



**AUDIENCE 2017  
MEASUREMENT**

# Modern Measurement

## Media, Models & Methods

**#ARF2017AM**



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MEASUREMENT**

# Television's Brand Building Power From GRPs to PRPs



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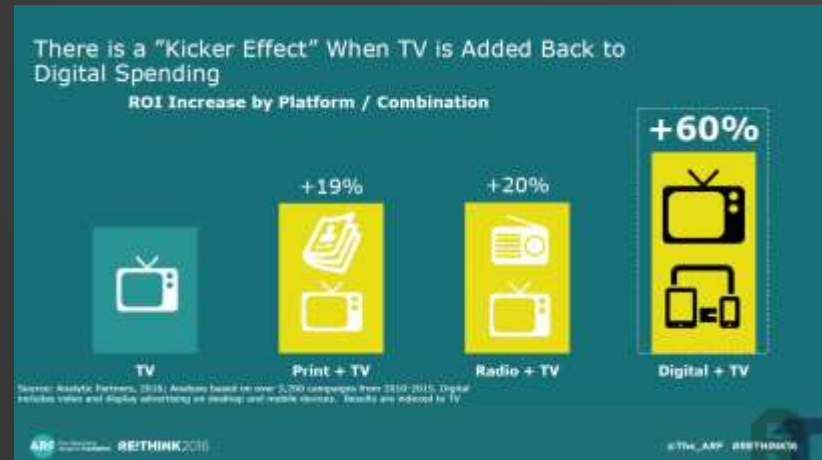
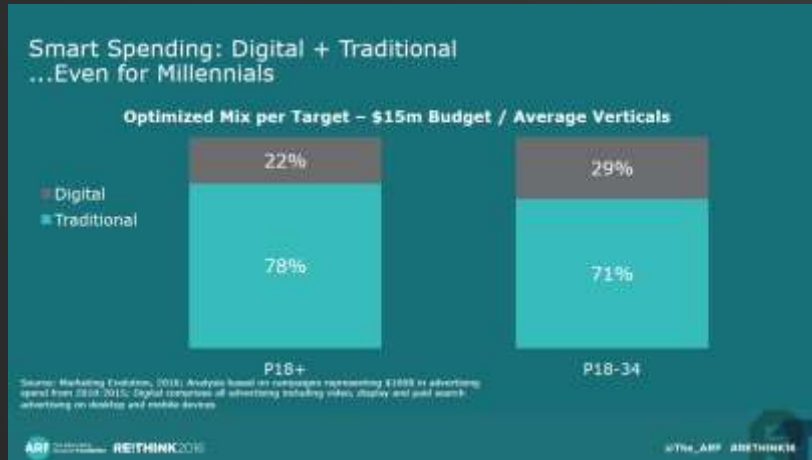
**Frank Findley**

Executive Director  
MASB

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# How Advertising Works, Today (2016)

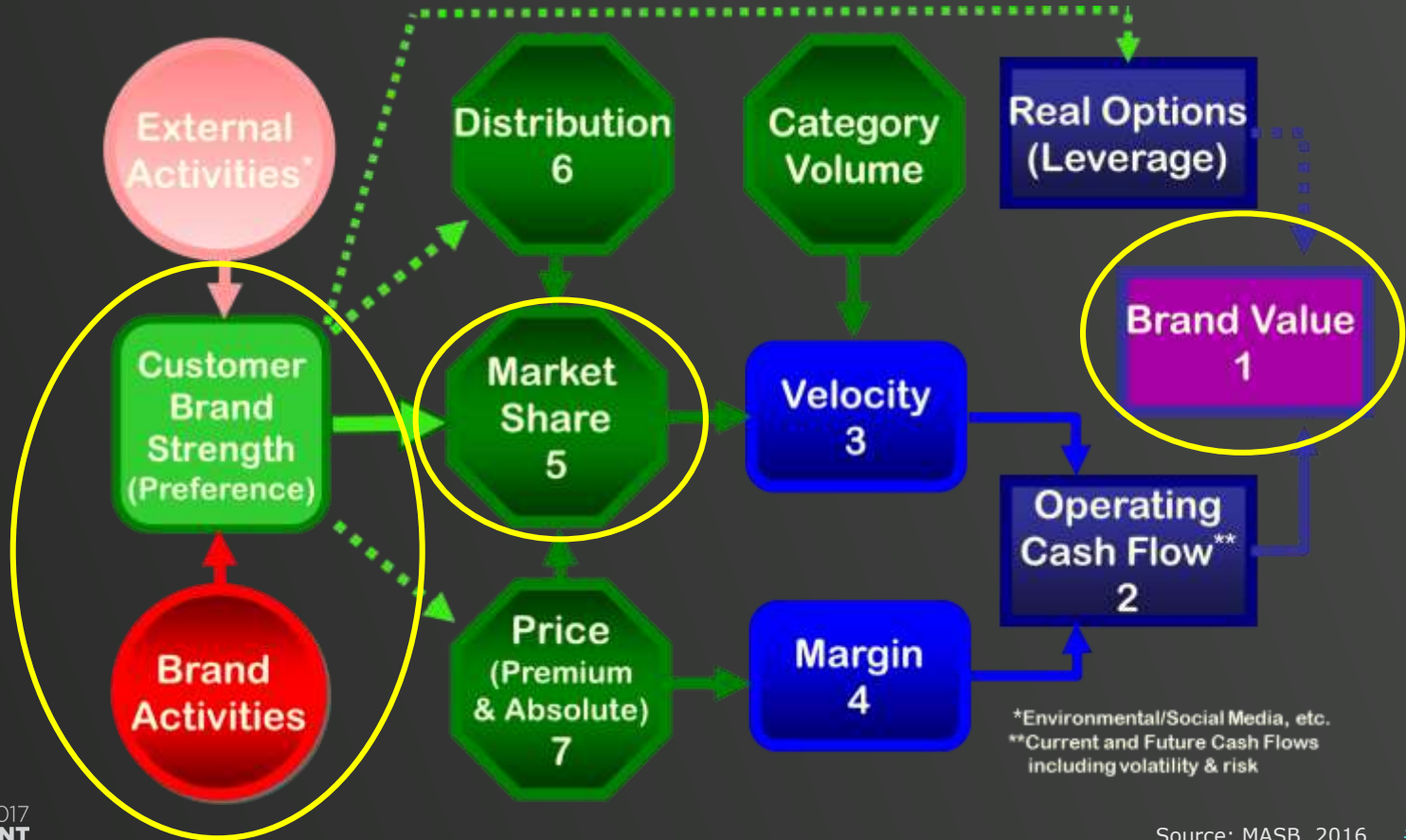
- Strong showing by traditional media platforms
- Encouraged marketers to “spend smart by adding back traditional media to your digital investments”
- Recommendation well supported by the research



