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MEDIA MULTITASKING

From TV to Web: Content Strategies for Ads That Drive Online Sales

By THALES S. TEIXEIRA

Media multitasking has become a way of life today. It is not uncommon for people to have the television on while simultaneously browsing the Internet, playing a video game, instant messaging and/or shopping online via a laptop, smartphone or tablet. This fragmented media environment poses creative challenges for advertisers to capture consumers' attention for sustained periods of time. In fact, companies

might wonder whether TV advertising remains an effective means of promoting and selling products and services anymore.

Despite a tectonic shift in consumer habits, research I have carried out with colleagues Jura Liaukonyte, from Cornell University, and Kenneth Wilbur, from U.C. San Diego, has found that TV advertising remains a powerful force for generating attention and sales. Indeed, if done right, TV commercials can create a sense of

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immediacy that actually compels consumers to go online and buy products and services they saw on television first.

However, if advertisers don't grasp the new multimedia milieu, they risk running TV commercials that provide limited or no value toward fueling sales.

This article will help advertisers understand the trade-offs involved with using specific types of TV ads, so that companies can take full advantage of the new media environment. I explain four broad ad concepts and identify which are most persuasive among multitasking consumers. I also recommend a "ladder" approach to help companies communicate information about their brands in the new media mix.

The Growing Cost of Attention

Just 20 years ago, many consumers were glued to their TV screens during prime-time hours, watching programming created by networks for mass audiences. (In the United States, "prime time" is considered weekdays, from 8 p.m. to 11 p.m.) Programming was interspersed with information-packed commercials that typically lasted between one and two minutes each.

But throughout the 1990s, an increasingly

competitive marketplace began to squeeze the length of TV ads. At the same time, the price of advertising skyrocketed and companies began purchasing less time. Today, the average TV spot lasts just 15 to 30 seconds.

Up until the 1980s, TV ads were largely informational, with a small percentage of time spent on entertaining the viewer. During the 1980s that switched: In order to capture viewers' attention, companies began using ads focused on entertainment, rather than providing information. This strategy is now employed by a wide cross-section of brands – from consumer goods to industrial products. In the past decade, the amount of ad time spent on entertainment increased an average of 40 percent, and depending on the product category could be as much as 75 percent.

To provide in-depth information about their products or services, companies shifted to the Internet, where consumers were free to peruse on an as-needed basis. By going online, consumers no longer had to use their limited memory to store information encoded during TV ad viewing. In very little time, the Internet essentially replaced most of the informative value of advertising previously offered by television.

The emergence of new electronic devices, such as smartphones and tablets, has splintered consumer attention even further. As digital technology has become ubiquitous, consumers have become chronic multitaskers, using different devices interchangeably to shop, buy or be entertained.

As a result, the cost of "buying" consumer attention has grown in recent years, as demand for attention has outpaced supply. Since 1997, the advertising spend on TV – the cost of getting "eyeballs" – has far outpaced inflation, now averaging between \$20 and \$30 per 1,000 viewers for 30 seconds in the United States, or seven to nine times what it cost in the 1990s, after controlling for attention time.

At the same time, the quality of attention purchased has taken a nosedive, as ad-saturated consumers now pay less attention to advertising. Eye-tracking studies by myself and others

EXECUTIVE SUMMARY

Consumers have become avid media multitaskers, moving seamlessly between their TVs and digital devices. Shorter TV commercials have reduced both the quantity and quality of consumer attention during prime-time viewing hours. In this new media environment, can TV advertising remain an effective means of promoting and selling products and services? In this article, the author draws upon his research to argue that TV advertising remains a

powerful vehicle for capturing people's attention, persuading them to purchase products and services, and building brands. He describes four different ad types and explains how each can influence multitasking consumers. To create an effective media mix, he recommends that companies take advantage of *lean advertising* principles and adopt a sequential approach to capture customer attention, which he calls the "ladder of engagement."

TV advertising is still the best medium for large-scale, mass-market reach – provided you know how to produce the right ad suited to your purposes in the multitasking world we live in today.

concur that the percentage of ads fully watched till the end has decreased dramatically, from 90 percent in the 1990s to less than 20 percent today, on average.

Given this scenario, advertising your product or service on major TV networks would appear to have waning impact. How much longer will companies keep paying more and more for less and less?

