EFFWORKS
GLOBAL
2020

A New Way to Track Consumer Demand

18 November 2020

part 2: share of search as an advertising metric

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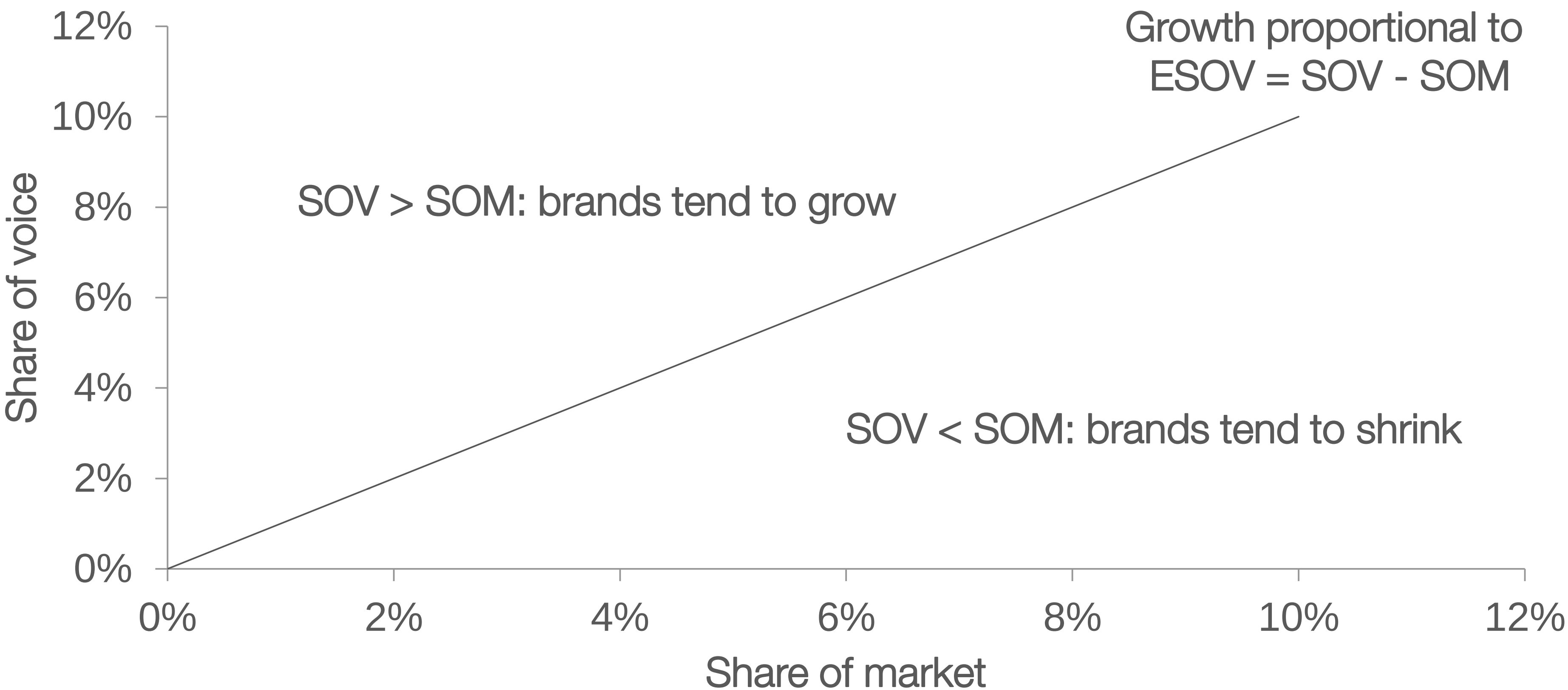
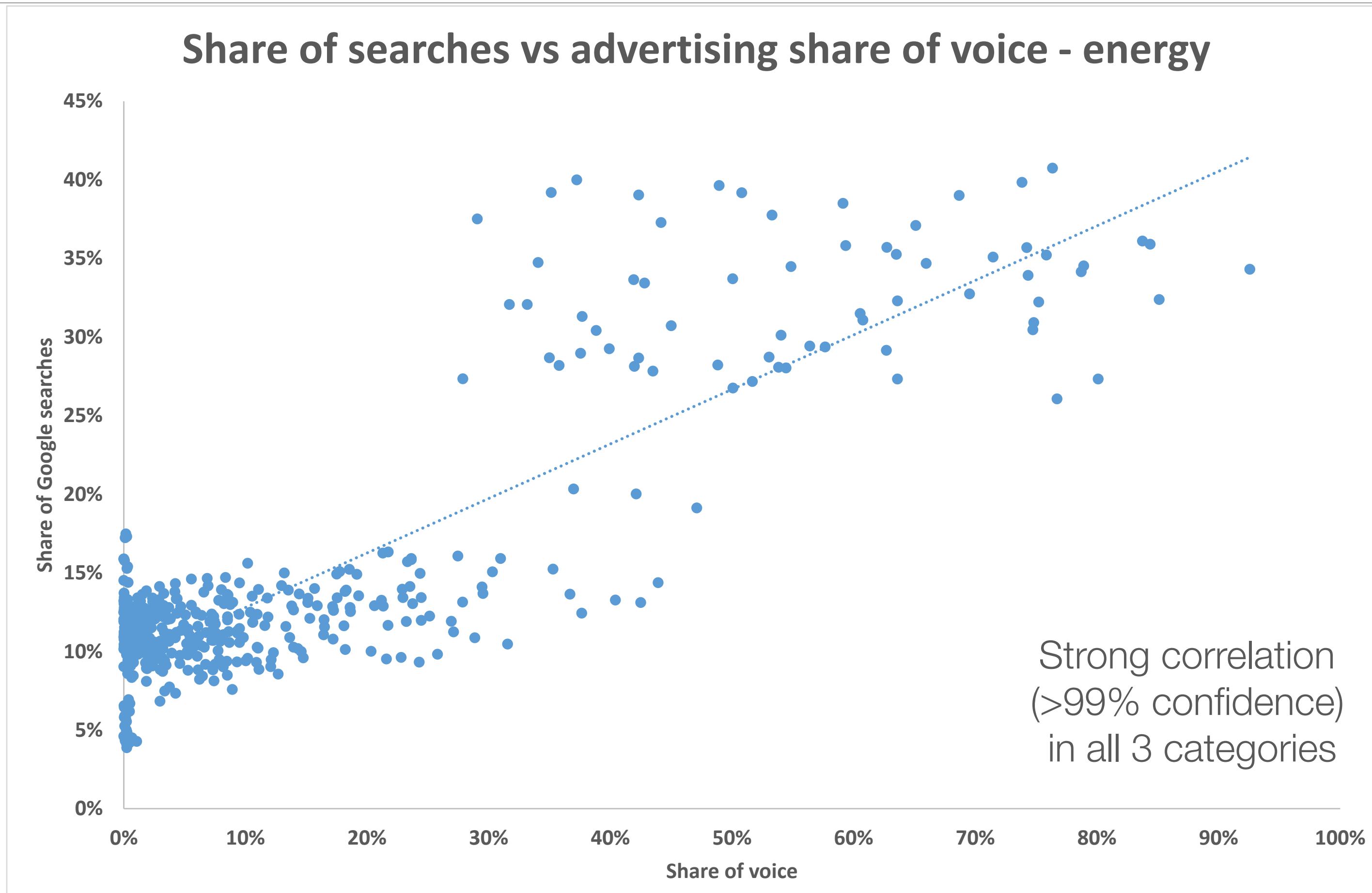
we know market share is affected by share of voice

