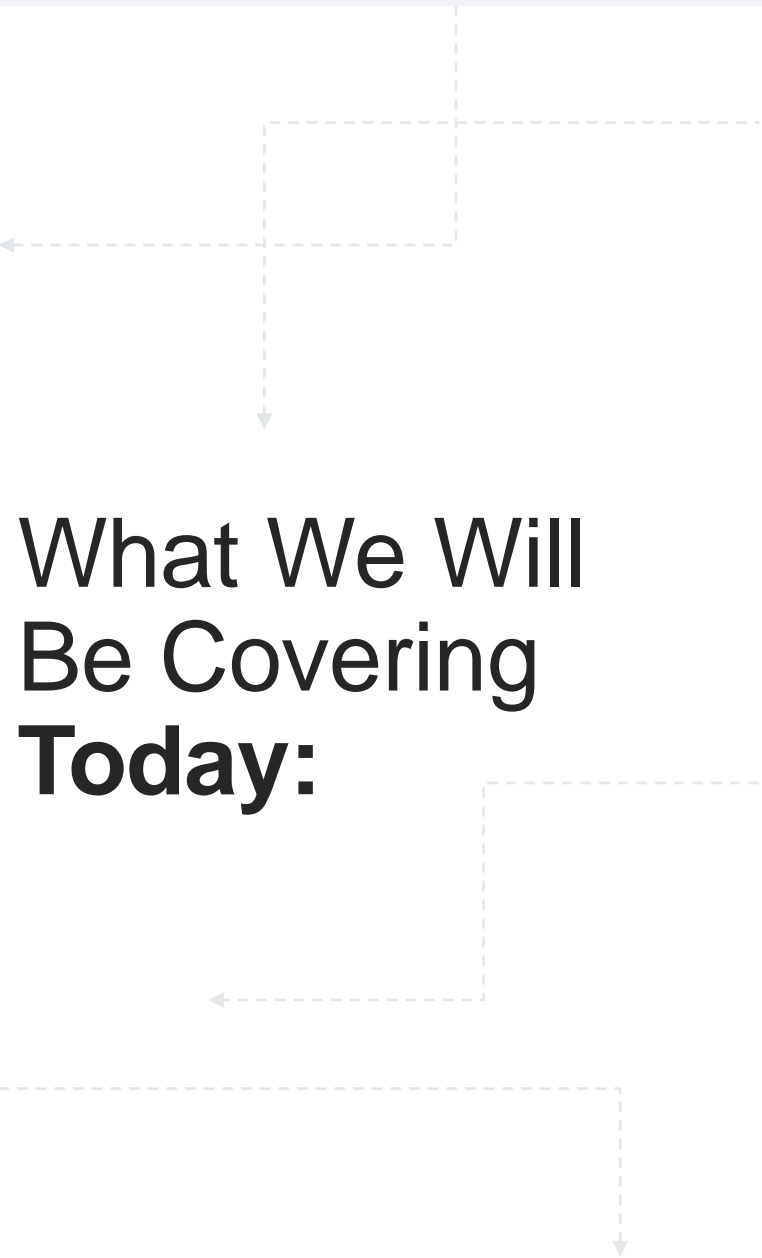


Relevant and Connected Ad & Brand Tracking

REAL WORLD - REAL DATA – REAL RESULTS



What We Will Be Covering Today:

Challenge 1

Modernization while
maintaining relevance

Challenge 2

Models that work in the
real world

Challenge 3

Creative Measurement
that connects with
Ad Effectiveness



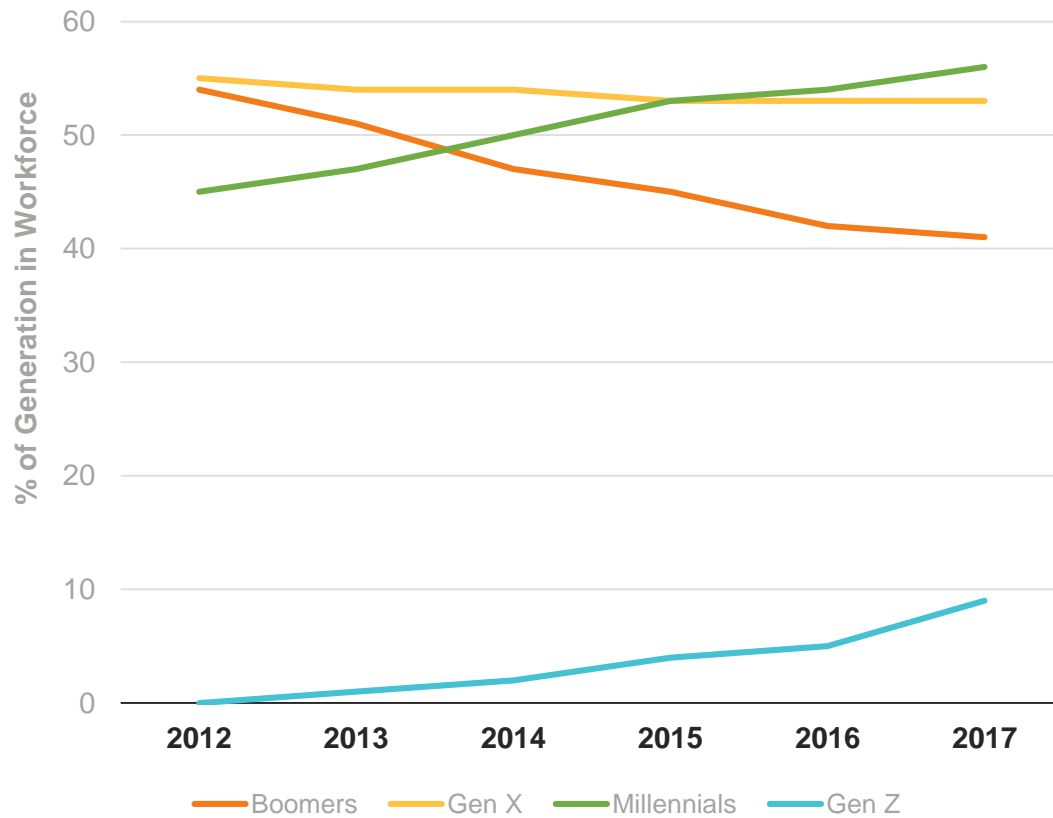
Challenge 1:

Modernization while maintaining relevance

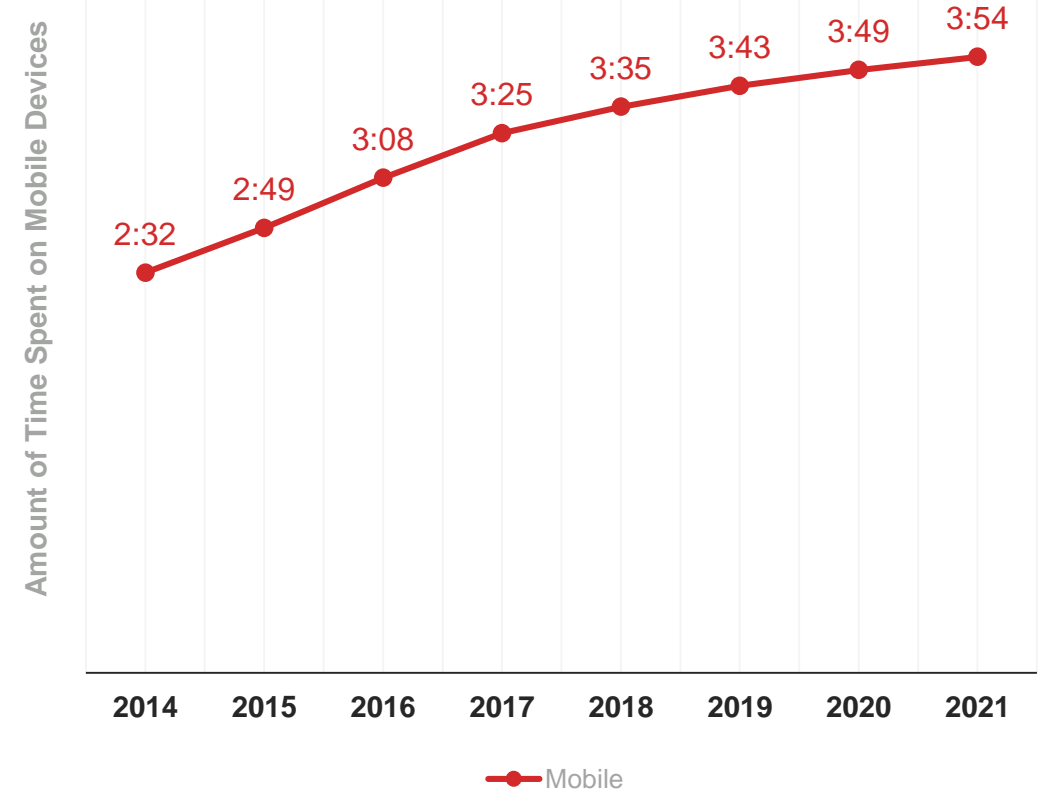


What's Changed since your Tracker launched?

