



**“Digital Advertising Audiences: The New ‘Liquid Consumer’ Paradigm”**

In partnership, the Interactive Advertising Bureau (IAB), its Agency Advisory Board, and YuMe explored how the key pillars within our industry build and connect with audiences effectively across platforms. Technology and the platforms they operate on have catalyzed how audiences find and follow content.

The initiative entailed a qualitative effort wherein key stakeholders in the industry were interviewed across a number of topics – the findings about how to create, distribute and measure content were potent and specific. The subjects discussed and findings uncovered include:

- A. Audiences: An Evolved Definition
- B. Quelle Surprise: The Rise of Social & Mobile
- C. The Path Matters: Beyond the Platform-How do Audiences Travel
- D. Measurement Counts: Building Loyal Fanbases is Better
- E. Brands as Programmers
- F. Technology: Keep it Simple

## **Introduction**

Audiences no longer live within a single medium, device or channel but rather migrate like ‘tribes of interests’ – following their passions for content across platforms wherever it lives. We are in a new paradigm that isn’t site or platform-specific. Technology and the platforms it has created have catalyzed how consumers find and share content – and audiences now create their own path of consumption. This has strong and specific implications for the creation, organization, distribution and measurement of content.

## **Audiences Evolved**

As audiences expand in their path and definition, our understanding can be more refined.

*“Using demos to define and reach audiences is like using a blunt instrument.”*

*Jim Russell, Partner and Chief Digital Officer, McKinney*

The definition of an audience was once simple – but age and gender in front of a linear television program is now part of our narrative history. “Today, using demos to define and reach audiences is like using a blunt instrument and the advertiser now has to consider unique mindsets,” explains Jim Russell, Partner and Chief Digital Officer at McKinney. Those publishers previously selling on demographics alone are now actively employing audience-based targeting.

According to Larry Weitzman, Chief Content Officer and Chief of Operations at CineSport, “There has been a migration of how we define audiences, as you don’t program for digital the way you program for TV.”

As a result of this evolution, creatives, media agencies and publishers have adopted an audience first approach. The power of digital has included the ability to use behavioral data segments to define and reach them. The dimensions of how we define audiences has expanded significantly and definitions are no longer simple. For example, millennials is too simple and broad a term to define the segment marketers are keen to reach. Similarly, “while consumers like to be part of a community, they ultimately want to be treated as an individual,” said Lincoln Bjorkman, Global Chief Creative Officer at Wunderman.

Part of the fundamental shift in the view of audiences is driven by a shift in control. The plethora of options for media consumption has reset the definition of an audience segment to be defined by consumer behaviors on their terms. According to Brian DiLorenzo, CEO at Ming Utility and Entertainment Group, “Our definition of audiences has changed as they are now in the driver’s seat with a myriad of ways to access content. Still, it’s imperative not to chase audiences. You need to be next to them and where they naturally will be. Everyone comes to their destinations with a different mindset and expectations that will determine their behavior.”

Understanding audience behavior is no longer accomplished with a set time-frame for analysis, but now has ‘phases of reverberation.’ Or in a more esoteric sense: “We have a generational ping. Consumers’ behavior is like an active sonar ping and we monitor the ping intensity and react,” said Bjorkman.

### **Quelle Surprise: The Rise of Social & Mobile**

*“All other screens are an impoverished version of mobile.”*

*Nick Law, Global Chief Creative Officer, R/GA*

Device and content fragmentation pose challenges for many in our industry as the nuances of an image on Pinterest versus an image on Instagram need to be understood as true content channels. Social also plays a strong role in a brand’s positioning and perception among audiences. Social platforms such as Facebook have provided new opportunities by enabling high engagement within the platform, which as a result has made it less important to attempt engagement across screens.

Mobile presents a very different behavior set as it has become part of everyday life, and while some may still default to the PC as “screen one” due to its size or familiarity, there is a case to be made for a mobile-first strategy as it is the most versatile of all the platforms. According to Nick Law, Global Chief Creative Officer at R/GA, “All other screens are an impoverished version of mobile. A desktop mouse can’t pinch or scroll like you’d naturally want to do on a mobile device. Even geolocation is limited on other platforms; mobile provides the richest environment so it makes sense to start there.” Mobile technology allows for deeper insights into audience behavior, with the ability to relay time, date and location. Mobile technology is also about more specific activities versus aimless browsing.

