



# Video Impact

## The Value of Mass Marketing compared to Targeting

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# Who we are



SevenOne Media is the sales house of **ProSiebenSat.1 Media**, a major media company in Europe, located in Germany.

Our core business is **advertising-financed free TV** (50% of revenues).

Furthermore, we operate an **e-commerce business** and an international **production** and distribution company to which the MCN *Studio71* belongs.

We also have a strong **digital entertainment unit** and are one of Germany's leading digital video marketers.

# Targeting or mass marketing?

## THE PROMISES OF TARGETING

Target relevant consumers only to avoid waste.

R<sup>3</sup>

Right MESSAGE

Right PERSON

Right TIME

## AND WHAT WE KNOW FROM CONSUMER RESEARCH

“Brands should always think about inclusion first, rather than exclusion.”

*Byron Sharp,*

*Professor of Marketing Science  
at the University of South Australia*

*Director of the Ehrenberg-Bass Institute*

# How can we draw a fair comparison?

Is **the same commercial** just as effective in digital online media as it is on broadcast TV?

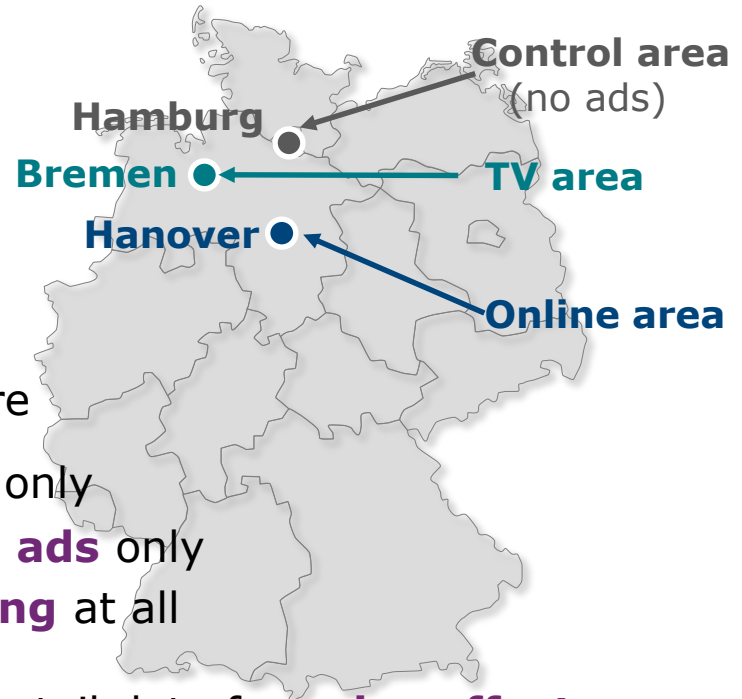
Methodical challenge: for a fair comparison, the **pure effects** of TV and online video must be isolated rigorously.



# The idea: strictly controlled study based on A/B testing

Advertising for a CPG brand:

- Identical **ad budget**
- Identical **creation**
- Identical campaign **duration**
- Three **test areas** with similar demographic and retail structure
  - One area with **TV advertising** only
  - Another one with **online video ads** only
  - Control area with **no advertising** at all
- Survey for **branding effects**, retail data for **sales effects**



# The test campaigns

|                         | <br>EMMI CAFFÈ LATTE<br>COLD COFFEE DRINK | <br>LAUNCH OF NEW<br>PRODUCT (YOGHURT) |
|-------------------------|--|---|
| PRODUCT                 | EMMI CAFFÈ LATTE<br>COLD COFFEE DRINK  | LAUNCH OF NEW<br>PRODUCT (YOGHURT)  |
| CHARACTERISTICS         | Well distributed brand, but<br>without advertising for years   | Newly launched product  |
| TARGET AUDIENCE         | A 18-39 Y  | Housewives 20-49 Y  |
| SPOT LENGTH             | 20" both TV and online video   | 20" TV and 16" online video   |
| CAMPAIGN DURATION       | May 16-June 9, 2016 (4 weeks)  | May 1-21, 2017 (3 weeks)  |
| NET BUDGET <sup>1</sup> | 0.9 m EUR  | 0.8 m EUR   |
| TV                      | Major German TV stations   | Major German TV stations  |
| ONLINE                  | Premium publisher sites,<br>YouTube, Facebook  | Premium publisher sites,<br>YouTube, Facebook   |

