ADVERTISING EFFECTIVENESS SIGNALS AND MEASUREMENT SOLUTIONS

September 2020

Featuring

NEW REPORT HIGHLIGHTS

Contact us for more information regarding access to our full 2020 Measurement Report

Advertiser Perceptions™

Have Confidence in Every Business Decision You Make

TODAY'S HOSTS

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EVP Business Intelligence

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VP Business Intelligence

METHODOLOGY

INTERVIEWS CONDUCTED: 200

SURVEY FIELDED: July 6 to July 14, 2020

SAMPLE: Marketer and Agency contacts from The Advertiser Perceptions Ad Pros proprietary community and trusted third-party partners as needed.

Our Ad Pros Community represents the brands and agencies that are spending the most on advertising and marketing in the U.S. We continuously update, supplement, and refine the community based on movement in the market.

AD PROS™
ADVERTISER PERCEPTIONS

RESPONDENT QUALIFICATIONS:

- Involved in decision-making for paid advertising
- Total ad spend next 12 months minimum: $5MM
- Very or somewhat involved in and used measurement/analytics or ad effectiveness research in past 6 months
- Used specific measurement or research tools to optimize media campaigns in past 6 months

RESPONDENT PROFILE

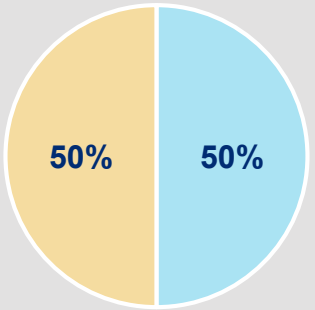
Job Title/Level	
C-Level	24%
VP, SVP, EVP, President	22%
Director	30%
Supervisor, Dept Head, Grp Mgr	11%
Manager	12%

Advertising Spend	
Total Ad Spend (next 12 months)	$148 M
% Ads Purchased Programmatically (past 12 months)	38%

Revenue by Channels (means)	
Direct-to-Consumer	41%
Traditional Online	27%
Traditional Brick and Mortar	32%

Media Type Advertising Involvement	
Digital Video	86%
Linear TV (broadcast, cable)	82%
CTV/OTT	92%

Brand vs. Performance Advertising	
Brand-Focused	51%
Performance-Focused	49%



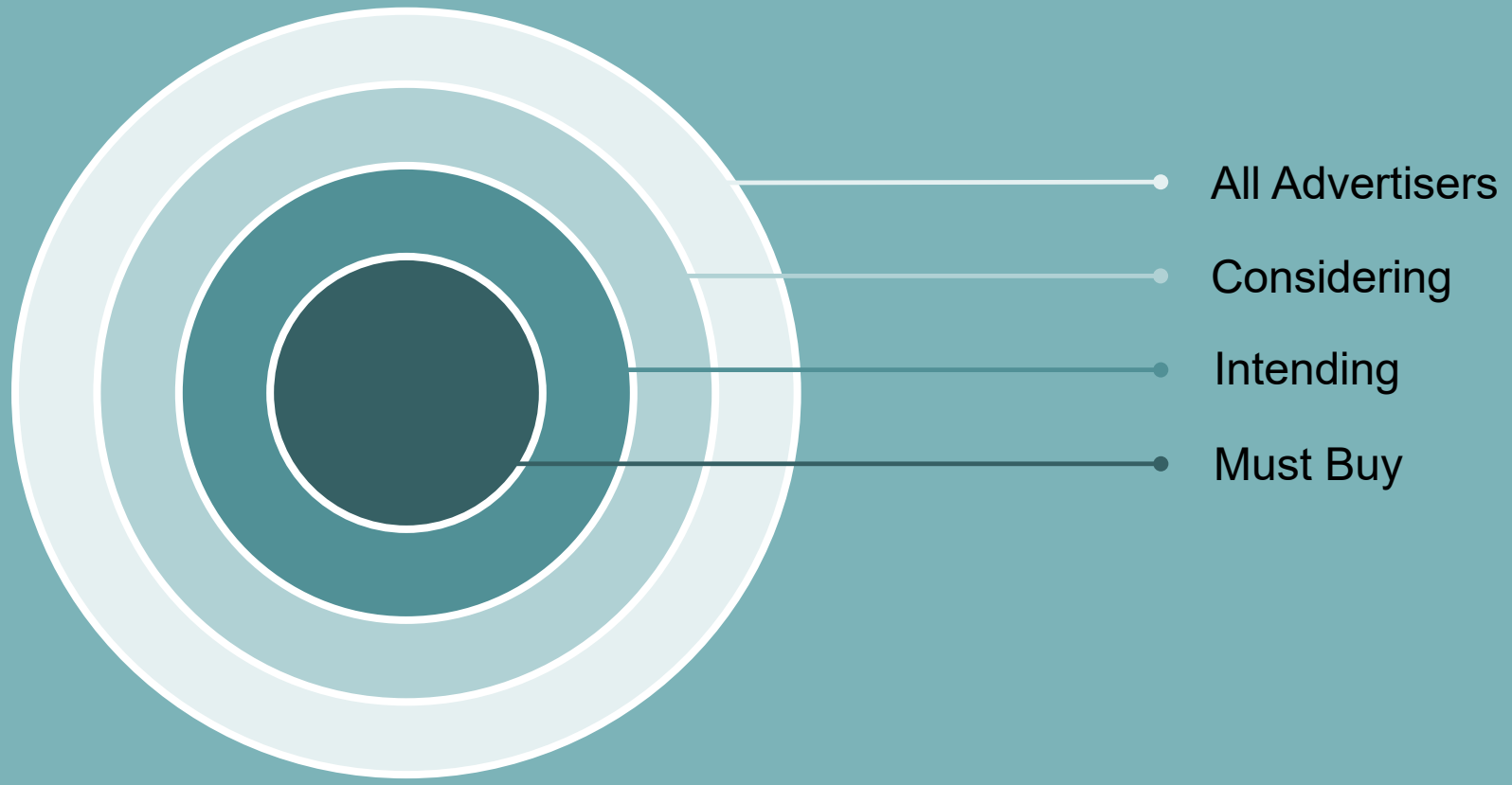
Agency vs. Marketer

Top 10 Market Sectors		
Automotive	Technology	Telecommunications
Financial Services	Health/Healthcare	Consumer Electronics
B2B	Retail – Brick and Mortar	Apparel/Fashion
CPG – Food/Household Products	Apparel/Fashion	

