

Behavior-Based Media Planning

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New Media Planning Method Uses Actual Customer Behavior to Identify the Best Media Opportunities

Marketers have long depended on demographic and psychographic profiles when planning advertising campaigns. After profiling their target audience by factors such as age, income, gender or attitudinal profiles, advertisers use various planning tools to find the media channels that will most effectively reach them. A plethora of simple and sophisticated statistics is available to help this process.

Online media planning has followed this offline model, using demographic and psychographic profiles to select media. But while this type of targeting is an essential part of any marketing strategy, it has its limitations. By definition, these profiles narrow the focus of marketing strategies, and by doing so, risk missing important groups of valuable customers. However, a new planning method called *Behavior-Based Media Planning* (BBMP) takes a completely different approach, basing site recommendations instead on where actual customers are on the Internet.

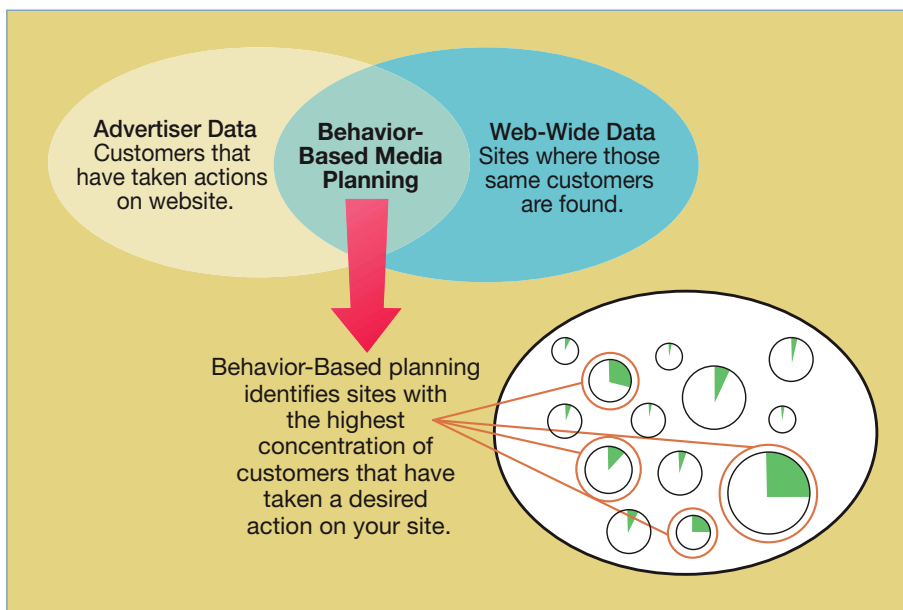
Birds of a Feather: The Basics of Behavior-Based Media Planning

BBMP ignores traditional demographic and psychographic definitions. Rather than defining a target group by age, gender or income, behavior-based profiles are created by identifying users who have actually performed a desired action or set of actions. Thus, instead of making best guesses as to who is visiting your site, registering for newsletters and sweepstakes, playing games, or purchasing online, BBMP identifies users that have actually performed such actions. BBMP then seeks to identify the placements across the Web that have the highest concentrations of these same target users.

The logic behind BBMP is well summed up by the adage “birds of a feather flock together.” A site that attracts a high concentration of your target users is probably attracting

Behavior-Based Media Planning Generates Real Results

Atlas has demonstrated the effectiveness of Behavior-Based Media Planning using its Site Finder planning tool. In a four-week test comparing traditional planning with behavior-based planning, 75% of sites found using behavior-based planning outperformed the average performance of all test sites. Further, the Cost per Primary Action (CPA) of Site Finder recommended sites was 37% lower than that of the other test sites.



others like them. It may be the demographic or psychographic makeup of the site, a synergy between the site’s content and your product category, or even a new class of customers that have found a unique utility for your product. Whatever that “something” is, BBMP tools highlight associations between your target group and site populations. BBMP tools work because:

- 1) They identify the sites and placements that maximize the probability of reaching your current customer base.
- 2) By finding sites and placements with high concentrations of your customers, they increase the likelihood of finding other potential customers like them.
- 3) Rather than building a model of your customers, your customers are your model. No abstraction step is necessary. This saves time and money.

A key advantage of BBMP tools is that they use the entire universe of online customers to base site recommendations. BBMP tools also help advertisers find “diamonds in the rough”—smaller and less obvious sites that never would have been considered for the buy. This is especially valuable considering that the majority of third-party planning tools only report on the overall populations of the largest sites.

