



The Advertising
Research **Foundation**

Yes, Advertising Works.

Now, What's My ROAS Across Media Platforms?

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This information and the following materials are embargoed until Tuesday, June 14, 2016 at noon ET, following the presentation at ARF. This content, including press coverage may not be published until after that time. Receipt of these materials indicates that you agree with this embargo. Thank you for your cooperation.

How do the
media
platforms
compare?

What **Sales & Return**
should I expect from
my Advertising?

Are there
differences by
category?

How does
the **cost of**
the media
affect it?

Does
creative
type vary
the results?

How do **brand**
characteristics
affect the return?

Is this changing
over **time**?

Meet the Cross-Industry Project Team

Step 1: Assembled a group of experts:

Leslie Wood PhD,
Chief Research officer,
Nielsen Catalina Solutions-
project lead

Jim Spaeth PhD,
Partner, Sequent Partners

Alice Sylvester,
Partner, Sequent Partners

Britta Cleveland,
Senior Vice President, Research
Solutions, Meredith Corporation

Dave Poltrack,
Chief Research Officer, **CBS**
Corporation and President of
CBS VISION, CBS

Tony Marlow,
Head of Field Marketing,
Yahoo



Step 2: Dug into the data and looked at:

- Correlations,
- Graphs,
- Distributions
- Insights



Meet the Dataset



- Nearly 1,400 studies with complete data
- 11 years of tracking, though not all media tracked over all years
- Media: TV, Online Display & Video, Mobile, Cross-Platform, Magazines
- 450 CPG brands in the U.S.
- All reported values with less than 10 studies are removed and all values with between 10-20 studies are shown with faded color

Meet the Media



Linear TV since 2009 – TV networks & cable networks



Magazines since 2012 – Major publishing companies, large campaigns



Online Display since 2004/Video since 2008 – major publishers & portals; typically premium inventory. Little to no programmatic. Wide variety in size of campaigns and size of brands



Mobile since 2013 – In-App measurement



Cross Media since 2013 – Includes more than one media

Objectives

Determine the **ROAS (Return on Ad Spend)** figures for each media that reflect the actual differences in the media

Determine **sales productivity** metrics that remove media costs from the equation

What **factors** drive sales results?



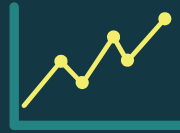
Norms Across Media are Challenging:



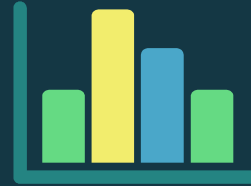
Each media has a different mix of years, of brands, categories and budgets



Changes in media landscape – no clear categorization



Recessionary period



Media costs and Incremental Sales vary by year, size of brand, category & media budget

Many of the drivers of differences between media are not being controlled for



How Do We Measure the
Incremental Sales
Attributed to Advertising?

NCS Connects the **Media** People Consume with the Products they **Buy**



Exposure Data

Nielsen Media &
Partner Data

Set Top Box Data
4.3 MM HH

Nielsen NPM

Digital
100 MM HH

Mobile
80 MM HH

Client Proprietary
Print
50 MM HH

Radio
29K HH



Anonymous
Single Source
Households



Buy Data

Catalina Frequent
Shopper Card Data

90 MM HH

- Nielsen Homescan All-Outlet Data
- Client Proprietary Sales Data

How we Measure the Sales Impact of Advertising

Test Design and
Treatment Execution



Exposed households
isolated in database

Exposed & Unexposed HHs
matched on hundreds of
variables to isolate ad impact

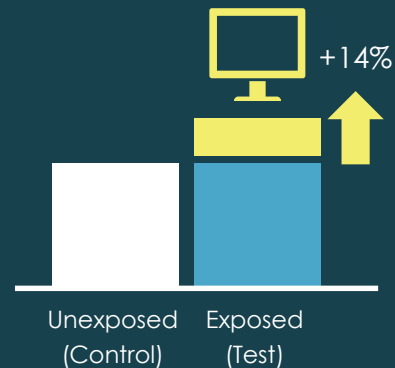


Exposed
Test Households

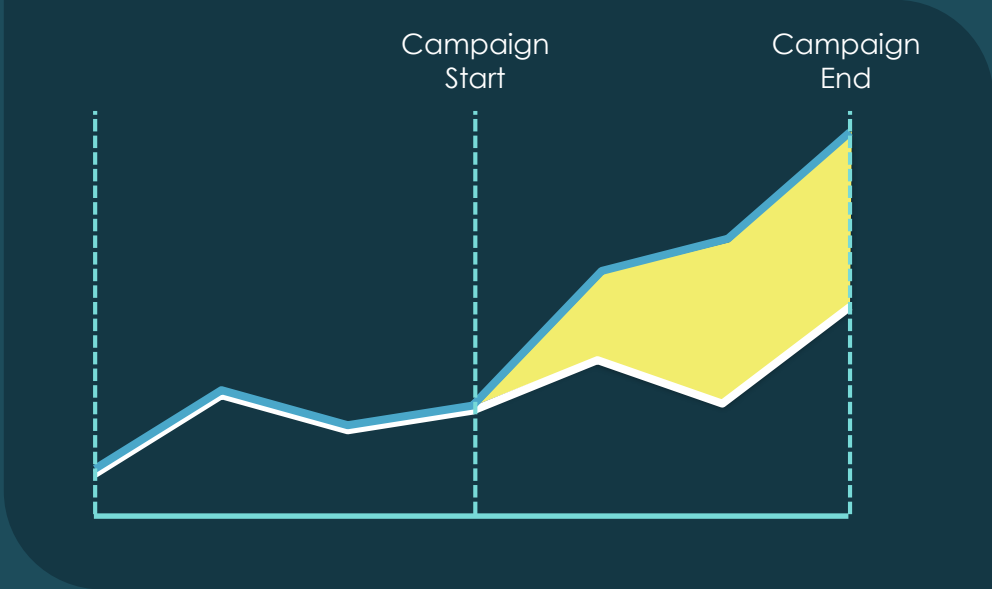


Unexposed
Control Households

Measure & Interpret Sales
Impact by focusing on
purchasing patterns



The Result: Incremental Sales



Exposed and Unexposed Comparison Accounts for 52 Weeks Purchase History & Demographics

Key Metrics:

ROAS



Incremental
Sales Lift



Campaign
Costs

An ROAS of \$3.00 means that for every \$1.00 spent on advertising, \$3.00 is driven in **incremental sales**.

