

Context Matters

Foreword

by Julian Smith

While global investment in online media burgeons and digital marketing flourishes, the communications planning community faces a growing set of challenges in efficiently and effectively integrating the internet into multi-channel brand building campaigns.

The internet is becoming increasingly multi-media, multi-purpose and multi-device. Connected consumers are becoming more empowered and in control. The online competitive landscape is ever more cluttered and complex. As a result, advertisers and their agencies struggle to find the best approach to reaching, engaging and persuading their target audiences.

By breaking down online media consumption into its constituent parts and overlaying time, place, mood and motivation, this research can potentially facilitate the planning process and allow for more impactful and contextually relevant brand communications by providing an extra layer of insight into internet usage.

Improved understanding of how the internet is interwoven into people's daily lives and routines, and how planned and unplanned journeys are taken through the myriad web-based destinations, should help planners consider how online connection moments might be better linked with those offline.

Understanding the underlying motivation that attracts consumers to certain online environments (whether for communication, entertainment, discovery, information, creation, or transaction) should help planners tailor brand messaging in accordance with the audience's activity.

Understanding when and where people are conducting routine actions 'within their neighbourhood' versus 'taking a roadtrip' should help planners determine whether a 'push' advertising message or 'pull' branded content solution might be most appropriate.

Understanding people's online activities at different times of the day should help planners to target media by day-part and deliver time appropriate messaging.

Understanding the mood and focus of internet users during their online activities will also help planners to tap into different mindsets and deliver communications that resonate more deeply in the consumer consciousness.

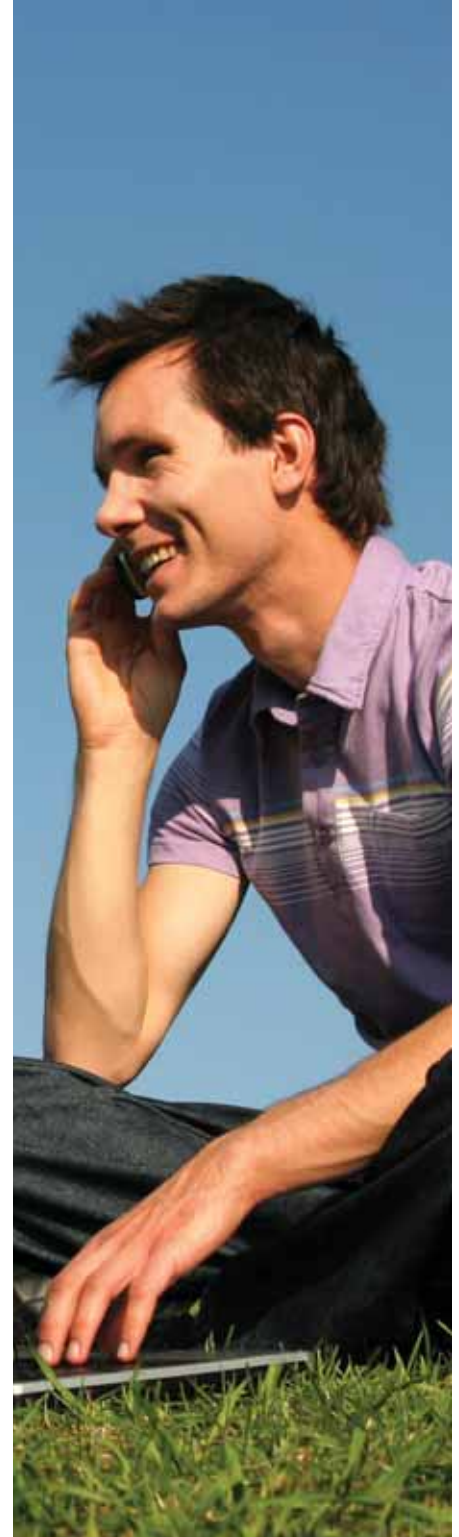


All these factors should help when considering the best approach to integrated online advertising. By understanding context, advertisers and their agencies are more likely to be able to connect appropriately to online audiences and ultimately improve ROI.

However, while this research goes some way in helping planners think about online contextual frameworks, it requires a number of things to happen in the industry to enable them to be delivered. To implement improved planning, offline and online teams will need to be better integrated; media and creative specialists will need to work more closely together; media buyers and sellers will need to be more collaborative; and more sophisticated advertisements serving and data mining tools and techniques will need to be more widely adopted. If these things don't occur then it will be difficult to maximise the opportunities of online contextual planning.

