



DEEP DIVE INTO
GIGANTTI'S RECEIPT DATA:

**How effectively
different media
channels are
driving sales?**



**SCREEN
FORCE**
THE MAGIC OF TV

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FOX
NETWORKS GROUP

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effectiveness



TV is proven to be the most effective media

The media sector has been in turmoil in recent years, and the pace is accelerating. At the same time marketing efficiency has fallen on global level.

Marketing effectiveness and hard numbers proving it are a common headache for every marketer. Internationally, there is a lot of research regarding the effectiveness of different media channels, but we've lacked Finnish studies that would dive deeper into the data.

That's why we conducted a research with Sellforte that focused on Gigantti's marketing in Finland, and especially how much sales different media investments delivered. The results were explicit. When looking at both short- and long- term sales uplifts, TV was proven to be the most effective sales driver for Gigantti; each euro invested in TV advertising delivered 17 euros of incremental sales.

The study compared the sales data from past two years, consisting of tens of millions of receipt row data, with

all Gigantti's marketing and media data. Sellforte's AI-powered ROMI (Return on Marketing Investment) -analysis distinguished the incremental sales uplifts due to marketing and promotions from base sales.

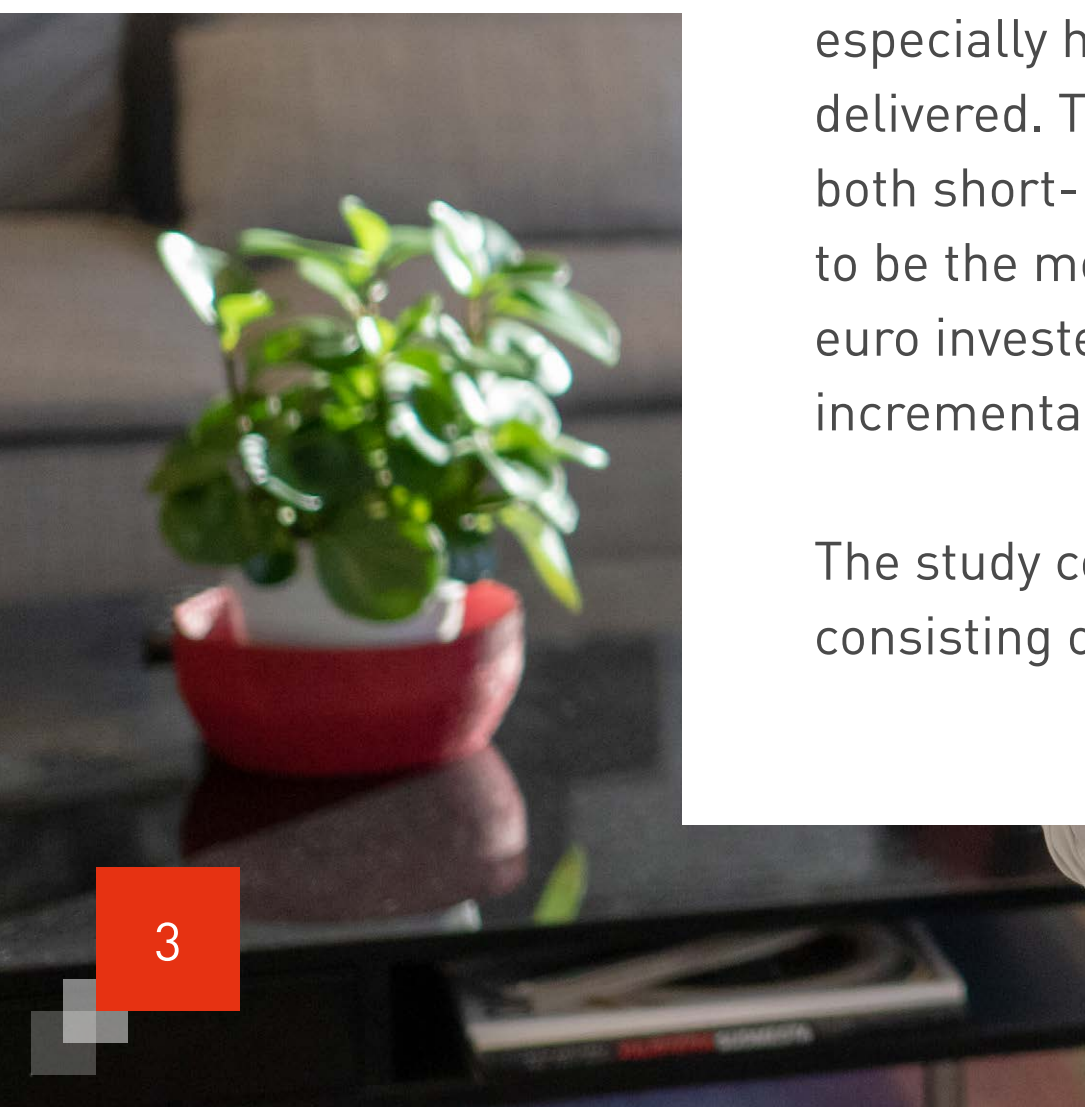
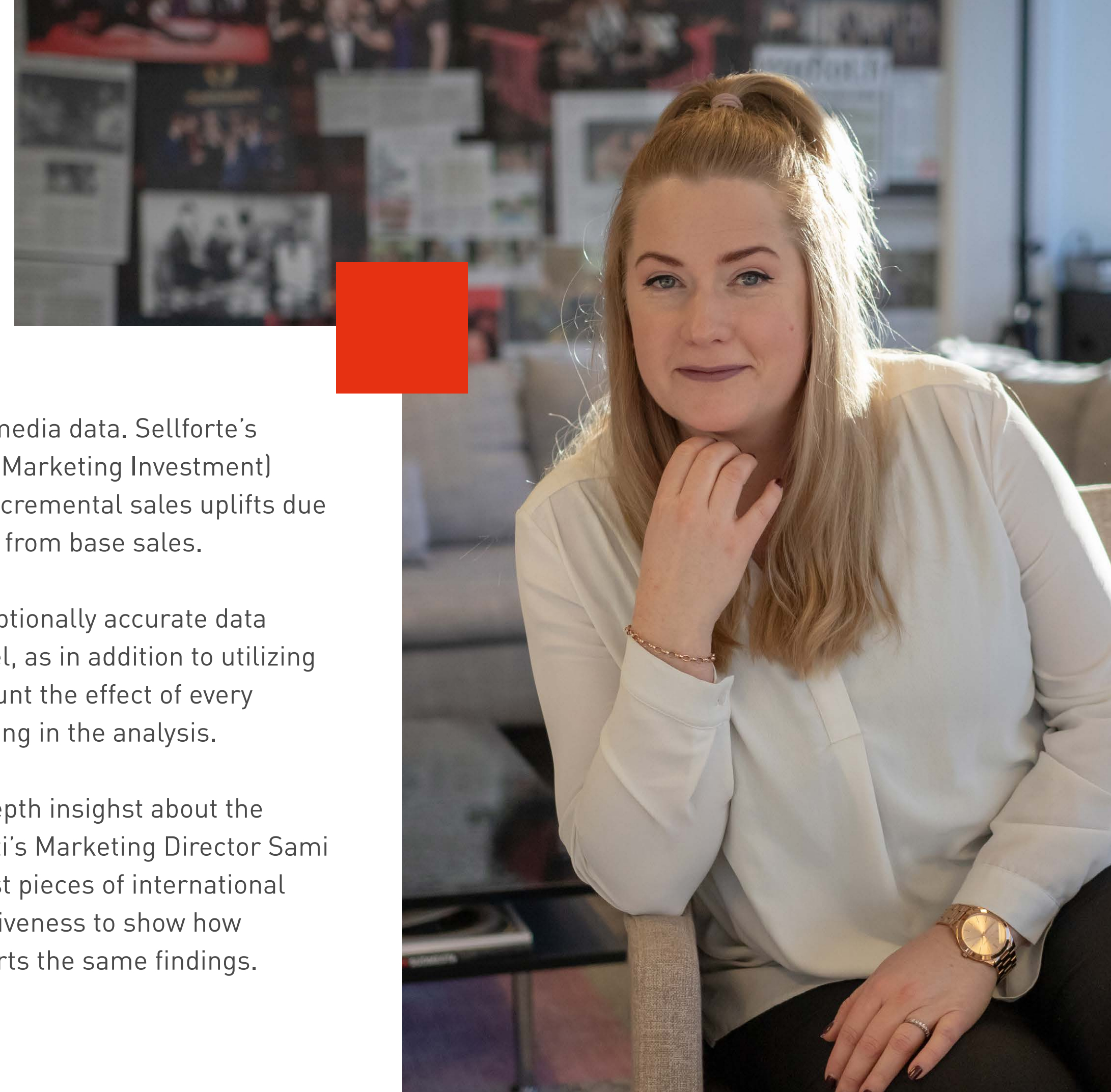
The study was based on exceptionally accurate data even on the international level, as in addition to utilizing receipt data, it took into account the effect of every campaign discount price among in the analysis.

