



Familiarity, Frequency and Fine Lines

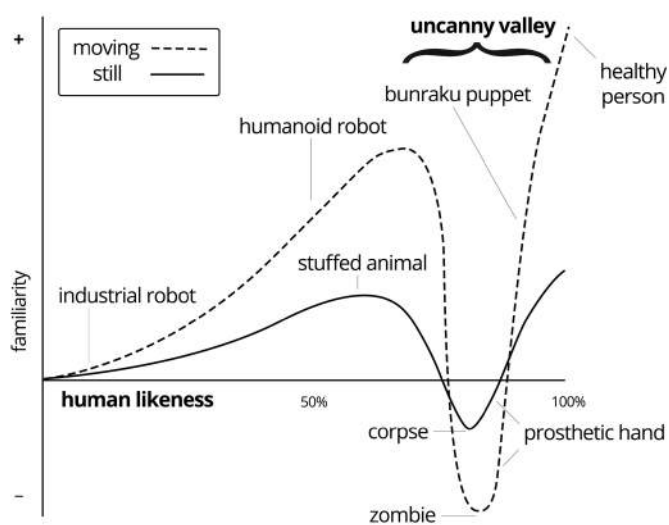
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INSKIN MEDIA



Introduction

In 1970 a robotics professor called Masahiro Mori coined the phrase 'uncanny valley'. Mori's original hypothesis states that as the appearance of a robot is made more human, some human observers' emotional response to the robot will become increasingly positive and empathetic, until a point is reached beyond which the response quickly becomes that of strong revulsion.



So it might be with targeting.

The more commercial messages are aimed at the right person at the right time and in the right place, the better. You are respecting my time and even helping me to shop.....until it reaches a point where it just feels too close. Either through spooky accuracy or just sheer repetition there comes a point where you are in my face and I don't like it.

But the path to better targeting has been a long-term, client-driven goal to improve efficiency (to address the age-old client concern that 'only half of my advertising is working').

- We've spent years improving our aim:

Viewing and readership data, first in demographics then in psychographics and other clever segmentations, thermal packages to sell beer when the sun is shining, topical ads that hit the national mood; and direct marketing has been doing AB testing since Rory Sutherland was a lad.

Convergence has made this even more relevant as the point of communication and the point of purchase can now be the same electronic device.

So there is a clear imperative from the client via the media buyer to continue improving efficiency.

But how does it feel at the other end of the barrel? So much of the current debate in the industry has been around the possibilities and the excitement of programmatic buying and retargeting, but we rarely hear from the consumer. How do you know this much about me? Why do you keep showing me the same ad?

Of course we had this trouble with TV and other media. We know that the distribution of OTS is not even and that as we push coverage we also push saturation for a group of heavy media users. And we live in a world of increasingly savvy consumers – for many in the younger generations, one opportunity is all they need (thank you very much) to decide whether they are interested or not.

But, we wonder, is there something more going on here...

The TV break and the Press pages are legitimate places for advertising – because of their means of funding we can almost say they are owned by the advertising

they receive. This is transparent – consumers know and understand that trade-off. This was a time of ‘safer’, less intrusive engagement.

Websites are more of a shared space – like the letter box maybe, containing advertising as well as other more specific or personal stuff. But when things are literally following consumers around – on their tablets or mobiles - you can forgive them for feeling that their space is being invaded.

Everyone has a line; some of them are quite fine.

We know that by and large consumers understand that if the service is free they are the ‘product’, and we know that most people would be unwilling to pay £140 a year to fund the internet without advertising.

So does it matter? As long as we are being more efficient, buying eyeballs more cheaply and getting people to buy, then surely we are doing our job?

But when we cross the line into the ‘uncanny valley’ we believe that things will start to happen. We will have created a new clutter, so will people deliberately avoid the messages and look for online tools to help avoid them? Having consumers ignore messages is bad for business, but making people cross is worse. And with social networks providing perfect platforms for amplifying detraction, an individual’s discrete dissatisfaction can spread like wildfire and, ultimately, lead, at some point, to a call for regulation or legislation.

Just before Mori spoke of the Uncanny Valley, in 1968 Philip Dick had written ‘Do androids dream of electric sheep?’ which was the inspiration for the movie ‘Blade Runner’. Which you will recall resulted in the powers that be identifying and eliminating the robots! Beware.

