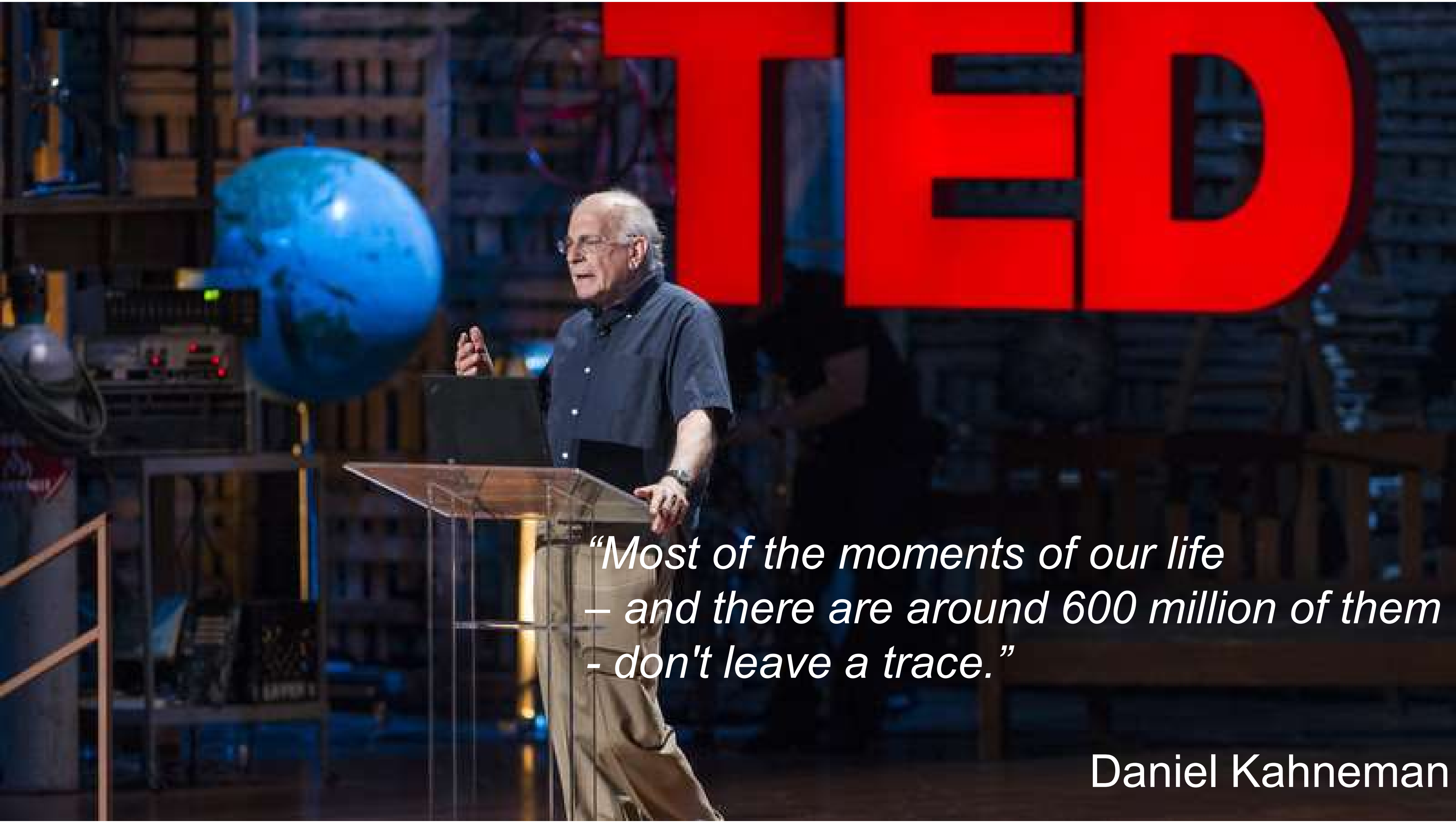
KANTAR TNS

Cutting through Touchpoints Clutter: Presentation Workshop

Automobile Category

Updated 25 February 2019

Publisher Research Council


TED
"Most of the moments of our life
– and there are around 600 million of them
- don't leave a trace."
Daniel Kahneman

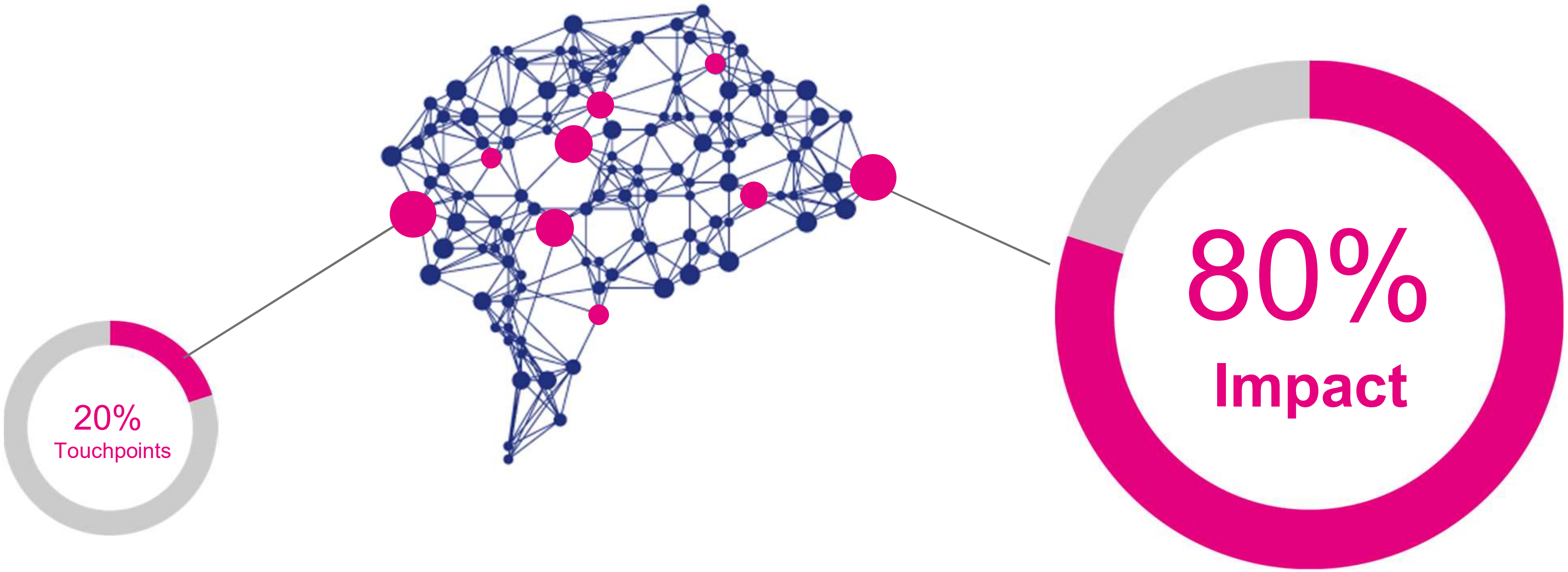
“In this digital age we’re producing thousands of new ads, posts, tweets, every week, every month, every year. We eventually concluded all we were doing was adding to the noise.”

Marc Pritchard, CMO P&G,

ANA Masters of Marketing Conference

The implication: Do fewer things, but do them perfectly

Typically, 20% of touchpoints generate 80% of the impact



Source: Kantar TNS, mehr als 400,000 Touchpoint Bewertungen

Today we'll be discussing …

1. Overview of the approach
2. The automotive category landscape
3. Concluding thoughts

1
Overview of the approach

Do reading touchpoints provide a higher quality of messaging than other media?

The Publisher Research Council (PRC) represents the interests of all major Newspapers, Magazines and their websites in South Africa. An annual quality survey is conducted to assess the intrinsic strengths of the written word, vs. broadcast and other competitive media types.

In order to grow print media sales in South Africa, the PRC needs to provide evidence that R1 invested in its publications or websites works better (with regards to noting, engagement, recall) and delivers a higher ROI (sales) than money spent on other media. Essentially that reading touchpoints convey a higher quality of communication than other media.

This will contribute to the PRC's overall strategy to sell its medium singularly or in conjunction with Television.

Study methodology and approach

How were the interviews conducted?

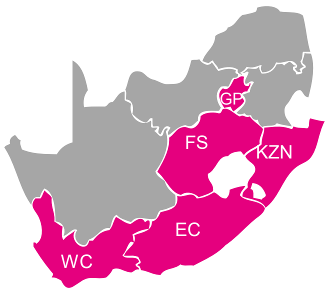
What?

Robust quantitative study **n=1000**

When?

Interviews conducted:
01 November – 6 December 2018

Where?



Urban: **7 major metro areas** – Johannesburg, Pretoria, Cape Town, Durban, East London, Port Elizabeth & Bloemfontein

Random suburb sampling (**geo-demographic sampling**)

How?

Face-to-face Computer Aided Personal Interviews on tablets (enables greater interaction and engagement)

20 minutes interview duration

The data is **unweighted**, as the sample is representative of the automobile category as per Establishment Survey Jul'17-Jun'18

Who did we interview?

All respondents were 18 years and older in metro areas, with quotas placed on race and gender

They further qualified by having bought a new car in the past 5 years

The sample universe was derived from the Establishment Survey (Jul 2017 to Jun 2018, metro only, have car in home)

Automotive

Bought a new car in the past 5 years

Approximate size of category: 6.1m (have any car in the home)

Our approach utilised Kantar TNS's Connect methodology which helped us to unpack how reading touchpoints (Print and online ads) perform relative to other touchpoints and how Print investment could be optimised

Connect

Performance

How do reading touchpoints perform compared to other touchpoints?

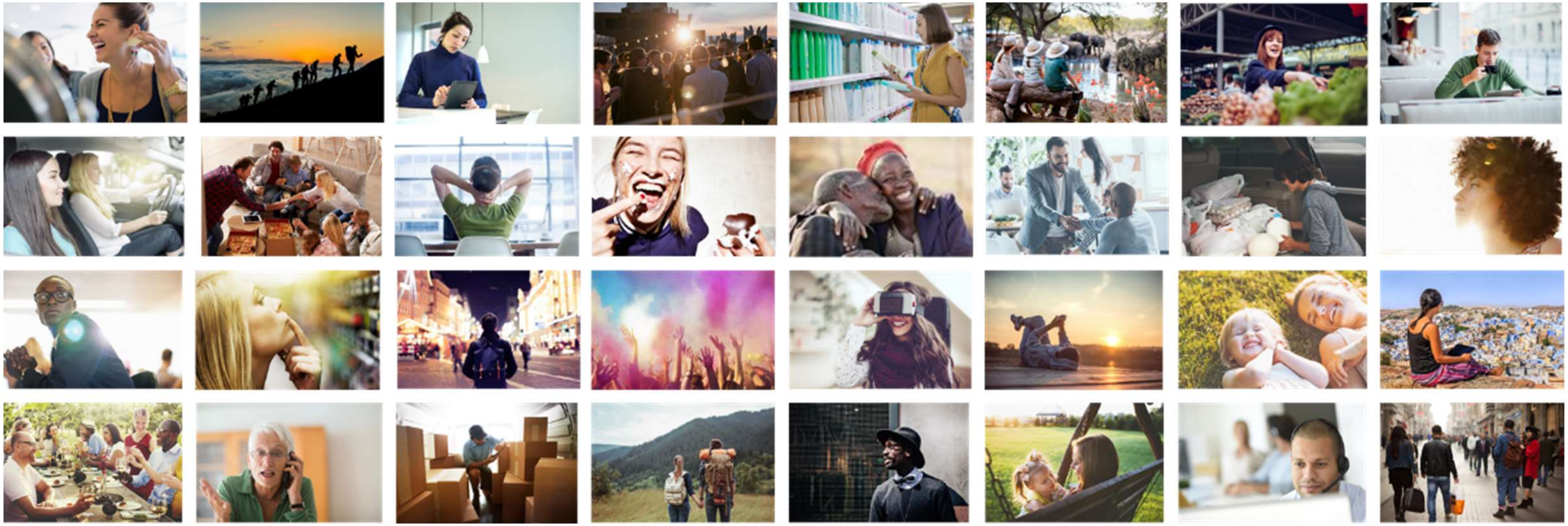
- Which touchpoints deliver most impact on brand strength?
- How can touchpoint performance be improved?

Optimisation

How can Print advertising spend be optimised?

- What is the ROI of Print and how can a brand optimise marketing spend?
- What mix of media touchpoints is most powerful to accompany Print?

The reason for developing this solution is because increasingly, technology has changed the way consumers experience brands. Each moment in people's lives is an opportunity for a brand to connect



Developments in technology have created multiple new ways to communicate, interact and behave. Therefore, consumers experience brands in more ways than ever before, and every experience has the potential to change their attitude and behaviour towards brands.