But don't write off TV advertising yet! It is still the best medium for large-scale, mass-market reach. And as my research reveals, television can still pack a punch – provided you know how to produce the right ad suited to your purposes in the multitasking world we live in today. Some types of TV ads can be highly effective in prompting consumers to go online immediately and make a purchase; they can also help strengthen brands in unique ways. However, others could actually be minimizing the potential of consumers to go online in search of more information about your product or service, costing you sales. By understanding how different ads affect consumer behavior, companies can learn how to build an effective marketing strategy that leverages TV advertising, despite its high cost.

Tracking the Multitasker

To understand the impact of TV ads on purchasing, my colleagues and I studied 100,000 households in the United States and looked at website visitation rates minute-by-minute before and after an ad appeared on national television. We

then cross-checked this information with transaction data. Our dataset involved \$3.4 billion in advertising expenditures by 20 brands, covering pizza, travel, telecom, retail and dating sectors, which together account for 70 percent of online sales.

For example, since we knew to the second when a Target ad appeared on television, we could see if more people visited Target.com directly afterward. (In the case of the retailer Target, the answer was yes.) We could also detect increases in Internet searches for Target that eventually led to visits to Target.com via Yahoo, Google and other search engines.

Next, we analyzed ad content in order to link website traffic and actual sales patterns to specific types of TV commercials. We categorized these ads into four types:

1. ACTION-FOCUSED. These ads specifically ask you to do something. Usually, the ad says something like, “Go online,” “Try this” or “Call now.” There is online contact information provided. The goal of the ad is to get you to take action.

2. INFORMATION-FOCUSED. This ad type centers on the characteristics, features and benefits of the product or service, not the consumer. There is usually a mention of the price and channel.

3. EMOTION-FOCUSED. These types of ads seek to trigger an emotional reaction, rather than a rational reason to buy the product or service. Emotion-focused advertising might try to convey feelings such as excitement, happiness, nostalgia or trust, using techniques that try to be clever and funny.

4. IMAGERY-FOCUSED. Imagery is anything that has strong visuals and sound. Typically, these ads feature a lot of different people, colors and music. They are vibrant and fast-paced. Above all, they try to grab your attention through intense sensory stimulation.

We found that the type of ad used on television had a predictable impact on the patterns of

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the University of Michigan and a master's in Statistics from the University of Sao Paulo, Brazil. He researches “the economics of attention” as a novel approach to create more effective advertising and build brands more cheaply.

■ Ad Type: Action-Focused

EXHIBIT 1



COMPANY: Target

CAMPAIGN: Back to School 2014: Buy One, Give One

- This Target ad gives a clear call to action – buy a school supply and Target will donate another to the Kids in Need Foundation – and directs people to www.target.com/givesupplies to learn more.
- This is the most effective ad type for immediately generating both website traffic and sales.
- In general, action-focused ads do not seem to be so effective for brand-building – though this ad does try to position Target as a socially responsible company.

visitation to the website, regardless of the product or service being advertised.

Act Now!

The most effective ad type for immediately generating both website traffic and sales was the action-focused ad. Saying something to the effect of “Go to our website now” resulted in many multitasking consumers doing just that. Once online, they often purchased what they saw featured on TV or sometimes they bought another product or service. This type of ad best accomplishes the goal of drawing the consumer to the point of purchase – in this case, the company’s website.

That said, action-focused ads do not seem to be so effective for brand-building. Consumers will go to the website and buy or they won’t – but either way, they aren’t going to form a better evaluation of your brand based only on this type of ad.

Besides choosing the type of ad carefully to elicit the desired response, also think of when the commercial airs. When watching TV, people tend to multitask when they are bored or the pace is slow enough that they have time to

do other things without missing much. This is why people will more often multitask during a slow, romantic movie than during a non-stop, action-packed blockbuster. Multitaskers tend to wait until an action scene is over before shifting to another device, visiting a website and possibly making a purchase. As such, when buying airtime, it’s worth considering the placement as well as the type of ad in terms of capitalizing on consumers’ multitasking behavior and attention quality at that moment.

The Pros and Cons of Other Ad Types

With the cost of TV ads running so high, marketing managers have to make choices, and information-focused ads are becoming less prevalent. The purely informational or “rational argument” approach to selling may still have some limited success among older consumers, but if driving online sales is your goal, then information-focused ads generally don’t work, especially among women and younger viewers who form the growing pool of multitaskers and for whom these ads represent “too much information.” By their nature, these ads require your undivided attention: the antithesis of multitasking.

