

# Research Measurement Technologies

*Exalt the Creative*



## Combining Context + Advanced Audiences to Max ROAS

### Introduction

In this white paper we review what is known about the business outcomes of various forms of contextual targeting, various forms of advanced audiences, and describe the recommended synthesis aimed at maximizing year over year brand growth to which all of the evidence points, and has been validated by causal experimentation (Random Control Trials aka “RCTs”).

The workflow for the optimal combination will be spelled out in detail for practitioners to be able to put into practice immediately. Along the way we shall take our time to review the history, theoretical underpinnings, and other relevant information of value to data scientists, analysts, platform designers, innovators, et al. Practitioners please feel free to jump to the final section.

### Contextual Targeting

Like most terminology used in marketing (unfortunately), the phrase “contextual targeting” has multiple usages. In the beginning it simply meant trying to reach specific audiences (typically demographics) by buying the right media vehicles. It was/is also known as “content targeting”.

In 1951, Horace Schwerin reported that the persuasion power of food and beverage radio ads was reduced in fear-producing environments. This created a new idea, that different environments could work best depending on what kind of product/service you were advertising. Actually, the idea goes back much further in time, advertising professionals have already been aware that specialized publications provide what might be called “endemic ads” that are the natural ads to put into those environments (e.g., golf clubs in Golf Magazine). But aside from endemic ads, people tended not to think that maybe there are all sorts of psychological reasons why a particular ad might perform better in one context vs. another.

In 1964, at Kenyon & Eckhardt the writer did a meta-analysis of 1500 TV and magazine ads which showed that the same ad almost always performed very differently when looked at across environments. In that same year we did an even larger TV-only study at IPG which led to the same conclusions. There was disappointment because we were hoping that Nielsen program types could be leveraged, and the findings showed that the latter when used as predictors failed to explain the variances in ad performance across vehicles. Leslie Wood found out the same thing at NCS in 2017: in that study, in effect, Nielsen program types when looked at as potential “context optimizers” had a 2% success rate.

In 2018, Kwon et al published a meta-analysis in the ARF’s *Journal of Advertising Research (JAR)* of 70 studies conducted between 1965 and 2012. Essentially, these studies converged on the

finding that 15% more ad recall can be produced by putting a funny ad in a funny program. And similar results which might be easily guessed at even by non-professionals. Many of these studies were carried out with great rigor and sophistication.

Over the course of the writer's career, and especially in the work done 2005-2014 at TRA, there were many occasions in which subjective judgment worked out to be able to increase ad recall by guessing at the environments in which a specific ad would probably overperform. 15% was about as high as you could get with this method. I never saw any instances where the method worked for sales lift with statistical significance at 95% confidence.

In the TRA era we already had some excellent sources of metadata to play with. Digitalsmiths was one example. We tested their data against TRA's ROI measurements and found nothing. (However, Tom Rogers liked Digitalsmiths and so TiVo acquired them for \$120 million.) Our experiences with Digitalsmiths led me to believe that there was still no reliable way to use real data (including themes, tones, moods, interests, etc.) to include in media optimization that would leverage the synergy between a specific ad and a specific context.

In 2017, this abruptly changed. RMT had been launched in 2014 as a solution for making better programs and its clients were more than half of the studios and top networks. Howard Shimmel was Chief Research Officer at Turner and saw the possibility that RMT might be able to create a resonance score between an ad and a program which would be predictive of business outcomes, specifically sales lift. The NCS study he sponsored proved that his idea generated an average sales lift increase of +36%. This was to our knowledge a historic first in the long road to find a way to optimize ad-context synergy with significant causal impact on actual sales.

Many studies since have further verified that this tactic is reliably incremental to whatever else a brand might be doing right.

In the past few years, others have developed what sounds like the RMT approach, although their websites show only a single case study measuring sales, specifically a correlational study in which 6% of sales were attributed to an ad campaign using an algorithm of similarity between an ad and a program, based on commonly available metadata at the Digitalsmiths level. 6% attribution is not the same as proving lift. Attribution is ad hoc crediting based on multiple regression analysis, and is correlational, and there is subjective judgment in selecting among alternative models of equal statistical goodness. NCS uses exposed/unexposed with cell matching to control for everything else that could account for a sales lift, which is also correlational but slightly higher up on the scale of epistemological confidence.

The difference between standard high level metadata and RMT is the reason for the difference in sales results. (Most of the success cases in the websites of contextual and neuro-contextual solution platforms define success in terms of clickthrough rate (CTR), video completion rate (VCR), website visits, and in one case a neuro study.)

Why is the RMT approach better, how is it different? The predictive metadata were derived by machine learning which distilled over 10,000 words down to the 265 that have impact on program choice behavior. This was in 1997 and it was part of the Next Century Media work involving over a million respondents that won a Technology Emmy® Award in 2022 primarily for

“the pioneering development of set top box data”. RMT had already won the Sequent Award in 2020.

## **Theoretical Underpinning**

In 1951, psychologist Karl Lashley was first to use the word “priming” to describe a cognitive process, in relation to the way the brain prepares to make any bodily movements. In 1971, this idea was carried into the sphere of stimuli coming in from outside by Meyer & Schvaneveldt, who proved that a sequence of stimuli which had meaningful relationship with one another was able to be assimilated more quickly and easily by the brain than a sequence of stimuli which were unrelated to one another.

That is why cognitive dissonance arises from most interruptive advertising. That is why by putting the right ads in the right contexts is able to create resonance rather than dissonance. That works for all forms of contextual ad-context matching, not just RMT, even when the matching is for obvious things like funny, fast cuts, etc.

