

2014 Oklahoma Tourism Commercial (:60 Seconds)



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2014 Spring Campaign

Testing Digital Advertising vs. Traditional Media

Campaign wrap-up report including metrics and analysis for the media experiments conducted April 24, 2014 to May 20, 2014 in 21 DMAs across the nation.



2014 Spring Campaign

Testing Digital Advertising vs. Traditional Media

Executive Summary

From April 24-May 20, 2014 we conducted our second springtime test of digital media versus traditional media. The traditional media campaign consisted of TV commercials from the “Come See For Yourself” campaign featuring the Oklahoma! song aired on broadcast channels.

The digital media campaign consisted of the same video spots delivered via YouTube in-stream ads along with digital display ads delivered via the Google Display Network utilizing geo-targeting, demographic targeting and remarketing methodologies.

The budget for TV advertising was \$440,955.35 and covered a total of eight DMAs with combined market size of 7,870,550. The total budget for digital advertising in the target DMAs was \$453,227.48 and covered fifteen DMAs with combined market size of 48,730,000.

The digital display ad component delivered over 89.5 million ad impressions and 288,267 clicks at an average cost per click of \$0.71. We pay nothing for display ad impressions and pay only when they are clicked. The digital video ad component delivered over 17.8 million video ad impressions and over 2.9 million completed views at an average cost per view of \$0.10. If a user skips the ad after 5 seconds, we pay nothing for the impression. We pay only for ads that are viewed for at least 30 seconds. The video ads delivered 158,347 click-throughs to TravelOK.com at an average cost per click was \$1.85.

Conclusion



For two years in a row, digital advertising has significantly outperformed traditional advertising in a variety of markets in every way measurable – higher growth rates, more visitors delivered to the site, larger markets reached, more brochure orders and a lower cost per response.

We’ve demonstrated that we can reach brand new markets with digital only, that we can grow usage in existing markets more efficiently with digital than traditional media and that usage will suffer when digital advertising is removed, even if TV advertising is in place. In the fall of 2013, we also demonstrated that we can run a stand-alone digital campaign and have exceptional results.

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Using data from the 2013 test, we are now able to conduct a wide variety of analyses and comparisons and draw several conclusions.

In both spring campaign experiments tried over the last two years, digital media has driven far more traffic, generated greater percentage increases in traffic by DMA year-over-year and had a smaller cost per response. Below are more key findings from this year's campaign.

- Six DMA markets were exposed to only TV advertising. These markets were Amarillo, Wichita, Little Rock-Pine Bluff, Joplin, Austin and Springfield. The estimated combined market size was 6,830,550. These markets delivered 13,633 fewer visit sessions than they did during the same date range last year.
- Two DMA markets, Tyler-Longview, TX and Waco-Temple-Bryan, TX, were exposed to both TV and digital advertising. The estimated combined market size was 1,040,000. Both of these markets are new to our testing and have not received any targeted advertising in recent years. These markets delivered 2,465 more visit sessions this year than last year.
- Thirteen DMA markets were exposed to only digital advertising. These included: Dallas-Ft. Worth, New York, Los Angeles, Chicago, San Francisco-Oakland-San Jose, Seattle-Tacoma, Houston, San Diego, St. Louis, Nashville, San Antonio, Sacramento-Stockton-Modesto and Des Moines-Ames. The estimated combined market size was 47,690,000. These markets delivered 138,997 extra visit sessions compared to the same date range last year.
- The budget for TV advertising was \$440,955.35 and covered a total of eight DMAs with combined market size of 7,870,550. It is not possible to calculate a cost per response for added TravelOK.com users since traffic actually decreased in all of the markets that were exposed only to TV advertising. Technically, there was a negative response to the campaign in these markets.
- The total budget for digital advertising in the target DMAs was \$453,227.48 and covered fifteen DMAs with combined market size of 48,730,000. Looking at the raw number of users on the site from DMAs that received digital advertising, the cost per response for digital markets was \$1.08. If we are more conservative and look at the cost for each additional user in these markets over and above last year, the CPR was \$3.26.
- Markets exposed to both TV and digital advertising were up 46.8% overall this year over last year.
- Markets exposed to TV advertising only were down 41.1% this year compared to last year.
- Markets exposed to only digital advertising were up 49.3% overall compared to last year.
- Control group markets were up 16.2% overall this year over last year. These markets received neither digital nor TV advertising.

