

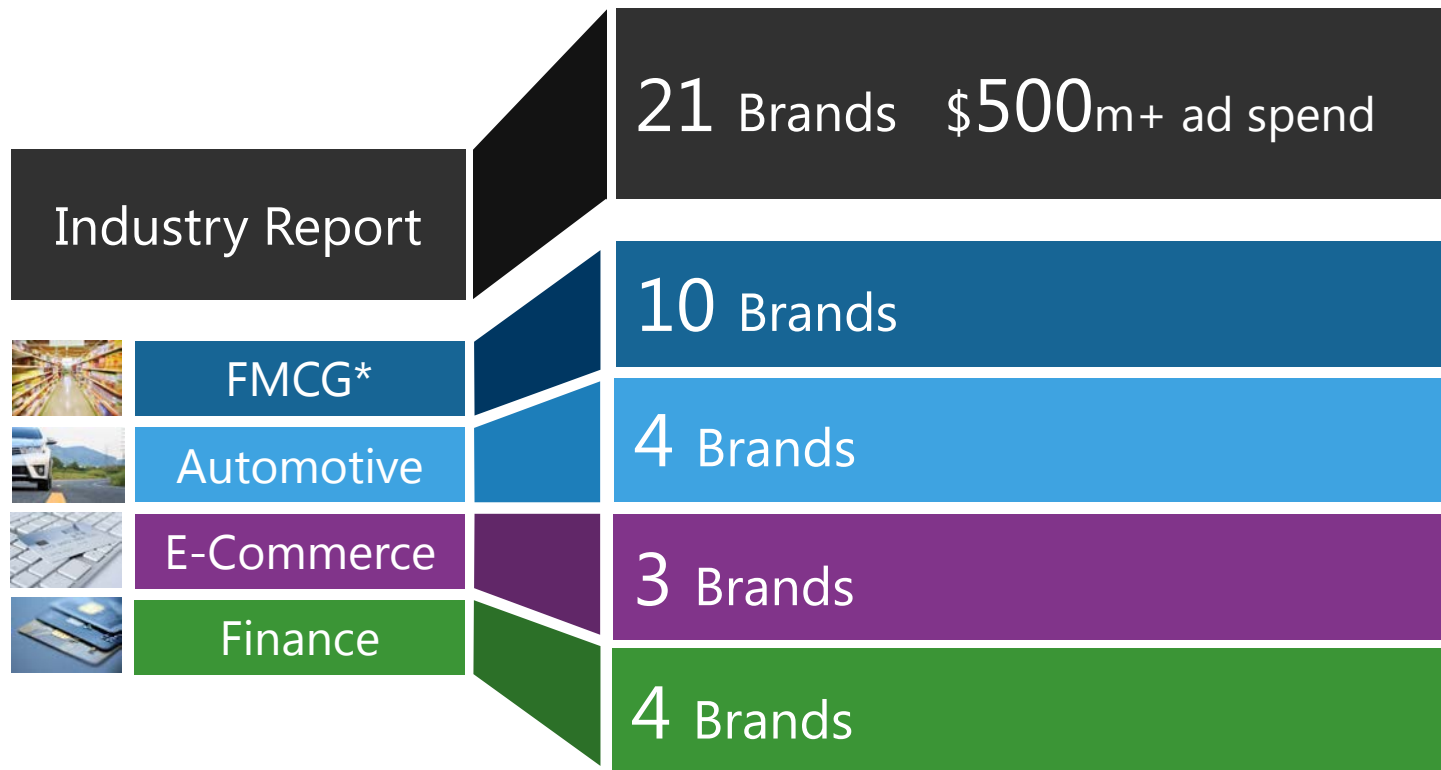
PAYBACK STUDY

FULL-INDUSTRY REPORT

DOES ADVERTISING GROW BUSINESS AND BRANDS?