We have collected more in-depth insight about the research, interviewed Gigantti's Marketing Director Sami Särkelä, and selected the best pieces of international research on marketing effectiveness to show how international research supports the same findings.

Good reading!

Anna Lujanen

Executive Director
Screenforce Finland



Highlights of the study

One of the key highlights of this study is its method.

The profitability of marketing investments is calculated based on the incremental sales uplift that has been generated by each media group.

Offers have their own impact on campaign sales, so in these profitability calculations, the sales uplift generated by the offers are separated from the sales uplift that's generated by each media.

Case: How effectively different media channels are driving sales?

MATERIAL

Gigantti's accurate receipt data for sales, sales efforts, media advertising investments, web traffic

TIME

Data were collected from the period of 04/2017-06/2019

CASE COMPANY



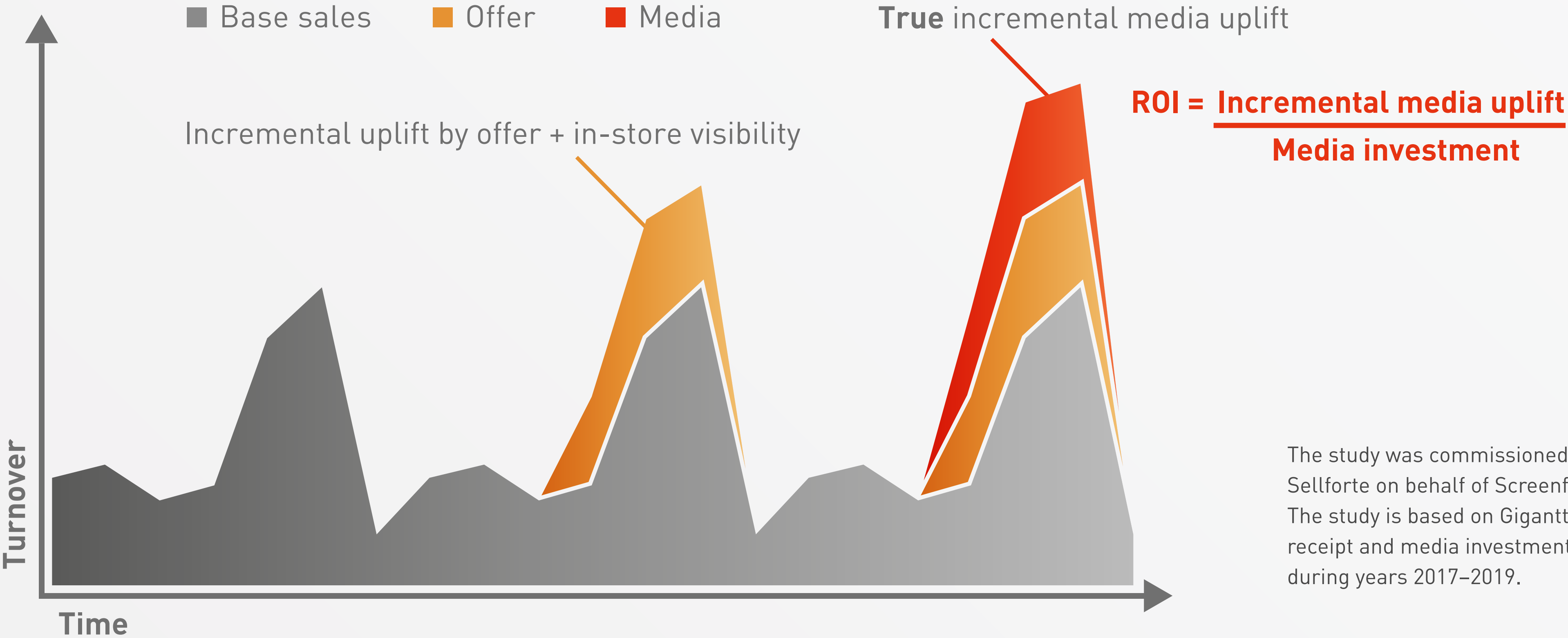
ANALYSIS



CLIENT



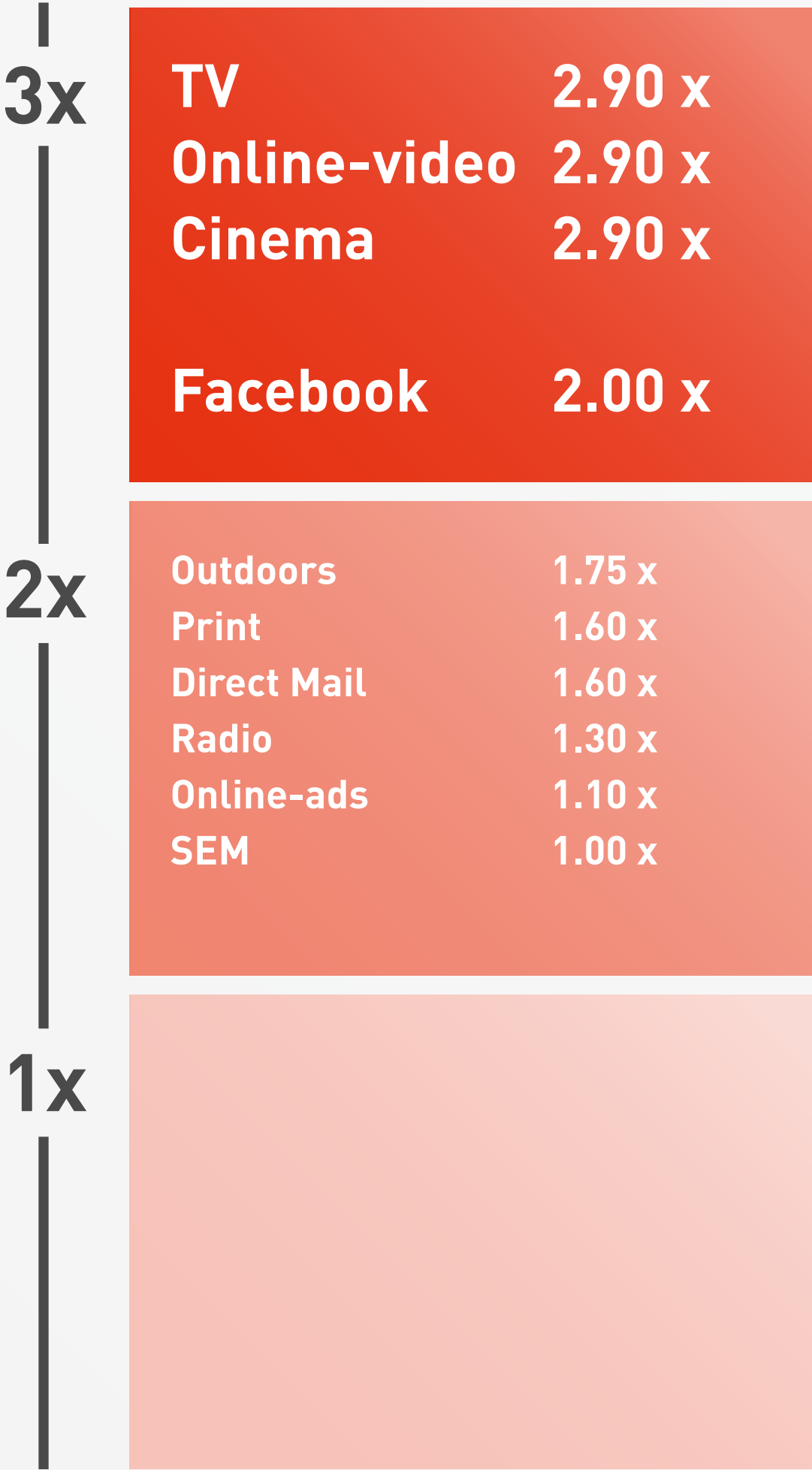
Methodology



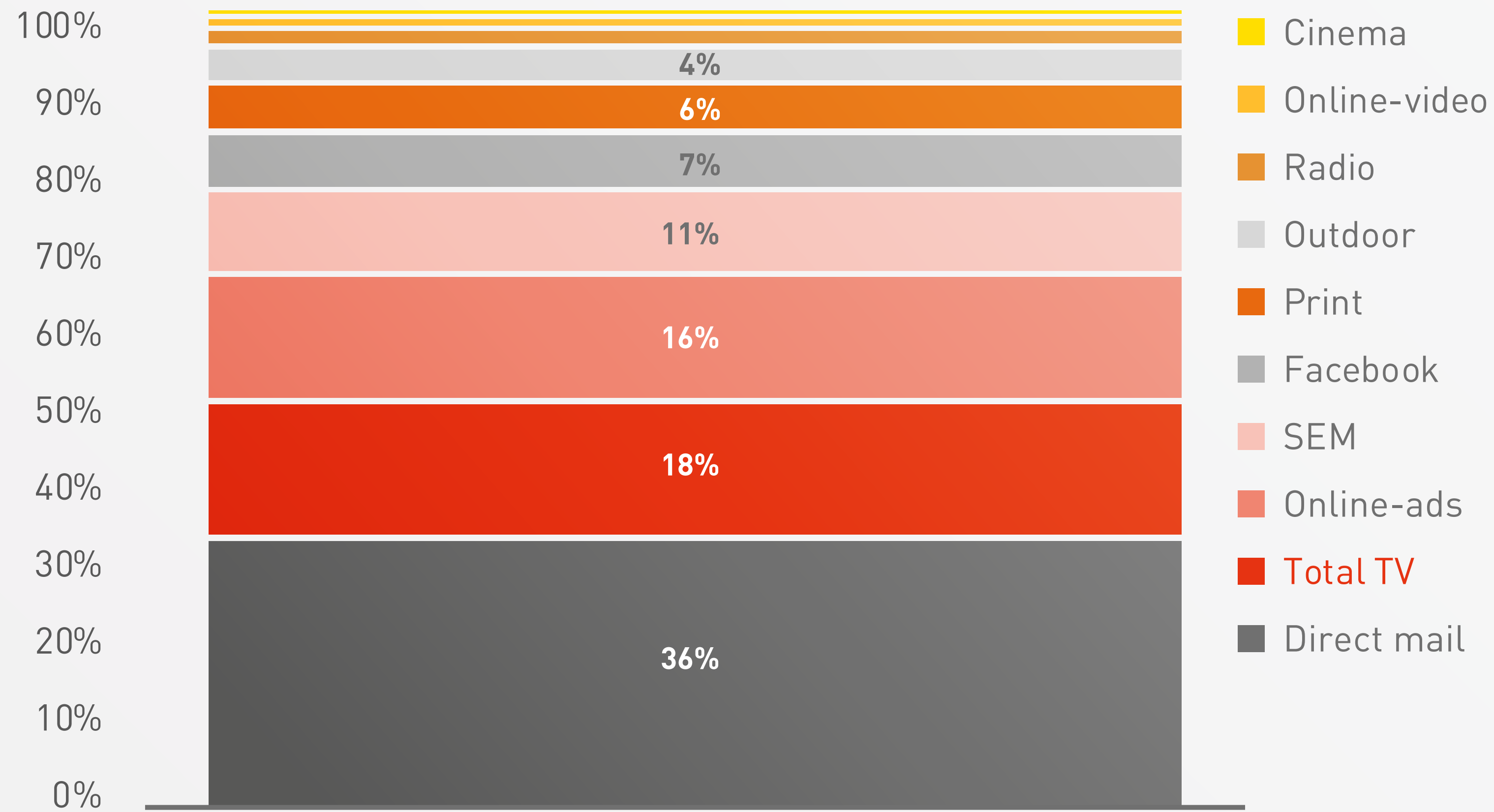
ROI-factors

Total ROI (Long-Term ROI) is calculated using Ebiquity’s Long-Term Retail ROI-factors and Ebiquity’s Long-Term Retail factors from the report “Profit Ability - The Business Case for Advertising” (2018, p. 31).

Gigantti is one of the biggest advertisers in Finland. Between May 2017 and April 2019 the company spent about 36 percent of its media budget on direct advertising, while Total TV accounted for 18 percent of the company’s media investments.



