

**XMOS Case Study: Universal: Release of E.T. on DVD**

**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**

Universal Studios released the DVD version of its classic movie "E.T. the Extra-Terrestrial." The objective of the campaign was to present the film as one of the most beloved movies of all time while communicating that the DVD featured all-new, never seen before footage and enhanced visual effects. The most important measure of the campaign's success would be purchase interest generated. The target audience was 25 to 49 year olds.

**The Campaign**

TV was the cornerstone of the campaign, accounting for 94% of the budget. Roughly 6% of the budget was spent on banner ads and less than 1% of the budget was spent on rich-media ads which floated animations on top of web pages, a so-called "overlay" technique.

**Methodology**

Marketing Evolution surveyed a cross section of consumers within the Universal target audience over time to gauge changes in key branding metrics (a so-called "continuous-tracking" study). TV viewers who had an opportunity to see the ads, as well as those who were exposed to the ads online were analyzed in the XMOS study. TV viewers were surveyed before, during and after the campaign ran to measure the increase the campaign had on the perceptions of the audience who had the opportunity to see it. Online advertising was measured based on an exposed / not exposed method rather than Marketing Evolution's preferred classic experimental design (due to limitations of the data collection partner used for this study). Marketing Evolution has developed a proprietary technique for decontaminating "exposed / not exposed" sampling to achieve similar cell blocking as in a classic research construct known as "experimental design\*"



## Results

The most striking finding of this study was the effectiveness of the rich media component of the campaign. Although rich media was a small part of the budget, its results were dramatic, especially for the audience segment that was exposed to it in combination with TV and banner ads.

For example, of those exposed only to the TV ad 19.9% said they would definitely or probably buy the DVD, compared to 22.7% who also saw a banner ad, and 25.4% who saw the TV and the rich-media overlay. Likewise, key brand messages were also much better remembered by those who had an opportunity to see the rich media ads; for example, those who understood that the DVD included never-before-seen footage was 39.4% among TV ad viewers, compared to 43.5% of TV + banner viewers compared to 48.1% of those who had an opportunity to see TV ads plus the rich-media overlay.

Generally, online was also effective in reaching the portion of the audience that watches little or no TV. For this campaign, online could reach 54% of the total target audience, but the campaign budgets to reach only 10% of the audience online.

## Implications

On the basis of the return on marketing objective, the rich-media overlay ads were by far the most cost effective, even though they had a higher CPM price than both the banner ads and the TV ads.

Based on this analysis, Marketing Evolution concluded that Universal may have achieved the best results by allocating budget to reach 25% of the target audience through the rich-media overlay ads, 2% of the audience through banner ads and 72% by TV. This revised reach target should have increased purchase intent by two points and awareness of the new release by 12 points without any additional budget spending.

\* The Advertising Research Foundation (ARF) has reviewed Marketing Evolution's approach to de-contamination and signed off on the validity of the approach.