14th September 2017

THE PAYBACK STUDY



*Includes one Quick Service Restaurant (QSR) brand



INDEPENDENT MEDIA & MARKETING ANALYTICS



2014 - UK



2016 - USA



2017 - Global



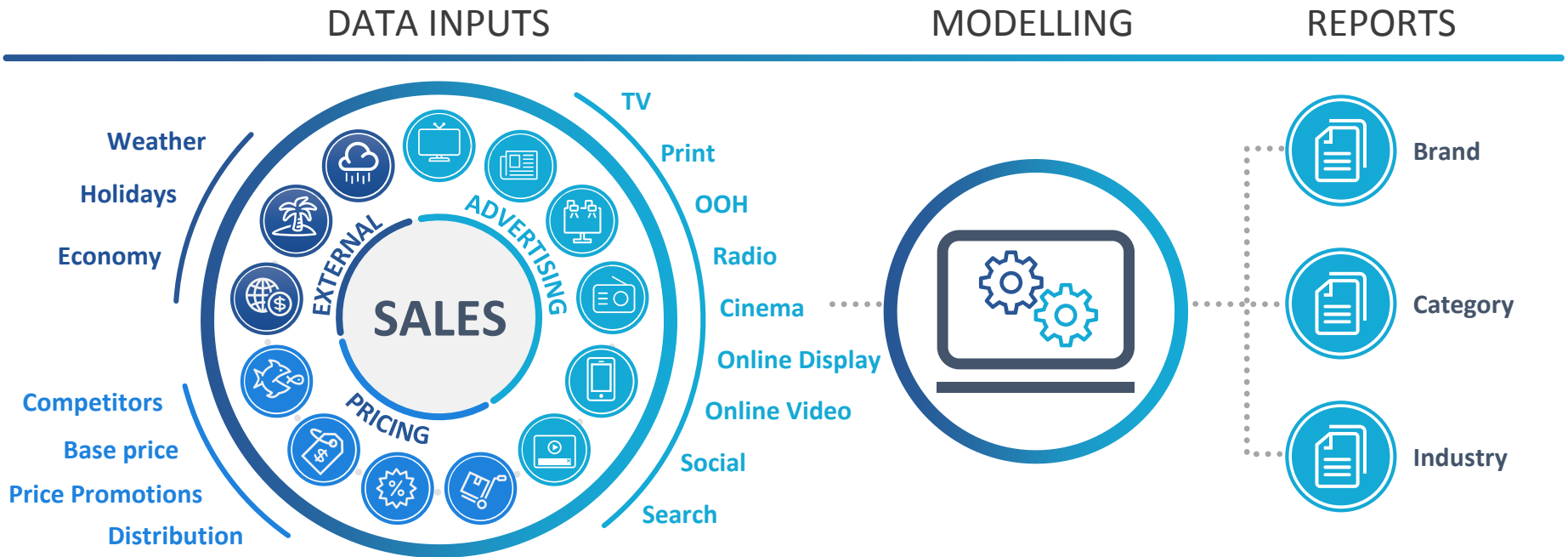
2017 - Australia



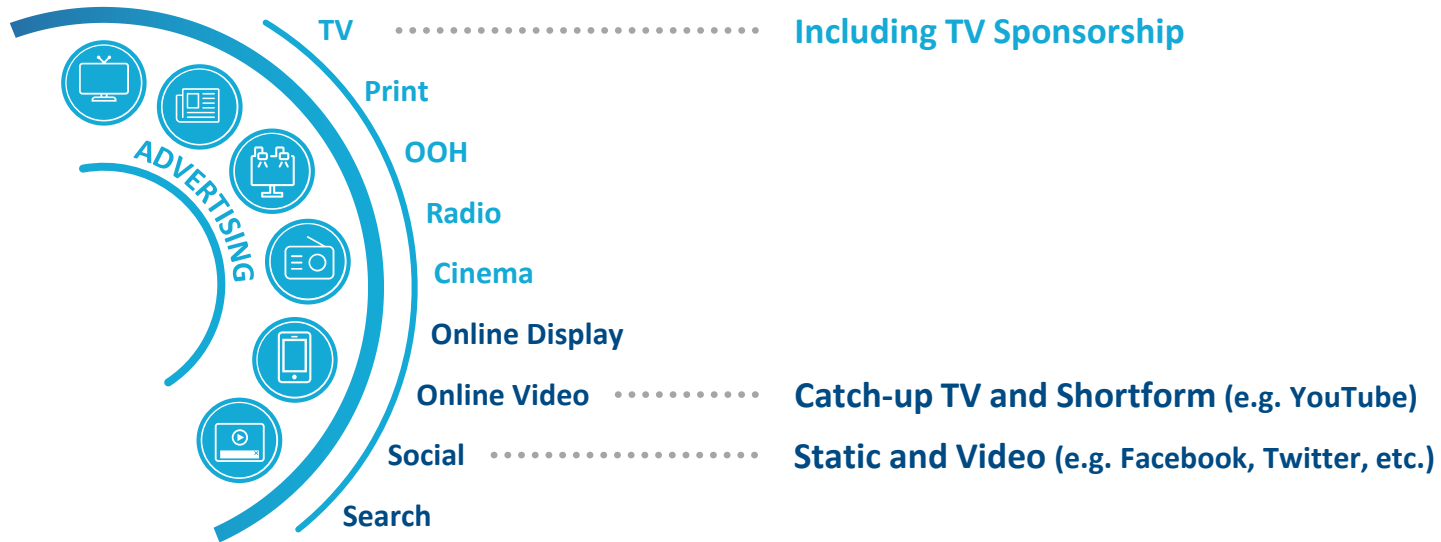
Data-driven insights

METHODOLOGY

Aim to capture everything that might impact sales



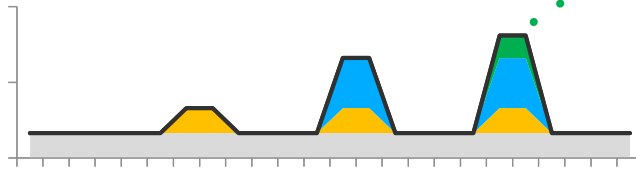
DEFINITIONS AS CATEGORISED BY PARTICIPANTS