So we have to ask ourselves, do we know where the line is and do we have the tools to continue improving efficiency without crossing the line into the uncanny valley?

We worry it might be a bit like Tom Wintringham’s description of the history of warfare: the further from the front lines the generals are, the more oblivious they are to the destruction being caused. No one gets hurt in computer games but maybe these computerised approaches could cause brand damage that we can’t yet quantify, if we’re not careful.

We need to remember that data is not the same as insight. When data is being used to help the shopping process it tends to be welcomed. But we must be cautious about the overuse of data – automatic can also mean unconscious or thoughtless. Let us keep asking ourselves how it feels from the other side.

We need to be in our consumers’ lives in a relevant but not intrusive way.

It was this quandary that led us to seek greater knowledge on how consumers really feel about being targeted and retargeted in such a way.

The Research

Being of like minds, we partnered with InSkin Media, an advertising technology business, specialising in non-intrusive online advertising. Our joint mission: to engage with a robust cross-section of the UK digital community to get an understanding of their emotional response to having their data harvested and used for ad targeting.

We wanted to understand how conscious they were of the processes being deployed and, if aware of them, what impact it had on their perceptions of the brands that were deploying them; and, crucially, what actions, if any, they were taking.

To this end, InSkin Media and RAPP commissioned ResearchNow to recruit and survey a panel of over 1,600 UK Adults, representative by gender, age, social class and region.

What we learned, in summary:

Our research told us that the vast majority of consumers are more than aware of advertisers' retargeting practices. Some consumers see value and utility in being overtly advertised to during their research process. However, many are deterred by the sledgehammer approach of that engagement, which we in the trade know to be born out of automated buying.

The research raised three key areas of concern:

- excessive frequency of ad impressions
- concerns about over-familiarity (i.e., brands getting too close to, and making use of, their cherished personal data without sufficient value exchange)

- lack of appropriate context (i.e., ads served in the wrong editorial environment and/or outside the consumer's research cycle/mindset)

What we learned, in detail:

It is important to note that our research, above all, shows the digital medium as a commercial platform in good health.

- 17% had clicked on an ad to seek more information about an advertiser in the last 7 days
- 20% had clicked and bought something in the last month
- 40% had visited a retailer's website after seeing a digital ad in the last month alone
- 30% had visited a retailer's store after seeing a digital ad online

Nearly 80% are fully aware that advertisers collect information with a view to targeting advertising to them. This same volume of people has not only heard of cookies, but fully understands their function. Only 1% has never heard of cookies. In fact, so conversant are consumers about the existence and role of cookies, that 60% have, at some point, deleted them to prevent retargeting.

So what drives them to do this?

Excessive frequency:

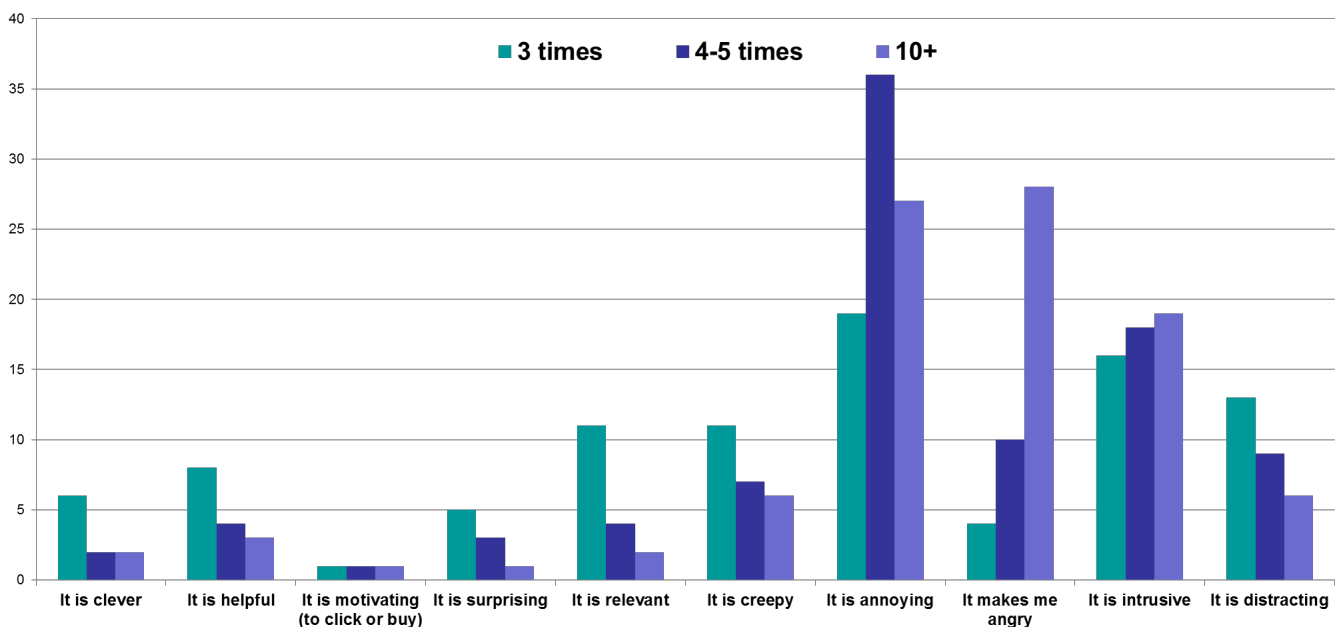
Our research revealed that 53% initially find online ads 'interesting and useful', but that they become more irritating the more they are repeated. In fact, 55% are put off buying products or services if they see the same ad online multiple times.

