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Data-driven insights

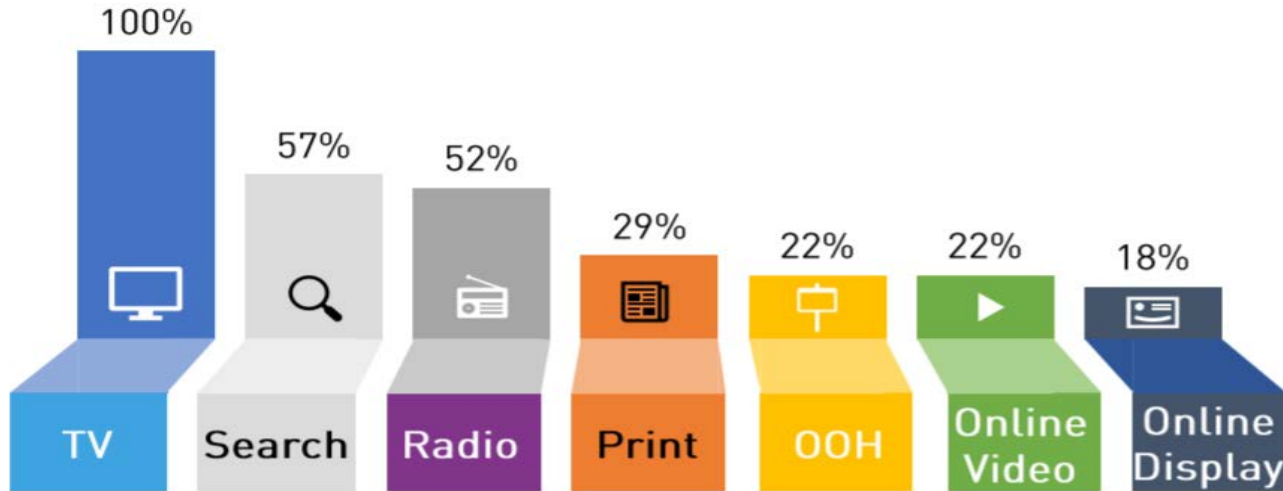
Prove It: What Does and Doesn't Work In Digital Advertising

10 OCTOBER 2017

THINK TV PAYBACK STUDY – INDUSTRY REPORT: 21 BRANDS, \$500m+ AD SPEND

Many studies are showing that online video is not working as well as other channels to deliver ROI

Overall Efficiency: Media Channel ROIs Indexed to TV



Source: Payback Australia Study, Ebiquity

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WHY MIGHT IN-STREAM VIDEO DELIVER NEGATIVE ROI?

Let's consider three hypotheses...

1

It's too expensive

2

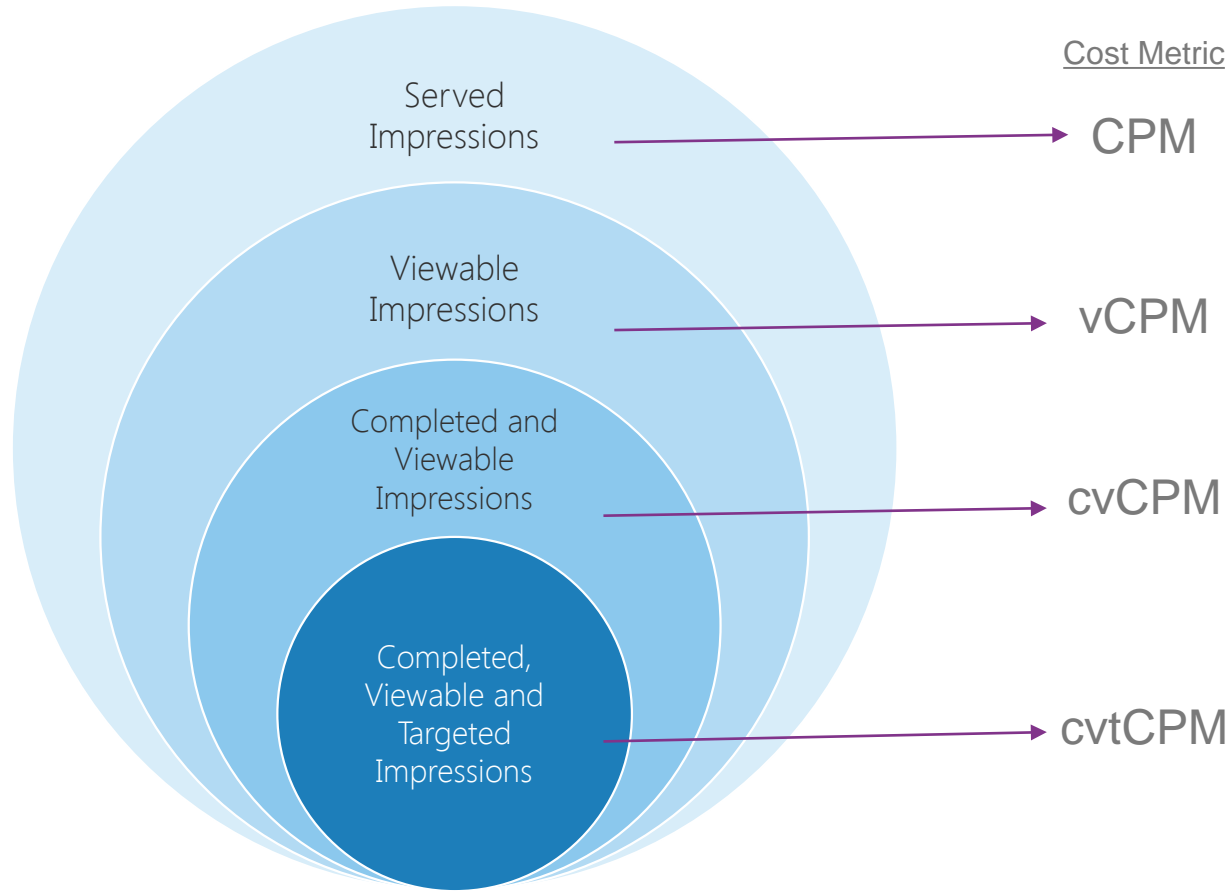
It's not flighted to deliver business outcomes

