#ROITV3

TV, THE CORNERSTONE OF AN EFFECTIVE MEDIA STRATEGY

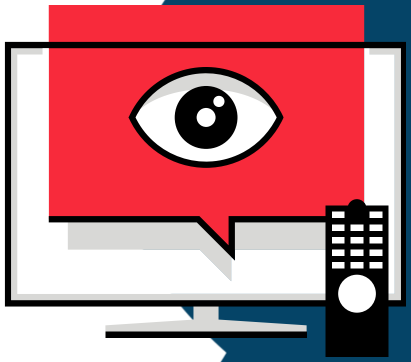
EPISODE 3 – 5 SECTORS
NOVEMBER 2021

SNPTV
SYNDICAT NATIONAL DE LA PUBLICITÉ TÉLÉVISÉE

Ekimetrics.

OBJECTIVES OF THE STUDY

Provide tangible, easy-to-understand indicators to help identify the most appropriate media strategies for a robust recovery.



- R.O.I. and media contributions to sales and their trends
- Synergies between media
- Good media practices from past and future months
- The best video combinations
- International TV R.O.I.

THE SNPTV PARTNER: Ekimetrics.

Ekimetrics. European leader in data science, with +240 data scientists and +1,000 projects since 2006.

Purpose: help companies assess their data assets, enrich their analytical capital, and implement solutions to maximise marketing and operational performance.

PARTNERSHIP

ROITV#2

TROPHÉES ÉTUDES & INNOVATIONS 2021 by OFFREMEDIA

SNPTV x Ekimetrics.

1. **PROVIDE** the right keys for understanding
2. **GUARANTEE** the robustness of data: broad scope, 6 years of in-depth data
3. **PROVIDE** all advertisers with clear and tangible insights
4. **EKIMETRICS models** audited by the CESP

3 KEY DEFINITIONS

Media R.O.I.

Value created, or revenue in € for each € of media spend.

R.O.I. = Value contribution of media to sales ÷ Media spend

Should never be used alone but always in relation to contributions

Contributions

Incremental sales generated by media marketing levers

Synergy

Measuring how multi-media activation makes a campaign more effective in terms of sales

INTRODUCTION

6 YEARS
of in-depth
data

Figures in line with the findings of the 2020 study

Differences and changes are attributable to several factors:

- New timeframe – 2015/2020 vs 2014/2019 for #ROITV2
- Period covered includes a unique year in 2020:
  Decline of 9% in terms of advertisers across all media in the French advertising market in 2020 vs 2019 *(source: Bump 2020)*
- Advertisers entering and exiting the benchmark

5 SECTEURS FOCUS

Automotive
40 models 8 brands

FMCG
19 models 15 brands

Premium Cosmetics
20 models 20 brands

Telecom Operators
39 models 5 brands

Retail
18 models 7 brands

Overall scope: Automotive, Financial Services, Cosmetics, Retail, Entertainment & Leisure, Luxury Goods, FMCG, Telecom Operators, Travel & Hospitality

+250 ECONOMETRIC MODELS
in the overall scope

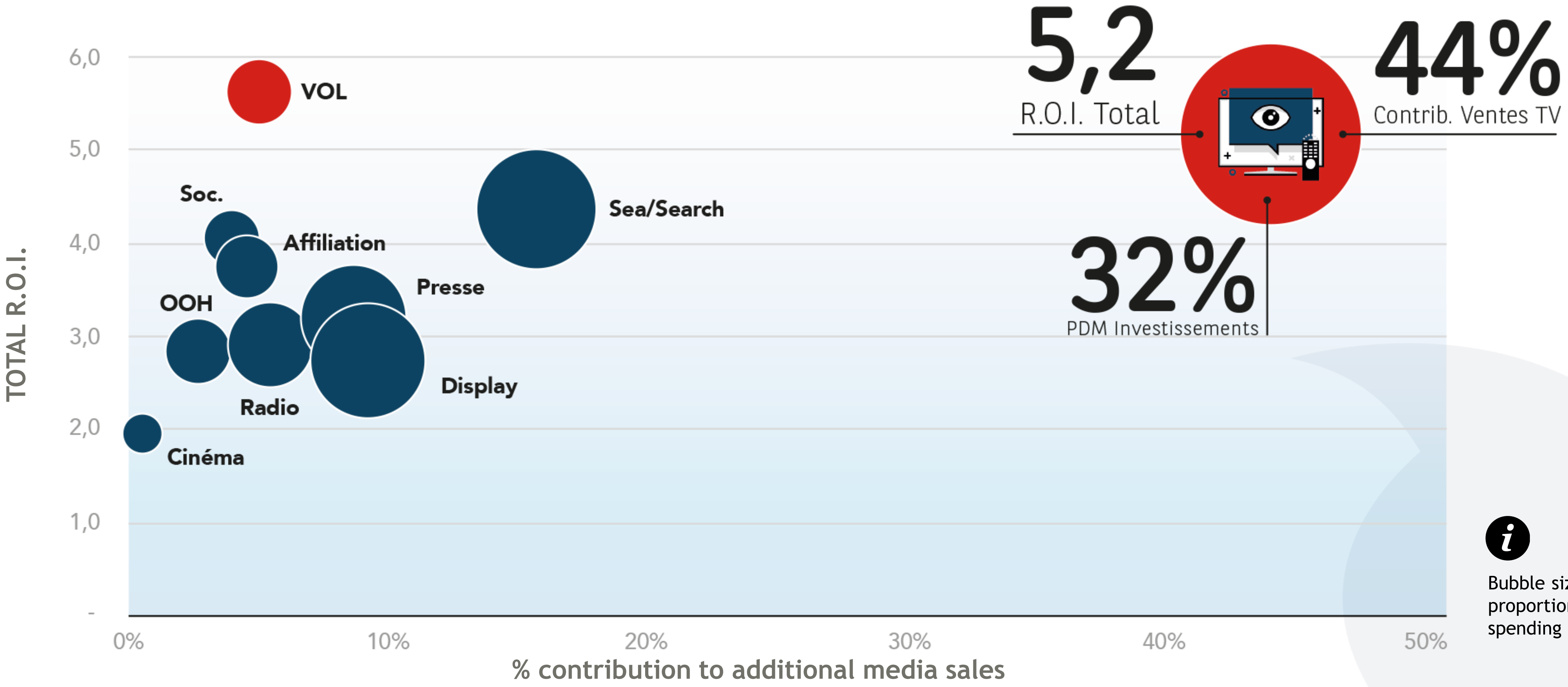
136 ECONOMETRIC MODELS
in the focus sectors

#1

TV CONSOLIDATES ITS ROLE AS THE **CORNERSTONE** OF AN EFFECTIVE MEDIA STRATEGY

CROSS-SECTOR: EFFECTIVENESS AND CONTRIBUTION OF TV MAINTAINED DESPITE THE CRISIS

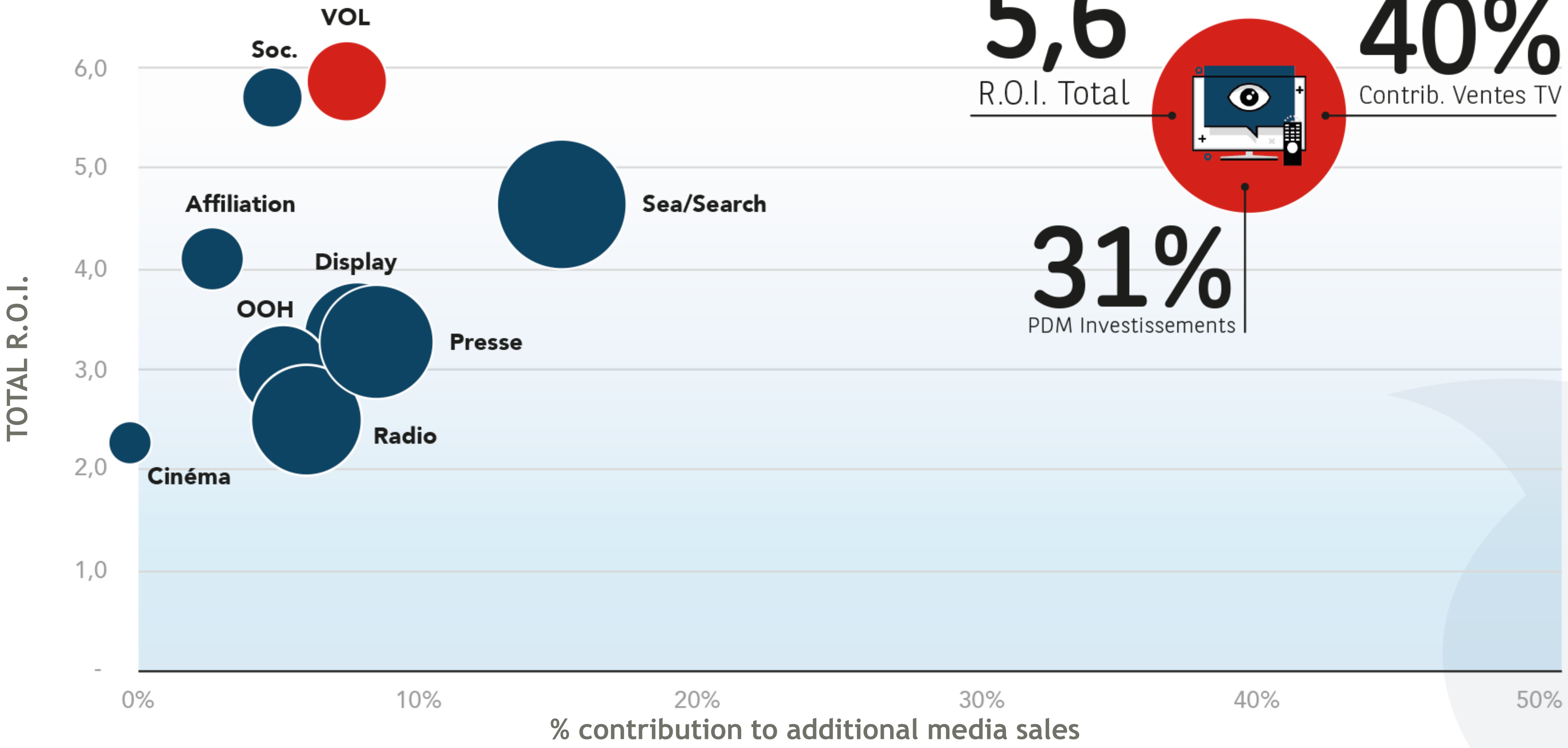
Overall Scope – Reminder of #ROITV2 (2014/2019)



