

WHAT'S NEXT

EMOTIONS GIVE A LIFT TO ADVERTISING

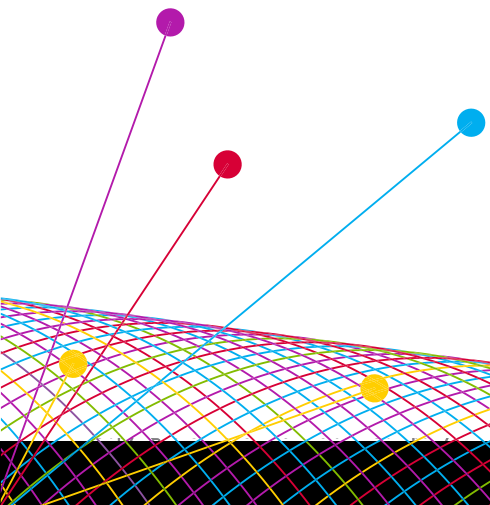
BY DAVID BRANDT

Our interactions with media are the staples of our daily lives: In the U.S., we spend nearly five hours every day watching live TV, another half hour watching time-shifted TV, more than two-and-a-half hours listening to AM/FM radio, one-and-a-half hours on our smartphones and one hour online on a laptopⁱ. Throw in game consoles, DVD playback and other multimedia devices, and our media time nearly adds up to a whopping 12 hours a day.

We have 50% more TV channels at our disposal today than we did merely five years agoⁱⁱ. With those new TV channels and other media sources stealing share away from established outlets, high ratings are certainly less common today than they were in the past. But that fragmentation, that “redistribution of wealth,” doesn’t change the fact that people are using media as much, if not more than before. They might be harder to find, but they’re out there. And contrary to popular belief, they’re as willing as ever to trust the ads they see on television. In fact, respondents in a Nielsen global survey consistently rank TV ads as one of their most trustworthy sources of advertising, far above ads on radio, online, mobile, social networks or even emails for which they opted inⁱⁱⁱ.

So if TV is still the mass medium it was before, and audiences are as receptive to TV advertising as they’ve ever been, is it business as usual for advertisers and agencies working on the next killer ad campaign? Not at all: The complexities of today’s media environment are making it that much more important to understand one’s intended audience, design an ad that truly resonates with that audience, and buy the right media to distribute it. Advances in segmentation systems, programmatic buying and other supply-chain developments are important, but no amount of technical prowess can compensate for a poor creative.

In this environment, understanding what consumer neuroscience can add to the strength of your advertising is crucial.



KEY TAKEAWAYS

- Out of all media options today, TV remains one of the most trustworthy sources of advertising. But it's increasingly fragmented and consumers are harder to reach (and convince) than ever before. This puts the onus on quality advertising—in particular advertising that can trigger an emotional response.
- Before a campaign launches, consumer neuroscience tools are ideally suited to measure and optimize emotional response. Post-launch, the solution is a robust survey-based system to measure an ad's emotive power (and that of its competitors).
- To be relevant, a new performance metric has to be validated against your ROI objectives.

THERE IS SUCH A THING AS BAD ADVERTISING

There's simply too much clutter these days to neglect the quality of the creative. Viewers are bombarded with ads all day every day. Consider this: 15 minutes of every hour of paid television are allocated to ads. And assuming all ads are 30 seconds long, that translates to 150 ad exposures a day (30 ads per hour for five hours) on TV alone^{iv}. Add in online video ads, digital ads and all the other branded messages we're exposed to in our daily lives, it's easy to see how hard an ad has to work to truly connect with its audience.

But what exactly is involved in building that connection? The industry has a long history of measurement solutions based on metrics like recall, recognition, intent, consideration, etc. Those metrics are all important for assessing an ad's impact on its intended audience, and understanding what works and what doesn't work on the path that leads from brand exposure to product consumption. But by and large, these metrics fail to capture whether the ad creates an emotional connection with the viewer.

EMOTIONS ARE CENTRAL TO ADVERTISING EFFECTIVENESS

And emotions are central to advertising. There are many theories about how advertising works, but the general consensus across all modern theories is that emotions are at the heart of the relationship we have with brands. They influence our conscious decisions and drive our non-conscious decisions.

Did you ever watch a commercial, hear a jingle and couldn't get it out of your head? Or see imagery that seemed unrelated to the brand at the time but is now indelibly connected to that brand in your mind? Those types of images and slogans are often associated with very effective ad campaigns, but they're hardly telling us anything informative about product attributes. Of course, message-based advertising is important, and communicating product attributes is still an essential part of the job for all brand managers. But more often than not, consumers base their decisions on less-than-rational considerations: Instinct, gut-feel, fit, impulse.

