

Chain Drug Review

Reporter for the Chain Drug Store Industry

IRI partnership brings broad, deep view of shoppers

CHICAGO — IRI has unveiled a partnership that enables consumer packaged goods companies and retailers to target likely purchasers of their products across all channels and media at the household level.

The company's collaboration with Rentrak and comScore bolsters insights, targeting, activation and measurement to substantially improve media return on investment, says IRI president and chief executive officer Andrew Appel. It covers virtually all addressable advertising across print, on television and via digital media.

"It's all about understanding and maximizing media exposure tied to the actual purchase," says Appel.

The partnership continues a two-year string of successful alliances for IRI with an array of companies. The joint venture with Rentrak and comScore is "our deepest and most transformational," says Appel.

Consumer packaged goods companies spend \$300 billion to \$400 billion a year on media, he notes. "There's a huge amount of money being budgeted for advertising."

The spending is based on exposure but, with television especially, targets are chosen based on small ratings panels. Even most digital media spending is still largely

untargeted, and is largely age- or website-driven, Appel says. The upshot is that ROI is "largely uncalculated," he says.

With Rentrak, IRI is working with the company with the most extensive national data set of television exposure via set top box and satellite data.

Rentrak also has video-on-demand data for 100 million televisions. With the share of people watching television live rapidly dwindling, that data is gaining significance. Advertising for video on demand is rudimentary, Appel notes. "There's literally no targeting. That's another big opportunity — addressable television advertising."

Digital exposure measurement is the forte of comScore, which Appel says is the largest and fastest-growing company tracking ad viewership across the Internet. The company's Validated Campaign Essentials tool "does the best job of determining who actually saw the ad," he says.

For its part, IRI has the largest U.S. data set on purchases, along with purchase likelihood models. It has scored every household on its purchase propensity for more than 6,000 categories and brands.

The partnership is the only such alliance that is cross-platform, Appel emphasizes.

"That's the beauty of combining digital and TV tracking with our sales measurement capabilities."

The collaboration works across the whole marketing life cycle. Initially, it integrates data into cross-channel planning. "We're using the granular Internet and TV exposure data to build more robust models for resource allocation," says Appel.

Next comes detailed television, digital and website ad choices, and then activation. "Then you rebalance in real time," he says. "You can assess aspects of that exposure: Did you hit the people who are prone to buy the product, and did they buy it? You can rebalance the portfolio on a monthly or weekly basis. Over time, we'll have software to help automate the decision making."

Once exposure is optimized, it can be carried through to retail execution with promotions and displays, he adds.

Already IRI has a major manufacturing client that used the process to assess its 850 commercials in February. Purchase propensity ranged from 65% of the national average to 150%. A portfolio rebalancing was clearly in order, and with the partnership's input the advertiser's target audience was boosted by 19%.

The manufacturer now in-



Andrew Appel

tends to actively employ the process in ad allocations as it works with media agencies and networks through the end of the year.

Reflecting on IRI's many recent joint ventures with a network of partners, Appel says the common thread is a sharing of nonoverlapping capabilities to foster industrywide growth. "We serve similar clients, and we all have a desire to add more actionable, growth-oriented recommendations to our work. We all have a passion for bringing the industry together."

Also, best-of-breed collaboration trumps one-stop shopping, he says. The union of IRI with Rentrak and comScore makes for "the best set of capabilities knitted together," he says. "No one company can match the combination. It takes energy, but we think it's worth it."