So what level of frequency is deemed acceptable? Of course, the holy grail of traditional media implementation has been understanding effective

frequencies in-channel. From our research it is questionable that this objective has translated into the online arena yet.

To test this, we delivered the same campaign across different sites with different frequency caps, and asked our panel to choose one of a list of words – both positive and negative – to describe their response to the campaign.

The results were as follows:



At a frequency of 3, one-third of respondents use positive words to describe the retargeting experience – with 1-in-5 deeming the retargeting either 'relevant' or 'helpful'.

Raise that frequency to 4-5 views and positivity drops by half, with 54% claiming the ads are 'annoying' or 'intrusive'.

When people see the ad 10 times or more, the negativity deepens and becomes potentially

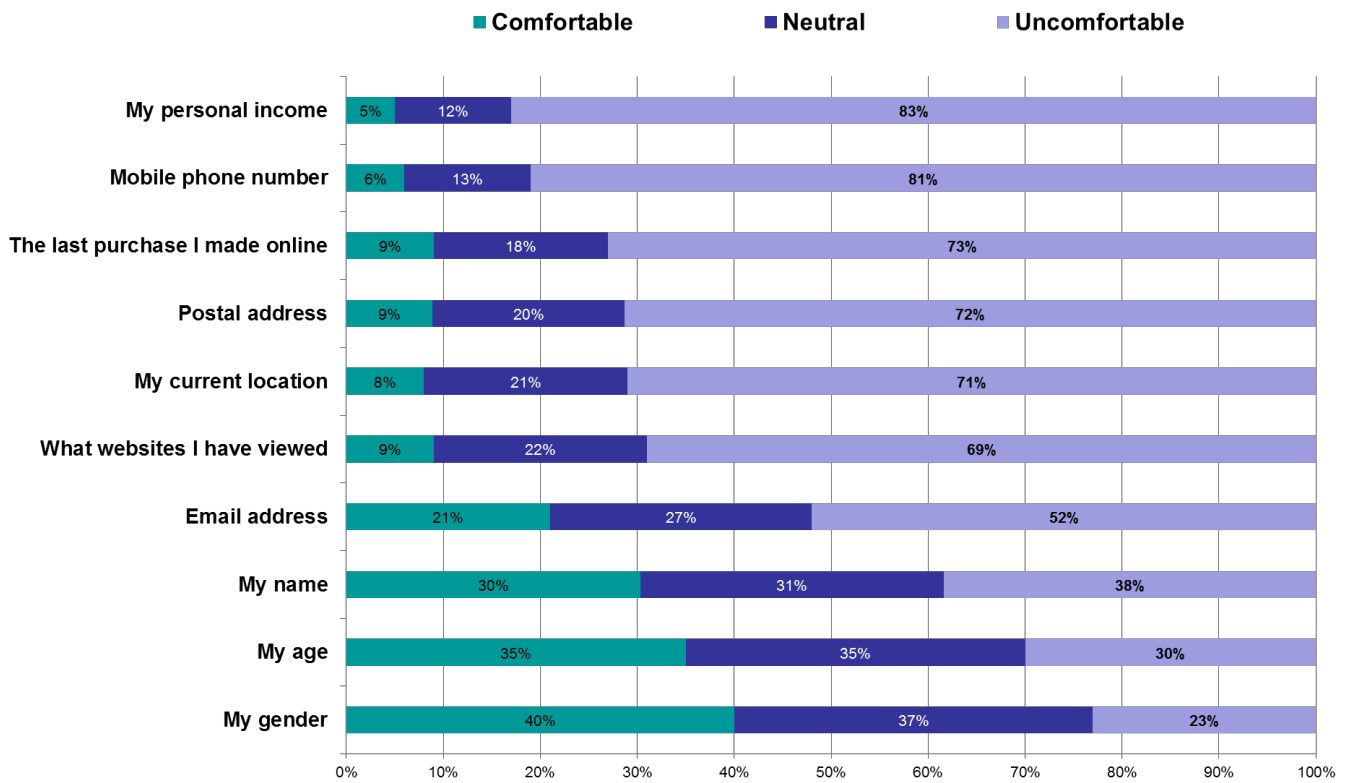
brand-damaging: the number finding it 'annoying' drops by 25% and the number being made 'angry' – a much more pronounced emotion – increases threefold.

