How marketers are responding to recession, through measurement.

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MUTINEX

Who cares about models?

Who cares about stats?

THE UGLY TRUTH

Measurement is useless unless you use it for decision making.

This presentation is aimed at getting every one of you to make decisions facing massive economic recession – using your decision making.

Let’s be honest. Models are boring. Measurement is useless unless it’s used.

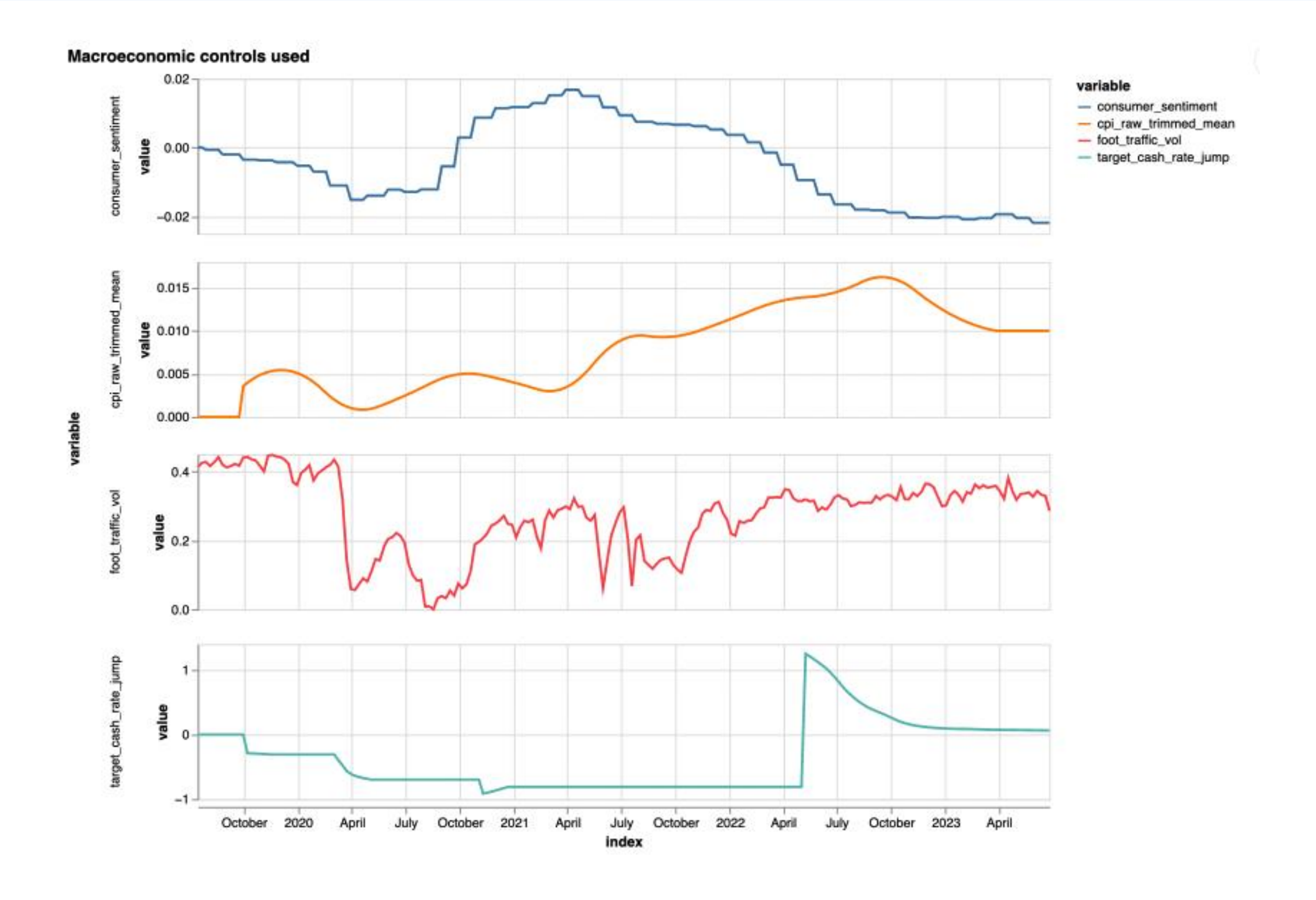
No doubt about it; we’re in recession

- Average mortgage holder payments
- Discretionary spend declining
- Fixed rate mortgage cliff
- Loan delinquencies

What does recession mean for measurement?