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- Austin received digital advertising last year, but only TV advertising this year and ended up down 61.6%.
- Dallas received TV advertising last year, but only digital advertising this year and was up 204.6%.
- Markets that were both TV and digital last year, but were TV only this year (Amarillo, Wichita and Springfield) were down 39.1% this year.
- During the campaign period, digital referral sources accounted for 63% of all brochure orders.
- Overall, the DMAs exposed to our spring campaign placed 95% more brochure orders this year during the campaign period than last year.
- The markets exposed to only digital advertising accounted for 81% of the brochure orders in our campaign DMAs. TV markets accounted for 15% and markets receiving both digital and TV advertising accounted for 4% of the brochure orders for our campaign DMAs.
- Only three of our campaign DMAs had fewer brochure orders this year than last year and they were all markets being exposed only to TV advertising (Wichita, Springfield and Little Rock). Wichita and Springfield received digital advertising and TV advertising combined last year.
- The size of the markets being reached by digital only provides substantial growth potential for OTRD. In fact, the traffic generated by the markets that were only exposed to digital advertising this year accounted for 51% of TravelOK.com's total traffic during the campaign period. The control group accounted for another 46% of the traffic while TV-only markets accounted for only 2% and the markets receiving both TV and digital advertising accounted for less than 1%.

Campaign Basics

From April 24-May 20, 2014 we conducted our second springtime test of digital media versus traditional media. The traditional media campaign consisted of two :60-second spots and two :30-second spots with a continuation of the “Come See For Yourself” campaign featuring the Oklahoma! song aired on broadcast channels.

The digital media campaign consisted of the same :60- and :30-second spots delivered via YouTube in-stream ads along with digital display ads delivered via the Google Display Network utilizing geo-targeting, demographic targeting and remarketing methodologies. The video ads featured a call-to-action overlay that I added including the image of our Travel Guide cover and offer of a free Travel Guide with a link. The video ads also serve with an accompanying free companion banner that displays next to the video player on the YouTube site. Digital media display ad themes included the Travel Guide, free Route 66 guide, top things to do in OKC and Tulsa, ten most beautiful places in Oklahoma, 50 free things to do in Oklahoma, the free Indian Country Guide, state parks, watchable wildlife, camping and hiking. A variety of ad sizes and designs was used for each of these themes and A/B testing narrowed the field of possible ads to those that performed best. Paid search was allowed to run nationwide, except for in the markets identified as traditional media markets for the test period.

Once a user visited our site, they were cookie'd and then subject to remarketing ads for the remainder of the campaign. We used this remarketing technology to repeatedly offer impressions of the Travel Guide, Route 66 Guide and Indian Country Guide to users who had visited the site but had not yet placed a brochure order. We also used it to serve topically targeted ads to users who had viewed similar content on the site. So consumers who visited our site once, were then constantly being served ad impressions about various Oklahoma travel topics across the internet which helped keep us top of mind and influence many users to return and explore the site more thoroughly. Of the total 819,486 visit sessions on the site during the campaign period, 24% of them were repeat users during the campaign window.

