nielsen

EVERYTHING I WANTED TO KNOW ABOUT ADVERTISING AS A CMO…BUT DIDN'T

MENG CMO SERIES

APRIL, 2015

MENG®
Marketing Executives Networking Group

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TODAY'S GOAL:

"Help you know in 60 minutes…

what I've learned in 5 years that…

I wish I had known when I was a CMO"

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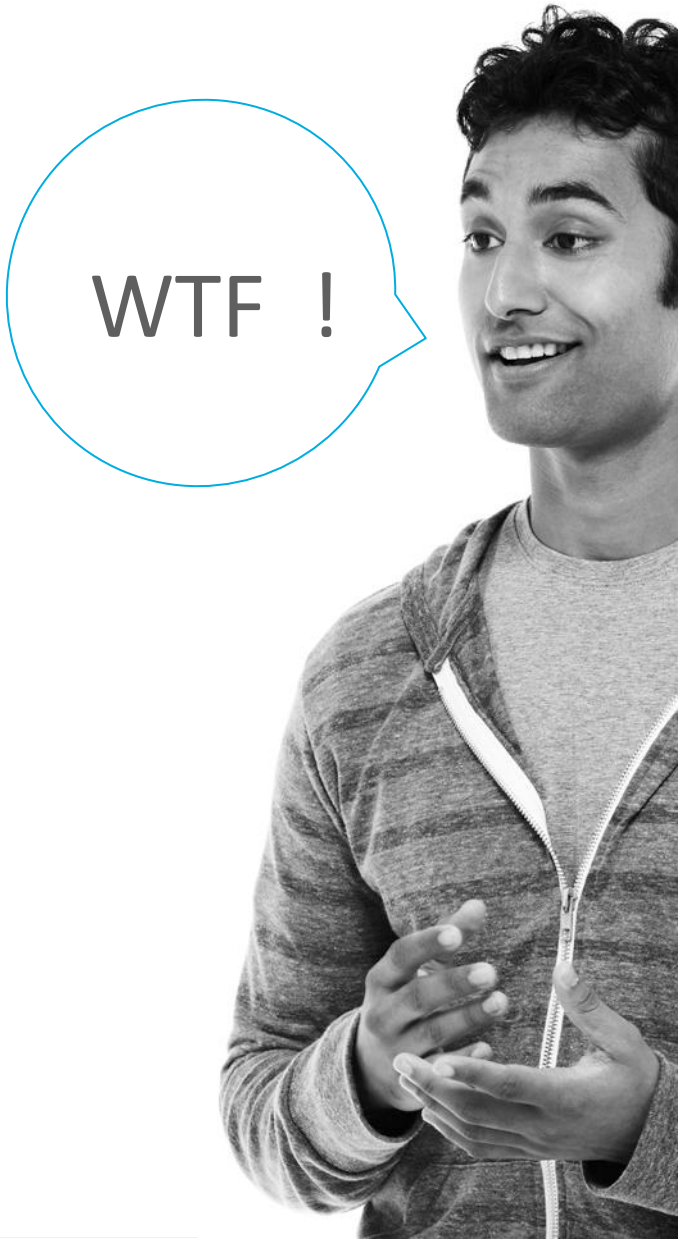
SURPRISING ADVERTISING FACTS: DID YOU KNOW…

ON AVERAGE…

1. 41% of digital ads go the ***wrong audience***

2. 57% of consumers who saw your TV ad yesterday ***can't correctly remember it today***

3. ~50% of advertising impressions generate ***zero volumetric response***



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THE GOOD NEWS

You can improve your advertising effectiveness by

at least 50%

with smart planning, measurement and optimization

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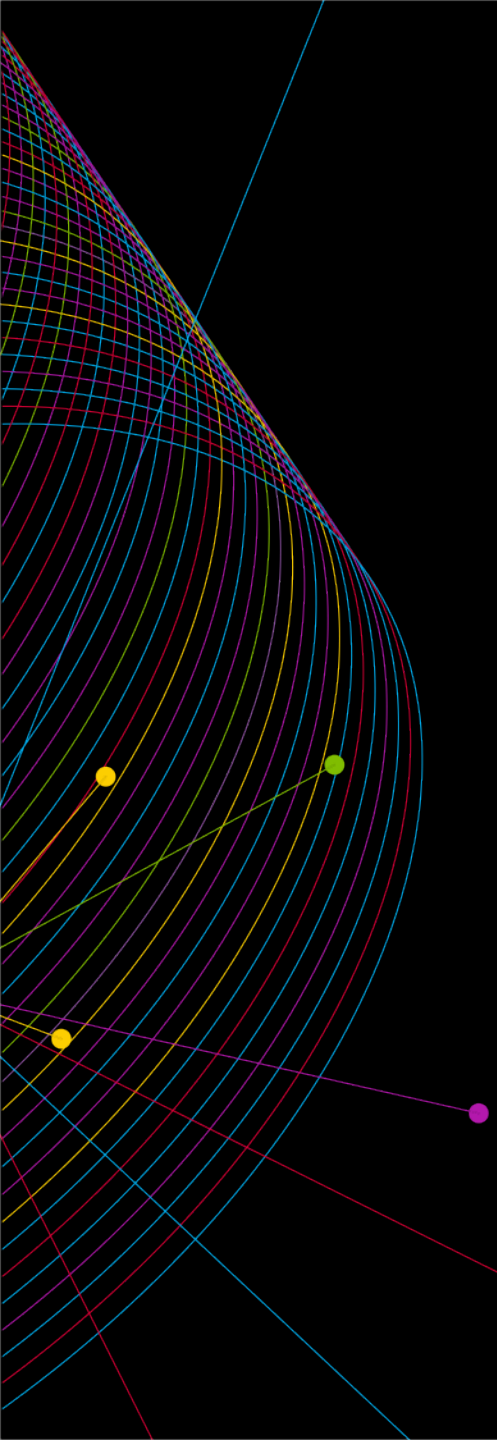
8 MAXIMS FOR CMO ADVERTISING SUCCESS

1. 3 Key Ingredients to Advertising Success
2. Your most valuable audiences aren't who you think
3. The reality of digital—it's not very precise
4. Reach still matters—more than ever
5. Leverage the subconscious for better ads
6. Real time is real
7. The future of marketing – is now
8. Make your CFO your best friend



1. THREE KEY INGREDIENTS TO ADVERTISING SUCCESS

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INGREDIENTS TO INCREASE YOUR ADVERTISING ROI

REACH

Reach the right people

Did my intended audience see my campaign?

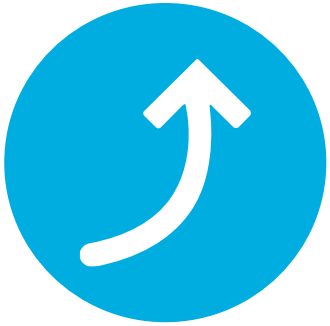
X

RESONANCE

Influence their opinion

Did my campaign deliver the desired brand impact?

=



REACTION

Impact their behavior

Did my campaign deliver the desired consumer response?

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INGREDIENTS TO INCREASE YOUR ADVERTISING ROI

REACH

Reach the right people

Did my intended audience see my campaign?

Identify and find the most volumetrically responsive consumers

Ensure that your advertising is actually reaching them

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INGREDIENTS TO INCREASE YOUR ADVERTISING ROI

RESONANCE

Influence their opinion

Did my campaign deliver the desired brand impact?

Diagnose and optimize your ad pre-market using Neuroscience

Measure & optimize in-flight ad performance

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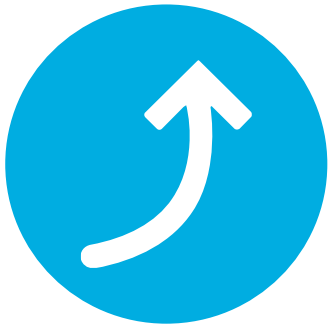
INGREDIENTS TO INCREASE YOUR ADVERTISING ROI



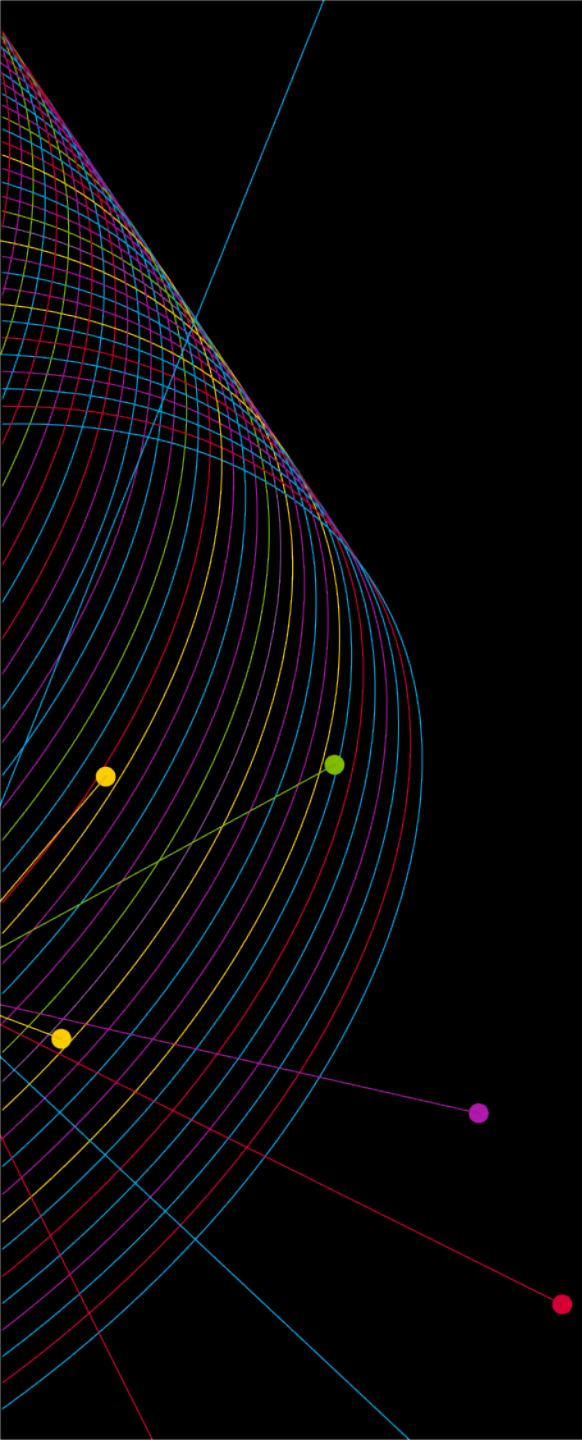
REACTION

Impact their behavior

Did my campaign deliver the desired consumer response?

Connect person level ad exposure to purchase in real time

Plan, measure and optimize ad performance using an automated Mktg platform



2. YOUR MOST VALUABLE AUDIENCES AREN'T WHO YOU THINK

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"SINGLE SOURCE" HH'S ENABLE US TO SEE WHAT PEOPLE WATCH AND WHAT THOSE SAME PEOPLE BUY

Watch Data

TV, Digital,
Print, Mobile Data

Single
Source
HH's

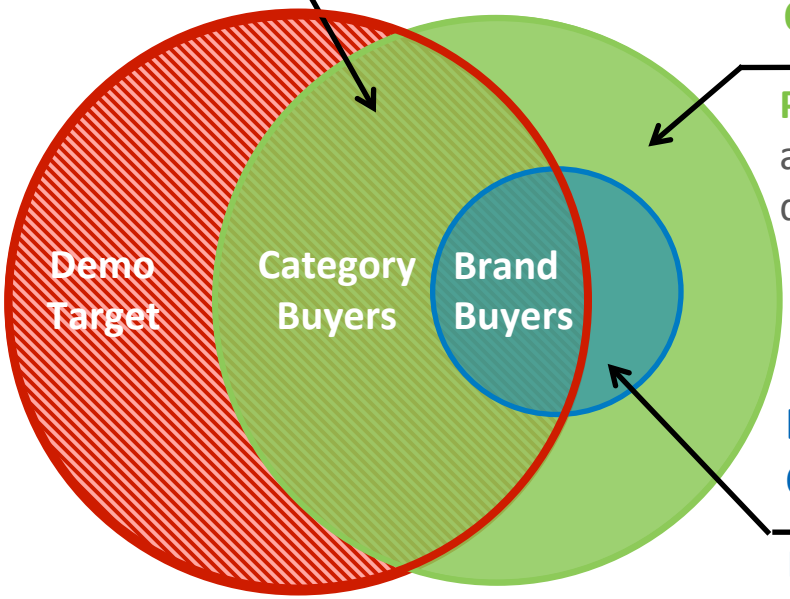
Buy Data

Shopper Card
Credit Card/Debit Card/CRM

CATEGORY & BRAND BUYERS OFTEN FALL OUTSIDE YOUR TARGET

NATIONAL TV LANDSCAPE

Percent (%) of the **DEMO TARGET** who are consumers buying in the category



Category Buyers Opportunity

Percent (%) of **CATEGORY BUYERS** are **NOT** reached by the demo target

Brand Buyers Opportunity

Percent (%) of **BRAND BUYERS** are **NOT** reached by the demo target

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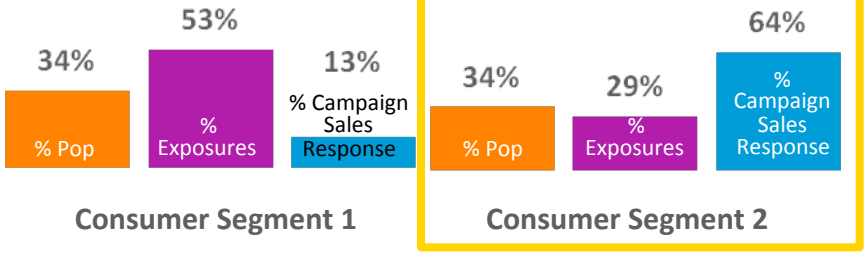
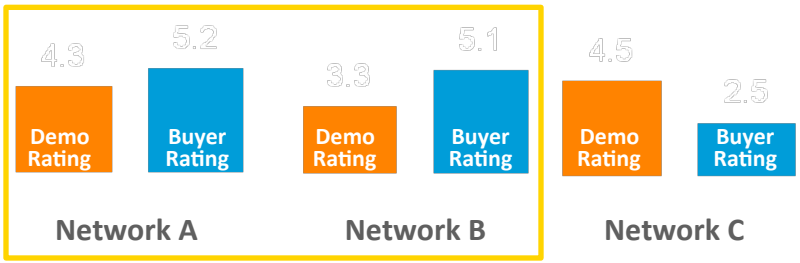
YOU CAN IDENTIFY THE MOST RESPONSIVE CONSUMERS TO YOUR ADVERTISING TO INCREASE SALES LIFT