OUR DECISIONS ARE DRIVEN BY EMOTIONS



This model is based on research by USC Professor Antonio Damasio

HOW THEN CAN WE MEASURE EMOTIONS?

If those emotional values are intangible, how then do we measure them? Direct response surveys can be very misleading because they require respondents to express—and therefore rationalize—their emotions as feelings. Emotions are instinctive reactions to external stimuli, whereas feelings are the mind’s interpretation of those emotions—and are therefore subject to personal bias, culture, setting, past experiences, ingrained beliefs. In addition, many emotions don’t break the surface of conscious awareness to even begin to be interpreted as feelings.

For many modern researchers, the best way to evaluate emotions is by using techniques that can directly measure neurological and biological reactions (heart rate, sweat, posture, facial reactions, electrical impulses in specific regions of the brain, etc.). Those techniques are collectively referred to as neuroscience, and recent technical innovations (greater precision, portability, hybrid methods, etc.) are helping break new ground in our understanding of consumer behavior and setting a new standard for copy testing.

USING NEUROSCIENCE FOR COPY TESTING

There are multiple advantages to using consumer neuroscience techniques, which is why their use in copy testing has been expanding rapidly. These include the ability to read consumer responses to an ad at both conscious and non-conscious levels (the latter being important to driving behavior) and to do so on a second-by-second basis. Understanding precisely what is working and what exact sections need improvement is critical to brand managers and creative directors looking to optimize their ad.

While early approaches to neuroscience-based measurement were expensive and not scalable, recent advancements mean that prices are now competitive with traditional copy test approaches, and the techniques are now scalable and easily executed all over the world. Moreover, as data has accumulated, we have been able to validate that neuroscience-based measures are predictive of sales effects.

The following chart illustrates findings from a study of 100 recent ads across 25 brands in the fast-moving consumer goods (FMCG) industry. Those ads were grouped into three buckets according to how they scored on a metric based on people's electroencephalogram activity (EEG¹) while viewing the ad ("Below Average," "Average" and "Above Average"), and using robust marketing mix modeling², each ad's contribution to sales volume was computed against the average ad for that brand. Overall, we found that ads that generated above-average EEG scores were associated with a 23% lift in sales volume over what an average ad would generate (and conversely, below-average ads were associated with a 16% decline in sales volume).

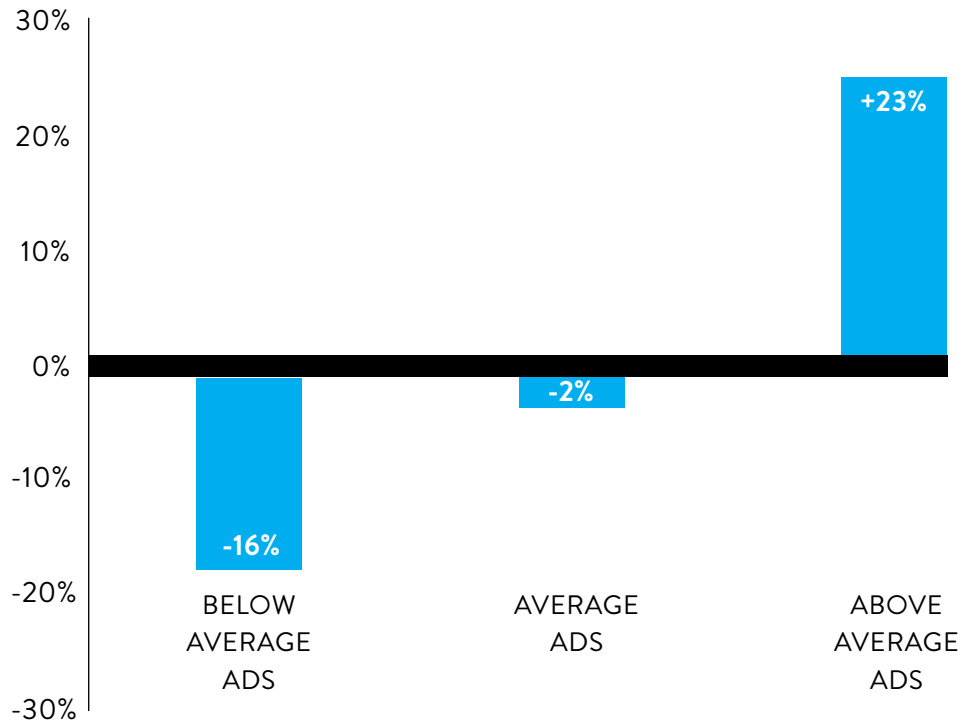
ADS THAT GENERATED ABOVE-AVERAGE EEG SCORES WERE ASSOCIATED WITH A 23% LIFT IN SALES VOLUME

