The Global TV Group

The Global TV Deck

# TV drives business outcomes

April 2021

*"Advertisers choose TV for the most important role in their marketing plans, that of 'lead outcomes-driver'. To best achieve the full range of business results - from quickly activating customer traffic at scale to securing brand loyalty beyond reason, whatever is most mission-critical to sales goals and brand goals should be trusted to TV."*

*--- Sean Cunningham, President of The Global TV Group and CEO & President of the VAB*

*"Globally we have different customers with different objectives: Sales, activation, aiming for short or long-term results etc.. The wonderful result of our joint research expertise is that TV meets all these goals – everywhere."*

*--- Martin Krapf, Vice-President of The Global TV Group and Non-Executive Board Member of Screenforce Germany*

*"There's an increasing culture of effectiveness in marketing. Outcomes are in. So, this new deck is timely. It shows repeatedly, forensically and comprehensively TV advertising's incredible skillset. It demonstrates how TV solves business problems and is packed with the evidence marketers need to prove that TV is a low-risk investment that unlocks growth."*

*--- Lindsey Clay, Past President of The Global TV Group and CEO of Thinkbox*

# TV offers:

| | | | | | |
|---|---|---|---|---|---|
| The strongest contribution to sales | The strongest contribution to both long-term and short-term ROI | The strongest halo effect on other media | The best option for recovery in times of crisis | The highest quality of contacts due to attention levels | The highest impact on awareness, consideration and purchase intent |
| The largest scale, a driver of effectiveness | The ideal balance between branding, short-term sales and long-term business outcome | The highest profit at the greatest efficiency, and with the least risk | The best guarantee for market share growth | Measurable results across all life stages of a brand | Immediate increases in website traffic, particularly for direct-to-consumer brands |

# TV remains the strongest contributor to sales demand

## Executive summary/key results

**Total TV drives 3x greater sales volume than any other medium**

**Total TV remains the strongest contributor to long-term ROI**

**Total TV is fundamental to the sales demand derived from search contributing 18% towards the sales impact**

**TV has the greatest synergistic effect, providing the highest lift in the performance of other channels**

**Title of the study:**
Can TV Generate Sales Demand?

**Year of publication:** 2017-2021

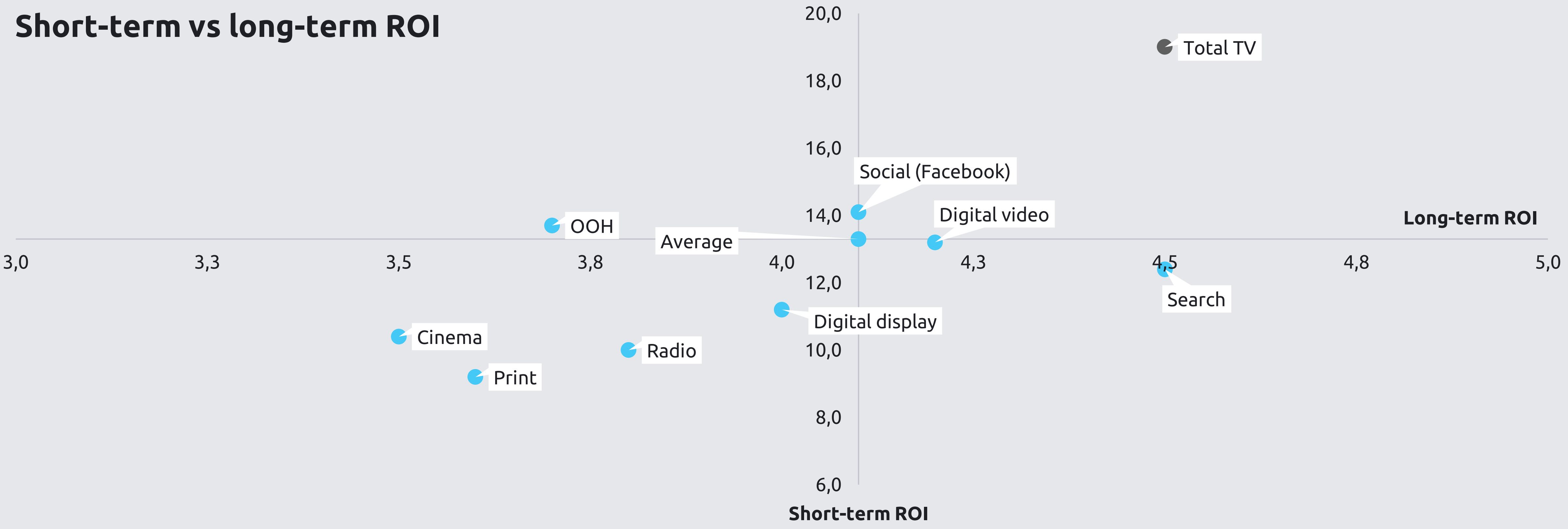
**Commissioned by:** ThinkTV Australia

**Contractor:** GroupM, Gain Theory, D&D Consultants

More information

# Total TV is in its own (good) place with strong short and long-term ROI

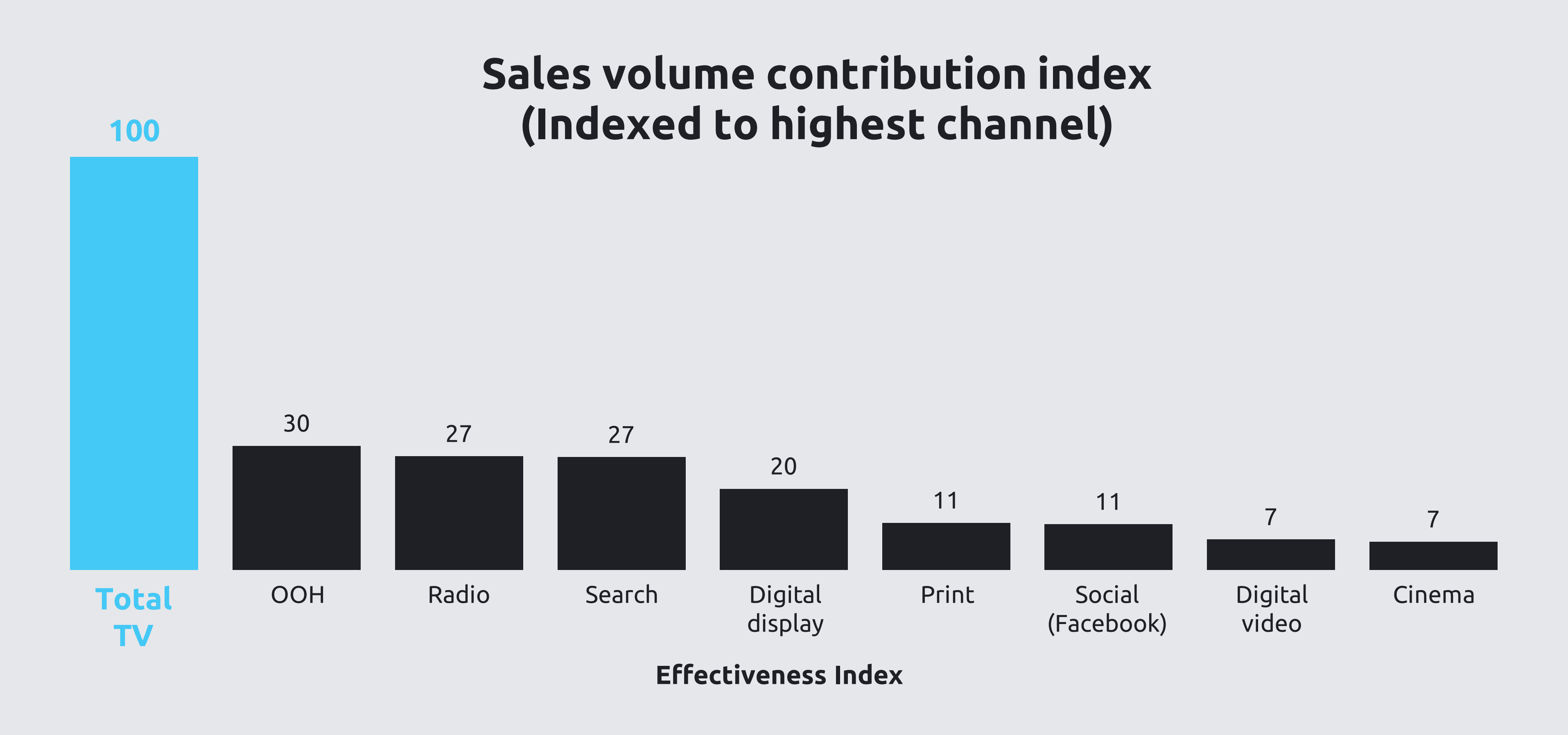
## Short-term vs long-term ROI






*Source: Can TV generate demand?', ThinkTV Australia, Feb 2021*

# Total TV drives 3x more sales volume than any other medium




Not only does Total TV deliver great ROI in the short and long-term, but **Total TV** also **drives 3x greater sales volume than any other medium**

