

THE IAB RISING STARS: MEASURING AWARENESS, BUYING INTENTIONS, AND KEY BARRIERS TO ENTRY



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EXECUTIVE SUMMARY

The Interactive Advertising Bureau (IAB) unveiled the Rising Stars as the next big thing in high impact advertising in February 2011. But how many agencies, marketers, and publishers are aware of the six units (Billboard, Filmstrip, Portrait, Pushdown, Sidekick, and Slider) and how often are they actually making it onto media plans?

Undertone has been selling all six Rising Stars since the beginning of 2012. In selling the units, we've come across widespread gaps in awareness levels and heard some consistent pain points being raised by both advertisers and publishers. To help shine a light on these issues and reveal the buy and sell-side perceptions of the Rising Stars, we decided to conduct a survey of marketers, agencies, and publishers.

THE RESEARCH FOCUSED ON THE FOLLOWING KEY ELEMENTS:

#1

DISCOVERING WHERE THE OPPORTUNITY LIES AMONG THE SIX RISING STARS BASED ON ADVERTISERS' BUYING AND CONSIDERATION INTENTIONS

#2

GAINING A BETTER UNDERSTANDING OF THE CHALLENGES FACED BY ADVERTISERS WHEN EMPLOYING THESE UNITS

#3

IDENTIFYING THE MOST DESIRABLE CREATIVE ELEMENTS/ FUNCTIONALITIES OFFERED BY THE RISING STARS

#4

EXPLORING THE INCENTIVES AND BARRIERS TO ADOPTION FOR BOTH ADVERTISERS AND PUBLISHERS

KEY FINDINGS



AWARENESS GAPS

There is a significant gap in awareness of the Rising Stars between agencies and marketers, highlighting the need for broader market education. Less than a third (31%) of marketers have heard of the Rising Stars, compared to over two thirds (69%) of agency respondents.



WIDESPREAD OPTIMISM FOR 2013

Despite the limited awareness levels amongst marketers, there is widespread optimism surrounding adoption of the Rising Stars in 2013 across both agencies and publishers. Almost three quarters (73%) of agency respondents familiar with the Rising Stars stated they were either very or somewhat likely to buy Rising Stars in 2013. This positive sentiment was echoed on the sell-side with 79% of publisher respondents stating that they expected demand for the Rising Stars to increase in 2013.



STARS DRIVE RESULTS

Just 2% of agency respondents who ran Rising Stars campaigns in 2012 plan to decrease their spending on the units in 2013, suggesting that they have seen strong performance from the units they've included on digital plans.



BARRIERS TO ENTRY

Cost, production difficulties and distribution limitations are the key reasons for agencies not deploying Rising Stars. Over half (52%) of agencies controlling media budgets over \$10 million cited distribution limitations as their key barrier to entry. For agencies controlling smaller media budgets, pricing emerged as a more significant issue, with 49% citing cost as their main barrier to entry. These findings highlight that deeper support and leadership are needed from vendors to help drive broader adoption.



PERFORMANCE AND QUALITY ARE KEY

Favored distribution partners for the Rising Stars are publishers and ad networks/aggregators. The key selection criteria agencies focus on when considering distribution partners are performance and the quality of media environments.

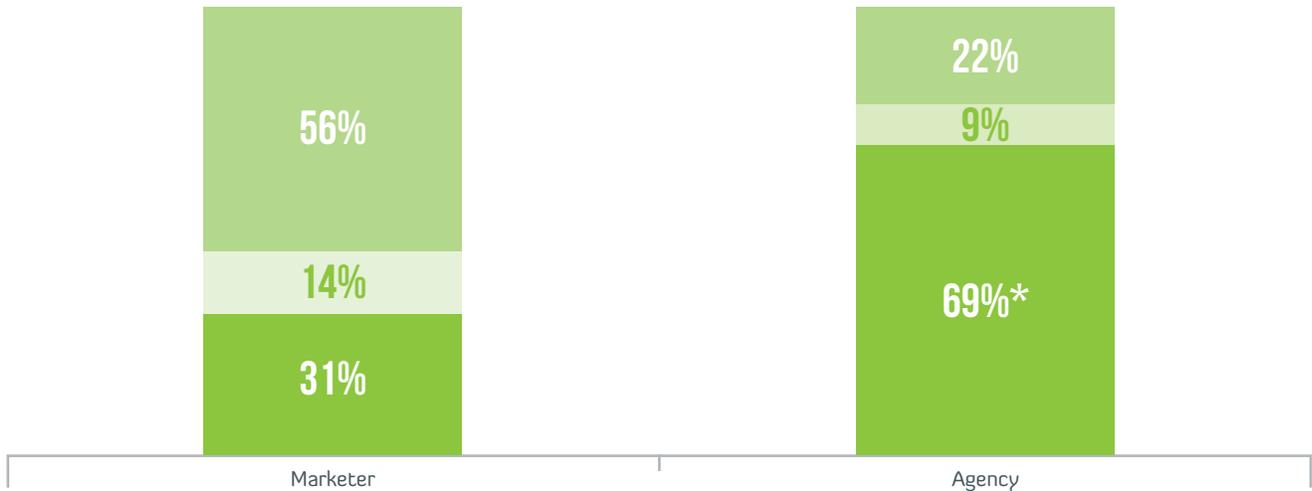
AWARENESS GAP BETWEEN MARKETERS AND AGENCIES

Despite all the media attention the Rising Stars have received, there is a familiarity gap between marketers and those planning the media at agencies. By and large agencies have heard of the Rising Stars and can name at least a few of the ad formats, however the story is quite different for marketers. Less than a third of marketers stated that they have heard of the Rising Stars, with another 14% not sure. This compares to 69% of agency respondents who stated that they have heard of the Rising Stars, a statistically significant increase compared to marketer respondents.