# Yet some found results surprising

- Suggested TV advertising retained much of its historic power despite potential attention decline from:
  - Channel fragmentation
  - Time-shifting/ad skipping technology
  - Simultaneous use of laptops, tablets, and smart phones
- Dearth of research comparing TV power to historic levels
- As part of its initiative to document drivers of brand value, the MASB BIV team dove into this question

# MASB Brand Investment & Valuation Model



# Does television advertising have the same brand-building power as in previous decades?



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# Does television advertising have the same brand-building power as in previous decades?

Or more scientifically precise...

1. Do television ads on a single-exposure basis still evoke the same level of effectiveness among consumers as in the past? - **TV Ad Format**
2. Is this impact delivered in-market at the same rate per GRP as in the past? - **TV Ad Delivery**
3. How does television advertising compare to other media in the number of exposures needed to be effective? - **TV or Ads Generally**

Two MASB members provided data and research directly addressing these questions

**MASB** Marketing Accountability Standards Board  
of the Marketing Accountability Foundation

**MSWARS**  
RESEARCH

nielsen  
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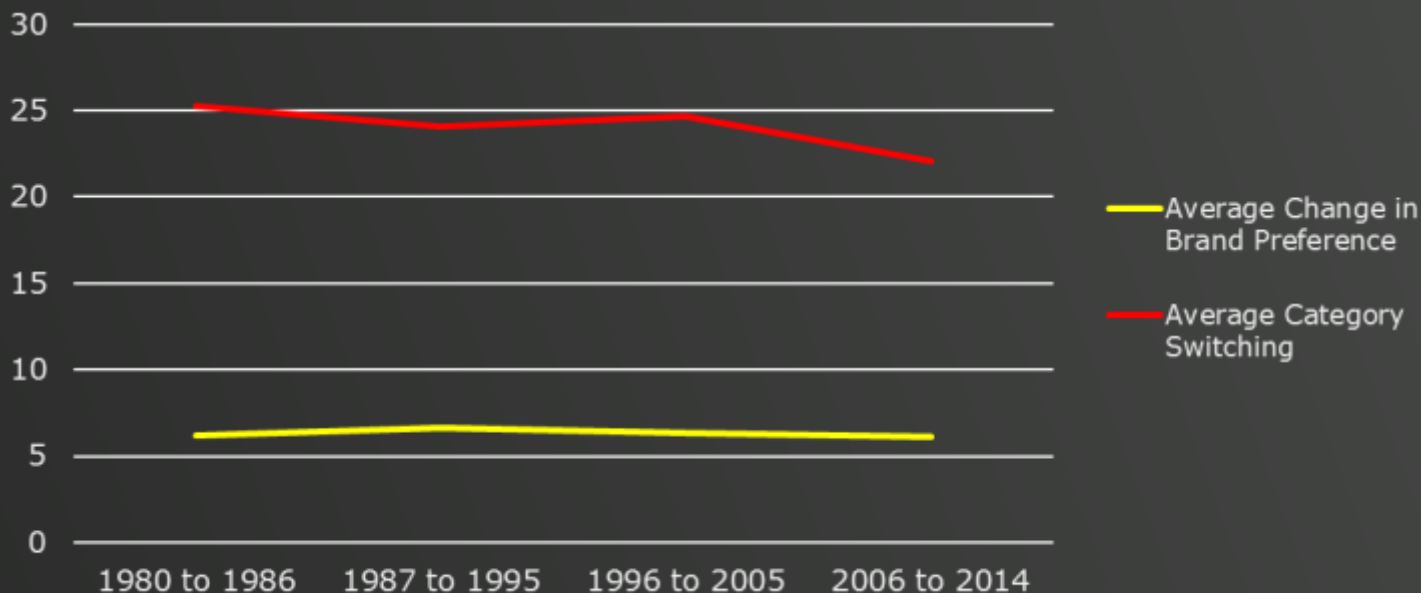


# Datasets

- Ad effectiveness for a single, quality exposure (1980-2014)
  - MSW•ARS database of over 23,000 ads
  - Brand Preference Shift (CCPersuasion™) & Category Switching
  - 2,075 distinct television ads, 258 brands, 104 categories
- Rate of delivery of selling power (1980-2014)
  - MSW•ARS (Brand Preference Shift) & Nielsen (GRPs)
  - 188 distinct television ads assessed before & after airing
- Effective frequency for TV, Radio, and Digital
  - Nielsen Market Mix Modeling
  - 4,677 TV, 268 radio, & 2,830 digital campaigns

# There has been no erosion in the selling power of a single, quality 30 second video exposure

In fact, format bucked overall consumer switching trend.



