



Display versus Email –

The SEAT Ibiza ST campaign illustrating how to effectively allocate your online advertising budgets



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Executive Summary

Initiators and coordinators

TERADATA.

Brand: SEAT

Product: Ibiza ST



Research partners

nielsen
.....

Media planning and advertising
design for the email campaign

TERADATA.

Munich, 17.01.2011 | writer: Volker Wiewer and Rolf Anweiler

What is the advertising effectiveness of email marketing in comparison with display advertising?

Particular investigative aspects of the advertising effectiveness study:

- How specific and effective does email marketing approach users in comparison with display advertising?
- The following aspects were investigated in detail:
 - Campaign delivery (net reach, reach build-up, contact frequency, user demographics)
 - Brand impact (ad recall, buy intention, acceptance of email marketing, viral effects, brand communication, recognition of the advertising message)
 - Behavioural impact (increase reach among the target group, contact frequency)

Methodology and design of the study:

- The study was conducted in parallel to the email marketing and display campaigns for the new SEAT Ibiza ST
- A total of 1,050 registered members of the Nielsen Online Panel participated in the study. They were split into three different random samples: contact with the email campaign, contact with the display campaign, contact with the email and display campaigns
- The basis for the study are two forms of data collection - a technical evaluation using the Nielsen Netview tool, and a survey of the Nielsen Online Access Panel

Ad Effectiveness – Methodology



Tag in online advertising



Technical measures using Nielsen meters



Online surveys of the access panel



Evaluation of the study findings

Ad effectiveness



Ad effectiveness – Data

Reach analysis Technical measurement using NetView

Datasheet:

Methodology: CATI survey

Target group: 18 - 60 year olds

Groups: With ad contact
Without ad contact

Period: July to October 2010

Data basis: Figures over four months

Population: 47,950,075

Ad effectiveness analysis Survey of Online Access Panel

Datasheet:

Methodology: CAWI Online Access Panel

Target group: 18 - 60 year olds

Random sample size: 350 Display
350 Email
350 Display & email

With ad contact
Without ad contact

Period: July to October 2010

Survey length: 8 - 10 minutes

Panel size: Approx. 100,000 people**



Overview of study data

| Active internet users: 47.950.075* | Display | Email | Display & email |
|------------------------------------|-------------|-------------|-----------------|
| Media volume in % | 85.6 | 14.4 | 100 |
| Net reach (unique users) | 11,833,051 | 2,030,717 | 13,863,768 |
| Active reach | 24,68% | 4,24% | 28,91% |
| Ø Exposure (contacts) | 6,05 | 3,65 | 6,15 |

- From 14.6% of the media volume, email achieves 4.24% of the net reach of the campaign.
- The reach achieved within the email campaign reflects the efficiency of this channel.

**With cookie identification
Basis: NetView Panel / 4 Month Active (Campaign Period: July - October 2010)



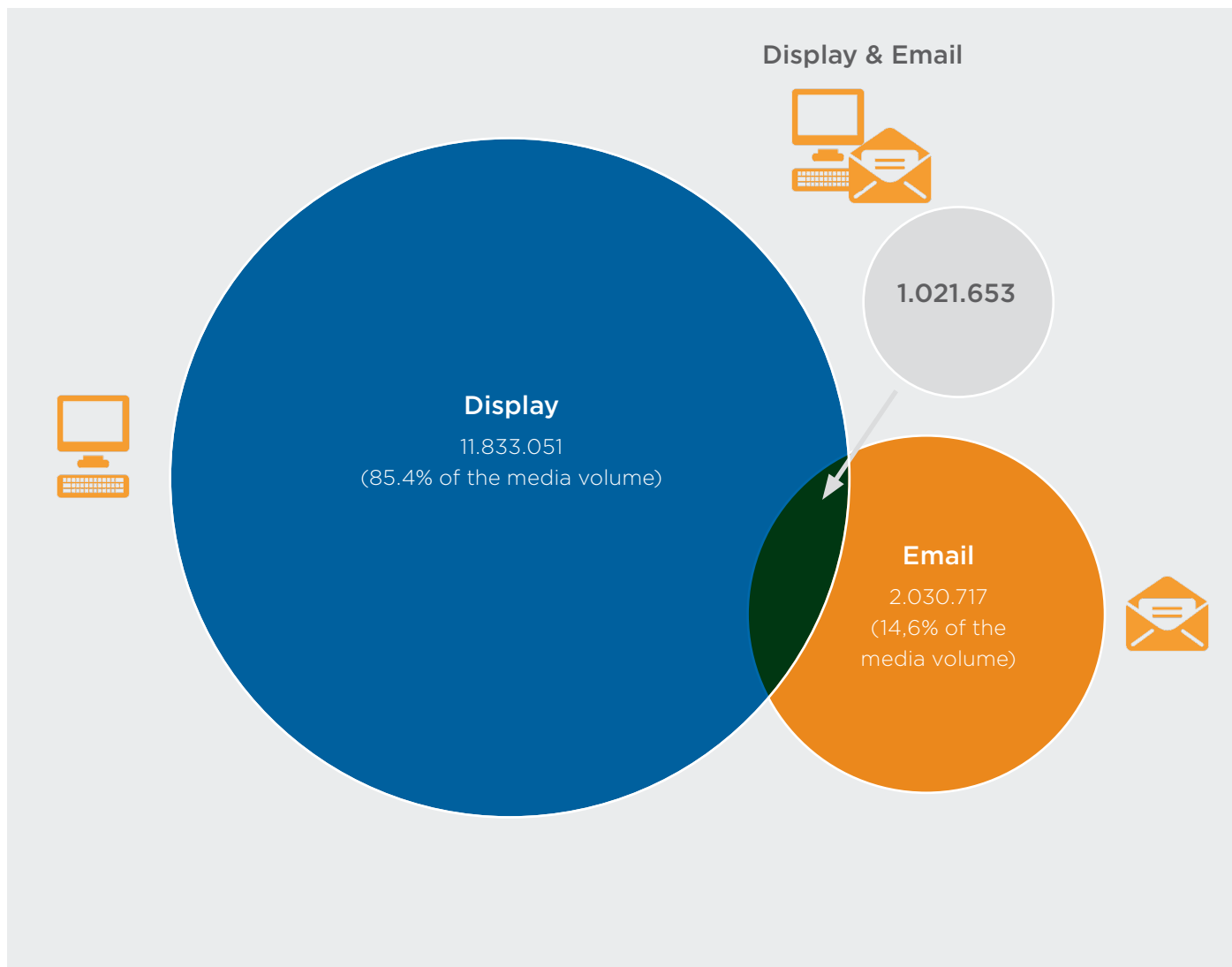
Overview of study data



Significant reach synergies make a clear case for a mix of email and display advertising

- The overlap in unique users is minimal, with a share of 8%.
- The email campaign reaches more than one million additional new users, in other words an additional net reach of 8.6%.
- The mix of display and email channels is therefore a media combination that produces very good reach synergies.

