

WHAT WE KNOW TODAY

PERSONALIZED ADS MAKE BETTER WEB EXPERIENCES

+9% more enjoyable and +8% more seamless experience

GENERALLY, THE MORE PERSONALIZED, THE BETTER THE WEB EXPERIENCE

Ads with the highest level of personalization lead to +6% more enjoyable experiences compared to ads with the lowest level of personalization

ABOVE ALL, PEOPLE EXPECT RELEVANCE BASED ON THEM AND THEIR INTERESTS

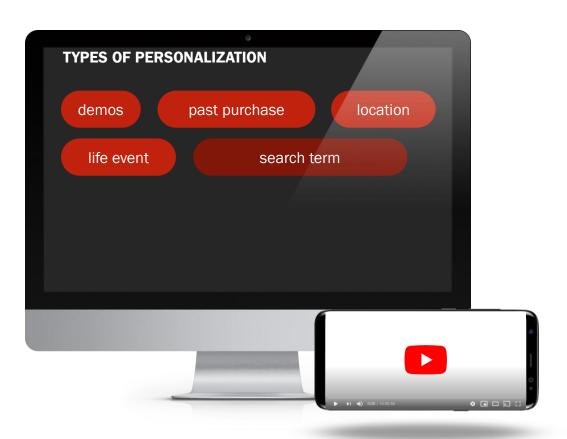
Interest based relevance is the top reported expectation, even above useful info





THE SCOPE OF OUR TESTING

DEVICES



INDUSTRY VERTICALS







AUDIENCE TYPES

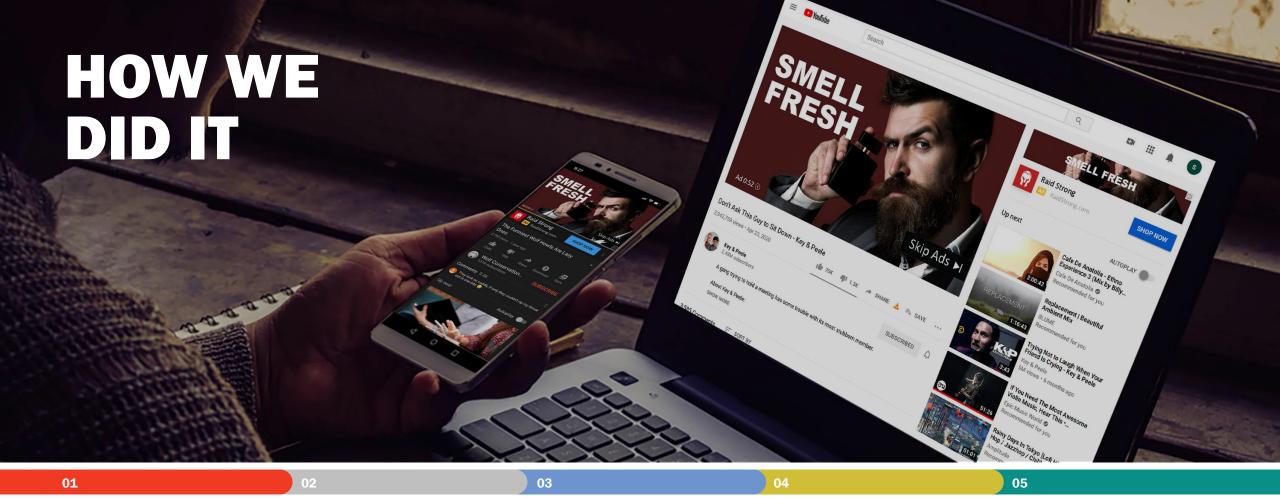






HVAs (High Value Audiences)





RECRUITMENT

YouTube users recruited from online panel

- Nationally representative sample for demo target
- HVAs identified through Kinesso database match

Total n=6,603 (4,105 Demo, 2,498 HVA)

DEMOGRAPHICS

Initial demographic and personalization questions used for ad personalization as part of larger battery

RANDOMIZATION

Respondents randomized to see personalized ad or standard ad within mocked up version of YouTube page. Personalization is determined based on previous survey questions

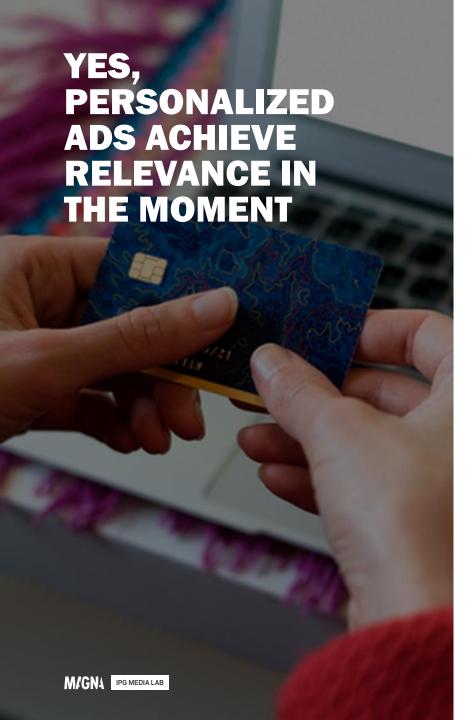
YOUTUBE EXPERIENCE

Participants visit YouTube testing page, where they select and play video content based on their interests

