EVALUATING THE BENEFIT OF TOYOTA's PRESENCE AT THE BRUSSELS MOTOR SHOW

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25th February 2020
The Event Production Show
Excel Exhibition Centre, London

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The challenge:

How to evaluate the ROI on attending the Brussels Motor Show?

Situational Analysis
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The Paradox of the CEO:

80% of CEO's do not trust their CMO*

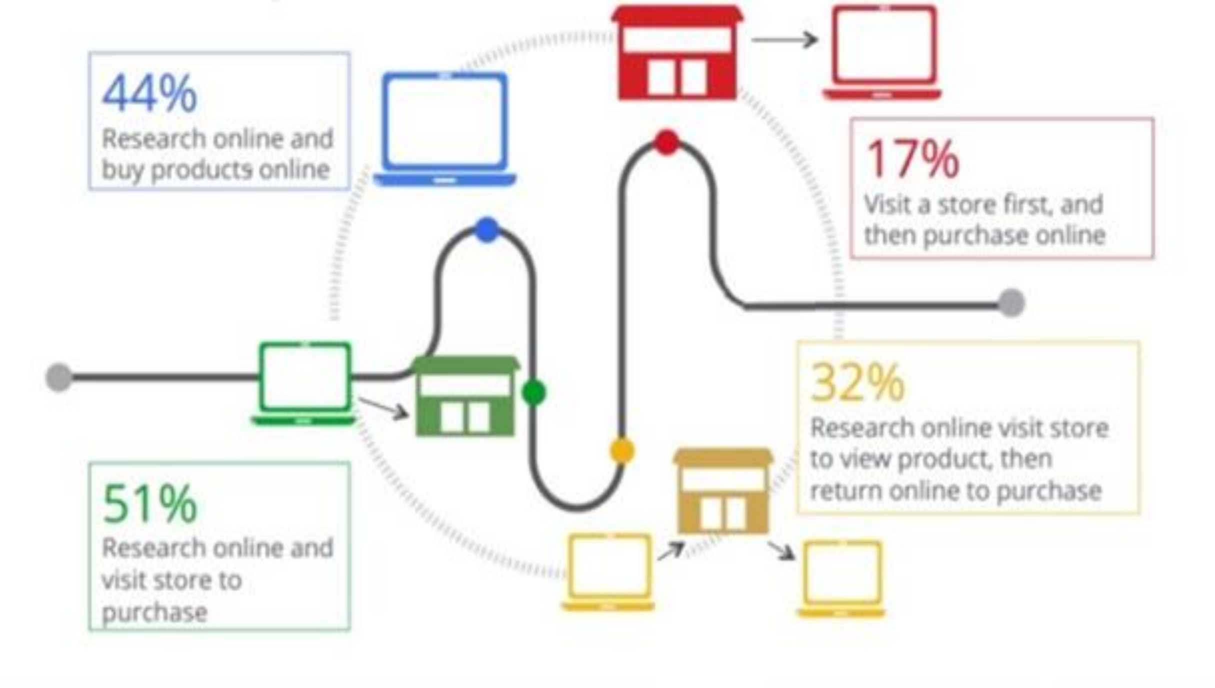
Source: *https://www.fournaisegroup.com/ceos-do-not-trust-marketers/,*

The paradox of the CEO

80% of CEO's do not trust their CMO

- Marketers "are always asking for more money but can rarely explain how much incremental business the money will generate."
- "Just over one-third of CMOs said they had quantitatively proved the impact of their marketing investment."
- Yet CEOs are looking to their CMOs more than ever, because they need top-line growth and view marketing as a critical lever to help them achieve it.

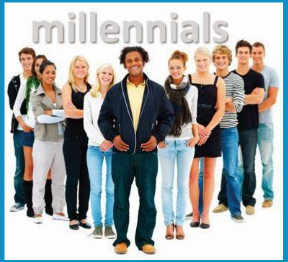
The facts - Today's Omni-channel Consumer



The path to purchase is not a simple process!

