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How to plan for effectiveness in an increasingly fragmented media landscape?

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INTRODUCTION

In an era where content is consumed across various traditional and digital platforms and devices, it's important to consider the nuances and differences in how interactions are measured, valued, interpreted, and attributed to success.

How do we differentiate between a meaningful interaction and a mere impression, and what strategies can we employ to ensure we are deploying the right media mix to make reach more effective in brand building?

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Adapting to changing consumer media habits and its challenges

In the past five years, digital spending in Malaysia has increased by 259%, from RM1.26 billion in 2018 to RM4.53 billion in 2023 (Source: GroupM This Year Next Year).
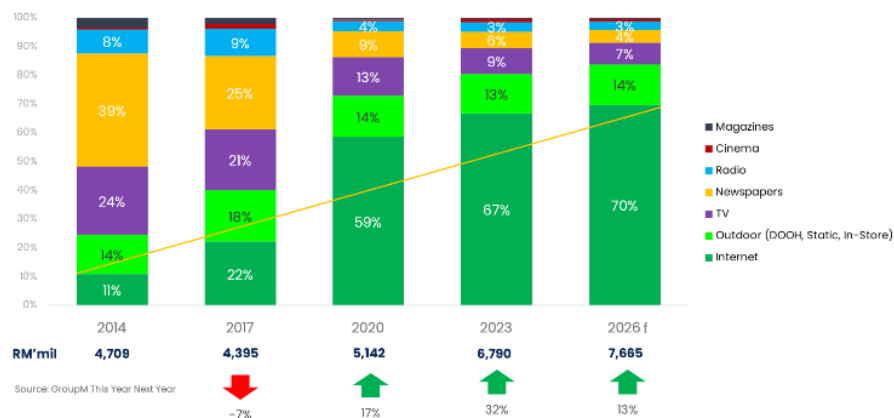
This significant shift is driven by changes in consumer media habits and has come at the expense of traditional mediums, as advertisers maximize their digital investments.

Challenge:

The absence of a robust cross-screen measurement system in most markets is resulting in disproportionate investments in platforms with lower effectiveness, thus diminishing the overall impact and efficiency of media campaigns.
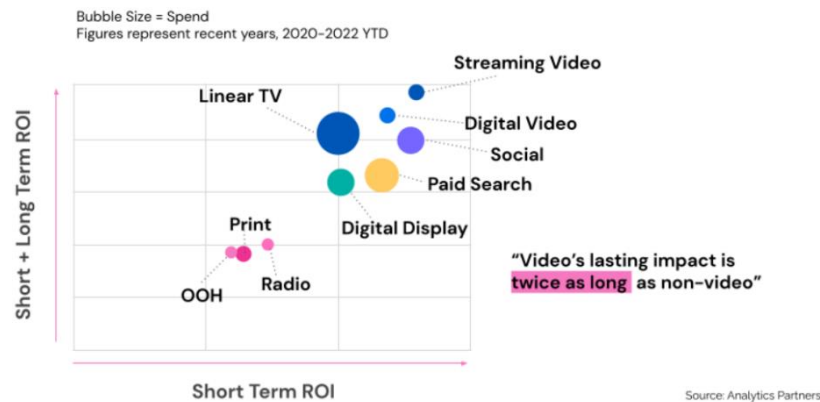
To address this challenge, GroupM Malaysia has formulated a simple framework using its proprietary tools to make investment decisions robust.
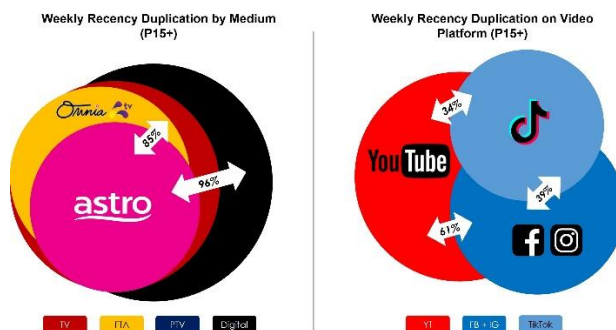
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Navigating the right media platforms in a fragmented landscape

Research from "Analytics Partners" suggests that video platforms deliver better impact both short- and long-term. In Malaysia, over 60% of total media investment is directed towards video (GroupM MY internal data). Therefore, selecting the right mix of channels has become increasingly important.