1 Identify demo campaign (baseline) sales lift

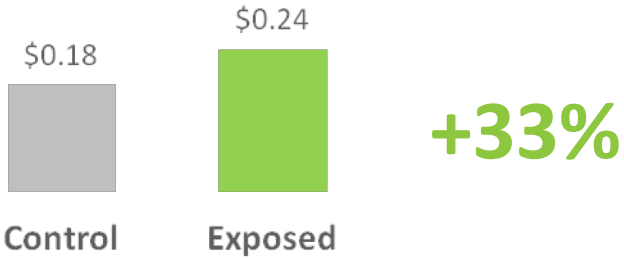
2 Identify most responsive consumer segment



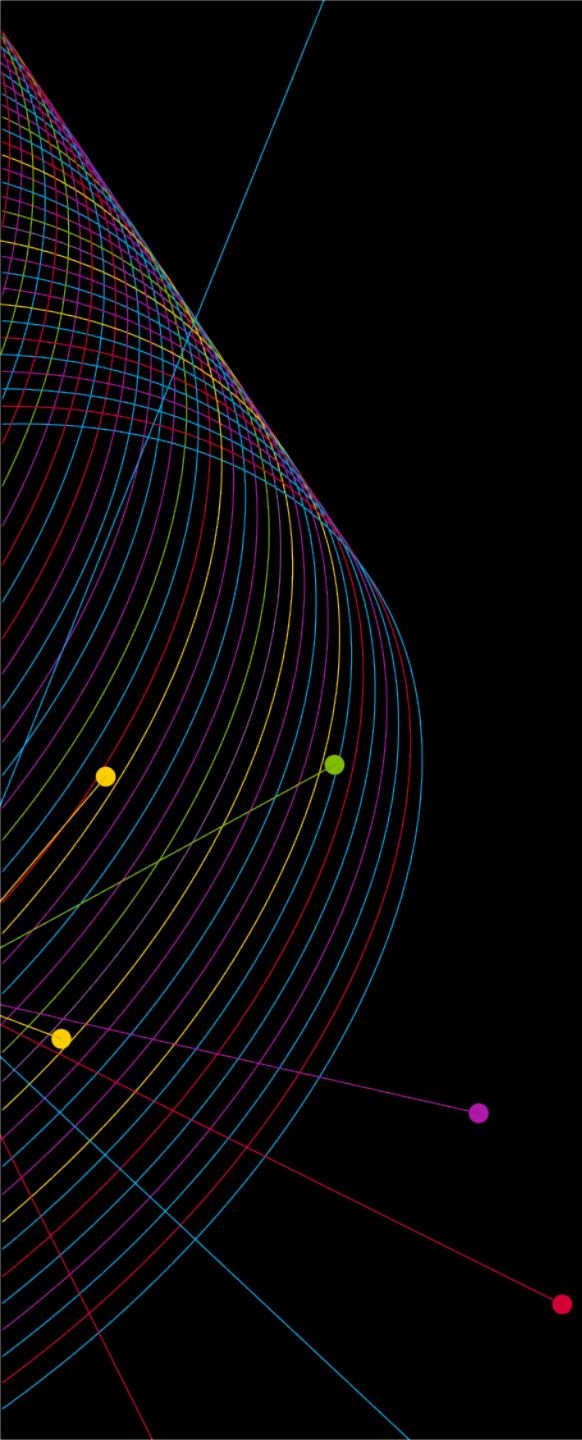
3 Identify where they can be reached + execute



4 Measure buyergraphic campaign sales lift



US based example



3. THE REALITY OF DIGITAL – IT ISN'T VERY PRECISE

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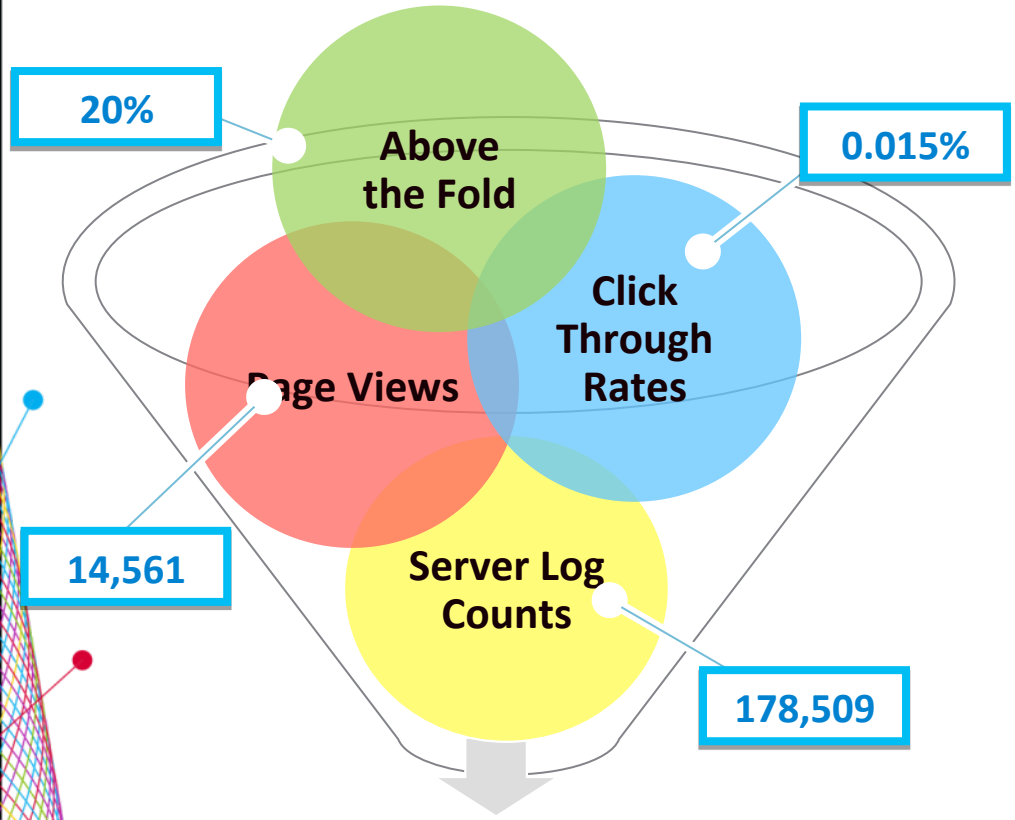
DIGITAL AUDIENCE DELIVERY HAS BEEN DIFFICULT TO MEASURE

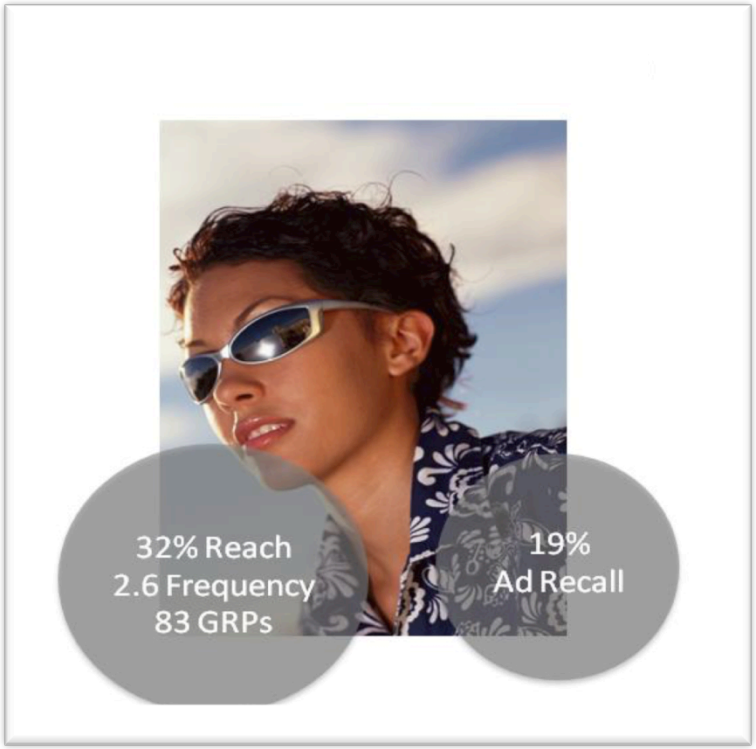
Online measurement historically



Still left asking

"Who saw my ad?"

Other measurement today



Female 18-22

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DIGITAL LEARNING'S – REACHING YOUR DIGITAL TARGET AUDIENCE EFFICIENTLY CAN BE CHALLENGING

>23,000
EXTERNAL CAMPAIGNS
MEASURED TO DATE

WITH
>600
UNIQUE OWNERS

59%
AVERAGE PERCENTAGE OF ON-TARGET DEMO IMPRESSIONS OVERALL

43%
AVERAGE PERCENTAGE OF ON-TARGET IMPRESSIONS FOR NARROWLY DEFINED AGE GROUPS (<15 YEARS)

64%
AVERAGE PERCENTAGE OF IMPRESSIONS SERVED OUT OF VIEW OR TO BOTS ACROSS THE INDUSTRY

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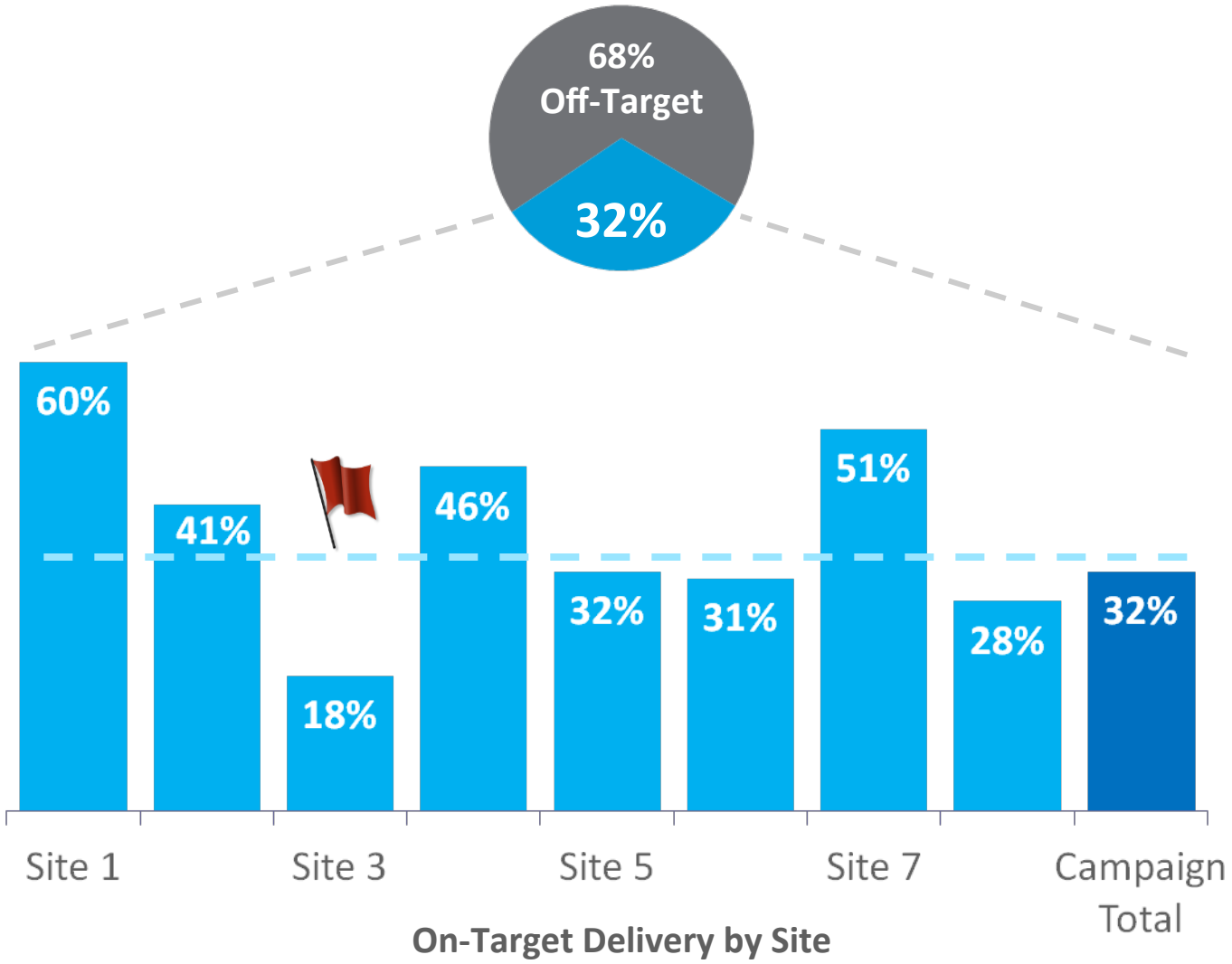
MEASURE AUDIENCE DELIVERY BY SITE IN-FLIGHT



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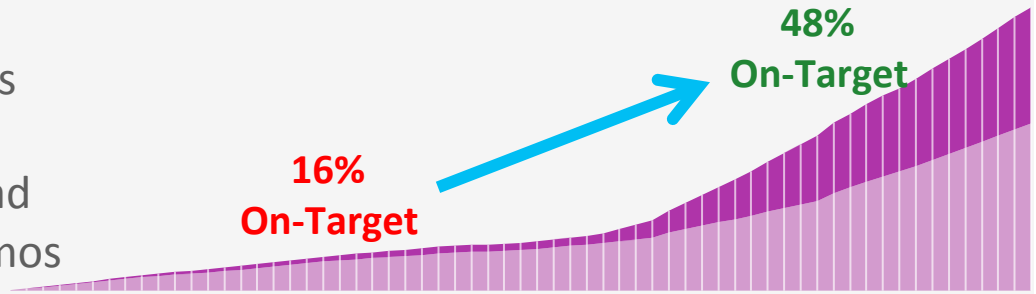
OPTIMIZE IN-FLIGHT AND ENSURE EFFECTIVE CAMPAIGN DELIVERY AND VIEWABILITY

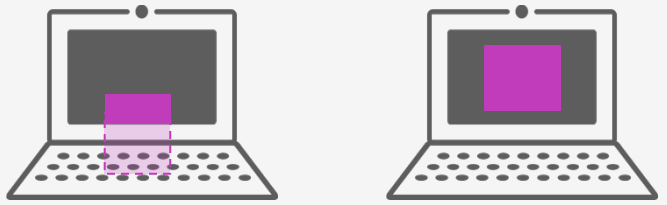
ON-TARGET PERCENT

- Identify under-performing publishers/sites/placements
- Understand how different ad placements perform by demos



VIEWABILITY

- Understand what % of impressions had the opportunity to be seen
- Identify fraudulent views



