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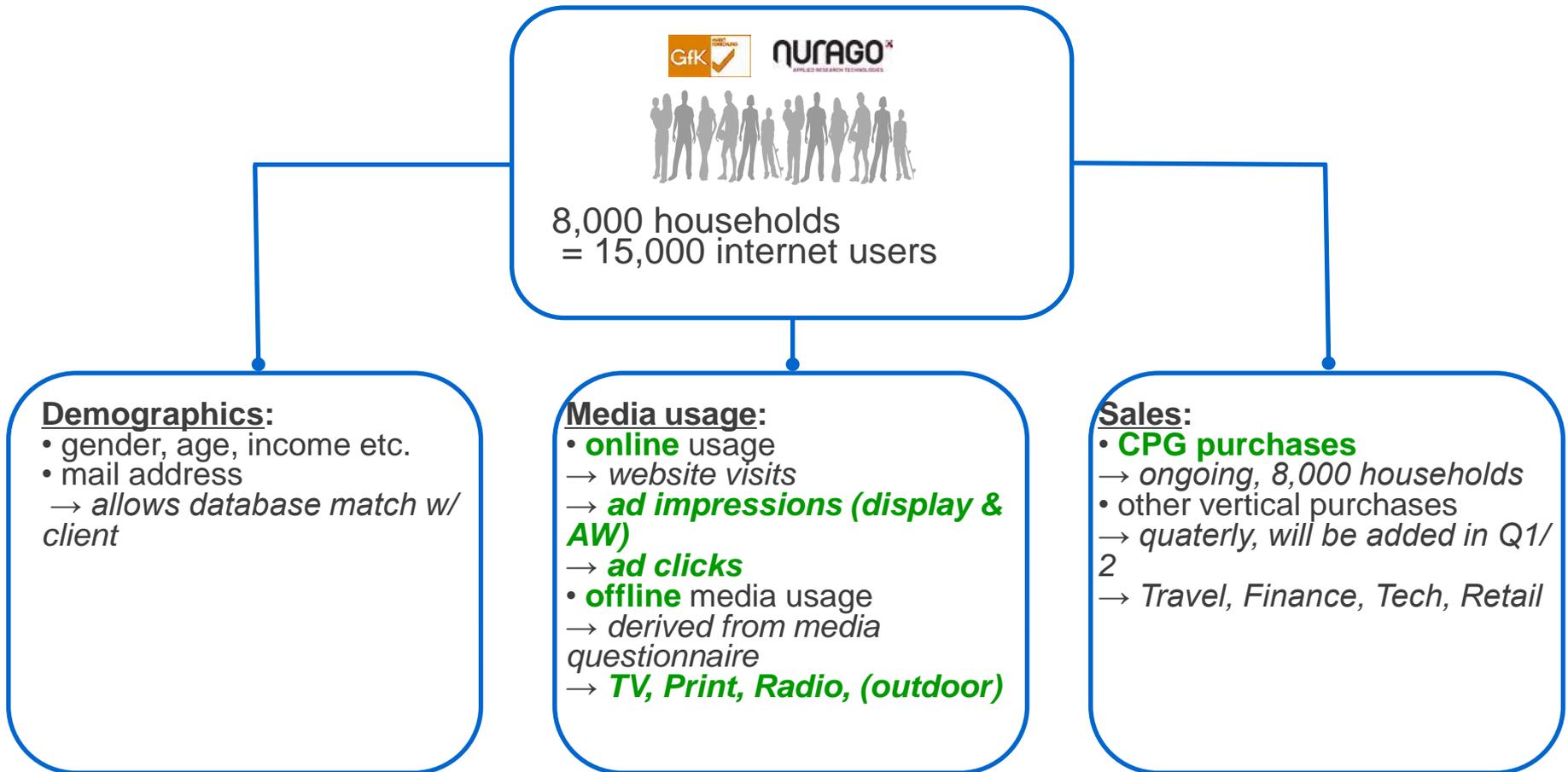
# YouTube and Google Search Drives CPG Offline Sales

A Cross-Media Analysis of a White-labeled CPG Campaign

Google/GFK  
Germany, January 2009

# Methodology (1/2)

- Worldwide unique methodology: **Single source panel** of GfK with media usage (on- and offline) and CPG purchases (offline).



# Methodology (2/2)

## Sales efficiency analysis

GfK Methodology to calculate (cross-)media effects:

- Objective: Analyse causal (!) relation between advertising and sales
- Logistic regression model
- Variables:
  - purchases (during and 2 weeks after campaign)
  - ad contacts (probabilities) before purchase
  - visits on (advertisers) website before purchase
  - loyalty
  - price/ price promotions on day of purchase
  - demographics

→  $f(x) = \text{base} + \text{media} + \text{promotion} + \text{loyalty} + \text{price} + \text{season} + \text{demographics}$

# CPG Campaign - Overview

- Media Mix:

	<i>on air</i>	<i>% gross spend</i> <i>source: Nielsen</i>
TV	17.11.-26.12.08	51%
Outdoor	14.11.-28.12.08	18%
Display (no Google)*	17.11.-26.12.08	12%
Print	24.11.-22.12.08	10%
Cinema*	27.11.-31.12.08	6%
YouTube (HP video & banner)	17.11.-28.12.08	2%
Radio*	01.12.-21.12.08	1%
Google AdWords	17.11.-26.12.08	0.4%
		<b>100%</b>

\* Cinema, radio and display (no Google) are excluded in the analysis due to different campaign objectives

# Key Questions for Google

## YouTube:

- Can YouTube add significant **gross reach** to a cross-media campaign?
- Can YouTube add **incremental net reach** to a cross-media campaign?
- Does advertising on YouTube drive **offline sales**?
- Is YouTube more **efficient** than TV?
- Does **interaction** between YouTube and TV campaign **add value**?