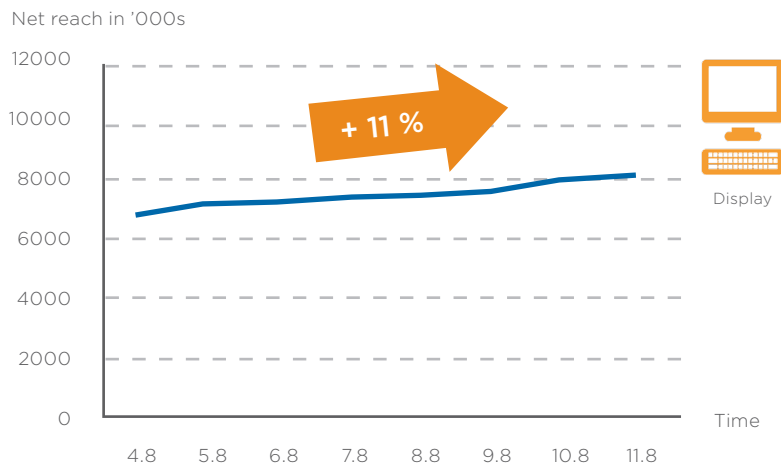
Reach comparison



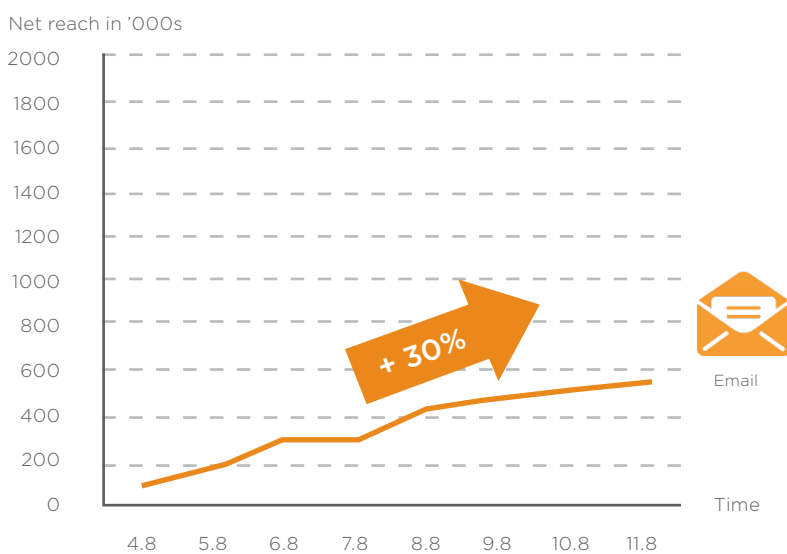
Email is impressive in creating the required advertising pressure with speed and accuracy

- The 1st email distribution wave reached almost 600,000 users after just one week – i.e. almost one third of the total email media volume.
- In the same week, the display campaign registered growth of 11%, or just more than one tenth of the total volume.
- Therefore, it takes display advertising almost three times longer than an email campaign to generate the required level of advertising pressure.

11% increase in net reach within one week



30% increase in net reach within one week

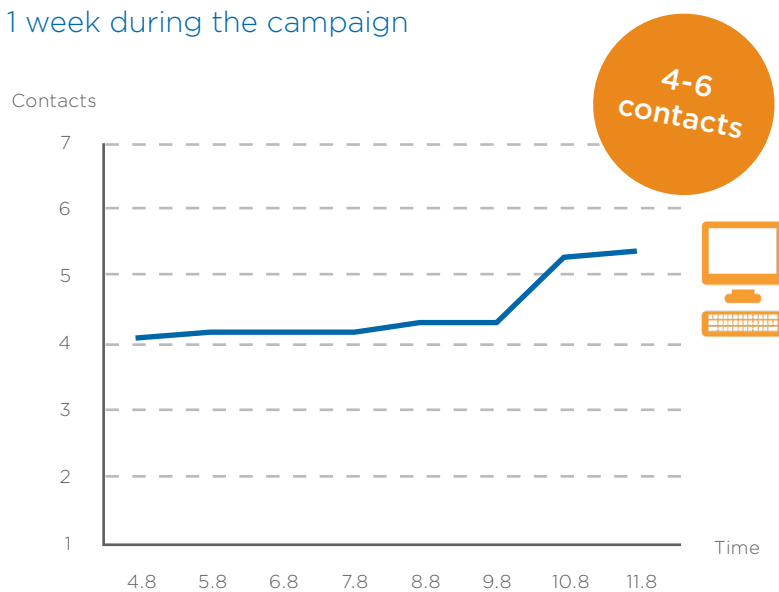


Basis: NetView Panel / 4 Month Active (Campaign Period: July - October 2010)

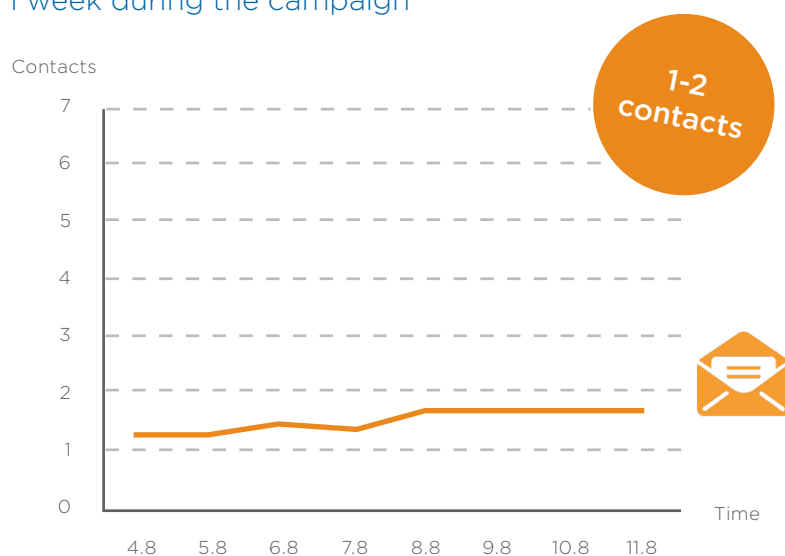
Email reliably and precisely achieves the right exposure level for each recipient

- The exposure of display advertising rose during the campaign to an average of 6 contacts per unique user.
- The email campaign returned an average exposure of 1 or 2 contacts per unique user.
- Email therefore generates a constant volume of advertising pressure and thus achieves significantly better ROI.
- The findings reconfirm the use of display advertising especially for campaigns with image and branding goals, but less so for conversion-oriented campaigns (e.g. sales or lead-generation campaigns).

Analysis period:
1 week during the campaign



Analysis period:
1 week during the campaign



Basis: NetView Panel / 4 Month Active (Campaign Period: July - October 2010)



Study demographics



The email campaign specifically reaches the customer group with the greatest purchasing power

- More than 47% of the users reached by the email campaign are middle-aged couples with/without children living at home.

| | |
|-------------------------|--------|
| Young singles | 2,65% |
| Middle-aged singles | 12,04% |
| Pensioners living alone | 7,64% |



22,3%
Singles

| | |
|----------------------------------|--------|
| Young couples with no children | 1,06% |
| Middle-aged couples | 22,34% |
| Couples without children at home | 23,68% |



47,1%
couples

| | |
|------------------------------------|--------|
| Young families with children | 3,03% |
| Older families with children | 14,02% |
| Established families with children | 13,55% |



30,6%
families

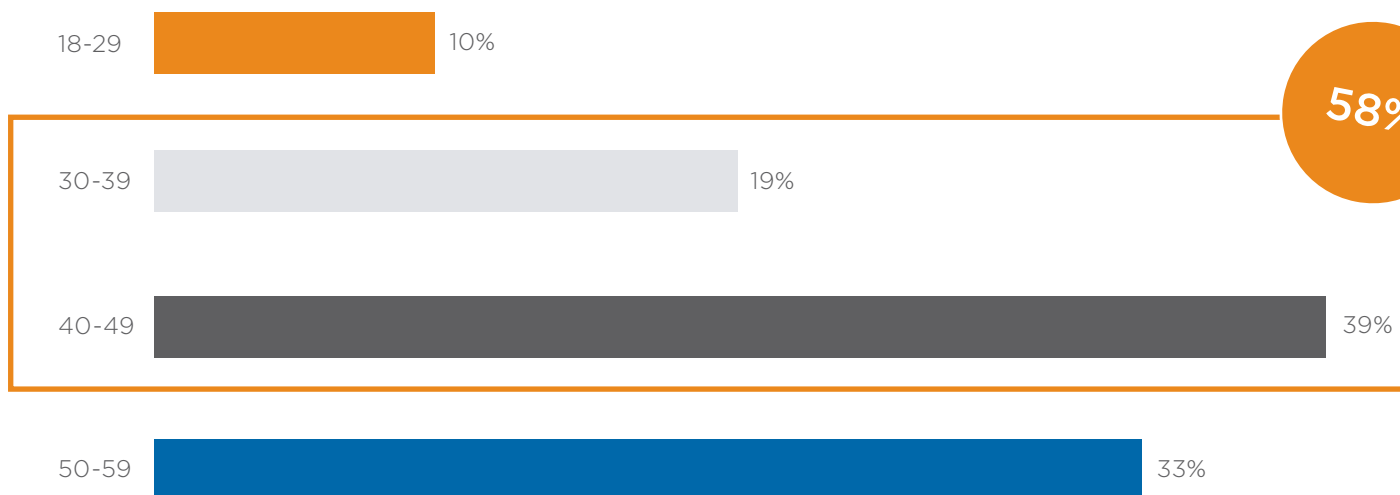


Demographics: Age groups for the email campaign

- In the defined core target group, the email campaign reached men (49%) and women (51%).
- Almost 60% of recipients fell in the high-income 30-49 year old age bracket.