Perhaps the frequency cap levels currently being deployed by some in the industry could be adapted to pay more attention to consumers' increasingly short fuse.

Over-familiarity:

In order to understand which data consumers are happy to share with potential advertisers we asked

how comfortable they would feel sharing a range of information points with brands, as follows:



Interestingly, tracking their online behaviour – in effect, their virtual habitat – is deemed almost as personal as knowledge of their physical habitat: 69% of consumers are uncomfortable with advertisers knowing which websites they've visited – only marginally lower than knowing their home address and current location.

Personal income is, unsurprisingly, the data-point that respondents were most uncomfortable with sharing, as in the real world. The second most common data-point – their mobile phone number – came as both a surprise and a warning cry: clearly consumers are telling us that their hand-held devices are the tools through which they organise their social

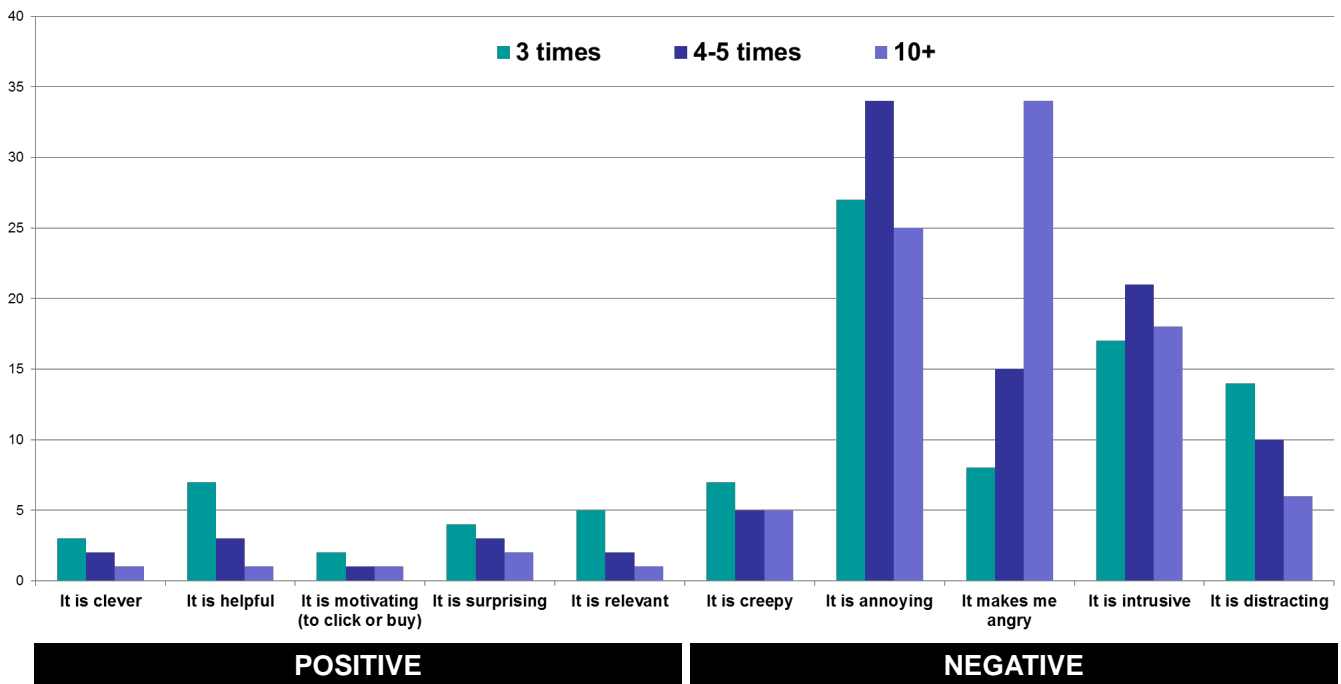
and professional lives, and that brands should be respectful and measured about how they access this touch-point.

