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The Effect of Direct Response TV on Search Engine Marketing



While this particular study was completed years ago, we have proven numerous times over the ensuing years that the symbiotic relationship between Direct Response TV and Paid Search Engine Marketing is as strong as ever, and savvy marketers understand the need to track and allocate responses from commercials correctly so that future media decisions are made with the best possible data.

Edited by Irv Brechner, EVP, Corporate Communications

Executive Summary

This Acquirgy Green Paper will look at the enormous impact DRTV has on Search Engine Marketing, both on organic and on paid search listings, and how it can easily have a material impact on the allocation of expenses and sales to both channels. Factual results from case studies are presented to illustrate our conclusions. Key takeaways from this study include:

- Search is a significant response channel for consumers in response to offline media
- In order to calculate your true cost-per-response, you must factor in DRTV driven search traffic.
- You must be careful not to “double-pay” for search traffic that is already being driven by your DRTV activities.
- DRTV has a strong, yet secondary, effect of branding.

Introduction

For years, marketers have been tracking consumers as they go to the web in response to DRTV spots and infomercials, as well as other forms of offline advertising. In an ideal world, every consumer would pay attention and jot down the web URL and type it correctly into their browser, so that marketers could properly allocate web orders to individual media placements.

But it's not a perfect world, and consumers don't always do what we want them to. As a result, yet another challenge has surfaced in tracking, reporting and analyzing offline-to-online response to advertising.

While the focus of this paper is primarily targeted to DRTV marketers, the effect on branding advertisers and retail advertisers is similar. TV, regardless of purpose, can enormously impact search for consumer behavior and cost, and marketers of all kinds of products and services need to recognize and account for this phenomenon.

Background

In today's multi-channel marketing environment, the consumer's response to a marketing message is unpredictable – they can choose offline and online ways to respond. To make matters more difficult for marketers, there is also even a larger amount of unpredictability when they choose the internet as their response channel. Here is a common scenario that is often played out when a consumer sees a DRTV spot or infomercial:

- The consumer calls the 800#.
- He or she enters the URL that was displayed on the TV screen.
- The consumer goes to Google, Bing or his or her favorite search engine and types in:
 - Name of the company
 - Name of the product or service
 - Words the consumer heard in the commercial

This leads to the debate on how to allocate sales and media spend to the appropriate media channel and budgetary line. In most cases today, the marketer records the sale as an SEM generated sale. Depending on which link on the search engine results the customer clicked upon, the marketer may then further delineate the sale down to either an organic or a paid listing. Without much question, it is painfully obvious, based on the number of branded searches being conducted, that other media forms are driving these search requests.

Perspective and Analysis

In preparing our study, we set forth to evaluate two hypotheses.

- Hypothesis #1 – While DRTV is focused on eliciting a specific response, it can also provide a significant lift in brand recognition if your DRTV commercial is constructed correctly.
- Hypothesis #2 – With the growth of broadband internet access at

home, consumers are increasingly more likely to interact with the internet to take actions or seek further information.

While organic search listings typically provide the highest return on advertising spend in the internet marketplace, they can also be highly unpredictable. Algorithms across search engines vary, making for a complicated process to successfully gain presence.

Additionally, a trend away from paid inclusion and direct feeds has made the listing timeframe—from the launch of a new website to indexing in search engines—unpredictable, as inclusion into indexes ranges from 3 weeks to 3 months. This is not to mention that every marketing organization will then need links pointing into the website to help obtain relevancy and page rank for their site.

Thus, while highly visible organic listings are a terrific goal, it is a necessity for DRTV marketers to compliment offline, traditional marketing efforts with a paid listing program upon launch of a new site.

With this activity and interaction with search engines, a rather obvious and sobering conclusion emerges: correctly allocating DRTV-driven search could make a huge difference in the viability of DRTV media plan, and paint a more accurate picture of the viability and value of paid and organic search. By not doing this kind of analysis, both DRTV and search are being understated or overstated, and certainly stated inaccurately. Furthermore, DRTV and search engines will be tightly connected for years to come.

Methodology and Testing Parameters

Based on our research findings, we undertook and recently completed a highly controlled test for a telephony service that had not been previously advertised on TV, and we utilized a new website in support of the DRTV efforts. The redesigned site was launched about 4 weeks prior to the TV spot for testing, and a low level number of people found it by word of mouth and organic search.

In this framework, the unpredictable consumer behavior we speak of occurs when a consumer sees a DRTV spot (or any other ad) and for whatever reason, does not type in the correct URL in order to learn more or order a product. This may occur for any number of reasons, including, but not limited to:

- The consumer did not bother to memorize the URL because they knew they could find the site via a search engine.
- The consumer heard about the DRTV spot/infomercial from someone who did not give them the correct URL.
- The consumer was called away from the TV before the ordering instructions were shown.
- The consumer forgot the URL while walking from the TV to the computer.