Email recipient age groups

Age in years



Basis: NetView Panel / 4 Month Active (Campaign Period: July - October 2010)

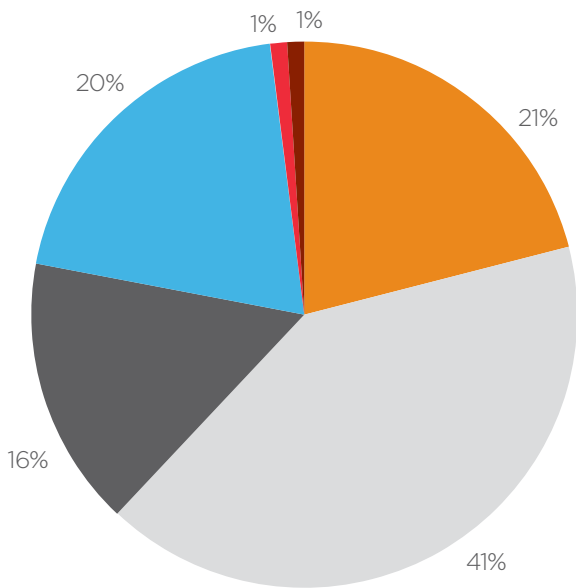
The majority of email recipients have higher education qualifications

- More than three quarters of the email recipients in the SEAT campaign have completed at least a vocational school leaving certificate, university entrance exams or an undergraduate degree.
- Email marketing can be directed specifically towards the desired target group through strong profiling of addresses.

Education of email recipients

- General education or lower
- Vocational school leaving qualification
- University entrance exams
- Further school education
- Vocational college / Polytechnical / University qualification
- Doctorate/Professorship

38%



Basis: NetView Panel / 4 Month Active (Campaign Period: July - October 2010)

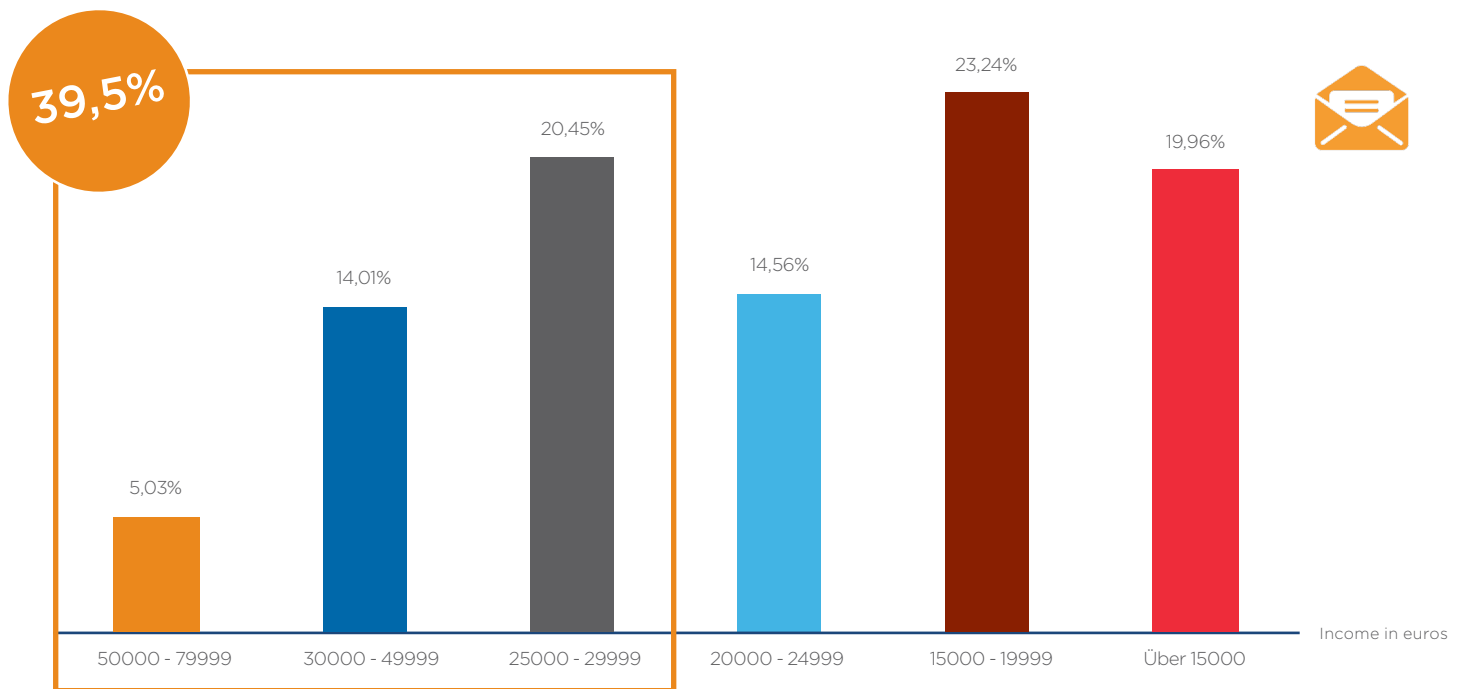




40% of email recipients have an above-average level of household income

- Almost 40% of the surveyed email recipients have a net household income of more than €25,000 per annum

Net household income of email recipients



Basis: NetView Panel / 4 Month Active (Campaign Period: July - October 2010)

