



# PLAY TO WIN IN AUDIENCE INTELLIGENCE.

Mastering the audience intelligence game in media and entertainment.

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2016

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Media and entertainment marketing professionals have always played a high-stakes game of hide and seek with their audiences, hunting for the highest value fans. But in today's rapidly shifting digital world, the rules have changed. Audiences now consume content on an ever-growing number of devices, from the largest screen in the house to the smallest screen in their hands. They demand their media when and where they want it, personalized to them. And last year for the first time, people spent more time on their mobile phones than watching TV.<sup>1</sup>

It's not as if the importance of media and content has changed. In many cases, audiences are larger than ever, and according to PwC Outlook, global media and entertainment spending is expected to rise from US\$1.74 trillion in 2014 to US\$2.23 trillion by 2019, growing at a compound annual growth rate of 5.1 percent.<sup>2</sup> The challenge is finding the most valuable consumers and turning them into loyal fans—those who engage repeatedly and offer real value to your advertisers or purchase your products directly.

**Without a clear understanding of how to differentiate audiences, media and entertainment companies can't do the following:**

- Sell advertising for the best possible rates
- Grow audiences so that advertising inventory yield and subscription revenues can be optimized
- Convert viewers to subscribers
- Deliver the most relevant and personalized experiences across channels

**In short, they can't thrive.**

# Once child's play, a simple **GAME** no more.

In the past, media companies knew where to find their audience: huddled around a family television during primetime. Demographic data could be accessed via well-used systems like Nielsen and Rentrak on linear TV and comScore or Adobe from websites—a strategy relatively stable for decades. But today those audiences hide behind multiple screens in the TV Everywhere ecosystem—mobile apps, over-the-top (OTT) devices, gaming consoles—all of which have their own data sources.

"This isn't only cross channel, it's cross modality—from broadcast to digital and back again," says Jennifer Cooper, director of industry strategy for media and entertainment at Adobe.<sup>3</sup>

The numbers tell the story. Today, 78 percent of U.S. consumers subscribe to at least one OTT service, according to PwC.<sup>4</sup> That stable world of limited sources, limited tools, and limited devices isn't coming back.

Unfortunately, the measurement hasn't kept pace with the consumption. For most media and entertainment companies, getting a single view of those consumers across all screens today is very difficult. Yet in the minds of consumers, the divide between traditional and digital media is irrelevant.<sup>5</sup> "In the last few years, audience intelligence has changed 180 degrees. Moving forward, there are now more uncertainties than certainties," says Cooper.

Can you imagine playing hide and seek in a world without borders? Or playing without knowing who you're looking for? That's exactly what most media companies today have to do. Bottom line: Without a single, detailed view of your audience and the deep insights that can be gleaned from it, the risk of missing revenue goals is acute.

## Audience intelligence for the win.

Today's media and entertainment data scientists must cater to multiple constituents with their approach to audience intelligence.



The **chief revenue officer (CRO)** wants advanced audience intelligence to create the ad value chain—from where to place ads to data that feeds a rich profile to tell the story of value to advertisers.



The **chief marketing officer (CMO)** wants conversions of viewers to subscribers for direct offerings and more engagement across the content journey. She also wants to be sure that all views are being measured so maximum monetization can occur.



The **head of digital marketing**, like the CMO, wants more eyeballs, especially more valuable eyeballs that have a propensity to click on an advertised product or subscribe to a service or buy a product. He also wants to know how to find and grow the most valuable audiences to keep the CMO and CRO happy.

# Your new **STRATEGY**: Advanced audience intelligence.

Advertisers' expectations have also changed. Eyeballs aren't enough, especially if you don't know who's behind those eyeballs. As PwC recently stated in their industry trends report, the formula for success for media companies is shifting. They must now create fans united by shared ideas and interests who will return daily.<sup>6</sup>

Successful media and entertainment brands are building competencies in the science of audience intelligence. They're layering profiles on top of demographic data not only to find the right audience hiding behind all the data, but also to communicate that story to advertisers so they stand apart from their competitors.

