



MAGAZINE  
PUBLISHERS OF  
AUSTRALIA

**MPA**

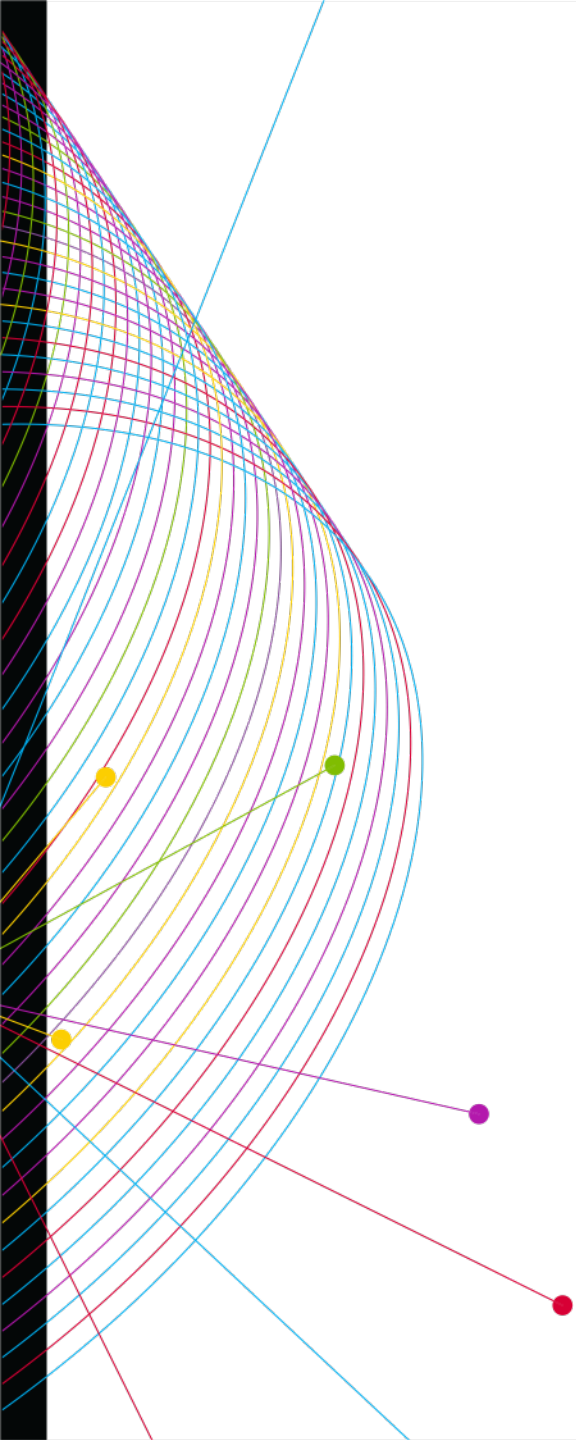
nielsen  
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# ECONOMETRIC MODELLING STUDY

3 FMCG BRANDS

June 2015

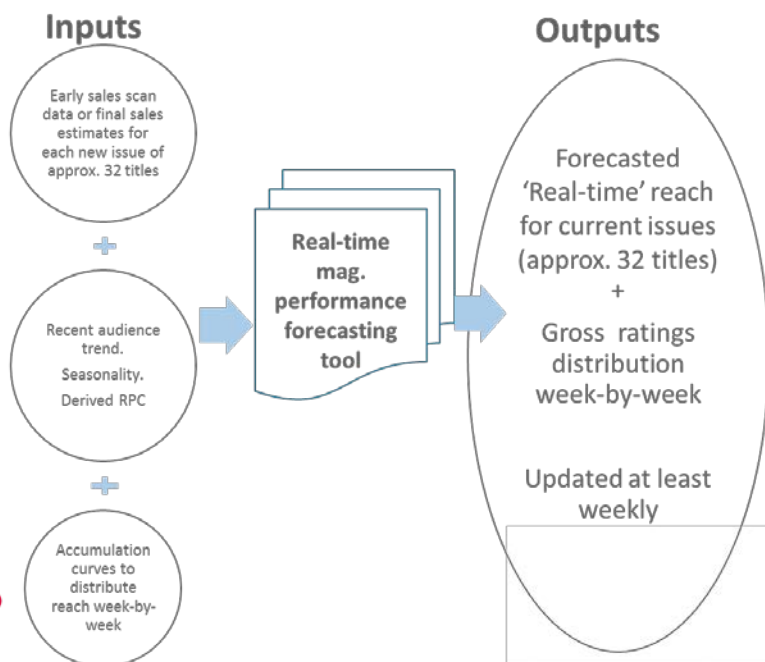
# INTRODUCING MAPP



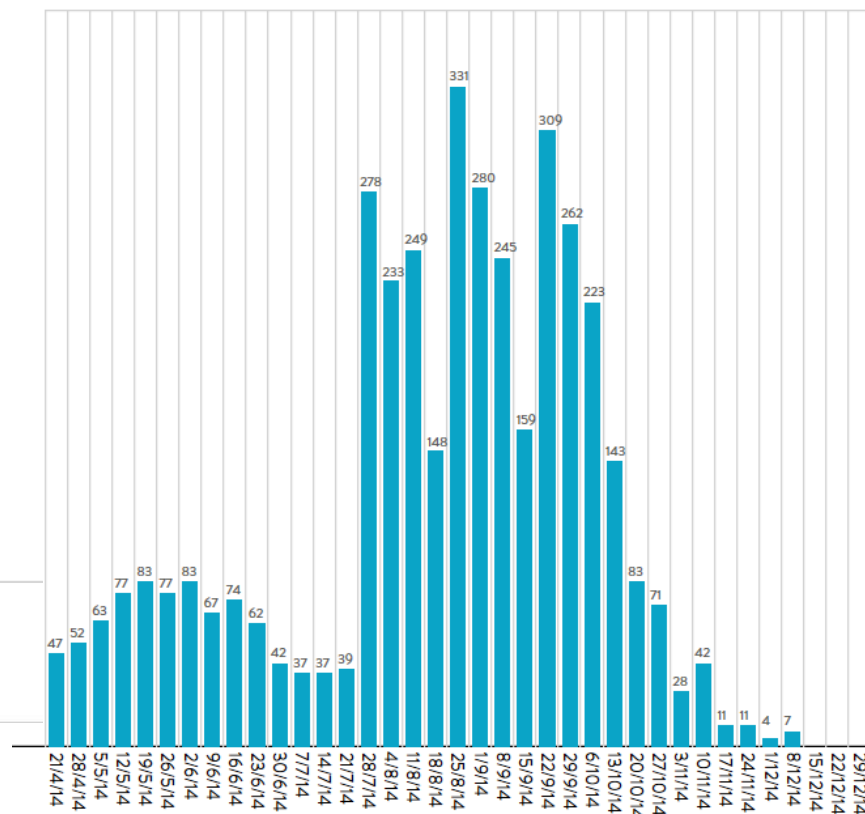
## MAPP- BREAKS DOWN MAGAZINE METRICS TO WEEKLY DATA

- Allows weekly breakdown of readership data based on actual reach curves
- Provides performance estimates for each issue of a title
- Mainly for econometric modelling studies
- mapp's metrics are based on an algorithm using currency readership (Emma or Roy Morgan) and sales estimates from publishers

# HOW DOES IT WORK?



Campaign gross audience estimate delivered by weeks ('000)



\* Based on Emma June 14 readership

# RESEARCH OBJECTIVES

**Hypothesis:** Magazine media is being under-represented in Marketing Mix Models due to traditional magazine data inputs inaccurately representing how readership builds over time and drives sales

