

#ROI TV5

TV, the foundation of
media effectiveness

EPISODE 5 - NOVEMBER 2024



Ekimetrics.

Calendar

- 01 TV strengthens its role as a media foundation of efficiency
- 02 Focus on 4 sectors
- 03 TV as a performance amplifier for other media
- 04 TV, the ally of brands to reduce price elasticity
- 05 Focus on CSR messages
- 06 International focus
- 07 Conclusion

The SNPTV partner: **Ekimetrics.**

Ekimetrics. is the European leader in data science, with +400 data scientists and + 2 000 projects since 2006. Named world leader in the Marketing Mix Modeling market by Forrester

Mission : Ekimetrics is a world leader in data science and provider of artificial intelligence solutions.

Ekimetrics supports companies in optimizing their business-critical process performance through the development of business-transforming AI solutions.

We develop AI platforms and generative AI products designed to optimize revenue, operational processes, and develop our customers' AI capabilities in a sustainable way.

We specialize in optimizing marketing and sales performance, operational excellence and sustainable transformation (ESG/CSRD).

Partnership



Ekimetrics.

Ensure

Data robustness : broad scop, 3 year data depth

Ekimetrics

Voted world leader by Forrester ; models audited by CESP

01

Provide

The right reading keys

02

03

Offer

clear, tangible insights for all advertisers

04

Introduction

3 years of data depth

Figures align with the results of the 2021 study

The differences and changes stem from several factors:

New time frame - 2021/2023 vs 2015/2020 for #ROITV3

A particular period: post-covid (3rd confinement in April 2021) and inflationary context (inflation rate of +5.2% in 2022 and +4.9% in 2023 (source: Insee).

Rapid growth of new video offerings

Advertisers entering and exiting the benchmark

Cross sector: Finance, Healthcare, Media & Entertainment, Retailers, Automotive, FMCG, Technology, Travel, Hospitality, Cosmetics & beauty



+220 ECONOMETRIC MODELS

on global scope

106 ECONOMETRIC MODELS

for focus sectors

4 keys definitions



ROI should not be analyzed in isolation, and should always be considered in relation to its contribution.

R.O.I MEDIA

Sales generated per €1 invested in media.

$R.O.I. = \text{Sales generated} \div \text{Media investment}$

$TOTAL R.O.I = \text{Short-term ROI (4 months)} + \text{Long-term ROI (+24 months)}$

CONTRIBUTIONS

$\text{Contribution in \%} = \text{Revenue generated by media} \div \text{Revenue generated by all media}$

Low-contribution levers often have a high ROI, but given their saturation threshold, an increase in investment in these levers would lead to a drop in their R.O.I.

SYNERGY

Measures how simultaneous activation of multiple media makes a campaign more effective on sales

PRICE ELASTICITY

Impact of a price increase on sales volume :
 $\text{Elasticity} = \text{Delta Volume (\%)} / \text{Delta Price (\%)}$

A man with a beard and short hair is sitting on a dark couch, eating popcorn from a bowl. He is wearing a blue and white plaid shirt over a light blue t-shirt. He has a thoughtful expression, looking slightly to the right. The background is a blurred indoor setting. A large red graphic element is on the right side of the image.

#01

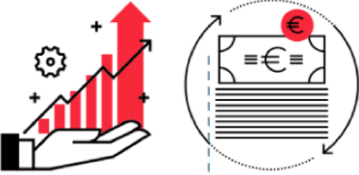
**TV reinforces its role as
the core media for
effectiveness**

Contributions and R.O.I

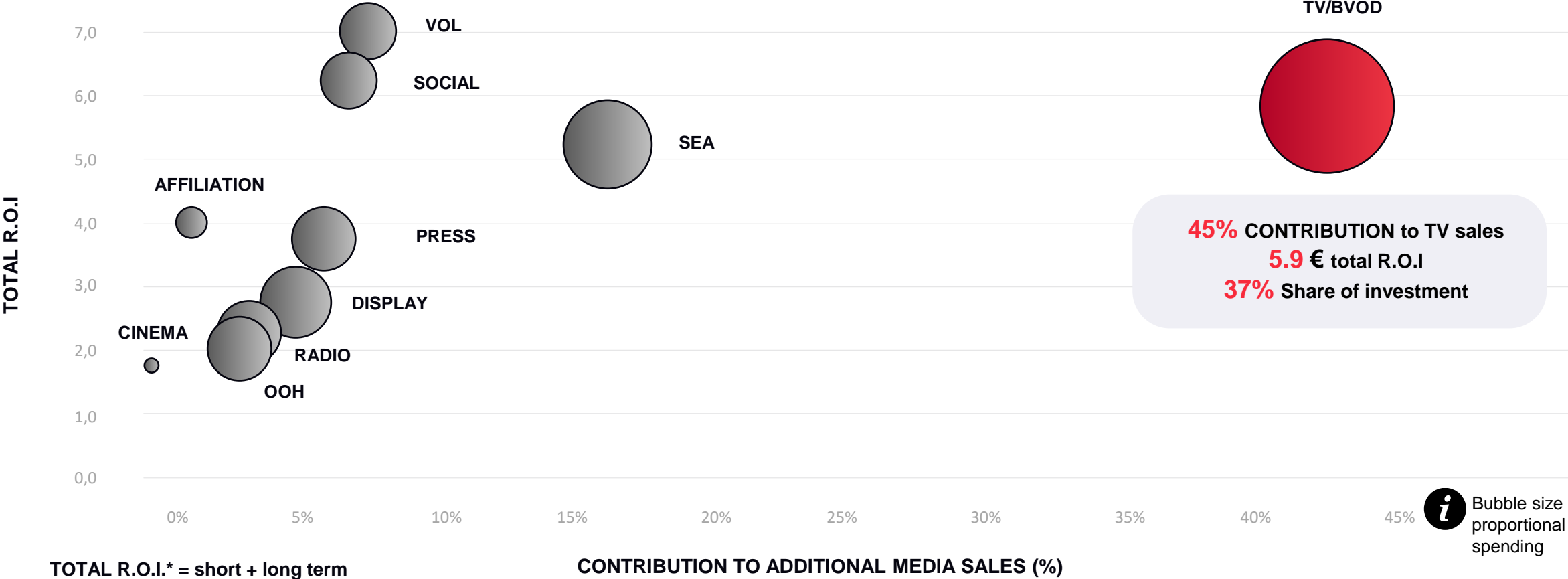


Ekimetrics.

