Advertising Payback

In 2007 & again in 2008, PricewaterhouseCoopers in the UK was commissioned to conduct a **'Payback Study'** – an objective analysis of advertising return, by media, & the impact of marketing investment.

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PWC examined a whopping 700 brands across seven different market categories.

The findings were striking ...

TV pays back over 4.5 times its advertising investment in increased sales revenue ... more than any other medium.

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Television was also shown to pay back in the long term . . .

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TV still affected sales in Year 2; almost as strongly as it did in the first year of investment.

The study also looks at brand value which PWC defined as "willingness for consumers to pay" for a specific brand.

They found that the highest brand value results were strongly correlated with those brands that had an above average use of television as part of their media mix.

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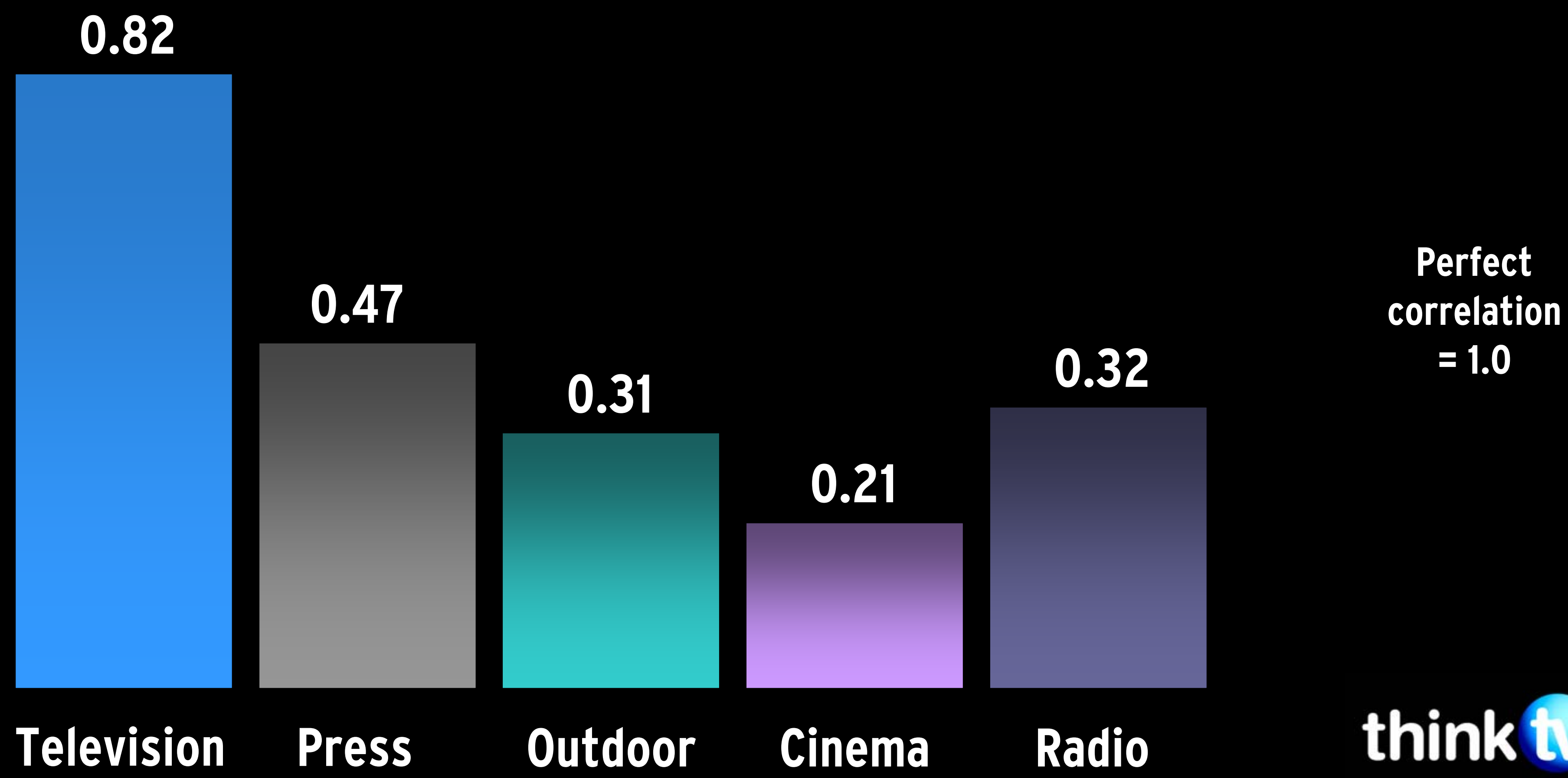
Media mix of brand value leaders and average correlations with willingness to pay for brands



Analysis conducted to assess the impact of changes in advertising expenditure and consumer preferences for brands also found that . . .

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1. Raising TV share of voice has a 2 to 1 chance of raising consumers willingness to pay for brands versus competitors;

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2. Cutting a brands TV share of voice has nearly a 3 to 1 chance of reducing consumers willingness to pay versus the competitors.

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There were two main findings from the study ...

"Firstly, competition does not disappear in a downturn so reducing your TV investment relative to competitors has a clear downside."

PricewaterhouseCoopers UK

"Secondly, TV continues to drive significant shifts in consumer preferences and willingness to pay for a Brand. This also further underlines the greater consumer impact of TV advertising relative to other media."

PricewaterhouseCoopers UK

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For a copy of the PWC study click here