▶ AWARENESS OF RISING STARS AMONG MARKETERS AND AGENCIES

HAVE YOU HEARD OF THE IAB RISING STARS?

● YES ● NOT SURE ● NO



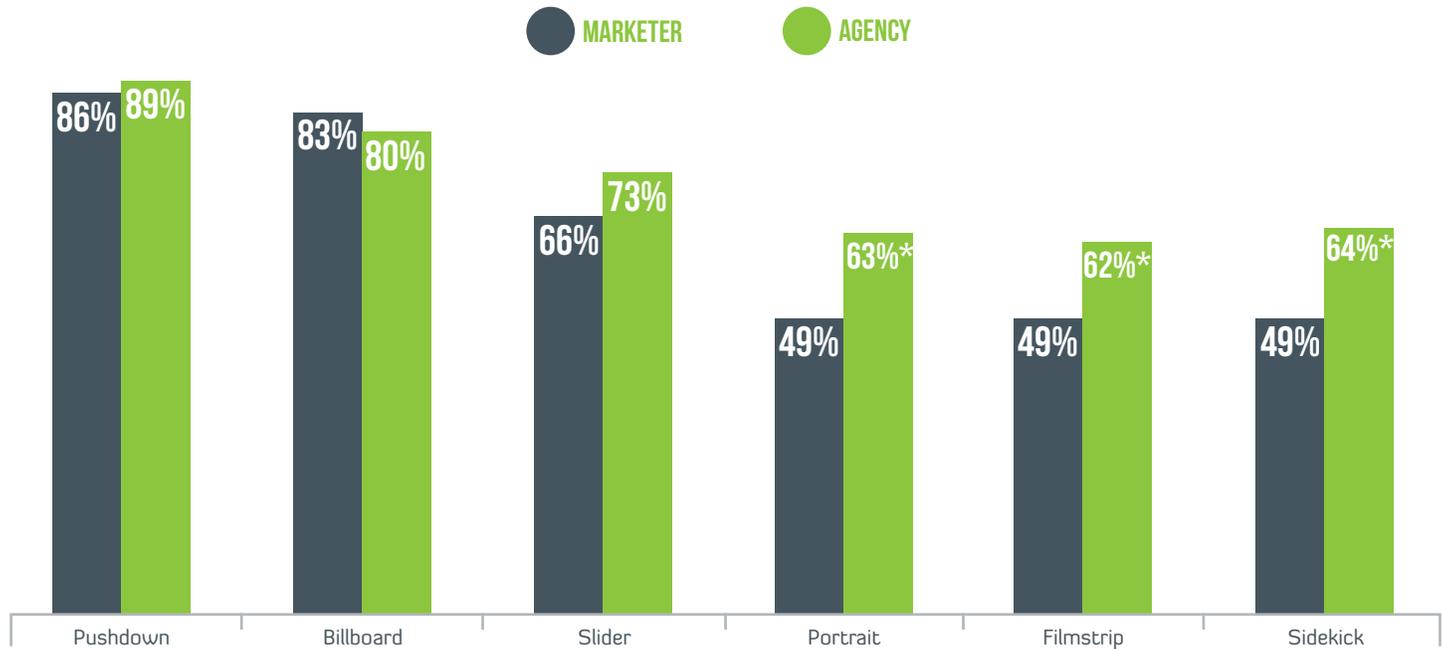
N= 133 Marketer, 546 Agency

* Statistically significant increase compared to marketer awareness, at 95% confidence level

PUSHDOWN UNIT HAS HIGHEST MARKET AWARENESS

Of those respondents who were aware of the Rising Stars, the Pushdown format had the greatest name recognition amongst both marketers and agencies, followed closely by Billboard. The largest knowledge gap between marketers and agencies appears with the less-adopted units Portrait, Filmstrip, and Sidekick. A closer inspection reveals that very few respondents had a comprehensive familiarity of all the Rising Stars formats, with only 40% of agency respondents able to name all six. Awareness of individual Rising Stars units was even lower among marketers, with only 25% of those respondents who are aware of the Rising Stars able to name all six units.

▶ AWARENESS LEVELS OF THE INDIVIDUAL UNITS



Base= Aware of Rising Stars, N= 59 Marketer, 419 Agency

* Statistically significant increase compared to marketer respondents, at 95% confidence level

“ WE’VE SEEN GREAT SUCCESS WITH THE RISING STARS AND EXPECT TO SEE CONTINUED SUCCESS MOVING FORWARD

–Agency Respondent”