SURVEY

Post exposure survey to measure ad opinions, traditional branding metrics, and consumer perceptions of ad personalization

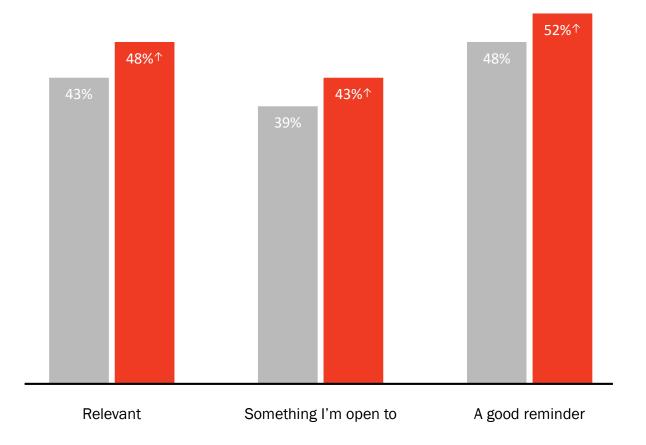


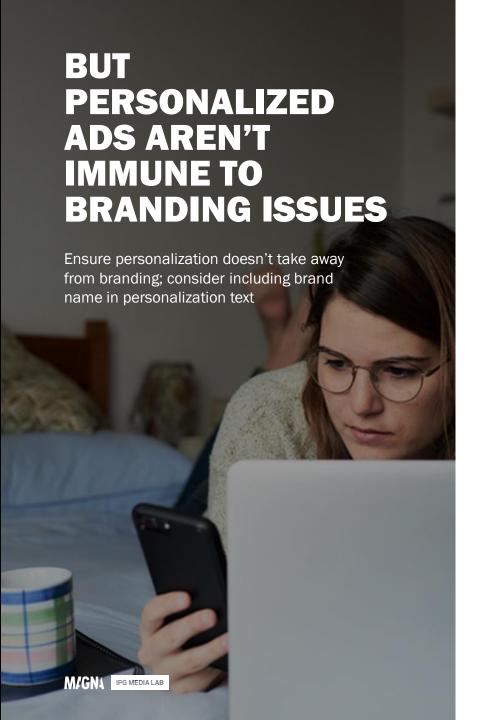


AD PERCEPTIONS

Total Exposed - % Agree

■ Standard Ads ■ Personalized Ads



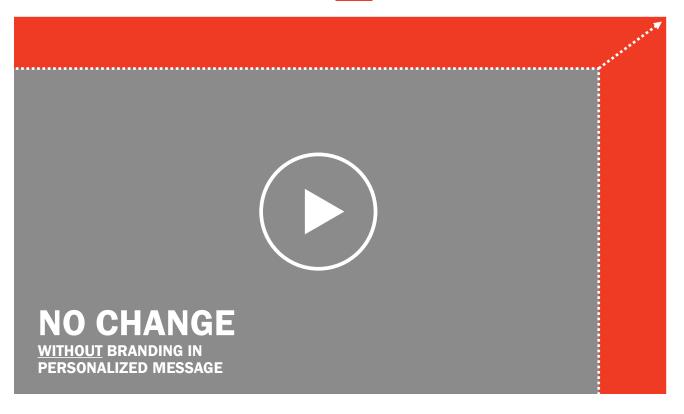


UNAIDED AD RECALL

Retailer Brand - % Recall (Personalized Ads - Standard Ads)

+8%↑

WITH BRANDING IN PERSONALIZED MESSAGE



STRONG BRANDING + PERSONALIZATION = AMPLIFIED BRAND STORY

AD PERCEPTIONS

Those Who Recall Ad - % Agree

- Standard Ads
- Personalized Ads

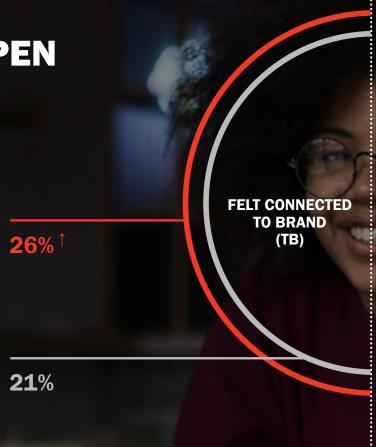


PERSONALIZED ADS FORGE MORE PERSONAL CONNECTIONS, LEAVING PEOPLE OPEN TO HEARING MORE

BRAND PERCEPTIONS

Those Who Recall Ad - % Agree

- Standard Ads
- Personalized Ads



WANT TO HEAR MORE FROM BRAND (T2B)

