The Demand Effect

prophet

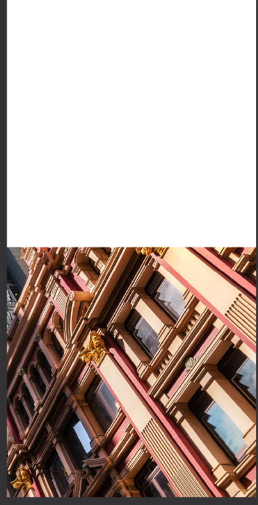


Table of Contents

About this report

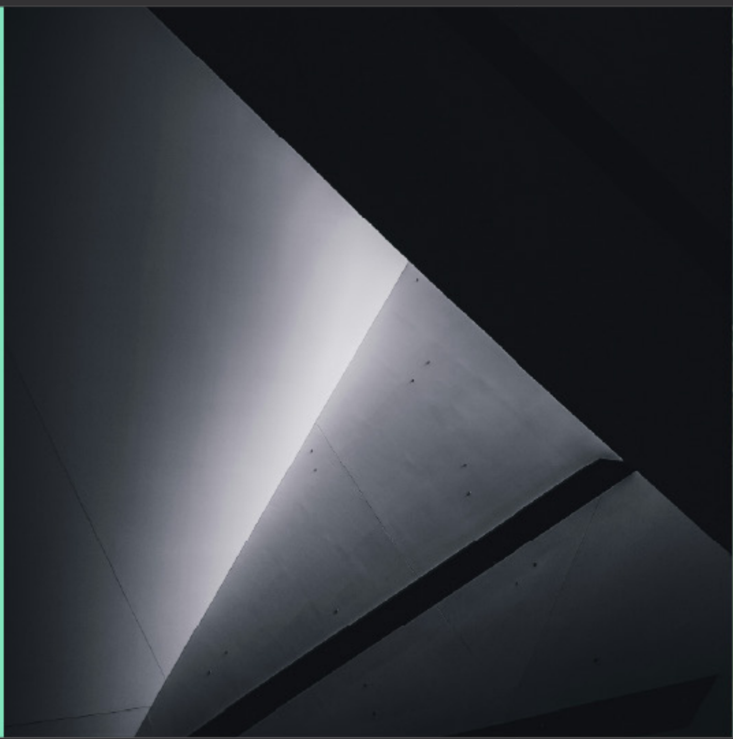
Modern marketing has become exceptionally good at tracking behaviour. Clicks, searches, site visits and sales are captured with precision, giving the impression that performance is both visible and fully understood.

But decisions rarely happen in a single moment. By the time a consumer searches for a brand, much of the work has already been done. Awareness has been built over time, trust has formed gradually, and the brand has established a presence in the consumer's mind long before any measurable action takes place.

This report looks beyond the point of conversion to examine how demand is actually formed and what marketers risk overlooking when measurement focuses too narrowly on where demand is captured rather than how it is created.

Drawing on almost $73.3 million in media investment, more than 615,000 customer outcomes, and two years of activity across automotive, retail and software categories, the analysis reveals a consistent pattern across very different markets.

Demand existed before the click.



The research at a glance

Two years. Three industries. One consistent pattern.