3

We are wasting impressions with too much frequency

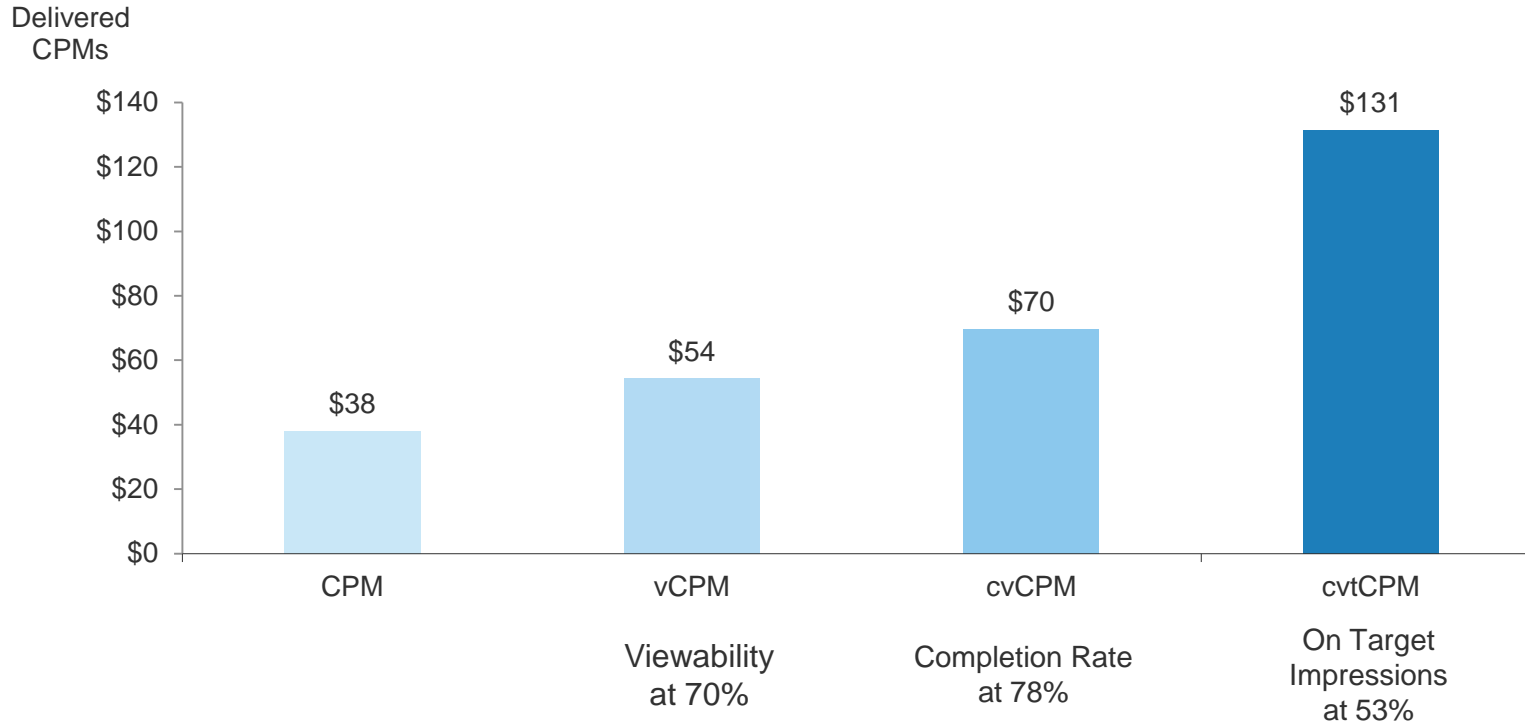
HYPOTHESIS 1: IT'S TOO EXPENSIVE

We need to understand the true cost of delivering video impacts that are seen by the right people