47%

53% ¹

ULTIMATELY, A PERSONALIZED MESSAGE CAN LEAD TO +5% ON PURCHASE INTENT

PURCHASE INTENT

Those Who Recall Ad - % Agree

STANDARD ADS

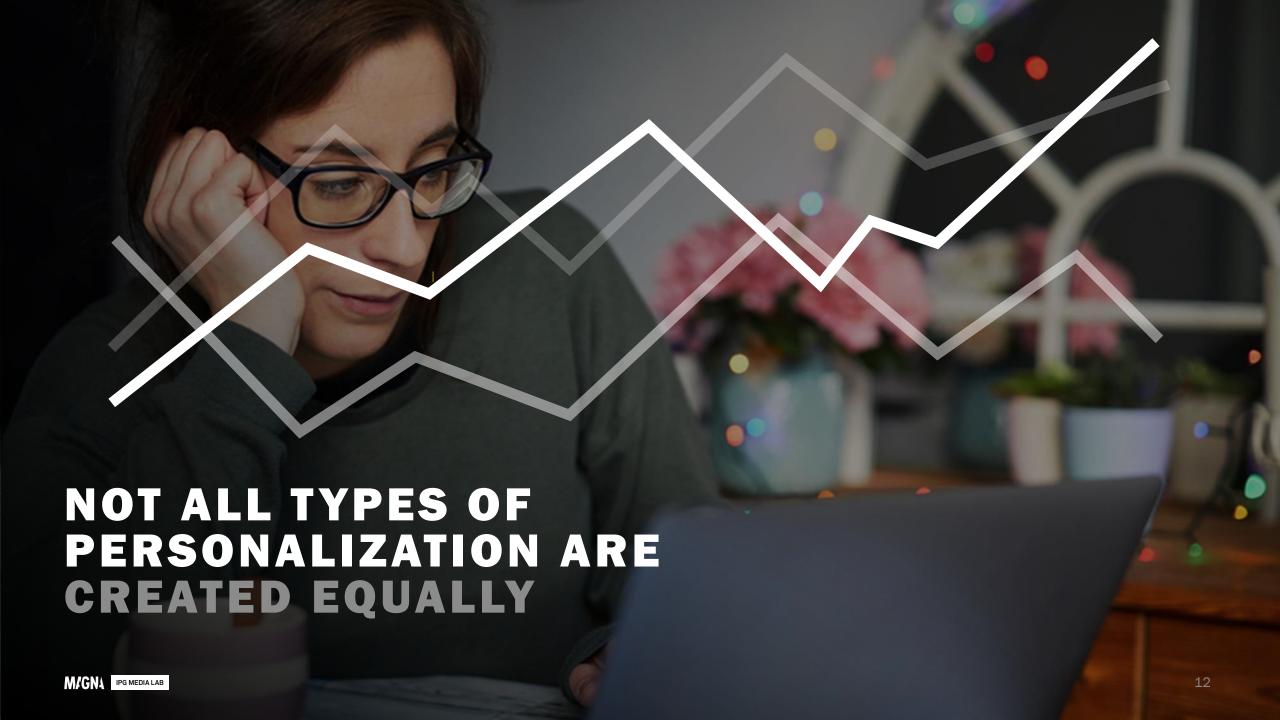


55%

PERSONALIZED ADS



60% ↑

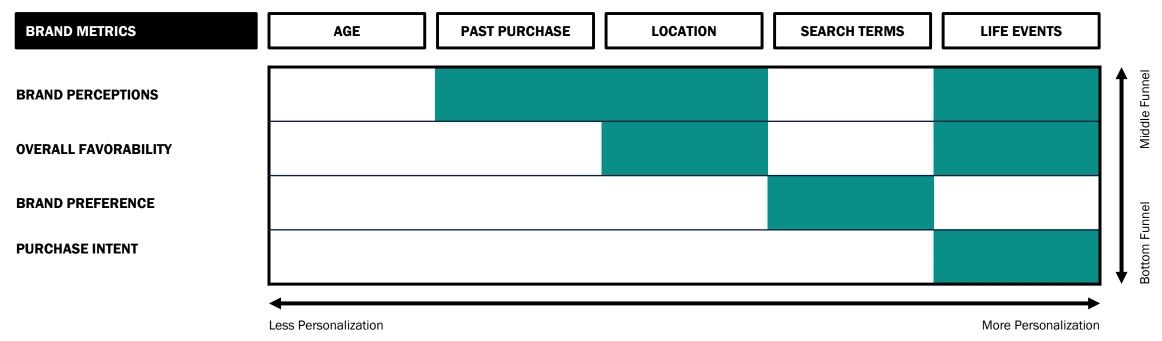


HIGHER LEVELS OF PERSONALIZATION MAY BE NEEDED TO SHIFT MORE DIFFICULT TO MOVE METRICS

SUMMARY OF IMPACT

Those Who Recall Ad

Personalized Ads Outperform Standard Ads



TRACKING IS OBVIOUS WITH LOCATION **MESSAGING, BUT IT DELIVERS BY BUILDING FAVORABILITY THROUGH RELEVANCE**

LOCATION PERSONALIZATION

Those Who Recall Ad - % Agree

Standard Ads Personalized Ads

NIGHT OUT IN AUSTIN?

