
Accountable communications planning.

David May

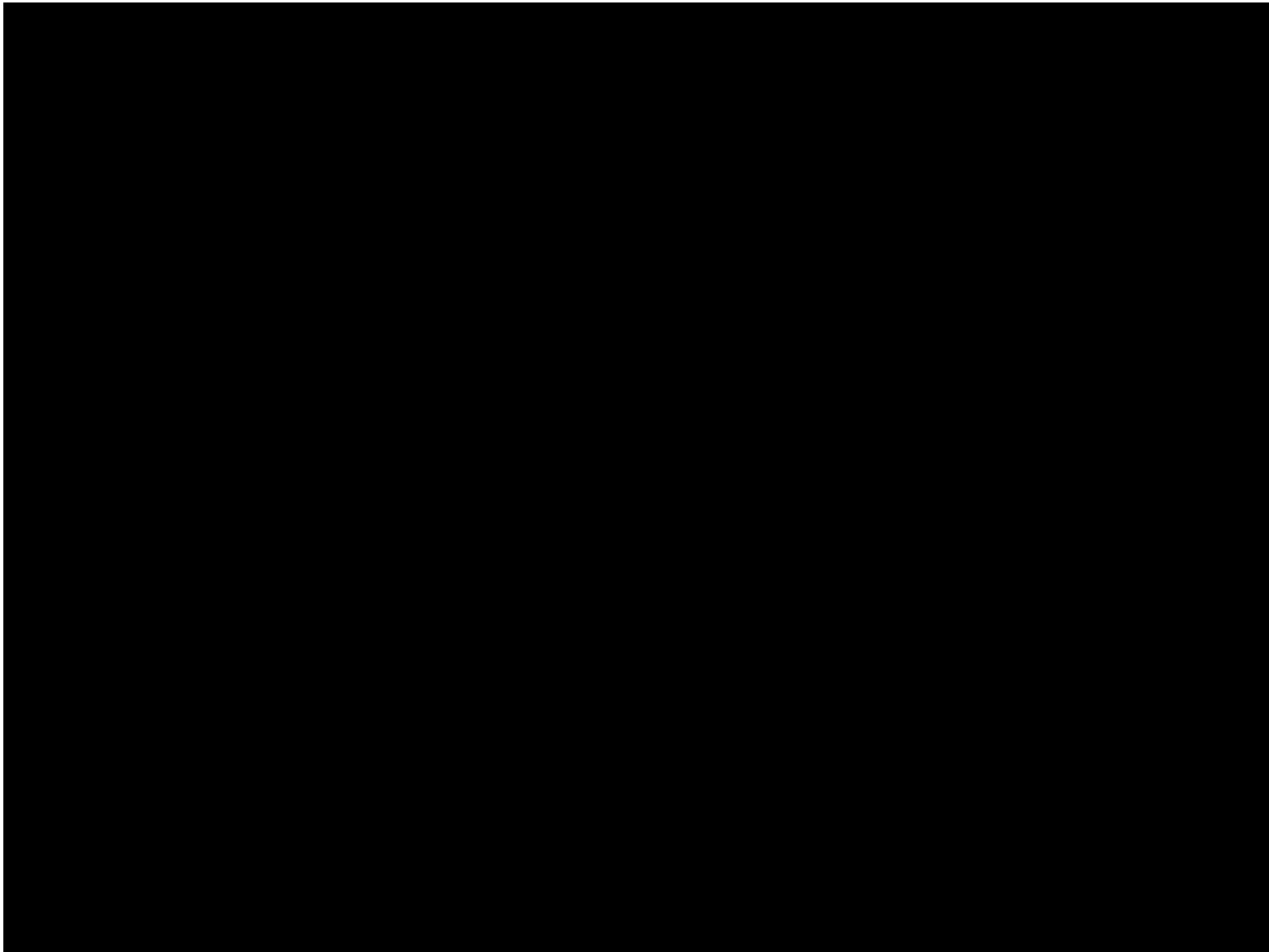
General Manager Marketing

ADMA Forum

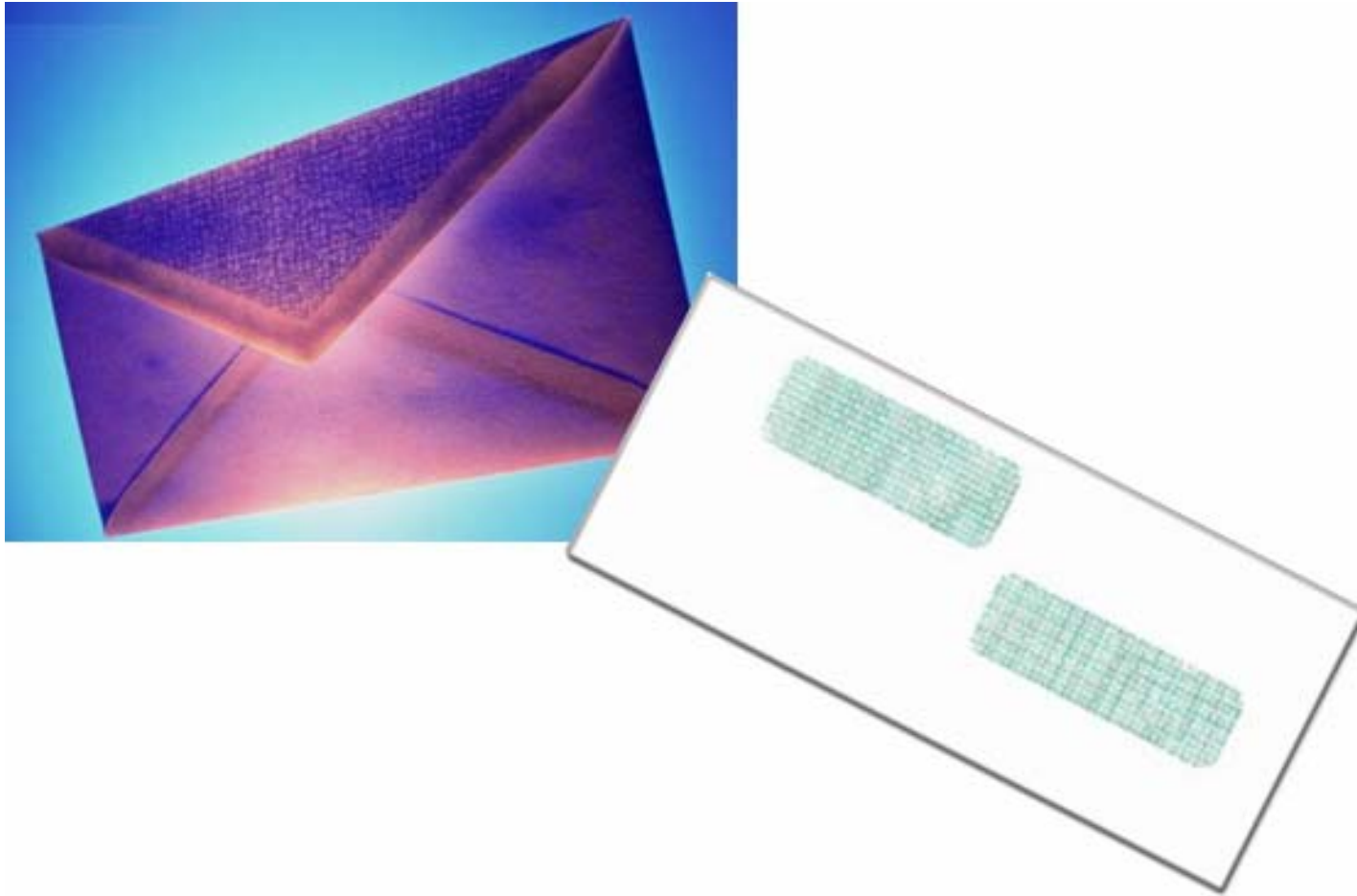
