PLACING THE FUTURE:

a deep dive into the effectiveness of virtual in-content advertising validated through new bespoke research methods

KANTAR | **MIRRIAD**

A REVOLUTIONARY AD SOLUTION EMERGES AMID INDUSTRY DEMAND

PLACING THE FUTURE: A DEEP DIVE INTO THE EFFECTIVENESS OF VIRTUAL IN-CONTENT ADVERTISING VALIDATED THROUGH NEW BESPOKE RESEARCH METHODS

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With advertisers facing enormous pressure and the industry demanding new solutions, a profound evolution of opportunities through virtual in-content advertising and product placement has been driven by advances in technology, offering brands a path to scalability, frequency control, and increase in campaign effectiveness.

Traditional product placement has allowed consumers to be exposed and connected to well-known brands when they are casually viewing and watching their favourite media content.

However, historically, product placement required long planning cycles, which involved uncertainty over delivery, and presented limited formats. Advertisers now have a dramatic improvement of options available to reach their target audiences. Today, in-content advertising can be integrated into content post-production, delivering a multitude of advantages for brands. These include a great range of creative formats, shorter term planning and delivery cycles, the ability to plan and buy in-content at scale across multiple programs and align it with other advertising activity such as TV Spots.

As virtual in-content advertising evolves into mainstream media plans, it requires a new understanding of the impact of the format from both an audience and a brand results perspective, while also considering the consumer's perception of the format.

KEY FINDINGS

The key findings from this research show that in-content advertising generates incredibly high results across Ad Awareness, Brand Awareness, Favorability and Consideration when compared to Kantar norms. The results yield proof in driving sales and amplifying TV spot campaigns, as well as a high likability with consumers. A large majority of viewers favor and prefer the ad format, which also drives brand salience and appeal. We explore these comprehensive learnings below.

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IN-CONTENT ADS DELIVER AUDIENCE GAIN

As advertisers are facing audience decline globally, especially on offline broadcast media such as TV, it is an emergent finding that in-content advertising can help to alleviate this decline by generating incremental reach due to viewers being engaged and advertisers not having to compete for Share of Voice against other spots within an ad break. Reaching relevant target audiences for advertisers is more crucial than ever, with in-content ads proving to be successful in targeting engaged audiences. Typically, in-content ads deliver a +22% to +49% audience gain compared to TV Spot breaks, varying by program and market.

While these results are a valid reason for advertisers and their agencies to mix in-content placement budgets with traditional video ad formats as a new scalable opportunity, they required validation of how in-content placements could drive brand outcomes and consumer consideration.

To instil confidence among these stakeholders in their investment, Kantar and Mirriad have jointly produced a new compelling framework of research to report against this range of definitive questions.

Mirriad is an innovative leading in-content advertising solution using its proprietary computer vision and artificial intelligence platform to optimize brand placements in contextualized environments. The flexibility and variety of in-content ad formats (e.g. digital product placements, signage, video and a range of other creative formats) allows the brand integration to thrive in an increasingly complex and chaotic media environment.

The joint framework centred on four key advertiser questions:

— Does in-content advertising amplify the results to my TV spot campaigns and if so, by how much?
— Do in-content ads deliver on key brand KPIs, and if so, how much?
— What learnings can we gain to shape creative best practices?
— What do consumers think of the format?

To date, Kantar has been providing Mirriad and their clients with their suite of media solutions including a customized Brand Lift Insights and Context Lab framework. Over the course of 20+ studies conducted together, the research explores the opinions of respondents on this pioneering advancement in advertising and has generated a robust series of learnings as reported across this paper.

IN-CONTENT ADS AMPLIFY TV SPOTS

With the ability to schedule in-content placements as part of wider media campaigns, advertisers were keen in particular to understand better how adding in-content placements within programmes which also contain regular TV spot ads from the same brand had an impact on brand equity.

To provide these comparative measures, Kantar adapted its Brand Lift Insights methodology which uses a live control/exposed research design to measure the difference in attitudinal effects of this advertising exposure.