FOUR THINGS TO KNOW MOVING FORWARD

1. Cross-screen measurement is critical for a converged video world, but advertisers are still struggling to make it work
2. Advertisers aren’t consistent in holding partners to measurement standards, which may disadvantage smaller partners
3. Measurement convos will morph to convos of identity as the cookieless future nears
4. In preparation for a cookieless future, advertisers are increasingly looking toward more aggregated—and meaningful—methods of measurement

MEASUREMENT DRIVES DECISIONS



WHICH ASPECTS OF COMPREHENSION DRIVE CONSIDERATION?

COMPREHENSION CRITERIA:

Benefits of Advertising	Data Analytics/ Offerings	Sponsorship Opportunities	Audience Targeting Opportunities	Their Audience/Users

GREATEST IMPACT ON CONSIDERATION → IMPACT ON CONSIDERATION

Source: AIR 1H 2020. Based on regression analysis: Comprehension criteria regressed to consideration, ranked left to right in order of importance.

WHICH PLATFORM/PRODUCT CRITERIA DRIVE INTENTION?

PLATFORM/PRODUCT CRITERIA

ROI/ROAS	Attractive Costs/CPMs	Branded Content Opportunities	Performance Marketing Opportunities	Quality of Content	Podcast Ad Offerings	Trusted Brand-Safe Environment

GREATEST IMPACT ON BUYING INTENTION → **IMPACT ON BUYING INTENTINON**

Source: AIR 1H 2020. Based on regression analysis: Comprehension criteria regressed to consideration, ranked left to right in order of importance.

1.

HOLISTIC MEASUREMENT MATTERS GREATLY, BUT MARKETERS ARE STILL STRUGGLING TO MAKE IT WORK

MEASUREMENT IS STILL A TOP CHALLENGE TO CROSS-SCREEN SUCCESS

Challenges to Cross-screen Video Advertising

Summary of Respondents Ranking 1-3

		Rank 1-3
1	**Lack of standard measurement**	**57%**
2	Managing audience de-duplication	55%
3	Managing ad frequency capping	49%
4	Managing creative executions, format standardization	46%
5	Inability to execute a cross-screen data-targeted buy	43%
6	Inability to plan media buys seamlessly	40%

Measurement was also the #1 challenge in 2018

Source: Video Advertising Convergence Report. H2 2019. Q Which of the following do you consider to be the biggest **challenges** to running **video** advertising campaigns **across screens**? Base: Total Respondents

SALES AND BRAND LIFT ARE AMONG THE MOST IMPORTANT SIGNALS FOR MEASURING THE SUCCESS OF ALL FORMS OF VIDEO ADS

Top Advertising KPIs by Media Type | Rank 1

	DIGITAL VIDEO	CTV/OTT	LINEAR TV	(PAID) SOCIAL	GAMING
1	Sales lift	Audience delivery	Sales lift	Action	Brand lift
2	Action	Sales lift	Audience delivery	Sales lift	Engagement
3	Audience delivery	Brand lift	Campaign Reach & Frequency	Brand lift	Audience delivery
4	Brand lift	Completed view	Brand lift	Engagement	Completed view
5	Engagement	Engagement	Action	Audience delivery	Action
6	Completed view	Viewability	Offline location	Offline location	Viewability
7	Campaign Reach & Frequency	Campaign Reach & Frequency	Completed view	Viewability	Campaign Reach & Frequency
8	Viewability	Action		Completed view	Sales lift
9	Offline location	Offline location		Campaign Reach & Frequency	Offline location

Source: Measurement Report 2020. Q. What are your company's/main client's top 3 advertising KPIs? Base: Total Respondents Involved in Media Type (variable base)

YET ADVERTISERS RELY MOST COMMONLY ON MEASURES OF CAMPAIGN FULFILLMENT VS. ACTUAL EFFECT

KPIs Regularly Used by Video Type, Listed in rank order

	DIGITAL VIDEO
1	Completed view
2	Viewability
3	Audience delivery
4	Action
5	Campaign Reach & Frequency
6	Brand lift
7	Engagement
8	Sales lift
9	Offline location

	CTV/OTT
1	Audience delivery
2	Engagement
3	Campaign Reach & Frequency
4	Completed view
5	Viewability
6	Brand lift
7	Sales lift
8	Action
9	Offline location

