pop-up advertising and banners.

*Sponsors*

Online sponsors appear on a specific site or a special section on the site in order to give the advertiser a visibility for marketing purposes (Tavor 2011).

### *Sponsored link words*

Studies have found that at least half of Internet surfers use search engines. As a result, an increasing number of advertisers use keywords to ascertain that their messages are brought to the first places in the search results. When the potential customer insert a specific keyword to the engine such as Google or Yahoo!, the engine scans the entire customer base that pays for those words and provides a list of related sites (Tavor 2011).

### *Commercial Sites*

A commercial site is a website used by companies or economic entities to transmit information about products or services that they are marketing. There is disagreement among marketers whether commercial websites should be considered as advertising, but in recent years there has been growing consensus that they should (Tavor 2011). Singh and Dalal (1999) showed that the homepage of commercial sites portrays the same basic features - to inform and persuade - as do other media network and should therefore be legitimately be considered advertising proper.

### *Pop-up advertisements*

Pop-up advertisements are those advertisement windows that pop-up while one is browsing the site. A pop-up advertisement opens automatically in a new window once the web page is loaded. The user must open or click on another place in order to bring forward the requested window and not the advertisement (Tavor 2011).

More recent research from Sathish, Kumar and Bharath (2011) has defined four types of online ads:

*Banners* - Static and dynamic banners are the most popular format for online advertisements due to its low cost in design and posting. While the impression rate is high, the click-through rate is often low.

*Rich Media Banners* - Rich media banners on the web use multimedia technology such as audio, video, and graphics to present advertisements. The major purpose of rich media

banners is to draw viewers' attention using dynamic video and graphics, effective images and sounds. The impact on users can be high, but so too are the costs involved to create such ads.

*Game-Based Online Advertisements* – A more recent phenomenon, the publishers of game-based online advertisements are online game vendors rather than web publishers and target game players. Sathish, Kumar and Bharath (2011) say the game players are visually influenced by advertisements when they are viewing the virtual world of games.

*Email-Based Advertisements* – Reasons suggested for the popularity of email advertising include, first, that email is cheaper than traditional direct mail (Martin et al 2003, Gartner 2002), secondly that email advertising has been heralded as producing faster response times from consumers (Brown, 2002; Rickman, 2001) and thirdly email can encourage interactivity with consumers by including hyperlinks in the email (Brown, 2002). With the increase of Internet users, email is becoming another effective mean for online advertising. Advertising through emails provides an extremely cost-effective, high-response-rate marketing vehicle. It enables businesses to acquire and retain consumers, sell and promote products, drive loyalty, and reinforce branding efforts (Sathish, Kumar and Bharath 2011).

## **2.6 Banner advertisements**

A banner advertisement is a popular homepage advertisement that combines words and pictures with the obtrusive or contextual presentation style in a webpage to attract a user to click and interact with an advertisement and buy a product online (Chi et al 2012). The features of the banner advertisement are two-way interactive communication that a browser can possess more autonomy than ever to determine whether further read the advertisement or not and find information quickly and effectively (Weng, 2003). Steven, Hairong and Joo-Hyun (2002) believe that a key advantage to banner advertising over other forms of online advertising is that they do not interfere with the activity of the surfers.

The main functions of a banner advertisement are to provide a browser with product information and to arouse his or her interest and purchase intention. If an advertisement provides more detailed product information, the advertising effectiveness will be higher. The advertising effectiveness is a kind of communication for advertisers to convey advertisement information to consumers and how to measure advertising effectiveness has been a research interest for advertisement scholars and advertisement proprietors (Chi et al 2013). A banner advertisement on a well-known website can have more internet users to

browse a brand or a product and increase its awareness and economic benefit (Cho, 1999). The manufacturing cost is cheaper and manufacturing time for a banner advertisement is shorter so that the advertiser can quickly replace the advertisement with a negative or under-performing response. When the effects of subtle and prominent online advertising formats regarding sponsored content and banner ads are tested with respect to audience reactions toward the advertisement it is found that the sponsored content is found to be more informative, more amusing and less irritating than the banner ad (Tutaj et al 2012).

Banner advertising can sometimes be mistaken for pop-up advertising, but there is a key difference between the two. Tavor (2011) suggests that banner advertising is considered less intrusive than pop-up advertising because it is part of the visual background of the page as opposed to pop-up and floating advertisements that appear automatically. Cong and Robert (2005) argue that pop-up ads have a largely negative effect given the disturbance caused by the ad and the large size of the media files, often causing a slowing down of the computer's processing time.

Another limitation to online marketing can be the fact that certain marketing managers do not have the expertise to turn the extensive data at their finger-tips into meaningful information. For them it may be a case of 'paralysis by analysis' and Uncles (2005) also makes this point strongly in his paper 'Marketing metrics: A can of worms or the path to enlightenment?'

## **2.7 Gender differences in advertising**

One of the primary goals of marketing is to segment the consumers and try to target the products or services to their specific needs. Gender has had a deep history in the marketing environment. Gender has been used as a segmentation variable, because it is a group that meets all the circumstances: easily identifiable, accessible information and the segments are large enough to generate more profit (Meyers and Sternthal 1991). Thinking patterns of the online consumer are crucial in viewing and experiencing the banner ad (Palanisamy 2004). Taylor (2011) calls attention to the process of sending general online advertising with inflationary claims and how it may attract visitors with whom the advertiser is poorly matched. He further states this can be costly when ads are priced per click since many visitors will not purchase and states customers benefit from increased informativeness.

Waite, Harrison and Hunter (2002) give the following dimensions of consumer expectations of banner ads for bank websites as a source of information: transaction technicalities,

decision-making convenience, interactive interrogation, speciality information, search efficiency, physical back-up and technology thrill. Research conducted by Palanisamy (2004) found that in the context of web-based banner ads, gender influences the following relationships: (i) banner ad judgement and attitude towards banner ad, (ii) focus and planning approach and attitude towards banner ad, and (iii) consumer expectations and banner ad effectiveness.

## **2.8 Advertising measurement**

Corkindale (1983) spoke of the importance of measuring advertising campaigns. His measurements were focused on traditional methods at that time, but still hold true in an online environment. Corkindale (1983) outlines several key questions that must be asked prior to an advertising campaign:

- What information do I want?
- What am I going to do with it when I get it?
- What will it tell me that I do not already know?
- How will I, or someone else, make better decisions with it?

## **2.9 Online advertising effectiveness**

Despite the different definitions of advertising effectiveness, it is a common statement that effectiveness is about fulfilling advertising goals. However, online advertising campaigns are established not only to communicate advertising content, but also to meet specific relationship marketing objectives such as communication, feedback processes and customer service policies (Cook and Kover, 1997). Accountability in advertising is an important issue in marketing research and practice and has been extensively researched in terms of offline advertising (Brettel and Spilker-Altig 2010). The analysis of advertising channel effectiveness and consumer behaviour has emerged as a key concept in the marketing discipline for researchers and practitioners because it bridges consumer behaviour and marketing strategy (Woodruff,1997; Overby et al., 2004).

The first attempts to evaluate a web site as an advertising medium were significantly affected by academic research in traditional advertising. Specific indicators of advertising effects and evaluation criteria used in traditional advertising media such as advertising content, organisation of content and message strategy like entertainment and irritation (Ducoffe, 1996;



Brackett and Carr, 2001), were “borrowed” and applied to measures of web site advertising effectiveness (Pavlou and Stewart, 2000). Unlike other media, the Internet allows advertisers to evaluate the effectiveness of their marketing on an almost instantaneous basis – thus allowing for quick refinement of their skills and a readjustment of their target audience (Ramaraj and Suzanna 2003). Reach and frequency are used as the standard measures for online ad effectiveness (Dreze, 1998). ‘Reach’ is the net unduplicated number of visitors who had an opportunity to see a banner ad one or more times and ‘frequency’ is the number of times the visitor had an opportunity to see a banner ad. Werner (2013) cautions that along with what appears to be a high level of interest in using online advertising, there also appears to be some concern with respect to the effectiveness of online advertising.

Ronald and Barbara (2002) found that the effectiveness of online advertising is derived mostly from its interactive nature and therefore, estimating the effectiveness of an ad is an integral part of the marketing campaign. Online marketers don't have the time or resources to waste on programs that don't deliver results. Performance expectations are higher than ever. But the most commonly used marketing metrics aren't enough to create a roadmap for improvement (Tutaj et al 2012). Bright and Daugherty (2012) examined the effect customisation in online environments has on advertising effectiveness finding that customised environments create a sense of engagement for consumers.

Research conducted by PricewaterhouseCoopers (2010) found that there are five indicators for measuring online advertising.

**Display** - This is the number of impressions an advertisement receives, with an impression the measure of the number of times an ad is displayed, whether it is clicked or not. This is one of the oldest forms of online advertising measurement and is seen as the minimum indicator.

**Actual exposure** - This is the measurement of advertisements “viewed” and exposure time. An indicator that is on the rise, though not fully available yet.

**Interaction** - The interaction rate with consumers, clearly evident on social media, also known as dwell time. Has developed rapidly in the last few years in line with growth in rich media and video.

**Browsing** - The number of visits, time, depth and recurrence for an ad. Is now a fundamental part of online advertising measurement and brand-focused advertisers.

**Engagement** - Committing interactions with the consumer such as catalogue requests, quotes etc. Becoming a key part of brand focused advertising.

Separate research conducted by eMarketer (2010) that click-through rate is the most widely used measure of effectiveness, with 60 per cent of respondents relying on it as their number one indicator of a campaign.

However the number of clickers is decreasing – comScore (2009) found that the number of internet users clicking on online advertisements had dropped by more than 50 per cent between 2007 and 2009 and this trend has continued. PwC research (2010) found that the most limiting factor of the click-through rate is that it does not provide any information on the kind of impact that exposure to an advertisement gives rise to, whether this is in terms of awareness, recall, engagement or purchase intent.

#### *ROPO – Read Online, Purchase Offline*

There is a growing body of evidence to support that online advertising exposure does impact online sales even though users may not be taking an immediate action (Hess and Lamontange 2010). Research in America indicated that 89 per cent of consumers pre-shop and conduct research online, but less than seven per cent of retail sales actually takes place online (Sathish, Kumar and Bharath 2011). It is not always about the immediate click and can be more of a long-term strategy.

#### *Tracking*

A typical tracking solution consists of three parts: A tracking repository which is used to store and maintain all types of tracking data for advertisements; a client-based tracking module that monitors and collect tracking data of advertisements at the client side and a server-based tracking module that controls the tracking functions and mechanisms at the sever side (Sathish, Kumar and Bharath 2011).

Not all industry experts agree that online advertising is as transparent as it seems however. According to Burrowes (2007), “effectively measurement simply consists of monitoring media, counting the ads and multiplying them by rate card minus a bit. But that doesn't work with online, where every user could potentially be served a different ad every time.”

## 2.10 Advertising market in Ireland

In 2011 the Irish advertising market was estimated to have been worth slightly more than €1 billion, some €897 million of which was accounted for by traditional channels. Online or digital advertising, as it is variously called, was the only category to show growth, of the order of 20 per cent, compared with a four per cent average decline across other media types, according to research from PwC/IAB Ireland and Nielsen (Amas 2012). The online advertising market continues to grow. Online advertising revenue rose in Ireland by 12.3 per cent in 2012 to €148.2 million. When mobile phone advertising is included the figure rises to €158 million (IAB Ireland 2012).

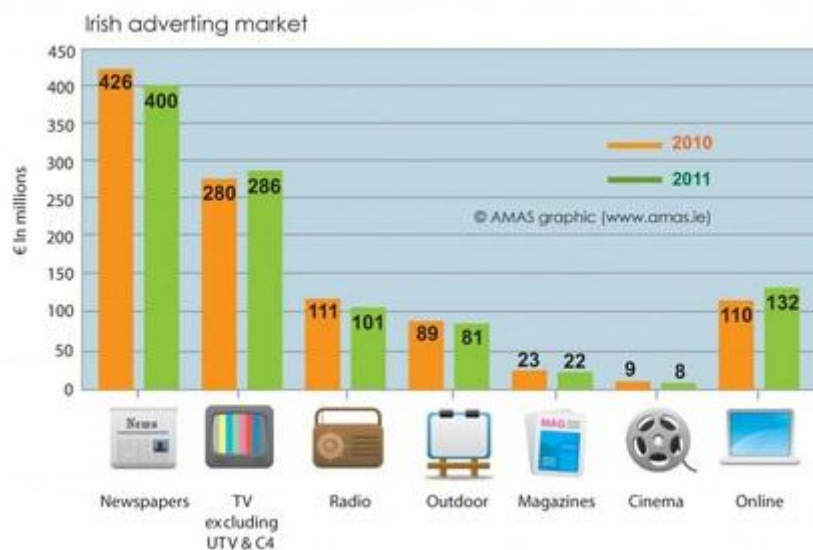


Figure 1.1 - Irish Advertising Spend in 2010 & 2011 courtesy of Amas.ie

## 2.11 Irish online advertising market – The Consumer

An IAB/PwC study in 2012 indicated that just under 77 per cent of all Irish people are now online, compared with an EU average of 65 per cent (see Appendix 9.2). Of those online in Ireland 58 per cent are also watching TV at the same time, compared with the EU average of 48 per cent. Irish people spend on average 13.5 hours a week online (IAB Ireland), while in separate research, the same body found that the average person in Ireland had spent €685 on online purchases in the past six months (IAB Ireland 2012). Forty three per cent of Irish consumers made an online purchase last year, with travel and hotels the number one buys (Eurostat Report 2013).

## 2.12 Irish online advertising market – The Company

Irish marketing professionals are diverting more of their advertising and promotional budgets online, because of better opportunities for customer engagement and greater return on investment than they experience with traditional channels. One in five marketers currently spend 50 per cent or more of their budget online (Amas 2012). The rise in online advertising in Ireland has been rapid. In 2007, online spend by Irish companies stood €35 million, yet five years later this figure had more than doubled to €73.2 million (Silicon Republic 2013). The difference in online spend in just one year can be clearly seen in Appendix 9.1.