Millennials Become the Largest Generation in the Labor Force



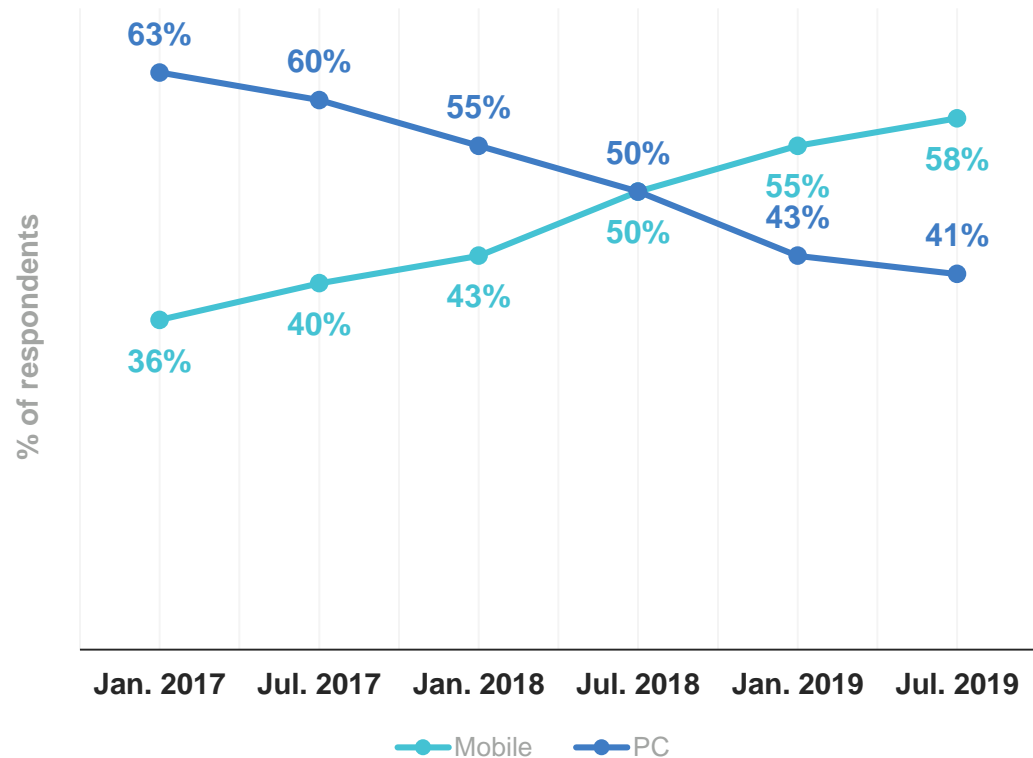
Mobile Device Usage is On the Rise



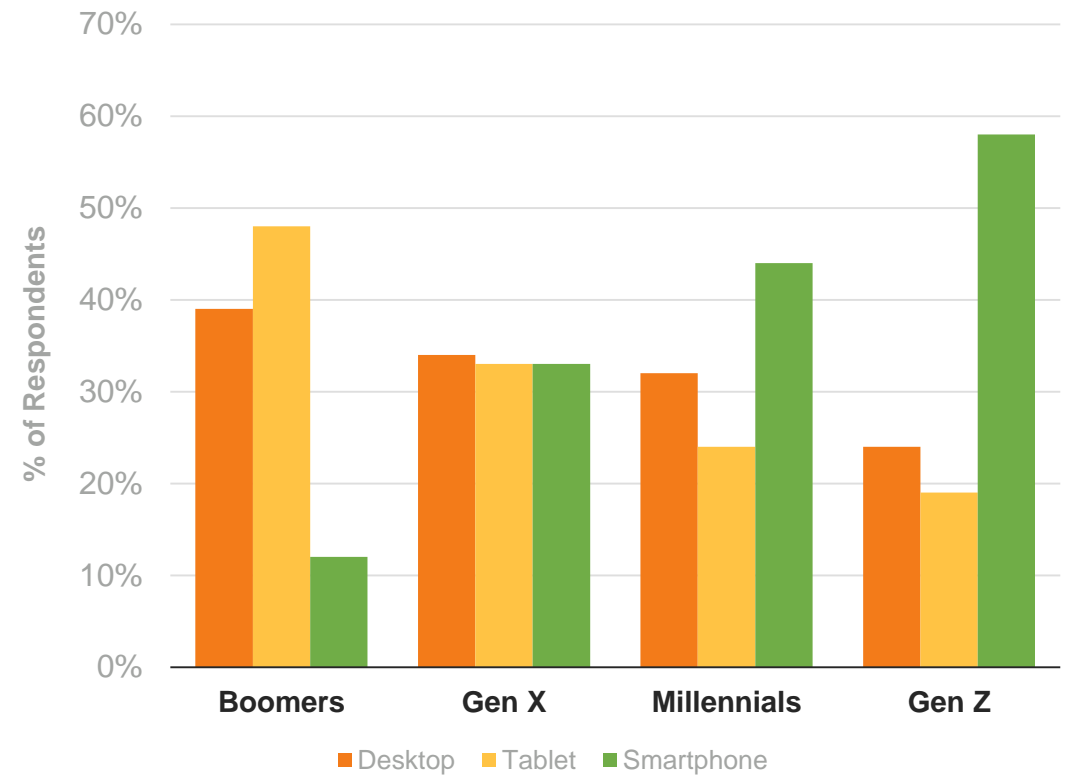
The evolving world of the respondent

We are observing a shift from non-mobile to mobile devices

Device Type is Shifting
from PC to Mobile

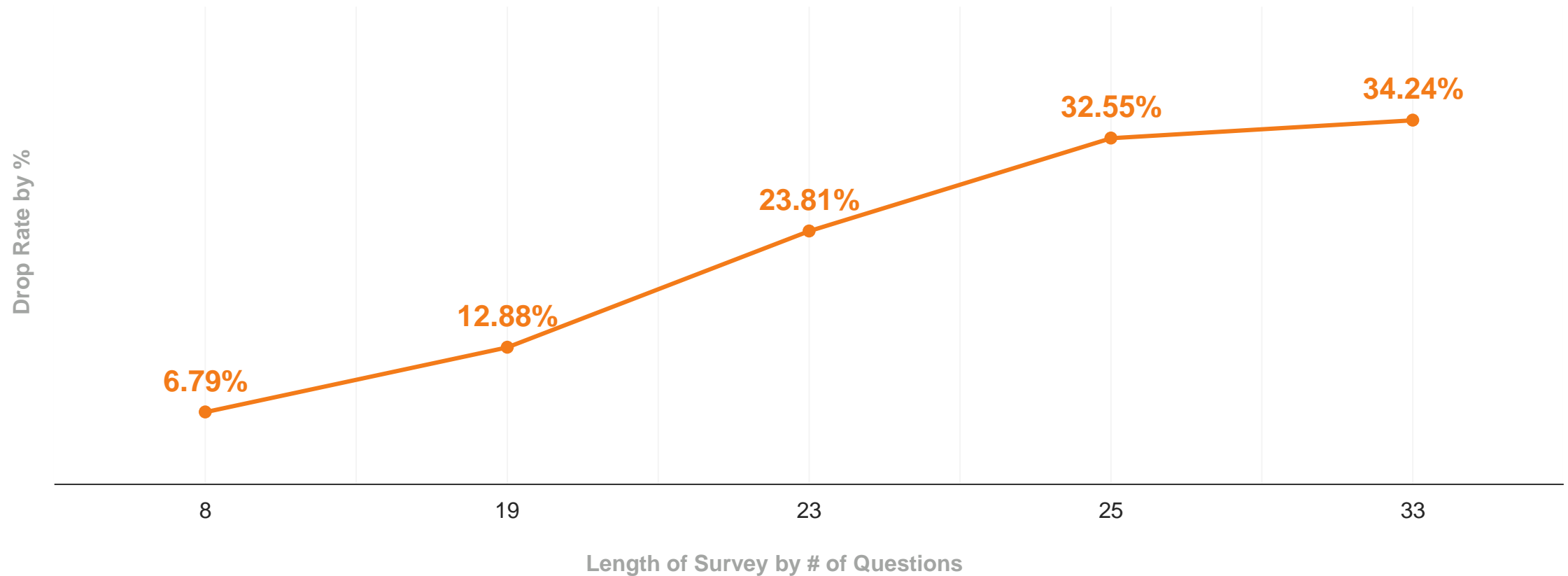


Survey Device Type by Generation



The impact is costly in both investment and quality.

Average Observed Drop Rate on Surveys Based on Question Length



Survey Format Impacts Investment and Quality

Format

SELECT YES / NO

Which of these have you purchased in the last 3 months?

	yes	no
Beer	<input type="radio"/>	<input type="radio"/>
Books or magazines	<input type="radio"/>	<input type="radio"/>
Bottled water	<input type="radio"/>	<input type="radio"/>
Cell phone / mobile phone	<input type="radio"/>	<input type="radio"/>
Children's clothing	<input type="radio"/>	<input type="radio"/>
Fresh bread or other baked goods	<input type="radio"/>	<input type="radio"/>
Fresh meat or poultry	<input type="radio"/>	<input type="radio"/>
Fresh produce (fruit and/or vegetables)	<input type="radio"/>	<input type="radio"/>
Frozen microwaveable dinners	<input type="radio"/>	<input type="radio"/>
Household cleaning products	<input type="radio"/>	<input type="radio"/>
Laundry detergent	<input type="radio"/>	<input type="radio"/>
Men's clothing	<input type="radio"/>	<input type="radio"/>
Soda	<input type="radio"/>	<input type="radio"/>
TV	<input type="radio"/>	<input type="radio"/>
Wine	<input type="radio"/>	<input type="radio"/>
Women's clothing	<input type="radio"/>	<input type="radio"/>
None of these	<input type="radio"/>	<input type="radio"/>

[Continue »](#)

ABBREVIATED LIST

Which of these have you purchased in the last 3 months?
Please select all that apply.