$73+m

Media investment analysed

2 years

Marketing activity analysed

one conclusion

Demand existed before the click

328%

Marketing ROI achieved by KitchenAid

615,000+

Customer outcomes modelled

Automotive, Retail & Software

3 industries

63%

Of BYD test drives were influenced by baseline demand and market conditions

55%

Of MYOB subscriptions were influenced by marketing activity

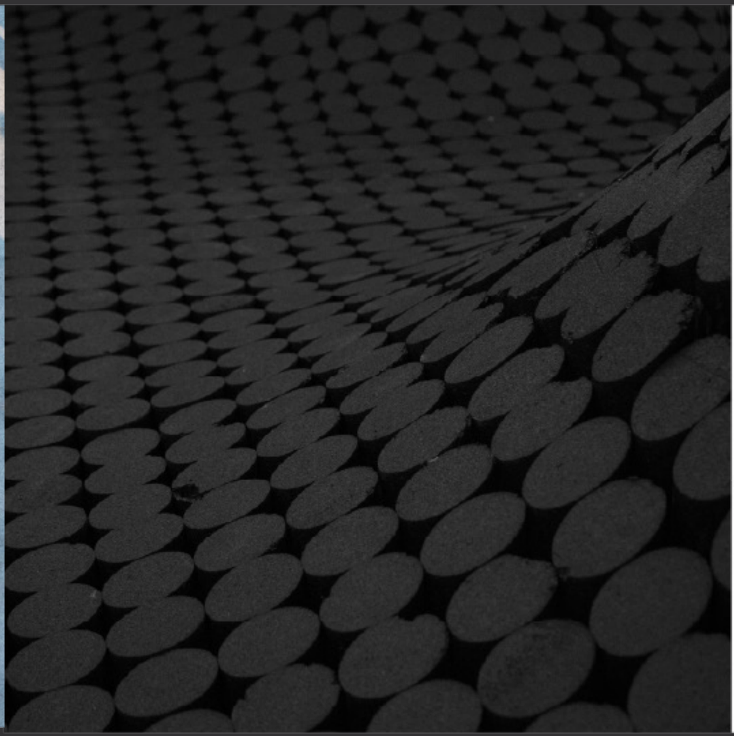
The demand gap

Modern measurement has become highly effective at explaining what converted. It has become far less effective at explaining what created demand in the first place.

Consumers don't experience marketing channel by channel. They experience brands, formed through a series of interactions that build over time. Every purchase decision reflects multiple influences working together, from television and premium video through to audio, social and search, alongside factors such as brand familiarity, consumer confidence, seasonality and broader macroeconomic conditions.

Yet despite this, many measurement systems continue to reward the channels closest to conversion, while undervaluing those responsible for creating demand.

Across every category studied, a consistent pattern emerged. Demand was already being shaped well before consumers searched, clicked or converted.

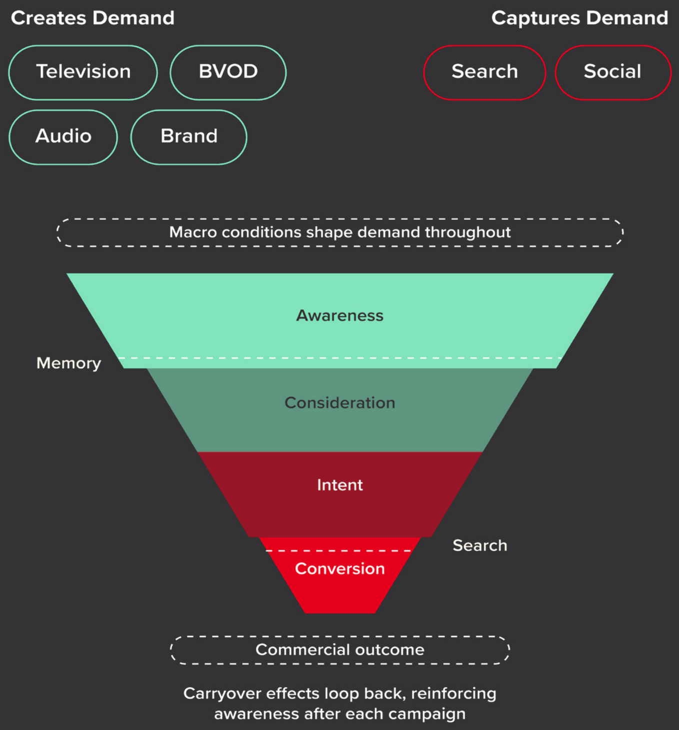


How demand is created

Consumers don't buy as a result of one advertisement. More often, decisions are shaped by the accumulation of many small influences over time.

Some channels introduce a brand and build initial awareness. Others reinforce that memory, making the brand easier to recall when the moment of need arises. Some capture intent, while others quietly increase the effectiveness of everything around them.

Understanding growth, then, isn't about isolating a single moment or attributing success to one channel. It requires a broader view of how these influences interact and build on each other, rather than simply identifying which channel received the final click.



How we did it

Rather than evaluating campaigns in isolation, Prophet created a digital clone of each organisation's demand system.

Each model measured the interaction between media investment, brand effects, carryover effects, category demand, seasonality and macroeconomic conditions.

Unlike attribution, which allocates credit after a conversion occurs, Prophet's approach measured how demand is created before consumers enter the market.

The result is a more complete understanding of how channels work together to influence commercial outcomes.

One pattern emerged

Despite analysing three completely different businesses, the same principles appeared every time.

	BYD	KitchenAid	MYOB
Demand existed before conversion	✓	✓	✓
Brand influenced choice	✓	✓	✓
Performance captured existing demand	✓	✓	✓
Premium video created future demand	✓	✓	✓
Growth came from multiple influences	✓	✓	✓

Across three very different industries and customer journeys, a remarkably consistent pattern emerged. Despite the variation in category, audience and path to purchase, the underlying demand system remained the same.

