

THE MEDIUM IS THE MESSAGE

HOW DATA AND
TECHNOLOGY
ARE INFORMING
THE CREATIVE
PROCESS

June 2019

MAGNA

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MAGNA

INTRO

A PERFECT STORM



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Global Head of UM Studios Addressable
Content Engine

When I started at UM almost 5 years ago, we said things like data and technology “will” affect every aspect of marketing and communications. Today as I write this piece I can confidently say data and technology have affected every aspect of marketing and communications, and creativity is no exception.

As the industry wrestles with terms like precision marketing, dynamic creative, data-driven creative, personalization at scale, etc. one thing is true: consumers have fundamentally changed the way they interact with media and content.

Take TV as an example. TV used to be a linearly bought, dayparted channel sold via media-owning networks. But today, when you think of “watching TV,” it could be Hulu on your phone, shows on YouTube, or even engaging with connected experiences on Roku-enhanced television sets. Watching TV isn’t tied to a particular screen anymore, but is more about watching content an individual is interested in, at any time, on any device. And it’s this proliferation of content, devices, and channels—fueled by technology—that has created the data-driven world we live in.

Thus, the opportunity for marketers to be smarter and more effective than ever is real. As marketing and communications increasingly requires a

focus on sales and growth, it’s essential that we use creative storytelling to garner authentic connections and generate the actions and intent brands want to see from their customers.

As we are able to identify consumers’ purchase journeys, we can then marry them to media consumption behaviors and develop content for not only the right formats and channels, but also based on the insights that go into the creative brief itself. Data can inform the tone and tenor of messaging and generate creative concepts and assets such as imagery, copy headlines, calls to action, and even offer messages. But working this way requires a collaborative process where brand marketers lead by developing business goals and then teams respond by mining data for insights. This allows us to make strategic creative decisions based on the specific consumer behaviors that have the greatest impact on a brand’s success.

We have the ability to generate a perfect storm of data, media, creative, and technology, but it will take shifts. Shifts in workflow, shifts in operations, shifts in investment, and shifts in content creation. The brands who are brave enough to weather this transformation will be the ones who benefit the most and longest.

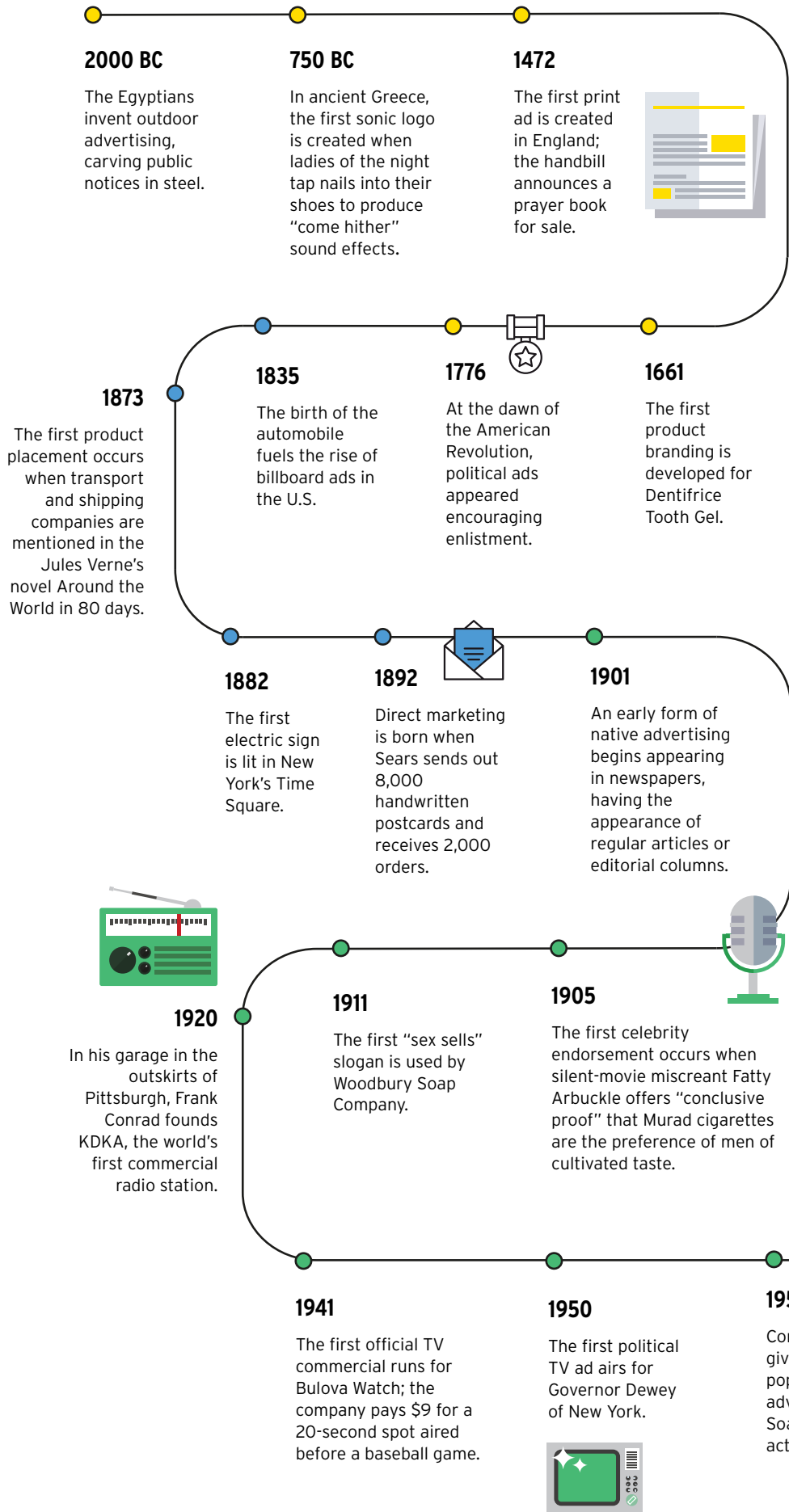
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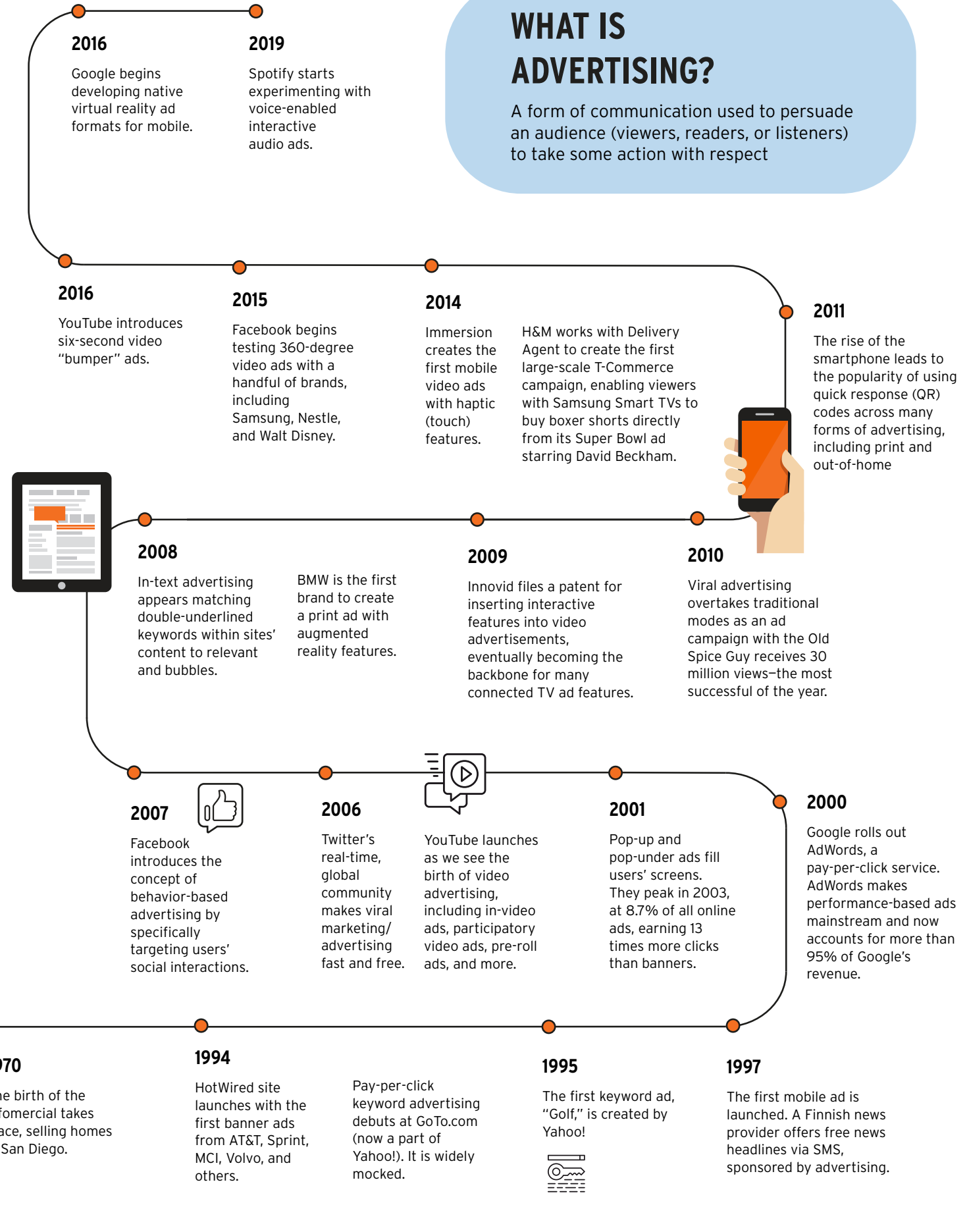
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THE HISTORY OF ADVERTISING



WHAT IS ADVERTISING?

A form of communication used to persuade an audience (viewers, readers, or listeners) to take some action with respect

WATCH

KEY TAKEAWAYS

1. Six second ads aren't just for mobile—they can also have an impact on linear television when used effectively.
2. Live sports and events have weathered linear TV declines better than other types of content, and “double box” ad units offer a way to further maximize their impact for brands.
3. TV is steadily moving from a broad reach medium to an addressable one—between set top box and over-the-top homes, there are now 85 million that can be targeted in a one-to-one manner.
4. The connected nature of the OTT environment enable ads to have TV-style breadth while being interactive, and the more consumers interact with brand content, the better.
5. Tailoring online video creative to fit the platform and telling stories that engage viewers' emotions will make brands more memorable.

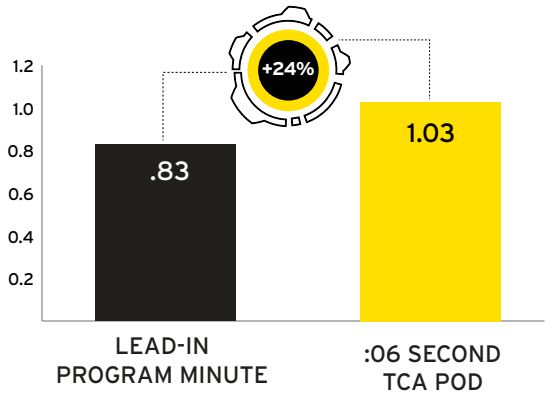


SIX SECOND ADS

NOT JUST FOR ONLINE VIDEO ANYMORE

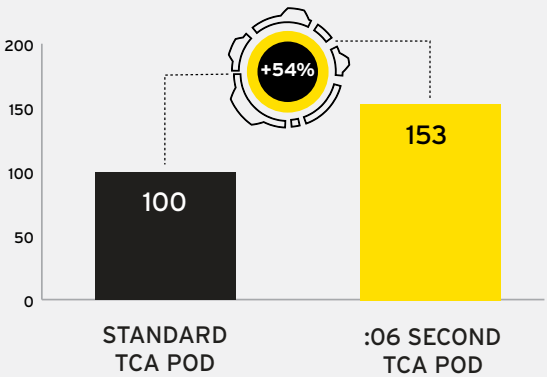
When studying six second video ads in the online space, we found they punched above their weight in terms of recall and eliciting positive feelings about the brand. FOX was the first television network to begin experimenting with them in the linear world, introducing the executions during the Teen Choice Awards. What they found, using TVision’s facial recognition technology, were very similar results. Overall, when coupled with longer ad creative, they work well to keep the brand top-of-mind.

TEEN CHOICE AWARDS
ATTENTION INDEX*

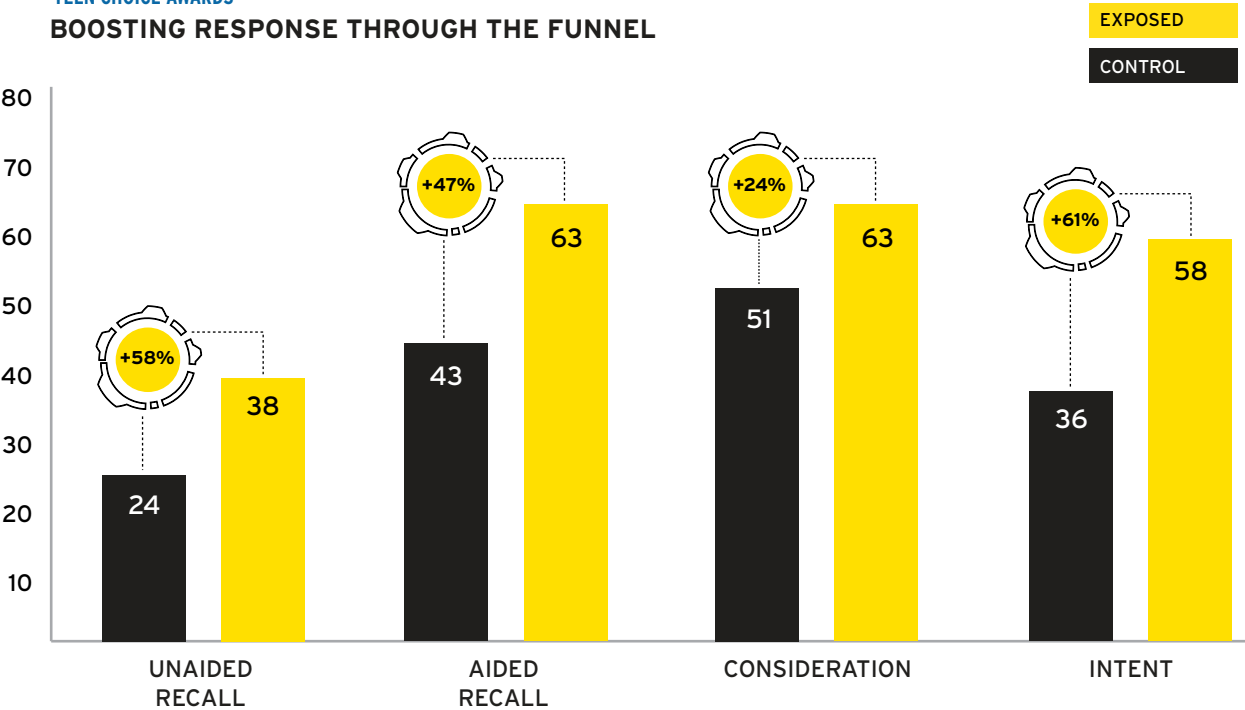


TEEN CHOICE AWARDS
SMILE INDEX**

ELICITS POSITIVE REACTION



TEEN CHOICE AWARDS
BOOSTING RESPONSE THROUGH THE FUNNEL



* TVision facial recognition coding measures percentage of time eyes are on screen as well as time spent with positive expression. Both are indexed to the program average.

Source: TVision Insights

Keeping viewers tuned in through the ad break has long been the goal of both networks and advertisers, and there have been a number of techniques attempted throughout TV history to do just that. While the practice of “double-boxing”—having two windows on screen with ads and content running simultaneously—isn’t new, it has made a comeback recently, particularly during live sports. NBC Universal’s sports unit has been an active user, and seen positive results when comparing the executions to a standard commercial break.

DOUBLE-BOXING MAKES A COMEBACK

MAINTAINING ACTION THROUGH THE AD BREAK



DOUBLE BOX ADS
IN SUNDAY NIGHT
FOOTBALL
vs.
SAME ADS IN
STANDARD
FORMAT IN
SUNDAY NIGHT
FOOTBALL
ADULTS 25-54



HIGHER BRAND
MEMORABILITY
(113 INDEX)



HIGHER MESSAGE
MEMORABILITY
(124 INDEX)



HIGHER
LIKEABILITY
(129 INDEX)

Source: Phoenix TVBE; SNF on NBC (9/6/18-12/30/18); Double Box ad performance in SNF on NBC compared to Non-Double Box ad performance in SNF, among same ads; Base = A25-54

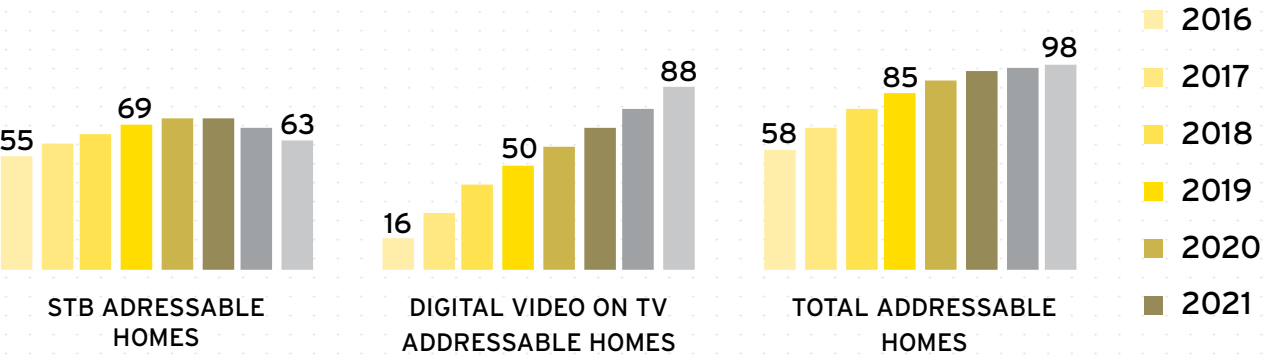
TELEVISION MOVES FROM BROAD TO ADDRESSABLE

TV has traditionally been a broad reach medium—a way to communicate with large numbers of people simultaneously. However, as audiences have fragmented and technology has improved, it has moved toward being a more targeted medium.

Addressable capabilities continue to roll out, allowing brands to better target different users with appropriate creative. This leads to a much more compelling advertising experience from the consumer perspective.

Set top box addressable technology (delivering different ads to different households on local cable TV inventory) is available in 69 million households. While that technology will continue to expand, consumers are also cutting the cord, so the total pool of available homes through set top box technology is decreasing. OTT is opening up more and more households to addressable TV advertising, however, and overall, 85 million households are able to be targeted on television. This will increase to nearly 100 million homes by 2023.

