

Cross-promotion is critical to VOD success

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The key risk in long-form video-on-demand (VOD) advertising is producing and hosting content that nobody ends up seeing. This case study, from a leading brick-and-mortar retailer, reveals a key driver of campaign performance that could determine the success or failure of your VOD initiatives. In this Digital Marketing Insight, we quantify the importance of cross-promotional spots to increase VOD viewership, and show the impact of those cross-promotions based on when they were delivered.

A VOD promotion shown before prime time is up to 600% more effective than one shown midday.

Free VOD is at an early, unformed stage and many users know neither of its existence nor how to access it; current research estimates free VOD usage rates of less than 15% of households with access. Consequently, many free VOD advertising campaigns include “Branded Navigational Units” (BNUs): thirty-second promotional spots that run on standard cable channels and promote the free VOD content that the cable operator has placed on its service. For example, an advertiser may place multiple five-minute free programs describing their products on the operators’ platforms and also run BNUs teaching how to access the long-form ad content. From a recent campaign, we captured the following data from several designated market areas and all major dayparts: number of VOD views, number of BNUs shown, estimated BNU gross rating points, and estimated BNU targeted rating points. With these data, we assessed the impact of BNUs on VOD viewership while accounting for other factors like time-of-day.

Discussion of research

The first question is, “Do BNUs affect VOD viewership?” The answer is a resounding yes; we estimated almost 25% of VOD views were driven by BNUs. Using regression, we estimated both the impact of BNUs overall and how efficiently BNUs increased VOD views during different times of day. Our model showed an important interaction effect—BNU impact varies with time of day. The performance of a BNU in every estimable daypart is shown in Figure 1.

Figure 1: Indexed Impact of BNUs on VOD viewing

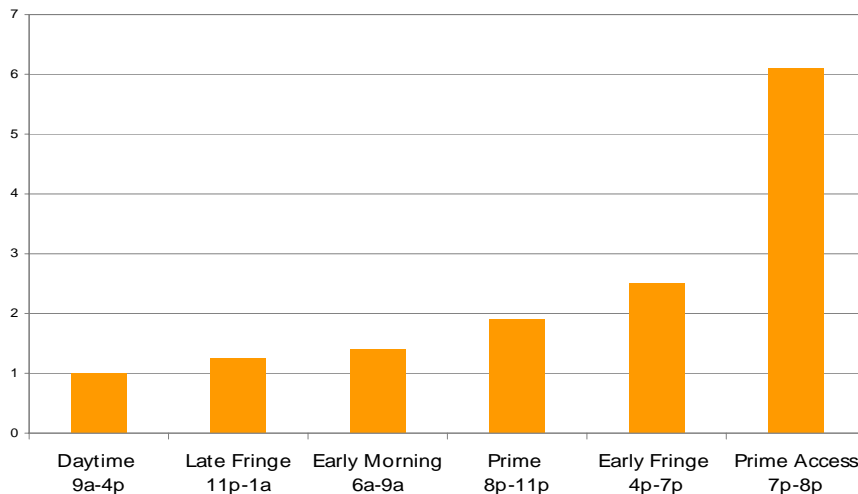


Figure 1: Cable dayparts are displayed across the horizontal axis. The vertical axis gives indexed performance of a BNU shown during that daypart. For this advertiser, Prime Access drove 6 times the number of VOD views per hour than BNUs shown during the daytime.

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Figure 1 shows the dayparts and indexed BNU performance. The higher bars indicate that a BNU shown during that daypart resulted in more VOD views per hour. For instance, in terms of increasing VOD viewership, a BNU shown during Prime Access (the one hour daypart directly before prime time) was six times more effective than a BNU shown during the Daytime daypart. This result is sensible. Prime Access is a time of day where we have a unique confluence of viewership. At this time, there are many viewers beginning to turn on their television sets for a night of TV watching while, at the same time, most of the shows these viewers are planning on watching have not started yet. Additionally, the assets of this campaign were targeted at school-aged girls. Therefore, it is encouraging to see that BNUs were most effective at times when they were most available to see them, and our analysis provides a heuristic model explaining why this campaign was successful.

What this means for marketers

The results from this study can make an immediate impact on free VOD marketing performance.

- **BNUs matter.** In this campaign, BNUs were responsible for roughly 25% of the viewership. Although performance varies greatly, BNUs always contributed positively to viewership. Do not treat BNUs as an afterthought to your campaign. Include cross-promotion in your campaigns and expect that markets that have more promotional spots will show increased viewership. Marketers should carefully weigh the tradeoffs of having BNUs run in the cheaper “promotional schedule” that does not allow daypart targeting versus more expensive network placements with control over time of exposure.
- **Understand where your BNUs perform best and target those dayparts.** Audiences have different receptivity to BNUs and, in turn, VOD messaging at different times of day. It is imperative that advertisers test the efficacy of BNUs during various times. We recommend initially spreading BNUs evenly across dayparts in order to get a clear picture of performance, then concentrating BNUs most effectively during the remainder of the schedule. For instance, if we were planning for this advertiser again we would attempt to heavily load our promotional spots in Prime Access, Early Fringe, and Prime.

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