- ☐ Fresh produce (fruit and/or vegetables)
- ☐ Laundry detergent
- ☐ Fresh meat or poultry
- ☐ Household cleaning products
- ☐ None of these

SELECT ALL THAT APPLY

Which of these have you purchased in the last 3 months?
Please select all that apply.

- ☐ Beer
- ☐ Books or magazines
- ☐ Bottled water
- ☐ Cell phone / Mobile phone
- ☐ Children's clothing
- ☐ Fresh bread or other baked goods
- ☐ Fresh meat or poultry
- ☐ Fresh produce (fruit and/or vegetables)
- ☐ Frozen microwaveable dinners
- ☐ Household cleaning products
- ☐ Laundry detergent
- ☐ Men's clothing
- ☐ Soda

Form Factor

SLIDER

To begin, click on the middle bar and then drag the slider in the direction that best represents how you feel.

☐
☐
☐
☐
☐

[Continue »](#)

HORIZONTAL BUTTON

☐ Excellent
 ☐ Very Good
 ☐ Good
 ☐ Fair
 ☐ Poor

[Continue »](#)

VERTICAL BUTTON

☐ Excellent
 ☐ Very Good
 ☐ Good
 ☐ Fair
 ☐ Poor

[Continue »](#)

Scale Migration is Important for Better Mobile Experience

TEN POINT

Assume you are planning a trip where you will stay at a hotel. How important are each of the following features in your selection of a hotel for your trip?

Please select a number in each row.

Feel more comfortable staying there than at others

Not At All Important

Extremely Important

☐ 0
 ☐ 1
 ☐ 2
 ☐ 3
 ☐ 4
 ☐ 5
 ☐ 6
 ☐ 7
 ☐ 8
 ☐ 9
 ☐ 10

FIVE POINT

Assume you are planning a trip where you will stay at a hotel. How important are each of the following features in your selection of a hotel for your trip?

Please select a number in each row.

Is stylish

Not At All Important

Extremely Important

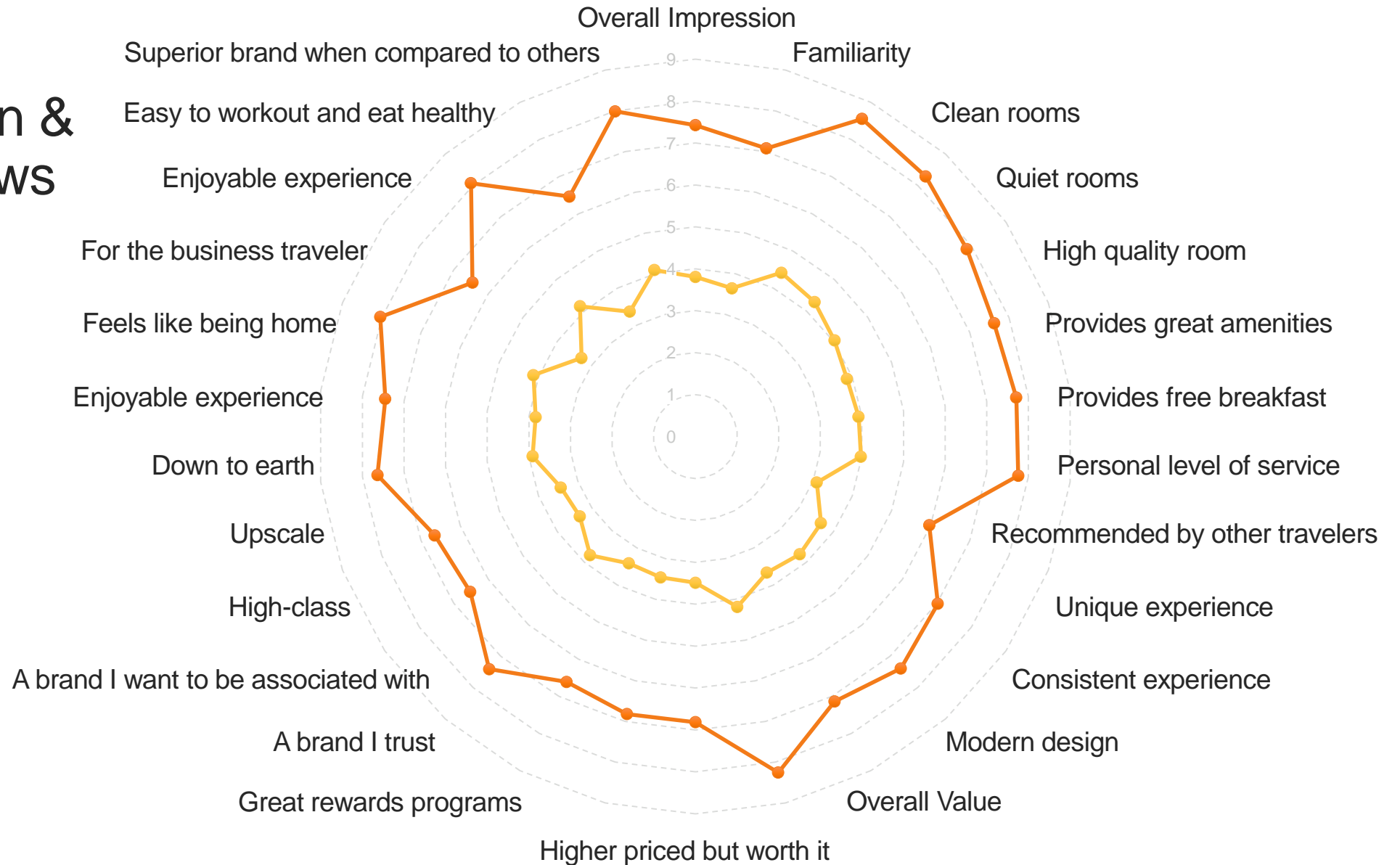
☐ 0
 ☐ 1
 ☐ 2
 ☐ 3
 ☐ 4
 ☐ 5

5 vs 10 – Similar Pattern & Highs and Lows

Results Comparison

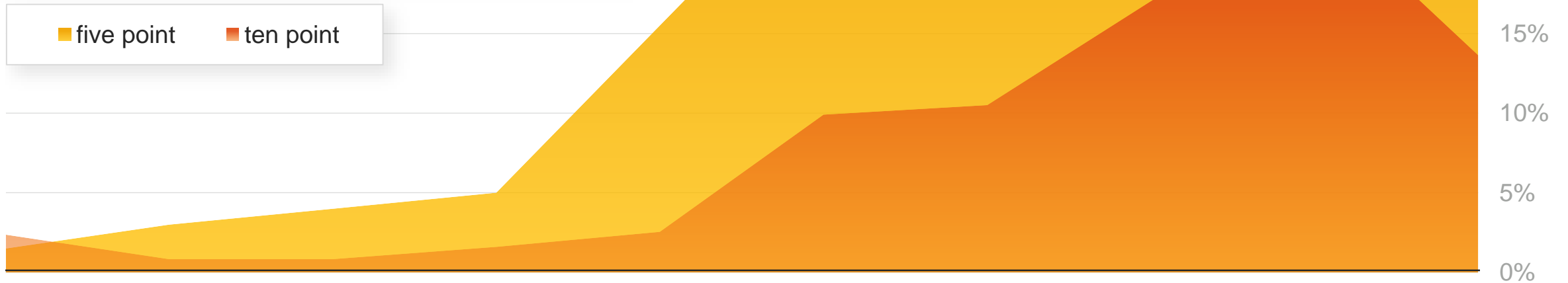
—●—
Ten Pt Scale

—●—
Five Pt Scale



Five Point and Ten Point Scales Have Differing Distributions

- There is not a standard conversion
- The impact differs within same question amongst different brands





“

**Lasciate ogni speranza,
voi ch'entrate.**

*Abandon all hope,
all ye who enter here*

- Alighieri Dante

”