# The video format has proved a powerful, flexible creative vehicle over the decades

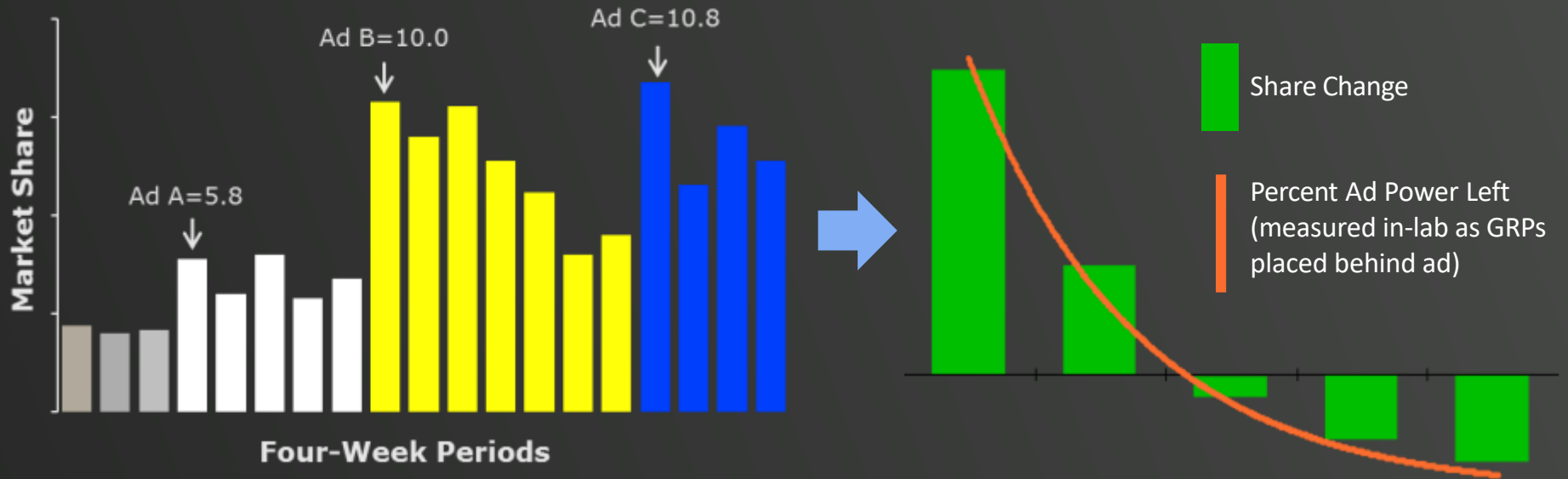
Apple Mac - 1984



Apple Mac - 2006 to 2009



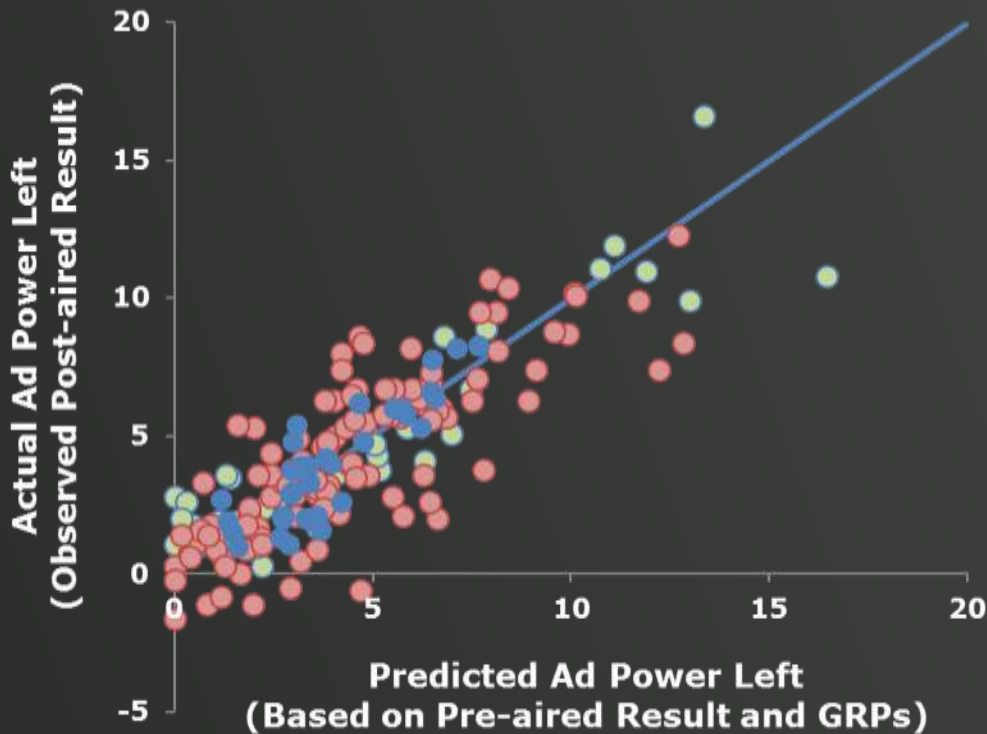
# An ad wears out in a predictable manner as media weight (GRPs) is placed behind it



Sources: Adams, Blair. *Persuasive Advertising and Sales Accountability: Past Experience and Forward Validation*. *Journal of Advertising Research* (1992)  
Masterson *The Wearout Phenomenon* Marketing Research (1999)

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# The wearout model is strongly predictive across time periods



