

UWA

GET TOGETHER

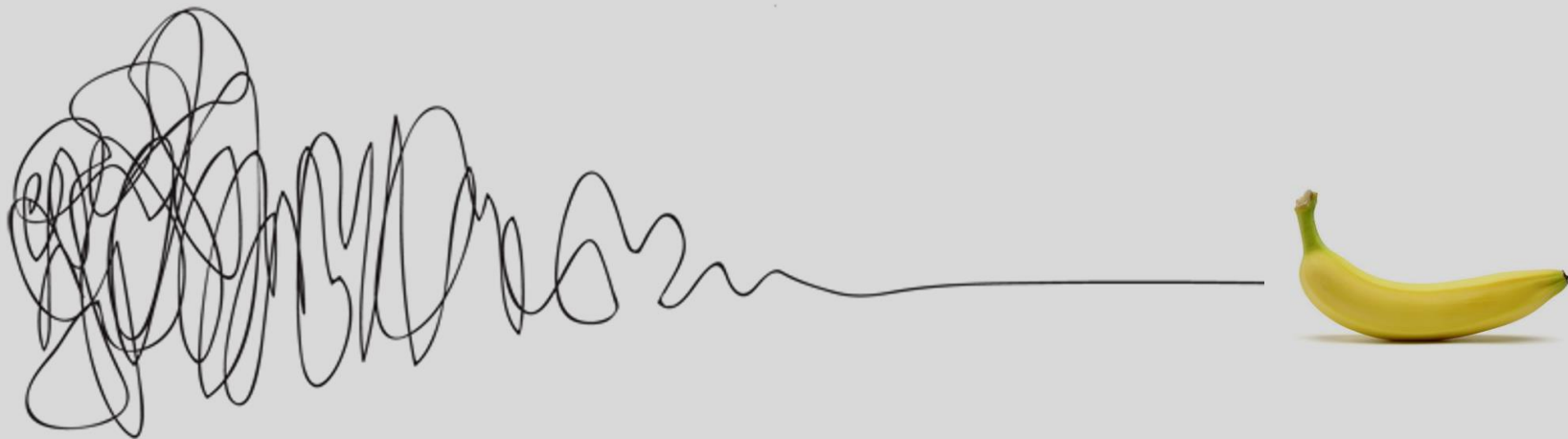
The path to strong communication



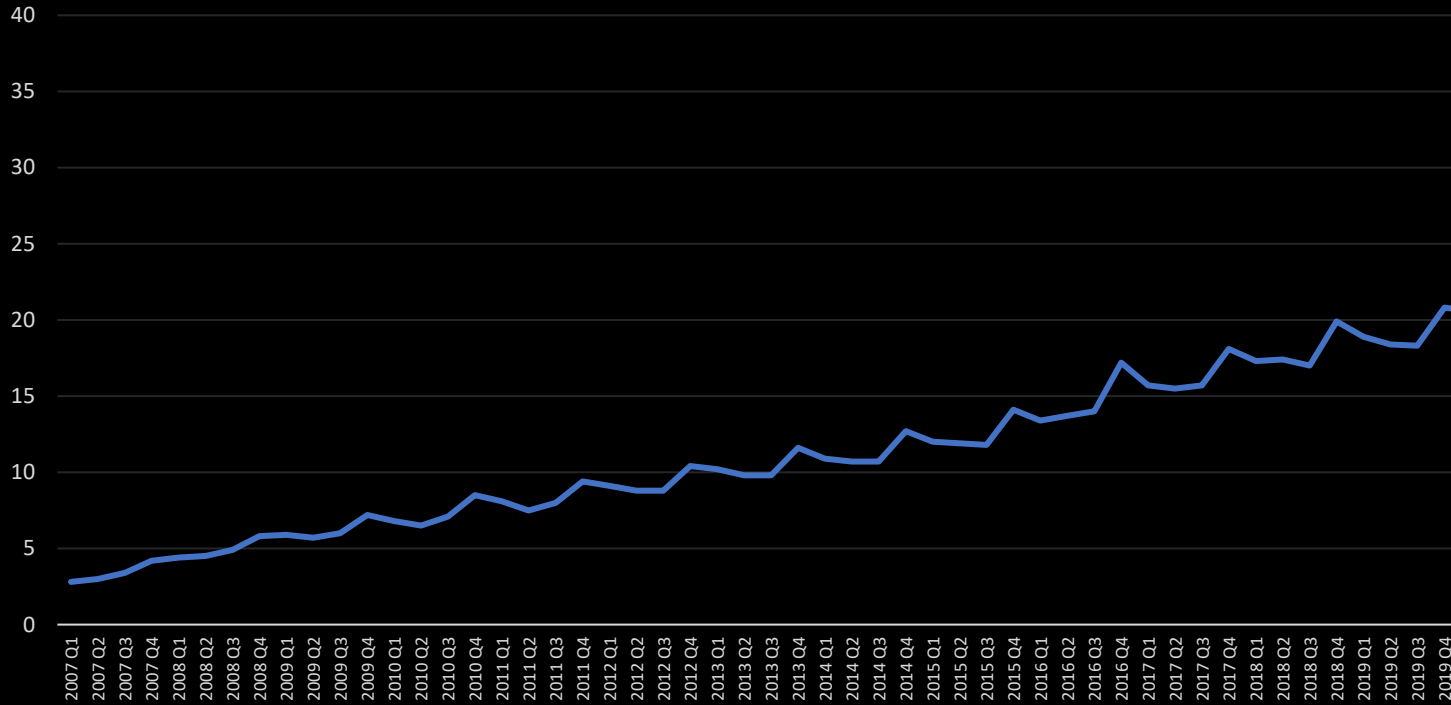


How to bring Marketing back in Touch with Reality?

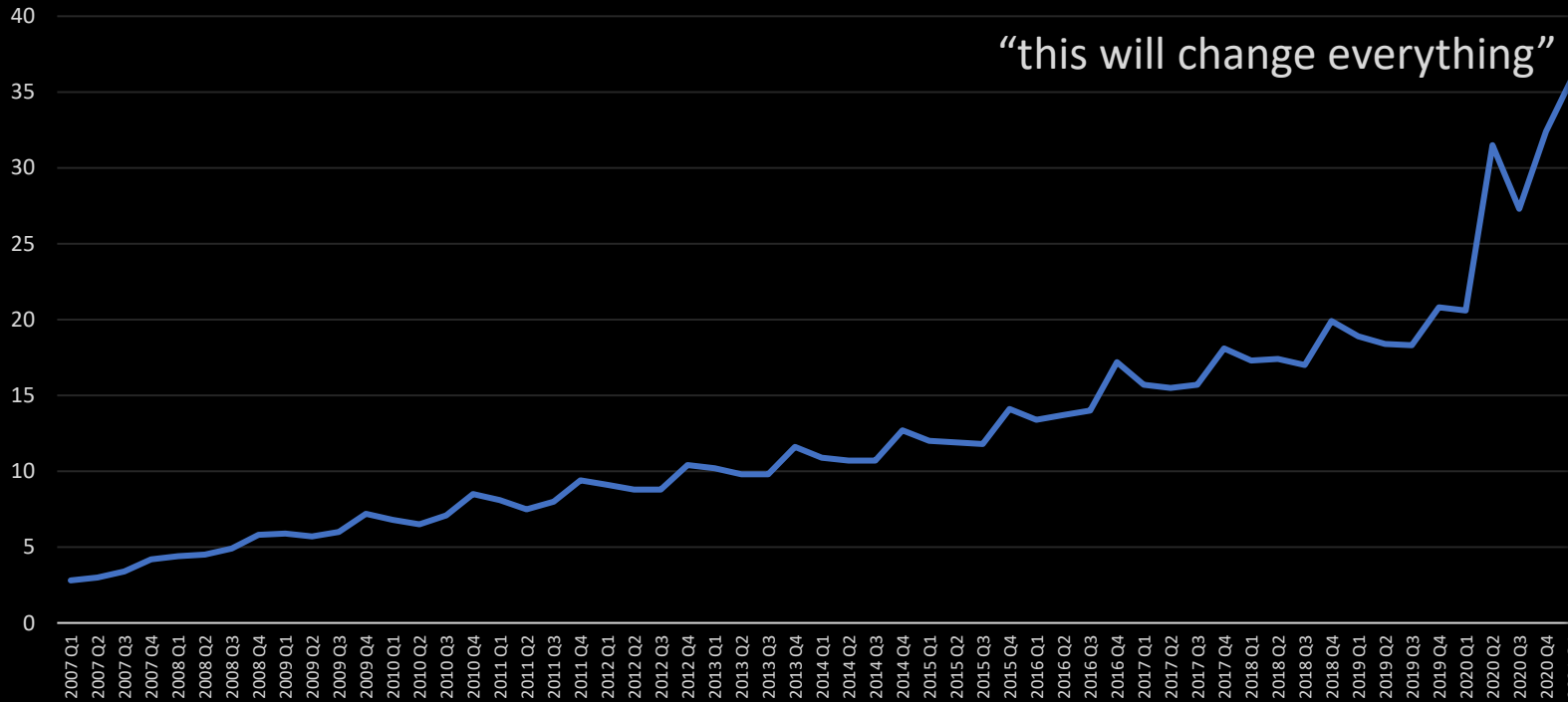
Wiemer Snijders



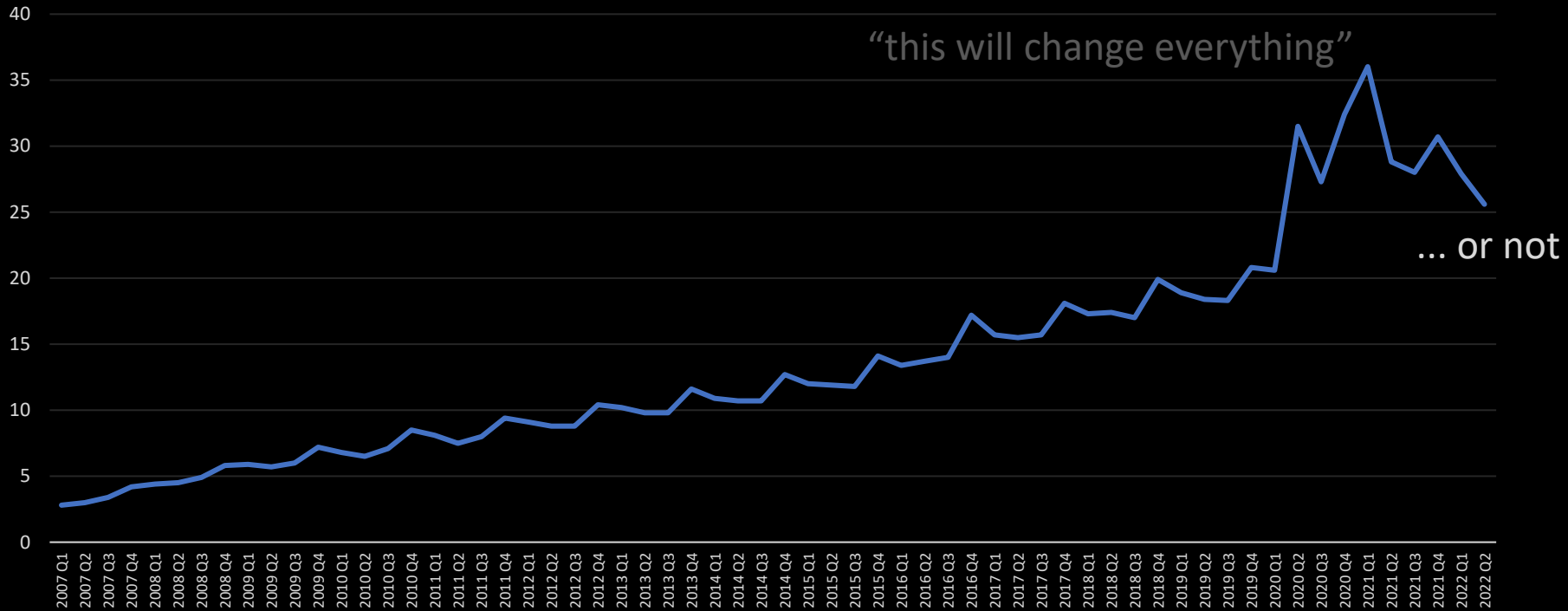
Internet sales as a percentage of total retail sales (2007-2019):



Internet sales as a percentage of total retail sales (2007-2020):



Internet sales as a percentage of total retail sales (2007-2022):



TROS

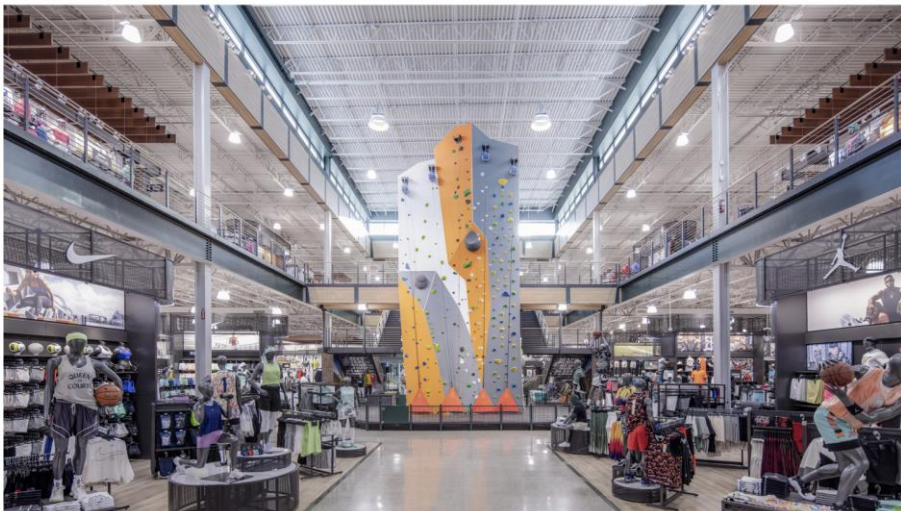




**We are
driving
backwards**

Dick's Sporting Goods is using its loyalty program to better target customers

By Saqib Shah



Dick's Sporting Goods



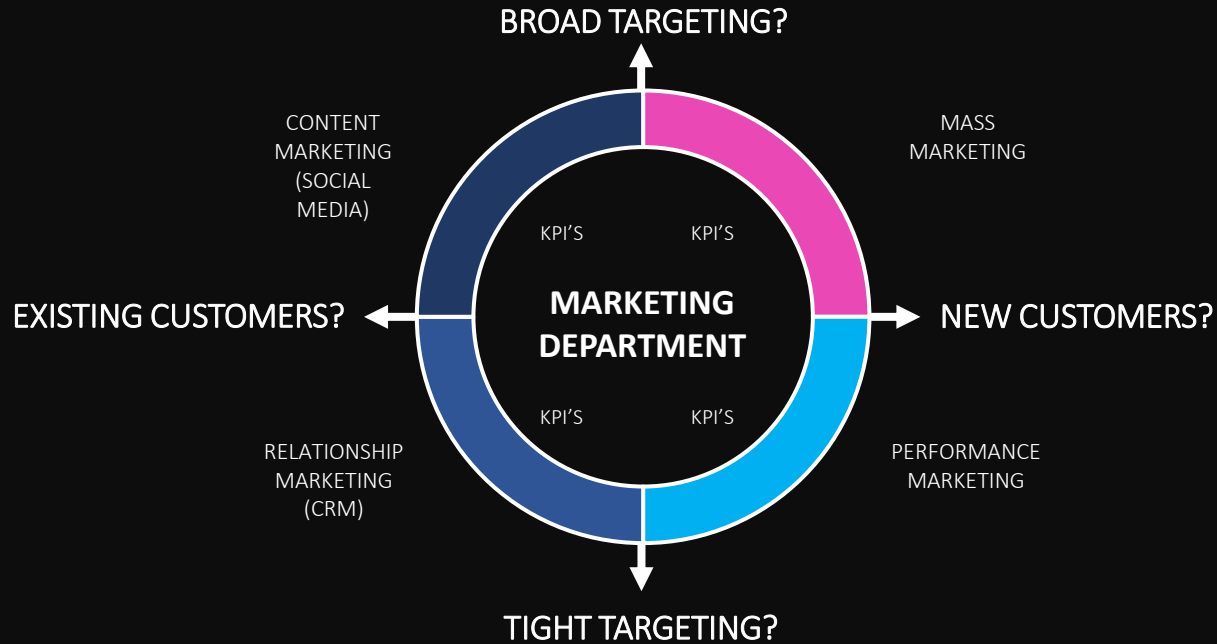
Dick's Sporting Goods is investing in data analytics, AI and online advertising to convert more shoppers into returning customers.



