

AUDIENCE BUYING ACROSS PLATFORMS: GUIDELINES FOR ADDRESSABILITY IN PRINT, DIGITAL AND TV

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INTRODUCTION

As consumption of media moves across platforms, advertisers continue to explore ways to follow their target audiences. Up until a few years ago, this has only been attainable across digital platforms where data is available to track exposures from one site and/or platform to the next. From a planning and buying perspective, it offers the ability to buy audiences rather than individual titles or programs. Many believe this data-driven approach enables addressability, and there is evidence to suggest that it delivers a higher ROI. That same capability has been enabled in print and television for several years but little is known on how it performs relative to digital.

There has been a lot of work done to date to understand relative contributions of various media in the mix¹. Early last year NCS analyzed 1,400 studies across 450 brands to develop benchmarks around incremental sales and ROAS (Return on Ad Spend) for various media.

Exhibit A



Clearly, the return on ad spend varies by media type. Looking at all studies across measured media types and categories (Exhibit A); magazines have the highest ROAS of \$3.94, followed by display (\$2.63). While this provides a good sense of media performance overall, it does not offer insight into how addressable media perform relative to these benchmarks.

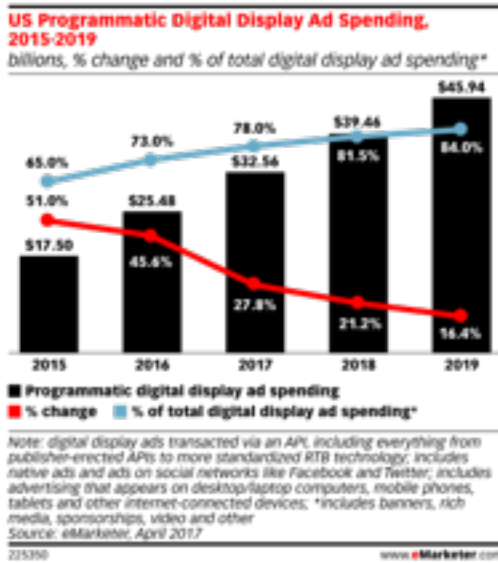
This paper brings together the work done to date by Publicis Media and Time Inc. in order to:

- Understand the benefits of addressable media across platforms and whether or when there is demonstrably greater impact from traditional “run-of-network/site/book”.
- Provide a set of guidelines on how best to apply an audience buying approach to print and television and how this complements current digital addressable offerings.

BACKGROUND:

The growth and development of programmatic buying, from purely a means of automation and real-time bidding to a more sophisticated means of addressing ad fraud, and placement (i.e., YouTube), have shifted a significant portion of digital buys from open exchanges to private marketplaces. These can provide for greater targeting and safer brand environments. Buyers and sellers no longer see programmatic merely as a means of automating processes, but rather as an advanced method of controlling ad campaigns—and better targeting the audiences that come with them. eMarketer estimates that programmatic display ad spend will reach \$33 billion this year and will hit \$46 billion in 2019. It will represent 84% of all digital ad spending.

Figure 1: Programmatic Display Ad Spending

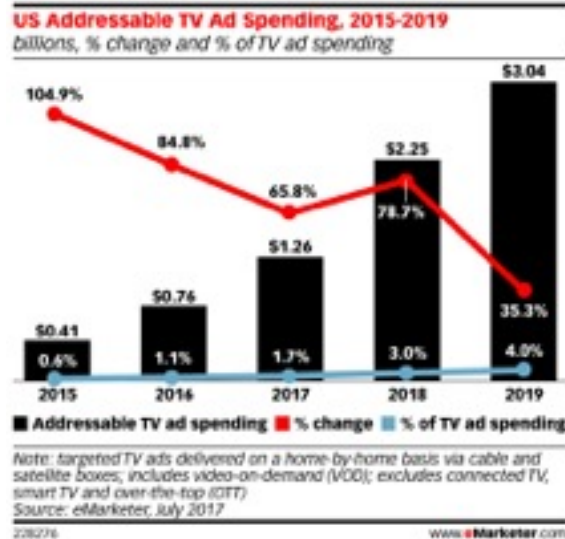


As brands and publishers inch toward a more holistic view of their audiences, many are beginning to pursue those audiences beyond the digital programmatic realm and into television.