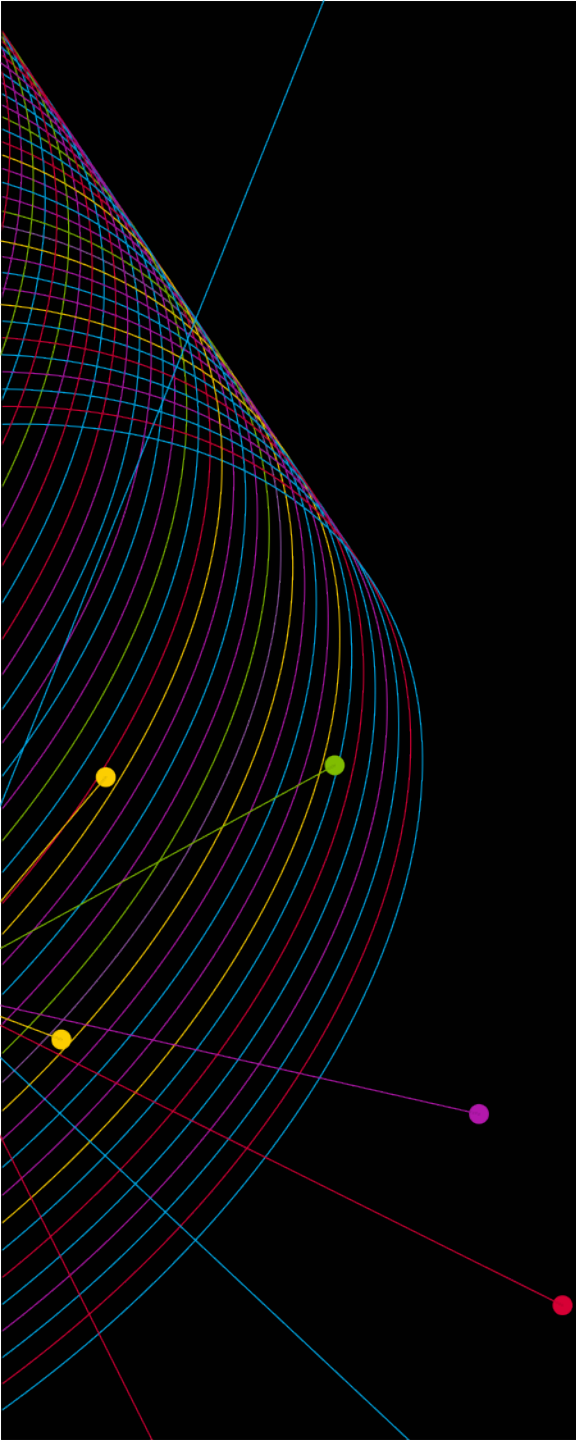
Magazine Publishers Australia have invested in the collection of superior Magazine readership data by title which more accurately reflects the true way in which viewers engage with magazines.

## Objectives:

1. To compare the result of two Marketing Mix Models representing two different sources of magazine data inputs:
  - a) MAPP Readership (curve applied)
  - b) Monthly Readership
2. To understand ways Magazine Publishers can unlock opportunities for advertisers in the activation of magazine advertising

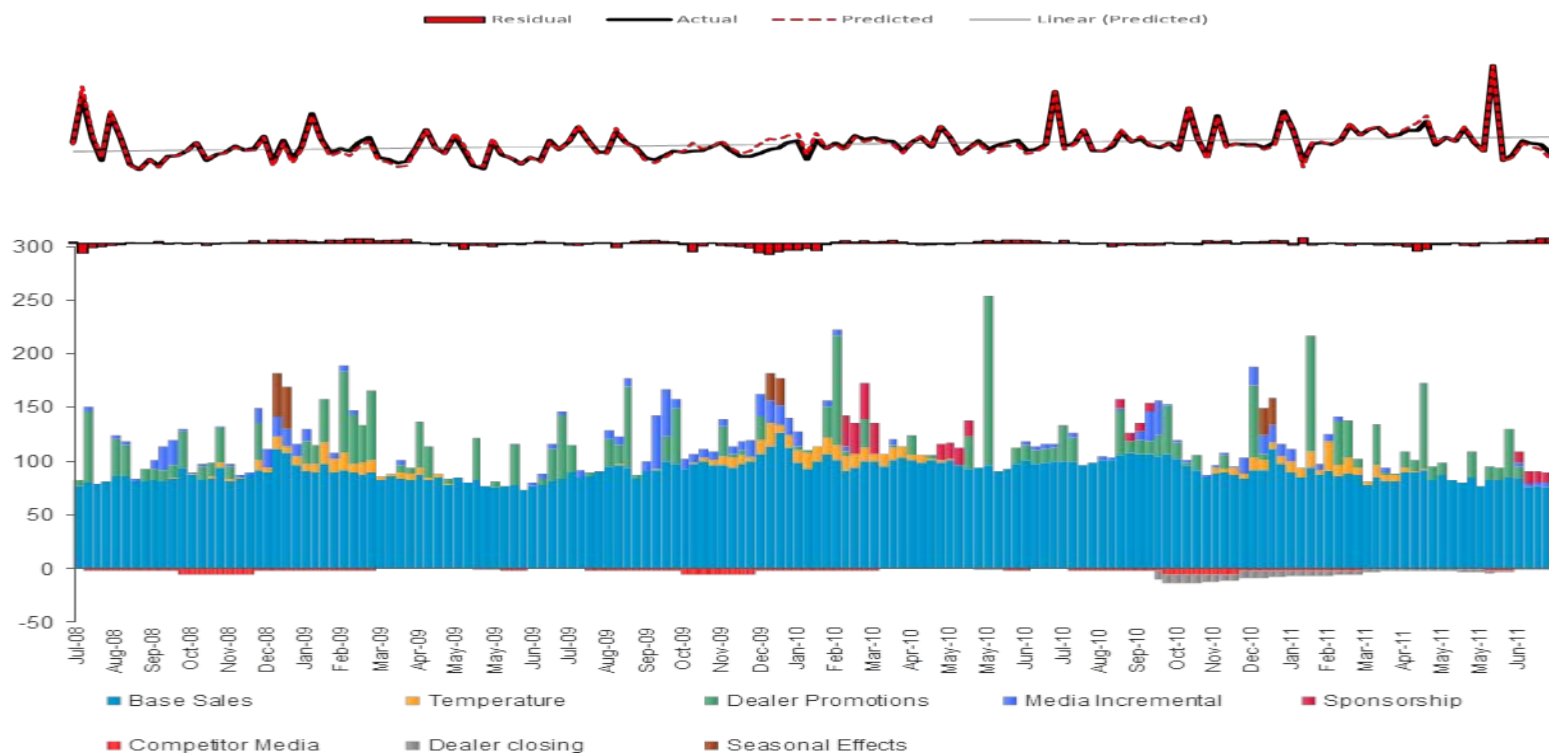
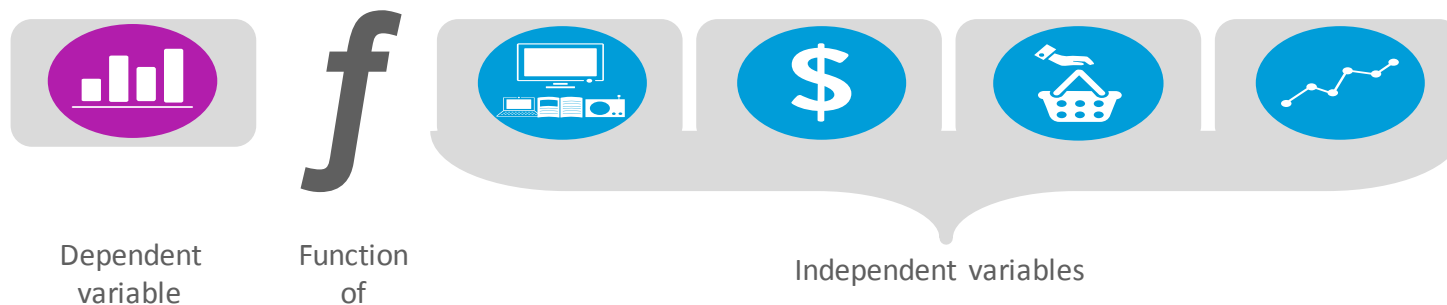


