

HOW TO STOP WASTING MONEY ON 'EFFICIENT' DIGITAL ADVERTISING

An Ipsos Point of View

Author: Rachel Rodgers

GAME CHANGERS



Introduction

Even 27 years after digital advertising first appeared in 1994, there remains a lot of confusion about what makes these ads successful. Yet the importance of getting it right continues to grow. Digital media will account for 64% of time spent with media by 2023,¹ and young consumers are fleeing traditional television.²

Advertisers must distinguish between ad efficiency in driving channel behaviors and ad effectiveness in delivering market goals. This paper explores this theme, advises on the creative levers that deliver in-market effects and provides guidance on when creative testing is most valuable.

KEY THEMES

- 1 Digital ad efficiency and effectiveness need to be disentangled. Significant numbers of ads that appear to be efficient are not effective. Employ common sense and robust assessment tools.
- 2 Video creative falls into three essential formats—linear, skippable and in-feed. Designing for format matters.
- 3 Branding early is effective, and advertisers are missing opportunities to use all the branding tools available. Distinctive assets are key.
- 4 Embrace the skip or scroll. Treat your creative opportunity like a billboard. Think few scenes, strong brand cues, reinforcement of messages in other channels.
- 5 Or defy the odds and push for engagement. Humor is an under-used tool. Challenge your category conventions. Classic narratives such as problem-solution and triumph-over-adversity work.

Ad effectiveness is different from efficiency

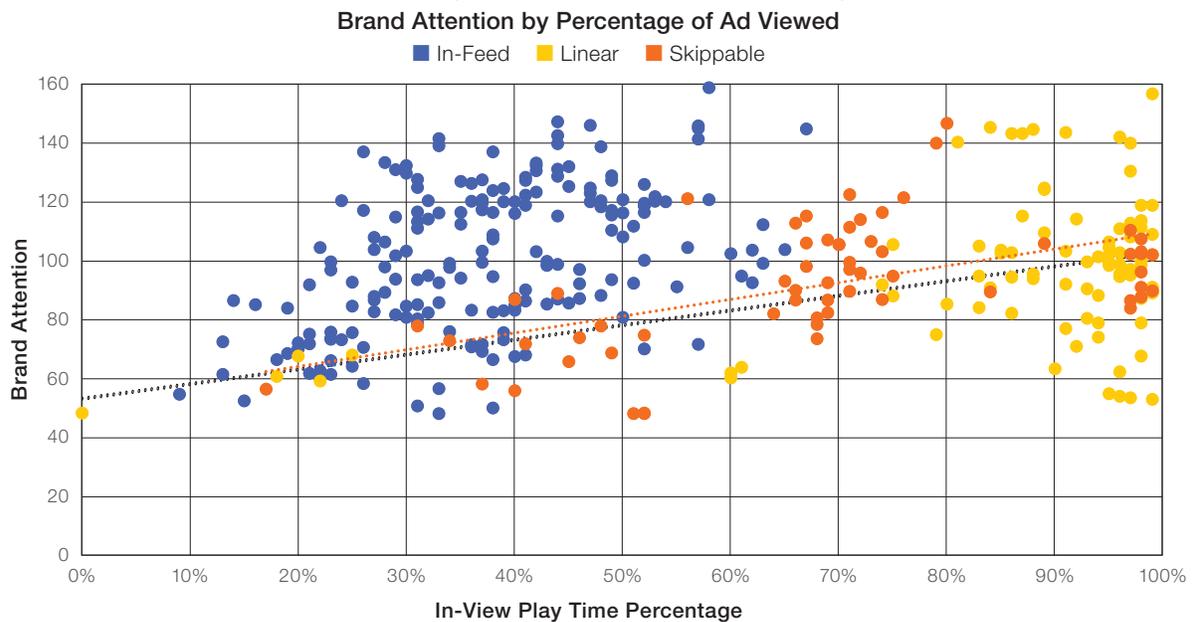
Because digital platforms make it easy to track viewers, many advertisers rely on the same behavioral metrics to assess the effectiveness of their creative executions. But there are inherent flaws in this approach. Behavioral metrics such as views and clicks often do not relate to end sales or market share outcomes.

Consequently, using behavioral metrics as a proxy for ad performance can lead to poor effectiveness choices. On the surface, efficiency and effectiveness may seem related, but deeper analysis (see below) reflects a wide variance in ad performance.