## Google AdWords:

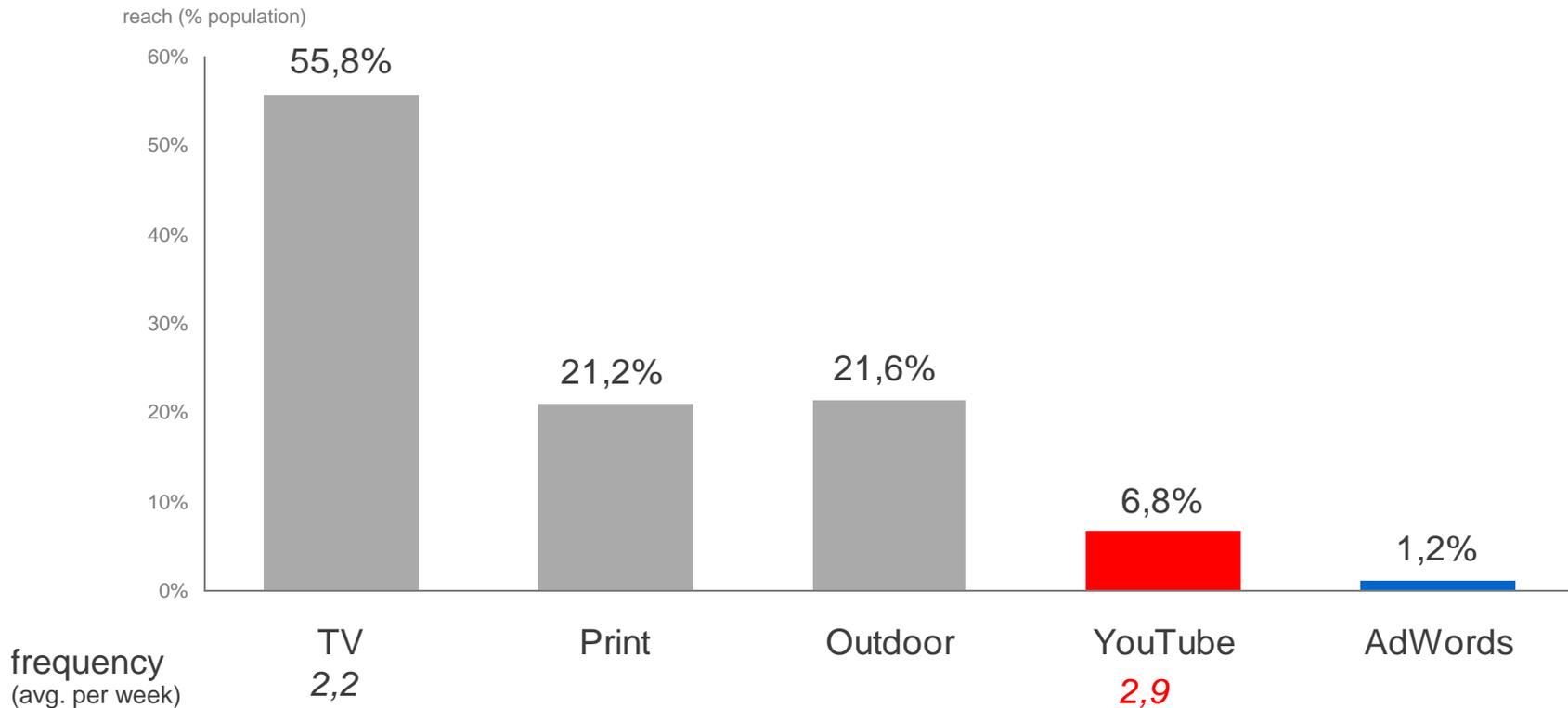
- Does the **ROPO effect** exist for CPG purchases?
- If so, how **efficient** is SEM compared to classic marketing channels?
- Are **branded** or **generic** terms more effective?



# Campaign Reach

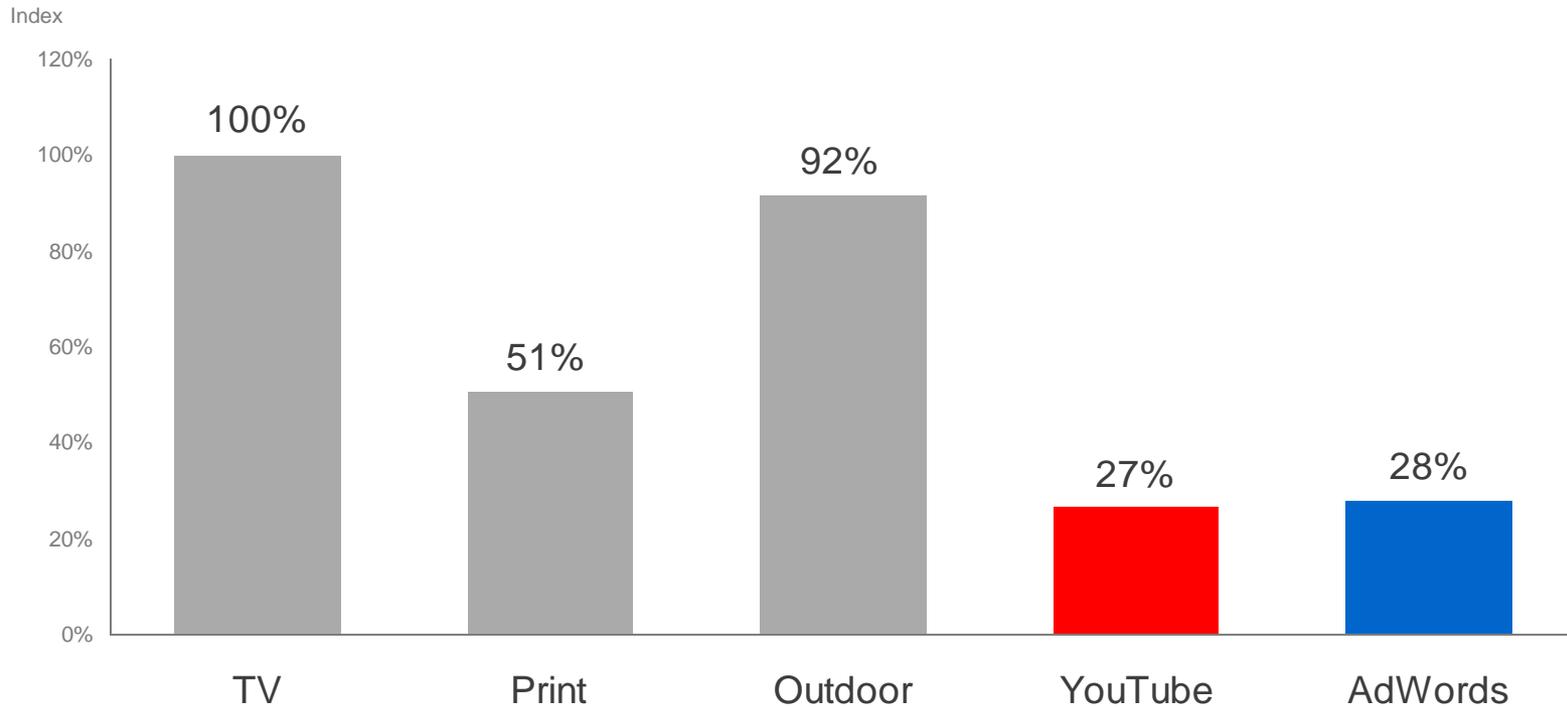
# (Gross) Reach

- YouTube advertising added significant gross reach: Net reach was 6.8% (4.2M unique users) and average contact frequency per week was 2.9.