Bubble size proportional to spending

CROSS-SECTOR: EFFECTIVENESS AND CONTRIBUTION OF TV MAINTAINED DESPITE THE CRISIS

Overall Scope - #ROITV3 (2015/2020)

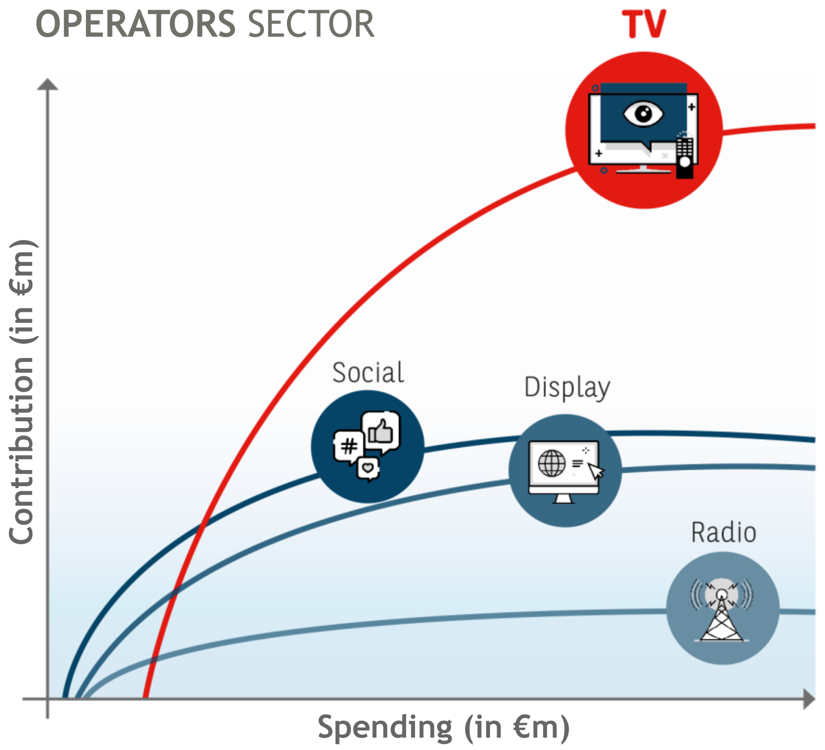


Bubble size proportional to spending

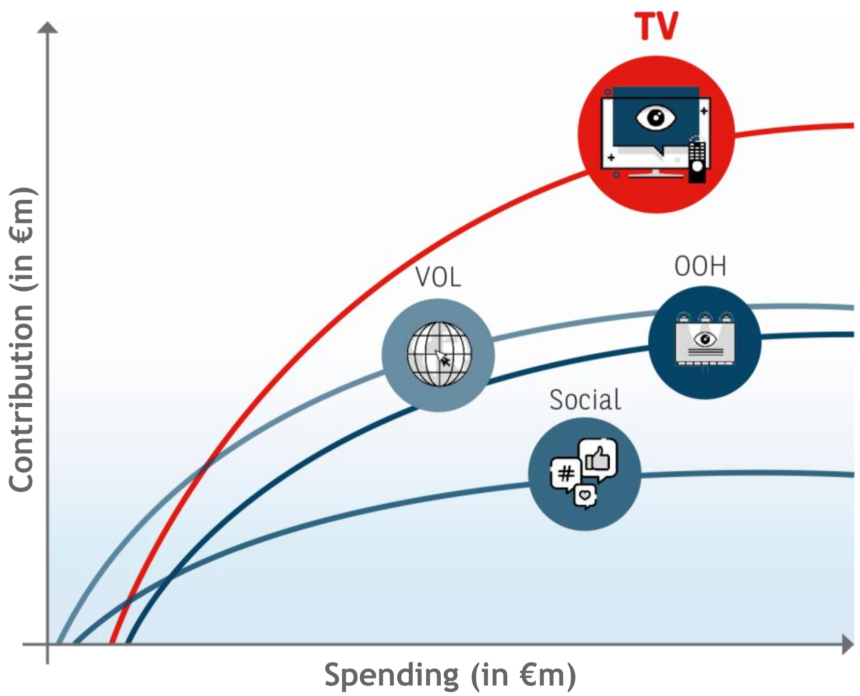
TV GENERALLY PRESENTS A HIGHER SATURATION THRESHOLD

Saturation of media levers

IN THE **TELECOM OPERATORS** SECTOR



IN THE **FMCG** SECTOR



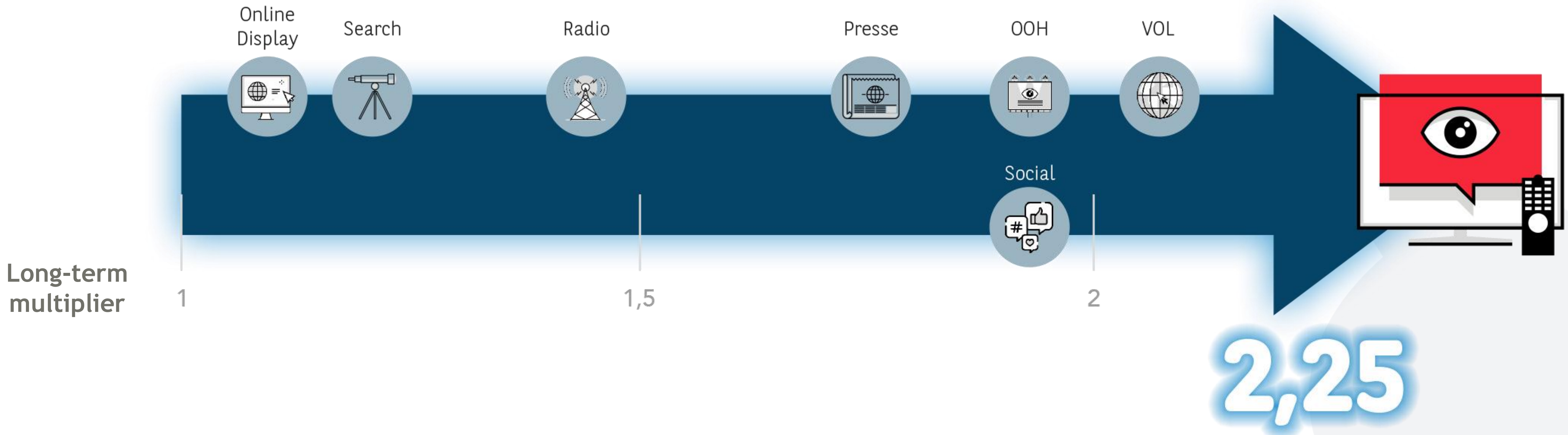
For both the Telecom Operators and FMCG sectors, **TV IS THE LEVER WITH THE HIGHEST SATURATION LEVEL.**