¹Electroencephalography (EEG) is a very precise technology that uses electrodes placed in contact with participants' scalps to track and record patterns of brain wave activity. Traditionally used in clinical environments to diagnose epilepsy and sleep disorder, it's become a valuable tool in marketing to measure a consumer's non-conscious response to advertising communications.

²Marketing mix modeling (MMM) is the use of statistical analysis to estimate the past impact and predict the future impact of various marketing tactics on sales.

ADS WITH THE BEST EMOTIONAL RESPONSE GENERATED A 23% LIFT IN SALES VOLUME

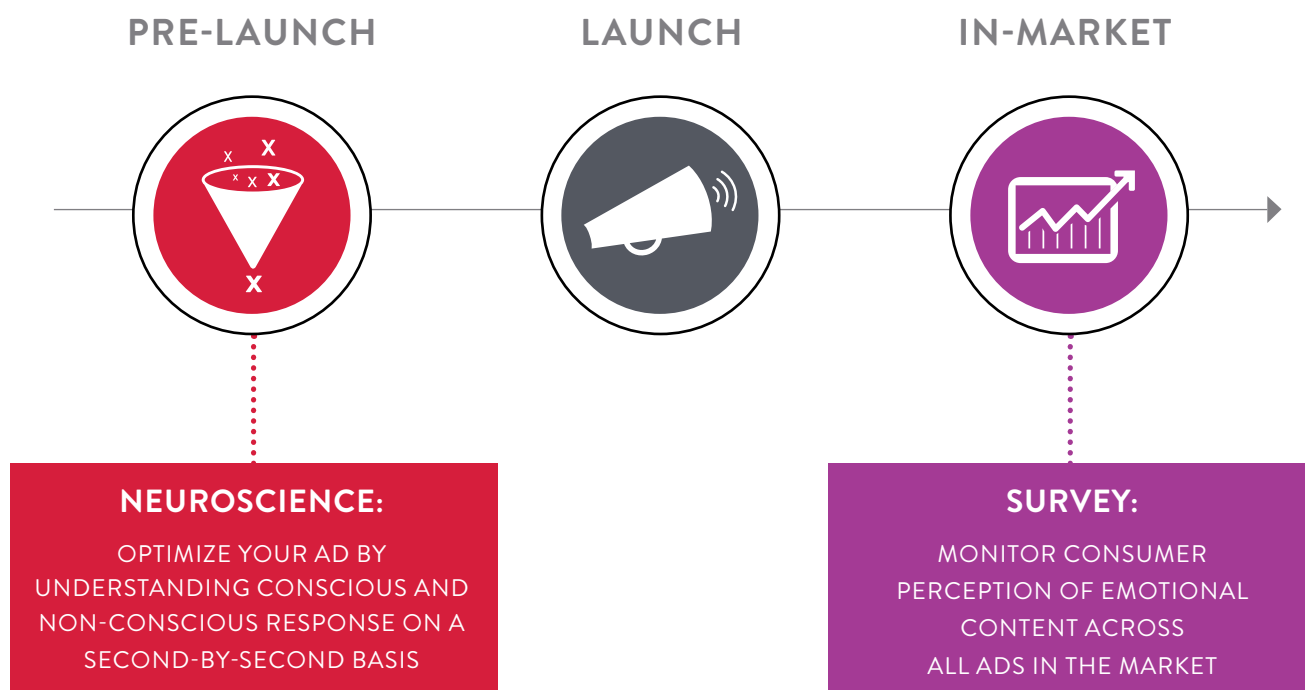
LIFT IN SALES VOLUME VS. ALL ADS FOR THE BRAND



Source: Nielsen Consumer Neuroscience Internal Study - FMCG brands - 2015

With such strong results, neuroscience measures are clearly the way forward today for copy-testing applications. But what happens once the ad has launched? For in-market performance measurement, where we need to measure more than one ad at a time in an efficient fashion, tools like EEG headsets, eye-tracking cameras or biometric belts are a bit cumbersome—to say nothing of Functional MRI scanners! To answer the need to monitor performance and syndicate results across the large volume of ads that make it to market every day, surveys are still more efficient—but not any kind of survey.