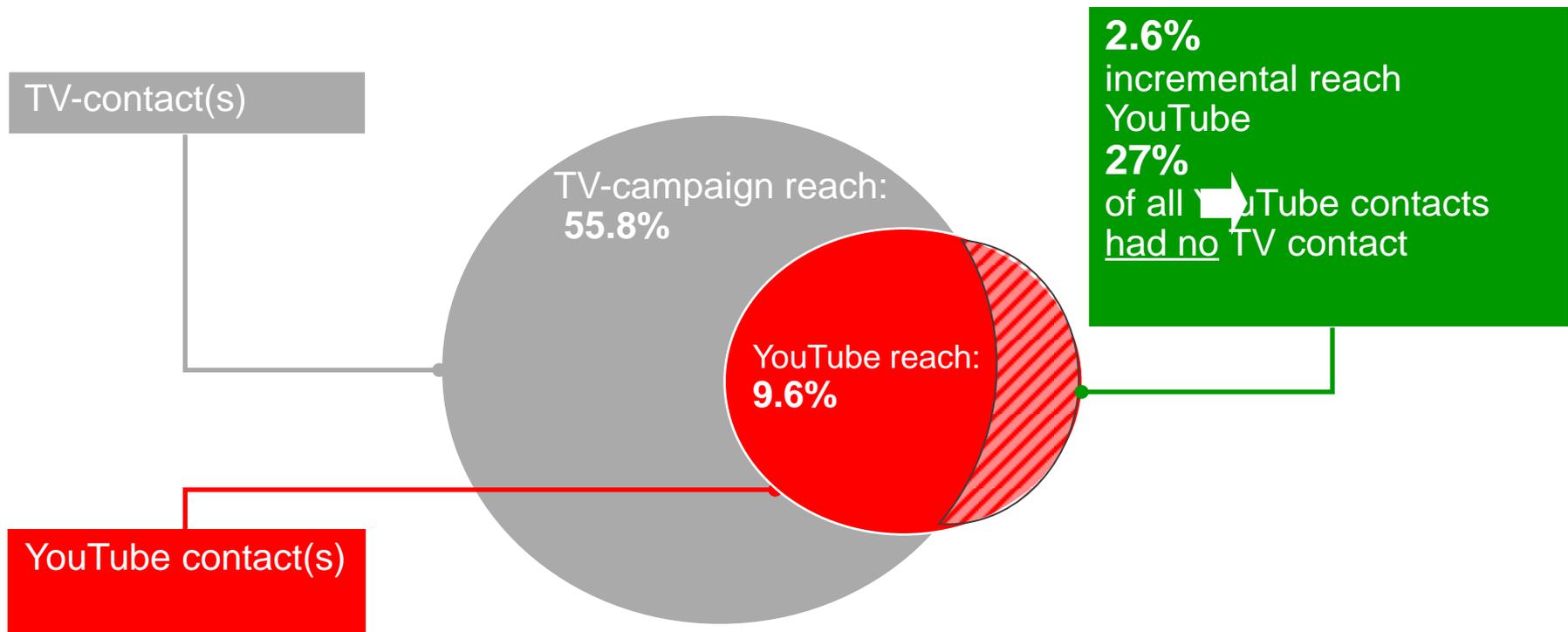
# Costs per ppts Reach - Index

- In the given media mix of the advertiser, reaching 1% of the population on YouTube or AdWords was >70% cheaper than on TV.