CROSS-SECTORS : TV offers the best contribution/ROI ratio.



Cross sectors- 2021/2023

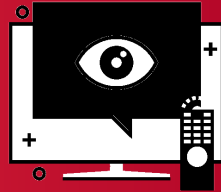


Cross sector: Finance, Healthcare, Media & Entertainment, Retail, Automotive, FMCG, Technology, Travel, Hospitality, Cosmetics & Beauty

CROSS-SECTORS: Despite the inflationary crisis, TV has managed to strengthen its contribution and profitability

Cross sector - 2015/2020 vs. 2021/2023

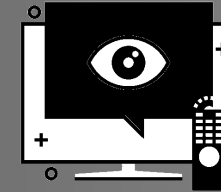
2015 – 2020



5.6€ total R.O.I (short + long term)

40% contribution to sales

2021 – 2023



5.9€ total R.O.I (short + long term)

45%* contribution to sales

+0,3€

+5 PTS

* Our benchmark is over-represented by the biggest players in each sector in order to accurately represent the market.

Cross sector: Finance, Healthcare, Media & Entertainment, Retailers, Automotive, CPG, Technology, Travel, Hospitality, Cosmetics & Beauty

The effects of TV continue in an unrivaled way

Cross sector- 2021/2023

Long-term multiplier

TOTAL R.O.I = short term R.O.I X long-term multiplier

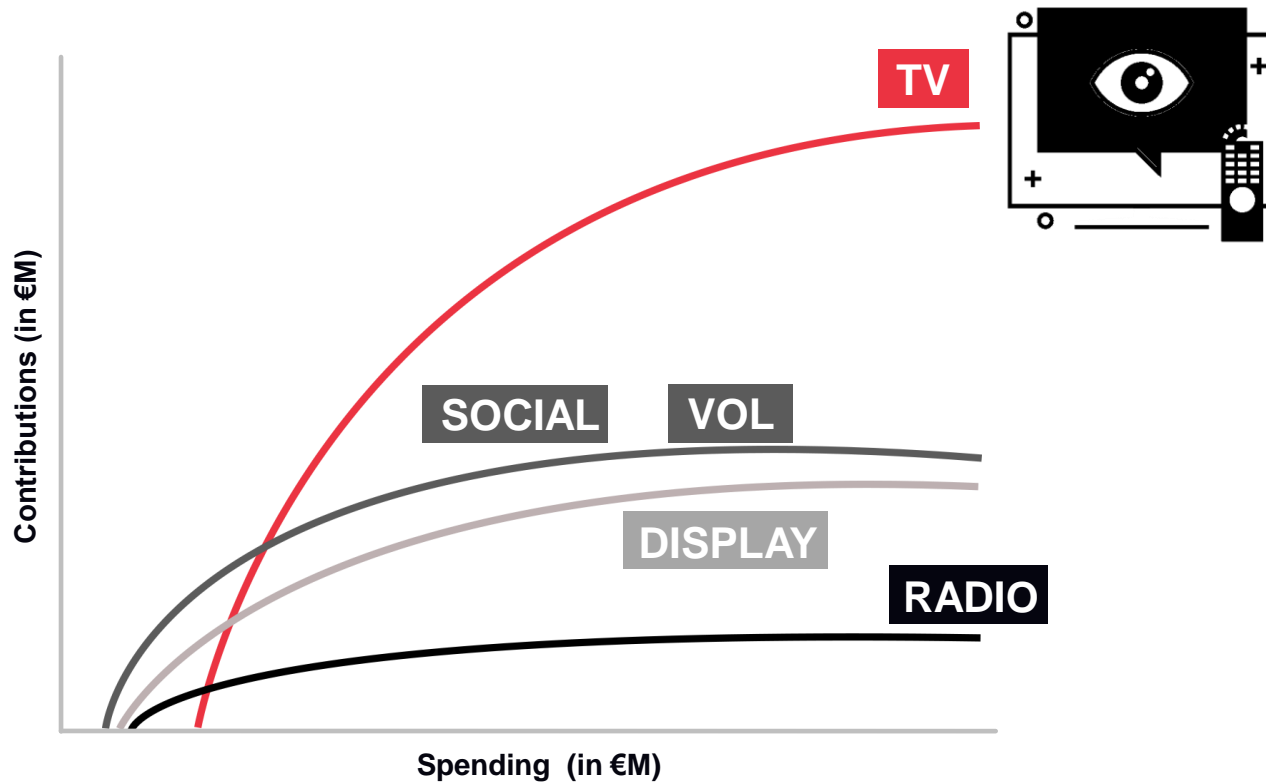


Cross sector: Finance, Healthcare, Media & Entertainment, Retailers, Automotive CPG, Technology, Travel, Hospitality, Cosmetics & Beauty



