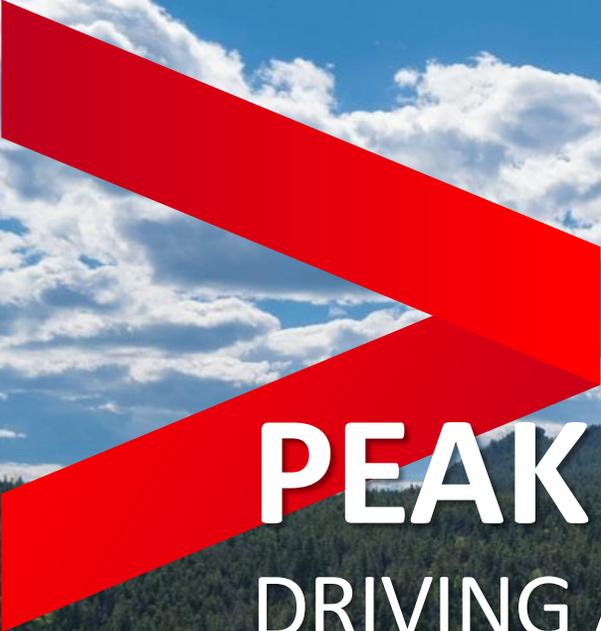


October 2020



PEAK PERFORMANCE

DRIVING ADVERTISING
EFFECTIVENESS THAT LASTS

think^{tv}

accenture [>]

BACKGROUND: BUILD ON OUR 2019 MONEYBALL STUDY BY EVALUATING THE IMPACT OF ADVERTISING BEYOND THE FIRST YEAR

Situation

2019 Canadian Media Effectiveness study, uncovered how advertisers can make media allocation decisions to amplify media effectiveness and drive increased performance.

Ambition

Demonstrate the power of media in both the short-term and long-term; this new analysis would highlight the advantages of leveraging a longer media attribution time horizon.

Approach

Anchoring on the prior results, reassess our first-of-its-kind dataset by measuring attribution over an additional 3 years using proven data science and machine learning methods.

WE MEASURED EFFECTIVENESS ACROSS ALL MEDIA CHANNELS, WITH A PARTICULAR FOCUS ON ASSESSING TV AND DIGITAL CHANNELS



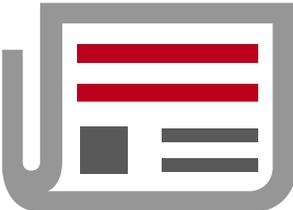
Multiplatform TV¹



Display & Other³



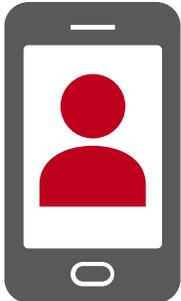
Paid Search



Other Traditional Media²



Short-Form Video Content (SFVC)



Social Media

Note: 1) Multi-platform TV includes both Broadcast Television and Broadcaster owned Long-Form Video Content (LFVC); 2) Other traditional media includes Print, Magazines, Newspapers, Out of Home, Radio, Direct Mail, and Email. 3) Display & Other spend includes both Online & Mobile, all digital forms of Print, and other publisher SFVC not associated with YouTube.

WE EXAMINED \$3B IN SPEND FROM 105 BRANDS ACROSS 4 INDUSTRIES IN CANADA



Automotive Brands



Telecom Operators



Consumer Packaged Goods

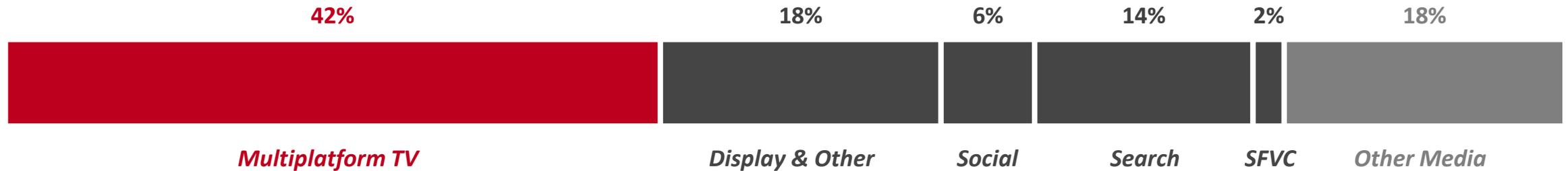


Over-the-counter Pharmaceuticals

Total Media Spend:

\$ 3.05 B

PROPORTION OF TOTAL MEDIA SPEND (%):