A NEW FRAMEWORK TO MEASURE EMOTIONS ACROSS AN AD'S LIFECYCLE

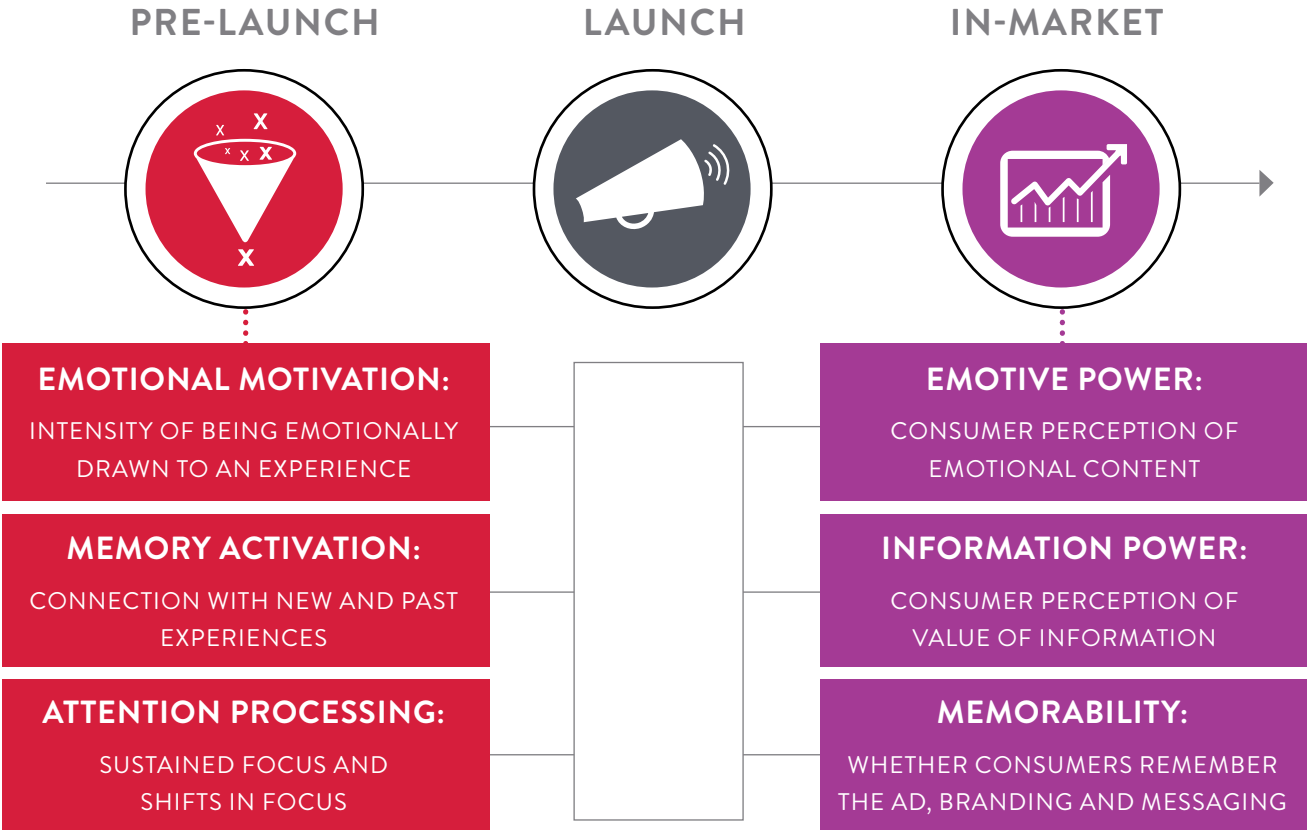


USING THE RIGHT SURVEYS TO MEASURE IN-MARKET PERFORMANCE

Measuring an ad's in-market performance requires the right kind of survey. We have found that tangential questioning is a good solution for in-market research. It's a survey technique used to capture responses to difficult questions by triangulation. For example, instead of asking straight up whether the ad they just watched made them happy, we may ask respondents whether the ad was original, stylish, etc. and compute an emotional score from their combined responses. The former ("Did the ad make you happy?") would require respondents to recognize their feeling in the first place, rationalize their interpretation of that feeling, and make a judgment call that could be skewed by their sociocultural background and by the testing environment: Some respondents might change their answer if someone else is around, for instance, or a young mother might be more sensitive to an ad that features young children. On the other hand, the tangential questions ("Was it original?" "Was it stylish?") lend themselves to much more straightforward judgment calls—and a more accurate understanding of people's intangible reaction to the ad.