24%
Viewable Impressions

52%
Viewable Impressions

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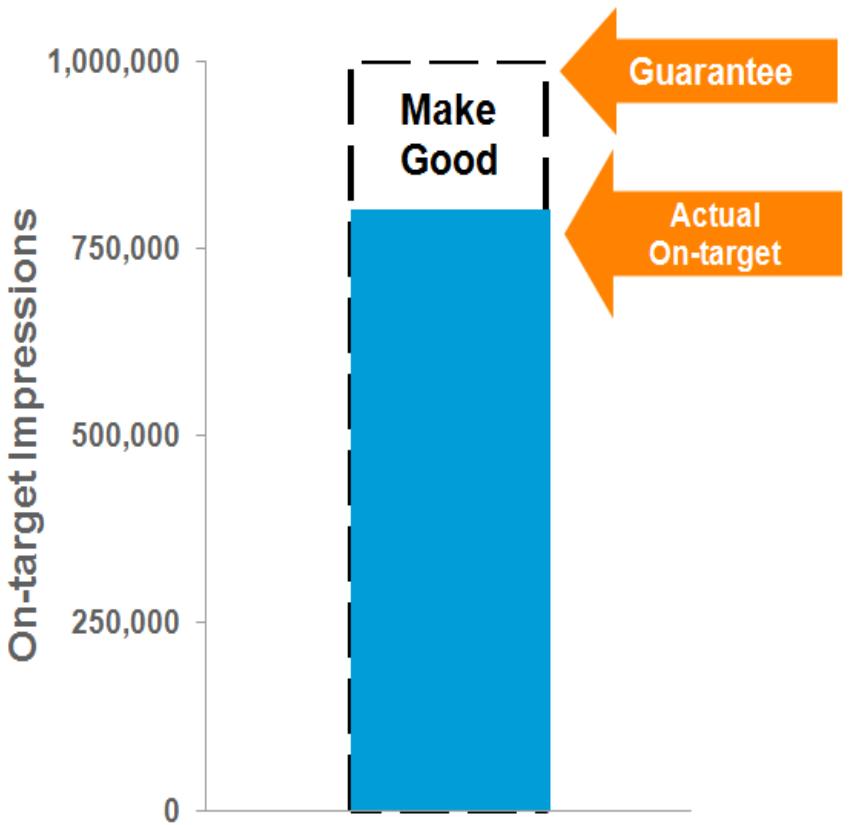
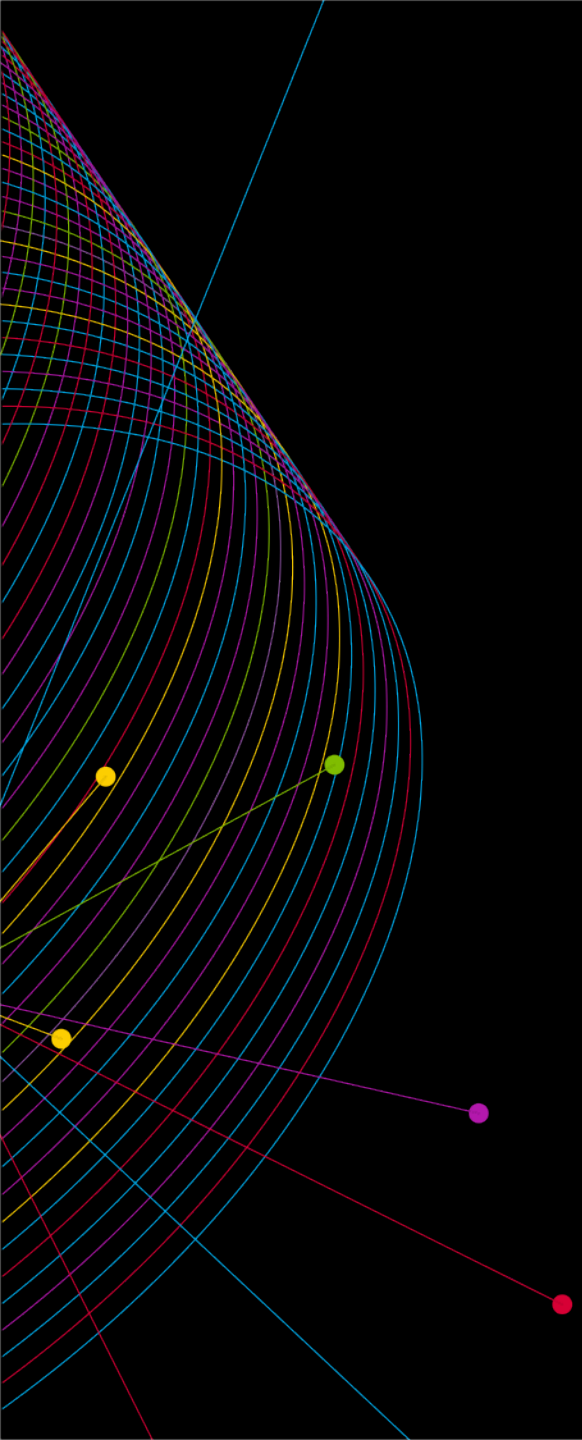
LIKE TV, YOU CAN NOW NEGOTIATE GUARANTEED AUDIENCE DELIVERY WITH MAJOR PUBLISHERS

MAJOR PUBLISHERS OFFERING AUDIENCE GUARANTEES BASED ON NIELSEN OCR INCLUDE…

Google
AOL
hulu
Disney
TREMOR VIDEO
THE CW
videology
TubeMogul





4. REACH STILL MATTERS – MORE THAN EVER

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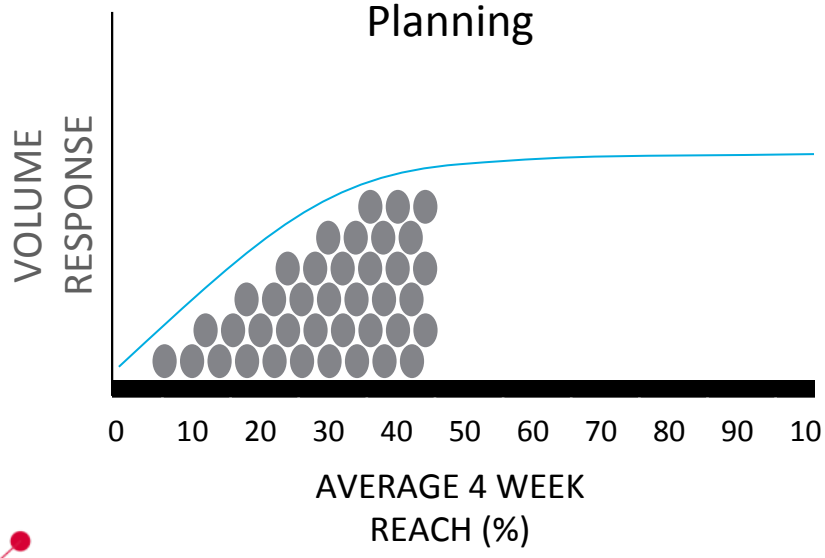
WHY REACH-BASED PLANNING ?

Reach based planning maximizes advertising ROI

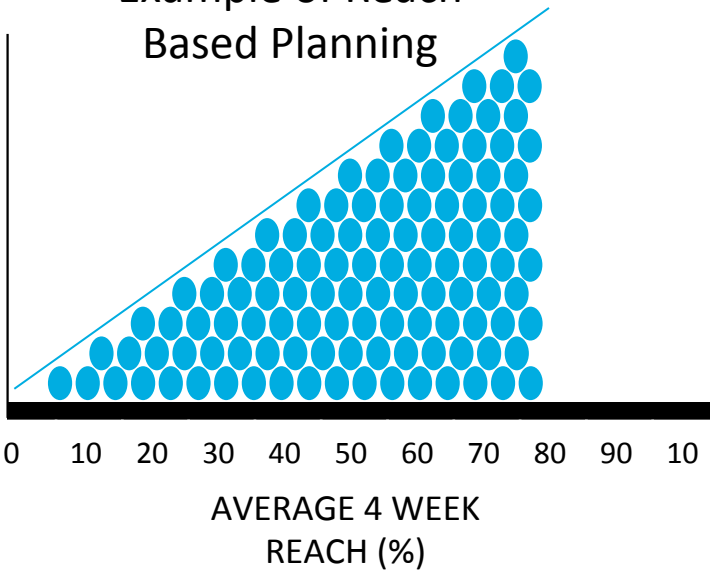
Reach has a linear relationship with volume – Each incremental reach point adds just as much volume as the last.

Example of GRP Planning



GRP Planning Results in Diminished Returns in Reach & Volume Response

Example of Reach Based Planning



Reach Based Planning Yields No Diminished Returns in Volume Response

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RANDOM DUPLICATION - WHAT IS IT ?

What you get if you don't plan to maximize reach or duplication

TV		ONLINE		"RANDOM DUPLICATION"
40		10		4.0
80	X	10	=	8.0
60		20		12.0

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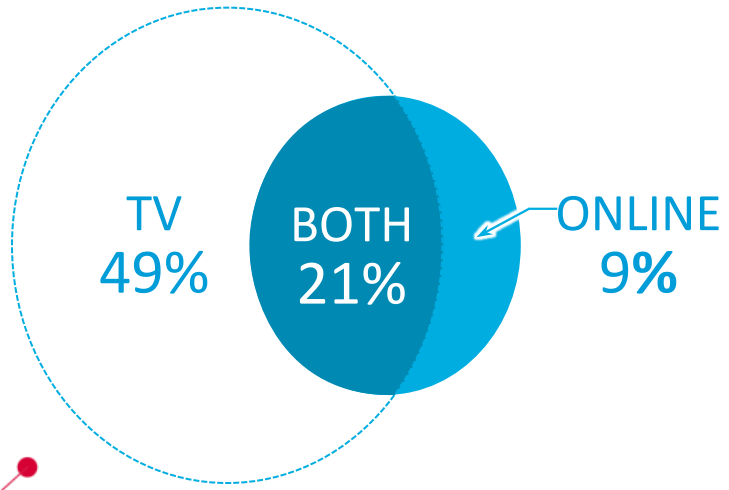
EXTENDING REACH – THE OPPORTUNITY

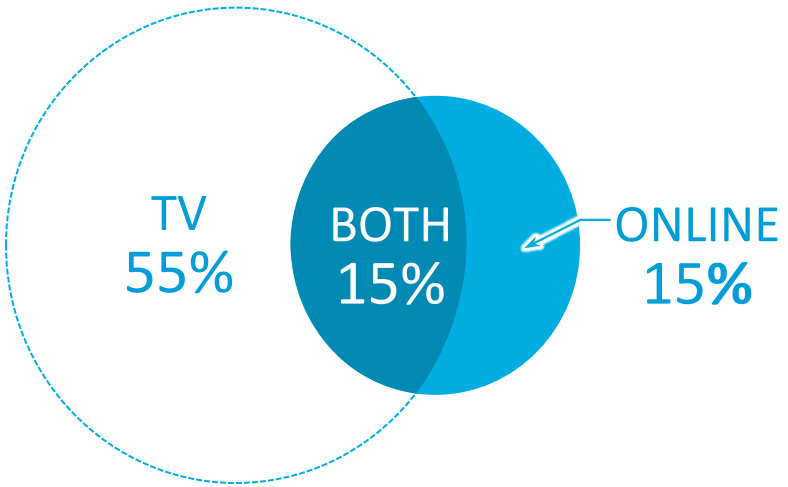
Better planning & buying can drive incremental reach – and volume impact

30% ONLINE INCREMENTAL REACH RANDOM DUPLICATION



79%

50% ONLINE INCREMENTAL REACH IMPROVED



85%

INCREMENTAL REACH

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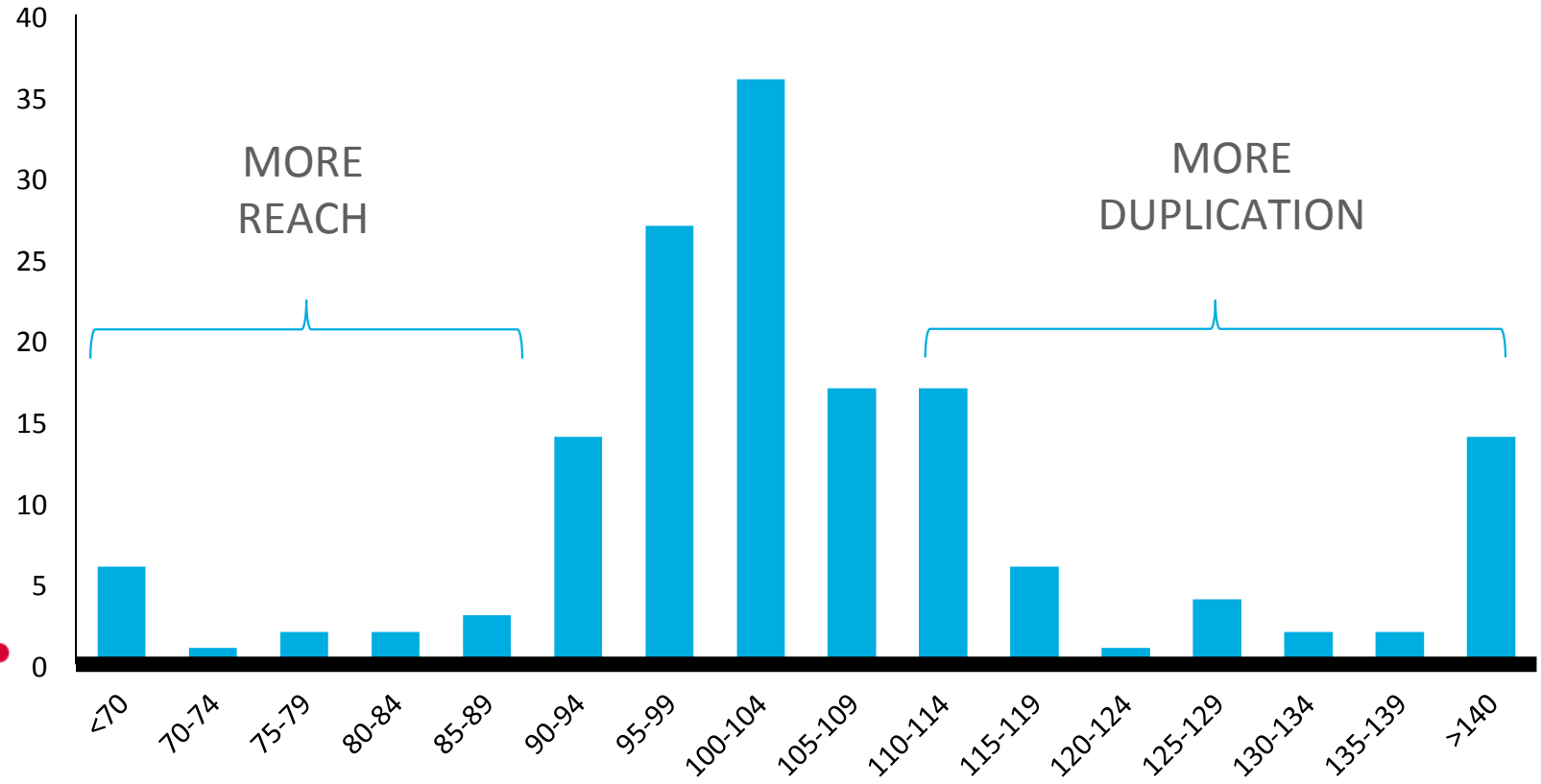
TOTAL AUDIENCE RESULTS – INDEX ACTUAL/RANDOM DUP.