Dramatic Changes in Media Consumption

Search engines and social media ads now appear ahead of TV ads



Search engines, word-of-mouth recommendations, and online retail websites are now the most important brand discovery source

While watching TV

57%

55%

44%

- Time spent on mobile internet devices will grow by an average of 8% per year over 2018 to 2021
- Television will remain the world's favourite medium, accounting for 33% of all media consumption in 2021, versus 35% in 2019

Source: Zenith media 2019

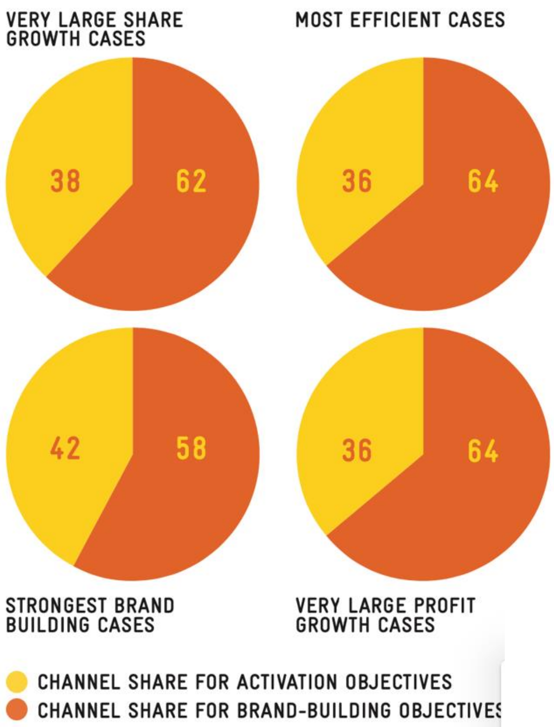
The facts:

Balancing long-term brand building and short-term brand activation is crucial for marketplace success

Spending c.60% on brand and 40% on activation is still the best combination

- Brand/Activation budget split for the most efficient and effective campaigns
- Campaigns with high brand awareness, image, and biggest financial paybacks had adopted a roughly 60/40 split

THE 60:40 RULE STILL APPLIES (FIGURE 25)



SOURCE: *Marketing effectiveness in the digital era,*
Media in Focus Report, Binet & Field
IPA Databank in association with Google, Think box, IPA, 2016 (+updates 2018, 2019)

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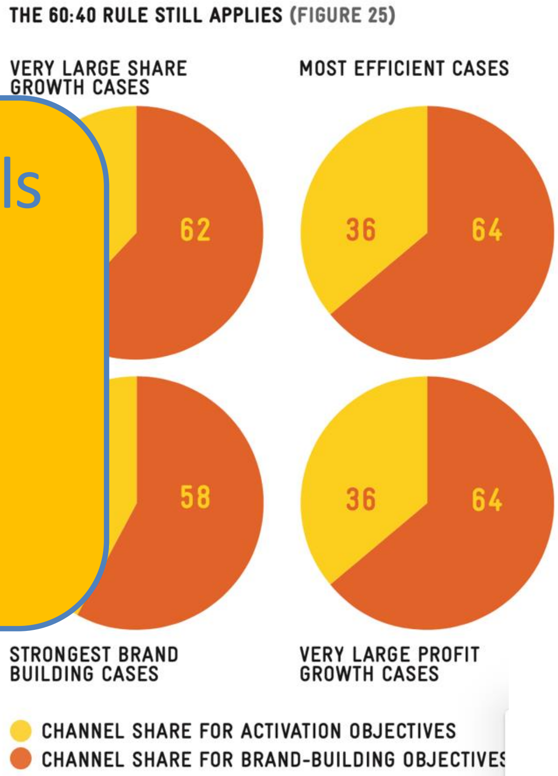
Where does the Brussels Motor show stand?

Is it Brand Building or Sales Activation



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The facts:
The automotive customer journey

Digital experience | Showroom experience | Ownership experience

- Smaller number of brands in consideration stage (and smaller than it was in the past)
- Brands in initial consideration stage three more times more likely to be purchased - so top of mind matters
- More brands added during active search stage
- Post-purchase stage increasingly important. Communication is two-way - o WOM online and offline are increasingly important
- Search at consideration stage starts from ***digital*** search
- **Brand activation works best at the stage where consumers are ready to buy**

