Spending limited budget wisely

The best mediums of advertising for securing an ROI

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Davies Prince Media

Content

1. ROI
2. The market
3. The research
4. Media planning
5. A conclusion

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RETURN ON INVESTMENT

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ROI

A measure of the profit earned from each investment

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Simply expressed

$$\frac{\text{Return} - \text{Investment}}{\text{Investment}} \times 100$$

Expressed as percentage

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Marketing ROI is tricky.....

What constitutes RETURN?

What to include on INVESTMENT?

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.....but worth the effort

Simple calculation better than none

Set an ROI goal

Set an ROI threshold

TRACK, MEASURE & REPORT

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MEDIA MARKET CONTEXT

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It’s been tough

But some growth in UK adspend

Overall +2.7% YoY in 2011

So where’s the money going in these demanding times?

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Winners and Losers

2011 Full year	2011 Adspend (£m)	% YoY change
TV	4,159	1.9
Radio	427	1.6
OOH	886	0.6
Press	3,945	-8.4
Cinema	172	-6.6
Internet	**4,784**	**16.8**
DM	1,729	1
TOTAL	**16,102**	**2.7**

Internet is dominant channel with 30% of all media spend

Highly measurable and accountable

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Bellwether overview Jan 2012

Marketing budgets up

Traditional media spend down

Growing investment in online and direct marketing strategies

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UK practitioners are (a bit) more bullish looking forward

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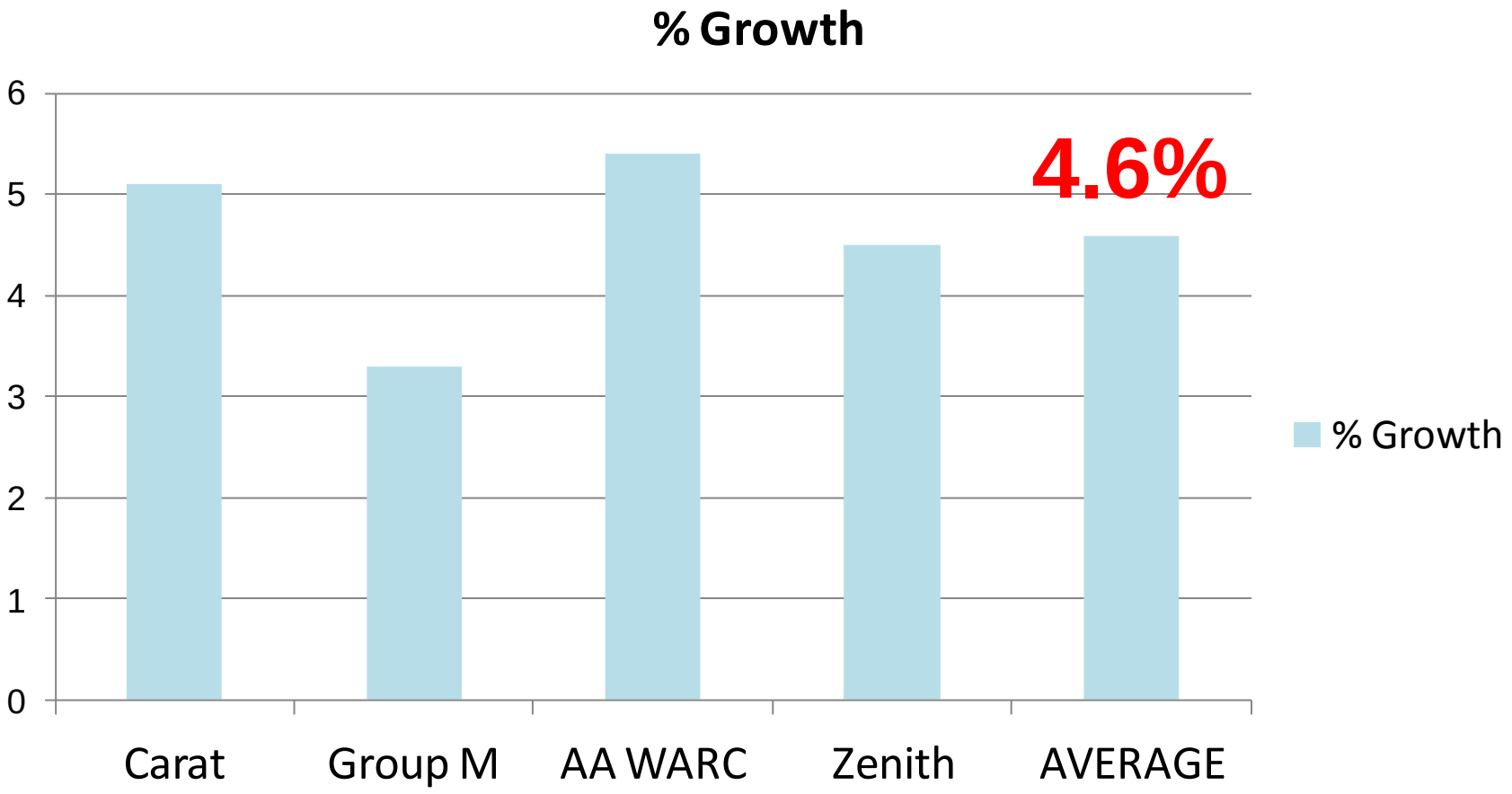
Forecast UK Advertising Growth 2012



