



Digging Deeper –

**Uncovering a more
detailed understanding of
Advertising Performance**



US Case Study Examples

Marketing mix in the US

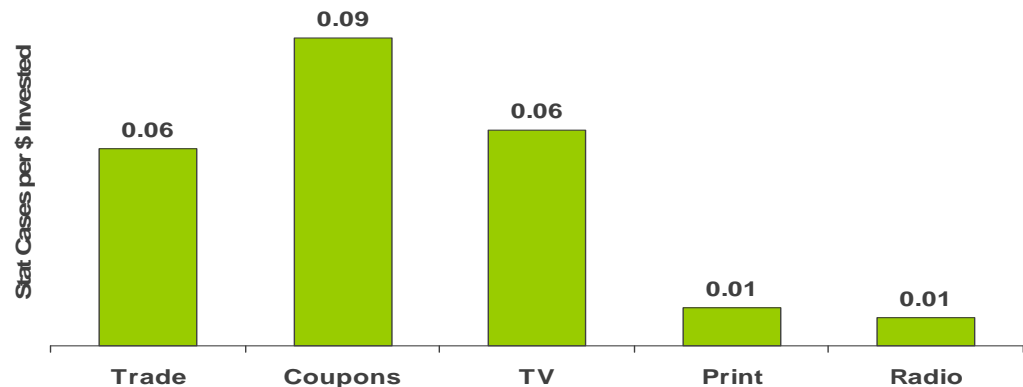
- Market mix modeling pioneered in the US, starting in the mid-80's highly developed use of modeling
- Many large players and competitors
 - Data houses
 - 3rd party analytic shops
 - Software companies
 - Dashboard providers
 - Consultants
- Heavy usage in Packaged Goods category, lighter in other industries, but extensive – and growing



Traditional Insight

- Marketing Mix is being routinely used to measure the relative impacts of different elements of the media mix

- Very strategic and actionable
 - Balance and optimize between more TV vs. other options



Source: BrandScience Proprietary Analyses

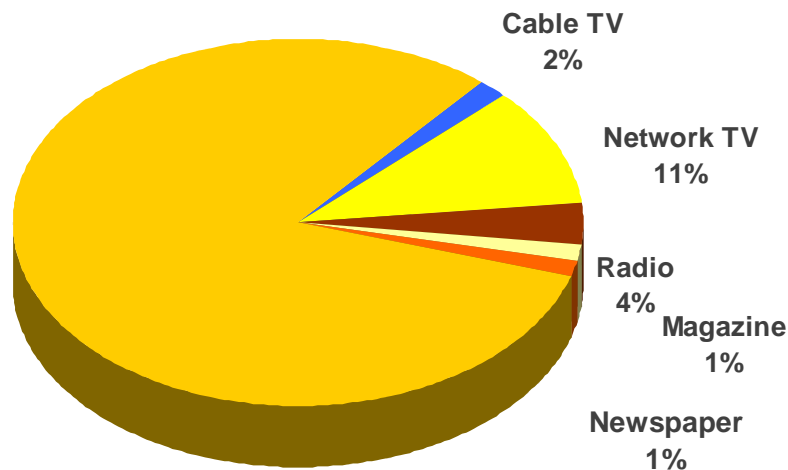
But Buying TV ads in the US is Non-Trivial!!

- 300 + channels
- Network – ABC, CBS, NBC, FOX etc
- Cable – CNN, Discovery, TBS
- Spot – New York, Boston etc (210 DMAs)
- Syndication of shows – Oprah, talk and late night shows, etc

More TV = what does it mean???

