The Advertising Research Foundation

Yes, Advertising Works.

Now, What’s My ROAS Across Media Platforms?

Leslie Wood PhD - *Nielsen Catalina Solutions*

Britta Cleveland - *Meredith Corporation*

Dave Poltrack - *CBS Corporation*

Tony Marlow - *Yahoo*

Jim Spaeth PhD- *Sequent Partners*

Alice Sylvester - *Sequent Partners*

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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:

Changes in media landscape – no clear categorization

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

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

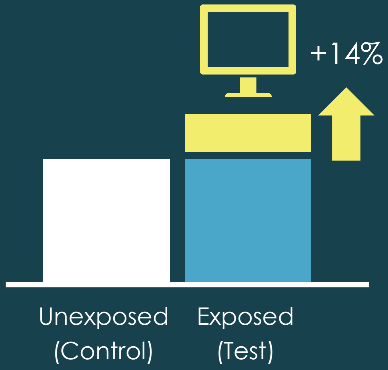
How we Measure the Sales Impact of Advertising

Test Design and Treatment Execution

Exposed households isolated in database

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

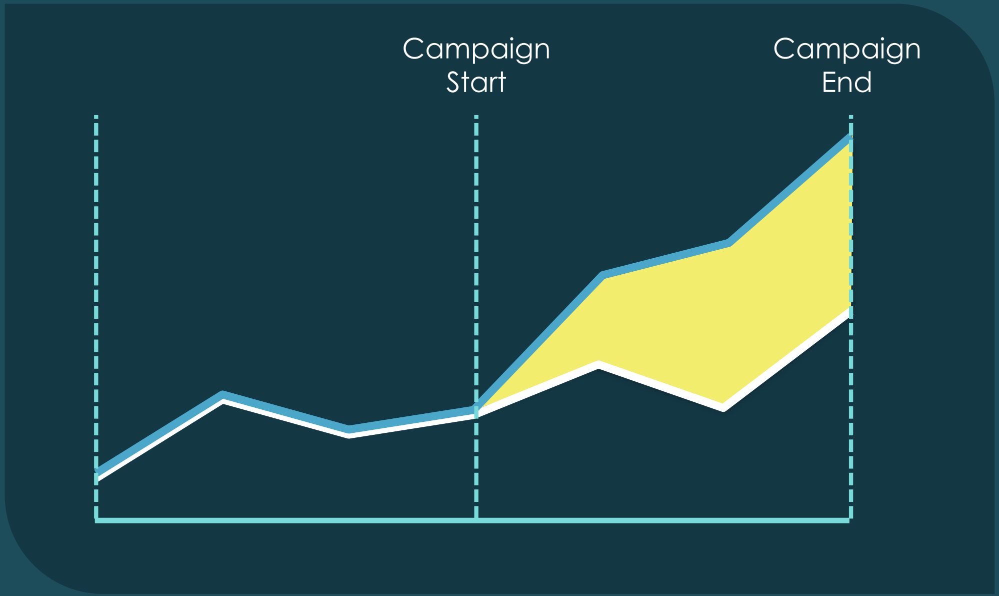
Measure & Interpret Sales Impact by focusing on purchasing patterns



The Result: Incremental Sales

Exposed

Unexposed



Your Ad Drove **Incremental Sales**

Unexposed Household Purchases

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

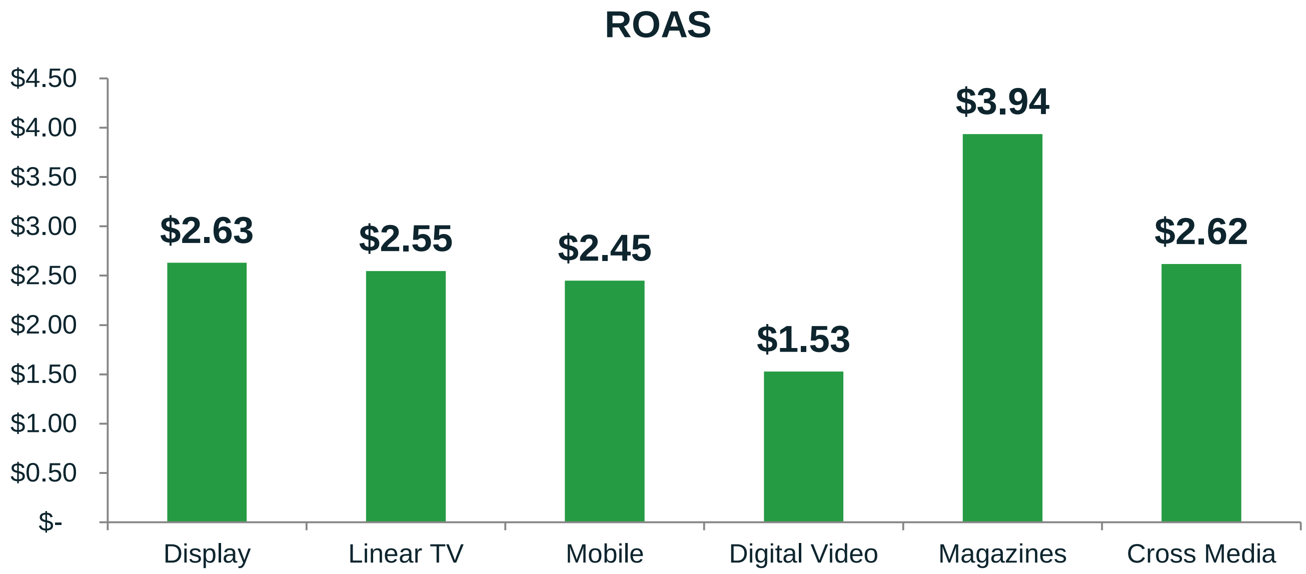
Incremental Sales per thousand Impressions

Incremental Sales Lift ÷ Impressions (000)s delivered

These metrics remove the cost of the media to measure "sales productivity"

