

Establishing Value

a review of Microsoft Advertising Trade Marketing Research



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Microsoft Advertising Research

- Measure the value of advertising investments
- Maximize impact of digital media

Principles we apply to our research practice

The background of the slide features a light blue, semi-transparent graphic of several stylized human figures. These figures are arranged in a group, with some appearing to be in conversation or collaboration. The overall aesthetic is clean and professional, with a focus on human interaction and teamwork.

- **Test & learn** to help clients and ourselves navigate the evolving communications landscape
- **Identify best-of-breed** research partners and solutions for today's marketplace.
- **Partner for the journey**, as well as the destination

Areas of Research We Pursue



Many channels, many potential brand contacts



A network of many choices ...



... a unique challenge for Microsoft

**Understanding
targets' media
lifestyles**

**Determining
how channels
can best serve
brand comm
needs**

**Digital
Lifestyles**

**Optimization of
Messaging &
Positioning**

**Post-evaluation &
stewardship**

**Best
Practices**

**Understanding
targets' media
lifestyles**

**Determining
how channels
can best serve
brand comm
needs**

**Marketing Mix Analyses
Channel Connect
*other qualitative approaches***

Best
Practices

Post-evaluation &
stewardship

Optimization of
Messaging &
Positioning

Marketing Mix Analyses

(ROI)

- Demand large datasets with enough variability to tease out individual media effects
- Has limits in accounting for small media /vehicles/special events
- Cannot be used to project ROI on yet untried strategies, i.e., media vehicles yet to be used
- Usually treats digital ad investments as a single entity

Measuring cross-media brand effects

Metrics	National TV	Spot TV	Spot Radio	Spot Radio + Spot TV	Online	Online (among entire pop.)	Email	Direct Mail
Unaided Awareness	NS	NS	NS	NS	10%	3%	NS	(7%)
Total Awareness	NS	NS	6%	NS	19%	6%	1%	2%
Past Purchase Behavior	NS	(4%)	NS	3%	3%	1%	(4%)	NS
Purchase Intent (retailer) Top Box	NS	(3%)	3%	NS	2%	1%	(3%)	NS
Purchase Intent (retailer) Top Two Box	NS	NS	NS	NS	7%	2%	(5%)	NS
Ad Recall	NS	5%	4%	NS	2%	1%	7%	(8%)
Average Brand Image	NS	NS	NS	NS	8%	3%	NS	NS

Sample: Adults 30-54 | Sample Size: Pre-289 Post-1048

Media Contacts Audit


- Overcomes some of the limitations with marketing mix analyses
- Heavily dependent on data analysis system – somewhat of a black box
- Requires regular “re-calibration”

Channel Connect Touchpoints


*other qualitative
approaches*

- Doesn't measure ROI
- Relates channels to various points of brand engagement
- Heavily dependent on the insights of researcher
- Can uncover nuances of brand and media engagements

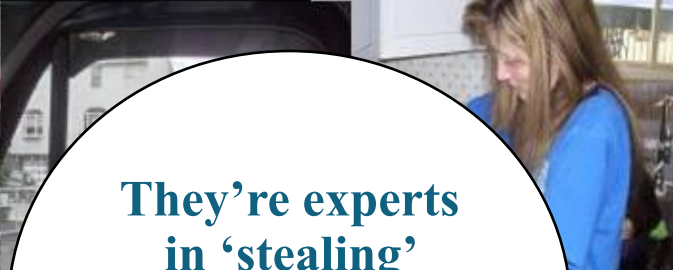
Lifestyle of Digitally Savvy Consumers



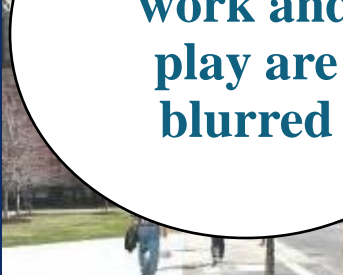
**Lines between
work and
play are
blurred**



