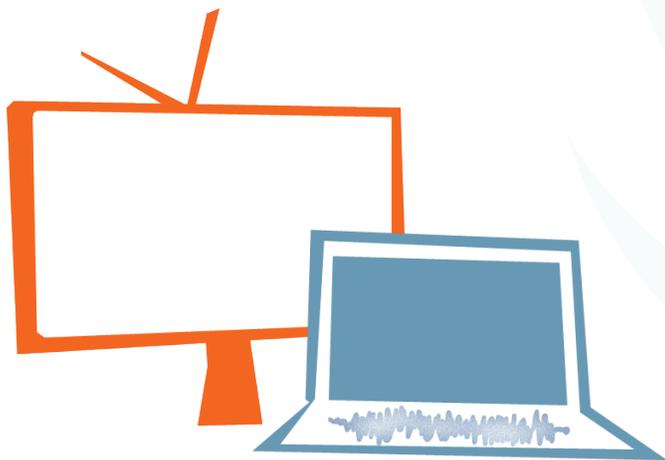


TELEVISION + ONLINE VIDEO

WHAT IS THE OPTIMAL MIX TO DRIVE CONSUMER ACTION?

A core benefit of cross-platform measurement capabilities is the ability to determine optimal media mix modeling to achieve a desired outcome. One of the most compelling areas of media mix modeling analysis focuses on television and digital video.



78% of agency buyers and digital planners said that digital video was supplemental to their television strategies, as opposed to 11% who saw video and television strategies as totally separate. (Videology survey, 2012)

Since the two media are clearly complementary in nature, the question becomes how to best utilize each to optimize the overall results of an advertiser's campaign.

This was the impetus behind the development of Videology's TV AmplifierSM product, designed to link television viewing behavior to online viewing habits, utilizing Nielsen's cross-platform measurement data.

Since its launch last fall, TV Amplifier has been used by several major advertisers across the entertainment, auto and CPG categories in a variety of ways, including two major areas of focus:

- Retargeting those exposed to an ad on TV with digital video to lift total campaign frequency
- Retargeting those not exposed to an ad on TV with digital video to increase total reach

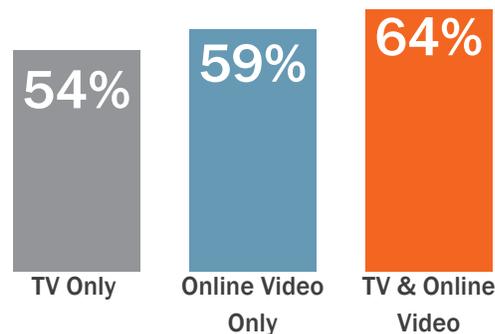
The mix of television and online video, however, is proving effective across a range of metrics outside of reach and frequency. For instance, our research shows a significant increase in Ad Recall using both Television and Online Video, as opposed to using just one or the other.

The power of extending media planning seamlessly across television and online video is an extremely important step in the evolution of the video industry. Whether this data is used to increase the impact of an existing television campaign, or to extend reach by targeting light television users who might not otherwise be exposed to a campaign, the end result is the same—breaking down the silos between consumers' viewing experiences.

SCOTT FERBER
Chairman and CEO, Videology

Ad Recall

Videology Case Study
Nov/Dec 2012



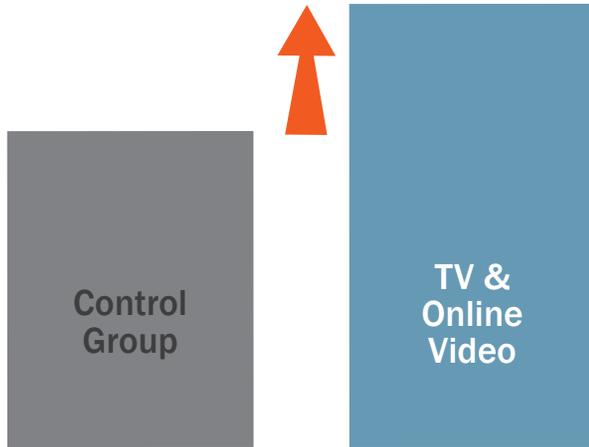
Of course, the objectives of advertisers vary. For instance, an entertainment client may want to increase tune in, a CPG brand may want to increase awareness, or an automaker may want to drive site interaction. As such, cross-platform campaigns can be optimized to achieve the given outcome.

