

Advertising Effectiveness on the Interactive Television Guide: Lessons Learned

- *The interactive television guide is becoming an inherent component of the television viewing experience, and with it a new advertising platform emerges. This paper outlines the methodology and results of an advertising effectiveness research study program designed to understand and evaluate usage and effectiveness of the interactive display panel advertising appearing on the interactive program guide (IPG). Results show the IPG is an effective advertising medium, valued by its users, that rivals traditional media advertising, and can be successful in driving awareness as well as persuasion in a variety of advertising categories. Given television's stature as the most-used medium, the opportunities the IPG platform presents advertisers are just unfolding. Factors that affect ad performance and implications for advertisers are discussed.*

Background & Introduction

Gemstar-TV Guide International's interactive program guide gives viewers the ability to make informed choices about television viewing. In today's rapidly changing media environment that offers infinite amount of choices and complexity, the IPG allows a user to sort programs by themes or categories, obtain details about programs on demand, and select viewing options, all through the remote control. The Gemstar on-screen interactive guide (Guide Plus Gold) technology is built into a number of models of new televisions and is currently deployed in more than 5 million homes. The TV Guide IPG (TV Guide Interactive) technology resides in digital cable set-top boxes and is currently deployed in more than 7 million homes.

Additionally, advertising display panels on these guides offer information and buying options interactively, directly from the screen for categories such as Pay-Per-View, video on demand, and in the future, shopping. These ads have evolved into a unique advertising opportunity supporting all types of entertainment and other product and service categories as varied as theatrical releases, television programming, packaged goods, retail, auto and financial.

Viewers tuning into the IPG are in an information-seeking mode and therefore predisposed to be responsive to advertising. The unique nature of this platform provides an opportunity for ad awareness and targeting in a way that traditionally television has not been able to deliver. Ads placed in the IPG are meant to motivate use, not just viewership or awareness, and call consumers into action vs. being used exclusively as a brand builder. An IPG ad could be defined as a hybrid advertising format that encompasses both the opportunity for direct response as well as brand awareness.

Each interactive program guide (IPG) includes advertising display panels, typically two, on the left-hand side of the screen, as shown in Figure 1. These ads may be highlighted using the up/down and left/right arrow keys to navigate through program listings/information. Selecting an ad and pressing OK or INFO displays additional information about the advertised product, service, program or movie (see Figure 2). More experienced guide users will typically navigate through the ads from information on the screen versus being distracted by focusing on the remote.

Various ads are looped in per hour, and the same ad or ads may be run over many hours or days. For TV Guide Interactive, an ad pair is displayed for the duration of a "guide session", defined as beginning when the user goes to the full screen guide (vs. Flip or Browse which allows the viewer to see information about the current program as he/she changes channels) and ending when the user goes back to TV/video. Upon re-entry into the guide, a new "guide session" begins, and a new ad pair is

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seen. For the Guide Plus IPG, the scheduled ads rotate throughout the guide session.

How do viewers respond to this new advertising platform, and how effective are these ads? Who is looking at them and what works in this medium? What learning can be gained that can assist advertisers in making media selection more efficient with regard to IPG advertising? The present study is designed to answer these important questions.

Advertising Effectiveness Research

Objectives

Gallup & Robinson has been working with Gemstar-TV Guide International to conduct IPG advertising effectiveness studies to evaluate the performance of display panel advertising. The research studies have been

designed to help understand

- Who uses the IPG
- How viewers use this medium
- How effective are IPG ads
- What type of creative executions, incentives and offers work within this interactive advertising medium

Answers to these questions are important to

- Gain insights to better understand and position this advertising platform, and
- Help advertisers gain optimal efficiencies through this advertising medium.

Conceptual Framework

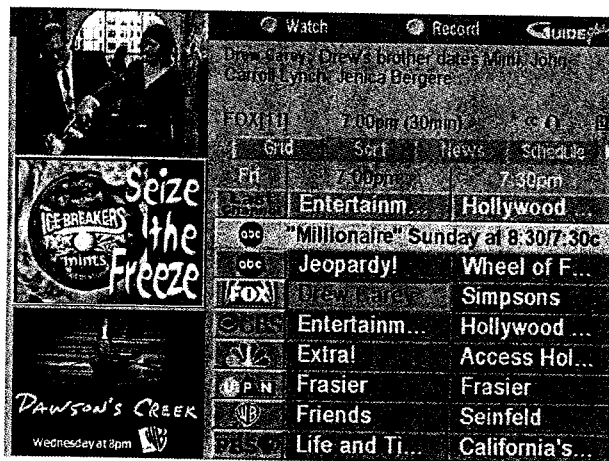
Advertising on the IPG is designed to build awareness for the advertised product, service, programming or movie; additionally, the interactivity of this medium offers the opportunity to interested viewers to obtain additional and relevant information on

demand, at their own pace. The desired final outcome is to persuade and encourage positive behavior response to the advertised title/brand, be it watch a program or movie, call for more information or try/buy the advertised product or service.