June 2008



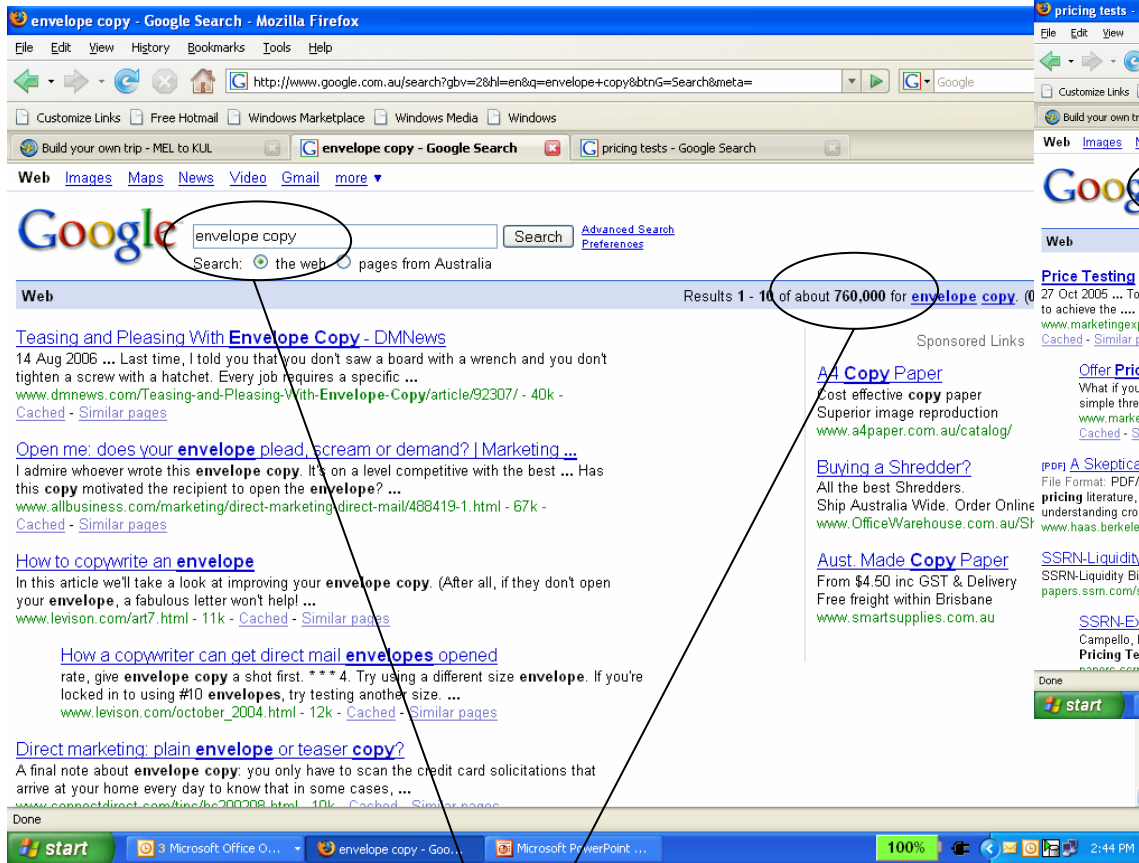
Introduction...



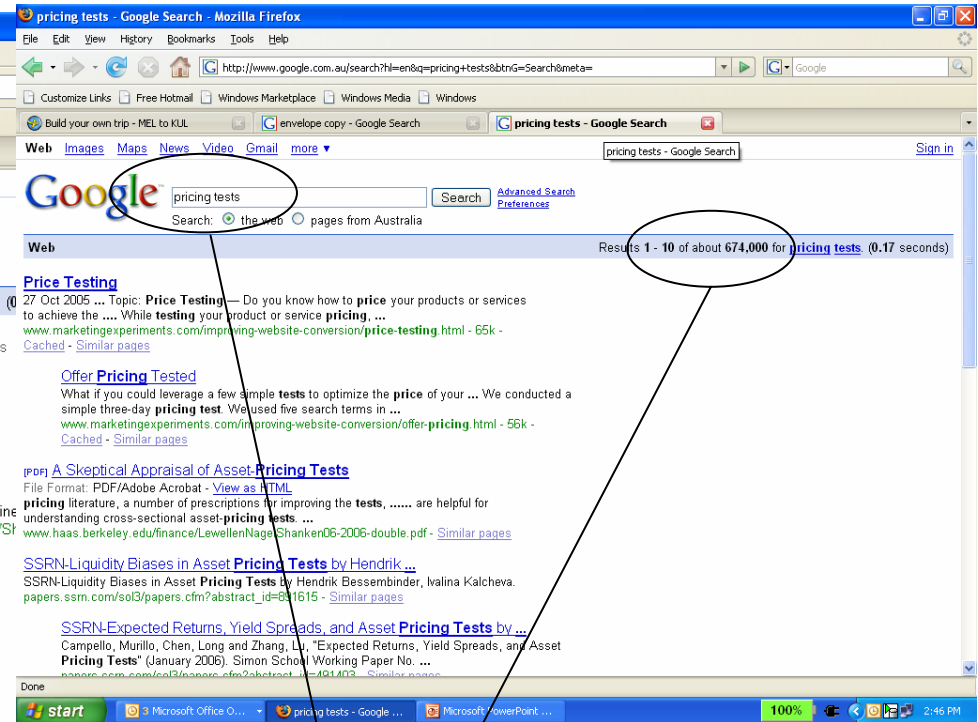
Direct Marketing's Pursuit Of Measuring The Immaterial...



