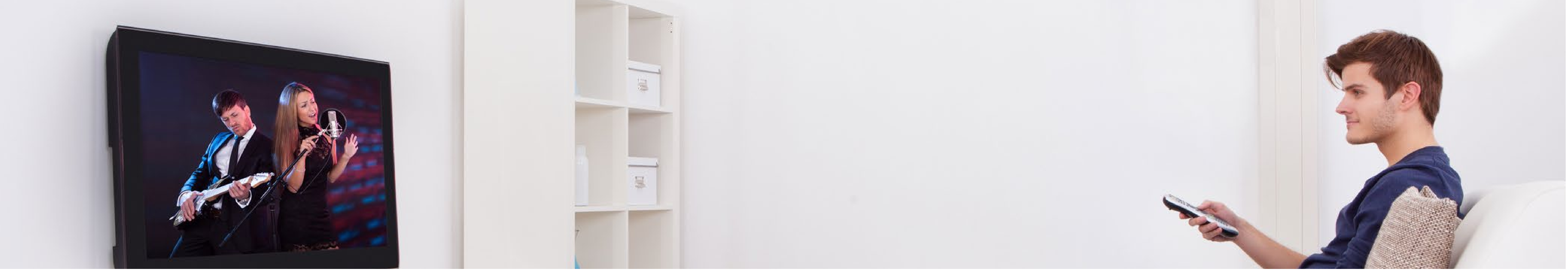
ConversionLogic

The Smart Marketer's Guide to TV Attribution

How to Measure TV Advertising More Accurately and Improve ROI



Introduction

TV is one of the most powerful channels in the marketing toolbox, but unlike its digital counterparts, can be notoriously challenging to measure. You know TV advertising can help you reach a tremendous number of people – fast – but can you confidently prove the return on your investment?

The ability to attribute TV ad spend for resulting conversions empowers in-house marketers to accurately measure the performance of TV campaigns and use that measurement to optimize and scale. It calculates how well you're hitting your business objectives, extracts more value from your current data, and perhaps most importantly, definitively proves ROI.

With TV attribution, you can get clear answers to your most complex questions, including:

- *What's the ROI on my current TV campaigns?*
- *Why aren't my previous strategies working anymore?*
- *Am I spending every dollar in the most effective way possible?*
- *How can I maximize my budget more effectively?*

TV attribution answers these questions and more.

ROI: Your Number One Measurement Priority

Traditionally, TV campaigns fell into two camps: brand and direct response (DR), with attribution-style analytics typically applied to the latter. These days it's more complicated. Companies use TV ads in a wide range of ways to meet their business objectives and connect with their customers, from the stereotypical infomercial at 2am to the programmatic buying and everything in between. We call this spectrum of TV marketing efforts, intended to drive a business outcome, performance TV – and attribution can help from one end to the other.

The type of TV spots isn't the only thing that's changed. The way we watch TV has evolved as well. Your customers are cutting the cord. They're watching TV online, on their phones, and on their laptops, and it's part of a holistic experience deeply connected to digital activities. There is no more straight line from long-form DRTV to the 1-800 number (or vanity URL) to purchase. It's all part of a more complex journey, and needs to be measured as such.

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What hasn't changed? TV media buying is based on Gross Ratings Point (GRP - a measure of the size of an advertising campaign by a specific medium or schedule), reach and frequency that doesn't natively equate to cost per acquisition or click through rates like digital channels. Data is in disparate sources, measured by different metrics, defined by different methodologies with no single source of truth.

Also, TV advertising is still expensive. Even when brands are just beginning to add TV to the marketing mix, and/or when an organization has a strong digital focus, TV advertising can easily take up 30-40% of your budget – and that's on the low end of the scale. From creating the commercial to distribution costs to agency overhead to the actual media buy, TV's broad exposure doesn't come cheap.

With so much of your budget at stake, accurate ROI isn't a nice-to-have – it's your number one measurement priority.

What Happens When "Good Enough" Stops Working?