Connect identifies all relevant touchpoints along the customer journey

… and evaluates them all with the same measures to create a single currency for marketers – e.g. impact of Sponsorship vs. the impact of a Service Hotline

1. Attention phase


Ad on Facebook


Sponsorship event


Web ads


TV ads


Radio ads


Print ads


Outdoor ads

…

2. Orientation phase


Internet search


Expert endorsement


Social Media brand page


Online blog/ forum


Product demo video


Product review site


Friends/ family spoken

…

3. Buying phase


Promotions/ Coupons online


Retailer website


Brand website


In-store Salesperson


In-store displays


Pop-up stores


In-store demonstration

…

4. Usage phase


Tutorial Video


Own usage


Service Hotline


Product Manual

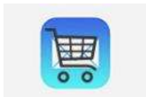

Customer Service


Service Website

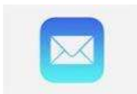

Connected App

…

5. Loyalty phase


Retailer newsletter


SMS/ MMS


Branded email newsletter


Replacement service


Brand events/ fairs

Member/ loyalty club


Customer Magazine

…

In the **Automotive** category we included the following **23 touchpoints** – the key places in which consumers can come into contact with an auto brand/make

Media/Paid

Digital

- Online advertising (e.g. banner ads, pop ups)

Traditional

- Outdoor advertising (e.g. billboards, street signs)

- Print advertising (e.g. newspapers, magazines, inserts)

- TV advertising

- Radio advertising

- Sponsorship

- Moving vehicles (e.g. taxis, buses)

Owned

Digital

- Online video ad (e.g. YouTube)

- Car website

Traditional

- Call centre

- Car dealer staff

- Dealer showroom

- Catalogues and leaflets

- Test report

Other

- Test drive

Earned

Digital

- Social media (e.g. Facebook)

- Online sales (e.g. AutoTrader, Cars.co.za, Gumtree)

- Online websites

Traditional

- News coverage

Other

- Word of mouth conversation

- Recommendation from family and friends

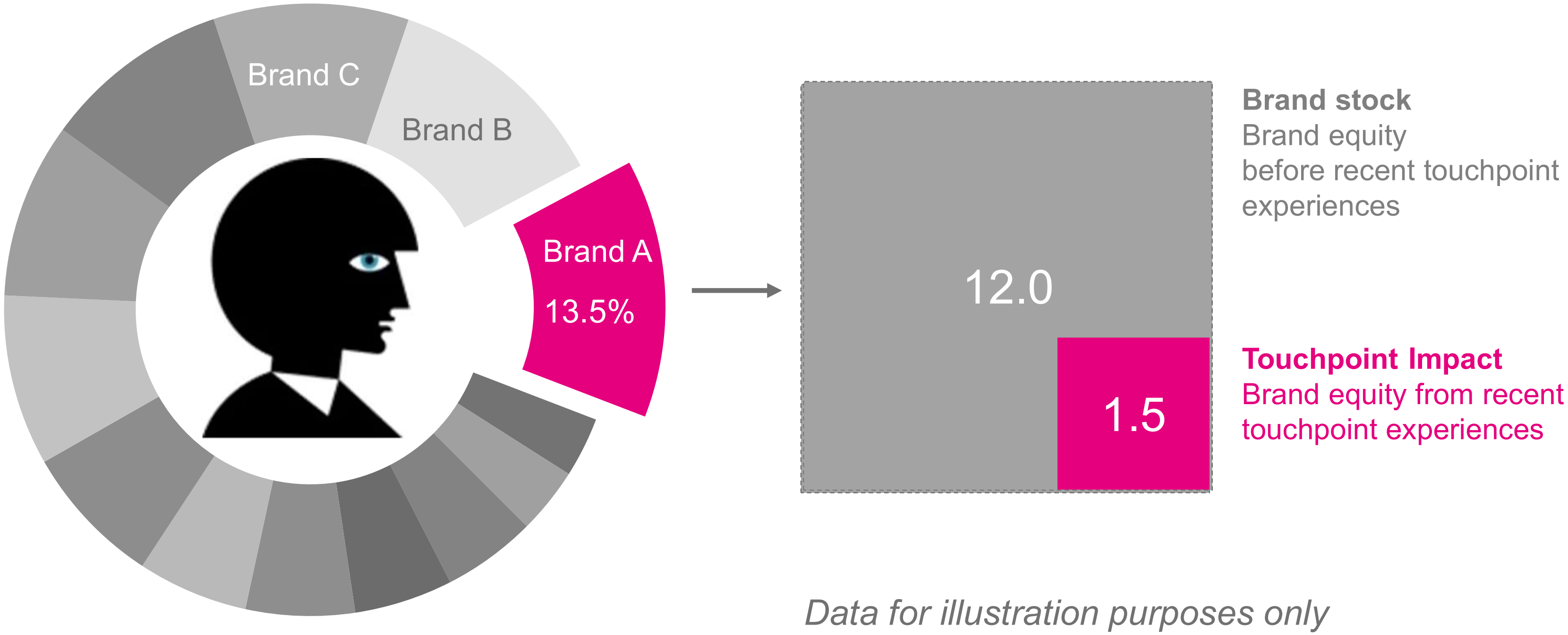
- Personally drive

- Seen car on street

How do touchpoints relate to **brand equity**?

Our brand equity measure is from the ConversionModel, a globally validated model that captures a brand's position in the market. Connect dives into this, identifying how much of a brand's equity is driven by recent touchpoint experiences

Brand equity



Data for illustration purposes only

But what is brand equity?

Brand equity is another name for **brand love** or **brand desire** i.e. how much people want to be using a brand if all market barriers were removed

At Kantar TNS we use a validated approach* to measure brand equity through asking two simple questions, which are then modelled based on the latest behavioural economics thinking:

1. **Brand satisfaction**

"When you take into account everything you look for in a car, how do you rate each make?"

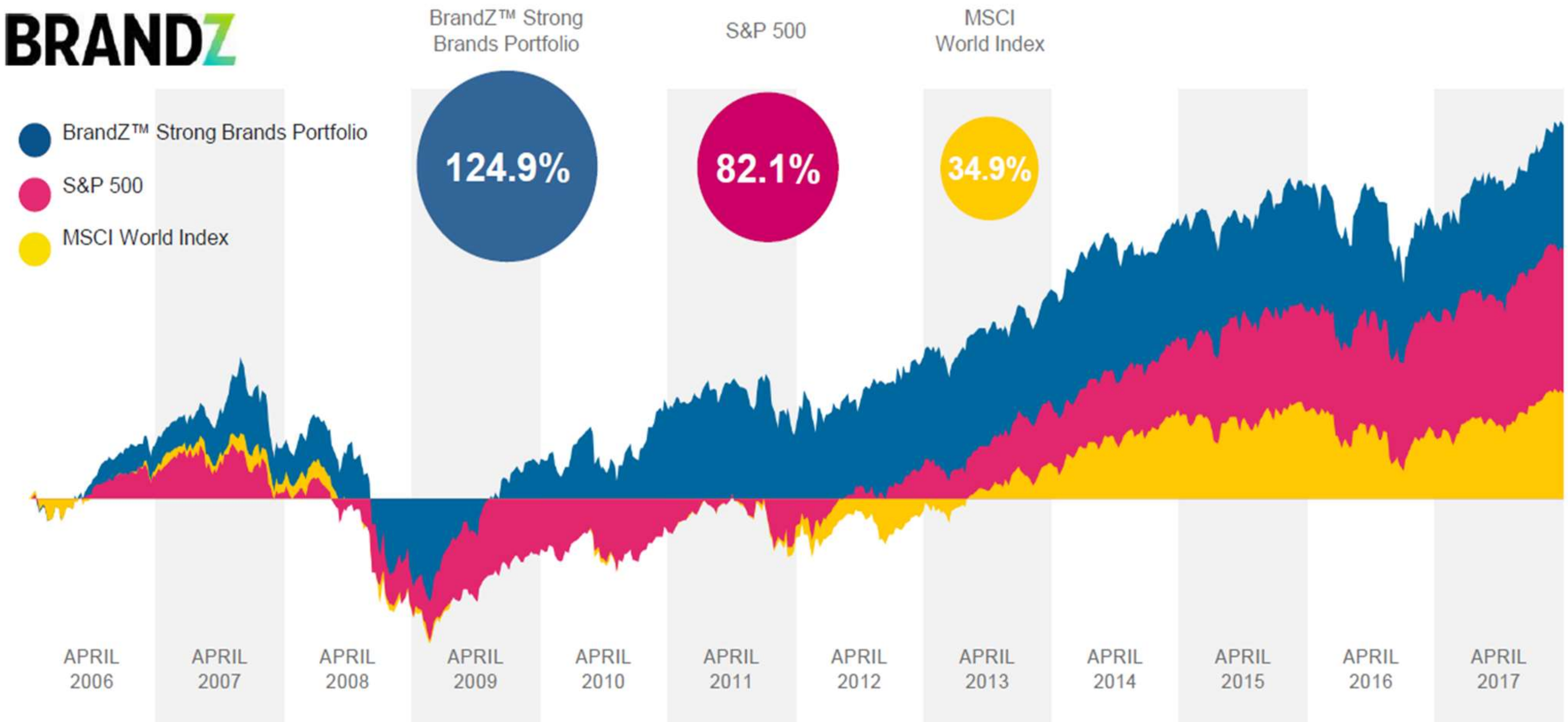
Each make of car in the consumer's consideration set is then rated on a scale of 1 = "Terrible" through to 10 = "Perfect".

2. **Brand engagement**

"To what extent do you agree or disagree? 'This make of car connects with who I am and with the things in life that I really care about'"

Each make of car in the consumer's consideration set is then rated on a scale of 1 = "Strongly disagree" through to 7 = "Strongly agree".

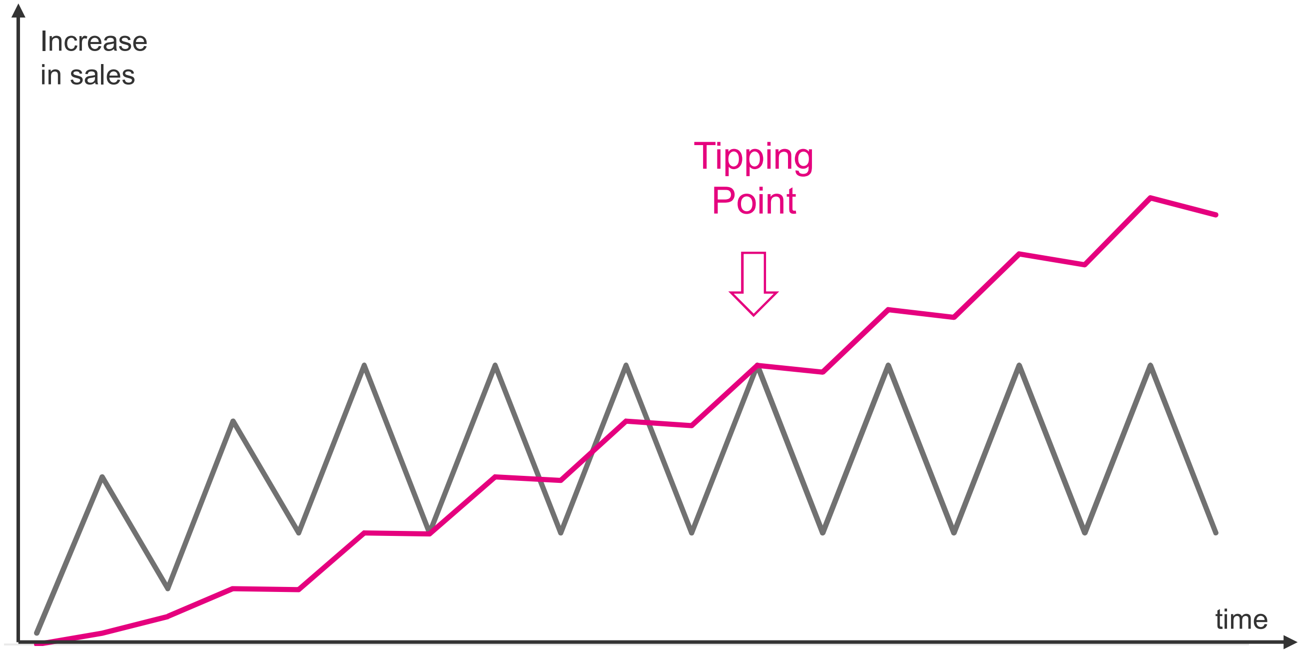
BrandZ clearly shows that **brands with strong brand equity have the best growth**



The literature is full of examples that show that campaigns that are designed to **build brand equity** are more impactful and will have a **longer term return on investment** than short-term activation campaigns – so we must include a measure that goes beyond using a brand

Research shows that campaigns with a short term sales approach alone are insufficient to grow the brand in the long term. For it to be impactful, they need to be coupled with long term brand equity building efforts

The Long & the Short of It, Binet & Field, IPA 2013: 996 campaigns, 700 brands in 83 categories



Brand building messages
long-term attitude change effect on sales

Price- and product messages
short-term activation of sales

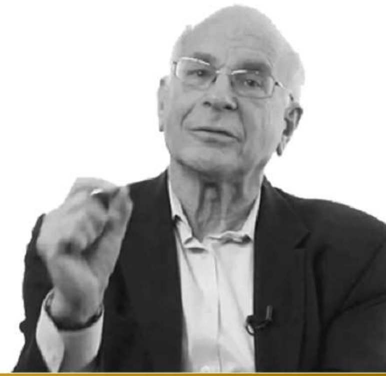
The central premise behind our touchpoint questions is about asking about the memory of an experience with a touchpoint – and that is why we ask about the past 3 months

Added value of recalled experience to asking ‘in-the-moment’

- Most decisions are made based on **memories** of experiences (Daniel Kahneman)
- ‘In the moment’ approaches tend to **overestimate** the impact of recent experiences because other relevant touchpoint experiences are neglected
- Distinguishing between relevant and irrelevant experiences is best done after some time when a “**natural relevance filtering**” has already occurred

As an example, people will still recall seeing Cremora on TV, even though the ad hasn’t flighted in years …

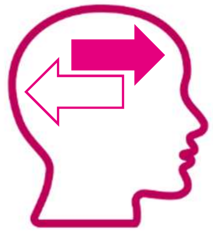
“We actually don’t choose between experiences, we choose between memories of experiences…”



Daniel Kahneman

We measure the **impact** of the experience with each touchpoint on brand equity

We separate the impact into two elements – recall and quality of experience



impact = recall x quality

How many people recall experiencing the touchpoint?