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Active Engagement



Online behaviours are evolving



More media time spent online

19% of time spent with media across Europe is spent on the internet.

The social web

30% increase in unique users of social networks globally between November 2006 and August 2007.

Consumers as media owners

9% of European online consumers regularly publish or update their own web pages online.*

The internet is becoming an increasingly multi-dimensional platform. It allows multiple needs to be fulfilled. As a result, people's online activities can be very diverse. From an advertising perspective, this multi-functionality means the internet must be recognised as an amalgam of many media channels rather than one channel alone. As such, the digital channel offers a wide mixture of different contexts for building brands, coupled with a complex set of unique challenges.

It was from this perspective that, Microsoft Digital Advertising Solutions embarked on an international research study to gain a better understanding of the time people spend online and highlight both the opportunities and challenges this presents to brand advertisers.

"In short, broadband changes everything.

Broadband users are online 20-40 times a day usually for 2-3 minutes at a time. Since they connect so often, they do not want the PC in the backstage of the home, but rather in the center stage.

What really happened is that broadband allowed the internet to be fully integrated into daily life."

Jeff Cole, Center for the Digital Future, USC Annenberg School

**Source: EIAA Mediascope 2007; Comscore Nov 06-Aug 07; Forrester June 2007*

How should online media planning respond?

Our key objectives were

To delve beyond the time spent measure

To identify and describe key online occasions and their contexts

To examine advertising fit across these occasions

To help our partners optimise their online media planning

Microsoft Digital Advertising Solutions collaborated with MEC Interaction to ensure the study addressed the issues facing advertisers and their agencies. We hope this research offers our partners valuable insights, helping them to enhance their online media planning and stimulate industry debate.

Research methodology

The research was conducted by OTX during Summer 2007 in six markets: UK, France, Germany, Norway, Canada and Brazil. There were 600 respondents in each country, aged between 16 and 54. The research followed a three stage process:

- 1 24 hour diary - 400 respondents in each country were asked to diarise their online activities. In total, there were 23,000 occasions and 38,000 activities recorded.
- 2 Small qualitative exercise of 25 blogs to capture greater texture into people's motivations and online journeys across the day.
- 3 Advertising questionnaire - a separate sample of 200 respondents.

People are leading their lives online

People don't just surf the web for fun, they now manage many aspects of their lives online. They are, amongst other things, maintaining and expanding friendships, dealing with their daily routines, researching their information needs, and publishing their thoughts and pictures online.

Based on a diary approach, respondents were asked to record all of their online activities across the day, noting their motivations for going online as well as their actual behaviour, mood and level of attention once online.

From the resulting data it was possible to categorise online activity into six main occasions and rank them by level of occurrence. The research found that internet consumption is a blend of different occasions that reflects the lives of its users and is largely driven by a need to communicate.

"The internet is a necessity, in a way more so than a TV or a washing machine. I do many important tasks on it like; shop, book tickets, save money, manage accounts and search for properties. These are things I do every day and I would be lost without it."

Female, UK

Implications

Understanding the split of these distinct occasions is significant for planning online media. It highlights that while a larger portion of 'media consumption time' is spent online, online time is not largely spent with 'media' as we traditionally know it (i.e. that delivers professional content). There is an opportunity to use techniques from wider marketing disciplines to build engagement and dialogue across the spectrum of occasions.

Online Occasions



Communication

Email, Instant Messenger, forums, communities, VOIP

The most popular type of occasion online - **38%** of all online activities

It is popular across the whole day – it is the "glue" between other activities

Even more popular amongst females

When people communicate via IM, forums and networks they tend to be fairly distracted, using them as time fillers

Email and VOIP are more focused activities

"When I switch on my bundle of joy, I tend to log on to MSN, then I log on to Facebook to see if any friends have left me any messages."

Female, UK

Information

Finding out/keeping up to date with news, topics of interest or products/services

It is a strong motivator for going online, but only accounts for **18%** of total activities

Strongest in the morning, and falls across the day

More prevalent at work than at home

Slightly higher amongst men

Open-minded, inquisitive and focused mindset

"In the morning I'm usually more inclined to read the news. I'm more likely to skip the personal stuff (Facebook, MSN) and do more productive things – news, email, weather."