Of course, accurately measuring ROI is easier said than done. With TV, the bar for granularity and specificity of insights is relatively low. Many organizations use in-house or agency approaches to get a general idea of how TV is performing and find that those insights are "good enough." For example, you know that this week you spent X amount and that conversions increased by 10%. You're not sure exactly how to attribute the change, but you can see the lift, and that provides the directional guidance you need.

"Good enough" measurement methodologies range from making general assumptions by looking at web analytics data to homegrown, simplistic data models done via spreadsheets. Most of these solutions work some of the time – until they don't.

When do you need better answers on TV performance?
Here are a few reasons:

- Changes due to technology, seasonality, and/or consumer behavior
- Tried-and-true tactics stopped working (as well or altogether)
- Digital campaign performance has plateaued so other channels need to be scaled
- Launching a new product
- Growing more quickly, but need to be able to justify your spend
- Growing quickly, but now need to buy more efficiently
- Spending too much and need to optimize your efforts

Basic analysis such as broadly drawing correlations between conversions and spend in TV advertising can't deliver the insights necessary to navigate these internal and external changes. When your business hits an inflection point, you need a better way to measure your performance TV.

The Problem With Vanity URLS

Vanity URLs are a classic mechanism for measuring TV-to-web conversions. Flash a unique URL (www.yourbrand.com/tvoffer), measure the traffic to that URL after your spot airs, and you've got answers!

Unfortunately it's not that simple. Especially in today's multi-channel environment, consumer behavior is wildly erratic. Conversion could occur hours later, days later, or from an entirely different channel or path, even if it was inspired by TV. Vanity URLs play an important role in TV measurement and are one piece of the puzzle, but can't provide the big picture on their own.

A More Sophisticated Approach With TV Attribution

TV attribution approaches performance TV measurement differently. Instead of attempting to draw a straight line with outdated techniques, it provides spot level credit to uncover what's truly working and why. TV attribution brings real data science to the table instead of assumptions, intuition, and questionable correlations.

With TV attribution, you can go from "good enough" measurement to fast, accurate, actionable insights designed to drive business impact.

How Does TV Attribution Work?

The practice of attribution helps TV marketers reduce data collection complexities and measure the impact of TV quickly for optimization or scale insights.

Using sophisticated statistical analysis, TV attribution models several key attributes for a detailed, tactical, and strategic analysis of the short-term impact of TV ads. It offers the metrics you need to drive budgeting and planning, including:

Baseline - What is my conversion activity in the absence of any media buys? Your baseline measures the organic "pull" of your brand.

Ad Stock - The effects of advertising build up, saturate and decay over time. Ad stock models and measures this process.

Decay Rate - How fast does my spot effect decay? You'll need to statistically determine decay rate and apply it at the spot level.

TV attribution analysis is more precise than the basic measurement approaches previously described. Depending on the type of media that you're buying, attribution analysis can be done on a weekly or biweekly basis. That means you can validate what's working and what's not and optimize your decisions accordingly – from stations to programs to spots to overall investments.

By adding TV attribution to your marketing measurement toolbox, you can:

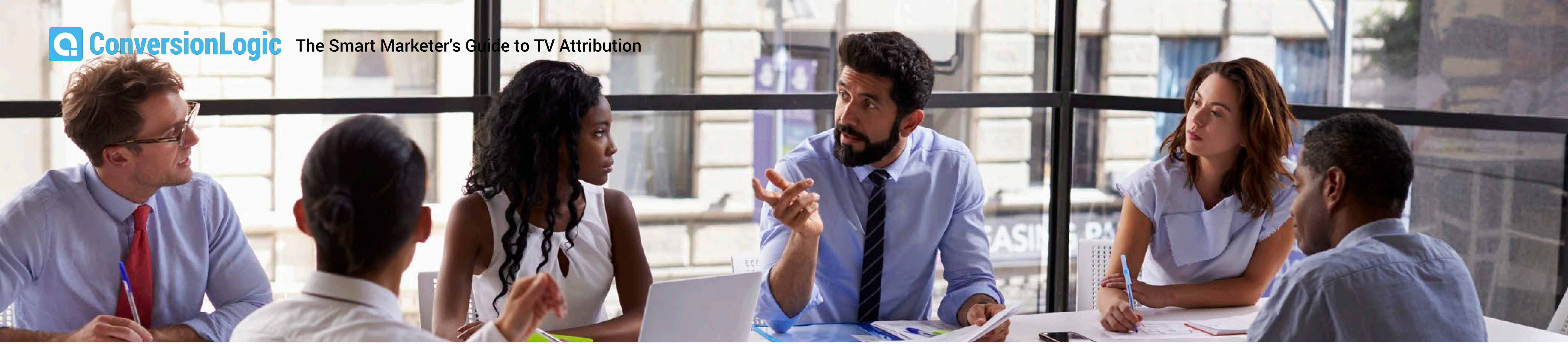
- Optimize TV advertising with a clear view of influence and performance
- Account for the impact of TV ads over time to achieve business goals
- Benchmark TV stations and programs for efficiency gains
- Incorporate non-media factors such as weather and macro-economics
- Calibrate your budget for optimal allocation on TV media buys
- Implement and optimize faster with a data-driven approach

