



# Panasonic Online to Store Case Study

Leveraging MarketShare's Cross-Channel Analytics Platform to Quantify the Total Marketing ROI on Sales at Retail

August 2012

# Executive Summary

1

Panasonic market share of in-store digital camera sales at the retailer increased **by 4%** during the campaign period

2

**15%** of 'Product X' in-store sales were driven by the brand marketing campaign, of which **online advertising accounts for 40%** (while being only **15%** of the campaign budget)

3

Compared to TV, online advertising delivers a higher return

Each € invested in **Paid Search delivers 9 times the ROI** on Product X sales compared to TV

- Paid Search is the most cost effective digital channel followed by YouTube (Pre Roll/demo)
- 13% of 'Product X' offline camera sales were driven by the web

4

Although the campaign was well executed, **optimising the media mix reveals sales could have been increased by 9%**, with the same campaign expenditure

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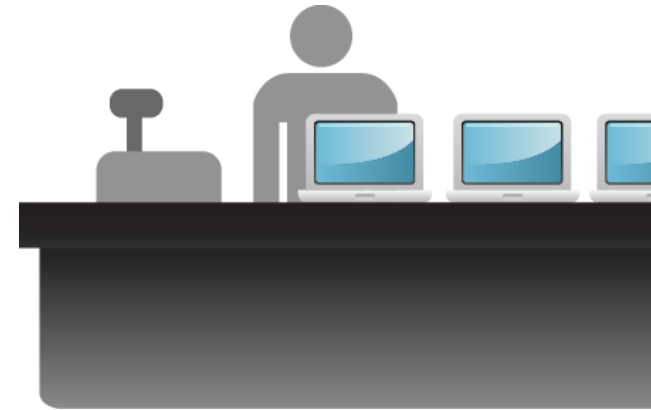
## Situation Analysis & Methodology

# Research Objectives & Scope



## Objective

To understand and quantify, using MarketShare analytics, the effectiveness of Online vs. Offline media activity on a selected digital camera product ('Product X') and **Total Panasonic** Digital Camera Sales.



## Scope

The analysis covers the compact camera segment plus all other elements of the Digital Camera Category (Hybrid, Compact/Bridge, DSLR)

The analysis was applied to **offline sales in a specific retailer** at national level.

This study quantified the drivers of **three key business outcomes:**

- Sales units
- Panasonic website traffic
- Google query volume (**GQV\***).

The analysis covered the period from 25<sup>th</sup> July 2011 to 15<sup>th</sup> Jan 2012 (**175 daily sales observations**).

# Situation Analysis



## Media investment for the Panasonic 'Product X' Campaign

TV dominates campaign spend – **85% of the budget**

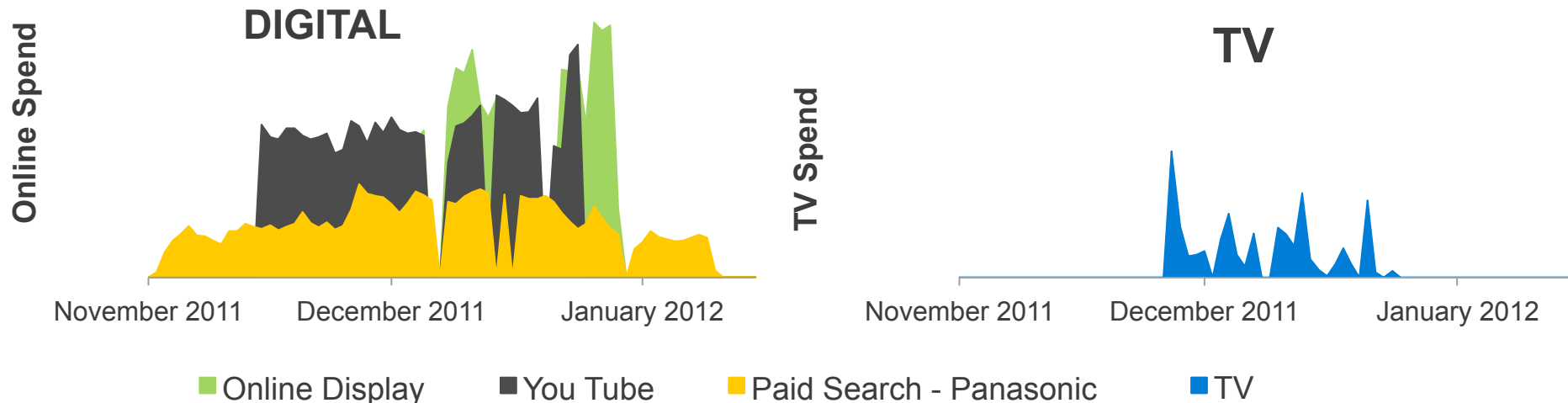
The remaining **15% is split between 3 digital channels:**

- YouTube (6%)
- Online Display (5%)
- Paid Search (4%)

Panasonic **digital spend and share of wallet** on the camera category **have increased** over Xmas 2011 vs. previous year

Panasonic **share of voice for digital has also increased vs. competition** while the plurimedia one remained stable year on year with competitors such as Nikon communicating actively

Panasonic Media Spend  
(Q4 2011 – Daily)

