

October 2020

# PEAK PERFORMANCE

DRIVING ADVERTISING  
EFFECTIVENESS THAT LASTS

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# **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



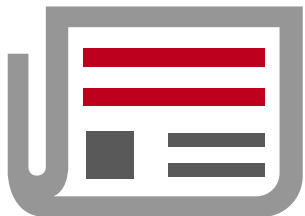
**Multiplatform TV<sup>1</sup>**



**Display & Other<sup>3</sup>**



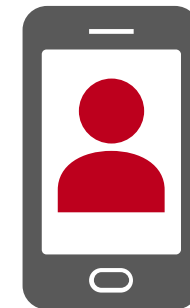
**Paid Search**



**Other Traditional Media<sup>2</sup>**



**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

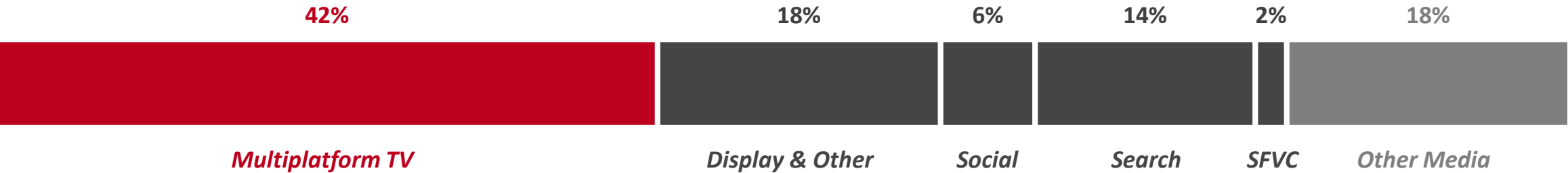


Over-the-counter Pharmaceuticals

Total Media Spend:

**\$ 3.05 B**

PROPORTION OF TOTAL MEDIA SPEND (%):



# 4 KEY INSIGHTS FROM OUR NEW RESEARCH



## *Insight 1*

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Media has a significant impact beyond year one



## *Insight 2*

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



## *Insight 3*

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Video-based media delivers the best ROI