Incremental Sales per Exposed or “Reached” HH



Incremental
Sales Lift



Exposed
HH

Incremental Sales per thousand Impressions



Incremental
Sales Lift



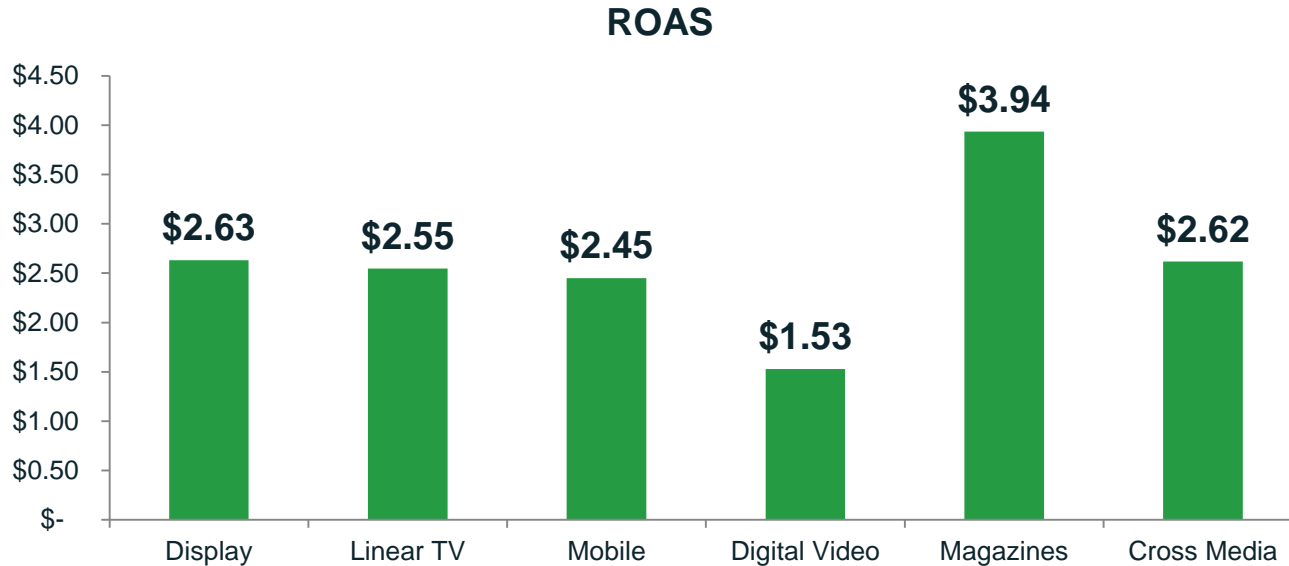
Impressions (000)s
delivered

These metrics remove the cost of the media to measure “sales productivity”



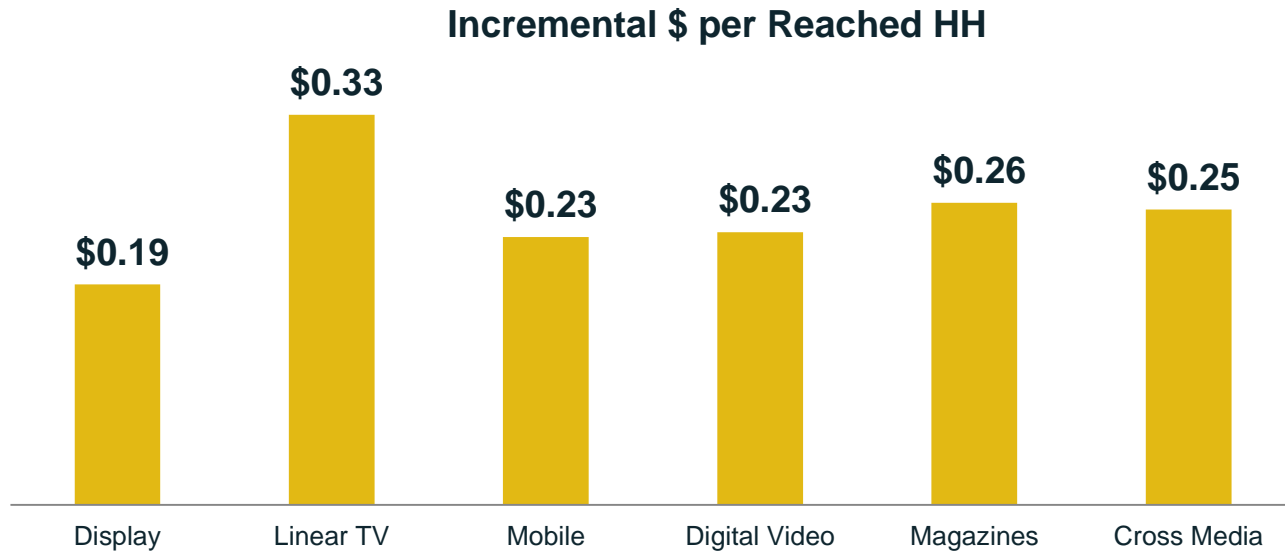
ROAS:

All Studies – Across Media



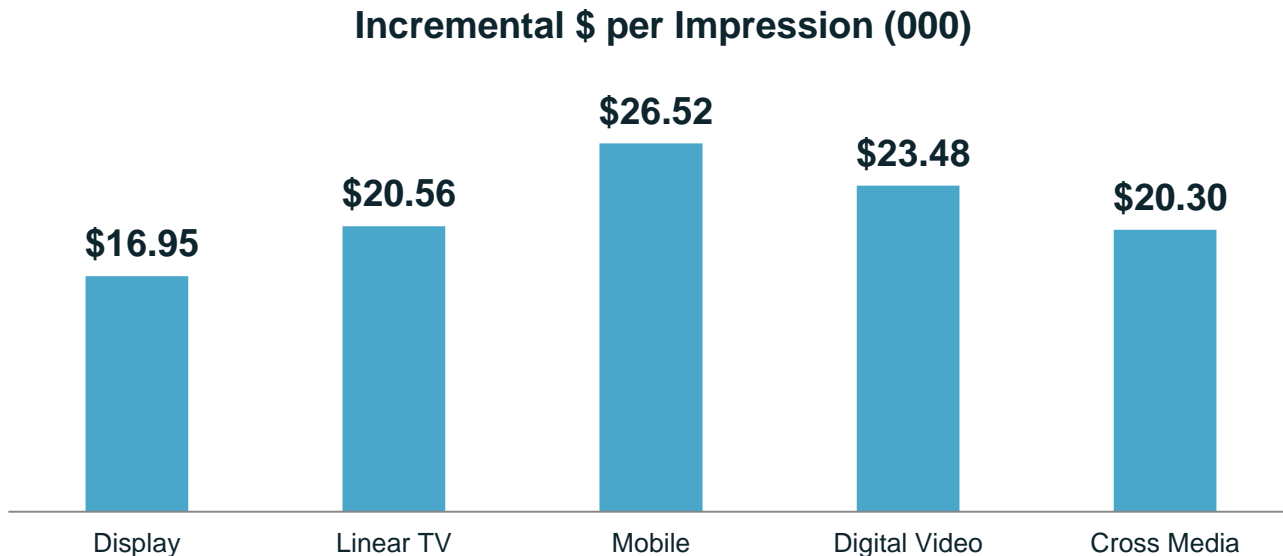


Incremental Sales per Reached HH: All Studies – Across Media





Incremental Sales per Impression (000): All Studies – Across Media

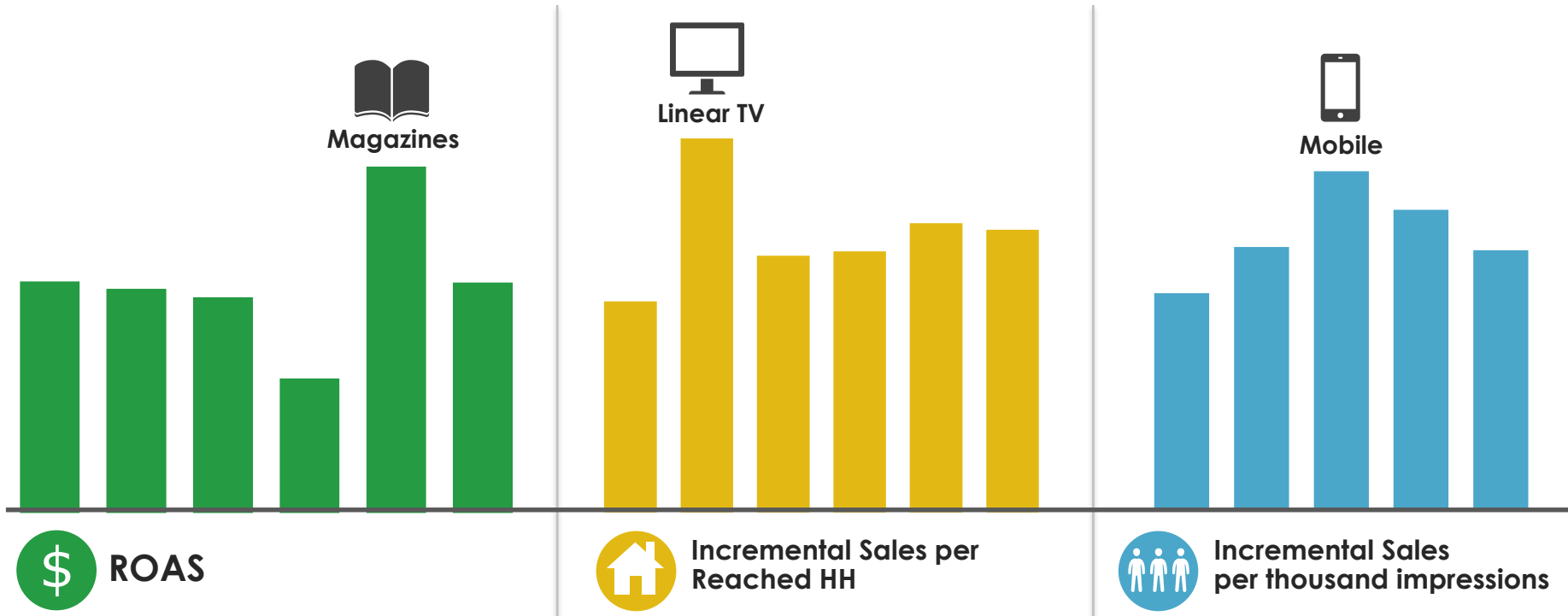


Note: Magazine Impressions not currently included in the database

Source: Nielsen Catalina Solutions, Multi-Media Sales Effect Studies from 2004 – Q4 2015. Copyright 2016 © Nielsen Catalina Solutions

All Studies – Across Media

Different Metrics Paint a Different Picture

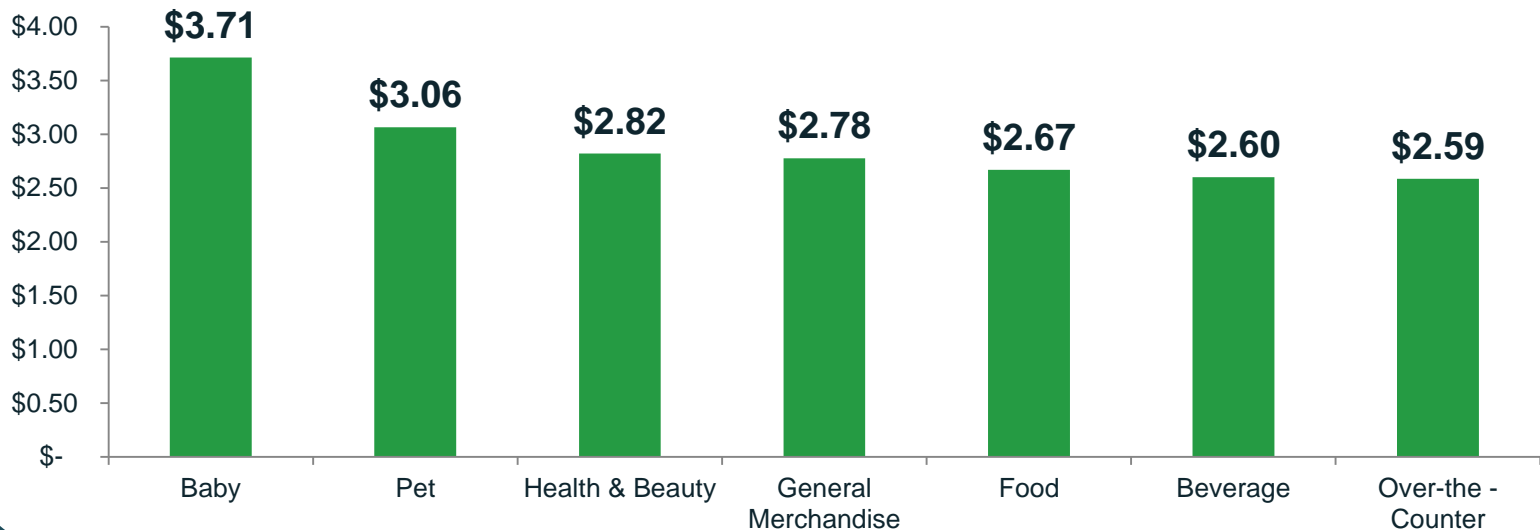




ROAS:

Category – All Studies

ROAS

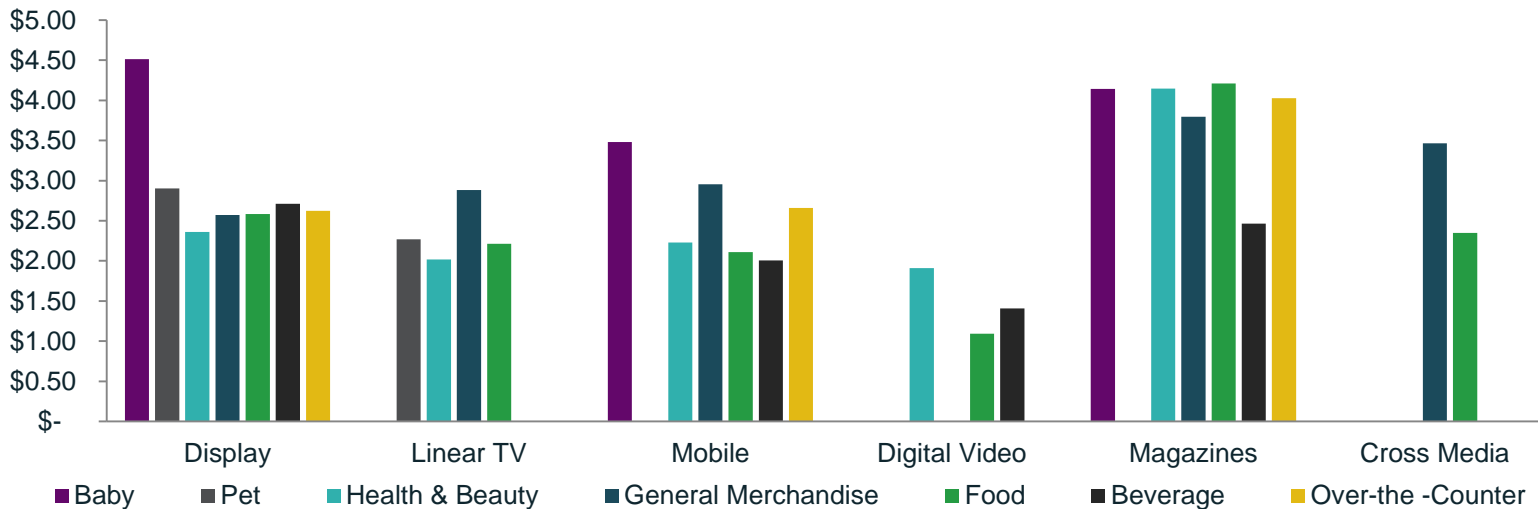




ROAS:

Category – Across Media

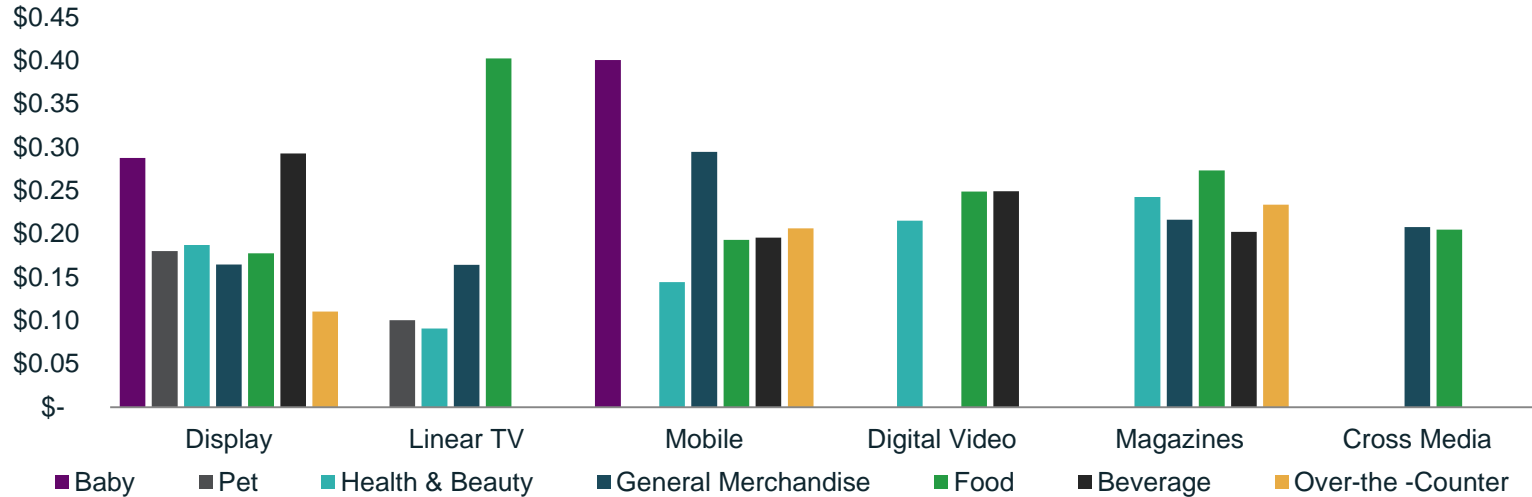
ROAS





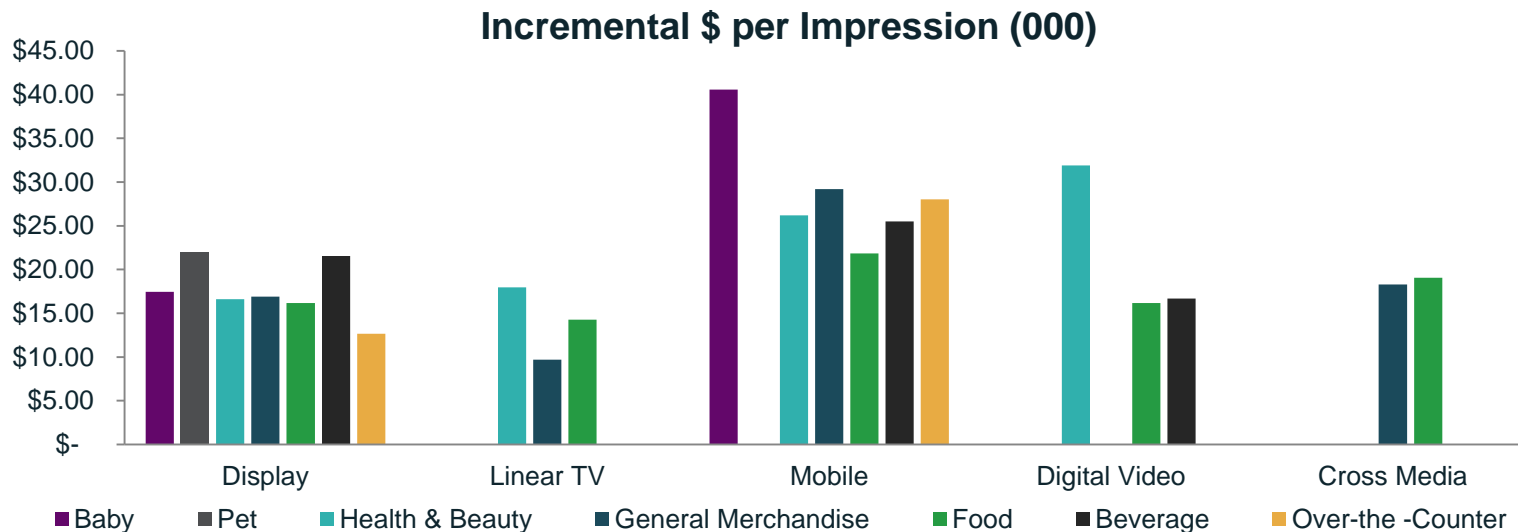
Incremental Sales per Reached HH: Category – Across Media

Incremental \$ per Reached HH





Incremental Sales per Impression (000): Category – Across Media



Note: Magazine Impressions not currently included in the database

Source: Nielsen Catalina Solutions, Multi-Media Sales Effect Studies from 2004 – Q4 2015. Copyright 2016 © Nielsen Catalina Solutions