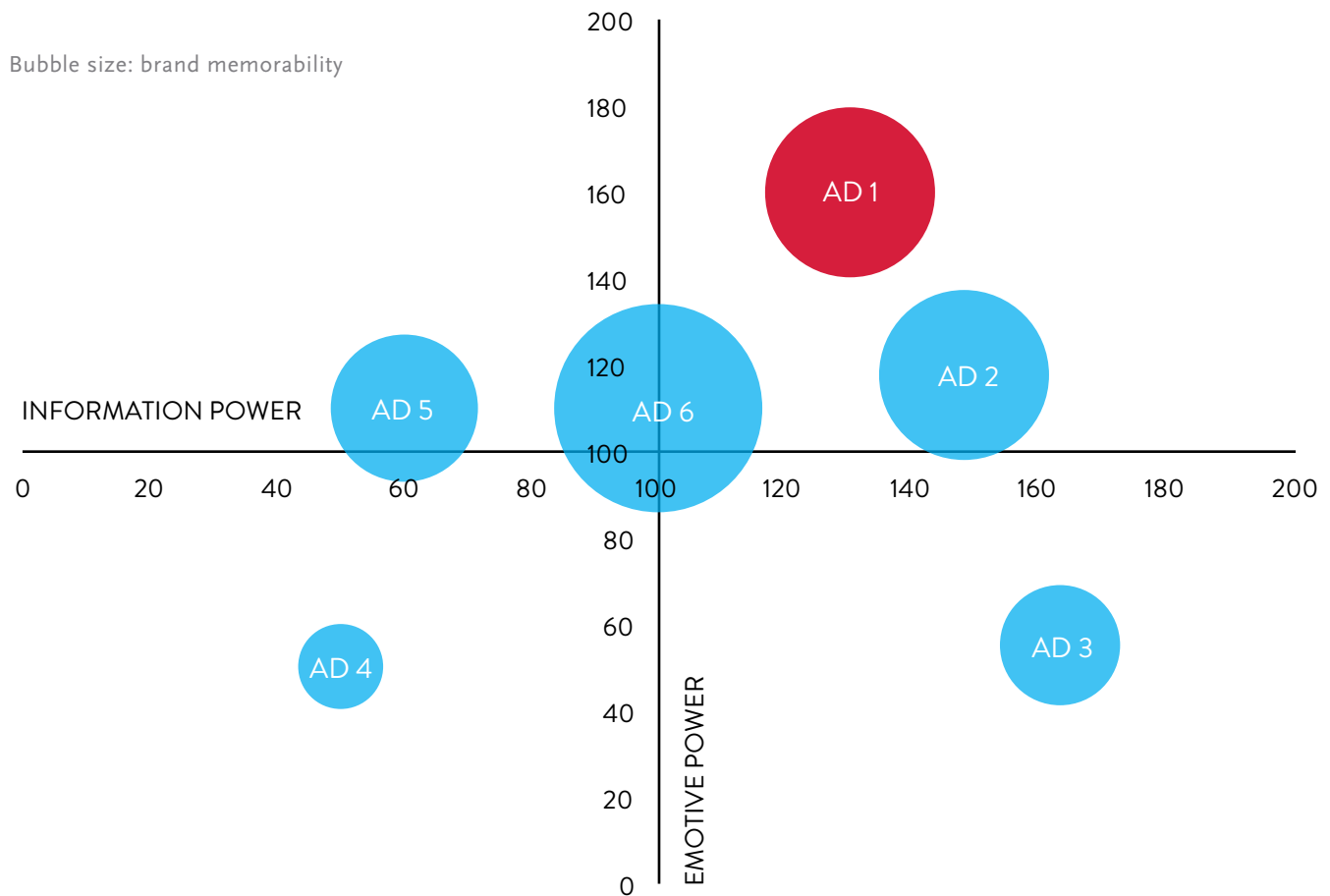
With experimentation, practice and solid research to validate the findings, we can devise a survey-based creative evaluation framework that takes the emotive power of a commercial (its capacity to elicit an emotional response from consumers), its information power (its capacity to convey information that's relevant to viewers) and its memorability (how well viewers remember seeing it) to paint an effective picture of a creative's overall qualities^v. And if we can develop those metrics so that there is a relationship with what we measure using neuroscience in copy testing, we end up with a very coherent pre- and post-launch system to assess an ad's performance across its lifecycle^{vi}.

