

Research Study
from the Atlas Institute

OVERLAP MATTERS

HOW REACHING CONSUMERS ACROSS
MULTIPLE SITES BOOSTS YOUR ROI

By Jed Fowler, *Analyst, Atlas Institute*

Traditional wisdom says that cross-site duplication of online advertising is bad for business. Duplication was always seen as redundant—a sign of media waste. A report from your third-party adserver would highlight which sites overlapped with which other sites on your buy, and by how much. That way, you could act immediately to pare back the buy and minimize the overlap. But as more digital media research emerges, the industry is learning that overlap is actually a positive thing.

**OVER HALF A CAMPAIGN'S
USERS SEE ADS ACROSS
MULTIPLE PLACEMENTS,
AND A THIRD OF USERS
SEE ADS ACROSS
MULTIPLE PUBLISHERS.**

As it turns out, the sites and networks where overlap is the highest deliver your best converters.

In other words, your target audience—the people who register on your site, fill out your lead forms, and ultimately become your customers—has, for the most part, been reached across multiple sites.

Because overlap boosts the odds of a purchase taking place, we know that a conversion is not simply the result of the last ad clicked. So the area of overlap is a landscape full of rich resources for you. Because every engagement a user experiences contributes to the conversion event. And every touch point you share with your consumer contains information you can use to make better media decisions.

In this Digital Marketing Insight, we illustrate the amount of overlap that is occurring in the marketplace and begin to reveal the impact of that duplication on conversions.

Methodology

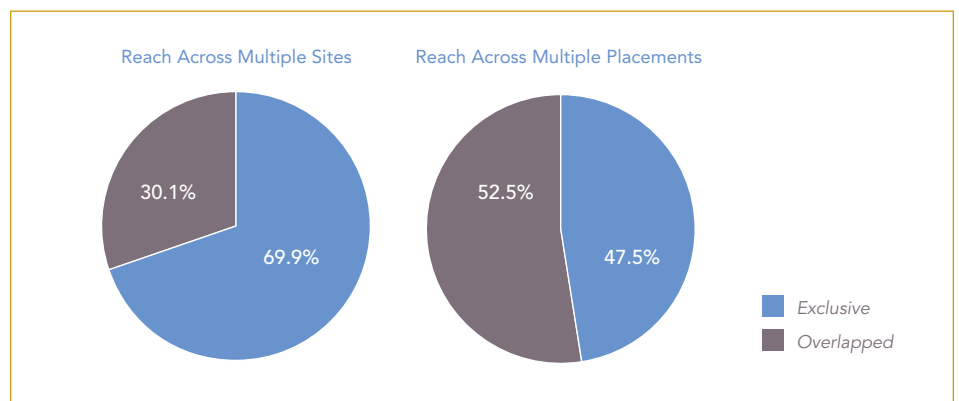
The Atlas Institute analyzed sixteen advertisers who tracked their media campaigns with Atlas for the first quarter of 2007. Users are classified as either ‘exclusive,’ which means that they were reached by a single publisher, or ‘overlapped,’ those who saw ads on two or more publishers. Overlap for users who converted was categorized on the same basis. Primary conversions considered for this study were sales, lead, or registration confirmations. The analysis spanned over 300 million cookies, five billion ads served, and 1.7 million conversions. Like all research done at the Atlas Institute, the analysis eliminates the bias of cookie deletion by using only stable, long-lived cookies.

Reach Overlap Results

On average, 30 percent of users saw ads from multiple publishers; whereas 53 percent of users saw ads from multiple placements. Within a campaign, overlap among the sites varied from 8 percent to as high as 60 percent. Placement overlap showed similar variety, ranging from 35 percent to 72 percent overlap per campaign. In addition, increased overlap dramatically drives up frequency. On average, the impressions consumed by site-overlapped cookies was 4.4 times higher than that of those reached on a single publisher site.

Chart 1

30% of users reached by a campaign view ads on multiple publishers. Half of users view ads across different placements.



Conversion Overlap Results

Duplication amongst converters is even more extreme than for impressions. On average, 66.7 percent of users who triggered a primary action tag saw ads from multiple sites (see Chart 2). At the placement level, 86 percent of conversions came from the overlapped group. Chart 3 illustrates the variability of overlap across the sixteen campaigns. Higher volume campaigns experienced significantly higher con-

version overlap than smaller ones. Users reached on multiple publishers account for a higher share of conversions; on average, they represent only a third of the total users reached, but they account for two-thirds of conversions. A user reached across multiple publishers is twice as likely to convert as one reached only on a single publisher.

