

## ARF COGNITION COUNCIL PRESENTATION

# Context Effects: Updates from the Front Lines



**Jay Mattlin**  
Council Director  
ARF



**Horst Stipp, Ph.D.**  
EVP, Research & Innovation  
ARF



**Bill Harvey**  
Executive Chairman  
RMT, Inc.



**Kimberly Rose Clark, Ph.D.**  
Senior Lecturer, Dartmouth College;  
Co-Founder & Chief Research Officer,  
Merchant Mechanics



**Robin Garfield**  
EVP, Research & Scheduling  
CNN

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# ARF Cognition Council Context Effects Working Group

Manuel Garcia (Chair)

Kimberly Clark

Seth Duncan

Bill Harvey

Neil Napolitano

Josh Peters

Khawla Benyamine

Michael Smith

Arafel Buzan

Avi Ramyeed

Devra Jacobs

Emily Idell (Young Pros Officer)

Anmol Jain (Young Pros Officer)

Ipsos

Merchant Mechanics

W2O

RMT

Meredith

Buzzfeed

NBCUniversal

Hearst

Mindshare

Facebook

IMotions

Nielsen

Comscore

# Introduction: **Context** Effects

- All advertisements are seen in “Context”
  - Context: primarily media space - TV program, website, radio/music stream, magazine story
    - Also other ads (e.g.: commercial pod on TV)
  - Broader Context:
    - Medium, device, platform, media brands
    - Consumer attitudes/frame of mind, culture, economy

# Context Effects

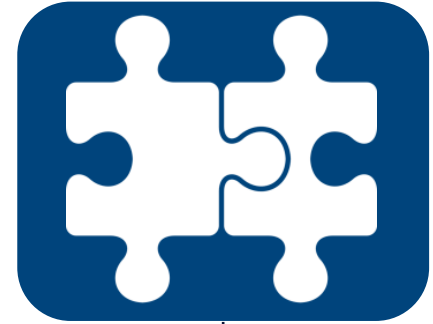
- 60 years of research: **Context is likely to affect ad performance – positively and negatively**
  - Most research: Effects of TV programs on commercials
- Marketers' focus: How can I take advantage of Context to make my ad more effective?
  - Recent issues:
    - Avoid negative Context Effects (Brand Safety)
    - Programmatic strategies focused on targeting, not context

# Two Key Processes that Trigger Context Effects

**ATTENTION TRANSFER**



**PRIMING/HALO EFFECTS**



**AD IMPACT**



# Context Effects Triggers (1)

- **Attention Transfer**

- Well established
- More attention to content - more attention to ad likely
- Highly valued content, media brand etc. – ad/advertiser usually seen more positively

## Context Effects Triggers (2)

- **Priming/Halo Effects**
- Most research shows “**Alignment**”/“**Congruence**” between context and ad likely to improve ad performance
  - Most marketers apply alignment strategies: Endemic, Native, Product Placement
- Open questions
  - How to optimize “alignment”
  - Why have studies shown lack of alignment did not have a negative impact on ad performance?

# **Context Alignment Now Has Been Third Party Validated Against Business Outcomes**

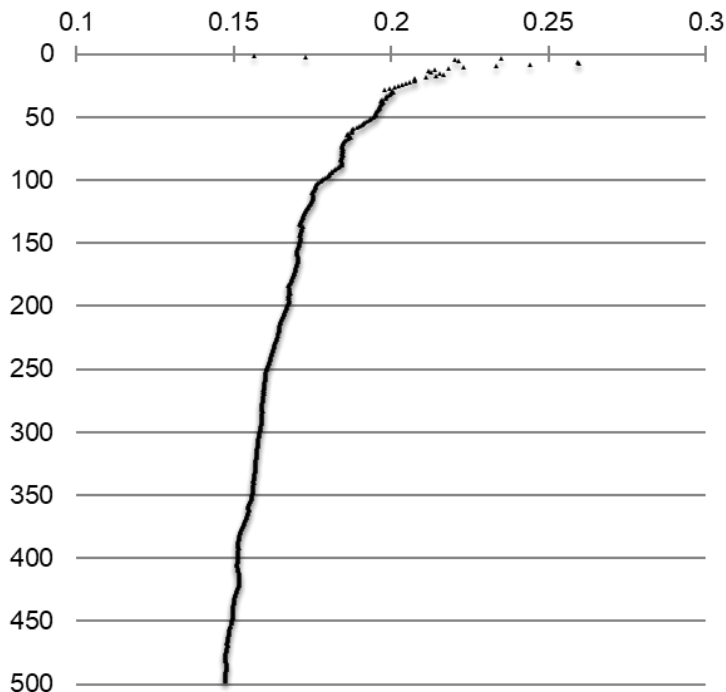
Bill Harvey  
Chairman  
RMT



## Alignment Supported by Kwon *Journal of Advertising Research* April, 2018 Meta-Analysis of 70 Studies

70 studies on Context Effects in which Ads and Contexts were coded in various ways, to determine in which cases there was greater alignment between the ad and the context,

show average lifts in communications measures of 15-20% in the alignment cases vs. all observations



# MULTI-DIMENSIONAL EMPIRICALLY DERIVED CONTENT CODES GENERATE 2X AVERAGE ALIGNMENT LIFTS

AI PERSONALIZED PROGRAM RECOMMENDER  
DRIVEN BY SET TOP BOX DATA  
AND PSYCHOLOGICAL METADATA



18% CONVERSION TO LOYAL  
VIEWERSHIP OF A RECOMMENDED SERIES  
NEVER WATCHED BEFORE

265  
VARIABLES  
ACCOUNT  
FOR 76%  
OF TV  
RATING  
VARIANCE

MOTIVATIONAL  
TYPES

15

86  
**NEED  
STATES**

265  
**DRIVERTAGS™**

EVERY  
WORD IN  
ENGLISH  
LANGUAGE

13,000+  
PSYCHO-  
LOGICAL  
WORDS

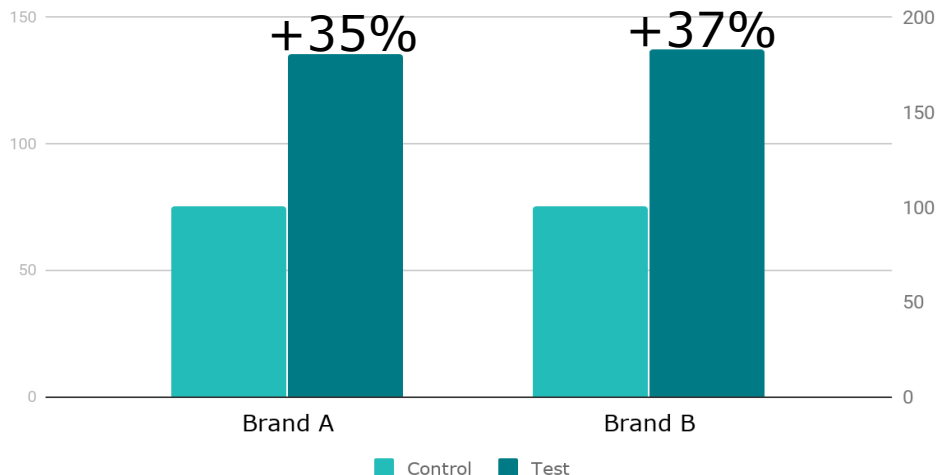
ATTITUDE  
SCALING  
AND  
FACTOR  
ANALYSIS

1562  
PSYCHO-  
LOGICAL  
VARIABLES

# Alignment Proven Against Sales

Nielsen NC Solutions Study for Turner Showed that Incorporating DriverTag™ Resonance In Media Selection Generates +36% Sales Lift

Turner Nielsen Catalina RMT 2017 study 15 Ads



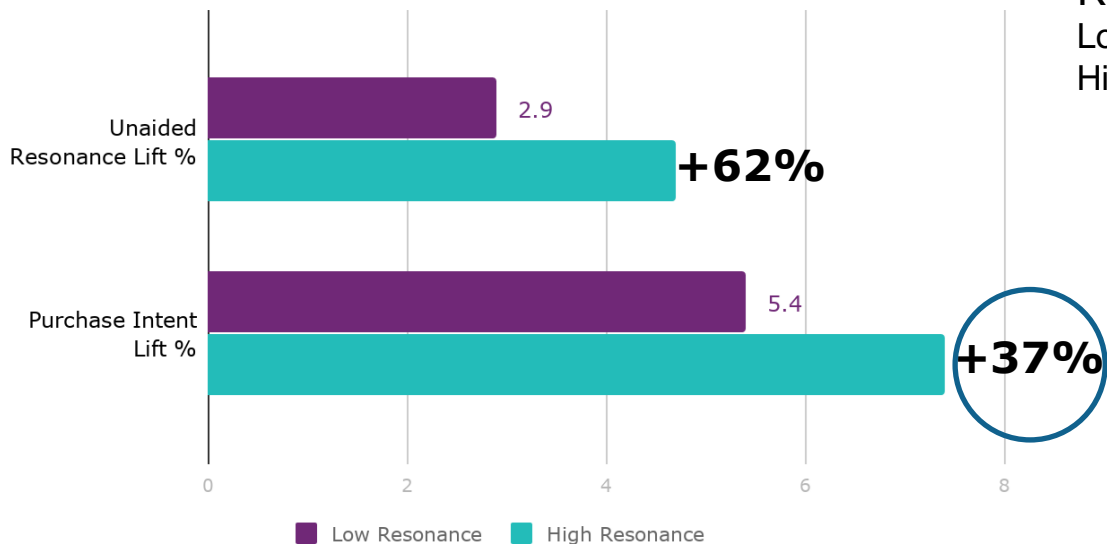
See complete ARF RMT Turner white paper at

<https://www.rmt.solutions/sales-lift.html>

NCS tabulated that the actual Resonance lifts enjoyed by these schedules (that were NOT optimized for Resonance) was +23%. Numbers shown above reflect what the lifts would have been if GRPs had been equally distributed by Resonance rather than skewed to low Resonance as they actually had been.