Vast majority of campaigns show close to “random” duplication



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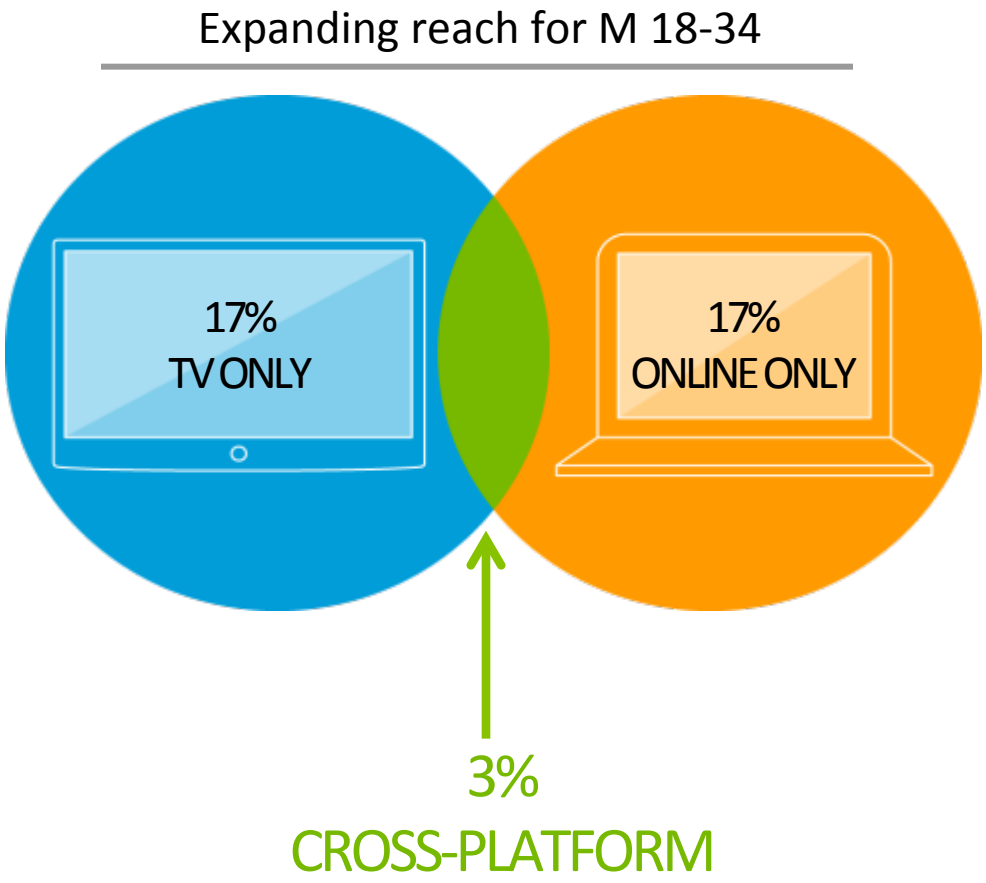
DRIVING INCREMENTAL REACH – IT CAN BE DONE

Beverage co. uses digital to reach consumers TV did not



85%

of online impressions were incremental to TV

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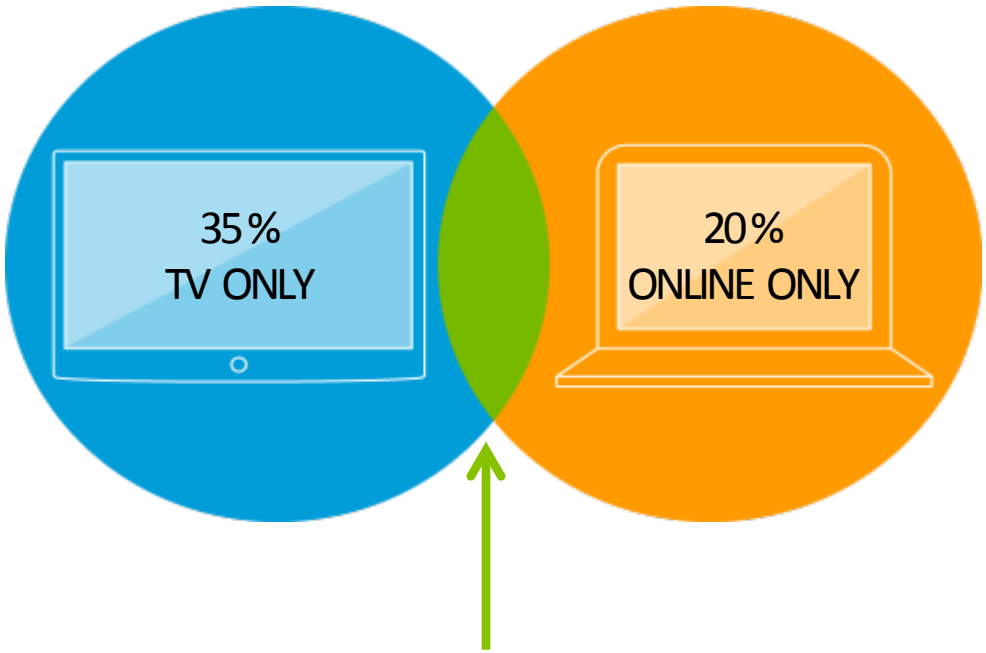
DRIVING TV / ONLINE OVERLAP – IT CAN BE DONE

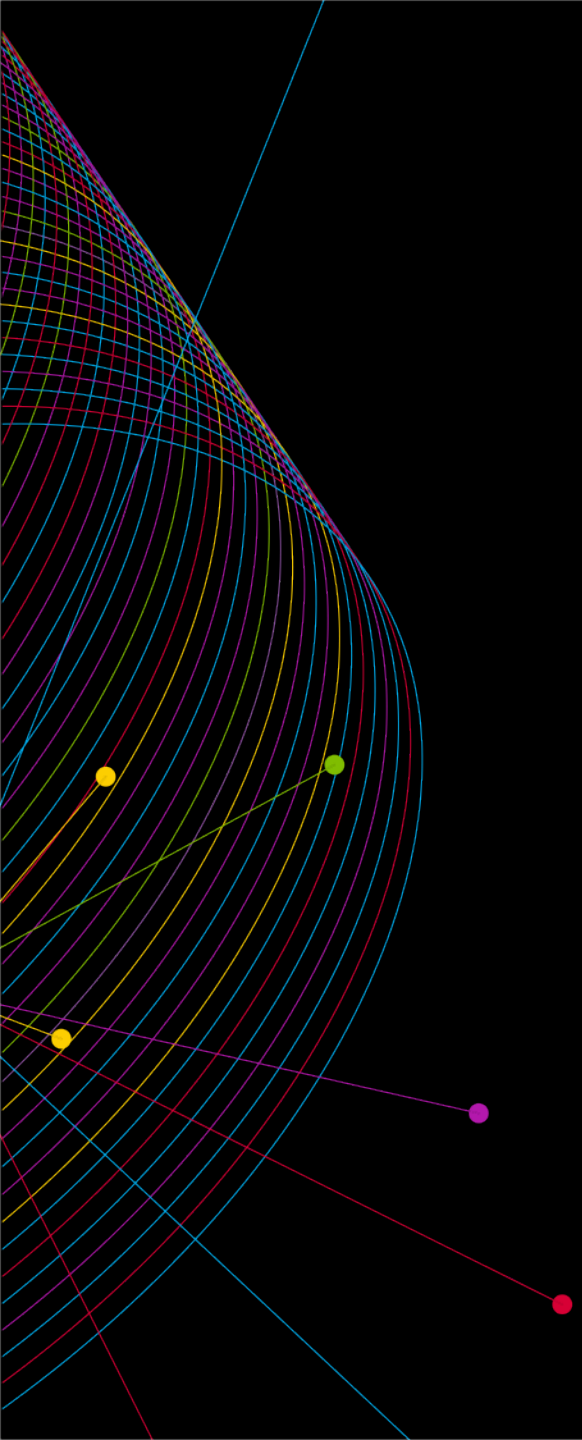
Telecom co. drives TV / Online duplication

Maximizing overlap for M 18-34



44%

Of TV viewers also saw Online ads



5. LEVERAGE THE SUBCONSCIOUS FOR BETTER ADS

THE MAJORITY OF BRAIN PROCESSING IS SUBCONSCIOUS

Our brains process **11,000,000 bits** of sensory information every second.

But our conscious minds can only handle about **40 bits per second**.

That's a selection ratio of 0.000004%.

What happens to the other 10,999,960 bits of information?

Consumer brains process them **subconsciously.**

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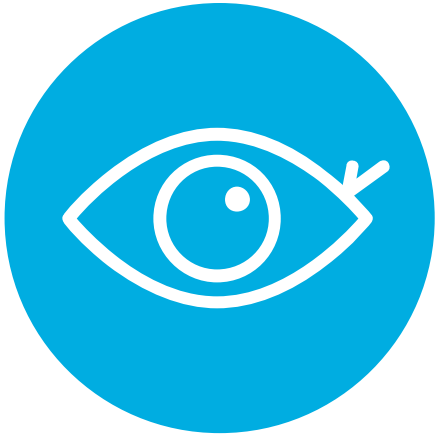
NEURO-SCIENCE METHODOLOGY

Technology

HIGH RESOLUTION DENSE-ARRAY EEG

32 SENSORS COLLECT DATA 500 TIMES EVERY SECOND TO FULLY CAPTURE ACTIVITY ACROSS ALL BRAIN REGIONS



EYE-TRACKING

PINPOINTS
HOT ZONES

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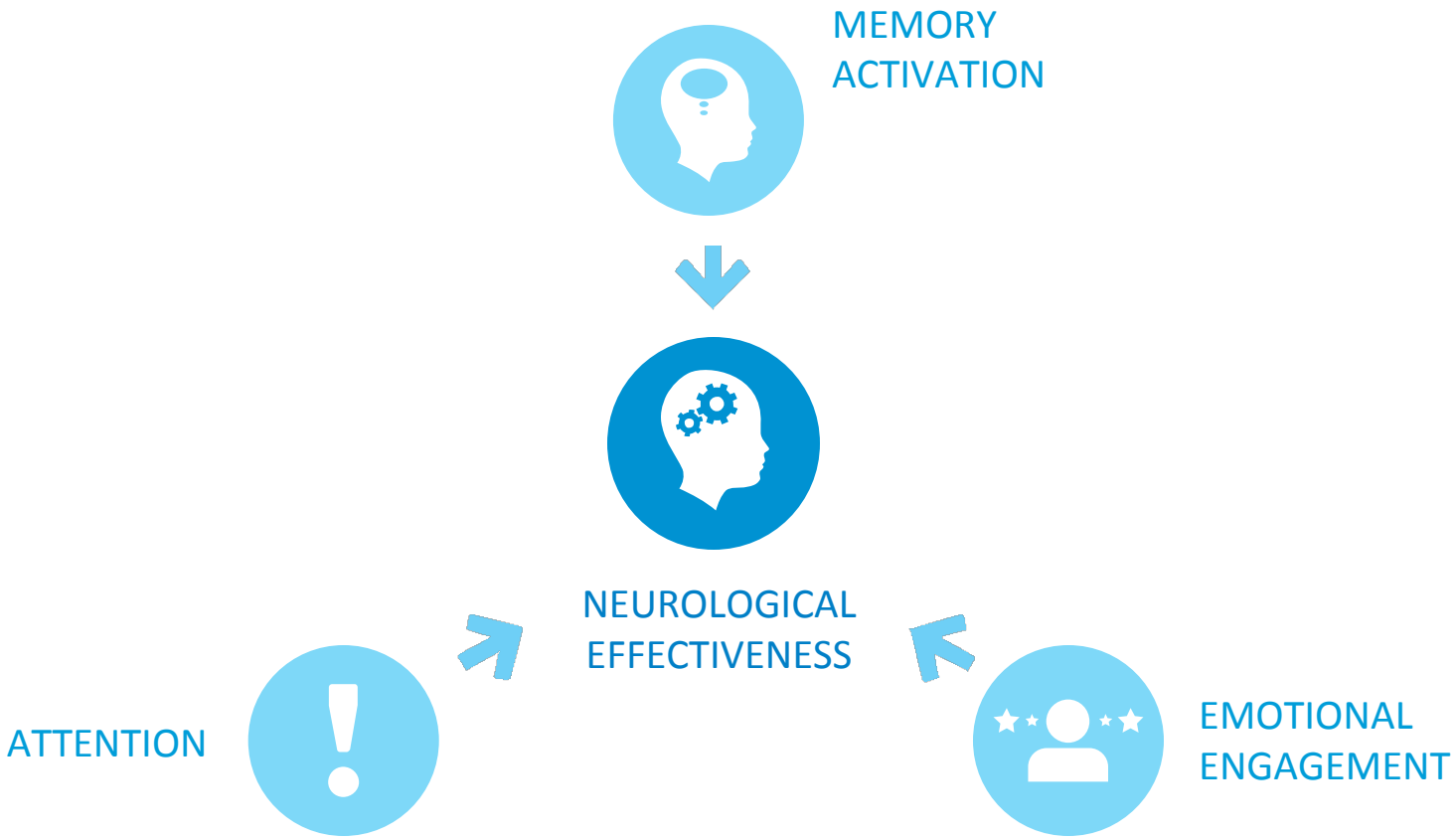
KEY NEURO METRICS



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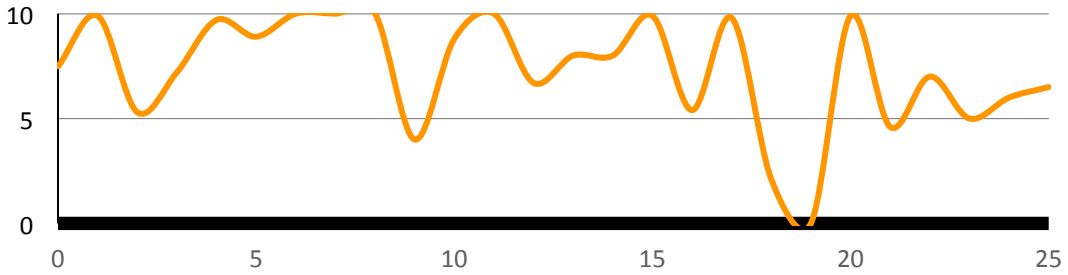
ENHANCE CREATIVE DEVELOPMENT

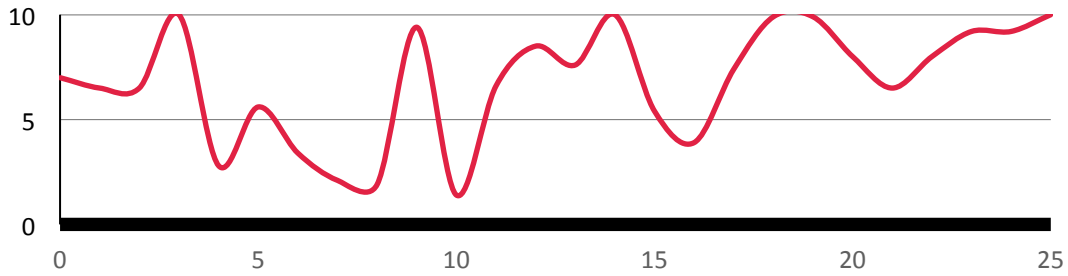
Example Ad

ATTENTION:
7.6



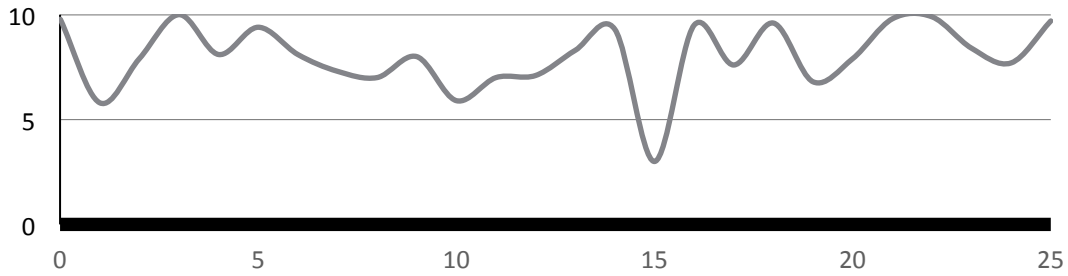
High in first third due to challenging visuals and frequent scene shifts.