Behavior-Based Media Planning tools can be used in innovative ways to help a variety of companies with different marketing models and goals. An example is companies whose primary online focus is branding (i.e., their customers spend significant amounts of time online, but primarily purchase offline). Since many such companies don’t garner significant site activity to identify detailed behavior-based target groups, they are using surveys and promotions to identify their customers online.

How Behavior-Based Media Planning Tools Work

BBMP tools require two pieces of data:

- 1) A list of target users
- 2) Site visitor sample populations

By comparing these two pools of data, one can compare concentrations of target users across sites. The following example uses a target list of cookies that have purchased from the advertiser.

In Figure 1, a target list includes seven cookies (#111, #222,...#777) identified as buyers. Only one cookie from the sample of Site A’s users matches the target list while Site C has the most overlap with four matching cookies.

At first glance, these results would support a decision to purchase media on Site C. But it’s not enough to know where most of your customers are online. Although Site C has the highest raw number of buyers (4 of 12, or 33%), Site B has the highest concentration of buyers (3 of 7, or 43%). This is a subtle but very important distinction.

Target Customer List: Cookies Identified as Buyers	Cookie Samples from Different Sites		
	Site A	Site B	Site C
Cookie #111	#222	#222	#111
#222	#121	#555	#333
#333	#456	#666	#444
#444	#553	#517	#777
#555	#767	#633	#100
#666		#665	#323
#777		#789	#346
			#459
			#637
			#747
			#876
			#929
Percent of Buyers in Site Populations	1 of 5 20%	3 of 7 43%	4 of 12 33%

Figure 1: Finding target customers on other sites

Unlike broadcast media such as television, where advertisers reach all the viewers of a given program, a typical online media buy only reaches a fraction of a site’s overall visitors. Therefore, to maximize the probability of reaching target customers, advertisers should choose sites with the highest concentrations (highest percentage of impressions) of those target customers (Site B in the above example).

The Atlas Institute Proves Effectiveness of Behavior-Based Media Planning: Atlas Site Finder Test

As one of the leading third-party ad serving companies, Atlas has amassed a wealth of anonymous user samples from the top 600 publishers. By cross-referencing these samples with activity information on advertiser websites, Atlas developed *Atlas Site Finder*, the industry's first Behavior-Based Media Planning tool.

The Site Finder test involved six leading online advertisers. Sites recommended by Site Finder were compared against sites that were chosen by media planners using traditional planning techniques. In each case, the sites recommended by Site Finder were not sites that typically would have been chosen through demographic or psychographic planning. Each advertiser had identified a primary conversion on their website (e.g., page views, registrations and sales) and Cost per Primary Action (CPA) goals to evaluate the results of the campaign.

What We Learned

The test campaigns ran for approximately four weeks. Post-campaign ROI analysis revealed that across advertisers, Cost per Primary Action (CPA) of Site Finder recommended sites was 37% lower than the other test sites. Furthermore, three-quarters of the sites found with Site Finder out-performed the average performance of all test sites. These successes led the advertisers involved in the test to renew advertising on 89% of the Site Finder-recommended sites.

What This Means for Advertisers

Whether online or offline, demographic and psychographic targeting is an essential part of any marketing strategy. However, Behavior-Based Media Planning tools can and should be used in conjunction with traditional planning metrics to build more effective media plans. BBMP tools have proven themselves to generate real results. In a world where media planners are looking for every edge to produce innovative media plans that work, Behavior-Based Media Planning tools represent a new generation of marketing intelligence that will become a standard part of the planner's strategic arsenal.

About the Atlas Institute

The Atlas Institute is the research and education arm of Atlas, a provider of accountable marketing tools and expertise for agencies, marketers, and publishers. The Institute publishes Digital Marketing Insights, a series of publications by Atlas senior marketing analysts and digital marketing experts that help our customers improve their digital marketing effectiveness. Many of these findings are also made available to the digital marketing industry at large. Each Digital Marketing Insight report is designed to help marketers more successfully build value with their customers, throughout the customer lifecycle: from awareness to acquisition and from retention to growth. The Atlas Institute also provides education in digital marketing to Atlas customers and partners. To view a full listing of the Atlas Institute's Digital Marketing Insights, please visit www.AtlasSolutions.com/insights.