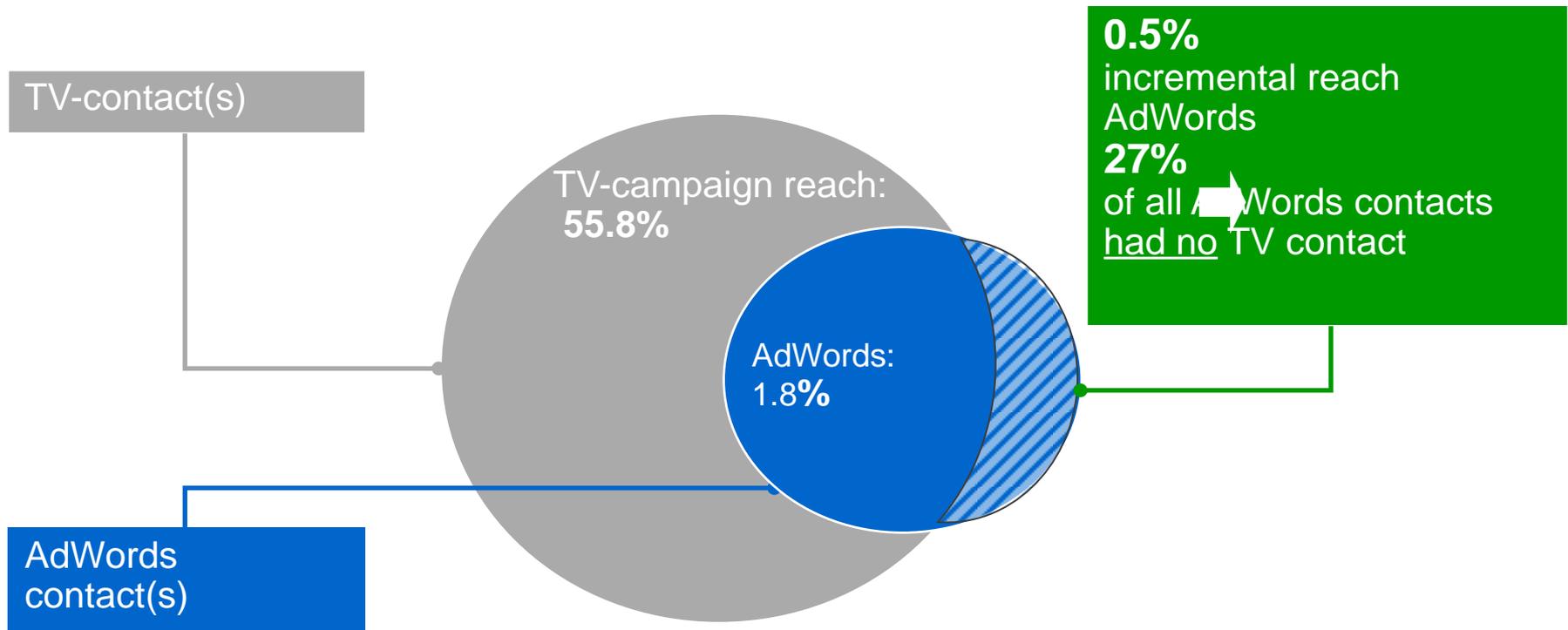
# Incremental Reach YouTube

- YouTube added 2.6% incremental reach for the spot. More than ¼ of all users exposed on YouTube had no campaign contact on TV



# Incremental Reach AdWords

- AdWords added 0.5% incremental reach for the advertiser. More than ¼ of all users exposed on AdWords had no campaign contact on TV

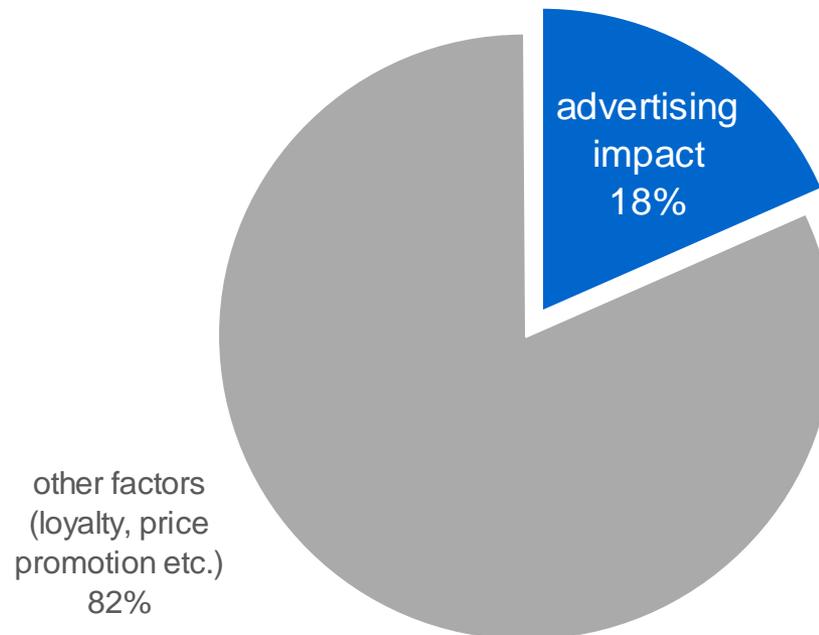




## Sales Reach

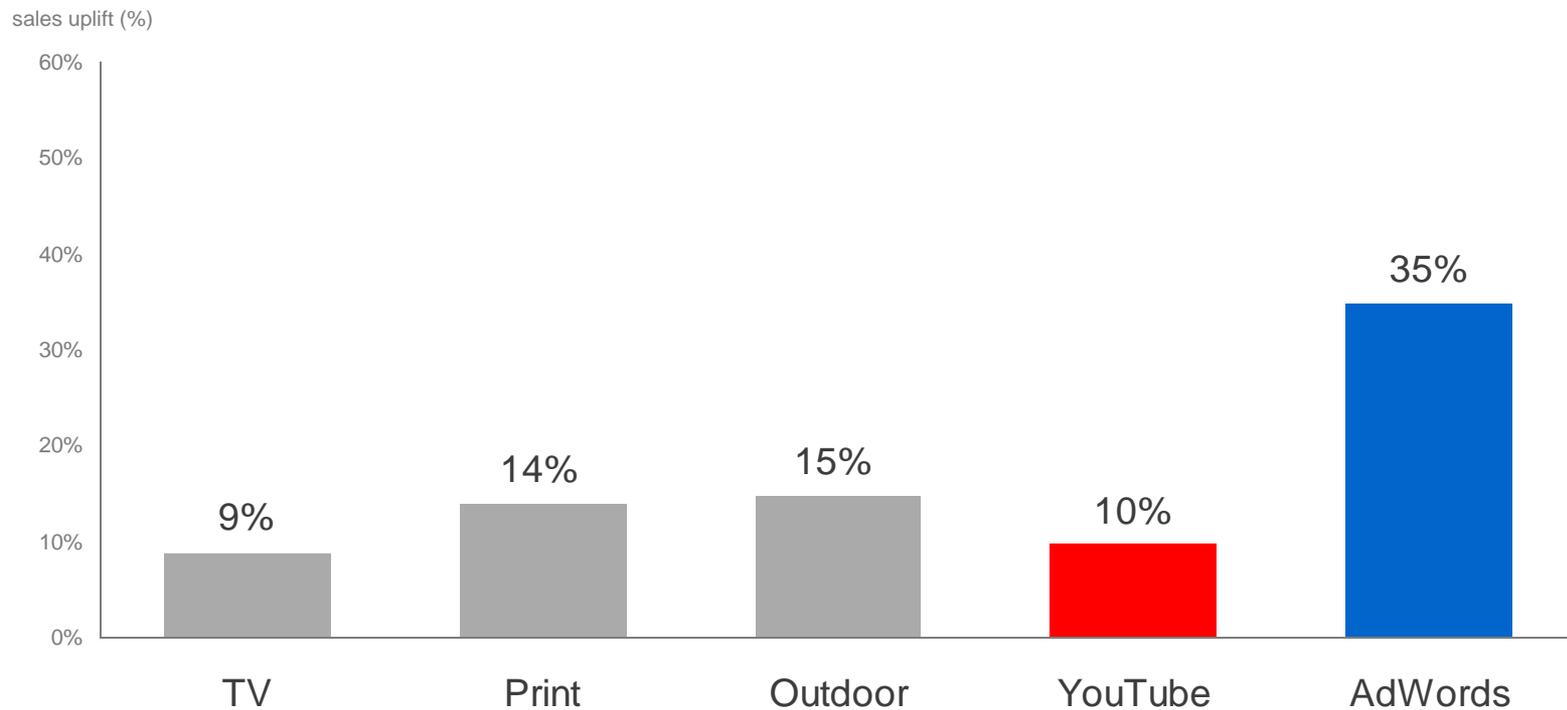
# Total Sales Decomposition

- 18% of all sales during plus 2 weeks after the campaign were caused by advertising – rest of sales were driven by other factors, such as consumer loyalty.