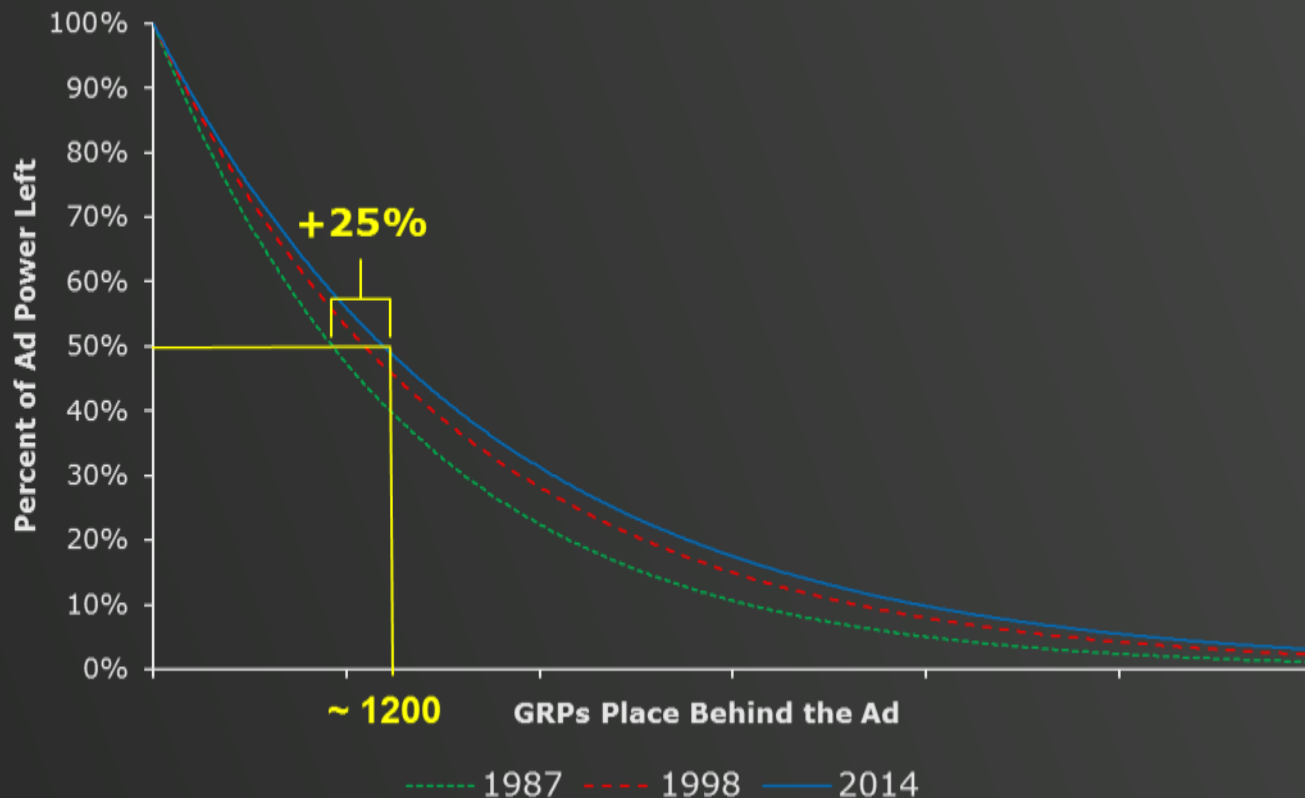
## Correlations

1987	0.91
1998	0.81
2014	0.87

● 1987 ● 1998 ● 2014

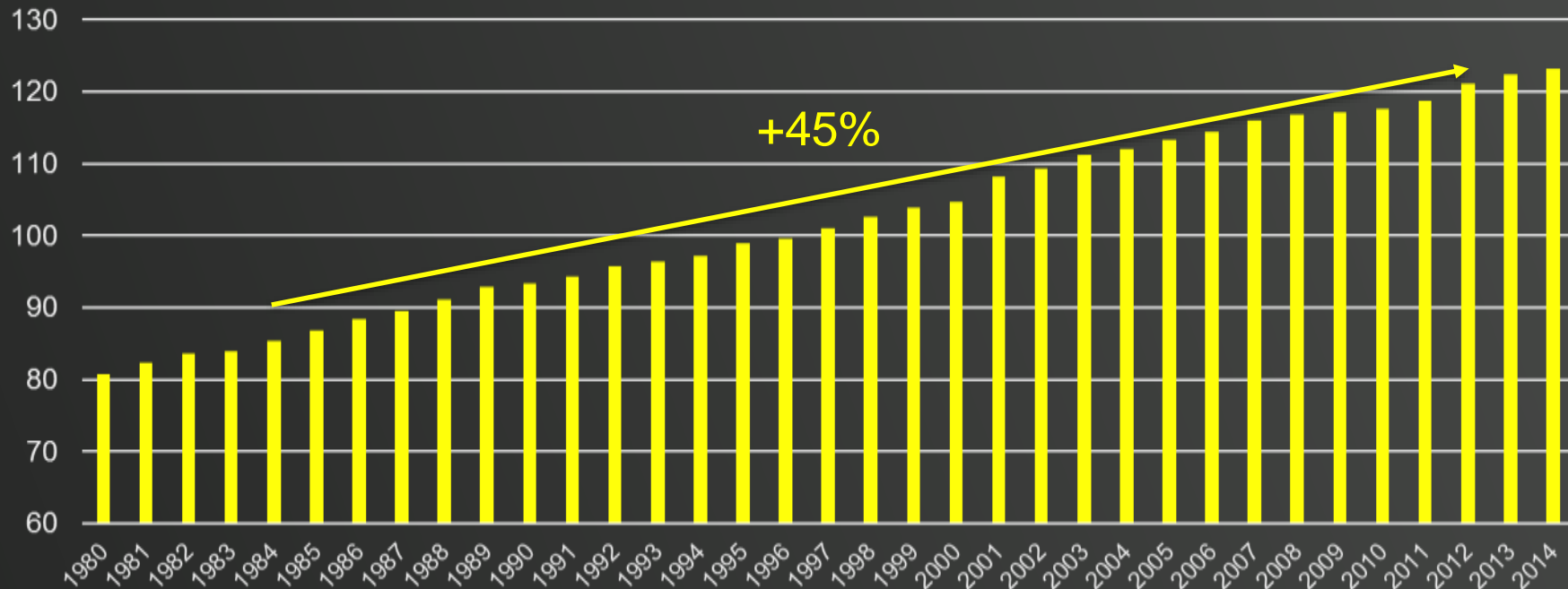
# Selling power delivery per GRP has diminished

