

THE SHORT- AND LONG-TERM IMPACT OF ADVERTISING

Cross-media research 2022

New independent research by Nielsen, Nepa and GfK and commissioned by Meta, determines how advertising drives long-term growth for brands and whether it is possible to drive long-term growth through digital advertising.

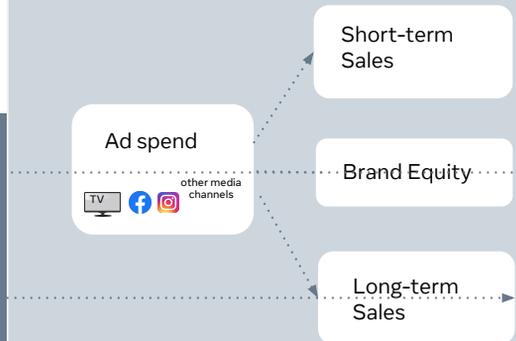
5 independent studies were conducted across different countries and categories in Europe and a large number of campaigns, to calculate the short- and long-term ROI of advertising across different media channels.



OUR PARTNERS



Method: Advanced Marketing Mix Modeling



$$\text{short-term ROI} + \text{long-term ROI} = \text{Total ROI}$$

4 categories

5+ countries in Europe

Countries: UK, Germany, Nordics, Spain, Italy, Poland

3.5k+ campaigns on FB & IG

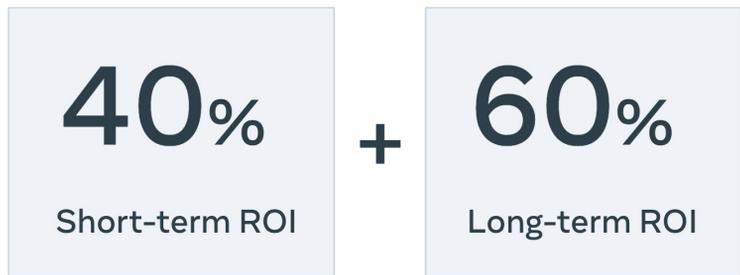
Channels include TV, Facebook & Instagram, Online Video, Print, Search, Outdoor (depending on country)

'Short-term measurement undervalues brand advertising'

Long-term effects were found to add a significant amount of additional ROI across all categories and countries in the analysis. Across media, the long-term effect made up 60% of the Total ROI.

The size of the long-term effect varied by industry, ranging from 42% in CPG to 76% in Tech & Durables

Total ROI contribution across media and studies



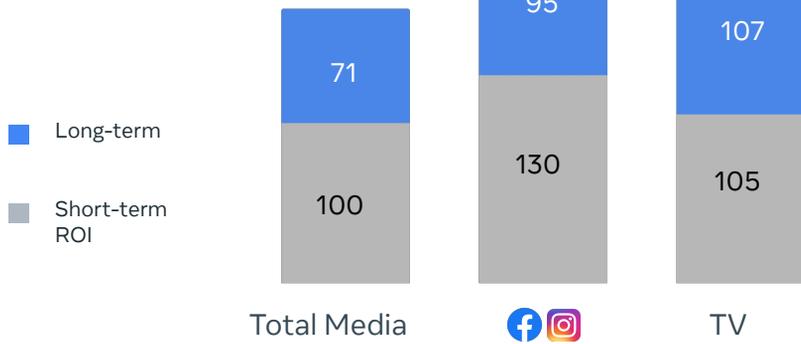
CPG	42%	Nielsen
Tech & Durables	76%	GfK
Retail & Telco	59%	Nepa

Source: Meta Marketing Science 2022. Average calculated across results from three independent studies. Analysis conducted by: 1) Nielsen: CPG (30 brands in EMEA, Germany, UK), 2) GfK: Tech & Durables (7 brands in Germany), 3) Nepa: Retail & Telco (6 brands in the Nordics). Methodology: Marketing-Mix Modeling. Nepa: long-term based on the indirect effect of ad spend on sales through Brand Building. Nielsen, GfK: long-term based on ad spend contribution to long-term sales. Analyses commissioned by Meta. Percentage long-term = long-term ROI / Total ROI.