TV saturates 3x more slowly than other media

Average saturation of media levers in the 4 sectors studied

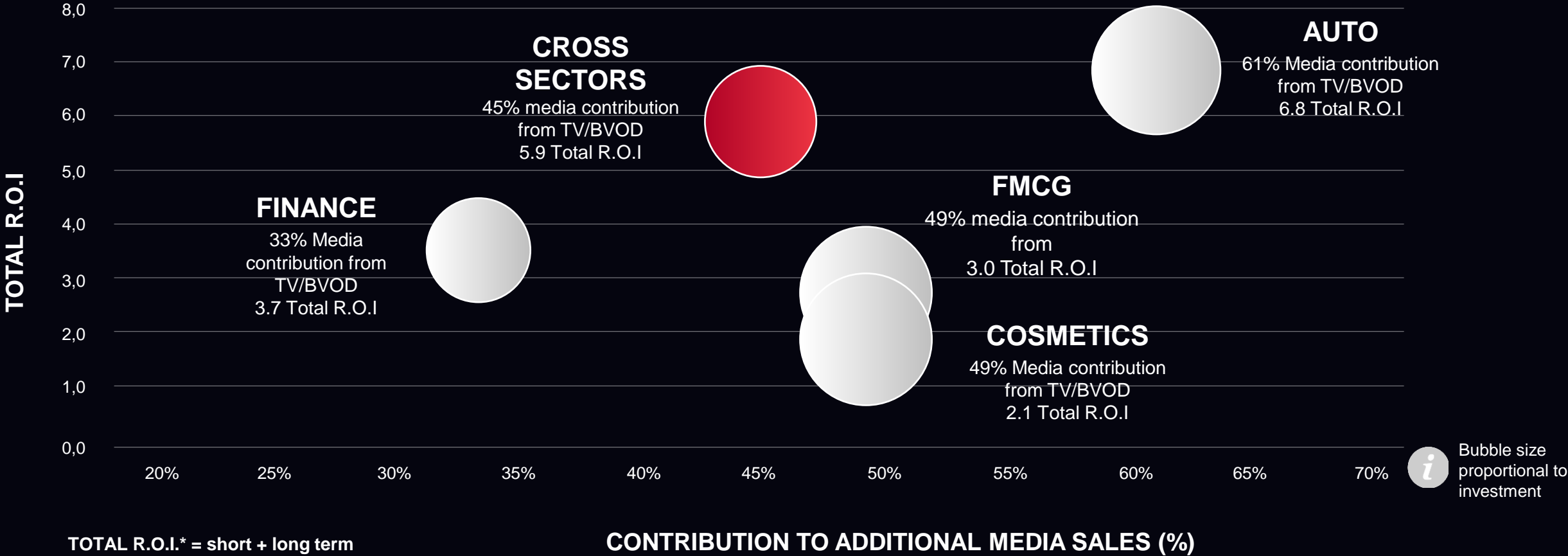


**THE TV IS THE LEVER
WITH THE HIGHEST
SATURATION THRESHOLD**

**3 times higher than other
video levers**

Across all sectors **TV / BVOD** still leads the way in terms of contribution

Global scope 2021-2023



Cross sector: Finance, Healthcare, Media & Entertainment, Retailers, Automobile, FMCG, Technology, Travel, Hospitality, Cosmetics & Beauty

#02

Focus on 4 sectors



Ekimetrics.

Proven effectiveness for **automotive manufacturers**



Insights

**TOTAL CONTRIBUTION
TO SALES**

61%

of Media sales are generated
by TV

TOTAL R.O.I

6,8€

for €1 invested

Average media R.O.I.the
sector: €4.4

Prioritize vehicle launch/relaunch phases to
build the base: 4 bursts spread over time

1st traffic-generating media for open houses

R.O.I. on EV communications growing by 5%
a year

Strong Halo effect on the rest of the range for
EV communications. 30% of the impact of EV
communications is an effect on the rest of the
range.

TOTAL R.O.I. = short + long term

TV delivers a higher ROI compared to the average media in the FMCG sector



20 econometric models 2021 - 2023

TOTAL CONTRIBUTION
TO SALES

49%

of Media sales are generated
by TV

R.O.I TOTAL

3.0€

for €1 invested

Average media R.O.I.the
sector: €2.8

Insights

Activate your brand portfolio with the right TV / BVOD mix based on the awareness of each brand.

Prioritize TV for “branding” and “product launch” campaigns to boost sales and brand indicators. This helps limit volume losses in an inflationary context.

Focus on TV at peak market times. Articulate primarily with Radio, Display and VOL to maximize synergies

TOTAL R.O.I. = short + long term

Premium cosmetics: TV is effective both in terms of conversion and traffic generation at the point of sale



22 econometric models 2021 - 2023

Insights

TOTAL CONTRIBUTION
TO SALES

49%

of Media sales are generated
by TV

R.O.I TOTAL

2.1€

for €1 invested
*Average media R.O.I.
the sector: €1.8*

TV boosts VOL and Social effectiveness, thanks to significant synergy effects

TV as a driver of in-store traffic. Prioritize TV activation 2 / 3 weeks before trade activations to boost their effectiveness.

TV is a lever that allows both conversion and brand awareness, especially for perfumes.

TOTAL R.O.I. = short + long term

* Perfume is over-represented in our benchmark

#ROITV5 : TV, THE CORNERSTONE OF MEDIA EFFICIENCY

NOVEMBER 2024

Financial services–TV combines necessary **power and efficiency**



16 econometric models 2021 - 2023

TOTAL CONTRIBUTION
TO SALES

33%

of Media sales are generated
by TV

R.O.I TOTAL

3.7€

for €1 invested
Average media R.O.I.
sector: €3.6

TOTAL R.O.I. = short + long term

Insights

The products sold by the financial sector have specific sectoral characteristics

Consequently, the financial player will have to use the media to :
Increase natural demand
Work the top and middle of the buying cycle

TV is the ideal media to work on these long-term objectives:

Strong contribution capacity with high ROI while reaching a large part of the population

A more sustainable impact than other media

#03

TV amplifies the
performance of other media



Ekimetrics.