The recessionary environment presents challenges to Irish marketers, not least how to ensure that depleted marketing budgets can deliver tangible results. Research carried out by Irish digital consultancy Amas found that 95 per cent of marketing managers that invested in online activities said value for money was a key driver, either “very important” or “important”.

A majority of the sample – 59 per cent – reported a higher return on investment from online marketing than from traditional marketing. It also found that marketing managers believed the top three advantages to online advertising to be:

- 75 per cent claimed to have a better understanding of customers
- Contact building
- Cost savings delivery

Irish marketers found the following to be the three main disadvantages:

- 70 per cent of the sample said that it has added to their workload.
- Company reputational risks for their companies were a concern
- 61 per cent had difficulties keeping up to date with social media developments.

Academic literature and research all suggest that the objectives are key to measuring the effectiveness of a campaign. PwC (2010) research found there to be seven main objectives that a company can have with regards to online advertising.

*Branding* - the purpose of branding campaigns is to bolster different components of the brand, such as awareness, image or purchase intent. These campaigns will generally be part of a wider media strategy campaign.

*Customer engagement* – also falls within the framework of branding, but is specifically used to interact with the consumer online.

*Growing offline sales* - This objective can be more specifically sought or measured for certain campaigns and as such evaluated with greater precision.

*Growing online sales* - specifically aim to generate sales on the brand website or on partner networks. Conversion and branding objectives are integral to this objective. Research carried out by Breuer, Brettel and Engelen (2011) showed that online advertising has both short-term and long-term effects on sales, but the duration and intensity of those effects differ for each online ad channel: emails have the longest effect, followed by banner advertising

*Generating leads* – This is a performance-oriented approach, where the objective is not to increase online purchases, but to get a better understanding of the online user.

*Boosting coverage and message repetition* - One of the objectives of a Web campaign can be to strengthen the message coverage and repetition achieved through other media.

*Reducing acquisition costs* - This is fundamental for performance-focused advertisers, but not as common as some of the other objectives previously mentioned.

For each of these objectives, different indicators can be used. PwC (2010) suggested the following nine indicators can be used for measuring online advertising effectiveness, but the list is by no means exhaustive. The same indicator can often be suitable for measuring different objectives.

<u>Display</u>	<u>Conversion</u>	<u>Traffic</u>
<ul style="list-style-type: none"> <li>• No. of impressions</li> <li>• No. of “visible” ads</li> <li>• No. of ads viewed</li> <li>• Exposure time</li> </ul>	<ul style="list-style-type: none"> <li>• Click-through rate</li> <li>• Conversion rate</li> <li>• Post-view conversion rate</li> <li>• Post-click conversion rate</li> </ul>	<ul style="list-style-type: none"> <li>• No. of visits generated</li> <li>• No. of pages viewed</li> <li>• Length of visit</li> <li>• Abandon rate</li> </ul>
<u>Interaction</u>	<u>Subscription</u>	<u>Media</u>

<ul style="list-style-type: none"> <li>• Interaction rate</li> <li>• Interaction time</li> <li>• Expansion rate</li> <li>• Rate of videos viewed</li> <li>• Video viewing time</li> <li>• Activity on social networks</li> </ul>	<ul style="list-style-type: none"> <li>• No. of subscriptions</li> <li>• Requests for information</li> <li>• Subscription rate</li> <li>• Recommendation rate</li> <li>• Viral campaigns</li> </ul>	<ul style="list-style-type: none"> <li>• Gross rating point (GRP)</li> <li>• Memorised coverage</li> <li>• Coverage rate</li> <li>• Message repetition rate</li> </ul>
<b><u>Distribution</u></b>	<b><u>Return-on-Investment</u></b>	<b><u>Post-Tests</u></b>
<ul style="list-style-type: none"> <li>• Additional sales generated</li> <li>• Revenue generated</li> <li>• Lead conversion rate</li> <li>• Impact on the frequency and volume of purchases</li> <li>• Retail outlet traffic generated by the Web</li> </ul>	<ul style="list-style-type: none"> <li>• Acquisition costs (offline v online)</li> <li>• ROI (revenue generated/advertising expenditure)</li> </ul>	<ul style="list-style-type: none"> <li>• Impact on awareness</li> <li>• Impact on advertisement recall</li> <li>• Impact on brand image</li> <li>• Impact on purchase intentions</li> <li>• Impact on recommendations</li> </ul>

**Figure 1.2** – Nine categories of indicators for measuring online performance – Measuring the Effectiveness of Advertising, PwC (2010)

### **CHAPTER THREE RESEARCH AIMS AND OBJECTIVES**

It is vital that the aim and objectives of an investigation are clearly set out. This is to ensure that the most appropriate methodologies are chosen and all relevant literature has been reviewed prior to conducting the research in the hope the researcher will contribute and expand on existing knowledge (Horn, 2009).

After reviewing and critically assessing all current and previous literature in the area of advertising and in particular online advertising, this investigation will explore the evaluation of online advertising in the Irish market. More specifically, the online market will be chosen as the sector to investigate closely to understand how marketing professionals evaluate and measure their online advertising campaigns.

To achieve this aim, the objective will be to employ a number of research techniques, which are outlined in the Research Methodology section. The methodologies selected will be both quantitative and qualitative methods to attempt to give the results a numerical conclusion and also allow for insights gathered from online marketing professionals through open ended questions within the questionnaire and through in-depth interviews (Saunders, Lewis and Thornhill, 2009). Once these results are collected and analysed, the final objective will be to draw conclusions in relation to the proposed research questions. The research questions will be confined to Republic of Ireland online marketing professionals; this is due to time limitations which will not allow the research to be carried out in a broader geographical area.

In the past decade, Internet advertising has grown beyond simple banner advertising to include new advertising models and online channels that make better use of the Internet's unique potential for interaction between consumer and advertiser (Rappaport 2007). However, research on the effectiveness of these particular online advertising channels is still rare (Breuer, Brettel and Engelen 2011). Online advertising revenue rose in Ireland by 12.3 per cent in 2012 to €148.2 million. In 2011 it was the only advertising medium to show a growth – a 20 per cent growth compared to a four per cent average decline across other media types (Amas 2012). This area is clearly a growth area, but just how are Irish marketers evaluating online advertising campaigns? The changes in the advertising landscape, from traditional towards online has already been discussed, but what are the key differences between the two from the advertiser's perspective? Already discussed has been the rapid development of advertising since the creation of the Internet, but what does the immediate future hold for

online advertising and what further developments can we expect to see? The following objectives for this study are based on this.

### **3.1 Research objectives**

The objectives that underpin the research are:

- To compare traditional and online advertising in the Irish market.
  
- To determine how online advertising campaigns are evaluated by Irish marketing professionals.
  
- To explore possible future trends and possibilities for the online advertising market in Ireland.

### **3.2 Research hypothesis**

A hypothesis is a statement that can be refuted or supported by empirical data (Creswell, 2003 p 52).

Based on a meta-analysis of more than 250 articles, Vakratsas and Ambler (1999) show that advertising input leads to three intermediate advertising effects; affect, cognition, and experience - which, in turn, lead to behavioural effects like product purchase. Breuer, Brettel and Engelon (2011) argue that advertising effectiveness is mediated by factors such as motivation, ability to process information (involvement) (Petty and Cacioppo 1986) and attitude toward the advertisement (MacKenzie et al. 1986).

The purpose of this study is to evaluate what determines an effective or successful online advertising campaign, while focusing on the Irish market. The research hypothesis in this study is as follows:

*While many factors must be considered in the creation and evaluation of an online advertising campaign, ultimately it is the pre-campaign objectives that will determine the success, or failure, of a campaign. Only by choosing a particular objective will a company be in a position to correctly evaluate post-campaign.*



## CHAPTER FOUR RESEARCH METHODOLOGY

Collis and Hussey (2009) believe that research methodology is ‘an approach to the process of the research encompassing a body of methods’ (Collis and Hussey, 2009, p.73).

The aim of a research methodology is to assist the researcher in answering the research questions by gathering relevant information through survey, observation, mini or focus group interviews to prove/disprove the research hypotheses. Fisher (2007) defines methodology as “a study of methods and how it raises all sorts of philosophical questions about what is possible for researchers to know and how valid their claims to knowledge might be” (Fisher, 2007). Saunders et al (2007) states that the term methodology refers to the theory of how research should be undertaken. Although research is important in both business and academic activities, there is no consensus in the literature on how it should be defined. According to Amaratunga et al. (2002), there is general agreement that research is “a process of enquiry and investigation; is systematic and methodical and it increases knowledge.”

### **4.1 Research design**

The axiom of “knowledge”, driven by research paradigms, can be explained by the branches of philosophy known as axiology, ontology, epistemology and methodology (Guba and Lincoln, 2005; Bryman and Bell, 2007, Lee and Lings 2008).

**Ontology:** the study of the nature of reality. Is reality objective and independent of our perception of it, or is it constructed by those who experience it?

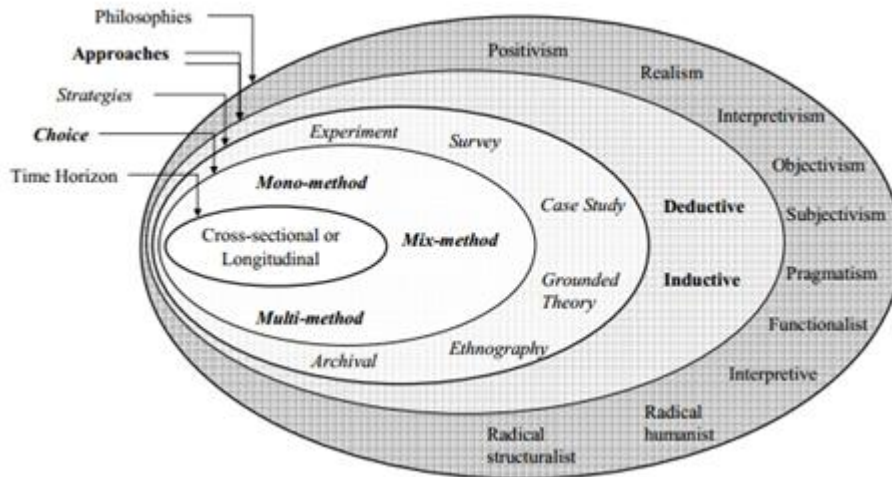
**Epistemology:** the study of what we can know about reality and is dependent in many ways on what you believe reality to be.

**Axiology:** is in essence about the aims of your research; in other words what are you trying to do?

**Methodology:** is essentially how you are going to go about your research.  
(Lee and Lings, 2008)

There are number of ways by which researchers can carry out their research, however the quality of the research depends largely on the method identified and if it suits the type of

research that the researcher will undertake. Saunders et al (2007) portrays the various levels or layers of the research process as that of the layers in an onion, where assumptions must be made at each individual stage of research approach, referred to as layers of the ‘onion’



**Figure 1.3:** The research 'onion' (Source: Mark Saunders, Philip Lewis and Adrian Thornhill (2007), Research Methods for Business Students, Fourth Edition, pg-102)

## 4.2 Research philosophies

The first or outer layer of Saunders et al (2007) research onion is the research philosophy which has three ways of thinking about research philosophy; epistemology, ontology and axiology. Blumberg et al. (2005) explained that “the knowledge of research philosophies is beneficial for the researcher as it helps to clarify the research design and facilitates the choice of an appropriate one.” The outer layer of Saunders’ research onion is made up of ten individual philosophies but for the purpose of this study the researcher has identified the following research philosophies to be evaluated before deciding on the appropriate philosophy paradigm to follow:

*Positivism* – where data and its analysis are value-free and data do not change because they are being observed (Guba et al 2005). Fisher (2007) maintains that positivism holds an accurate and value-free knowledge of all things possible and that human beings and their actions and institutions can be studied as objectively as the natural world.

*Realism* - According to Fisher (2007), realism still aims to be scientific but makes fewer claims to knowledge that perfectly mirrors the objects of study and while realist research

is a basis for the positivist approach, it recognises the subjective nature of the research and inevitable role of values in it.

*Interpretivism* – “The recognition that subjective meanings play a crucial role in social actions” (Saunders 2007). Bryman and Bell (2007) states that interpretivism is an alternative to the positivist.

*Objectivism* – “Objectivism is an ontological position that asserts that social phenomena and their meanings have an existence that is independent of social actors. It implies that social phenomena and the categories that we use in everyday discourse have an existence that is independent or separate from actors” (Bryman & Bell, 2007).

### **4.3 Chosen philosophy for this research**

The approach adopted in this study is that of realism. As online advertising is moving very fast, technologies are evolving and consumers’ behaviours also change, the researcher adopted a critical realism philosophy as our feelings and sensation can influence our interpretation (Saunders et al., 2007). On the other hand, Pragmatism is a more down-to earth philosophy. The researcher tried to balance objectivity and subjectivity in this study to make the findings as reliable as possible, so realism was the chosen choice. This was further reinforced by the role that advertising plays on the perception and feelings on consumers and how it can be difficult to remain objective.

### **4.4 Research approach**

There are two general approaches to reasoning which may result in the acquisition of new knowledge, namely inductive reasoning and deductive reasoning (Spens and Kovacs, 2006).

#### *Deductive approach*

A deductive research approach is most suitable for testing existing theories, not creating new science (Arlbjorn & Halldorsson, 2002). Saunders et al. (2007) has defined that “the deductive approach in which you develop a theory and hypothesis (or hypotheses) and design a research strategy to test the hypothesis” (Saunders et al., 2007). In deductive approach, the researcher will collect specific quantitative information i.e. numbers and figures and with the use of logical reasoning will arrive with a conclusion which will either prove or disprove the hypothesis (or hypotheses). The deductive approach also dictates that the researcher is independent of the sampled population to ensure a high level of objectivity is maintained.

### *Inductive approach*

Blumberg et al. (2005) defined the inductive approach as “a qualitative investigation would not use large scale survey to develop conclusions; rather it would be based on observations or deeper and less structured interviews”. In this approach, the researcher develops theory on a purely inductive basis. Fisher (2007) has criticised this approach for not specifying how large the range of observation should be and how often a set of circumstances must be repeated before a conclusion can be deduced.

### **4.5 Chosen approach for this research**

A combination of qualitative and quantitative is a good method as it combines the rigor and precision of experimental designs and quantitative data with the depth understanding of qualitative methods and data (Rudestam and Newton 2001).

