

#ROI TV

The effectiveness & R.O.I.
of TV advertising

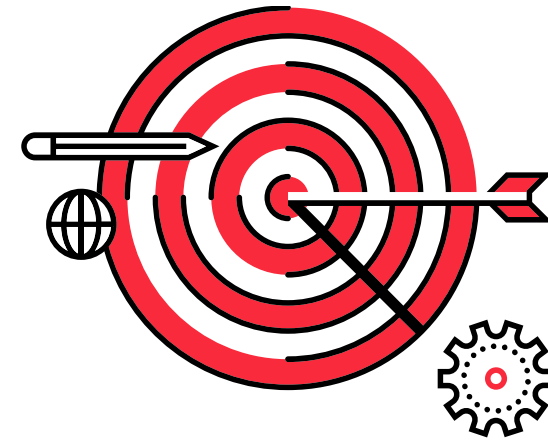
Novembre 2019



METHODOLOGY



Determine the contribution of media to sales and ROI



Analyse the performance of the different value-contributing factors for campaigns covering five of the main television advertising sectors.

Isolate among the different levers activated, the total contribution of media to sales.

Then, determine the contribution and ROI of each media implemented.

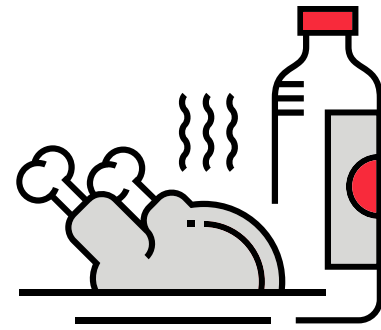


By the econometric modelling of the actions of 15 brands/products over 3 years.

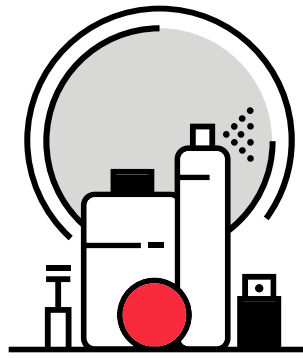
Corpus de l'analyse

5

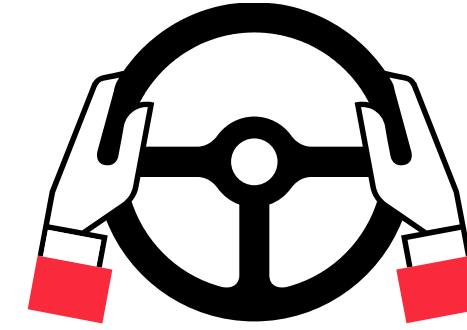
Advertising sectors studied



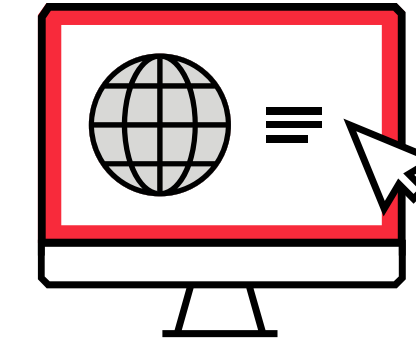
Food



Hygiene & Beauty



Automotive



Pure Players



Banking & Insurance

15

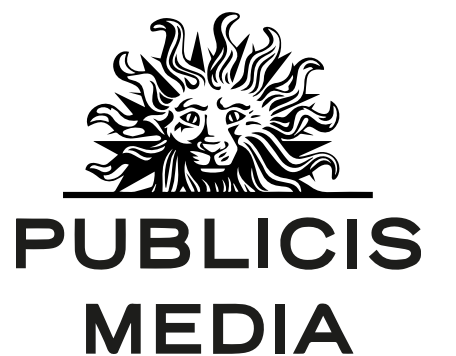
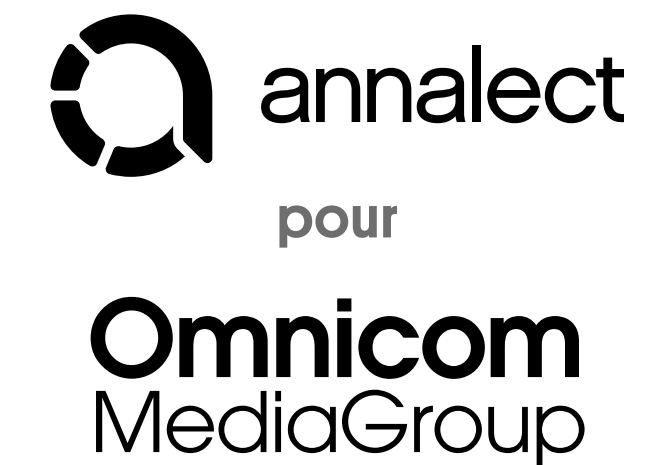
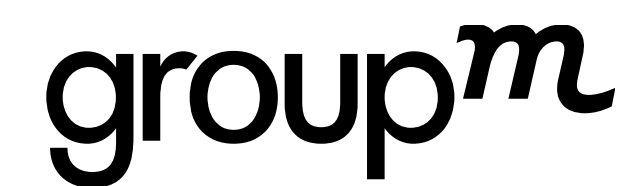
econometric models analysing the factors contributing to value over 3 years

5

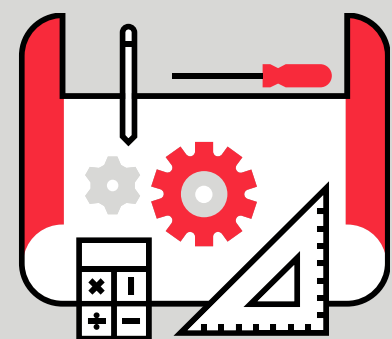
contributing agencies



pour



Steps



Pre-study

- Definition of the indicators used
- Homogeneity of the definitions and the scope



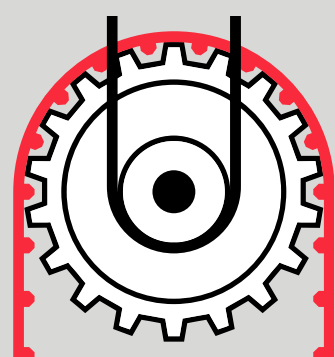
BearingPoint®

m·mz



Data collection

- Net investments devoted to each lever activated
- Sales/subscriptions in turnover

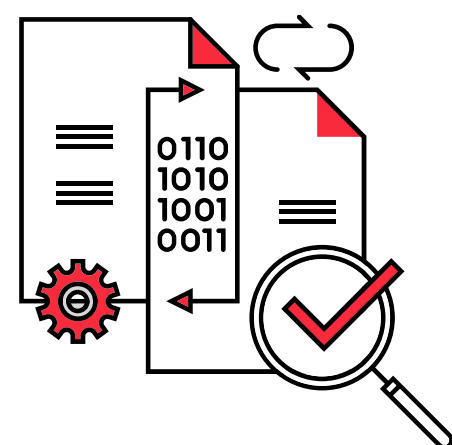


Modelling

- Production of models



groupm



Summary

- Centralisation of data
- Guarantee of coherence
- Confidentiality

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Quality of the results

Represent and explain sales to calculate KPIs by guaranteeing the quality of the models

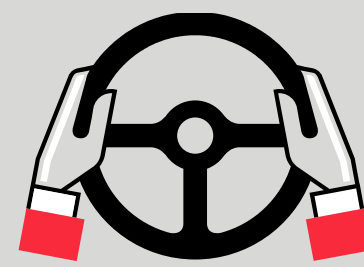
Adjustment coefficient for the 15 models studied

84%

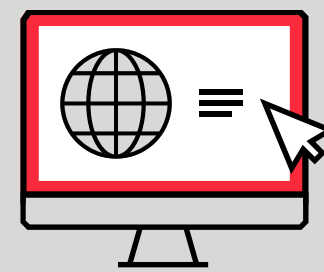
R² des 5 secteurs



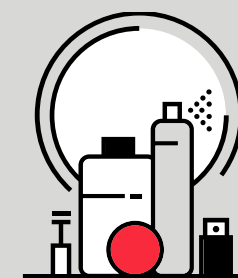
85%
Food



89%
Automotive



83%
Pure-Players



77%
Hygiene & Beauty

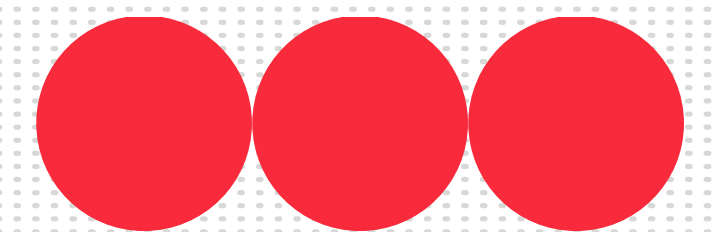


88%
Banking & Insurance

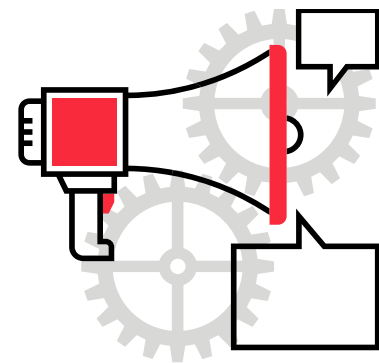


Depth of the data

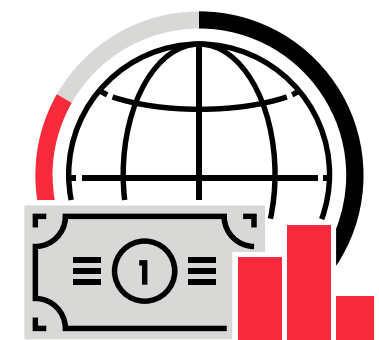
3 years weekly



What was studied



85 waves of communication
for 15 brands

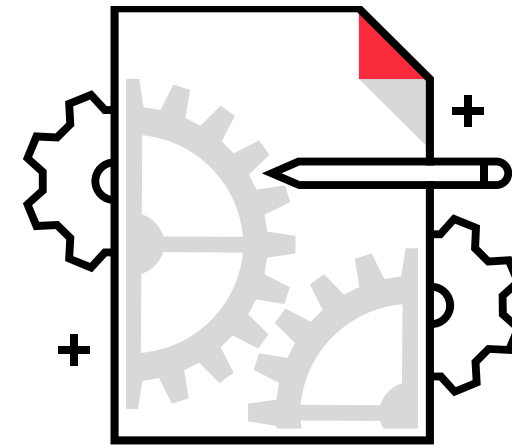


Corresponding net media
investments for each
lever activated

What was deduced from it

- ⊕ Basic sales
- ⊕ Incremental sales contributions from the media
- ⊕ ROI by media
- ⊕ Carryover effect and long-term effects
- ⊕ Synergies TV x other media

Two main criteria to observe



The contribution to sales

which should always be compared with the share of investment

ROI

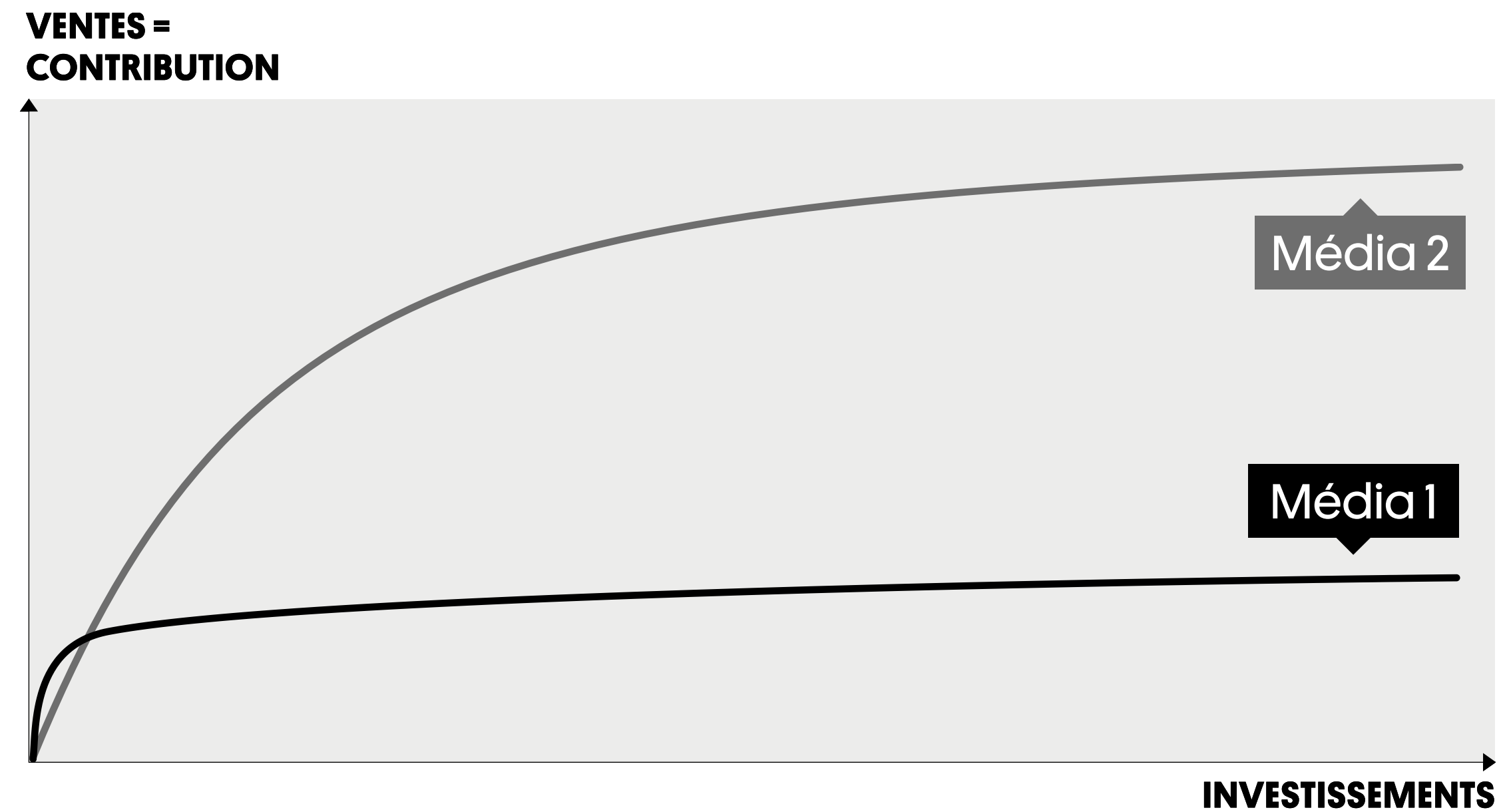
or what return on investment
[sales turnover or subscriptions] for €1 invested