Wait a Minute: Shouldn't My Media Agency Handle This?

Many organizations outsource TV measurement to their media agency. This can be an excellent approach: agencies are usually media experts, and often partner with leading attribution providers to give their clients top-tier results. Some agencies, however, do depend on simplistic in-house models or outdated technology, which limits their ability to provide the best possible analysis and recommendations. If you are partnering with an agency that handles your TV media buys, we recommend that you:

- Ask how your agency is measuring the performance of your TV ads
- Ask how they make their media buying decisions for you
- Consider how you can validate their findings
- Explore if there are untapped opportunities that the current TV spend strategy isn't uncovering
- Determine whether or not their media strategy for you is meeting your business objectives

Ultimately, you want to make sure that your agency's method for TV attribution delivers the level of granularity, speed and depth of insight that you need to make the most of your investments.



3 Steps to Ensure Successful TV Attribution

TV attribution requires readiness and alignment from all the stakeholders in an organization. Whether you're handling the analytics in-house using your own statistical modeling, working with an agency that manages your TV media, or partnering with an attribution solution provider, here are three steps to help you prepare for a successful implementation of TV attribution.

STEP 1: Define Your Business Goals

Like any analytics initiative, TV attribution starts with a clear understanding of what you're trying to measure and how you want to use that information. A key metric, for example, may be decay rate, which gives you information about the consideration cycle of your product – insight that you can use across your marketing campaigns.

A robust TV attribution practice answers specific and targeted business questions, such as:

- What is my baseline without TV?
- What is my TV ROI?
- What stations, programs and/or creative are most effective?
- What is the impact of TV buying tactics like time of day or geo-buying?
- Where should I spend my next dollar to maximize TV return?
- How can I be more efficient with my budget while maintaining the volume?
- What tactics will get me more scale?
- How can I get conclusive results for testing with these programs or spots?

Determine which goals are most important to your business, then map the appropriate KPIs to ensure everyone is on the same page with what you're measuring and why.

