

Advertising's Affect on Average Sales

Introduction

This is an example of an advertising impact study based on weekly GRP and retail sales. The paper focuses on the incremental affect advertising might have comparing the period's overall average sales per store during intermittent periods [15 of the 52 weeks] without any advertising versus periods with some form of advertising GRP by media type. In most cases, several forms of advertising took place simultaneously so a definitive segmentation affect by media type is not possible.

The firsts section contains the details by media type. A summary and conclusions statement follows this.

Details

These displays provide the GRP affect on average sales by date and only those dates that had a recorded GRP. For example, Total Ad Reach, all components as shown on the next page, the mean average sale is \$8,944.07 compared to an overall average sale of \$8,616.53 for the period.

Overall Average Sales during entire Period

| | N | Minimum | Maximum | Mean | Std. Deviation |
|------------------------|----------|----------------|----------------|-------------|-----------------------|
| Av Store Sales- | 52 | \$5,716.58 | \$9,934.11 | \$8,616.53 | \$908.57 |

Excluding the 37 weeks that had no recorded GRP, the average store sale is \$7,808.60. For comparative purposes, this is the pseudo baseline.

Overall Average Sales for Periods without any Advertising

| | N | Minimum | Maximum | Mean | Std. Deviation |
|------------------------|----------|----------------|----------------|-------------|-----------------------|
| Av Store Sales- | 15 | \$5,716.58 | \$9,285.44 | \$7,808.60 | \$1,057.31 |