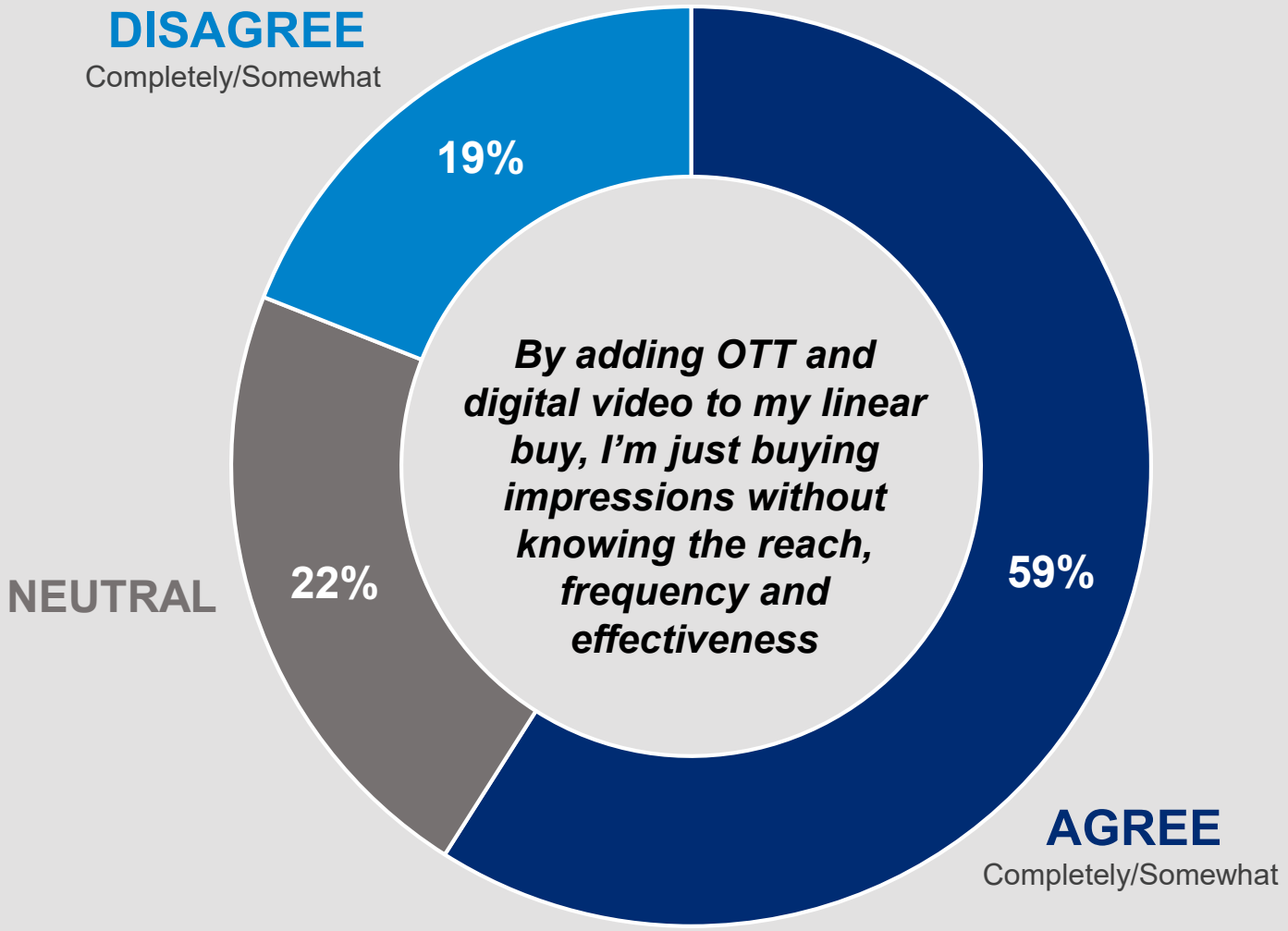
	LINEAR TV
1	Campaign Reach & Frequency
2	Audience delivery
3	Brand lift
4	Sales lift
5	Completed view
6	Action
7	Offline location

	(PAID) SOCIAL
1	Action
2	Engagement
3	Audience delivery
4	Sales lift
5	Campaign Reach & Frequency
6	Brand lift
7	Completed view
8	Viewability
9	Offline location

	GAMING
1	Audience delivery
2	Engagement
3	Action
4	Brand lift
5	Completed view
6	Viewability
7	Campaign Reach & Frequency
8	Sales lift
9	Offline location

Q. For each medium, which KPIs does your company or main client regularly use? Base: Total Respondents Involved in Media Type (variable base) | *90% Confidence Level*

