The Expanded ARF Model: Bridge to the Accountable Advertising Future

The Web is the first interactive medium presented to the advertiser. As such, it offers important opportunities for learning how to use interactivity within the advertising process to add to advertising effectiveness. Like any other new medium, the advertiser's predictable initial concern is "how cost effective is this medium compared to those I use already?" This paper proposes how the ARF Model for Evaluating Media can be updated and predicts that the use of our version or a similar underlying agreed industry model will facilitate the growth of more accountable advertising opportunities into the next Millenium.

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Next Century Media

THE YEAR WAS 1955. The advertising industry was challenged by the ascension of a new medium—television—whose audience numbers needed to be compared with radio and print numbers. Questions were being raised which magnetized to a *lumpen* complexity of confusion: Is a viewer the same as a reader? Is a viewer equal to a listener? How do we compare the cost/value equation when alternate media want our money and cite their apples-and-oranges numbers?

Clearly, the advertising industry had to get down to some overdue concentration on thinking out the basic principles of what advertising is, what media are, and how the whole process works. This was a historic moment. It could not have been possible earlier in the history of advertising, because the basic conceptual tools had just appeared, courtesy of WWII.

Propaganda research during WWII trained some of the people who were later to become leaders in advertising research, including giving the Advertising Research Foundation one of its vice presidents, Charles Ramond, who was also editor of this *Journal* for about 20 years—and it also gave the industry a scientific underpinning of attitude research, which led to studies by agencies such as Foote Cone, Grey ("The Study of Brand XL"), and others, proving that attitude shift and sales were empirically related.

Between 1955 and 1961, many of the brightest minds in the advertising industry focused on the basic questions of how media might be compared—which always returned the discourse to the one basic question: *How does advertising work?* Because one cannot think about comparing media until one first thinks about what these media are supposed to help accomplish.

In 1961, the ARF published a monograph entitled *Toward Better Media Comparisons,* which offered a six-stage model of the advertising process, and recommended that media be compared *within* each of these six stages whenever the difficult conditions of experimental purity were reached which would allow any such comparisons at all. Simplistically, this means that you should not take a Vehicle Distribution number from Medium A and compare it to a Vehicle Exposure number from Medium B. But the implications of this historic document go far beyond that intuitively obvious imprecation. The ARF Model, as it has come to be called, is a conceptual roadmap, a master model of advertising. Its inherent logic and its clarity are powerful aids to thinking about what constitutes the advertising value equation between any medium and any advertiser. It is a framework that can be operationalized through specific research initiatives, the broad strokes of whose requirements are innately embodied in the Model itself.

The ARF Model has lasted over a third of a century and has promise to last potentially forever. However, it appears upon closer inspection to have certain correctable omissions. This paper is an inspection of those omissions, with recommendations on how to correct them.

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Why today? What is the impetus for this dusting-off of a hallowed and yet largely forgotten old scroll? It is because we live in another time right now just like the time that was then—the start of an important, and world-changing, new medium. Then it was television. Now it is the Internet. New times make us think deeply again about what we are trying to accomplish and how we can measure it, and how we can compare accomplishment costs across old and new media alike.

Today the Net is not growing its adspend as fast as it would like. Because the Net is the intended beneficiary of this work, before proceeding into the general subject of the ARF Model and its updating, let us pause for a moment to consider some of the current debates raging within the Internet advertising medium.

CURRENT QUESTIONS

The most prevalent advertising form within the Web today is the *banner*. This is a diminutive advertising unit whose appearance within the visual field is approximately equal to the experience of seeing an outdoor billboard from a low flying plane. The two cost-efficiency measures which have become typical collateral for pricing ad buys are *adviews*, the number of times that the banner is presumably seen; and *clickthroughs*, the number of times that the banner is clicked upon. This results in connecting the user to the *advertiser's website* (or in the mode we prefer, to a mini-site still within the cybermedia vehicle's space; we will defer discussion of this preference for later).

Adviews

The debate about adviews centers on Cost Per Thousand. Outdoor has a CPM of under $1, but cybermedia are selling adviews for CPMs ranging generally between $20 and $80. Why? What is the additional value that is being paid for? In reality, in many cases this CPM is being paid (or in some cases *was* being paid) for extraordinary reasons which will not support rollout of the medium. These extraordinary reasons include research and the need to drive traffic to the advertiser's website (to justify having built it, but without necessarily positive implications to the continuation of this activity). Today many cybermedia are feeling the pinch of a more difficult sell on these CPMs as the medium matures into a sustaining mode.