RMT goes one step further by being a taxonomy that was trained by the real in-market natural program choices of over a million people over a period of months with second by second set top box data and an interactive TV program recommender driven by the user’s previous program choices. NCM at the time was focused only on program choice, and was able to increase the adoption of new series six-fold (from 3% to 18%). What we did not know at the time is that it would work on brands too. Simmons showed that it worked across all 3830 brands in its questionnaire that had at least 1000 claimed users, across hundreds of product and service categories. Wharton Neuroscience only recently taught us that all choice behavior reduces to the same computation in the brain.

Wharton hypothesizes that RMT’s 265 semantic markers are in some way related to the mysterious Value Signals in the brain, which are about of equal number. RMT and Wharton are now partners in the scientific research to link these neurological events and the RMT semantic markers, as well as to commercialize the applications. At Wharton’s suggestion the RMT 265 variables which had been called “DriverTags” were renamed Value Signals (VS).

The history of contextual optimization leads to the pragmatic recommendation that RMT should be tested and adopted for as long as incremental sales gains are the result. The recommended testing protocol is RCTs. Metrics should include New To Brand, as the method appears to especially excel in bringing in new customers to the brand, as Peter Drucker suggested ought to be the primary outcome measure to be optimized. RMT should be tested including all of the other tactics which are working, and the control cell ought to be identical but without RMT.

But the story does not end there, because those tactics should be combined with advanced audiences.

## **Advanced Audiences**

Norton Garfinkle in the US with his Brand Rating Index (BRI) was the first to enable advertisers and their agencies to reach audiences of product and brand users. The idea quickly caught on for planning purposes but when it came to buying the industry tended to stick with demographics,

especially sex/age. MRI/Simmons in the U.S., Vividata in Canada, and TGI in 39 other countries continues the long-questionnaire methodology examining skews of specific media to targets based on product and brand usage.

When Next Century Media invented addressable commercials in 1993 and a few years later digital picked up the idea and ran with it – especially when Dave Morgan who had been an Advisor to NCM applied it with his TACODA and called it behavioral targeting in the early 00s – targeting people based on observing their browser-based content consumption to infer product category interest – the idea really took off in digital activation.

TRA was the first to match media and ad exposure to actual purchase data at scale in 2006 and that caught on too. TRA that same year discovered Swing audiences – people who bought the client’s brand but not loyally – accounted for 80% of the incremental sales caused by advertising in CPG. Today that’s called the Moveable Middle thanks to Joel Rubinson. TRA’s Swing purchaser audiences were used by hundreds of the largest brands, and in 2011 TRA partnered with Comscore and Datalogix and became cross-media, enabling use of actual purchase data to be used in addressably targeting Swing and other product/brand purchaser segments through digital.

These types of user and purchaser targeting eventually began to be called “advanced audiences”, a useful term which is broader than purchasers and includes any audiences beyond the demographic which are known or suspected to be above average in their proclivity to be moved to action by the client’s advertising.

With the rise in privacy concerns since GDPR, many observers predicted that there would be massive signal loss deprecating the ability to target ID-based advanced audiences. In fact it was this false alarm which appears to have triggered the appearance of context solution providers, who use the word “privacy” often in their marketing. The gradual understanding of clean rooms – the term now given to what was originally the privacy methodology for which TRA received four U.S. patents – was what aborted the signal loss.

Unlike other contextual solution providers, RMT is not content to offer just context because that would be leaving a lot of brand growth potential on the table. RMT is also applied to characterizing audiences based on their content consumption through set top box, smart TV, streaming and open Web. Here the RCT method of measuring the causal effect on incremental sales shows that the sales lift effect is +95% - as compared to the contextual +36%. In the same RCT Neustar found that the sales lift effect for New To Brand was +115% vs. +95% across all incremental sales. Again, New To Brand is what Peter Drucker meant by brand growth.

This is another benefit of targeting in part based upon motivations, adding that on top of the best advanced audiences the client/agency have already proven to increase ROAS: because motivation comes in from a whole new angle that has never been used before – ironically, because scientists know that all human behavior is driven by (mostly-subconscious) motivations and here we are first starting to operationalize motivation as a marketing lever a century into the Age of sophisticated marketing – the audiences selected by motivation tend to add more reach as well as more ROAS, brand equity, and long term growth.

Typically an ad appeals to more than one Motivational segment and this generally leads to the development of more “personalization” i.e., a different ad for each of several motivation segments.

RMT recommends using the combination of ID based advanced audiences whose media consumption shows them to have proclivity for the subconscious motivations communicated by the client’s specific creative executions, reaching them through vehicles that also resonate with the client’s specific ads. The combination can be very powerful, and in one case study on the RMT website the KPI was increased 5X.

### **Practitioners Takeaways**

- Use both neuro-motivational contextual (RMT) plus motivational advanced audiences used together with your best existing tactics
- These can be used in all media including linear, streaming, programmatic, creators, podcasts, audio, cinema, LLM
- These can be used through your existing tech stacks and workflows as easily as any other advanced audience, and for about the same Data CPM although their sales lift power is far higher and more skewed to customers new to your brand
- Include in your measurement framework RCTs and measure not only incremental sales but also New To Brand
- Test other things as well against the same RCT measures and see for yourself what works best for your brands
- For highest reach and ROAS at the fewest dollars, use a mix of 30% linear, 30% premium streaming, 30% mobile and 30% computer
- For younger audiences focus on creators, podcasts, and a large variety of 1-3 second social media ads which cumulatively paint a picture of your brand that resonates with their individual motivations
- [RMT case studies](#) (each slide contains link to full case study)