FOR MOST ADVERTISERS, ADDING TOGETHER "APPLES & ORANGES" LEAVES THEM WITH A "FRUIT SALAD" OF MEASUREMENT WOES



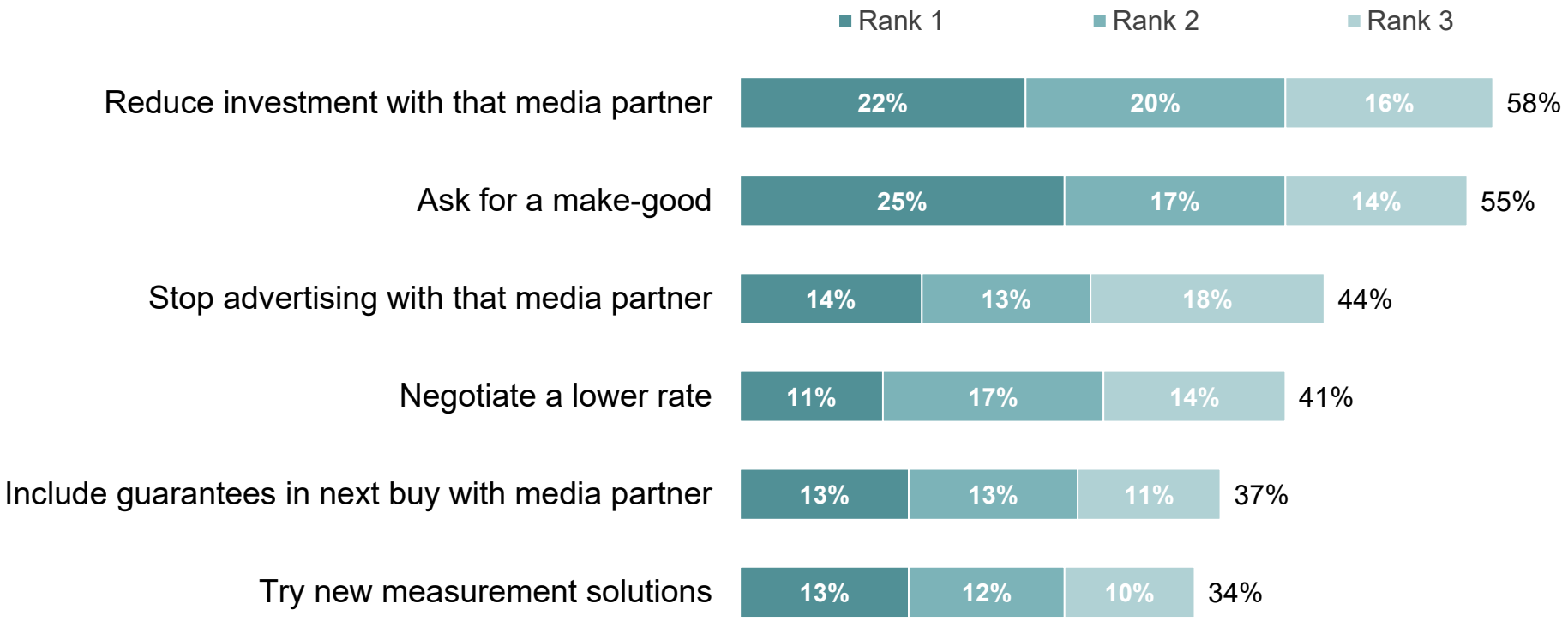
Q. How much do you agree with each of the following statements? Base: Total respondents

2.

ADVERTISERS AREN’T CONSISTENT IN HOLDING PARTNERS TO MEASUREMENT STANDARDS, WHICH DISADVANTAGES SMALLER PARTNERS

FAILURE TO MEET ADVERTISER KPIs HAS SIGNIFICANT IMPLICATIONS FOR PUBLISHERS AND TECH PARTNERS; MEASUREMENT PARTNERS ON THE OTHER HAND, GET THE BENEFIT OF THE DOUBT

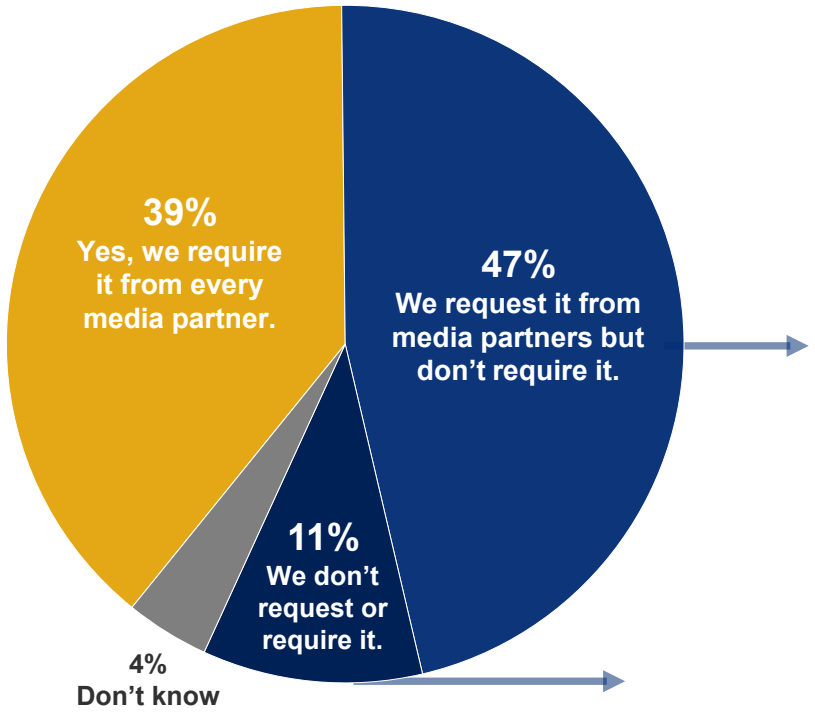
Actions Taken When Advertising Campaign Does not Meet KPIs



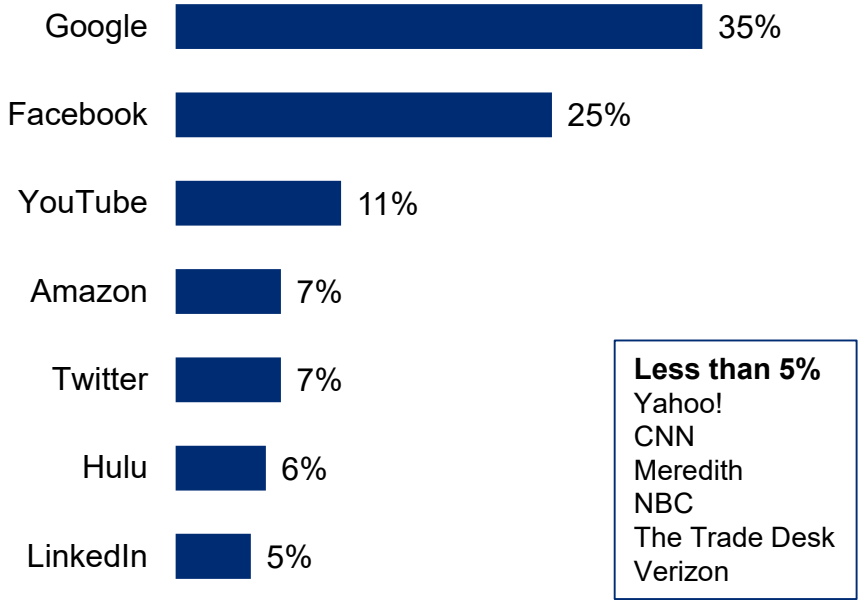
Source: Identity Resolution Report 2020. Q. Which of the following actions, if any, has your company/agency taken when an advertising campaign does not meet your KPIs? Base: Total Respondents