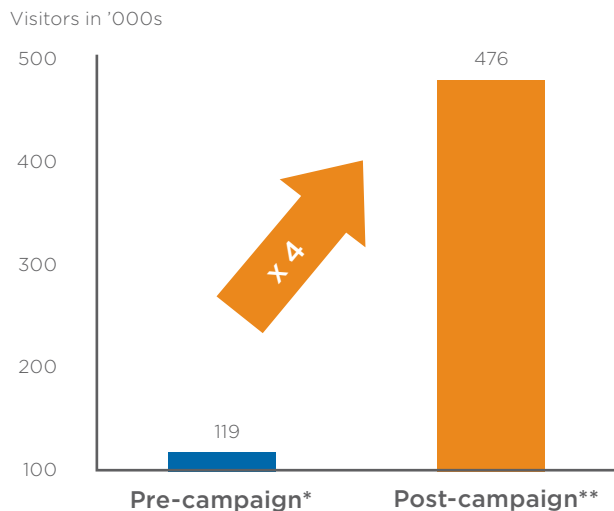


Effectiveness

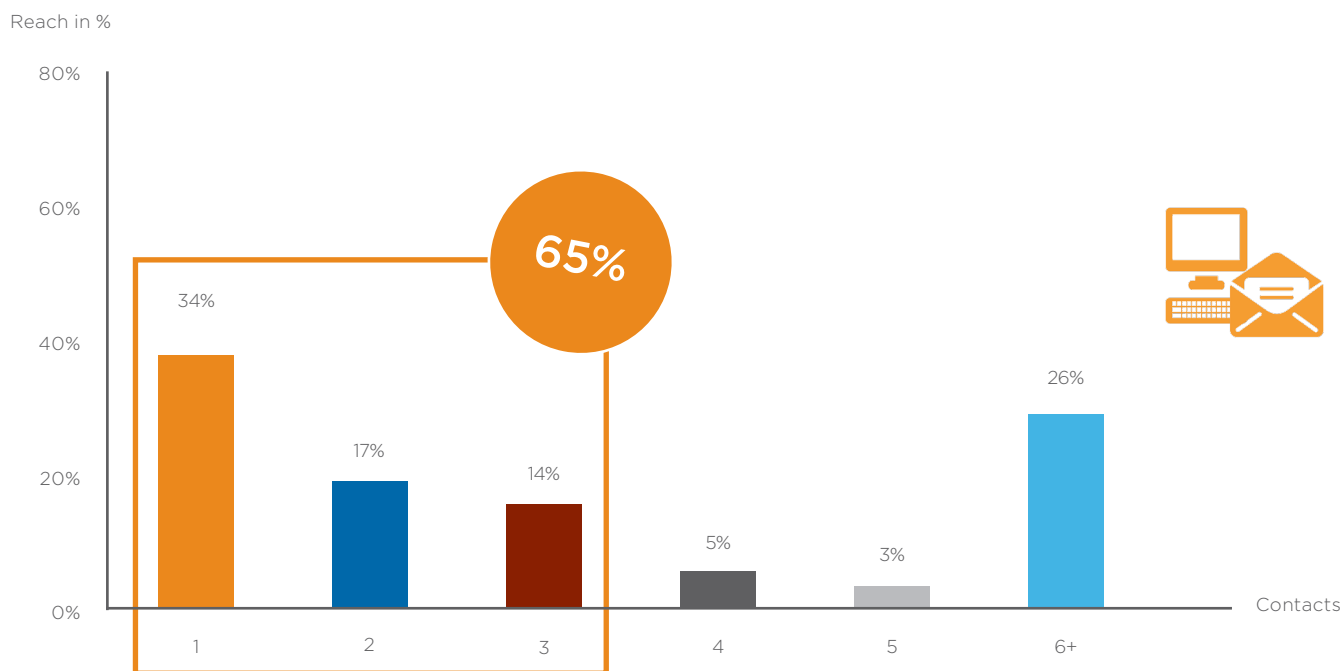
The campaign mix of email and display advertising increased the number of visitors to www.seat.de by four times

- In total, the campaign increased the visits to the SEAT website by four times.
- 65% of users arrived at the SEAT site after 1 - 3 contacts, only 34% of users required just 1 contact.
- Therefore the media mix of email and display is an optimum combination for the purpose of generating web traffic.

Visitors to www.seat.de



Contact frequency leading to site visit



* All those on the Nielsen Panel who have visited the SEAT site but who have not had any contact with the advertising.
 ** All those on the Nielsen Panel who have visited the SEAT site and who had already had contact with the advertising.

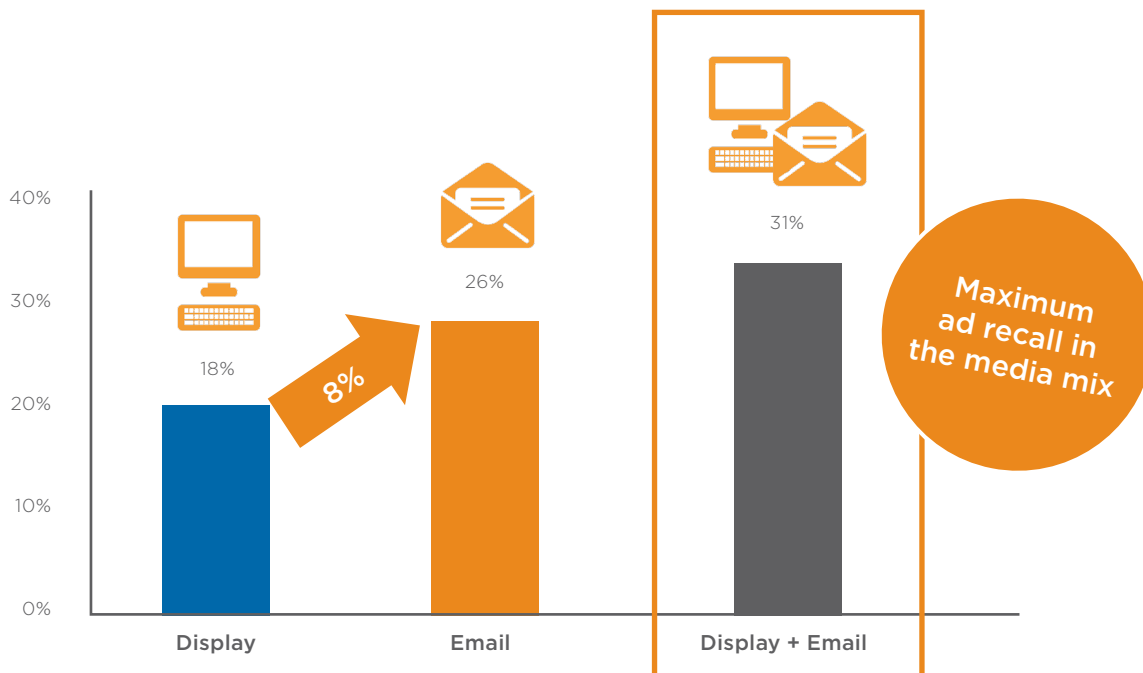
Email marketing stays in the mind better than display advertising

- At a media volume ration of 85.4% to 14.6% in favour of the display campaign, email delivered impressive results in terms of supported ad recall, with 8 percentage points advantage.
- Therefore, a significantly greater number of people recalls the product advertising following contact with the email campaign than following contact with the display campaign.
- Email is indispensable - the media mix of the two channels increases ad recall by 13% compared with a purely display-based campaign. .

Question

For which of the following models of car have you seen online advertising within the last 30 days?"

Comparison of supported ad recall



Base: n = 463 (with ad contact and filter on online ad recall)

Supported online ad recall in the male target group doubles with email advertising in comparison with a display campaign

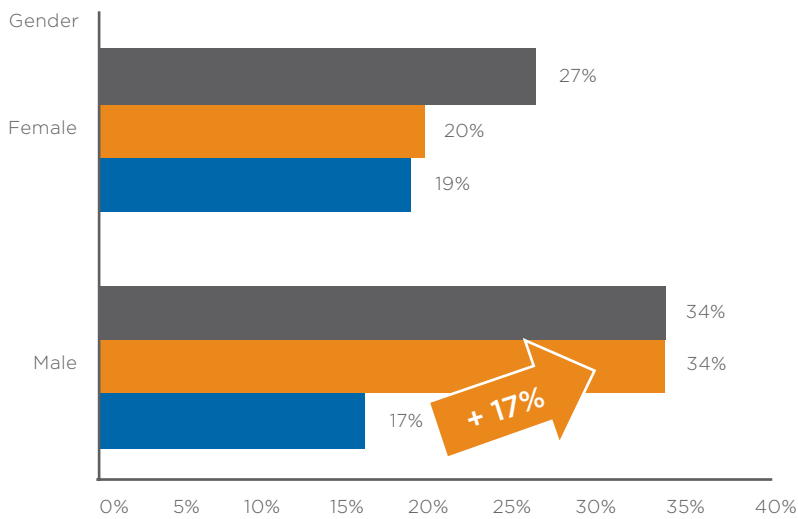
- In the male target group of respondents who had contact with the email campaign, ad recall is twice as high than for the display campaign.
- Females are most convinced by the media mix of the two different channels.