# MARKETING MIX MODELLING



# MARKETING MIX AND MULTI TOUCH ATTRIBUTION MODELS ARE BECOMING THE NORM TO ASSESS MEDIA ALLOCATIONS

But as with most things in life, the devil is in the detail

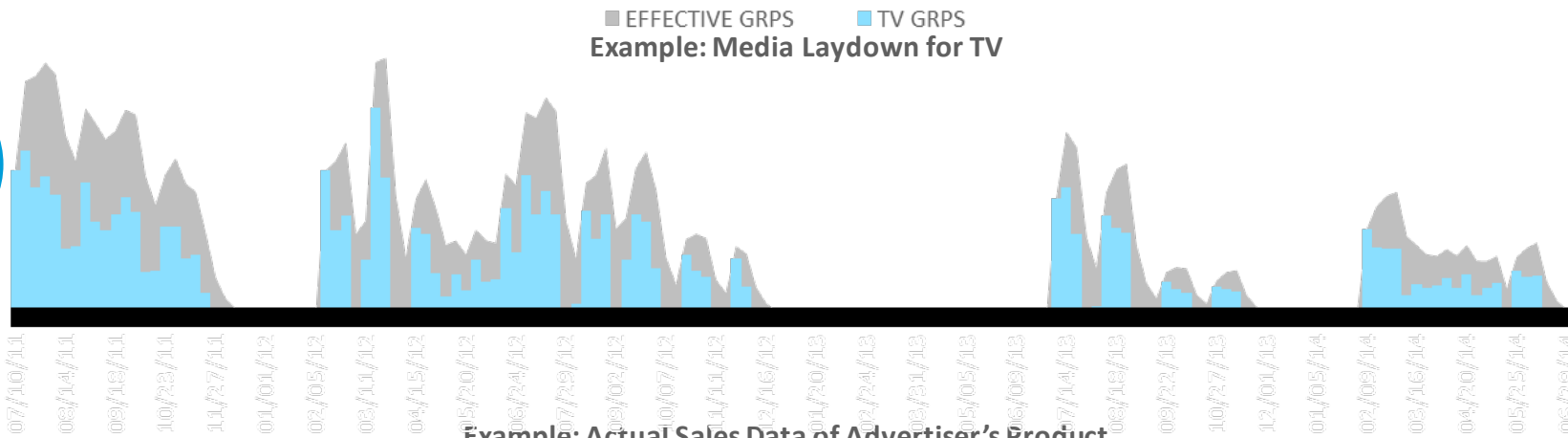


# IT IS IMPORTANT THAT THE MODEL DATA INPUTS ARE TIME ALIGNED WITH THE SALES OUTCOME

The model is looking for a relationship between sales and activity

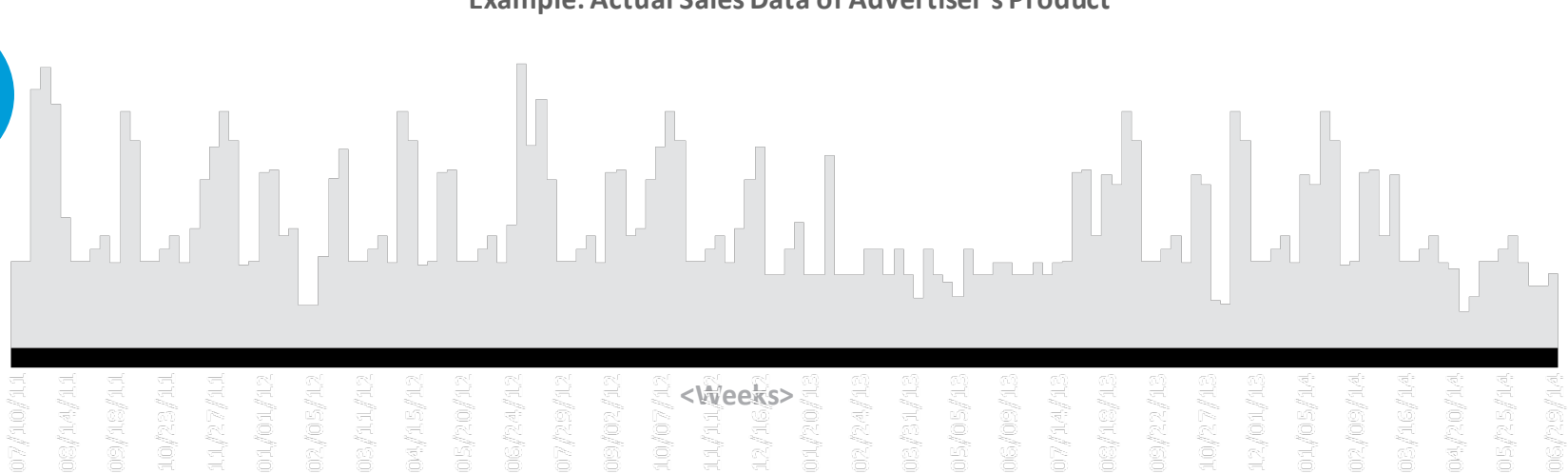
■ EFFECTIVE GRPS ■ TV GRPS  
Example: Media Laydown for TV

GRPS TV



Example: Actual Sales Data of Advertiser's Product

Sales (\$m)



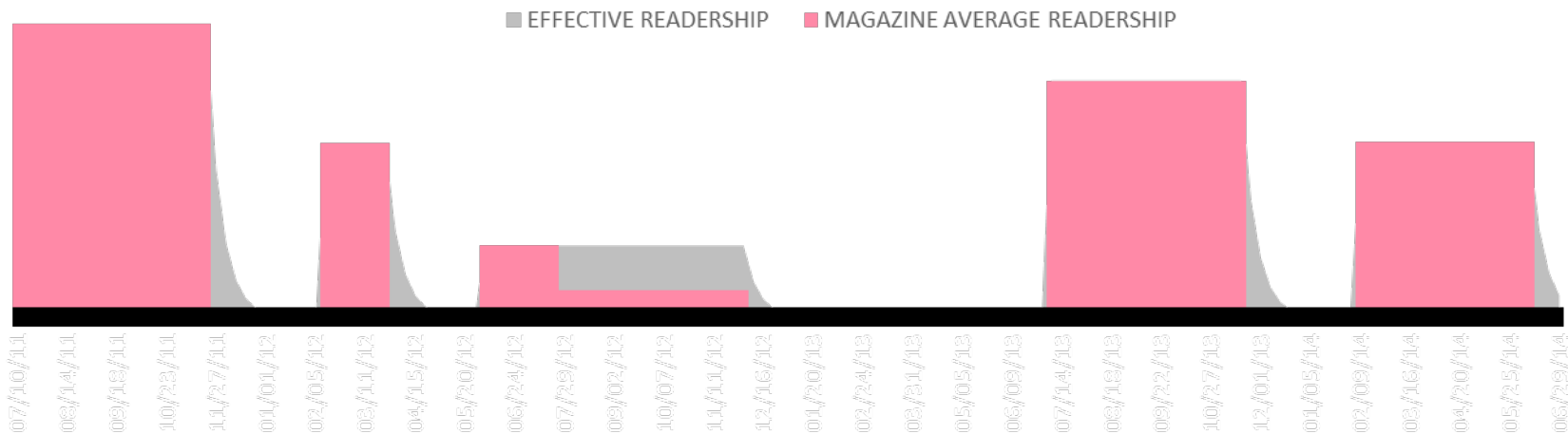
- Example Data Inputs TV GRPs: Gross Rating Points



# THIS HAS TRADITIONALLY NOT BEEN THE CASE FOR MAGAZINE INPUTS

Monthly averaged data will always struggle within a weekly time series data set.

Example: Media Laydown for Magazine Average Readership



Example: Actual Sales Data of Advertiser's Product



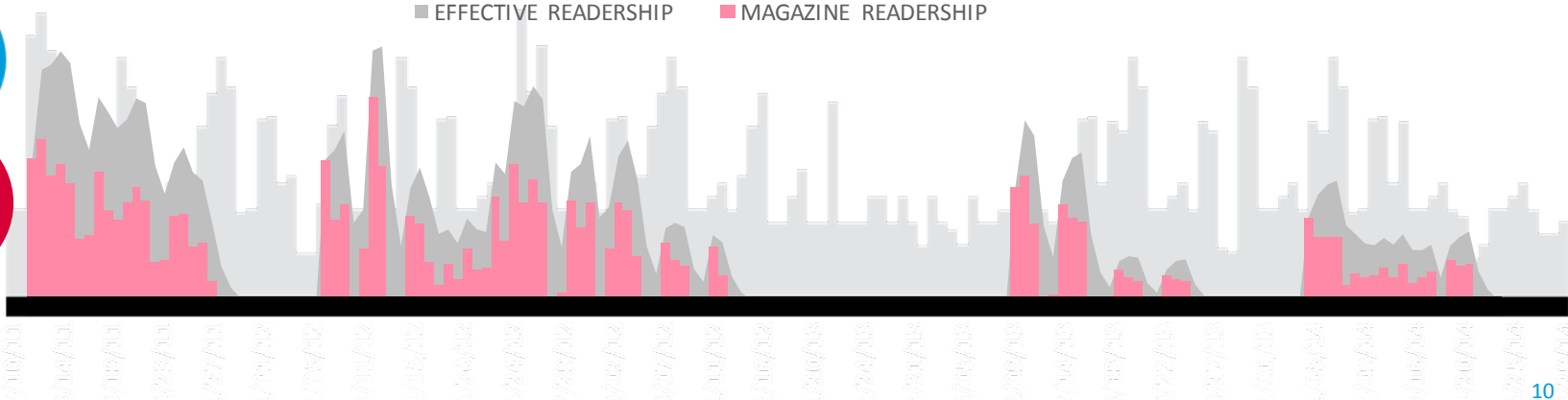
- Average readership or circulation figures do not reflect the way that audiences are exposed to magazine advertising over time
- In the absence of accurate exposure data modellers will model the next best available source