EMOTIONAL ENGAGEMENT:
5.2



Downward engagement trend early, improving toward the end.

MEMORY ACTIVATION:
6.4



Memory activation drops initially, but then remains above average for most of the ad

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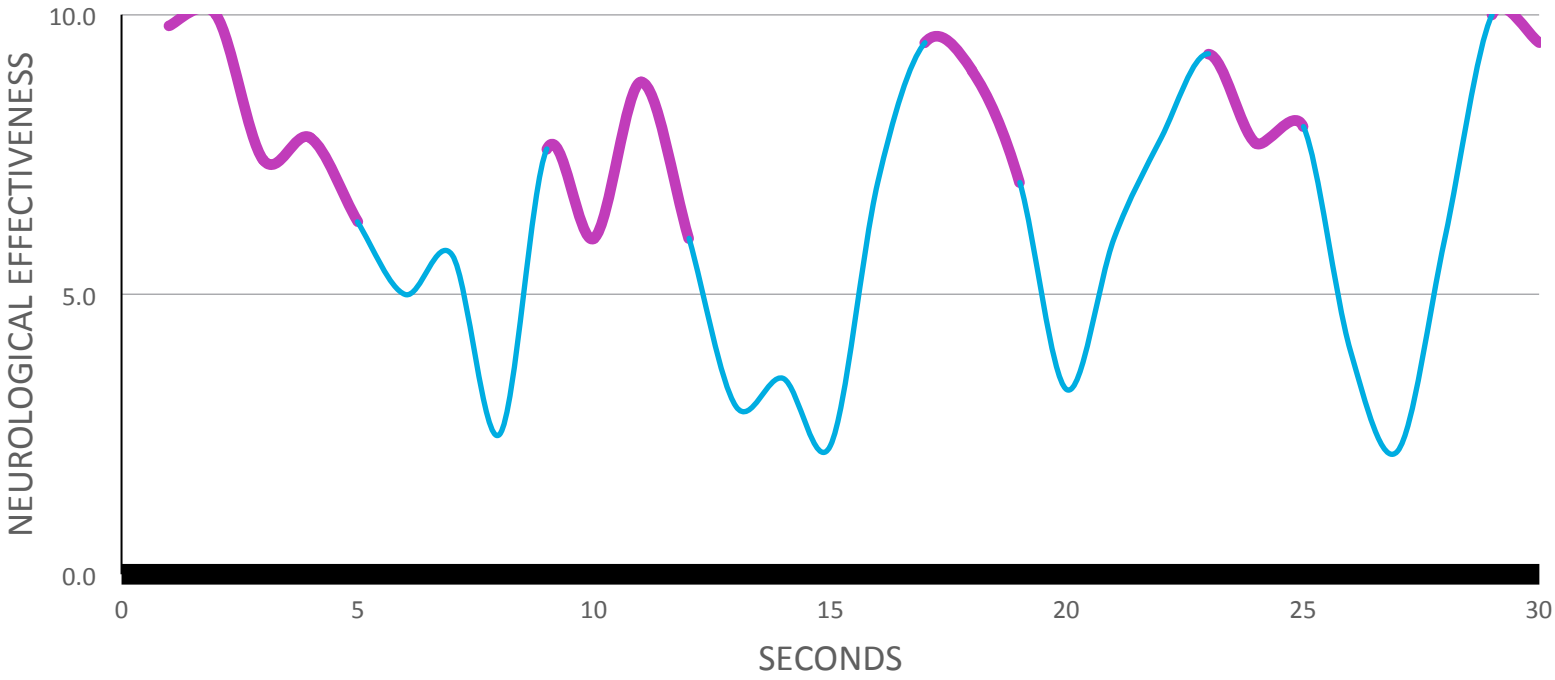
CREATE SHORTER, MORE EFFECTIVE ADS

Ad compression



Identify the most neurologically effective scenes
and edit into a shorter and often more effective version.

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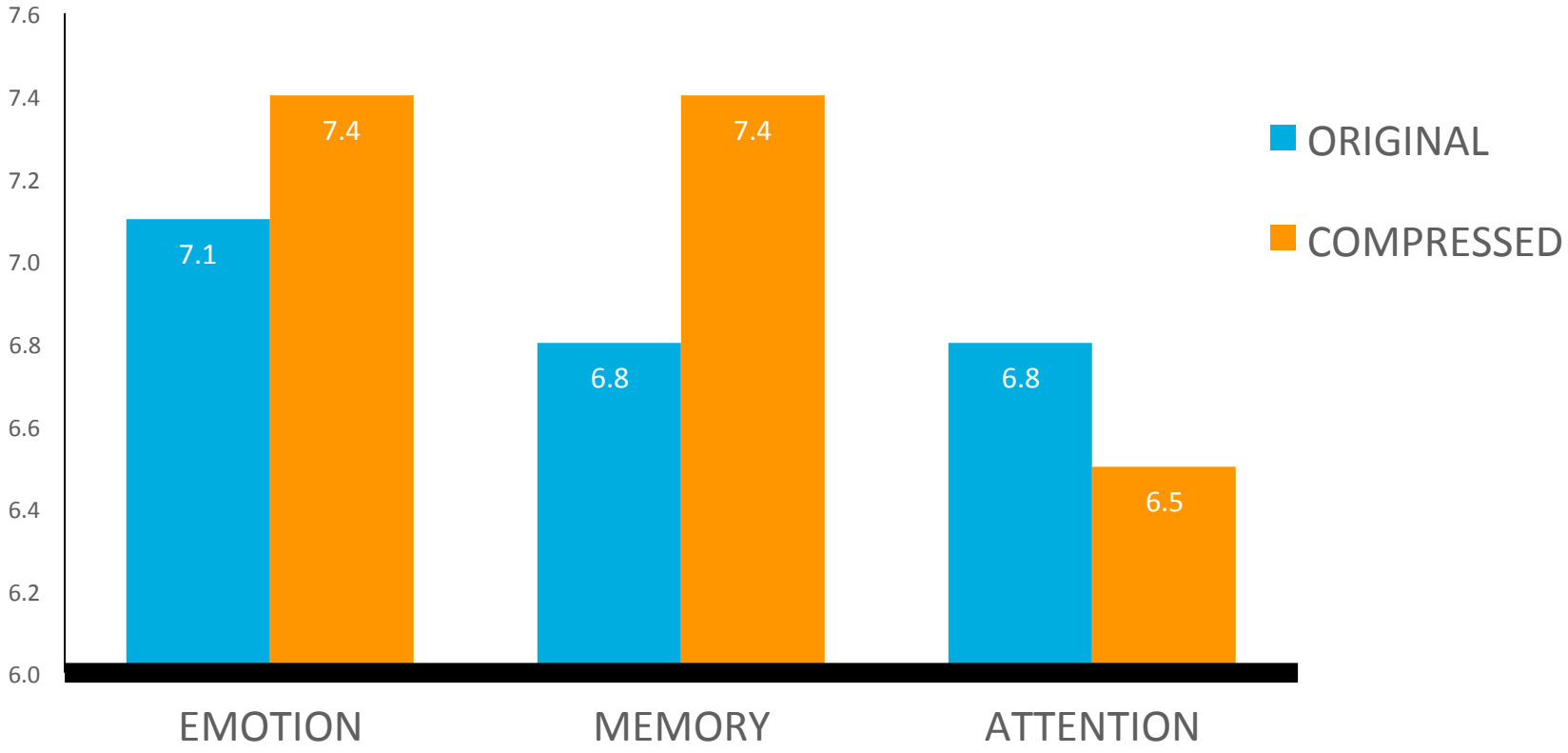
COMPRESSED ADS ARE STRONGER

Based on 75 neurological compressions



95% PERFORMED AS WELL OR BETTER THAN THE ORIGINAL :30 ADS

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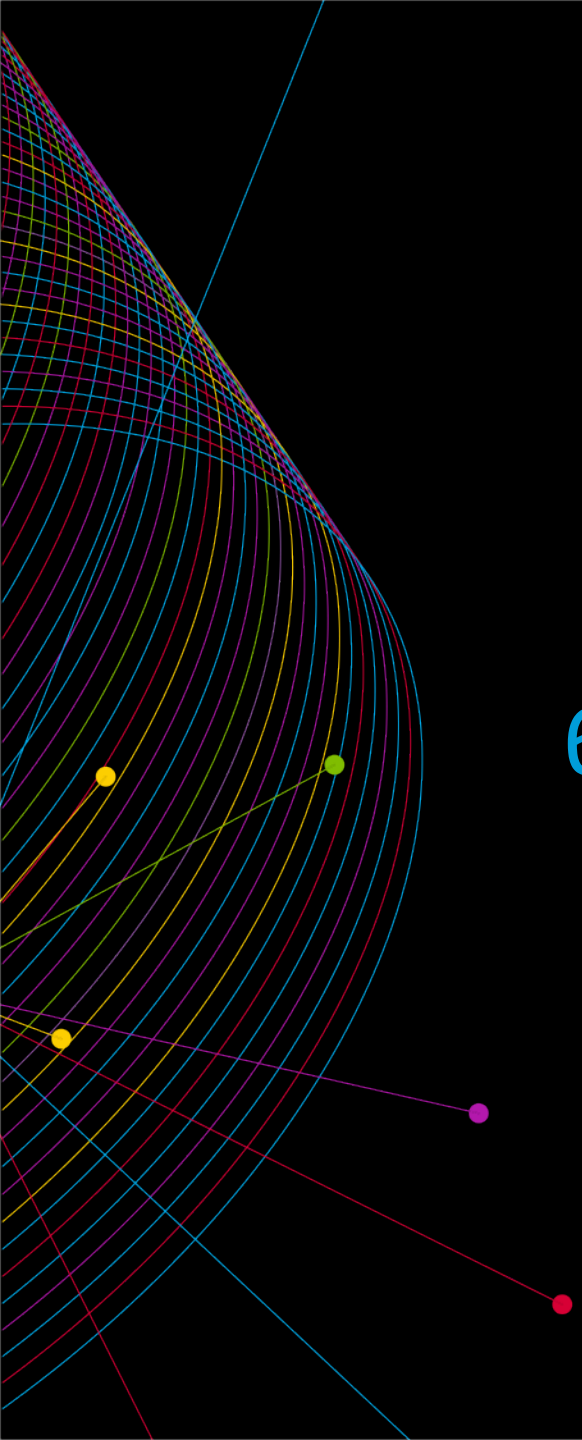

6. REAL TIME IS REAL

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THE DIGITAL RESONANCE ISSUE WE ARE SOLVING:

Improving audience reach in flight

" How can I buy
digital audiences
in flight
to extend reach ? "