For example, an in-feed ad that is viewed for 30% of its total time length could land in a range of 50 to 140 on our brand attention index. A reliance on behavioral data is problematic and is not a good proxy for effectiveness.

Brand attention results vary regardless of how much of an ad is viewed

As the correlation is weak between percentage of ad viewed and brand attention, looking at behavioral metrics to make creative optimization decisions could lead to poor effectiveness choices



Source: Ipsos US database—347 digital ads.

Note: In-View Play Time: Amount of time in seconds that the video was playing and was at least 50% in view.
In-View Play Time Percentage: In-view Play Time as a percentage of ad total time length.

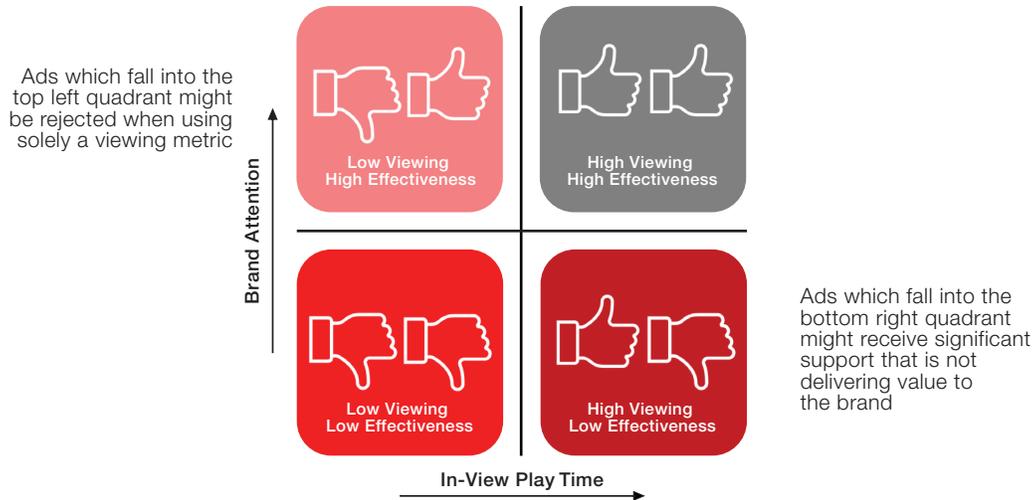


Consequently, we can divide ads into four different quadrants. (See diagram below.)

There are two key scenarios, accounting for 36% of ads in our database, where effectiveness is within reach with some optimizations.

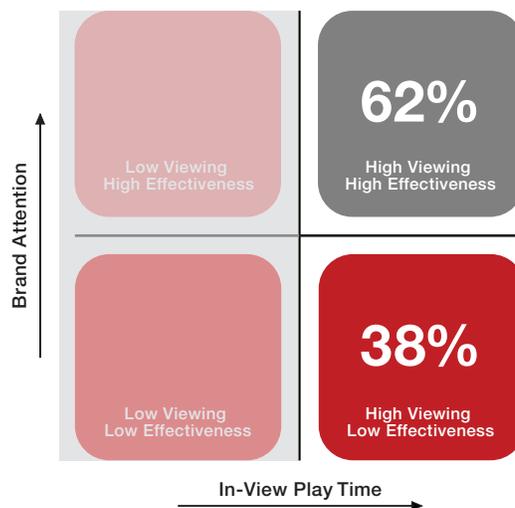
1. **Low Viewing, High Effectiveness:** Ads in the top left quadrant might be pulled based on viewing data, while they have potential to be quite effective for the brand.
2. **High Viewing, Low Effectiveness:** Ads in the bottom right quadrant might receive significant support if marketers are relying on viewing data to assess performance. These ads are not delivering good value to the brand.

A more nuanced picture of effectiveness emerges



Among all digital video ads that gain good levels of viewing, 38% will have low levels of effectiveness, falling into the lower right quadrant. This equates to \$5.5 billion of video ad spend,³ delivering lower sales and market share effects than more optimized creative. Using only behavioral metrics might prove inadequate for creative decision making.

