ARF AUDIENCE 2016 MEASUREMENT

Crossmedia ROI Optimization Must Include Creative

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RMT

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Tactical Options Abound: ARF GT^2 TO YIELD ROI NORMS

RE-DEFINED TELEVISION

Purchaser targeting by matching
Context Resonance weighting
Interactive TV
Addressable TV
Cable Zone TV
Native including OTT
Integrated Marketing
Digital Video – Mobile
Digital Video – Desktop
Smart TV
Second Screen
Programmatic

TRADITIONAL TELEVISION

Program Specific High Rated
Program Specific Other
Brand Integration
Sponsorship
Rotation
Spot
Syndication
Unwired Network

RADIO

OUTDOOR

PRINT

DIGITAL

Desktop Display
Tablet Display
Smartphone Display
Native Nonvideo

INSTORE MEDIA

PROMOTION

Problem

- Cannot do it all with looking backward approach – all of the permutations will not come up with sufficient sample size
- Must have a way to do AB testing affordably and quickly so as to test options in a small way before doing them nationally, and calibrate new executions, in order to develop all the stable norms required

Solution: The ROI Regime

- Looking backward singlesource at scale + AB in cable zones

Singlesource	**AB**
Existing executions	New executions
Existing combinations	New combinations
Existing sequences	New sequences

Meet New Charter: SPECTRUM – First MVPD AB Partner to RMT & ARF
~1000 CABLE ZONES FOR XMEDIA TESTING – ON AIR IN 48 HOURS

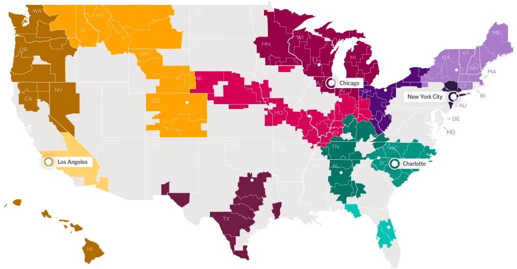
Time Warner Cable®

Charter COMMUNICATIONS

bright house NETWORKS®

Charter Spectrum™

SPECTRUM REACH NATIONAL MAP


WA
MT
ID
OR
WY
ND
SD
MN
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IA
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NV
CA
UT
CO
KS
MO
IL
IN
OH
Chicago
NY
VT
NH
ME
MA
CT
RI
New York City
NJ
DE
MD
WV
VA
KY
TN
NC
SC
Charlotte
AZ
NM
OK
AR
MS
AL
GA
LA
TX
FL
Los Angeles
HI

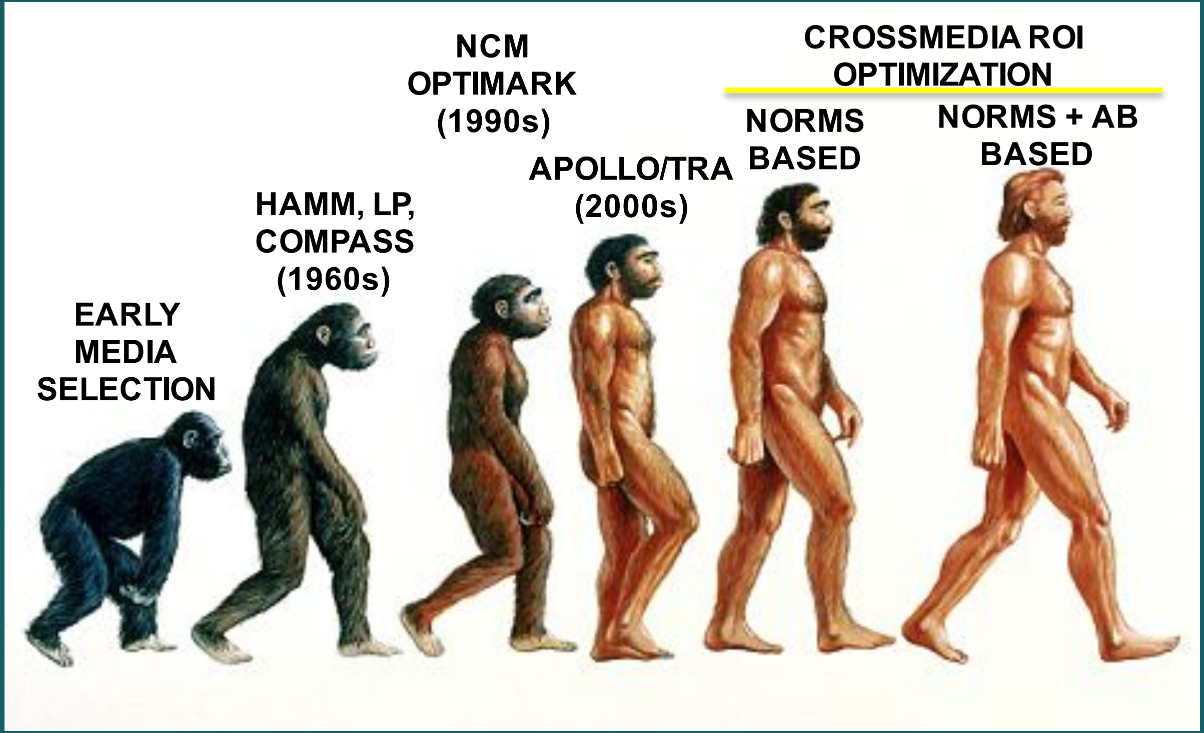
17MM+ Video Subscribers **18.6MM HSI Subscribers**