# MAPP READERSHIP IS A TIME ALIGNED DATA SOURCE FOR MAGAZINES

Transforming data is a familiar concept within modelling

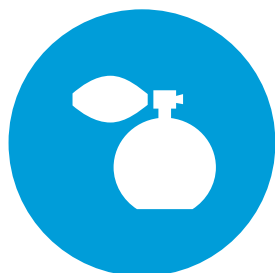
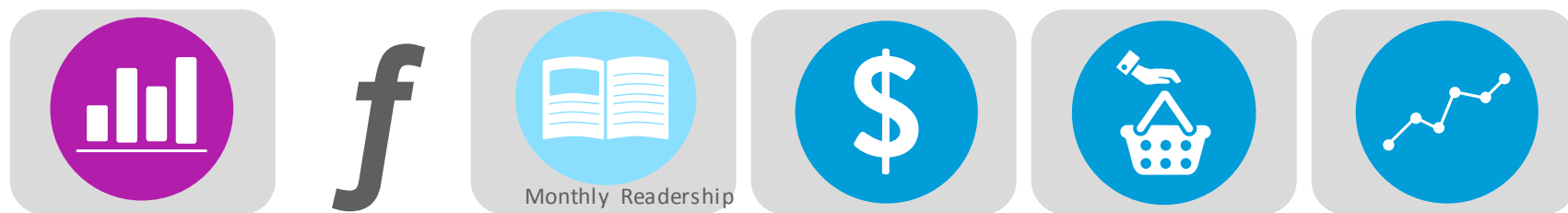
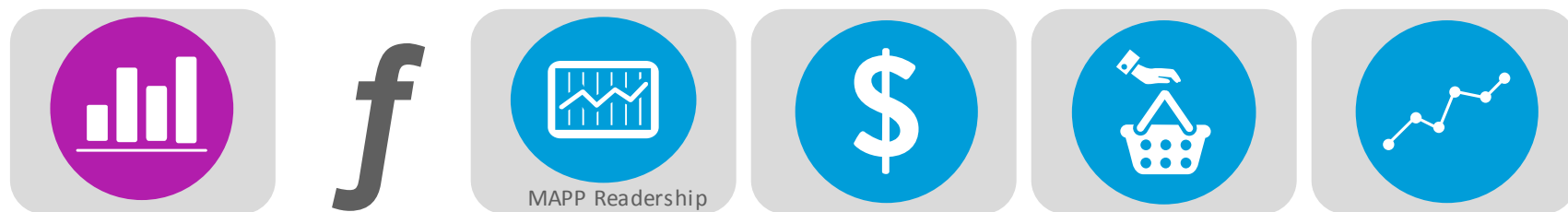
Example: Actual Sales Data of Advertiser's Product  
Example: Media Laydown for Magazine with MAPP Data

■ EFFECTIVE READERSHIP ■ MAGAZINE READERSHIP



- MAPP Readership data sourced from Magazine Publishers Australia (MPA) by title magazine advertising was present in for the three modelled brands

# THREE BRANDS WERE MODELLED USING BOTH MAPP READERSHIP & AVERAGE READERSHIP



Leading aircare



Leading healthcare



Leading household cleaner

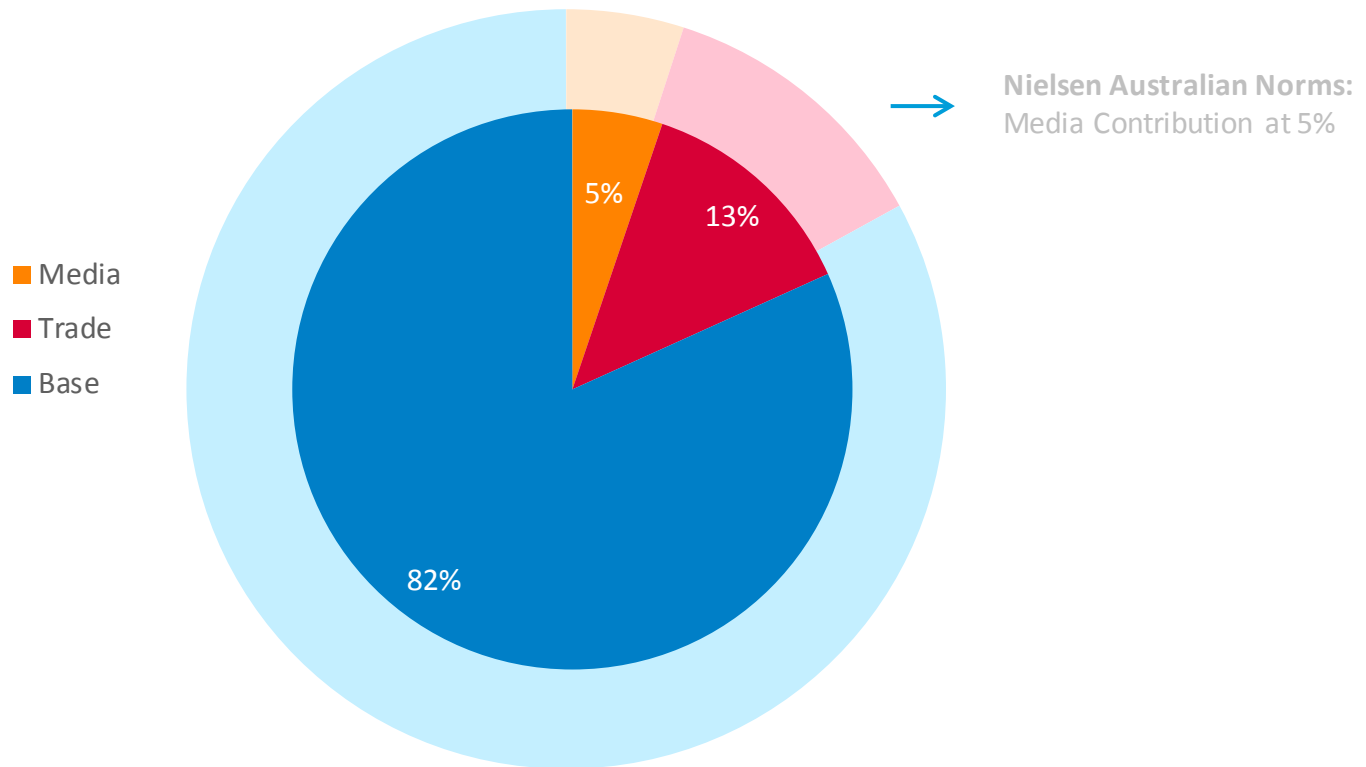
# MARKETING MIX MODELLING

WHAT DOES THE CONTRIBUTION OF MAGAZINE ADVERTISING LOOK LIKE?



# MEDIA CONTRIBUTION FOR THE MODELLED ITEMS IS IN LINE WITH FMCG NORMS

**Contribution To Sales | Aggregated Total Brands**  
*Total Period MAPP Readership Model*

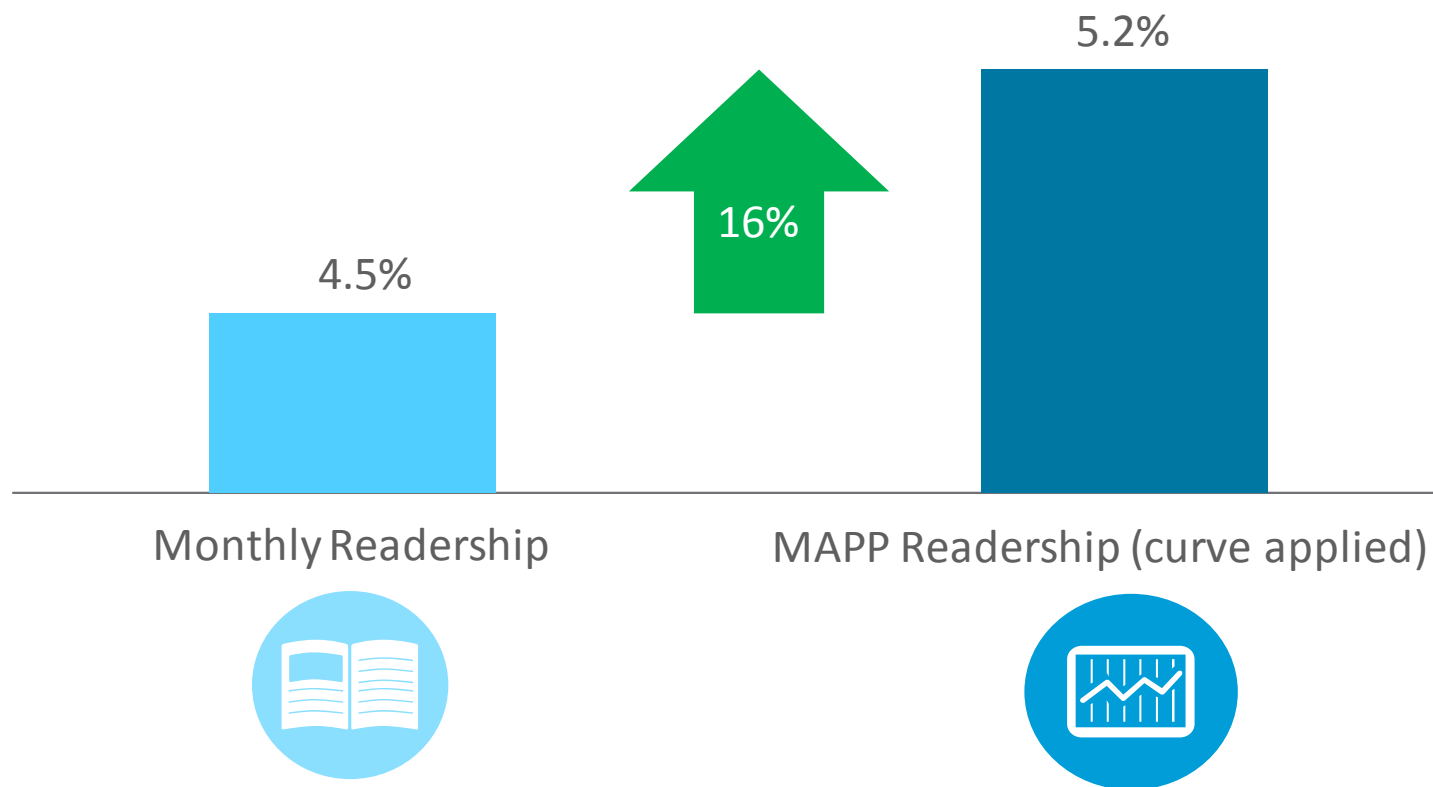


- 2012: 10 July 2011 – 1 July 2012, 2013: 8 July – 30 June 2013, 2014: 7 July 2013, – 29 June, 2014
- Charts show aggregation of three brands and three periods modelled: Air Freshener 5.5%, Health Product 5.4%, Household Cleaner 5.3%
- Contribution of all media and print on par with modelled norms for Australia
- Model 2 Monthly Readership data media contribution measured at 4.46%