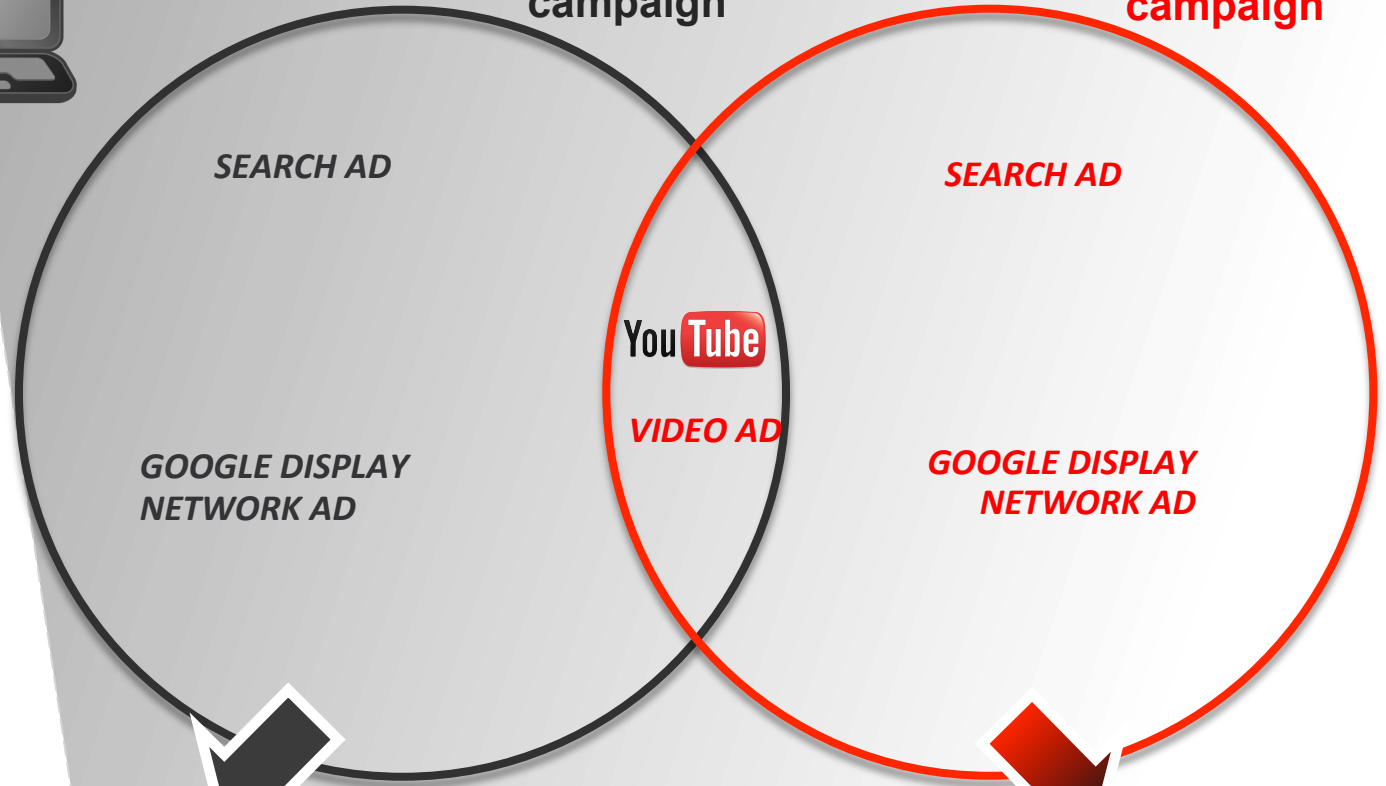


# Campaign overview



'Product X'  
campaign

Direct Response  
campaign



'Product X'  
information  
page at  
Panasonic site

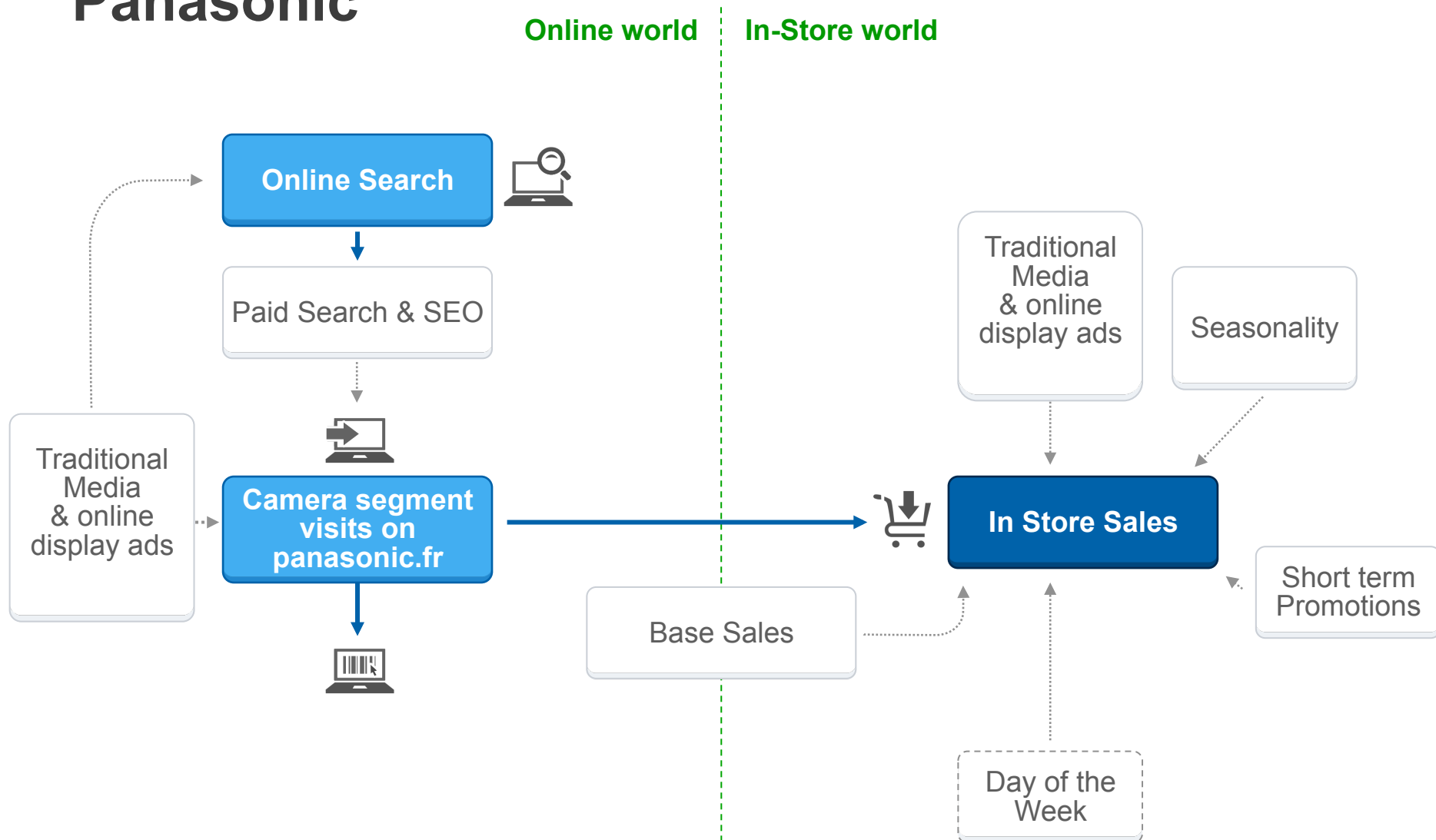
Direct response  
campaign page  
at  
Panasonic site

# Methodology & Analytical Approach

MarketShare constructed predictive dynamic models that accurately estimate Panasonic Digital Camera sales. The models evaluated all potential drivers – with the key elements illustrated below.



