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| **Overview** | **Assessing the current state of buoyancy of the Ad Smart Universe in terms of demand and supply. The analysis looks at all tilts of the contended and almost contended hhs and explores various strategies that could be implemented to tackle increased demand for demand and supply.** |
| **Presentation Title** | Contended HHs |
| **Audience Profile** | Data Strategy Controller, Pricing and Inventory Manager, Head of insight, Strategic Consultants.  Audience size 5-6. Highly analytical to go with business knowledge. |
| **Objective and Key Take-out** | Headline Objective: To assess the current inventory-state of the AdSmart Universe and Identify Households who have higher demand than supply and those who are approaching it.  Key Takeout:   * Demand has grown by 15% YOY (2016 vs. 2015). While there has been occasional boost in supply with more channels added to the AdSmart perimeter from time to time, the increment hasn’t been as steep as seen in demand. * Supply has still some way to go before we can press the panic button. The inventory utilisation, as it is, stands at a promising 10% of all available supply. So under-delivering a campaign isn’t really a problem right now. However, our analysis also suggests we might be overestimating the supply by as much as 60%, through including all slots when c.90% of AdSmart campaign slots are of 30 second duration and discounting the media restriction and other limitations like break-spacing, daily cap and the need to protect the revenue rich linear slots from being substituted. This forthwith pulls the inventory utilisation up to 25%.      * The 75% surplus inventory is not the premise for all AdSmart HHs. Data demonstrates c.10% HHs having more demand than supply i.e. contended while another 20% have zero supply. There is an additional c.10% HHs who are approaching contention. The remaining 70% HHs or the Uncontended HHs have adequate supply and compensate the under-delivery in the 3 low supply groups. * The Uncontended HHs generate 87% of the total revenue and over-delivers by nearly 20%. * Only 1 out of 10 substitution opportunities get converted to impressions in the Contended HH segment. A higher frequency daily cap and a more pricey CPM strategy for this group will boost revenue going forward. Extending the AdSmartable channels will better the supply position for both Contended and the Almost Contended HHs, there must be a premium cost in getting in front of these customers. * We have noticed that 50% of the high supply segment (Uncontended HHs) have low to very low demand. One key reason is over-significance of affluence in reserving a target audience for a campaign. Almost 60% of campaigns have an affluent or regional tilt to it. We must work to re-package our targeting capability. For example income bands could be used to supplement the leverage in affluent HHs. c.50% of very low to low affluence bands have income of 40k GBP and above outside London region. * So what next? – The Contended HHs definition will be re-assessed and shall evolve. * Phase 2 will have a pricing strategy for the Contended HH segments. * There would be re-packaging of attributes with new route to market explored. * In Phase 3 we propose to create an AdSmart attribute with the various Contended HH segments so the recommendations from Phase I and II are actionable. |
| **Synopsis** |  |
| **Overall Timing & # Slides** | 30 minute presentation allowing time for interaction/ questions during the presentation. 15 slides. |
| **Presentation Type** | Beamed |
| **Presentation Notes** | Ensure the focus is on what has been created and how it can be of value. Don’t spend too long on the how we got here phase and lines and lines of numbers in the tables within the excel report. Highlight the key tables in appendix. |

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| **Objective** | **Content & Storyline** | **Slides No** | **Time** | **Key Messages** |
| 1. Overview - Why Contended HHs? | Briefly explain the business objective of the analysis and what is expected to be provided –  *Assessing the current state of buoyancy of the AdSmart Universe in terms of demand and supply. The analysis looks at all tilts of the contended and the almost contended hhs and explores various strategies that could be implemented to tackle increased demand in absence of adequate supply.* | 1 | 2 | * Briefly discuss the questions we tried to answer with this piece of work |
|  | *Demand Supply Evolution:*   * *How has supply and demand evolved over time?* |  |  | * A graph that shows over time, demand has increased at a much faster rate than supply. Hence it has become necessary to assess the current state of AdSmart HHs based on demand and supply. Currently, c.28% HHs have less supply than demand. |
| 1. Key Takeaways | *The AdSmart Universe.*   * *So what does the current AdSmart landscape look like w.r.t inventory utilisation? And what does the demarcation tell us?* | 2 | 10 | * *AdSmart HHs can be split into 4 broad categories: Zero Supply, Contended HHs (supply < demand), Almost Contended HHs (D < S < 2D) & Uncontended HHs ( S > 2D)* * *1 in every 10 HHs do not deliver any impression opportunity* * *While c.19% HHs have less supply than demand, there are another 14% HHs who would become contended in the future should they be left as is.* |
| 1. Key Takeaways | * *The Demand Supply Quadrant*   Showcase the Quadrant first, followed by the 4 Categories. This will allow an existence of 11 segments – Highlights the different problem areas and why. | 3 | 1 | * *Half of the HHs watch 3 hrs of AdSmart channels in a month.* * While 50% of AdSmart HHS are targeted by 17 campaigns or less every day. * With demand forecasted to increase by c.50% next fiscal year, the biggest challenge would be to hold on to/gain more of the uncontended territory and improve corresponding supply.   *(Next slide: How do we tackle this issue?)* |
| 1. Key Takeaways | * How do we tackle the growing demand conundrum?   The solution is to have different strategies for different zones. | 4 | 2 | * Launch of Channel 5 will improve the supply in the low and zero supply groups by 20%, however, this will not massively boost the revenue with channel – 5 likely to snap up the lion share of the revenue close to 60%. * A different pricing strategy for the low supply groups is required. These groups are very hard to reach and have considerable high demand. So, the advertisers should be willing to pay a premium in reaching them. (*Contd. Next slide)* |
| 1. Key Takeaways | * Which zones have higher leverage in growing demand? | 5 | 2 | * Most of the uncontended HHs do not have complimentary demands to match supply. More demand should be grown in this segment by exploring various route to market. * Re-packaging of attributes could be done using the viewing behaviour of the high supply groups within the Uncontended HHs * Also the higher supply groups within Uncontended HHs may be utilised to deliver campaigns with higher/increased frequency. Many previous campaign evaluations show higher frequency yielding better uplift. |
| 1. Key Takeaways | * To employ the various strategies discussed above, we must FIRST device a way to identify the 4 key categories. Here in this slide we stick to the zero supply, contended and almost contended HHs. We shall try and answer if Contended and Almost Contended HHs are due to low supply, high demand or both? | 6 | 2 | * Viewing propensity is the top predictor in identifying contended and almost contended HHs. * It predicts Contended HHs with 70% accuracy   (Next slide shows 10 by 10 grid) |
|  | * Customer Profiling | 7 |  |  |
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|  | * Summary and Recommendations |  |  |  |
|  | * Methodology |  |  |  |