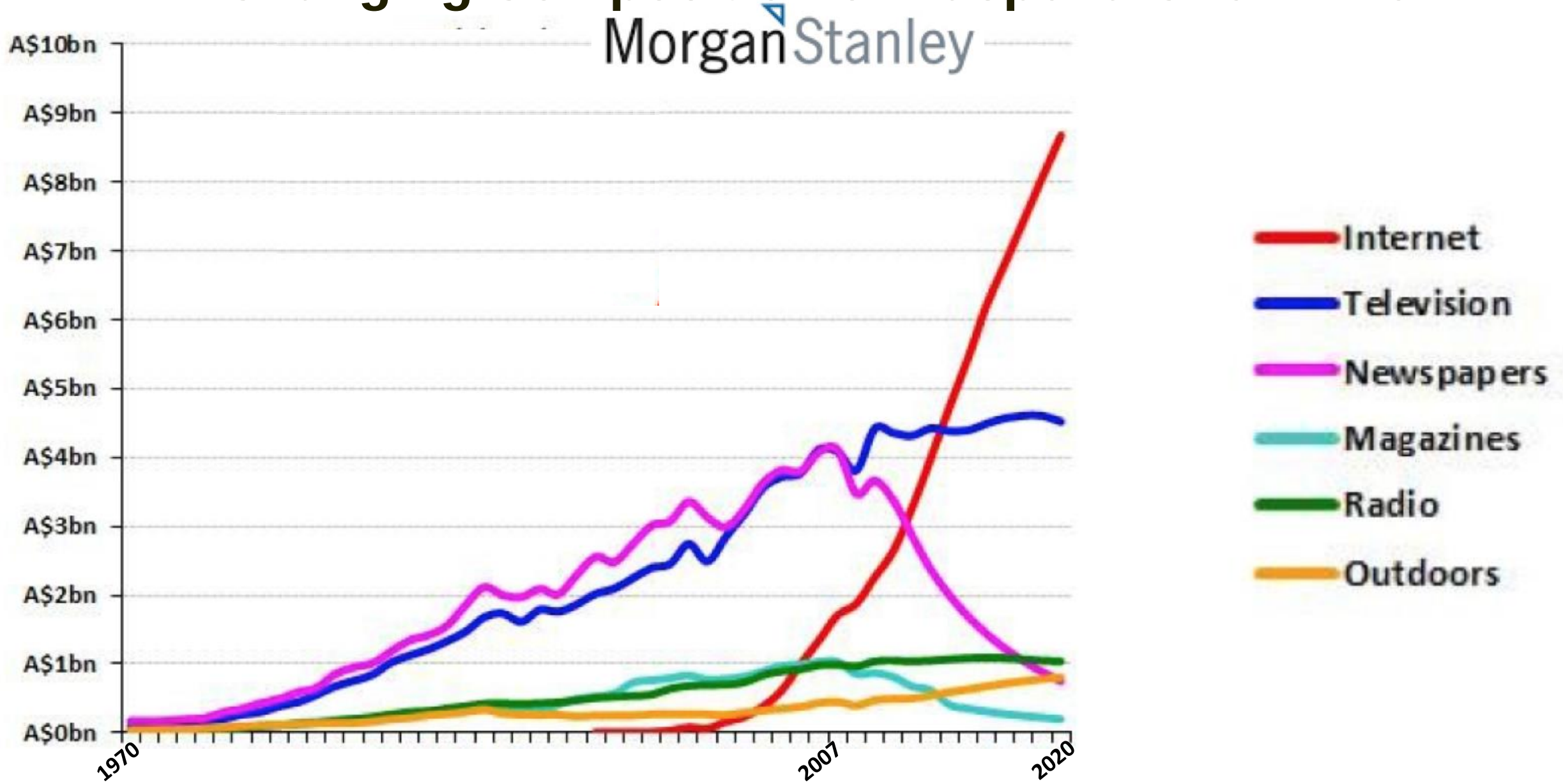
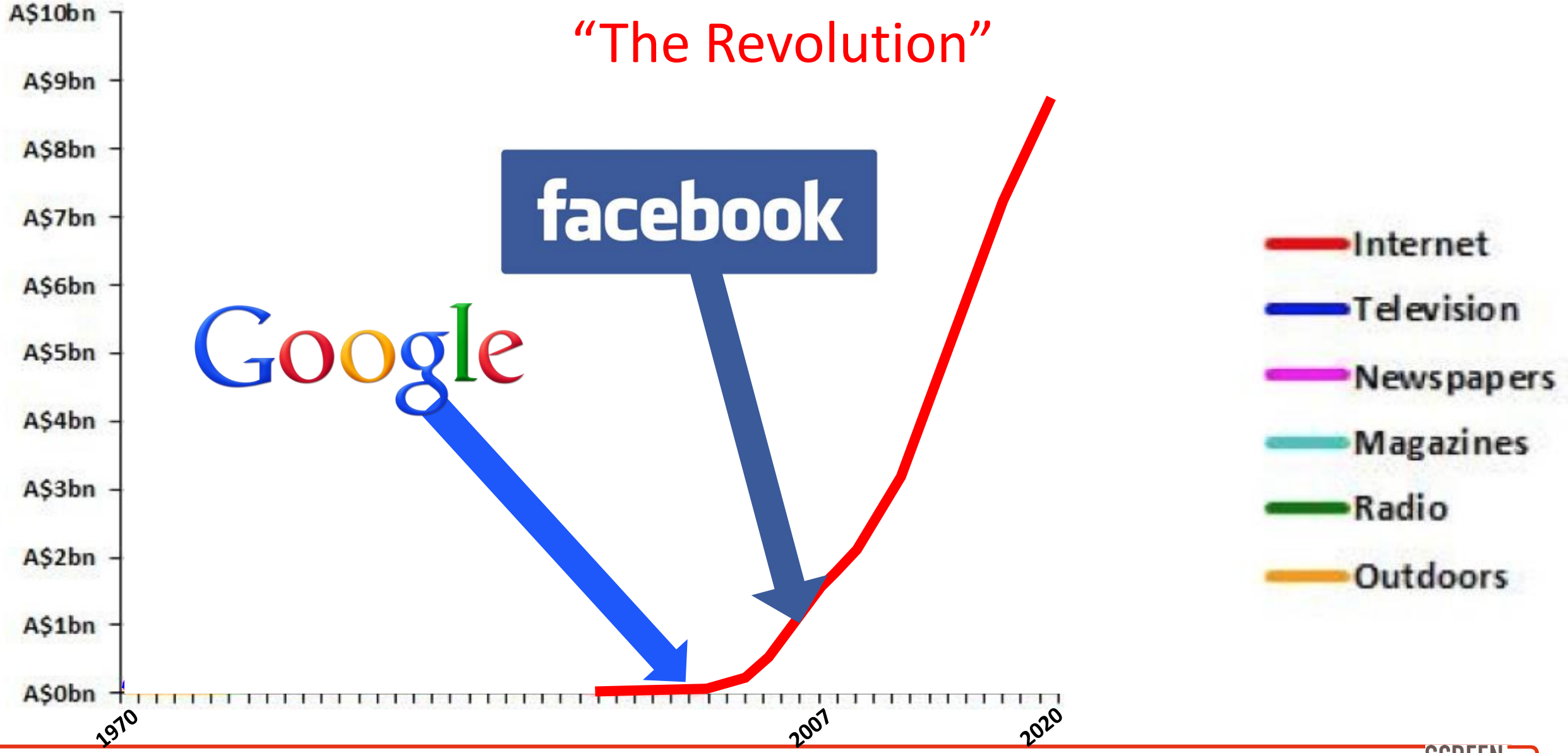
TEN YEARS AFTER THE REVOLUTION: A NEW ERA FOR TV BEGINS?

Professor Mark Ritson

Changing Composition of Adspend Over Time



Changing Composition of Adspend Over Time



The facebook Moment

MENU

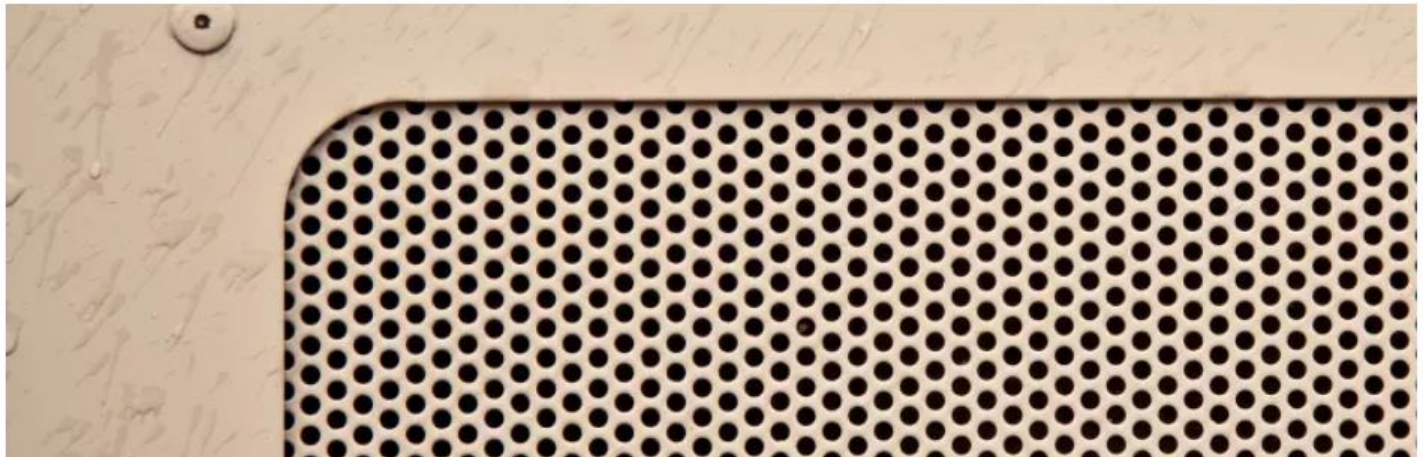
FAST COMPANY

TECHNOLOGY | LEADERSHIP | ENTERTAINMENT | IDEAS | VIDEO

3 MINUTE READ

Customers Don't Want Ads, They Want A Conversation

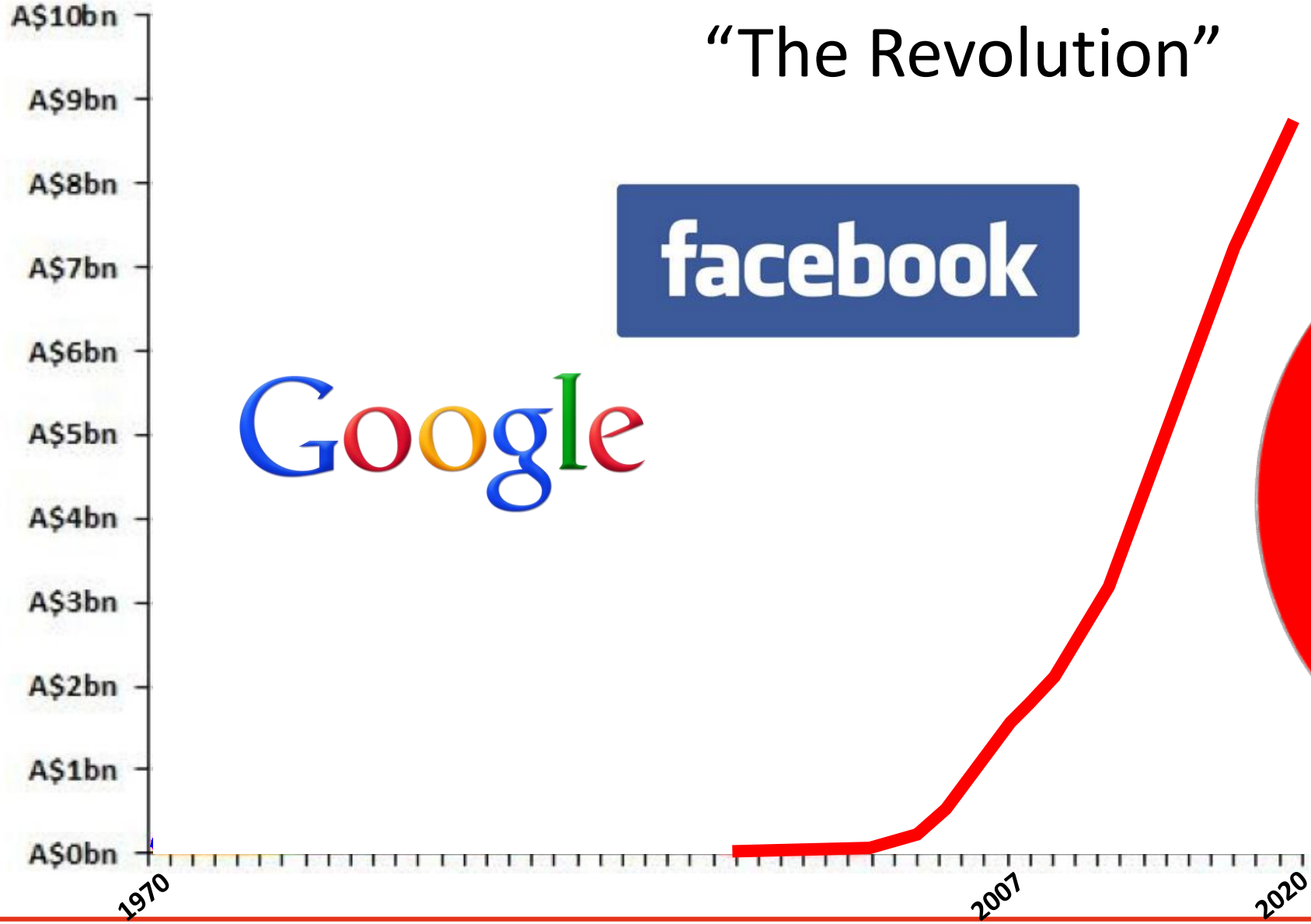
Marketing is rapidly transforming into a dialogue between buyers and sellers or collaborative marketing. Crowdtap CEO Brandon Evans on the five trends driving the shift.