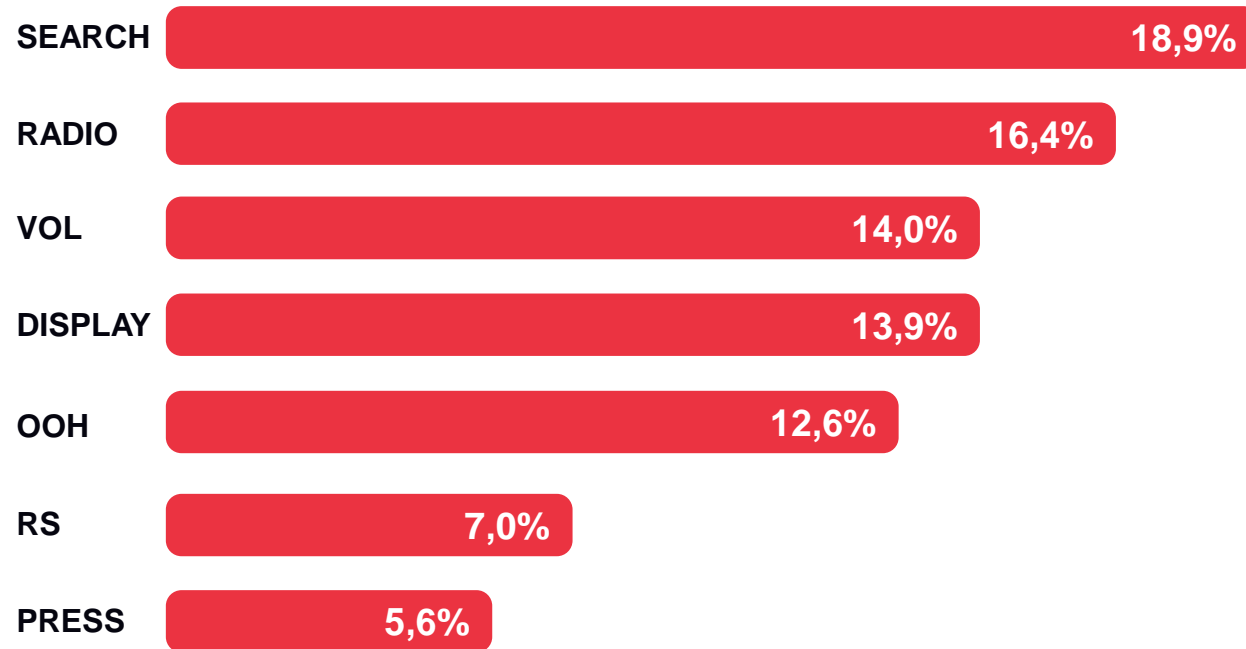


TV is the media that amplifies other media the most

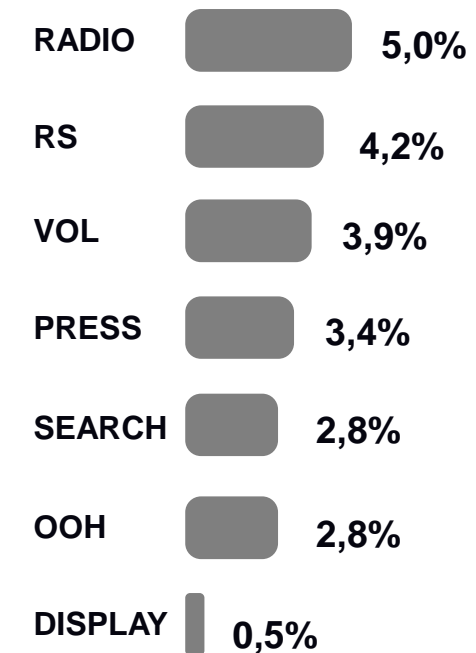
Scope : France cross-sector 2021-2023

Average efficiency gain of 14% for other media, when TV is played

R.O.I. gains for other media when TV is played



Average efficiency gains for TV when it is played with other media :





And depending on the sector, different top 3 synergies to maximize TV efficiency



AUTOMOTIVE

RADIO +8%
VOL +6%
SEARCH +6%



PREMIUM COSMETICS

Presse +6%
Social / VOL +5%
OOH +4%



FMCG

Radio +7%
VOL +6%
Display +4%



FINANCE

Search +9%
VOL +6%
Display/Radio +5%

**TV AND
BVOD**

#04

**TV, the ally of brands to
reduce price elasticity**



Ekimetrics.