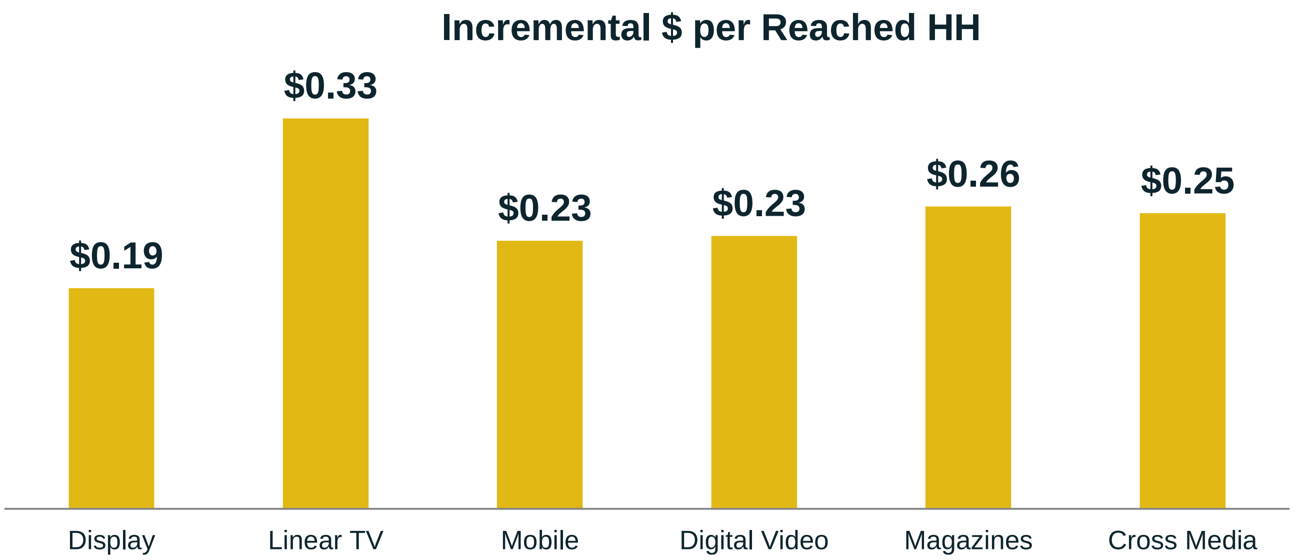
ROAS:

All Studies – Across Media



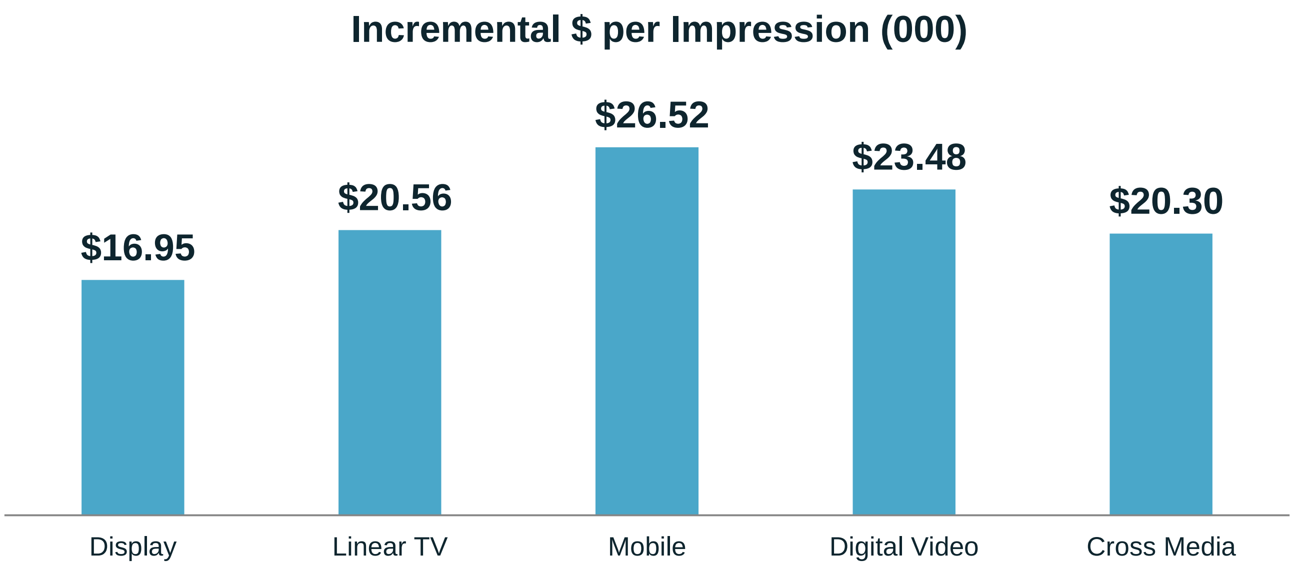
Source: Nielsen Catalina Solutions, Multi-Media Sales Effect Studies from 2004 – Q4 2015. Copyright 2016 © Nielsen Catalina Solutions