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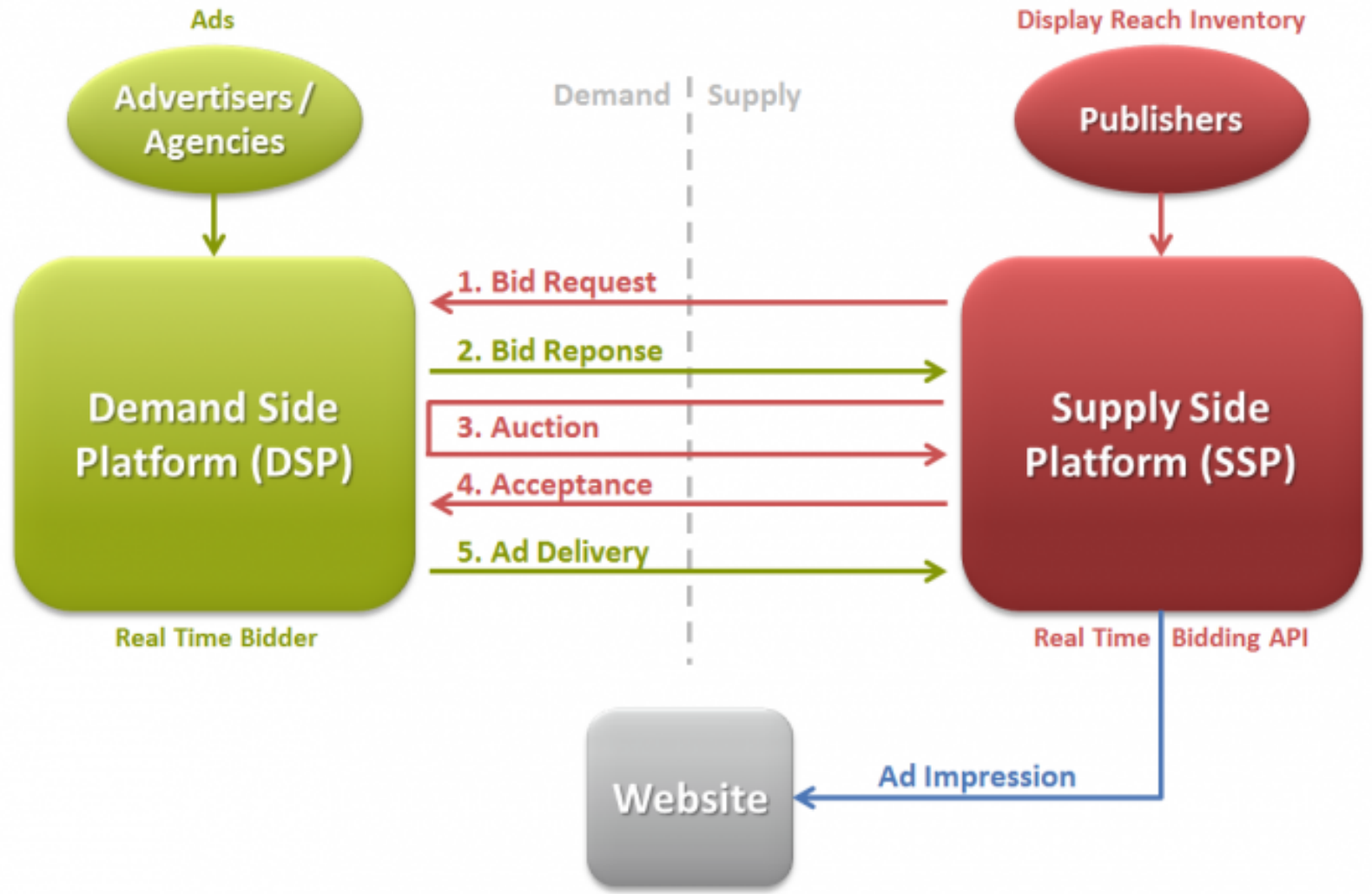
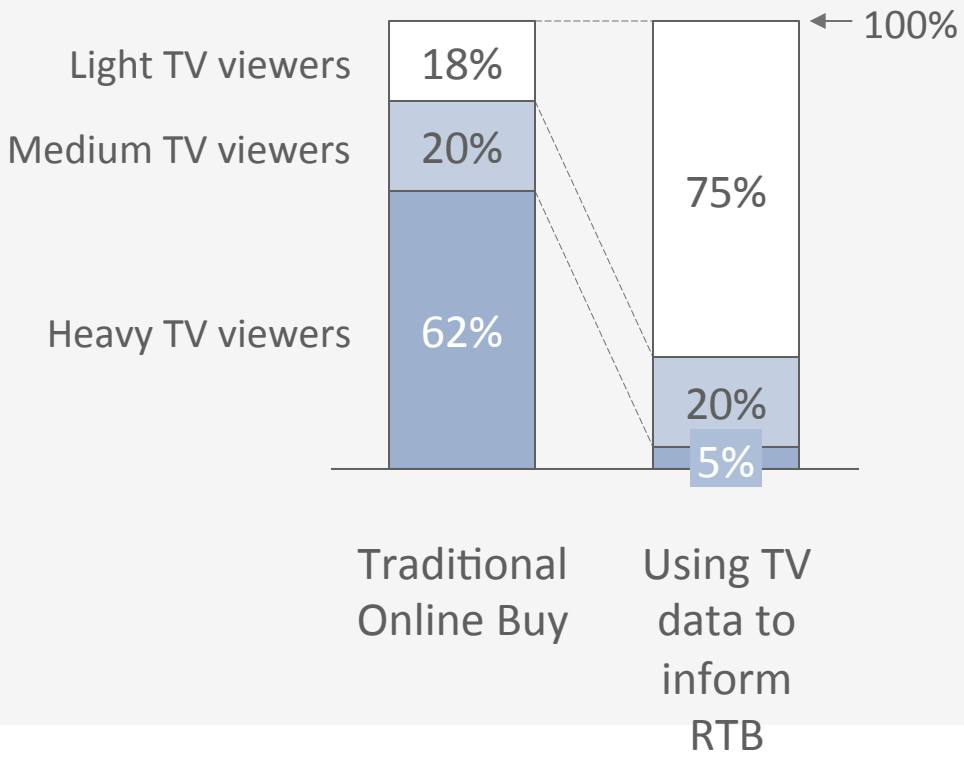
REAL TIME BIDDING (RTB) – WHAT IS IT ?

A digital marketplace to buy audiences in real time

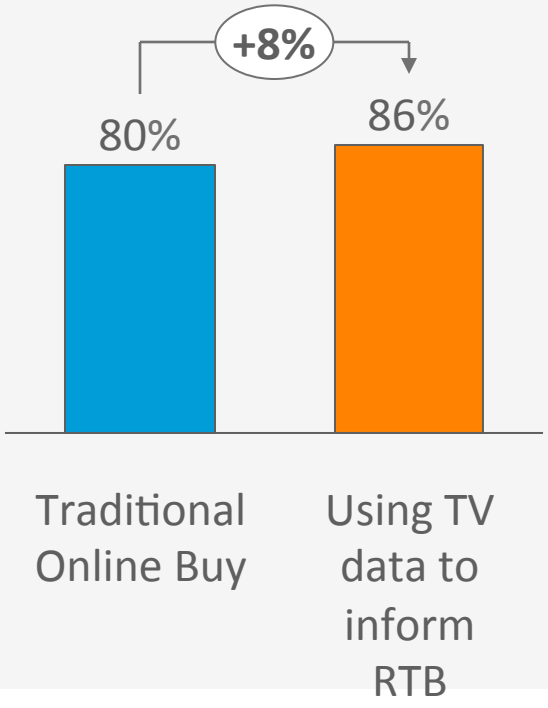


USE REAL TIME BIDDING INFORMED BY TV VIEWING AND BUYER BEHAVIOR DATA TO IMPROVE TOTAL AUDIENCE RESULTS

Use TV/Online Cross-Platform audience data to inform digital audience RTB



Assess total campaign results with cross-platform measurement



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THE DIGITAL RESONANCE ISSUE WE ARE SOLVING:

Improving resononacne in flight

1. How is my digital advertising performing in-flight? What factors are driving performance ?

2. What changes can I make “in-flight” to improve ad performance ?

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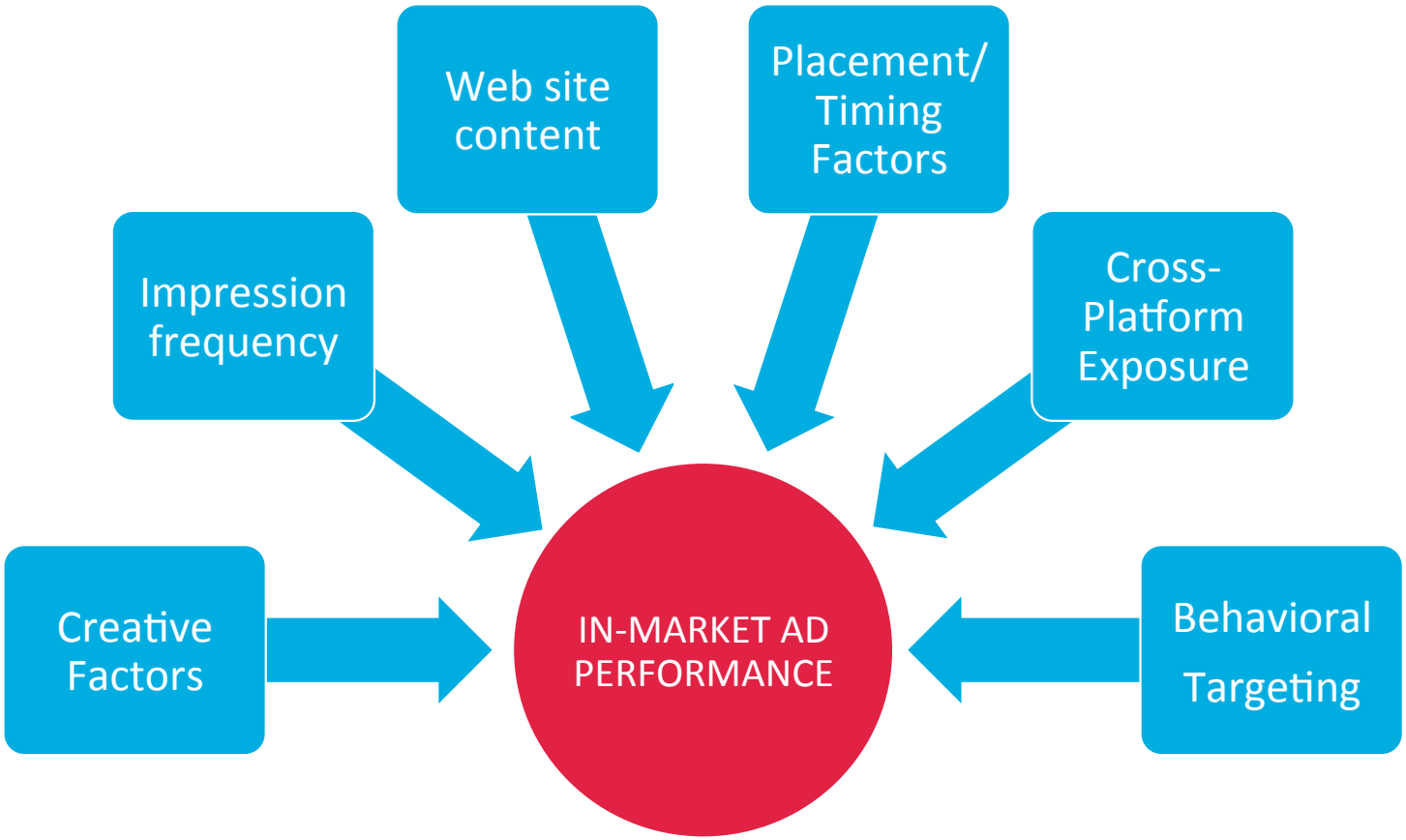
IDENTIFY IN-MARKET AD PERFORMANCE DRIVERS…SO YOU CAN IMPROVE AD PERFORMANCE IN FLIGHT



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WHAT'S MEASURED – KEY METRICS

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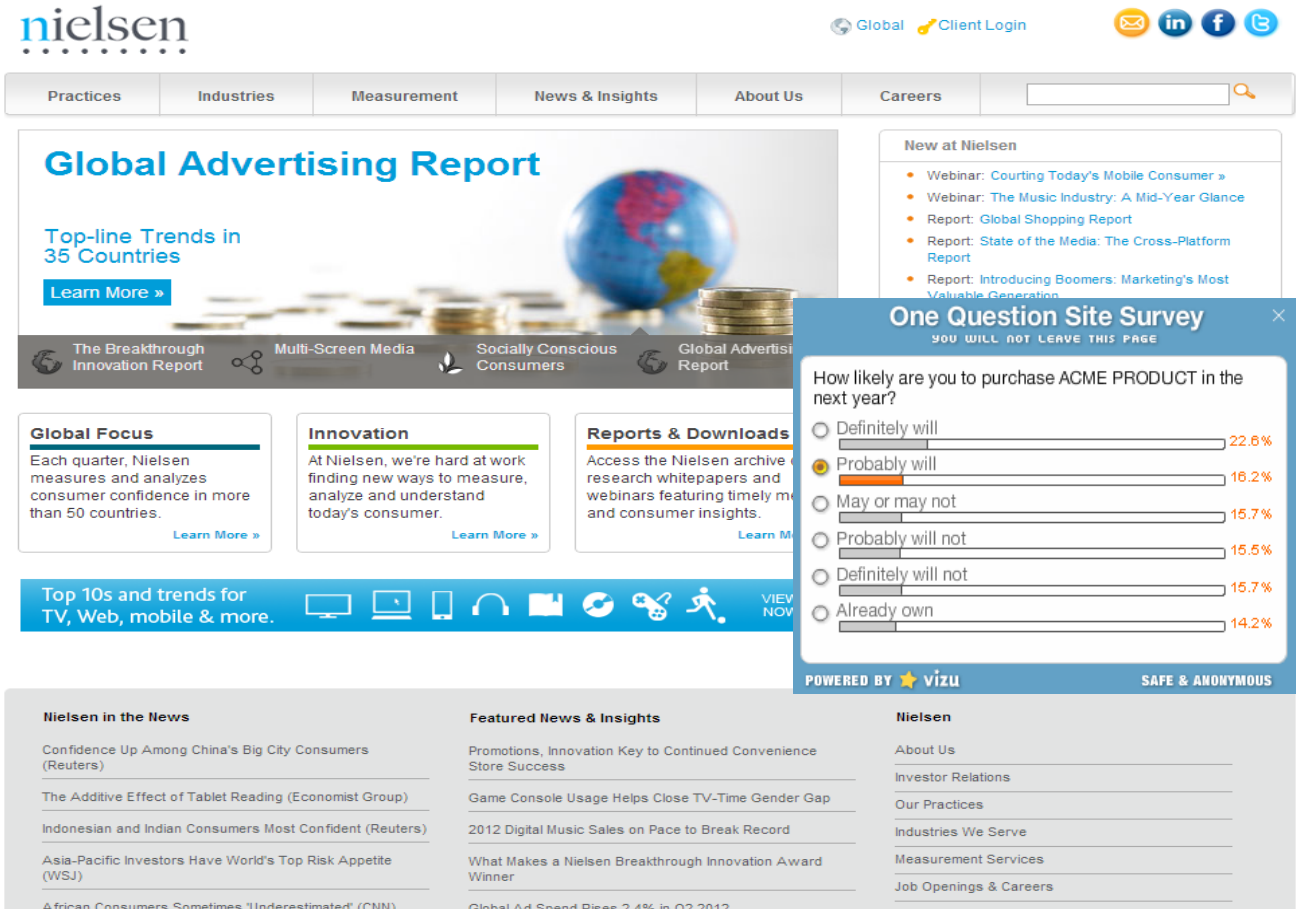
HOW -- SINGLE QUESTION SURVEY INTERCEPT