GERMANY, UK, ITALY, SPAIN, POLAND

Total ROI

indexed ROI, short- and long-term



‘Digital media is not for the short-term only’

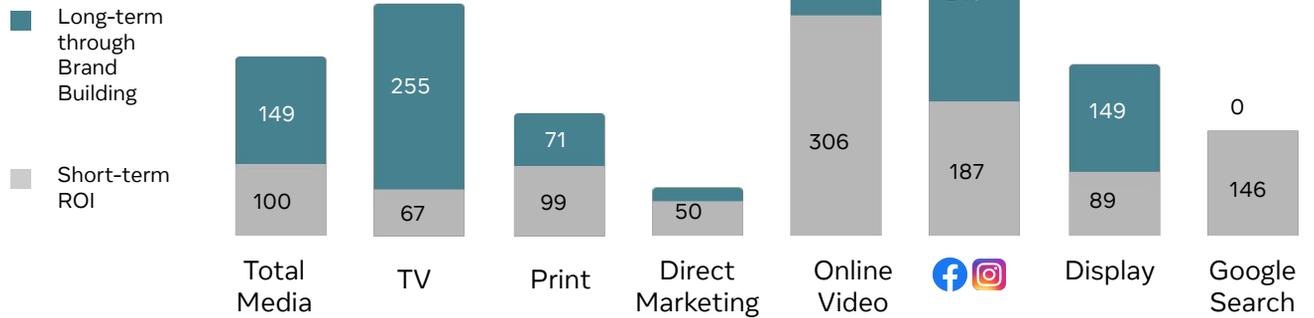
The research from three independent measurement companies showed that digital channels have significant long-term revenue impact for brands.

Source: Meta Marketing Science 2022. Analysis conducted by Nielsen 2022 (30 CPG brands in Germany, UK, Italy, Spain and Poland). Methodology: Marketing-Mix Modeling. ROI calculation (EMEA: net spend for all channels; UK & DACH: FB & IG net spend; all other channels: simulated net spends). Data: 2016 to 2021. Long-term based on ad spend contribution to long-term sales. Analysis commissioned by Meta

Retail & Telco

Total ROI

indexed ROI, direct and indirect through Brand Building



Nordics

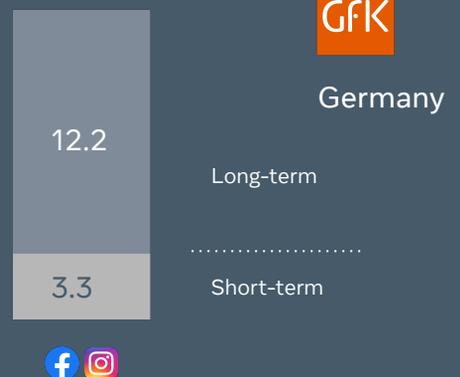
Source: Meta Marketing Science 2022. Analysis conducted by Nepa 2022 (6 brands in the Nordics, Retail online and offline, Telco). Methodology: Marketing-Mix Modeling. ROI calculation based on net spend. Insignificant results treated as zero. Number of data sets: 6, except TV: 5, Direct Marketing: 3. Data: 2015 to 2021. Long-term based on the indirect effect of ad spend on sales through Brand Building. Analysis commissioned by Meta.



Tech & Durables

Total ROI

absolute ROI, short- and long-term



Germany

Source: Meta Marketing Science 2022. Analysis conducted by GfK 2022 (7 Tech & Durables brands in Germany). Methodology: Marketing-Mix Modeling. Data: 2019 to 2021. ROI based on net spend, in local currency. Long-term based on ad spend contribution to long-term sales. Data: GfK PoS data, Nielsen Ad Spend, Meta impression data. Analysis commissioned by Meta.