These two criteria must always be observed simultaneously

The ROI must always be compared to the contribution

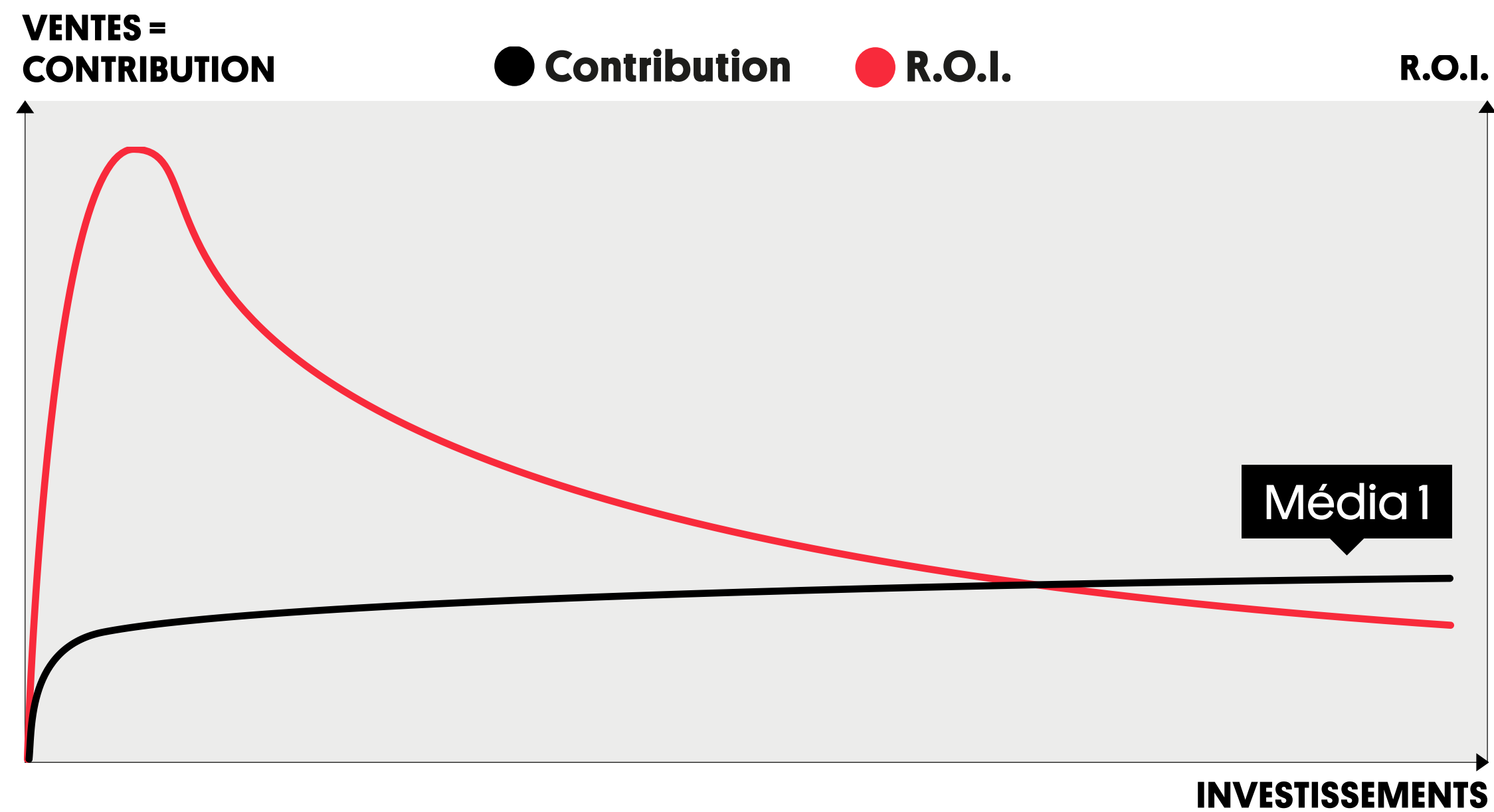
Let's start from the contributions made by two different media



For small investments: **Media 1 > Media 2**
Then quickly: **Media 2 >> Media 1**

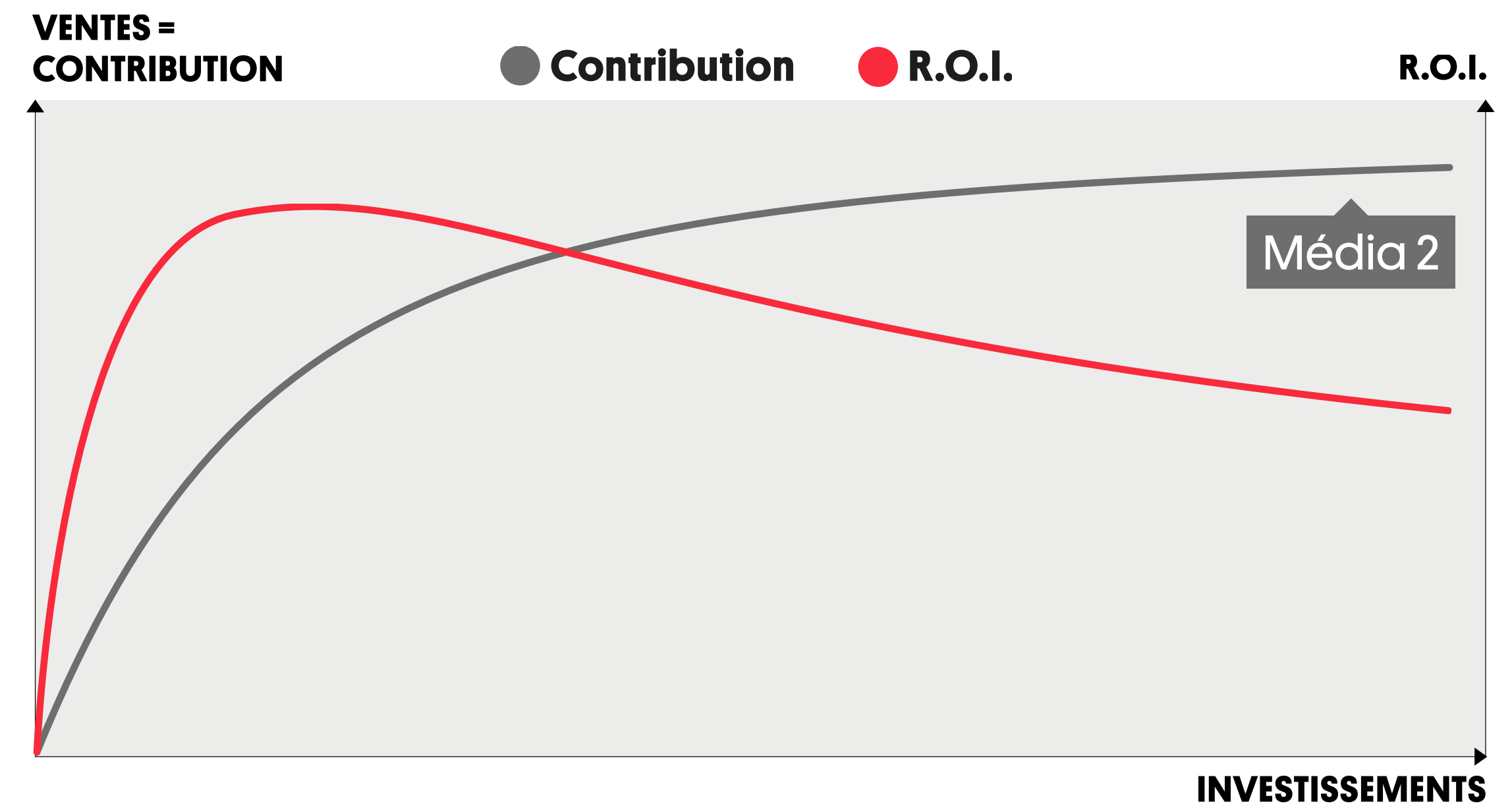
Which explains the need to compare ROI and contribution

The ROI must always be compared to the contribution



Small contribution that saturates quickly while investments continue to progress.

Large ROI initially which deteriorates quickly when the investments increase.



Large contribution that continues to progress with the investments.

ROI initially lower but resists much better.



**This is the principle of diminishing returns.
A more noticeable phenomenon for some levers with a small contribution.**

ROI CONTRIBUTION and laws of diminishing returns



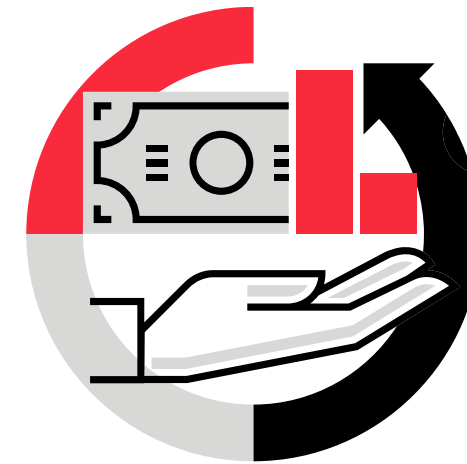
ROI is not a constant,
regardless of the investment.



The hierarchy of ROI is not an adequate indicator
of comparative return of media if it is used on its own.
It must be compared with the contributions
that the media make.

Some levers with a low contribution and a high ROI may see
their ROI decreases greatly when investments increase.

ROI and synergies between the levers

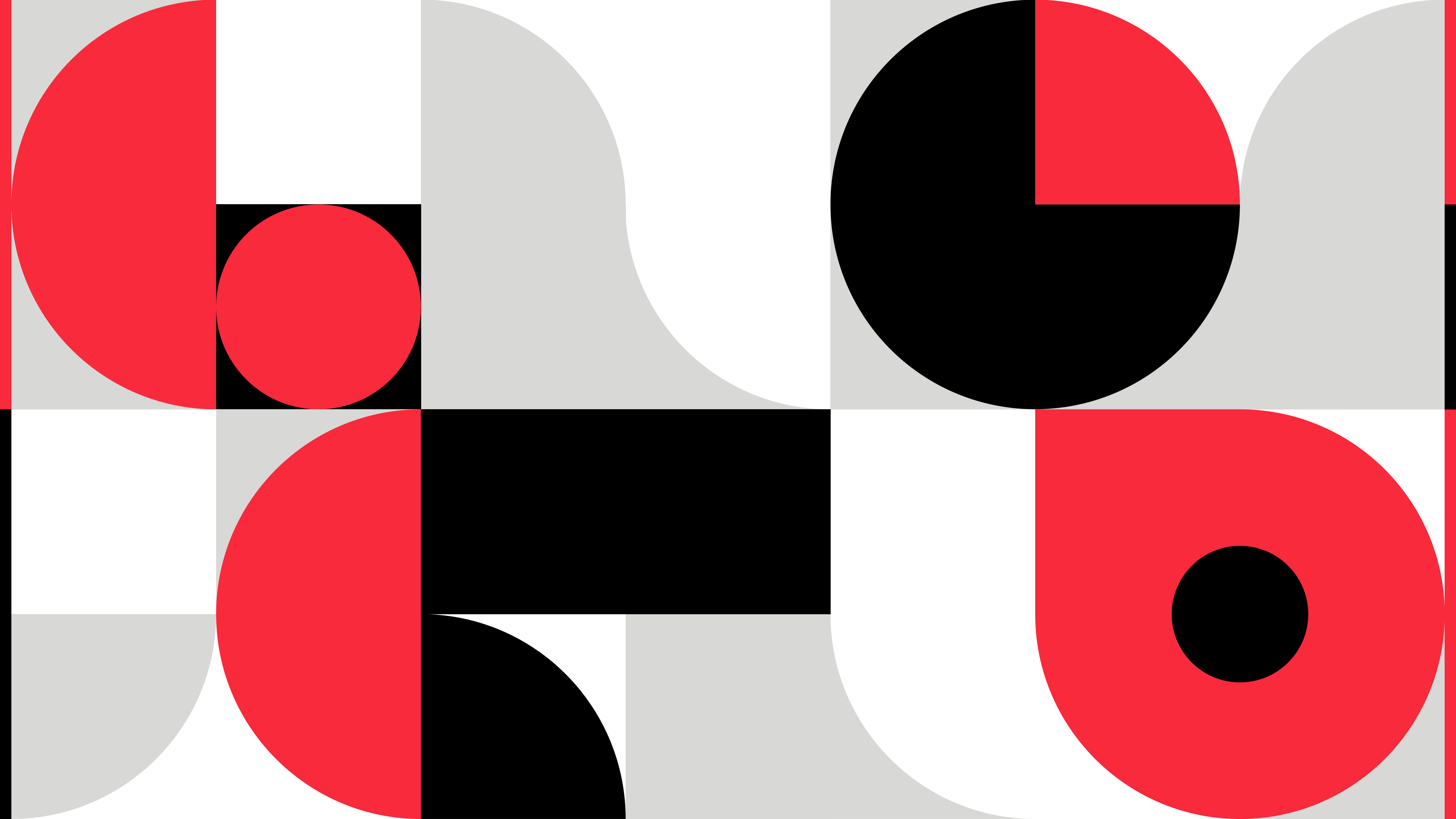


**One ROI may
hide another one...**

Synergy

When the combined effect of a set of levers is greater than the sum of the isolated effects. In this case, certain media benefit from the priming effect produced by others thanks to the effects of synergy.