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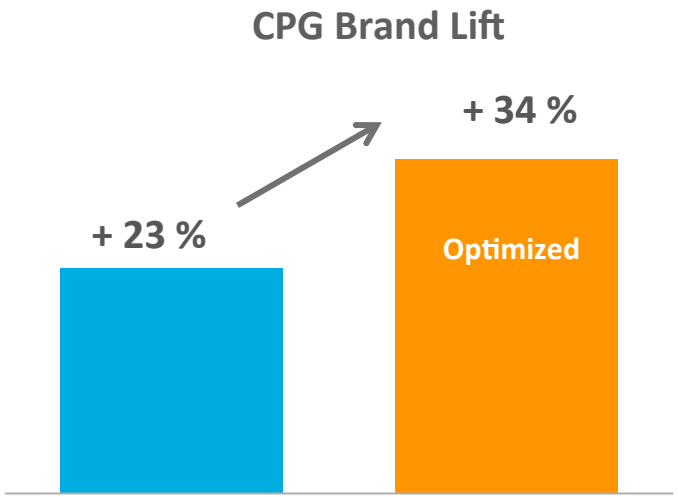
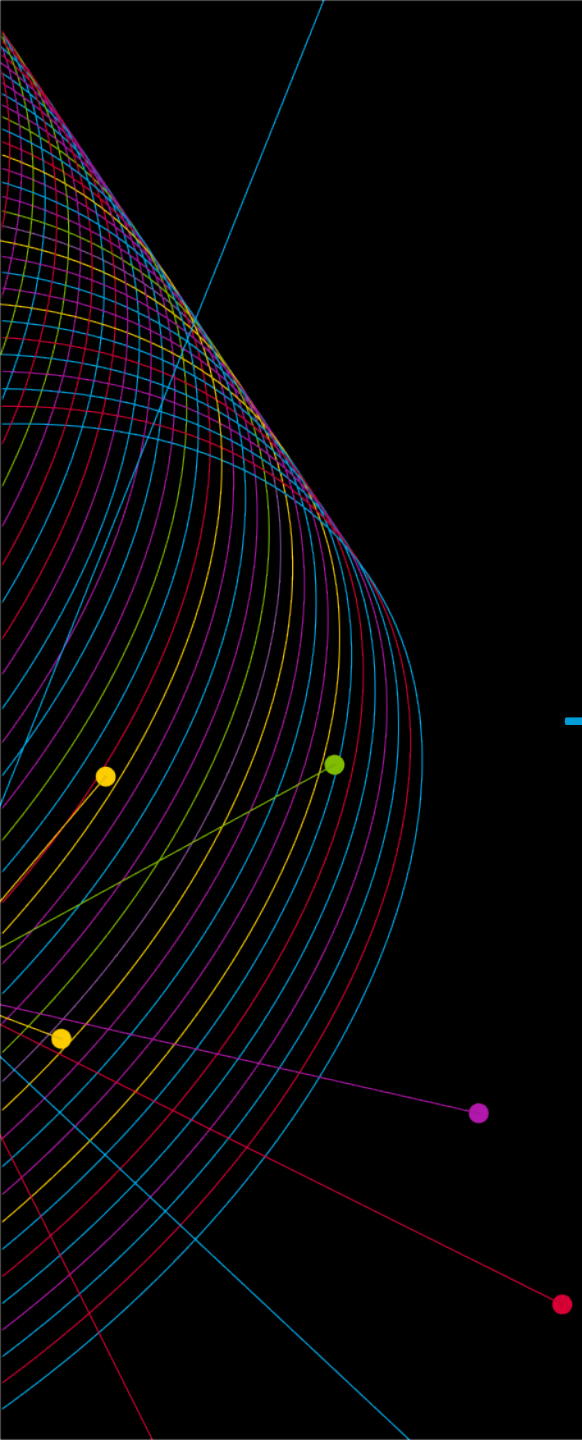
CASE STUDY: 3 SIMPLE RULES PAYS BIG DIVIDENDS

Halfway through campaign, collaborated around 3 simple adjustments

- Reallocate impressions from underperforming creative (bottom 25%)
- Reallocate impressions from underperforming sites (bottom 25%)
- Cap frequency at optimum exposure levels and go for more reach



DAVID OGILVY AWARDS



7. ADVERTISING OF THE FUTURE IS NOW

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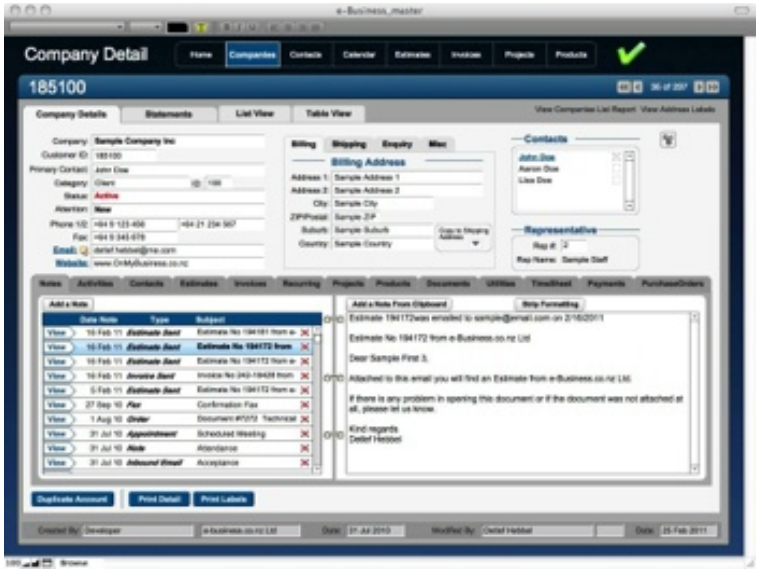
HOW CAN I BETTER LEVERAGE MY CRM DATABASE ?



Connect it to your advertising exposure

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THE BASICS OF MULTI TOUCH ATTRIBUTION (MTA)

What it is:

- Census level "**big data**" solution
- Connects person-level **exposure →purchase**
- Uses **regression** to calculate value of touchpoints
- **Real-time** data collection, processing and reporting
- **Leverages 1st, 2nd, and 3rd party data** such as CRM and cookie data

What it does:

- Captures and assesses **ROI contribution** across all touchpoints
- Reports **what's working and what's not** at the exposure level
- Measures **path-to-purchase** and touchpoint **synergy**
- Provides **optimization** recommendations
- Enables 1-to-1 **targeting**

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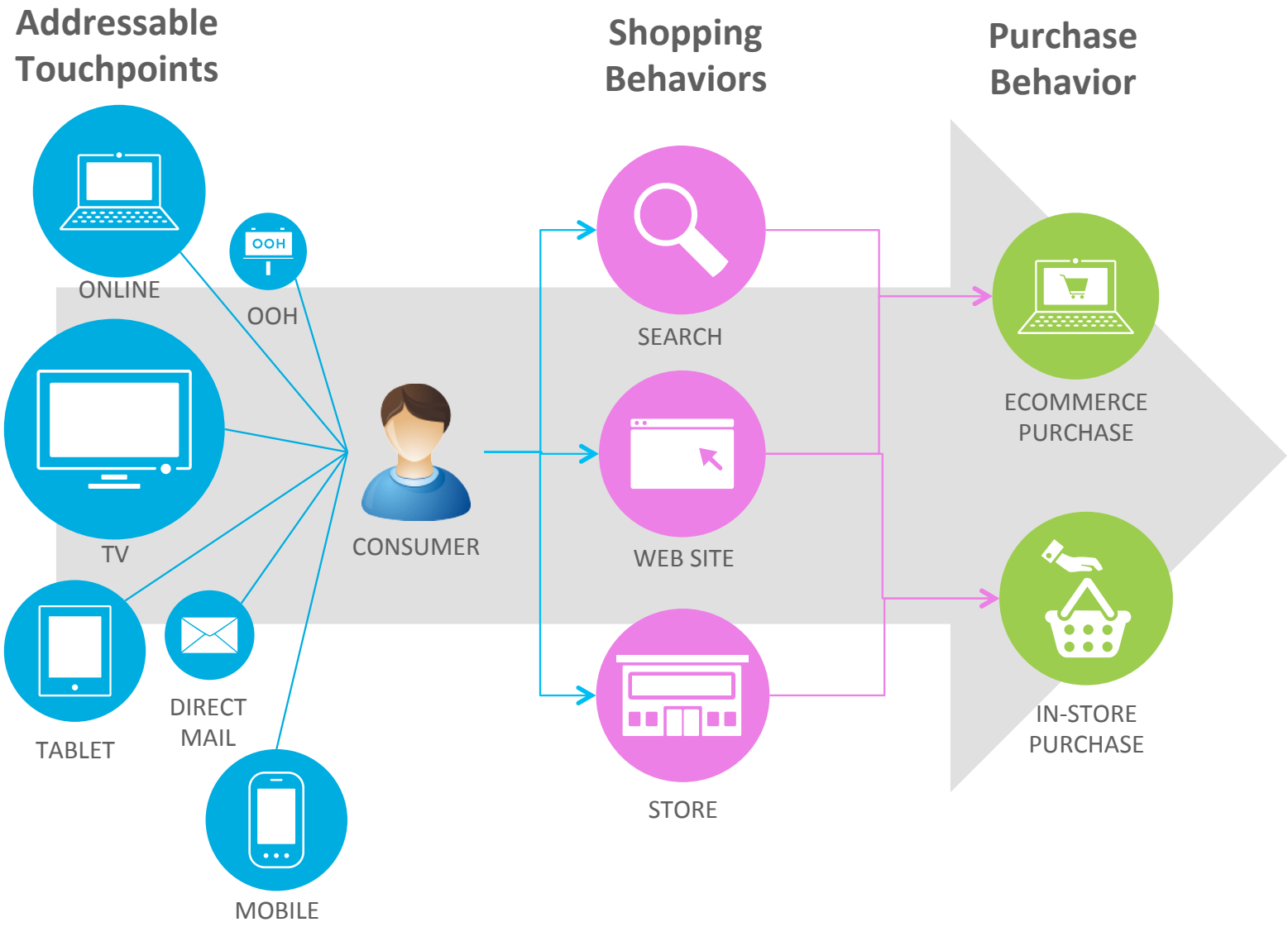
MAPPING THE CONSUMER EXPERIENCE



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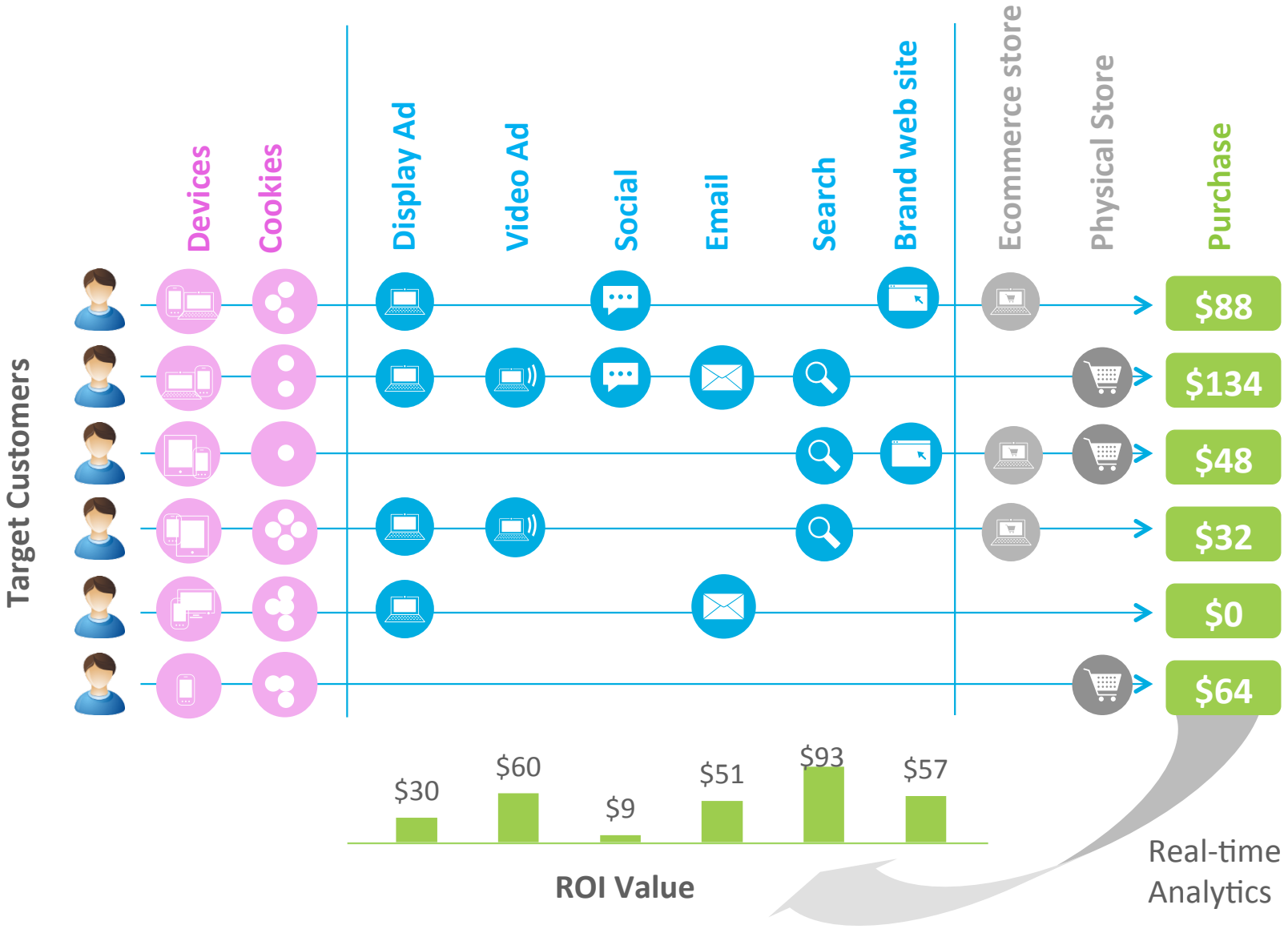
CLOSED-LOOP WATCH AND BUY DATA PRODUCES ROI