**Expectation of
everything
being readily
available**



**They're experts
in 'stealing'
moments for
themselves
during the day...**

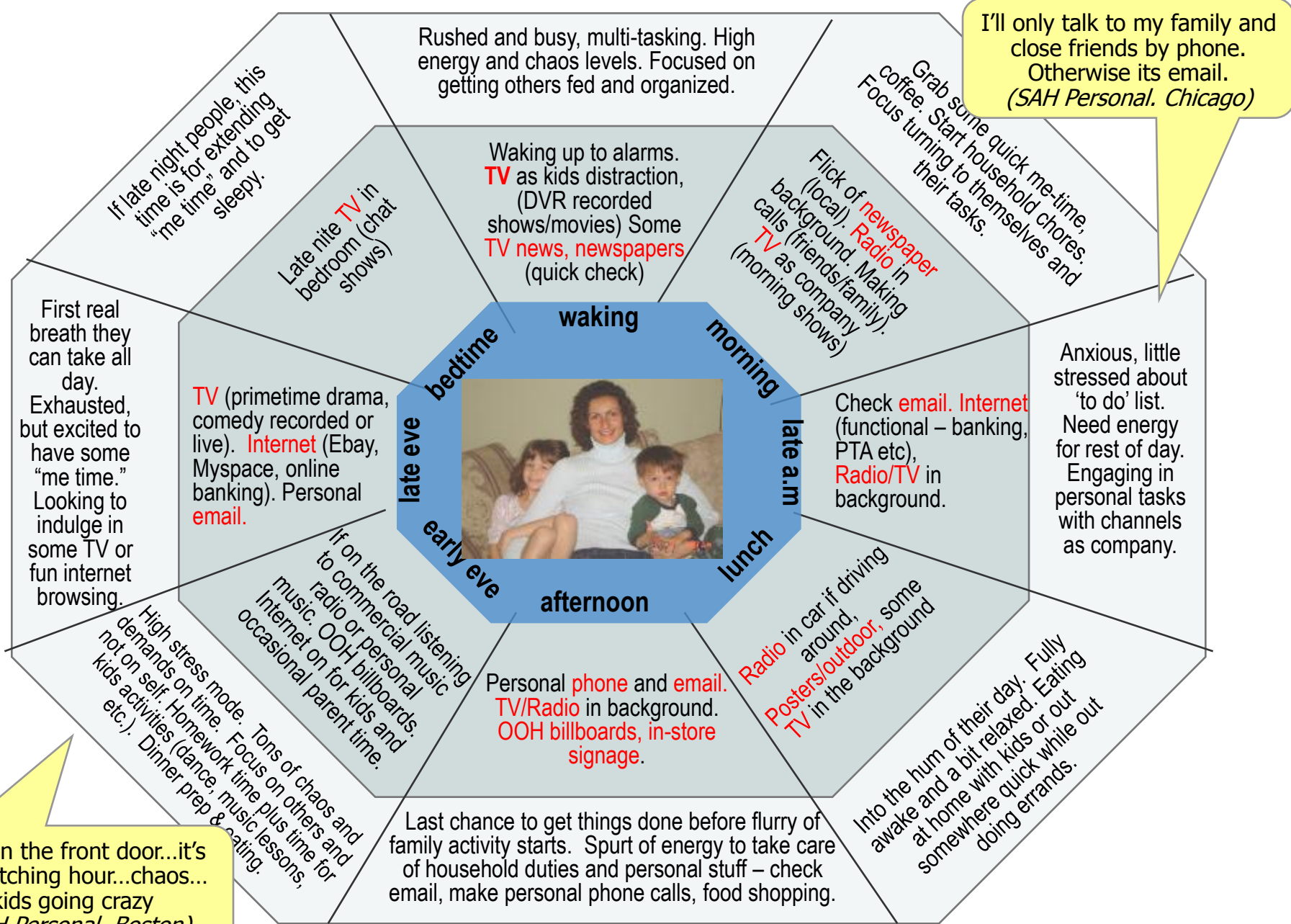


**Both young and
old "navigate their
networks"
through a
multitude of
routes**



**...Little time to
pursue interests
and relationships
so technology
offers them
opportunities to
connect**

ENTHUSED PERSONALS (PARENTS): Channel Engagement and Mindsets



Channels Clustered by Needstate: Key Functions

Indulgence / Me-time

Reading in bed
Prime Time TV
 Cinema
 Gossip Magazines (US, People)
 Shopping online and in stores (Ebay, Malls)
 Reality TV Shows