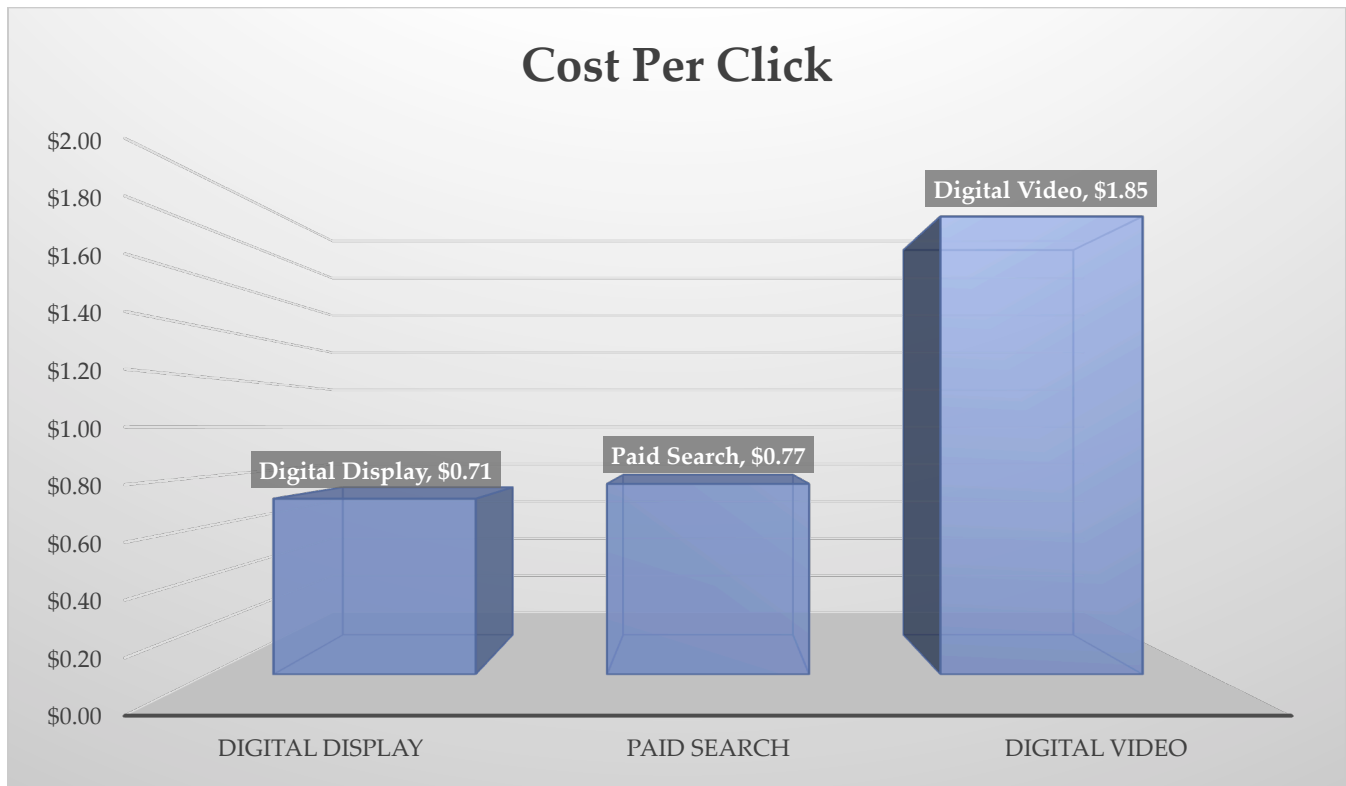
During the campaign, there were a total of over 89.5 million display ad impressions served and a total of 288,267 clicks on those ads at an average cost per click of \$0.71. We pay nothing for display ad impressions and pay only when they are clicked.

Also during the campaign, there were over 17.8 million video ad impressions served and over 2.9 million 30-second views of those ads completed at an average cost per view of \$0.10. The user has the

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option to skip the ad after 5 seconds, and if they do, we pay nothing for the impression. We pay only for ads that are viewed for at least 30 seconds. The video ads delivered 158,347 click-throughs to TravelOK.com. While we are paying for video advertising on a cost per view basis, we can calculate that the average cost per click was \$1.85 on the video side of the digital campaigns.



The budget for TV advertising was \$440,955.35 but it is not possible to calculate a cost per response for added TravelOK.com users since traffic actually decreased in all of the markets that were exposed only to TV advertising. Technically, there was a negative response to the campaign in these markets.

