Maximising Profit through Attention

New Insights for Media Leaders

October 2024

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- Lumen and Ebiquity have joined forces to reveal the powerful impact of consumer attention on advertising profitability

- Strong relationship between channel benchmarks for Attentive Seconds and Incremental Profit

Introduction

As attention measurement matures and scales, the value for media planning and buying needs anchoring in proof that attention metrics are predictive of outcomes. Previous research has shown that attention is predictive of online outcomes like clicks and conversions[1] and that attention drives memory and brand outcomes[2]. But the ultimate goal of all advertising is to drive incremental profit, including long-term brand effects. Are attention metrics predictive of hard business results?

To address this question, Ebiquity and Lumen Research have partnered to share our normative datasets and expertise in media effectiveness and attention. In this article we will share the initial results of our analysis. We compare Lumen's benchmarks for its main attention metric, the attentive seconds per 1000 impressions (APM), to Full Profit ROI[3] channel benchmarks from the Profit Ability 2 Thinkbox study published earlier this year by Ebiquity, EssenceMediacom, Gain Theory, Mindshare, and Wavemaker UK[4]. This study pooled together econometric marketing mix modelling results from 141 brands across 14 advertiser categories, covering £1.8bn in ad spend. What is novel in this analysis is that we have combined these published long-term ROIs and attention and CPM benchmarks from Lumen and Ebiquity.

On starting this analysis, we were unsure whether we would see any strong correlations. Profit ROI is known to be driven by lots of factors, such as brand size, creative and media costs[5]. Would attention stand out as a significant driver when there are so many other factors at play?

[1] See Lumen-PwC Attention Methodology and Case Study Review (2023). https://lumen-research.com/blog/lumen-releases-report-from-pwc-on-the-roi-of-attention-technology/

[2] See What do 9000 Brand Lift Studies teach us about attention and memory? BrandMetrics, Lumen & Havas (2024). https://havasmedianetwork.com/app/uploads/2024/09/whitepaper-lumen-x-brand-metrics-x-havas-september-2024.pdf

[3] Full Profit ROI includes both short-term and long-term effects.

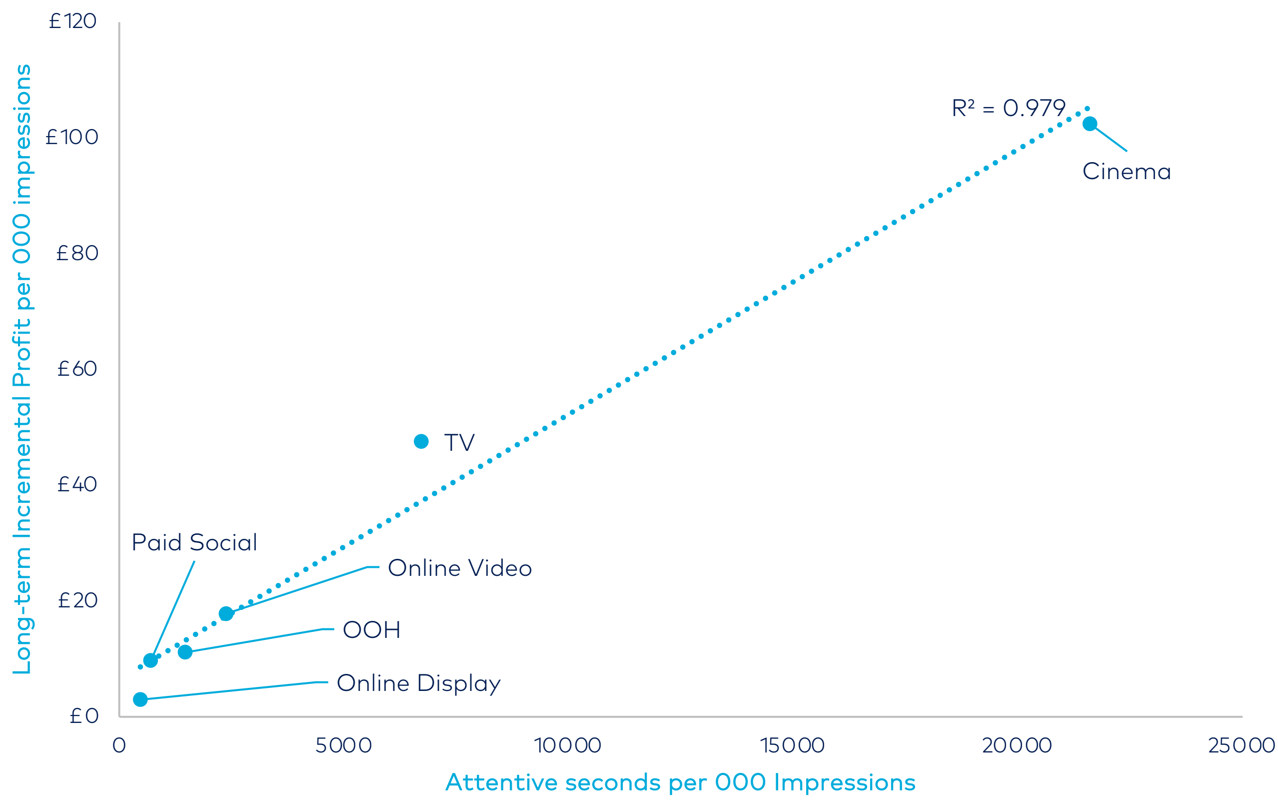
[4] Profit Ability 2, April 2024 – Ebiquity, EssenceMediacom, Gain Theory, Mindshare, Wavemaker UK. https://ebiquity.com/news-insights/press/profit-ability-2-the-new-business-case-for-advertising/