Newspaper—weekends only
 DVDs
DVR/tivo
 Online gaming or Fantasy Leagues (party poker, mah jong, Fantasy Football)

Recuperating, getting sense of self back

Productivity/Efficiency

Morning or evening radio
 Internet Errands – banking, bookings etc
 Cell phone
 Blackberry
 DVR/tivo
 Own music
 Texting

Facilitating tasks, sustaining momentum

Diversion / Escape

Silly clips (email or downloads)
 Quick Hit Internet (trade press, gossip, weather, travel offers)
 Outdoor/Transit ads
 Car radio
 Magazines
 Music downloads
 Commuter Press (Red Eye)
 Sport scores on ESPN.com

IM

Providing quick reprieve or light relief / treat

Wind down/ decompress

Familiar/Re-run TV comedies / sitcoms
 Go through mail
 Primetime news
 Internet—surfing (shopping, news stories, googling topics of interest)
 Phone calls to friends and family

Transitional, helping change gears

Social Connection/Bonding

Going to sports event or live music shows
Some chat at work – coffee breaks, at the printer
 TV Movies / DVDs
 Email
 Blogs, chats, MySpace
 Phone calls with alpha friends and family

Keeping relationships alive and feeding them

Hooking in / Staying in touch

Morning TV “talk shows”
 Sports on TV
 Talk radio (AM sports, news)
 Checking sport scores on ESPN.com
 Internet Portal sites e.g. Yahoo, MSN
 Major newspapers—weekends mostly. Every day for Empty Nesters.
 Gossip and entertainment websites
 TV Primetime News and Internet News (CNN.com)

Plugging into and keeping up with your world

Lovers of Luxury Study

Beneath the different behaviors and attitudes is a consistent set of benefits more often than not associated with luxury goods

Rational

- Heritage, expertise, rep
- Quality of design
- Quality of materials
- Quality of manufacturing
- Quality of experience/service

Emotional

- Success
- Confidence
- Wealth
- Elitism
- Desirability
- Indulgence
- Pleasure
- Reward

