Understanding The True Impact Of

VIDEO ADVERTISING

A Study Reviewing Attention And Emotion
Driven By Video Advertising
Across TV, Desktop And Mobile

videology® | GATEWAYresearch

UNDERSTANDING IMPACT

Video advertising across all screens (television & digital) now represents a third of all advertising dollars spent in Australia. [1]

Digital video advertising was worth half a billion dollars in CY2015 and growth is still rapid with Q1 2016 expenditure up 85% year-on-year. [2] Along with increased investment comes increased scrutiny.

This study has been designed to provide the market with insights that go beyond the standard metrics currently available. My 20 years plus experience in running visual attention research has reinforced that we can not presume what is seen in marketing communications.

Industry viewability standards can help us ensure creative has the opportunity to be seen, but this study interrogates what is actually drawing attention and how this differs across different screens. Adding the emotional impact shown by people to different creative and again across screens, delivers key clues to improving both creative development and media placement.

This study goes beyond the tech hype and offers unique data, which goes to the heart of successful advertising – creating ads that people watch, pay attention to the key messages, and generate the appropriate emotional state in the consumer.

Dr. Peter Brawn
Managing Director
Gateway Research

For years, Videology has championed TV and Video as the perfect media partners. A complementary force for convergence, in today's fragmenting media landscape. We're all aware of the evidence around fragmentation as consumer behaviour continues to evolve – more people, spending more time, on more devices. That's a given. But what's the impact of this new reality?

Until now, video-related research studies have almost exclusively focused on usage. How long. How many. How often. We wanted to look beyond standard usage metrics and viewability scores, to uncover the emotional impact of video advertising in order to deepen our understanding of how content, screen, targeting and cross-media order of exposure, affect results.

Partnering with Gateway Research, we set out to measure attention, emotion and recall for video advertising across the three main screens – TV, desktop and mobile. Based on actual consumer behaviour gathered through the latest in eye-tracking and biometric technology, this study lifts the lid on the black box of consumer behaviour and uncovers what it really takes to capture viewer attention.

As the pipes that connect consumers with brands, demand with supply, and everything in between, Videology operates at the heart of the video advertising industry. In recent years, our industry has become fixated on technology as the greatest advance in media since the invention of the television, and rightfully so. Technological advances have enabled brands to connect with consumers more accurately than ever before. We must not forget however that technology is a tool – the Swiss army knife of media if you will – and as incredibly useful as it is, it was never designed to take centre stage. That spotlight is reserved for the consumer. Effective technology should sit behind the scenes, making the whole thing work seamlessly, executing consumer connections with pinpoint accuracy.

Videology commissioned this extensive deep dive into the impact of video advertising to highlight the importance of attention, emotion and recall in connecting brands with consumers.

Ken Pao
Managing Director, APAC
Videology

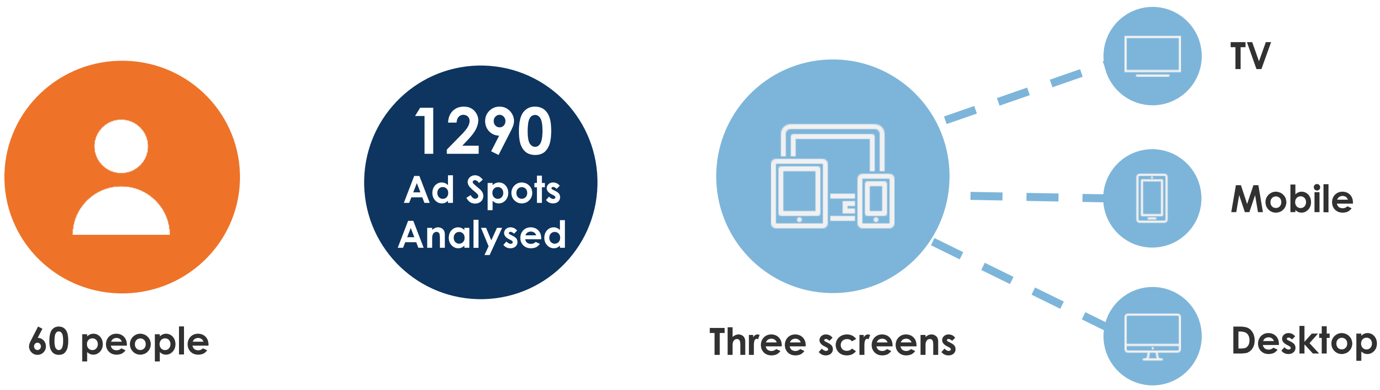
1. *CEASA CY2015*
2. *IAB/PWC Online Ad Expenditure Report*

