

KERV ACTIVE ATTENTION INDEX

The New Industry Standard for Determining True Audience Attention

INTRODUCTION

Consumer attention is advertisers' most valuable currency. But with emerging technologies (AI, augmented reality, Web 3.0), changes in media (<u>eMarketer</u> predicts that the average US adult will spend more time watching digital video than TV in 2024), and an endless stream of content—<u>consumers' attention is</u> <u>still shrinking</u>. Advertisers need a way to understand what elements in their video ads drive and keep attention if they want to maximize their efforts.

Consumers want authentic, immersive interactions and experiences with brands. KERV's interactive video technology makes it easy for brands to meet this demand and, even better, help them understand what about their creatives captures their audience's attention.

Consumer attention to video ads is a question that KERV is uniquely positioned to answer. Our proprietary technology can identify any and all objects, products, people, logos, context, etc. in a video at their pixel-edge in near real time—a level of precision and speed that's unprecedented in the industry. Not only are we able to identify these objects with unmatched accuracy, we can visually product match the results and/or turn them into interactive or shoppable moments within the video, giving consumers a way to engage deeper with branded content. That consumer engagement is tracked to 20+ proprietary metrics, uncovering unique touchpoints in each user session and mapping the user journey at scale.

When KERV talks about attention, we're talking about **Active Attention**, and what that means not only about ad placement, but the creative as a whole. By looking at the elements in a video that consumers are *actively* engaging with and the time they spend engaging with those elements, KERV delivers an index for deterministic attention that advertisers can't find elsewhere, which we're calling the **KERV Active Attention Index**.



What shorter attention spans mean for **YOUR VIDEO STRATEGY**

In the 1970s, consumers saw around <u>500 ads</u> per day. Now, consumers are exposed to anywhere from <u>6,000 to 10,000 ads</u> daily. With this tenfold increase in ad exposure, it's no surprise that consumer attention spans are getting shorter. So how do you counteract this shrinking attention?

Today's consumers don't subscribe to your best practices

Gen Z loses attention for ads after a shocking <u>1.3 seconds</u>—the lowest of any age group. Older generations will pay attention longer, but we still see a struggle to maintain attention across age groups—with <u>8 seconds</u> being the often cited average.





Advertisers are still in the mindset of TV—where 30-second appointments were the norm. But consumers are even less tolerant of video ads online. The same research report shows that consumer attention decreases as video length increases:



Thanks to sciences such as behavioral economics, we know consumers don't always make rational decisions when it comes to purchases. They're motivated not just by need and price, but by external and emotionally-driven factors as well. It's why, for decades, advertising has strived to make emotional connections with consumers to drive business outcomes.

But we can't maximize those emotional connections if consumers aren't paying attention. The goal of marketing is to meet the consumer where they are—a hard feat to accomplish when it seems consumers are everywhere all at once.

To build stronger audience connections and inform future campaign planning, it's essential to measure what specifically in videos captures attention, and more importantly, keeps it.





Current ways of measuring don't speak to the quality of ads

Laser focusing on how audiences specifically engage with content informs stronger decision-making. However, current metrics limit advertisers' ability to get detailed insight into how an audience engages with content. And without the right data, it's often a best guess as to what's working and what's not.

You could use clicks to measure the value of your video—and most do look at clicks to determine campaign success—but not all clicks are created equal. Someone may have accidentally clicked an ad or clicked to indicate mild interest. The best case scenario is a fully engaged individual was spurred to a desired outcome (like purchasing a product) from the video. The point is: it's hard to distinguish what clicks matter. Last-click attribution and incrementality is difficult enough to determine on lower-funnel ads, let alone for upper and mid-funnel ad formats like video. Unless you are measuring and tracking video media channel purchases, how do you know an ad had an impact on your bottom line?

Outside of clicks, advertisers also focus on impressions and viewability metrics to understand a video's delivery and placement quality. The heart of the issue, however, is that impressions are limiting. They can only tell us so much. A video could load onto the screen right as the user scrolls past it.

Impressions	Tells advertisers if an ad was shown on the page
Clicks	Indicates that an ad was clicked on, though lacks qualifiers
Q Viewability	Helps advertisers determine whether or not an ad was actually seen by a user
Active Attention	Measures the active lean-in of a user with a video ad



While viewability aims to get more granular by filtering out impressions that audiences didn't see or were so small that they're essentially nonexistent, these metrics only tell so much. Viewability can also be leveraged for optimization, but it pulls focus away from the consumer experience. More importantly, just because something is viewable doesn't mean it is being viewed. And while viewability gives advertisers confidence to say that audiences *saw* an ad, it doesn't measure the *effect* or indicate *true interest*. If the user experience was forced, the viewable impression could actually be associated with a negative sentiment.

More and more, making sure their ad is paid attention to is a top priority amongst advertisers. Producing video creatives are expensive and you need to justify your ad spend by showing video's value. But, if you can't measure Active Attention, you may continue struggling to determine if an ad is effective.



There's been numerous attempts to measure attention across the industry all of which present unique problems.

- Gauging Emotions
- Screen Viewing Measurement
- Quality of Media Placement
- Eye-tracking Data

These methods seek to establish an attention currency—a means with which buyers and sellers can transact on something that goes deeper than CPM, for example. But many of these companies admit that their work is just uncovering something our industry already knows: buying premium inventory, with more costly impressions, results in better ad performance—it's the consumer experience that matters most.

So far, none of these solutions have gotten to the heart of what true attention means.



The New Standard for DETERMINING TRUE ATTENTION

It's time to see attention differently. That's why KERV focuses on **Active Attention**, an index that measures the quality and quantity of user actions as they *actively* engage with KERV's in-video, interactive technology. Using our proprietary technology and metrics, KERV analyzes and scores video creatives by breaking engagement quality and duration of time spent into an index for deeper intention insights at the asset level.