## *Insight 4*

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



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

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

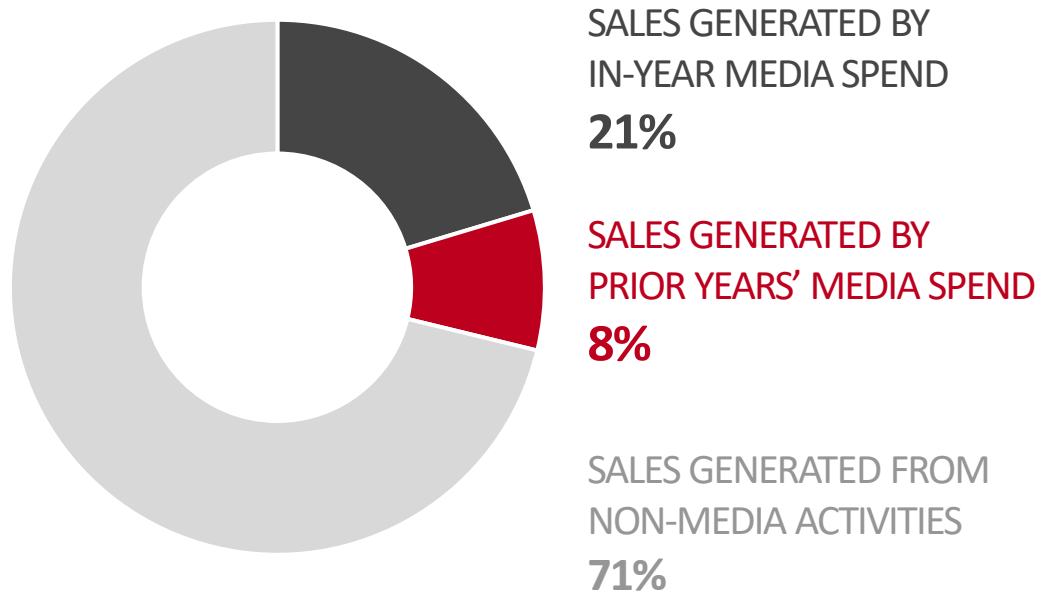
*Sales ROI From All Media Channels:*



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