Therefore, a share of the ROI of this media has been initiated by others.



#

CONTRIBUTION

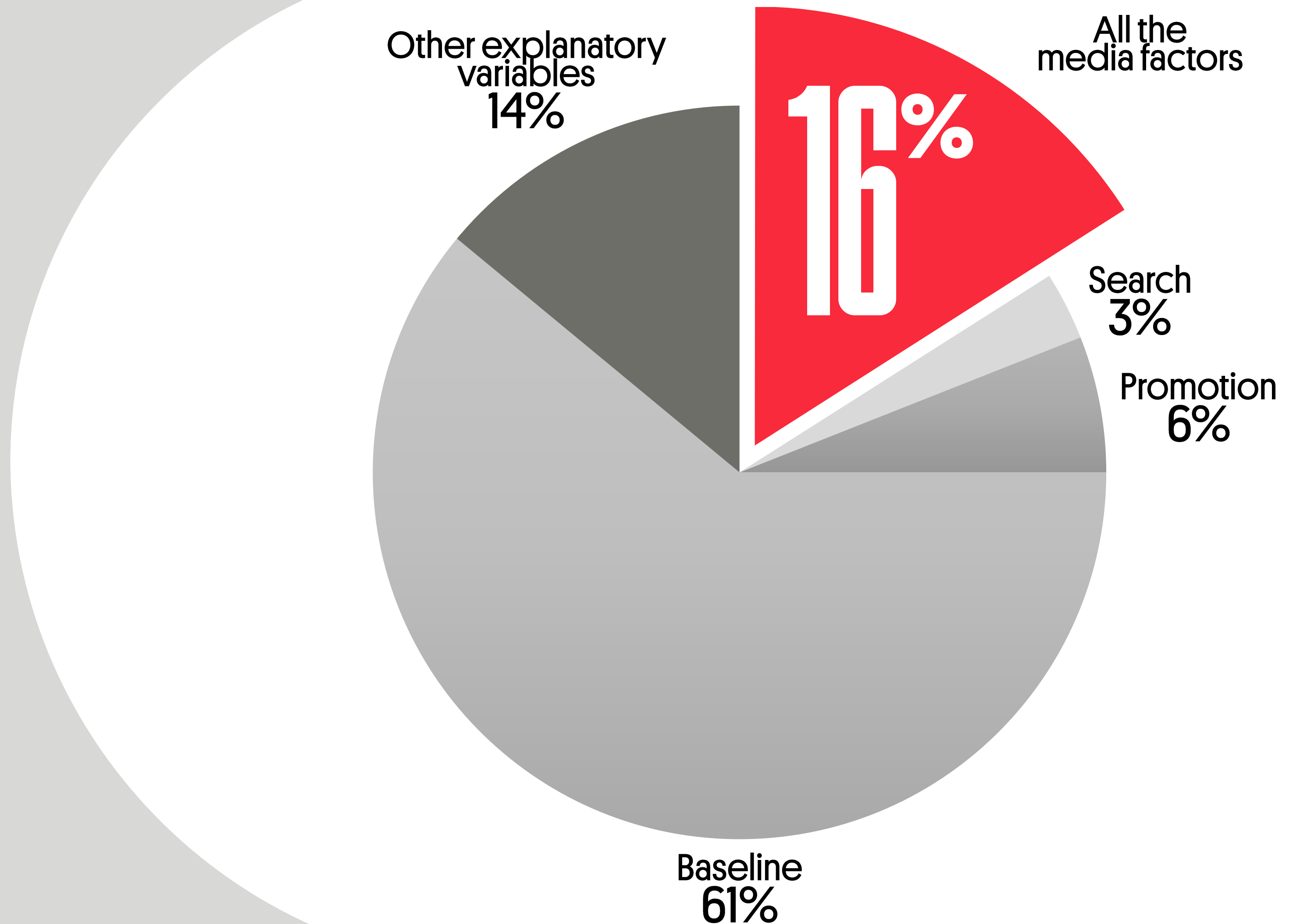
TO SALES



The contribution of media to sales

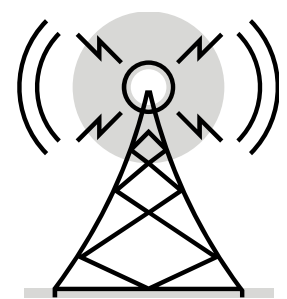


Media contribute on average to 16% of sales or subscriptions among the 20 factors studied