Reliance on behavioral metrics could result in \$5.5bn in wasted ad spend

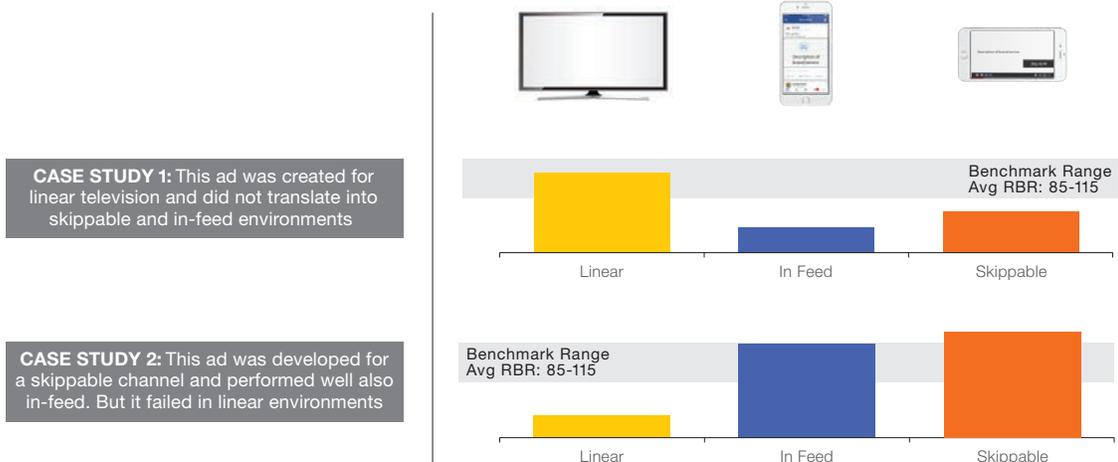


Source: Ipsos US database—347 digital ads, IAB Internet Advertising Report 2021.

What are some clear creative guidelines for improving real effectiveness?

Creating video ads for format (linear, in-feed, skippable) is important for effectiveness. The exact same creative does not perform the same across platforms. In the first case study below the ad was created for linear television, where it performed well against our benchmark for brand attention. But this success did not translate into in-feed and skippable environments. In the second case, the ad was developed for a skippable channel where it performed well. It also did well in the in-feed environments. But it failed in linear platforms. Viewing environments are different and creative must work differently to engage and brand.

Creating for format matters: the same creative does not perform well across formats



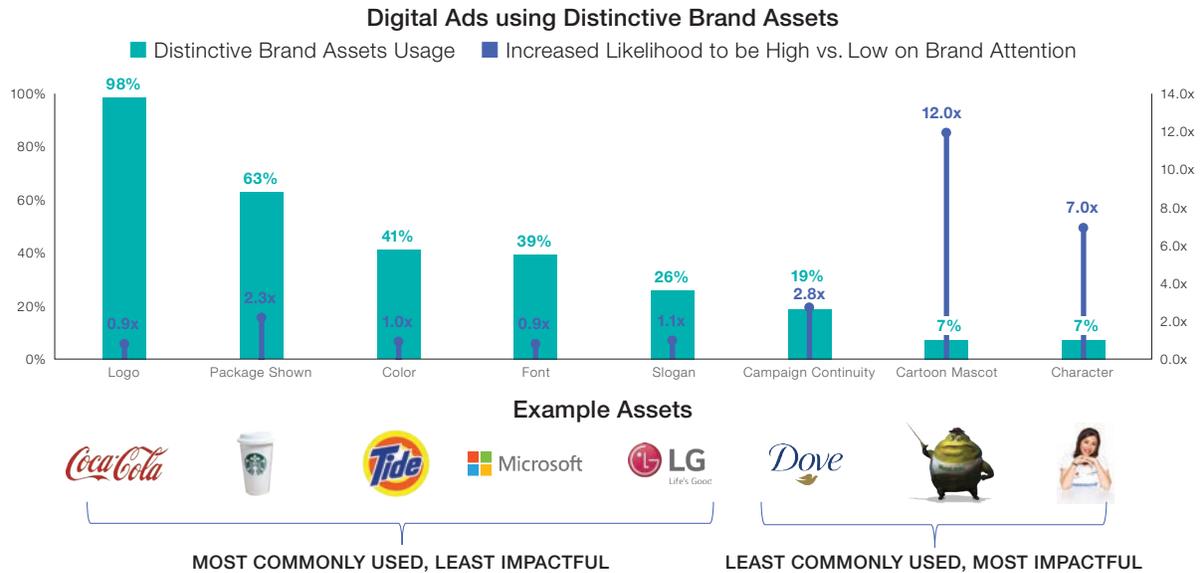
Source: Ipsos US Database • Note: Retained Branded Recognition (RBR) is a measure of brand attention



Branding, branding, branding. While most digital video ads are using elements such as logos, they are not making wide use of distinctive brand assets. Assets such as mascots, characters and continuous campaign themes drive stronger brand attention.