METHODOLOGY

MODELLED
VARIABLE

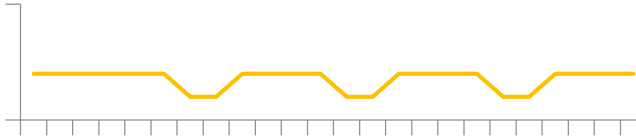
SALES



$$ROI = \frac{\text{Incremental}}{\text{Media Costs}}$$

EXPLANATORY VARIABLES

PRICE



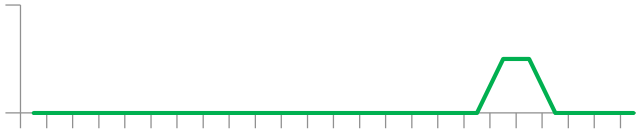
Discount can explain some peaks

PROMO



Promotions can explain other increases

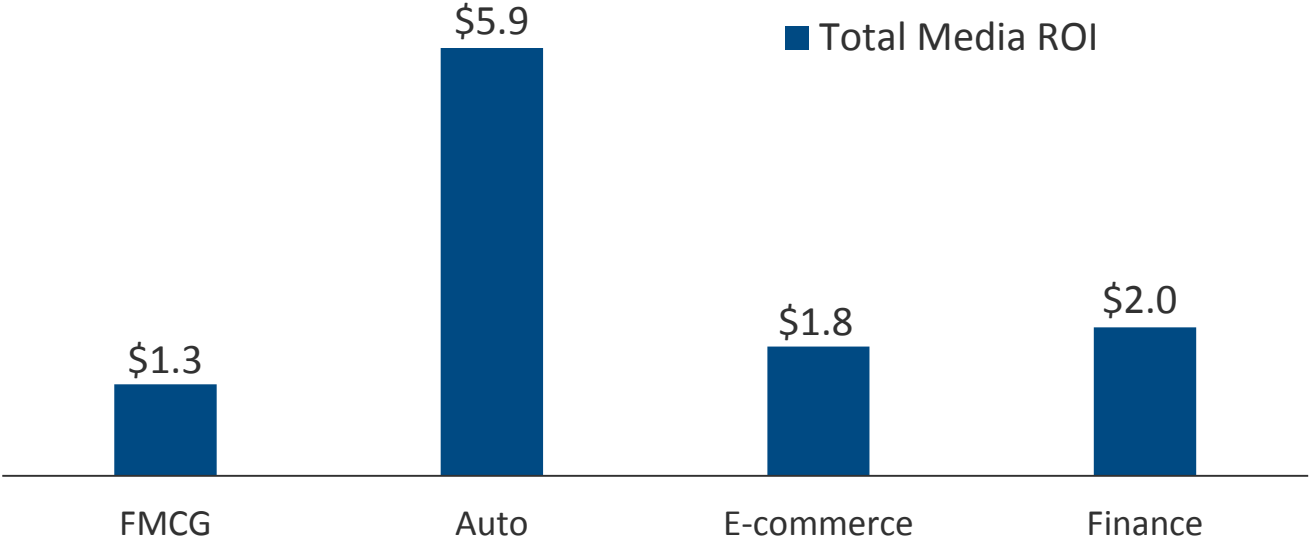
MEDIA



Media can explain 3rd sales increase

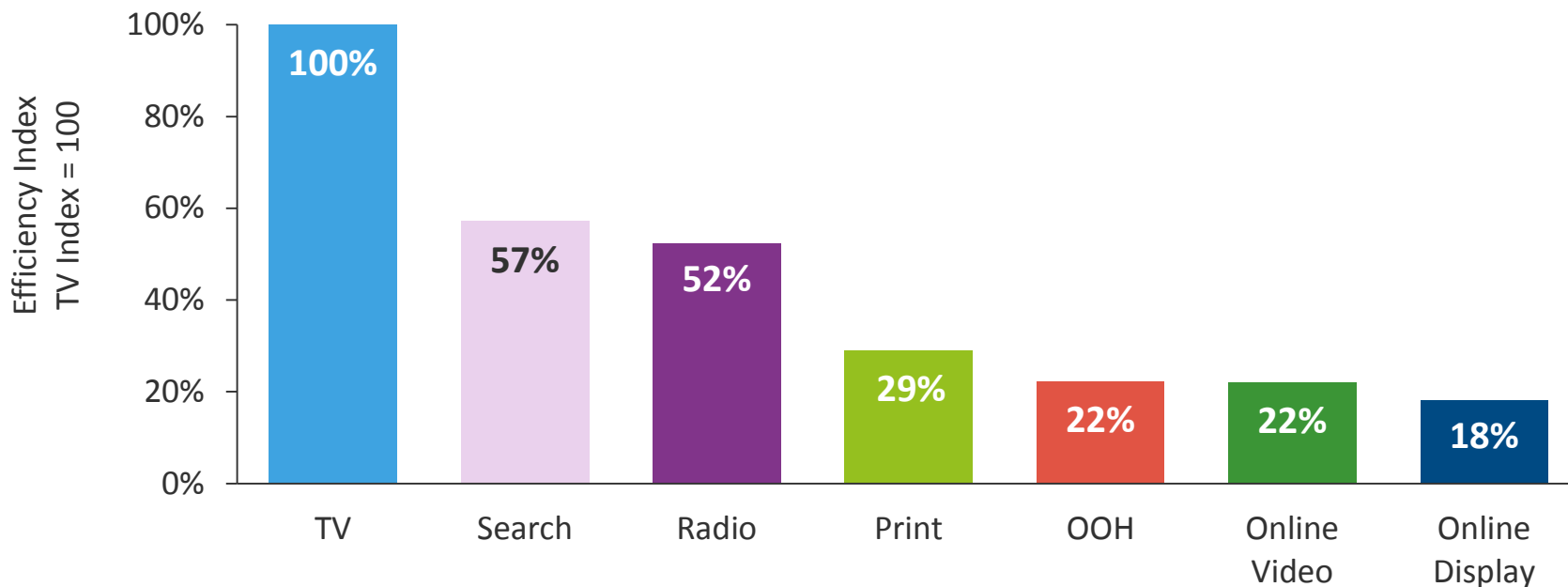
TOPLINE OVERVIEW

MEDIA INVESTMENT PAYS BACK