SCREEN FORCE
THE MAGIC OF TV

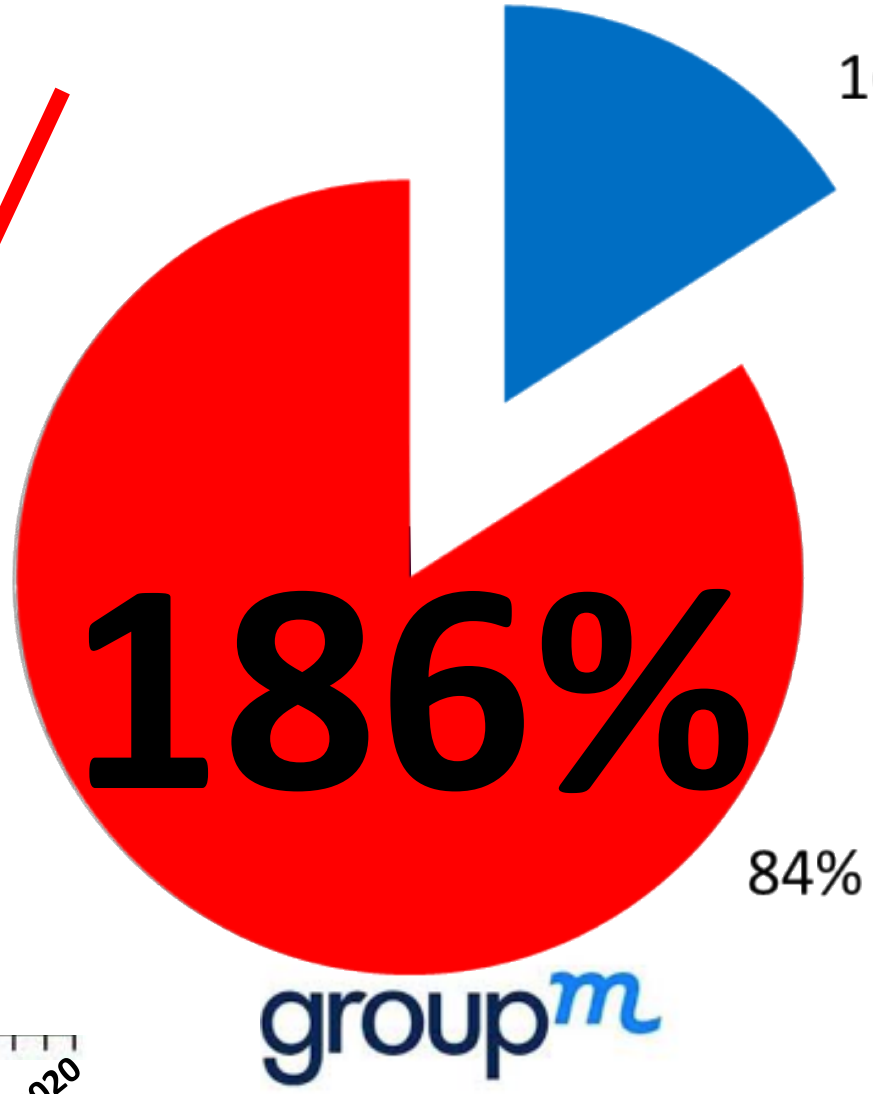
Changing Composition of Adspend Over Time

"The Revolution"



facebook

Google



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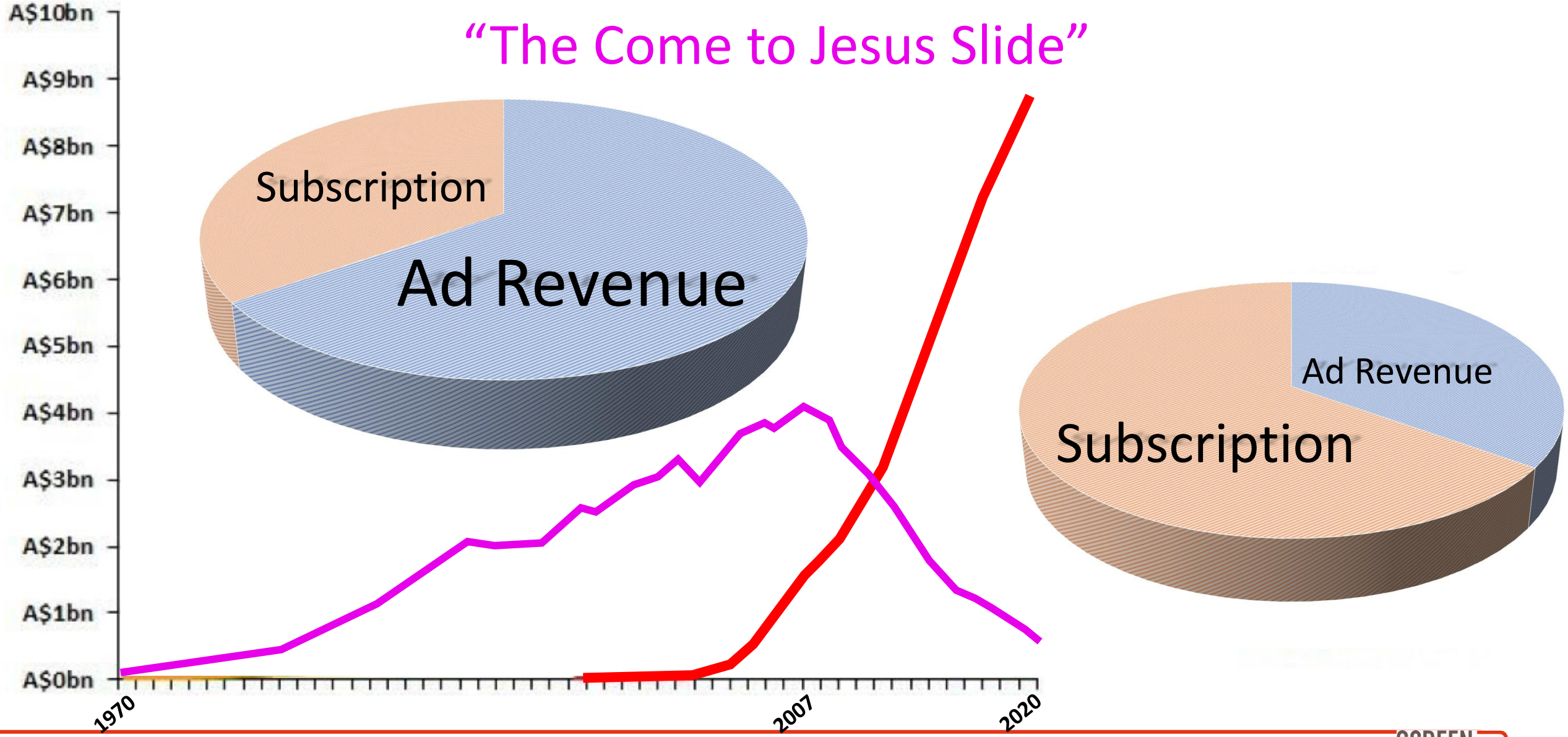
Changing Composition of Adspend Over Time



Changing Composition of Adspend Over Time

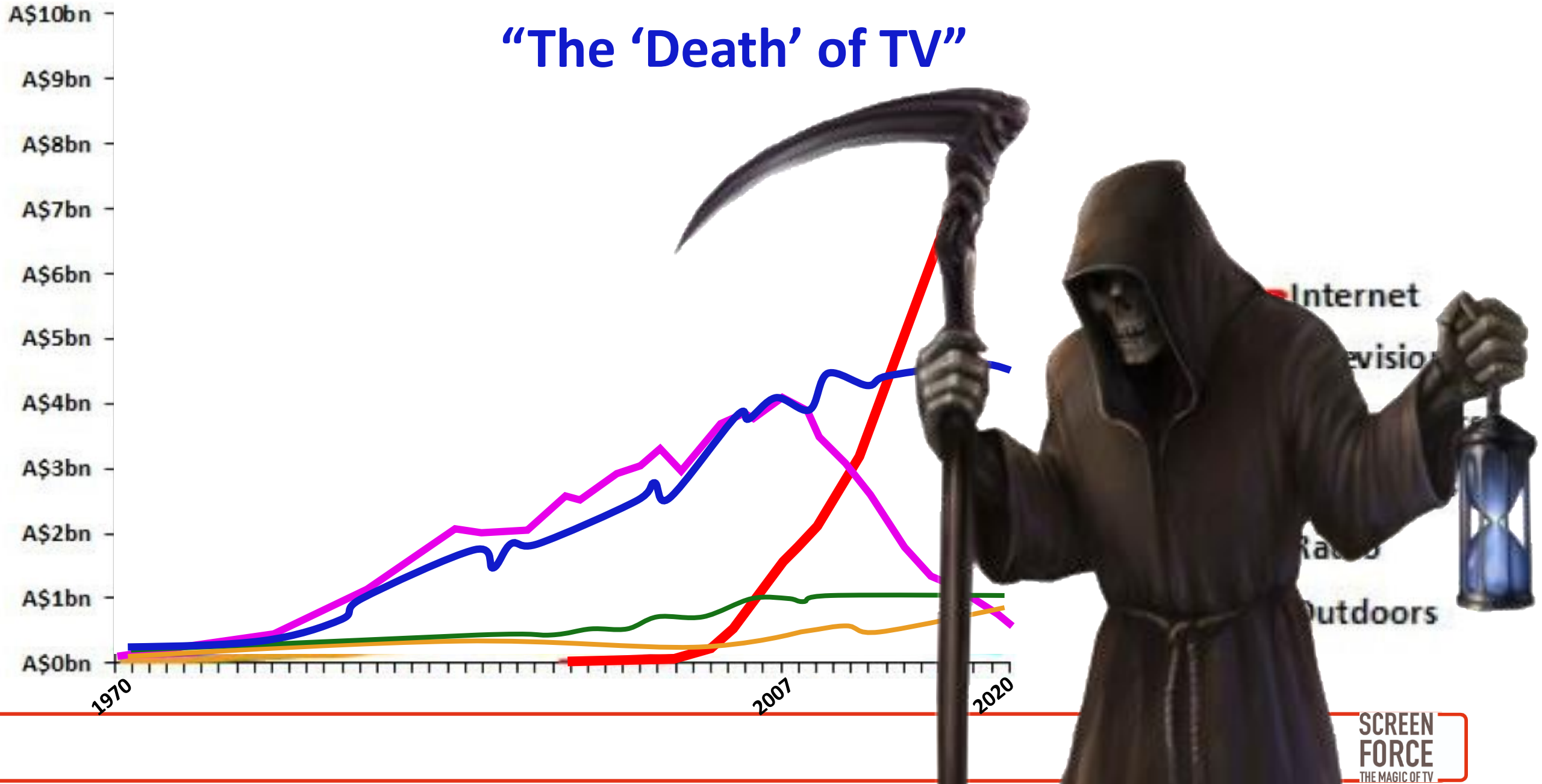
A$10bn

“Business as Usual”

“Business is Digital”

Changing Composition of Adspend Over Time

"The 'Death' of TV"