ADDRESSABLE HOMES BREAKDOWN (MILLIONS OF HOMES)



Source: MAGNA estimates

SET-TOP BOX ADDRESSABLE IN ACTION

Purchase an MVPD's full footprint and serve tailored commercials to different households

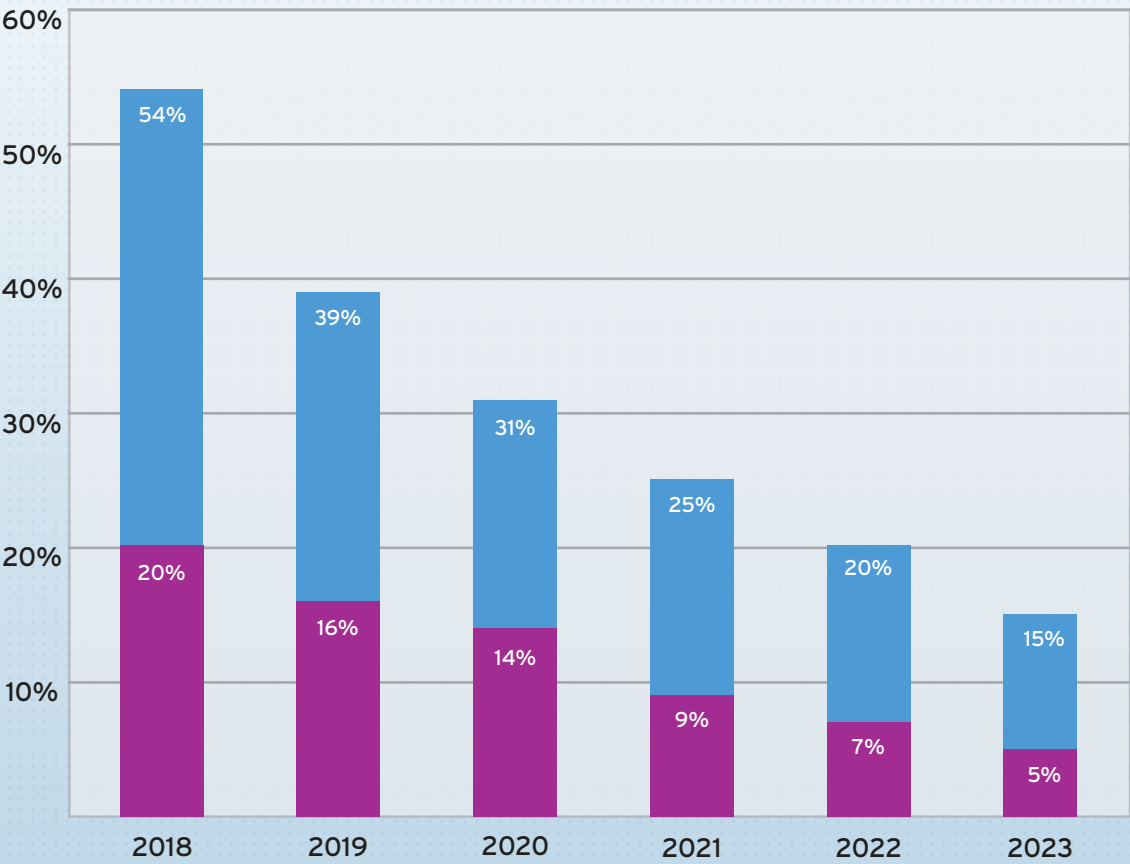
- Maintain scale
- Leverage addressable targetability
- Compare effectiveness of creatives and targets
- Achieve cost efficiencies associated with larger footprint buys



OVER-THE-TOP: BRINGING THE BENEFITS OF DIGITAL INTO THE LIVING ROOM

For years, the technology to deliver addressable ads on TV sets has been around, but it hasn't represented a significant share of advertiser budgets. Set-top box based spending on local cable will approach one billion this year (\$885 million) in the US. The real growth is coming from OTT however, which will reach \$3.8 billion this year, up nearly 40 percent over 2018. Because this technology is very similar to digital video, the options for targeting, measurement, attribution, and personalized creative are manifold.

GROWTH BY VIDEO METHOD (%)

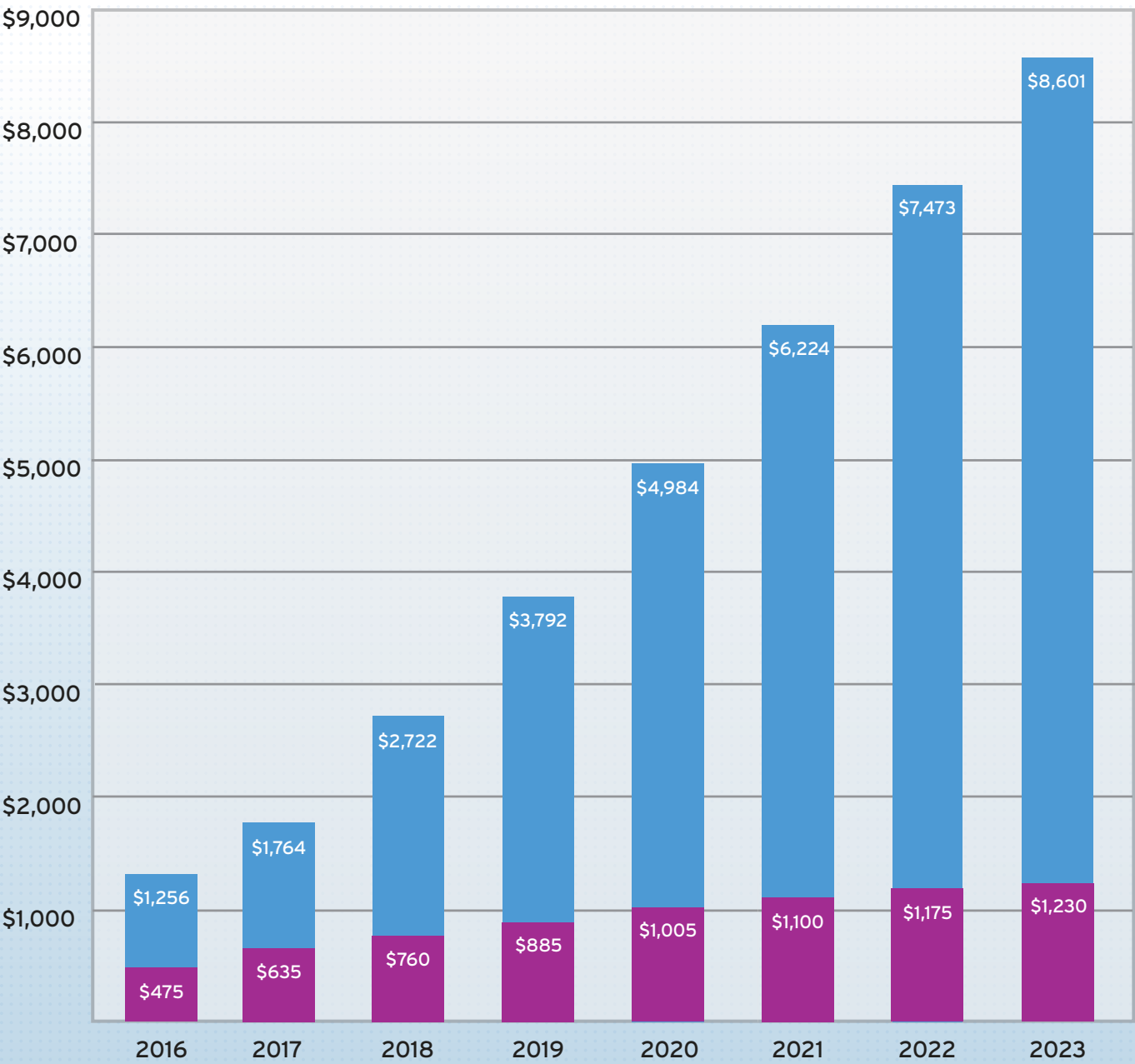


OTT GROWTH

STB ADDRESSABLE GROWTH

Source: MAGNA estimates

OTT SPENDING AND STB ADDRESSABLE SPENDING (\$ MILLIONS)

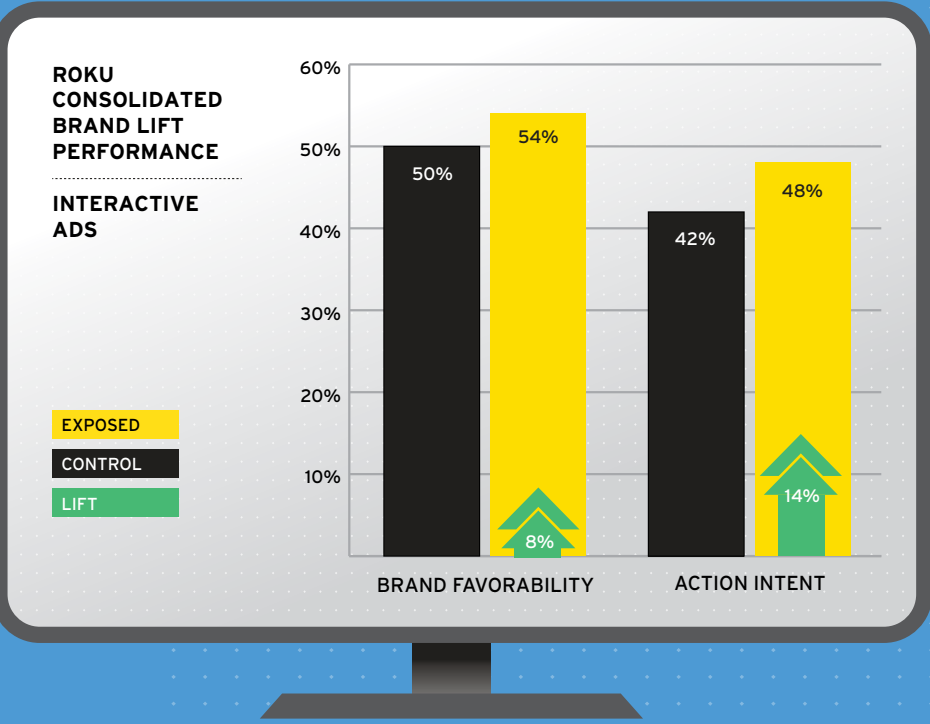
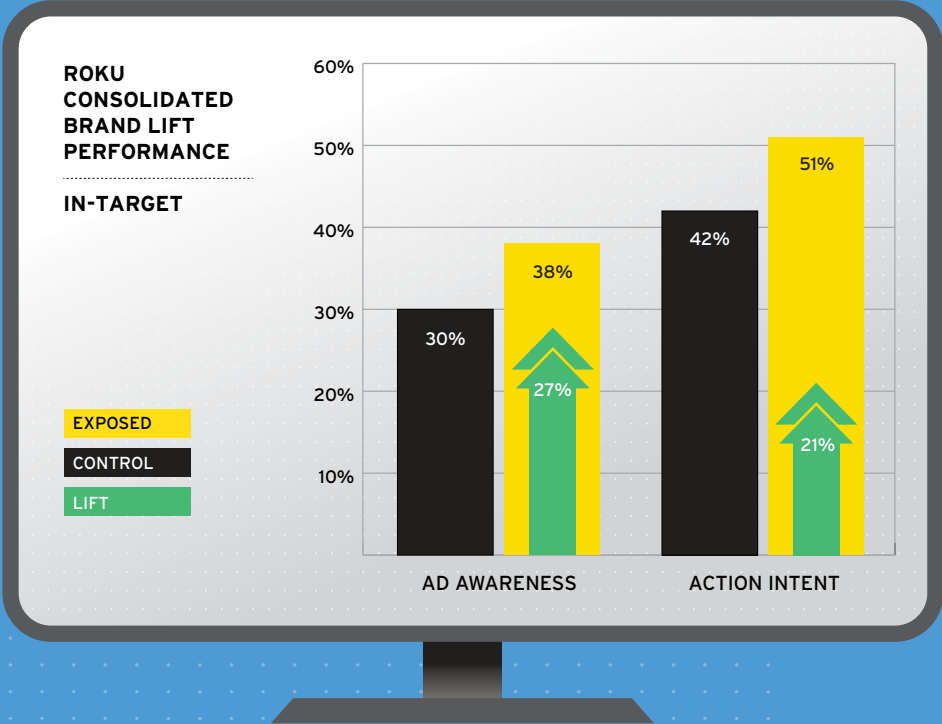


OTT SPENDING

STB ADDRESSABLE SPENDING

TARGETED ADS
DRIVE MORE
BRAND LIFT
THAN “RUN OF
NETWORK”

An analysis by Roku of targeted ad executions compared to non-targeted content buys shows clear benefits to awareness and intent from the former.



INTERACTIVE ADS
ARE BETTER AT
FAVORABILITY
AND INTENT

Interactivity is good for advertisers—we’ve seen this proven not only in Roku’s ecosystem but beyond the TV set as well (more on that later).

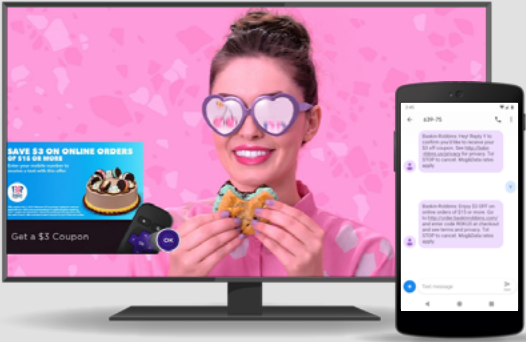
Source: Kantar Millward Brown, Online Video Norms, Normative average from all Roku campaigns 2015-2017, n=30 campaigns

INTERACTIVE AND NATIVE ADS
IN ROKU’S ECOSYSTEM

The following examples from Roku and Hulu demonstrate some of what is possible in an over-the-top environment.

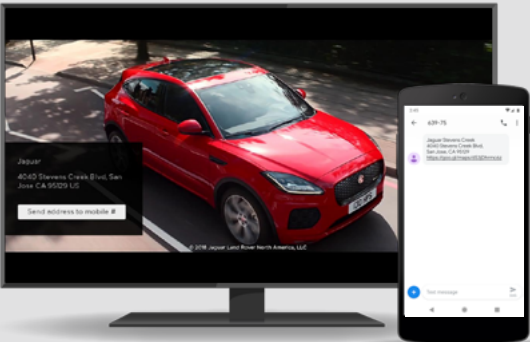
Linear TV and OTT Overlay Ads

DIRECT-TO-OFFER
SMS PROMOTION



Brand sends an SMS that contains a coupon, product offer, or link directly to the opt-in user’s mobile device.

DIRECT-TO-STORE
SMS LOCATION



SMS contains the address of the brand’s nearest brick and mortar location, driving foot traffic and awareness.

Interactive Tune-In Reminder

TUNE-IN REMINDER
LINEAR OVERLAY



REMINDER
NOTIFICATION



- Tune-in reminders allow viewers to set a notification for when the show airs on linear
- User can set a reminder from the home screen banner, or the interactive overlay on the advertiser’s linear ad
- User will receive a notification 1 minute prior to airing if their Roku TV is on

Source: Roku, Tune-In Insights, 2018; Ad Insights, Q2 2018

ROKU HOME SCREEN NATIVE UNIT

NATIVE AD TO
BRANDED MICROSITE



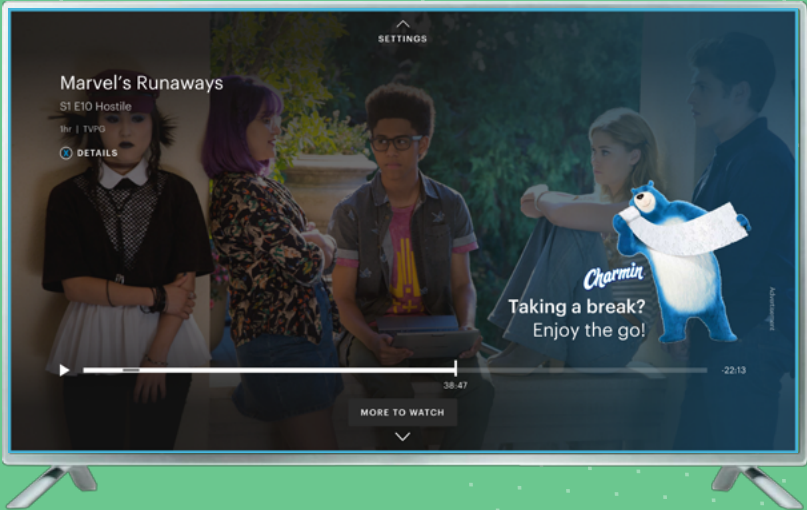
NATIVE AD TO
THE ROKU CHANNEL



- Drive users to a branded integration, play video/trailer, add channel, or deep link to content directly from the home screen
- Reach users before they enter SVOD channels with no advertising (Netflix, HBO, etc.)
- Specifically target key audiences using first and third party data

HULU'S "OWN THE PAUSE"

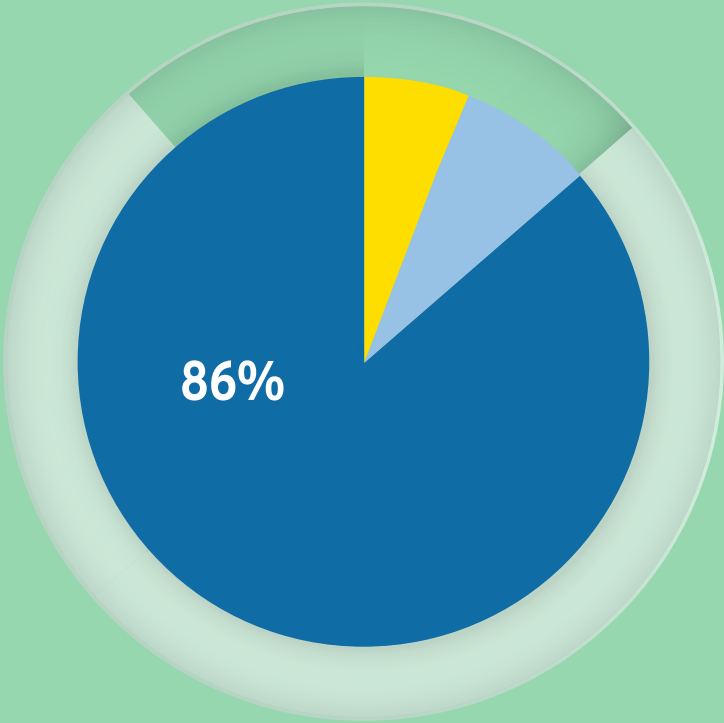
Recognizing that on demand streaming--and particularly binge-watching--invites viewers to pause the action to attend to other things, Hulu has found a way to utilize that moment in a contextually-relevant way.



ADDRESSABLE'S NEXT FRONTIER: NATIONAL TV

To really improve the creative experience on TV, addressable technology will ultimately have to extend beyond local cable and OTT, and reach national television (which still makes up the majority of TV-based spending). Until then, many consumers will still be receiving advertising experiences that aren't personalized at all.

VIDEO AD SPENDING
BREAKDOWN 2019



National TV & Local Broadcast



Local Cable TV



OTT

CASE STUDY



A top TV network wanted to drive viewership for the season premiere of their show using the home screen native ad

27.6%

Tune-In conversion after the viewer saw the ads on both platforms

TV CREATIVE BEST PRACTICES



INSERT BRAND QUEUES EARLY AND OFTEN

Mention and show brand/symbols at the beginning of the ad, and frequently.



LEVERAGE CONSISTENT BRAND ICON

Brand icons can help ads breakthrough very cluttered categories. Brand icons should be proactively developed and consistently used (even in non-traditional ways) in order to drive recognition of your brand.



LEVERAGE AN 'OWNABLE' CREATIVE CONCEPT

Leverage the same concept – a color, song, or storyline – over time and across creatives to drive attribution to your brand.



COMBINE VISUAL AND AUDIO BRAND CUES

Include both audio and visual early and often in each ad.



INTEGRATE YOUR BRAND INTO THE STORYLINE

Create a storyline that cannot be recounted without mentioning the brand name and product – make the brand a character.



USE YOUR MESSAGE AS YOUR BRAND CUE

Aligning a brand with a particular message helps increase brand recognition. Repetition of the message throughout a campaign also adds strength.

GETTING THE MOST OUT OF LINEAR TV CREATIVE

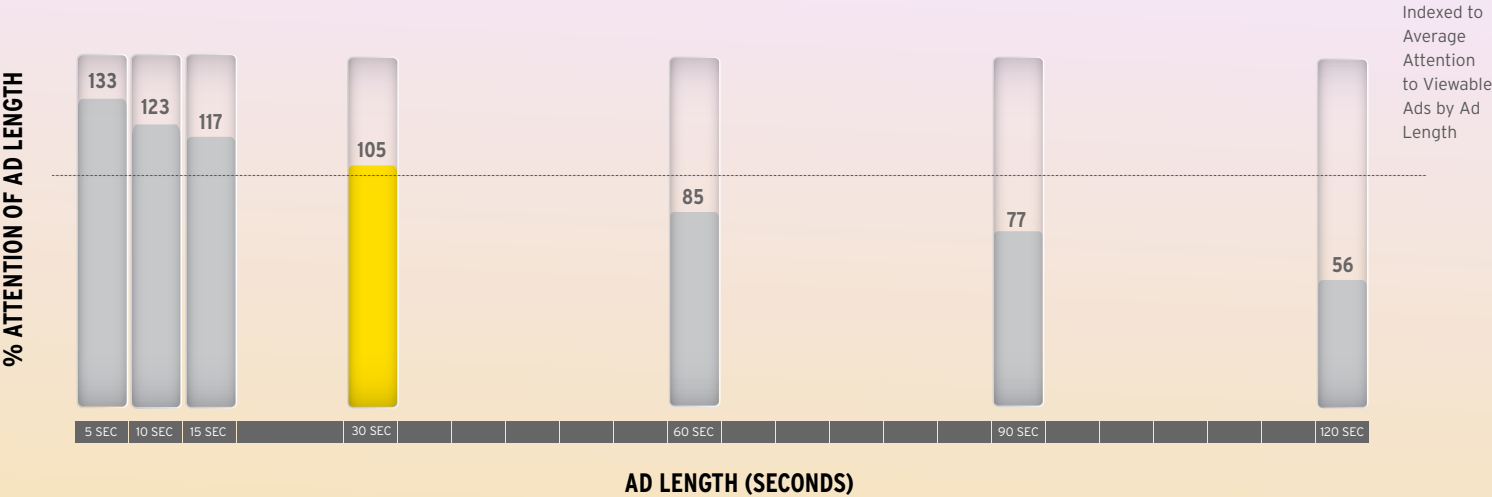
OPTIMIZING FOR ATTENTION

We've seen how short ads can have an impact on television, and they in fact get a higher percentage of attentive time—in this case defined as eyes-on-screen. However, there is a trade-off between the percentage of time and total number of attentive seconds. Longer ads get more total time, but the benefits begin to diminish after 60 seconds.