Male, Canada



Entertainment

Watching or downloading video clips, programmes; listening/downloading music; playing games

Accounts for **16%** of all online activities

Replaces information in the evening as being the second highest type of activity

More associated to home usage

Often boredom breaking, filling time and so not highly focused activities

Higher amongst younger males, also women 45-54

"If I miss a TV programme and haven't Sky+ it, I can sometimes download it."

Male, UK



Creation

Updating blog, web or profile page; Upload video or photos

4% of all online activities

Relatively distracted and open minded

Constant across the day, but more associated to evening activities

Biased to younger audiences

"EVENING – I read my mail, take care of my Facebook, blog, watch movies. Only do things that I appreciate."

Male, Norway



Transaction

Any purchasing, auction sites, paying bills, checking online accounts

8% of all online activities

Bill paying more popular in the morning, auction sites/other shopping more associated with the evening

Generally very focused, apart from grocery shopping

Planned activity for most, although young males most likely to be spontaneous shoppers

"Without the internet my entire schedule would have been different. I would have to walk to my bank or go to different stores where it's cheaper to buy."

Male, Germany



Surfing

Just browsing/surfing

Accounts for **9%** of all online activities

Relatively constant across the day

More popular amongst men 35-54

It is a time filler and so fairly easily distracted

For some, surfing is a planned treat – a sense of a well deserved rest

"Generally I know what I'm going to do online before I turn the computer on... There is always a chance that after the main work is done I stay for a while to listen to music or do some web surfing."

Male, Germany

Online isn't a stand-alone activity



Most online activities (71%) are conducted while people are doing other things. Internet access is interwoven with working, eating, watching TV, listening to music or chatting to friends.

Asked to record where they were each time they accessed the internet, the research identified differing online behaviours by situation (i.e. whether they were at home or work, and day of week, i.e. whether weekday or weekend).

Generally younger audiences are more likely to multi-task, while the research also illustrates how multi-tasking differs by online occasion. Information is least likely to be multi-tasked with TV, partly driven by it being stronger in the morning and work related activity. Other occasions, such as communication, entertainment and transaction are more likely to be multi-tasked with TV.

Multi-tasking of online by occasion

Occasion	Total Multi-tasking	Online & TV	Online & Music
Communication	71%	23%	20%
Information	73%	15%	18%
Entertainment	66%	22%	21%
Surfing	67%	18%	23%
Transaction	74%	25%	21%
Creation	77%	23%	21%

Question: Please note what else you were doing whilst online
- respondents chose from a pre-coded list.

"I use the internet from the moment I wake up until I go to bed. Even when I'm working. During commercials while I'm watching TV. When I'm hanging out with friends. I kind of dread the day when I'll have a portable internet device that will allow me to be online ALL the time."

Female, Brazil

Implications

The fact that online behaviour is largely happening in the context of real life, and the accompanying distractions, highlight the importance of thinking multi-channel when planning online brand communications. Recognising people's offline activity within online communications might also provide a way of capturing audience attention and response.

Environment impacts online behaviour

Home versus work

Information is most heavily associated with the working environment, which helps to explain why it is a relatively focused activity, generally associated with the 9am to 5pm time period. Planned online activities are also slightly higher in the working environment, reinforcing the greater focus in this context.

"If I use the internet at work then it is generally something work related so I am strictly using it as an information gathering tool. Time is also a factor at work as I don't get a great deal of spare time there so it short sharp bursts of web use whereas it is more relaxed at home."

Male, UK

Week versus weekend

The curve of online activity slightly differs when comparing the week versus the weekend. For both, there is an online peak of activity in the morning, with the bias towards information and communication. During the week, there is another spike of activity in the evening, while at the weekend online activities are more constant and tend to go on later into the evening.

The weekend also shows a slightly greater skew towards entertainment. Although there are similar levels of planned online activities at the weekend, overall, the experience is slightly less focused as people are more likely to be actively looking for things to do.

A day online: 25-34 male, Norway

Morning



Have a look at emails, read the news and check what time my bus departs and see if it's running to schedule.

Afternoon



Check emails and chat to a few friends on IM during the day. Spend a lot of the time doing work research online.

Between 2-4pm, check bank account and transfer money to a friend I owe.

Surf the web a little bit between 4-6pm to kill some boredom time at work.