Evidence 01

Demand existed before consumers chose a brand.

People don't begin their journey with a specific brand in mind. In the case of electric vehicles, the decision starts at a category level. Consumers decide they want an electric vehicle, and only then does brand preference begin to take shape.

That distinction is where marketing plays its role.

In analysing BYD's demand system, Prophet observed that approximately 37% of test drives were directly influenced by marketing activity, while 63% were driven by baseline demand and broader market conditions. In other words, demand already existed. Marketing's influence lay in determining where that demand ultimately flowed.

The modelling also pointed to clear differences in how channels contributed to that outcome. Radio delivered roughly three times the demand contribution relative to its share of investment, while premium video consistently outperformed platform-level reporting by creating demand that other channels went on to convert.

70%+

lower CPA from premium video formats

3x

greater demand contribution from radio relative to its share of spend

Key takeaway
Demand already existed.
Marketing determined where it went.

"Our partnership with Prophet removes the uncertainty from cross-media planning. By combining Seven's Total TV footprint with SCA's powerful audio assets, we've proven exactly how these channels build the baseline demand brands need to grow. For a fast-moving brand like BYD, this data provides valuable insights into the power of including Total TV into the marketing mix, removing the guesswork and driving clear, measurable business results."

Katie Finney
National Television Sales Director,
Seven Network

"As a new entrant, growth has never been about simply making noise. It's about building confidence in a category evolving at speed. Prophet helped provide a clearer understanding of what broader market influences are driving behaviour, and where brand, media and customer intent are working together. That clarity allows us to make smarter investment decisions, strengthen our connection with Australian customers, and continue pushing the category forward."

Kate Hornstein
Chief Marketing Officer,
BYD Australia

Evidence 02

Retail events don't create winners. They reveal them.

Retail events create opportunity, but they don't determine who captures it. That distinction sits with the brand.

KitchenAid's analysis showed that moments such as Black Friday and end-of-year promotions generated significant category demand across the market. Yet promotions alone didn't explain the outcome. Consumers entered these periods with preferences already formed, shaped by existing familiarity, consideration and trust well before discounts came into play.

Lower-funnel channels played a clear role in capturing that demand. Search contributed approximately 44% of influenced revenue, while Facebook accounted for a further 22%, reinforcing the importance of performance media at the point of conversion.

At the same time, broader-reach channels were working earlier in the journey. Television, BVOD and premium video contributed approximately 22% of influenced revenue, while also building awareness and consideration before consumers actively began researching products.

The distinction is important. Search harvested demand. Premium video helped create it.

Overall, the analysis showed marketing delivering a 328% return on investment, while macroeconomic conditions, seasonality and existing brand demand continued to shape purchasing behaviour throughout the period.

Revenue, in this context, wasn't created by media alone. It was the result of a system.

Television, BVOD and premium video contributed approximately

22%

of influenced revenue

328%

return on investment

Key takeaway
Promotions accelerate demand.
Brand determines who benefits.

"Black Friday and end-of-year sales remain incredibly important retail moments, but the analysis showed that success isn't driven by promotions alone.
Brands that have already built awareness and consideration are often best positioned to benefit when demand accelerates."

Rebecca Edwards,
Director of Marketing and Ecommerce,
KitchenAid

"Retail events don't manufacture demand, they concentrate it. What determines who wins isn't the discount itself, but the strength of the memory structures and brand preference that already exist before the sale begins. That's why we consistently see brand-building channels amplifying the effectiveness of performance media when demand peaks."

Hamish Mogan
COO, Prophet

Evidence 03

The click wasn’t the beginning of the customer journey.

Traditional campaign reporting tends to assume that television creates value only while media is live. The analysis pointed to a more extended and less visible effect.

Overall, 55% of MYOB subscriptions were influenced by marketing activity, with the role of television extending well beyond immediate conversion. Rather than driving short-term outcomes alone, Seven linear TV built mental availability over time, strengthening the performance of Search, Paid Social and other lower-funnel channels later in the customer journey.

At the same time, premium video demonstrated a more direct commercial impact than is often assumed. While this wasn’t its primary role, 7Plus directly influenced 859 new subscriptions, highlighting its ability
to deliver measurable outcomes while reinforcing broader brand effects.

The strongest campaigns weren’t driven by a single channel. Television built broad awareness, audio maintained mental availability, and performance channels converted customers when they were ready to act.