The facts:
The Belgian Market and the BMS

- Highly competitive sector where the big German three dominate the market
- Toyota has a reasonable and growing share of 5%, and a healthy Brand Equity
  - Uniqueness perception as an: ***"Innovative Brand"*** due to Hybrid proposition
- However :
  - Brand Salience - the measurement of brand awareness - needs to improve
  - SOV to SOM ratio is deteriorating
  - Every year Toyota has a presence at the Brussels Motor Show
  - The investment is a significant percentage of the annual marketing budget.
  - Ford, Hyundai, Vauxhall/Opel, Volvo, Peugeot, Citroen are all pulling out
    - e.g. they no longer have any presence at the Geneva Motor Show

The problem:

While the brand's presence at the BMS generates a significant number of sales leads, it is believed relatively few of these convert into actual sales - ***only 3% conversion***

Toyota needed to answer the following questions:

1. **Should we invest in the BMS?**
2. **What is the overall, lasting, ROI of this activity?**
3. **If we do decide to participate again next year – what can we do to maximise the ROI?**

Experiential Marketing

Confucius

"I hear, I know
I see, I remember
I do, I understand"

The challenge:

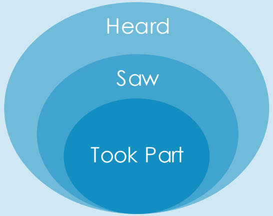
We are in the era of accountability, personalization and measurability

- Media fragmentation and proliferation
- Interactivity
- Measurability via google analytics and programmatic advertising
- Individualization
- Overlapping of offline and online touchpoints
- Customer engagement has become a key target metric

Against this backdrop, how can we justify generic experiential marketing activities like the BMS to the CEO?

The Solution

IPM's Experiential Effectiveness Measurement Methodology

Pre-Event	Event		Post-Event	
	Live	Reach	Impact	ROI
Measure Current Brand Affinity & Usage 			Measure New Brand Affinity and Brand Usage with Impact, Reach and Advocacy analysis: **BAM** Brand Affinity Measure **RAAVE** **R**elevancy **A**ssociation **A**ccessibility **V**alue **E**xpectation **Advocacy** NPS	Conversion Ratio **ROI** = Value of Uplift from the Campaign / Cost of the Campaign

- Pre-event - *define event objectives and gather pre-event measures*
- At Event - *gather audience sizes; and contact details for follow-up research*
- Post-event - *follow-up research on attitudes, behaviours and how many told*

Key features that attracted us

- Understands the impact of the campaign – how it changes opinions
- RAAVE methodology – relating share of wallet/usage to customer opinions
- Measures ROI in a way that is directly / solely attributable to the event
  - *Developed and endorsed by the IPM*
  - *RRI worked closely with the IPM Experiential Council to successfully deliver an industry leading Experiential Measurement Methodology*
  - ***Measures exactly the things the CMO and CEO are interested in knowing***
- Usable in a predictive way to help plan future investments
- Industry benchmarks – both as a guide and a yardstick

RAAVE Measurement Proposal

To evaluate the marketing effectiveness of Toyota's presence at the BMS using the IPM-approved measurement approach which will:

- Measure or estimate the number of people **Reached**, split by those:
  - *Taking part in the experience;*
  - *Having the opportunity to see the experience; and*
  - *Hearing about the experience through word of mouth and / or other means*
- For each groups, to measure/estimate the impact of the experience **(Response)**:
  - *Upon their awareness of, and attitudes towards, Toyota*
  - *Propensity for brand ownership*
  - *Their Willingness to Recommend the Toyota brand to family & friends*
- Using the information gathered by the fieldwork, to estimate the expected Return on Investment **(ROI)** from the Brand experience event

The 3-R's

- *Reach*
- *Response*
- *ROI*

Data collection: Phase 1

Pre-Event

- Conducted via an on-line panel (c. 1000 respondents)
  - *Among people potentially interested in going to the BMS*
- Captured data on key attitudinal & behavioural metrics, including:
  - **Attitudes towards Toyota across the 5 key RAAVE dimensions:**
    - Relevancy, Association, Accessibility, Value, Expectation
      - *Measuring their agreement with statements such as: "innovative"; "attractively designed"; "enjoyable to drive"; etc*
  - **Overall RAAVE score (aka "Brand Affinity Measure")**
  - **Current/previous usage of Toyota (over past 10 years)**
  - **Likelihood to:**
    - Consider Toyota
    - Engage with Toyota (e.g. car configuration in Website; visit showroom)
    - To purchase a Toyota