Digging Deeper – An Evolution part 1

- Splitting TV into Network vs Cable could generate major planning implications



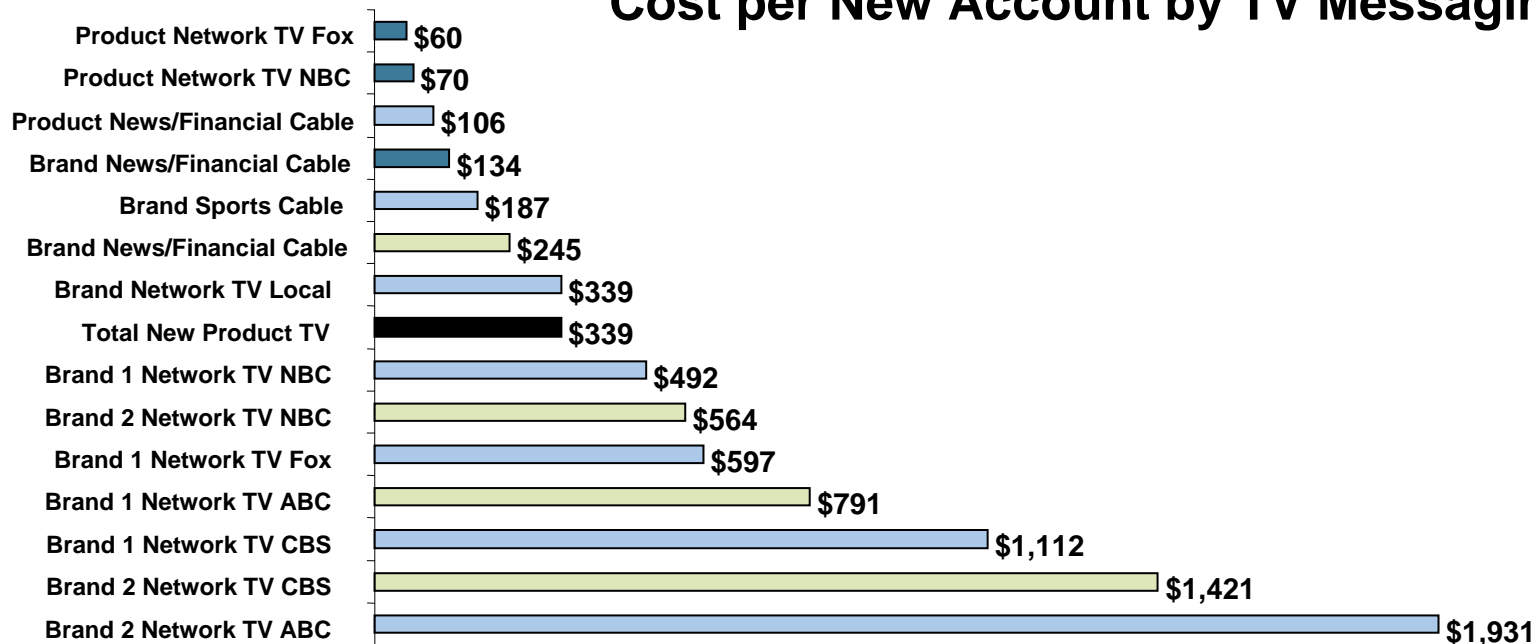
	Cost per Booking	
	2005	2006
Radio	\$ 36.10	\$ 85.65
Cable TV	\$ 12.40	\$ 12.28
Network TV	\$ 19.88	\$ 28.51
National Newspaper	\$ 26.24	\$ 22.07
Magazine	\$ 7.15	\$ 4.89
Media Total*	\$ 22.61	\$ 20.53

Source: BrandScience Proprietary Analyses

Digging Deeper – An Evolution part 2

- Splitting into Network Station vs Cable Type adds an additional level of understanding

Cost per New Account by TV Messaging



Source: BrandScience Proprietary Analyses

Still not enough detail!

- TV plans are built at the show level, not at the broader network level

Client response: “Surely your great models can help us with this?”