“

**There are far, far better
things ahead than any
we leave behind**

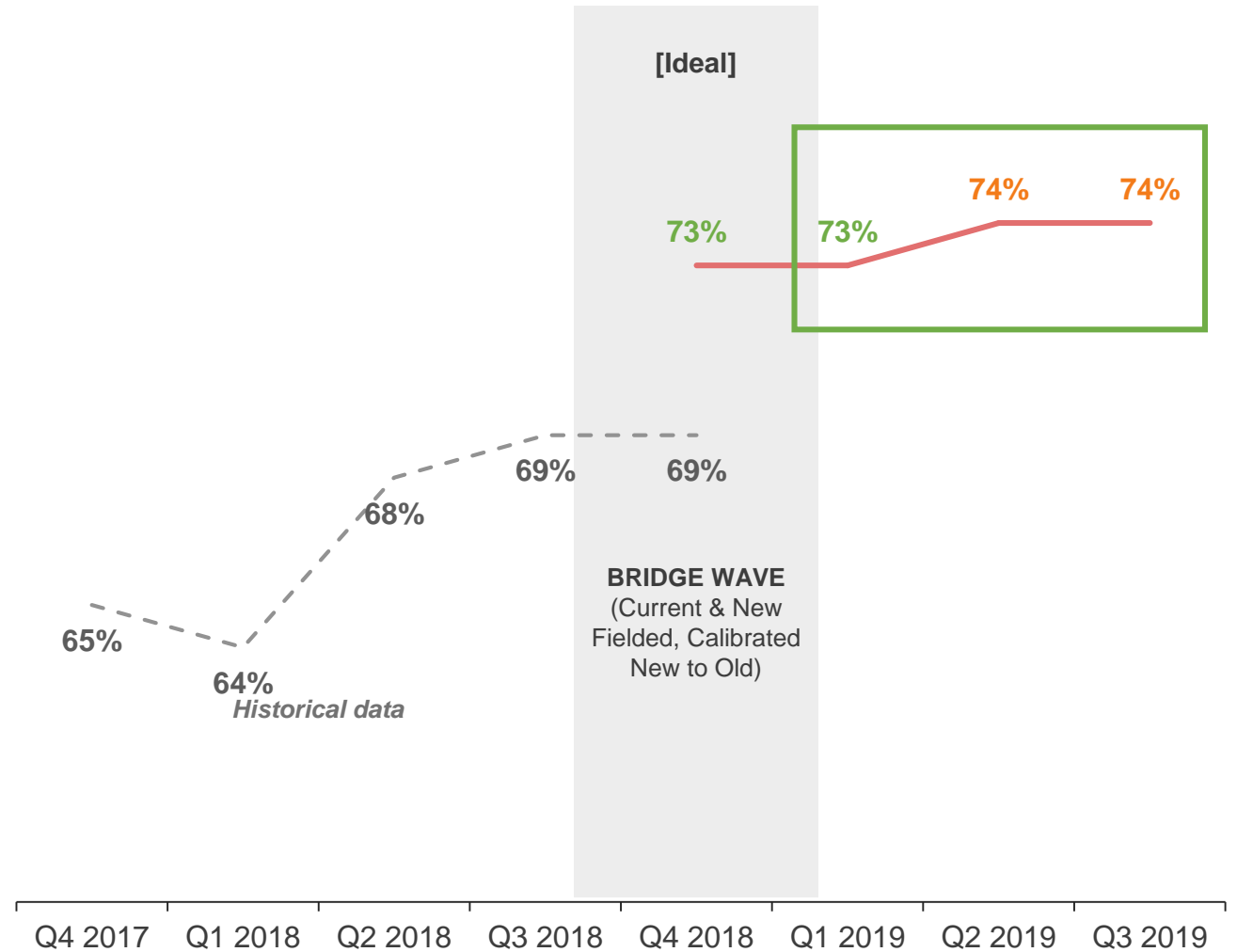
- C.S. Lewis ”

Preserving Historical Trends

- Depending on the scope of change, a parallel wave may be needed for best results (depending on field timing)
- Calibration objective is to retain historical trends while maintaining question scale and wording changes
- Backward calibration to set data to parallel wave & equally applied to prior time periods
- Process ensures new data aligns with historical and trends are preserved
- Calibration can be used for changes in scales, wording, and vendors

Key Metric A (Example Brand A)

Top 2 box (5-point scale)



Example Mapping Output to Program Calibration

(by Question, by Country, by Brand, & by Target Segments if necessary)

New Scale

Prominence
(Q11)

Scale Columns

	Strongly Disagree	Somewhat Disagree	Neither Agree or Disagree	Somewhat Agree	Strongly Agree
	1	2	3	4	5
1	1	0			
2	1	0			
3		0	1		
4		0.970588	0.029412	0	
5			0.751678	0.248322	
6				0.622449	0.377551
7				0	1

Old Scale

Proportional Shifts necessary,
keeping Q anchors in Place

Scale Calibration Example

- Determine the differences in scale use by mapping the proportions of scale points working from end anchors
- Scale use calibration is a randomized process among those whose responses were closely aligned with original scales to assure that like profiles and respondent intentions were retained with the calibration



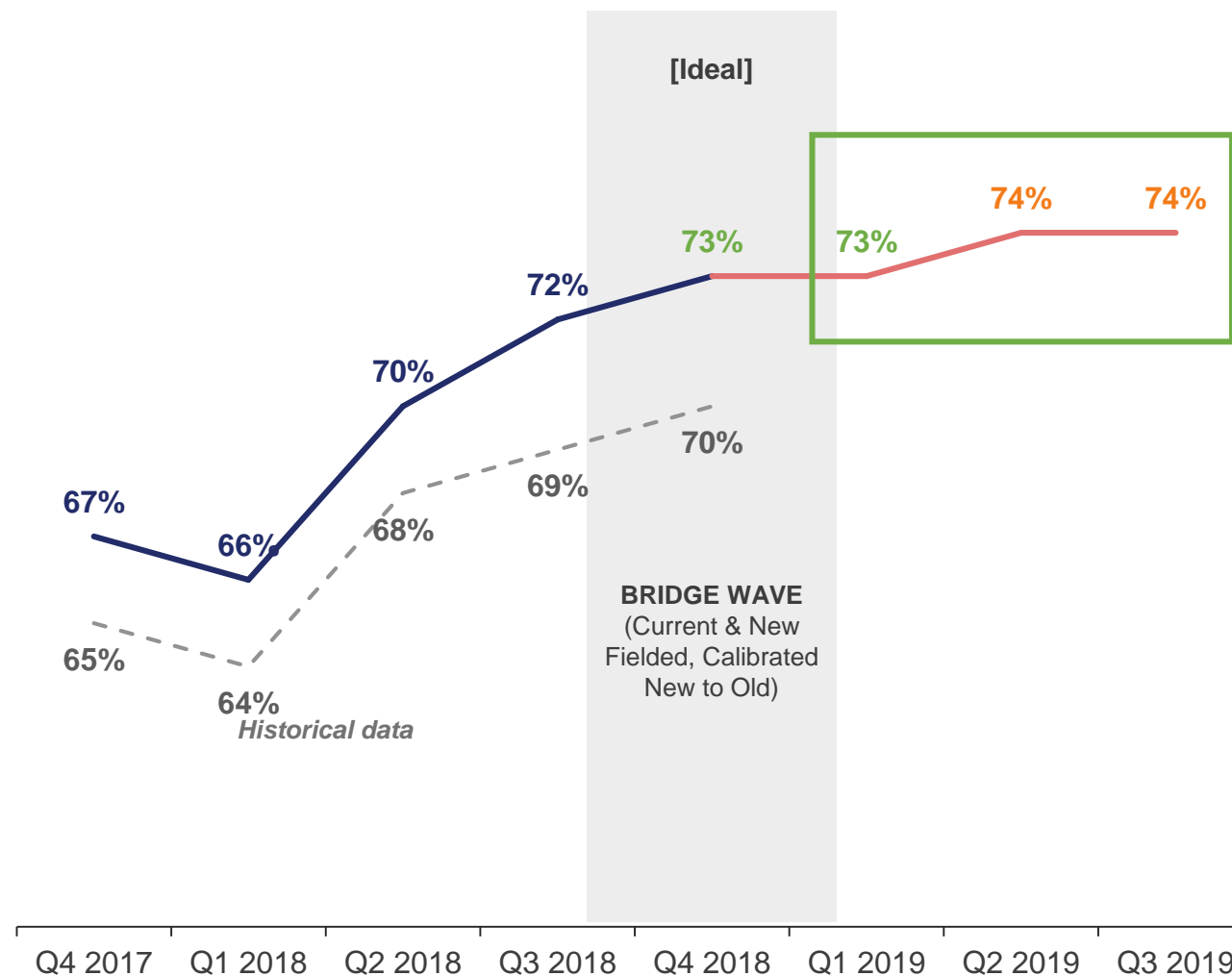
Calibration Results (Example)


- To work properly must be done separately for each KPI
- Needs to be examined by segments, brands and geographies



Key Metric A (Example Brand A)

Top 2 box (5-point scale)



A soldier in camouflage gear is shown from the back, aiming a large green anti-aircraft missile launcher. A black and white missile is in flight, heading towards the soldier. The scene is set in a field with green bushes and a concrete wall in the background.

Challenge 2:

**Some models have
undisputable validation...
Not so much in the
World of Research**

Advanced Analytics and Modeling Work Best When Validated to Outside Information

Phoenix BrandPi® Brand Health Model



In order to validate and direct modeling efforts, we sought out a non-survey measurement of brand equity/value



Selected Justin Anderson's Perpetuity Perspective

Defines brand equity as the financial value that a firm derives from customer response to marketing of a brand.

Assumes that brand associations that create brand equity reside in a consumer's mind, AND that the financial value generated by those associations is earned as revenue to the firm.