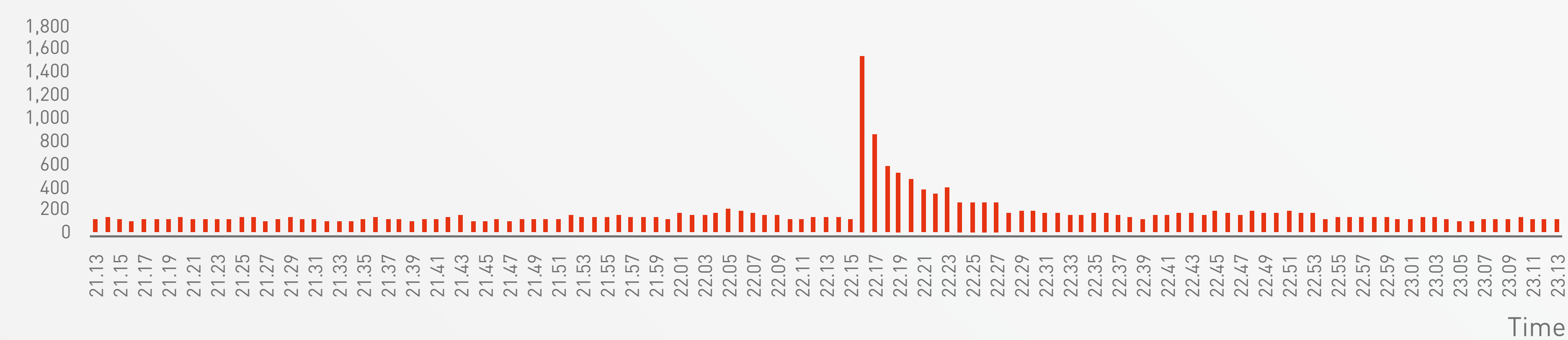
Media investments



05/2017–04/2019 | Media advertising shares

TV directs to SEM

Traffic Per Minute Through Search Engine Marketing May 12, 2018



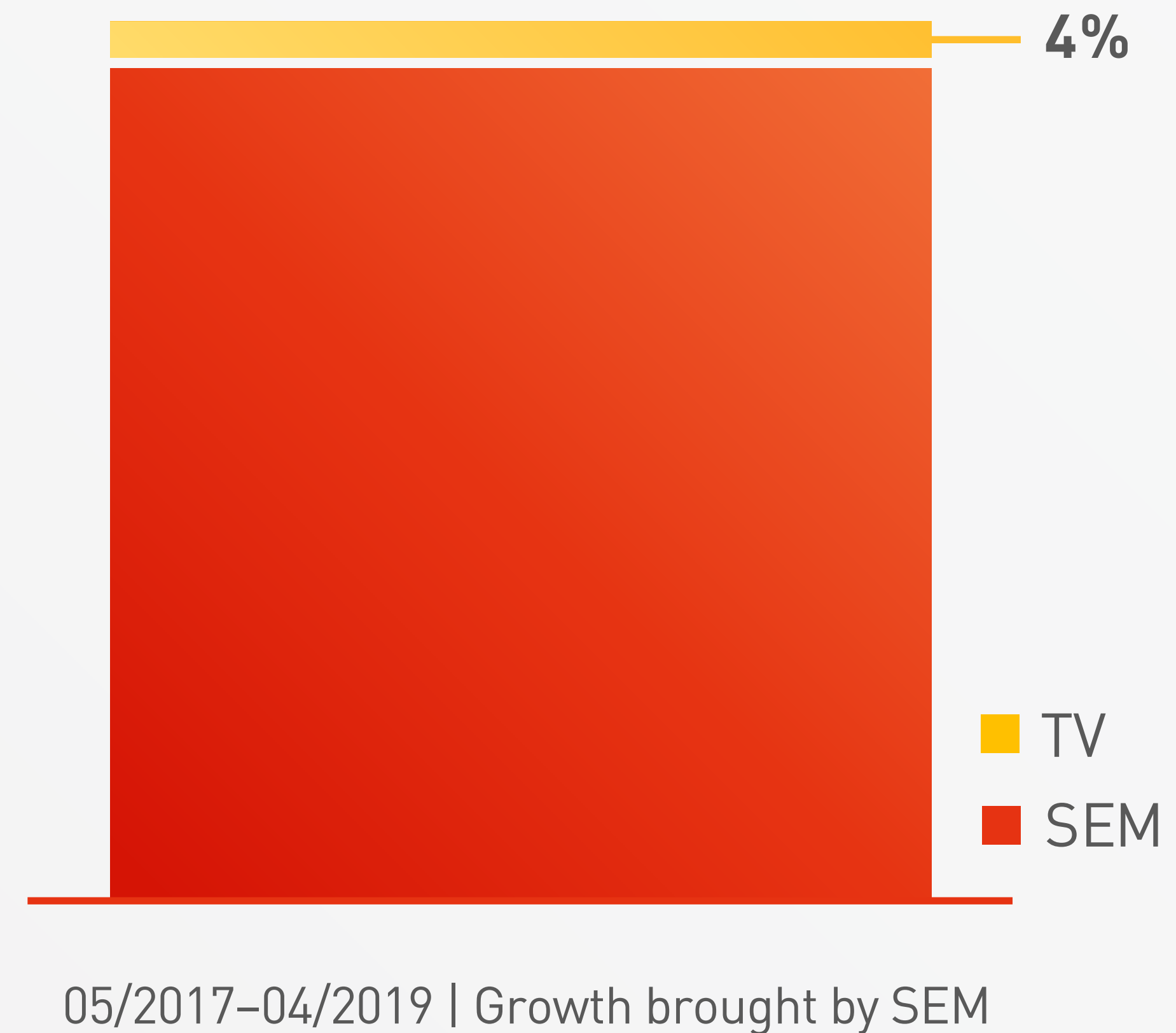
TRP30



SEM is the most effective sales driver in the short term

When measuring the media effectiveness, there is a big difference in which time span the media revenues are included from, especially with moving visuals.

For example, one euro invested in TV advertising brings six euros of turnover in the short term and 17 euros in total (short + long term). In radio advertising, online-ads and direct mail marketing the difference between short term ROI and total ROI is far less significant.

