

A nighttime photograph of a city street with light trails from cars and illuminated skyscrapers in the background. A large red diagonal shape is overlaid on the left side of the image.

SMoX

A SMoX Cross-Marketing Attribution Report

Case Study:
Allstate
March 2017



Targeting, Formats and the Death Of the Clickthrough: Mobile in The Marketing Mix at Allstate

The Mobile Marketing Association's pioneering attribution research program, SMOX - which has already performed studies for **AT&T**, **Coca-Cola**, **Mastercard**, **Unilever** and **Walmart** - now presents the results of a study in collaboration with Allstate. SMOX, short for Smart Cross-Marketing Attribution Research, is an ongoing series of marketer case studies that examines the impact of mobile in the marketing mix, with live, in-market campaigns using proprietary methodology. As more marketers realize how critical mobile is in driving business growth, the learning agenda for SMOX has shifted from the *why* of spending on mobile to the *how* - guiding brands on how they can get the most out of their mobile spend and teaching them how to implement best practices, optimize spend and maximize performance.

Specifically, the Allstate study set out to answer three critical questions

1

What is the role of mobile in the mix and how can it drive marketing goals across the purchase funnel?

2

What is the optimal mobile allocation for Allstate's campaign?

3

How can Allstate make its mobile investment work harder?

While more detail is provided below about the ROI of the specific tactics that were tested in the campaign, the most important contribution of the study is to validate a strategic approach about the role of mobile in the path to purchase, paying close attention to formats and targeting that work in the mobile environment.

Targeting, Formats and the Death Of the Clickthrough (cont.)

A second, closely-related contribution from this study is its role in proving the value of integrated data measurement and Multi-Touch Attribution (MTA). A comparative analysis performed as part of this study, using clickthroughs, highlighted the risks of using obsolete metrics and disaggregated data. Specifically, our analysis of Allstate showcases just how moribund the click-through is, illustrating that it has almost no correlation with key marketing outcomes such as sales; it can mislead marketers into making the wrong optimization decisions and media allocations.

We hope the findings that follow will further illuminate why mobile can be transformational in driving top line business growth, shedding light not just on how to improve your marketing, but where significant shifts can occur to manage your entire business.

The SMoX Methodology

For Allstate, as with other SMoX marketers, the methodology needed to measure mobile and other media down to the individual tactic and message, as well as understand the interactions among these different media along the path to purchase. The data points used included the client's CRM data, ad impressions, panel responses and more – giving the research more granular data and sharper insights.

The methodology also reflected the fact that MTA has become increasingly important as consumer touchpoints – including mobile – have proliferated. To have a meaningful degree of certainty about causality, the study linked a person's activities across devices.

Specifics of the Allstate Campaign

Allstate, unlike most of the other advertisers who have thus far participated in SMOX, is in a high-consideration, infrequent-purchase category, making it an interesting marketer to study. Allstate is the nation's largest publicly held personal lines insurer, protecting approximately 16 million households through auto, home, life and other insurance offered through its Allstate, Esurance, Encompass and Answer Financial brand names.

The Allstate campaign that was studied for SMOX focused on consumers, age 18 and over, who were potential candidates for Allstate auto and home insurance. Data collection occurred between June 1 and August 31, 2016 with the campaign appearing in a full range of traditional and digital media, including TV, radio, print and out-of-home.

The campaign had two objectives:

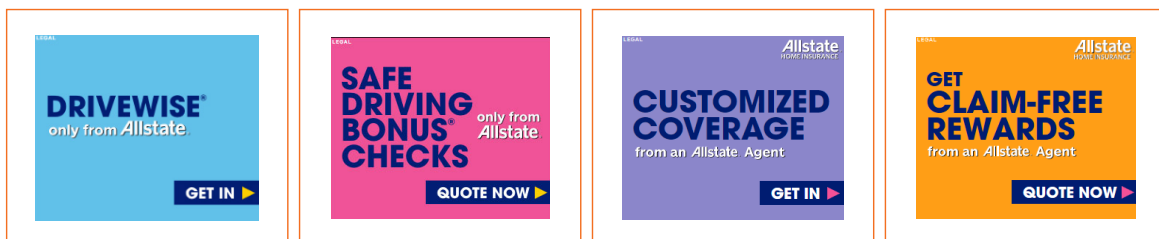
1

To reinforce brand image and build consideration among consumers who would soon be in the market for insurance.