SMELL FRESH TONIGHT



THE AD

Relevant



Feel like I'm being tracked

THE BRAND







MESSAGING TAILORED TO PAST PURCHASES CONVEYS INNOVATION AND HIGHLIGHTS STORYTELLING

PAST PURCHASE PERSONALIZATION

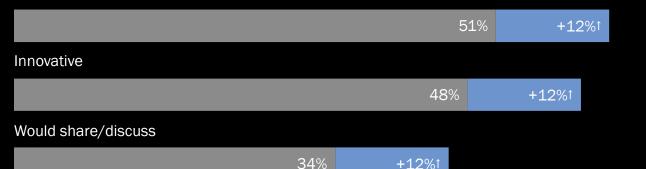
Those Who Recall Ad - % Agree

■ Standard Ads ■ Personalized Ads



THE AD

Good reminder





SEARCH TERM-ENABLED MESSAGING OFFERS UTILITY AND BUILDS PREFERENCE

SEARCH TERM PERSONALIZATION

Those Who Recall Ad - % Agree

■ Standard Ads ■ Personalized Ads



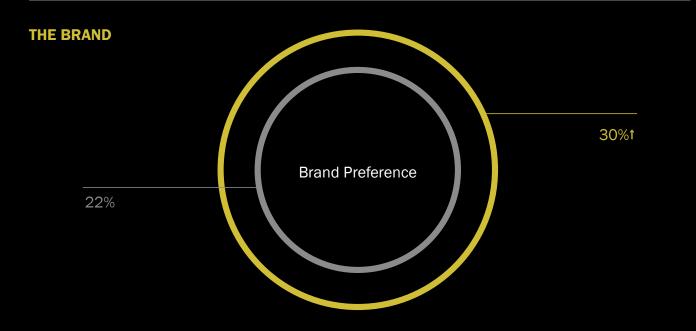
THE AD

Good reminder



Provided new info





PERSONALIZING BASED ON LIFE EVENTS STRIKES AN EMOTIONAL CHORD, RESULTING IN PERSUASION

LIFE EVENTS PERSONALIZATION

Those Who Recall Ad - % Agree

■ Standard Ads ■ Personalized Ads

ANNIVERSARY COMING UP?



REMIND HER OF YOUR FIRST DATE

THE AD

Inspiring



Told an interesting story



THE BRAND

+16%↑

Want to hear +12%↑ +12%↑ +12%↑ +12%↑ more from (T2B) **Purchase** Recommend Respect Overall (T2B) Favorability Intent (T2B) (TB) (TB)

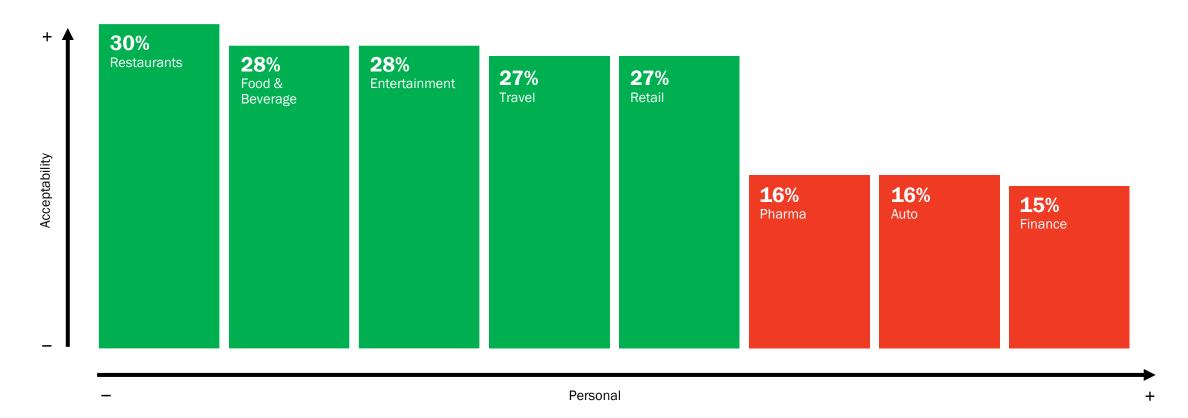
INDUSTRY VERTICAL SHOULD INFORM PERSONALIZATION STRATEGY



HIGHEST ACCEPTABILITY TOWARDS LEAST PERSONAL PURCHASES

ACCEPTABILITY OF PERSONALIZED ADS BY VERTICAL

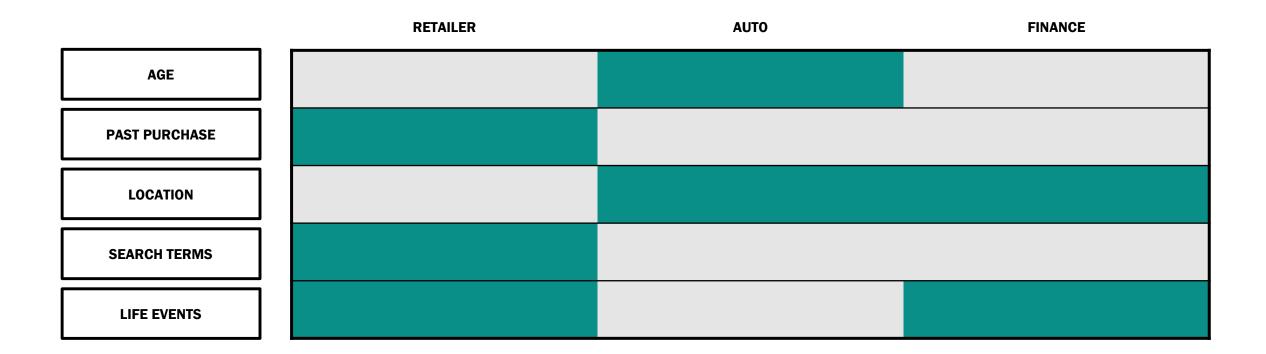
Highly Acceptable - % Agree (Scale: 8-10)