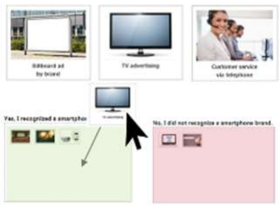
How does this experience impact consumers’ attitude towards the brand?

We use a combination of innovative survey flow & respondent level data modelling to account for human irrationality, giving us **better data**

TOUCHPOINT RECALL
General

1

At which of the following touchpoints did you come into contact with car makes in the last 3 months?



TOUCHPOINT RECALL
per Brand

2

Within the last 3 months, which car makes did you recognize at the following touchpoints? [implicit: response latency]

EXPERIENCE EFFECT
Quantitative

3

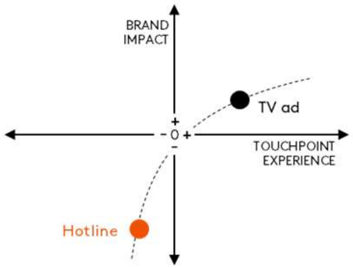
refinement

To what extent has your experience at each touchpoint changed your attitude toward the car make?

EXPERIENCE IMPACT
Data modelling

4

Linear effects from survey (experience quality) are transformed to non-linear effects of human heuristics known from Behavioral Economics.



The full 20 minute questionnaire was structured as follows…

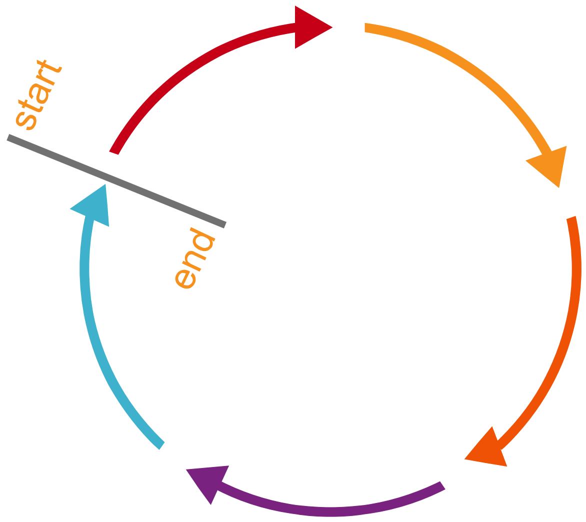
1. Screening questions
- Previous participation & security
- Region, gender, race, age
- Unaided and aided awareness
- Regular brand usage for category
- Behaviour questions

2. Brand assessments
- Other brand consideration
- Market share proxy (share of spend)
- Current brand satisfaction and engagement ratings
- Category importance
- Brand satisfaction 3 months ago

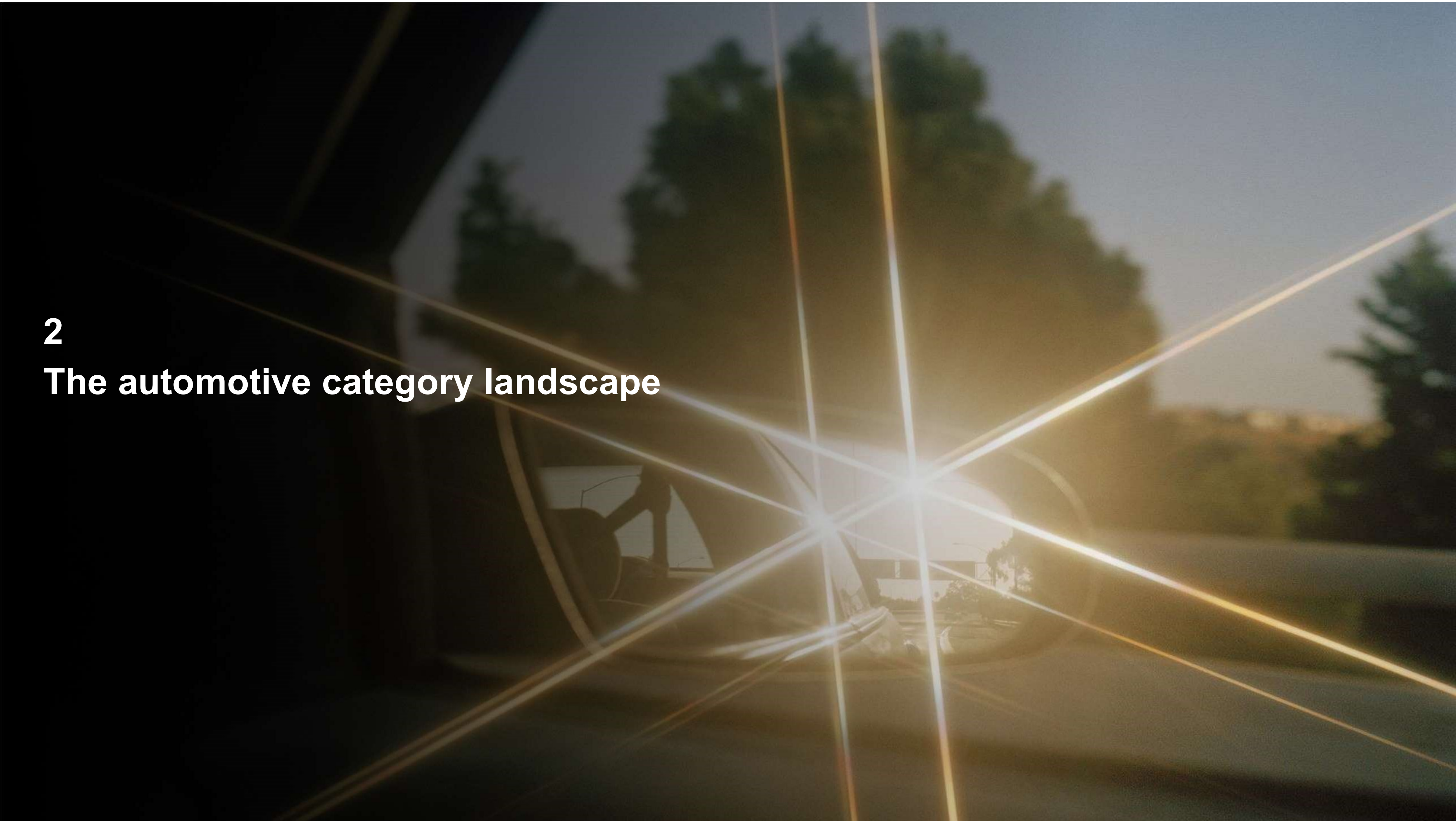
3. Touchpoints and Associations
- Market factors
- Touchpoint recall overall and per brand
- Touchpoint evaluation
- Calibration questions
- Imagery attribute association

4. Activities and SEM
- Readership daily activities
- SEM

5. Closing Demographics
- Education
- Working status
- Monthly Household Income
- Home language



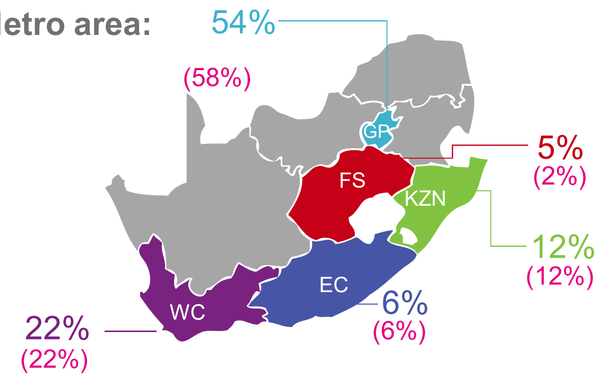
2
The automotive category landscape



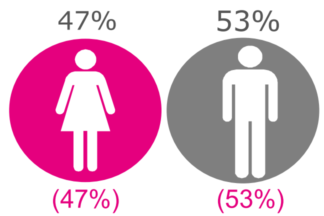
Sample profile **Automotive (max 6.1m)**: personal demographics

18 years or older, metro, drive a car bought new in past 5 years

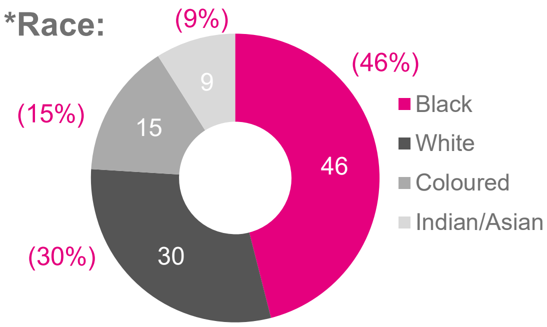
***Metro area:**



***Gender:**



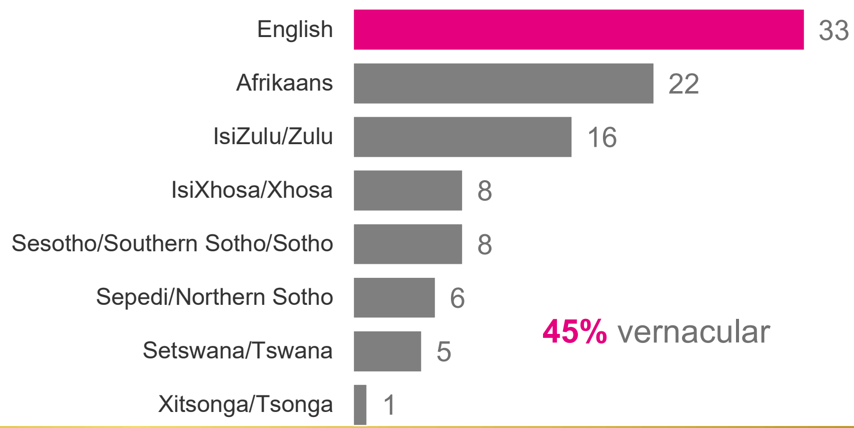
***Race:**



Age:

Average age (mean) = **39 years**

Language:



45% vernacular

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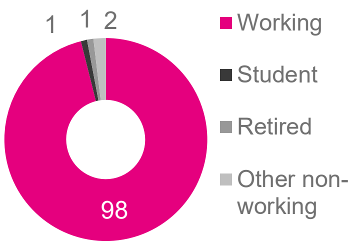
*Based on the Establishment Survey metro car owners profile (Jul’17-Jun ‘18). ES metro car owners profile (18 yrs+) %s in pink text

Publisher Research Council

Sample profile Automotive: socio-economic demographics

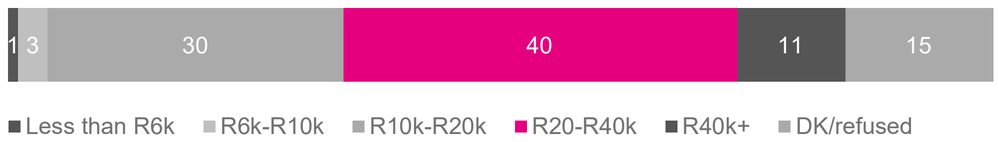
New car owners are working, educated with high incomes. Nine in 10 are SEM SG4 and SG5

Work status:



Monthly household Income:

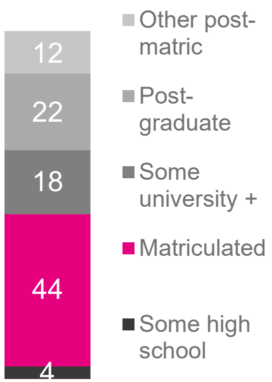
51% >R20K



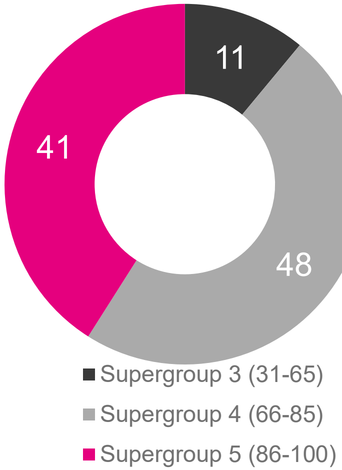
Average (mean) = **R27K**

Education:

52% post-matric



5 Supergroup SEM:



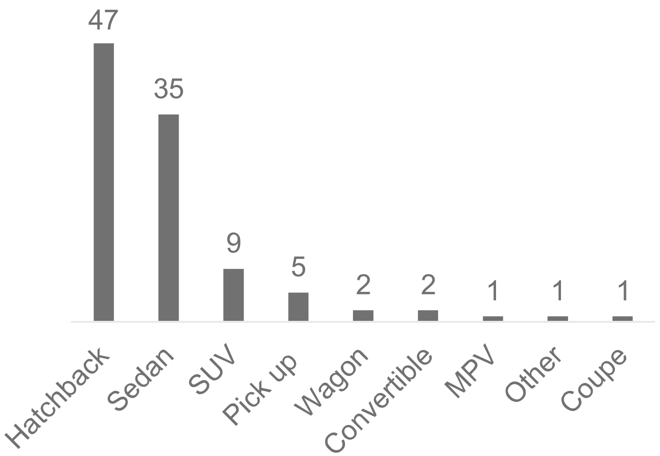
Automotive market landscape: **behavioural context**

