

**FOR MARKETERS,  
THE HOLIDAY SEASON  
STARTS EARLY.**

Crucial shopping days like Black Friday and Cyber Monday may be several months away, but the time to prepare is now.

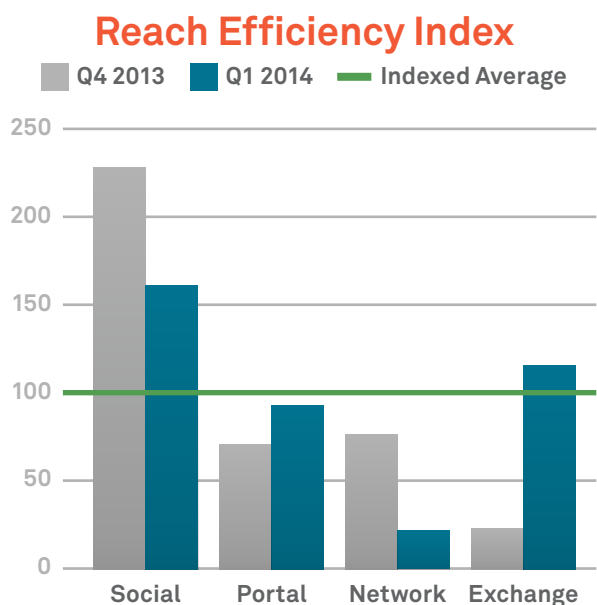
## Five Ways to Make Your Holiday Ad Spend More Effective

With online holiday spending alone estimated at \$46.5 billion (Comscore) in 2013, the season is make-or-break time for brands, with fierce competition for consumers' attention. The battle starts now, with brands reserving their all-important digital advertising inventory for Q4.

There's a lot at stake in deciding where and how to spend your holiday budget in the complex and often confusing world of digital channels, platforms, tactics and strategies.

This special brief from Neustar's Media Intelligence Report – based on real data and insights from last year's holiday season – offers five key recommendations to help you make the right choices.

The insights in this brief are based on data from billions of ad events, impressions and conversions, all tracked through Neustar's AK Media Insights solution, a key part of Neustar's integrated marketing solution, PlatformOne.



Exchange has relatively low reach ability in Q4

### 1. Avoid Exchanges. Buy Directly from Inventory Providers.

By Q4 2014, the bulk of ad inventory will have been bought directly from networks, portals, social, etc. well in advance of the holiday season. This leaves very little remaining for exchanges, which sell left-over inventory.

Although exchanges are a low-cost option, brands will find little inventory to leverage there (via DSPs and PMDs). Whatever is available is unlikely to be the highest-quality inventory.

A safer option is to buy directly from inventory providers, minimizing the risk of losing strong digital presence in this crucial marketing season.

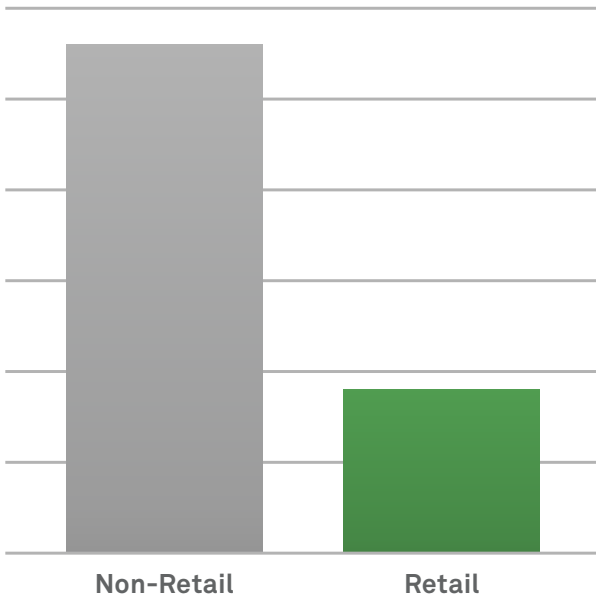
This effect will end after the holidays in Q1, when exchange inventory frees up again.

