



RETAIL+ETAILED GOLD WINNER Continental Airlines Strategic Online Optimization

BUSINESS SITUATION & CAMPAIGN OBJECTIVES

During recent years the airline industry benefited from economic globalization and emerging economies, spurring international travel and tourism. While the domestic markets matured, travel between the U.S. and foreign countries continued to grow. Continental Airlines, like other airlines, fought to increase market share by driving online ticket sales.

Since many airline bookings occurred online, online advertising is a natural environment for airline advertisers. This created a cluttered environment in which Continental Airlines faced the problem of standing out. While consumers were bombarded with more ads than they could retain, Continental Airlines fought for the attention of lucrative business travelers, especially those traveling internationally since those tickets represent significantly higher revenue to the airline.

Faced with a flat media budget and escalating costs of digital properties, we needed to break through competitors' and other advertisers' super-sized banner ads and flashy rich media to increase sales and market share.

RESEARCH STORY

Our research story begins with an in-depth understanding of the consumer, the business realities, and the online marketplace environment.

Most travelers perceive little difference between airlines. The final verdict as to who gets the buck usually depends on who can provide the cheapest airfare with the most convenience. Our digital efforts aimed to raise brand perceptions and to differentiate itself from competitors via the message "[Continental offers the] Most International Destinations of Any US Airline".

Continental Airlines operates in three US hubs – Houston, Cleveland and Newark. Our goal was to convince high-yield travelers in New York City to choose Continental Airlines, perceive it as "New York's Hometown Airline" and as the airline that provides a superior international flying experience with its BusinessFirst product.

With a competitive market place and escalating CPMs, we sought to optimize Continental's digital media budget and squeeze results out of every penny. The planning team goal was to increase the revenue generated by online sales by at least

50%. Luckily, aside from being an innovative and cost-efficient vehicle, online's biggest advantage is its measurability. We capitalized on this unique opportunity, and armed the planning teams with means to holistically and accurately assess publisher and campaign performance.

The research story took place in three parts. The first two was applied over the course of several online campaigns throughout the year. The last part measured the impact of these campaigns after applying insights from research, and will be covered in the Campaign and Results section.

Part I: Measuring What Matters

Typically in online media planning and buying, sites are evaluated based on target reach, contextual relevance, and other considerations without factoring in one major caveat – 90% of the time, your ad will have to compete with other ads on a webpage for consumer's attention. This could dilute the effectiveness of your ad, and you may not get your money's worth. Unless you can afford a site takeover across your media plan, which for one site alone usually costs hundreds of thousands of dollars, this is an inevitable challenge in any online campaign. To account for this, we went beyond traditional measures, and developed the Share of Voice (SOV) metric. This takes into account the web publishers' total impressions and the percent of those that would be Continental's ad to gauge site clutter. We collected ad server and publishers' server data and performed correlation and regression analyses to assess SOV impact on the sales bottom line. Through rigorous statistical validation, we came upon following actionable insights:

- Not surprisingly, ad clutter reduces ad effectiveness and airline sales for Continental. And we have determined the ratio of SOV increase to ticket sales.
- The impact of SOV differed from site to site, hinging on factors like site design and placement size.

These findings had significant implications for how digital media is planned, and sites selected for Continental moving forward.

Part II: Illuminate and Validate

Once there was a method for Continental to optimize its site and placement selection, we moved on to the next step, accurate performance tracking and measurement. At one point, advertisers were limited to using click-through rate as the golden ruler of online advertising effectiveness. Current technology opened the door to web measurement, allowing us to track consumers who saw Continental's online ads and their post-impression online behavior. Often, this included post-conversions or online sales. Determined to uncover the real effect of this view-through response, we partnered with DoubleClick and comScore Research in a two-phased approach – Illuminate and Validate.

Illuminate

The approach was based on the well-accepted control and test methodology. Online consumers were exposed to either test or control ads during the same campaign period. From joint Continental/DoubleClick research that controlled for external factors such as site placements, volume of impressions and frequency, we discovered:

- Continental's online advertising accounted for over a large percentage of view-through conversions

- The impact of online advertising extended far beyond a day or week after
- Supporting the idea of SOV, volume of impressions had the most significant impact on view-through response followed by site and placement selection

Understanding that the degree of advertising impact may change due to factors like campaign objectives, seasonality, impression levels, we performed tests to validate the results.

Validate

Using the same approach, we conducted another study with Google's DoubleClick Research at another timeframe during 2008 with different campaign objectives and different sites and placements.

In addition to that, we also replicated this test design using a different data source, the comScore's Mega-panel, to control for the bias from the intensifying cookie-deletion by online users.

Both studies confirmed the significant latent impact of advertising and armed us with the algorithms to separate conversions attributable to advertising from those that occurred by regardless of exposure to campaigns.

Prepped with insights from the two part study, we set out to embrace the words Results and Accountability to optimize the use of Continental's media budget.

CAMPAIGN & RESULTS

Continental had several online campaigns running throughout the year with different objectives; however the core strategy remained unchanged. It was maximizing online media's impact via continuous optimization.

During pre-planning, SOV was a key metric in assessing and choosing web entities. Without spending a huge portion of the budget on site or homepage takeovers, we minimized ad clutter and ensured that Continental's ads maximized its exposure and reach.

Throughout the year the campaigns were continuously optimized. To do so, view-through conversions were applied to the campaigns and sites to accurately measure advertising effectiveness. Those with high overall and view-through conversions remained in the campaigns; some won a bigger portion of the budget. Poor performers were reassessed, and SOV applied in reevaluation and new site selection.

Iterations and diligence in applying this process yielded a high-mark report card. Instead of a traditional branding study to measure consumers' intent on flying with Continental, we assessed consumers' actual purchase behavior as a result of online advertising. For that purpose we, again, mined the ad server data and also performed an ad effectiveness study in collaboration with comScore Custom Research. Both studies demonstrated the direct and latent impact of Continental's online ads in positively shifting key consumer behavior throughout the purchasing funnel.

Key results were:

- Even though Continental is a well-established brand, its online advertising generated interest among consumers who were less familiar with airlines and the

brand. The campaigns saw an 18% lift in number of online consumers searching for airline/Continental branded terms.

- Online advertising drove a 141% lift in visits to continental.com over the control group
- Online campaigns drove more people to book with Continental, and online revenue jumped several-fold
- Continental's market share of online purchases increased significantly

The ending of the story is a happy one. The lessons learned were ingrained in our planning processes. Leveraging the power of research, Continental emerged with the tools for turning communication intelligence into real business results.