While brands and advertisers are always trying to identify where and how consumers are using their products throughout the day, there has been a seismic shift where some have seen audiences shift from 80% on desktop to 80% on mobile. For some this may mean a mobile first strategy. “Now there’s curiosity about what’s beyond mobile, in the car, or in the house, as we move towards the Internet of Things,” said Brian Gilbert, Executive Director, Advertising Business Development at Pandora.

### **The Path to Platform Matters**

*“There are fewer front door sites and those coming from various traffic sources bring different context and, as a result, different needs to the mix.”*

*Rich Routman, Global CRO, Perform Media*

When thinking about optimizing and understanding audiences, it’s not as simple as the platform or site itself, but more importantly, how they have reached the platform can determine their content habits. “How we reach audiences has changed and you need to treat audiences differently depending upon how they arrive inside of your B2C environment, as each path can determine a different consumer behavior,” explained Rich Routman, Global CRO, Perform Media.

The platform is simply one of the required dimensions when creating and curating content. New channels such as social, search and others introduce new context, intent and need states for consumers. Routman further explained, “There are fewer front door sites and those coming from various sources bring different context and needs to the mix. Effectively engaging with audiences means taking these factors into consideration. For example, social may bring a visitor accompanied with very different behaviors and may only visit a single page; this needs to be taken into consideration as the traffic source is the basis for the content offering and re-circulation strategy.”

As audiences have become less about basic demographics, and more about the context and behaviors around the consumption of media, consumers act more like “members of tribes and are considered to be part of a different audience defined by the tribe. For example, you may be part of a Game of Thrones tribe, and your behaviors are defined by that association,” said Michael Lebowitz, Founder and CEO of Big Spaceship.

### **Measurement Counts: Building a Loyal Fanbase is Better**

*“We look at all the touchpoints and at fanbase versus numbers that day.”*

*Brand Strategy Lead, TV Network*

While audiences becoming increasingly transient across screens has implications across the entire lifecycle of a campaign, the fundamental challenge of performance has not changed. Jim Russell, Partner and Chief Digital Officer of McKinney described, “We still want to know how it all worked together, this is about attribution.” This is supported by Sophie Kelly, CEO of The Barbarian Group, who stated, “Today we have access to real first-party data. The data generates accurate insights about people’s behavior and interests. Those insights help curate more rewarding and customized experiences. It’s not about static KPIs, it’s about a measurement and optimization system that helps adjust messaging and experience by device in real time.” The complexity of influencing factors on a campaign with the measurability of digital has introduced the need for flexible metrics and KPI’s. “The reality is that there are twenty different types of KPI’s and they can be unique to an audience, thus it is important to recognize there are many ways for consumers to show love to a brand and these are very relevant to the channel or platform where they reside,” said Bjorkman.

Engagement has moved beyond an industry buzzword to an understanding of how to evaluate one’s relationship with audiences. “You can define engagement but what do they do after that?” said Russell. Defining success becomes more contextual. As audiences will naturally find their way to the content they are passionate about, so too with engagement. “Driving engagement across devices will happen naturally when the content is compelling,” as stated by Bjorkman.

In this new paradigm, data is indeed big as we look ahead to the evolution of multi-screen audiences. Sophie Kelly further explained, “Data is helping solve the challenges of device fragmentation as we are able to reach audiences effectively with personalized and contextually relevant messages regardless of device.”

The issues of measurement also affect monetization as content owners and creators seek compensation for all the platforms on which their audiences experience content on. Content owners and creators increasingly think not only about ratings, but all the touchpoints their audiences experience content upon. For most, their total viewership is much greater than what they are compensated for using current metrics.

It used to be that television was measured by Nielsen and TMS. Now when we think about audience it's not just about rating – now we think about video on demand; as well as those who are buying it (retailers) – we look at all the touchpoints and you look at fanbase versus numbers that day, explained a Brand Lead at a TV Network.

### **Brands as Programmers**

*“It's no longer about hoping a video goes viral or creating a quick spot, it's about creating a continuous story with the audience.”*

*Alejandro Lopez, Executive Creative Director at Troika*

Brands and creatives alike recognize a new reality of 'brand programming'. Leaders counsel that just like TV shows, brands should think of their video content as being episodic in nature. According to Alejandro Lopez, Executive Creative Director at Troika, “You need to constantly feed your audience with a story. Narrative is paramount, and how that narrative translates across platforms.” A 'programming strategy' is now becoming the norm for brands and content owners looking to build, maintain and monetize their audiences.

It's perhaps in the brand arena that we see some of the most seismic shifts in how content is being conceived and shaped based upon this new audience paradigm. Lopez further explained how creatives and marketers need to think of themselves as “programmers...programming a channel or network for brands to build, maintain and monetize the audience. Importantly, to create 'episodes' of content it's no longer about hoping a video goes viral or creating a quick spot, it's about creating a continuous story with the audience.”

