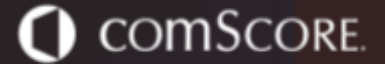


How Location Solves the Measurement Challenge

Magid Abraham– Executive Chairman, comScore



THE LOCATION OPPORTUNITY

Mobile advertising spend will increase 26% YoY reaching \$20.6 billion in the U.S. a by 2016



Yet just **45%** of that spend is dedicated to **LOCATION** demonstrating an amazing opportunity for the location marketing place and marketers alike

INCREASED SPEND = INCREASED EXPECTATION



46% want to reach specific audiences



37% want to target consumers around locales or POIs



31% want to use location send location-relevant messages



30% said the inability to measure success was a top concern with mobile location advertising

SOLVING THE MEASUREMENT CHALLENGE

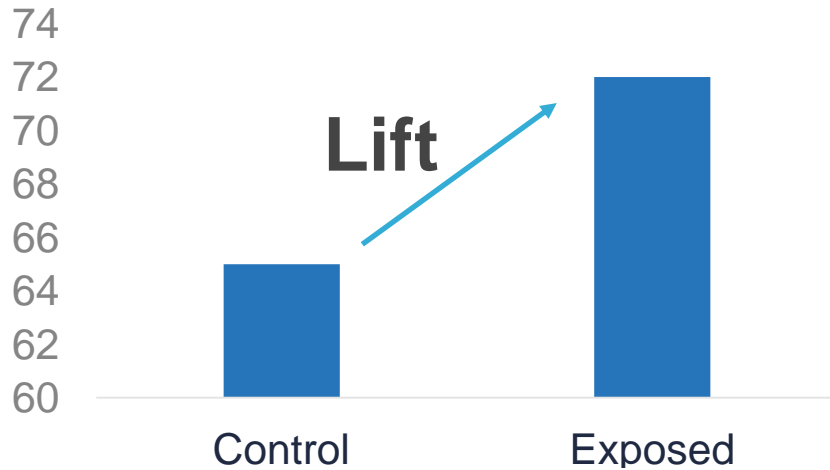
~~CTR~~

- X Trapped in online direct response paradigm
- X Fails to capture any image impact
- X Fails to capture behavioral change in 85% of the people who never click on ads
- X Clickers universe is not an attractive target

SOLVING THE MEASUREMENT CHALLENGE

Focusing on KPI's that Matter

Performance KPI Lift



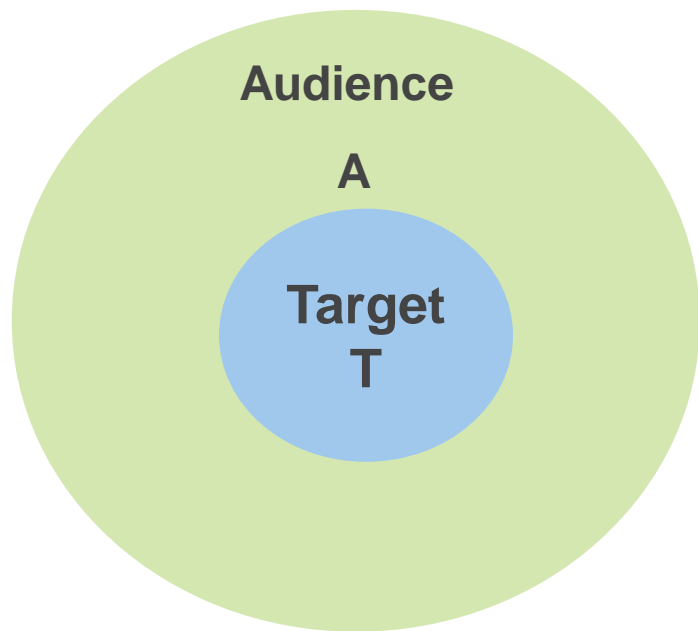
Methodologies

- ✓ Test vs. **Control**, with **Control** subjects selected based on the **same audience criteria** or,
- ✓ Modeling KPI Lift as a function of exposure frequency

SOLVING THE MEASUREMENT CHALLENGE: What KPIs Matter?

KPI	Method	Link to sale	Quality Rank (1=weakest)
Awareness	Survey	Fuzzy	1
Purchase intent	Survey	Indirect	2
Visitation Lift	Visitation data	Visitation Conversion	3
Sales Lift	Offline Data Match	1 to 1	4

Optimizing Mobile Ad Spending Through Targeting



$$S = \textit{Targeting Specificity} = \frac{\textit{Size}(T)}{\textit{Size}(A)}$$

Optimizing Mobile Ad Spending Through Targeting

$$ROI \text{ per } 1,000 = \frac{S * ROI \text{ Lift per } 1,000 \text{ person in target}}{CPM}$$

$$\text{Targeting is Optimal} \Leftrightarrow \frac{\text{Targeted CPM}}{\text{Untargeted CPM}} \leq \frac{\text{Specificity (Targeted Ads)}}{\text{Specificity (Untargeted Ads)}}$$

Location Data Delivers Huge Targeting Efficiency

SAN FRANCISCO Auto Consumer Visitation

550k weekly unique visitors to brick
& mortar locales DMA-wide

14.7k (2.6%) weekly unique visitors
to Auto Dealers

3.5k (.6%) Luxury
Dealer visitors

BMW
08%

LOCATION DATA DELIVERS TARGETING EFFICIENCY

BOSTON Department Store Consumer Visitation

490k weekly unique visitors to
brick & mortar locales DMA-wide

20k (44%) weekly unique
visitors to Department
Stores

Target 2.1k
.4%

Maximum CPM Premium for Optimal Location Based Targeting

Category	Targeting Criteria	Location Targeting Specificity Ratio	Condition for Optimal Targeting
Auto	Luxury Car Shoppers	44	Targeted CPM \leq 44 x Untargeted CPM
Retail	Target Stores Shoppers	7.5	Targeted CPM \leq 7.5 x Untargeted CPM

Summary

- Location based targeting is intuitively desired by marketers and can be a significant driver to Mobile Advertising growth
- Delivering the right performance KPI is needed to accelerate growth
- Based on targeting efficiency alone, Location Based Targeted ads deserve significant premium over untargeted mobile advertising.

Thank You!