[5] See Drivers of Advertising Profitability, Dyson, 2023

The Efficacy of Attention

Combining the data has revealed a tight relationship between the attention and incremental profit. A media channel's efficacy – the long-term profit it delivers per 1000 impressions - is proportionate to the amount of attentive seconds it receives.

Figure 1: Attention and Incremental Profit



The chart shows an incredibly strong relationship, which we initially found hard to believe, with 98% of the variation in a channel's average incremental profit per 1000 impressions explained by the variations in Lumen's attentive second benchmarks. There is almost a perfect straight line between the data points, indicating a linear relationship between the amount of attention an advertising channel receives and the incremental profit it delivers. Of course, this quality and profit potential is somewhat priced-in by media markets – which we explore later in this article.

At the top of the scale is Cinema, the near perfect environment for attention, where consumers are exposed to full length advertising in glorious technicolor and top-end sound. This delivers an average of 21,610 attentive seconds for every 1,000 impressions, and on average produces £102 of incremental profit. TV is the next best channel for attention, delivering an average of 6,726 attentive seconds per 1,000 impressions. The amount of incremental profit delivered by TV is almost exactly in proportion to the relative amount of attention they get compared to Cinema, at £48. Further down the scale, online display achieves the lowest level of attention, at just 470 APM, and accordingly produces £3 of incremental profit per 1000 impressions.

Of course, the 98% R^2 is only based on a very small number of data points[6]. This is just a starting point for further investigations at lower levels of granularity and from case to case. This analysis is based on differences between media channels which might not necessarily hold within media channels (say, between media formats or across other media levers). But the data behind these 6 data points is extremely robust, based on a large base of campaigns, so the fact this pattern emerges so precisely is indicative of powerful truths about how advertising works. Ultimately, if brands can get more attention for their ad spend, it follows that they should see improved returns.