Overall, using a mixture of ad lengths, informed by a brand's goals, looks to be the optimal approach.

SHORTER ADS GET A HIGHER % OF ATTENTION, ALTHOUGH TOTAL ATTENTIVE TIME IS LESS

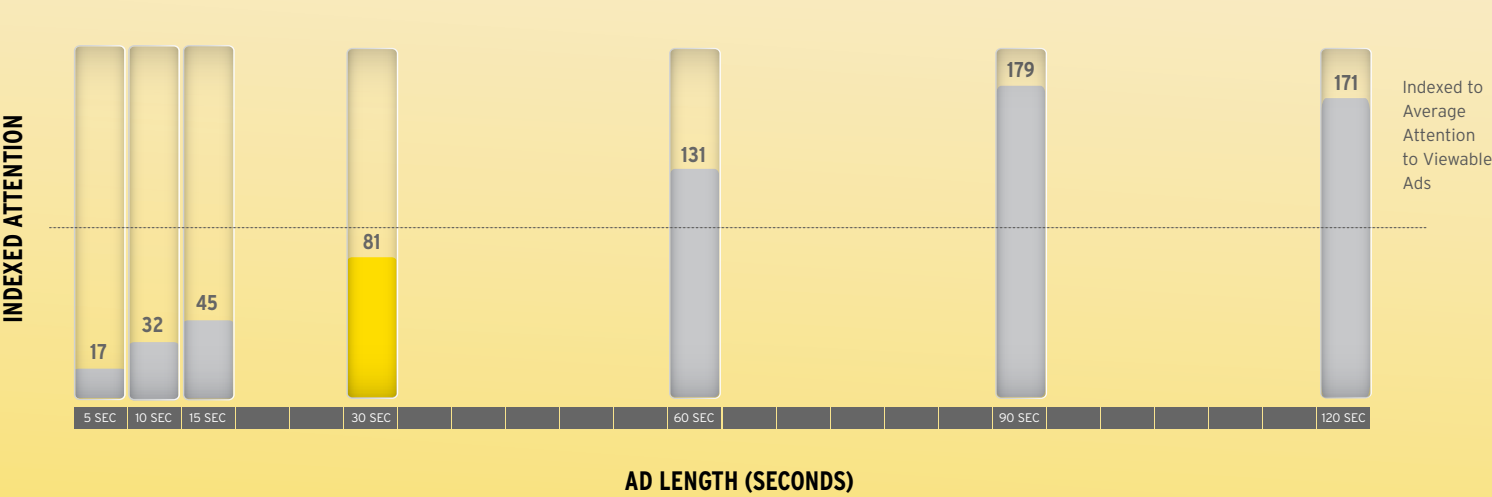
% of Ad Length With Attention by Ad Length Amongst Viewable Ads



Source: TVision Performance Metrics, 2018 (Jul - Dec)

WHILE LONGER AD LENGTHS CAPTURE MORE TOTAL ATTENTIVE TIME FROM VIEWERS

But doubling ad length does not double attention for shorter ad lengths



Source: TVision Performance Metrics, 2018 (Jul - Dec)

OTT CREATIVE BEST PRACTICES

OTT environments offer best of both worlds when it comes to creative, because you have the one-to-one targeting of digital with the bigger canvas of the TV screen. As such, TV creative translates well here, where it doesn't translate well on mobile, but there is still the opportunity to customize the message to the environment.

Message Like TV and Target Like Digital

MEDIUM	LINEAR TV	OTT	DIGITAL VIDEO
Targeting	No 1:1 Targeting	Match creative to 1:1 target	
Branding	Incorporate branding into “climax” moments of ads		Prominent branding throughout due to skippable ads
Audio	Use video + audio to communicate key messaging		Communicate key messaging visually due to non-audio ads
Content	TV-native production quality		Digital-native production quality
Video Length	Key messaging in first 15-30 seconds		Key messaging in first 5 seconds
Product Usage	Use branded product shots liberally		Ensure brand/logo is prominent due to small screen size
Emotion	Focus on emotion and storytelling - leave an impression instead of driving a specific message		

SEVEN FACTORS FOR CREATING A GREAT NATIVE AD

Much like native ads online, those in the OTT environment blend well with the surrounding environment, but provide the option for the consumer to dive in deeper with the brand. Roku has uncovered a number of best practices that tend to make these units work harder:

Genre	Alignment to user genre preference is the most important driver
Profile	Cord-Cutters and Nevers are less impacted by Sports and Talk content
Emotion	Trust and Surprise are most effective emotions
Characters	4+ characters outperform non-character/solo character banners
Call-to-Action	“Play Now” and “Watch Free” are the most effective, while “Start Free Trial” motivates lower income users
Button Design	Button design and size had limited impact on preference
Simulator	When in doubt, use the Banner Ad Simulator to predict how a banner might perform

UNSKIPPABLE PRE-ROLL REMAINS A SOLID VALUE FOR ADVERTISERS AND CONSUMERS

When comparing consumer perception of a number of different video ad formats, what we found was that unskippable pre-roll still stood out as a positive value exchange for the viewer. They understand the trade-off of watching an ad to get content they want to see, and were more likely to pay attention. This is not to say other tactics don't have value—on social video, for example, there's a positive halo effect from being in one's feed, but pre-roll remains a reliable go-to.



AT LEAST 3.5X

Less likely to be considered "interruptive" than other formats on mobile



HIGHEST VALUE EXCHANGE

For free content



"MORE ENGAGING"

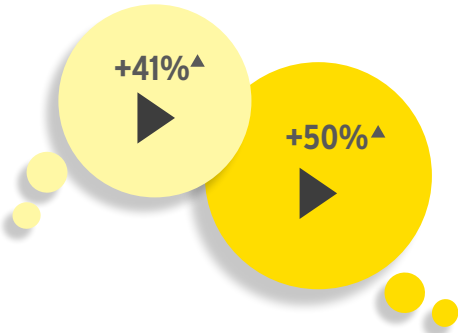
Than social video

Source: MAGNA/IPG Media Lab/YuMe, "The Ad Format (R)evolution," 2017

SIX SECOND ADS HAVE GOOD IMPACT ON AD RECALL AND PAINT BRANDS IN A REMARKABLY GOOD LIGHT

6 SEC NON-SKIPPABLE
15 SEC NON-SKIPPABLE
BRAND METRICS
DELTAS (TEST - CONTROL)

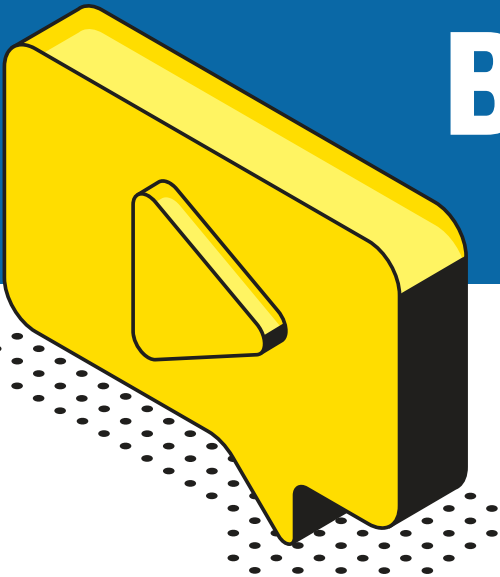
AIDED AD RECALL



Source: MAGNA, IPG Media Lab, "Battle of the Mobile Ad Formats"

As we alluded to earlier, six second ads represent a significant value compared to longer creative. Recall is almost as strong as a 15 second ad, and consumers view the brand as innovative.

BRAND ATTRIBUTES



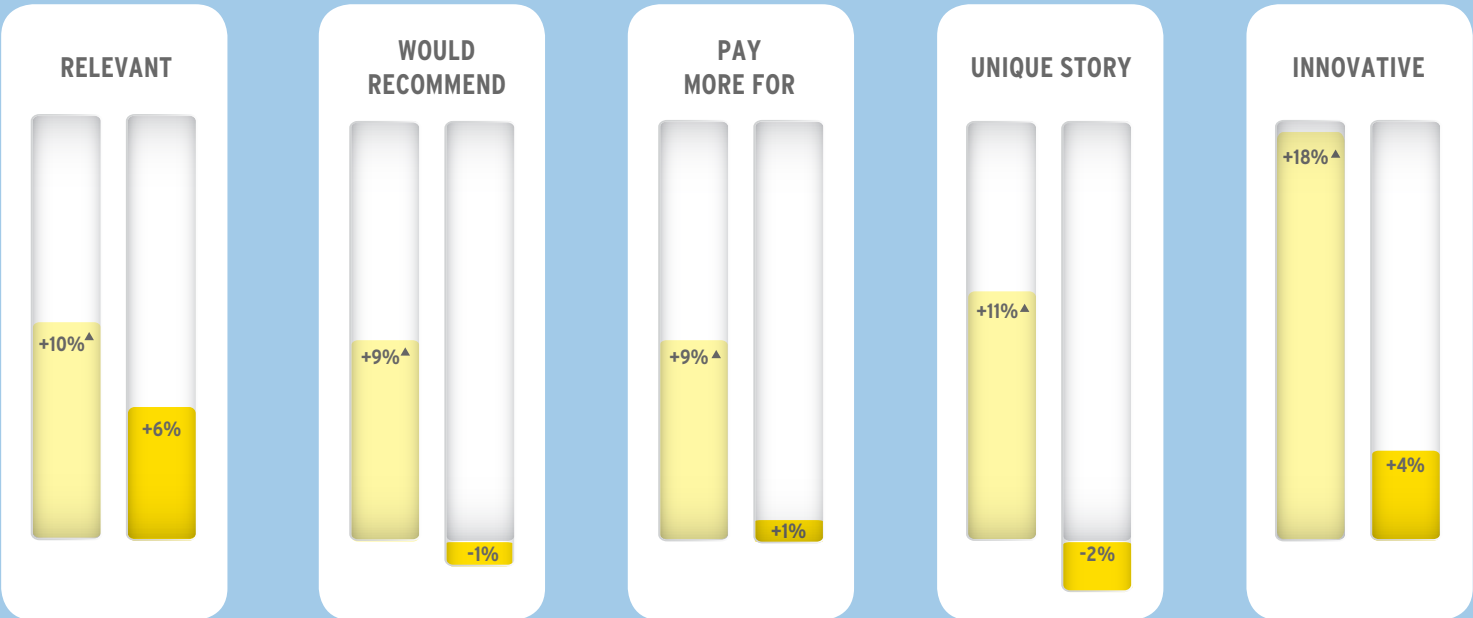
ONLINE VIDEO BEST PRACTICES

VERTICAL VIDEO IN 6 SECONDS PAIRS TWO AD FORMATS SPECIFICALLY DESIGNED FOR MOBILE AND RESULTS IN HUGE PAYOFF

Since mobile represents such a substantial portion of consumers' media time, delivering an optimal ad experience is key. We know that shorter creative plays well in the mobile space, since the video content consumed is more likely to be short-form. But you can enhance the value of six second creative even further by using the vertical format and making full use of the screen.

6 SEC NON-SKIPPABLE VS. VERTICAL VIDEO
BRAND METRICS
DELTAS (TEST - CONTROL)

VERTICAL 6 SEC VIDEO
STANDARD 6 SEC VIDEO



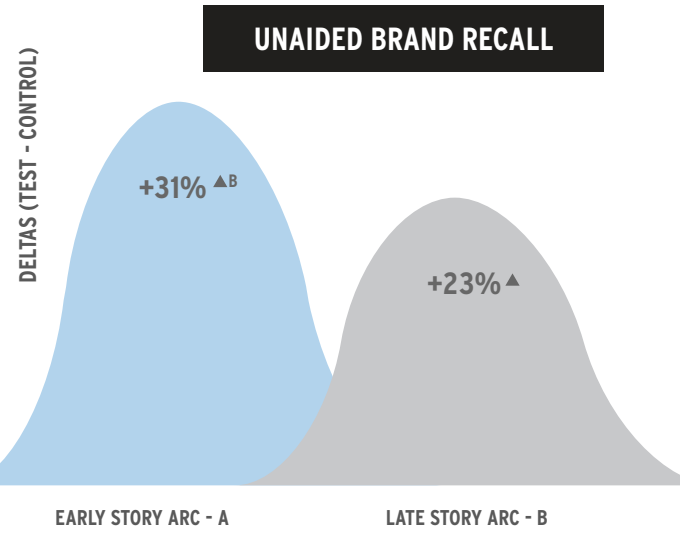
Source: MAGNA, IPG Media Lab, "Battle of the Mobile Ad Formats"

ALTHOUGH FOCUS ON THE PRODUCT HELPS RECALL, CONSUMERS RECOGNIZE A GOOD STORY...

WHICH IN TURN INCREASES BRAND FAVORABILITY AND LIKELIHOOD TO RECOMMEND

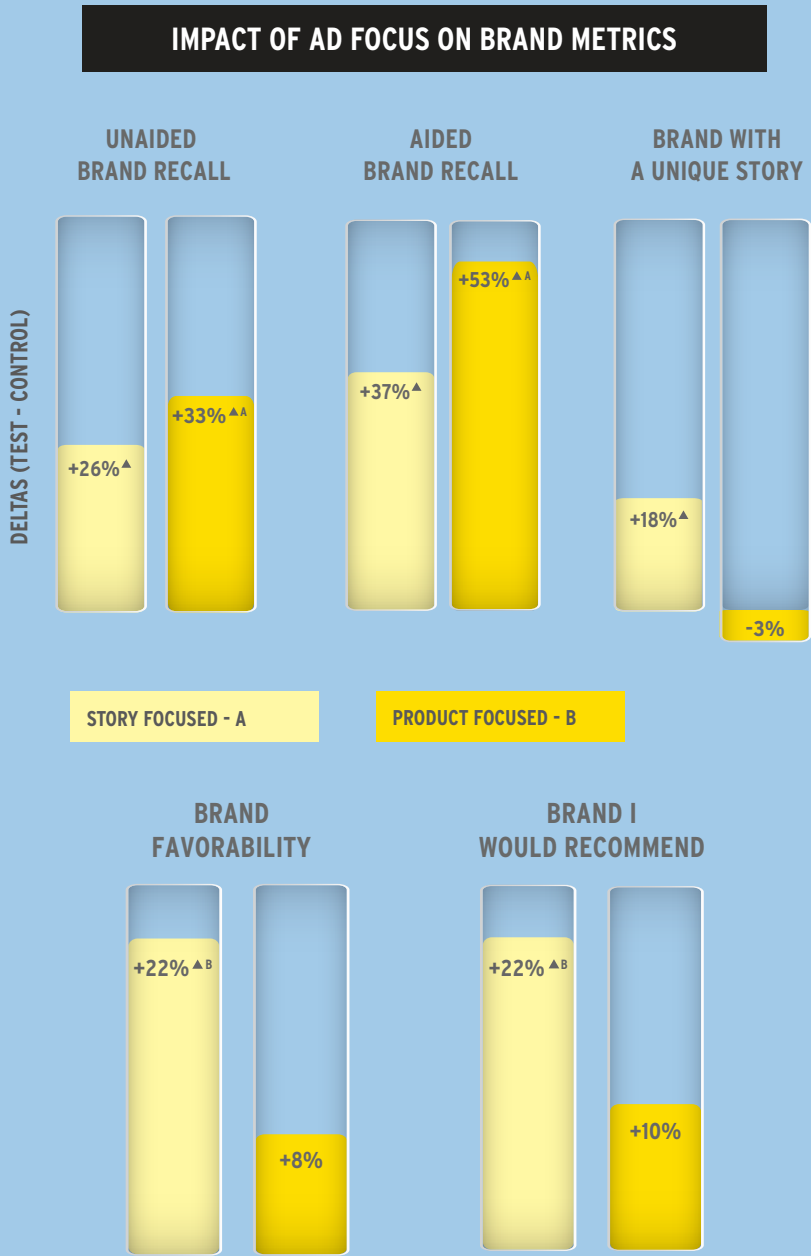
Now we know that pre-roll is a solid go-to, and we know that non-skippable is effective. But in some places—YouTube’s TrueView ad program, for example—skipping is enabled. And given the opportunity, consumers will take advantage. Interestingly, the ability to skip can have a positive halo effect on brands. Consumers appreciate being given that control. Nonetheless, in the instances where we’re using skippable pre-roll, we want to optimize the creative to thrive in the environment.

A BETTER WAY TO BRAND IS TO PUSH BRANDING EARLY IN THE AD’S STORY LINE



Source: MAGNA, IPG Media Lab, “Turbo-charging Your Skippable Pre-Roll Campaign”
▲ Statistically significant difference between test and control at >= 90% confidence
A/B = Statistically significant difference between test groups at >= 90% confidence

CREATIVE RECOMMENDATION #1
FOCUS ON STORYTELLING

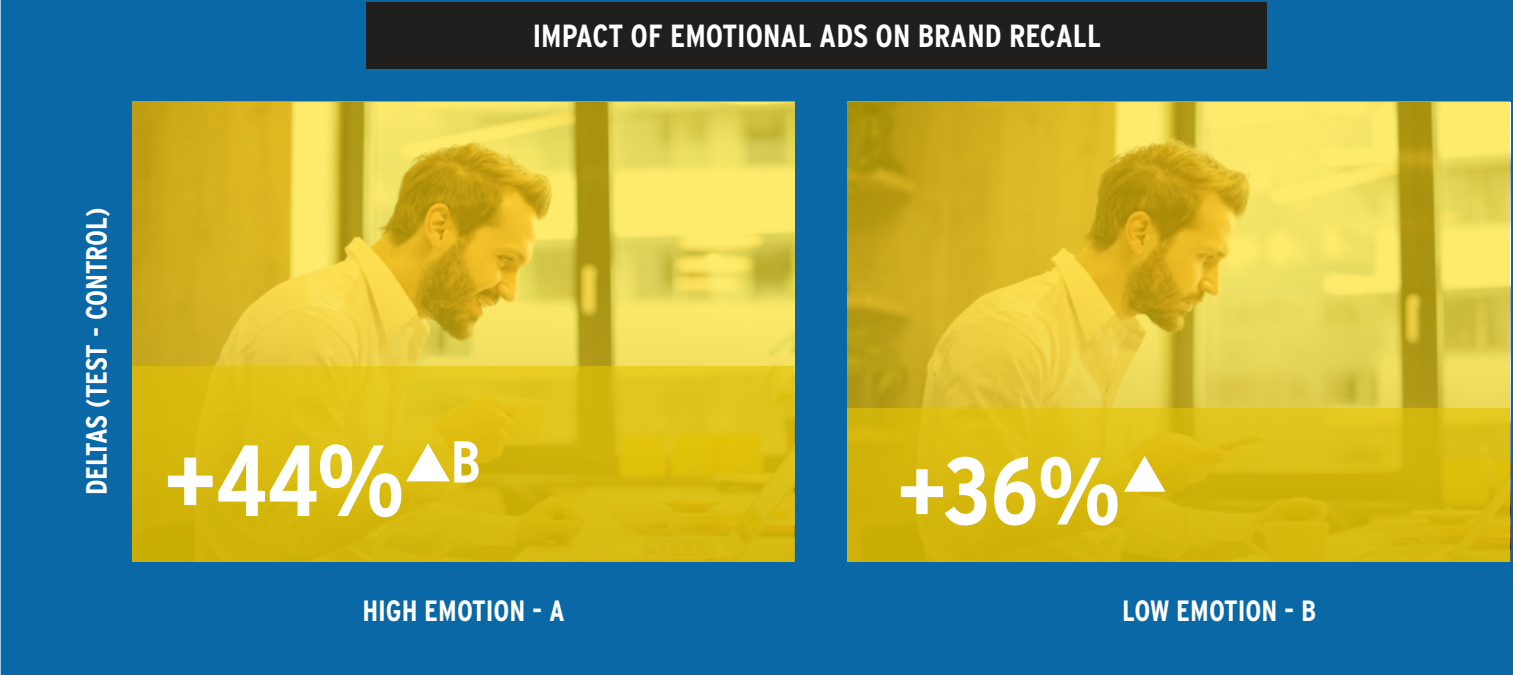


▲ Statistically significant difference between test and control at >= 90% confidence
A/B = Statistically significant difference between test groups at >= 90% confidence

KEY TAKEAWAY
People are paying attention until they skip, so getting your message out faster will help them remember.