How Brand Lift Insights works

Brand Lift Insights uses a survey-based approach and control/exposed research design to measure the difference in attitudes between two groups of consumers to determine the attitudinal effects of advertising exposure.

Control
(Audience not exposed to the Brand's commercials or branded integrations)
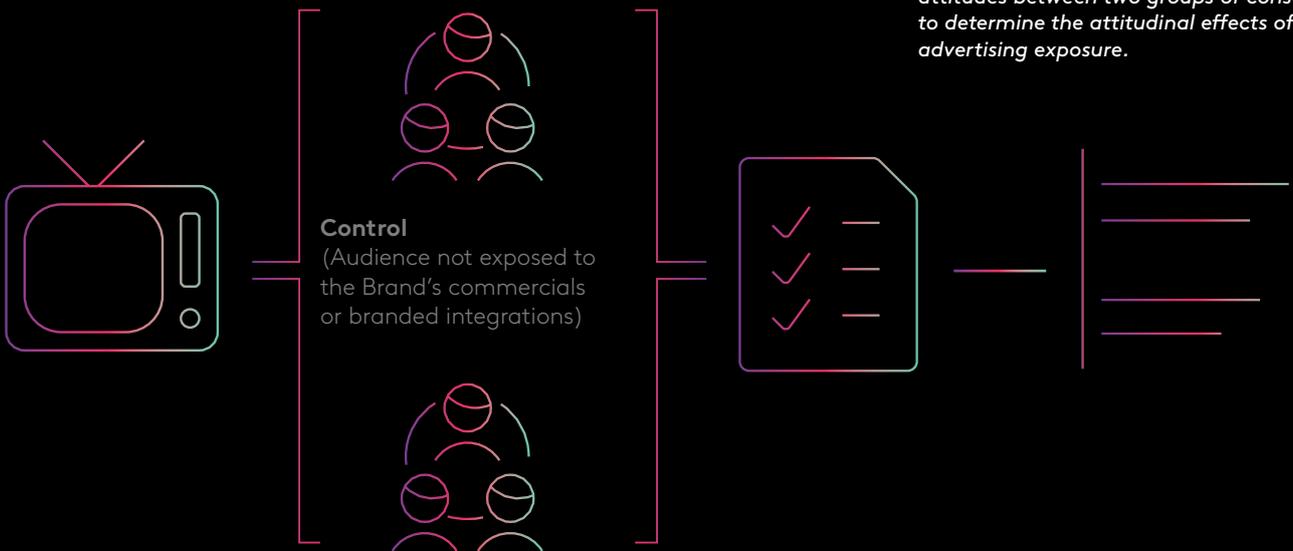
TV

Exposed
(Audience are exposed to the Brand's commercials and branded integrations)

Both Control and Exposed Respondents surveyed with the same questionnaire simultaneously

Exposure Groups are compared to Control Baseline to Determine Media Effect

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Examples of signage placements

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KANTAR CONDUCTS GROUND-BREAKING RESEARCH METHODOLOGY

As Kantar had not previously researched this comparative mix of exposures, a custom solution was devised to measure the impact of natural advertising exposure across 3 groups. The groups consisted of consumers falling into the following categories: a) those unexposed to a TV spot or in-content advertising, b) those who only saw the TV spot activity, and c) those who saw episodes with both a TV spot and a Mirriad in-content ad integration.
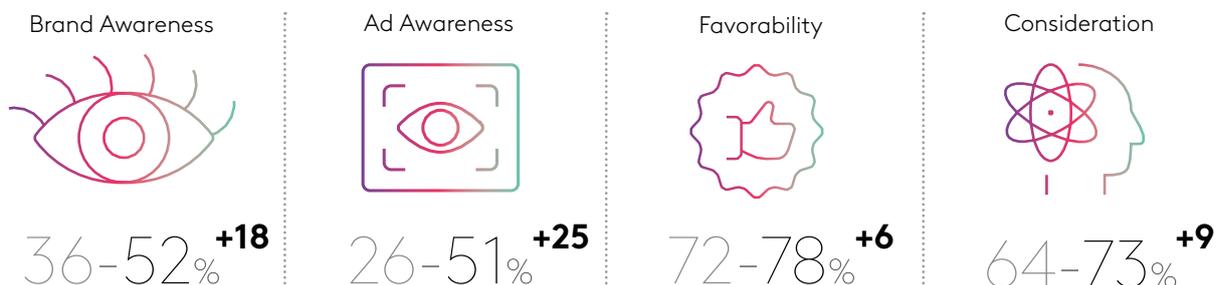
This ground-breaking research was incredibly unique and difficult from a methodology perspective, requiring constant vigilance of when each exposure type was aired across the days and weeks of the campaign.

