



DIGITAL INNOVATION IN DISTRIBUTION

Case study

Heartless

Distributor: **Lionsgate**

Release Date: **24th May 2010**



Heartless is an urban horror fantasy, written and directed by Philip Ridley, and distributed in the UK by Lionsgate as a multi-platform release. Released theatrically on Friday 21st May, the DVD and Blu Ray release followed just days afterwards, on Monday 24th May - significantly sooner

than in the typical 16-week window.

Lionsgate's release of *Heartless* was centred on a digital strategy whose aim was to engage and interact with the core horror and 15-24 audiences, and use them as brand champions – creating hype and excitement around the film release, and spreading it virally to their peers. TV and press advertising would follow up to support the DVD and Blu-ray launch.

There are almost 600,000 self-confessed horror fans on Facebook (to which Lionsgate had pre-communication with 20,000 of them through the fan pages of *Saw V* and *Saw VI*). Of the wider potential audience, there are 3.3 million people in the 15-24 demographic in major conurbations throughout the UK.

Lionsgate's digital marketing would target the audience (horror fans, then a broader 15-24 target) across the Facebook platform, interacting and engaging with these audiences via Polling ads, encouraging them to 'fan' *Heartless*, and spread the word virally through their Facebook news feed.

Facebook enabled Lionsgate to be extremely targeted in who they communicated with – in terms of interests, age, gender, music taste etc – so there was very little wastage in the advertising buy.

In terms of advertising channels, at the time the *Heartless* activity on Facebook represented a new way of communicating with these users in the UK.

Partners

The sole digital partner for *Heartless* was the social network Facebook. Like many distributors, Lionsgate saw Facebook as the right platform for them as it promises an efficient way to target identified audiences.

As a campaign which centres purely around Facebook's own proprietary advertising mechanisms, this project was seen by the UK Film Council as useful in generating learnings for the rest of the industry in how to use this platform.

ACTIVITY	Cost
Facebook Advertising	
Targeting core horror fans	£8000
Broader target of 15-24 year-olds	£17000
Creative costs	
Creation and execution of polling ads	£1000
Management of Facebook fan page	£500
Development, hosting and management of UGC (User-Generated Content) section of website	£3500
TOTAL	£30000

Implementing the campaign

Facebook Voting Ads were served to the target audience(s) on their Facebook homepages. The Voting Ads had film branding (to drive awareness), a click to play trailer, as well as posing a question to the user, for example: "What would you kill for?" Or, "What brings you light in darkness?"

Users were presented with an A, B or C options of answers, and able to vote for their preferred choice. Their answers were published to 5% of their 'friends' – who were themselves encouraged to take part.

Lionsgate hoped that after voting, users would interact with the film further by clicking through to the Heartless Fan Page - which was full of additional content and competitions, as well carrying a push through to the official website.

Once on the fan page, users were encouraged to become a fan to win digital recording equipment. This activity was also published to 5% of their friends, helping the campaign go viral.

The campaign ran smoothly overall. During the campaign, Lionsgate discovered that users would interact and engage with the Voting Ads, but there then seemed to be a stumbling block to get them to 'fan' the page. This was problematic, since the campaign was supposed to drive the fans to the Heartless page. As a result, Lionsgate amended the campaign slightly; running a percentage of 'fan' ads, which directly asked users to become fans of the page. This worked, and fans of the page started to increase.

The Facebook campaign ran for five weeks until release. The first two weeks were used to target core horror fans, and the last three weeks were spent targeting the broader 15-24 audience.

Lionsgate felt that this was the right length for the campaign, and this is reflected in their subsequent digital marketing activity: most of their recent Facebook campaigns now run for five weeks.

Evaluation

Lionsgate's advertising campaign used Facebook's ASU advertisements, charged on a CPM basis. The advertising spend extended to an overall 10.5 million impressions of Heartless advertisements and polls. This equates to an average CPM of £2.38.