# Methodology: Variables analyzed for Panasonic







## Project Results: Offline To Retail Sales

What are the key drivers of Offline to Retail Sales for Panasonic products?

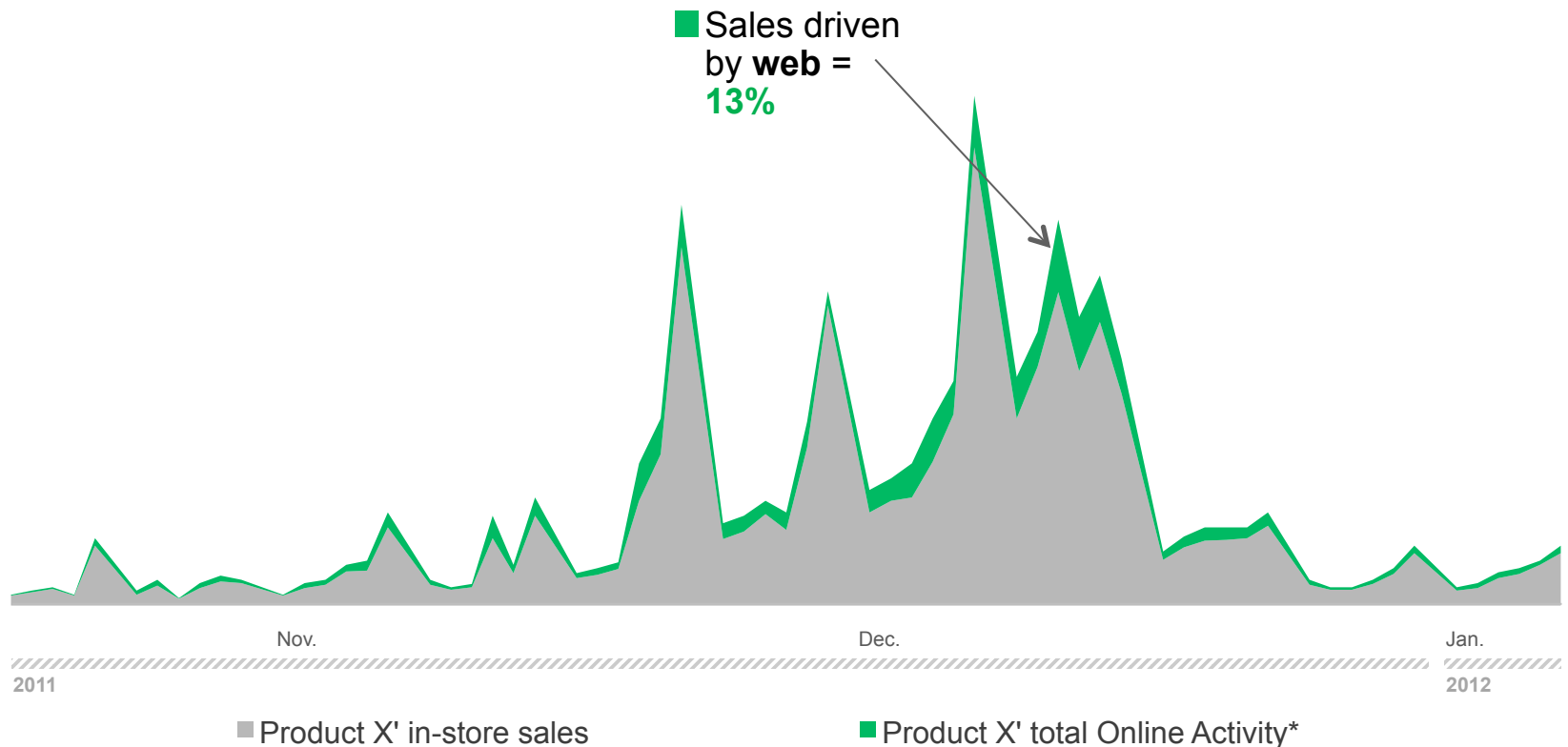
# 'Product X' sales volume over time



**13%**

of 'Product X' offline sales at the retailer **are driven by web traffic visits.**

'Product X' model Sales Volume



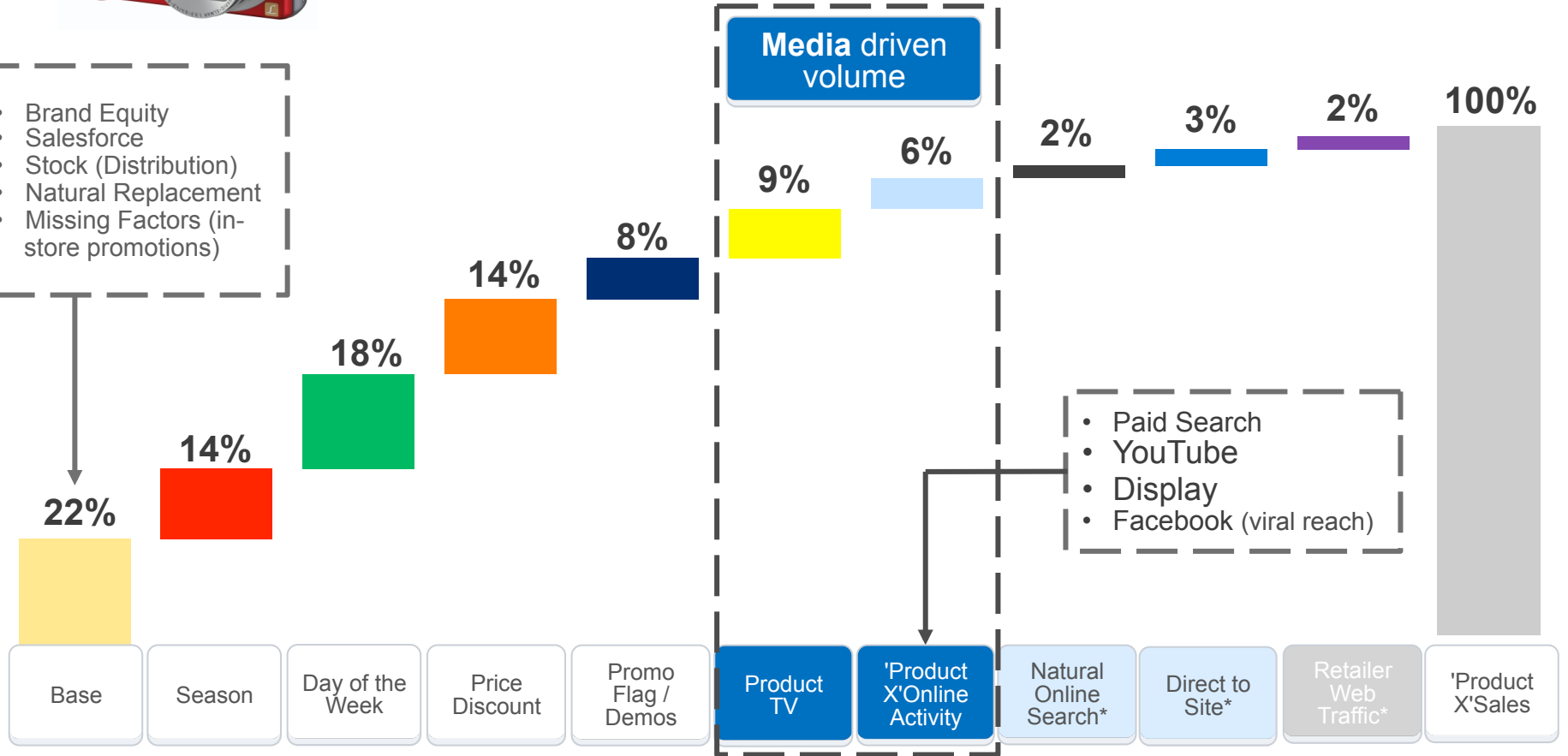
**Total 'Product X' Online Activity = 1. 'Product X' online activity, 2. Natural Search, 3. Direct to Site and 4. Retailer web traffic**

