
Neustar's Q1 Media Intelligence Report Finds Seasonal Changes and Uptick in Ad Exchange Buying Drove 29-Fold Increase in Conversions from Q4 2013 to Q1 2014

Jun 10, 2014

STERLING, VA, – June 10, 2014 – Neustar, Inc. (NYSE: NSR), a trusted neutral provider of real-time information and analytics, today released its [Q1 2014 Media Intelligence Report](#) (MIR), revealing insights into the effectiveness of different online advertising channels in reaching customers and increasing sales. This quarter, the report found that overall conversions increased dramatically, occurring 29 times more often than the previous quarter. The uptick was due in large part to a shift in spending from social channels and portals to ad exchanges, a medium more focused on direct response than the other channels studied.

According to Rob Gatto, SVP of Neustar Media and Advertising, “The jump in conversions between Q4 2013 and Q1 2014 demonstrates that marketers are learning where they can best reach their highest value customers and which message resonates with them. Without activating real-time customer and media intelligence, this would not be possible.”

The report analyzed more than 152 billion global ad events during the first quarter of 2014. Key highlights include:

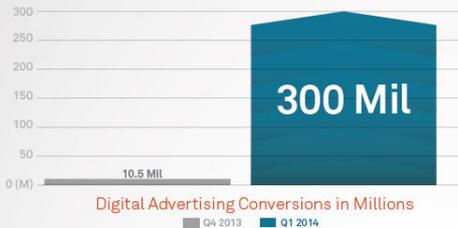
- Social led in reach: outperforming exchanges by 37 percent. According to the Index, social has led in reach for the last three quarters, demonstrating the important role it plays in efficiently reaching users not found on other channels. Social also demonstrated the best cost-efficiency this quarter, indexing 350 percent below the industry average. An increased use of demand side platforms (DSPs) -- a more cost-efficient tactic than buying impressions directly from social providers -- is most likely behind this trend.
- Exchanges reached high-quality users: performing 121 percent above the indexed average. This trend is due in large part to seasonality. In the post-holiday quarter, advertisers scaled back social and portal spending, and more ad inventory became available on exchanges. As a result, exchanges served a larger volume of impressions, reached more users, and reached them repeatedly.
- Offline first-party customer data performed better: CRM data performance across clients in Entertainment and Retail was between 32 and 107 times better than the advertiser average. This performance underscores the important benefits of bringing offline customer data online, including the ability to reach current customers online, more effectively segment audiences and extend reach.
- Targeting top performers increased conversions by: 500 percent in Health, 900 percent in Telecommunications, 2500 percent in Education, 2700 percent in CPG, 2900 percent in Entertainment, and 5500 percent in Retail. By identifying and targeting top-converting audiences versus spending your marketing dollars trying to reach audiences in general you can optimize your spend and increase ROI.

Using a set of algorithms designed by Neustar's data scientists, the quarterly MIR looks at the best digital advertising channels for reaching new and high-quality customers, reducing ad spend that doesn't reach the

intended audiences, driving customers' actions and influencing their buying decisions. Neustar's MIR insights help marketers, brands and agencies determine where and how to engage their prospects and customers using a personalized dialogue.

The MIR indexes the most prevalent digital advertising channels by cost, reach efficiency, user quality and funnel attribution, giving marketers the tools they need to better reach "the always addressable customer". The report also delves into the campaign types that drive the most impressions and actions, as well as the results generated by leveraging offline customer data online, and targeting top-performing audiences. To download the full Q1 Neustar Media Intelligence Report based on AK Media Insights, [click here](#).

Q1 2014 MEDIA INTELLIGENCE REPORT



What drove the **2800% lift in digital conversions** in Q1 2014?

AD SPEND SHIFTED FROM PREMIUM CHANNELS INTO EXCHANGES



Exchanges improved 386% for reach efficiency since Q4

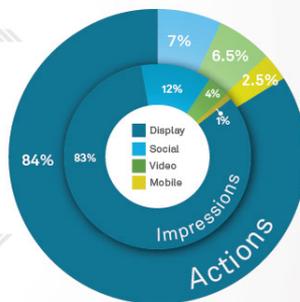


Exchanges improved 201% for user quality since Q4

Marketers cut back their spend on social and portals, which led to more inventory on exchanges. This enabled exchanges to serve more impressions and reach more new users, and reach them repeatedly.

MOBILE AND VIDEO CONVERT MORE HIGHLY

Although a small percentage of ad spend, mobile and video drove a lot of actions.



BRANDS ARE LEVERAGING OFFLINE FIRST-PARTY CUSTOMER DATA

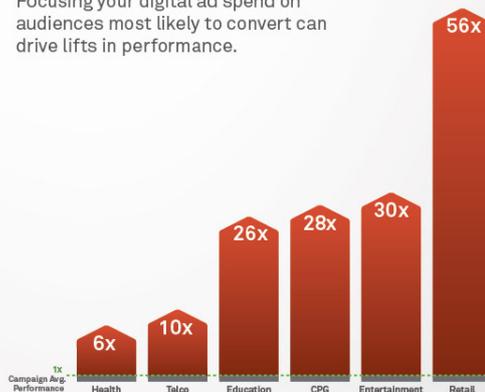
CRM data performed 32x-107x better than the advertiser average in the Entertainment and Retail verticals

Using offline CRM data to reach current customers online, segment audiences and extend reach can be extremely effective.



BRANDS ARE TARGETING TOP-CONVERTING AUDIENCES

Focusing your digital ad spend on audiences most likely to convert can drive lifts in performance.



About Neustar

Neustar, Inc. (NYSE:NSR) is the first real-time provider of cloud-based information services and data analytics, enabling marketing and IT security professionals to promote and protect their businesses. With a commitment to privacy and neutrality, Neustar operates complex data registries and uses its expertise to deliver actionable, data-driven insights that help clients make high-value business decisions in real time, one customer interaction at a time. More information is available at www.neustar.biz.