Chart 2

Two-thirds of converters view ads across multiple publishers, and 86% saw a placement other than the last ad seen

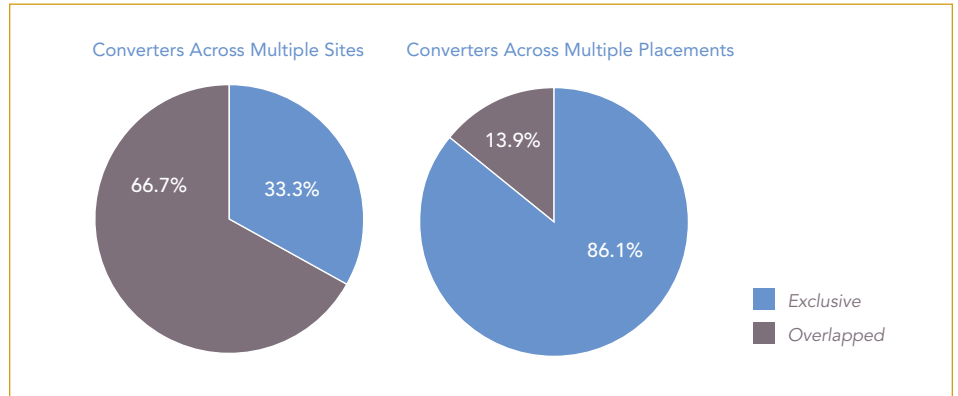


Chart 3

Campaign conversion overlap for each of the 16 advertisers



What This Means for Advertisers

It is critical to understand the drivers of overlap. Not surprisingly, large buys show much greater overlap than small buys. Additionally, buys that advertise heavily on networks or large portals show much higher overlap than those that do not. The degree to which overlap impacts conversions will differ greatly from advertiser to advertiser as there is no consistent correlation between reach and conversion overlap. With that in mind, here are the recommendations for using these findings.

- 1 > Measure the overlap in every campaign: Overlap varies wildly across campaigns. Spend levels, the composition of publishers, placement choice and the usage of ad networks all dramatically swing the amount of user duplication experienced. Overlap should be viewed and weighed within the context of achieving the overall campaign goals.
- 2 > Maximize overlap for branding: Brand advertisers prefer to surround their target demographic with their messaging and increase brand awareness by maximizing overlap. Identify buys that have high reach on your target demographic and then seek publishers that have high overlap with those buys. The ability to identify

the exact amount of duplicated reach and conversions during campaigns provides a powerful negotiating tool with ad networks and traditional publishers.

3 > Manage overlap's impact on frequency: The Atlas Institute's Optimal Frequency study¹ proved that increased frequency correlates with diminishing returns for direct response campaigns. Overlap drives up frequency without the advertiser being aware of it. So, dropping buys with high overlap and reallocating the dollars towards publishers with superior exclusive reach is an easy first step to increase efficiency. Look for publishers that do a good job exclusively reaching converters.

4 > Keep buys that deliver targeted reach: The ubiquity of overlap amongst converters highlights the shortcomings of current reporting standards that attributes 100 percent of the conversion to the last impression or click. Making smart media planning and creative design decisions requires an in-depth understanding of a user's behavior throughout the purchase cycle. Some buys are great at reaching your target audience but do not take credit for conversions because they are not the last ad seen. Understanding how your buys are reaching converters may provide important justification for more expensive media buys like rich media, web video and sponsorships.

¹ Atlas Institute, Chandler-Pepelnjak & Song, *Optimal Frequency: "The Impact of User Frequency on Conversion Rates"*

About the Atlas Institute

The Atlas Institute is the research and education arm of Microsoft Advertiser and Publisher Solutions, a provider of accountable advertising tools and expertise for agencies, marketers, and publishers. The Institute publishes Digital Marketing Insights, a series of publications by digital marketing experts that help our customers improve their digital marketing effectiveness. Many of these findings are also made available to the digital marketing industry at large. Each Digital Marketing Insight is designed to help marketers more successfully build value with their customers, throughout the customer lifecycle: from awareness to acquisition and from retention to growth. The Atlas Institute also provides education in digital marketing to Atlas customers.

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