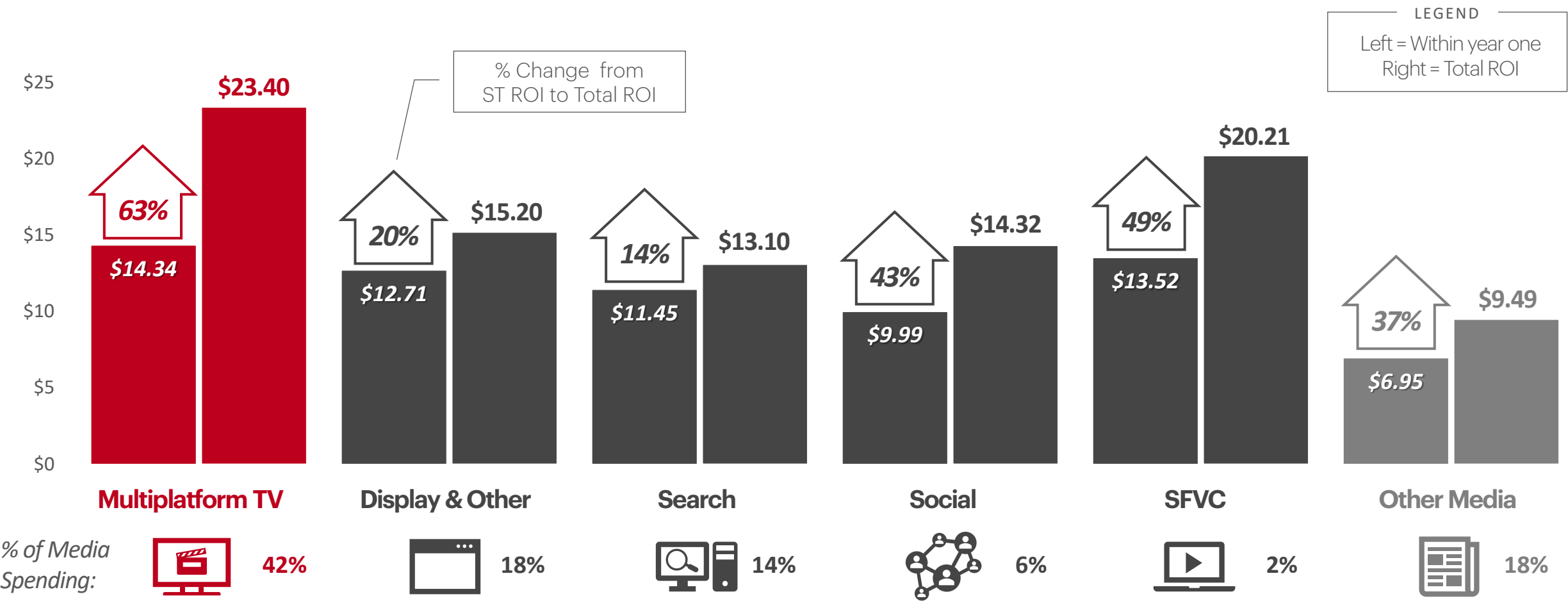
INSIGHT #2

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

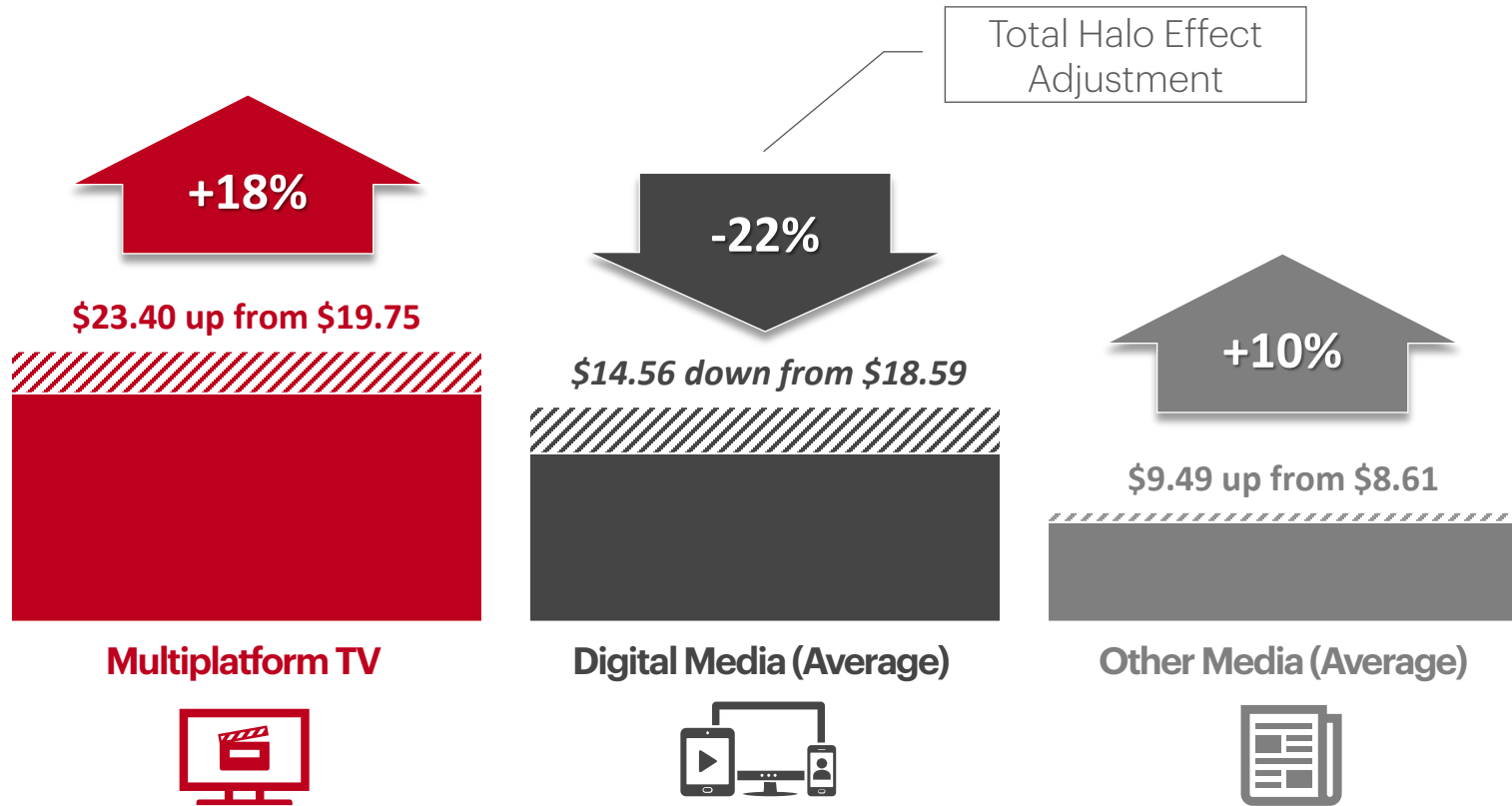
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# 4-YR ROI OF MULTIPLATFORM TV IS 77% HIGHER THAN THE AVERAGE OF ALL OTHER CHANNELS