The total budget for digital advertising in the target DMAs was \$453,227.48 and covered fifteen DMAs with combined market size of 48,730,000. Looking at the raw number of users on the site from DMAs that received digital advertising, the cost per user for digital markets was \$1.08. If we are more conservative and look at the cost for each additional user in these markets over and above last year, the CPR was \$3.26.



Campaign Analysis

The chart below contains the data for TravelOK.com visitation by DMA during the past two spring campaigns. These campaigns were run to control for all possible variables and even used the exact same date range.

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Spring Campaign 2014						
Digital Media vs. Traditional Media Experiment						
				4/24/13 to 5/20/13	4/24/14 to 5/20/14	Growth Rate
Television & Digital Advertising						
DMA Name	State	DMA #	Market size	Web traffic	Web traffic	YOY Growth Rate
Waco-Temple-Bryan	TX	625	760,000	2,437	3,757	54.16%
Tyler-Longview (Lfkn&Ncgd)	TX	709	280,000	2,830	3,975	40.46%
Total			1,040,000	5,267	7,732	46.80%
Television Only						
DMA Name			Market size	Web traffic	Web traffic	YOY Growth Rate
Amarillo	TX	634	182,000	4,222	3,007	-28.78%
Wichita	KS	678	1,530,000	9,229	5,919	-35.87%
Little Rock-Pine Bluff	AR	693	571,630	3,720	2,964	-20.32%
Joplin	MO	603	153,910	1,992	1,963	-1.46%
Austin	TX	635	3,970,000	9,399	3,614	-61.55%
Springfield	MO	619	423,010	4,705	2,137	-54.58%
Total			6,830,550	33,267	19,604	-41.07%
Digital Advertising Only						
DMA Name			Market size	Web traffic	Web traffic	YOY Growth Rate
Dallas	TX	623	2,571,310	53,200	162,069	204.64%
New York	NY	501	21,900,000	6,150	18,942	208.00%
Los Angeles	CA	803	15,300,000	65,531	67,884	3.59%
Chicago	IL	602	11,700,000	37,203	39,393	5.89%
San Francisco-Oakland-San Jose	CA	807	9,880,000	41,435	27,672	-33.22%
Seattle-Tacoma	WA	819	5,700,000	2,955	11,722	296.68%
Houston	TX	618	5,070,000	45,978	41,579	-9.57%
San Diego	CA	825	3,800,000	1,942	6,513	235.38%
St. Louis	MO	609	3,620,000	12,424	16,484	32.68%
Nashville	TN	659	2,890,000	1,832	5,969	225.82%
San Antonio	TX	641	2,680,000	8,802	9,690	10.09%
Sacramento-Stockton-Modesto	CA	862	2,350,000	2,214	7,461	236.99%
Des Moines-Ames	IA	679	645,000	2,268	5,553	144.84%
Total			47,690,000	281,934	420,931	49.30%
Control						
				Web traffic	Web traffic	YOY Growth Rate
Markets excluded from all advertising				319,573	371,219	16.16%

After reviewing the data in the chart above, it is clear that the markets that were exposed to digital advertising outperformed the markets that were exposed only to TV advertising by a considerable margin. The digital-only markets had a growth rate of 49.30% compared to 46.80% for the combination of digital and TV, 16.16% for control group markets which received no advertising and a negative growth rate of -41.07% for the markets exposed to only TV advertising.

Because this was our second year to conduct such an experiment, we were able to establish several situations for easy comparison and analysis. Some markets were switched from being TV only last year to being digital only this year and vice-versa. We also added new markets for TV and new

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markets for digital as well as having some markets repeat with the same exposure they had last year. We used the exact same date range so that comparisons would be valid and free of seasonality skew.