"Media and entertainment companies are often drowning in the ocean of data that digital channels have collected. The data has to tell a story that differentiates your company and audience from the competition. With a true audience intelligence solution, media and entertainment companies can paint a compelling story with the rich attributes that an advertiser is looking for," says Jeff Gross, vice president of industry strategy for media and entertainment at Epsilon, a global leader in marketing and data intelligence solutions.<sup>7</sup>

But this isn't only about ads. Audience intelligence tools can help drive content recommendations to your audience so they stay longer and thus are more valuable to your business. As subscribers become more engaged, they're less likely to cancel a subscription and more likely to take advantage of an upsell or cross-sell opportunity. Knowing your audience means you can uncover their interests and then make strategic decisions around those deep insights—be it in advertising, product, or content.

**"With a true audience intelligence solution, media and entertainment companies can paint a compelling story with the rich attributes that an advertiser is looking for."**

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**JEFF GROSS**

Vice President of Industry Strategy for Media & Entertainment  
EPSILON

## Get audience heads—and **HEARTS**—in the game.

Brands need to offer content and advertising that appeals to the person, not the demographic. The best way to do this is by uniting data sources and adopting advanced analytical capabilities like audience segmentation and predictive look-alike modeling, so you can deliver personalized experiences that keep audiences glued to their screens. And remember the dizzying rate of change mentioned previously? Media companies also need a solution that's future-proof, since the industry is evolving so rapidly.

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**“What matters most is the ability to combine content with a user experience that is differentiated and compelling on the consumer’s platform of choice. This requires managing customer relationships not by distribution channel, but by adopting a holistic approach via segments anchored in richer user profiles and powered by deeper data and analytics expertise.”<sup>8</sup>**

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**JOE ATKINSON**

U.S. Advisory Entertainment, Media and Communications Leader  
PWC

# Come out, come out, **WHEREVER** you are.

Media and entertainment companies are facing three main challenges in audience intelligence:

- Audience data is siloed in different systems, business units, and platforms.
- They can't "see" audiences beyond very basic attributes.
- They don't have the ability to model audience outcomes.

Don't waste time playing hide and seek with viewers who won't evolve into fans and have a deeper—and likely profitable—relationship with your brand. With analytics and audience

management software, you can find the right customers, with the right affinity, and tell a powerful story for advertisers or convert viewers into direct customers for your own offerings.

Some companies may start slowly and focus on step one, while others, understanding the need for a comprehensive audience management solution, scope the project larger. The choice depends on your business's level of analytics maturity. But the important step is the first one—getting started.

# Uncover your eyes: Bring your data sources **TOGETHER.**

First define the outcome you want—it could be higher value audience engagement, more subscription sign-ups, or growth in one specific audience segment where you have advertiser demand. Then bring data together into a platform where you can segment and ultimately run campaigns.

Start with the data you already have from CRM, marketing databases, and analytics solutions. Think about the highest value for the least amount of work. According to Forrester Research, almost three-quarters of data available on internal systems never makes it into business intelligence systems. So before looking outside the company, bring together the data you already control.<sup>9</sup> This data is going to be free to work with, simply because you've collected it. It's also going to be reliable because it consists of data your company has gathered from people who have already shown some level of interest in or affinity for your content and products. Sometimes cross-departmental (or cross-subsidiary) politics can make these projects challenging, so get buy-in from peers by starting with the goal and impact on the business.

Ensure you have a unified view of the consumer by assigning each visitor a unique ID that's consistent across your marketing platform. With one ID pulling data from online analytics, CRM, and marketing platforms, you can finally track all interactions your fans have with your content, advertising, and products, and then make decisions based on those interactions or model outcomes for the future. What was once a collection of generic entries now becomes a distinct "who."

Jeff Gross at Epsilon has led many of these projects with the world's largest media and entertainment companies. He is currently collaborating with a large media company to implement advanced audience intelligence. They're starting with viewership data from Nielsen, set-top box and smart TV data, and then combining it with the company's own CRM records. Once the data is integrated into the marketing platform, they'll start profiling and modeling so the company

can do something with the data—run campaigns, generate powerful reports for advertisers, or further engage the audience with offers to move them down the funnel. It's a big process, but it's powerful, and they're already seeing results.

"Data will always be growing, our interactions with these systems will be growing, so having a system that can unify multiple data sources and create a data warehouse that the company can run campaigns from is likely the most important step a media and entertainment company can take today," says Gross.<sup>10</sup>

After all, you can't monetize what you can't measure, so begin by bringing data together for a single view of your most valuable fans.

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# Seek and you shall **FIND**. Go beyond basic attributes.