# Understanding the drivers of 'Product X' sales



**15%** of offline retail sales comes as a result of 'Product X' Brand marketing.

- Brand Equity
- Salesforce
- Stock (Distribution)
- Natural Replacement
- Missing Factors (in-store promotions)



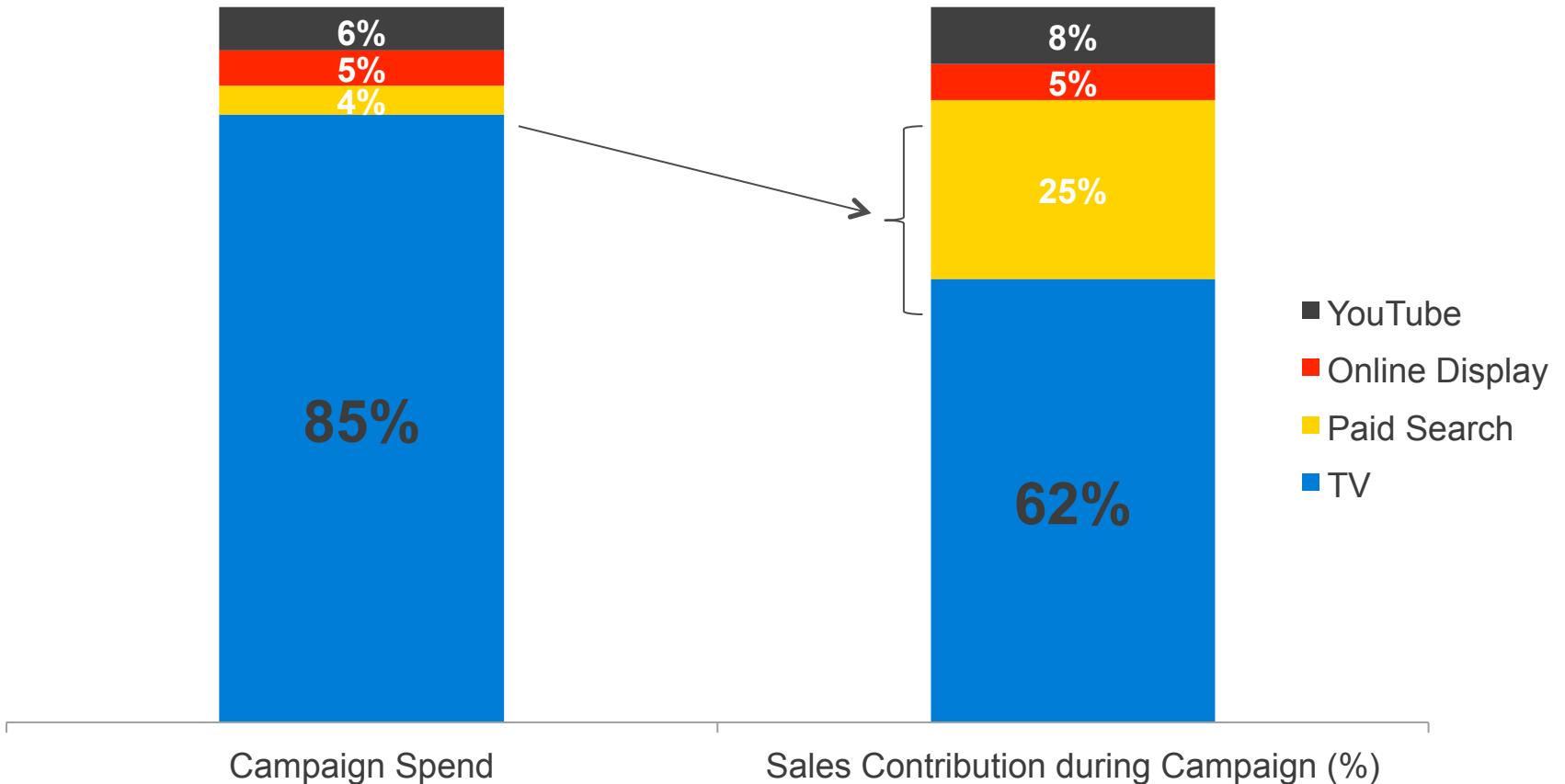
**Retailer Web Traffic\*** is defined as total **Retailer's domain**  
**Direct to Site\*** and **Natural Online Search** is defined as Camera segment visits to  
 Panasonic's sites