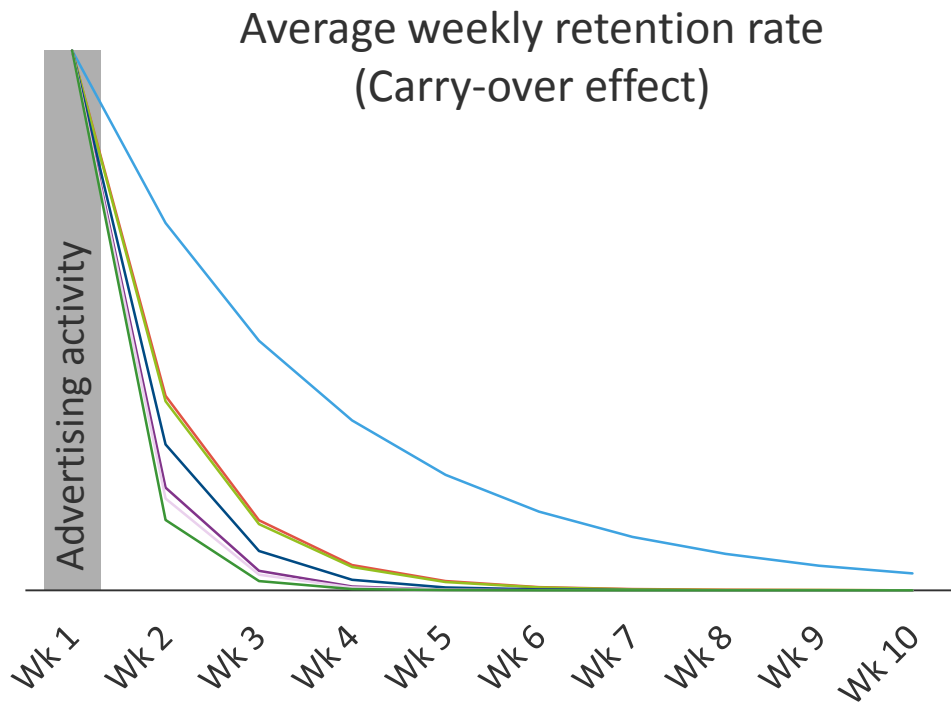


TV MOST EFFICIENT CHANNEL

Overall efficiency: All media channels indexed to TV



TV LASTS LONGER



	Impact on sales
TV	8 weeks
OOH	3 weeks
Print	3 weeks
Online Display	2 weeks
Radio	2 weeks
Search	2 weeks
Online Video	2 weeks

BRANDS DIFFER ACROSS CATEGORIES

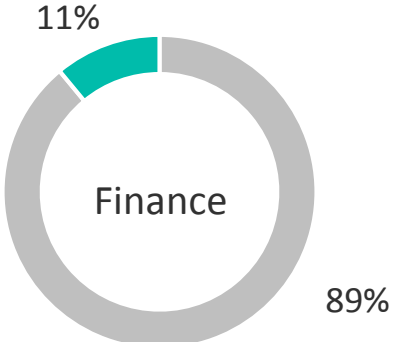
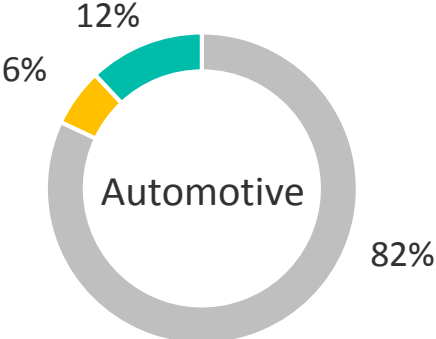
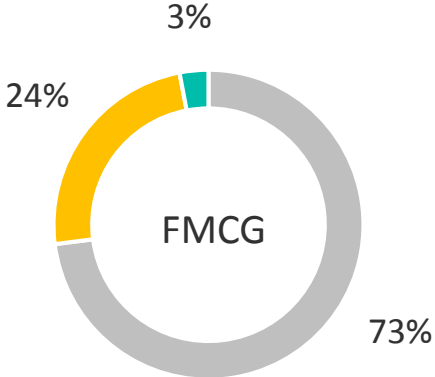
Automotive, FMCG and Finance