Evening



Between 8-10pm chat to friends on IM, write some emails and see what updates my friends have made on their profile pages. Read the sports headlines for the day and buy a new MP3 player on eBay.

Occasionally will watch a YouTube video or music video clip or upload photos onto Facebook profile page.

Online occasions...

Reflecting the changing real life needs and desires of people throughout the day, the online journey also differs by morning, noon or night.

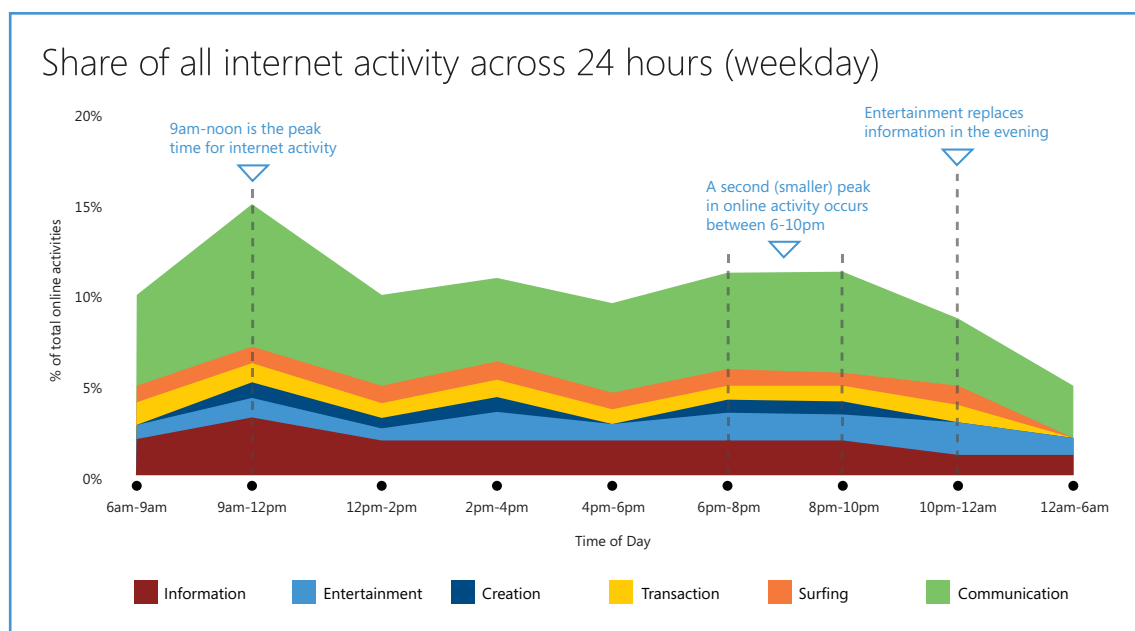
Overall, the greatest amount of internet activity was found to take place in the morning, with a second peak in the evening during the week. Communication is the strongest online occasion across the day, although it changes in nature from being more formal communication in the morning to less formal as the day progresses.

The morning is characterised most by the need for information. As the day wears on, information needs decline to be replaced by forms of entertainment (such as watching videos, downloading and listening to music or playing games) in the evening.

The nature of online transactions also shifts as the day progresses from paying bills in the morning (i.e. household chores) towards more general purchasing from auction sites or shopping sites in the evening.

"My attitude does seem to differ at different times of the day... In the evening, I'm more likely to do personal stuff like MSN and Facebook or play online games or visit forums. I'm also usually more likely to spend more time on the net in the evening - because time is less of a demand. The evenings are usually more relaxed and so I have the time to spend online."

