The Five Golden Rules
of Online Branding

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Measuring the Attributes of Successful Branding Banners

ABSTRACT

Many researchers have demonstrated the Web's efficacy as a branding medium. However, the creative variables that are related to successful online branding have yet to be validated quantitatively. This study identifies five characteristics of online advertising that are related to successful online branding and makes recommendations for implementing these findings into future online advertising campaigns.

INTRODUCTION

It is recognized that click-through is limited in its application as a metric of online advertising effectiveness. Exposure to an online advertisement has value that can be thought of as 'communication effectiveness'. Research surrounding the branding capabilities of banner advertising suggest that not only is the medium capable of branding but also branding can be independent of click-through. However, little work has been done to date to quantify the characteristics of banner advertising that are related to effective communication. Identifying these characteristics help marketers and their agencies design creative content more likely to have a positive impact on consumers.

MAIN BODY:

Background

In the world of online advertising, click-through is viewed as the primary measure of advertising effectiveness. This metric quantifies how marketing communication can be directly linked to immediate consumer action. As attractive as this feedback is, the metric has certain shortcomings; primary reliance on click-through does not recognize that in most cases consumers who are exposed to advertising over the Internet may not currently have a need for the products or services being advertised to them. Additionally, click-through does not quantify the impact that the exposure of the advertisement has on a consumer's attitudes and perceptions of the brand being advertised.

Advertisers in the offline world realize that consumers may not have an immediate need to purchase a product or service at the moment it is being advertised. Realizing this aspect of consumer behavior, a common advertising strategy is to build awareness of a product and form positive associations between that product and a consumer over time so that when the need arises to purchase from a given category, a consumer is more likely to consider that advertiser's product. While popular in the offline world, this notion of an unconscious association between brand and consumer has not been readily adopted in the online advertising strategies of brand-oriented advertisers. These advertisers are blinded by click-through even though it counterintuitive to branding philosophy (Briggs, 1999).

A groundbreaking study into the attitudinal shifts resulting from online advertising exposure demonstrated that Web advertising "works without the added benefit of click-through" (Briggs and Hollis, 1997). A banner's ability to support a brand, create brand associations, as well as change attitudes toward a brand (all measures of effectiveness in the offline world) were also quantified. Others (Leckenby and Hong, 1998) also recognize that click-through may be limited in its application of effectiveness. Additionally, AdKnowledge (2000) has shown that exposure to a banner ad can lead to a site visit independent of click-through; sometimes months after being initially exposed to a banner.

Recognizing that banner advertising can have an impact on branding, it would be helpful for those designing online advertising to understand the characteristics of an online ad that are related to its success on brand-oriented metrics. In order to hypothesize what some of these characteristics might be, it is helpful to review some learning theories surrounding consumer behavior.

Classical conditioning is often referred to as a means in which humans learn by association. In the classical conditioning paradigm, Pavlov's Dog, a neutral stimulus is paired with an unconditioned stimulus to elicit an unconditioned response. For example, after repeated pairings of meat (known to cause salivation) with the sound of a bell, the sound of a bell alone elicits salivation. This association is dependent on two characteristics of the association: contiguity and frequency. The law of contiguity states that in order for associative learning to take place, the unconditioned stimulus and the neutral stimulus must be paired close in time to each other. Furthermore, it is not enough for a neutral stimulus and an unconditioned stimulus to simply co-exist in a close period of time. The more frequent the pairing, the easier it is to form an association.

Proponents of applying classical conditioning to marketing believe that the association between a product and positive stimuli may help explain the effect of many variables in communication and attitude change. Gorn (1982) tested the effects of a positive unconditioned stimulus on product preference. His results support the notion that the simple association between a product (conditioned stimulus) and another stimulus such as music (unconditioned stimulus) can affect product preferences as measured by product choice. However, these effects were diminished in situations where consumers were in a clear decision making mode.

The learnings of classical conditioning give us some insight on the characteristics of an effectively branded Internet ad. First and foremost, the frequency with which an ad is served impacts brand awareness. Frequency also impacts whether or not an association between a message and a brand is made by a consumer.

Another model of consumer behavior that relies on associative learning is operant conditioning. Where classical conditioning says behavior is a result of an association between a stimulus and response, operant conditioning states that behavior is the result of reinforcement; a behavior followed by a positive consequence (positive reinforcement) is likely to be repeated whereas behavior followed by a negative consequence (punishment) is likely to cease. To relate reinforcement

with online advertising, it is necessary to hypothesize what characteristics of online advertising respondents view negatively and which are viewed positively. To do this, the authors drew on their general observations of consumer behavior on the Internet.