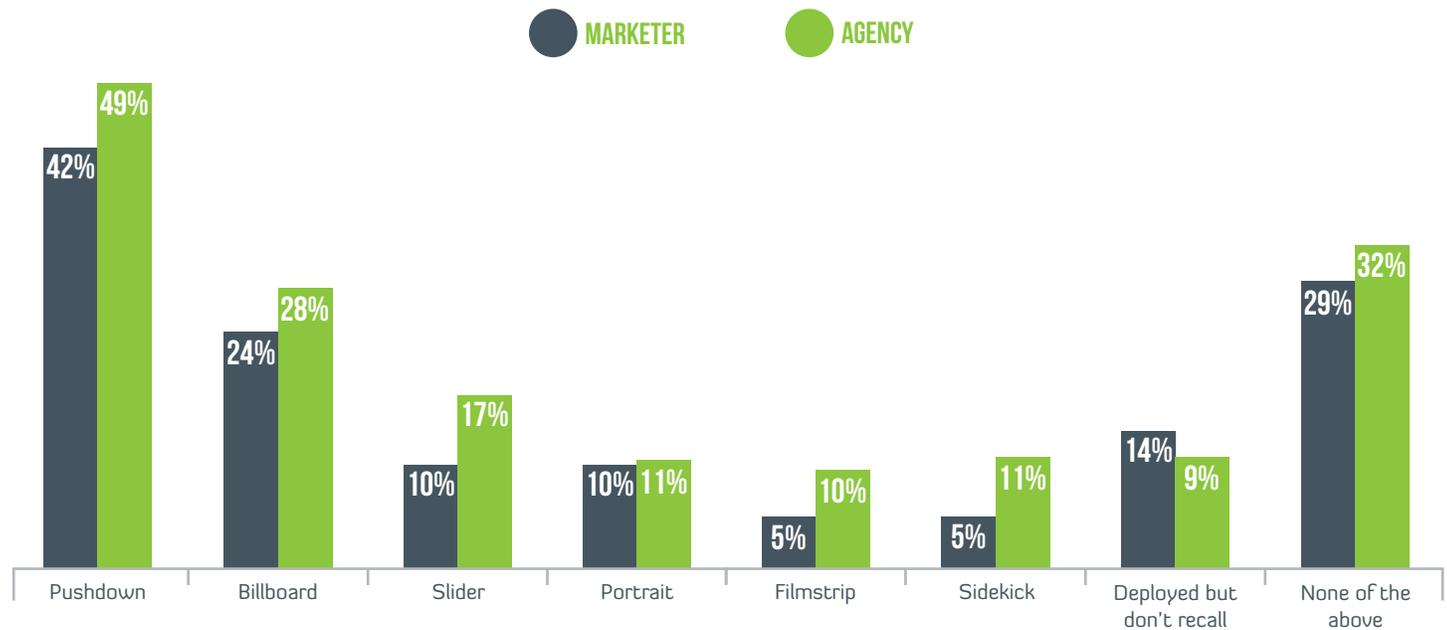
“ I THINK THAT THE RISING STARS ARE GREAT AT TRYING TO ELICIT ENGAGEMENT FROM THE AUDIENCE ”

-Agency Respondent

ADOPTION OF RISING STARS BY ADVERTISERS REFLECTS AWARENESS LEVELS

Rising Stars adoption followed the stated levels of awareness, as one might expect. Pushdown was the most highly deployed format in 2012, with approximately half of agencies and 42% of marketers utilizing this unit within their media plans. The level of adoption quickly dropped after Pushdown, with Billboard at approximately 25% and less than a quarter of respondents having deployed the other four formats combined. About a third of respondents who were aware of the Rising Stars stated that they have not deployed any of the units before. Interestingly, awareness of Slider far outpaces its deployment. In addition, Slider had higher levels of awareness among more senior level agency respondents (81%) - directors and above - than among planners or buyers (73%).

▶ ADOPTION OF RISING STARS IN 2012



Base= Aware of Rising Stars, N= 59 Marketer, 419 Agency

Note: No significant differences in adoption between marketer and agency respondents.

MEDIA COSTS RATED THE BIGGEST BARRIER TO ADOPTION OF RISING STARS

When agencies were asked to highlight the issues that were holding them back from deploying Rising Stars, cost and distribution limitations emerged as the two key factors. Cost was a particular issue for agencies controlling smaller media budgets, while distribution was the most significant barrier to entry for agencies controlling larger budgets. Respondents from both groups who answered “other” as a reason for not using these units were more likely than not describing the Rising Stars as not aligning with their campaign KPIs.

KEY REASONS FOR NOT DEPLOYING ANY RISING STARS - AGENCY RESPONDENTS BY SIZE OF MEDIA BUDGETS

	SMALLER MEDIA BUDGETS (less than \$10 million)	LARGER MEDIA BUDGETS (greater than \$10 million)*	TOTAL
COST	49%	24%	41%
PRODUCTION DIFFICULTY	29%	14%	17%
DISTRIBUTION LIMITATIONS	18%	52%	35%
LEGAL ISSUES	7%	7%	6%
OTHER	33%	38%	35%

Base= Did not deploy any Rising Stars in 2012, N= 29 Large Media Budgets, 91 Small Media Budgets

Note: No significant differences between agency respondents based on media budgets, due to limited sample size.

* Represents limited sample size

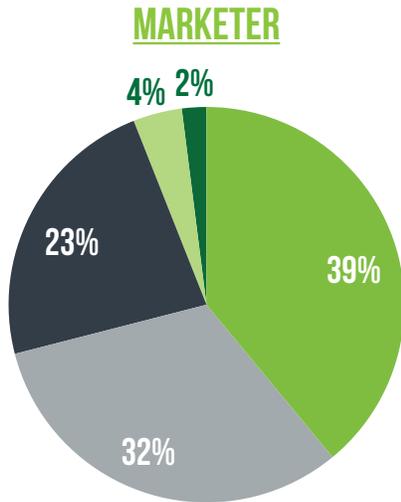
“ IAB RISING STARS UNITS ARE PRETTY GOOD FROM A BRANDING PERSPECTIVE... THEY ARE VERY HIGH IMPACT PLACEMENTS THAT ARE GREAT TO SHOWCASE PRODUCTS

