

\$3 Trillion Sales Study Show TV Has Highest Quality Impressions



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\$3 Trillion Sales Study Shows TV Has Highest Quality Impressions

A number of different approaches are being taken to comparing media type impression value, each approach focusing on a different ARF Model stage

Optimal Media Mix Depends on what Level of the ARF Model You Are Optimizing



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Methodology & Data

\$50 Billion Ad Spend

**Standard
Media
index**

U.S. NATL TV, DIGITAL,
RADIO, PRINT, OUTDOOR

~\$3 Trillion Sales

 **Circana.**

US CPG, QSR

S&P Global

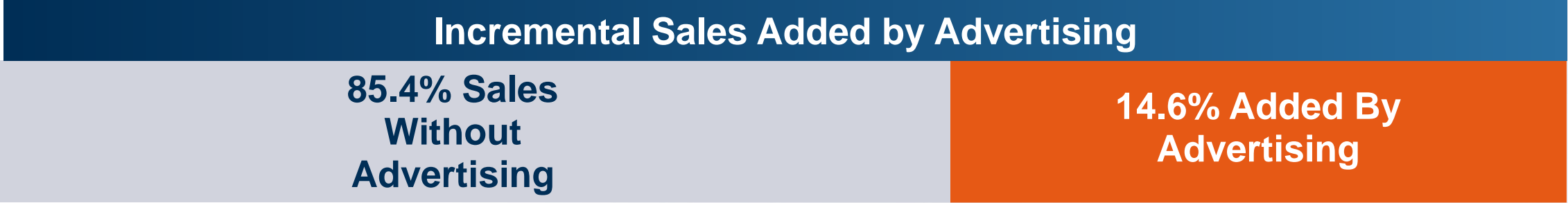
US AUTO

By Month, By Brand – January 2014-September 2022

