

ENGAGEMENT OF THE FUTURE

BRAND BONDING AS PREDICTOR OF FUTURE PURCHASES

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PREFACE

This paper describes an innovative approach to brand and media planning that permits marketers to side step their reliance upon traditional GRP (Gross Rating Points)/demographic media planning and to leverage real profitability from consumer engagement, attained via media selection and program mix. By selecting media options and programs for brands on the basis of the media's abilities to better "engage" the consumers, marketers can better connect – and more effectively communicate – with consumers. It can be applied in any region of the world.

The model, called Brand-to-Media Engagement (B2ME), allows marketers and planners to measure the real levels of engagement that *will* result from advertising and communication efforts – in this case, based on a particular channel and program on which they are advertised. This approach permits more strategic and effective planning and execution that turn traditional "targets" into actual paying "customers." Most importantly, these assessments can be conducted *before* marketers spend their money!

THE CHALLENGE

In the 21st century marketplace, *locating* marketing targets is easier than ever before. The list of acceptable media options – "consumer touchpoints" – gets longer every day. *Engaging* consumers is more complex and prone to error, and measures like GRPs, "time spent," and simple demographics no longer meet the requirements necessary for effective and engaging media planning.

In response to the rapidly evolving ways consumers are using media, and their increased levels of personal and electronic "gate keeping" for advertising messages, "engagement" has become the Holy Grail for marketers around the world.

Without actual "engagement," advertising and marketing efforts are just that; forays of creative and communication attempts aimed at what brands have identified as being appropriate audiences. They do not, unfortunately, guarantee that any positive behavior for the advertised brand will result from the marketing exercise, i.e., that the "target" will neither pay any attention to the message, nor will become a "customer," no matter how many times the commercial is run.

This study is a major step forward to allowing media and programs to move beyond GRPs and to differentiate themselves in their abilities to contribute to a brand's ability to attain increased levels of engagement, customers, and profitability.

THE FIVE ENGAGEMENT CERTAINTIES

Here are five absolute certainties about predictive engagement metrics:

1. "Engagement" is more than "getting attention," "being noticed," or "breaking through the clutter." What worked last century is no longer effective.
2. Real "engagement" is defined as the *consequence of any marketing or communications effort (through any media touchpoint) that results in an increased level of "brand equity" for the brand.* ("Brand equity" is defined as the degree to which a brand is believed by

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the target audience as *being able to meet or exceed consumer expectations they hold for the category in which the brand competes.*)

3. This means that “engagement” must be measured on a category-specific basis, an insight generally missing from “traditional” media planning. Cross-category generalizations may help to locate targets (and even contribute to the development of creative executions), but it reveals *nothing* about engagement opportunities.

4. Engagement is integrally linked with loyalty, and thus, positive consumer behavior toward the advertised brand. If you are measuring anything else, you are probably fooling yourself. You are *not* measuring “engagement.”

5. On a “nice-to-know” level, where engagement is realized, targets will pay greater attention to advertisers as massagers, will think better of the advertised brand, and on a “need-to-know” basis, marketers will see a transformation from “target” to “customer” with demonstrably higher positive behavior, increased purchases and use of the advertised product.

SOME OTHER ENGAGEMENT ACTUALITIES

An increase in “brand equity” is another way of measuring “loyalty,” which is *always* predictive of positive consumer behavior and very nearly always predictive of profitability.

Consumer expectations in *every* category are on the rise, faster than most brands are able to keep up. This is why real “engagement” necessarily involves understanding what consumers really want (as opposed to what they *say* they want).

Today, given the lack of meaningful brand differentiation for virtually every brand in every product and service category, 70% (maybe more in some categories) of the decision to become engaged with a brand, *i.e.*, act positively toward a brand, is *emotionally-based*. That is why rational, direct Q&A-derived assessments alone, *i.e.*, “did you watch a particular TV show last night?” are lacking in their abilities to identify real engagement effects.

To have seen you, to know you, is *not* (necessarily) to be engaged with you.

THE ENGAGEMENT METRICS

Based upon the reality of this 70:30 emotional-rational engagement ratio, we developed engagement assessments that are a combination of psychological inquiry, direct inquiry, and higher-order statistical analyses. This approach allows marketers to *pre-dictively* identify and measure emotional and rational sources of brand loyalty and engagement.