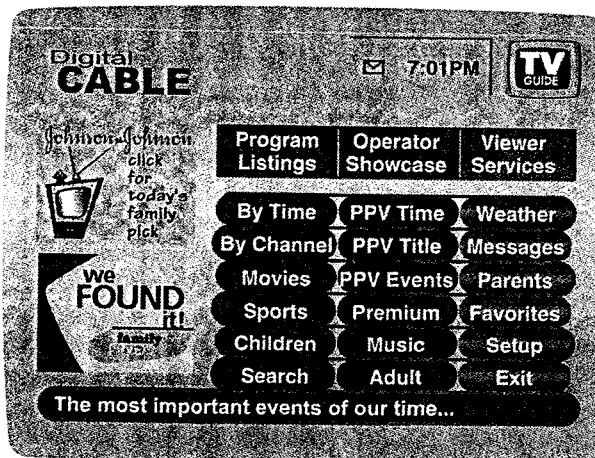
Methodology

Using this conceptual framework, G&R customized its advertising impact tracking measurement protocol to help Gemstar-TV Guide International measure the effectiveness of the IPG as an advertising medium. The methodology is an at-home, in-context, natural-exposure ad effectiveness measurement system, and respondents are interviewed, subsequent to potential exposure, on the telephone using appropriate subscriber lists/TV manufacturer owner lists. Studies are conducted among men and women who have used the specific IPG and watched TV the previous night, during a designated time-slot (average of 6 hours) when the test advertising was run. Multiple ads are rotated and tested during this time-slot. Respondents are asked about their IPG usage and about the advertising on it. Multiple measures for advertising effectiveness are

Main Screens



CD-Based IPG: Resides in television



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obtained to fully evaluate the effectiveness of the advertising including:

Total (Claimed Unaided and Aided Recall): The proportion of respondents who had claimed unaided recall and said they recalled the ad when prompted by the name of the product/service or program.

Proved Recall: The proportion of respondents who claimed they recall seeing the ad on both an unaided and aided basis and were able to describe the ad in some specific way in follow-up open-ended questions. Proved recall is a more stringent measure of awareness. Unlike recognition, where the respondent is aided with the ad itself, with proved recall there is no confusion about whether it is possible the ad was or was not seen.

Clicked on ad: The proportion of total respondents who claimed they clicked on a panel ad for further information

Persuasion: Measured in terms of likelihood to buy/watch/subscribe to/call for information, as appropriate for the advertised product among proved recallers of the ad. Persuasion is measured in a five-point scale and results are presented for the top 2 box.

Results

A total of 53 ads comprising 34 brands/titles from a variety of categories/sectors were tested over a recent 4-month period among 1,617 adult respondents (18+), all users of the TVGI or Guide Plus IPG platform. Major results are discussed below.

Who Is Using the IPG

- IPG users span across all adult ages with more than 70% of the sample between 18 and 49 years old;
- These users are more upscale and educated than cable television homes with more than half of respondents (52%) having

a household income of \$50,000 or more and 28% having a household income of more than \$75,000;

- An overwhelming majority (76%) have Internet access.

How the IPG Is used

Among IPG users:

- The IPG is the major source for selecting a television program: 65% of users cite it as the main source for making viewing decisions;
- About 88% of respondents say they use the IPG when they watch TV with about 64% using it every time/most of the time when they watch TV;
- Almost half of IPG users (48%) view four or more screens, on average, when they use the guide;
- More than half of the sample (54%) have clicked on an advertising display box for addi-

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Digital Cable based IPG: Resides in the Set Top Box

Second Screens Appear when Ads are Clicked

TRY ICE BREAKERS MINTS AND HOLD ONTO YOUR TASTEBUDS!

The unique Ice Breakers crystals in each mint are exploding with extra bursts of incredible flavor. And check out the breakthrough package – Ice Breakers Mints, unlike other mint packages, features two unique openings! "To Share" provides a large opening for sharing several mints at once OR "Not to Share" allows a small opening for on-the-go single mint dispensing!

Also, log on to www.candystand.com and play intense interactive games for your chance to win the coolest prizes!

7th HEAVEN
8:00-9:00p 11 WPIX
WB affiliate

Is money the root of all evil? Certainly tonight's episode provides a variety of perspectives on its worth. As the good Reverend Camen (Stephen Collins) receives a \$20,000 donation from a survivor of America's WWII internment camps

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tional information, and

- More than a third of the sample (36%) say they click on the IPG ad for more information once a week or more, and about 16% do so once a day or more.