Standard Microsoft Multiple Regression Analysis
Plus ROI Optimization



TV has 2.6X the Sales Effect of Non-Premium Digital

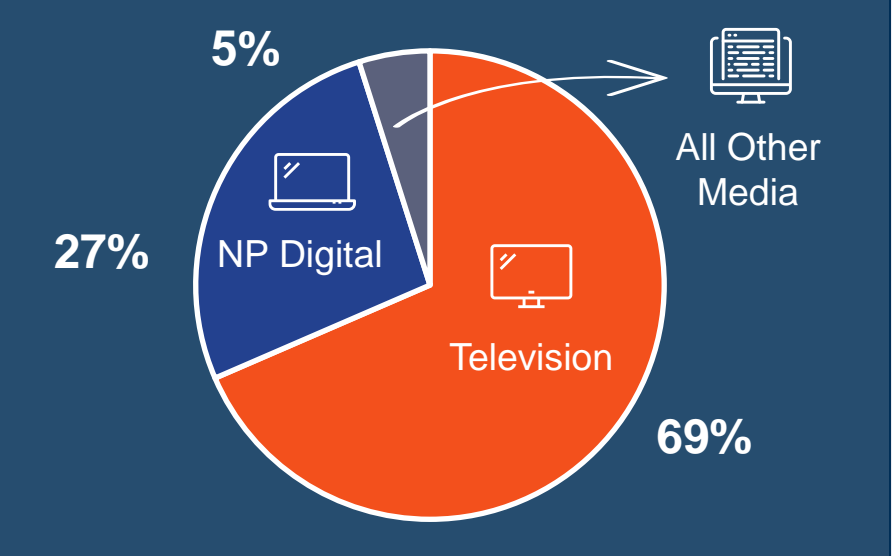


Baseline Sales

Sales Lift Attributed to Ads

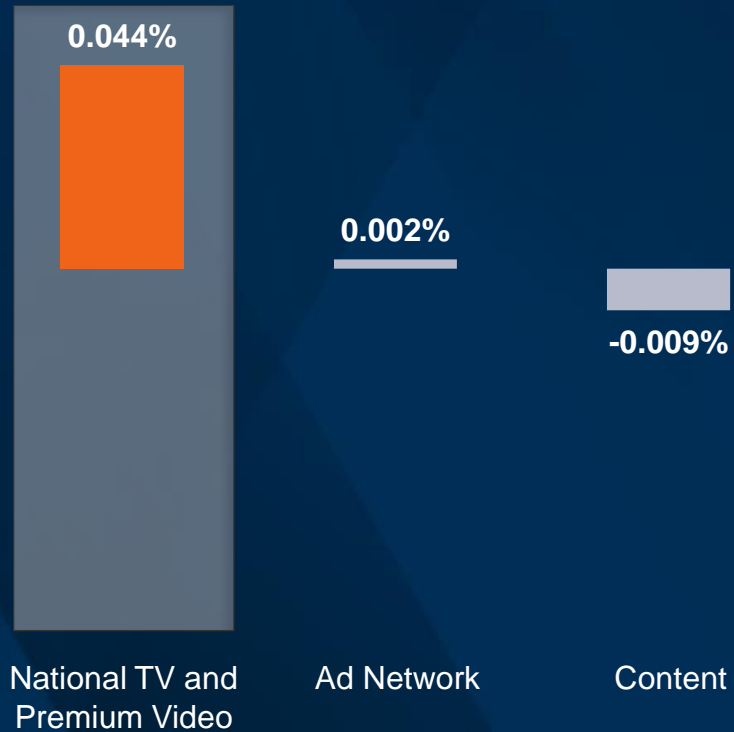
% of Ad Produced Sales across Media Platforms

Standard Media index

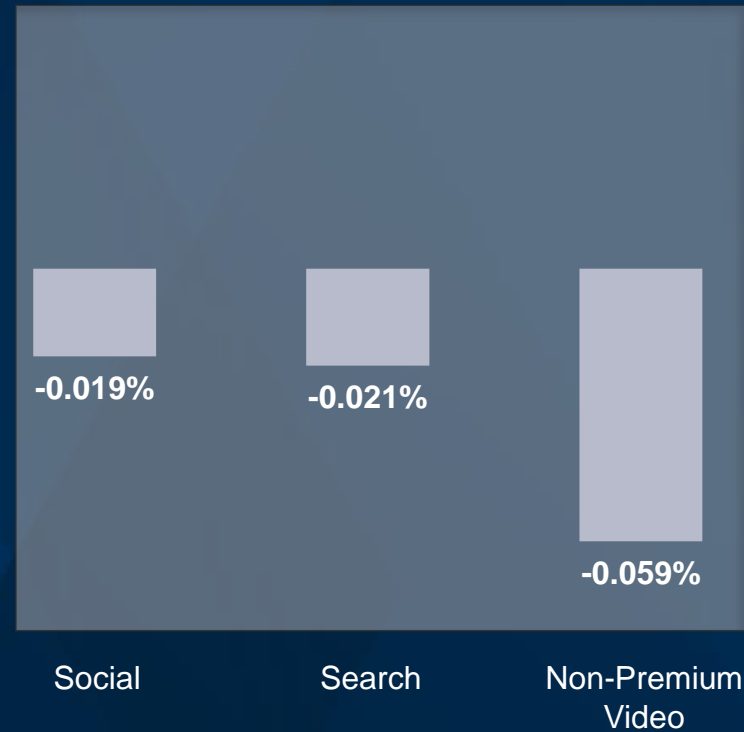


Evidence of Strong Saturation Effects

ROI of TV and Premium Video Ranked #1/#2 in 70% of cases



The Largest and Fastest Growing Digital Media are Overspent



Time Series Regression*

Sales (Market Share) ~ 38.96%

+ 0.044% (National TV and Premium Video)

+ 0.002% (Ad Network)

- 0.009% (Content)

- 0.019% (Social)

- 0.021% (Search)

- 0.059% (Non-Premium Video)

