

REALTIME AGENCY WHITEPAPER

OVO ENERGY: FINDING FULL-FUNNEL IMPACT

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*Branded Paid Social was an area in which we wanted to determine the true value of our lower funnel conversion spend, and Realtime helped us develop a regional A/B test to determine just that. The result? A **statistically proven positive correlation** between awareness and sales volume, and a sales **boost of 45%** between our test and control groups. Thank you Realtime for working with us to make this possible!*

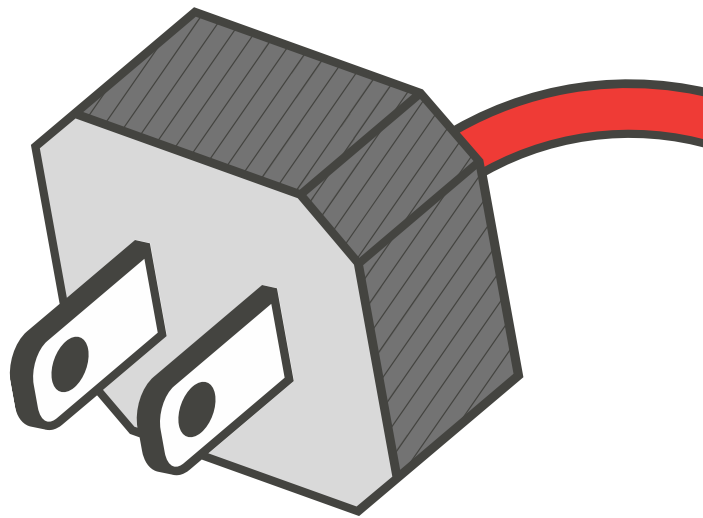


-Katie Bend, Senior Brand Marketing
Manager, OVO Energy

THE OBJECTIVE

After almost a year of working with our client, OVO Energy - the UK's largest independent energy supplier focused on bringing its members on the journey to zero carbon living - our team had already helped boost Facebook sales by over 360%. However, in our search for new tactics to bring in even higher efficiencies, OVO and our team became curious about the magnitude of the relationship between the entry and exit points of their brand's marketing funnel.

We knew what made for a strong-performing conversion ad, but not exactly how that ad may be affected by awareness activity. Would new customers convert more easily if they first learned about the product? And, if so, what platforms were responsible for best educating consumers before they signed up? Determined to find the answers to these questions and further drive business growth for OVO, we began to shift our focus towards investment in a new full-funnel test: **determining the degree, if any, with which consideration activity produced a statistically significant* impact on sales.**



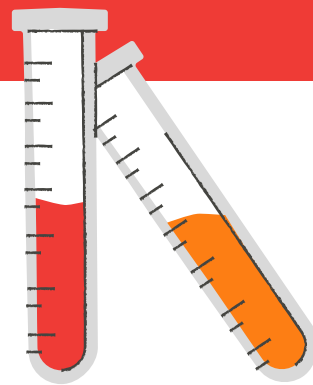
Results can be deemed **statistically significant when the probability of the test variable having no impact on results is calculated to be lower than our predetermined threshold. In other words, the outcome of the research is unlikely due to chance.*

THE APPROACH

In order to gauge whether or not our mid funnel activity impacted lower funnel DR activity with statistical significance, our team utilized a variety of methodologies in our analysis.

With the below methods in mind, Realtime got to work on producing a celled test strategy in which we randomly divided potential targets of each campaign by UK region.

Region 1, the control group, received only conversion ads during the testing period, while Region 2, the test group, received both Youtube and Facebook awareness ads before the conversion ad was served.



THE MEASUREMENT

1

ANOVA - Analysis of Variance. ANOVA helps us to understand if the mean result of our test group is statistically different from the mean result of the control group, and allows us to investigate if this difference is due to the variable we're studying or simply due to chance.

2

ANCOVA - Analysis of Covariance. Using this method, we're able to control for independent variables whose values are different across groups, and which we think could impact the results of the test. In this way, we can reduce the chance that these differences will skew our test results.

3

Pearson's R - Pearson's Correlation. With this method, we study how strongly and in which direction two variables are linearly correlated, or increase/decrease proportionally to one another.

THE MEASUREMENT (CONT.)

Because each audience contained different regions and therefore different people, we needed to ensure we were ready to calibrate results as needed so that we could be sure the variance between audiences was not responsible for any differences in performance. In order to do this, we first studied 1 year's worth of data from these regions to determine how "different" they were, or the degree of variation in sales between them. We found that the average sales in the test group regions were consistently higher than the control regions, and thus weighted this factor when determining the difference between cells at the end of the test.

We also considered other variables that may impact performance, such as year on year sales growth, TV, price changes, spend in parallel conversion campaigns, and seasonality, but determined that these too can be considered constants as they impact the two regions equally.