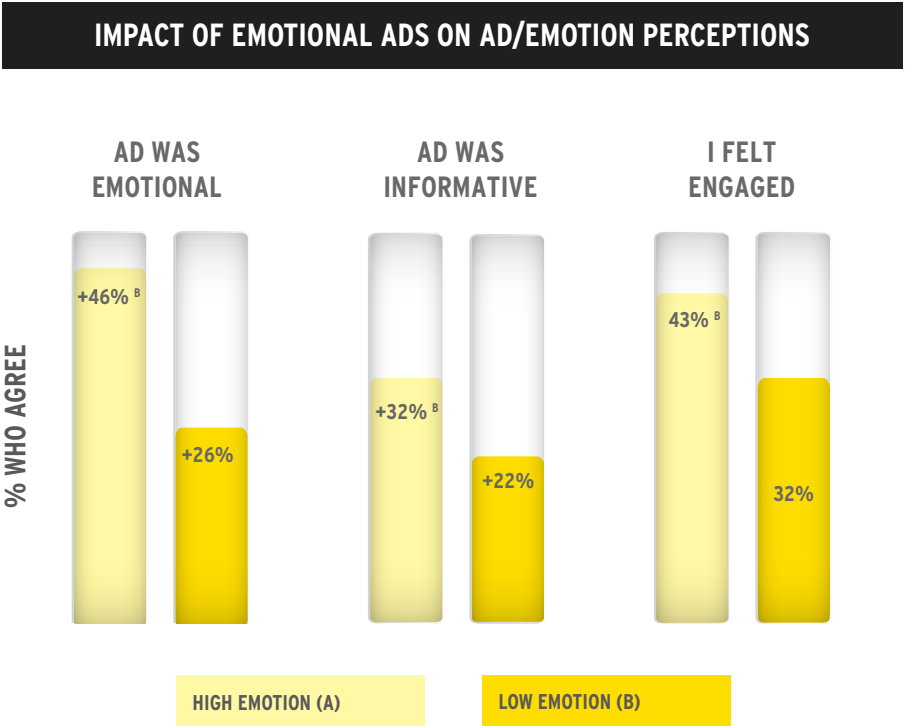
CREATIVE RECOMMENDATION #2
HUMANIZE THE AD

IT’S ALL ABOUT INVOKING AN EMOTIONAL CONNECTION



EMOTIONAL ADS ARE ALSO EXPERIENCED MORE POSITIVELY

Source: MAGNA, IPG Media Lab, “Turbo-charging Your Skippable Pre-Roll Campaign”
A/B = Statistically significant difference between test groups at >= 90% confidence



WHAT'S NEXT FOR TV?

The culmination of the movement toward an increasingly addressable and interactive television environment is the consumer actually being able to make a purchase through the set. While still early days from an execution perspective (the below format from Roku is still in beta as of this writing), it is sure to become more commonplace over the next several years.

T-COMMERCE

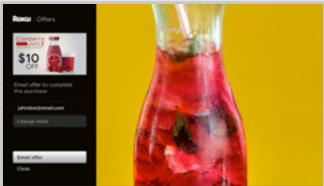
Ad Format KPI
Move the viewer through the purchase funnel, leading ultimately to a purchase, transaction, or product research



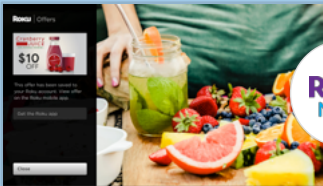
Initial Overlay Ad
Viewer is served an engaging offer while the OTT ad is playing



SMS Offer
SMS includes link to webpage, microsite, or app, where user completes purchase



Email Offer
Email is branded with product shot; contains a link to complete purchase



Save to Roku App
Viewer goes to Roku app, with brand/product details; purchase offer under Notifications

CONTEXTUAL AD PLACEMENT RETURNS TO THE FORE

NBCU'S CONTEXTUAL+ USES AI TO ALIGN BRANDS TO SPECIFIC SCENES

AUDIENCE

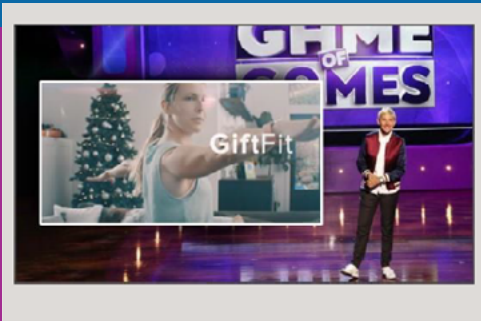
Advanced Advertising Data to inform where your consumers are watching

CONTENT

Create custom marketing within 'unexpected' alignments

ENVIRONMENT

Connect to powerful moments across NBCU at the scene level with your brand creative



The concept of aligning advertising creative with the content it appears in is nothing new in the television world—there have been different approaches on how best to execute it over the years, with mixed results. With the possibilities that artificial intelligence and machine learning bring to the table, however, the technique is making a comeback.

NBC Universal is rolling out a new product dubbed Contextual+ that uses A.I. to align brands to content at the individual scene level. The hope is that alignments that might not be obvious to a person can be uncovered using consumer data.

Note: Mock-ups to be used for illustrative purposes only

DYNAMIC AD REPLACEMENT: HOW IT WORKS

Nielsen’s Addressable platform enables linear TV ads to be replaced with targeted ads in real-time at a household level.

Dynamic ad insertion (DAI), where ads are served in the moment depending the content and viewer, have been the standard in online media for decades. More recently, it has become the norm for on demand television viewed outside the normal linear window (three to seven days). What has yet to be done at scale is dynamic ad replacement—where one ad is replaced by another in real time, on live television. Nielsen is seeking to accomplish this in the near future.

With its acquisitions of Gracenote and Sorenson Media, Nielsen will be able to use Automatic Content Recognition (ACR) to dynamically replace ads on connected TV sets. With frame-level accuracy, the experience will be no different for the viewer, but will enable advertisers to target more precisely and serve relevant creative.



RECOGNIZE CHANNEL

- Recognizes unique TVs tuned to a specific channel
- Works across millions of TVs and thousands of channels



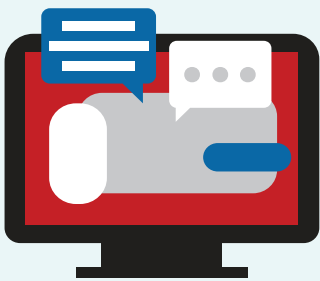
IDENTIFY REPLACEABLE AD SPOT

- Identifies when replaceable ad is about to air
- Checks business rules set by the Media Partner (is ad replaceable? Min CPM, etc)



FIND TARGET IMPRESSIONS

- Looks for which addressable campaign is the best fit for that specific impression based on household level targeting data



AD REPLACED ON CONNECTED TV

- Plays targeted ad directly over the top of underlying ad spot with frame accurate precision



REAL TIME REPORTING & MEASUREMENT

- ACR technology verifies playout, and Nielsen collects and measures ad exposure and reach

INTERVIEW

GOING DEEPER TO EVALUATE TV ADS

Q

KARA MANATT
SVP, Intelligence
Solutions & Strategy,
MAGNA



A

LUKE MCGUINNESS
President,
TVision

TVision is the leading performance metrics provider for TV - enabling the industry to understand how people really watch TV. Their technology passively measures every second of viewing – capturing when viewers are in and out of the room and when they do and don't look at the screen - and creates metrics marketers use for media and creative optimization. This allows marketers to uncover the truth of when TV ads have created an opportunity to influence, and when they do not.

KM

As linear TV audiences shrink, it's more important than ever that our ads get noticed. Have you uncovered any particular program environments or tactics on linear TV that tend to draw viewers' attention?

LM

All the time! We use cutting-edge technology to measure how individuals actually watch TV, which gives us a constant view into what causes viewers to stay in the room and then pay attention to creative. Different strategies can influence each layer of the funnel - from a TV ad airing (tune-In) to establishing opportunity to see (viewability) to capturing eyes on-screen (attention).

For TV viewability, one trend we continue to see is the role program genre plays. For example, we look at the top programs every month and their ability to generate viewable ad impressions. Drama programs regularly perform very well. This is due to the nature of the programming -- a continued story that viewers don't want to miss. Viewers stay in the room for the commercial breaks at a higher rate than on other types of content that may not require a viewer be seated when the program comes back on.

But airing the ad when people are likely to be in the room is only half of the battle. You also need to capture their attention. For this, clever use of

audio is a frequent method of getting people to engage. In a recent Kraft commercial, the use of a popular nostalgic song caused females, in particular, to look up at the screen during one part of the ad. In another example, Amazon's "Alexa Loses Her Voice" Super Bowl ad from 2018, the use of silence between Cardi B music also caused huge spikes in attention. For brands, it's important to craft these moments and ensure branding is on-screen when you do achieve that hard-earned attention.

KM

Are there significant differences in how consumers view ads in over-the-top environments versus on linear television?

LM

Absolutely. When you think about the OTT environment, it's closer to TV than digital video in terms of the audience's viewing experience, but it's still a very different user experience. It's becoming a popular idea that "with OTT, anytime is primetime." What that means is that, to the viewer, whatever they choose to watch, whenever they choose to watch it, makes that content premium to them.

With OTT, "appointment viewing" now means something completely different, as the choice is now yours: what to watch, and when. As you may expect, this does typically lead to higher program and ad attention.

As viewer TV behaviors shift, we're excited to measure and track how consumer ad viewability and attention evolve so we can help advertisers and programmers adapt.

KM

The traditional belief is that the A and Z positions are the best places to be in a commercial pod. Does your data bear that out?

LM

In some cases it does, but not always. At a macro level, the difference between A and Z and the letters in between isn't as distinct as you would think. In IPG Media Lab's recent report on TV Viewability using our data, first pod position achieved 72.2% viewability, while middle positions averaged 70.3%. Yes, over a \$100M investment in TV, first-position could realize serious efficiency savings. But it is more about specific environments where those pod positions really matter.

In a few analyses, we have seen that longer commercial pods impact people's likelihood to stay in the room. Overall, A and Z score similarly for viewability, but that difference may be more pronounced in a longer commercial pod.

KM

Do live sports offer any advantage in terms of attention to commercials?

LM

In general, yes. But not all live events are the same, so the advantages are inconsistent.

Non-sports events, like awards shows, or royal weddings, tend to have a more pre-determined narrative: when a certain award is given, when a certain performance will be. Depending on the content, an audience's understanding of the timeline definitely plays a factor in commercial attention. But there are always unexpected surprises.

When it comes to sports, we typically find significantly more variance across events since the narrative is not as controlled. That's why we watch, of course. For example, viewer engagement during the Super Bowl has so much to do with how exciting the game is. An objectively boring game like in the 2019 Super Bowl told a completely different story than the 2018 Super Bowl—both for the game, and the ads within the game.

As advertisers know already, betting big on the fourth quarter is a risk: you can have a highly engaged audience at the edge of their seats, or you can lose the casual fans you wanted to reach. TV viewability and attention data certainly bear that out.

KM
Are there particular industry verticals that tend to resonate the most on linear television?

LM
Longer ads typically have higher Viewability rates, which makes sense -- the longer ads have more seconds to reach the two second threshold. In that regard, verticals like pharma typically have higher viewability since their ads are typically longer. But that doesn't necessarily mean their ads are resonating more than an auto, CPG, or insurance verticals.

Each brand has crafted their unique message and is using media to reach their target audience. Brands can increase how many of that target they reach, but ultimately their creative also plays a huge role in resonance. Our goal is to help both brand advertisers and media sellers understand these performance shifts and optimize accordingly.



INTERACT

INTERACT

KEY TAKEAWAYS

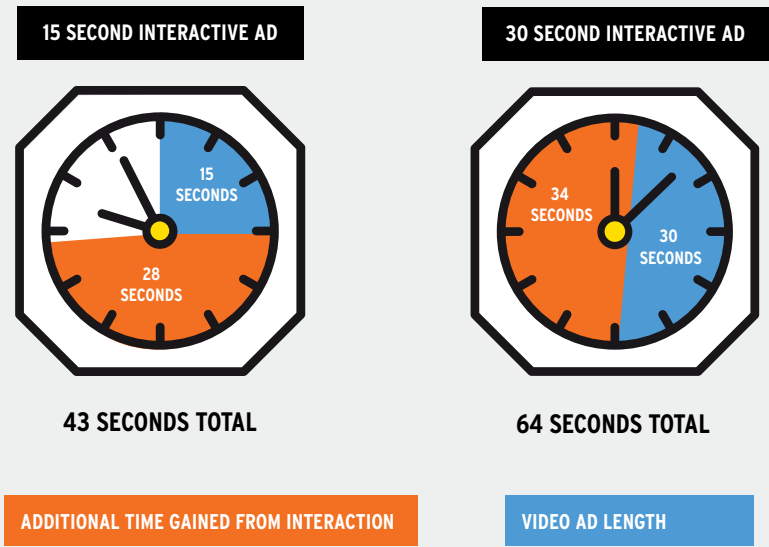
- 1. Adding interactive features to video ads elicit positive emotions about the brand and lead to longer exposure times.
- 2. Adding haptics to mobile video ads engage the sense of touch and make consumers feel more connected to the brand.
- 3. Machine learning can make online ads work harder by uncovering hidden patterns and ensuring the right ads are delivered at the right time to drive desired outcomes.
- 4. While producing dozens of iterations of an advertisement can be cost-prohibitive, there are more cost-efficient tactics to personalize the experience for the consumer.
- 5. Using data signals to inform not only what creative looks like, but when, where, and to whom the message is delivered will deliver big payoffs for marketers.



ENHANCING ONLINE CREATIVE TO MAKE AN IMPACT

INTERACTIVE VIDEO ADS CAN TURN SIMPLE IMPRESSIONS INTO SUPER IMPRESSIONS

AD LENGTH PLUS ADDITIONAL TIME GAINED DURING INTERACTION



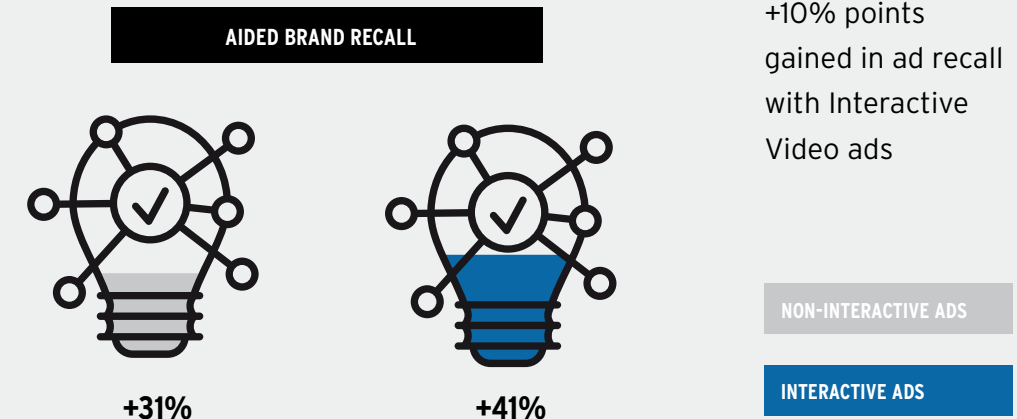
Interactive Video ads extend time with the consumer by +47%, making the ad work harder

Regardless of ad length, brands gain ~30 seconds with consumers when they interact

Just as we saw on television, adding interactive elements to ads online increases their effectiveness, first and foremost by increasing the amount of time consumers spend with branded elements. Interactive video ads in particular have a positive halo effect, even improving persuasion metrics when compared to a standard video ad.

ADS WITH INTERACTIVE FEATURES ARE MORE MEMORABLE, WHETHER PEOPLE INTERACT OR NOT

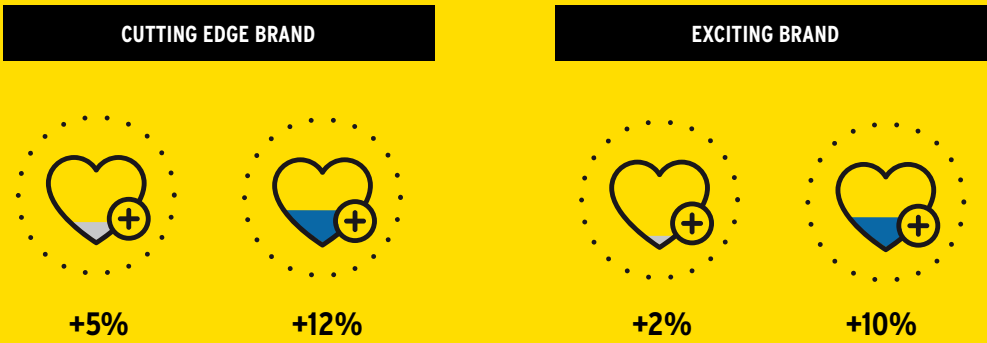
IMPACT OF INTERACTIVE ADS ON BRAND RECALL



+10% points gained in ad recall with Interactive Video ads

INTERACTIVE VIDEO ADS GIVE BRANDS A "COOL FACTOR"

BRAND ATTRIBUTES AMONG THOSE WHO INTERACTED WITH AD



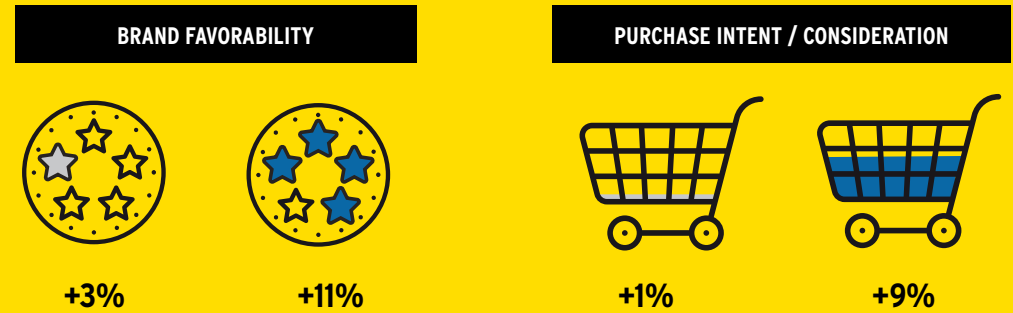
New and improved view of the brand once consumers interact

Source: MAGNA/IPG Media Lab/Tremor Video DSP, "The Interactive Effect," 2017

INTERACTIVITY DRIVES PERSUASION METRICS

9x higher impact on purchase intent with Interactive Video ads

PERSUASION METRICS AMONG THOSE WHO INTERACTED WITH AD



Source: MAGNA/IPG Media Lab/Tremor Video DSP, "The Interactive Effect," 2017

ENGAGING A THIRD SENSE - TOUCH - HELPS CONSUMERS FEEL MORE CONNECTED TO THE BRAND

STRONGER
EMOTIONS HAVE
A HALO EFFECT
ON WHAT PEOPLE
THINK ABOUT
THE BRAND

IMPACT ON PERCEPTION OF THE BRAND

% Agreement



IS AN
EXCITING
BRAND



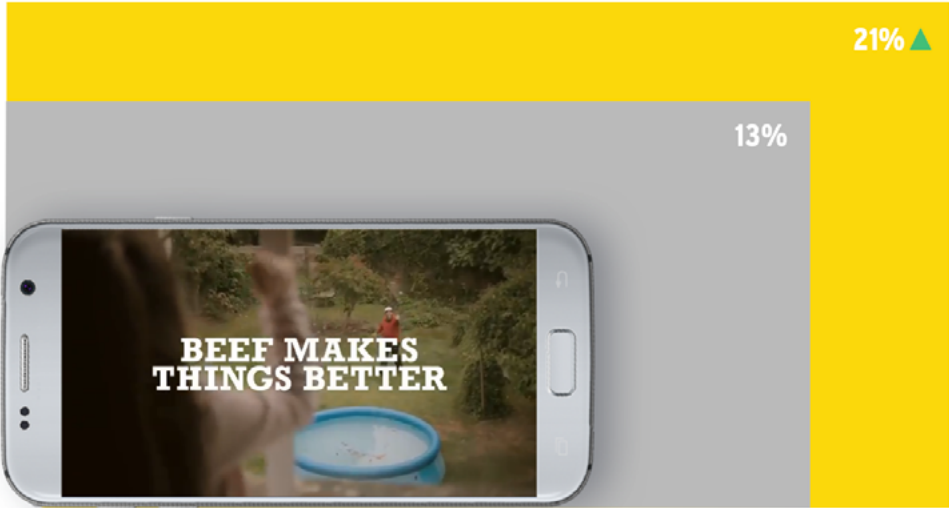
MAGNA\IPG Media Lab\Immersion, "Ads You Can Feel," 2017

Standard n=253; Haptics (High Density, Unbranded Notification)n=253

▲=Statistically significant difference between Standard & Haptics at >=90% confidence

"BRAND I FEEL
CONNECTED TO"
AFTER EXPOSURE
TO THE VIDEO AD...