Male, Canada



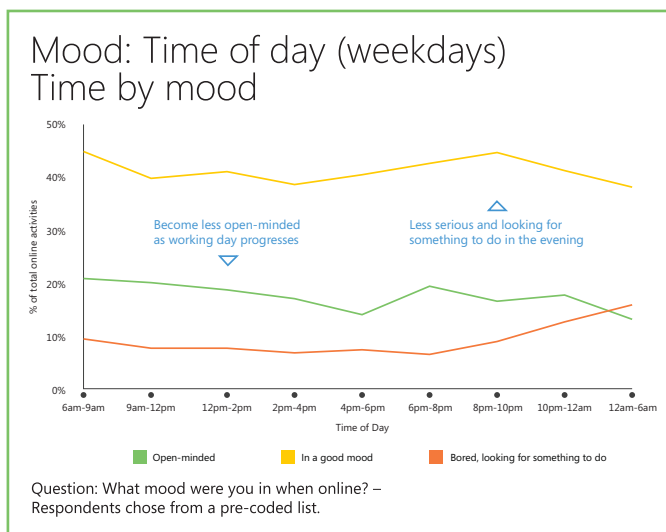
Implications

An appreciation of the changing focus of people's online journeys throughout the day can help influence the development of more relevant online brand communications. The audience's different daily missions and mindsets should be reflected in day-parted media strategies alongside variable creative messaging.

...change across the day

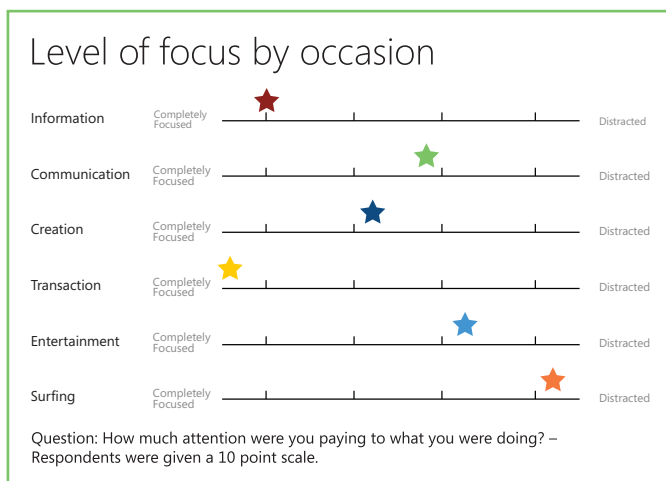
Changing moods

People's moods slightly shift as their online journey across the day progresses. There is a slight fall in open-mindedness in the middle of the day, while a higher proportion claim to be looking for something to do in the evening.



Focus differs by online occasion

Transaction and information are the most focused online activities, while surfing and entertainment are the most distracted.



From the well trodden path...



Further mirroring real life behaviour most internet activity is familiar and repetitive with people spending a great deal of their time online visiting a few, regular destinations within their chosen neighbourhood.

However with a plethora of sites, content and applications to choose from on the hyperlinked web, it is easy to take an unplanned journey into uncharted territories.



The online neighbourhood

With the internet being a part of the daily routine, people intentionally access sites they know and can rely on, whether their preferred portal, webmail platform, online bank, grocery store, newspaper or social network (Circuits of Cool* demonstrated that youths have nine favourite sites). This neighbourhood is a place within which people feel confident, safe and a member of the community.



When asked when they would be more likely to interact with an advertisement, one of the most popular responses was "if it was part of a website I liked." This is higher than if the advertisement was forwarded or recommended by a friend.



"The internet is like an everyday trip out of the house, in a place where I am used to living, which is in some ways both a huge metropolis and a small village at the same time...I never lose my way, the street plan is completely clear."

Male, France



Implications

Recognising which properties make up a target audience's neighbourhood is crucial for planners when looking to achieve high online reach and frequency amongst a certain type of consumer. Regularly visited, audience loyal sites can also act as good places to build brand trust, dialogue and engagement, i.e. via a longer term tenancy/sponsorship arrangement or useful branded content and applications.

* Circuits of Cool – MTV and Microsoft Youth Research 2007.

...to uncharted territories

"If I think about it I have a standard routine. I always start with reading my mail; then it's time for Facebook; I catch up with the news for the day; read funny stories; and on my way through every point I get distracted by new pages, advertising and pages that I get recommended."

Female, Norway

The road to discovery

While people might start out on a planned online journey, the interconnected nature of the web, with its navigational signposts on every page, means they often end up on a spontaneous journey of discovery. 43% of online activities are spontaneous, with entertainment and creation related occasions being the most unplanned. This is particularly the case in the evening when people are less focused and have more time to be self-indulgent.

Unsurprisingly, advertising awareness will be higher when people are actively on the road to discovery, whether specifically seeking out products for purchase (48% advertisement awareness) or non-specifically surfing the web (53% advertisement awareness).

"First I go to must have sites where I need to take care of things and the rest of my online time is not pre-planned."

