



POINT OF VIEW

Media Measurement: Dynamic Campaign Measurement Leads to Outsized Sales Uplift

JULY 2017



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Growth delivered.

Where is the impact?

The Means and Ends Are Out of Alignment

Measurable revenue generation is the golden ring of advertising but traditional media measurement technology tends to focus more on what advertisers buy rather than the actual impact the advertising is having on shopper behavior. With the explosion of new media and rapidly evolving shopping behaviors, the process of quickly and accurately tying advertising exposures to consumer activation has become even more complex... and critical.

Getting It Right Can Boost Return on Ad Spend by 70 Percent

By effectively harnessing big data, advanced technology and analytic know-how, advertisers can go broad and deep across disparate media and highly fragmented points of sale to get a clear picture of what ad exposures are moving the needle. With in-flight optimization, advertisers can increase return on ad spend (ROAS) by up to 70 percent.

Moving Onward and Upward Requires Collaborative Thinking and Common Goals

Change is always difficult, but embarking on the journey together creates a rising tide that lifts all boats. To get started, media partners must commit to transparency and collaboration. With systems that work in synchrony, partners can react to early campaign performance with on-the-fly adjustments that will boost campaign performance.

Next-Generation Sales Lift Measurement and Optimization Sets the Stage for Impactful Media Campaigns

To provide real-time insights into a media campaign's impact on shopper purchase behavior and enhance optimization and personalization opportunities, IRI created IRI Lift™, the industry's only real-time digital advertising solution that measures offline sales lift. IRI Lift helps identify digital media optimization opportunities by determining which digital media is most effective with target audiences and ties media exposures to actual offline purchases down to the specific product and household level, allowing retailers and manufacturers alike to better optimize their media spend allocation to increase ROAS by up to 70 percent.

The Means and Ends Are Out of Alignment

“If your advertising goes unnoticed, then everything else is academic.”

BILL BERNBACH, FOUNDER OF ADVERTISING LEGEND DOYLE DANE BERNBACH

Within the advertising industry, zero-based budgeting has a widespread albeit somewhat debated presence. In an effort meant to justify the value of ad spending, marketers begin each budget-planning period aligning head count and spending with measurable revenue generation. Even some of the industry's larger advertisers, such as Unilever and Kraft Heinz, are now directly evaluating advertising spend and its contribution to sales uplift. In this new environment, maximizing the impact of campaigns is critical.

Despite this focus, measurement techniques to determine if consumers “noticed” ads and if they led to activation have failed to keep up. Processes for measurement and standard KPIs focus more on what advertisers buy, not on what consumers buy. Measurement tends to concentrate on a handful of metrics, such as exposure or CPM, some unique to specific media vehicles, and most of them are leading indicators, not comprehensive bellwethers of actual engagement and activation.

Furthermore, current measurement techniques are complex and siloed, measuring disparate media with disparate techniques, and often take months to complete. The time lag renders measurement as a tool to simply learn lessons for future campaigns, versus improving current campaigns in flight.

“The true goal of advertising measurement,” says Jonny Silberman, director of digital strategy and innovation at Anheuser-Busch InBev, “is not to understand what advertisers are buying, but what results they are getting. Today's measurement is too slow, too expensive and does not provide a comprehensive picture. It just has to change.”