But it's not only about bringing together traditional data sets. Smart media and entertainment companies are now adding other attributes to audience profiles, such as behaviors and traits that show a propensity to convert to subscription. It's much easier to play hide and seek with a specific individual who is defined by behavior (signed up for the network newsletter), location (lives in zip code 90210), and affinity (loves quilting) than it is find someone who is described only as "female, age 18 to 35."

Scott Smith, senior product manager of digital marketing at Adobe, says it well. "Advertisers don't care so much about your age or gender anymore. They want to understand if you're in the market for a car. Have you gone to the Toyota or Ford site? What shows are you watching? The power of purchase intent is very compelling for advertisers—if you have the system to capture it."<sup>11</sup>

One of the largest media companies in New Zealand, Fairfax Media New Zealand, developed audience segments using online site behavioral data and offline

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## **SCOTT SMITH**

Senior Product Manager of Digital Marketing  
ADOBE

membership data to help advertisers target specific groups with their messages and offers. For instance, a cosmetics advertiser might prefer to target ads at female readers, while a hotel advertiser could reach people who frequently read travel-related articles or browse travel-related products on affiliate sites.<sup>12</sup> By creating audience segments, Fairfax was able to give advertisers the valuable segments they were looking for. You can apply this practice to your own segmentation practice for advertisers or your own offers. Focus on defining visitor behaviors that signal what content or advertising will work best for them. A comprehensive analytics platform can help you through this with attribution analysis.

Another example of adding valuable attributes is the practice of charting influence. Especially in media, reaching those who influence and drive others to your content is of great importance. By having a unified view of the customer and combining data available from social networks and their own content systems, companies have been able to chart not only engaged fans who visit their sites daily, but also key influencers who are driving others to their content via their endorsements or shares.

Rounding out audience profiles with second- and third-party data can make a huge difference in segmentation for business impact. Second- and third-party data examples can include income, geographic location, or purchase intent for products such as travel, vehicles, and more. Most audience management solutions will allow you to connect to data marketplaces to buy (or sell) this type of data. Once you have that rich and unified view of your audience, you can do so much. For instance, you may tailor offers to income level or propensity to spend. Someone with a higher income level may get a free trial of your product right off the bat, while someone else will have to sign up and pay before the service starts. This advanced data can unlock offers that impact the business immediately.

## Case Study: An audience intelligence triple play.

A powerful example of implementing audience intelligence science is media giant Time Warner Cable. They recently integrated over 100 first-party CRM data elements into visitor profiles to improve the relevance of content, messaging, and offers, which resulted in more conversions and subsequently more revenue.<sup>13</sup> For example, after integrating data sources and creating a unified view of the customer, Time Warner Cable could create a segment of current customers who have Internet-only service in the Northeast and are due for a subscription renewal.

The output of this work was a unified customer profile with nearly 300 active segments of customers from which Time Warner Cable could target content and offers. The second step was to integrate this profile information with downstream systems, including display media technology, in order to personalize display media content. In turn, the company could push personalized content to hundreds of customer segments across the website based on profile attributes, such as navigation and indicated interest.

Taking this further in support of new customer acquisition, Time Warner Cable analyzed potential new customer

affinity for different primary service units (PSUs)—such as cable service or Internet service—and then promoted package offers across display media and throughout the company's website. For example, a consumer new to a Time Warner Cable market who has searched on Google for "home cable and Internet packages" may receive an offer for the Time Warner Cable Triple Play bundled with tailored messaging and an introductory price point. Additionally, the offer shown to this segment would be consistent whether the consumer was seeing a display media banner, visiting a landing page, or viewing the Time Warner Cable homepage.

The result of this targeting and experience consistency was a 49% increase in PSUs for new customers and a 20% improvement in the new customer conversion rate. Expanding on this strategy, Time Warner Cable further refined parameters to target potential new customers with specific package levels—such as basic cable or premium cable services—based on factors such as household income and household spending data. The result was a 30% increase in conversion rate and a 47% increase in revenue per visitor, generating a US\$1.4 million increase in annualized revenue.

Time Warner's strategy of implementing and refining data sources led to:

↗ **20%**

improvement in new customer conversion rate

↗ **47%**

increase in revenue per visitor

↗ **US \$1.4M**

increase in annualized revenue

# Know **EXACTLY** where to look: Use look-alike modeling.

Hide and seek is simple if you know who you're looking for—and exactly where to look. After building a single view of your customer with a comprehensive list of attributes, you can start analyzing elements of your best customers. Which viewers are most engaged? How did they come to your site? What's their demographic profile? What's driving their engagement? Which audiences watch and engage with the most ads? Once you know them, you can find more of these high-value audience segments to fulfill advertiser demand or convert with other offers.