PERFORMANCE VARIES BY INDUSTRY – THOSE WITH MORE PERSONAL PRODUCTS SHOULD BE PARTICULARLY THOUGHTFUL

IMPACT SUMMARY

Personalized Ads Outperform Standard Ads
Similar Performance

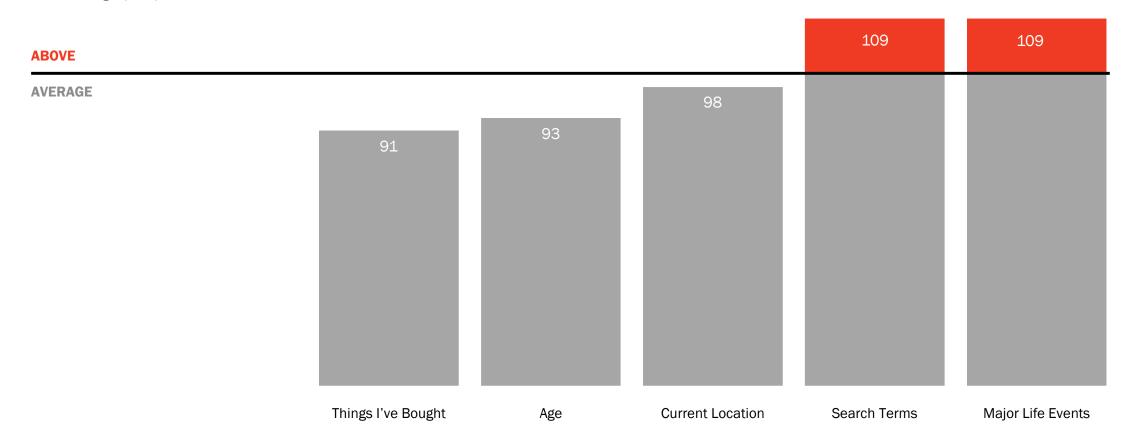




NUANCED APPROACH IMPORTANT FOR SEARCH TERMS AND MAJOR LIFE EVENTS

PERCEIVED SENSITIVITY OF DATA TYPE

Indexed to Average (100)



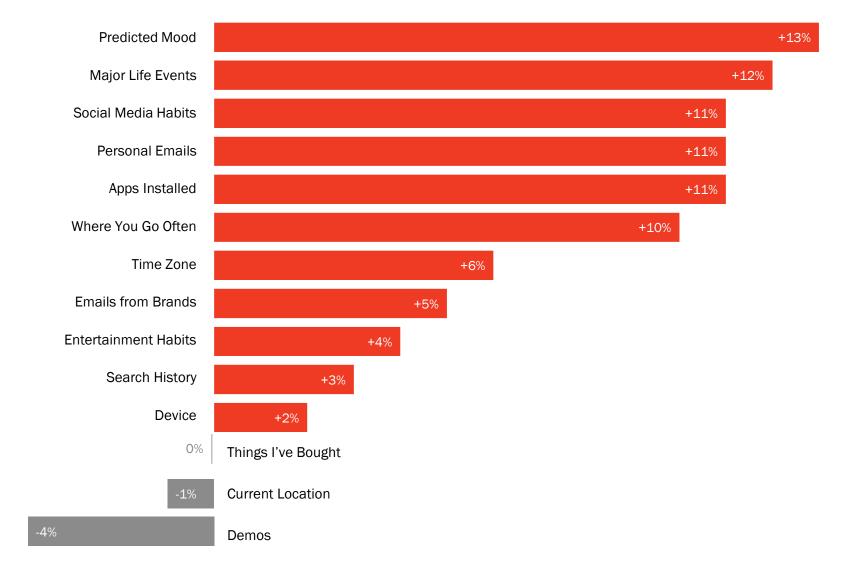




PEOPLE ARE MOST ACCEPTING OF DATA USE FOR PERSONALIZATION ON MOBILE

Differences In Acceptance Of Data Use For Personalization By Device

Delta (Mobile % Acceptable – Desktop/Laptop % Acceptable)