# Sales Uplift per Media Type

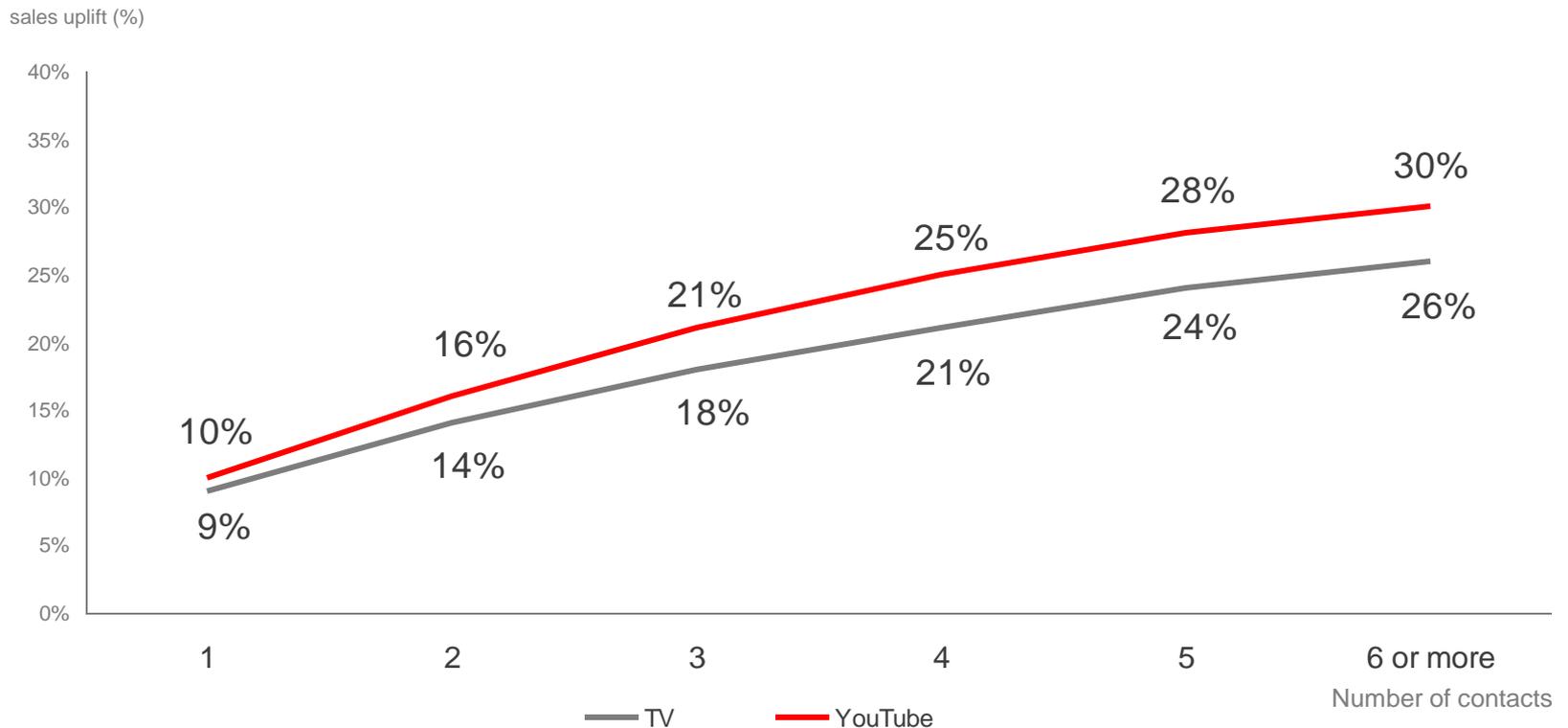
- YouTube -and especially AdWords- have a significant impact on offline sales for the advertiser. Impact on YouTube is slightly higher than on TV.



Uplift factor= average increase of the quantity of purchases regarding to household with contacts vs. without contact (basis= 1,0 contact)