Male, Germany

Implications

Online brand communications can and should take advantage of the spontaneous nature of much of online behaviour. Advertising messages can act as a signpost to self-indulgent fun online (funny ads being particularly well received) and on unplanned journeys can redirect people's paths to new areas of interest. Intrusive advertising is likely to be better received in the uncharted territories than the neighbourhood.



Brand communications...

In parallel to the real world, internet users now find themselves exposed to commercial messages at every step of their online journey. Awareness, openness and willingness to engage with this advertising will depend on their environment, mindset or activity. While most respondents were initially derogatory when asked to consider their feelings about online advertising (citing pop-ups as their pet hate), when delving beyond immediate responses, they valued commercial messages which were relevant, entertaining and complementary to their online journeys.

When asked to consider various 'pull' brand communications, such as participation or co-creation with brands, it became evident that many respondents do not currently view these as advertising, but appreciate they can fit into a number of online occasions. The opportunity for advertisers is to understand how the online occasions occur across the day and complement this journey with appropriate 'push' and 'pull' brand communications.

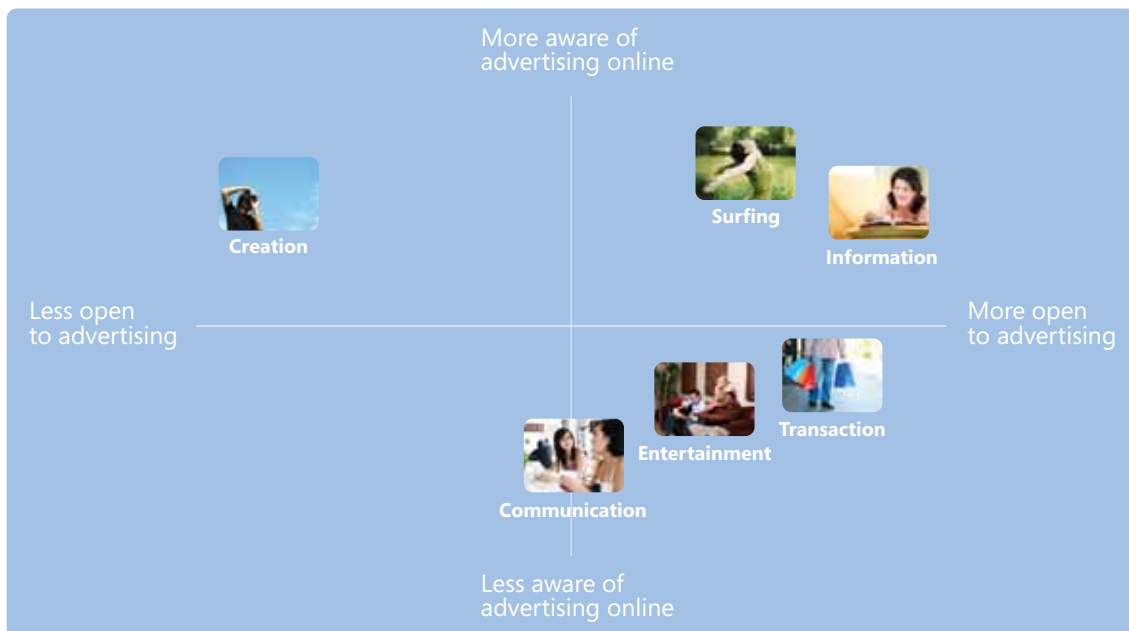
31% agree they are open to commercial messages when online

43% agree that if they really like a brand they are happy to make it a friend in their social network

Implications

While traditional forms of online display advertising do still play a valuable role in some online contexts, increasingly as online behaviours evolve and activities such as entertainment and creation expand, the balance between push and pull brand communications will shift.

Advertising receptivity by occasion



This chart is derived from two questions: Awareness of advertising was asked in the diary phase each time they fulfilled an online activity – Did you notice any advertising? The second question was from the advertising questionnaire - Which of these online activities would you say you are MOST open to commercial messages? The respondent was given a pre-coded list of the twenty activities studied.

...need to complement the online occasion

Not surprisingly, people's receptivity to traditional 'push' advertising messages will be higher when they are surfing (53%) or actively information seeking (45%). However, these occasions only represent just over a quarter of total online activities, and the challenge for advertisers is understanding how best to engage during the other online occasions.