# Alignment Proven Against Branding Measures

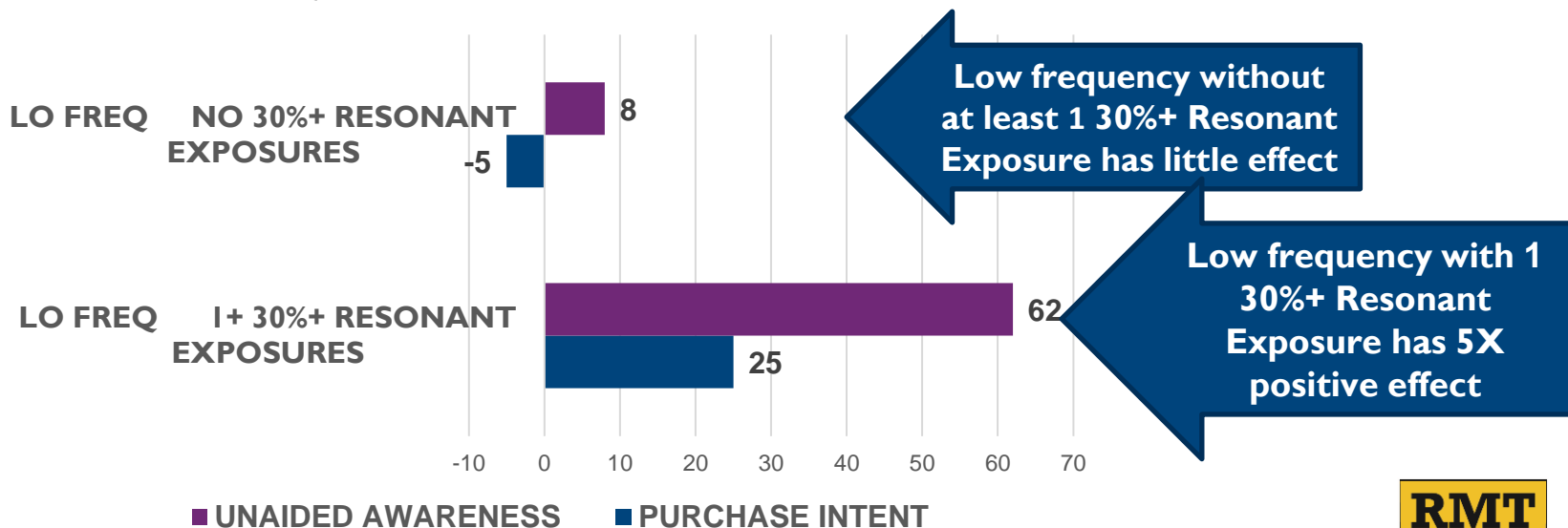
605 Study for Major CPG Brand



RESONANCE:  
Low=<10.0% (Avg. 7.9%)  
High=15.0%+ (Avg. 17.7%)

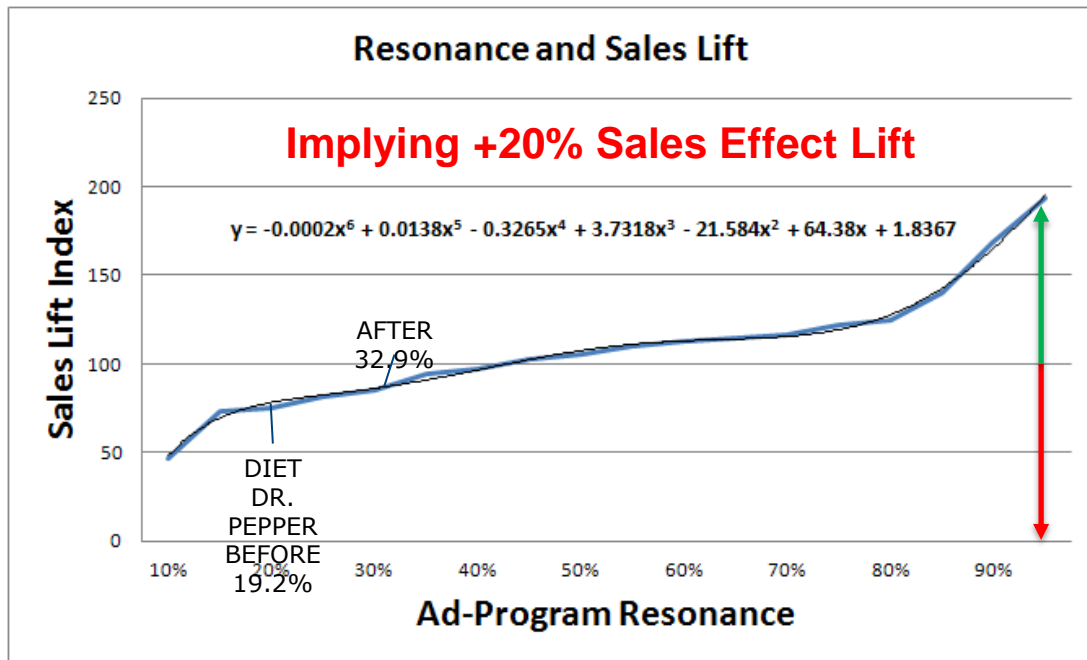
# Alignment Can Overcome Low Frequency

## LOW FREQUENCY OVERCOME BY RESONANCE



See complete ARF RMT 605 white paper at  
<https://www.rmt.solutions/branding-lift.html>

# Diet Dr. Pepper – Estimating the Sales Effect Lift of Freewheel Resonance Optimized Buy



Note that this curve addresses Horst's open question about "Why no studies have shown lack of alignment having a negative outcome effect?"

Uniquely this multi-dimensional method does show negative outcome (everything below the 100 line)

Curve derived from Nielsen Catalina Turner study by RMT

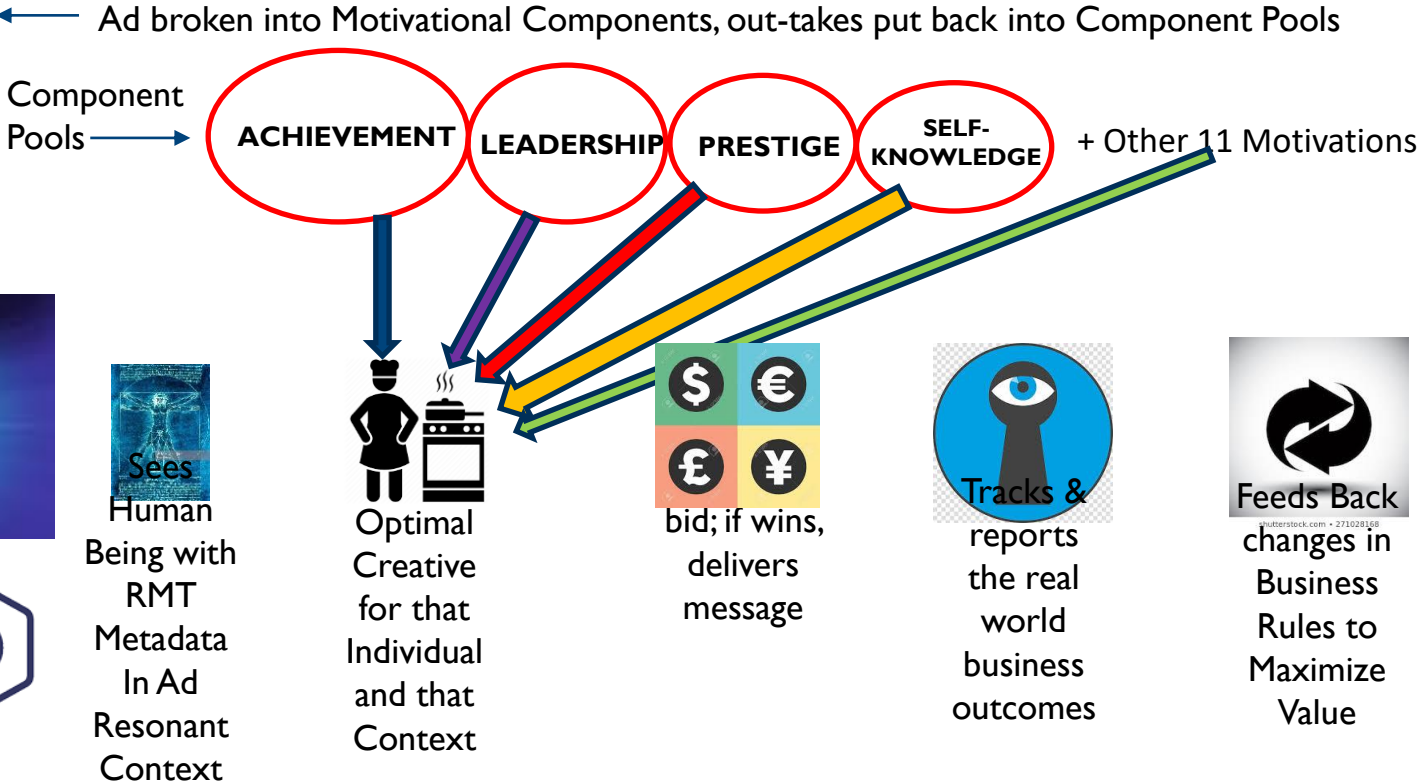
# Ease of Context Optimization is Here Today for OTT, CTV, Digital Tagging of Scenes within Ad for Dynamic Content Optimization (DCO)