To accurately track real life exposure, the customized Brand Lift Insights solution utilized a weekly updated survey, specifically referring to and capturing consumers' exposure to the episodes which aired most recently as well as calibrating and cleaning the sample collected by using actual TV delivery data of the campaigns attained from industry standard sources.

This methodology has now been applied across various US, UK and German campaigns across the telecommunications and CPG categories gaining a robust and conclusive set of results.

Results from these in-content + TV spot campaigns measured against an unexposed audience were impressive enough from high baselines for very strong brands.
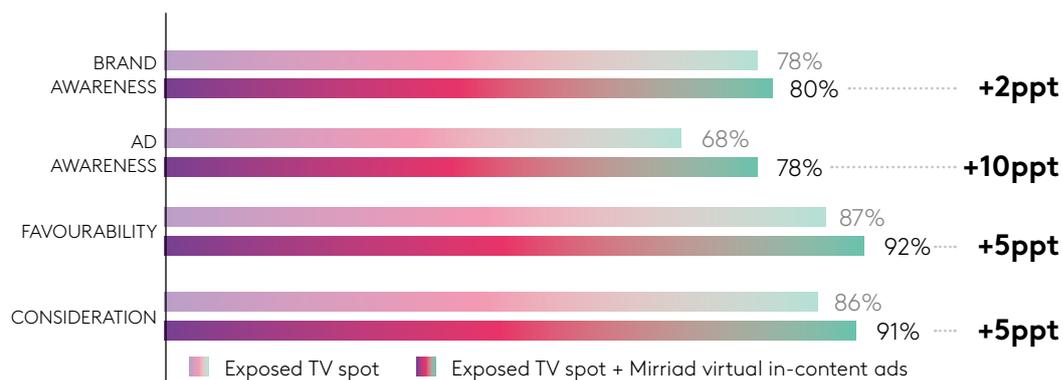
Impact of exposure to Mirriad virtual in-content ads vs. unexposed

Brand Awareness	Ad Awareness	Favorability	Consideration
36-52% **+18**	26-51% **+25**	72-78% **+6**	64-73% **+9**

Through this unique research framework, we discovered that adding in-content advertising to TV spot campaigns amplifies the results across all key brand metrics. This will be explored further on the following page.

ACROSS CAMPAIGNS THE ADDITION OF IN-CONTENT ADS INCREASED ALL BRAND METRICS

Exposure to TV spot only vs. Mirriad virtual in-content ads + TV spot

Metric	Exposed TV spot	Exposed TV spot + Mirriad virtual in-content ads	Difference
BRAND AWARENESS	78%	80%	+2ppt
AD AWARENESS	68%	78%	+10ppt
FAVOURABILITY	87%	92%	+5ppt
CONSIDERATION	86%	91%	+5ppt

■ Exposed TV spot   ■ Exposed TV spot + Mirriad virtual in-content ads

A key KPI for two CPG campaigns was actual consumption and sales uplift post campaign. To study this, Kantar used a re-contact methodology to sample the same respondents again up to 30 days post campaign to determine their actual consumption and spend for the brands.

Results were even more impressive with 56% of those exposed to in-content advertising consuming these products after exposure compared to 34% for TV Spot exposure only. A similar trend was evident for spend levels of $6+ with 56% of in-content audience spending over $6 compared to 45% for the TV spot audience.

56%

of those exposed to in-content advertising consuming these products after exposure (compared to 34% for TV Spot exposure only).