- Statistically, we hit limits to how granular we can go with the data in these models and maintain solid results

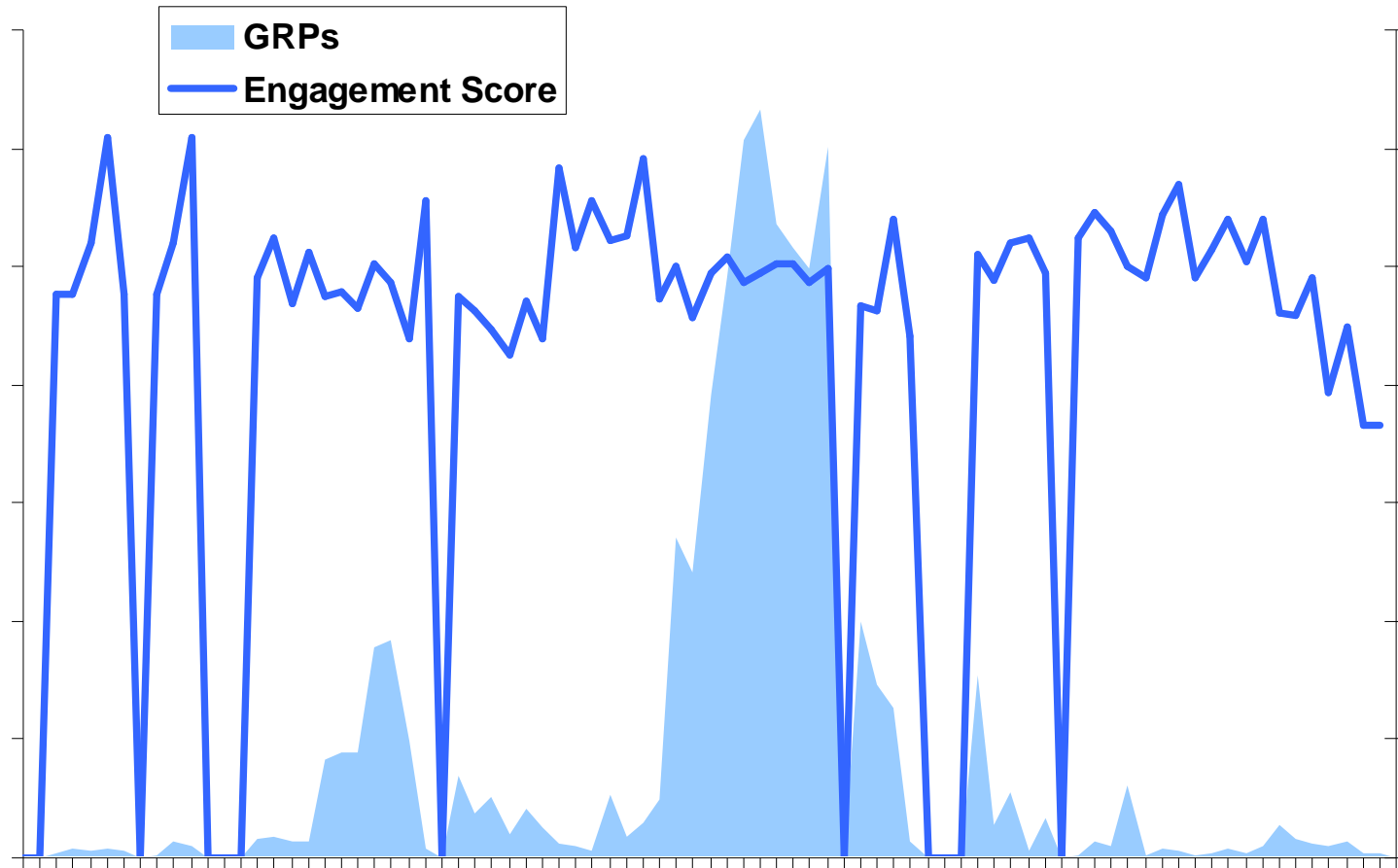
Engagement – Big Debate in the US

- Could we find a relationship between the viewers engagement to a particular TV show and the advertising effectiveness of ads running in those shows?

Does higher show engagement = higher ad impact?