% Agreement

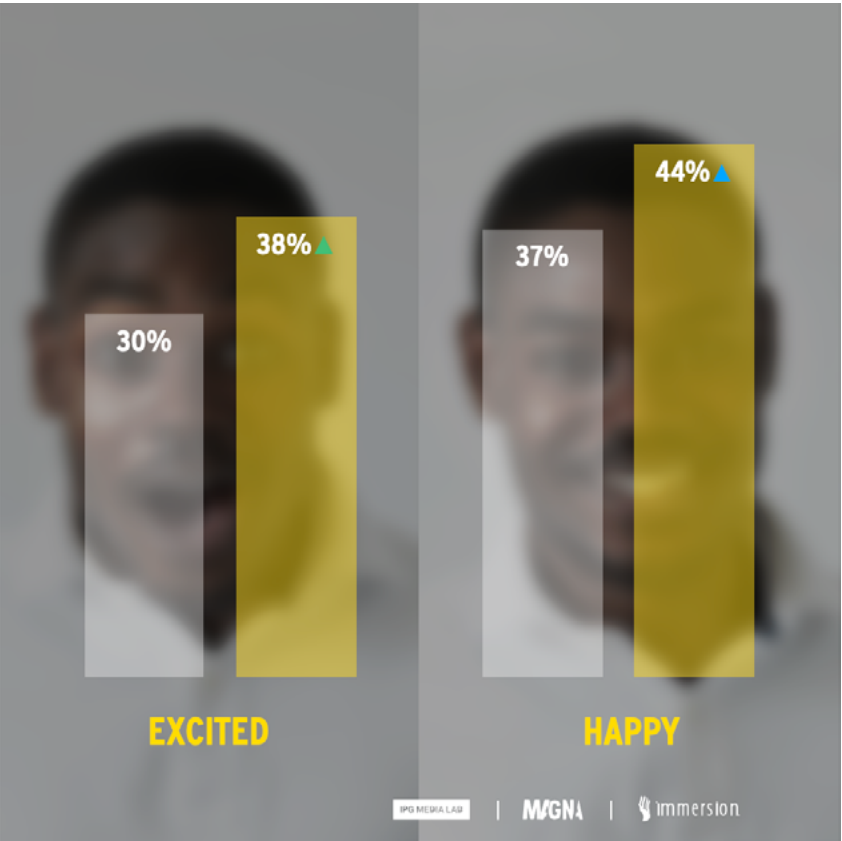


MAGNA\IPG Media Lab\Immersion, "Ads You Can Feel," 2017
Standard n=253; Haptics (High Density, Unbranded Notification)n=253
▲=Statistically significant difference between Standard & Haptics at >=90% confidence

HAPTICS ELICIT MORE
EXCITEMENT AND
HAPPINESS

IMPACT ON EMOTIONS

% Who Reported Emotion During Ad



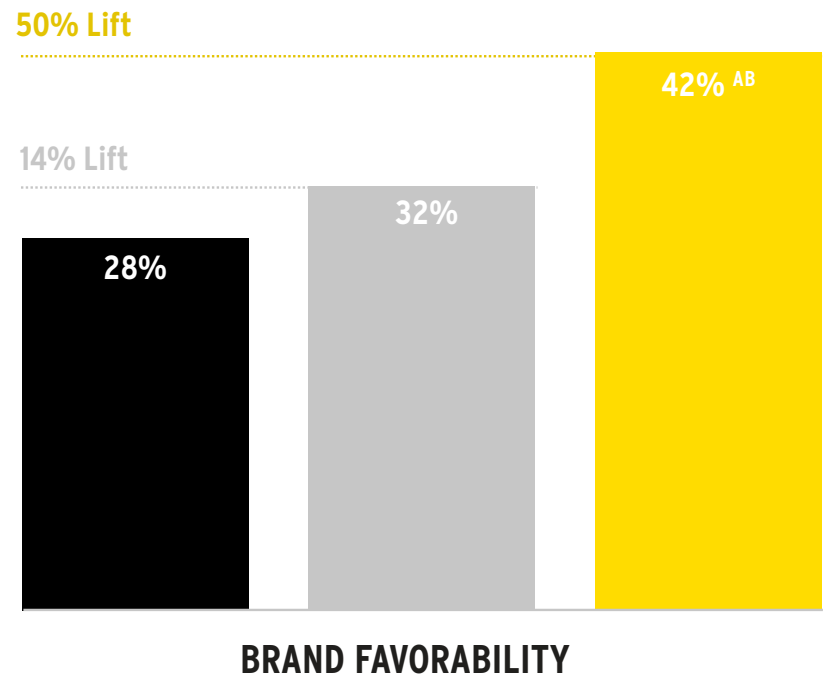
MAGNA\IPG Media Lab\Immersion, "Ads You Can Feel," 2017
Standard n=253; Haptics (High Density, Unbranded Notification)n=253
▲=Statistically significant difference between Standard & Haptics at >=90% confidence
▲=Statistically significant difference between Standard & Haptics at >=85% confidence

ADDITION OF HAPTICS TO VIDEO ADS =
50% LIFT IN FAVORABILITY

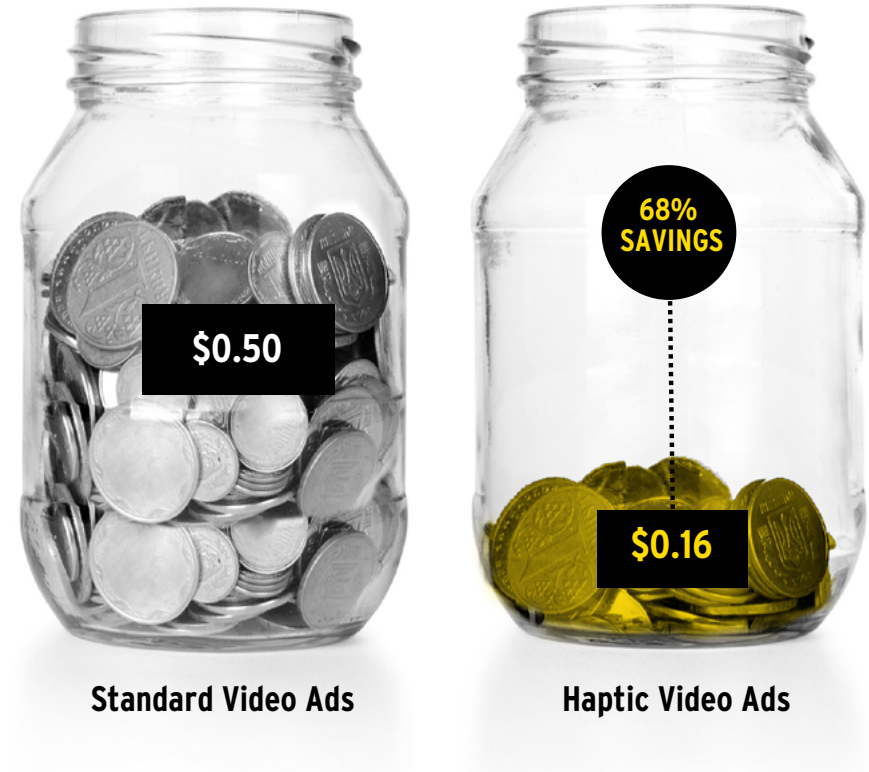
IMPACT ON BRAND FAVORABILITY

% Very Favorable

- Control (A)
- Standard Video Ads (B)
- Haptic Video Ads (C)



MAGNA\IPG Media Lab\Immersion, "Ads You Can Feel," 2017
Control n=253; Standard n=253; Haptics (High Density, Unbranded Notification)n=253
A/B/C =Statistically significant difference between A/B/C at >=90% confidence



HAPTICS NOT ONLY MORE IMPACTFUL, BUT ALSO MORE COST EFFICIENT

BRAND FAVORABILITY

Cost Per Person

USING MACHINE LEARNING TO OPTIMIZE BASED ON AD RECEPTIVITY

Using data to target consumers and optimize ad placement is standard fare in the online advertising world. It's one of the main driving factors for its continued growth. Algorithms and automation have made this easier and more efficient over the years, but we're just now beginning to see the benefits of adding machine learning to the mix.

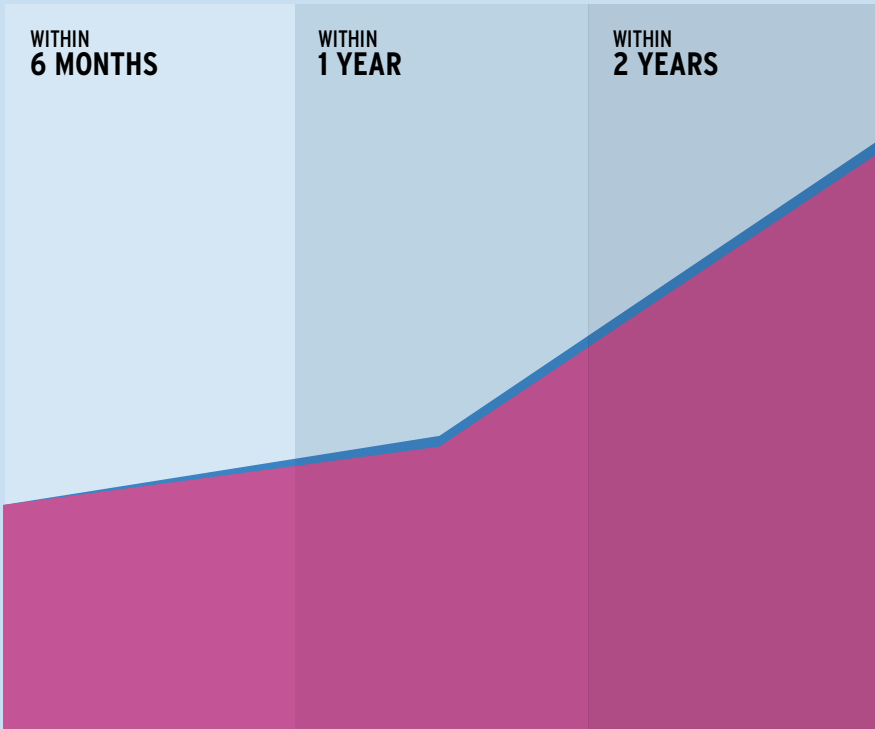
By uncovering patterns that wouldn't be apparent to a person, ads can be served when a consumer is most receptive—the goal we are always striving toward.

IT'S THE VARIABLE HUMANS CAN'T EASILY PINPOINT.

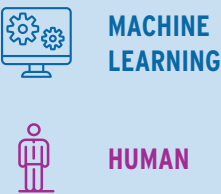
IT'S ONLY REVEALED BY PATTERNS IN BIG DATA. PATTERNS THE MACHINE CAN FIND.

BOTH REACHED THE SAME OF THOSE IN-MARKET

IN-MARKET FOR ADVERTISED PRODUCT BY CAMPAIGN TYPE

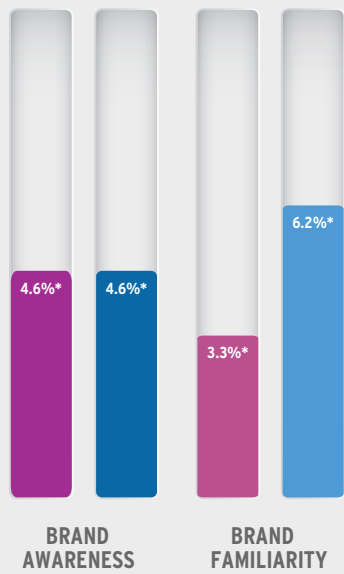


When comparing campaigns stewarded by a person to those utilizing machine learning, we find that both were able to reach consumers that were in-market for a given product. However, by uncovering hidden patterns in the data, the machine-guided process found the most receptive within that audience.

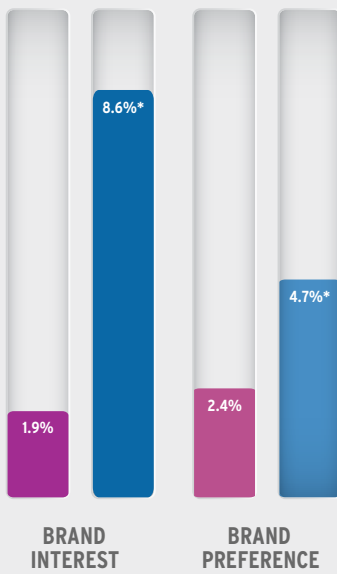


IMPACT BY CAMPAIGN TYPE DELTAS (TEST-CONTROL)

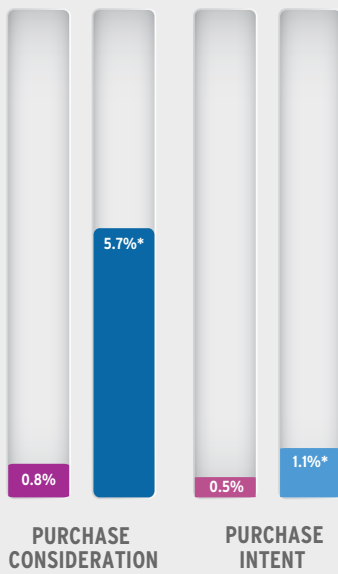
KNOWING THE BRAND



ENTHUSIASM FOR THE BRAND



BUYING THE BRAND

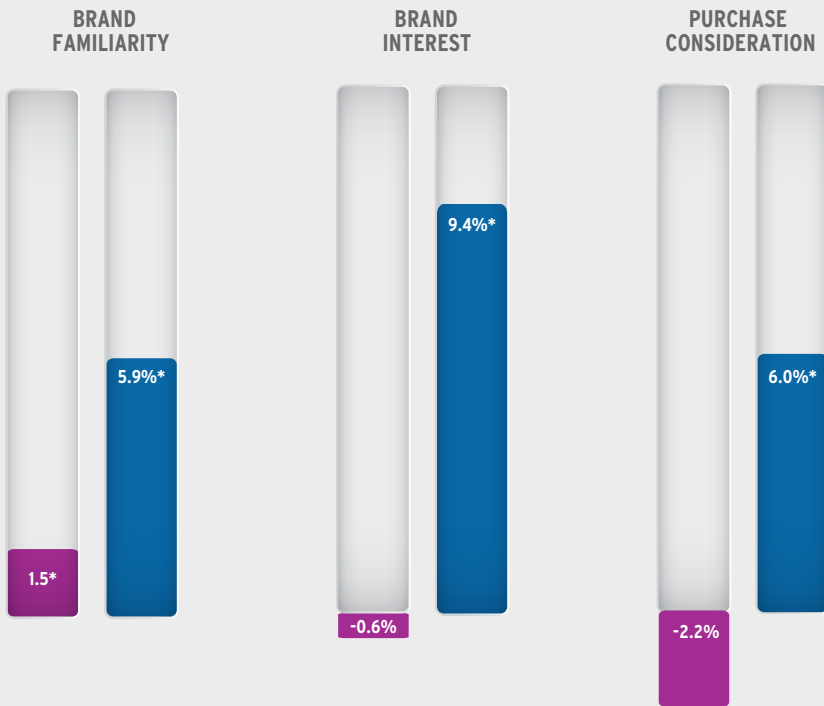


MAGNA/IPG Media Lab/TrueX, "The Humans vs. The Machines," 2018
*Significant difference from control group at p=0.1
Human N=3253, Machine N=4714
The control group was weighted separately to each exposed group to balance distributions of publisher, age, gender, income, and in-market status."

IMPACT BY CAMPAIGN TYPE AMONG IN-MARKET FOR PRODUCT - DELTAS (TEST-CONTROL)

The Machine drove better results in all areas of the purchase funnel.

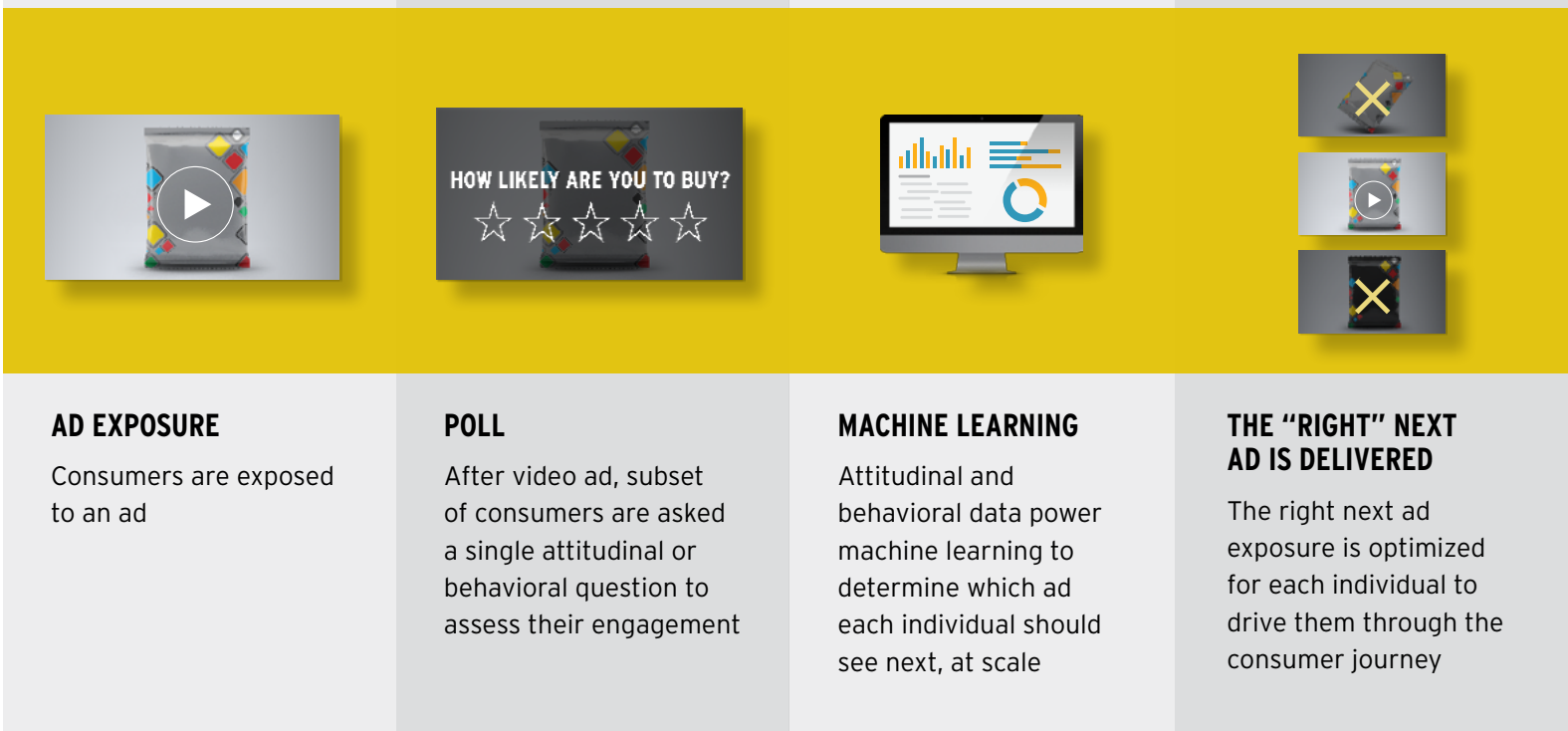
The Machine didn't simply find more people in-market for the product, it found the most receptive people.



