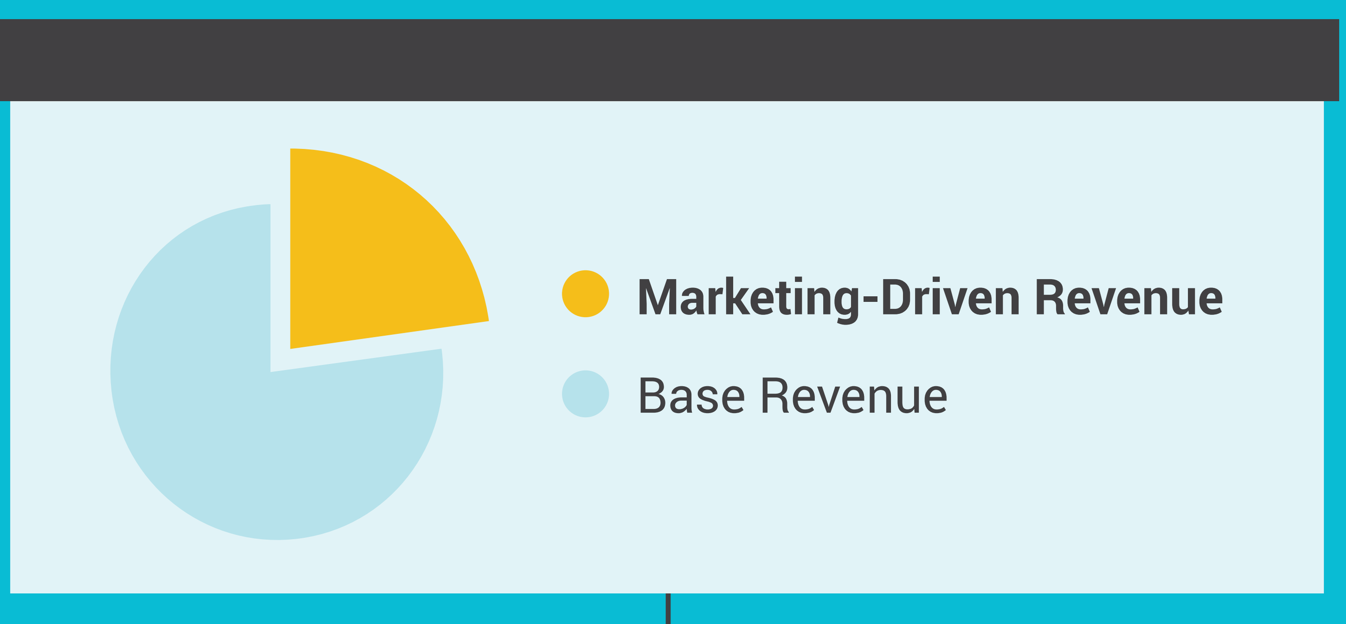
Maximising Box Office Revenue:
Results from Australian Market Mix Modelling

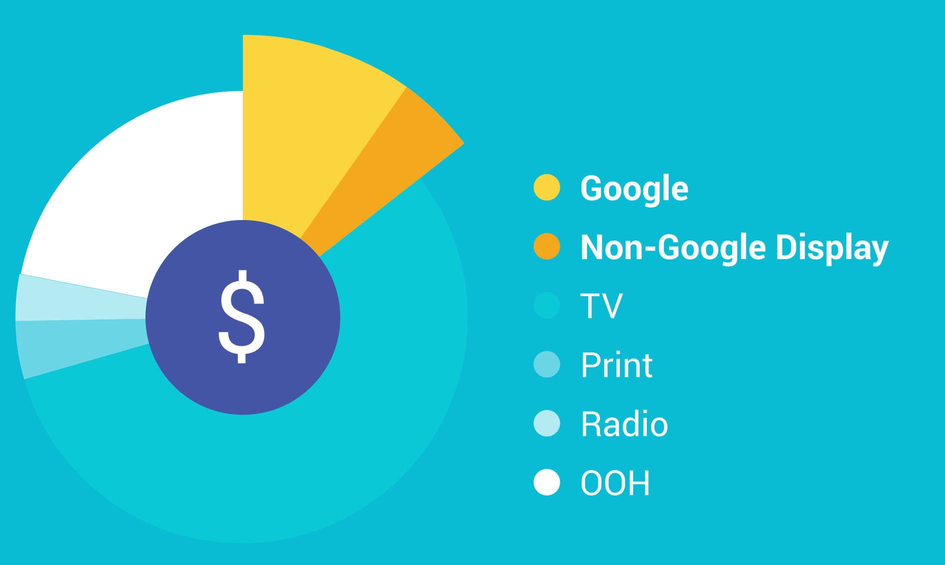
To maximise their returns at the box office, movie studios are considering how they can optimise their media investments. Leaving the suspense to the screenplays, Google and MarketShare conducted marketing mix modelling for the action movie category in Australia,* revealing how different marketing channels impact revenue.

