
New MarketShare Analysis Reveals Impact of Mobile and Video Ads on Brand Sales

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“Through this analysis, MarketShare and Google are helping marketers better understand how search, online video, and other paid, owned, and earned marketing tactics influence consumer behavior and drive demand,” says Wes Nichols, Co-Founder and CEO at MarketShare. “At the same time, we’ve uncovered new insights about video and mobile advertising effectiveness that many marketers haven’t seen or been able to quantify before.”

A Marketing Efficiency Index developed by MarketShare compares ad spending on different online and offline channels to actual results (sales or applications). Looking at the overall average for the industries analyzed, findings show that online marketing offers greater efficiency per dollar of marketing spend than offline. By reallocating marketing dollars, marketers with spending levels similar to the category averages studied could expect to generate an incremental 1% to 4% lift in sales. Since the total marketing spend analyzed across all five categories totals more than \$8 billion, the stakes are significant.

“Through our efforts with MarketShare, we were able to develop unique category-level models for analyzing digital and traditional marketing channels more holistically, helping us better understand the full value of marketing investments,” says Gunnard Johnson, Advertising Research Director at Google.

MarketShare’s analysis of category-level marketing activity sought to measure how consumers are influenced throughout their “purchasing journey.” By including not only paid marketing investments, but also other intermediate outcomes in the purchase journey such as a consumer’s Google queries and content views on YouTube related to a brand (both brand-uploaded and content related to a brand), this analysis went deeper into drivers of brand performance than traditional marketing allocation efforts.

A few key takeaways for marketers include:

- While offline marketing and other environmental factors continue to play a substantial role in driving demand in the categories modeled, digital spending appears to have substantial upside for greater marketing efficiency, particularly for smartphones and auto insurance.
- Desktop search continues to warrant a significant percentage of marketing allocations. In addition, mobile search is an aspect of marketing investment that this study has identified as important, especially in larger categories such as Cosmetics, Credit Cards and Auto Insurance.
- All in all, the model suggests that current levels of brand spend in YouTube appear to be consistently

underinvested. At the upper bounds, online video investments in YouTube in the range of 1-8% of the total media budget seem possible, with specific guidance varying based upon level of consideration given to the purchase in the category.

- Quantifying the impact of other consumer touchpoints highlights the importance and potential for paid advertising to influence owned and earned contributions. In particular, the analysis was able to determine the value YouTube “owned” and “earned” content views represent, highlighting their significant overall sales contribution.

About MarketShare

MarketShare is an analytics company that enables businesses to grow efficiently by uncovering which actions really drive results. Founded in 2005, MarketShare has a track record of groundbreaking innovations in data, modeling and software, and has worked with over half of the Fortune 50. MarketShare's platform provides a combination of technology, data, modeling and business intelligence solutions that lead to improved decision making, next-generation attribution and optimization for businesses. The company is headquartered in Los Angeles, with offices in San Francisco, New York, London, Tokyo and Bangalore.

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