1)Extrapolation to nationwide campaign. Media plan based on 100 GRP/week (Emmi case) and 120 GRP/week (new product case)  
Source: Kantar TNS / SevenOne Media

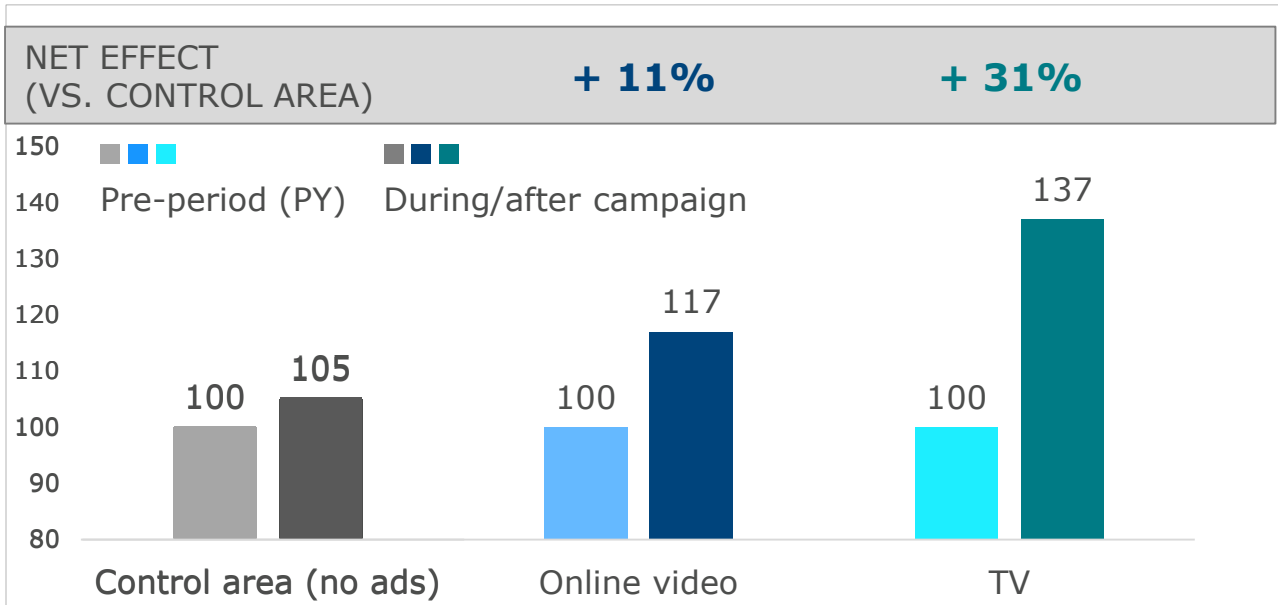
# Study design

|                              | PRE-CAMPAIGN PERIOD <sup>1</sup> | CAMPAIGN PERIOD             | POST-CAMPAIGN PERIOD <sup>2</sup> | RESULTS  |
|------------------------------|----------------------------------|-----------------------------|-----------------------------------|--|
| TV<br>(BREMEN)               | Survey:<br>brand metrics         | TV<br>ADVERTISING           | Survey:<br>brand metrics          | TV impact on<br>awareness,<br>image and<br>sales |
|                              | Sales tracking                   |                             |                                   |  |
| ONLINE<br>(HANOVER)          | Survey:<br>brand metrics         | ONLINE VIDEO<br>ADVERTISING | Survey:<br>brand metrics          | TV impact on<br>awareness,<br>image and<br>sales |
|                              | Sales tracking                   |                             |                                   |  |
| CONTROL<br>AREA<br>(HAMBURG) | Survey:<br>brand metrics         | No advertising              | Survey:<br>brand metrics          | Brand<br>performance<br>without<br>advertising   |
|                              | Sales tracking                   |                             |                                   |  |