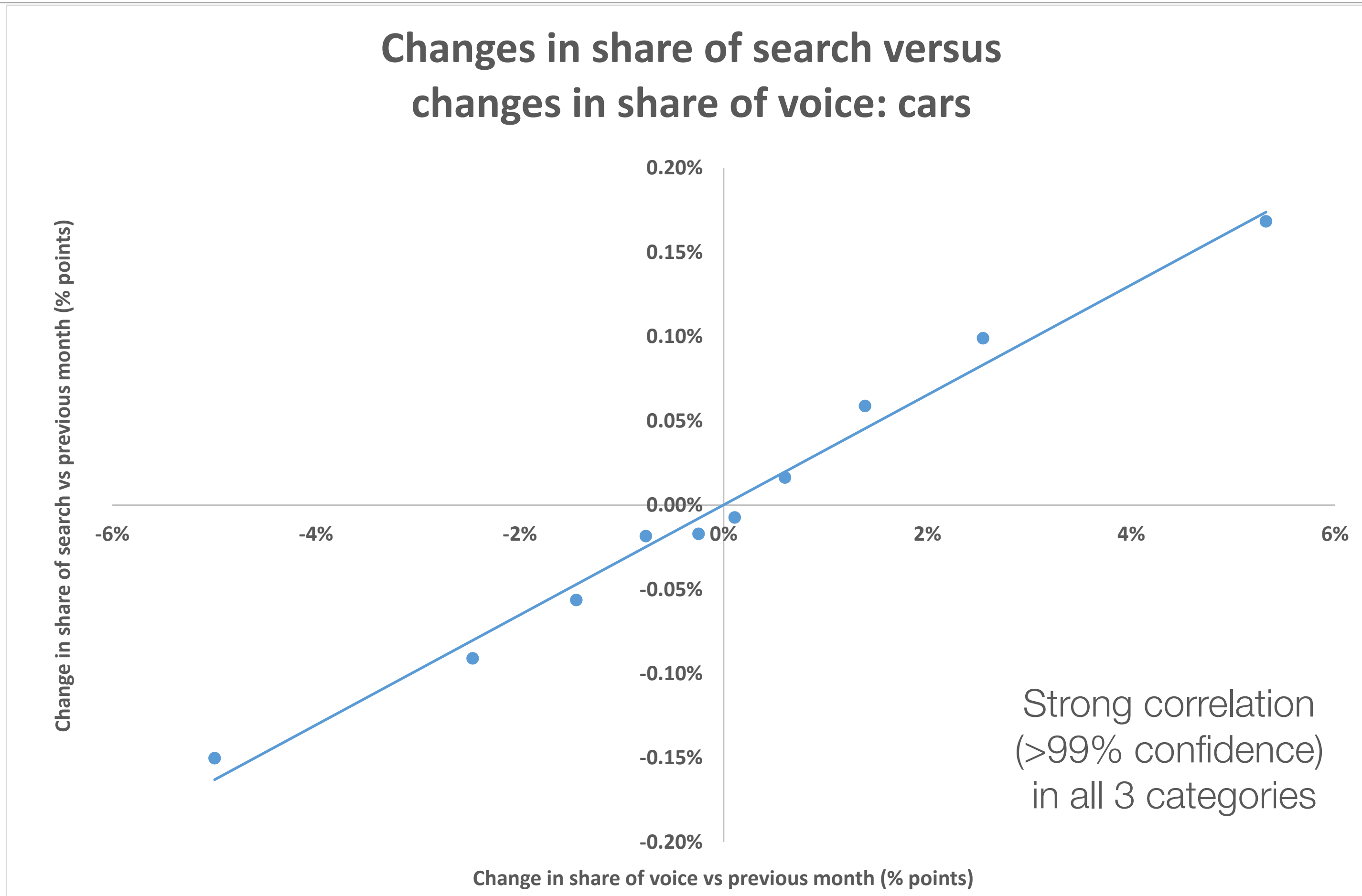


Sources: Various analyses 1974-2020. including: Unilever, Peckham. Jones, Millward Brown, DDB Matrix, Buck, Binet & Field, Nielsen, Ehrenberg-Bass

does share of voice also affect share of searches?