**BIDDER**



**RESET DIGITAL**



## Conclusion

- Context Alignment works, that has been amply proven
- The really strong boost comes when you align on more than one dimension – the more dimensions the better – at 265 dimensions the lifts are >double the average for single-dimension Context Alignment
- Context alignment adds no work when buying digital, OTT, CTV
- By April 2021 a TV optimizer plug-in to existing agency optimizers will be available which enables Context Alignment yet adds no work




# Recommendations

- Follow ARF Best Practices\*, use Context Alignment today:
    - In OTT
    - In CTV
    - In Programmatic/Digital
    - In Linear TV
    - In MVPD Addressable TV – Linear
    - In MVPD Addressable TV - VOD
- } Automated Optimization Available Today  
\$91.7B US Adspend 2019 eMarketer
- } Automated Optimization Available April 2021  
\$57.5B Adspend 2019 eMarketer
- Be prepared for future findings which may lead to some exception-case optimizer adjustments as additional rules are validated i.e. when to buy low alignment contexts

\*"Best Practice: How Context Effect Can Make Advertising More Effective", Horst Stipp, ARF *Journal of Advertising Research*, June 2018 and

ARF August 2018 Context Effects CMO Brief "**The ARF has concluded that marketers should not ignore context**"

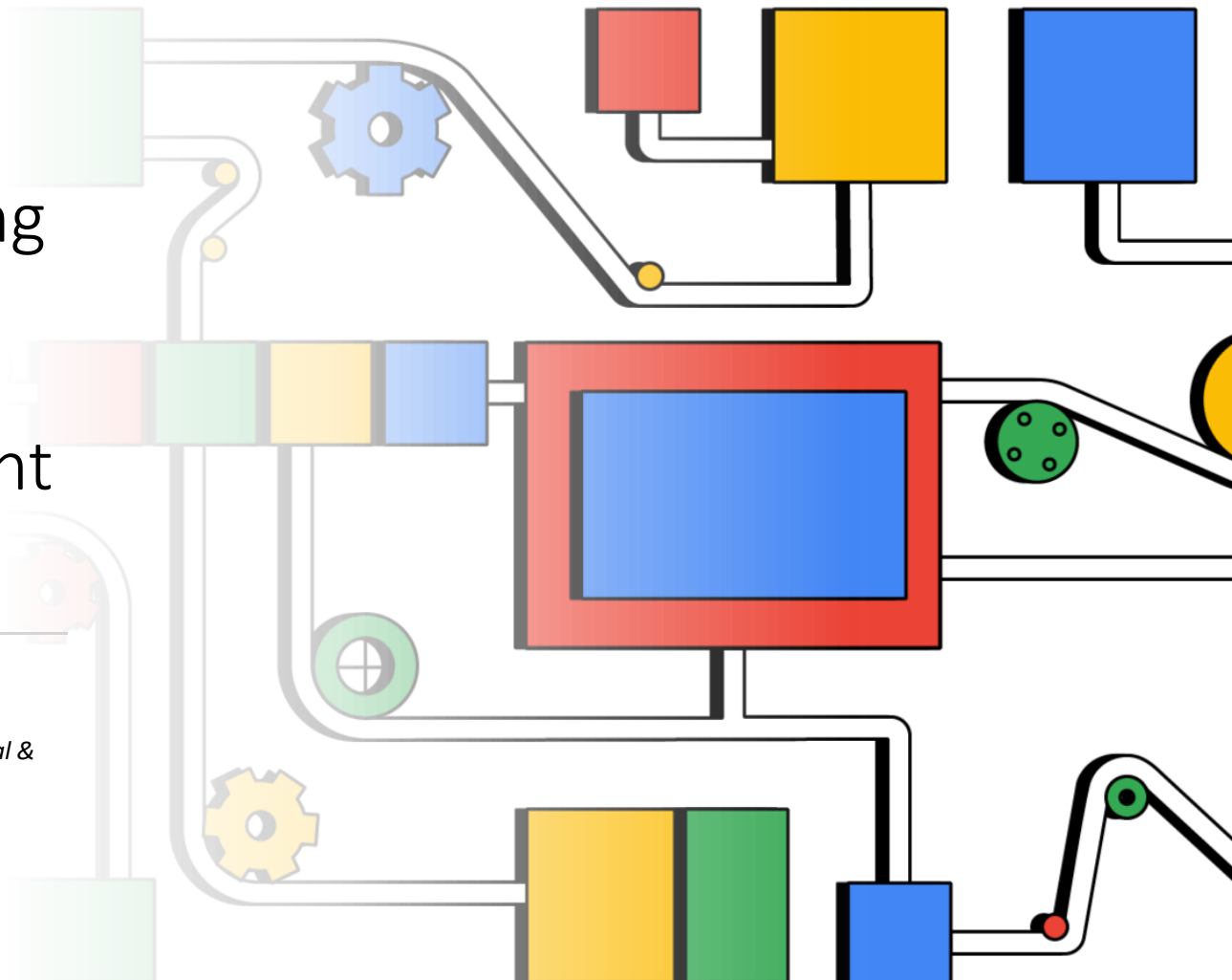


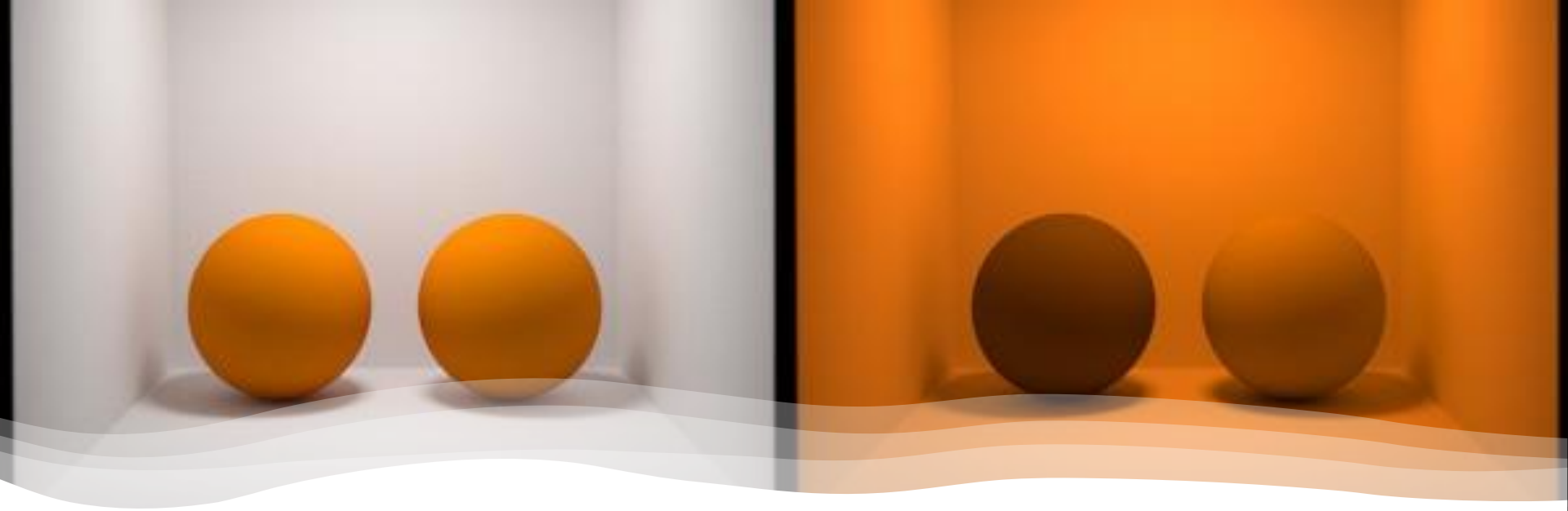
# Economic Framing for Better Tuning of Media:Ad Context Alignment at Auction

Kimberly Rose Clark, Ph.D.