Incremental Sales per Reached HH:
All Studies – Across Media



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

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

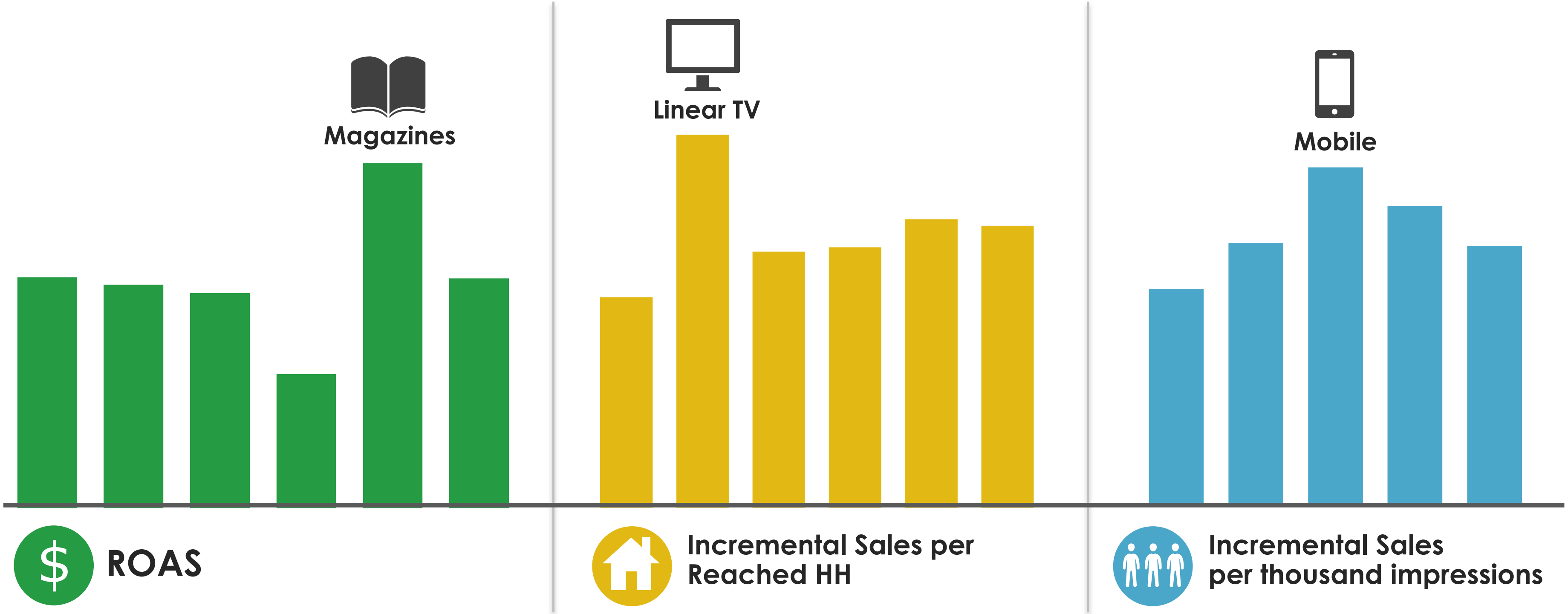


Note: Magazine Impressions not currently included in the database

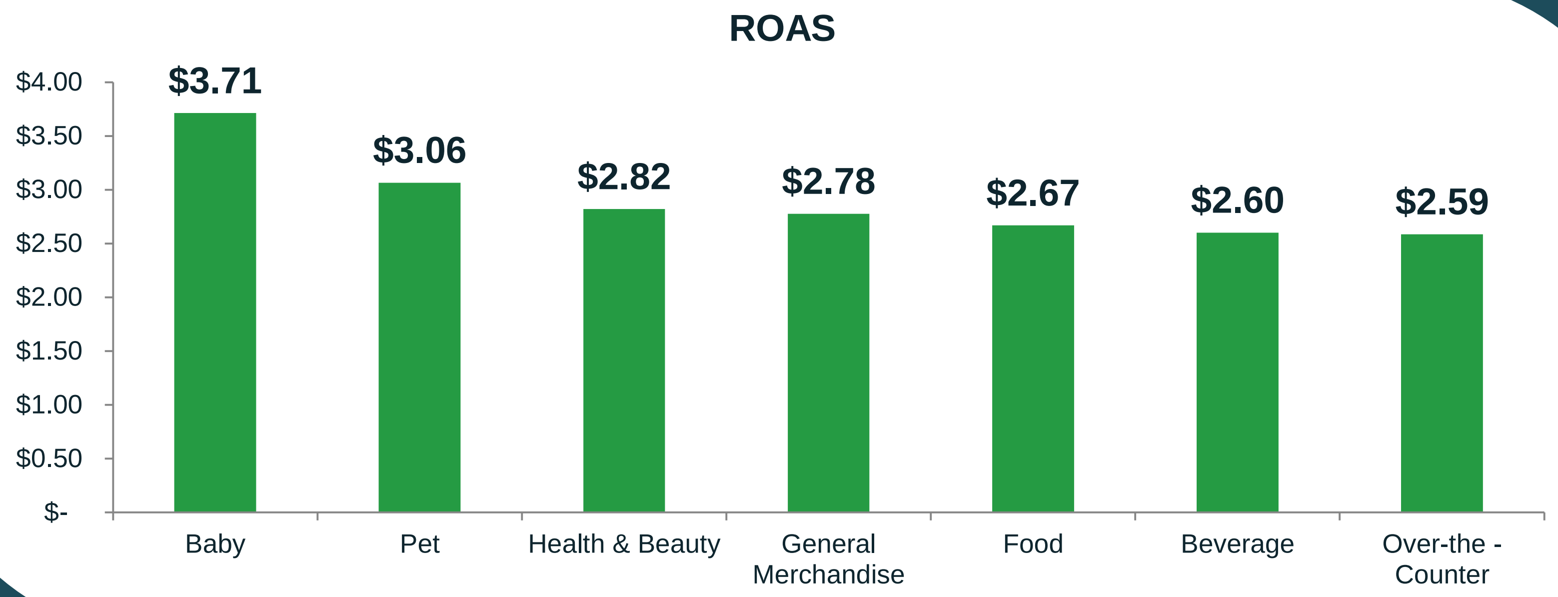
Source: Nielsen Catalina Solutions, Multi-Media Sales Effect Studies from 2004 – Q4 2015.

All Studies – Across Media

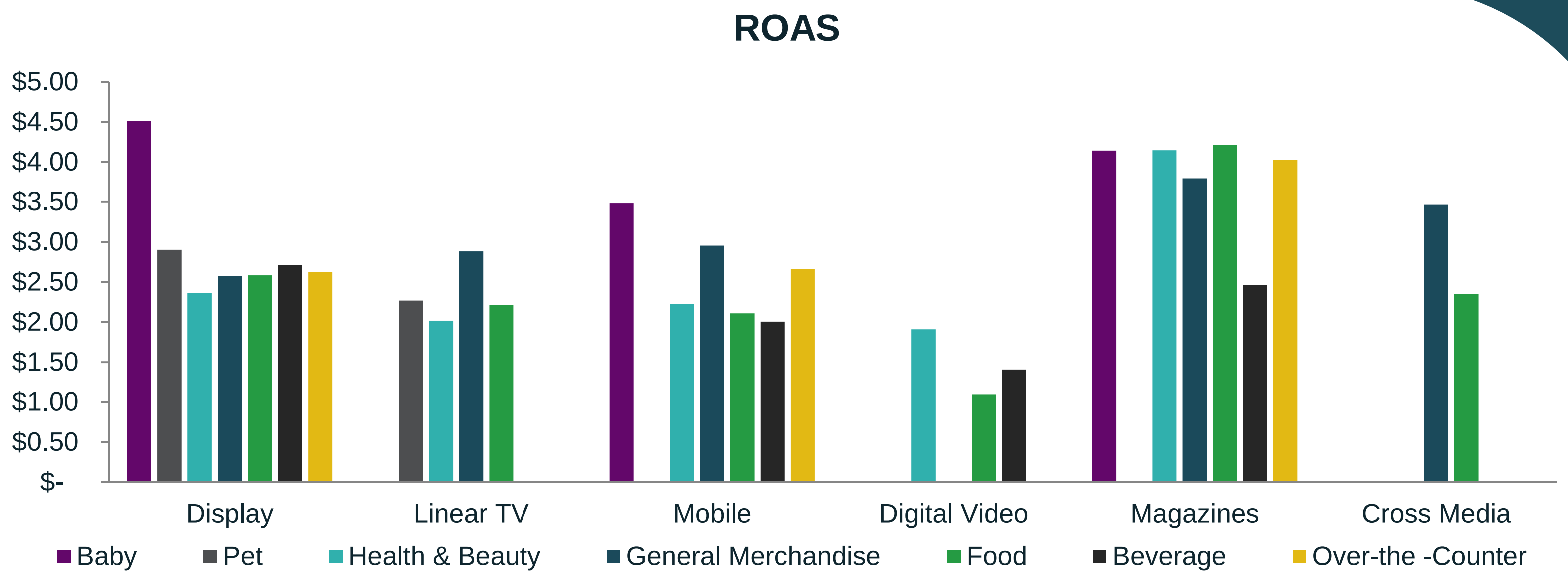
Different Metrics Paint a Different Picture