- The effect of email as an advertising channel (in terms of supported ad recall) was particularly high in the younger age groups, achieving two thirds greater effect than the display campaign in the 18-40 age group.

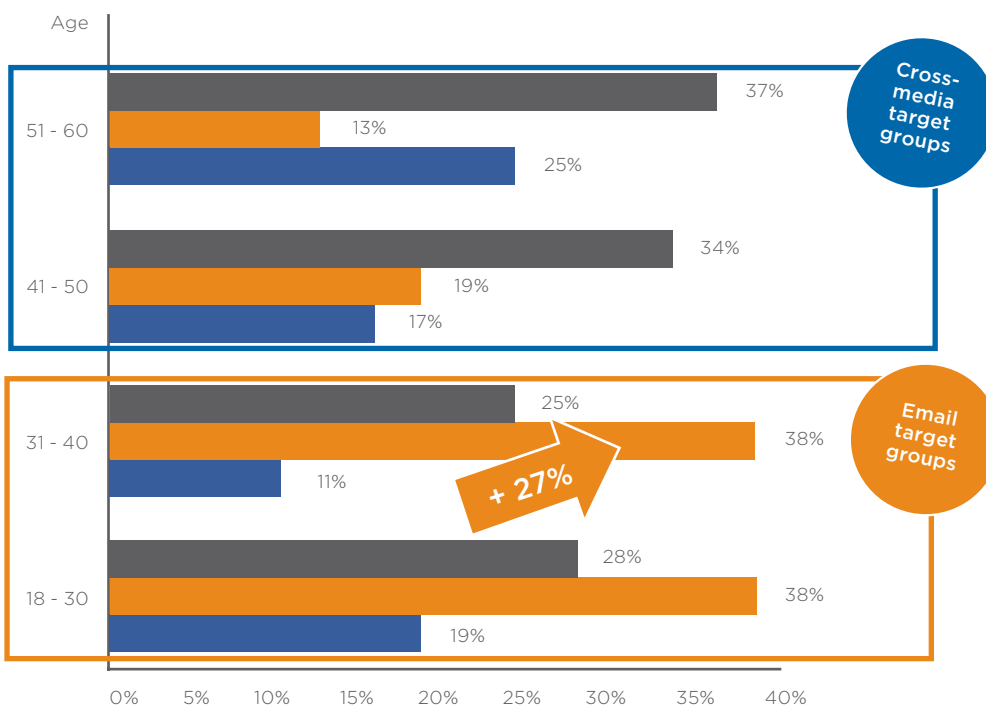
Question

“For which of the following models of car have you seen online advertising within the last 30 days?”

Supported ad recall by gender



Supported ad recall by age



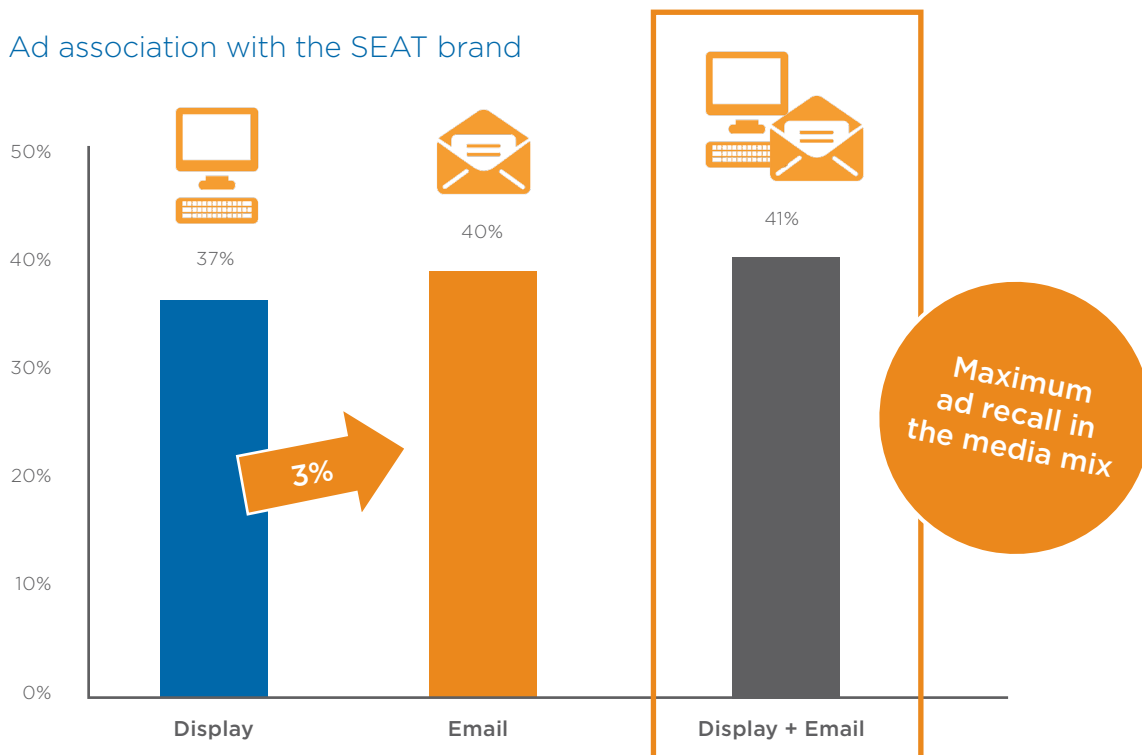
In terms of ad association for the SEAT brand - email and the media mix of both channels both have strong results

- 40% of the surveyed email recipients would recognise from the advertising that the product being advertised was the SEAT Ibiza ST car. This means that email is also more effective than the display campaign in this respect.

Question

“Please think back to the advertising for the Ibiza ST that you have just seen, and indicate your level of agreement with the following statements.”

Ad association with the SEAT brand



Base: n = 373 (with ad contact)

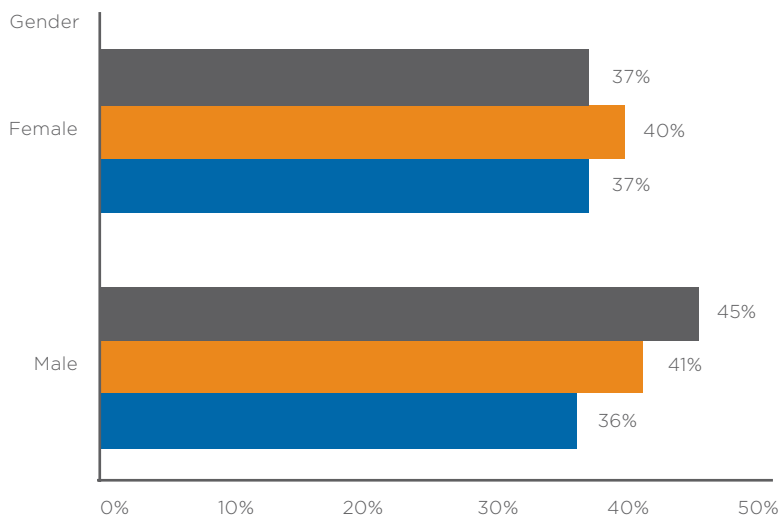
Ad association with the SEAT brand by gender and age

- Contact with the email campaign is especially effective in terms of association with the SEAT Ibiza ST in the young target group of 18 - 30 year olds.
- Among males the media mix is more successful, while among females the email channel achieves the best results.

