MarketShare

Case Study

Media & Entertainment

GOOGLE PARTNERS WITH MARKETSHARE ON MOVIE AD EFFECTIVENESS ANALYSIS

To Drive Ticket Sales for Action Films, How Should Studios Allocate Their Marketing?

CHALLENGE

Movie studios spend an average of $30 million to market the typical PG-13 action film in the US. But with marketing often a make-or-break factor for action films, studio marketing executives face high stakes when deciding where to invest their ad dollars for best results, given a plethora of media channels and choices.

To uncover some helpful answers on what works and what doesn't, Google and MarketShare partnered to investigate how television, digital, video, social media, search and other forms of advertising influence box office sales for action films. The analysis was framed around one simple question:

For action film marketers worldwide, what is the revenue impact of digital marketing in comparison to other ad channels?

SOLUTION

MarketShare's analysis looked at ad spend and corresponding box office sales for the 26 largest, US-produced PG-13 action films over a two-year period. These films were all released for a worldwide audience, and represented $4.8 billion in box office ticket sales in the US alone. The study focused on the sales impact of marketing in Australia, Brazil, Germany, France, the US and the UK.

The analysis was conducted through the MarketShare Benchmark: Media software application, which uses sophisticated marketing analytics to quantify the sales and revenue impact across marketing channels, and accounts for non-marketing factors such as quality of cast and director as well as external influences such as changes in the economy and seasonality. Data sources included Google proprietary data, Kantar Media, Crimson Hexagon, Metacritic and Rentrak.

OBJECTIVES

Provide data-driven insights on the following:

- **Relative impact of different marketing channels on movie box office revenue**
- **Google's role in the consumer's decision to purchase a movie ticket**
- **How movie studios can optimize marketing investment to maximize box office revenue**

Google

MarketShare DecisionCloud™

RESULTS

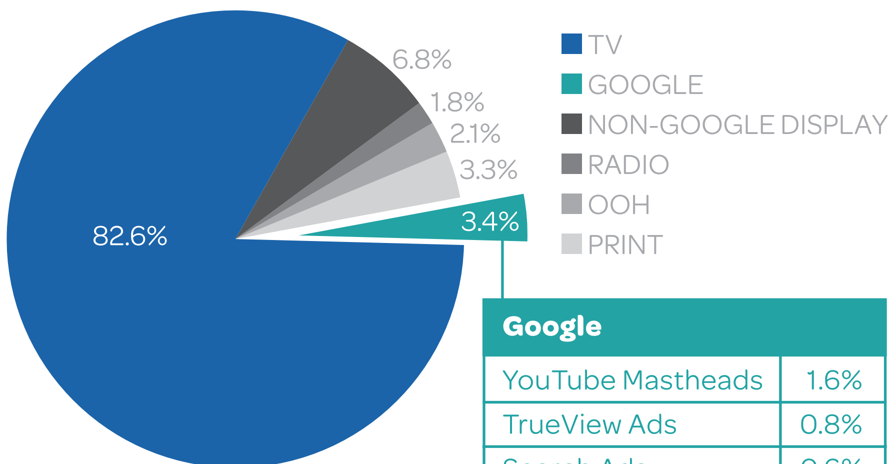
Findings for US movie releases included:

- On PG-13 action films, marketers spent from $20 million to $50 million in US advertising placements per movie, with an average of $30 million.
- On average, television represented over 82% of the US advertising spend; digital about 10%.
- TV was the largest driver of box office revenue of all ad channels for the sample, generating 64% of revenue attributable to marketing. Relative to other channels, TV was also the slowest to hit the point of diminishing returns.
- Despite TV's powerful impact, however, advertisers' TV spend did exceed recommended levels. The advertisers analyzed would have maximized revenue overall by bringing TV ad budgets much closer to 50% of the total ad budget.
- Within the sample, digital was 3x more effective than TV at driving revenue. Taking ad effectiveness and other factors into account, marketers in this category would have seen a strong incremental revenue lift from increasing digital ad spend to as much as 35% of the marketing mix.
- Within the sample, print advertising represented 3% of advertising spend on average. Doubling print spend, to 6% of overall advertising budgets, would incrementally increase ad-driven revenue.

RESULTS HIGHLIGHTS

1. **Television is the most effective channel, but at current spend levels (82% of budget) is over-invested.**
2. **Advertisers could have improved marketing-driven revenue by 34% (or approximately $15 M) for the average US PG-13 action movie by increasing digital spend from 10% of overall budgets to 35%. (Digital advertising includes TV networks' digital properties, display and video networks, exchanges, social media sites, paid search, and more.)**
3. **YouTube TruView ads have the highest return at $5.5 in sales per $1 spent and represent the best opportunity for incremental investment.**

AVERAGE MOVIE MARKETING SPEND IN THE U.S.



Google	
YouTube Mastheads	1.6%
TrueView Ads	0.8%
Search Ads	0.6%
YouTube Video Ads	0.3%
Display Ads	0.1%

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MOVIE MODEL DATA PROVIDERS

Non-Google display is an estimate of display spend based on a panel which does not include Facebook, Twitter, or video. N.B.: Google Preferred is out of the scope of the study.

GOOGLE MARKETING DATA

YouTube
Mastheads
TrueView Ads
Video ads

Google
Display Ads, Search Ads

3RD PARTY MARKETING DATA

KANTAR MEDIA
Trusted partner for 3rd party marketing spend measurement
TV, Print, Radio, Out of Home, Cinema, Non-Google Display

NON-MARKETING META DATA

Google
Search query volume
YouTube owned views

crimson hexagon
Twitter & Facebook mentions

metacritic
Overall movie and lead actor score

OUTCOME DATA

RENTRAK
Global standard for box office revenue reporting
Box Office Sales

YOUTUBE ADVERTISING

- Revenue generated from YouTube far exceeded spend. For the sample studied, YouTube comprised 4% of total US ad spend for the category—but generated 16% of marketing-driven revenue.
- For the typical PG-13 action film during the time analyzed, shifting 10% of ad budgets from TV to YouTube would have increased marketing-driven sales by 16%.
- Over the period studied at current spend levels, Google TrueView Ads (in which advertisers are only charged when a viewer interacts with a video ad unit) generated over $8 revenue per $1 spent – 2x the return of YouTube non-skipable video.
- YouTube Mastheads – an ad unit running the full width of the YouTube homepage on both desktop and mobile for 24 hours – also generated over $8 for every $1 spent in the US, which was 6.9x the returns of TV.

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METHODOLOGY

Detailed information on methodology is available on request. Email: contact@marketshare.com

Contact us for information on how MarketShare DecisionCloud™ advanced marketing analytics applications can dramatically improve your marketing effectiveness. Visit marketshare.com or email contact@marketshare.com