The following case study shows the impact of cross-platform frequency levels on Consumer Intent, an increasingly requested metric for many digital brand advertisers.

CASE STUDY: TELEVISION AND ONLINE VIDEO

What drives action online?

Intent to purchase in the online space is generally inferred from specific consumer actions as defined by the advertiser. This usually goes beyond simply clicking through to the advertiser's site, but rather includes actions such as searching for a retail location, building a product profile, or other deeper interactions suggesting actual intentions to buy. Intent is an increasingly important metric for brands.



Overall, we found that **action conversion rates increased 40%** in consumers exposed to both the television and online video advertisements compared to the control group (those not exposed to the digital advertisement).

What is the optimal frequency mix between television and online video to drive action?

In media mix modeling, frequency is one of the most easily manipulated and measurable metrics that affect a given outcome. So what is the equation to drive action?

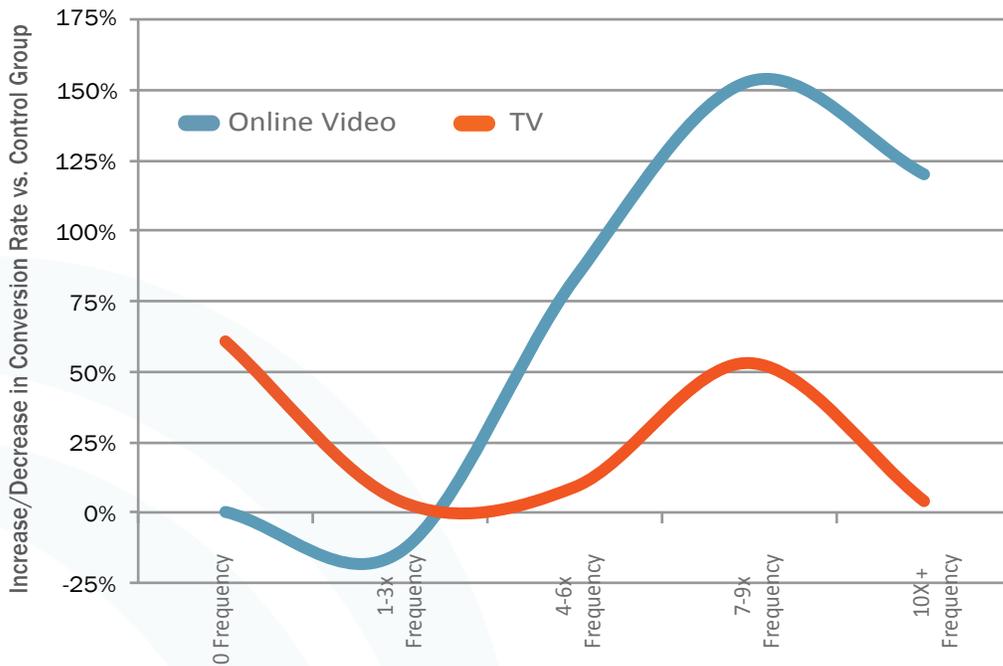
The Short Answer: An optimal frequency mix of 7-9X on television and 7-9X on digital video drove the highest overall conversion rate of all combinations. Those exposed in the 7-9X frequency range for both television and digital video saw a 230% lift in action conversion compared to the control group.

Hidden within this top line generalization, however, our analysis revealed several supporting corollaries that can be used to inform cross-platform campaigns designed to drive action.

Action Lift Compared to the Control Group

		Digital Frequency			
		1-3x	4-6x	7-9x	10x +
TV Frequency	0	12%	133%	118%	226%
	1-3x	-22%	62%	143%	113%
	4-6x	-20%	60%	145%	128%
	7-9x	18%	134%	227%	208%
	10x +	-12%	67%	168%	125%

Lift in conversion rates for TV frequency vs. Online Video frequency



Television Frequency Alone Does Not Directly Correlate to Conversions

You will notice, that beyond the 7-9X sweet spot, television frequency did not show a direct, sequential correlation to the likelihood of taking an action. For instance, those who saw the television spot 1-3 times were as likely to take action as those who saw the television spot 10+ times.

Another important takeaway from this chart—those who had not seen the television spot (Freq. 0) when first exposed to the digital campaign had a higher conversion rate than those who were exposed to the television campaign at any other frequency level, including 7-9X.