- Consistent results within each category

E-Commerce

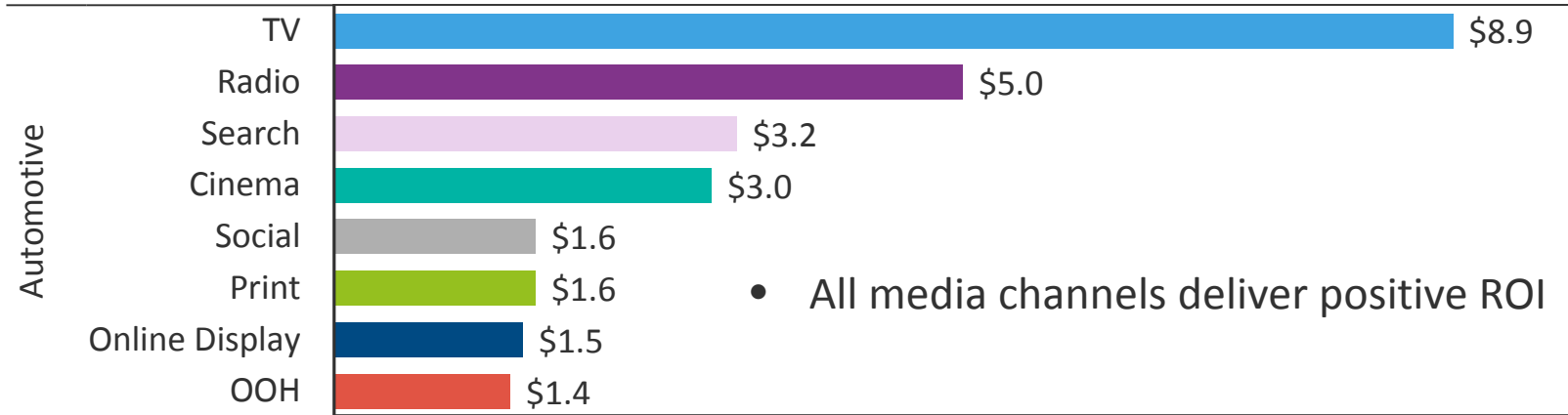
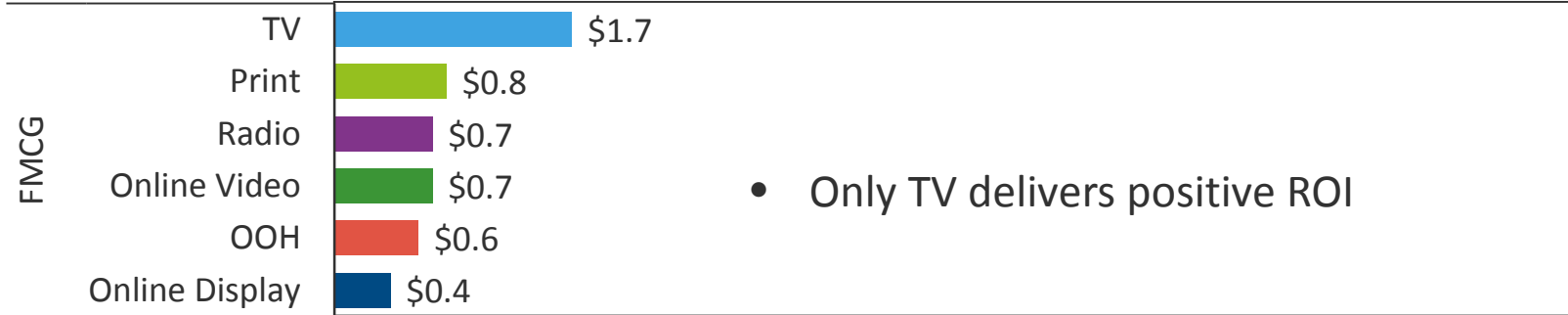
- 3 different industry types – no shopfront
 - Travel & Tourism, Online Dating and a Comparison Service
- Search – key component
 - Advertising – drives search traffic