## 2. Buy Ads on Retail Sites to Drive More Conversions.

Advertising on major retail sites during the holiday season can generate a serious uptick in conversions.

This is largely because retail websites attract visitors who are already in the shopping mindset. Despite the higher costs associated with these sites, we still see that the cost per acquisition (CPA) is noticeably better than non-retail sites. This type of contextual ad buying has shown to be particularly cost effective in Q4.

### Entertainment CPA



69% Cheaper CPA

### Telco CPA



29% Cheaper CPA

### 3. Set Frequency Caps to Maximize Returns.

As a marketer, it can be easy to get carried away during the highly competitive holiday season.

You may feel the urge to burn through ad budgets in order to hit your revenue goals in this period. However, be careful to avoid wasted spend.

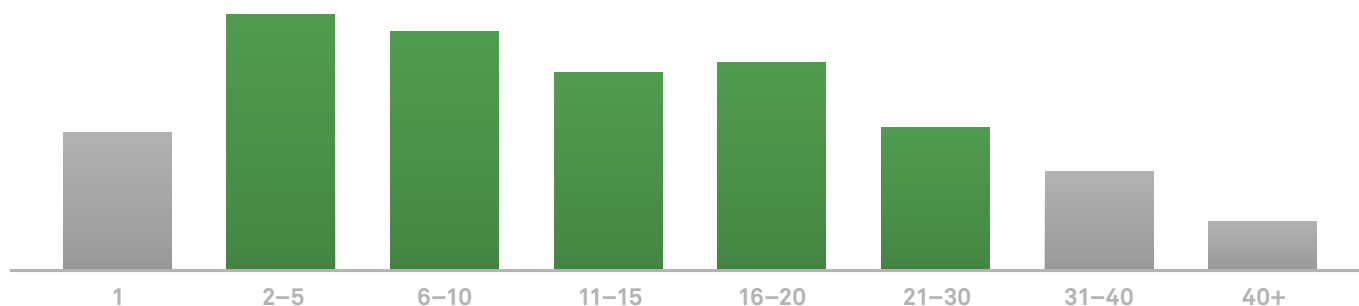
Given the opportunity, inventory providers may serve as many impressions as you'll allow them to, often resulting in extremely high frequencies for users.

This becomes problematic because high frequencies can result in poor performance (see chart) and long-lasting negative perception of your brand.

When planning your Q4 campaigns, set frequency caps with your inventory providers to maximize returns and maintain strong brand health.

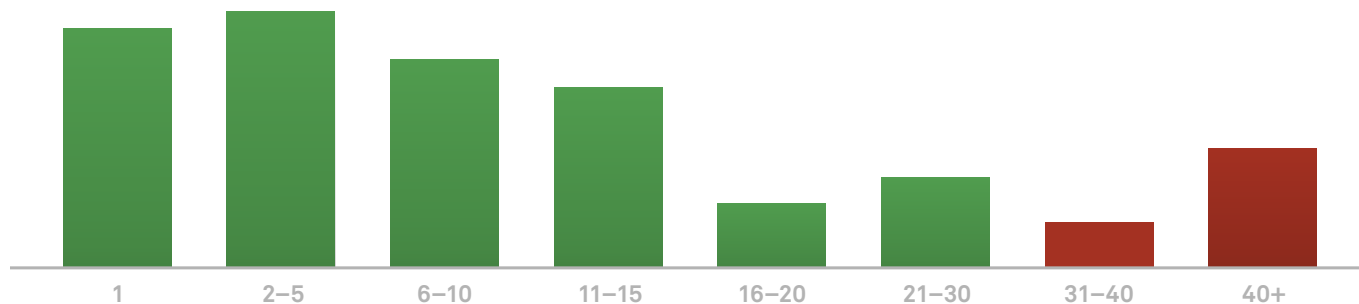
Below is the optimal frequency (in green) that Neustar identified for a client in the Retail vertical. Based on this analysis, our client decided on a frequency cap of 30 impressions per user per week.

#### Retail Conversion Rate



*The optimal frequency was 2-30.*

#### Retail Impression Delivery



The red bars in the second chart indicate wasteful impressions – impressions served above optimal frequency – before the client set the frequency cap.

