

Mutinex
Marketing ROI Index
Q3 2024

Welcome to the great
flattening

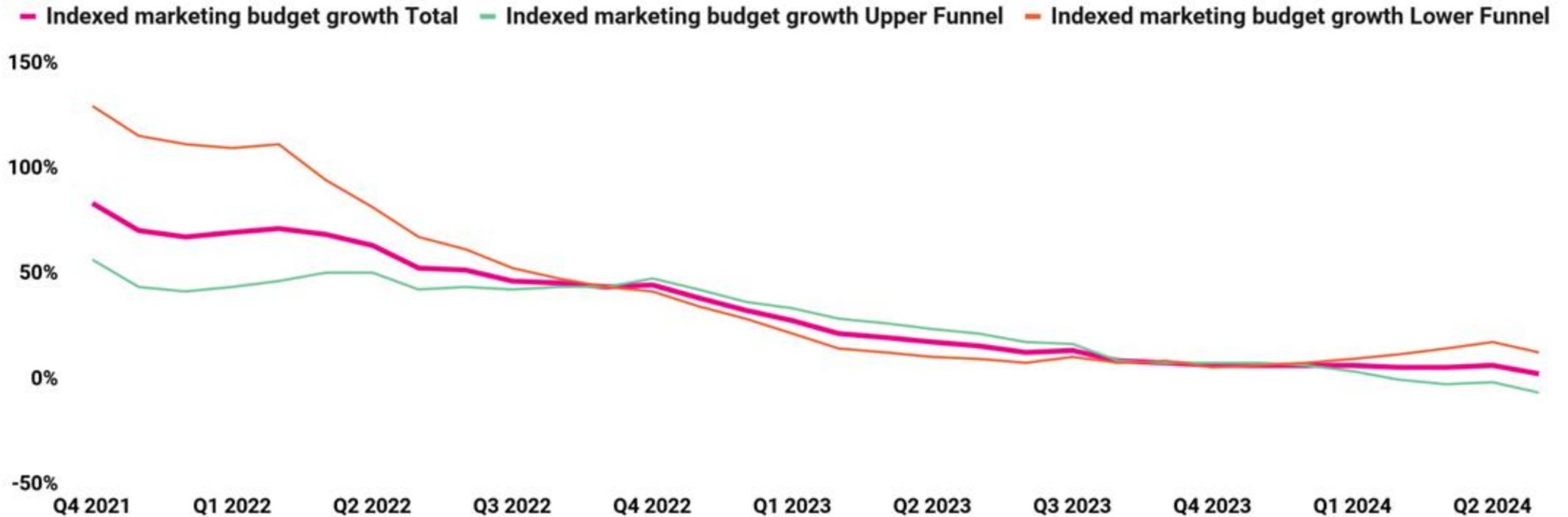
Part 1: Budget trade offs

Marketers shift investment to the bottom of the funnel under pressure to defy flat budgets.

Marketing investment growth has stalled

- Budget growth in decline from 2021 peaks
- Budgets flat from Q3 2023
- In 2024 seeing growth in Lower Funnel investment at expense of Upper Funnel

Change in YoY media spend



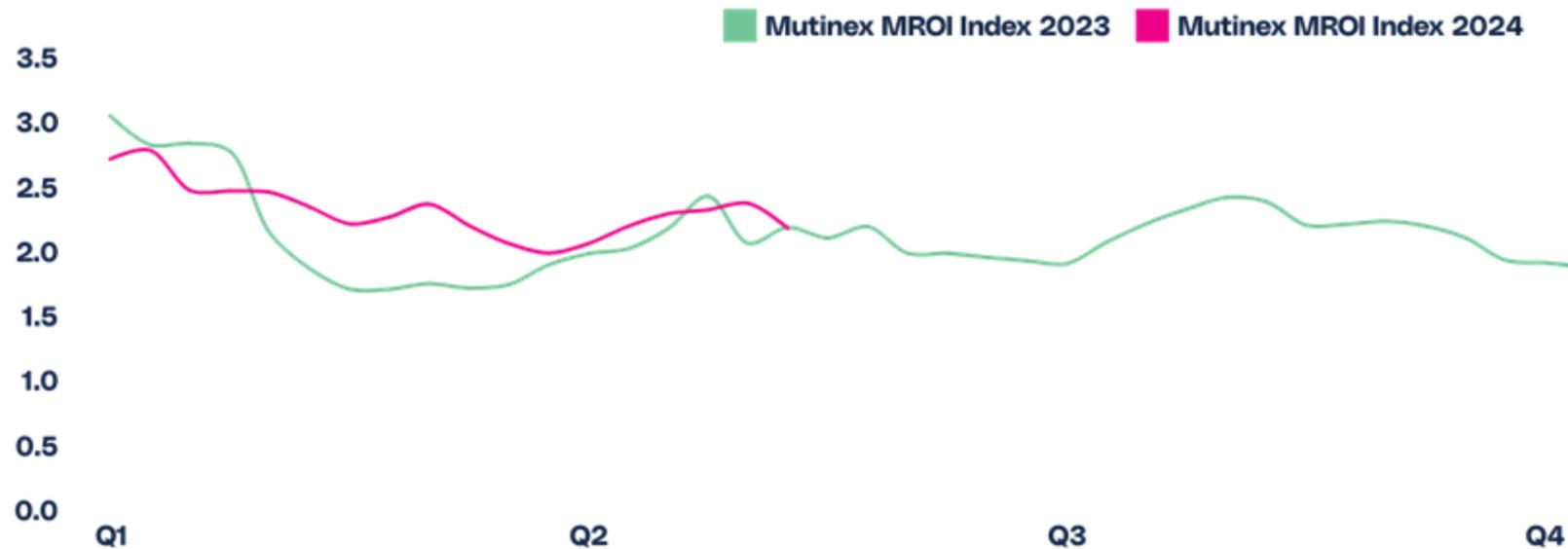
Rolling change in 12-month media investment

