



Know What Works

# It's time to address your TV creative blind spot.

**Introducing EDO's decision science  
approach to creative optimization**

There's a blind spot in TV advertising measurement - but advertisers and their agencies can adjust their view and turn that blind spot into a growth opportunity.

Advertisers spend a lot of money producing a TV advertising campaign. On top of the production costs of \$50,000 to \$1 million+ to produce each spot, they spend on creative pre-market research to see how consumers will feel about it. Many brands spend on surveys to determine next-day recall and purchase intent, and they'll usually spend more on surveys at the end of an ad's life cycle, to see how people felt about it post-campaign.

The blind spot is everything that happens in-between: Very few advertisers know how well their ads are working in real time, when there's still an opportunity to modify the commercials and their media plan to improve performance. We're not talking about how people *feel* about a brand or an ad; we're talking about whether people are directly responding to the ad by searching for more information about the product or visiting the brand's site.

Survey responses and sentiment research just don't predict eventual sales and share outcomes nearly as well as actual consumer behavior. Worse, because survey research is expensive, brands and agencies tend to use small audience samples, which are less reliable. Because traditional advertising research constrains advertisers, many fall back on old processes (some dating to the 1950s) for managing campaigns, such as yanking any advertisement after three months because somebody once decided that that's the limit of an ad's effectiveness.

## A Large Scale Comparison

To explore how well surveys predict performance, EDO conducted a one-of-a-kind large scale study, looking at the data from pre-market creative surveys to see how well they predicted actual on-air behavioral responses. We looked across a very broad data set, consisting of 2400 creatives, 600 campaigns, 8 categories and 70 brands where survey based creative efficacy metrics were matched to EDO's on-air behavioral metrics.

What we saw was that surveys had no issue identifying bad ads. Their problem was identifying good ads, because many good ads break the norms that are embedded in most creative pretest systems. In other words, too many good ads don't survey well because consumers have never seen anything quite like them.

So conventional TV creative pre-market research leaves most advertisers stuck. They know what won't work, but they don't know what *will* work - nor how to take a campaign's existing creative assets and boost their performance.

## Optimizing Creative Rotations

TV commercials not only wear out over time - some wear in. By monitoring how consumers are reacting to ads while a campaign is in-flight, we can detect decay and pinpoint when an ad's shelf life has been reached, or conversely, when a creative may be really starting to hit its mark.

And working with EDO, it's possible and relatively simple to do both during the life-cycle of the campaign, rather than waiting until campaign-end to apply learnings to the next campaign. Big gains can be had from rapid, large-sample, behavioral data-driven rotation decisions ***in the same quarter the creatives are in-flight.***

At EDO, we call this approach "creative rotation optimization", a decision science based approach which harnesses creative performance insights to drive gains in consumer ad engagement while the spots are still in-flight. Across the tens of thousands of creatives we've analyzed over the past seven years, we've found that EDO can routinely boost consumer engagement with the advertised product or service by 10% to 20%+.

EDO's data TV ad database is effectively a census of all national linear TV advertising in the US. It covers every one of the hundreds of million airings for all national linear television ads that have aired during the past 7.5 years, and every minute of the day moving forward. It is this massive data scale that allows us to capture and update these wear-in paths so precisely, both historically and moving forward for new campaigns.

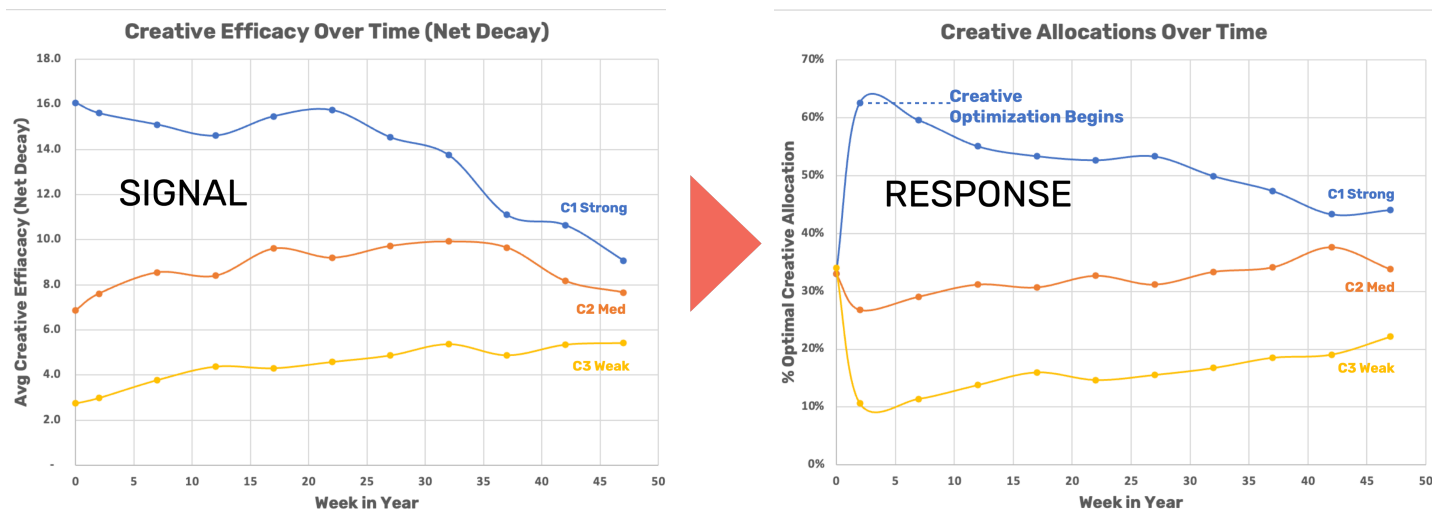
### EDO's Linear Ad Database (2015 to date)

