

SUMMARY FOR RECONNECT EUROPE

July 2006

Research conducted by Orange Home UK plc and OMD Insight

Reconnect Europe – the biggest ad format study in Europe

As more brands consolidate their media planning and buying at a pan European level, it is increasingly important to understand the market dynamics of Europe.

Reconnect Europe was commissioned to understand whether or not Europe can be planned as one country or if in fact it requires local understanding and tactics to make the best decisions when choosing online advertising formats. Equally important was being able to understand the influence different online environments (i.e. shopping, travel, news etc...) and users need states (mindsets) have on ad format acceptability.

The biggest ad format study across Europe

- Over 12,500 respondents were surveyed
- 6 countries: UK, France, Germany, Italy, Spain Netherlands
- 10 ad formats including banners, MPU's, overlay, skyscraper and leader board
- 4 mindsets: information, entertainment, researching and interacting
- 2 key metrics were used: impact and intrusion to evaluate formats

Key Research findings

- Europe is not one homogenous country to be planned across
- Standard formats do not produce standard responses to ad formats
- User mindsets and online environments influence ad format acceptability

Some insights for the UK

The surprise highlight from this study was how acceptable the data capture banner was across all mindsets in the UK.

Another insight out of the UK market was how low the acceptability was for a static MPU. This large format without rich media (flash or video) was seen as fairly intrusive and got a lowest acceptability score after the overlay. Are users telling us that they expect more from this format?

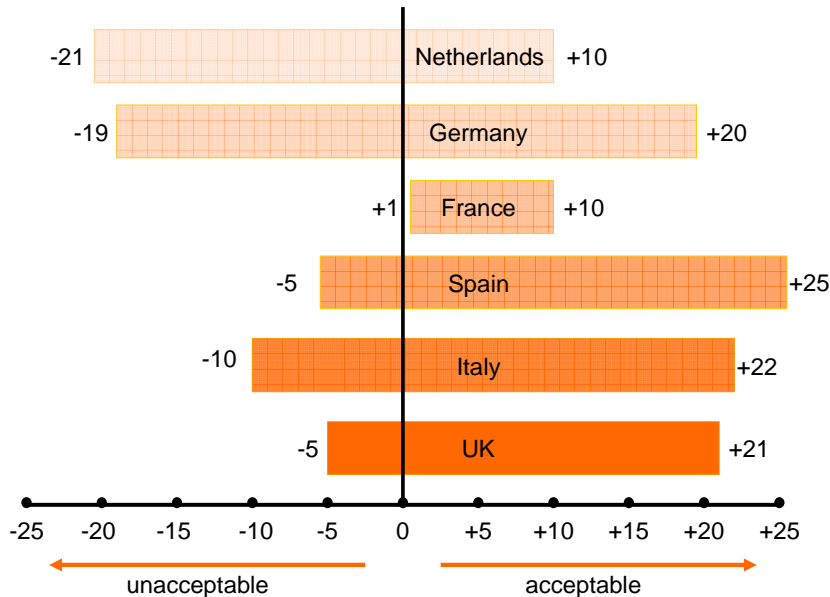
Overall, the video MPU had the highest impact and the skyscraper was the most acceptable ad format.

Acceptability

An acceptability score was derived by subtracting the intrusion score from the impact score that each format received. If impact was higher than intrusion an overall acceptability score was positive.

Below is the range of acceptability scores for all 10 formats tested in each country.