*Dartmouth College, Department of Psychological &  
Brain Sciences*

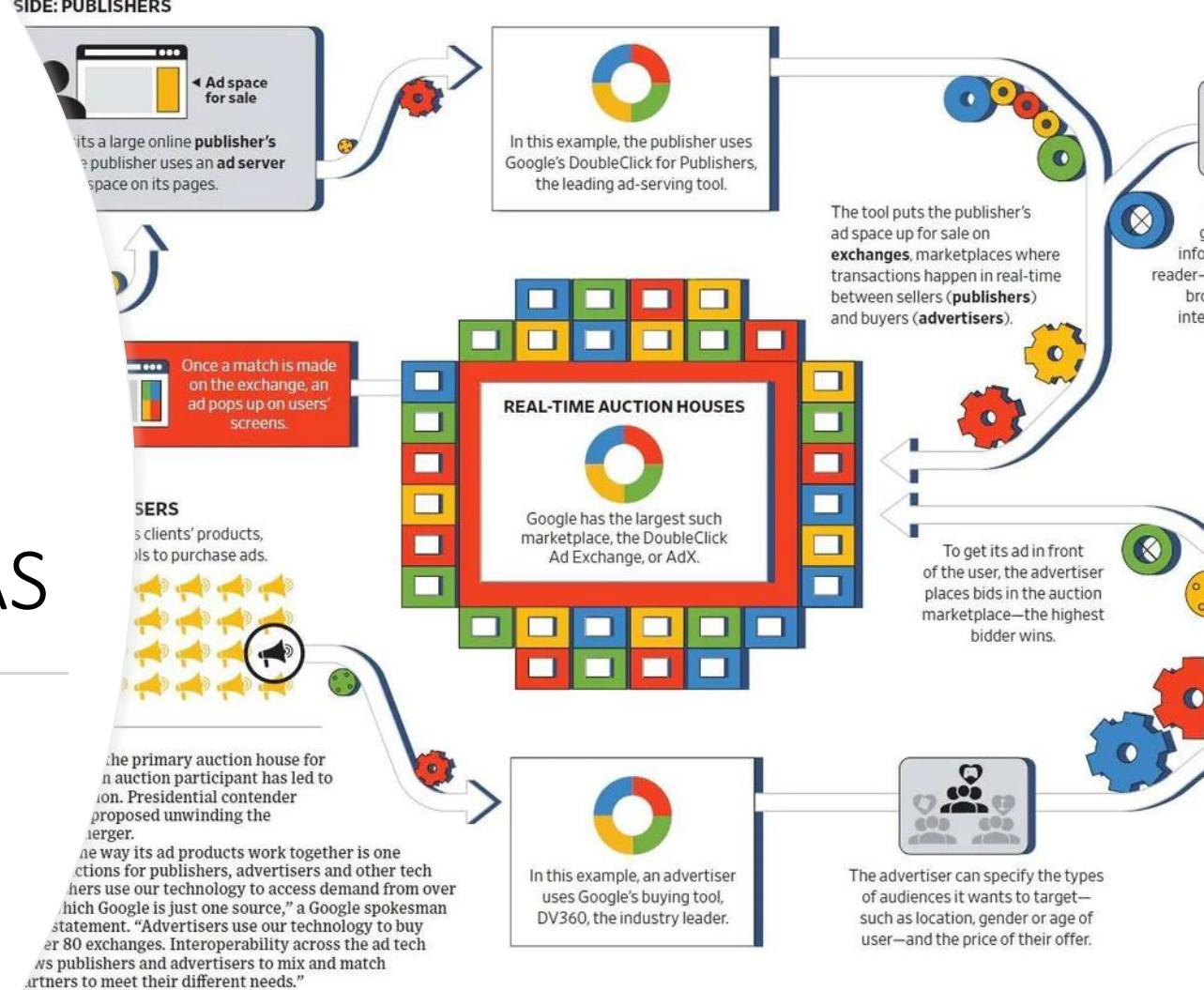
*Merchant Mechanics, Inc.*



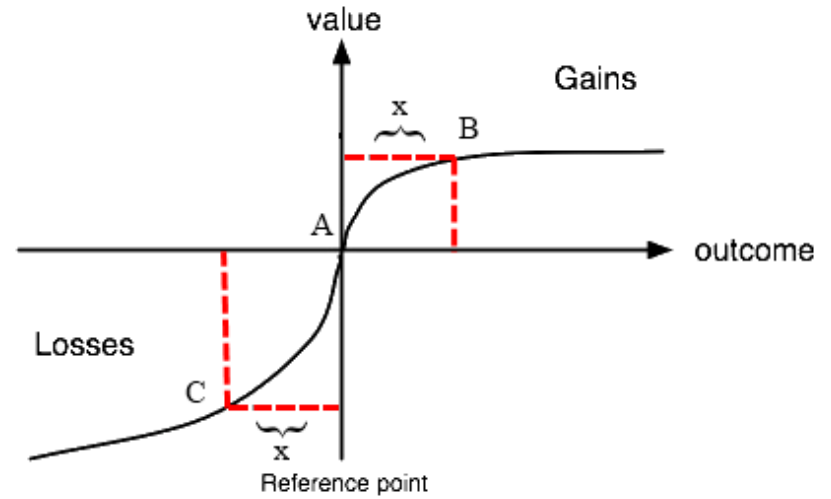


Metamerism

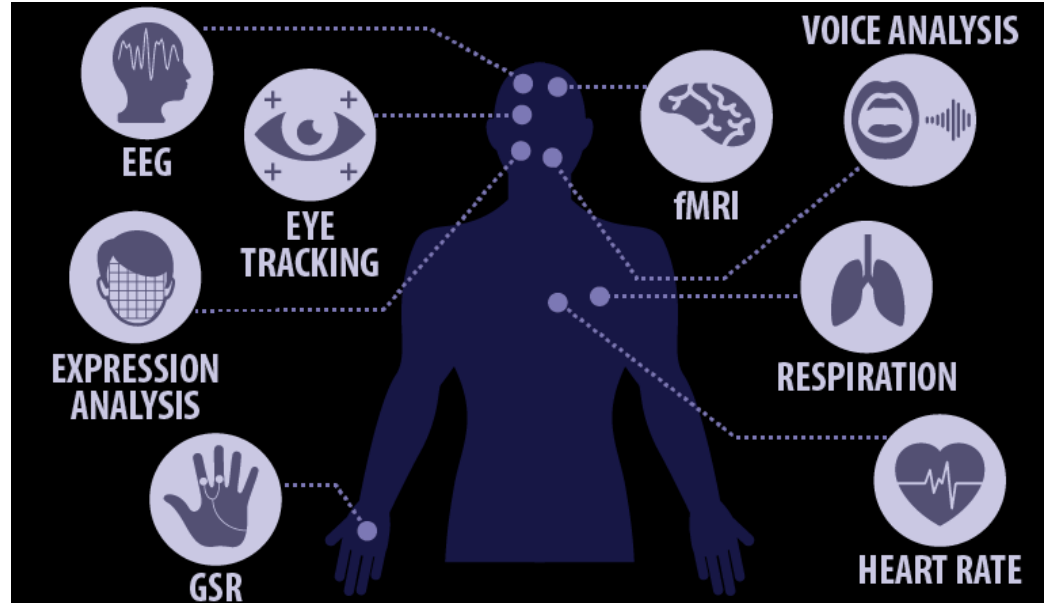
# Programmatic Auctions Can be Better Tuned for ROAS



Economic Classification  
of Emotions as a first  
order rule of context  
alignment



# In-Moment Measures Using Applied Neuroscience



Gain:Gain

Gain:Loss

Loss:Gain

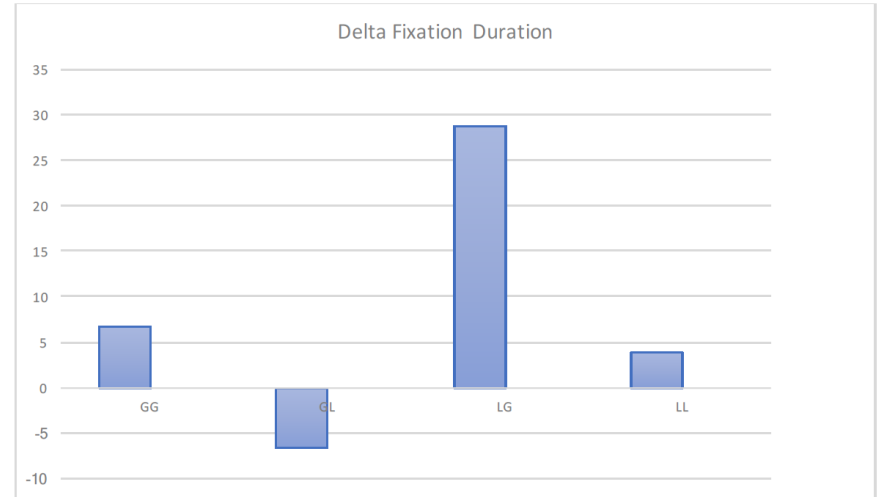
Loss:Loss

# Study Design

- 1 Trial = 30s content followed by 30s ad
- Trials in each condition contain a fixed content:ad pairing
- Trials randomized
- 24 subjects
- 24 trials for each subject
- 6 trials per congruence condition
- 12 trials of positively framed content
- 12 trials of negatively framed content