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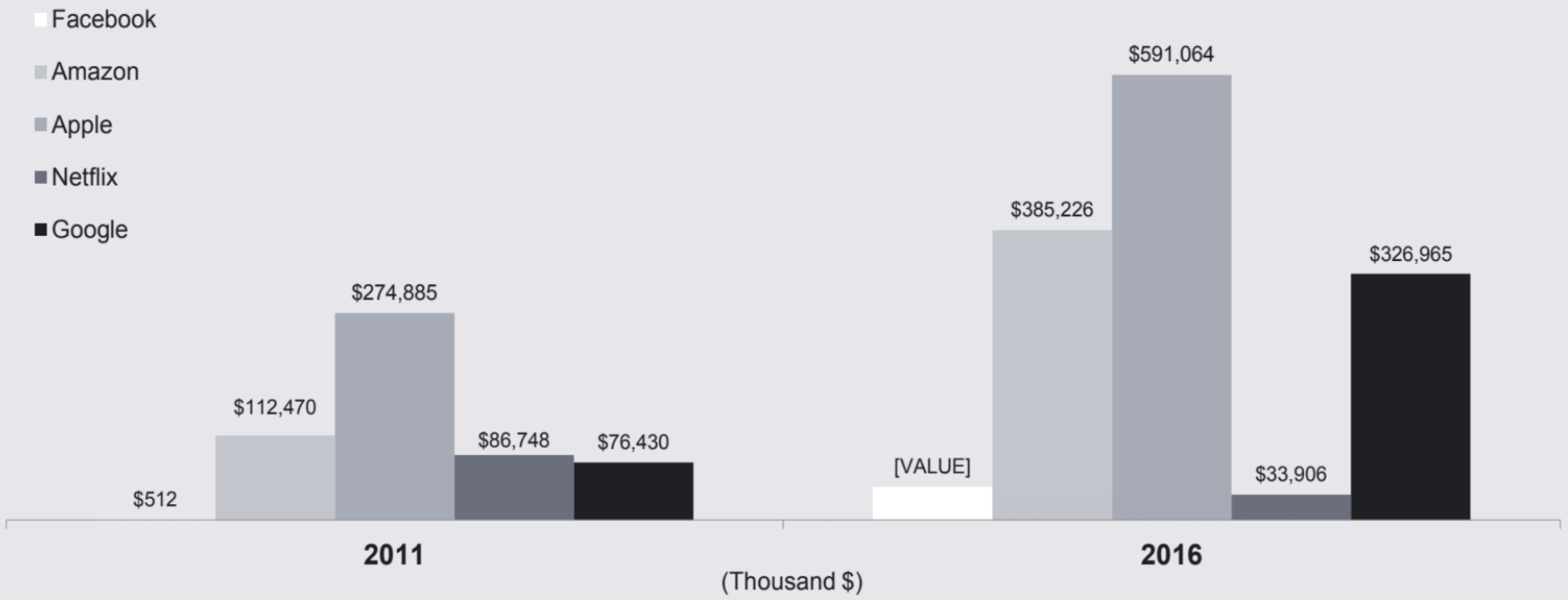
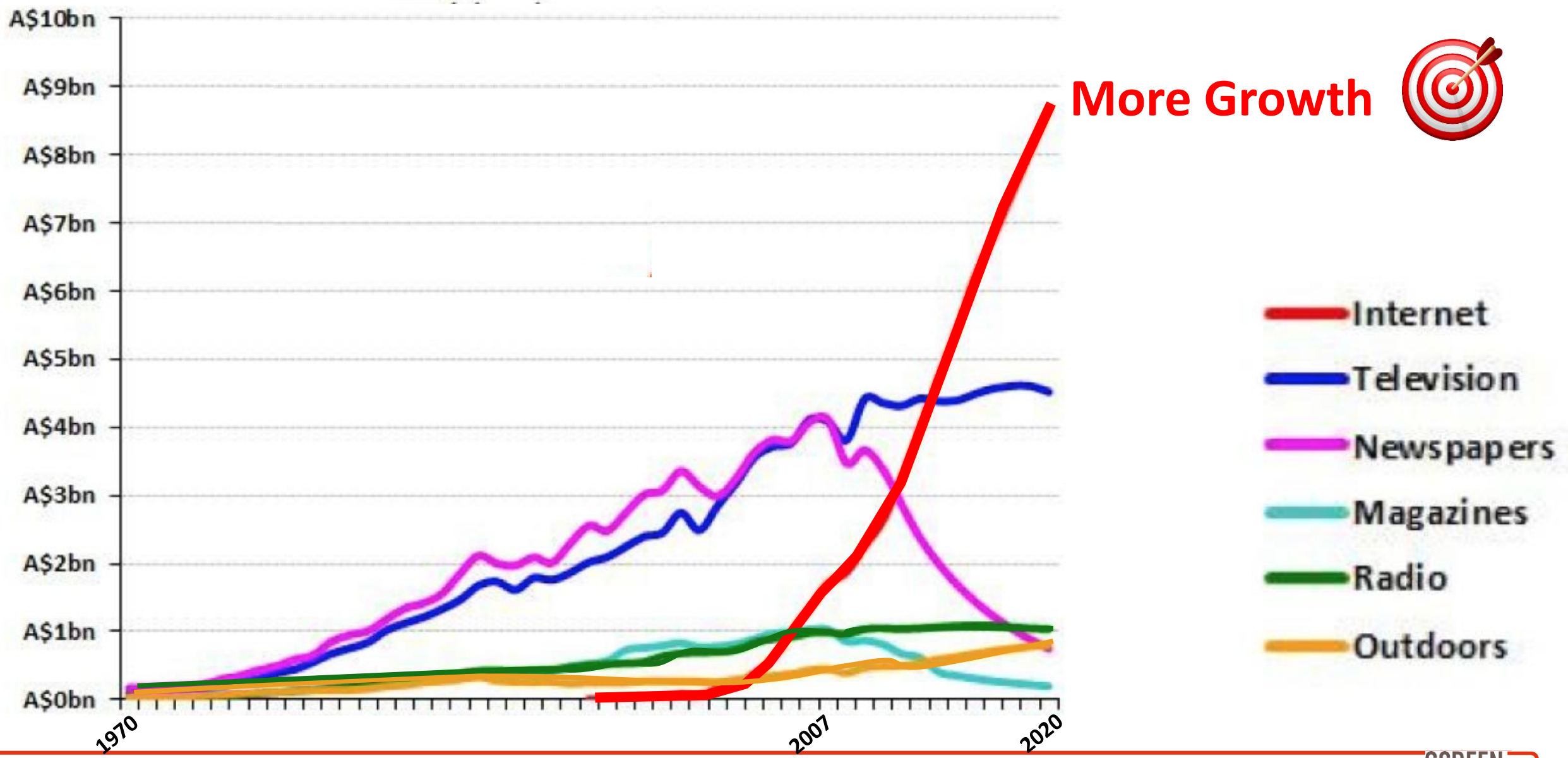
The “FAANG” brands have more than doubled their TV ad spend in 5 years

The five major established digital brands have collectively increased their annual TV spend by US$800 million over the last five years



Source: Nielsen Ad Intel. TV spend includes national cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, spot TV, syndication TV

Changing Composition of Adspend Over Time



The 2018 Potential For the Future of Mobile Video Advertising

Featured

Partner Post - *Headway Take control of your Mobile Marketing Campaign!*

Posted: January 25, 2018

App Industry News

Luxury car investment app drives off with $7m funding

Parody video app Spoofin bags additional funds

Mozilla petitions Venmo to change app transaction privacy settings

Nintendo's Switch Online app sees 76% installation boost

Join the Appness team at Casual Connect

The Real Battlefield Emerges

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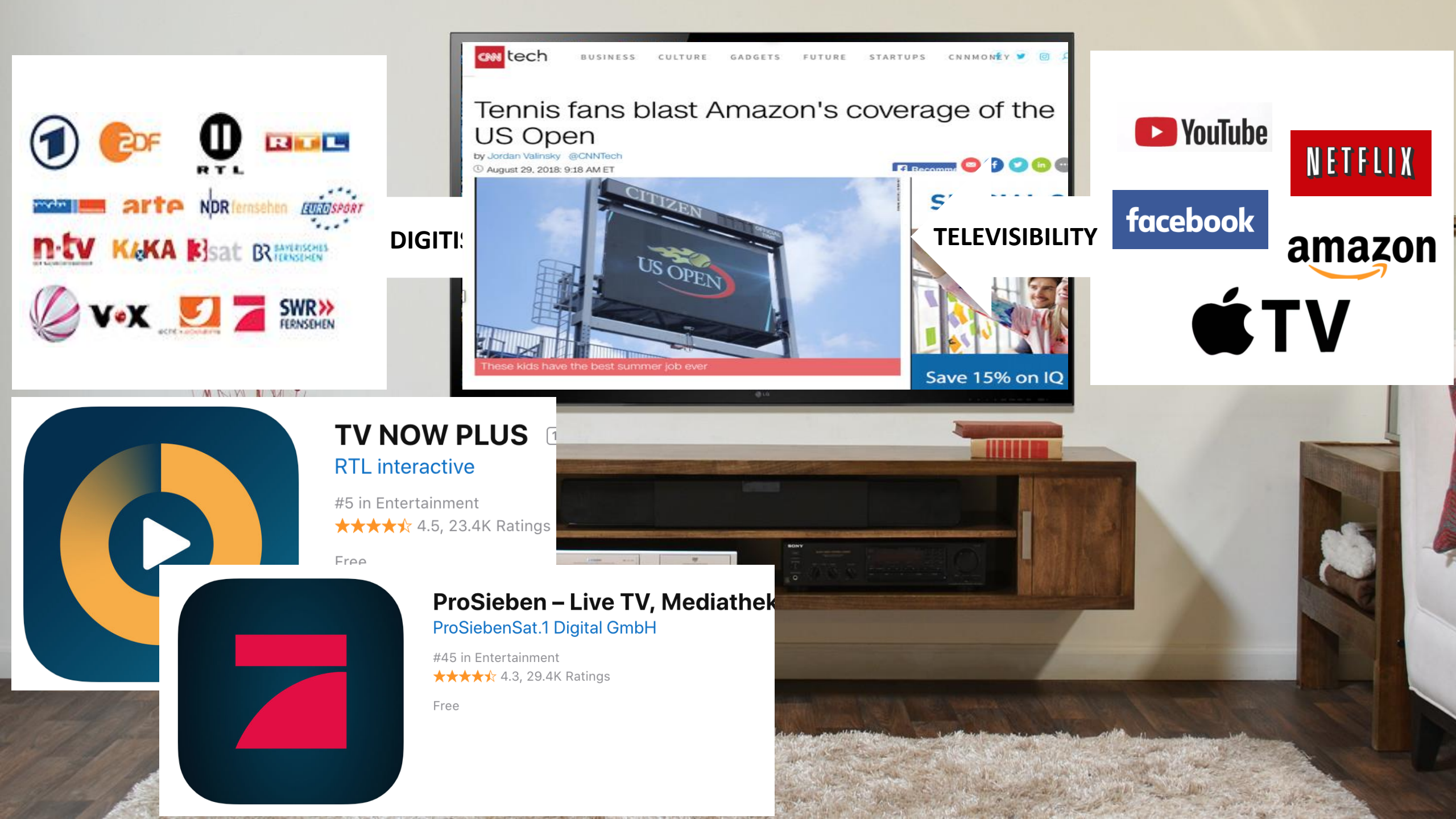
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by Jordan Valinsky @CNNTech
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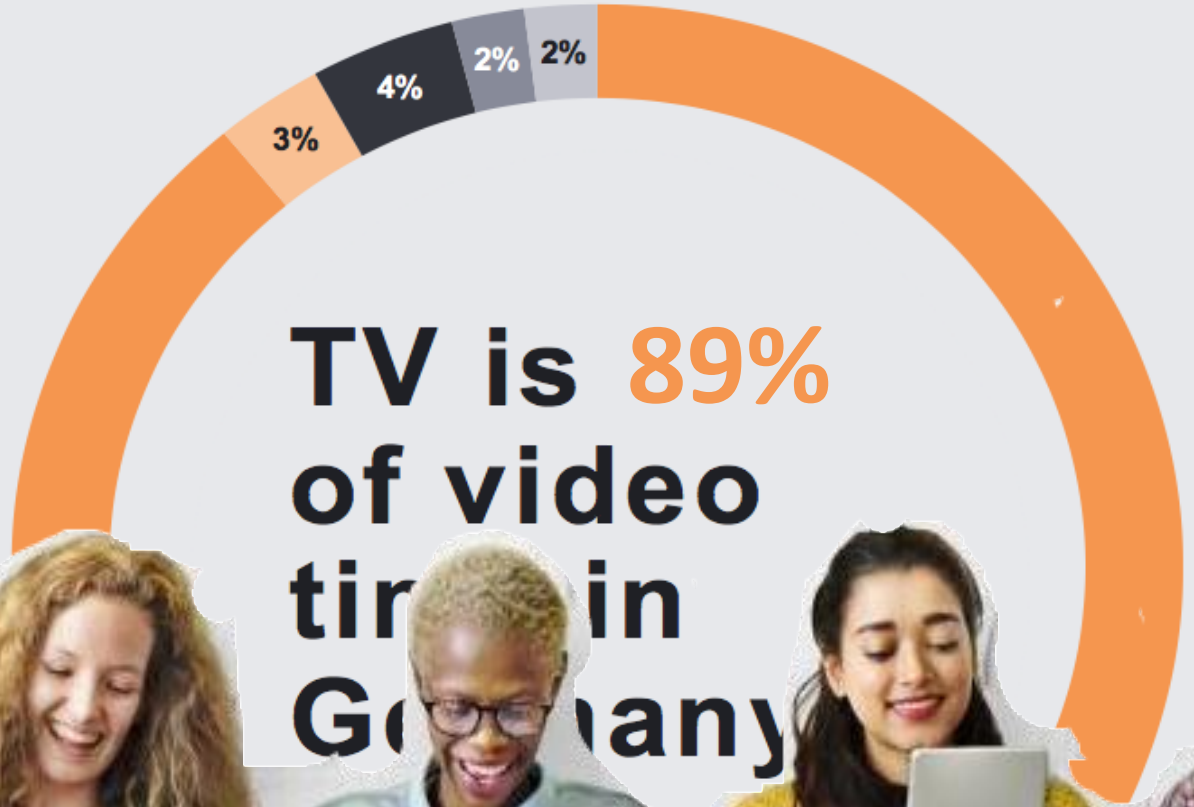
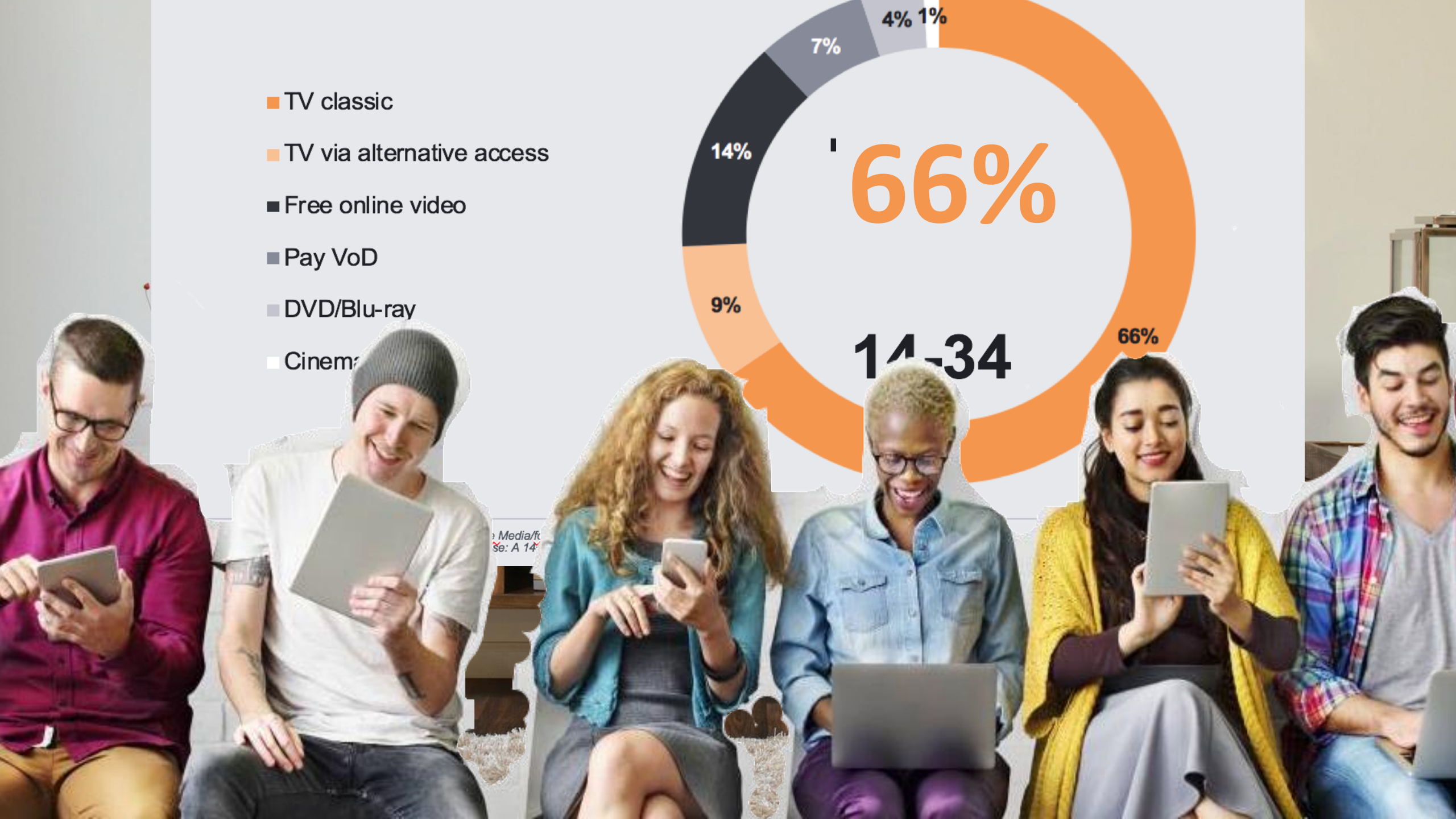
RTL interactive
#5 in Entertainment
4.5, 23.4K Ratings
Free
ProSieben – Live TV, Mediathek
ProSiebenSat.1 Digital GmbH
#45 in Entertainment
4.3, 29.4K Ratings
Free