101 DMA's

22 DMA's in Top 50

9 DMA's in Top 25

Requirements for Crossmedia ROI Optimization


EARLY
MEDIA
SELECTION
HAMM, LP,
COMPASS
(1960s)
NCM
OPTIMARK
(1990s)
APOLLO/TRA
(2000s)
CROSSMEDIA ROI
OPTIMIZATION
NORMS
BASED
NORMS + AB
BASED

Creative 65-80% of ROI per Apollo, TRA, Nielsen Catalina, comScore

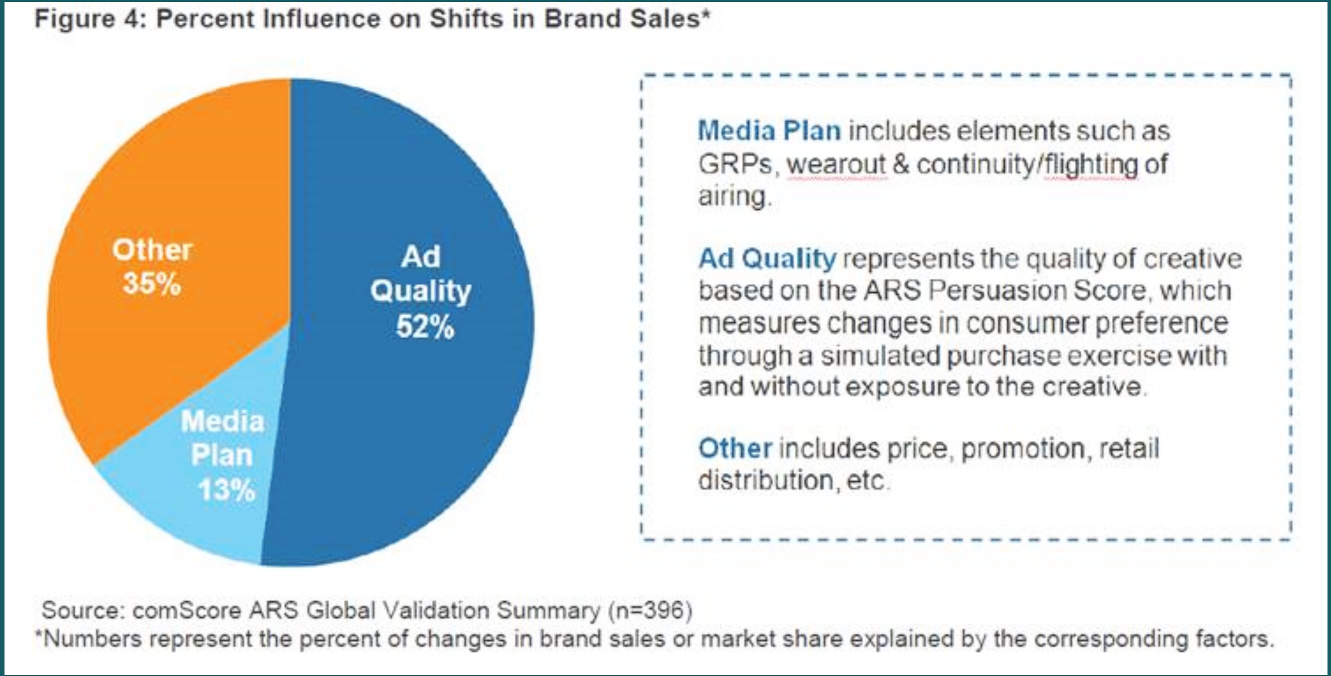


Figure 4: Percent Influence on Shifts in Brand Sales*

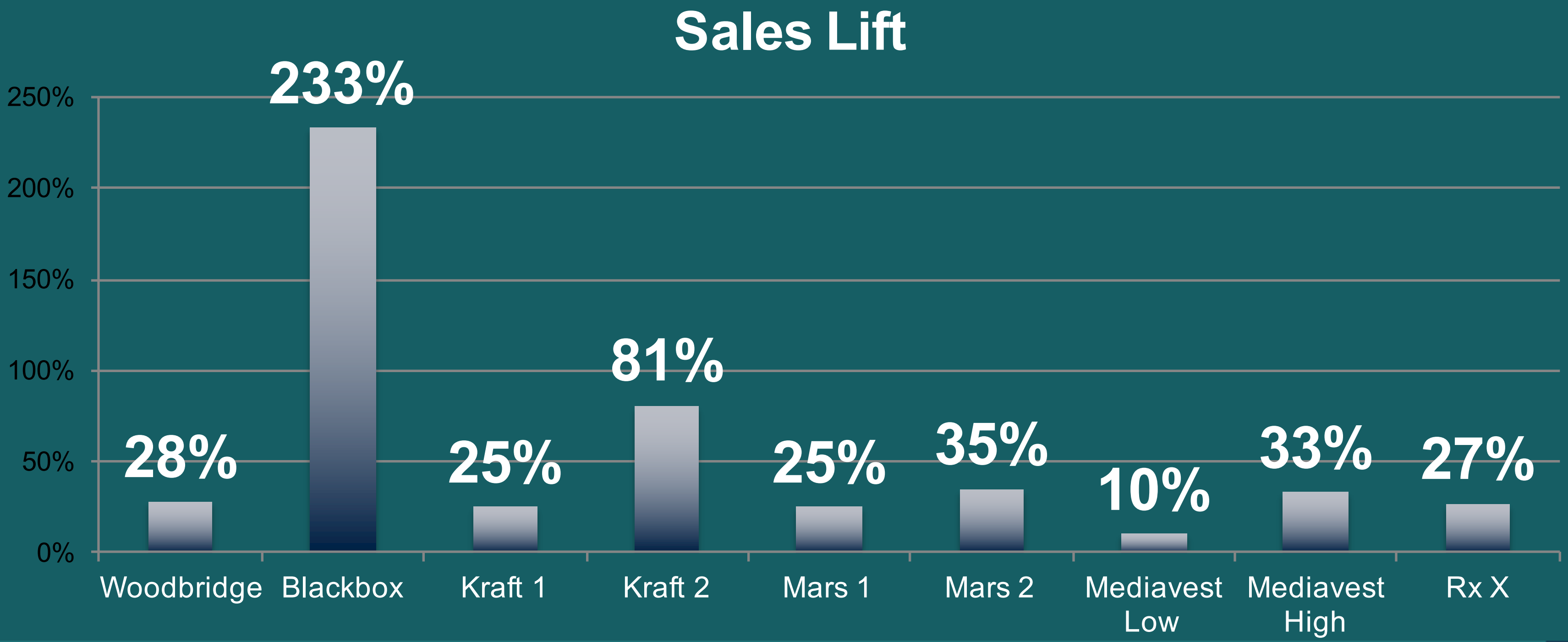
Media Plan includes elements such as GRPs, wearout & continuity/flighting of airing.