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22% higher consumption

11ppt higher spend

In-content advertising drives high consumption and promotes spend.

An advantage of Kantar's Brand Lift Insights solution is the ability to break out results by the frequency of exposure.

While awareness did not correlate to individual exposure lengths, there was clear evidence that better results were gained from a higher frequency of exposure.

As is seen commonly across wider research, higher frequency of exposure drives greater results. This pattern was clear across in-content ad studies demonstrating the

strength of building scheduled campaigns. This can be seen below in the results seen across multiple studies including a T-Mobile campaign, where more frequency of exposure drove Awareness and Consideration incrementally.

These findings distinctly establish the strength of in-content advertising and its direct stimulation of brand equity. The format of engagement with brands in the content itself seems to have a unique power that has not been seen elsewhere.
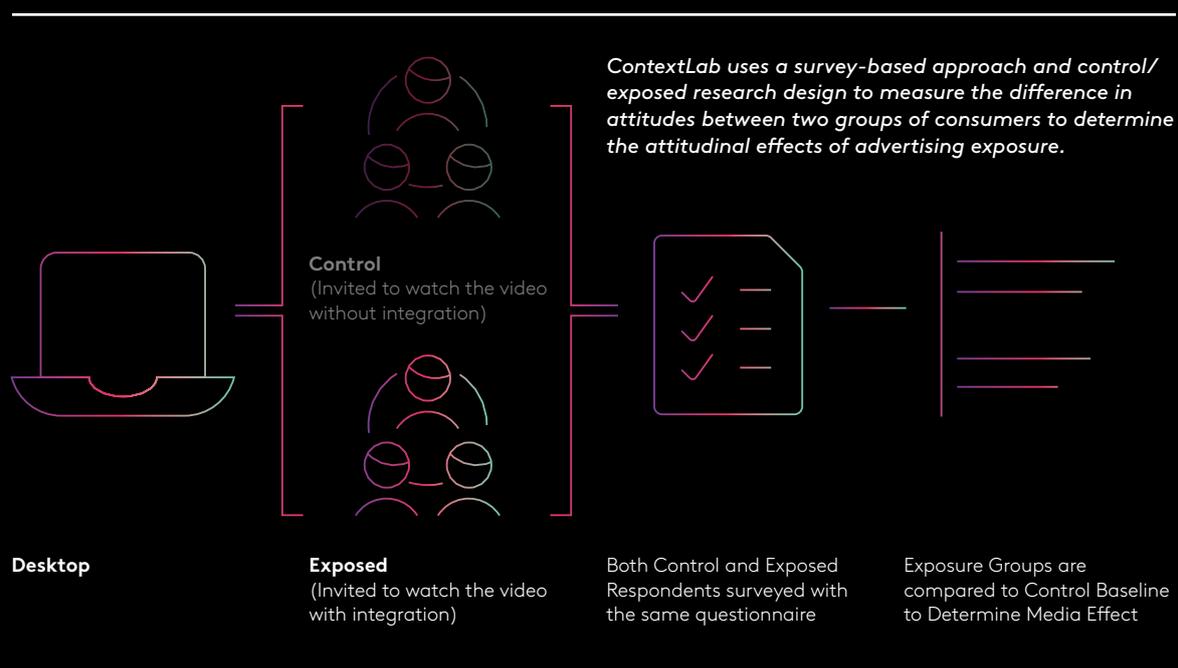
Impact of frequency on key metrics