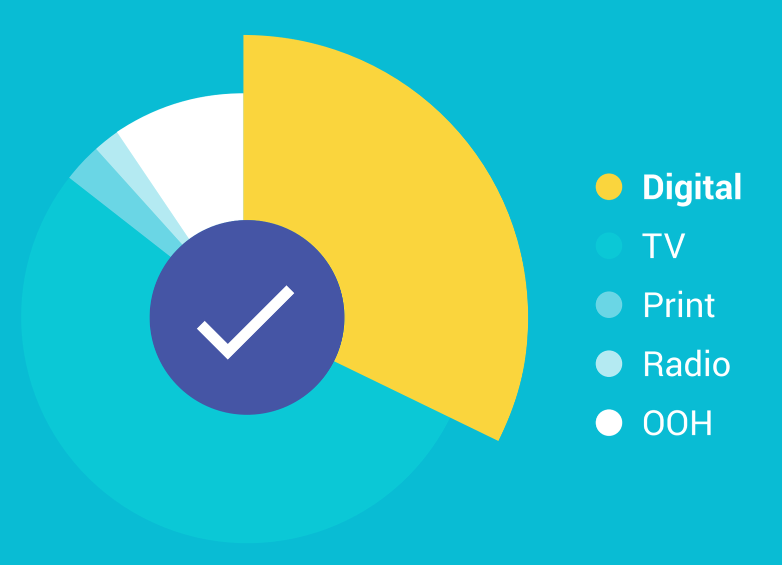
Caution: Spoilers below!

In Australia, marketing efforts drove 22.8% of total movie revenue.

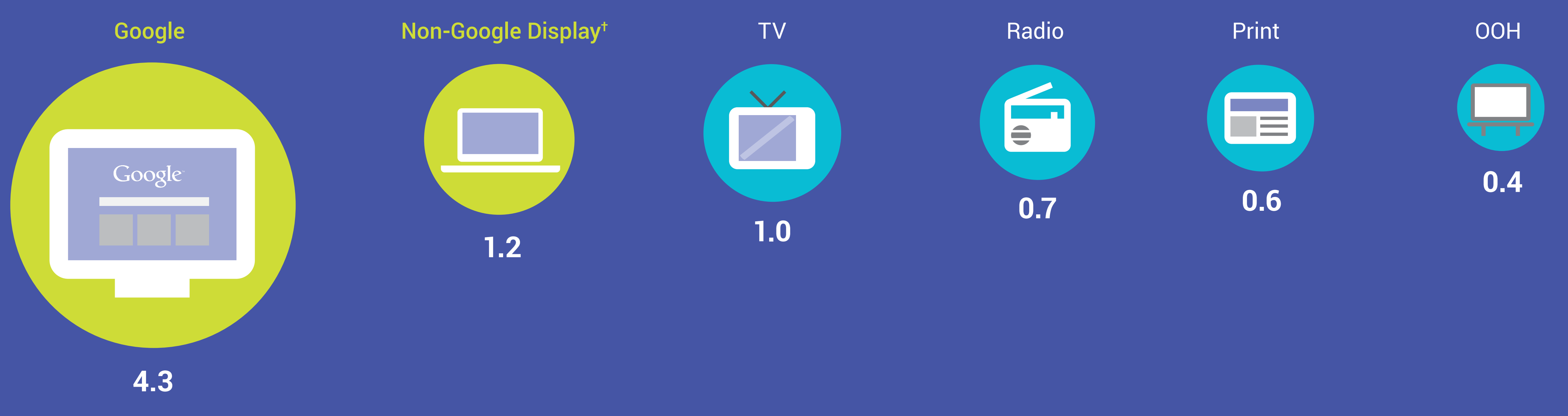


Digital media contributed 32.4% of marketing-driven revenue despite getting just 14.7% of the budget.**





Based on the Marketing Efficiency Index, digital is a more efficient way to drive revenue than traditional channels.