Our research suggests imagery-focused ads are also bad for boosting website traffic and online sales. With these ads, multitaskers focus their attention on the stimuli – the stunning visuals, the brilliant colors, the soul-stirring music – and little else. They watch the ad and perhaps like it, but they tend not to go online and make a purchase immediately afterward. They are simply hooked or consumed, so to speak, by the sensory stimuli, rather than being converted into purchasing mode. While these ads make for entertaining television, they don’t seem to provide any clear cross-media advantages.

Imagery-focused ads can be effective for brand-building, however. Apple ads are a prime example. A recent 30-second Apple ad showcases both the iPhone 6 and iPhone 6 Plus phones using sound and visuals that are striking for their simplicity. Because of its unusual approach, viewers are compelled to watch the ad, but they are not directly told or encouraged to make a purchase. In the case of Apple, this might not be such a deal-breaker since potential shoppers may go to physical stores to browse and maybe make a purchase.

Like imagery-focused ads, emotion-focused ads don’t correspond with increased web traffic and sales. Even worse, we found that emotion-

Instead of looking at costs, marketing managers should ask themselves: How do I want to communicate? Then, they should take steps to create the right sequence of communication to boost engagement levels.

focused ads tend to reduced direct website traffic after they air.

The reason for this comes down to the very emotional nature of the ads themselves. The logic behind these ads is that they attempt to stir strong emotions that the company wants to associate with its product or service. People who like it will hopefully be driven online to find out more about the brand, and experience more of these emotional benefits.

The problem is that not everyone will have the same warm-and-fuzzy emotional reaction. For these viewers, not only will the same emotion-focused ad not drive them online, but they may well conclude, based on the ad, that this product or service is definitely not for them.

In effect, the emotion focus splits the viewing audience into two camps: people who either like or dislike the ad. This, in turn, reduces the overall number of people who could have potentially gone online, since those who like it would have gone online anyway.

With emotion-focused TV ads, you run the risk of polarizing your consumer base, causing some people who might have gone online after seeing your ad to be turned off by your brand completely.

But it's not all bad news for emotion-focused TV ads. The flip side is that, among the segment of viewers who do go to the website because the ad touched them on some emotional level, they are now much more likely to make a purchase than they would have been had they not seen the ad.

Managing Consumer Attention

Our research underscores the idea that attention is a precious resource that companies need to manage carefully. You can't just ask, "How much does this ad cost?" because television vs. newspaper vs. online advertising each serves a different purpose. Furthermore, measuring and evaluating both the amount and quality of the attention that you get from each medium has become far too complex.

Although marketing managers are aware of the fact that ad costs are rising, many do not seem as conscious of the drastic reduction in the quality of attention purchased. This is because some media measurement companies under-report ad avoidance rates and inflate the number of ads viewed. What they should be reporting are intensity and duration – the two key characteristics of attention quality. Intensity refers to the quality of attention given during a specific time period, whereas duration refers to the quantity of attention per user.

Ad Type: Information-Focused

EXHIBIT 2



COMPANY: L'Oréal
CAMPAIGN: True Match

- This ad is heavy on narration and product attributes. It features pop singer Beyoncé telling the "unique story" of her skin. A voiceover explains that True Match foundation has the technology to match your skin's tone and undertone – from light to dark, from warm to neutral to cool – with 33 innovative shades, so "you are 100 percent guaranteed to find your perfect match." Oh, and one more tidbit of information: Beyoncé is wearing "c6 soft sable."
- As you need to read as well as listen to catch all the details, this requires undivided attention, which is the antithesis of multitasking.
- This ad may have some success among older consumers, but generally doesn't work to drive online sales.

■ Ad Type: Emotion-Focused

EXHIBIT 3



COMPANY: Cars.com
CAMPAIGN: Wolf Drama

- Cars.com claims to take the drama out of buying a new car (“All Drive, No Drama”). To play with this idea, the ad presents the following “drama” in the showroom: A car dealer hands a woman a puppy, only to reveal that it’s actually a baby wolf and in walks the menacing mother wolf, baring her fangs at the car buyer.
- The problem with ads like this is that people may fail to see the humor and be turned off, so the ad may actually reduce the number of people who would have gone online.
- However, among those who do go online, they are now much more likely to make a purchase because they feel an emotional connection to the brand values.