Look-alike modeling helps organizations target new customers by taking information gathered from their most valuable customers and using that data to find more customers with similar interests and behavior. By using best-customer data to find matching personas through third-party data sets, marketers can create messages that connect with thousands of prospective customers—who all share the same interests and traits as their most valuable customers.<sup>14</sup>

According to Digiday's recent "State of the Industry" report, simple look-alike modeling results in double or even triple the results of standard targeting. They have found that organizations most proficient at this approach have achieved up to five times the average return on investment in audience targeting.<sup>15</sup>

Audience management integrated with a strong data set can show media companies key information such as

- loyalty status (is this audience member a subscriber who uses the products daily?).
- customer purchase history (has this audience member also purchased a ticket to a live event?).
- specific search strings or purchase triggers (for instance, has this audience member visited an article on car purchases or a specific pricing page?).

With this level of segmentation, brands can create look-alikes of their most valuable customers and send personalized offers across channels. This capability helps brands extend their reach to consumers who are actually interested in the offers being presented, increasing the potential for conversions through relevant messages.<sup>16</sup>

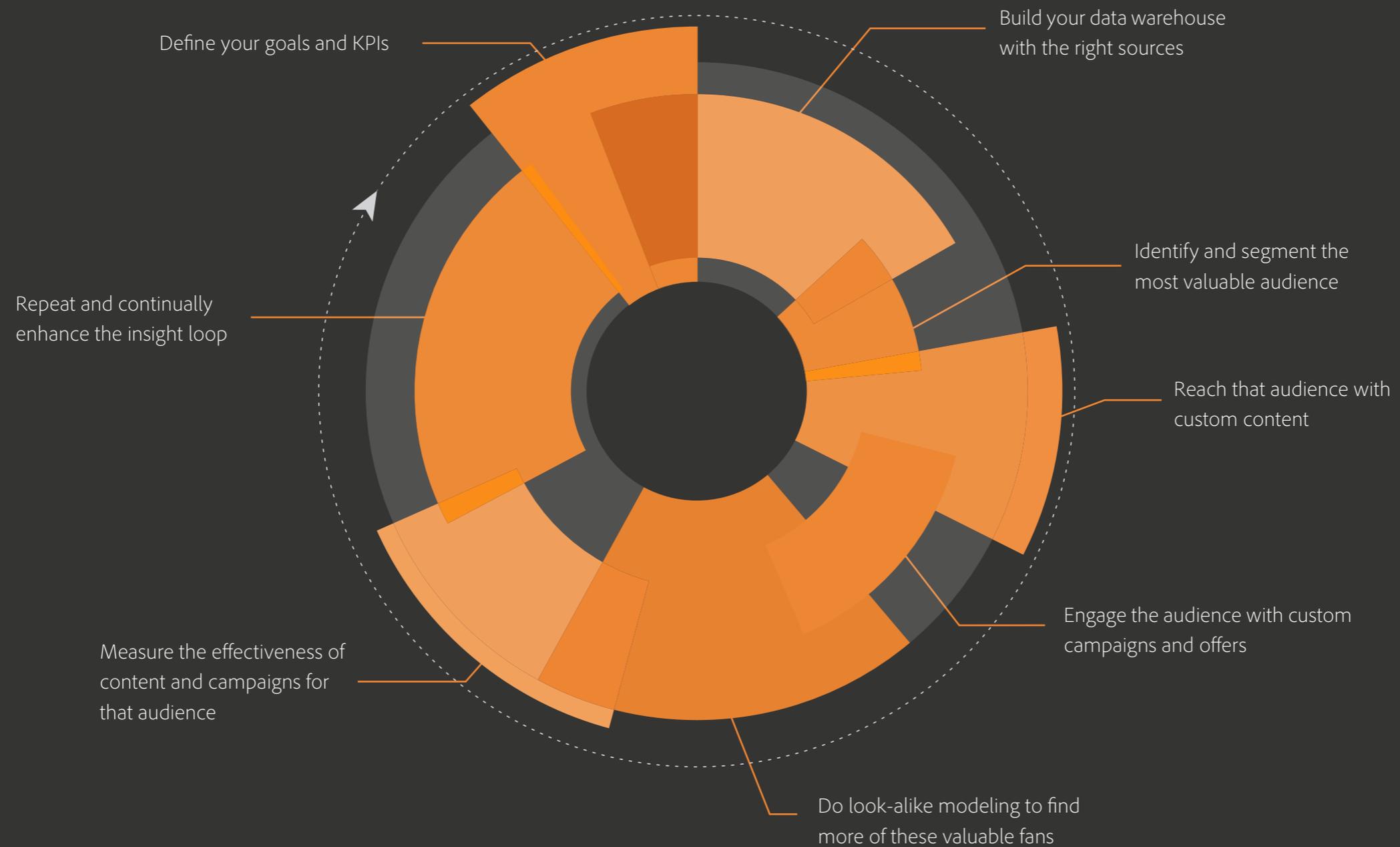
"The holy grail is tracking and measurement across every glass—from the television in the living room to the watch on your hand—and in-depth tracking of those interactions is what really matters," says Cooper.<sup>17</sup> The result will be that the most valuable customers' profiles can be segmented, activated, and presented as premium audiences and inventory to advertisers. At that point, media and entertainment executives can accurately predict what those audiences will do and where to find more of them. Child's play no more.