It now takes ¼ more GRPs to deliver half a TV ad's power



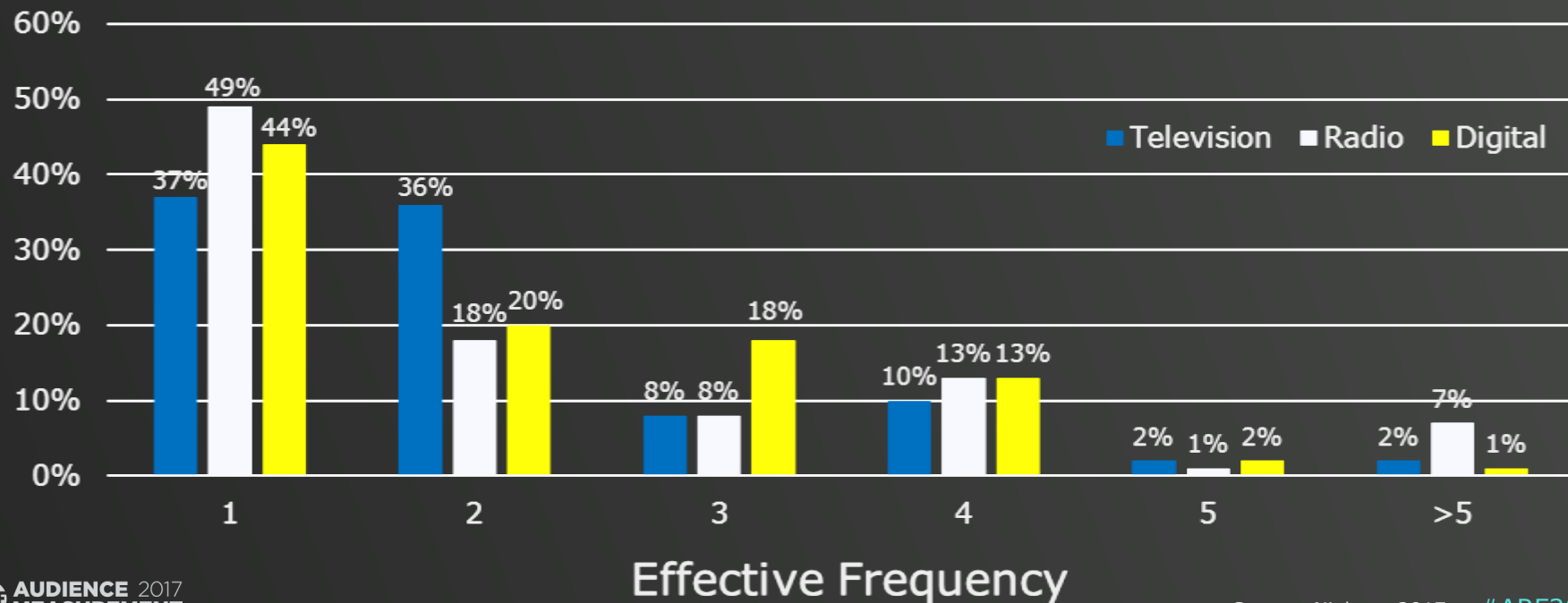
# Household growth over same period of time mitigates this decline on an absolute basis

Number of Households in the United States (Millions)



# All media types can be effective within range of average frequencies typically deployed (<4)

While TV campaigns lag for E.F. = 1 they quickly catch up.



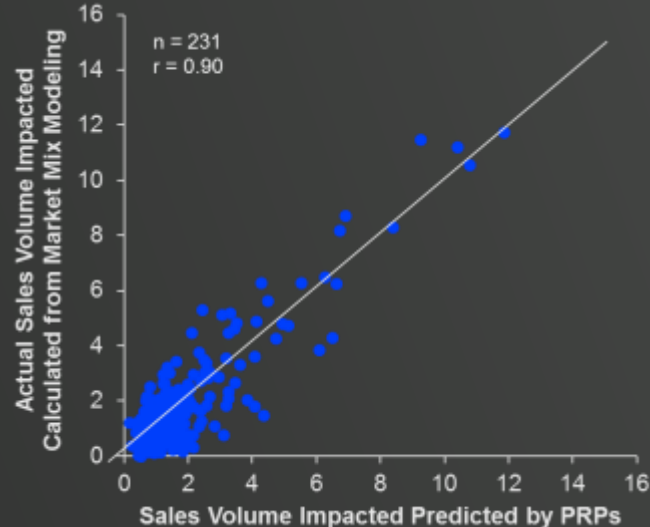


# Summary of Insights

1. On a single, quality exposure basis the television ad format is as effective now as it was in the 1980s
2. Rate of delivery of ad selling power per GRP has slowed requiring ~25% more GRPs to deliver same power to market as it did in the 1980s
3. More than mitigating this decline, the number of US households has increased by 45%
4. Despite a potential increase in distracted viewing, television advertising still maintains an effective frequency profile that is comparable to other media channels including digital