THE EFFECTS OF TV ARE IMMEDIATE AND EXTEND IN AN UNEQUAL MANNER

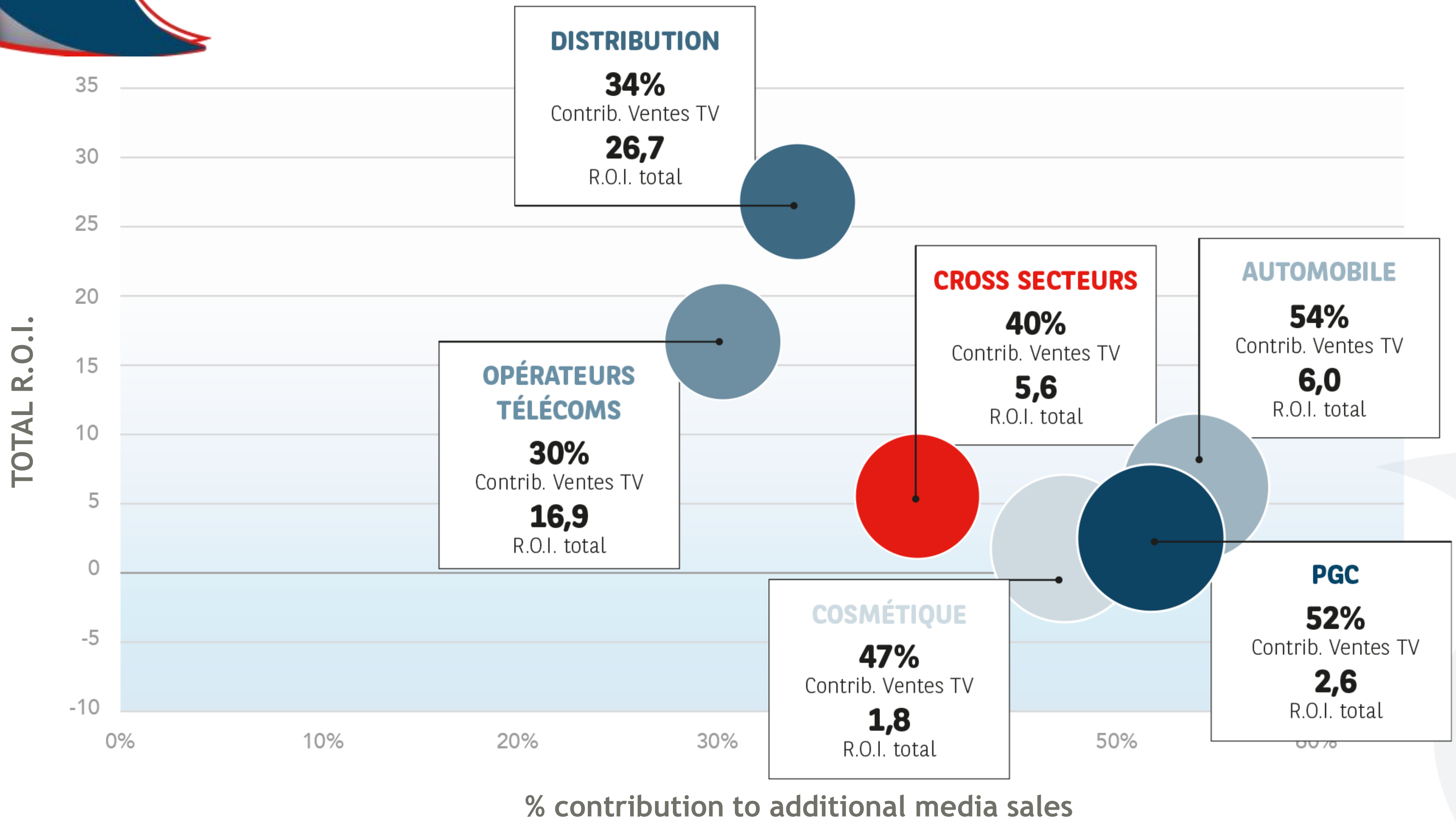
TOTAL R.O.I.

=

Short-term R.O.I. X Long-term multiplier



REGARDLESS OF THE SECTOR, TV ALWAYS MAKES **THE BIGGEST CONTRIBUTION**

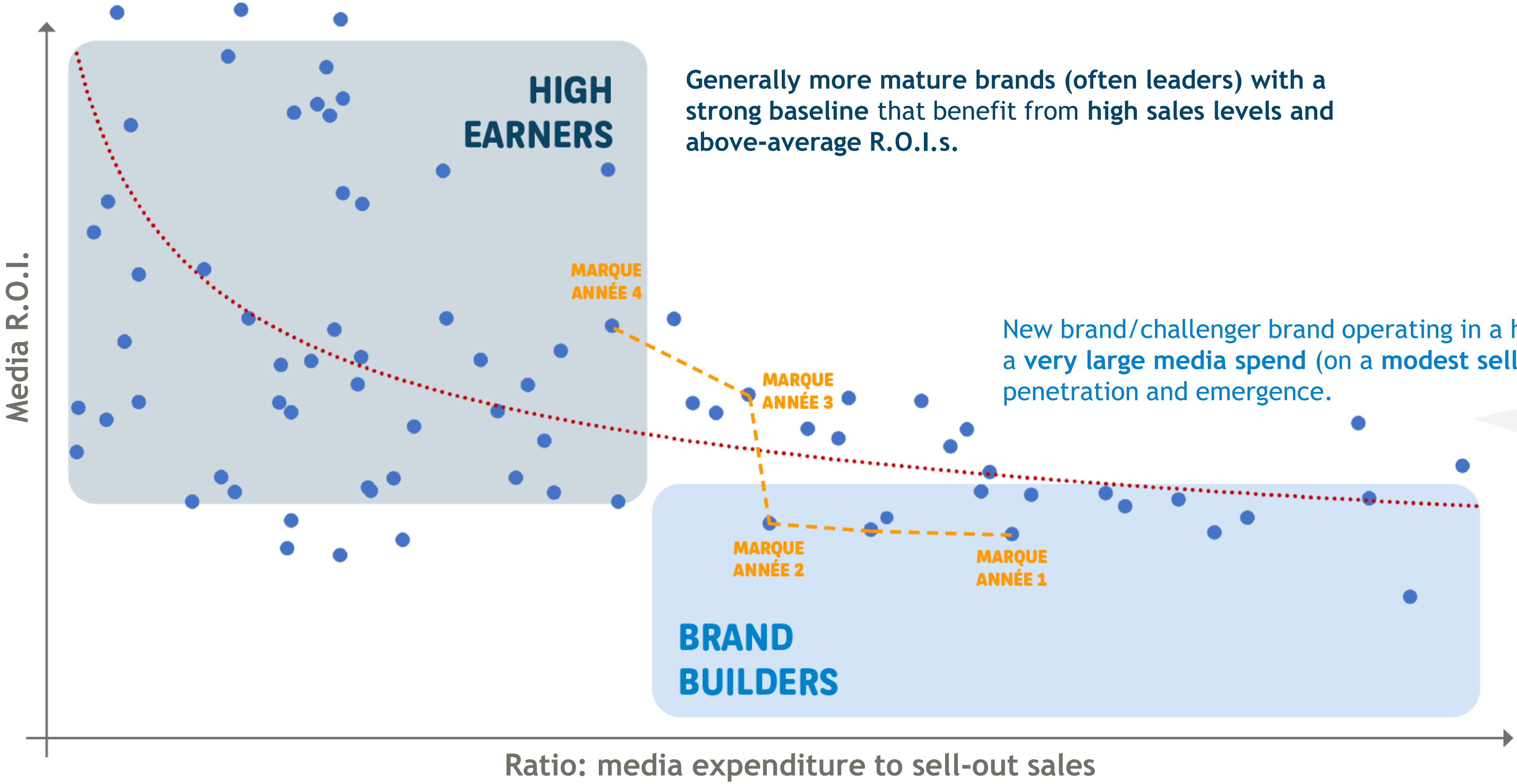


CROSS-SECTOR
Overall scope including all sectors: Automotive, FMCG, Cosmetics, Telecom Operators and Retail

Bubble size proportional to spending

CONTEXTUALISING R.O.I., AS BRAND MATURITY LEVEL COUNTS AS MUCH AS THE SECTOR

Illustration in 2 sectors: FMCG and Cosmetics



Generally more mature brands (often leaders) with a strong baseline that benefit from **high sales levels and above-average R.O.I.s.**

New brand/challenger brand operating in a highly competitive market with a **very large media spend** (on a **modest sell-out level**), targeting market penetration and emergence.

Each dot = brand x year

PROVEN **EFFECTIVENESS** FOR **TELECOM OPERATORS...**

5 brands/39 econometric models

CONTRIBUTION AUX VENTES

30%

des ventes initiées par la TV parmi tous les médias

R.O.I.

16,9

pour 1€ investi

- Campaigns that are particularly effective during peak market periods when subscriptions are high.
  => Back-to-school season/Black Friday/Christmas

- Synergies with other media to be adjusted depending on the type of campaign:
  - Promotional campaigns with Radio
  - Product campaigns with the Press
  - Brand in addition to Social or SEA common thread

AND FOR RETAIL…

7 brands/18 econometric models

CONTRIBUTION AUX VENTES

34%

des ventes initiées par la TV parmi tous les médias

R.O.I.

