



## ROI Guaranteed by meredith

In today's marketplace, it's more important than ever to see the return on your media investment.

With **The Meredith Sales Guarantee**, we became the first publisher to measure and guarantee the incremental sales impact of advertising. We started with print, expanded to digital and cross-platform and, to date, have conducted 53 measurements across multiple categories. In **every** case, our advertisers have seen a positive ROI and increase in sales.

nielsen

\*Nielsen Catalina Solutions,  
Print Effect 2009-2015

Nielsen  
Catalina  
SOLUTIONS



## The Results

The brands included represent over \$67 million in total advertising spending with Meredith magazines over the period measured. Exposure to Meredith advertising resulted in:

- Sales lifts ranging from +2% to +47% vs. the control
- Positive ROI\* ranging from \$1.59 to \$19.99 for every media dollar spent—for a total gain of \$452 million

This study clearly demonstrates the ability of Meredith advertising to increase sales and deliver measurable results.

	ROI*	
Meredith Magazines	\$7.45	+188%
Meredith Digital	\$7.35	+184%
Portals/Ad Networks	\$2.59	

\*ROI: Incremental sales generated per media dollar spent.  
Portals/ad networks includes: AOL, MSN, Yahoo; 2005-2014 average.

# Key Sales Drivers by Channel

- › The key sales driver for the majority of print campaigns is "buying rate," followed by "penetration"
- › Digital and cross-platform campaigns follow a similar pattern



	PRINT	DIGITAL*	CROSS-PLATFORM*
	# BRANDS		
BUYING RATE:	23	6	3
PENETRATION:	10	4	1
PENETRATION & BUYING RATE:	2	2	

\*Average sales lift for digital campaigns was +7%, average ROI \$7.35. Cross-platform average sales lift was +12%, average ROI \$3.02.

# Key Findings: Best Practices

## Brand: Advertised brand defines the lift possible

- The shorter the purchase cycle, the higher the lift
- The more often a brand is purchased, the more often advertising can have an effect
- The higher the brand unit price, the greater the ROI potential
- The higher the brand penetration, the more difficult to drive sales lift
- Campaign should cover 2+ purchase cycles

## Campaign Execution: Higher levels of advertising drive higher sales

- The higher the total number of ad pages, the higher the lift
- Meredith consumers trade up from private label to premium brands when exposed to advertising
- The higher the frequency, the higher the return
- Advertising works!

## Creative: Creative drives advertising effects

- Higher Percent Noted scores drove higher lift
- Strong creative drives success





## "HOME RETAILER" CASE STUDY

Sales Lift/ROI Results | October 2013-September 2014



meredith  
**SALES**  
**GUARANTEE**



analytics by **nielsen**



# Meredith Sales Guarantee

## OBJECTIVE

- > Measure the impact of advertising in Meredith magazines on “home retailer” sales



## BACKGROUND

- > From October 2013 through September of 2014, a “home retailer” ran brand advertising in 4 Meredith magazines
- > The “home retailer” qualified for the Meredith Sales Guarantee based on its spending

## RESULTS

- > Advertising for the “home retailer” in Meredith magazines resulted in a **+7% lift in sales** vs. non-exposed control group and a **positive ROI of \$18.59** for every dollar invested