4 KEY INSIGHTS FROM OUR NEW RESEARCH



Insight 1

Media has a significant impact beyond year one



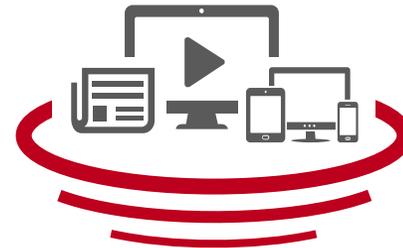
Insight 2

Multiplatform TV delivers the largest and longest-lasting impact on Sales



Insight 3

Video-based media delivers the best ROI



Insight 4

TV's resilience to diminishing returns highlights upside for increased investment



**INSIGHT #1
MEDIA HAS A SIGNIFICANT
IMPACT BEYOND YEAR ONE**

think^{tv}

accenture[>]

29% OF THE VALUE FROM MEDIA SPEND IS REALIZED BEYOND THE FIRST YEAR

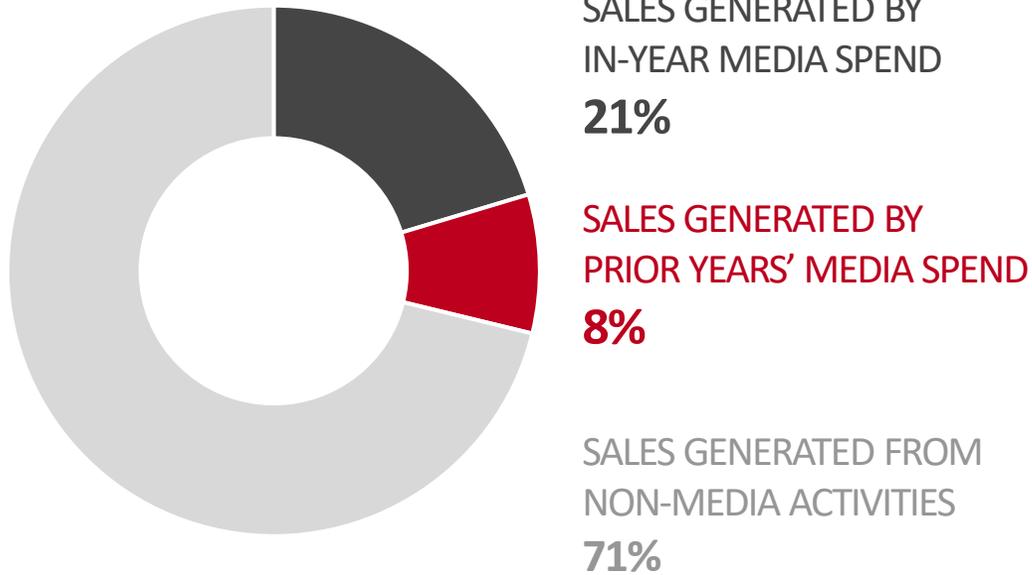
Sales ROI From All Media Channels:



In the 2019 *Moneyball* Study, sales contribution by media equated to an ROI of \$11.79; Years 2 to 4 add an ROI of \$4.90, bringing the Total Media ROI to \$16.69

IN ANY YEAR, 29% OF SALES ARE GENERATED BECAUSE OF MEDIA SPENDING

Sales From All Media Channels:



In total, media advertising generates nearly 29% of all sales dollars; up from 21% with the additional 8% sales contribution from long-term media attribution