## MEDIA CONTRIBUTION TO SALES REVENUE INCREASED FROM 4.5% TO 5.2% BY MODELLING MAPP READERSHIP

The client had been underrepresenting the value of their media investment by 16%

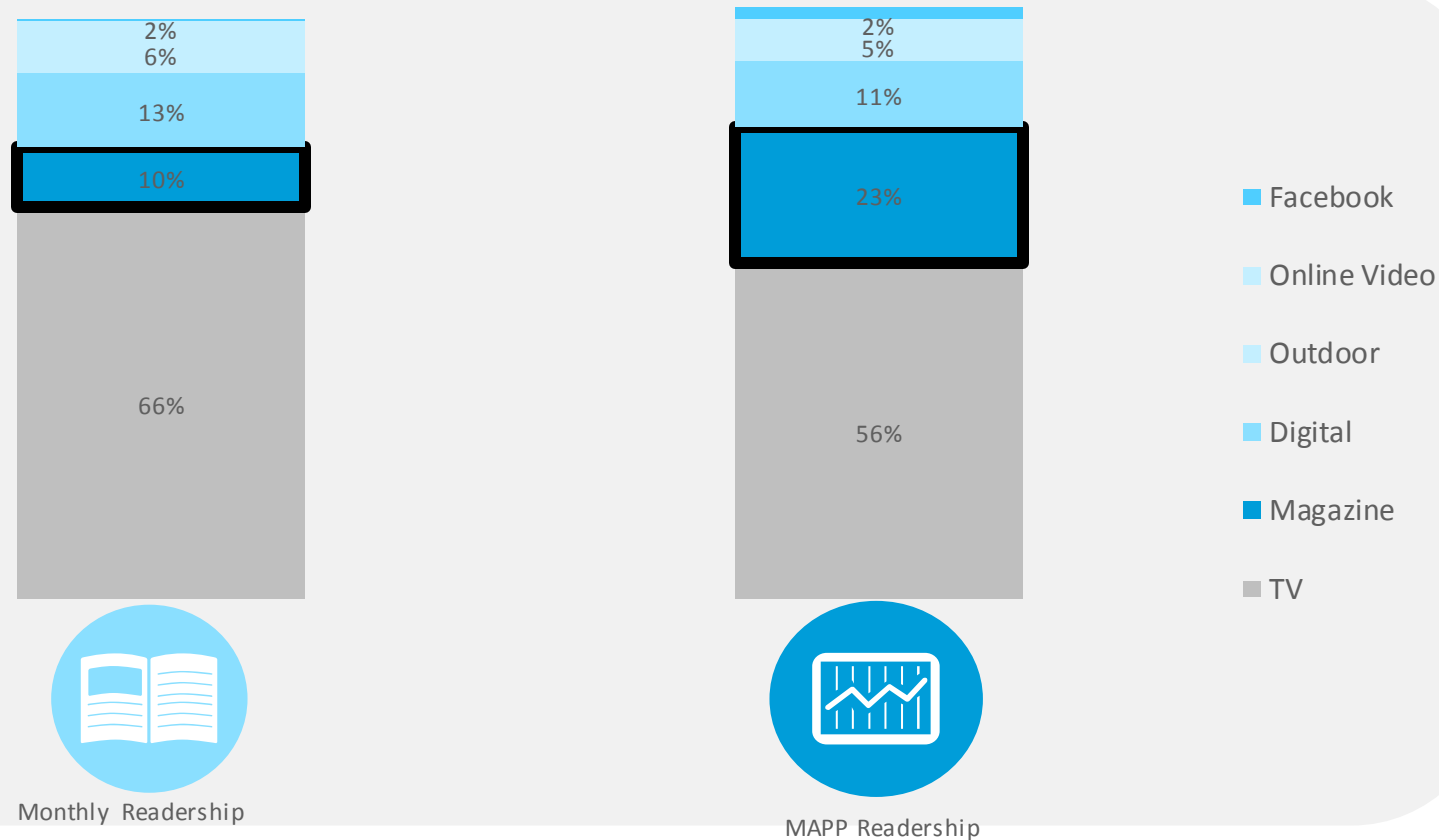
### Media Contribution to Advertiser's Sales Revenue



# WITH MAPP READERSHIP DATA IT IS NOW RECOGNISED THAT MAGAZINES DELIVER MORE VOLUME THAN DIGITAL

Unsurprisingly poor decisions get made when the wrong data inputs are used

Contribution to Total Media | Aggregated Total Brands  
*Total Period*

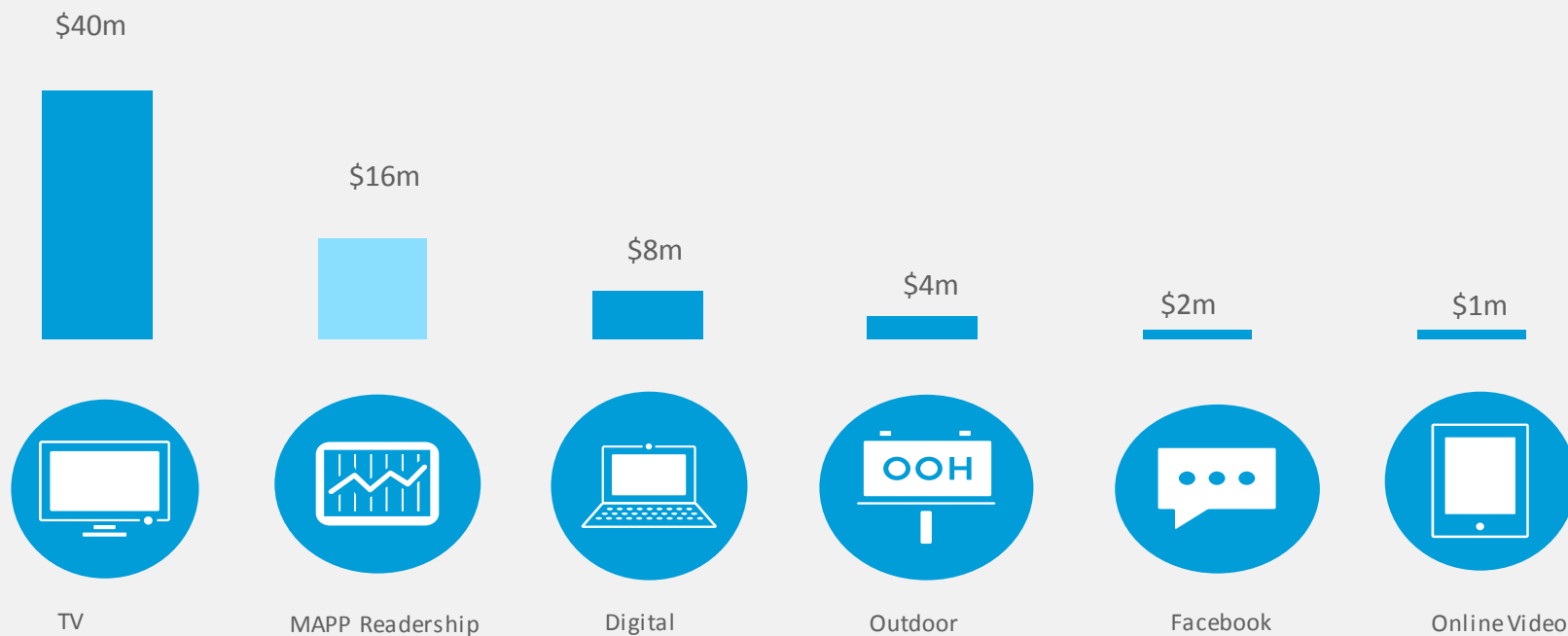


- 2012: 10 July 2011 – 1 July 2012, 2013: 8 July – 30 June 2013, 2014: 7 July 2013, – 29 June, 2014
- Chart shows aggregation of three brands and three periods modelled
- Magazine drives 10% – 23% of 5.2% of media driven sales