Volkswagen and Toyota dominate

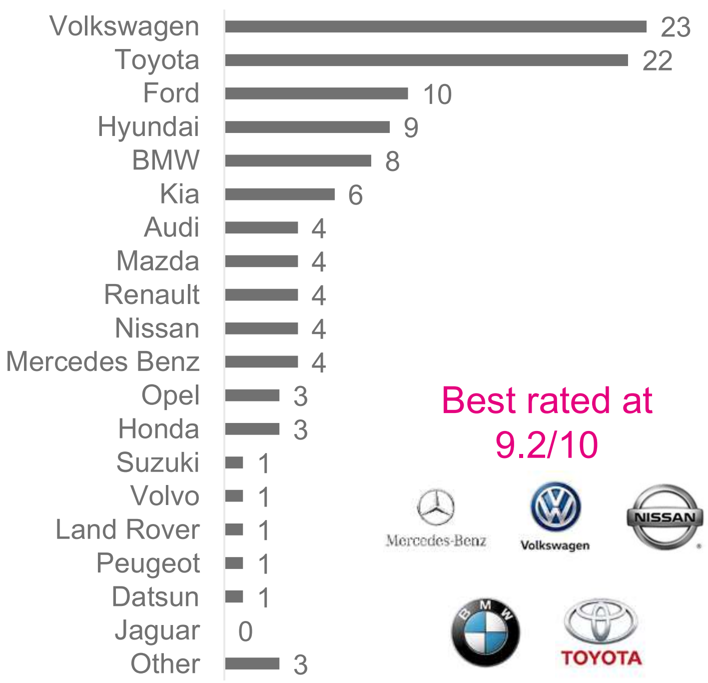
Top of mind awareness

1. Volkswagen 19%
2. Toyota 19%
3. BMW 13%

Type of car current driving (%)

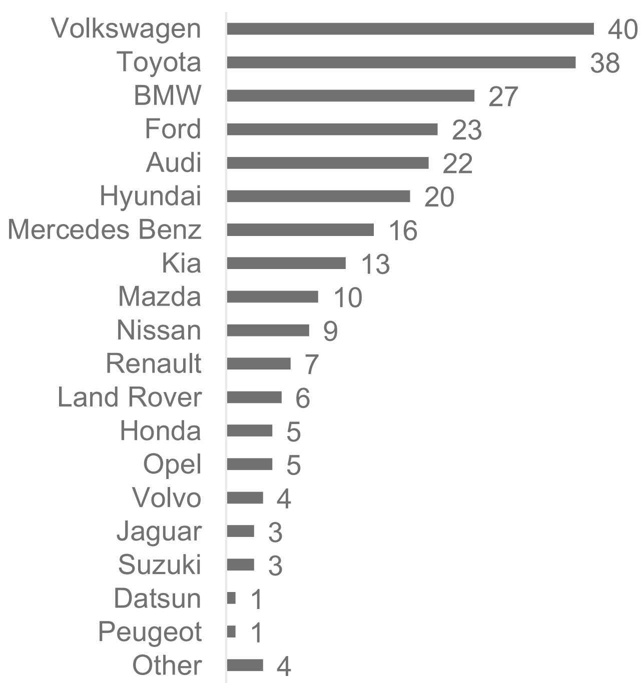


Currently, personally driving % (1.1 avg.)



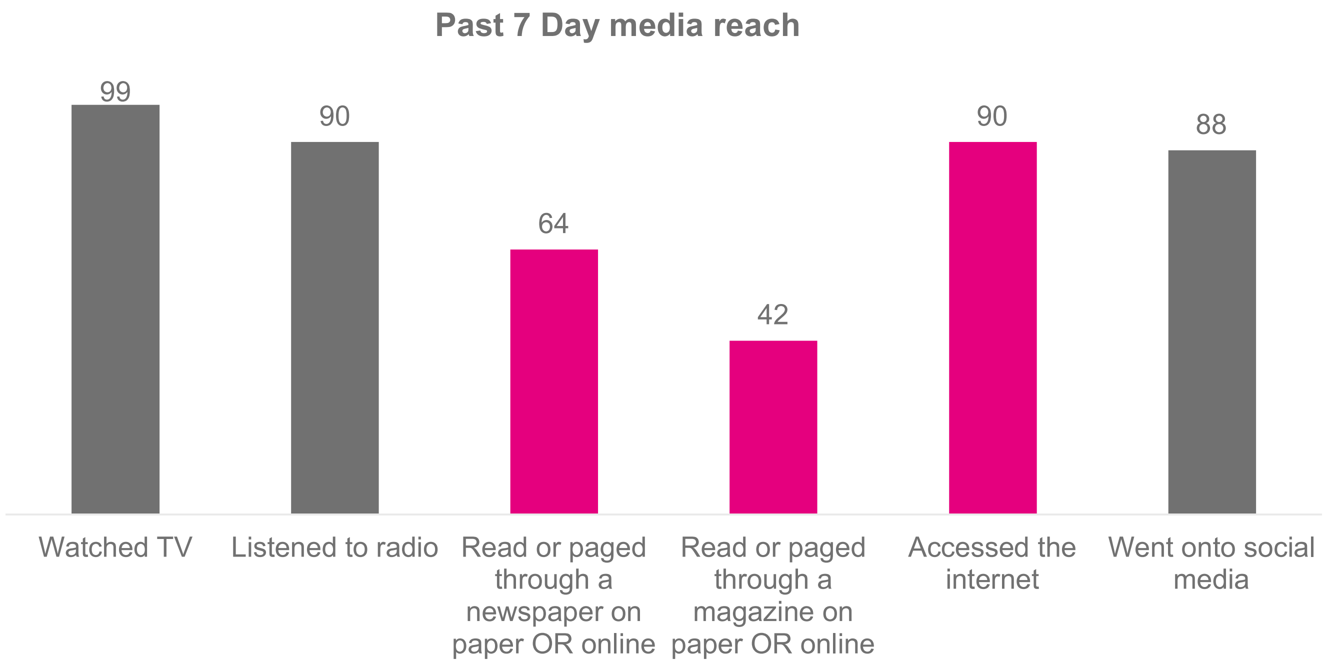
Best rated at 9.2/10

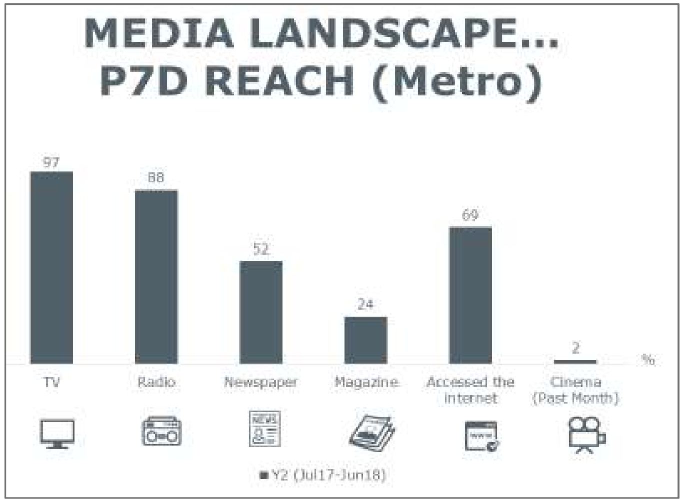
Total consideration set % (2.6 makes avg.)



Automotive market: Media landscape – P7D reach

Almost two-thirds are reading newspapers on a weekly basis; four in ten reading magazines – compared to 52% and 24%, respectively in Establishment Survey Jul17 - Jun18

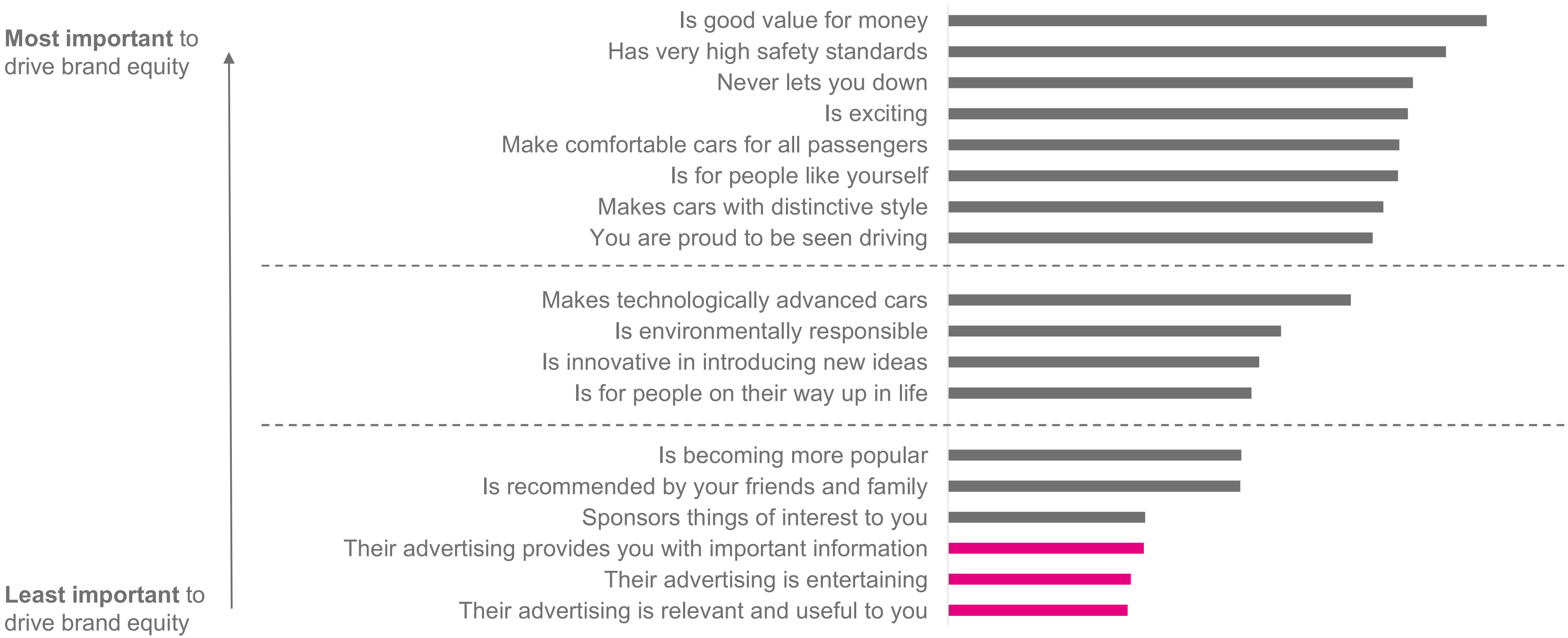




Source: Establishment Survey Jul17-Jun18

Automotive market landscape: brand equity drivers (emotional)

Being value for money and having high safety standards are the key drivers of brand equity in the auto market, supplemented by trust, comfort as well as badge effect. Consumers consider advertising to be less important in driving equity/brand desire



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Base: n=1000

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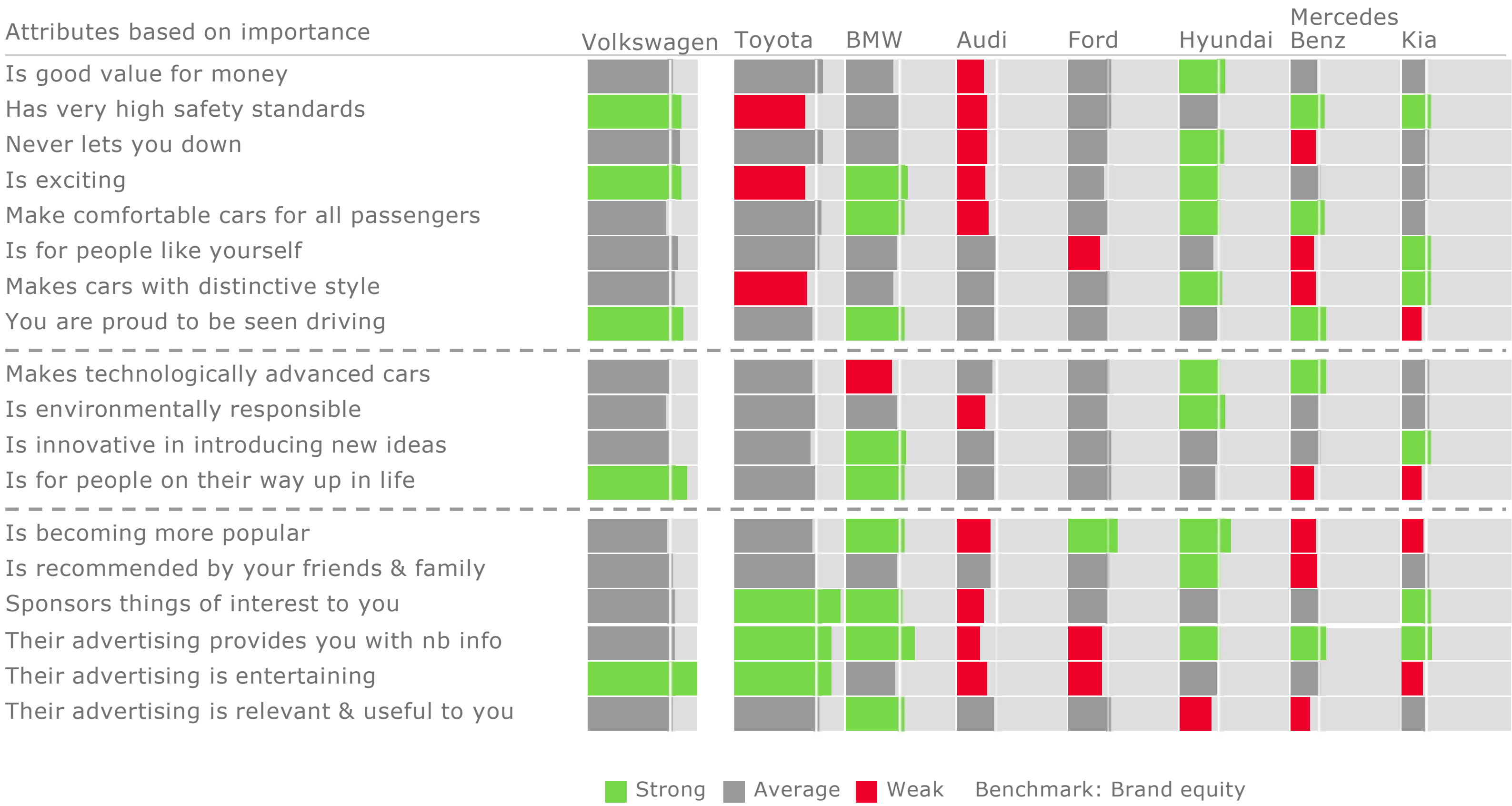
Automotive market landscape: brand equity drivers – brand performance