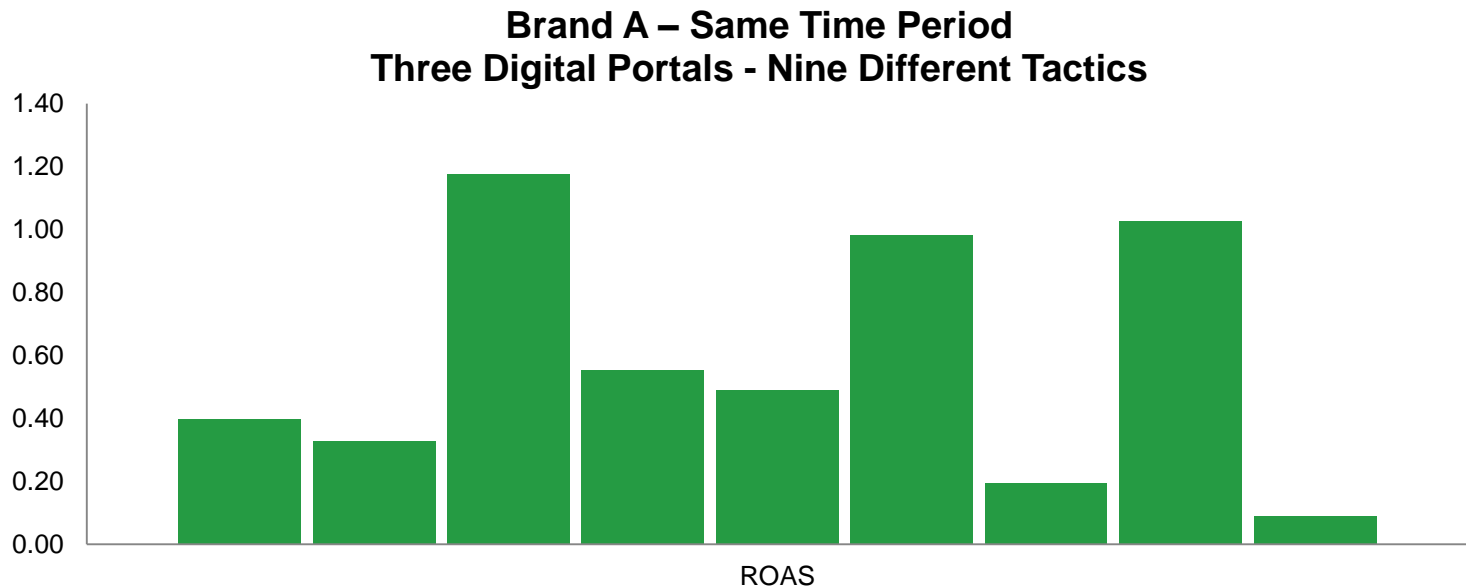


How Does the Same Brand Perform Across Media?



Brand A:

Very Different Results for the Same Medium, Same Period of Time

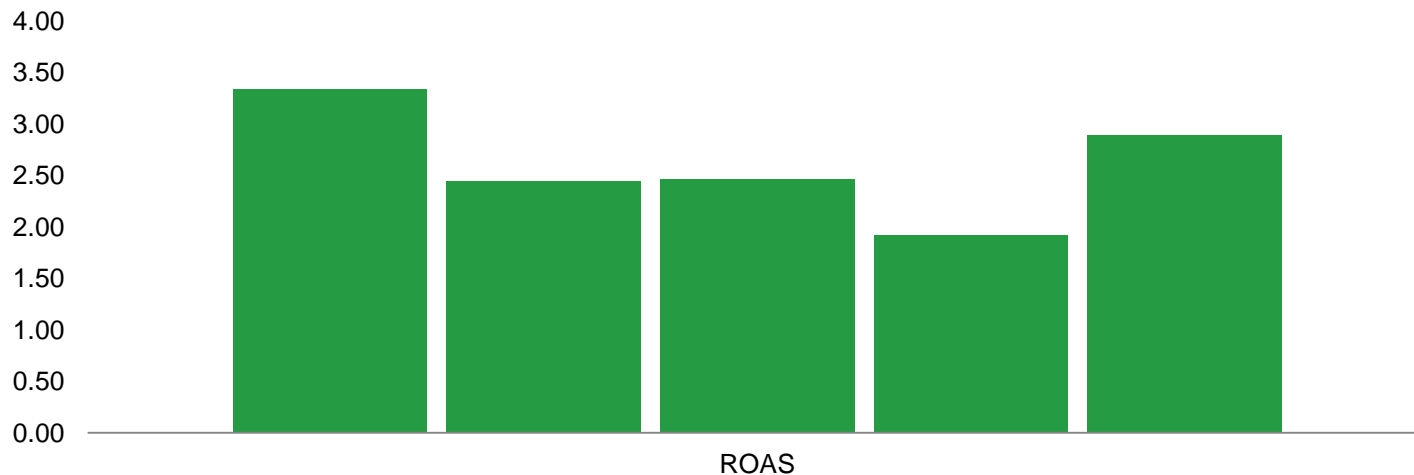




Brand B:




Consistently High Results for Different Years and Different Media

Brand B
Different Media & Years

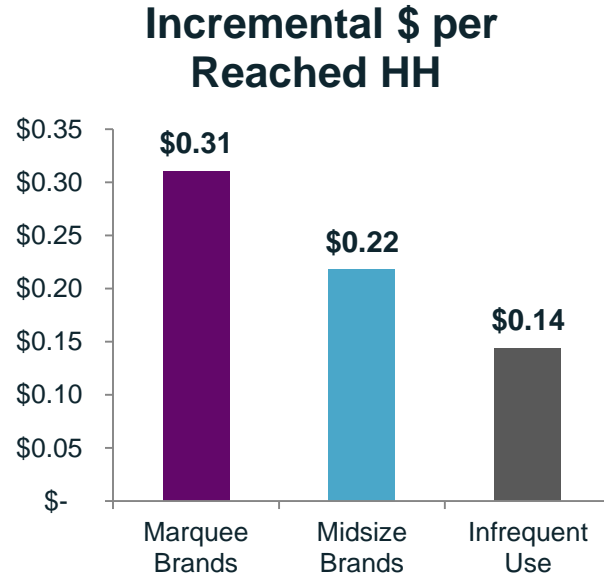
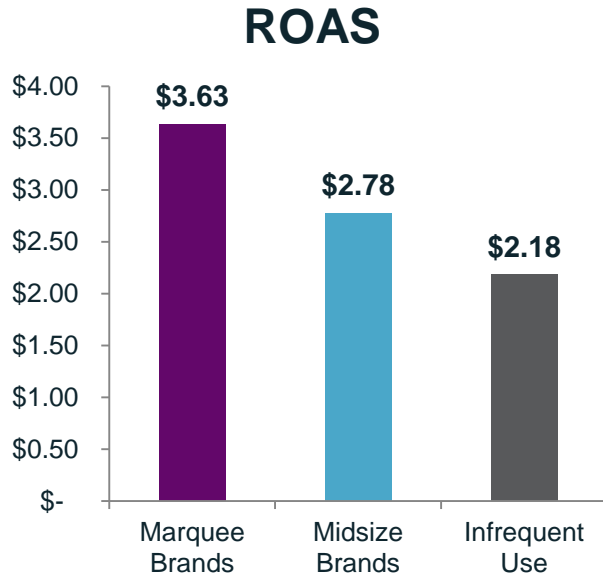