# MAGAZINE IS THE SECOND HIGHEST CONTRIBUTOR TO SALES REVENUE

Sales Revenue Contribution | Aggregated Total Brands  
*Total Period*



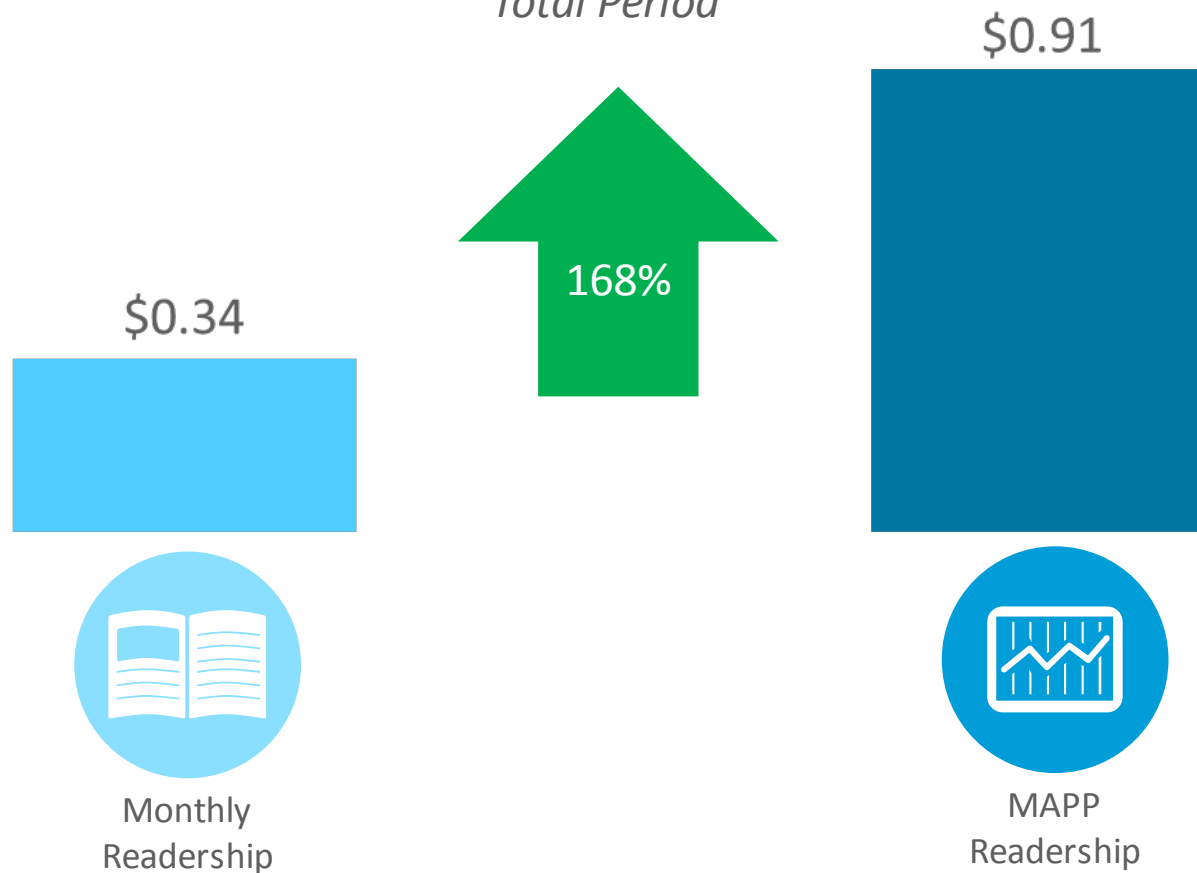
- Aggregated ROI for all three brands modelled, results shown for MAPP Readership model
- 2012: 10 July 2011 – 1 July 2012, 2013: 8 July – 30 June 2013, 2014: 7 July 2013 – 29 June, 2014



# THE TIME ALIGNMENT IN MAPP READERSHIP INPUTS DROVE SIGNIFICANT IMPROVEMENTS IN MAGAZINE ROI

The ROI changed by 168%

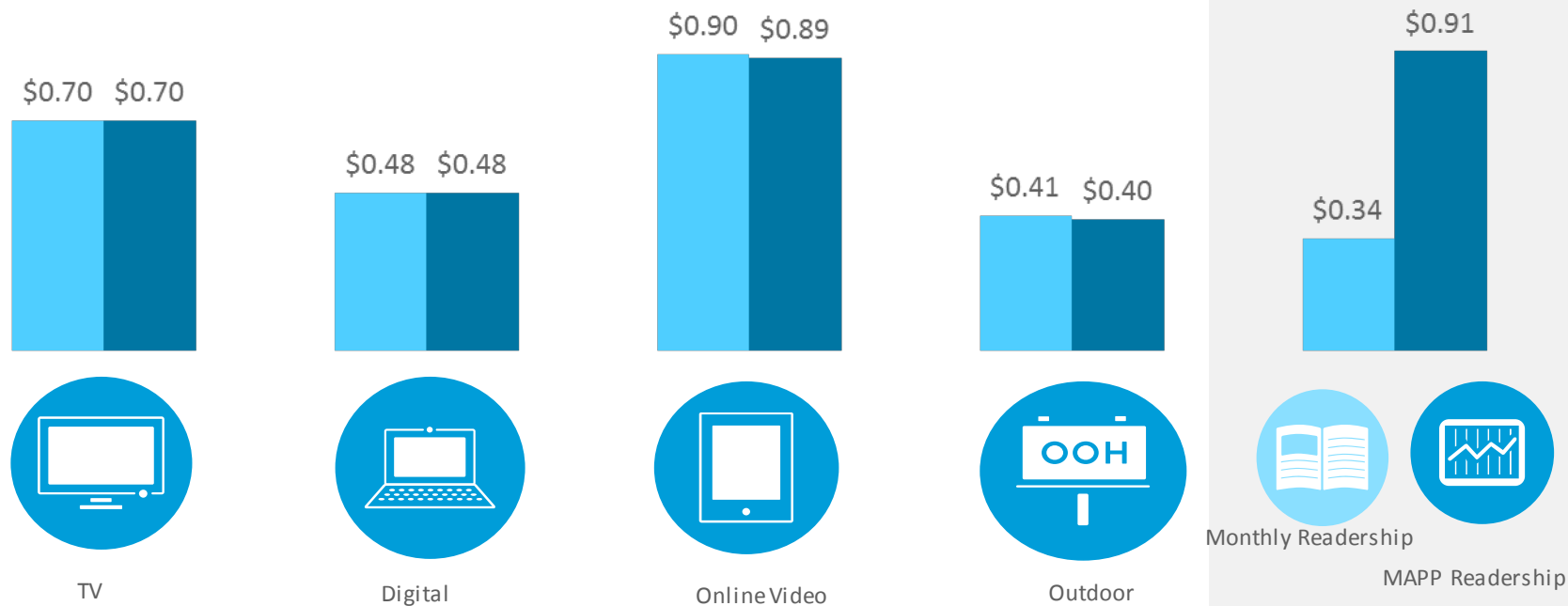
ROI | Aggregated Total Brands  
*Total Period*