- Less consumer spend = less return pie = Lower ROIs (general trend)
- Channel choices change significantly
- Pricing becomes more important
- Economic factors become more important

These indicators are going crazy, causing huge shifts to what 'good' looks like.



Measurement is all about decision making…

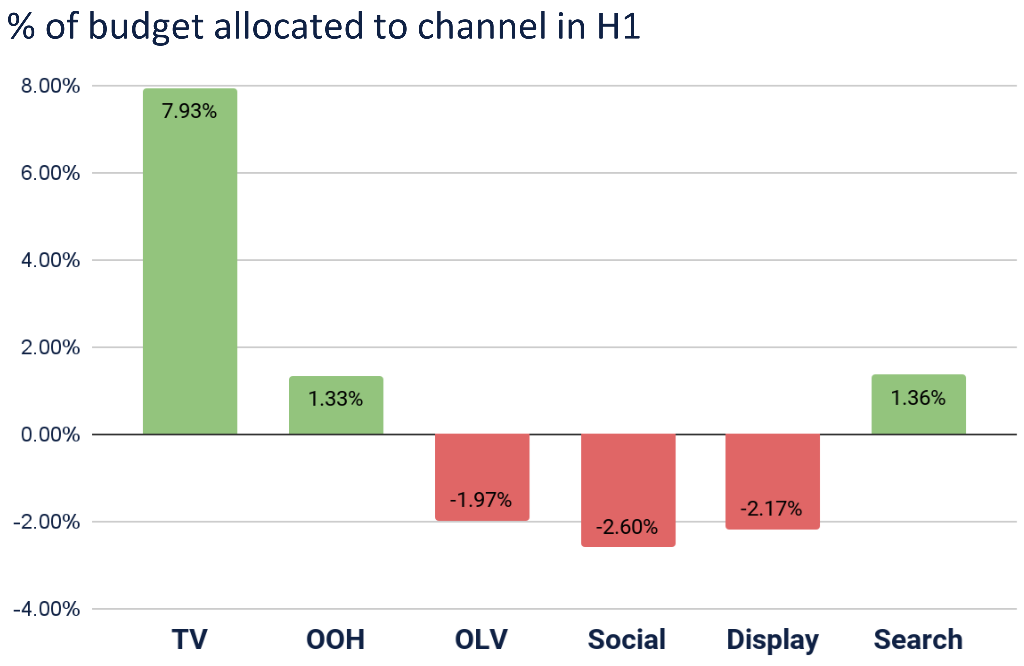
So how are marketers responding with decision making in this climate?

CHANGE #1

They're changing budgets (a little bit)

Small shifts across the market as performance budgets are cut somewhat; mostly as performance getting expensive and less capital efficient.

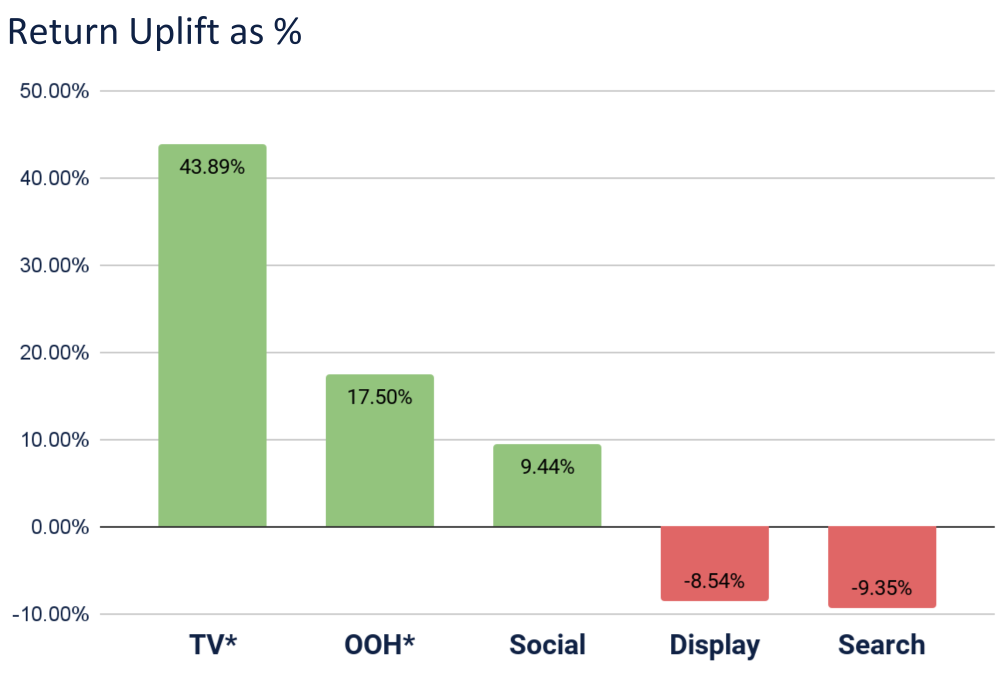
- Marketers have budgets shifting; broadly budgets have increased but roughly at pace of inflation (+11%)
- Marketers defending brand budgets; likely using MMM measurement to justify efficiency of brand within orgs
- Big challenges to 'traditional' performance channels as some spend in more conventional areas drops marginally