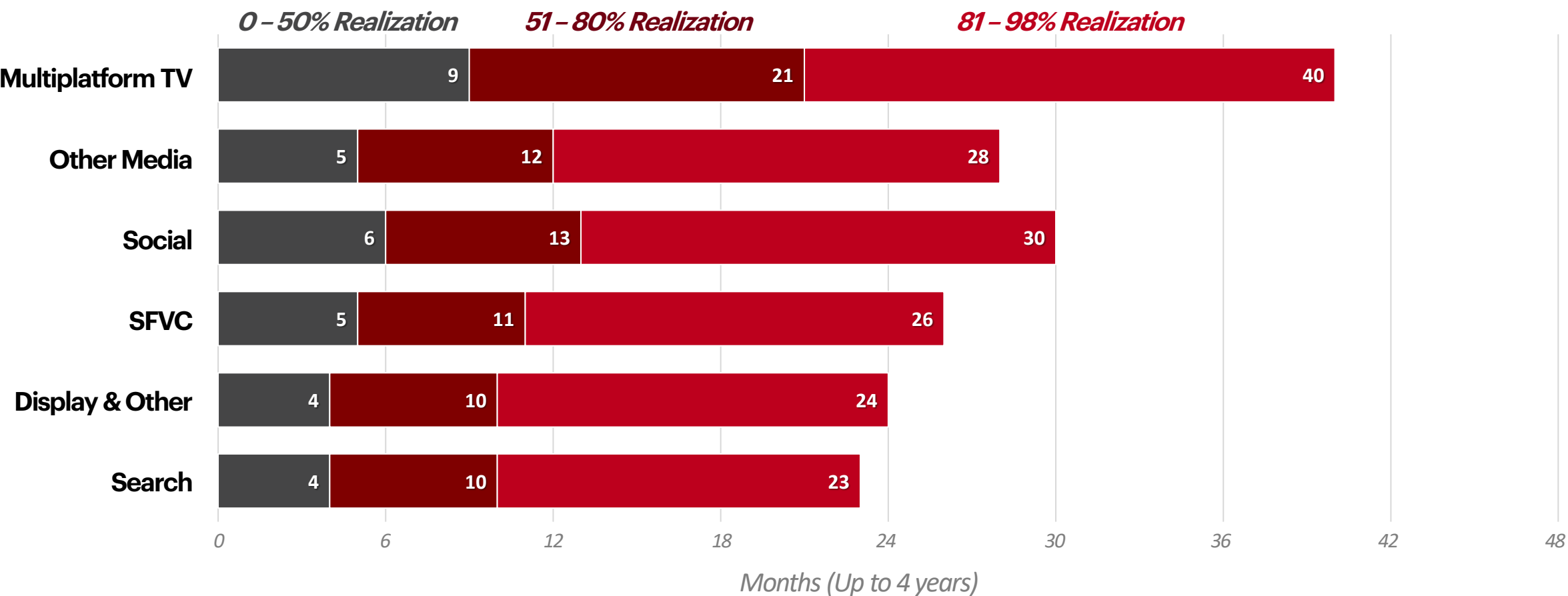


# MULTIPLATFORM TV HAS THE LARGEST HALO EFFECT ON ALL MEDIA CHANNELS

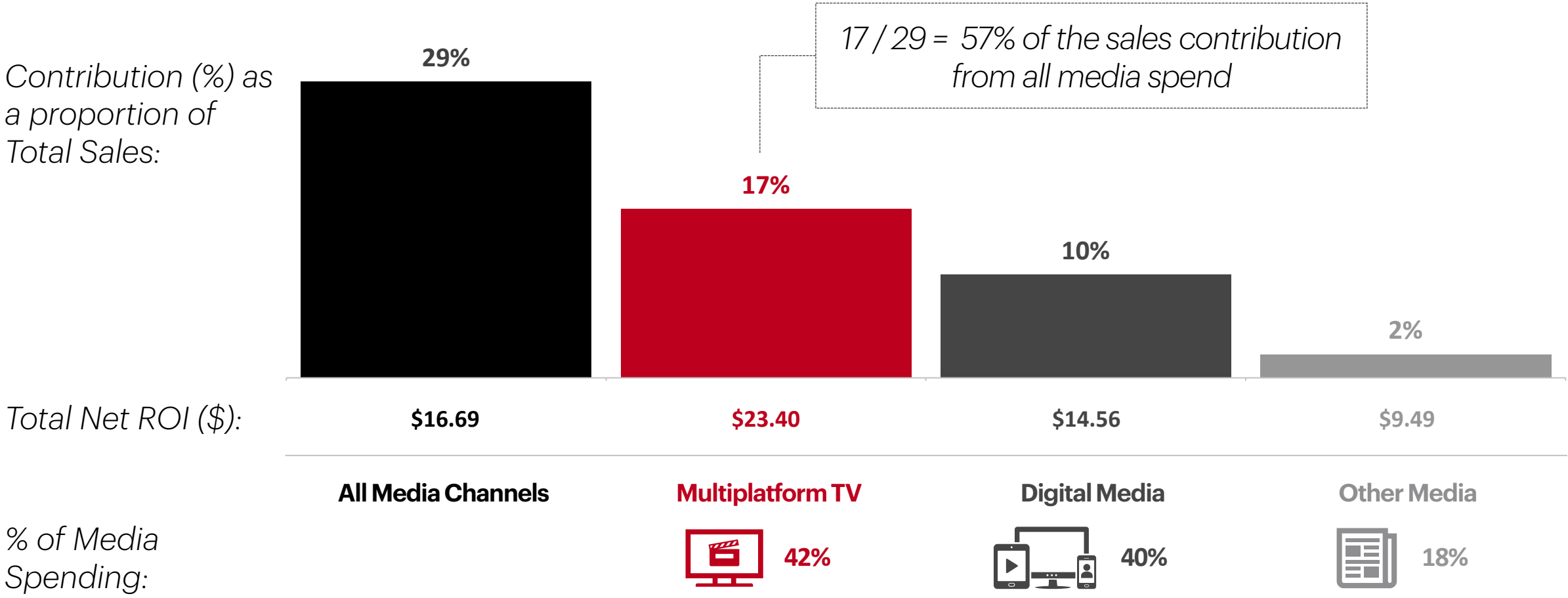


Typical attribution modelling overlooks the Halo Effect of top-of-the-funnel advertising, such as TV, radio, OOH and print, on the performance of digital media channels