ALIGNING PRE- AND POST-LAUNCH METRICS TO MEASURE EMOTIONS



As long as the right setup is in place (good sample size for each ad, sound recruitment techniques, representativeness, normal viewing conditions, etc.) and enough ads are tested to develop norms by region, population group, or product category, this framework can be an invaluable competitive assessment tool for the industry. As the following chart shows, one can literally map out where a new ad stands compared to its predecessors and its competitors, assess whether it's hitting the mark with its audience and adjust the media schedule or the creative itself to make the most of those findings.

VISUALIZING AD 1'S PERFORMANCE VS. COMPETITORS



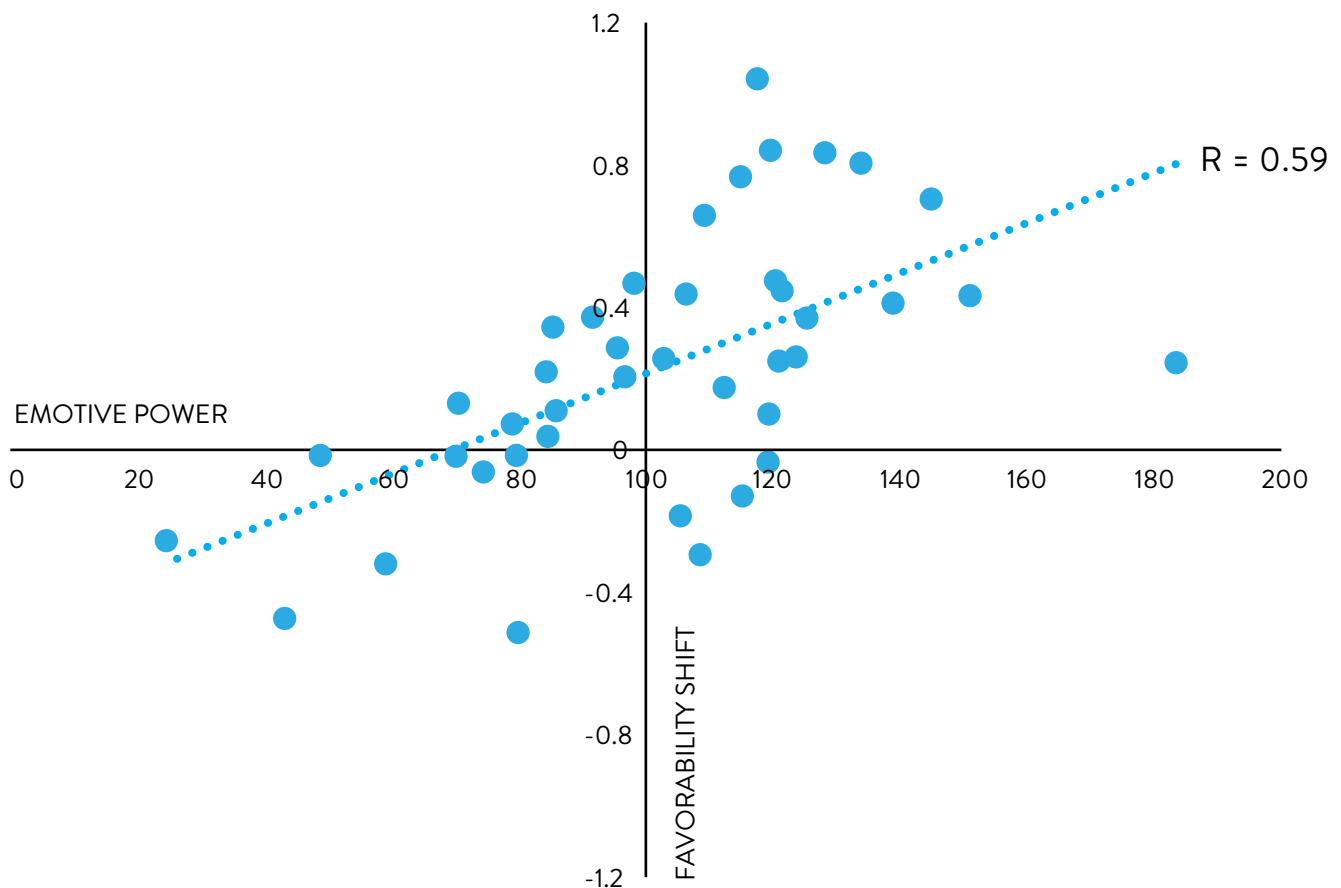
PERFORMANCE METRICS REQUIRE VALIDATION

None of this matters, however, if the metrics don't correlate with measures that are relevant to the advertiser: sales volume, for instance, or sales frequency, market share, churn reduction, lift in brand equity, etc. There's no shortage of market research datasets and measures in use in the marketplace today. As long as those datasets are from reputable sources, they should be central to the development, and validation, of upstream metrics like emotive power.