All adverts were 'calls to actions' with users invited to take a variety of actions: in this case responding to a poll, becoming a fan or playing a video clip. From these impressions, there were a total of 34,275 actions. This represents an average conversion rate, or 'action rate' of 0.32%. Lionsgate were working to benchmark action rates of between 0.1% and 0.3%.

Thus measured against Facebook's benchmarks, the campaign performed well, delivering a higher rate of engagement than would normally be expected with this type of advertising – though it should be noted that film is generally seen as a more appealing product in this medium, so an above average action rate may be expected.

As mentioned above, Lionsgate did have to swap out some Polling ads for Fan ads due to the slow uptake of fans on the page; as soon as this was implemented, they saw an increase in fans.

Another issue faced by the distributor was that Facebook altered the site during the campaign, from a system where users would become 'fans' of the film, to one where users 'liked' the film. This affected the numbers of fans that were achieved, but also highlights the risks involved in running a campaign through a site such as Facebook, who possess the ability to change the platform at any point without warning.



Internet Advertising (in a nutshell)

Internet advertising models differ based on the way they are tracked and charged for. Arguably the two most prevalent advertising models on the internet are CPM and CPC.

CPM (cost per mille) is the fee the advertiser pays for each one thousand impressions (displays) of their advertisement.

The alternative model, CPC (cost per click) does not take the number of impressions into account, and instead charges the advertiser based on the number of times users click through the advertisement and on to the target website.

Since there may be many hundreds of users who will be shown the advertisement for each one who chooses to click it, the CPC rate is usually substantially more expensive than the CPM rate. The advantage is that you are only paying for those who have seen and responded to the advertisement.

The CPM model allows for very wide exposure to an advertisement for relatively low cost, but the number of people who actually notice the advertisement can vary.

The CPM rate tends to be higher when the potential audience is more relevant or targeted, or where the advertisement is in a more prominent or visible position.

The CPM model is common in banner advertising, the CPC rate is common in search advertising.

VITAL STATISTICS

Advertisement clicks	9777
Clickthrough rate	0.17%
Fan rate	0.05%
Number of fans by end of campaign	4591
Trailer plays	8875
Play rate (impressions that led to trailer view)	0.16%
Total number of Poll votes cast	15830
Poll rate (impressions that led to vote cast)	0.28%
Total number of combined actions	34275
Total combined impressions	10.5m

Conclusion

The film ultimately performed below expectations theatrically, with a total gross box office of around £3,000. However the release strategy for Heartless was a multi-platform one, and markedly better performances were seen across DVD and Video-on-Demand. The DVD release achieved sales of 9,500 which was in-line with forecast.

It would seem that despite the engagement delivered by the advertising on Facebook, audiences were not sufficiently motivated to see the film in cinemas, however they did appear to seek out the film on DVD and VOD.

It is difficult for Lionsgate to say how much the campaign affected the awareness and delivered box office and DVD sales. It is not known what effect, if any, the advertisements had on those who did not respond to the call to action. As is common with marketing campaigns like these, reliable measurement of success remains a stumbling block. However, Lionsgate found the statistics to be encouraging, and were pleased with the levels of interaction.

The Heartless campaign proved how successful Facebook is at targeting specific audiences, allowing Lionsgate to interact and engage with them. The findings from Heartless have allowed Lionsgate to shape and cement its Facebook strategy, enabling it to dissect what polling ads worked to the best effect.

As Facebook users have become more *au fait* with Polling Adverts, it seems the engagement or action rates for this format appear to be levelling out. Facebook have recently launched a new format, Event Adverts, which create an appointment to view in the user's calendar. It is conceivable that this format may develop to allow some form of direct link to ticket/product purchase in the future.

If Lionsgate were to repeat the Heartless activity, they would run the campaign in a similar way. They believe that Facebook remains the premier platform to run targeted online film advertising. However, the platform is constantly changing and providing new advertising mechanics. It is therefore necessary to monitor these closely as distributors seek new opportunities to reach audiences.