WHILE HALF OF ADVERTISERS ALWAYS REQUIRE MEDIA PARTNERS TO USE A PRE-APPROVED MEASUREMENT TOOL, SUBSTANTIAL PORTIONS OF ADVERTISERS FOREGO REQUIREMENTS FOR GOOGLE AND FACEBOOK

Whether your company/agency Requires Media Partners to Use Pre-Approved Measurement Tools



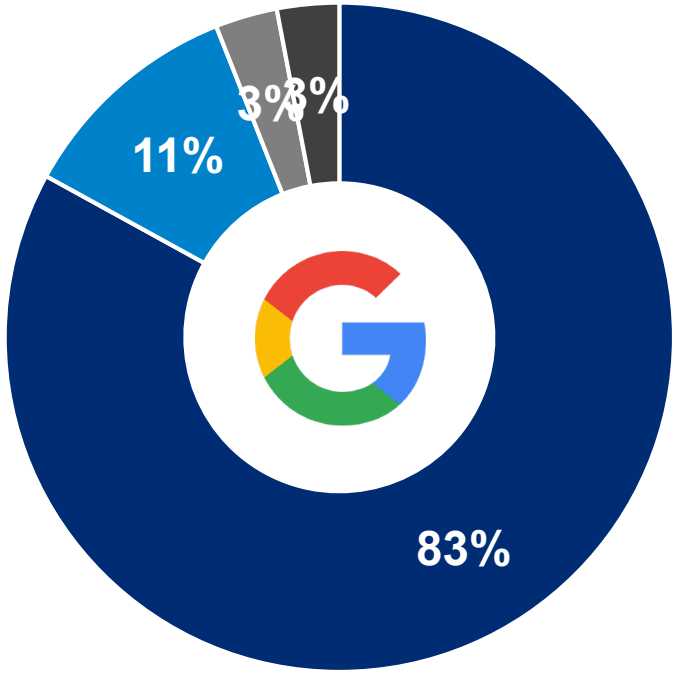
Media Partners That Are NOT Required to Use Company's/Agency's Pre-Approved Measurement Tools | Unaided



Source: Measurement Report 2020. Q. Does your company/agency require that your media partners use your pre-approved advertising measurement tools/partners? Base: Total Respondents Q. With which media partners will your company/agency forgo its requirement to use one of their pre-approved advertising measurement tools and instead use a media partner's tools? Base: Don't Require Pre-Approved Advertising Measurement Tools/Partners

GOOGLE AND FACEBOOK TOP ADVERTISERS' MUST-BUY LIST

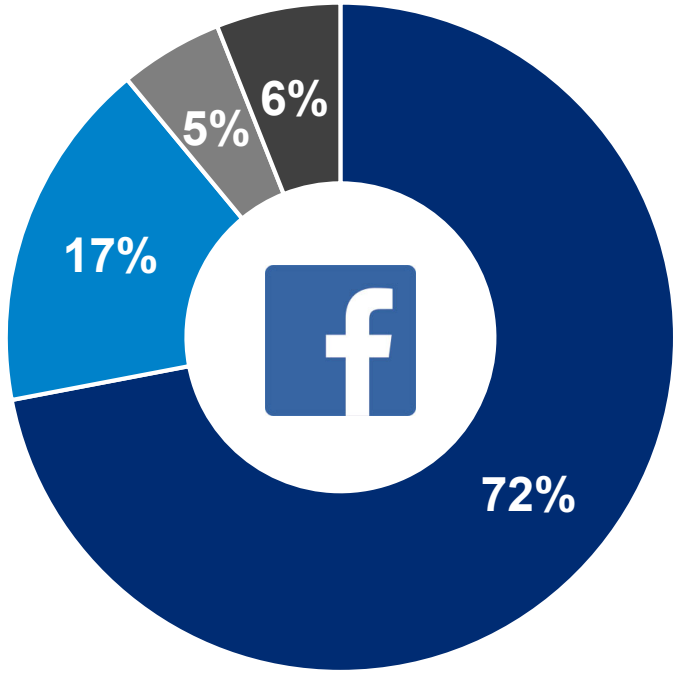
Buying Priority
(% Respondents $25MM+ Annual Ad Spending)



H1 2020 Must Buy Rank: #1

H2 2020 Must Buy Rank: #1

- Must Buy
- Complementary Buy
- Discretionary Buy
- Would Not Use



H1 2020 Must Buy Rank: #2

H2 2020 Must Buy Rank: #2

Source: Corporate Reputation Report 2020. Q. What priority do you place on each of these media companies when planning or buying for an ad campaign? Base: Total Respondents

3.

MEASUREMENT CONVOS WILL MORPH TO IDENTITY CONVOS AS THE COOKIELESS FUTURE NEARS

PLANS FOR CAMPAIGN REPORTING WITHOUT COOKIES

We'll rely on our agencies and ad tech firms for a replacement solution.

-Marketer VP, Financial Services

***Create a model** that is privacy-friendly but capable of measuring performance, and that is capable of limiting the frequency and amount of advertising a user sees before consuming content.*

-Agency Supervisor, B2B

More integration between 1st party and 3rd party measurement tools.

-Agency VP, Automotive

Increased reliance on internal metrics.