The framework and measures outlined above are based on research conducted by Dr. Robert Heath, a senior lecturer at the University of Bath in Great Britain and a longtime innovator in the field of Advertising Theory. With the help of Drs. Agnes Nairn and David Brandt, Dr. Heath conducted a validation study in which he examined the emotive power

of 43 TV commercials, and its potential correlation to shifts in brand favorability—an ROI metric that measured the extent to which someone might develop a more favorable opinion of a brand as a result of ad exposure. This analysis, published in the *Journal of Advertising Research*^{vii}, confirmed that there was a significant correlation between emotive power and a positive shift in brand favorability.

CORRELATION BETWEEN EMOTIVE POWER AND SHIFT IN BRAND FAVORABILITY



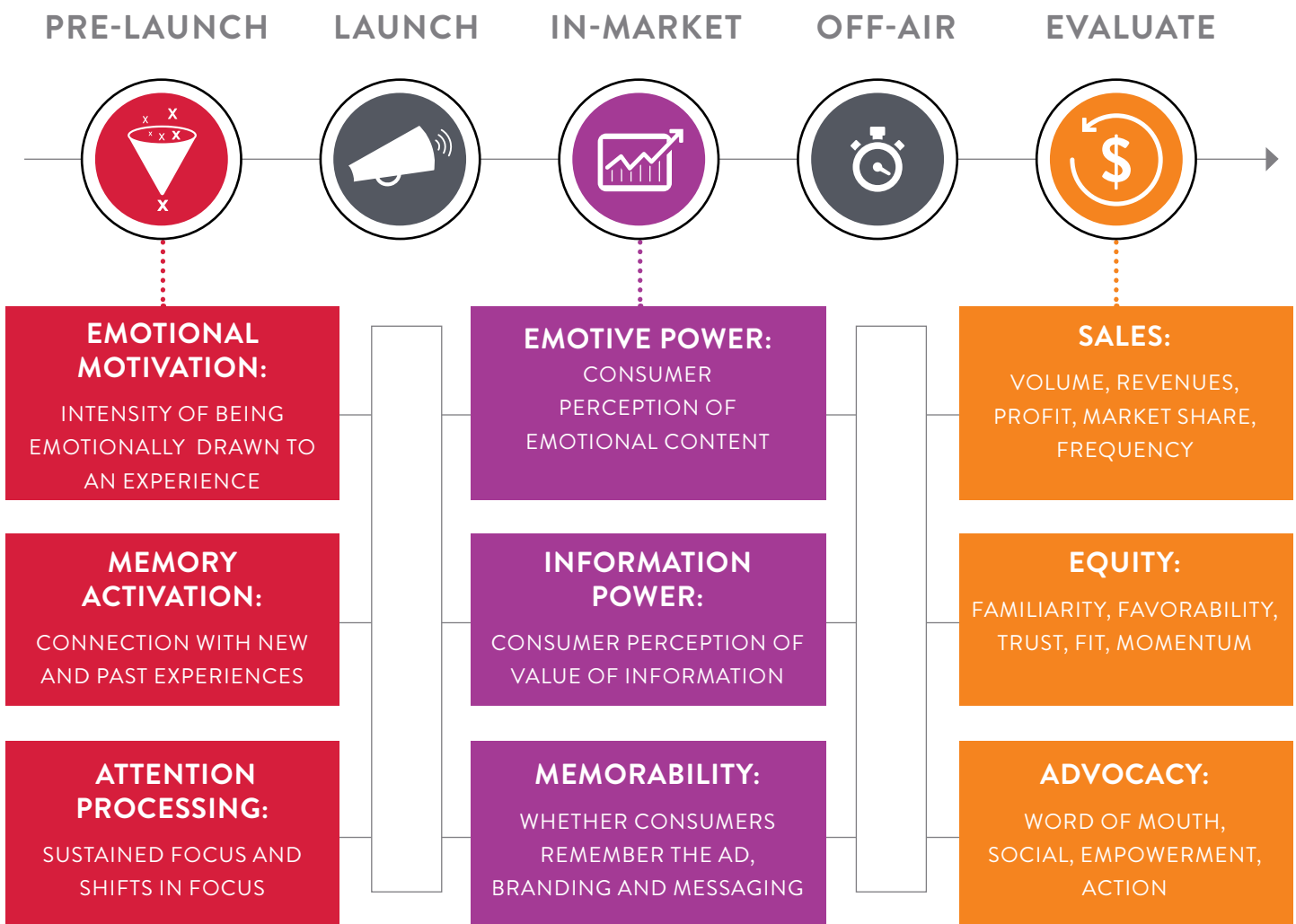
This is just one example of the type of work that is necessary in order to validate a new metric. When we develop a new metric to understand real-life behavior, it's easy to get caught up in the beauty of one theoretical model or another, but without validation work against relevant ROI measures of performance, the usefulness of that metric will always remain suspect. As practice catches up to the theory and we start to deploy exciting new measurement methods, it's important not to lose sight of the fact that scientific inquiry, statistical principles and real-life validation are an integral part of that work.