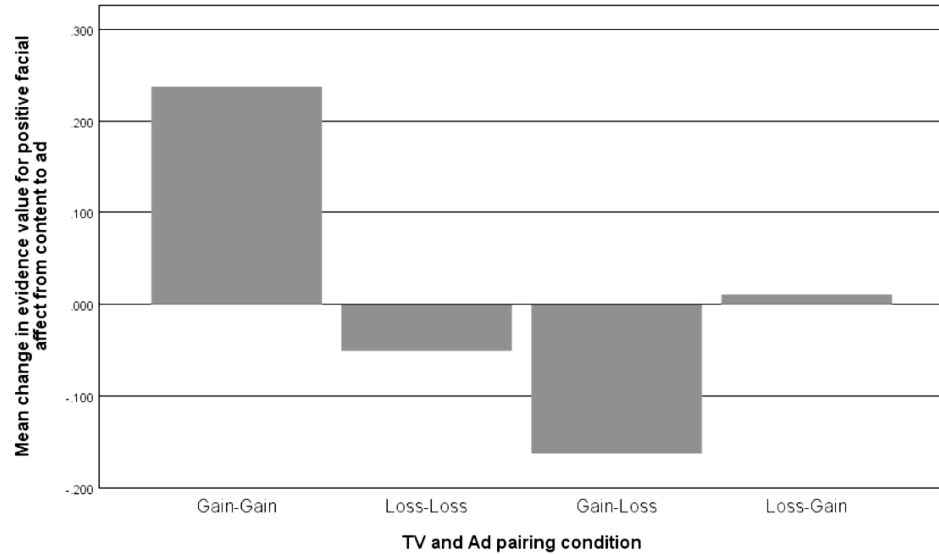


## Congruence and Change in Visual Attention to From Show to Advertisement

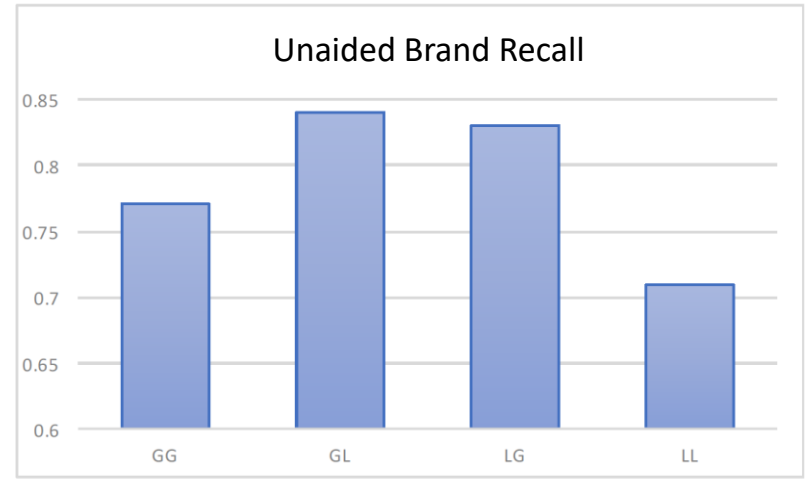




“Kicker effect” for positive emotions in congruent gain condition

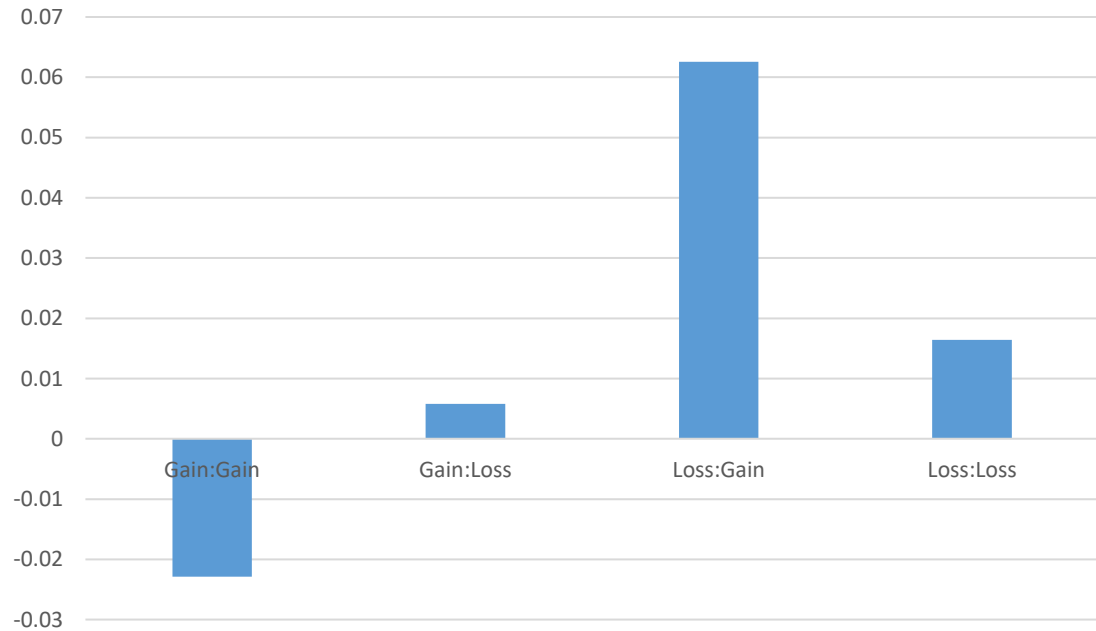


Incongruent Alignments  
yield the highest self-  
reported brand recall  
following task



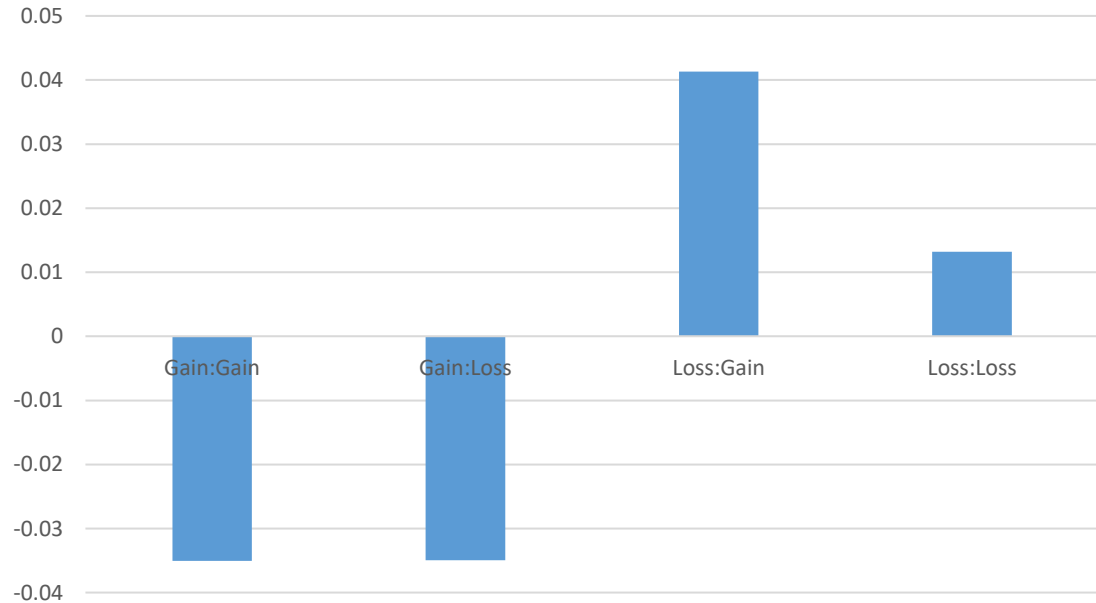
EEG Audience  
“neural  
synchrony”  
greatest in  
Loss:Gain  
condition

$\Delta$  in ISFC in Alpha Band During Advertisement by  
Congruence Condition



EEG Audience  
“neural  
synchrony”  
greatest in  
Loss:Gain  
condition

## $\Delta$ in ISFC in Gamma Band During Advertisement by Congruence Condition



# Recommendations

- Ads that are focused on benefits or future gains of product maintain strong audience engagement when presented after show content that is focused on loss (e.g. negative news).
- Positive emotions are strongest during gain-framed ads when the follow gain-oriented, or positively focused, content.
- Misalignment is not necessarily a bad thing – increases in brand recall and memory encoding were greatest in misaligned conditions.
- **Understand main goal of ad's performance with audience: To increase brand engagement, to increase positive emotions for brand, to increase brand recall.**



# THE VALUE OF ADVERTISING IN **NEWS**

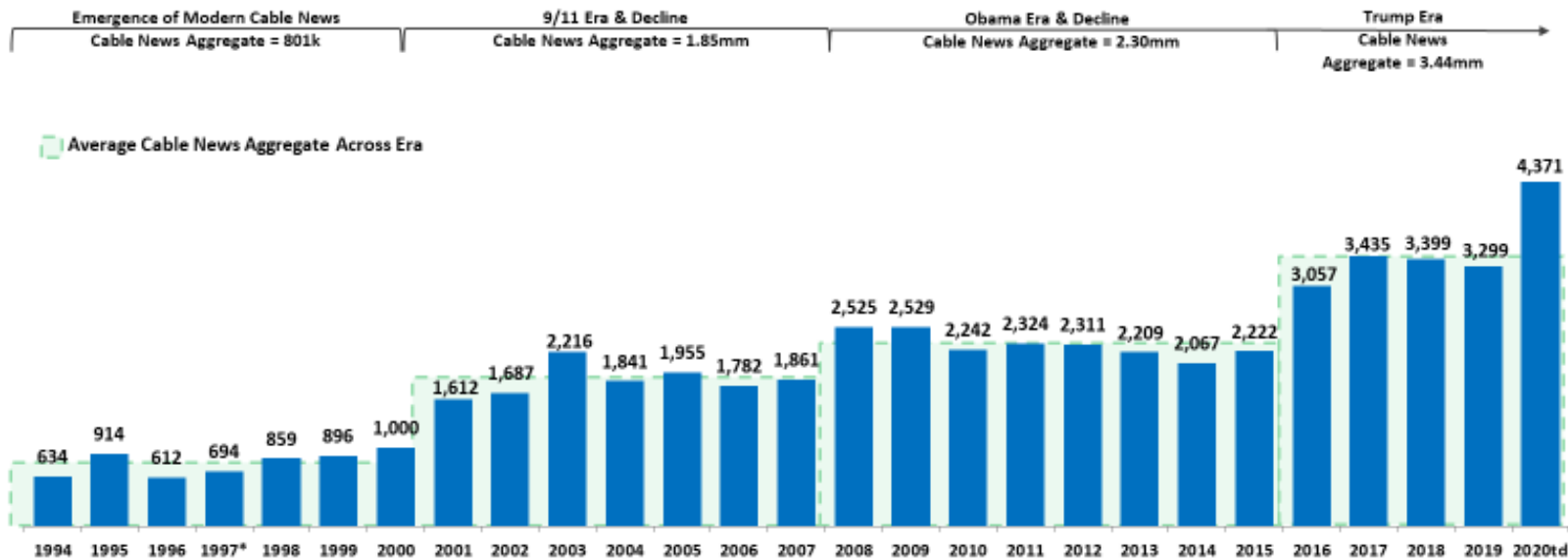
Robin Garfield

EVP, CNN Research & Scheduling

August 10, 2020

# Cable News Viewing Is Higher Than It's Ever Been

## Cable News Total Day P2+ Average Audience (000)



Source: The Nielsen Company. P2+ delivery (000) and share, 1994 – 2019 (thru 8/2/20). 1994 – 2005 data based on Live, 2006 – 7/19/20 data based on Live+7, and 7/20/20-8/2/20 based on Live+SD. \*MSNBC launched 6/30/97 and FXNC launched 3/31/97.

