

ThinkTV **Killer Research**



Why read this?

ThinkTV leads Australia’s commercial TV broadcasters in a collective effort to demonstrate the role TV advertising plays in building growth for brands and businesses in the short term and the long term.

Our curiosity for all things TV is boundless – whether it’s understanding how audiences engage with TV, investigating the impact TV has on business results or simply celebrating the creativity of TV advertising – we want to know everything there is to know about TV in all its forms and devices.

We champion the power of TV advertising through research, education and industry development.

This booklet provides a handy summary of the independent studies commissioned by ThinkTV, in one convenient digest.

ThinkTV partners with leading academics to conduct state of the art, unbiased, independent research studies that set new benchmarks in measuring the real impact of today’s advertising.



01 Professor Karen Nelson-Field, Centre for Amplified Intelligence
02 Richard Basil-Jones, Ebiquity

Contents

Why read this?.....	02
The Benchmark Series	04
The Benchmark Series: Attention and Visibility	06
The Benchmark Series: Emotion and Advertising Effectiveness	08
The Benchmark Series: Video Advertising on Mobile	10
The Benchmark Series: Limiting Memory Decay	12
The Benchmark Series: Cross Platform Effects	14
Payback Australia	16
Payback Australia: Industry Overview	18
Payback Australia: FMCG Deep Dive	20
Payback Australia: Automotive Deep Dive	22
Payback Australia: Maximising Payback	24
AdNation	26

The Benchmark Series

The advent of YouTube and Facebook, and the video capability of mobile devices, has led to an explosion in video viewing and video advertising opportunities. But is all video advertising equal?

A seemingly endless array of platforms and devices present new considerations for advertisers.

To understand the impact of variables such as visibility, viewability to completion, active attention and whether the sound is on, ThinkTV commissioned The Benchmark Series as a way to understand what works, what factors enhance, and what factors limit the sales impact of video advertising.

Enlisting leading marketing science academic Dr Karen Nelson-Field, a Professor of Media Innovation at The University of Adelaide, ThinkTV

commissioned this independent, large-scale, in-home study into how Australians really engage with video advertising across different platforms and devices.

To date, The Benchmark Series reports include:

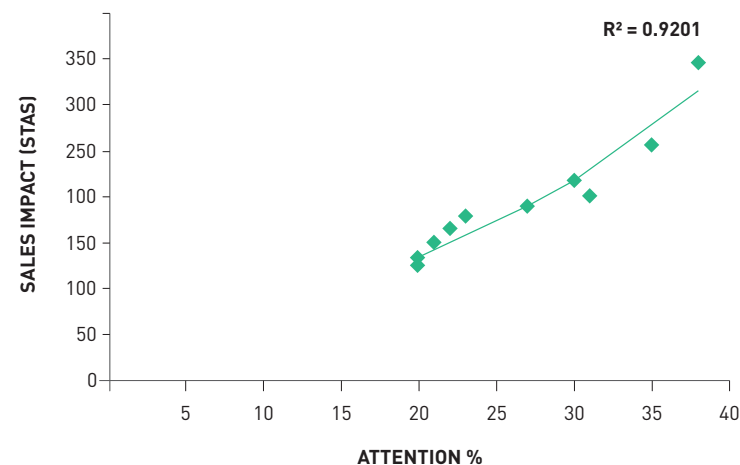
1. Attention & Visibility
2. Emotion & Ad Effectiveness
3. Video Advertising on Mobile
4. Decay Rates
5. Cross Platform Effects

The more attention an ad generates, the more impact it has on generating a favourable sales outcome.

THE RESEARCH METHODOLOGY

- Data was derived from bespoke A.I. machine learning technology and eye-tracking software.
- The study presented advertising exposures of more than 60,000 different brands under natural viewing conditions before subjects were asked to complete a discrete choice modelling exercise to replicate sales impact.
- To watch a video on The Benchmark Series methodology visit thinktv.com.au
- 5,000 Australians viewing over 60,000 advertisements, amounting to more than 100 days of viewing.

ATTENTION AND SALES IMPACT ARE CLOSELY RELATED



Source: The Benchmark Series, 2017

The Benchmark Series: Attention and Visibility

The Benchmark Series Phase One showed that video advertising really does work to grow brands. Consumers who watch ads on any of the three major video platforms – TV, YouTube and Facebook – are more likely to choose the products they have seen advertised.