the dynamics strongly suggest that **the relationship is causal**

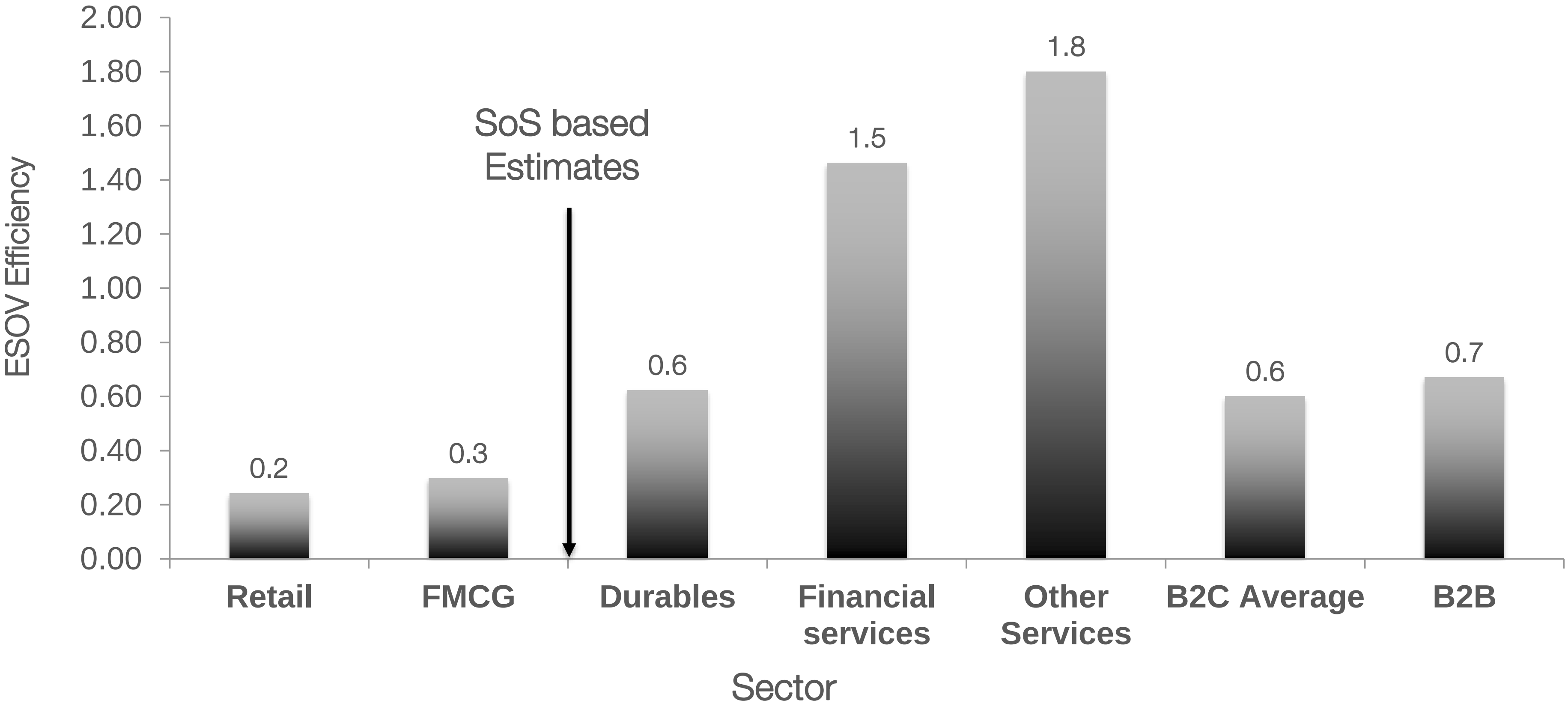


The relationship is similar in each category

Category	Effect of 10% extra SOV on SOS
Cars	+0.36%
Energy	+0.38%
Mobile	+0.43%

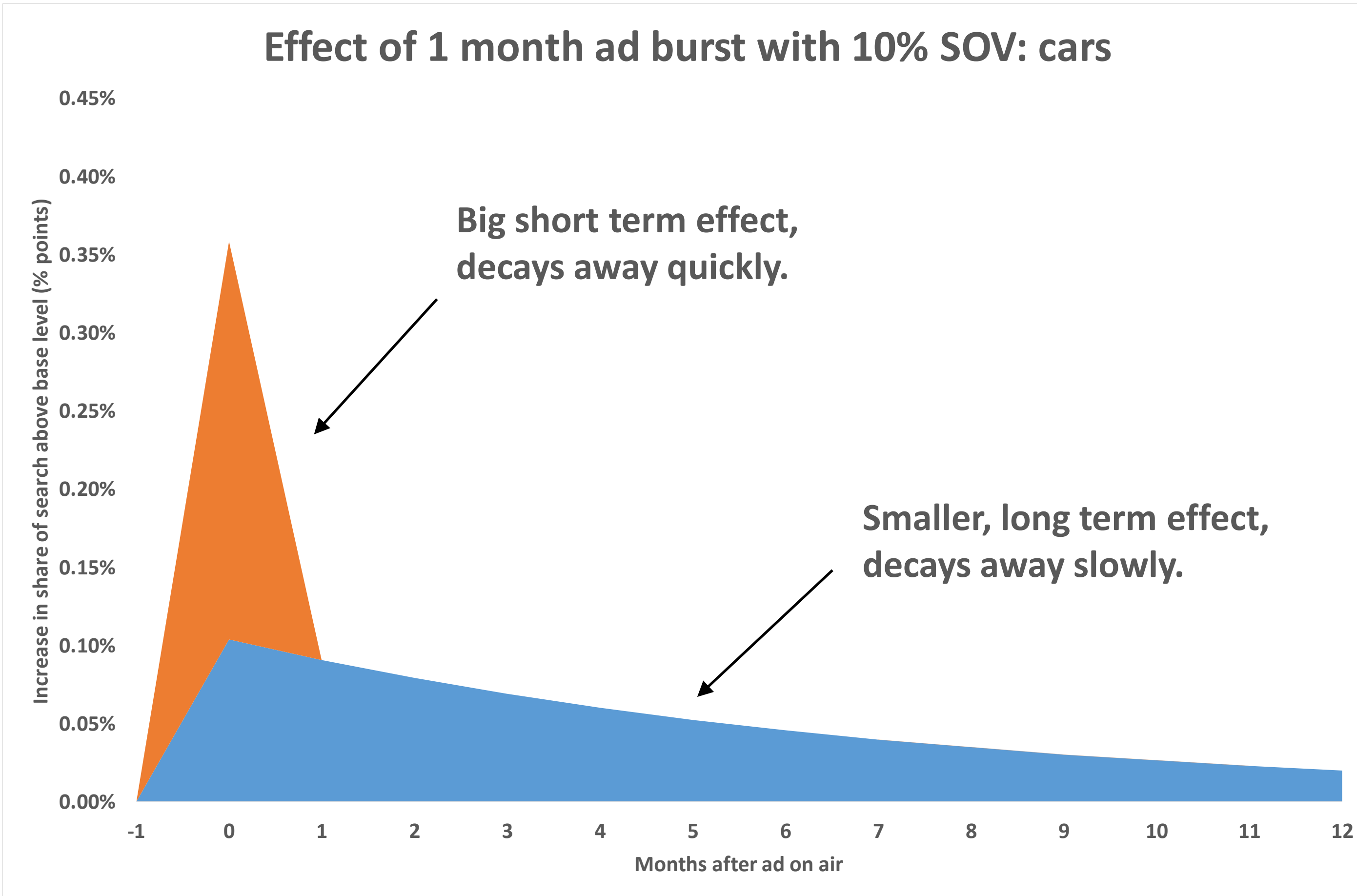
In each category, 10% extra SOV immediately increases SOS by 0.4%.
[The differences in the response coefficients are not statistically significant.]

these results are similar to those from conventional share of voice analysis



Source: IPA Databank (from Binet & Field, Effectiveness in Context)

