

HP's Innovative Approach to Cross-Media Marketing and Measurement



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Doug Vaughan
SVP Worldwide Marketing
HP IPG



i n v e n t

ABOUT HP

HP is among the world's leading technology companies. Operating in 170 countries, HP explores how technology and services can help people and companies address their problems and challenges, and realize their possibilities, aspirations and dreams. HP's Imaging and Printing Group is an industry leader in business and personal inkjet, LaserJet, photo, commercial and multifunction printing solutions and supplies, as well as digital photography and home entertainment.

Heading into the 2006 holiday shopping season, HP's Imaging & Printing Group (IPG) wanted to generate awareness for its consumer line of home printers, digital cameras, and ink and toner cartridges. Additionally, the company wanted to remind people how easy it is to print calendars, greeting cards, and family photos using HP's online Activity Center and Snapfish photo services.

HP's research showed that consumers are spending more time online and expect to connect with products and services in more interactive ways. At the same time, one of HP's challenges – one common to most major companies – is measuring marketing effectiveness in a new, more complex communications landscape. To help address both opportunities and challenges, IPG Executive Vice President Vyomesh (VJ) Joshi encouraged his marketing team to develop and launch several digital, integrated marketing programs with Google. The goal was to respond to consumers' needs, while developing benchmarks that better incorporate the online dimension and produce additional marketing insights for IPG.

A joint team with members from HP's advertising and web marketing groups, Google's account and metrics team, and HP's agency partners created and launched a series of integrated holiday campaigns using search ads, display ads, and click-to-play video ads on sites matching the major target customer profiles. During each week of the eight-week campaign, the team met to integrate and analyze data from ad serving and management systems, HP's website, and HP's online store. They then adjusted the programs in real-time to maximize marketing effectiveness.¹

The HP-Google team also developed a new type of dashboard to track overall program effectiveness in an integrated way. The dashboard combined activity data from search, online display advertising, video advertising, HP's website and HP's online store into a single view. The dashboard reflected aggregate, composite levels of awareness, engagement, consideration, and purchase intent.

To create these aggregate, composite measures, the team mapped and weighted metrics from each measurement silo to each stage of the customer lifecycle. These metrics were tracked and tabulated week over week for each major product category (see appendix). The dashboard simplified program optimization and reporting, and will act as a framework for developing integrated measurement programs for HP's Imaging and Printing Group moving forward.

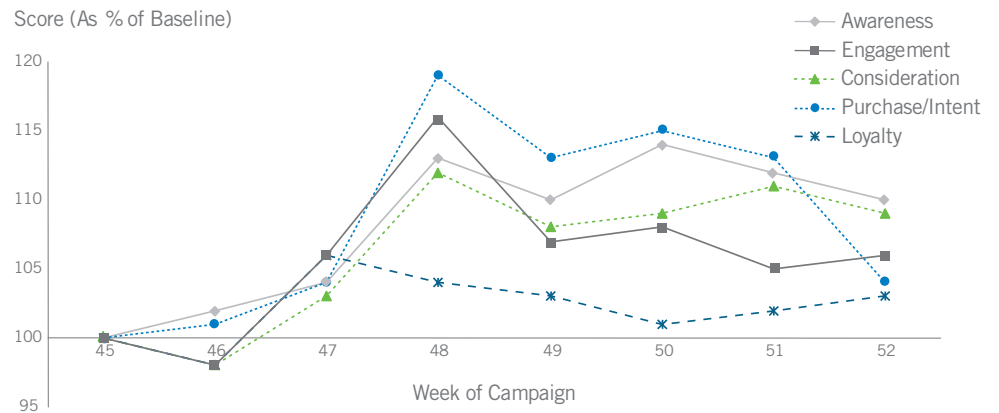
“This is a huge step forward in how we communicate with our customers and how we’re measuring our marketing effectiveness,” said Doug Vaughan, IPG Senior Vice President, Worldwide Marketing. “This is the first step in HP's efforts to transform the way we do marketing for the Web 2.0 world.”

1 Note that these programs were optimized using aggregate customer behavior, not individual customer data. Both HP and Google believe that respecting customer privacy is a top priority. Programs can be optimized by developing targeted channels, testing ads in those channels, measuring aggregate response data by channel, and modifying the mix, without using individual-level data.

“To measure and optimize in this environment, new approaches have to be developed and tested.”

Tim Armstrong
President, Ads & Commerce
Google

Dashboard: Integrating Activity and Response Metrics



Graph above is for illustrative purposes only. Not based on real data.

“HP is a thought leader that actively seeks more effective cross-media marketing programs and measurement strategies,” says Google’s Tim Armstrong, President of Advertising and Commerce, North America. “They recognize that consumers live in a complex world where multiple media affect their purchase consideration set and they do not shop within a single channel. To measure and optimize in this environment, new approaches have to be developed and tested. We see interesting innovations like this integrated dashboard emerging from strong partnerships among clients, agencies, and Google.”

Results and Insights

In addition to the new dashboard concept based on week-to-week data, a supplemental ad effectiveness measurement program was developed in partnership with comScore. This anonymous, panel-based methodology combines behavioral and attitudinal data to measure the effectiveness of display ad exposure.