Ultimately, the big idea and the strategy is where it begins. According to Alexa Christon, Head of Media Innovation at GE, “We try and think about the big idea first, then how that big idea is expressed across platforms, where it makes sense.” Christon further expressed, “Brands think about marketing in a media agnostic manner, however, depending on where that audience lives or what the experience needs to be, will define what device we engage them on.”

## **Technology**

*“We want to ensure all technology options don’t divert the main strategy, thus we need to be prudent on and identify the need then seek an approach.”*

*Senior Director, Large Publisher*

It has become increasingly difficult for organizations to maintain all the required areas of expertise and technologies in-house, thus outside partners are critical. “Nobody can go at it alone,” said Bjorkman. While technology can play an important role, both agencies and publishers agreed that it is important to define the problem and then find partners.

Not surprisingly, the partner ecosystem called for seamless technology and integrations and the drive for a smaller technology stack. “Whatever their core competency, everyone is striving to be seen as a technology integration wizard,” said DiLorenzo. Indeed, the need for technology to work seamlessly is a universal rallying cry.

“We want to ensure all technology options don’t divert the main strategy, thus we need to be prudent and identify the need, and then seek an approach. Further, there is a priority to make sure that the technology works seamlessly not only across platforms but within platforms as well,” as expressed by a Senior Director of a large publisher.

The role of data-driven marketing resonates as a common theme across interviewed stakeholders. Data has evolved alongside audiences. “At one point data and measurement used to be mediated and artificial, whereas today we get closer to the truth which is at the level of engagement with the media. There are three data sets that are critical in planning any campaign, these include cultural data (e.g. social listening), behavioral (from interaction with media), and personal data. Personal data is the data you’ve earned for providing some value,” explained a Chief Creative Officer at an international advertising agency.

The complexity that exists within the ecosystem has introduced profound implications at the agency level. Over a short period of time the requirement of continuously evolving skillsets and specialties has become a necessity. “Just over the past few years, we have evolved from just a handful of channels to significantly more, and all within a complex data, tech and consumption environment that needs to be navigated, introduced, and evaluated,” said Michael Lampert, Senior Vice President, NY Media and Account Management at 360i.

## **A New Paradigm**

While technology, new devices, new content formats, and increasingly more options for consumers to engage with media have been at the forefront, as we explore the transition into a new paradigm, it is unanimous that audiences and their relationship to content are the core focus. Brands and advertisers are striving to reach and engage with consumers on their terms, and while technological complexities do exist, they are merely the execution of a larger strategy. Instead of trying to force consumers to behave in a particular manner, advertisers leverage technology, data, behavioral analysis, and ultimately devices as the mechanism to connect with the consumer.

The formula on how to engage with a consumer is more complex than ever, and as a result how we measure and gauge success is as individual as the media experience. Establishing reach and frequency as the only metrics is as limiting as thinking about audiences as just age and demo.

The rise of mobile has introduced new dimensions and definitions of consumer engagement. It is now possible to have high, multi-faceted engagement within a single platform and increasingly both user experience and user interface is playing an important role on success. As expressed by a Chief Creative Officer, “from a campaign perspective, the strategy, stories and user experience are important.” With the media journey now being nonlinear, brands and advertisers need to be agile and respond accordingly.

While ‘liquid audiences’ may pose challenges for today’s brands, agencies and publishers, there are fundamental takeaways to help succeed in today’s environment.

1. If content is naturally engaging to an audience, there is no need for a defined ‘multi-screen’ approach. “If you build it, they will come.”
2. A broader definition of ‘audience’ that incorporates intent, habits and psychographics will be more robust and directional than gender/age definitions.
3. Social platforms shouldn’t be aggregated as such, but recognized for the nuances they have and how differently audiences will interact with each one.
4. Mobile in many ways mirrors the most intuitive audience behavior – it can tell you how they naturally move and help define your audience further with geography, date and time.
5. The path to a platform is critical to understanding audience engagement. By assessing their ‘appetizer’ (before) and ‘aperitif’ habits you will better understand their ‘entrée’ platform consumption.



6. Building loyal fanbases happens outside of the confines of KPI's and standard metrics, by reaching audiences throughout their media day.
7. All marketing and content is now 'episodic' in nature, creating continual stories to feed the audience. Story and narrative are 'back with a vengeance'.
8. When it comes to technology, simplicity trumps wizardry.