

## Finding the Missing Piece in Online Frequency

By Young-Bean Song, Director of Analytics & Atlas Institute

### Introduction

Reach and frequency (RF) are the fundamental building blocks for planning and measuring the success of advertising campaigns.

- *Reach* refers to the number of people exposed to a particular ad.
- *Frequency* is the number of ads one person is exposed to in a given period.

Brand advertisers often use these metrics to define campaign goals. For example, Dr. Herbert Krugman's benchmark "three plus" theory<sup>1</sup> established a commonly used rule of thumb for minimum frequency levels. It states that three exposures to a TV commercial are needed for effective communication. Direct marketers also use RF metrics to determine how many people they will reach, and how many offers will be made.

Whether reach and frequency are used to optimize branding or to audit ad delivery, they are an essential piece of the online advertising puzzle. When marketing online, many marketers often do not have access to RF reporting, or are limited to reports that only provide average frequency. Average frequency provides an incomplete view of campaign results and leads to misdirected planning and optimization. The reality is that different people are reached at very different rates of exposure. This spectrum of frequency on any given campaign is best measured by what is called the frequency distribution.

To demonstrate the importance of the frequency distribution in online marketing, the Atlas Institute examined data from one month of a typical online campaign.

### Understanding Frequency Distribution

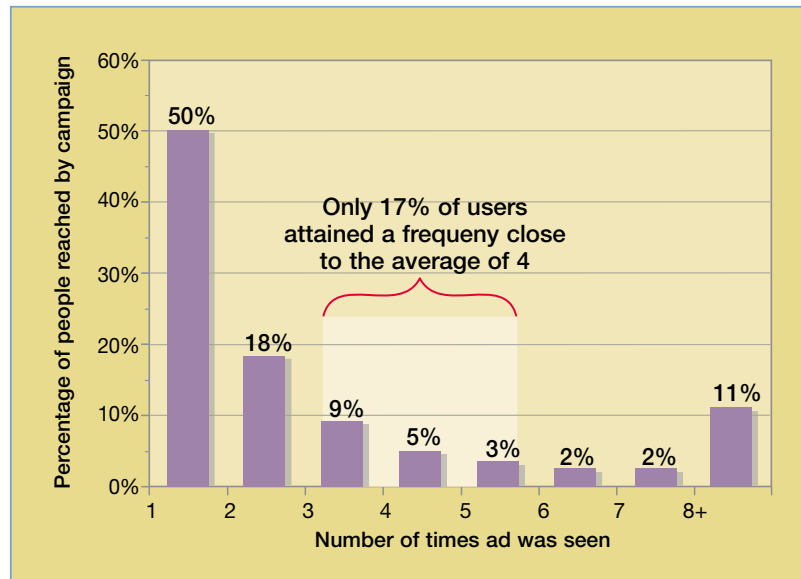
The chart below (Figure 1) plots how people accumulate different levels of impressions during a month. The average is 4 impressions—but only 17% of users achieved a frequency level near this average (3-5 times). Clearly, average frequency is misleading.

The challenge is that two different media plans may produce the same average frequency, but perform completely differently. Without frequency distributions, it would be impossible for marketers to evaluate the success of their campaigns correctly.

### Frequency Distribution: Key to Online Advertising Puzzle

Advertisers who understand frequency distributions can be more strategic and precise in planning and optimizing online campaigns. Atlas' Reach and Frequency reports measure frequency distribution at all levels of online advertising—campaign-wide as well as for individual sites, placements, and creative.

<sup>1</sup> Herbert Krugman, "Why three exposures may be enough", Journal of Advertising Research, 1972.



The chart shows the number of people reached at different frequency levels. The entire distribution is necessary for a complete view of a campaign's performance.

Figure 1: Frequency distribution for a typical online campaign in one month.

### What This Means for Advertisers

The frequency pattern shown in Figure 1 is common to both online and offline advertising. That is, the percentage of users who encounter an ad more than once steadily diminishes. Since frequency is much more complex than a single average can encapsulate, understanding the distributions allows marketers to be more strategic and precise in planning and optimization.

Use of planning tools like Atlas' GRP and Reach Forecaster enables marketers to plan a campaign based on reach and optimal frequency. Further, an advertiser can increase frequency by using surround sessions and fixed placements, or limit frequency by establishing caps with publishers.<sup>2</sup> Even if a particular target frequency is not an explicit goal of a campaign, frequency distributions can help advertisers understand the reasons behind good or poor performance and plan strategies to improve their results.

Atlas provides detailed RF reports that measure frequency distribution at all levels of online advertising –campaign-wide as well as for individual sites, placements, and creative. These reports enable marketers to plan, buy, and optimize online media with the same strategies they apply to offline channels.

### About the Atlas Institute

The Atlas Institute is the research and education arm of Atlas, a provider of accountable marketing tools and expertise for agencies, marketers, and publishers. The Institute publishes Digital Marketing Insights, a series of publications by Atlas senior marketing analysts and digital marketing experts that help our customers improve their digital marketing effectiveness. Many of these findings are also made available to the digital marketing industry at large. Each Digital Marketing Insight report is designed to help marketers more successfully build value with their customers, throughout the customer lifecycle: from awareness to acquisition and from retention to growth. The Atlas Institute also provides education in digital marketing to Atlas customers and partners. To view a full listing of the Atlas Institute's Digital Marketing Insights, please visit [www.AtlasSolutions.com/insights](http://www.AtlasSolutions.com/insights).

<sup>2</sup> *Surround sessions* refer to exclusive placement within content areas, following users throughout their time on the site. A frequency cap sets a maximum for the number of exposures a viewer has to a particular ad from the same advertiser.