- TV classic
- TV via alternative access
- Free online video
- ay VoD
- /D/Blu



TV is 89% of video tir in Ge any

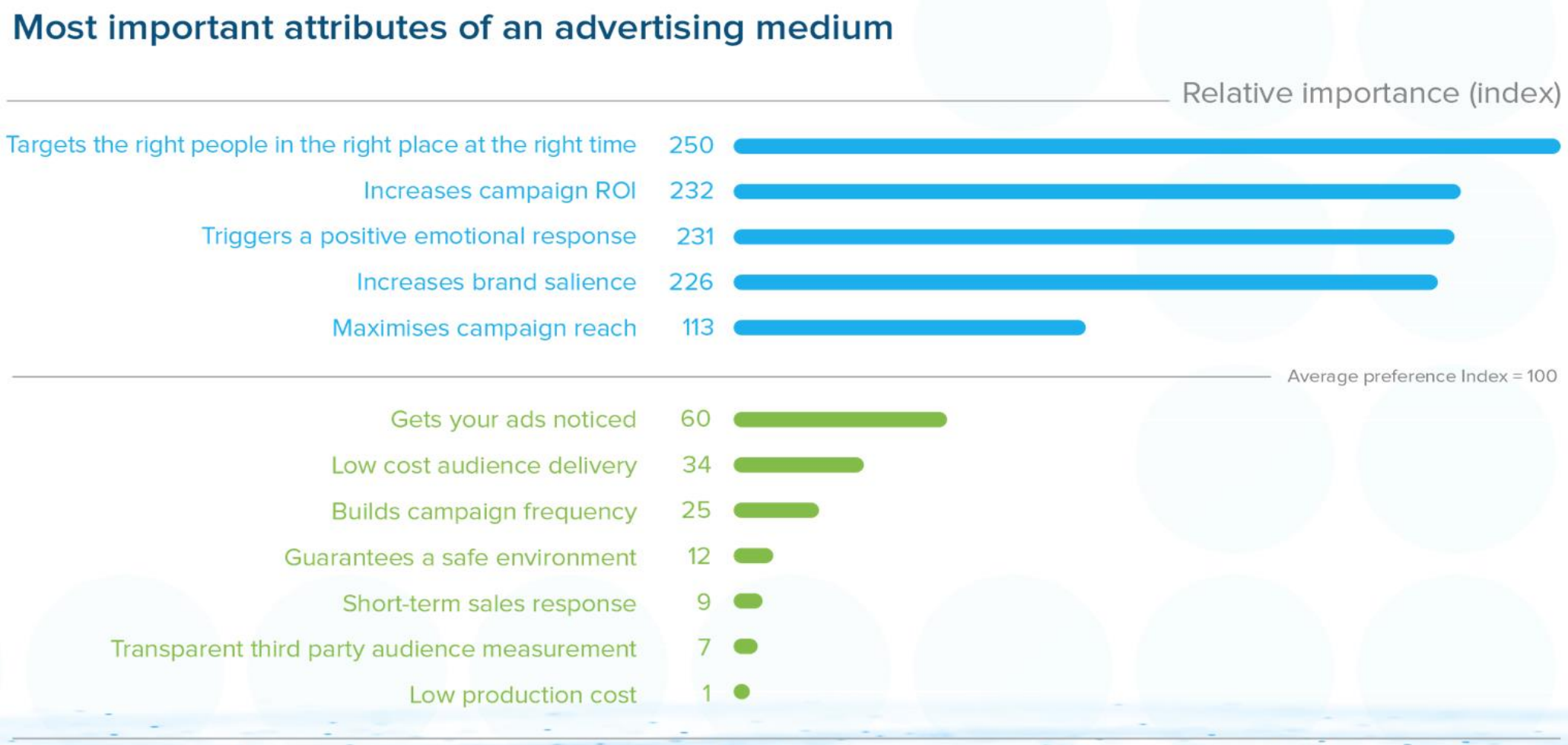

TV classic
TV via alternative access
Free online video
Pay VoD
DVD/Blu-ray
Cinem
66%
14-34
66%
9%
14%
7%
4%
1%

From Total Video to Total Advertising Video

post-truth, adj.

orig. *U.S.* Relating to or denoting circumstances in which objective facts are less influential in shaping political debate or public opinion than appeals to emotion and personal belief.

Max-Diff Analysis of Clients and Agencies



Base: All respondents (n=116)

OVERALL PERFORMANCE RANKING

What advertisers and agencies say			What the evidence says		
1	**TV**	**48.9**	**1**	**TV**	**107.1**
2	Online video	41.6	**2**	**Radio**	**103.2**
3	Social media	41.3	**3**	**Newspapers**	**87.8**
4	Out of home	39.6	**4**	**Magazines**	**79.5**
5	Cinema	39.1	5	Out of home	71.7
6	**Radio**	**38.2**	6	Direct mail	67.0
7=	**Newspapers**	**36.3**	7	Social media	65.8
7=	Direct mail	36.3	8	Cinema	61.4
9	Online display	35.5	9	Online video	57.6
10	**Magazines**	**35.1**	10	Online display	50.0

Base: All n=116, each respondent rated 2 attributes

Share of Average Time Spent per Day with Select Media by UK Adults vs. UK Ad Spending Share, 2017-2019

% of total

	2017		2018		2019	
	Time spent share	Ad spending share	Time spent share	Ad spending share	Time spent share	Ad spending share
Digital	**49.0%**	**61.7%**	**50.2%**	**64.0%**	**51.2%**	**65.9%**
—Mobile (nonvoice)	26.9%	39.0%	28.3%	45.6%	29.6%	50.3%
—Desktop/ laptop*	22.1%	22.7%	21.8%	18.5%	21.6%	15.6%
TV**	**32.1%**	**24.5%**	**31.2%**	**23.5%**	**30.4%**	**22.6%**
Radio**	**15.7%**	**2.0%**	**15.5%**	**1.9%**	**15.3%**	**1.8%**
Print**	**3.2%**	**11.8%**	**3.1%**	**10.6%**	**3.0%**	**9.7%**

*Note: ages 18+; time spent with each medium includes all time spent with that medium, regardless of multitasking; for example, 1 hour of multitasking on desktop/laptop while watching TV is counted as 1 hour for TV and 1 hour for desktop/laptop; ad spending share excludes out-of-home (OOH) advertising; numbers may not add up to total due to rounding; *time spent includes all internet activities on desktop and laptop computers; **excludes digital*

Source: eMarketer, April 2017

225177 www.eMarketer.com

Normal

PROBLEMATIC

The Right Path for 2019?

segment
target
position

But Hang on….

I’m not a great believer in targeting. Our target is about seven billion people sitting on this planet. Our task is to reach as many people as we can; to get them to notice us and remember us; to nudge them; and, hopefully, get them to buy us once more this year.

MARS

Bruce McColl

…Hang on…P&G?

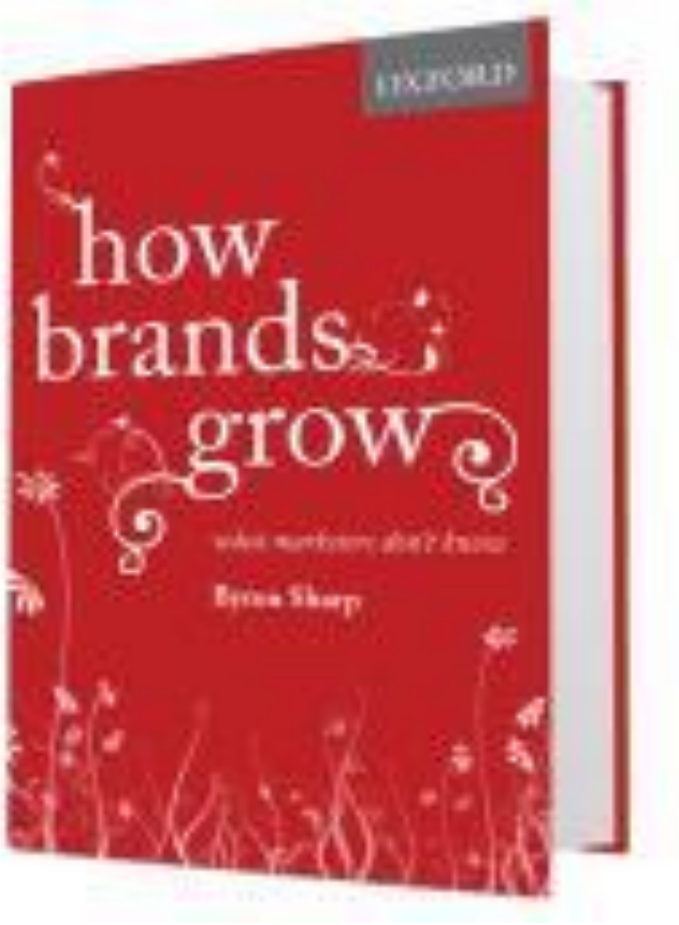
- “We targeted too much, and we went too narrow, and now we’re looking at what is the best way to get the most reach but also the right precision?”