CHANGE #2

They're finding more growth through uplift in cutting through to the consumer.

Ad inflation is biting harder in performance channels as CPMs creep up but returns do not increase at the same rate (or decrease faster). Return uplift normalising in TV as spend drops across the channel.



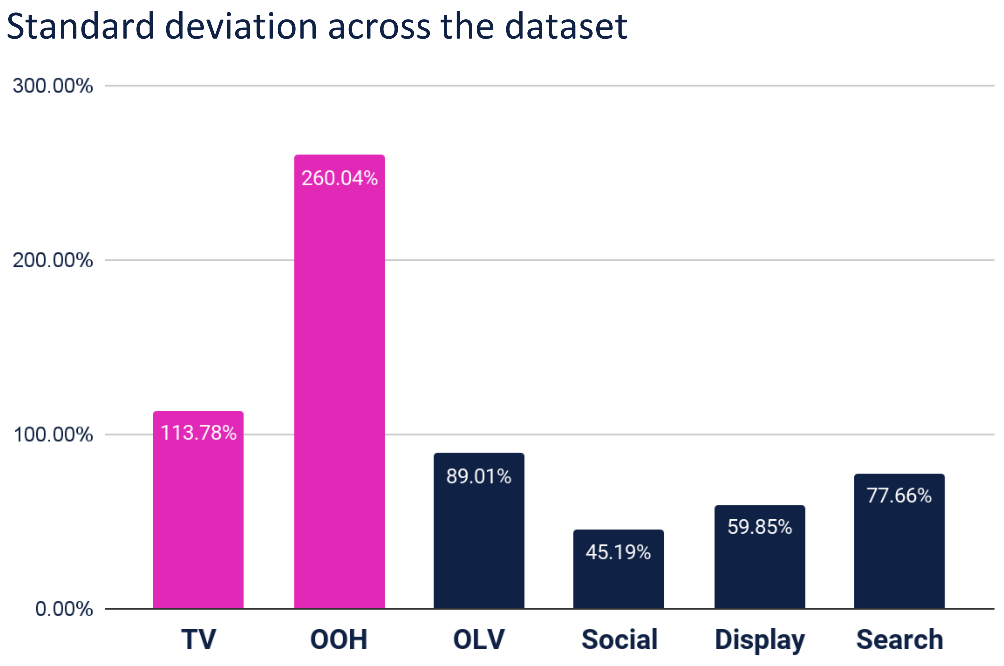
*driven by spend cuts

CHANGE #3

Marketers are using data to **justify investment in creativity.**

Brand channels see huge standard deviations in results over time; higher deviations denote more importance to executional excellence.

- MMMs showing increasingly the **importance of creativity via adstock which is creating higher std. Deviation**
- In fact, results across categories + efficiencies across are increasingly **hard to standardise as economy creates different inferences**
- Dramatically increasing the need **to measure in order to manage effectiveness**



As the economy shifts, marketing effectiveness does as well. It’s never been more important to measure the shifts, so you can manage the outcome.