2

To identify consumers who were currently in the market for auto insurance and use media to trigger an immediate response and drive acquisition.

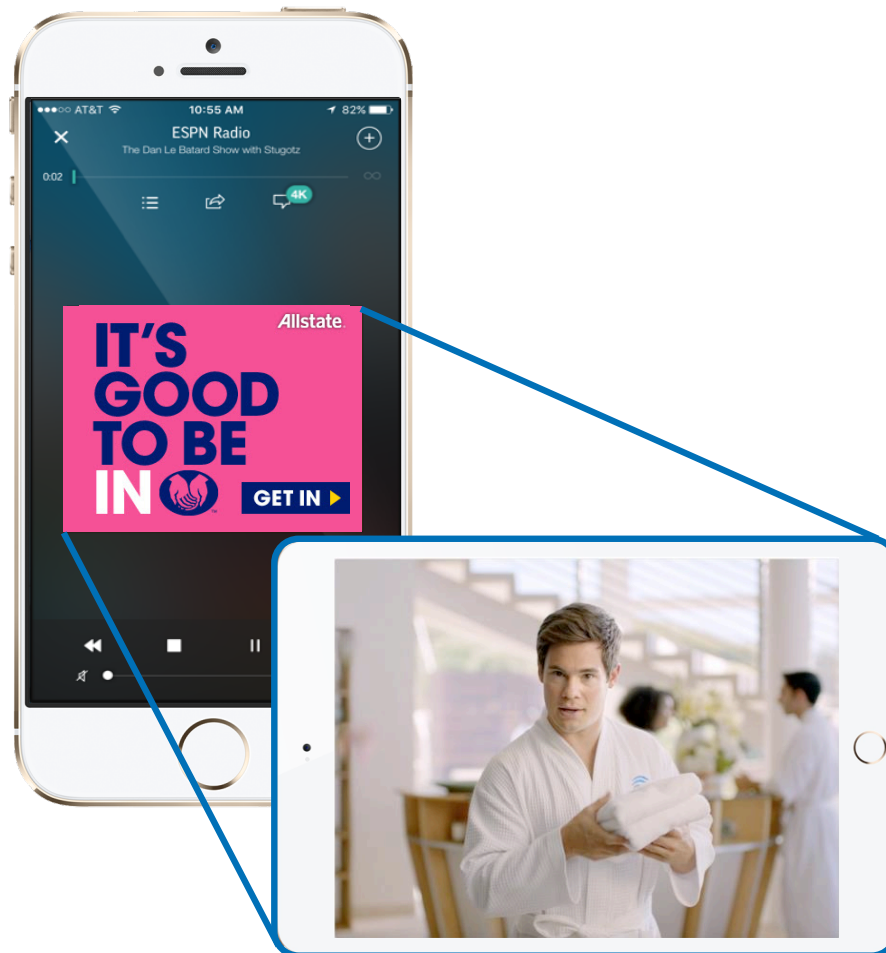
The overall media approach was to use high impact, rich messaging to drive consideration and more direct-response focused messaging for acquisition and sales. In mobile, this translated to using video and audio for consideration and banners (see below) to drive sales. Allstate wanted to better understand how to utilize the mobile toolkit as part of the above media approach.



Specifics of the Allstate Campaign (cont.)

In mobile, the brand also employed display ads that expanded into video units (see below), which played 30- and 15-second versions of a commercial that was also running on TV, which touted ways that Allstate goes beyond insurance coverage, offering benefits like claim-free rewards, safe-driving bonus checks and claim satisfaction guarantees. Other mobile-only executions included animated take-overs and interstitials.

Purchase consideration was measured using surveys of people who had been exposed to the ads. Sales were measured by matching the device IDs of the people who were exposed to the ads to those of the people who bought insurance, using Allstate CRM data.