ROAS:
Category – All Studies

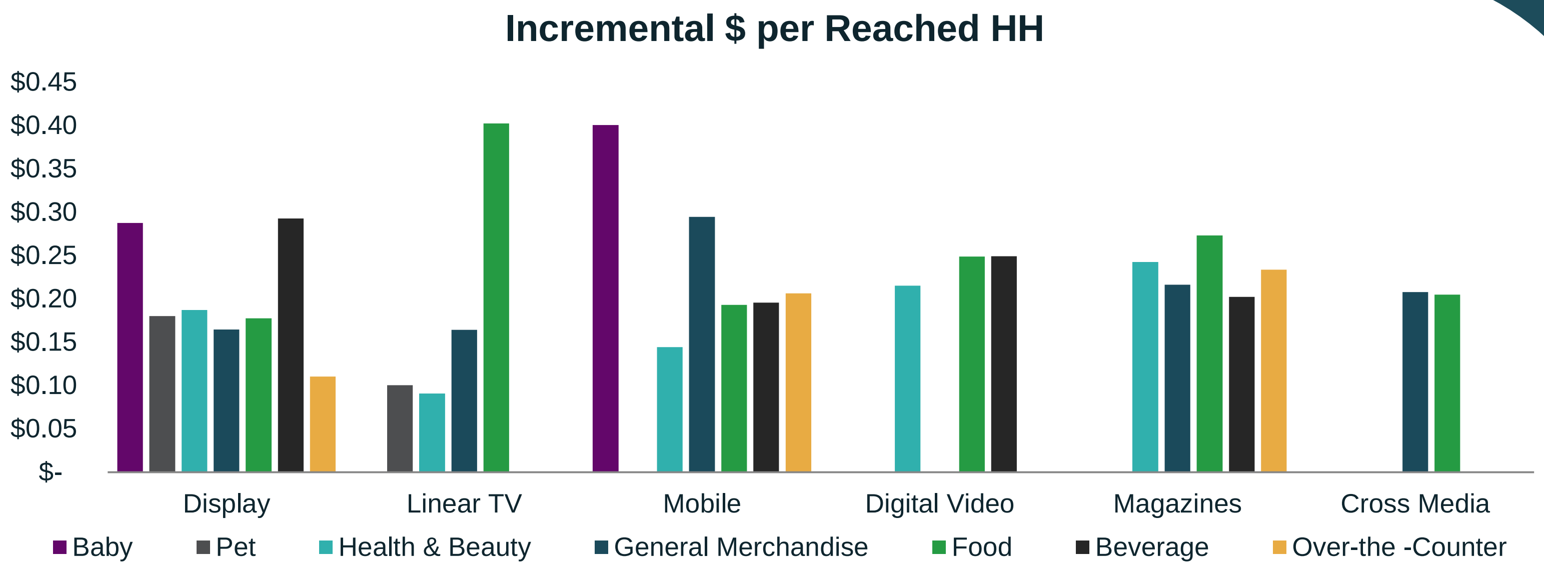


ROAS:
Category – Across Media



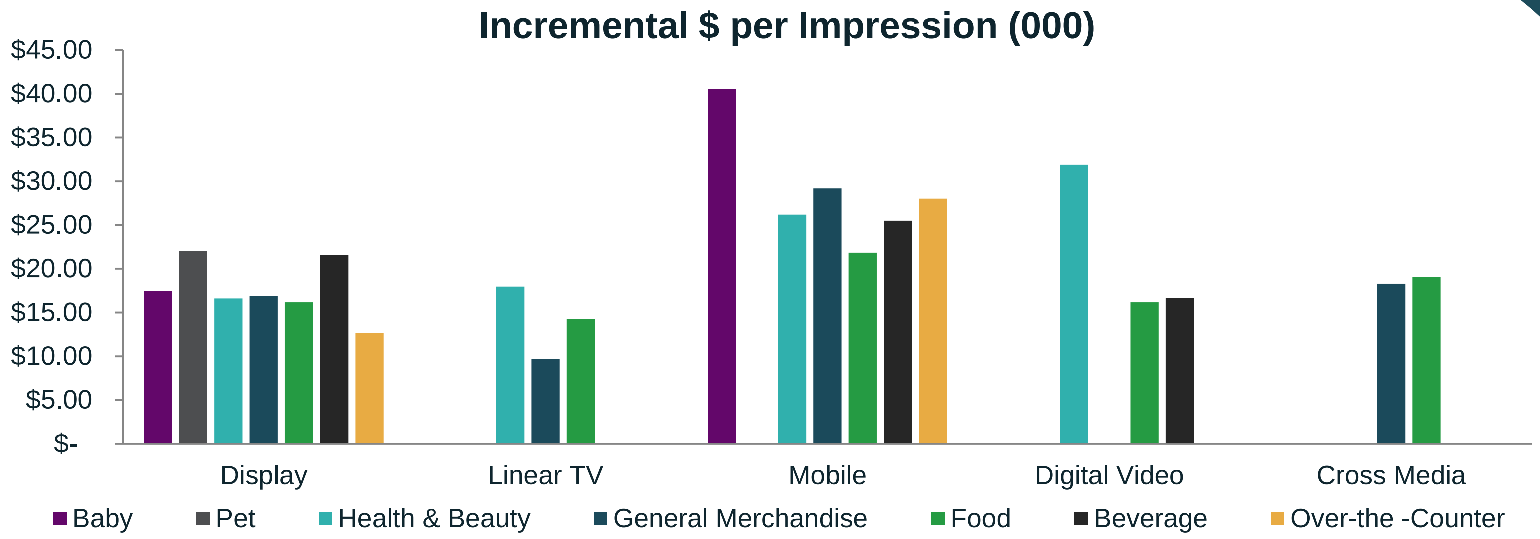
Source: Nielsen Catalina Solutions, Multi-Media Sales Effect Studies from 2004 – Q4 2015. Copyright 2016 © Nielsen Catalina Solutions

Incremental Sales per Reached HH:
Category – Across Media



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

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



Note: Magazine Impressions not currently included in the database

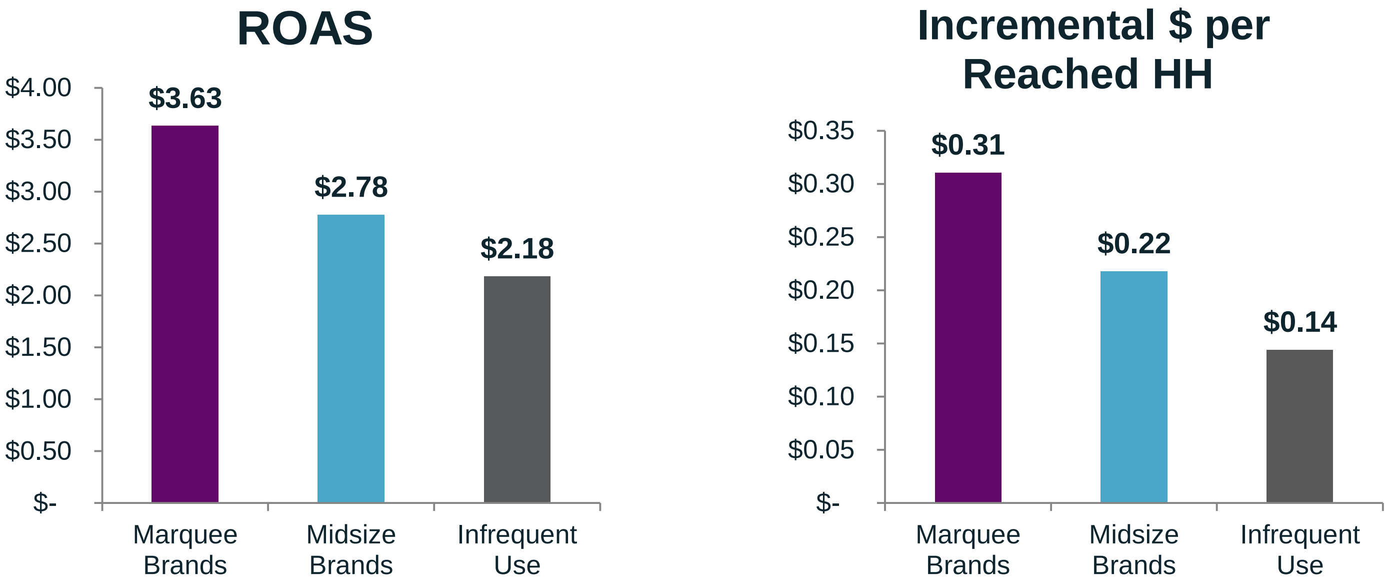
Source: Nielsen Catalina Solutions, Multi-Media Sales Effect Studies from 2004 – Q4 2015.