–Agency Respondent

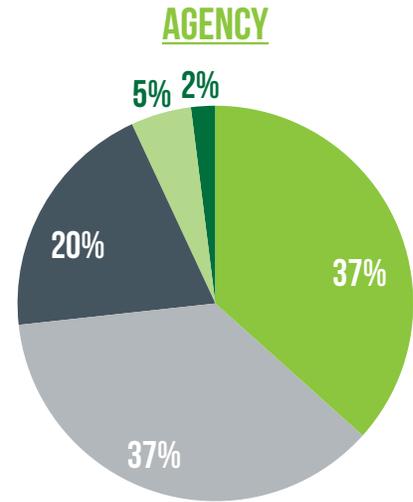
POSITIVE BUYING INTENTIONS FOR 2013

Marketers and agencies have an optimistic view when it comes to the future use of the Rising Stars. The majority of respondents are considering these high impact formats for their 2013 media plans. In fact, results indicated that 81% of agency respondents who work with media budgets over \$10 million are very or somewhat likely to consider deploying Rising Stars in 2013. Even those who have not deployed Rising Stars in the past have a positive outlook, with 53% very or somewhat likely to consider using them in 2013. These results indicate that new buyers will enter the market in 2013.

▶ 2013 BUYING INTENTIONS



Base= Aware of Rising Stars, N= 59



Base= Aware of Rising Stars, N= 419

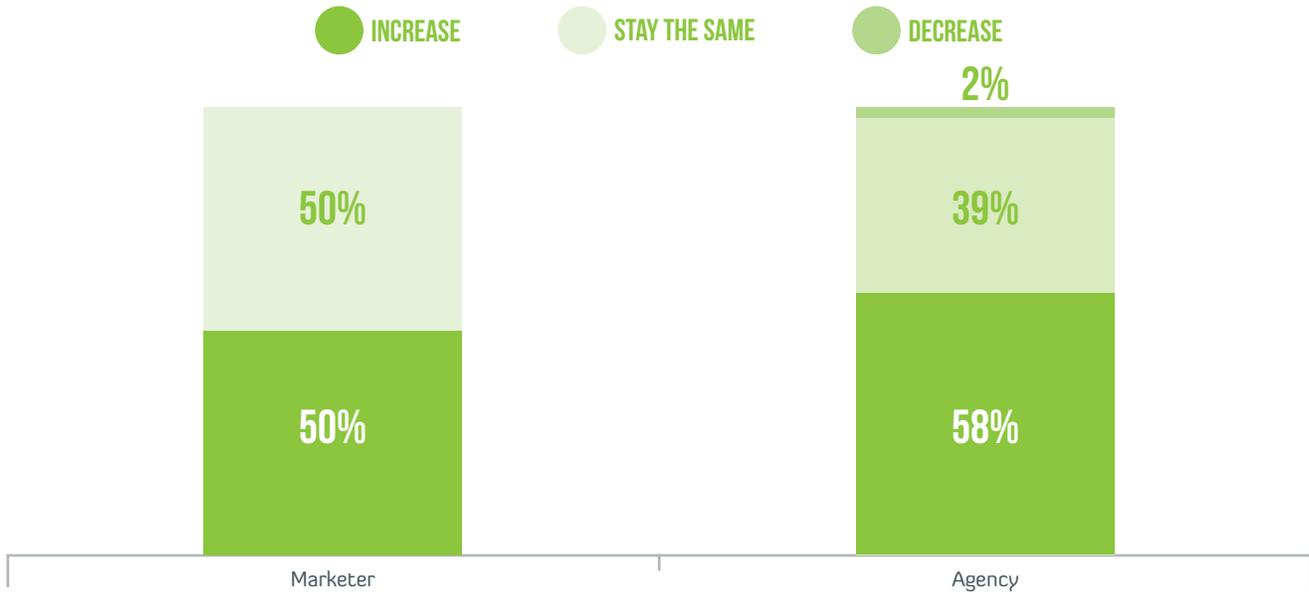
POSITIVE BUYING INTENTIONS FOR AGENCIES BY MEDIA BUDGETS (very or somewhat likely to consider deploying)	
ALL AGENCY RESPONDENTS	73%
LARGE MEDIA BUDGETS >\$10MM	81%*
SMALL MEDIA BUDGETS <\$10MM	72%

* Statistically significant increase compared to all agency respondents and agencies managing small media budgets, at 95% confidence level

In addition to the high levels of consideration, advertisers who have deployed Rising Stars in 2012 are generally planning to increase spend in 2013. Half of marketers and 58% of agencies plan to increase their spend. Within agencies, 64% of respondents who were director level or above said they were planning to increase spending on Rising Stars, a statistically significant increase when compared to the planner/buyer group (48%). Pushdown is the ad format most respondents intend to increase spend on which may be due to the familiarity with the Pushdown unit, the ease of production, and the fact that more publishers are able to support it than other Rising Stars units.