INSIGHT #2

**MULTIPLATFORM TV HAS THE
LARGEST AND LONGEST-LASTING
IMPACT ON SALES**

think^{tv}

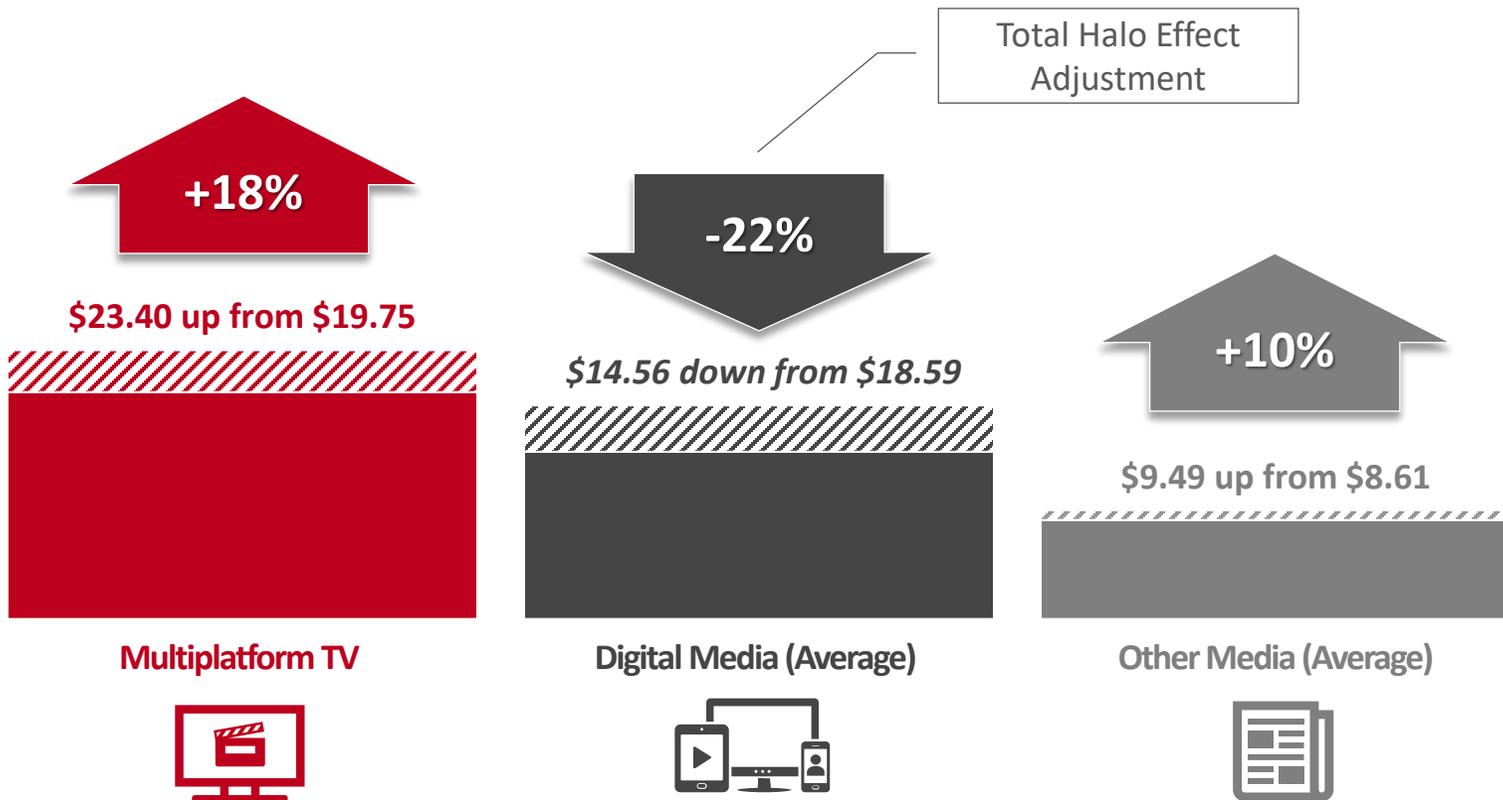
accenture

4-YR ROI OF MULTIPLATFORM TV IS 77% HIGHER THAN THE AVERAGE OF ALL OTHER CHANNELS



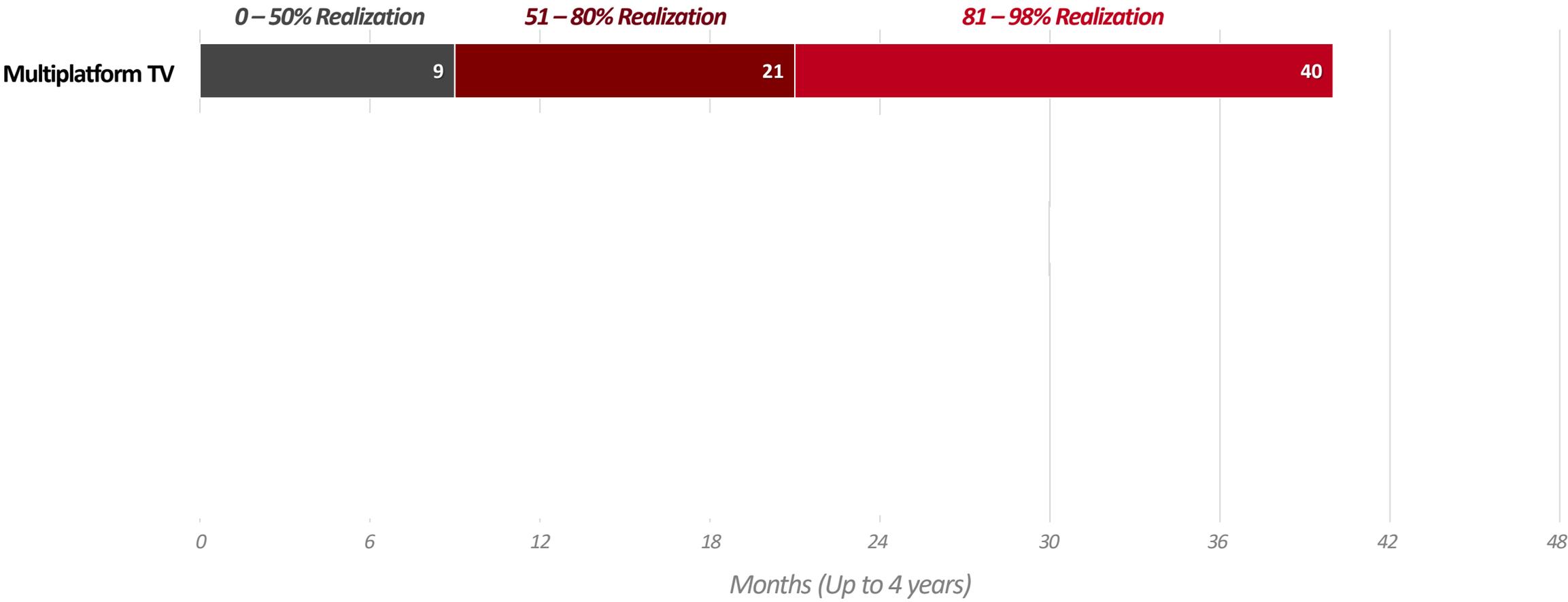
% of Media Spending:  42%