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

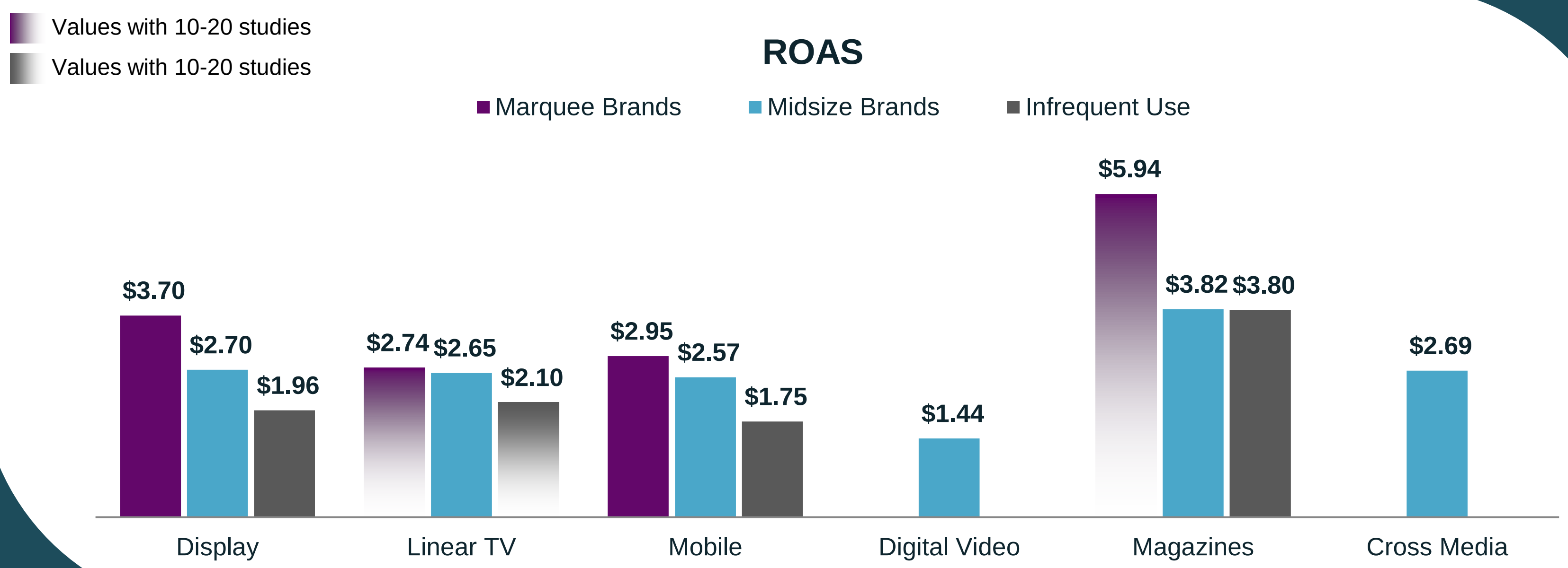
Across Clusters: Very Different Average Performance



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

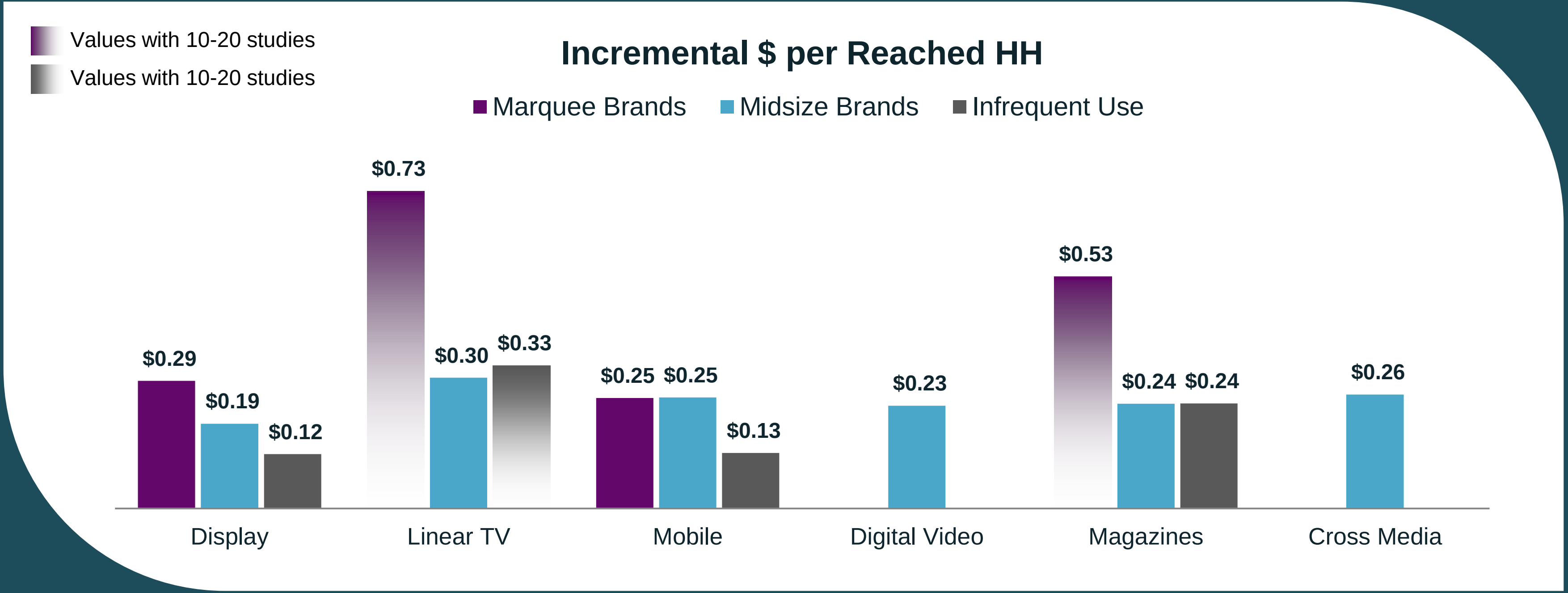
ROAS:

Clusters – Across Media



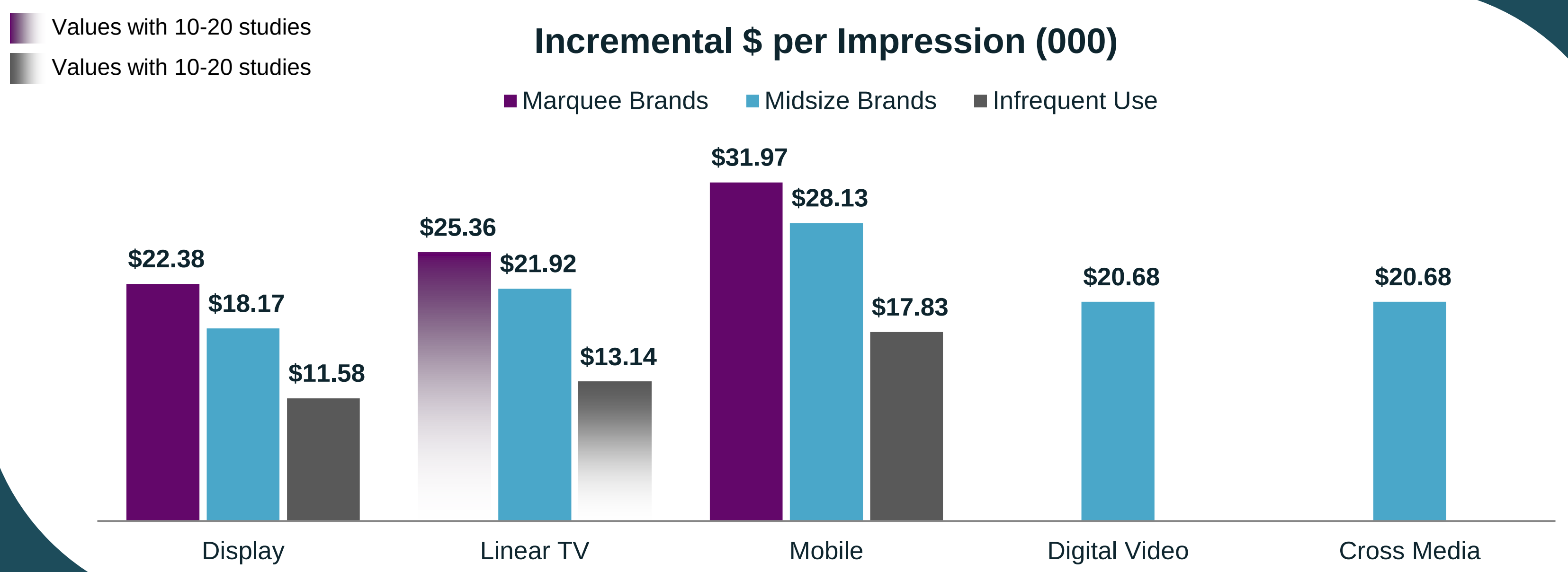
Source: Nielsen Catalina Solutions, Multi-Media Sales Effect Studies from 2004 – Q4 2015. Copyright 2016 © Nielsen Catalina Solutions

Incremental Sales per Reached HH:
Clusters – Across Media



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

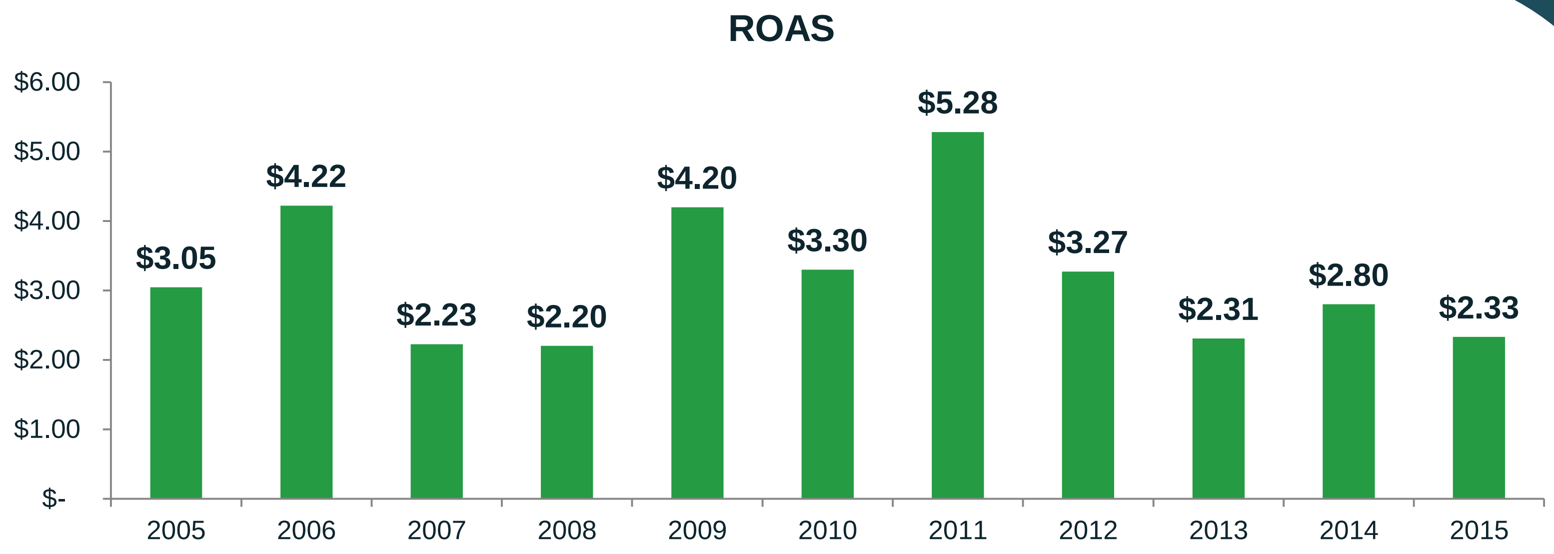
Incremental $ per Impression (000):
Clusters – Across Media