Inflation of products and services at the heart of advertisers' concerns



INFLATIONARY CONTEXT

**+5.2% in 2022 and
+4.9% in 2023**

Source: Insee



PRICE ELASTICITY

**RISK OF LOWER
SALES VOLUMES**



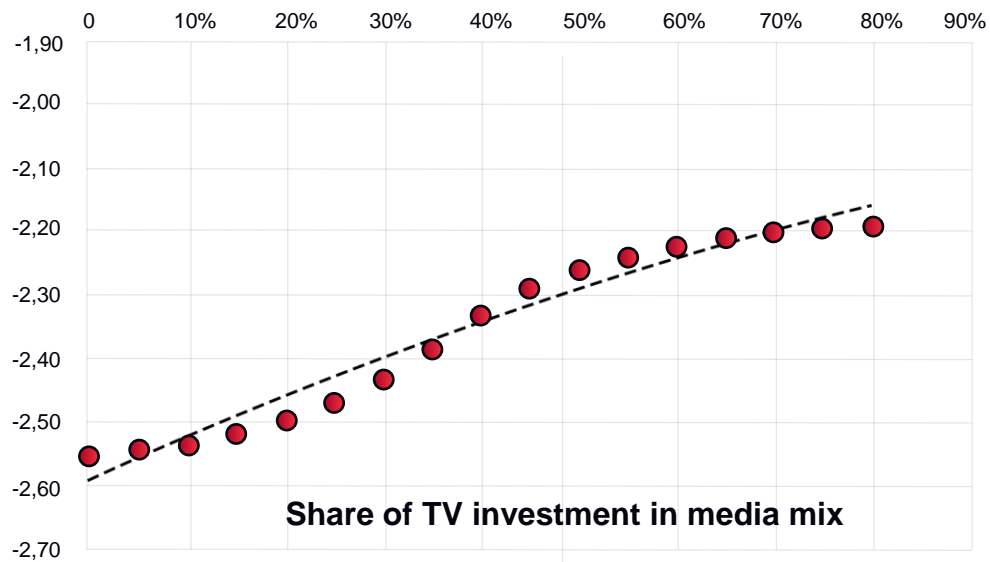
**TV REDUCES THE
NEGATIVE IMPACT OF
PRICE INCREASES**

Scope : Cross-sector

Automotive sector

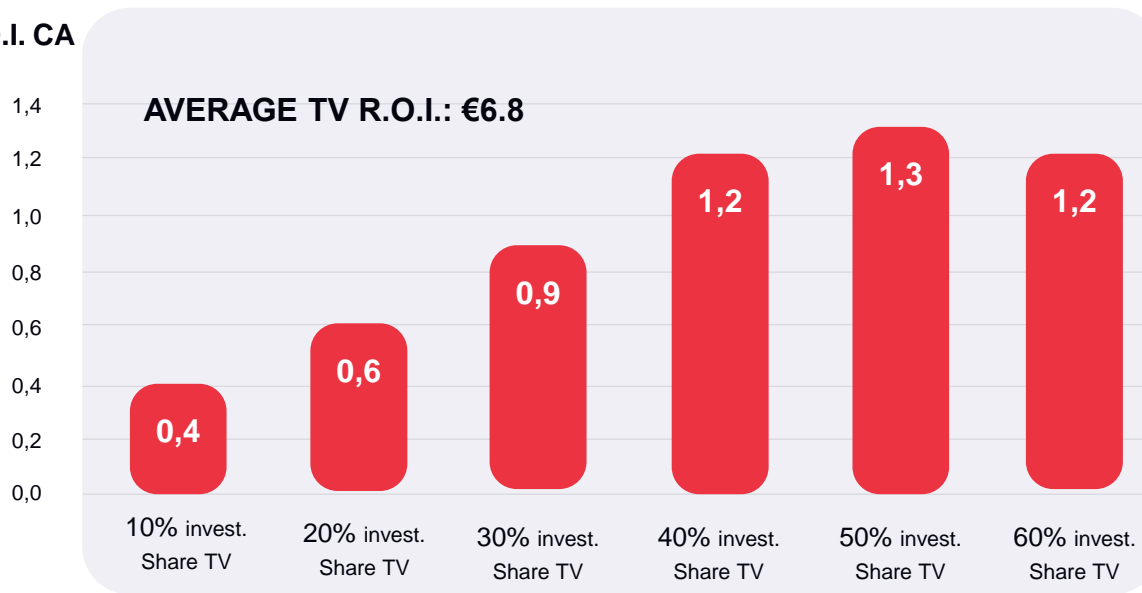
Higher R.O.I for TV, linked to its ability to reduce price elasticity. 20% boost in R.O.I for a 10% price increase from 40% TV investment share.

Price elasticity



FOR 10% PRICE INCREASE

R.O.I. CA



■ ADDITIONAL R.O.I.

- We observe a price elasticity r from -2.2 to -2.6. The greater the share of TV in the media mix, the less the elasticity to price increases will be strong. In other words, sales volume will suffer less from price increases.
- For a price increase of 10%, we can consider a hidden R.O.I. of €1.3, or nearly 20% of ROI in addition for TV, when 40% of investments are in TV.

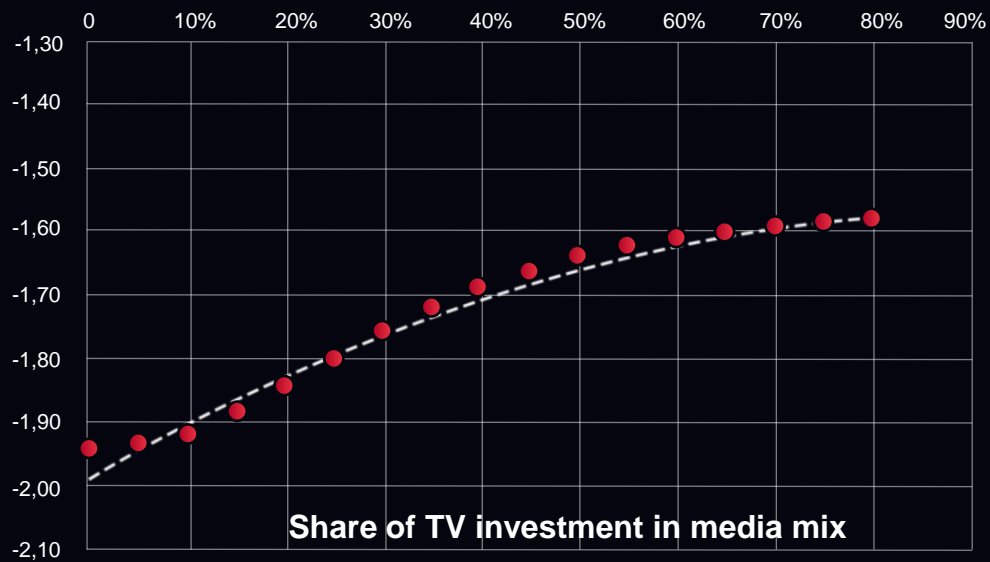
Assumption: 5% of sales invested in media

*Without taking into account the additional R.O.I. linked to synergy with other related media.