MULTIPLATFORM TV HAS THE LARGEST HALO EFFECT ON ALL MEDIA CHANNELS



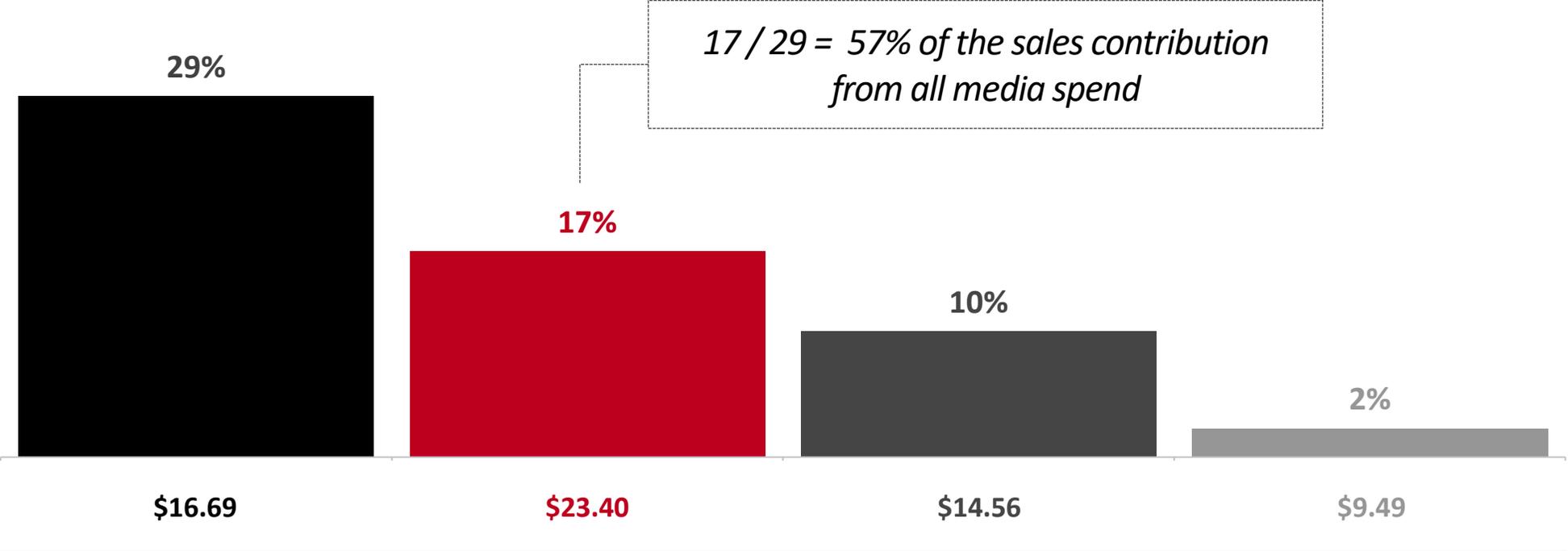
Typical attribution modelling overlooks the Halo Effect of top-of-the-funnel advertising, such as TV, radio, OOH and print, on the performance of digital media channels

