BUILDING BOX OFFICE BRANDS

VOLUME II

PROVING THE UNIQUE VALUE AND ROI OF CINEMA MEDIA IN TODAY'S CROSS MEDIA LANDSCAPE

MillwardBrown digital cinema media Benchmarketing

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FOREWORD BY KAREN STACEY

CEO, Digital Cinema Media

The Godfather Part 2, *The Dark Knight* and *Star Wars: Episode V – The Empire Strikes Back*. What do they all have in common? Well, arguably all three movies took what made the first films so successful and delivered an even bigger and better sequel. Building Box Office Brands: Volume II is our first foray into a sequel here at Digital Cinema Media (DCM) and we're hoping you'll agree that it's a blockbuster follow-up to last year's original.

In November 2015, we launched Building Box Office Brands as part of our long-term partnership with Millward Brown to help advertisers and agencies understand the real value that cinema delivers for brands within a cross-media plan. Each channel works together to deliver a combined plan, based on their own key strengths and within this cinema has a key role to play. **Results revealed that cinema delivers the strongest impact per person of all media channels across four of the five key brand-building metrics that Millward Brown knows are indicators of brand growth and value.**

However, we know that for many advertisers **the ultimate measure of success is whether the campaign is able to deliver a return on investment (ROI)**. The last cinema industry ROI study was released in 2012 and given the level of change across the media industry since then we were keen to understand cinema's impact on campaign return on investment in today's landscape.

This year we are pleased to be able to incorporate new ROI insight into our Building Box Office Brands study thanks to the expertise of Marketing Knowledge consultancy, Benchmarketing, which is part of the Omnicom Media Group. By tapping into their databank of campaigns we are able to reveal for key sectors how **cinema investment can help advertisers optimise the return their ad campaign delivers.**

We hope this new and improved insight into the value of cinema advertising helps you understand the role that the big screen can play for your brand, and why cinema should be an integral part of any AV media plan to drive brand impact and grow brand value.

INTRODUCTION

In 2015 DCM, in partnership with Millward Brown, launched Building Box Office Brands, a study which aimed to help advertisers and agencies truly understand cinema's role in the media mix and the impact it delivers. **DCM commissioned the project to help advertisers navigate a world where fast-changing media habits have led to more content, more screens and more ways than ever for brands to connect with their audiences.** In this fragmented landscape, where the majority of people are consuming multiple media simultaneously, it's becoming harder for advertisers to really grab people's attention.

The findings of this first publication revealed how **cinema's ability to provide this much sought-after audience attention ultimately delivers significant, and in many cases, unbeatable contributions per person reached across some of the most important brand-building metrics.** The analysis of 183 European case studies revealed that traditional channels such as cinema, TV and magazines remain crucially important for brand growth.

In this age of digital disruption, brands still need mass appeal to grow and this highlights another current issue facing advertisers in today's media landscape – the balancing act between precision targeting and building brand fame.

Some brands have spent increasing amounts of budget investing in precision targeting – however the pendulum has potentially begun to swing too much in its favour. After all, the IPA Databank has consistently shown that "fame" campaigns are the most effective across all measures.

Brands need to carefully balance the desire to precisely target consumers with campaigns that are going to give them cultural traction and build their brand fame. This is where cinema can excel, providing advertisers a chance to align their brands with some of the best quality, most entertaining storytelling around.

With Building Box Office Brands Volume II our aim is to reiterate the power of cinema as an advertising medium – encompassing the findings from 228 Millward Brown European CrossMedia studies and adding new return on investment insight from Benchmarketing Marketing Knowledge consultancy.

DCM understands that proving return on investment is key for advertisers and this is the first step in a long-term process of providing robust and actionable data that can show how cinema can be used as part of the wider media mix to deliver increases in total media effectiveness.

SUMMARY OF FINDINGS: 6 KEY TAKEAWAYS

Building Box Office Brands: Volume II continues to explore the role of cinema in today's cross-media landscape. Drawing on the combined learnings of 228 Millward Brown CrossMedia European case studies, with almost half from the UK, it provides the latest insight on how each medium performs against five key brand-building metrics proven to drive brand value and sales growth. Results reveal another strong performance for cinema, delivering unbeatable contributions per person reached across four of the five metrics. For Volume II, Digital Cinema Media (DCM) has also partnered with the highly respected econometrics consultancy, Benchmarketing, to understand how cinema delivers return on investment for advertisers.

1. CINEMA MAKES BRANDS MEMORABLE

Achieving this strong salience (awareness) is crucial for brands to ensure they are top of mind when consumers come to make decisions. Cinema, TV and magazines are the best contributors to awareness per person reached. While TV has the benefit of frequency, the results highlight the real value in the quality of exposure. Exposure to the ad on the big screen when the audience is undistracted and engaged helps drive the strongest impact per person reached.

2. CINEMA CREATES A BRAND LOVE STORY

Love is an important ingredient for brands which are looking to grow – when there is often little separating products in a functional sense, a brand that is more lovable is more likely to be chosen. AV channels dominate when brands are looking to make audiences fall in love, with cinema, TV and online video delivering the strongest contributions. The big screen remains the best place for brands to tell their stories, emotionally engage audiences and grow affinity.

3. CINEMA GENERATES BRAND DIFFERENCE

Being perceived as unique or setting trends is key to help brands stand out, attract new customers and command better loyalty. Cinema is the number one place to create brand difference, delivering the biggest contribution per person reached. The engaging, comparatively clutter free environment that cinema provides is the perfect blank canvas for brands. It allows them the creative freedom to tell their brand stories, establish a sense of trust and achieve stand out.

4. CINEMA TURNS AUDIENCES INTO CUSTOMERS

Consideration is one of the most crucial steps on the path to purchase. After all, someone can be aware of your brand and still not buy it. Cinema is the most successful medium at driving consideration for brands, with a contribution per person reached almost twice as much as magazines, the next best-performing channel. Cinema is able to offer brands an upmarket, affluent audience in an engaged environment that can help drive consideration further.

5. CINEMA WINS INFLUENTIAL FANS FOR BRANDS

Word of mouth is one of the most influential touchpoints in the consumer decision-making process. Consumers are placing increasing value on recommendations from peers and trusted sources. Magazines and cinema provide brands with the biggest contribution to recommendation per person reached. Tapping into the socially-savvy cinema audience is a great way of generating talkability and buzz around a brand.

6. CINEMA DELIVERS RETURN ON INVESTMENT

Cinema's impact drives significant revenue return on investment (RROI) and advertisers should be making more use of the big screen in their campaigns. Food FMCG, Telecoms, Travel & Transport and All Services advertisers are currently underinvesting in cinema and by raising their cinema spend to recommended levels they could see an increase in their overall campaign RROI.

DCM & Millward Brown's ongoing partnership

To understand cinema's impact on key brand-building metrics, DCM has once again partnered with Millward Brown, one of the leading global research agencies specialising in helping brands grow through advertising effectiveness and brand equity research.

Since the publication of Building Box Office Brands in November 2015, Millward Brown has measured another 45 campaigns across Europe using its CrossMedia methodology and incorporated these studies into the meta-analysis to reveal the latest, definitive impact that paid media has on key brand metrics.

Results are once again published at a European level to ensure a robust sample for channels across the five core metrics – with the UK being the biggest contributor to the database, with 108 campaigns.

Understanding CrossMedia

Millward Brown's CrossMedia solution is rapidly being seen as the global industry standard in multi-media brand measurement. CrossMedia is designed to evaluate how paid marketing activities affect key brand equity measures such as awareness, engagement and consideration.

How does it work?

Through understanding when a brand's marketing activity is running and the media consumption habits of the target audience, Millward Brown is able to understand the audience's exposure to the paid media activity.

As part of the CrossMedia methodology Millward Brown also understand how consumers are pre-disposed towards a brand. Controlling for this potential bias is key to the process and is achieved through a comprehensive bank of questions asked to each respondent.

Predisposition can include variables such as underlying involvement factors and ongoing influences. Underlying involvement factors include previous category interest, brand involvement and purchase behaviour. While, ongoing influences account for the impact had by variables including previous campaigns, wider sponsorships, word of mouth and news coverage.

By accounting for these variables, Millward Brown is able to control for potential bias and reveal the true performance of the media campaign, and how each individual channel has contributed to the key brand-building metrics.

Understanding the metrics

Once again this year we will explore the contributions that paid media channels including cinema, TV and online video deliver for advertisers. Results will again focus on five core metrics:

- **Brand Salience**
- **Brand Love**
- **Brand Difference**
- **Brand Consideration**
- **Brand Recommendation**

Results will report the impact each channel has contributed towards the specific metric and in particular highlight the key role that cinema can play as part of the mix.

Across these brand-building pillars, the results focus on two specific measures reported by Millward Brown:

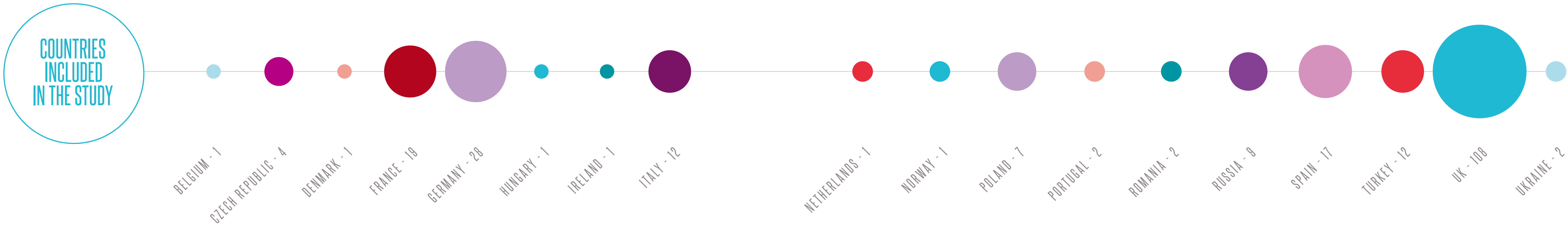
Impact Per Person (IPP)

Contributions made by each of the paid media channels are reported 'per person reached'. This metric only takes into account the impact among individuals who have ACTUALLY been exposed to the campaign on each of the media channels. By stripping out the influence of reach, Millward Brown puts all media channels on a level playing field.

Media efficiency (Contribution per £1m)

As well as understanding the impact each medium is having on key brand measures, it's also important to understand how efficient each channel is in delivering its contribution.

For the purposes of this analysis, we're comparing the efficiency of each media based on what impact a brand would achieve for every £1m spent on the channel. This is calculated by dividing the Impact Per Person reached by channel spend (in millions).



Why is building a meaningfully different brand important?

Over the last 11 years Millward Brown has been publishing rankings from the world's largest brand equity database, BrandZ, as a result of speaking to three million consumers about 100,000 different brands across 50 markets.

The 2016 BrandZ Top 100, featuring UK brands such as Vodafone, HSBC and BT, revealed that the combined brand value of the top 100 brands has hit $3.4 trillion – increasing 3% YOY and by 133% since 2006.

So despite it having been an economically challenging decade across the globe, the BrandZ results highlight how strong and valuable brands have continued to fare well.

BrandZ research has shown that for brands to be strong, valuable and successful, it's essential for them to challenge the status quo or continually refresh what they offer to ensure they are the most meaningfully different brand to consumers. It's these brands which grow the most and at the fastest rate.