# PRPs predict the sales impact of advertising

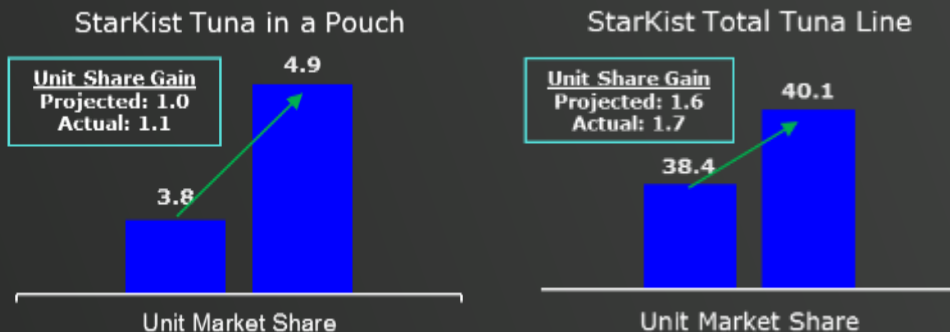
- It is simple to mathematically combine ads' preference changing power with GRPs thus creating "PRPs"
- Highly predictive of sales
- Tremendous implication for improved ROI



# Case Study #1 – Investment levels

- StarKist faced daunting task of releasing radical new product form in an 80-year stable category
- Ads needed to grow both line extension and brand overall
- PRPs based on planned GRPs predicted sales outcome of first wave and projections led to approval of second wave

## Predictions vs. Actuals



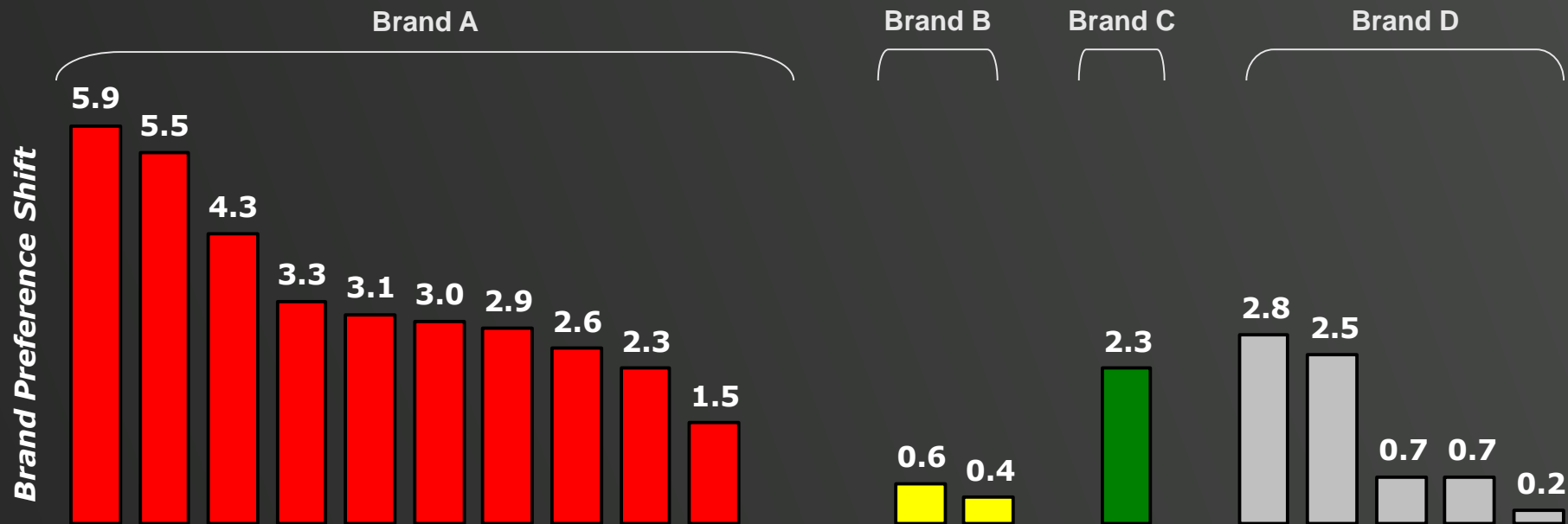
*The results from the initial advertising quarter yielded an ROI of 76 percent, an enormous improvement over the break-even ROI we had expected for the quarter using a traditional approach. Incorporating the costs and incremental profits involved with the unplanned – or second – flight, we were up to 368 percent return on our TV advertising activity.*

*- Barry Shepard, StarKist VP of Marketing*

# Case Study #2 – Brand/portfolio optimization

- Major food brand measured all television ads for four brands over a 12 month period
- Results compared to market mix modeling calculated ROIs
- Goal: “Implement system for allocating TV media weight based on the unique value of each ad in the portfolio for only as long as they are working”