But not all platforms are as effective as each other: the more attention the viewer pays to the ad, the greater sales impact.

The study assessed attributes such as “screen coverage”, “pixels rendered” and “time-on-screen” against their ability to effect attention and sales.

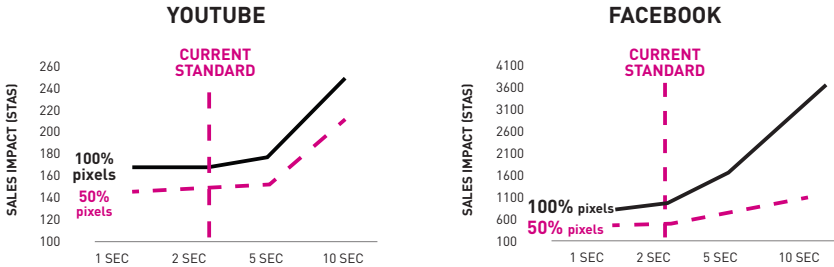
The study found that TV ads, on a TV set, command almost 1.3 times the attention of YouTube ads watched on a computer and almost three times that of Facebook ads seen on a computer.

That’s because TV ads cover 100% of the screen, with 100% of the pixels rendered and TV ads have greater time on screen because there’s no scrolling.

Screen coverage is the primary driver of attention and sales, accounting for **70% of sales impact variance**

Pixels matter more than view time; inventory that is fully rendered (100% pixel load) will generate greater sales impact irrespective of viewing length.

ADS THAT ARE FULLY RENDERED (100% OF PIXELS) GENERATE TWICE THE SALES IMPACT OF THE CURRENT STANDARD (50% OF PIXELS)



Source: The Benchmark Series, 2017

PROPORTION OF INVENTORY DELIVERED AT DEFINED VIEWING LENGTHS AND PIXEL LOADS

		FACEBOOK	YOUTUBE	TV
ONLINE VIDEO STANDARD	50% PIXELS & 2 SECS	56%	78%	100%
10 SEC STANDARD	50% PIXELS & 10 SECS	30%	59%	100%
100% PIXEL STANDARD	100% PIXELS & 10 SECS	21%	48%	100%
10 SEC & 100% STANDARD	100% PIXELS & 10 SECS	4%	30%	100%
TV STANDARD	100% PIXELS & 30 SECS	0%	6%	100%

Source: The Benchmark Series, 2017

The Benchmark Series: Emotion and Advertising Effectiveness

We know in ourselves that gut-feel and emotion often trump rationality in every day decisions. But what about the emotional impact of advertising? Can an emotionally evocative ad do more for a brand than a purely rational campaign?

Phase Two of The Benchmark Series sought to understand whether consumers are more likely to buy products if they have an emotional response to ads.

Professor Nelson-Field proved that TV ads that generate a strong emotional reaction – irrespective of whether the reaction is positive or negative – attract 16% more attention than ads which elicit weak reactions.

The study also found that brands enjoyed a sales uplift when they integrated their brands into TV content.

When your brand sits within highly engaging content your audience’s emotions will be heightened, creating greater attention.

And as Phase One of Benchmark demonstrated, attention translates into sales: ads that generate a strong emotional response get a 30% greater sales impact than ads that generate a weak response.

TV provides the opportunity to create ads that elicit strong emotional reactions.

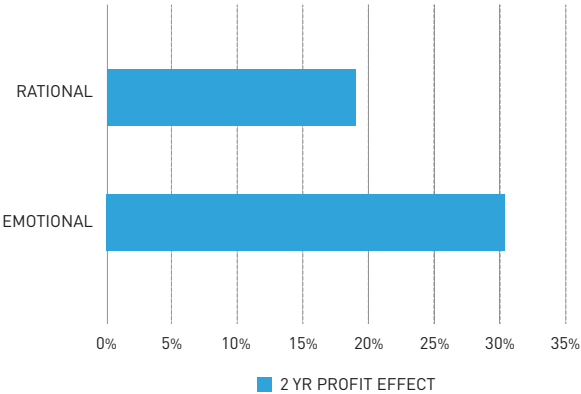
Ads that elicit strong emotional response generate the greatest sales impact.

