



Custom Study

Client:



ONTrack Network (www.ontnetwork.com) is a Digital-Out-Of-Home network that delivers advertising messages within live televised horse racing, 12 hours per day, 364 days per year. The ONTrack Network delivers live racing to 1,100 locations and is viewed on 66,000 screens in North America reaching 83 million adult viewers. These locations include Race Tracks, Casinos and Sports Entertainment Venues (OTBs) located in 41 US states and 10 Canadian provinces. (ONTrack is available in 24 of the 25 top US Nielsen DMAs).

ONTrack's parent, TelePhoto Technologies, Inc. (www.telephotoent.com) has been providing television production and other related services to the horse racing industry for the past 60 years.

The Study: Budweiser Select, a new beer brand from Anheuser-Busch, ran a series of pure brand image commercials for a period of one month on the ONTrack Network. The study focuses on beer sales at two of ONTrack's 1,112 venues in May 2008. There were no incentive offers within the commercial or promoted within the two venues. All staff was instructed not to prompt patrons when they were asked to recommend a brand. There was no Bud Select promotional material or objects within the venues. The POS system was read prior to the study and the sales records for May 2007 were secured and noted.

Bud Select is a new brand with no previous advertising history or distribution therefore we could consider the study to be accurate.

Objectives: The overall goal of the research was to examine the effectiveness of advertising messages delivered through the ONTrack network and their measurable impact on sales.

- Examine the effect on sales for a defined beer brand not previously advertised or promoted within the two facilities prior to or during this study.
- Examine the effect on sales for the brand manufacturer within the defined market venues.
- Examine the effect on the beer category within the defined market venues.
- Compare findings with comparable timeframes.
- Determine the Rate of Return (ROI) on the advertising investment of a new beer brand utilizing the ONTrack Network as the only source of marketing.

Market: Balmoral Park and Maywood Park racetracks, located outside of Chicago, Illinois.

Key Factors: Timeframe - May 2008
May 2007
May is the traditional start of the Beer season

Weather - May 2008 – ave. 55.5⁰ F
May 2007 – ave. 63.8⁰ F *National Weather Service

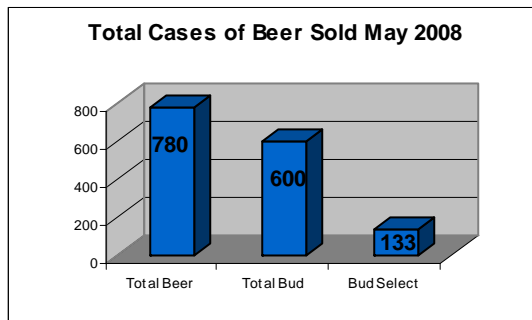
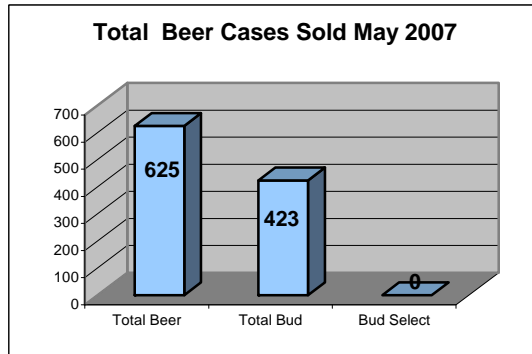


Key Factors: cont'd

Note: *Beer sales are extremely influenced by weather conditions. Consumption increases or decreases in direct relation to the temperature. May 2008 ranks 36th coolest in the past 135 years May 2007 ranks 16th warmest in the past 135 years*

- Availability - Budweiser Select was not available at these venues before ads were shown on ONTrack Network
- Advertising- 375 thirty second Bud Select ad spots ran in the broadcast month of May 2008 (weeks 18 – 21 inclusive) this was also supported with additional 5 second billboarding.
- Awareness- No other promotional materials for Budweiser Select or any other Budweiser products were present during the timeframe of this study.
Budweiser Select was a new brand with virtually no brand recognition.

Results: Sales Analysis



24.8% Increase in Total Beer Cases sold '07 to '08

41.8% Increase in Total cases of **Budweiser Beer**

75.2% of the incremental sales uplift for Budweiser can be directly **attributed to Bud Select**

Budweiser Share of Total Beer

| | May-07 | May-08 |
|-------------------|--------|--------|
| Total Beer | 100% | 100% |
| Total Bud | 67.7% | 76.9% |
| Bud select | 0 | 17.1% |



Results: cont'd

- o Bud Select sold 133 cases and achieved a 17.1% market share with no other influencers other than the advertising on ONTrack
- o Uplift in overall beer sales 24.8% (cases)
- o Total Bud also saw a significant increase of 41.8% with 22% of that directly related to Bud Select (cases)
- o 75.2% of the incremental total Budweiser sales uplift '07 to '08 is directly attributed to Bud Select

Conclusions:

- o **Advertising on the ONTrack network wins new customers and directly and positively impacts sales uplift for Bud Select, Budweiser and the total category of beer. This is clearly demonstrated by the increase of 24.8% in overall beer cases sold. This is quite substantial considering the adverse weather conditions, which directly influence beer consumption.**
- o **The Bud Select advertising on the ONTrack network had a direct impact on the brand with sales of 133 cases and attributed significantly to the overall increase in Budweiser sales May '07 over May '08.**
- o **The Return on Investment (ROI) and payback on the Bud Select ad and the beer category in general was extremely high. A sampling of ROI based on various CPM pricing is outlined below:**

| ROI* | Payback* | Sample Price of Ad |
|-------|----------|--------------------|
| 5436% | 55 Times | @ \$ 2.50 CPM |
| 2668% | 28 Times | @ \$ 5.00 CPM |
| 1284% | 14 Times | @ \$ 10.00 CPM |

*Assumptions:

- 177 incremental cases of Bud beer sold in the two Chicago venues that were measured May 2008 vs. May 2007 (24 bottles per case)
- \$0.75 per bottle gross margin
- 1,112 venues saw the Bud Select Ad campaign representing a 1.6 million audience per week (83 million annual audience per TNS Media study divided by 52 weeks).
- Sample CPM pricing uses the weekly audience to calculate ad price; a one month price is one week times four.
- CPM pricing is for a 15 second ad; a 30 second ad price is double the 15 sec. price
- Prorated the Chicago incremental gross contribution margin over the rest of the 1,112 ONTrack Network venues.

This study has been conducted and reported by MC Integrated (www.mcintegrated.com), an unbiased third party marketing/research company. MC Integrated has 25 years of experience in primary and secondary research specifically focused within the advertising and marketing community. We systematically gather, record and analyze data and information about customers, competitors and the market. Our experience has been honed through our years of experience and training with such companies as ACNielsen and Nielsen Media Research.

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