While we can only hypothesize on the reasons for this, two come to mind. First, one has to be online to complete the given action, so exposure to the television spot would not necessarily drive the type of conversion being measured. And, second, perhaps this supports the concept of burn out—or at least the notion of novelty. For instance, perhaps consumers are most likely to act on an advertisement the first time that they see it.

So, for those advertisers whose goal is to drive consumer action, we advise starting your digital campaign slightly ahead of your TV campaign, or using TV Amplifier segments to target those consumers not yet exposed to your television campaign to drive greater conversion.

We are not saying, however, that television does not contribute to driving action—as again the highest overall campaign results are seen when both television and digital video are used in combination (see chart on previous page).

ACTION! Increased Digital Video Frequency Correlates to an Increase in Conversion Rates

Unlike television, there is a clear conversion trajectory as digital video frequency increases (to 10+ frequency limit). After the 10+ frequency mark, conversions begin to dip again, though they are still high compared to the control group.

TAKEAWAYS

- The combination of Television and Online Video drives higher action conversion.
- The optimal frequency mix to drive conversion is 7-10x for both media.
- TV frequency alone does not specifically correlate to action conversion.
- Those who were exposed to an ad online first are more likely to take action.
- Increased digital frequency drives increased action conversion.



WHAT IS IT?

Videology's TV Amplifier couples the Nielsen Online Panel with Nielsen's TV Ratings Panel to build customized audience segments based on panelists' TV and online viewing behaviors. This crossover panel gives advertisers the ability to better plan their online audience targeting strategies based on their offline broadcast ad spends.

Advertisers are using this data to build TV Amplifier audiences in a variety of ways. This includes the type of shows/genres a user watches, the level of viewership (light, medium, heavy, none), the demographic make-up and even which TV ads the user saw by frequency and whether it was the brand's ad or the competitor's ad. These custom audience segments, which leverage the same planning currency (Nielsen) that is used by TV media buyers everyday, are then surfaced in our video platform and targeted as part of an overall TV and Online media plan.

NIelsen OCR OPTIMIZATION

WHAT IS NIELSEN'S ONLINE CAMPAIGN RATINGS PRODUCT?

Nielsen Online Campaign Ratings (OCR) is a new audience verification and measurement tool. Using privacy-protected registered user data demographics from Facebook's roughly 160 million U.S. users, Nielsen identifies audiences exposed to an online ad campaign and outputs gross rating points, reach and frequency. These measurements are comparable to Nielsen TV ratings, giving Advertisers the ability to truly measure audiences across platforms.

USING OCR FOR MEASUREMENT AND OPTIMIZATION VIA VIDEOLOGY

Videology has been working closely with Nielsen throughout the initial release of its OCR product. For advertisers who want to utilize OCR as a post-campaign measurement report, Videology has the resources and knowledge available to do so.

However, Videology's approach to OCR does not stop there. Through months of research and development, Videology has created a proprietary method to optimize its video universe specifically for campaigns being measured by Nielsen OCR.

For advertisers verifying a campaign using Nielsen OCR, Videology offers the use of its optimized clusters to ensure effective delivery. Videology's Audience Solutions are built for each advertiser's varying objectives and budget levels.

For more information, contact:

Aleck Schleider, Vice President, Data and Analytics, aleck@videologygroup.com



Television and digital video, while complementary, are not identical media. That's why we continually listen to and work with our clients to ensure that we're best serving the needs of our clients across the ecosystem.

Companies like VIDEOLOGY, who are on the frontlines each day with a diverse base of multi-media advertisers, are making exciting progress in distilling a very complex ecosystem for their clients, and we're pleased that the insights delivered by Nielsen Online Campaign Ratings are the bedrock of these innovations.

ANDREW FEIGENSON, SENIOR VICE PRESIDENT, AD PLATFORMS & NETWORKS, NIELSEN

ABOUT videologySM

Videology is an enterprise media technology for agencies and publishers. Videology provides end-to-end, holistic, cross-device and cross-format solutions to improve ROI for advertisers, agencies and publishers.

Videology, Inc., is a privately-held, venture-backed company, whose investors include NEA, Valhalla Partners and Comcast Ventures. Videology is headquartered in Baltimore, MD, with key offices in New York, Austin, Toronto, London, Paris, Madrid, Singapore, Sydney and sales teams across North America.

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