



Marketing

MAGONOMICS

The science of magazine advertising effectiveness

Magazines &
Brand Metrics

The impact of
investment

Four metrics
& ROI

Why have we done Magonomics?

- TO UNDERSTAND HOW MAGAZINE INFLUENCE THE CONSUMER JOURNEY
- TO ESTABLISH BEST PRACTICE FOR MEASURING MAGAZINES
- TO CALCULATE THE ROI OF MAGAZINES
- TO START CHANGING INCORRECT PERCEPTIONS ABOUT MAGAZINE EFFECTIVENESS
- TO SHOW ADVERTISERS HOW TO GET THE MOST OUT OF MAGAZINES



Why do people read magazines?

- THE ORIGINAL COMMUNITY MEDIA
- WE SERVE THEIR PASSION POINTS
- WE AID THEIR LIFESTAGE DEVELOPMENT
- WE SELECT, EDIT AND PRESENT CONTENT OF INTEREST
- WE ACT AS FRIENDS & ADVISERS



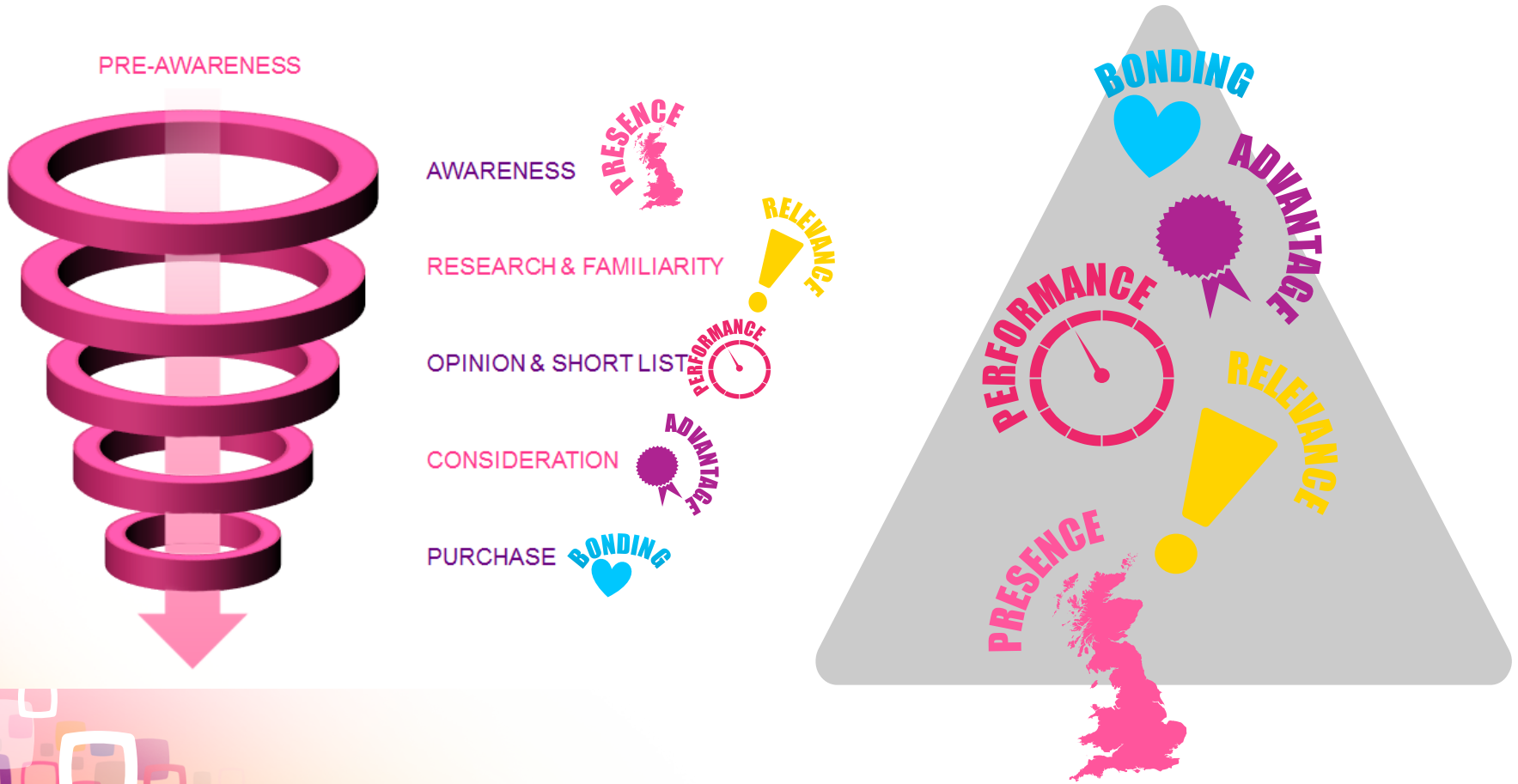


What is the benefit to advertisers?

- RELEVANCE
- ASSOCIATION WITH CONSUMER INTEREST
- A HOSPITABLE ADVERTISING ENVIRONMENT
- FOCUSED ATTENTION
- OPPORTUNITY TO PRESENT DETAIL



What is the consumer journey?



Why is it important to advertisers?

- UNDERSTAND CONSUMER'S RELATIONSHIP WITH OWN BRAND
- UNDERSTAND CONSUMER'S RELATIONSHIP WITH COMPETITOR BRANDS
- HELPS DEVELOP FOCUS POINTS TO IMPROVE BRAND RELATIONSHIPS
- IDENTIFY KEY STRENGTHS/WEAKNESSES BY TARGET MARKET
- USED IN MEDIA PLANNING TO SELECT CHANNELS WHICH CAN DELIVER AGAINST OBJECTIVES



How do mags deliver audiences?



AIR

835 000

453 000

414 000

1 435 000

Total

1 690 000

2 386 000

1 700 000

5 202 000



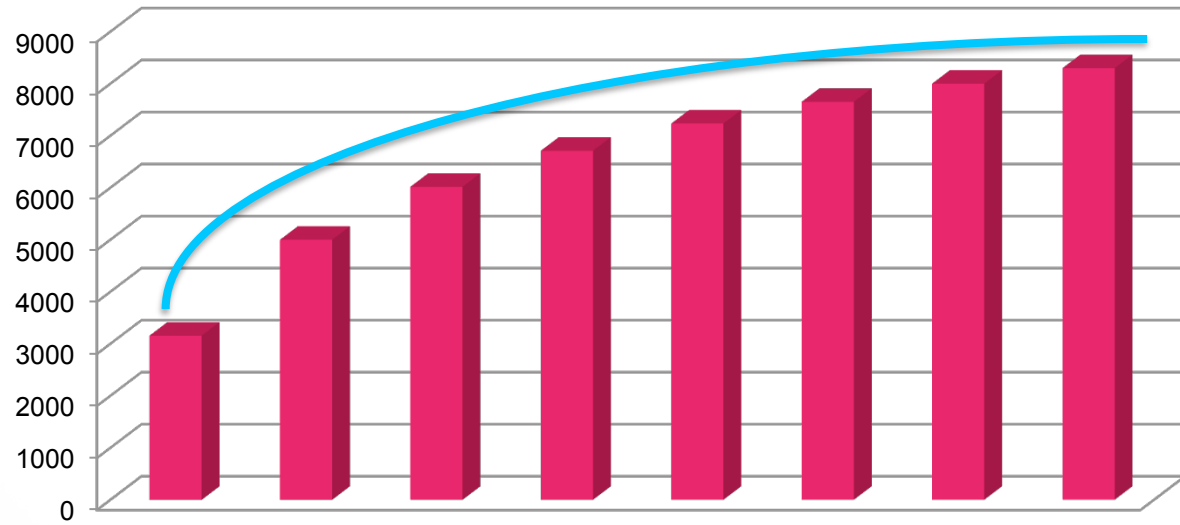
How do mags deliver audiences?