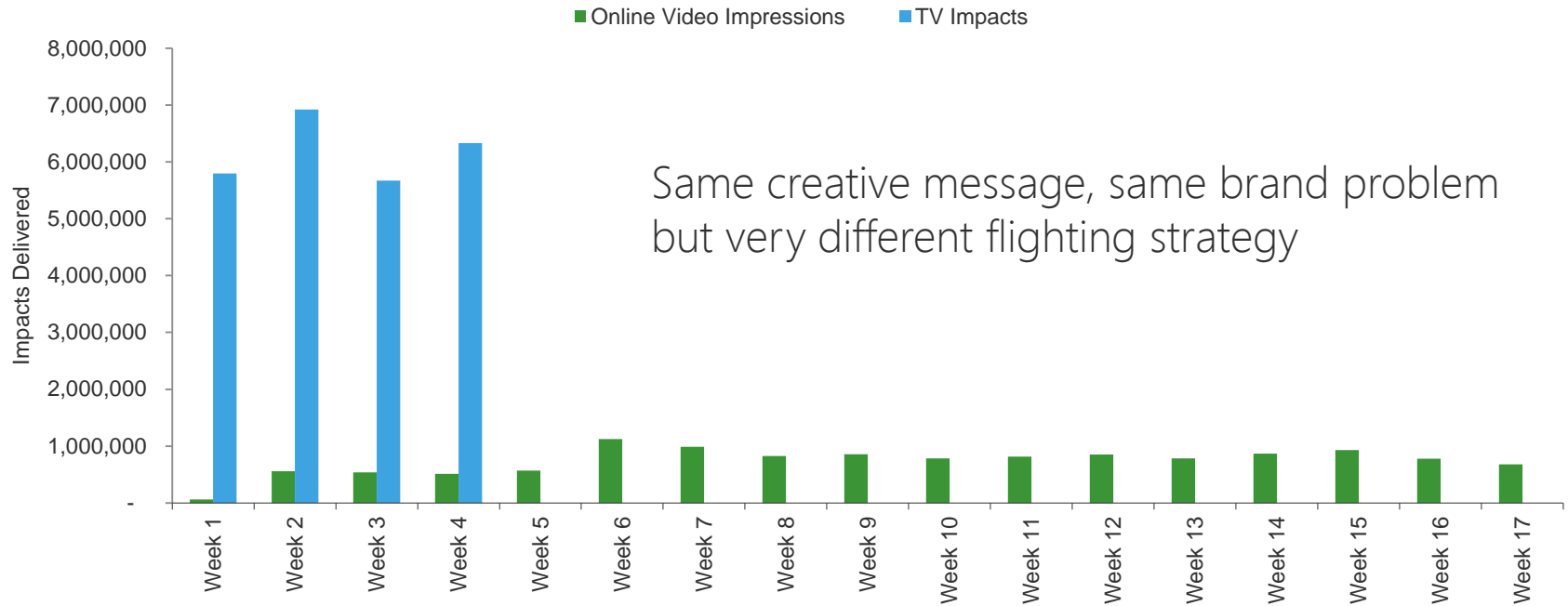
HYPOTHESIS 1: IT'S TOO EXPENSIVE

What is the true cost of online video?