A Luxury Brand Engagement Model

Awareness

Ownership

Admiration

a luxury brand

Exploration

Purchase

Consideration

Lovers of Luxury

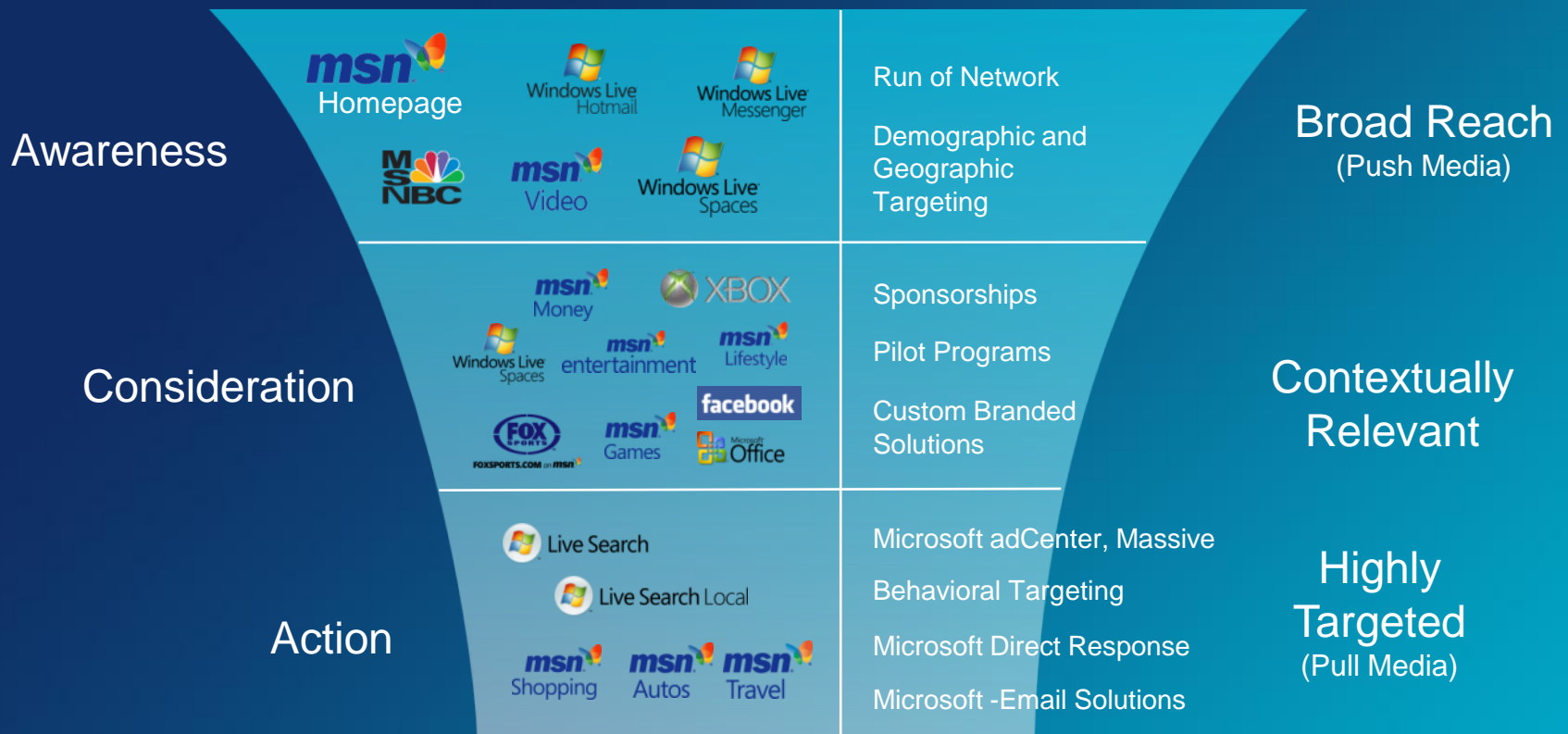
MDAS Luxury Brand Solutions

	Display Ads	Search	E-mail	Instant Messaging	Social Networks	Custom Solutions	Desktop
AWARENESS	Targeting first; then environment	Sponsored links: text + video	B2C: Newsletters C2C: Sharing, WOM	C2C: Sharing, WOM BOTs	C2C: Sharing, WOM	Microsite(s)	Gadgets, Productivity software* RSS feeds: news, events, launches, sales, etc
ADMIRATION	Video	Sponsored links: video	C2C: Sharing	C2C: Sharing ads	Sponsored destinations	Microsite(s)	Screensavers/ wallpaper
EXPLORATION	Link to content, e.g. Fashion week	Sponsored links: text + video	B2C: Newsletters C2C: Sharing, WOM	C2C: Sharing, WOM BOTs	Sponsored destinations	Microsite(s)	Gadgets
CONSIDERATION		Sponsored links	B2C: Newsletters C2C: Sharing, WOM My Gift Wish List	BOTs C2C: Sharing, WOM My Gift Wish List	C2C: Sharing, WOM My Gift Wish List	Microsite(s)	
PURCHASE		Sponsored links					
OWNERSHIP	Downloadable/ shareable		B2C: Exclusive newsletters UGC	UGC	UGC	Personalised content	Gadgets Screensavers/ wallpaper