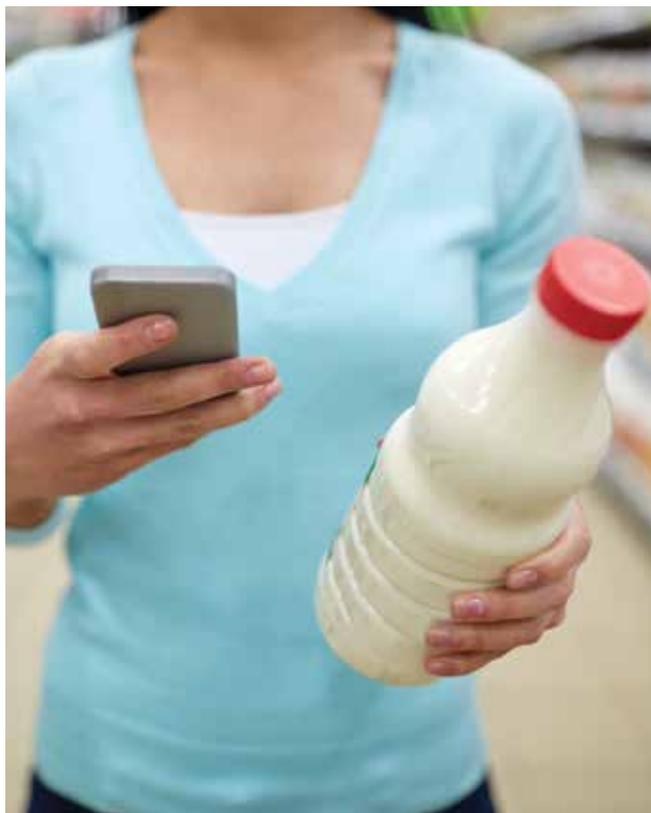
Explored in IRI's recent white paper, [Personalized Targeting: Increase ROAS and Enhance Lift with Purchase-Based Targeting](#), advertisers are relying on agencies to harness the power of big data to develop improved strategies and infrastructure for the entire media supply in order to wring out inefficiencies and increase impact. Addressing these challenges is not optional for agencies.

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The rapid evolution of media and shopping behaviors complicates the process of accurately tying advertising strategy and spend to sales uplift rapidly enough to enable in-flight adjustment, including:

- An explosion of multiscreen viewing by consumers fragments exposure and complicates the creation of “common currency” measurement that is consistent across all screens.



- Advertising clutter is rampant, with consumers receiving approximately 5,000 advertising and marketing messages per day. Out of necessity, consumers have learned to tune out those that don't immediately resonate.
- Ineffective targeting has greatly increased advertising waste. On average, consumers fail to see half of the display ads that are intended to capture their attention.
- Point-of-sale fragmentation, with consumers shopping at an increasing number of brick-and-mortar and online stores, makes it more difficult to accurately assess which ads have driven purchase behavior, and where.
- Lack of scalability of the analytics and visualization applications that link ad campaigns to sales uplift has driven a surge in one-off efforts, driving up cost and compromising analytic consistency.
- Data integration is not streamlined or automated, so some processes remain manual and prone to mistakes and overspending.

Getting It Right Can Boost Return on Ad Spend by 70 Percent

With advanced technology and analytic know-how, savvy marketers can address these issues and gain dramatically deeper insights more quickly and accurately than before, enhancing opportunities to improve campaign effectiveness in near real-time fashion. The right application of big data that ties viewing behavior to purchase behavior is here. Harnessing that data effectively will bring dramatic results, improving return on advertising spend (ROAS) as much as 70 percent.

Currently available best-in-class media solutions arm advertising decision-makers with the knowledge they need to:

- **Enable 1:1 personalization** between the advertiser and shopper
- **Effectively connect the dots** between consumers' multiscreen viewing and omnichannel shopping habits
- **Improve** the quality of **shopper targeting**
- **Capture shopper attention** with high-relevance, high-value messaging
- **Deliver comprehensive and prescriptive results quickly**, allowing for in-flight adjustments to messaging, media and other campaign elements

Moving Onward and Upward Requires Collaborative Thinking and Common Goals

First and foremost, media partners must align on ROAS as the core objective for measuring impact of ad spending. Furthermore, taking maximum advantage of new measurement and optimization models requires advertisers, publishers, networks and agencies to update their internal processes to increase transparency and lay the groundwork for improved collaboration. Only then will the partners have the foundation necessary to create plans that allow for on-the-fly, performance-enhancing adjustments to campaign variables, such as messages and media platforms, as early reads on campaign performance come in.



Next-Generation Sales Lift Measurement and Optimization Sets the Stage for Impactful Media Campaigns

To provide advertisers a precise understanding of a media campaign's impact on shopper purchase behavior, IRI created IRI Lift™, the media industry's most accurate campaign measurement and optimization solution that measures offline sales lift across digital (including mobile, desktop and video), TV and cross-channel campaigns in real time.