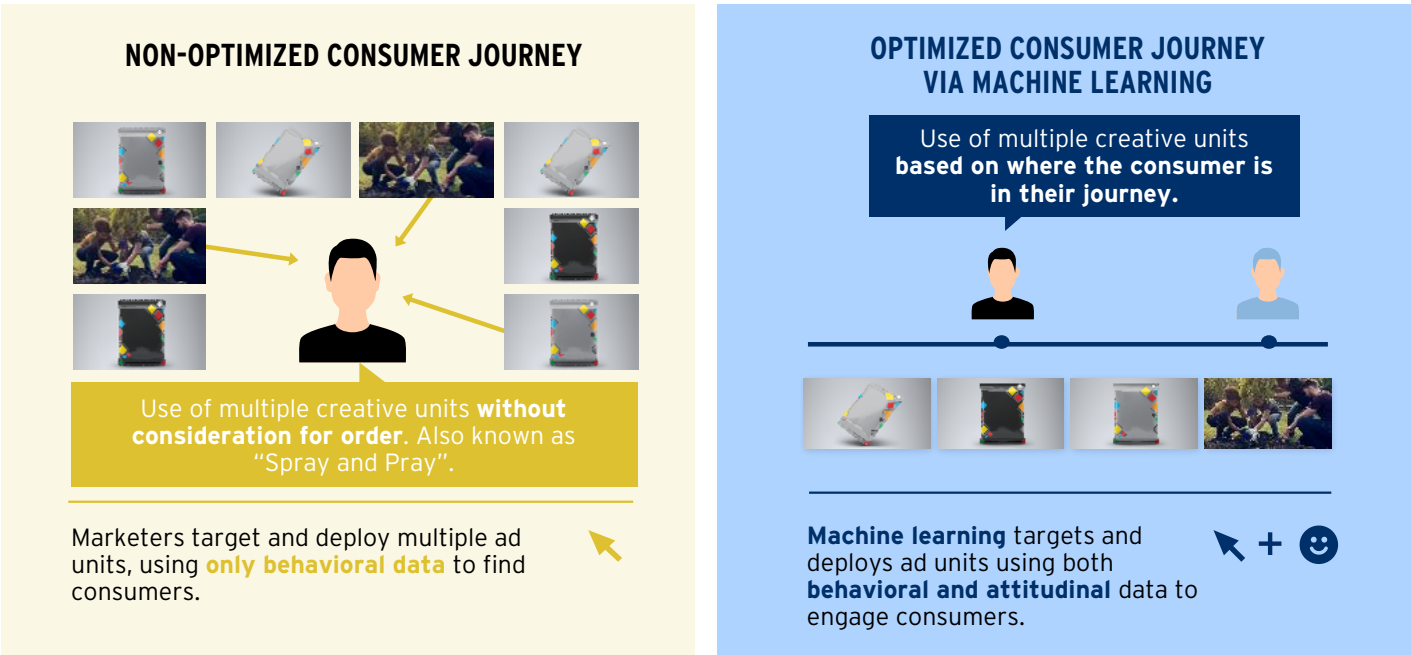
MAGNA/IPG Media Lab/TrueX, "The Humans vs. The Machines," 2018
*Significant difference from control group at p=0.1
Human N=1445, Machine N=2205

HOW AI DRIVES OPTIMIZED CONSUMER JOURNEYS

In addition to finding the most receptive consumers, artificial intelligence can also help us serve the right piece of creative depending on where someone is in the purchase funnel, or their perception of the brand.



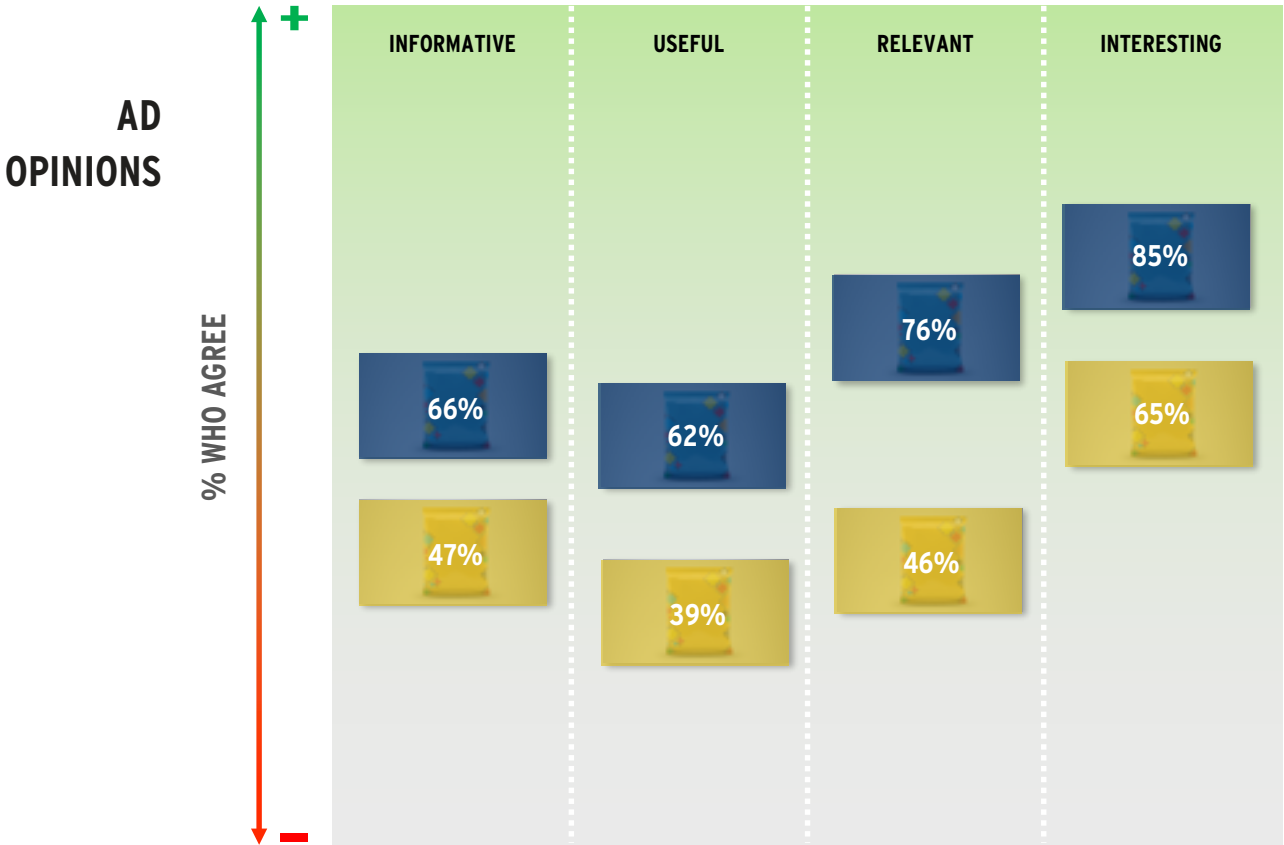
WHAT WE TESTED: TODAY'S CONSUMER JOURNEY OPTIONS



MAGNA\IPG Media Lab\ViralGains, "The Sentiment-Driven Consumer Journey," 2019
Path to Purchase - Driving Purchase from High Product Interest: (Non-Optimized Control n=565, Non-Optimized Test n=508, Optimized Control n=250, Optimized Test n=226)
Q: Please indicate how much you agree or disagree with each of the following statements about this ad.

When using only behavioral data to target, we are missing the element of where the consumer might be in their purchase journey, or their feelings about the brand, and are merely hoping that sufficient exposure will accomplish the goals of the campaign. Employing machine learning to optimize which ad is served based on both behavioral and attitudinal inputs significantly improves outcomes.

IMPROVED AD EXPERIENCES SHOW THE RIGHT AD IS BEING DELIVERED TO THE RIGHT PERSON

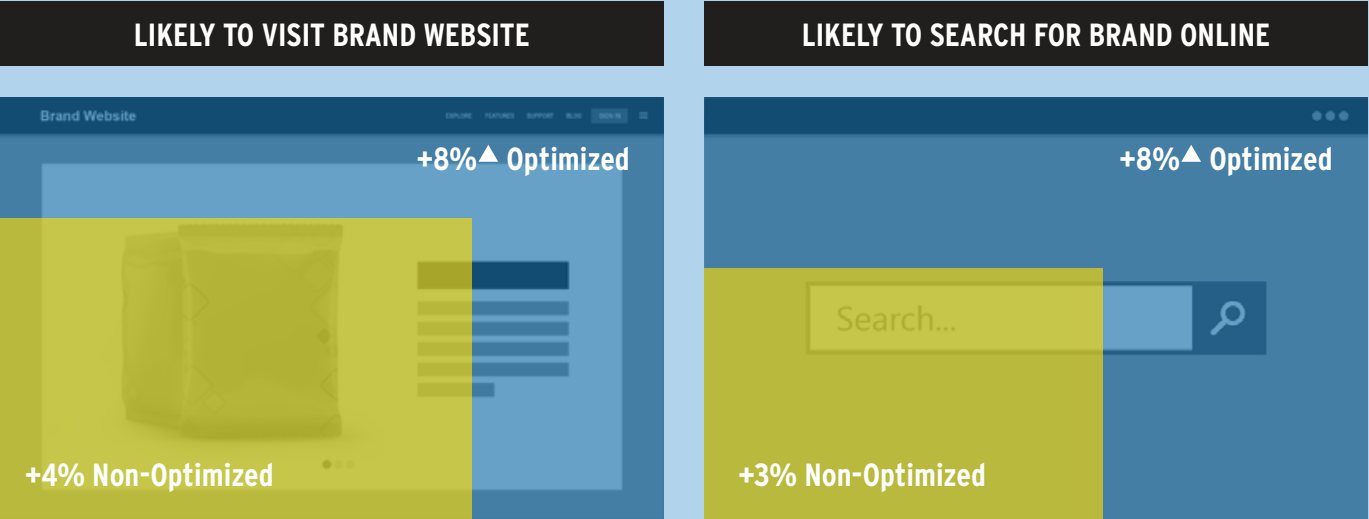


MAGNA\IPG Media Lab\ViralGains, "The Sentiment-Driven Consumer Journey," 2019
Path to Purchase - Driving Purchase from High Product Interest: (Non-Optimized Control n=565, Non-Optimized Test n=508, Optimized Control n=250, Optimized Test n=226)
Q: Please indicate how much you agree or disagree with each of the following statements about this ad.

BECAUSE THE RIGHT NEXT AD IS DELIVERED, CONSUMERS ARE PERSUADED TO TAKE ACTION

IMPACT OF 2ND EXPOSURE ON INTENT METRICS DRIVING PURCHASE FROM HIGH PRODUCT INTEREST

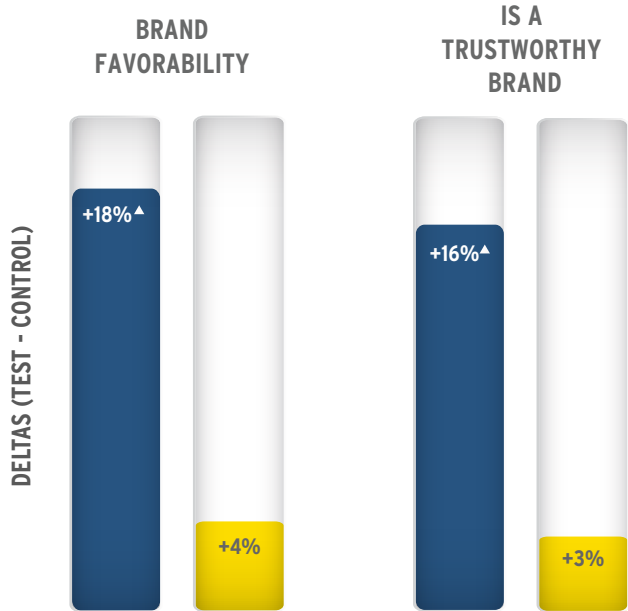
DELTAS (TEST - CONTROL)



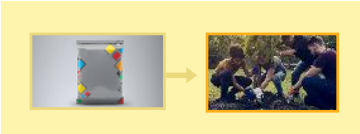
MAGNA\IPG Media Lab\ViralGains, "The Sentiment-Driven Consumer Journey," 2019
▲ : significant difference between double and single ad exposure at p<=0.1. Significance testing not done between optimized and not optimized group. Path to Purchase - Driving Purchase from High Product Interest: Non-Optimized Control n=565, Non-Optimized Test n=508, Optimized Control n=250, Optimized Test n=226) Q: In general, how likely are you to visit the following brand websites? How likely are you to go online to search for the following brands, or one of its products, online?

WHEN BRAND PERCEPTION IS LACKING, AN OPTIMIZED JOURNEY DRIVES 5X GREATER IMPACT FOR LOW PERCEPTION CONSUMERS

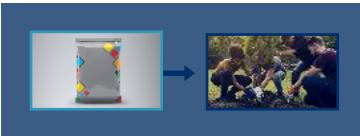
IMPACT OF 2ND EXPOSURE ON BRAND ATTRIBUTES TRANSFORMING NON-FANS INTO FANS



MAGNA\IPG Media Lab\ViralGains, "The Sentiment-Driven Consumer Journey," 2019
▲ : significant difference between double and single ad exposure at p<=0.1. Significance testing not done between optimized and not optimized group. Brand Health (Non-Optimized Control n=736, Non-Optimized Test n=684, Optimized Control n=70, Optimized Test n=59) Q: How would you describe your overall opinion of each of the following brands? Please indicate how much you agree or disagree with each of the following statements about [Brand]...



Non-Optimized Journey
Delivered corporate responsibility ad regardless of brand perception



Optimized Journey
Delivered corporate responsibility ad because of low brand perception



LOOKING AHEAD: DYNAMIC CREATIVE AND PERSONALIZATION

There is a huge amount of evidence that consumers appreciate enhanced advertising experiences (as long as they're not disruptive). When it doesn't cover or distract from content, or when it fills an un-skippable break, results are always better from deeper, more informative, more interactive, and more relevant creative.

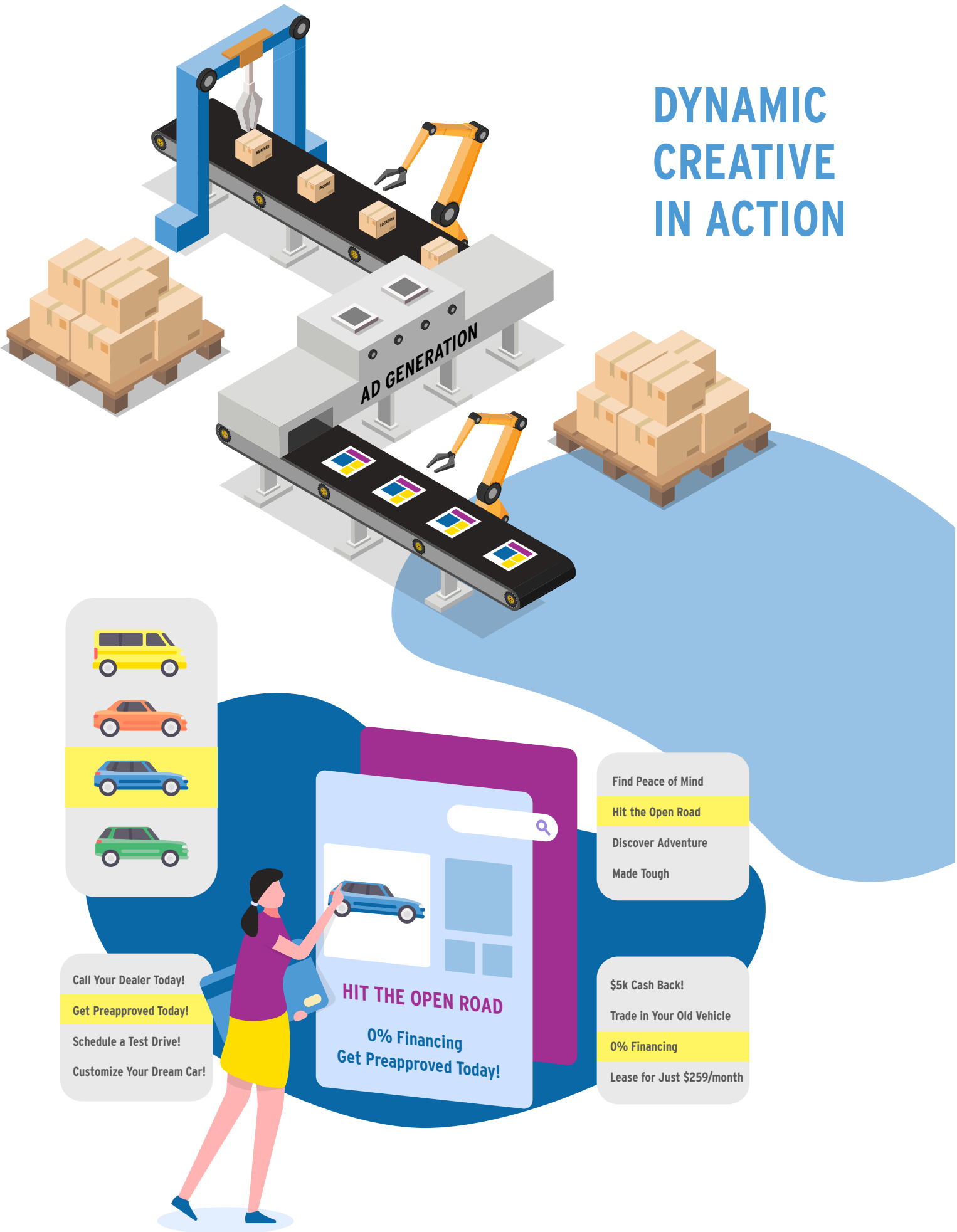
The reason that enhanced and personalized creative isn't used in all campaigns is because there's a cost premium to doing so, and depending on the target audience and incumbent campaign, that cost might or might not be worth it. Costs for new technology come down over time, however, so personalized creative is soon to have its time in the limelight as it is widely embraced.