1) Pre-period (Emmi case only): previous year for sales, previous month for cognitive indicators. No pre-period for yoghurt case.  
 2) Post-period 4w for Emmi, 2w for yoghurt. Source: Kantar TNS / SevenOne Media

# Sales effects: Online video with significant gains, TV results even better

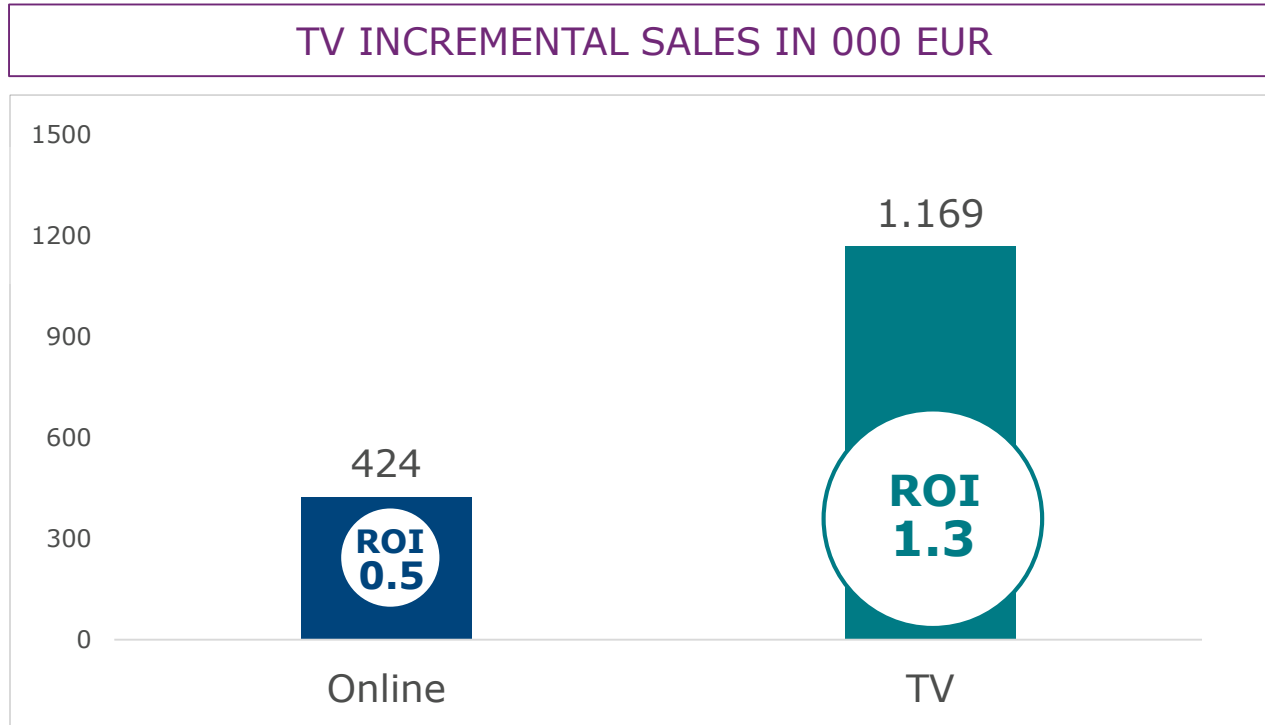
AVG. WEEKLY SALES REVENUES (INDEX PRE-PERIOD=100)



Emmi case. 20 stores. Pre-period: weeks 20-27, 2015; Campaign & post-period: weeks 20-27, 2016  
Source: Kantar TNS / SevenOne Media



# Sales effects: Positive return on spend in the short term



Emmi case. Extrapolation to nationwide campaign. Base: 20 stores.  
Source: Kantar TNS / SevenOne Media



# We applied the study design to a newly launched product

We were able to conduct a **second test** case under particularly interesting circumstances.