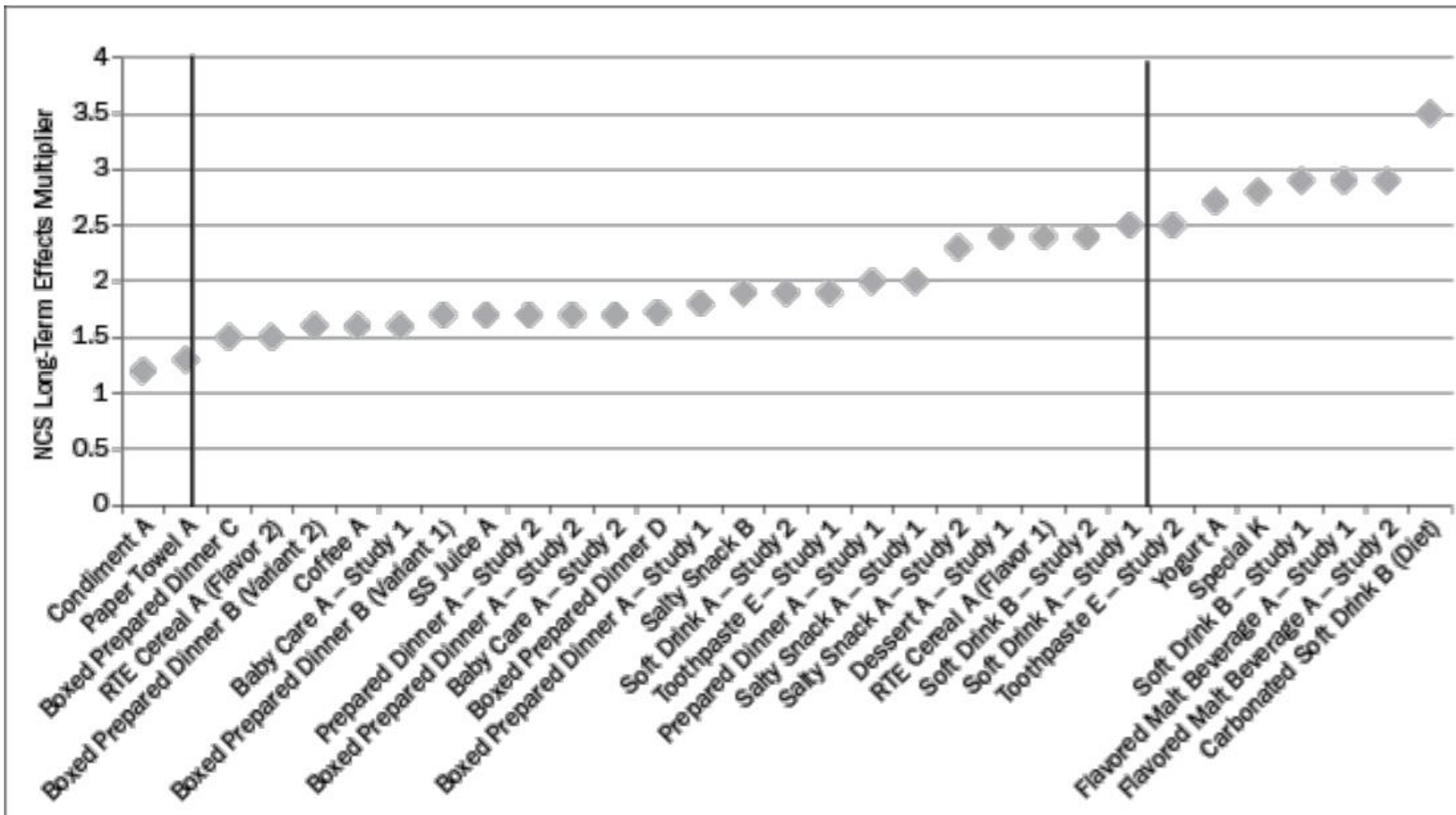
econometrics shows that ads have two effects on share of search



Ads are still influencing search ~2 years after exposure

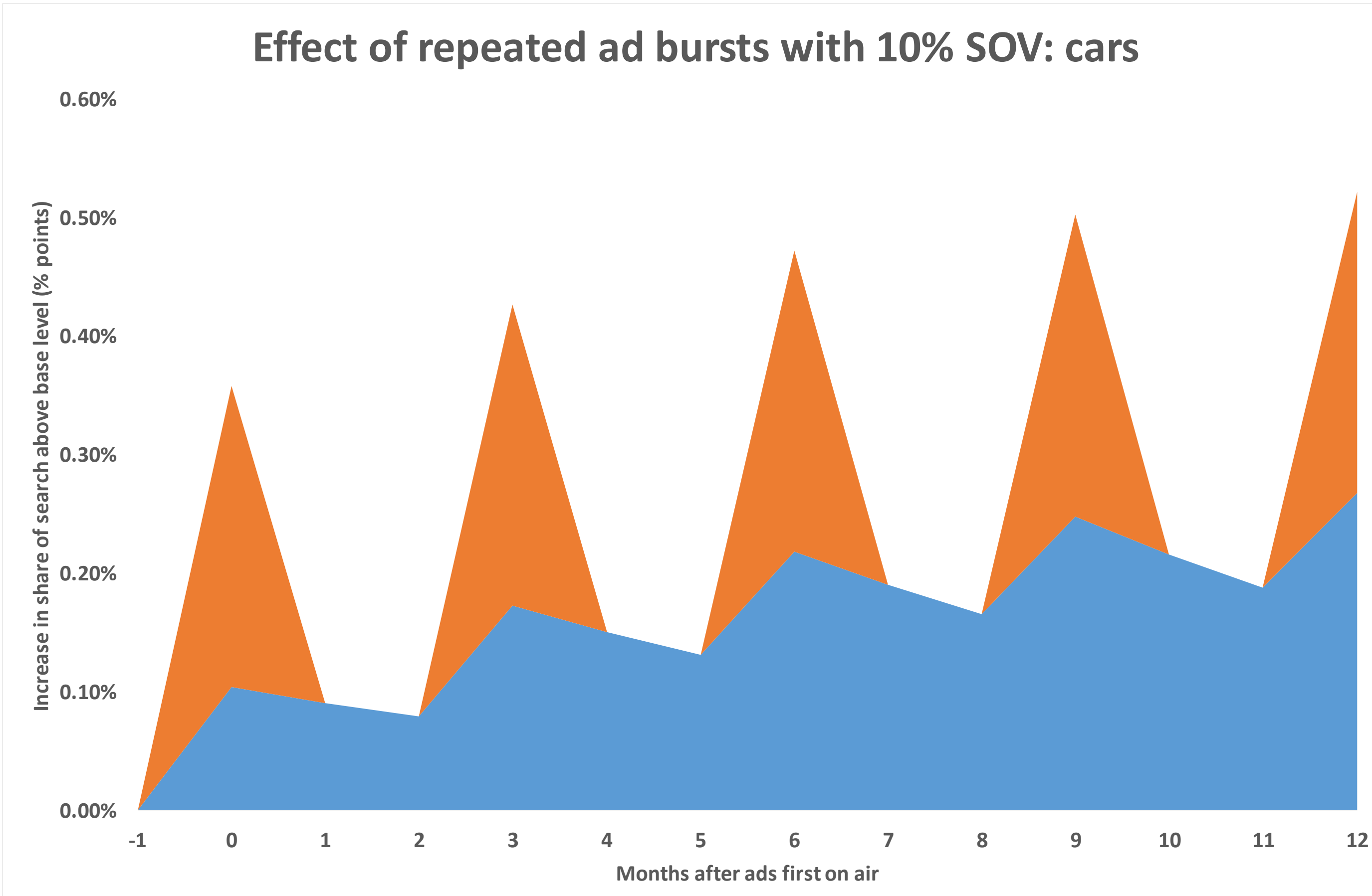
Category	Longevity of effect	Long term multiplier
Energy	18 months	2.6
Cars	21 months	2.8
Mobile	39 months	2.9
AVERAGE	26 months	2.9