Branding early increases effectiveness. Good branding can make even the shortest ads into powerful performers. For in-feed ads, introducing a brand cue immediately increased brand attention by 13%. For skippable ads, including a brand cue within the first six seconds, before the ad could be skipped, drove a similar increase of 13%.

Distinctive brand assets drive effective branding but are much less used across all formats



Note: Odds of having strong brand attention is the likelihood for an ad with the referenced brand asset type to appear in the top third of the database vs. the bottom third in terms of brand attention (RBR).
 Source: Ipsos US database—347 digital ads.



What else can you consider for creative effectiveness?

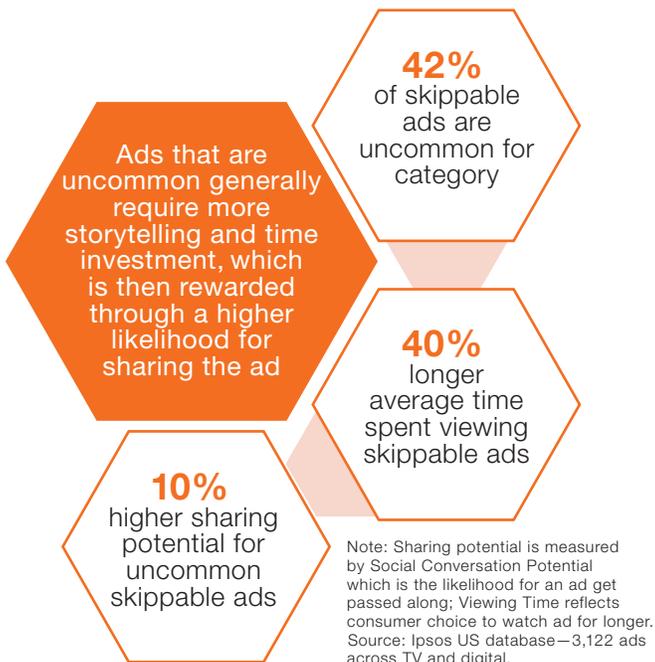
Guidelines for the perfect skippable-scrollable ad.

When you are developing creative in the expectation it will be skipped or scrolled:

1. Brand early
2. Leverage iconic brand assets
3. Draw on and connect to a larger campaign theme
4. And think of your ad as a traditional billboard that someone is speeding past on the highway

Guidelines for maintaining engagement. When you are aiming to defy the odds of being skipped or scrolled past and keep people watching:

1. **Challenge advertising conventions in the category.** Taking an unconventional approach produces 40% longer viewing time on average for skippable ads and higher involvement as demonstrated through sharing potential.



2. Employ humor to avoid skipping or scrolling.

Humor is attempted less often in skippable environments, with less than a quarter of ads evaluated considered humorous. Yet our data shows that giving people a laugh makes them watch longer, with 13% longer viewing time. And funny skippable ads see a 14% uptick in brand attention and +52% impact on social conversation potential.

3. Lean into the enduring power of storytelling.

Powerful stories hook the audience, leading to the opportunity to deliver the full ad experience. Stories of personal triumph and the classic problem/solution device both achieve higher average viewing times across all formats.



So which digital video assets should be tested against real effectiveness measures?

There are 4 scenarios in which testing should be considered:

1. The **investment level** is high or represents a significant proportion of the total campaign spend.
2. The strategic and/or creative approach is **novel** for the brand and has not been tested elsewhere.
3. Objectives are defined as **short or long-term sales and brand effects, rather than immediate online behaviors such as clicks or e-commerce conversions.**
4. Advertising is required to demonstrate a **return on investment** related to in-market business outcomes.

For more information about Ipsos' industry-leading Creative|Spark creative assessment solution:

Pedr.Howard@ipsos.com

or

Rachel.Rodgers@ipsos.com

Footnotes:

¹ E-marketer "By 2023 63.7% of time spent with media in the US will be on digital media vs traditional (tv, newspapers, magazines, radio)"

² Nielsen/Economist. "Between 2010 and 2016, people aged 12–24 were viewing 46 fewer hours per month of traditional TV in the US." Analysis based on our database of 347 U.S. digital video ads, copy tested between 2016–2021.

³ IAB reported \$26.2bn in digital video ad revenue in 2020 and we then take 21% of that number for ads with high viewing but low effectiveness

About the Author

Rachel Rodgers

Senior Vice President

Creative Excellence

Rachel.Rodgers@ipsos.com

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