...And The Immaterialisation of the material



760,000 google search results on envelope copy



674,000 google search results on pricing tests

Measuring a fish...



Introduction...

Jetstar spends in a range of channels, with a focus on TV and Press

- Driving responses to the Jetstar website

Our objective was to better manage promotional investments to achieve:

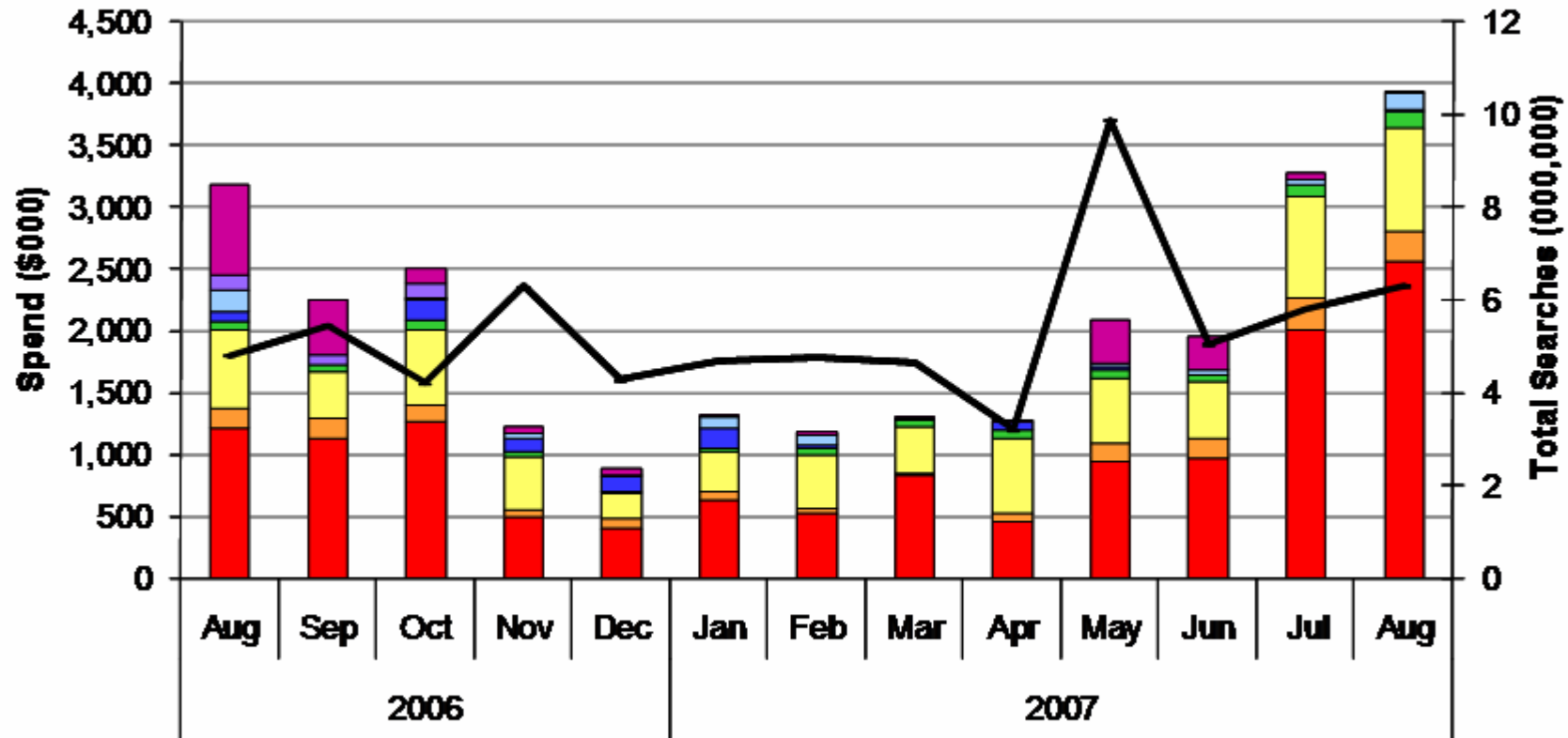
- Increased volumes of searches for the same spend, or
- The same volume of searches for less spend
- Or indeed both...increased volumes for less spend!

This improvement to be achieved in our ever-changing marketplace:

- Seasonality and consumer demand
- Fierce competitor activity

Seasonality, channel mix, competitor activity, pricing, networks, schedules... Is there really any such thing as a control cell, any more?

Jetstar Spend and Total Searches by Month



Particular challenges

We want our activities to drive 'immediate' searches and bookings

- Channel mix?
- International v. Domestic route promotion?
- Day of week?

We know that competitor activity is influential

- Which competitors (and channels) have greatest effect on us?
- Do we need to deal with different campaigns and sales differently?

We wanted findings to be practical and be implemented to deliver quantifiable improvements

- Including developing understanding of spend v. yield

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Four individual models were built