The engagement algorithm identifies the top four drivers of loyalty and engagement. It also identifies how category and consumer attributes, benefits, and values come together to form the component “parts” of those drivers. Additionally, the assessment output calculates the individual percent-of-contribution each makes to the driver, and therefore, loyalty and engagement. *We are going to revisit this specific output later as a way of optimizing how to best utilize the 26 media touchpoints currently in use.*

Finally, the assessments identify the unconstrained-by-reality levels of expectations held by consumers for *each* category driver. That output – in this case from US data, related to the Ideal Discount Retailer – would appear as shown in figure 1:

For comparison purposes, overall, weighted indices are calculated.

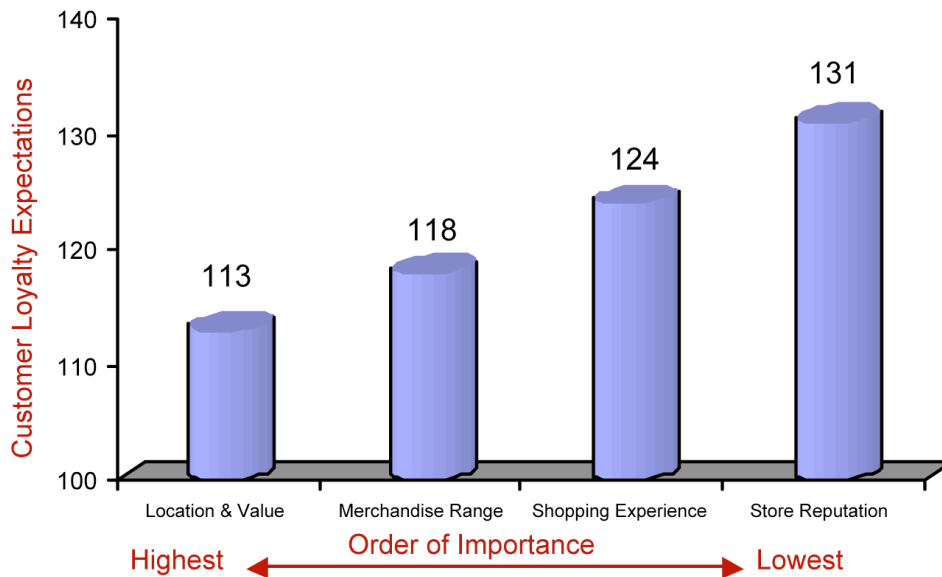
The psychological questionnaire has a test/re-test reliability of .93 off National Probability Samples in the US and UK and has been used for B2B and B2C brands in 26 countries.

THE ENGAGEMENT RESEARCH

In the United States, Brand Keys, Inc. and Rainbow Media designed a three-phase research program to identify:

1. The levels of engagement that would result from a brand advertising on a number of “appropriate” *cable networks*,

FIGURE 1
IDEAL DISCOUNT RETAILER



2. The brand advertising’s subsequent performance via a traditional captive-audience test on measures of *category-aided ad awareness, overall brand ratings, and top-2 box purchase intent*, and

3. The real, in market behavior of target consumers who had been exposed to the advertising in the captive-audience test.

A similar – though slightly altered – design was conducted in Mexico.

US PHASE 1: ENGAGEMENT LEVELS OF VARIOUS CABLE NETWORKS

Telephone interviews were conducted nationally among the target audiences for a number of product and service categories, one of which was *Discount Retailers*. For the purposes of example, this paper presents a portion of the results for one of the category brands, *Target*.

Appropriately screened respondents, i.e., women 25 to 54 years of age who shopped at one or more of the Discount Retailers included in the survey, two or more times a month, who regularly watched or were

top-2 box familiar with the cable networks included in the study) assessed the following Phase One survey variables:

- The Ideal Discount Retailer,
- The Target brand (among other brands in the category) *as a stand-alone entity* (i.e., on the basis of the respondents’ current levels of exposure and knowledge of the brand and *not* in the context of any particular media vehicle),
- Category attributes benefits and values, and
- The Target brand *within* the context of a number of cable networks appropriate for the brand, i.e., “Target advertised on WE.”

Weighted averages of the brand (in this case, Target) and the brand “advertising” on various cable networks were calculated.

Engagement results are identified on the basis of whether “advertising on,” “appearing on” one cable network or another significantly increased the levels of brand equity for the brand, i.e., is the brand’s ability as a stand alone entity, and its ability to meet or exceed consumer expectations for the category,

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“helped,” “hurt,” or “left alone” by “advertising” on one (“appropriate”) cable network versus other (equally “appropriate”) cable networks?