▶ SPENDING INTENTIONS AMONGST EXISTING RISING STARS ADVERTISERS

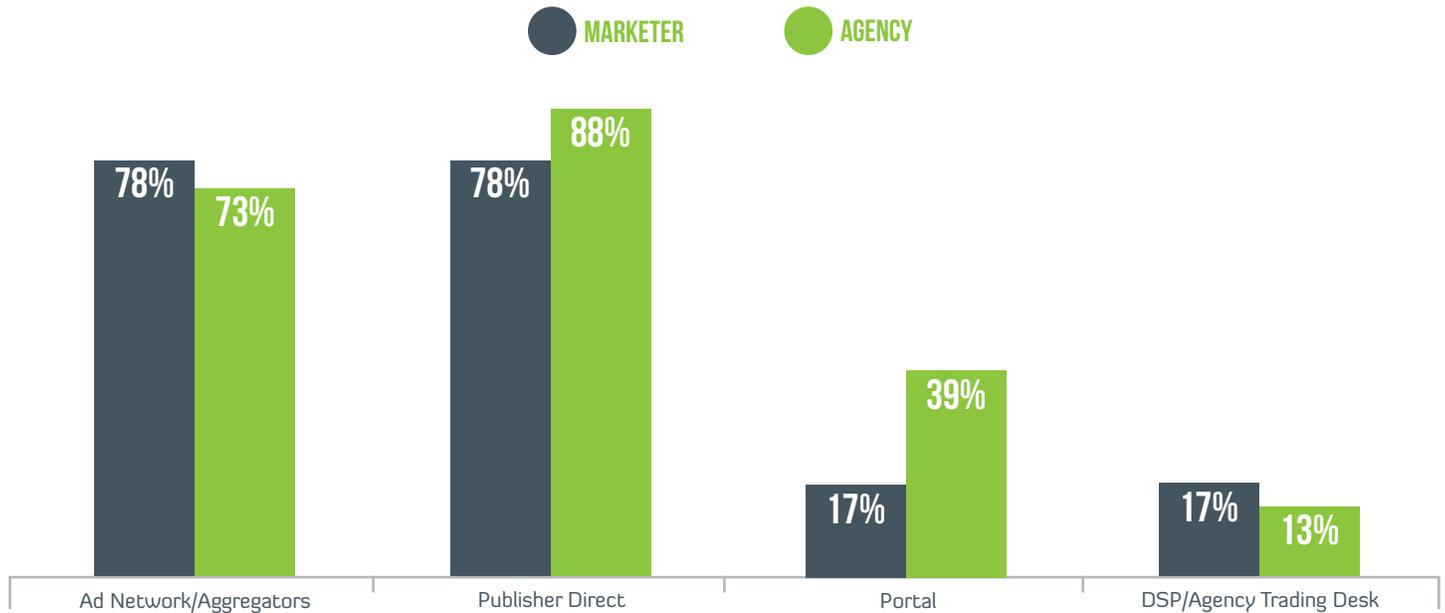
DO YOU PLAN TO INCREASE YOUR SPEND IN 2013?



Base= Aware of Rising Stars and have deployed any format in 2012, N= 52 Marketer, 378 Agency

Marketers and agencies have executed or plan to execute Rising Stars with both ad networks and through publisher-direct buys. Far fewer respondents are looking to deploy these units through portals or their agency trading desks.

▶ DISTRIBUTION PARTNERS OF CHOICE FOR EXECUTING RISING STARS



Base= Deployed Rising Stars in 2012 or considering for 2013, N= 50 Marketer, 155 Agency

Note: No significant differences in distribution partner choice between marketer and agency respondents.

PERFORMANCE GOALS ARE KEY KPI FOR SELECTING A MEDIA PARTNER TO DISTRIBUTE RISING STARS

The main criterion for selecting a distribution partner continues to be performance, with more than 60% of respondents rating it as the number one factor in determining a partner. The quality of the media environment within which the ads appear is a close second in terms of importance to agencies. This intuitively aligns with the value of the Rising Stars, considering the large format of the ads and their use in branding campaigns. More than half of respondents indicated that they use Rising Stars for branding purposes, with less than 10% choosing direct response. A third of agency respondents said they use Rising Stars for both branding and direct response. At agencies, directors or above were statistically more likely to select both goals (43%) than their planners/buyers (25%).

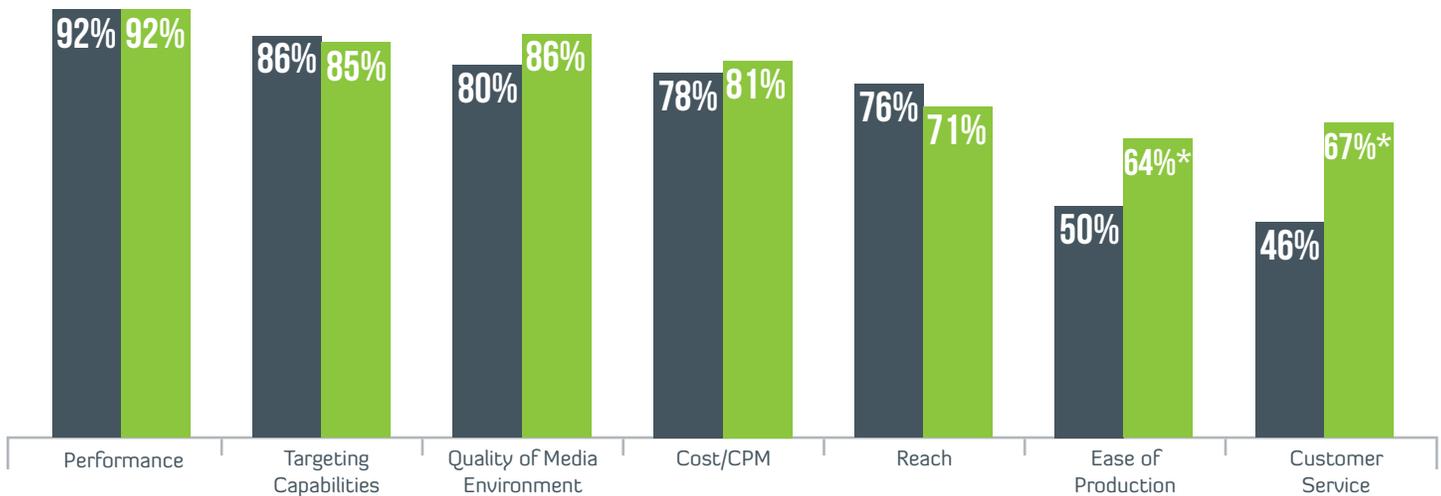
PRIMARY REASON FOR DEPLOYING RISING STARS		
	MARKETER	AGENCY
BRANDING	50%	59%
DIRECT RESPONSE	9%	8%
BOTH	41%	33%

Base= Deployed Rising Stars in 2012 or considering for 2013, N= 50 Marketer, 372 Agency
 Note: No significant differences between marketer and agency respondents.