ATTENTION AND SALES IMPACT COMPARISONS BETWEEN ADS THATS ELICIT STRONG VERSUS WEAK REACTIONS

MEASURE	STRENGTH OF REACTION		
	STRONG	WEAK	
ATTENTION (%)	58	50	+16%
SALES IMPACT (STAS)	167	128	2.4x

Source: The Benchmark Series, 2017

2 YEAR PROFIT EFFECT



Source: Binet, L. & Field, P. (2013) The Long and the Short of it. IPA

EMOTIVE EXECUTIONS ARE MORE PROFITABLE

Emotions tend to have more impact than messages. It is clear that emotional campaigns are considerably more effective - and more profitable - than rational campaigns.

The Benchmark Series: Video Advertising on Mobile

Acknowledging the boom in video consumption on mobile devices, Phase Three of The Benchmark Series compared ad viewability and the corresponding sales impact of TV, Facebook and YouTube when viewed on a mobile device.

It found that, for every platform, the attention and sales impact increase when the viewing is on mobile. Dr Karen Nelson-Field attributes this to the increased proximity of the video to the viewer's eyes.

But once again, the analysis proved that not all platforms are as effective as each other.

The big lesson from Phase One of The Benchmark Series carried: aim for 100% of your ad playing on 100% of the screen.

Because if you can't see the ad, it won't generate a sale.

And viewing on mobile doesn't diminish the superior effectiveness of TV. TV is still king when viewed on mobiles via

Broadcaster Video On Demand (BVOD), with ads on the platform commanding 1.2 times the attention of ads on Facebook and 1.4 times that of ads on YouTube.

And yet again, greater attention translates into greater sales impact, with BVOD generating 2.9 times the sales impact of Facebook and 1.6 times the sales impact of YouTube on mobiles.

Dr Nelson-Field put it this way: "Coverage is always maxed on TV across almost all devices, and until other platforms take that position, TV is the top of the tree in terms of attention, cut-through and sales."

TV via Broadcaster VOD (BVOD) continues to outperform competitor online platforms for advertising sales impact.

IN AN AVERAGE AD SECOND, MOBILE DEVICES
COMMAND ATTENTION ON ANY PLATFORM

ATTENTION				
	TV SCREEN	PC	MOBILE	TABLET
TV	58	39	63	43
FACEBOOK	-	20	54	-
YOUTUBE	-	45	44	-

SALES IMPACT				
	TV SCREEN	PC	MOBILE	TABLET
TV	144	153	161	174
FACEBOOK	-	118	121	-
YOUTUBE	-	116	137	-

Source: The Benchmark Series, 2017

ATTENTION AND SALES IMPACT COMPARISON

ATTENTION	
TV	63
FACEBOOK	54
YOUTUBE	44

SALES IMPACT	
TV	161
FACEBOOK	121
YOUTUBE	137

1. On the same device, TV video advertising commands more Attention than Facebook and YouTube.
2. Attention is more sensitive to differences in Screen Coverage than Sales Impact.
3. Sales Impact is more sensitive to Visibility (pixel loads and viewing length).

Source: The Benchmark Series, 2017

The Benchmark Series: Limiting Memory Decay

Phase Four of The Benchmark Series compared the length of time that video ads remain in a viewer's memory – and continue to impact product sales – across TV, YouTube and Facebook.

The research revealed that not only does TV advertising generate a greater sales impact in the short term, it also sustains that sales effect by remaining in consumers' memories for longer.

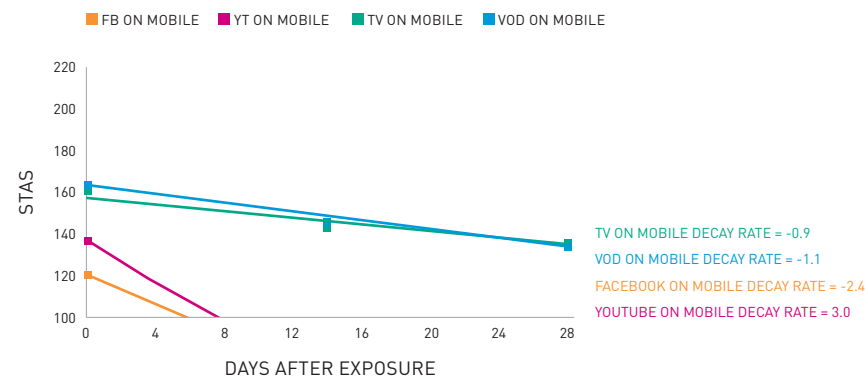
In a world first, Professor Nelson-Field found that ads watched in a TV content feed, viewed on any screen, continued to generate a greater sales impact long after YouTube and Facebook advertising memories had completely faded.