Yet there could be a reason to pay a higher CPM for banners. What if being seen in cyberspace by a Netizen results in the brand instantly achieving a friendlier status in the Netizen's mind? This posits a relationship effect conferred by the medium upon a brand seen in the medium. What if the Netizen is so sold on his or her medium that any brand seen in that medium will be seen in a new and more positive light, as a ruboff effect?

Our 1974 study for *Black Enterprise Magazine* found such an effect. A proportion of upscale blacks consciously sought to repay advertisers seen to be supporting a black medium dedicated to promotion of the process of blacks joining the American success system. This drove recall and persuasion rates two to three times higher than the control publication, *Newsweek*, holding the ads constant. The effect of environment, a subset of spokesperson bias, is well documented in the advertising research literature and within the broader academic and scientific attitude research surrounding it.

A semihypothetical anecdotal example might be Ragu. The Mama Cucina site was for a long time the best-liked site on the Web. It is easy to imagine that 16- to 49-year-old males, still the mainstay audience of the Web even as it begins to massify, might have had little tendency to prefer Ragu over Prego or vice versa before 1995, and that the website could have created brand preference for Ragu in the exposed segment of males 16 to 49 that might otherwise never had existed.

The Millward Brown study for *Hotwired* is the first to begin to investigate such effects and could turn out to be a landmark study in the development of the Internet as an advertising medium. (See the Briggs and Hollis paper in this issue.)

Clickthroughs

The debate on clickthroughs is classical, in that it raises the question of what is the medium's job: is it merely to deliver eyeballs/ears, or is it to also create an environment conducive to furthering the attention paid by those eyes and ears? If the latter, then the medium's job includes the creative factor, because the ad itself is that which creates attention—but isn't this the agency's job? The exact same debate flowed out of the publication of the ARF Model over 35 years ago, when the media took the position that all ARF Model levels above advertising exposure are the advertiser's and agency's job, not the media's job.

In today's version of the argument, the advertiser says, "The banner is not the ad: it's the *ad for the ad*! I'll pay you for the number of people that are reached by the actual ad." In other words, the advertiser offers to pay on a per-clickthrough basis.

Procter & Gamble continued their fine tradition of setting industry practices by pioneering such a deal with Yahoo in April 1996.

"But wait!" the seller says, "Your banner creative is terribly uncreative. You won't generate many clickthroughs, and then you'll penalize us for that. Our job is just getting you the opportunity for clickthrough, and unless we control the creative in the banner, we can't be held responsible for the clickthrough rate; that's your job." In other words, the medium objects to the fairness of being paid for clickthroughs, because some of the clickthrough rate lies beyond their control in the hands of the agency preparing the banner creative.

The acid test of the relevancy of the ARF Model will be its ability or inability to add constructively to the resolution of these current questions standing in the way of more rapid utilization of the advertising potentials of the Web.