STEP 2: Collect And Prepare Your Data

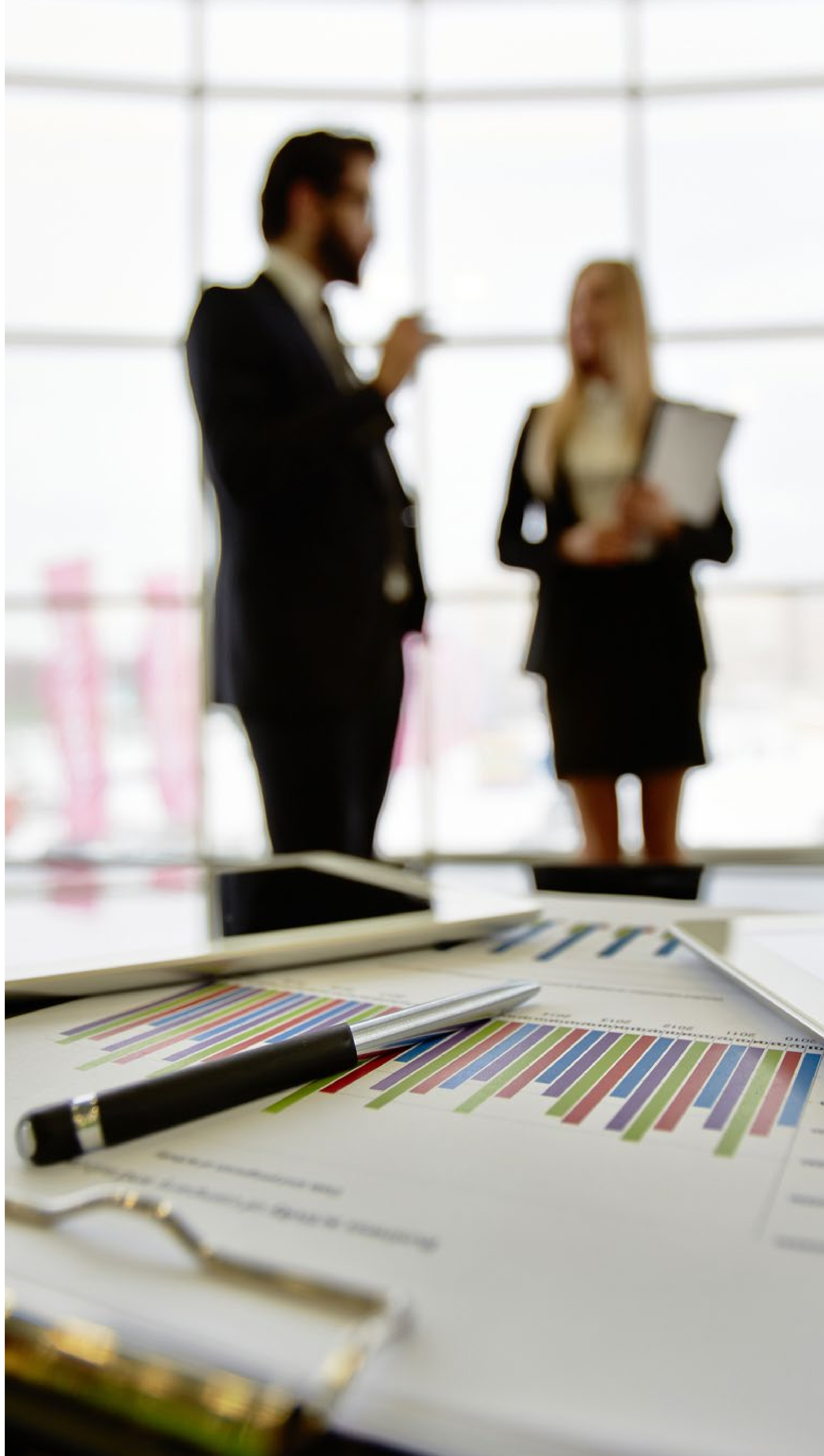
A necessary component to get up and running with TV attribution is getting access to the right data sets. To begin running TV attribution, you need two types of data:

Post logs – Post logs are your record of every spot that ran with media descriptions and the cost of that spot. It will typically be at the spot level by definition, with a few exceptions for more complicated types of buying like syndication.

Conversion data – Conversion data comes from your site-side analytics. The cleaner and more consistent your conversion data, the better. Most organizations already have some site-side event tagging in place, whether it's a high value task or a conversion, that can used for attribution analytics.

For both post logs and site-side analytics, historical data is important to the accuracy of your attribution results. Consistently stored and easily-accessible historical data allows the attribution platform to create a precise, reliable baseline on which to predicate your brand's performance. It's how it calculates trends and overlays tactics and strategies like promotions and product launches.

How long is long enough? Two years of historical data is ideal, but one year is usually adequate. It's certainly possible to run TV attribution without that depth of data (for example, brands that are new to market), but the longer the history of data available the better to capture seasonality.



Once you've collected your data, it must be prepared in a way that is consistent with industry standards. This typically includes pulling your post logs into a CSV file that contains all relevant information about each TV airing. Some of your data points will be required while others are optional.