The Findings: Integrated Data Measurement Points Way To Optimization – and Results

With the Allstate study – as with others – we discovered that to recognize the full potential of mobile – and measure its results accurately – brands need to adopt an integrated data approach. By providing a granular understanding of the exact contribution of each touchpoint, such an approach allows marketers to optimize in real time and eventually identify the perfect combination of formats and targeting that maximizes sales and other marketing KPIs.

Every part of the mobile toolkit can prove very powerful, but increased success lies in using those tools in an integrated fashion to produce a better return on investment. For instance, it is no longer enough to judge effectiveness simply on the power of creative messaging (in fact, in this study, optimization of creative had little effect), but by using formats appropriately within the funnel, and layering different targeting mechanisms -- such as context, location and behavior – to optimize performance. Getting this right can create potent swings in ROI.

With that, here are seven findings from the Allstate study.

1

Targeting changed the game.

The campaign used four different types of targeting – behavioral, contextual, location and retargeting – to reach prospects. The best performer was behavioral, which far outperformed untargeted banners, scoring 272 out of an index of 100 when it came to incremental sales per dollar spent. Retargeting consumers who expressed interest in Allstate performed more than two times better as compared to when it was not applied. Lastly, contextual targeting also emerged as a strong driver of upper funnel/consideration, especially when coupled with high impact video, which increased the efficiency of that video by more than 90 percent.

2

Location drives sales at scale.

Banners that employed location targeting improved the efficiency of sales per dollar spent compared to untargeted banners by a factor of nearly two. Rather than using location targeting in its most common form – to drive foot traffic – Allstate validated that consumers' physical location patterns can predict which of them is in the market for insurance, just as digital signals can showcase buying behavior.

3 | Shorter is better for audio and video.

While video emerged as a strong driver of consideration, its efficiency was hugely dependent not just on its placement in the sales funnel but also on length. A 15-second video about Allstate benefits was twice as cost effective in delivering on consideration as a 30-second version. Shorter was better when it came to audio as well, with a 15-second version performing 18 percent better than its 30-second counterpart.

4 | In-app placements are more efficient than mobile web.

Although they are higher-priced, in-app placements of mobile advertising were on average more than 20 percent more efficient compared to mobile web placements. More research is needed here to conclude cause and effect.

5 | There was a strong connection between formats and where they are best applied in the funnel; richer ad units powered consideration, but banners were more effective for sales.

As was said up above, mobile audio was about 30 percent more efficient compared to the campaign average across all media; mobile video was even more efficient, at 85 percent of the campaign average, due to its very high effectiveness and lower cost compared to TV. However, in the lower funnel, it was targeted banner units that proved to be the most efficient drivers, being 12 percent more efficient compared to the campaign average across all media.

6 | Optimizing creative messaging was less important than other factors in determining ROI.

Creative is central to any marketing effort, but in the Allstate study, optimizing would not have had a huge upside. The range in lift between the best performing unit and the worst performing unit -- based on an index of one -- was only between 1.07 and .92. As stated above, the huge swings in ROI came from close attention to targeting methods, formats, and what types of formats perform better in different parts of the funnel rather than small differences in the messaging itself.

7 | Lastly, old school measurement misses the big picture, hurting both measurement of campaign effectiveness and optimization - clickthroughs are officially dead.

Despite the fact that clickthrough rates have steadily decreased over the last years and that there's been growing debate about the use of this metric, a recent poll among marketers conducted by the MMA showed it's still the most popular measurement method, with more than 80 percent of marketers claiming to use it regularly - more than any other metric. Yet, the recent data from the Allstate campaign proves unequivocally that the correlation between clickthroughs and sales was practically non-existent - **only 0.2 percent for the campaign**. Had Allstate relied solely on clickthroughs, it would have drawn a highly misleading picture of campaign performance and how to optimize against it. This finding is particularly true when a clickthrough is used as a proxy for sales in a cross-media effort. By using device IDs to track potential customers across multiple platforms, sites, and locations, Allstate was able not only to get a clearer picture of consideration and sales, but also to optimize the campaign against those data signals.

How Can Allstate Best Optimize Against Mobile?