It's important to create predisposition in the minds of consumers to choose your brand (and be willing to pay more for it) and three key factors emerge from Millward Brown's Meaningfully Different Framework.

Each of these factors can drive predisposition, but combined together they work to create the strongest brand equity:

Meaningful

Create sense of affinity towards the brand and establish how the brand meets consumer needs.

Different

Demonstrate how the brand is unique (in a positive way), innovates and sets trends that have a benefit to the consumer.

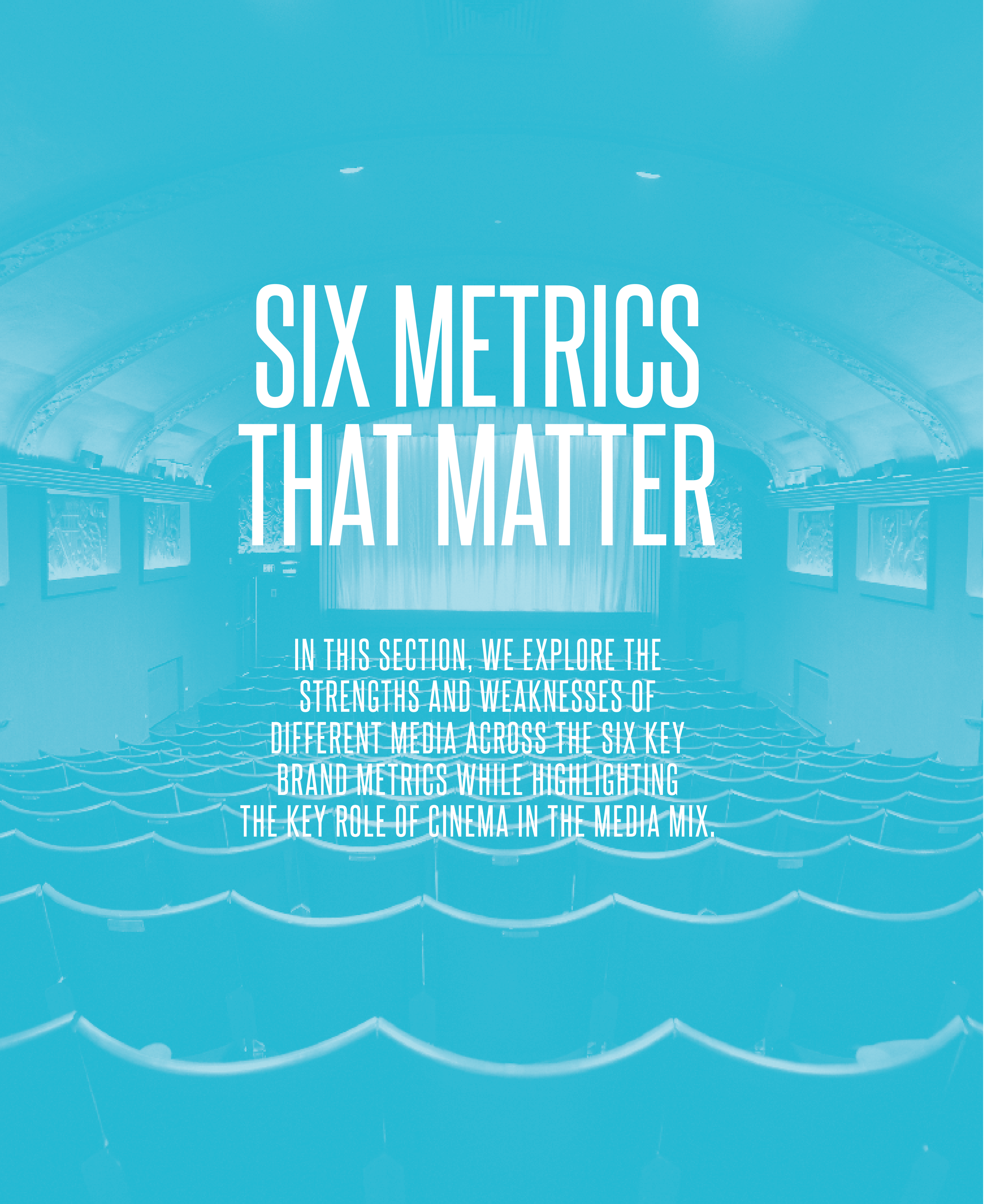
Salient

Ensure the brand is the one that comes to mind spontaneously when people think of a certain category.

Advertisers that understand and apply these principles to their brands and their marketing find themselves being able to establish a stronger position in their category. For example, Google – the number one brand in the 2016 BrandZ rankings – has continually evolved its offering, launching consumer-friendly developments that enhance the brand experience.

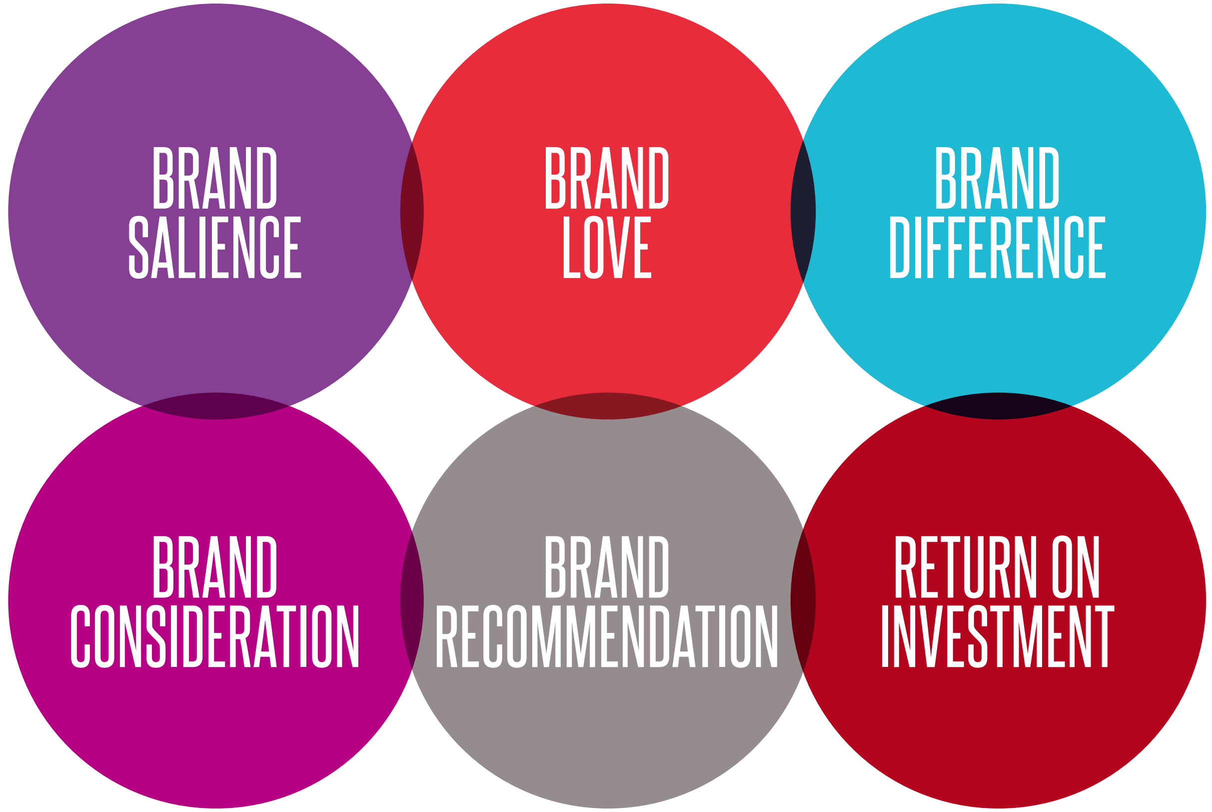
At a very basic level, Google has the answers, it helps and it's easy to use. Google has been able to convert this meaningful difference into a more lasting love which ultimately has had a positive impact on the brand and its value.

So the key question for marketers who are trying to build this meaningful difference is which media channels can help contribute towards these key brand metrics effectively and efficiently?



SIX METRICS THAT MATTER

IN THIS SECTION, WE EXPLORE THE STRENGTHS AND WEAKNESSES OF DIFFERENT MEDIA ACROSS THE SIX KEY BRAND METRICS WHILE HIGHLIGHTING THE KEY ROLE OF CINEMA IN THE MEDIA MIX.



ONE OF THE CORE METRICS OF MILLWARD BROWN'S MEANINGFULLY DIFFERENT FRAMEWORK IS SALIENCE (AKA AWARENESS). BRAND SALIENCE IS THE DEGREE TO WHICH A BRAND IS THOUGHT ABOUT OR NOTICED WHEN SOMEBODY IS GOING TO MAKE A PURCHASE. THIS MAKES IT A KEY INGREDIENT FOR BRANDS THAT WANT TO GROW AND BECOME MORE SUCCESSFUL.

After all, you can't be a strong and powerful brand if nobody knows who you are, or your brand doesn't come to mind at the right moment. It's therefore crucial, from a media perspective, that campaigns are placed in environments that will help them cut through and allow the brand name to resonate with the audience it reaches.

Millward Brown measures three different elements of awareness as part of its CrossMedia research – unaided brand awareness, aided brand awareness and communications awareness. For simplicity's sake we have combined these three key awareness metrics into one overarching awareness KPI to allow us to see which channels offer the biggest impact per person in terms of campaign and brand cut through.

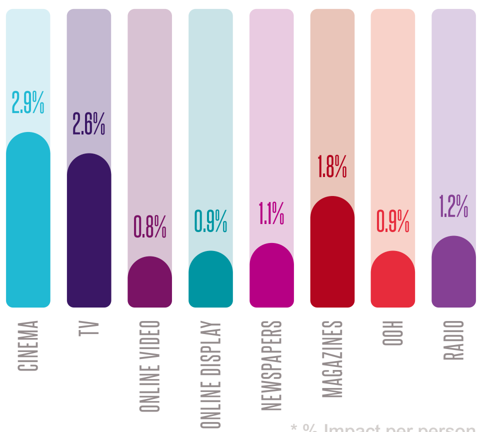
CrossMedia findings

The analysis of the CrossMedia databank reveals a very positive story for advertising via paid media, with all channels making contributions to brand and campaign awareness.

Cinema and TV have the most significant impact on awareness, delivering an average impact of 2.9% and 2.6% per person reached respectively. Unsurprisingly TV is strong here thanks to its ability to quickly build frequency, aiding campaign and brand cut through.

Cinema, as a low frequency channel, doesn't work in the same way but the results here indicate that there is real value in the quality of the exposure delivered by advertising on the big screen. This makes cinema a key addition alongside TV on any AV plan to maximise campaign and brand cut through. Factor in that cinemagoers are notoriously lighter TV viewers and this also enables cinema to build incremental cover above the mass audience reach delivered by TV.

