

## NEW MINDSHARE/PPA STUDY UNCOVERS THE SCIENCE BEHIND MAGAZINE INFLUENCE

### ***'Magonomics' reveals magazine advertising investment could more than double before ROI drops to that of TV***

16 November, 2012: The PPA has today released a new media effectiveness study, *Magonomics*, at an industry event held at The Science Museum, London.

The study, conducted by Mindshare UK's Business Planning Unit on behalf of the PPA, examines the role of print magazine brands in both driving bonding between advertisers and consumers and influencing, cost efficiently, their purchase behaviour.

Mindshare analysed econometric data from 77 campaigns with advertising spend of up to £6m to reveal return on investment (ROI) figures that expose magazine advertising's often-underestimated contribution to driving sales.

Headline findings include:

- A correlation between printed magazine investment and high bonding scores - the most critical influencer of purchase behaviour
- In the campaigns analysed, magazines show a higher average ROI than any other media channel involved, including television, internet and newspapers
- A series of diminishing return curve and media reallocation analyses show a consistent overall increase in sales when magazine media are deployed at higher spend levels (but within the same overall budget)
- The study shows that, for the brands included, magazine budgets had to be at least doubled before magazine ROI dropped to the same level as television

**Jim Jarrett, Business Director – Intelligence, Mindshare UK, said:** "The PPA commissioned us to analyse the performance of magazines in the media mix and we've deliberately examined two key areas to really understand the power and impact of magazines. Firstly, our *Magonomics* research has viewed magazines separately to newspapers to highlight the different function they play to traditional print within a media campaign. Secondly, we examined magazines' measurement in econometrics to assess performance over time, taking into consideration that magazines do not deliver their entire audience in one 'easy to pinpoint' moment. In exploring how magazines are treated in econometrics, we are able to demonstrate that correctly distributing magazine audiences over time leads to an uplift of 19% in magazine ROI."

Mindshare also discovered that the gains made by reallocating budget to magazines were far greater than the losses from the host medium. Although the results varied for each campaign, it was revealed that magazine spend for the brands reviewed can be *doubled* before the ROI drops to the same level of TV, providing an indication that there is room in spend allocations for magazines to continue delivering high ROI.

**Marius Cloete, Head of Research, PPA, commented:** "Our work with Mindshare and Ohal has conclusively shown just how powerful, and frequently underestimated, magazines' ability are not only to



get consumers closer to brands, but to make a substantial contribution to an advertiser's bottom line when deployed and measured appropriately."

**James Papworth, Marketing Director, PPA, added:** "This new insight highlights the multiple influences magazine brands have on the customer journey, from creating a differential perception to encouraging actual purchases. At each stage magazines deliver real value to advertisers.

"Evaluating the performance of magazines using accurate inputs gives the true measure of just how cost efficient they can be. It also shows that there are terrific benefits for an advertiser's bottom line by utilising magazines to a greater extent without having to increase their overall marketing budgets."

*The Magonomics results were released to the media and agency members on Friday 16<sup>th</sup> November at The Science Museum, where Marius Cloete, PPA's head of Research, presented the research project with Mindshare's Jim Jarrett.*

#### **About PPA**

The PPA promotes and protects the interests of print and online publishers of consumer and business media in the UK. The PPA has around 200 publishing companies in its membership, which collectively produce more than 2,500 consumer and business magazines and journals as well as digital media, data products and events. For more information visit [www.ppa.co.uk](http://www.ppa.co.uk).

#### **About Mindshare**

Mindshare is a global media and marketing services network with billings in excess of \$27.8 billion (source: RECMA). The network consists of 113 offices in 82 countries throughout North America, Latin America, Europe, Middle East, and Asia Pacific, each dedicated to forging competitive marketing advantage for businesses and their brands. Mindshare is part of GroupM, which oversees the media investment management sector for WPP, the world's leading communications services group.

#### **About GroupM**

GroupM is the leading global media investment management operation. It serves as the parent company to WPP media agencies including Maxus, MEC, MediaCom, and Mindshare. Our primary purpose is to maximize the performance of WPP's media communications agencies on behalf of our clients, our stakeholders and our people by operating as a parent and collaborator in performance-enhancing activities such as trading, content creation, sports, digital, finance, proprietary tool development and other business-critical capabilities. The agencies that comprise GroupM are all global operations in their own right with leading market positions. The focus of GroupM is the intelligent application of physical and intellectual scale to benefit trading, innovation, and new communication services, to bring competitive advantage to our clients and our companies.

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