# Campaign spend versus Retail Sales contribution



**25%**

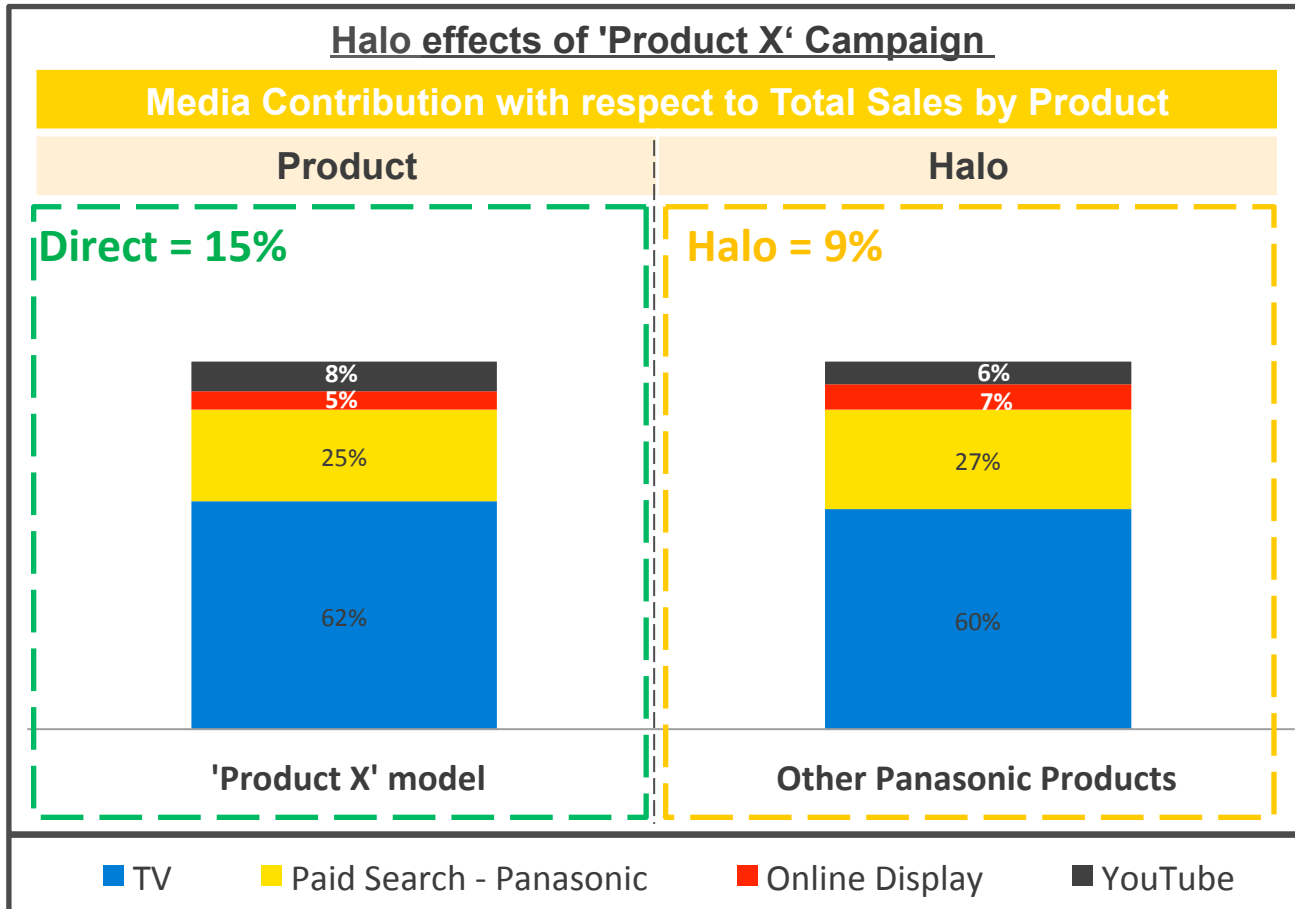
of Media generated '**Product X**' sales are driven by Paid Search.



# Halo effects of 'Product X' Campaign on to other Panasonic Products



**TV** has the strongest halo effect on other Panasonic products followed by **Paid Search**



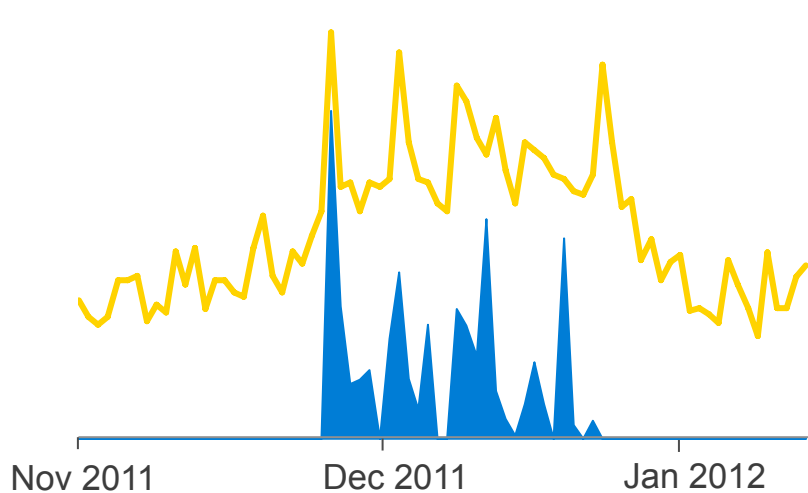
# Online and TV – the synergy effect isolated



Online sales contribution is **enhanced by 1% when run concurrently with TV.**

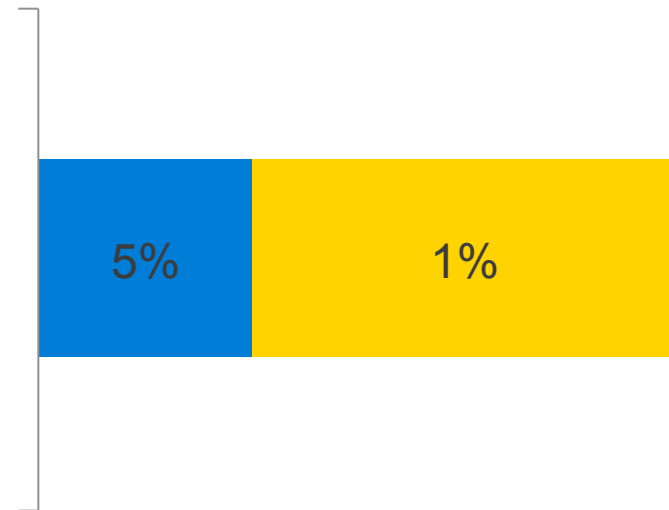
## Online contribution driven when TV is On-Air – 'Product X'