HYPOTHESIS 2: IT'S NOT FLIGHTED TO DELIVER BUSINESS OUTCOMES

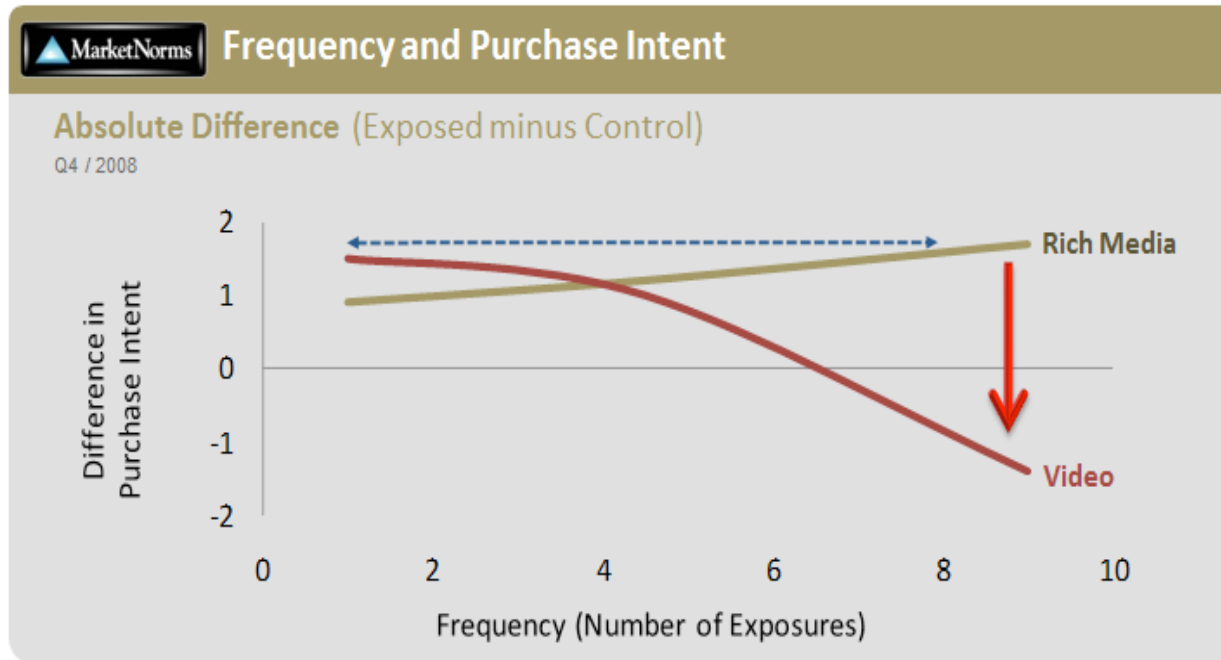
The role for online video is often incremental reach over TV... But it's often planned to deliver a different outcome.



HYPOTHESIS 3: WE ARE WASTING IMPRESSIONS WITH TOO MUCH FREQUENCY

What is the Optimal In-Stream frequency?

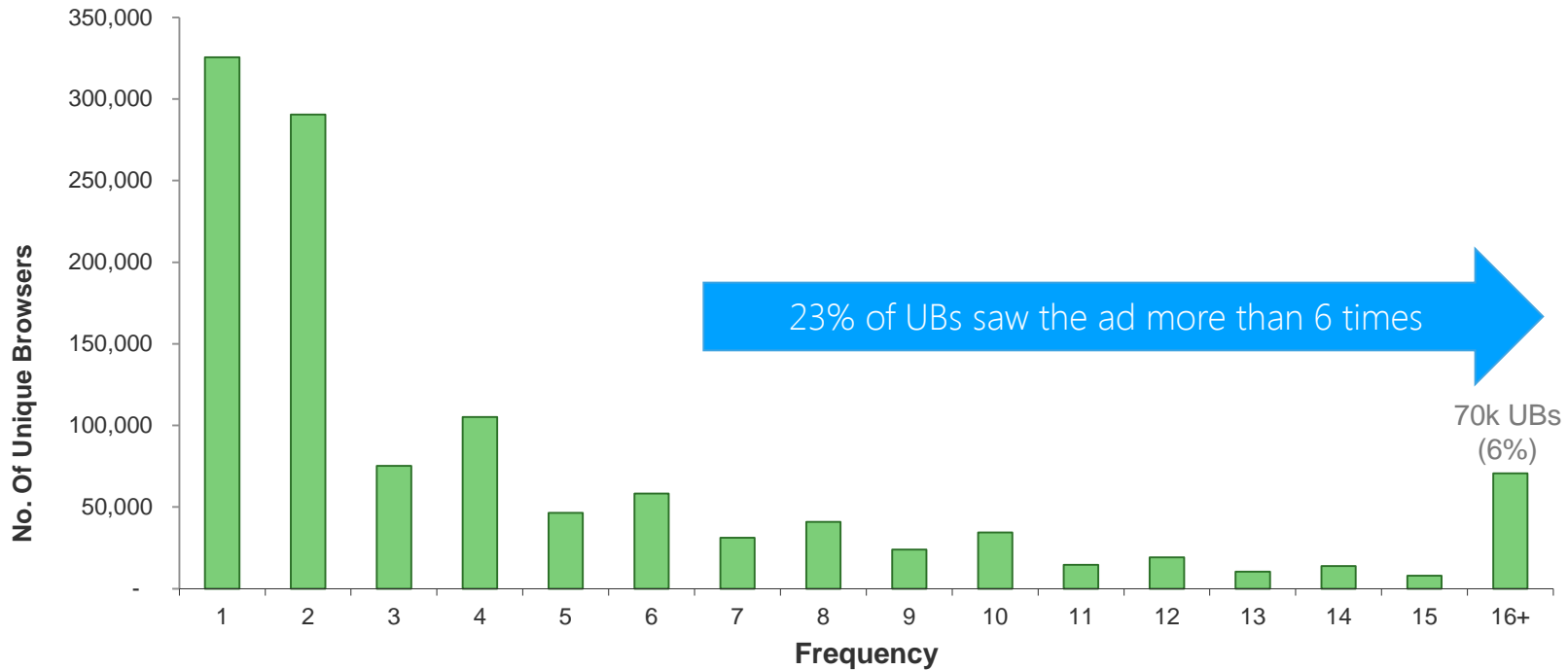
There is a danger with negative brand response to Video at high frequency



Source: Dynamic Logic Global MarketNorms, Q3/08; Video Freq 1-2= c194, Freq 3-6= c64, Freq 7+= c33.; Rich Media Freq 1-2= c1756, 3-6= c1234, 7+= 1030.

