Audience segmentation and measurement demystified
Unified user profiles transform media and entertainment marketing

Gaining a clearer picture of audiences
Traditional approaches to measuring and segmenting audiences in media and entertainment fall far short of the insights companies need to succeed today. Whether consumers are engaging with entertainment, edutainment, advertorial, video, gaming, or digital magazine content, the problem is the same. Despite advancements, marketers continue to struggle with how to attract new audiences, increase engagement, and transform visitors into loyal, long-term media consumers.

Depending on their specific industry focus, media and entertainment companies have relied on different methods to measure and segment audiences. Television broadcasters have traditionally used metrics such as Gross Rating Points (GRP) produced by Nielsen to help media companies value their TV broadcasts by measuring the size of a program’s audience. On the digital side, media and entertainment companies have turned to metrics from comScore VCE or Nielsen OCR to determine and justify cost per impressions (CPMs) and audience sizes of their properties, then set digital advertising revenue goals accordingly.

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<thead>
<tr>
<th>Nielsen GRP</th>
<th>comScore</th>
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<td>OCR online campaign ratings</td>
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<td>XCR cross-platforms campaign ratings</td>
<td>Brand safety</td>
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Nielsen and comScore offer different tools to measure audiences and advertising success.
Too broad for actionable insights

The problem is that both GRP and other popular ratings are broad-brush, panel-based measurements that tell media companies little about individual user preferences and behaviors. GRPs, for example, quantify viewership as a percentage of the population reached rather than absolute numbers reached.

Audience segments are defined loosely based on attributes such as household income, age, race, education, occupation, and location. Although these population segments are a good place to start, they do not give media companies a 360-degree view of specific audience segments that can serve as a stronger predictor of consumers’ ongoing behaviors related to brand loyalty or engagement preference of digital properties (inclusive of web, mobile, or video on demand).

Missing out on automated, technology-driven ad buying

Panel-based metrics and ratings also do not excel at correlating online and offline behaviors, nor do they holistically depict consumers’ use of multiple devices for media consumption, including IPTV, web, mobile, and other IP-connected devices. This lack of knowledge of profiles based on platform hampers media companies’ effectiveness in clearly targeting the most valuable profile or persona with personalized experiences and relevant advertising.

Clarity around each audience segment provides an important foundation in not only understanding user profiles and being able to identify the most valuable segments, but also in automating advertising (buying, placing, and measuring) inventory. With the advent of Real-Time Bidding (RTB) it is more important than ever to have a clear understanding of the most valuable audiences segments to optimize for the most effective advertising presentation.

In order to take full advantage of RTB, media marketers need a sound audience segmentation strategy. Furthermore, understanding the yield from mobile, web, over-the-top content, and other channels allows marketers to fine-tune their campaigns for each environment. Measuring advertising yield is both an art and a science, but everything starts with understanding the most valuable audience profile on every device and channel.

eMarketer estimates that RTB digital display ad spending in the United States will total $4.86 billion in 2014, making up 22% of total display ad spending. By 2018, that amount will reach $12.02 billion and account for 29.5% of all U.S. digital display ad spend. Its popularity is growing, particularly because RTB increases the value of ad impressions and improves returns for media buyers, which has a positive impact on advertising yield management.

According to the same eMarketer report, the media and entertainment industry is benefitting specifically from rapid adoption of mobile RTB ad spending. Entertainment grew its share of mobile RTB ad volume by more than 46% between Q4 2013 and Q1 2014, from 26% to 38% as a percentage of total mobile impressions served worldwide by mobile RTB ad exchange Smaato. With these levels of growth, companies that do not harness the power of automated RTB for ad buying stand to be left behind.

Leveraging unified user profiles

Understanding the most valuable audiences and engaging directly with them in more personalized ways is arguably the single most important task for digital marketers in media and entertainment. The first step is to connect audience attributes across all consumption devices and options, thereby creating a unified user profile. Aggregating these profiles into audience segments, marketers can begin to connect the right audience segment to the right content on the right device. This practice highlights a primary advantage that Adobe Marketing Cloud solutions deliver to media and entertainment companies.
Unified user profiles can be created by combining first-, second-, and third-party data across all channels to create 360-degree views of audience segments. This can be accomplished through a data management platform (DMP) such as Adobe Media Optimizer and its audience management capability.

Data Management Platforms combine first-, second-, and third-party data across all channels to create a 360-degree view of key audiences.