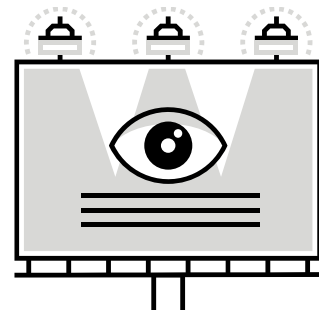


TV very involved but over-contributor

Among the other media



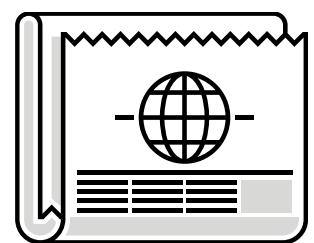
Radio



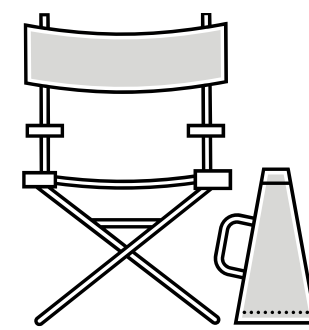
Display



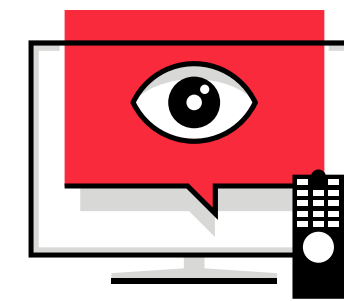
Digital levers



Press



Cinema



TV

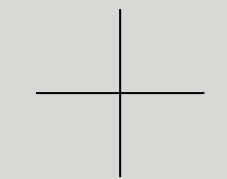
Including Sponsorship & Catch-Up

62%

Share of investment

65%

Contribution



3

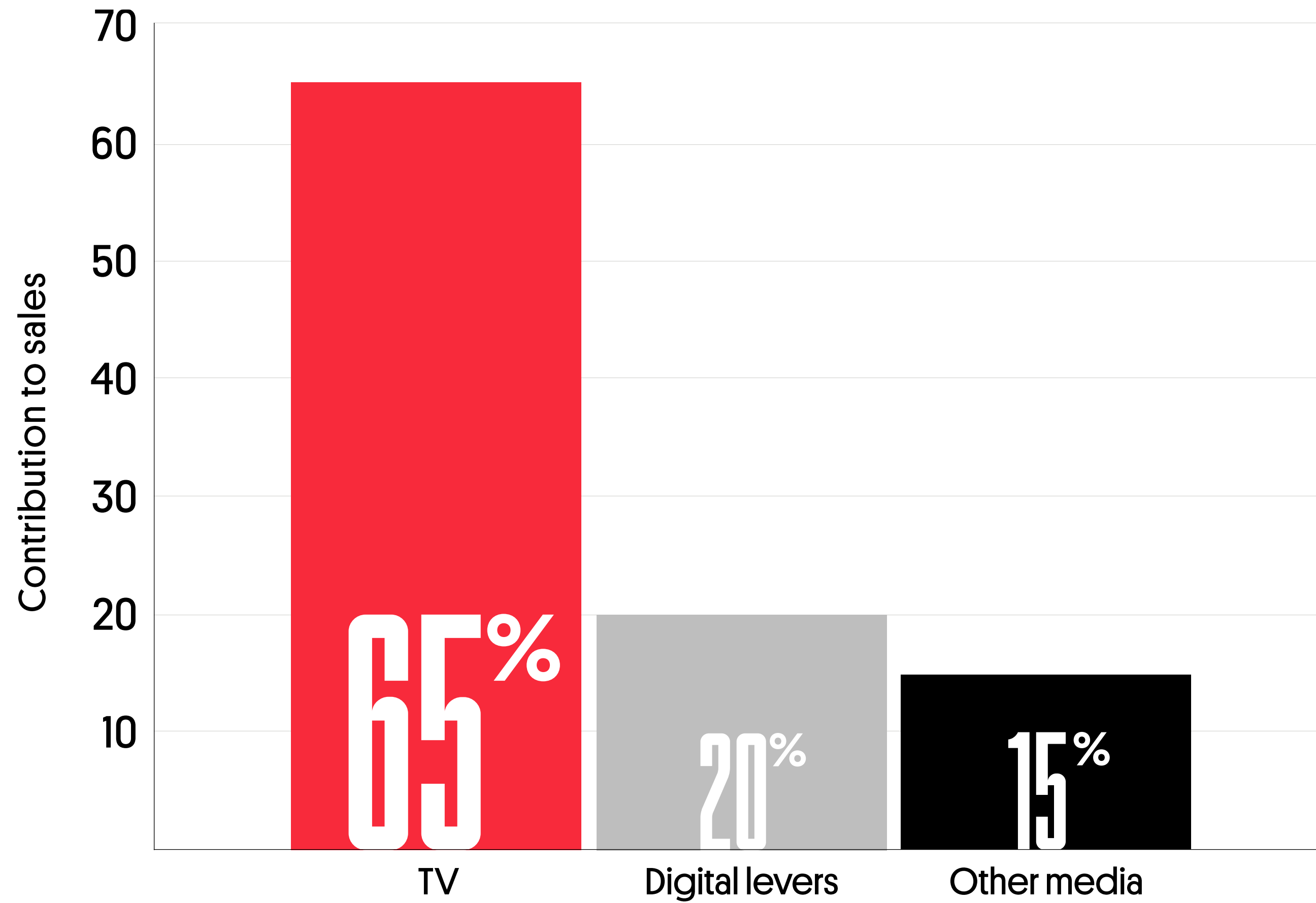
PTS

• VS •

investments
dedicated adverts



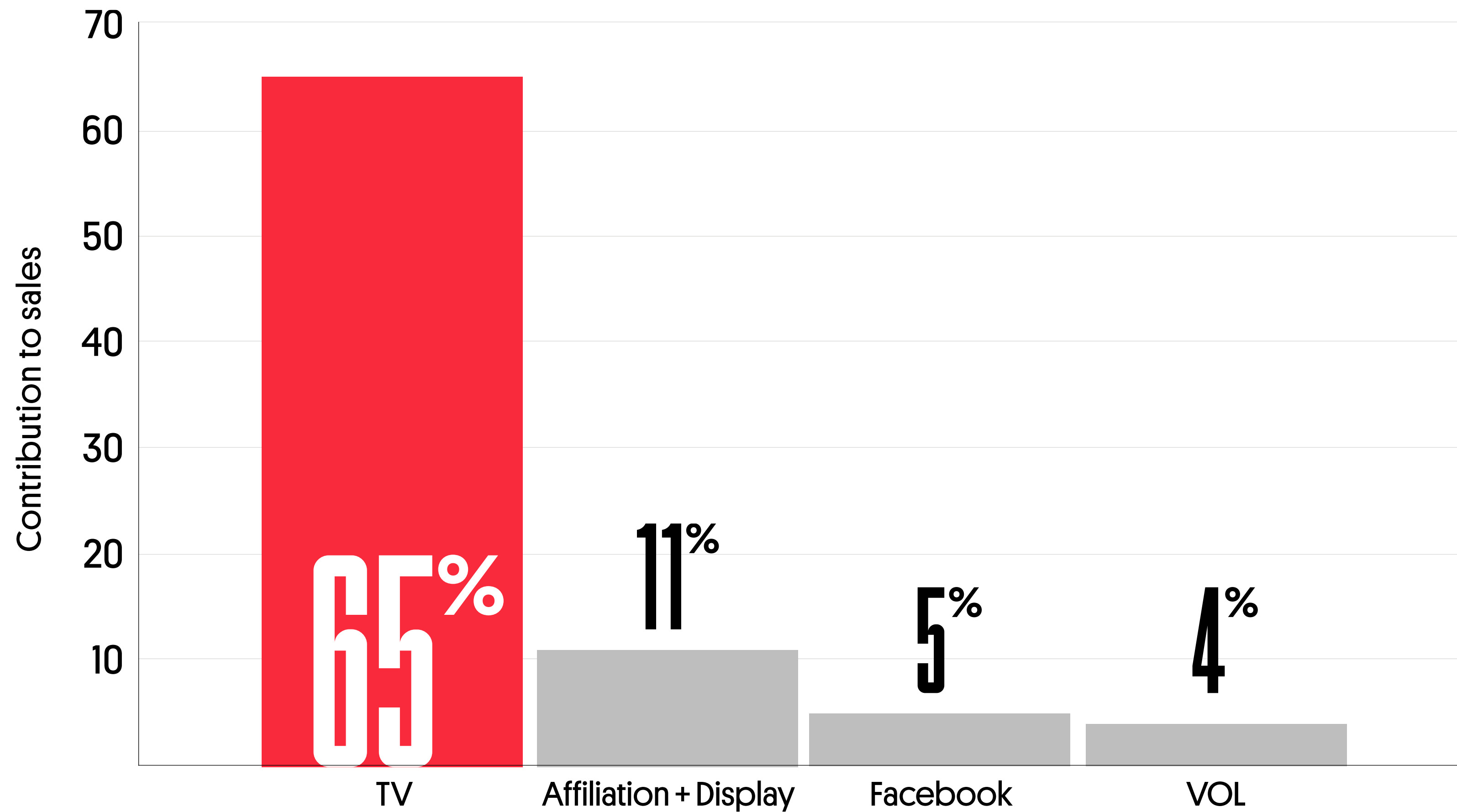
The aggregate of digital levers and TV over-perform



Advertising investment

- TV — 62% (TV + Sponsorship + Catch-Up)
- Digital levers — 19%
- Other media — 19%

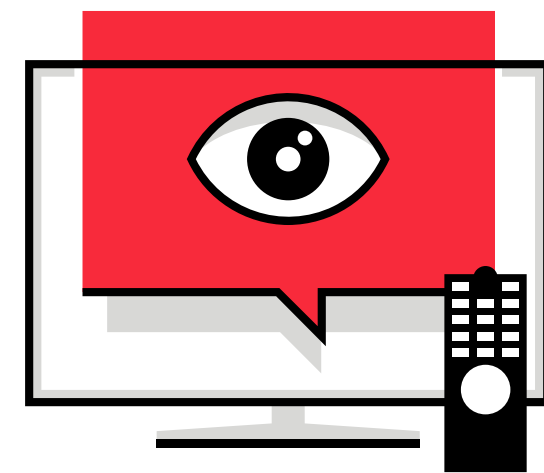
Disparate contribution of digital levers



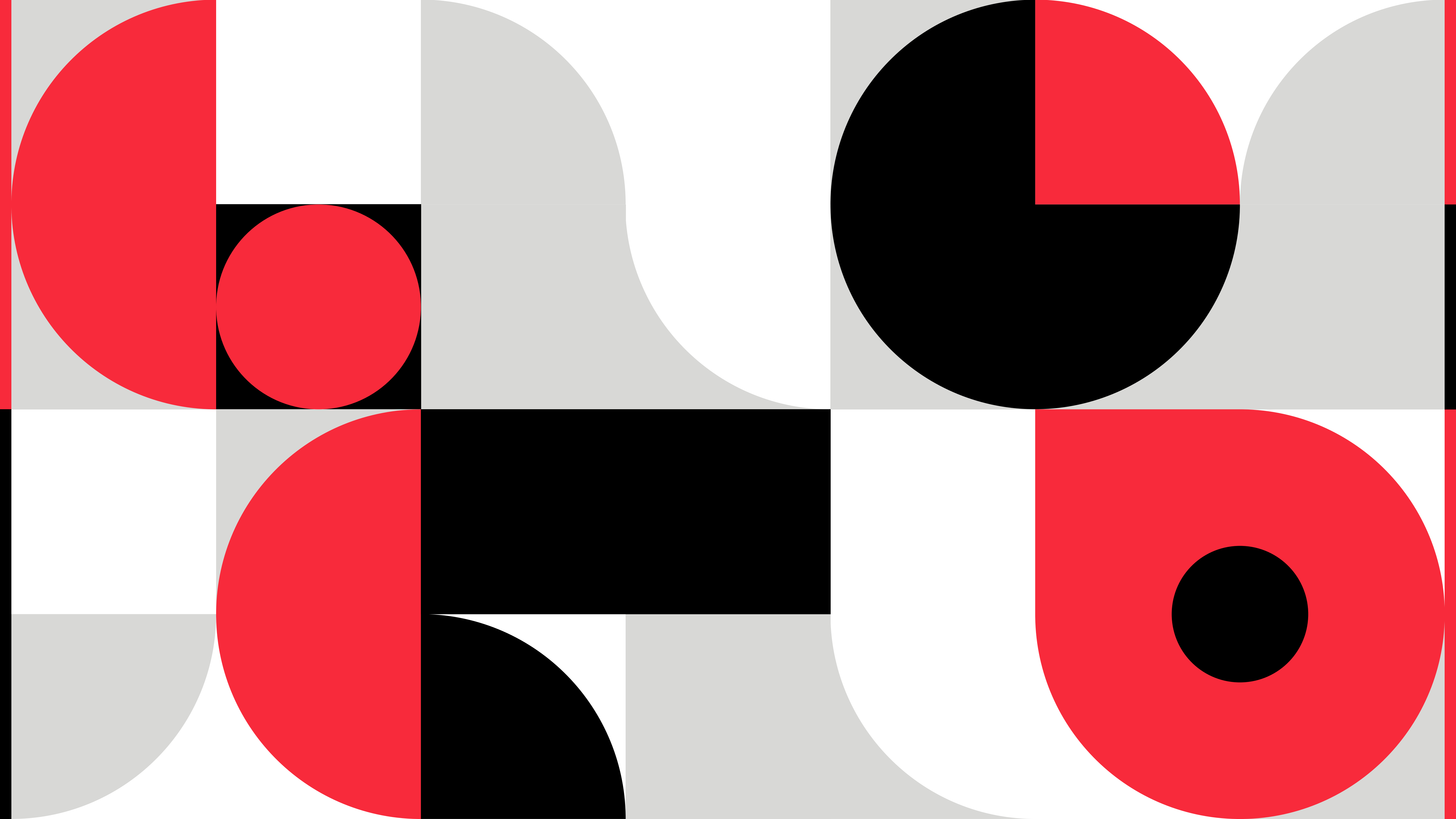
Advertising investment

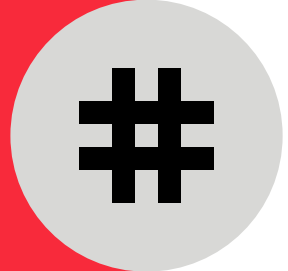
- TV — 62% (TV + Sponsorship + Catch-Up)
- Affiliation + Display — 11%
- Facebook — 3%
- VOL — 5%

TV, the best contributor to sales

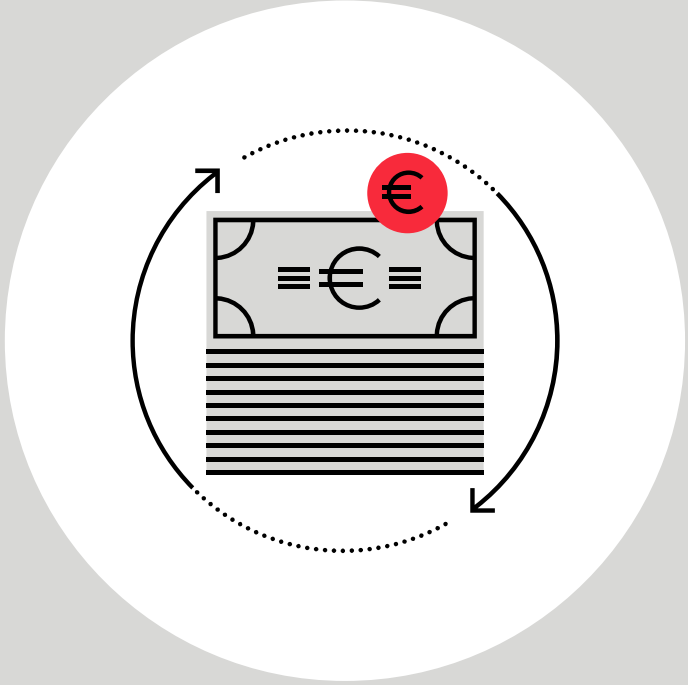


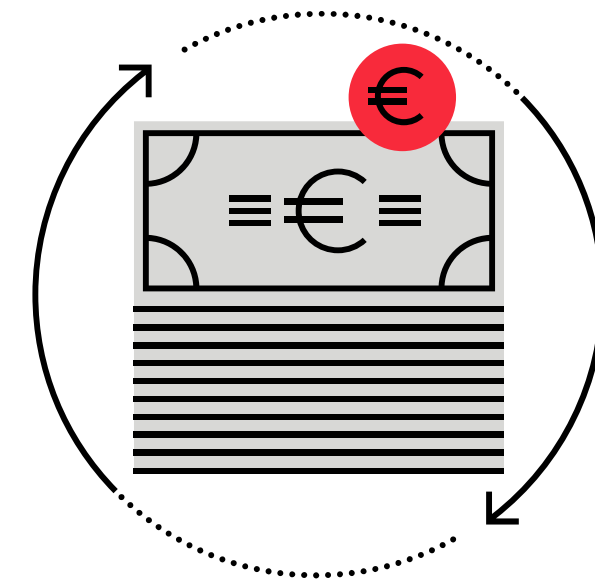
TV and the aggregate of digital levers
show very significant contributions
greater than their share of investment





R.O.I.





ROI media

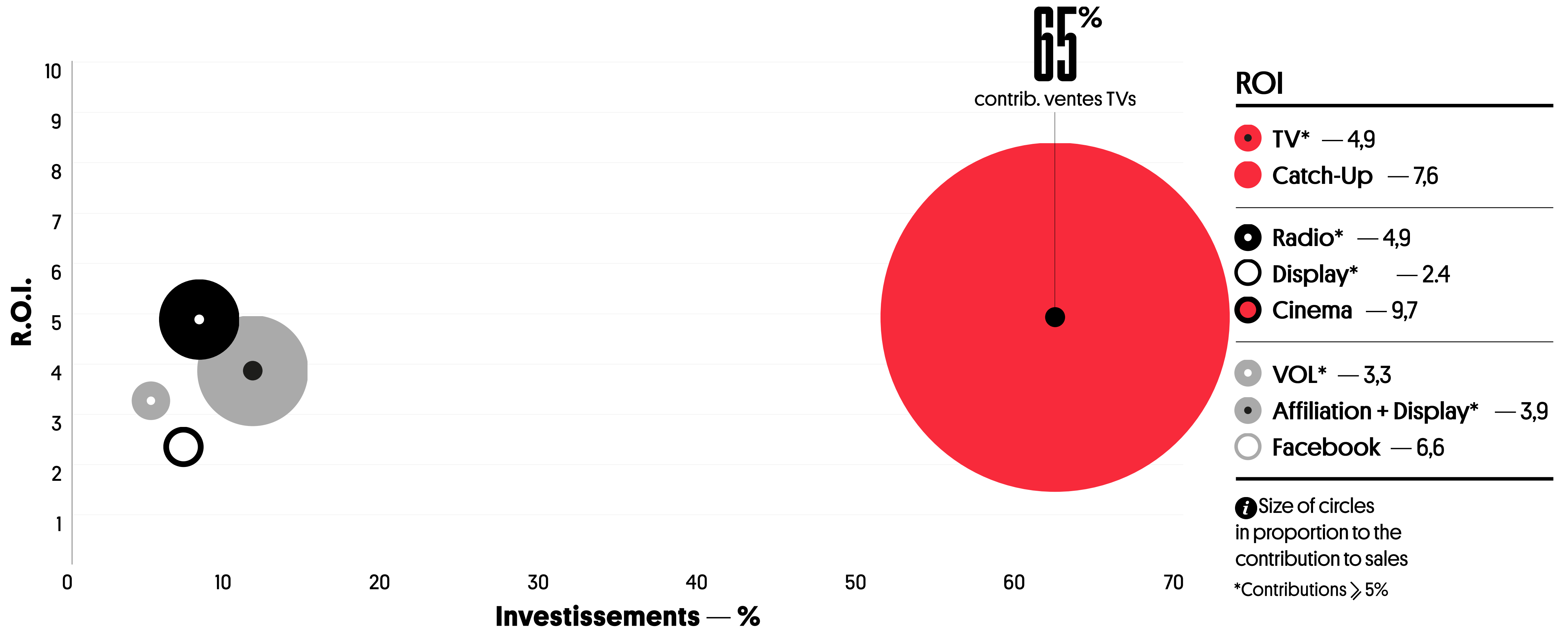
Value created, or turnover in €
for €1 media invested

Calculation method

Contribution in media value
to sales ÷ media investment.