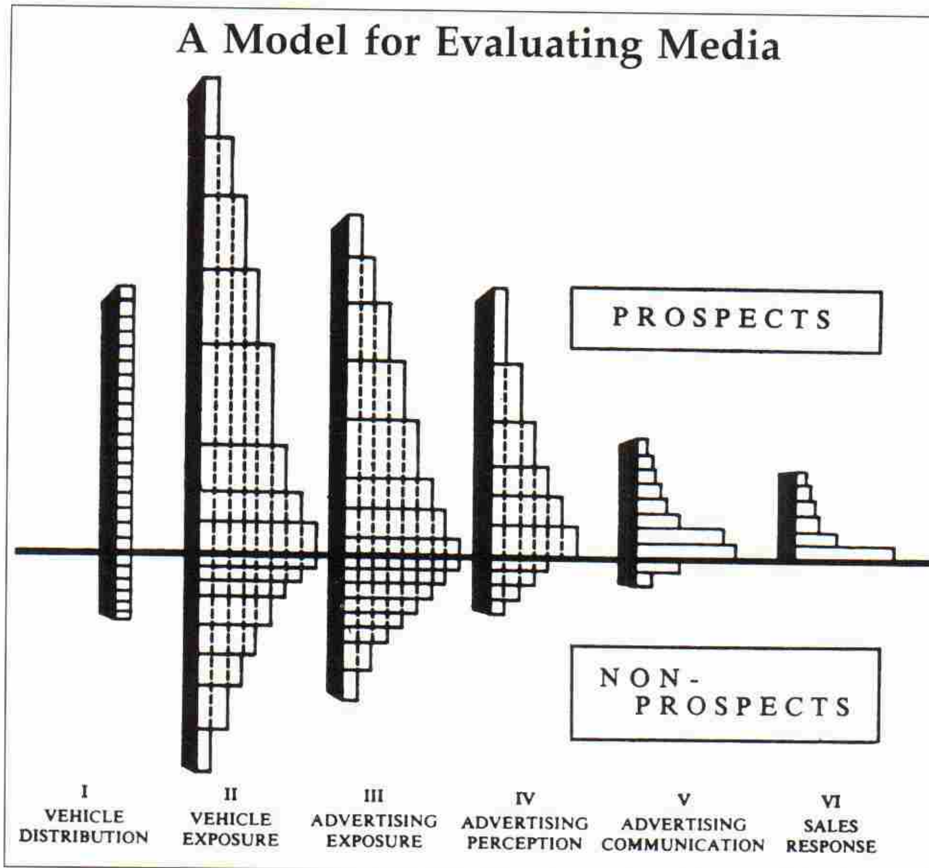

Figure 1 ARF Model for Evaluating Media

PURPOSE

The objectives of this paper are to:

1. Advertise the availability of the ARF Model as a constructive element in facing current questions regarding Internet advertising.
2. Review the ARF Model and update and/or improve it for today's use.
3. Apply the updated Model to the questions facing us, and draw conclusions for recommended action.

THE ORIGINAL ARF MODEL

The 1961 ARF Model (see Figure 1) still standing today has six levels at which media can be compared:

1. *Vehicle Distribution*—a count of the physical units through which the advertising flows (TV or radio sets tuned to the program, copies of the magazine/newspaper issue, etc.).
2. *Vehicle Exposure*—the number of individuals exposed to the media vehicle (program, magazine, etc.).
3. *Advertising Exposure*—the number of individuals exposed to the advertising itself (commercial, ad, etc.).
4. *Advertising Perception*—the number of individuals noticing the advertising.
5. *Advertising Communication*—the number of individuals receiving some level of substantial communication from the advertising, more than the simple act of noticing.
6. *Sales*—the actual sales created by the advertising.

At each of these six levels, the ARF Model distinguishes between Prospects and Non-Prospects, with some Non-Prospects participating in all but the Sales level (by definition, Non-Prospects will not buy despite all the advertising that might be directed to them). And at each level, within each of the two segments, there is not a single number but rather a diminutive barchart symbolizing a reach/frequency distribution. In other words, we might take any level, say Advertising Exposure, and we will find that any media campaign will result in repeated Advertising Exposure occurring with more frequency among some individuals than among others, and with some receiving only one Advertising Exposure, or none at all. This same kind of frequency distribution occurs at every level within each segment.

Problems with the Model

Even before the development of the Internet, the ARF Model ran into problems which eventually caused it to be essentially put aside out of the mainstream day-to-day media buying and selling process.

One major problem was that of funding the necessary research to actually measure each medium at each of the six levels. Individual advertisers with the exception of General Foods were generally unwilling to spend enough on research to take advantage of the Model, at least until BehaviorScan came along. And then when BehaviorScan and scanner data came along, the advertisers leaped to the Sales level and tended to ignore Advertising Communications as never before; calibrations were not made among the levels which would have led to generalizations about how much of one level led to how much of another level. Scanners caused so much focus on the Sales level that the Model underneath Sales was forgotten, and as agency research department headcounts went down, we entered a Dark Age where questions about cause and effect, where concepts of *diagnostic explanation* and *understanding process* were at their minimum perceived value. This unfortunate historical trend was documented by Cook and Dunn in their 1996 *JAR* paper analyzing the agency decline in copy testing.

At the same time, those research organizations who kept the conceptual flame alive by incorporating the ARF Model in their services (including brand-share-prediction modeling), such as ASI and Millward Brown among others, thrived while other major research companies experienced flatter growth.

Media were similarly unmotivated to spend enough to prove their advertising effectiveness. Because, for the most part, those able to consider such investment were riding high on the status quo state of knowledge, and why upset the apple cart? Who knew what such research would really show. Only those out of power would be likely to consider such research, and then only if they truly had the confidence that the results would prove their own advertising efficacy. But those out of power would generally not be able to afford such research, which would have always been costly.

Looking back to 1983, Paul Chook, then Chairman of ARF, wrote: "Today, twenty-odd years after the Model's formulation, it is undeniably true that the main focus of industry media research is still on Stage Two—Vehicle Exposure . . . it might appear that we have made no progress at all."

Another problem that the Model had was that its creators recommended that Advertising Perception become the level to be most fully funded by industry research coffers. This thorny stumbling block had two sharp edges: the media considered that the Advertising Perception level exceeded their fair job—shades of clickthroughs—and the research community admitted that it could never measure Perception at all. As Erwin Ephron reminds us, it was Alfred Politz who first explained to the creators of the Model that the only way to measure Perception would be through Memory; therefore we will wind up with Recall (then considered part of Advertising Communication) whenever we try to measure Perception. (Today we might actually be able to operationalize Perception—or "noticing"—by measurement of Cortical Evoked Potential P300 waves, something that was not yet in the ken of the creators of the Model. This would take Memorability out of the Perception equation at last.)