these results are consistent with other estimates of long term effects

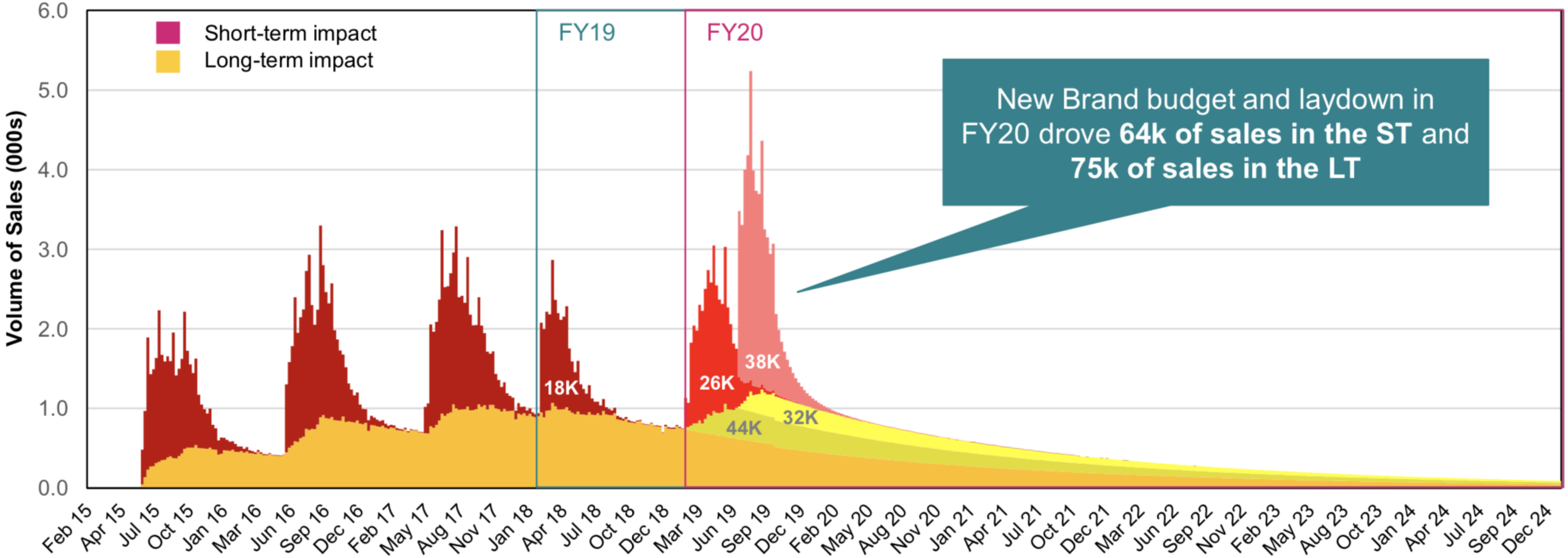


Source: Poltrack & Wood, Journal of Advertising Research 2015

long term effects accumulate over time



econometrics shows similar
short & long term effects on sales



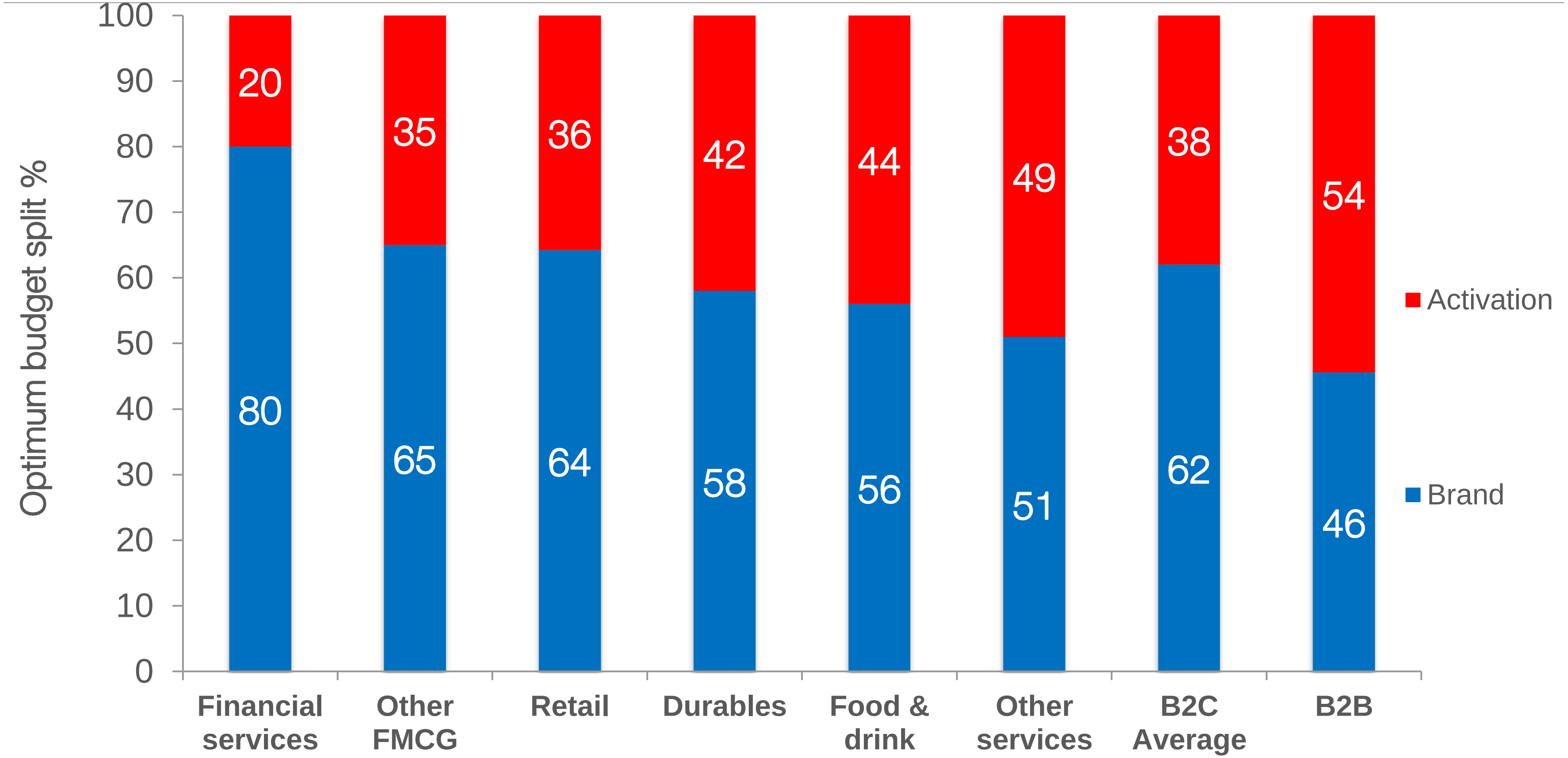
~60% of sales come from long term effects, ~40% from short term