<b>Categories</b>	189
<b>Brands</b>	2,000+
<b>Products</b>	12,000+
<b>Creatives</b>	395,000+
<b>Airings</b>	126 MILLION
<b>Impressions</b>	55 TRILLION

## Creative Wear-in & Wear-out

In the chart below (left), what we typically see is that a strong ad (blue) starts with very high engagement immediately and tapers off over time. At EDO, we measure engagement by the changing volume of online and mobile search activity for the advertised product or service that takes place within one to seven minutes after a commercial has aired.

With good ads, viewers get the point right away and pay attention. By contrast, more mediocre ads (yellow, orange) have a roller-coaster ride, starting off with low or moderate engagement before building a reaction, then tapering off again.



These weaker ads benefit somewhat from frequency, but in most cases even with extended wear-in, they aren't ever as good as the ads that start strong. And at EDO we can reliably classify creatives as weak, medium or strong within 100 airings and a week or two of launch depending on campaign scale.

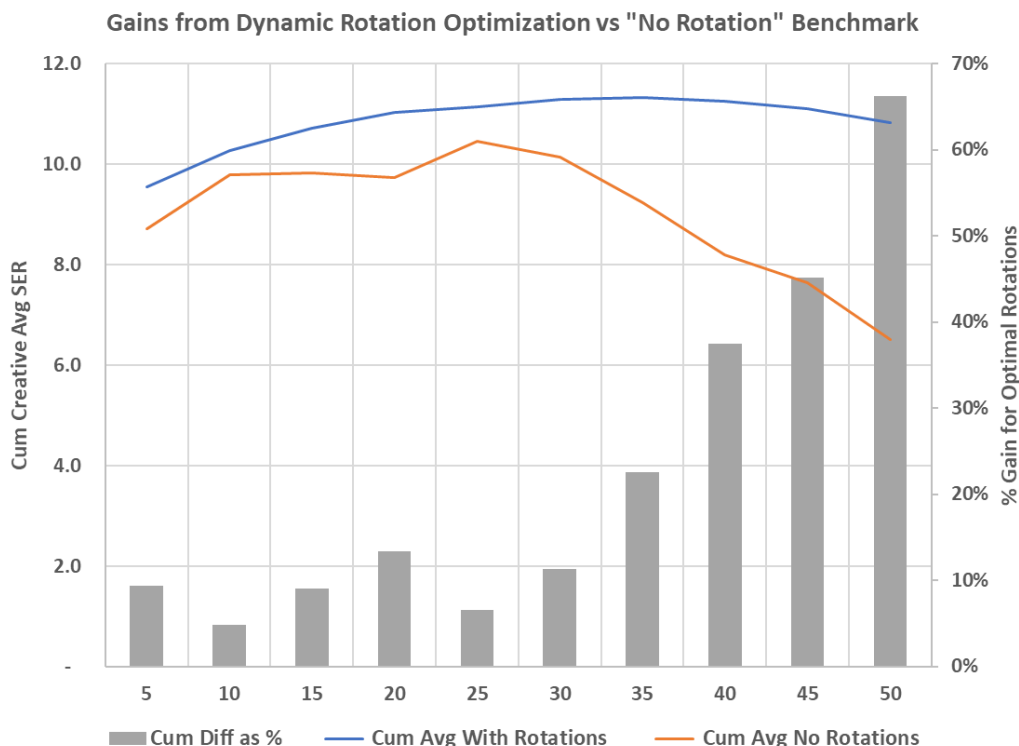
Each creative, of course, has its own idiosyncratic wear-in / wear-out path, and EDO treats these rapidly unfolding paths as signals which feed EDO's creative rotation decision engine.

The right hand chart above shows how our decision engine adjusts creative allocations week over week in response to these signals. The adjustments are constrained to prevent over-adjustment, to allow continued creative learning and to manage planning disruption.

## On-going Adjustments Lead to Significant Impact

But even within practical constraints, these quick on-going adjustments have a significant cumulative impact on average on-air performance. In the chart below, the orange line is the current average engagement over the course of the year for an example brand, making the creative rotation and retirement decisions that they actually made.

The blue line above that is the average engagement level (SER) that would have occurred using Rotation Optimization decisions over the life of the campaign. And the gray bar simply captures the difference between the lines over time and the total gain from using Rotation Optimization to drive rotation decisions.



The large gains illustrated require no big risky investments in new media or new creatives. They result simply from capitalizing on the reliable, granular creative performance metrics which EDO produces day-in day-out for every national TV advertiser in the US.

By paying attention to which ads are resonating, companies will see a 5 to 15% increase in engagement in a week, which can accelerate and accumulate to a 30%+ increase over the course of a campaign. It's not trivial. Careers can be built on 15% increases in engagement.

With EDO creative optimization, brands can harness these performance signals and drive significant campaign performance gains - increasing media ROI across your TV investment.