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This is perhaps why Paul Chook in 1983 recommended that the industry refocus one level down, on Advertising Exposure, which would still be an improvement over the industry's traditional focus, still one floor lower at Vehicle Exposure (the realm of Nielsen, Arbitron, MRI, and Simmons).

One might criticize the ARF Model by saying "Why have a level that can never be operationalized as itself, a level that turns into a different level when we try to measure it (as Perception turns into Recall when we try to measure it)? Why not leave such a level out entirely?" A thorough inspection of the Model would lead the rational observer to conclude that the Model is incomplete. For one thing, Sales are the highest level. But the advertiser is seeking *profitable sales sustained for as long as possible,* not just Sales. This means that the Model is useless or counterproductive for comparing advertising and promotion, two competing uses of the marketing budget. For example, coupons are likely to drive up Sales, but all too frequently drive down profits, and also undermine brand loyalty which is related to the *"sustained for as long as possible"* part. Use of the Model as is would bias the outcome toward shifting all advertising into promotion, which would be lethal. Therefore the Model in this respect is simply "wrong" in that, if used as originally intended, it would lead the industry in the opposite direction from the in-reality success direction, simply as a result of being incomplete and therefore Reductionist.

The Model cries out for updating . . .

Finally, the Model omits all reference to Leads, a critically important stage in all direct marketing, database marketing, and relationship marketing—three modern tools which were in pre-embryonic condition in 1961. Without a separate level for Leads they would presumably be tossed into Sales level, making practical implementation of the Model clumsy at best for practitioners of the direct arts. This is a particularly troublesome issue with regard to the Web, already proven as a direct marketing medium.

And when one removes the fetters of the past and stares straight at the one-to-one personal communications potentials of the Internet, they transcend direct marketing and look more than anything else like direct selling. The difference is the velocity of the communication: only in direct selling—and on the Internet—is there the potential for realtime branching to a new stimulus based on the nature of the last response. These direct selling considerations correspond to the direct marketer concept of ever-more-qualified, information-seeking *Leads*.

Therefore to fully realize the promise of the Web as an advertising medium, the needs of direct marketers cannot be overlooked, and the Leads dimension summarizes the gap between Persuasion and Sales where the Prospect is taking communication action. The Model cries out for updating—for the inclusion of Leads if for no other reason—if we as an industry are to be equipped with the necessary conceptual tools with which to appreciate and apply the Internet as a means of marketing communication.

PROPOSED NEW ARF MODEL

In order to make the Model more fully usable in helping to solve today's problems, we propose the following changes to the Model: the addition of four missing levels—*Leads, Profits, Loyal Customers,* and *Return On Investment* (ROI). These are described by Craig Gugel in his fine article in the 4As magazine *Agency*. I cannot improve upon the language and so with kind permission here is how Craig describes the four new levels:

> More recently, Bill Harvey of Next Century Media endeavored to extend the historical ARF model by adding four stages that coincided with the unique one-to-one communication properties of the Internet and other response-based direct-to-consumer media.
>
> Situated between the advertising communication and ad sales response levels, the first of the four additional stages has been logically labeled *Advertising Leads,* a measure of those who have received some form of communication from the advertising and have actively sought more information on the product or service being advertised (e.g., requested a brochure via an 800 number, activated information request hotlinks within an advertiser's website, etc.).
>
> Positioned following the ad response level, the second extended stage, *Loyal Customers* is essentially a count of leads converted to purchasers who are favorably predisposed to the offering and who have continued purchasing the product or service over time.
>
> The third extended stage, *Profits,* can best be summed up as the positive dollar difference resulting from the interactive sale of the product or service to Loyal Customers, versus the cost of producing the product or service.
>
> The final extended stage, *Return on Investment (ROI),* is defined as the annual percentage rate of return on profits attributable to the interactive capital investment (e.g., costs for building, promoting, hosting and maintaining an Internet website).