# TV increases ROI, provides long-term results and drives effectiveness

## Executive summary/key results

**TV's attributed sales ROI is higher than other media**

**TV has a significant halo effect on other media, especially digital:** TV increases digital's ROI by 19%

**Multiplatform TV has the longest-lasting impact on sales**

**TV's resilience to diminishing returns highlights the upside of increasing investment**

**Title of the study:** TV Drives Advertising Effectiveness that Lasts

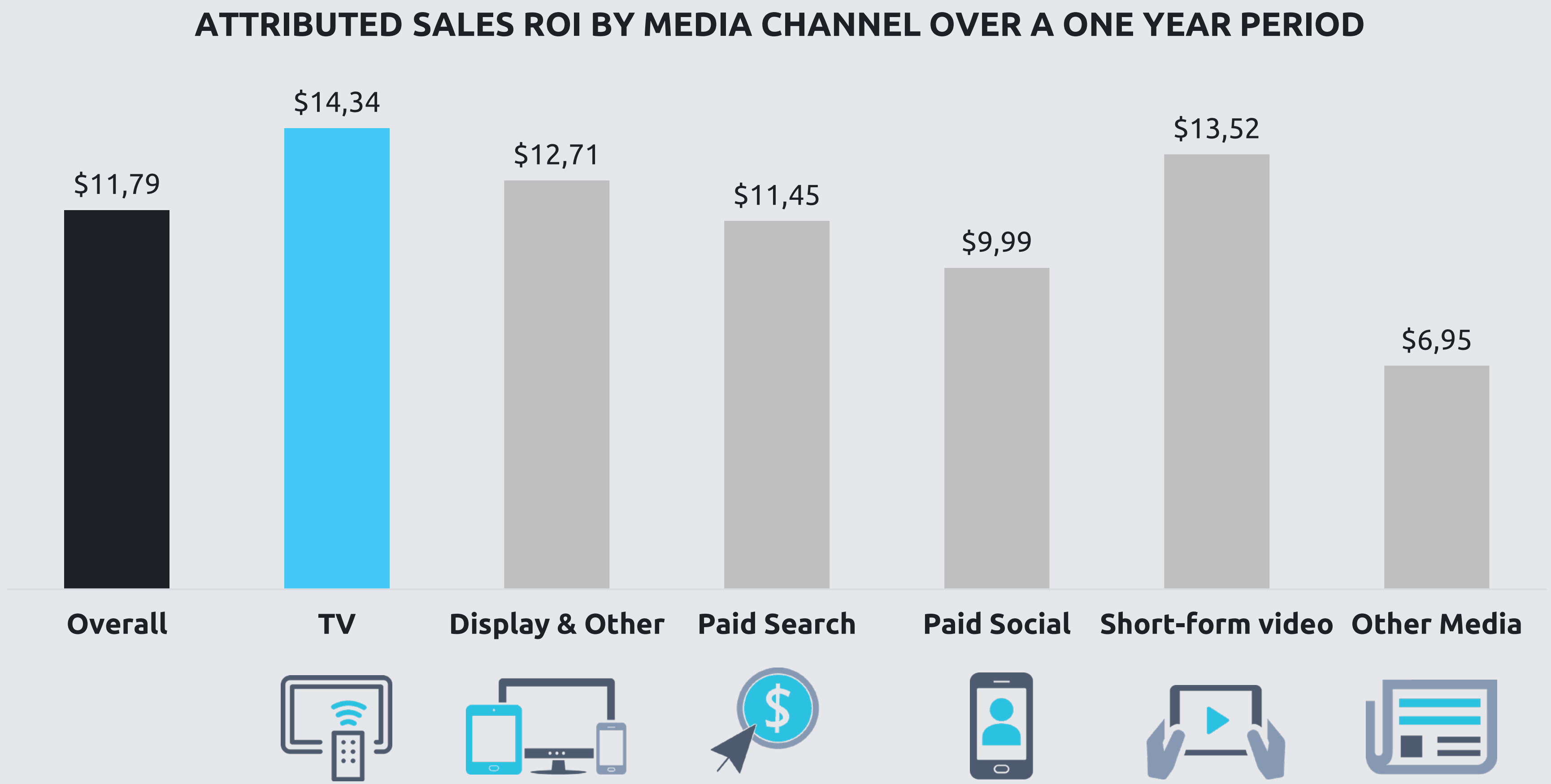
**Year of publication:** 2019, 2021

**Commissioned by:** thinktv Canada

**Contractor:** Accenture

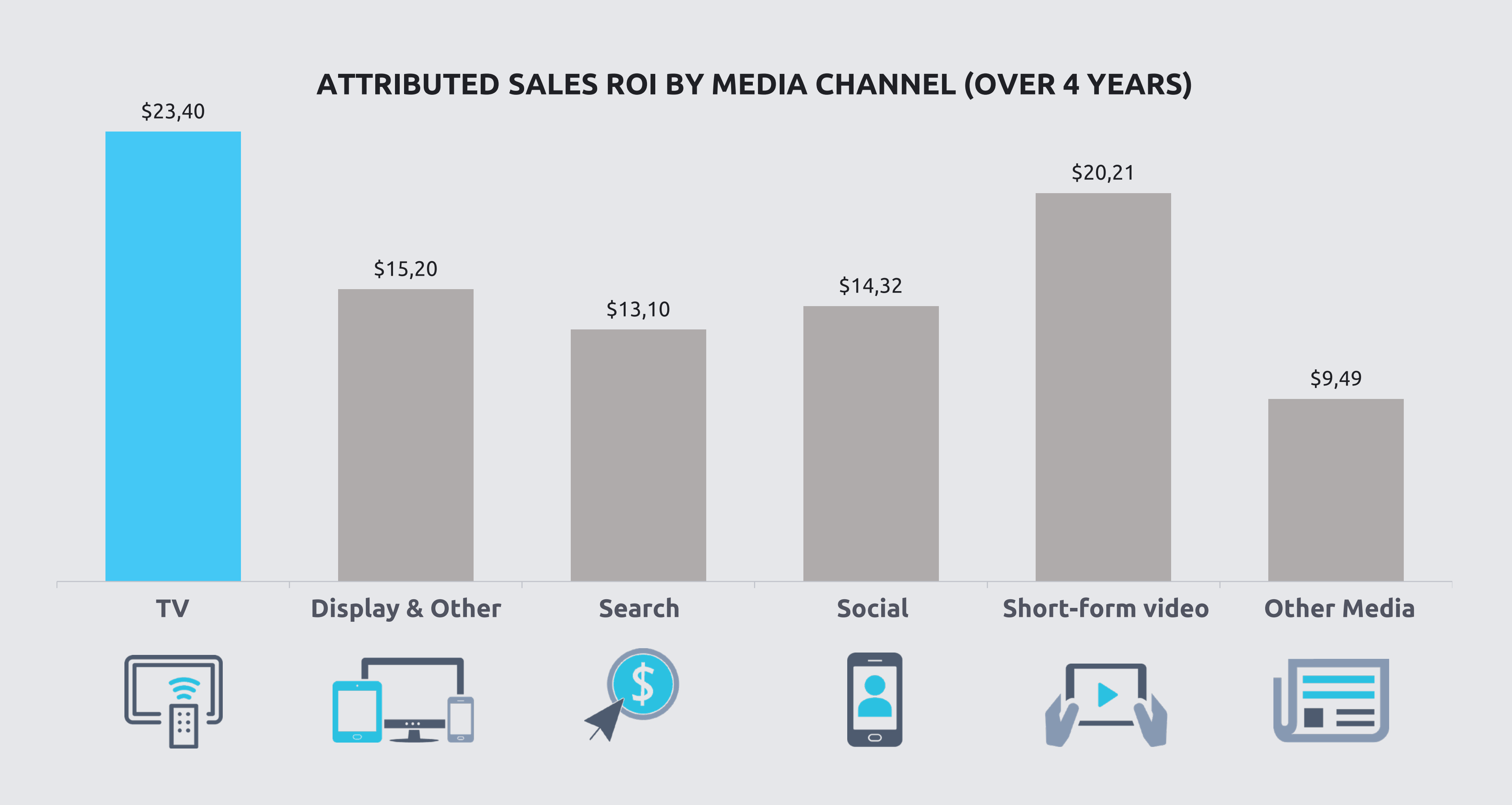
[More information]

# TV delivers the best ROI




**TV's ROI** is **$14.34** for every dollar spent

# TV delivers the best ROI




In the **long-term, TV's ROI** grows to **$23.40**



*Source: Canadian Media Attribution Study*

CANADA

# TV improves digital's performance

**Standalone Digital ROI**

-19%

Without TV's halo effect, digital advertising's average ROI would decline by 19%

**TV's Adjusted ROI**

+23%

**TV has a significant halo effect on digital media, increasing its sales ROI by 19%**

# TV has the highest contribution to sales among all media

## Executive summary/key results

**TV triggers 65% of the media sales impact**

**TV is by far the leader in carry-over effects**

**TV boosts the other media performance,** amplifying their sales effects

**TV is by far the leader in terms of long-term advertising effects**

**Title of the study:** The Effectiveness & ROI of TV advertising

**Year of publication:** 2019

**Commissioned by:** SNPTV

**Contractors:**
CSA, data2decisions, Dentsu Aegis, Groupm, annalect/Omnicom, Publicis media

More information

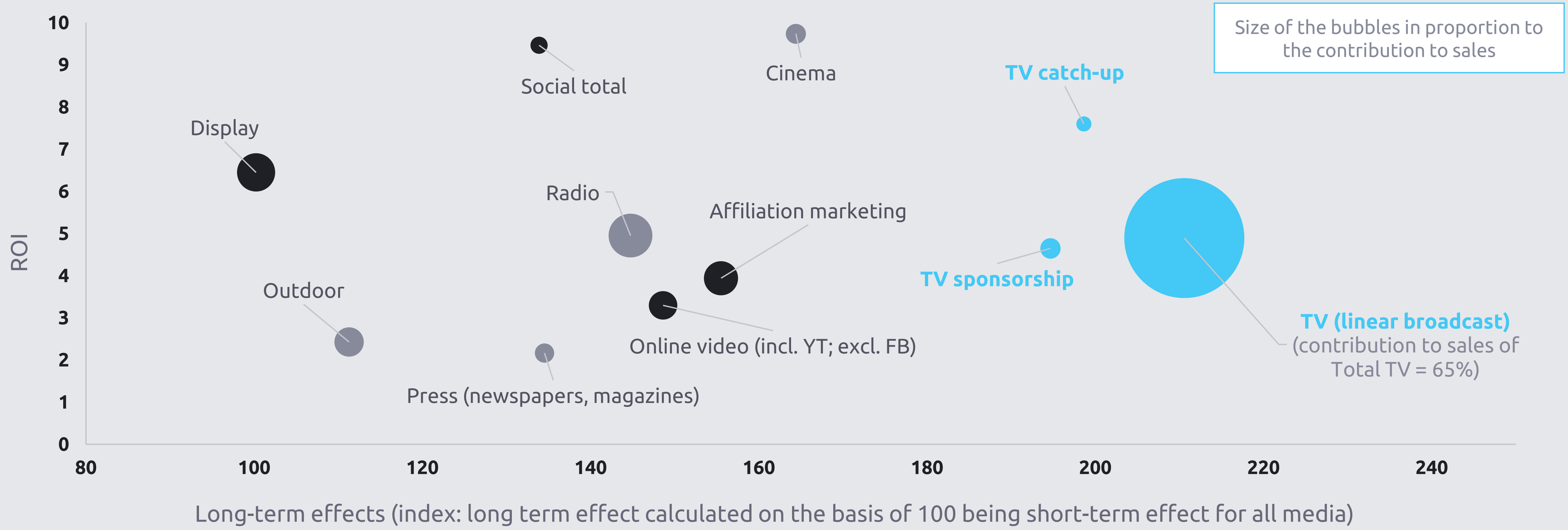
# TV has higher contribution to sales than other high-ROI media




*Source: The Effectiveness & ROI of TV advertising, SNPTV/CSA, data2decisions, Dentsu Aegis, groupm, annalect/Omnicom, publicis media,2019*

FRANCE

# TV has the biggest long-term sales effect among all media






*Source: The Effectiveness & ROI of TV advertising, SNPTV/CSA, data2decisions, Dentsu Aegis, groupm, annalect/Omnicom, publicis media,2019*

# TV is an essential medium to support brand's economic recovery

## Executive summary/key results

Even in the short-term, **TV has the best ratio between contribution to sales and ROI**

TV's saturation threshold is much higher than that of other media

**The effects of TV are immediate and last much longer** than any other media

Due to its unequalled reach, **TV creates strong synergies with other media**

**TV is an essential media to boost all marketing levers:** contribution to sales, ROI and impact other media's capacity to sell

**Title of the study:**
How to boost a brand's recovery with tv advertising?

**Year of publication:** 2020

**Commissioned by:** SNPTV

**Contractor:** Ekimetrics

More information

# TV advertising is an essential tool for brands in times of economic recovery

MMM study conducted by Ekimetrics (150 brands – 5 different sectors – 6 years of historical data)