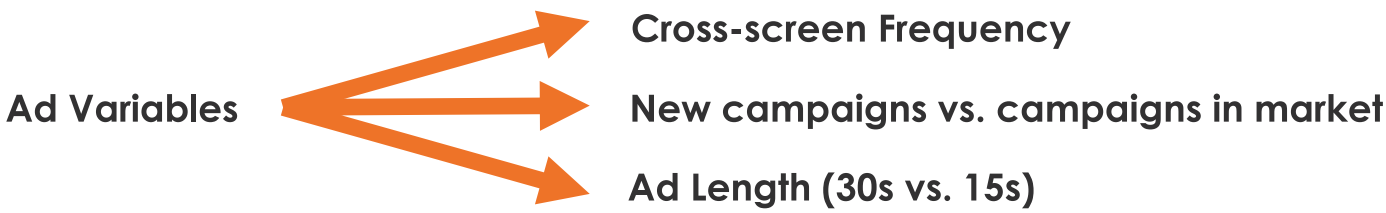
OBJECTIVES OF THE STUDY

Videology partnered with behavioural research experts, Gateway Research, to gain an understanding of how people are really paying attention and feeling about video advertising.

By using a mix of eye-tracking technology, facial expression coding and GSR tracking, this ground-breaking study will help marketers develop more effective cross-screen video campaigns. A quantitative research piece providing clear guidance on improving video ad creative and planning across all screen.

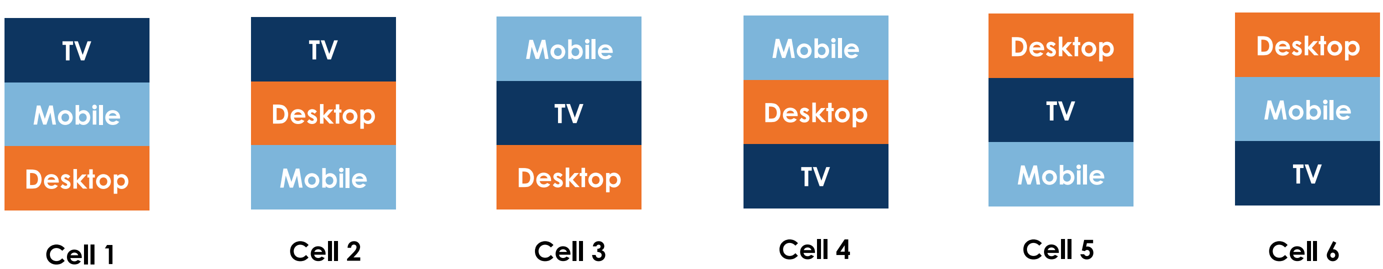
Methodology





Research was carried out in Sydney, Australia in March 2016, with 60 participants viewing video content and advertising on three screens; television, desktop computer and smartphone. Participants wore lightweight Tobii eyetracking glasses, Shimmer's wireless GSR (galvanic skin response) sensors and facial expressions were tracked via webcam. Participants were not informed the research was focussed on advertising.