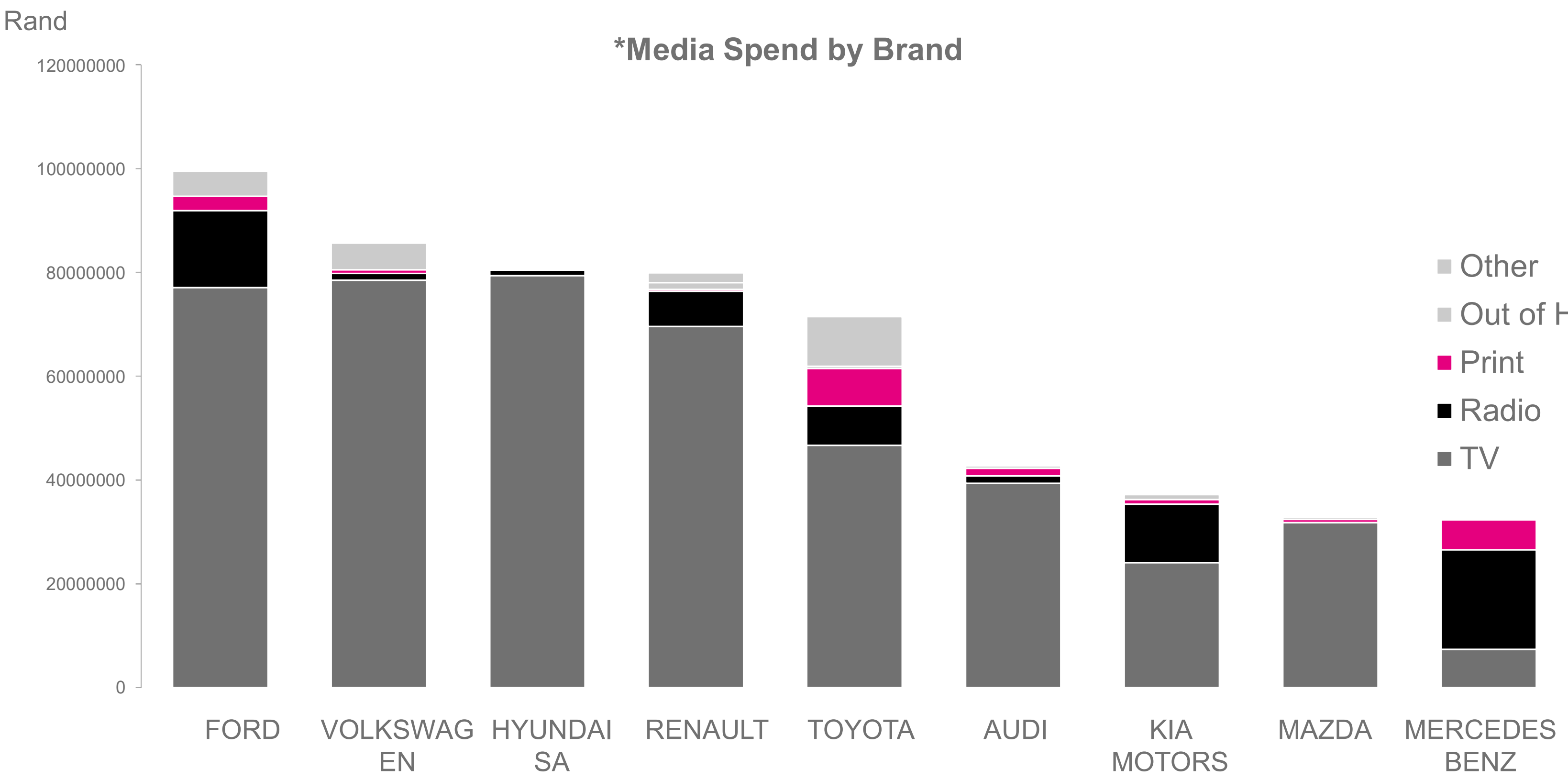
Toyota and Audi are not being perceived as offering any of the top drivers



SAMPLE SIZE: n. 1000 // CUSTOM FILTERS APPLIED: None // Benchmark for Performance: Brand equity

Automotive market landscape: media investment by brand

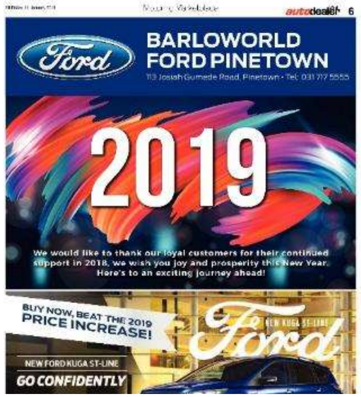
Toyota, Mercedes and Ford were the highest spenders in print in August-November 2018



	Print
FORD	R2 750 394
VOLKSWAGEN	R685 155
HYUNDAI SA	R95 566
RENAULT	R371 217
TOYOTA	R7 298 170
AUDI	R1 468 782
KIA MOTORS	R844 485
MAZDA	R578 806
MERCEDES BENZ	R5 740 637

Automotive market landscape: Print ads

Combination of emotional messaging, direct targeting, styling and price



Automotive market landscape – major print titles*

Specialist interest titles and supplements top the titles list for August-November 2018

R17m

BUSINESS DAY MOTOR NEWS	R3 098 322
THE STAR MOTORING (THUR)	R1 758 216
SUNDAY TIMES	R1 306 800
SUNDAY TIMES BUSINESS TIMES	R951 210
RAPPORT MAINBODY	R870 375
THE STAR MF	R555 632
CAPE TIMES MON-FRI	R512 880
CITY PRESS	R469 558
CITIZEN MF	R466 993

R13m

CAR	R1 874 660
GO! DRIVE&CAMP	R861 168
WEG RY&SLEEP	R777 067
MEN'S HEALTH	R766 608
CARAVAN & OUTDOOR LIFE	R710 245
TOYOTA CONNECT	R514 020
GQ SOUTH AFRICA	R473 100
GETAWAY MAGAZINE	R411 830
WEG	R365 766

*Adex August-November 2018

Automotive market landscape – major TV campaigns*

Weddings feature in 2 of the major auto campaigns

Ford Ranger
1107ARs

https://www.youtube.com/watch?v=JT6WqesINuA

Hyundai i20
640ARs

https://www.youtube.com/watch?v=HfFimV3Wujg

VW Tiguan
354ARs

https://www.youtube.com/watch?v=A-lDlIV6mLQ

+ Toyota Hilux 887ARs

'Introducing the new face of tougher-er'

https://www.youtube.com/watch?v=CxozxiSJDuY&index=2&list=LLbdZjWzvTF8LJsZBcqkgCpA&t=0s

What does the modelling reveal in the automotive category?

Reminder of the **23 touchpoints** – all the ways where consumers can come into contact with an auto brand/make

Media/Paid

Digital

- Online advertising (e.g. banner ads, pop ups)

Traditional

- Outdoor advertising (e.g. billboards, street signs)

- Print advertising (e.g. newspapers, magazines, inserts)

- TV advertising

- Radio advertising

- Sponsorship

- Moving vehicles (e.g. taxis, buses)

Owned

Digital

- Online video ad (e.g. YouTube)

- Car website

Traditional

- Call centre

- Car dealer staff

- Dealer showroom

- Catalogues and leaflets

- Test report

Other

- Test drive

Earned

Digital

- Social media (e.g. Facebook)

- Online sales (e.g. AutoTrader, Cars.co.za, Gumtree)

- Online websites

Traditional

- News coverage

Other

- Word of mouth conversation

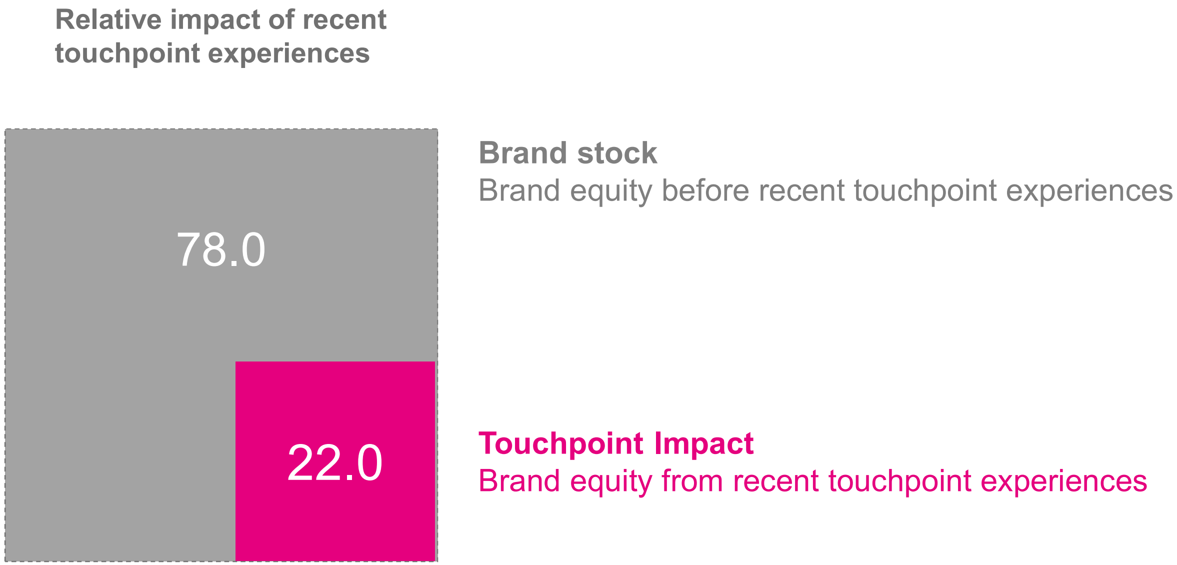
- Recommendation from family and friends

- Personally drive

- Seen car on street

Connect modelling: What proportion of **brand equity** is due to recent touchpoint experience?

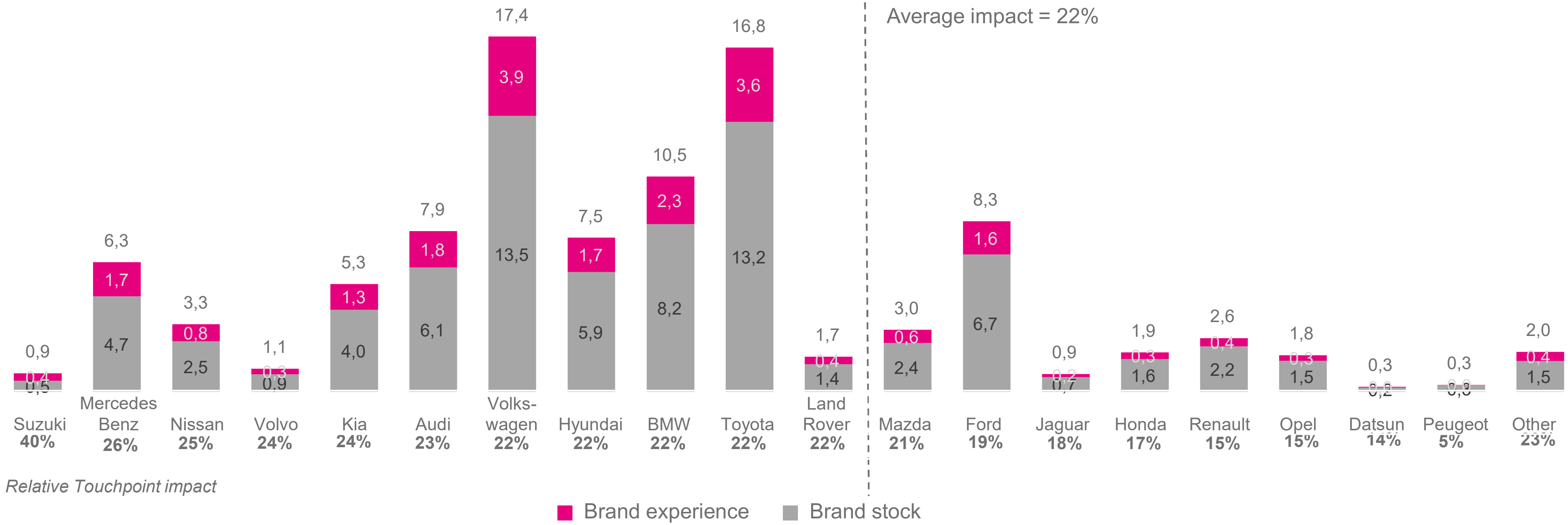
In the automotive market, a very high 22.0% of brand equity is driven by recent touchpoint experiences



What is touchpoint impact on specific brands' equity?

