

Audience Buying Across Platforms

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This is the 'old' way of doing Addressable Media

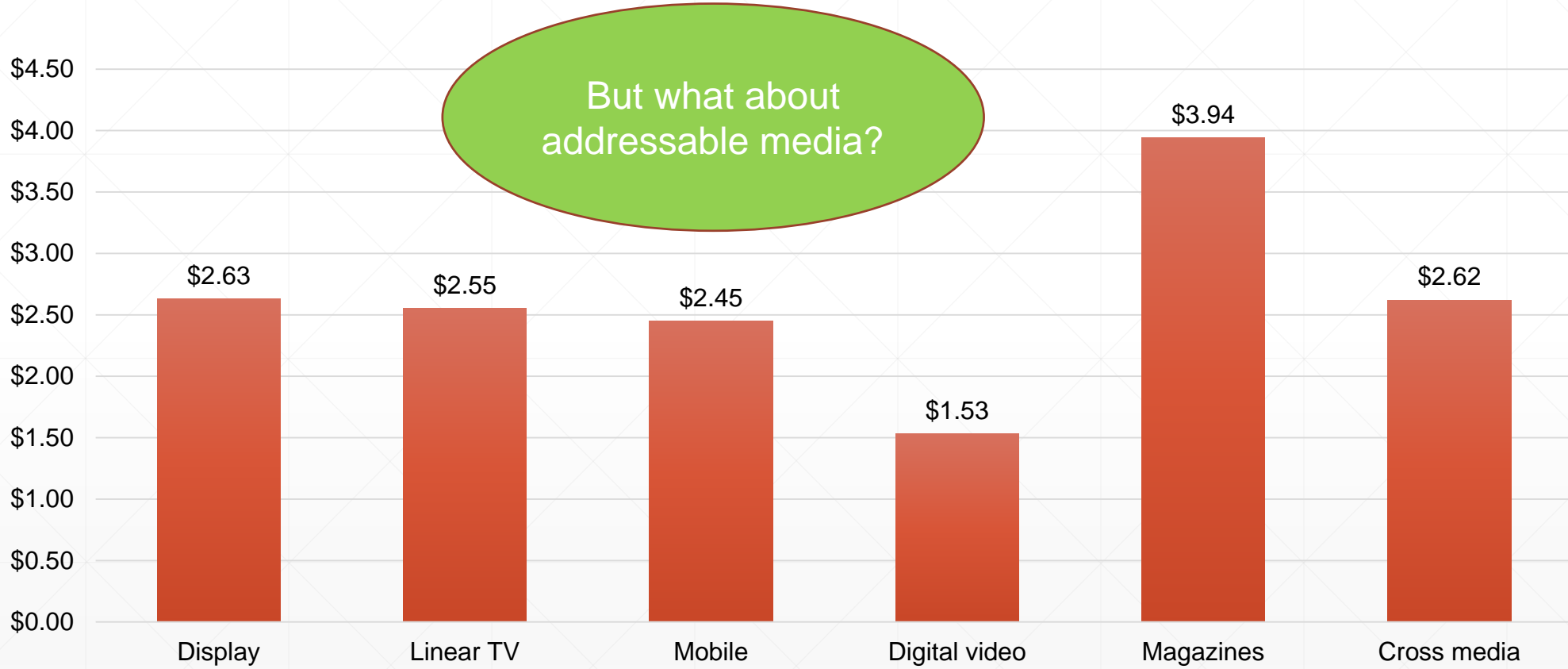
Mail delivered unsolicited to Helen's mailbox over 4 weeks...