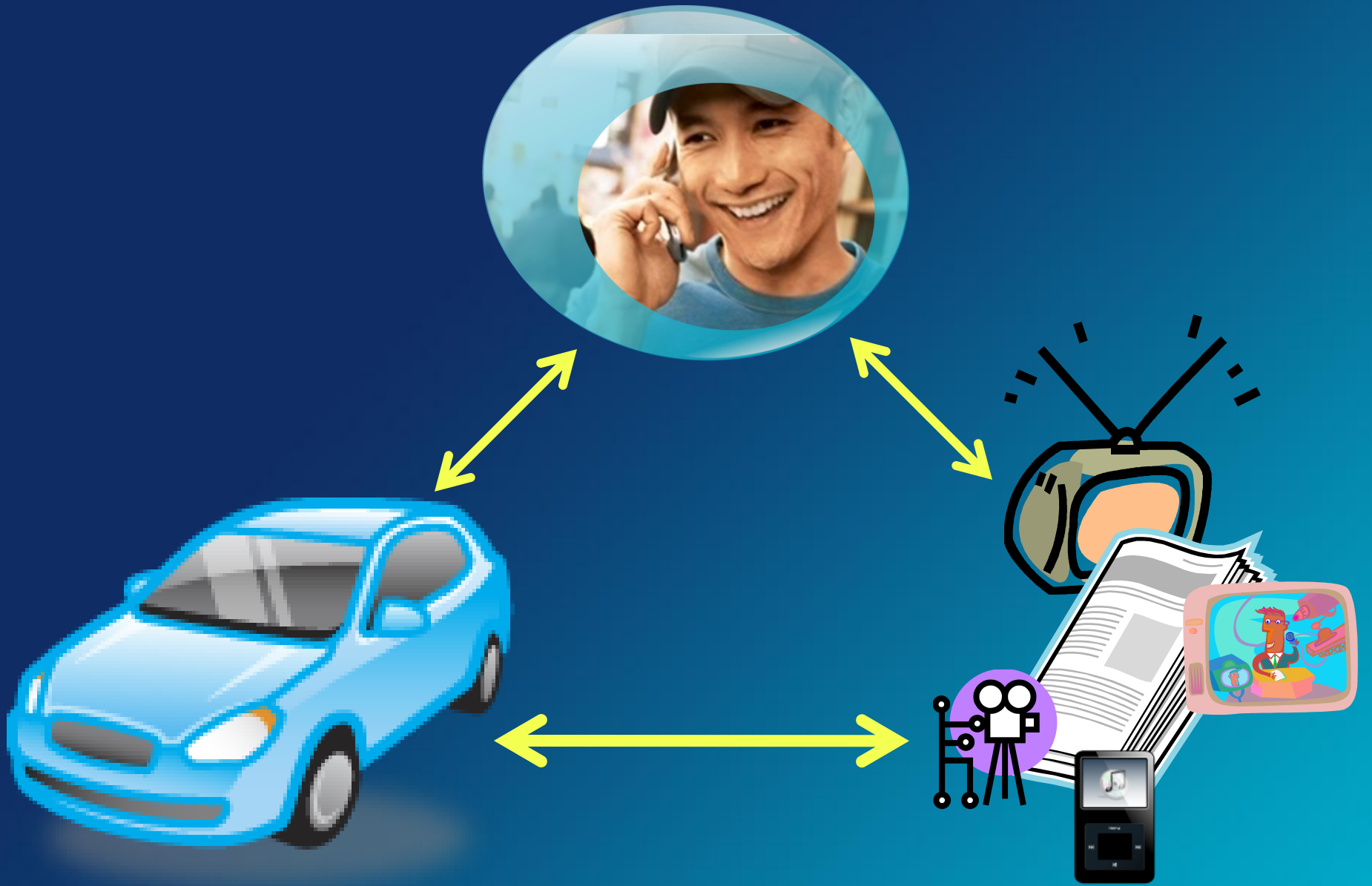
*Office Live, Works

Microsoft Advertising Touchpoints

121 million U.S. customers



Source: comScore Media Metrix, March 2008



Best World

Qualitative

+

Quantitative

Navigating through a Fragmented World

9:00PM



XBOX LIVE

6:00AM



zune

7:00PM



Media Center

7:00AM



Microsoft TV
IPTV Edition

5:00PM



Windows Live Mobile



9:00AM



Microsoft Office Live

2:00PM



Windows Live

12:00PM



msn