**Contribution to sales**
**44%**

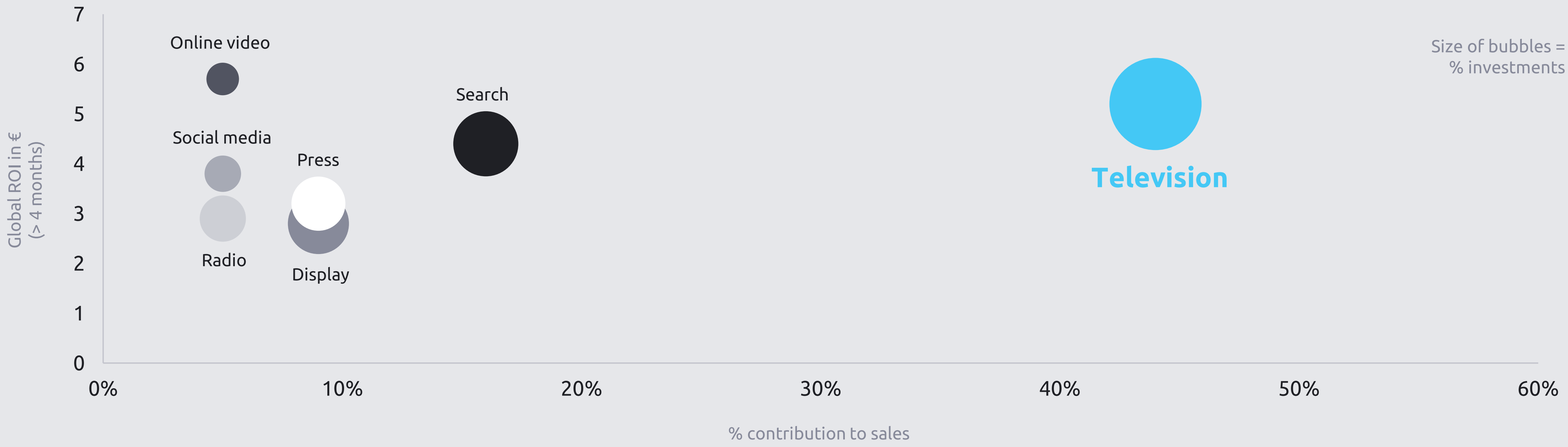
**ROI**
**5.2**
**For each 1€ invested**

**Saturation level**
**Up to**
**4x higher**
**compared to other media**

**Synergy**
**+15% to 40%**
**effectiveness on other media sales**

# Television and online video have an unsurpassed contribution to sales and ROI ratio

MMM study conducted by Ekimetrics (150 brands – 5 different sectors – 6 years of historical data).






*Source: How to boost a brand's recovery with TV advertising?, SNPTV/Ekimetrics, 2020*

# TV creates strong synergies with other media that boost impact on sales

MMM study conducted by Ekimetrics (study based on 150 econometric models over 6 years 2014 to 2015 – 5 different sectors: automotive/banking & insurance/premium cosmetics/food retail/consumer products)

## Matrix of synergies offered by TV in the 5 sectors

| | | | | |
|---|---|---|---|---|
| Automotive | TV + | Radio | VOL | OOH |
| Bank & insurance | TV + | Radio | Radio | OOH |
| Premium cosmetics | TV + | Radio | OOH | Social/VOL |
| PGC | TV + | Radio | Display | VOL |
| Food retail | TV + | Radio | OOH | Radio |

**+15% to + 40% overperformance of ROI**

**TV's ROI reaches 6.1€ (for every € invested) for all included sectors**

**Synergy:**
measure of how activating TV increases efficiency on other media sales



*Source: How to boost a brand's recovery with TV advertising?, SNPTV/Ekimetrics, 2020*

# TV strengthens Facebook but not vice versa

## Executive summary/key results

While video ads work on every platform, **linear TV brings the highest impact on results**

**TV strengthens Facebook but not vice versa:** ads on digital platforms benefit from a combination with linear TV campaigns

**Corner placements and bumper ads are the most effective ad placements**

**Title of the study:** MEDIENÄQUIVALENZSTUDIE 1 UND 2

**Year of publication:** 2018, 2020

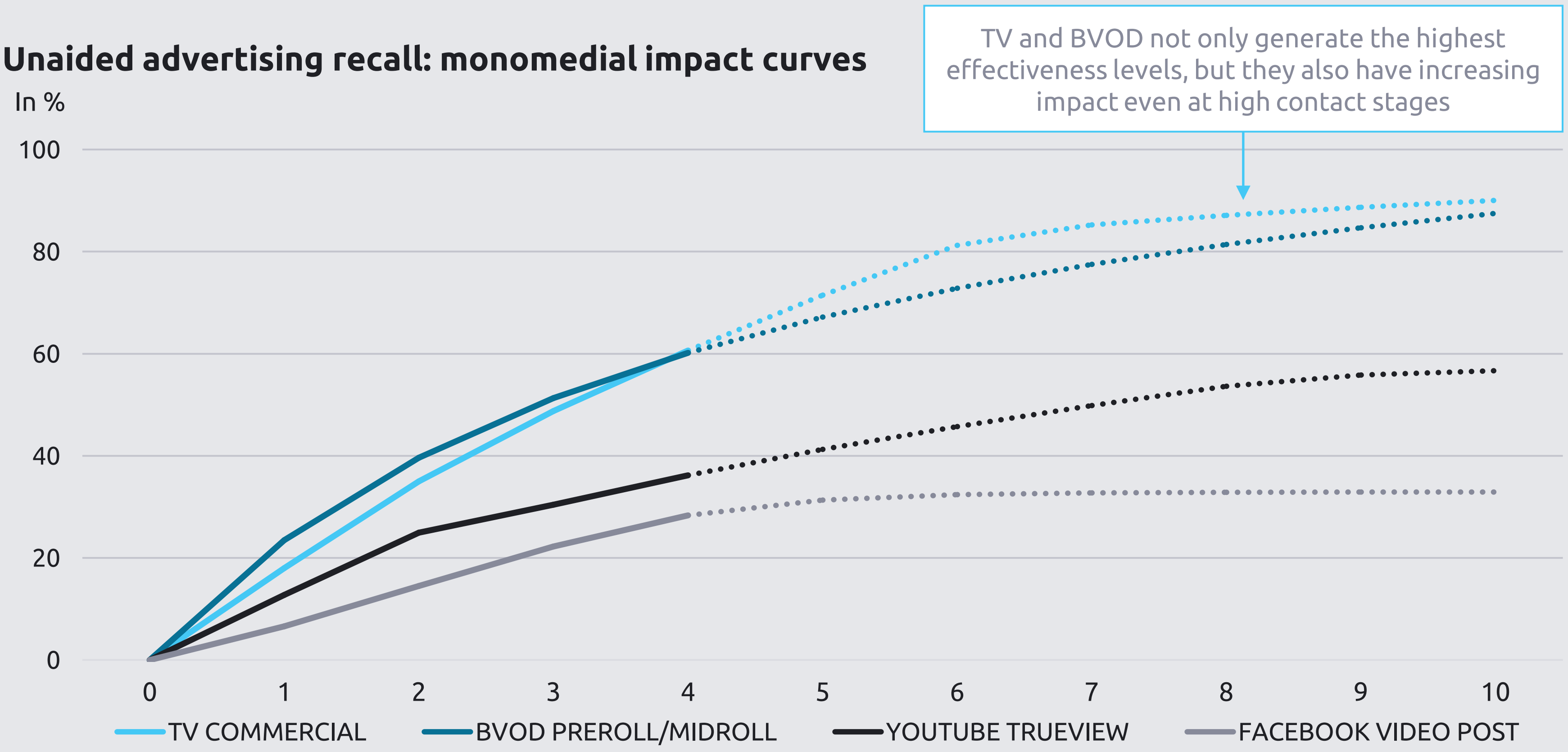
**Commissioned by:** Google and SevenOne Media (2018), SevenOne Media (2020)

**Contractor:** Facit (Serviceplan Group)

More information

# TV and BVOD scale at high level and up to high contact levels

**Unaided advertising recall: monomedial impact curves**

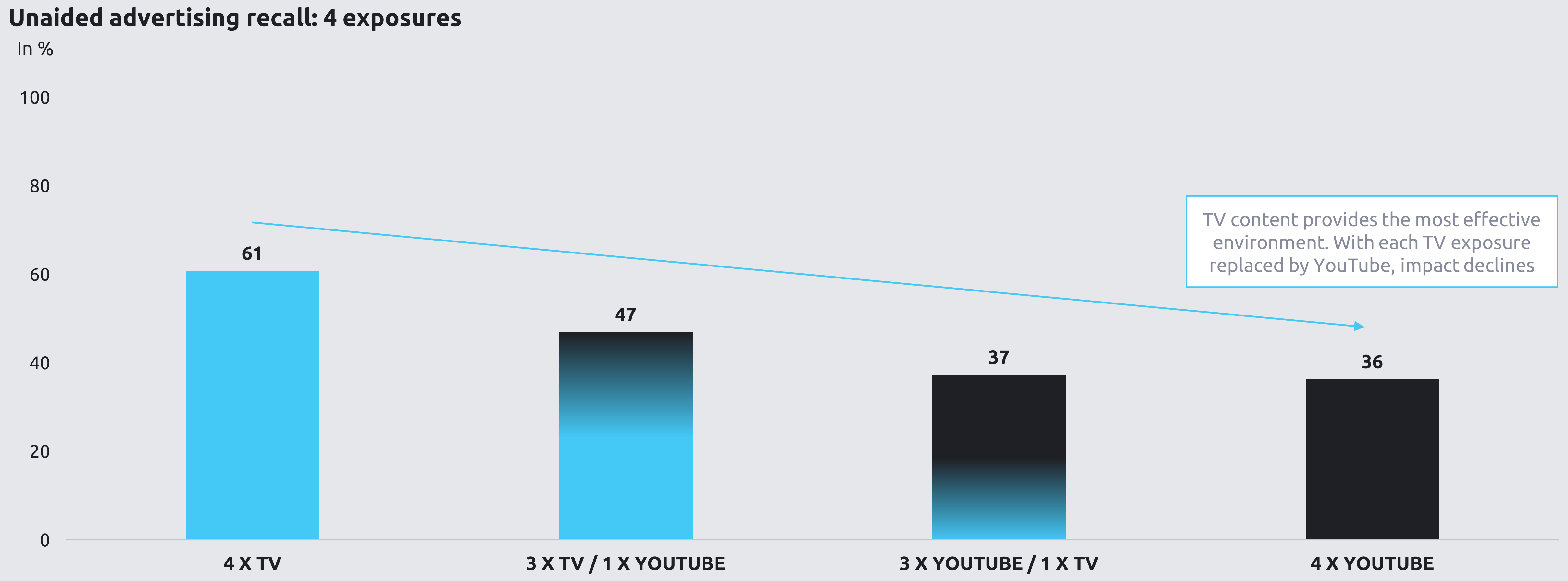



**Base:**
Meta modelling per channel - Model quality: MAPE (aggregated) = Mean Absolute Percentage Error = 11.8%



*Source: Media Equivalence Study: Video, Media Equivalence Study, Video Contact+, Facit*

# YouTube cannot replace TV contacts






*Source: Media Equivalence Study: Video, Media Equivalence Study, Video Contact+; Facit*

# Total Video, regardless of device, drives more sales uplift than any other platform

## Executive summary/key results

**TV and BVOD,** regardless of device, **drive more sales uplift than YouTube, Instagram and Facebook**

**Even 28 days after ad exposure the impact of Total video is higher than ads impact on the first day on other platforms**

**Viewability matters:** Low ad pixels decreases the level of attention and thus the likelihood of a brand being selected

**Title of the study:** Not All Reach is Equal

**Year of publication:** 2020

**Commissioned by:** Screenforce

**Contractor:** Amplified Intelligence (prof. Karen Nelson-Field)

[More information]

# Advertising on TV platforms generates the highest short-term advertising strength (STAS) and aided recall

## STAS by media channel

Figures as index

| | | |
|---|---|---|
| **TV** | 129 | |
| **BVOD** | | 138 |
| **YouTube** | | 112 |
| **Instagram** | | 105 |
| **Facebook** | | 100 |

**Reading example:** The purchase intention for the advertised brands is 29 percent higher after exposure to TV advertising than without advertising exposure.