# AS A RESULT OF BETTER DATA INPUTS, THE CLIENT POTENTIALLY MAKES A VERY DIFFERENT INVESTMENT DECISION

The scale of the change and overall ranking will vary by category

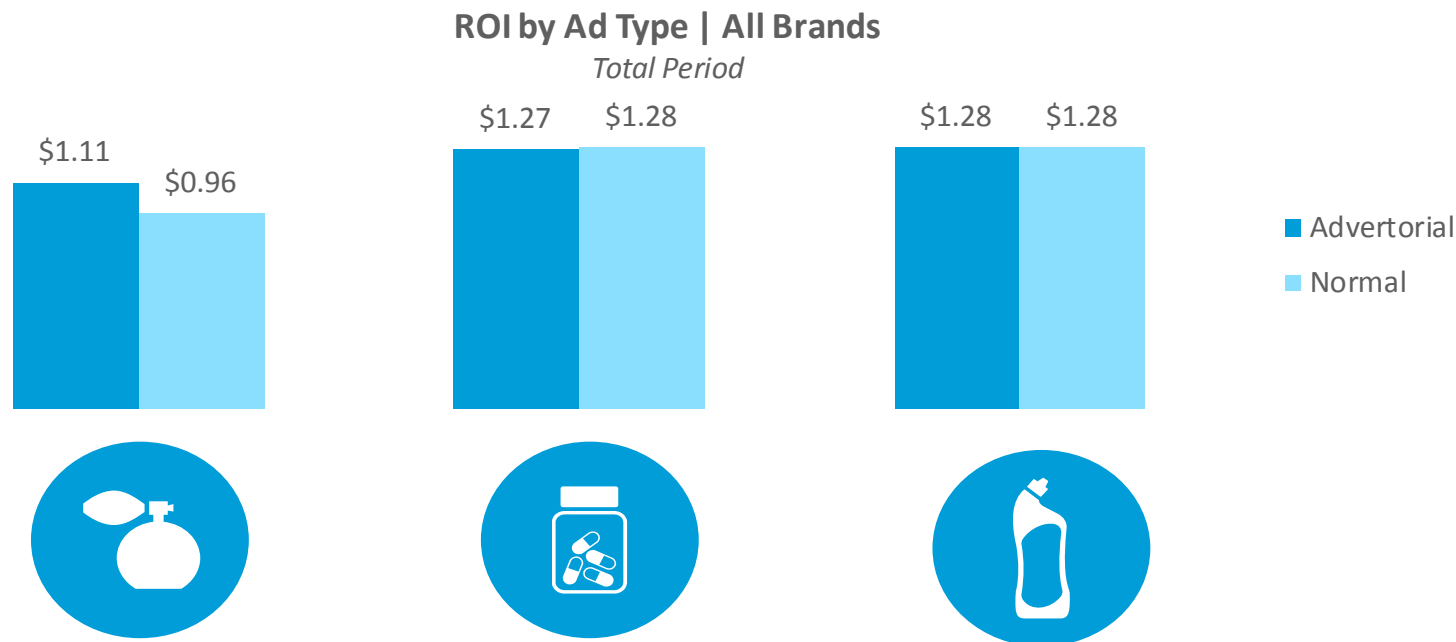
## ROI | Aggregated Total Brands Total Period



- Aggregated ROI for all three brands modelled
- 2012: 10 July 2011 – 1 July 2012, 2013: 8 July – 30 June 2013, 2014: 7 July 2013 – 29 June, 2014



# ROI ON ADVERTORIAL VS NORMAL PLACEMENTS...



Advertorial	Normal
Educate	Execute cross channel
New usage occasion	Brands with high awareness
New idea	Use as a reminder
Drive product engagement	Low engagement required

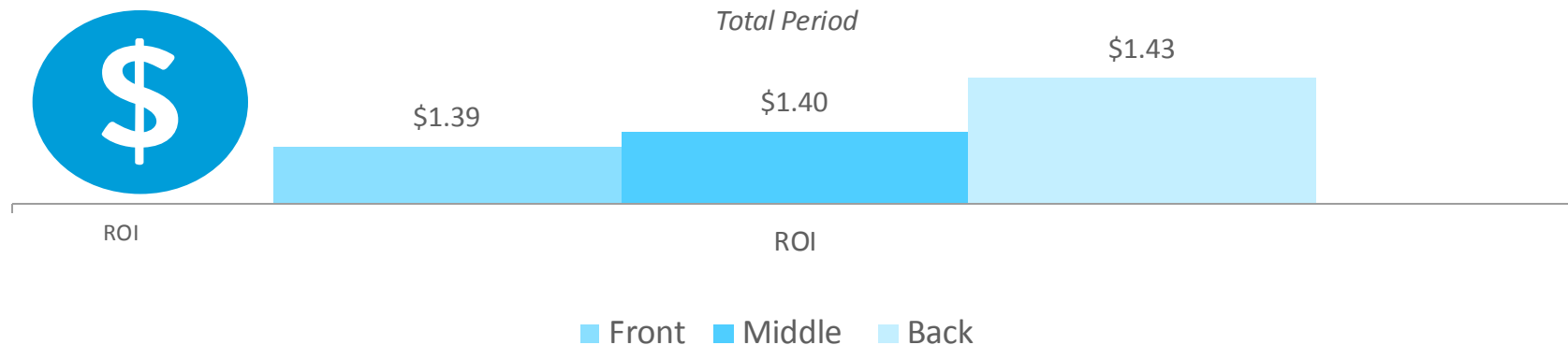
- ROIs shown from the MAPP readership model. The same pattern was observed in the monthly readership model
- 2012: 10 July 2011 – 1 July 2012, 2013: 8 July – 30 June 2013, 2014: 7 July 2013 – 29 June, 2014



# ROI ON PLACEMENT...

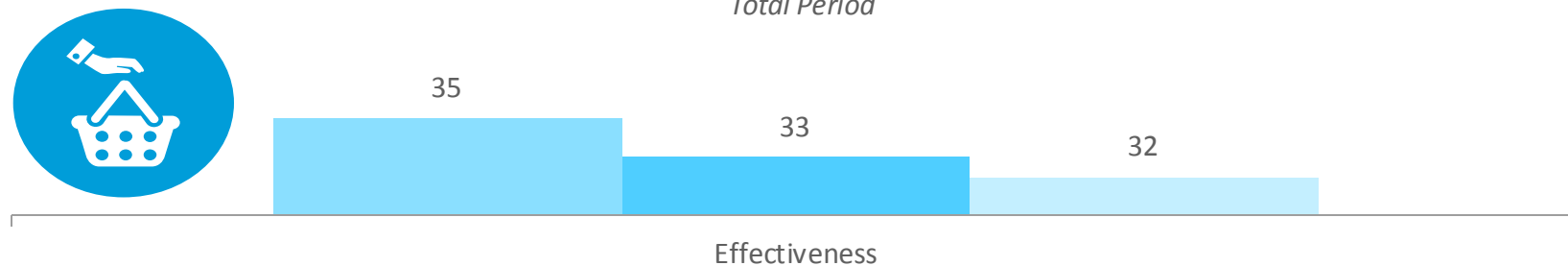
## ROI by Position | Total Brands

Total Period



## Effectiveness by Position | Total Brands

Total Period



Value

- ROIs shown from the readership model. The same pattern was observed in the circulation model
- 2012: 10 July 2011 – 1 July 2012, 2013: 8 July – 30 June 2013, 2014: 7 July 2013, – 29 June, 2014
- Effectiveness = Sales Value driven per 1000 readership

### The role of Front Page

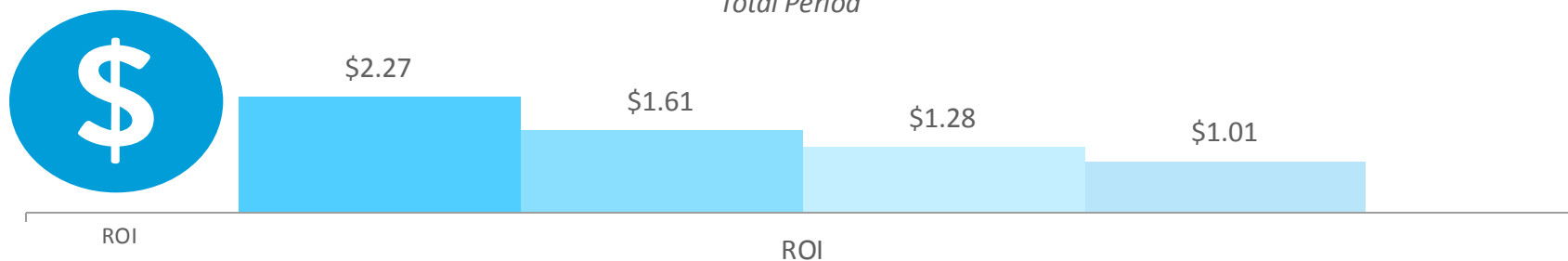
- Make an impact
- Drive volume
- Build awareness



# IN THE CORRECT FORMAT...

## ROI by Ad Size | Total Brands

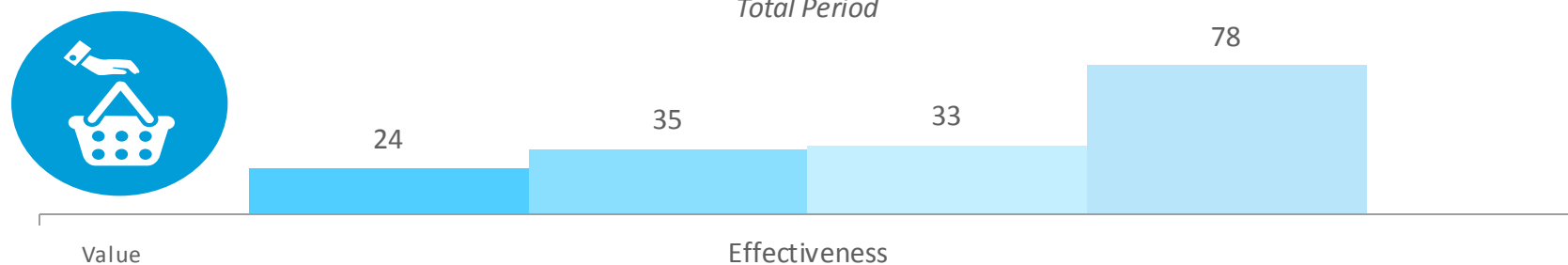
Total Period



■ Small ■ Half Page ■ Full Page ■ Double Page

## Effectiveness by Ad Size | Total Brands

Total Period



- 2012: 10 July 2011 – 1 July 2012, 2013: 8 July – 30 June 2013, 2014: 7 July 2013 – 29 June, 2014
- Effectiveness = Sales Value driven per 1000 readership