Advertisers today want to follow their target audiences

- Beyond just digital
- Across all media platforms
- With measurement included

But little is known still on how addressability works across media

Benchmarks from NCS show ROAS varies by media type



Objectives of our Paper

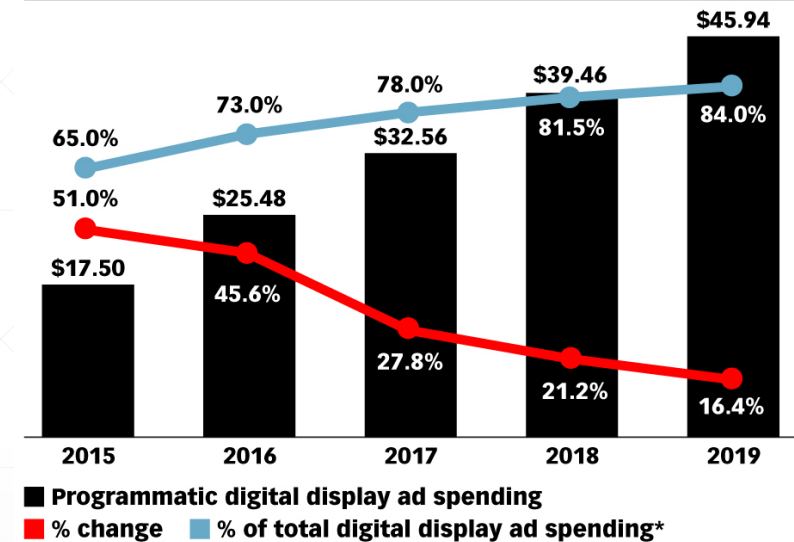
- Understand the benefits of addressable media across platforms
 - And how these compare to impact of traditional versions of print/TV
- Provide a set of guidelines on how best to apply audience-buying approach to print and TV
 - And how it compliments current addressable digital offerings

Background

- Programmatic buying has moved from just automation and real-time bidding to means of better targeting and control over ad fraud
 - From open exchanges to private marketplaces
- Programmatic display expected to reach \$33 billion in the US this year, and \$46 billion by 2019 (84% of total digital spend)

US Programmatic Digital Display Ad Spending, 2015-2019

billions, % change and % of total digital display ad spending*



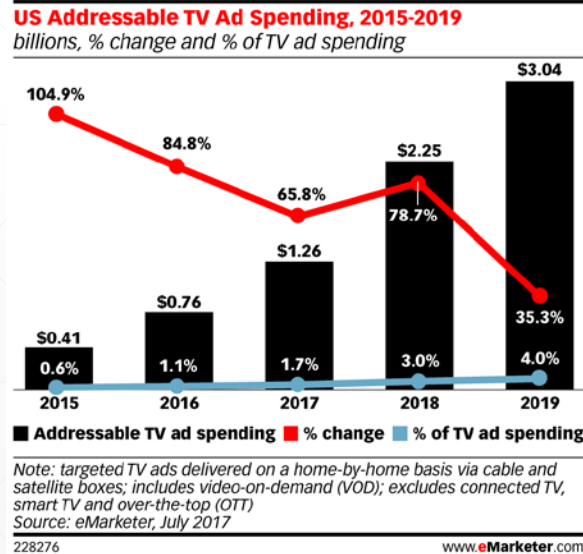
Note: digital display ads transacted via an API, including everything from publisher-erected APIs to more standardized RTB technology; includes native ads and ads on social networks like Facebook and Twitter; includes advertising that appears on desktop/laptop computers, mobile phones, tablets and other internet-connected devices; *includes banners, rich media, sponsorships, video and other
Source: eMarketer, April 2017

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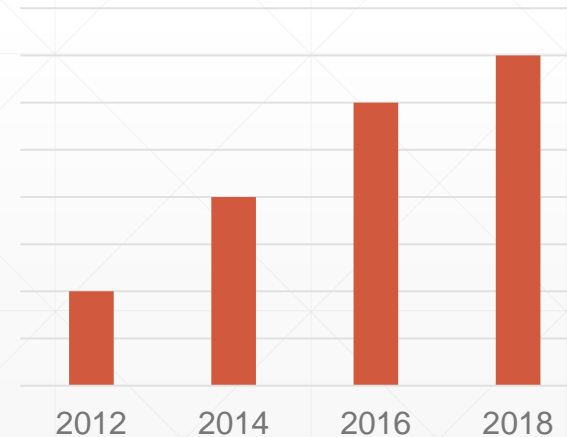
www.eMarketer.com

Interest keeps growing for similar approaches for print and TV

- Addressable TV expected to account for 4% of total TV adspend by 2019
- Addressable print has seen revenues tripling since 2012



US Addressable Print Revenues



Methodology

- Publicis Media + Time Inc. examined all campaigns that ran between Q1 2014 and Q1 2017, looking specifically at:
 - Media delivery – how well did impressions for more targeted campaigns reach the audience?
 - Media effectiveness – did addressable campaigns change behavior or attitudes?
 - Media efficiency – how well did addressable campaigns provide a strong return on investment (ROI)?