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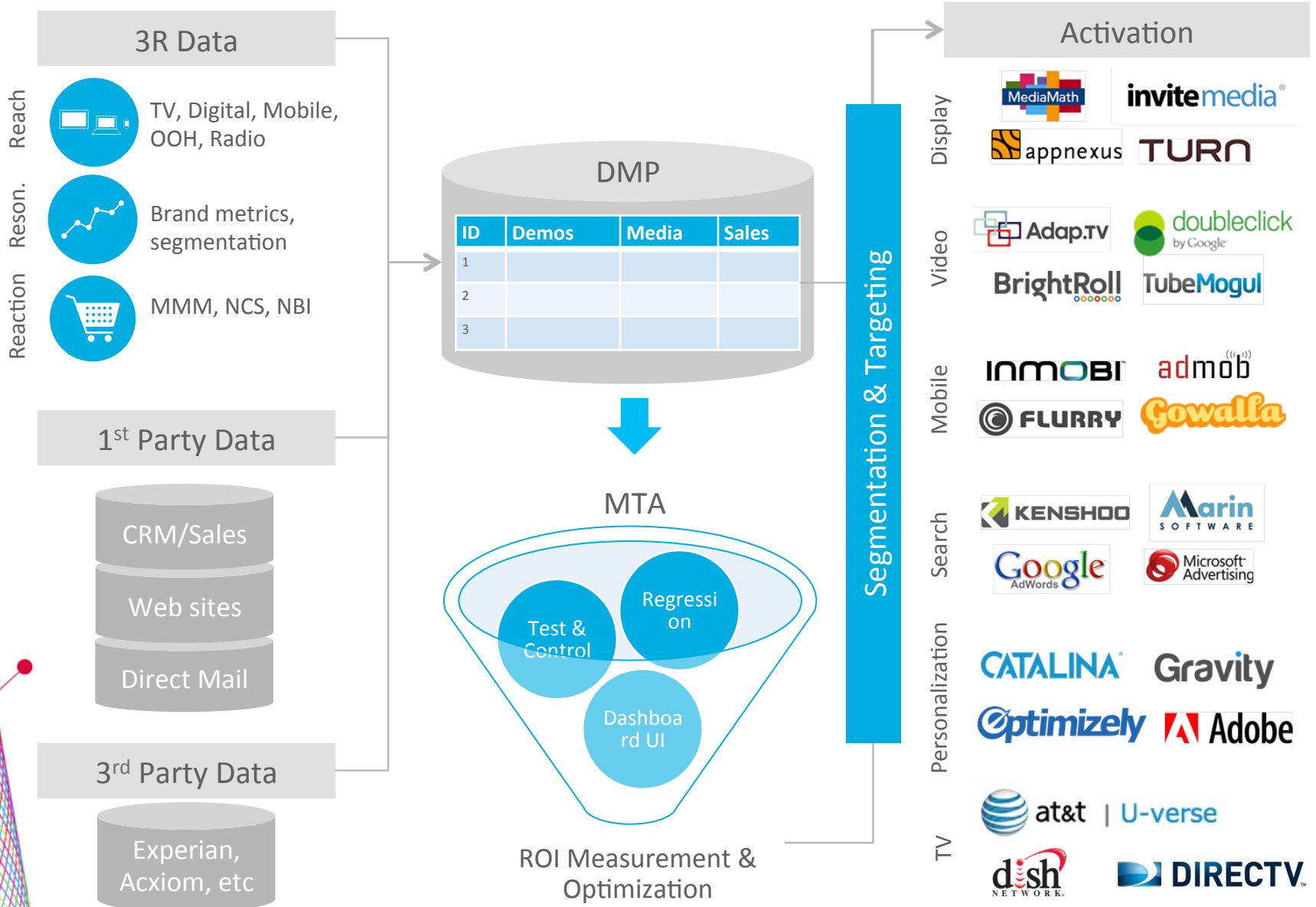
AN ENTERPRISE MARKETING OPTIMIZATION PLATFORM



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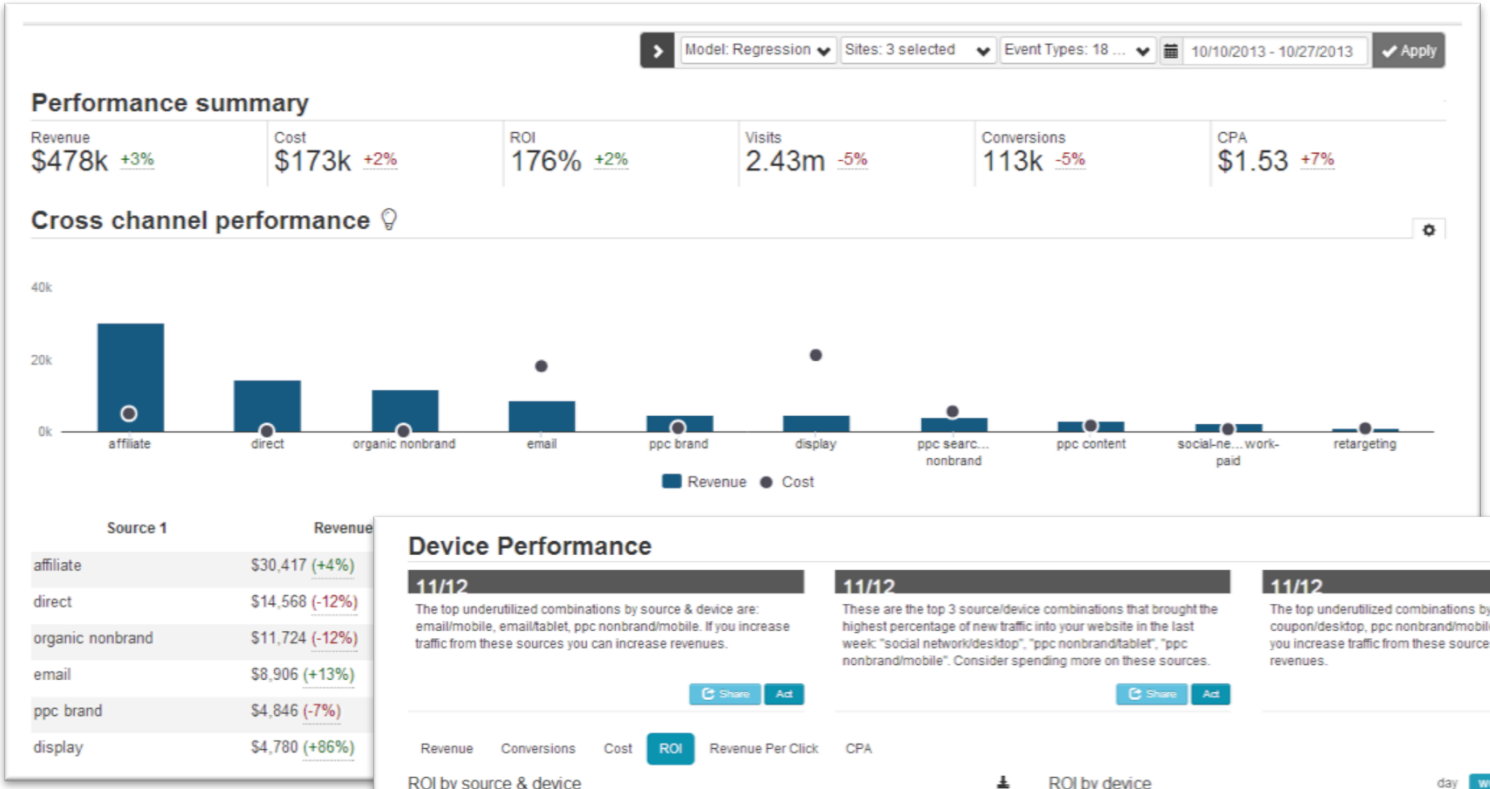
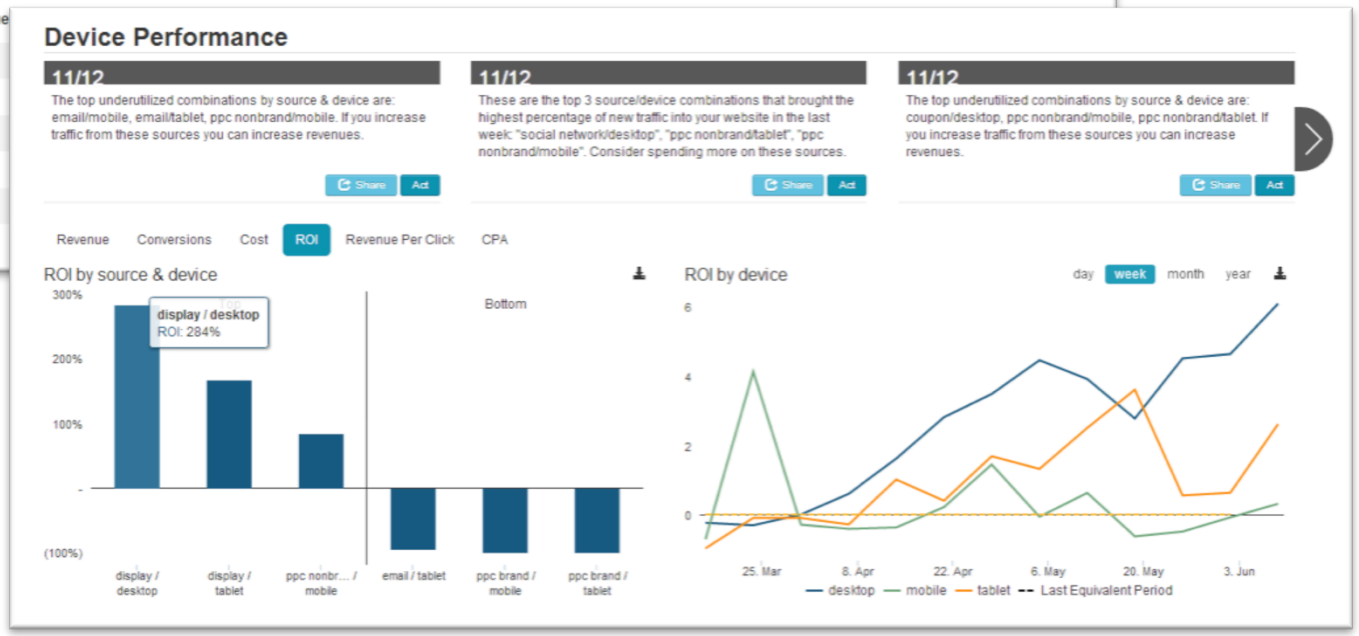
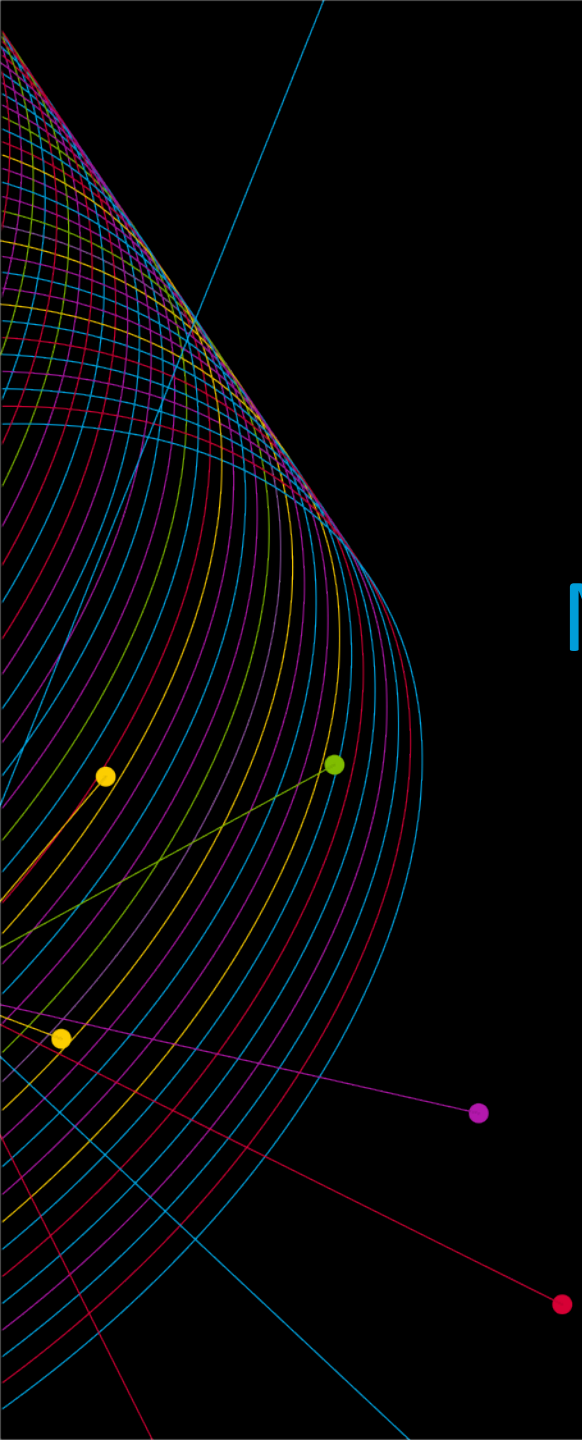
DECISION SUPPORT DELIVERED THROUGH 100% AUTOMATION INTO THE HANDS OF ANYONE IN THE MARKETING FUNCTION







MAKE YOUR CFO YOUR ADVERTISING'S BEST FRIEND

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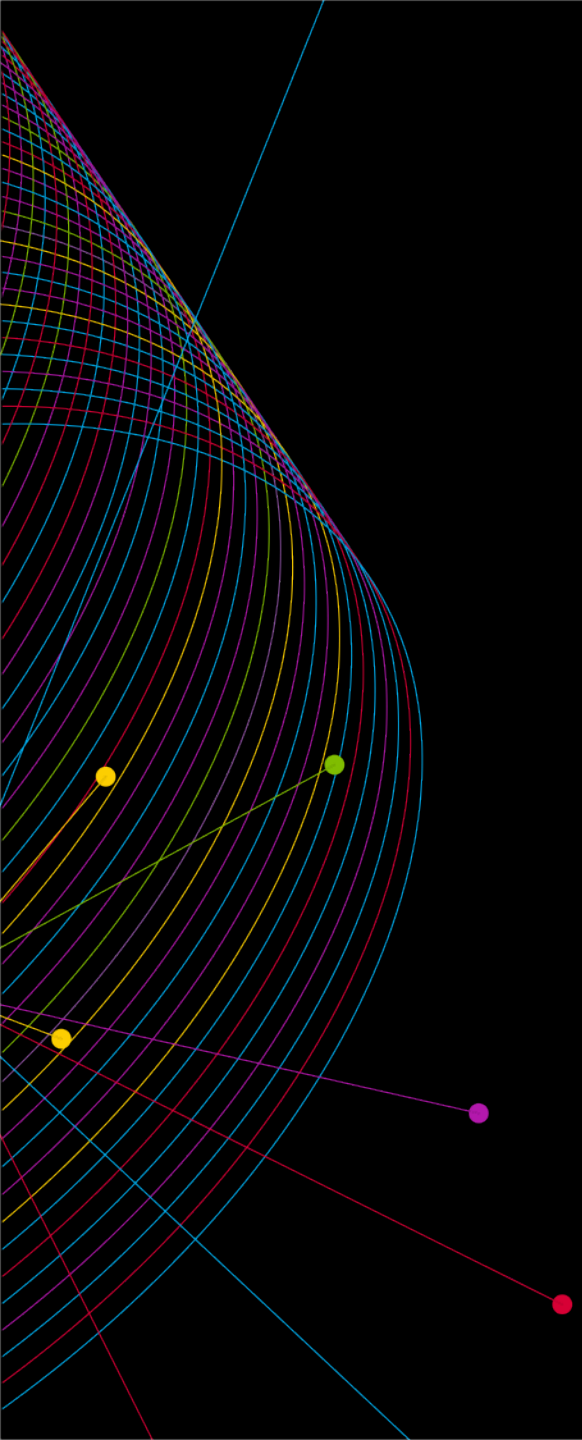
5 THINGS TO DO WITH YOUR CFO

1. Educate – Why is advertising important ? How does it create value ?
2. Define – How will we measure success ?
3. Measure – What's working/what's not ? Why ?
4. Agree – Action steps based on learning
5. Invest – Where advertising builds brand and/or sales

EVERYTHING I WISH I KNEW ABOUT ADVERTISING AS A CMO…BUT DIDN'T

Q & A

MeNG®
Marketing Executives Networking Group



THANK YOU