

Point of View

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SUBJECT: Media Multiplier Effect POV

Purpose:

Provide Covered California with the best evidence on the importance of a multi-channel strategy and documentation of how a multi-channel media approach works to garner the best consumer response. Available research confirms this as a "best practice" for achieving our marketing goals.

Media Multiplier Effects

We must first acknowledge different media play different roles across the consumer purchase funnel and for different demographic segments. The following data supports the use of multiple media – demonstrating increased unaided/aided recall and purchase intent, reduced confusion between competitors, and demonstrating the strength of combined media ("media-multiplier") to achieve marketing goals.

One can consider "media-multiplier" effects (also referred to as "synergy," "cross-media," "omni-channel" effects) in several ways. This document considers three of them: lift in advertising effects due to the use of multiple media, extension of reach and exposure with a continuous presence, and finally, effectiveness of different media as consumers pass through the marketing funnel.

Lift Effects

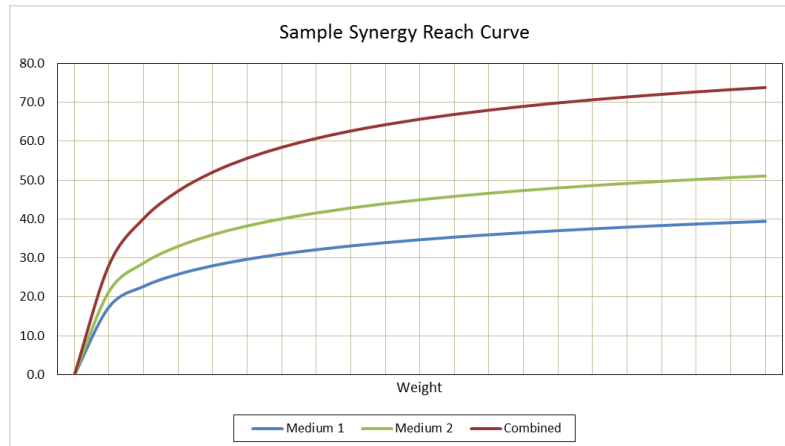
Dozens of studies and experiments have been conducted that establish a 'bonus benefit' from using multiple media—the idea that 'one plus one' is 'something more than two.' As we analyze these studies, it matters less which media are combined, only that more than one is used. Most studies on this subject compare two (or more) exposures in a base medium to an equal number of exposures across two (or more media). Others are more general, and bucket consumers into "only, only, both" exposure categories and compare results between them. However they are done, a lift in response is almost always demonstrated. Below is a table of a few studies. We note there are many, many more. Results will vary by product and measured effect. Statistics should be broadly interpreted and consideration given to differences in study type, product category and treatments.

Source	Media	Results
comScore	Internet+TV	Exposure to both media resulted in 28-53% higher activity than exposure to either alone. In a 3 day window, approximately 5 Internet exposures were equal to a single TV exposure.
Turner/TIVO	Internet+TV	TV was found to be the biggest driver (due to broader exposure), but persons exposed to both bought 28% more units
ESPN	TV+Internet+Print+Radio+Mobile	(Project Blueprint) Found that purchase intent grew from 6% (TV Only) to 30% when all five media were used
Radio Ad Lab	Internet+Radio	Unaided recall more than quadrupled when radio was added to internet, aided recall doubled.
Radio Ad Lab	TV+Radio Newspaper+Radio	Adding radio to either medium increased unaided recall 35%; more selected the advertised brand as their 1 st choice.
MPA	TV+Magazines	Incremental sales of both media increased by approximately 200% over each medium individually. Brand preference increased 8-12%, and brand rating was up 11% when both media were used.
Milward Brown	TV+Radio	Brand Awareness increased 8-11%.
Milward Brown	Multi-media+Internet	Addition of internet increased purchase consideration by 30%
CARF	TV+Print	Recognition of main message increased 17-83%. Credibility of advertising increased 12-22%

The evidence is overwhelming in suggesting that use of multiple media should be “standard practice” when developing a media strategy and go-to-market approach, especially when developing campaigns against multiple target segments with a wide array of ethnic/racial, cultural and income differences.

Multi-Media Reach and Continuity

In his book, *How Advertising Works*, John Phillip Jones makes the case that within the purchase cycle of a product, reach and continuity are more important than frequency in driving sales. It is established fact that for the vast majority of typical advertising schedules, reach is increased by adding a second medium. This is due to the reach of a medium being a curve that climbs ever more slowly as reach increases—the law of diminishing returns. Adding a medium not only increases the pool of potential consumers, but also lowers the point that both media attain on their respective reach curves to a more efficient level.