# News Consumers Are Information Seekers— They Want To Be Educated And Feel Empowered; They Watch By Choice

"I have to **keep up with what's going on.**"



**Nola F.**  
57, White  
Pembroke Pines, FL  
Liberal

"The best thing about watching the news is that **I am always in the know.** If there is something going on that's important, I am aware of it."



**Adam P.**  
55, Black  
Beverly Hills, CA  
Conservative

"[The news] really keeps you informed and aware of what's going on around you so that **you can make informed decisions** about your life."

**Shashank K.**  
28, Asian  
Gainesville, FL  
Moderate





## News Consumers Are Extremely Attentive



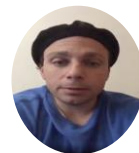
**Pamela B.**  
61, White  
Sacramento, CA  
Slightly Conservative

"When I watch the news, I **feel a little more attentive** than I might when I'm watching any other kind of programming."



**Ed C.**  
59, Black  
Medford, NY  
Liberal

"When I watch the news, I **watch with a keen eye** to what's being said, what's not being said, what's between the lines, and why."



**Patrick K.**  
37, White  
Chicago, IL  
Libertarian

"[When watching the news I have a] very open mindset, **very vigilant, very aware.**"



**Tanika B.**  
37, "Other"  
Elizabethtown, KY  
Liberal

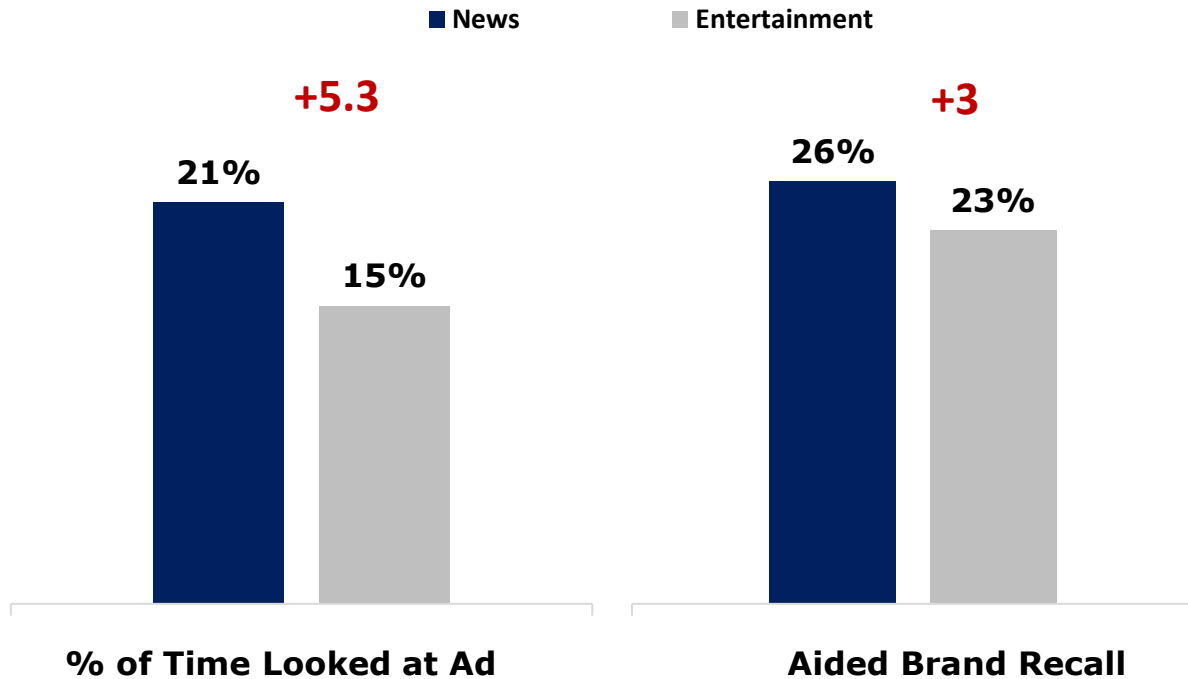
"I basically have to **become my own investigative journalist.**"

"I **want to feel connected and that's what news does for me.** I also want to hear different viewpoints. So I am **definitely much more focused** and serious when I watch news."

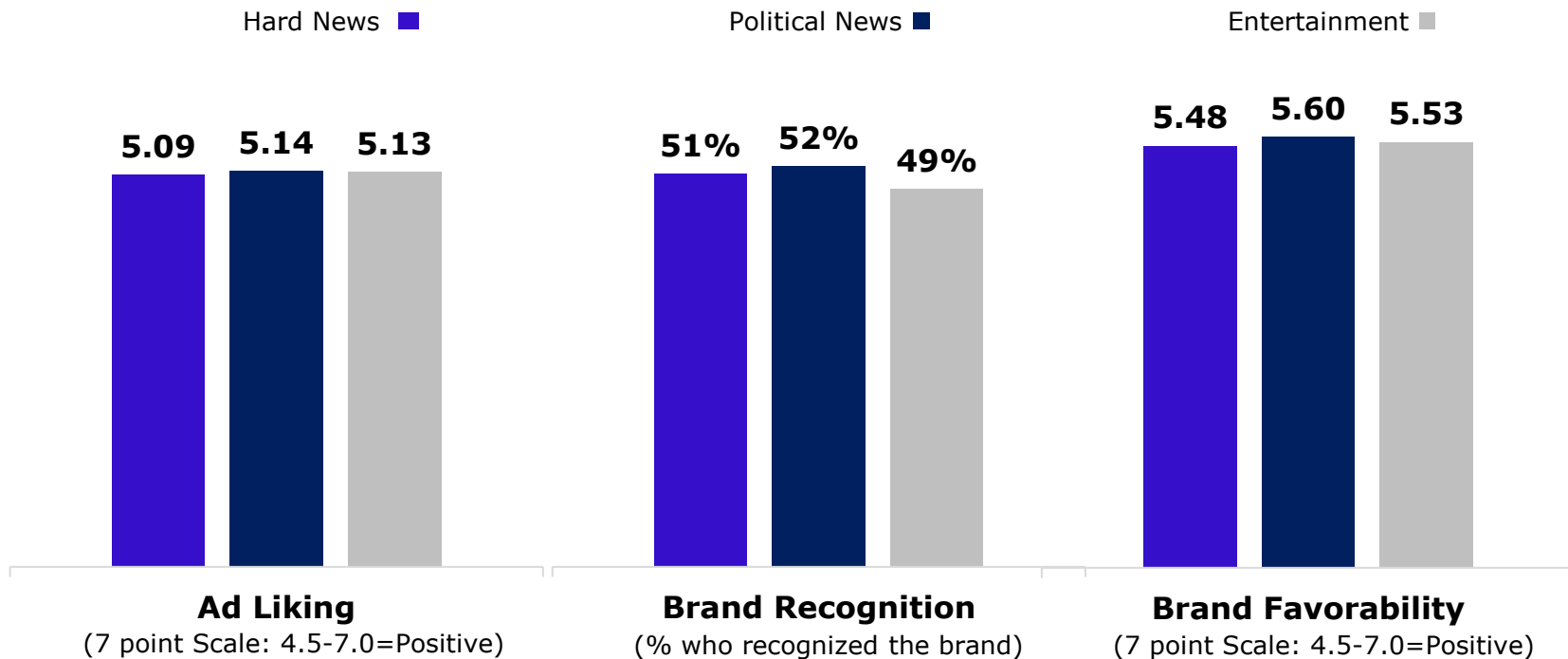


**David K.**  
49, White  
Lincoln Park, NJ  
Moderate

# Attention To News Programming > Drives Attention To Advertising > Which Yields Higher Brand Recall



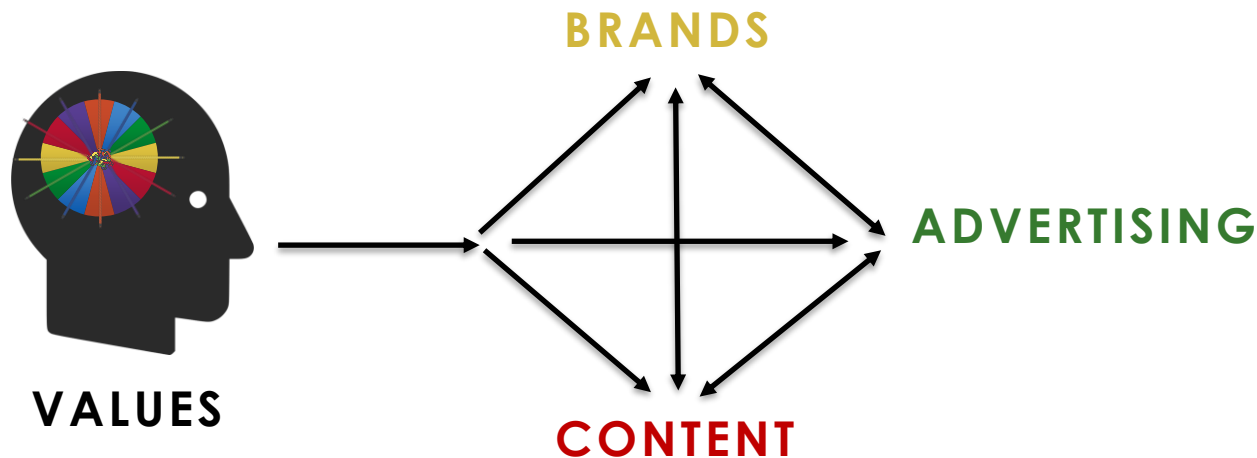
# Ads In Serious News Have At Least As Much Positive Brand Impact As Ads In Entertainment



Source: *The Power of News 2nd Edition*, MediaScience & CNN, May-June 2020.