Traditional TV - Radio - Digital levers significant contributors / high ROI



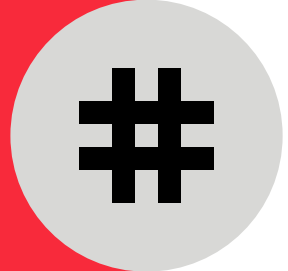
Only a combined ROI / contribution vision is relevant



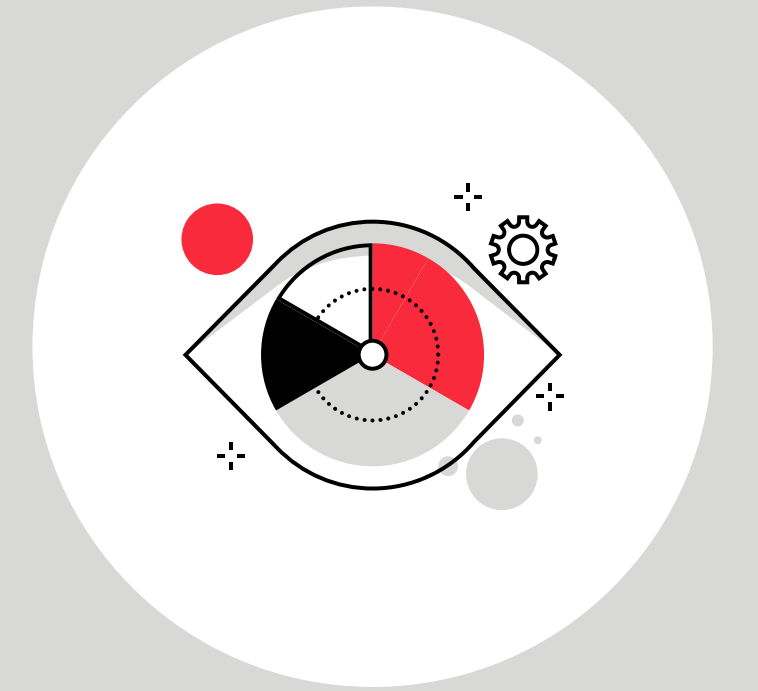
ROI cannot be an indicator observed in an isolated manner.

It only has meaning if you take account
of the share of dedicated advertising investment
and the contribution to sales generated,
not to mention the effects of synergies not deducted from ROI.

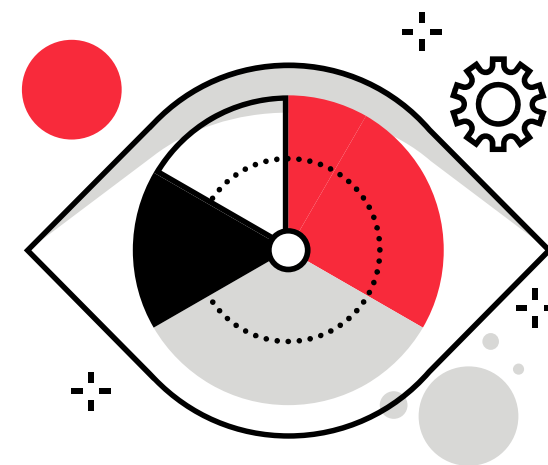




CARRYOVER EFFECT



The carryover effect on sales differs significantly according to the levers

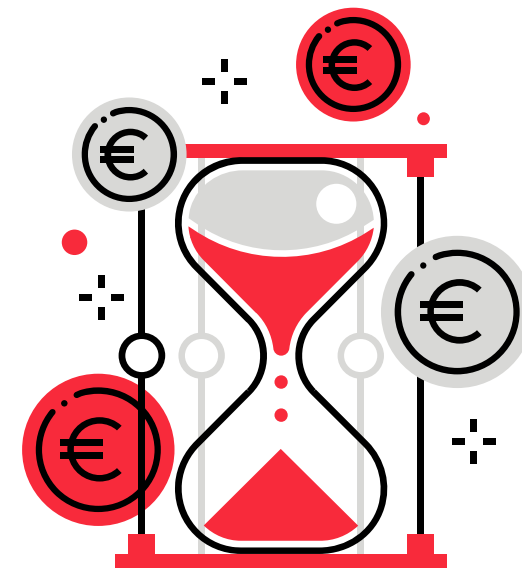


Phenomenon of the continued effect of advertising over time after exposure to the message.

Related to the notion of $\frac{1}{2}$ life which is the time expressed in number of days, when the campaign keeps half of its memory or business effect.

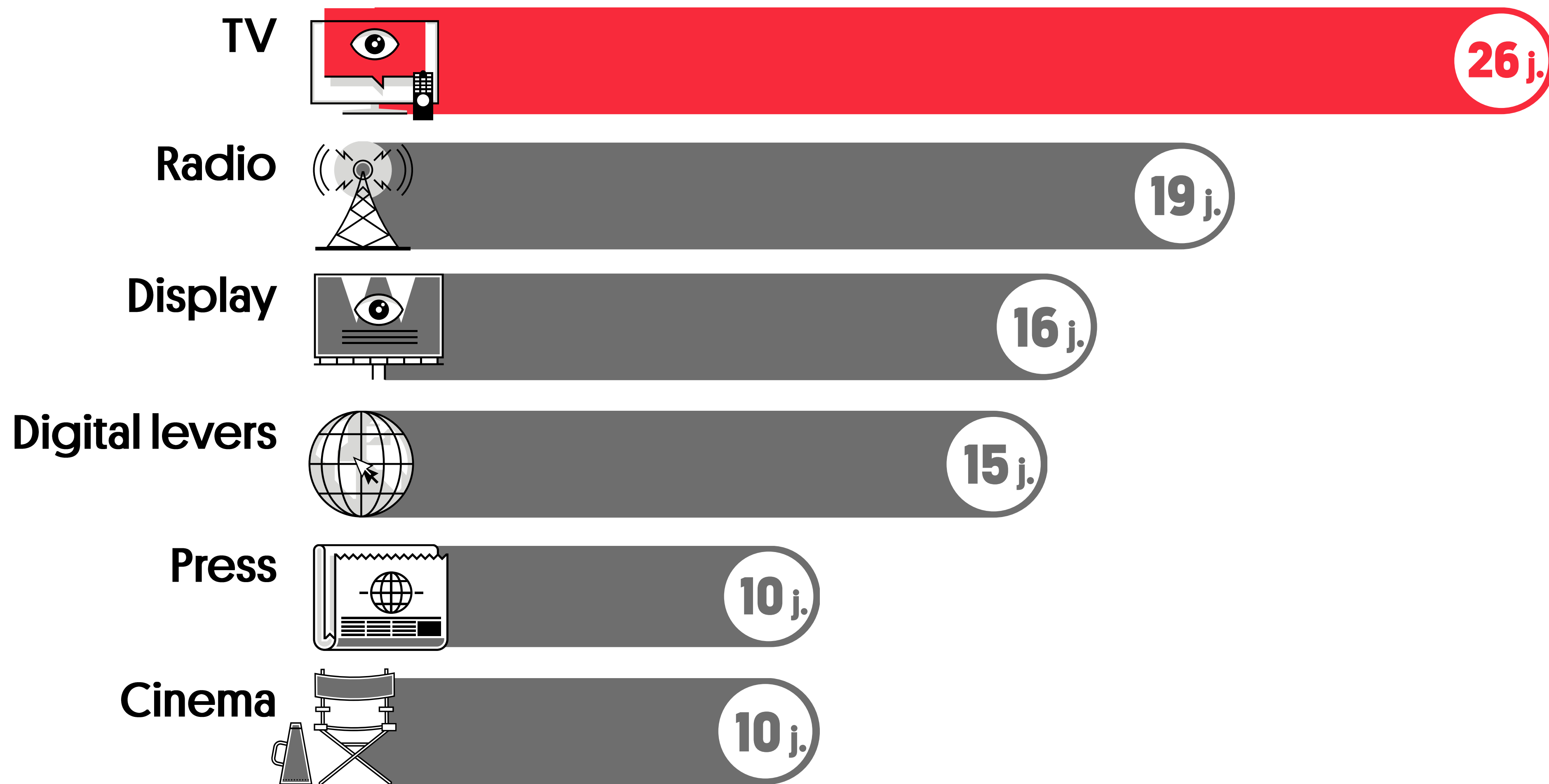
In our study, it is the **carryover effect of the media effect on sales** that was analysed.

The question which we answer



**After how many days
after the end of a campaign,
is half of its impact on sales
maintained?**

Television very largely the leader of the carryover effect...