The addition of these four missing levels makes the Model complete in terms of mapping to real-world effectiveness requirements (see Figure 2). In particular

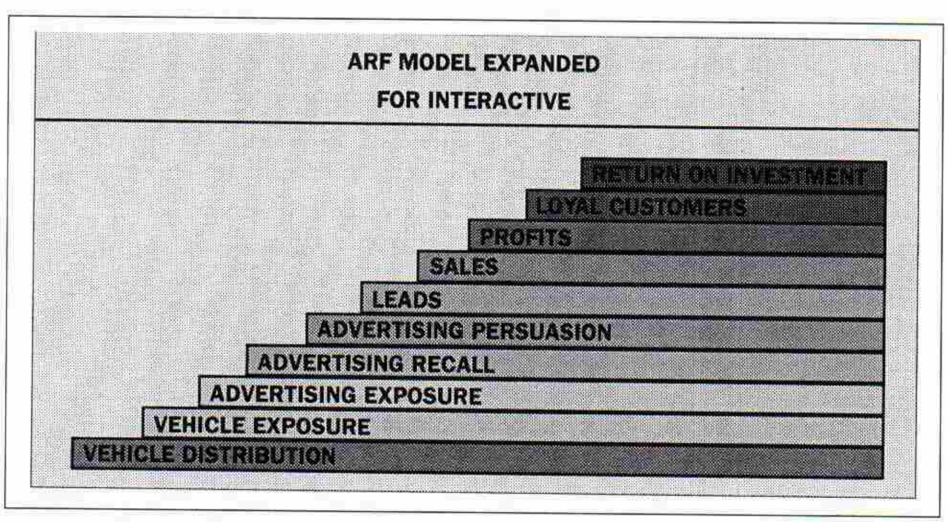

Figure 2 ARF Model Expanded for Interactive

they prepare the Model for life in the Age of Interactivity, where Leads will become even more important as a level of advertising effectiveness, and where clickstream accountability capabilities will make Sales and the three levels above Sales a more constant part of the picture, improving the cost effectiveness of marketing in general, with unknown but presumably salutary effects upon the world economy and the quality of life.

Note that we have slightly changed the order of the new levels in the diagram. At the stage of its evolution at which Craig Gugel saw the new Model, Loyal Customers were situated just above Sales. We have since refined our thinking such that we see better placement of Profits just above Sales, since Profits can be calculated based upon a specific point-in-time Sales figure, and since both Loyal Customers and ROI are more long-term rather than point-in-time measures.

We also propose a nomenclature change with regard to the next two levels above Advertising Exposure, aimed at solving the operationalizability problems the industry has had with the level called Advertising Perception. As Alfred Politz had predicted, all use of the Perception level involved Recall/Recognition measures. Why then continue to refer to it as the "Perception" level—why not simply call it "Recall," the most-often-used word in the industry to describe the advertising memorability dimension?

This then requires a new word also at the Advertising Communication level, since Recall had been defined as part of the Advertising Communication level. "Advertising Communication Other Than Recall" would be ugly, and since Persuasion is the industry's most-often-used word for the rest of what advertising does, why not call that level simply "Persuasion"?

It is recognized that different advertisers have different ways of measuring Persuasion, often using tools that do not even use the word "Persuasion." Commonly used terms include brand building, brand equity building, increase in competitive share of choice, purchase intention increase, brand rating increase, etc. We consider all of these to be differently operationalized variations of Persuasion level. Even measures of corporate image changes, reflecting consumer awareness of the company's good works in the community, are defined as falling within Persuasion.

On the other hand, consumer learning of sales and copy points are defined as falling within Recall. For example, Belief and Liking clearly fall within Persuasion, but Comprehension is a more borderline dimension. Our recommendation is to include it in Persuasion, so that the Recall level is left to be purely a function of Memorability, and *anything beyond Memorability falls into Persuasion.*

The New Model implies sublevels

Just as there are sublevels of more-qualified and less-qualified Leads in the direct marketing field, there are obviously sublevels of the other nine levels of the new Model. The most significant sublevel phenomena are believed to exist at the Persuasion level. Here the realization that there are gradual stages in the Persuasion process is classical.

An early industry model was AIDA, which stands for Attention, Interest, Decision, Action. This model assumed that all consumer processes are rational and involve decisionmaking. Later industry research suggested that, in low-involvement product categories, much of the purchasing does not involve rational decisionmaking but is impulsively driven by price and awareness dimensions ("Low Involvement Theory").

In Internet advertising, the first sublevel within Persuasion that can be easily measured is the clickthrough, and further clicks related to paying more attention to that advertiser's content can be equated to further upward movement among sublevels of Persuasion.

Let us remember that the first goal of the ARF Model was to provide transportability of measures across media. One might be concerned that measures originating in Internet practice, such as clickthroughs, might not be transportable across media. However, by establishing clickthrough as an initial sublevel of Persuasion (i.e., the consumer would not have clicked if there was not already some Persuasion toward taking action), we ensure transportability of the clickthrough measure across media—albeit only those media allowing a measurable consumer action to get more information, such as ITV, kiosks, and other Interactive media.