TV advertising is so powerful, in fact, that the residual impact from an ad exposure in a TV content feed on mobile after 28 days is still at around the same level that YouTube and Facebook deliver at their peak, immediately after the exposure.

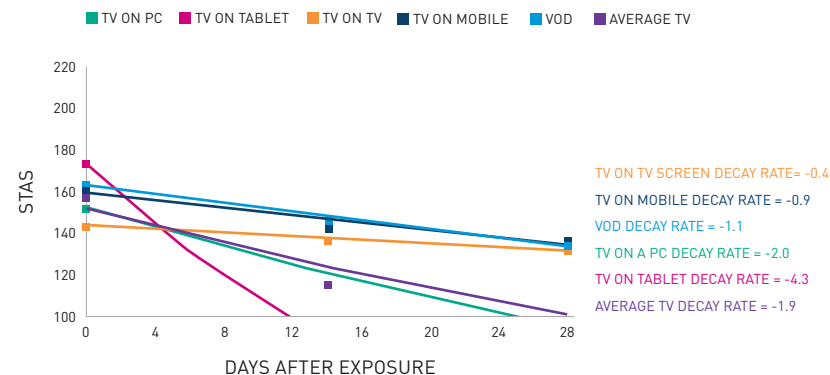
Not all reach is equal;
certain media platforms
generate more attention.

Retaining a brand in memory,
and limiting its decay from
memory, is as crucial to
impacting sales, as is
generating attention.

DECAY BY PLATFORM



DECAY BY SCREEN



Source: The Benchmark Series, 2018

The Benchmark Series: Cross Platform Effects

The results across the first four phases of the Benchmark Series consistently demonstrate that the superior screen coverage and viewability of TV drives greater attention and delivers higher sales impact than social video, irrespective of device.

Phase Five of The Benchmark Series sought to understand cross platform effects in order to assist advertisers to optimise the sales impact of video advertising campaigns run across two platforms.

The research revealed that for advertisers who run their advertising on TV and wish to extend their campaign into online video, advertising on TV and Broadcaster VOD (BVOD) generates more than twice the sales impact of brands that combine broadcast TV with social video platforms.

In ground-breaking research, Dr Nelson-Field found TV and BVOD have twice the sales impact of TV and Facebook, and the TV plus BVOD combination had 2.4 times the sales impact of TV combined with YouTube.

The results clearly show that TV's superior attention, coverage and viewability, regardless of screen, makes TV plus BVOD the most effective combination for brands.

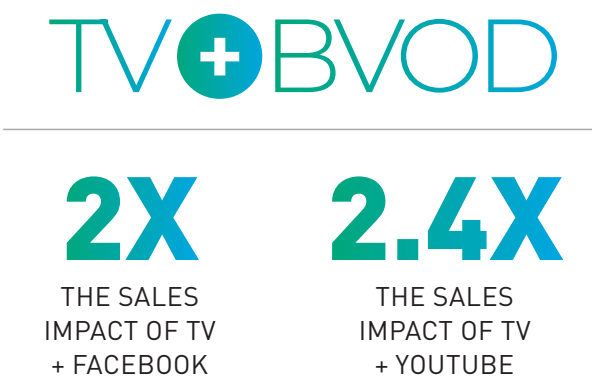
Adding a second platform can dilute impact unless both reach and effectiveness are considered.

TV and BVOD are successful for the same reasons; they generate more attention because they take up 100% of the screen and are 100% viewable with no scrolling.

CROSS PLATFORM SALES IMPACT
LINEAR TV IN COMBINATION WITH ONLINE VIDEO

FIRST VIEW	SECOND VIEW	SALES IMPACT
Broadcast TV on a TV screen	BVOD on Mobile	172
Broadcast TV on a TV screen	Facebook on Mobile	135
Broadcast TV on a TV screen	YouTube on Mobile	130

Source: The Benchmark Series, 2018



Payback Australia

ThinkTV commissioned leading independent marketing analytics firm Ebiquity to conduct a landmark, world-first study that proves the value and return on investment of media in Australia.