long term effects are the main way ads influence search behaviour

Category	% ad effect short term	% ad effect long term
Energy	30%	70%
Cars	36%	64%
Mobile	39%	61%
AVERAGE	35%	65%

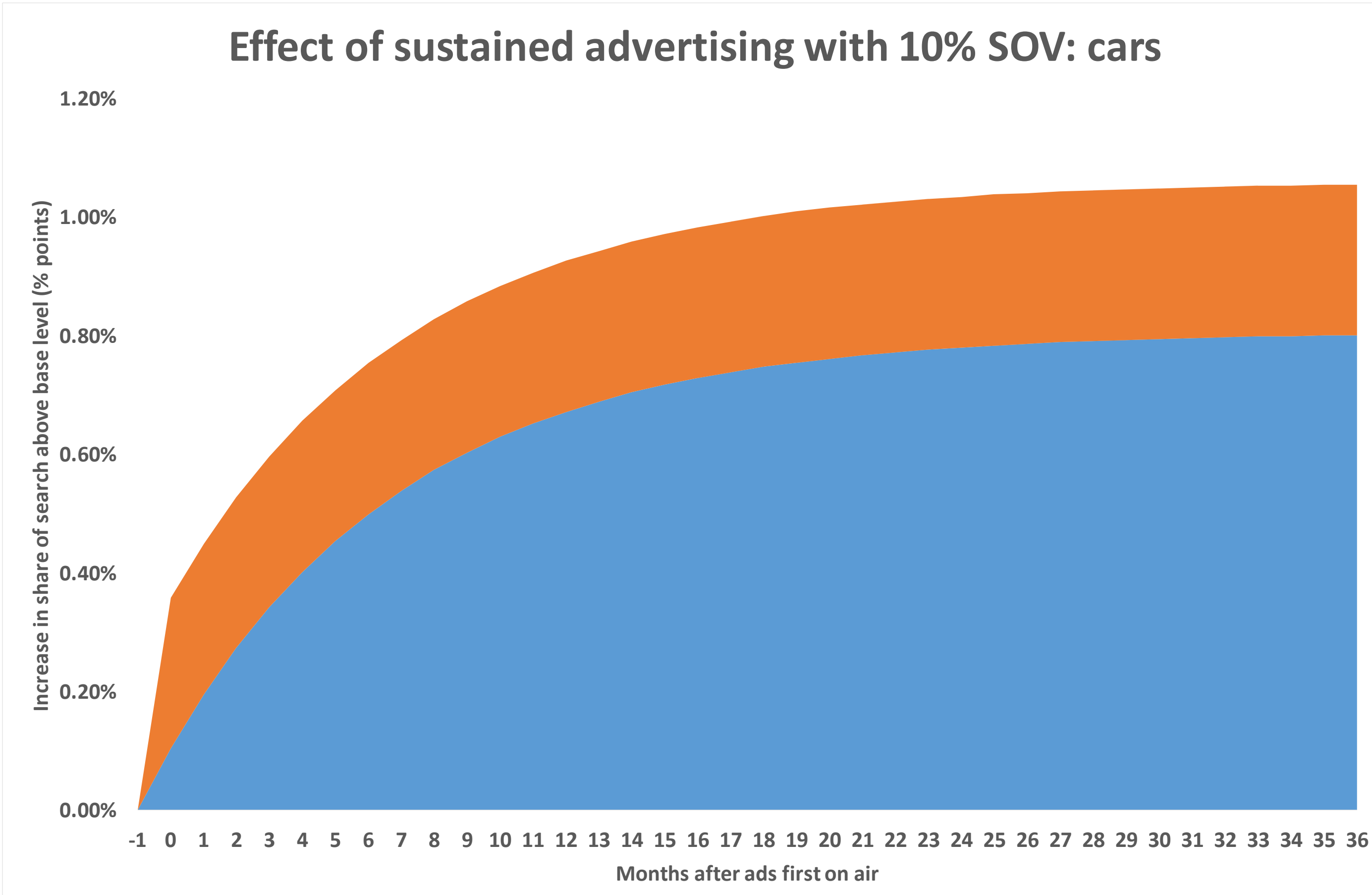
Percentages show relative contribution of effect over1 year assuming sustained advertising.

does this explain the "60:40" rule?