HYPOTHESIS 3: WE ARE WASTING IMPRESSIONS WITH TOO MUCH FREQUENCY

This example shows that in a three week campaign many Unique Browsers received too many impacts



THE GOOD NEWS

We have the power to fix these issues and make online video work a lot harder... What can we do? 5 rules:

1

Understand the true cost of online video and plan your budget appropriately

2

Optimise online video tactics and vendors using the right metrics

3

Flight campaigns appropriately to deliver on business outcomes

4

Review frequency distribution and implement caps that minimise wastage

5

Keep on challenging and learning... It's all going to be digital soon

THANK YOU

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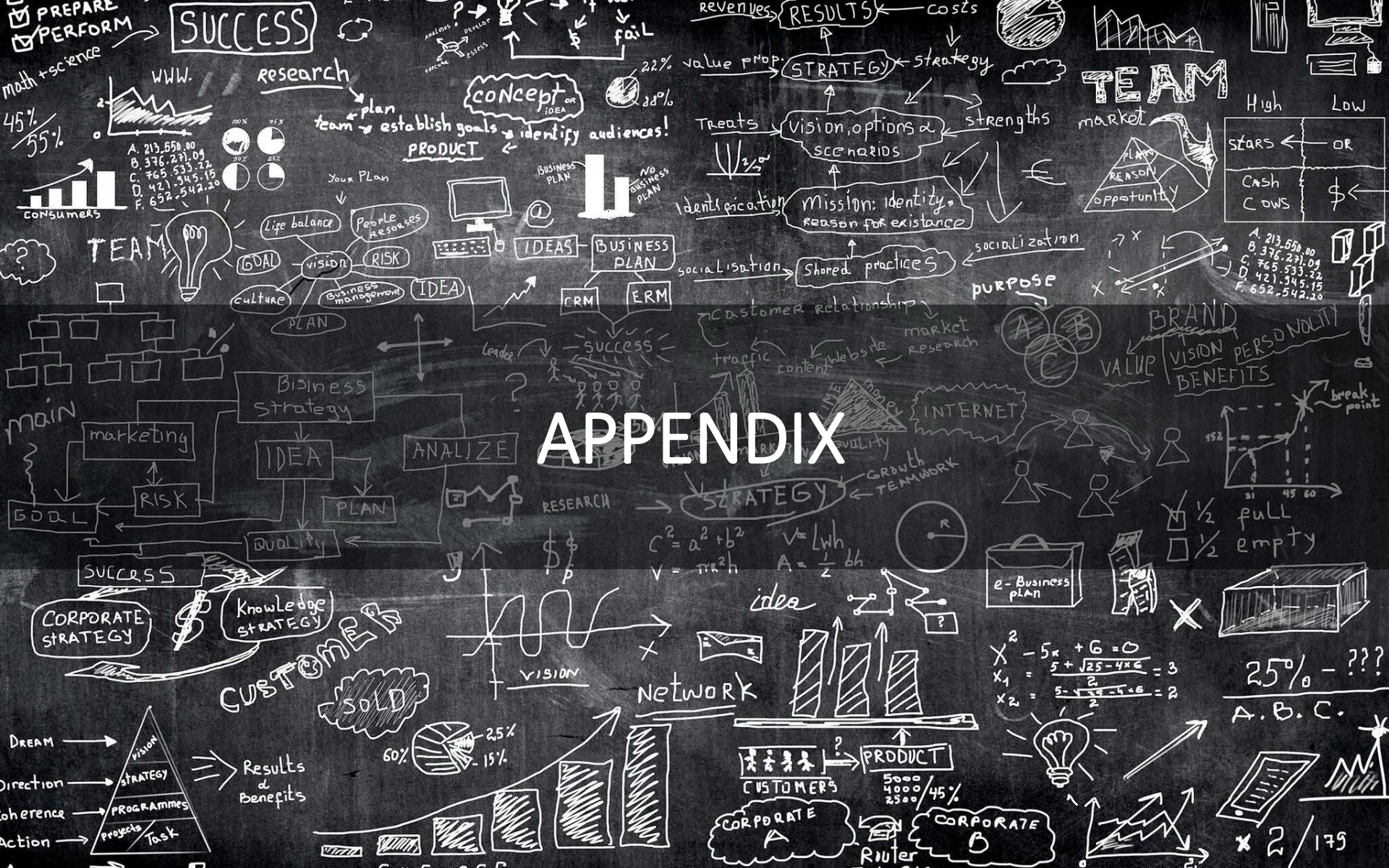
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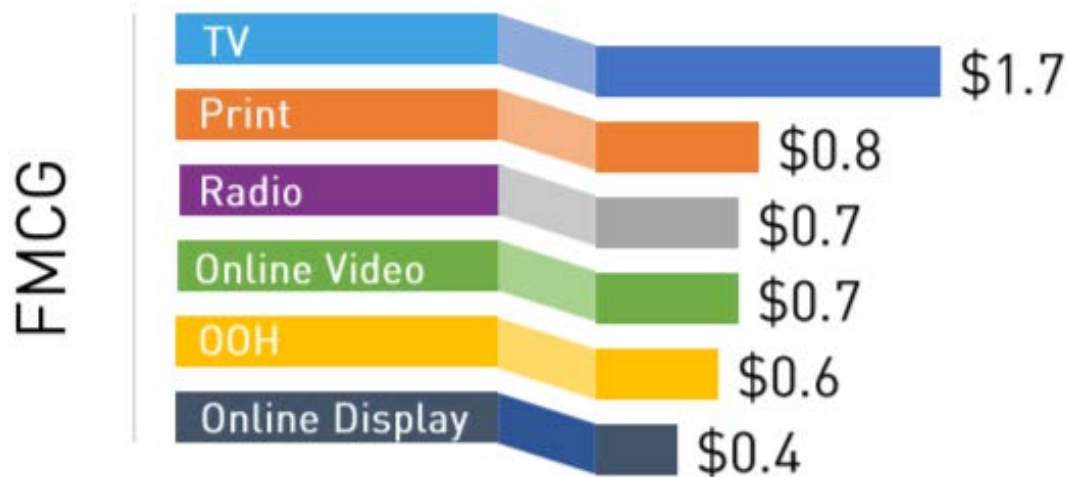


