



ROI: Return on Insight

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Introduction

Data is everywhere – we live in an information age. However, this proliferation of data brings with it a dearth of insight. Is there a difference between the two? Some people would say no – which is at the centre of the challenge. Consider the UK's recent retail boost during the post-Christmas season – sales were up from the 26th of December to the 4th of January. That's data. The insight comes from our knowledge that consumer spending increased as people looked to grab a bargain before the VAT increase came into effect on the 5th of January. It is the insight that makes the difference – it informs decisions, it sparks creativity, it grows business.

The Internet economy is said to contribute over 7% of the UK's GDP – no surprise with consumers sending some 25 million tweets in 2010 and uploading 35 hours worth of video a minute onto YouTube. Online advertising provides an opportunity for advertisers to learn more about their audiences, delivering measurable data through intelligently targeted and accountable campaigns. Little surprise then, that the Internet is the fastest growing advertising medium in the UK, now accounting for roughly one in every four advertising pounds spent.

But how useful is data without intelligent application? In a word it is worthless. Ian Dowds, VP UK at Specific Media says, "You can take the world's largest building and fill it full of books, but if you don't have a system to find the right one when you need it, and you can't then read and understand it, your library is nothing more than a collection of firelighters. You need the insight to make data work."

With the explosion in media channels, and the consequent increase in availability of opportunities for advertisers to reach consumers, insight is at the fore. But what is it, and what can advertisers expect?


What is Insight?

Insight is a problem solver. An eye opener. A difference maker. Martin Galvin, Director of Agency Sales at Specific Media typifies it as "that piece of analysis that makes a real difference to the performance of a client's campaign – the piece of understanding that leads to excellent execution."

On a campaign level, insight is used at a granular altitude, with consumer behaviour at the very heart of every piece of advertising, ensuring that the right person sees the right advertising at the right time. Laura Quay, Account Director at Manning Gottlieb believes the audience insights routinely supplied by Specific Media have a positive effect on campaign success. "They allow us to optimise current campaigns and plan more effectively for future activity, meaning we deliver above and beyond the level of detail our clients now expect."

There are three important elements required for truly effective insight. The first is **data**, which itself has three pivotal foundations:

- **Richness** – quality trumps quantity. The Internet generates a phenomenal amount of data on an hourly basis, but richness is key, allowing advertisers to build a clear and complete picture of their target audience. It is more than simply understanding that a consumer who visits a travel site may be interested in a holiday. It is the process of analysing consumer media consumption



across the Internet to build detailed, anonymous profiles that help determine additional factors such as destination, budget, travel type and when they will book. Rich data creates rich insight.

- **Uniqueness** – ensuring that as an advertiser you have access to leading edge data is essential to securing competitive advantage. The proliferation of the same data through different channels does not provide advertisers with the opportunity to differentiate.
- **Freshness** – the Internet is a 24/7 window on the world, generating real-time data that can be acted upon with immediacy. Fresh, actionable data is the oxygen to a campaign's fire – and often human interpretation is an advertising network's biggest asset.


The second element for truly effective insight is **interpretation**. Information without interpretation has a short shelf life, and an even shorter degree of use. Insight is teased from a holistic vantage point. Take the world of music advertising. Data will tell us that the best place to sell a gig ticket is at the box office – allowing you to reach those evidently in-market, by virtue of the fact that they are either on their way to or from the box office. But if you can turn data into insight, the net can be cast wider – allowing you to find consumers just as interested in a gig ticket whatever their proximity to the box office.

As Derrick Faulkner, Specific Media's Director of UK Ad Operations, says, there are no shortcuts to effective interpretation. "We have gradually developed thousands of behaviours, and they are being added to and revised constantly in order to remain effective. It has taken over a decade to build up the data capabilities, techniques and the technology needed to do what we do."

Within Specific Media UK, we have a team of 13 analysts working full time, utilising terabytes of data stored in a vast data warehouse and a range of proprietary tools. Producing actionable insights takes expertise, experience and intelligence:

- **Expertise** to be able to analyse, filter and model data, spot statistical trends and know which are significant;
- **Experience** to be able to compare a current campaign with previous, related campaigns and apply the relevant learnings; and
- **Intelligence** to create hypotheses and bring real-world common sense to analysis. Where a server will see an integer, a skilled analyst will see an opportunity. When the ash cloud from the Icelandic volcano grounded flights across Northern Europe last Summer, a Specific Media delivery analyst working on a travel campaign quickly spotted that users showing an interest in volcanoes were doing so because they were likely to be in-market to book a holiday. Travel campaigns running at this time were adapted accordingly and campaign results increased, exceeding client expectations.

The final element, often frustratingly absent, is providing the right **output** for the client – practical application that will make a real and tangible difference to an advertiser's business. Specific Media's Senior Director of Category Development, Daniel Stephenson, sums up the client's need succinctly: "Tell me something about my audience that I didn't already know and tell me more about audiences I didn't know I had."



Many advertisers will measure a campaign's efficiency and success on a CPA basis. Insight contributes to delivering the best CPA, but can jar with it if used as an absolute measure. Insight by its nature unlocks new opportunities, builds awareness and contributes to the long term health of a brand.

Performance Perfection

Internet advertising, driven by insight, has enriched our understanding of the traditional consumer purchase funnel – giving advertisers a hitherto unseen view of consumer behaviour. Attention has largely been focused at the bottom of the purchase funnel, at the point of purchase. Insight has optimised data – the who, where and when of purchase – which has in turn optimised advertising campaigns driving efficiency and effectiveness.