The \$1 million study drew on three years' worth of raw sales and campaign data from 21 advertisers, with a collective spend of over \$500 million.

Econometric modelling was then used to assess how advertising drives brand growth.

The research revealed that TV is the most efficient media channel when indexed across key participants from four of the economy's biggest sectors: Fast Moving Consumer Goods (FMCG), Automotive, Finance and E Commerce.

And, every \$1 invested in TV advertising generated a return of \$1.74.

Payback Australia studies include:

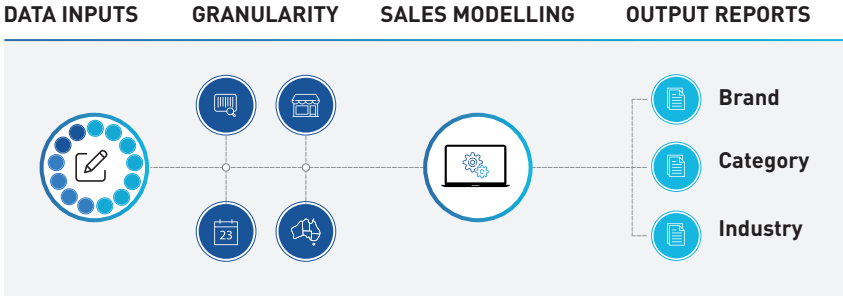
- 1. Category Results: FMCG
- 2. Category Results: Automotive
- 3. Industry Overview
- 4. Maximising Payback

PAYBACK AUSTRALIA



The largest econometric study into media ROI in Australia

METHODOLOGY



Source: Payback Australia Study, Ebiquity 2017



Payback Australia: Industry Overview

The industry overview for Payback Australia provides unprecedented quantitative insights into the effectiveness of Australian businesses' \$15 billion-plus annual media spend.

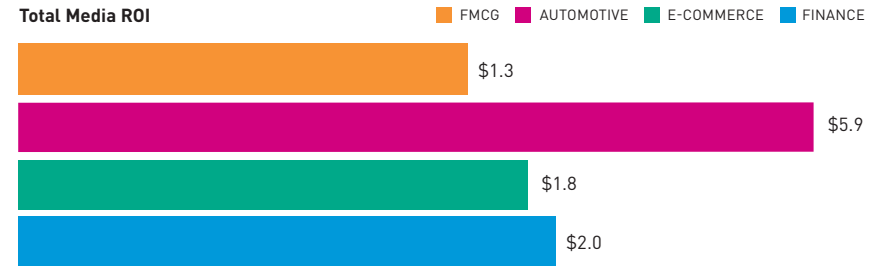
The results provide empirical evidence that today's TV is not only the most effective media - making advertisers more money than any other media overall - it is also the most efficient with the strongest retention rate of any media.

TV is almost twice as efficient as the next most efficient media channel.

Media's investment paid back for all four sectors, generating an average sales ROI of \$1.30 for every dollar invested by FMCG participants, \$5.90 for Automotive, \$1.80 for E-Commerce and \$2.00 for Finance.