- Marc Pritchard

Byron Sharp & Sophisticated Mass Marketing

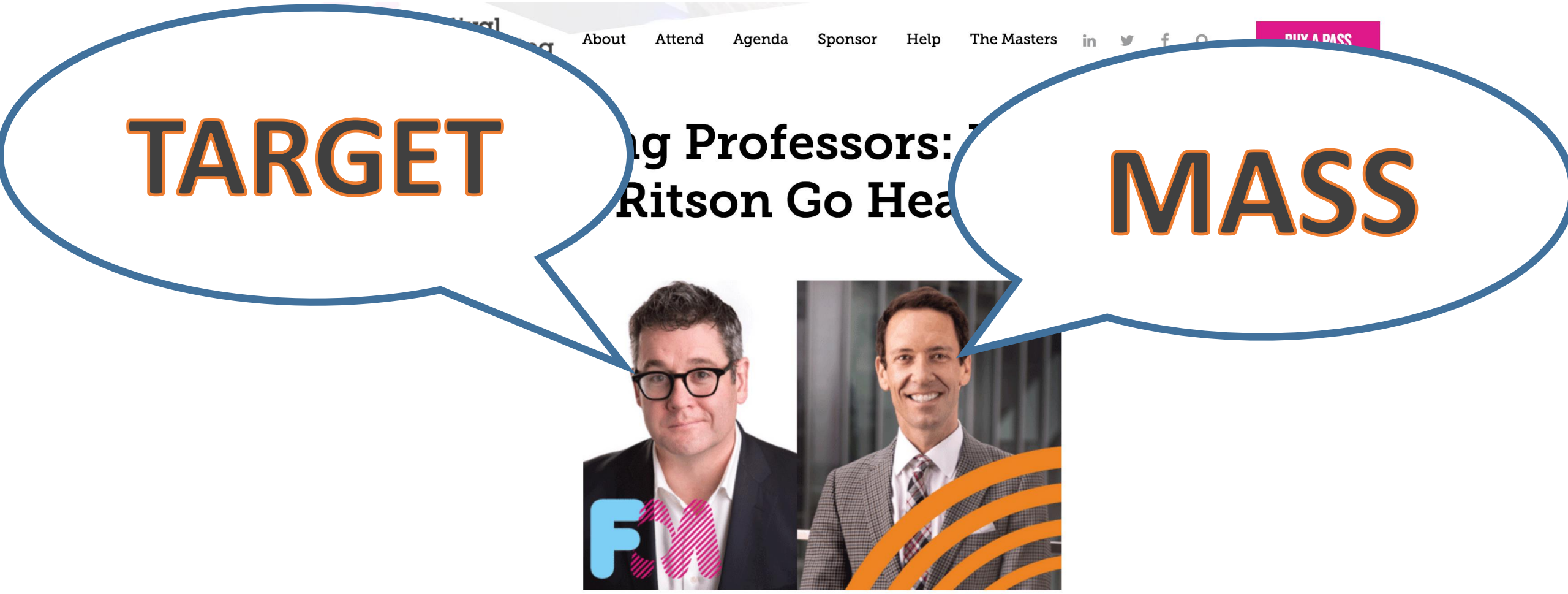
Prof Byron Sharp

"Sophisticated mass marketing doesn't mean targeting everyone, nor does it mean treating everyone the same. It means understanding the heterogeneity in your market, and then catering for only the differences that matter in order to maximise reach while not eliminating the benefits of scale."



Who do you think won today's debate?
Mark Ritson
59%
Byron Sharp
27%
It's a tie!
13%
Join at
slido.com
#FOM17

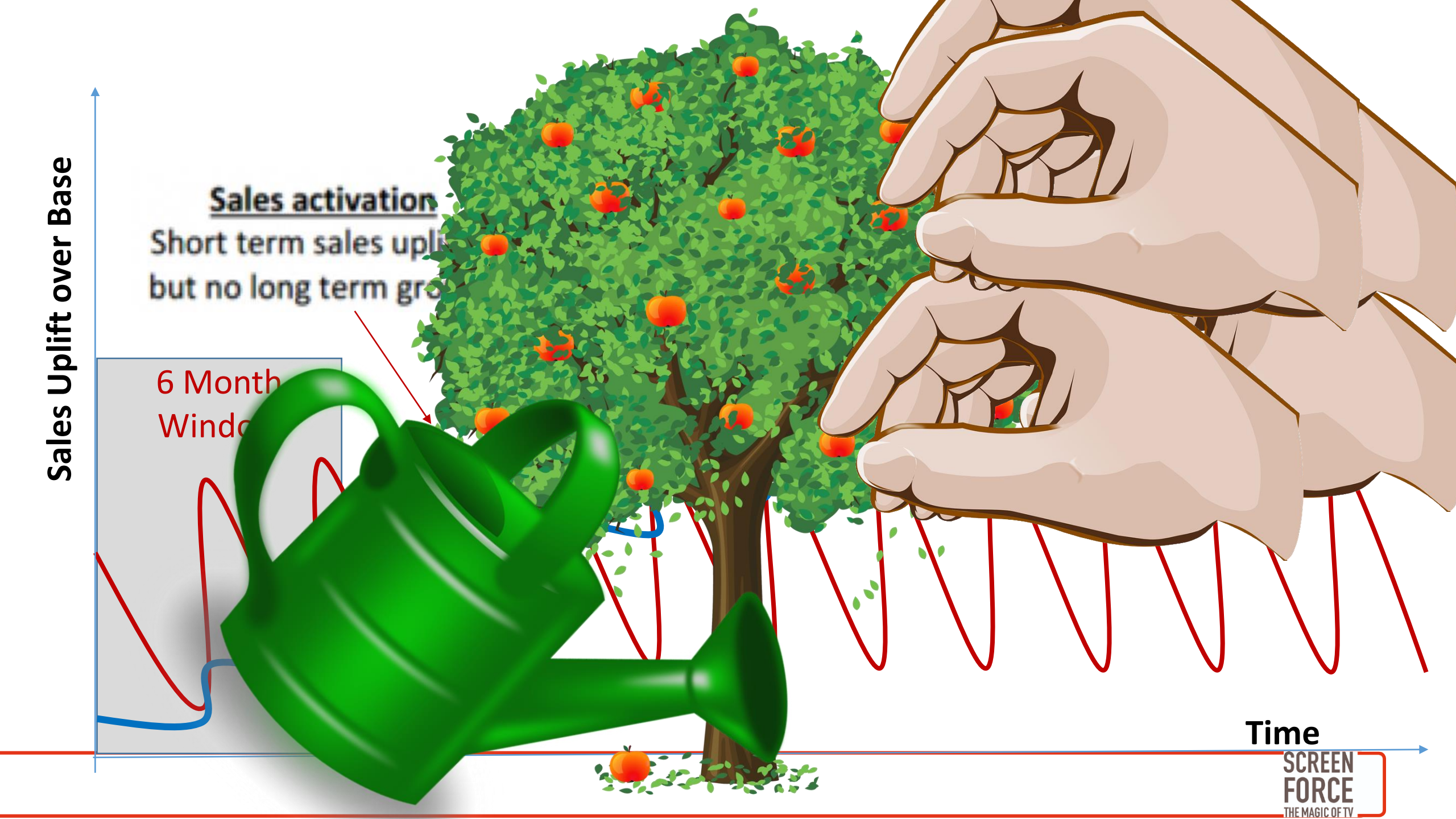
So Who is Right?



THE UNIVERSITY OF MELBOURNE

MELBOURNE BUSINESS SCHOOL

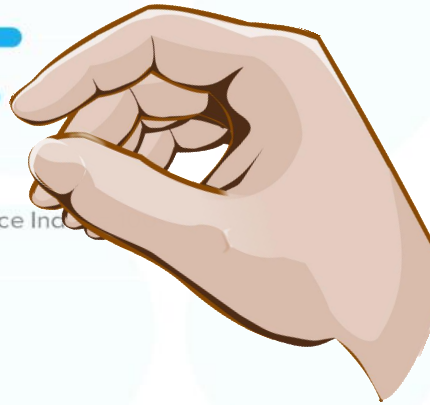
Brand Management


Sales Uplift over Base
Sales activation
Short term sales upli
but no long term gro
6 Month
Windo
Time
SCREEN
FORCE
THE MAGIC OF TV

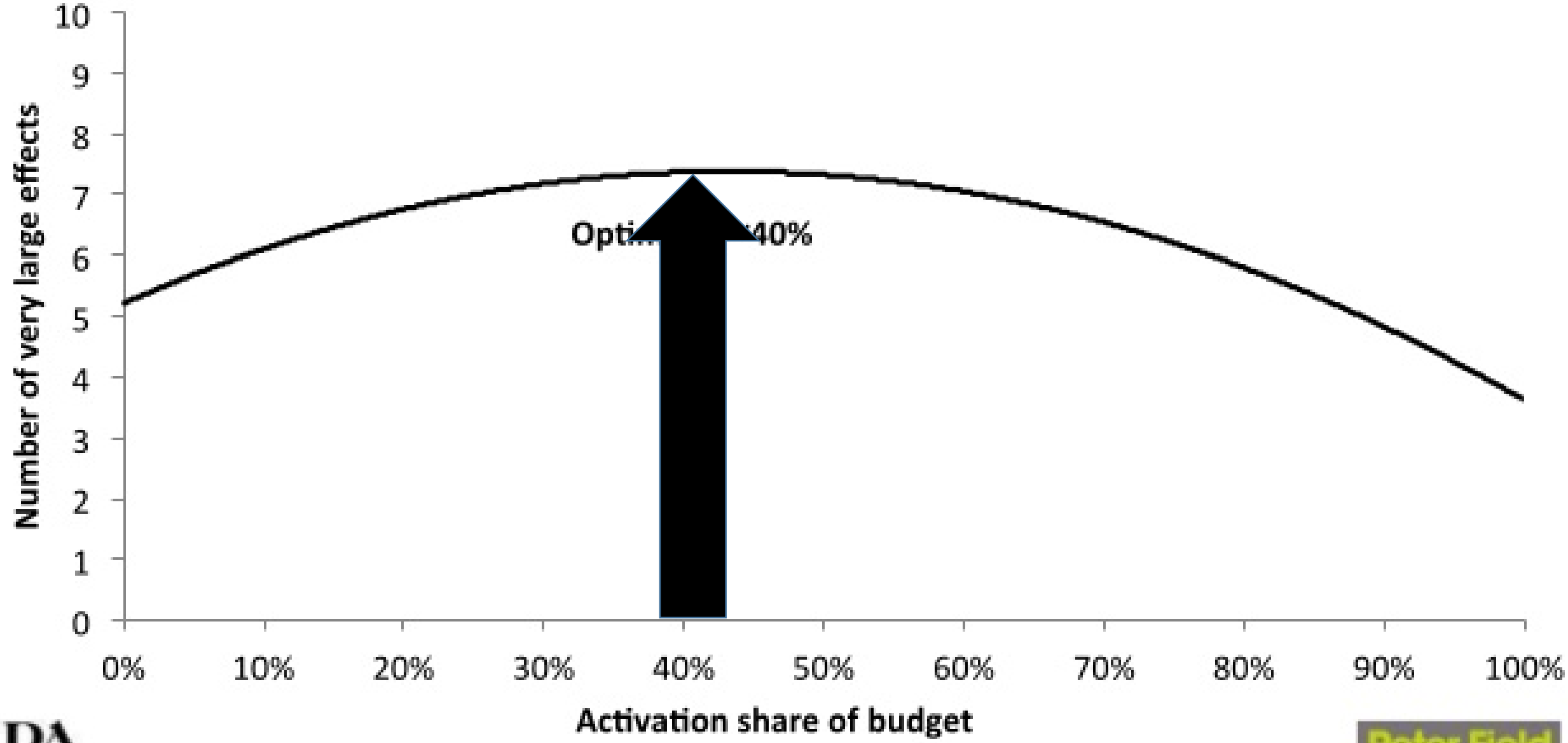
RE-EVALUATING MEDIA
RADIOCENTRE
ebiquity