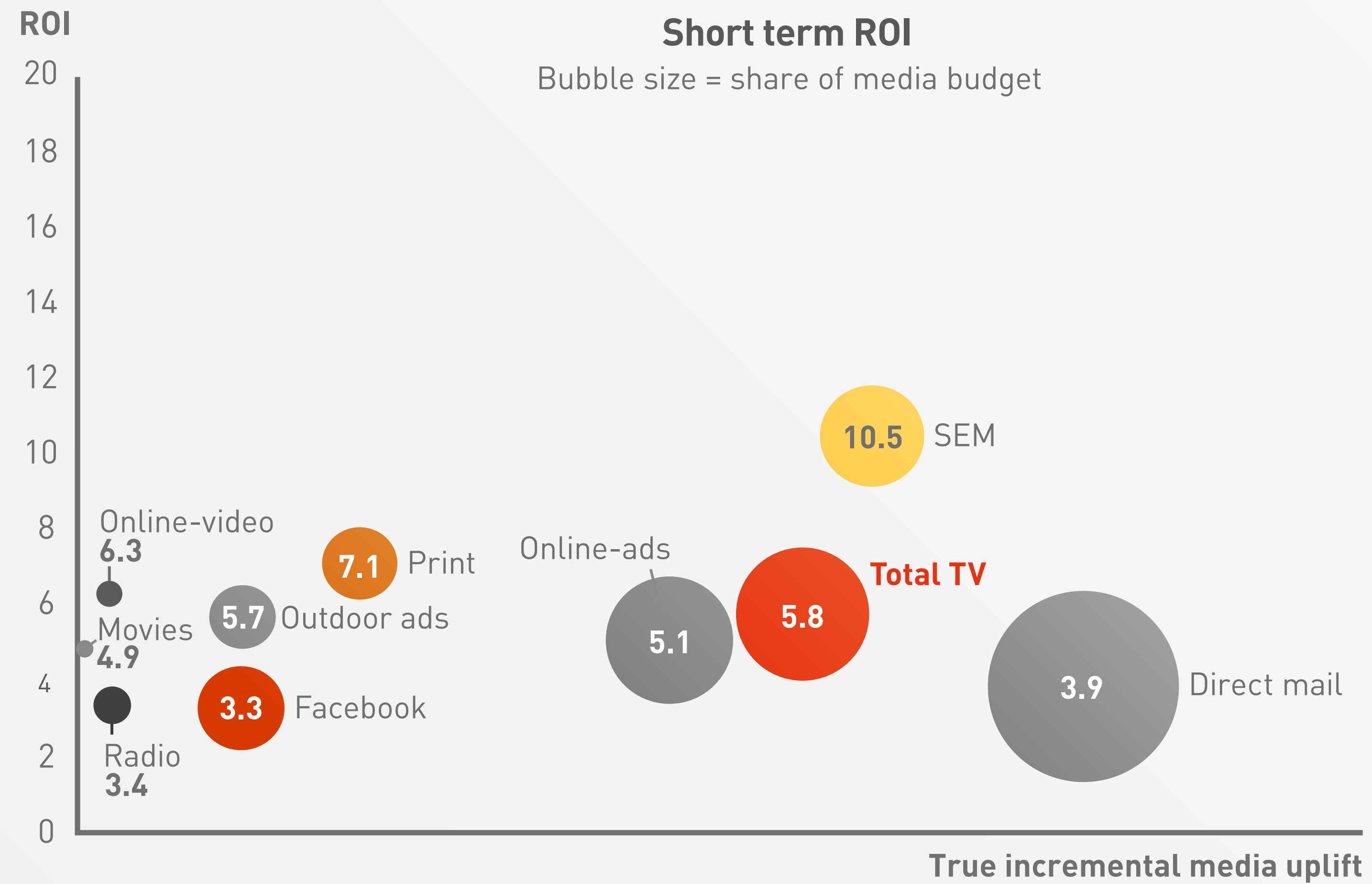


1 » » 6 » » 17

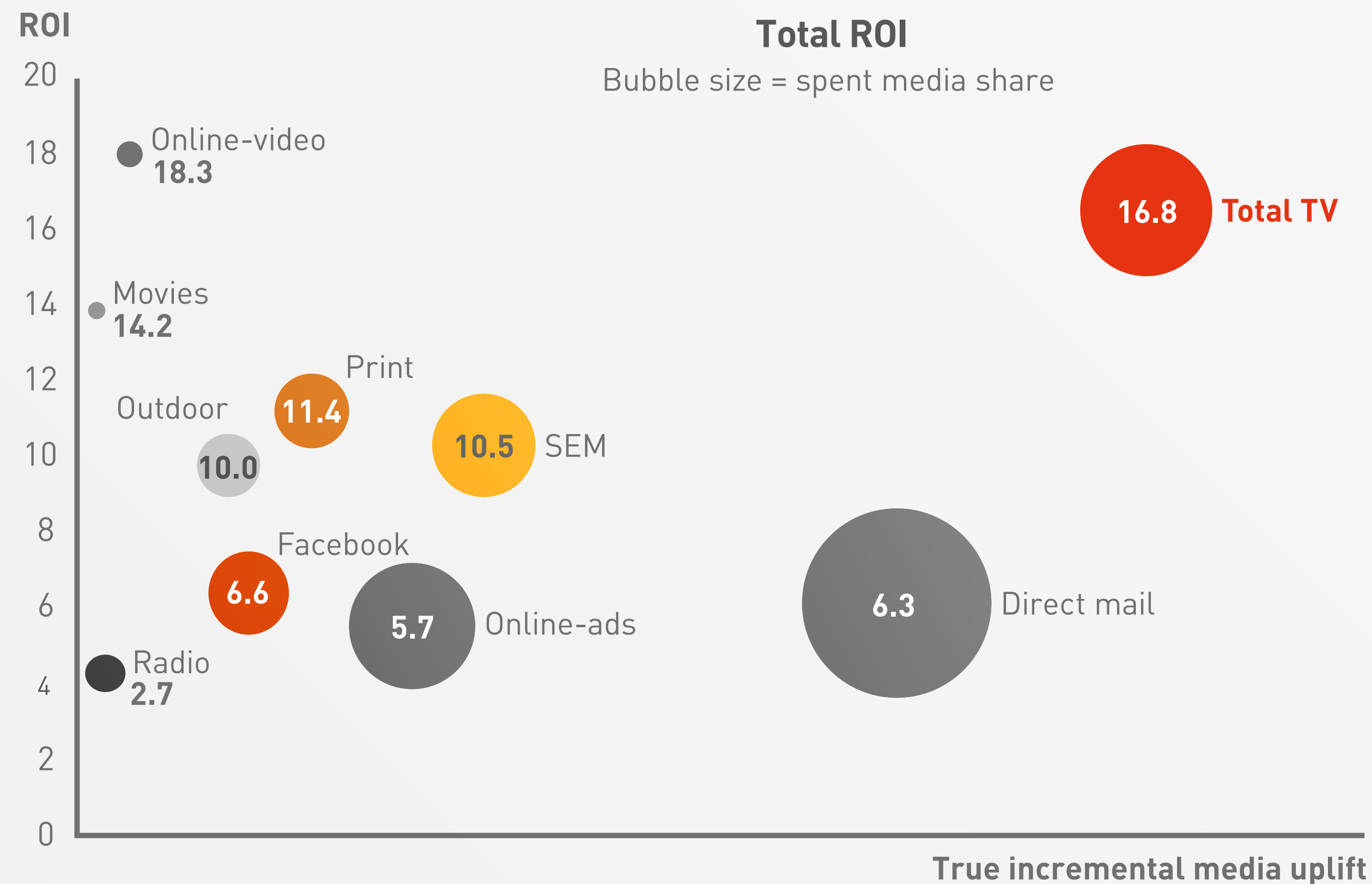
One euro invested in TV advertising brings six euros of turnover in the short term and 17 euros in total (short + long term).