# DATASET: Nielsen Buyer Insights (NBI)

125 MILLION = 1.5 BILLION  
UNIQUE CREDIT CARDHOLDERS CREDIT CARD TRANSACTIONS PER MONTH

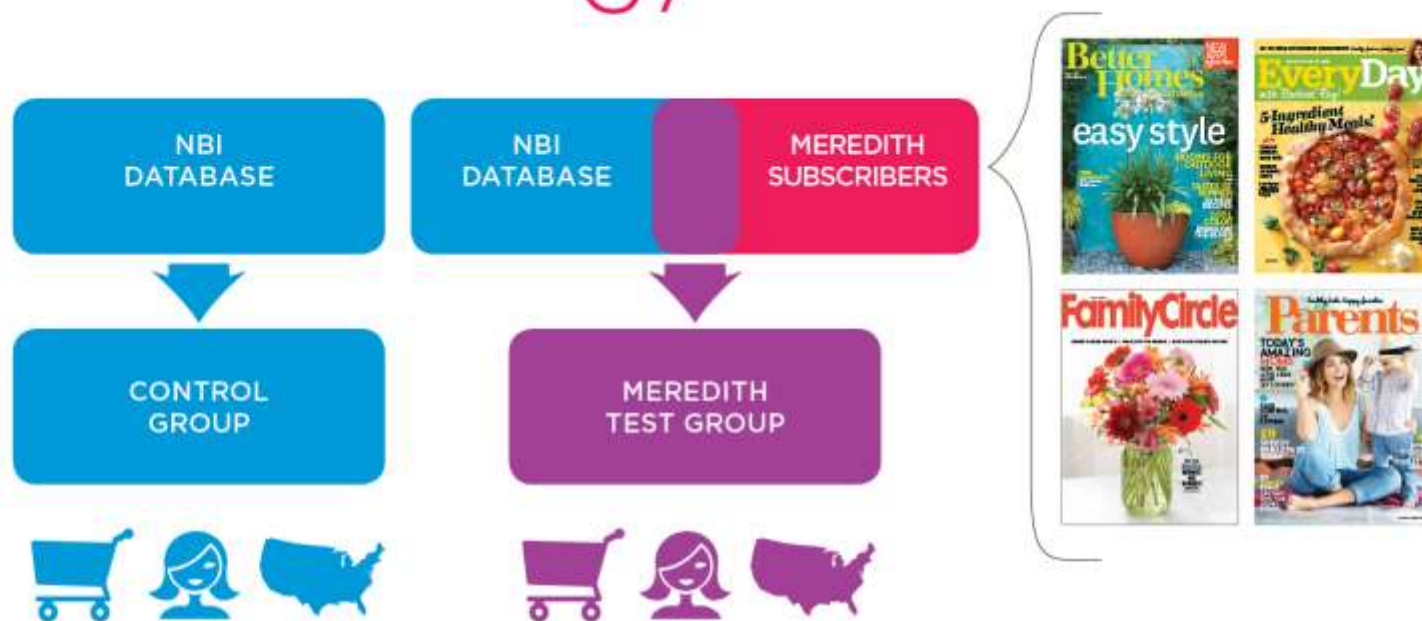
55 MILLION = 1.7 BILLION  
UNIQUE CONSUMER ACCOUNTS DEBIT TRANSACTIONS PER MONTH

- > **80% of consumer general purpose credit cards** including all four major associations: Visa, MasterCard, American Express, Discover
- > **30% of US consumer deposit accounts**, checking, savings, & money market accounts. Data available from debit card and bill pay.

**NIELSEN BUYER INSIGHTS** (Argus) transaction data includes dollar spend, purchase category, retailer, date, and location of purchase.



# Methodology: Test vs Control



**DIFFERENTIATING VARIABLES:** The only difference between the test and control groups is **exposure to advertising in Meredith properties**

**MATCHING VARIABLES:** The **purchase behavior** between the test and control groups are **identical** for both the **brand** ("home retailer") and **category** (furniture, mass merchandise and department store)

**MEASURING ROI\*:** Measure sales in Test (exposed) group vs. sales in Control (unexposed) group to determine average incremental gain in spend per household

\*ROI: Incremental sales generated per media dollar spent



# Sales Results



# meredith households drive sales



## AVERAGE SPEND (\$) PER TOTAL HOUSEHOLD

Exposed to Meredith Magazines	\$16.38
Unexposed	\$15.37
Increase	+\$1.01

} **7%** LIFT IN  
INCREMENTAL  
SALES FOR THE  
“HOME RETAILER”

- > **36.5 million** Meredith households were exposed to the “home retailer’s” campaign.
- > The average household purchased significantly more “home retailer” merchandise than the matched Control group (unexposed).
  - This average reflects **6.5%** of exposed households purchasing during the campaign period

# What are the drivers of sales?

TOTAL  
SPEND

SPEND PER  
BUYER  
HOW MUCH ARE  
THEY BUYING?

BUYERS  
HOW MANY  
ARE BUYING?



=



×



> **TRANSACTIONS PER BUYER**

How many times did a person make a "home retailer" purchase during the test period?



> **SPEND PER TRANSACTION**

How much did a person spend per occasion during the test period?



# Total Spend Per Buying Household (BUYING RATE) NEW + EXISTING BUYERS

- > Meredith Households (exposed) who purchased during the campaign period, spent **+11% more** per buyer than those not exposed to advertising in Meredith magazines