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



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





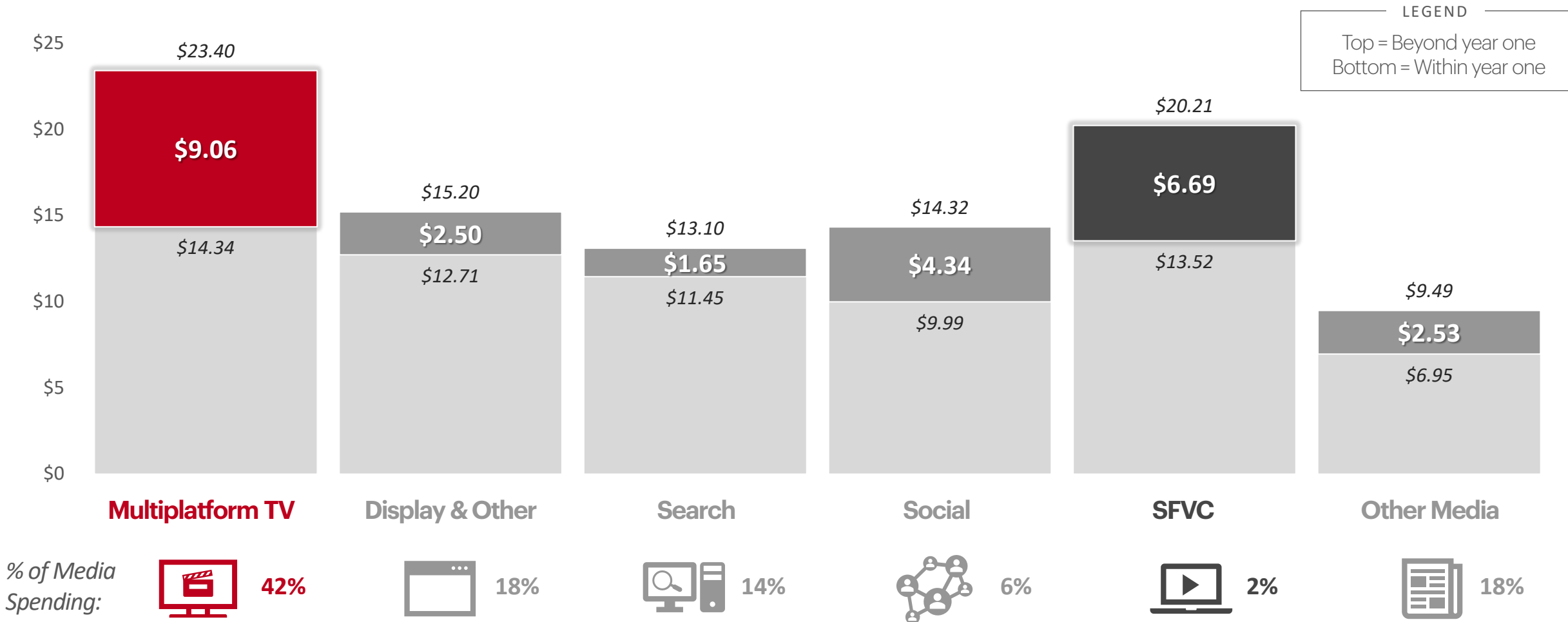
INSIGHT #3

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

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





INSIGHT #4

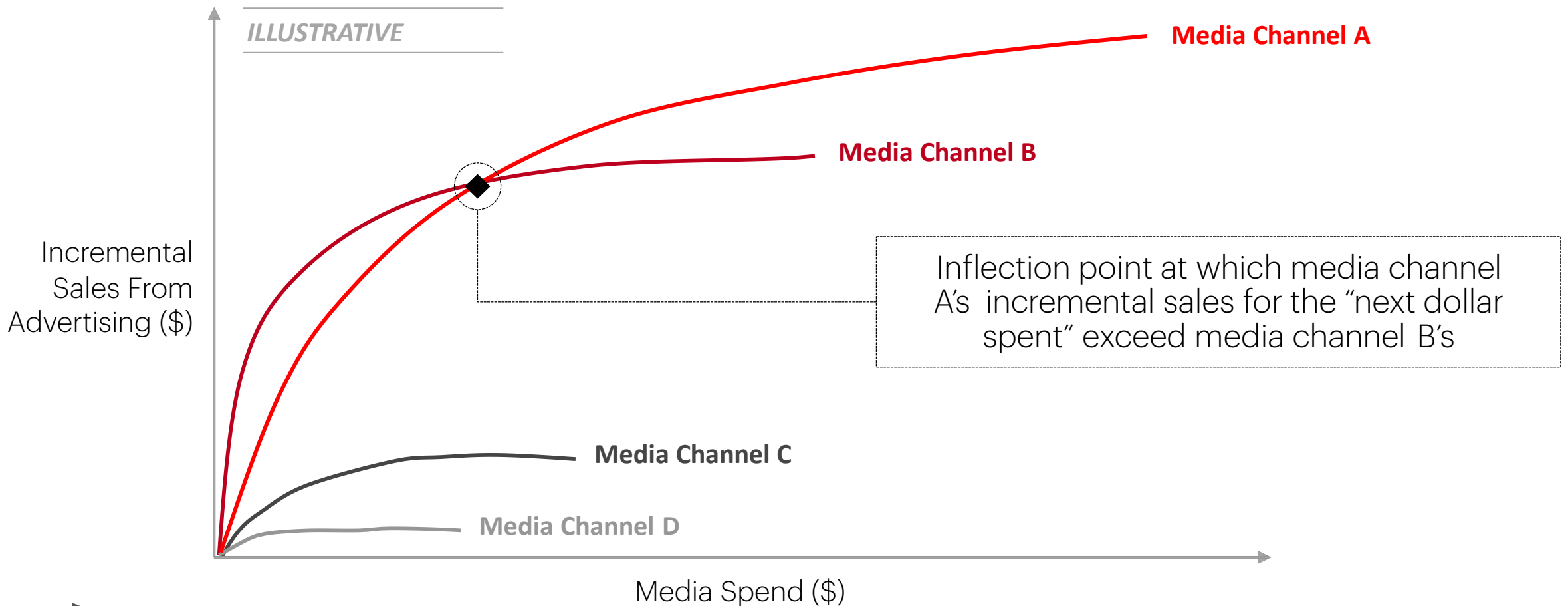