Instead of looking at costs, marketing managers should ask themselves: How do I want to communicate? Then, they should take specific steps to create the right sequence of communication needed to boost engagement levels – while also considering the factors viewers might find irritating. This implies using advertising budgets more judiciously.

This is where my proposed Attention-Contingent Advertising Strategy (ACAS) comes in. The key principle is that brand managers should adapt their marketing messages (e.g., ad type) to the intensity and duration of the attention that is contingently available to them, from their target customers. When formulating an ACAS, companies should:

- Define the purpose of their communication: this will inform the quality of attention that is necessary.
- Determine the available quality of attention, based on the target market and media characteristics.
- Choose the appropriate advertising content

to match the quality of attention: more traditional ads (e.g., imagery-focused) when there is full attention; non-traditional ads (e.g., action-focused to visit web) when there is lack of attention, so as to trigger immediate actions and emotions.

- Then, and only then, do you create the content, which can be delegated to the firm’s creative department – or outsourced, as I will explain next.

In my recent paper, “The Rising Cost of Consumer Attention: Why You Should Care and What You Can Do About It,” I define and explain different attention contingencies and link these to specific advertising strategies. One of these options – which applies to all attention contingencies – is to buy cheaper attention.

This can be accomplished through *lean advertising*, which refers to getting 80 percent of the benefits of traditional advertising through new media, at only 20 percent of the cost. For lean advertising, you can cut costs by creating and distributing the content yourself (DIY) or by outsourcing content creation and distribution to a crowdsourcing company. Dozens of digital firms – such as eYeka, Tongal, Unruly and Mekanism – have emerged to provide quick and lean high-quality ads and distribution services using a network of professionals or skilled amateurs.

Practicing lean advertising is challenging, as there is higher variability in the success rate. But the potential savings can range from 50 to 90 percent – a major reduction in the cost to advertise. Start-ups, in particular, can take advantage of this to compete against large incumbents. But even large multinationals with deeper pockets, such as Coca-Cola and Procter & Gamble, have been adopting the lean advertising approach. They understand that, apart from providing valuable resources on a tighter budget, digital media and digital agencies are better positioned to tap into the new opportunities presented through multitasking.

Climbing the Ladder

Perhaps one of the greatest advantages afforded by multitasking is that it gives companies the ability to measure consumers’ reactions to ads and their buying patterns on unprecedented levels.

Back when television was the dominant medium, Ford, for example, would run a commercial on national television, but it was impossible for the company to know with certainty if people were going to their local dealerships and

buying Ford cars because of a specific ad they saw beforehand. Thanks to multitasking, we now have a very effective measurement system that enables companies to identify whether or not an ad they ran has had any direct impact.

Moreover, since multitasking is a global phenomenon, and the process of allocating attention is a common human activity, these principles apply anywhere in the world. Obviously, different ad content might cause people from Spain or Japan or India or China to pay more or less attention, but the cognitive process of paying attention is pretty much the same the world over. For global advertisers, their TV commercials might look different, but the fundamental dynamics of attention allocation are consistent across cultures.

One strategy for harnessing the potential of multitasking is to create threads of communication, or what I call a “ladder of engagement.” This means delivering the story of your product or service in small chapters.

The first chapter might be a 15-second TV spot with entertaining content that fits defined

business goals – maybe an action-focused ad directing viewers online. Next, you might advertise online, where consumers are sometimes willing to spend 30 seconds – here you might opt for emotion- or imagery-focused ads where you have a more captive audience. If consumers like what they see, they might be willing to spend a minute, or a minute and a half, on your website. If they like everything so far, they might “like” or “follow” the company on Facebook. Or they might take a few more minutes to watch or do something else they encounter online about your company – maybe this is when they have the attention span long enough to sit through an ad expounding product or service information. With each step, you are incrementally increasing the amount of time you relate to the potential customer, doing so by decreasing entertainment and increasing information at each step.

Think about it: This is not so different from the normal way human beings relate. When two people first meet, they tend to meet for short periods – say, for coffee. Then, if things go well, they might have dinner. It’s a natural process of progressive engagement.

This approach flies in the face of previous advertising practices, which was focused on presenting information through long-winded TV commercials. Instead, companies must start small and build relationships with customers slowly, using television not as the end but as perhaps the beginning of a beautiful friendship.