Each channel played a distinct role, but it was the interaction between them that ultimately delivered the strongest commercial outcomes.

Key takeaway
Demand existed before the click. Television helped create it.

"Premium video isn't simply an awareness investment. It builds demand that continues to influence customer behaviour long after a campaign finishes. This sustained commercial impact creates a baseline of future demand, ensuring that your brand remains the top choice when out-of-market buyers are finally ready to act. Ultimately it makes every lower-funnel channel work harder."

Katie Finney
National Television Sales Director,
Seven Network

"The real opportunity is to lead media decision-making with a more complete view of TV's commercial impact, not just what happens when an ad goes to air. We know the value and role each part of the funnel plays, and the data shows real efficiencies when we maintain the right level of investment at top and mid-funnel to drive demand and consideration. With new analytic channels and stronger performance reporting, we can see how television creates demand, carries influence over time and helps lower-funnel channels convert when customers are ready to act. The more we learn, the better equipped we are to shape the next era of media with greater confidence, creativity and commercial impact."

Gab McKenzie,
GM Brand and Marketing,
MYOB

What every study taught us

01

Demand existed before conversion.

02

Brand influenced where it flowed.

03

Performance channels captured demand that had already been created.

04

Premium video continued working long after campaigns ended.

05

Macroeconomic conditions shaped customer behaviour throughout.

06

The strongest commercial outcomes didn't come from optimising individual channels.

07

They came from understanding how every influence worked together.

Growth wasn't created by a channel. It was created by a system.

What this means for marketers

01

Measure demand creation as well as demand capture.

02

Judge channels by the role they perform, not simply the conversions they receive.

03

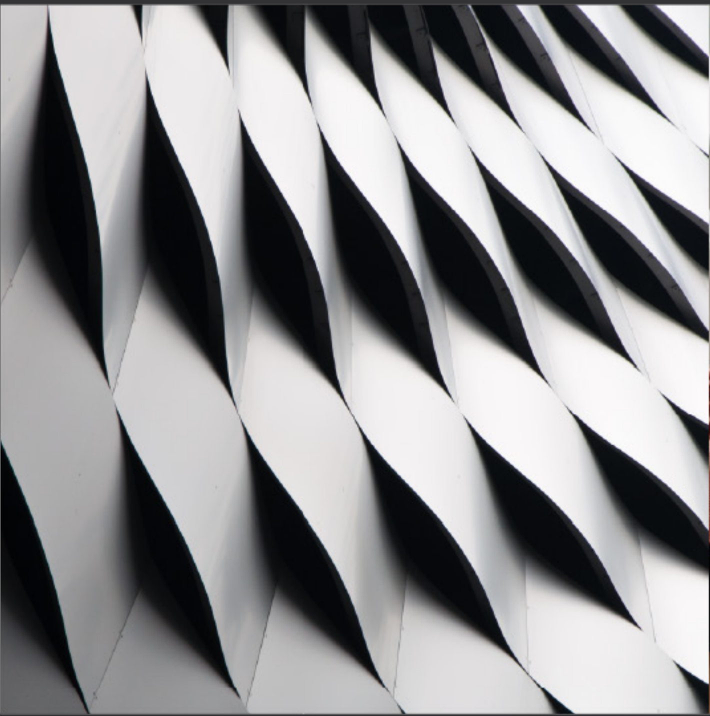
Invest before demand peaks. Brand building determines who benefits when opportunityarrives.

04

Measure systems, not platforms. Growth comes from interactions, not isolated channels.

05

Treat brand as commercial infrastructure. Brand doesn’t compete with performance. It makes performance more effective.



Conclusion

Demand doesn't begin at the point of action. It begins earlier, shaped by familiarity, by memory, by the gradual accumulation of trust over time.

Across automotive, retail and software, the conclusion proved remarkably consistent. Growth wasn't created by a single campaign, a single platform, or any one channel in isolation. It emerged from the interaction of brand, media, market conditions and human behaviour, playing out over time rather than in a single moment.

For marketers focused only on the click, the result will be increased efficiency in capturing existing demand. But for those who understand how demand is formed, there is an opportunity to do something more powerful, to influence it.

Because the future of marketing effectiveness isn't about understanding where demand was captured. It's about understanding how it came to exist in the first place.

"Marketing has spent decades getting better at measuring what happened yesterday. The next decade belongs to organisations that understand what creates tomorrow's demand. That's the difference between reporting on growth and engineering it."

Jordan Taylor-Bartels
CEO, Prophet