TV advertising also plays a significant role in driving online traffic, and some of the revenue from TV advertising comes from search engines.

SEM is the most effective sales driver in the short term



TV delivers the best sales impact



Notes:

- Ebiquity's long-term retail ROI coefficients from the "Profit Ability -The Business Case for Advertising" report (2018, p. 31) ROI (Long-Term ROI).
- Total TV revenue includes linear TV, online TV and 4% of search engine marketing revenue.
- Outdoor Advertising (OOH) Includes Digital Outdoor Advertising (DOOH)
- Online video includes programmatic 10.5 SEM & direct purchases and YouTube.
- Direct mail includes production and distribution costs. Others include only media advertising costs.
- ROI is based on the incremental sales generated by the media. Incremental sales includes only the impact of the media, and e.g. offers' sales impact has been excluded from the metrics.

Top findings

01

TV advertising drives website traffic both directly and through search engines.

02

One euro invested in TV advertising brings six euros of turnover in the short term.

03

One euro invested in TV advertising brings 17 euros of turnover in total (short + long term).

04

TV is the largest revenue driver.

Gigantti's Sami Särkelä: **We consider carefully how tactical and brand advertising support each other**

Every Finn knows Gigantti. The company has a turnover of EUR 564 million (2018) in Finland and it is one of the largest advertisers in Finland.

The media mix is extensive and sales is monitored all the time. In a hectic and competitive industry, measuring the effectiveness of marketing is particularly important.

“In the past, we have been in a standard textbook situation where digital marketing has been accurately measured across different channels, but there hasn't been any tools to measure all marketing with common metrics. The measurement has not been systematic and continuous”, says Sami Särkelä, Gigantti's Marketing Director.

When using almost all of the available marketing resources, there is a lot to measure. It is easy to make mistakes even with basic causation. For example Gigantti's TV advertising generates 4% of sales through search engine marketing, because TV drives substantial amount of online traffic.

In Sellforte's receipt analysis for Gigantti TV advertising as a whole brought the best return on marketing investment. In the short term, one euro invested in TV advertising brought 6 euros of net sales, and in the long run 17 euros of net sales.

“TV advertising works effectively for us. In addition to linear television, practically every one of our campaigns also utilizes domestic streaming services and Youtube”, Särkelä says.