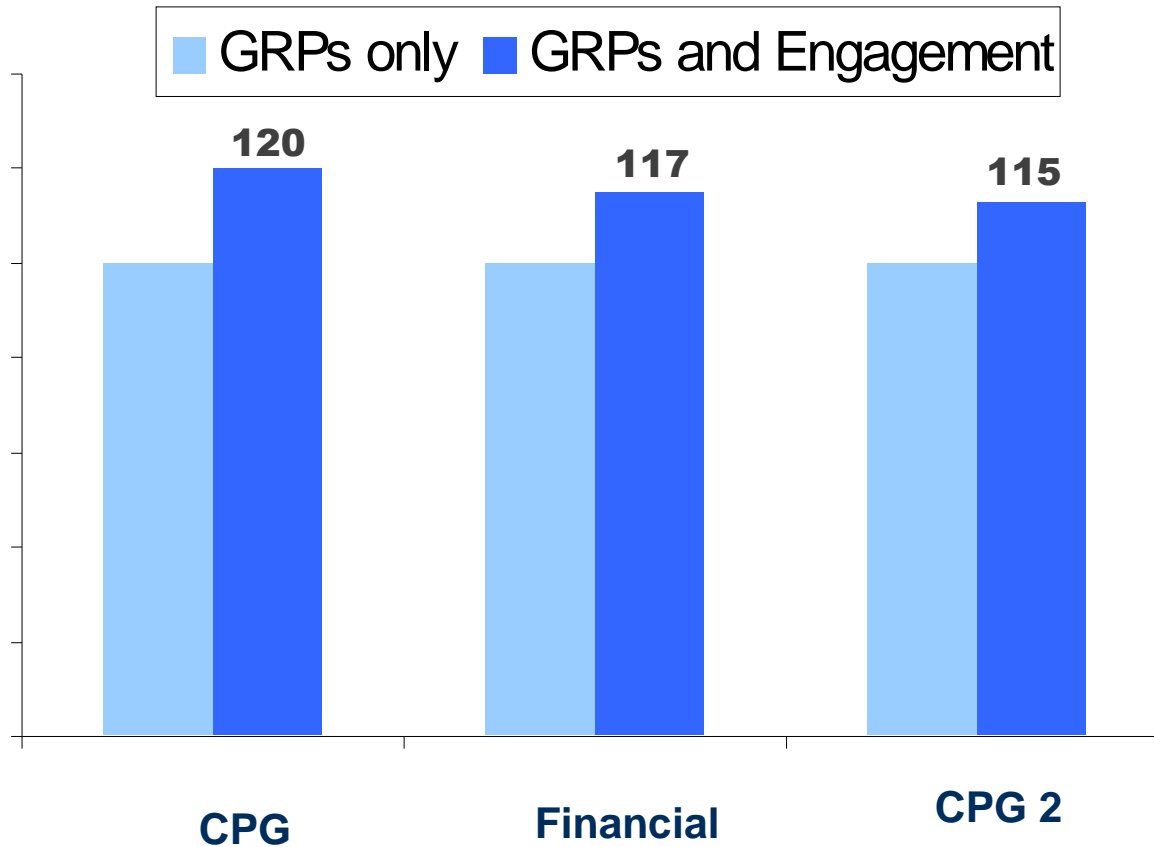
- Solution – add ‘Show Engagement’ into our models
- Here, we are defining ‘engagement’ as viewer loyalty to the show – likelihood to watch every episode vs occasionally watch an episode

Engagement of GRPs Run Varies Significantly



Source: BrandScience Proprietary Analyses

Ad ROI Increases 15-20% Across 3 Brands



Source: BrandScience Proprietary Analyses

So Impact on Media Planning.....?