We are here to sell...







Key Performance Indicators



Bang for your buck

Chance of converting:

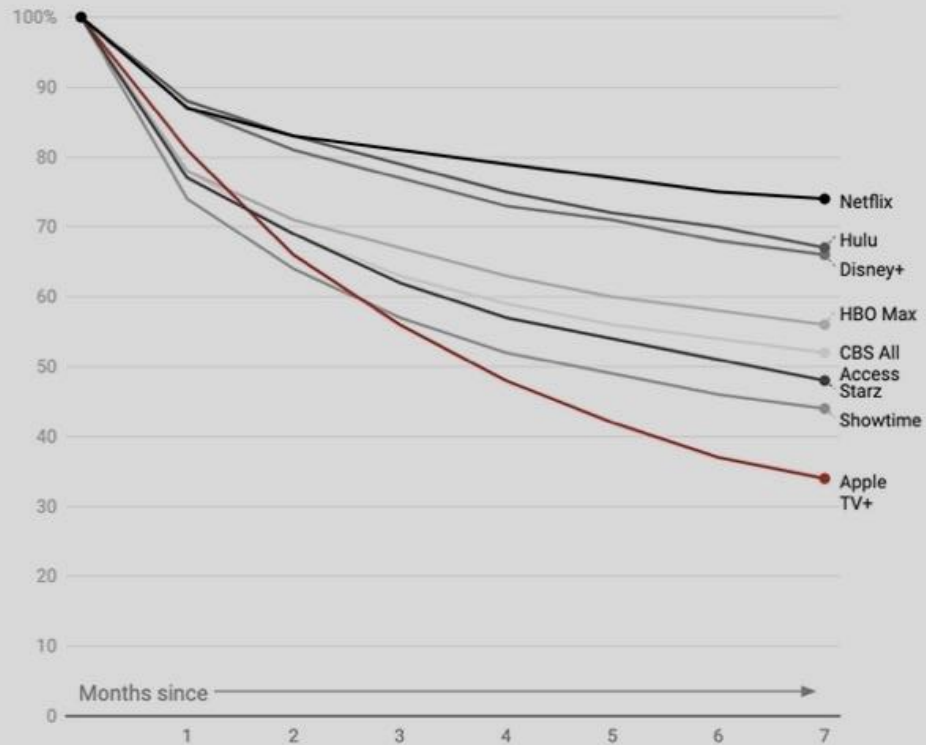
0.5%

Chance of converting:

5%



Share of people who newly subscribed to a streaming service in the first half of 2020 who still have it



Source: Antenna

HBO: time to celebrate?



~75% retention rate



~55% retention rate

First Principles in Marketing



Of the thousand and one variables which might affect buyer behaviour, it is found that nine hundred and ninety-nine usually do not matter.

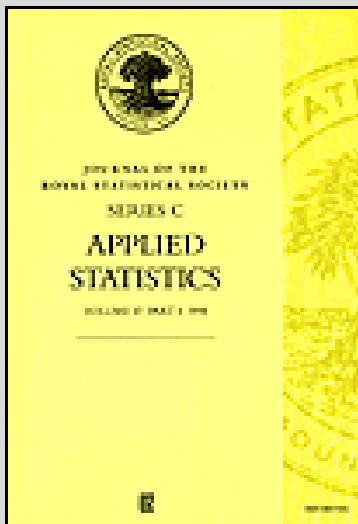
Many aspects of buyer behaviour can be predicted simply from the penetration

- Andrew Ehrenberg





1957: Paper presented to the Royal Statistical Society



THE PATTERN OF CONSUMER PURCHASES*

A. S. C. EHRENBERG†
The Attwood Group

In this article Mr Ehrenberg shows how data on purchases of non-durable consumer goods can be fitted by the negative binomial distribution, and discusses applications of this finding. He also considers a simple model for purchases made in different periods of time and some quick and easy methods for calculating standard errors.

GENERAL INTRODUCTION

Consumer Purchasing Data

We are concerned here with the ordinary private consumer's purchases of non-durable consumer goods. These goods are usually characterised by being marketed in pre-packed and branded form. Data about such purchases are obtained by market research techniques such as, in the case of Attwood's, the continuous consumer panels (see reference 1) based on random samples of either households or individuals and operated in various European countries including Great Britain. (The samples used in market research are almost always large in the statistical sense, so that no small-sample theory is required.)

The basic unit of time for measuring consumer purchases is usually a week, one week being generally like another. Most analyses are, however, made over periods of 4 or 13 weeks. For any such period of time, we therefore know how many consumers in the sample bought 0, 1, 2, 3, 4, or, in general, r , units of the given product, i.e. we know the frequency distribution of purchases. We generally also know what each of the consumers bought in preceding periods and can continue to watch his subsequent purchases.

The problem considered in this paper is the fit of the negative binomial distribution to such data. Product-fields analysed include the following:

Bread, Breakfast Cereals, Canned Vegetables, Cat and Dog Foods, Cocoa, Coffee, Confectionery, Detergents, Disinfectants, Edible Fats, Food Drinks, Household and Toilet Soaps, Jams and Marmalade, Polishes, Processed Cheese, Sausages, Shampoos, Soft Drinks, and Soups.

The Negative Binomial Distribution

The Negative Binomial Distribution is a two-parameter distribution

* Based on a paper read to the Study Section of the Royal Statistical Society on 24th April 1957.

† Now with Research Services Limited.



50+ years,
hundreds of
categories,
thousands of
brands



OXFORD

how brands grow

what marketers don't know

Byron Sharp

How brands grow →

Fall:

- creative advertising
- over-investing in consumers, while buyers
- Pricing too high with regular research that structures!



Success

=



Success

=



The theoretical number of purchases of brand j per buyer is calculated as

$$w = \sum_{n=1}^{\infty} \left\{ P_n \sum_{r=1}^n rp(r|n) \right\} / [1 - p(0)],$$

