

Advertising Effectiveness & ROI Research

CTTC has a history of tracking the impact of its advertising through a methodology developed by Strategic Marketing and Research, Inc. (SMARI). Below is an outline of definitions and calculations.

Targeted Households: This figure is derived from the total households in the market where advertising is being run. The total is filtered first based on any economic targets (e.g., household incomes of \$75,000 or above), and then by targets related to travel propensity (e.g., the proportion of filtered households who travel in the U.S. for leisure at least once a year).

Ad Awareness: The percentage of the target group that recalls having seen the advertising as measured in a survey following the end of the ad run.

Ad Aware Households: Percent ad awareness multiplied by targeted households.

Media Costs: Costs to run just the advertising on various channels.

Cost per Aware Household: Media costs divided by ad aware households.

Incremental Trips: An estimate of the number of trips that come as a result of consumers having seen advertising. It is derived by looking at the travel incidence among ad-aware households (e.g., 4.7%) and travel incidence among non ad-aware households (e.g., 2.5%). The assumption is that the difference between the two ($4.7\% - 2.5\% = 2.2\%$) is representative of travel generated by the advertising. This difference (2.2%) is multiplied by the number of aware households to estimate incremental trips.

Average Party Trip Expenditures: Average of expenditures in the state of California, excluding transportation to California.

Incremental Spending: Average expenditures multiplied by incremental trips.

Incremental Tax Revenue: Incremental spending multiplied by a tax calculator.

Campaign Spending Return on Investment (ROI): Incremental spending divided by media costs.

Tax Return on Investment: Incremental tax revenue divided by media costs
On the next page is a matrix showing ROI calculations over the past three years.