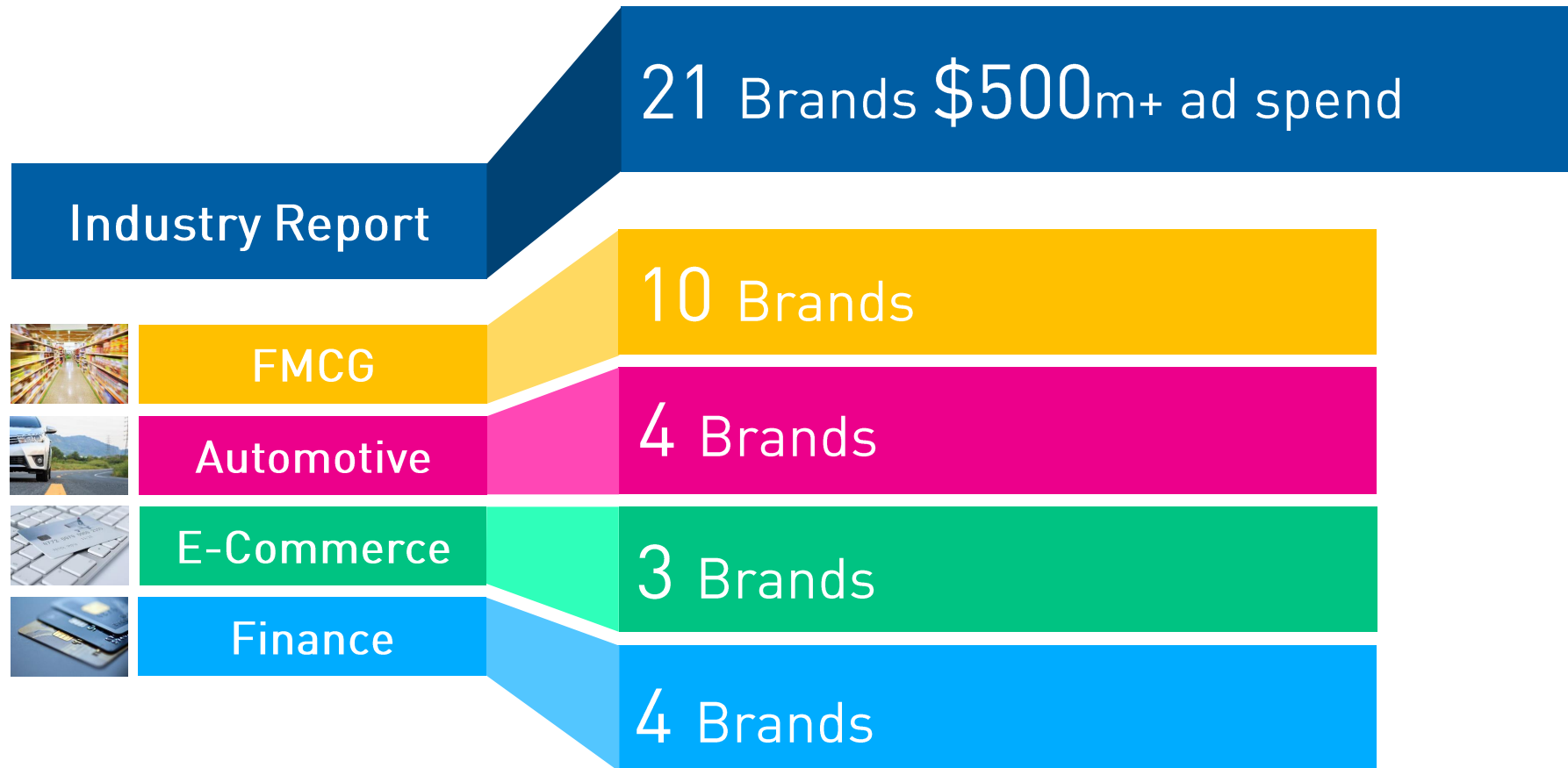


# MAXIMISING PAYBACK

OPTIMISING MEDIA MIX  
FOR MAXIMUM BRAND GROWTH

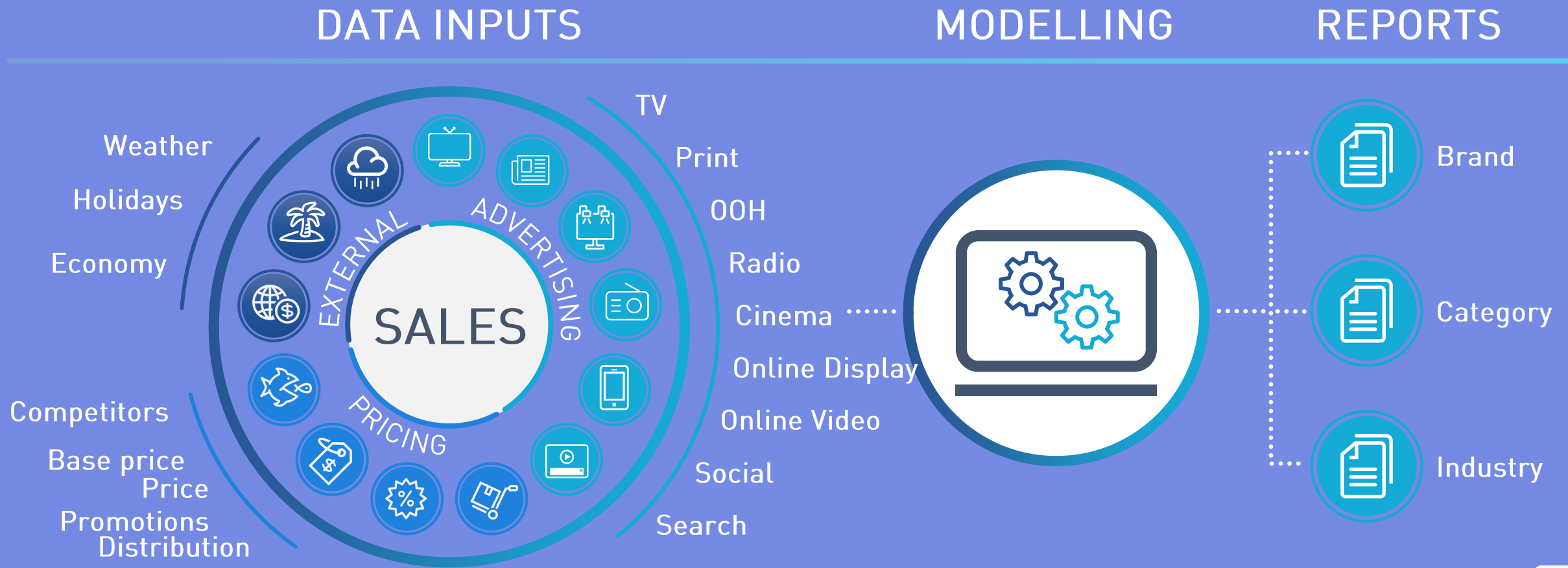
# Payback Australia Recap



Source: Payback Australia 2017, ThinkTV

# Methodology

Aim to capture everything that might impact sales

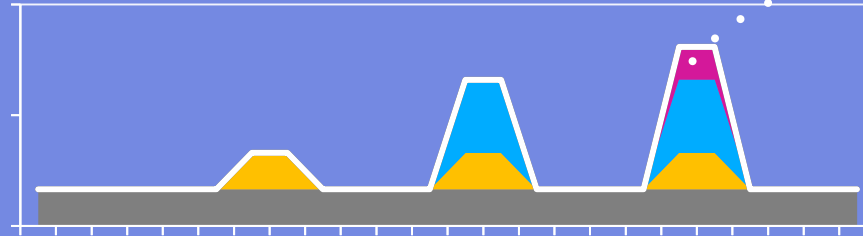


# Modelling Process

MODELLED  
VARIABLE

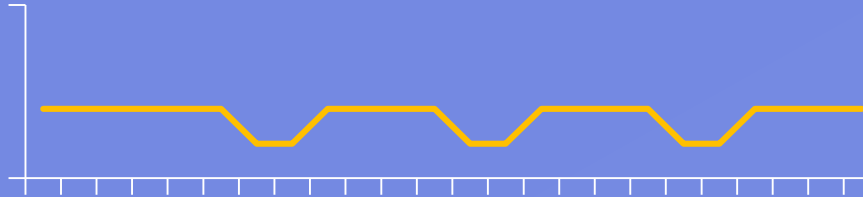