On the basis of these effects, media gets segmented into statistically-defined groups called “High Engagement Media,” “Neutral Engagement Media,” or “Negative Engagement Media.” For the purposes of this paper, we selected one cable network from each segment, as follows in table 1.

For the study in Mexico, all interviews were conducted among women 25 to 54 years of age who purchased bakery and bread products for their household one or more times a week.

US PHASE 2: HOW BRAND ADVERTISING CORRELATED WITH ENGAGEMENT METRICS

To determine the actual effects of a Target commercial placed on each of the three selected cable networks, standard captive audience tests were conducted in New York, Chicago and Kansas City.

Respondents (identically screened as those in Phase 1) were exposed to the same “pod” of three commercials (one of which was for Target) seamlessly inserted into the 11-12 minute point in the actual shows that were running on the same day at the same time period for each of the three cable networks.

One hundred fifty (150) respondents (50 in each of the three cities) were exposed to a single half-hour of programming for one of the cable shows listed above. They were then asked to respond to a series of questions related to category-aided ad awareness for the three commercials (Categories included automobile, discount retailer, and skin cream, although only “discount retailers” was the focus of the survey.) and were asked to rate “Target in the commercial you just watched on (CABLE NETWORK NAME)” on a 1-to-7 scale, and to respond to a standard, 5-box purchase interest question. This was done for all three cable networks. Results were as shown in table 2:

**TABLE 1
B2ME SCORES FOR SELECT CABLE NETWORKS**

High Engagement Media	
Target As Advertised on WE	117
Neutral Engagement Media	
Target	109
Target As Advertised on Lifetime	106
Negative Engagement Media	
Target As Advertised on SoapNet	100

**TABLE 2
RESULTS OF CAPTIVE AUDIENCE TEST**

	Category-Aided Ad Awareness	Brand Imagery (1-7)	Top 2-Box Purchase Intent
Target As Advertised on WE	65%	6.5	40%
Target As Advertised on Lifetime	58%	5.45	35%
Target As Advertised on SoapNet	42%	5.8	36%
Correlations	0.924	0.77	0.86

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Clearly there are notable correlations between the B2ME assessments and the “nice-to-know” awareness, imagery and intent-to-purchase assessments.

US PHASE 3: HOW IN-MARKET BEHAVIOR CORRELATED WITH ENGAGEMENT METRICS

Respondents were asked to keep a shopping diary regarding the frequency and size of purchases in two of the categories that appeared in the commercials (skin cream and discount retailers) for a three-week period of time. Overall results for discount retailers were as follows in table 3:

Given these high “need-to-know” correlations, we have demonstrated conclusively the ability of these metrics to measure engagement as it relates to media selection and positive consumer behavior toward a brand.

**TABLE 3
IN-MARKET BEHAVIOR**

Audience	Target B2ME Score	AVERAGE # OF VISITS	Average \$ Per Visit Spent	Total Average \$ Spend
Individuals who saw Target on WE	117	3.9	\$28.13	\$109.71
Individuals who saw Target on Lifetime	106	3.7	\$20.27	\$75.00
Individuals who saw Target on SoapNet	100	2.8	\$21.91	\$61.35
Correlations		0.867	0.850	0.996

**TABLE 4
B2ME SCORES FOR SELECT TV NETWORKS**

High Engagement Media	
Bimbo Advertised on Channel 2	114
Neutral Engagement Media	
Bimbo	102
Bimbo Advertised on Channel 13	101
Negative Engagement Media	
Bimbo Advertised on Channel 13	97

MEXICO PHASE 1: ENGAGEMENT LEVELS OF VARIOUS TV NETWORKS

In Mexico a similar study was conducted using Bimbo, a bread and bakery products brand. Phase I involved determining which of three leading *networks* would provide the highest levels of engagement for the brand.

The networks included:

- Channel 2 XEW (“Canal de las Estrellas”)
- Channel 5 XHGC, and
- Channel 13

In conducting an assessment similar to that of Target in the United States, we identified the following Brand-to-Media Engagement scores as shown in table 4:

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TABLE 5
B2ME SCORES FOR SELECT CABLE NETWORKS

High Engagement Media	
Bimbo Advertised on La Verdad Oculta	121
Neutral Engagement Media	
Bimbo Advertised on La Fea Mas Bella	115
Bimbo Advertised on Channel 2	114
Bimbo Advertised on Bailando Por Una Boda	112

TABLE 6
RESULTS OF CAPTIVE AUDIENCE TEST

	Category-Aided Ad Awareness	Brand Imagery (1-7)	Top 2-Box Purchase Intent
Bimbo As Advertised on La Verdad Oculta (121)	62%	6.3	51%
Bimbo As Advertised on La Fea Mas Bella (115)	60%	6.2	48%
Bimbo As Advertised on Bailando Por Una Boda (112)	55%	6.0	44%
Correlations	0.91	0.93	0.96

A large number of validity tests including the most recent US assessments included in this paper have proven the efficacy of the B2ME assessments in identifying optimum media opportunities that go beyond traditional media metrics.