Ad Quality represents the quality of creative based on the ARS Persuasion Score, which measures changes in consumer preference through a simulated purchase exercise with and without exposure to the creative.

Other includes price, promotion, retail distribution, etc.

Source: comScore ARS Global Validation Summary (n=396)
*Numbers represent the percent of changes in brand sales or market share explained by the corresponding factors.

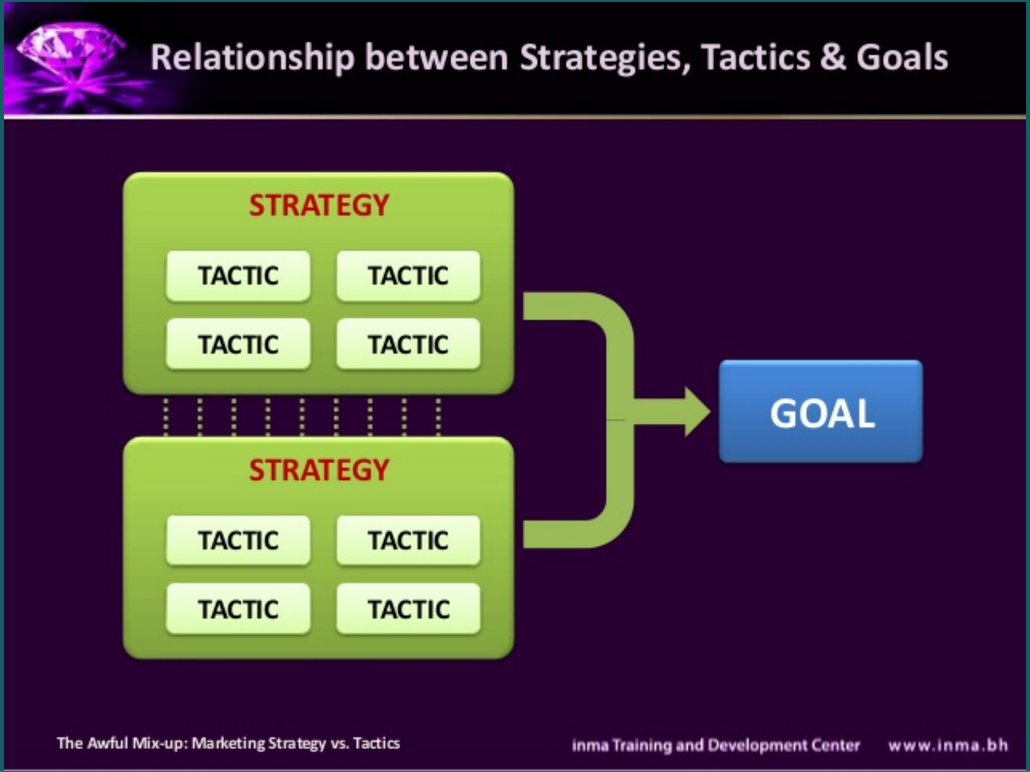
Client Attested ROI Lift Has Been Achieved, therefore an ROI Optimizer can be built



MMM Based Optimizers already exist, but they do not optimize at tactical level

Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat.