EXPLANATORY VARIABLES

SALES



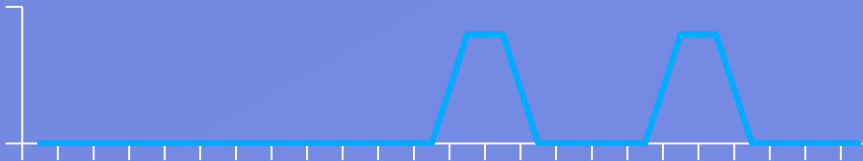
$$ROI = \frac{\text{Incremental}}{\text{Media Costs}}$$

PRICE



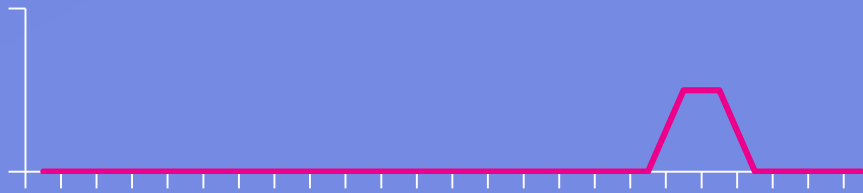
Discount can explain some peaks

PROMO



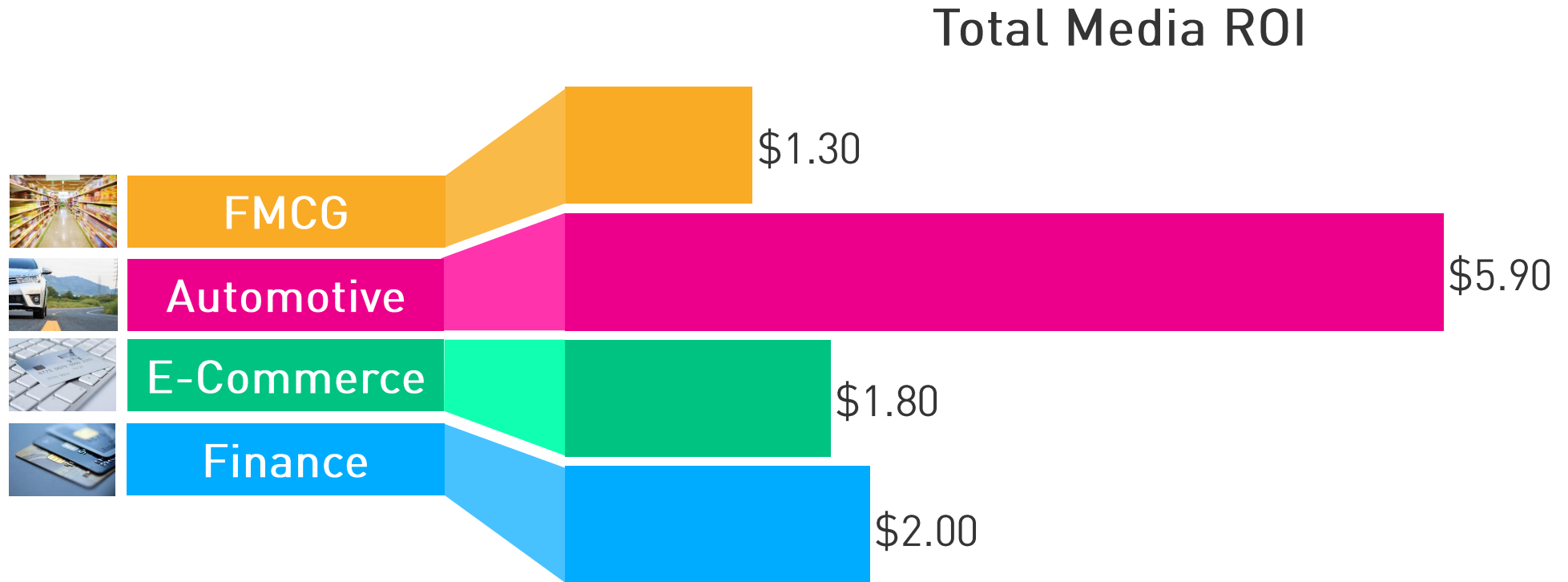
Promotions can explain other increases

MEDIA



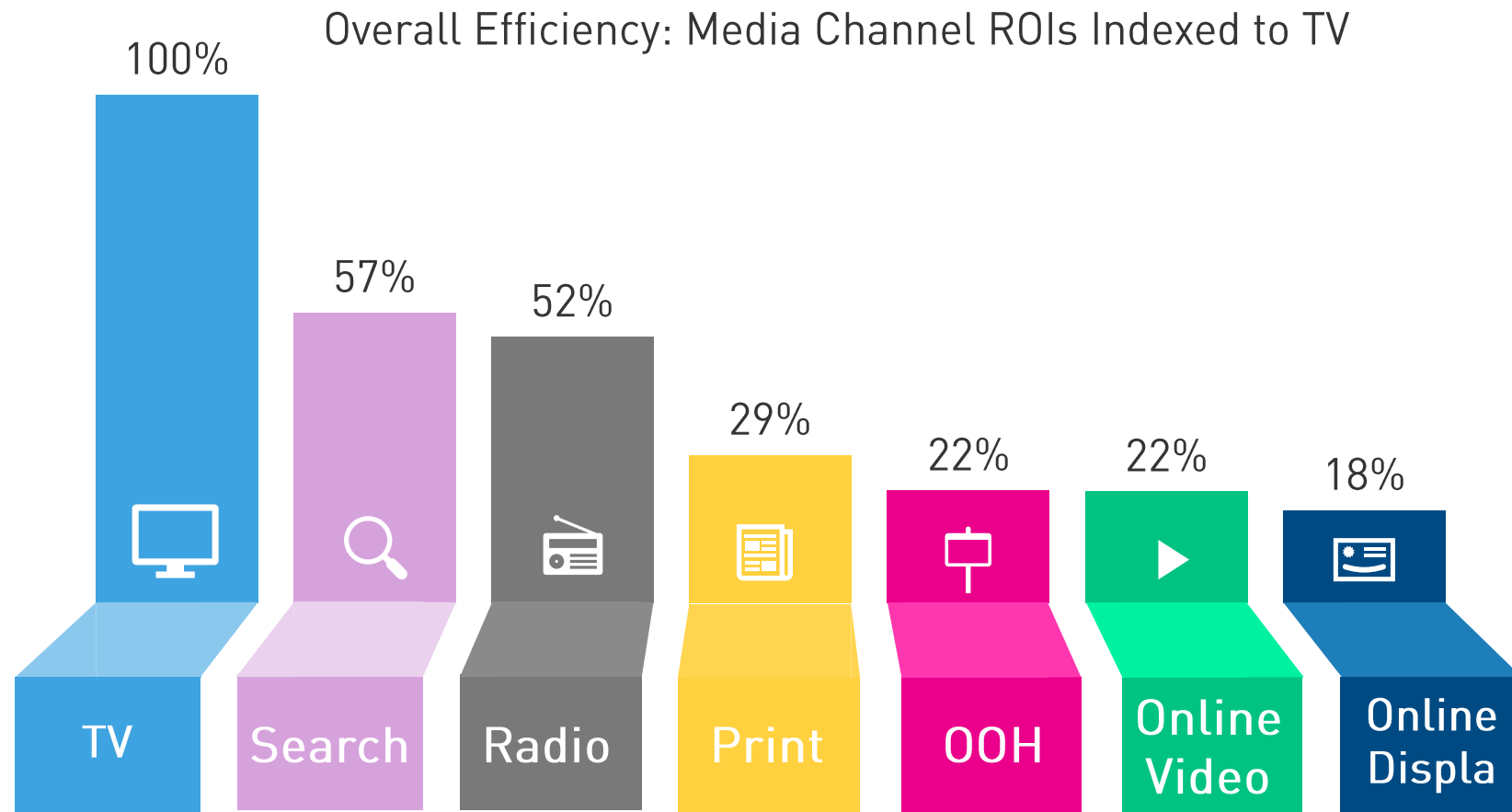
Media can explain 3<sup>rd</sup> sales increase

