

# XMOS Case Study: All New 2004 Ford F-150: Driving Sales Online

### The Cross Media Optimization Study (XMOS)

The objective of Marketing Evolution's XMOS analysis is to help marketers and their agencies answer the question "What is the optimal mix of advertising vehicles across different media, in terms of frequency, reach and budget allocation, for a given campaign to achieve its marketing goals?" Using methodology designed by the research firm Marketing Evolution and supported by the Advertising Research Foundation and recognized for international research excellence by the European Society for Opinion and Marketing Research (ESOMAR), the XMOS study simultaneously measures online and offline advertising in the same campaign to determine the optimal mix and weight of each medium.

## The Challenge

ales and Branding

Ford Motor Co. launched a new version of its F-150 pickup truck in late 2003, the bestselling vehicle in the U.S. for more than two decades. As described in the companion case study, "All New 2004 F-150: Brand Launch, Ford Tough" this campaign was among the largest advertising launch campaigns ever and a critical event for Ford. CEO, William Ford, Jr. called this launch "the most important launch in the history of Ford."

In early campaigns, Ford was convinced that the Internet could be an important component of advertising launches, and with this campaign Ford wanted to integrate Internet measurement within the overall campaign measurement to better understand how effective the Internet could be at supporting branding impact and actual new vehicle sales and leasing.

#### The Campaign

The launch was advertised extensively in English and Spanish on TV and radio, in print, outdoor and via direct mail. Online, standard ad units (leaderboards, rectangles and skyscrapers) ran across the leading car-related sites (termed "in-market" ads because of the prevalence of consumers in the market for buying a vehicle to use web sites in their shopping research process). The online campaign also featured broad-reach page takeovers on high-traffic areas of major portals, including the home pages and email sections, – a "digital roadblock" created by Ford's agency, J. Walter Thompson, Detroit. These digital roadblocks ran on two key days one month apart. The campaign was Ford's biggest in 50 years and one of the largest (if not the largest) advertising launches in 2003/2004.

#### Methodology

Marketing Evolution took more than four months' of sales data for the All New Ford 2004 F-150, representing more than 30,000 buyers, and merged it with online behavioral data from more than 360,000 members of comScore's panel of web users. This enabled Marketing Evolution to identify and divide panel members who were exposed to the F-150 ads, and those exposed to control ads, and then study their subsequent buying

patterns. Of that total online panel, 128 bought F-150s. Online, respondents were analyzed based on a classic research construct known as "experimental design," where approximately 5% of all those who could have seen the Ford "in-market" ads were instead shown control ads for American Red Cross and those exposed to the digital roadblocks (based on visiting the home page or email sections of America Online, MSN or Yahoo) were compared to those who visited those same pages within the week before or



"We're especially proud of the innovative online creative work involved in the campaign. The online roadblocks literally shook the screen exactly the type of creative reinforcement of "rugged and tough" that the F-150 was after. Online was by far the most cost efficient media and presents a very attractive opportunity going forward." Rich Stoddart, Ford Division,

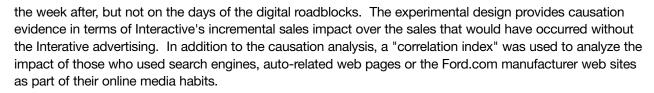
Marketing Communications Manager



Data Collection conducted by:



www.iab.net/xmos



## Results

and Branding

The reach of the online campaign was tremendous: based on the comScore data, 49.6% of all Internet users were exposed to the online ads during the course of the campaign, 39.2% to the portal home-page roadblocks and 8.5% to the ads on car sites, with 1.9% exposed to both.

The online ads had a significant lift on sales. In total, 6% of the sales of the vehicle could be directly attributed to the online ads (without click through) during the period studied. Click-through tracked sales were responsible for a significant number of additional sales beyond the 6%.

The standard ad units on car sites had a slightly higher conversion rate than the roadblock ads, but the roadblock ads achieved a much greater reach and therefore contributed to more sales. The combination of both the in-market online ads and the digital roadblocks worked best in influencing incremental sales.

More significant than the new finding that interactive advertising contributes to substantial sales volume (even without click throughs) is the finding that the return on investment for every dollar spent online was more than double the ROI of any of the offline media.

The research also tracked people who visited car and truck pages on MSN and compared their buying habits to those who did not visit those pages (showing a correlation between the browsing and buying activities, but not a direct causation). Those who visited these pages were roughly twice as likely to buy the F-150 compared to those who did not visit those pages.

The researchers also tracked the use of dozens of related search terms on more than a dozen search sites and search networks. The reach among all Internet users of this search terminology in the period studied was 0.6%, but those who input a tracked search term represented 3% of all buyers of the vehicle and were 4 times more likely to purchase the F-150 as Internet users who did not conduct such a search.

### Implications

This research leaves no doubt as to the effectiveness of the Internet as a vital advertising channel and its role as a research tool when it comes to automotive buying.

The reach of the digital roadblocks was on par with what advertisers are used to in traditional broadcast advertising. Moreover, the striking ROI of the online ads greatly outperformed that of the ads in traditional media outlets, making a strong case for online deserving a larger component of auto campaigns in the future.

As for car buyers conducting their own research online, the researchers found a logical relationship between visiting the car or truck pages and purchasing the F-150: those who also visited the auto web sites were far more likely to purchase. In total, approximately 10% of all buyers of the truck visited MSN's auto section! Marketing Evolution speculates that had it tagged the auto pages of many other auto sites on the Internet, it would have found that a far greater number of all buyers of the vehicle researched the purchase online first.

Online search, meanwhile, appeared to be the ultimate opt-in and had the strongest correlation to sales of any of the online elements analyzed. It is also the smallest reach, however, so it should be viewed as a critical complement to the online and offline advertising elements, but it is not a substitute for reach-based advertising by itself.