In most cases, users view banner advertisements as a nuisance (E-Marketer, 2000) as they are engaged in other activities while they are being exposed to the ads (Dreze, 1999). Additionally, we can assume that most people exposed to an ad do not have the need for the products being advertised at that time. Therefore, these ads are less likely to be noticed. In order to have an impact on brand metrics, we can hypothesize that getting a message in front of someone as quickly as possible, before they scroll away, is of extreme importance. In addition, the presence of a logo, the size of a logo, and the size of the banner should all have an impact on the banner's ability to brand. Applied appropriately, these characteristics may serve as positive reinforcement and therefore have a positive impact on branding. Conversely, when applied improperly, these ads may serve to punish viewers thus resulting in little to no impact on brand metrics.

Summary of hypotheses:
- Frequency is positively related to a banner's ability to brand
- Banners with less animation score better on branding metrics than very animated banners
- The longer the key message or logo takes to appear, the less branding impact it has
- The amount of time a logo is present is positively related to branding impact
- Banners with larger logos perform better than banners with smaller logos
- Cluttered banners perform worse on branding impact measures than less cluttered banners (clutter measured by number of graphical and textual elements in the banner).

Methods

Dynamic Logic and 24/7 Media worked jointly to identify advertisers to participate in an AdIndex study. AdIndex is a research application that advertisers plug into their online advertising campaigns which using an experimental design methodology, tracks advertising exposure and recruits samples of people actually targeted by the advertising. All respondents take a short online survey with brand-oriented questions and results are broken out by whether or not a respondent was exposed to an ad. The relative difference between the control and exposed cells is then calculated and analyzed for statistical significance. The primary variables for an AdIndex study consist of:
- Brand Awareness
- Message Association
- Purchase Intent
- Advertising Recall
- Stated interest in products
- Perceived creative clarity

After this phase of data collection, results for 32 banners (made up of over 32,000 consumer interviews) were aggregated and specific data about each creative was appended to the AdIndex results. The data were then analyzed to uncover relationships between variables.

After determining the banner elements that drive key branding metrics, AdRelevance used the elements to classify 601 advertisements across 11 industries to determine the quantity of banners with the ability to positively affect branding. The advertisements classified were sourced from the AdRelevance database of banners. This database uses intelligent agent technology to provide a representative sample of banner advertisements, including information on where the banners ran, impressions and spending.

Findings

On average, banner advertising increased brand awareness by 7 percent, purchase intent by 2 percent, advertising recall by 27 percent, and message association by 20 percent. Additionally, on average, 44 percent of respondents who viewed a banner stated that the banner raised their interest in learning more about the products and services offered.

Table 1

Descriptive Statistics

Metric	Base	Minimum Change	Maximum Change	Mean Change	Std. Deviation
Awareness	32	-40%	50%	7%	0.18
Purchase Intent	32	-21%	34%	2%	0.10
Banner Recall	32	7%	67%	27%	0.15
Interest	32	15%	83%	44%	0.20
Perceived Clarity	25	17%	86%	63%	0.19
Message Association	30	-33%	138%	20%	0.37

The following are significant relationships measured between dependent variables (primary AdIndex variables outlined above) and independent variables (specific creative attributes):

Brand Awareness

Not surprisingly, awareness is significantly related to one's ability to recall an advertisement ($r = .29$, $p < .05$ where r is correlation and p is confidence level). Additionally, however, awareness is negatively related to the number of elements in a banner; both text and

graphical (r = -.3, p<.05). This suggests that the more cluttered an advertisement is, the less likely it is to raise brand awareness.

Message Association:

Not surprisingly, the ability to correctly pair a message with a brand is significantly related to an individual's ability to recall seeing the advertisement (r = .54, p<.01).

Banner Recall:

Banner recall is positively related to the banner's perceived clarity (r = .47, p<.01). Further, recall is negatively related to the number of graphical elements in a banner, again suggesting that clutter negatively impacts on a banner's ability to brand (r = -.32, P<.01).

Purchase Intent:

Directionally, there is a negative relationship between purchase intent and the total elements in a banner, again suggesting that clutter is a major concern when it comes to branding (r = .23, p<.1).