Lack of appropriate context:

It was clear from the results of our research test scenarios that the editorial environment in which retargeted ads are delivered is vital for a warm reception.

Serving ads on sites whose content is unrelated to the advertised product or service results in a more sheer descent into negative sentiment: even at a

Here is how our panel reacted when ads were served out of context:



frequency of just 3 ad views, the positivity – the sense of the campaign’s cleverness, relevance, helpfulness – drops by one-third, to just 21%.

At 4-5 views the number of people getting angry doubles. At 10+, it more than doubles again, potentially putting more than one-third of your audience in an extremely negative frame-of-mind.

From an environmental point-of-view, if people see an ad on a relevant site up to 3 times, they’re 66% more likely to think it’s ‘clever’ than if it was served a non-relevant site. If seen 4-5 times they’re 33% less likely to be angry if it’s on a relevant site.

And is sentiment a fair reflection of propensity to purchase? Our research certainly suggests so:

Ads served on sites unrelated to the product or service being advertised are over 11 times more

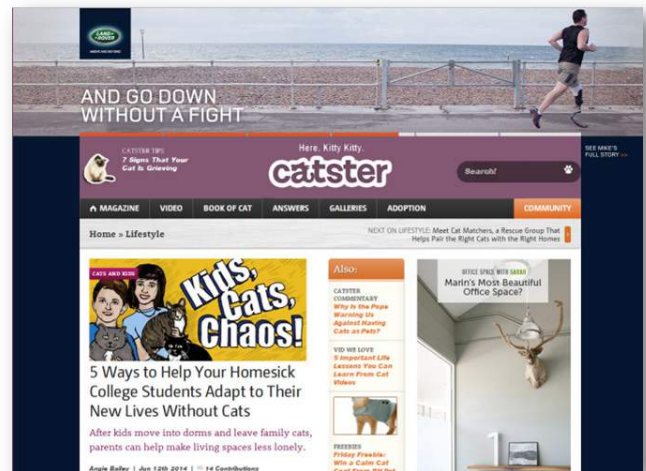
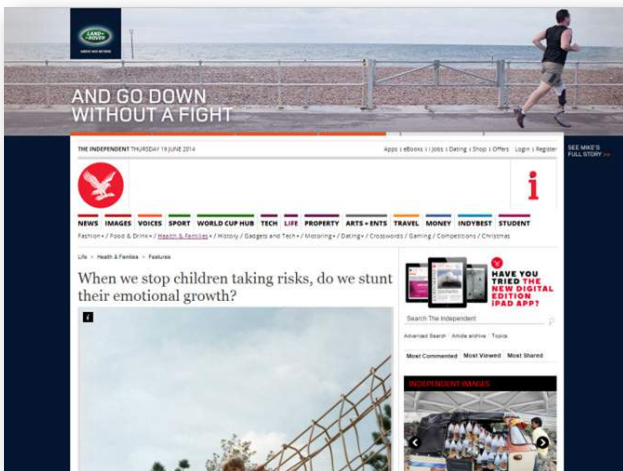
likely to discourage than encourage a purchase.

When considering the right editorial context, however, it’s also important to ensure that the rigour we place in selecting quality print and broadcast platforms is also applied to our choice of digital platforms. The commercial argument for choosing not to be selective in your placement would need to be very strong, because our research shows that quality content instils trust.