Required data points may include:

- Client: the unique advertiser ID
- Station: the name of the station (e.g., ABC Family)
- Date: the date when the airing ran (e.g., 6/3/2017)
- Time: the time when the airing ran (e.g, 12:01 am)
- Rate: the cost of each individual airing (e.g, $110.00)
- Creative: the unique creative name associated with each individual airing
- Length: the length of the advertisement in seconds (e.g., 30 = 30 seconds)
- DMA: the designated market area (DMA) ID or name where the airing ran (e.g., 803 or Los Angeles, CA; 0 or National)
- Time zone: the time zone reflected by the date and time (e.g., if National = EST; if market is Los Angeles = PST)
- Media type: the type of media (e.g., network, cable, or local)

Optional data points may include:

- Impressions: the impressions that each airing received (e.g., 43565)
- Program: the program name associated with each airing (e.g., The Voice)
- Feed: the feed of the station that the airing ran on (e.g., 1 = single feed; 2 = dual feed)
- Timestamp: date and time concatenated in one cell (e.g., 6/3/2017 12:01 am)

While post log data requires some organization, conversion data can typically be collected with your existing site-side analytics.

Pro Tip:
Own Your Own Data

When companies struggle to find historical data for TV attribution initiatives, it's often due to switching to a different agency. Different agencies store data in different ways, and don't always pass it along when the client-agency relationship ends. As a result, marketing organizations end up with inconsistent and incongruous post log and conversion data.

The solution here is simple: own your data. Store your post logs. Put data governance best practices in place. If you use agencies or not, whether you plan to implement attribution next month or next year, having clean, dependable data in-house will always benefit your business.

Tales From The Trenches

"When we first began working with an upscale clothing brand at Conversion Logic, their conversion window was 7 minutes. They were running brand-centric commercials with narrative storytelling with the goal of selling $50-200 clothing items – not a casual consideration – and giving people 7 minutes to convert! There was no 8th minute: the ad got complete, 100% credit for the conversion up to 7 minutes, zero credit starting at minute 8.

We worked with their team and their data to better define their decay rate and consideration cycle. This wasn't just data analysis, we were able to help them improve a preconceived notion about their business overall with our modeling approach and perspective on ROI. In the end, we ended up with a consideration window close to an hour and a half, and they saw much more accurate results on the performance of their TV spots."

Alison Latimer Lohse
Chief Strategy Officer at Conversion Logic

STEP 3: Analyze For Trends And Insights

With your data collected and prepared, you can go beyond basic statistical analysis to find real answers in your data. Depending on your business objectives identified in Step 1, you may be focused on long-term trends or short-term impacts. Regardless, a well planned attribution approach can help with both. The practice of attribution takes you beyond activity metrics like impressions to calculate actual business results.

What are the benefits of TV attribution? A few examples:

Spot Length Optimization
Discover the best length for your ads. For instance, attribution analysis may show that :30s spots have more efficient conversion than :15s spots, despite an intuitive assumption that shorter would be better.

Station + Programming Optimization
Gain insight into category or specific programming changes to cut waste and find new customers.

Daypart Optimization
Evaluate performance based on parts of the day and optimize accordingly. For example, you may want to eliminate spots running at the more expensive, but poorly performing, primetime daypart and reallocate that budget to early fringe that shows better conversion.

Ready to Get Started?

TV attribution gives marketing organizations a powerful way to make effective decisions and get the best return possible for your TV media spend. With the alignment and data readiness described above in place, you can measure and optimize performance TV to achieve the desired business outcomes. Good luck to as as you embark on your journey to improve ROI for your TV advertising!

Ready to see how TV attribution can impact your ROI and more? With Conversion Logic, onboarding is simple and results come fast. No lengthy contracts, no months-long setup time. Get started with as little as a post log template and your site-side analytics' API. Contact us to learn how you can start accurately measuring your performance TV campaigns.

ConversionLogic

About Conversion Logic

Conversion Logic delivers attribution, evolved: a cross-channel measurement platform that combines cloud analytics and machine learning for enterprise marketers. Built from the ground up for agility, innovation, and speed, Conversion Logic translates the most sophisticated data science on the market into clear, actionable insights across the customer journey. With media agnostic, real-time analytics and optimization, clients reduce friction, adapt and realize value more quickly than ever before. Meet attribution, evolved, at www.conversionlogic.com.