IRI Lift is built on over 30 years of sales measurement expertise, and is the only solution that includes anonymized data from 250 million national shopper loyalty cards, and 26 million TV households and 100 million video-on-demand TVs across 210 media markets. This robust data set is fully integrated with big data

assets, including macroeconomic data, payment data, health and wellness attributes, and more than 20 causal variables. By combining this vast data set with analytic modeling expertise, IRI Lift enables marketers to optimize their advertising campaigns in near real time to increase personalization, delivering the right message to the right shopper at the right time and over the right platform. Optimizing campaigns with IRI Lift minimizes the need for iterative imputations and projections, and assures decision-makers that the actionable data recommendations they received are based on solid and high-impact data. With IRI Lift, advertisers can increase ROAS by up to 70 percent.

Rapid-Fire Insights Enhance Retailers' Seasonal Campaigns

IRI Lift can arm retailers with the data they need to wring the most out of critical seasonal advertising campaigns by capitalizing on a critical but short window of opportunity. Optimizing these campaigns is complicated by the need for warp-speed in-market execution and the breadth of categories included in these types of promotions. With near-real-time measurement and optimization capabilities, IRI Lift is a solid solution to this challenge.

For instance, a large retailer recently approached IRI for help in maximizing the impact of a digital campaign focused on the cold and flu season. The retailer was

looking to drive sales lift across several categories, including seasonal over-the-counter (OTC) medicines, facial tissues and related vitamin categories, such as vitamin C and immune support. By conducting a comprehensive assessment of the campaign within the first few weeks of deployment, the IRI team was able to determine which category was contributing the most to the sales lift and identify opportunities to increase ROAS across different creative content. By shifting spending to the most effective creative content, the client had the potential to drive a 5.4 percent overall campaign sales lift, boosting ROAS from post-adjustment weeks that was four times higher than before the adjustment was made.



Personalization Brings Manufacturers' CRM Programs to the Next Level

The CPG industry has entered an era in which personalization has become a cost of entry. Manufacturers' own loyalty programs are valuable for building personalized relationships with brand users, but they are also costly and inefficient. Measuring and optimizing loyalty programs is especially challenging for all the reasons explored earlier in this paper, including the prevalence of omnichannel shopping, and the need to accurately account for the effects of delayed redemption. IRI Lift excels in these areas, providing insights upon which CPGs can optimize programs down to the specific product and household level.

IRI recently worked with a large personal care manufacturer with a well-established loyalty campaign. The client was eager to improve impact, effectiveness and reach by evaluating its e-CRM program more

holistically and understanding consumer behavior after registration. In addition, the manufacturer wanted to identify opportunities to increase sales growth.

By combining IRI data with the client's CRM data, IRI created a customized big data set that provided unique perspective on each activity within the e-CRM program—from email campaign statistics to coupon redemption to measuring consumer engagement and conversion to sales. The analysis illustrated for the client how maximizing earned transactions would deliver the highest ROI. The team also made program restructuring recommendations that would shorten the sales cycle and increase program sales lift. With these program enhancements, the client is on track to realize over \$1 million in incremental sales gains in year one of implementing the program enhancements.

Solving the Puzzle Drives Growth

John Wanamaker's comment is, unfortunately, as true today as it was 100 years ago, but this need not be the case. Today's advertisers, along with publishers, networks and agencies, can dramatically improve on crafting the right messages, selecting the optimal mix of media and changing campaign execution in flight, through new solutions such as IRI Lift, which provides marketers with the critical information to both increase ROAS and rebuild frayed relationships with their consumers.

"Half the money I spend
on advertising is wasted; the trouble is,
I don't know which half."

JOHN WANAMAKER

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JUNE 2017



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ABOUT THE PRACTICE

The IRI Media Center of Excellence helps CPG advertisers and their agencies better plan, target, activate, measure and optimize their media investments. Its market-leading solution portfolio is built on a robust enterprise technology platform; the largest CPG shopper, sales, causal and media viewing data pool; and cutting-edge predictive analytics.



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Growth delivered.

About IRI

IRI is a leading provider of big data, predictive analytics and forward-looking insights that help CPG, OTC health care organizations, retailers and media companies to grow their businesses. With the largest repository of purchase, media, social, causal and loyalty data, all integrated on an on-demand cloud-based technology platform, IRI helps to guide its more than 5,000 clients around the world in their quests

to remain relentlessly relevant, capture market share, connect with consumers and deliver market-leading growth. A confluence of major external events—a revolution in consumer buying, big data coming into its own, advanced analytics and automated consumer activation—is leading to a seismic shift in drivers of success in all industries. Ensure your business can leverage data at www.iriworldwide.com.

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