Exploring The Effectiveness of Branded Content

October 21, 2013
Consumers are Bombarded With Ads All Day, Every Day

Daily Ad Exposure

<table>
<thead>
<tr>
<th>Year</th>
<th>Ad Exposures per Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1051</td>
</tr>
<tr>
<td>2010E</td>
<td>1053</td>
</tr>
<tr>
<td>2011E</td>
<td>1086</td>
</tr>
<tr>
<td>2012</td>
<td>1195</td>
</tr>
<tr>
<td>2013E</td>
<td>1205</td>
</tr>
</tbody>
</table>

2012 Ad Exposures: 60 Digital, Display, Search
394 60

741

Traditional Vehicles: TV, Branded Entertainment, VOD, Mobile, Gaming, Radio, Magazine, Newspapers
Out-of-Home: Signage, Billboards, Malls, Kisses, Transit, Buses, Taxis, Shuttles, Cinema, Gas Stations, Promotional Items

Source: MACNA GLOBAL

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The Greatest Loss of Value for Advertisers is Inattention
How Can Advertisers Reach and Influence Consumers When Neither Polite Nor Rude are Effective?
What About Native Content?

Specifically, branded content that…

• Takes on the natural form and function of the user experience

• Provides value to the consumer through journalistic story-telling
So We Had Some Questions

- How does the long-form branded content perform across traditional brand metrics?
- Does it matter where the content lives?
- Brand website vs. 3rd party website?
- How does performance of branded content compare to display ads?
We Did Some Research

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>What?</td>
<td>Virtual Lab Test:Exposed consumers to test article page, followed by the post-exposure survey to access branding</td>
</tr>
<tr>
<td>Who?</td>
<td>n=2,259 Adults 18+ (Forbes.com readers)</td>
</tr>
<tr>
<td>Where?</td>
<td>Sample recruited from relevant sections of Forbes.com into online survey</td>
</tr>
<tr>
<td>When?</td>
<td>March 26—21, 2013</td>
</tr>
</tbody>
</table>
Methodology

Participants recruited from Forbes.com
2,259 participants recruited into online survey

Participants randomized into test cell and asked to view 1 of 5 webpages

Post-exposure survey to access brand metrics

<table>
<thead>
<tr>
<th>Test Cell</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Control Page</td>
<td>Generic article with control ad</td>
</tr>
<tr>
<td>2 Display</td>
<td>Generic article with test ad</td>
</tr>
<tr>
<td>3 Branded Website</td>
<td>Branded content on brand website</td>
</tr>
<tr>
<td>4 Brand Content Without Display</td>
<td>Brand content on Forbes.com with control ad</td>
</tr>
<tr>
<td>5 Brand Content With Display</td>
<td>Branded content on Forbes.com with test ad</td>
</tr>
</tbody>
</table>
3 Test Brands in Different Verticals

- Sample recruited from business section of Forbes.com
- Sample recruited from lifestyle section of Forbes.com
- Sample recruited from finance section of Forbes.com
Control
Branded Content Without Display

FORBES

Kathy Ireland, Supermogul
Make more than money.
Make history.

Forbes

How To Spot A Great-Tasting Bourbon

Kathy Ireland, Supermogul
Make more than money.
Make history.
Branded Content With Display
Branded Content On Woodford Website
Branded Content Works!

Impact of Branded Content

- **Unaided Brand Recall**: 29 Control, 22 Branded Content
- **Is a Personable Brand**: 28 Control, 27 Branded Content
- **Is an Engaging Brand**: 35 Control, 41 Branded Content
- **Is a Quality Brand**: 25 Control, 29 Branded Content
- **Is a Brand I Trust**: 29 Control, 37 Branded Content
- **Brand Favorability**: 22 Control, 31 Branded Content
- **Purchase Intent/Consideration**: 22 Control, 31 Branded Content

Control=310; Display Ad n=320; Branded Content (Without Display) n=345, Branded Content (Brand Authored With Display) n=324

Satisfactory significant difference between branded content with & without display at 90% confidence
Those In-Market For Product Appear To Be Particularly Engaged

In-Market Status By Likelihood to Read/Share Branded Content

- **Likelihood to Read Article**
  - In-Market For Product: 83
  - Not In-Market For Product: 75

- **Likelihood to Share Article**
  - In-Market For Product: 45
  - Not In-Market For Product: 39

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While Content On Brand Websites Is Effective, Reach Is The Challenge

Role of Content Location

<table>
<thead>
<tr>
<th></th>
<th>Control</th>
<th>Brand Content on Brand Website</th>
<th>Branded Content on Forbes.com</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unaided Brand Recall</td>
<td>0%</td>
<td>45%</td>
<td>31%</td>
</tr>
<tr>
<td>“Is a personable brand”</td>
<td>22%</td>
<td>31%</td>
<td>28%</td>
</tr>
<tr>
<td>“Is an engaging brand”</td>
<td>22%</td>
<td>33%</td>
<td>27%</td>
</tr>
<tr>
<td>“Is a quality brand”</td>
<td>35%</td>
<td>46%</td>
<td>42%</td>
</tr>
<tr>
<td>“Is a brand I trust”</td>
<td>25%</td>
<td>31%</td>
<td>30%</td>
</tr>
<tr>
<td>Brand Favorability</td>
<td>29%</td>
<td>42%</td>
<td>39%</td>
</tr>
<tr>
<td>Purchase Intent/Consideration</td>
<td>22%</td>
<td>36%</td>
<td>30%</td>
</tr>
</tbody>
</table>
And, Consumers Are Less Likely To Share & Discuss Content From Brand Websites

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How Does Branded Content Compare To Display?
Branded Content Provides Better Brand Recall Than Display Ads

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Perceptions Impacted More By Branded Content, Particularly Among Those Satisfied With The Article

Brand Favorability

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Perceptions Impacted More By Branded Content, Particularly Among Those Satisfied With The Article (cont'd)

“Is a Brand I Would Follow On Social Media Sites”

Overall Audience

<table>
<thead>
<tr>
<th>Control</th>
<th>Display Ad</th>
<th>Branded Content (Without Display)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>7</td>
<td>11</td>
</tr>
</tbody>
</table>

Those Most Satisfied With Article

<table>
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<tr>
<th>Control</th>
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<th>Branded Content (Without Display)</th>
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<tbody>
<tr>
<td>9</td>
<td>10</td>
<td>17</td>
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Branded Content 3x As Effective At Driving Intent

Purchase Intent/Consideration

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Branded Content 3x As Effective At Driving Intent

Satisfaction With Article

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So, What Happens When Display is Added?

Example of Branded Content Without Display
So, What Happens When Display is Added?

Example of Branded Content Display
Pairing Display With Branded Content Boosts Awareness

Awareness Metrics

Control
Display Ad
Branded Content (Without Display)
Branded Content (With Display)

Unaided Brand Recall
Aided Brand Recall

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Addition Of Display Doesn't Play A Role In Middle & Bottom Funnel Metrics

Persuasion Metrics

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<td>Branded Content (With Display)</td>
<td>41</td>
<td>29</td>
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In Summary…

• Because branded content takes on the form and function of the user experience, it is more effective at breaking through banner ads.

• Consumer ad avoidance and limited real-estate in banner ads make them less effective at moving beyond top-funnel metrics.

• The journalistic storytelling within branded content, however, pick-ups where banner ads leave off and help brands drive more meaningful metrics - like favorability and intent.

• While the same content on a brand’s websites can be effective...
  - It’s difficult to achieve reach on a brand website.
  - It is much more likely to drive earned reach and word-of-mouth when it appears on a trusted 3rd party website.