Online Advertising: Challenging the Myths

A report on the effectiveness of online advertising and the use of the Web by opinion-leaders

By Mindshare Internet Campaigns LLC

May 8, 2002

EXECUTIVE SUMMARY

Mindshare Internet Campaigns LLC conducted a study on NationalJournal.com to better understand the use of the Web by opinion-leader audiences, with a particular focus on Congress and the Executive Branch. The study also sought to show that properly executed online advertising programs can generate high response rates from this much sought after audience.

The study was conducted from April 22 - 26, 2002. Various formats of online advertising (banners, skyscrapers, large rectangles and text ads in e-mail news alerts) were employed. The ads drove visitors to a 10 question survey focusing on the reading habits and preferences of the National Journal Group online aduience.

The survey received 239 responses. Of these, 38% were Hill staff. Among the important findings:

- Congressional offices indicated they prefer constituent communications via snail-mail over e-mail by a margin of more than 5 to 1 (53.2% prefer snail-mail, 10.4% prefer e-mail), even in the wake of last fall's anthrax attack.

- Congressional staff and other opinion-leaders indicate they turn to public affairs Web sites run by coalitions, corporations, and issue-groups for position papers, tutorials to learn about complex issues, and the impact of an issue on their state or district.

- 91% of respondents read National Journal Group's publications during congressional recess and district work periods. Of these, 25% report that they spend more time reading during district work period.

- 85% of respondents visit National Journal Group's online publications once a day or more.

- 31% of respondents who said their Member of Congress reads National Journal Group's online publications said they read them online, or both online and print versions.

Results also demonstrate that online advertising which relevant, targeted and professionally created can generate significant response rates from this audience. The overall click-through-rate was 1.16%, more than four times the industry average. The conversion rate (the percentage of visitors who clicked on the ad who completed the survey) was 30%, or three times the industry average.

METHOD

The study was conducted the week of April 22-26, 2002 using banner ads and e-mail alerts on NationalJournal.com, the online home of *National Journal*, *The Hotline*, *CongressDaily*, and *Technology Daily*.

Banners, skyscrapers, and box ads were used to drive users to the survey, and consisted of three formats (see Appendix A for examples):

- interactive pull down menu
- basic ask
- implied "threat"

Additionally, text ads ran in various email alerts that were a combination of short or descriptive, and humorous or serious (see Appendix B for examples). The survey consisted of ten open and close ended questions, and focused on reading habits and preferences of the *National Journal.com* audience.

The ads performed extremely well compared to industry averages. Over the five-day period, the ads generated:

- 472,367 total impressions
- 68,565 unique users
- 800 total clicks
- 1.16% click rate per user (industry average is .25 - .5%)
- 30% conversion rate (industry average is 8 - 12%)

The survey received 239 responses. Of those, 38% were Hill staffers with the balance representing inside-the-beltway opinion leaders (consultants, lobbyists, and other political professionals).

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SURVEY RESULTS

n = 239

1. Where do you work?

U.S. House of Representatives	22.6%
U.S. Senate	11.8%
Executive Office of the President	3.7%
Other (please specify)	61.9%

- Consulting firms 16.2%*
- Lobbyists 12.1%
- Associations 11.4%

* Percentage of the "Other" total, not of the overall total

2. For Hill Staff only: How does your Member of Congress read our online publications and services (i.e. *The Hotline, CongressDaily, Technology Daily, NationalJournal.com* features, etc.)?

Online	7.7%
Print copy	45%
Both	13.2%
Not read by Member	15.4%
Skipped this question	18.7%

3. Do you read our online publications and services during congressional recesses or district work periods?

Yes	91.2%
No	8.8%

4. If yes, do you

Spend more time reading during recess	25.7%
Spend less time reading during recess	16.5%
No effect	57.8%

5. How often do you visit our online publications and services?

More than once a day	55.5%
Once a day	29.4%
Few times a week	8.4%
Once a week or less	6.7%

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6. How do you read our online publications and services?

Read online	49.6%
Print it out to read	7.1%
Both	43.3%

7. Do you receive any of our email alerts?

Yes	74.1%
No	25.9%

8. If yes, do you read them?

Yes	84.2%
No	15.8%

9. Would you like to see interest groups, corporations, or other organizations provide more of the following information on their websites? *

Position papers	56.4%
Tutorials to help me learn about complex issues	47.2%
Impact of issue on my state or district	45%
Video of events I cannot attend	25.9%
Games	6.7%
Other	4.6%

- other points of view
- position paper archives

*Question allowed more than one choice.