26,7

pour 1€ investi

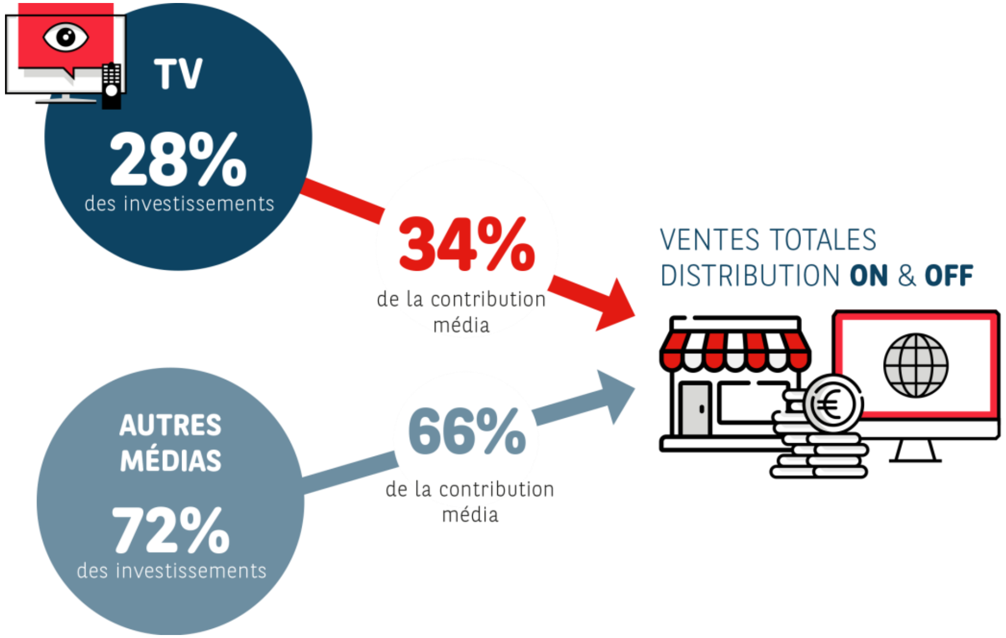
- Increasing numbers of branding campaigns to improve brand indicators through video formats
- Campaigns around new services and products that generate better R.O.I. in the short term, particularly when complemented by targeted Radio campaigns
- Strong synergy with SEA on e-commerce channels

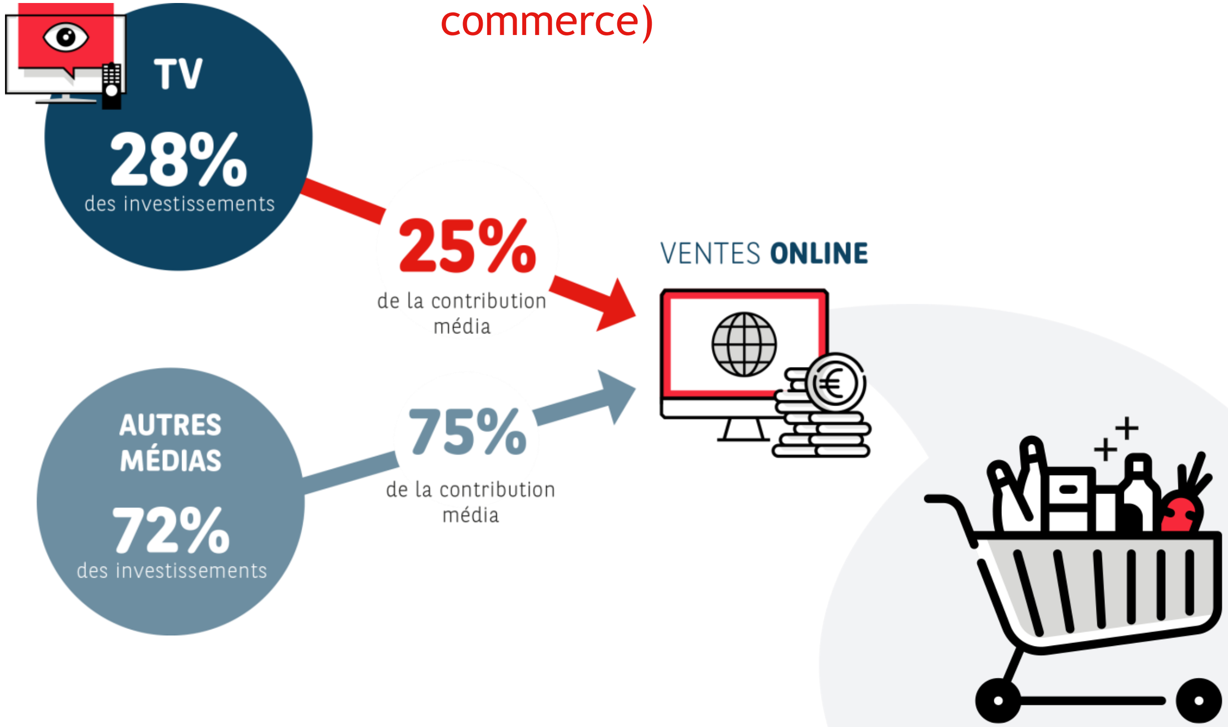
AND FOR RETAIL…

7 brands/18 econometric models

An **OMNICHANNEL STRATEGY** must be based on a multi-media strategy

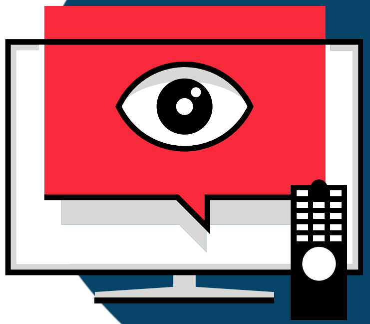
TV is also a key medium for driving online sales (drive-through, home delivery, e-commerce)





TV: DRIVING SYNERGIES

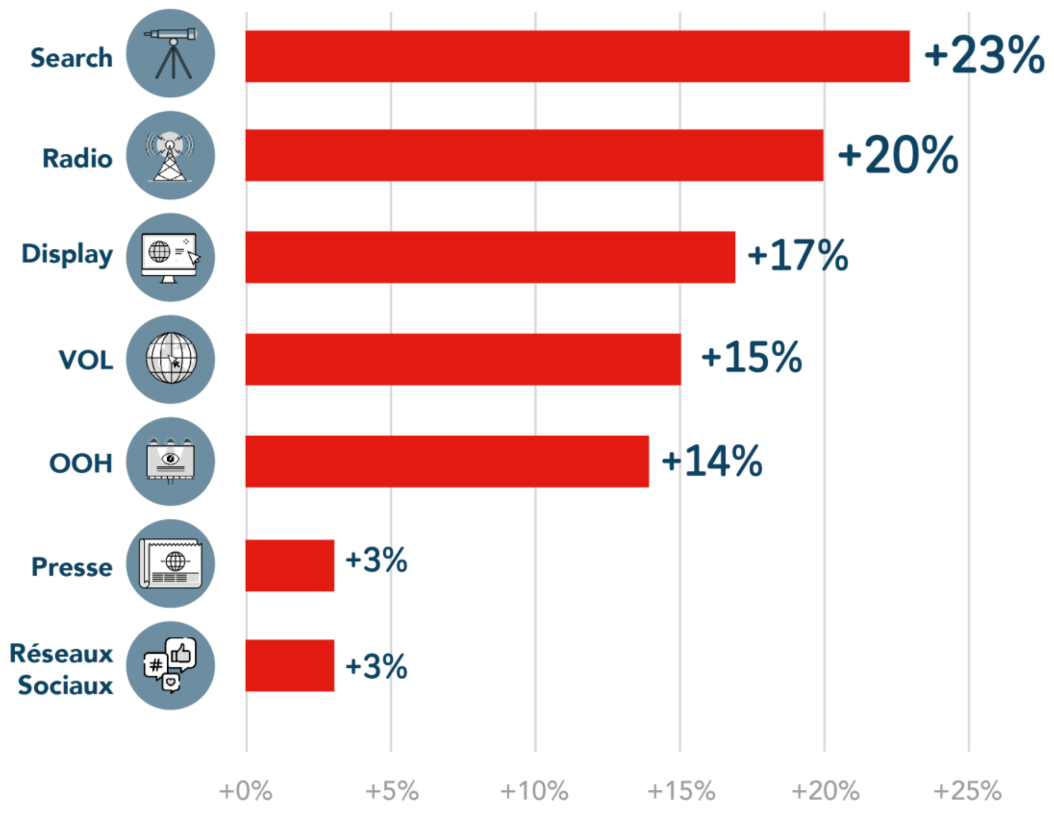
WITH ITS UNPARALLELED REACH,
TV GENERATES
STRONG SYNERGIES
WITH OTHER MEDIA



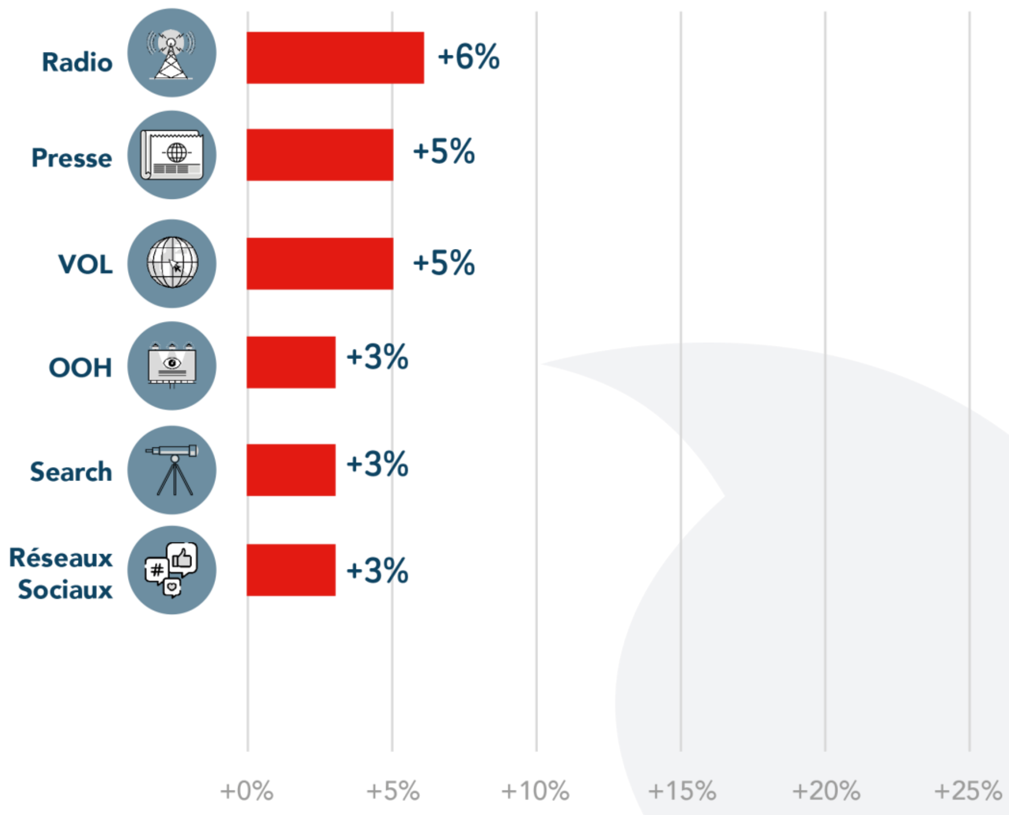
TV IS THE **CATALYST** FOR ALL OTHER LEVERS