## AIDED Advertising recall by media channel

Figures in %

| | | |
|---|---|---|
| **TV** | 28 | |
| **BVOD** | | 23 |
| **YouTube** | | 18 |
| **Instagram** | | 16 |
| **Facebook** | | 16 |

**Reading example:** After exposure to TV advertising 28 percent can remember the advertised brands.



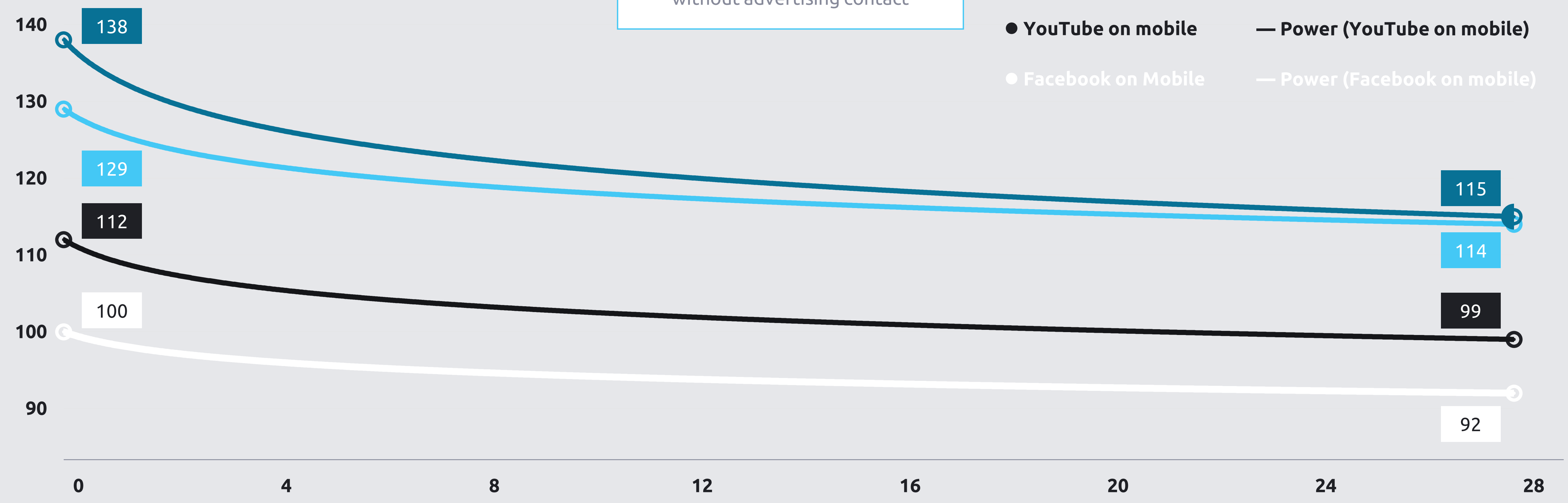
*Source: Not all reach is equal, Screenforce/Amplified Intelligence, 2020*

GERMANY

# TV's advertising impact remains strong over time

**Short-term advertising strength (STAS) over time**
Figures as index

To determine the advertising impact, STAS compares purchases with and without advertising contact





Source: *Not all reach is equal, Screenforce/Amplified Intelligence, 2020*

GERMANY

# The ROI effects of TV investments last 5 years or more

## Executive summary/key results

**Stable effect of TV advertising:**
even in the third wave,
TV still achieves comparable short- and long-term ROI

**Strong effects under the brand umbrella:**
brands with an umbrella brand structure achieve higher ROI

**Even high investments in TV advertising are efficient:**
every purchase counts

Brands that are bought more often achieve higher ROI.
**Big brand, big impact:**
TV advertising by big brands is more efficient

**Creation matters:**
consistent use of creative pays off

**Segment-specific mechanisms:**
Confectionery products achieve higher short-term ROI, cosmetics products are strong in the long term

**Title of the study:** ROI Analyzer

**Year of publication:** 2013-2018

**Commissioned by:**
Seven.One Media, Screenforce (since 2015)

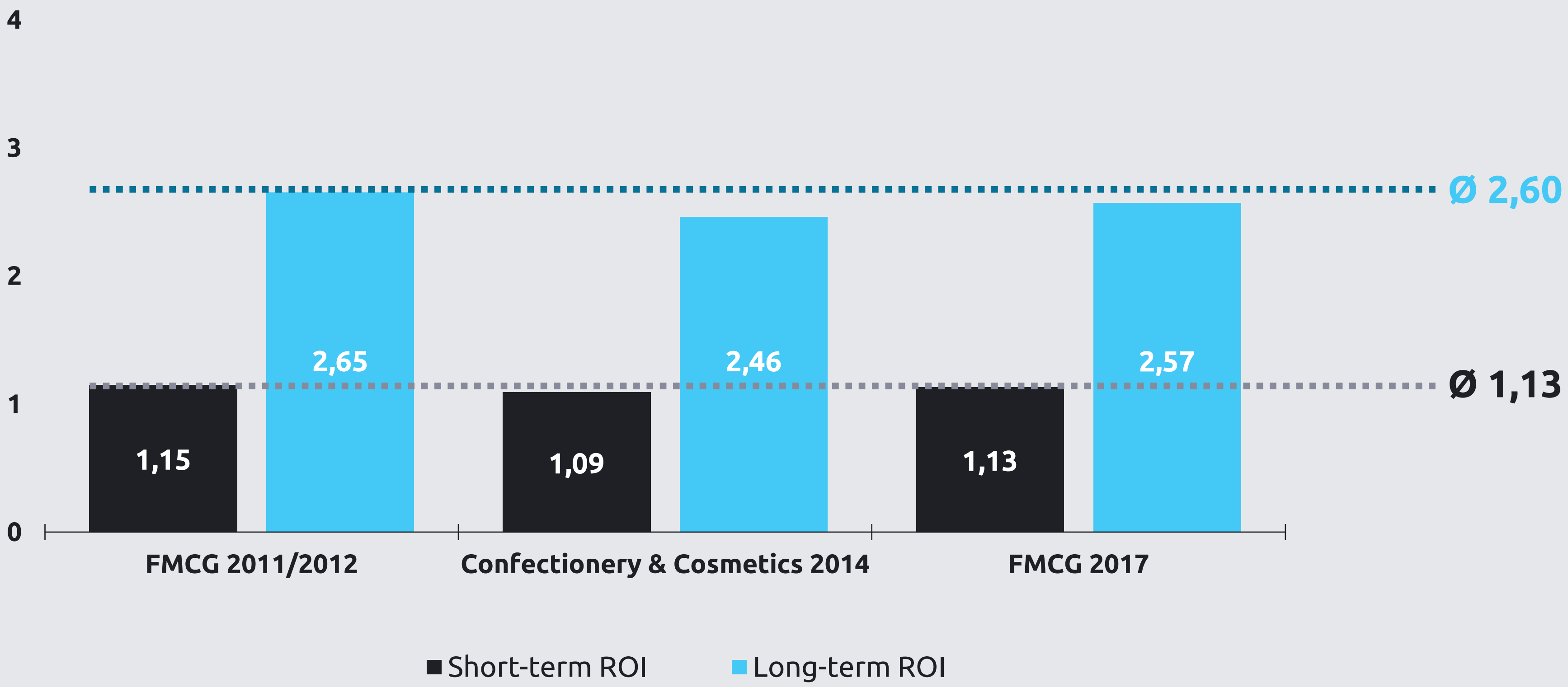
**Contractor:** GfK

[More information]

# ROI remains at a high level

## Short- and long-term ROI in the 3 surveys

Ratio of additional revenues from advertising to net TV spendings




**Basis:** 318 campaigns (FMCG 2011/2012: 204, Confectionery & Cosmetics 2014: 43, FMCG 2017: 71).

Shown is the net ROI (flat estimate of net investments based on Nielsen Media Research, ZAW).



*Source: SevenOne Media, Screenforce, GfK*

# Mass-reach campaigns have a larger impact on sales than moderate ones (regardless of brand size)

## Executive summary/key results

**Mass reach ad campaigns** (with an av. 88% coverage) have a
**4% contribution to brand sales**

which is
**10 times higher** than
**moderate campaigns** (with a 47% av. coverage).

**34% is the minimum coverage** needed for a campaign to **have an impact on buyers and on a brand's sales**

**Campaigns with a 70% - 90% coverage** deliver the **best possible impact** in terms of contribution to sales and penetration

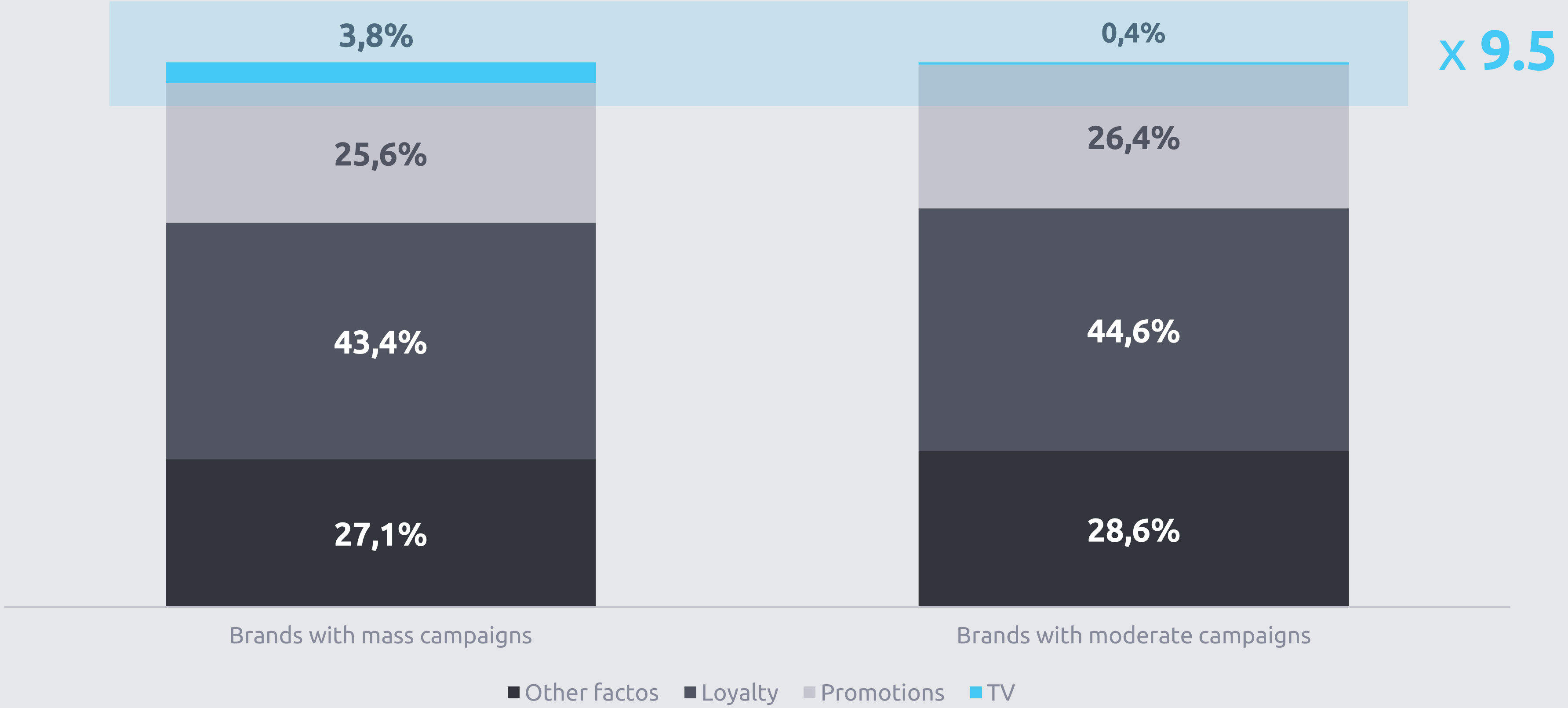
**Title of the study:** How does TV's reach impact sales?