# Payback Australia Recap



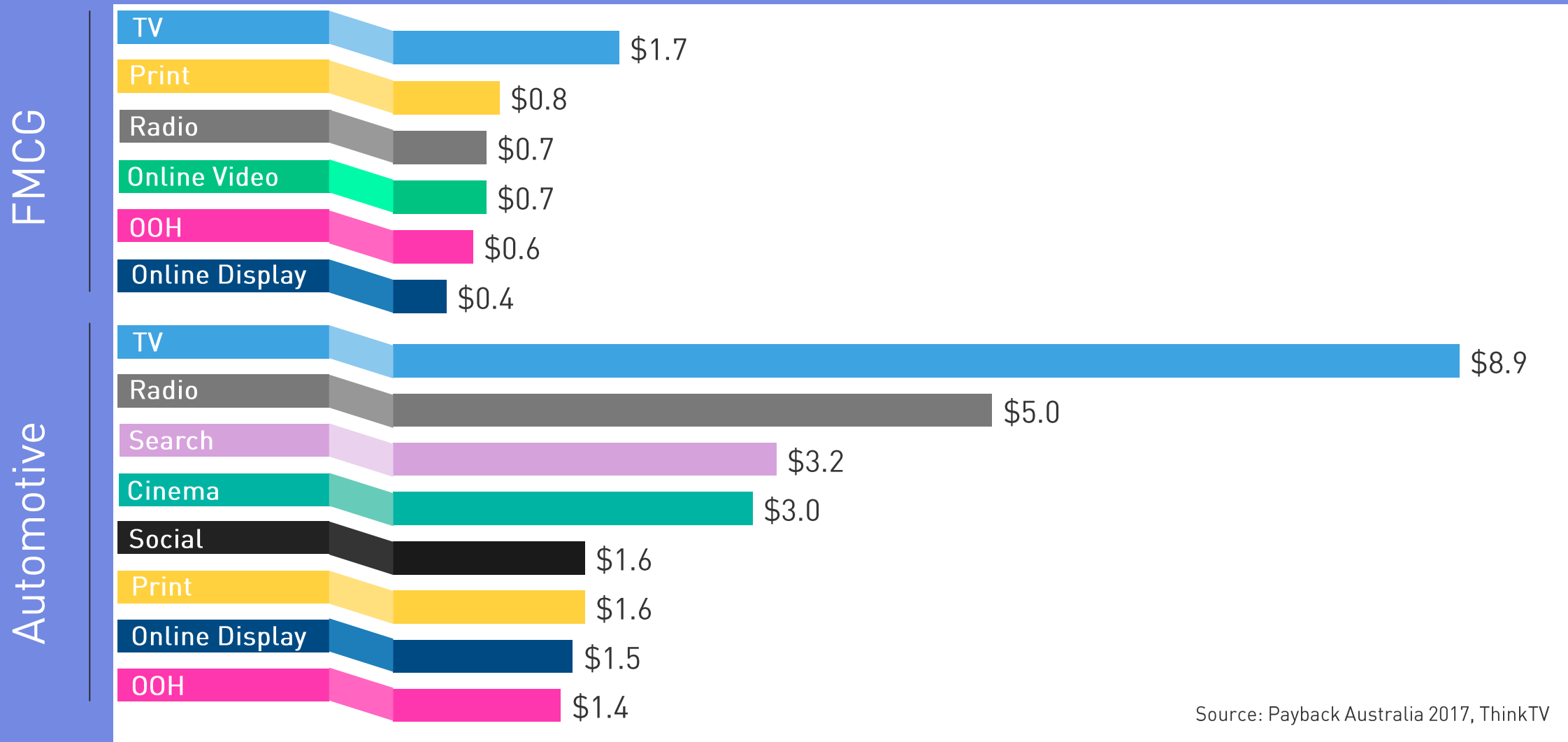
Source: Payback Australia 2017, ThinkTV

# Payback Australia Recap



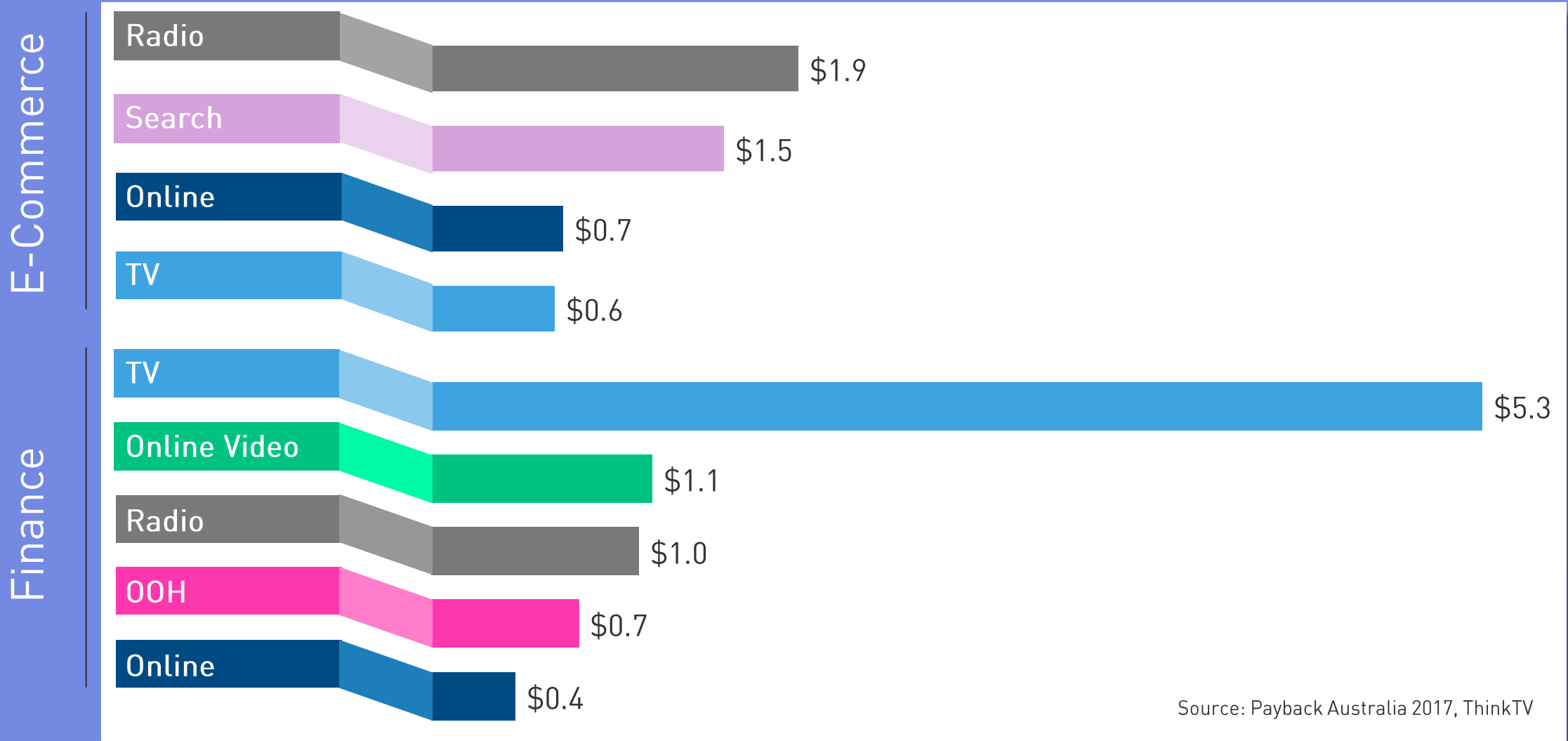
Source: Payback Australia 2017, ThinkTV

# Payback Australia Recap



Source: Payback Australia 2017, ThinkTV