Breaking down the KERV Active Attention Index

The KERV Active Attention Index measures the quality of deterministic user actions as they engage with KERV-powered videos—meaning we focus on the quality of attention within online video. The scoring methodology is inclusive of time spent, not just viewing, but interacting with a video. It also takes into account the depth of a user's interaction history with KERV-powered videos to bridge KERV's Active Attention Index into user intention. To do this, KERV's formula assigns weighted indexes to a user's engagement relationship—a measurement of the quality of interactions per engagement with KERV units.





The formula is built on 10+ unique, active engagement data elements comprised of KERV's patented object level hovers and clicks. The scoring and model we propose is based on voluntary lean-in that active users take within our ad experiences, at scale. KERV's data collection measures the real-time interaction with elements throughout the campaign across ad units and video products (ranging from 15-20 and above, depending on the campaign) by identifying where consumers are both clicking or hovering on objects, as well as how much time a user spends with each object or scene—thus indicating Active Attention within the ad.

What's an object highlight?

KERV's technology is built on patented AI and machine learning techniques, allowing us to identify objects at their pixel-edge. Because of KERV's level of precision, we can measure the amount of time a user hovers over a specific object in an interactive/shoppable video and even drill into categorical information about the hover.

What this qualified data yields is essentially a digital fingerprint of how users are interacting within the ads, providing a rich data set that informs the scoring index. Attention by object and scene level will now be assigned a score indicating the level of attention garnered—one of three levels, "Good," "Better," and "Best" Attention.



Because KERV's patented, AI-powered technology is able to identify and power interactivity within *any* scene or object inside of a video, with unmatched precision, user actions are both accurately attributed to elements in the video and deliver the opportunity for a multi-touch, distributable experience that captures active user engagement.



Leveraging the Insights from THE KERV ACTIVE ATTENTION INDEX

Understanding consumer attention is just the first step. There are a number of ways that advertisers can leverage attention to date to improve their video strategies. We've listed a few of them below:

Better Inform Media Buying Strategies

Using Active Attention, advertisers can understand the quality of their media buys in new ways. By looking at when and where consumers are taking organic, active actions within a brand's video, advertisers can make smarter spending decisions with their inventory along the consumer's journey.

Smarter In-Flight Creative Optimization

Seasonality, day of the week, time of day, ad copy surrounding the video—all affect ad performance. By looking at Active Attention data alongside contextual data, you're better informed to make optimizations in-flight—both with media and creative—to maximize an ad's performance.

Deeper Content Analysis

The KERV Active Attention Index uncovers the specific elements of a creative that drives a user to interact. By pinpointing where and when a consumer engaged with your video, you can better understand how to capture their attention with subsequent media.

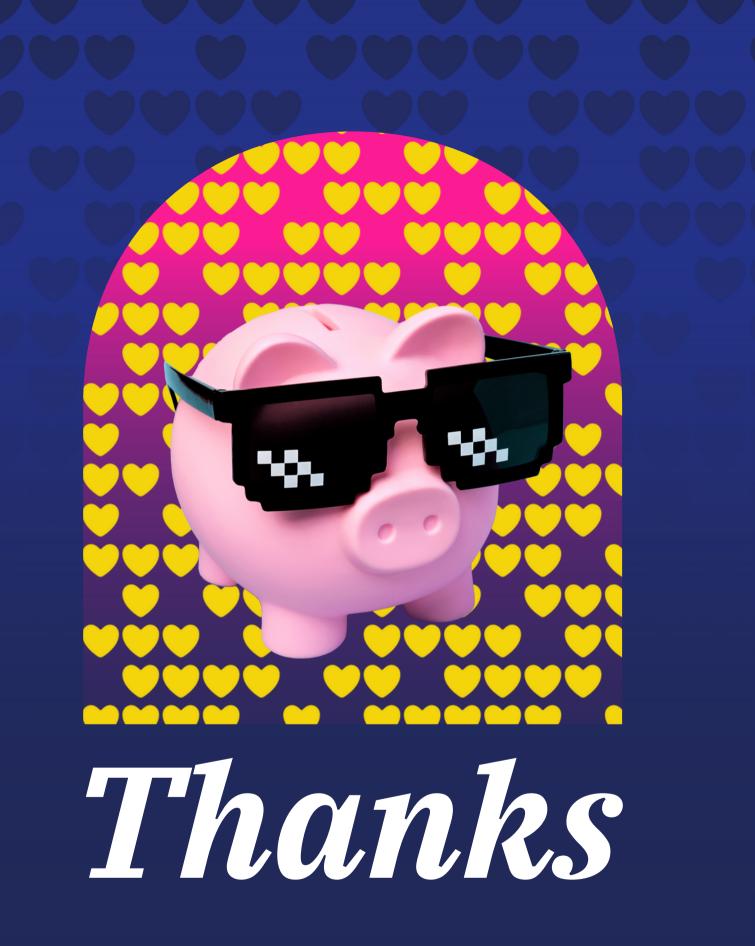


Better User Experiences Drive Ad Revenue for Publishers

By measuring consumer attention, publishers will better be able to target ads to specific audiences and content segments. Moreover, optimized campaigns mean the user experience will improve drastically which will result in increased loyalty, repeat visits, stronger engagement, more time spent with content and, ultimately, more revenue.

While we're starting with online video, we see clear opportunities to bring Active Attention to other formats, like television. And as television continues to adopt integrations that lean on true engagement, KERV will continue with our deterministic approach.





Learn More:

To learn more about how you can maximize your video campaign performance with KERV's Active Attention Index, contact <u>attention@kerv.ai</u>