What we do know: Brand Characteristics Matter

Cluster Analysis: clustered brands into groups based on their purchase cycle, dollars per week and penetration

	Marquee Brands <i>Bigger Brands, shorter purchase cycle</i> 	Mid-sized Brands 	Infrequent Use <i>Smaller brands, longer purchase cycles, fixed level of purchasing across time</i> 
Average Penetration (1 year)	47%	15%	10%
Average Purchase Cycle (days)	69	71	96
Average Brand Share	31%	16%	11%

Across Clusters: Very Different Average Performance





ROAS:

Clusters – Across Media

Values with 10-20 studies

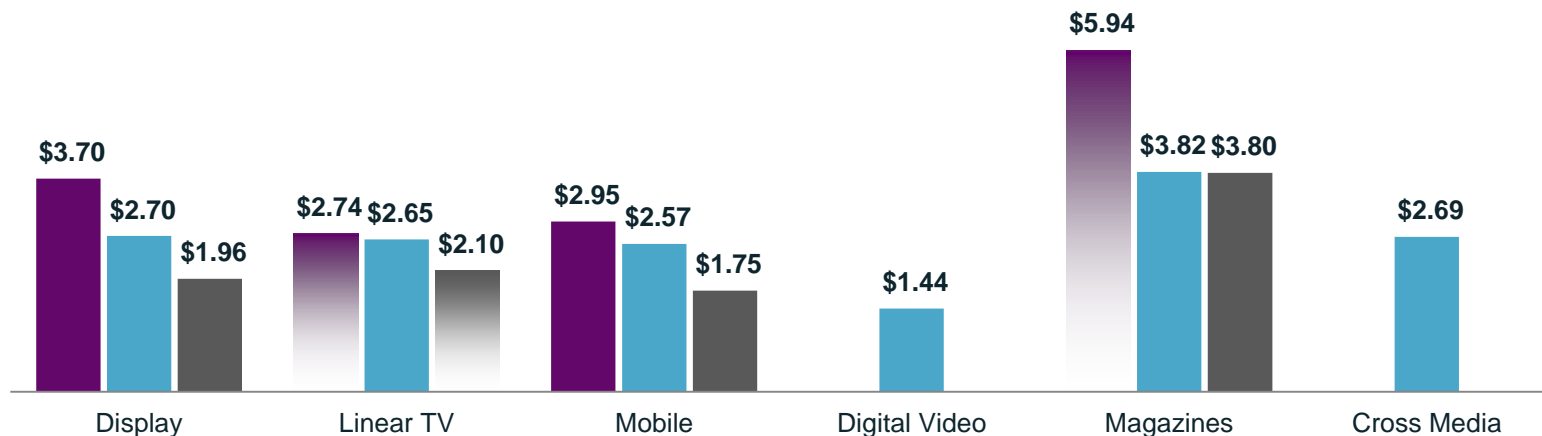
Values with 10-20 studies

ROAS

■ Marquee Brands

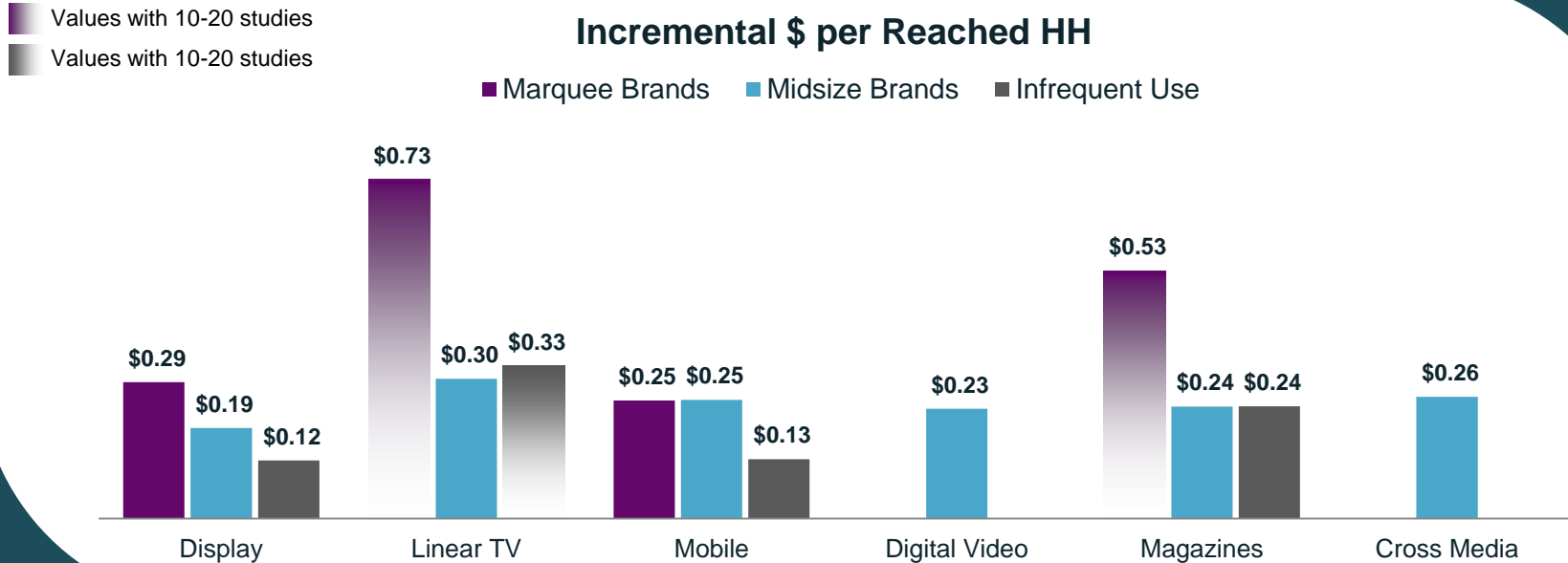