Separate models were created for each media market and product

- representing different proportions of the overall historic search volumes

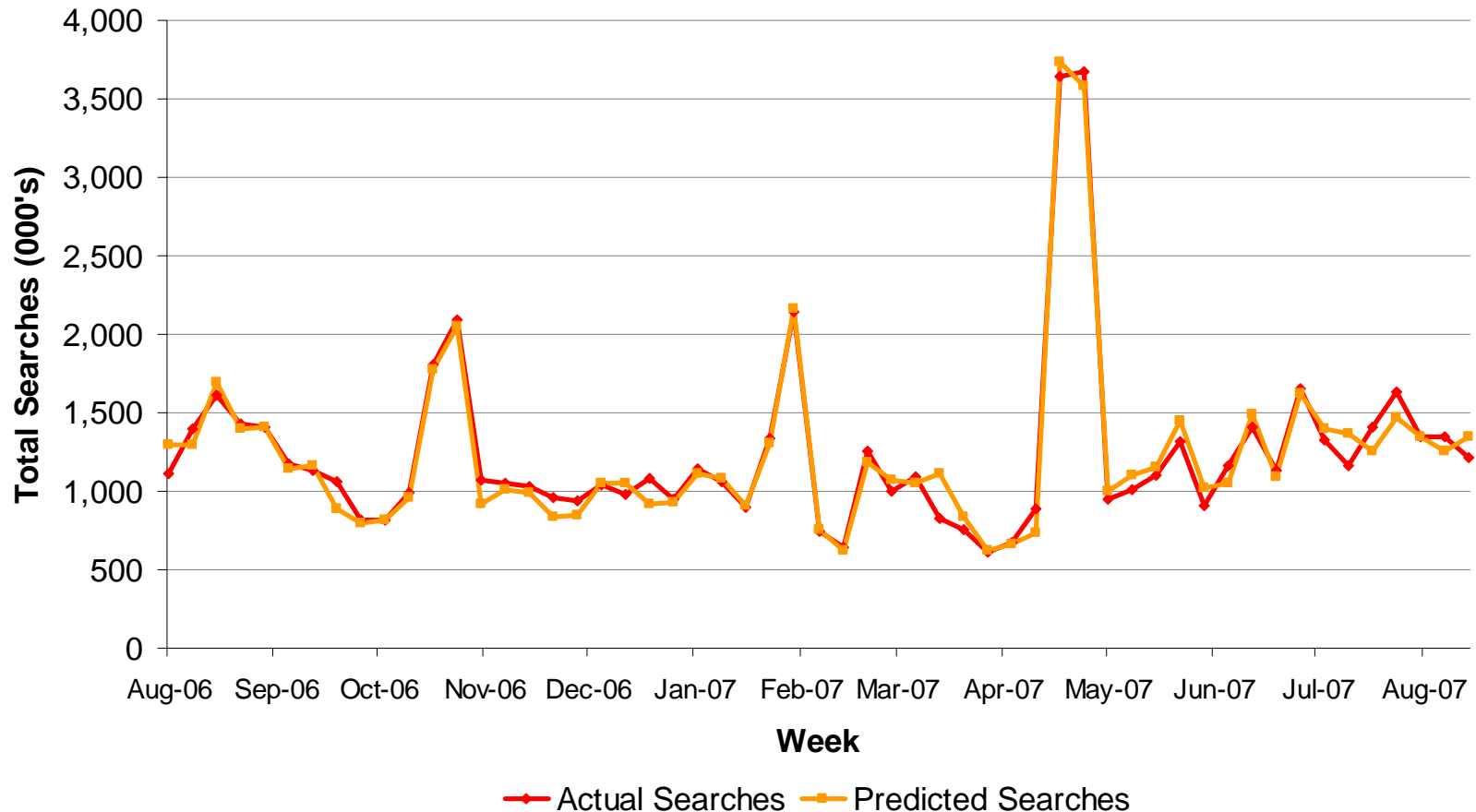
	Metro	Regional
Domestic	X%	Y%
International	Z%	A%

Each model incorporated an understanding of different media effects corresponding to the market and product dynamics and brand awareness

This modelling construction allows for clear appreciation of how each type of activity affects Domestic and International searches in each market

We built a model which accurately identifies the effect of different media strategies on search response

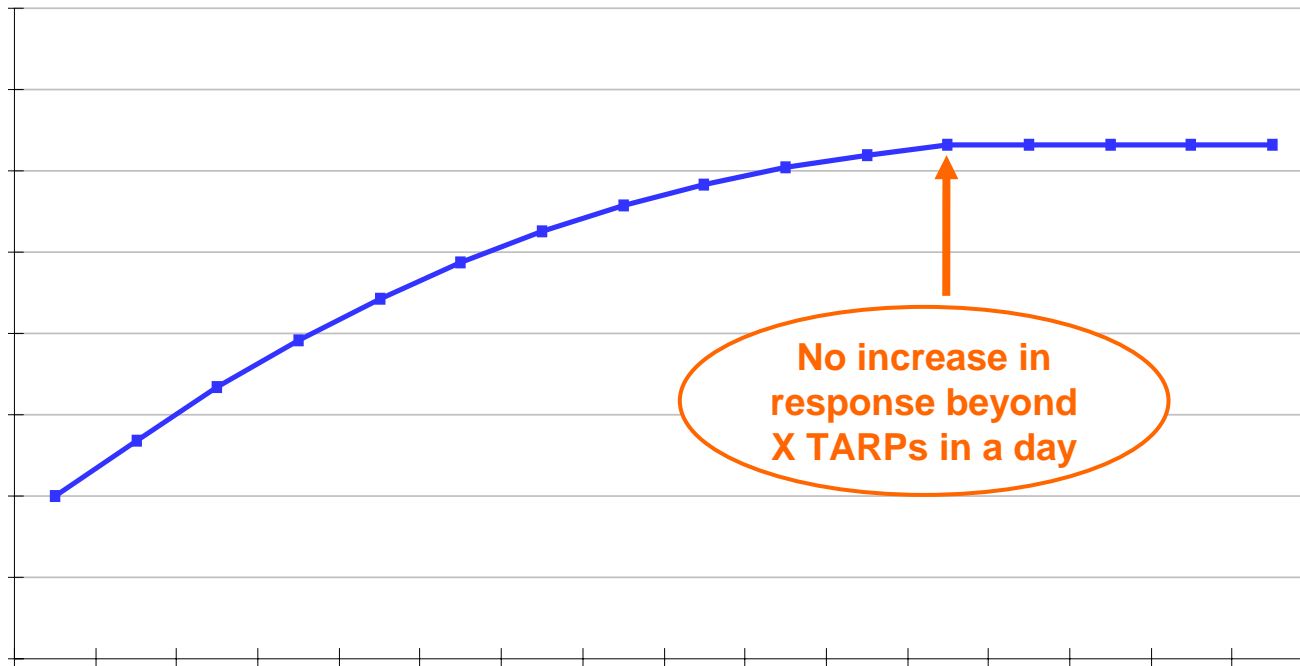
By identifying the key drivers of response, the model predicts outcomes to within 5%