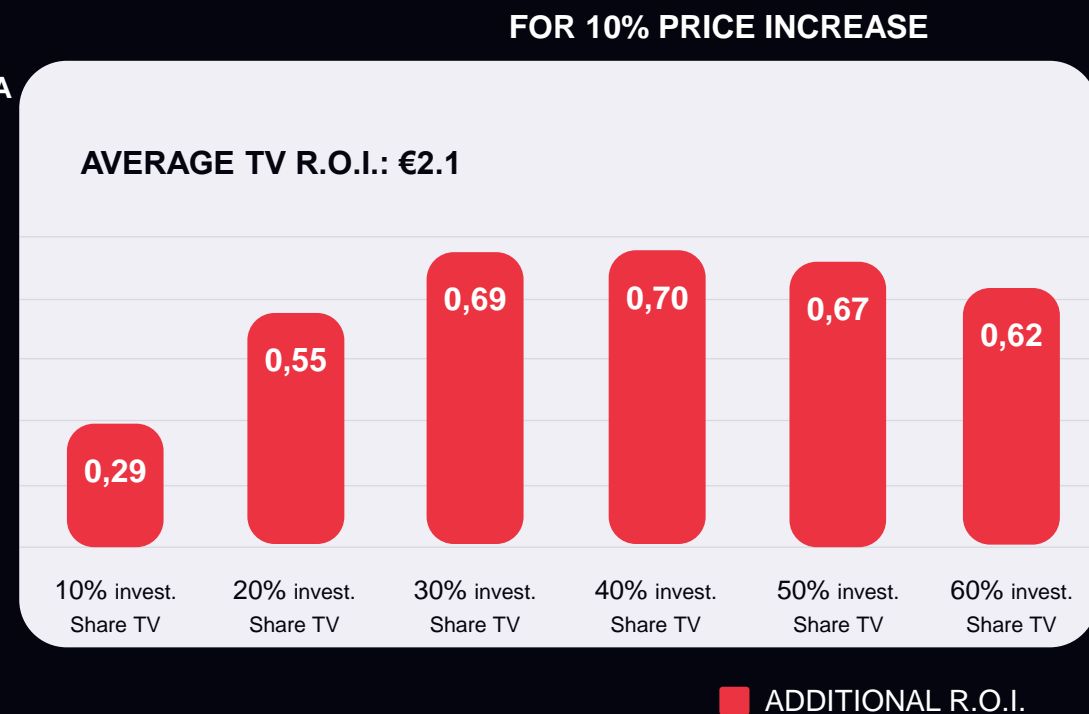
FMCG sector

Higher R.O.I for TV, linked to its ability to reduce price elasticity. 25% R.O.I boost for a 10% price increase from 30% TV investment share onwards

Price elasticity



R.O.I. CA



- We observe a Price elasticity ranges from -2 to -1.6. The greater the share of TV in the media mix, the less elasticity to price increases will be strong. In other words, the sales volume will suffer less from price increases.
- For a 10% price increase we can consider a hidden R.O.I. of €0.7, or nearly 25% more R.O.I. for TV when 30% of media investments are in TV.

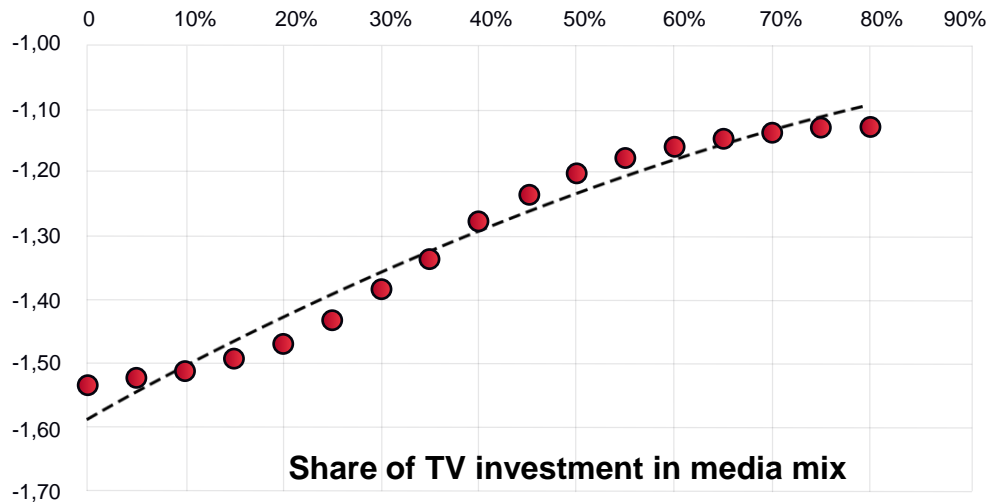
*Without taking into account the additional R.O.I. linked to synergy with other related media.

Assumption: 10% of sales invested in media

Beauty sector

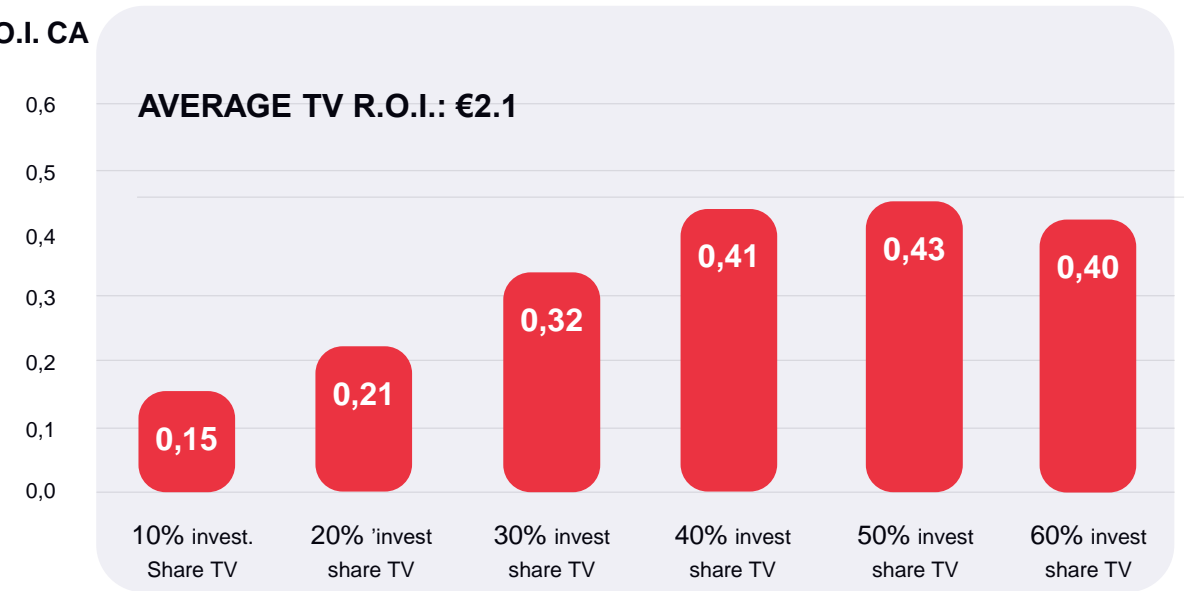
Higher R.O.I for TV, linked to its ability to reduce price elasticity. 20% boost in R.O.I for a 10% price increase from 40% of TV investment share

Price elasticity



R.O.I. CA

FOR A 10% PRICE INCREASE



■ ADDITIONAL R.O.I.