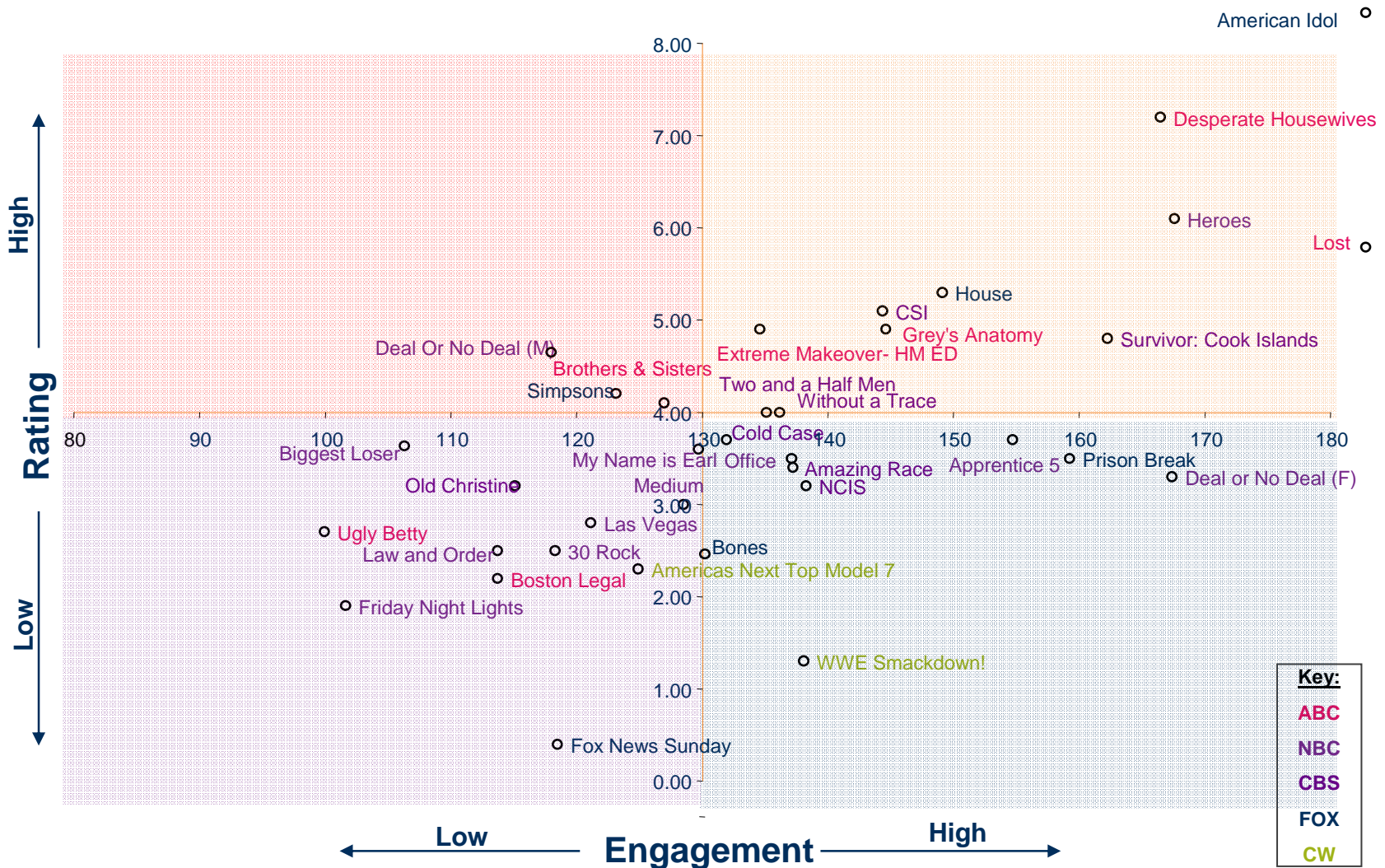
- We know show engagement drives incremental advertising effectiveness
- However – the costs for buying advertising in these shows are based on ratings only