EMPIRE

GRAZIA

more!

heat



Insertions
Frequency

1 3 5 7 9 11 13 15
1.18 2.23 3.09 3.88 4.63 5.35 6.05 6.73



How do advertisers measure success?



PRE & POST CAMPAIGN

- Short term
- Individual campaigns measured
- Reading before campaign
- Reading after campaign
- Contribution of each channel
- Impact on Brand Metrics



BRAND TRACKING

- Long term
- Quarterly/Monthly/Weekly dips
- Bauer Media Tracker: 20+ years
- Focussed on long term brand prognosis
- Impact of a number of campaigns
- Focus on understanding brand position relative to competitors



ECONOMETRIC MODELLING

- Long or short term focus
- Modelled data
- Measure drivers of sales
- Looks at all factors impacting sales, not just media
- Frequently used to determine future channel usage



How are these measures used?

- CAMPAIGN LEVEL: DID OUR MESSAGE RESONATE WITH CONSUMERS?
- COMPETITOR LEVEL: WHAT ADVANTAGE HAVE WE GAINED?
- ROI LEVEL: HOW DID THE CAMPAIGN AFFECT SALES/BRAND MEASURES?
- CHANNEL LEVEL: WHICH CHANNELS WORKED BEST?
- DECISION MAKING:
 - DID OUR CAMPAIGN FULFIL IT'S OBJECTIVES?
 - WHAT SHOULD BE OUR KEY FOCUS POINTS MOVING FORWARD?
 - WHICH MEDIA CHANNELS ARE GOING TO WORK BEST?



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Magazines & the Customer Journey - 'MAGNIFY'

