

PERSONALIZED VIDEO ADVERTISING FOR TELCO PROVIDERS

HOW TO DELIVER ADS THAT
RESONATE WITH CUSTOMERS AND
PERFORM FOR BUSINESSES

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INTRODUCTION



INTRODUCTION

Across industries, TV advertising dollars are shifting to online video and at the same time, more online ad budget is being reallocated from display to video than to any other medium. Online video ads engage audiences for a full 15 to 30 seconds with the power of sight, sound and motion, whereas display or search ads, which lack these features, are seen for two to three seconds at most. As video becomes a must-have tactic in the ad mix, advertisers are integrating personalized video advertising into their overall advertising strategies.

Online retailers were among the first to deliver personalized video ads that leveraged customers' online activity, history and behavior to enable better targeting and drive conversions, revenue and brand awareness. In the past few years, other industries have begun implementing the technology to support their customer acquisition efforts, too, such as wireless carriers and cable operators. **Forrester projects** that the overall market for digital video advertising (including traditional, personalized and interactive video) will reach \$7.9 billion in the U.S. and €2.6 billion in Europe by 2016. ([Tweet this](#) )

Today, there are different types of video advertising that range from one-to-all, one-to-many and one-to-one communication. For example:

1 **Repurposed TV ads,** primarily focused on premium TV programming and building brand awareness with a one-size-fits-all, one-to-many message for an audience within a specific target demographic. This is the ad for everyone.

2 **Contextualized TV ads,** which adds a layer of creative to TV ad content tailoring an awareness message for a specific geography or market segment. This is the ad for someone like you.

3 **Personalized ads,** which are targeted to each individual based on that individual's actual behavior - e.g., website browsing, searching or previous purchases - as well as the nature of the content the individual consumes online - e.g., a review of the latest tech gadget or a post-game sports recap. The content of the ad is then personalized to the individual in real time based on this behavior. **This is an ad created especially for you at that specific moment in time.**

It's time to evolve your video advertising to take advantage of one-to-one communication.


Personalized video advertising has proven to perform by driving online transactions, such as service, device, plan and policy purchases. Keep in mind, though, that personalization should not be confused with contextual relevance. As mentioned above, contextualized ads are created for someone like you. Personalized ads incorporate elements that are unique to each individual viewer, in addition to contextual elements such as location or browsing behavior.

True personalization drives the most value and highest return.

With personalized pre-roll ads, brands combine the power of video advertising with the efficacy of on-site and engagement retargeting – such as purchase history or email campaign interaction – to help you maximize interactions and transactions with your customers. To effectively activate prospective and current customers with pre-roll ads, video content must be generated in real time and personalized based on persona, profile and behavioral attributes.

SmartVideo ads – personalized and real-time pre-roll video ads – perform with a click-through rate (CTR) of 2.76% in the telecommunications industry. Comparatively, generic pre-roll video ads without personalization have a lower reported CTR of **0.8 to 1.20%** in the industry.

Wireless carriers and cable operators can deliver personalized ads to each individual with variations according to contextual elements like the consumer's geographic location, whether the consumer is a customer of a competing provider, or available feature upsells a customer has yet to take advantage of – all in addition to promoting the product or service the individual is most interested in.

Think about it: if given the choice, would you prefer a video ad for someone like you, or a video ad created in the moment just for you?
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THE TELCO ADVERTISING LANDSCAPE



THE TELCO ADVERTISING LANDSCAPE

Even with the typical large advertising budgets of wireless and cable operators, **eMarketer** predicts slower growth in ad spend for the industry as compared to other verticals due to several colliding factors. Telco advertisers rely heavily on TV brand ads and search ads, which are losing ad spend share to video and rich media. Generally speaking, providers also plan their advertising budgets far in advance, making it difficult to dynamically shift budgets according to performance. Meanwhile, providers are facing external market changes: higher market saturation and mergers between providers, the need to keep up with demand for Internet-based services, and challenges associated with the growing number of cord-cutters.

4th LARGEST

U.S. DIGITAL AD SPENDER

1. Retail
2. Financial Services
3. Automotive
- 4. TELECOMMUNICATIONS**

Source: **eMarketer**

\$5.79 BILLION

THE COLLECTIVE AMOUNT AT&T, Comcast, Verizon, and Time Warner Cable, four of the top 10 biggest advertisers, spend on advertising each year.