# How Does It Work?

# Values Explain How People Engage with Brands, Advertising and Content



# 12 Key Cognitive Frames Help Us Make Sense of the World



## Example Frame: If We're Not Winning, We're Losing

### Reflects:

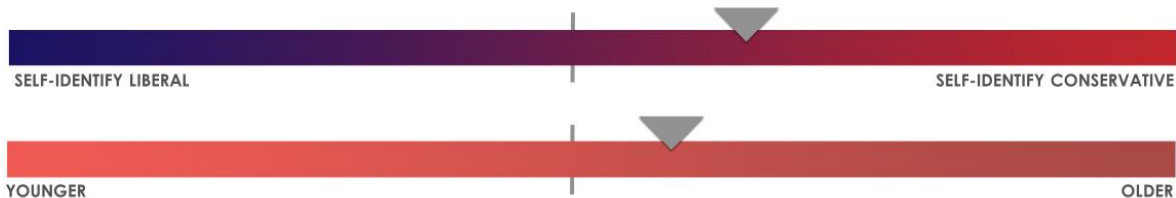
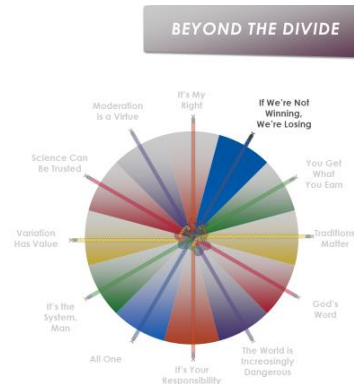
The belief that life is a zero-sum game, and that someone else's win or gain automatically engenders a loss to others

### Examples:

Rejecting globalization as a loss of jobs to other countries  
Condemning only one party's scandals

### How it can be misunderstood:

As unnecessary competitiveness, lack of empathy for other groups



# Brands Manifest Values and Consumers Follow Them Closely

- **76% Say They Care About Brand Values**

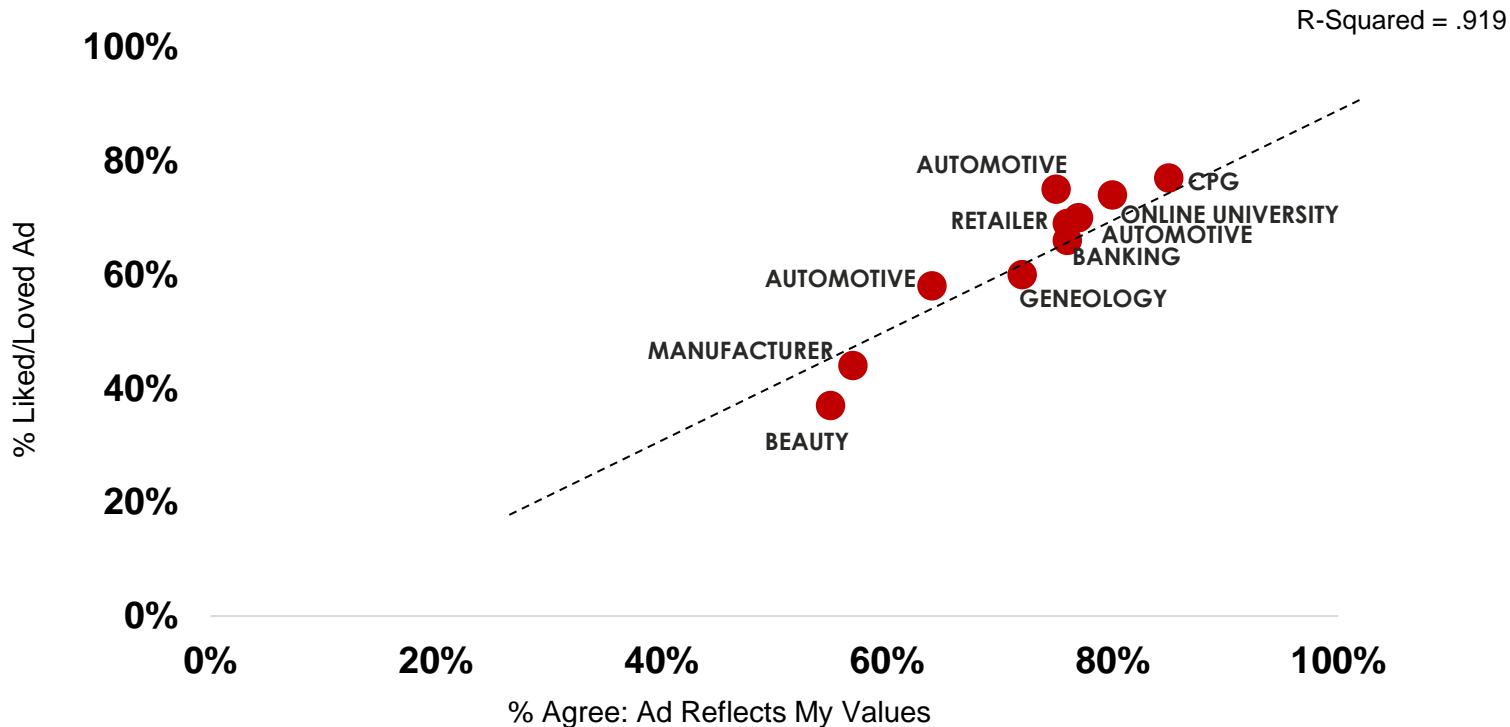
## Factors in Evaluating Brand Values



Source: The News Frontier / Kresnicka Research & CNN, 12/15/17-1/12/18, n=2,002, Q: "To what extent do you care whether a company's values align with your own?"  
Q: "On a scale of 1 to 5 please rate how important each of the following business practices is to your evaluation of a brand/company's values."



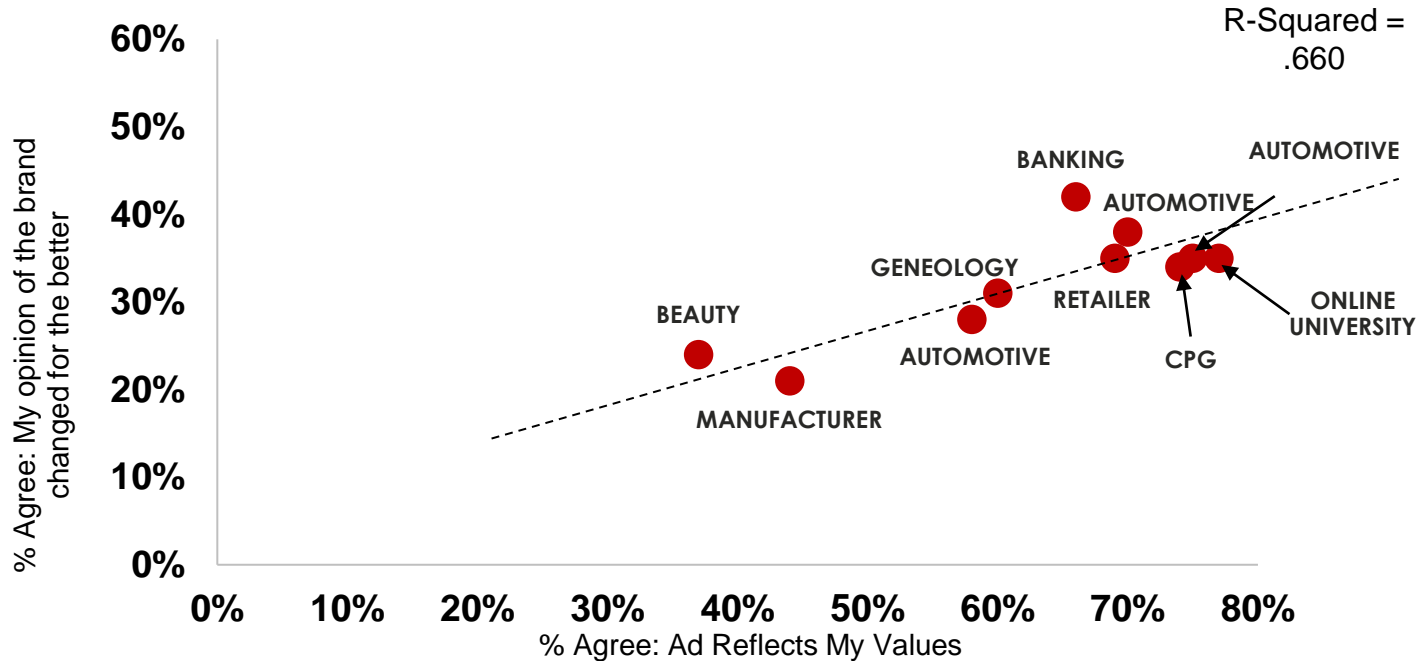
# Ads That Reflect Consumer Values Are Well Liked



Source: The News Frontier / Kresnicka Research & CNN, 12/15/17-1/12/18, n=2,002. "Q. Reflecting on the content of the ad you just watched, please rate the degree to which you agree or disagree with the following statements. 'The message of the ad reflects my personal beliefs and/or values.'"