Econometrics & ROI

The impact of investment

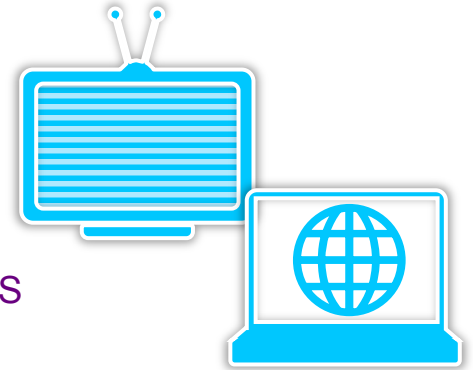
Magazines & Brand Metrics

MINDSHARE

ohal: defining analytics

Understanding the consumer journey

PRE-AWARENESS



AWARENESS

RESEARCH & FAMILIARITY

PURCHASE
INTENT
TRIGGER

OPINION & SHORT LIST

CONSIDERATION

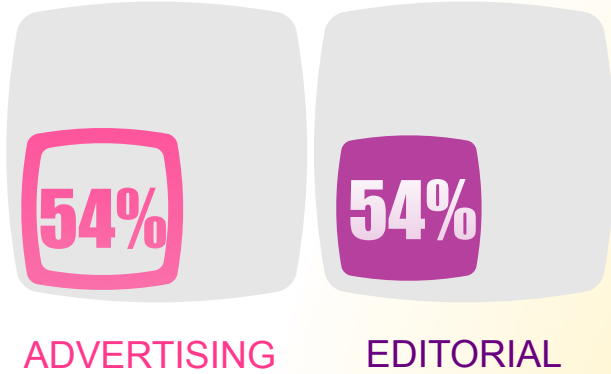
PURCHASE





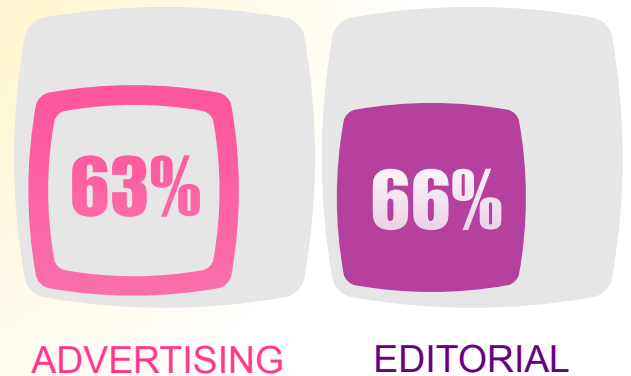
Magazine Influence

NOTED SCORES



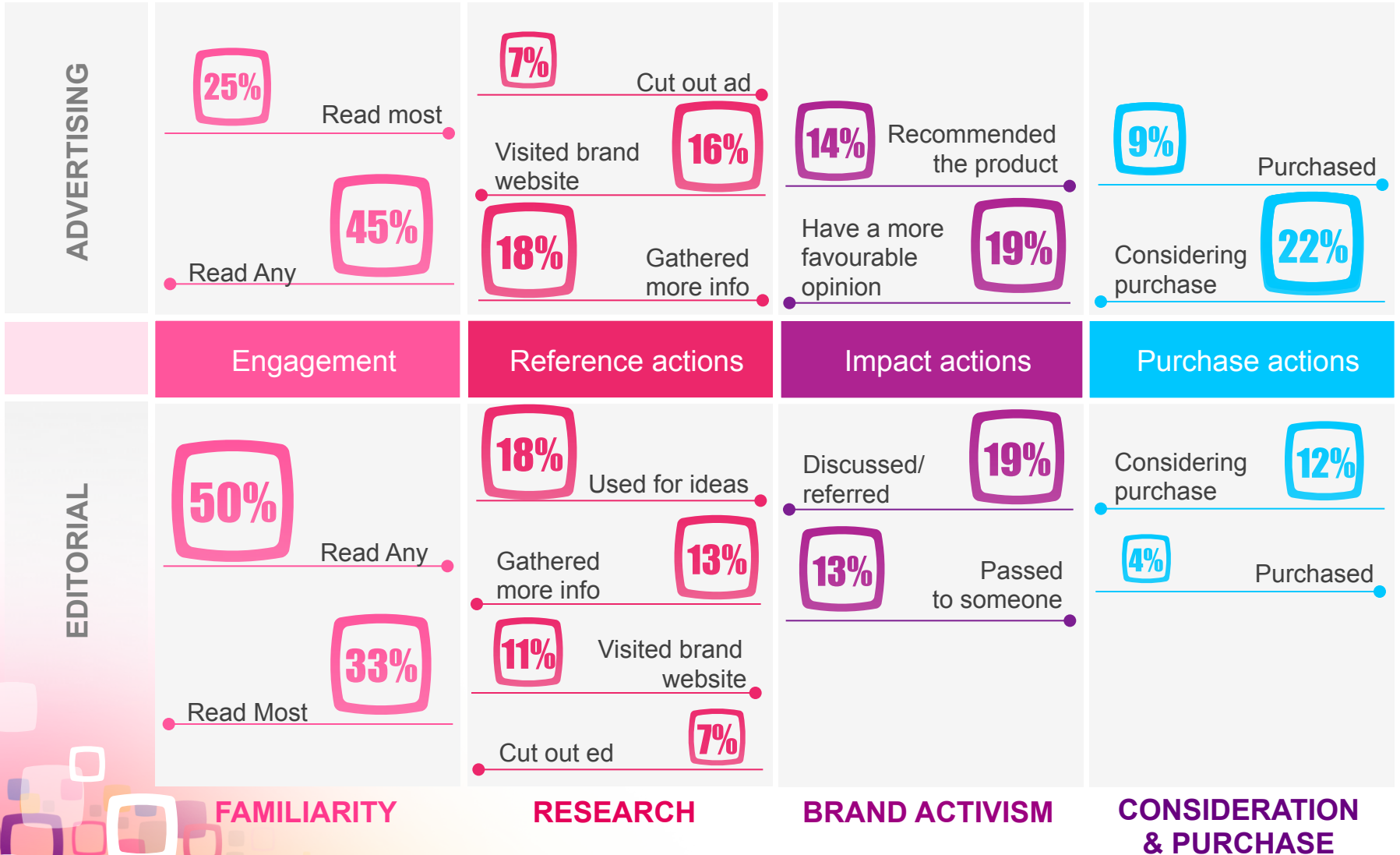
A hospitable advertising environment

NET ACTION SCORES





How magazines drive consumer behaviour





But how do magazines
compare?



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Magazines

An ROI study

2
Magazines &
Brand Metrics

3
Econometrics
& ROI

4
The impact of
investment

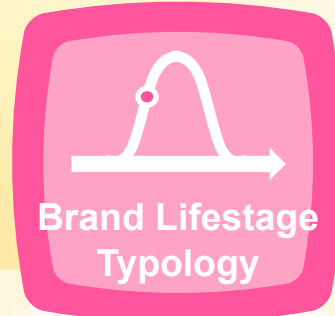
MINDSHARE

ohal: defining analytics

What is ROI?

Brand Equity





maxus

MINDSHARE

Y&R

Ogilvy

JWT

MEDIACOM
People First → Better Results

mec:

GREY

WPP



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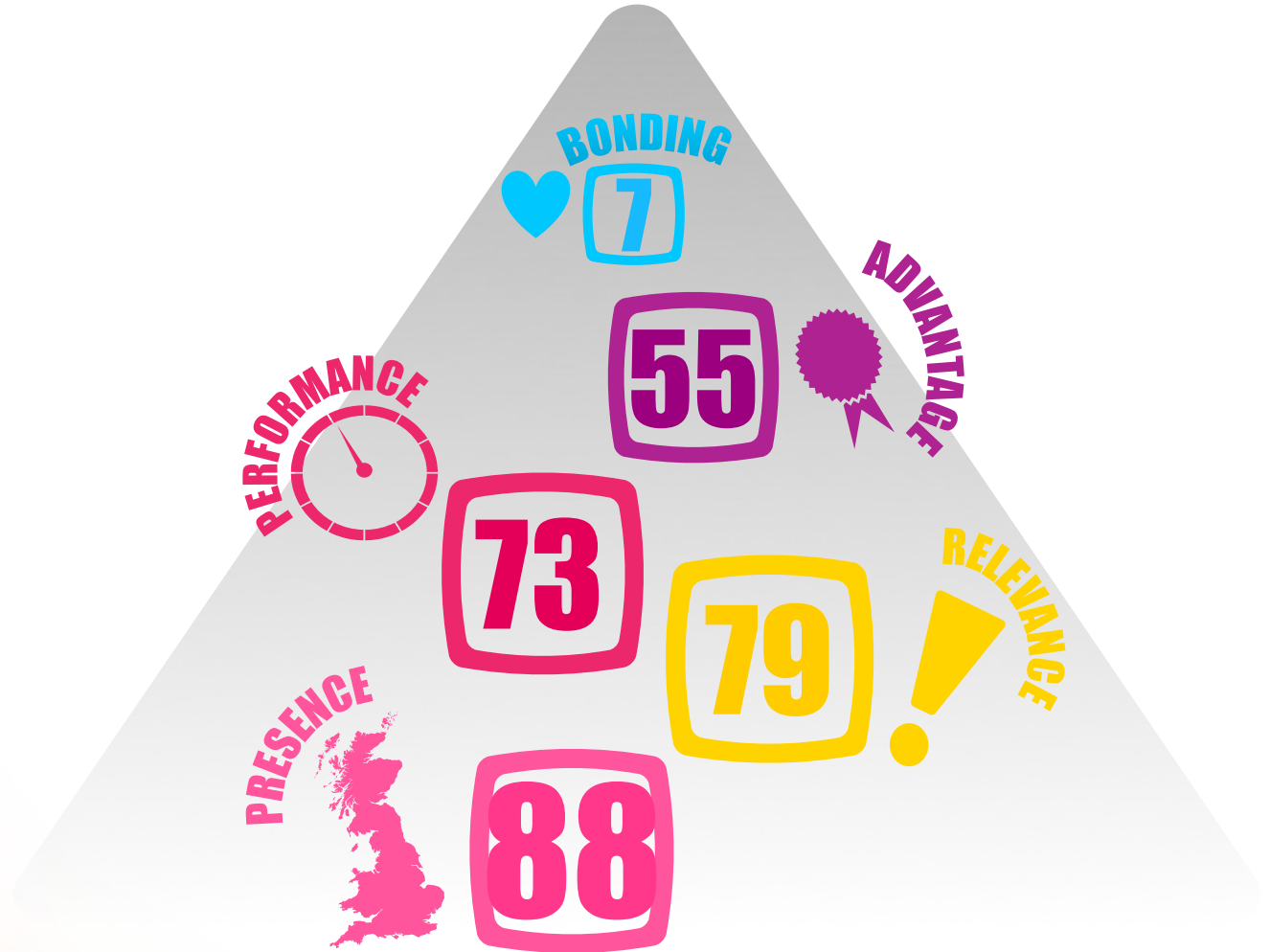
2