-C-Level, Financial Services

Source: Measurement Report 2020. Q. What are your [company's/agency's] plans for the challenges you anticipate in campaign reporting without cookies?
Base: Ranked "Campaign reporting/insights" as Top 2 Most Challenging Campaign Phases With "Cookieless" Advertising

WHICH INSIGHTS AND TOOLS DRIVE INTENTION?

DATA & RESEARCH CRITERIA

Proprietary Data Quality and Availability	Ease of Integrating My First-Party Data	Advanced Audience Insights	Post Campaign Reporting and Insights	Accurate Ad Performance Measurement	Data Handling

GREATEST IMPACT ON BUYING INTENTION → **IMPACT ON BUYING INTENTINON**

*Based on regression analysis. See appendix for full explanation of approach

MOVING FORWARD, EXPECT FIRST- AND SECOND-PARTY DATA TO BECOME KEY IDENTITY RESOLUTION TOOLS

Tactics for addressing identity resolution in the future:

65% Relying more heavily on ID graphs built on first-party data

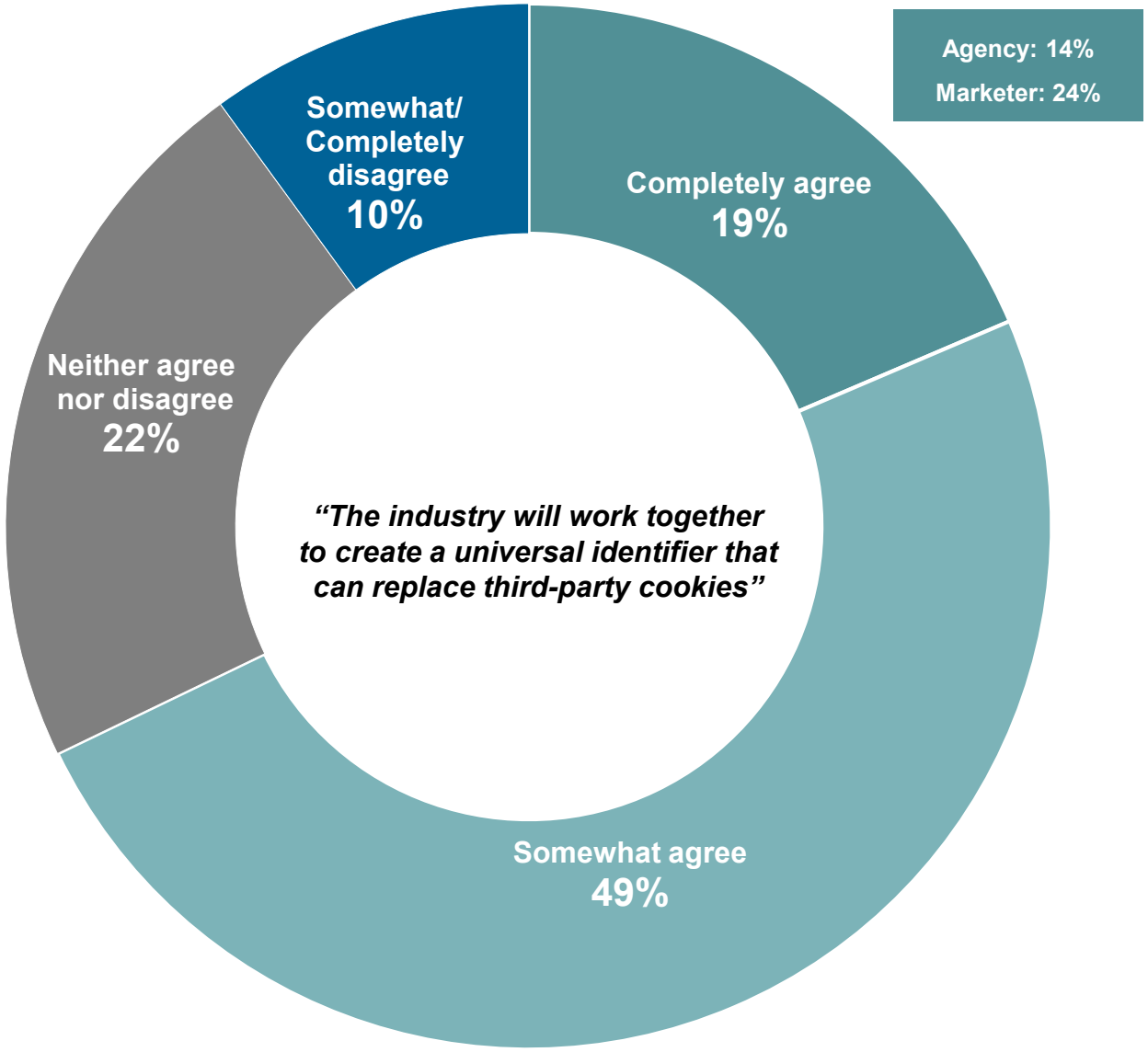
51% Relying more heavily on second-party data built via data co-ops with other agencies and brands

48% Relying more heavily on second-party data from publishing partners

31% Still relying on 3rd-party-based identity resolution solutions, but ensuring they are built to last

Source: Identity Resolution Report. Q. As third-party cookies are being phased out, what are your [company's/main client's] tactics for addressing identity resolution in the future? Base: Total Respondents