Clarity:

Clarity refers to the perceived clarity of the banner's message. In this study, clarity is significantly related to the size of the banner, suggesting that larger banners are perceived to be clearer than smaller banners (r = .75, p<.01). Additionally, a positive relationship exists between logo size and perceived clarity suggesting that banners with a larger logo are perceived as being more clear than banners with a smaller logo (r = .37, p<.05).

Interest:

Whether or not someone is interested in a banner's offering is positively related to the size of the banner; that is, larger banners garner greater interest than smaller banners (r = .43, p<.01). Additionally, interest in learning more about the banner's offering was negatively related to perceived clarity of the offering (r = -.3, p<.05). A banner can provide enough information so that the consumer does not need to learn more about what is being advertised, further deteriorating the importance of click-through.

Interestingly, those exposed to banners with a human face depicted were more interested in learning more about the products and services being offered than banners without a human face depicted (49 percent vs. 41 percent, p<.05).

A Note on Frequency:

While frequency itself is not a creative attribute, our data suggests that it plays a very important role in the process of branding. The increase in awareness increases from 5.6 percent - for only one exposure to 10.4 percent for four exposures or more. By increasing exposure levels from one to four or more, advertisers can virtually double the impact of advertising on brand awareness.

Use of Variables

To better understand how successfully the advertising community is creating well branded banners, 601 ads from the AdRelevance database were measured against the following criteria:

Banner Clutter:

Of the 601 ad banners classified only 30 percent of the banners were cluttered indicating that the majority of banners created have a positive impact on brand awareness and future creative recall. A banner with 16 or more elements is considered cluttered.

Logo Size:

Similarly an investigation into the size of the logo within a banner demonstrates that the majority of banners created (66%) use large logos. A logo is considered large when it takes up at least 14 percent of banner space. This indicates that the majority of banners created use appropriately sized logos, which has a positive impact on the clarity of the advertisement.

Banner Size:

As banner size increases so to does the clarity of a banner advertisement and the consumer's interest in learning more about the product or service advertised. 57 percent of the banners classified used the standard 468 x 60 pixel ad format, while only six percent used a larger

format.   On the other hand 37 percent of the evaluated advertisements used banner sizes smaller than the traditional 468 x 60 pixel banner.

Presence of a Human Face:

The presence of a human face positively impact a banner's ability to increase the likelihood that a consumer will want to find out more about the products and services advertised in the ad. Only 13 percent of the ads evaluated included a human face.

Table 2

Proliferation of Banner Elements

Base:	(601)
Banner Size	
Large	6%
Standard	57%
Small	37%
Cluttered	
Yes	30%
No	70%
Logo Size	
Large	66%
Small	33%
Human Face Present	
Yes	13%
No	87%

While the majority of companies are using several of the banner elements shown to have an impact on the ability of a banner to increase branding metrics not all advertisers are using all of the elements in conjunction.

Only five percent of the banners evaluated included all four of the elements shown to have a positive impact on the banner's branding effectiveness. One third of the banners evaluated included three of the branding elements while another third of the banners used two of the branding elements.

Table 3

Number of Banner Elements Used

Base:	(601)
None	16%
1 – Element	10%
2 – Elements	35%
3 – Elements	34%
4 – Elements	5%

Industry Performance:

No single industry stands out as being overly effective in combining all four creative elements into their banners. However, the entertainment industry performs well on many of the measurement attributes. Entertainment advertisers are more likely to use larger banners with large logos, and the presence of a human face. Conversely, the retail industry tends to use small banners more frequently, the banners are often cluttered and have a small logo.

Banner Clutter:

The travel industry scores the highest for developing clutter free banner advertisements, only 10 percent of travel ads are cluttered. Conversely both business-to-business and retail create the highest number of cluttered banners, 41 percent and 40 percent respectively.

Logo Size:

The entertainment and travel industries both perform well when evaluating logo size. Both industries use large logos in over 80 percent of the banners they create. Small logos are used more frequently in automotive banners than in any other industry.

Banner Size:

The hardware and electronics industry uses large banners more than any other industry, and along with the entertainment and web media industries they use the least number of small banners. Retail advertisers are more likely to use smaller banners with a full 62 percent of all ads evaluated being small.

Presence of a Human Face:

While only 13 percent of advertisers use a human face in their advertisements, the consumer goods industry bucks the trend with a full 31% of their banner ads having a human face present.