Channel Mix - Effects of TV Exposure

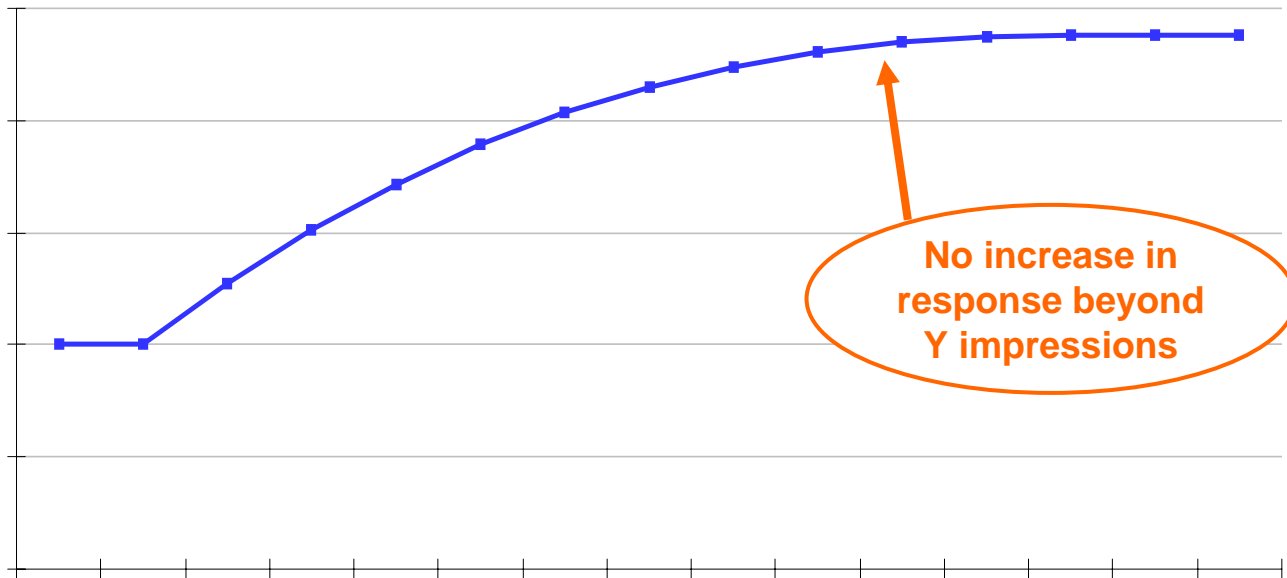
No incremental gain in response was seen from beyond certain TARP levels

MediaQube also identified a minimum daily TARP weight to maintain



Channel Mix - Effects of Press Exposure

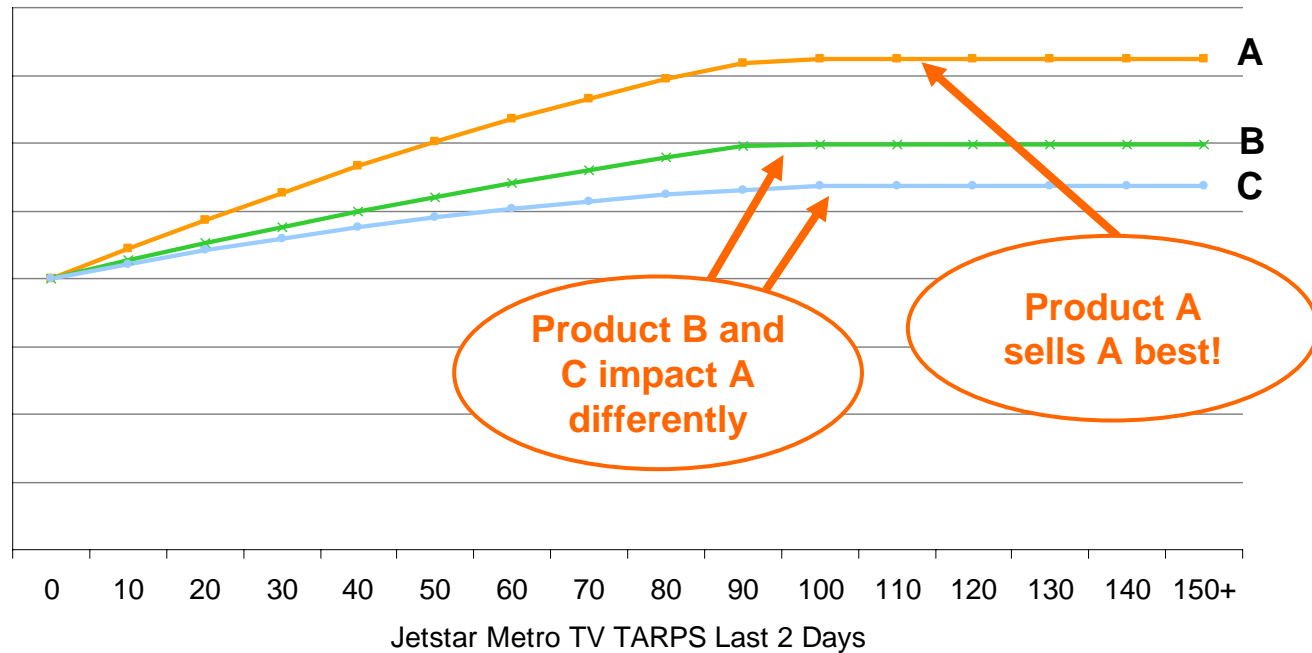
Similarly, press activity should not exceed certain volumes per person daily



The Jetstar 7 series...

We explored the behavioural impact of all our product responsiveness based on varying product messaging...

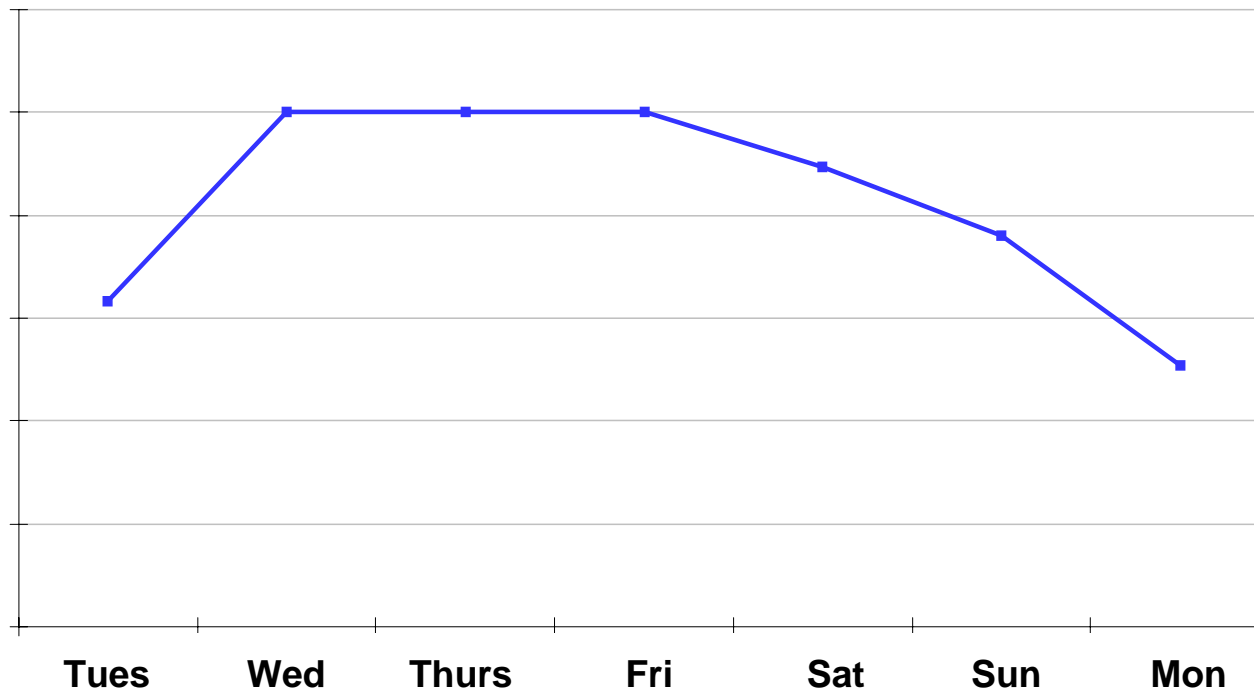
Effect on sales of product A through campaigns on product A, B and C