MEDIA DRIVES BRAND GROWTH

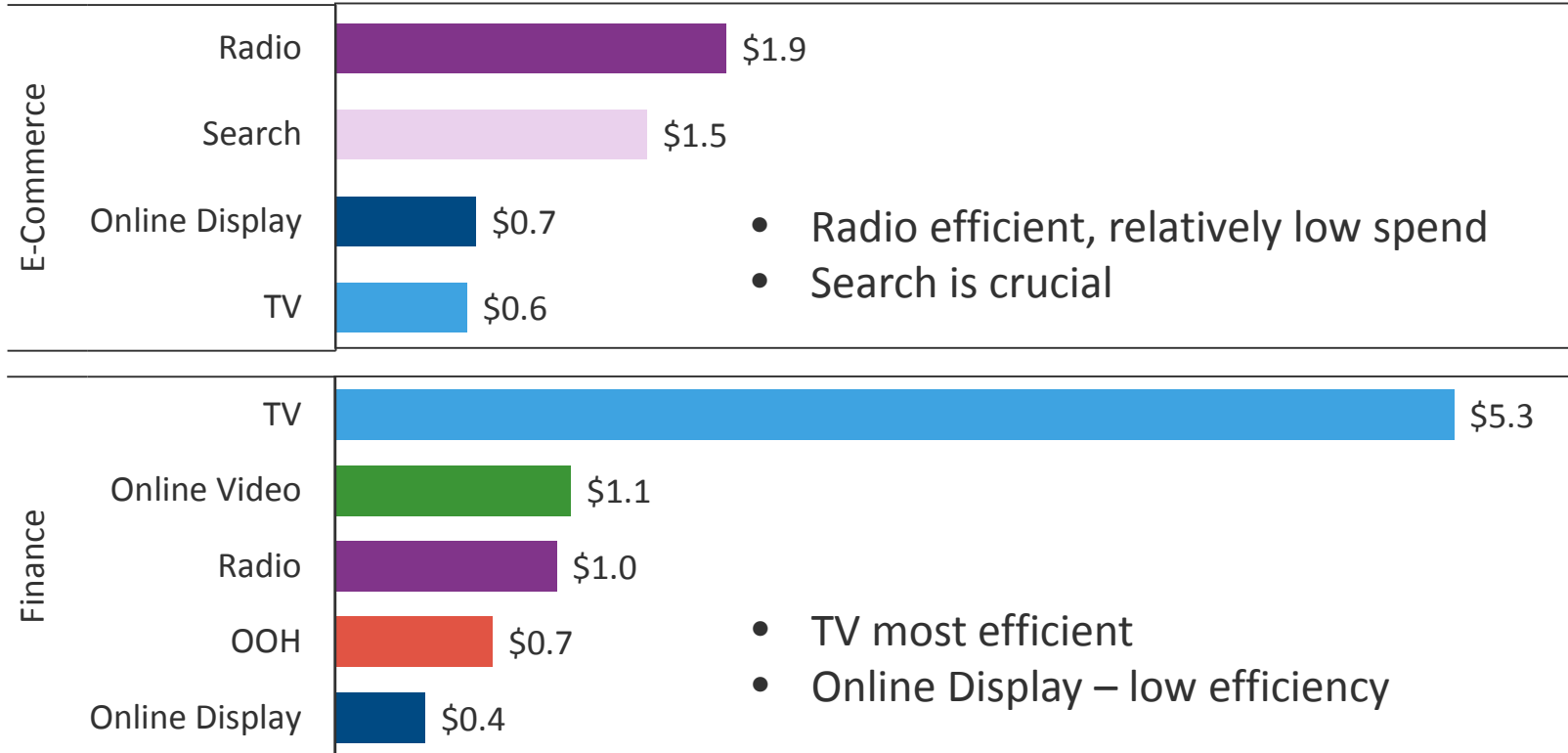


- Base
- Price Promotions
- Media

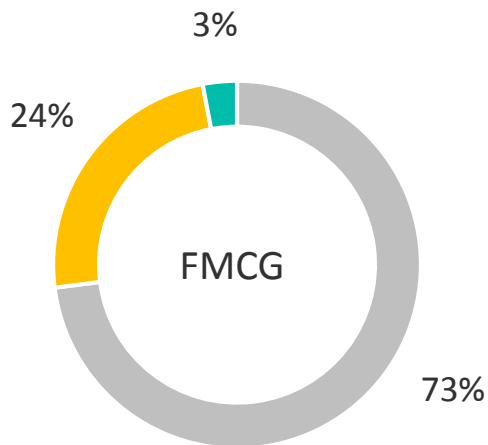
ROIs DIFFER BY CATEGORY, BUT ORDER IS SIMILAR



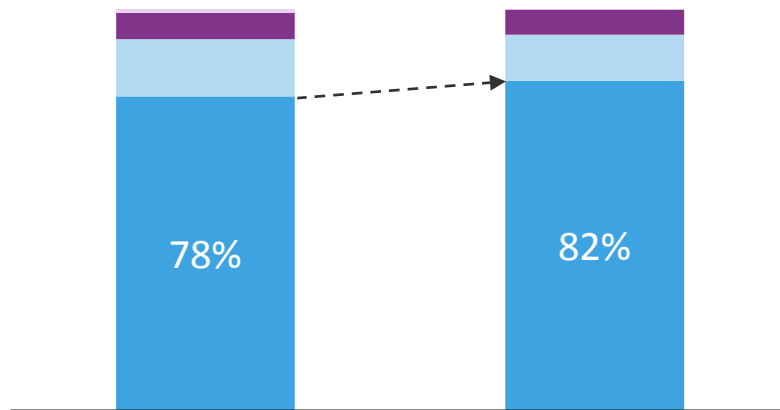
E-COMMERCE UNIQUE. FINANCE SIMILAR TO FMCG, AUTO