Media contribution to Brand Salience*

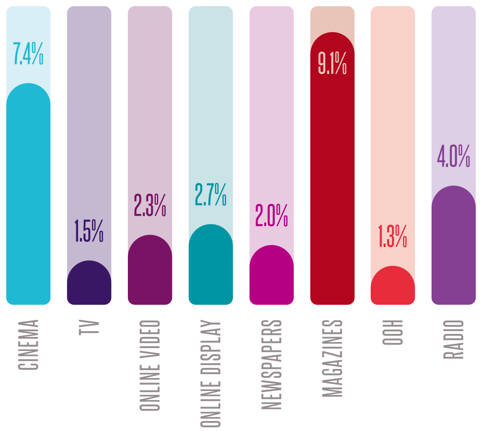


* % Impact per person

Cost efficiency

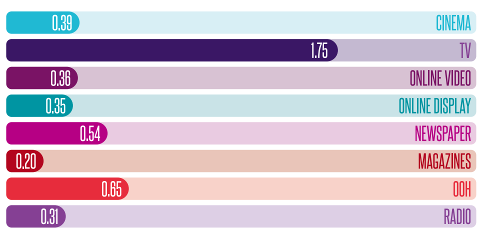
The benefit of cinema also becomes clearer when you consider the efficiency with which it can make an impact. For every £1m invested, cinema delivers an average contribution of 7.4% per person reached for awareness, making it the most efficient of the AV channels. Efficiency is also the strong suit of magazines, demonstrating that both cinema and magazines should more readily be included as complements to mass reach channels like TV to help build awareness as efficiently as possible.

Media contribution per £1m spend*



* % Impact per person

Average spend (£ in M)



CASE STUDY: SKY FIBRE BROADBAND

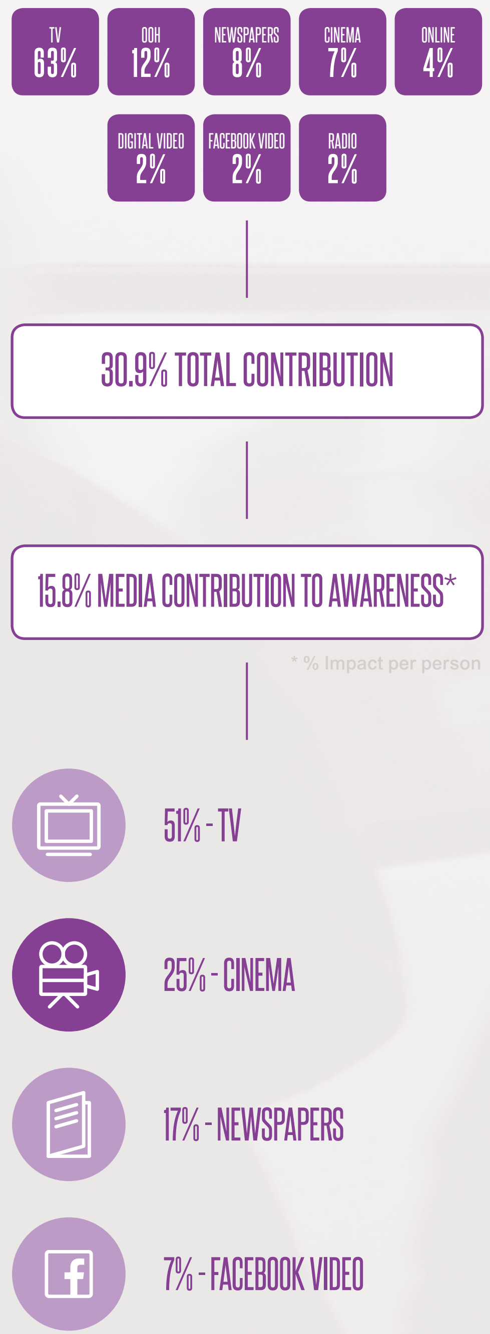
Measure	Comms Awareness
Country	UK
Category	Telecoms/Technology
Objectives	Increase awareness of Sky Fibre offering and its reliability
Target audience	ABC1 25-54 Adults

In April 2016, Sky launched a new campaign promoting its Fibre Broadband service that used Quicksilver and other characters from the upcoming *X-Men: Apocalypse* film to bring to life the speed and reliability of its offering. Cinema offered Sky a great way of engaging its upmarket, affluent target audience with relevant and appealing AV copy. The cinema campaign ran as an AGP, featuring in a range of films leading up to the release of *X-Men: Apocalypse* where the ad ran in the Content Spot.

The campaign cut through well among the primary target audience of consumers who are "quite likely to switch broadband provider in the next year" helping to deliver a significant contribution to communications awareness.

The overall campaign contributed 15.8% to communications awareness per person reached – with over half of this impact delivered by TV, in line with the channel taking the lion's share of the campaign spend. Cinema was able to play a significant role too, delivering a quarter of the impact, despite only accounting for 7% of the campaign spend. Newspapers and Facebook video also made a significant positive contribution towards communications awareness.

% Channel Split



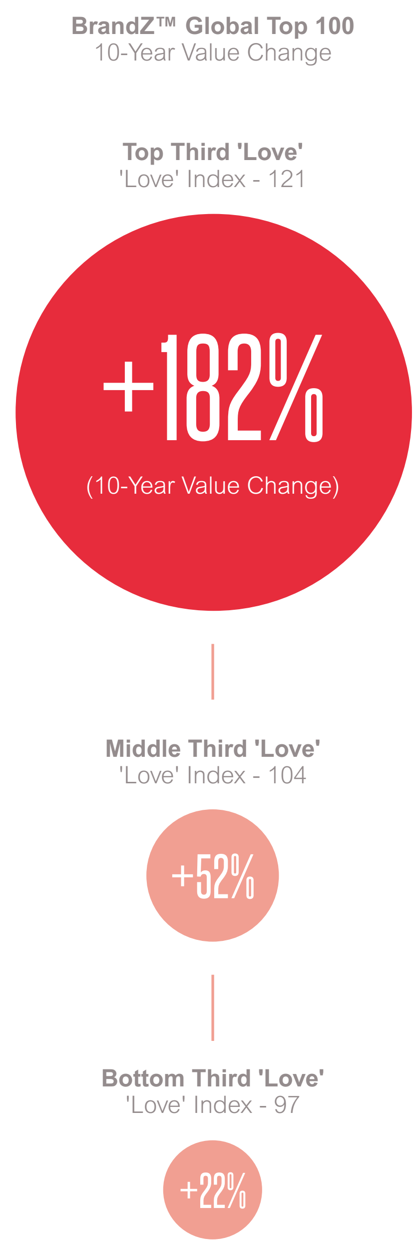
Number of case studies per media channel
Cinema: 52 | TV: 220 | Online Video: 74 | Online Display: 192 | Newspapers: 70 | Magazines: 49 | OOH: 130 | Radio: 64

BRANDS THAT ARE LOVED BY CONSUMERS GROW RAPIDLY IN VALUE. THE MILLWARD BROWN WPP BRANDZ 'LOVE' METRIC PROVES THAT THE IMPACT OF CREATING THIS CONNECTION WITH YOUR AUDIENCE IS HUGE. OVER THE PAST 11 YEARS, BRANDS SCORING HIGH IN 'LOVE' INCREASED IN VALUE 8X MORE THAN BRANDS WHO SCORED LOW ON 'LOVE'.

Love measures the emotional affinity of a brand –- we're not simply talking about making the brand feel fuzzy and friendly. That's perfectly fine (if it's genuine), but it's actually about trying to build a true emotional bond between a brand and a consumer. In many categories there is often little separating products in a functional sense so a brand that is more lovable is more likely to be chosen.

Loved brands exist in partnership with their customers and try to understand the world from the customer's point of view. If a brand is able to build this affinity it means consumers are not only more likely to choose the brand but they're also more willing to pay a price premium for it too.

So when it comes to planning, which media channels are the 'must- haves' for helping build stronger levels of Brand Love?



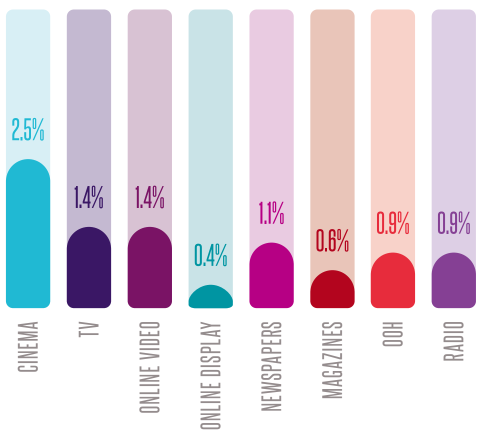
Three groups of brands from the 95 common brands valued in the BrandZ Global Top 100 in both 2006 and 2016. Source: BrandZ / Millward Brown

CrossMedia findings

All channels can help contribute to Brand Love, but it's the AV channels – cinema, TV and online video – which excel when it comes to building affinity. The results prove that there is nothing more emotional than great AV content for helping brands connect with audiences.

AV channels provide advertisers the chance to tell compelling stories that emotionally engage audiences and create this sense of 'love'. Factor in the well-targeted audience, higher quality experience and the positive mindset you're in when you're about to watch a new film, and you can understand why cinema is so well placed to contribute towards affinity.

Media contribution to Brand Love*



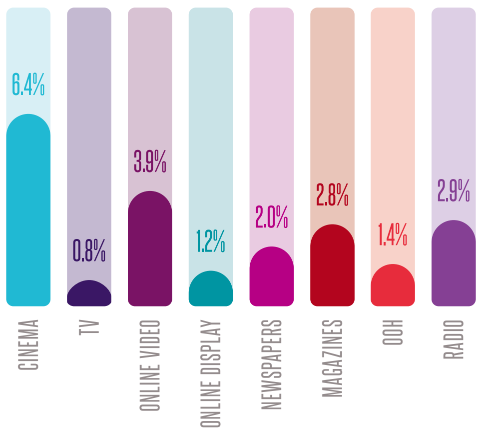
* % Impact per person

"THERE IS NOTHING MORE EMOTIONAL THAN GREAT AV CONTENT"

Cost efficiency

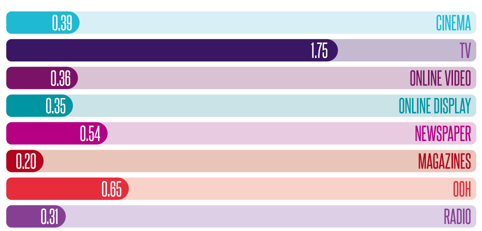
Cinema leads the way in terms of efficiency for this metric – delivering a 6.4% increase per person reached for every £1m invested. Online video, radio and magazines also prove to be valuable contributors to Brand Love from an efficiency perspective. TV's efficiency is the lowest of the channels as a result of the substantial investment behind the average campaign – advertisers are spending £1.75m on average on TV, making it hard for the channel to deliver a cost-efficient contribution per person reached.

