

HOW TELCO LEADERS MEASURE AND OPTIMIZE PERSONALIZED VIDEO AD PROGRAMS

DEFINE SUCCESS CRITERIA AND
CONTINUALLY OPTIMIZE TO
IMPACT THE BOTTOM LINE

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INTRODUCTION

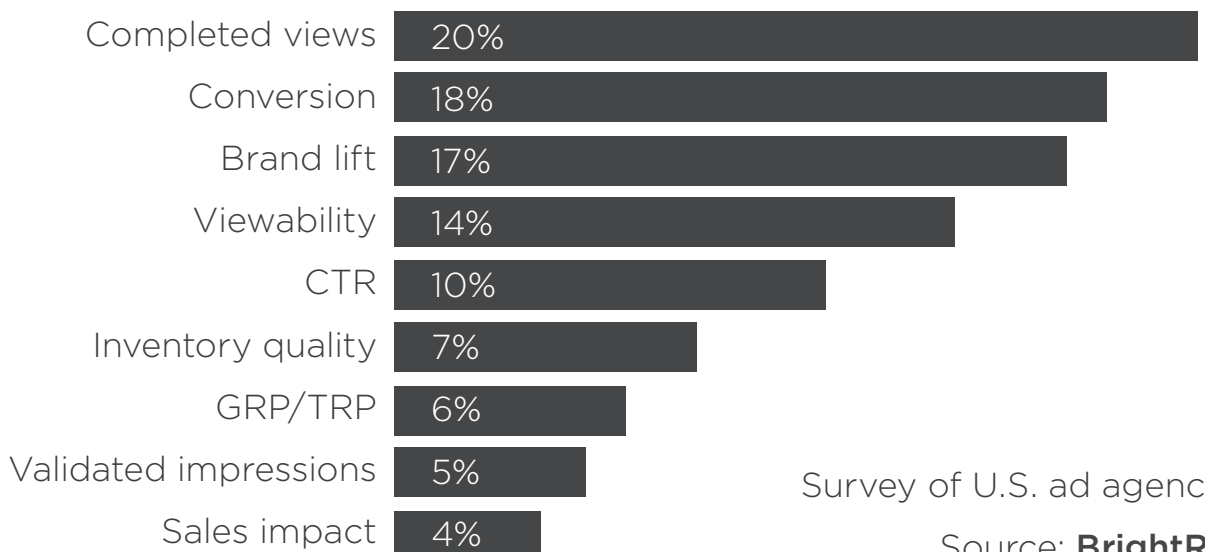


“You can’t optimize what you can’t measure.”

According to eMarketer, telcos will spend \$7.13 billion on digital advertising in 2016. (Tweet this )

As telecommunications marketers allocate more budget toward it, there’s a more pressing need to hold online video ad programs accountable. From engagement to click-through rate to viewability and more, marketers have many available metrics by which to evaluate online video ad performance. There will continue to be much discussion as the industry moves toward measurement standards, but one thing is clear: video advertising can be measured, and therefore marketers should dedicate resources to optimizing their programs.

WHAT IS THE MOST IMPORTANT SUCCESS METRIC FOR YOUR DIGITAL VIDEO CAMPAIGN?

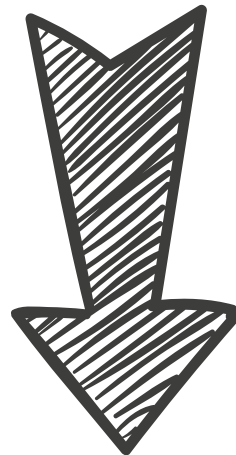


Survey of U.S. ad agencies

Source: **BrightRoll**

When devising a measurement approach, it's important to remember that personalized video lies at the intersection of brand and performance advertising: it can be held accountable to **perform against conversion and revenue goals**, while also delivering **brand impact**. Customer interest is shifted away from competing sites to deliver increased orders and revenue, as well as a measurable increase in brand engagement with a highly relevant audience. Looking at metrics including impressions, CTR, CPC, orders, spend, clicks and revenue helps service providers leverage a combination of three optimization approaches to answer different questions – visitor profile (who), media buy (who, when and where) and video content (what and how).

Here's what you need to define your approach to measurement and optimization, and ultimately improve programs to better your bottom line.



MEASUREMENT AND ATTRIBUTION



MEASUREMENT AND ATTRIBUTION

Though video has long been thought of as purely a brand-building medium, it should also be held accountable to performance marketing standards. As such, you must be able to measure performance and optimize on it in addition to evaluating brand impact. There are many approaches to measuring ad programs, and whichever method a marketer chooses, video ads should be measured in the same way.

Attribution models have evolved as consumer shopping habits have shifted to span in-store, online and cross-device. More marketers are ditching first-touch and last-click attribution models because they have been ineffective at gauging the true influence multi-channel campaigns have on the customer's path to conversion. While there are a number of ad measurement methodologies available today, marketers should work toward the eventual goal of **measuring with an advanced attribution approach.**

Multi-touch or advanced attribution has proven to be a truer, more accurate measurement approach, as it gives proper credit to each channel.

(**Tweet this** )

Making the shift to a cross-channel attribution solution requires a time, resource and budget investment, but, the ability to accurately measure the impact of each marketing tactic and each interaction on a customer action makes it well worth the investment.

