

2015 CASE STUDY:

HBO NOWSM



OVERVIEW:

For its recent launch of HBO NOW, the new stand-alone Internet streaming service, HBO leveraged innovative target modeling and audience-driven media analytics to target TV advertising to those most likely to subscribe to the new service.

THE CHALLENGE:

Traditional TV advertising would result in **considerable waste.**

To effectively target the product release, HBO wanted to reach a younger, audience with distinct media consumption behaviors and psychographic traits via Broadcast and Cable TV advertising. However, this audience could not easily be targeted via traditional demographic-based TV targeting (e.g., Adults 18-49). In fact, many media behaviors of a traditional 18-49 demo skewed heavily against HBO's target audience.

THE SOLUTION:

To reach its custom-modeled audience and achieve greater ROI, HBO engaged Deep Root Analytics to build a media analytics platform and surface pre-campaign insights to inform its media buying decisions and track campaign performance.

In partnership with HBO and PHD, its media buying agency, Deep Root Analytics:

- 1 Used behavioral and psychographic research insights provided by HBO and created the HBO NOW TARGET model in our national database.
- 2 Analyzed the media markets where these targets resided. Doing so helped determine the number of households that fall into the target, and the density of the target in the market.
- 3 Determined, based on that analysis, the most attractive 11 Designated Market Areas (DMA) for local market broadcast and cable advertising¹. The Deep Root media analytics platform also guided national market advertising.
- 4 Conducted pre-post surveys in control/exposed targets to measure: HBO NOW familiarity, ad recall, and conversion intent.

THE RESULTS:

The Deep Root platform made possible an audience-driven launch of HBO NOW. We replaced broad demographic ratings used in traditional TV campaigns, and the corresponding advertising waste, with custom ratings of consumers most likely to sign-up for HBO NOW. We benefited from **actionable insights into which markets, networks, and programs to target** before our first commercial was on the air.

CHRIS SPADACCINI, EXECUTIVE VICE PRESIDENT
FOR BRAND & PRODUCT MARKETING AT HBO

- 1 Familiarity, recall and conversion intent increased significantly among the HBO NOW targets.
- 2 Deep Root Analytics helped HBO pay for an audience not a demographic. Traditional TV targets contained ~50% wasteⁱⁱ.
- 3 In all local markets combined, the HBO NOW campaign put more than 3,400 extra ratings points on the targets (2,181 GRPs compared to 5,604 TRPs).
- 4 Deep Root Analytics identified 10 “target rich” TV programs across four markets where target audience viewership significantly over-indexed (these shows were at least 3X better for reaching our target audience than they were for reaching the 18+ demographic).
- 5 On average, the HBO NOW campaign saw 57% efficiency lift across all local markets. The effectiveness and efficiency lifts across the local marketsⁱⁱⁱ combined for a value of ~\$4.1M or about \$375K per DMA.

57%

efficiency lift across all local markets

3,400

extra ratings points

eliminated

50%

traditional TV waste

ⁱFor example, Denver, CO, and Minneapolis-St. Paul, MN, were added to the local market TV advertising plan and had a high subscription per target ratio.

ⁱⁱTraditional demographic ratings included individuals with behavioral and psychographic characteristics that skewed heavily against the HBO NOW target, according to DRA target modeling and pre-campaign survey responses. For example, the HBO NOW target rating for 2 Broke Girls on WUSA in Washington, DC, was five times greater than the generic demographic rating.

ⁱⁱⁱThe ratings point percentage increase between 18-49 GRPs and the HBO NOW TRPs (targeted ratings points).

Deep Root Analytics, an innovator in predictive media analytics, surfaces hidden data insights and provides greater efficiency, effectiveness and accountability so your media buying decisions can be deeply rooted in data.

For more information on Deep Root's work, visit:

DeepRootAnalytics.com

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