▶ SELECTION CRITERIA FOR DISTRIBUTION PARTNERS

TOP 2 BOX
 (ranked as 1 or 2 out of 5-point scale)

● MARKETER ● AGENCY



Base= Deployed Rising Stars in 2012 or considering for 2013, N= 50 Marketer, 372 Agency

* Statistically significant increase compared to marketer respondents, at 95% confidence level

ADVERTISERS FAVOR CREATIVE ELEMENTS AND FUNCTIONALITIES THAT SUPPORT BRANDING

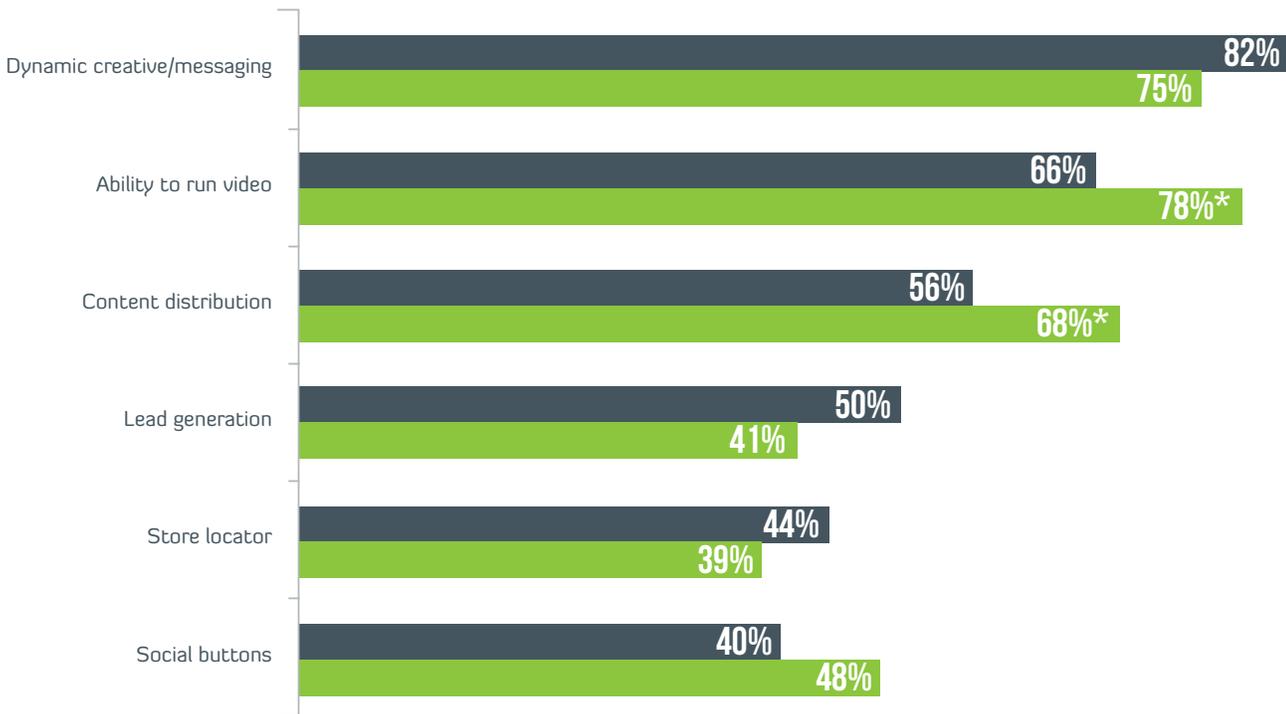
Survey respondents rated a list of creative elements based on how appealing they are when utilized within Rising Stars formats. The big winner was the ability to run video, with more than 78% of agencies rating it within the top two choices. This increased to 84% when looking at agency respondents who said they use Rising Stars for branding goals. Marketers also rated the video functionality highly; however, dynamic messaging was their top choice. Not surprisingly, direct response focused elements such as a store locator or lead generation ranked the lowest in terms of appeal.

▶ BRAND-CENTRIC CREATIVE ELEMENTS ARE MOST APPEALING TO ADVERTISERS

MOST APPEALING CREATIVE ELEMENTS/FUNCTIONALITIES: TOP 2 BOX

(ranked as 1 or 2 out of 5-point scale)

● MARKETER ● AGENCY



Base= Deployed Rising Stars in 2012 or considering for 2013, N= 50 Marketer, 372 Agency

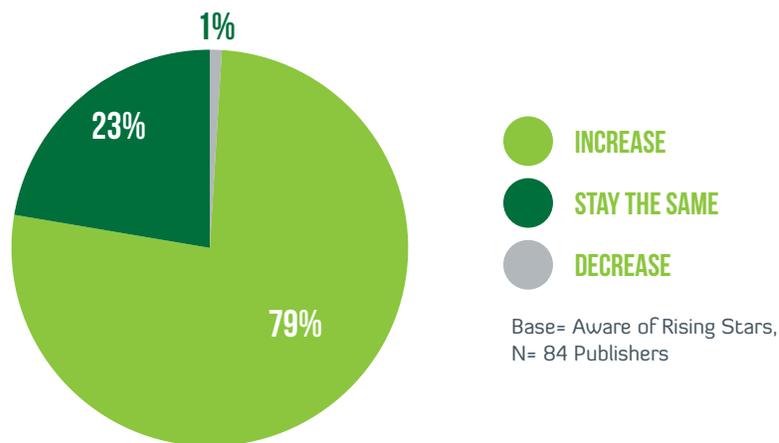
* Statistically significant increase compared to marketer respondents, at 95% confidence level