■ Midsize Brands

■ Infrequent Use





Incremental Sales per Reached HH: Clusters – Across Media



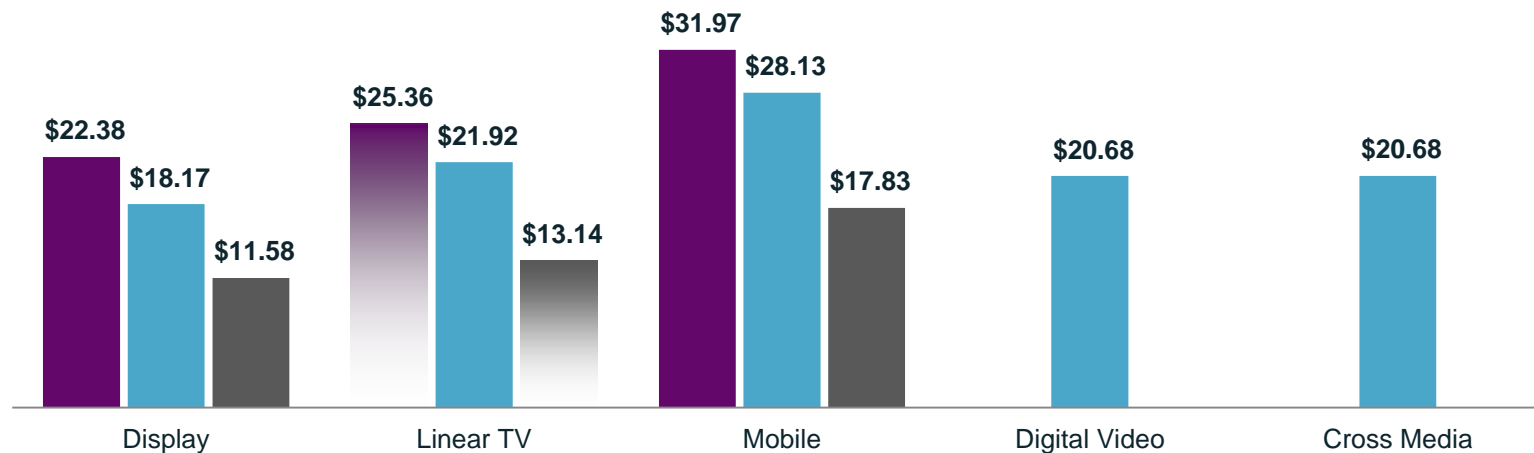


Incremental \$ per Impression (000): Clusters – Across Media

Values with 10-20 studies
Values with 10-20 studies

Incremental \$ per Impression (000)

Marquee Brands Midsize Brands Infrequent Use



Note: Magazine Impressions not currently included in the database

Source: Nielsen Catalina Solutions, Multi-Media Sales Effect Studies from 2004 – Q4 2015. Copyright 2016 © Nielsen Catalina Solutions

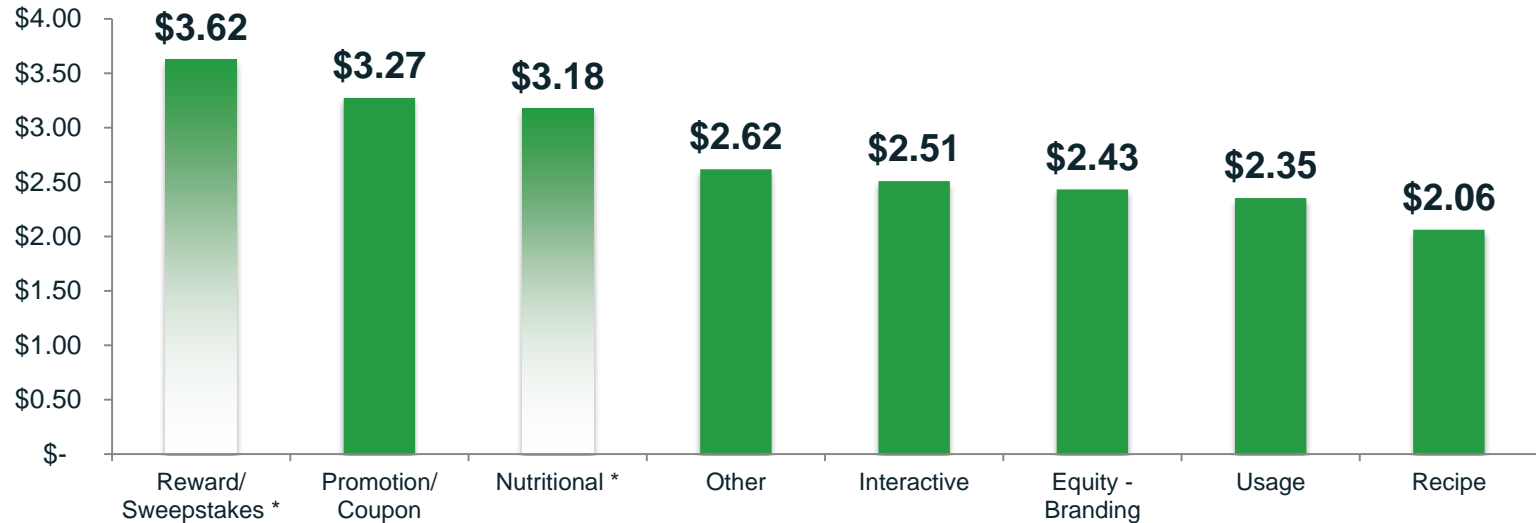


ROAS:

All Studies – Creative Type

Values with 10-20 studies

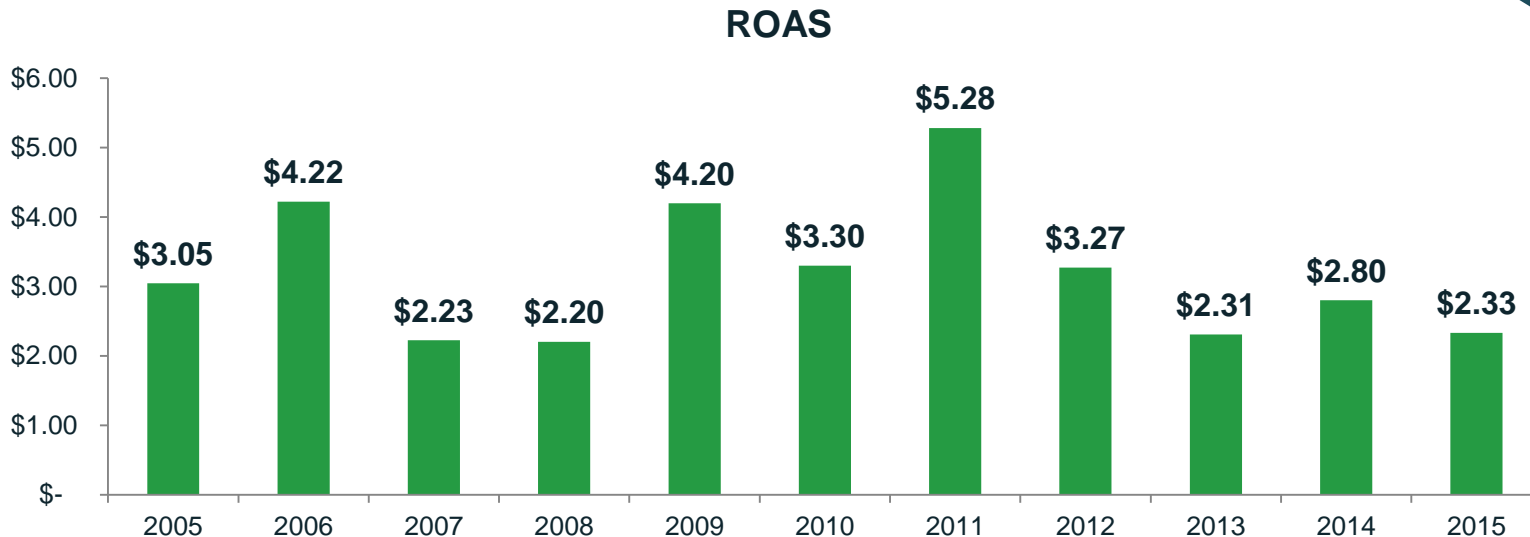
ROAS





ROAS:

All Studies – Across Years



Summary/Findings

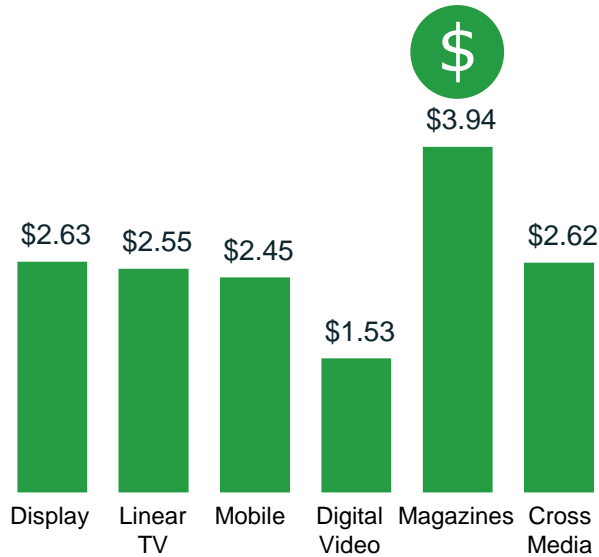
- It was much harder than we thought to isolate the variables to create a pure “apples to apples” comparison between media
 - For example, we could not control for creative – and we know from other studies that creative is a primary driver of all lift measures: ROI, ROAS and Incremental Sales
- While we need to use with caution, advertisers **can** compare their results to these norms
 - By Media Platform, Category, Brand Cluster & other filters
- Brand Clusters are better indicators of incremental sales than category

Implications

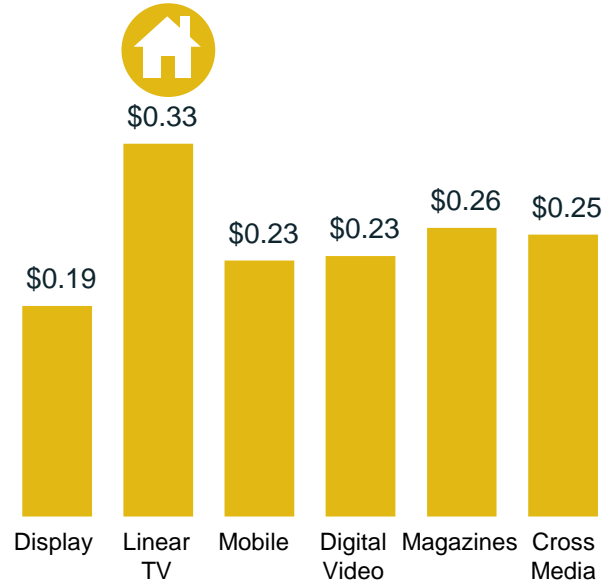
- There is no “best” media – strategy & message drive the choice
- These are averages. Be accountable to sales:
Know Your Numbers!
- Make sure that your creative is as strong as it can be, and is driving sales
- Leverage data and measurement to inform media decisions

Summary: Three Key Metrics All Studies – Across Media

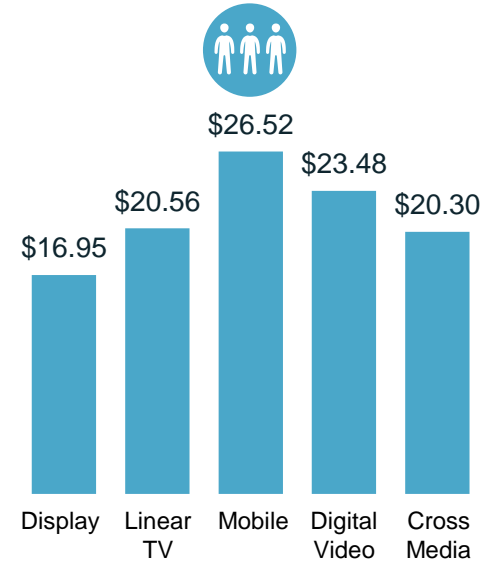
ROAS



Incremental Sales per Reached HH



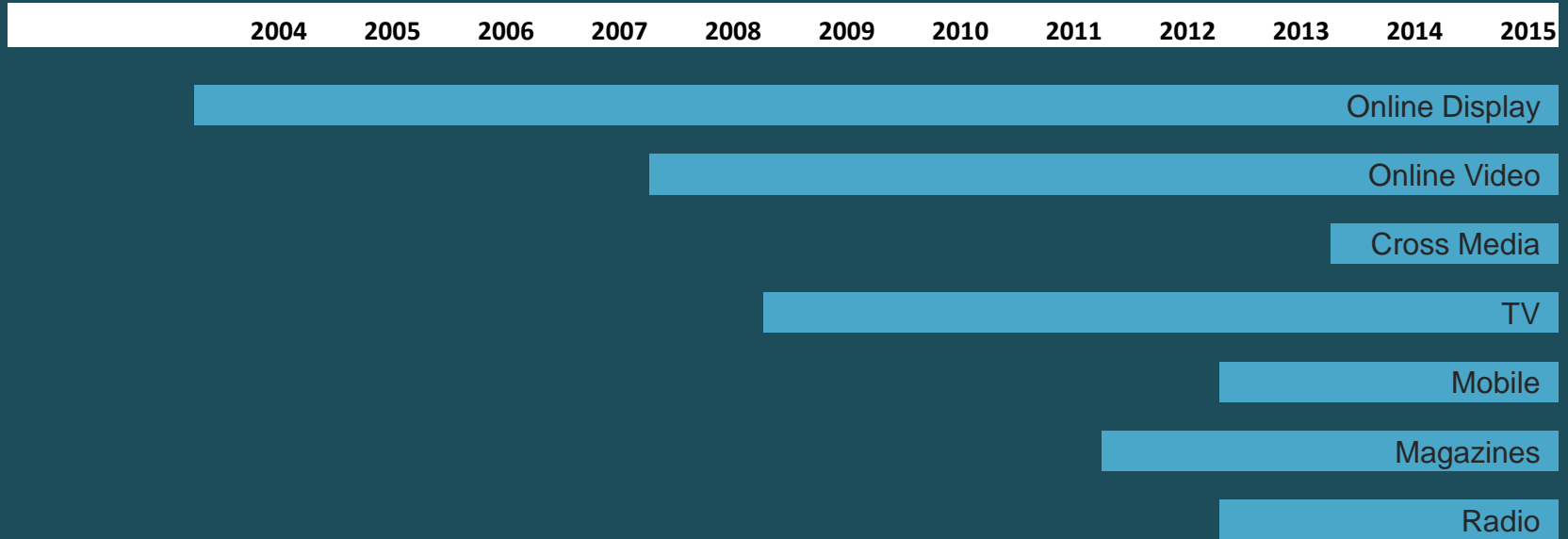
Incremental Sales per thousand impressions





Appendix

Media Type by Year NCS Began Measurement



Source: Nielsen Catalina Solutions, Multi-Media Norms & Benchmarks: 2004 -Q4 2015. Copyright 2016 © Nielsen Catalina Solutions