PERSONALIZED ADS WORK HARD ON MOBILE, WHERE PEOPLE ARE MOST COMFORTABLE WITH IT

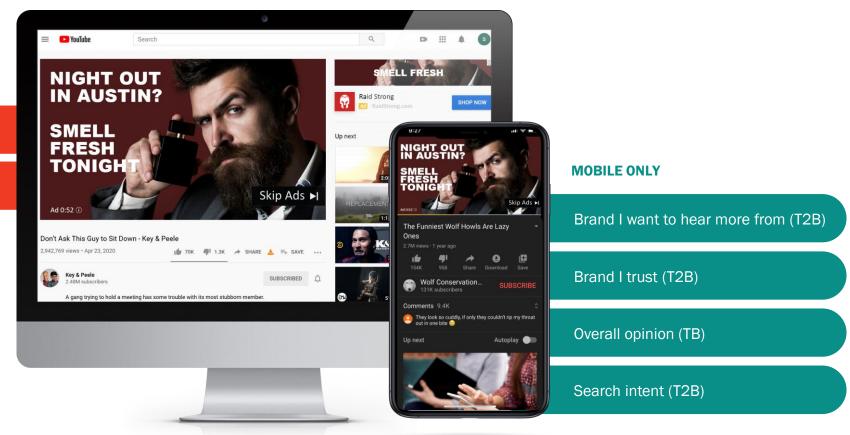
IMPACT OF PERSONALIZATION BY DEVICE

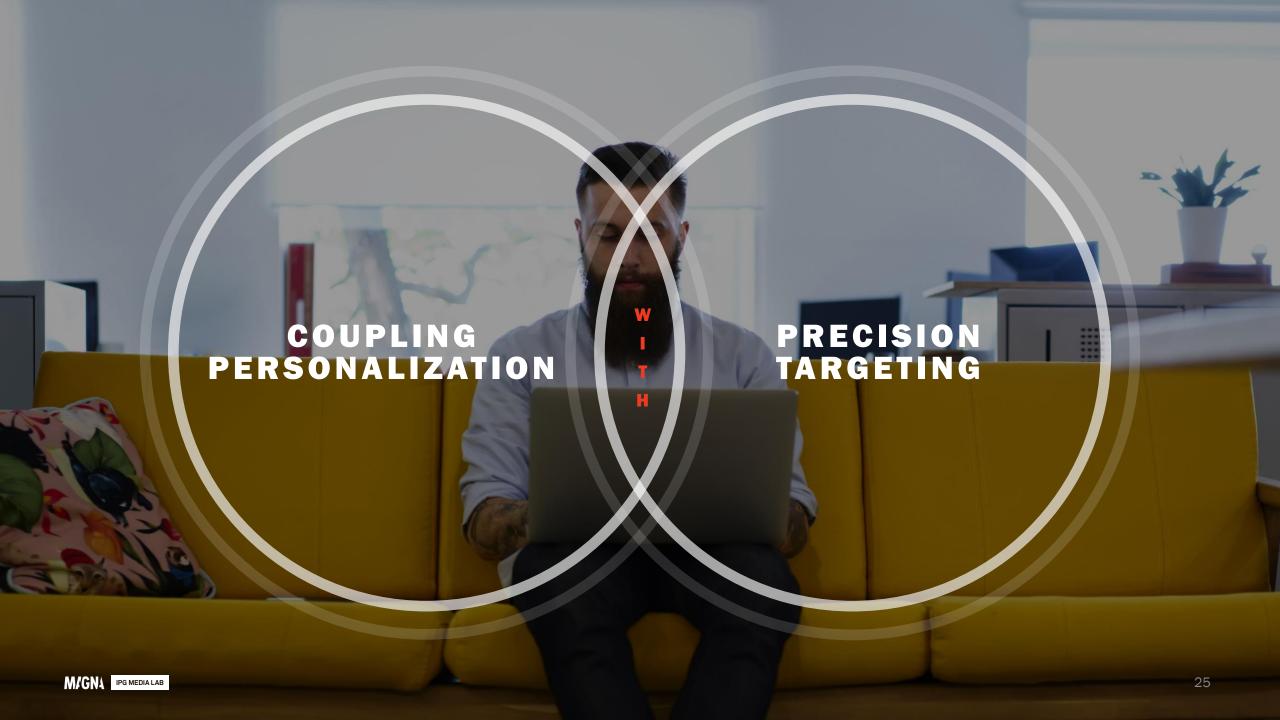
Those Who Recall Ad

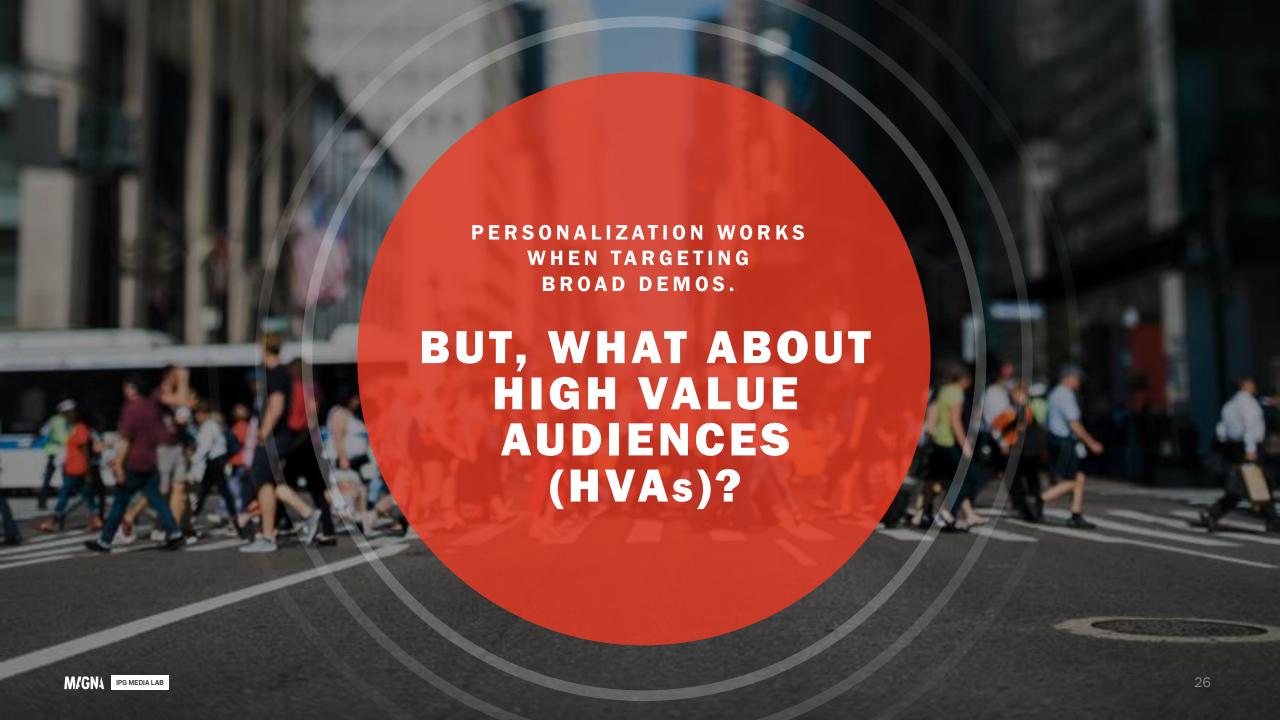


Brand is relevant (T2B)

Purchase intent (TB & T2B)







WHAT ARE HVAS?

WHO THEY ARE

HVAs are specific personas that the brand has identified as having more value than consumers reached via traditional strategies (e.g. demo). HVAs are heavily customized based on demographics, category status, and psychographics.