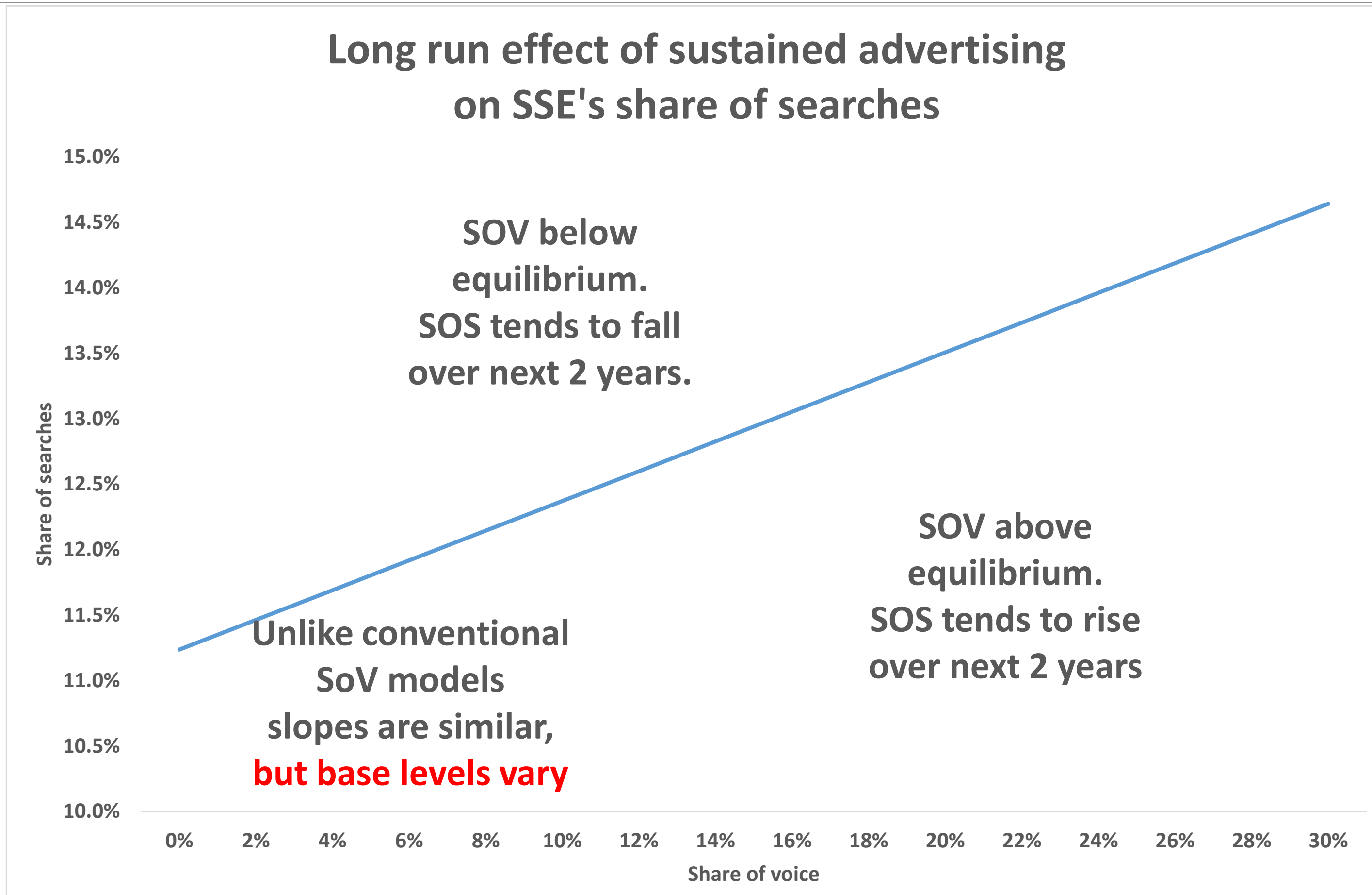


Source: IPA Databank, 1998-2018 B2B cases

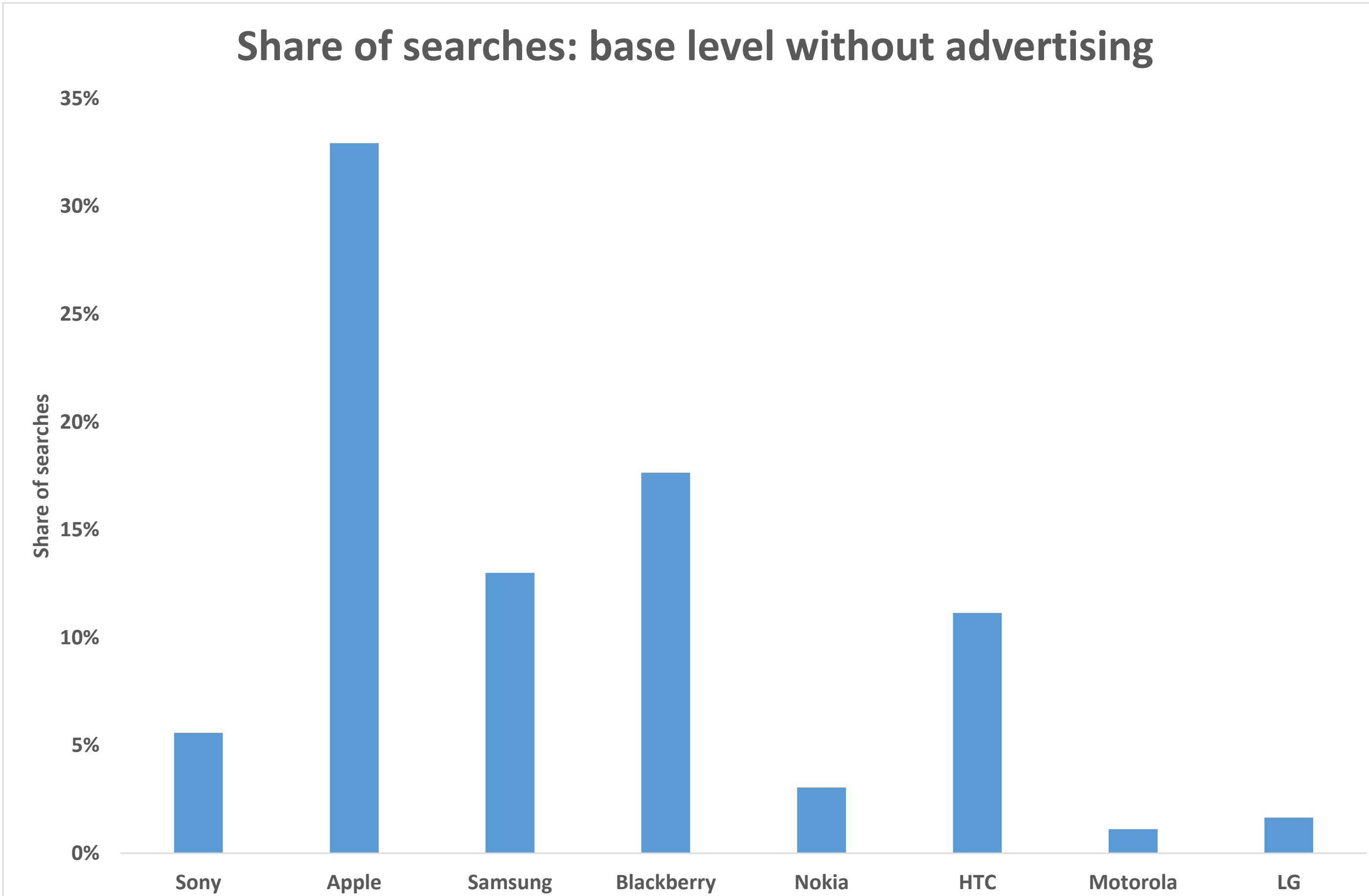
the effect of sustained advertising



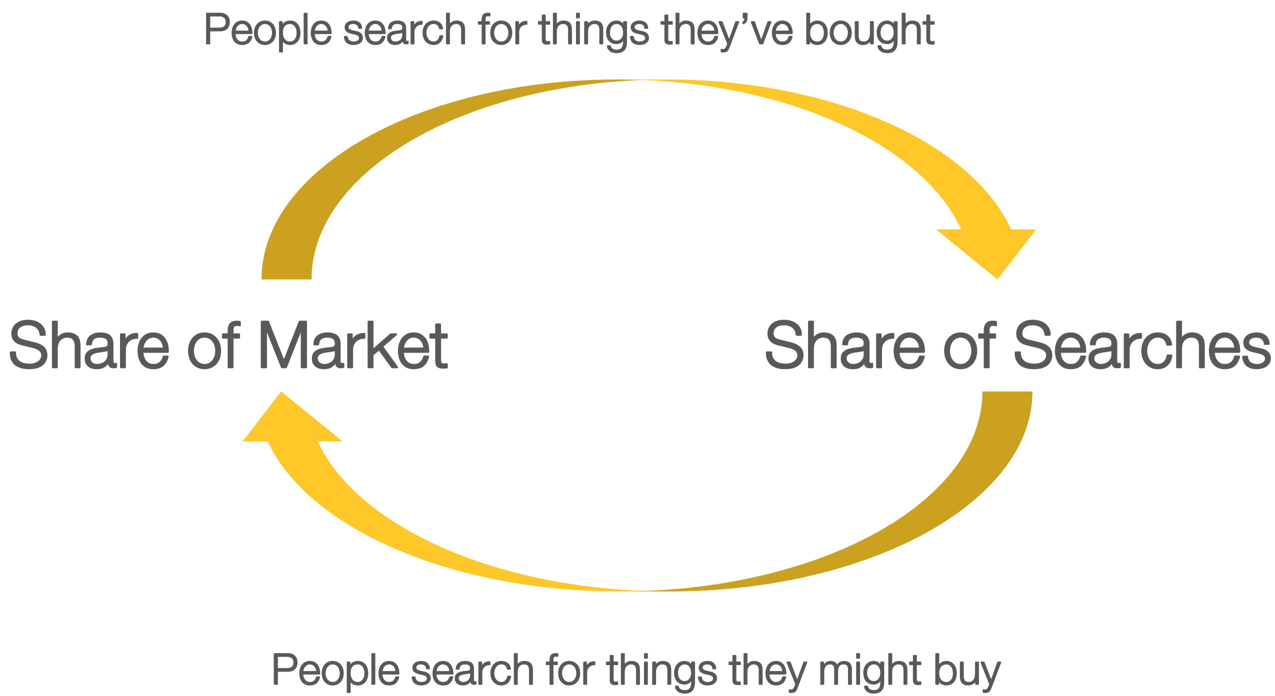
each brand has an equilibrium level



base levels: how interested people are in brand without ads



base levels partly reflect market share



Does comparing base levels with share may tells us something about underlying brand strength?

part 2: summary

Most searches are driven by factors other than ads. This “base level” of demand varies by brand, reflecting the size of the customer base & the underlying strength of the brand.

But advertising can increase demand over and above the base level.

