



# UNDERSTANDING THE BRAND EFFICACY OF RFI

## RFI AS A DIRECT MARKETING TOOL

Canoe's RFI product has been in the market since June, 2010 and is sold to national advertisers by a growing number of Canoe ITV-enabled networks including AMC, Bravo, Discovery Channel, E!, History Channel and Style. The results from national RFI campaigns enabled by Canoe's ITV capabilities to-date have been positive.

Prior to the launch of Canoe's RFI product, Canoe studied the potential for the adoption and use of interactive services by consumers. This research revealed that a vast majority of consumers are receptive to ads with greater utility. In fact, 82% of consumers stated that they would like to be exposed to additional interactive television advertising. This high level of interest has led to early interaction rates for ITV advertising that are competitive with other direct marketing vehicles.

Canoe's interaction rates for RFI vary based on advertiser, industry, offer, and genre of programming, but the highest performing campaigns have final interaction rates of nearly 1%, which is on par with interaction rates seen with Internet-based interactive advertising and other direct marketing vehicles. As interactive advertising on TV is a new development for most viewers, interaction rates at this level are very promising. As ITV becomes more common place, it is anticipated that increased consumer awareness of this convenient cable service feature will support additional use.

While the response rates in early campaigns have demonstrated the efficacy of RFI as a direct marketing tool, it must be recognized that RFI, like most marketing tools that include a call to action, will have a relatively limited number of people willing to interact with them. Response is driven by a number of factors including whether or not the viewer is in "buy" mode. While understanding the dynamics of interaction rates for RFI is certainly important, it is equally, if not more important that marketers who use television advertising as a centerpiece of their mix understand the potential impact of RFI on core brand metrics. It's key that advertisers be informed on the impact of RFI for all exposed viewers, in addition to those who elect to interact.

## THE CHALLENGE

Advances in technology are transforming television from one-way broadcast events into two-way, immersive interactive experiences that allow viewers to engage with content differently. This functionality is called Interactive Television (ITV).

Broadly defined, ITV may be considered an array of services that range from the enablement of simple activities such as surfing interactive programming guides to participating in social TV experiences such as polls and surveys. The more advanced capabilities that are now becoming mainstream allow for the enhancement of programming and advertising with engaging, convenient, interactive options for viewers that provide new business opportunities to television advertisers.

ITV-enhanced advertising now allows viewers to request information, coupons, samples, or other offers from marketers and is becoming common place. Typically, such advertising products are referred to as Request for Information (RFI). While RFI products were designed to bring the benefits of direct marketing fulfillment capabilities to television, it is equally important to understand the effectiveness of this advanced advertising option as a branding tool.

## THE SOLUTION

In an effort to gain insights into the branding effects of RFI solutions, Canoe Ventures commissioned E-Poll Market Research to execute several studies in conjunction with Canoe-enabled national RFI advertising campaigns. The focus of the studies was to better understand the efficacy of RFI's on-screen presence in driving a variety of key branding metrics.

## THE POTENTIAL

Our results show that RFI enhancements to advertising create an opportunity for marketers to improve the performance of their TV ads by enhancing branding impact while also providing viewer fulfillment capabilities.

## METHODOLOGY

To build a holistic understanding of how RFI affects viewers, Canoe and E-Poll conducted a series of quantitative surveys over the course of the past year. The surveys were administered during live national RFI campaigns in-market with two sets of viewers per each campaign:

- 1) test group - viewers exposed to a commercial with an RFI application,
- 2) control group – viewers exposed to the same commercial without the RFI application.

Test group responses were benchmarked against the control group to determine the impact of RFI on a collection of key branding metrics.

## RESULTS

The E-Poll studies show that the on-screen appearance of an RFI positively impacts branding metrics, regardless of whether the viewer interacts. Specifically, it was observed that RFI improves an underlying TV commercial on three fronts. It:

- 1) gets more viewers to take notice of both the ad and the brand,
- 2) gets viewers to feel more positive about the brand and potentially increases word-of-mouth socialization,
- 3) gets viewers to consider taking positive action towards purchase of the brand.

Together, these results strongly indicate that RFI-enhanced advertising provides value incremental to the direct marketing results inherent to the solution.

RFI IMPACT	% CHANGE BETWEEN TEST AND CONTROL GROUPS
UNAIDED BRAND AWARENESS	+23
UNAIDED AD AWARENESS	+26
AIDED BRAND AWARENESS	+2
AIDED AD AWARENESS	+9
PURCHASE INTENT	+28
AGREE WITH THE FOLLOWING STATEMENT:	
THE AD MADE ME WANT TO BUY THE BRAND	+28
IS SOMETHING THAT I WOULD TALK ABOUT	+14
LIKELIHOOD OF TAKING THE FOLLOWING ACTIONS:	
LOOK FOR THIS BRAND AT THE POINT OF SALE	+19
HAVE A MORE FAVORABLE OPINION ABOUT THE BRAND	+16
VISIT THE BRAND'S WEBSITE FOR MORE INFORMATION	+18
SEARCH FOR THE BRAND ON A SEARCH ENGINE	+25
POST A NOTE ABOUT THE BRAND ON A SOCIAL NETWORKING SITE	+9

## VIEWERS ARE TAKING NOTICE.

The improvement in unaided ad awareness (+26%) and aided ad awareness (+9%) when RFI appears on an underlying commercial demonstrates that the application is helping the ad to stand out in the midst of the TV viewing experience. This surge in advertising attention appears to go hand-in-hand with driving unaided brand awareness (+23%). Big changes in ad and brand awareness have the potential to create a foundation for more favorable results further down the purchase cycle.