'Product X' TV Advertising vs. Search Query Volume



- TV Gross Spend in €
- Total Panasonic Search Query Volume

'Product X' online Activity



- Direct Online contribution
- Online contribution driven when TV is On-Air



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## Project Results: ROI of media spend

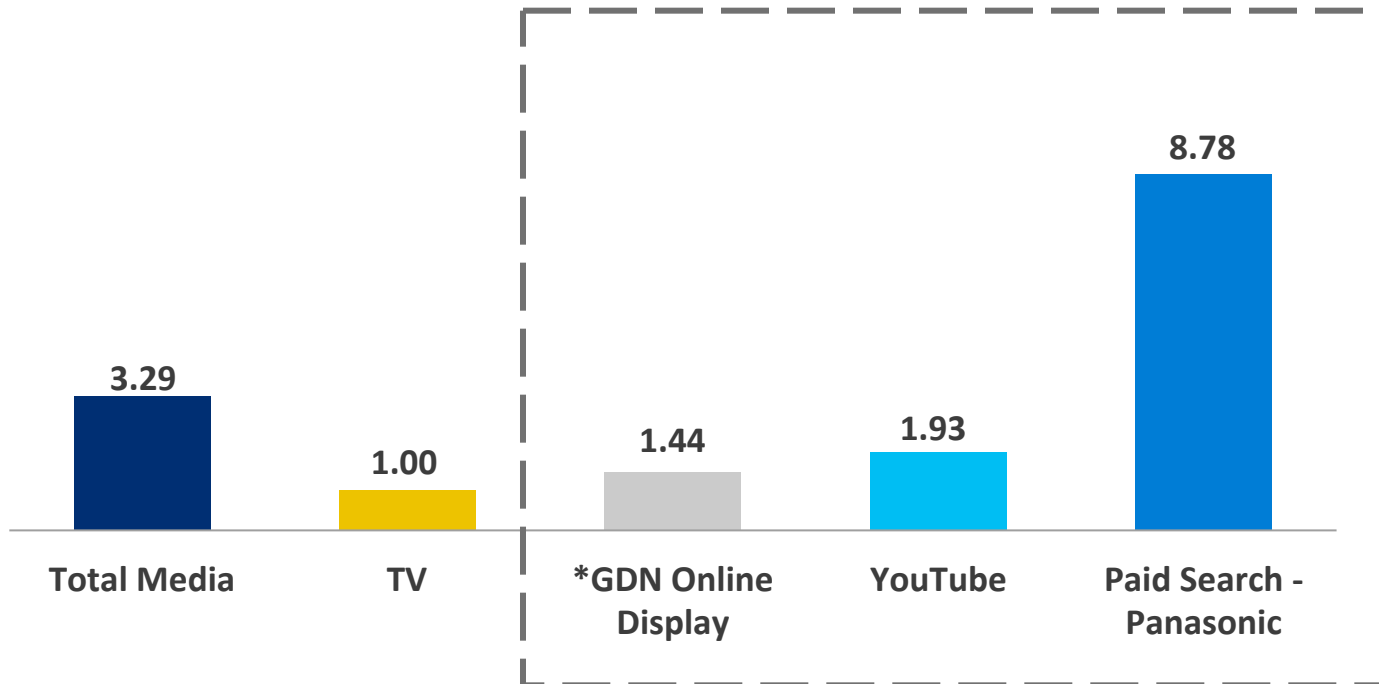
What is the ROI on Panasonic Marketing?

# ROI – Panasonic Product X campaign



**Product X paid search** campaign had the **highest payback**, with an ROI 8.78 times greater than the TV campaign

All ROI numbers are indexed relative to TV



\*GDN = Google Display Network

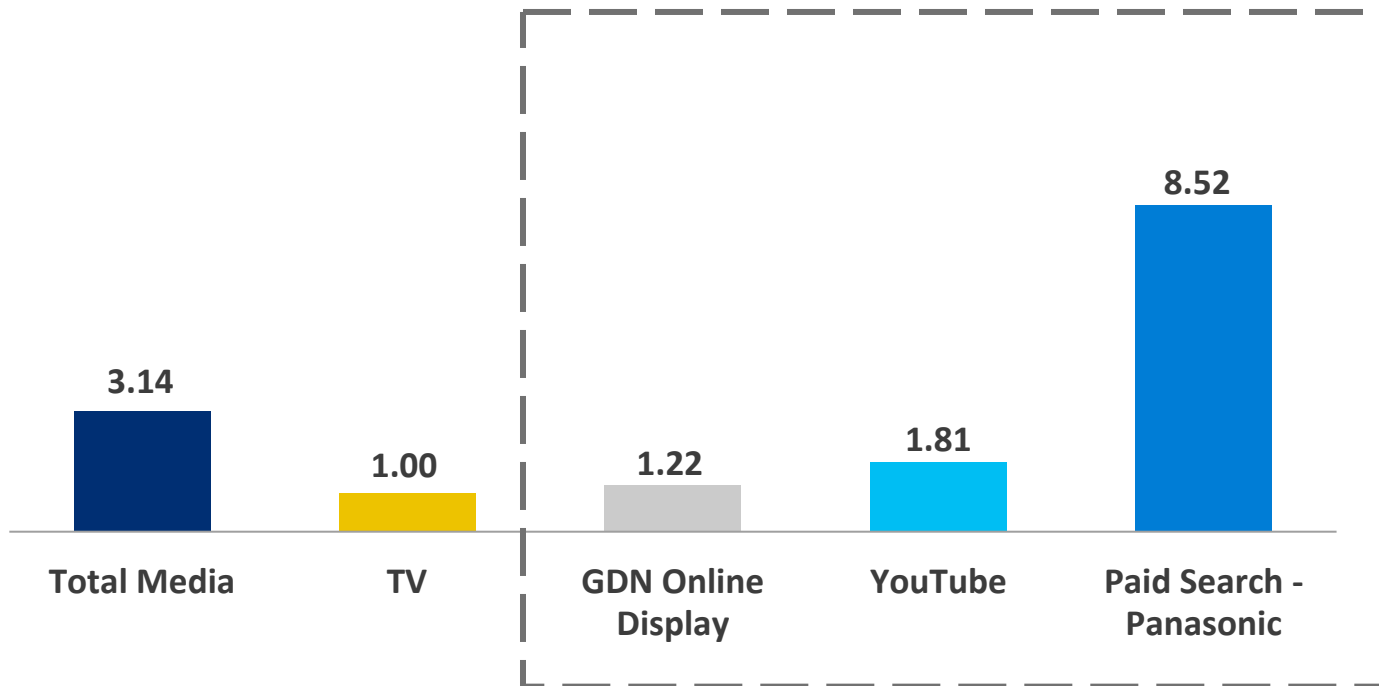


# ROI – Total Panasonic digital camera range



Accounting for **cross product halo effects**, product X paid search campaign **still** had the **highest payback**, with an ROI 8.52 times greater than the TV campaign