All the behaviors (consider, purchase, recommend, etc.) impact the revenue generated by the firm as well as the cost of capital for the firm.

$$\text{Brand Perceptual Value} = \frac{(\text{total revenue} - \text{total marketing costs})}{\text{weighted average cost of capital}}$$



Phoenix Adaptation of Perpetuity Perspective for Brand Health Modeling

Justin Anderson's Perpetuity Perspective

$$\text{Brand Perceptual Value} = \frac{(\text{total revenue} - \text{total marketing costs})}{\text{weighted average cost of capital}}$$

In order to have consistent and available US financials data on 200 Brands tested, Phoenix adapted the model to be representative:

$$\text{PMI Brand Value} = \frac{\text{US Brand Pre-Tax Earnings}}{\text{Weighted Average Cost of Capital}} \times \text{Forward Price to Earnings (PE) Index}$$

The addition of the PE ratio better reflects the power of up-and-coming brands that have yet to reach their potential in the market.



BrandPi Score Assessment

US Brand Pre-Tax Earnings

÷

Weighted
Average
Cost
of Capital

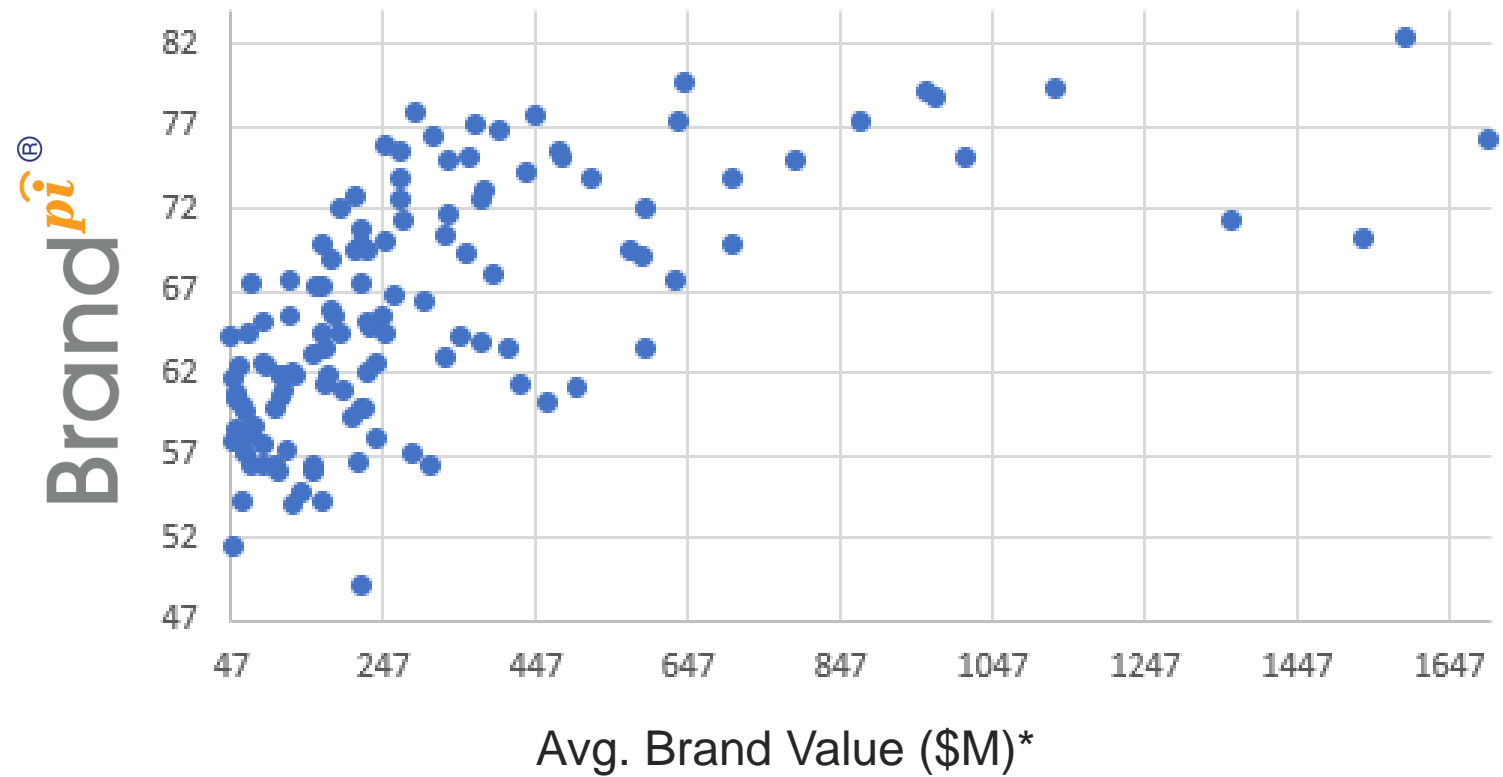
x

Forward
Price to
Earnings
(PE) Index

=

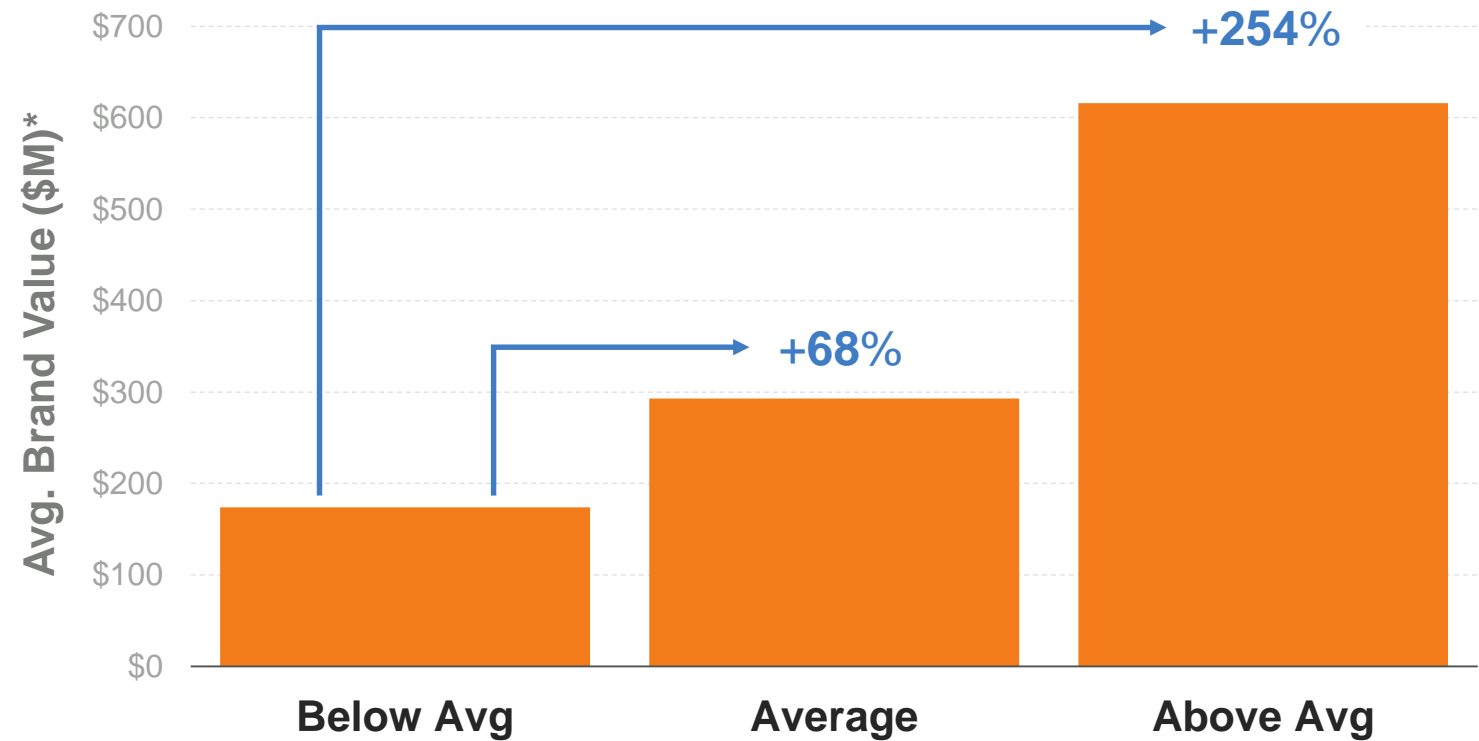
PMI Brand Value

Scatterchart to BrandPi



BrandPi

Relationship with PMI Brand Value Chart A



Brand *pi*®

A person with long brown hair is sitting at a wooden desk, holding a silver tablet. On the desk, there is a laptop, a white cup of coffee on a saucer, and several sheets of paper with colorful bar charts and line graphs. The background is slightly blurred, showing a modern office environment.