HOW THEY'RE CREATED

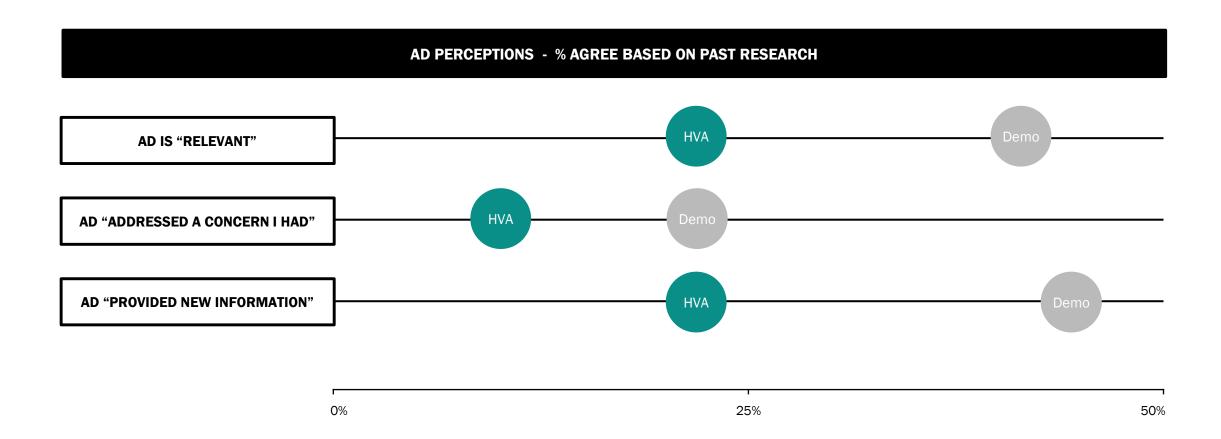
HVAs are created from a big data set with audience behavior tracked at the consumer level. Modeling is used to predict conversions from behaviors.

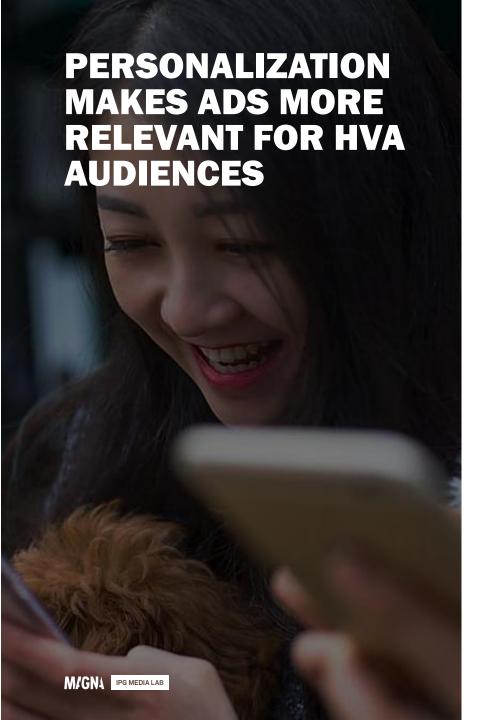
HVAs are developed ethically with a focus on people.



PAST RESEARCH SHOWS HVAs NEED MORE CUSTOMIZED MESSAGING

HVAs can be particularly critical of ads not customized to them

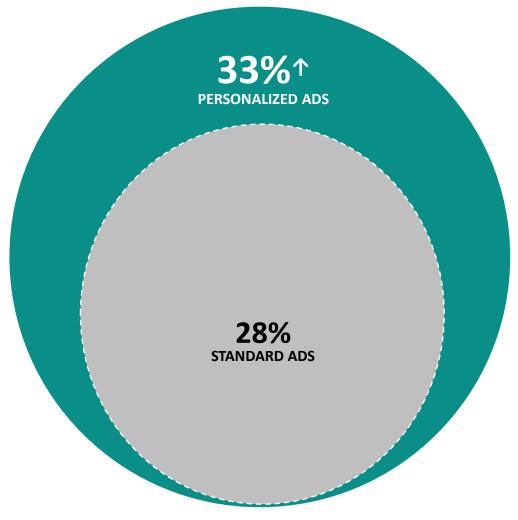




AD IS "SOMETHING I'M OPEN TO RIGHT NOW"