Awareness Consideration

94%

77% 78%

71% 71% 72% 76%

60%

Cumulative Seconds of exposure

0   10-19   20-29   30+
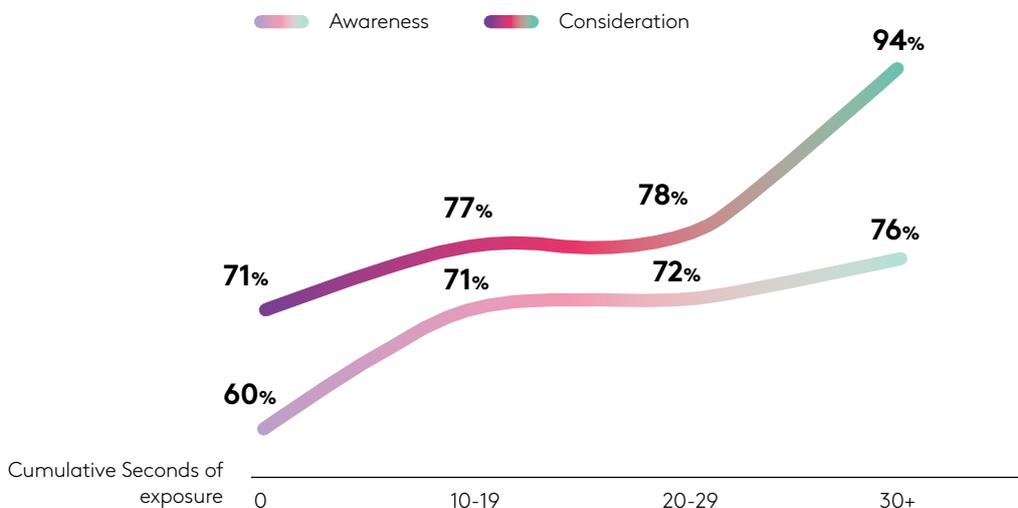
FURTHER TO THIS MEASURED IMPACT, KANTAR THEN EXAMINED HOW TO OPTIMIZE IN-CONTENT FORMATS AND PLACEMENTS

Following the findings of this positive impact of combining in-content advertising with TV spot campaigns, advertisers were eager to learn how to best use the format from a creative standpoint, leading Kantar and Mirriad to embark on a series of studies examining various creative combinations.

To do that, Kantar adapted and utilized their Context Lab solution, using a forced exposure methodology across a range of Mirriad's branded integrations. Viewers were set up to interact with a realistic TV environment, allowing them to perform normal viewing behaviors, such as surfing through channels. The key difference being that it is the programming content on the channels that was tested, rather than the commercials.

ContextLab uses a survey-based approach and control/exposed research design to measure the difference in attitudes between two groups of consumers to determine the attitudinal effects of advertising exposure.

Control
(Invited to watch the video without integration)

Desktop

Exposed
(Invited to watch the video with integration)

Both Control and Exposed Respondents surveyed with the same questionnaire

Exposure Groups are compared to Control Baseline to Determine Media Effect

Across 15+ studies, Kantar investigated the brand performance of different creative formats as well as the combinations of them. This includes formats such as billboards, products, and video advertising placed into content across comedy entertainment programs, drama, and popular music videos. Kantar have identified general strengths that each type of branded integration has, and the qualities that make a branded integration successful. These include brand strength, brand relevancy to targeted audience, and product

relevancy to scene and not being distracting. Considering these numerous variables, different creative formats and placements drive brand awareness uniquely to their varying attributes. A bespoke set of creative diagnostics for in-content ads was formulated, with these being: 'was not distracting', 'was innovative', 'naturally fit into the program', 'made me think *the brand* was different from other category brands', 'made the program look more realistic', 'makes the brand more appealing'.

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DIFFERENT CREATIVE FORMATS: PRODUCTS VS. SIGNAGE

A key question is how different creative formats perform such as products versus signage. Across all campaign studies, results showed that both formats work almost equally as effectively. The average awareness of product integrations was 62% and for signage integrations was 65%. These averages show a small variation between individual placements and prove that other factors play a much more pivotal role in the overall success of driving awareness beyond format alone.

Signage and product brand integrations complement each other in advertising campaigns. There are opportunities within both for separate uses. For example, product integrations drive implied usage and signage can be used to deliver brand messaging.

Examples of product vs. signage placements

RESEARCHING TWO COMPLEMENTARY BRANDS TOGETHER

Extending this research framework, Kantar achieved yet another research first to discover the impact of running 2 complementary brands together within the same scene.