**Year of publication:** 2020

**Contractor:** Kantar

More information

# Mass reach campaigns have a larger impact on sales than moderate ones (regardless of brand size)




Average contribution to sales of the various marketing Mix levers | 3 periods (2 campaign flights + 1 rest period)

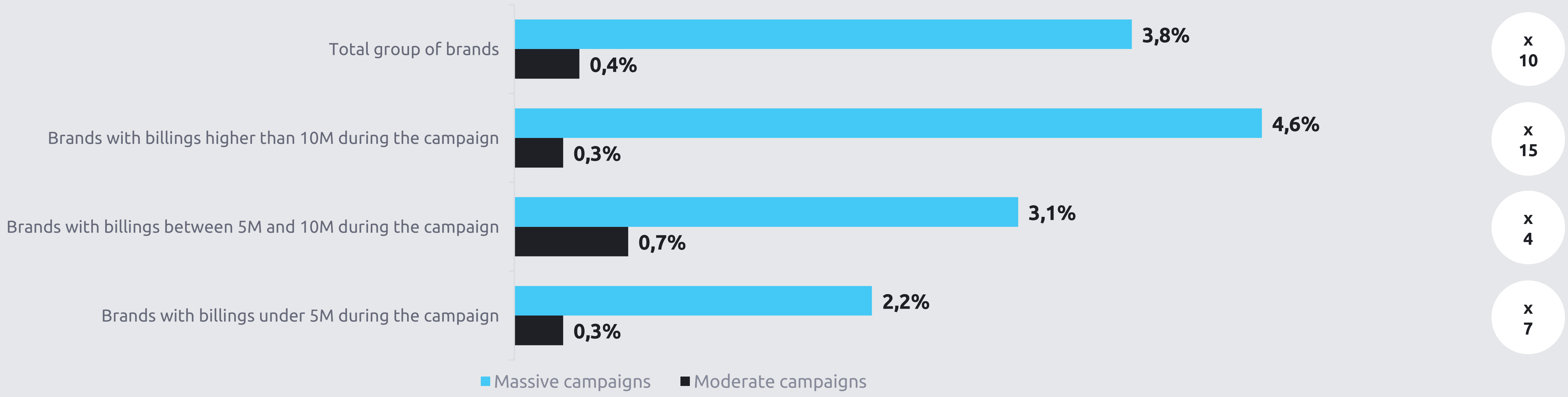
**TV's contribution to sales** of brands that do **mass reach campaigns** is **9.5 times higher** than in the case of brands with **moderate campaigns**



*Source: Kantar, 2020*

# **The larger the coverage, the greater TV's contribution to brand sales,** (regardless of brand size and campaign budget)

Average % of TV's contribution to sales per brand groups based on brand's billing periods (2 campaign flights + 1 rest period).



# TV creates sales uplifts for brands even at low investment levels

## Executive summary/key results

There are **three main triggers that signal an advertiser is ready to move into TV:** diminishing returns, scaling up, build brand/brand awareness

**Scale is the biggest driver of effectiveness**

**Advertising** has both a **short-term** and a **sustained effect on sales**

The point of diminishing returns needs to be identified

Strategies that **harness the benefits of TV** but at lower cost can work well as a starting point

**Advertisers should start TV with a shorter, high impact burst strategy** rather than a smaller, continuous drip approach

**Title of the study:** As seen on TV

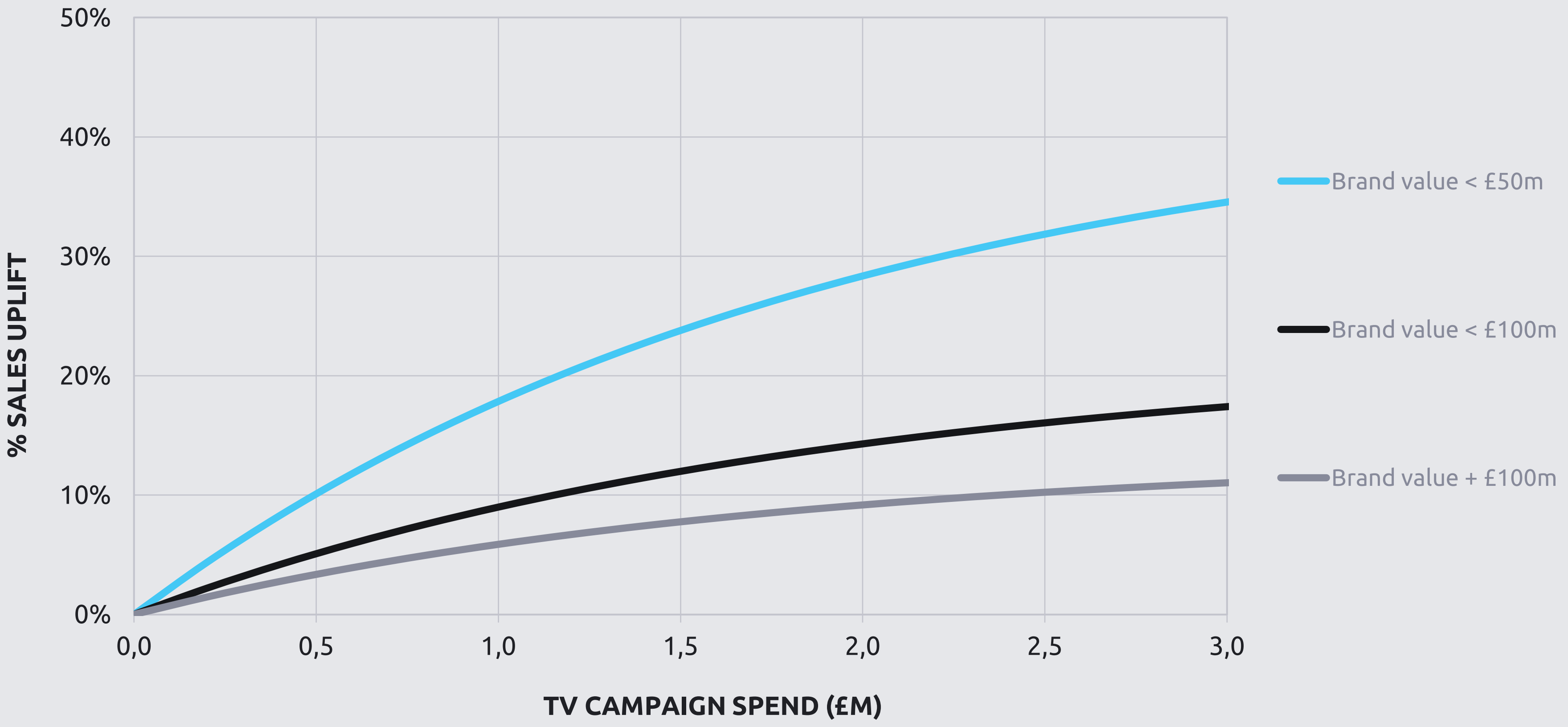
**Year of publication:** 2019

**Commissioned by:** Thinkbox

**Contractor:** Data2Decisions

More information

# TV creates sales uplifts for brands even at low investment levels




**Smaller brands see the biggest uplifts in sales** when using TV campaigns

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**TV has a stronger proportional effect for smaller brands** – showing the power of TV to help build the brand. This is because small brands are working from a lower base and TV gets advertisers seen, heard and talked about quickly

# TV performs better than any pure ‘demand-generating’ channel (both in short- and long-term)

## Executive summary/key results

**58% of advertising’s profit return is overlooked when ignoring the long term**

Some forms of advertising are riskier than others

Most advertising channels boost the efficiency of others, but the scale and consistency of the effect differs significantly

Marketing budgets tend to be used to do two things: **demand generation** and **demand fulfilment**

Within the first fortnight of a campaign, **TV delivered on average 23% of media driven sales**

We need to **put measurement right!**

**Title of the study:**
Demand Generation

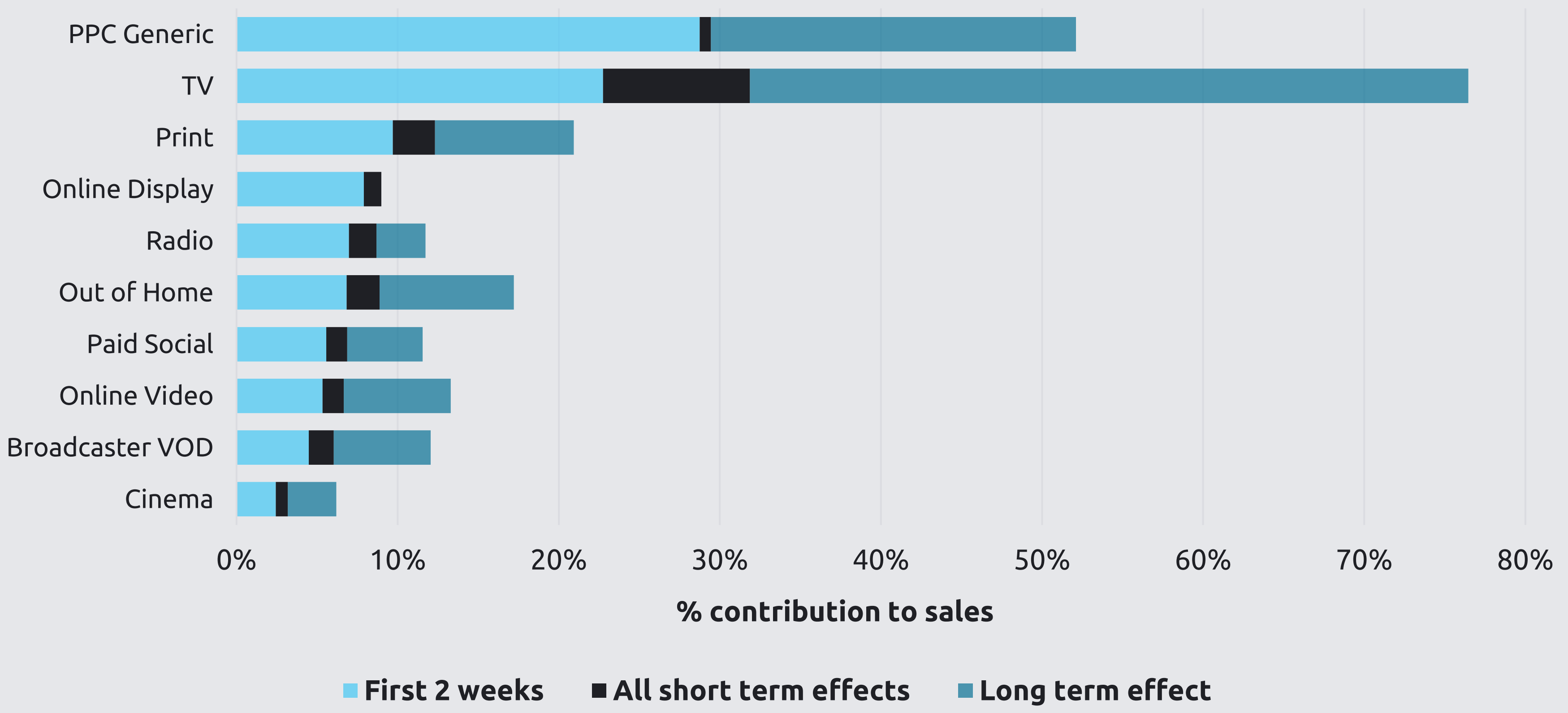
**Year of publication: 2019**

**Commissioned by:** Thinkbox

**Contractors:**
Mediacom, Wavemaker, Gain Theory

More information

# TV's short- and long-term effect means it generates the best volume overall




Different media drive sales impact over different timescales.