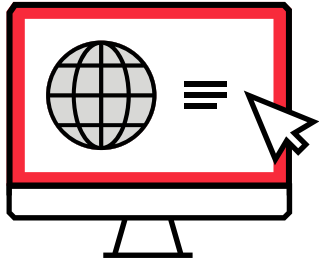
i Carryover effect expressed in days

...Whatever the versions of it

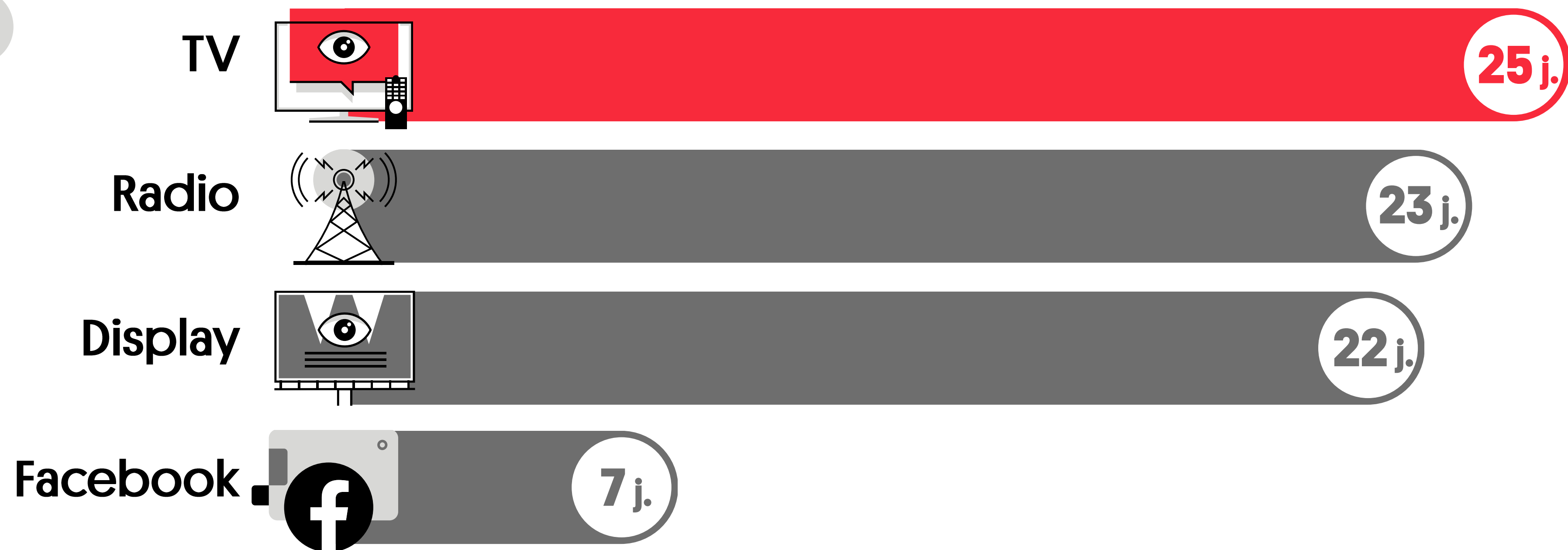


i Carryover effect expressed in days

High carryover effect of mass media for Pure-Players

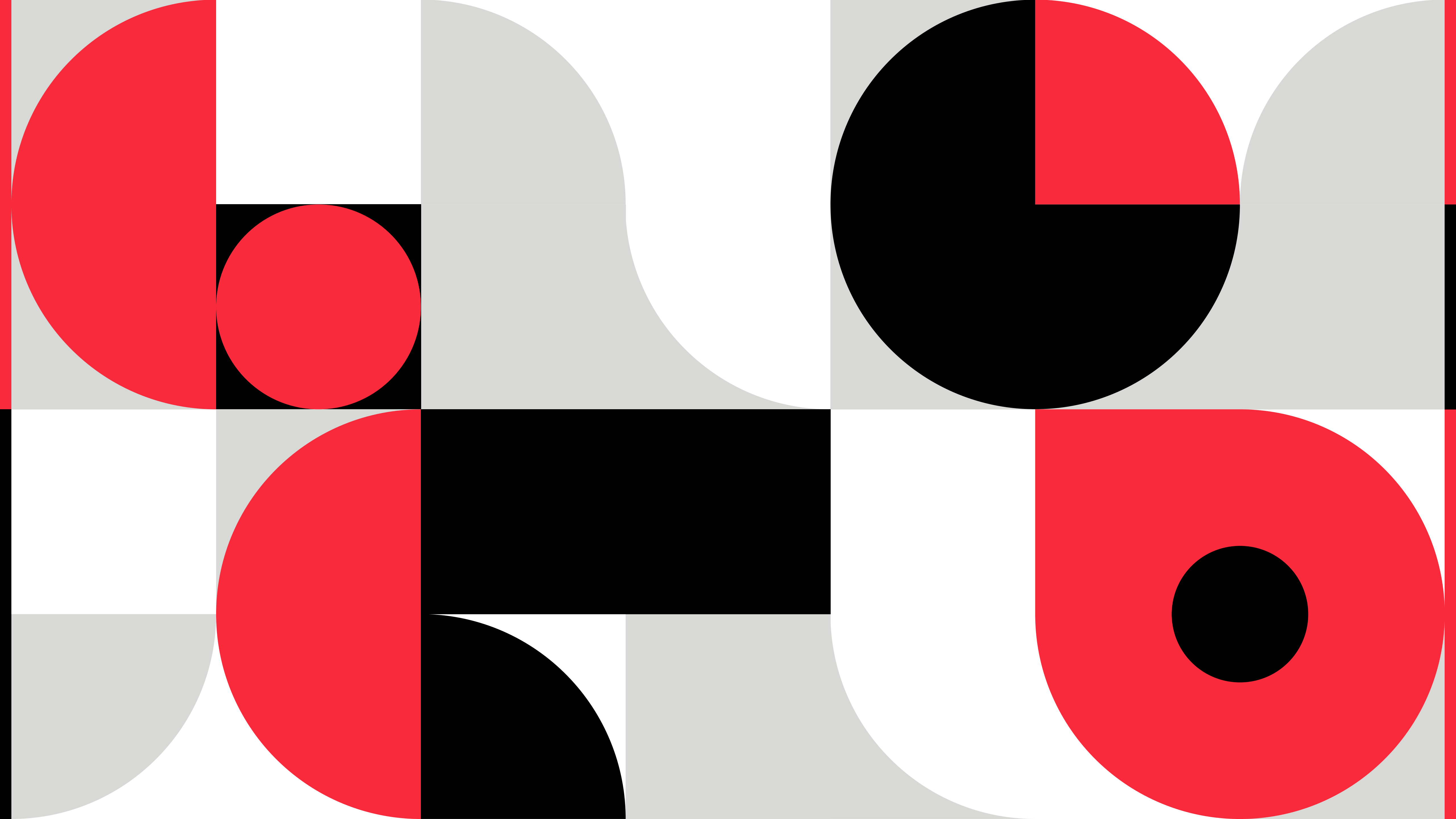


Pure-Players



Investissement \geq 2%

i Carryover effect expressed in days

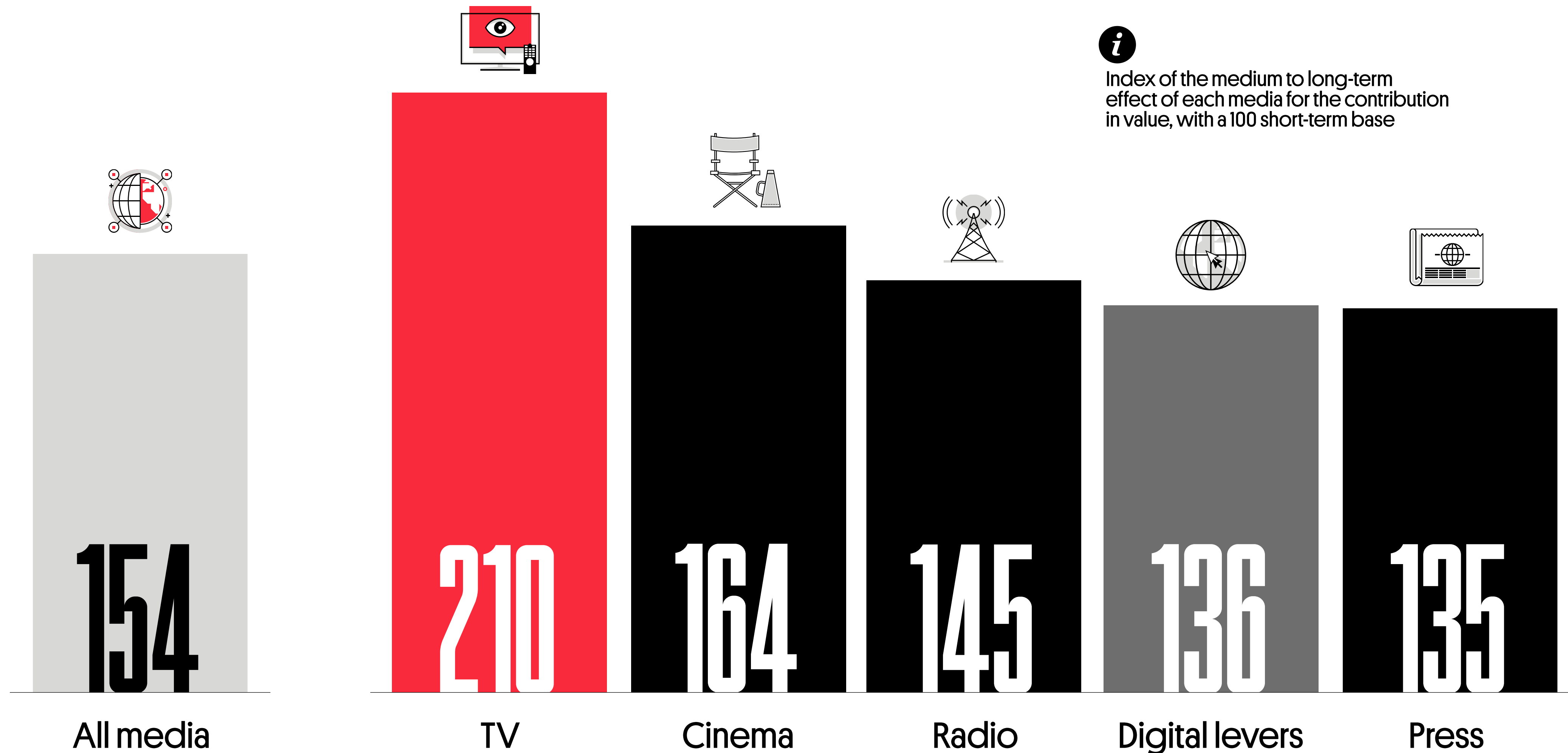


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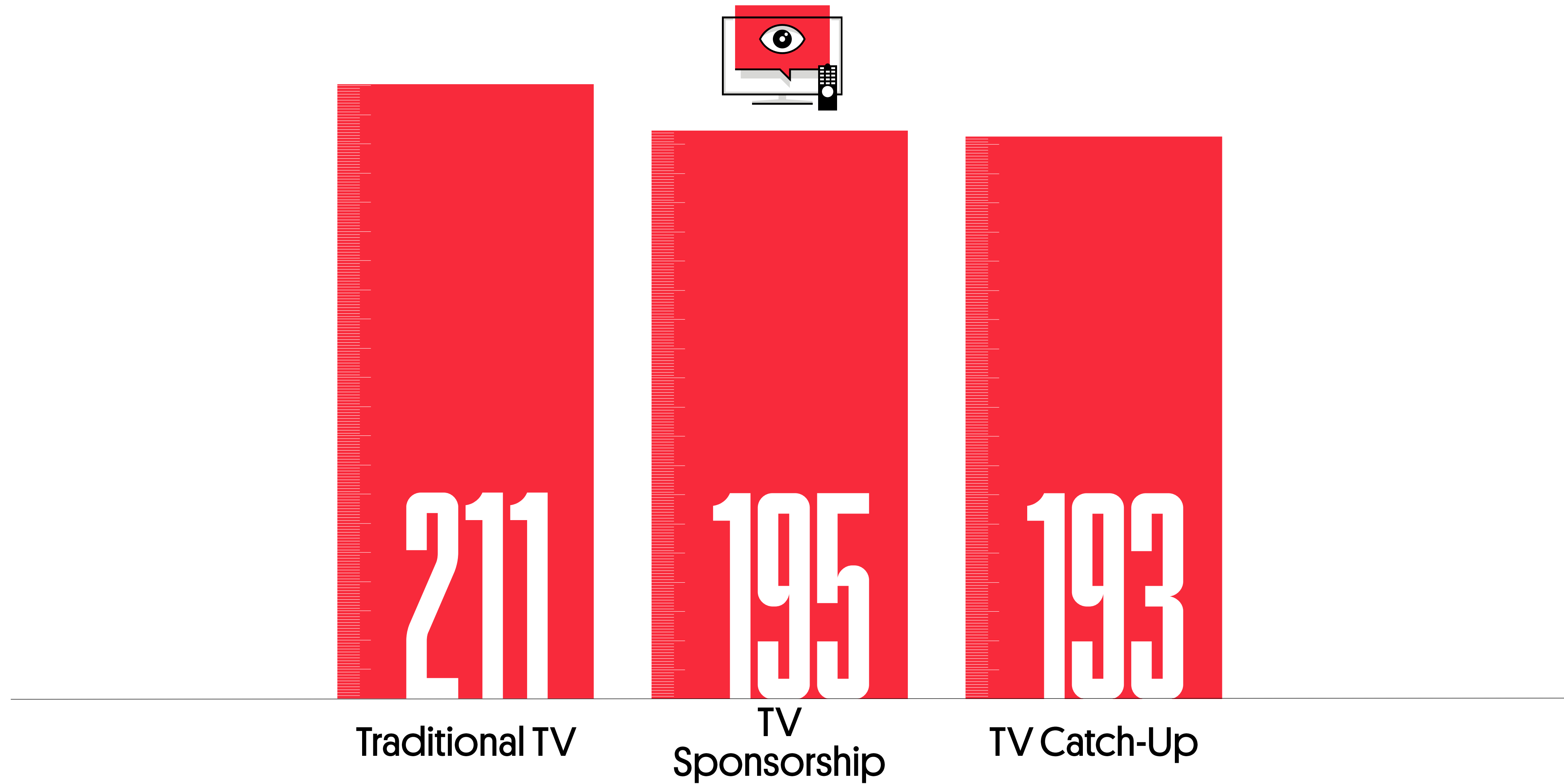
LONG-TERM EFFECTS



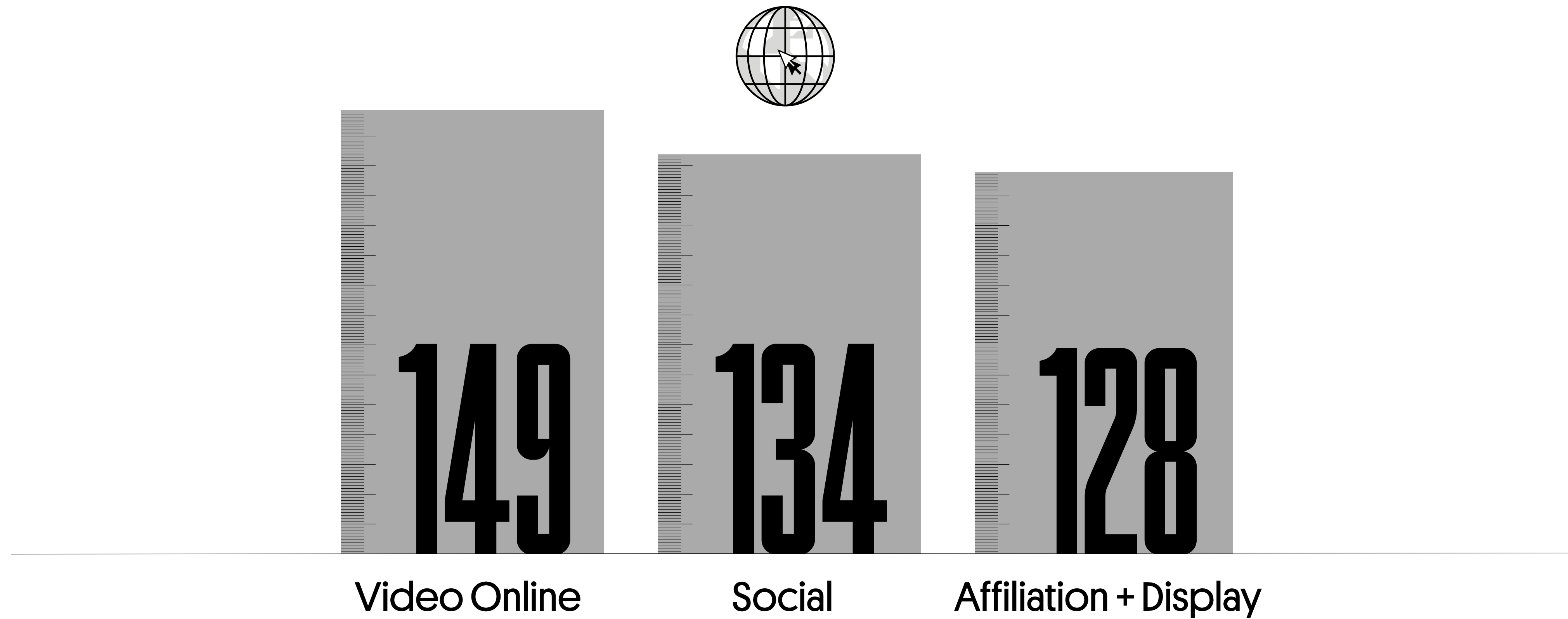
The audiovisual leader for long-term effects