HVAs - % Agree

- Standard Ads
- Personalized Ads

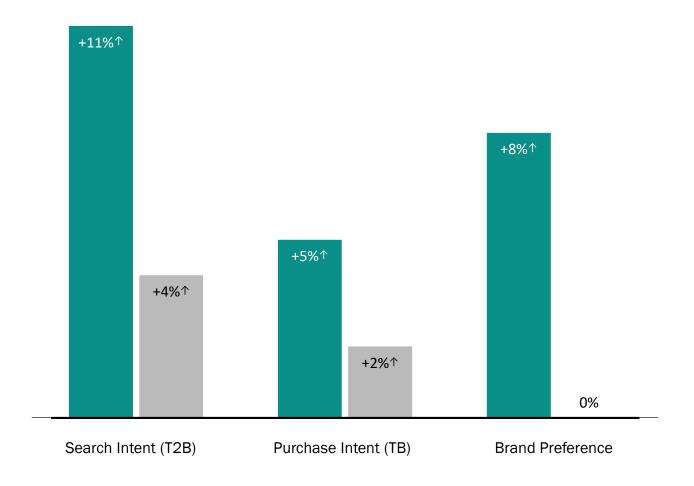


ULTIMATELY, HVAs RESPOND ESPECIALLY WELL TO PERSONALIZED ADS Adding precision targeting to precision messaging leads to best results M/GNA IPG MEDIA LAB

IMPACT OF PERSONALIZATION BY TARGETING TYPE

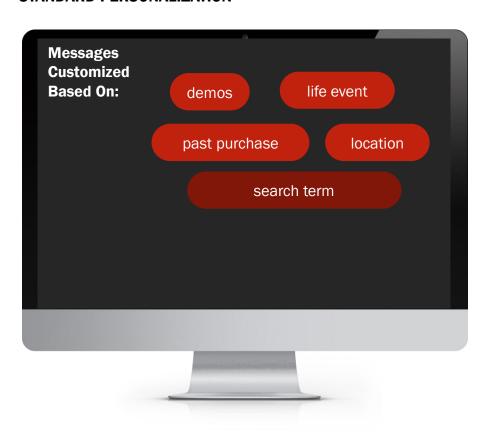
Those Who Recall Ad - Delta (Personalized Ads - Standard Ads)

- Demo Targets
- HVA Targets

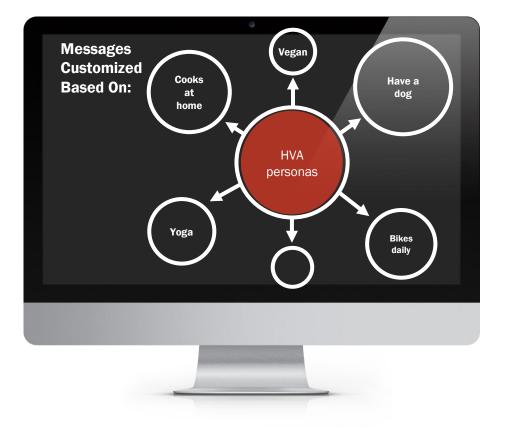


BUT, WHAT ABOUT PERSONALIZING MESSAGES BASED ON PERSONAS?

STANDARD PERSONALIZATION



PERSONA-BASED PERSONALIZATION



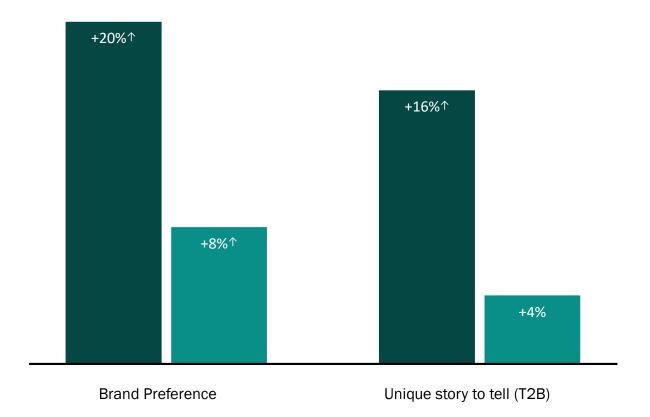


BECAUSE EACH HVA IS UNIQUE, MAXIMUM IMPACT IS ACHIEVED WITH PERSONA-BASED PERSONALIZATION

IMPACT ON HVAs BY MESSAGE TYPE

Those Who Recall Ad - Delta (Personalized Ads - Standard Ads)

- HVA Targets with **Standard** Personalization
- HVA Targets with **Persona-Based** Personalization



IMPLICATIONS



CREATIVE BEST PRACTICES STILL APPLY

Don't let the process of planning for personalization distract from the need to have strong branding



THOUGHTFULNESS IS KEY

While higher levels of personalization worked harder on purchase intent, these forms of data are perceived as more sensitive. Brands with more personal purchases should be especially thoughtful when leveraging these data sources for personalization



PERSONALIZE FOR HVAs

Targeting HVAs works, but the use of mass market messaging leaves potential impact on the table

Use personalization to amplify effectiveness when targeting HVAs. Brands should also consider going a step further by curating the message based on each HVA's unique profile