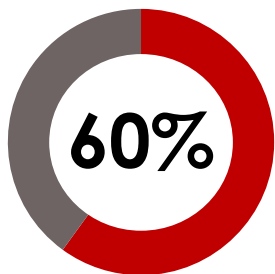
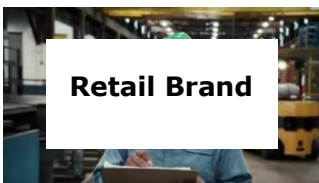
Q. Please indicate your feeling about the ad.

# Ads that Reflect Consumer Values Generate More Impact for Brands

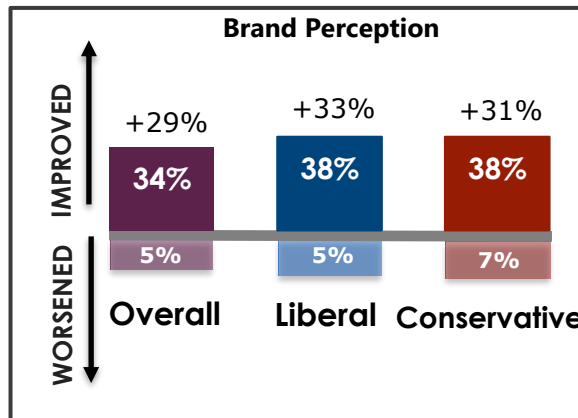
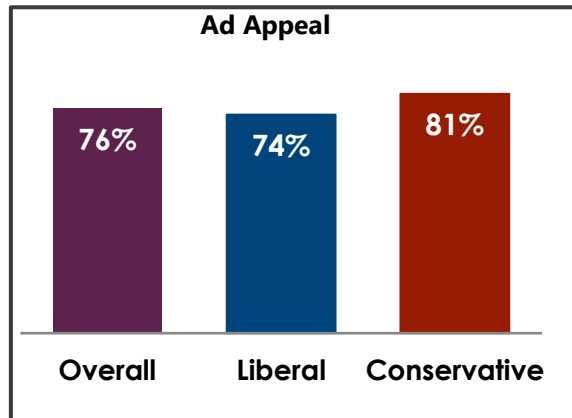
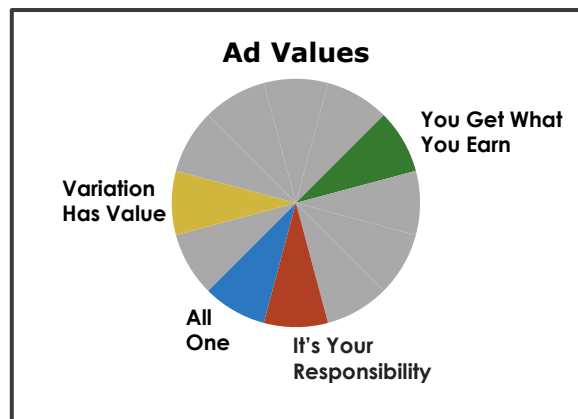


Source: The News Frontier/ Kresnicka Research & CNN, 12/15/17-1/12/18, n=2,002. "Q. Reflecting on the content of the ad you just watched, please rate the degree to which you agree or disagree with the following statements. 'The message of the ad reflects my personal beliefs and/or values.'"  
Q. Please indicate if your opinion of this brand changed based on watching the ad."

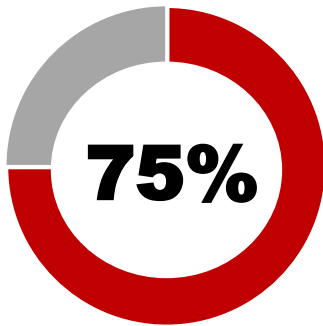
# Ads That Reflect Diverse Values, Consistent With The Brand, Have Wide Impact



SEE BRAND/AD  
CONSISTENCY



# News Viewing Piques Awareness Of Consumer Values, More Than Any Other Content Type



**News makes them *most aware* of their beliefs and values** among all the content they watch.



**Farah N.**  
41, White  
Atlanta, GA  
Conservative

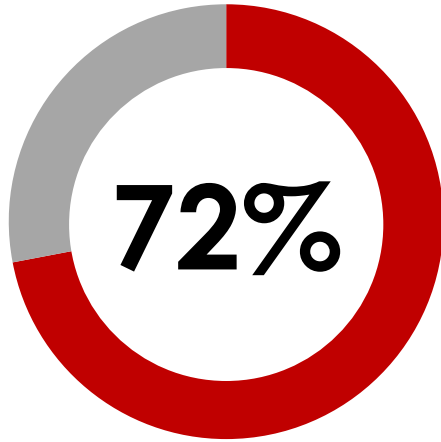
"News definitely makes me aware of my personal beliefs and values. It is **the one outlet that makes me really question what I believe in** and try to see different angles and different viewpoints."



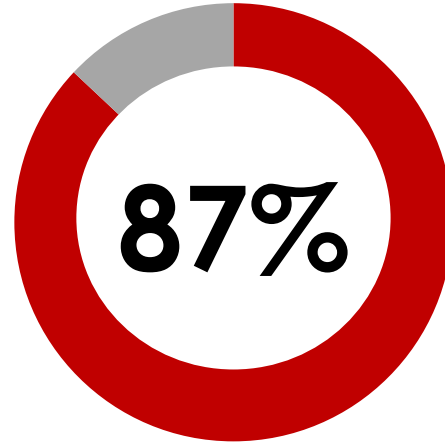
**David K.**  
49, White  
Lincoln Park, NJ  
Moderate

By far, news makes me much more aware of my own personal beliefs and values than any other TV content. **I feel very connected when I watch the news."**

## News Has A Magnifying Effect On Advertising, Especially When Brand Values Are Featured Prominently And Positively



Noticed ads more  
while watching the news  
when ads expressed values  
in some way



Wanted ads to evoke  
positive emotions  
while watching the news.

Source: *The News Frontier / Kresnicka Research & CNN, 11/14/18-12/7/18, n = 60.* Q: Which of the following seem to enhance your AWARENESS of commercials when watching the news? Complete the following sentence: "When watching the news, I notice commercials more when commercials and news..." Select all that apply.  
Q: What emotions do you most want commercials to evoke when you're watching the news? Why those?

# News Viewers Are Especially Motivated To Take Action



**Erik P.**  
38, White  
White Plains, NY  
Moderate

"The most recent episode of Frontline... **it makes you wonder, what can you do?"**



**Kelly P.**  
22, White  
Westwood, MA  
Conservative

"The California wildfires, that really... **opens my eyes** as to how it could be connected to global warming and **what I personally can do** more to help reduce global warming."

# Cause-Related Campaigns In News Drive Especially Strong Results

## Cause-Related Video Campaigns (11)

### Engagement

**76%**  
**Attention**

(% who paid attention to creative)

*Norms:*

74%

**90%**  
**Memorability**

(top 2 box in agreement on  
remember the video)

83%

### Brand Impact

**81%**  
**Brand Awareness**

(aided awareness)

*Norms:*

51%

**+13**  
**Brand Favorability**

(pre/post lift)

+8%

## How **News** Advertising Works

- **Consumers choose news**--it's essential and empowering
- Engagement in **news content promotes attention to ads**
- **Heightened values awareness in news magnifies audience connections with ad campaigns and brands**
- **Purpose-driven advertising is especially impactful**, resonating with consumer desire to "do something"
- ***The news content itself drives the lift in ad effects!***
  - ***Comfort in knowledge***, not collateral "mood repair"
  - ***Amplification of brands***, not need for brand safety

**It's All About Values**





# Thank You!

# APPENDIX

# Methodology

	The News Frontier <i>Kresnicka Research &amp; CNN</i>		
	Finding Values in Advertising	Testing Values in Advertising	The News Viewing Mindset
Field Dates:	Dec 15, 2017- Jan 12, 2018	March 26, 2018- April 2, 2018	Nov 14, 2018- Dec 7, 2018
Sample Size:	69	2,002	60
Sample Age:	18-70	18-64	18-64
Sample Format:	Mobile Ethnography	Quantitative survey	Mobile Ethnography
Additional Format Info:	Participants submitted videos & answered closed- & open-ended questions on advertising, morality, & politics (200+ ads submitted & discussed)	Respondents answered questions about the values depicted in ads and their impact on brand perception	Participants submitted videos & answered closed- & open-ended questions on their mindsets while watching the news

## Methodology (Continued)

Methodology	The Power of News-Wave 1	The Power of News- Wave 2	CNN Ad Effectiveness Campaigns
Vendor:	MediaScience	MediaScience	Realeyes
Field Dates:	Nov 26, 2018- Dec 20, 2018	May 7 2020- June 1,2020	2018-2019
Sample Size:	305	1096	Varies
Sample Age:	25-54	25-54	Varies
Sample Format:	Eye tracking + online survey across linear, desktop, and mobile formats	OTT panel + online survey across linear and mobile formats	Pre/post survey with emotional mapping
Additional Format Info:	Eye-tracked participants viewed ads embedded in CNN and entertainment content, then engaged with a post-exposure survey.	Conducted at respondents homes using Roku sample (lab was closed due to Covid-19). Included news content from CNN, MSNBC and FOX News.	Cause related video campaigns compared to all campaigns