OPTIMISM FOR INDUSTRYWIDE COOPERATION TO CRACK THE COOKIE PROBLEM IS HIGH

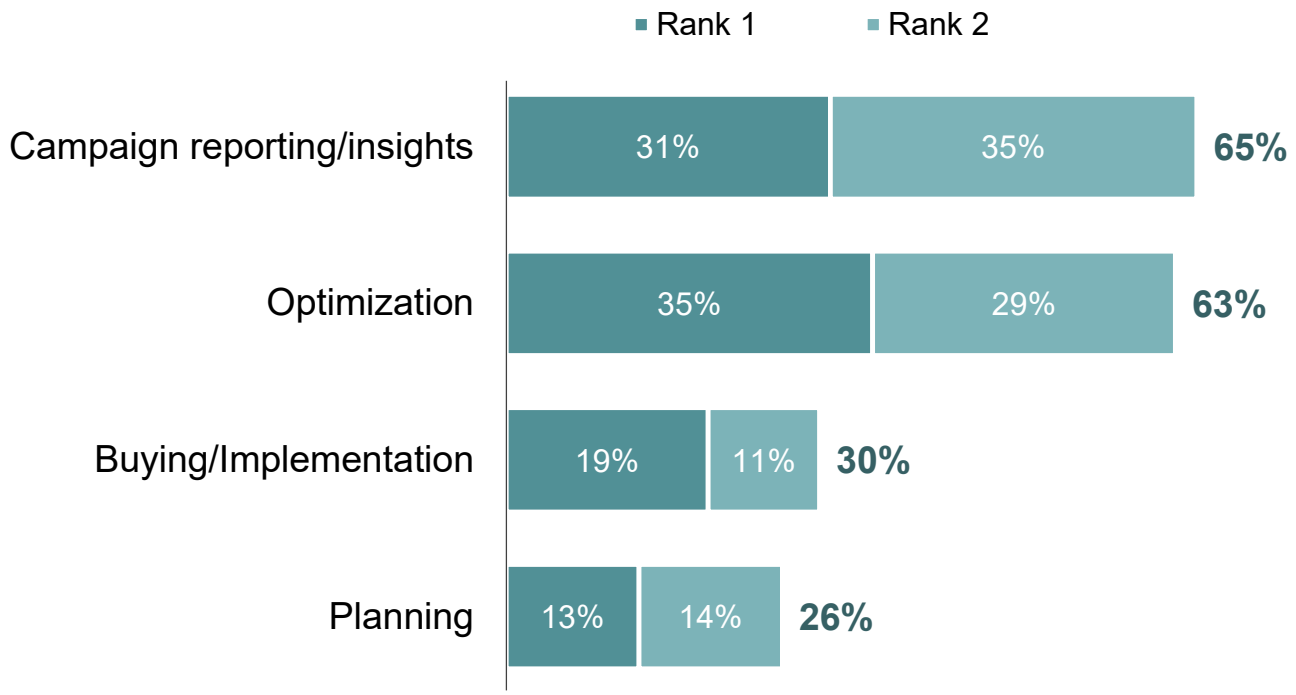


Q84. How much do you agree with the following statement: The industry will work together to create a universal identifier that can replace third-party cookies. Base: Total Respondents

NATURALLY, CAMPAIGN REPORTING AND OPTIMIZATION WILL BECOME MORE CHALLENGING

The 2 Campaign Phases That Will Become More Challenging With "Cookieless" Advertising

(Sorted by "Rank 1-2")