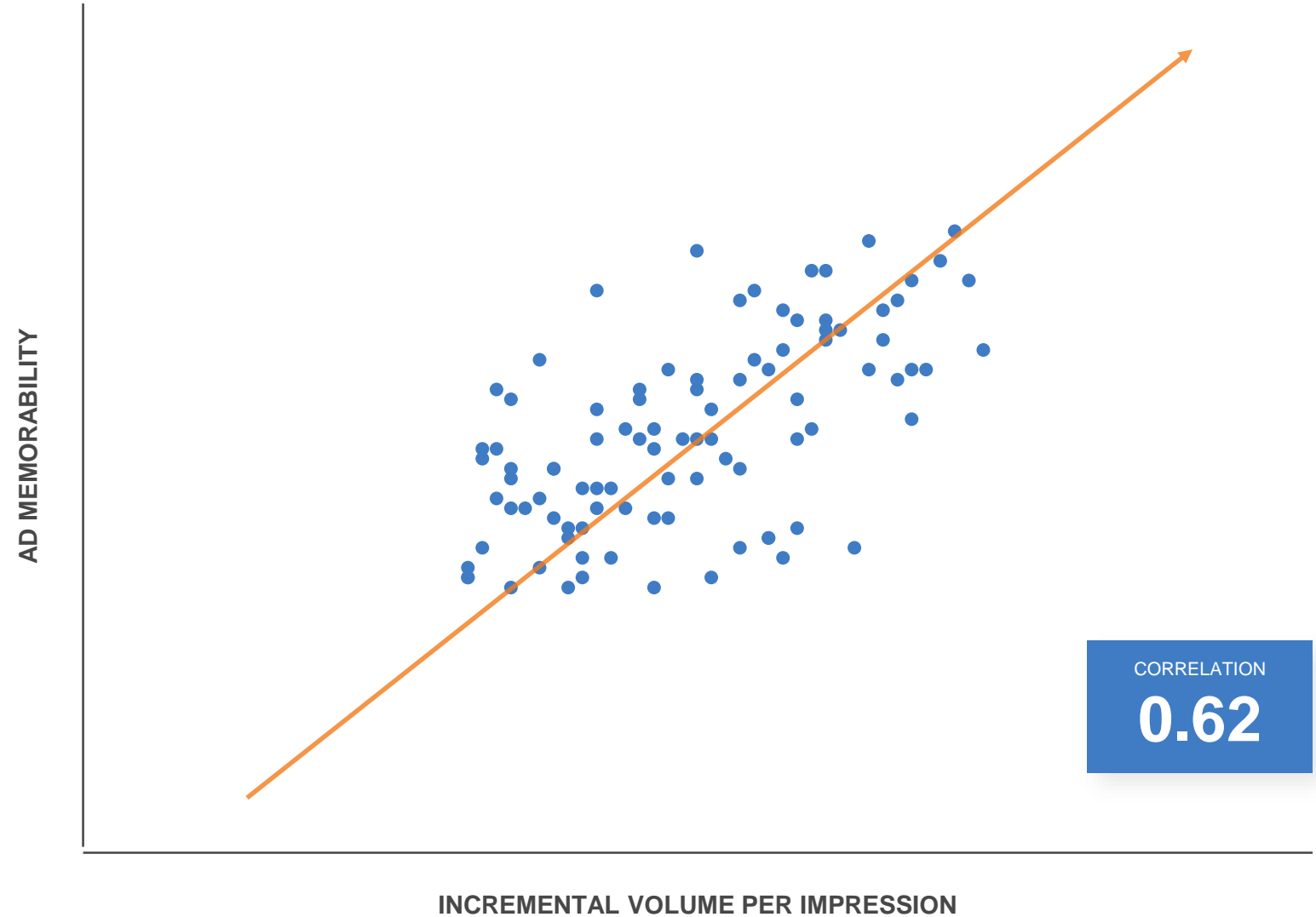
Challenge 3:

Creative Measurement that actually Predicts Ad Effectiveness

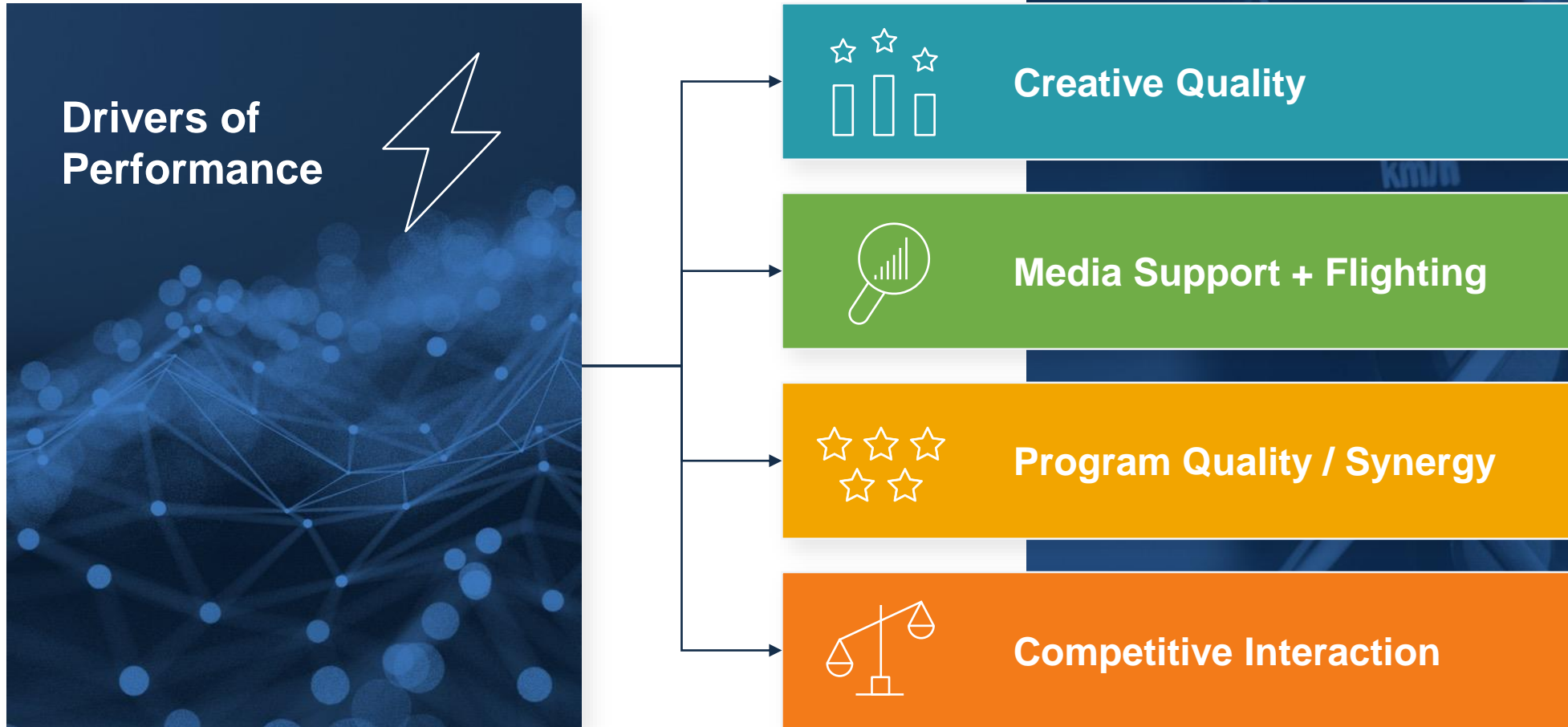
Why Ad Memorability Matters

Phoenix Brand Effect
shows a strong
relationship between Ad
Memorability &
Incremental Sales

Source: Phoenix Brand Effect
Sales results measured as Marketing Effectiveness
from various Marketing Mix analyses.