Bubble Size = Spend
Figures represent recent years, 2020-2022 YTD

Short + Long Term ROI

Streaming Video
Linear TV
Digital Video
Social
Paid Search
Print
Digital Display
OOH
Radio

"Video's lasting impact is twice as long as non-video"

Short Term ROI

Source: Analytics Partners

When it comes to video planning, numerous platforms offer mass reach but have significant overlaps. This overlap makes media plans ineffective, as the same audiences are reached through multiple platforms at a much higher frequency, resulting in wastage.

Weekly Recency Duplication by Medium (P15+)

Weekly Recency Duplication on Video Platform (P15+)

85%
96%

34%
39%
61%

TV   FTA   PTV   Digital

YT   FB + IG   TikTok

Source: Nielsen Consumer & Media View 2023 & Global Web Index 2023

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The current state of planning

Penetration is a key driver of market share growth, and in media, it is a function of reach. For many years, the media industry adhered to the rule of random duplication, also known as the Sainsbury's rule, for cross-screen planning to maximize reach within media plans.

$$1 - (1 - \text{Reach}\%_{\text{MEDIA}_1}) \times (1 - \text{Reach}\%_{\text{MEDIA}_2}) \times \ldots \times (1 - \text{Reach}\%_{\text{MEDIA}_N})$$

However, this formula operates under the assumption of random and independent reach for each channel. In reality, significant overlap may occur, resulting in an underestimation of the true number of unique viewers.

At GroupM, we utilize our proprietary tool "mScreen", a video reach optimizer. This tool incorporates platform-level reach curves directly integrated within the platform through an API for all major media partners including Google, Meta, TikTok, Teads, Snapchat, and more. Additionally, the tool leverages proprietary research (Audience Origin) to accurately calculate deduplication between platforms, resulting in a precise estimation of audience overlaps.
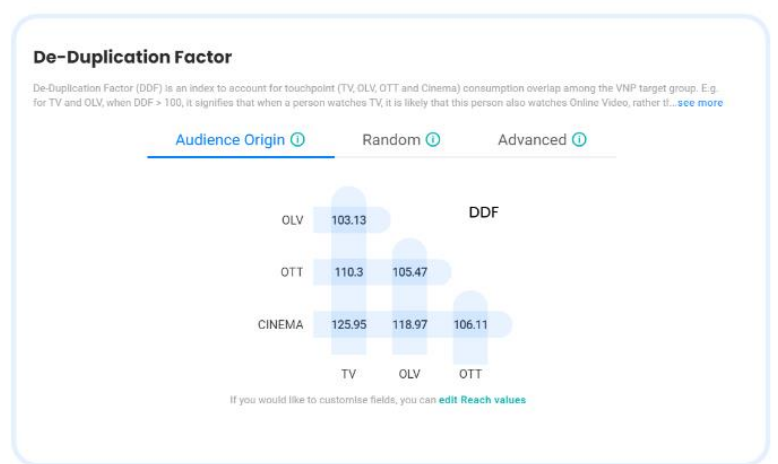
This methodology has integrated digital video platforms into the media mix and created a way to estimate incremental reach driven by each platform, delivering cost efficiency in reach-based planning.

Differentiating between a meaningful interaction and a mere impression

The current reach-based planning, though highly efficient, does not fully capture effectiveness. Reach is still measured solely based on impressions and does not account for factors such as video length, completion rates, and attention metrics.