NEGATIVE BINOMIAL DISTRIBUTION



A lot do a little



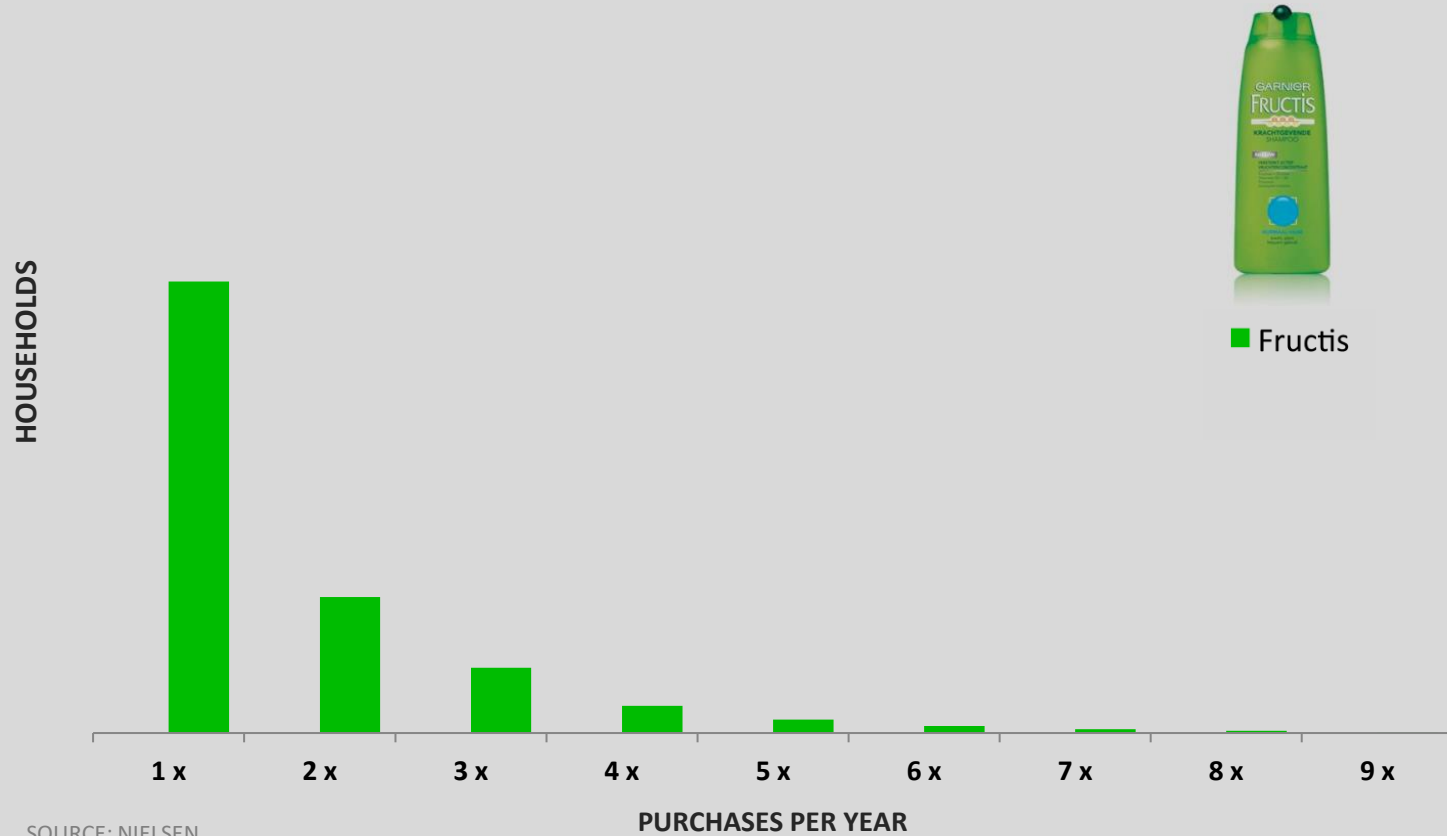
a few do a lot



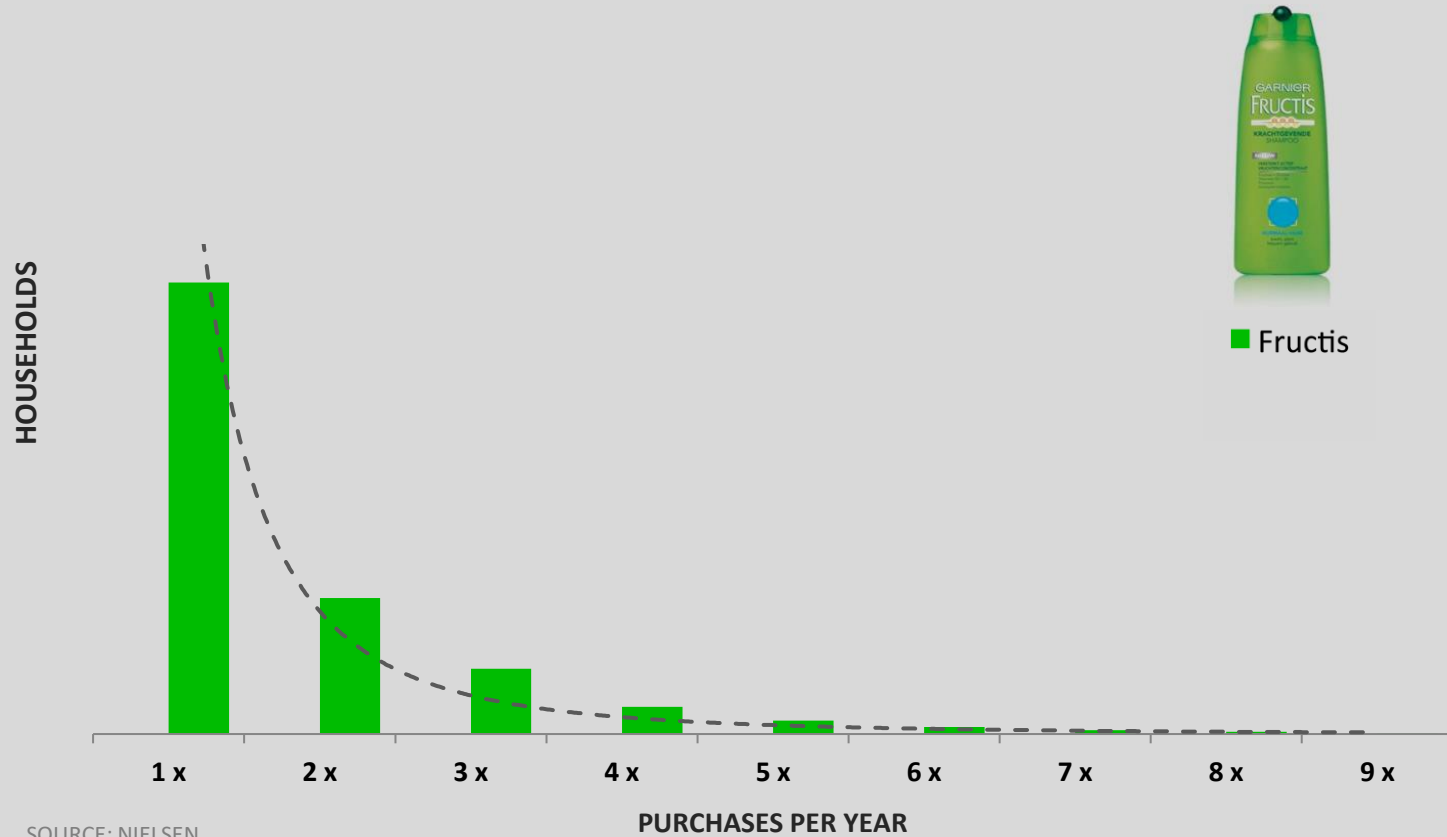
THE
COMMERCIAL
WORKS

1140

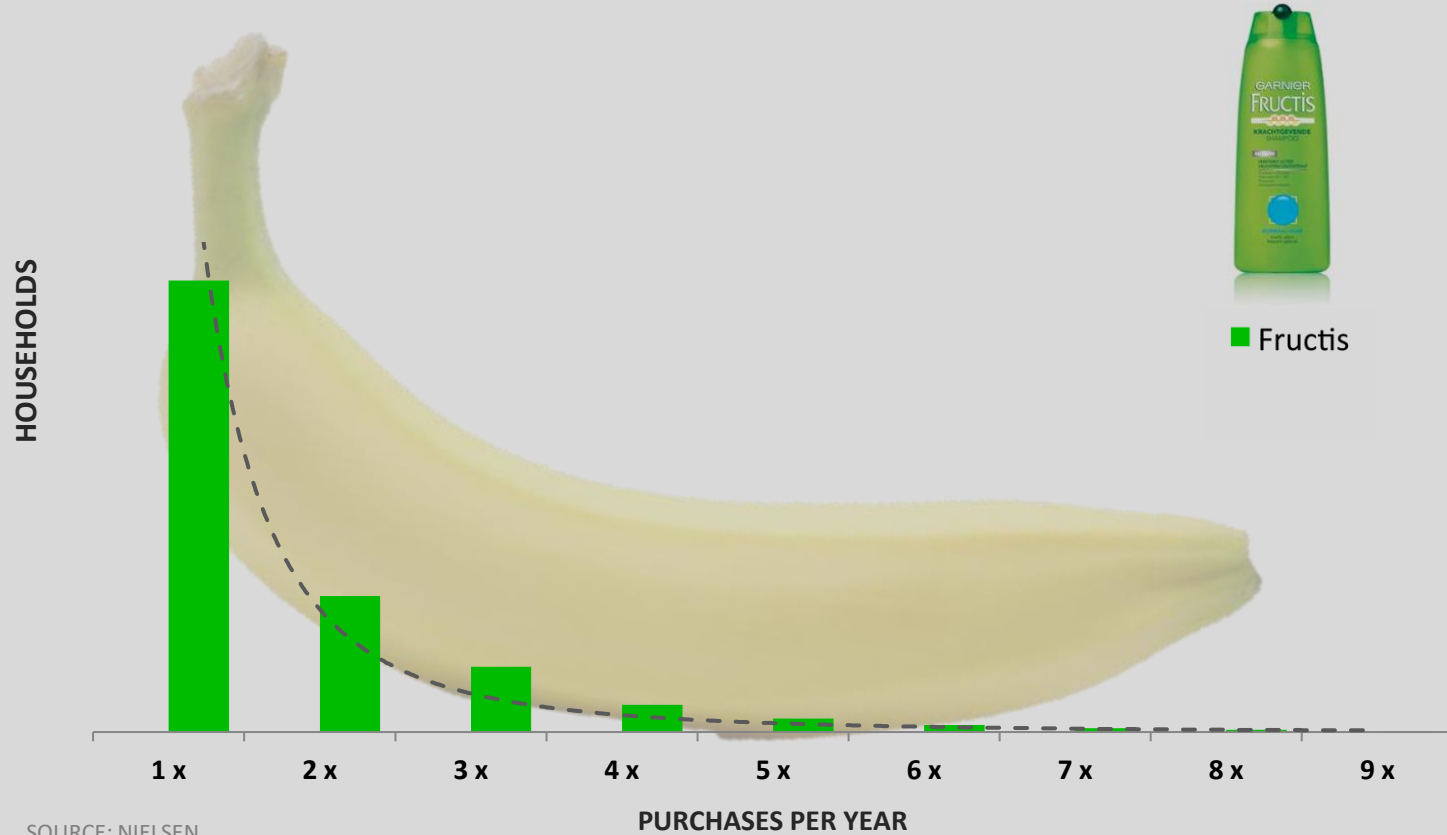
1140



SOURCE: NIELSEN



SOURCE: NIELSEN

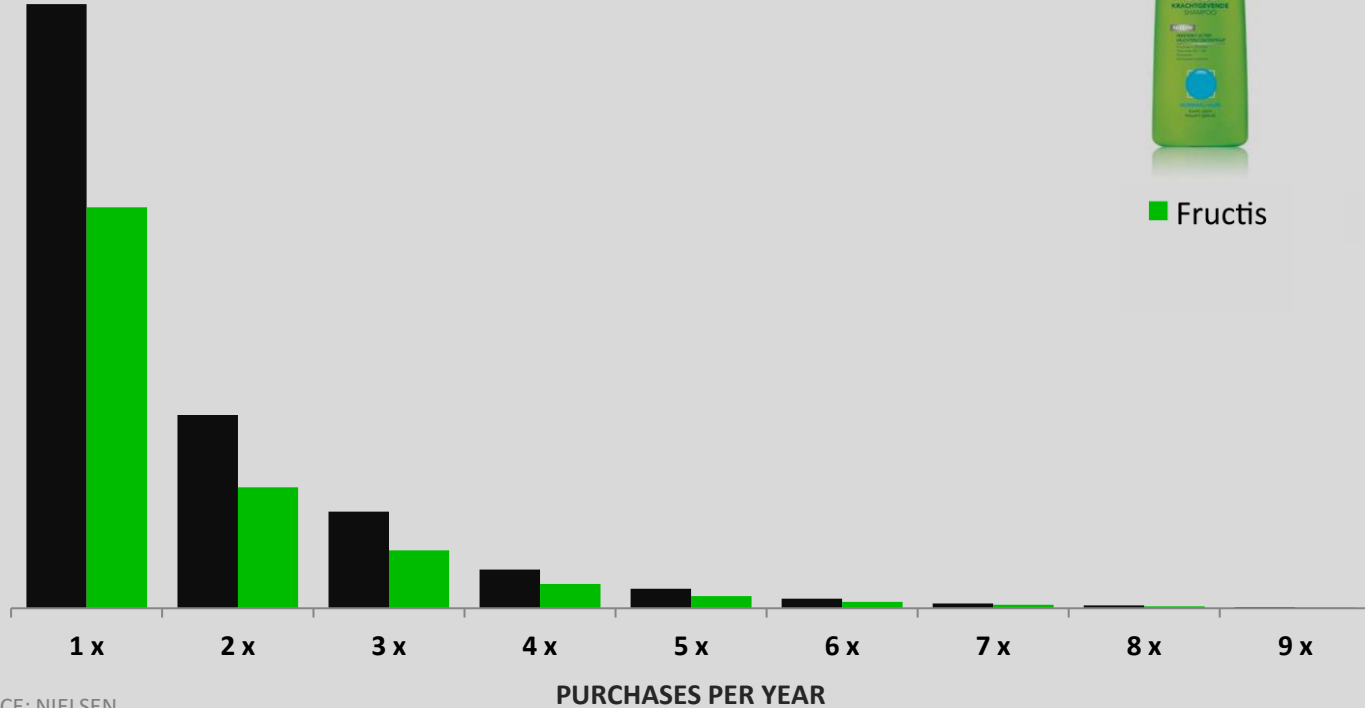


SOURCE: NIELSEN

How brands grow



HOUSEHOLDS



■ Fructis



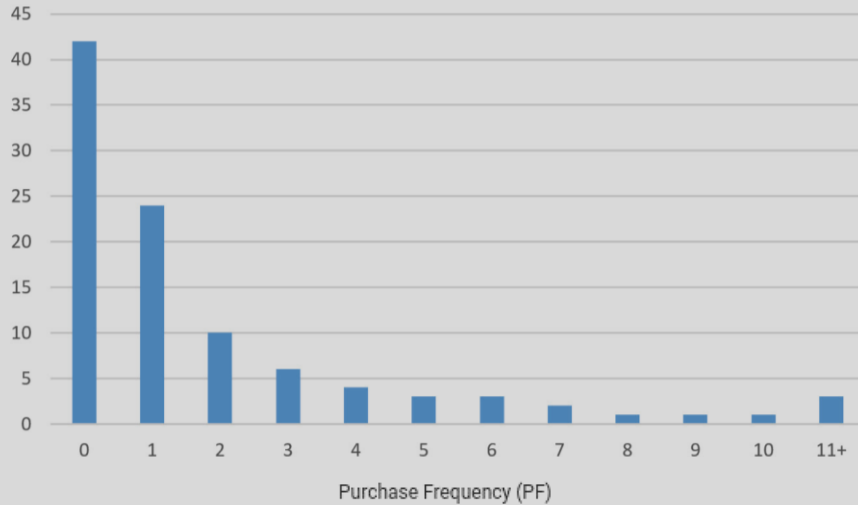
■ Pantene

SOURCE: NIELSEN

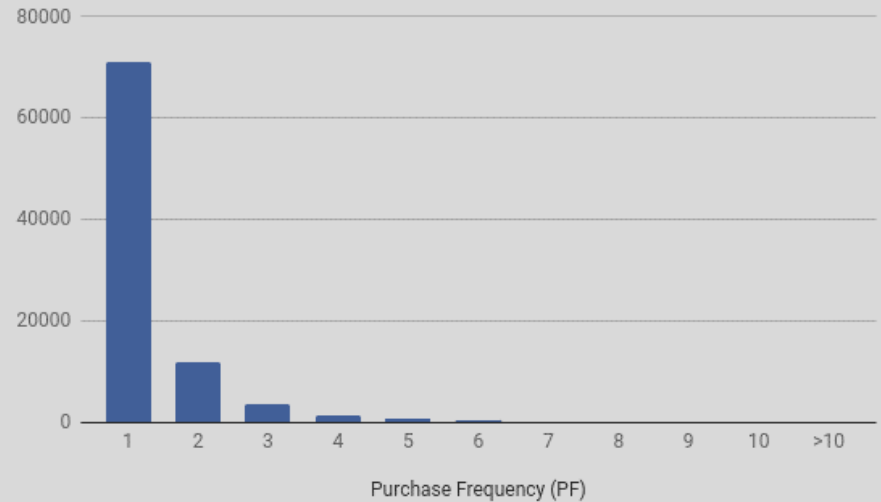
Again: a lot do a little and a few do a lot



DIAPERS



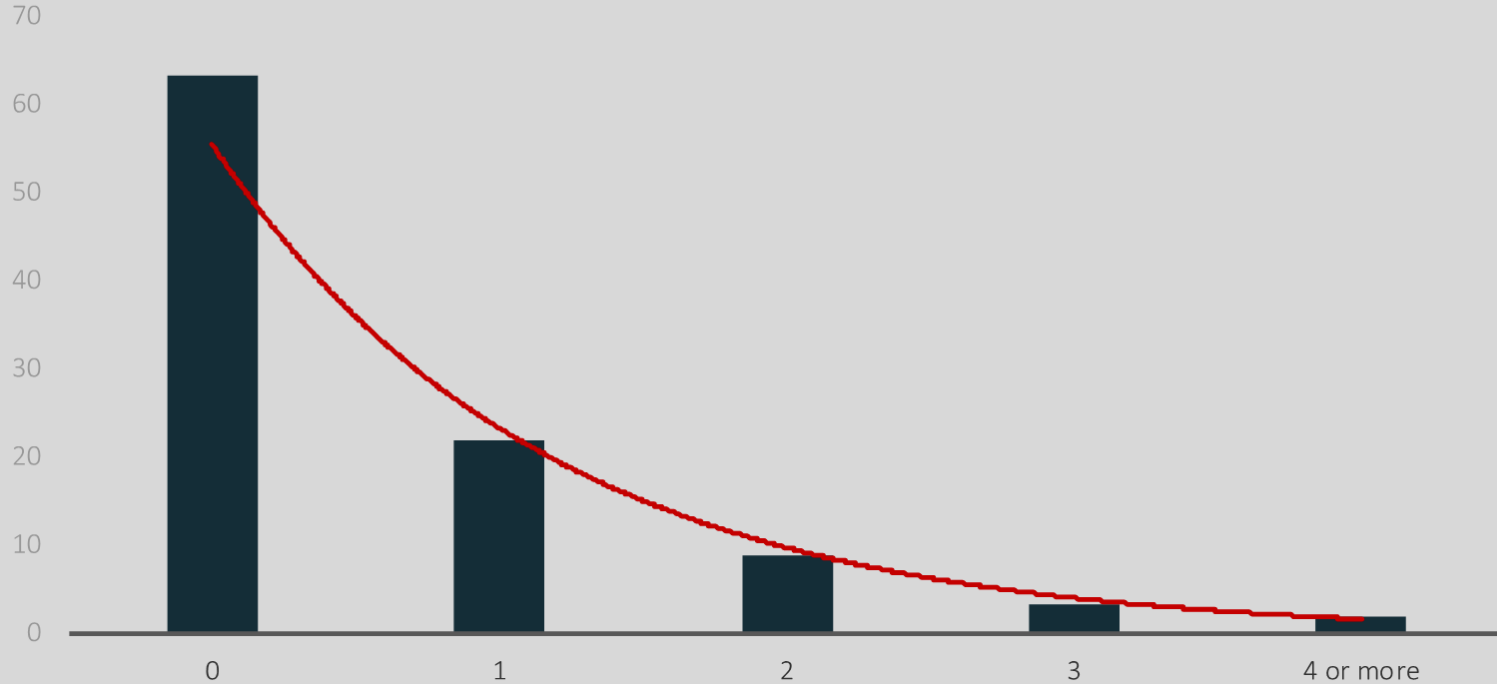
E-TAILER



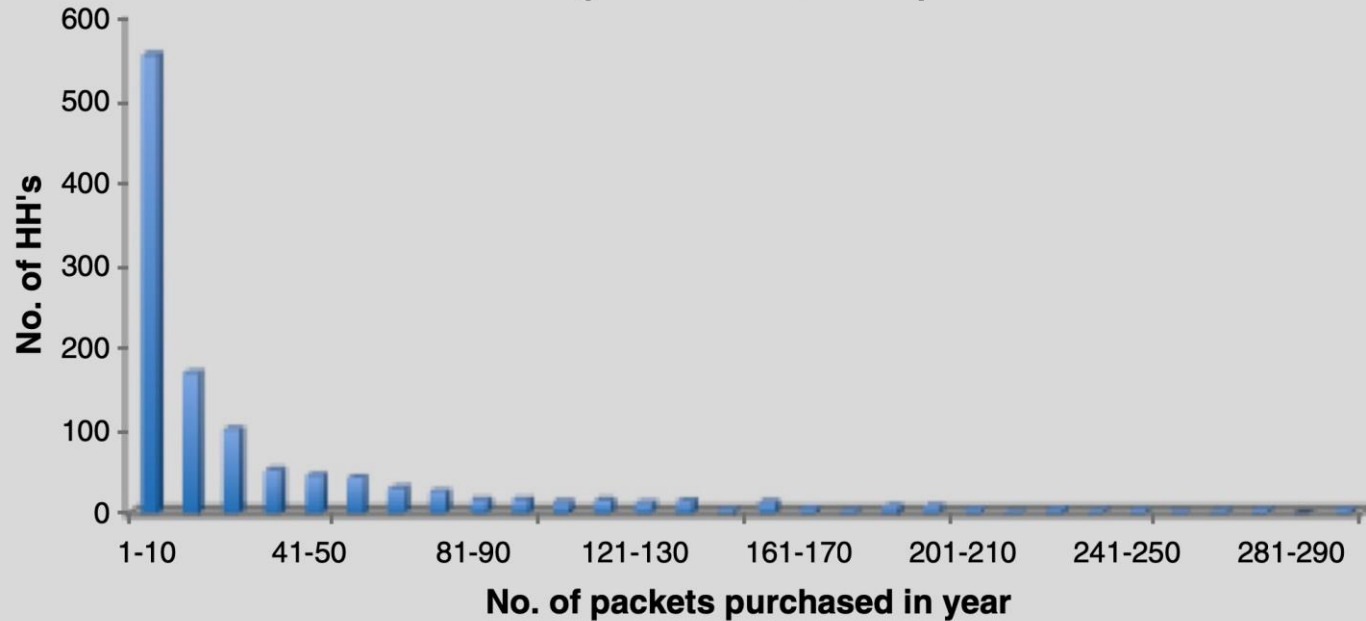
Health insurance



% of people switching (11 years) - A lot do a little, a little do a lot



Distribution of no. of cigarette packets purchased (12 months, 2001)





LIGHT BUYERS MATTER. A LOT.



The biggest challenge in marketing: **zero to one**

“Addressable TV gives advertisers the chance to dramatically **reduce waste** circulation by eliminating exposures to people not interested in their product or brand.”