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Online driving media growth but other channels (TV, Radio, OOH & Cinema) also displaying positive trends year on year

But press struggling

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2012 channel forecast

CHANNEL	2012 v 2011 % change
TV	2
Radio	3.5
OOH	5
Press	**-0.9**
Cinema	3.3
Internet	8.9
TOTAL	**3.8**

Note: DM Methodology changed Q1 2012

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Press

Regional press in terminal decline

B2B losing out to online

Closure of the NoW

Negative growth again in 2012 but spend stabilising

Still 25% share of UK Adspend

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RESEARCH

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Payback 3: Ebiquity

- Independent study
- Econometric analysis of 3,000 ad campaigns between 2006 and 2011
- Compared sales and profit impact of TV, radio, press, online display and outdoor

Thinkbox / IPA

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Some key findings

- **Per impact or GRP, TV delivers 2.5 times the sales return of next best media**
- **TV delivers the best £ for £ return**
- **TV's profit ROI up 22% in the last 5 years**

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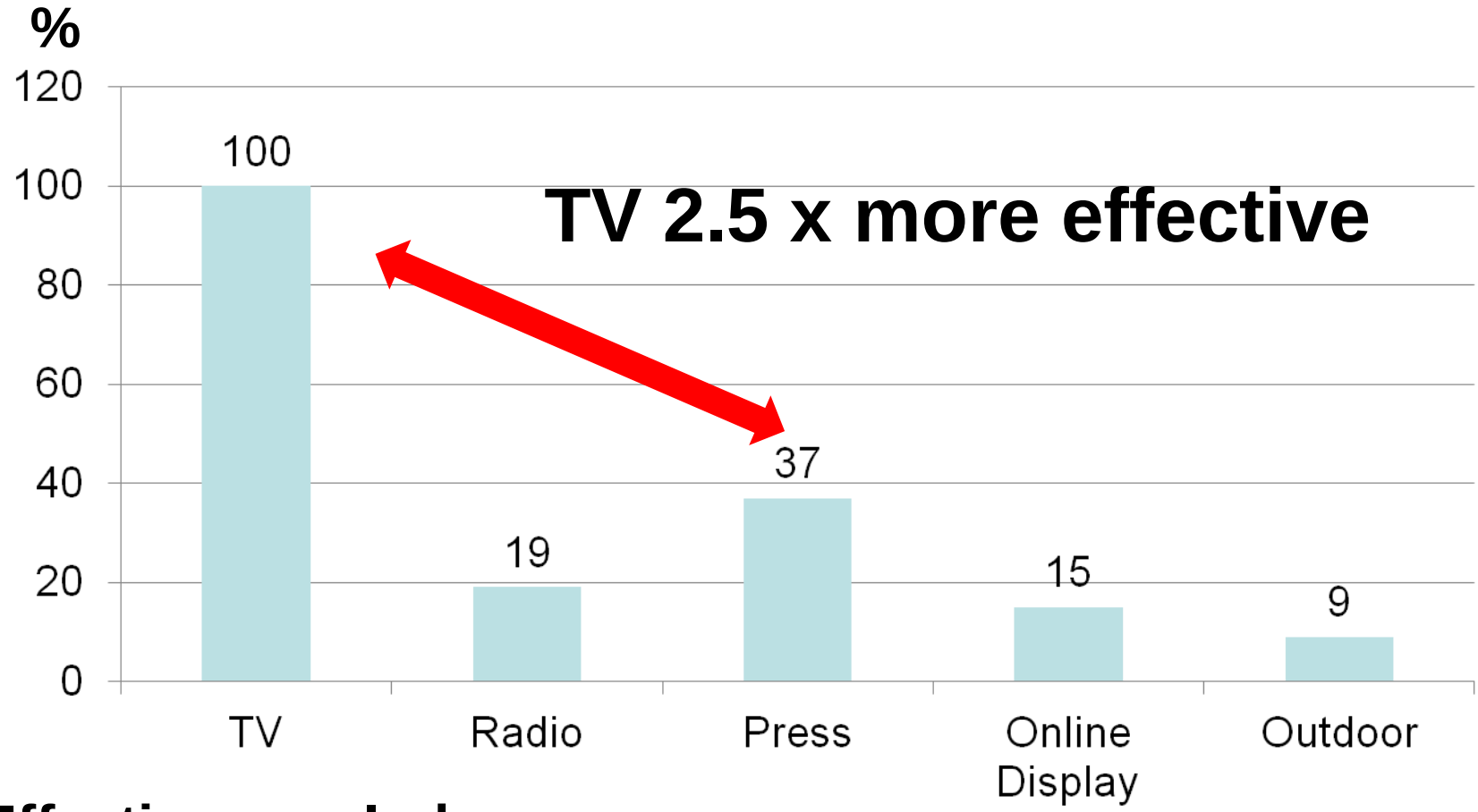
TV is lead effectiveness medium