**"Simple look-alike modeling results in double or even triple the results of standard targeting."**

DIGIDAY

Adobe

# The audience intelligence **LIFECYCLE.**



# Ready or not, here I come. **BUILDING** a foundation for the future.

Based on the last 10 years, the only thing we can predict with certainty is change. As media companies capitalize on new technology and adapt to shifts in consumption, building a future-proof solution for audience intelligence is as important as sharpening your present-day data and analytics capabilities. Without it, media and entertainment companies can't find or build the most valuable audiences, satisfy advertisers' growing demands, or provide the right mix of advertising or direct subscription products.

Keep in mind that the digital landscape is expanding by the minute, and your data collection, integration, and activation need to keep pace. In the next five years, experts predict there will be more than 50 billion connected devices globally—that's 50 billion devices capturing and delivering data around the clock.<sup>18</sup>

And the future will be even more complex. As the Internet of Things takes hold, there will be more screens, more audience interactions, and more data—and more chances to serve up your content, grow ad inventory, or sell more value. But that's

only if your solution is future-proofed for these new screens and interaction points, most of which are still being designed.

With the right analytics and audience management platforms, media and entertainment brands can seek, find, and grow their most valuable and engaged audiences, paint a compelling and differentiated story for advertisers, and meet revenue targets. So whether you feel "ready or not," the time is right for advanced audience management. Let's play.

**“The holy grail is tracking and measurement across every glass—from the television in the living room to the watch on your hand—and in-depth tracking of those interactions is what really matters.”**

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**JENNIFER COOPER**

Director of Industry Strategy for Media and Entertainment  
ADOBE

## Adobe can help.

With Adobe Analytics and Adobe Audience Manager—both part of Adobe Marketing Cloud—media companies can overcome today's audience intelligence challenges.

Adobe Analytics is an industry-leading solution for applying real-time analytics and detailed segmentation across all of your marketing channels. A unified platform and customer ID unlock powerful customer intelligence and help you discover and retain high-value audiences. Make forward-looking decisions with its predictive intelligence capabilities, and find out which of your marketing efforts are paying off with its attribution functionality.

Adobe Audience Manager provides an ideal platform to unify internal data sources and connect with second- and third-party data providers so you have one customer profile across many different interactions. A full marketing suite means once your data is integrated, you can take action by running campaigns, activating audiences, and further segmenting—all while continually testing to dig deep into what really works for your business. You can then model the segments that are converting and are the most valuable so you can attract more of those consumers.

At Adobe, we want to empower media and entertainment companies along this journey as they seek their most valuable fans.

Visit <http://www.adobe.com/go/audience-intelligence> to learn more.

Adobe Marketing Cloud empowers companies to use big data to effectively reach and engage customers and prospects with highly personalized marketing content across devices and digital touchpoints. Eight tightly integrated solutions offer marketers a complete set of marketing technologies that focus on analytics, web and app experience management, testing and targeting, advertising, audience management, video, social engagement, and campaign orchestration. The tie-in with Adobe Creative Cloud makes it easy to quickly activate creative assets across all marketing channels. Thousands of brands worldwide—including two-thirds of Fortune 500 companies—rely on Adobe Marketing Cloud with over 30.4 trillion transactions a year.

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