MULTIPLATFORM TV HAS THE LONGEST-LASTING SALES IMPACT AT 40 MONTHS



TV REPRESENTS 42% OF SPEND, BUT 57% OF THE SALES CONTRIBUTION FROM MEDIA

Contribution (%) as a proportion of Total Sales:



Total Net ROI (\$):

% of Media Spending:

All Media Channels

Multiplatform TV

Digital Media

Other Media





INSIGHT #3

**VIDEO-BASED MEDIA DELIVERS THE
BEST ROI**

think^{tv}

accenture[>]

VIDEO-BASED MEDIA PERFORMS ESPECIALLY WELL IN THE LONG-TERM



LEGEND
 Top = Beyond year one
 Bottom = Within year one

% of Media Spending:



42%



18%



14%



6%



2%



18%



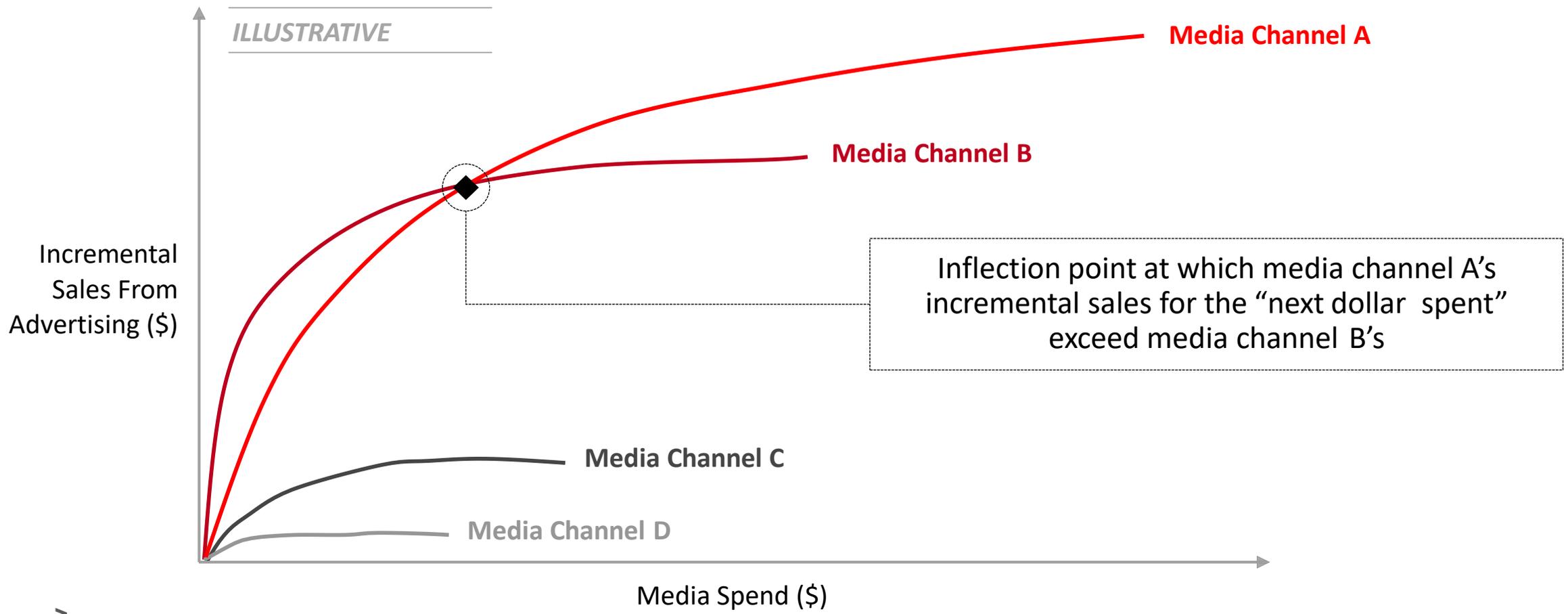
INSIGHT #4
TV'S RESILIENCE TO DIMINISHING
RETURNS HIGHLIGHTS UPSIDE FOR
INCREASED INVESTMENT