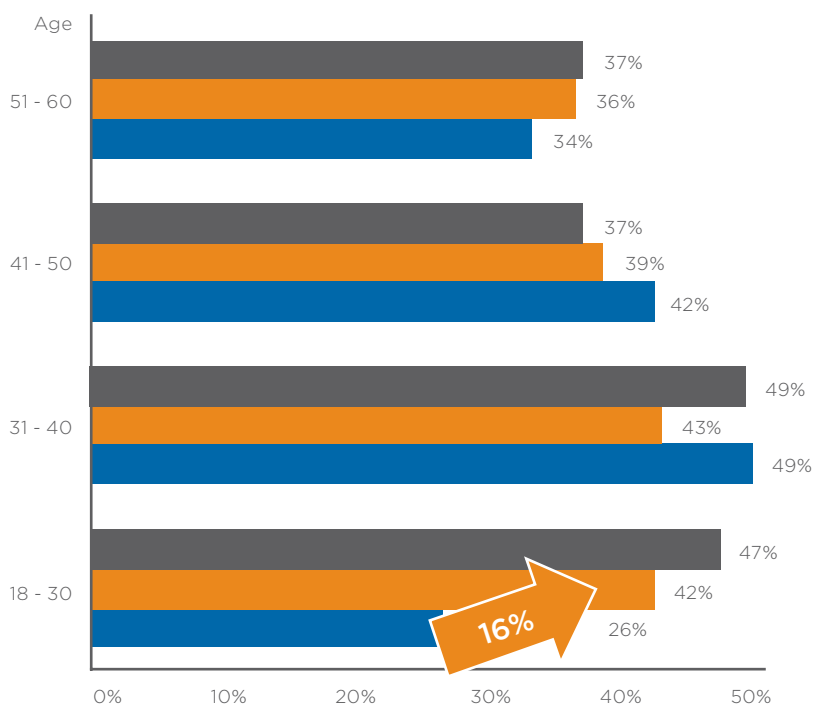
Question

Please think back to the advertising for the Ibiza ST that you have just seen, and indicate your level of agreement with the following statements.”

Ad association with the SEAT brand by gender



Ad association with the SEAT brand by age



Base: n = 373 (with ad contact)

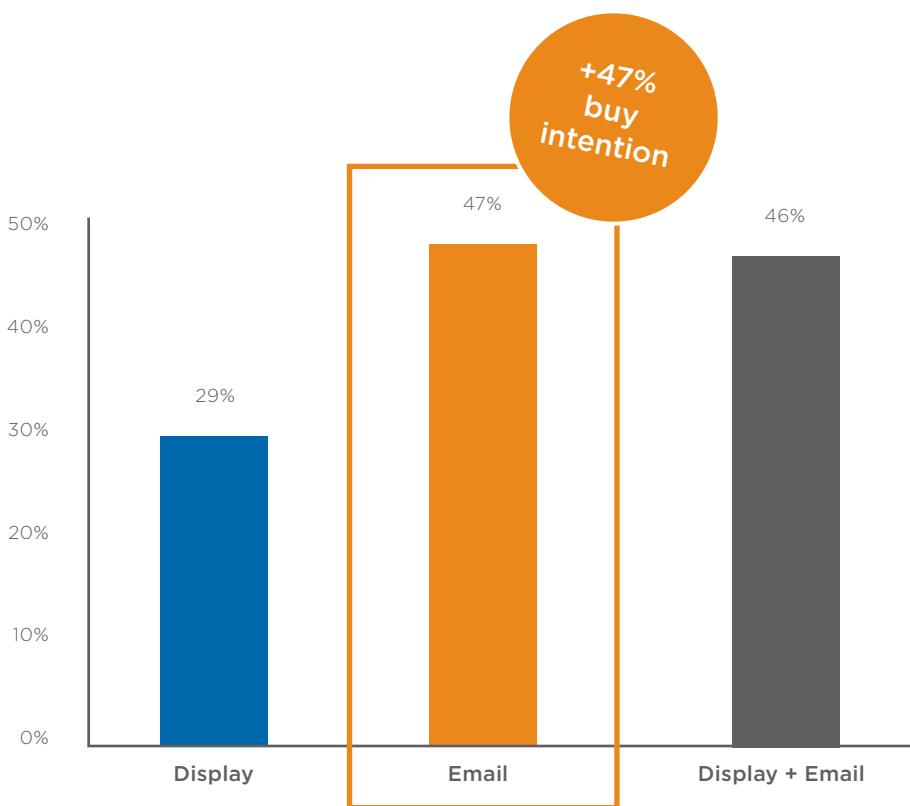


Email motivates recipients to buy – the email channel increases propensity to buy significantly and is therefore the best driver of conversions

Question

“Has an email ever motivated you to make a purchase in the past?”

- Email advertising inspires purchase decisions: As demonstrated in the feedback from almost half of the surveyed email recipients. Email therefore increases propensity to buy by up to 47%, and is thus an optimum conversion driver.



Base: n = 1,067 (with ad contact and specific online ad recall)

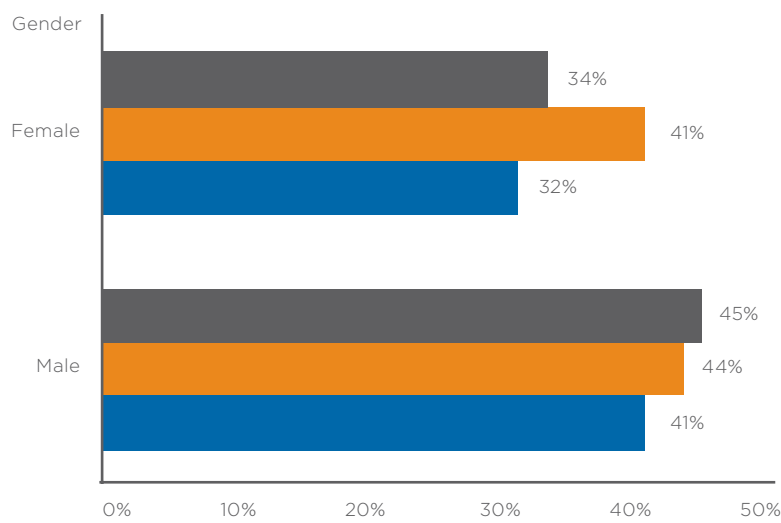
Email primarily motivates the high-income target group between 31 and 60 to buy

- The email campaign increased the propensity to buy slightly more among males than among females in the target group.
- Particularly good results were achieved by email in terms of increasing the buy intention in the high-income age segments between 31 - 50 years old.

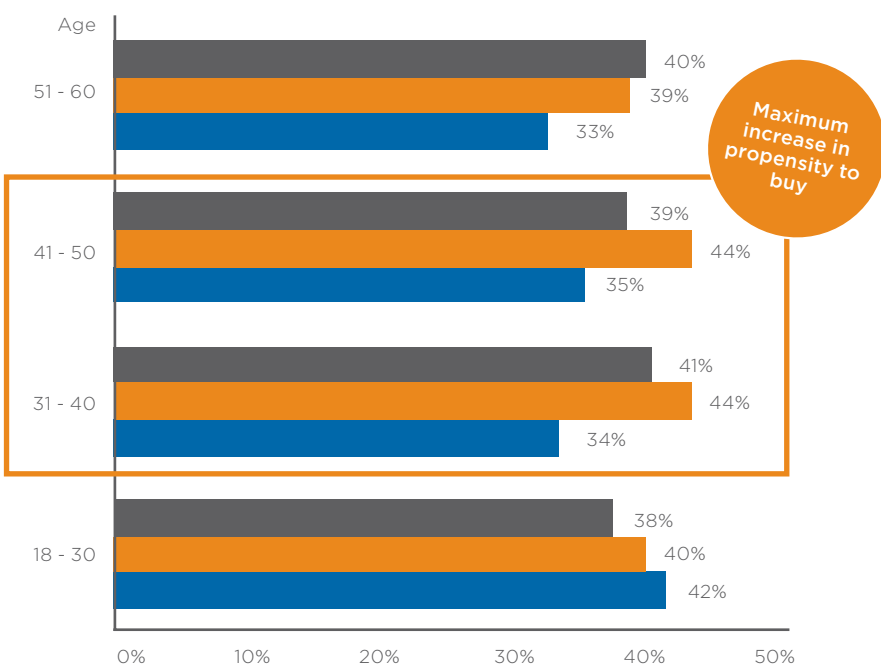
Question

“Has an email ever motivated you to make a purchase in the past?”