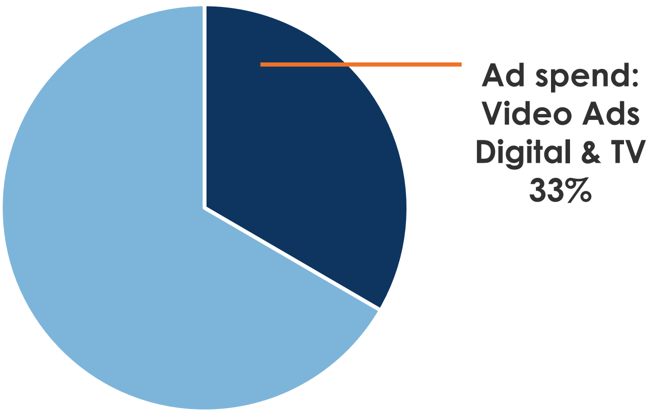
All participants viewed the same content and advertisements, but were randomly allocated to six different groups with varied order of device exposure. All subjects regularly viewed commercial TV, video content on a desktop/laptop and mobile, at least twice a month. Subjects were aged between 18-55 and recruited to represent light, medium and heavy video content consumers across all three platforms.

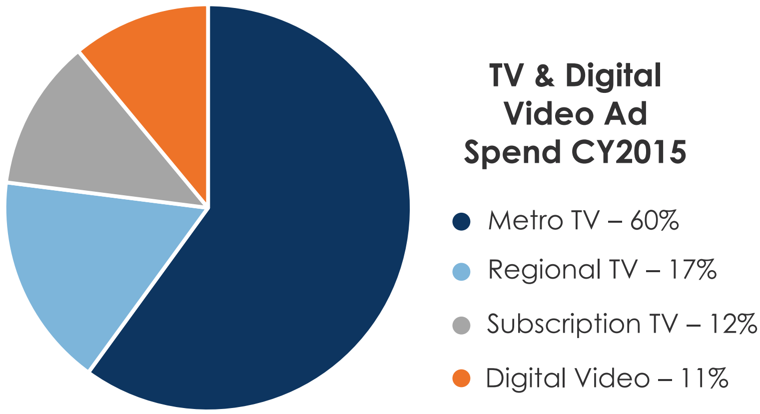


AUSTRALIAN VIDEO AD MARKET

Digital video advertising generated $0.5B revenue in the Australian market in calendar year 2015 and strong growth continues, with March 2016 quarter up 49% on March 2015. The composition of top advertisers for digital video closely resembles the traditional TV market, with FMCG, Automotive and Retail leading the pack.

The burgeoning investment into digital video and increasingly cross-screen media planning is creating an appetite for a greater understanding of the efficacy of this type of advertising and the interplay across screens, both from a consumer and commercial standpoint.





AUSTRALIAN VIDEO CONSUMPTION

Over thirteen million Australians are now streaming digital content every month, with over a third of people aged over sixteen doing so at least weekly. Although consumption is strong across the board, younger people are the heaviest consumers with 70% of people aged 16-24 streaming video content at least once a week.

Over 3 in 10 people are viewing digital video at least weekly **

7 in 10 16-24 year olds view digital video at least weekly **

*Sources: CEASA 2016 & PwC/IAB Online Advertising Expenditure Report; Nielsen Australian Connected Consumer Report 2015 ***

RESULTS

The Videology/Gateway Research study focussed on three key areas to measure the impact of the advertising that was viewed; firstly attention based on frame-by-frame eye-tracking data; secondly emotional response based both on facial coding and GSR response, and lastly ad recall based on a post-experiment survey.

The tables below identify factors that impacted consumers reaction to advertisements in order of importance. Although there are differences across the three measures, we discovered evidence of some important themes;

1. Creative is key – without quality, engaging creative it is almost impossible to both gain attention and produce a positive emotional response.
2. Although there were minor differences across different screen types (TV, desktop and smartphone) other factors played a much greater role.
3. A targeted and quality contextual environment helps drive success. It has long been known that in TV advertising the first ad in an ad pod has the highest chance of breakthrough. This study has importantly identified that this also holds true for digital platforms.

