

# Roadmap to Digital TV Success, Part 2

insight

Jeremy Lockhorn | October 2007



[Part 1](#) of this series outlined two key strategies for leveraging the emerging power of digital TV: going interactive and cranking up the relevance. Here in part 2, I'd like to continue that conversation with two additional strategies: giving people more of what they want and bringing accountability to the living room.

## Strategy 3: Give 'em more of what they want

This strategy is primarily about Video-On-Demand (VOD) in all of its different flavors. I believe the burgeoning interest from marketers in this channel is a clear indication of a significant (and much needed) shift in how they approach communicating with their customers and prospects. It's a reaction to the ongoing evolution of the media ecosystem.

As discussed in part 1, this system, for decades, has been based on an implicit contract between content owners/distributors and consumers: we trade free (or discounted) access to content for attention to advertising. But the contract has been under a lot of pressure in recent years because: a) the ever-increasing volume of (often-irrelevant) advertising is starting to drive people nutty, and b) consumers are suddenly in control. In fact, some people are completely opting out of broadcast advertising, consuming their media on their own terms without regard for our implicit contract. Digital technology makes consumers sort of like restricted free agents, and they're filing for arbitration in droves.

We on the media and marketing side of the equation are desperately seeking ways to renegotiate the terms of our contract with the public. And the industry-at-large seems to be coming to something I realized a long way back: to fight consumer control is futile. Rather, make a change to your strategy. Stop grabbing attention by buying up time and space; instead, *earn that attention by producing great content and providing relevant value to the audience*. That is the undercurrent that's fueling hype and growth both in the online video and in the cable VOD spaces.

Think about it. Nearly all of the most successful and respected advertising campaigns of the last two years don't really look like advertising at all. People don't like advertising. But relevant content and/or services that they actively seek out aren't advertising, even if the message is mostly commercial – it's just good content that they want to see.

That's the power of VOD – providing consumers with relevant, engaging content that they can view on their own schedule. They self-select what interests them and dive deeply into it. It transforms TV advertising from simply an exposure medium to an exposure, attention and engagement medium. As marketers, VOD gives us the ability to really wrap our content around

the consumer, taking the time to tell a complete story and educate them on our unique benefits – stuff that is not always possible in a :30 or even :60 linear TV spot.

Long format doesn't have to mean big-budget production. Look at something like Intercontinental's "In the Know" video series: <http://intercontinentalvideo.com/>. There is simply a ton of great content up there that is extremely relevant to travelers but likely not that expensive to produce. Maybe \$10k or less per episode, I'd guess? It could easily be migrated to VOD, and therein lies another key to leveraging digital television that may deserve it's own discussion: you can maximize your impact by changing your video production strategy. It's time to move away from the big-budget spot and to move towards what might be called universal digital asset creation (or UDAC for short). If you plan upfront for the spot and assets for web, mobile and VOD, you can create an integrated cross-platform suite of assets that make up a campaign connecting with your audience when and where they want to interact with your brand's content. And you can do it all without blowing your budget.

But if you build it, will they come? Obviously, producing a few longer-format assets and throwing them up on VOD doesn't guarantee success. You still need a great idea (rooted in consumer insight) that's either extremely entertaining or incredibly valuable in order to draw people in.

Ultimately, VOD isn't a winning media tactic on it's own. Like many emerging media channels, it works best as part of a larger program. VOD is not a reach medium; it is an engagement medium. Still, there are many different components that can enhance and drive viewership to your content, starting with what most cable companies call a branded navigational unit or BNU. This is a spot that's nearly entirely dedicated to building awareness of your VOD content and showing consumers how to access it through a series of screenshots of the VOD menu system. You can also reserve the last 5-10 seconds of your local :30 spot for a similar call-to-action. More advanced cable platforms are "clickable" so consumers can simply press a button on their remote control to jump from your spot directly to your content. Note the combination here of strategy 1 – interactivity – with our "give 'em more" strategy. As mentioned in part 1 of this series, this jump from a short TV spot to longer form content is often called "telescoping." Most MSOs, for now, are housing VOD content in a standard menu system that is MSO-branded throughout. But a few of them are offering branded channels, which look a lot like a campaign microsite on the web (granted, a microsite circa 1999, but still). It's a fully-branded environment with a branded menu system to access your VOD content and any other functionality supported by the MSO.