Media contribution per £1m spend*



* % Impact per person

Average spend (£ in M)



Number of case studies per media channel
Cinema: 23 | TV: 60 | Online Video: 16 | Online Display: 49 | Newspapers: 27 | Magazines: 12 | OOH: 37 | Radio: 28

CASE STUDY

Measure	Brand Love
Country	UK
Category	Alcohol
Objectives	Increase trial of a relatively new product
Target audience	Adults 18-55
Total media spend	£3m

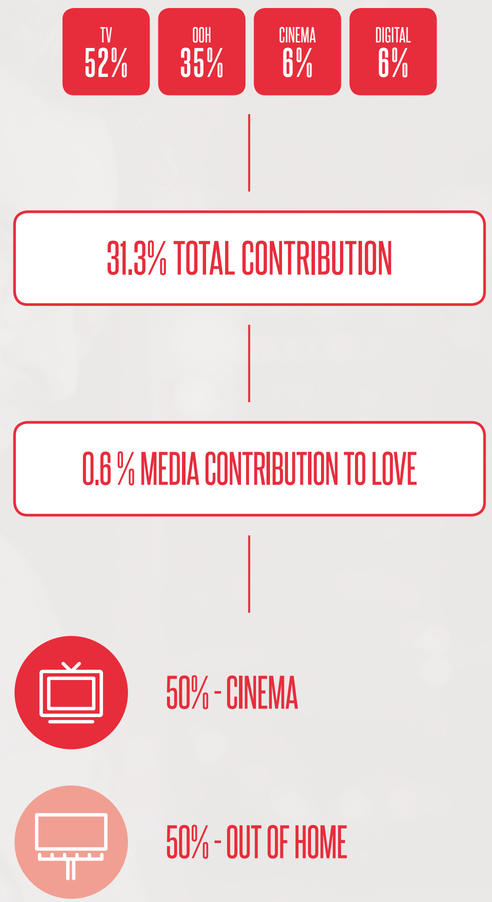
The campaign objective was to drive trial of a new drink variant across the key summer season. Alongside an always-on digital strategy, the campaign used pulses of TV, cinema and OOH throughout the summer to engage its core adult audience.

The media campaign significantly contributed 0.6% to 'Brand Love'. Of this, 50% was delivered by cinema with the other half of the impact being delivered by OOH. Both media punched well above their weight relative to their share of investment for this campaign.

"50% OF THE MEDIA CONTRIBUTION TO BRAND LOVE WAS DELIVERED BY CINEMA"

Cinema's unique environment was able to draw in audiences, showcasing the creative to its full effect and ultimately making a significant contribution to brand affinity.

% Channel Split



BEING DIFFERENT IS WHAT MAKES THE DIFFERENCE. MILLWARD BROWN'S WORK HAS CONSISTENTLY SHOWN THAT BRANDS THAT ARE ABLE TO DIFFERENTIATE THEMSELVES FROM THE COMPETITION IN A MEANINGFUL WAY ARE MORE LIKELY TO ATTRACT NEW CUSTOMERS, COMMAND MORE LOYALTY AND BE ABLE TO CHARGE MORE FOR THEIR PRODUCT.

How do brands go about achieving this meaningful difference? Well, the brands that tend to be seen as 'different' also tend to score highly on metrics such as 'trustworthy' and 'creative'. The point of difference needs to correspond to what the brand stands for so that people can see and believe the brand is offering a real alternative.

Consider brands such as Amazon and Airbnb as the barometers of brand difference. Airbnb focuses its marketing activity on highlighting how its proposition is different to the traditional hotel stay and allows customers to have unique travel experiences. Meanwhile, Amazon is one of the fastest risers in the BrandZ Top 100 this year thanks to launching new devices and offerings which set them apart from the competition.

Brand Value

Brands ranked in Top Third

135

Average Difference Score

+144%

10-Year Value Change

Brands ranked in Bottom Third

91

Average Difference Score

+20%

10-Year Value Change

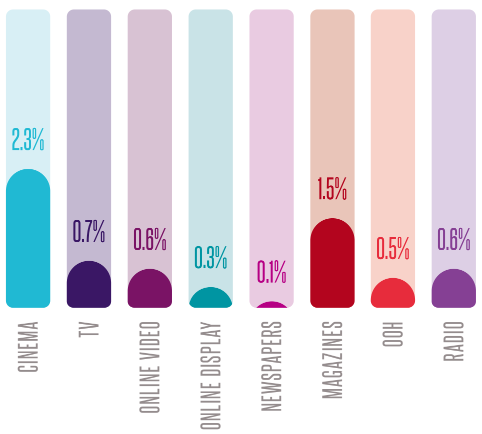
Three groups of brands from the 95 common brands valued in the BrandZ Global Top 100 in both 2006 and 2016. Source: BrandZ / Millward Brown

CrossMedia findings

No channel has a greater impact on Brand Difference than cinema which contributes 2.3% per person reached. Magazines, the next best performing channel, deliver a contribution of 1.5% per person reached.

The engaging, comparatively clutter-free environments that these channels provide are the perfect canvases for advertisers. The majority of advertisers actually transfer their TV copy onto the big screen so the results highlight the impact of the unique cinema environment – engaged audiences notice more when viewing the ad in cinemas so it feels like a different experience of the brand and its message. Cinema also lends itself well to driving a sense of 'premium' around the brands that advertise on the big screen and this can help build a sense of trust around these brands – which we know is a factor that correlates with brand differentiation.

Media contribution to Brand Difference*

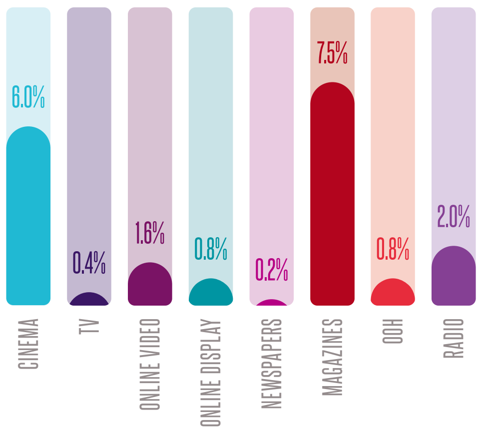


* % Impact per person

Cost efficiency

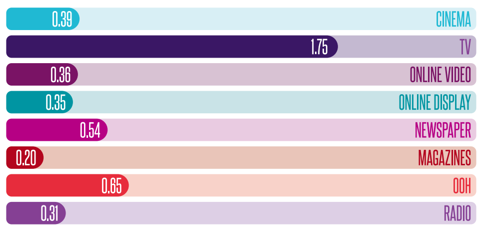
Cinema also delivers on differentiation when cost efficiency is taken into consideration. Cinema outperforms all other channels except for magazines when it comes to contributing to Brand Difference. For brands trying to ensure their campaigns stand out from the crowd cinema is a must-have addition to the media mix.

Media contribution per £1m spend*



* % Impact per person

Average spend (£ in M)



CASE STUDY: BIRDS EYE

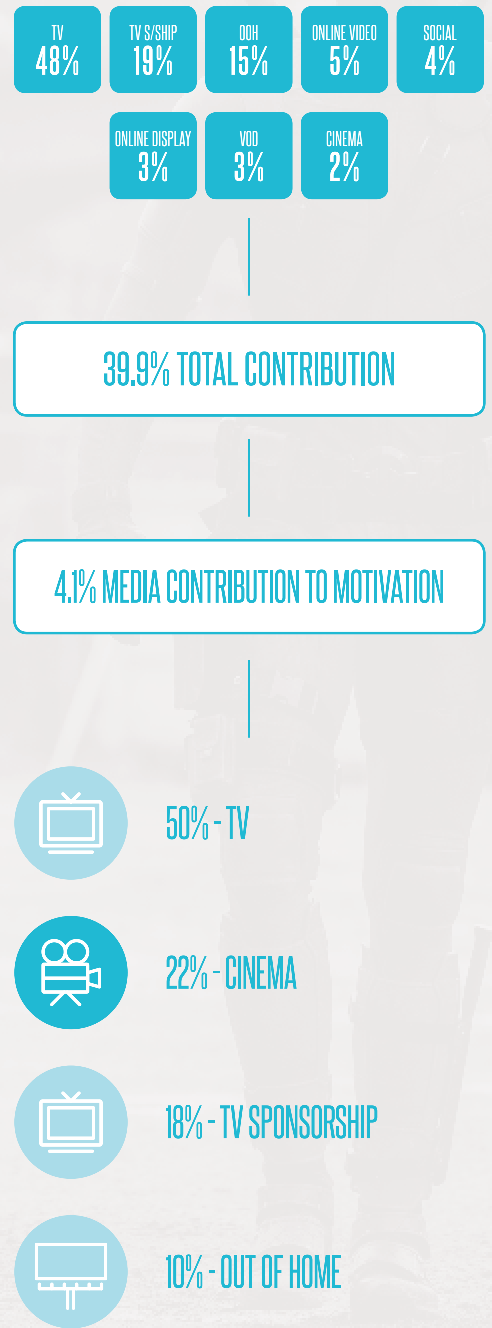
Measure Motivation
Country UK
Category FMCG
Objectives Drive saliency of Birds Eye and reignite consumers' love of the brand
Target audience Parents with children under 18

In 2016, Birds Eye launched a new brand-led campaign, "Boy With a Tail", that aimed to capture the excitement of a Birds Eye dinner through the eyes of Sam, a young boy rushing back home from school. Birds Eye understood that consumers had a long-held fondness for its products and wanted this campaign to reignite their love for the brand.

Cinema offered Birds Eye the chance to reach the whole family together and remind parents and kids alike why they should be having Birds Eye for dinner. Taking advantage of cinema's ability to tell stories, the campaign ran across the Family AGP ensuring a presence in major releases including *The Jungle Book*, *Zootropolis* and *The Angry Birds Movie*.

The campaign was able to significantly endorse the perception that Birds Eye 'inspires me with new ideas' and drive motivation among parents with children under 18. Of the total 4.1% media contribution, TV was responsible for 50%, in line with its share of investment. The TV sponsorship and OOH activity also made a positive contribution but it was cinema that was able to outpunch its weight – delivering 22% of the impact here, despite only accounting for 2% of the campaign investment.

% Channel Split



Number of case studies per media channel
Cinema: 18 | TV: 65 | Online Video: 28 | Online Display: 64 | Newspapers: 14 | Magazines: 16 | OOH: 42 | Radio: 17

"I GOT TO BUY ME ONE"

FORREST GUMP

THE METRICS WE'VE COVERED SO FAR, SUCH AS BUILDING AWARENESS AND GROWING BRAND LOVE ALL HELP BRANDS BEGIN TO STAND OUT FROM THE CROWD. HOWEVER, THE NEXT STEP ON FROM THIS – CONSIDERATION – IS ARGUABLY THE MOST CRUCIAL OF THEM ALL.

After all, someone can be aware of your brand and still not buy your product. It's therefore essential for advertisers to drive consideration to place themselves in the strongest possible position to convert sales.

Whether it be for a chocolate bar, train tickets, a sofa or a car it's key to show audiences how their experience with the brand is going to be a positive one. Research has shown that this experience is crucial – when you experience a product or service, stronger brand associations are derived and it's these which are known to influence predisposition. However, in lieu of actual experience, impressions left by advertising can also contribute to these associations - in particular when the campaign focuses strongly on the brand and the experience it offers.

Media selection is then key to ensure that persuasive and engaging messaging is reaching the right people, in the right mindset and making an impact that's going to drive the brand to the top of the consideration shortlist.

CrossMedia findings

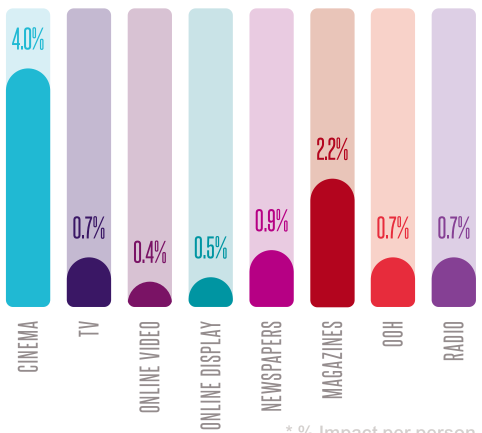
We've seen across the other metrics how all media channels are able to influence core brand-building pillars so it follows that all are also capable of contributing towards consideration.