With the beginning of our research the product was **completely** unknown to consumers:

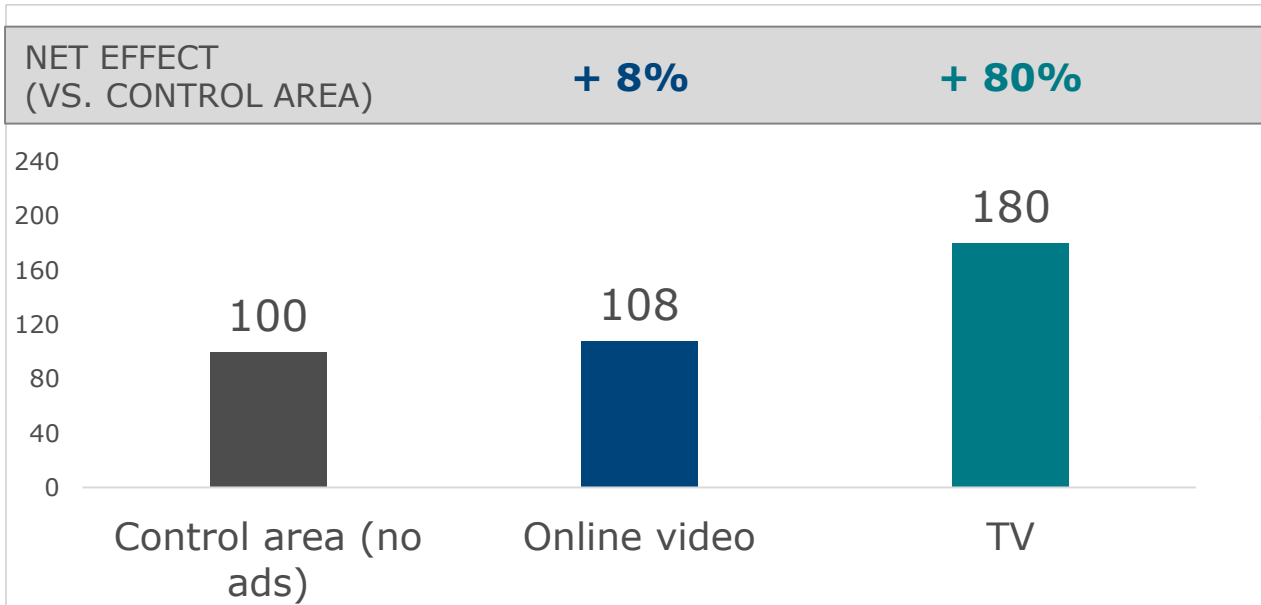
- No awareness
- No brand heritage
- No loyalty

But it was **well distributed** at the preparation of the marketing launch campaign, which started immediately **after** our test period.



# Sales effects: Online video increases sales, but stronger effects with TV

AVG. WEEKLY SALES REVENUES (INDEX CONTROL AREA=100)



# Brand effects: substantial effects with online video but even better effects for TV

## POST-CAMPAIGN VS. PRE-CAMPAIGN RESULTS

|                       | ONLINE VIDEO AREA | TV AREA |
|-----------------------|-------------------|---------|
| TOP OF MIND AWARENESS | +21%              | +67%    |
| UNAIDED AWARENESS     | +4%               | +71%    |
| AIDED AWARENESS       | +13%              | +35%    |
| AIDED RECALL          | +20%              | +167%   |
| „...IS MARKET LEADER“ | +7%               | +24%    |





# Two theses why TV impact is high on sales and brand perception

1

## Sales effects:

TV ensures a big number of exposures in and beyond the defined target group. Additional sales may occur from consumers not part of that target group.