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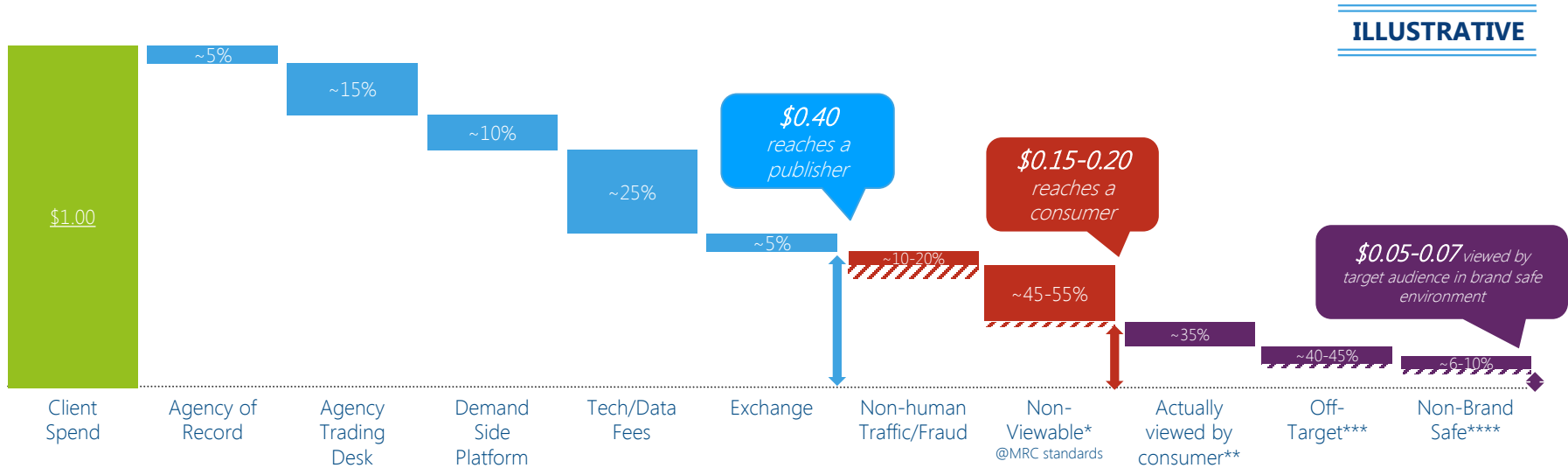
THINK TV PAYBACK STUDY – EBIQUITY DATA

Ebiquity research showing online video returning 70c in every \$1 spent while online display only returns 40c for the FMCG category