Scope: France - all sectors 2015/2020

Effectiveness gains **ON OTHER MEDIA** when TV is used



Effectiveness gains **ON TV** when other media are used



DIFFERENT TOP 3 SYNERGIES
DEPENDING ON THE SECTOR TO MAXIMISE EFFECTIVENESS

AUTOMOBILE	COSMÉTIQUES PREMIUM	PGC	OPÉRATEURS TÉLÉCOMS	DISTRIBUTION
TV + **RADIO** +9% d'efficacité	TV + **OOH** +5% d'efficacité	TV + **RADIO** +8% d'efficacité	TV + **SEARCH** +10% d'efficacité	TV + **RADIO** +13% d'efficacité
VOL +5% d'efficacité	**PRESSE** +4% d'efficacité	**VOL** +6% d'efficacité	**RADIO** +9% d'efficacité	**SEARCH** +10% d'efficacité
OOH +4% d'efficacité	**SOCIAL / VOL** +4% d'efficacité	**DISPLAY** +3% d'efficacité	**VOL** +6% d'efficacité	**VOL** +7% d'efficacité

TV IS THE **CATALYST** FOR ALL OTHER LEVERS

Factoring in synergy effects, R.O.I. is even higher

R.O.I. GLOBAL*

6,4

2,5 R.O.I. of TV in the 4 months following the campaign

3,1 Long-term R.O.I. of TV via the effect on the baseline

0,8 Incremental due to the synergy effect with other media*

*under optimal circumstances

- Seasonality
- Phasing other media
- Construction of the baseline
- Optimal spend per campaign
- Media mix

Scope: cross-sector

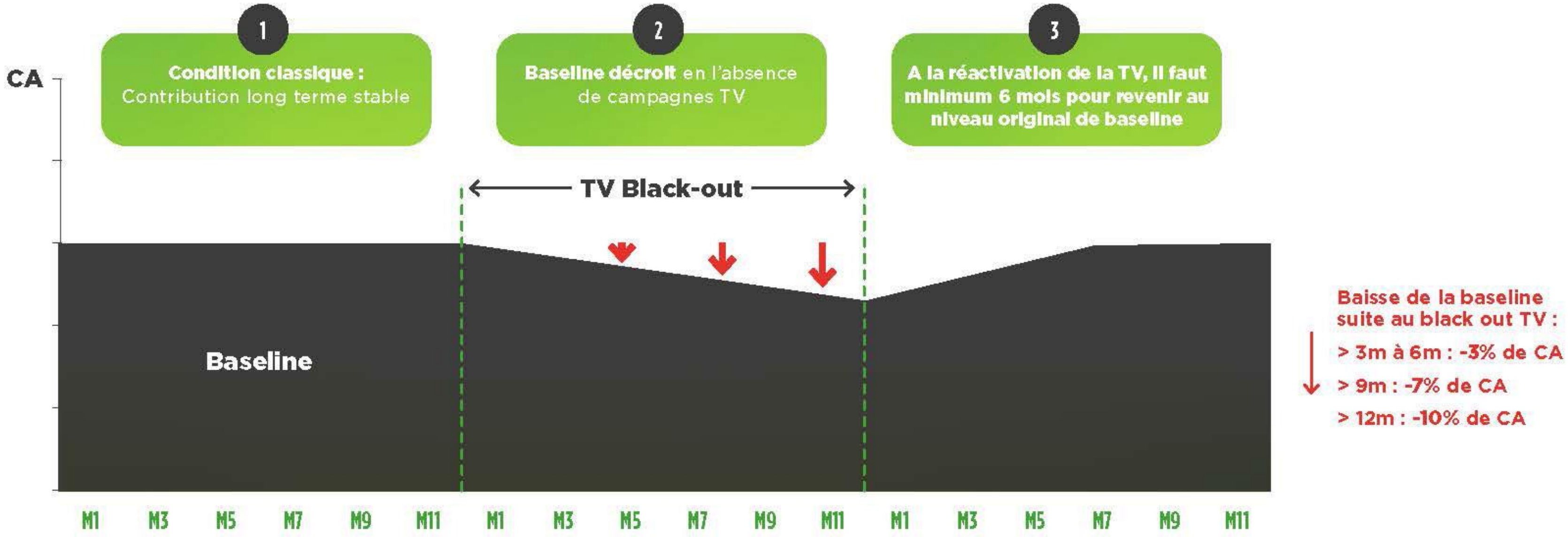
#2

FOCUS ON THE IMPACT OF STRATEGIES

DURING AND AFTER THE CRISIS

WE "WARNED" LAST YEAR ABOUT THE RISKS OF MEDIA BLACKOUT

Au bout de quelques semaines de blackout TV, **la baseline baisse significativement...**



Ces résultats sont issus d'un benchmark Ekimetrics sur les secteurs Banque Assurance, Retail et Automobile

Après **1 an de black out TV**, on observe souvent une **baisse de plus de 10%** de la performance liée à une perte de baseline.

≈10

WE “WARNED” LAST YEAR ABOUT THE RISKS OF MEDIA BLACKOUT

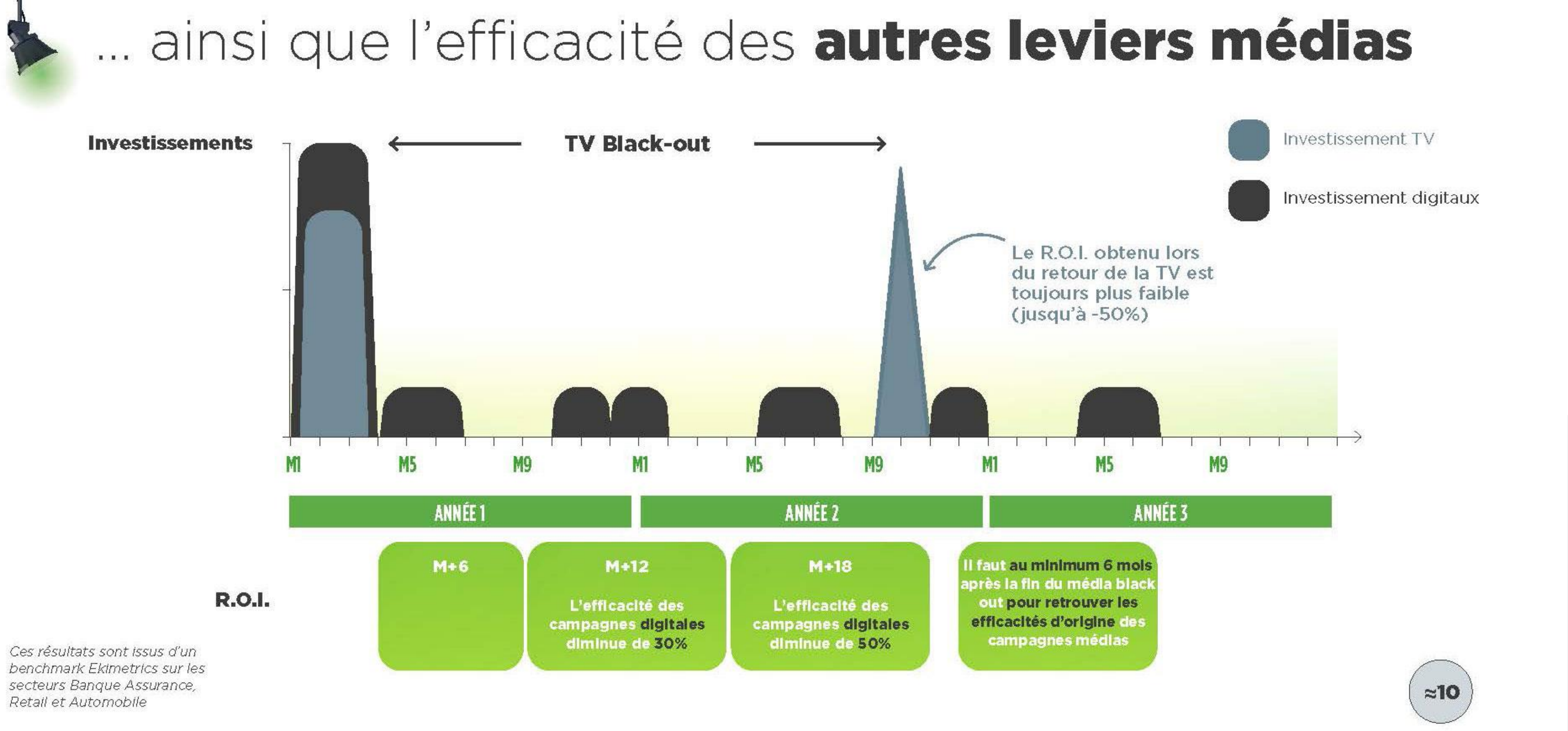
Quelques mois suffisent pour **endommager le capital de la marque**