Data collection: Phases 2 & 3

At Event

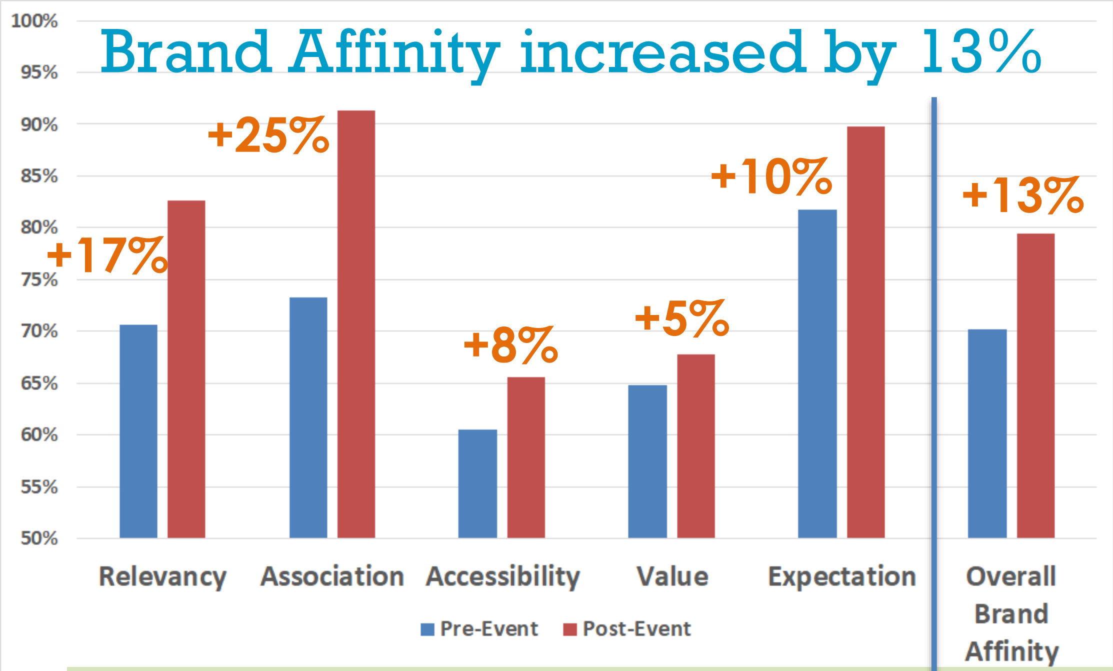
and

Post-Event

- **At Event:**
  - Contact details of those who visited the stand (c. 4000 collected)
  - Proximity measures – footfall and dwell time - using wi-fi sensors
  - Data from event organizers on total BMS attendance
- **Post-Event**
  - Follow-up survey (4-weeks later) to collect data to:
    - Compare directly with the pre-event measures
    - Measure claimed communication through social media & WOM
    - Measure actions since event (web/showroom visits; purchase; etc)
  - Collect data on Amplification – Reach by Media & PR