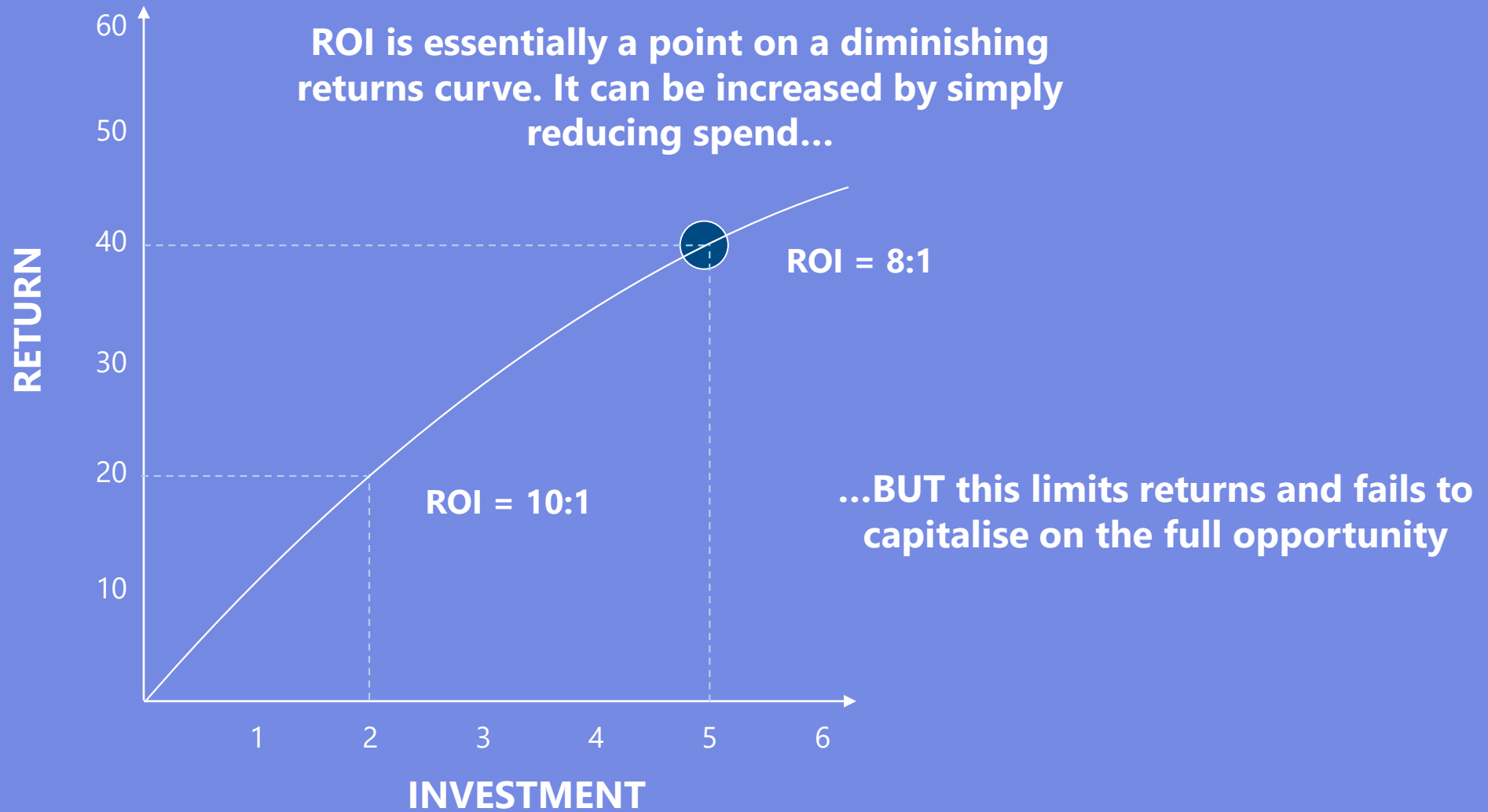
# Payback Australia Recap

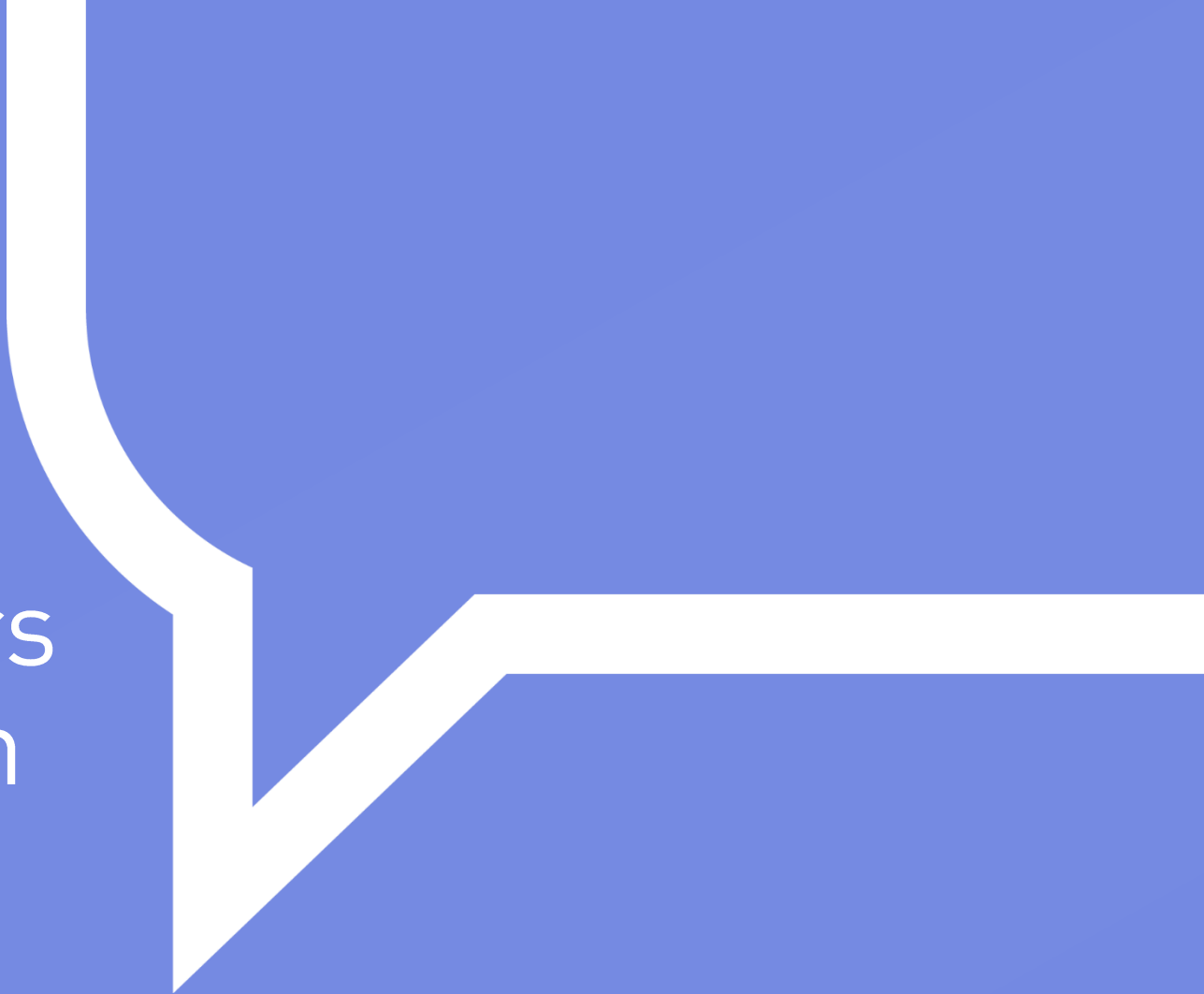


Source: Payback Australia 2017, ThinkTV




# Optimising the media mix for maximum return





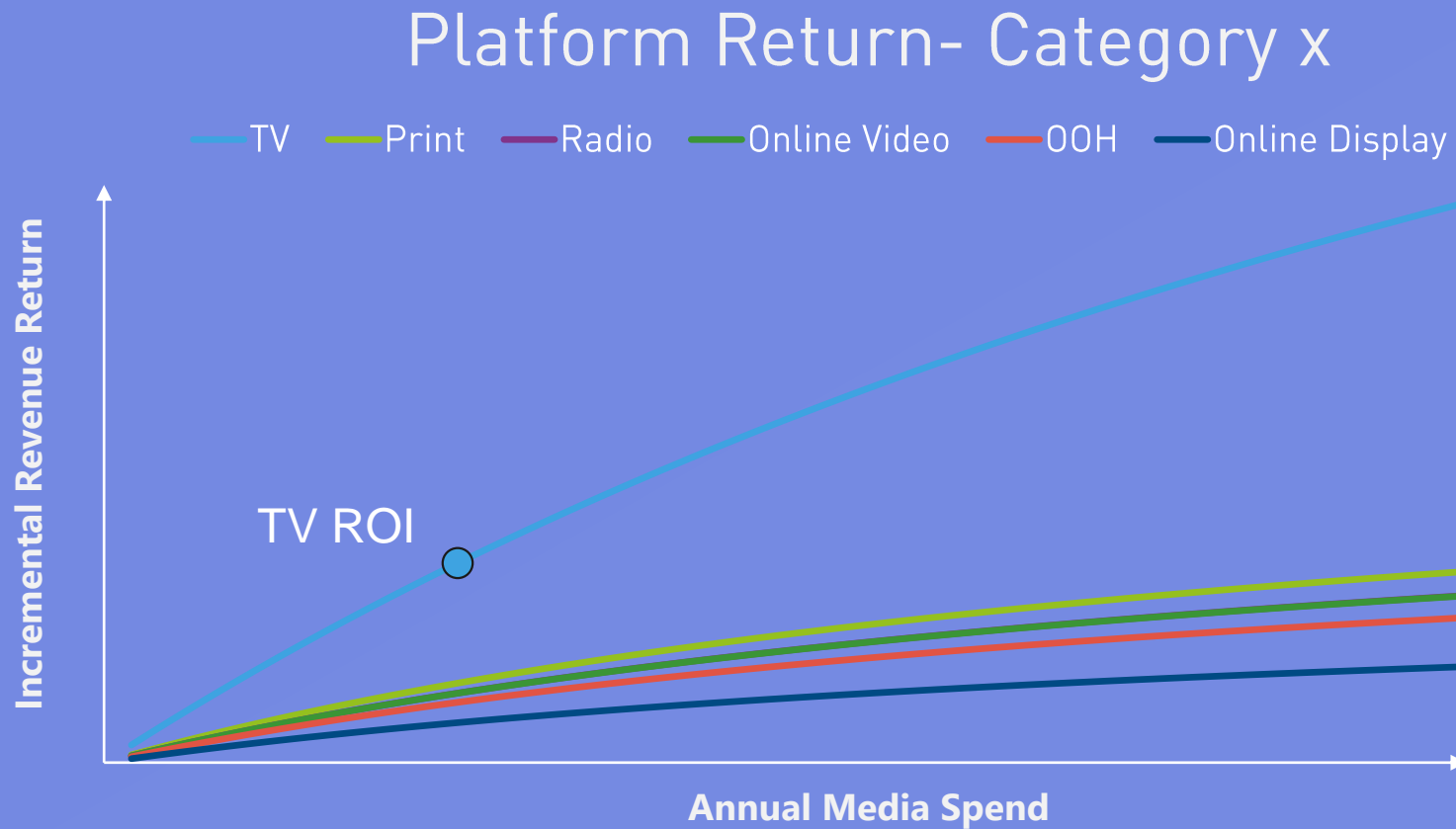
Optimisation considers  
the scalability of each  
media channel