The brand pyramid

brand Typology:



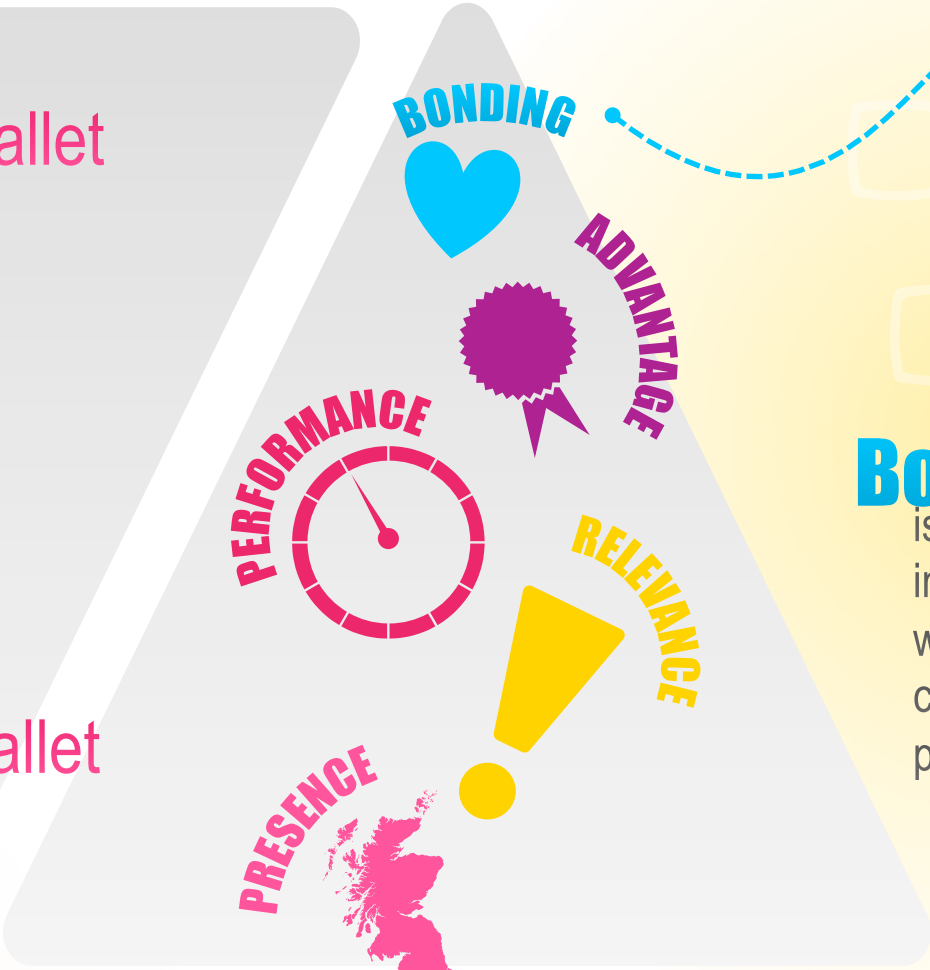
Defender



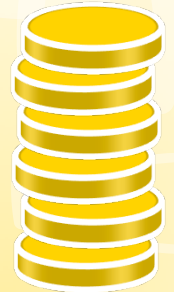
Magazines & Brand Metrics

High
Share of wallet

Share of wallet
Low



Bonding
is the most important factor which drives consumers towards purchase





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BrandZ Analysis

BRANDZTM



2011

14 Categories

136 brands

Mainstream media
spend by channel

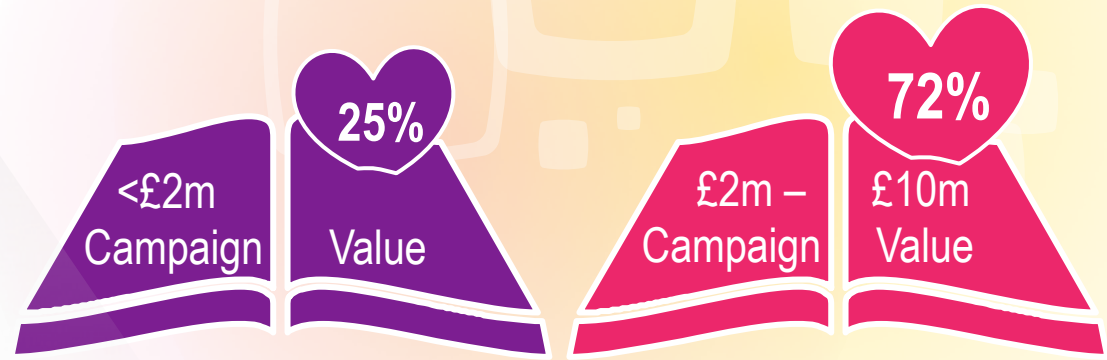


a **COMPREHENSIVE UNDERSTANDING**
OF MEDIA vs BONDING SCORE



Magazines & Bonding

Magazine = ave. 7% of spend



Brands that invest 20% above average* in magazines enjoy higher bonding scores than brands that underinvest