As with earlier SMOX studies, we looked at this question through two lenses:

1. What percentage of the total marketing mix should a brand spend in mobile if no changes were made in the actual mix of mobile formats and tactics that were used?
2. What percentage of the total marketing mix should a brand spend in mobile if it also had complete visibility into the mobile formats and tactics that performed best and had the ability to leverage them?

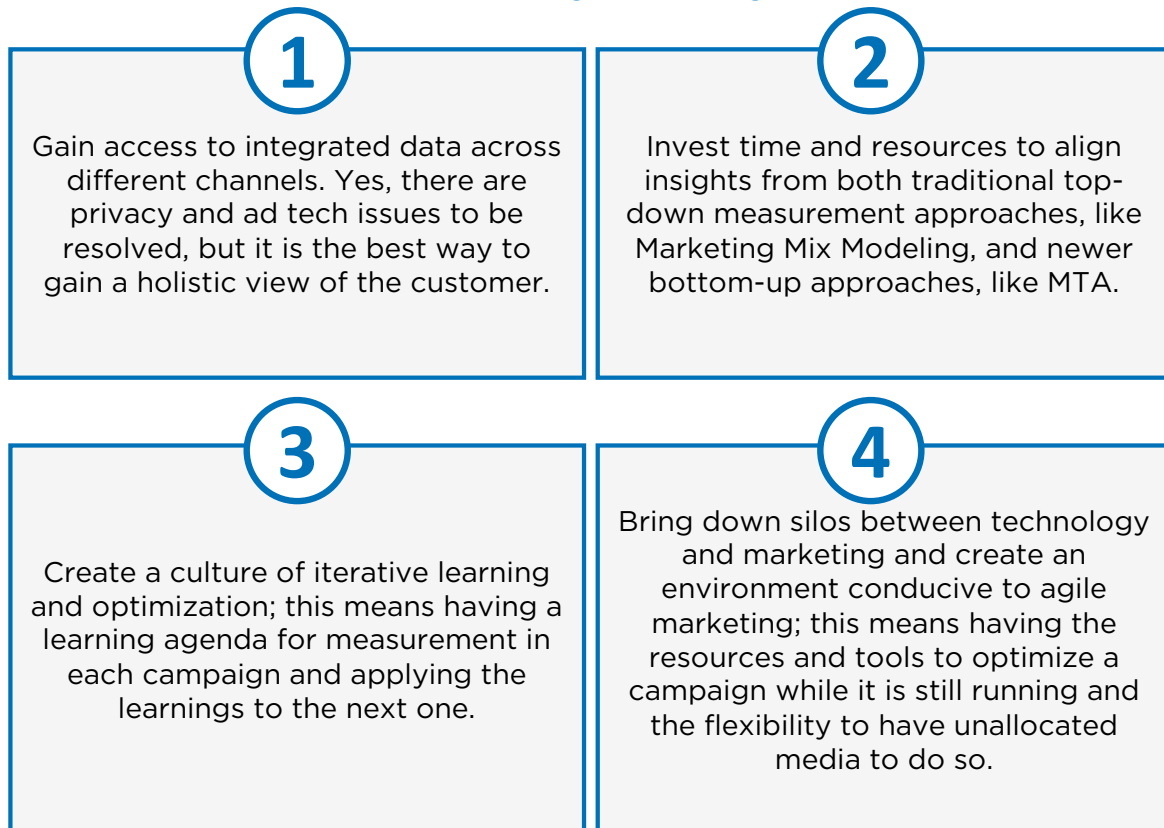
In the case of Allstate, the answer to question one is that **13 percent** of the total ad budget is the optimized mobile allocation, even if no improvements were made in the mix of mobile tactics. Yet, with further refinements – as described in question two -- that figure jumps to **17 percent**. Importantly, these allocations would result in incremental sales from the campaign, increasing sales by **four and seven percent** respectively.



What Marketers Can Learn From Allstate

So how can other advertisers benefit from these findings, and build a mobile roadmap of their own? For one, as with other SMOX studies, this most recent analysis for Allstate shows how crucial it is to strategically approach measurement and attribution in order to support marketing evolution in an age of mobile disruption and data transformation.