Increase in buy intention by gender



Increase in buy intention by age





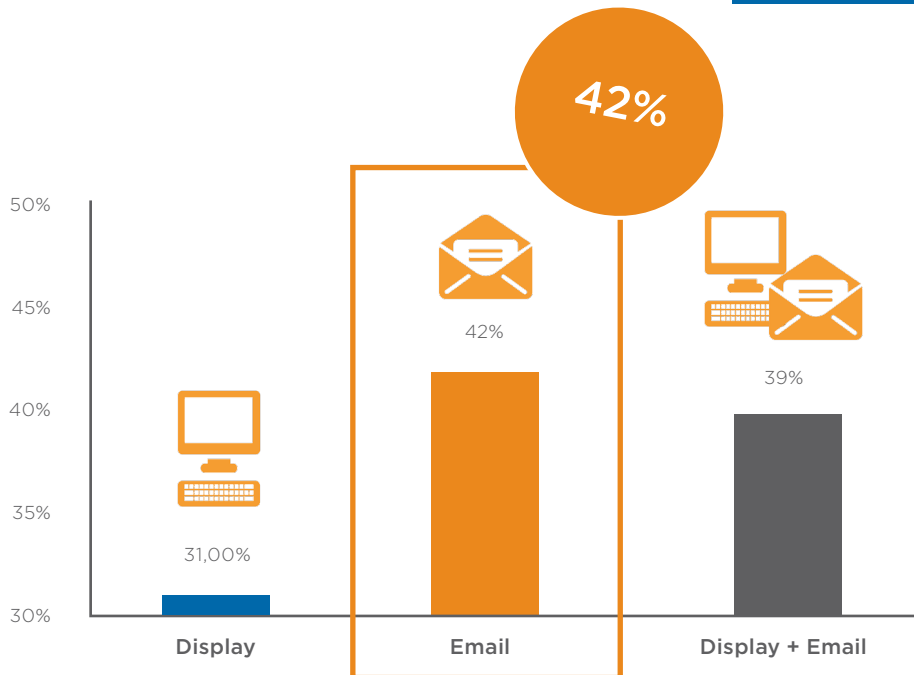
Email advertising is convincing!

- 42% of email recipients, 31% of users with contact from the display campaign, and 39% of users with contact from both media; view newsletter advertising with suitable product recommendations or offers as good or very good.

Acceptance of email advertising

Question

Email advertising often contains exclusive offers and special promotions. Assuming you are generally interested in the topic being advertised: How do you feel when a company sends you information in a newsletter?"



Base: n = 948 (with ad contact)

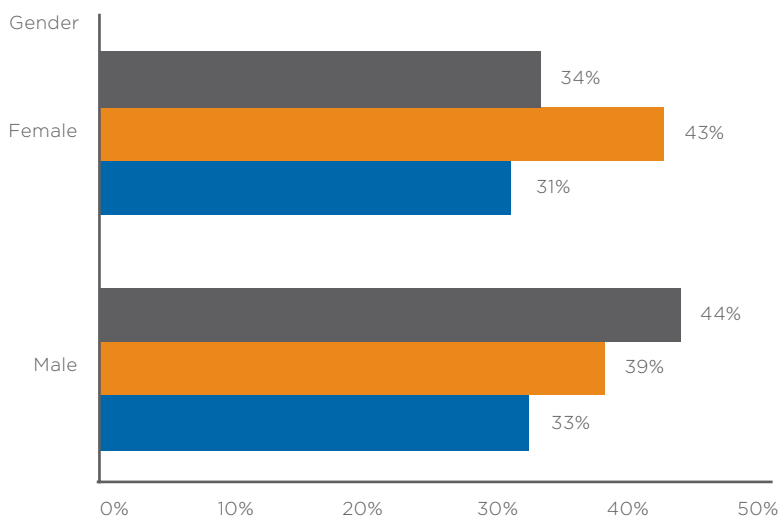
Acceptance of email advertising among web users

- Both in the male and female target groups, up to 44% of users view email advertising with relevant offers as good to very good.
- Newsletter advertising is desirable in all age groups, however especially in the 31-40 years old segment, email advertising is particularly well received.

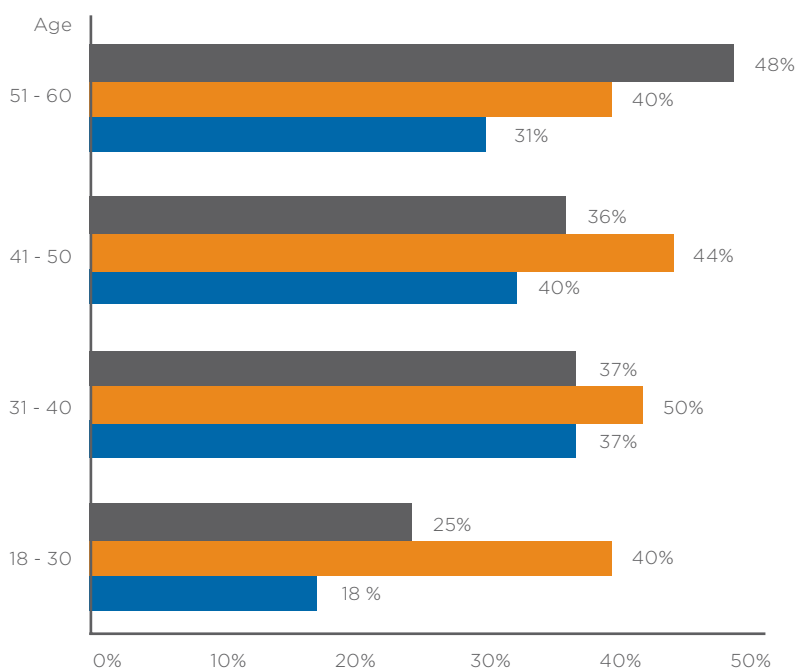
Question

“Email advertising often contains exclusive offers and special promotions. Assuming you are generally interested in the topic being advertised: How do you feel when a company sends you information in a newsletter?”

Acceptance of email advertising by gender



Acceptance of email advertising by age



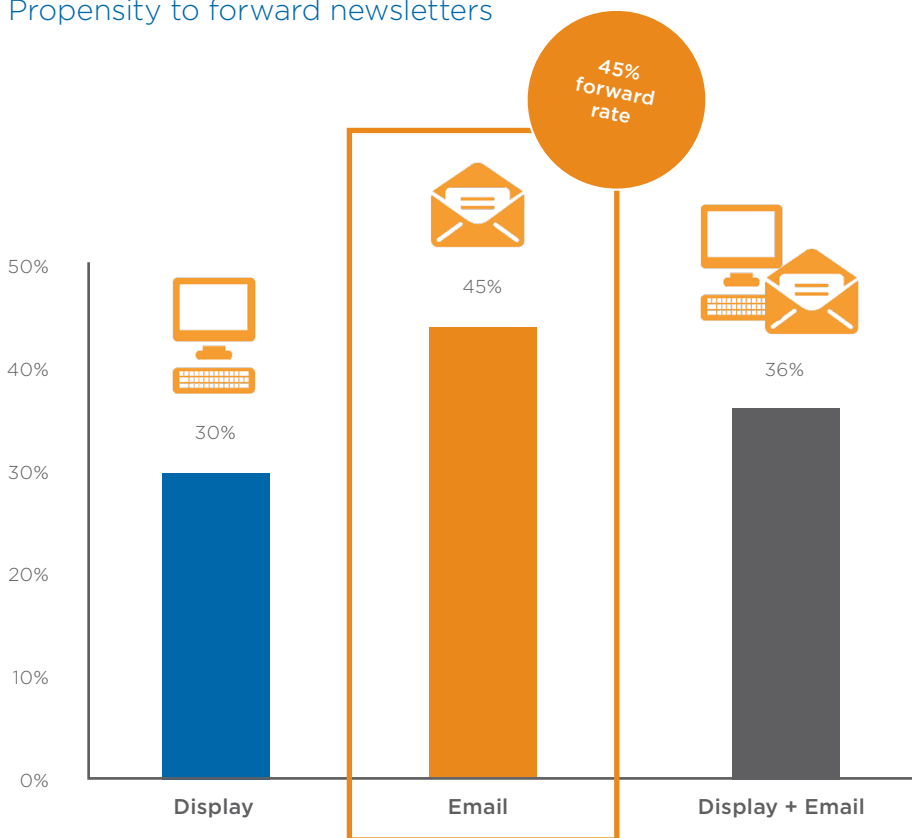
Reach can be significantly increased by strong email marketing content