Cinema and magazines offer advertisers the opportunity to reach attentive audiences who, on the whole, have paid to engage with content they have an interest in. Factor in a strong creative and it's no surprise that a compelling message, reaching the right people, can make such a significant contribution to a brand's consideration levels.

Higher reach channels such as TV and OOH do deliver a contribution towards consideration but comparatively aren't quite as strong per person reached. Advertising has to work harder on TV and OOH to engage and grab someone's attention and therefore it can be more of a challenge to contribute to consideration.

Media contribution to highest levels of Consideration*

(Very / Quite likely Consideration scores)

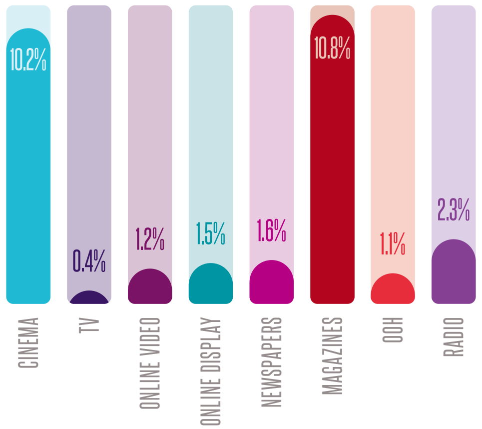


* % Impact per person

Cost efficiency

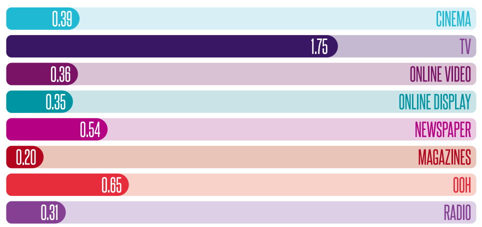
In terms of efficiency, both magazines and cinema again prove their worth. Both channels deliver a contribution (per person reached) in excess of 10% to Brand Consideration for every £1m spent – well ahead of the other channels which come in below 3%.

Media contribution per £1m spend*



* % Impact per person

Average spend (£ in M)



CASE STUDY

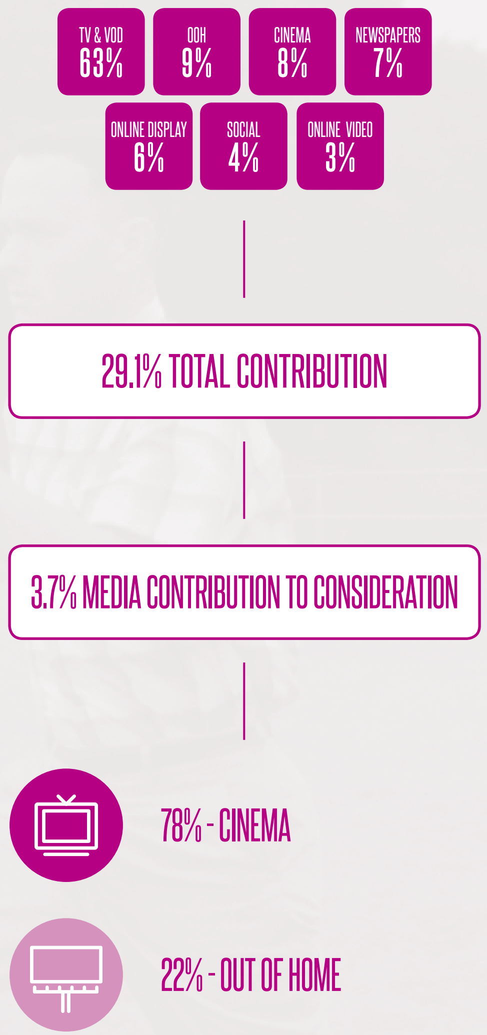
Measure Consideration
Country UK
Category Finance
Objectives Raise awareness, understanding and consideration of new product
Target audience ABC1 Adults 18+
Total media spend £6m+

This campaign was designed to raise awareness, understanding and consideration of a new product being offered by a financial brand. TV and VOD launched the four-month campaign, with OOH, digital and a month-long burst of cinema activity following. Cinema was designed to extend reach and help communicate the premium nature of the new product.

"THE RESULTS HIGHLIGHT THE INFLUENCE THAT CINEMA CAN DELIVER FOR DRIVING KEY PERSUASION MEASURES"

The total media contribution driven by the campaign was 3.7% with cinema delivering 78% of this and the remaining 22% coming from OOH. Taking into account that cinema accounted for 8% of the campaign budget, the result really highlights the influence that cinema can deliver for driving key persuasion measures among an ABC1 audience.

% Channel Split



Number of case studies per media channel
Cinema: 43 | TV: 190 | Online Video: 72 | Online Display: 173 | Newspapers: 57 | Magazines: 41 | OOH: 110 | Radio: 56

RECOMMENDATION IS ONE OF THE MOST INFLUENTIAL TOUCHPOINTS IN INFORMING THE DECISION-MAKING PROCESS THAT WE GO THROUGH AS CONSUMERS.

In a world where people are becoming more sceptical and less trustworthy of brand messaging, receiving a recommendation is a substantial factor in deciding which brands we should give our time and money to.

Winning brands are therefore the ones who are able to build a loyal fanbase of people who will happily spread the word – think about the power of the Beliebers, tirelessly working to support and promote the brand that is Justin Bieber. If a brand can create a fervent fanbase it becomes a great asset to leverage as part of campaigns and can help stimulate sales growth. Technology brands in particular show strength in this area – one of the world's most powerful brands, Apple, has cultivated a strong sense of loyalty amongst its customers, who will happily promote their products, talk about new launches, and all at no cost to the brand.

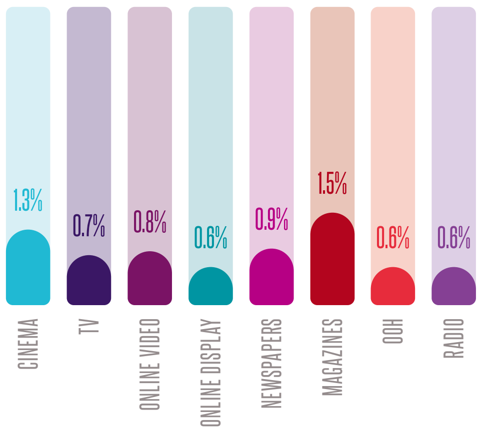
Now obviously not all recommendations are created equally, and the source of the recommendation is of the most importance. These endorsements must come from trusted sources – and the media channels selected by a brand can help. Some channels are more effective than others so it's important to understand where best to reach your audience and inspire word of mouth.

CrossMedia findings

Magazines and cinema again prove their worth, delivering the biggest contributions per person reached towards recommendation at 1.5% and 1.3% respectively. All other channels do, on average, contribute to recommendation but to a lesser degree (0.6-0.9% per person reached).

Both magazines and cinema provide advertisers the opportunity to target audiences who are socially savvy and happy to talk about the brands they've experienced or have heard about. The ad break is part of the cinemagoing experience for many so it's no surprise that this gets them talking – especially when a brand or campaign ignites their interest.

Media contribution to Brand Recommendation*



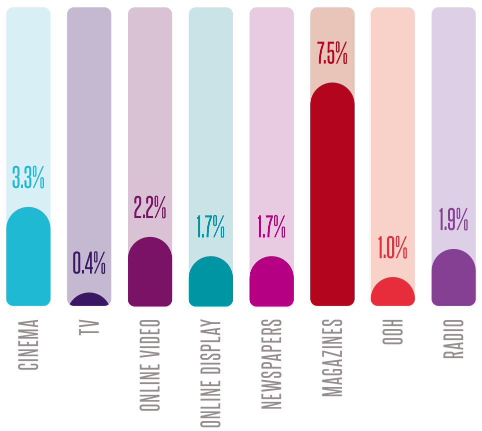
* % Impact per person

"CINEMA GIVES ADVERTISERS THE CHANCE TO REACH SOCIALLY-SAVVY AUDIENCES"

Cost efficiency

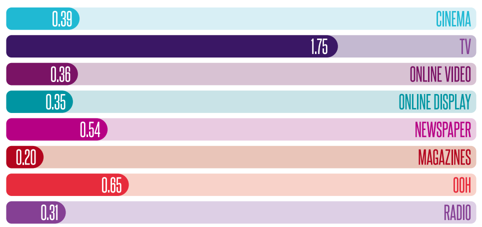
In terms of cost efficiency, magazines excel in delivering a strong contribution per person reached at a fraction of the cost of other channels. Cinema also performs efficiently – delivering a contribution of 3.3% per person reached for every £1m invested.

Media contribution per £1m spend*



* % Impact per person

Average spend (£ in M)



CASE STUDY

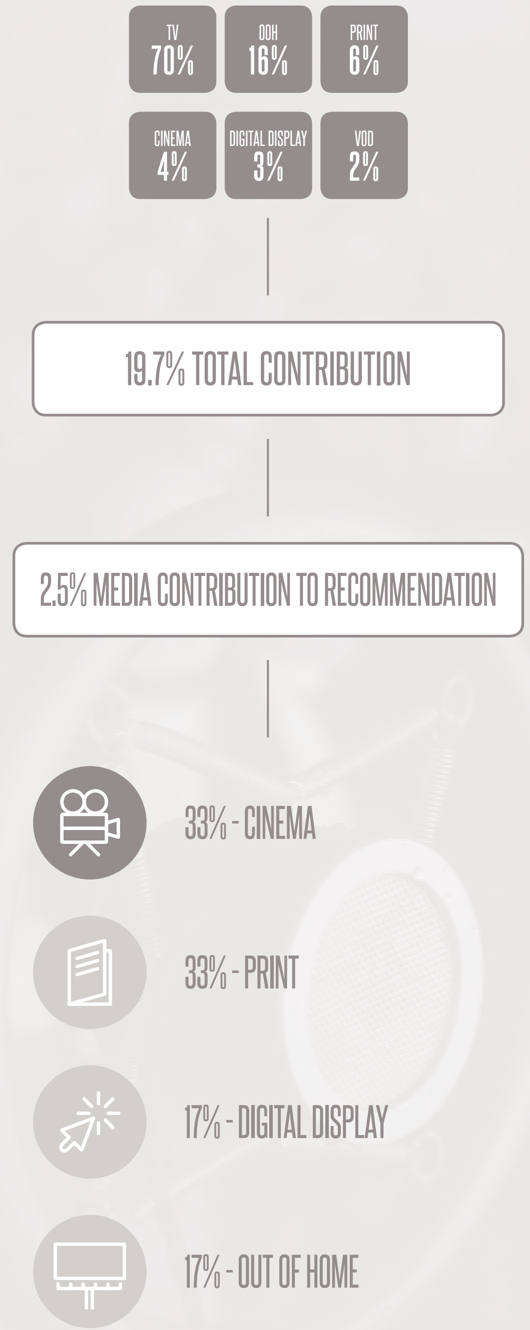
Measure	Recommendation
Country	UK
Category	Health & Beauty
Objectives	Generate awareness and drive trial of new premium product
Target audience	ABC1C2 Adults 18-65
Total media spend	£3m

This health & beauty campaign's objective was to introduce a new product to the market – generating awareness and driving trial. TV and VOD launched the four-month campaign, with OOH, digital and a month-long burst of cinema activity following to extend reach and help communicate the premium nature of the new product.