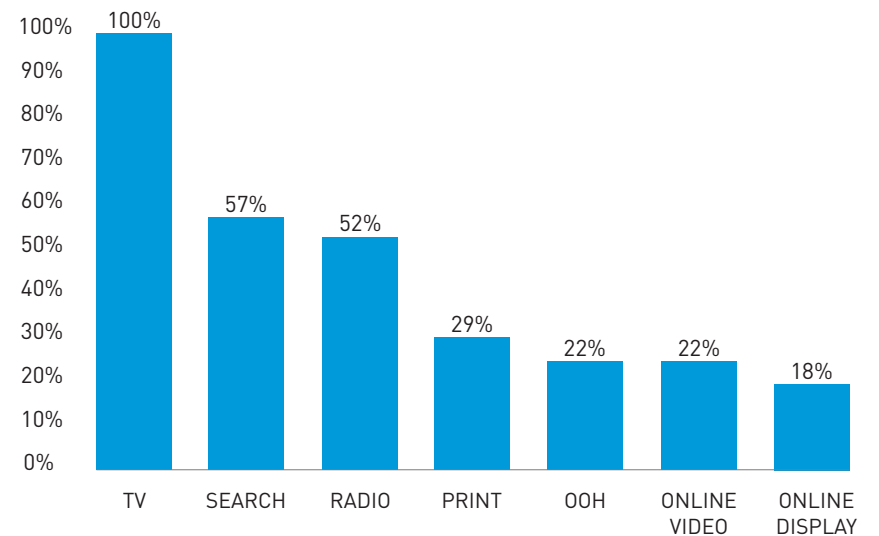


OVERALL RETURN BY CATEGORY



Source: Payback Australia Study, Ebiquity 2017

OVERALL EFFICIENCY: MEDIA CHANNEL ROI INDEXED TO TV



Source: Payback Australia Study, Ebiquity 2017

Payback Australia: FMCG Deep Dive

The first Payback deep dive, into one of the economy's biggest sectors, Fast Moving Consumer Goods (FMCG), found that media contribution to ROI is relatively small in percentage terms. That's because of the importance of in-store retail promotions, which are very much a cost of doing business for FMCG businesses.

But given the size of the sector, any upside from media spend has a significant upside on ROI. And Ebiquity found that for FMCG, TV is the most efficient media channel, and in fact the only media channel, to deliver a positive ROI.

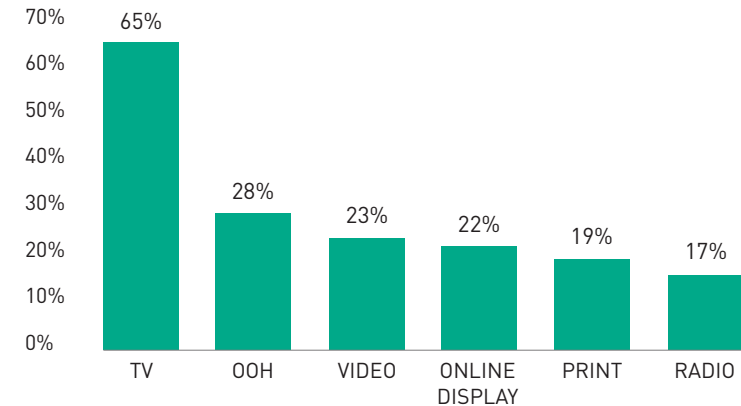
In addition, advertising retention rates for the TV platform were more than twice that of the next best platform for retention, out-of-home.

For FMCG brands, TV is the only media with a positive ROI of \$1.74.

TV ROI is 2.5 times greater than radio and 2.8 times greater than OOH.

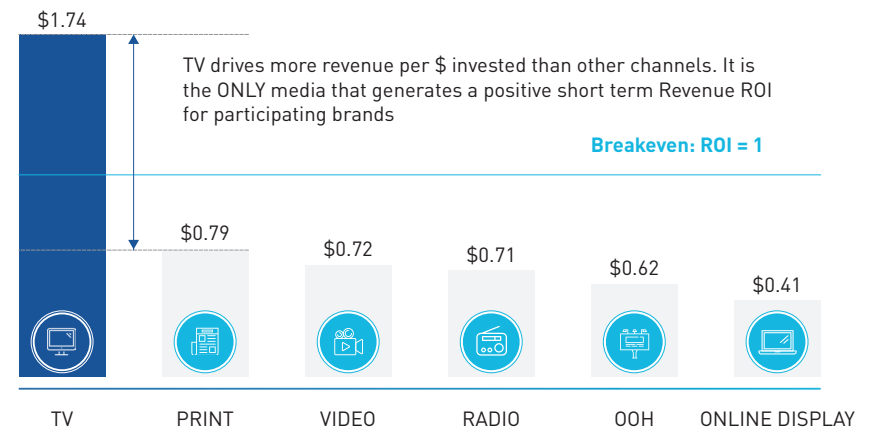
TV retains 65% of its impact from the prior week, more than double any other channel.