Both the first two factors support the ability for brands to use similar creative across screens, with some minor modifications, which will be discussed later in this report.

Attention

Factors that impacted attention:

1. Ad position
2. Creative
3. Consumer affiliation to ad category
4. Screen type
5. Frequency

Emotion

Factors that impacted emotional response:

1. Creative
2. Ad position
3. Consumer affiliation to ad category
4. Sentiment about surrounding content
5. Screen type
6. Frequency

Recall

Factors that impacted ad recall:

1. Frequency
2. Consumer affiliation to ad category
3. Ad position
4. Screen type

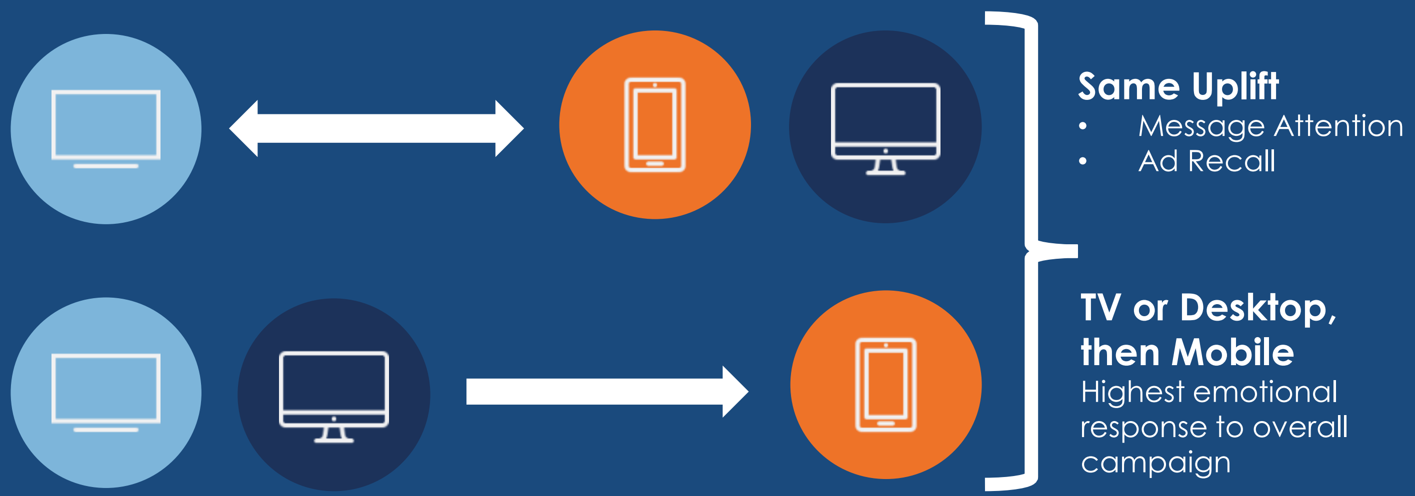
CROSS-SCREEN IMPACT

As we have previously stated, screen type is not the most important element in emotional response, but when we do review the comparative screen data, desktop is performing slightly stronger than TV, which in turn is performing slightly stronger than mobile. The content surrounding the ads was equivalent for all screens - broadcast quality, mainstream, comedy content.

Desktop screen size and the immersive nature of the environment seemed to hit a sweet spot with consumers. When interviewed after the study, participants said although they don't relish the thought of consuming ads, broadcast quality video ads on their devices were accepted and seemed appropriate with the surrounding video content.

ORDER OF EXPOSURE

The study tested a range of campaigns that had creative running across all three screens and reviewed the impact of the order of exposure. We found that when exposed to creative for the same campaign across all three devices, (30 second for TVCs, 30 second or 15 second for desktop and 15 second for mobile), whether viewers were exposed to TV or a digital device had no significant impact on attention to messages, or ad recall. However, the most positive emotional response to a whole campaign occurred when people were first exposed to an ad on either a TV or desktop screen. Mobile creative has to work harder if it is likely to be seen first.