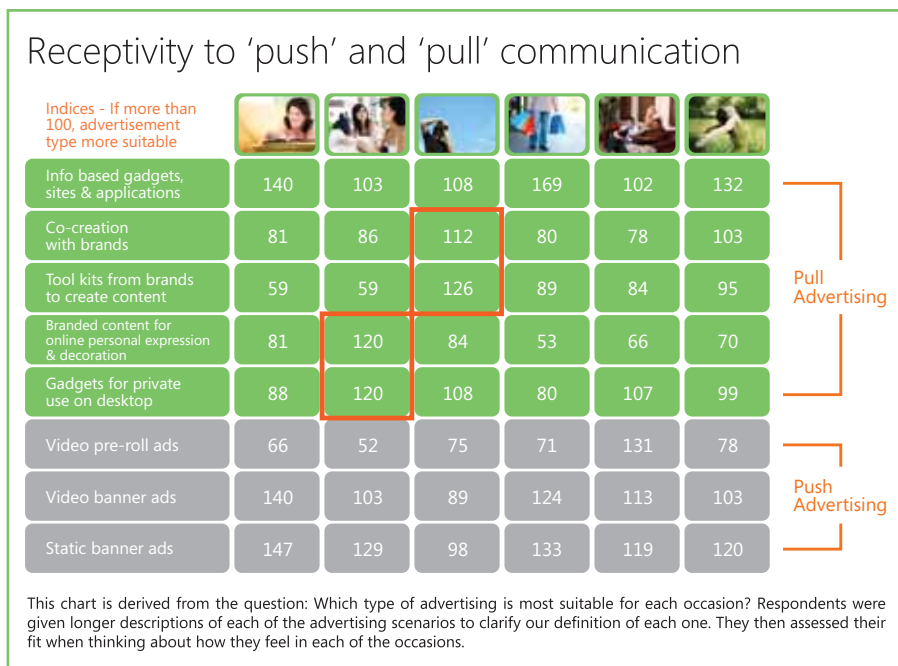
What is advertising?

Only 49% viewed branded content such as content for IM or your social network as advertising

Only 36% viewed opportunities to co-create with a brand for a commercial or product as advertising

Advertising fit by occasion

When respondents were asked which type of advertising format they felt was most suitable for different online occasions, it is clear that display advertising can play a role across most occasions, except for creation. When asked about the fit of branded content (where they are empowered to pull it into their experience), respondents saw a natural fit for these types of involvement with a brand in relevant contexts. For instance, branded content that could further people's online personal expression and creativity was viewed to have a best fit when in similar self-expressive online modes.



Context is king online



This research illustrates that not all internet media opportunities are equal and to build brands online, advertisers and their agencies need to carefully plan their integrated communication strategies around certain occasions, in certain environments, with certain formats.

These considerations certainly aren't new - they have been applied in traditional media for years but the range of needs and occasions online makes the opportunities to deepen brand engagement online ever more attractive.

Occasion	Mindset	Openness to advertising	What type of advertising fits?	Notes
Communication 	Relatively distracted - higher distraction in IM and communities than email	Open (email and communities highest; VOIP lowest)	Banners, branded content for personal online expression or private use	Humour in context will encourage usage
Information 	Focused	Very open	Banners, relevant gadgets	Less responsive to branded content, requests for co-creation & participation
Entertainment 	Distracted	Open (gaming and watching video highest)	Banners, video advertising embedded in video content, gadgets for use on desktop	77% prefer to have free video downloads with advertising, than pay for the content
Surfing 	Highly distracted	Most open	Banners, useful applications or gadgets	Avoid pop-ups as universally disliked
Transaction 	Highly focused	Open	Banners	Not responsive to requests for creation with the brand
Creation 	Mid point between focus/ distraction	Least open	Creation with and for the brand	Encourage participation by reward

Context matters

Online occasion

Consider different 'push' advertising or 'pull' messaging and content solutions dependent on online activity and the associated mindset.

Time of day

Consider day-parting messaging by time of day and day of week.

Environmental situation

Consider online messaging that references offline activities or circumstances.