## VIEWERS ARE FEELING MORE BRAND POSITIVE AND WANT TO SPREAD THE WORD.

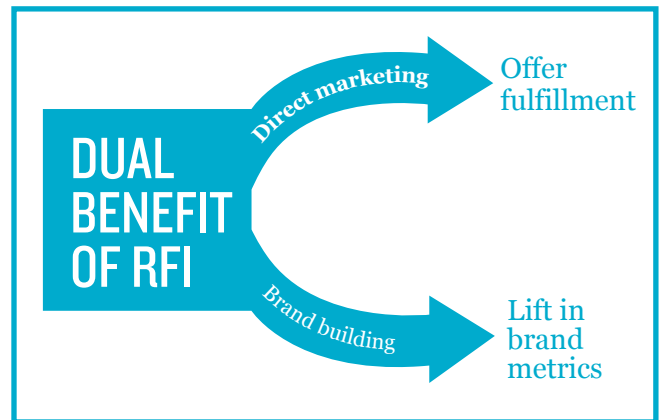
While the ability of RFI to help get a TV spot noticed and to increase ad and brand awareness are key findings, it is also important to understand how adding an RFI to a commercial impacts the attitudes of the viewer towards the brand. For advertisers, it is important that viewers consider the utility and convenience offered through RFI enhancements as additive to their TV experience rather than something that detracts from their enjoyment of television and its supporting advertising. Our findings support this premise. The studies found that more viewers who saw the RFI in the test groups had a favorable opinion about the brand (+16%) versus those who did not see the RFI in the control groups.

Not only did the addition of an RFI have a positive impact on opinion, it also increased the potential for the spot's influence to extend beyond TV. The proportion of viewers who agreed that the ad is something that they would talk about was 14% higher with the test groups. And, more viewers in the test groups said they were likely to post about the brand on a social networking site (+9%). Taken together, these findings point to RFI as a way for brands to generate a positive buzz in consumer-to-consumer interaction.

## VIEWERS ARE COMPELLED TO TAKE ACTION.

The studies also suggest that adding an RFI makes viewers more likely to take some kind of action toward the brand. Viewers in the test groups exposed to the RFI who said they were likely to search for the brand on the Internet were 25% greater than viewers in the control groups. More viewers in the test groups also said they were likely to visit the brand's website to seek additional information (+18%). Perhaps most importantly, 19% more viewers in the RFI-exposed test groups said that they were likely to look for the brand at the point of sale than viewers in the control groups. Across the board, seeing the RFI in conjunction with an ad tended to pique the interest of the viewers enough to take action, with one viewer remarking "insert verbatim."

These findings position RFI advertising products as potential gateways to multiple points of contact between the brand and the consumer, increasing engagement, which has tremendous implications for boosting purchase intent and, ultimately, success at the register.





## CONCLUSION

Given these findings, it is clear that RFI should be viewed as more than a mechanism to layer direct marketing functionality onto television commercials.

Rather, it should be recognized as having a dual role.

It is both a tool for creating direct contact with viewers and a brand-building mechanism that can increase the effectiveness of advertising on television.

RFI's ability to increase awareness (ad and brand), positive buzz, and consumer willingness to take action may even have a larger impact on a brand's sales than offer fulfillment. In fact, these studies found that the proportion of viewers who say an ad made them want to buy the brand was 28% higher for those exposed to RFI-enhanced versions of ads versus those who saw regular ads.

As advertisers contemplate their marketing mix and plans for television, RFI's positive impact on brand measures warrants consideration.

## ABOUT CANOE VENTURES

Canoe Ventures is in the business of better television. Founded as a joint venture of the leading cable television operators in America, Canoe is expanding relevant, measurable engagement with television viewers. Canoe enables national networks with advanced capabilities and works collaboratively industry-wide to define, develop and scale advanced television solutions.

Using innovative EBIF (Enhanced TV Binary Interchange Format) technology, Canoe has built a national platform for incorporating interactive features into programming and advertising across multiple video distributors. Programmers can now offer their advertisers interactive inventory, reaching millions of digital cable households on a national platform.

Canoe's commercially available **Request for Information (RFI)** advertising product enables advertisers to embed a call to action – a request for a product sample, a coupon, or information – into a traditional TV spot. The viewer simply uses their existing remote and easy selections on the remote to respond to offers.