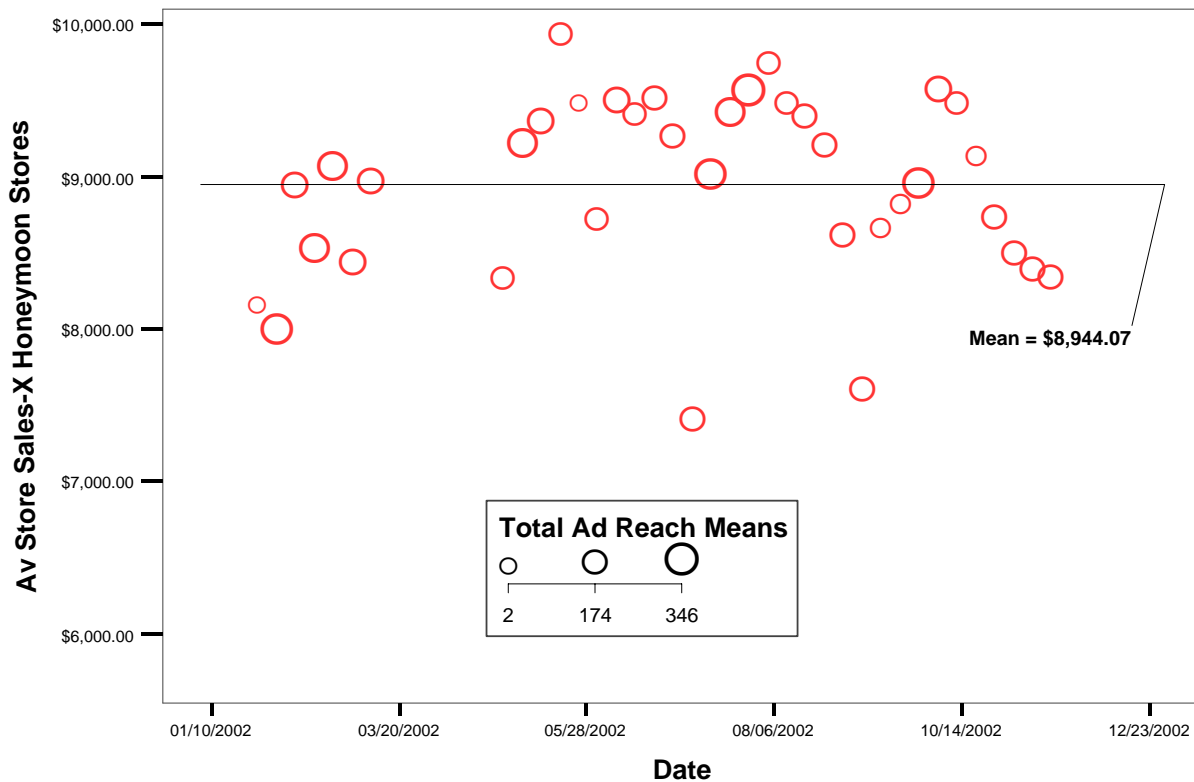
Media Type

Total Ad Reach

The graphic displays that follow show average sales by date and only those dates that had a recorded GRP. As seen, the mean average sale is \$8,944.07 considering the Total Ad Reach, all components, compared to an overall average sale of \$7,808.60 for those periods that did not have any form of advertising taking place.

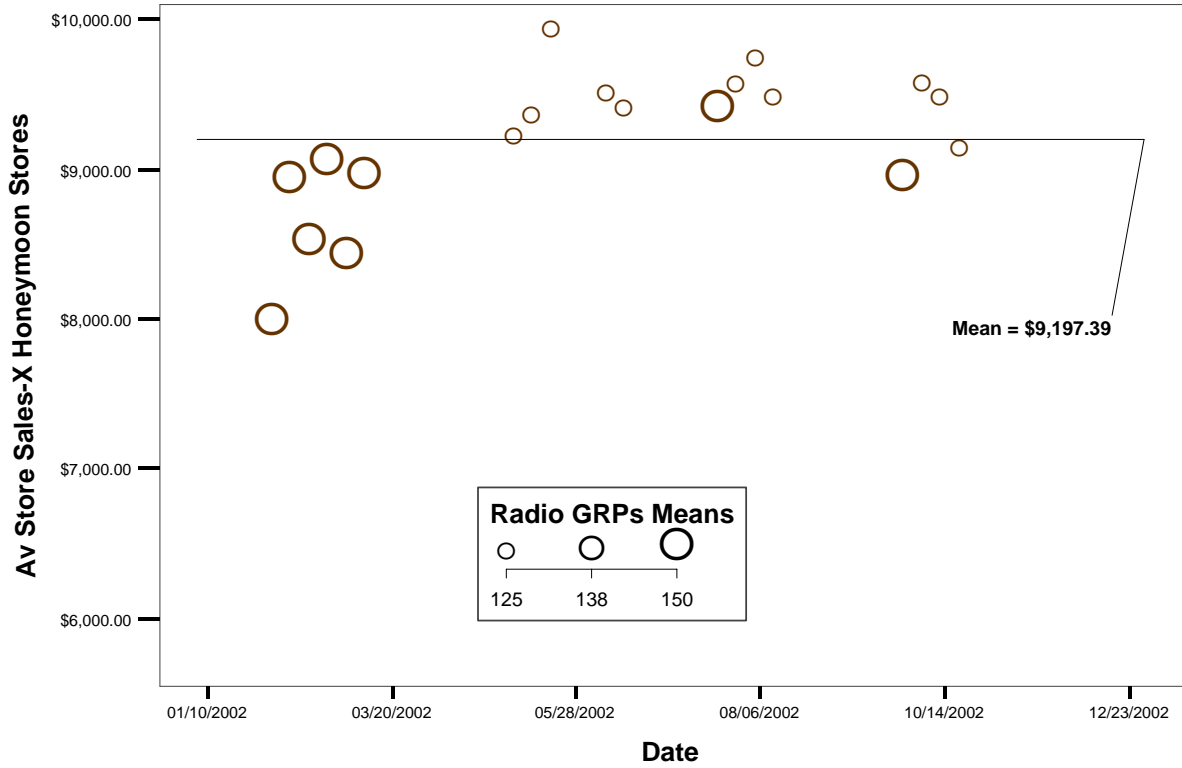
As noted, there are periods where several forms of advertising took place simultaneously so a definitive segmentation affect by media type is not illustrated.

| | N | Minimum | Maximum | Mean | Std. Deviation |
|-----------------|----|------------|------------|------------|----------------|
| Av Store Sales- | 37 | \$7,402.88 | \$9,934.11 | \$8,944.07 | \$593.70 |