Maximise \$ returns, not ROI



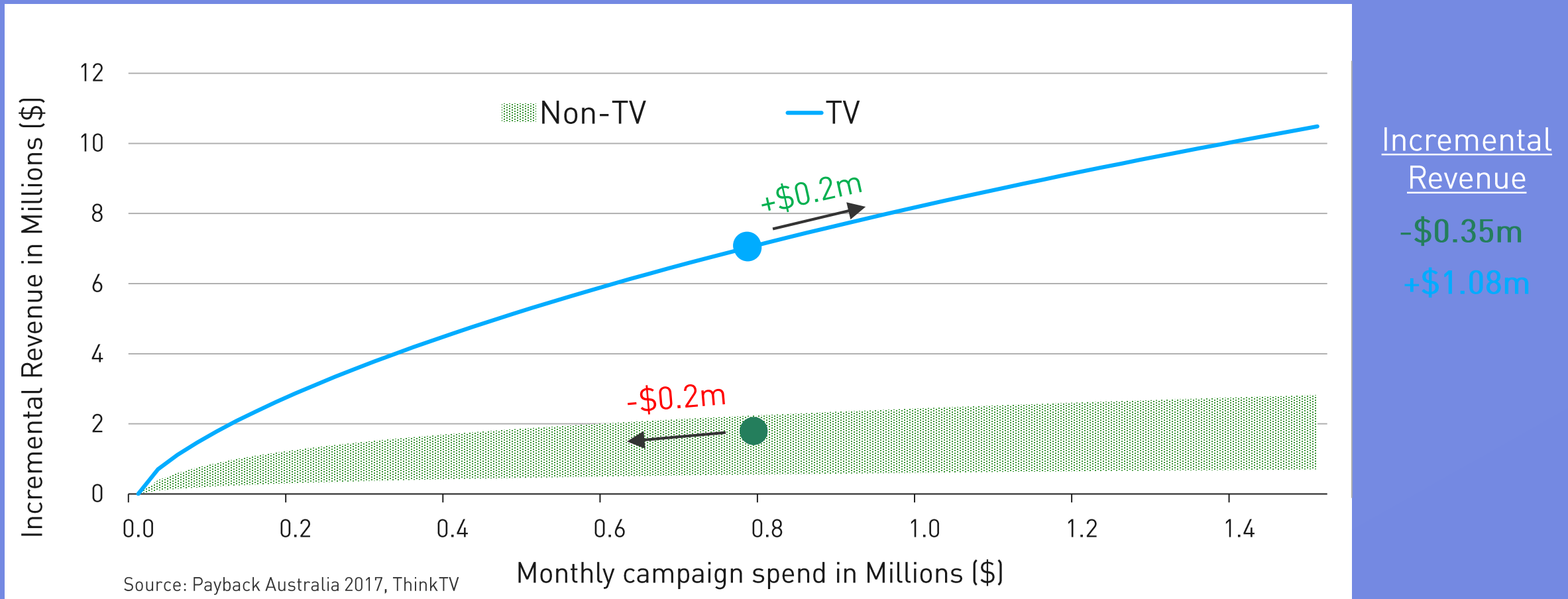
The approach uses a “hill-climbing” algorithm. At what level of spend do you start hitting diminishing returns in one media channel, before jumping to the next?