10. For Hill Staff only: What type of constituent communication does your office pay the most attention to?

Postal Mail	53.2%
Other	20.8%

- District office contact
- In person visits

Telephone calls	13%
Emails	10.4%
Faxes	2.6%

CREATIVE PERFORMANCE

See appendix A and B for examples of creative used in this survey. Below are the break outs for individual performance by creative. Note that the "Basic Ask" banner was among the strongest performers in terms of click-through rate. We believe this was due to the direct nature of the appeal, the relevance of the ad to the audience's expectations and situation, and its simplicity.

While the Box Ads (a.k.a. Large Rectangles) performed very well in terms of click-through, the relatively low number of impressions delivered (+/- 4,000) is not enough to draw significant conclusions on the overall performance of this format. Click-through rates can vary dramatically when impressions are low, and true click-through performance is best measured only after 75,000 to 100,000 impressions have been served.

Finally, the e-mail ads performed very well in terms of click-through rates. As predicted, click-throughs declined over the course of the week due to the repetition of the ads to a limited audience. However, the strong click-through performance indicates that e-mail advertising is a promising vehicle for generating action from this audience.

Banners

- Basic Ask   **120,941** total impressions   **1.06%** click through rate
- Implied Threat   **86,014** total impressions   **.65%** click through rate
- Interactive   **87,526** total impressions   **.63%** click through rate

Box ads (large rectangles)

- Implied Threat   **3,642** total impressions   **3.77%** click through rate
- Interactive   **3,272** total impressions   **3.63%** click through rate
- Basic Ask   **4,035** total impressions   **3.46%** click through rate

Skyscrapers

- Interactive   **13,745** total impressions   **.43%** click through rate
- Implied Threat   **10,966** total impressions   **.32%** click through rate

Email alert text ads

- Monday – short / humorous   **.70%** click through rate
- Tuesday – short / humorous   **.22%** click through rate
- Wednesday – descriptive / serious **.57%** click through rate
- Thursday – short / humorous   **.47%** click through rate
- Friday – descriptive / serious   **.37%** click through rate

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CONCLUSIONS

Online advertising can generate significant response from the inside-the-beltway opinion leaders and policy makers.

- Overall click through rate of 1.16% was nearly four-times industry average performance.
- Click throughs can yield action (30% conversion rate)
- Message, relevance, and creative execution matter
- Saturation level is important
- Email ads show great promise

Key decision makers and opinion leaders want certain types of content from the public affairs sites they visit

- Position papers and tutorials are the top two most desired types of content
- Localized, personalized information on an issue's impact is key
- Nearly all free responses indicated "other points of view" as preferred material on a website
- Acknowledging opponents or deferring views lends credibility

Congress would prefer not to get e-mail from constituents - other forms of outreach are better

- Congress prefers letters, in person visits, and other personal forms of communication more than 2 to 1 over email
- Even in the age of anthrax Congressional offices are challenged by how to efficiently handle email communications
- Faxes are the least preferred method of outreach

ABOUT MINDSHARE INTERNET CAMPAIGNS

Mindshare Internet Campaigns is a leading provider of Internet strategy and technology development for public affairs. Founded in 1997, Mindshare helps trade associations, issue coalitions, Fortune 100 corporations and non-profit organizations harness the unique power of the Internet to achieve their public affairs objectives.
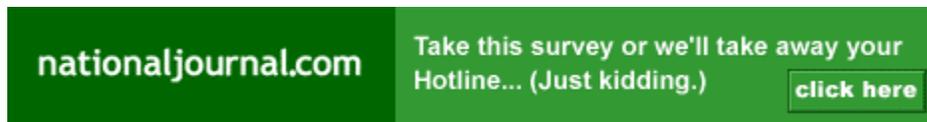
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Appendix A

BANNERS

Interactive pull down

Implied threat

Basic ask

SKYSCRAPERS

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BOX ADS

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Appendix B

EMAIL TEXT ADS

TAKE OUR SURVEY OR WE'LL TAKE AWAY HOTLINE
Just kidding.
Nationaljournal.com needs your feedback.
You can help by clicking the link below and answering 10 questions:

http://mindshare.net/nj/

IT WILL ONLY HURT FOR A MINUTE
What's a minute of your time for a good cause?
Help us out and take the Nationaljournal.com survey

http://mindshare.net/nj/

TAKE THIS SURVEY
Nationaljournal.com is conducting a reader survey to better understand your needs.
There are only 10 questions, and it will take less than a minute of your time.
Help us out and click the link below to send your feedback…

http://mindshare.net/nj/

NATIONALJOURNAL.COM READER SURVEY
Here it is.
You've been waiting for it.
Click below to finally tell us what you really think.

http://mindshare.net/nj/

WILL YOU PLEASE TAKE OUR SURVEY?
NationalJournal.com needs your help with our reader survey.
By taking a moment to complete 10 questions, you are helping us create
better Web based reading and information. Click below to participate…

http://mindshare.net/nj/