Part 2: Lower funnel competition becomes stiff

MROI flat year on year in Q2 2024

- Brief growth in ROI early in 2024, returning to in-line with previous year
- Concern for long term trend as Upper Funnel investment continues to fall

2024 versus 2023 - 6 month rolling MROI Index



Part 3: Channel investment dominated by quick wins

Linear TV loses out to search as marketers seek to drive fast and demonstrable return.

Search and Affiliates showing strongest growth in last 12 months

- The 12 months post covid saw the biggest swings in channel selection, including restoration of OOH.
- Search has seen the second highest increase in spend over the 2 year period.
- Affiliates has seen the highest proportional growth with a share of 1.7%pts equating to 90% increase
- BVOD has seen slight growth but not to the extent to cover the decline in TV

Change in share of channel spend

Channel	'22-'23	'23-'24	2022-2024
Growth			
OOH	3.8%	1.0%	4.8%
Search	2.4%	1.4%	3.8%
Other	3.5%	-1.0%	2.5%
Affiliates	0.3%	1.4%	1.7%
Radio	0.5%	0.7%	1.1%
BVOD	0.3%	0.4%	0.7%
Decline			
Video	-1.3%	0.6%	-0.7%
Print	-0.7%	-0.8%	-1.5%
Display	-1.0%	-0.8%	-1.7%
Social	-2.3%	-0.2%	-2.5%
TV	-5.4%	-2.7%	-8.1%

12 and 24 month spend ending May 2024

Part 4: ~~Sustaining~~ Growing the bottom line

A mismatch between channel results and overall performance is symptomatic of general malaise. But marketers can create opportunity by bucking investment trends.

Efficiency of demand capture channels has increased

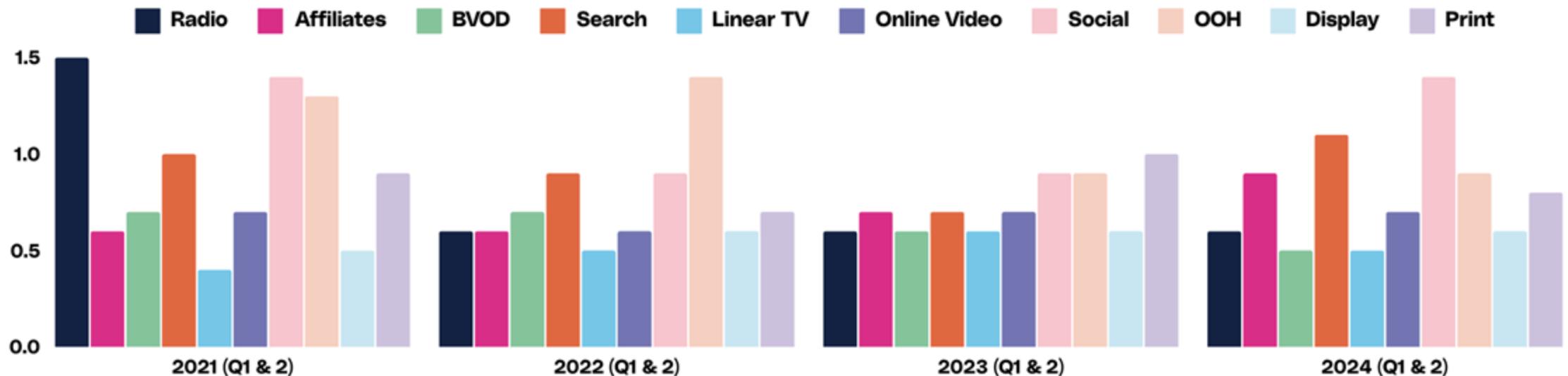
- Search and Affiliates have seen an increased ROI for YTD* 2024
- Social delivering highest ROI, returning to peak seen in 2021
- BVOD and TV ROI declined YOY

Capturing demand from category switchers is currently paying dividends, but for how long?

Adoption of Advantage+ and CAPI may be restoring social performance

Rewind in past gains for Linear TV while BVOD struggling to keep pace

Comparison of channel ROI for Q1 & 2



*YTD - To May 2024

Takeaways

1. One

The lower funnel is red hot

Currently a tough environment to make strong gains in marketing ROI.

Competition is fierce and consumer confidence has taken a hit amid a cost of living crisis.

Tradeoffs are being made, with marketers prioritising lower funnel activity to quickly lock in short term revenue.

2. Two

Create opportunity by reducing exposure

Opportunity for marketers willing to turn the current narrative on its head and rebalance budget across the funnel.

Consider overall ROI (not just channel performance) to find under invested channels like online video or social to deliver growth.

3. Three

Stop waiting for conditions to change

Marketers may be trying to “wait out” tough environments by competing for existing demand, risking brand.

Current conditions here for the foreseeable future and marketers must be bold to break the deadlock and thrive.