2

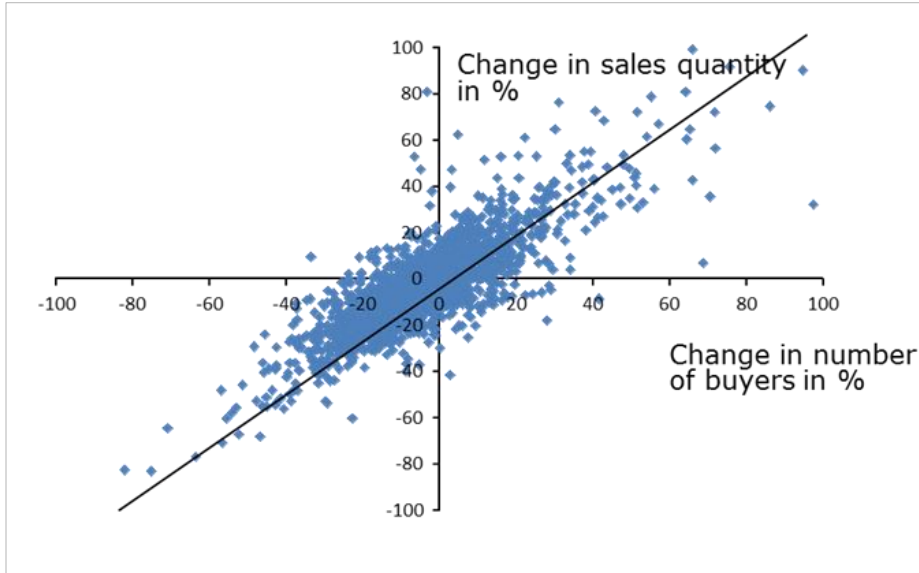
## Brand effects:

The mass-relevance of TV gives brands an **importance** - an implicit evidence for the brand's relevance for a vast majority. Whatever happens on TV, is of significance.



# Our findings are consistent with other studies...

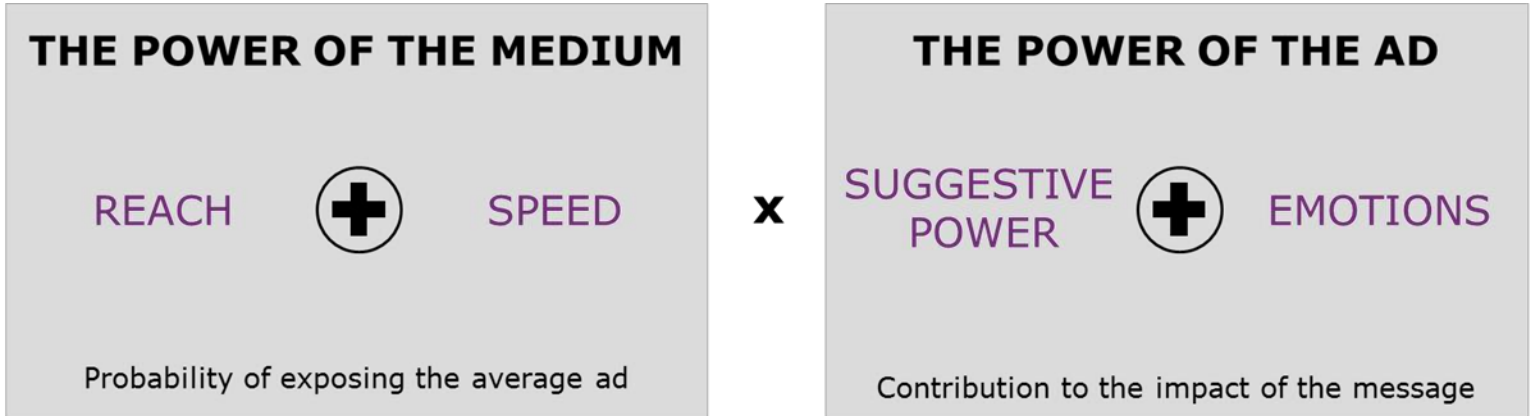
BRANDS GROW WITH ACQUISITION OF NEW CUSTOMERS



**Reach is crucial for brand growth:**

Brands grow by increasing penetration and sales with light buyers.

# ... and they confirm proven media planning knowledge



**„A medium’s advertising value is the product of its probability of exposing the average ad and its contribution to the impact of the message.“**

Erwin Ephron



# Key insights

Online video and TV ads both increase sales and awareness, yet the **effectiveness** of the TV campaign is considerably higher.

Under same conditions...

1. TV generates higher **sales effects** compared to online video.
2. Cognitive **brand effects** are increased stronger with TV – presumably because TV is a medium of importance for a vast majority.

**Conclusion: TV should not be substituted 1-to-1 by online video.**

The strength of **mass marketing** media is broad reach that enables exposures to a big number of potential buyers and thus increases sales.

**Targeting** increases campaign efficiency, if it is possible to exclude certain people clearly and precisely.