Note: Magazine Impressions not currently included in the database

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

ROAS:
All Studies – Across Years



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

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

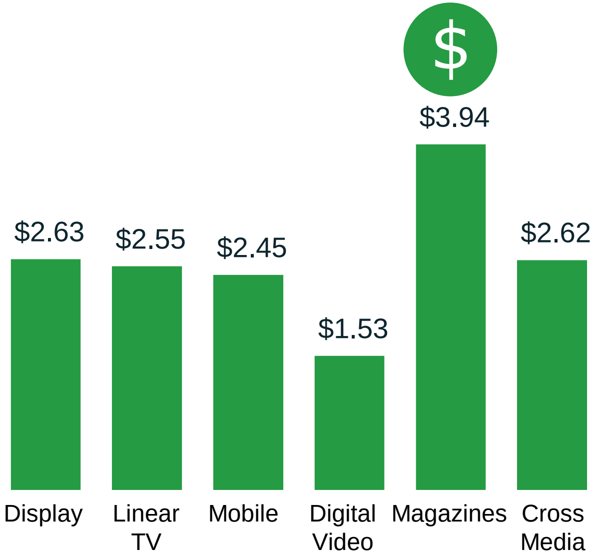
Implications

- 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

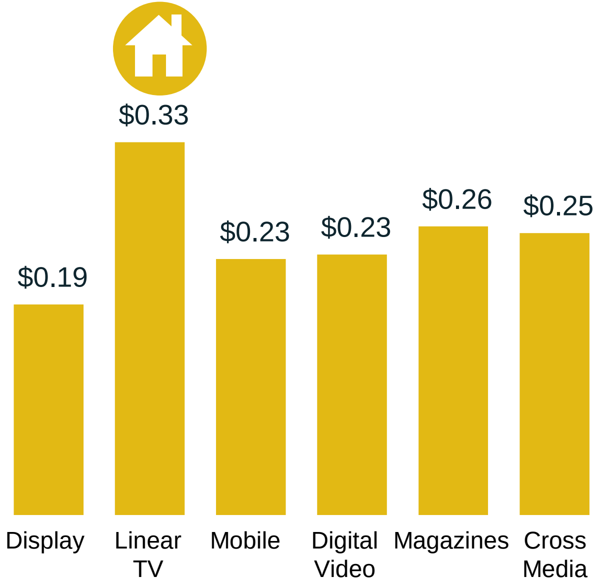
Summary: Three Key Metrics

All Studies – Across Media

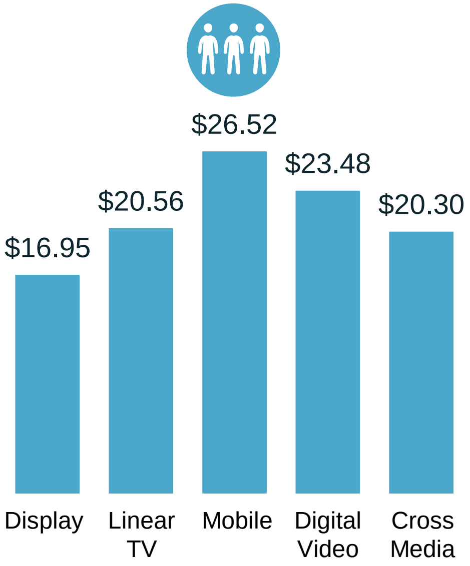
ROAS



Incremental Sales per Reached HH



Incremental Sales per thousand impressions



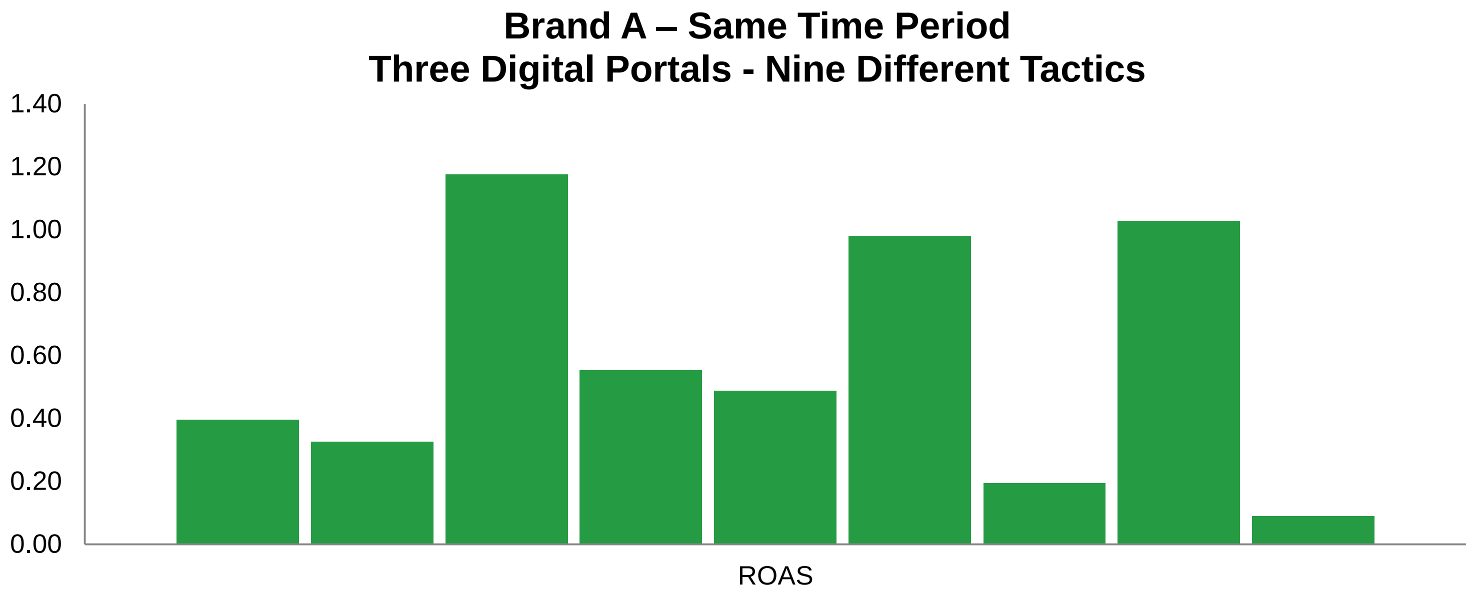
Source: Nielsen Catalina Solutions, Multi-Media Sales Effect Studies from 2004 – Q4 2015.

Appendix

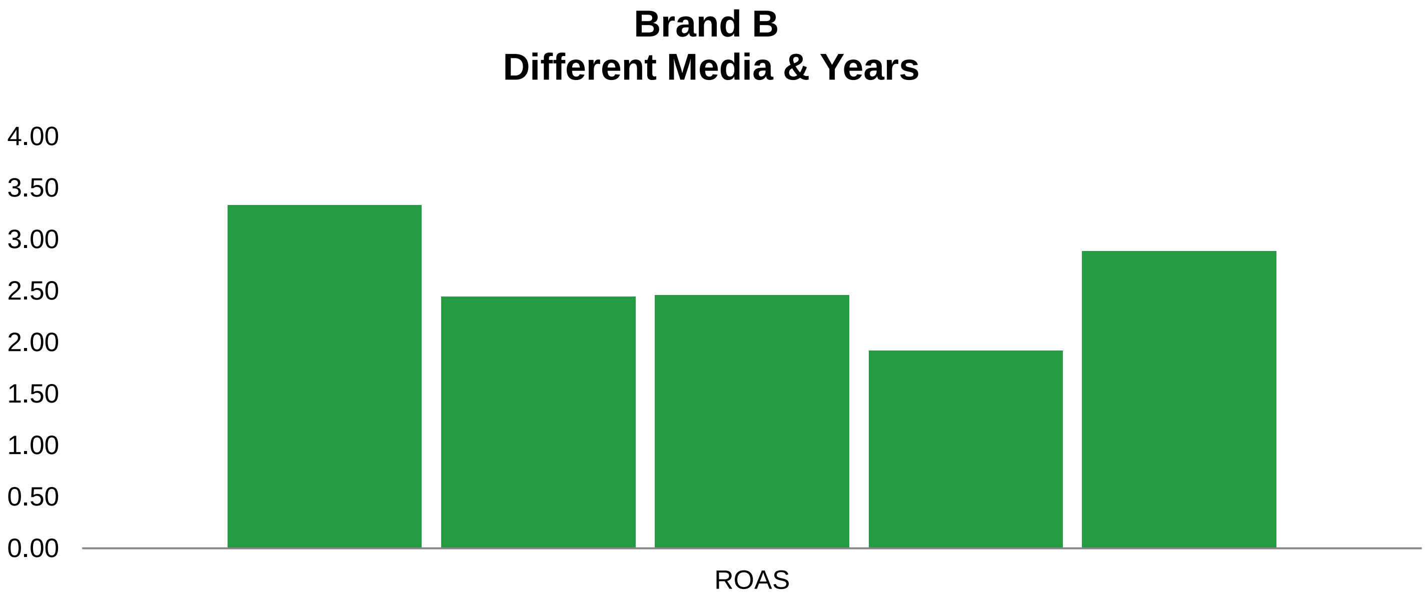
How Does the Same Brand

Perform Across Media?