BrandZ: 136 Brands using magazines

*Based on average share of spend of 7% in 2011: Source WARC/ AA

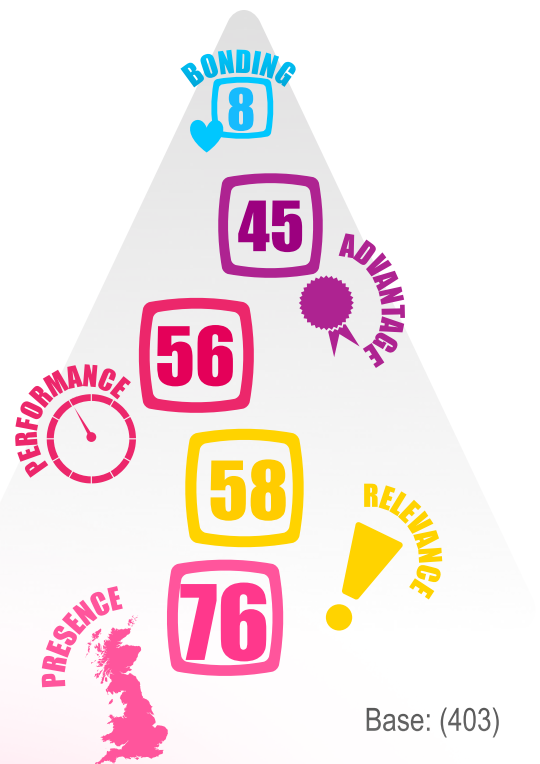


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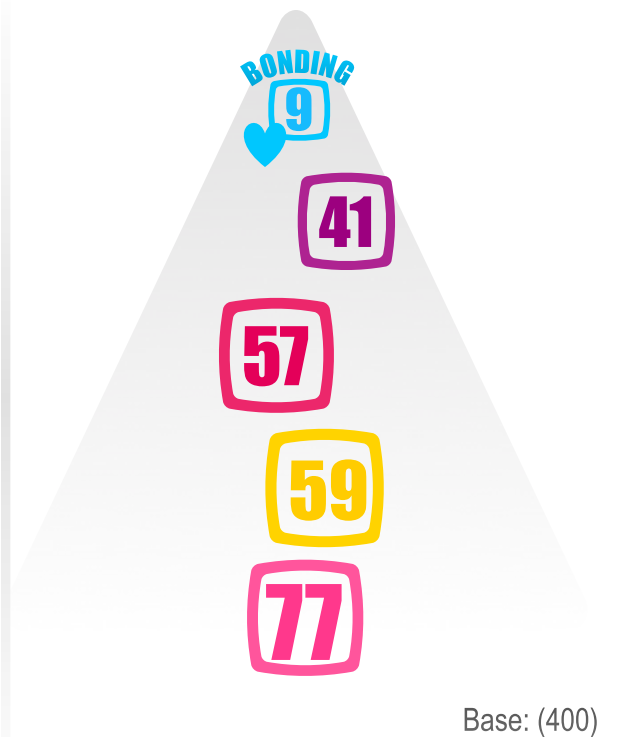
Magazines & Brand Metrics 2