HYPOTHESIS 1: IT'S TOO EXPENSIVE

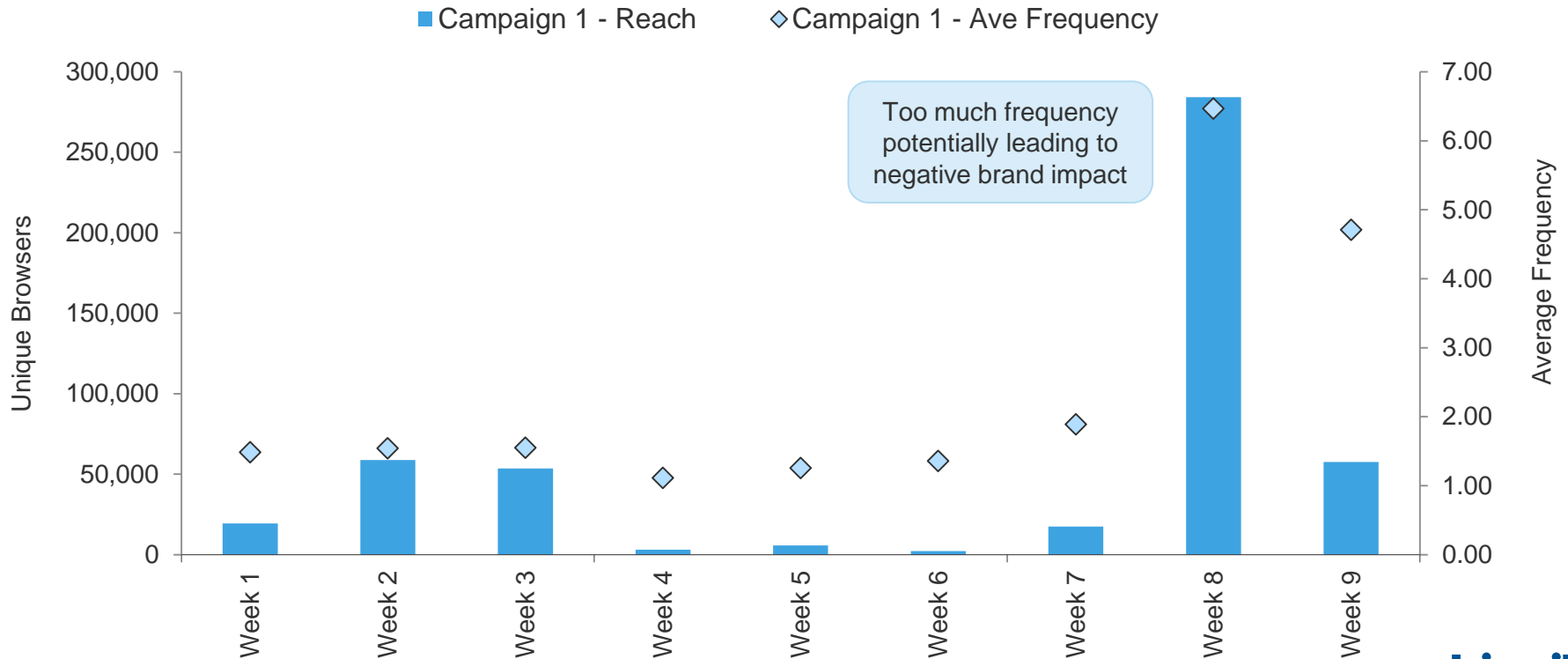
The working portion of digital media spend can be very small, particularly for programmatic media.



Sources: WFA: WFA guide to Programmatic Media: What Every Advertiser Should Know about Media Markets survey of industry experts (Oct 2014); ANA/WhiteOps (17% programmatic bot traffic); Distil Networks (22.7% bot); Integral ad science (7.1%-display, 8.9%-video) ***Sources:** meetrics (45%); integral ad sciences (49.6%); Google (56%); ComScore (54%); Ebiquty analysis Note: Net of valid traffic; viewability defined using MRC Standard 50% @ 2 seconds-for video ads; IAB standard 50% @ 1 second for display ads ****Sources:** 2016 Aima:Lumen panel based on 5012 main format impressions (1396 DMPU, 1241 Billboard, 1739 MPU, Leaderboard 636) *****Sources:** Nielsen Online Campaign Ratings (May 2014) (40%); Comscore Validated Campaign Essentials 2012-13 global study (June 2013) (43%) ******Sources:** Integral Ad Science H2 2016 Media Quality Report (9.8% global brand risk for all programmatic digital video ads, 9.5% US programmatic display) **Note:** all figures are illustrative only as there is significant variation from client to client (e.g. depending on how optimised clients are using ad fraud prevention technology), between regions/countries globally, formats, etc

HYPOTHESIS 2: IT'S NOT FLIGHTED TO DELIVER BUSINESS OUTCOMES

Relaxed impression delivery can lead to poor user experience and bad business outcomes