Day of week

Modelling was undertaken at a daily level to identify the most effective strategies to drive 'immediate' response

Relativity by Day of Week



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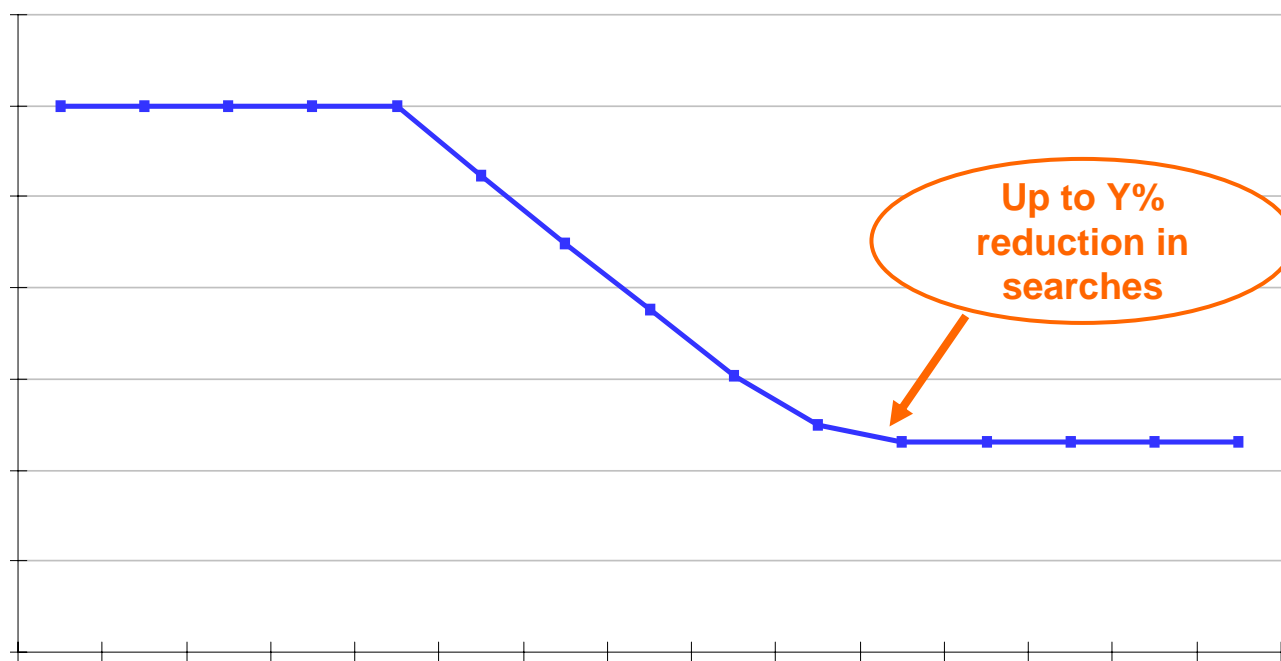
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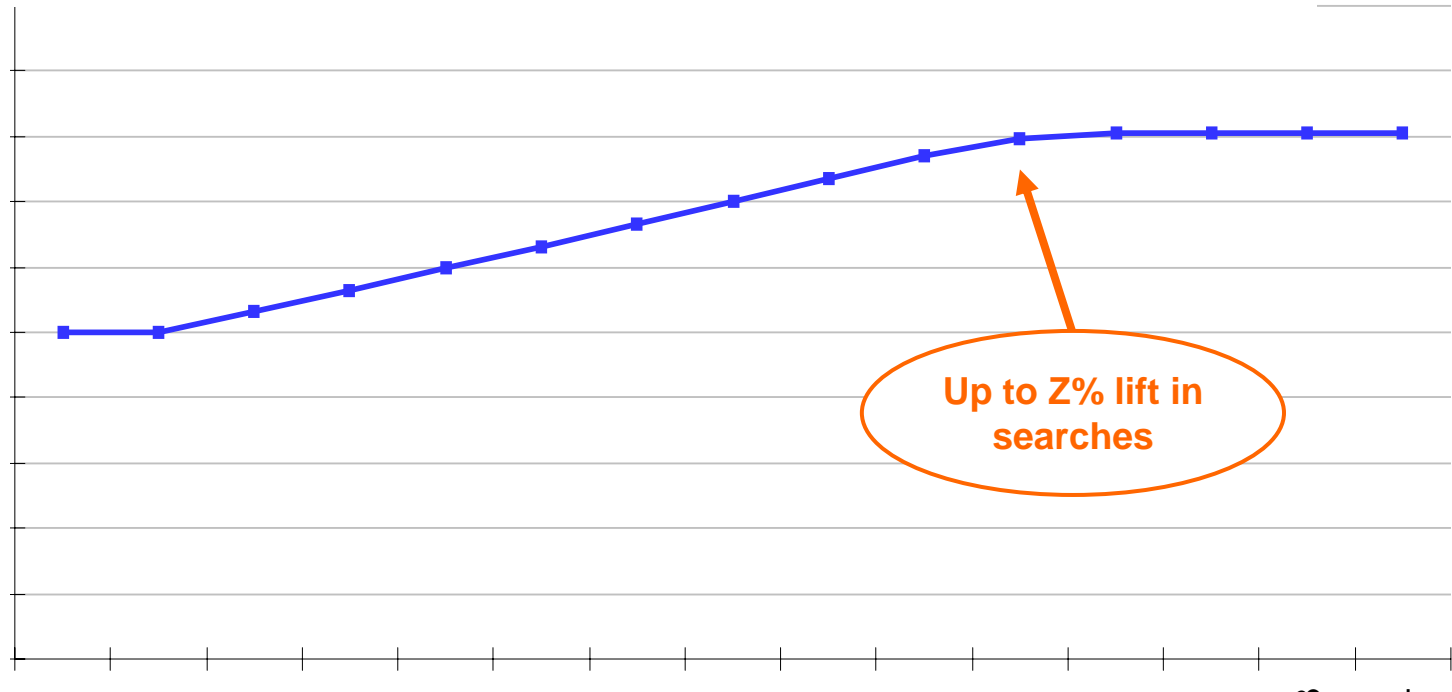
Which competitors have the greatest effect on us?