“Thanks to advancements in measurement capabilities, advertisers are expanding their line of sight to focus on specific programming that delivers **higher conversions.**”

How the algorithm works



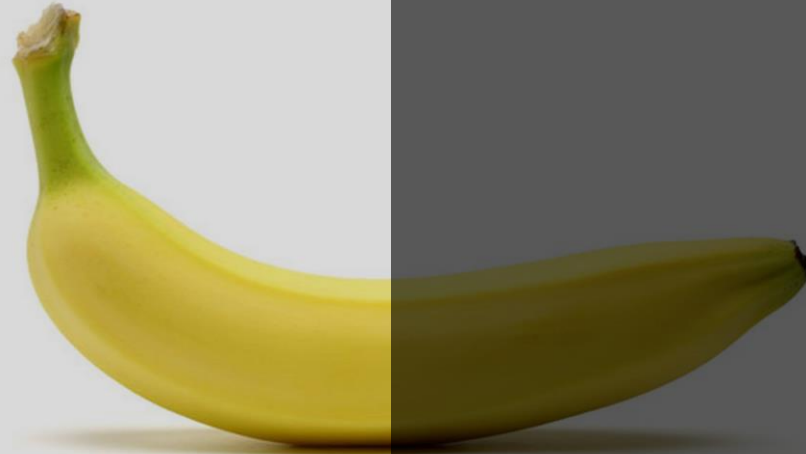
0.5%

5%

**Small chance
of converting**

**Many lapsed
& light buyers**

**Higher need
to advertise**



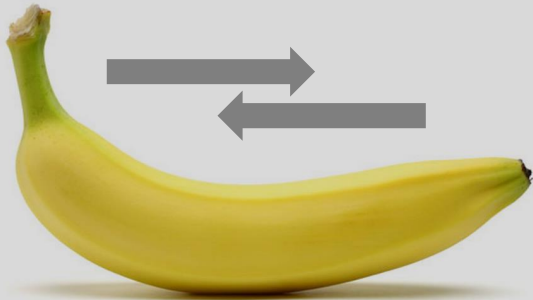
**High chance
of converting**

**Fewer, recent
heavy buyers**

**Lower need to
advertise**



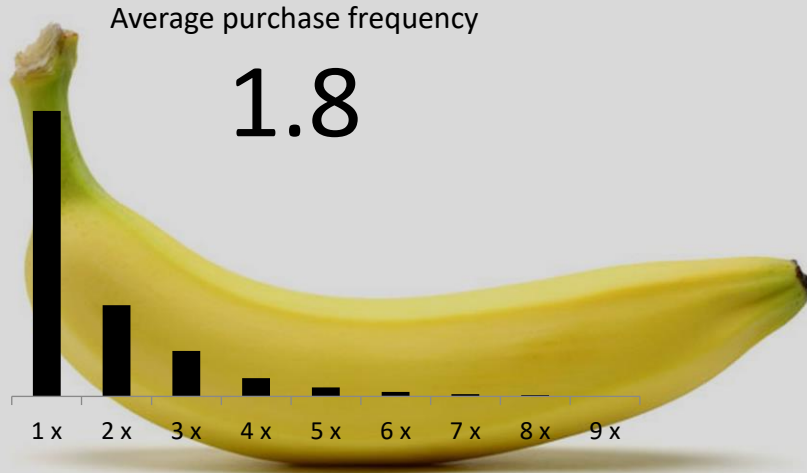
Beware the targeting trap



Change the size, not the shape

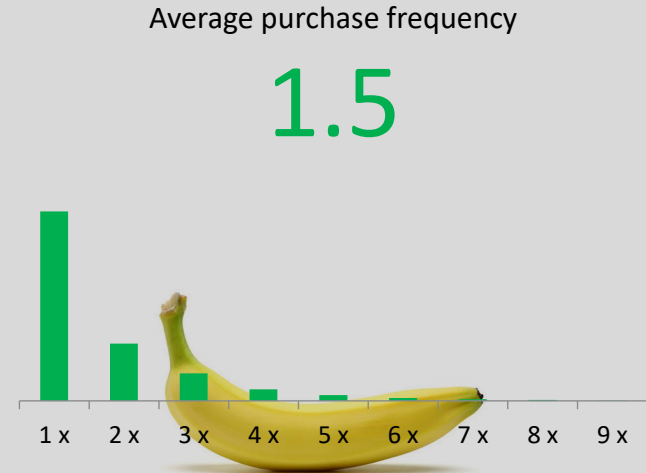


What this means for loyalty



Market share

9%

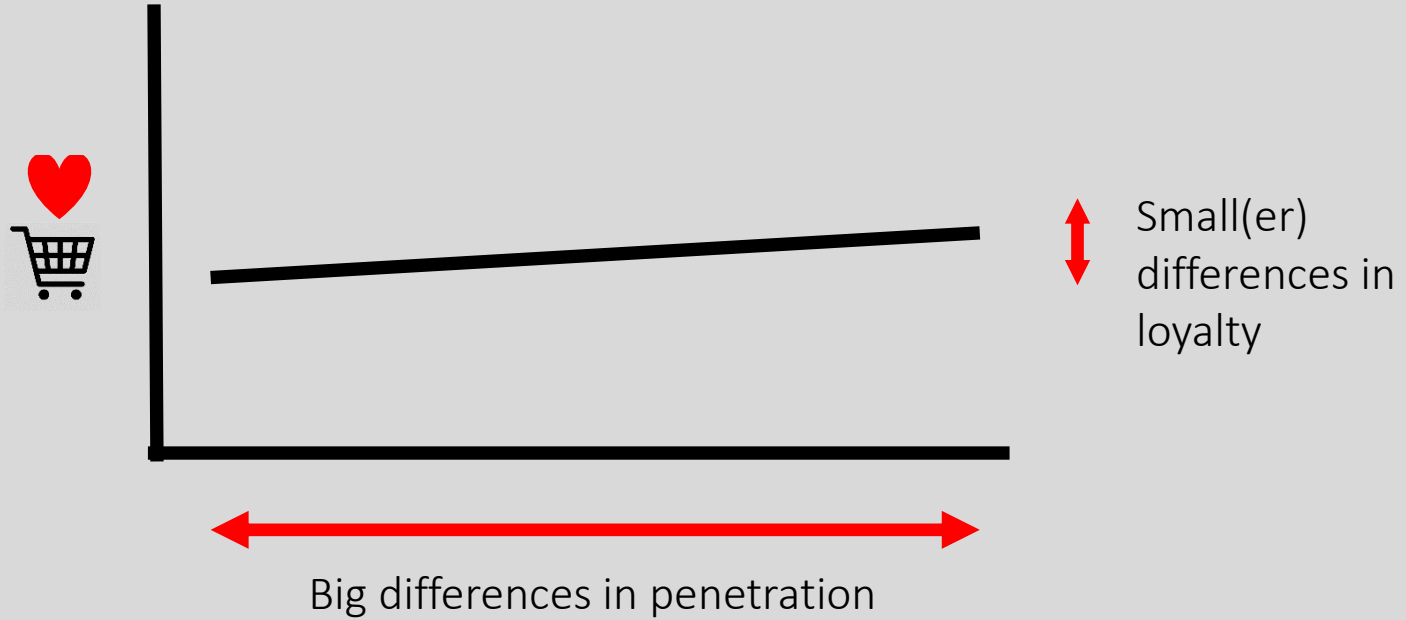


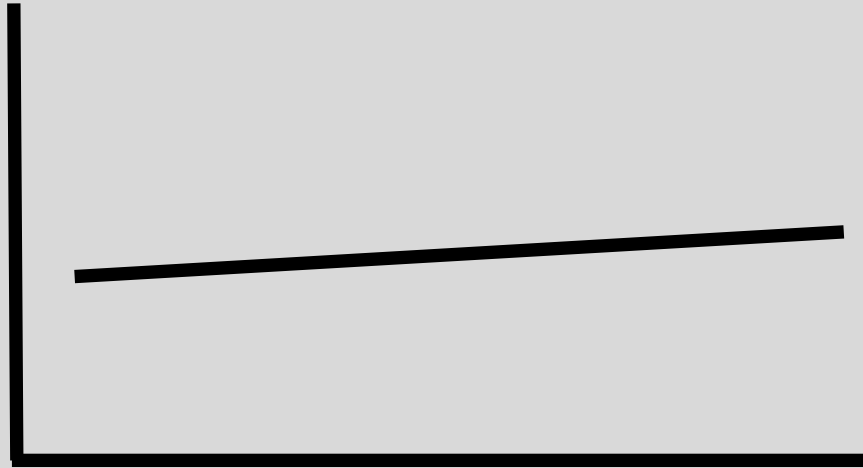
Market share

3%



There is a pattern...





Double Jeopardy

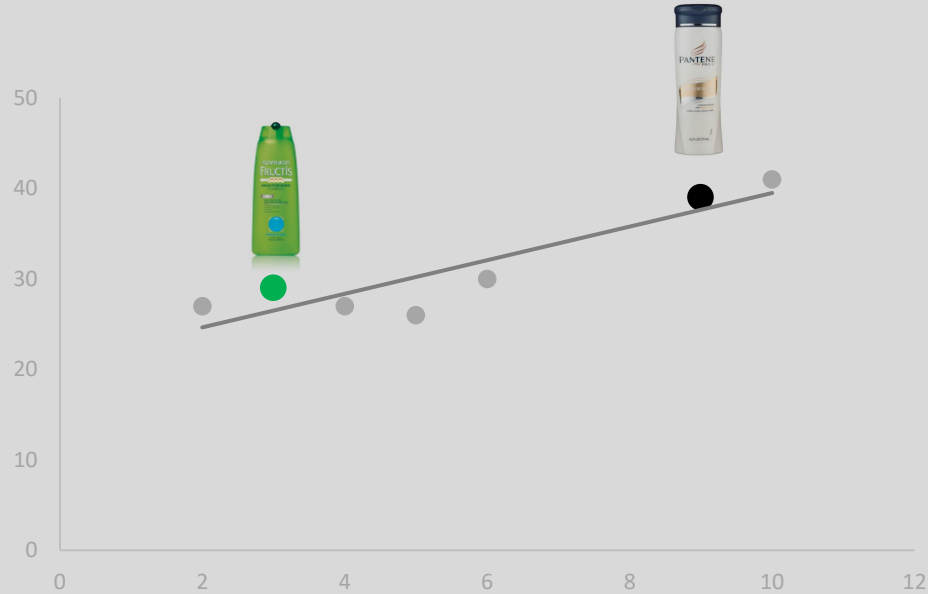
Loyalty measures vary per industry



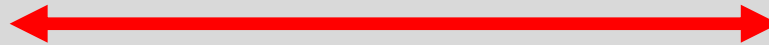
Purchase frequency
Repeat buying
100% loyal buyers
Share of category requirements
Share of wallet
Retention
Churn
Defection
Cross-sell
Engagement