+ Indices for Seasonal and Monthly Trends

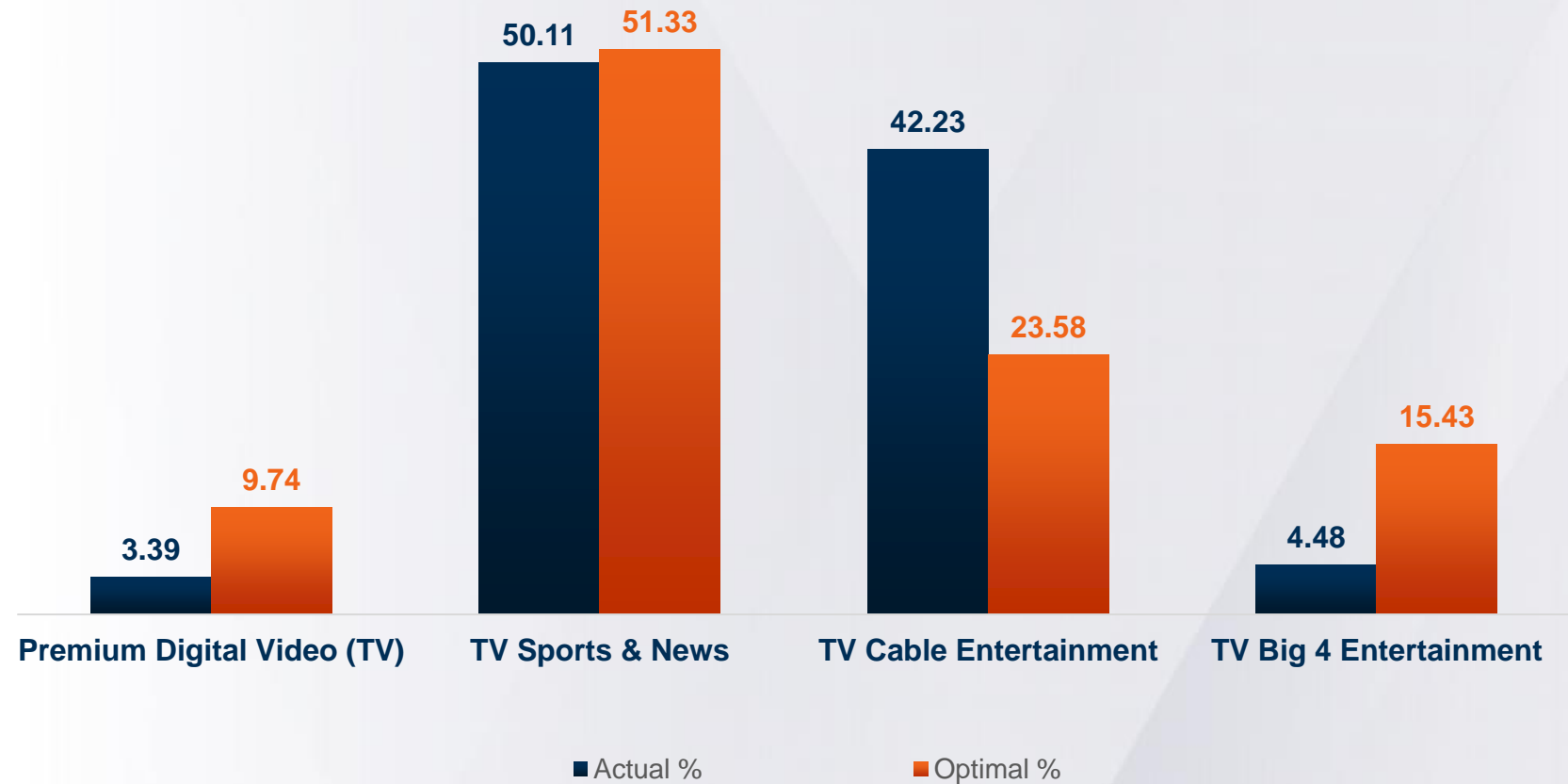
*Represents percent market share increase per \$10MM ad spend