**TV makes the most significant impact on media-driven sales,** delivering in the first weeks of a campaign but also in the following two years after investment.

# TV advertising delivers the highest profit at the greatest efficiency, and with the least risk

## Executive summary/key results

Advertising is a powerful business investment

Advertising profit isn't just about ROI but volume and scalability

Advertising-generated profit varies by category

Advertising can be risk assessed

It's time to reassess the return that advertising can generate

**TV delivers scale of return**

**TV delivers 71% of total profit generated by advertising, at the greatest efficiency, and for the least risk**

**Title of the study:** Profitability: the business case for advertising

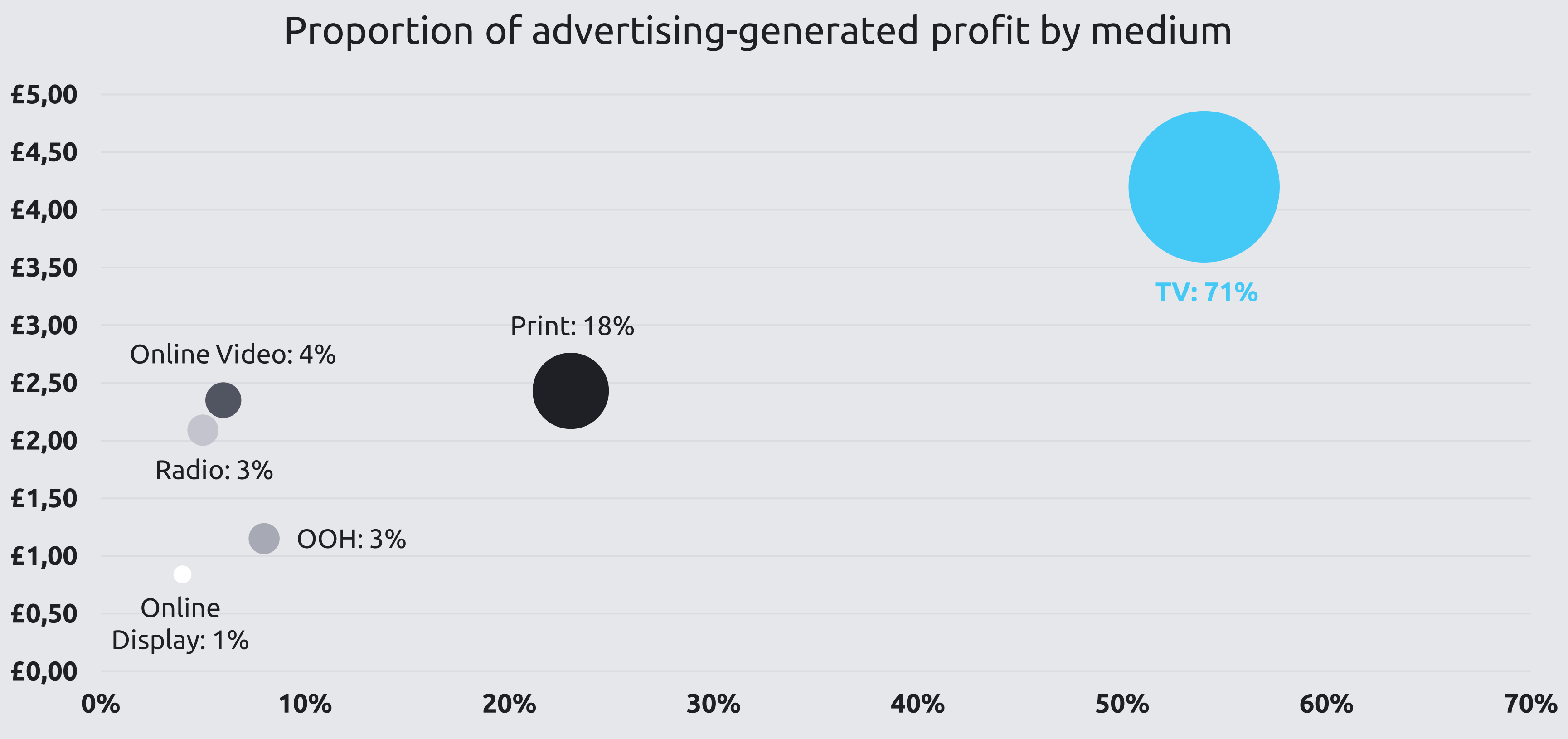
**Year of publication:** 2018

**Commissioned by:** Thinkbox

**Contractor:** Ebiquity, Gain Theory

More information

# TV advertising delivers the highest profit at the greatest efficiency, and for the least risk




Looking at the combined short and long-term effects of advertising, **TV delivers 71% of total advertising-generated profit over 3 years** despite TV currently commanding 54% of average advertising budget.

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Bubble size represents % of total profit

Total profit = all return (short + long-term) generated over 3 years



*Source: Profitability: the business case for advertising, Thinkbox/Ebiquity/Gain Theory, 2018*

# Investing in advertising during the recession, is ultimately worth the long-term profit

## Executive summary/key results

**"Going dark"** (ie. stopping advertising) **during an economic crisis is very risky** and it can take up to five years for brands to recover

A recession is no time to switch solely to short-term sales activation, because **brand-building is what is going to see brands through recovery**

**Brands, who continue investing in advertising during a crisis, may be able to increase their SoV and SoM for cheaper,** since the prices of advertising are lower in recession

Brands who saw the crisis as an opportunity (with over 8% ESoV), saw over 2.5 times as many large business effects and 4.5 times the annual market share in times of recovery. **Opportunists experienced strong profitability growth in recovery**

**Title of the study:** Advertising in recession – Long, Short or Dark? A guide to advertising best practice in recession