Double Jeopardy

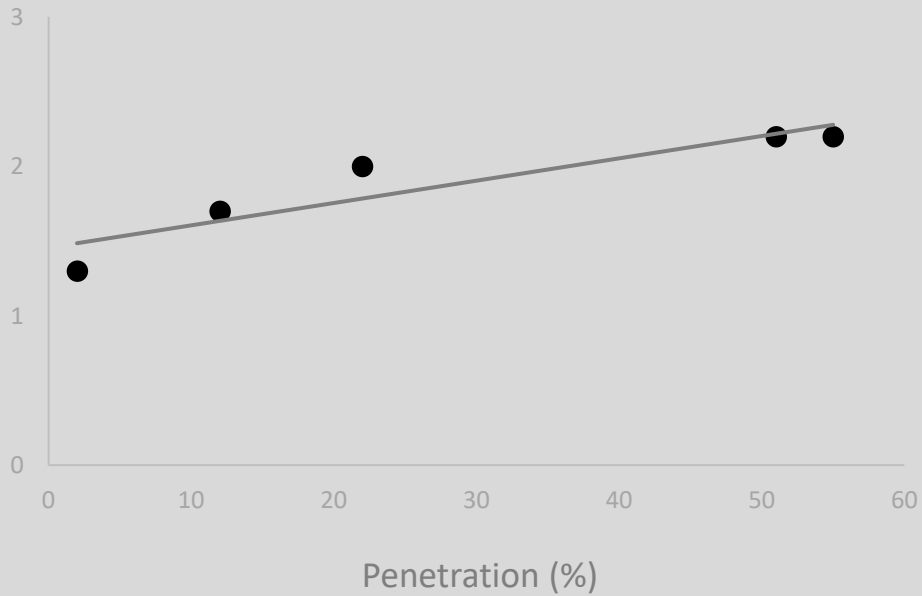


Small(er)
differences in
loyalty



Big differences in penetration

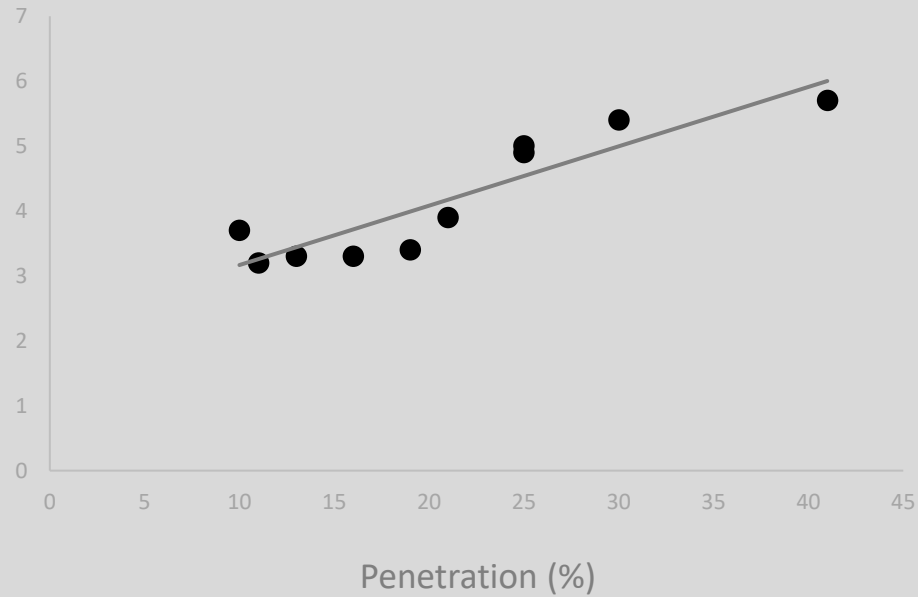
Pharmaceuticals



B2B banking



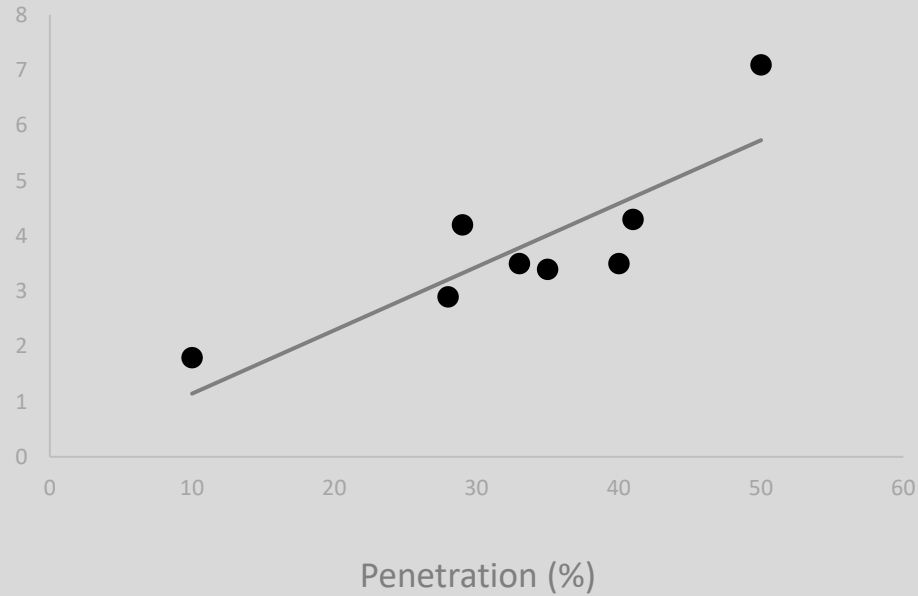
Average #
of products



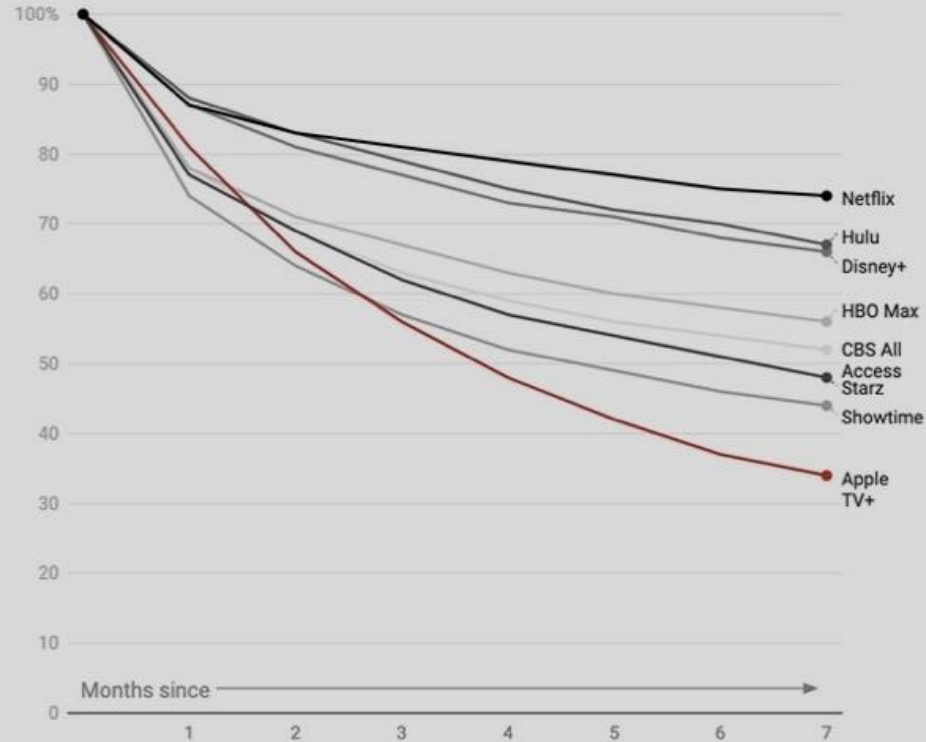
B2B concrete



Average #
of contracts



Share of people who newly subscribed to a streaming service in the first half of 2020 who still have it



Source: Antenna

recode BY Vox

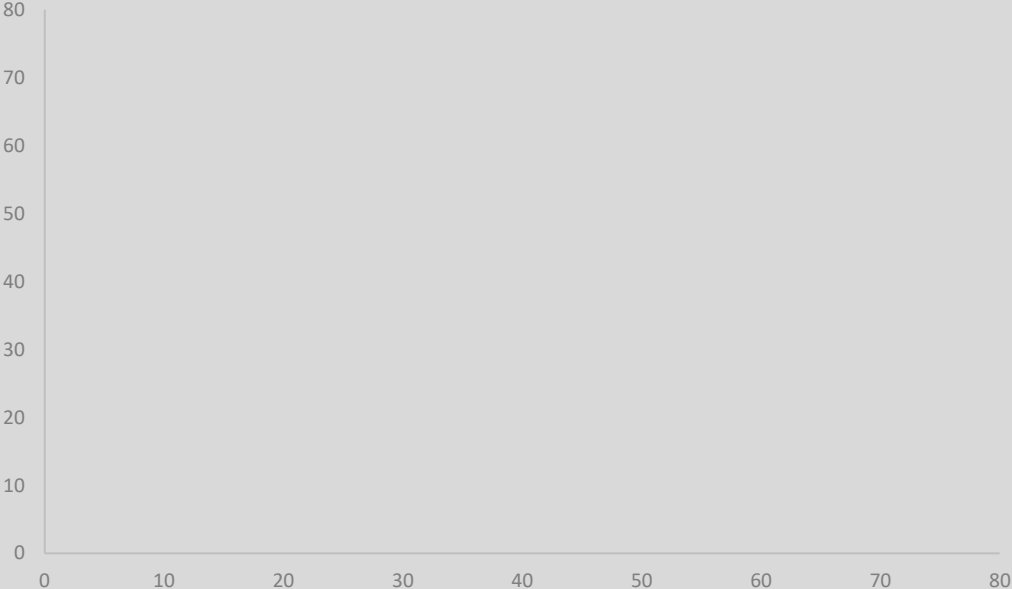


7-month
retention rate (%)

Double Jeopardy in Streaming Services (US)



7-month retention rate (%)



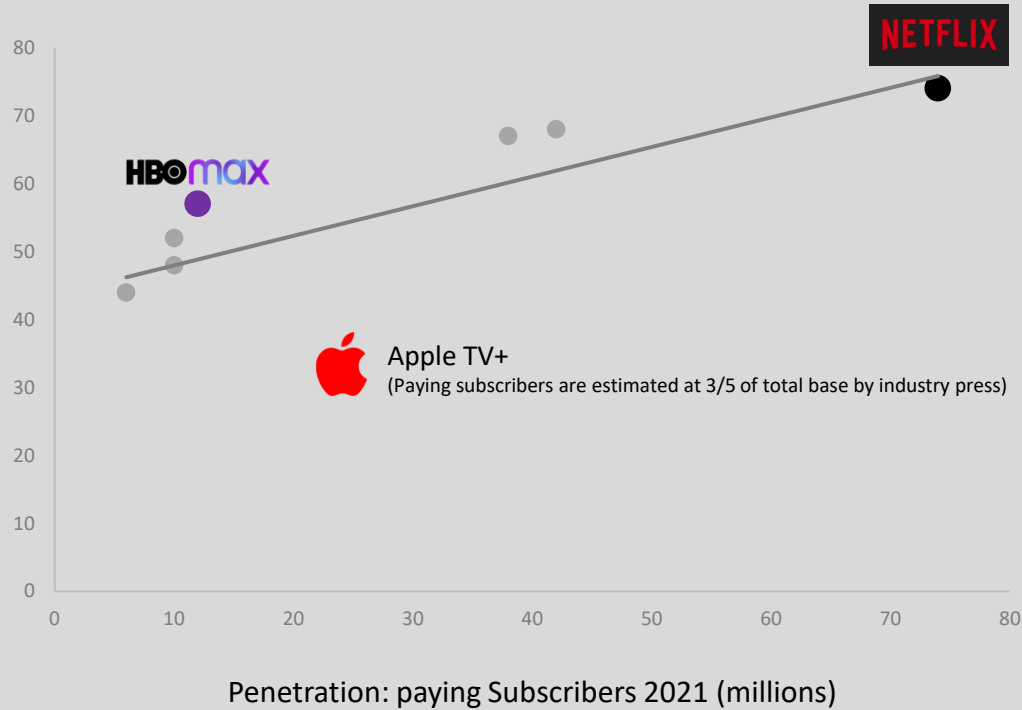
Penetration: paying Subscribers 2021 (millions)

Sources: Antenna, Statista, Fool, Hollywood Reporter, The Verge, The Desk, Androidauthority, iMore.

Makes it easier to spot the deviation(s)



7-month
retention rate (%)





penetration

Dick's Sporting Goods is using its loyalty program to better target customers

By Saqib Shah



Dick's Sporting Goods



Dick's Sporting Goods is investing in data analytics, AI and online advertising to convert more shoppers into returning customers.



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By [Pippa Chambers](#) | 27 March 2019

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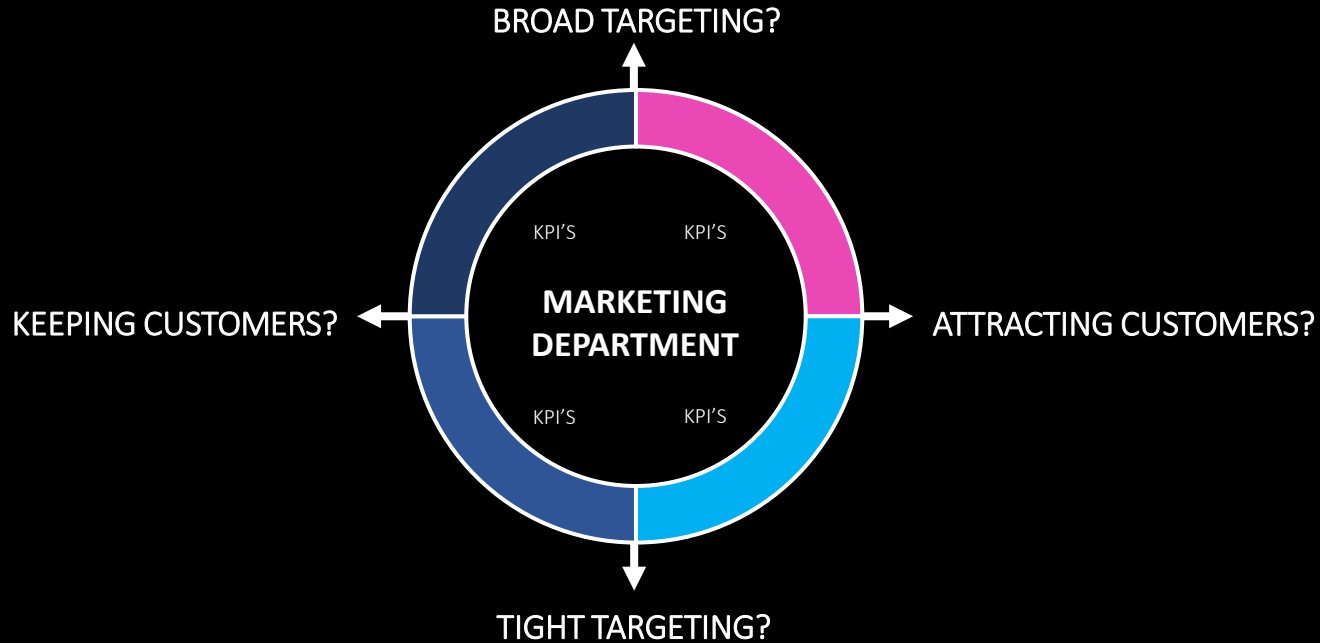
AdNews Newsletter



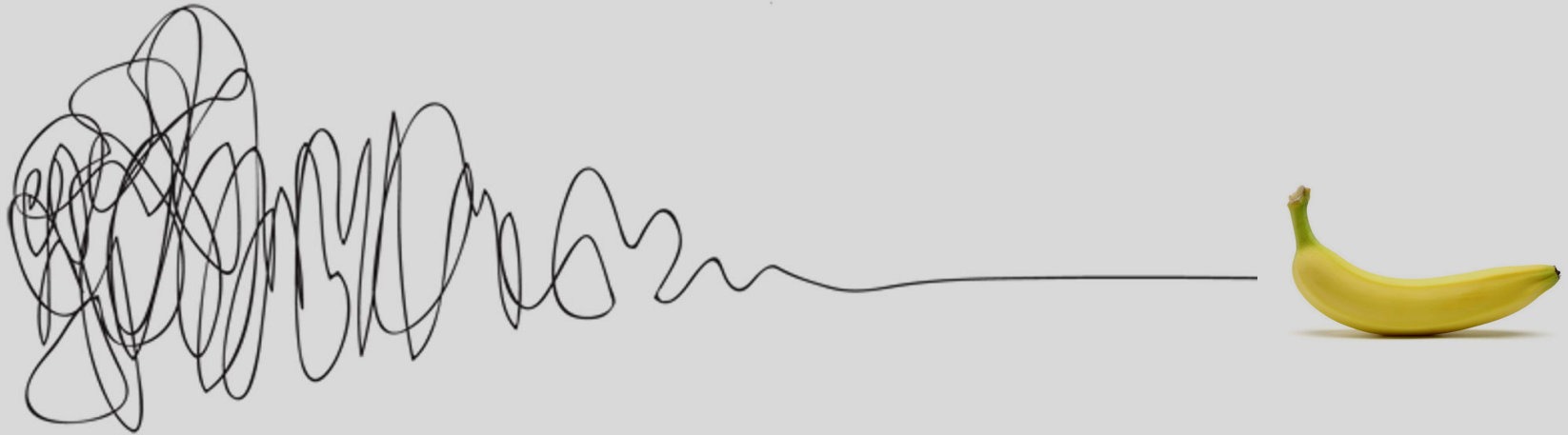
The AdNews enewsletter, brings you the latest advertising and media news direct to your inbox! [Become a member](#) and get the weekly newsletter free!



Think pink!



Yes, lots of exciting and interesting stuff going on....






THE
COMMERCIAL
WORKS

1140

1140



or go home

So our work needs:

Reach
Relevance
Recognition



Shift into a forward gear





The State of Attention in Media

Karen Nelson-Field



The State of Attention

8 things marketers need to know

Professor Karen Nelson-Field
August 2022

1. Framing the Attention Economy



The Rising Cost Of In-Attention Drives The Study Of Attention Economics.

“

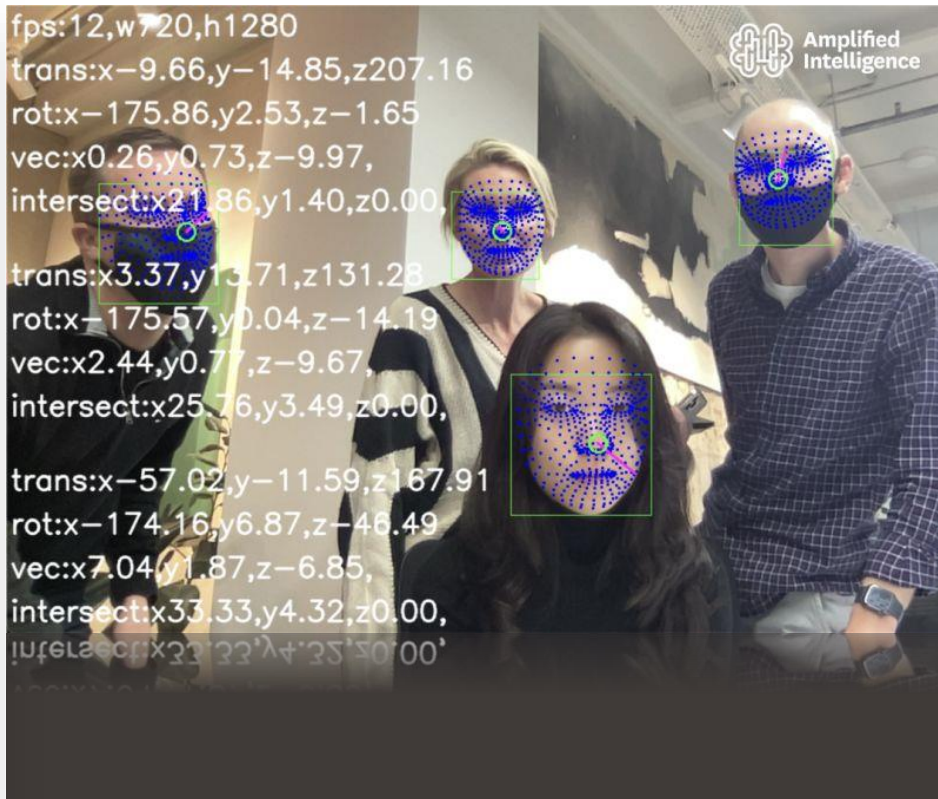
At its most basic, attention can be defined as concentrated awareness towards a reduced number of stimuli in our environment, while ignoring other stimuli for the purpose of mental evaluation.

Easy to say, hard to achieve.