“[Programmatic TV] is starting to become a piece of almost every brand’s strategy,” said Joshua Summers, CEO of programmatic television SSP clypd. “Whereas it used to be the occasional test here and there, it’s now: ‘OK, I’m a brand and I need to split my budget between digital, linear, print, out-of-home, etc. And within each of those categories, I’m going to then split it between traditional buys and programmatic advanced audience buys.’ In the linear TV space, we have finally reached the point where pretty much every major brand is doing this.”

According to eMarketer, ad spending on addressable television is expected to reach about \$1.26 billion in 2017, still less than 2 percent of total U.S. TV ad spend, but continuing to grow. By 2019, the forecast is for over \$3 billion to be spent by U.S. advertisers on this platform, accounting for 4 percent of TV ad spend.

Figure 2: Addressable TV Ad Spending



While addressable print has been around for quite some time, there has not been a lot of analysis done publicly on the projected spending. We know anecdotally that there has been a surge in in the past seven years, with revenues tripling since 2012, and projected to grow further. Perhaps once the ROI has been clearly demonstrated, we will see firms like eMarketer take notice and start to evaluate its true potential.

For these reasons, we believe that now is the time to assess what we know (and don't know) about the similarities and differences in using addressable media in different channels to reach consumers.

METHODOLOGY:

In order to evaluate what we have learned to-date on addressable media, we examined all of the campaigns run between 2014 and the first quarter of 2017. One of the key benefits of addressability is that it is data-driven. That is, we create our target audiences for each advertiser's campaign based on granular and precise information coming from either first party (advertiser) or third party sources. We can use that same information to measure the impact of the advertising post-campaign to determine whether the addressable ads drove behavioral and/or attitudinal response among our chosen audiences. All our results are based on a test versus control methodology, whereby we define our desired target group of households that can be exposed to our ad and compare response to a holdout (unexposed) target segment or, depending on the category, a 'lookalike' control segment that is similar in terms of prior purchase activity. In this way, we are able to attribute the response to the addressable exposure (assuming all other things are equal).

For our analyses, we examined the campaigns in three ways:

- Media delivery – how well did the impressions for our more targeted campaigns reach the audience, and at what level of frequency?
- Media effectiveness – did the addressable campaigns change behavior (in terms of sales, and/or visits) or attitudes?
- Media efficiency – how well did the addressable campaigns provide a strong return on investment?

KEY FINDINGS:

- Addressable media enable advertisers to target more precisely on the front end and to measure more accurately on the back end, helping to confirm the true return on investment of their ad dollars (ROAS).
- Addressable may not always be the most efficient approach and pricing can be a stumbling block. Addressable TV is effective at reaching the right audience, but to date, does not deliver the highest ROAS, while print provides highly targeted audiences and significant ROAS.

- There's a lot more to study about the benefits of each platform, but in order to glean those insights more work needs to be done to measure campaigns across ALL platforms, using the same targeting criteria in order to provide an apples to apples comparison.
- While we tout the many benefits of data and automation, addressable media are not completely turnkey (even for digital), and we must remain alert to technical or human errors

TELEVISION

At Publicis Media, we have been working in addressable TV since its formation, helping to engineer the first household-addressable tests with Comcast in 2008. Since that time, we have executed more than 100 campaigns across the major U.S. television operators, doing so for more than 150 brands, and delivering more than 13 billion impressions. But beyond all these numbers, we have gained important insights into this type of ad delivery, enhancing our understanding of when and how it works, in terms of both behavioral and attitudinal impact. And as noted earlier, the beauty of addressable media is that we can measure the effects in a precise and granular way, typically down at the individual household level.

Looking at results by category (see Table 1, below), we have seen that in consumer packaged goods (CPG), addressable television is able to increase store sales on average by about 9 percent, ranging from +2 to +34 percent lift in sales. For automotive, the use of addressable TV has resulted in sales lifts of 8 percent, although in this category we have had campaigns that saw a decrease in the sales rate lift for the exposed group versus the control. In the financial category, the average sales rate lift among those homes addressably exposed was 12 percent (narrower range of 10 percent to 13 percent). And for tune-in campaigns, we have witnessed an average 29 percent lift, for target homes exposed to addressable TV compared to the unexposed control group. Here, we have witnessed a broad range in our campaigns, from no difference to a 117 percent lift in tune-in among exposed homes. In terms of attitudinal measurement, where surveys are distributed to TV subscriber households based on known exposure (or not) to the addressable campaigns, results have also been noteworthy. Our studies reveal significant lifts in metrics as varied as ad awareness, brand awareness, brand favorability, and purchase intent, among others.