Here are some of the comparisons this experiment was designed to provide us:

- Markets exposed to digital advertising versus markets exposed to TV advertising** – The markets exposed only to digital advertising in 2014 had a combined growth rate of 49.30% and delivered an additional 138,997 visit sessions over 2013. Markets exposed to only TV advertising in 2014 had a combined growth rate of -41.07% and delivered 13,633 fewer visit sessions than the previous year. The control group was up 16.16%. Markets exposed to both digital and TV advertising were up 46.80% which is close to the same lift that our digital-only markets delivered.
- Markets that were TV only last year, but digital only this year** – Dallas was used for this category. Last year, Dallas received only TV advertising and it was down 7.94% from the previous year. This year, Dallas received only digital advertising and experienced a 204.64% growth rate compared to 2013. TravelOK.com visit sessions for the test period are shown below for each of the last three years. In 2012, there was no targeted advertising in Dallas. In 2013, there was only TV advertising and in 2014 there was only digital advertising.

DMA Market	2012 - None	2013 - TV	2014 - Digital
Dallas-Ft. Worth	57,789	53,200	162,069

- Markets that were digital only last year, but TV only this year** – Austin was used as our test case for this category. Last year, Austin was reached only by digital advertising and it experienced a 445.50% growth rate over the previous year. This year Austin was reached only with TV advertising and its growth rate was -61.55%. TravelOK.com traffic for the test period in each of the past three years is shown below.

DMA Market	2012 - None	2013 - Digital	2014 - TV
Austin, TX	1,723	9,399	3,614

- Markets that were both TV and digital last year, but are TV only this year** – Amarillo, Wichita and Springfield were exposed to both TV and digital advertising in 2013, but only TV in 2014. In 2013, while being exposed to both types of advertising, these markets experienced a combined growth rate of 106.41%. This year, while being exposed to only TV advertising, their combined growth rate was -64.11%.

DMA Market	2012 - None	2013 - Both	2014 - TV
Amarillo	2,257	4,222	3,007
Wichita	4,714	9,229	5,919
Springfield	1,825	4,705	2,137

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- Markets that were digital only last year and repeated as digital only for a second year** – These markets are very large, and therefore, cost prohibitive for us to reach with TV advertising. So to gain an additional data point and see if we could sustain increased interest from new markets with only digital advertising, we repeated in several high-propensity markets including Chicago, St. Louis, San Antonio, Los Angeles, Houston and San Francisco-Oakland-San Jose. While most of the DMAs in this group did very well, the Houston and San Francisco-Oakland-San Jose markets were not able to sustain the same level that they grew to last year. Houston was down 9.57% and San Francisco-Oakland-San Jose was down 33.22%. However, their growth was still outstanding when compared to 2012 when there was no advertising in the markets.

DMA Market	2012 - None	2013 - Digital	2014 - Digital
Chicago	7,958	37,203	39,393
St. Louis	2,202	12,424	16,484
San Antonio	1,940	8,802	9,690
Los Angeles	7,069	65,531	67,884
Houston	5,100	45,978	41,579
San Francisco-Oakland-San Jose	4,504	41,435	27,672

- Markets that were TV only last year and repeated as TV only for a second year** – Little Rock-Pine Bluff and Joplin were the two markets that represented this category. Both of these markets were down (-20.32% and -1.46% respectively) in 2014 which was a little bit confusing. Last year, the digital display ads were allowed to run nationwide and only the YouTube video ads were restricted to certain test markets. This year, even the digital display ads were restricted out of the TV-only markets for a purer test, and that probably explains the drop. Even though the TV markets did worse in 2014 with the light digital display ad support removed, they did better than 2012 when no advertising was done in the market. So, it can be concluded that while TV advertising is not as effective as digital advertising in increasing traffic, it is more effective than no advertising at all.

DMA Market	2012 - None	2013 - TV	2014 - TV	Growth Rate
Little Rock-Pine Bluff	1,814	3,720	2,964	-20.32%
Joplin	1,269	1,992	1,963	-1.46%

- New markets reached by digital only** – This is our second springtime experiment with reaching brand new markets solely with digital advertising and we also did a trial in the fall of 2013 in this category. This year it was a resounding success again. The new markets that we tested for 2014 were New York, Seattle-Tacoma, San Diego, Nashville, Sacramento-Stockton-Modesto and Des Moines. These markets were selected because analysis showed that they had some natural propensity to be interested in Oklahoma travel and we had a good chance of increasing that with advertising.