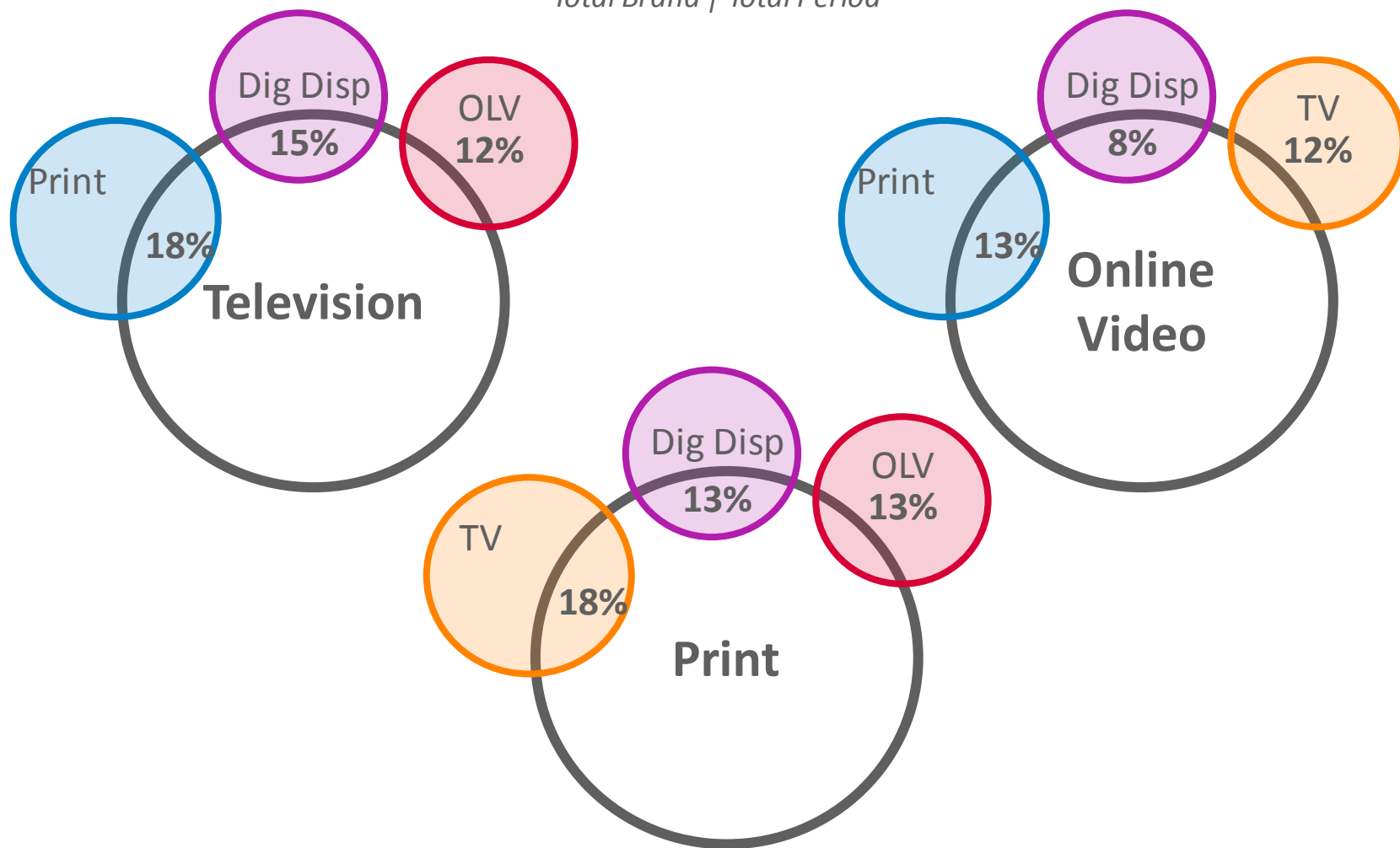
# HOW CAN WE FURTHER IMPROVE THE ABOVE MEASURES IN THE ACTIVATION OF MAGAZINE ADVERTISING?

BY LEVERAGING MEDIA CHANNEL SYNERGIES



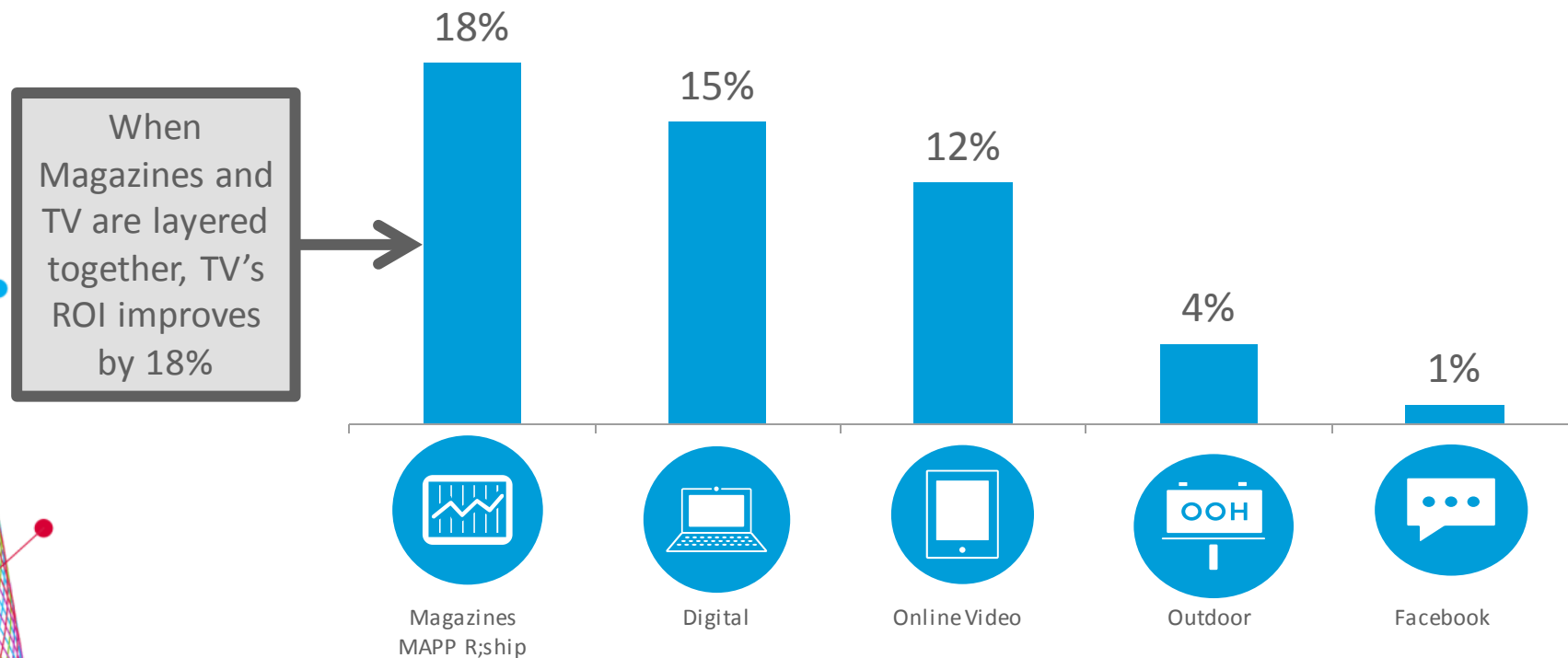
# LAYER SYNERGISTIC CHANNELS TO INCREASE SALES DRIVEN BY MEDIA

Synergy Contribution % | Magazine + Other Media  
*Total Brand | Total Period*



# MAGAZINES ARE THE PERFECT COMPLIMENT TO TV!

**% ROI Improvement to TV with Synergy**  
*Total Brand | Total Period*







**An optimised magazine  
schedule has incremental  
revenue potential of \$24m**

*This represents an increase in total sales value of 2.5% over 3 years*



# SUMMARY



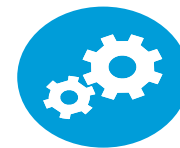
When modelled with MAPP readership data the contribution of magazine to total media contribution improved from 10% to 23%



When modelled with MAPP readership data total ROI improved 168%



Across the three brands modelled optimisations made possible by the MAPP readership data are worth approximately \$24m\* in incremental revenue opportunity across 3 years



• Equates to 2.5% shipment sales value of the three brands modelled over three years

# MAGAZINES KEY THOUGHTS

- Start using MAPP data in modelling studies
- Focus less on reach/ circulation and more on response
- Think about the synergies between mediums

Thank You

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AN UNCOMMON SENSE  
OF THE CONSUMER™