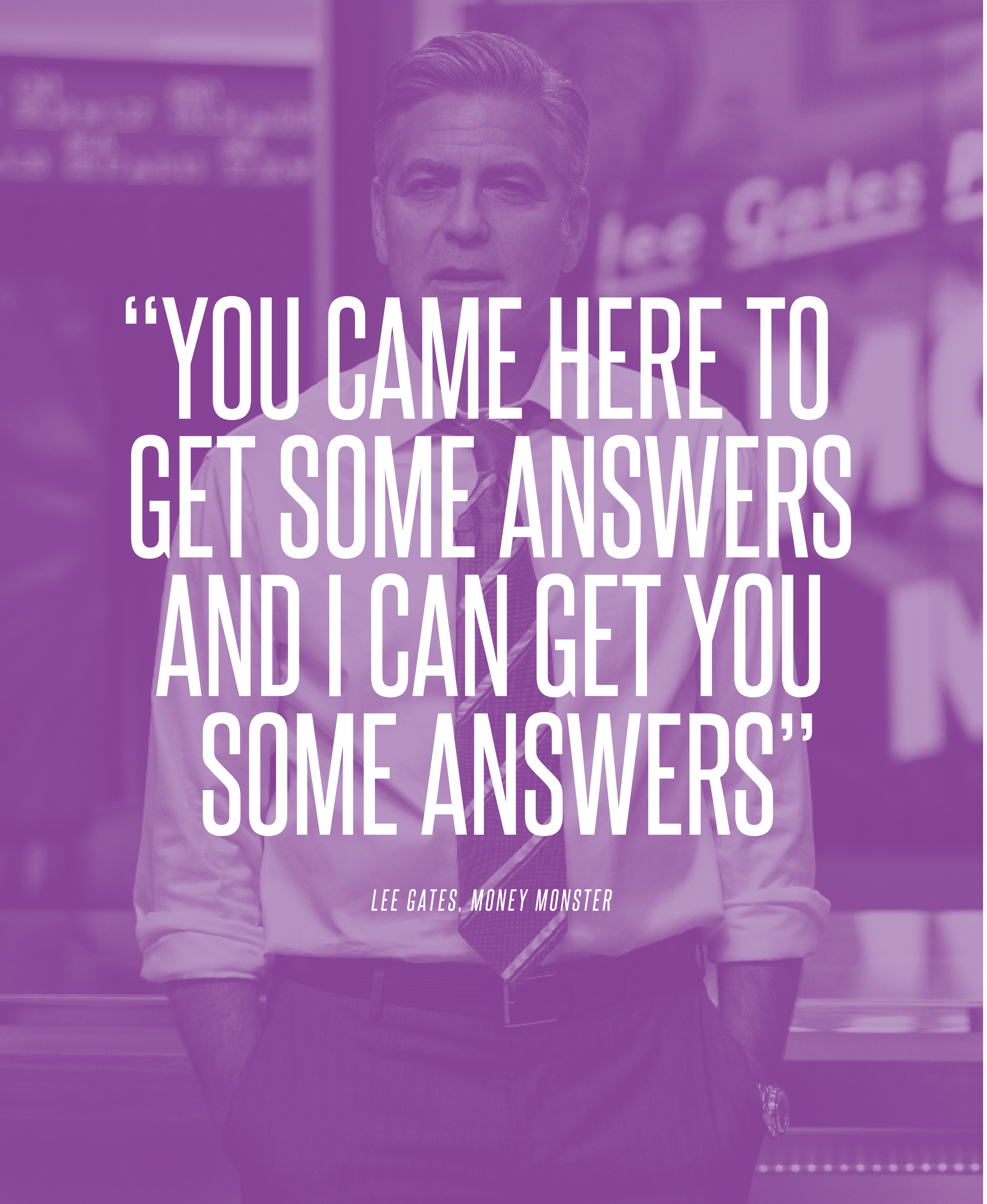
"CINEMA GENERATED ADVOCACY FOR THE NEW PRODUCT AMONG AN AFFLUENT AUDIENCE OF EARLY ADOPTERS"

The total media contribution driven by the campaign was 2.5% with cinema delivering 33% of this impact alongside contributions from print, digital display and OOH. Cinema allowed the brand to reach an affluent audience of early adopters and generate advocacy for the new product – and and it was all a result of cinema accounting for just 4% of the overall campaign budget.

% Channel Split



Number of case studies per media channel
Cinema: 17 | TV: 94 | Online Video: 28 | Online Display: 81 | Newspapers: 32 | Magazines: 16 | OOH: 57 | Radio: 31



"YOU CAME HERE TO GET SOME ANSWERS AND I CAN GET YOU SOME ANSWERS"

LEE GATES, MONEY MONSTER

ACROSS THE REPORT SO FAR WE'VE SEEN HOW IT'S A POSITIVE STORY FOR MEDIA GENERALLY WITH ALL CHANNELS PLAYING A VALUABLE ROLE AND CONTRIBUTING TO THE FIVE KEY BRAND-BUILDING METRICS WHICH HELP CREATE POWERFUL BRANDS.

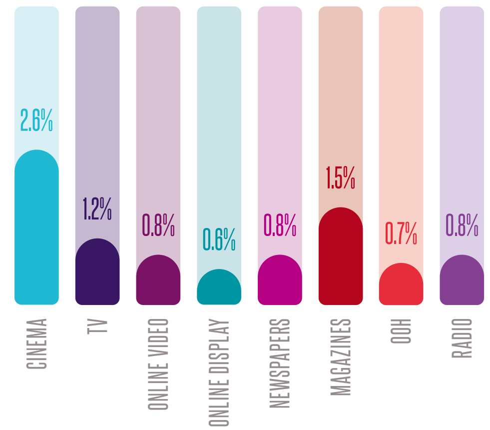
If we look at how the channels contribute towards the Total KPI metric – an average across awareness, engagement and consideration measures – we see that cinema, TV and magazines are the biggest contributors of all the paid media channels. Cinema delivers an average contribution of 2.6% per person reached making it the most effective channel ahead of magazines (1.5%) and delivering over twice as much impact per person as TV (1.2%).

When it comes to efficiency, cinema and magazines again shine here. The channels deliver an impact per person of 6.7% and 7.5% respectively for every £1m invested. The results highlight how smaller reach channels such as cinema and magazines are great complements to mass reach channels – proving to be cost-efficient additions to the media mix that help grow stronger brands by making substantial contributions across the key brand-building metrics.

Total KPI Measures

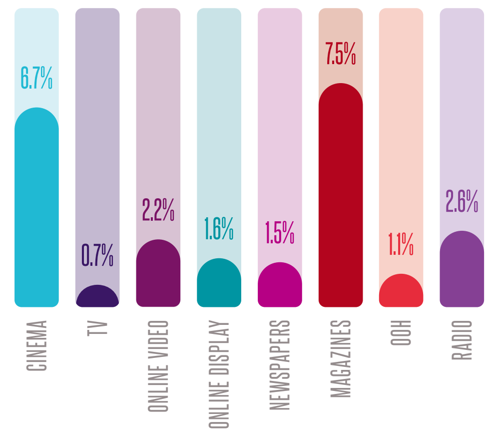
Media contribution per person reached

(Average awareness, engagement and consideration measures*)



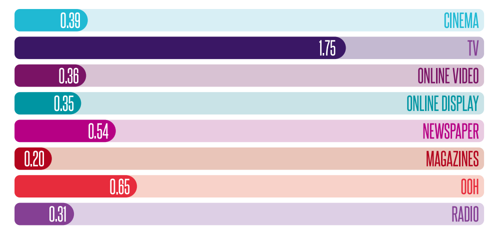
* % Impact per person

Media contribution per £1m spend

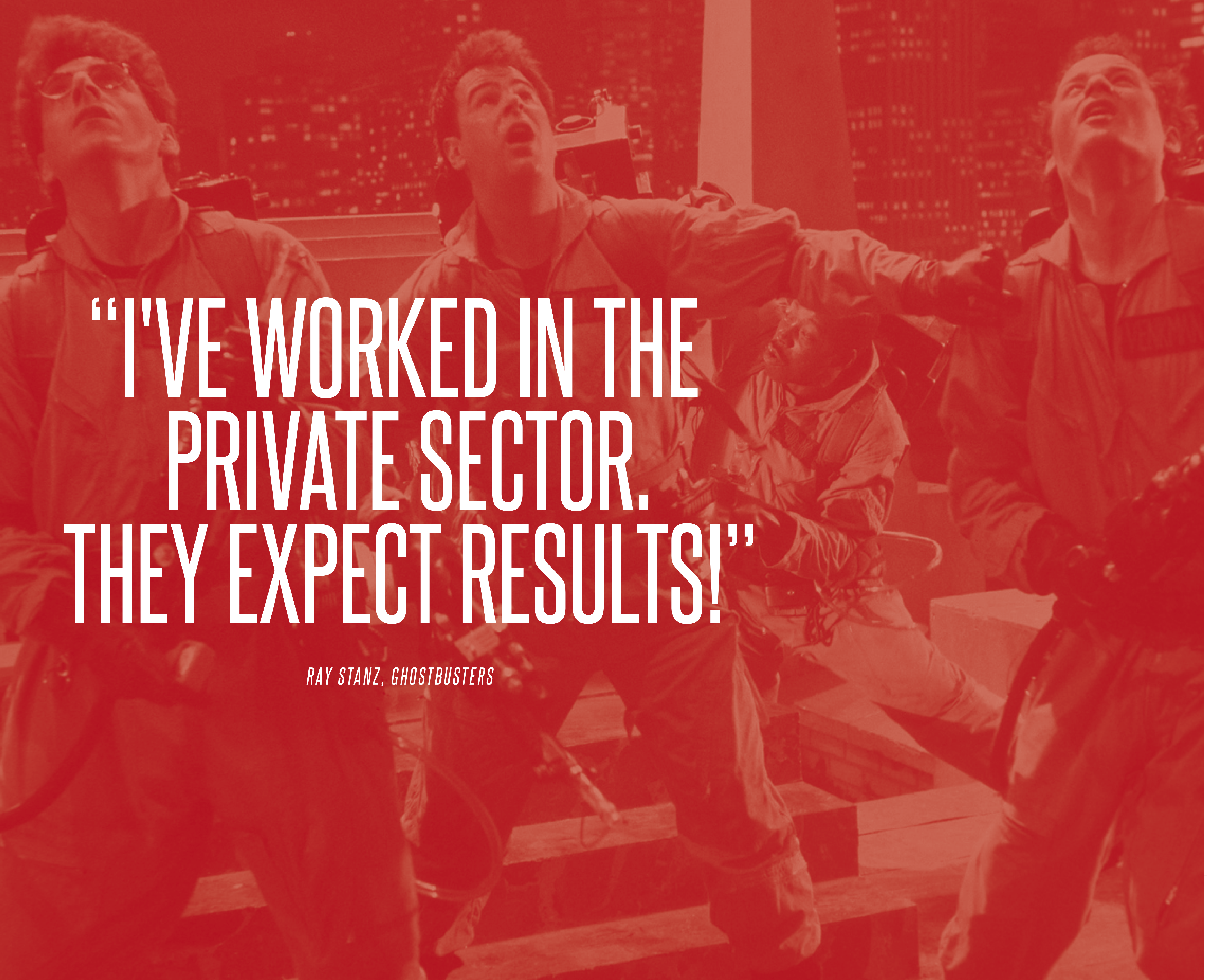


* % Impact per person

Average spend (£ in M)



Number of case studies per media channel
Cinema: 52 | TV: 222 | Online Video: 74 | Online Display: 192 | Newspapers: 71 | Magazines: 50 | OOH: 131 | Radio: 67



"I'VE WORKED IN THE PRIVATE SECTOR. THEY EXPECT RESULTS!"