Given the vast array of media channels at companies’ disposal, it is vital to understand the actual costs of winning each potential customer’s attention. Only after understanding attention costs can companies decide if they are willing to pay for the benefits – and how much those benefits might be worth to them.

So, invest in TV advertising, but not with the goal of getting more eyeballs. Instead, use it to understand the multitasking behavior of your customers, and gain an edge in the new media environment. □

■ Ad Type: Imagery-Focused

EXHIBIT 4



COMPANY: Apple

CAMPAIGN: launch of iPhone 6 and iPhone 6 Plus

- Apple’s 30-second spot for the iPhone 6 and iPhone 6 Plus simply features the two phones, two hands and a goofy rendition (by TV talk show host Jimmy Fallon and singer Justin Timberlake) of Strauss’ “Also Sprach Zarathustra,” aka the epic soundtrack to *2001: A Space Odyssey*.
- While this may be entertaining, it doesn’t seem to provide any clear cross-media advantages either for boosting website traffic or online sales.
- However, this type of ad can be effective for brand-building, e.g., reinforcing Apple’s image as epic and offbeat.

■ TO KNOW MORE

- Liukonyte, J., T.S. Teixeira and K.C. Wilbur. “Television Advertising and Online Shopping.” Forthcoming in *Marketing Science*, 2014.
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A New Golden Age of Television

U.S. media industry experts discuss the future prospects of television.

Jeff Bewkes, CEO of Time Warner, is not alone in believing we are entering a new “golden age of television.” On-demand platforms are providing new benefits for consumers, while opening up innumerable opportunities for content creators.

“The television business is in a huge upsurge all over the world. You have viewing going up, you have hours and minutes in the day that people are devoting to their favorite programming going up, and you have programming budgets going up across the board.”

Multitasking enabled by multiple screens is fuelling this trend. Today television is no longer the screen in your living room but “everything, including the tablets in your laps. Those are televisions in our opinion,” says Bewkes.

This means serialized, on-demand programming can be consumed whenever and wherever consumers like. As such, content needs to be developed that fits around people’s modern lifestyles and viewing habits.

The turning point was the smartphone, when “people saw a contraption that pulled everything together into a unified experience,” says **Tom Rogers**, CEO of digital video recorder manufacturer TiVo. He doesn’t think television has had its “iPhone moment” yet, when consumers will have access to content and services all in one gadget. Still, “we’re getting pretty close to being able to deliver the equivalent of that in the television space,” he says.

David Poltrack, Chief Research

Officer at CBS, has been tracking these trends for decades. Back in the linear era of television, he recalls, networks only programmed 54 percent of the day. Now, with TV on-demand, the concept of “prime time” doesn’t apply. People binge, watching multiple episodes of a series back-to-back at unpredictable hours. With over two-thirds of viewers also connected to the Internet while watching television, more viewers are reporting that they use their digital devices to follow up on something they have seen on television, and many are interacting with the program while watching.

“The whole attitude toward television has changed,” Poltrack observes. A few years ago, consumers would be embarrassed to report the number of hours of TV they watched; now they’re not afraid to acknowledge time spent in front of a screen. “It’s socially correct to say you’re watching more television.” Staring at a screen has become as ubiquitous as listening to the radio.

This newfound love affair for television is inspiring the business news provider Bloomberg to expand its TV offerings, says **Paul**

Marcum, Global Head of Digital Video. Bloomberg is integrating its international cable and satellite channel with its other news outlets, like *Businessweek*, to become part of a “broader conversation” with global business leaders.

“It’s a challenging environment,” Marcum admits, but the TV distribution ecosystem “is definitely maturing. We recognize success is going to be dependent on partnerships.”

Television, unlike the music industry, hasn’t been crushed by the emergence of digital technology. But this is not to say that the TV industry is not “behind the eight ball.” Rogers points to how the music industry has developed ways of providing consumers with content in a convenient format, while the TV industry still operates through myriad distribution channels, providing content through disparate devices and bundles.

Bewkes predicts this will change not only as options increase but as people choose how they want to spend their time and engage with other people – which may very well be through a screen.



Pictured from left: **Jeff Bewkes**, **Tom Rogers**, **David Poltrack** and **Paul Marcum** spoke at the Media and Entertainment Industry Forum hosted at IESE’s New York Center in July 2014 on the topic of “New Dynamics: Audiences & Advertisers.”