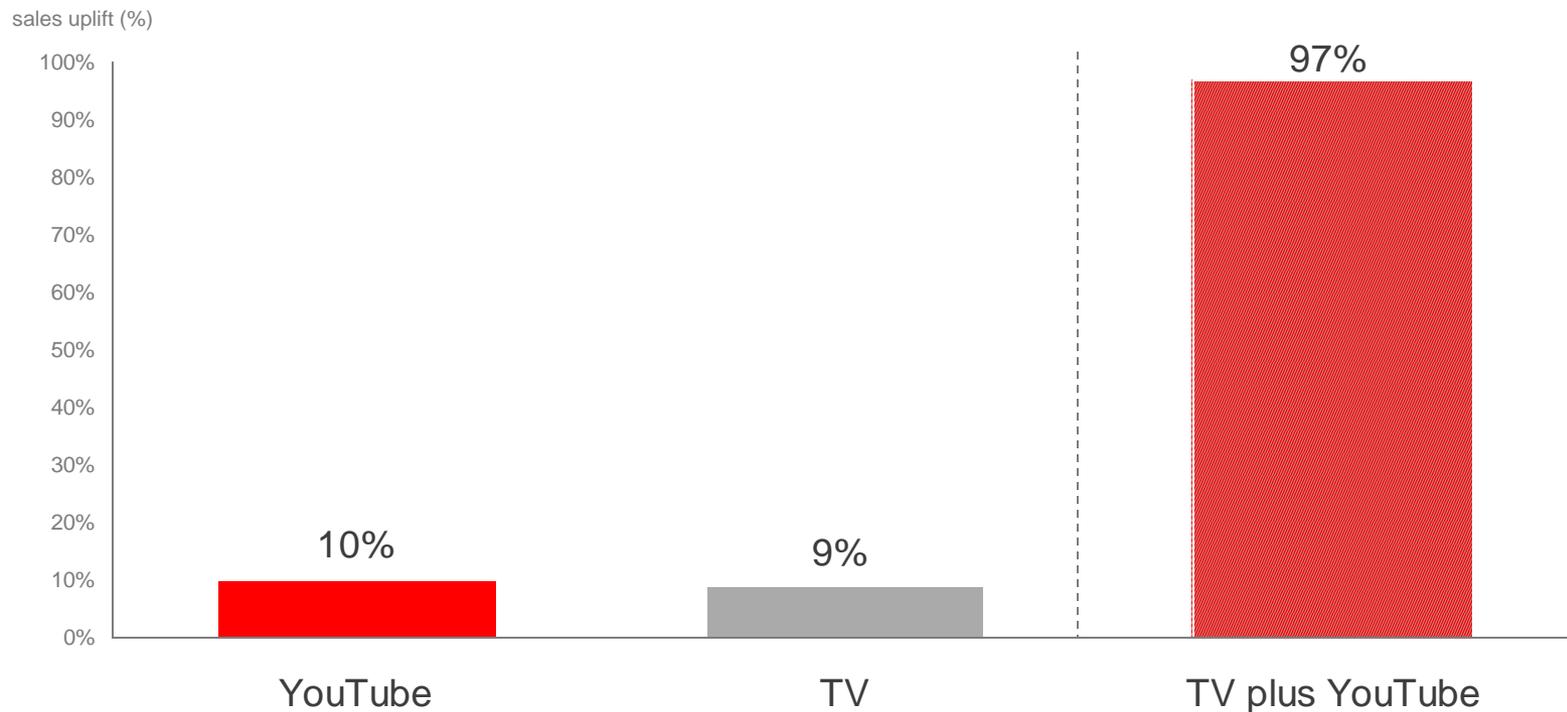
# Sales Uplift - Frequency

- Sales impact of YouTube increases with growing contact frequency.
- Gap to TV slightly increases with number of campaign contacts.



# Sales Uplift - Media Interaction

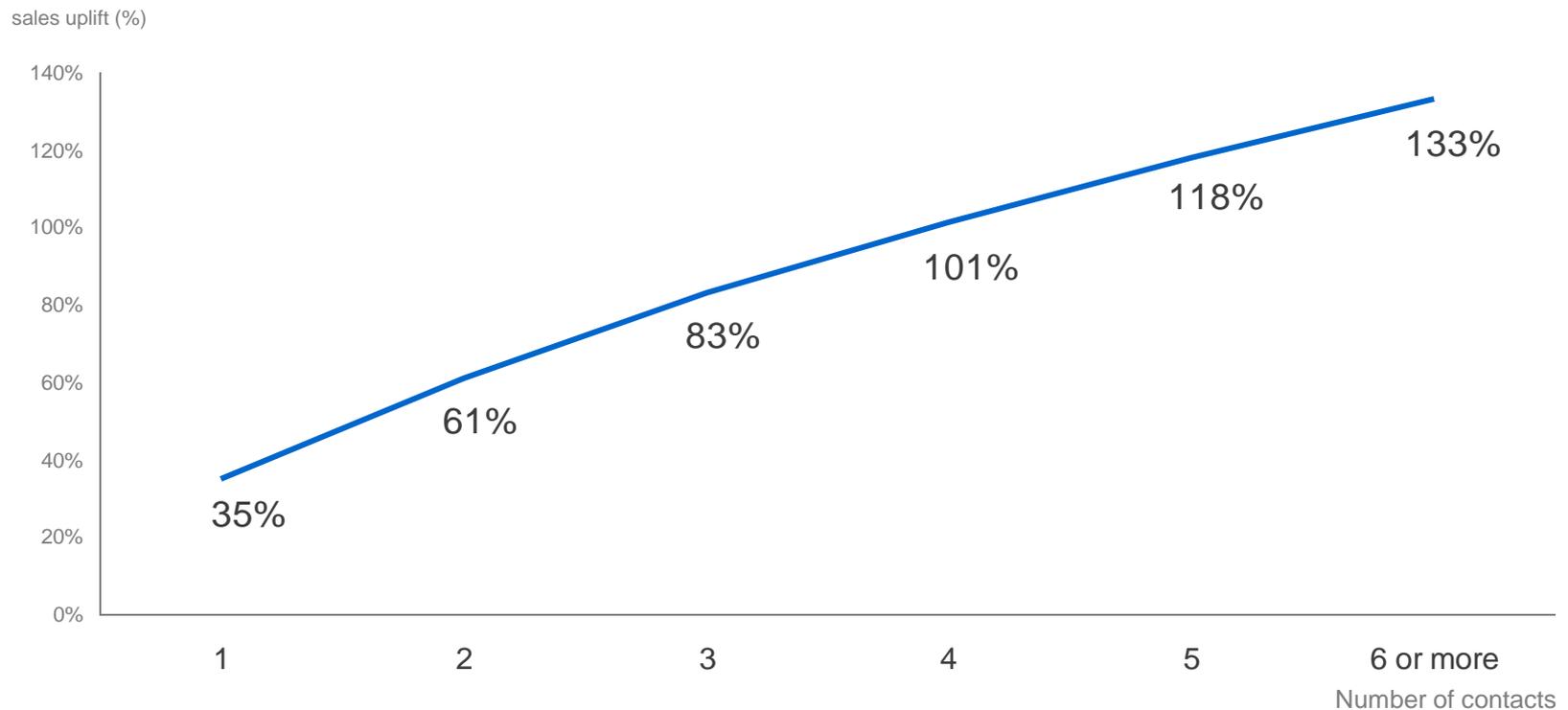
- YouTube and TV drive sales independently - but combination of TV plus YouTube is much more powerful.