Table 1: Addressable TV Benchmarks by Category

	Sales Rate Lift	Visits (Lift)	Low	High
Auto	8.0%		-27%	82%
CPG	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%

For some categories, the preferred metric to capture is location. That is, by matching the target and exposure data to location information captured from mobile phones we can demonstrate whether the ads drove the audience to visit a specific location (such as a retailer or restaurant or dealership). Here, on average, we note a 66 percent lift in visits of the test exposed group over the target control group.

These are the broad averages. Individual results have varied quite significantly. One CPG brand realized an 8 percent lift in sales, while another saw just a 2 percent increase. A survey for a travel services brand saw unaided awareness among exposed target households that was twice as large as that of the control group. One question we have not yet answered is what is driving these kinds of differences in results. Is it product penetration? Or target incidence? Or campaign duration? Or simply the creative message?

Publicis' work in addressable TV has also helped demonstrate and reinforce that television works. For several campaigns a comparison of a targeted group to an untargeted, or general population group showed an increase among the TV-exposed group, and a higher response among addressably-exposed households. In one financial services campaign, where the key measure was account approvals, we compared the results of the in-target but unexposed control group to a random unexposed control group. What we found, looking at post-30 days results, was a 41 percent lift in approval rates of the target control compared to the random control, but a 64 percent lift between those known to have been exposed to the ads and the target control group. We have also compared the impact of regular TV to addressable TV. Here, we saw that TV works, but addressable TV works even harder. For

one CPG advertiser, we compared the sales impact of their linear TV campaign to that of their addressable campaign, finding that the linear campaign drove a 7 percent lift in sales, while the addressable one resulted in a lift that was twice as high (+14 percent).

Table 2: Addressable Targeting versus Other Targeting

	Addressable Target (Exposed) Sales Lift	Non-Addressable Target Sales Lift
Financial services advertiser	64%	41% (Random Control)
CPG advertiser	14%	7% (Linear TV)

PRINT

At Time Inc. we have been working in addressable print for more than two decades leading the print industry in pioneering the selective binding technique and addressable print. With over 150 programs under our belt, we are seeing significant growth in demand. In the past seven years we've seen the number of programs with addressable print double, and that number will grow threefold by year-end. While total spending for addressable print has not been publicly reported, Time Inc. has seen a 140% increase in revenue versus five years ago

In the past 20 years, we have executed hundreds of campaigns addressably to targeted segments across our print audiences. Our scale and diversity provides the ability to match and extend any of our targeting solutions across multiple platforms, helping us lead the way for a more people-based approach to targeting across print and digital. There are two ways that we target:

1. Audience based, where there is a set list of targets and preselected mix of print publications (Print Programmatic)
2. Custom, where we leverage various first and third party data sources to build specific targets for advertisers

Our work in addressable spans several categories including Auto, Finance, Telecom, Travel, Retail, and CPG. To date, CPG remains the only category with enough studies to create benchmarks. As shown in Table 3, we have found notable results in this category, particularly in terms of ROAS.

Table 3: Addressable Print CPG Benchmarks

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

PROGRAMMATIC

Recognizing the importance of providing efficient cross-platform targeting for advertisers, in 2013 Time Inc. established its own private exchange which was expanded globally in 2014 to become one of the largest premium programmatic ad exchanges. This gives marketers programmatic access to Time Inc.'s global digital footprint of over 130 million uniques. Given the efficiencies of this approach, there has been less need to study how effective these campaigns have been.

In addition, during the last PDRF symposium in London, in the paper titled, "Programmatic for Print Buying: Developing Innovative Solutions to Connect Advertisers to Print" by Jacobs, Galin, and Baim, "print programmatic" was introduced, and details provided on Time Inc.'s efforts to complement digital programmatic by providing a cross-platform solution for turnkey, audience buying. Through its Print Programmatic offering, Time Inc. allows

marketers to buy print ads with the same automated technology used to buy digital ads. That paper also highlights results on audience delivery and advertising impact.