FMCG: DOMINATED BY PROMOTIONS. TV IS KEY MEDIA



- Base
- Price Promotions
- Media

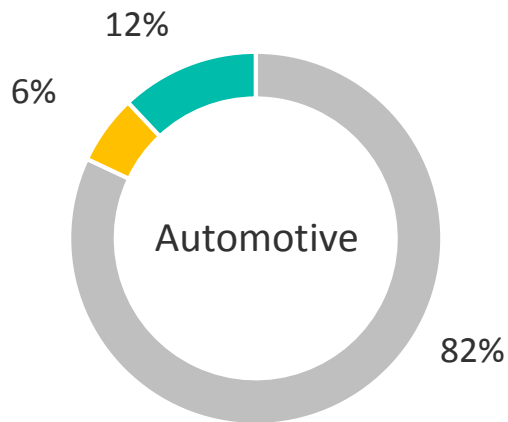


Media Spend

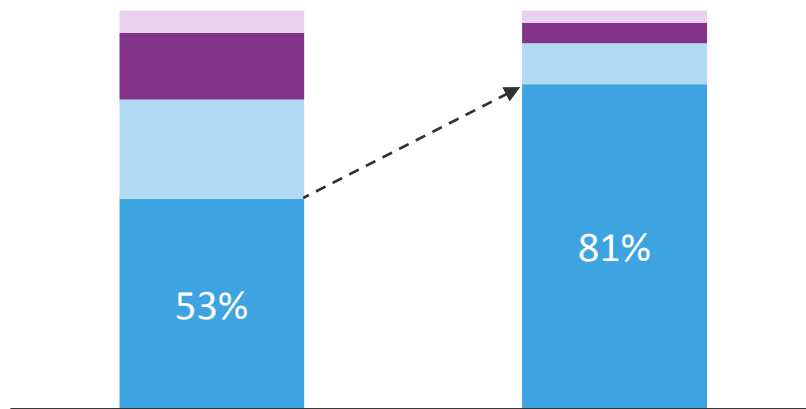
Revenue Contribution

- TV
- Other Offline Media
- Digital (Display, Video & Social)
- Search

AUTOMOTIVE: TV DRIVING SALES



- Base
- Price Promotions
- Media

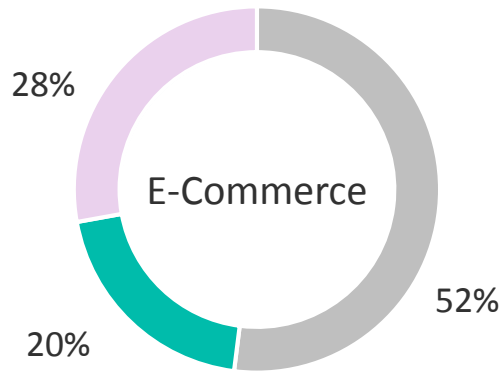


Media Spend

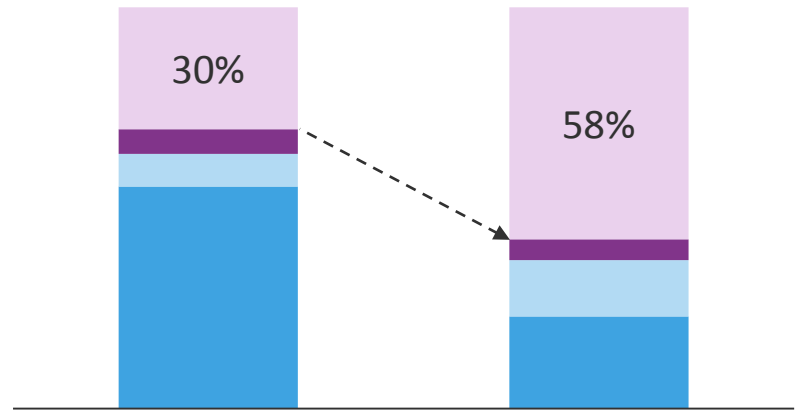
Revenue Contribution

- TV
- Other Offline Media
- Digital (Display, Video & Social)
- Search

E-COMMERCE: SEARCH IS KEY



- Base
- Media
- Search

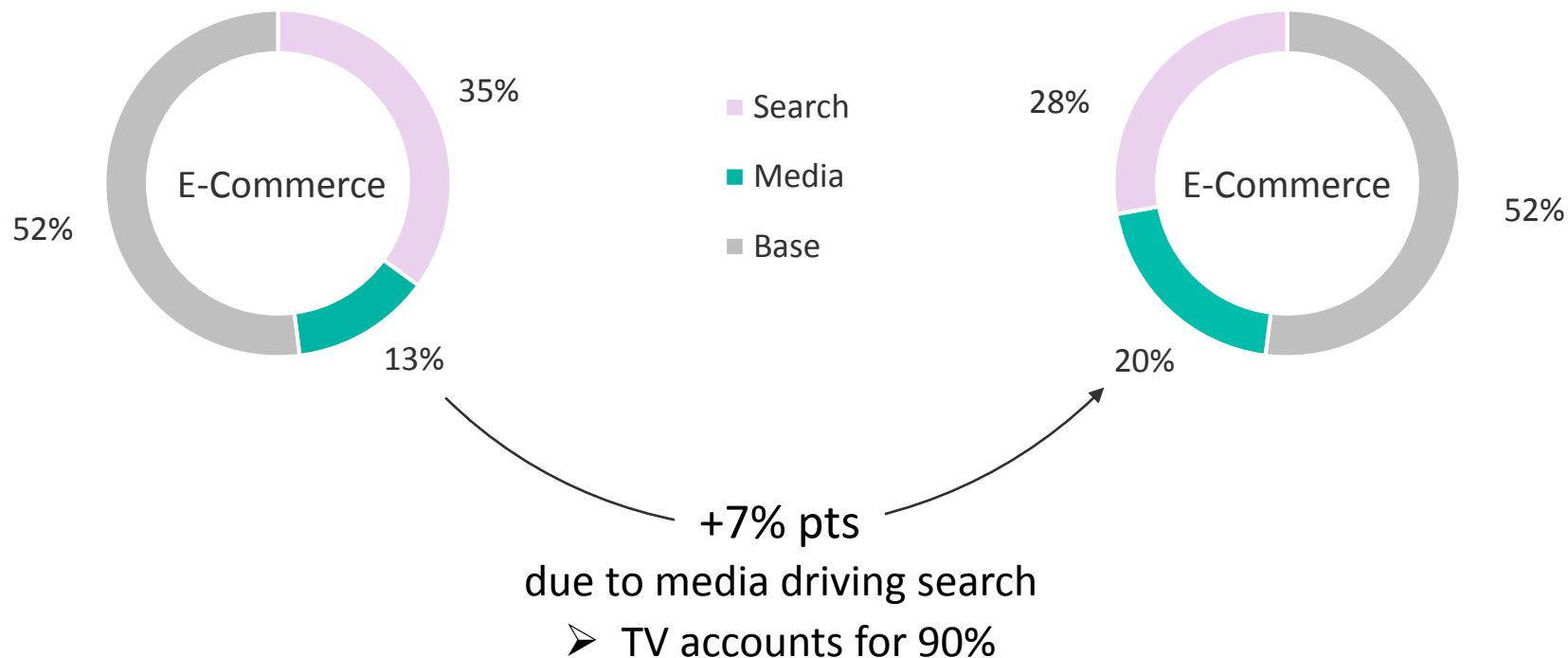


Media Spend

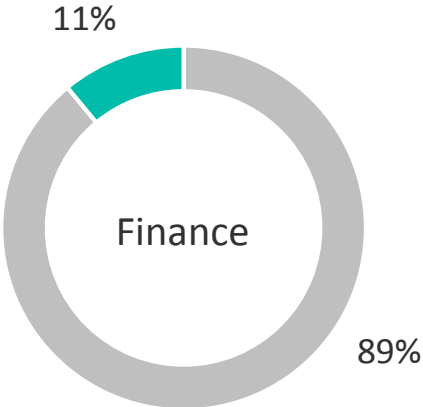
Revenue Contribution

- TV
- Other Offline Media
- Digital (Display, Video & Social)
- Search

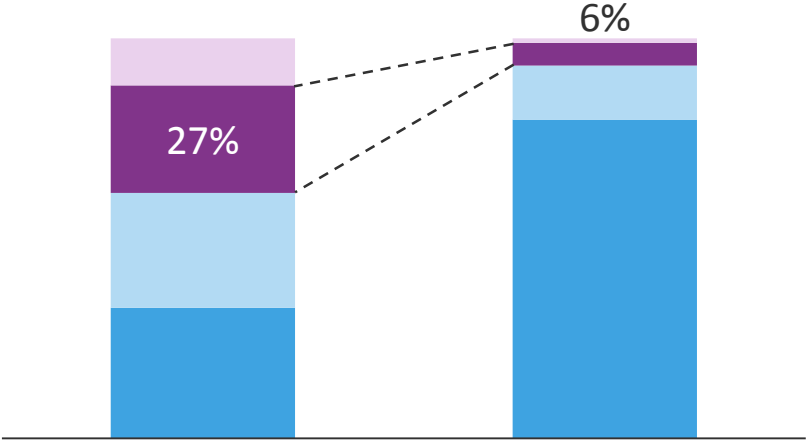