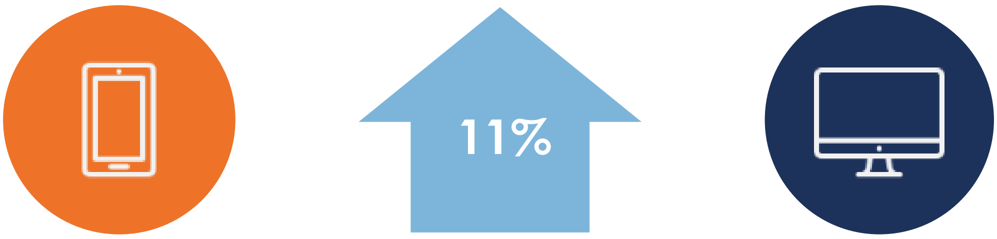


THE 15 SECOND CHALLENGE

Although there are many dynamics that impact whether a person chooses to watch ads, this study was focused on optimising media and creative strategy for those who are exposed to advertising. There is a range of video ad lengths available in market, but our study focussed on the two most common cross-screen formats – 30 seconds and 15 seconds.

Part 1 – Message Evaluation 15s vs. 30s

Creative development of shorter ads based on a longer piece of creative is not a new issue. TV campaigns have had to navigate this reality for many, many years. However, we are witnessing many less nuanced examples on digital platforms. Crowding of a myriad of calls-to-action (logos, hashtags, slogans and URLs) are often displayed in the last few frames of a 15 second digital ad. This is currently commonplace and often resembles an ad designed by committee, rather than one created to elicit an emotional response from the audience. Our frame-by-frame attention analysis highlighted the problem of message crowding. When people are attending to one message, they are in essence blind to the other pieces of information on screen. For campaigns that squeezed in as many messages in their 15 second creative as their 30 second creative, message attention was lower for the 15 second ad. However, for ads without this overcrowding, we saw an 11% uplift in message attention, putting 15 second ads on par with 30 second creative.