Level of attention

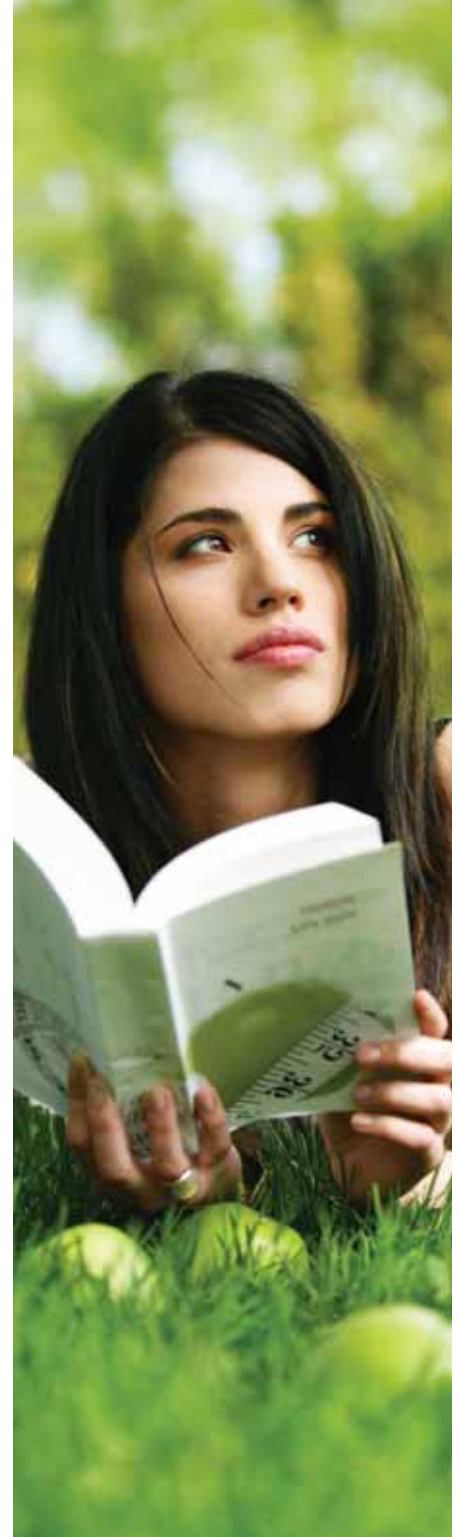
Consider intrusive or integral advertising dependent on the required focus of the online activity.

Mood

Consider serious or playful messaging dependent on time of day and activity.

"If the marketing community ever needed evidence that online was much more than a simple response medium then this is it. Good communication planning has always considered factors such as mindset, intention, and time. We now have the tools to apply those considerations to digital channels. Brands will ultimately benefit from this insight as they seek to build dialogue with consumers on their terms."

Marc Bresseel, General Manager, EMEA Sales,
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Other research

Circuits of cool

Globally, the average young person connected to digital technology has 94 phone numbers in his or her mobile, 78 people on a Messenger buddy list and 86 people in their social networking community.

These are just some of the findings from the largest-ever global study undertaken by Microsoft Digital Advertising Solutions and MTV Networks. The Circuits of Cool study challenges traditional assumptions about youth relationships with digital technology, and examines the impact of culture, age and gender on technology use. It examined young people's interaction and engagement with different technologies including Instant Messenger (IM), social networks, email, mobile phones, TV, music, gaming and online video.

Conducted in sixteen markets across Europe, Asia, Latin America and North America, and speaking to almost 10,000 youths globally aged between 14-24 years, the objectives were to shed light on issues such as how today's youth differ from their predecessors; whether boys or girls use technology differently and why; understanding global differences across devices; and the role of entertainment media and brands in the future.

Social networking

Microsoft Digital Advertising Solutions commissioned global research into the personal spaces and social networking market in summer 2006. The research was qualitative based speaking to nearly 200 social networkers in six different countries – UK, France, USA, Canada, China and Brazil. The aim of the research was to provide an understanding of the marketplace; Windows Live Spaces positioning within this, as well as provide insight into advertising receptivity and acceptability. The study has delivered key insights into the main strengths of Windows Live Spaces, such as photos and Messenger, and the findings have been used extensively with agencies to help them understand how best to approach advertising in social networks.

Case study compendium

The EMEA Case Study Compendium is a collection of the best case studies by vertical sector including Automotive, Entertainment, Consumer Goods, Financial Services, Food & Beverages, Healthcare, Retail, Telecoms & Media, Travel & Tourism and Charity & NGO.

For further information please access:
<http://advertising.microsoft.com/europe>





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