However you actually implement the content, the key here is that you're going beyond advertising. You are providing highly-relevant content that can be of great value to the audience. Make it count.

## Strategy 4: Bring accountability to the living room

One of the greatest benefits of digital media is its ability to track key performance indicators at a granular level. Metrics like clicks and post-click conversions give us powerful details on the performance of direct response campaigns. We can even use this level of detail to get better performance insights for brand campaigns, looking across things like interaction rates and times, delayed visits/conversions, test and control surveys, etc. It all fuels constant optimization of campaigns while in-market and provides insights and learning for future campaigns.

In the online space, we've got a decent level of standardization across basic metrics and are pushing hard to drive the next level of analytics – which are much more complicated – but hold tremendous value in terms of getting to actual ROI. We're wrestling with advanced analytic issues like the stacking effect of multiple channels and multi-touchpoint attribution. The digital TV world, in contrast, is admittedly still in the very early stages, and there is very little standardization. It's like the early days of the web. But the data out there already can provide critical insights key to optimizing your campaigns and better systems, faster turnaround times are on the way.

Below is a sampling of sources and some of the potential insights and applications of the various data types.

### **TiVo Stopwatch**

The DVR company has enlisted a panel of 20,000 TiVo households to anonymously share their viewing behavior (which is tracked automatically by the DVR) with the company. TiVo rolls that behavior up into a massive data warehouse and provides a web-based portal to marketers and agencies subscribing to the StopWatch service. You can slice and dice the viewing behavior any number of ways and quickly drill into what percentage of the viewing audience actually watched your spot (as opposed to changing channels or fast forwarding). This is an incredibly powerful tool that can fuel optimization of your media buy as well as provide insights to your creative performance. You can quickly evaluate your actual commercial viewership broken down by daypart, network, specific program, specific creative, pod position and more. It's not necessarily going to tell you how effective your spots are at generating your desired response, but it will tell you what percentage of eyeballs you're paying for are actually watching. Imagine being able to see, for example, that during a particular show on your media plan, 20% of people fast forward through commercials overall. But when it comes to your particular spots, they fast forward through them 40% of the time! This could flag a creative issue or a frequency concern or maybe bad pod position – all tweaks you can make moving forward to ensure maximum viewership. This is only scratching the surface of the valuable insights to be gained.

### **Interactive spot data**

Technologies facilitating interaction on top of your TV spots also provide response data analogous to web data. Your spot is becoming a gateway to a deeper, richer experience and suddenly a medium previously limited to GRP projections now gives you a whole new level of accountability. How many people who saw your interactive spot actually chose to interact? Did they take further action?

### **VOD data**

As marketers strive to earn the attention of consumers instead of buying it outright, understanding the performance of individual pieces of content will become extremely important. Let's say you produce five different pieces of content, each three to five minutes in length, each covering a slightly different topic or product angle. You want to know what drives consumer engagement with your brand, and VOD analytics can help to shed some light. It's actually quite similar to web analytics in terms of its ability to quickly determine what information is most interesting and valuable to consumers. Smart marketers are already leveraging insights from web analytics across their entire marketing universe.

Some sample report types:

- Asset performance analysis: examines viewing duration as a percentage of content length. Shows which of your VOD assets tend to be watched most completely.
- Asset performance over time: shows what percentage of viewers continue to watch the content after x number of seconds, plotted over time. Extremely useful for detailed analysis of creative performance. It's easy to see significant drops in viewership, so you can see where people get bored with your content. An interesting early observation: most VOD assets have some level of drop off right around 30 seconds – the TV spot has effectively trained viewers to dedicate attention in :30 increments!
- BNU analysis: examines the performance of spots dedicated to driving traffic to your VOD content. Typically broken down by daypart so you can quickly optimize your BNU media campaign by heavying up in your most effective timeslot.

As TV continues its unstoppable march towards full digitalization, we can't help but recognize the stunning similarities between the skills needed to make online marketing work and the skill sets required to make digital TV campaigns work at their peak level of performance. We're excited by the transition and have already been helping some clients make the most of what's possible today, while laying the foundation for future success.

## About the Author

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Jeremy Lockhorn is a member of the agency's Advanced Marketing Solutions (AMS) team and is focused on interaction with video across all platforms. He supports client teams with research, education, and ideation. During his 10-year tenure at the agency, his various roles have centered on the intersection of media, creative & technology. He writes a regular column for ClickZ and is a frequent speaker on emerging media.

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