Kellogg: Uncovering the Underlying Drivers of OLV Effectiveness

Janelle Bowman
Director, Insights & Planning, Digital Analytics & Syndicated Data
Kellogg Company

Anthony Wintheiser
SVP, Client Consulting
Nielsen Catalina Solutions

Lanae Weir
Director, Sales Insights
Yahoo!

#ARFannual17
Kellogg Innovation Driving Success in Video: What got us here won’t get us there...

- Kellogg & BrightRoll Partner
- Demo leads delivery KPIs
- IAB & MRC on In-View
- Moat Viewability & Audible and visible on complete (AVOC)
- AVOC leads delivery KPIs
- Online Video (OLV) Test
- A new view on In-View

Timeline:
- 2012: Kellogg & BrightRoll Partner
- 2013: Demo leads delivery KPIs
- 2014: IAB & MRC on In-View, Moat Viewability & Audible and visible on complete (AVOC)
- 2015: AVOC leads delivery KPIs
- 2016: Online Video (OLV) Test
- 2017: A new view on In-View
Digital growth means more demand for quality, and OLV already has low ROAS

### Video Ad Spending
US, 2016-2020 - eMarketer

<table>
<thead>
<tr>
<th>Year</th>
<th>Ad Spend (billions)</th>
<th>% of total digital ad spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$10.30</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>$12.55</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>$14.40</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>$16.29</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>$17.95</td>
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</tbody>
</table>

### ROAS by Channel

<table>
<thead>
<tr>
<th>Channel</th>
<th>ROAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Display</td>
<td>$2.63</td>
</tr>
<tr>
<td>Linear TV</td>
<td>$2.55</td>
</tr>
<tr>
<td>Mobile</td>
<td>$2.46</td>
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<tr>
<td>Digital Video</td>
<td>$1.53</td>
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<tr>
<td>Magazines</td>
<td>$3.94</td>
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<tr>
<td>Cross Media</td>
<td>$2.62</td>
</tr>
</tbody>
</table>

Source: Nielsen Catalina Solutions, Multi-Media Sales Effect Studies, Q1-2013. Copyright 2016 © Nielsen Catalyst Solutions
The current video Viewability definition...

is only one piece of the puzzle

“50% of the video player’s pixels to be in the view portal for 2 consecutive seconds.”

- MRC Standards 2014
Powered by partnerships

- Delivering programmatic campaigns
- To the right audience
- In-View and Audible and Visible on Complete
- Driving sales
Closing the KPI Loop

The Challenge

Diagnose the KPIs that impact OLV’s ability to drive offline sales and determine how to prioritize them during planning and optimization.
The approach

- Frequency
- In-Target Demographic
- Player Size
- Viewability & Sec-In-View
- AVOC
- Creative

Correlation of each KPI to Purchase Occasion Index

- Impression level
- Events analyzed to purchase occasion
- Aggregated across the portfolio
Kellogg Q2 2016 OLV Portfolio Analysis
In-View leads to **in-store purchases**

In-View vs. Audible and Visible on Complete

<table>
<thead>
<tr>
<th></th>
<th>NCS Sales Contribution Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-View: Yes</td>
<td>154</td>
</tr>
<tr>
<td>In-View: No</td>
<td>45</td>
</tr>
<tr>
<td>AVOC: Yes</td>
<td>135</td>
</tr>
<tr>
<td>AVOC: No</td>
<td>66</td>
</tr>
</tbody>
</table>

Source: NCS Viewability Project with Moat Metrics Q2’16
Traditional definitions for In-View may not equate to **Impact**

**Seconds In View**

Desktop Online Video (:15 & :30)

<table>
<thead>
<tr>
<th>Duration</th>
<th>NCS Sales Contribution</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 2</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td>2 to 4</td>
<td>82</td>
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<tr>
<td>4 to 7</td>
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<td>7 to 16</td>
<td>164</td>
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<td>16 to 30</td>
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<tr>
<td>30+</td>
<td>117</td>
<td></td>
</tr>
</tbody>
</table>

Source: NCS Viewability Project with Moat Metrics Q2’16
Creative needs to capture attention

Attention: To what extent did this commercial make you feel…
“It got my attention”

Source: NCS Viewability Project with Moat Metrics Q2’16, Ace Metrix
Likeable Creative creates a path to purchases

Likeability: To what extent did this commercial make you feel...“I like this ad”

Source: NCS Viewability Project with Moat Metrics Q2’16, Ace Metrix
Desire proves to tie to driving purchase occasions

Desire: To what extend did this commercial make you feel... “I want that! (whatever you think the commercial is about)”

Source: NCS Viewability Project with Moat Metrics Q2’16, Ace Metrix
Duration of In-View and Likeability show the highest propensity to drive sales

Attribute NCS Sales Contribution Index Variation

Source: NCS Viewability Project with Moat Metrics Q2’16, Ace Metrix
Driving Digital Video Effectiveness in 2017

1. As OLV investments increase, and ROIs remain challenged, Kellogg, together with our media partner Starcom, can now prioritize the KPIs that are the most closely linked to driving sales & are worth paying for.

2. More granular in-view minimums are needed & they should be customized to the format of delivery.

3. Kellogg will continue learning on OLV, including KPIs specific to device, creative type & creative length.