**TV'S RESILIENCE TO DIMINISHING  
RETURNS HIGHLIGHTS UPSIDE FOR  
INCREASED INVESTMENT**

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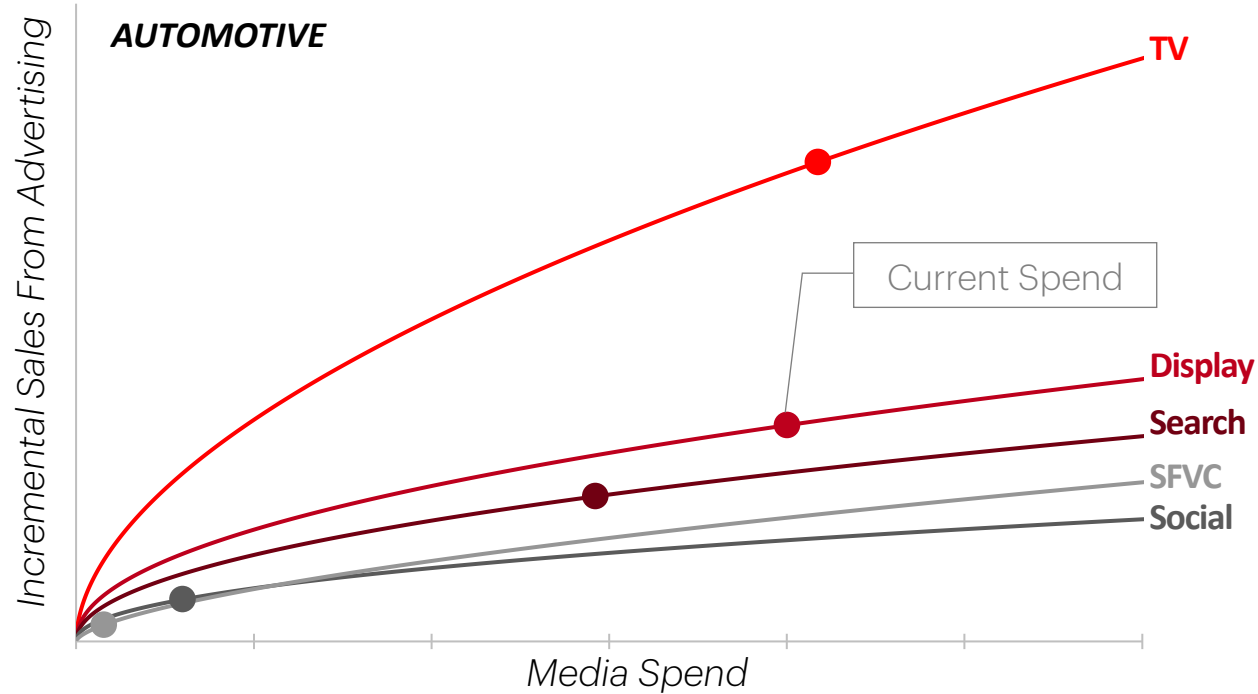
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# RESPONSE CURVES HELP MARKETERS UNDERSTAND EXPECTED RETURNS ASSOCIATED WITH CHANGING SPEND LEVELS