think^{tv}

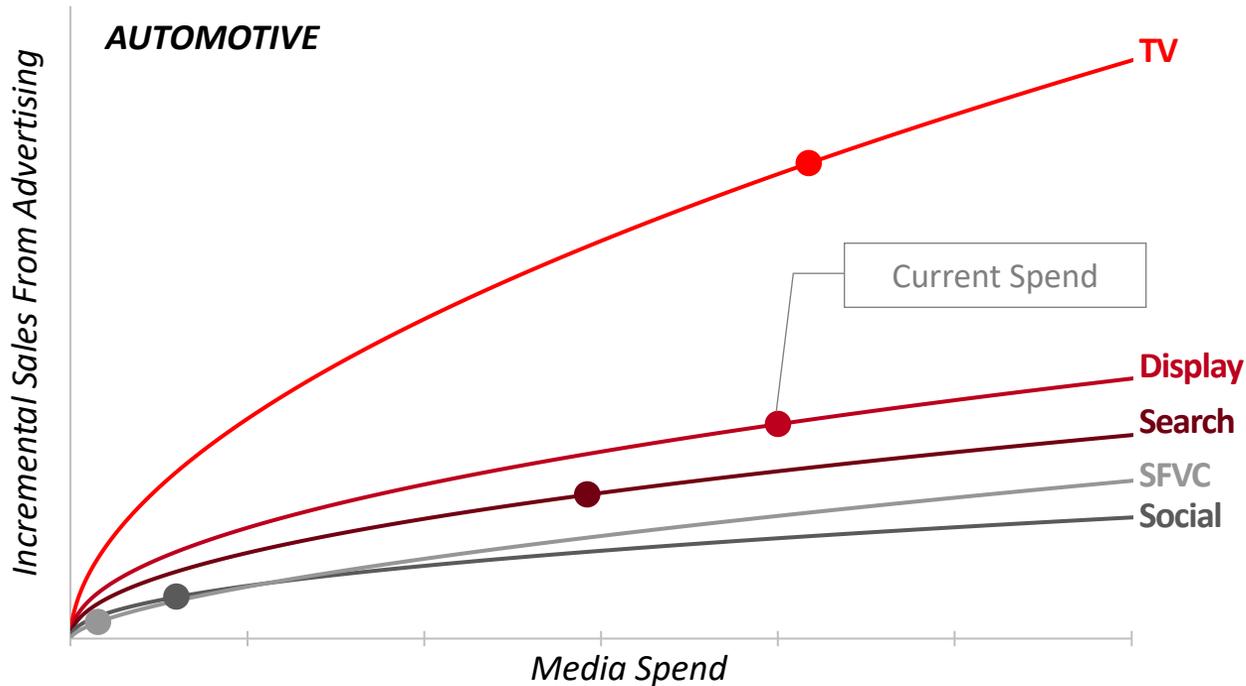
accenture[>]