In the current methodology, a 6-second exposure is treated equivalently to a 30-second exposure, as it only considers impressions and overlooks effectiveness. However, according to the WARC attention study, the nature of various channels and platforms determines the likelihood of consumers noticing a viewable ad and the quality of attention they devote to it.
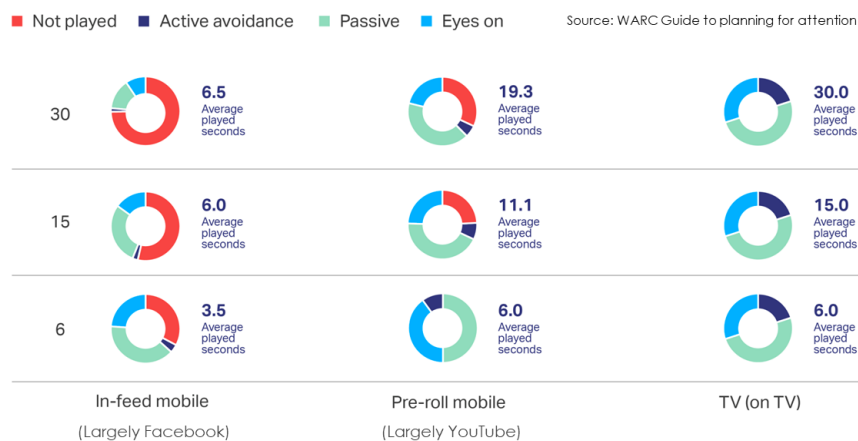
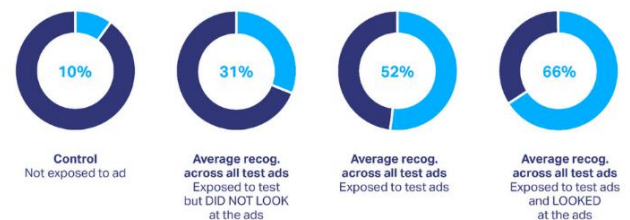Therefore, the current methodology of planning reach solely based on impressions needs an overhaul.

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How can we enhance this methodology to capture exposure vs attention?

For any ad to impact consumers, it needs to be viewed. Therefore, the percentage of how much an ad is viewed is one of the key factors for ad recognition. According to a WARC study, the average recognition of an ad increases from 52% to 66% when the audience views the ad rather than just being exposed to it.

Ad recognition
Do you remember seeing this ad?
WARC

10% — Control — Not exposed to ad

31% — Average recog. across all test ads — Exposed to test but DID NOT LOOK at the ads

52% — Average recog. across all test ads — Exposed to test ads

66% — Average recog. across all test ads — Exposed to test ads and LOOKED at the ads

The View-Through Rate (VTR) refers to the percentage of people who saw an ad all the way through without skipping it or closing the window before it finished playing. It goes beyond impressions to measure actual ad completion. VTR also varies by market and platform. In Malaysia, for TV campaigns, a view is recorded at 60 seconds, resulting in a VTR of 100%. However, for online videos, the VTR is 50% (GroupM Malaysia Benchmarks).

Therefore, it is important to create a market-level benchmark to effectively deploy cross-screen plans, helping advertisers maximize reach and impact together.

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Way Forward

In our proprietary video-neutral planning tool, "mScreen," we introduced the VTR% factor on top of the existing R&F curves and audience deduplication to incorporate effectiveness metrics. We ran simulations to ensure all platforms are weighted equally to garner incremental reach.

On-Target %
Percentage of total impressions that will be delivered within the target group

100 %   Source: Nielsen DAR

Viewability %
Percent of viewable impressions

100 %   Source: IAS or MOAT

Quality Impact Score
Index of quality of the current vendor against the base. The default index of 100 means there is no difference from the base

100   = **VTR%** (Media measure)

These were some of the standard inputs that were used for the simulations:

- On-Target % of the online video platforms: 90%
- Viewability of the online video platforms: 90%
- VTR of online video: 51% (GroupM Malaysia benchmark)
- De-duplication: Based on GroupM proprietary research (Audience origin)
- Campaign Budget: RM 750,000
- Campaign duration: 6 weeks

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Percentage increase in TV investment

Target Audience	Percentage Increase
All Adults 15+	33%
All Adults 30+	26%
F, 25-44	112%
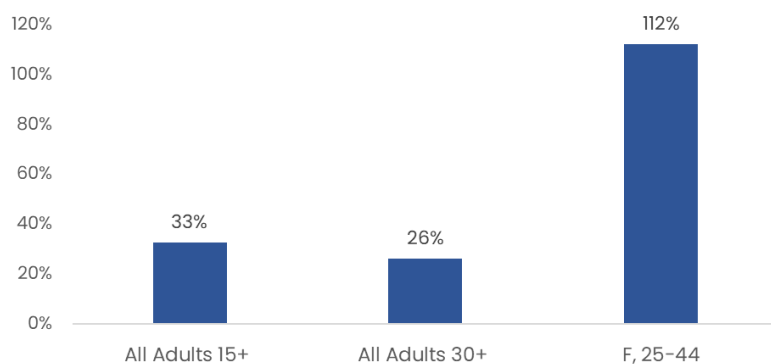
Multiple data runs reveal that TV as a platform receives 26% to 112% more investments across different target audiences. They also highlight insufficiencies in media budgeting due to the current impression-based reach-planning approach.