Media interaction „TV plus YouTube“ is measured for consumers with campaign contact on TV and YouTube in the same week

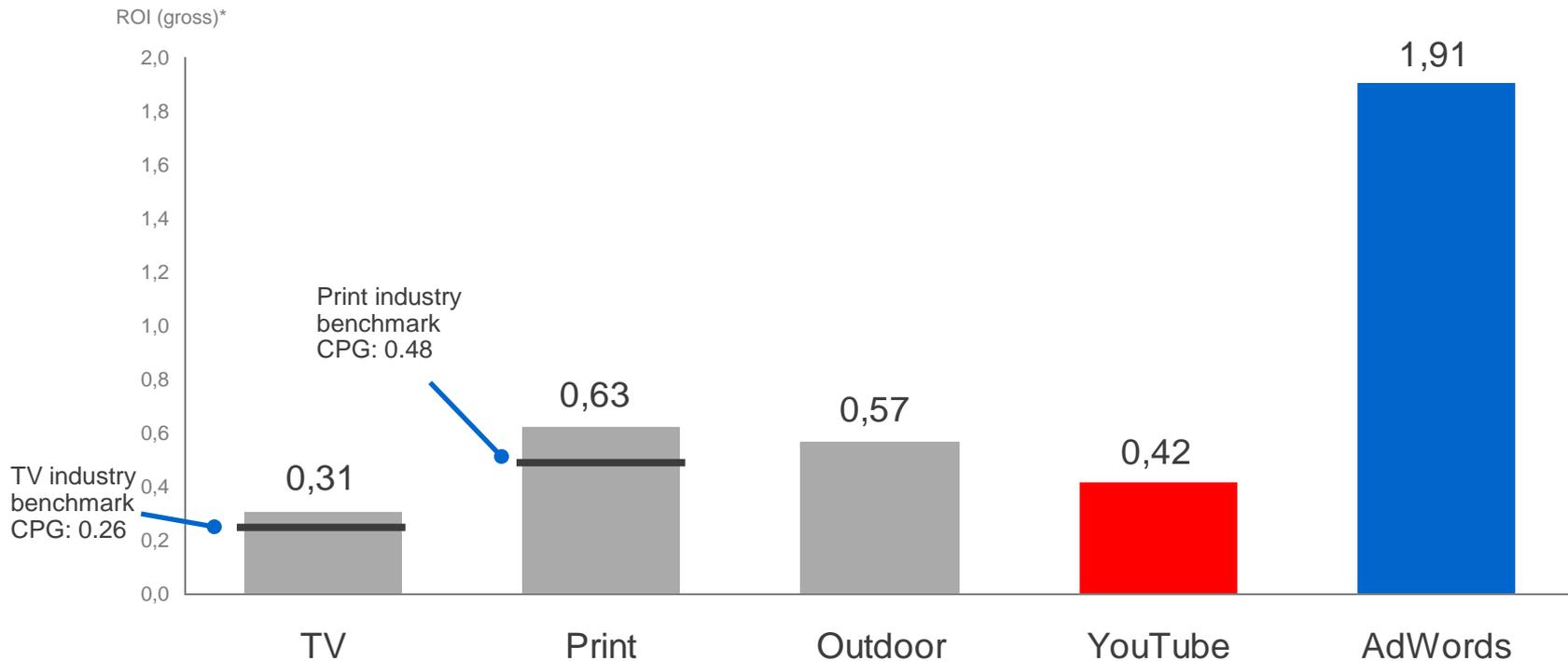
# Sales Uplift - Frequency

- Sales impact of AdWords also increases with growing contact frequency – but on a much higher level.



# (Short-term) Return On Investment

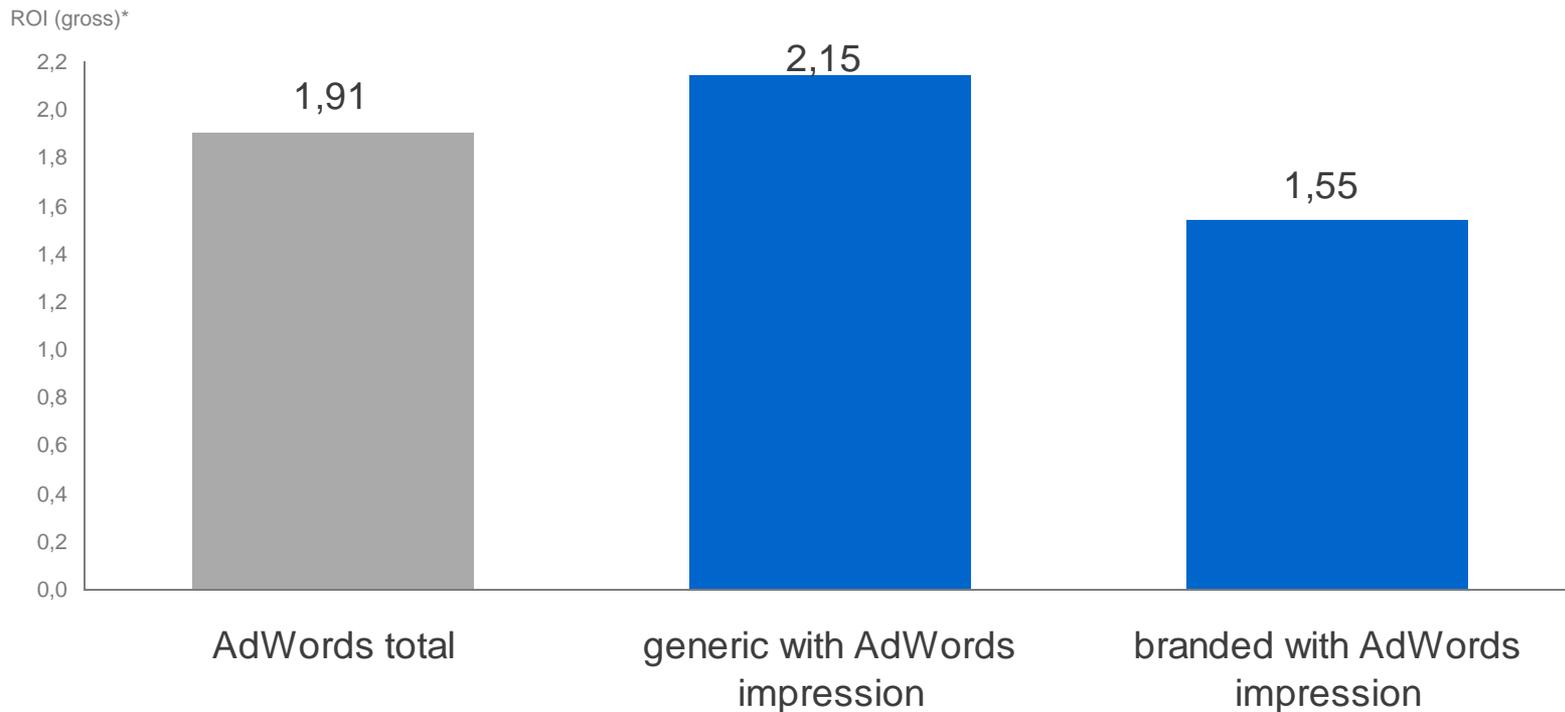
- YouTube is more efficient than TV: Short-term ROI is higher and well above industry benchmark for TV. Most efficient channel is Google AdWords.