Sun Tzu



Relationship between Strategies, Tactics & Goals

STRATEGY

TACTIC
TACTIC
TACTIC
TACTIC

STRATEGY

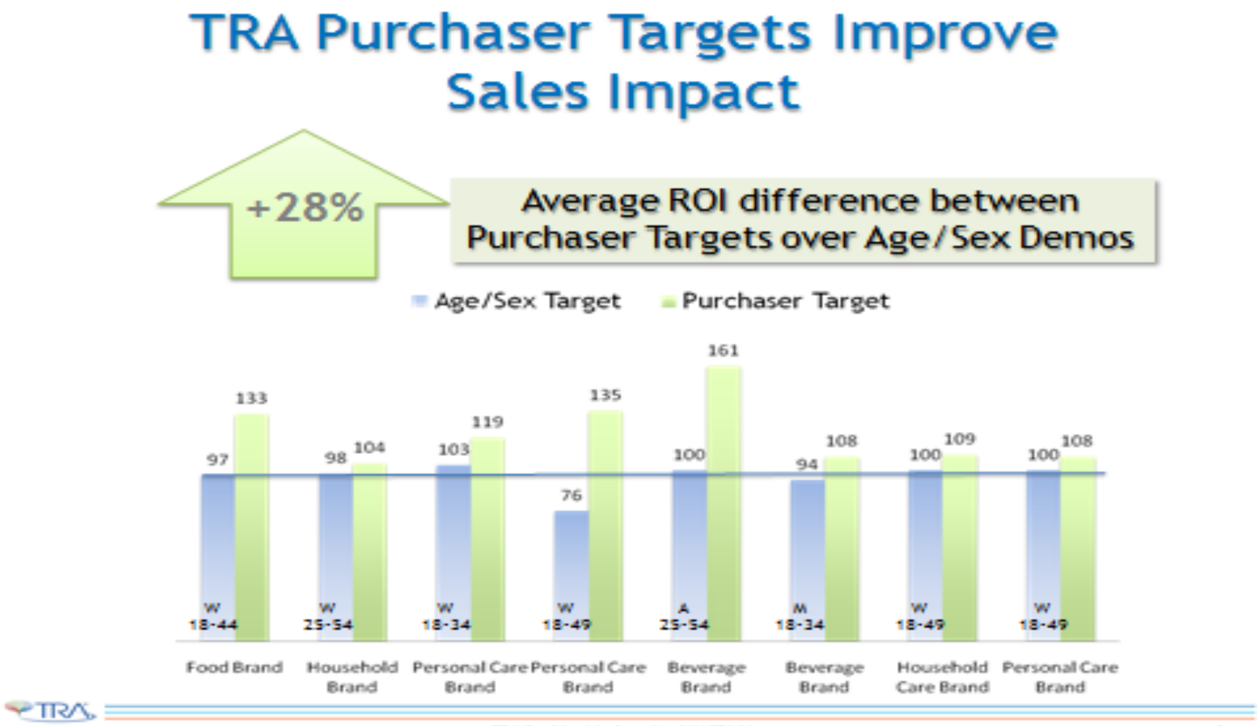
TACTIC
TACTIC
TACTIC
TACTIC

GOAL

The Awful Mix-up: Marketing Strategy vs. Tactics

inma Training and Development Center www.inma.bh

Simplest Route is Purchaser Target Reach Optimizer



TRA Purchaser Targets Improve Sales Impact

+28%

Average ROI difference between Purchaser Targets over Age/Sex Demos

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Programmatic Vision: ROI Calibrated Weights on the CPM (TRA already calibrated)

Recommendation: In selecting media, create a compound weight for all factors known or suspected to predict ROI lift

As illustrated below with actual data – factors must be orthogonal or multiple regression weighting applied

TiVo Research SYMPHONY Affinity Answers

PROGRAM	BRAND	PURCHASE INDEX	SOCIAL INDEX	AFFINITY INDEX	ROI VALUE WEIGHT
How I Met Your Mother	Hyundai	119.0	131.4	114.3	179
NCIS	Ziploc	108.1	121.4	238.0	312
Survivor	Betty Crocker	112.9	117.1	142.7	189
				AVERAGE	277

X% lift in TRA TTI metric→0.7X lift in ROI

Source: TiVo Research; **SymphonyAM**; **AffinityAnswers**

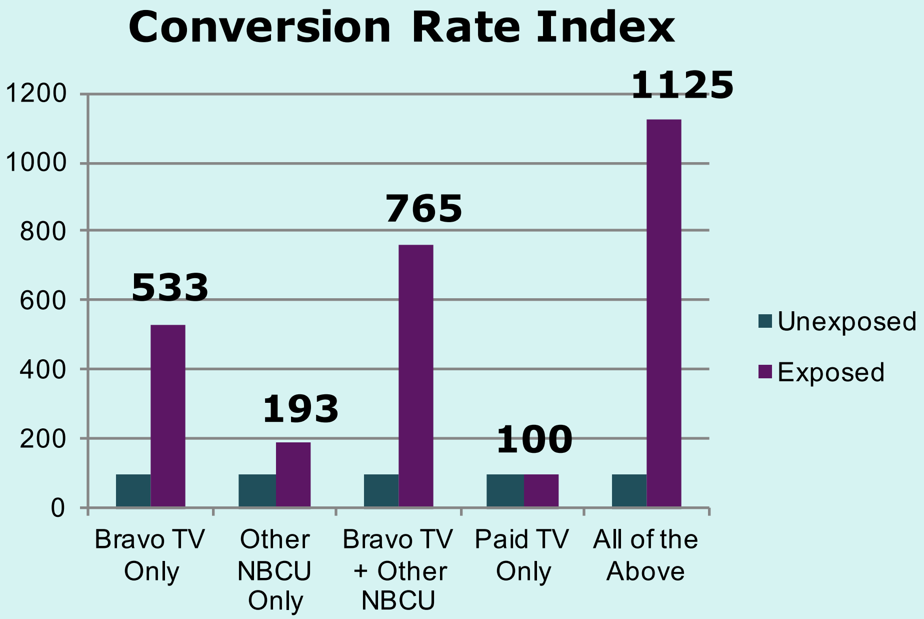
Media Synergy found to be more powerful than suspected – Attribution Needs to Evolve

- ARF Ground Truth: a second medium adds 19% to ROI, a third medium 23%, a fourth medium 31%, and a fifth medium 35%
- TiVo Research and 84.51: synergy between TV and in-store is equal to 40% of TV sales effect (but is attributed to in-store by current methods)
- ABC and Accenture: TV and search synergy not credited to TV would increase TV ROI metrics +15%, and lower search metrics the same percentage

Synergy: Paid National ads had no effect on their own, but when added to NBCU Air, they increased conversion +47%