RAY STANZ, GHOSTBUSTERS

HAVING SEEN HOW CINEMA DELIVERS IMPACT FOR BRANDS WE WANTED TO UNDERSTAND WHAT RETURN ON INVESTMENT LOOKS LIKE FOR CINEMA AND HOW ADVERTISERS CAN MAKE THE MOST OF THEIR INVESTMENT.

In 2012, a global return on investment study was published by the cinema industry but since then all media has experienced huge change. Cinema went fully digital at the end of that year and broadcaster VOD and online video ad spend has soared, changing the face of the AV advertising market in the UK. In the wider media market, a wealth of new channels and opportunities have emerged for brands to take advantage of, creating an even more complex landscape for advertisers to navigate and understand the value delivered by each channel.

In light of this new landscape DCM commissioned Benchmarketing, which had as BrandScience overseen the 2012 global study, to analyse the power of cinema advertising. The aim of the project was to understand how cinema's share of the campaign budget impacts on total campaign return for five key product sectors – All Services, Food FMCG, Retail, Telecoms and Travel & Transport.

METHODOLOGY: BENCHMARKETING

HOW WAS THIS STUDY DONE?

To evaluate the impact of cinema, Benchmarketing undertook a meta-analysis of its results vault, drawing on the combined learnings of over 500 UK econometric models from 2011-2016. To proceed with our cake analogy, meta-analysis, which is common in pharmaceutical research, is essentially the detailed evaluation of hundreds of cakes and recipes to determine which ingredients work best.

For this project, Benchmarketing carried out the meta-analysis on five key product categories for brands using cinema – All Services, Food FMCG, Retail, Telecoms and Travel & Transport.

To understand the levels of investment in cinema vs. other media across these sectors, Benchmarketing utilised Standard Media Index (SMI) data for its analysis. SMI collates actual booking data covering 65% of all UK media agency billings. This provides accurate and representative wider context to the brands in the results vault that have used cinema and have been analysed in this study.

In each category, the meta-analysis split advertisers into three groups (tertiles) based on the share of campaign spend that cinema took. This created robust groups for Low, Medium and High cinema share advertisers – with the ranges for these groupings specific to each sector.

For each category the findings report the average campaign Revenue ROI (RROI) for Low, Medium and High cinema share advertisers, unveiling the tertile that delivers the optimal campaign RROI, and reporting the mid-point of that band.

UNDERSTANDING ECONOMETRICS

Econometrics is a mathematical modelling process that quantifies the factors that influence sales and demand - if sales were a cake then econometrics is essentially a way of determining the recipe.

To understand the return on investment of different media channels, econometricians first need to identify and quantify all the potential key drivers of a brand's sales. These 'ingredients' can include advertising, PR, pricing, brand awareness, competitor marketing, seasonality etc. The process of econometrics then assigns a weight to each of these ingredients and once the whole recipe is known, econometricians can then reproduce the cake by combining together these weighted ingredients, with an understanding of which ones are adding the most to the mix.

RETAIL ROI

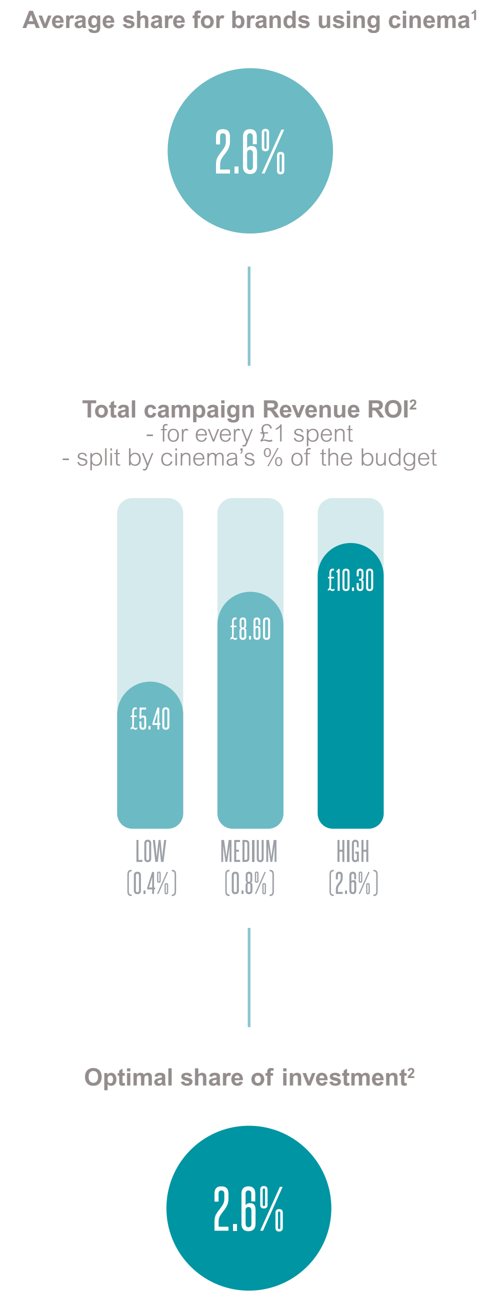
Since 2012, the share of investment in cinema from the retail sector has grown. Last year, brands such as Curry's PC World, ASDA and Vision Express all invested substantially in cinema understanding the impact that it's able to deliver.

Cinema can play a strong role within the media mix for retail brands because it offers them the chance to engage an upmarket, affluent audience who are all out-of-home and near the point of purchase. With 98% of DCM cinemas found within one mile of a retail location, and cinemagoers often visiting the shops after the film, it's a great way of reaching them on their path to purchase.

"ENGAGE AN UPMARKET, AFFLUENT AUDIENCE WHO ARE ALL OUT-OF-HOME AND NEAR THE POINT OF PURCHASE"

However, there remain many retail advertisers who don't currently spend on cinema and we wanted to understand whether cinema's presence in the mix would actually help deliver a bigger return from their media campaigns.

Those retail brands who do include cinema in their media mix invest, on average, 2.6% of their campaign budgets when doing so. Based on Benchmarketing's analysis, these retail advertisers are currently investing at the correct levels. With a share of 2.6% advertisers can expect to see an average RROI of £10.30 for every £1 spent on the overall media campaign.



Source: [1] Standard Media Index. Brands spending on cinema, 2011-2016, [2] Benchmarketing Results Vault – 2011 to 2016 data.

FOOD FMCG ROI

Since 2012, cinema investment levels have been consistent among the Food FMCG sector, albeit at low levels. Advertisers including Cadbury Trebor Bassett, Haribo and Kellogg's spent significantly on the big screen in 2015 but they are amongst the minority. There remains significant room for growth among Food FMCG advertisers to make better use of cinema.

On average, Food FMCG advertisers who use cinema in their mix invest just shy of 3% of their campaign budget in cinema. Based on Benchmarketing's analysis Food FMCG advertisers should be investing a larger share of their overall budgets in the big screen – the recommended point of investment is 6.8% which would typically deliver a return of £0.50 for every £1 invested in the overall ad campaign.

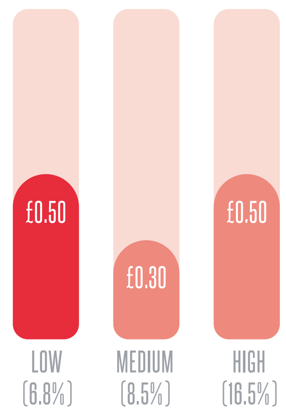
"FOOD FMCG ADVERTISERS SHOULD BE INVESTING A LARGER SHARE OF THEIR BUDGETS IN CINEMA"

Why is cinema so well placed to work well for Food FMCG brands? Cinema not only allows products to be showcased in the highest quality but also gives advertisers access to engage the whole family together, an increasing rarity these days. A perfect solution for any family-focused food brands that want to drive "pester power".

Average share for brands using cinema[1]

2.8%

Total campaign Revenue ROI[2]
- for every £1 spent
- split by cinema's % of the budget



Optimal share of investment[2]

6.8%

TRAVEL & TRANSPORT ROI

Travel & Transport advertisers have as a sector increased the share of spend being invested into cinema since 2012. Advertisers including Virgin Trains, Emirates and First Choice have all understood the impact that cinema can deliver and have invested substantially in the channel.

Travel advertisers who use cinema in the mix spend, on average, 4.9% of their media budgets advertising on the big screen. The analysis reveals that the travel sector is significantly underinvesting in cinema and by dialling up its presence on the big screen, advertisers could see a substantial increase in their campaign returns.

"CINEMA IS THE PERFECT SHOWCASE FOR TRAVEL CREATIVES THAT ARE DESIGNED TO SELL THE DREAM OF A GETAWAY"

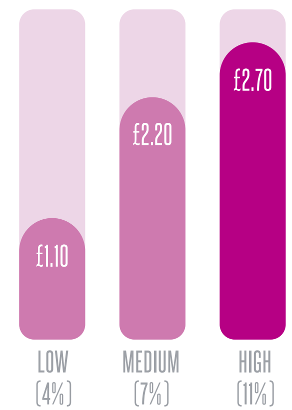
At 4% share, campaigns will deliver a RROI of £1.10 per £1 spent. Optimising cinema share to the recommended level of 11% could deliver a stronger result - a RROI of £2.70 for every £1 spent on the overall campaign.

Cinema is the perfect showcase for travel creatives that are designed to sell the dream of a getaway – an exotic beach or bustling city scene will look at its best delivered in the highest quality on the big screen. Factor in that cinemagoers are more upmarket, affluent and take more holidays than your average adult and it's clear why cinema should account for a larger share of the campaign budget.

Average share for brands using cinema[1]

4.9%

Total campaign Revenue ROI[2]
- for every £1 spent
- split by cinema's % of the budget



Optimal share of investment[2]

11%

Source: [1] Standard Media Index. Brands spending on cinema, 2011-2016, [2] Benchmarketing Results Vault – 2011 to 2016 data.

Source: [1] Standard Media Index. Brands spending on cinema, 2011-2016, [2] Benchmarketing Results Vault – 2011 to 2016 data.