Ces résultats sont issus d'un benchmark Ekimetrics sur les secteurs Banque Assurance, Retail et Automobile

Après une **coupure média de 1 an**, il faut **investir** aux alentours de **50%** de plus qu'habituellement pour espérer **retrouver** dans un délai acceptable (1 an) son niveau de **notoriété**

≈10

WE “**WARNED**” LAST YEAR ABOUT THE RISKS OF MEDIA BLACKOUT



SOME PLAYERS REDUCED, POSTPONED OR CUT THEIR TV CAMPAIGNS AND THE IMPACT WAS **NEGATIVE**

TV blackout
Lockdown blackout

1. **IMMEDIATE LOSSES IN TERMS OF SALES VOLUMES AND REVENUES** (losses from 3% to 10%)
2. **SLOWER POST-LOCKDOWN RECOVERY,** even in a dynamic sector
3. **LOSS OF UP TO 2 POINTS OF MARKET SHARE** for leading brands

3-month deferral
of a campaign

1. Shift in seasonality from April to September
2. Which may seem trivial because the spend is maintained
3. **€1.5m IN LOST REVENUE** due to the loss of the afterglow effect and synergies

BY CONTRAST, **POSITIVE EFFECTS** FOR THOSE THAT MAINTAINED THEIR SPENDING

Spending maintained in a sector hit by lockdown

AUTOMOBILE

1. Some vehicles saw an increase in media spend in 2020 vs 2018 or 2019
2. **LIMITED DETERIORATION OF R.O.I.** (-14%) than for the broader market (-25%)
3. Brands that maintained/did not reduce their spending too much **GAINED MARKET SHARE AND CONTINUED TO SUPPORT THEIR BASELINE**

Spending maintained and messages refocused on a relatively unscathed sector

OPÉRATEURS TÉLÉCOMS

1. Media spend maintained
2. Refocus on more product- & promotional-centric messages in 2020
3. **19% EFFECTIVENESS GAIN**
4. Increase in the weight of TV in media contribution

A TV BLACKOUT RESULTS IN A LOSS OF REVENUE

À Long Terme
24 mois

X€ budget pub TV coupé

=

Chiffre d'affaires €

5,6x (budget pub TV coupé)

COSMÉTIQUES PREMIUM	PGC	SERVICES FINANCIERS	AUTOMOBILE	OPÉRATEURS TÉLÉCOMS	DISTRIBUTION
↓ 1,8x	↓ 2,6x	↓ 5,6x	↓ 6,0x	↓ 16,9x	↓ 26,7x

#3

THE **VIDEO FORMAT** CONTINUES ITS RISE

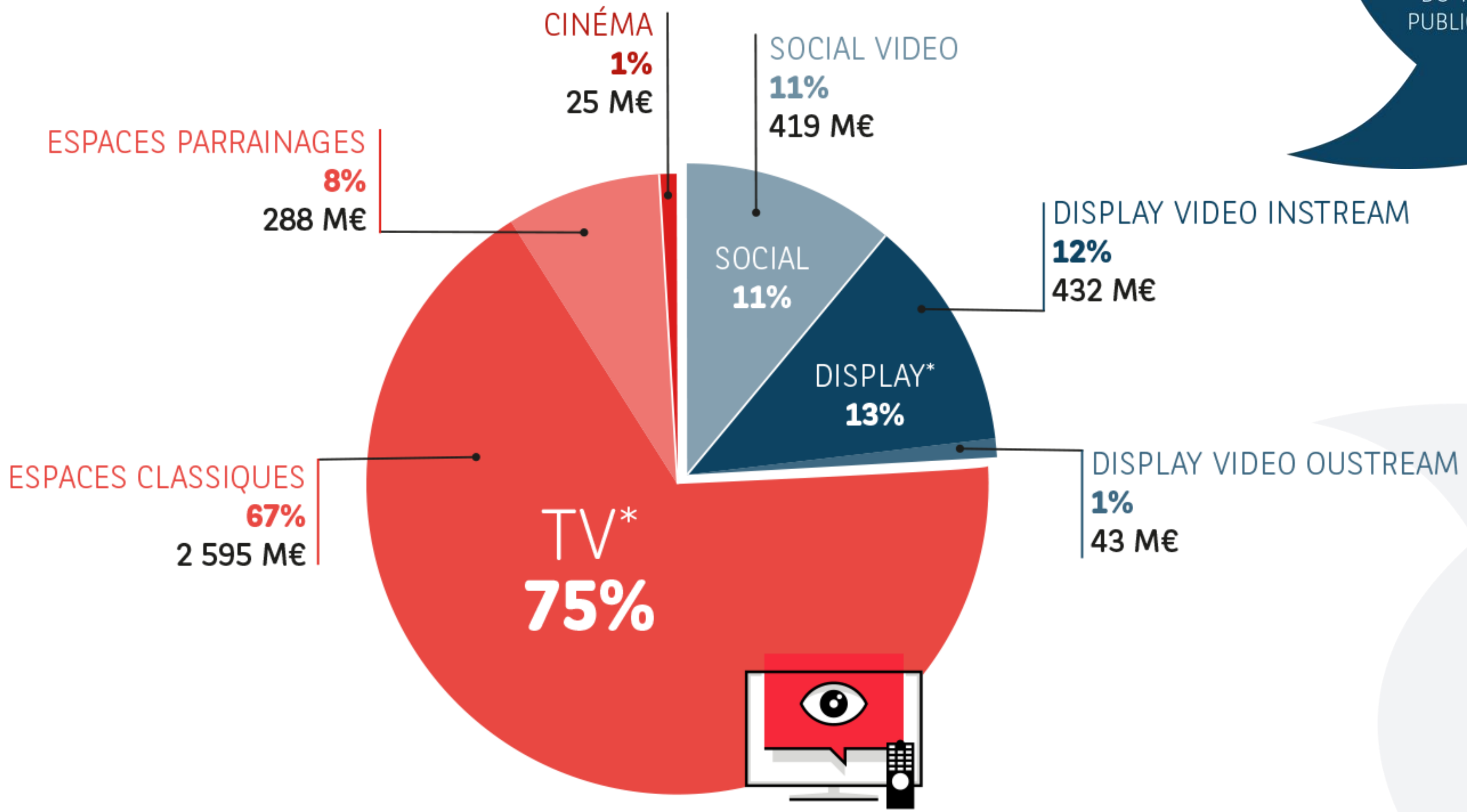
SPENDING

THE VIDEO FORMAT IN FRANCE IN 2020
OBSERVATOIRE DE L'E-PUB DATA

3 802 M€
SOIT **33%**
DU TOTAL DU MARCHÉ PUBLICITAIRE EN FRANCE EN 2020

OFFLINE 76%
2 908 M€

ONLINE 24%
894 M€



In terms of spending

Source: IREP

* Catch-Up TV is included in Display and represented **€145m** in 2020 according to the SRI Observatoire de l'e-pub

SCOPE OF THE VIDEO STUDY

The results of this focus are based on cases where the Video format data was sufficiently granular:

2018 > early 2021

41 ECONOMETRIC MODELS
in the focus sectors

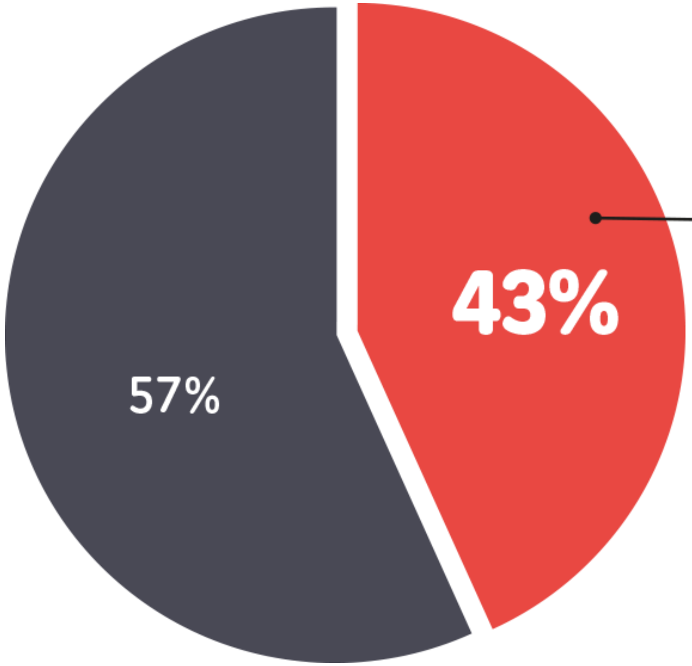
6 FOCUS SECTORS

AUTOMOTIVE	ENTERTAINMENT & LEISURE	FINANCIAL SERVICES + TELECOM OPERATORS	RETAIL	COSMETICS	FMCG
12 cases	6 cases	8 cases	4 cases	6 cases	5 cases