Olay used magazines' bonding power to rebuild and maintain their brand

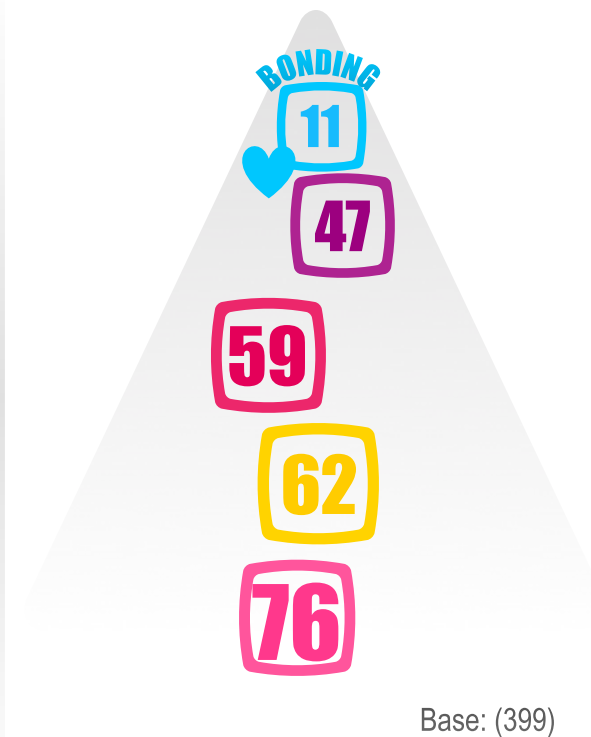
2008



2009



2010



Olay has spent more than **£15 million** In magazines since 2008*



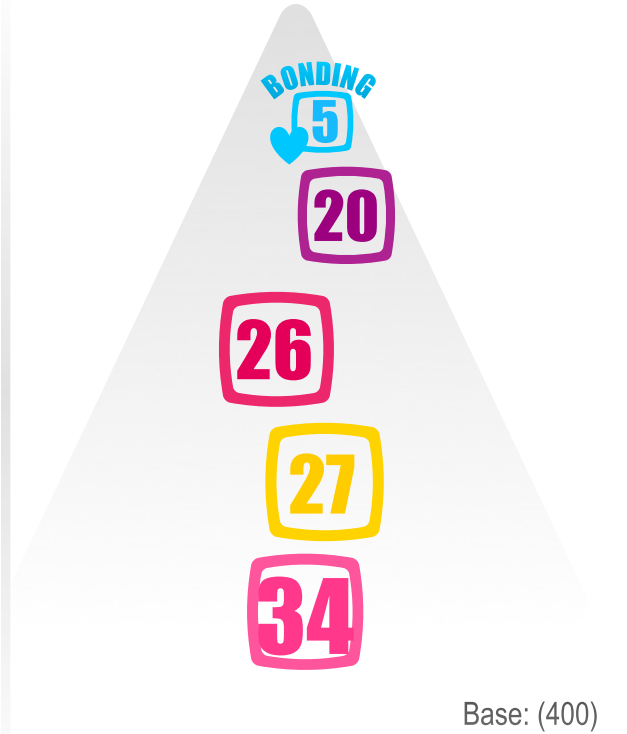
Magazines & Brand Metrics 2

P&G's Aussie is a brand that has been built on magazines bonding power

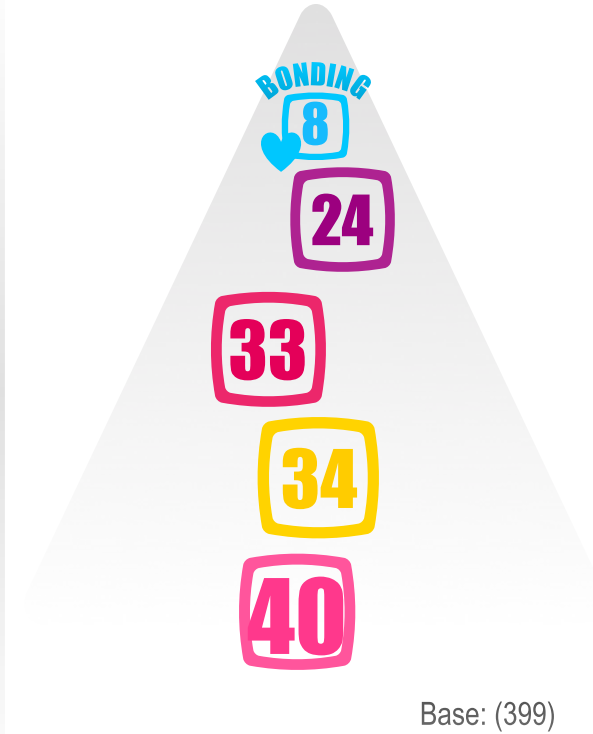
2007



2009



2011



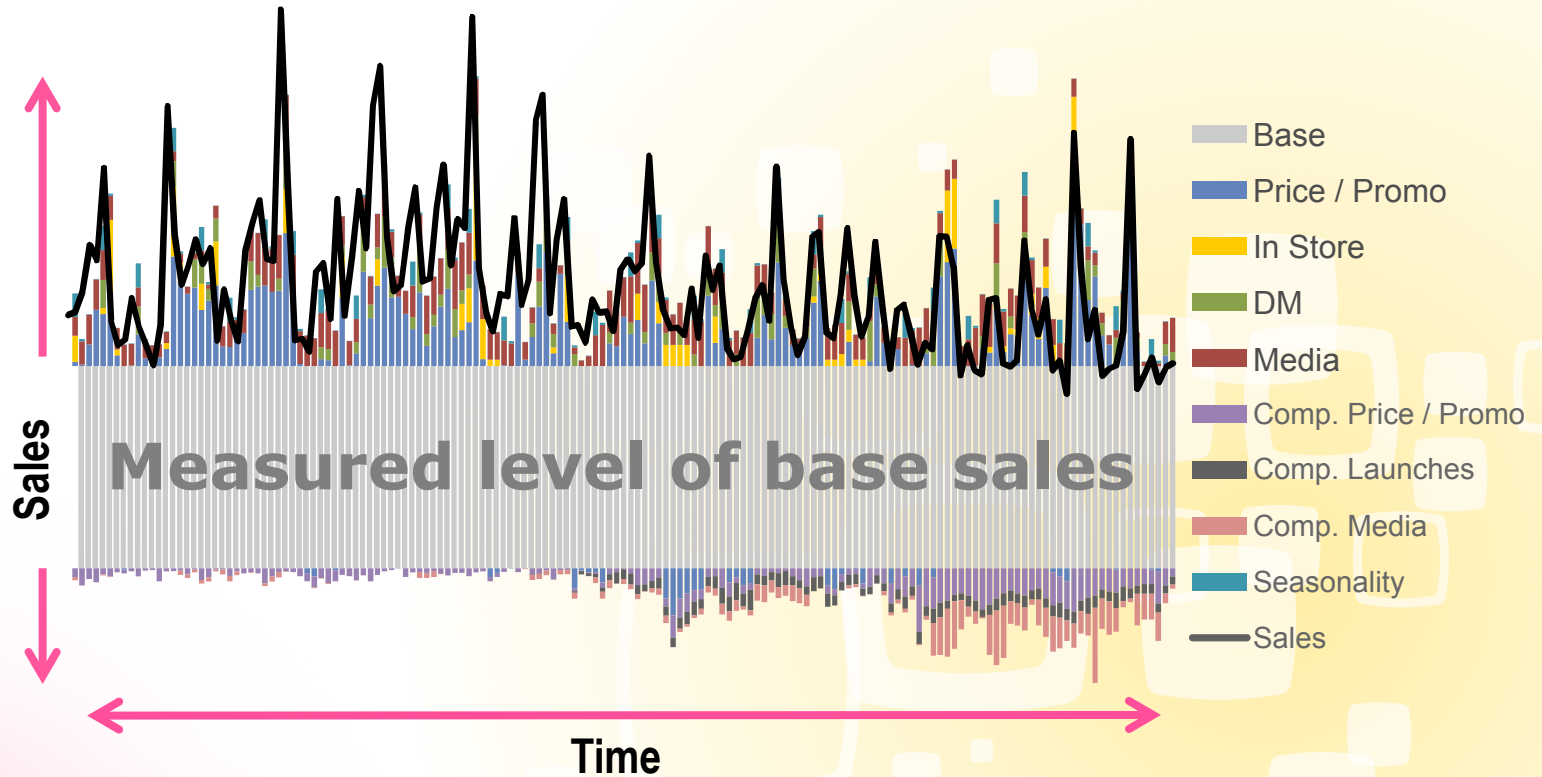
P&G's Aussie has spent more than **80%** of their budget on magazines* since 2007

Brand Equity



How do magazines perform in econometrics?

Isolating the media effect



Isolating the media effect



ATL Media's contribution to sales

The ROI challenges for magazines



Estimated as Press




Using appropriate media inputs



Low weighting

The challenges for magazines

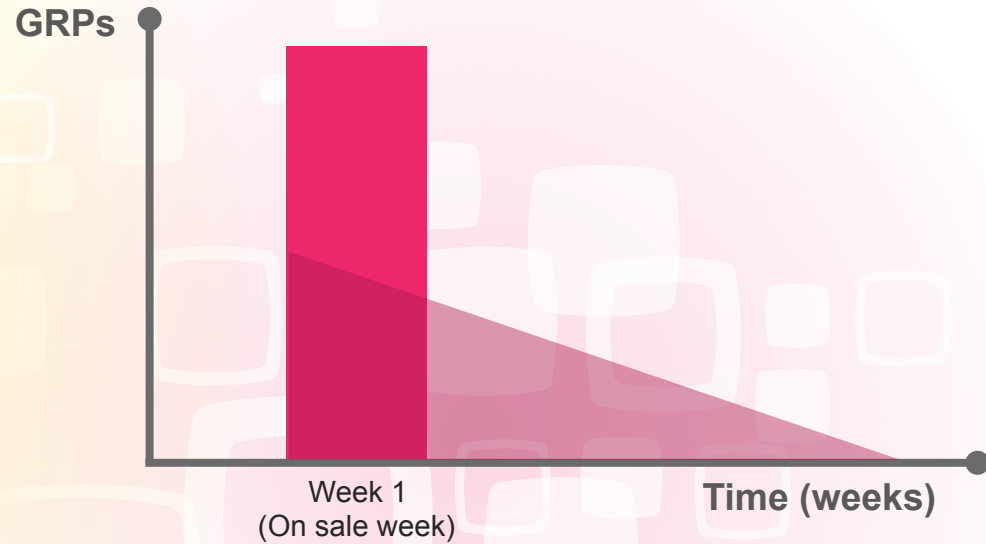
Monthly Magazines



81%
Reach



→
In four weeks



Incorrectly applied print models assume the total audience is reached during the on sale week



Without accumulation Magazine ROI is underestimated

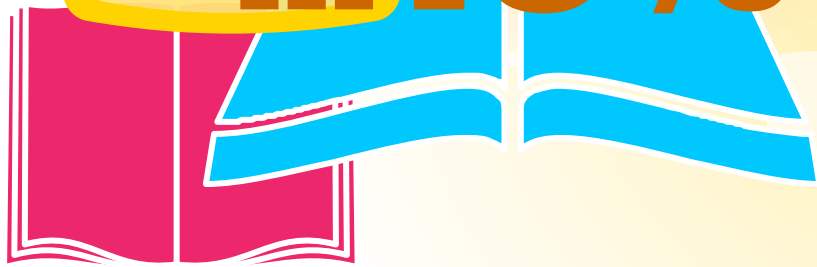
Analysis of 5 FMCG campaigns...