MEASURABLE PROGRESS

Today, the market research industry finds itself at the confluence of a number of fascinating trends: Media outlets are proliferating, consumers are more and more empowered to watch what they want when they want it, personal data is being captured on a massive scale, and research tools are finally available to help us understand the complexities of human behavior. Seen through the lens of traditional advertising models, consumers today might appear more elusive, more erratic in their decision making, but innovative models that take emotions into account can help make sense of it all.

And help consumers truly connect with your brand.

A COMPREHENSIVE APPROACH TO MEASURE EMOTIONS INCLUDES ROI METRICS



ABOUT NIELSEN'S SERVICES TO MEASURE EMOTIONS

Nielsen Consumer Neuroscience offers the industry's most complete suite of neuroscience-based tools at global scale to offer unique insights based on both conscious and non-conscious consumer responses central to emotions and behavior. TV Brand Effect, Nielsen's tool for measuring an ad's ability to break through and leave a memorable impression with viewers based on real-world exposure, is syndicated in the U.S. and the U.K., and non-syndicated in France, Germany, Italy, Russia, China, Australia and Mexico. Creative Evaluation, a module within TV Brand Effect, measures the consumer perception of an ad's ability to connect emotionally and communicate valuable information. This module is currently available in the U.S. with plans to expand globally.

ⁱNielsen Total Audience Report Q1 2015

ⁱⁱNielsen 2014 Advertising and Audiences Report

ⁱⁱⁱ2015 Nielsen Global Trust in Advertising Report

^{iv}Nielsen 2014 Advertising and Audiences Report

^v2015 Nielsen Webinar, the Power of the Creative | the Science behind the hype

^{vi}2015 Nielsen Webinar, the Power of the Creative | Reconciling the Spoken and the Unspoken

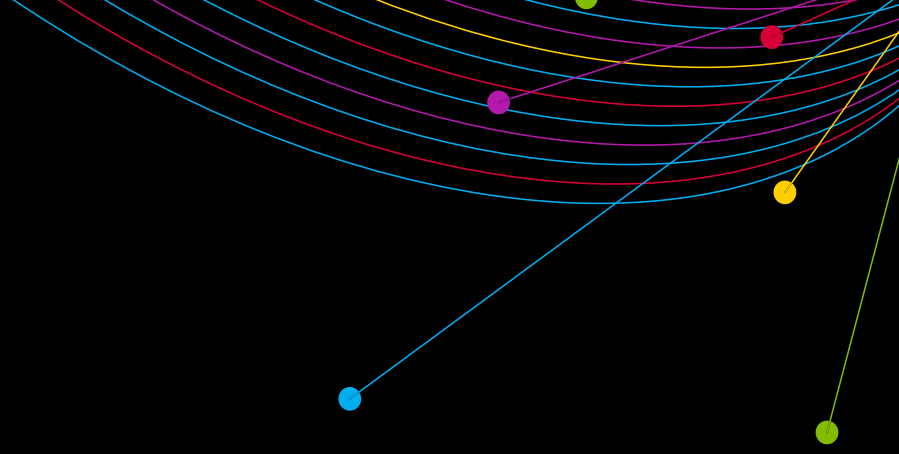
^{vii}Brand Relationships: Strengthened by Emotions, Weakened by Attention

ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers watch and buy. Nielsen's Watch segment provides media and advertising clients with Total Audience measurement services for all devices on which content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen also provides its clients with analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries, covering more than 90% of the world's population.

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