Notes:

1. Since addressability is inherently data-driven, we can use granular and precise information for both front-end targeting and back-end measurement
2. All results are based on Test versus Control methodology

Television

Publicis Media has lengthy experience in addressable TV

Started in
2008 – first
U.S. trials

100+
campaigns

150+
brands

13 billion+
impressions

Strong addressable TV results across categories

- with wide range for some

Addressable TV Benchmarks by Category

Category	Sales Rate Lift	Visit Rate Lift	Low	High
Auto	8.0%		-27%	82%
FMCG	8.6%		2%	34%
Financial	12.0%		10%	13%
Tune-in	29.1%		0%	117%
Retail		65.9%	10%	153%
Other	29.6%		5%	103%

Source: Publicis Media, 2017

Do not always know what is driving these results

Results also show that television works – but addressable works harder

Campaign	Addressable Target Sales Rate Lift	Non-Addressable Target Sales Rate Lift
Financial services	64%	41% (Random Control)
FMCG	14%	7% (Linear TV)

Source: Publicis Media, 2017

Print

Time Inc. has lengthy experience in addressable print

More than
two
decades in

150+
programs

programs
with
addressable
print set to
triple by year
end (vs. 2010)

140%
increase in
revenue in
past 5
years

Time Inc.'s addressable print offering

- Two types of targeting:
 - Audience-based (= Print Programmatic)
 - Custom (1st/3rd party data sources to build targets)
- Studies executed across multiple categories
 - Auto, Finance, Telecom, Travel, Retail, FMCG
- Private exchange globally available – one of the largest in premium programmatic
 - 130 million+ uniques

Strong addressable results for Print

- Especially on ROAS

Addressable Print Benchmarks for FMCG

	Average	Low	High
Incremental sales lift	17%	5%	28%
Return on Ad Spend (ROAS)	\$3.77	\$2.02	\$7.60

Source: Time Inc., 2017

For Cross-Media comparisons, need consistent definitions and metrics

- On the 'front end', how is the target audience defined?
 - Households who bought Brand X cereal in past 6 months
 - Cereal buyers
 - And is the same data source available across platforms?
- On the 'back end', are the same measures being used?
 - Behavioral: sales lift
 - Attitudinal: unaided/aided brand awareness, ad awareness, message linkage, purchase intent
 - And is the statistical significance the same across platforms?

Cross-media example: Two campaigns in one category



Platform	Campaign length	Target	Reach	Campaign frequency	Sales lift	ROAS
TV	13 weeks	Category buyers	107.6 million	30x	15%	Less than \$1.00
Print	12 weeks	Category buyers	6.3 million	2x	5%	\$2.02

Best practices

- 1. Targets:** must be optimized in size
 - For TV, between 5% and 15% of addressable TV universe
 - For print, as small as 5%
- 2. Timing:** additional time needed for planning and measurement
 - Target development (data matching) can take a few weeks
 - Campaign duration must be sufficient for analysis (10-12 weeks)
- 3. Measurement:** must be tied to specific campaign objectives
 - Behavioral or attitudinal or location-based
 - Inclusion of advertiser's proprietary data where possible

Implications for Addressable Media

- Offer a valuable **complement** to traditional platforms
 - More precise targets
 - Closed-loop post-campaign analyses to show actual known impact
- Provide **individual**, not one-size-fits-all approach
 - Broader array of opportunities for targeting and for measurement
 - Need to assess each campaign individually
- Deliver cost **efficiency**, but not always
 - Premium in TV can make payout difficult to achieve in low-cost categories

Areas for further exploration

- More analyses of true addressable campaigns across platforms
 - Same brand, different media
- Understanding of role of different data sources
 - First/third party
- Exploring the role of creative
- Finding the right balance between addressable and traditional platforms
- Understanding of role of context versus audience
 - Does it matter where ad is seen or only who sees it?