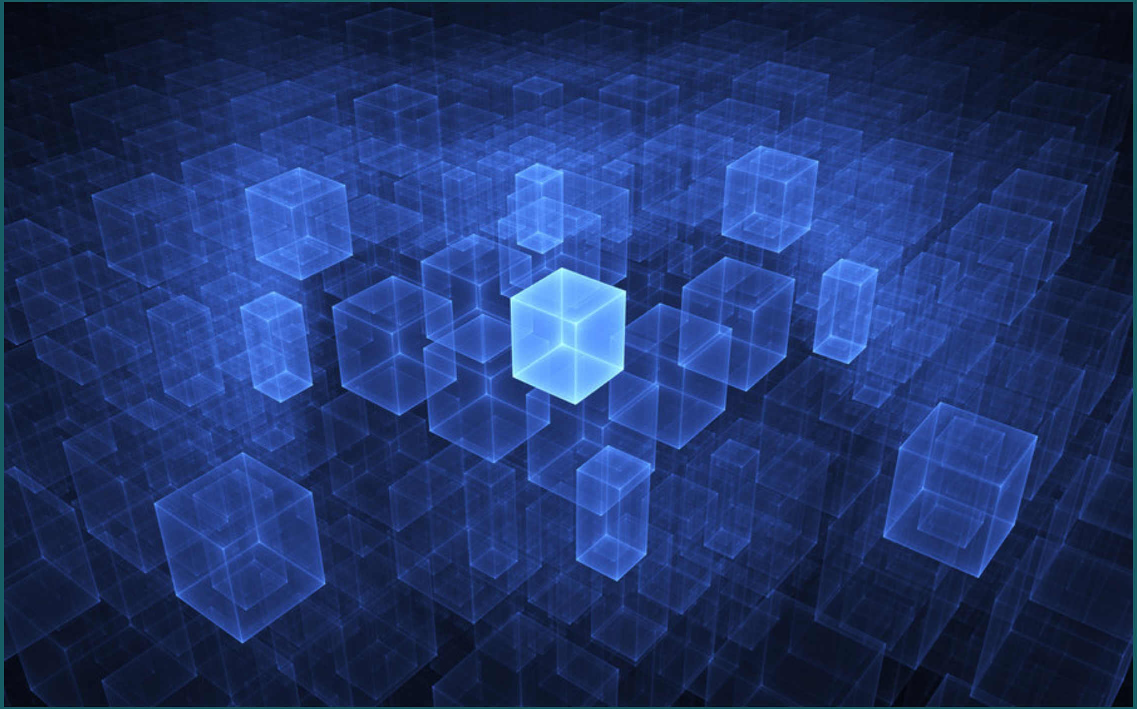
P18-54

L7 Viewing



Source: Tivo Research. April 2015. Conversion based on GG2D premiere and repeat viewership. Live +7 data. Excludes Datalogix match.

Crossmedia ROI Tactical Optimization by Purchaser Target Reach and ROI Norms



All Tactical Permutations of

PRODUCT

INDIVIDUAL

CREATIVE

MEDIA COMBINATIONS

(“The 4 Advertising Forces”)

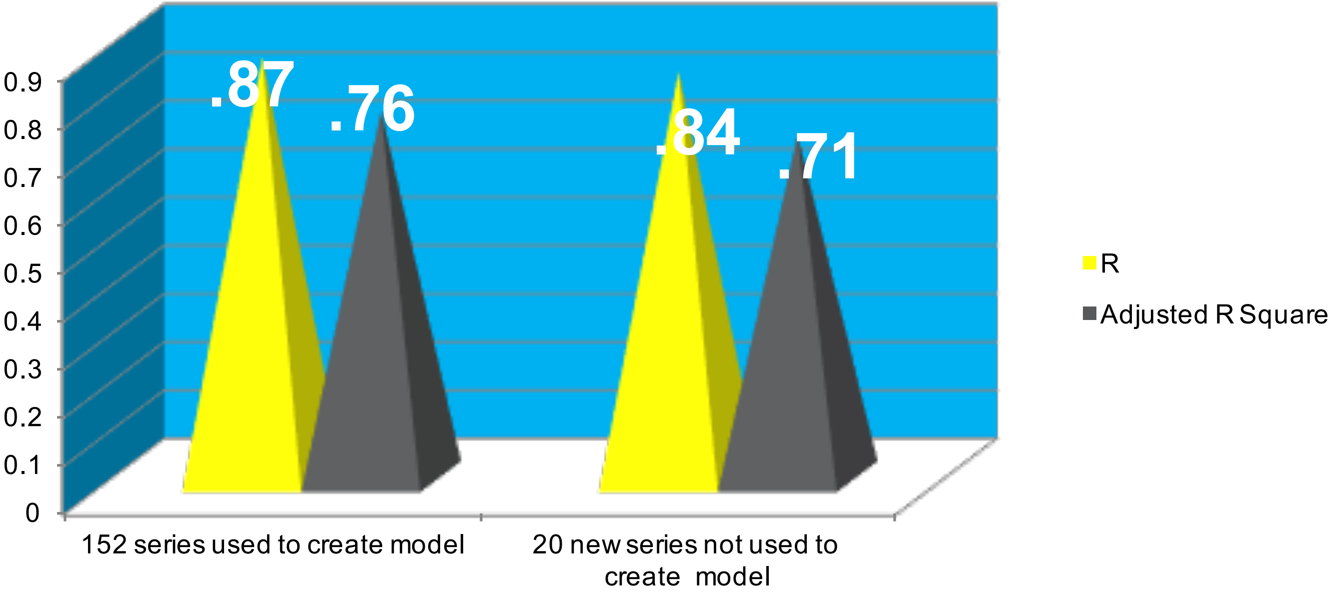
Problems

- Product and MediaMix Norms Buckets seem straightforward, but…
- How should Creative be put into Norms Buckets?
- Should the Individual be put into demographic and purchaser Norms Buckets? Plus Geographic? Plus Psychographic?