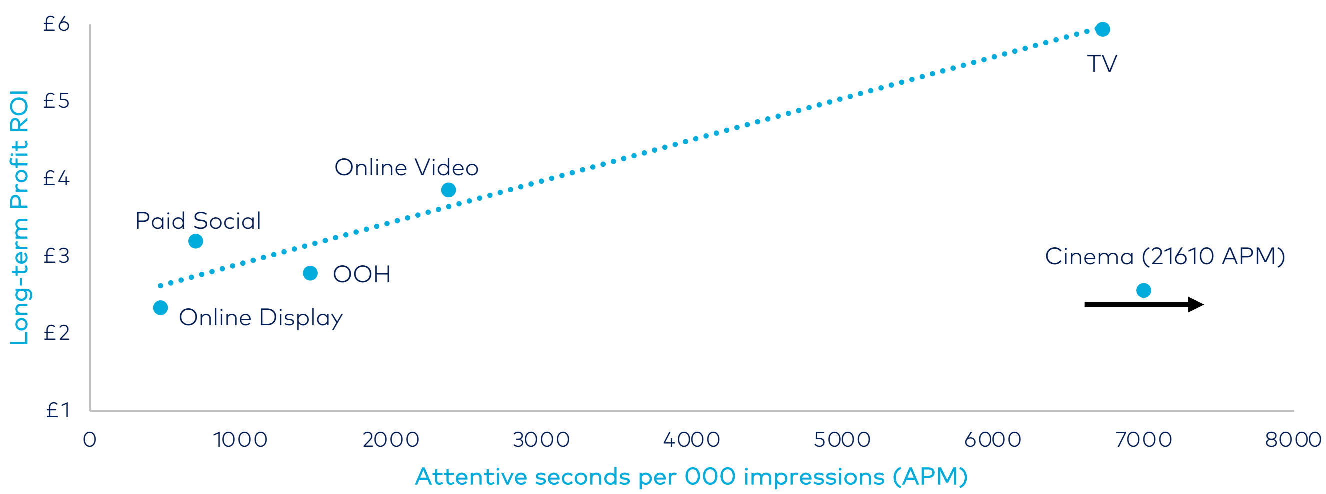
[6] We have excluded BVOD from this analysis because Lumen benchmarks are currently based on smaller devices while the Profitability 2 study includes all device types, predominantly big screen. Press is excluded from this analysis as its attention measures lack current data.

Getting the units right

Our initial approach was to compare Profit ROI (incremental profit per £ spent) with APM, as shown in Figure 2. This analysis is suggestive of a relationship between attention and ROI, but hardly conclusive. The reason is simple - the units of comparison are different. Profit ROI is the incremental profit per £1 ad spend, but APM is per 1000 impressions. The media cost needs to be included to make sense of the data.

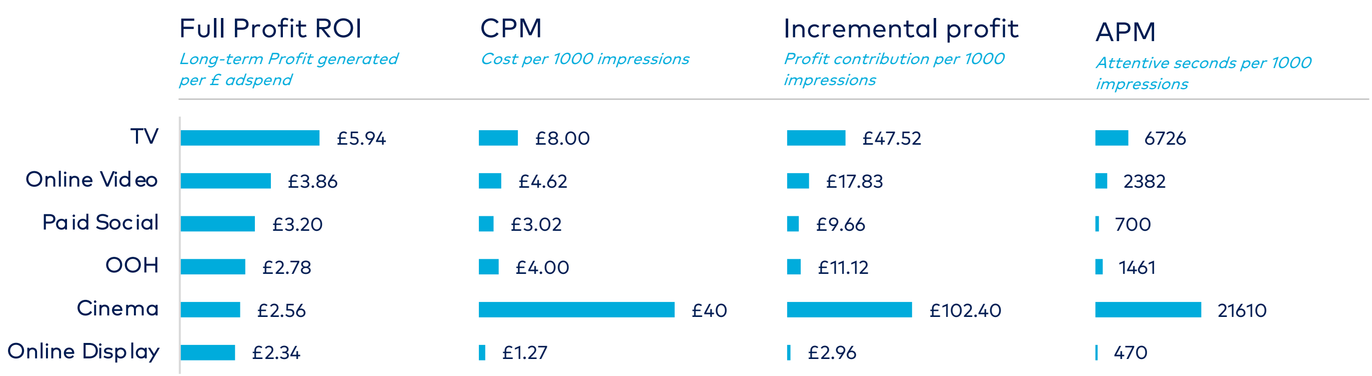
Figure 2: Profit ROI vs APM

Trendline excludes cinema outlier



To get to an analysis with a consistent unit of 1000 impressions, we needed to combine the Profit ROI benchmarks with CPM figures. Benchmark CPM figures were sourced by Ebiquity from their pool for offline media[7], with the online channels gathered from Lumen's digital attention audits for UK advertisers. The ROI and CPM benchmarks can simply be multiplied together to create the Incremental Profit per 1000 Impressions figures. The full breakdown of all the key figures are shown in Figure 3.