This means that marketers looking to leverage mobile must:



Putting these pillars in place ensures that marketers can optimize against whatever signals make sense for their particular campaigns and marketing needs, since – as we’ve seen with Allstate – it’s an often unique mixture of formats, targeting techniques, and messaging in the right place and right time that has profound affects on ROI -- but results vary from one campaign to another and one brand to another. The best practices for any individual campaign or category reveal themselves through gathering integrated data and analysis in real-time – and using it.

What Marketers Can Learn From Allstate (cont.)

But the bigger picture is that mobile is transformational because so many levers come into play that affect business outcomes. It requires bravery on the part of a marketer to grasp them, but, on the other hand, no longer can marketers tick a few boxes and do a gut check of a campaign to achieve success. To rely on old techniques means missing the impact of huge swings in profitability and market growth, in addition to missing the opportunity to build an edge that may be insurmountable for competitors.

Thus far the MMA has conducted a total of 10 SMOX attribution studies, which provide marketers with what an optimized marketing mix should look like for brands. Additionally, the MMA recently launched the Marketing Attribution Think Tank (MATT) with MTA as its first focus. With many marketers believing that MTA is the holy grail of marketing ROI and now with proof of its impact, the MATT initiative delivers a deep dive into the capabilities of MTA vendors and helps marketers select MTA solution providers and apply their offerings with confidence.

The MMA thanks Allstate for its invaluable participation and Marketing Evolution for its continuing partnership on SMOX. We hope this case study has illuminated how marketers can more effectively execute in mobile and its impact on the broader marketing mix.

About the MMA's Cross Marketing Studies (SMoX)

SMoX is a global research initiative conducted by the MMA, which has also included studies with AT&T, Coca-Cola, Mastercard, Walmart and Unilever. SMOX applies research techniques from person-centric marketing analytics firm Marketing Evolution to provide a granular read of mobile and other media. For more on SMOX, click [here](#). The SMOX methodology has been independently reviewed by the Advertising Research Foundation (ARF). The MMA thanks the following companies that support SMOX: Jun Group, PlacelQ, The Weather Company, xAd, ESPN, Foursquare, Pandora, Turner, Ubimo and Verve.

About the MMA

The MMA is the world's leading global non-profit trade mobile marketing association comprised of more than 800 member companies, from nearly fifty countries. Its members hail from every faction of the mobile marketing ecosystem - including brand marketers, agencies, mobile technology platforms, media companies, operators and others. The MMA's mission is to accelerate the transformation and innovation of marketing through mobile, driving business growth with closer and stronger consumer engagement. Anchoring the MMA's mission are four core pillars: to cultivate inspiration by driving innovation for the Chief Marketing Officer; to build the mobile marketing capabilities for the marketing organizations through fostering know-how and confidence; to champion the effectiveness and impact of mobile through research providing tangible ROI measurement; and advocacy. MMA industry-wide committees work collaboratively to develop and advocate global best practices and lead standards development.

Mobile Marketing is broadly defined as including advertising, apps, messaging, mCommerce and CRM on all mobile devices including smartphones and tablets. Members include: Allstate, American Express, Bank Of America, Campbell's, Chobani, Choice Hotels, Citi, Colgate-Palmolive, DataXu, Dunkin' Brands, E*TRADE, Electronic Arts, ESPN, Facebook, Ford, Foursquare, Goodyear, Google, Hilton, iHeartMedia, InMobi, Johnson & Johnson, Kellogg, Krux, Marriott, MasterCard, McDonald's, Nestle, Pandora, Pepsi, Pernod Ricard, Pfizer, Pinterest, PlacelQ, Procter & Gamble, R/GA, RadiumOne, Razorfish, Salesforce, Samsung, SAP, Snap, Spotify, Target Brands, The Coca-Cola Company, The Rubicon Project, The Weather Company, T-Mobile, TUNE, Uber, Ubimo, Unilever, Verve, VEVO, Vibes, Walmart, Wendy's, xAd, Zurich and many more. The MMA's global headquarters are located in New York with regional operations in Asia Pacific (APAC), Europe/Middle East/Africa (EMEA) and Latin America (LATAM). For more information about the MMA please visit www.mmaglobal.com.