The main reason for selecting the deductive approach was initiated by the establishment of a theory suitable for testing making the deduction approach practical for the main portion of the study. Secondly, given the fact that the research sought to analyse the challenges in evaluation of online advertising in the Irish market, it was necessary to include a relatively large sample of subjects, which is more appropriate for a deductive approach than an inductive approach.

An inductive approach in the form of in-depth and email interviews will complement the quantitative data and crystallise any specific issues that arise among online marketing professionals in the country.

### **4.6 Mixed method research**

The advantage of using a mixed-method research enables the triangulation effect (Saunders et al., 2007) The triangulation effect refers to use multiple sources of data to back up research findings This will permit the research to use the following techniques to collect data

- In-depth interviews with online marketing professionals in order to get a real understanding of the inner workings of online advertising.
- A questionnaire / survey sent to at 77 marketing and media professionals, with 50 responses, to understand from a quantitative and qualitative perspective looking for their feedback about online advertising.

It is clear that some of the strategies are not suitable for use to the nature of the subject matter and the research philosophy adopted. Therefore, the researcher has decided to adopt a survey strategy, contacting a large number of online marketing professionals in Ireland through personal contacts, forums and social media. A survey strategy allows the researcher to use questionnaire and in-depth interview techniques to fulfil the research philosophy selected. It is considered a popular choice for business and management type researches. Surveys allow the collection of a large amount of data from a sizeable population in a highly economical way (Saunders et al., 2007). Kannan et al (1998) reference the speed and timeliness of online surveys which “can be administered in a time-efficient manner, minimising the period it takes to get a survey into the field and for data collection”. Hogg (2003) adds to this by highlighting the convenience for the participant, as he/she can complete the survey in a time that suits.

The main reasons to disregard the other research strategies are as follows:

- Archival strategy is concerned with the use of historical records and documents, which focus upon the past changes over time. Online advertising is a recent development in itself and any comparisons will be between traditional advertising and online advertising.
- Ethnography and Case Study strategy require a lengthy time period to collect required data. As time is limited to collect data for this research project ethnography and case study strategy had to be disregarded.
- Action research is suitable when the research question is related to describing series of actions that are taking place over a period of time in a certain group of people. This study is an investigative research to gain an understanding of issues and challenges faced by online marketing professionals in this country.
- Experiment strategy is rare in business research because you need to establish a certain amount of control in the organisation. There is only a limited period available to conduct this study, which does not allow the researcher to follow experimental strategy.

#### **4.7 Research strategy**

The choice of research strategy is guided by the research question(s) and objectives, the extent of existing knowledge, the amount time and other resources available to you as a researcher. There are number of strategies that a researcher can adopt e.g. experiments,

surveys, case study, action research, grounded theory, ethnography and archival research. Within the Saunders et al (2007) research onion there are seven research strategies, some belonging to the deductive tradition and the others to the inductive approach (Saunders et al., 2007).

Saunders et al., (2007) recommend using a triangulation technique, as this allows collecting qualitative and quantitative data through different sources. Consequently multiple-methods such as questionnaires and interviews will be used. Questionnaires will be sent to online marketing professionals that have knowledge and experience in the marketing world. The author chose a mixed-method research to be able to collect both qualitative and quantitative data. To summarise, the author research's strategy will use the following:

*Surveys*

*In-depth interviews*

#### **4.7.1 Surveys**

Schonlau et al (2010) state that surveys are flexible as they can be sent in different formats, while Evans et al (2005) suggest they can be tailored to customer demographics, language, purchase experience, etc. by having multiple versions of a questionnaire. Surveys can provide a panoramic view of the research subject through a more inclusive coverage. A number of collection methods can be used to assemble the data using surveys, such as email, post, telephone and in-person which allow a degree of flexibility for the researcher. This method is perceived as authoritative by people in general as it is easily understood and is common practice (Saunders et al., 2007).

A questionnaire has been chosen for this investigation in the initial stages of the investigation as it will assist in collecting vital primary information across the Irish online advertising market to uncover insights from relevant marketing professionals.

The steps used for this method are the following:

- 1) Create and design the questionnaire on [surveymonkey.com](https://www.surveymonkey.com)
- 2) Administering the survey
- 3) Collect the data and analysing them

4) Translate the data to write the findings

### **Step 1 - Create and design the questionnaire**

A survey was created by opening a premium account on surveymonkey.com that allowed creating unlimited questions and freedom to design the questionnaire. The design of the questionnaire is very important as it can impact the response rate and consistency and effectiveness of the data collected (Saunders et al., 2007). In order to collect accurate data, the design and structure must be tested and validated. This is included in the following model (Saunders et al., 2009):

The order and flow of questions have been constructed to give a logical and simple response plan for the respondents. The author designed the survey (see Appendix 9.9) with logical questions, in other words based on the answer of respondent, questions are skipped automatically and the respondent is redirected to the next question. Dillman (2007) suggests using Internet-mediated questionnaires to be able to auto program skipped questions. The issue with quantitative research is that it has moved online and is something respondents can do in their own home at their own convenience so it would not be prudent to overlook this facility. Barnham (2012) says that quantitative research nowadays – online – bears a resemblance to traditional qualitative research.

The questionnaire for the investigation contain both qualitative and quantitative elements. The questions required the individual to answer in numerical terms or require the individual to pick one answer out of a certain number of options to give the researcher quantitative results. These included questions such as age group, gender and societal class which will aid in categorising the ethical consumer. These types of questions are often referred to as closed ended questions, Quinlan (2001) defines a closed ended question as ‘questions that elicit short responses e.g. a yes/no. Often used to establish factual information’ (Quinlan, 2011, p.479). Each of the closed ended questions within the questionnaire for this investigation will provide the participant with possible answers (Horn, 2009).

A number of different types of closed questions within the questionnaire were used in order to deter the respondents from becoming disinterested and for the required information to be collected, with a number of multiple choice questions also part of the questionnaire. These types of closed ended questions allow the respondents to have a number of possible answers

to choose from as it does not limit the respondent to two potential answers and gives more variety.

In order to ensure that the questionnaire can be understood by all participants and results are credible, the questionnaire was piloted on a small sample of the target market. This ensures that the results will be 'appropriate and valid' (Horn, 2009, p.15) and that participants will not have any issues in answering any of the final questions (Saunders, et al, 2009).

### **Step 2 - Administering the survey**

After creating the questionnaire on Survey Monkey, two methods of distribution were used to reach my target market of online marketing professionals in Ireland. Personal contacts were emailed, who also passed the survey onto their own colleagues. Secondly in order to reach as many in the target market as possible, the social media platform LinkedIn was also used extensively to make contact with relevant personnel. A cover note was attached to each questionnaire in order to introduce the topic to the respondents and explain the purpose and importance of this questionnaire (Saunders, et al, 2009). The respondents were given a time frame in which they needed to reply by as time restrictions only allowed a certain period of waiting time.

### **Step 3 - Collect the data and analyse it**

There is much debate as to what is a sufficient sample size when conducting an investigation (Fielder and Kareev, 2011). The sample size chosen by a researcher is vital as it will determine the accuracy and validity surrounding the data analysis (Nayak, 2010). From the 77 professionals contacted to complete the survey, 50 responses were collected. These responses were analysed on Survey Monkey and also evaluated on SPSS for statistical analysis.

### **Step 4 - Translate the data to write the findings**

Some of the questions were more pertinent to the research objectives and research hypothesis than others and these were the main focus of attention when translating the findings. Used in conjunction with the qualitative research, it builds a clearer picture of the online advertising market in Ireland.



#### **4.7.2 Qualitative interviews and preparation**

Initially a focus group was considered to be the best method of qualitative research for this particular study as it would allow online marketers discuss their thoughts and beliefs towards the measurement and evaluation of online advertising in a more natural conversation rather than a one-on-one interview. A focus group is a recorded discussion with a group of four or more individuals and allows the researcher to collect a number of opinions and allows insights to be developed within a group situation (Horn, 2009). Although a focus group would potentially create a strong discussion and collect feedback, it became unfeasible due to the busy nature of those involved to come together at a particular time. A group situation can create an environment for “group think” (Marrelli, 2008) which will be avoided by using in-depth and email interviews. Research carried out by Morgan (1996) indicated that focus-groups produce fewer ideas than in-depth interviews.

With focus groups unfeasible, in-depth interviews were chosen as the best method to uncover industry insights with regards to measurement and evaluation of online advertising campaigns in the Irish market, while also providing an opportunity to discuss future trends.

Interviews refer to the process of a discussion, which involves two or more people (Saunders et al, 2007). As interviews can be time consuming in terms of accessing to the right people, getting their approval, arranging the interview etc., Easterby-Smith et al (2002) suggest arranging interviews with existing contacts in order to reduce time constraints. The author decided to conduct face-to-face and email interviews with relevant professionals dealing with online advertising campaigns on a daily basis. The author chose a semi-structured in-depth interview in order to collect qualitative data and seek new insights. The participants were contacted two weeks before the interview in order to prepare the questions and depending on the time constraints of the participants. While face-to-face interviews were the preferred options, this was not always possible, so email interviews were conducted with those marketing professionals that would have been otherwise inaccessible.

##### *Semi-structured interview*

A semi-structured interview was chosen to cover a number of topics. A semi-structured interview gives the interviewee sufficient allowance to discuss each topic with as much latitude or as little latitude as the participant feels necessary (Saunders, et al, 2009).

### **4.7.3 Email interviews**

Data from e-mail interviews are generated in electronic format and require little editing or formatting before they are processed for analysis. E-mail also eliminates the need for synchronous interview times and allows researchers to interview more than one participant at a time, because a standard interview schedule or list of questions can be sent individually to several participants at once, irrespective of their geographical location or time zone (Meho, 2006).

Meho (2006) also suggests that e-mail interviewing offers unprecedented opportunities for qualitative research, providing access to millions of potential research participants who are otherwise inaccessible. The method can be employed quickly, conveniently, and inexpensively and can generate high-quality data when handled carefully and while the method has a number of challenges, many of them were found to be easy to overcome, presenting scholars with a new technique for conducting efficient and effective qualitative research.

### **4.8 Research time horizons**

Research time horizons take into account the period of time that the researcher is collecting primary data to prove/disprove the research hypothesis. Whether the research is to be a snapshot of a particular event taken at a specific time or a representation of events over a given period of time, will dictate the time dimension of a piece of research (Saunders et al., 2007). The two principal time horizons to be considered by the researcher is a cross-sectional study or a longitudinal study. In determining which method to select, the researcher should decide, if the research is to be a “snapshot” taken at a particular time or if the researcher wishes it to resemble a “diary” with a representation of events over a period of time.

A cross-sectional design provides a snapshot of the variables included in the study, at one particular point in time. The cross-sectional is the most common for research projects as they are usually subject to time constraints (Blumberg et al., 2005). This study is usually carried out once and is a representative “snapshot” of one point in time. Cross-sectional studies often follow a survey strategy as in the majority of cases the research being undertaken is subjected to limited time constraints. In contrast to cross-sectional studies, longitudinal studies are repeated over a period of time and therefore provide the capacity for the researcher to study change and development over a period of time. The main strength of longitudinal research is

the capacity that it has to study change and development (Saunders et al., 2007). Bryman and Bell (2007) highlight their usefulness to organisations as they provide data on processes and mechanisms through which change is created and are predominantly used to answer questions.

For the purpose of this research, a cross-sectional approach will be adopted. This will allow the collection of quantitative data using a survey method as this study is subject to strict time constraints.

## CHAPTER FIVE RESEARCH FINDINGS

### 5.1 Introduction

This section reports the findings from the questionnaire surveys completed by a range of online marketing professionals, along with the six interviews from marketing personnel in order to gain a broader insight into the measurement and evaluation of online advertising in the Irish market. The information which was gathered produced not only qualitative results but also quantitative results which will be outlined throughout this section with the aim of applying these results to the research objectives

### 5.2 Interview findings

The below table is the summary interviews used for the research process. The schedule of interviews can be found in the Appendix.

	<b>Interview 1</b>	<b>Interview 2</b>	<b>Interview 3</b>	<b>Interview 4</b>	<b>Interview 5</b>	<b>Interview 6</b>
<b>Name</b>	Conor Dunne (CD)	Megan O’Riordan (MOR)	Alan Coleman (AC)	Marian Duff (MD)	Barry McCarthy (BMC)	Alan Metcalfe (AM)
<b>Title</b>	Online Marketing Manager	Sales Manager	CEO	Social Media Advertising Manager	Social Media Advertising Specialist	Head of Marketing
<b>Company</b>	Volkswagen Ireland	Maximum Media	Wolfgang Digital	Paddy Power	Paddy Power	PINERGY
<b>Interview Type</b>	Email	Email	Email	Face-to-face	Face-to-face	Face-to-face
<b>Date</b>	12/12/2012 & 21/06/2013	19/12/2012	26/07/2013	07/08/2013	07/08/2013	23/08/2013

**Figure 1.4:** Summary of interviewees

## **Interviewees**

### **Volkswagen Ireland – Conor Dunne, Online Marketing Manager**

Conor Dunne is the Online Marketing Manager for Volkswagen Ireland. His main responsibilities include management of all website content, Pay per Click (PPC) and Display campaigns, analysing web trends & conversion metrics and devising the online communications strategy for the Volkswagen brand. Prior to his role with Volkswagen, Conor was a Senior Marketing Executive with Chill Insurance, Ireland's largest online insurance broker where he was involved with all offline and online advertising strategies. Conor's email interviews can be seen in full in Appendix 9.3 and 9.4.

### **Maximum Media – Megan O'Riordan, Sales Manager**

Megan O'Riordan is the Sales Manager in Maximum Media, the company that owns JOE.ie and Her.ie, Ireland's largest male and female websites respectively with more than two million unique visitors to the sites on a monthly basis. Having previously worked as a Communications and Research Manager for Drink Aware, Megan's main responsibility with Maximum Media lies in selling advertising packages across all digital platforms for both websites. Her role involves selling unique commercial solutions to clients so they receive the best possible return on their investment. Megan's email interview can be seen in full in Appendix 9.5.