RESPONSE CURVES HELP MARKETERS UNDERSTAND EXPECTED RETURNS ASSOCIATED WITH CHANGING SPEND LEVELS

SPEND VS. SALES RESPONSE CURVES, BY MEDIA CHANNEL

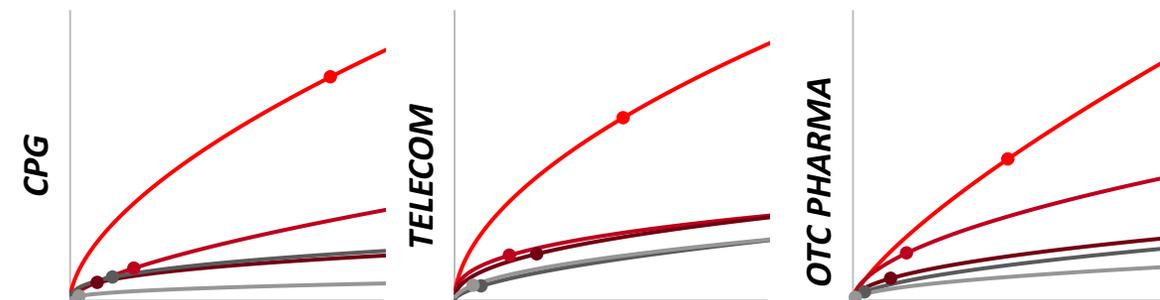


TV OFFERS A MORE LINEAR VALUE PROPOSITION THAT IS RESISTANT TO DIMINISHING RETURNS

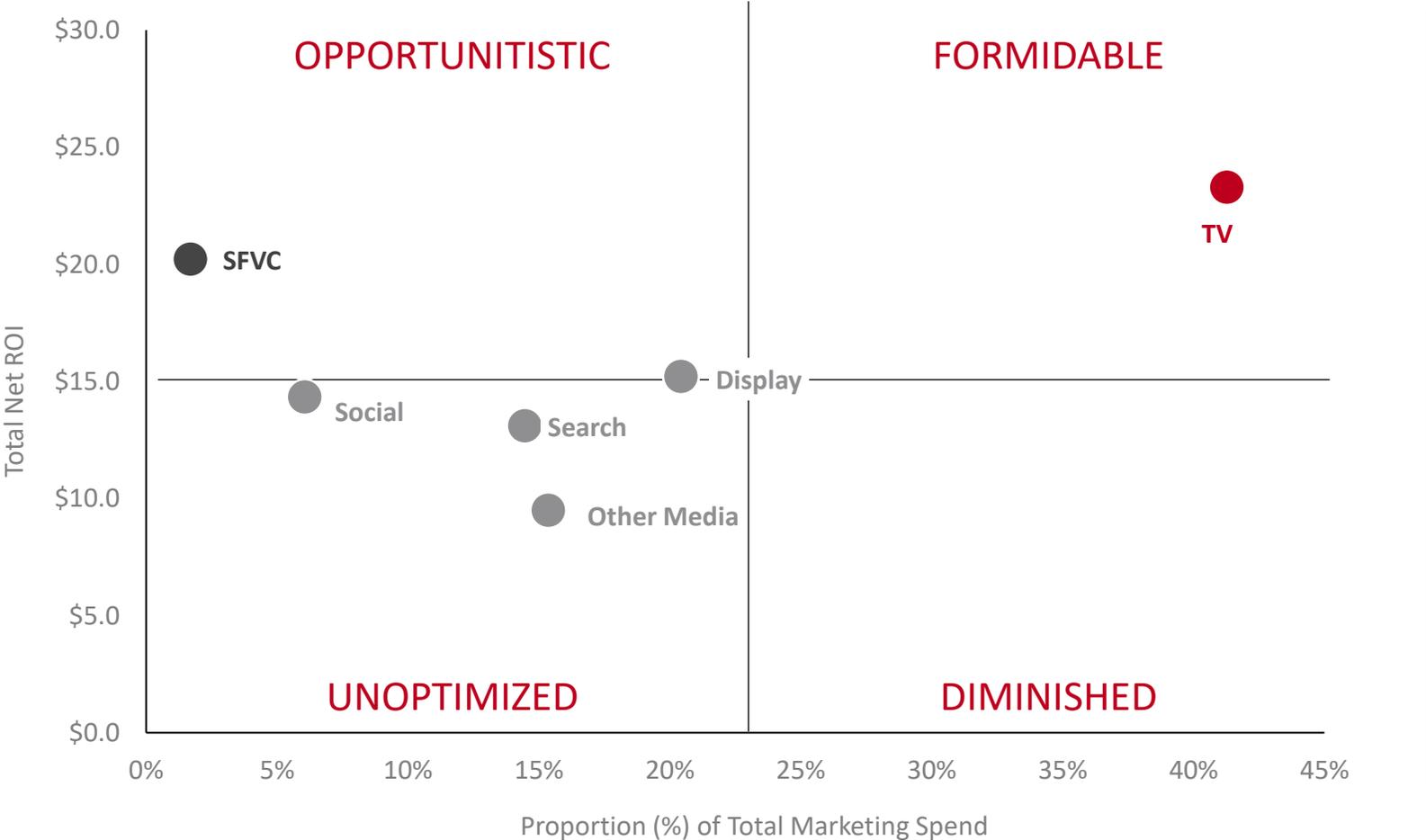


1. TV consistently provides the highest contribution to sales at each incremental \$ spent

2. The more horizontal curvature of Digital Media indicates susceptibility to diminishing returns



TV HAS GENERATED THE HIGHEST ROI, DESPITE HOLDING THE LARGEST SHARE OF MEDIA SPEND



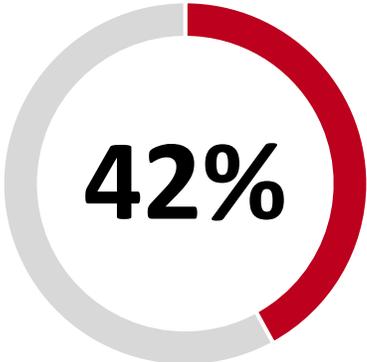
Unlike TV, the video channels SFVC and LFVC hold a low proportion of spend, suggesting their susceptibility to diminishing returns