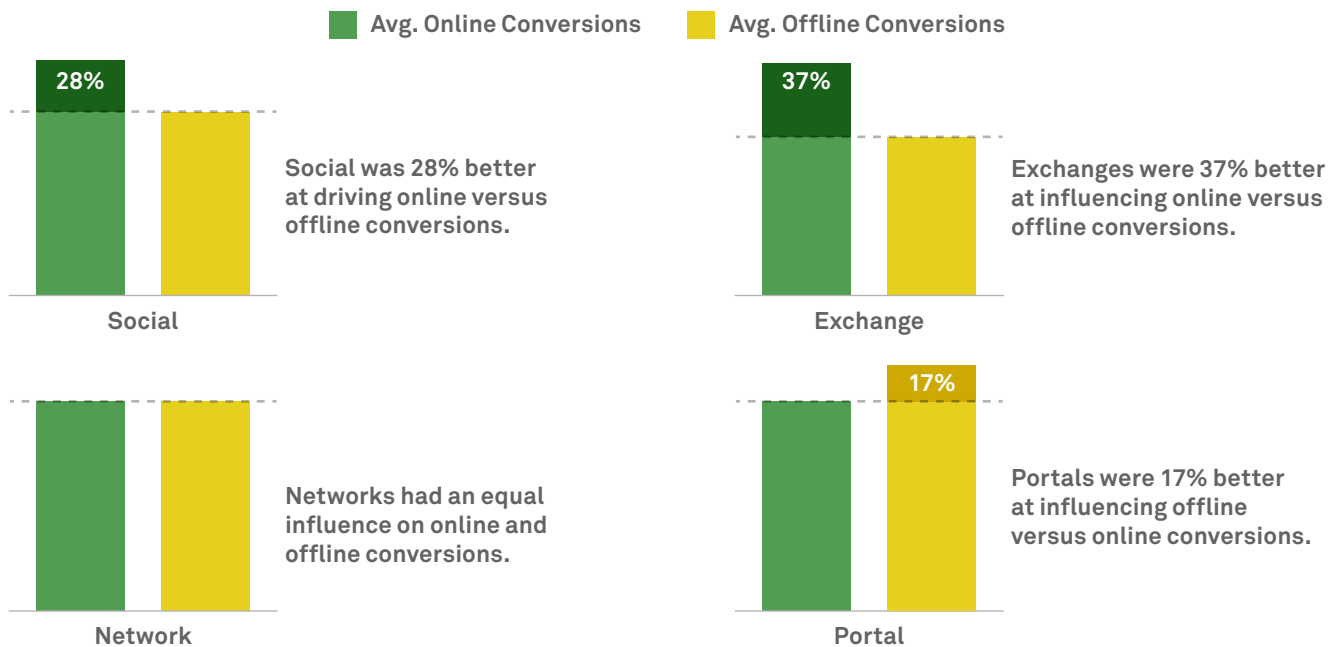
After setting the cap, the client was able to reinvest this wasted spend (10% of impressions) elsewhere.

## 4. Leverage Closed-Loop Channel Influence to Inform Ad Buying.

Digital advertising's effectiveness is generally evaluated by its ability to drive online sales, or conversions. It is difficult to attribute offline conversions back to online media.

However, Neustar's closed loop technology can determine which channels are successful at driving online vs. offline conversions. This insight is critical, especially to businesses that exclusively optimize towards either online or offline conversions.

### 2013 Closed Loop Influence on Conversions



In this [2013 client example](#) from the Telco vertical, social and exchanges proved better at driving online conversions than offline conversions.

This is perhaps because social skews towards younger, tech-savvy users who are more comfortable making purchases online. Exchanges are generally acquisition-focused, reaching highly qualified users who are close to making a purchase online.

Portals, on the other hand, were more influential at driving offline (in-store) conversions, likely because they skew towards a slightly older population with more traditional shopping habits. Networks had about the same influence online and offline, possibly due to reaching a diverse group of users.

It's down to your team to focus on the channels which deliver the most appropriate conversion type – online or offline (or both) – for your business's needs.