### **Wolfgang Digital – Alan Coleman, CEO**

Alan Coleman is the head of Wolfgang Digital, formerly OnlineAdvertising.ie, who are an award-winning Google Adwords Agency that Alan set up in 2007. Alan has experience in a number of small business ventures before becoming involved full-time with Google Adwords. As well as Wolfgang Digital, Alan is a part-time lecturer for the Digital Marketing Institute is a regular on the digital marketing speaking circuit, talking at events such as The Dublin Web Summit, The Conversion Conference London and Irish Internet Association events. Alan's email interview can be seen in full in Appendix 9.6.

### **Paddy Power – Marian Duff, Social Media Advertising Team & Barry McCarthy, Social Media Advertising Specialist**

In 2012 Paddy Power achieved average annual growth in online customer acquisition of 44 per cent and online active customers of 41 per cent. Online betting, including operations in

Australia, represented 75 per cent of Paddy Power's profits in 2012 (Paddy Power Annual Report 2012).

Marian Duff is the manager of the Social Media Advertising Team in Paddy Power, which sit in the Online Marketing Group. Her team is concerned with acquiring quality fans for Paddy Power's Facebook and Twitter pages with the ultimate aim to increase online sales. Marian worked as an Analyst before being promoted to her current role as manager.

Barry McCarthy is a Social Media Advertising Specialist and is part of Marian Duff's team. His primary focus is Twitter and increasing online sales through that particular social media platform. Barry worked as a Paddy Power Analyst before being promoted to his current role last year. A full transcript of the interview with Marian and Barry can be seen in Appendix 9.8.

### **PINERGY Energy – Alan Metcalfe, Head of Marketing**

PINERGY is an electricity provider that targets users of pre-pay electricity with a target market is 25 – 44 year-olds. Alan Metcalfe is the Head of Marketing and has more than 10 years experience in online media, as well as radio and television. A full transcript of the interview with Alan can be seen in Appendix 9.9

## **5.3 Analysis of interviews**

A thematic analysis approach was used to highlight the findings from the interviews. The transcripts were analysed focusing on re-occurring words, phrases and themes. They were read and re-read and a playback of the recording listened to. Headings were formed based on the themes or categories that emerged.

### **5.3.1 Successful campaigns**

#### ***Objectives***

The general consensus was that a successful campaign can only be defined by the objectives set out from the start, something that is supported by academic literature.

Before every campaign, the objectives are set out. This is broken down again by Call to Action CTA - how many brochure downloads we want - vs. Impressions - how many millions of impressions we want for our display ad formats. For our (Volkswagen) launch of the 21<sup>st</sup> Century Volkswagen Beetle, the online objectives

were broken down into CTA which were brochure downloads and lead generation versus branding. This was broken down into 70 per cent CTA and 30 per cent branding. The CTA would consist of very targeted ad formats across specific networks with a strong call to such as ‘Download A Brochure Now & WIN a Beetle’ (CD).

Alan Metcalfe adds that while objectives are perhaps the most crucial element of any online advertising campaign, expectations, and more importantly realistic expectations, play a significant role.

It’s all about the objectives and expectations. You need to make these at the start and they must be realistic. You’ll meet a lot of marketing managers who might not necessarily be in touch with the target. Others might know their target and not know the product, or they might know both and not really be au fait with the media. In all my experiences so far, and having worked in some very large online advertising campaigns, the ones that always did well were companies that managed their expectations well. “We want to do put ourselves in front of these people that we think will like our product”. On the other hand, the ones that say they will spend €5,000 and expect €5,000 worth of sales have to be managed very carefully. Rather than worry about spend, you need to carefully work out your objectives and then figure out how you get there. That is when your digital and traditional come together to meet the objectives.

### ***Tracking***

Tracking is widely spoken as one of the main advantages that online advertising offers as consumer’s movements can be monitored closely and analysed and in turn tailored ads and messages can be directed to targeted audiences.

Conor Dunne gave a simple example of how crucial tracking is to Volkswagen in order to monitor their online campaigns.

“For an online campaign to be effective, tracking needs to be in place. All of our (Volkswagen) ad formats are tracked using Adserver technology and on a daily basis we are optimising the campaign to ensure we are maximising investment. For example, if a MPU format on The Irish Times website is not getting any brochure downloads and the Leaderboard format is, we will cut the MPU and put the money

into the Leaderboard format. All of our online campaigns must also have an always on PPC (Pay per Click) strategy. So, if someone views a Beetle Ad on The Irish Times site and later Googles “VW Beetle”, it is essential our ad appears first in the Google listings, otherwise a competitor may steal a potential customer” (CD).

While tracking plays a significant role in any online advertising campaign, Alan Metcalfe stresses that tracking is just one step in the process, though an actively engaging step for the customer.

With digital I can track who exactly is clicking on the ads and it is an active engagement, something that is far harder to quantify for traditional advertising. And it must be remembered it is often the first of many steps before a sale, but it is an important active engagement (AM).

The importance of objective was further highlighted by Marian Duff who points out that given the amount of tracking data available, this in itself can pose issues for marketers.

With all the online data you can see the very first thing they saw and everything they have seen in the meantime. Maybe they saw a Facebook ad, then maybe saw a PPC a, then maybe went to an affiliate website for more information and we can track all that. You can put the data any way you want, which is also part of the problem (MD).

Both Marian and Barry agree that tracking all the interactions is possible and this can be very rich data for a company, and potentially very lucrative.

There are so many different theories on what is best. You will see Google models that will show the first and last interaction. Path to conversion is an interesting buzz phrase at the moment. It is connecting all the dots between say watching a YouTube video and then clicking on an ad, then following us on Twitter and liking us on Facebook (BMC).

The whole of our online marketing is tracked through the same software. That lets us look at the bigger picture whereas before you couldn't say if certain ads influenced consumers, you just wouldn't have the data. With the tracking and targeting available now, it is much easier to turn to the board and say I need X amount for my budget (MD).



## ***Measurement***

Similar to traditional advertising campaigns, measurement provides an indicator of whether the objectives were met. Digital offers in many cases a more thorough measurement than more traditional methods and Alan believes measurement is the biggest reasoning behind his advertising spend in a particular medium.

All are important in different ways, but it is important to know the difference between Display and Actual Exposure especially. If I'm buying a digital ad space for PINERGY, I know based on my Analytics I know how many unique visitors I need before I make a sale and I want that number to fall a lot. That is how I measure my direct buy-in right now. If I found out that 10 per cent of all my visitors came from website A, and the conversion rate is better than average, I will spend money with that website, but it will have to remain in line with my cost of sale. It will always come back to cost of sale (AM).

Alan Coleman is of the opinion that measurement of awareness, interest and attention is what makes online measurement far more efficient and specific than any traditional advertising measurements.

The biggest advantage that online advertising has over traditional advertising is that digital can measure AIA specifically. The first 'A' is awareness – getting the brand name out into the public domain to your audience. 'I' is for interest. This signifies that the person has some degree of interest that leads them to click on the advertisement, even if that is as far as it goes. The second 'A' is action – ultimately that the consumer has seen the advertisement, has perked their interest and resulted in them taking action about the product or service. Awareness can be measured through impressions, Interest through clicks while Action can be measured through conversions, enquiries, purchase orders etc (AC).

Megan O' Riordan backs up these beliefs about the virtues of online measurement and provides far greater insights and accountability into an organisation's advertising spend.

We now have metrics that never existed before. We can put a cap on how many times a person is exposed to a brand to avoid wastage (ad frequency cap), we can measure how many people actively looked for more information on an ad (click-through rate) (MOR).

### 5.3.2 Challenges

#### *Attribution*

Research published recently by Google (2012) suggests that online advertising is part of a journey for the online consumer. Some journeys can be long – such as buying a car – while others can be far quicker and sometimes instant, such as purchasing a pair of shoes. Research suggests online purchasing does not neatly follow traditional marketing funnel models. This poses obvious challenges for organisations.

Attribution is concerned with assigning a value to a marketing activity based on a desired outcome, but how can companies be sure of which activity was the one that had the greatest effect on a consumer? Conor Dunne believes this is a key part of an online advertising campaign evaluation.

Attribution is an essential part of my role as it allows me to better determine how offline drives online and a more detailed look at click analysis. It is often referred to as ‘looking beyond the last click’ as the online campaign is often just part of the overall campaign along with TV advertising, print, radio etc, so which you give the credit to? (CD).

Marian Duff is all too aware of the challenges posed by attribution and while it is something Paddy Power examine very closely, it is difficult to calculate precisely.

There are challenges because you see an ad on your PC, you download the app on your phone and you have no way of connecting the two together so when you look at the data, the ad would have appeared not to have worked. You see something on your work computer and you go home to your laptop at home and buy something based on earlier. The cookies and the tracking are at a device level. It’s also very hard to track the amount of ads across the whole team (Paddy Power) we have, so our Attribution Model, where we look at what every single thing that influenced the person to click/purchase, can be difficult to get exactly right. Traditionally companies would have asked the customer what caused them to purchase and they would generally say the final ad they saw (MD).

Alan Metcalfe adds that he struggles himself to work out the exact measurements, and that ultimately, everything must be based off the cost of sale to find a true value of the campaign.

The problem is, you are paying by display and you are measuring success by clicks. You never really pay by click anymore. So for example, I might buy 500,000 ads on a website and then I will be measuring it by the click-through rate. Based on that click-through rate I can work out the conversion, so if I'm selling widgets and advertise widgets on say www.X.ie, if I have 500,000 ads and get a percentage click-through of 0.0 per cent and then I must see how many of those are actually paying customers and see the conversion rate.

Then you must see if it was worth the sale. Everything comes back to the cost of sale and really digital is great for placing your brand in front of the right people, but the measurements I find frustrating. If I go direct to a publisher what's to say that they are not clicking on the ads themselves or people aren't clicking on my ad to bump up the click-through rate? I don't know, I can't track that. There are cookies, but they are easily circumventable. You can get a click-through rate and discount by half in some cases (AM).

### ***ROPO – Research online, purchase offline***

Despite the huge growth in online spend, all current research indicates that offline spending is still far greater than online spending, though it is catching up at a fast rate.

Conor Dunne believes that online search still justifies itself even if the purchase is offline, something Volkswagen can easily determine through its Analytics.

This is online and offline working together - the effect offline advertising has on online search queries. i.e. VW Golf TV campaign typically increases online search queries by 300 per cent (CD).

### ***New Legislation***

Privacy issues and data security are among the biggest issues with online advertising and new legislation is constantly introduced to keep up to pace with online developments.

Marian Duff feels this could have a huge impact on their ability to track customer data and identify trends and behaviours.

With new EU directives, all new websites will be coming with 'Do not track' as standard. You'll notice when you go to websites for the first time there will be a pop-

up message that says ‘We use cookies. Do you accept these cookies?’ So you are allowed certain cookies that allow the site run faster, remember you password etc., but the issue will arise with third-party cookies that track your media, your website history etc. That is when you need to tell people, by law, about the cookies so they have the opportunity to opt out. That would apply to all websites and that is a huge challenge, you could lose data on a whole chunk of people. It’s all based on data protection, but will make tracking more difficult from our perspective (MD).

### **5.3.3 Online v Traditional advertising**

While the traditional offline advertising budget is declining year on year, there is clearly a shift of the marketing budget towards the digital. As previously discussed, some of the reasons for a shift towards digital marketing are the measurability, accountability, customer engagement and low cost of customer acquisition. There are many differences between online and traditional advertising, and while some companies have been slow to embrace the developments in technology, there are clear opportunities for those that do invest in online advertising.

Alan Coleman believes that one of the major differences between online advertising and traditional advertising is that they are not evaluated in the same manner.

From my own personal experience, companies tend to judge offline by a different stick than for online. We have seen research in Ireland to suggest that for every €1 a company spends online, it will result in €4 in the register til. That is certainly not the case in offline spend, which is far more difficult to put exact figures on, but highly unlikely to be at the same rate as 4:1. It is somewhat myopic to only look at revenue as the only yardstick for spend, but unfortunately that is what we see in many cases in Ireland. For example, press still seems to be the biggest advertising spend in Ireland and if all companies received four times what they invested in this particular advertising method then they would be in far healthier financial positions (AC).

Marian Duff explains how the metrics involved are different with regards to traditional and online advertising, but there is a noticeable shift in traditional measurement as a result of the growth of online advertising.

They (traditional advertisers) have different metrics. They use quantitative measurements such as ‘name the top three advertising brands’ to customers and then

ask it again later, things like that. There is also top of mind awareness, KPIs. Online is more acquisition based. Brand is now more like brand-building with a touch of acquisition. I assume there is more pressure being put on them (traditional advertisers) to do more measurements and drive a bit more direct response (MD).

Alan Metcalfe adds that at times it is not about whether online and traditional advertising are necessarily are competing with each other, but ideally within an organisation should be working together to achieve the desired results.

Our online platform is quite potent in terms of sales in comparison to other channels, but it hard to equate exactly how much is fuelled by digital with so many other supporting programmes (AM).

Barry McCarthy goes one step further and believes that at times they work so closely that there is a blurring of the lines between traditional and online advertising, something which we may see more of in the future.

One interesting development is that you are now seeing a blurring of the lines between traditional advertising and online advertising. For example, something simple like using a hashtag in your TV ad or billboard. I have seen some companies simply use a large hashtag on the billboard as their entire ad. Things like that can be measured so there is a blurring between the two (BMC).

#### **5.3.4 Future online developments?**

Online advertising, similar to online in general, continues to grow at a rapid pace, and all interviewees concede that this shows little signs of changing. Predicting what those future developments will be is difficult given the dynamic nature of the industry.

I think it changes so, so quickly, and from week to week. YouTube, Google, Facebook etc can bring in developments that can really change things on its head. It is very difficult to say. Obviously mobile and tablets are have been ridiculously huge over the past 18 months, and we can expect to see more developments in connecting the dots between desktop and your mobile at home. Second screen is also big at the moment, so when people have their TV on in the background, are they actually watching it or are they just staring at it and only focus if there is a loud noise or something dramatic in the ad (BMC)?

Alan Metcalfe thinks that QR Codes still won't have the impact that many felt they would have when first introduced, but feels that closefield technology and contactless payment could have a huge impact on marketing in general.