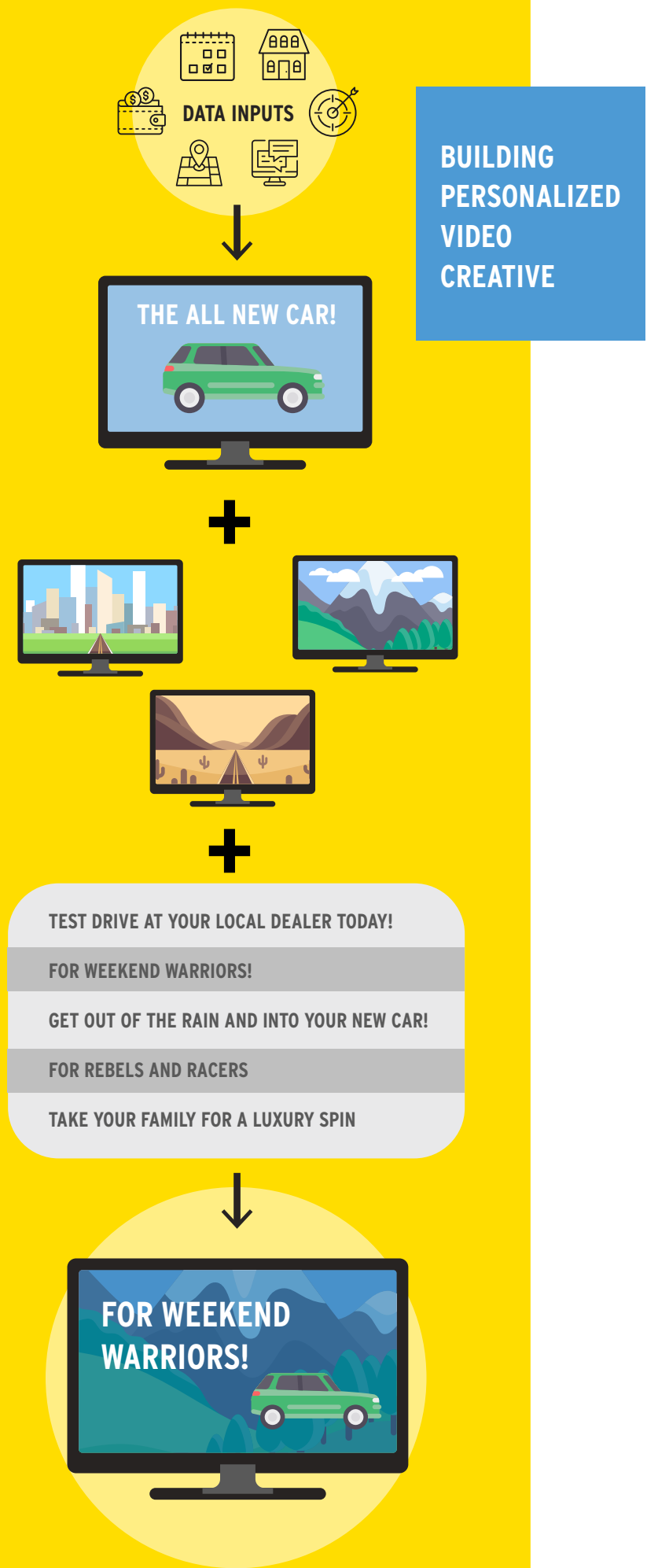
Why, then, is technology so under-utilized on the creative front? Creative personalization is used in less than 2% of total campaigns. Part of the issue is one of comparison - most dynamic creative opportunities are lower in the ad funnel, where cost efficiencies are the most critical and the most scrutinized. There is a premium on dynamic

creative CPM delivery via ad tech platforms of 10-20%. These costs can be a difference maker when the alternative is investing in incrementally effective laser targeting on the inventory front.

Why should creative personalization turn the corner now, then, when it didn't a few years ago? Firstly, as with all innovations, the cost premium has compressed from when these same opportunities first entered the advertising economy. In addition, given the regulatory environment, it will be increasingly difficult to keep targeting more precisely. Even a basic form of consumer targeting data can yield tremendous results when enhancing the creative experience, however.

One key tenet of personalized creative is that what you do as a consumer is far more important than who you are. Being a male age 29-44 with a high income makes one far less likely to be a luxury auto purchaser than someone who has been to a luxury auto website or is searching for information about new cars.





The most basic form of creative personalization is static banner display on digital, where multiple iterations of an ad are created manually with tools that add speed, scale and automation to the creative generation process. Prior to impression delivery, ads are customized based on data about the target, whether demographics, action-based, time, geo or some other signal that implies what creative version will be best. In addition, there are dynamic creative optimization (DCO) platforms, that automatically modify creative on the fly based on post-delivery effectiveness, in order to ensure the best versions of creative are the ones put in front of consumers.

The next step in creative personalization is creating multiple iterations of video ads for a more compelling consumer experience. Video personalization can come from both changing the storyboard (inserting different variable scenes into a video) as well as changing the messaging through overlays. These overlays can include retail offers, financing offers, conversion prompts, calls to action, and more.

Because the incremental features used to make iterations of a video are very simple (overlays, local messaging, standalone text on screen), the additional creative cost to make multiple iterations is very small, and there are no incremental technological

requirements over and above the ability to make a single regular video ad creative on its own.

The last step in making more compelling creative experiences for consumers is by enhancing video advertising on OTT. Rather than offering all consumers tightly related variants of a single video ad, OTT enhanced creative can take different forms depending on whether the campaign goal is engagement, targeting, shoppability, or more.

There are multiple types of enhanced ads that brands can leverage, and which one is used depends on a host of predefined data signals that bucket consumers are likely to buy, competitor consumers, considering, or an infinite number of nuanced definitions. Because many OTT experiences have ad breaks anyway, giving consumers something to engage with during those breaks is both compelling and adding more value for a consumer.

CONNECTED TV ENHANCED CREATIVE



Branded Overlay

Leverage data to create new personalized ad opportunities within the context of a general advertising break.



Cross Device Info

Send information about a product or brand to a mobile device to continue the conversation.



Immersive Experience

Explore a full personalized product lineup, see specials and offers, explore or have fun with a brand.

EXAMPLE: UM'S ADDRESSABLE CONTENT ENGINE

BUSINESS & COMMUNICATION GOALS

DATA, INSIGHTS & PARTNERS



PERSON

BEHAVIORAL DATA:

"WHAT YOU'VE DONE"



PLACE

INTEREST DATA:

"WHAT YOU ARE CONSUMING"



MOMENT

SIGNAL DATA:

"WHATS HAPPENING"



1:1
MESSAGE

INCREASED EFFICIENCY
& EFFECTIVENESS:

MATCH MESSAGE RELEVANCE
TO MEDIA REACH & SCALE



UM Studios' Addressable Content Engine put this into practice on a YouTube campaign for Neutrogena. Eight and ten second video ads were tailored based on a combination of demographic attributes, online behaviors, and moments in time. Since it was for makeup remover towelettes, key moments included not only morning and evening routines, but also Halloween and the 2018 World Cup. The results were very strong.



OVERALL AD
RECALL LIFT

14.9% LIFT

+133%
INCREASE

OVERALL AD
RECALL BENCHMARKS

OVERALL AD
SALES LIFT

12.9% LIFT

+\$1.33MM

INCREMENTAL SALES

OVERALL PRODUCT
CONSIDERATION

3.2% LIFT

+146%
INCREASE

OVER PRODUCT
CONSIDERATION BENCHMARKS

73% AMONG
THOSE NEW TO
THE BRAND/
CATEGORY, A
379% LIFT OVER
THE BENCHMARK
FOR RETURN ON
AD SPEND

BEST CANDIDATES FOR CREATIVE PERSONALIZATION AND ENHANCED CREATIVE

Who should engage with dynamic creative ad formats or enhanced creative on OTT? There is a cost premium although it's not prohibitive, so a brand with a single product that is targeted to everybody would possibly not get enough value. Outside of that, however, almost every brand has some data that they use for targeting, and some diversification in their product lines, where they can leverage targeted creative.

There are two types of advertisers in particular that are best suited for creative personalization, however:

Action Oriented KPIs:

Brands who operate low in the funnel see tremendous gains by engaging with creative personalization. Not only are those brands already using all the required data and many of the required tech platforms they will need, but also the impact is going to be greater because these are the consumers where brands know the most about them and where the likelihood of them engaging is the highest and campaign performance increases will be the largest.

Multiple Product Lines:

The other key brand for personalized creative is a brand with multiple product lines, even if they're focused on upper funnel brand advertising. This is especially true for brands trying to manage the migration of consumers moving from one portion of the product line to another, catering creative designed to keep all customers within the overall company portfolio. This can also be useful for consumers who are customers for certain elements of the brand portfolio, but who are loyal to a competitor in other portions of the brand portfolio. Using that data to leverage potential affinity to the company for conquering can be extremely valuable.

Adopting an audience-first media strategy which focuses around precision marketing and a person/place/moment framework is something that many brands have been moving towards, and it is the perfect structure for personalized creative. Creative that has different goals or objectives, multiple media touchpoints, multiple products, and multiple reasons to believe, is the perfect structure for dynamic creative. Campaigns featuring 2 or more SKUs also result in significant efficiencies in cost to develop which can mitigate even the minor cost of personalization.

LISTEN

LISTEN

KEY TAKEAWAYS

1. In some ways, podcasts are a throwback to the radio shows of old because ad copy is usually read by the host or hosts—this lends a credibility to the brand but also requires a good fit with the content.
2. While today only a small percentage of audio campaigns are bought programmatically, consolidation in the ad tech space makes it ripe for growth, which will mean better targeting and optimization.
3. Music genres can be a good proxy for consumers' moods, allowing us to deliver an ad when they are most receptive.
4. Listeners are frequently multitasking when listening to audio content, which means they are likely in a motivated frame of mind. There is the potential to tailor creative to take advantage of that.
5. Many recent advancements in the online advertising world—such as dynamic creative and improved attribution—are on the horizon for audio as well, presenting new opportunities for forward-thinking advertisers.



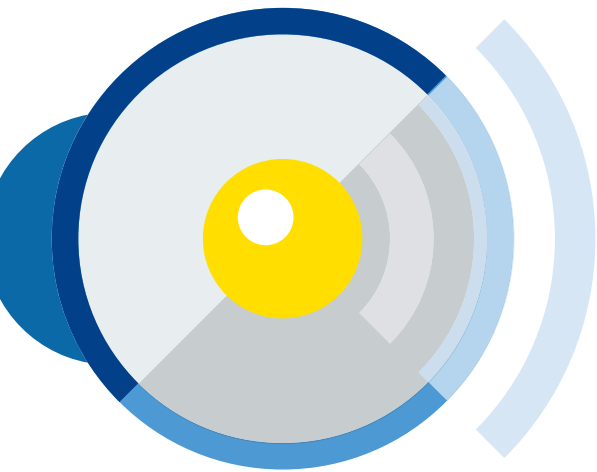
RECENT DEVELOPMENTS

THE UNIQUE BENEFITS OF PODCAST ADVERTISING

64%

AGREE THAT THE AD WAS A GOOD FIT WITH THE PODCAST CONTENT

In some ways, podcasts are a throwback to the early days of radio. They are audio stories, and unlike other forms of media, host-read spots are very common in the podcast space. This can have a powerful impact on brands, and has been utilized to great effect by emerging direct-to-consumer companies. But because of the intimacy of the medium, it's important for brands to understand how well the ads are woven into the content of the program. From the consumer perspective, most agree this is being done effectively.



Programmatic audio is still used in a very small fraction of campaigns. However, because of the significant improvements in campaign outcomes that come from targeting and because brands have already tackled the low hanging fruit in digital programmatic, audio is one of the next front lines for incorporated more advertising technology.

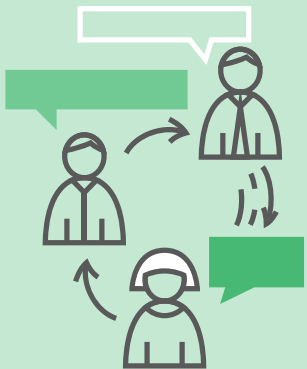
In the early days of programmatic audio, there were many specialized tech platforms that handled the tech infrastructure. Because the digital advertising ecosystem sees continual consolidation and homogenization, and because digital streaming audio makes up an increasing portion of total listening, now most DSPs also have audio capabilities.

PERSONALIZING THE AUDIO ADVERTISING EXPERIENCE

Planning

1

1. Pre-load audio + if applicable companion creative.
2. Identify KPI to optimize i.e., brand lift, engagement, etc.
3. Clarify budget, set up DealIDs for PMP campaigns.
4. Identify optimal audience based on multiple factors:
 - **Linear:** Age/gender, location, psychographic targeting, weather, time of day, behavioral profiles (luxury shoppers, expecting parents, etc.)
 - **Digital:** all of the above PLUS device, IP address, cookie history, listening preferences, lifestyles, interests, purchase behavior, etc.
5. Identify optimal inventory for that target audience, either stations and time periods that index highest for linear, or specific matching users for a digital campaign.



Execution

2

1. Manage budget, potentially tweaking creative on the fly due to mid-campaign, real-time results, or variances in weather, etc.
2. Optimize KPIs via experimentation, tweaking targets, frequency, and time periods holistically across a campaign and media formats.



Optimization

3

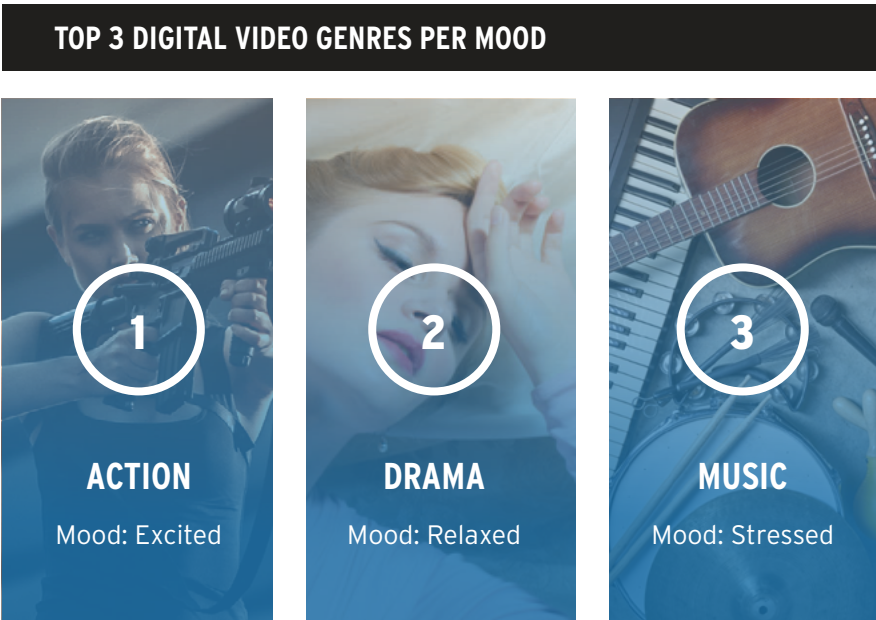
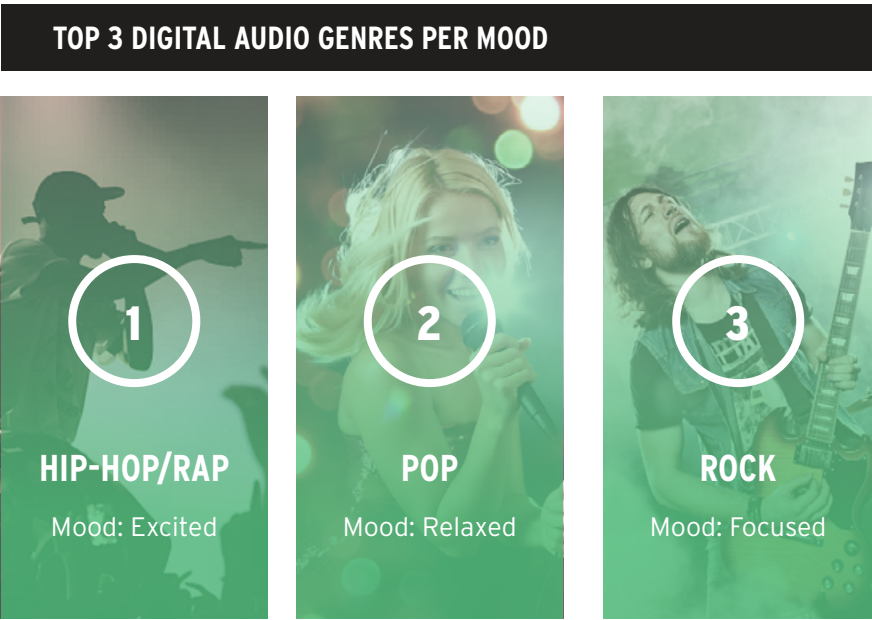
1. Receive and analyze post-campaign measurement, which includes:
 - **Linear:** airing report, compliance ratio, reach & frequency, brand lift studies, market A/B testing, Nielsen panel data, sales traffic databases, etc.
 - **Digital:** impressions, streaming completion rates, CTR (for companion banners/video inventory), listen through rate, programmatic vs. non-programmatic attribution via control markets, physical sales via offline databases, e.g., Catalina, credit card transactions, or digital actions if users logged in with Google or Facebook, etc.



AUDIO BEST PRACTICES

YOU CAN'T TARGET MOOD, BUT YOU CAN TARGET GENRE

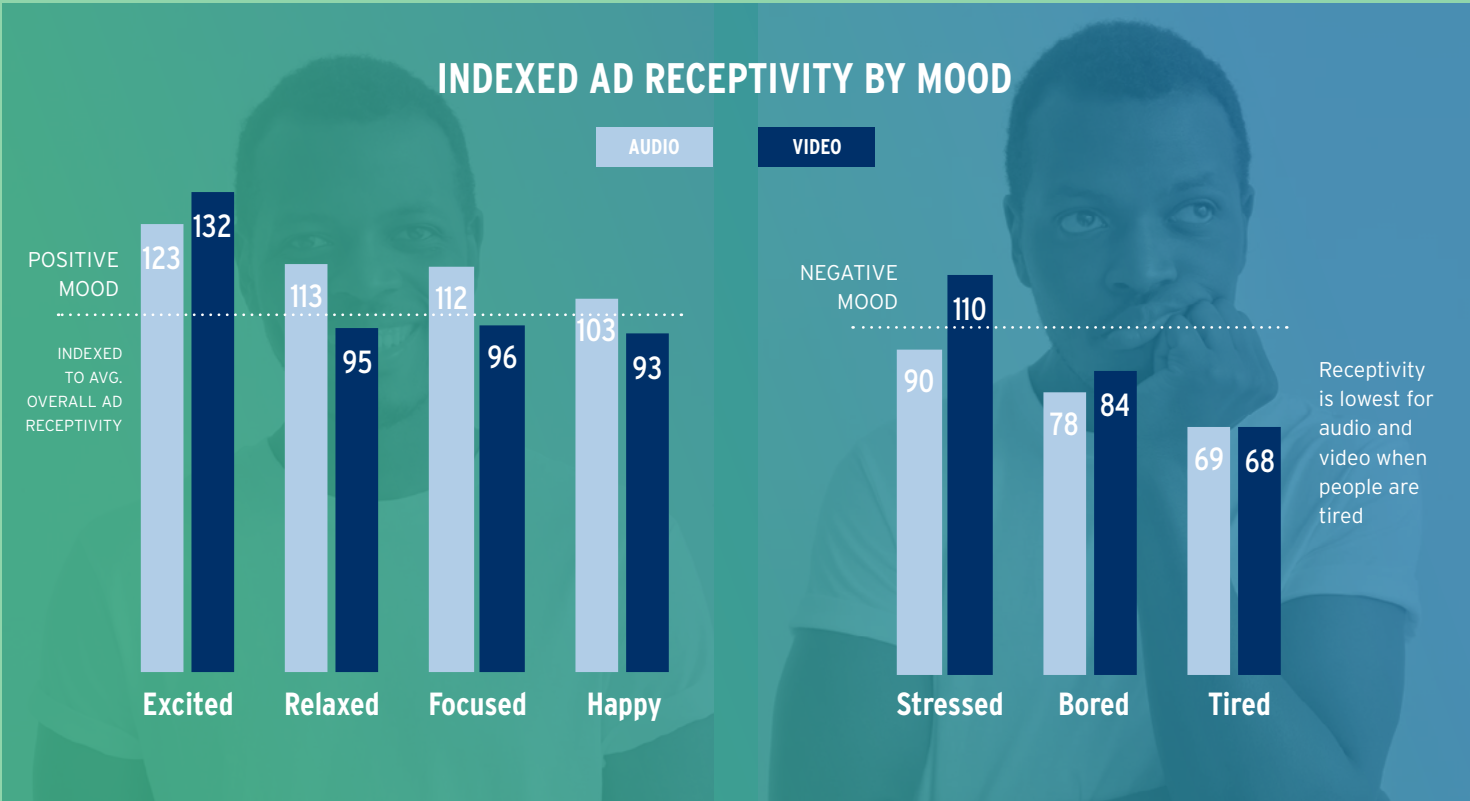
A consumer's mood is often key to their willingness to hear or see an ad, and while there's no way to understand that without asking, as it turns out, genre can serve as an effective proxy.