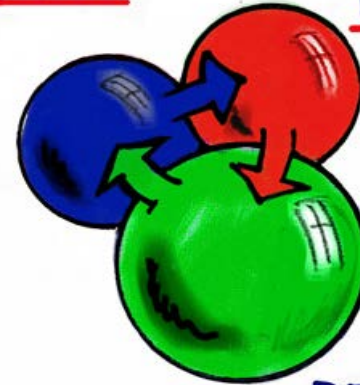
HYPOTHESIS 2: IT'S NOT FLIGHTED TO DELIVER BUSINESS OUTCOMES

Many online video campaigns are bought as a reach extension to TV, but TV is planned based on a priority



CONTINUITY

FREQUENCY



REACH

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HYPOTHESIS 2: IT'S NOT FLIGHTED TO DELIVER BUSINESS OUTCOMES

A common media plan showing TV planned in a pulsing strategy and digital as continuity, but same creative is used and same comms objective.

| Week Commencing | | DURATION | JAN | FEB | MAY | JUNE | JULY | AUG | | | | | | | | | | | | | | | | | | | |
|---------------------------|--------------------------------------|-----------------|---|-----|-----|------|------|-----|----|---|---|----|----|----|---|----|----|----|---|----|----|----|----|---|----|----|----|
| MEDIA | DETAIL | DURATION / SIZE | 2 | 9 | 16 | 23 | 30 | 6 | 13 | 1 | 8 | 15 | 22 | 29 | 5 | 12 | 19 | 26 | 3 | 10 | 17 | 24 | 31 | 7 | 14 | 21 | 28 |
| | | Est. Tarps p/w | Promotion | | | | | | | | | | | | | | | | | | | | | | | | |
| TELEVISION | | | CAMPAIGN TV Estimated Reach (Ave 5 Metro Markets) P 25 - 44 1+ 82 - 87% 2+ 70 - 75% | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Total 30sec p/w | 0 70 0 60 0 0 50 0 50 | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Total 15sec p/w | 0 40 0 30 0 0 30 0 30 | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 0 30 0 30 0 0 20 0 20 | | | | | | | | | | | | | | | | | | | | | | | | |
| CORE | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| METRO | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | SYDNEY | 30 sec | | | | | | | | | | | | | | | | | | | | | | | | | |
| | MELBOURNE | 30 sec | | | | | | | | | | | | | | | | | | | | | | | | | |
| | BRISBANE | 30 sec | | | | | | | | | | | | | | | | | | | | | | | | | |
| | ADELAIDE | 30 sec | | | | | | | | | | | | | | | | | | | | | | | | | |
| | PERTH | 30 sec | | | | | | | | | | | | | | | | | | | | | | | | | |
| REGIONAL | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | NNSW | 30 sec | | | | | | | | | | | | | | | | | | | | | | | | | |
| | SNSW | 30 sec | | | | | | | | | | | | | | | | | | | | | | | | | |
| | VIC | 30 sec | | | | | | | | | | | | | | | | | | | | | | | | | |
| | QLD | 30 sec | | | | | | | | | | | | | | | | | | | | | | | | | |
| NATIONAL | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | STV | 30 sec | | | | | | | | | | | | | | | | | | | | | | | | | |
| BREAKFAST | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| METRO | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | SYDNEY | 15 sec | | | | | | | | | | | | | | | | | | | | | | | | | |
| | MELBOURNE | 15 sec | | | | | | | | | | | | | | | | | | | | | | | | | |
| | BRISBANE | 15 sec | | | | | | | | | | | | | | | | | | | | | | | | | |
| | ADELAIDE | 15 sec | | | | | | | | | | | | | | | | | | | | | | | | | |
| | PERTH | 15 sec | | | | | | | | | | | | | | | | | | | | | | | | | |
| REGIONAL | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | NNSW | 15 sec | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | QLD | 15 sec | | | | | | | | | | | | | | | | | | | | | | | | | |
| NATIONAL | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | STV | 15 sec | | | | | | | | | | | | | | | | | | | | | | | | | |
| DIGITAL | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CORE | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TVC Pre-Roll | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Yahoo!7 (News) | 15 sec TVC time-targeted to AM | 190,000 streams | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fairfax Digital (News) | 15 sec TVC time-targeted to AM | 264,000 streams | | | | | | | | | | | | | | | | | | | | | | | | | |
| BBC (News) | 15 sec TVC time-targeted to AM | 103,500 streams | | | | | | | | | | | | | | | | | | | | | | | | | |
| Plus7 (Catch-up TV) | 30 sec catch-up TV to reflect TV buy | 238,095 streams | | | | | | | | | | | | | | | | | | | | | | | | | |
| Network Ten (Catch-up TV) | 30 sec catch-up TV to reflect TV buy | 285,714 streams | | | | | | | | | | | | | | | | | | | | | | | | | |



HYPOTHESIS 3: WE ARE WASTING IMPRESSIONS WITH TOO MUCH FREQUENCY

In this case study reasonable impressions were delivered per week. But as we saw in the presentation too many UBs saw the ad a brand damaging number of times.