Tight targeting – right people, time & place

Most important attributes of an advertising medium



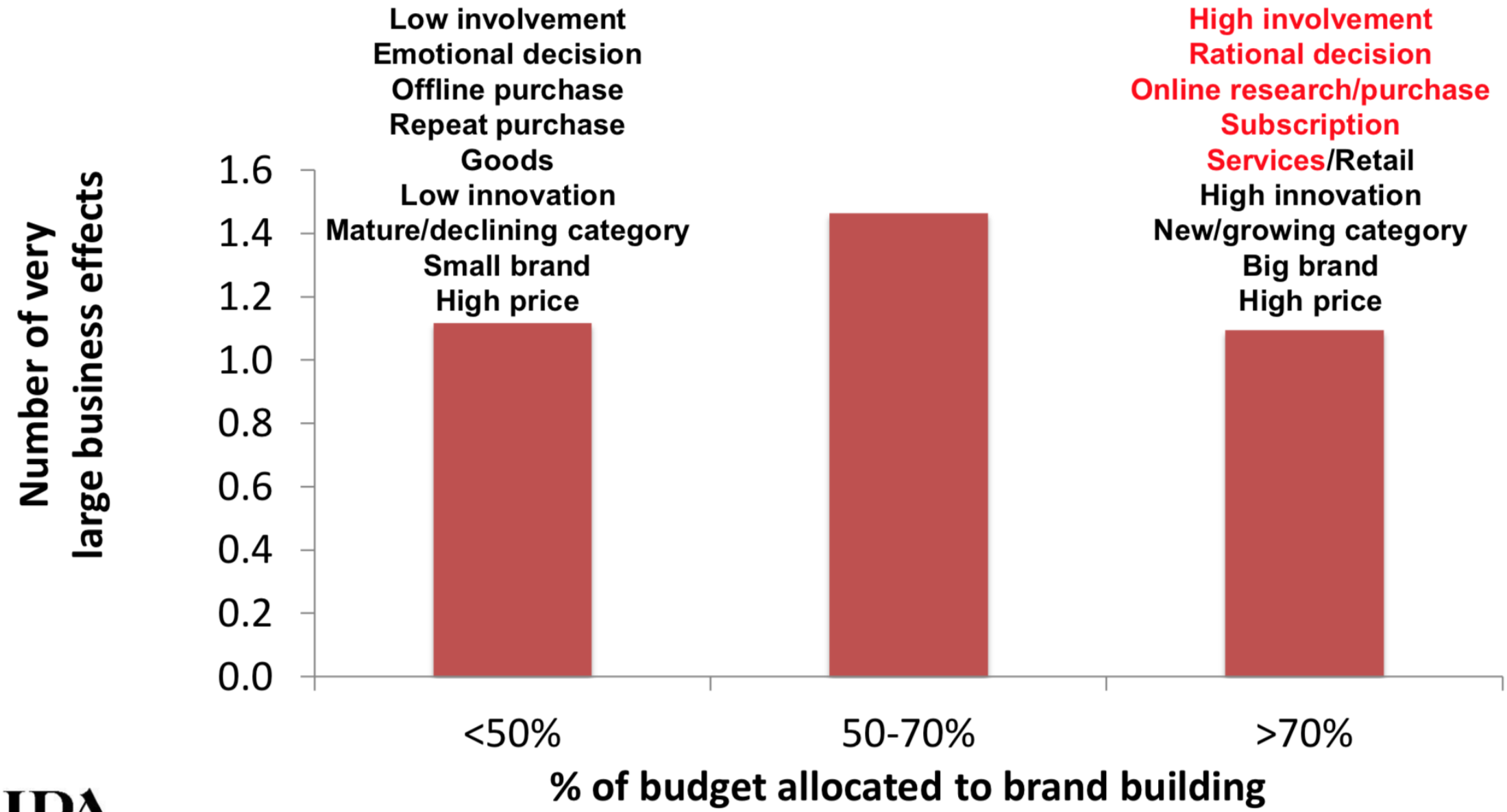
Balance is important to effectiveness



IPA

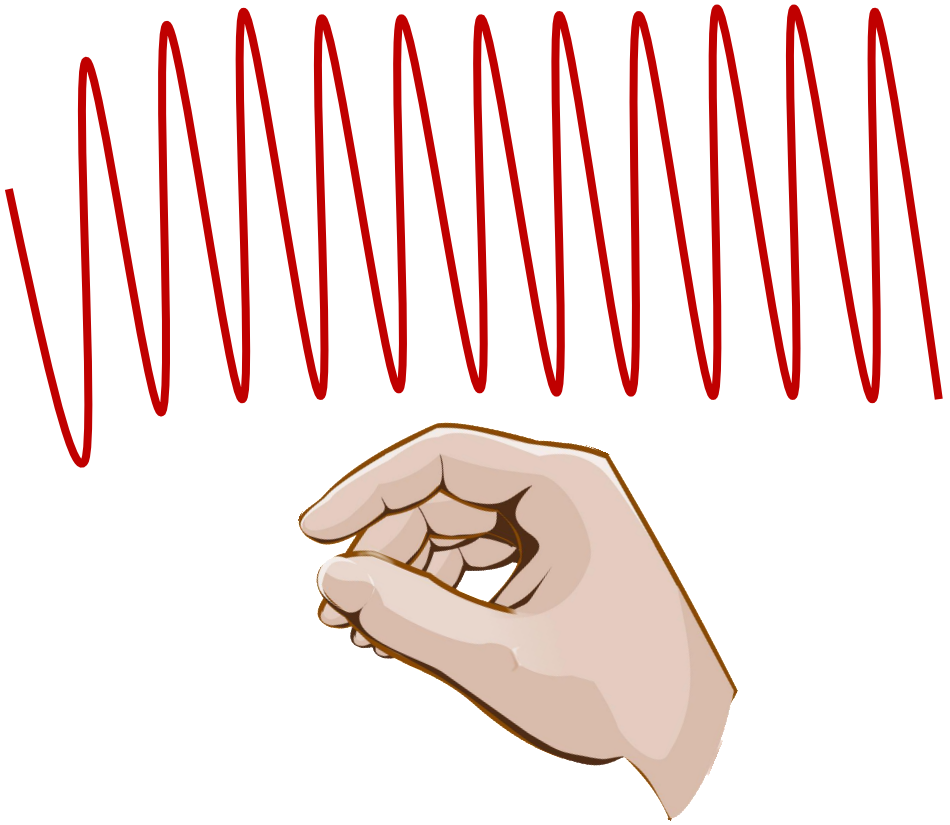
Peter Field

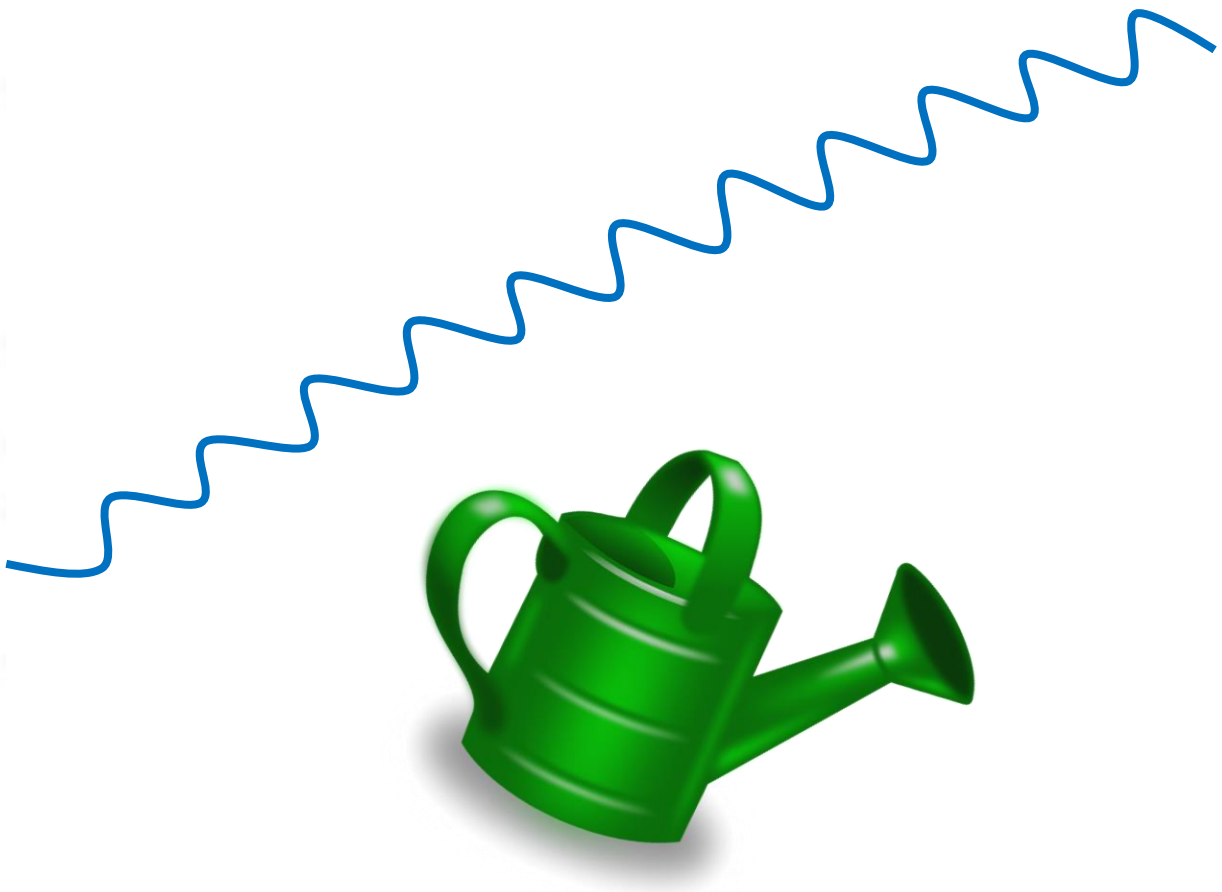
Flexing the 60:40 rule



Source: IPA Databank, 2014-16 cases

Targeting vs. Reach





Source: IPA Databank, 2008-16 cases

The Real Winner of the Debate

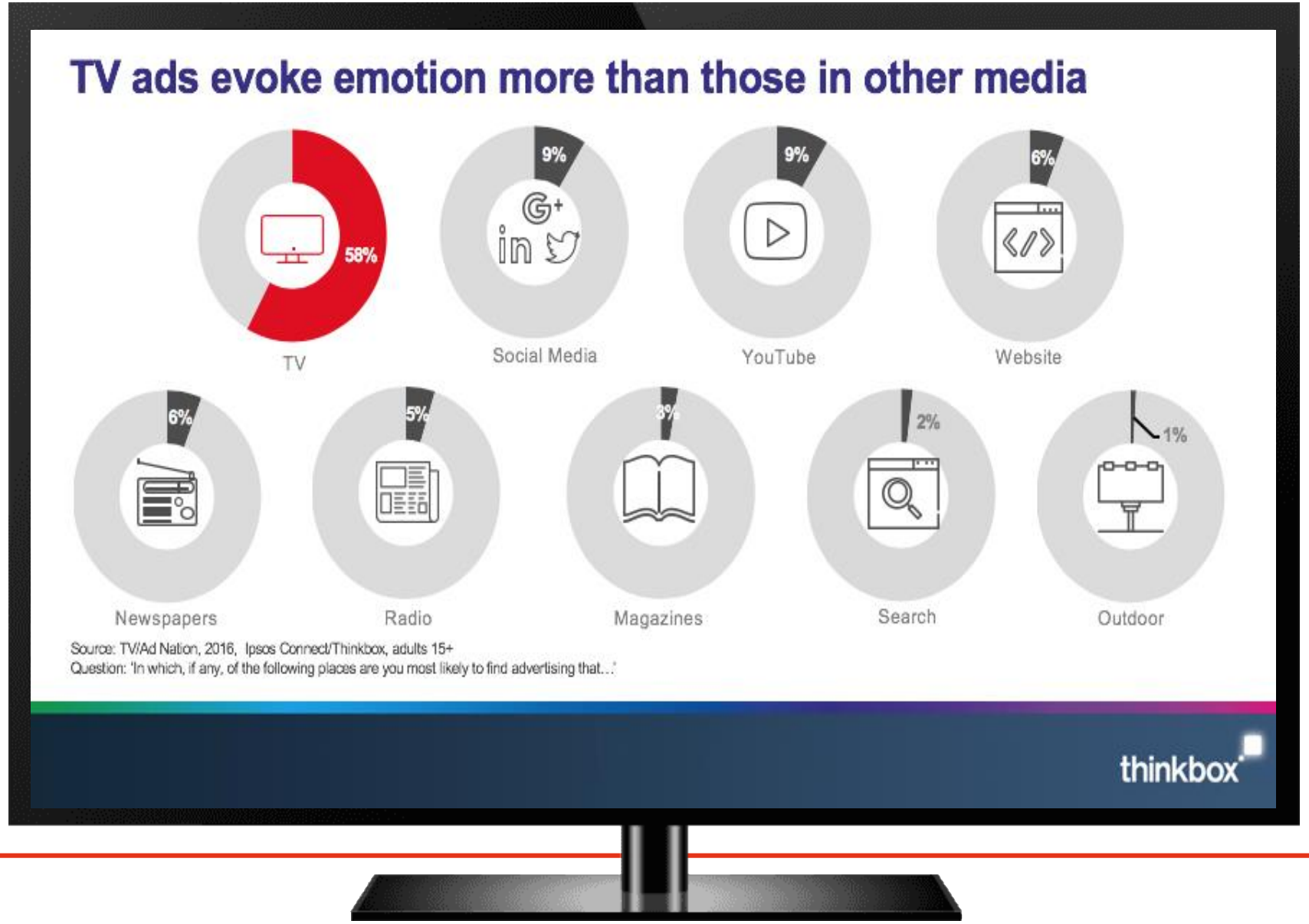
Shorter Term Activation

- More granular segments
- Targeted
- Product based
- Digital Comms lead
- Changing approach

Longer Term Activation

- Mass Marketing
- Target the Category
- Brand based / Emotion
- TV/OOH
- Multi-year consistency

