

XMOS Case Study: *ING: Introduction to the U.S. Market*

The Cross Media Optimization Study (XMOS)

The objective of the XMOS study 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 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 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

ING, a Dutch financial services organization, was launching its entire brand presence into the U.S. market. The brand challenge was all-inclusive: establishing basic brand familiarity was the campaign's primary objective, along with purchase consideration and general brand attributes as secondary objectives.

The Campaign

The campaign ran for six months and included ads on television, magazines and online. The budgetary proportions of the campaign were 68% for television, 17% for magazines and 15% for online.

Methodology

Marketing Evolution surveyed a random cross section of ING’s target audience. This included respondents that had an opportunity to see TV, magazine and online ads in proportion to the reach of each media. In addition, an over-sample of online respondents was included to provide additional analysis of Online advertising effect. These respondents were surveyed before, during and after the campaign (a so-called “continuous tracking” study) to measure increases to brand perceptions in relationship to the TV, magazine and online ads. As for the online over-sample, respondents were surveyed in two groups: those exposed to the ad online (tracked via cookies) and a non-exposed group, which was recruited via a non-ING ad. Due to limitations in the data collection partner, Marketing Evolution was not able to perform the true experimental design, which is part of the standard XMOS approach. Marketing Evolution applied their proprietary decontamination procedure to match exposed and non-exposed respondents thus bringing the analysis close to a true experimental design.



“This research enabled ING to bring our marketing team together and take a closer look at how we intended to allocate funds for the next big marketing push.”

“As a leading financial services organization, we need to be acutely aware of whether our messages are being delivered to our valued customers in the most efficient and effective means possible, and XMOS helps us achieve this critical business goal.”

Tom Lynch, Head of Online Marketing, ING

Results

The most important finding of the study is that the allocation of the budgets for the respective media in the campaign was, in fact, optimal for achieving the campaign's various objectives. Moreover, the mix of media itself was more effective than the ads in any single medium would have been by themselves. The 15% share of budget that ING assigned to interactive demonstrated itself to be ideal in this campaign.

Marketing Evolution created an index to measure Return on Marketing Objective (ROMO) that looked at the relative effectiveness of ads in each medium alone and the three media working together. Using this cost-effectiveness measure, the respondents who showed the greatest increase in brand awareness and consideration for the best price were those who saw the ads in all three media.

In the case of the principal objective of the campaign, raising brand familiarity, the combination of magazine ads and online ads was slightly more cost effective than all three media in combination. TV alone, by comparison, was more than twice as expensive as the results for people who saw the ads in all three media together. For impacting purchase consideration and conveying the brand message that ING "shows fresh thinking," the study found the combination of ads from all three media was by far the most cost effective compared to the results from ads in any one medium alone.

In terms of frequency online, four exposures of the ad was the most cost effective for achieving familiarity and purchase consideration.

Implications

For some campaigns, one medium demonstrates itself to be the most cost effective. In this case, the combination of the three media was ideal for achieving the goals of the campaign. Fifteen percent of the budget was ideal for the interactive component in this case.

The one way that the online component of the campaign could have been improved would have been to limit frequency, which averaged higher than the optimal four exposures. The campaign could have been more successful with a lower frequency cap, shifting that same budget instead to double or triple the reach.