As a result, when Acquirgy clients use trackable web URLs, we are able to measure about 70% to 85% of offline-to-online consumer activity. Our study attempts to measure that last elusive 15% to 30%, which in many cases can materially affect campaigns that have been driven through search engines.

Data Collection Objectives

This study had three major objectives as it related to data collection:

- Validate the influence that DRTV has on search engine usage by its viewers.
- Confirm the branding component that DRTV can offer its advertisers.
- Document conversion activities of those whom respond to a paid search listing resulting from a DRTV spot.

Client Background

Our client had been selling telephony services for two years and had amassed a user base of 750,000 through strategic partnerships and SEM via

their corporate brand. They had conducted a limited amount of “push” marketing activities and had no real brand recognition of their product name. Thus, they were an ideal candidate for this study.

Pre-Launch Benchmarking and Marketing Activities

Prior to the launch of the DRTV campaign, we analyzed the search marketplace and benchmarked our control variables from 7 weeks of pre-launch data:

- An average of 197 daily searches conducted on keywords associated with the set of branded terms.
- Search requests that were mainly driven as a result of word-of-mouth marketing. Very limited online marketing was being conducted and no significant increases in marketing expenditures were planned in other mediums.
- No organic search engine presence for the newly constructed website; any organic traffic was driven to strategic partner sites at that time. Strategic partners were not providing a similar offer to that being marketed in the DRTV spots.
- Click thru rates on paid search listings averaged 24.7% as compared to search query impressions.
- Conversion rates from a click averaged 12.6%.

The DRTV Testing Structure

The DRTV campaign consisted of 2 different spots, which ran in 30 local markets and 8 national cable networks. The first spots started on November 22nd, with a 3-week program expansion period that began on December 22nd. Total media spend was approximately \$230,000. Some of the networks used included Comedy Central, Fox News, Fuse, Great American Country, MTV, National Geographic, Spike, TVLand.

Online Marketing Efforts

During the testing period of the TV campaign, 90% of the marketing budget was devoted to paid search, and the balance was in unbranded co-registrations, banner ads, and email marketing. The budgetary allotments for the balance of online marketing efforts were consistent throughout the initial seven-week benchmarking period.

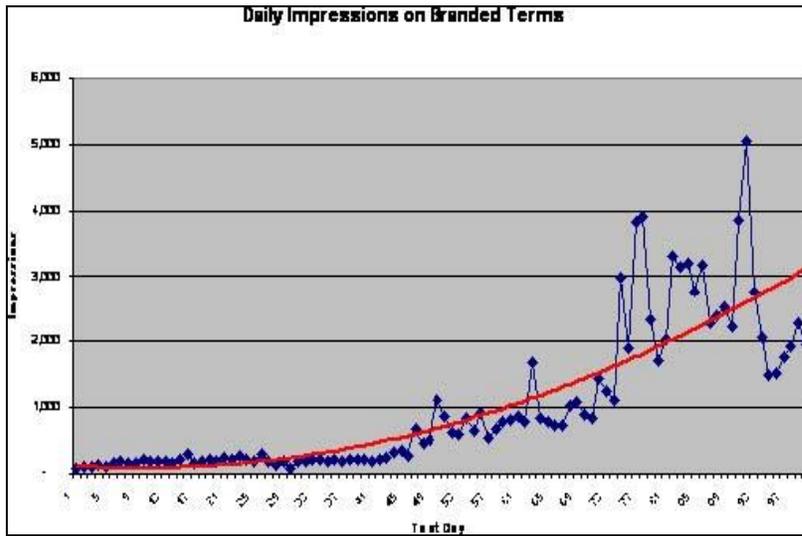
Testing Results

The effect the DRTV campaign had on search was unmistakable and remarkable. The following summarized findings are from our testing:

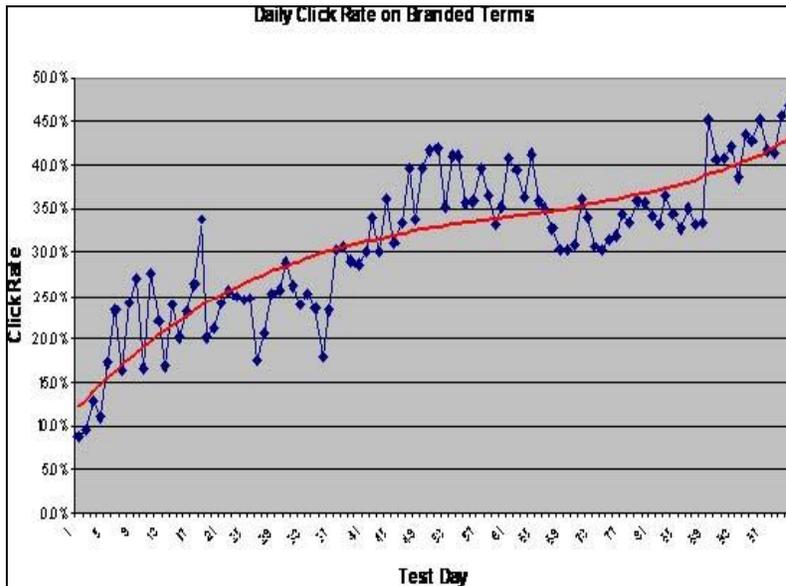
- Daily search impressions increased by 1,230%.
- Click rate increased by 58%.
- Clicks increased by 2,006%.
- Search-driven responses represented approximately 36.6% of all campaign responses and 49.9% of all web-driven responses.