Brand A:
Very Different Results for the Same Medium, Same Period of Time

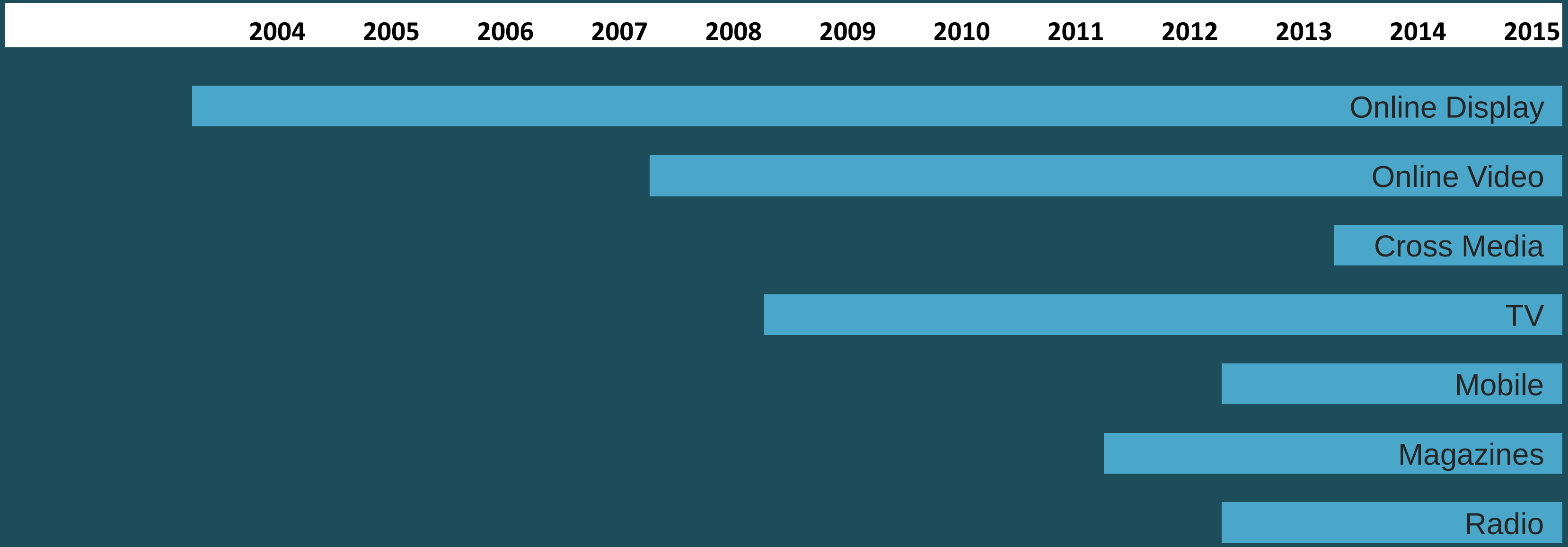


Brand B:
Consistently High Results for Different Years and Different Media



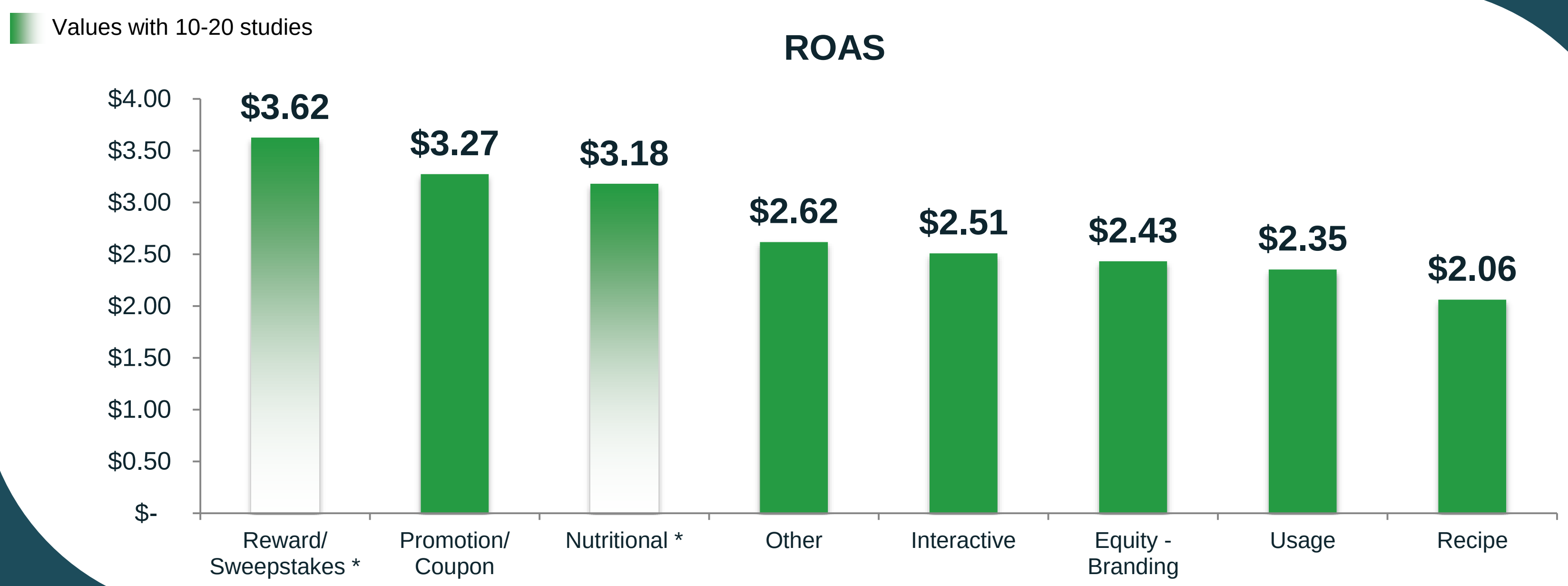
Source: Nielsen Catalina Solutions, Multi-Media Sales Effect Studies from 2004 – Q4 2015.

Media Type by Year NCS Began Measurement



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

ROAS:
All Studies – Creative Type



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