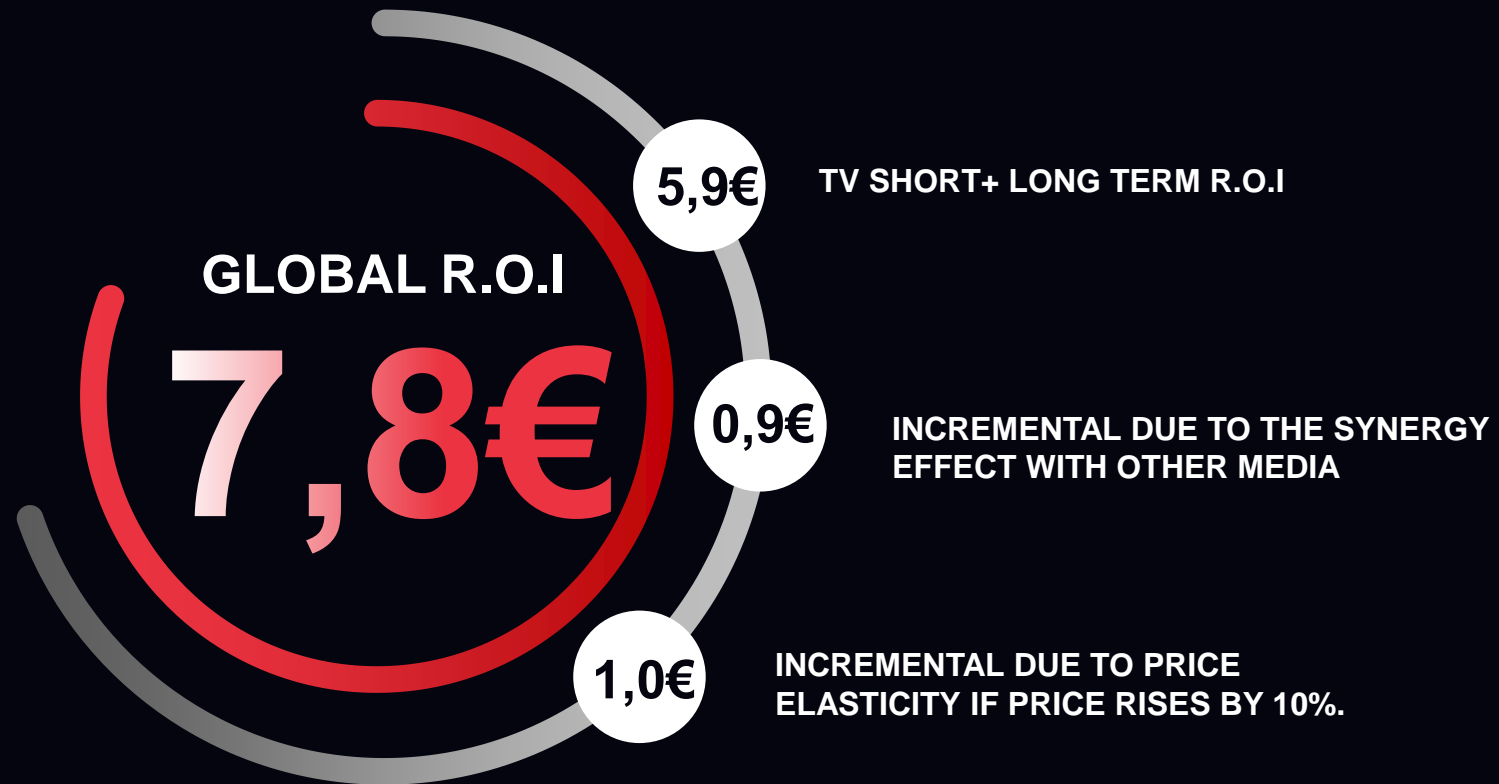
- We observe a price elasticity between -1.6 and -1.2. The greater the share of TV in the media mix, the less elasticity to price increases will be. In other words, the sales volume will suffer less from the price increase.
- For a 10% price increase, we can consider a hidden ROI of €0.4, or nearly 20% more ROI for TV when 40% of Media investments are in TV.

*Without taking into account the additional R.O.I. linked to synergy with other related media.

Assumption: 10% of sales invested in media

TV has several ways to impact sales

By integrating synergy effects and the impact of TV on price elasticity in times of inflation, the ROI is even higher



