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## Measuring the Digital World: A Conversation with Carat's Jason Levin



*Jason Levin is Vice President and Director of Data Analytics at Carat, the world's largest independent communications specialist and a market-leader in digital media solutions. He currently serves as Chair of the ARF's Advertising Effectiveness Council, and is also a member of The Ad Council Research Committee.*

*Levin provides data-driven strategic insights to top-tier Carat clients, allowing them to optimize online media and search campaigns as well as validate customer segmentation. His additional areas of expertise include brand equity research, retention, lifetime value, and site utilization analyses.*

*A:I/R had a chance to talk with Levin in January at Carat's offices near New York's Grand Central Station – getting his perspective on the remarkable growth of digital media and advertising, the emerging importance of online ad exchanges, and the next generation of brand metrics.*

*Jason, can you give us a sense of your role here at Carat?*

My primary responsibility is to help our clients – globally, in some cases – make the most efficient use of the media dollars they're spending, so that they can be effective in terms of conversions, sales, whatever their main objective is. I study how display and search work together, for example, so that we can create efficiencies across those two tactics.

I'm also involved in brand effectiveness studies – determining how the brand is perceived, so that strategic decisions or goals can be modified and better performance achieved. Most of the work we do is digital; however, the increasing demand that we're getting across our clients is cross-media collaboration.

*That would incorporate anything from TV to print to Internet?*

Media mixed modeling, yes. Right now it's very top level; there's a long way to go in terms of snapping the online element into an offline model, and there's a race to see who can get there first.

*What do you see as the missing pieces in that information?*

It's not so much the missing pieces; it's that digital data is so massive and comprehensive. It's different than the traditional elements that have, for example, GRPs. The digital world has timestamps and cookie-level information. It can be fused with third-party data, such as behavioral information. Many of the players who've been doing media mix for years find it challenging to manage the wealth of data that's being provided from the digital element.

*What role do you see effectiveness research playing in terms of where brand dollars are spent?*

Trying to prove brand value and brand equity is of utmost importance to non-transactional clients such as pharma and automotive clients. It's not as simple as saying, "Your \$10 million investment is going to yield \$12 million in sales." That's not the answer. So being able to show how the brand is being perceived by the consumer, understand if the message is resonating or determine if it moves the needle in intent are all very important, and trying to find a partner to help us deliver those results is equally important.

*Is that what appeals to you about working with KN Dimestore?*

Dimestore has a good perception in the marketplace, and I'm hopeful that I'll be working with you guys in the future. Your ability to do what we need in terms of advertising effectiveness, especially the in-video recruitment, is something that your competitors have not been able to achieve as of yet.

*What sorts of challenges do you see pharma companies having in online advertising?*

Obviously measuring ROI for pharma clients is difficult. I've done some extensive work in helping non-transactional marketers and advertisers develop ROI through the use of surveys in addition to ad-server data. Through this kind of work, you might be able to understand who is visiting your site through survey initiatives, understand the pages viewed, ads seen and search terms clicked by cookie history, and tie that all together, to develop some sort of ROI of a specific customer. We then would know, for example, that certain pages are frequented by customers at different points of the purchase funnel – in terms of being more likely to fill a prescription – and target them accordingly. As a result, we can modify our media and our search strategies appropriately.

*So that will help target specific types of patients?*

Exactly. I think it can help in terms of the content that's provided on the site to better meet the needs of the visitor first and foremost. But secondly, if we find that we're spending a lot of money in unbranded terms to a specific section of the site – but that section of the site is frequented more by consumers further down the funnel – we can then optimize our strategy by purchasing more branded terms, which is cheaper than the unbranded terms.

It all comes back to media efficiency. Without having the brand's survey incorporated, we cannot get that information, such as if they're a caregiver or a sufferer. Are they on a competitor prescription? Are they thinking of switching? It's things like that that can really help, especially in the pharma space. When you couple it with media data, you

really get a solid understanding of who the customer is.

*Do you see the role of ad effectiveness research as being more about looking back at things that have already happened, or becoming more of a future planning tool?*

I think marketers and advertisers are getting a little bored of showing the same metrics about brands. If you are a big marketer or a big advertiser, and if you're representing big brands like Chase or Coca-Cola, you know those brand surveys are only so valuable. Everybody, for example, knows about Coca-Cola.

I personally would like to see ways to show the value of branding beyond these standard surveys and metrics – maybe incorporating some social elements. Maybe it's simply just fusing brand effectiveness data with social data and being able to look at things from a different angle – against the people who are persuasive versus the people who are dissuasive, for example. I think that measurement tactic needs to evolve in some way.

*I'm just curious where you see digital and online going in the media mix generally. Clearly the dollars are catching up but aren't fully there yet. Are we going to reach parity, or even beyond parity?*

I think it all goes back to accountability. We're so far advanced compared to where we were 10 years ago, and I think that comes from measurement. Digital measurement is very accountable – and because of that, we've been fortunate enough as an industry to secure funding in many cases from our friends in other channels, like television and print.

*You mean “borrow” funding?*

Borrow but maybe not give back. [laughs] I think we've been successful in growing our budgets because we have the accountability and measurability. As a result, digital is often the last to get cut and the first to be added.

I still think we have a long way to go; even with the results that we've shown them, some clients are still not believers. That bothers me a little bit. But with those thorns aside, the accountability of this digital medium allows us to continue growing our piece of the pie.

*How do you see the role of online publishers changing, in developing information and helping advertisers use their sites more efficiently?*

I think from a media buying perspective, the way the world is going to change is through more ad exchanges. They're able to purchase inventory across a wide array of publishers more effectively, with a deep insight and understanding of the customer. The insight that they have through their audience segmentation allows us as an agency to essentially get our message to the right person at the right time in the right place. That's really the game changer, in my opinion – the ad exchanges, rather than the publishers themselves.

*With your pharma clients, how do you balance the need for privacy against the need to target?*

It's a good question. With the ad-serving data, there is no personally identifiable information. We're very careful – not only here at Carat, but also at any agency that works with the pharmaceutical industry. All of our optimizations are done at the

cookie level, which is anonymous in terms of the individual. No PII (personally identifiable information) is ever captured at any point. With that said, the agencies are able to look at those rather massive data sets and draw commonalities, in terms of where those cookies are coming from, what media units they saw and which are most effective.

*How much do you actually get to work with the creative teams?*

Carat itself doesn't have a creative department; we have a sister agency that oftentimes is our partner for specific clients. The creative is often executed by a different agency all together. Every case is different. Regardless, the insights that we've been able to provide have been used to help the creative team – whoever it may be – tweak, fine tune, or modify the creative elements so better performance can be achieved. This is fairly common – especially when we can validate that one creative unit is performing better than another unit, like when conducting a creative test, for example. Sometimes it's not very pleasant for them to hear, but it's part of the business. In a perfect world, it should be a continuous loop of modifications and then new tests and measurement.

*In terms of setting budgets, do you feel like digital is getting the seat at the table that it deserves?*

Generally speaking, yes, but I think it can be improved upon – if we can validate how the digital element works in tandem with offline components, literally on a one-to-one basis. Most methods of measurement are very expensive. If somebody sees something on television, they may go to Google and search on it, and then

ultimately make a conversion. In some cases, the search may be getting credit for it; if it's a DRTV execution, the television creative may be getting credit. I think that needs to be hammered out a bit better, and that will lead to better budgets, certainly in the digital world. I'm confident that it's all complementary.