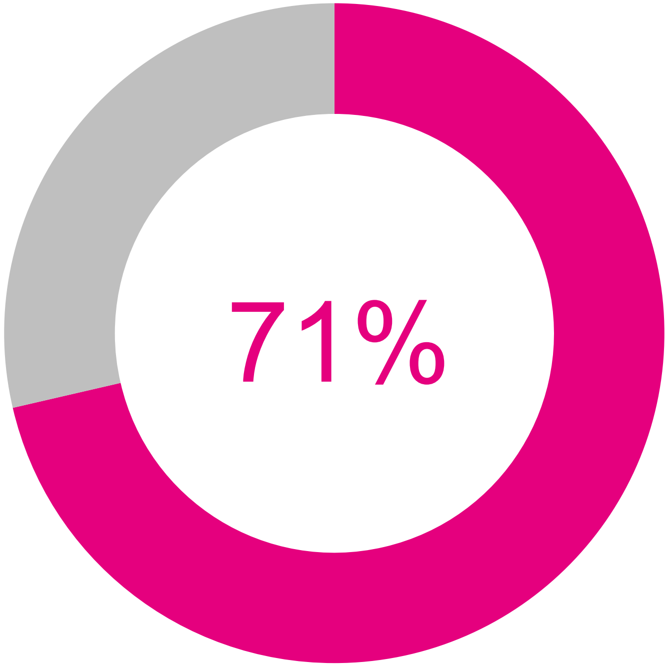
Suzuki, Mercedes and Nissan are benefiting most from recent touchpoint experience

Impact by brand
(Ranked on relative impact)



What are the **key touchpoints** driving the automotive category?

Top 10 touchpoints contribute 71% of overall impact on brand equity. Print is number 9 overall. Most of the top 10 are Earned touchpoints. Social media is the only Digital touchpoint in the top 10

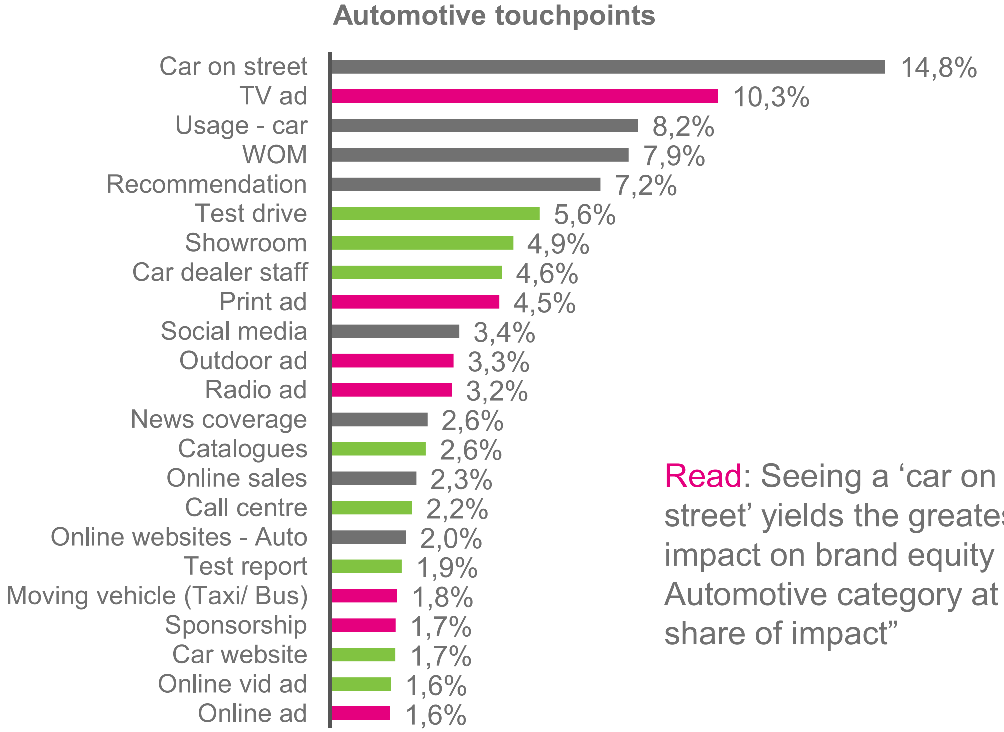


1	Car on street
2	TV ad
3	Personally drive
4	Word of mouth
5	Recommendation
6	Test drive
7	Showroom
8	Car dealer staff
9	Print ad
10	Social media

Media/Paid
Owned
Earned

What are the **key touchpoints** driving the automotive category?

Print is the second highest Media/Paid touchpoint after TV, whereas Online ads in this category are the weakest touchpoint. Combined – Media accounts for 27% of the impact, similar to all Owned touchpoints. Overall, Digital is low



Read: Seeing a ‘car on the street’ yields the greatest impact on brand equity in the Automotive category at 14.8% share of impact”

Combined relative %

Media/Paid	27%
Owned	25%
Earned	48%
Traditional	44%
Digital	13%
Other	44%
TV/Print	15%
TV/Radio	14%
TV/Outdoor	14%
Print/Online ads	6%

Of note: Impact of Auto Print in SA is higher than global norm of 2.5%

Proving effectiveness: Print in synergy with other touchpoints

TV ads 17% more impactful in combination with print

+17%

+25%

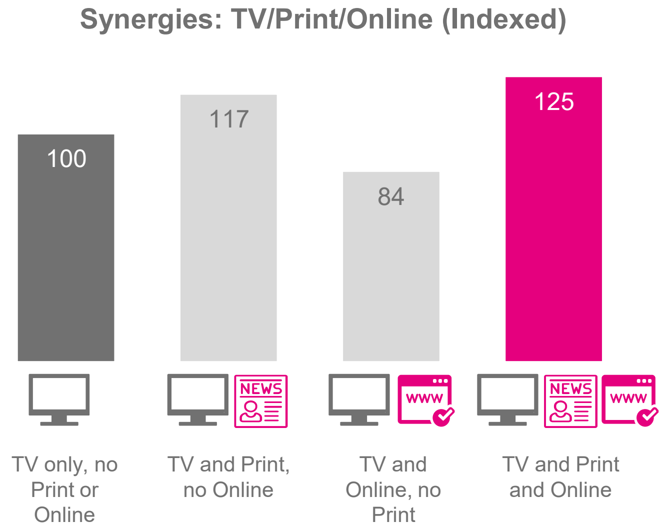
Index – TV only at 100

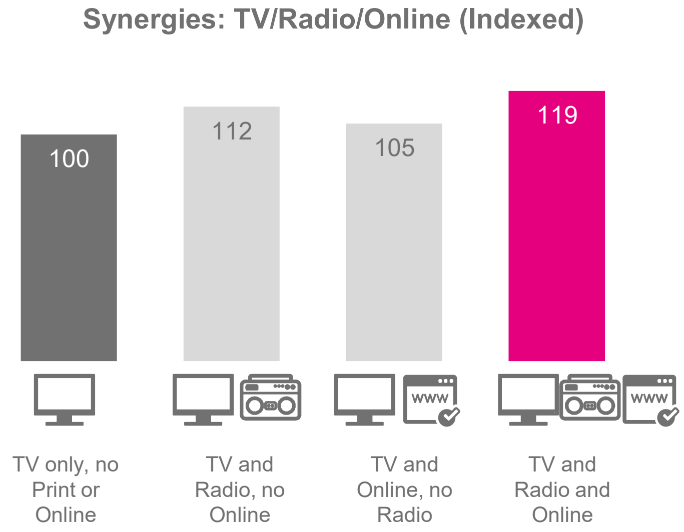
What are Media/Paid touchpoint **synergies** with TV and Online?

TV+Print+Online delivers a 25% incremental impact to TV alone, whereas TV+Print (no Online) yields a 17% uplift. This compares to only 12% for TV+Radio (no Online).

Most notably, TV+Online (no Print) yields weaker results than TV on its own – indicating a TV to digital strategy in this category without Print is ineffective.

Read: TV and Print (no Online) indexes at 117 compared to TV only (no Print or Online) at 100





What is the relative impact of Media/Paid touchpoints per brand?

Across the top 5 brands, Print performs better than Radio and Outdoor

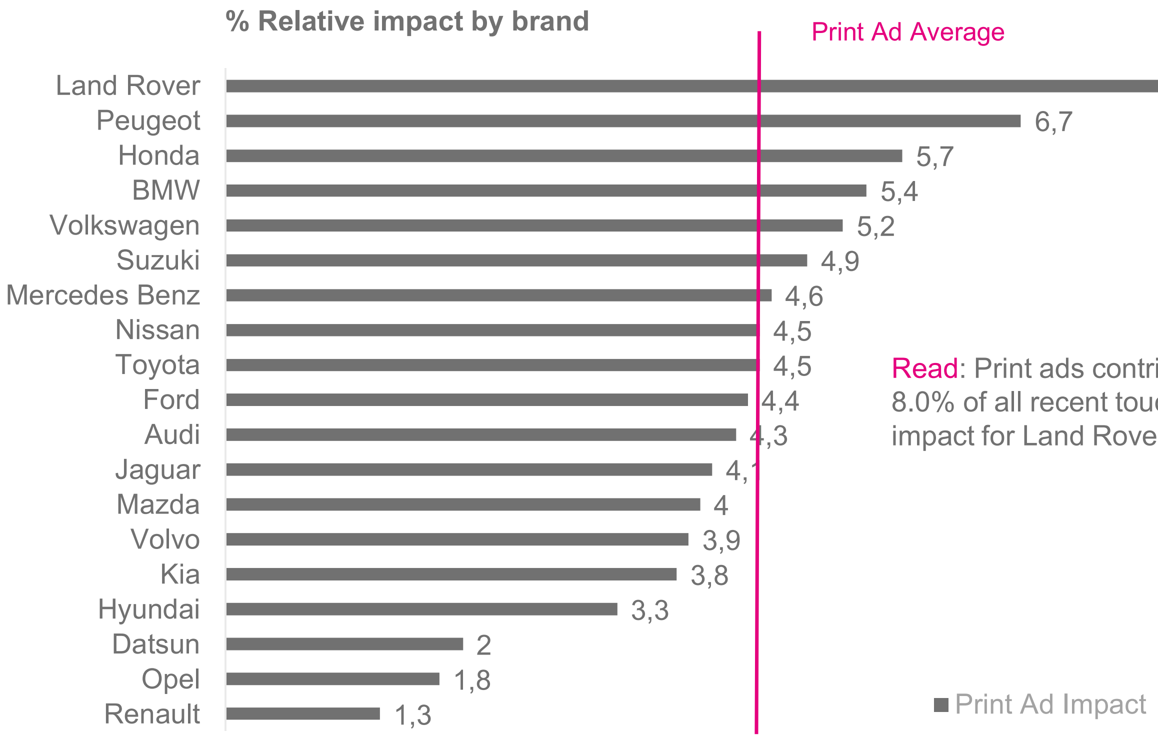
% Relative Impact	Volkswagen (19% share)	Toyota (17% share)	BMW (9% share)	Ford (9% share)	Hyundai (8% share)
TV ad	10,3%	9,1%	10,0%	11,6 %	10,1 %
Print ad	5,2%	4,5%	5,4%	4,4%	3,3%
Outdoor ad	3,7%	3,9%	3,0%	1,9%	1,4%
Radio ad	3,4%	3,8%	2,0%	3,1%	2,6%
Moving vehicle	2,0%	4,1%	1,2%	1,8%	0,8%
Sponsorship	1,6%	2,2%	2,0%	1,7%	2,2%
Online ad	1,2%	1,7%	1,8%	1,0%	1,2%

% relative impact (netts)

TV/Print	15.5%	13.6%	15.4%	16.0%	13.4%
TV/Radio	13.7%	12.9%	12.0%	14.7%	12.7%
TV/Outdoor	14.0%	13.0%	13.0%	13.5%	11.5%

How does Print perform across brands? – Relative impact within brands

On a relative basis, print has the greatest impact for Land Rover and Peugeot, followed by Honda, BMW, Volkswagen and Suzuki



Read: Print ads contribute 8.0% of all recent touchpoint impact for Land Rover

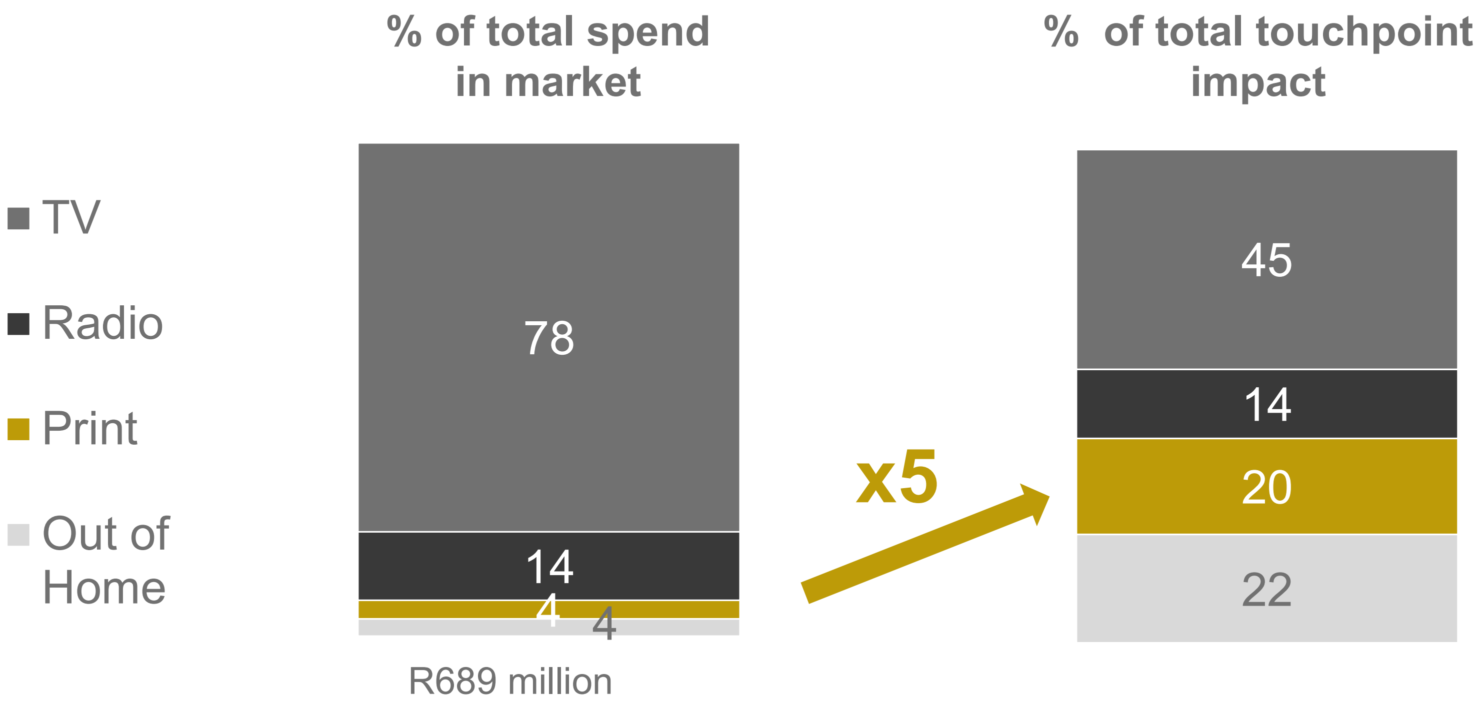
	Print Spend* Aug-Nov 2018	Print share of brand media spend*
LAND ROVER	R134,162	1%
PEUGEOT SA	R1,079,939	15%
HONDA	R283,693	50%
BMW	R1,409,658	10%
VOLKSWAGEN	R685,155	1%
SUZUKI SA	R636,779	3%

