

**experience** success

simplify experience | harness data | stay ahead | be efficient

# A study of relevance in Mobile Advertising

amdocs

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## Introduction

This Amdocs User Study shows that Amdocs Ad Signatures significantly increase the relevance of targeted advertising to mobile users when compared to other targeting techniques.

**Amdocs Ad Personalizer** bridges the world of advertising content and the world of subscriber intelligence using the unique personalization features of the **personalization engine** to identify, select, and deliver the right advertising content to the right subscriber at the right time thereby maximizing revenue generated by optimizing inventory throughput and click-through rates.

The personalization engine combines two unique technologies that have been developed to deliver highly targeted mobile advertising. The personalization engine leverages our unique subscriber intelligence to develop a comprehensive model of a user's interests and those of like-minded subscribers (**User Community Profiles – UCPs**).

These user interest models are used to generate **Ad Signatures** that capture the essence of what users find interesting about each ad and which specific characteristics drive users to click on a given ad. This ensures that an advert will have the potential to achieve the highest possible click-through rates which in turn will lead to a higher conversion rate.

“AMDOCS PERSONALIZED TARGET ADVERTS ARE, ON AVERAGE, ALMOST TWICE AS EFFECTIVE AS TRADITIONAL AD TARGETING.”

## User study

The study, conducted in the Amdocs Innovation Centre, examined how users responded to live advertising based on their demographic (CRM) and behavioral characteristics. In all, the actions of more than 200,000 users were analyzed over a 4 month period.

These users generated almost 1.5 million ad impressions on over 40 ad campaigns resulting in an average of 35,000 impressions and 3,600 clicks per ad campaign.

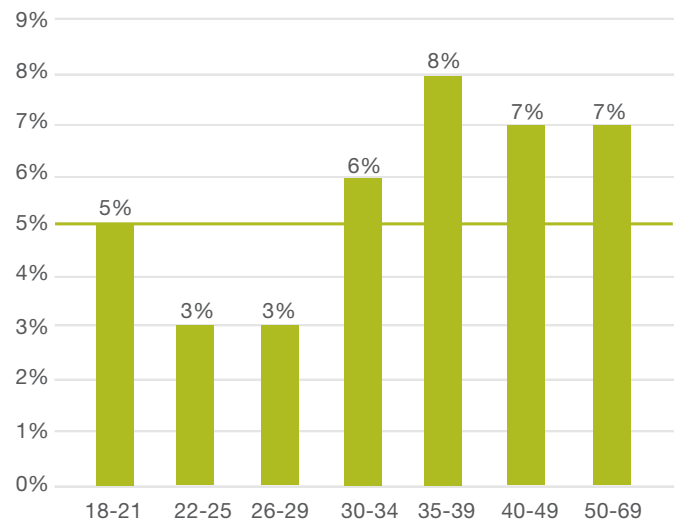
Demographic information such as age, home location and gender was used to inform the demographic targeting. For each ad, the top performing demographic groups were identified and these were used to determine the best possible demographic click-rate for that ad.

For example, in the diagram below, users aged between 35 and 39 were more likely to click on the Space Invader advertisement. If using age to target this ad, then targeting this particular age group would give advertisers the best possible click through rates for this ad (an increase of 3% over the click rate of the general population for that ad).

Ad Signatures were also used to identify those users most likely to click on an ad based on their learned interests and those of their community (i.e. Subscriber Intelligence). As with the demographic data, the success of this approach was judged by measuring the percentage of the users that the algorithm correctly predicted would click on an ad.

This research builds on Amdocs's proven research expertise which has been consistently proven to generate real revenue increases in production environments.

Distribution of Click Rate Across Age Ranges for Space Invader Ad



Click Rate of Overall Population 5%

## Results

As can be seen in the chart below, Ad Personalizer targeted adverts are, on average, almost **twice as effective** as non-targeted adverts as shown by the near 100% uplift achieved by UCP Signatures when compared to non-targeted ads. The results also show that demographic based targeting does not significantly improve user click through. In fact, Amdocs UCP Signatures achieve **five times** the improvement gained by the best possible demographic targeting.