If closefield technology could be used for marketing in some shape or form it could be huge. For example for PINERGY, if I had direct sales guys on the ground and they had PINERGY branded phones while offering people €20 free electricity if they signed up, it could work easily and efficiently. Touch the phones together, ping up a message and it is a personable opt-in (AM).

The developments in online advertising have been so great over the past couple of years that Marian Duff expects this trend to continue and that tracking of behaviours is set to become even more sophisticated.

When I started with Paddy Power two years ago, there were only two types of Facebook advertising, now there are more than 10. The only targeting you could do previously was by what you liked on Facebook, now you can target based on what websites they visit. You can target non-customers on your ads, exclude certain groups who you don't want to see the ads; it's become so much more hyper-targeted. You can easily justify spending money because the tracking is so advanced (MD).

Currently we are in a four-screen environment – TV, Laptop, Tablet and Desktop – but Conor Dunne believes the next big development will be the introduction of a fifth screen.

A car screen, an app on car touchscreens, will become big in the next three to five years (CD).

#### **5.4 Analysis of questionnaires**

Analysis of questionnaires includes the realisation of graphic of results, the extraction of key indicators, a segmented analysis of results according to the challenge of the research questions and a statistical analyses of data and a cross analysis of results. The 50 questionnaire responses came from personal contacts, colleagues of contacts, LinkedIn groups of online marketing professionals and Twitter.

#### **Section 1**

The initial questions were to ensure that the respondents were from a marketing background, to understand how long they had been in an online environment and their particular industry.

Marketing Executives, Managers and Directors accounted for more than half the respondents, while 24 per cent fell into the ‘Other’ category. This included PR, client services personnel, head of media buying and business development executives.

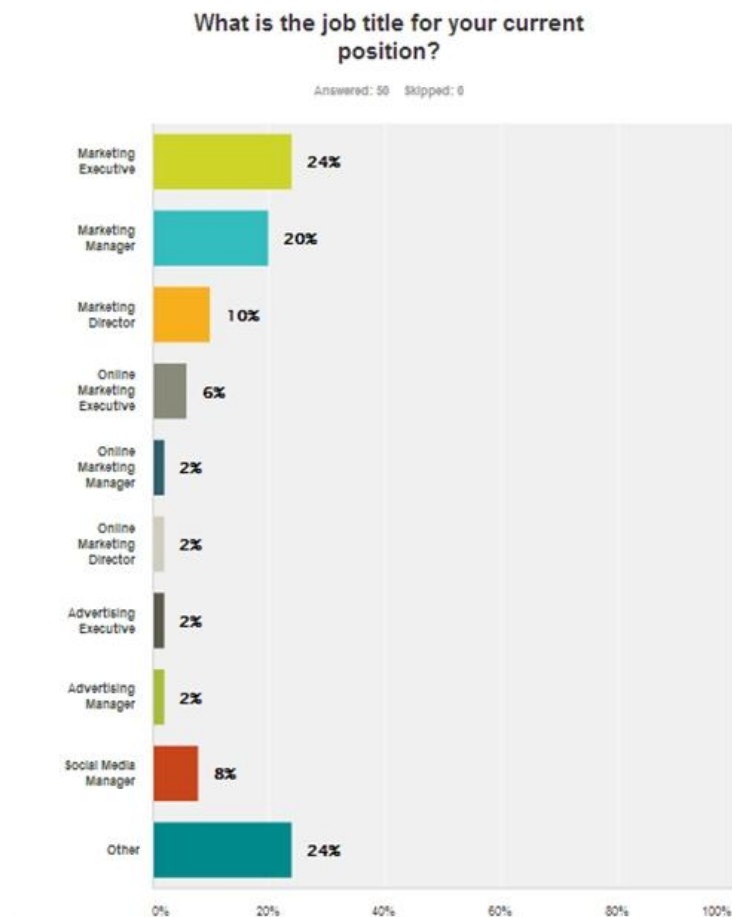
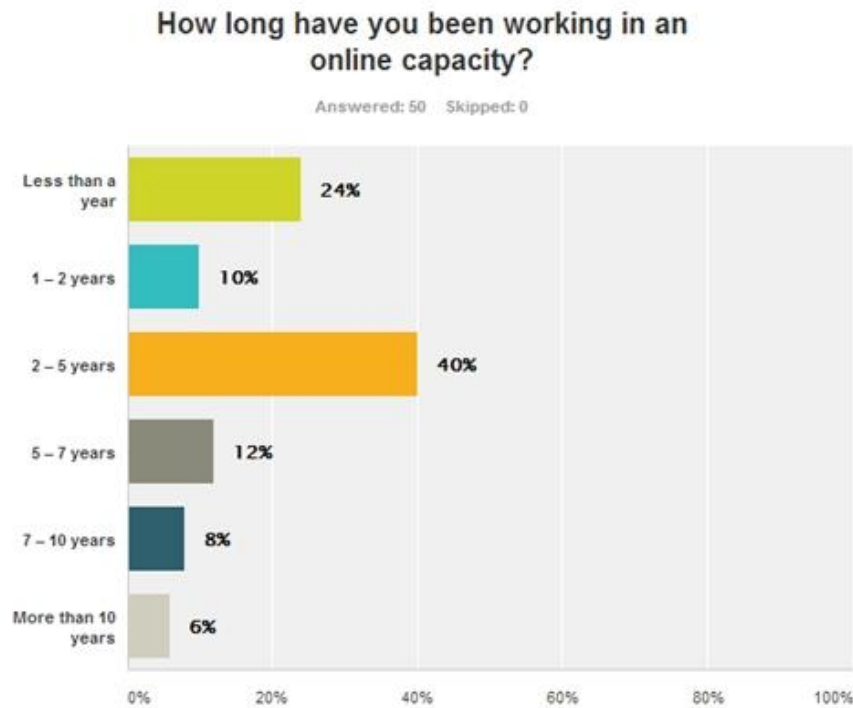


Figure 1.5: Job title responses – Survey Monkey

The majority of respondents have been working in an online capacity for 2-5 years, while six per cent have been working in the industry for more than 10 years.



**Figure 1.6:** Number of years spent working in online – Survey Monkey

## Section 2

The second part of the questionnaire focused on where the respondents spent their advertising budget and where they felt they got the best value from. Online was the most frequently invested form of media - 61 per cent said they invested in online frequently - while cinema was the least invested medium with 65 per cent said they never invested in cinema advertising.

Of those respondents, 68 per cent felt that online offered the best return on investment, followed by print (14 per cent), radio (11 per cent) and TV (7 per cent). In relation to measurability of the different media, 98 per cent felt online offered the best accountability, with just two per cent choosing print.



**Statistics**

		bestROI	accountability
N	Valid	44	44
	Missing	6	6

**Frequency Table**

**bestROI**

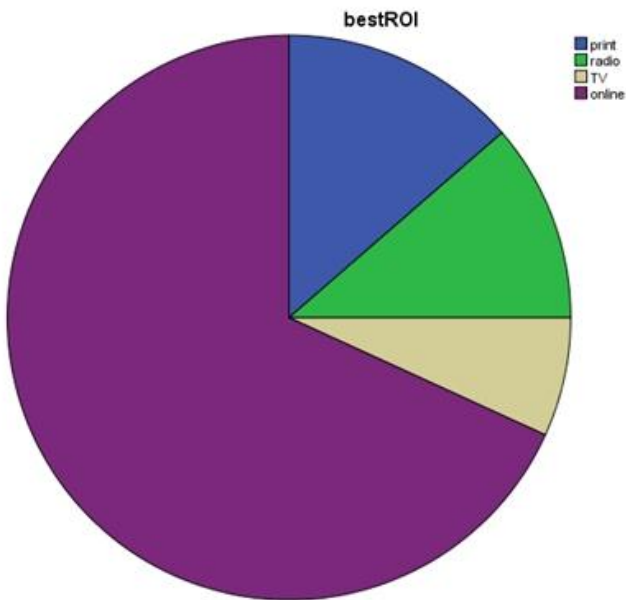
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	print	6	12.0	13.6	13.6
	radio	5	10.0	11.4	25.0
	TV	3	6.0	6.8	31.8
	online	30	60.0	68.2	100.0
	Total	44	88.0	100.0	
Missing	99	6	12.0		
Total		50	100.0		

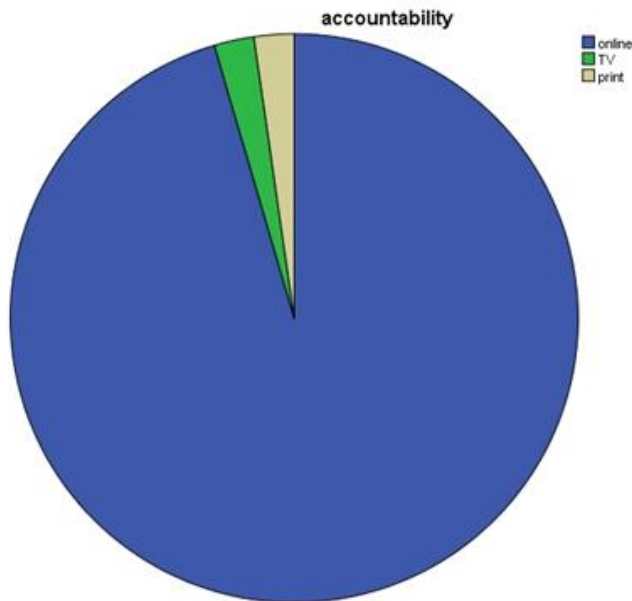


**accountability**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	online	42	84.0	95.5	95.5
	TV	1	2.0	2.3	97.7
	print	1	2.0	2.3	100.0
	Total	44	88.0	100.0	
Missing	99	6	12.0		
Total		50	100.0		

**Pie Chart**





**Figure 1.7:** A Frequency comparison of Return-on-Investment and Accountability - SPSS

There was no significant difference in opinion from the respondents when the length of time they have been working in an online environment was compared to the medium they felt gave the best return on investment. There was no significant differential found when applying the a chi-square cross tabulation;  $\chi^2(15) = 12.638$  ;  $p = .630$

**Case Processing Summary**

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
online * bestROI	44	88.0%	6	12.0%	50	100.0%

**online \* bestROI Crosstabulation**

Count

		bestROI				Total
		print	radio	TV	online	
online	less than a year	1	0	0	7	8
	1 - 2 years	1	0	0	4	5
	2 - 5 years	1	3	3	11	18
	5 - 7 years	2	1	0	3	6
	7 - 10 years	1	0	0	3	4
	more than 10 years	0	1	0	2	3
Total		6	5	3	30	44

**Chi-Square Tests**

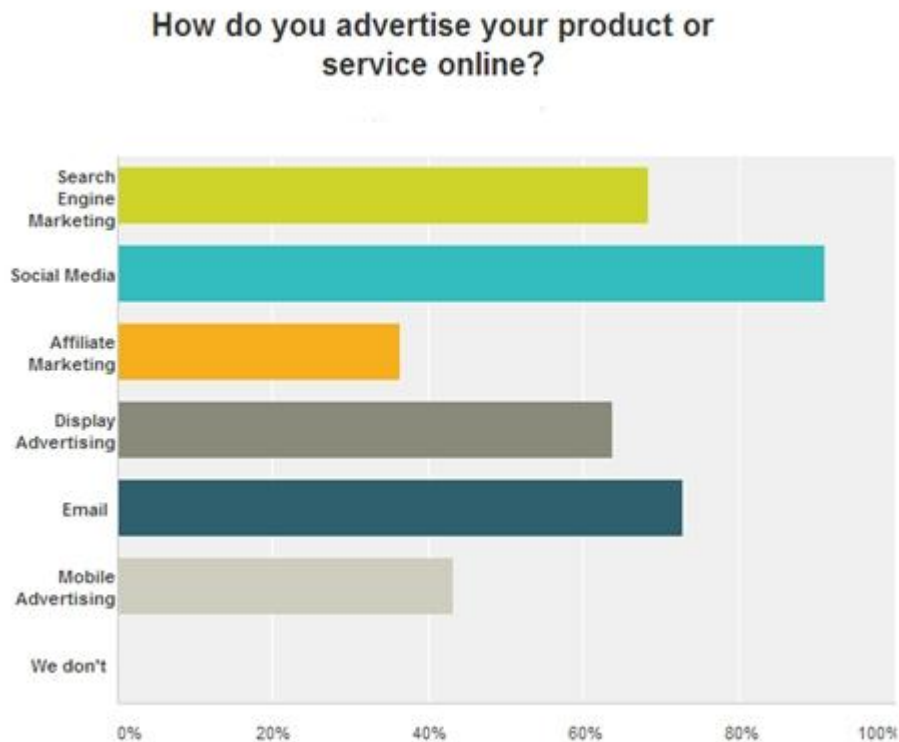
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.638 <sup>a</sup>	15	.630
Likelihood Ratio	15.146	15	.441
Linear-by-Linear Association	.956	1	.328
N of Valid Cases	44		

a. 22 cells (91.7%) have expected count less than 5. The minimum expected count is .20.

**Figure 1.8:** Chi-square cross tabulation - SPSS

### Section 3 – Online advertising

The next section focused on the types of online advertising chosen, measurability, and objectives of online advertising campaigns.



**Figure 1.9:** Where respondents advertise their product/service – Survey Monkey

Social media is the most popular advertising outlet among the respondents, with 90 per cent using it to advertise their product or service, followed by email (73 per cent), search engine marketing (68 per cent) and display advertising (63 per cent).

In determining the main measurement of performance for an online advertising campaign, 29 per cent stated that it depended on the campaign objectives, with click-through rate and return on investment next on the list with 21 per cent each respectively.