MEXICO PHASE 2: HOW BRAND ADVERTISING CORRELATED WITH ENGAGEMENT METRICS

For the Latin American study we wanted to determine the engagement effects of *specific programs* as well, and so a captive audience study, similar to the US Phase 2 study, was conducted in Mexico City, for the following shows appearing on Channel 2 XEW:

1. Bailando Por Una Boda
2. La Fea Mas Bella, and
3. La Verdad Oculta

Pre-Phase 2 assessments for the shows themselves as an ad medium for Bimbo were conducted with the results as shown in table 5:

None of these shows were found to engender negative engagement for the brand.

The results of the captive audience test were as follows in table 6, with exceptional correlations between the B2ME scores and traditional ad effectiveness measures.

MEXICO PHASE 3: HOW IN-MARKET BEHAVIOR CORRELATED WITH ENGAGEMENT METRICS FOR INDIVIDUAL SHOWS

Respondents who were exposed to each of the shows were asked to keep a two-week shopping diary regarding the frequency and size of purchases (in US dollars) made for two brands: Bimbo and Doña Maria.

Overall results for the test brand, Bimbo, were as follows in table 7:

The high correlations between Brand-to-Media Engagement metrics and consumer *behavior* in the marketplace prove conclusively the ability to measure both media

TABLE 7

Audience	Bimbo B2ME Score	# of Shopping Events Over 2 Weeks	Average # of Products Purchased per Shopping Event	Average \$ Spent Per Shopping Event	Total Average \$ Spend
Consumers who watched La Verdad Oculta	121	10	3	\$6.55	\$65.50
Consumers who watched La Fea Mas Bella	115	11	2	\$5.76	\$63.36
Consumers who watched Bailando Por Una Boda	112	10	2	\$5.96	\$59.60
Correlations			0.867	0.84	0.94

TABLE 8

High Engagement Media	
Telefe	123
America 2	122
Neutral Engagement Media	
Quilmes	116
Canal 9	114
Negative Engagement Media	
Canal 7	109

and entertainment vehicles for their ability to better engage consumers *and to predict* the level of in-market consumer behavior that far exceed GRP planning.

ADDITIONAL RESEARCH FORAYS

Will this engagement approach for predicting future consumer behavior on the basis of brand bonding work in countries that are not abutting the United States? The answer is “yes.” The technique can be imported into any country in the world. Take, for example, results for Cervecería Y Maltería Quilmes in Argentina.

The Quilmes brand (with an overall brand engagement assessment of 116) was assessed in the context of four TV networks, with the results as shown in table 8:

Matched samples of beer drinkers (and the target audience for the brand) were exposed to brand communications within the context of each of the TV networks and were then asked to track their Quilmes beer purchases (number of bottles) over a 30-day period of time with the results shown in table 9:

Again, the high correlation between Brand-to-Media Engagement metrics and positive consumer behavior toward the brand – predicting levels of product purchases – proves conclusively that brand bonding can be used to measure media vehicles for their ability to provide *future* sales.

It is clear that by accessing and assessing the (mostly) emotional effects engendered by a marketing or

TABLE 9

TV Network	Average 30-day Beer Purchases
Telefe – 123	78 Bottles
America 2 – 122	85 Bottles
Canal 9 – 114	74 Bottles
Canal 7 - 109	45 Bottles
Correlation	0.88

communication program, and fusing them with rational category elements, it is possible to create a brand-specific benchmark against which engagement (in all of its various media and tactical forms) can be successfully measured.

As mentioned earlier in this paper, the output of such engagement metrics also provides a calculation of the percent-of-contribution made by *any* component included in the assessment. This includes, of course, traditional, customer and category, rational and emotional, attributes, benefits, and values. This also can include imagery, specific tactics being considered for use. But it can *also* include consumer media touchpoints expressed as traditional and new media options. This last point has become more and more critical as 21st century time goes by, particularly in light of the rapidly evolving way consumers use, juggle, adopt, and “gate keep” above-the-line (TV, radio, print), below-the-line (events, promotions), and new media (instant messaging, downloads, web sites), and into which traditional media assessments of the past shed no meaningful insights.