Proposed Solution: Norms Bucket all 4 Forces by the same set of behavior-linked metatags

The Proof: RMT's DriverTags™ Predict Nielsen

>13,000 metatags reduced empirically by set top box data to 261 DriverTags™
VALUES TRAITS STATES MOTIVATIONS PERCEPTIONS BELIEFS ATTITUDES ETC.



Theory: DriverTags^{TM} are the dimensions of the Aspirational Self

IF SO SHOULD PREDICT BUYING AS WELL AS VIEWING

OPRA
Wharton

"Brands that become highly liked by users help those users become something they want to become. And programs and movies whose characters represent something the viewer wants to become,
are the ones that those people watch."

--Dr. Americus Reed, Wharton RMT Advisor

How Link the 4 Forces of Advertising Qualitatively & Quantitatively

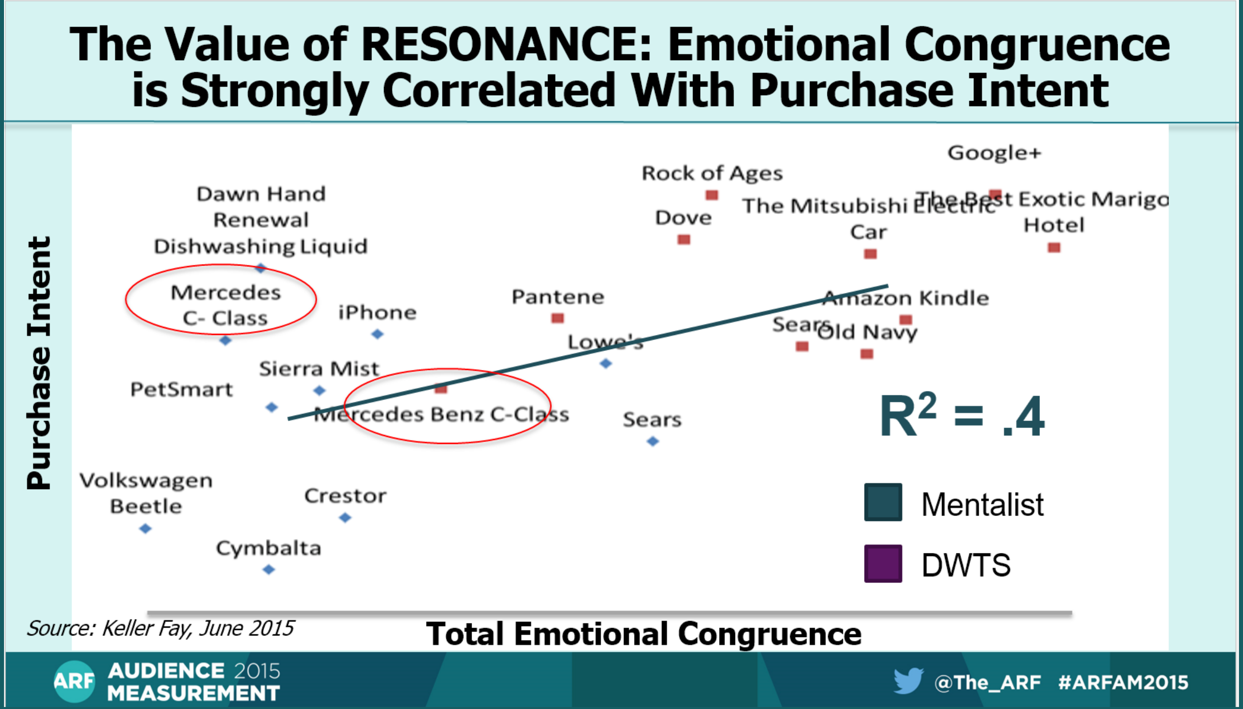
PRODUCT – each product/brand assigned DriverTags™

CREATIVE – each ad assigned DriverTags™

MEDIA – each program environment assigned DriverTags™

INDIVIDUAL – DriverTags™ attached to homes and people based on the DriverTags™ of the programs they watch, weighted by number of seconds of viewing

Including Context in Optimization Lifts Effectiveness (hundreds of studies)



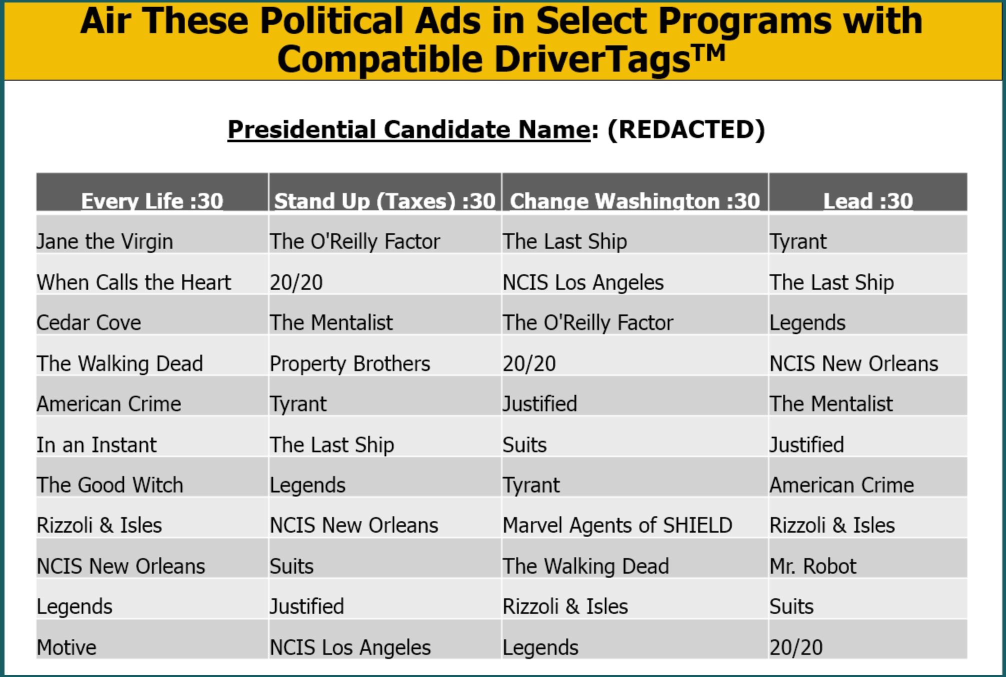
The Value of RESONANCE: Emotional Congruence is Strongly Correlated With Purchase Intent

