

Study shows how to open wallets of websurfing TV watchers

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A growing fear among television advertisers is that distracted viewers – those multitaskers using smartphones, laptops and tablets while watching TV – are becoming less susceptible to advertisers' messages.

Or are they? Can a compelling television commercial lead corner-of-theeye viewers to make online purchases?

Results of a new study – by researchers at Cornell, Harvard and the University of California, San Diego – should reassure the advertising industry. And findings could provide guidance for how to effectively reach multitasking viewers.

"We found a significant number of multitaskers being prompted by TV ads – then searching or going directly to the product's website, frequently before the TV show resumed," reports Jura Liaukonyte, the Dake Family Assistant Professor in Cornell's Dyson School of Applied Economics and Management.

The research team analyzed \$3.4 billion worth of TV commercials — with bleary-eyed research assistants screening 1,272 different ads to classify their content into categories like "action-focus" and "emotion-focus" — as well as online visits by 100,000 Web surfers to 20 websites during commercial breaks. They were trying to learn how different types of "first screen" ads elicited varied patterns of online activity.

"The so-called second screen – the one on your phone or computer – is



feared by television advertisers," Liaukonyte says. "They think the second screen is distracting TV viewers and thereby decreasing the effectiveness of <u>television advertising</u>."

However, there's an upside to "second screening," the researchers conclude: Smartphone and tablet proliferation puts a virtual store in the hands of every consumer. Multitasking viewers can now respond online to price promotions and other information communicated through TV ads.

With numerous multitaskers visiting a product's website during or after a TV ad and subsequently making a purchase, the larger first screen now has a growing network of second-screen shoppers.

"We intuitively expected ads that flash URLs [for a product or service] to build online traffic from multitaskers," says Liaukonyte, "and indeed they did."

The researchers were surprised to learn how effective emotional ads can be. Evidently, when ads tug the heartstrings they can loosen purse strings.

Buried in all that data and analyses were more surprises: Ads using lots of emotional or informative arguments produce two seemingly contradictory effects – They actually reduce traffic to the website while simultaneously increasing "conversions" (decisions to purchase) by second screeners who do visit.

Information-rich ads help to resolve "consumer uncertainty" about whether the advertised product matches their preferences, the research team believes, and that makes consumers' online searches more efficient.

The study tracked traffic to dating sites like eHarmony and Match.com;



to retailers, including Amazon, JC Penney and Victoria's Secret; telecom companies AT&T, Sprint and Verizon; travel sites Expedia, Orbitz, Priceline and Southwest; and a trio of pizza chains.

TV advertising datasets came from the monitoring service Kantar Media; comScore provided online shopping data for 100,000 households. Combined with content-coding details from the commercial watchers, nothing like this big-data mash-up has ever been attempted before, the researchers note, and it took three years to complete.

Liaukonyte worked with Thales Teixeira of Harvard Business School and Kenneth C. Wilbur at UCSD's Rady School of Management. Their report, "Television Advertising and Online Shopping," is set for publication in the journal *Marketing Science*.

Domino's secret is Victoria's, too

Nielsen survey data reveals that about 60 percent of smartphone and tablet users check email while watching TV. About 46 percent surf for unrelated information during programs and commercials. Of increasing interest to advertisers is this Nielsen finding: Nineteen percent of tablet and smartphone users look up product info when an ad airs, and 13 percent look up coupons or deals related to ads they watch.

For the Cornell-Harvard-UCSD project, nearly 1,300 TV ads were screened by research assistants then categorized by content type:

- "Action-focus" ads urge TV viewers to go online, often with a URL or a "limited time offer."
- "Information-focus" ads mention a specific product and the price.
- "Emotion-focus" ads aim to give viewers a warm feeling about the brand, sometimes with a story arc and appealing characters.



• "Imagery-focus" ads provide sensory stimulation, like cool visuals, arousing music or mouth-watering scenes of food.

Almost any kind of ad by local-delivery pizza chains got a 50 percent "conversion rate" at mealtime; nearly half the multitaskers Googling pizza places paid to have a pie delivered.

When Liaukonyte presented the research to Harry Kaiser's 11:40 a.m. advertising class, she disclosed one thing to Cornell students: "When my male co-authors give this presentation, they show Victoria's Secret videos. I will show you, as examples, some telecom <u>ads</u>."

Lecture hall multitaskers, meanwhile, were Googling whatever they desired ... presumably pizza.

More information: The paper is available online:

www.hbs.edu/faculty/Publication

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