The Real Winner of the Debate

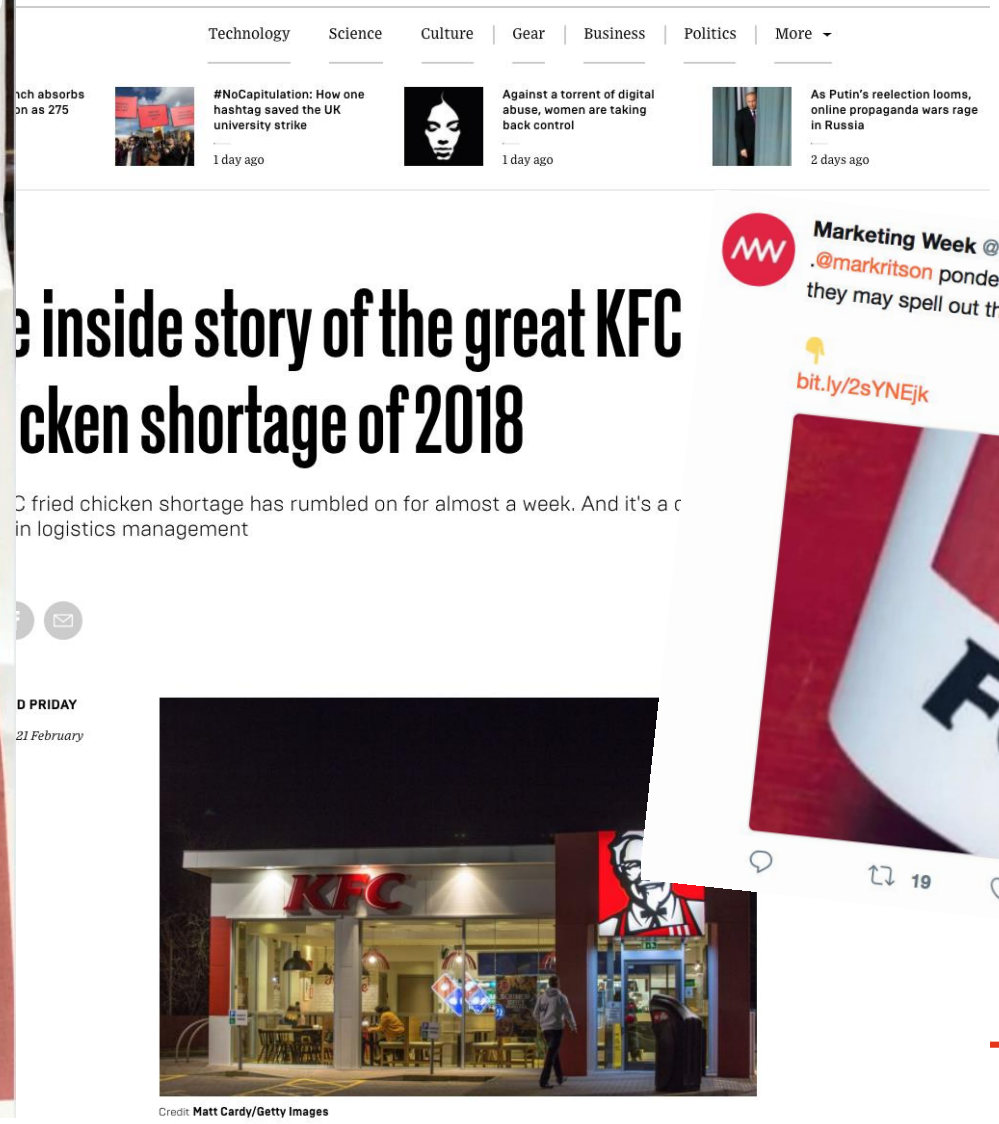


Longer Term Activation

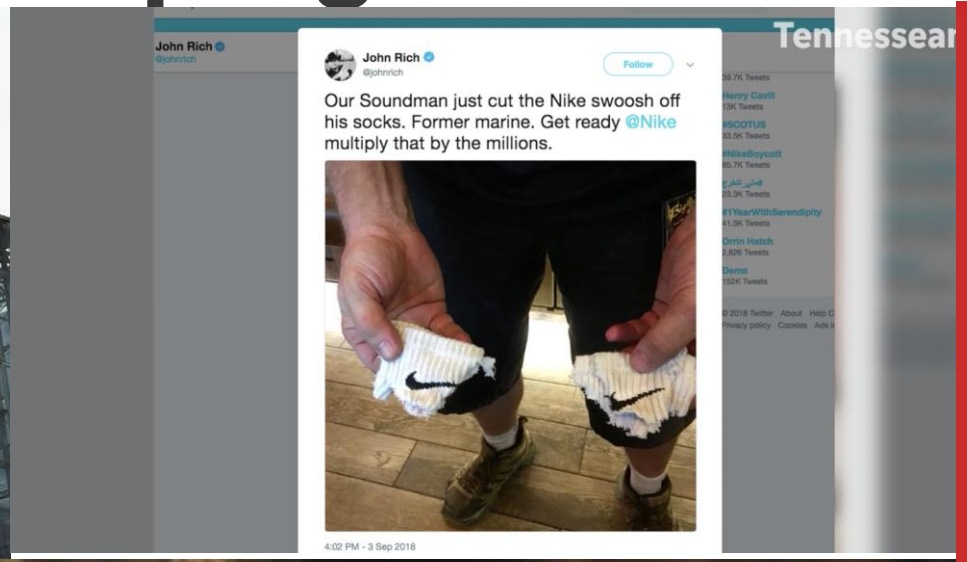
- Mass Marketing
- Target the Category
- Brand based / Emotion
- TV/OOH
- Multi-year consistency

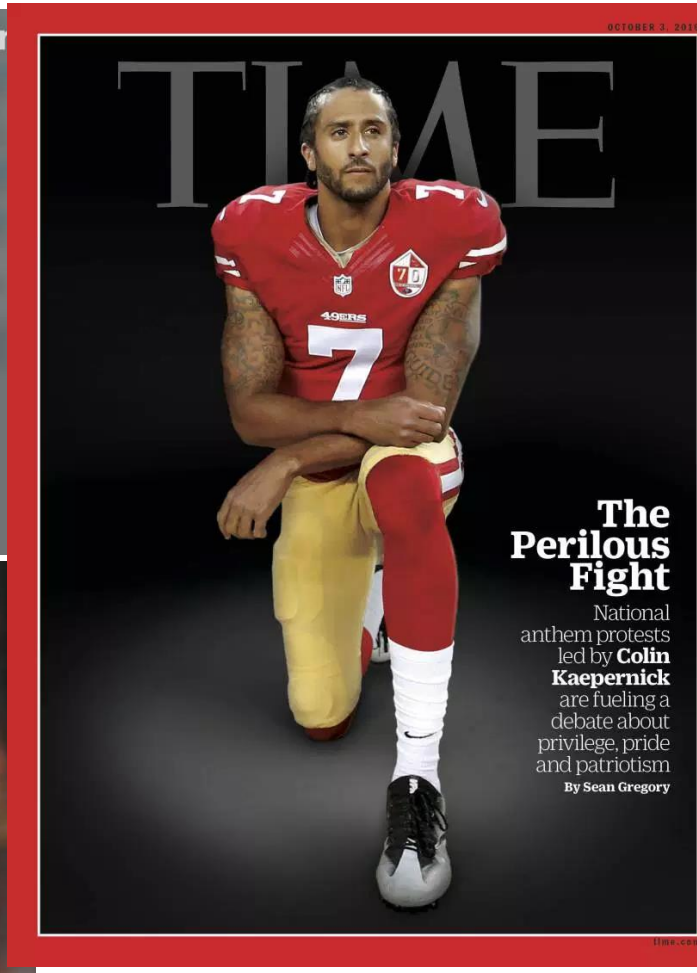
digital
BANG!
traditional

UK Campaign of the Year



US Campaign of the Year





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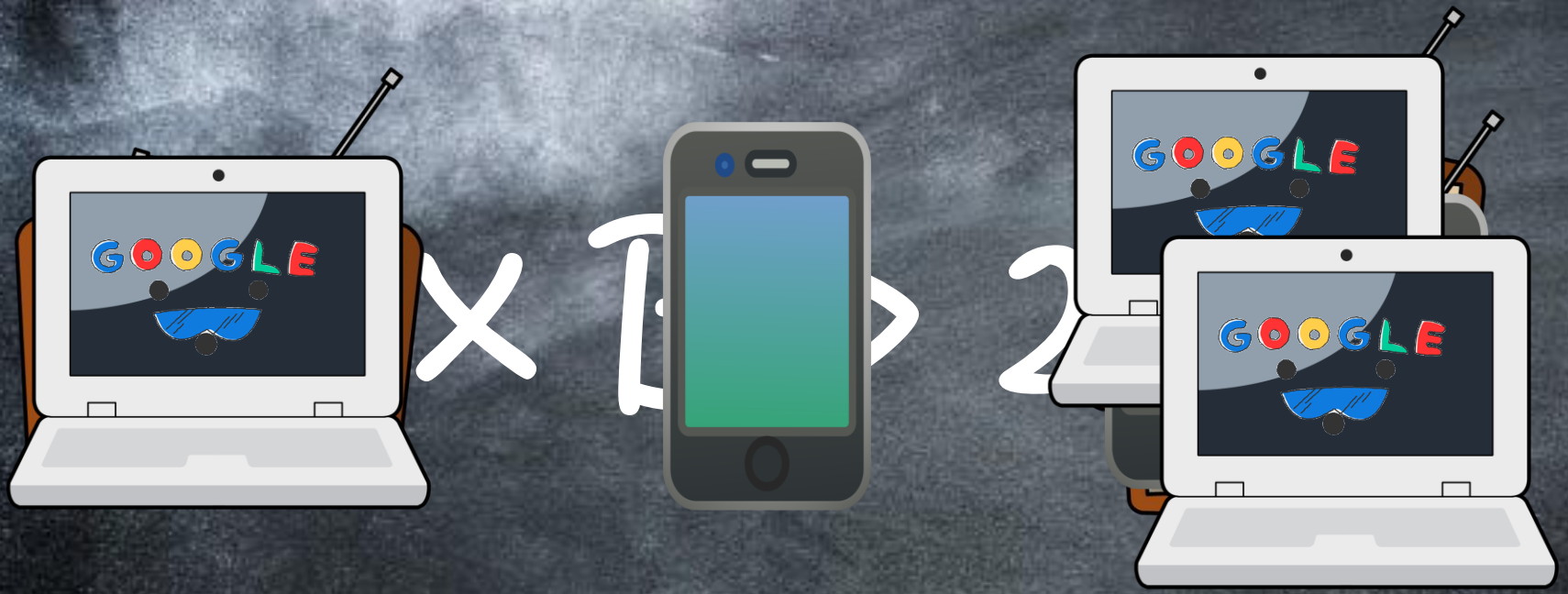
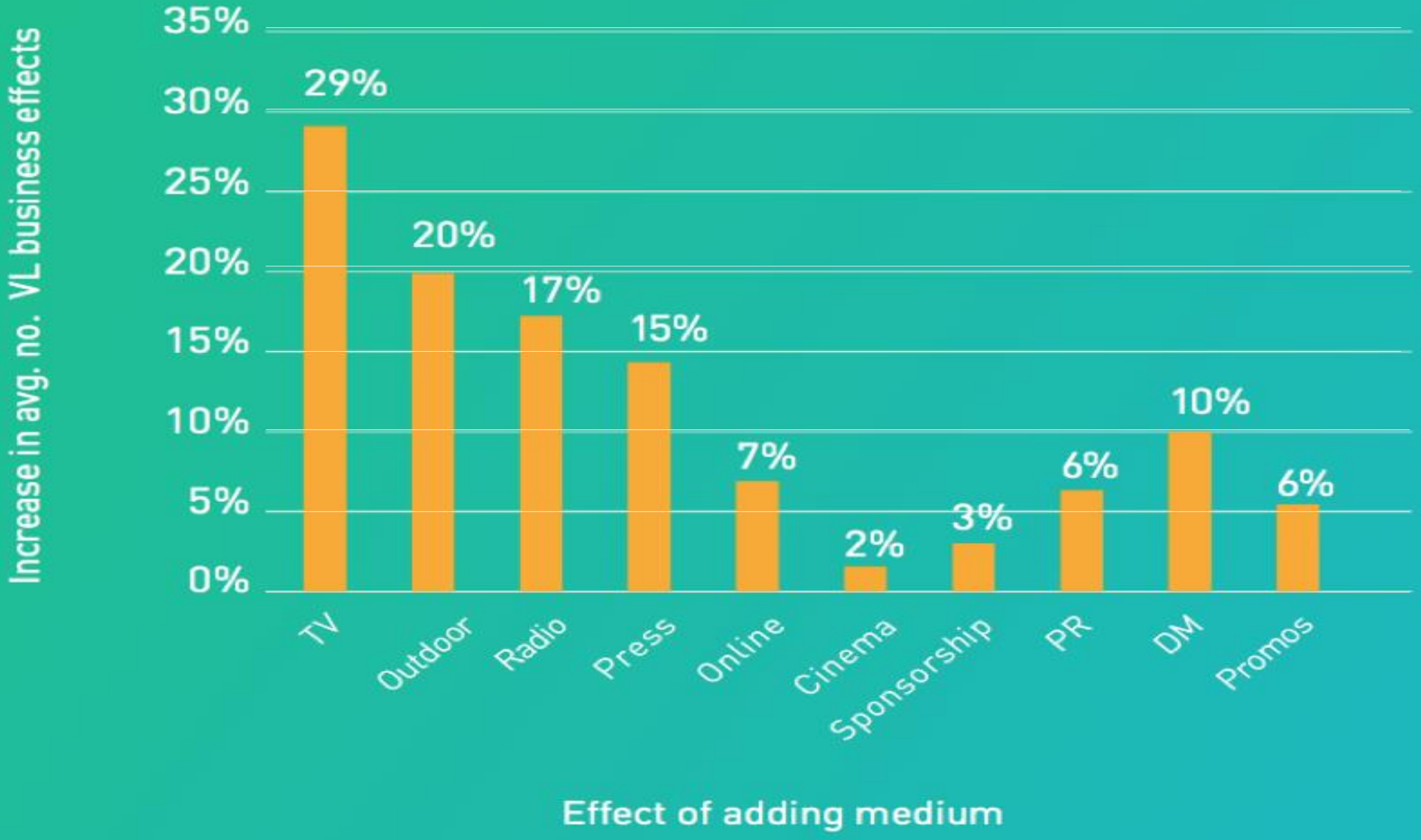
The Lost Secret Formula of Synergy



