
TOP 10 TAKEAWAYS

Future of TV Advertising Sydney



Introduction

The past 12 months have seen the Australian TV industry continue its transformation with an unexpected nudge from the pandemic.

As Australians went into lockdown, they turned to TV as a trusted source of news and information during a rapidly evolving situation.

As the pandemic continued, TV also provided respite and relief with hours of entertainment for the whole family – and a welcome break from home schooling, zoom calls and shared workspaces at kitchen tables across the country.

With increased viewership, TV solidified its reputation as the best way for advertisers to reach new and existing customers, at scale. TV has long been a staple in the lives of Australian consumers and marketers. And the past year has only seen this relationship strengthen. Today, television reaches 85.3% of Australians every month with the average person watching 64 hours and 21 minutes per month.

And that's just linear TV. Broadcaster Video on Demand (BVOD), Australia's fastest growing advertising medium, has set a new benchmark for viewership with more than 1.6 million hours of BVOD content being consumed every week as more and more Australians embrace the platform.

From a revenue perspective, the last 6 months have been a growth period for TV in all its forms.

Total free-to-air and subscription TV saw a lift of 0.5% for the first half of FY21 while BVOD has continued its upward trajectory delivering a revenue increase of more than 50%.

Held in Sydney on February 25, the Future of TV Advertising Sydney 2021 brought the industry together for the first time in 12 months.

Together we explored a host of topics from the content pipeline, to the opportunities of connected TV, as well as the exclusive unveiling of research that demonstrated TV's ability to generate business demand in the short- and long-term.

Following the event, we have distilled the days discussion into the top points of note. Whether you were able to join us on the day or you missed the event, consider this your cheat sheet, a guide to the state of the TV advertising landscape and the trends that are set to unfold in 2021.



Kim Portrate
CEO, ThinkTV

THE 10 HIGHLIGHTS

1. TV is more than long-term brand building, although it's great at that too

2. TV is the biggest driver of search

3. Context is queen

4. Emotional storytelling needs a big screen

5. Big, beautiful brand ads need to be supported

6. Australian stories matter

7. Marketers and agencies are starting to master the full potential of addressable TV

8. The optimal media mix includes broadcast and addressable TV

9. In 2021, the world of total TV expands

10. Sponsorships: a win for clients and networks

01

TV is more than long-term brand building, although it's great at that too

TV is well-known for its brand-building abilities, but there are some who believe short-term results might be better achieved from investment in other channels.

However, research overseen by Monash University's Professor Peter Danaher, previewed exclusively at the Future of TV Advertising Sydney, revealed that TV is an incredibly effective short-term advertising platform.

Working with GroupM and WPP's global analytics firm Gain Theory, Professor Danaher took real sales data from 60 Australian brands, spanning nine different media channels including television, search, out of home, print, cinema, and radio.

The Payback Series research revealed that TV delivers a solid return on investment in the short term, second only to search.

Plus, when it comes to long-term return on investment, TV is the clear winner, providing an impressive \$18.30 return on a spend of \$1.

**INVEST \$1 IN
TOTAL TV AND
GET \$4.30 BACK
IN 3 MONTHS**

**TOTAL TV DRIVES
3X MORE SALES
VOLUME THAN
ANY OTHER MEDIA**

**INVEST \$1 IN
TOTAL TV AND
GET \$18.30 BACK
IN THE LONG
TERM**

02

TV is the biggest driver of search

Search is clearly an effective channel, but how much search traffic is driven by other media?

The Payback Series research revealed that 35% of all search traffic is a result of it working in conjunction with other media. One third, 18% comes from TV. While the results show that there are some synergies between other media and search, TV has the strongest synergy by far.

The research also found that incremental sales, as a result of combining TV with other media, were high, yet again proving that TV is a great media for those looking for increased media synergy – especially when combined with channels such as social media, video, and digital video.



03

Context is queen

If content is king, then context is queen.