**Year of publication:** Update: 2020 (Original Study: 2009)

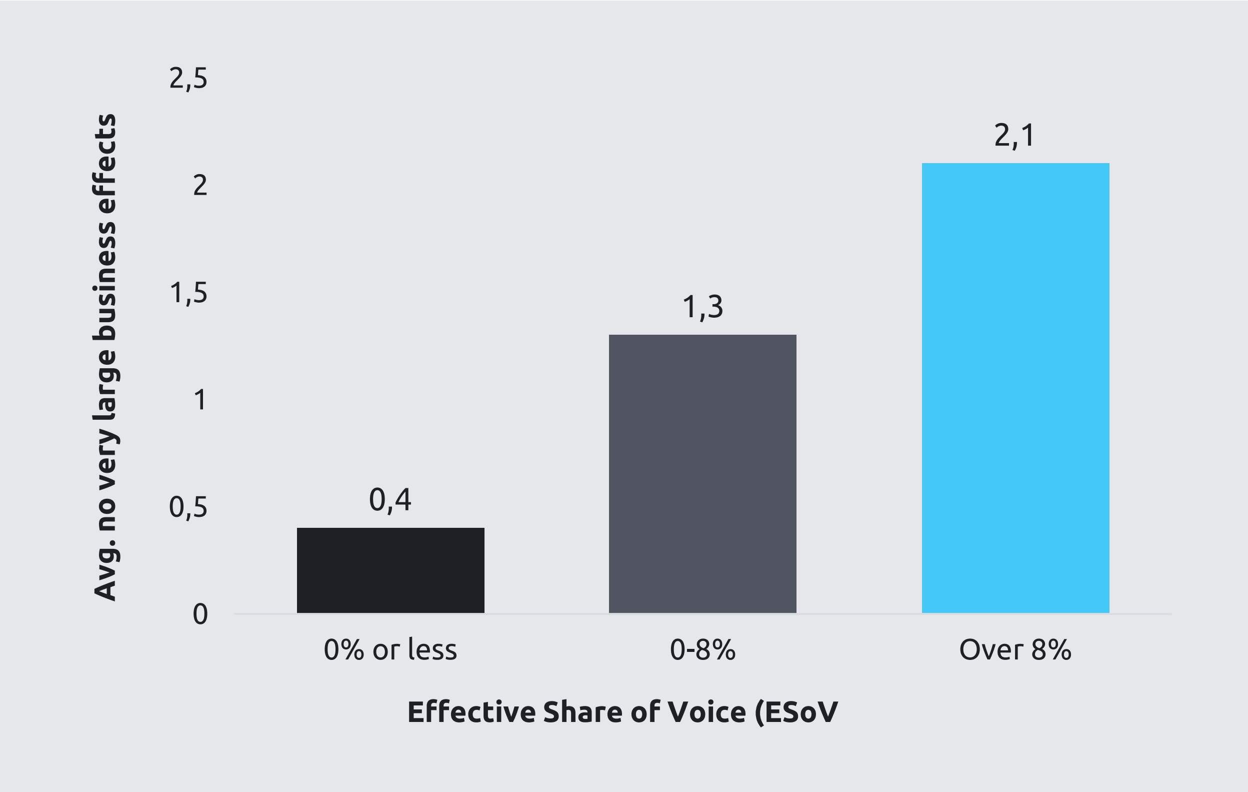
**Commissioned by:** Peter Field

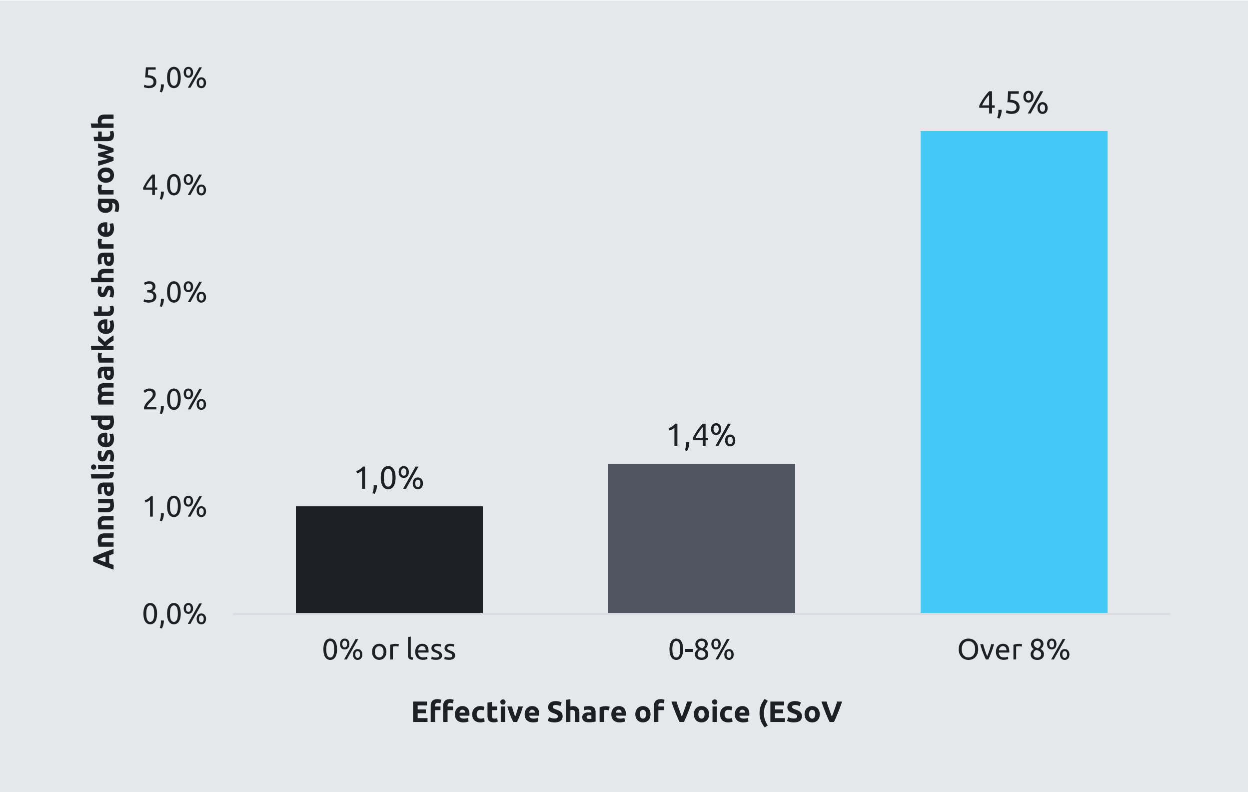
**Contractor:** IPA (original study)/ B2B Institute (update)

More information

# Investing in SoV drives strong growth during recession

**Base:** IPA cases covering 2008 recession



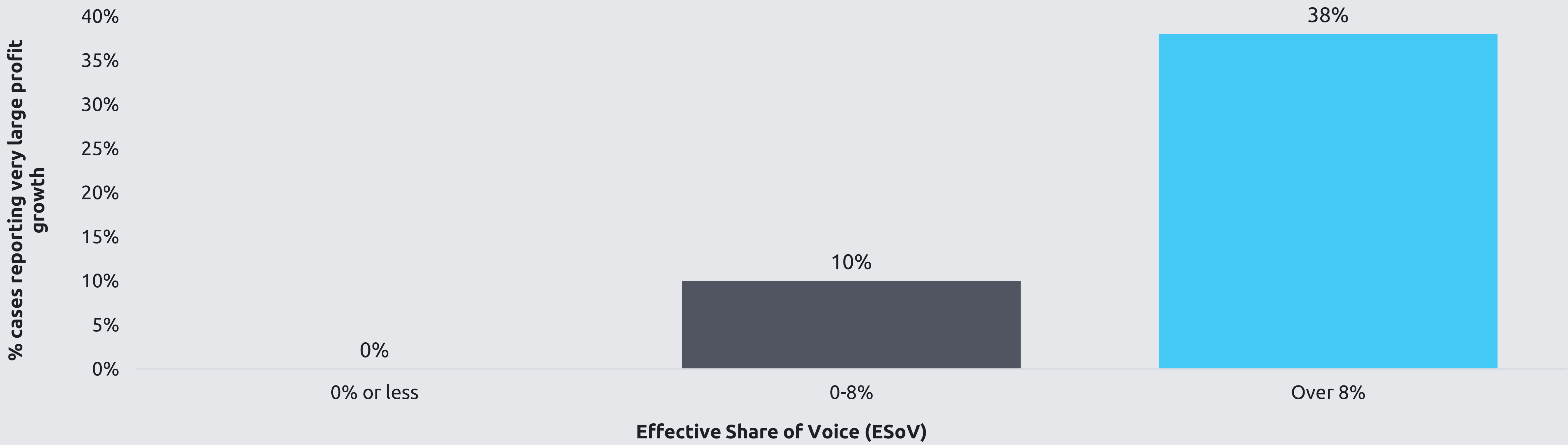






*Source: Advertising In a Downturn, Peter Field/IPA, 2009*

# Investing in SoV during recession drives long-term profit growth

**Base:** IPA cases covering 2008 recession






*Source: Advertising In a Downturn, Peter Field/IPA, 2009*

# Successful advertisers ensure their campaigns strike the right balance between long-term and short-term investments

## Executive summary/key results

There is a tendency to use very short-term online metrics as primary performance measures and this has dangerous implications for long-term success

**Long-term (3+ years) investment in advertising delivers double the profit of a short-term approach** (less than 1 year), but investing in both delivers even higher returns

**Brands which target the whole market achieve 3 times as many large business effects than those that focus on existing customers**

**TV advertising remains the most effective way to build a brand and creates larger business effects than other forms of advertising**

**Advertisers need to ensure their campaigns strike the right balance between long-term investment in brand-building and short-term,** direct methods that stimulate sales (60:40 principle)

**Title of the study:** Advertising Effectiveness: the long and short of it

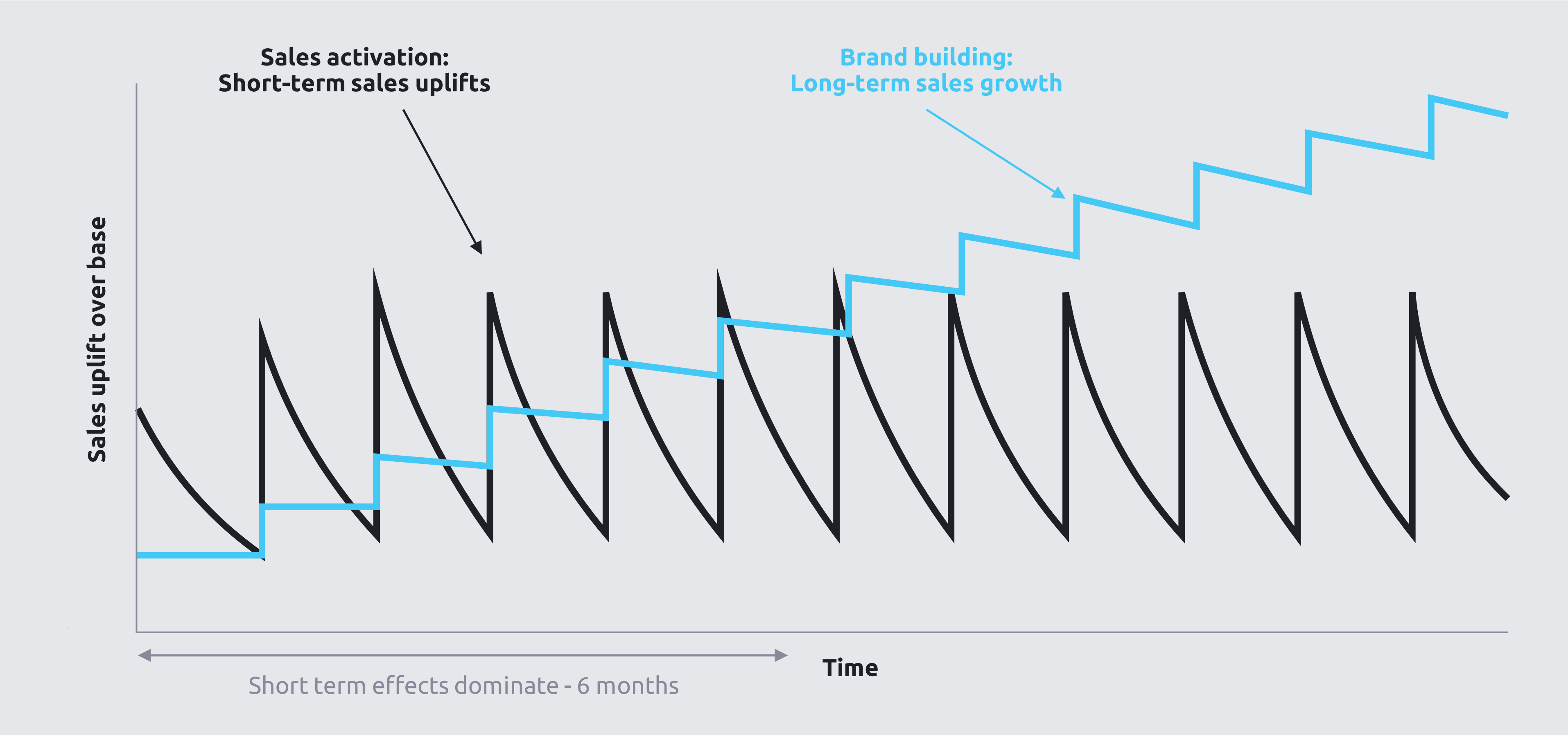
**Year of publication:** 2012

**Commissioned by:** Les Binet and Peter Field

**Contractor:** IPA

More information

# Brand building and sales activation work over different timescales

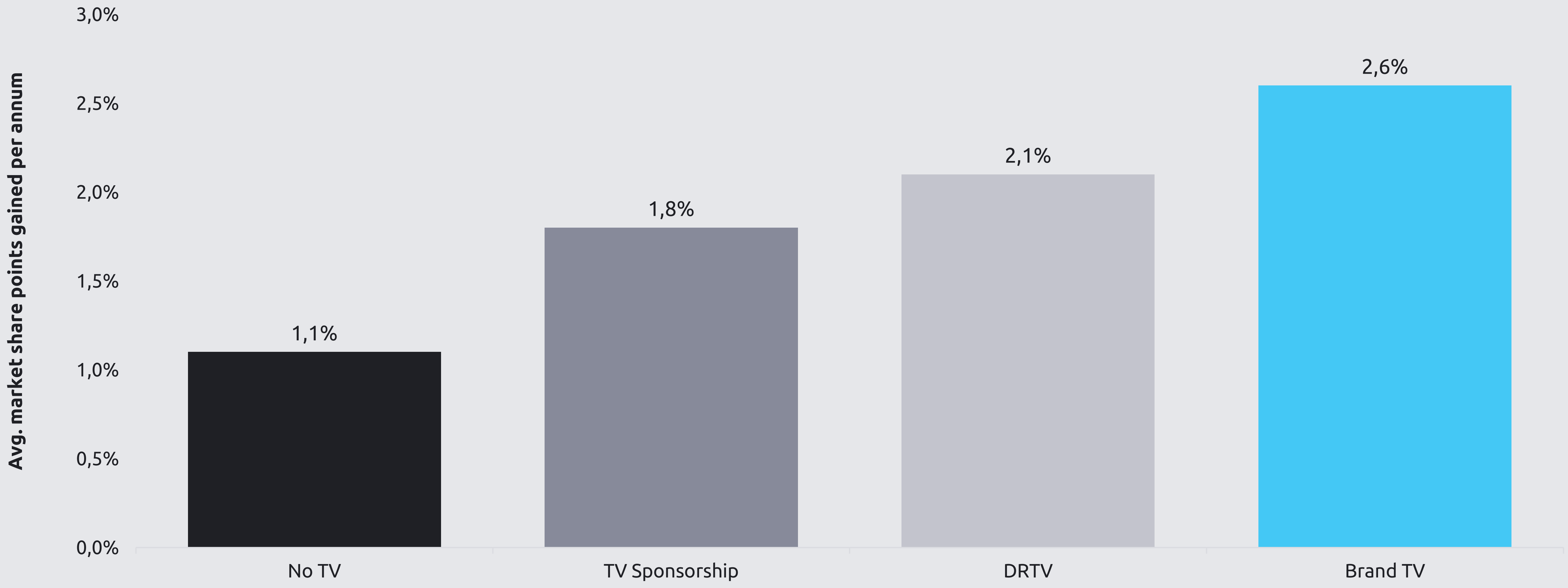



Brand building and activation effects are not generated by marketing campaigns in the same way across time. This chart illustrates why it is easy to end up overdoing short-term activation measures if you are in a business environment that values short-term results.