Program	Rating	CPM	Engagement Index
Program A	3.0	100	85
Program B	3.1	100	115

35% more
Engagement at Same CPM



Lots to choose from – this is just Network Prime-Time



Source: BrandScience Proprietary Analyses

Digging Deeper – An Evolution part 3

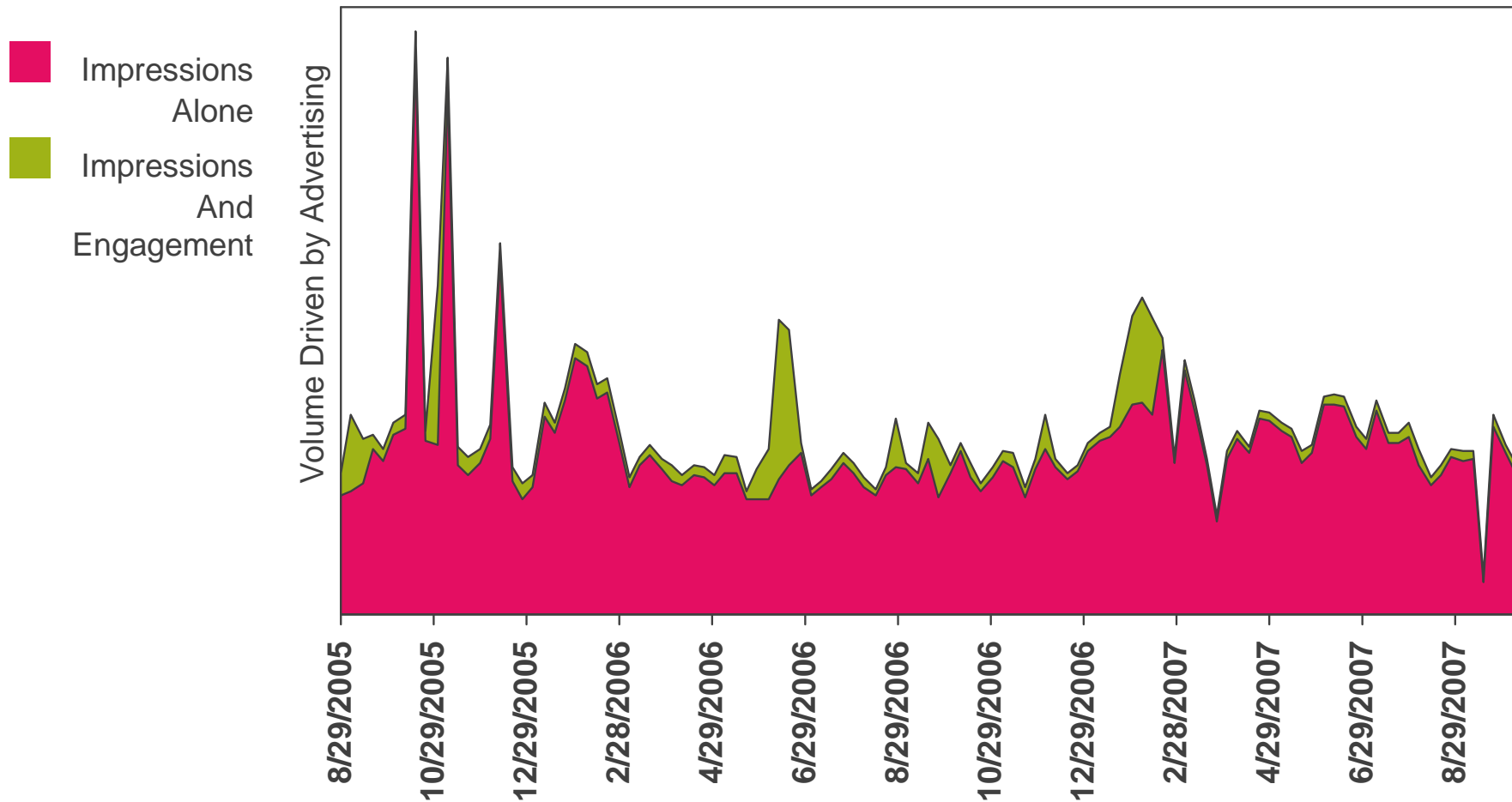
- So, measurement of TV advertising effectiveness has moved from
 - Total TV
 - Network vs Cable
 - ABC vs Fox vs NBC
 - Desperate Housewives vs Grey's Anatomy
- We can now provide detailed insight to media strategists and planners from high level strategy to granular tactical execution



The Evolution continues..