THE VIDEO FORMAT IS **OVER-REPRESENTED** IN THE SCOPE OF THE STUDY VS THE MARKET

Scope: France – 41 Ekimetrics cases in 56 sectors/2018 – early 2021

Weight of the Video format as a proportion of media spend



VIDÉO OFFLINE
83%

VIDÉO ONLINE*
17%

=

Breakdown of Video OnLine formats

DISPLAY VIDEO & VOL	SOCIAL VIDEO	CATCH UP TV
9,6%	3,4%	3,7%

* Excl. Cinema/Video OnLine = Display Video & VOL + Social Video + Catch-Up TV

GREATER WEIGHT OF TV IN THE STUDY BASE,
WHICH IS FOCUSED ON LARGE ADVERTISERS

	VISION MARCHÉ Part d'investissement		VISION EKIMETRICS Part d'investissement	
	VS TOTAL MÉDIA	VS TOTAL VIDÉO	VS TOTAL MÉDIA	VS TOTAL VIDÉO
TV OFFLINE	25%	**76%**	36%	**83%**
VOL & DISPLAY VIDEO (OUTSTREAM, Teads)	2,8%	**8,7%**	4,2%	**9,6%**
SOCIAL VIDEO	3,6%	**11%**	1,5%	**3,4%**
CATCH UP TV	1,2%	**3,8%**	1,6%	**3,7%**
TOTAL	**33%**	**100%**	**43%**	**100%**

Source: IREP - The French advertising market & the Observatoire e-pub 2020 survey (SRI)

Scope: France - 41 Ekimetrics cases in 6 sectors, 2018 - early 2021

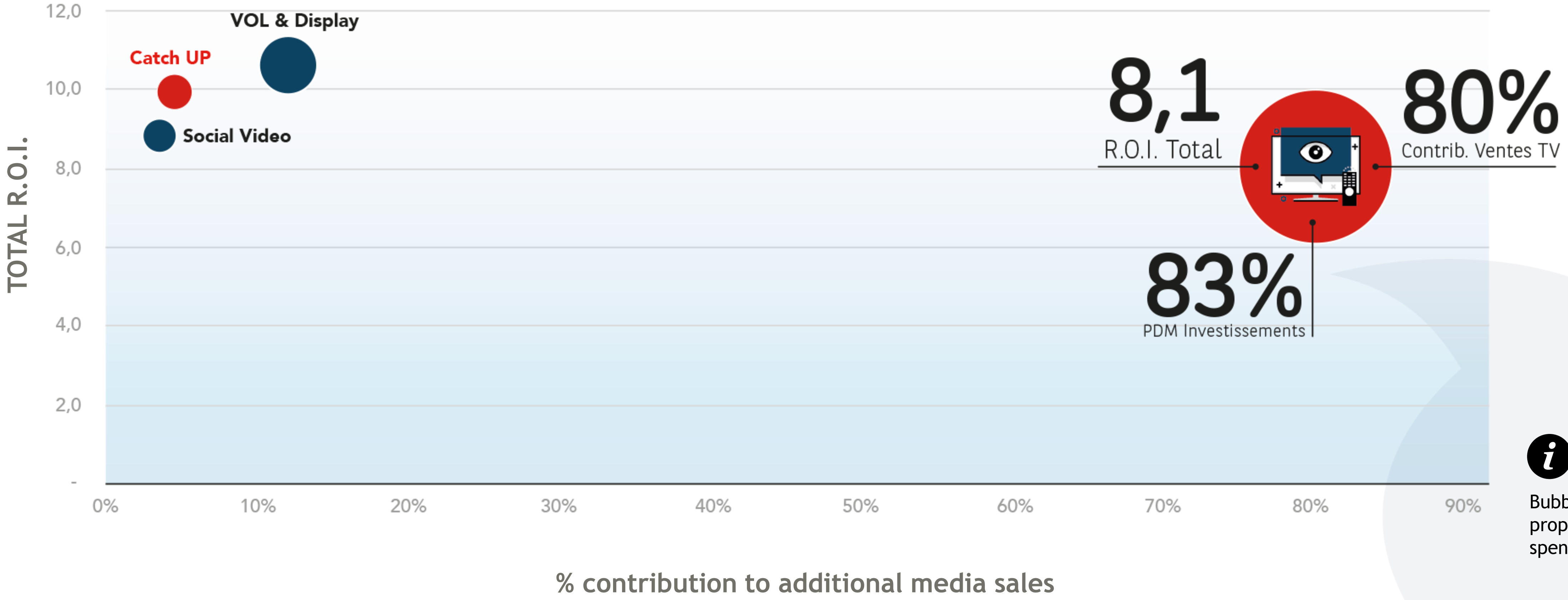
#4

TV, THE CORNERSTONE OF A GOOD VIDEO STRATEGY

CONTRIBUTIONS AND R.O.I.

NEARLY **85% OF THE CONTRIBUTION** OF THE VIDEO FORMAT TO SALES IS GENERATED BY TV AND CATCH-UP TV

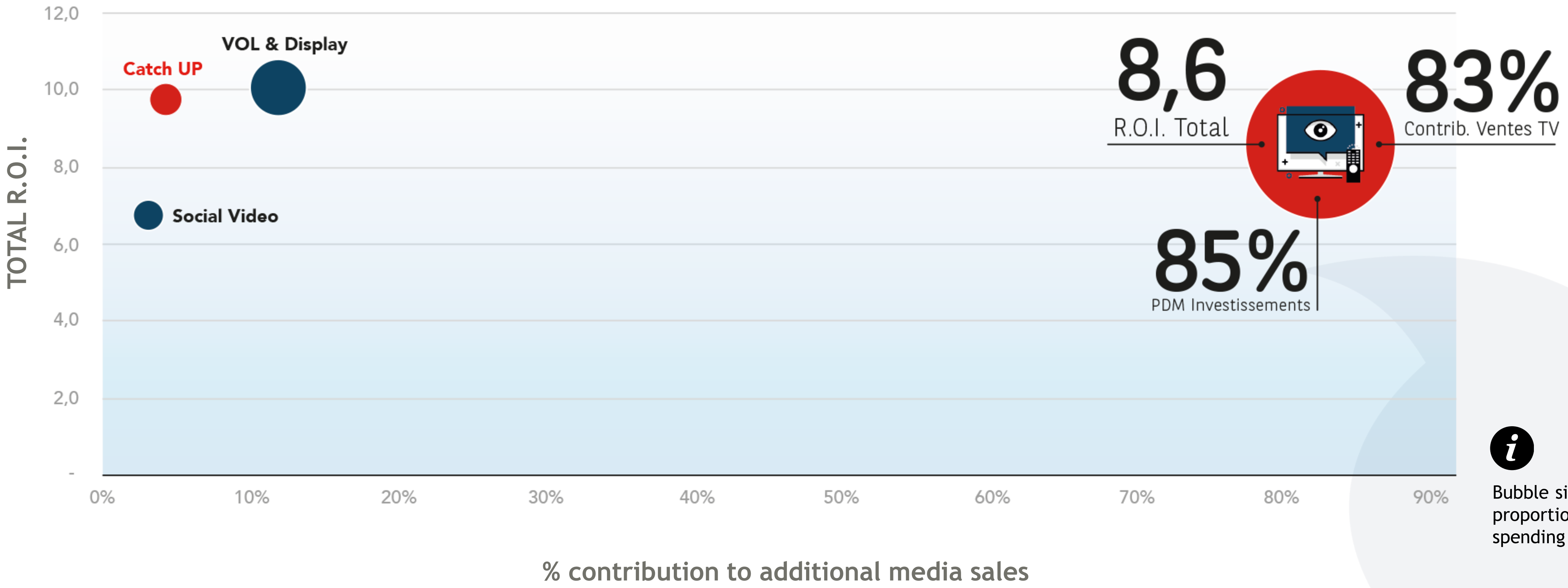
Total scope: 41 cases from 2018/early 2021



Bubble size proportional to spending

MAJOR CONTRIBUTION AND HIGH R.O.I. OF TV

Scope: 30 models excl. beauty & leisure



Bubble size proportional to spending

COMPLEMENTARITY BETWEEN TV AND CATCH-UP TV HELPS
BOOST CAMPAIGN EFFECTIVENESS BY 20%

Complementary impact for an R.O.I. boost

- Reach a **LARGER AUDIENCE**
- **BENEFIT FROM THE SYNERGY OF TV,** which has a positive impact on the R.O.I. of most media levers
- **LESS INTRUSIVE FORMAT** as consumers choose the programme themselves => link between R.O.I./effectiveness and perception of the context
- **"PREFERENTIAL" ADS** with a limited number of ads/brands during a programme

Short-term effectiveness gap between Catch-Up TV & TV

COSMÉTIQUES PREMIUM	≥ 40%
LOISIRS & DIVERTISSEMENT	≥ 50%
AUTOMOBILE	≥ 25%
SERVICES FINANCIERS, PGC, OPÉRATEURS TÉLÉCOMS	≥ 30%
DISTRIBUTION	≥ 20%

SOME GOOD MEDIA PRACTICES WITH VIDEO LEVERS

✔

ALLOCATING BETWEEN 40% AND 50% OF THE MEDIA BUDGET TO THE VIDEO FORMAT helps optimise total R.O.I. and the long-term impact of a campaign to build the brand image

✔

Campaigns that utilise **SYNERGY EFFECTS WITH AT LEAST 3 VIDEO FORMATS - INCLUDING TV - OUTPERFORM IN TERMS OF R.O.I. AND CONTRIBUTION**