Example Results – Brand Affinity

ipm



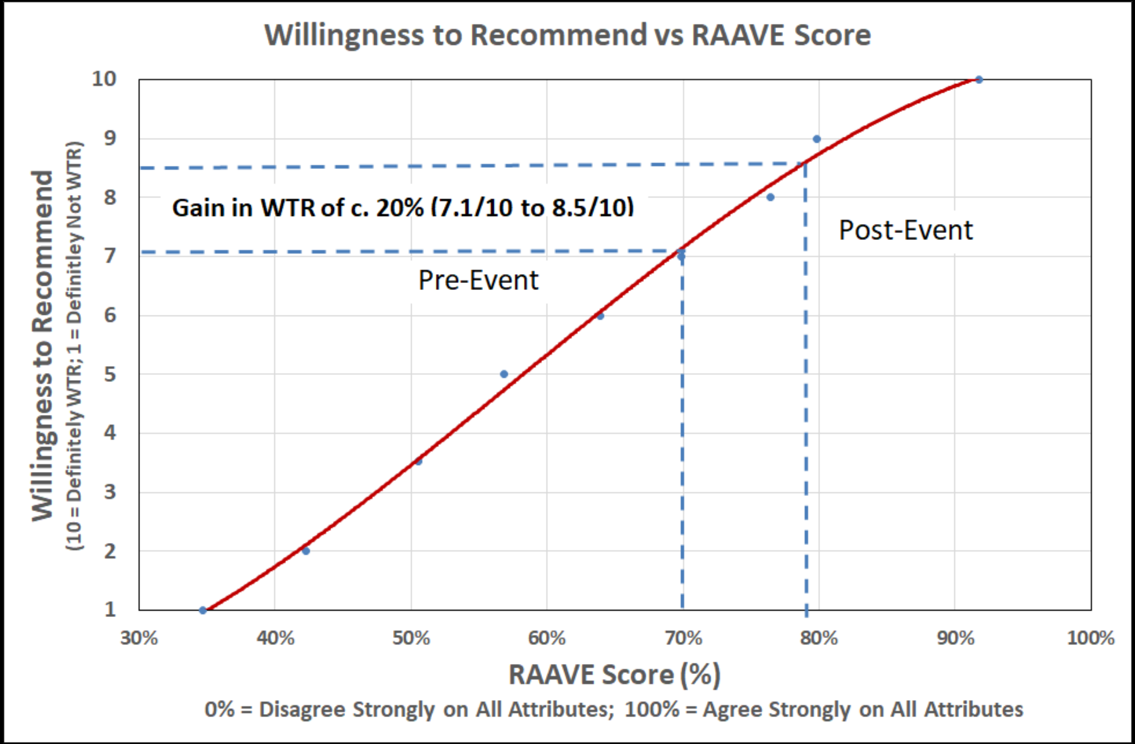
+11% +14% +6% +12% +8% +10% *IPM Norms*

Real results still confidential – chart is therefore illustrative for now

BAM = +13%
(v norm of +10%)