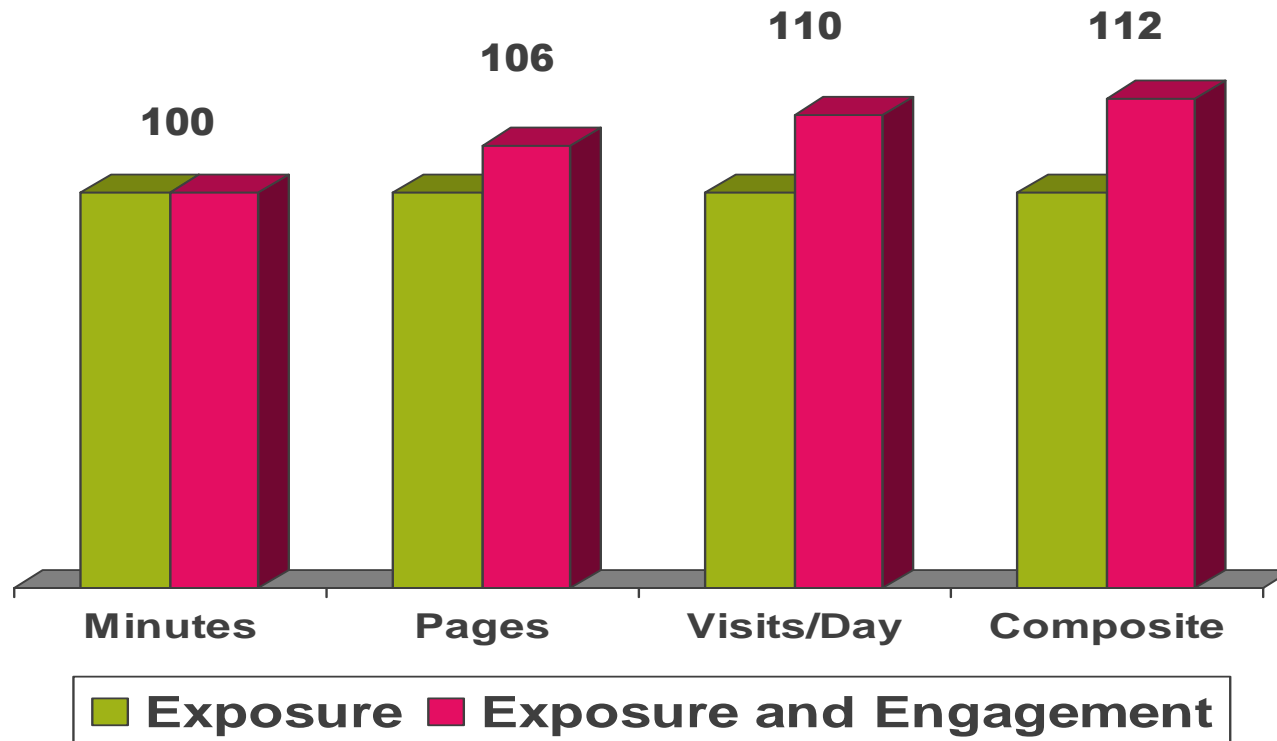
- Recent work has focused on Online advertising
- Does 'engagement' with a website impact the effectiveness of the ads on the site?
- Preliminary work suggests.....

Yes, it does....



Source: BrandScience Proprietary Analyses

However, it is not surprisingly more complicated... more measures



Source: BrandScience Proprietary Analyses

Digging Deeper

- As we continue to enhance the abilities of our models to dig ever deeper into more and more detail, we can start to see a future where media planning and vehicle selection becomes ever more 'scientific' and fact based
- New ideas need new measurement techniques
 - **Challenge** – as we try different things, we must determine how we are going to measure their effects
- THANK YOU!!