It would, of course, be naive to suggest that commercials or TV shows downloaded or even “beamed” to cell phones have made the 30-second commercial obsolete. On the other hand it would be equally imprudent to ignore the effects of these burgeoning technologies which – with every passing day – become more and more “mainstream,” at least in terms of being accepted as legitimate and more

importantly, utilized, media options. Therein lies a critical problem facing marketers, brand managers, and media planners.

If all of these touchpoints play a part in the engagement process, and ultimately in the conversion of targets to consumers, how should media budgets be allocated? Is “buzz” more valuable than radio? Is “branded entertainment” more efficacious than displays at retail? Is the ability to download a screen-saver from an ISP contact more engaging than a TV commercial? What of video games, TiVo, or text messaging?

It is clear that “measuring” these touchpoints on a traditional, last-century “time spent” basis would be dramatically misleading. TV (network and cable) account for the bulk of time people spend attending to/involved with these touchpoints. And even if we could balance the “time spent” factor, current engagement assessments – including those in this paper – indicate that the engagement process is *brand-based*, not category-generalizable. What works for a Bimbo will not necessarily work for a Doña Maria, no matter how similar the target audiences may be. Even with engagement – perhaps more notably with engagement – there is still a difference between a market opportunity and a brand strategy. Wishing does not make it so, no matter what GRP weights are calculated, even more so in today’s multi-layered, multi-media world of consumer and category touchpoints.

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But relying on the engagement output of the various percents-of-contributions made by *anything* we expose to the target consumer allows us to place brand-specific engagement values on the media touchpoints, i.e. it tells you if “word-of-mouth” makes a greater contribution to engagement than a newspaper ad for your brand.

We conducted this kind of assessment among US and Mexican consumers who had just purchased a

new car, and the results of this assessment were as follows in table 10:

Such additional engagement metrics allow marketers and planners to understand *how* consumers are going to best be engaged *by media usage*, and unlike GRPs, *how* engagement can differ country-by-country, culture-by-culture.

TABLE 10

% of Contribution for 26 Media Touchpoints		
	US	MEXICO
Word of Mouth	12%	18%
TV Cable	10%	3%
ISP/Search Engine	9.9%	8%
At Retail	9.9%	10%
Radio	7.5%	8%
Article about Product	5.7%	6.5%
In-Store Promotion	5.5%	7%
Newspapers	4.9%	5%
Newspaper Insert	4.8%	5%
Direct Mail	4.5%	2%
TV Broadcast	4.5%	10%
Magazines	3.5%	2.5%
Internet Advertising	3.0%	2.5%
Outdoor Billboard	2%	4%
Picture Phone	2%	2%
Instant Messenger	2%	0%
Email Advertising	1.7%	1%
Yellow Pages	1.6%	2%
Satellite Radio	1.5%	0%
Text Message	1%	2%
MP3 Player	0.5%	0%
Web Radio	0.5%	0%
Video Games	0.5%	0%
PDA	0.5%	1.5%
Cell Phone	0.5%	0.5%
TIVO	0%	0%

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The integration of the Brand-to-Media Engagement output of the medium's percent-of-contribution can then be looped – or paired – together with data by day-part to create a *mediascape* that is going to be most influential – most engaging – in helping transform targets into customers.

In this transformation, synergy can be created if planners know what it is that is truly influential among the media touchpoints available to the brand. Media engagement metrics such as these make this kind of synergy a little bit easier to accomplish.

REAL ENGAGEMENT: EMPIRICAL PROOF, PRACTICAL APPLICATIONS

The results of this research provide empirical proof that real media engagement assessments are not only possible, but are practicable, whether in North America or Latin America, and help to overcome some of the increasingly bothersome research obstacles of the past.

The engagement methodology fusing emotional and rational elements provides a tangible way to determine if a marketing or branding or communications effort has resulted in an increased (or decreased) level of brand equity for the product or service, and provides real profit opportunities for 21st century marketers.

How marketers reach their target audiences has taken on new import, and these same metrics can identify how media can best contribute to the engagement efforts. Not only can engagement assessments benefit the advertiser, but they can also be used by the individual media touchpoint “brands” to better position and market themselves in an increasingly complex and competitive environment.

The high correlations between today's engagement assessments and the resultant attitudinal, *and more importantly*, the behavioral effects conclusively prove that it is now possible to predictively measure how to better engage an audience.

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