Erwin Ephron proposes that five important stages in Internet advertising success are Attraction, Reaction, Interaction, Transaction, and Sales. He defines Attraction as "a count of persons landing on the source site page carrying the banner . . . this corresponds to the mass media's 'ad exposure'." (The term "Attraction" usually implies that some perception or attention has taken place, which is certainly the case here; however, it is to the URL and subsequently to the initial content of the site's home page, not necessarily to the banner. Attraction to the content of the site would correspond to Vehicle Exposure in the ARF Model, while the banner has come along as a side effect; in fact, the visitor may fail to see the banner if it is below what appears on the screen before scrolldown. Therefore use of the term "Attraction" could mislead some to think of Vehicle Exposure or Advertising Exposure or even Perception, when Ephron's apparent intent is to link it to "ad exposure," i.e., Advertising Exposure.

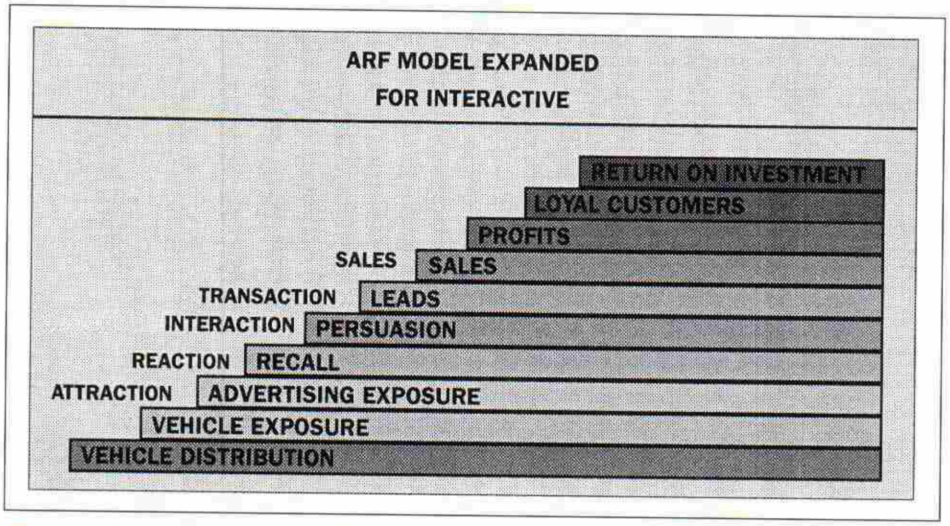

Figure 3 ARF Model Expanded for Interactive Including the Ephron Model

The drawback with the 12-stage Model is that it reduces Persuasion to just Clickthrough, Interaction, and Attitude Shift. It leaves out Comprehension, Mood, and other dimensions which fit within the process of Persuasion but do not fit within the more narrow term "Attitude Shift." The latter is more specific than Persuasion, i.e., Attitude Shift may be the core of Persuasion but it is not necessarily all of Persuasion. Rather than conclude that one of these two new Models is better than the other, we will propose both as variations on a theme and leave room for further debate and evolution of industry thought on the subject.

Therefore although the term "Attraction" is itself attractive, it might add to confusion in practice.)

Reaction is defined by Ephron as the clickthrough. Interaction is defined as further interaction, specifically, downloading more pages from the advertiser after the first clickthrough. We would propose making the term more generally apply to any further interaction with the advertiser short of becoming a Lead (i.e., to include measures of time spent even without further clicking, interacting with complex pages even without downloading other pages, etc.).

Transaction is the same as Leads. (At the recent ARF/CASIE Symposium in Monterey, California in February, the extension of the ARF Model was much discussed, and several people were concerned that the term "Transactions" would imply "Sales" to most of the industry.) Sales are Sales.

What Ephron's analysis proves to us is that the new ARF Model, as proposed here, stands up to the ongoing need to incorporate other valuable new ideas. The Ephron Model maps onto the proposed new ARF Model as shown in Figure 3.

Following Ephron's lead a bit further, we might be tempted to expand the new ARF Model still further, to 12 levels as shown in Figure 4. In this 12-stage Model, Persuasion becomes a zone in which there are 3 levels; Clickthrough, Interaction, and Attitude Shift. This has the advantage of pointing directly to an operational definition of terms, since each of these three things can be measured today, the first two quite inexpensively.