We know multiple factors contribute to in-flight advertising performance

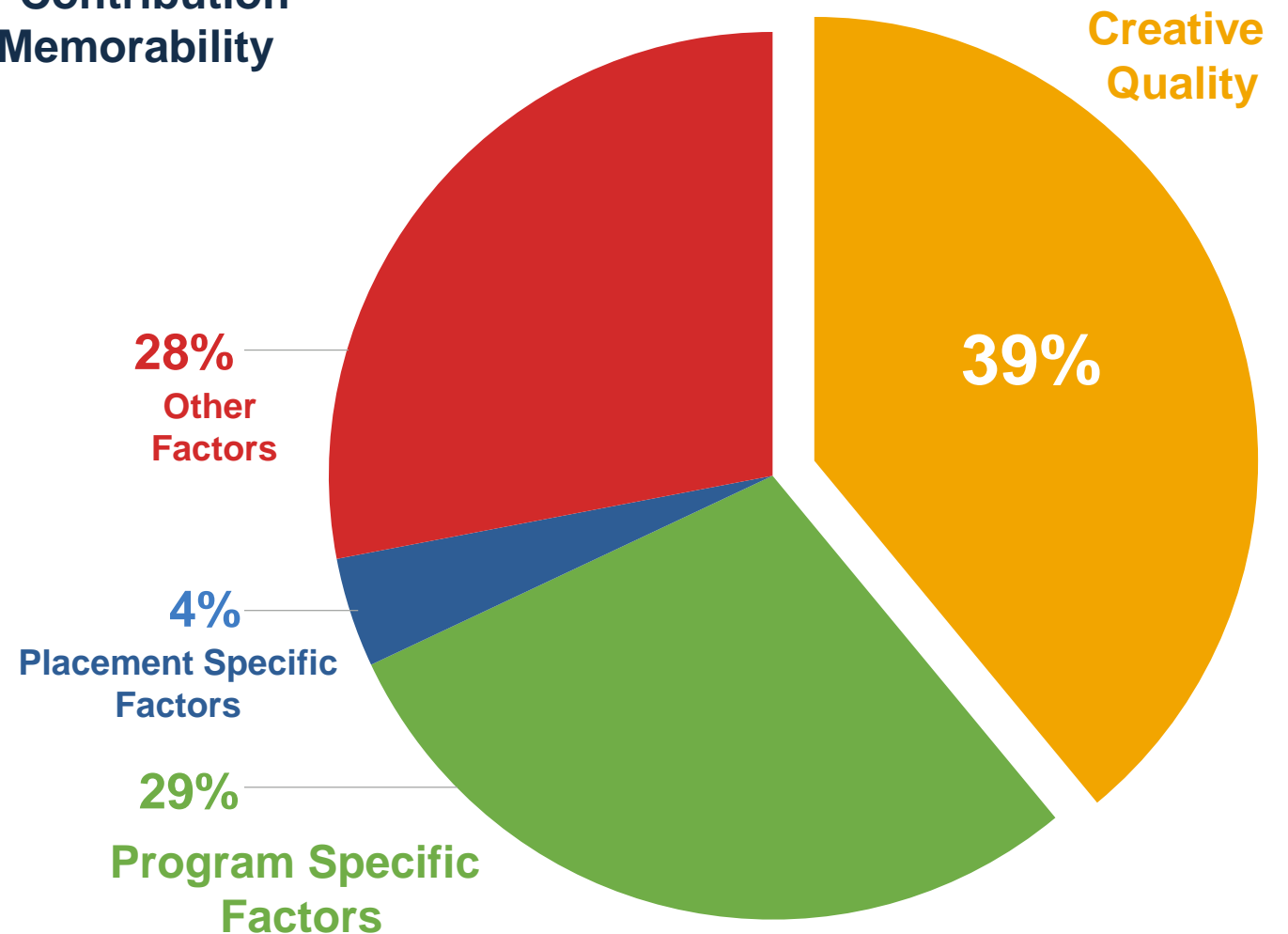


Creative Quality is the Cornerstone of In-Market Breakthrough

Multivariate modeling
identified each attribute's
relative contribution to Ad
Memorability

Source: Phoenix Brand Effect

Factor Contribution to Ad Memorability



A Successful Ad Must Do Three Things:



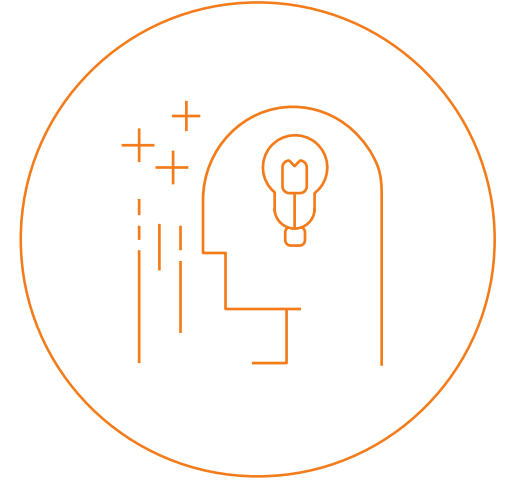
**SHIFT CONSUMER
ATTITUDES**

Ad^{pi}
Quickview^{wi}



**DRIVE CONSUMER
BEHAVIOR**

Ad^{pi}
Quickview^{wi}



**BE
REMEMBERED**

Brand
Effect^{wi}

Using Both Platforms, We Learn...

...whether the ad created
meaningful and lasting memories



CONNECTING MEASURES
IN PROGRESS

Brand
Effect

Measures an ad's creative effectiveness
by how much it **connects with**
consumers and **motivates action**
via forced exposure surveys and
predictive analytics

Key **AdPi attributes**
identified to estimate
Brand Effect Ad
Memorability & Brand
Linkage Potential

Measures how well consumers
recall an ad (content, brand,
message) the next day in-market
amidst **real-world factors** (natural
viewing, creative strength,
competitive, media weight/placement)

Key Learnings – How does AdPi Quickview Work With Brand Effect?

Effective advertising has to do three jobs to be successful

#1 Shift Consumer Attitudes

#2 Drive Consumer Action

#3 Be Remembered

AdPi & Brand Effect Together Provide Holistic Insights into the How & Why of Campaign Performance

- **Hugo “Integrity”** is Stylish, contributing to its overall creative appeal
- However, the spot underperforms in terms of overall potential to shift attitudes and drive consumer action (AdPi Score)
- The ad is also notably soft for Resonance and Brand Connection

Ad^{pi}
Quickview

- **Hugo “Integrity”**: Overall Brand Memorability performing close to the category norm, but Brand Linkage dampened by general confusion in the category and misattribution towards Dolce Gabbana

Brand
Effect

AdPi Quickview Insights – *Integrity* :15

BOSS
HUGO BOSS



Empathize	116 / 123
Relate to people & situations	93
Relevant to you	94
Reassuring	94
Something new	94
Something important	87

Brand Connection	127 / 139
How easy to tell brand	84
Ad is good fit with brand	95

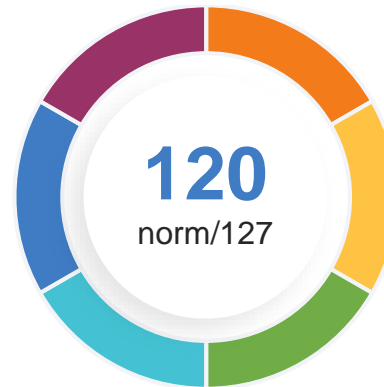
Resonate	110 / 117
Think of brand in new way	94
Tell other people about ad	87
Brand for someone like me	95

Creative Appeal	83 / 91
Unique	89
Stylish	109
Original	86
Entertaining	85
Clever	85
Heartwarming	84

Information	107 / 111
Believable	94
Clear	97
Informative	90
Appropriate for times	97

Factor Score/Norm (200 pt scale)

Attributes are Indices (Average = 100)



Potential Negative Impact

Irritating (106)



Confusing (102)



BRAND FIT NEUTRAL
COLOGNE MAN COOL
VAGUE PRODUCT ADD
VISUAL ACTOR LIKE GOOD WELL
LOOKING JUST FUN
SHORT APPEALING

Why did you say that (like/dislike the ad)?

"It kept my interest."

"Seems like I might use it."

"Liked the actor but it's literally just for cologne which has nothing to do with integrity c'mon."

"Because the way it was presented was really good"

"The tone of the commercial as well as the color of the product itself."

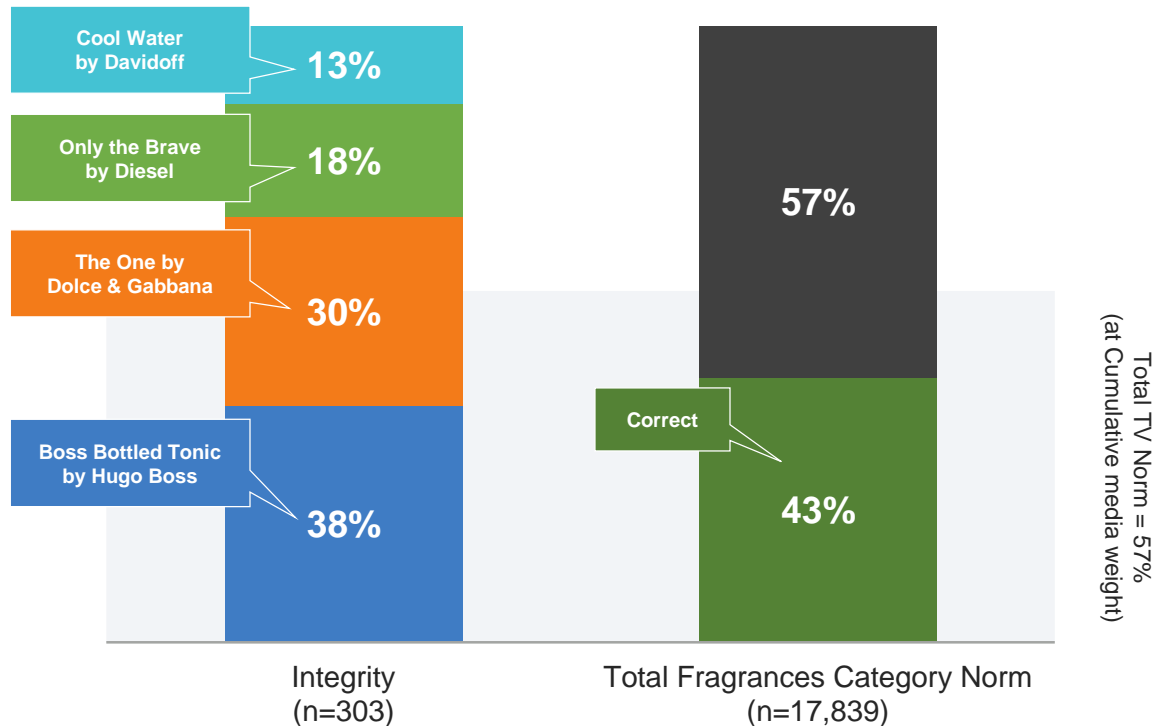
"Was very prestigious."



Nearly A Third of Viewers Who Remembered *Integrity* Confused the Ad For Dolce & Gabbana

Low Brand Linkage of the category relative to the broader TV landscape points to general brand confusion in this space among male viewers

Hugo Boss Brand Response Distribution: M18+



Ubiquitous creative elements (e.g. similar narratives, visual elements, and celebrity endorsement) used by competitors across the category can lead to overall brand confusion among TV viewers.



Building Connections: AdPi & Brand Effect - What is the expected relationship strength?