QSR ROI Would Have Been Higher

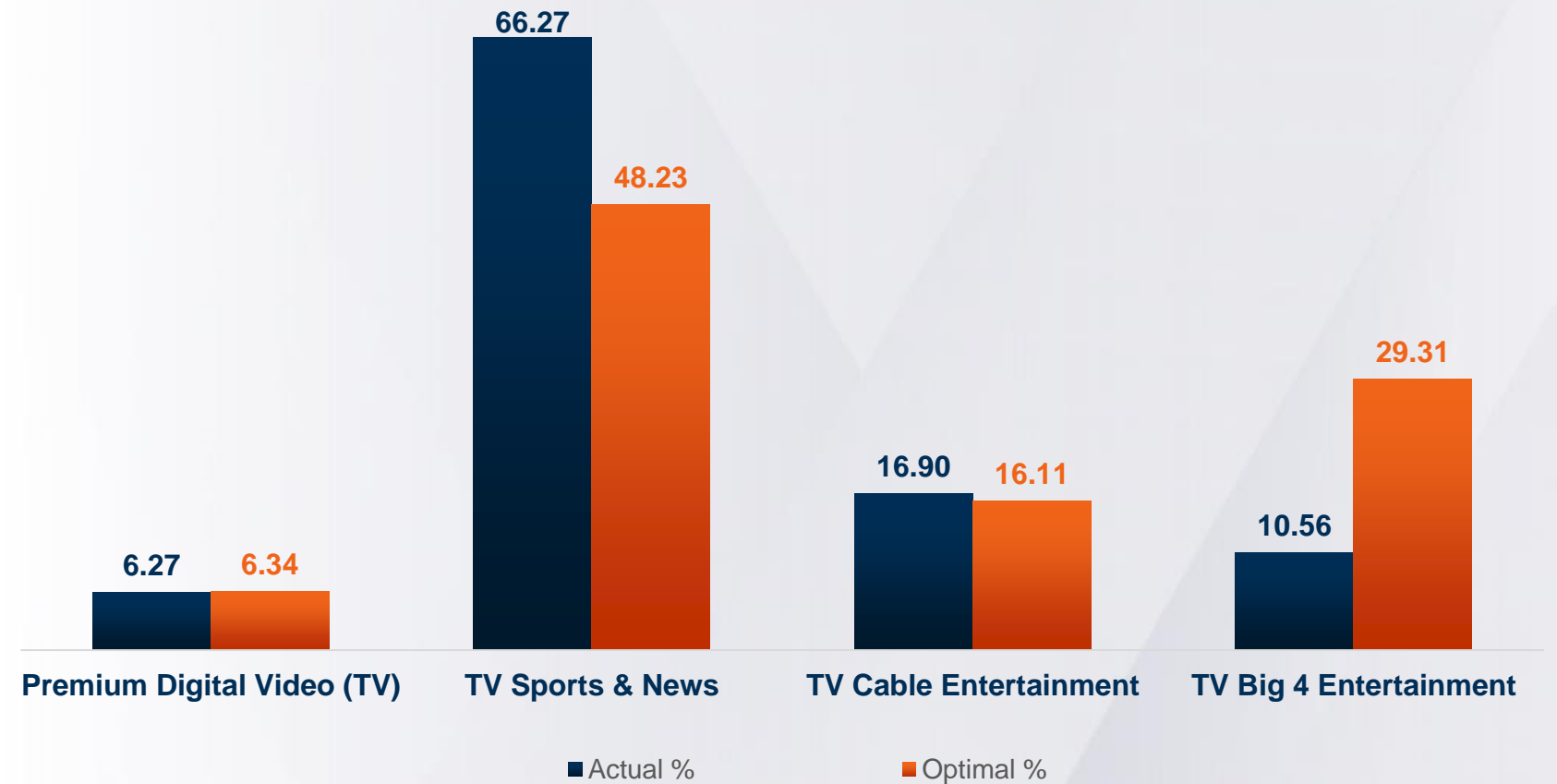
With Larger Allocation to Broadcast Entertainment and Premium Digital Video