Effective in the short-term, TV doubles its effects in the long-term

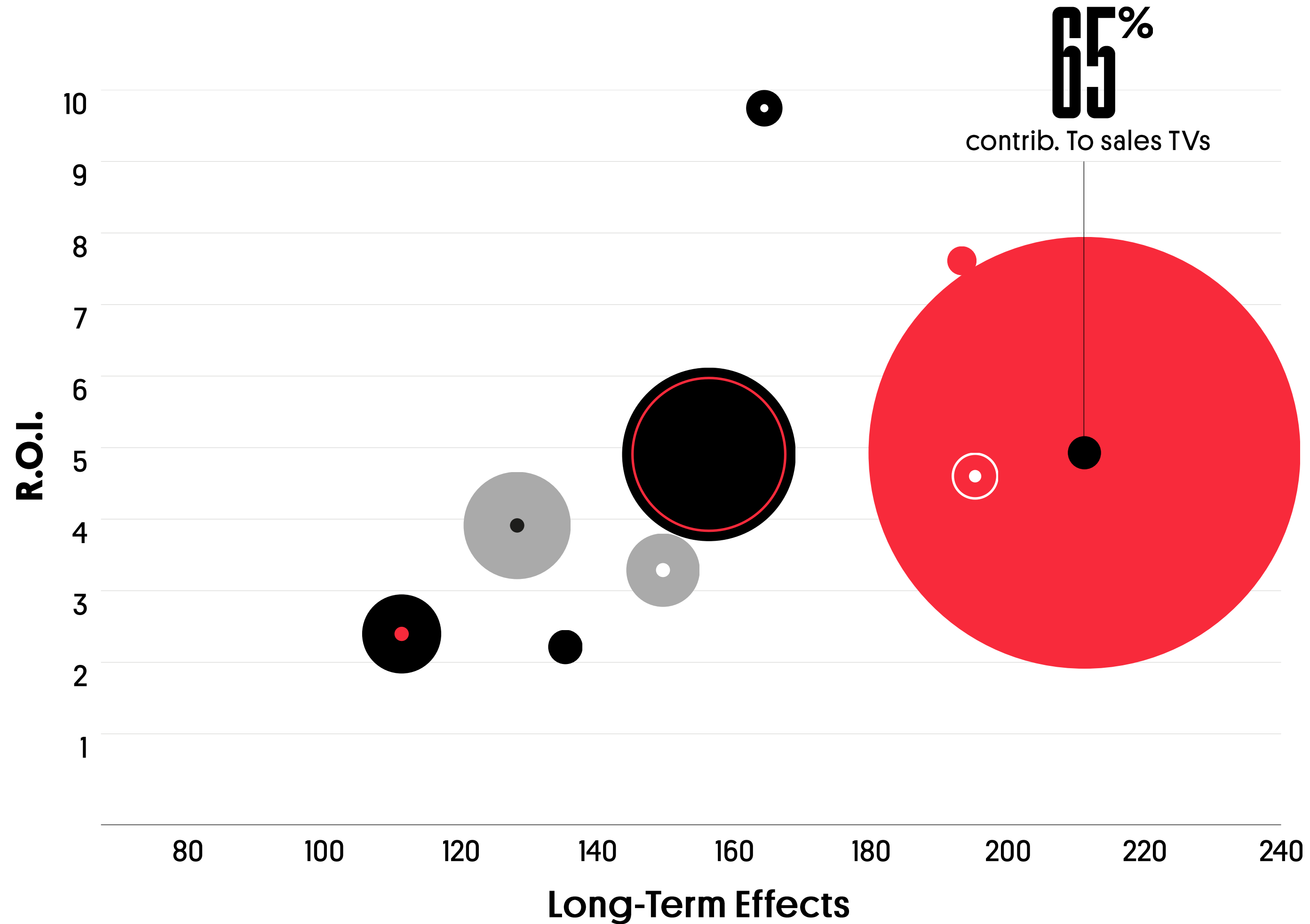


Lesser effects in the digital universe



Contribution — ROI — Long-term effects: over-performance of TV

Comparison of media according to their ROI, their long-term effects and their contribution to sales



- TV
- Sponsorship
- Catch-Up

- VOL
- Social
- Affiliation + Display

- Cinema
- Radio
- Press
- Display

i Size of circles in proportion to the contribution to sales

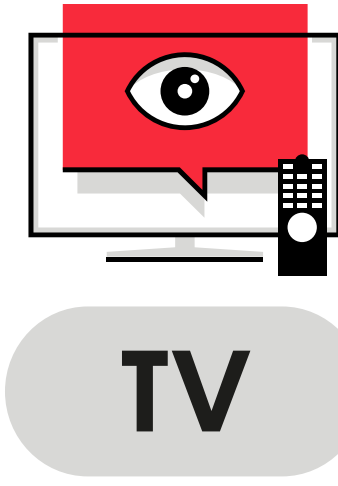
Data long-term effects Facebook not available

The long-term effects are particularly spectacular for consumer goods

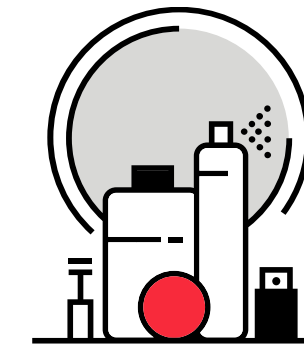


316

Food



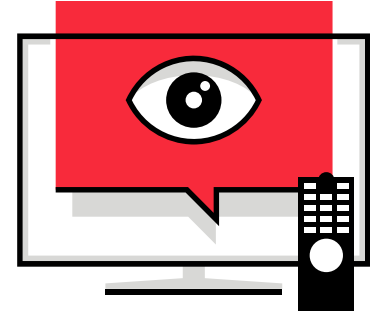
TV



274

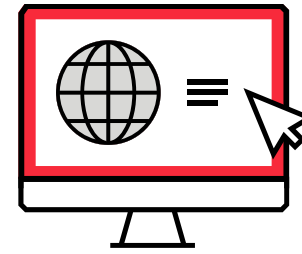
Hygiene & Beauty

Even for Pure-Players, TV is effective in the long-term



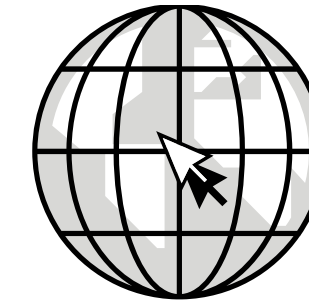
139

TV



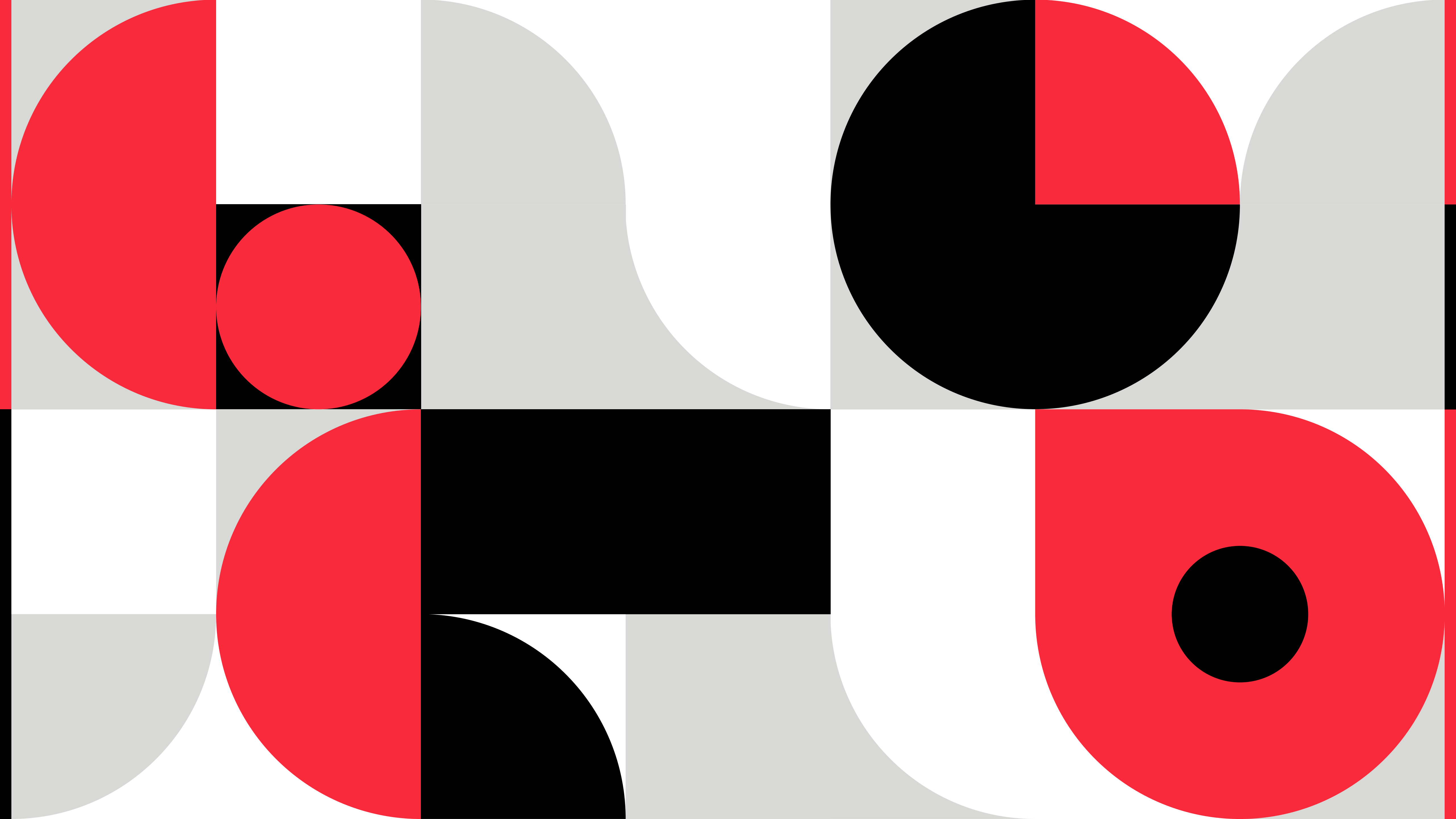
Pure-Players

TV booster of
drive-to-web campaigns



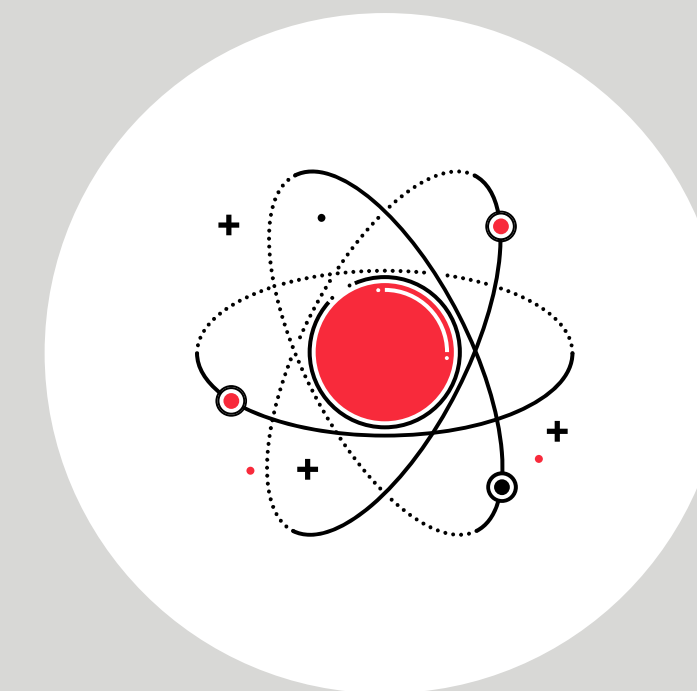
113

Digital levers



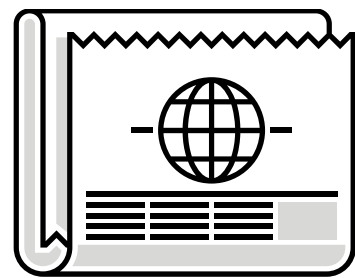
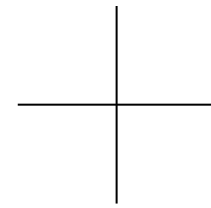
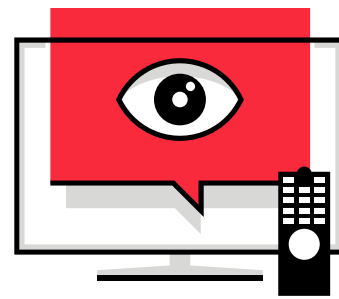
#