How Effective Are IPG Ads

Results show that IPG panel ads can be an effective advertising medium. Although a wide range of performance is noted, as measured by recall and persuasion, results indicate substantial levels of advertising awareness and persuasion can be obtained via this medium. Results outlined below for TV Guide Interactive IPG show:

- Day-after ad recall levels are substantial, as measured by Total and Proved Recall, as are Persuasion levels among recallers of the ad, measured by intention to action promoted in the ad: Not surprisingly, Entertainment sector ads, comprising of theatrical releases, Pay-Per-View, and other television programming, lead the way with 49% higher Proved Recall and 44% higher persuasion (see Chart 1).
- However, ads from other categories have also proven to be effective when used creatively, such as for packaged goods, durables, publications, retail and other services.
- Based on a comparison of other inter-media advertising testing research G&R has conducted, IPG advertising delivers performance comparable to other media in awareness and recall:
 - ◆ Average proved recall levels for the IPG are not significantly different from average proved recall levels for full-page 4-color print ads tested in an entertainment weekly magazine (three categories of ads tested);
 - ◆ Average proved recall levels for the IPG are not significantly different from average proved recall levels for :30 second TV commercials (three categories of advertising tested on four networks).
- IPG click rates for further information for advertised titles, products and services vary substantially across ads. Overall, results show ads on TVGI can be intrusive and create awareness without necessarily being clicked on.
- IPG click rate average (unique respondents/claimed clicking on ad) for all tested ads is 3.4%; more than 9 times greater than the online Internet click through rate of .36% reported by Nielsen Net Ratings (6/01). Furthermore, households are viewing television on average 7 hours per day¹ while using their PC an average of just over one hour per day^{**}.

- Based among respondents who proved recall for the ads, likelihood to consider the desired action by the advertiser (i.e., buy the product, call for more information, watch a program, go to the movies, etc.) is at 38% for all ads tested.
- The interactivity of this ad medium, allowing respondents to click on an ad for more information, positively influenced more than one-fourth of all respondents' overall opinion of the advertised title/brand.

What Works in IPG Panel Advertising

Category/Sector: While entertainment-sector ads generally showed top performance, not surprising given the nature of the IPG vehicle, ads from other categories also performed well.

The major factors that seem to influence effectiveness include:

- Media weight/Cumulative Ad Units (number of ad panel-hours over weeks or months): Results vary within different categories and ads regarding build-up and wear-out findings;
- Creative elements: Results show, generally, principles of good advertising hold true in this medium
 - ◆ Graphics/visuals are important and effective. Ads with only text or logos are less attention-getting;
 - ◆ Graphics of the product are helpful in making an impact;
 - ◆ Colors help attract attention and resonate;
 - ◆ Celebrity use has shown to do well; this is especially true for the entertainment category;
 - ◆ Cluttered ads are not effective as the brand/title is lost;
 - One simple, specific message, strong call for action, or incentives can be effective.

What Viewing Data Show

Additionally, to evaluate impact of IPG ads on viewing of programs

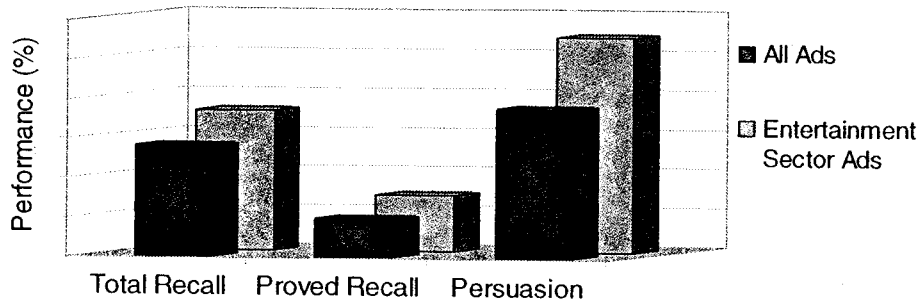
- Network audience cume analysis among digital (TV Guide Interactive) and analog cable homes was conducted for five programs promoted on the IPG platform using custom ratings data (Nielsen). Pre and post IPG promotions results showed a 37% increase for the programs promoted on TV Guide Interactive. IPG panels ads for the same 5 programs were also tested

* Source: Nielsen 2000 Report of Television

** Source: Jupiter Consumer Survey, July 2000

Chart 1

Advertising Effectiveness on TVGI IPG



via G&R's advertising effectiveness studies: proved recall for these programs was roughly 35% higher than for all ads, and persuasion for these ads averaged 33% higher than all ads.

- Results of the viewership analysis clearly indicates the IPG advertising offered a unique contribution and lift to awareness and viewership of these programs.

Conclusions and Implications

Results shared today represent the beginning of TV Guide's research program to evaluate this platform. Overall, the findings should add to the information base about

advertising effects. The results from G&R's IPG tracking research have assisted Gemstar-TV Guide International evaluate and to better understand the use and effectiveness of IPG advertising, allowing TV Guide to better position this platform as well as give advertisers the information to gain optimal efficiencies via this medium.

Results have shown the IPG is an effective advertising platform that offers a unique interactive advertising experience to its users. TV Guide will continue to develop and evolve an IPG measurement system with clickstreamF and other data.

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