In the absence of behavioral data, Ad Signatures can still increase ad relevance. Effective Ad Signatures can be generated using demographic (CRM) data alone. Although not as effective as Ad Signatures based on behavioral intelligence, the **CRM Ad Signature** is consistently over 30% more effective than the best performing demographic targeting method and over 50% more effective than non-targeted advertising.

In fact, demographic targeting can result in lower click through rates than non-targeted advertising if the demographic segments are chosen poorly.

When CRM data is combined with subscriber behavioral intelligence to create the **CRM + UCP Ad Signatures**, prediction of user ad interest is further boosted showing that these two data sources are complementary.

## Summary

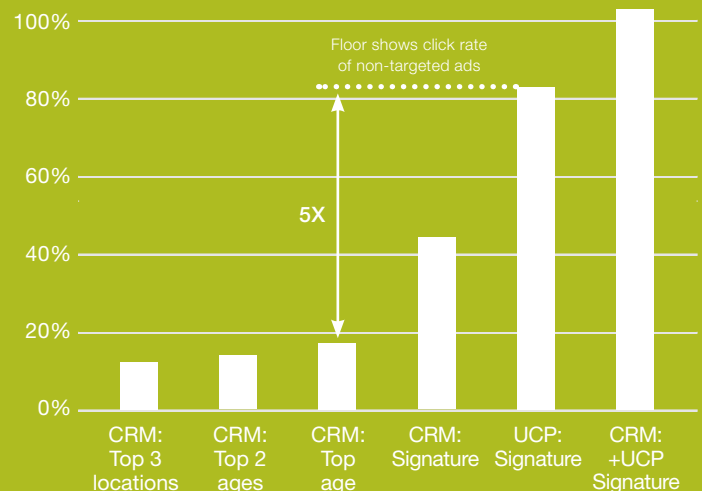
Using advanced relevance techniques, Amdocs enables mobile service providers' customers to find relevant exciting content both on- and off-portal. Rather than a world of mass-market one size fits all data services, mobile subscribers live in a personal universe in which content selection is implicitly tailored to suit their preferences. For the user, relevant advertising is yet another form of engaging content, while irrelevant ad content is considered as Spam and an intrusion into their personal space.

Successful mobile advertising needs relevance. Sending the right advertisement to the right people at the right time is the key to successful mobile advertising campaigns. Amdocs' Ad Personalizer technology targets ads directly to the right user by applying Interactive market leading personalization technology to user behavioral and user demographic segments.

- The impact of this advanced, implicit targeting to the advertiser is increased ad click-through and ad conversion rates, reduced cost of sales and a willingness to return to this high performing ad channel.
- The impact of advanced, implicit ad targeting to subscribers includes reduced spam and increased number of relevant content services on their personal devices.
- The impact of this advanced implicit ad targeting to the mobile service provider is repeat ad sales, increased ad inventory, higher CPM, protection of the mobile service provider brand and reduced churn rates.

“SUCCESSFUL MOBILE ADVERTISING  
NEEDS RELEVANCE.”

Average % improvement relative to benchmark per targeting strategy





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## About Amdocs

For 30 years, Amdocs has ensured service providers' success and embraced their biggest challenges. To win in the connected world, service providers rely on Amdocs to simplify the customer experience, harness the data explosion, stay ahead with new services and improve operational efficiency. The global company uniquely combines a market-leading BSS, OSS and network control product portfolio with value-driven professional services and managed services operations. With revenue of \$3.2 billion in fiscal 2011, Amdocs and its over 19,000 employees serve customers in more than 60 countries. **Amdocs: Embrace Challenge, Experience Success.** For more information, visit Amdocs at [www.amdocs.com](http://www.amdocs.com)

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