Source: Keller Fay, June 2015

ARF AUDIENCE 2015 MEASUREMENT

@The_ARF #ARFAM2015

How DriverTags™ now being used to incorporate context in media selection



Air These Political Ads in Select Programs with Compatible DriverTags™

Presidential Candidate Name: (REDACTED)

Every Life :30	Stand Up (Taxes) :30	Change Washington :30	Lead :30
Jane the Virgin	The O'Reilly Factor	The Last Ship	Tyrant
When Calls the Heart	20/20	NCIS Los Angeles	The Last Ship
Cedar Cove	The Mentalist	The O'Reilly Factor	Legends
The Walking Dead	Property Brothers	20/20	NCIS New Orleans
American Crime	Tyrant	Justified	The Mentalist
In an Instant	The Last Ship	Suits	Justified
The Good Witch	Legends	Tyrant	American Crime
Rizzoli & Isles	NCIS New Orleans	Marvel Agents of SHIELD	Rizzoli & Isles
NCIS New Orleans	Suits	The Walking Dead	Mr. Robot
Legends	Justified	Rizzoli & Isles	Suits
Motive	NCIS Los Angeles	Legends	20/20

Proposed Design for 5 Supercategory ARF GT^2 Study

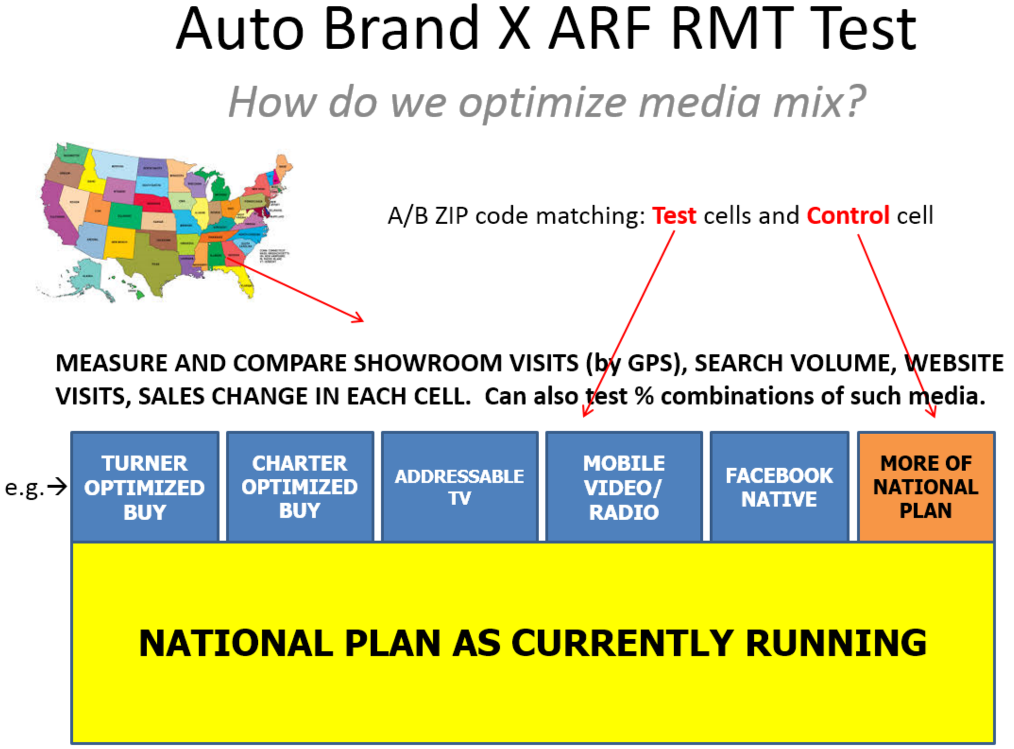
Three brands tested within each of five product super-categories: CPG, automotive, Rx, tune-in, and 1PD (advertisers who have their own first party data such as retailers, insurance companies, airlines, *et al*).

Each brand conducts a singlesource study looking back at the campaign it has been running and its ROI by targets, creative, media, frequency/recency, and whichever other operational variables (stimuli and responses) are most important to the brand and its agency.

Brands that have done such studies in the past re-analyze in norms context. What sample cell sizes are needed for norms stability?

Each brand runs one AB test of the most promising creative and media shifts discovered in the singlesource phase.

Proposed Design for Aggregatable Norms AB Testing within ARF Ground Truth Squared



Auto Brand X ARF RMT Test

How do we optimize media mix?