Continuity and maintaining spend levels are the best ways to ensure long-term brand health (Millward Brown: *What Happens When Brands Go Dark?*). A consistent in-market presence has proven to drive market share with a positive impact on brand image and purchase intent. When a brand is off-air for a period of time, brand health weakens and once the decay sets in, an increased investment is required to reverse the affect. Advertising awareness levels, on average, can decrease up to 10% for every off-air week (Source: Millward Brown). This supports why even mature brands that are a considered purchase across all categories implement a consistent, multi-channel media strategy (i.e. Coca Cola or Ford).

In addition, segments of the population utilize forms of media differently—both reach and volume (time spent) vary widely across ethnic and racial groups, suggesting that for a campaign seeking broad demographic – such as the health insurance marketplace efforts -- a multi-media plan is a better choice for adequately reaching all segments of the population:

Medium	WEEKLY MEDIA USAGE									
	Adults		African Amer		Hispanic		Asian		White	
	Rch%	Hrs	Rch%	Hrs	Rch%	Hrs	Rch%	Hrs**	Rch%	Hrs
Television	85	31.8	86	46.4	87	25.1	71	16.4	86	32.5
Radio	93	12.9	92	12.3	97	13.5	n/a	n/a	92	12.9
TV Connected*	40	3.5	37	3.9	41	3.5	44	3.9	40	3.4
Digital (PC/Laptop)	50	6.3	48	6.7	36	4.8	29	4.7	55	6.7
Mobile	74	8.9	71	9.8	85	11.9	71	8.1	72	8.2
Tablet	29	2.6	24	2.8	19	1.6	26	1.8	32	2.9
Overall Use (Hrs)		65.9		81.9		60.3		*47.8		66.4
Index of Use		100		124		91		73		101

Source: Nielsen Comparable Metrics Q3 2015

* TV Connected defined as TV viewed across a connected device vs. cable or antenna connection

**Asian breakout not available for radio. Average was used to calculate overall Use and Index

A consideration to note of particular interest in reaching our audience is the income skews of television and Internet:

	Median Income \$(000)	
	Television	Internet
Heaviest Users	\$42.1	\$69.8
Lightest Users	\$65.1	\$31.9

Not surprisingly, the lowest income Households are the lightest users of the internet. This same group can much more easily be reached via television, a medium consumed much more heavily by low-income households.

Media and the Purchase Funnel

Campbell Ewald has conducted a number of optimization and multi-channel studies for our clients, from which we can draw general conclusions. While specific application to any particular situation would require doing primary research, all of the research points to the greater effectiveness of multi-media campaigns.

Three general findings that relate to Covered California are: 1) not all media work well in every situation; 2) different media have different modes of interaction with consumers, and that interaction often increases the effectiveness of the interaction, even when individually, no effect is seen; and 3) Media have different impact on consumers at different touch points in the purchase funnel.

Specific Roles for Each Channel

Our work with clients that have a goal of acquiring and maintaining a member base has demonstrated that some media work only for generating leads or enrollments, while others have an impact on both. This is exemplified by a study that showed for one client, radio had a large effect on lead generation (only), Newspaper and Direct Mail had strong effects only for enrollments, but that television impacted both.

Another analysis initially demonstrated that radio alone had no direct effect on results. When radio was added to digital efforts, the digital activity was significantly enhanced. This is not surprising considering all the 'media-multiplier' analyses referenced at the beginning of this document.

Finally, we have found some consistency across our research efforts that television and radio best support upper funnel efforts of bringing in new prospects and supporting brand, print and radio are often found mid-funnel when prospects are seeking more information, and that direct mail, digital and search are often most effective when purchase is imminent. One hypothesis is that digital efforts are 'self-selecting' in that these consumers only interact by choice. Being present is important at the close of the sale. On the other hand, ads in television programs are less avoidable and offer a greater opportunity to be exposed to a message, therefore TV has a greater ability to attract new consumers and bring them into the funnel.

Conclusion

In summary, consumers do not march in lock-step through the purchase funnel. At any given time there are consumers in all levels of decision-making and consuming various types of media. This behavior identifies the critical need for a multi-channel, consistent in-market media presence for success. The evidence is overwhelming in suggesting the use of multiple media should be a best practice when executing a media strategy and that a consistent in-market presence has proven to drive market share and positive brand health.