QSR Optimal TV Allocation for Maximum ROI



Auto ROI Would Have Been Higher With Larger Allocation to Broadcast Entertainment

Auto Optimal TV Allocation for Maximum ROI

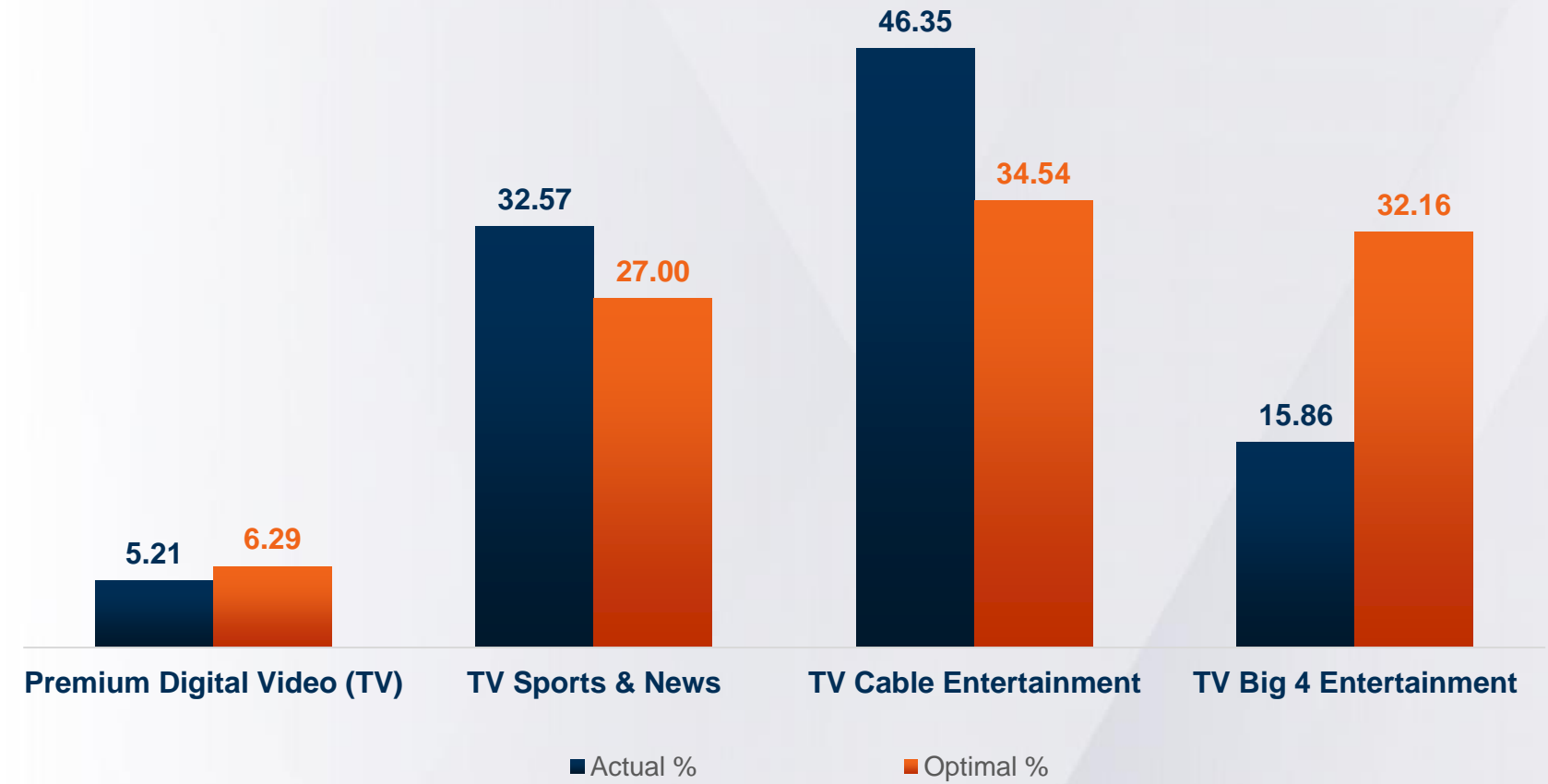




CPG ROI Would Have Been Higher

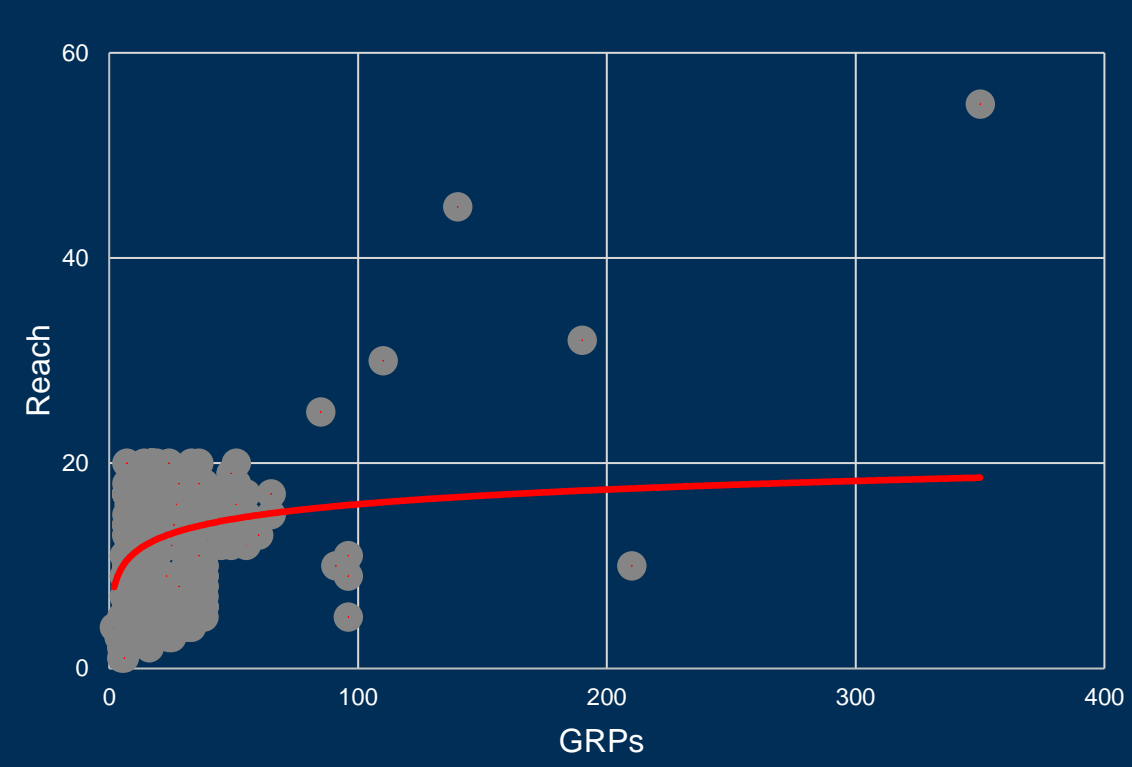
With Larger Allocation to Broadcast Entertainment and Premium Digital Video