And our panel told us that they are 37% more likely to click on an ad if it’s a site that they trust.

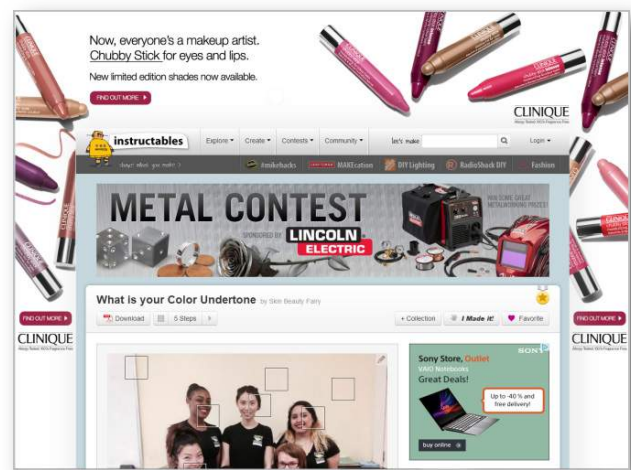
To illustrate, in our scenario tests, we served ads for Land Rover on the website of a quality national newspaper (The Independent) and also on a lower-traffic specialist cat-themed blogging site.

The ads served on the Independent site were 71% more likely to be rated highly than those on lesser-known enthusiast site, Catster.



The Land Rover ad on The Independent was 71% more likely to be rated highly.

Likewise, Clinique ads on renowned international female title, Marie Claire, were 88% more likely to be rated highly than those on a lesser-known tutorial site, Instructables.

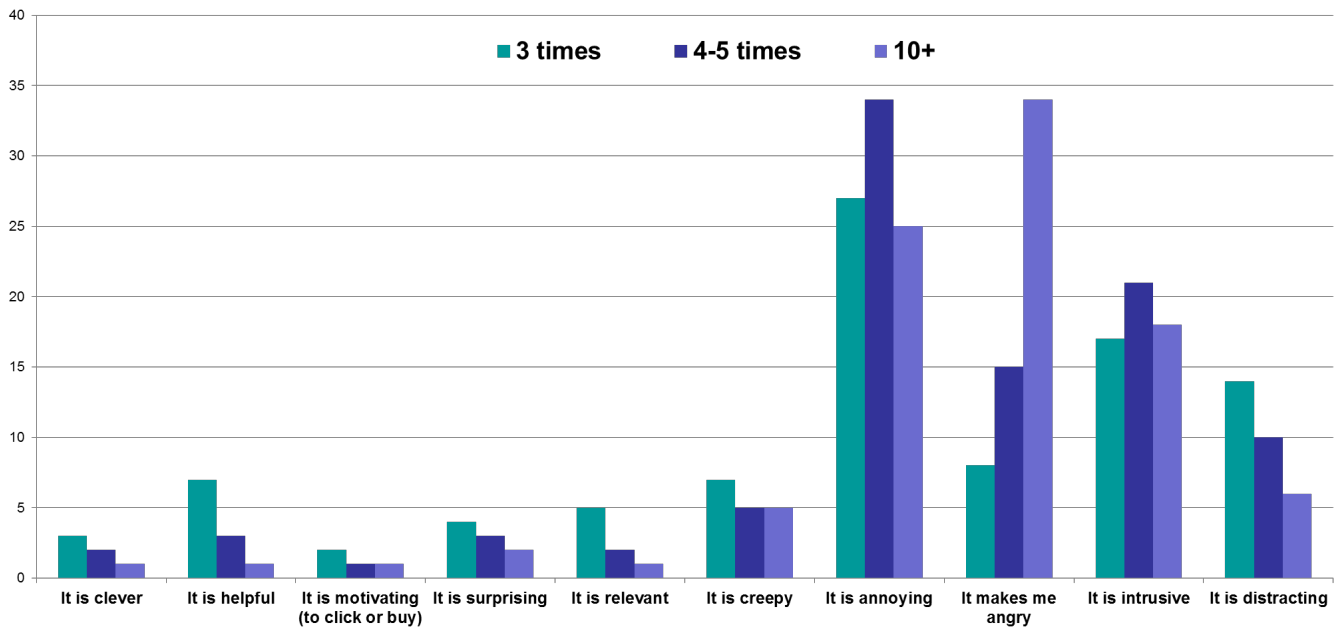


Amongst women, the Clinique ad on Marie Claire was 88% more likely to be rated highly.