# Pre-airing ad power varied dramatically both within and between brands

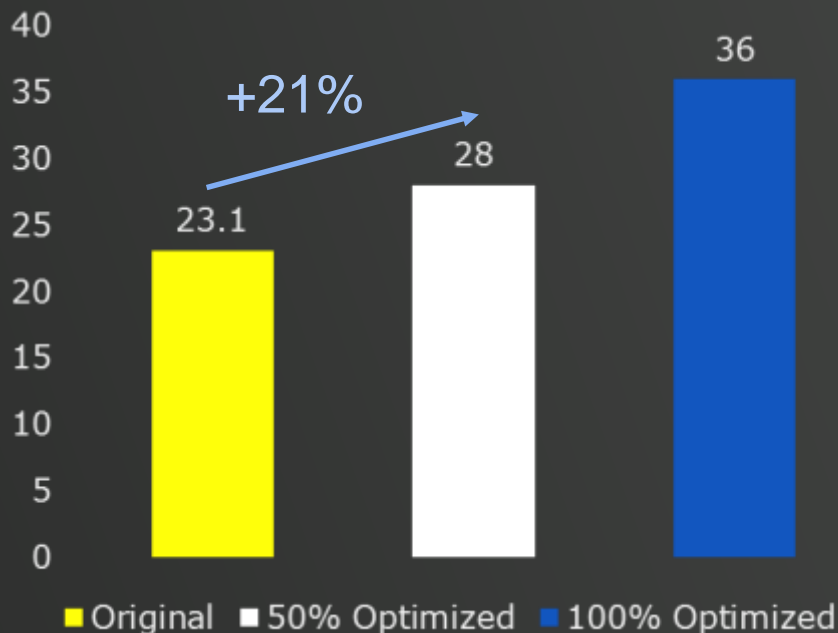


# Using PRPs, optimized allocations determined for brands as each ad went to air

<u>Advertised Product</u>	<u>Commercial</u>	<u>BP Shift</u>	<u>Original GRPs<sup>1</sup></u>		<u>Optimized GRPs<sup>2</sup></u>
Brand A	Commercial A:60	5.9	34	↑	166
Brand A	Commercial B:60	5.5	116	↓	65
Brand A	Commercial C:30	4.3	42	↑	106
Brand A	Commercial D:30	3.0	36	↓	18
Brand A	Commercial E:30	2.9	58	↓	29
Brand A	Commercial F:60	2.6	162	↓	81
Brand A	Commercial G:30	2.3	35	↓	18

# Market Mix Modeling confirmed optimizations

Even a 50% optimization yielded a 21% improvement in volume impacted, a \$4.9 million increase in a quarter for the same media spend