The comScore data showed the following results of the HP-Google holiday campaign:

- A total of 12.7 million visits to HP properties.
- Aided awareness of HP photo printers rose 10 percent. In the target demographic target, aided awareness rose 17 percent.
- Among those who intend to buy a photo printer in the next 12 months, consideration of HP-branded photo printers incurred a 43 percent lift.
- In terms of behavioral impact of the campaign, those exposed to the display ads conducted 51 percent more searches on terms such as “HP printer” and “HP camera,” and clicked on 59 percent more search listings that took them to HP web pages.
- Although the majority of HP’s sales typically occur in a retail environment, these programs also had a positive effect on online purchase activity.



“In the past, we spent all the time, money, and energy upfront getting ready to launch a marketing program. It was exciting to see a new ad show up in a magazine or a commercial appear on television for the first time, said IPG Director of Global Interactive Marketing, Daina Middleton. “Then we moved on to the next program, never really knowing the market impact of program or, if we did, it wasn’t until months later.”

ABOUT GOOGLE

Google helps businesses succeed by connecting them with target audiences in relevant, efficient and measurable ways. With Google AdWords, businesses can engage customers at the precise moment they are seeking information, products or services. Through partnerships with thousands of online publishers, Google enables relevant connections with precise targeting controls and a range of creative formats across text, image, and video. Google Analytics and Website Optimizer makes it easy to measure and improve results.

For more information, please contact your Google representative or visit <http://adwords.google.com>

HP is keen to employ interactive marketing tracking techniques that identify broad insights highlighting potential market opportunities. A few examples of trends identified in this program include:

- The Hispanic-targeted campaign generated very high levels of engagement, suggesting that further targeted marketing activity aimed at that segment should be fruitful. It also suggested that Hispanic segments are more likely to purchase offline than online, so direct ROI expectations should be set accordingly.
- Interaction rates with one creative type were significantly higher than with others and produced significantly higher sell-through activity. For now, the details of the creative types are being kept internal. HP plans to develop additional creative using these formats since customers find it highly engaging, useful, and relevant.

The dashboard enabled HP to track customer behavior both pre- and post-holiday, revealing post-holiday opportunities that had not been considered previously because most programs have been focused on Christmas purchases.

Steps to Building the Dashboard

Developing the integrated dashboard required significant coordination, internal education, and several iterations. HP followed these steps:

1. Familiarize key stakeholders the marketing analytics, advertising, and agency teams with the concept; discuss the benefits and costs, and designate the core team.
2. Map each data source to the proper stage in the buying process and determine the relevant metrics from each data source.
3. Secure timely source data for each dashboard element. This step can be challenging because the data lives in multiple silos and formats, and is often reported on varying schedules.
4. Develop weightings for each metric and calibrate scores for each important stage of the customer experience or buying process (e.g., engagement, consideration, purchase intent, usage/loyalty) using a combination of testing and considered judgment.
5. Establish a baseline for each composite metric over time.
6. Analyze dashboard for key insights, trends, and spikes that can be correlated to marketing activities, PR, seasonality, or competitor activity.

Despite being designed for an integrated online campaign, the dashboard exposed the need to develop more comprehensive scorecards to track the effectiveness of both online and offline activities. This became especially clear when the team observed significant spikes in the dashboard that coincided with major offline marketing activities during the same campaign timeframe.

HP will continue to take this innovative approach in measuring the effectiveness of both online and offline marketing activities moving forward. "Insight is the key to competitive differentiation in the marketplace," Middleton emphasized. "This is how we will meet customers growing demands."

Appendix

Planning the Dashboard

	Product Website	Shopping Pages	Search	Online Ads	Offline & Other Metrics
Awareness			Search impressions	Impressions/R&F	Impressions/R&F Stated awareness
Engagement	Product Visits	Product page visits	Visits to product pages	Visits to product pages	
Consideration	Revisits to product pages Newsletter registrations	Revisits to product pages	“Shopping” queries specific to particular products		Stated consideration
Purchase Intent		Adds to cart/wish list Product phases	“Buying” queries specific to particular products		Sales volume Stated purchase intent
Loyalty/Repurchase	Visits to activity center				Stated preference/willingness to recommend

Additional columns can be added for any areas of measurable marketing activity. Table above is for illustrative purposes only. Not based on real data.

Metrics Are Weighed and Summed Across Silos

	Product Website	Shopping Pages	Search	Online Ads	Weekly Total/Index (vs. 12 week avg.)
Awareness			Search impressions in positions 1 - 3 = 8	Ad unit impressions = 1	751,752 127%
Engagement	Product page visits = 1	Product page visits = 1	Clickthrough = 2	Clickthrough = 2 Interaction with rich ad unit = 2	54,728 174%
Consideration	Download detailed product information = 1	Clicks on “configure a product” links = 5	“Shopping” queries specific to particular products = 3		15,212 144%
Purchase Intent		Adds to cart/wish list = 2 Product purchases = 10	“Buying” queries specific to particular products = 1		5,219 139%

Weightings can be changed based on product category, campaign creative, and your judgment. Table above is for illustrative purposes only. Not based on real data.

