

BEST USE OF INSIGHT

Haleon & MediaSense: From Efficiency to Effectiveness – *The Media Impact Model*



EXECUTIVE SUMMARY

Good media value models incorporate both efficiency and effectiveness, but Haleon had in recent years heavily favoured efficiency. This had served to drive competitive costs, but it was also becoming apparent that it was limiting their ability to use media as an investment to drive growth. In short, Haleon's focus on efficiency was eroding effectiveness.

In response, they partnered with their advisors, MediaSense to develop a Media Impact Model that properly reflected the beneficial impact of digital and TV media quality on campaign outcomes including brand health, RoI and sales. Their media agency Publicis was then targeted to improve media quality, as measured by the model, across 48 markets.

The result was seven consecutive quarters of sales growth, with 12% of sales being attributed to media.

This is true industry-changing insight and innovation – shifting media planning and buying from efficiency to effectiveness, by correlating media quality data with campaign outcomes to drive business growth.

DETAILS

In the spring of 2022, Haleon introduced a new media strategy called 'Doing the Right Thing'. The strategy was loosely based on Peter Drucker's observation that efficiency is doing things right, while effectiveness is doing the right things. Both are required but there is no reason to be efficient if it doesn't drive an effect.

A step change was required to redefine media value so it was positioned as an investment to grow. This was an ambitious undertaking for Haleon, as their existing model had served them well from a media cost perspective. They would need to convince internal stakeholders that the change was necessary. And would need to find the right partner to help them develop a new model.

Haleon in partnership with their advisors MediaSense, bravely initiated a cross-functional project – including Marketing, Procurement, Finance, and Consumer & Business Insight & Analytics – that set out to redefine media value by moving past efficiency in favour of effectiveness i.e. deliberately sacrificing media cost reductions in favour of media impact. This required senior stakeholder buy-in across each function and 48 in-scope markets.

The Media Impact Model developed by Haleon and MediaSense started by identifying and defining media effectiveness drivers, categorised into four buckets:

1. **Context** – metrics that focus on the importance of environment and relevance
2. **Reach** – metrics that maximise the audience reach (more traditional, but still important)
3. **Quality** – metrics that reduce wastage and increase engagement
4. **Values** – metrics that reflect Haleon's purpose-led values

Haleon and MediaSense collaborated with key business stakeholders to select and define the metrics that would be included, using this as an opportunity for Haleon to move away from legacy KPIs and to capture newly emerging metrics. Tests were conducted on e.g. attention metrics; increased focus on audience affinity; and improving the contextual relevance of inventory.

Once the drivers of effectiveness were identified and defined, the next stage was to develop a consistent method for measurement. Historical

media performance data was collected and then used to generate a 'media impact score' - a statistical method for attaching a single consistent score of 1-10 to all effectiveness drivers, based on the distribution data for each metric.

The final stage was to correlate digital and TV impact scores with campaign outcomes such as brand health, RoI and sales. The correlation analysis enabled Haleon and MediaSense to link the model to business outcomes (effectiveness) and inform the prioritisation and weightings of the quality KPIs. Their media agency Publicis was then targeted to improve the integrated quality KPI score across 48 markets.

Over the course of the two-year implementation period, major strategic changes resulted from the Media Impact Model, including (i) a dramatic cut in the long tail of programmatic sites from 180,000+ to 5,000, and (ii) moving TV spend from limited peak activity to premium high impact sponsorships. The model was also deliberately built to enable evolution and to incorporate new media channels and KPIs as necessary, now including social, programmatic, YouTube, e-commerce and retail media, as well as TV/BVOD.

The results across the two-year implementation period in 2023 and 2024 were outstanding:

25%

uplift in media quality (across digital and TV) in 2023 and further double digit improvement forecasted in 2024, as measured by the Media Impact Model.

The impact on Haleon's power brands has been significant, with Voltaren in Germany seeing a **25%** increase in effectiveness (sales/ GRPs), Australia Voltaren up by **41%**, South Africa Sensodyne by **43%**, Taiwan Panadol by **63%**, and Philippines Centrum by **89%**.

x7

consecutive quarters of sales growth, including 12% of sales attributed to media as per Haleon's AO MMM Analysis.

40%

increase in digital effectiveness & ROI.

This is true industry-changing insight and innovation – shifting media planning and buying from efficiency to effectiveness, by correlating media quality data with campaign outcomes to drive business growth.