For this study the same scene was researched across 4 sample groups using product integrations. Firstly, a scene without any branded integration, one with a soft drink brand can, one with a potato chip brand bag, and finally a scene with both the soft drink can and potato chip bag together.

Results were conclusive and statistically significant: the inclusion of the two brands together worked better for both brands than the singular placements.
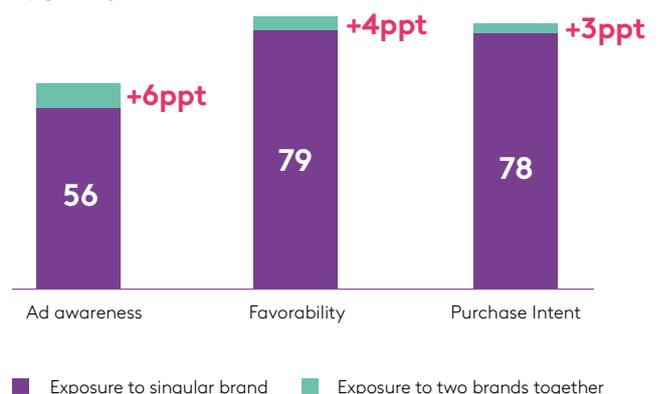
While each brand on its own gained high brand equity increase, in combination the increase was higher for both brands:
—Ad awareness for the 2 brands together was +6ppt higher at 62%
—Favorability +4ppt at 83%
—Purchase intent +3ppt at 81%

These findings reveal that in-content ad formats have the potential to work even better when you have two complementary brands, meaning the inventory can be shared. This gives advertisers the ability to increase Brand Awareness, Favorability, while avoiding Ad Fatigue. In fact, the combination increases Brand Appeal. However it is also even more important to maximize the contextual relevance and non-distracting nature of these placements, as a negative reaction could easily also be generated if the integrations seem too obvious.

Greater impact across brand equity funnel driven by joint placement

Ad awareness: 56, +6ppt
Favorability: 79, +4ppt
Purchase Intent: 78, +3ppt

■ Exposure to singular brand　■ Exposure to two brands together

FORMAT CONSIDERATIONS

As a new advertising format evolving into a mainstream advertising opportunity, Kantar's global industry mapping research is a vital source to gain a deep understanding of the perceptions of this type of advertising and the role those perceptions play towards brand equity and health.

Kantar already has extensive data on attitudes to advertising gained through their Media Dimensions and Media Reactions reporting.

From this we have learnt that use of ad blocking in Digital environments is extensive with 56% of US citizens using it in some form. There is also an apathy towards traditional advertising with 32% of US consumers disliking it, 57% Neutral and only 12% saying it is enjoyable.

This contrasts greatly with the findings from Kantar's work with Mirriad over 20+ research studies, which have found that attitudes to in-content advertising are largely positive, with an overall 79% of consumers saying they like the format.

In-content ads are also seen as innovative by 77% of consumers and preference is 7x more than TV spots. In comparison, Media Dimensions found that Cinema is seen as the most innovative traditional media channel at 26% followed by influencers at 25%.

The consumer's Favorability of the format also improves the brand perception. Across these studies, 76% of respondents said in-content ad formats make the brand more appealing to them and Kantar have found that these factors combined have driven strong brand Differentiation at 69%.

Additionally, the Kantar Media Reactions 2021 Report showed that audience preference is now the most important factor driving media budget decisions, further supporting the growing adoption of in-content advertising. With 'TV product placement' added as a measured channel, the results indicated that TV product placements performed extremely well, ranking higher than many traditional linear touchpoints on key attitudinal metrics.