Q: Please describe the subject(s) of what you [listened/watched] yesterday. Select all that apply. Audio diary N=3048. | Video diary N=1240.

GOOD MOOD TRANSLATES INTO WILLINGNESS TO HEAR ADS

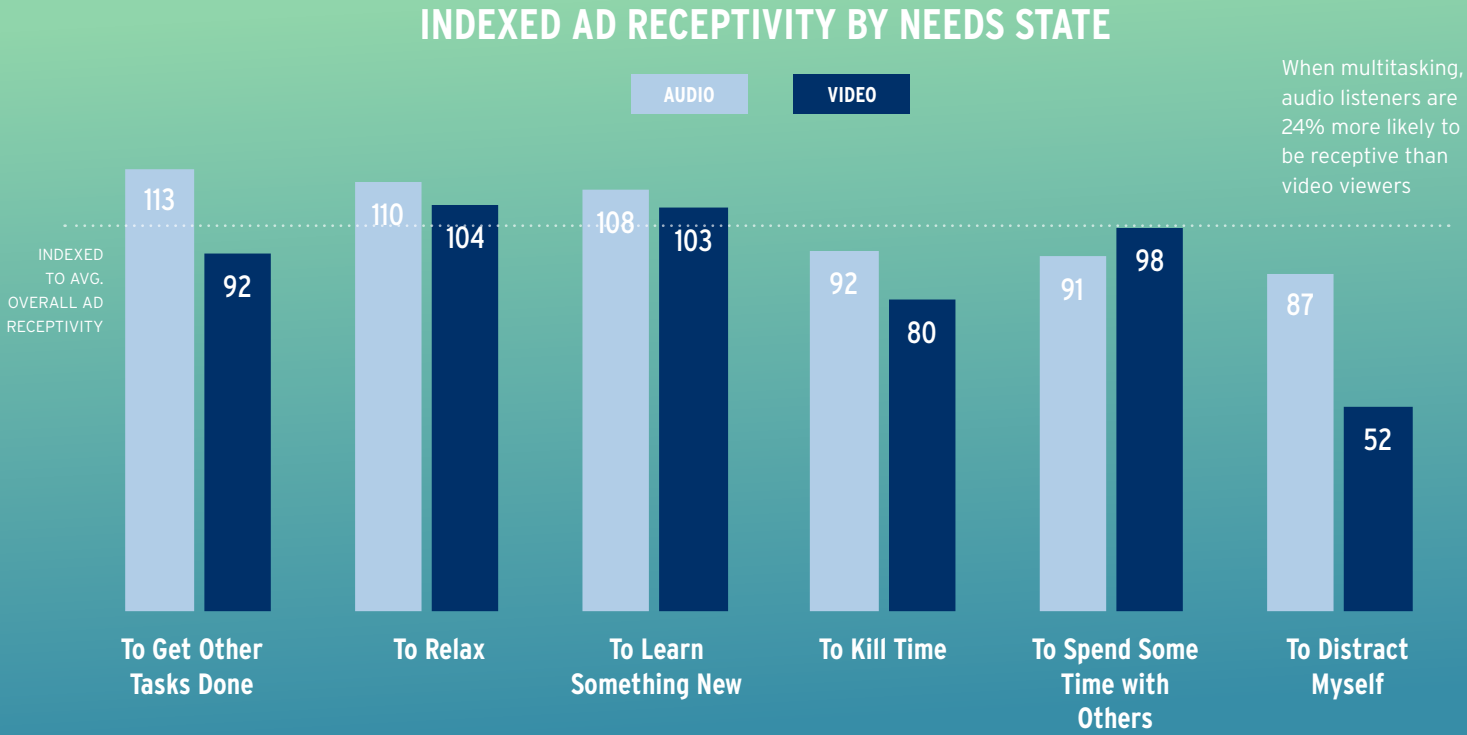
It's no surprise that being in a positive state of mind improves receptivity to audio ads, but the effect is even more pronounced than it is with video. Aligning with the genres that support good moods can be very effective for brands.



MAGNA/IPG Media Lab/Pandora, "Ad Receptivity, Deconstructed," 2019.
Q: Which of the following best describes your mood while you [listened to audio/watched video] yesterday?
Audio diary: excited N=244, stressed N=217, happy N=542, focused N=411, relaxed N=1,142, bored N=201, tired N=280.
Video diary: excited N=82, stressed N=83, happy N=169, focused N=118, relaxed N=475, bored N=142, tired N=158.

AUDIO THRIVES ON MULTITASKING WHILE VIDEO THRIVES ON SOCIALIZING

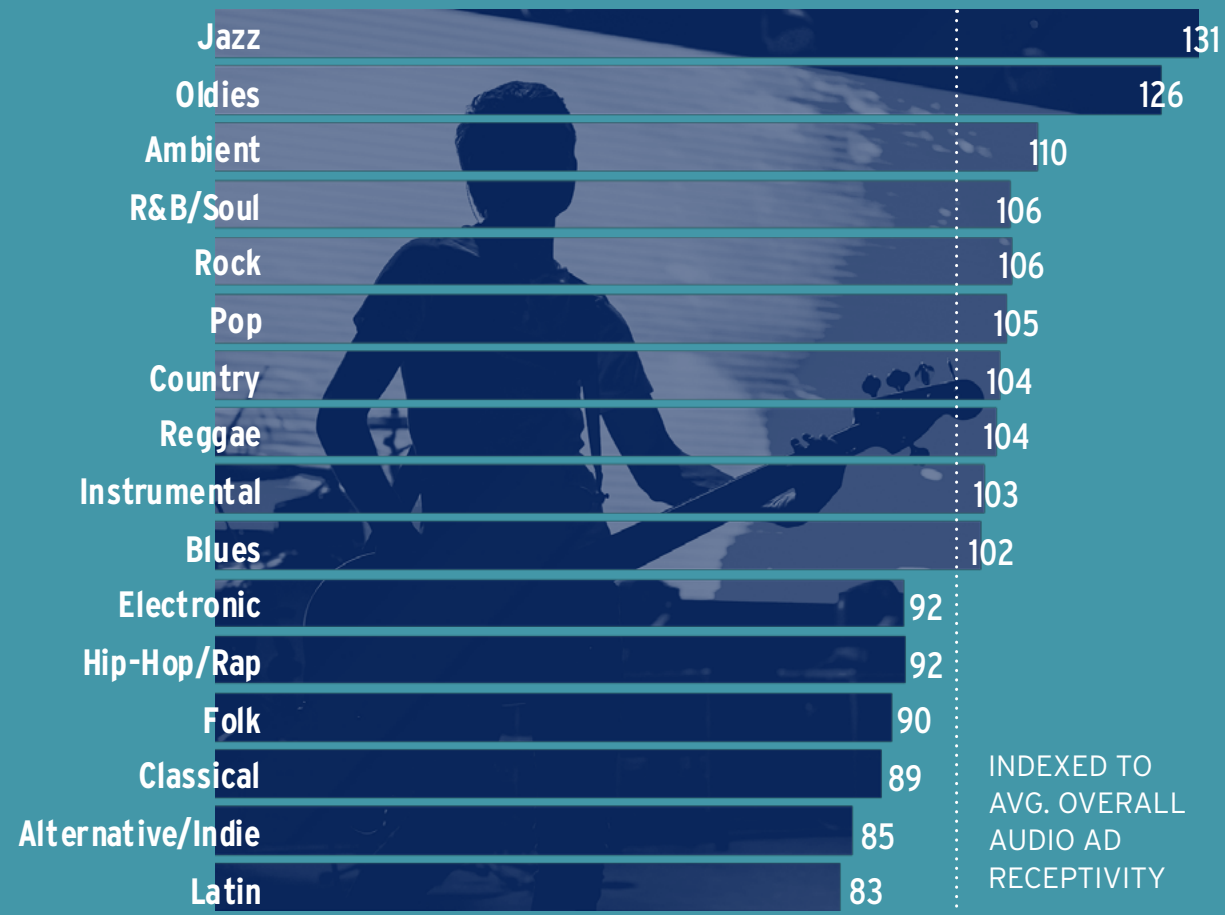
When consumers are multitasking with audio, they are likely already in a motivated state of mind, so tailoring creative to take advantage of that active state is optimal.



MAGNA/IPG Media Lab/Pandora, "Ad Receptivity, Deconstructed," 2019.
Q: Which best describes why you [listened to audio/watched video] yesterday?
Audio diary: To learn something new n=202, To relax n=1,257, To distract myself n=324, To spend time with others n=195, To get other tasks done n=619, To kill time n=353
Video diary: To learn something new n=128, To relax n=503, To distract myself n=128, To spend time with others n=114, To get other tasks done n=101, To kill time n=239

RECEPTIVITY IS HIGH WITH
RELAXING MUSIC GENRES,
BUT POP AND ROCK ARE
EXCEPTIONS

INDEXED DIGITAL AUDIO AD
RECEPTIVITY BY GENRE OF MUSIC



- ★★★★★
TOP 5 GENRES
FOR GEN Z/MILLENNIALS
1. Ambient
2. Jazz
3. Reggae
4. R&B Soul
5. Blues
- ★★★★★
TOP 5 GENRES
FOR GEN X & OLDER
1. Oldies
2. Jazz
3. Pop
4. Country
5. Rock

MAGNA/IPG Media Lab/Pandora, "Ad Receptivity, Deconstructed," 2019
Q: Please describe the subject(s) of what you [listened/watched] yesterday. Select all that apply.
Audio diary N=3,048. | Video diary N=1,240.



WHAT'S NEXT FOR AUDIO

The future of programmatic audio involves many of the building blocks that are seen in other programmatic digital campaigns. However, there's always a twist given the nature of the format. Are there specialized examples of what brands can do to hit consumers that are streaming audio while out on a run? Or in their cars depending on the location? Are there ways for consumers to deliver the same type of actionable feedback that they can with digital formats in audio such as shaking their device?

These are but a few of the hurdles required to link audio to the rest of the programmatic ecosystem at scale, opening up further options for omni channel marketing.

1

Dynamic creative implementation, even in its simplest form, with several pre-set creatives that play automatically based on weather, time of day, or other factors.



2

Import lessons from overseas; parts of Europe are ahead of development in the US (the UK has DAX, an open framework digital audio programmatic exchange).



Improved attribution, even of in-app inventory. This will be done at first for retail and QSR through location-based tracking of audio ads to visitations via Foursquare or Placed, etc.

6



More interconnectivity between listening and location, with the ability to tie that in with different campaigns e.g., Out of Home.

4



Implementation of better audio retargeting with data matching improvements, and a focus on full-spectrum addressability. Increased scale will help to tie together all data sets to ensure retargeting is done consistently across all touch points.

5



New attribution technologies, such as non-click based mobile app responses (shaking, for example), to advance the relationship between audio, companion inventory, and behavior.

6

EXPERIENCE

KEY TAKEAWAYS

- 1. While digital technologies have changed the game in out-of-home advertising, static placements are not dead—making them three-dimensional and experiential will strike a chord with consumers.
- 2. Evolving technology—and mobile devices in particular—have opened up possibilities for using data to target and retarget out-of-home advertising.
- 3. Many of the same elements that are changing how we advertise on television and online—dynamic creative, for example—will come to out-of-home as well and enable it to fit more holistically into marketers’ strategies



While much of the recent innovation in the out-of-home advertising space has been focused on digital screens and place-based video, there is still the opportunity to make static placements more experiential and therefore more memorable for consumers. Below are some recent examples executed by Rapport, IPG Mediabrands' out-of-home specialist agency.



GREAT WOLF LODGE
3-D Bus Shelter Buildout

Chicago
June 2018

Utilizing the back panel flat creative, we created illusion of a full loop-di-loop of a water slide and swapped out the bus shelter bench for a raft fashioned after the actual rafts available at Great Wolf Lodge waterparks.



NETFLIX
Altered Carbon 3-D Bus Shelter Buildouts

Los Angeles - West Hollywood
January 2018

We created 5 realistic bodies with an internal mechanism to appear as though they were actually breathing. These were placed in custom bus shelter adboxes throughout West Hollywood and garnered a ton of organic press. This campaign won Adweek's Media Plan of the Year and multiple Lions at Cannes.



SPOTIFY
Eminem's Revival

Los Angeles
December 2017

To demonstrate the amount of work and crumpled pieces of lyrics put into Eminem's comeback album, Revival, we created and installed 8' acrylic letters and filled them throughout the day with varying levels of crumpled paper balls. Eminem posted our timelapse video to his Instagram, adding an additional 1.7 million views to this execution.

TECHNOLOGY CHANGES THE OUT-OF-HOME GAME

The evolution of digital OOH has opened a huge number of opportunities for OOH advertisers. Geolocation data and mobile carrier data has gone a long way towards ensuring that brands choose the most valuable OOH locations. In addition, the sheer exposure of consumers to OOH media has skyrocketed.

An example of a digital OOH campaign that leverages data for targeting is helpful to see how a brand approaches this technology, and how consumers experience it in the wild.

1



Using carrier data, heat maps of target audience density are generated, identifying which locations that audience visits most frequently.

2



Digital OOH inventory is identified that best corresponds to those heat maps; only those inventory units are bid on during the campaign.

3



Receive key measured metrics such as ad recall (mobile micro surveys) and foot traffic (mobile data).

4



During the campaign, manage budget and ensure bid and decisioning on each spot are appropriate to maximize impact for target audience.

5



Augment the campaign by delivering companion creative to consumer mobile devices when they're in proximity to planned digital OOH screens.

6



Review and optimize campaign control audiences (behavior of those exposed to OOH + Mobile vs. just OOH vs. nothing).





PROGRAMMATIC OUT-OF-HOME: WHAT'S NEXT

- 1

Layer in digital behavior more comprehensively, i.e., what Google searches occurred after exposure, or at least after being in proximity to a digital OOH screen.
- 2

More customized OOH solutions for transactions, as opposed to treating digital OOH like a giant banner. Unique DOOH fields in tech stack consoles will help close the gap between buyer and seller perception of value.
- 3

Data landscape improvements to inform cross-channel sequencing, messaging, and retargeting that expands beyond just mobile devices. Ideally, brands would link to audio and mobile for a simultaneous experience, as well as TV and desktop/tablet.
- 4

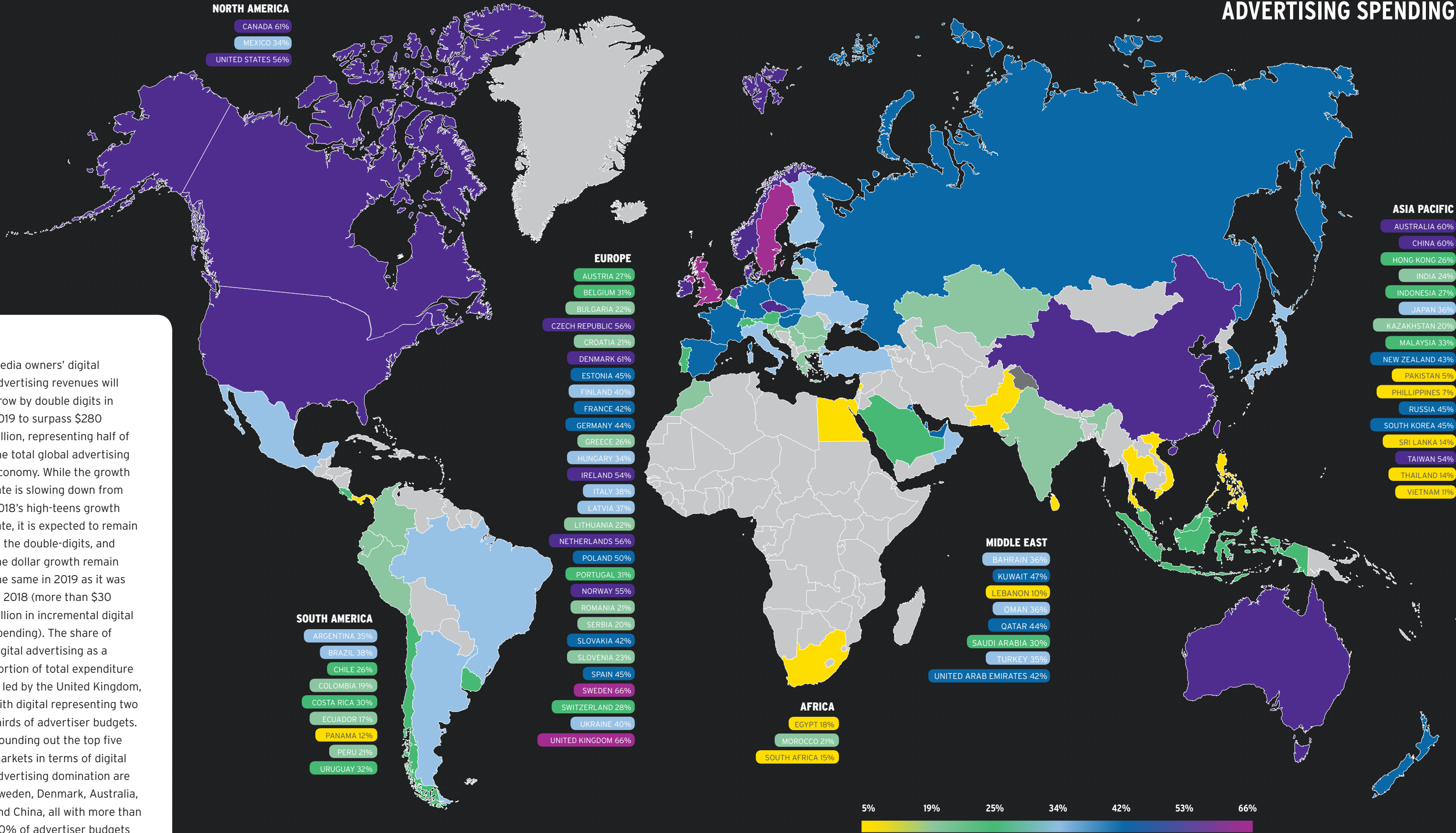
Better attribution, including more comprehensive physical behavior verification. Currently, control markets are used to judge attribution, but beacons and facial recognition could go a long way towards closing the loop between exposure and purchase.
- 5

Improved physical measurement such as live location-based data, or even more advanced technology, to differentiate who is paying attention when in proximity to a screen.
- 6

Dynamic creative based on who is currently in proximity to the screen. Creative content management systems are already in place, it's just a question of activating live location-based data.

DIGITAL SHARE OF ADVERTISING SPENDING

Media owners’ digital advertising revenues will grow by double digits in 2019 to surpass \$280 billion, representing half of the total global advertising economy. While the growth rate is slowing down from 2018’s high-teens growth rate, it is expected to remain in the double-digits, and the dollar growth remain the same in 2019 as it was in 2018 (more than \$30 billion in incremental digital spending). The share of digital advertising as a portion of total expenditure is led by the United Kingdom, with digital representing two thirds of advertiser budgets. Rounding out the top five markets in terms of digital advertising domination are Sweden, Denmark, Australia, and China, all with more than 60% of advertiser budgets spent on digital formats.





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ABOUT MAGNA

MAGNA is the centralized IPG Mediabrands resource for market intelligence, media investment and innovation strategies. The agency utilizes its insights, forecasts and strategic relationships to provide clients with a distinct marketplace advantage.

MAGNA harnesses the aggregate power of all IPG media investments to drive maximum value for its clients through preferred pricing and premium inventory.

The agency's Investment and Innovation teams architect go-to-market media strategies across all channels including linear television, print, digital, programmatic and emerging media. MAGNA is a leader in generating data and technology-enabled solutions that drive optimal client performance and business results.

The agency's Intelligence unit has been a coveted source of crucial industry information, including media value predictions, for more than 60 years. It produces more than 40 annual reports on audience trends, media spend and market demand as well as ad effectiveness.

For more information, please visit www.magnaglobal.com

ABOUT IPG MEDIABRANDS

IPG Mediabrands is the global media and data arm of Interpublic Group (NYSE: IPG). Today, the network manages \$39 billion in marketing investment on behalf of its clients, employing over 12,000 marketing communication specialists in more than 130 countries.

Full-service and global agencies within the IPG Mediabrands network include UM and Initiative. Additional leading brands and specialist business units include Cadreon, Healix, IPG Media Lab, MAGNA, Orion Holdings, Rapport and Reprise.

For more information, please visit www.ipgmediabrands.com

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