So quality, as well as context, is key for garnering trust.

Editorial – or spacial – context is not the only crucial consideration for ensuring a warm reception. Temporal context is important too. It's important that the retargeted ad is delivered at the right time within the consumer's discrete research and purchase cycle.

We asked our panel whether delivery of ad impressions at certain points on their research journey would either encourage or discourage purchase, as the diagram on the following page shows:



We found that consumers are 4 times more likely to be encouraged rather than discouraged to buy something if they see a relevant ad during their research on it.

In contrast, an ad seen after their research is complete is 15% more likely to discourage rather than encourage a purchase.

If seen after the product is purchased, the ad is nearly 4 times more likely to discourage future purchases.

So, it's not just about how many times the ad is seen, it's when it's seen in the context of the browser's research journey. Clearly, retargeted ads served after the research phase could potentially do more harm than good.

Beware: detraction can go viral

Such harm can no longer be swept under the carpet. Our research tells us that detractors are now becoming increasingly vocal, and not just among friends and family, but also on online social platforms, where their detraction can be amplified to worrying

degrees.

14% of our panellists told us that they'd discussed online advertising with family and friends, with 65% of those conversations being roundly negative.

An astonishing 12% had also gone to the effort of approaching an online advertiser directly to complain because they felt they were being too intrusive.

And, looking ahead, it appears that the next generation of core consumers will bring with them the threat of increased activism.

Those panellists aged 20-29 are broadly warmer to digital commerce, being 60% more likely to find online advertising 'exciting' and different to other forms of advertising. (Only 51% find online ads intrusive vs. 62% of All Adults).

They see genuine utility in being retargeted: 42% are more likely to agree "I prefer online advertising because I can see ads that are relevant to me".

However, as a demographic group, they are second only to the older group (50-59) in finding online ads "initially interesting and useful but the more they are repeated the more they irritate me".

And irritating them is not a good idea: they are 58% more likely to spend more than 1 hour a day on social networks and, when there, they're 75% more likely to tweet and 66% more likely to post a message on Facebook about online advertising.

And they do: 1-in-5 have already complained to an online advertiser because they felt that they were being too intrusive when advertising to them (that's 58% more likely than the average UK adult).

So, your future customers are already savvy: they understand what brands are doing to track their browsing behaviour and to re-engage with them, and they're taking action to prevent it.

The potential risk, then, is that this behaviour – of cookie deletion and use of other blocking software – will become the norm among this group and, given their inevitable influence on younger groups, will become ever more ingrained.

So how should we behave to introduce utility – rather than hostility – into our digital engagement of them, and stem the tide of consumer detraction?

Targeting best practice:

- Deliver messaging in the right context, spacially – insist that your agency is working to the right criteria to safeguard delivery of your message in contextually-appropriate, quality platforms, even within programmatic, where possible. Understand your target audiences' passion points and find editorial platforms that serve them, and consider whether that destination will be considered trustworthy.
- Deliver messaging in the right context, temporally – delve deeper into your own data to understand a consumer's interaction with your brand to date. Locate or anticipate where your audience might be in their research or purchase journey. If discernible time has passed, might a cross- or upsell message be more appropriate or, if we know that they've purchased, can we secure their advocacy?
- Mind your frequency – too much is just too much. Reinvest elsewhere.
- Adopt a social listening strategy, to discern the heat of the sentiment aired therein and, having done so, deploy communication tactics to mute detractor noise and amplify advocacy noise. This should ensure a more favourable environment for prospects passing through what Google has called the Zero Moment of Truth on their own digital research journey.
- Deliver a credible value exchange: give browsers a reason to click and a reason to engage with your brand, beyond product and price point. Give them access to a community, of 'people like me'; give them access to new and cool stuff; to a platform where they can express who they are or what they aspire to, or simply a place where they can play. These are the things that not only attract consumers but make them evangelise about your brand.

Authored by Paul Phillips, Paul Edwards & Sean Beynon. Contributions from Fran Cowan and Evan Russell. With great thanks to Freya Broaders and Tia Nedeltcheva.

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