**Unlocking actionable insights**

Throughout the process, media marketers can gather data about customers’ digital activities using solutions such as Adobe Analytics. Adobe Analytics provides market-leading capabilities that enable marketers to unearth deep insights about customers’ online behaviors through sentiment analysis, predictive analysis, attribution modeling, advanced segmentation, and more. Combining these capabilities with a DMP solution like Adobe Media Optimizer empowers marketers to aggregate customer data across channels and content type to gain a comprehensive view of desired audiences.

Digital video (live and on-demand) is a key staple for the media industry. Enabling the most personalized experience for video consumption requires understanding fan base and audience characteristics in detail. Media companies can use Adobe Primetime to deliver, protect, analyze, and monetize digital video. Adobe Primetime offers advanced video measurement that gives video publishers the capabilities to monetize their digital video assets. In addition, real-time executive dashboards show the impact of video across all marketing channels.

Armed with these technologies, media marketers can also use Adobe Target to take action and deliver personalized, relevant, and engaging content and subscription offers that resonate with media consumers. The data generated can be fed into a closed loop marketing process to empower marketers to continually improve by further measuring audience impact, devising ongoing optimization strategies, and extending brand loyalty through personalization.

**Meaningful metrics for media brands**

Enhanced data management and analytics capabilities also make it easier for media marketers to take advantage of strategies such as look-alike modeling. Once media companies have identified their best segments, they can apply this intelligence for audience discovery. In an environment where the audience is anonymous, applying a look-alike model provides additional insight to help identify valuable segments.
Legendary magazine publisher Condé Nast understands the value of audience measurement and segmentation. The company has adapted well to the digital era: its brands today include 18 consumer magazines, four business-to-business publications, 27 websites, and more than 50 apps for mobile and tablet devices. The publisher sought to understand the dynamics involved when consumers interact with digital editions of its magazines and other offerings in order to talk confidently with advertisers to give them more meaningful metrics about reader engagement.

Christopher Reynolds, executive director of Condé Nast’s research and insight group, sought out new ways to provide Condé Nast and its advertisers with clearer measurements of how each publication was performing across channels. For years, Reynolds and his team relied on Adobe Marketing Cloud solutions to measure the performance of Condé Nast’s online properties and share data across internal teams and with advertisers. To better support increasing demand for digital editions, Condé Nast expanded its use of Adobe Marketing Cloud by adopting solutions that verify metrics on audience size and engagement for digital magazines, as well as for websites, video, and mobile applications.

With Adobe solutions, Condé Nast obtained detailed, issue-level insight into the behaviors of digital edition readers. The company learned which of its marketing tactics helped deliver a 50% increase in traffic. Granular analytics enabled Condé Nast to view issue-level data related to content in digital editions. The company was able to respond in a timely way to emerging trends in digital readership through near real-time reporting.

Adobe solutions give Condé Nast managers an excellent view into how readers are consuming digital magazine content in each issue delivered to a variety of popular devices.

**Conclusion**

The landscape in media and entertainment has undergone dramatic shifts that have spurred rapid changes in how consumers interact with brands and content. Given vastly increased complexity and opportunities to engage with audiences, media marketers are looking for better ways to reach new customers, retain and convert them to subscribe to new offers and services, and keep them coming back to deepen brand loyalty.

It is vital to know audiences through detailed data and clearly defined, unified customer profiles. Accomplishing this requires:

- Understanding all audience segments
- Determining which segments are the most valuable
- Relying on data to drive the right marketing practices to optimize experiences for identified audiences
- A commitment to continually analyzing, testing, and taking action on current data

Media marketers are automating data capture and analytics using proven Adobe solutions such as Adobe Analytics Premium in combination with Adobe Media Optimizer, which can combine all data into unified user profiles. With the right tools on hand to accelerate and automate data management and analytics, marketers can turn multichannel data into valuable insights that influence strategies for successful, profitable outcomes.
About the author

As director of industry strategy for media and entertainment at Adobe, Jennifer Cooper brings more than 20 years of experience in sales, business development, and strategy management in the technology, publishing, and digital media industries. Her work with C-level digital media executives provides her with extensive knowledge of the publishing, media, and entertainment industries, as well as best business practices in adopting Adobe Marketing Cloud and other solutions. Prior to joining Adobe, Cooper was founder and CEO of Mixercast, a social applications company. Before that she served as executive director of business development for Yahoo! Inc., where she designed and launched Yahoo!'s first video subscription service and managed large media industry relationships including Hearst, Scripps, ABC/Disney, Viacom, Time Warner, Fox, and NBC Universal.

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