## 5. Start with Your CRM Data

Your offline first-party customer data, also known as CRM data, is one of your most valuable resources. If you're not using it online, you're likely missing out on additional areas of revenue.

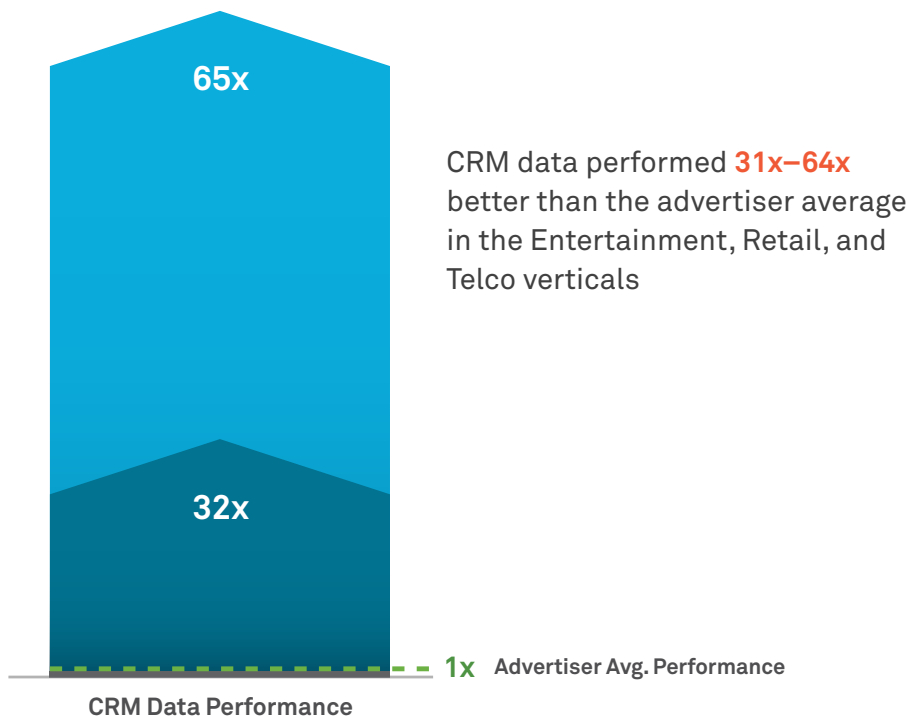
Q4 is a huge buying season and an opportunity to re-engage your existing customers with your brand and offers. From there, you can also build look-a-like models to identify common traits that your customers exhibit to increase reach and scale.

**Since first-party data generally resides offline, the first step is to onboard your CRM data which can be used for:**

- Creating custom audience segments
- Targeting existing customers online
- Extending reach to lookalike audiences
- Suppressing recent buyers from certain campaigns
- Upselling or cross-selling

Our [2013 Media Intelligence Report](#) revealed that clients across major verticals who used CRM data in their online campaigns in Q4 saw a lift in performance from 31x–64x above the advertiser average.

### CRM Data Performance Lift (Education, Retail, Telco)



## Next Steps for Marketers

Marketing success – requires knowing your audience, reaching customers effectively, and delivering a personalized dialogue at scale.

**Neustar's PlatformOne can help.** A centralized marketing solution, it provides a complete, accurate, real-time portrait of your customer – and enables real-time activation of customer and media intelligence. It links customer interactions with authoritative datasets so you can identify, verify and segment customers. It combines these capabilities with real-time cross-channel, cross-device media intelligence, allowing you to leverage real-time and predictive media insights, bridging offline data with the online world, and measure performance across all campaigns in a single view.

For more information, visit [www.neustar.biz](http://www.neustar.biz).

### About Neustar

**Neustar, Inc. (NYSE:NSR)** is the first real-time provider of cloud-based information services and data analytics, enabling marketing and IT security professionals to promote and protect their businesses. With a commitment to privacy and neutrality, Neustar operates complex data registries and uses its expertise to deliver actionable, data-driven insights that help clients make high-value business decisions in real time, one customer interaction at a time. More information is available at [www.neustar.biz](http://www.neustar.biz).