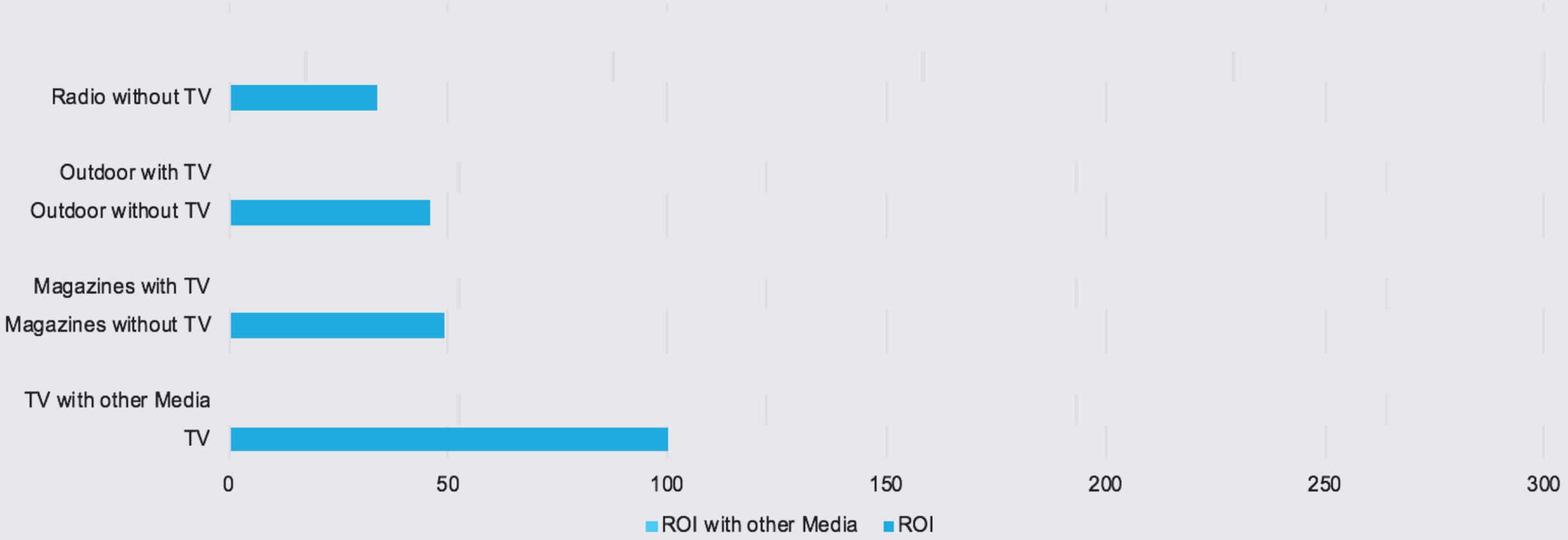
Or 2b

Some Channels Play Better with Others



TV boosts other media

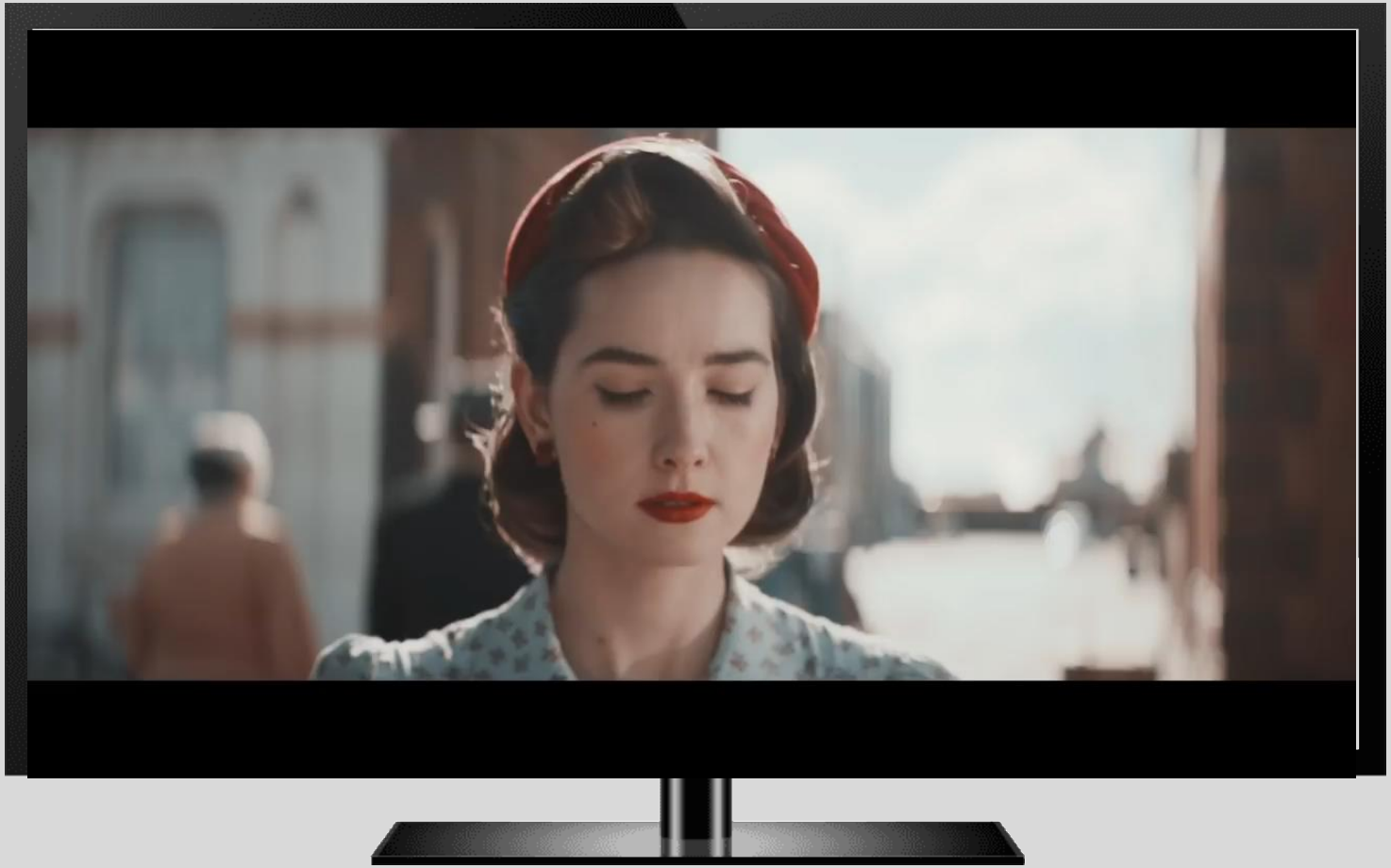
Average ROI per Medium, Mono- versus Mix with TV, Index*



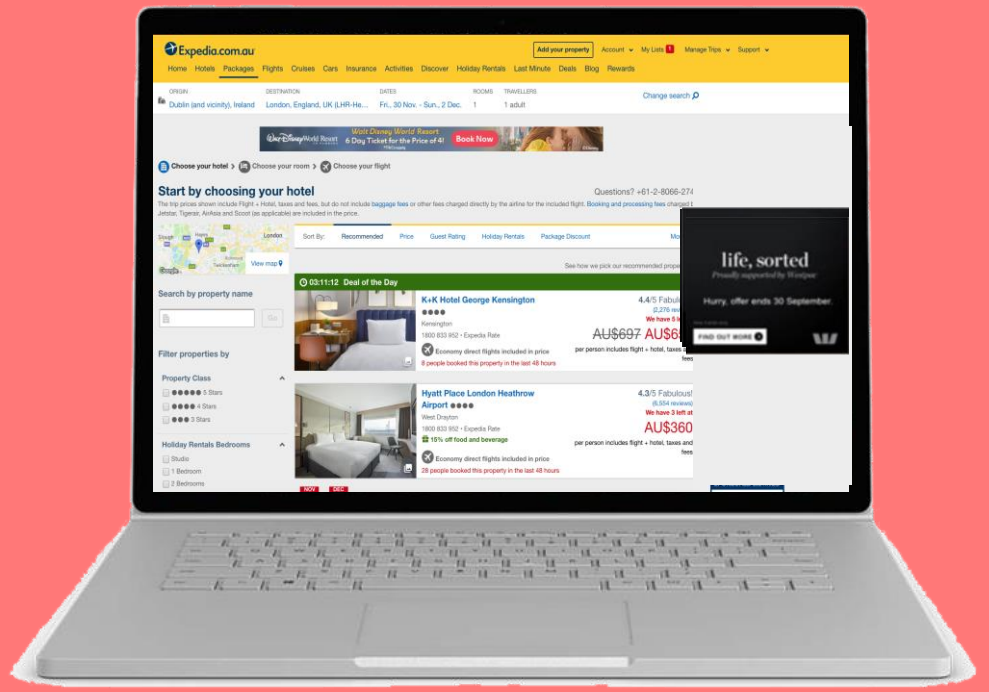
*Source: ROI FMCG (gross), *ROIs indicated versus TV ROI without other media; changes in percent. IP Deutschland / Annalect 2017.*

Westpac

Long / Mass / Brand / Emotion



Short / Targeted Product / Activation



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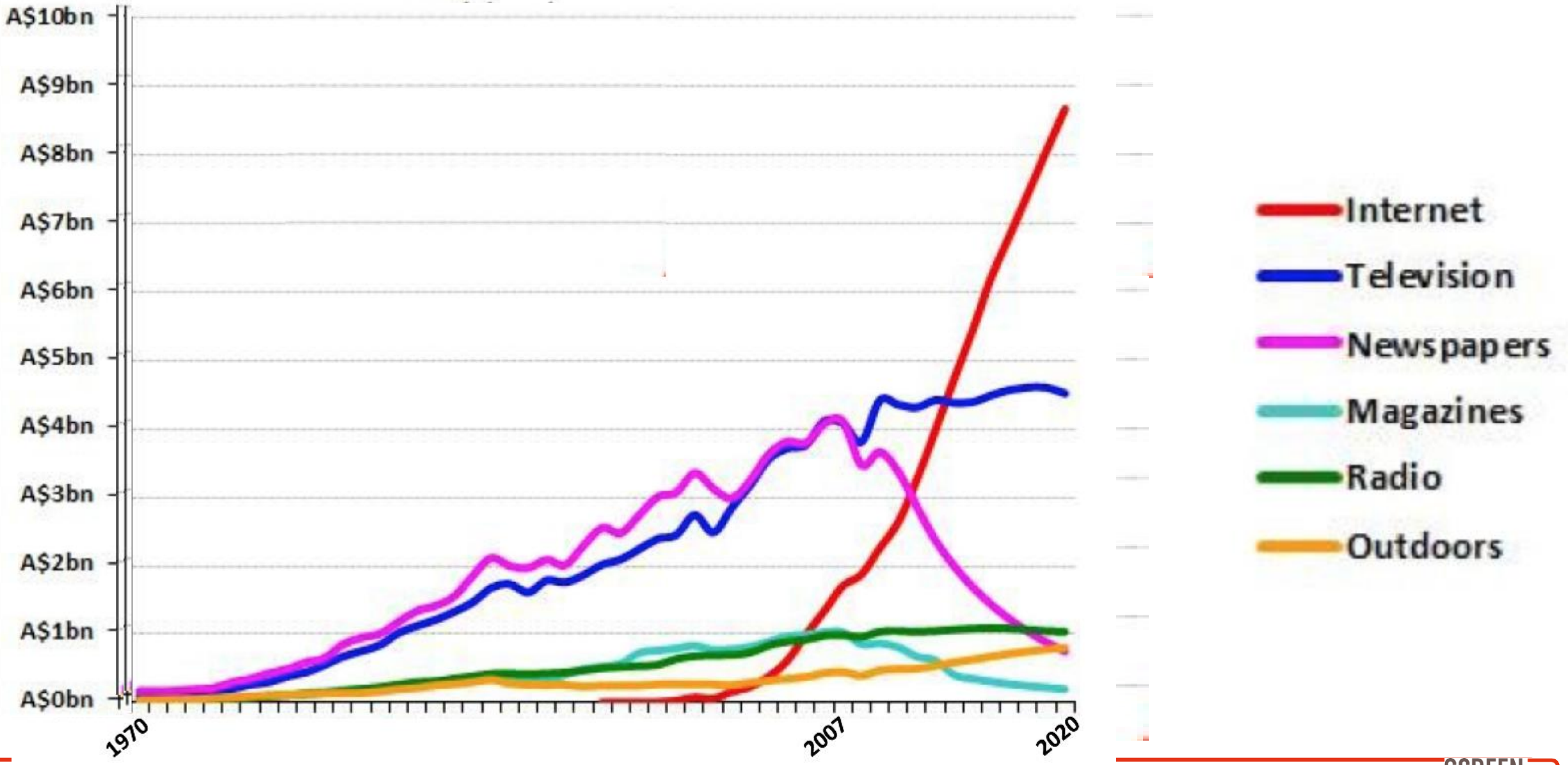
In Summary

- Its been a hell of a decade!
- Advertisers have a bias towards digital media
- TV remains dominant, not dead
- But what we watch on that TV will change
- The power of integration
- The Long & Short of it
- The role of TV to drive the Long of It is Unrivalled

- We are in for a hell of a decade…

Changing Composition of Adspend Over Time



danke.