SAMPLE SIZE: n. 1000

*Adex August-November 2018

Proving effectiveness: Print Return of Investment

Investment is 5 x more efficient in comparison to radio (5:1 vs 1:1 Ratio)

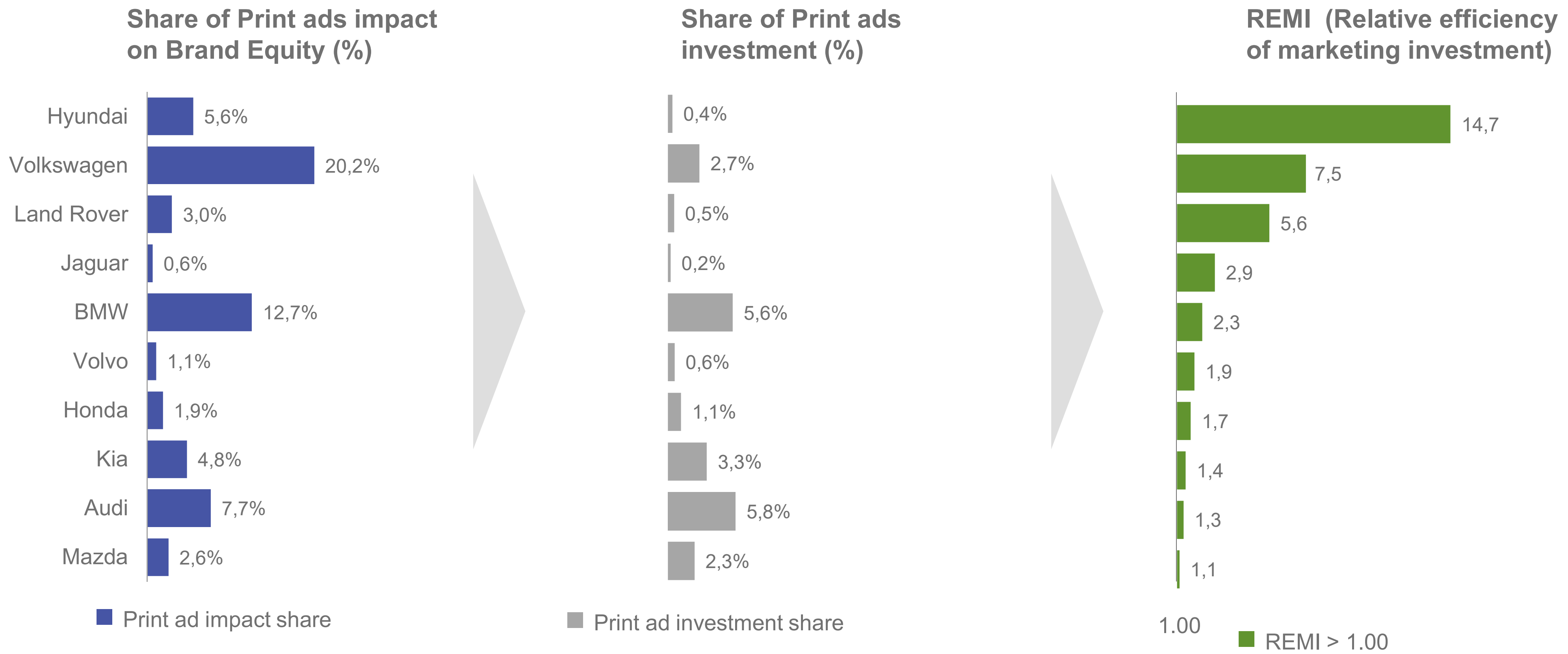


Note: All spend levels are rate card from Nielsen's Adex and may not represent actual (discounted) spend by marketers

* Adex August – November 2018 Excludes Cinema and Direct Mail

Which brands are enjoying relative efficiency of investment in print ads?

Hyundai, Volkswagen and Land Rover are greatly over-indexing on their relative investment



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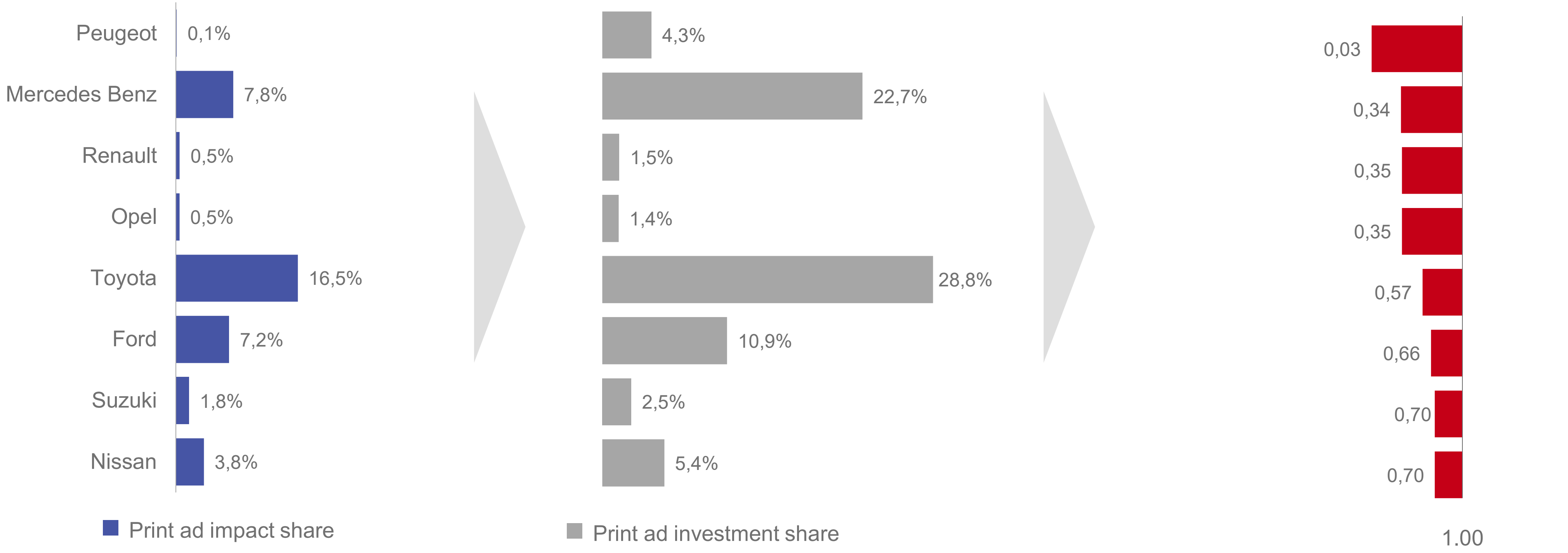
Which brands are **suffering** from not receiving relative efficiency of investment in print ads?

Peugeot, Mercedes, Renault and Opel are receiving poor ROI for their print advertising

Share of Print ads impact on Brand Equity (%)

Share of Print ads investment (%)

REMI (Relative efficiency of marketing investment)

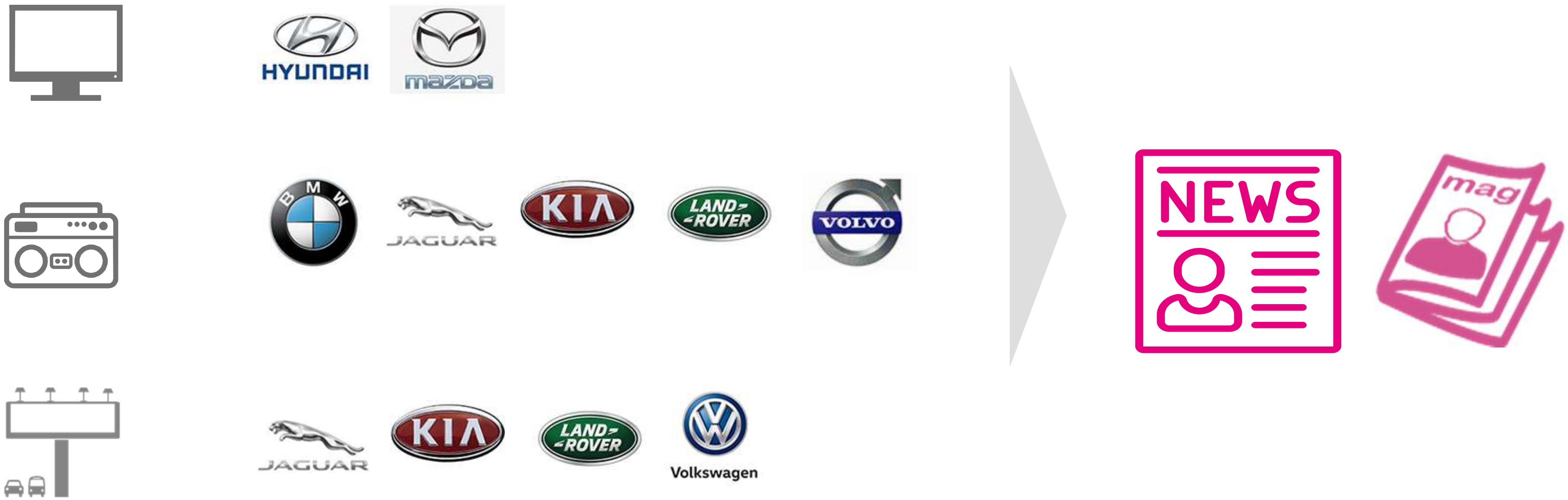


What brands have higher efficiency in Print vs. other media?

Five brands have more efficient print investment than radio currently, including BMW

Low REMI

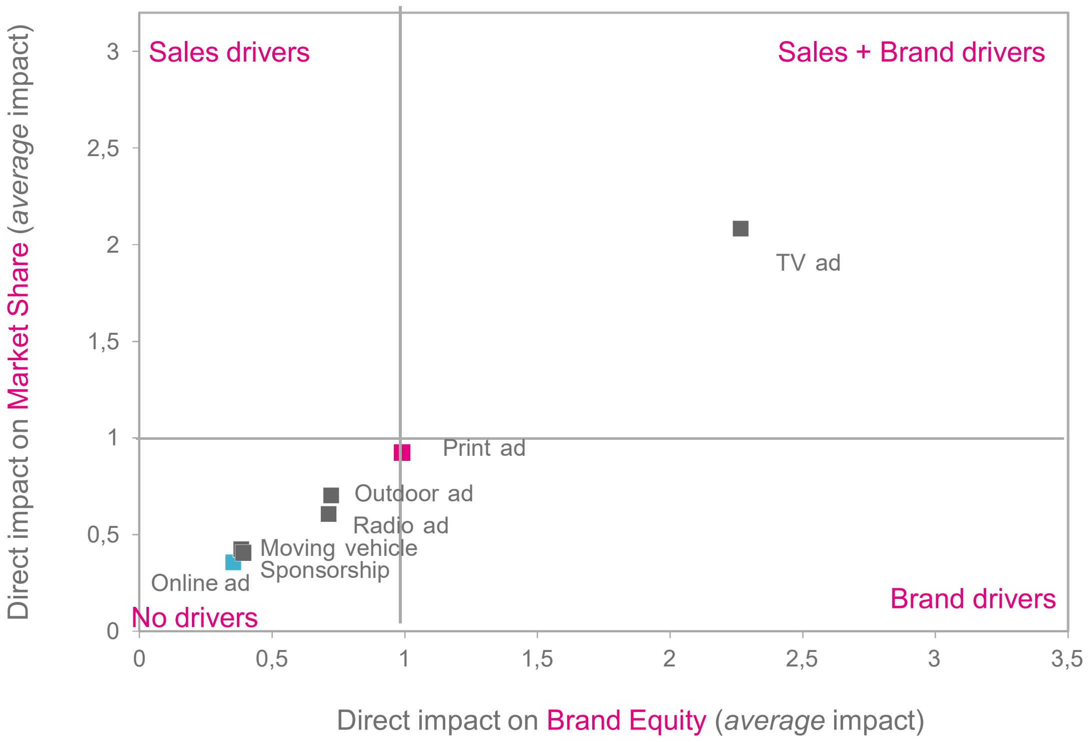
High REMI



Read: "BMW has a higher REMI for Print than it does for Radio"

What is the contribution of Media/Paid touchpoints to market share and brand equity?