AVERAGE RETENTION RATE



Source: Payback Australia Study FMCG, Ebiquity 2017

TV LEADS IN PAYBACK



Source: ReThink TV MARKETING FORUM 2016 | 30 November 2016, Sydney



Payback Australia: Automotive Deep Dive

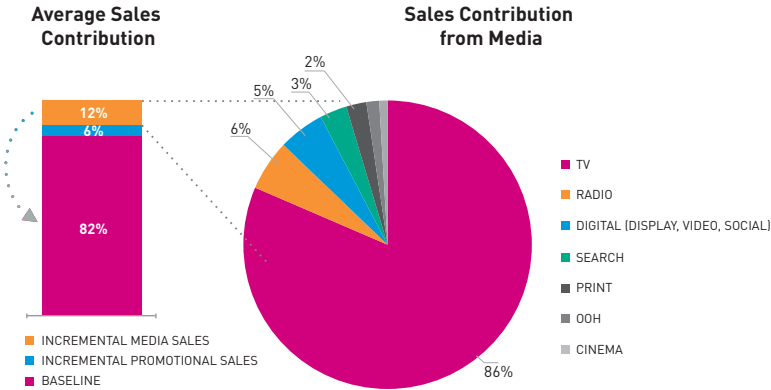
The second deep dive saw \$450M in media spend modelled against three years of sales data for four automotive brands.

For Auto, all media channels have a positive ROI. In addition, the contribution to sales above baseline by media was 12%, of which 81% was driven by TV.

TV ads delivered the highest ROI, with \$8.90 in sales revenue generated for every dollar invested in TV – almost double the next most effective channel, radio.

SALES CONTRIBUTION BY PLATFORM

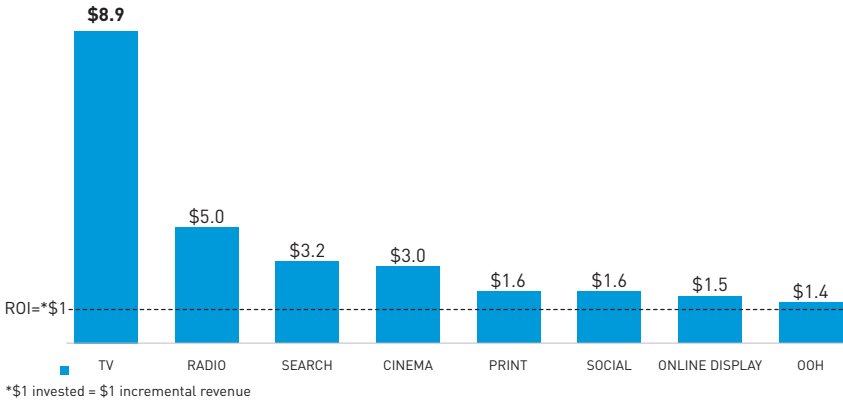
Short to medium term advertising delivered over 140,000 additional car sales in 2016



Source: Ebiquity; Payback Australia Automotive Report 2017

MEDIA RETURN ON INVESTMENT BY PLATFORM

All media channels provide a positive revenue ROI



Source: Ebiquity; Payback Australia Automotive Report 2017



Payback Australia: Maximising Payback

Results from earlier editions of the Payback Study led marketers to ask a critical question: what is the best mix of media to maximise overall business growth? In this fourth installment, Ebiquity used findings from Payback Australia's industry overview to assess how participants could optimise returns by altering their media mix.

The research outlines how brand owners can achieve extra revenue growth without the need for additional funding.

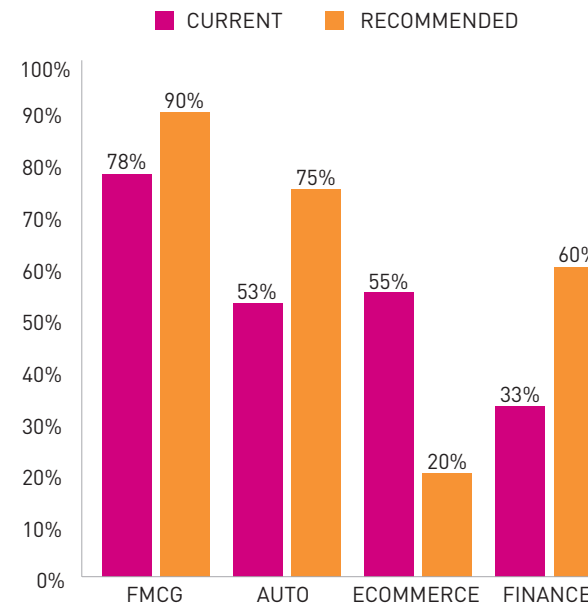
If every advertiser in the four categories applied Ebiquity's recommended changes, they would collectively gain \$1.1 billion in revenue. That's a 20% revenue improvement for those sectors without spending a single cent more on advertising.