- 45% of email recipients forward good newsletter offers to friends and acquaintances. In addition, 30% of users with contact from the display campaign and 36% of users with contact from both media are also prepared to do this.
- Therefore, following distribution to a specific group of recipients, reach can be increased many times. This is a convincing indicator of the viral nature of the email advertising channel.

Question

“Do you forward good email offers/advertising to friends and acquaintances?”

Propensity to forward newsletters



Base: n = 1,067 (with ad contact)

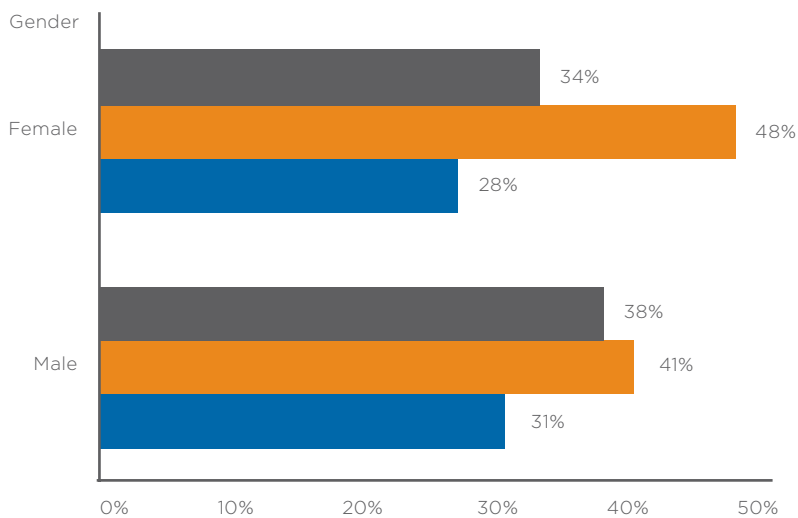
The viral effects of email marketing make it a strong medium for men and women in all age groups

- In particular, female recipients and recipients in the young and medium age groups between 18 - 40 years old forward the newsletters containing interesting products and offers to friends and acquaintances.

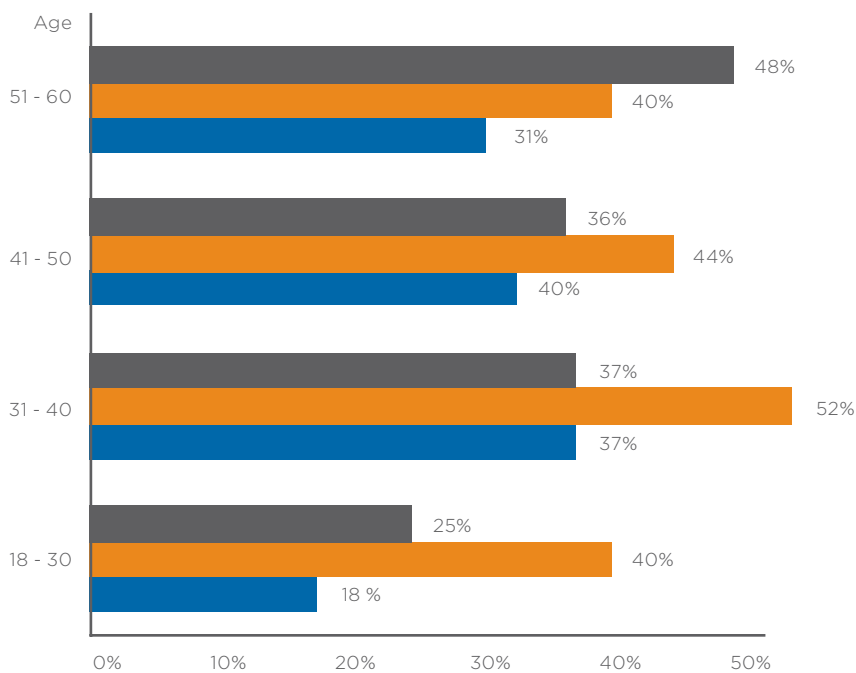
Question

“Do you forward good email offers/advertising to friends and acquaintances?”

Forward newsletters by gender



Forward newsletters by age





Executive summary



Executive summary – The 7 key findings

Comparison of email and display advertising – how to best spend an online budget?

1. Email increases disposition to buy in 47% of cases and is therefore ideal for increasing conversions
 - 47% of questioned email recipients said that newsletter advertising motivates them to buy.
 - Advertising through email achieved exceptionally good results in the high-income 31 and 50 age group.
2. Spending power as a target group – by using email you can precisely reach your target group
 - In its main target group the reach of the email campaign was split between 51% for women and 49% for men.
 - Nearly 60% of recipients are in the strong-income group between ages 30 and 49.
 - Email recipients had a generally higher than average household income.
3. Email allowed the required level of advertising to be reached three times more quickly than display advertising
 - In the first wave of email, nearly a third of the entire email media volume was achieved within a week. The display campaign only achieved one tenth of its volume in the same amount of time.
 - Therefore, achieving the required amount of advertising volume takes nearly three times as long using display media.
4. Email advertising is welcomed and viral effects significantly improve the reach of campaigns
 - 42% of email recipients and 31% of users exposed to the display campaign think that newsletter advertising with tailored product recommendations and offers is “very good” to “good”.
 - 45% of email recipients forward good newsletter offers on to friends.
5. The combination of display and email advertising improves advertising recall by 13% compared with just display advertising
 - In a mix of 85.4% of display advertising to 14.6% of email advertising, email outscored display by 8% in terms of advertising recall
 - The mix improves advertising recall by 13% compared with just display advertising.
 - Email demonstrated especially strong advertising recall in younger age groups, with a 27% greater effect from a mix of both media in comparison with a plain advertising campaign.
6. Advertising/brand association is exceptionally strong within the younger target group
 - Brand association is 41% among men and 40% among women - therefore up to 5% higher than a normal display campaign.
 - Advertising association is particularly strong in the younger target groups (18-35 year olds).
7. The mix of email and display campaigns boosted web traffic by a factor of 4
 - Contributing four times the web traffic, the mix of email and display advertising is ideal for achieving a significant increase in traffic to websites and landing pages.

Glossary - terms used

Comparison of email and display advertising - how to best spend an online budget

Net reach:

The number of unique users who had contact with the campaign advertising during the campaign period.

Online GRPs:

Measure for evaluating online advertising - reach (%) * contact frequency

Exposed group:

The number of users that had contact with the campaign during the given period.

Control group:

The number of users that had no contact with the campaign.

Exposed with ad recall:

The number users that had contact with the campaign during the given period and who indicated that they had seen the online advertising for the target brand.

Active reach:

Reached users as percentage of the total number of active users - net reach / active population (in %).

Active internet users:

Total number of users who actively used or visited the Internet during



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