

MEDIA ROI BENCHMARKS

South Africa

Nielsen Advanced Analytics
2018

MEDIA ROI ANALYSIS

Several studies were conducted to arrive at total benchmarks for South Africa

17 brands analysed across 6 categories:
Toothpaste, Analgesics, Coffee, Snacks & Chips,
Chocolate and Liquor (Spirits, Wine and Ciders)

156 weeks analysed per brand

Total ROI based on 2,652 weeks of
media and sales data

MEDIA ROI ANALYSIS

Store level regression modelling is used to calculate returns

Independent Variables

What we use to predict sales, all factors that can have an impact on sales

Media (TV, Print, Digital, etc.)

Price, Promotions, In-store

Distribution, competitors

Macro-economic factors

Dependent Variable

This is what we'll be predicting, in this case sales

Sales

Market Model Regression

- The model allows us to understand the extent to which each variable (e.g. media, price, promotions, etc.) is causing change in sales volumes. **All calculations are done at store level for maximum accuracy.**

TOP 3 FINDINGS

1. Digital demonstrates the best ROI across all brands and categories, followed by cinema and print advertising.
2. TV provides the best combination of wide reach and strong ROI. Despite wide reach, radio shows variable ROI.
3. Median ROIs indicate wide ranges between brands. Various factors impact success of each brand's campaigns.

TOP 3 RECOMMENDATIONS

1. ROI is important, but so is reach and total sales contribution. For key brands, all tactics should be used to maximize synergy benefits across media.
2. TV investment is still key for major brands, driving the biggest sales volumes. Shorter copy lengths results in better ROIs due to cost efficiency.
3. Brand specific strategies are key, understanding which tactics and campaigns work for each category and brand. Optimizations in this regard result in significant gains. For major brands gains are in excess of R100m increased revenue using the same media budget.

HOW TO INTERPRET

The following slides indicates the 25th, 50th(median), and 75th percentiles for each tactic

- When we rank all the brand performances, the median is the score in the middle
- Percentiles gives us an indication of how some of the best (75th percentile) and worst (25th percentile) brand campaigns performed.


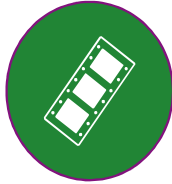




Example only		
25 th Percentile	Median	75 th Percentile
1.4	1.6	4.5

The 25th percentile is not far below the median. This means that even the worst brand campaigns were not too far below standard performance in this example.

The 75th percentile is well above the median. In this example, the best brands performed well beyond standard performance.

MEDIA ROI'S IN SOUTH AFRICA

Median revenue Return on Investment (ROI) for media tactics in South Africa

Digital	Cinema	Print	TV	Out of Home	Radio
					
2.3	1.6	1.35	1.3	1.25	0.85

- ROI is the Rand in revenue generated for every Rand spent*
- **For example: For every Rand spent on digital, the return on investment is R2.30**

*This speaks to short term impact, our research suggests that the long term impact of media to be approximately 2 to 3 times that of the short term.

MEDIA ROI'S IN SOUTH AFRICA: DIGITAL

Performance is varied on digital, but if used correctly it yields the best ROIs



25 th Percentile	Median	75 th Percentile
1.3	2.3	4.5

- 25th percentile: Indication of lower performances on digital
- Median: Midpoint of distribution, good indication of standard performance
- 75th percentile: Indication of higher performances on digital

MEDIA ROI'S IN SOUTH AFRICA: OUT OF HOME

OOH is essential in any media mix on any major brand. However, performance varies between brands.



25 th Percentile	Median	75 th Percentile
0.8	1.3	2.0

- 25th percentile: Indication of lower performances on out of home
- Median: Midpoint of distribution, good indication of standard performance
- 75th percentile: Indication of higher performances on out of home

MEDIA ROI'S IN SOUTH AFRICA: PRINT

Print is still a highly efficient tactic in South Africa. Even the worst campaigns break even from an ROI point of view.



25 th Percentile	Median	75 th Percentile
1.0	1.4	2.1

- 25th percentile: Indication of lower performances on print
- Median: Midpoint of distribution, good indication of standard performance
- 75th percentile: Indication of higher performances on print

MEDIA ROI'S IN SOUTH AFRICA: TV

Wide reach and stable ROI. Establishing optimal levels spend by campaign is key to maximize returns.



25 th Percentile	Median	75 th Percentile
1.1	1.3	1.8

- 25th percentile: Indication of lower performances on TV
- Median: Midpoint of distribution, good indication of standard performance
- 75th percentile: Indication of higher performances on TV

MEDIA ROI'S IN SOUTH AFRICA: RADIO

Wide reach, but on ROI radio was the worst performer. That said, some campaigns have shown very high ROIs on radio.

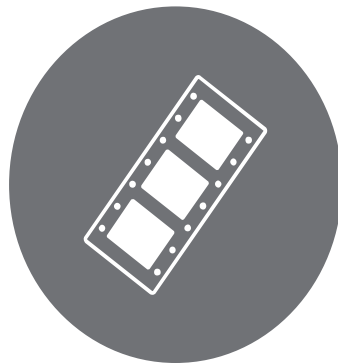


25 th Percentile	Median	75 th Percentile
0.2	0.9	1.9

- 25th percentile: Indication of lower performances on radio
- Median: Midpoint of distribution, good indication of standard performance
- 75th percentile: Indication of higher performances on radio

MEDIA ROI'S IN SOUTH AFRICA: CINEMA

Though limited data was available, cinema ROI performances ranges from good to exceptionally good.

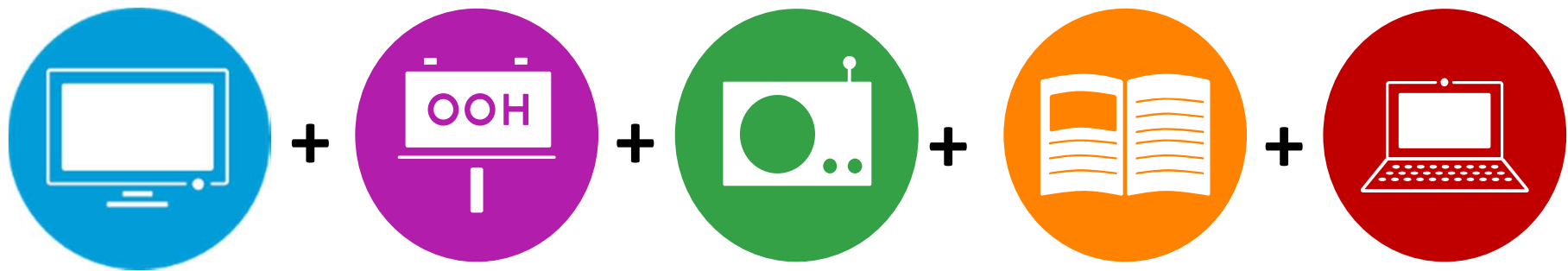


25 th Percentile	Median	75 th Percentile
1.4	1.6	4.5

- 25th percentile: Indication of lower performances on cinema
- Median: Midpoint of distribution, good indication of standard performance
- 75th percentile: Indication of higher performances on cinema

THE WHOLE IS MORE THAN THE SUM OF IT'S PARTS

When combinations of TV, Radio, OOH, Online and Print advertising are used together we see sales lifts as big as **10%** on top of what these tactics would contribute individually.



= 10% synergy benefit

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■ = Countries in which we deliver Advanced Analytics solutions

Note: Location of client logo is not related to geography of engagement

thank you!

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and media ROI, contact:

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