NEW INSIGHTS INTO MULTIPLATFORM TV
WHAT LED TO ABC’S ADVERTISING EFFECTIVENESS PROJECT?

We wanted to take all the great work that’s been done to date, and push it to be “smarter”

Marketplace Work to Date
- Analysis by distribution/platform
- Data often based on syndicated, not actual spend and sales
- Limited time horizons (1 year)

Accenture Cross-Channel Media Mix Model

ABC’s Imperatives
- Focus on the content experience
- Use real spend and transaction data wherever possible
- Evaluate multi-year impact
The core premise of our study centered on redefining “TV and Digital”:

**Multiplatform TV**
- Live, DVR, VOD, Online, App, OTT
- Long-form video entertainment experience on any screen, at any time

**Digital**
- Search
- Display
- Short-form video
  - Transactional experience
  - Informational experience
  - Snacking experience

Aggregate long-form video experiences

Break down “digital” into its constituent parts
WHY ACCENTURE?

THEY ARE INDEPENDENT
No vested interests

THEY ARE EXPERTS IN MARKETING ANALYTICS
Both media mix modeling and attribution analytics (more marketing spend through their models than anyone else)

THE DATA ITSELF
Actual media spend data
Actual sales/transaction data
THE HALO EFFECT
Multiplatform TV Advertising Amplifies Search, Display, and Short-form Video Ad Performance
MULTIPLATFORM TV’S HALO DRIVES A PORTION OF SHORT-TERM ROI USUALLY ATTRIBUTED TO DIGITAL ADVERTISING, WHICH ALSO UNDERVALUES ROI ATTRIBUTED TO MULTIPLATFORM TV

Without Multiplatform TV’s halo, Digital’s average ROI would decline

Due to Multiplatform TV’s halo, Multiplatform TV’s average ROI is understated

Note: Digital includes Paid Search, Display, and Short-Form Video advertising
IF WE CONSIDER THE HALO EFFECT BY TYPE OF DIGITAL CHANNEL, MULTIPLATFORM TV’S HALO EFFECT IS MOST SIGNIFICANT FOR PAID SEARCH AND DISPLAY ADVERTISING

Impact of Multiplatform TV Halo on Average ROI by Digital Channel

Without Multiplatform TV’s halo, Average ROI’s would decline by

Paid Search: -21%
Display: -18%
Short-Form Video: -7%
Standalone Digital ROI: -18%

Note: Standalone Digital includes Paid Search, Display, and Short-Form Video advertising
LONG-TERM IMPACT
Multiplatform TV Advertising Drives Significant Returns Beyond Year 1
## Relative Short vs. Long-Term Impact of Multiplatform TV Advertising

expressed as a multiple of short-term sales impact

<table>
<thead>
<tr>
<th>Short-Term Sales</th>
<th>Long-Term Sales</th>
<th>Total Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact in Current Year</td>
<td><strong>1.3x</strong></td>
<td><strong>2.3x</strong></td>
</tr>
<tr>
<td>Residual Impact over Next 2 Years</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Example Read As:** If running Multiplatform TV advertising results in incremental sales equal to $1 in the *current year* (Year 1), then that same advertising will drive residual impact of $1.30 over the *next 2 years*. Thus, a total impact of $2.30 over the full 3 years.

### HYPOTHETICAL EXAMPLE

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<tr>
<td>Impact in Current Year</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>$1</strong> Year 1 Incremental Sales Impact</td>
<td><strong>$1.30</strong> Total Residual Impact</td>
<td><strong>$2.30</strong> Total Impact</td>
</tr>
<tr>
<td></td>
<td>Residual Impact over Next 2 Years</td>
<td></td>
</tr>
</tbody>
</table>
REALLOCATING MULTIPLATFORM TV SPEND TO OTHER DIGITAL CHANNELS CAN YIELD SHORT-TERM GAINS, BUT WHEN LONG-TERM EFFECT IS CONSIDERED, TOTAL IMPACT IS NEGATIVE

Impact on Incremental Sales over Three Year Period
After a Reallocation of 2% Multiplatform TV Budget to Digital

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Years 2 &amp; 3</th>
<th>Years 1-3 Total Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-Term Effect</td>
<td>0.11%</td>
<td>-0.06%</td>
</tr>
<tr>
<td>Multiplatform TV’s Halo on Digital</td>
<td>0.11%</td>
<td>-0.06%</td>
</tr>
<tr>
<td>Long-Term Effect</td>
<td>-0.71%</td>
<td>-0.71%</td>
</tr>
</tbody>
</table>

**The Scenario:**
We simulated a common “what if” advertising scenario, to understand the overall sales impact if 2% of Multiplatform TV advertising spend is reallocated to Digital advertising.

**The Result:**
Our models show that this reallocation drives an improvement in short-term incremental sales.

However, the loss from Multiplatform TV’s halo on Digital moderates the improvement in Year 1. When factoring in loss of the long-term effects associated with this spend, the re-allocation produces an overall negative impact over a three year period.

**Note:** Digital includes Paid Search, Display, and Short-Form Video advertising

**Note:** Our study has not captured a long-term impact of Digital, potentially due to Digital’s smaller spend levels, fragmentation of media channels, and relative newness.
HIGHER ROI
Advertising in Long-form Digital Video Outperforms Most Other Digital Advertising
Despite its premium cost, long-form digital video’s superior ROI is driven by even more exceptional sales performance per impression.

**ROI Breakdown: Relative Cost per Impression vs. Sales per Impression**
expressed as a multiple of the average across digital channels

<table>
<thead>
<tr>
<th>Digital Channels</th>
<th>Cost Multiple</th>
<th>Sales Multiple</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid Search</td>
<td>1.2</td>
<td>1.4</td>
</tr>
<tr>
<td>Display</td>
<td>0.8</td>
<td>0.7</td>
</tr>
<tr>
<td>Short-Form Video</td>
<td>1.3</td>
<td>1.1</td>
</tr>
<tr>
<td>Long-Form Digital Video</td>
<td>2.4</td>
<td>3.3</td>
</tr>
</tbody>
</table>

Effective cost of long-form digital video impressions in our sample are 2x - 3x the cost of other Digital impressions.

However, the sales impact of long-form digital video impressions is 3x – 5x that of other Digital impressions.

**Note:** Advertising costs were normalized to an effective CPM rate for cross-channel cost comparison. Digital channels considered: Paid Search, Display, Short-Form Video, and Long-Form Digital Video.
THE LEARNINGS

A new way to think about the definition of channels, media mix and how to execute best-in-class attribution analysis

Three Core Findings that bring focus to the critical importance of Multiplatform TV to brands focused on growth

Just a Start – still much to investigate and challenge (context/environment)

But a continuation of work that moves us all to a more performance oriented marketplace
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