Certain competitor activity reduces the volume of Jetstar's response



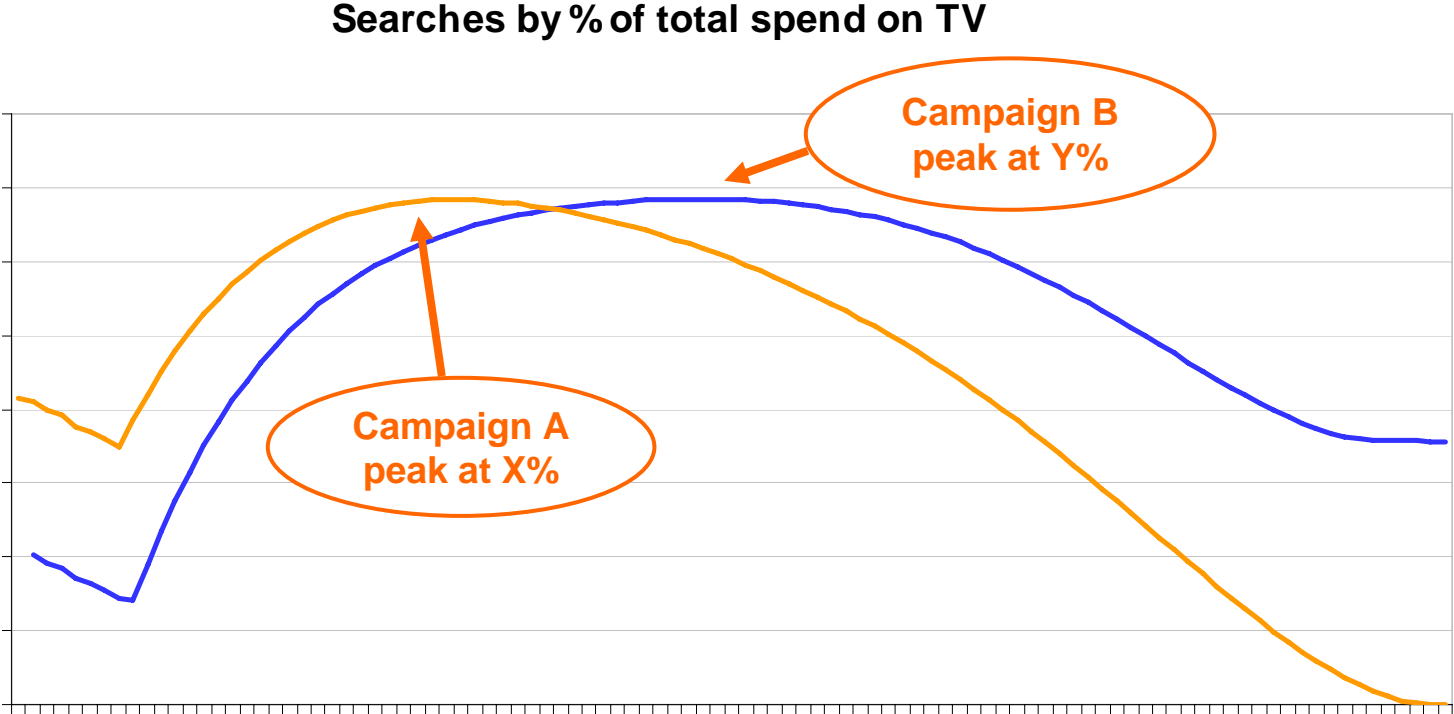
Which competitors have the greatest effect on us?