FMCG, Automotive and Finance sectors would significantly improve their return on advertising investment (ROI) by moving more of their media budgets to TV.

Small changes to media selection can generate significant extra revenue dollars without spending an extra cent.



RECOMMENDED SHARE OF MEDIA BUDGET



Source: Maximising Payback, ThinkTV, 2018.



TOTAL MARKET
SALES
IMPROVEMENT

\$1.1bn
SALES REVENUE GAIN

Ebiquity found that if every advertiser in the four categories in the Australian market applied Ebiquity's recommended changes, they would collectively gain \$1.1 billion in sales revenue.

20%
IMPROVEMENT

That's a 20% improvement for those sectors without spending a single cent more on advertising.

AdNation

Those of us who live in AdLand have always considered ourselves to be a little bit special – a little bit different to the average Australian. And now the AdNation study has proved it. AdLand tends to live in or close to a capital city; we are young, educated, time-poor, and have the latest tech gear.

There are other lifestyle differences too. All these nuances play out in AdLand's attitudes and consumption habits when it comes to media and technology.

At the same time, we're meant to be experts in the media consumption habits and attitudes of regular Aussies. But the AdNation study shows that AdLand can be guilty of assuming the habits of regular Aussies are the same as our own.

AdNation shows that AdLand's estimates of how regular Aussie Jo and Joe's behave and think were biased towards our own behaviour, most notable is AdLand's under-estimation of television usage.

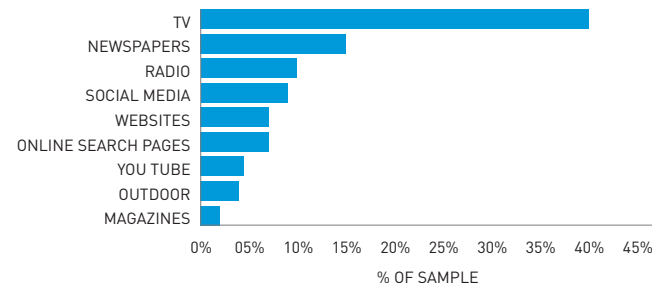
The media industry severely over-estimates the social media usage of normal Australians and severely under-estimates their use of live TV.

TV is the platform most likely to find:
Advertising you can trust
Advertising that draws attention
Advertising that sticks in your memory.

THE RESEARCH METHODOLOGY

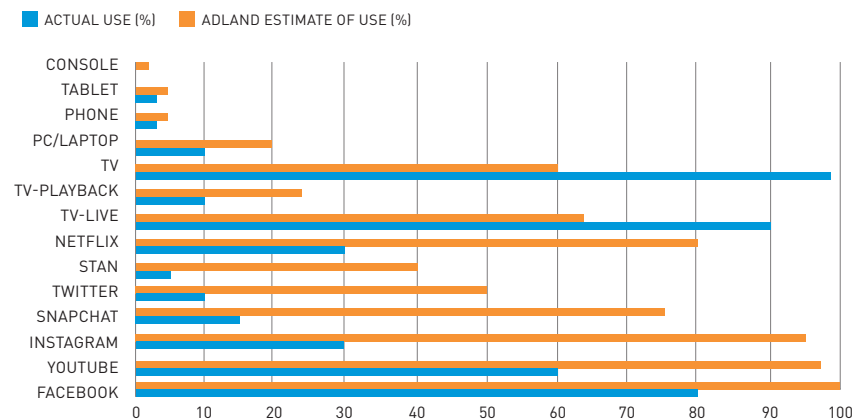
- 1,600+ AdLand professionals and 1,000+ "normal" people.
- Identified differences and similarities in lifestyles and usage of, and attitudes towards, different media.
- Representative sample of the Australian population provided by Pure Profile and used Mumbrella's database to survey a representative sample of advertising, media and marketing professionals, which included representative splits of career tenure and seniority.

AUSTRALIANS TRUST TV ADVERTISING THE MOST



Source: ThinkTV AdNation Study, April 2017 - In which, if any, of the following places are you most likely to find advertising that YOU TRUST

ADLAND'S ESTIMATE OF MEDIA USAGE



Source: ThinkTV AdNation Study, April 2017

With thanks to:

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