degrees of acceptability



Top line country observations

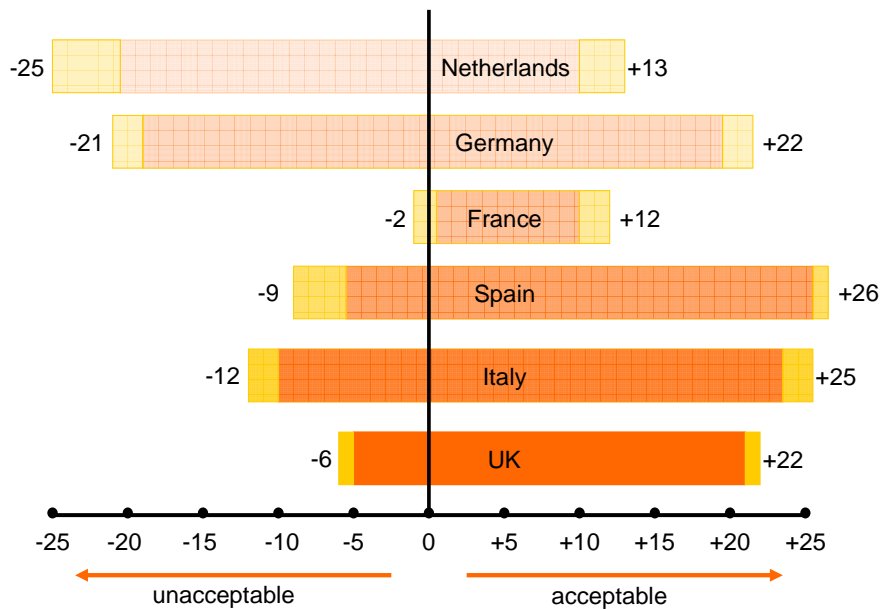
- UK: in general all formats were acceptable in one mindset or another with the exception of the Overlay (although a better acceptability score than the score from Reconnect 2). Formats that carry flash or rich media such as Video MPU, sky scraper and interactive banners appeared to be more acceptable
- Italy: Italians gave generous impact scores. Larger formats are more readily acceptable (with or without rich media) such as Sky scraper, MPU and leader board.
- Spain: Spanish respondents scored formats that carry rich media such as flash or video very high on impact and gave low intrusion scores. Of all the countries we tested, the Spanish gave the highest acceptability scores for most of the formats we tested.
- France: advertising is heavily regulated in France and this may reflect the conservative views on ad formats. Medium impact and low intrusion scores produced a small range of low acceptability scores for ad formats. However, all tested formats were acceptable including the overlay.
- Germany: embedded ads that have minimal intrusion (i.e. do not appear over other editorial/other content) scored best for the Germans. Skyscraper, banners, and video MPU's were the most acceptable.
- Netherlands: the Dutch views on ad formats were the less intrusive and smaller the better. Banners, sponsorship and sky scrapers had the best acceptability scores. Similar to the Germans, anything that intruded on personal space (i.e. appearing over other editorial/other content) was a highly intrusive as well as formats that took up a lot of space on the page. Bold and flashy formats are deemed less acceptable.

Mindsets

Looking at how acceptable ad formats are in key online environments (associated with a typical mind set) is another layer of information that can be used to support decision making when choosing ads.

When factoring in mindsets and user environments, the range of acceptability for ad formats broadens. The chart below shows how much the scales increase when including all mindset scores. As well, some formats that have an overall positive acceptability score can become negative depending on the mindset (example below is France with a -2)

degrees of acceptability & mindsets



Entertainment mindset

Entertainment is where users are looking at content relating to entertainment, or a hobby / interest that is entertaining

Example environments include: film, music, games, celebrity news

In general ad formats that support flash/video content scored well for the entertainment mindset. The Skyscraper comes out tops for 4 countries (UK, ES, DE, NL) with video MPU, skyscraper, expandable banner, and banner streamed to overlay being popular as well for some countries. No format is in the top 2 for every country and no country has the same top 2 formats in the same ranking.

Ad formats that do well in the entertainment environment include:

UK: skyscraper and video MPU

Italy: video MPU and sky scraper

France: expandable banner (among those that interacted), banner streamed to overlay

Spain: skyscraper, banner streamed to overlay and video MPU

Germany: skyscraper, expandable banner

Netherlands: skyscraper, expandable banner (among those that interacted)

Information mindset

Information mindset is linked to environments that are a destination / offering sticky content. Editorial is usually key

Example environments include: news, sport, finance

The video MPU came out on top for half of the countries (FR, ES, and DE). Also popular for the information mindset was the expandable data capture banner (top for the UK and the highest acceptability score was in the information mindset). Similar to entertainment, no format is in the top 2 for every country and no country has the same top 2 formats in the same ranking.

Ad formats that do well in the Information environment include:

UK: expandable data capture banner (among those that interacted), sky scraper

Italy: Sky scraper, video MPU

France: Video MPU, expandable banner (among those that interacted)

Spain: Video MPU, skyscraper and banner streamed to overlay

Germany: Video MPU, skyscraper

Netherlands: skyscraper, expandable banner

Researching mindset

The mindset of users who are researching is usually quite task focussed; looking for information and/or comparing information.