- Brand A **+3%**
- Brand B **+7%**
- Brand C **+14%**
- Brand D **+33%**
- Brand E **+40%**

CALCULATED ROI

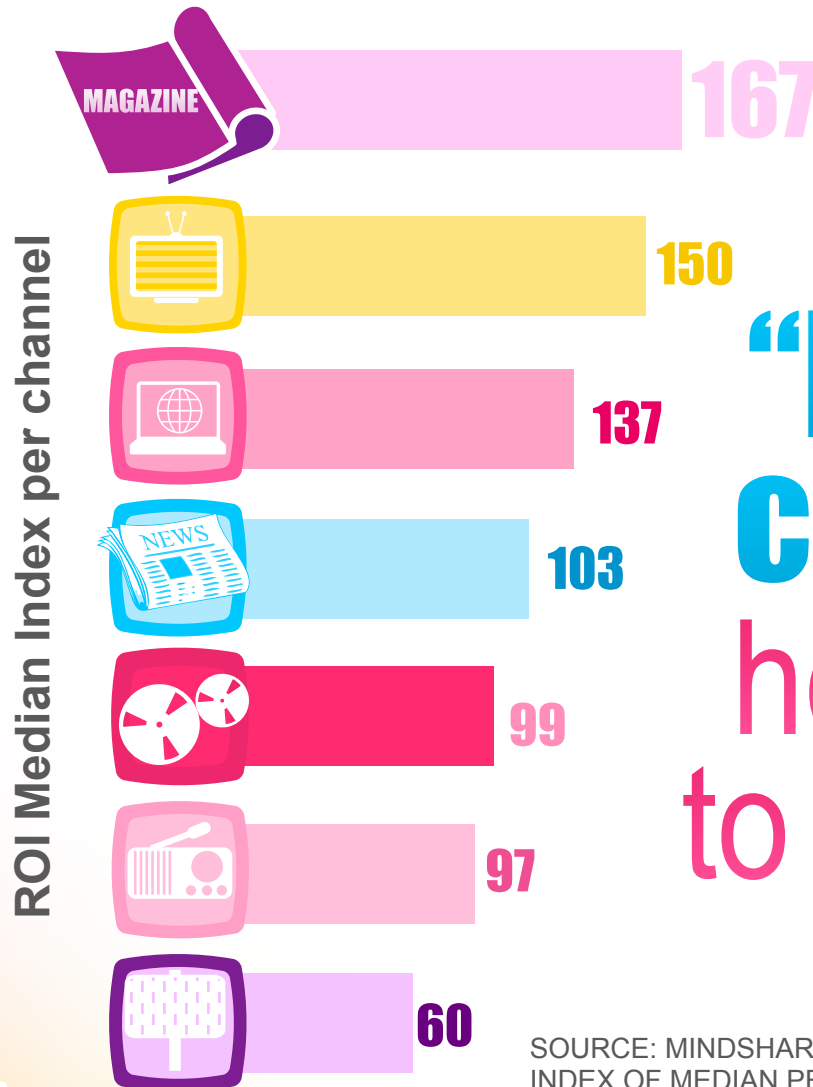
On average,
accumulation
data shows
an ROI uplift
for mags of..

19%



So how do magazines really stack up?

ANALYSIS OF
77 CAMPAIGNS
WITH A SPEND
UP TO
£6m



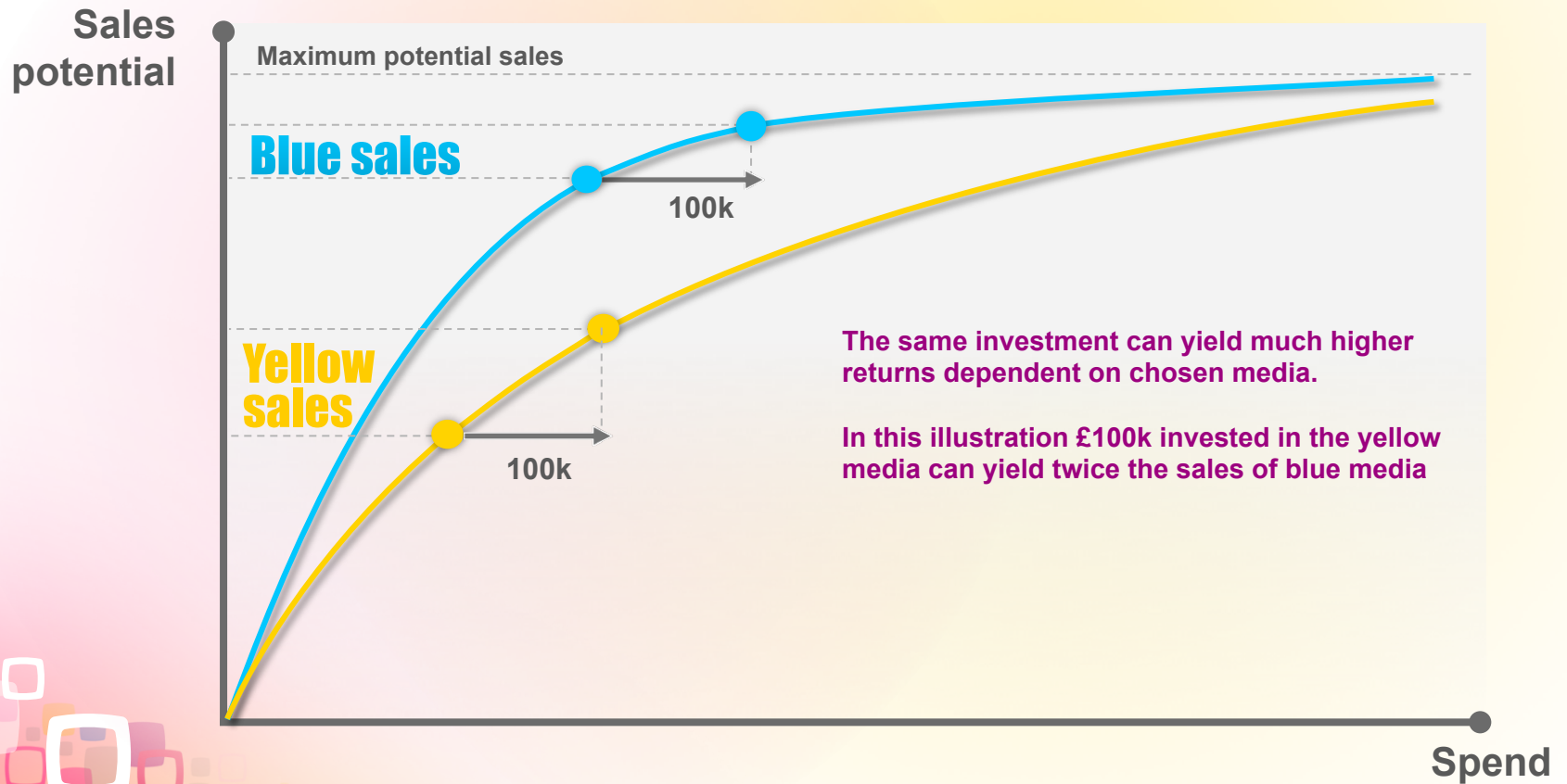
“But of course he is going to say that!”

Why do magazines... ...rank so highly?