Table 4

Proliferation of Banner Elements by Industry

	Automotive	Business to Business	Consumer Goods	Entertainment	Financial Services	Hardware & Electronics	Retail	Software	Telecommunications	Travel	Web Media
Base:	(54)	(56)	(55)	(50)	(56)	(55)	(53)	(55)	(56)	(51)	(60)
Banner Size											
Large	4%	7%	5%	4%	7%	13%	4%	9%	9%	0%	8%
Standard	44%	64%	60%	72%	64%	62%	32%	60%	50%	47%	67%
Small	52%	29%	35%	24%	29%	25%	62%	31%	41%	53%	25%
Cluttered											
Yes	35%	41%	25%	38%	23%	33%	40%	24%	34%	10%	23%
No	65%	59%	75%	62%	77%	67%	60%	76%	66%	90%	77%
Logo Size											
Large	48%	68%	56%	88%	63%	76%	55%	62%	63%	82%	70%
Small	52%	32%	44%	12%	36%	24%	43%	38%	36%	18%	30%
Human Face Present											
Yes	9%	21%	31%	22%	5%	18%	11%	2%	7%	8%	8%
No	91%	79%	69%	78%	95%	82%	89%	98%	93%	92%	92%

The entertainment industry is the most successful at combining the branding elements in to their banners. A full 50 percent of entertainment banners contain three or more elements. Conversely only 17 percent of automotive banners contained 3 or more elements.

Table 5

Number of Banner Elements Used by Industry

	Automotive	Business to Business	Consumer Goods	Entertainment	Financial Services	Hardware & Electronics	Retail	Software	Telecommunications	Travel	Web Media
Base:	(54)	(56)	(55)	(50)	(56)	(55)	(53)	(55)	(56)	(51)	(60)
None	26%	7%	16%	4%	21%	11%	25%	18%	21%	16%	8%
1 – Element	11%	14%	9%	12%	5%	5%	15%	13%	9%	2%	13%
2 – Elements	46%	39%	25%	34%	27%	40%	40%	27%	43%	37%	30%
3 – Elements	11%	32%	40%	36%	45%	40%	17%	42%	21%	41%	43%
4 – Elements	6%	7%	9%	14%	2%	4%	4%	0%	5%	4%	5%

SUMMARY AND CONCLUSIONS

Of the banners tested in this study, four specific creative attributes are involved in branding:

Banner Clutter:

Finding: An excessive number of creative elements in a banner reduces its ability to raise brand awareness and limits consumer ability to recall the banner in the future.

Recommendation: Limit the number of elements in a banner. The limited time a banner provides for communicating a message requires that the banner be clear an uncluttered. The number of elements in the banners evaluated range from 1 – 51 with a median of 15. Designers should keep their creative element short and to the point with no more than 15 textual or graphical elements.

Logo Size:

Finding: The size of a logo on a banner positively impacts the perceived clarity of the advertiser's offering.

Recommendation: Use large logos to transmit as clear a message as possible. The logos in the banners evaluated in this study ranged in size from 924 – 14,300 pixels. For 468 X 60 banners, the median logo size is 4,060 pixels - approximately 14 percent of total banner size. To improve the clarity of the message, logos should be larger than 14 percent of the banner size whenever possible.

Banner Size:

> Finding: The size of the banner impacts the perceived clarity of the message as well as consumer desire to learn more about the products and services.
>
> Recommendation: When campaign goals include improving branding metrics use larger format banners.

Presence of Human Face:

> Finding: Banners with a human face increase consumer interest in learning more about the advertised products and services.
>
> Recommendation: The inclusion of a human face may unconsciously connect viewers with the brands being presented. Consider depicting a human face in banners to increase consumer interest.

Frequency:

> Finding: Banners seen with a higher frequency have a greater impact on brand awareness than banners seen with a lower frequency.
>
> Recommendation: A frequency cap may be detrimental to a campaigns ability to build brand awareness. Do not place a frequency cap of one exposure on advertisements. Available frequency data indicates that awareness may reach its peak at five exposures however the number of exposures required is variable dependent on industry and the creative effectiveness.

Some basic changes to the creative development process can have an impact on the ability of a banner to increase the ability of a banner to improve branding.

Suggestions for further research

This study sheds some light on the creative attributes that are related to branding via the Internet. However, the authors recognize that there are some limitations to this research; namely the types of banners at our disposal to evaluate. Variables we would like to have looked at but could not include the presence of interactivity as well as the presence of audio or video in the banner. Additionally, this study does not recognize the impact of media placement or targeting on branding characteristics. Clearly, more work needs to be done in this area before an absolute set of recommendations can be made. We hope that other researchers will join us in this cause.

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