Example environments include: shopping, travel, and search

Ad formats that do well in the researching environment include:

Sponsorship makes an appearance and being one of the top formats for Netherlands in the researching mindset. Again this supports the idea that small less obtrusive formats work. Video MPU ranks high, but acceptability scores are not as high as in the entertaining and interacting mindsets. While the skyscraper is highly acceptable, for the UK skyscraper got the highest acceptability score of 22 in the researching mindset. This mindset there was a little similarity with top formats being Skyscraper and video MPU for UK, IT and DE but the acceptability scores are different

Ad formats that do well in the researching environment include:

UK: skyscraper, video MPU and expandable data capture banner

Italy: Sky scraper, video MPU (same as the information mindset but higher acceptability scores in the researching mindset)

France: banner streamers to overlay, Video MPU

Spain: Video MPU, skyscraper

Germany: skyscraper, video MPU

Netherlands: expandable banner (among those that interacted), sponsorship

Interacting mindset

When users are in an interacting mindset they may be communicating, giving details online, making requests, or downloading

Example environments include: email, shopping, travel, games, film/music downloads, finance

Ad formats that do well in the interacting environment include:

UK: video MPU, sky scraper

Italy: video MPU, sky scraper
France: video MPU, banner streamers to overlay
Spain: Video MPU, skyscraper and banner streamed to overlay
Germany: skyscraper, video MPU
Netherlands: skyscraper, sponsorship

The video MPU scores well for the interacting mindset (top for UK, FR, and ES). The scores are lower than the entertainment mindset though. Banner streamed to overlay, skyscraper and sponsorship (for the Dutch) are also top formats for some countries. Some common ranking with video MPU and skyscraper being first and second (swapped order from the researching mindset) no common acceptability scores though.

Other general observations

Overlay

Although unacceptable in most countries, the overlay was acceptable for all mindsets in France, particularly the information mindset. As well, the overlay was also acceptable for the entertainment mindset in Spain. Unacceptable scores are a red flag to planners to make sure they use this format appropriately, i.e. highly relevant communications in the right environment, perhaps capping the number of times that ad is seen (to limit users wear out from overexposure). From a media owner perspective we use this as an indication to make sure we manage intrusive formats well to balance the users' needs for control of their online experience and the advertisers' needs to get their messaging across. Having a prominent close button really helps; this was identified as being a main advertising irritant among respondents in the UK. For the Dutch, ads that are too bold and flashy are regarded as less appealing.

Video MPU

Generally the video MPU had the highest impact and high acceptability scores with the exception the Netherlands who gave conservative score to this format. This format in the UK was 3.5 time more acceptable than the static MPU.

Skyscraper

The skyscraper appears as one of the top 3 formats for all countries. This format has done well as the intrusion scores are fairly low.

To sum up

Europe is diverse and needs to be planned as such
Standard formats did not produce standards responses (although the skyscraper did appear to be acceptable across all countries and mindsets with varying degrees of acceptability).
Use this research to support planning in the UK and across Europe. Mindsets are another layer of valuable information to assist with great planning.

A little bit about the European online market

Germany is the biggest online market by millions of people but are laggards in terms of broadband and time spent online. Germans a fairly task focused online and use the Internet for information / research. They are also big fans of auctions (eBay). The German online advertising attracts the highest volume of display ads and has the most advertisers, but is 2nd for revenue. There is still high potential for growth as broadband gains momentum.

UK is the 2nd largest online market with high broadband penetration. Most users have been online for a long time and entertainment is becoming a core use for the Internet alongside information and communicating. The UK online advertising is the most mature of all markets and attracts the highest revenue.

France is the 3rd largest online market with very high broadband penetration. Communication is a core use of the Internet and the French spend the longest online with 12.6 hours / week. France is the 3rd biggest market for online advertising behind the UK and Germany. The market is highly regulated by the advertising police.

Italy is 4th in the ranking by market size with just over half having the Internet and 2/3 of those online having broadband. The Italians are online for entertainment but spend the least amount of time online. The online advertising market is growing.

Spain is the 2nd smallest market and like Italy, just over half are online with 8 in ten having broadband. The Spanish are heavily entertainment led (6 in 10 download music while 35% are downloading movies). The Spanish spend the most time online behind the French. Similar to Italy, there is room for online advertising growth.

Netherlands smallest market in terms of size but has the highest Internet and broadband penetration of all the 6 countries. The Dutch Internet market is mature and they tend to do more of everything online (information, entertainment, communicating etc...). The Dutch have conservative views on advertising (any type).

Sources include: Jupiter, EIAA mediascope, Doubleclick