Figure 3: Profit ROI, CPM and Incremental Profit benchmarks

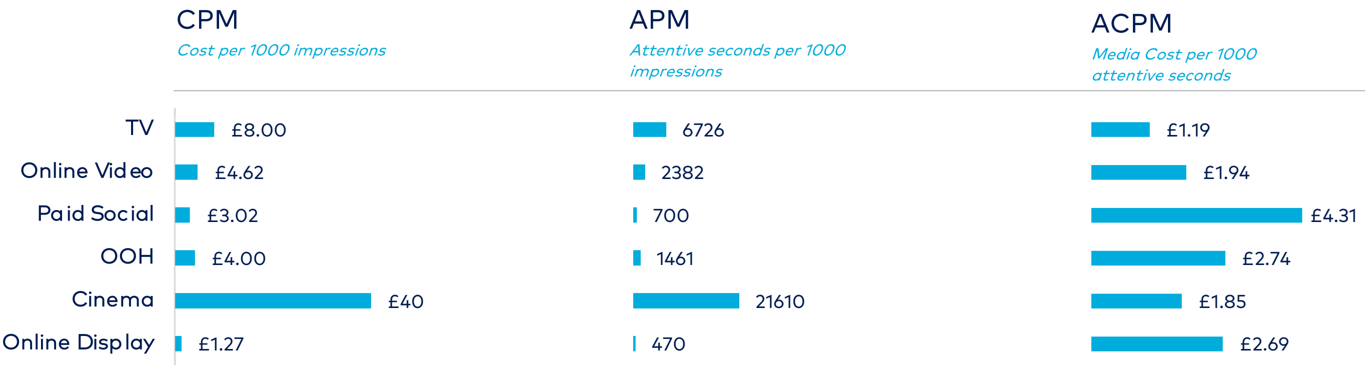


[7]Notes on CPMs:
Cinema: based on a discounted audience package buy (i.e. not film specific)
TV: estimated 2024 Adult Brand TV CPT
OOH: average Adult CPT based on discounted panel rates, buying a range of standard, broadcast formats

The Efficiency of Attention

The strong correlation between attention and incremental profit supports using attention data to assess media value and guide planning. A useful metric to judge the efficiency of attention is the cost per 1000 attentive seconds, as seen in Figure 4.