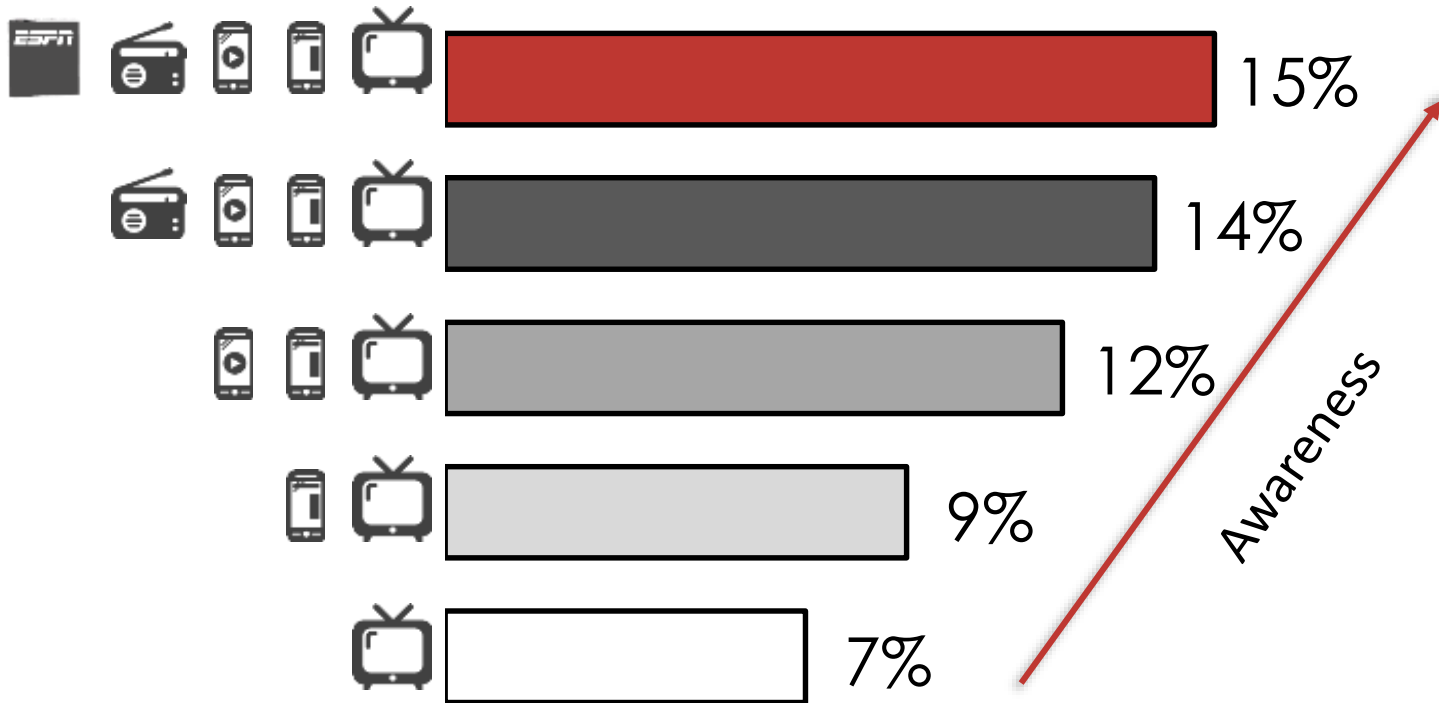




# Case Study #3 – Television's Synergy

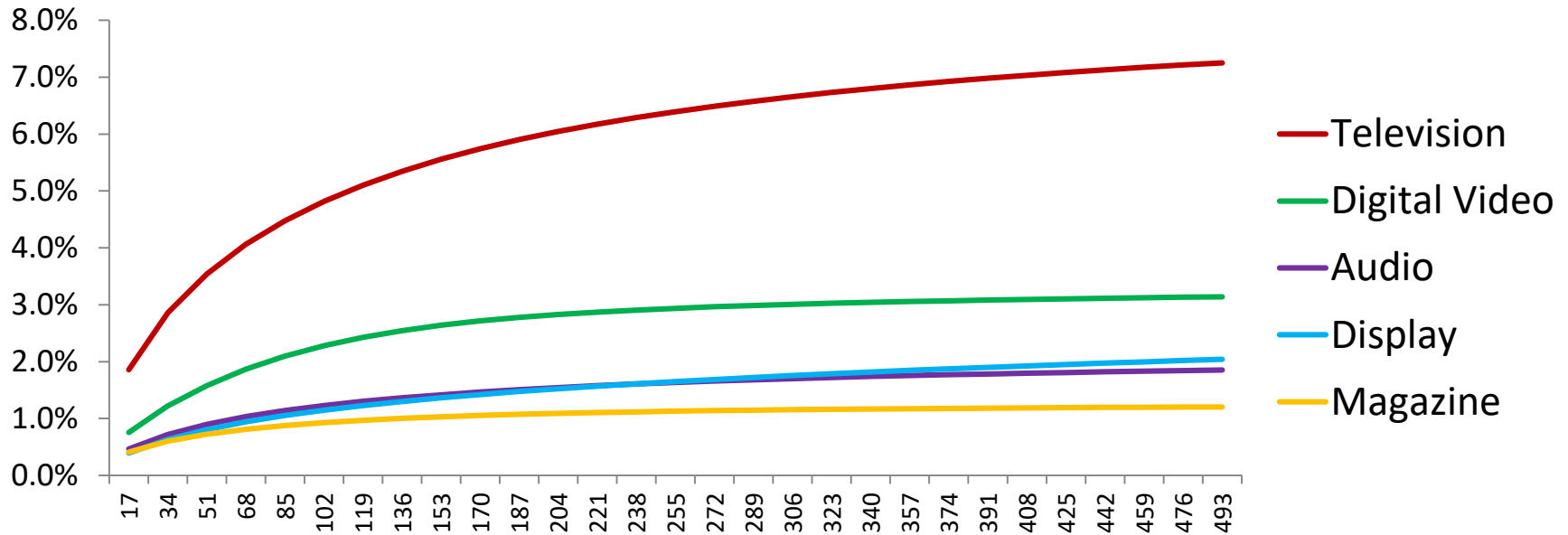
- In addition to its ability to build preference on its own, television is synergistic with other media
- It serves as the baseline for awareness
- It drives a significant portion of earned media online

# Cross Platform Effectiveness



# Platform Exposure Impact on KPIS: Awareness

## Incremental Awareness Over 4 Weeks By ESPN Platform



# Broad Learning: How Platforms Drive Ad Awareness

**SPEED**  
(Highest Effect Per Exposure)



**POTENTIAL**  
(Maximum Effect Possible)

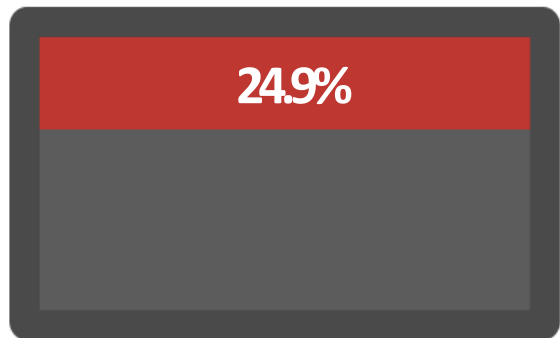
# TV ADS DRIVE EARNED MEDIA ONLINE



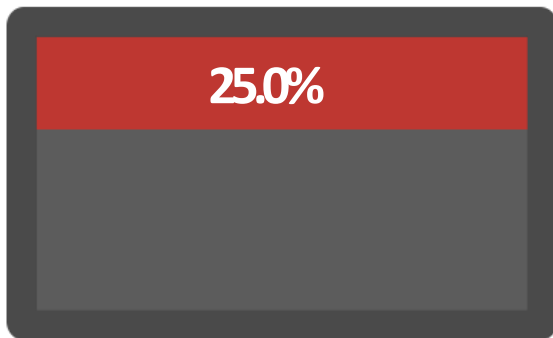
TV



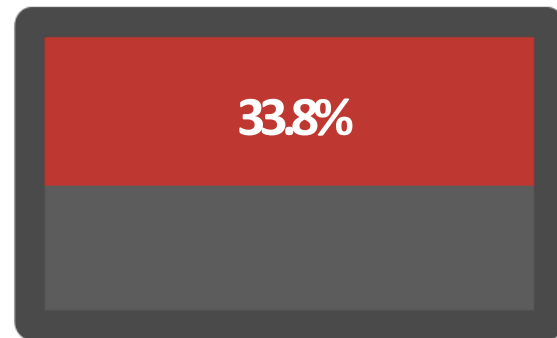
Other



SEARCHES



VIEWS



SOCIAL ACTIVITIES

# Conclusion

While not quite as vigorous as in its heyday, television still has tremendous power to move markets.

A brand wanting to build its value must build brand preference.

Moving from GRPs to PRPs is an effective way to do this!

*Thank you!*