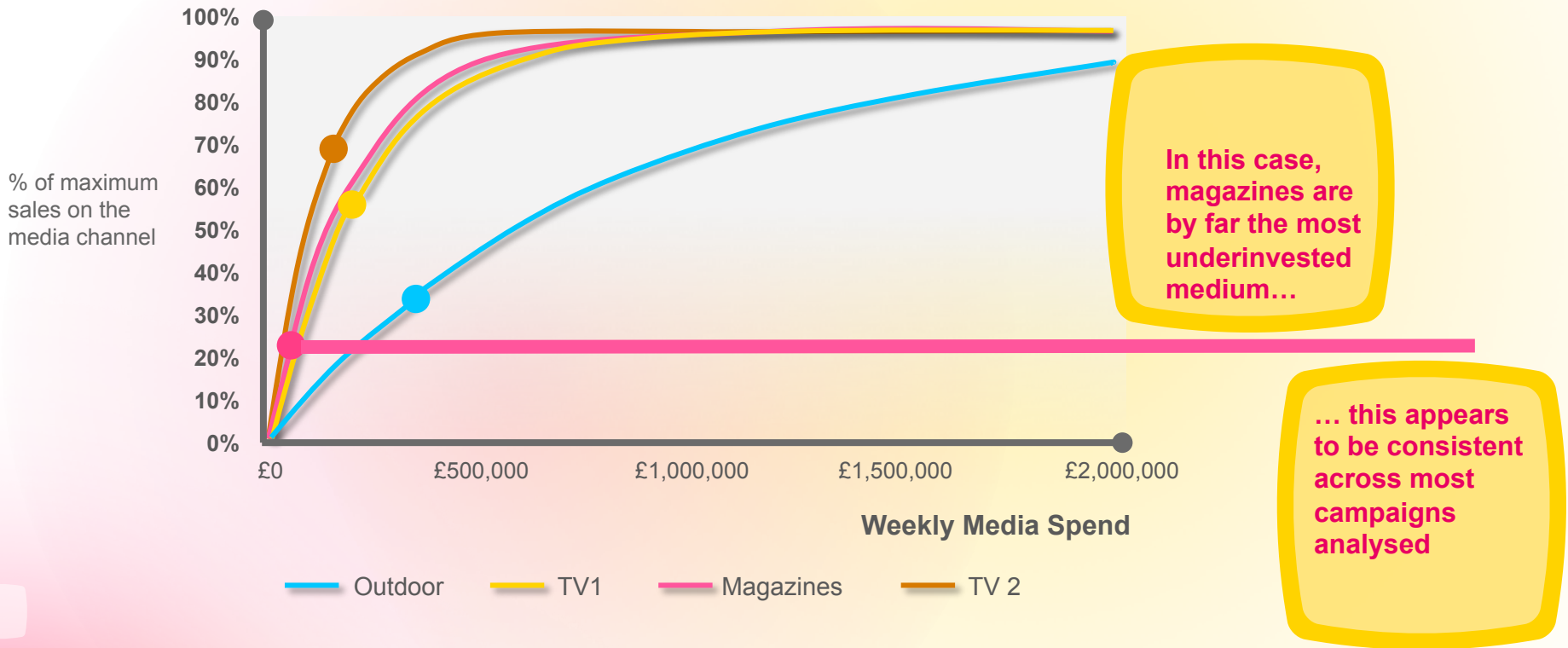
Use in channel selection

Optimising budget allocation



Use in channel selection

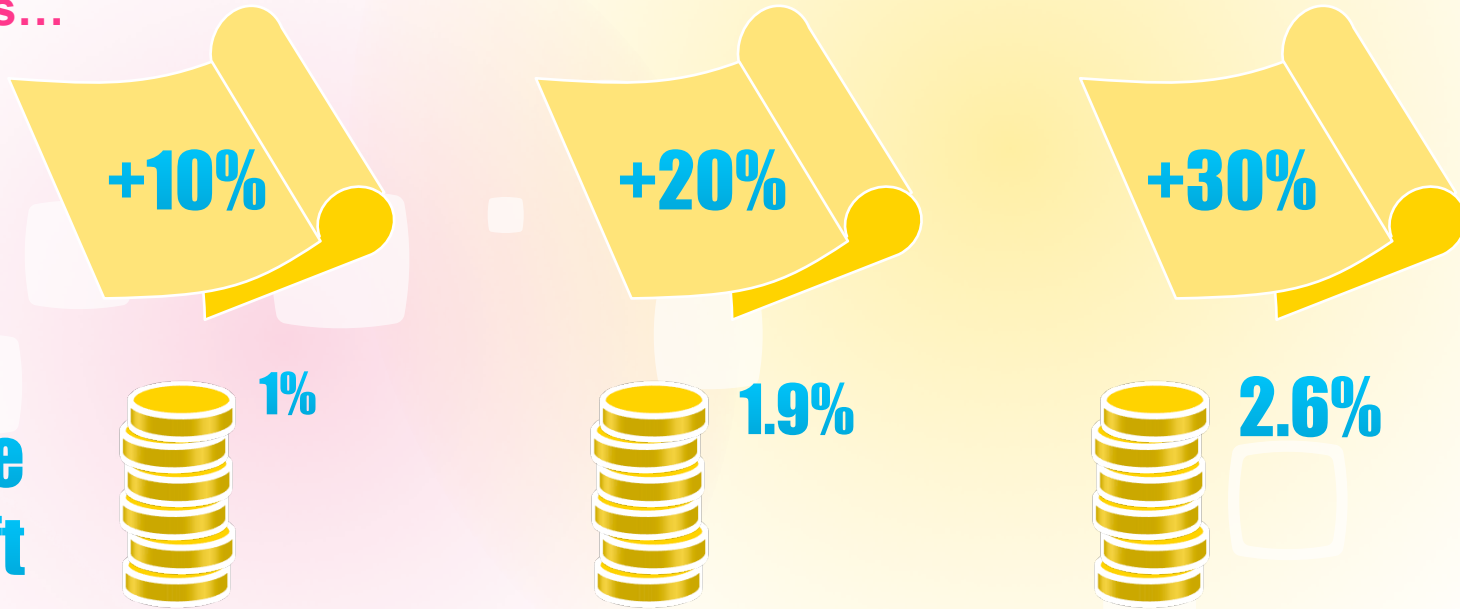
Diminishing Return Curve Analysis – Campaign A



Budget Reallocation

Analysis of 5 FMCG campaigns...

Average Sales Uplift



The gains made by reallocating budget to magazines was far greater than what was lost from the host medium



By how much can magazine budgets be increased before it impacts on ROI?



The bottom line

What changes in magazine investment are required to match TV ROI?

Analysis of 5 FMCG campaigns...

- Brand A **x2**
- Brand B **x3**
- Brand C **x5**
- Brand D **x8**
- Brand E **x15**

... budgets have to **be at least doubled** before magazine ROI reduced to the same level as TV



ROI in Summary

Magazines get consumers **closer to brands.**

Brands who are heavy magazine users enjoy higher bonding scores



It is **easy to underestimate** magazine ROI



Magazines ROI is **proven** to be higher than all other media channels



To address the level of underinvestment in magazines, budgets need to be **more than doubled** before ROI starts dropping off





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