*SPEND VS. SALES RESPONSE CURVES, BY MEDIA CHANNEL*

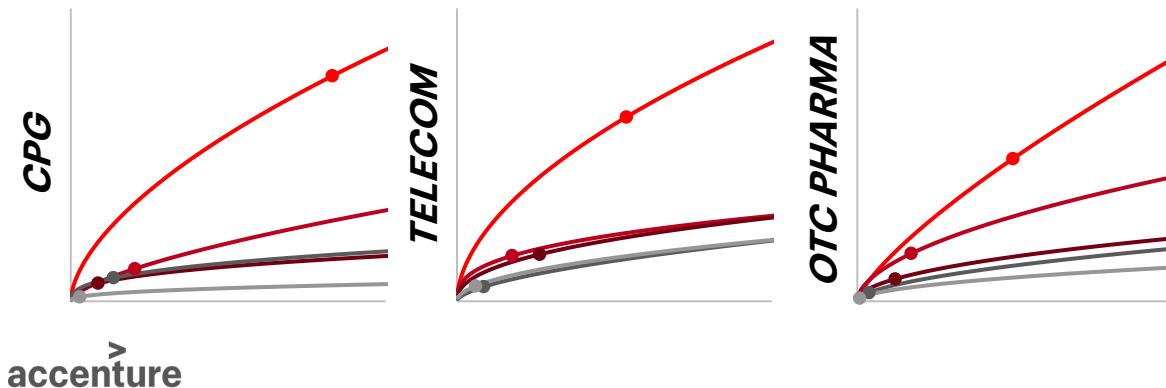


# TV OFFERS A MORE LINEAR VALUE PROPOSITION THAT IS RESISTANT TO DIMINISHING RETURNS

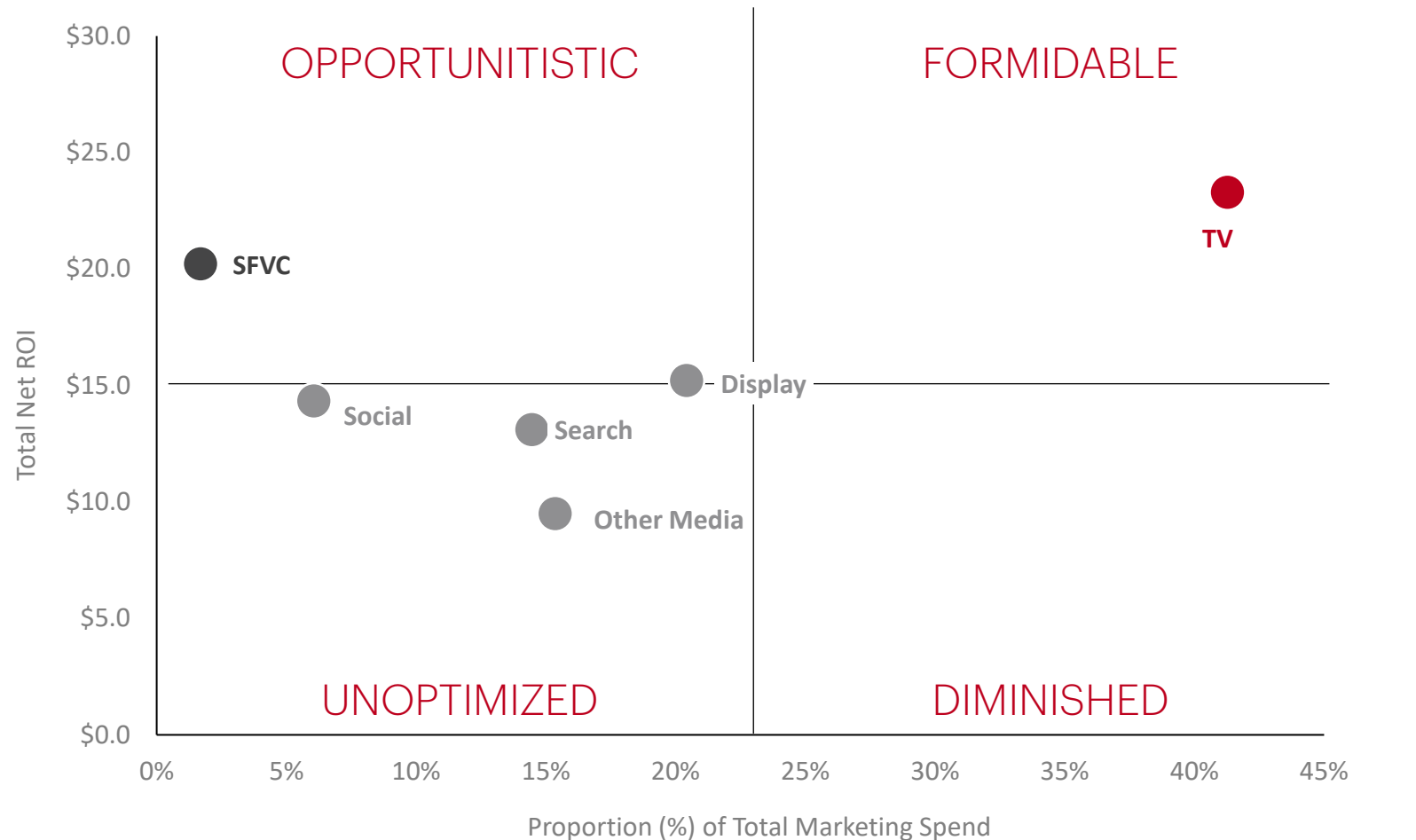


1. TV consistently provides the highest contribution to sales at each incremental \$ spent

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

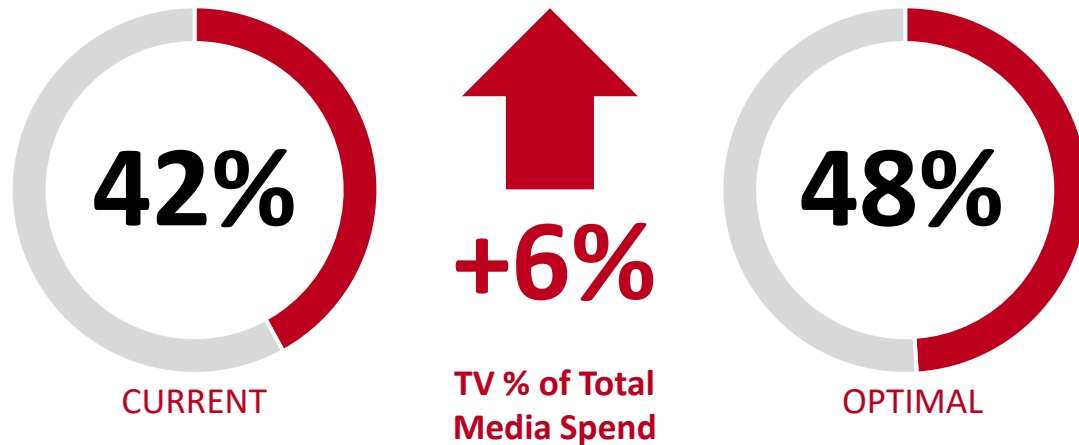


Unlike TV, the video channels SFVC and LFVC hold a low proportion of spend, suggesting their susceptibility to diminishing returns

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