Effectiveness Index
TV Index=100

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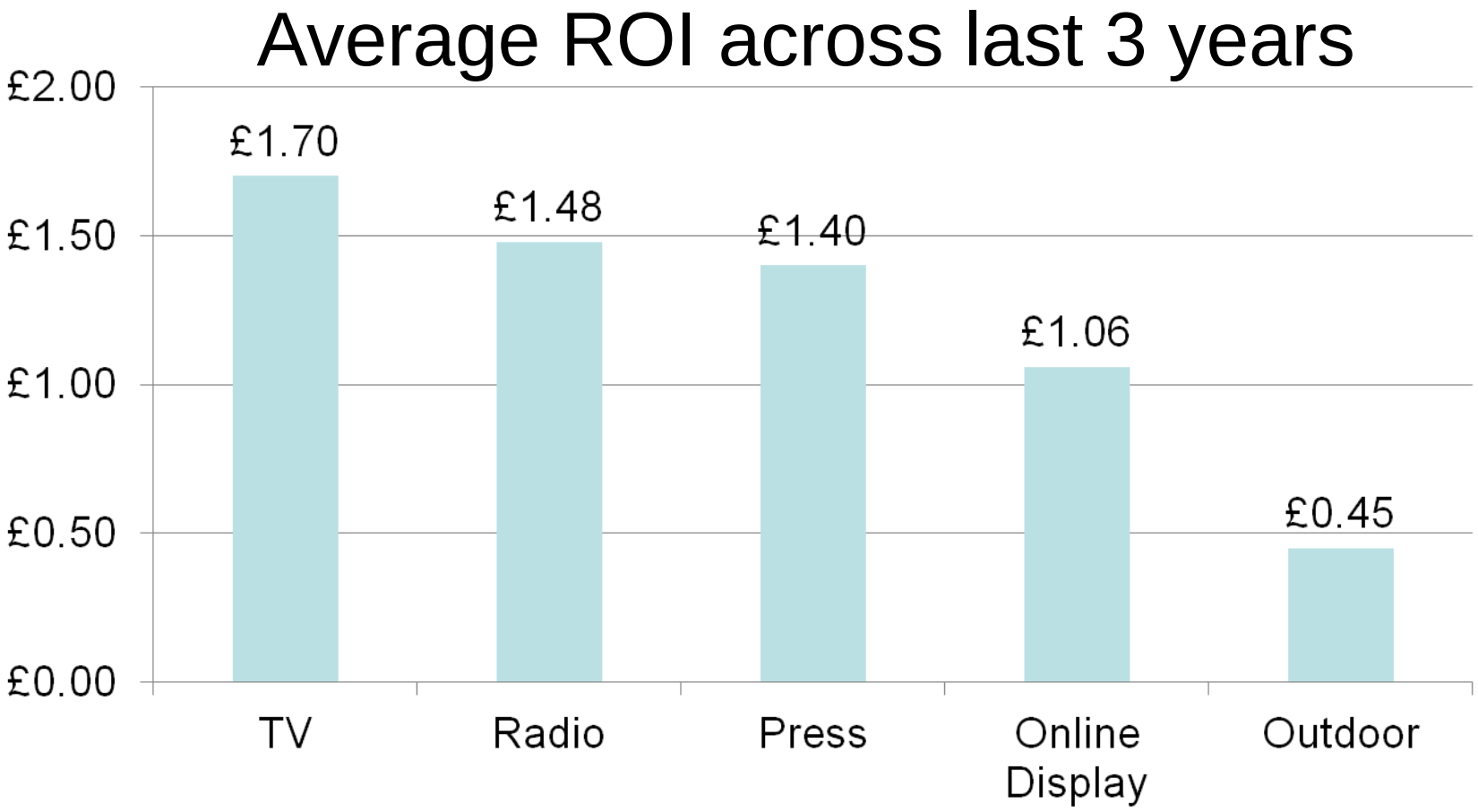
TV delivers best return



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TV ROI higher than 5 years ago

	2006	2011	
Invest	£1m	£1m	
Net Profit	£ 1.49m	£1.81	**+22%**

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MEDIA PLANNING

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Who are we talking to?