SEARCH DRIVEN BY MEDIA, PREDOMINANTLY BY TV



FINANCE: DIGITAL SPEND UNDERPERFORMING



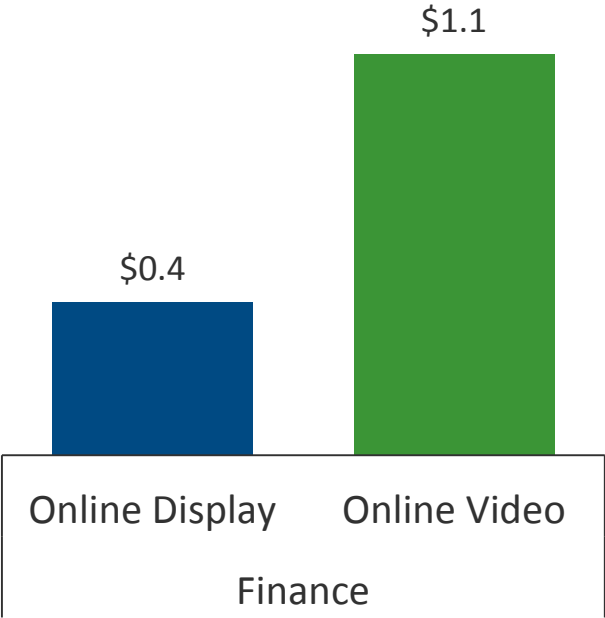
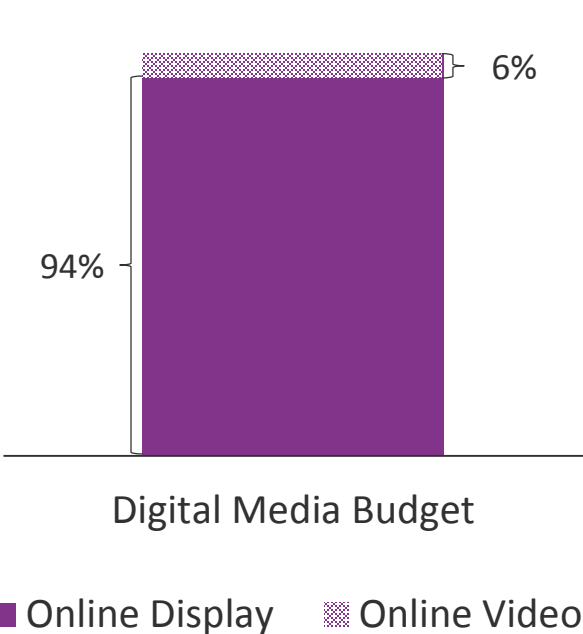
- Base
- Media



Media Spend Revenue Contribution

- TV
- Other Offline Media
- Digital (Display, Video & Social)
- Search

DIGITAL BREAKDOWN: ONLINE DISPLAY FAILING



- Media investment pays back
 - TV most efficient media channel
 - TV effects last the longest
- **FMCG:** TV crucial sales lever
- **Automotive:** All advertising delivers positive ROI
- **E-Commerce:** Search is crucial
 - Media drives paid search
 - TV accounts for 90% of this
- **Finance:** reconsider size of online display spend
- Not all advertising is equal. **Measuring business outcomes** is critical for all advertisers

SUMMARY

WWW.THINKTV.COM.AU