## "HOME RETAILER": AVERAGE SPEND (\$) PER BUYER

Exposed to Meredith magazines \$252.80

Unexposed \$228.40

Increase + \$24.40

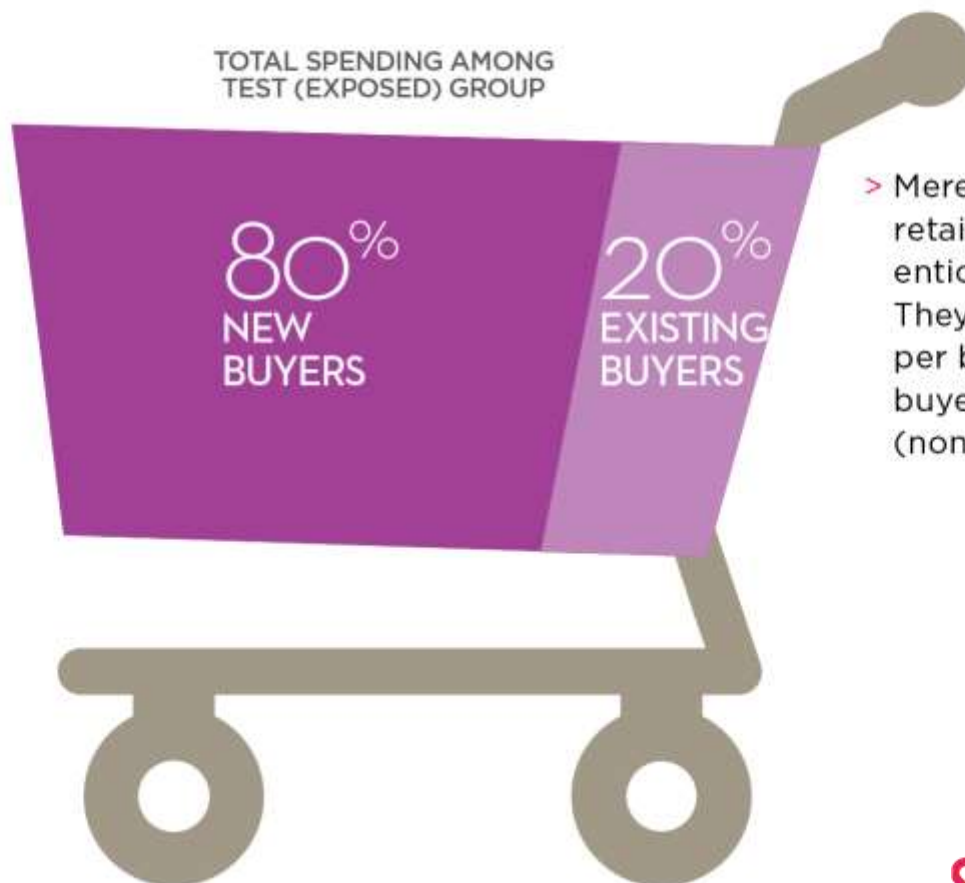
} **11% LIFT IN  
INCREMENTAL  
SALES FOR THE  
"HOME RETAILER"**

# Total Spend Per Buying Household NEW + EXISTING BUYERS



TOTAL SPENDING AMONG  
TEST (EXPOSED) GROUP

> “New” Meredith “home retailer” buyers account for the majority (80%) of overall spend.



> Meredith “existing” “home retailer” buyers were also enticed to spend more. They spent **+76% more** per buyer than “existing” buyers in the control (non-exposed) group.

# SALES TREND: Spend Per Buyer

- > Spend per buyer is higher throughout the campaign period, with peak spending during advertising heavy-up

## AVERAGE SPEND PER BUYER





# Spending Per Transaction NEW + EXISTING BUYERS

- > Not only is total spending per buyer during the campaign period higher among Meredith Households, but **spending per transaction** among this exposed group was **+27% more than those not exposed to advertising** in Meredith magazines