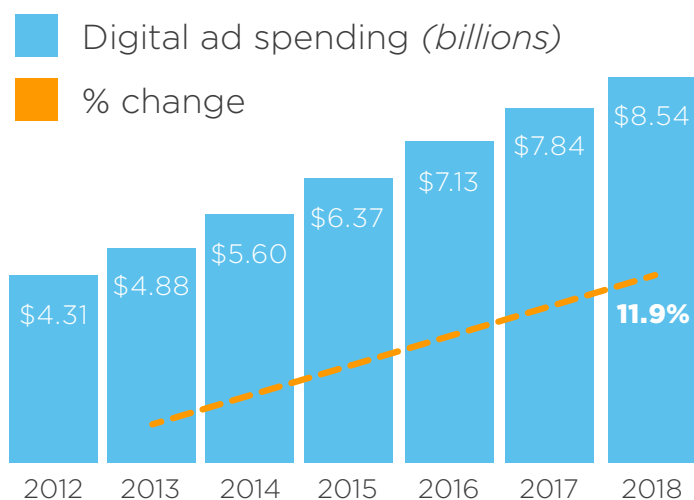
Source: **Kantar Media**

THE TELCO ADVERTISING LANDSCAPE

Similar to companies in other industries, providers are reallocating budget to online video simply because more users are watching more online video. Where the audience is, the ad dollars will follow. Beyond that, online video allows for brands to be more tailored and **reach a much more relevant and highly engaged audience** through the availability of real-time data and targeting capabilities.

U.S. TELECOM INDUSTRY DIGITAL AD SPENDING, 2012-2018


11.9% compound annual growth rate (CAGR) from 2013 to 2018



Source: [eMarketer](#)

72% of U.S. ad agencies think that online video advertising is as effective or more effective than TV ads

Source: **2015 BrightRoll survey** of U.S. ad agencies across industries

As brand dollars move online, they will adopt characteristics previously used by performance marketers, such as behavioral and contextual targeting. Personalized online video advertising also offers superior accountability and measurement compared to TV and other channels, and this value shift is resonating with advertisers. The ability to target a relevant audience based on data, to track engagement, and to analyze brand impact through online and offline research increases the accountability of brand marketing. Regardless of how you measure success and attribute results, personalized video advertising has **proven to outperform other mediums**. ([Tweet this](#) )

WHY PERSONALIZED VIDEO SHOULD BE PART OF THE AD MIX



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Wireless and cable providers are instituting personalized video ad strategies to target website abandoners who have demonstrated interest in a service, bundle or product and drive them back to the site for conversion via direct click or view through. In addition, based on the learnings from the bottom of the funnel activation efforts, you can target new prospects at the top of the funnel and bring them to the site for the first time.

Think back to when we outlined the different types of online video ads: repurposed TV, contextualized and personalized ads. Personalized ads allow brands to speak to prospective and current customers on a one-to-one basis, delivering the messages most relevant to each individual, promoting a particular device, plan, promotion or competitive message.

This is to say that a cable operator could deliver **millions of ad permutations**, each advertising a different offer, then personalize each based on consumer signals, including:

- Browsing behavior on the operator's site
- Viewer's content viewing choices on the media outlet
- Geo-location
- Customer type (existing or new)
- Current device or plan
- Current wireless or cable provider as based on IP address
- Service USP (coverage, reliability) as based on IP address
- Date and time
- Seasonal or limited offer

WHY PERSONALIZED VIDEO SHOULD BE PART OF THE AD MIX

Compared to a big-box retailer with an extensive product catalog spanning various departments, wireless carriers and cable operators seem to offer a limited number of devices, products and service offerings. Still, this **does not limit the number of possible personalized permutations**.

Because these ads are truly personalized, created especially for each viewer in real time, visitors engaged with these personalized video ads **visit the site, convert and spend more** than equivalent visitors who do not view these video ads. When online brands reach their target audience through the most captivating medium – video – they are able to profitably defend and grow revenue, strengthening their competitive position.