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DMA Market	2013 - None	2014 - Digital	Growth Rate
New York	6,150	18,942	208.00%
Seattle-Tacoma	2,955	11,722	296.68%
San Diego	1,942	6,513	235.38%
Nashville	1,832	5,969	225.82%
Sacramento-Stockton-Modesto	2,214	7,461	236.99%
Des Moines	2,268	5,553	144.84%

Brochure Order Analysis

Another way to measure whether or not we are being successful in motivating users to travel is to look at brochure order volumes. We know that not everyone who plans travel uses hard copy brochures anymore, but it is at least one indication of moving people down the funnel. I would even venture a hypothesis that those markets which are being reached by digital marketing only will be less likely to order hard copy brochures because of their demographics than the more rural markets being reached with TV. But that's good because it just makes the analysis even more conservative.

First I looked at all brochure orders in the April 24-May 20 date range and sorted them by the referral source that they self-reported. It is important to remember that these are self-reported and we know that it isn't 100% accurate because, for example, we get Discover Oklahoma referral sources listed for people with addresses in New York, etc. But, it is a good rule-of-thumb indicator. Here's how the counts stacked up:

Referral Source	Count
Search Engine	2,247
Online ad	1,666
Discover OK TV Show	1,504
Other Website Link	634
Friend or Relative	484
Other source not listed	381
eNewsletter	307
TV Commercial	140
Social Media	135
Magazine	132
TV News	60

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Newspaper	58
Southern Living	57
Road Atlas	56
Postcard	21
Radio	20
Trade Show Booth	12
Midwest Living Mag.	2
Total	7,916

As you can see, digital referral sources accounted for 4,989, or 63%, of the brochure orders during the campaign period.

Then I looked at brochure orders by DMA. The thing to remember here is that these are brochure orders for all referral sources, not just TV or digital marketing. But it is a good indication of how the DMAs are stacking up against each other. Overall, the DMAs that were exposed to our spring campaign placed 95% more brochure orders this year during the campaign period than last year.

The markets being reached only by digital advertising accounted for 2,819, or 81% of the 3,476 brochure orders in our campaign DMAs. TV markets accounted for 529, or 15% and markets receiving both digital and TV advertising accounted for 128, or about 4%, of the total brochure orders for our campaign DMAs.

The only three markets that delivered fewer brochure orders this year than last year were Springfield, Wichita-Hutchinson and Little Rock-Pine Bluff, all of which were exposed only to TV advertising.

DMA Market	2014 Orders	2013 Orders	% Change	Advertising Type
Sacramento-Stockton-Modesto	70	12	483%	Digital
San Francisco-Oak-San Jose	144	26	454%	Digital
Los Angeles	400	89	349%	Digital
Chicago	362	87	316%	Digital
San Antonio	137	40	243%	Digital
Seattle-Tacoma	76	24	217%	Digital
New York	196	62	216%	Digital
Waco-Temple-Bryan	75	26	188%	Both
Nashville	81	30	170%	Digital
San Diego	45	17	165%	Digital

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Houston	332	127	161%	Digital
St. Louis	163	69	136%	Digital
Des Moines-Ames	53	27	96%	Digital
Austin	89	46	93%	TV
Amarillo	65	46	41%	TV
Dallas-Ft. Worth	760	575	32%	Digital
Tyler-Longview(Lfkn&Ncgd)	53	50	6%	Both
Joplin-Pittsburg	71	68	4%	TV
Springfield, Mo	109	122	(11%)	TV
Little Rock-Pine Bluff	84	103	(18%)	TV
Wichita-Hutchinson Plus	111	141	(21%)	TV
Total	3,476	1,787	95%	