One recurring theme uncovered in the research was that advertisers had doubts as to the scalability of Rising Stars, with one respondent claiming “they are often limited in terms of publisher adoption.” The second phase of the research aimed to uncover the sell-side perceptions of the Rising Stars. Are publishers aware of them, do they have the technical capabilities to deploy them, and what are the key barriers to mass adoption? 100 premium publishers from Undertone’s core customer base were surveyed to determine if advertisers and publishers are in agreement as to the importance of the Rising Stars.

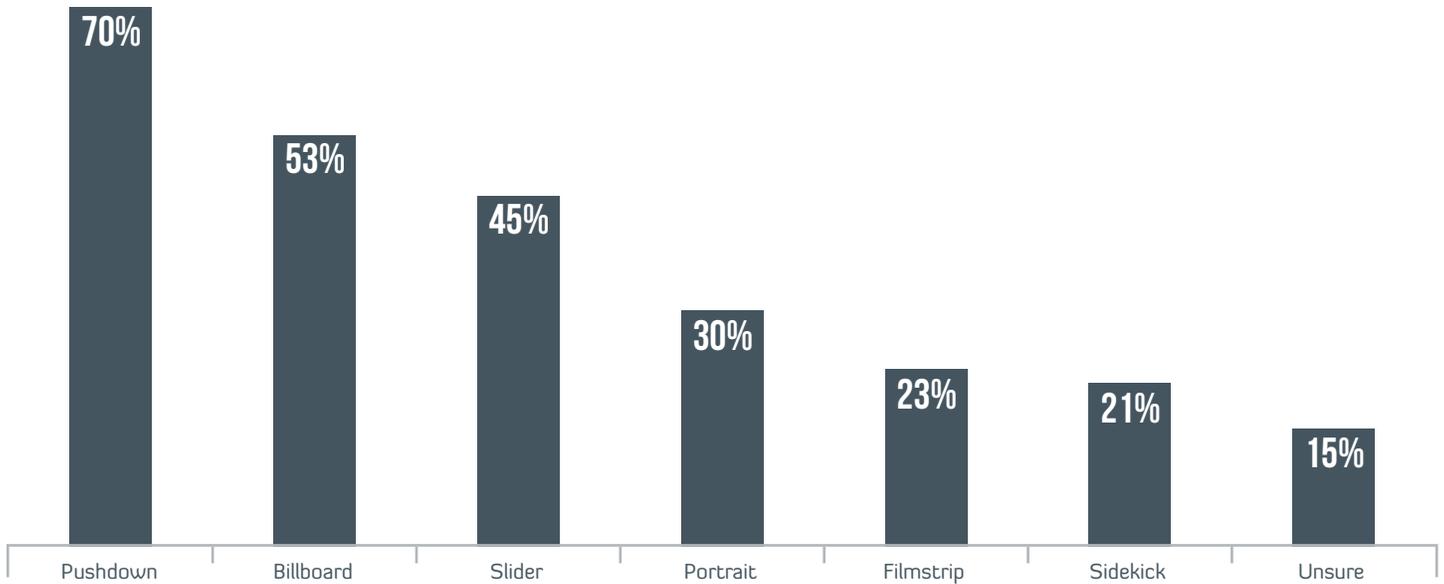
PUBLISHERS PREDICT HIGH DEMAND FOR RISING STARS

More than three-quarters of publisher respondents expect increased demand for Rising Stars compared to the last twelve months. In addition, the anticipated demand for individual formats was very similar to marketers’ and agencies’ expectations for the coming year. Seven out of ten publishers expected more demand for Pushdown, followed by Billboard and Portrait. The formats with lesser awareness and adoption among advertisers, such as Slider and Sidekick, were the units for which publishers are predicting the least demand.