Uplift in message attention when clear, uncluttered creative is used

Part 2 – Presumed Knowledge: Cross-screen Campaigns

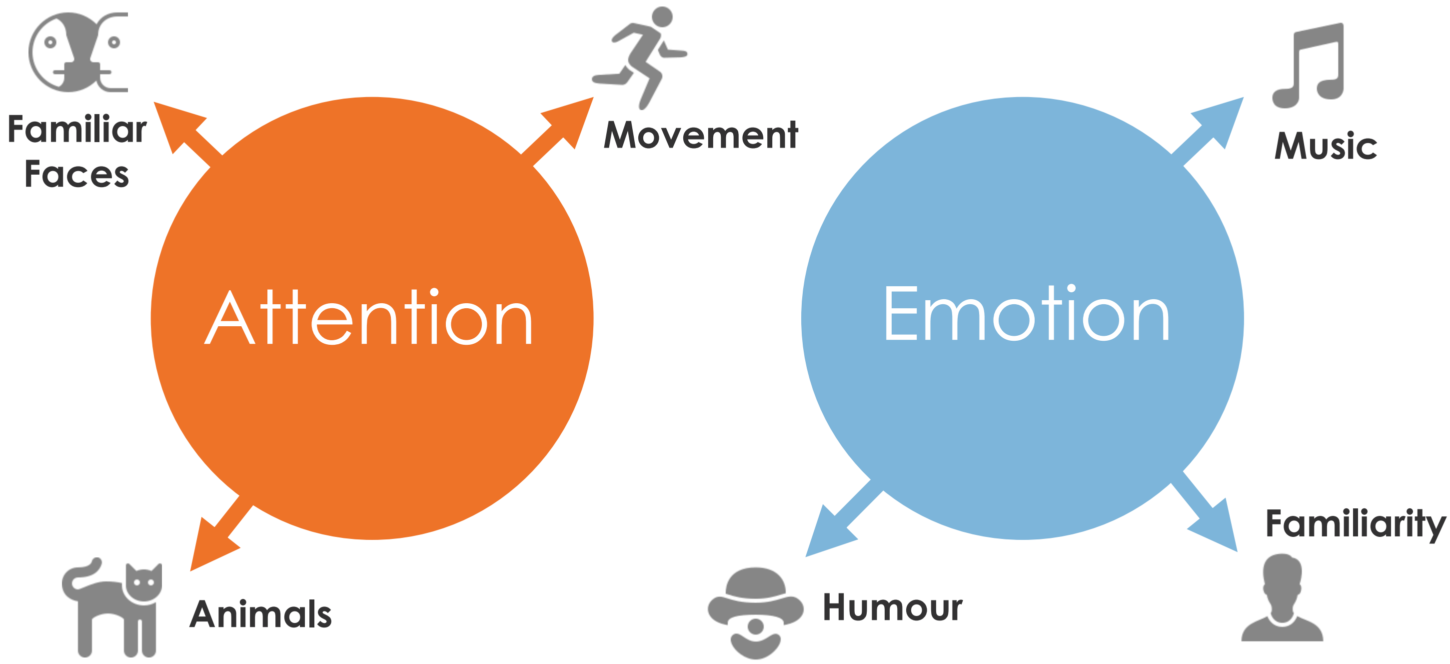
It is common knowledge that media consumption habits are increasingly varied. The result of this for media buyers is that it makes it difficult to develop plans based on generic behaviour data sets. The creative for many 15 second ads on digital platforms assumes that the consumer has already been exposed to the full 30 second piece of creative. As consumers continue to fragment across screens, this becomes increasingly less likely. When reviewing reactions to cross-screen campaigns that had already run in market for a significant time period on traditional broadcast channels, light TV viewers who were exposed to the shorter creative first, had significantly lower recall and emotional response to the creative.

Ad Recall **+ Emotion**

DIGGING INTO CREATIVE

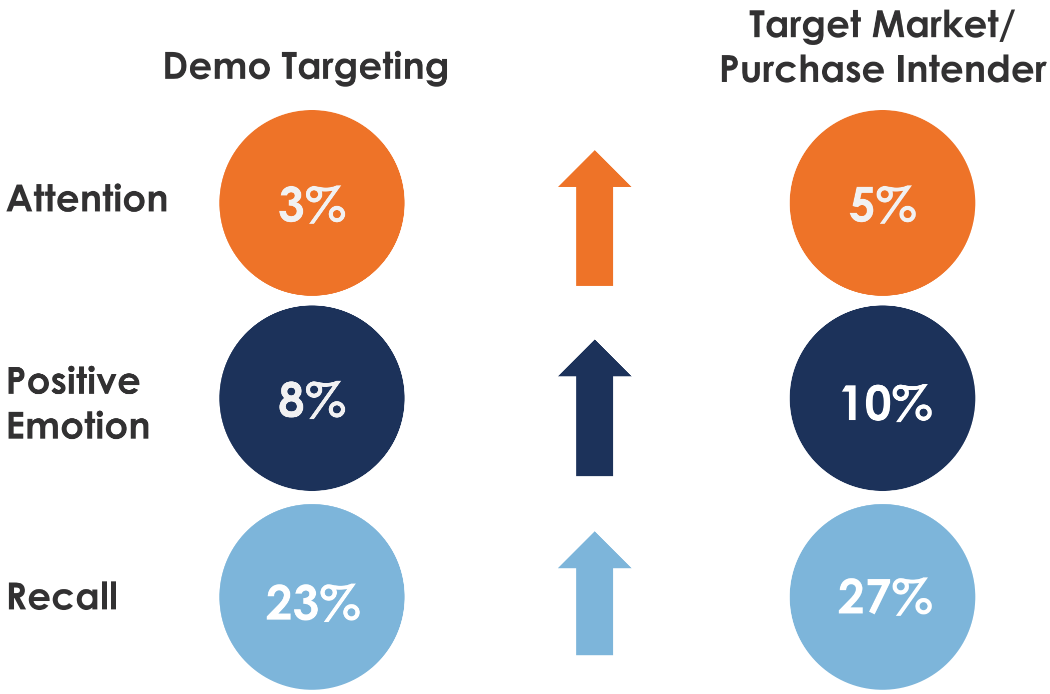
As we have seen, people respond similarly to creative across screens and thus creative development rules can often transcend individual screen-based strategies. As the market moves beyond viewability and all brands struggle to gain and retain attention - whether that be through paid, owned or earned media channels - testing and optimising creative is essential, not only to trigger an emotional response, but to sustain viewer attention.