Specific Media uses insight to deliver actionable results. Examples are endless, including a recent campaign for a b2b technology provider: Hover and Click rates were 22% and 31% higher respectively at weekends. Harnessing such insight significantly optimises campaigns to consistently drive down the cost of acquisition and increase the scale of acquisition for advertisers.

Creating Consideration

Insight is not restricted to optimisation. When used intelligently, insight unlocks doors for advertisers, in effect widening and elongating the purchase funnel. Analysing data at the bottom of the funnel reveals trends, traits and tendencies that can then be applied to a campaign's delivery, as Virginia Ammann, VP Operations Europe at Specific Media explains:

“An automotive campaign might begin by retargeting consumers who have already shown interest in buying 4x4s. At its crudest, it would simply target everyone who had visited their website with ads for the brand's 4x4. The problem,” she says, “is that you burn through people who are actually looking to buy very quickly – and if you don't keep a tight frequency cap on it, then you may actually end up turning people off your product because you're chasing them around the web.”

Using a process called Dynamic Discovery, which Ammann likens to highly tuned detective work, broadens possibilities. Behaviours can be mapped so that the advertiser is able to reach similar people to that of their existing customer base that haven't visited any automotive websites, creating new, previously unidentified pools of potential customers.

Volume of acquisitions is increased, and – due to the intelligent application of insight – CPA is kept low. This process is not without its challenges, not least as it challenges convention. Insight answers the question “who will respond”, not “who should we target”, but convincing an automotive advertiser promoting 4x4s to focus on keen gardeners due to data insight rather than businessmen is an ongoing challenge for digital marketers.

But working within a brand-safe environment, such as Specific Media's Premium Network, minimises risk for an advertiser, who can begin to build a one-to-one relationship with consumers. Ian Dowds

agrees that taking a dynamic approach to targeting can help Specific Media exceed client expectations, “It pays for brands to let us investigate, quite literally.”



Building Brands – The Role of Insight

By utilising the rich insight provided by Dynamic Discovery, advertisers can use the Internet to talk to consumers at both the cusp of a purchase and at the consideration outset. Specific Media’s report, ‘Display Advertising Impact on Search’, leveraged 12 months of proprietary Ad Effectiveness data and found that consumers exposed to display advertising were more likely to search for brand items (i.e. automotive manufacturers) and segment terms (i.e. vehicle class). The 130% uplift in automotive search behaviour driven by online display advertising is evidence of the impact display has beyond the click. The ability of insight to deliver a brand to consumers, rather than wait for a consumer to come to the brand is a powerful tool in the armoury of the consumer-focused advertiser.

As video consumption continues to increase online, and networks such as Specific Media become media platforms, the power of insight simply increases. “We’re seeing some really nice, new forms of ads come through,” says Faulkner. “They’re certainly engaging, but if they’re not served in front of the right people, they’re just nice to have. If you can take that vibrant content and deliver it using insight-led expertise then you have something really powerful.”

From Performance to Planning

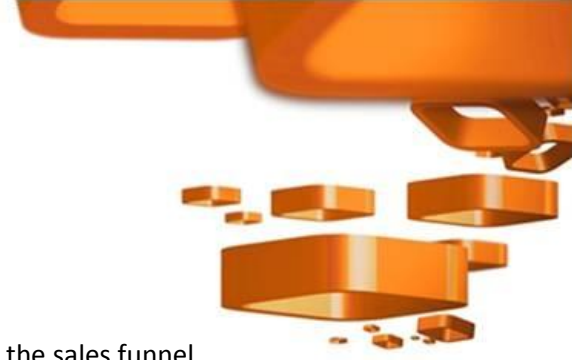
In the current digital landscape, insight is focused primarily around the delivery of an advertiser’s campaign, dynamically feeding and fuelling execution of advertising impressions to reach the right audience most efficiently and effectively.

There is opportunity for the value of rich insights to live long beyond the consumer funnel, becoming a central component of the planning process for brands. As Stephenson observes, “Online ad networks operate at the point where campaigns finally reach real people. Unlike all other forms of advertising, digital gives you the live data that shows how that campaign is performing, with granular detail. If used correctly, it can be like having a live, ongoing focus group.” In fact, with this quality of rich insight being produced on a daily basis, its uses are virtually limitless; from shaping the creativity of campaigns, to developing advanced target audience profiles, to shaping the offline elements of a communications plan.

ROI: Return on Insight?

What then, is the return on insight? We have seen how applying insight can have a very real impact on the entire ad campaign, from top to bottom:

- **Improving Performance**
 - Identifying a campaign’s target audience
 - Optimising campaign durations and timings

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- Revealing the most effective creative
 - Optimising CPA as a result
 - **Creating Consideration**
 - Increasing the reach of campaigns beyond the bottom of the sales funnel
 - **Building Brands**
 - Impacting on brand awareness campaigns through a halo effect on natural search
 - Optimising brand campaigns with interaction required from users
 - Increasing recall, by marrying interactive and video ads to more effective targeting
 - **Moving from Performance to Planning**
 - Helping to inform the campaign journey, from buying, to planning, to creative development

For Daniel Stephenson, the ultimate return on insight is clear. “Actionable insight, developed through in-depth data analysis, reveals the people who want to buy your product that you never knew existed.”