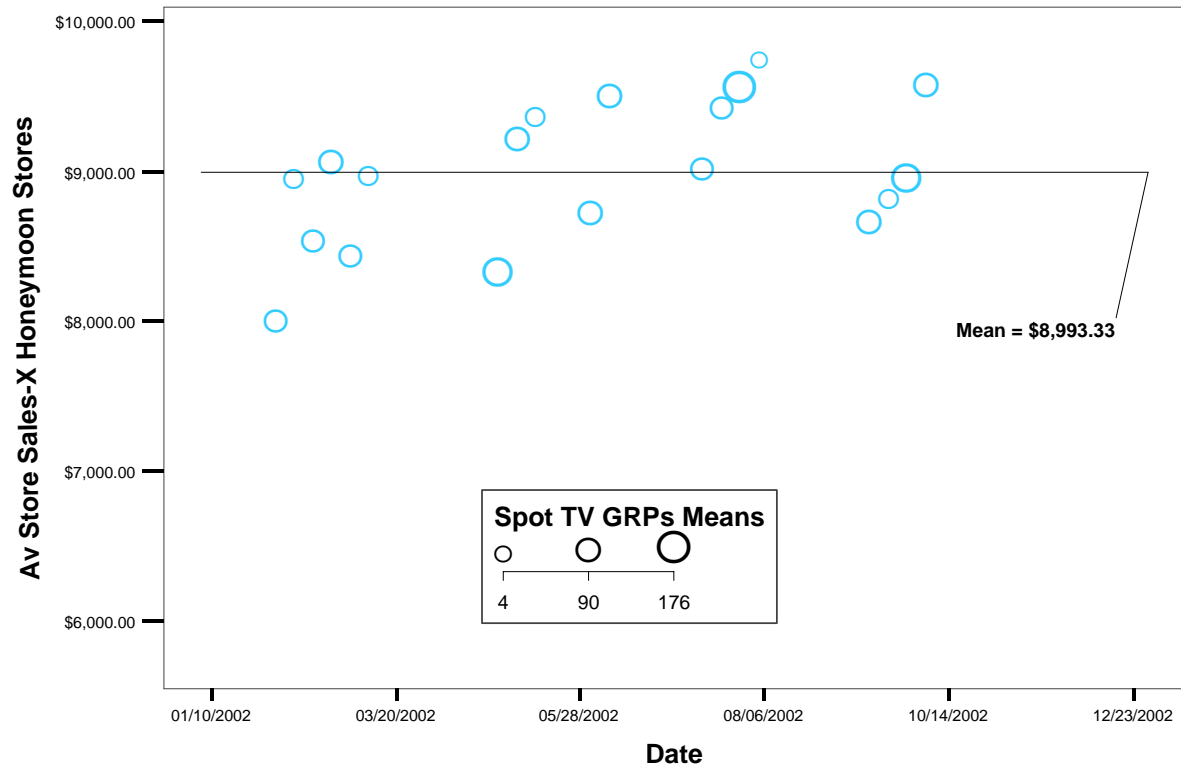
Note: The larger the week's GRP the bigger the circle; only contains dates with a GRP.