Print continues to be the second highest Media touchpoint behind TV that drives both brand equity as well as sales (market share)



Proving effectiveness: Efficiency of print investment for Toyota

Toyota is largest spender – but generates comparatively little impact with print

	VOLKSWAGEN	TOYOTA	BMW
			
% of total print investment in market	3%	29%	6%
% of total print impact in market	20%	17%	13%
Ratio – Impact vs Investment	7,5	0,6	2,3

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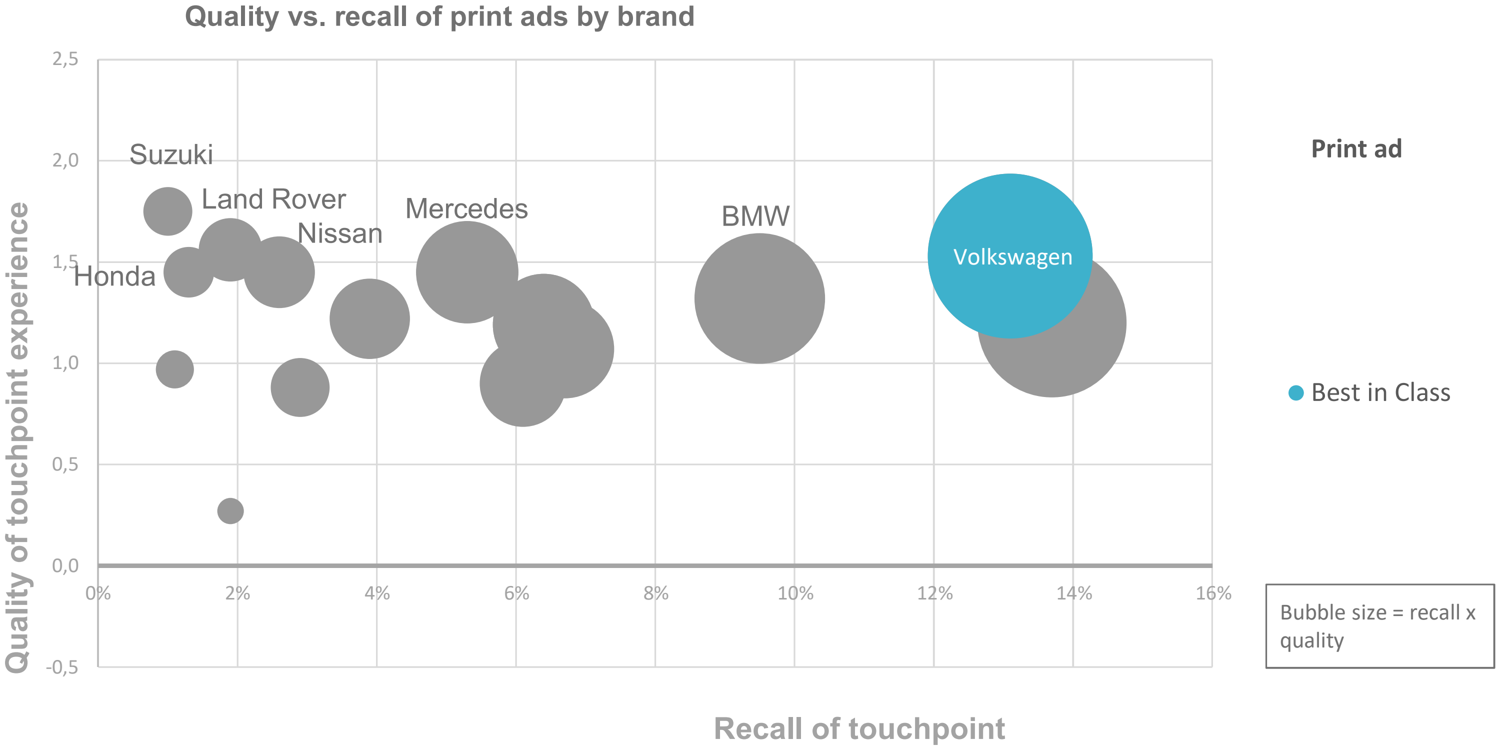
Publisher Research Council

What is driving print ads' impact per brand? Quality of the experience or recall?

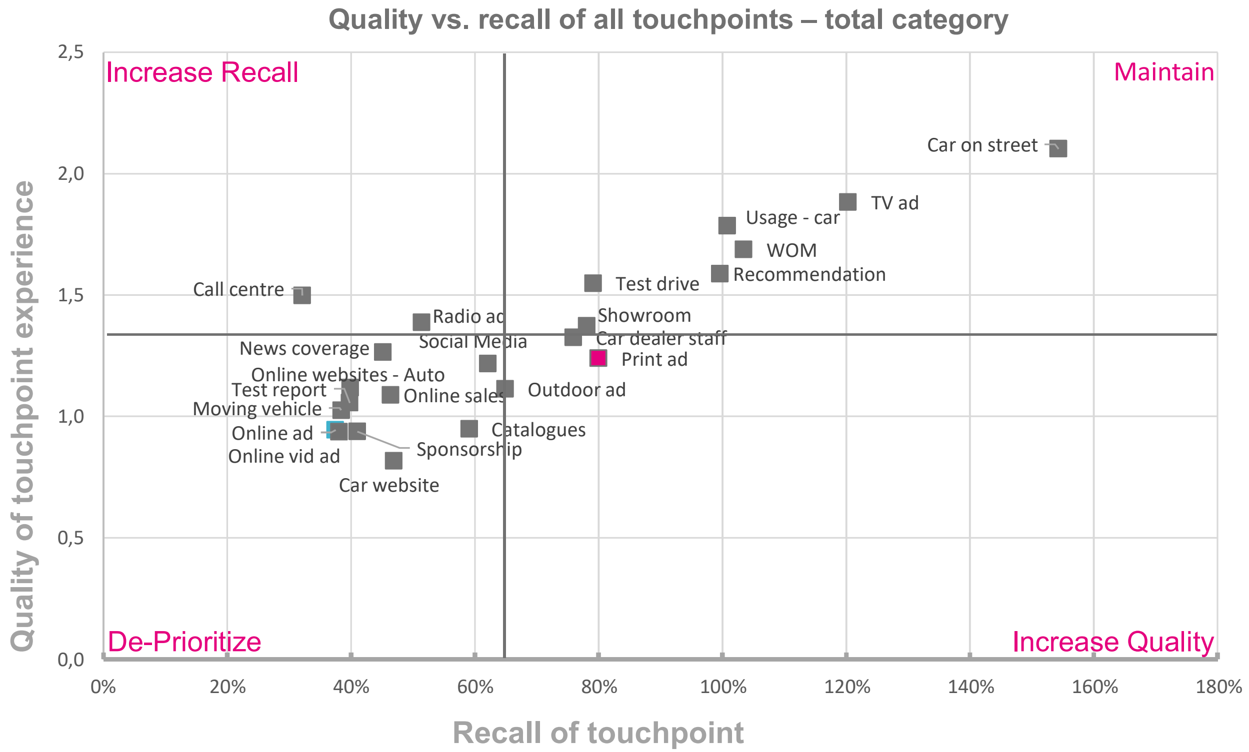
Suzuki and Land Rover lead on the quality of their print ad impact. Volkswagen enjoys both high recall and high quality. Toyota has high recall but falls down on the ads resonating with consumers



Highest Quality
Suzuki
Land Rover
Volkswagen
Honda
Mercedes Benz
Nissan
BMW

How to improve Print's assets? Recall or quality?

On a total touchpoint level, Print ad's impact is largely driven by recall.
Quality of the experience is generally lower for Print than Radio across all brands with the exception of BMW and Mercedes. What are they doing right?

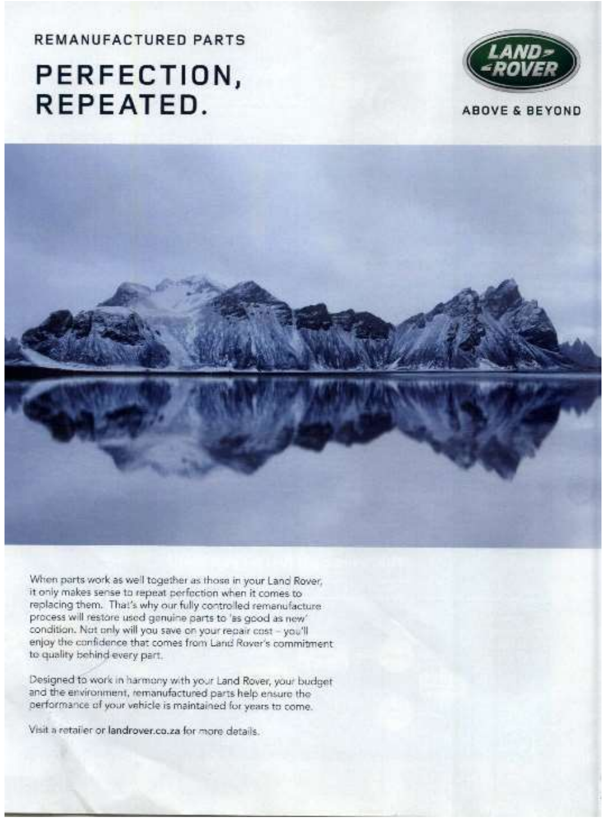


Brand:
Total

Recent **BMW** ads

Recent **Mercedes Benz** ads

Land Rover and Suzuki



Learnings about print advertising creative

Best practices for print advertising

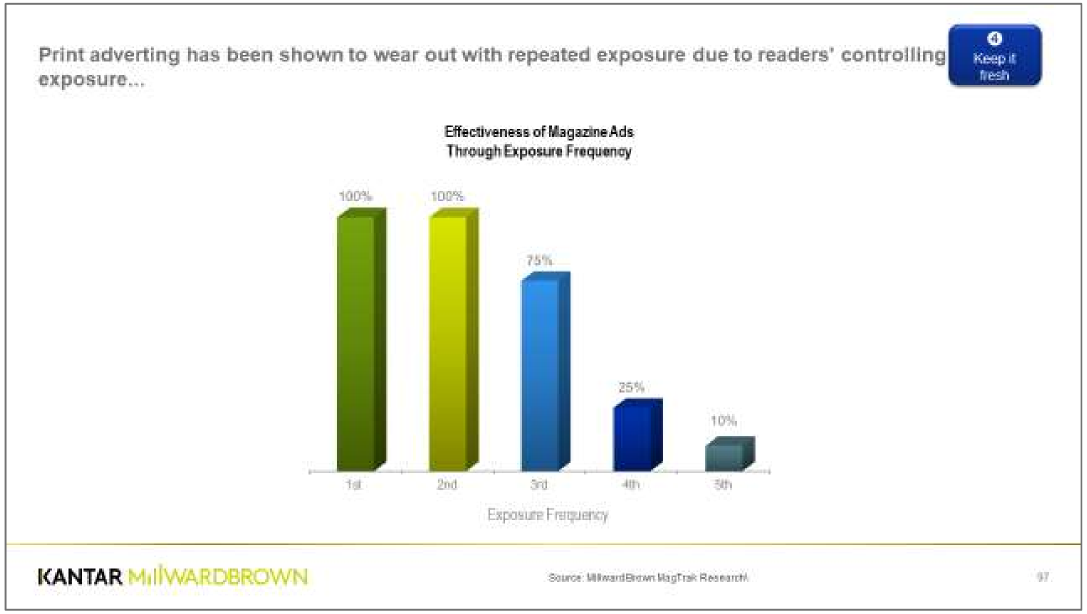
❶ Get them hooked	Hook readers with a visual impact that has a link to brand and message
❷ Ensure message is relevant	Ensure creative is relevant to brand & message and is not confusing
❸ Keep it simple	Keep it simple and clutter-free
❹ Keep it fresh	Keep it fresh via changing the copy over time to avoid wear-out
❺ Synergy & Consistency	Create synergy and consistency across print ads and with other media

1. **Get them hooked**: Notice, Stop, Engage, Branded Memories

2. **Ensure message is relevant**: Not confusing

3. **Keep it simple**: And clutter-free

4. **Keep it fresh**: Avoid wear out



5. Synergy and consistency: Aids branding & awareness

Best Practice: Impact vs. Persuasion

What do we need to do to increase investment in reading touchpoints in the Automotive category?

Some thought starters …

- Need to leverage the relatively high ROI vs. Radio
- Need to leverage the TV+Print+Online synergies and ensure consistency across these touchpoints
- Need to have targeted brand discussions about maximising effectiveness around allocation of media mix
- Need to have targeted brand discussions with some brands around the quality of the creative, and with others about increasing recall
- Need to leverage the key drivers of brand equity, especially badge effect and value

3
Some concluding thoughts

Some questions to consider for 2019 and beyond?

- Is TRUST indeed the word of 2019?
- Beyond the auto category (which has a high SEM profile) are we effectively segmenting by SEM Supergroups?
- Are individual brands maximising reading touchpoints effectively and efficiently within the media mix?
- Can magazines be utilised more to drive consumer relationships with higher SEM groups?
- Do creative agencies actually know how to make resonating print ads? Online ads?
- In SA, are we doing enough to innovate within this industry?

Key Learnings

Focusing on three key points, tailored to suit each brand‘s story

1

Print is the second-most impactful paid touchpoint in automotive – and offers great ROI

2

Print boosts the impapt of TV - it is especially impactful in combination with TV and Online

3

Opportunities for individual brands

- Greater investment to boost contacts/ recall?
- Re-allocate budget from less-effective touchpoints?
- Improve quality?