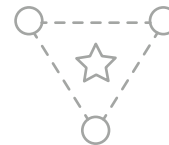
Relationship between AdPi and Brand Effect will have limits and will focus on creative quality due to the number of other drivers on Brand Effect results, including media, competitive environment, and flighting



CREATIVE QUALITY



MEDIA SUPPORT + FLIGHTING



PROGRAM QUALITY / SYNERGY



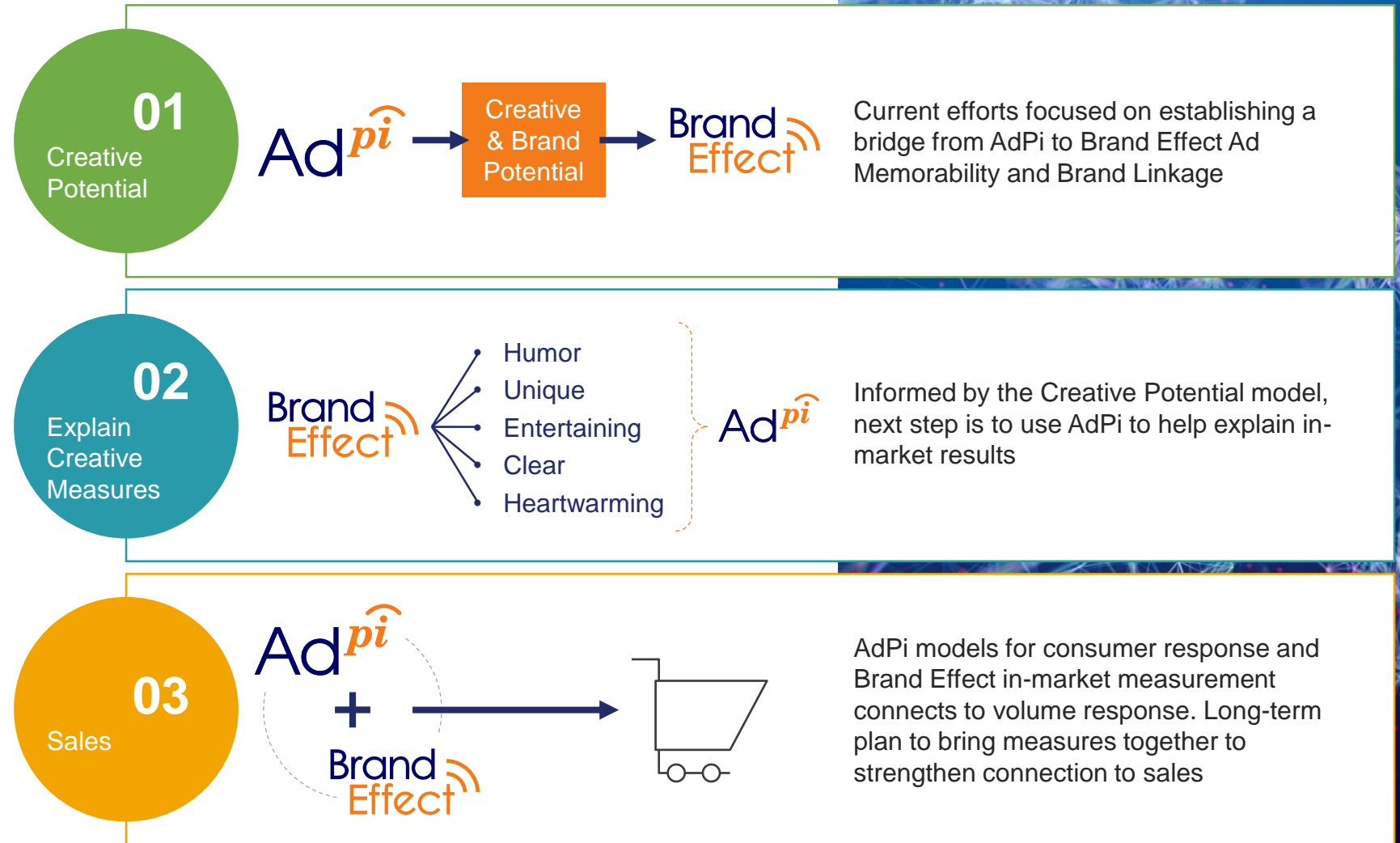
COMPETITIVE INTERACTION

What type of connection are we looking for between AdPi & Brand Effect?

Current priority is to build a bridge from AdPi to Brand Effect. This relationship will inform explanatory insights that will further strengthen Brand Effect and AdPi connection.

Eventually, goal is to also look at synergy between measures to connect to sales

Three Types Of Connections To Explore:



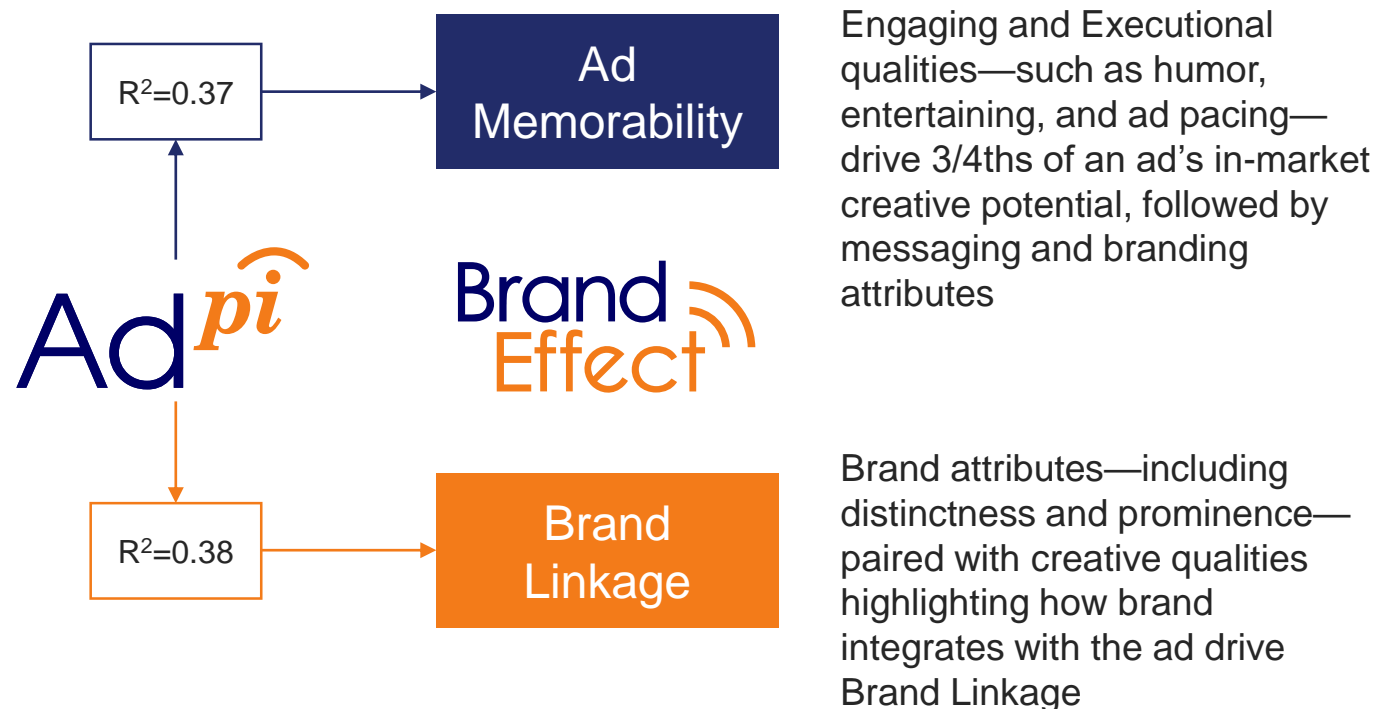
01

Creative
Potential

AdPi Connection To Brand Effect In-Market Creative & Branding Potential

- Gain insights on how consumers perceive your ads and how those perceptions connect to in-market creative and branding potential. Model approach allows for ads to take different paths to success.

AdPi to Brand Effect Decision Tree Correlation



NEXT STEP

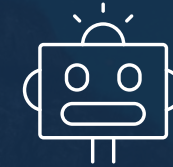
- Predict in market Brand Effect ad performance levels using the Decision Tree Model.**
- Initially we are seeing a high level of accuracy for that prediction**

Phoenix AdPi-Brand Effect Data: 671 ads across 19 sectors. AdPi sample ≥ 300 per ad; Brand Effect sample ≥ 250 per ad. April 1, 2019 – December 31, 2019, A18

AdPi to Brand Effect Linkage explores the creative and branding relationship between the two measures. Media, flighting, competitor activity, and other factors also drive In-Market Brand Effect scores, influencing whether the potential score is achieved

Key Takeaways for the brave new world...

**Modernization is
necessary to
keep your tracker
relevant**



**Accepting growth
in mobile survey
takers is
necessary and
addressable**



**Research cannot
afford to be in a
vacuum—it needs
to tie into the real
world**



**The power of
research
programs lies in
the predictive
connective tissue**





The Art and Science of Advertising: *You Take Care of the Art, We Take Care of the Science*

THANK YOU

John Schiela

Executive Vice President

Phoenix Marketing International

Jim Berridge

Senior Vice President

Phoenix Marketing International

BOOTH #704

www.phoenixmi.com