The New Model in the old visual metaphor. Because we see the Model as a progression of states through which advertising induces prospects, we automatically picture the Model as a staircase ascending to the heavenly heights of brand success. However, the creators of the Model had their own picture to which we must pay respect. Therefore, here is the proposed new 10-stage Model in the visual clothing of the original Model, showing the Pros-

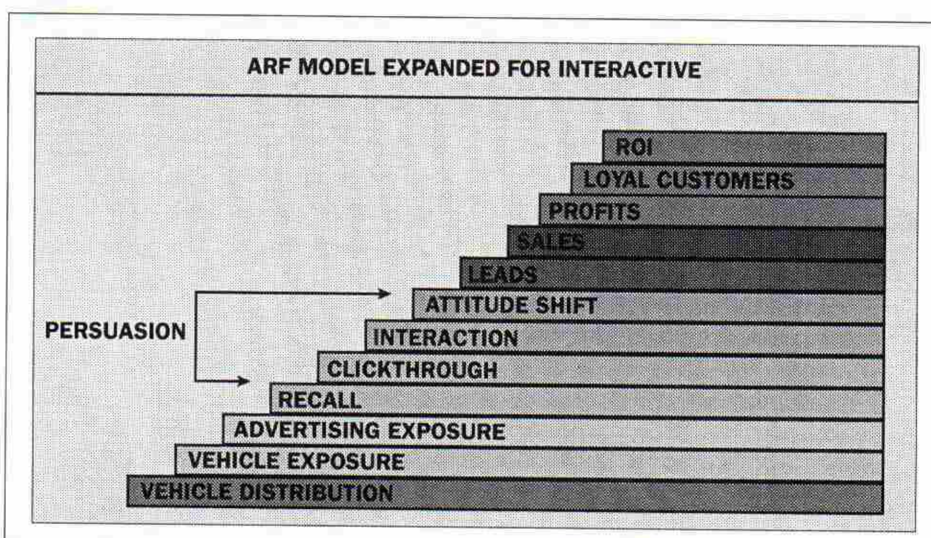

Figure 4 ARF Model Expanded for Interactive (to 12 levels)

pects/Non-Prospects dimension and the reach/frequency dimensions:

Applying the New Model to the new questions: implications. If this is the New Model, then how does it solve our advertising measurement and advertising pricing problems on the Internet today? The job of any model is to help us think, and the test of whether this new Model helps us think is whether or not the Model leads us to any new solutions for our problems.

Our first problem was the value and price of an adview. The new Model tells us that this is at the Advertising Exposure level (better than the Vehicle Exposure level at which most other media are sold), but it can also have Persuasion effects as postulated above for Ragu, and as shown for several advertisers in the Briggs and Hollis (1997) study. The Model implies that an adview is worth much more when it can be proven to have effects at the Persuasion level as well as at the Advertising Exposure level. This leads to at least two important action implications:

1. Enlargement of the banner so that Persuasion may be better accomplished by the inclusion of sales points, imagery, etc.
2. Measurement as in the Briggs and Hollis study should be pursued by more major cybermedia individually or together, or perhaps an all-industry study ought to be organized by the ARF, to determine the Persuasion effects of (Internet Persuasion Type A, Media Effect) merely being seen in cyberspace and (Internet Persuasion Type B, Creative + Media Effect) larger banners containing more persuasive elements than allowed by current size banners.

We hypothesize that the "Type A" effect stems from *Associative Bias*, or "The friend of my friend is my friend, etc." In other words, a consumer who is positive toward the Internet may (as in the *Black Enterprise* experience recounted eariler) become positively disposed toward advertisers who support that person's perferred medium. Such an effect, we hypothesize, will more frequently obtain for brands not expected to be seen in cyberspace, such as packaged goods, and will not as frequently or not at all for computer-related products, cars, and other categories that users are used to seeing in cyberspace, because the linkage is expected. And that therefore this Type A halo effect will tend to diminish over time, as the medium becomes home to all the usual advertisers seen in other media.

Pursuit of larger banners and landmark Persuasion measurement will tend to have positive effects on the growth of Internet advertising revenues. And the measurable value derived by advertisers will lead to more accountability in advertising. These are good effects of a better new Model but are really derived from the goodness of the original ARF Model in the first place.

Our second problem was the value and price of a clickthrough and whether clickthroughs should even be used as a basis for pricing. The new Model casts clickthrough a part of Persuasion, which makes it very important and valuable. TV commercial pretesting shows that the percentage of the advertising-exposed audience which shifts attitude favorably toward a brand is on the order of magnitude of 0 percent to 8 percent. Interestingly, this is remarkably close to today's average-to-better clickthrough rates. An advertiser may test five new TV commercials to find one that does better than 6 percent positive shift, thought to be the cutting point at which to run a new commercial. At this point far fewer than one in five banners has such a high clickthrough rate. The classification of clickthroughs as an initial sublevel of Internet Advertising Persuasion perhaps gains face validity given that the average order of magnitude of the clickthrough phenomenon is on an approximate par with the average order of magnitude of Persuasion measures in TV commerical pretesting.