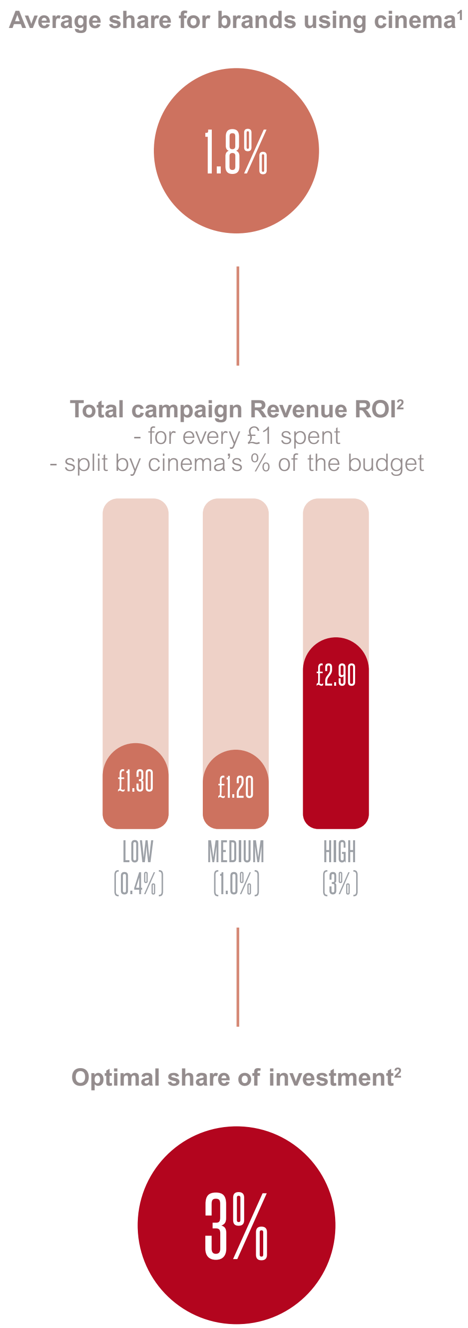
TELECOMS ROI

The Telecoms sector has witnessed considerable change since 2012 and media budgets for many of the major advertisers have been squeezed. Throughout this tumultuous period, cinema share of all ad spend has remained at similar levels with advertisers such as Sky, Samsung and Virgin Media continuing to invest significantly on the big screen.

Telecoms advertisers who use cinema in the media mix do so by investing, on average, 1.8% of their overall campaign budget. Benchmarketing's analysis reveals that there remains scope for Telecoms brands to optimise the return they see from their campaigns by increasing cinema's share of the budget. Brands that invest 3% of their budget in cinema see a RROI of £2.90 compared to returns of £1.20-£1.30 seen by advertisers advertising at lower levels.

> "REACHING EARLY ADOPTERS IN AN ENGAGING ENVIRONMENT IS A POWERFUL OPPORTUNITY FOR TELECOMS ADVERTISERS"

Cinemagoers are incredibly switched on consumers – they're very tech savvy and love to be the first ones in the know about films, entertainment and technology. Reaching these early adopters in an engaging environment is a powerful opportunity for Telecoms advertisers who want to make an impact among this core audience.



Source: [1] Standard Media Index & Nielsen. Brands spending on cinema, 2011-2016, [2] Benchmarketing Results Vault – 2011 to 2016 data.

ALL SERVICES ROI

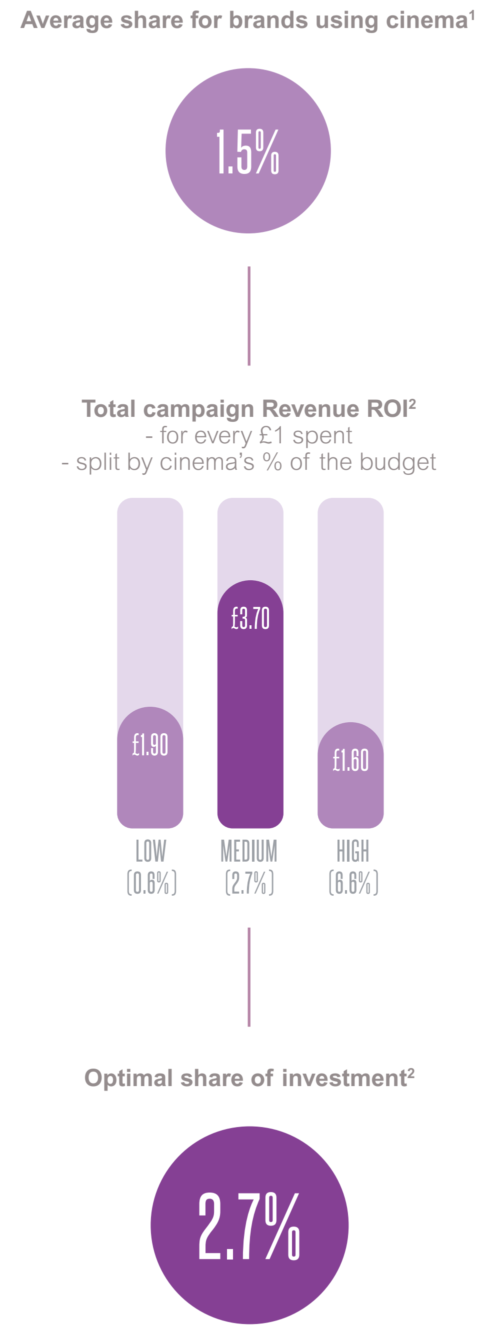
This overarching category, with the largest sample, includes advertisers from a range of sectors including: Charity, Entertainment & Leisure, Finance, Gambling, Retail, Telecoms and Travel & Transport.

Many services advertisers continue to hold back from investing in cinema, viewing it as an expensive 'nice to have'. Even among those advertisers who do invest, cinema typically takes a small share of the investment – on average 1.8% of the total media budget.

> "SERVICES ADVERTISERS ARE CURRENTLY MISSING OUT BY NOT INVESTING A LARGER PROPORTION OF THEIR BUDGETS IN TO CINEMA"

Based on Benchmarketing's analysis, services advertisers are currently missing out by not investing a larger proportion of their budgets into cinema. By increasing spend to the recommended level of 2.7%, campaigns could deliver £3.70 RROI for every £1 spent on the overall media campaign.

For services advertisers cinema should no longer be seen as a 'nice to have' – copy can be on screen within seven days, there has been an eight-times reduction in production costs and cinema CPTs are very competitive in the current landscape. Cinema should instead be viewed as a 'must-have' AV channel that delivers impact for brands and helps maximise the campaign RROI.



Source: [1] Standard Media Index. Brands spending on cinema, 2011-2016, [2] Benchmarketing Results Vault – 2011 to 2016 data.

HOW CAN CINEMA HELP YOU?

CINEMA IS IMPACTFUL. CINEMA IS EFFICIENT. CINEMA IMPROVES CAMPAIGN ROI.

These are just three reasons why cinema should be considered as an integral part of any AV media plan to drive brand impact and grow brand value.

So why does cinema remain such a valuable advertising opportunity in today's cross-media landscape? We live in an age of distraction where audiences are giving less time and less attention to the media they're consuming. This represents a major challenge for brands who are trying to engage audiences and increase appeal of their brand.

Cinema delivers undistracted audiences, paying undivided attention to the immersive big screen experience. It's this environment, alongside the youthful, upmarket and affluent make-up of the cinema audience that make it a great opportunity for brands. Advertising on the big screen affords brands the ability to shift powerful brand metrics and ultimately deliver stronger return on investment from their media campaigns.

Building Box Office Brands: Volume II reiterates DCM's long-term commitment to help advertisers and their agencies understand the role that cinema can play within the AV and wider media mix. DCM understands that return on investment is a crucial area for brands and the findings published here represent the first step of a journey where DCM aims to prove that cinema is measurable and can deliver return on investment for brands.

Brands should think of cinema less as just a big screen and more as an open window to travel directly into the hearts and minds of the audiences who sit captivated in the dark. This emotional impact contributes to increases in key brand-building pillars that ultimately drive brand value, sales growth and return on investment. So, what are you waiting for?

CINEMA IS THE PLACE FOR BRANDS TO TELL STORIES THAT AREN'T JUST MEMORABLE BUT MEASURABLE TOO.

HOW DCM CAN HELP YOU UNDERSTAND CINEMA'S IMPACT ON YOUR BRAND: CROSSMEDIA

In 2017, DCM is continuing its partnership with Millward Brown to offer advertisers the chance to have their campaigns analysed using the CrossMedia methodology and receive independent, trusted evaluation of how each channel, including cinema is impacting on key brand metrics.

WHAT WILL THE ANALYSIS PROVIDE?

The CrossMedia analysis will calculate the contribution of each campaign media used (for any media which has at least 10-15% reach against the specified target audience) on the following metrics – awareness, love, difference, consideration and recommendation as well additional brand specific measures agreed up front.

What paid media channels can be analysed?

- **Cinema**
- **Digital - Display and Paid Social**
- **Online Video and Video on Demand**
- **Out-of-home**
- **Newspapers, magazines and supplements**
- **Radio**
- **TV**

ELIGIBILITY CRITERIA

DCM will be funding a number of CrossMedia projects in 2017 and these will be available to those advertisers who are investing significantly in cinema.

To be considered for measurement the campaign must be running for at least 4 weeks with a minimum investment of £250,000 on cinema, and at least one other AV channel being used in the mix. Advertisers must also agree that the results can be made into a branded case study and used by DCM as part of ongoing communications, including publication on the DCM website.

Meeting this initial feasibility criteria however doesn't guarantee that the campaign will be measured – DCM retains final discretion on which campaigns will be approved for measurement.

FOR MORE INFORMATION

If you are interested in finding out more, or would like your campaigns to benefit from Millward Brown CrossMedia analysis, please contact your DCM representative or our Head of Insight, Sarah Dack at sarah.dack@dcm.co.uk.

HOW DCM CAN HELP YOU UNDERSTAND CINEMA'S IMPACT ON YOUR BRAND: ECONOMETRICS

DCM is committed to helping advertisers understand and prove the return on investment that cinema can deliver as part of the media mix.

DCM has already begun fostering relationships with several of the key econometrics consultancies – including Annalect Marketing and Gain Theory – and has been developing solutions to help advertisers and their econometrics teams better understand cinema's impact.

These include a FREE post-campaign spot report that contains all the granular cinema information econometric teams need to feed into their model and the launch of a 'Test & Learn' econometrics fund for advertisers who want to understand cinema's impact in the media mix.

DCM POST-CAMPAIGN SPOT REPORT

Previous post-campaign reports were supplied by week and region, but to really evaluate the role media has played in driving sales more granular data is required that reflects delivery of the campaign. Cinema admissions vary significantly by day, time, site and showing so econometrics agencies need accurate information that reflects this. Each post-campaign spot report now contains data for every single showing of an advertiser's campaign that enables econometric teams to pinpoint exactly where admissions have been delivered, and look for sales uplifts locally, to provide a more accurate ROI figure.

What data will it provide?
- **Region**
- **Cinema site, screen and film**
- **Showing date and time**
- **Admissions**
- **Brand and name of creative execution**
- **Longtitude, latitude or postcode of each cinema site**

DCM ECONOMETRICS 'TEST & LEARN' FUND

Test & Learn campaigns are an important part of campaign planning and optimisation, but getting econometric results for this, outside of the normal reporting cycle can be expensive. This is why DCM has established a 'Test & Learn' fund so that advertisers wanting to try cinema can apply to do just that.

DCM is looking to commission a handful of econometrics-based projects across the next year – whether it be a new advertiser to the big screen or a brand looking to test a significant increase in investment. You don't need to have an econometric agency already, but if you do, we are happy to work alongside them to measure your campaign.

What will DCM 'Test & Learn' Fund provide for eligible advertisers?
- **Funding up to the value of £40k**
- **Report showing ROI by media channel**
- **Information around diminishing returns curves**
- **Recommendation regarding optimisation of media budget by channel.**

FOR MORE INFORMATION

If you are interested in receiving DCM's free post-campaign spot report or finding out whether your campaign could be eligible for the 'Test & Learn' fund, please contact your DCM representative or our Head of Insight, Sarah Dack at sarah.dack@dcm.co.uk.

digital cinema media

+44 (0)20 7534 6363
information@dcm.co.uk
dcm.co.uk

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