Impact on Search Impressions

Our first significant DRTV expenditures began on day 75 of the testing period, wherein a clearly associated increase in search occurred. Immediately upon launch, we experienced over a 250% increase in search engine requests on branded terms. The program officially expanded into “rollout” on December 22nd, and for that 3-week period of results, an average of 2,620 daily search impressions occurred for an increase of 1230%. Interestingly, over the course of the campaign, impressions began increasing at a rate higher than our media spend, effectively lowering the cost per view metric:



Prior to the launch of the DRTV campaign, our 7-week benchmarking data showed a very consistent daily click thru rate of 24.7%. Upon the launch of the DRTV campaign, our data showed an immediate increase in the searcher’s propensity to click on paid listings, with an immediate 30% increase clearly associated with the DRTV efforts. We saw a general increasing trend in performance over 4-weeks, with a noticeable decrease upon expansion of the DRTV on day 75, coinciding with new media outlets now running the spots. As we continued running spots on these new media outlets, the same increasing trend presented itself, with the final week of the testing topping out at a daily average of 42.5% click rate on the paid listings, while the three-week rollout comparison tallied a 39% click rate for a 58% increase in average daily click rate:



Impact on Paid Search Engine Listings

With the 1,230% increase in search impressions and 58% increase in click rate, visitors to the client’s website grew exponentially. Our benchmarking period recorded an average of 49 daily site visitors resulting from paid search clicks. During the rollout period, after DRTV commenced, traffic was 1,025 per day, an increase of some 2,006%.

Impact on Conversion Rate from a Click

The conversion action associated with the campaign was a registration request and download of free telephony software. During the 3-week rollout, conversion rate averaged 8.2% on a daily basis.

Conclusions

The impact of DRTV on search is difficult to ignore, and marketers need to properly allocate for DRTV-influenced search in their ROI calculations, and their allocations of sales and expenses to each channel. A review of our testing results, in respect to our hypotheses, suggests that the underlying beliefs heading into the test were true.

What Practices Should Direct Marketers Implement Based On These Findings?

The findings of this study suggest that every direct response marketer should have a corresponding SEM campaign that supports its efforts and captures online orders triggered through search engines. Significant emphasis should be placed on paid search engine listings to ensure visibility, but organic search listings should not be forgotten, despite lead-time to obtain visibility. The listings and corresponding website will help reinforce brand message, provide additional information about the product or service and provide an additional channel for conversion to a desired action.

The most important step for DRTV marketers to take is to forge close working relationships between their media buyers and their SEM search teams, whether it is being done in-house or is outsourced. Marketers must establish a set of rules for budget and conversion allocation and monitor search spike patterns that can logically be attributed to TV. If implemented effectively, marketers will wind up with a much better understanding of what is really happening in the marketplace and help allocate conversion actions back to the media dollars that were spent to illicit the response.

Finally, DRTV marketers who are considering or are using affiliate programs need to be concerned with how their partners are employing SEM tactics to generate third party sales. Affiliate marketers are expert users of SEM tactics to generate sales and often times target trademarked brand and product names as their entire campaign. These affiliates will see 50% to 90% profit margins, effectively leveraging your DRTV media spend for their own financial gain. Bottom line: the DRTV marketer is spending money, while the affiliate is reaping the premium-level profits...a problem easily resolved with a set of affiliate rules of engagement.

It is clear to see that a well thought out SEM program is a necessity for DRTV marketers, in order to ensure the proper allocation of sales and expenses to paint a true picture, and to prevent affiliates from poaching

margin dollars based on your brand and product names.

Related and Relevant Content:

- “Would You Cancel a Profitable DRTV Infomercial or Spot?”
 - From Response Magazine
 - Read the entire article at: <http://B38.acquirgy.net>
- " 86% of Americans Say that TV Advertising Still Has the Most Impact on Their Buying Decisions"
 - Key Stat POV
 - Continue for more intel at: <http://BB7.acquirgy.net>

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