What do we want them to.....

Think

Feel

DO?

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Some key planning factors

Reach

Objective

Budget

Who?

Media Efficiency

When?

Where?

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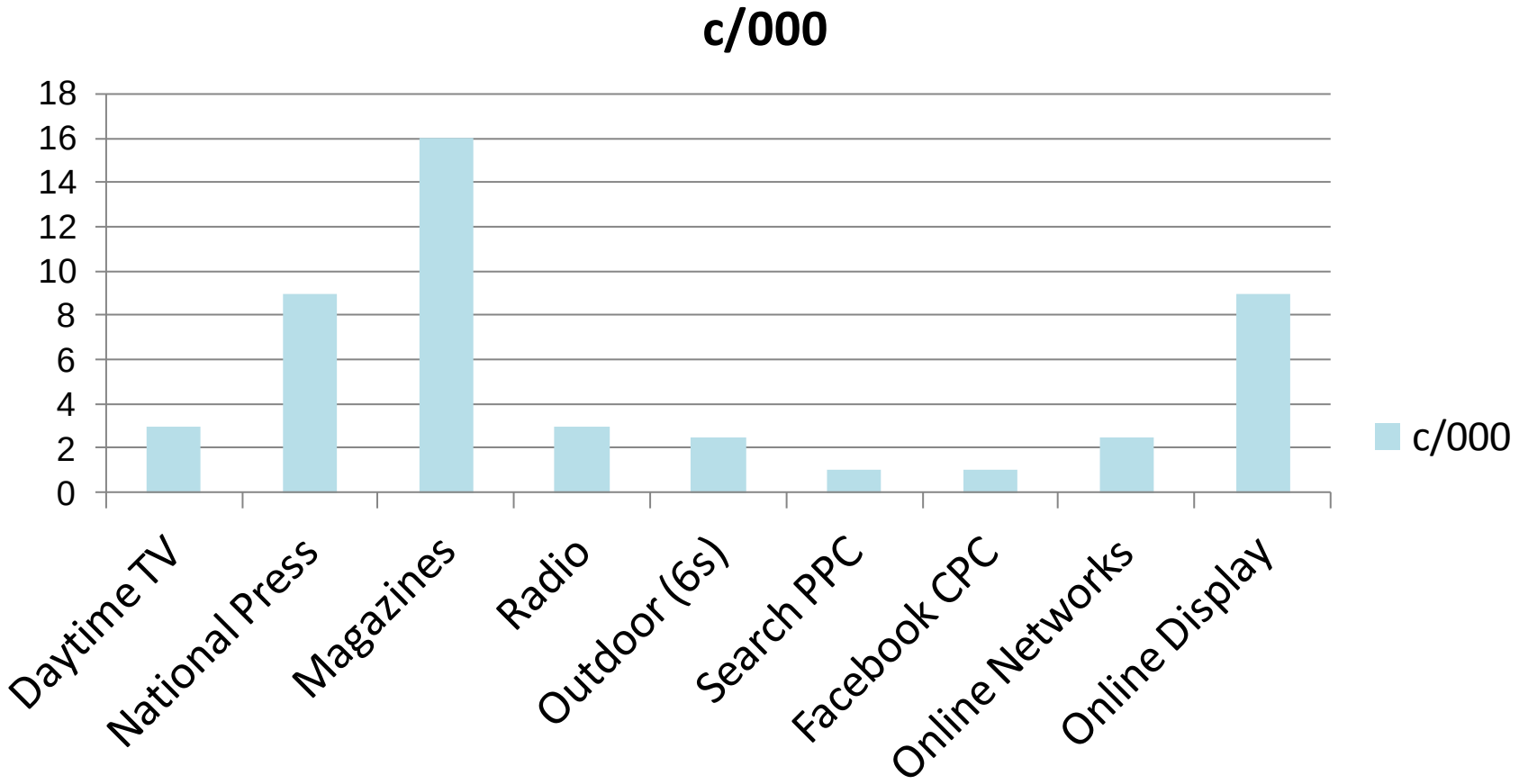
Indicative media c/000s



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Golden rule

Test and rollout

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A CONCLUSION

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Idea: A balanced media mix

Leverage the media multiplier

Build in flexibility

CRM / eCRM capability

Work the ROI

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