MEASUREMENT AND ATTRIBUTION

For personalized online video campaigns, any click-based attribution model under-values the effect of merely viewing the video. Video has more potential to influence a buy decision at a distance, with or without a click, as it is a more personal, intimate medium that captures user attention and engagement for longer periods (a video ad engages the viewer for 15 to 30 seconds compared to search and display ads, which engage users for just two to three seconds). As such, multi-touch attribution is a much more effective way of measuring the performance of a personalized ad program.

HOW IT WORKS

If you already work with an advanced attribution partner, discuss how they measure video. Do they take into account the power of full sight, sound and motion and the fact that video ads engage audiences for 10 times longer than other mediums? Make sure your attribution partner helps you measure business performance for all of your video dollars spent – because now you can finally measure them. It is important to remember that attribution models assign value to campaigns based on the marketer's view of the weight of each point in the funnel. As such, it is subject to effects of intuition, politics, budgets and corporate structure.

Attribution models are important for analyzing behavioral segments, optimizing the campaign via creative selection and smart targeting, and understanding cross-campaign interactions.

OPTIMIZATION



As discussed in the previous section, the impact of a program is measured on total incremental visits, conversions and revenue delivered by the video ads. Optimization, however, is based on direct ad unit measurements collected on a continual basis throughout the campaign – performance metrics like clicks, return visits accompanied by a click or not, content viewed before or after ad exposure, etc., are optimized over time to **improve the program impact**.

There are three areas for ongoing optimization of an ideal personalized video advertising program:

1 VISITOR PROFILE OPTIMIZATION

Using a scoring algorithm, you can continually optimize for “who” – the ideal profile that is used for visitor targeting. To ensure learning from the performance of ads presented, a certain volume of video ads must be generated to capture a statistically significant volume of performance metrics. This number varies, but at least 1 million video ad views are necessary to realize noticeable improvement.

The model is automatically optimized over time through the identification of attributes that are most tightly correlated with clicks, return visits accompanied by a click or not, content viewed before or after ad exposure, and so on. Machine-learning algorithms are used to analyze this data and generate the scoring model.

HOW IT WORKS

As the program progresses and the scoring model improves, it becomes more selective regarding the opportunities for which it wishes to bid, and encapsulates more specialized knowledge of the program performance. Impressions served according to the ever-optimizing model are called “exploitation” impressions, because they strive to maximize value (or return) based on knowledge thus far.

HOW IT WORKS

However, at any point in time, the system also bids for some impressions that intentionally “disagree” with the recommendation of the current (now optimized) scoring model. This allows the model to learn about the performance of opportunities that it typically does not recommend, and adapt to changes over time, fluctuations in available inventory and volume requirements. These impressions are called “exploration impressions,” because they aim to enable the exploration of performance opportunities.

A focus on continuous optimization ensures a balance between “exploration” (impressions served for learning purposes) and “exploitation” (impressions served to maximize value). This balance commonly shifts over time toward exploitation, as the proprietary retargeted algorithm gains information.

Optimization is a practice of learning at scale. While one impression at a time doesn’t teach much, observing many millions of impressions and transactions provides valuable learnings.

2 MEDIA BUY OPTIMIZATION

Once baseline performance and the initial scoring algorithm are established, the media buy becomes optimized using programmatic bidding for who, when and where. The scoring algorithm receives new inputs once the program starts, which enable an optimization algorithm to drive continued performance optimization.

3

VIDEO CONTENT OPTIMIZATION

Optimization of video content is focused on the “what” and the “how,” and includes:

- How creative elements, such as the visual treatment, content, pacing, calls to action and other related factors, impact performance. For example, having a persistent “buy now” button throughout the video ad versus having a “click here to save today” call to action in the last 10 seconds would each result in different performance.
- Stories, representing which content to present in the video, can be driven by any combination of data attributes. These stories and scenes are **built for the individual** by the individual’s actual behavior. A program launches on day one with use of multiple stories and over the course of the program (timelines may vary per program, but 30 days is a good initial milestone), self-learning algorithms continually learn not only who to engage and when, but also with which story to maximize yield.

CONCLUSION



You'll want to define the stages of optimization and measure success criteria accordingly. For example:

STAGE 1: Algorithm identifies attributes (1st-party behavioral data and 2nd-party content viewing data) that influence conversion following ad impressions

STAGE 2: Algorithm begins optimizing targeting (right visitor, right time, right story) to improve conversion yield as measured by effective CPA

STAGE 3: Algorithm optimizes targeting and which story to show to maximize conversion yield and begin to demonstrate performance at scale

No matter how you measure your advertising program, personalized video ads deliver business impact and value to wireless carriers and cable operators. With an understanding of how programs perform, marketers should optimize their personalized ad programs based on visitor profile, media buy and video content to **achieve lift in visits, conversions and revenue** delivered by the video ads.

ABOUT SUNDAYSKY

SundaySky is transforming the relationship between brand and customer through personalized video. Our platform, built on proprietary SmartVideo technology, combines the power of video with personalized storytelling at scale to foster long-term customer relationships. The SmartVideo Platform lets marketers communicate to an audience of one and easily create, manage and optimize real-time personalized video programs throughout the customer lifecycle. AT&T, Comcast, Allstate and other industry-leading brands partner with SundaySky to engage prospective and current customers, resulting in higher revenue, lower costs and deeper loyalty. SundaySky is headquartered in New York City with offices in Tel Aviv and Tokyo.

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