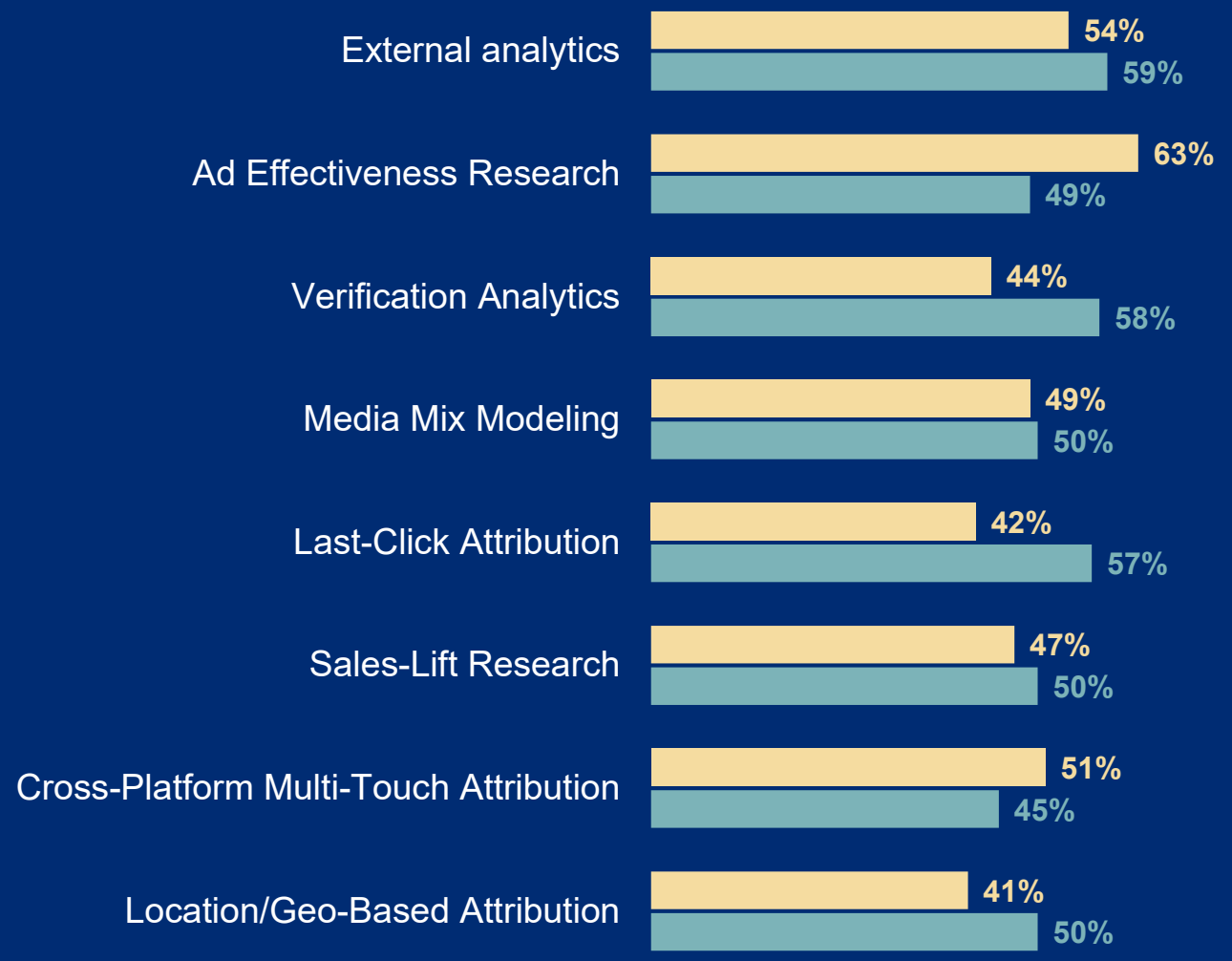


Q. Please select up to 2 advertising campaign phases that you believe will become most challenging with the advent of "cookieless" advertising. Base: Total Respondents

4.

IN PREPARATION FOR A COOKIELESS FUTURE, ADVERTISERS ARE INCREASINGLY LOOKING TOWARD MORE AGGREGATED, AND MEANINGFUL, METHODS OF MEASUREMENT

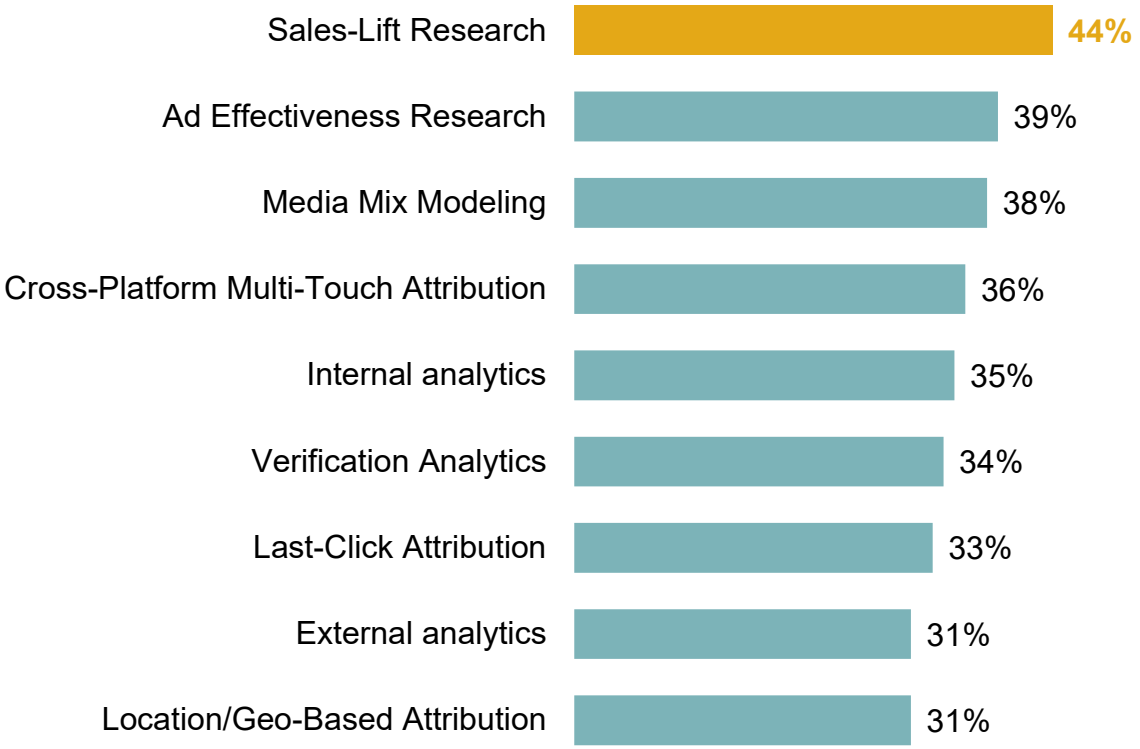
PROPORTION OF ADVERTISERS USING & PERCENTAGE OF CAMPAIGNS USING MEASUREMENT/RESEARCH TYPE IN THE PAST 6 MONTHS



Source: Measurement Report 2020. Q Thinking about the entirety of your company's/agency's advertising efforts over the past 6 months, what proportion of ad campaigns used these types of measurement and/or research? Base: Used Measurement/Research Types (Variable base)

TYING ADVERTISING DOLLARS TO SALES WILL BECOME MORE IMPORTANT IN THE NEW "COOKIELESS" WORLD

Measurement Tools That Will Become More Important in "Cookieless" World



Q. There has been industry news and discussion around restricting or limiting the use of 3rd party cookies. Which type of advertising measurement and/or research will become more important in a "cookieless" world?
Base: Total Respondents

KEY TAKEAWAYS

1. As cross-screen ad measurement matures, expect to see more advertisers move from more basic fulfillment metrics to ones that quantify true change and results

2. Advertisers want all partners to play by their ad measurement rules, but they're willing to make pardons for their must-buy partners

3. The time to focus on identity—and its role in ad measurement—is now

4. As user-level measurement becomes more difficult in a cookieless future, advertisers will look to more aggregated—and meaningful—measures of success

Contact us at info@AdvertiserPerceptions.com for more information regarding access to our full 2020 Measurement Report.

THANK YOU

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