Advertising has both short and long term effects on search behaviour

The effects are similar for all brands and categories studied, and consistent with other research on short and long term effects.

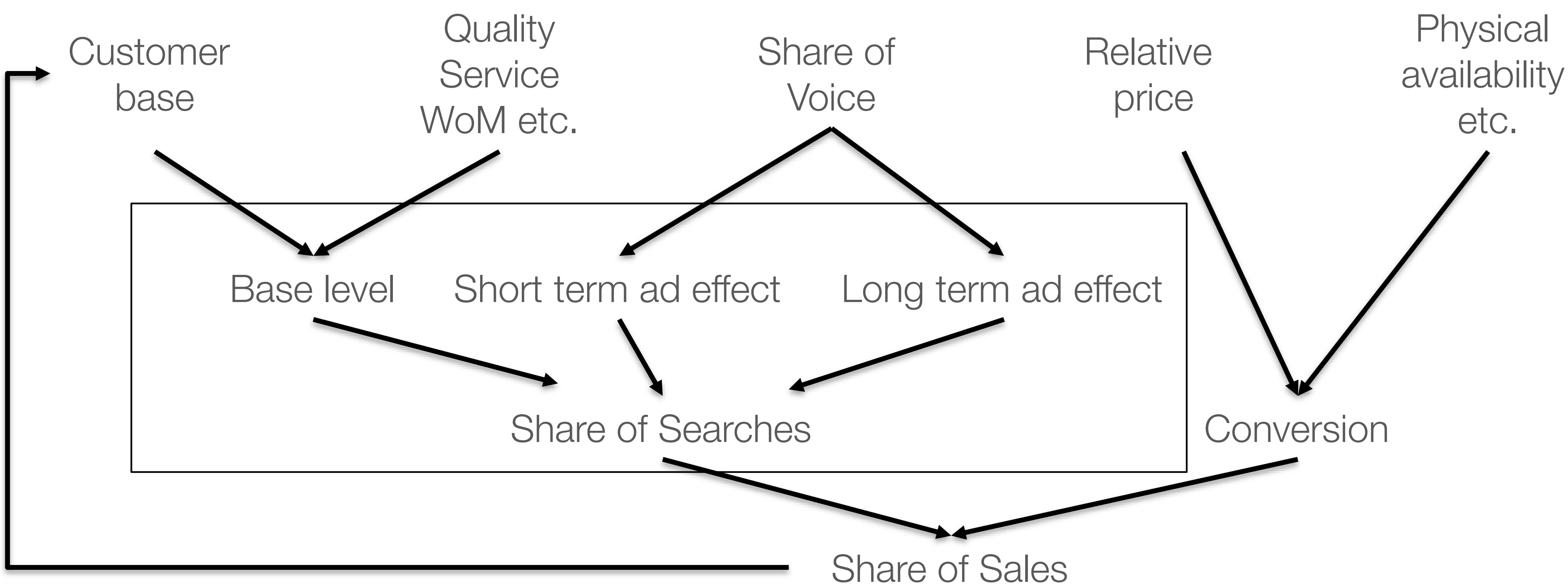
Share of voice is a key metric. The higher a brand’s SoV, its SoS, other factors being equal.

A burst of advertising produces an immediate increase in brand searches. 10% SOV increases SOS by 0.4%.

The short term effect dies away within a month, but longer term effects lasts ~2 years.

Long term effects are more than twice as important as short term effects.

is this how it all fits together?



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