Radio Ad Reach



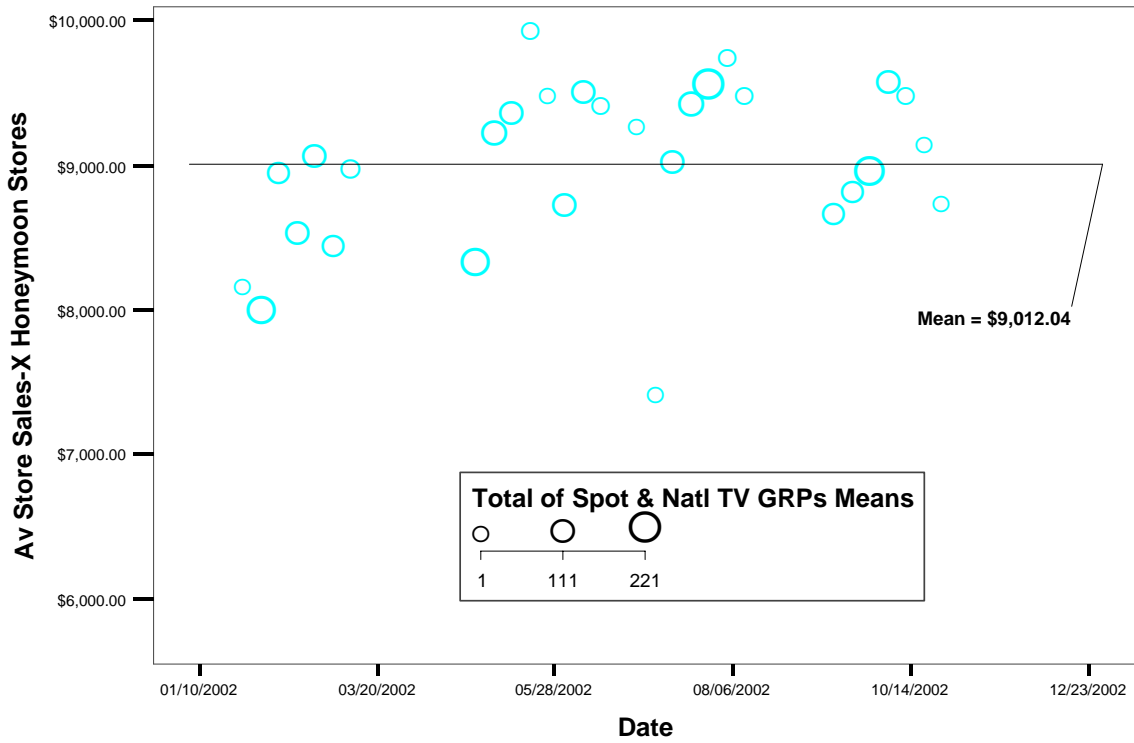
| | N | Minimum | Maximum | Mean | Std. Deviation |
|-----------------|----|------------|------------|------------|----------------|
| Av Store Sales- | 19 | \$7,998.39 | \$9,934.11 | \$9,197.39 | \$480.06 |

Spot TV Ad Reach



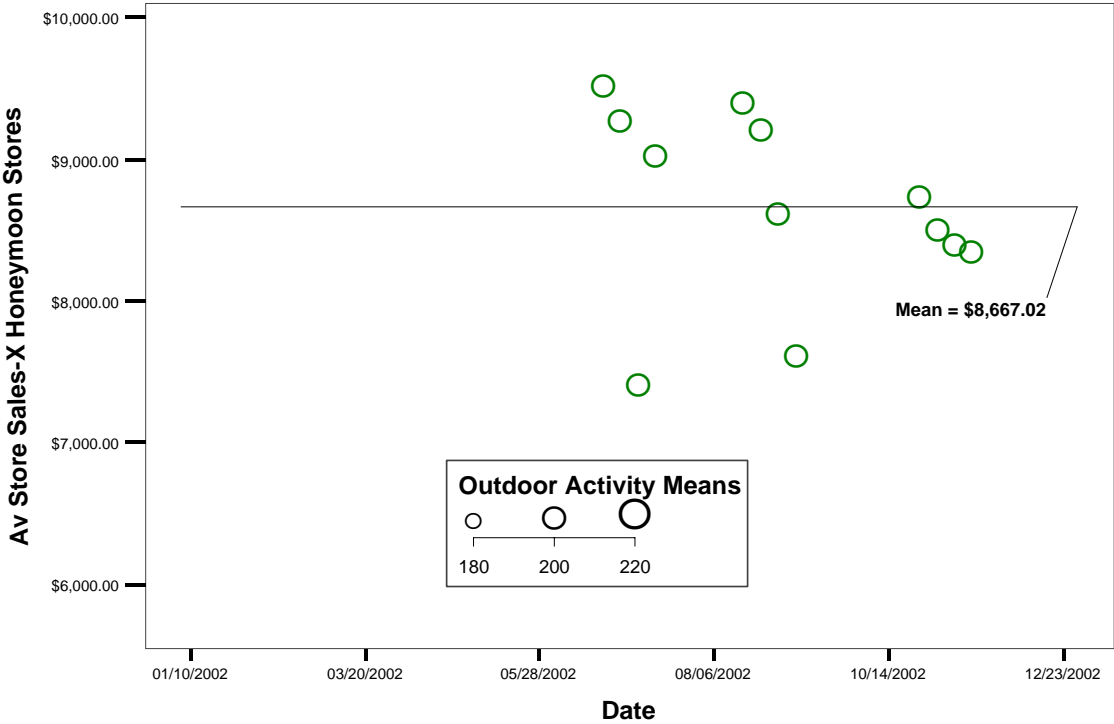
| | N | Minimum | Maximum | Mean | Std. Deviation |
|-----------------|----|------------|------------|------------|----------------|
| Av Store Sales- | 19 | \$7,998.39 | \$9,742.64 | \$8,993.33 | \$473.45 |