## AVERAGE SPEND (\$) PER TRANSACTION

Exposed to Meredith Magazines \$165.78

Unexposed \$130.68

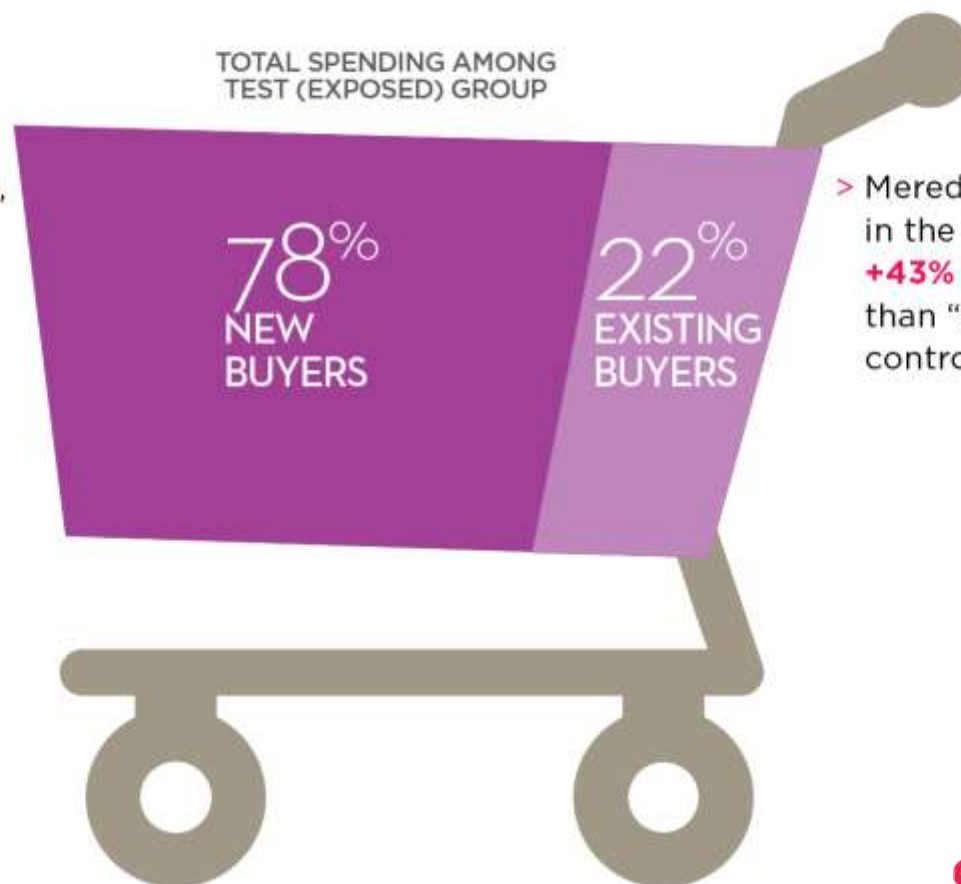
Increase + \$35.10

} 27%  
LIFT

# Spend Per Transaction NEW + EXISTING BUYERS



TOTAL SPENDING AMONG  
TEST (EXPOSED) GROUP



> In line with total spending, “new” Meredith buyers in the “home retailer” accounted for the majority (**78%**) of overall transactions.

> “New” Meredith buyers spent **+26%** more per transaction than “new” buyers that were not exposed (control) to the “home retailer” message.

> Meredith “existing” buyers in the “home retailer” spent **+43% more** per transaction than “existing” buyers in the control (non-exposed) group.

# SALES TREND: Spend Per Transaction

- > Spend per transaction among Exposed Group is higher in key advertising months.

## AVERAGE SPEND PER TRANSACTION



# Insertions: 3x 3x 4x 1x 1x 1x 4x 2x 3x 2x 2x 1x



# CAMPAIGN IMPACT: Incremental Sales



MEREDITH  
"HOME RETAILER"  
PLAN REACH  
MEREDITH HOUSEHOLD REACH



INCREMENTAL  
SPEND/HH  
DURING TEST  
EXPOSED VS. CONTROL



TOTAL  
INCREMENTAL  
SALES  
BASED ON MEREDITH  
"HOME RETAILER" CAMPAIGN

$$36,551,000 \times \$1.01 = \$36,920,896$$

# ROI Summary

FOR EVERY DOLLAR SPENT ON MEREDITH  
PRINT ADVERTISING, SALES INCREASED BY **+\$18.59**

% Sales Difference	+7%
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Annual Sales Impact	\$36,920,896
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<b>ROI*</b>	<b>\$18.59</b>
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\* ROI is defined as incremental brand sales based on dollars spent in media

> Note: Sales Impact based on Credit/Debit Card spend only (NBI tracks 80% of credit card transactions & 30% of debit card transactions); any transactions made in cash/check or other payment method would not be factored into sales lift. As a result, sales impact & ROI is actually higher.

# Key Findings

- > Overall, the campaign was successful in driving incremental sales for the “home retailer” among Meredith subscribers, with a **+7% lift** in total spending
- > Total Meredith households spent on average **+11% more** than non-Meredith (control) “home retailer” buyers
  - **80%** of Meredith’s spend at the “home retailer” were attributable to “new” buyers
  - “Existing” Meredith “home retailer” buyers spent **76%** more than non-Meredith “existing” buyers
- > Among Meredith households that bought, they spent **+27% more** than non-Meredith buyers **per trip**
  - **78%** of total Meredith transactions were made by “new” Meredith buyers
  - “Current” Meredith “home retailer” buyers spent **+43%** more per transaction than non-Meredith “current” “home retailer” buyers
- > The Meredith campaign successfully delivered **+\$36.9 million in incremental sales** for the “home retailer” over the campaign period
  - The key driver of sales was an increase in average spending per buyer (**+\$24.40**) and per transaction (**+\$35.10**) than non-Meredith “home retailer” buyers during the campaign period