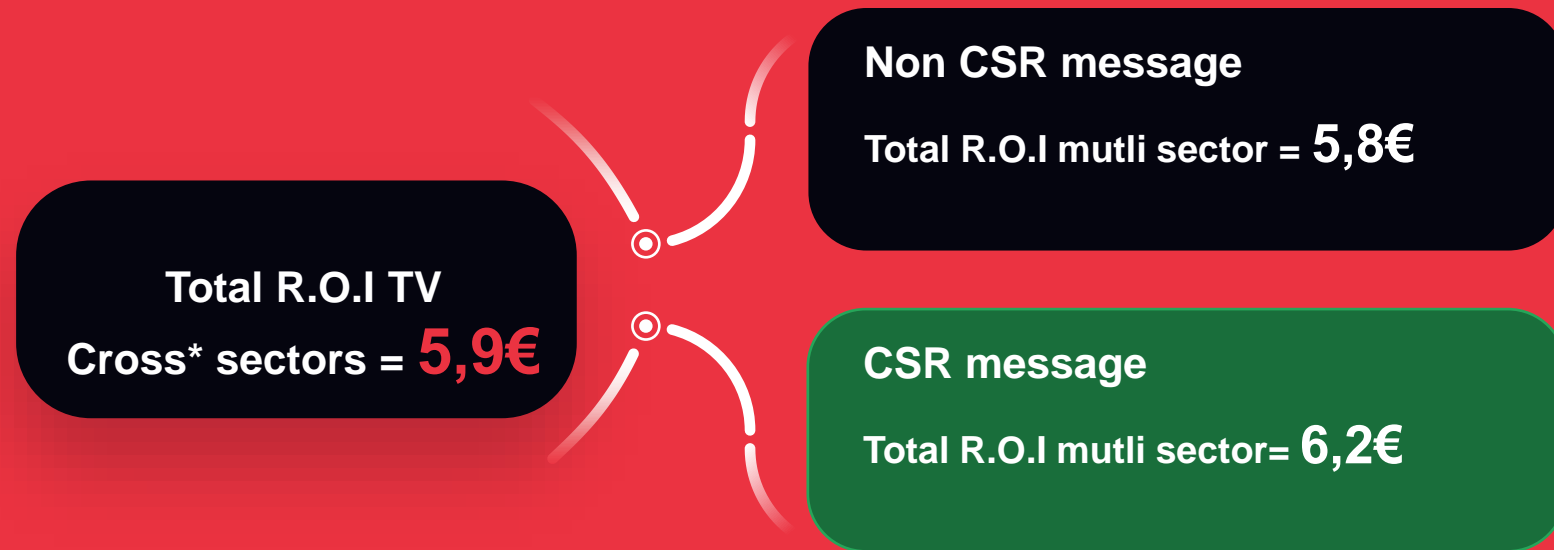
#05

Focus CSR
messages



Ekimetrics.

CSR messages that accentuate TV ROI over the long term



Campaigns with a CSR message that do not seek to activate the short term are in fact less R.O.I.st in the short term, but have a more lasting impact over time, enabling them to be more profitable in the long term.

#06

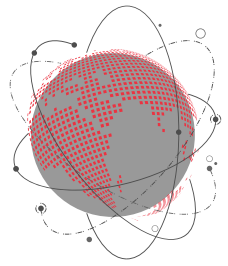
International focus



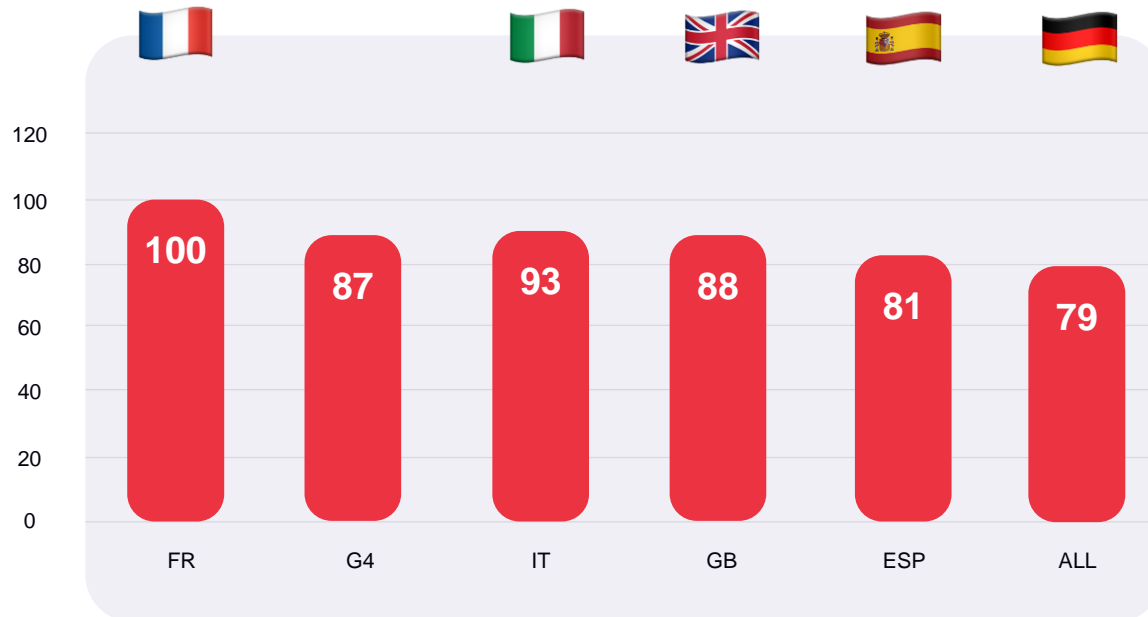
SNP TV
SYNDICAT NATIONAL DE LA PUBLICITE - TELEVISEE

Ekimetrics.

The TV R.O.I. in France is better than that of its European neighbors



SCOPE : FRANCE AND G4 – 10 SECTORS – 2021 - 2023



TV is more ROI-effective in France than in the G4:

Although the population and purchasing power are slightly higher in the UK and Germany, the CPM is much more expensive (around 60%), which strongly penalizes TV ROI in these countries.

As for the comparison with Italy and Spain, France has only advantages: a cheaper CPM, a larger population, a higher purchasing power.

Germany: > 50 cases
Italy: > 50 cases
Spain: > 50 cases
UK: > 100 cases
France: > 200 cases

#07

Conclusion



Ekimetrics.

TV: THE CORNERSTONE OF MEDIA EFFECTIVENESS

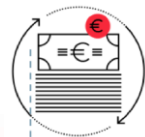


CONTRIBUTION
TO SALES

45%

of media
contribution
comes from TV

37% of media
investment



R.O.I

5,9€

of revenue for €1
invested in TV



SYNERGY

+14%

increase in
efficiency of other
media

or +€0.9
additional R.O.I.



PRICE
ELASTICIY

+1€

of R.O.I. TV in a
period of 10%
product inflation
by limiting price
elasticity



SATURATION
POINT

3X

higher than all
other video media



R.O.I IN
FRANCE

+15%

vs. G4 (Italy,
Germany, Spain,
UK)

#ROI TV5

Thanks



Ekimetrics.