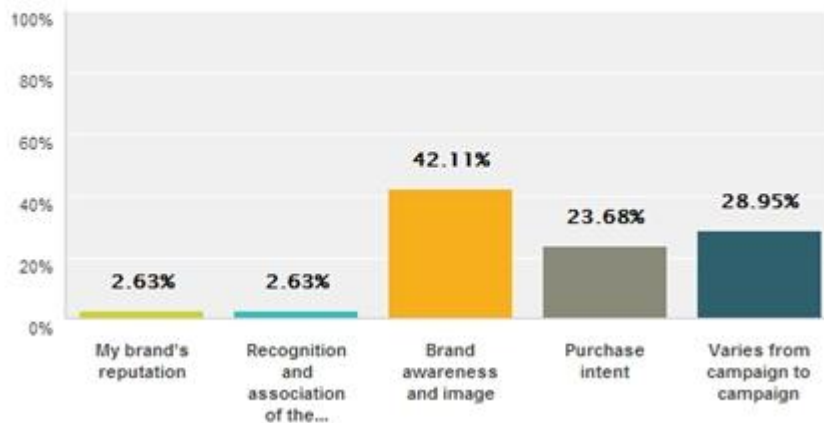
Respondents were asked to rate on a scale the biggest challenges with online advertising, with 24 per cent saying that defining the campaign objectives was the most challenging aspect.

	Strongly Agree 1	2	3	4	Strongly Disagree 5	Total	Average Rating
Defining the objectives	23.68% 9	18.42% 7	18.42% 7	31.58% 12	7.89% 3	38	2.82
Understanding the key terms	15.79% 6	28.95% 11	18.42% 7	34.21% 13	2.63% 1	38	2.79
Measurement of the campaign	13.16% 5	18.42% 7	18.42% 7	31.58% 12	18.42% 7	38	3.24
Understanding the results	13.51% 5	21.62% 8	13.51% 5	40.54% 15	10.81% 4	37	3.14
Using the results to make advertising decisions	15.79% 6	31.58% 12	15.79% 6	31.58% 12	5.26% 2	38	2.79

**Figure 1.10:** Biggest online challenges – Survey Monkey

With regards to the various objectives, 71 per cent felt that Customer Engagement was ‘very important’, followed by Branding (45 per cent) and Generating Leads and Growing Online Sales at 45 per cent. A third of the respondents felt that Growing Offline Sales was of ‘low importance’.

### What is the main branding objective of an online advertising campaign?

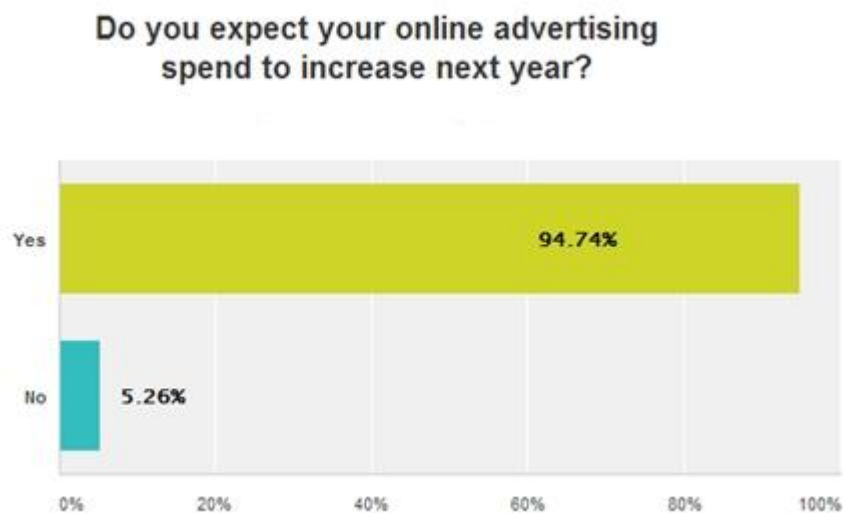


**Figure 1.11:** Main branding objective of an online advertising campaign – Survey Monkey

## Section 4 – Online advertising future

The final section asked respondents about current and future online spending, and predicted developments in the Irish online advertising market.

The majority of respondents - 82 per cent said that there had been a significant increase in online advertising spend for their respective companies over the past two years and when asked if they expect an increase in online advertising next year the answer was emphatic.



**Figure 1.12:** Predicted increased spend on online advertising next year? – Survey Monkey

The final question asked respondents to state what they believe will be the biggest trend in the online advertising market in Ireland. The following were the responses gathered:

“Real time mobile marketing.”

“Move to mobile advertising and bigger spend on integrated content.”

“Programmatic buying through media exchanges is the single biggest online advertising trend in any market not just Ireland.”

“Greater Interactivity with advertisements.”

“Rise in retargeting online.”

“Second screening, show-rooming, the use of data to uncover opportunities for brands are just a few.”

“Customer familiarity with techniques used to engage them. Perhaps certain scepticism of online advertising will follow.”

“Development of SME online platforms.”

“Accountability and transparency. Many companies claim to have 'x' number of visits to their website but there is no 3rd party verifying this. As customers get more insight into the world of online advertising they will expect companies to provide this verification.

“Mobile friendly ordering and emails.”

“Video content.”

“Better use of integrated devices and geo location services.”

“The increase of responsive designed sites allowing full site access no matter the device. this will increase accessibility. Also the need to improve on the personalised experience of the user on a site.”

“More interactive ad formats and placements.”

“Huge focus on mobile.”

“Smaller business moving into the online marketplace.”

“Large shift in budget into online advertising for brands. Split between brand KPIs and Direct Response KPIs will become bigger. The power of social media is growing incredibly fast!”

“Less clicks being performed on site and more on Google.”

“Increased focus on more niche sites to tactically target advocates/customer bullseyes.”

## **CHAPTER SIX DISCUSSION**

This section will help the reader to better understand the findings previously described. The ultimate objective of this section is to analyse and interpret the findings in order to demonstrate the relevance of this whole research while answering the research objectives that were raised at the beginning of this report.

**6.1 Research objective 1** - To compare traditional and online advertising in the Irish market.

*Questions asked related to research objective 1:*

Q4 – On a scale of 1-5, with 1 being never and 5 being very frequently, how often would you invest in the following mediums?

Q5 – Which advertising medium do you think gives the best ROI?

Q6 – In terms of accountability, which advertising medium do you feel is the most measurable?

### **Findings**

As previously discussed, some of the reasons for a shift towards digital marketing are the measurability, accountability, customer engagement and low cost of customer acquisition that online offers. There has been a clear shift in the Irish advertising market, with 61 per cent of those surveyed saying that online advertising was their company's most frequent form of advertising, more than double the second most frequent medium, print.

The ability to track adverts and observe active engagement gives online advertising a distinct advantage over traditional media and allows for greater accountability when it comes to budget spend. Of those surveyed, 98 per cent felt that online offers the most accountability of all advertising media. The findings support the viewpoints of Pergelova et al (2010) and Tavor (2011) discussed in the literature review.

All five interviewees mentioned the 'AIA' model that Alan Coleman explained in greater detail in some shape or form. The acronym stands for awareness, interest and action and

tracks ads from initially getting the brand into the public arena, to generating interest and then to lead the customer to take a particular course of action. Awareness, interest and action are far more difficult to accurately calculate in traditional advertising. It is little surprise therefore that 68 per cent of those surveyed felt that online offered the best possible return-on-investment of all advertising media.

**6.2 Research objective 2** - To determine how online advertising campaigns are evaluated by Irish marketing professionals.

*Questions asked related to research objective 2:*

Q8 – What would you consider to be the main measurement of performance of an advertising campaign?

Q9 - Please rate your agreement with the following statements relating to the biggest challenge with regards to an online advertising campaign? – Defining the objectives, Understanding the results, Using the results to make advertising decisions, Understanding the key terms, Measurement of the campaign.

Q10 - Academic literature suggests there are seven main objectives that a company has towards online advertising. How would you rate the following in terms of importance to your company, 1 being very important and 4 not important at all? – Branding, Customer engagement, Growing offline sales, Growing online sales, Generating leads, Boosting coverage, Message repetition and reducing acquisition costs.

## **Findings**

In keeping with traditional advertising, objectives are the key to online advertising evaluation. Each of the interviewees were keen to stress that the objectives, and realistic expectations, are key to evaluating an advertising campaign. Companies may for example have similar objectives, but expectations can vary greatly and these need to be carefully managed. Rather than worry about advertising spend, the interviewees suggest that if the objectives are in place, along with realistic expectations, the advertising spend and return-on-investment will look after itself.

Of the marketing professionals surveyed, 29 per cent said that the main measurement of the performance of an online advertising campaign depends on the campaign objective(s), followed by click-through rate (21 per cent) and return-on-investment (21 per cent). This



supports the views of Cook and Kover (1997) and Ronald and Barbara (2002) as discussed in the literature review with regards to advertising objectives and effectiveness.

There is little doubt that the measurement of online campaigns is one of the biggest challenges facing online advertisers. With so much data and information available, it can be difficult to attribute which exact adverts cause a customer to purchase. Attribution is becoming an increasingly important aspect of the online advertising process and 32 per cent of those surveyed strongly agreed that measurement of a campaign is indeed the biggest challenge with regards to an online advertising campaign. A further 50 per cent agreed with that statement.

The importance of pre-campaign objective was apparent from the survey results. When asked for the main measurement of performance for an advertising campaign, 29 per cent said it depended on the objectives for that particular campaign, followed by click-through rate (21 per cent) and ROI (21 per cent). This supports the research hypotheses that, *while many factors must be considered in the creation and evaluation of an online advertising campaign, ultimately it is the pre-campaign objectives that will determine the success, or failure, of a campaign. Only by choosing a particular objective will a company be in a position to correctly evaluate post-campaign.*

**6.3 Research objective 3** - To explore possible future trends and possibilities for the online advertising market in Ireland.

*Questions asked related to research objective 3:*

Q14 – Has there been a significant increase in online advertising spend over the past two years for your company?

Q15 – Do you expect your online advertising spend to increase next year?

Q17 - What is the biggest trend you expect to see in the online advertising market in Ireland?

## **Findings**

The majority of the marketing professionals surveyed and interviewed were of the opinion that online advertising will continue to grow rapidly. Of those surveyed, 82 per cent of respondents said that they had experienced a significant increase in online advertising spend

over the past two years, with 95 per cent saying they expected a further increase in the next 12 months.

With regards to further online developments, some of the survey respondents felt that mobile advertising would continue to grow at a fast rate with real-time marketing and ads to be even more mobile friendly.

The in-depth interviews uncovered similar opinions on mobile advertising, while increased sophistication for tracking was another issue that was highlighted. Marketers will also have to be aware of new legislation that will have a serious impact on their ability to track online behaviours. As part of EU directives, all websites will come with 'Do not track' as standard and cookies are allowing people to opt out of tracking. This will potentially mean that companies could miss out on a large volume of data on online consumers.

#### **6.4 Limitations of the study**

Aside from the limitations in terms of time, experience and finance inherent with part-time study, the following is an outline of the areas of limitation with this study;

- The sample size of 50, while significant, was mainly of professionals in the Dublin area, resulting in geographic bias.
- Most academic literature on online advertising is based on the American market, which may not always be directly applicable to the European, and in particular, the Irish market.

## CHAPTER SEVEN CONCLUSIONS

Both qualitative and quantitative research was carried out as part of this dissertation on the evaluation and measurement of online advertising campaigns in the Irish market. The research had three main objectives and one hypothesis to be explored.

The research found that online advertising in Ireland is the only advertising medium that is showing a significant growth. Reasons put forward for a shift towards digital marketing are the measurability, accountability, customer engagement and low cost of customer acquisition. The survey results backed this up, with 98 per cent of respondents stating that online advertising offered the best accountability of all media available, while 68 per cent suggested it gave the best return on investment of all advertising media.

The qualitative and quantitative research showed that while many factors are used to evaluate and measure and evaluate online advertising campaigns, Irish marketing professionals feel that pre-campaign objectives are the most crucial aspect and will determine the success, or failure, of a campaign. 29 per cent of the survey respondents said the campaign objective(s) was their main measurement of an advertising campaign, while during the in-depth interviews this was discussed in greater detail, with the interviewees explaining just why objectives are so crucial in an advertising campaign.

The research undertaken has found that online advertising has increased significantly over the past two years and all indications are that this is set to continue. Online advertising has developed so rapidly over the past couple of years, that many interviewees and respondents said it is difficult to accurately predict what the future holds, though all agreed that mobile advertising will become increasingly important and real-time mobile marketing is set to become a bigger feature.

When used correctly, online advertising offers results and measurements that are simply not available for traditional advertising, though the interviewees did stress that traditional advertising still has a role to play in the overall advertising market, and that some of the most effective and successful campaigns have been a combination of online and traditional. It has also been suggested that the line between online and traditional advertising are becoming blurred as traditional advertising attempts to make itself more accountable than it has been in the past because of the specific metrics that online advertising offers.

## **7.1 Research hypothesis**

*While many factors must be considered in the creation and evaluation of an online advertising campaign, ultimately it is the pre-campaign objectives that will determine the success, or failure, of a campaign. Only by choosing a particular objective will a company be in a position to correctly evaluate post-campaign.*

Following the research findings detailed, the author is confident that campaign objectives play the largest role in determining the success, or failure, of an online advertising campaign. When respondents were asked for the main measurement of performance for an advertising campaign, more chose 'Depends on campaign objective' (29 per cent) than any other option. When asked the biggest challenge with regards to online advertising campaigns, 58 per cent agreed, or strongly agreed, that defining the objectives was the most difficult aspect.

All the interviewees spoke in detail over the importance of the campaign objectives and the fact that must also be realistic. All alluded to the fact that a successful campaign is hinged on the objectives, but only if the objectives are realistic for the product/service, industry, resources available etc.

## **7.2 Areas for future research**

The author would suggest in the future conducting further research into mobile advertising. This area is growing at a huge rate and could warrant a study in its own right. A further study would be recommended to be undertaken from an international perspective to establish if Irish online advertising behaviours and trends are reflected internationally.

Further research is needed into the Irish online advertising market as most academic literature is focused on the American market, with the Irish online advertising market is behind its American counterpart at this stage of its development.