All ROI numbers are indexed relative to TV



\*GDN = Google Display Network

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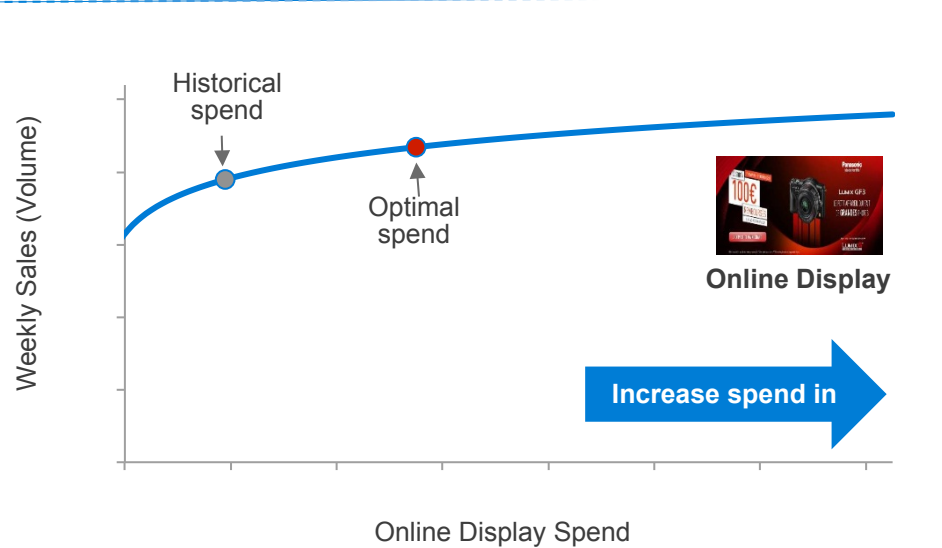
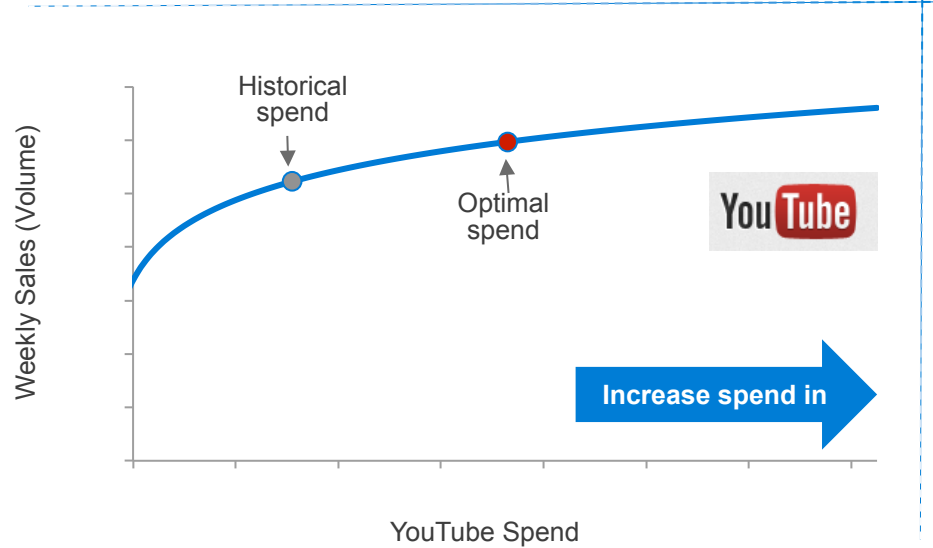
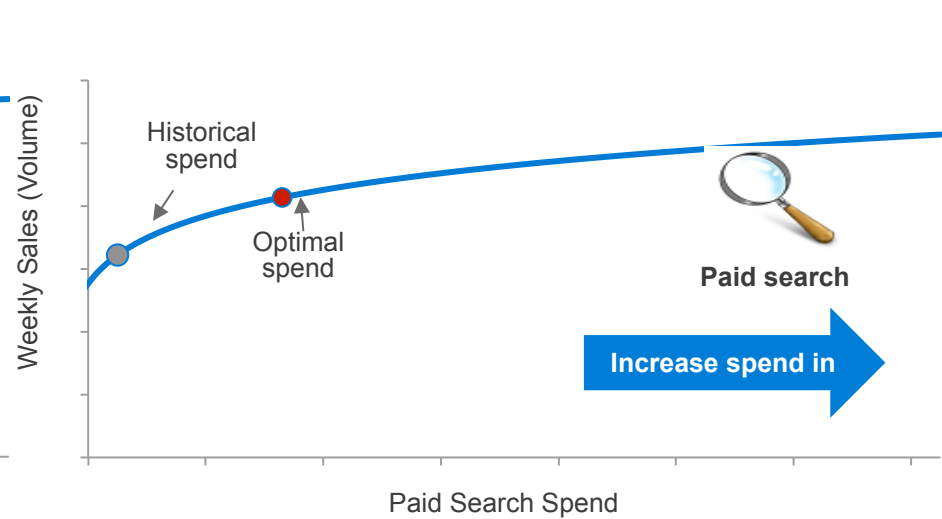
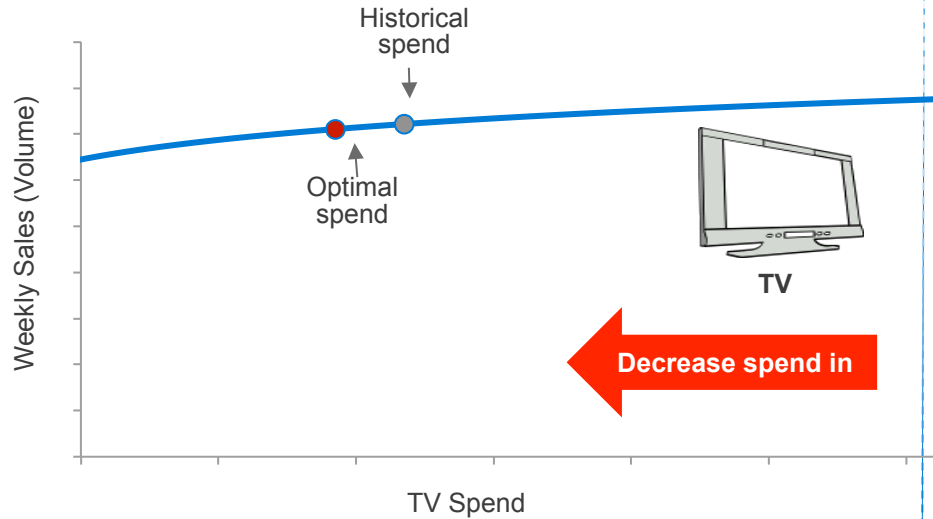