CROSS MEDIA COMPARISONS

In order to better understand how addressability works across media, there needs to be some level of consistency in terms of definitions and metrics. Ideally, the target audience should be defined the same way in each medium. That is, we cannot compare a TV campaign with a target of ‘households who bought Brand X cereal in the past 6 months’ with a print effort targeting ‘cereal buyers’. This sounds obvious, but in moving from a standard age/gender target description to a much broader and more granular array of definitions does mean that there is a need for equivalency across addressable channels. While this sounds simple (if not, simplistic), targeting data sources are not necessarily available everywhere. So a shopper data provider that can execute campaigns in print or in digital may not have partnerships established with the TV operators. For advertisers using their own first-party data for targeting, this is obviously less of a concern, and may in fact point the way to how cross-media campaigns are executed more in the future.

Just as we have to be careful with the ‘front-end’ target definitions in order to make valid cross-media comparisons, so must we pay attention to the campaign measures on the ‘back-end’. For behavioral measurement, the most critical rates to assess are sales lift and return on investment (or ad spend). CPG campaigns will usually provide the breakdown of sales into increases in brand penetration and/or buying rate, with a further division of the latter into purchase frequency and purchase amount. With attitudinal research, some of the essential measures are unaided and aided ad and brand awareness, brand message linkage, and purchase consideration.

In looking at results for addressable campaigns across channels we must pay attention to the way these are reported. One element here is the level of statistical significance. Again, we want consistency so that we do not compare a finding that is considered ‘significant’ in one medium at the 85 percent confidence level but that is only reported as significant in another at the 95 percent level. The post-campaign attribution period is another place where consistency is key. If a post-30 day attribution window is used for print, that same window must be used for TV in order to obtain comparable results.

Let’s take the CPG category for example. When we compare TV to print we see significant differences in percentage lift and ROAS. Why is this? Different targets? Cost? Reach? In most cases, print’s ROAS is significantly higher than TV, which may suggest that addressable print offers advertisers a tremendous opportunity.

Although most advertisers are not yet deploying identical addressable approaches across both print and TV, we thought it would be worthwhile to examine two brands within the same category to compare and contrast the findings.

In 2016, these dairy brands each activated campaigns to drive sales in-store. NCS provided the post-campaign sales analysis for both TV and print, and reported the impact during the campaign and for 30-days after.

Table 4: TV/Print Comparison
Dairy Products

	Campaign Length	Target	Reach	Campaign Frequency	Sales Lift %	ROAS
TV	13 weeks	Category buyers	107.6 MM	30x [2.3/week]	15%	Less than \$1.00
PRINT	12 weeks	Category Buyers	6.3MM	2x	5%	\$2.02

For the dairy brand using addressable TV, they ran a 13-week campaign on two TV operators. The target was focused on category buyers. In terms of media delivery, this addressable effort was able to deliver more than 100 million impressions against the target, which represented 95 percent reach, and did so at a weekly frequency just over 2. The campaign successfully drove sales, registering a 15 percent lift in units and dollars. That was driven primarily by increased penetration (total number of households purchasing the product), and to a lesser extent by

purchase amount. New brand buyers typically just bought once during the period, while existing buyers tended to buy more than once. In addition, the campaign was also assessed in terms of its attitudinal impact, using a pre- to post-campaign methodology, as well as a test versus control analysis post-campaign. Here, the findings were extremely positive, showing a 62 percent lift in unaided brand awareness from pre to post, and a 50 percent lift in that metric between control and exposed. However, in terms of efficiency, this campaign was not able to deliver a positive return on ad spend.

For the brand using addressable print, they ran an equivalent length campaign in six Time Inc. titles, against similar category buyers reaching a little over \$6MM uniques with an average frequency of 2. The campaign successfully drove sales, generating a 5% lift in units and dollars, driven primarily by increased penetration and basket size. For this measurement we also ran ads to people that did not fit the targeting criteria, in order to assess the true impact that targeting had on overall sales. The results showed that the group that was not targeted had the lowest impact on sales (1% vs. 5% lift) relative to the control of people not exposed. In terms of ROI, the addressable print campaign was extremely successful, delivering more than \$2 for every \$1 invested.

BEST PRACTICES

The work that has, and most importantly, has not been done thus far helps develop some initial best practices on how to apply audience-based buying. These can be divided into three main categories: targets, timing, and measurement.