Total Spot & National [local market] Ad Reach



| | N | Minimum | Maximum | Mean | Std. Deviation |
|-----------------|----|------------|------------|------------|----------------|
| Av Store Sales- | 29 | \$7,402.88 | \$9,934.11 | \$9,012.04 | \$572.69 |

Outdoor Ad Reach



| | N | Minimum | Maximum | Mean | Std. Deviation |
|-----------------|----|------------|------------|------------|----------------|
| Av Store Sales- | 12 | \$7,402.88 | \$9,518.17 | \$8,667.02 | \$672.92 |

Summary

Overall Average Sales

| | N | Minimum | Maximum | Mean | Std. Deviation |
|-----------------|----|------------|------------|------------|----------------|
| Av Store Sales- | 52 | \$5,716.58 | \$9,934.11 | \$8,616.53 | \$908.57 |

Total Ad Reach

| | N | Minimum | Maximum | Mean | Std. Deviation |
|-----------------|----|------------|------------|------------|----------------|
| Av Store Sales- | 37 | \$7,402.88 | \$9,934.11 | \$8,944.07 | \$593.70 |

National TV –Local Market

| | N | Minimum | Maximum | Mean | Std. Deviation |
|-----------------|----|------------|------------|------------|----------------|
| Av Store Sales- | 29 | \$7,402.88 | \$9,934.11 | \$9,012.04 | \$572.69 |

Spot TV

| | N | Minimum | Maximum | Mean | Std. Deviation |
|-----------------|----|------------|------------|------------|----------------|
| Av Store Sales- | 19 | \$7,998.39 | \$9,742.64 | \$8,993.33 | \$473.45 |

Total of Spot & National TV [Local Market]

| | N | Minimum | Maximum | Mean | Std. Deviation |
|-----------------|----|------------|------------|------------|----------------|
| Av Store Sales- | 29 | \$7,402.88 | \$9,934.11 | \$9,012.04 | \$572.69 |

Radio

| | N | Minimum | Maximum | Mean | Std. Deviation |
|-----------------|----|------------|------------|------------|----------------|
| Av Store Sales- | 19 | \$7,998.39 | \$9,934.11 | \$9,197.39 | \$480.06 |

Outdoor

| | N | Minimum | Maximum | Mean | Std. Deviation |
|-----------------|----|------------|------------|------------|----------------|
| Av Store Sales- | 12 | \$7,402.88 | \$9,518.17 | \$8,667.02 | \$672.92 |

Conclusions

This summary graphic shows that, overall, the average store sales for the study period is just over \$8,600 [1st bar]. However, considering only the periods without any advertising [15 of the 52-week period] to the “overall advertising affect” suggests that advertising, overall, increases average sales about \$1,100 [3rd bar compared to the 2nd bar]. When the advertising affect is segmented by type, and compared to the 15-week period without any advertising, radio appears to have the greatest return on average sales with an incremental increase of about \$1,400 [5th bar compared to the 2nd bar] compared to televisions overall affect of approximate \$1,200 [4th bar compared to the 2nd bar].