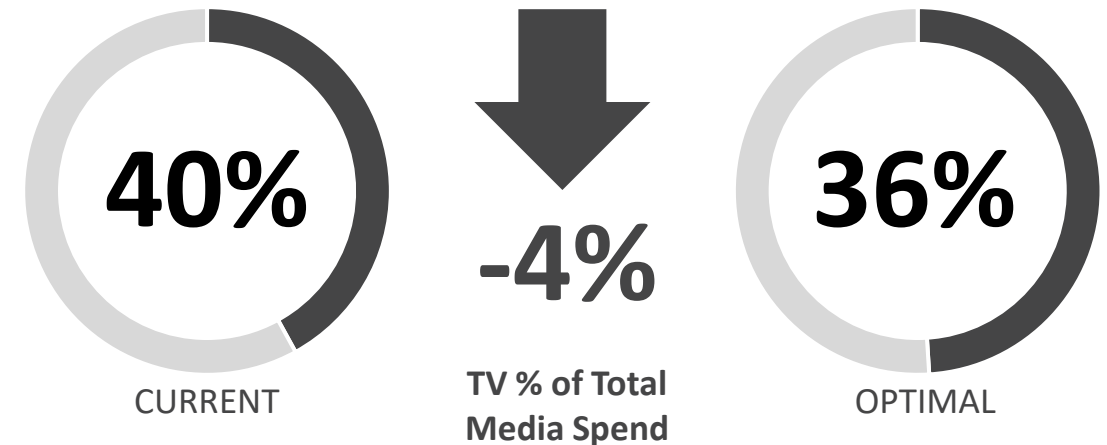
## Multiplatform TV



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



## Digital Media



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



# CONCLUSION KEY TAKEAWAYS FOR MARKETERS

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# 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**

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## **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**

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# 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.