1. **Targets.** In a 'new world' where an advertiser's target can be defined in a myriad ways, it can be difficult to land on the right or best one. For television, Publicis Media has found that the optimal size of the target is between 10-15 percent of the addressable TV universe. If the target is too small (e.g., 1-2 percent) then measurement feasibility can be questioned, and conversely, if it is too large (e.g., 40 percent or higher), then it may well make more sense to use linear TV from a cost efficiency perspective. For print, given the niche nature of many titles, a higher proportion of the target may be present at the onset. Hence, for print, a target could be 5% of the addressable print universe, be measureable, and cost effective. With that said, for all media when defining a target audience, it's best to consider several potential targets and conduct a feasibility analysis before finalizing.
2. **Timing.** While addressable approaches are at this point fairly automated in digital media, other than through programmatic, they still require time to plan and implement in the TV and print channels. For both, the development of the target can sometimes require a few weeks (to match first- or third-party data to subscription files). Time is also important in terms of campaign length, because we want to ensure that we will have sufficient data to analyze post-campaign. We have found that (outside of tune-in campaigns), 10-12 weeks is recommended for both media
3. **Measurement.** One of the most important benefits offered by addressable media is the opportunity for closed-loop analyses that tie the known and precise media exposure to known and precise response (behavioral or attitudinal). But in order for that to happen, it is critical that the advertiser's campaign objectives are clearly articulated at the beginning of the planning process in order for the appropriate research design to be developed and implemented. For example, if an advertiser's goal in using addressable media is to increase store sales, then the measurement plan must work to deliver that, whereas a goal of driving customers to a retail location would use a different measurement approach. Where possible, an advertiser's proprietary data should be included in the back-end post-campaign analyses.

KEY IMPLICATIONS & NEXT STEPS

As the media world moves to more of an automated and data-driven approach to buying, it is worthwhile considering what we have learned thus far about addressable media.

1. Addressable provides a valuable complement to traditional platforms. While linear TV and national print offer advertisers a large, often homogeneous audience that helps build overall awareness, the addressable versions of each enable advertisers to apply a digital orientation to those same media, in terms of more precise targets and closed-loop post-campaign analyses that demonstrate the actual known impact of these media in the marketplace.
2. Addressable is not a one-size-fits-all proposition. Perhaps more so than traditional media, addressable campaigns offer more, and more diverse opportunities for both targeting and measurement. That means

that each campaign must be assessed individually to ensure that the right/best target is selected, and that the measurement is designed to achieve the brand's specific objectives.

3. Addressable may not be the most efficient and pricing can be a stumbling block. For addressable TV, this is particularly true in low-cost categories such as CPG, where the premium means that the payout (ROI) can be difficult to achieve. It's important to think more holistically about the target and determine where addressable is best executed—digital, TV or print, or a combination of the three.

In many ways, our analyses of print and TV campaigns represent the start, rather than the completion of audience buying guidelines for addressability. There are still several areas worthy of investigation. These include:

- More analysis of specific addressable campaigns across TV, print and digital: Our work featured a very small sample of campaigns that were similar, and an even smaller subset that were the same.
- Fuller understanding of the impact of using different data sources (first party versus third party): We have started to work with advertisers on leveraging first party data from either party (advertiser or media channel) segments to understand the impact of these sources compared to third party.
- More research on the role that the creative plays: In a world where targets are defined more discretely, how important is it that the creative message is similarly aligned? Early indications from a few studies suggest that creative can play a very important role in driving incremental lift.
- Finding the optimal 'balance' between addressable and traditional platforms: Can we optimize TV and print the same way we do for digital?
- Understanding the role/importance of context. As ads are placed dynamically based on where the audience is, what happens to the role or importance of context (or content)? Does it matter anymore where the ad is seen, or is it now only a matter of who sees it?

As advertisers, agencies, and media companies continue to utilize data-driven audience buying across media channels, we will no doubt learn some of the answers to these questions and expand or enhance our initial guidelines. In the meantime, we can apply the lessons learned to-date to help brands better reach their true targets and deliver ad messages with greater efficiency and effectiveness.

¹ "Is the Multi-Platform Whole More Powerful Than Its Separate Parts? Measuring the Sales Effects of Cross-Media Advertising," Jennifer Taylor, Rachel Kennedy, Colin McDonald, Laurent Larginat, Yassine El Ouarzazi, and Nassim Haddad, *Journal of Advertising Research*, vol. 53, no. 2, 2013; "From Silos to Synergy: A Fifty-year Review of Cross-media Research Shows Synergy Has Yet to Achieve its Full Potential," Henry Assael, *Journal of Advertising Research*, vol. 51, no. 1, 2011.