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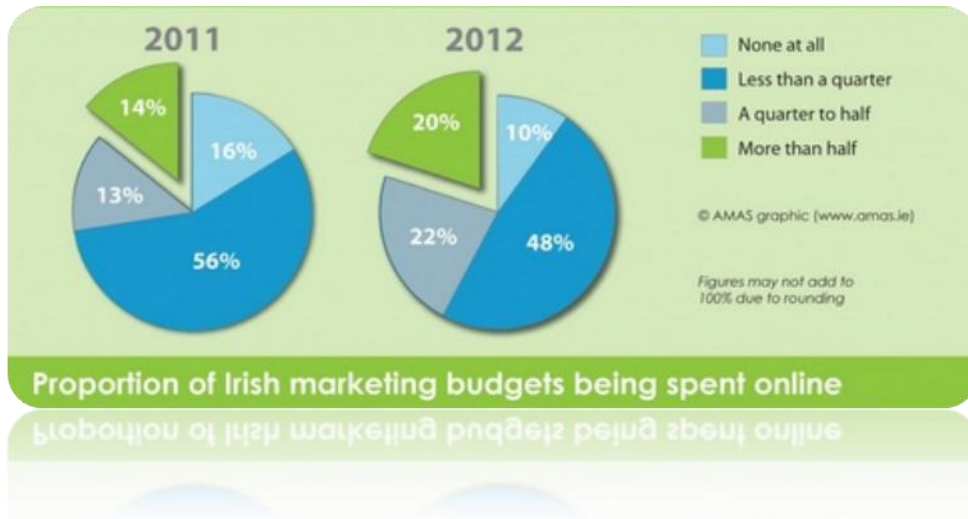
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## CHAPTER NINE APPENDIX

### Appendix 9.1 Proportion of Irish Marketing Budgets Online Spend 2011 and 2012



Irish Online Spend 2011 & 2012 courtesy of Amas.ie

### 9.2 Internet and Facebook Usage in Europe

Internet and Facebook Usage in Europe					
EUROPE	Population ( 2012 Est. )	Internet Users, 30-June-12	Penetration (% Population)	Users % in Europe	Facebook 31-Dec-12
Albania	3,002,859	1,471,400	49.0 %	0.3 %	1,097,800
Andorra	85,082	68,916	81.0 %	0.0 %	34,540
Austria	8,219,743	6,559,355	79.8 %	1.3 %	2,915,240
Belarus	9,643,566	4,436,800	46.0 %	0.9 %	533,360
Belgium	10,438,353	8,489,901	81.3 %	1.6 %	4,922,260
Bosnia-Herzegovina	3,879,296	2,327,578	60.0 %	0.4 %	1,345,020
Bulgaria	7,037,935	3,589,347	51.0 %	0.7 %	2,522,120
Croatia	4,480,043	3,167,838	70.7 %	0.6 %	1,595,760
Cyprus	1,138,071	656,439	57.7%	0.1 %	582,600
Czech Republic	10,177,300	7,426,376	73.0 %	1.4 %	3,834,620
Denmark	5,543,453	4,989,108	90.0 %	1.0 %	3,037,700
Estonia	1,274,709	993,785	78.0 %	0.2 %	501,680
Faroe Islands	49,483	39,948	80.7 %	0.0 %	31,820
Finland	5,262,930	4,703,480	89.4 %	0.9 %	2,287,960
France	65,630,692	52,228,905	79.6 %	10.1 %	25,624,760
Germany	81,305,856	67,483,860	83.0 %	13.0 %	25,332,440
Gibraltar	29,034	20,660	71.2 %	0.0 %	21,700
Greece	10,767,827	5,706,948	53.0 %	1.1 %	3,845,820
Guernsey & Alderney	65,345	48,300	73.9 %	0.0 %	2,620
Hungary	9,958,453	6,516,627	65.4 %	1.3 %	4,265,960
Iceland	313,183	304,129	97.1 %	0.1 %	227,000
Ireland	4,722,028	3,627,462	76.8 %	0.7 %	2,183,760
Italy	61,261,254	35,800,000	58.4 %	6.9 %	23,202,640
Jersey	94,949	45,800	48.2 %	0.0 %	32,760

Eurostat Report 2013



### **9.3 Email transcript of correspondence with Conor Dunne**

From: **Conor Dunne** <conor.dunne@vwgi.ie>  
Date: Tue, Dec 18, 2012 at 9:38 AM  
Subject: Re: Online Marketing  
To: Declan <declanwhooley@gmail.com>

Hi Declan,

Please see my answers below;

#### **What makes an online campaign effective?**

An effective online campaign is quite dependent on the campaign objectives. For example, for the launch of the 21<sup>st</sup> Century Volkswagen Beetle the online objectives were broken down into Call to Action (Brochure Downloads & lead generation vs. Branding). This was broken down into 70% CTA and 30% brand. The CTA would consist of very targeted ad formats across specific networks with a strong call to such as “Download A Brochure Now & WIN a Beetle”.

The branding element of the campaign would focus on Video On Demand (VOD), Homepage takeovers and Roadblocks. This is when we would take over YouTube, Eircom, Independent.ie etc for 24 hour period. The Beetle would be highly visible on these premium sites. Although this may not drive significant brochure downloads, it generates awareness about the new Beetle and potentially puts in the car in the users consideration set.

All online campaigns must be integrated with ATL activity. For example, much of our online traffic for Beetle came from the user seeing a TV/Print ad and using a Google search to look for “VW Beetle” , online is just one element of the overall marketing mix, it cannot be ignored, nor can be over relied upon.

Finally for an online campaign to be effective, tracking needs to be in place. All of our ad formats are tracked using Adserver technology and on a daily basis we are optimising the campaign to ensure we are maximising investment. For example, if a MPU format on [irishtimes.com](http://irishtimes.com) is not getting any brochure downloads and the Leaderboard format is, we will cut the MPU and put the money into the Leaderboard format. All of our online campaigns must also have an always on PPC (Pay per Click) strategy. So, if someone views a

Beetle Ad on [irishtimes.com](http://irishtimes.com) and later Google “VW Beetle” it is essential our ad appears first in the Google listings, otherwise a competitor may steal a potential customer.

**Who deems the campaign to be a success or failure?**

Before every campaign, the objectives are set out. This is broken down again by CTA (How many brochure downloads we want) vs. Impressions (How many millions of impressions we want for our display ad formats). This is then measured on a weekly basis and the campaign is optimised accordingly to ensure objectives are achieved.

**What are the main measurements you use to gauge your campaigns?**

See above, I think you can rework answer one and use some here, brochure downloads and impression share.

**What would be the split between off-line/online spend?**

This varies industry by industry, we plan on spending 20% - 25% of our overall marketing budget on online in Q1 & Q1 2013.

**What do you feel are the bigger drawbacks with online campaigns?**

It is difficult to build a brand solely online and capture the share of voice that you can capture on TV. Although more and more older people are going online, the majority of 55+ watch far more TV and consume print advertising, it is also difficult to form an emotional attachment with your audience compared to a TV ad for example, however with Video on Demand this is changing slightly.

Hope this helps, let me know if there is anything else you need.

Kind Regards,

**Conor Dunne**

*Online Marketing Manager*

Volkswagen Ireland Ltd.

Block C, Liffey Valley Business Campus,

Liffey Valley

Dublin 22

[conor.dunne@vwgi.ie](mailto:conor.dunne@vwgi.ie)

#### **9.4 Email transcript of correspondence with Conor Dunne**

From: Conor Dunne <condunne4@gmail.com>  
Date: Fri, Jun 21, 2013 at 3:23 PM  
Subject: Re: Suggestions  
To: Declan <declanwhooley@gmail.com>

Ok, so big things at the moment in online are attribution, ROPO, and the 5 screen world (currently 4). Attribution would be a good one and the challenge for marketers to determine how offline drive online, and then when user is online which ad format etc drove the conversion (brochure/test drive request). Let's have a call when you digest attached! I will send you link to wetransfer now.

##### *1. Attribution – Look beyond the last click.*

First to last click analysis, which drives the conversion, is it the TV ad, radio, print, display ad or PPC – All work in unison but which one do you give credit to?

##### *2. ROPO – What's it all about – Research online, purchase offline.*

Online & Offline working together – The effect offline advertising has on online search queries. i.e. VW Golf TV campaign typically increases online search queries by 300%.

##### *3. The five screen world, are you ready to adapt?*

- TV
- Laptop
- Tablet
- Desktop
- Car (apps on car touchscreens will become big in next 3-5 years)

Look at Google Insights, also look at IAB, <http://iabireland.ie/>

Kind Regards,

**Conor Dunne**

*Online Marketing Manager*

Volkswagen Ireland Ltd.

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Dublin 22

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## **9.5 Email transcript of correspondence with Megan O’Riordan**

From: **Megan O' Riordan** <megan.oriordan@joe.ie>

Date: Wed, Dec 19, 2012 at 6:16 PM

Subject: Digital Marketing

To: declanwhooley@gmail.com

Hi Declan,

Digital Advertising is simply put: the new and improved way to directly target potential sales. We now have metrics that never existed before. We can put a cap on how many times a person is exposed to a brand to avoid wastage (ad frequency cap), we can measure how many people actively looked for more information on an ad (Click Through Rate) and we can serve them advertisements in their own space, on sites that they visit such as Facebook or News pages online.

Digital Advertising has made it easier for brands to activate their message among their niche markets in a very cost effective and measurable way, and is actively shaping the marketing experience for readers online. It is ever changing and it is up to publishers and brands to keep up with the race! – Megan O Riordan, Agency Sales Manager at JOE.ie

**Megan O Riordan**

**Agency Sales Manager  
JOE.ie & Her.ie**

**(01) 669 6900  
(086) 041 1750  
Distillery Building,**

**Fumbally Court,  
Fumbally Lane,  
Dublin 8**

## **9.6 Email transcript of correspondence with Alan Coleman**

Alan Coleman <alan@wolfgangdigital.com> Fri, Jul 26, 2013 at 4:43 PM

To: [declanwhooley@gmail.com](mailto:declanwhooley@gmail.com)

Hi Declan,

Thank you for your email and unfortunately I cannot meet you face-to-face as I am out of the country, but I would be glad to share with you some of my personal thoughts regarding the evaluation of online advertising.

I always use the acronym AIA when it comes to online advertising. The first 'A' is awareness – getting the brand name out into the public domain to your audience. 'I' is for interest. This signifies that the person has some degree of interest that leads them to click on the advertisement, even if that is as far as it goes. The second 'A' is action – ultimately that the consumer has seen the advertisement, has perked their interest and resulted in them taking action about the product or service.

The biggest advantage that online advertising has over traditional advertising is that digital can measure AIA specifically. Awareness can be measured through impressions, Interest through clicks while Action can be measured through conversions, enquiries, purchase orders etc.

From my own personal experience, companies tend to judge offline by a different stick than for online. We have seen research in Ireland to suggest that for every €1 a company spends online, it will result in €4 in the register til. That is certainly not the case in offline spend, which is far more difficult to put exact figures on, but highly unlikely to be at the same rate as 4:1. it is somewhat myopic to only look at revenue as the only yardstick for spend, but unfortunately that is what we see in many cases in Ireland.

For example, press still seems to be the biggest advertising spend in Ireland and if all companies received four times what they invested in this particular advertising method then they would be in far healthier financial positions.

I hope this helps you in your dissertation and if you need anything else, please don't hesitate to contact me,

Regards,

Alan

--

Alan Coleman

CEO

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8 Clanwilliam Square

Dublin 2

The Digital Marketing Scientists

### **9.7 List of questions sent to Marian Duff, Social Advertising Manager Paddy Power prior to face-to-face meeting**

- In relation to the overall advertising budget, what is the breakdown of online advertising in relation to traditional advertising?
- How does Paddy Power's online advertising ROI compare to other traditional means of advertising?
- What do you feel are the main advantages of online advertising?
- What do you feel are the main disadvantages of online advertising?
- For Paddy Power does the online advertising replicate the traditional advertising?
- What would you say sets Paddy Power's online advertising campaign apart from its competitors?
- Academic literature suggests there are seven main objectives that a company has towards online advertising – Branding, Customer Engagement, Growing Off-Line Sales,

Growing Online Sales, Generating Leads, Boosting Coverage & Message Repetition and Reducing Acquisition Costs.

Are all of these relevant to Paddy Power, and are of these more important than the others?

- Does Paddy Power find any particular type of online advertising more successful than others?
- What are the main measurements used to evaluate an online advertising campaign?
- Will a campaign always be judged by the initial objectives set out?
- Recent research has found five main indicators for measuring online advertising – Display, Actual Exposure, Interaction, Browsing, Engagement.

Are there any of these indicators more important to Paddy Power than others, or does it depend on the individual campaign?

- Where do Paddy Power feel are the most effective places to advertise online?
- Has the level of social media advertising increased greatly over the past 12 months and do you see this trend continuing?
- Do you see any big development over the next 12 months in relation to online advertising?
- Do you feel your online advertising strategy differs greatly from your main competitors?

**9.9 Full interview transcript of face-to-face interviews with Marian Duff, Social Advertising Manager Paddy Power and Barry McCarthy, Social Media Advertising Specialist Paddy Power.**

**Where does online advertising sit in the Paddy Power team?**

**Barry:** Marian is the manager of the Social Media Advertising Team, so all the work that the lads do on Twitter and Facebook, and the promotion of that work goes through Marian and her team. I for example am more involved with the Twitter side of things.

We're part of the Online Marketing Group (OMG). Across this team of 60 people you have got Search Marketing, looking at Search Engine Optimisation (SEO). They would be

concerned that if you put something like ‘Liverpool bet’ into Google that Paddy Power is well placed. You have got the PPC team, so when you search for certain terms that we appear near the top and on the right hand side of the page. Then there is our team, the Social Media Advertising Team, you have got Mobile Display Advertising Team and they are concerned with the ads you see on your phone, driving people to download apps etc. You have got Other Display, such as Desktop Display. You also have the Affiliates and Partnership Team who more recently have been looking to partner with football clubs.

**Marian:** That’s online. I think your question was all the marketing. So we have a brand team that looks after TV, press and print which is separate to us. Every kind of big event would have the ‘go-to-market’ as we would call it, the slogan, imagery to be used and that would filter down, but they would be buying their media separately. There is an overall advertising budget, we get part of it, brand get part of it.

**How does online advertising ROI compare to traditional advertising ROI? Is it anyway comparable?**

**Barry:** I’m not sure how brand measure the offline.

**Marian:** They have different metrics. They use quantitative measurements such as ‘name the top three advertising brands’ to customers and then ask it again later, things like that. There is also top of mind awareness, KPIs.