# Diminishing Returns Curves



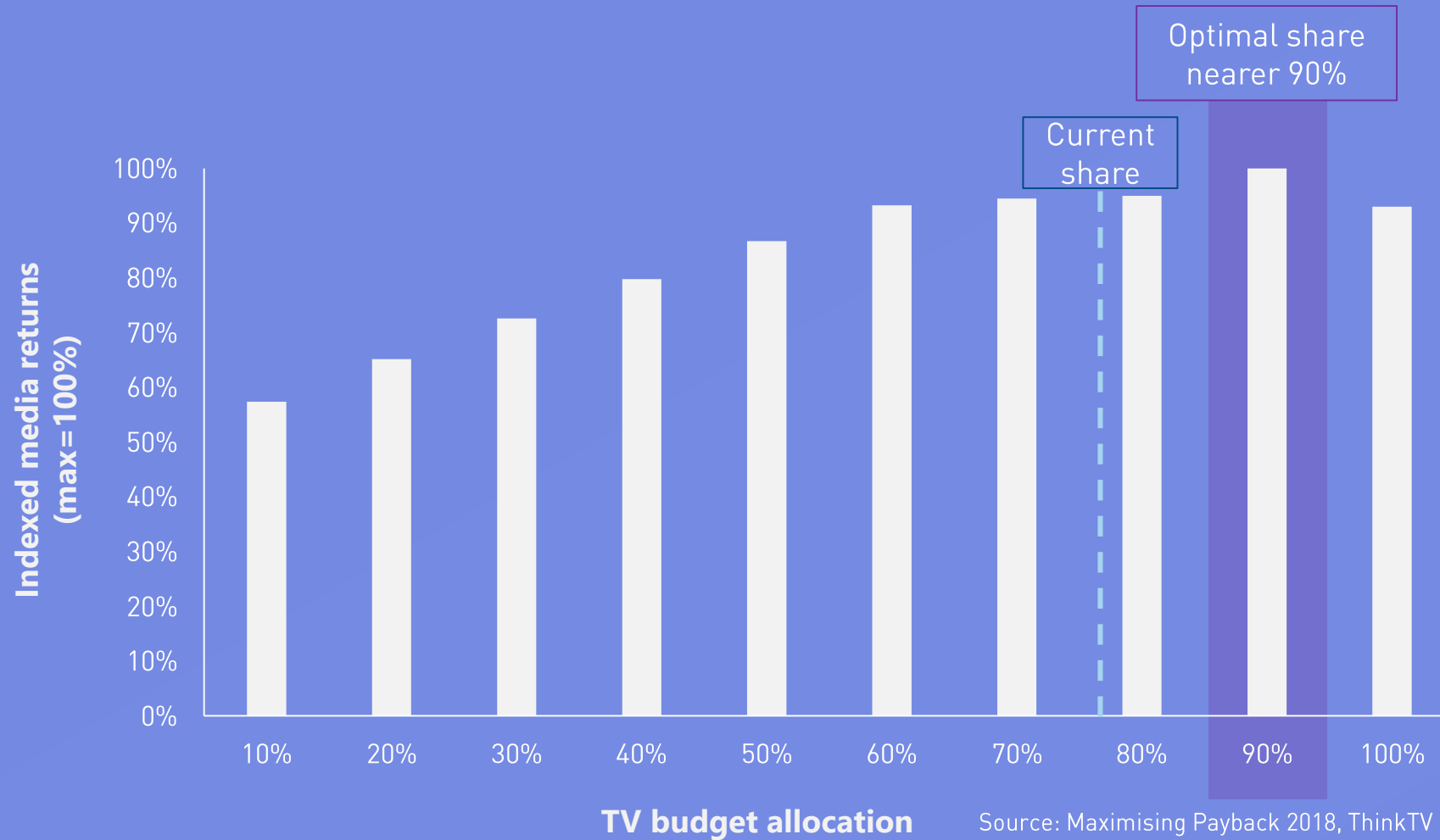
Source: Payback Australia 2017, ThinkTV

# Channels offer different growth upside



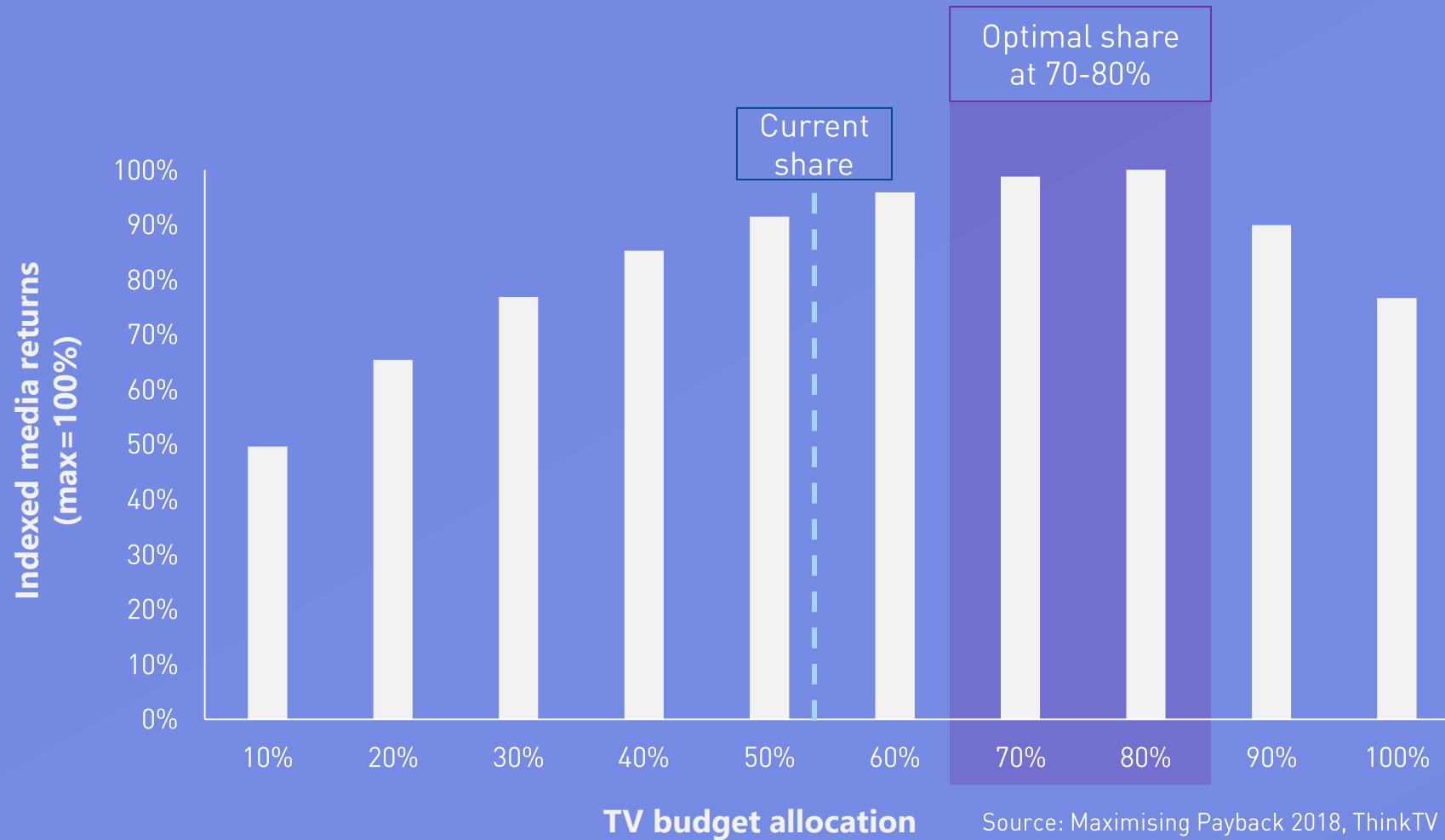
# FMCG: Current TV share 78%

## Evidence to shift % spend levels higher



# Automotive: Current TV share 53%

Evidence to shift % spend levels higher



Source: Maximising Payback 2018, ThinkTV