Certain competitor activities benefit Jetstar



Understanding the difference in campaigns

Certain types of campaigns need different media strategies



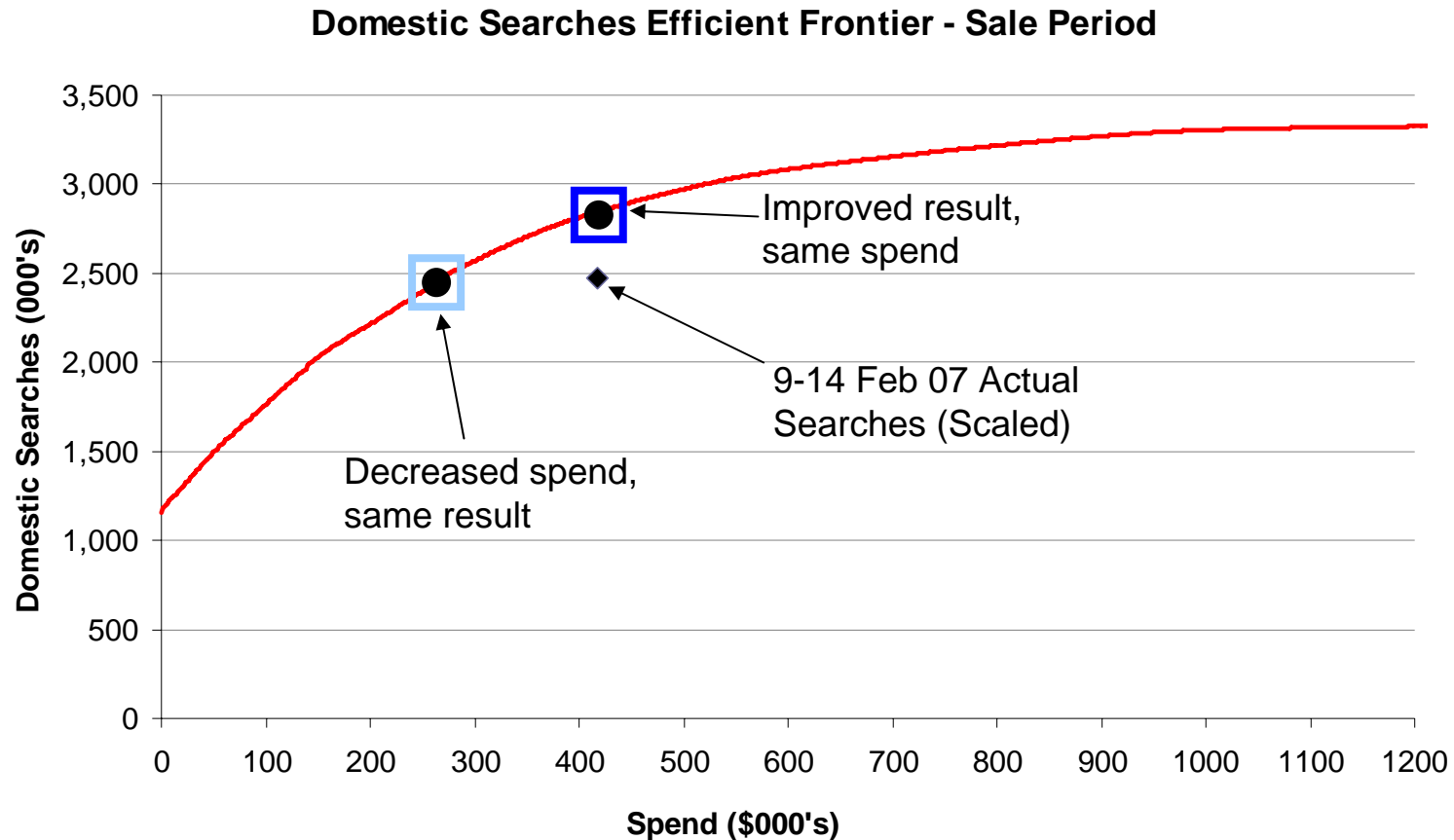
% of Spend on TV



A key output is the 'Efficient Frontier' – illustrating the optimal strategy for fixed spend or search volume targets

The theoretical optimum strategy is the best start point for forward planning

- A different mix is required to optimise results at each point on the Frontier



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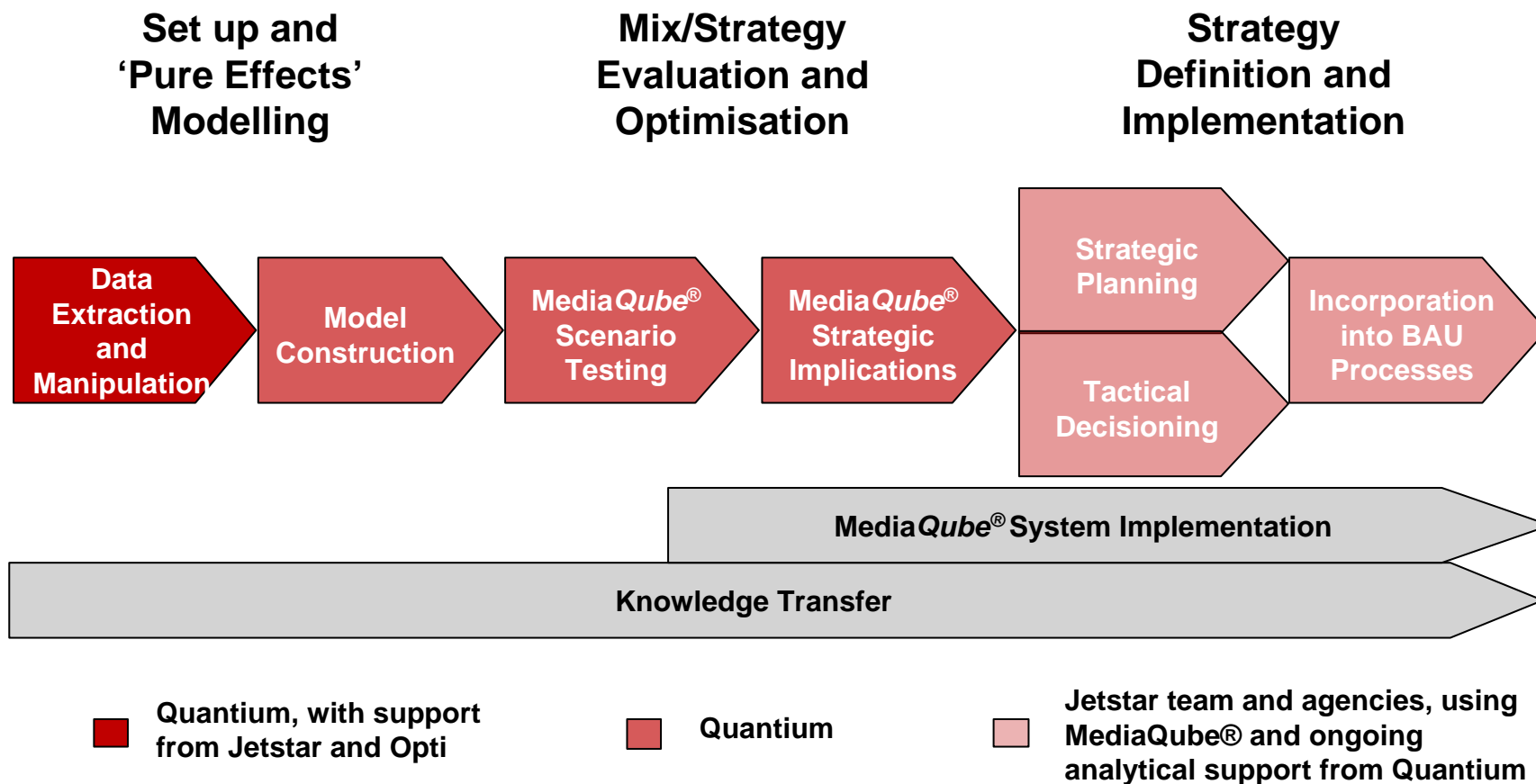
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Practical Implementation - A collaborative approach

Quantum worked with Jetstar and Optimedia in gathering data and in the latter stages, developing conclusions and recommendations



Spend v. Yield Management

Not all Searches are equal

- Conversion rates from Search to Booking differ significantly by city-pair (From 5 to 50%)
- The margin (yield) on each route also varies significantly

Taking conversion rates and yield into consideration, the optimal media schedule can be quite different

- The capability can no optimise media plans based on yield (not just search / booking volumes)

Quantifiable Improvements

Insights derived from the MediaQube® process are increasing our efficiency by \$5 - 10m pa

The insights and recommendations from MediaQube is used in all media planning, campaign design and spend justification within Jetstar

Integration of the process, analysis and recommendations continues as an iterative process

Questions?