## Project Forecast

What is the Optimal point for Brand Investment Activity?

# Optimal spend levels for each communication channel

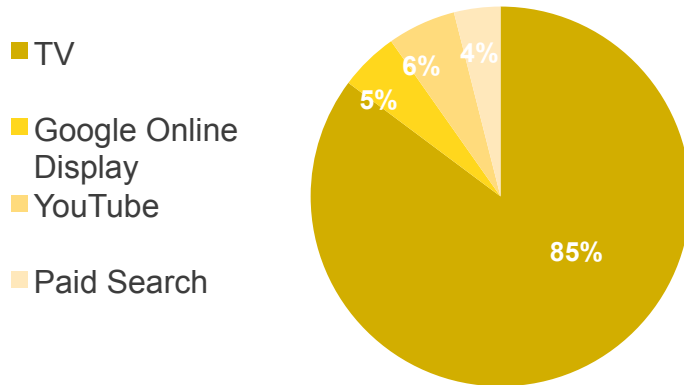
Finding the right level on each of the curves identifies the most efficient mix.



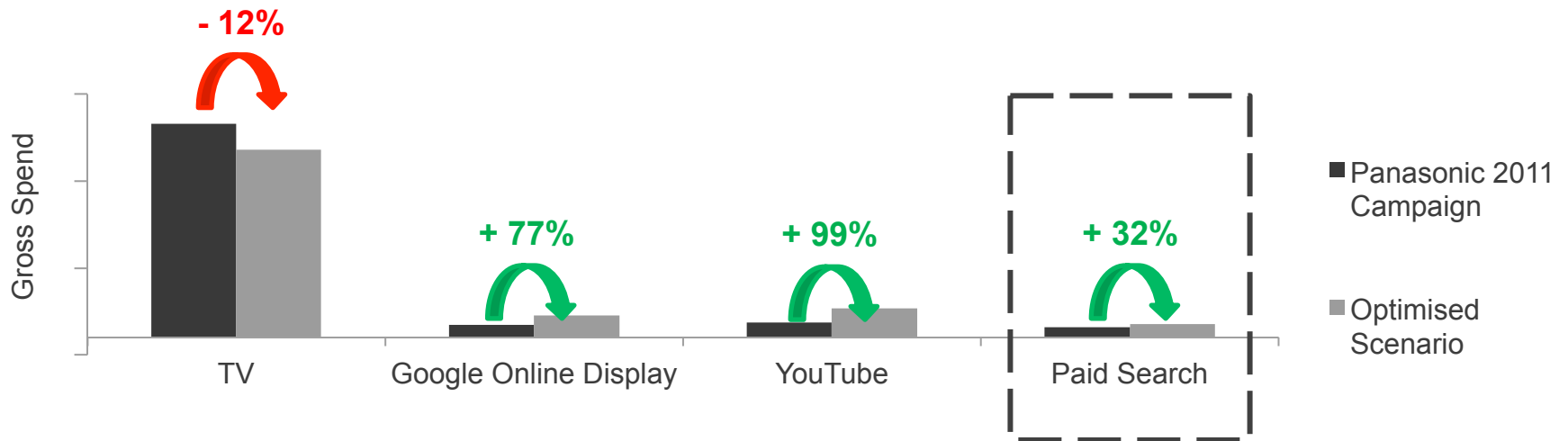
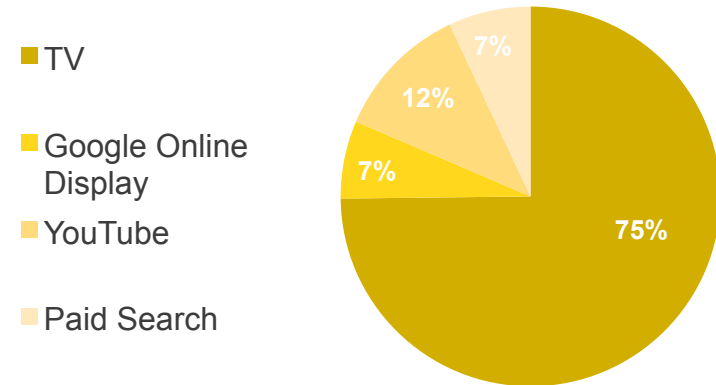
# Increasing revenues with the optimal media mix

Shifting a share of the TV plan to digital channels **delivers an opportunity to increase sales by 9%** with the same level of spend.

## Panasonic 'Product X' Campaign



## Optimised scenario



**Constraints :** inventory constraints on Search and GDN + minimal GRP coverage achieved through TV plan



## Insights Summary and Actions

# Insight > Action

## Insights

1. **Consumers research on the manufacturer website prior to in-store purchases**
2. **The 'Product X' campaign also drives purchases of other products in the Panasonic category portfolio**
3. **Opportunity to increase sales by 9% by reallocating the marketing mix**
4. **Paid Search and YouTube have the highest ROI across all media drivers**

## Actions

- **Ensure you drive visits on your website through online media activity**
  - **Synchronize budget levels and timing with offline activity to capitalize on traffic conversion**
- Balance brand messaging with Product information to increase Panasonic overall sales**
- Scenario planning for next campaign and deployment of optimal integrated media mix**
- **Complement any offline plan with Paid Search and YouTube to achieve higher revenues and incremental reach**
  - **Anticipate by planning always-on campaigns and briefing creative agencies well in advance**