What this implies is that *there should be a price per clickthrough, additive to a price per adview.* Each has some value, the adview having value at least at the Advertising Exposure level and sometimes at the Persuasion level (Types A and B as elaborated above), and the clickthrough having value at the Persuasion level. Persuasion research using experimental design (controlling all variables except one) is recommended in order to establish the value and, therefore, the fair price for adviews and clickthroughs. This suggests further use of the Briggs and Hollis type study, where experimental design is used to establish a matched control group without which Persuasion measures are likely to be nondefinitive. We predict that more cybermedia will be using that and other research company suppliers for more such experimental-design Internet Advertising Persuasion studies in the near future.

Another important implication of the new Model (and, less visibly, of the old Model) is that advertising "work" takes place over a staircase of dimensions, and that to the extent that a media vehicle can prove that it did part of that work, that media vehicle ought to be compensated accordingly by the advertiser. This in turn implies that a cybermedia vehicle ought to want to do more advertising work for each advertiser, which in turn implies that the user ought to be taken through a series of Persuasion sublevels within the cybermedia vehicle's own space, where the cybermedia vehicle can take credit for the work accomplished.

For example, a cybermedia vehicle

. . . the clearer thinking engendered by a better Model will lead to fuller and sooner exploitation of Internet advertising opportunities beyond mere mass media techniques . . .

could charge for the value of (a) the ad-view of an enlarged banner containing more persuasive elements than present-sized banners; (b) the value of the first clickthrough to a mini-site containing a subset of the advertiser's website; (c) a Lead captured at the mini-site, and finally for (d) passing the warmed-up prospect off to the advertiser's own website. The advertiser could verify the value of this warming-up process by comparing the accomplishments (e.g., Sales) at the advertiser's website among "warmed-up" versus "direct-from-small-banner" prospects arriving at the advertiser's website. Such a multistage process could create a win/win situation for the advertiser and cybermedium by providing for "pay for performance," and by giving the cybermedium more opportunity to do valuable and measurable advertising work as outlined by the new Model.

CONCLUSIONS, SUMMARY, NEXT STEPS, AND A PREDICTION

We conclude that the new Model, mostly by building upon and elucidating the benefits in the old Model, serves a useful purpose and leads to potentially valuable action implications testable in the real world.

We have added four new levels to the ARF Model and renamed two of the old levels. This appears to add to the current applicability of the Model in a world which offers the opportunity of fusing the advantages of image advertising plus direct marketing via the New Media.

The next steps we recommend are banner enlargement for more Persuasion, the increased use of mini-sites, the capturing of Leads at mini-sites, cybermedia pricing for each piece of provable advertising work done at prices agreed based on measured value, and therefore the increased use of Persuasion (and Recall) measures of Internet advertising.

We predict that the clearer thinking engendered by a better Model will lead to fuller and sooner exploitation of Internet advertising opportunities beyond mere mass media techniques, where the linkages between Interaction, Interest, and Persuasion will become better understood and utilized. This will be part of a general trend to utilize the clickstream plus traditional survey research tools to make advertising as practiced a more accountable part of the total corporate budget. In this process, the long-awaited integration of copy research and media research, held up by so many years by their conceptual separation into specialized, suboptimizing "silos" within advertiser/agency organizations, may finally be achieved as the perspectives of all parties find a single, explanatory codex. This assimilation of media and advertising research will strengthen planning, execution, and analysis. That will promote more impactful advertising, whatever the medium.

JAR

Bill Harvey is Cofounder, Chief Executive Officer, and president of Next Century Media, Inc. He has more than 30 years experience in advertising and media research. He and his companies have been involved with most of the interactive media ventures launched since the medium's inception.

Recognized as one of the most influential media research innovators of the past three decades, as well as an interactive media expert with singular accuracy in predicting the evolution of the medium, Harvey has many accomplishments in the media research field. Some include: Inventing the Area of Dominant Influence (ADI) concept for Arbitron; designing a touch screen, executive friendly system that presaged *Metaphor* in its look and feel; coining the word "audiotex" in his 1983 report, "Audiotex vs. Videotex," triggering the rollout of 900 numbers from a base of 4 cities to 43 cities in one year; conceptualizing and cofounding International Rating Services, inc.; coining and popularizing the term, "New Electronic Media"; in part via a special study conducted with Arbitron in 1978, subscribed to by the major TV networks, film studios, cable companies and top ad agencies; and editing and publishing *The Marketing Pulse*, since 1979, a newsletter which focuses on the on-going "new electronic media" revolution.

Considered one of the leading experts on new electronic media, Harvey is a frequent speaker before many advertising/media industry groups. He is one of the few consultants to have worked with all three TV networks and all seven Hollywood studios.

Prior to founding Next Century Media's predecessor company, New Electronic Media Science, Inc. in 1972, Harvey held various media research management positions at Grey Advertising, Kenyon & Eckhardt, Interpublic, Arbitron, and Brand Rating Index.

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