CPG Optimal TV Allocation for Maximum ROI

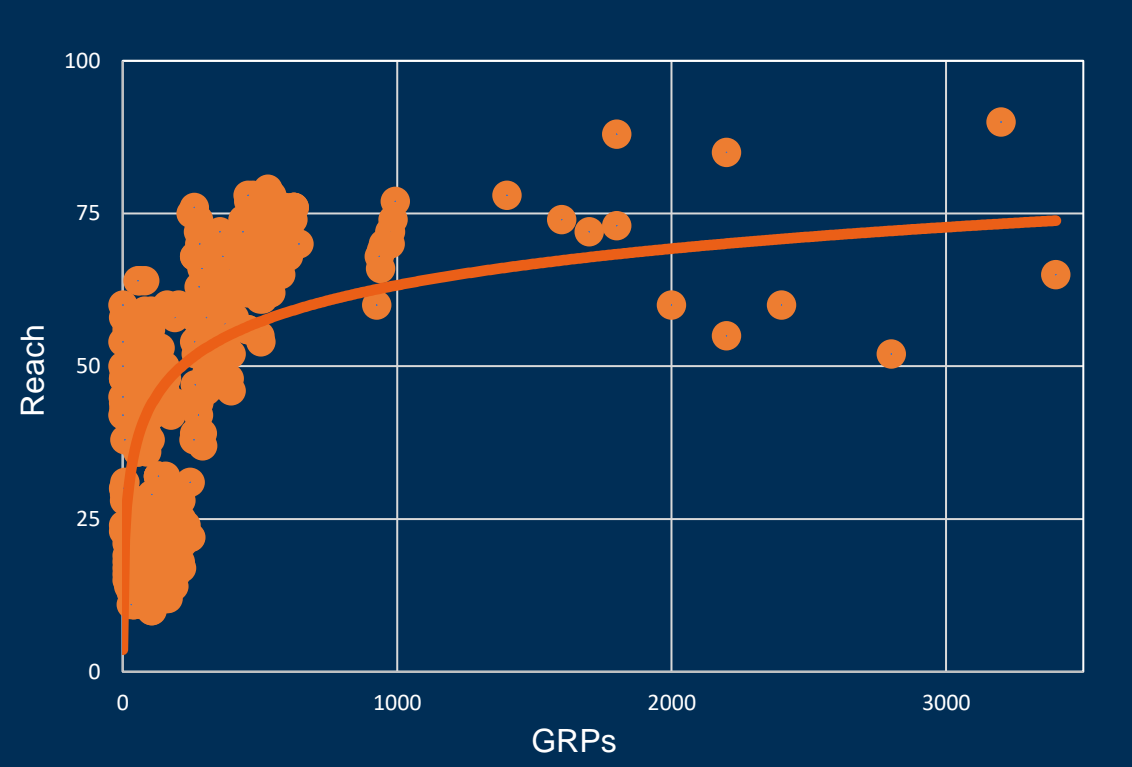


Campaigns That Include Linear TV Reach More Viewers

GRP vs. Reach for Campaigns w/o Linear TV




GRP vs. Reach for Campaigns with Linear TV



Conclusions for Broadcast Entertainment

Buyer **focus on CPM** has served to **suppress the sales** effects of advertising



By focusing instead on ROAS and using standard multiple regression analysis, savvy advertisers can **gain first-mover advantage** as competitors transition more slowly to ROAS

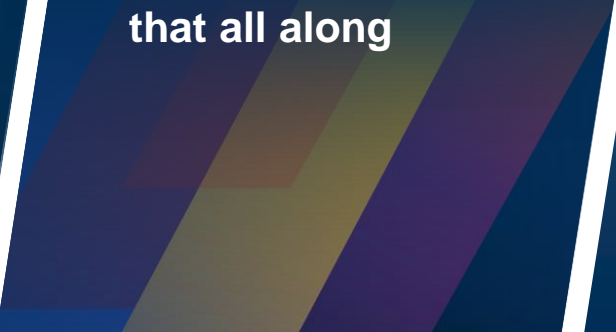


In all three verticals studied, **increasing the Broadcast Entertainment share of ad spend will increase sales effects**



Context Quality Matters!

Common sense knew that all along



Conclusions

Brands that increased their spend in **Non-Premium Digital** lost sales and market share. The total loss of U.S. sales dollars by these brands over the period was \$898.4 Million, much of it due to misallocation of advertising spending

If every brand had shifted \$1 Million of their spending through this period from Non-Premium Digital into TV, they collectively would have seen a **+265% in sales lift** on those dollars

The current situation creates opportunity for **20-40% ROI increases by increasing TV spend** with dollars now invested in non-premium digital

CMOs ought to review allocation decisions as **frequently** as possible

Be careful of overspending in supporting media and depleting the main core medium; get the allocations into the **optimal range for your vertical**