Prof. Karen Nelson-Field
Amplified Intelligence



Defining Gaze Tracking versus Facial Recognition



Attention with gaze detection

- Active (eyes-on-ad) attention
- Passive (eyes-nearby) attention
- Non-Attention

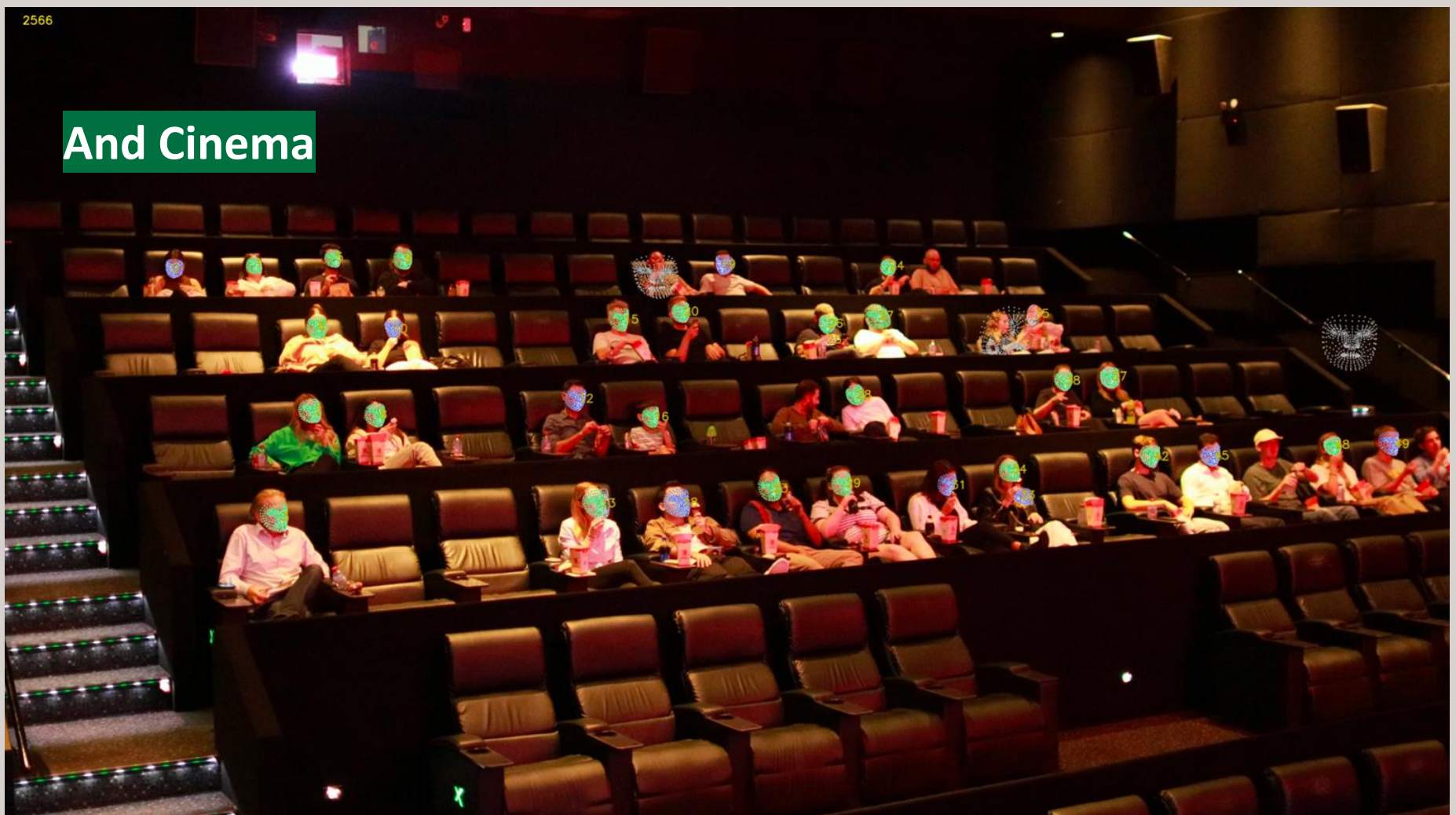


Attention with facial recognition for TV

- Active (eyes-on-ad) attention
- Passive (eyes-nearby) attention
- Non-Attention



And Cinema



And Outdoor



No Attention. No Impact.
March 2022



We take omnichannel attention seriously.

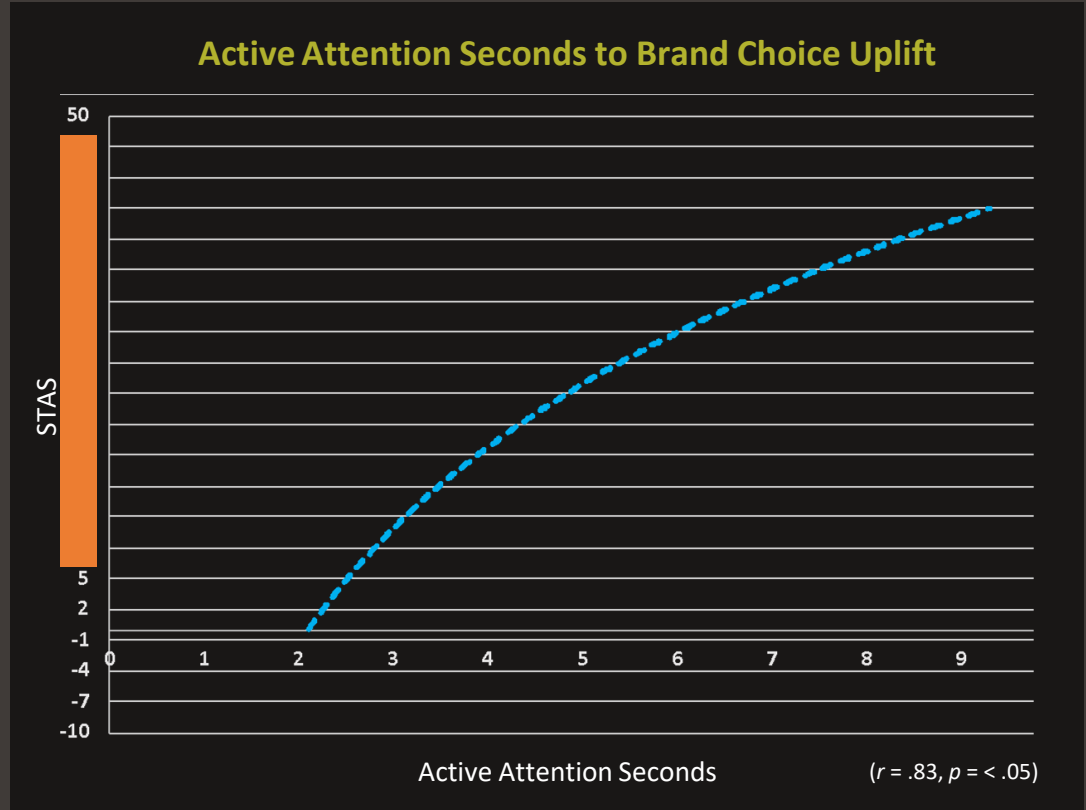
All attention models **collected** and trained by the same mathematical values according to the same academic definition.

Only when models are equal in this way can omnichannel attention be truly universal.

2. Is attention even valuable?

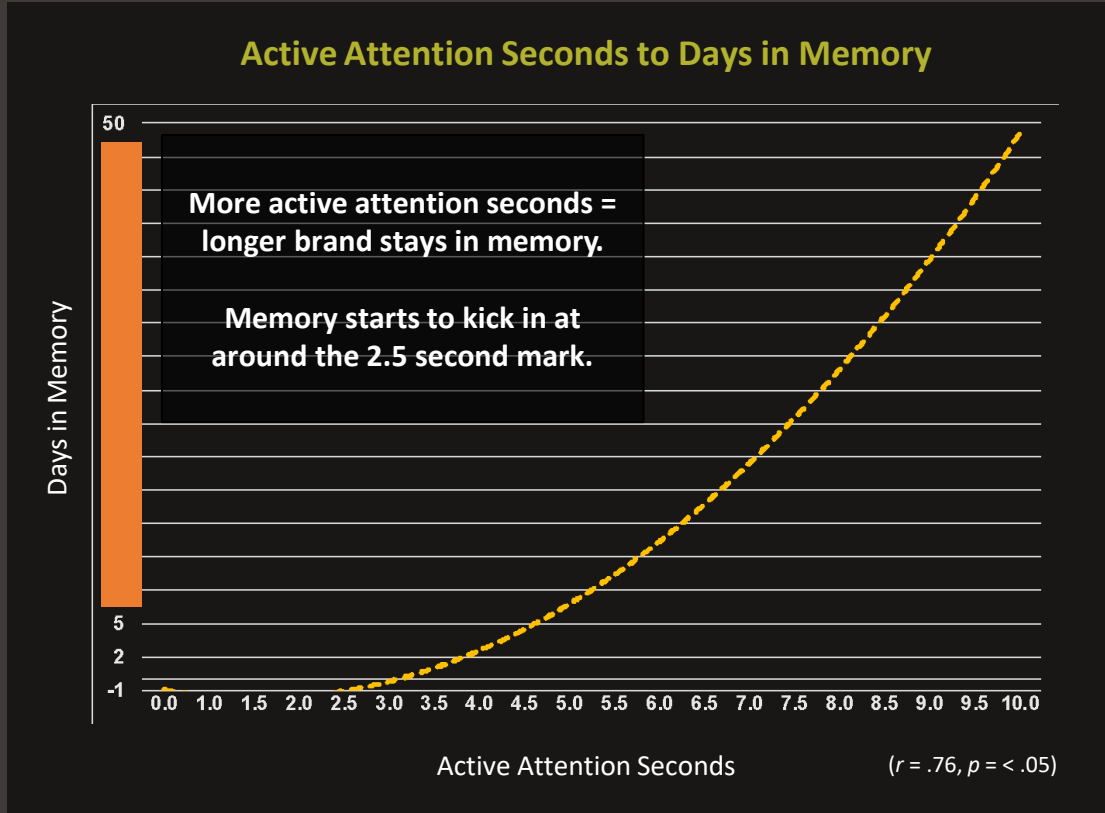
Proven consistently short term outcomes

Active Attention and brand choice uplift (STAS) is related = more seconds more uplift.



Proven consistently long term outcomes

Active attention and days in memory are related.



Also proven that your brand **will** decline without human attention!

- MA (Salience) is the Holy Grail measure of brand strength. It has a causal relationship with Market Share.
- We have found repeatedly that attention and MA are related.
- Lower attention platforms drive less mental availability for you, and disproportionately more mental availability for your competitor.
- So not only are your ads not working on low attention platforms but your ads are working harder against you.



3. Is attention even different to the way we currently measure media?

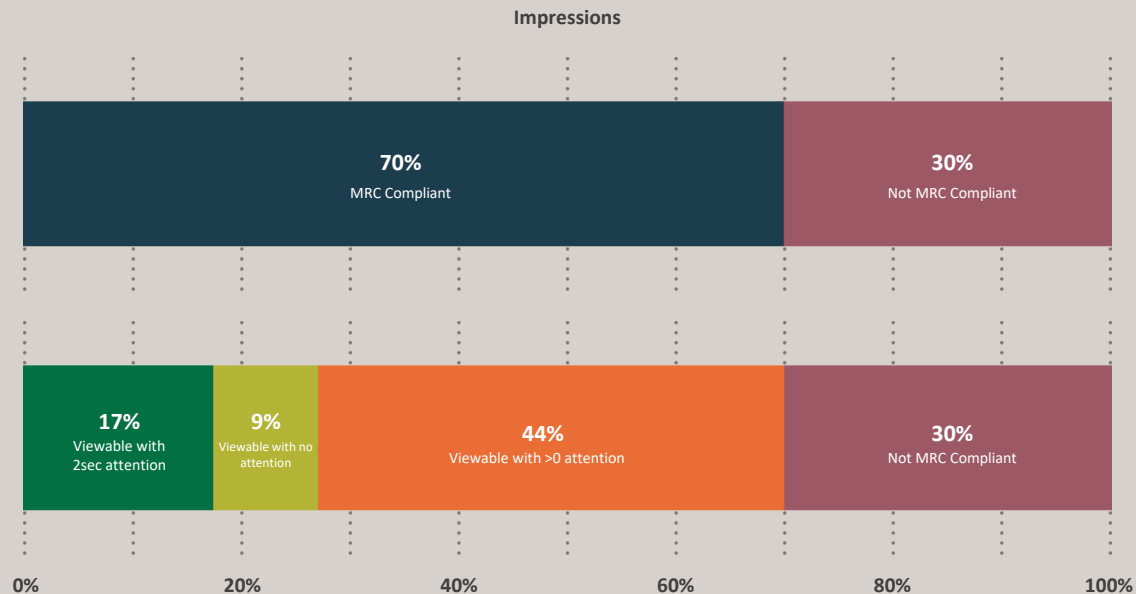
Yes, it's different.

Which is why there is a viewability/attention gap.