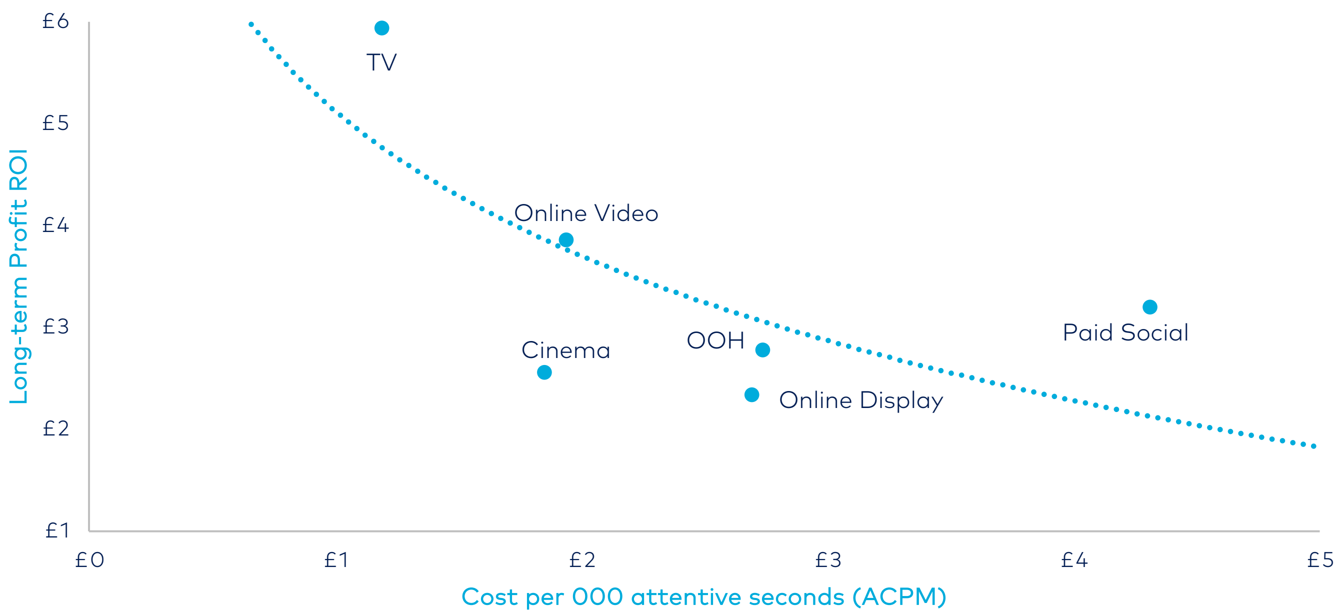
Figure 4: The Cost of Attention



This indicates that media markets are already to some degree pricing-in the effects of higher attention. On a CPM basis, Cinema is more expensive than TV, in line with its higher attention and profit impact. While channels like online display and paid social have much lower CPMs, reflecting their relatively low levels of attention.

But markets are not perfectly pricing-in attention; if they were, we would see that the cost of attention would be equal across channels. In fact, the cost of attentive seconds varies between media channels, producing an inverse relationship to Profit ROI. Some channels deliver attention more cost efficiently than others, and this helps them drive more profit from the budget.

Figure 5: Attention efficiency drives ROI



The Power of Attention: Leading Indicator of Profitability

MMMs are the gold standard for measuring the commercial impact of advertising, offering a solid foundation for budget setting based on a brand's past channel ROI. While MMMs provide a comprehensive, macro-level view, their insights can be enriched by integrating attention data, which adds what economists call 'microfoundations': a psychological understanding of why and how advertising works. MMMs show how much profit each channel has driven, while attention data complements this by revealing the psychological mechanisms behind those results.

This is where attention data plays a crucial role. By combining attention data with econometric modelling results, brands gain a more complete view of media effectiveness, blending the strategic insights of MMM with the detailed psychological insights provided by attention measurement. Together, they capture both the big picture and the mechanisms that drive profitability.

Importantly, while econometric modelling provides a comprehensive view of advertising returns, attention data offers immediate and responsive insights, allowing for faster optimisation and decision-making. Attention figures provide granular insights that complement MMM's macro view, offering brands the ability to make finer grained executional optimisation, and offer the chance to pre-test creative before market launch.

In summary, attention is as a powerful leading indicator – highly correlated with advertising profitability – and, when used alongside MMM, provides brands with timely, high-resolution insights to drive success, ultimately unpicking the why behind the ROI.

Richard Kirk, Chief Strategy Officer at EssenceMediacom, said:

This data is another strong piece of evidence supporting the theory that not all reach is equal. Increasingly we can see that reach data needs to be adjusted with media quality metrics, in order to re-establish the link between reach and outcomes that has been eroded by fragmentation in the last 20 years. This research grounded in attention, Peter Fields work on the cost of dull media and EssenceMediacom & EverydayPeople's research on signalling all points in the same direction; that planning to the broadest reach for the lowest CPM is sub optimal. Significant commercial advantage is on offer to those who take a more nuanced view of media, and that's why it's such a great time to be a media planner.

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Want to see how attention relates to incremental profit for your brand?

Ebiquity and Lumen are here to help.

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