# E-Commerce reminder: results differed



FMCG



Automotive



Finance

- Consistent results within each category

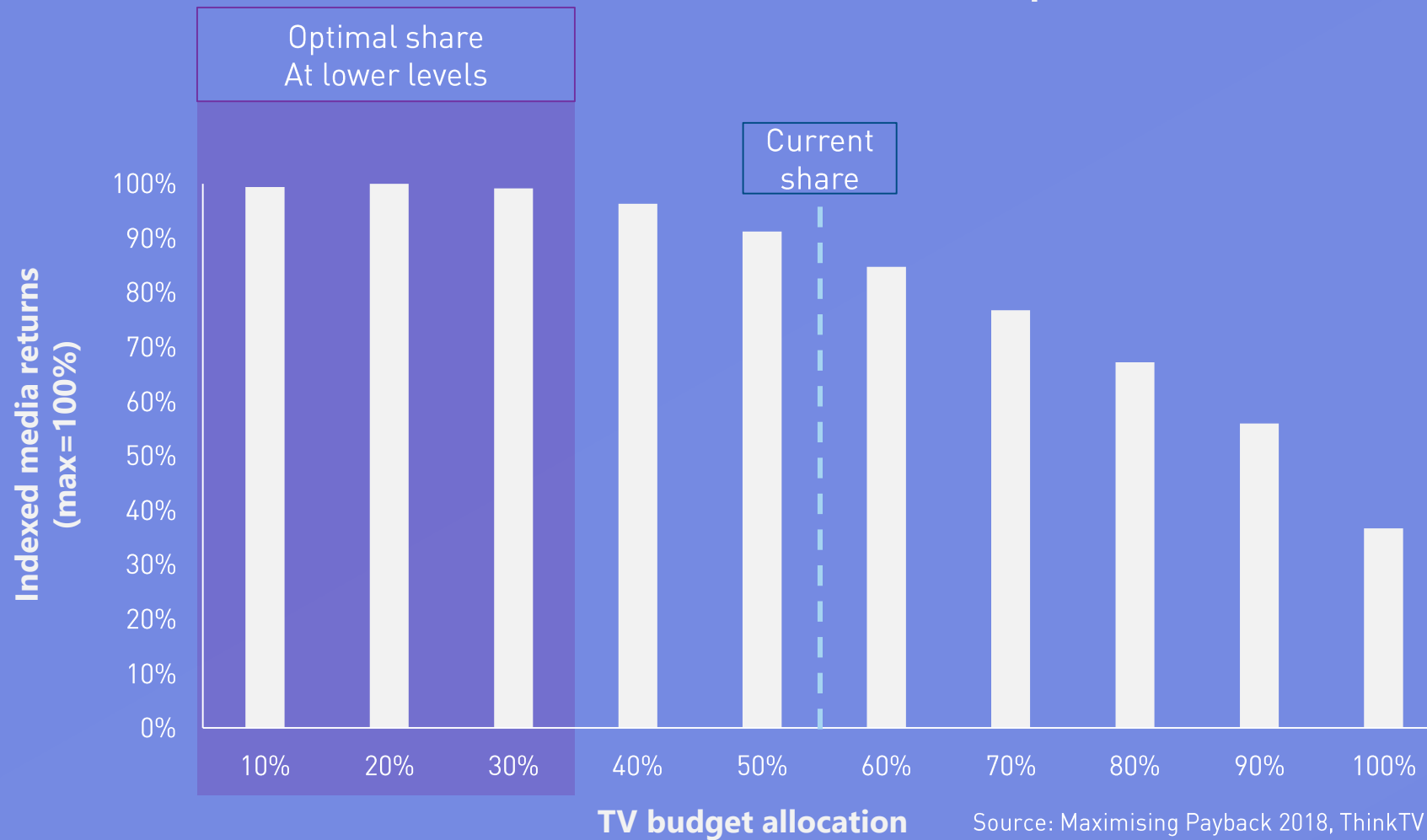


E-Commerce

- 3 different industry types – no shopfront
  - Travel & Tourism / Online Dating / Comparison Service
- Brands at different stages in the Product Life Cycle
- Search is a key component
  - Advertising drives search traffic