Source: *Les Binet and Peter Field, Media in Focus: Marketing Effectiveness in the Digital Era, IPA, 2013*

# TV is best for market share growth

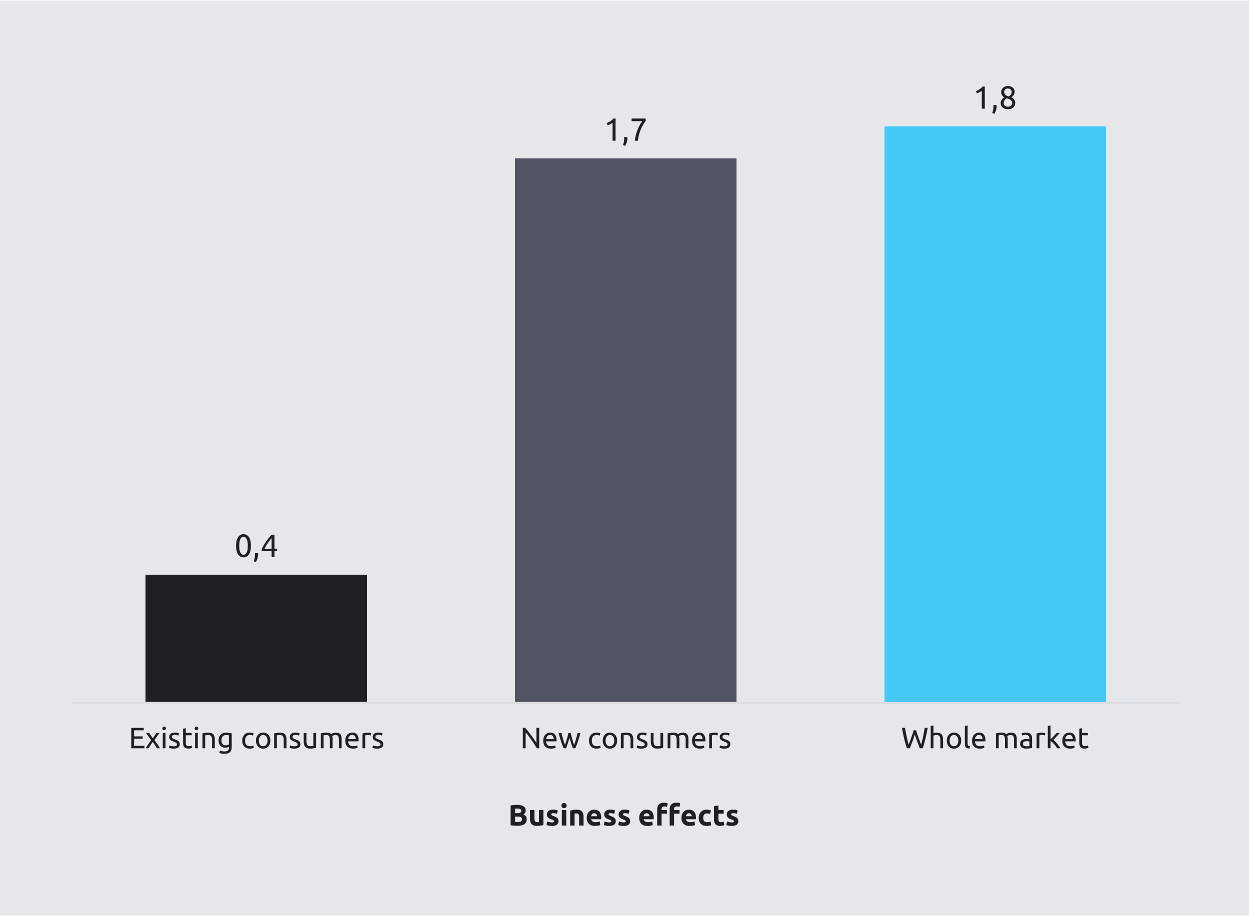


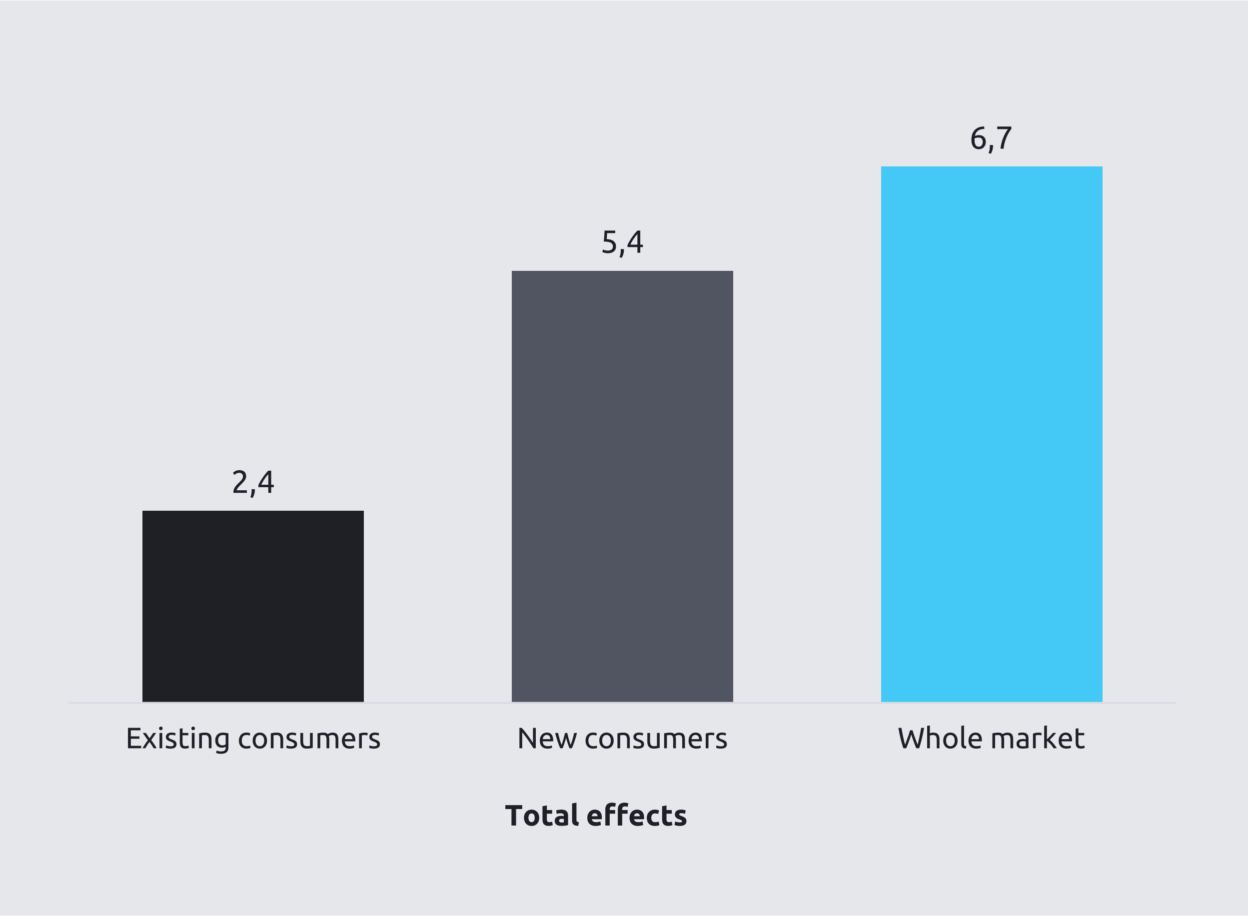



*Source: IPA Databank, 2014-2016*

# The broader the reach, the broader the effects

**Average number of very large business effects reported**






*Source: Advertising Effectiveness: the long and short of it, Peter Field/Les Binet/IPA, 2012*

# TV is a growth engine that drives measurable results across all life stages of a brand

## Executive summary/key results

Both direct-to-consumer (DTC) and non-DTC brands across all life stages saw an **immediate double-digit increase in unique visitors to their digital platforms** during their TV launch month

**Younger brands (three years or less) see the largest impact of TV** as they are establishing their story and identity in market

**The longer that younger DTC brands are active on-air the higher their digital engagement** as additional consumers are exposed to the brand and messaging

**Title of the study:** The Halo Effect: Tv As a Growth Engine

**Year of publication:** 2020

**Commissioned by:** VAB & Effectv

**Contractor:** VAB & Effectv

More information

# TV drives immediate increases in website traffic among direct-to-consumer brands, particularly younger ones

**Direct-to-Consumer Brands: TV Launch Month* vs. Three-Month Average Prior To TV**
Average Website Unique Visitors

| | Three Years Old or Younger | Between Four – Seven Years Old | Eight Years or Older |
|---|---|---|---|
| **Unique visitors % increase** | **+23%** | **+19%** | **+10%** |

**The younger DTC brands saw the largest impact from their TV launch month, with the largest website traffic lifts on average**

**How to Read:**
DTC brands that are three years old or younger saw a +23% lift in their website traffic during their TV launch month vs. their three-month average website traffic prior to TV.

By the nature of their business model, DTC brands have had a digital media presence since near inception, so these increases are in the context of existing digital advertising pre-TV launch



*Source: The Halo Effect: TV as a Growth Engine, VAB, 2020*

# As DTC brands continue advertising and build a sustained presence on TV, younger brands see even greater lifts in digital conversions to their website

**Direct-to-Consumer Brands: 'When On TV' Monthly Average vs. Three-Month Average Prior To TV**
Average Website Unique Visitors

| | Three Years Old or Younger | Between Four – Seven Years Old | Eight Years or Older |
|---|---|---|---|
| **Average Monthly Unique Visitors % increase:** | **+138%** | **+72%** | **+23%** |
| | **+811K** | **+1 383K** | **+803K** |

**How to Read:**
DTC brands that are three years old or younger saw a +138% lift in their average monthly website traffic when they were airing on TV vs. their three-month average website traffic prior to TV.


Source: The Halo Effect: TV as a Growth Engine, VAB, 2020

# TV offers:

- The strongest contribution to sales
- The strongest contribution to both long-term and short-term ROI
- The strongest halo effect on other media
- The best option for recovery in times of crisis
- The highest quality of contacts due to attention levels
- The highest impact on awareness, consideration and purchase intent
- The largest scale, a driver of effectiveness
- The ideal balance between branding, short-term sales and long-term business outcome
- The highest profit at the greatest efficiency, and with the least risk
- The best guarantee for market share growth
- Measurable results across all life stages of a brand
- Immediate increases in website traffic, particularly for direct-to-consumer brands