\* gross ROI = incremental sales in relation to gross media spend

# (Short-term) Return On Investment - AdWords

- Generic keywords were more efficient: Generic search generated 2,15 € revenue per Euro spend, branded search 1,55 € revenue per Euro spend.



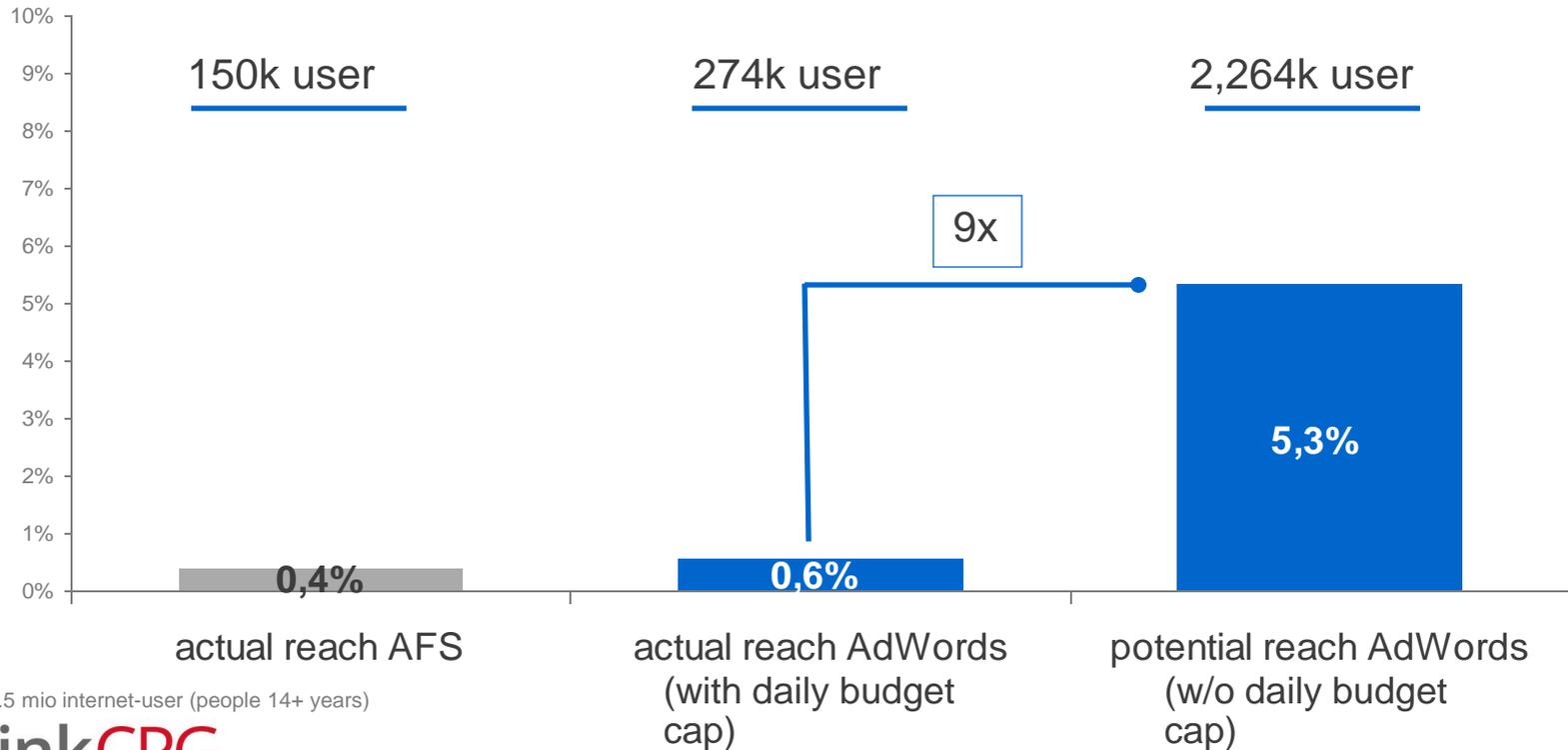
\* gross ROI = incremental sales in relation to gross media spend

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Potential

# Potential I – Actual Keyword List

- AdWords offers significant additional inventory for the advertiser: Without a daily budget cap net reach of the AdWords campaign would have been 9 times higher.



\* Basis: 42.5 mio internet-user (people 14+ years)

# Potential II – Additional Keywords

- Product buyer can be reached with generic gaming or mobile keywords.

<i>Keyword package</i> (defined by client)	Internet user		Product buyer	CTG 14-29 years
	%	<i>Index affinity</i>	<i>Index affinity</i>	<i>Index affinity</i>
Entertainment	19%	100%	96%	68%
Fashion	1%	100%	74%	88%
Mobile/ Handy	2%	100%	152%	117%
Music	33%	100%	101%	132%
Travel	1%	100%	93%	90%
Gaming	1%	100%	132%	136%
Sports	9%	100%	97%	120%
At home	4%	100%	84%	88%



## Key Findings

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## YouTube:

- ✓ YouTube added significant **gross reach** to the cross-media campaign
- ✓ YouTube added 2.6% **incremental net reach**
- ✓ YouTube drive **offline sales** - one contact increases purchases by 10%
- ✓ Combination of YouTube & TV is more effective due to **interaction** effects
- ✓ With a ROI of 0.42 YouTube is more **efficient** than TV

## Google AdWords:

- ✓ AdWords **drives sales**- one contact increases purchases by 35%
- ✓ AdWords is the **most efficient** marketing channel with a ROI of 1.91
- ✓ **Generic** terms are more efficient – and lot of inventory is still left

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