Online-TV trend could be utilized even more

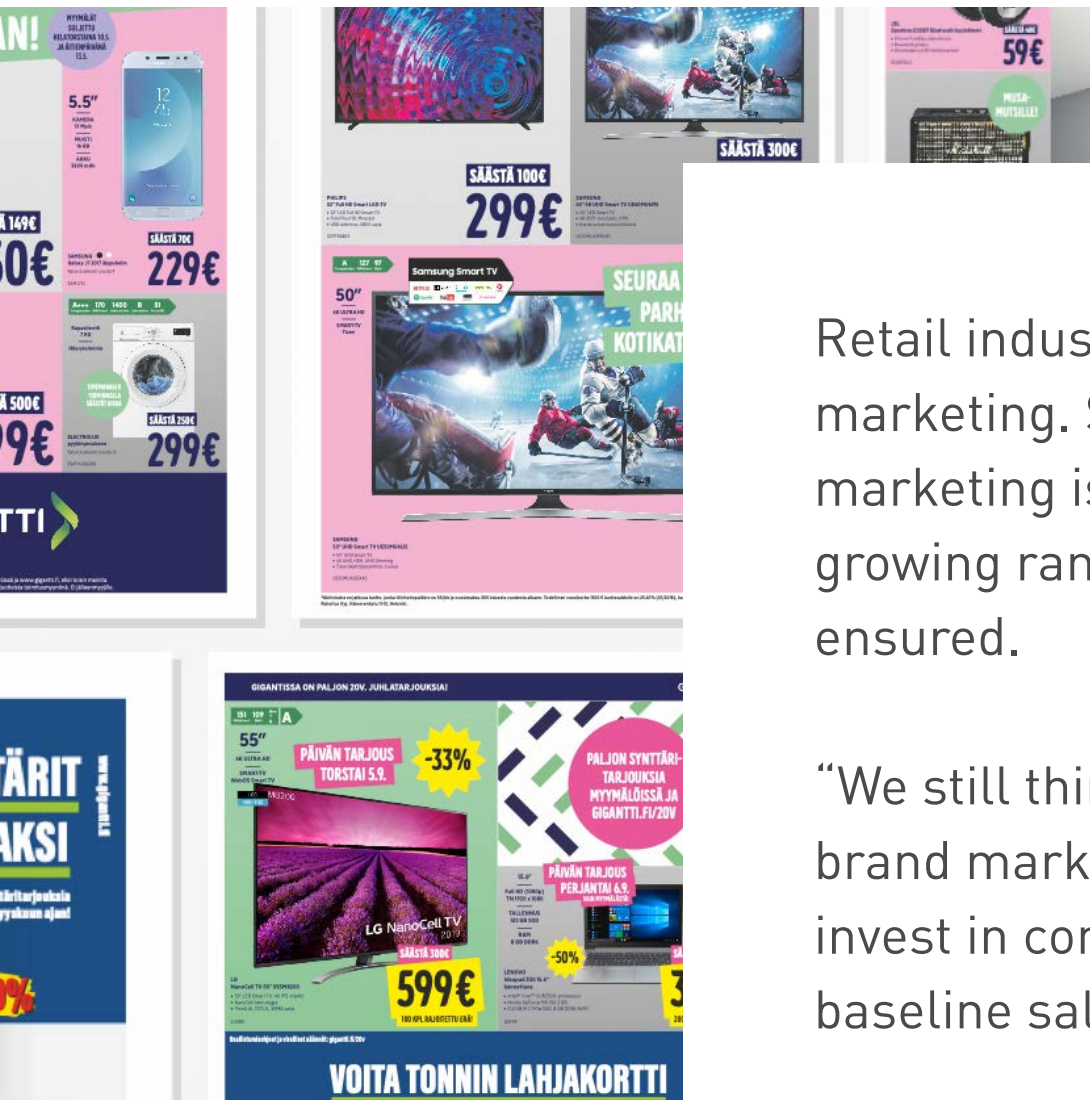
Linear Television is the most popular way to watch television, but alongside that domestic, brand-safe channels for online TV have developed further. There are already many TV shows in Finland, most of which are streamed via Internet TV, such as Dplay, Fox TV, Stage, Screen. This is especially true of favorite programs of young target groups.

“My insight is that the same content and creative implementations in linear television and streaming services are still being over-exploited in Finland. Our goal is to pay more attention to how to use streaming services more creatively and effectively”, says Särkelä.



Photo: Peter Forsgård





Retail industry has a long tradition of tactical marketing. Särkelä points out that the role of tactical marketing is already emphasized in a broad and growing range of products, which visibility must be ensured.

“We still think very carefully about how tactical and brand marketing support each other. Our goal is to invest in continuous, systematic branding to grow our baseline sales”, says Särkelä.

Gigantti has been operating in Finland for 20 years. In the early years, all advertising was very tactical and price driven, but along the way, investment in brand advertising has increased.

“The Christmas season is the most important year for us, as it is in retail industry in general, but Black Friday, Singles’ Day and other important seasons also have a big impact on sales. In all marketing, we need to be careful about what and how we communicate and pay attention to the balance between branding and tactical operations,” says Särkelä.



Learn more about marketing effectiveness

The profitability of various media channels has been the subject of much research worldwide. Many studies emphasize the importance of brand advertising alongside tactical marketing. Tactical advertising boosts sales quickly but mostly in the short term, while the leverage effect of brand advertising goes beyond.

Profit Ability: the Business Case for Advertising (2017)

Similar results have been achieved in international studies. For example, a study by Ebiquity and Gain Theory, which investigates the effectiveness of advertising (Profit Ability: A Business Case for Advertising (2017)) found that TV advertising is most likely to generate profits in the long and short term.

In the Profit Ability study, 70% of the TV campaigns surveyed were profitable. After three years, when looking at the effectiveness of a campaign, 86% are profitable.

[Read the study at Gain Theory's website](#)

Supercharge: TV for small businesses (2019)

TV advertising is often perceived as a medium only for large companies, but in reality, small companies can also profitably use television as a medium for advertising. For the study, research firm Data2Decisions researched over 300 campaigns across 78 brands of smaller advertisers. It is an econometric modeling study about advertising's effect on sales.

Thinkbox's study of small business TV advertising shows that TV performs particularly well when other media reach their "roof". As sales grow saturates, it is reasonable to allocate the advertising euros quickly into channels that generate new demand, rather than channels that leverage existing demand and awareness.

[As Seen on TV: supercharging your small business](#)

The Long and the Short of it: Balancing Short and Long-Term Marketing Strategies

A classic book by marketing gurus Les Binet and Peter Field is definitely worth reading! The book's conclusions are based on a massive data bank, and the authors have persistently studied in detail the various industries, their marketing investments and their impact on sales.

The central conclusion of the duo is that the best results from marketing are achieved when long-term brand building and short-term activating advertising are in balance. Activating marketing works, but only for a short period of time, while brand advertising increases sales in the long run. In particular, brand advertising also affects customers who weren't ready to shop after seeing the ad.

Based on UK 's advertising trade association IPA and its vast database, the most profitable campaigns were the ones in which 60% of the budget was invested in brand marketing and 40% on direct sales activating advertising.

[Les Binet: Companies don't bother to monitor long term data](#)



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