▶ PUBLISHERS’ EXPECTATIONS OF RISING STARS DEMAND IN 2013



▶ PUBLISHER EXPECTATIONS FOR 2013 BY UNIT

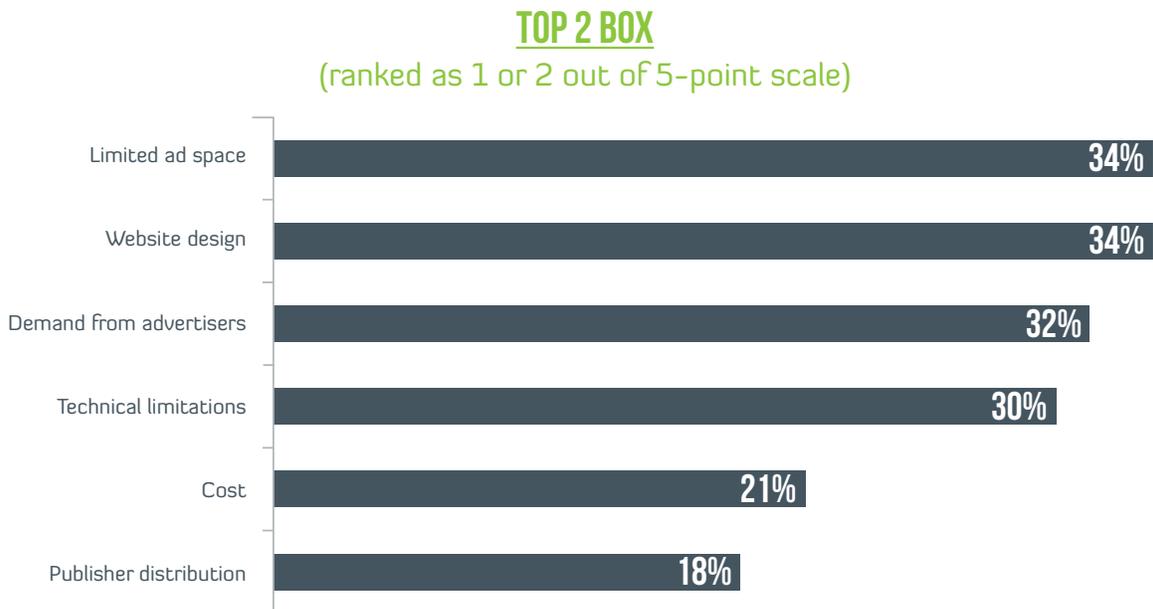


Base= Publishers expecting an increase in Rising Stars demand, N= 66 Publishers

MANY PUBLISHERS HAVE ADOPTED THE RISING STARS, BUT SOME STILL SEE BARRIERS

In the past year, Pushdown was the most highly adopted format for publishers, with 61% of respondents ranking it as the number one format by usage in 2012. Slider and Sidekick were adopted least by publishers, which aligns with the demand we saw above. When we asked publishers about the key barriers preventing them from increasing their availability of Rising Stars, the results were split relatively evenly between limited ad space and concerns around website design.

▶ KEY BARRIERS TO PUBLISHER ADOPTION

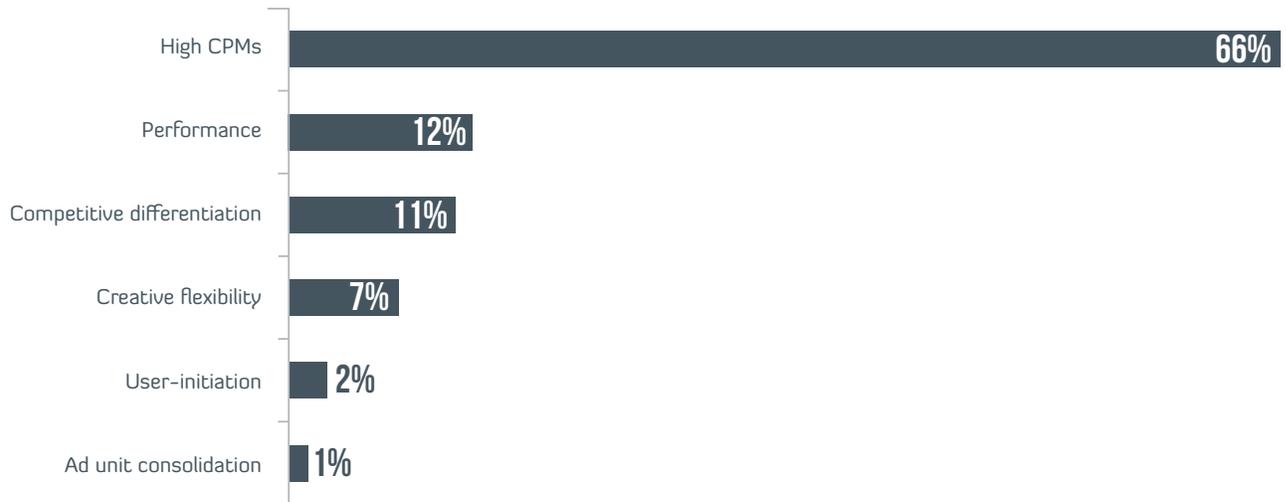


Base= Aware of Rising Stars, N= 84 Publishers

PUBLISHERS SEE VALUE IN RISING STARS

Although about a third of publishers still see barriers to adoption, most find value in Rising Stars. When polled on the single most attractive aspect of the Rising Stars, publishers overwhelmingly answered increased CPMs. Two-thirds of respondents chose that answer, far outpacing any other element that would incentivize adoption.

▶ REASONS TO ADOPT RISING STARS



Base= Aware of Rising Stars, N= 84 Publishers

CONCLUSIONS

These research findings paint a picture of an industry with considerable appetite and enthusiasm for the Rising Stars. There's significant optimism surrounding expected spend for 2013, and advertisers who have previously leveraged the units almost unanimously agreed that they would not be decreasing spend in the year ahead.

Despite this optimism, there is still a gap in awareness of the Rising Stars, particularly amongst marketers. More education about the six units, their capabilities, and how they perform is needed to help drive broader adoption.

As well as helping educate the market, Rising Stars vendors need to also be more proactive in addressing agencies' concerns around deploying Rising Stars. Cost, production difficulties, and distribution limitations are the key barriers to entry and a collaborative approach between the buy and sell-side is needed to unlock the value of these units as a tool for building key brand metrics.

METHODOLOGY

The study was fielded online from January 15 – 30, 2013. The sample included marketers, agency members, and publishers representing leading U.S. advertisers from a diverse array of industries. Respondent incentives included gift cards, charitable donations and a first-look at the results. Overall sample sizes included 133 marketer, 546 agency, and 100 publisher contacts.

For further information on this research study and to find out more about the IAB Rising Stars, contact
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