SYNERGIES



Activation by TV significantly increases the effectiveness of other media

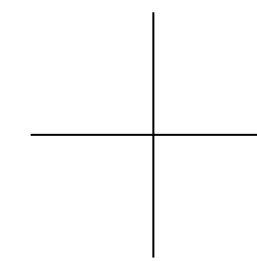
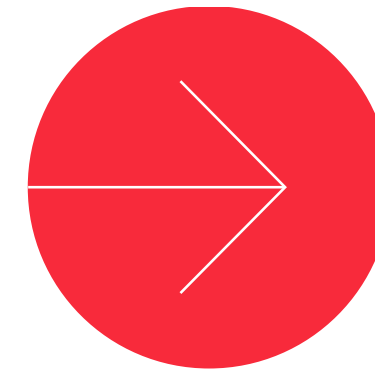
TV + 1 other media



Presse

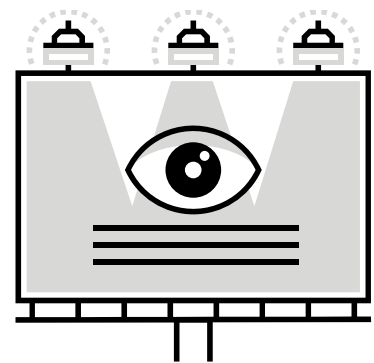


Leviers digitaux

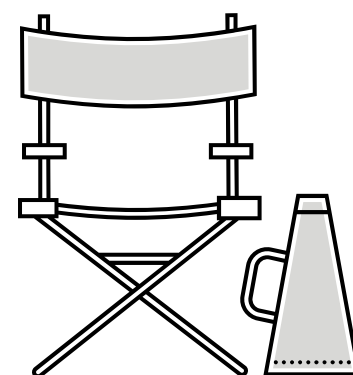


25%

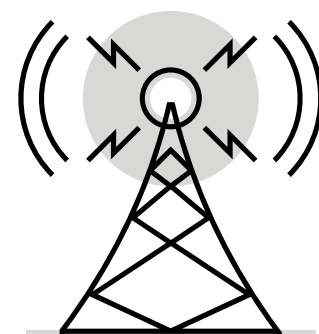
effectiveness on sales



Affichage

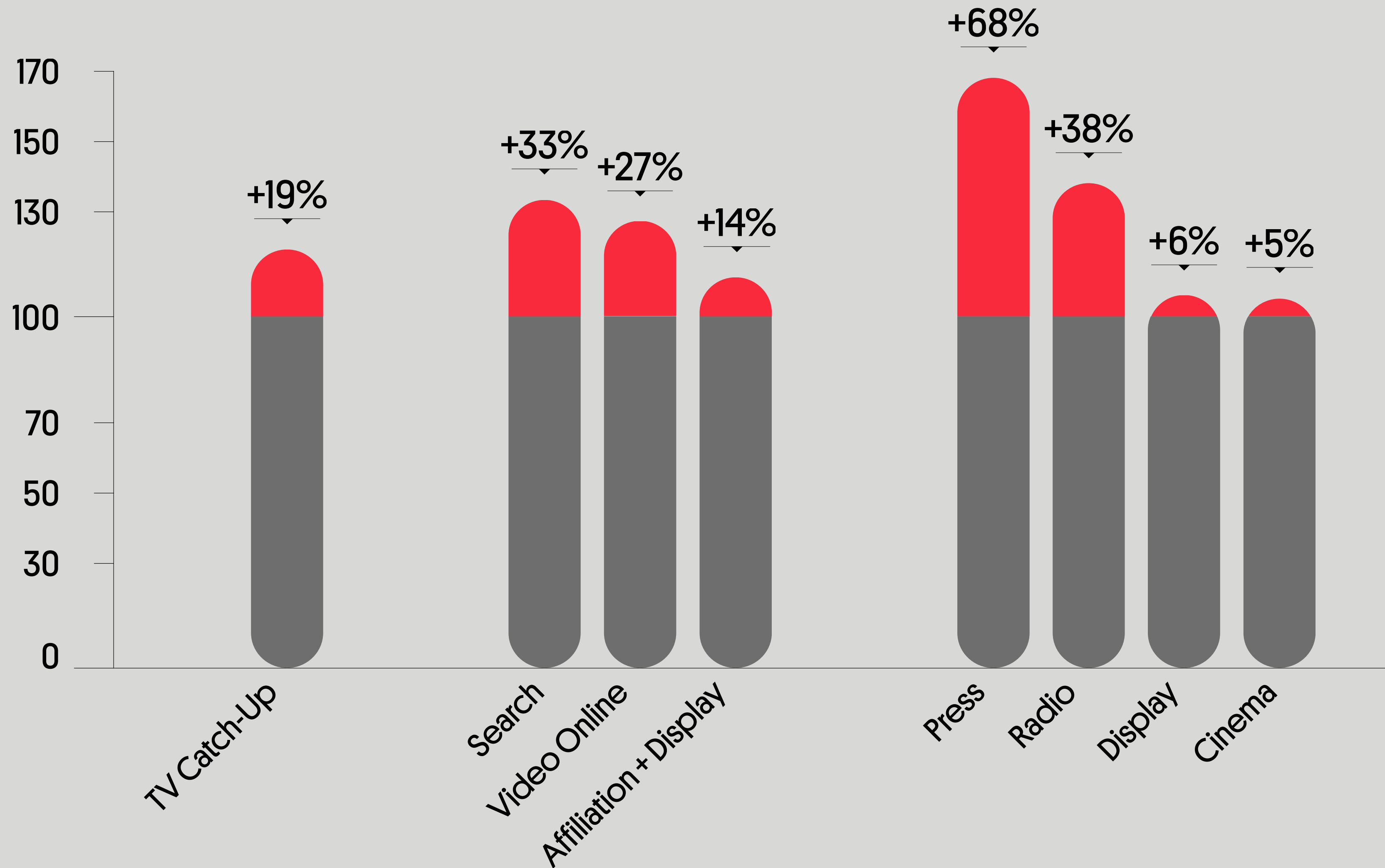


Cinéma



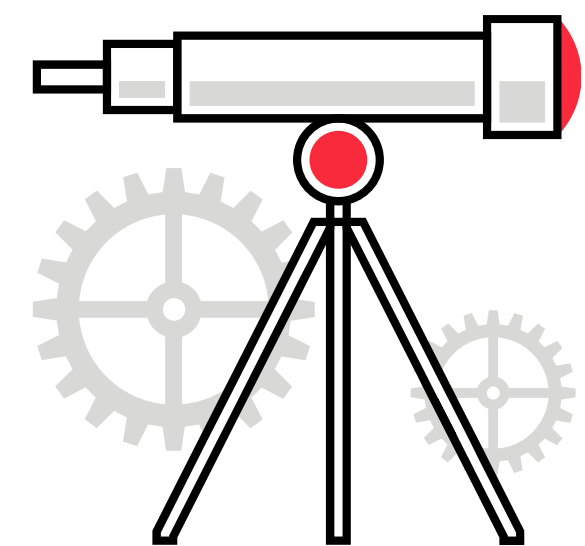
Radio

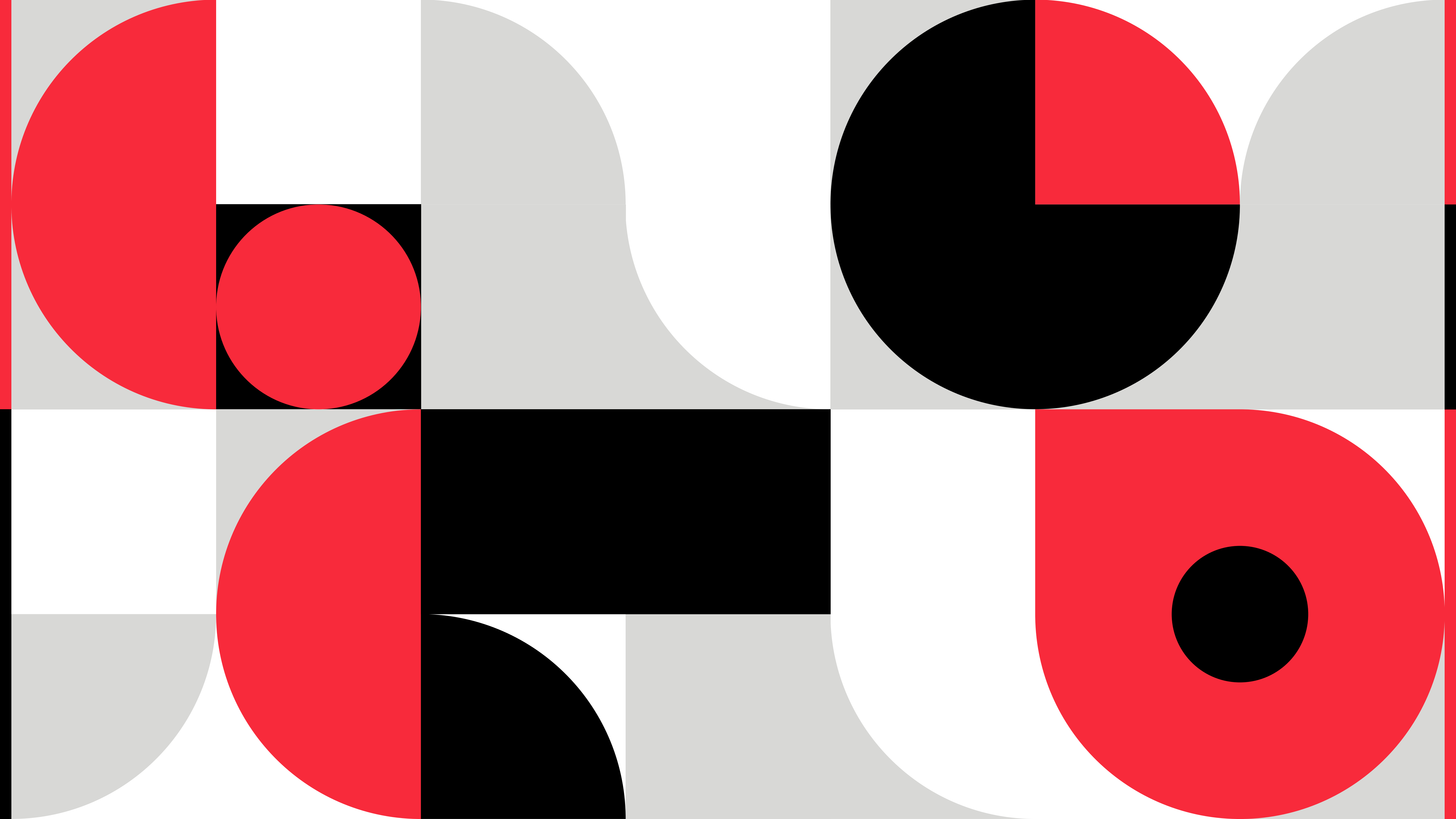
From 5 to 68% more activation thanks to the synergy of TV



The effectiveness of a Search campaign combined with TV increases by 33%

Inversely, it might be thought that there is no positive synergy from Search to TV.





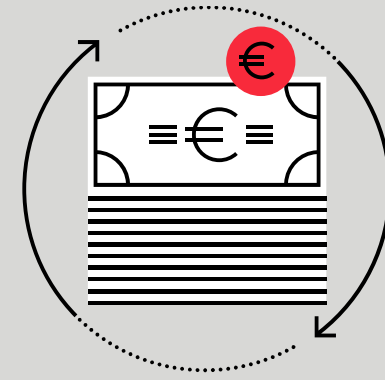
TV, the leading media for sales effectiveness criteria



Contribution to sales

65%

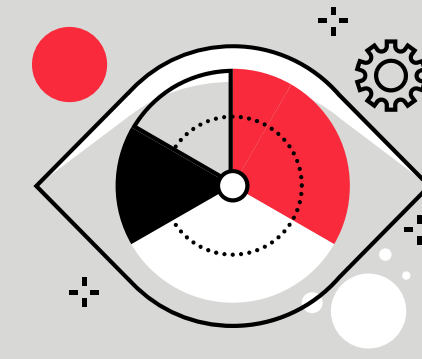
sales initiated by TV,
namely 2/3 of sales



R.O.I.

4,9

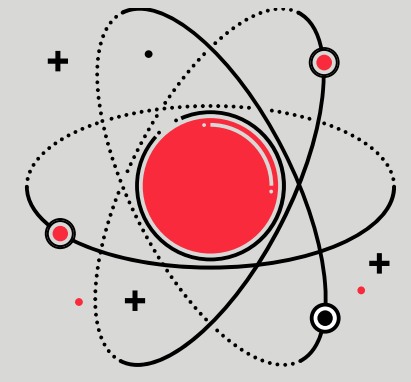
for €1 invested



Carryover effect

26

days of carryover effect
of TV after the end
of the campaign



Synergy

+25%

TV activates the effectiveness
of sales generated by the other
media by +25% on average



THANK YOU

BearingPoint®

m·mz



pour