What advertisers
think they are paying for

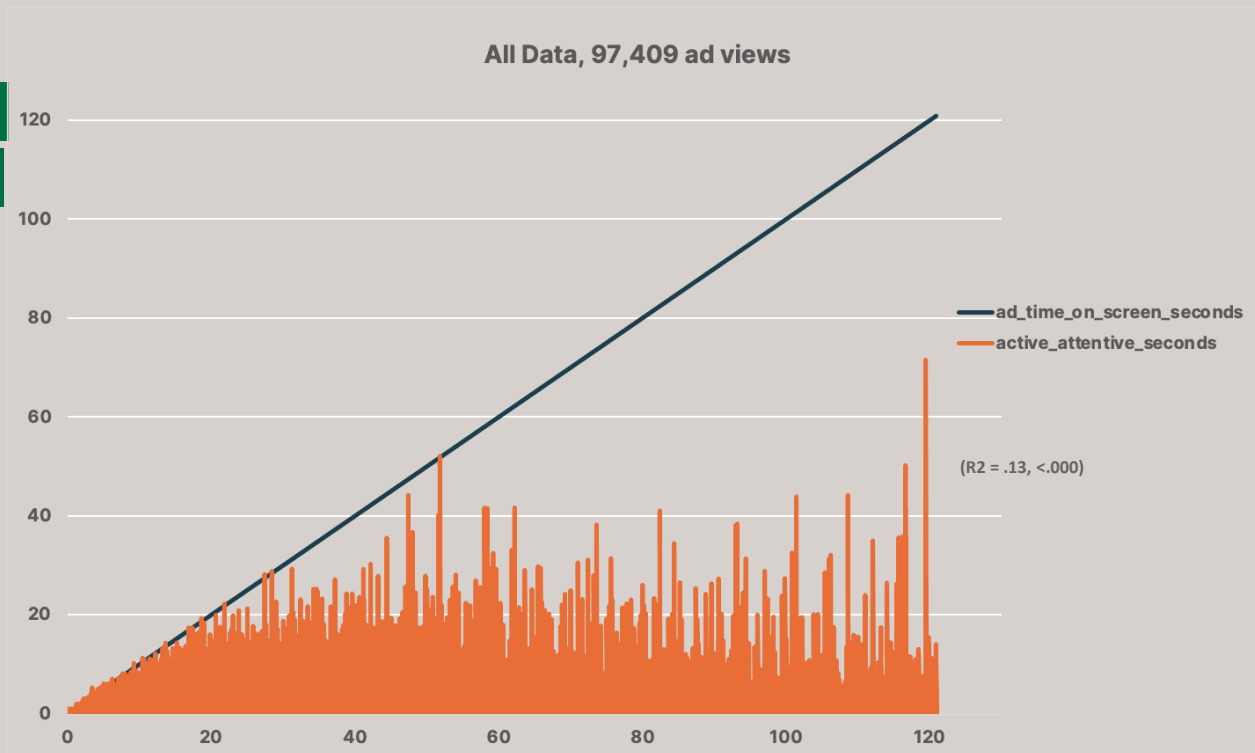
VS

What advertisers are
really paying for



**This fundamentally fails
because time in view can
equally mean distraction
or attention.**

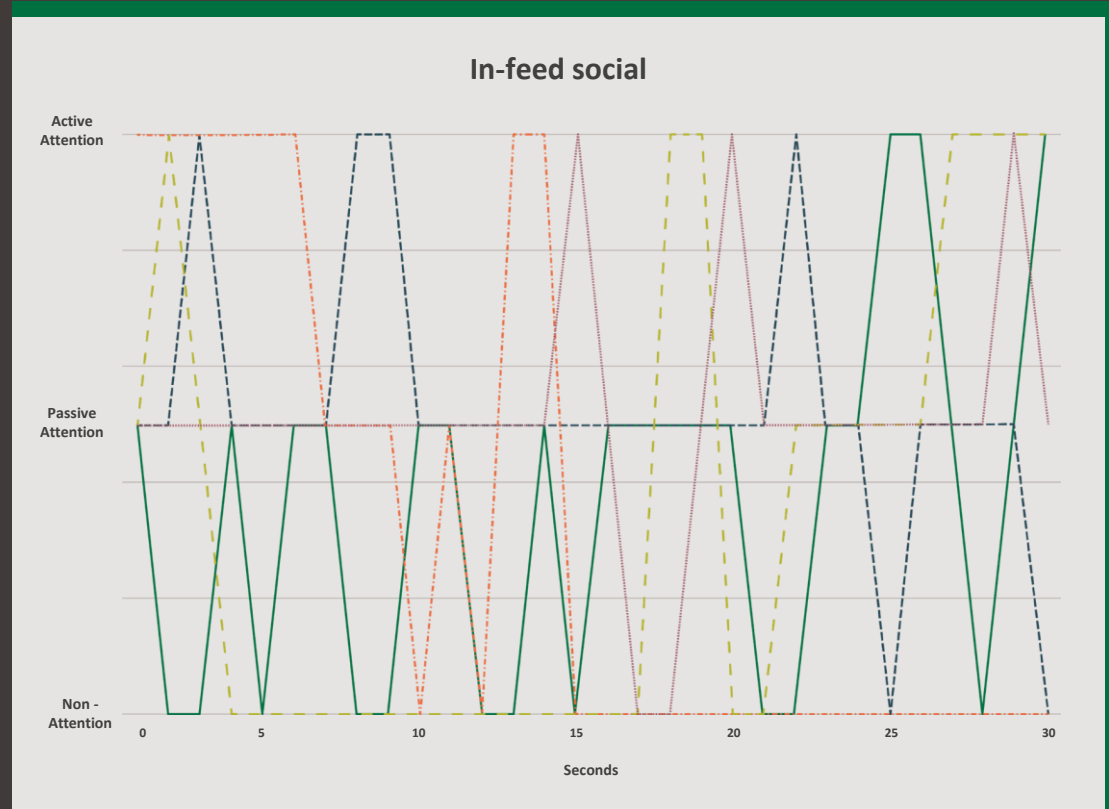
**Which is why its
predictive power is
extremely limited**
($R^2 = .13$)



Open web data collected 2022, 4 countries, zero active attention removed, removed time on screen above 120 seconds

This is because human viewing looks like this.

We switch in and out of focus when we consume media.



**4. At what point did measurement fail
us?**

When we stopped
measuring outward and
started measuring inward.

Human measurement versus
metadata



```
NO: ONE PERSON
ATTENTION LEVEL: ACTIVE
GENDER: FEMALE
AGE: ADULT
SECOND SCREENING: NO
CO-VIEWING: NO
TRANS: X3, Y3, X13, Y1, Z131, Z8
ROT: X-175.57, Y0.04, Z-14.19
VEC: X2, -64, Y0, 77, Z-9, 67,
INTERSECT: X25, 76, Y0, 49, Z0, 09,
```

```
for i in people.data.users:
    response = client.api.statuses.user_
    screen_name = i.screen_name, 'has tw
    totaltweets = len(response)
    for j in response.data:
        if j.entities.urls:
            for k in j.entities.
                newurl = k['expe
                urlset.add(newu
            else:
                print i.screen_name, 'has no
```

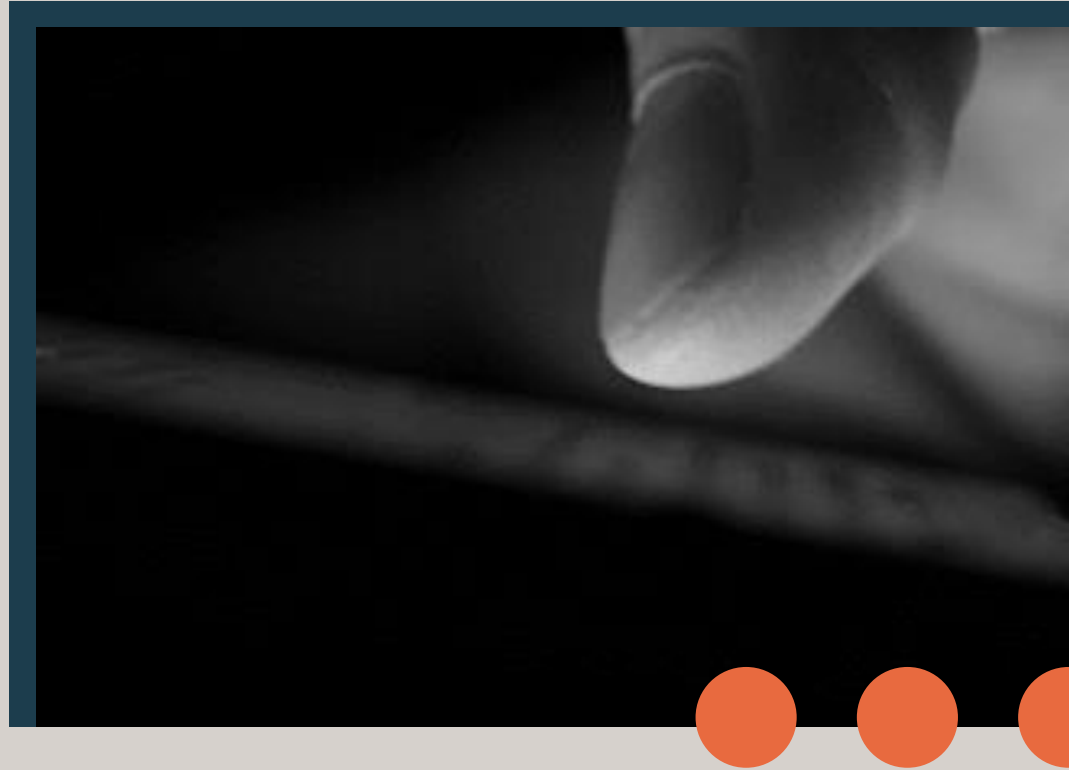
Metadata makes assumptions about human behaviour

Scroll Velocity

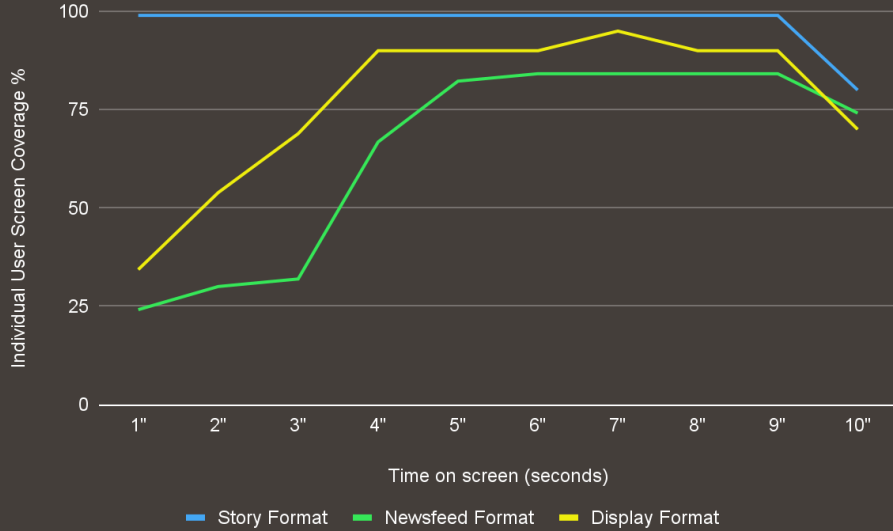
Ad Coverage

Pixel %

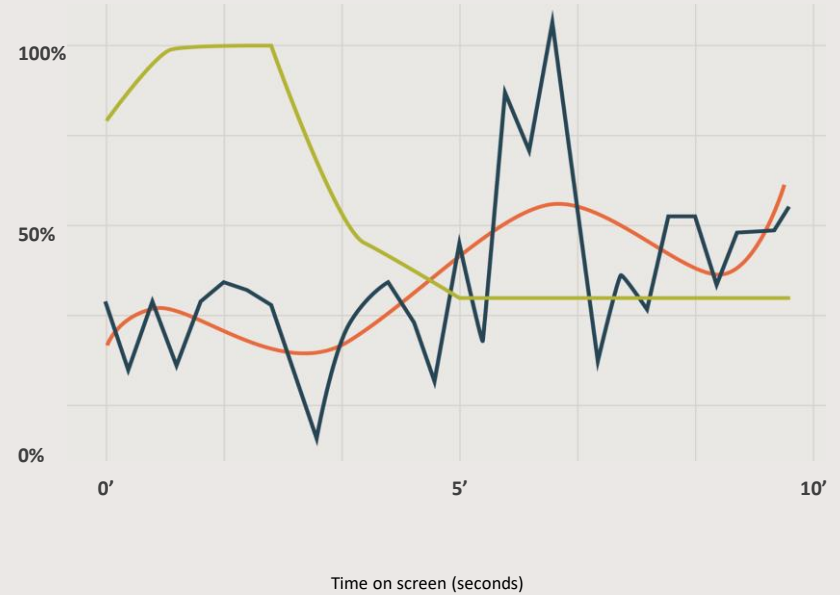
Time-in-View



Aggregated metadata tells you little about the nuance of individual human viewing



Human attention data tells a different story

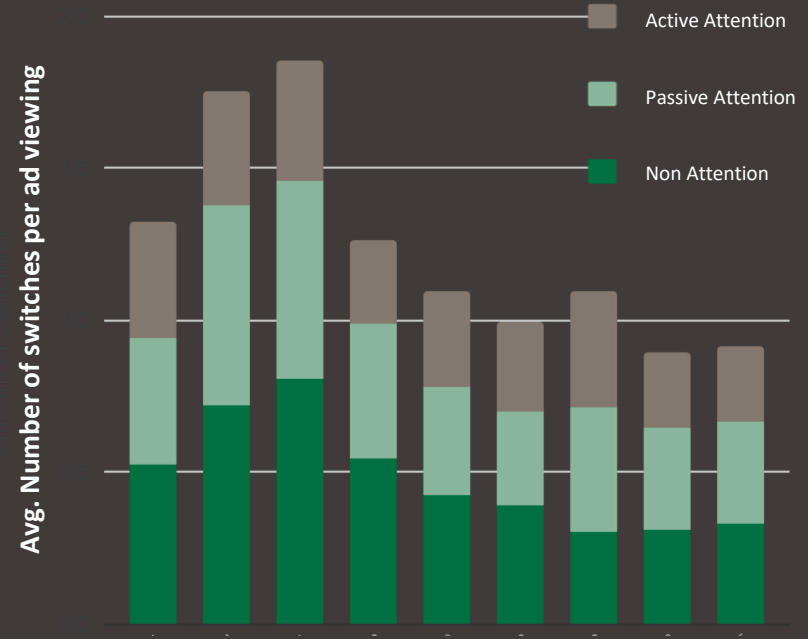


A black and white photograph of a herd of zebras gathered around a watering hole. The zebras are in the foreground and middle ground, with their heads lowered to drink from the water. The background is slightly blurred, showing more zebras and the natural environment. The overall tone is somber due to the monochrome palette.

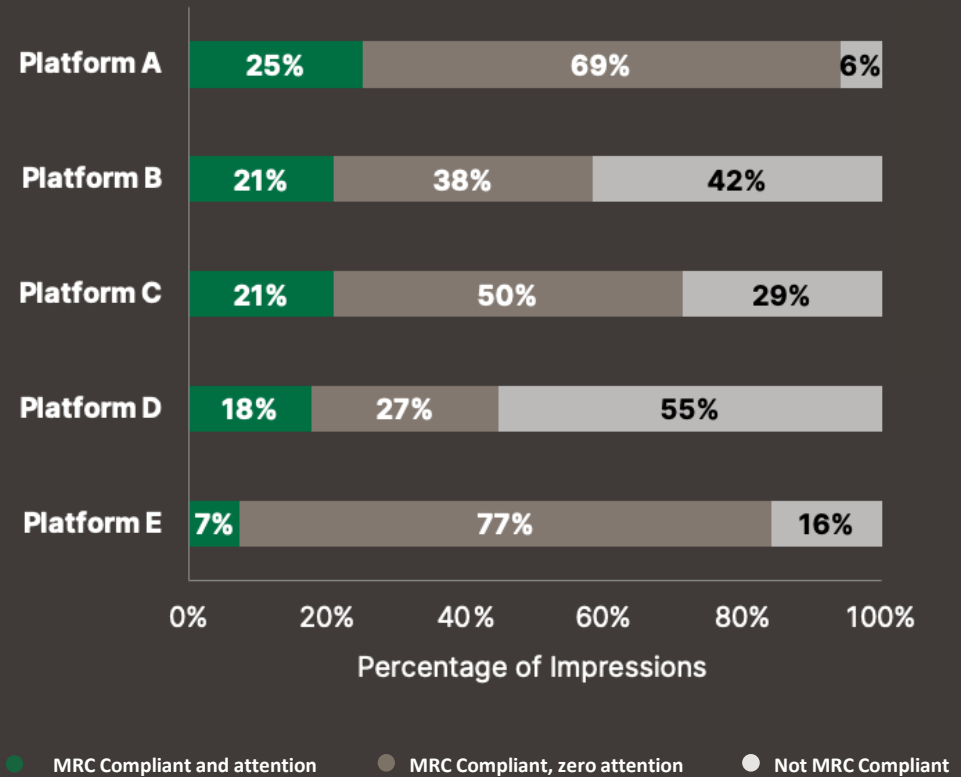
**This error would all be manageable if
each platform/format behaved the same
- but they don't.**

Platforms/formats display different amounts of switching.

Which means they all deliver **different amounts of attention** to advertising.