A/B ZIP code matching: **Test** cells and **Control** cell

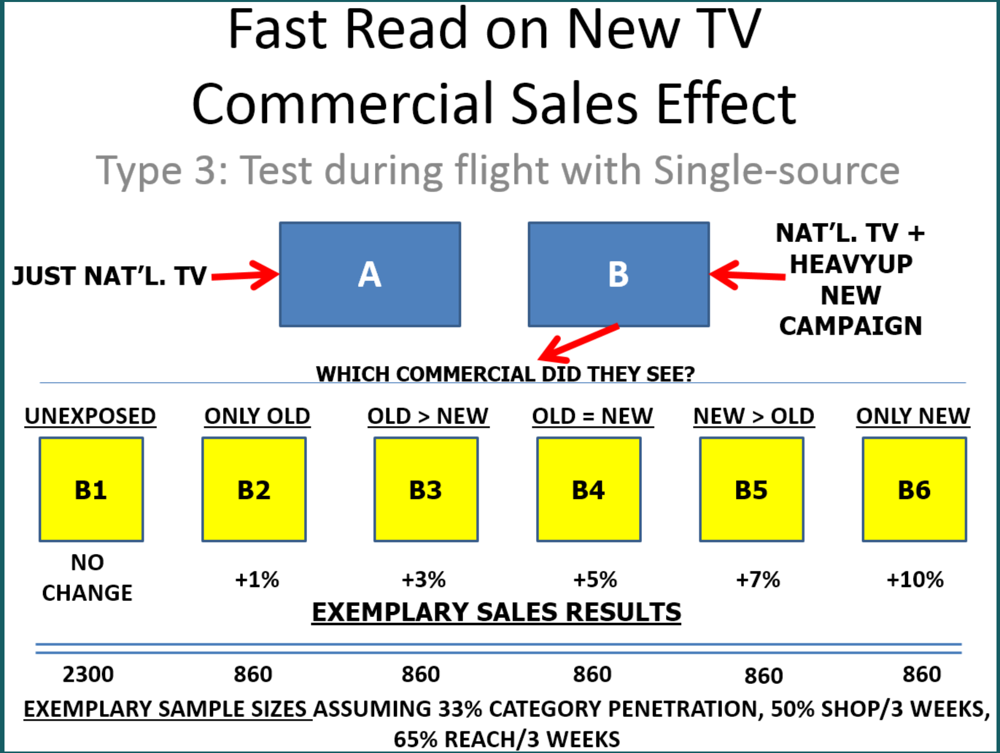
MEASURE AND COMPARE SHOWROOM VISITS (by GPS), SEARCH VOLUME, WEBSITE VISITS, SALES CHANGE IN EACH CELL. Can also test % combinations of such media.

e.g.→

TURNER OPTIMIZED BUY	CHARTER OPTIMIZED BUY	ADDRESSABLE TV	MOBILE VIDEO/ RADIO	FACEBOOK NATIVE	MORE OF NATIONAL PLAN

NATIONAL PLAN AS CURRENTLY RUNNING

Design for Integrated Singlesource and AB Testing



Fast Read on New TV Commercial Sales Effect

Type 3: Test during flight with Single-source

JUST NAT'L. TV → **A**

B ← **NAT'L. TV + HEAVYUP NEW CAMPAIGN**

WHICH COMMERCIAL DID THEY SEE?

UNEXPOSED	ONLY OLD	OLD > NEW	OLD = NEW	NEW > OLD	ONLY NEW
B1	**B2**	**B3**	**B4**	**B5**	**B6**
NO CHANGE	+1%	+3%	+5%	+7%	+10%
2300	860	860	860	860	860

EXEMPLARY SALES RESULTS

EXEMPLARY SAMPLE SIZES ASSUMING 33% CATEGORY PENETRATION, 50% SHOP/3 WEEKS, 65% REACH/3 WEEKS

AB Tests Can Pay For Themselves in the Incremental Sales They Produce

HY-OPS Geos Generally ≈ 7% of U.S.

ANNUAL BRAND SALES	**$500,000,000**
MEDIA	**$50,000,000**
AVERAGE ROI	**$1.75**
ROI IN HY-OPS GEOS	**$5.25**
SIZE OF MEDIA SHIFT FOR TEST	**$100,000 → $3,500,000**
INCREMENTAL SALES PRODUCED BY TEST	**$425,000 → $14,875,000 (+2.9%)**
COMBINED RESEARCH + MEDIA TEST COST	**$150,000**
NET NATIONAL SALES IMPACT	**+$275,000**

This slide illustrates the option, once small-scale tests lead to this thinking, of going big on the test budget in the HY-OPS geos not only for the ROI Optimization learning, but for the straight increase in sales nationally, which in this illustrative case is +2.9%.

Turner Collaboration Opportunity

- For studies that will yield value to the industry and all parties, Turner offers its collaboration and contribution to research costs

Howard Shimmel
CRO
Turner Broadcasting

Operational Variables in Crossmedia ROI Tactical Optimization

STIMULI

Size of budget
Media costs
Competition creative and media tactics
Creative foundation
Creative execution
Media synergy
Purchaser target
In-store/promotion/price
Branded integration/true sponsorship/branded content/cause marketing
Geographic dose-response
Media context effects
Psychographic alignment/resonance of CREATIVE, MEDIA, INDIVIDUAL and PRODUCT
Timing
Fast Reach
Recency/frequency distribution/continuity/days of week when shopping
Interactivity
Versioning
Sequence effects
Sex/age target
Blacklisted media options

RESPONSE

ROI/ROAS (maximized) /cost per conversion (minimized)

Store/showroom traffic

Website visits

Search for brand

Brand liking/brand is my friend/involvement (more than satisfaction/loyalty[12])

Net Promoter Effect

Brand Equity