# E-Commerce: Current TV share 55%

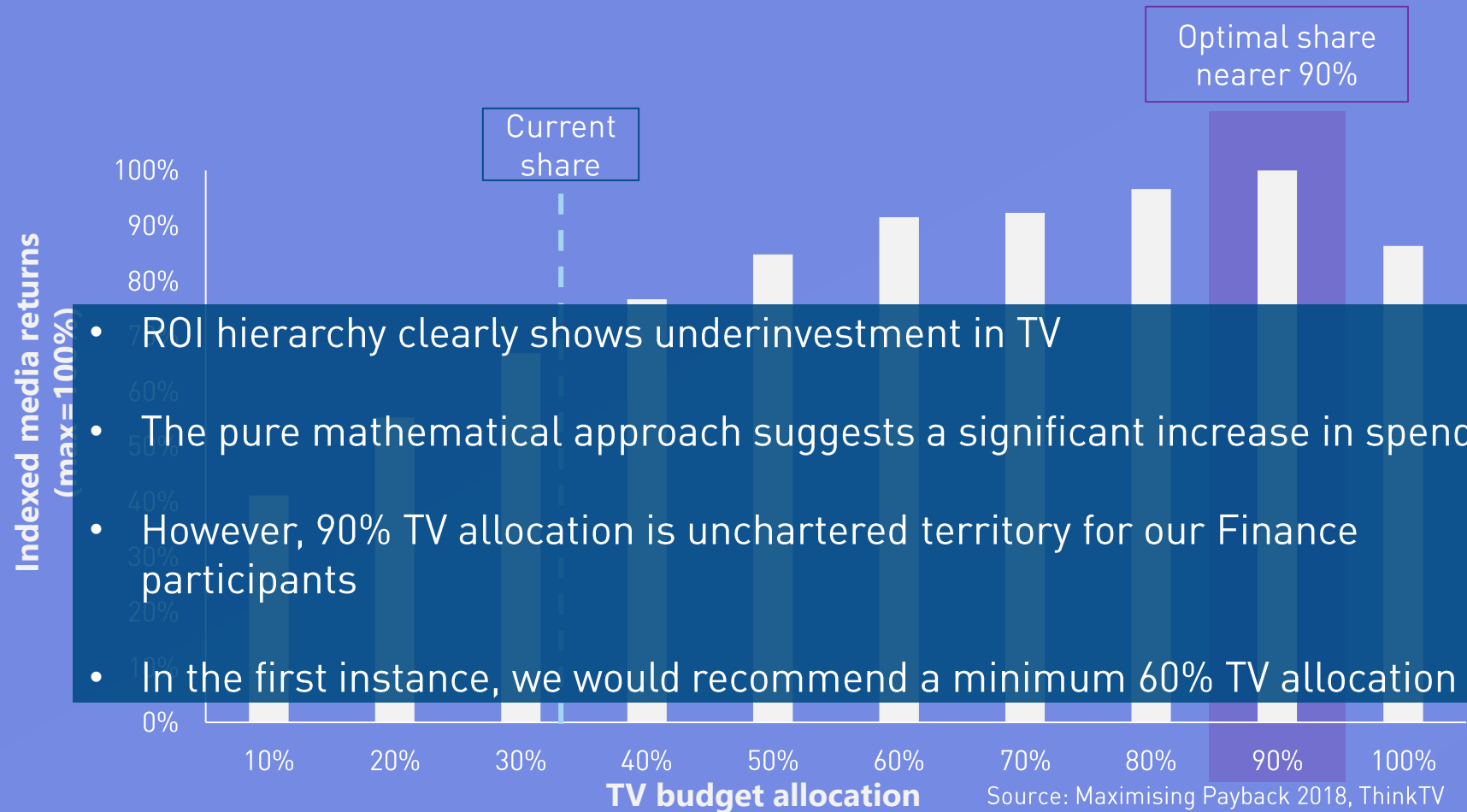
## Evidence to reduce % spend



Source: Maximising Payback 2018, ThinkTV





# Finance: Current TV share 33%

Evidence to shift % spend levels significantly higher



- ROI hierarchy clearly shows underinvestment in TV
- The pure mathematical approach suggests a significant increase in spend
- However, 90% TV allocation is uncharted territory for our Finance participants
- In the first instance, we would recommend a minimum 60% TV allocation

# Rightsizing TV investment

		Current		Recommended
	FMCG	c. 78%	➔	c. 90%
	Automotive	c. 53%	➔	c. 75%
	E-Commerce	c. 55%	➔	c. 20%
	Finance	c. 33%	➔	c. 60%

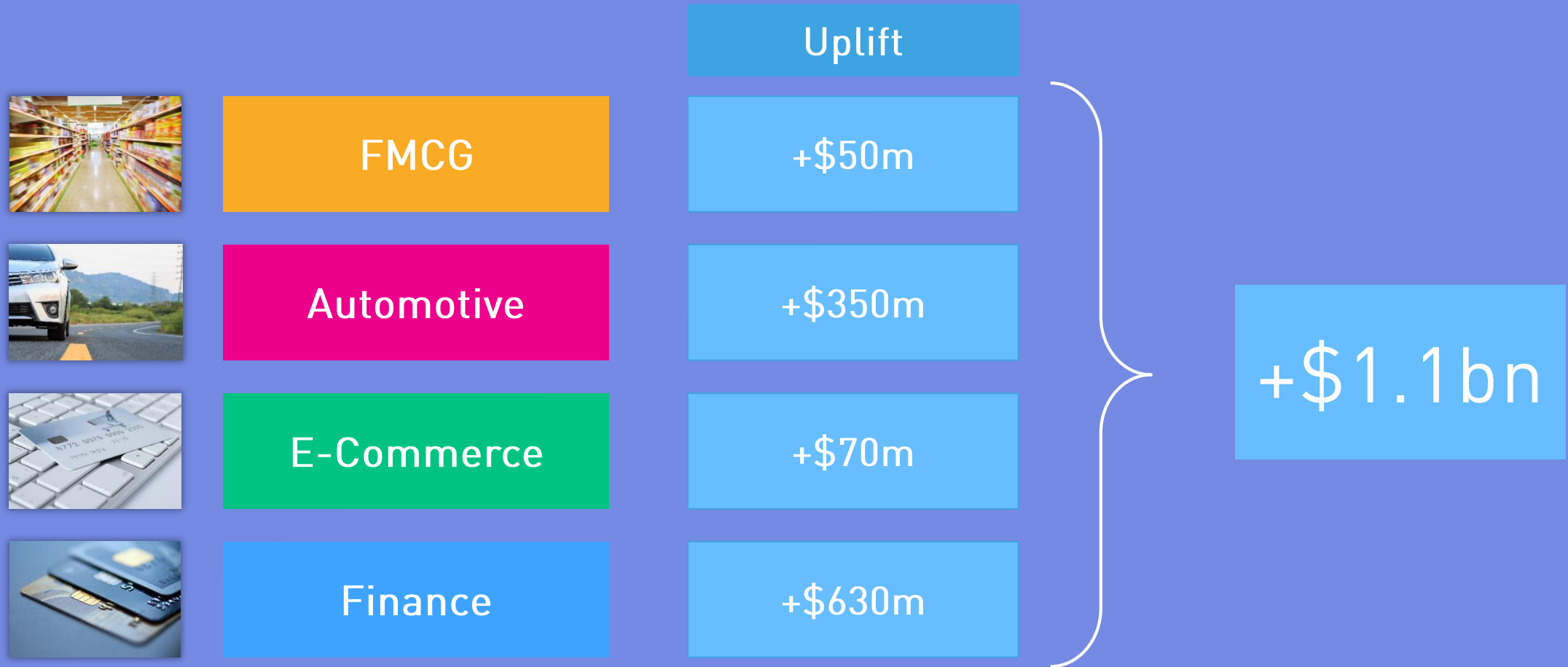
Source: Maximising Payback 2018, ThinkTV

# Improving overall Media ROI

		Current		Recommended
	FMCG	\$1.30	➔	c. \$1.40
	Automotive	\$5.90	➔	c. \$6.40
	E-Commerce	\$1.80	➔	c. \$2.00
	Finance	\$2.00	➔	c. \$2.90

Source: Maximising Payback 2018, ThinkTV

# Unlocking revenue without spending an extra dollar



Source: Maximising Payback 2018, ThinkTV

think 