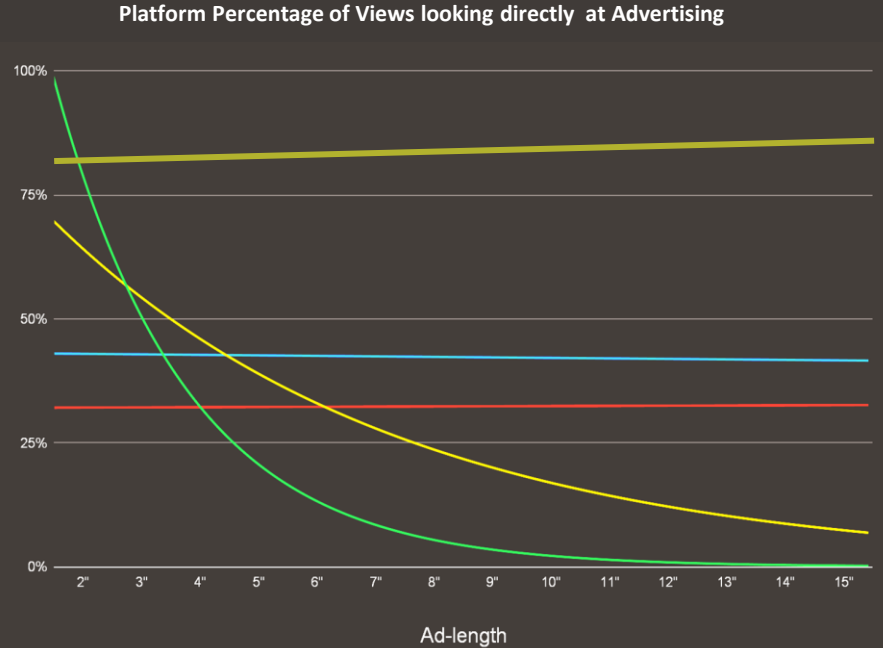


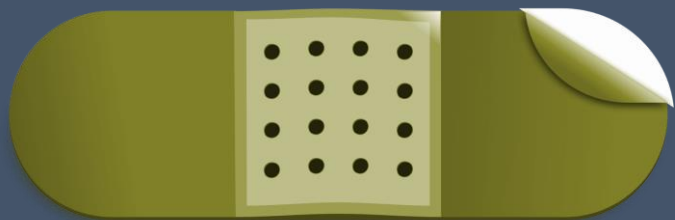
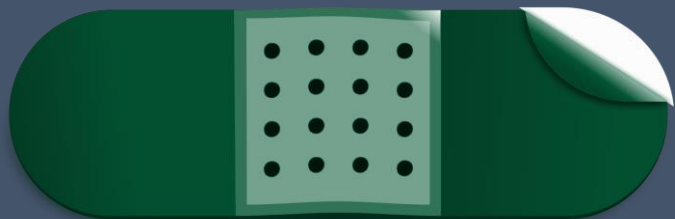
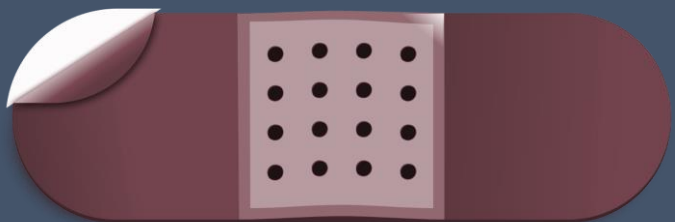
The ratio between 'viewable' and 'viewable with attention' differs significantly.



**Platforms/formats
display different levels
of viewing decay.**

Which means some platforms get
lots of attention early, others don't.





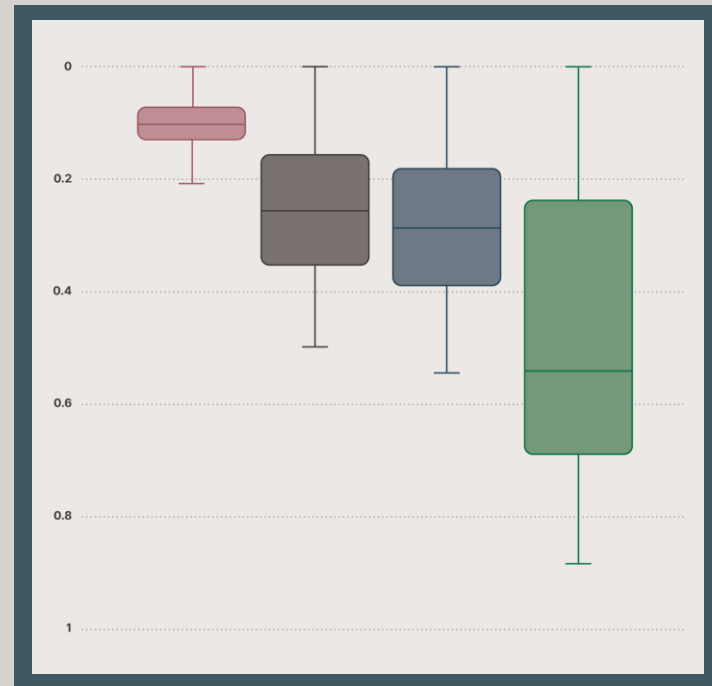
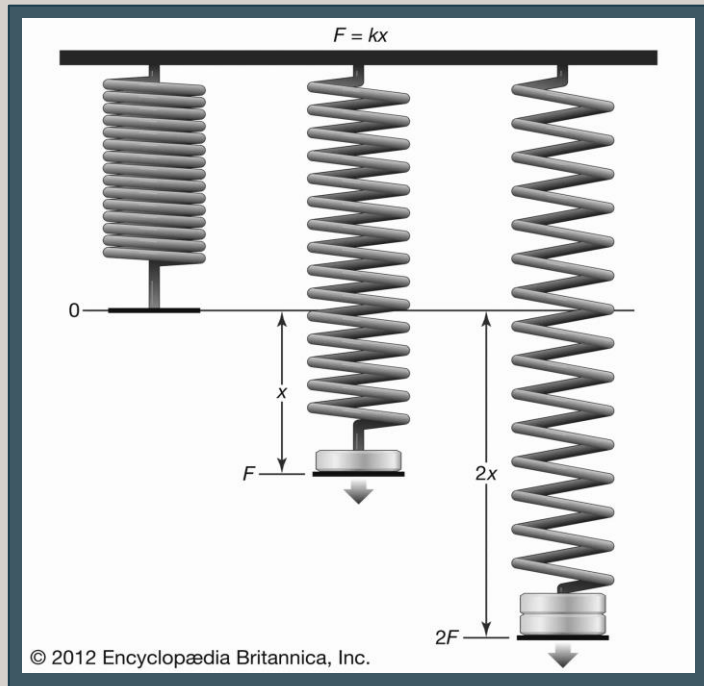
This is also why attention proxies are an ill-fitting band-aid.

When attention models are trained on device based tags that have underlying variation in their capacity to predict human attention, it will compound error and the model's predictive quality will get worse at predicting human attention, not better, because the model learns unintentional data artifacts.

**5. That's easy, we will simply build better
creative.**

It can't, each platform has its own Attention Elasticity

The range of attention seconds possible under the conditions of that platform or format.
Attention elasticity forms the attention opportunity for ad creative.



Performance of the creative is tempered by platform functionality

	Platform A	Platform B	Platform C	Platform D	Avg Attention Seconds
Brand A	7.0	5.5	3.3	2.9	4.7
Brand B	7.2	4.5	3.4	2.3	4.4
Brand C	6.5	5.1	2.9	2.8	4.3
Brand D	6.9	3.7	3.3	3.2	4.3
Brand E	6.4	4.1	3.2	2.7	4.1
Brand F	5.5	4.8	3.4	2.4	4.0
Brand G	5.8	3.8	3.1	2.7	3.9
Brand H	5.9	4.3	2.7	2.5	3.9
Brand I	6.0	3.9	2.8	2.4	3.8
Brand J	6.1	3.8	2.5	2.2	3.7
Brand K	5.4	3.9	2.3	2.5	3.5
Brand L	4.6	4.3	2.1	2.4	3.4
Brand M	5.5	2.8	2.5	2.3	3.3

The same creative performs worse/better in line with overall platform attention performance.

Media placement dominates creative. If creative was the dominant force of attention, creative would perform equally across all platforms, **but it doesn't.**

Platform Attention performance: Best \rightarrow Worst

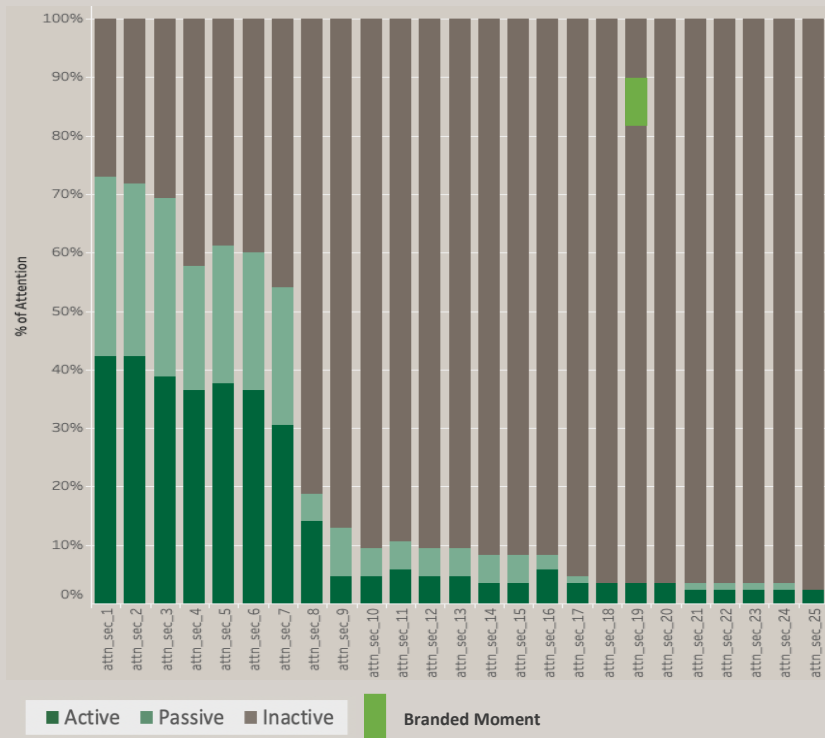
6. What does all this mean for marketers?

**It means the relativity of an
impression is undermined.**

**And it's not just the obvious, any
measurement system, model, methodology
or concept that relies on equitable
impressions will fail.**

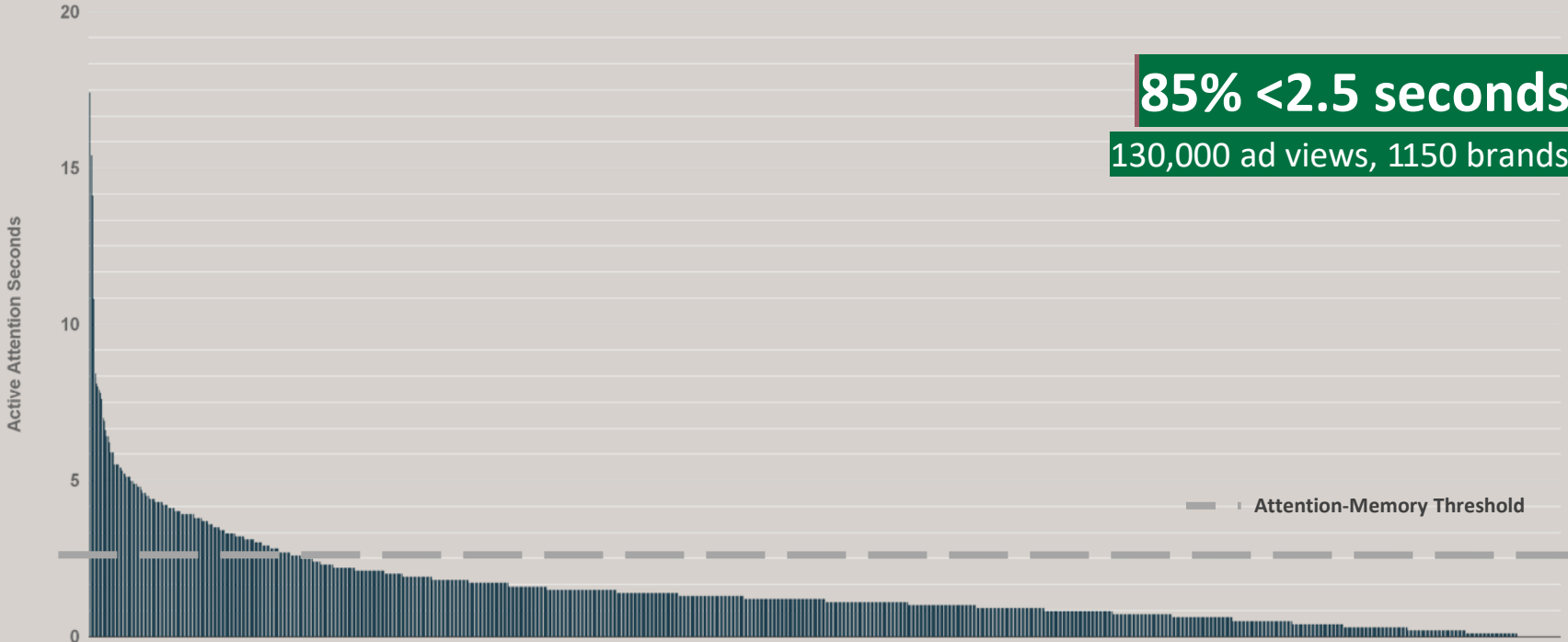
Inc. market mix modelling/econometrics, creative strategy,
budgeting/SOV analysis.

It means the ability for a brand to be noticed is getting harder.



- 40% watched actively in the first few seconds.
- Branded moment appears at 19 sec, where 5% of the reach you paid for is looking.

It means when ad budgets are skewed towards low attention platforms, it's hard for MA to grow.



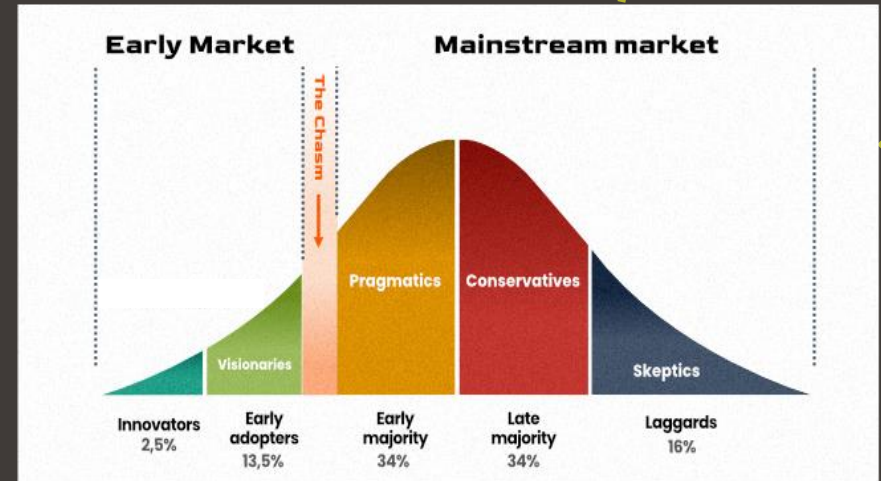
No Attention. No Impact.
March 2022

7. How are brands and agencies using human attention data?

Attention is hitting the tipping point

✓ Agencies are being asked:
“What is your 2022 attention strategy?”

✓ Publishers are being asked:
“How will you deliver what the brands want?”



Planning Signals

Applying **attention weighting** to existing media plans and optimising for maximum attention (being mindful of reach and cost).

Outcome: more attention for the same dollar.



Attention Measurement in Belgium

- VIA has commissioned Amplified Intelligence for an attention study on video in Belgium
- The focus will be on BVOD & YouTube on mobile, and TV (on the TV screen)
- The study will be in 2 phases – the first phase has just started.
- The first results are expected early October.



8. Key takeaways from today.

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Understand how the flow on effects of inequitable impressions might impact your business.

—
Procurement often holds the cards and must be part of the change. Help them to come to terms with the need to pay more for attention, when for the most part their remit is cost reduction.

—
Talk to your creative teams on how they might stretch attention elasticity.

—
Reverse the brand reveal and invest more in distinctive assets.

—
Understand how different platforms perform and understand how this fits your long and short-term objectives.

—
Human data tells a different story, stop measuring inward and start measuring outward so **build** a new RFI for a new measurement category.



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