Online is more acquisition-based. Brand is now more like brand-building with a touch of acquisition. I don’t know if you noticed before but the TV ads now have free bet offers in them, so they have started to do that now. I assume there is more pressure being put on them to do more measurements and drive a bit more direct response whereas before it was like just go out and be funny and have a great time.

**Barry:** One interesting development there is that you are now seeing a blurring of the lines between traditional advertising and online advertising. For example, something simple like using a hashtag in your TV ad or billboard. I have seen some companies simply use a large hashtag on the billboard as their entire ad. Things like that can be measured so there is a blurring between the two.

**What would you say are some of the biggest disadvantages with online advertising?**



**Marian:** I'm not really sure disadvantage is the right word. There are challenges because you see an ad on your Pc, you download the app on your phone and you have no way of connecting the two together so when you look at the data, the ad would have appeared not to have worked. You see something on your work computer and you go home to your laptop at home and buy something based on earlier. The cookies and the tracking is at a device level.

It's also very hard to track the amount of ads across the whole team we have, so our Attribution Model, where we look at what every single thing that influenced the person to click/purchase, can be difficult to get exactly right. Traditionally companies would have asked the customer what caused them to purchase and they would generally say the final ad they saw. Now the challenge with online is that with all the data you can see the very first thing they saw and everything they have seen in the meantime. Maybe they saw a Facebook ad, then maybe saw a PPC a, then maybe went to an affiliate website for more information and we can track all that. You can put the data any way you want, which is also part of the problem. Every team will think their ads are always doing the best. You can represent the data in different ways.

**Barry:** There are so many different theories on what is best. You will see Google models that will show the first and last interaction. Path to conversion is an interesting buzz word at the moment. It is connecting all the dots between say watching a YouTube video and then clicking on an ad, then following us on Twitter and liking us on Facebook .

**Marian:** What you are trying to find is whether an impression from a Facebook ad is worth more or less than an impression of a PPC ad. You would assume it (Facebook impression) is worth quite a bit less as it is voluntary, you don't go searching for it but you have to weight the value of the impressions.

**How do you think the online strategy of Paddy Power differs from that of its competitors?**

**Barry:** Looking at this question from purely a social point of view, and I suppose that is the only thing I am really qualified to talk about, I think where we would differ from our competitors is that we have a more 'natural' voice on social media in that they we have a closer connect our audience as they know Paddy Power to be quite entertaining and irreverent. Some of the stunts we have done with 'Money Backs' saw gives a certain impression and we think that is a more natural fit than Globo Corp than say talking to you

about how your Saturday morning and asking you your emotions about the Irish rugby team. That is the one that always rings true for me.

**Marian:** That is not to say that we do everything the best either. Facebook for example would have an STK offering, software that you can put on all your apps that will help you track your Facebook ads better, but trying to convince someone that works on mobile product that that is more important than changing the colour of buttons on the webpage can be difficult so there are some things that we are not doing that our competitors are doing. For example, unlike hotels, whose ads follow you around, ads with Paddy Power offers and bets don't keep following you around to the same extent which is something we could do.

**Have you noticed other competitors adopting elements of your online advertising strategy?**

**Barry:** There will always be certain elements that competitors will look to if they think they are successful, that is just business and I don't think you can get too precious over that.

**Marian:** We have noticed companies try to adopt perhaps a more 'natural' tone of voice, and social media is always a good outlet to test this.

**Barry:** A good example of this recently was recently when Ladbrokes posted a funny picture of Arsenal manager Arsene Wenger on their Twitter account, about eight weeks ago. A regular Twitter user replied by saying 'Stop trying to be funny like @paddypower #sadblokes', to which Ladbrokes replied 'They follow us, we don't follow them #saddypower'. The guy who was in charge of our Twitter account simply tweeted 'your mum' when he saw the exchange and it was the most successful tweet Paddy Power has ever had with more than 5,000 re-tweets and the hashtag #sadblokes was trending. Needless to say the Marketing Director said it was absolutely brilliant. You can't get a better example of Paddy Power than that.

There are competitors doing a really good job and we respect that, some doing really well on social. There are some tones of voices that I do like, but we definitely have our own.

**Academic literature suggests there are seven main objectives that a company has towards online advertising – Branding, Customer Engagement, Growing Off-Line Sales, Growing Online Sales, Generating Leads, Boosting Coverage & Message Repetition and Reducing Acquisition Costs.**

**Are all of these relevant to Paddy Power, and are of these more important than the others?**

**Marian:** The Brand team being very different to what we would call the online acquisition team, but they (the brand team) would obviously be very interested in some of these. Like you could argue they are interested in all of these but some of these more so than others, such as Branding, Growing Sales, maybe Boosting Coverage, whereas the online team aren't really trying to be that funny, and we will try to push out direct messages. What we are doing isn't really branding, it is more direct. We are looking to grow online sales. We do have an acquisition team for the shops and they rightly get annoyed that we don't do enough for them, but there are things you can do online to drive footfall, but we don't really do that so much.

**Is it hard, particularly from the social media aspect, to mix engagement with direct messages?**

**Marian:** Both Facebook and Twitter have an advertising interface that allow you to build your ads that allow you to build 'dark' tweets and posts, so they don't actually exist until you pay to promote them, and when you pay to promote them they only go to who you want them to go to.

You can have a Facebook post that will have a free bet offer that you can promote to people who like your competitors.

**Barry:** You still need to keep in mind with all these offers that you can't upset existing customers. When the ability to segment first kicked off, we were able to tailor our messages. For example at the European Championships last year, we would have one message slightly tailored to England for their matches and an Irish specific message to Irish followers.

The key is to tell a lot, and sell little. Tell, tell, tell, then sell. A person needs to trust before they can purchase which is what we aim to achieve.

**Marian:** We are coming at this from a social side given our roles. Online covers all seven objectives you have mentioned, but some campaigns will be more focused on certain aspects than others. A lot of people will go to the website and never open an account. You can target those people with ads through different advertising and you can push them over the line with

very little. That for example could reduce overall requisition costs, so instead of paying €500 to get 500 people to your website you could spend €600 to convert 50 of them.

**What would the main objective be for the Social Media Advertising Team?**

**Marian:** The role of the social team is to acquire quality fans for our Facebook and Twitter pages. We don't want to go buy a bunch of likes from India if we're not even in the Indian market and can't make any money from that fanbase. We want to get quality fans who are likely to become customers.

**Has there been a significant increase in social media advertising over the past 12 – 24 months?**

**Marian:** Yes and I can give you an obvious example. When I started with Paddy Power two years ago, there were only two types of Facebook advertising, now there are more than 10. The only targeting you could do previously was by what you liked on Facebook, now you can target based on what websites they visit. You can target non-customers on your ads, exclude certain groups who you don't want to see the ads; it's become so much more hyper-targeted. You can easily justify spending money because the tracking is so advanced.

When I say that we have an attribution model, the whole of our online marketing is tracked through the same software. That lets us look at the bigger picture whereas before you couldn't say if certain ads influenced consumers, you just wouldn't have the data. With the tracking and targeting available now, it is much easier to turn to the board and say I need X amount for my budget.

The number of fans (on Facebook and Twitter) in isolation is the wrong thing to look at, but when people see other fanbases growing they want to be part of it. My old manager had this quote one time that he's rather have a thousand customers than a million fans. There is no point in getting one million women to like a page, it's worth nothing unless there is an intention to purchase. In the back of our mind we have to remember that everything is geared to acquiring customers.

**Do you think there will be any big development coming over the next 12 months in online advertising?**

**Barry:** I think it changes so, so quickly, from week to week. YouTube, Google, Facebook etc can bring in developments that can really change things on its head. It is very difficult to say.

Obviously mobile and tablets are have been ridiculously huge over the past 18 months, and we can expect to see more developments in connecting the dots between desktop and your mobile at home.

Second screen is also big at the moment, so when people have their TV on in the background, are they actually watching it or are they just staring at it and only focus if there is a loud noise or something dramatic in the ad.

**Marian:** The main thing, and this is a negative, is how we optimise campaigns by tracking. I don't know if you are aware, but thanks to new EU directives, all new websites will be coming with 'Do not track' as standard. You'll notice when you go to websites for the first time there will be a pop-up message that says 'We use cookies. Do you accept these cookies?' So you are allowed certain cookies that allow the site run faster, remember you password etc., but the issue will arise with third-party cookies that track your media, your website history etc. That is when you need to tell people, by law, about the cookies so they have the opportunity to opt out. That would apply to all websites and that is a huge challenge, you could lose data on a whole chunk of people. It's all based on data protection, but will make tracking more difficult from our perspective.

I imagine that there is too much money being made on online advertising that it will never go away fully, but that is what is next on the horizon for us.

**Thank you very much for your time.**

## **9.10 Full interview transcript of face-to-face interviews with Alan Metcalfe, Head of Marketing Pinergy Energy.**

### **What are some of the advantages of online advertising for Pinergy?**

There is a certain amount of education we must do as a company, a certain amount of sales and our marketing has to be a real mix of both. With digital you don't have 30 seconds to show an ad, you can't guarantee a click or a full watch on a video. Or if you do guarantee the watch you might have to pay a whole lot of money.

With digital it's a quick win. A strong call to action, get onto the website and go, go, go.

Our online platform is quite potent in terms of sales in comparison to other channels, but it hard to equate exactly how much is fuelled by digital with so many other supporting programmes.

### **What are some of the biggest challenges involving online advertising?**

From previous experience, having worked in the area for a number of years, online is great for brand recognition, if you do it direct. You can specify your market, who you want to see the ad etc. For example, if I want to focus on Irish women aged 25 – 44 for a given campaign, I know there are three or four websites I can use to specifically target these women. I may pay slightly over the odds CPM wise and more than I would using an agency, but I will be guaranteed that those ads will be displayed in the right place to the right people.

The problem is, you are paying by display and you are measuring success by clicks. You never really pay by click anymore. So for example, I might buy 500,000 ads on a website and then I will be measuring it by the click-through rate. Based on that click-through rate I can work out the conversion, so if I'm selling widgets and advertise widgets on say www.X.ie, if I have 500,000 ads and get a percentage click-through of 0.0% and then I must see how many of those are actually paying customers and see the conversion rate.

Then you must see if it was worth the sale. Everything comes back to the cost of sale and really digital is great for placing your brand in front of the right people, but the measurements I find frustrating. If I go direct to a publisher what's to say that they are not clicking on the ads themselves or people aren't clicking on my ad to bump up the click-through rate? I don't know, I can't track that. There are cookies, but they are easily circumventable. You can get a click-through rate and discount by half in some cases.

That's why I would normally spend through networks. I can't be as specific as to where I want my ads to be shown, but I can target IPs of Irish people for example.

A strong call-to-action is vital, particularly in digital. "Click here for a free round of golf", or whatever and you might get a better click-through rate than if you give a bland message to people who are not interested in the first place.

### **What in your opinion makes a successful online advertising campaign?**

It's all about the objectives and expectations. You need to make these at the start and they must be realistic. You'll meet a lot of marketing managers who might not necessarily be in touch with the target. Others might know their target and not know the product, or they might know both and not really be au fait with the media. And then you have other guys who are pitching a lot of money at digital because it seems like the place to be, but if you go back and punch the numbers, your cost of sale might be far and above than what it would be if you had a guy on the street with a box full of product asking people if they would like to purchase.

The call-to-action is so critical in any digital campaign as you have got three frames to show people what your product is, what the message is and why the person should click on the ad.

A diamond company for example isn't going to sell a whole lot through online so their objectives and expectations will have to be managed way in advance of them spending any money. They are not going to sell 500 rings by placing 5,000 ads. If you are selling chocolate bars however, you will have massive uptake, or a 2-for-1 McDonalds offer, and it is very measurable. There is very little capital outlay needed. It is about knowing what your objectives are and setting realistic expectations.

In all my experiences so far, and having worked in some very large online advertising campaigns, the ones that always did well were companies that managed their expectations well. "We want to do put ourselves in front of these people that we think will like our product". On the other hand, the ones that say they will spend €5,000 and expect €5,000 worth of sales have to be managed very carefully.

The objectives are usually the same, we expect X amount of sales, it is how the expectations are managed that is key.

Rather than worry about spend, you need to carefully work out your objectives and then figure out how you get there. That is when your digital and traditional come together to meet the objectives.

**Recent research has found five main indicators for measuring online advertising – Display, Actual Exposure, Interaction, Browsing, Engagement.**

**Are there any of these indicators more important to Pinergy than others, or does it depend on the individual campaign?**

All are important in different ways, but it is important to know the difference between Display and Actual Exposure especially. If I'm buying a digital ad space for PINERGY, I know based on my Analytics I know how many unique visitors I need before I make a sale and I want that number to fall a lot. That is how I measure my direct buy-in right now. If I found out that 10 per cent of all my visitors came from website A, and the conversion rate is better than average, I will spend money with that website, but it will have to remain in line with my cost of sale. It will always come back to cost of sale.

With digital I can track who exactly is clicking on the ads and it is an active engagement, something that is far harder to quantify for traditional advertising. It must be remembered it is often the first of many steps before a sale, but it is an important active engagement.

### **What future developments do you see over the next 12 months?**

Twitter hasn't found a way of monetising it yet, and that is often a problem on digital, figuring out a way to monetise. Facebook are still struggling with that I think. I know they have display ads, but I'm not sure they have shown to be overly successful. Some people might disagree, but that is my own experience.

People are still talking about QR codes but I can't seem them taking off. Apparently they work well in toilets. I know how to use Google, so I don't think I would ever use QR codes.

Contactless payment and closefield technology is something that really interests me and I think will become a lot bigger. If I walk into a shop and something costs less than €15, I can pay with my laser card and can touch my card for payment and it is a quick transaction. Some phones in the States have that technology built in, so technically, if your banks were with it, you could register your phone IMEI number as your place card and use the phone to touch it off the counter. The technology is there, it's just not being rolled out.

If closefield technology could be used for marketing in some shape or form it could be huge. For example for PINERGY, if I had direct sales guys on the ground and they had Pinergy branded phones while offering people €20 free electricity if they signed up, it could work easily. Touch the phones together, ping up a message and it is a personable opt-in.

### **9.11 Questionnaire**