✔

ALLOCATE AT LEAST 57% OF THE VIDEO SPEND TO TV DURING PEAK TIMES or your campaign will underperform (*except in the cosmetics sector*)

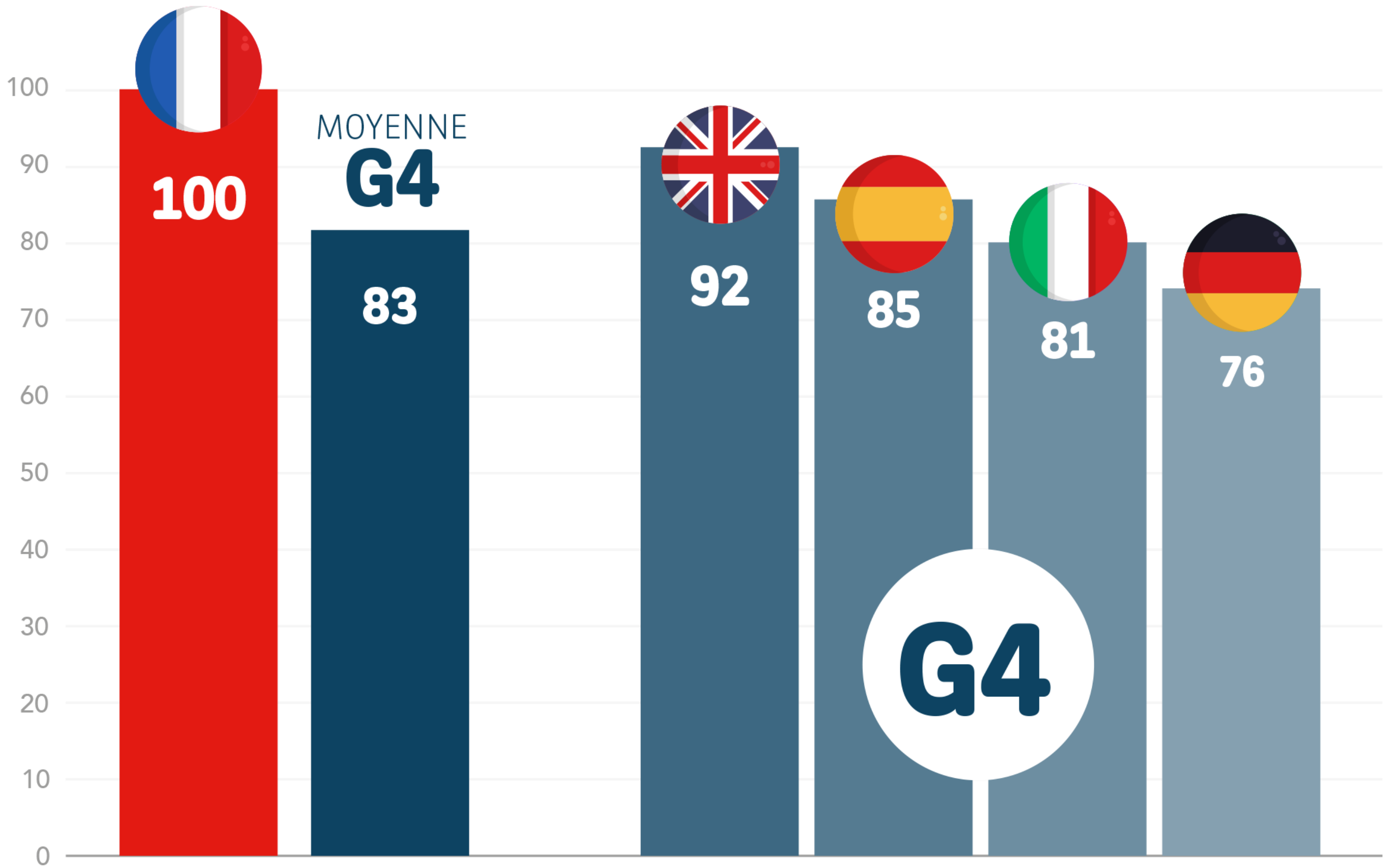
✔

Use the **POWER OF THE TV & CATCH-UP TV COMBINATION:** Catch-Up TV intensifies the short-term impact of TV alone

#CONCLUSION

R.O.I. IS HIGHER IN FRANCE
THAN AMONG OUR EUROPEAN NEIGHBOURS

Scope: France & G4/4 sectors – 2015/2019



AVERAGE CALCULATED ON THE FOLLOWING SECTORS:

- **Automotive**
- **Beauty Luxury/Premium Cosmetics**
- **Brands:** fast-moving consumer goods sold in supermarkets & specialty stores
- **Travel & Hospitality:** transport and hotel/tourism services

- Germany: 68 cases
- Italy: 47 cases
- Spain: 39 cases
- UK: 84 cases
- France: 143 cases

TV: THE CORNERSTONE OF AN EFFECTIVE MEDIA STRATEGY

CONTRIBUTION AUX VENTES

40%

des ventes initiées par la TV parmi tous les médias

R.O.I.

5,6

pour 1€ investi

SYNERGIE

+15%

d'efficacité moyenne sur les ventes des autres médias

SEUIL DE SATURATION

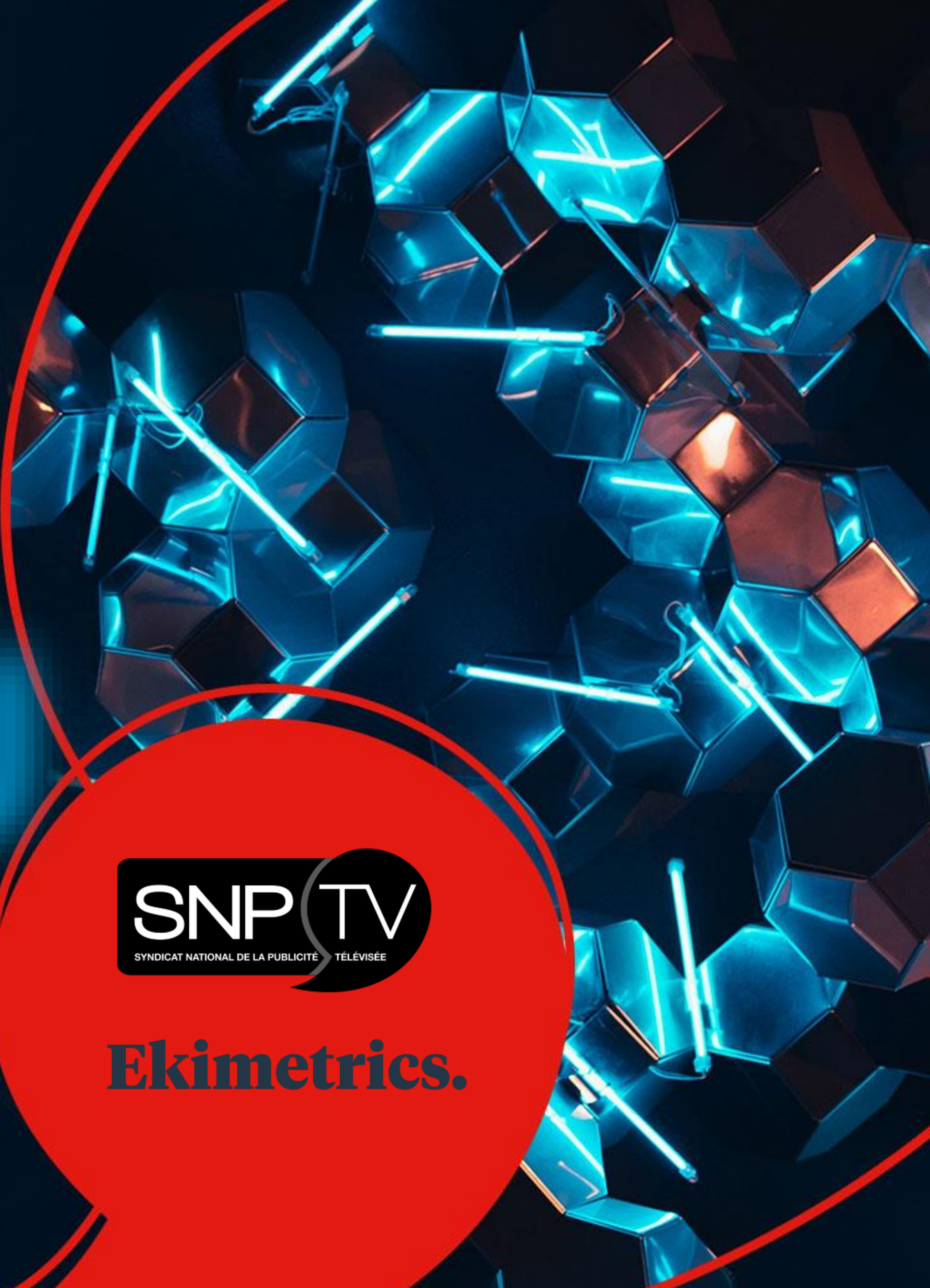
+ ÉLEVÉ

R.O.I. EN FRANCE

+20%

vs G4 (UK, Espagne, Italie et Allemagne)

#THANK YOU



SNP TV
SYNDICAT NATIONAL DE LA PUBLICITÉ TÉLÉVISÉE

Ekimetrics.