The elements highlighted below were the stimuli in this study that consistently performed well, on either attention or emotion metrics, regardless of screen type.



THE ROI OF TARGETING

Ad reactions were analysed by the advertiser's desired target demographic and also the purchase behaviour or purchase intention of the consumers. The results showed an absolute premium in recall and emotion metrics for viewers exposed to the ad who fell within the target market. Attention metrics overall were fairly similar.



HOW TO WIN IN TODAY'S MARKET

Summary of findings

- **Desktop is as effective as TV in driving emotion** - consumers are embracing screens equally, with similar emotional reactions recorded across TV, desktop and mobile.
- **Screen type is not the primary driver of impact** – consumers are focused on content, rather than device, as message attention and ad recall showed little difference between screens.
- **High quality creative is key to success** – testing and optimising creative for digital and TV should be standard.
- **Overcrowded ad creative leaves consumers overwhelmed** – 11% increase in viewer attention when comparing uncrowded and crowded creative messaging.
    - Optimise your mobile creative in particular – decluttered creative and clear, concise messaging on the smallest screen creates greater impact
- **Targeting increases ROI by up to 27%** versus non-targeted campaigns.
    - Target market/Purchase Intender targeted campaigns produce 27% uplift in recall versus non-targeted campaigns
    - Demo targeted campaigns produce 23% uplift in recall versus non-targeted campaigns
    - Positive emotion increased 10% versus non-targeted campaigns when targeted to Target market/Purchase Intenders
- **As an industry we need strong cross-media tools** – with the increasing diversity of consumer behaviour, we can no longer rely on assumptions regarding cross-media activity. A converged panel or equivalent would significantly increase the accuracy of cross-media planning and measurement.
- **Go beyond viewability metrics to consider consumer triggers** – as viewability issues are increasingly being addressed by the market, it allows brands to move on and work toward delivering against more sophisticated attention metrics.
- **Remember the person behind the screen** – ensure you have a strong understanding of the consumer journey at planning time, working with a technology partner that enables you to activate and measure against this seamlessly.

"By synchronising the three data sets of attention, emotion and recall, Videology and Gateway Research have created a unique dataset on video advertising consumption within the Australian market."

Gai Le Roy
COO
Gateway Research

Videology (videologygroup.com) is a leading software provider for converged TV and video advertising. By simplifying big data, we empower marketers and media companies to make smarter advertising decisions to fully harness the value of their audience across screens. Our maths and science-based technology enables our customers to manage, measure and optimise digital video and TV advertising to achieve the best results in the converging media landscape.

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

Since 2006, Gateway Research (gatewayresearch.com) and sister company Eye Tracker have pioneered and established the commercial use of eye tracking in Australia. Led by one of the world's leading authorities on visual attention and biometric market research, Dr. Peter Brawn, and Gai Le Roy, one of Australia's leading media researchers.

Gateway gives clients competitive edge by combining cutting-edge technologies with unique expert analytical power.