56%
of US citizens use ad blockers (Kantar Media Dimensions)

12%
of US citizens find traditional advertising enjoyable (Kantar Media Dimensions)

79%
of consumers like the format of in-content advertising (Kantar-Mirriad studies)

26%
of consumers find Cinema to be the most innovative media channel – the highest traditional medium (Kantar Media Dimensions)

77%
of respondents found in-content ad formats to be the most innovative (Kantar-Mirriad studies)

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CONCLUSIVE RESEARCH SUPPORTS IN-CONTENT AD EFFECTIVENESS

The rigorous research conducted across these 20+ studies unveils a new opportunity for brands to reach their target audiences through in-content advertising with seemingly unequivocal success. These findings have provided advertisers with the confidence they originally sought to increase investment in this new media sector. Outlined in this research are a collection of notable benefits such as large audience preference of in-content ads versus traditional TV, and even greater brand amplification when accompanied by traditional TV spots. Additionally, exposure to a single branded integration episode is enough to drive uplifts in Awareness, with higher frequency exposure leading to increases further down the funnel of brand KPIs.

Results demonstrated a further increase in both Brand Favorability and Purchase Intent, proving the added value that in-content ads produce. With consistently strong results across these metrics and others, there is compelling evidence supporting the power of in-content advertising providing the ultimate solution for brands in a world where traditional linear media continues decline.

KEY INSIGHTS

The rolling framework of research studies has proved without doubt the success of in-content advertising campaigns and has given advertisers the confidence they sought for increased investment in this new and exciting advertising opportunity.

— Large audience preference over integrated ads vs. traditional TV

— Greater brand amplification effect when combined with TV spot campaigns

— Those exposed to only the integrated activity have seen uplifts in key metrics such as: TV Ad Awareness, Message Association, Brand Favorability and Purchase Intent

— Exposure to a single branded integration episode is enough to drive uplifts in Awareness, with higher frequency exposure leading to increases further down the Brand Equity funnel

— Integrated ads are more memorable than the TV ads, with the majority of viewers also preferring to watch integrated ads over traditional commercials. The seamless integration between the brands and the program makes it more palatable and provides something different

— When looking at overall brand recall, for branded integrations these achieved high results, whilst TV ads compete for Share of Voice, in-content advertising achieves the singular focus of the viewer

— Frequency analysis shows that repeat exposure to the branded integrations, over a number of weeks, increases the uplifts seen against brand metrics

— Creative analysis shows that both product and signage placements are successful and achieve different objectives

— The placement of two complementary brands within the same scene can generate even higher uplifts than singular placements

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"At Lexus, we're committed to reaching consumers through content that is meaningful and authentic to ensure that we're meeting our audiences where they are, in a non-disruptive way...

...With Mirriad's AI technology, we're able to create those experiences while simultaneously expanding our brand reach. We've seen proven results across all of the in-content campaigns we've executed with Mirriad over the last six months and are confident in the continued success."

Mia Phillips, Senior Manager of Advertising and Media at Lexus

"Virtual in-content ads offer brands a unique new opportunity in the media landscape. Seamless integration into familiar content ensures high consumer receptivity and acceptance, while also being highly noticeable and impactful. Advertisers should be piloting now and using our established research framework to measure which placements work best for their brands."

Duncan Southgate, Senior Director, Creative & Media Solutions, Client Services, Kantar

CONTACT US

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CLIENT DIRECTOR, MEDIA,
INSIGHTS DIVISION, KANTAR

Sparsh has extensive experience with brands spanning numerous industry sectors, specialising in multi-media campaign effectiveness measurement and media strategy. Kickstarting his career in media value measurement at Ebiquity, Sparsh then gained valuable agency experience at Omnicom Media Group – working within the Global Investment team, driving added value and media efficiencies for one of the biggest global FMCG brands.

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Brandon Lo

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Brandon has deep experience working in the Media and Innovation domains – helping advertisers across industry sectors during pre-flight ideation and concept testing stages, as well as measuring media activation and campaign effectiveness. Prior to working at Kantar, Brandon has had corporate experience working at IHG Hotels & Resorts helping to successfully deliver channel loyalty programs.

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Tim Jones

GLOBAL HEAD OF RESEARCH
AND INSIGHT, MIRRIAD

Tim's role spans across all audience, data, and research projects. Tim started his career in the media departments across several leading advertising agencies including Zenith & Mindshare before moving into research and strategy roles at the Telegraph group, Sky, & Microsoft. Tim has been actively involved in shaping industry best practices working across various industry bodies most recently as Chairman of the IAB Europe research committee.

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