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Conclusion

By incorporating View-Through Rate (VTR) as a key metric, we can adopt a more robust approach that allows for equitable comparison of reach across different platforms. This highlights potential underinvestment in platforms such as TV that deliver higher VTRs and greater creative effectiveness. This approach ensures that media investments prioritize platforms and content formats that foster meaningful audience interactions, leading to more effective campaigns that resonate with consumers and achieve desired brand outcomes.
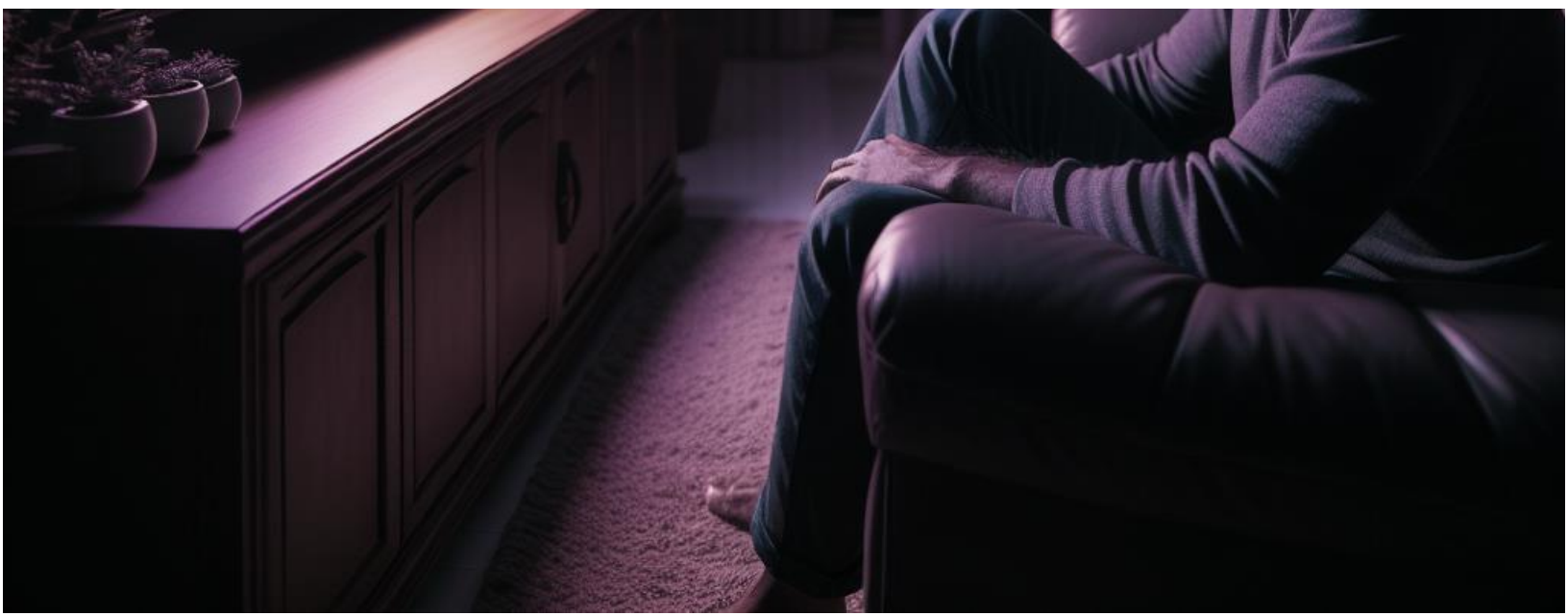
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For more information, please speak to your respective brand leads or the Mindshare Group Strategy leads.

Arqam.tabani@mindshareworld.com
Neal.pravin@mindshareworld.com

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