Largest gain on Association: +25%

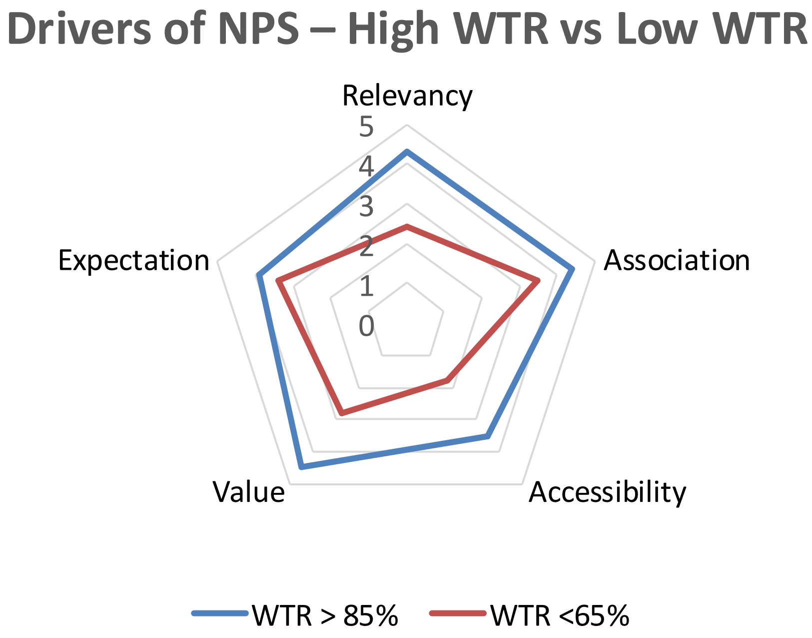
Willingness to Recommend



Significant gain in WTR

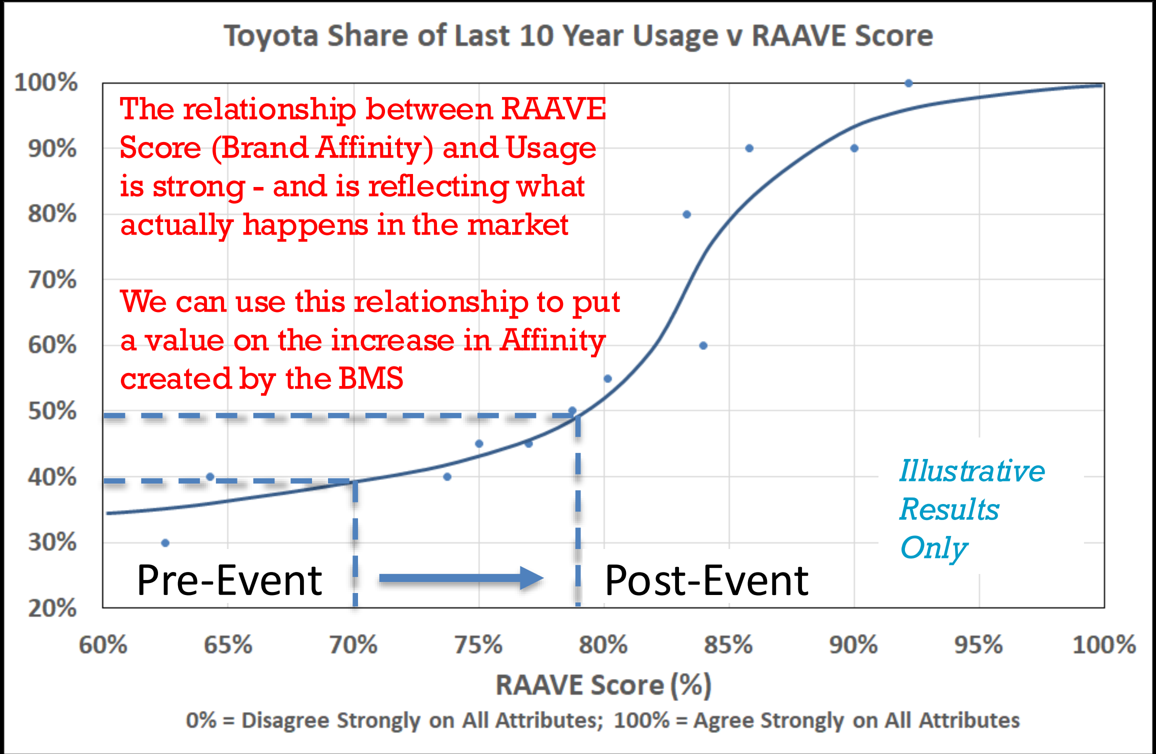
The 5 RAAVE drivers tell us which of the perceptions need to be improved to improve WTR and NPS

Diagnosing how to do better next time



- Events have different focuses and hence targets in terms of brand statements
- Comparison versus target and/or vs other events is a key measure of success
- Approach enables consistent benchmarking and reporting

Implications for Share of Usage



Relationship between RAAVE Score & Usage is from Pre-Event Data

A Post-Event RAAVE Score of 79% would imply a large gain in usage amongst in exposed groups!

Calculating ROI – Two Parts

Illustrative Results Only

1. Direct ROI

– based on visitors increased likelihood to Test Drive

Sample 600

- Brand affinity before the event 70%, after the event 79%
- Propensity to buy before the event 65%, after the event 70%
- Likelihood to test drive before the event 10%, after the event 30%

  Expected increase in number of test drives **120**

Scale up to total no of people who visited the stand

- Test drive conversion rate 40%
- Average car price 25,000 €
- Revenue from incremental sales (120*40%)*25,000€=1,200,000€
- Sample 600

  Event footfall 4,000

  Scale up factor 4,000/600=6.7
- Margin 15%
- Profit on incremental sales 180,000
- Profit scaled up to total number of participants 18,000*6.7=1,200,000

Cost of the event

ROI

Provides a comprehensive ROI that measures the full brand building benefit of Experiential

2. Indirect ROI – based on Expected increase in Usage x Number of People Exposed

Calculated for each audience:

- *Took part*
- *Directly Exposed*
- *Heard About via PR and Media*

What is included in the Final Report

- ✓ Profiles of event attendees
- ✓ Baseline awareness, attitudes, share of usage measures
- ✓ BMS stand traffic and estimates of reach for 3 audiences
- ✓ Evaluation of the impact of the activity for each audience
- ✓ Changes in post event behaviour (claimed & predicted)
- ✓ Cost per contact and ROI
- ✓ Recommendations on how to improve next time

To sum up

- **For Toyota, the IPM Experiential Measurement approach is:**
  - Data Driven
  - Robust
  - Testable (provides predictive implications for future events)
  - Objective
  - Comprehensive
  - Diagnostic (we can see what to change next time to get a better outcome – every marginal gain takes us forward)
  - Repeatable and systemmatic – enabling us to create our own benchmarking database