THE RESULTS

After 6 weeks, the test had concluded and results were in:

During the trial period, **sales in the test region were 45% higher than sales in the control region**, with this difference being statistically significant ($P=0.0008$). **This resulted in 1.4K incremental sales for OVO Energy.**



STATISTICAL SIGNIFICANCE DETECTED

45% SALE BOOST



1,379 INCREMENTAL SALES

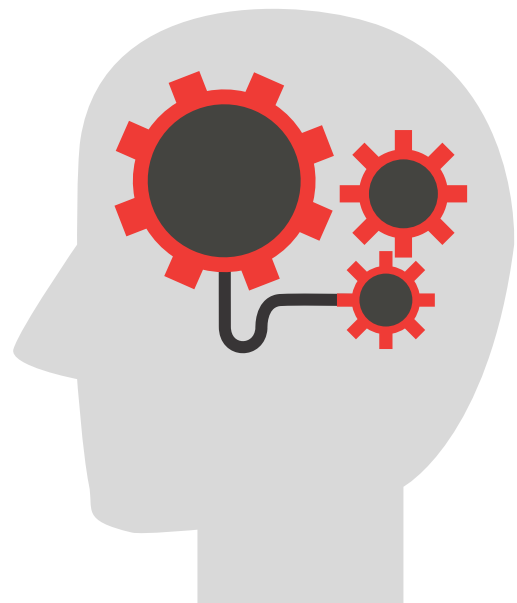
THE RESULTS: SUPPLEMENTARY TESTING

In addition to our team's primary objective, which was to understand the impact of awareness and consideration activity on sales, we also were interested in determining whether the activity run in the test impacted brand lift at all. While our primary test had prioritized sales impact and therefore was not optimized for brand lift, we did run a series of brand lift studies set up similarly to the primary test.

In order to do this **we ran two isolated brand lift studies - one on Facebook, and one on Youtube.**

Again, our studies were split by region - with Region 1 receiving Facebook brand lift study ads and using similar reach and frequency to our primary test cells.

Region 2 received Youtube brand lift study ads, and also used similar reach and frequency to primary test cells.

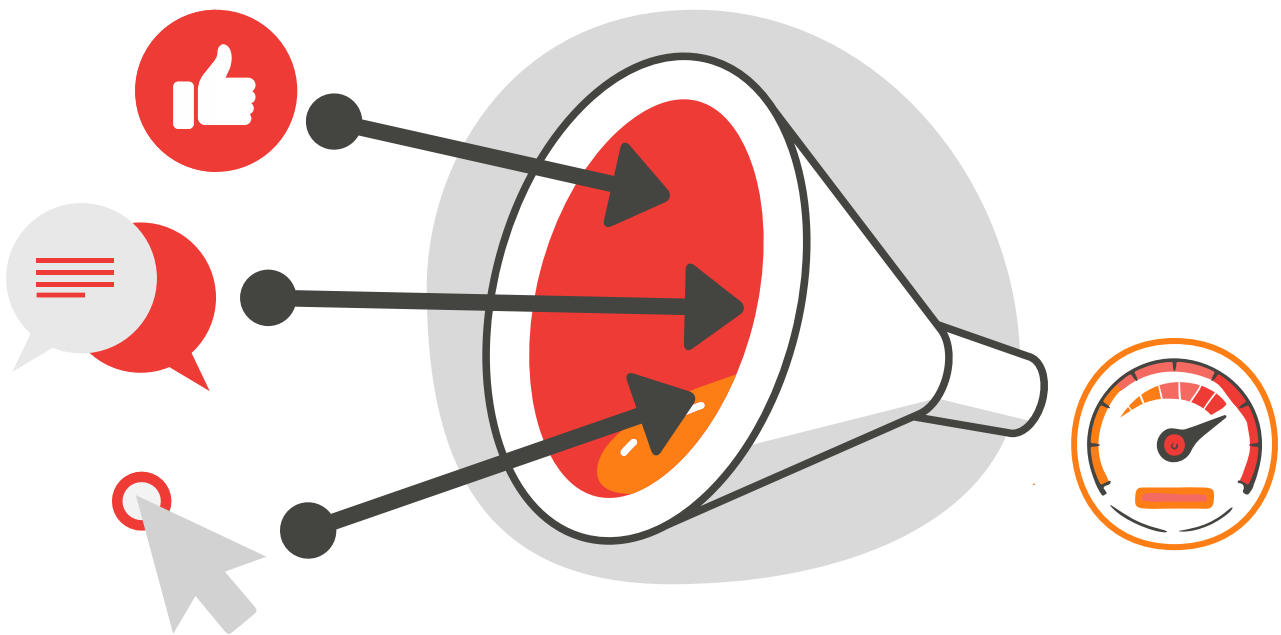


In analyzing the lift on each tested platform, **we concluded that the cost per lift on Youtube was over 2.5X more efficient than on Facebook.** Although we cannot quantify the overlap of impressions on Youtube vs Facebook, we can deduce the primary conversion lift study would have seen, at a minimum, the same lift observed on Youtube. Facebook impressions could provide additional lift. We attribute this takeaway to the quality of impressions served on Youtube, where users are engaged for longer periods of time with videos.

THE RESULTS: QUALITY SCORE

In order to better understand awareness and brand performance across clients, objectives, and platforms, **our team has developed a 'Quality Score' model** that can be used to standardize and fairly compare campaigns across different objectives, verticals, and platforms. To create the most robust and formula, we've taken into account \$100M spend and a variety of variables.

In studying the results of this particular campaign for OVO Energy, Realtime had assigned **Facebook a quality score of 30%, while Youtube emerged victorious with a quality score of 87%**. The discrepancy here was primarily due to Youtube garnering higher completion rates, which is a key signal in identifying high-value impressions.



WEIGHTED METRICS → RTA QUALITY SCORE

THE CONCLUSION

Overall, the test to measure correlation between awareness and acquisition activity for OVO Energy was successful - not only in the form of a sales boost during the test period, but in ultimate, statistically relevant conclusions being reached from sufficient data. Realtime was able to statistically measure positive correlation between awareness and sales volume, with a boost of 45% between test and control groups.

In diving deeper to understand why awareness activity has this impact, we have also concluded that the increase in brand awareness - specifically ad recall, was statistically associated with the observed sales volume boost.

We thank OVO Energy for the opportunity to help them determine the existence and magnitude of their full funnel's impact and plan to duplicate this test across other channels.



THANK YOU.