Note: LFVC is not included above for a) it's ROI would exceed the scale of y-axis scale, and b) the total marketing spend was only significant in one of the four industry categories assessed

THERE IS A 6% GAP BETWEEN CURRENT AND OPTIMAL SPEND ON TV TO MAXIMIZE SALES



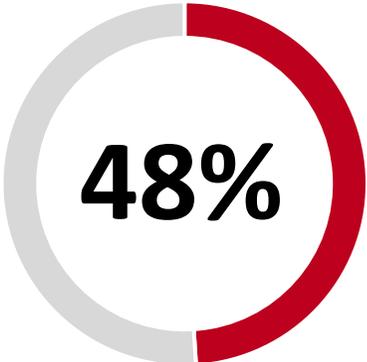
Multiplatform TV



CURRENT

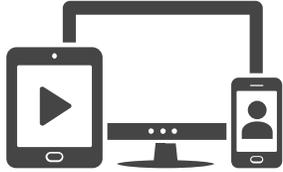


TV % of Total Media Spend

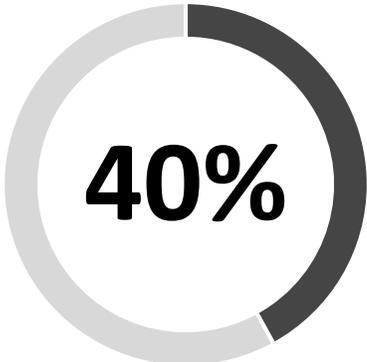


OPTIMAL

In the 2019 Moneyball study, we found that marketers underinvest in TV by nearly 5%



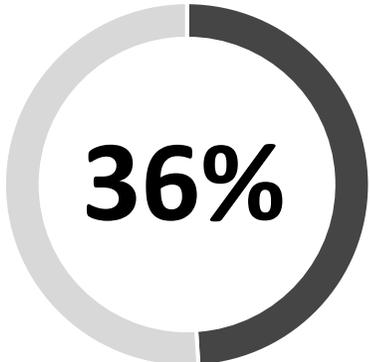
Digital Media



CURRENT



TV % of Total Media Spend



OPTIMAL

In the 2019 Moneyball study, we found that marketers overinvest in Digital by about 3%



CONCLUSION
**KEY TAKEAWAYS
FOR MARKETERS**

think^{tv}

accenture[>]

WE RECOMMEND THE FOLLOWING THREE ACTIONS FOR MARKETERS IN CANADA

1

Measure Media for 3 Years, At Minimum

Advertisers should not succumb to short-termism by limiting performance measures to six-month or 12-month timelines. Our analysis shows that nearly 30% of the total power of media investment can extend well beyond year one of a campaign.

2

Maximize Returns through Video-Based Advertising

Video-based media, specifically Multiplatform TV, has the greatest ROI and strongest long-term impact.

3

Ensure Multiplatform TV Represents a Significant Portion of Future Media Budgets

Multiplatform TV represents 57% of the total sales contribution from media, but only 42% of total media investment, signalling room to grow media allocations across TV and LFVC moving forward and achieve an even stronger ROI.



THANK YOU

think^{tv}

AUTHORS

Brent Chaters (brent.chaters@Accenture.com)

Managing Director
Accenture Interactive

Josef Hrebik (josef.hrebik@Accenture.com)

Business Strategy Senior Manager
Accenture Strategy, Communications & Media

Michael Corridore

Business Strategy Manager
Accenture Strategy, Communications & Media

Joshua Williams

Business Strategy Consultant
Accenture Strategy, Communications & Media

With Contributions From:

Mike Chapman

accenture

FROM MONEYBALL WE RECOMMEND FOUR ACTIONS FOR MARKETERS IN CANADA

1

Re-evaluate Overall Media Spend. When Canadian advertisers consider the nearly 12x sales ROI their media investments deliver, it makes sense to review media investment to ensure maximum returns.

2

Re-evaluate Media Channel Allocation to Drive Improved Sales Return. TV is an undervalued and underinvested media channel. Advertisers need to re-allocate media investments accordingly.

3

Leverage Attribution Analytics Continuously. Given the increasing availability of third-party data, Canadian advertisers should invest in comprehensive media attribution analytics to ensure ongoing ability to optimize media yield.

4

Take Advantage of Broadcaster-owned Long-Form Digital Video Content. LFVC has remarkably high sales ROI. Advertisers should use it more as inventory becomes available.