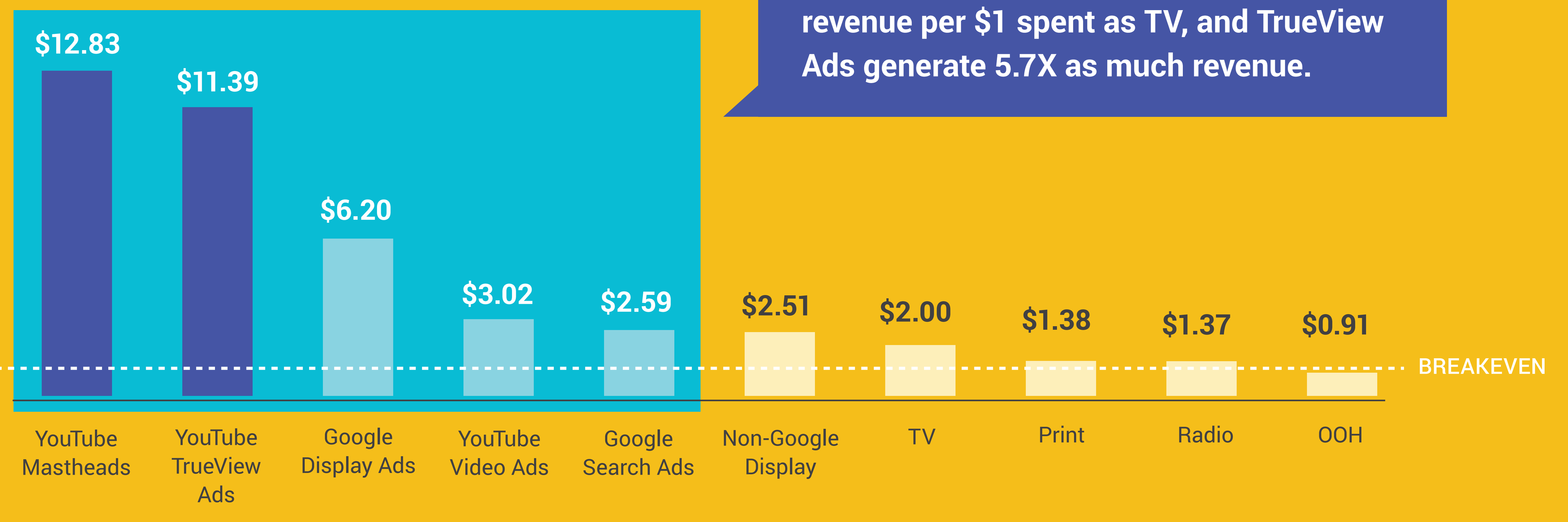


Marketing Efficiency Index = % Marketing Contribution / % Marketing Spend

Among the Google ad types, YouTube and Google Display show the highest return on ad spend.

Revenue per $1 of Advertising Spend (at current average spends)

YouTube Mastheads generate 6.4X as much revenue per $1 spent as TV, and TrueView Ads generate 5.7X as much revenue.



This is how movie studios can optimise marketing investment to maximise box office revenue.

Average action movie budget split / **Optimised budget split**

Optimisation results in an increase in marketing-driven revenue of up to +36%.‡

* The modelling period spanned January 2012–December 2013 and included 26 movies with a combined revenue comprising over 75% of box office sales for top-grossing international M-classified action films.
** Refers to revenue directly attributable to the paid media channels included in the model shown (Google Display Ads, Google Search Ads, YouTube Mastheads, YouTube Video Ads, YouTube TrueView Ads, Non-Google Display, TV, Print, Radio, and Out of Home)
† Non-Google Display is an estimate of display spend from Nielsen, based on a panel which does not include data from Facebook or Twitter.
‡ Results are directional. Optimisation does not take availability of inventory into account.

Source:
Google/MarketShare, "Marketing Mix Modelling: Action Movies" study, 2015. Incorporates data from sources including Nielsen, Crimson Hexagon, Metacritic, and Rentrak.