([Tweet this](#) )

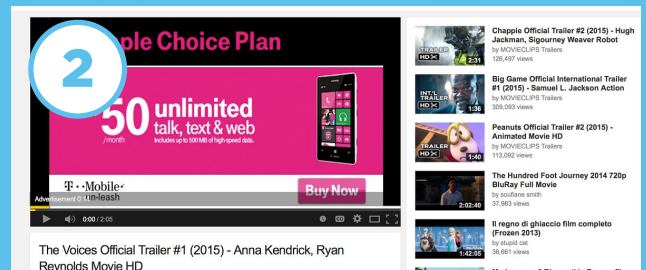
HOW IT WORKS

THE CUSTOMER EXPERIENCE:

In the example below, a visitor browses for a new mobile phone and plan and leaves the site without purchasing.



Visitor browses product or plan page, but leaves site without purchasing.



When watching online video content, the prospect is presented with a personalized, contextual ad, in this case it is the last product viewed.



The video includes a targeted call to action, such as “Buy Now” as seen here.

THREE WAYS PROVIDERS BENEFIT FROM PERSONALIZED VIDEO ADVERTISING

With personalized video ads, brands can:

1 *Deliver the right content, at the right time*

Watching the same pre-roll ad again and again frustrates consumers, which can leave a negative brand impact. Companies can instead leverage their prospect and customer data to create a pre-roll video ad that knows what scenes to show at that exact moment in time based on the viewer's profile, browsing behavior and more. For instance, if a visitor already viewed a video ad for the last product viewed and did not take the intended action, a different pre-roll ad can be created with a promo discount, customer reviews, a free shipping message, or a new featured product. Because the scenes shown and the order in which they're shown are unique to each viewer, the ad delivers a much more meaningful message.

2 *Introduce compelling products and offers*

Brands can deliver pre-roll ads that include related service bundles or product recommendations based on customer status or previous purchasing behavior, featuring content in the right context. Brands can tailor ad messages depending on where the customer stands in the lifecycle, offering phone and plan upgrades for wireless carriers or service bundles and package upgrades for cable operators. By knowing and understanding their customers, brands deliver a positive customer experience, ultimately deepening loyalty and driving more quality purchases.

WHY PERSONALIZED VIDEO SHOULD BE PART OF THE AD MIX

3 *Target prospective and current customers throughout the lifecycle*

Personalized video ads are used to engage customers at any stage of the lifecycle, for example:

- To explain to **prospective customers** who have never interacted with the brand why they should engage with and do business with the brand
- To drive purchases and transactions among **prospective or existing customers that have shown intent** by explaining why they should buy now
- To develop a regular cadence of communications with **existing customers that haven't recently interacted** with the brand and explain why they should come back and continue doing business with the brand

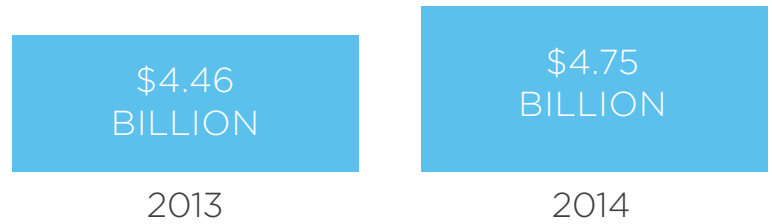
Personalized video ads contain a message or promotion relevant to each lifecycle stage, and the content is then personalized to each viewer.

CONCLUSION



As advertisers realize online video ad programs are more engaging to viewers and outperform TV ads and other online ad programs, they are shifting ad budgets to online video, and personalized online video in particular.

TELCO ADVERTISING SPEND JANUARY - JUNE



Source: [Kantar Media](#)

TELCO AD RECALL AND LIKEABILITY

- TV Commercials (Broadcast + Cable)
- Video Ads in Short Form Online Videos



Source: [IAB](#)

ONLINE VIDEO ADVERTISING ENGAGES CONSUMERS

IAB reports that the telco brand and message recall rates as well as overall likeability of online video ads are higher than those of TV ads.

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Personalized video advertising programs address the performance and brand advertising objectives of telecommunications providers, delivering incremental conversion and revenue impact, along with a measurable increase in brand engagement with a highly relevant audience.

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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