



# egtabites

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## Harnessing the power of data: targeted advertising as an opportunity to monetise

### Background

In this age of big data, smart data and personal data, there is always the question of balancing business goals and information about individuals in a way that can benefit both sides. This week's egtabite, as presented at egta's Marketing & Sales Meeting in Reykjavik, looks at how Channel 4 in the UK managed to solve this through its 4oD (on-demand) platform and targeted advertising, thereby continuously pushing the boundaries of digital advertising.

### Concept



In 2011, Channel 4 asked their viewers to give some of their personal data through the 4oD platform (VOD and catch-up, representing approximately 5% of their ad inventory). Since then, Channel 4's strategy has grown and resulted in new data-driven products, such as demographically targeted advertising and interest-based advertising. For instance, by knowing who is watching, Channel 4 can on their online platform customise the coke bottles in a Coca-Cola ad with the viewer's name.

Previously, advertisers bought advertisements on 4oD around programme genres, such as entertainment or comedy. Now, thanks to a research project conducted by Channel 4, demographic groups (age, gender, social grade) can be targeted and relevant ads can be delivered to the 11.4 million registered users. This research, validated independently by PricewaterhouseCoopers, identified household characteristics and allowed highly accurate predication models to be built.

Currently, demographic targeting represents 25% of all 4oD inventory bought, and it is sold to all of the major agency groups.

This is only the start! Convinced that demographic targeting is an effective first step, Channel 4 is now exploring interest-based targeting.

### Results

As expected from these types of targeted campaigns, the results did not disappoint. On average, hitting the right target audience doubled the click-through rate when compared to a standard 4oD campaign. The targeting also made the commercials more effective. Ad recognition increased dramatically (39%) when compared to a standard 4oD campaign, as did brand awareness (67%). Finally, it was found that on average 4oD demo targeting is twice as efficient as Channel 4's competitors at delivering the right demographic audience.



### Why does this matter for egta members?

In an age when consumers are becoming more concerned with the use of their data and both broadcasters and advertisers want to connect with consumers, Channel 4's response is seen as a win-win-win situation. The viewers receive commercials that are more relevant, the advertisers can target key audiences more efficiently, and the channel provides a premium advertising product. This

shows that being transparent, asking for people's data and letting them know what they will receive in return is the foundation for a forward thinking data strategy which all broadcasters can benefit from.



## What they said

We asked Julian Flavin - a speaker at egta's Marketing & Sales Meeting for his comments on this initiative:



*"Television has long been the best medium for driving emotional engagement with mass audiences. With data, we can complement this already powerful medium with new levels of targeting."*

— Julian Flavin, Viewer Insight Manager, Channel 4



## Background information

Please click on the links below to access the relevant documents:

» **Presentation of Channel 4** from **Marketing & Sales meeting** in Reykjavik  
(for egta members only - you need to be logged in to access the file)

(Please click [here](#) for presentation, [here](#) for video)

» **4oD website** (please click [here](#))



## Spots

Please click [here](#) to view the video