MediaScience CEO Dr Duane Varan revealed how the context and placement of ads can have different kinds of effects on attitude, attention, memory structures, and the path to purchase.

The concept of 'ad congruity' – where a funny ad is combined with a funny program – is relatively well known, but Dr Varan showed how context is much richer than congruity alone.

One of the most powerful impacts of context is 'positive valance'. When a TV program puts you in a good mood, you also view ads more favourably.

Dr Varan also revealed how TV programs such as news warm up a viewer's cognitive faculties, making them more alert and attentive. "People often will not buy news because they think it's negative," he said. "What they don't realise is that the attention activation, and the alert nature of news, actually delivers a superior ad environment."



04

Emotional storytelling needs a big screen

Everyone knows that emotional storytelling is one of the best ways to lock campaigns into memory, but what are the building blocks required to make it work time and time again?

IAG CMO Brent Smart took part in a refreshingly honest discussion around what it takes to produce emotional storytelling. According to Smart, "you need video, and you need a big screen. It's that simple."

When it comes to short video spots, his view was clear: "You can't build brands in 15 seconds." While, in Smart's opinion, shorter ad units can be utilised to reinforce brand messages, to truly move your customer, longer durations are required.

Smart noted that in his experience, shorter durations will only work if you've already sparked an emotional connection with your customer. "Otherwise, it's a pretty disposable thing," he warned.



05

Big, beautiful brand ads need to be supported

IAG's Smart believes we've moved on from the days of John Wanamaker's famous quote:

"Half the money I spend on advertising is wasted; the trouble is I don't know which half."

"I don't think that applies to today's marketer, because we've got so much research data that we're pretty clear on what works, what doesn't work," he said.

And with thanks to the Godfathers of effectiveness, Peter Field and Les Binet, we now know for certain that the best strategy for marketing effectiveness combines both long and short-term advertising.

"You've got to do both in combination, and you've got to be great at both," said Brent.

Smart noted that marketers can't solely stick to long, beautiful brand ads, because while they're great at building brand, they're not going to convert the people who are already in market.



06

Australian stories matter

Aussies love Australian stories. As Nine program director Hamish Turner explained, Australians get a kick out of seeing their lives reflected through the screen – their loves, aspirations, and fears.



THE TOP 50 TV PROGRAMS LAST YEAR WERE AUSTRALIAN SHOWS

"Our strategy moving forward is Australian," Turner said, adding that, "this is a far cry from 10 to 15 years ago where most of the schedule was filled with US content."

According to Ten/ViacomCBS' Daniel Monaghan: "Our linear schedules are full of Australian stories. If you go back a number of years, American and the UK content was particularly predominant. Today, you'd be hard-pressed through a week on commercial broadcast to see anything that's not an Australian story."

Foxtel's Amanda Laing agreed, adding that seven of the top 10 shows on Foxtel last year were Australian shows, proving that Aussies actively seek out shows that are made with 'Australian sensibilities' in mind.



07

Addressable TV offers great potential

Coles CMO Lisa Ronson joined the stage to discuss addressable TV, explaining that Coles is continuously testing and learning when it comes to the new targeting options available for advertisers. So far, the results have been promising, she said.

“For us, it’s working really well because it’s a brand-safe environment at scale, and it’s a premium environment as well. It’s a journey and it’s about working to continually optimise. At the end of the day, it’s all about targeting our customers with the right solution at the right time,” she said.



08

The optimal media mix includes broadcast and addressable TV

Speaking on a panel about the future of audience-based buying, targeting and identity, Seven’s network digital sales director Nicole Bence outlined why, for her, it’s never a choice between linear or addressable.

“It’s not an either-or, and sometimes we get forced into a lot of ‘are you doing this or doing that?’ For us, we’re thinking about how both of them work together. It gives us a choice.”

GroupM’s Claire Butterworth agreed, adding that the option to buy addressable TV is, “another way that we can enhance the whole video experience... it means we can now be above the funnel, we can play at the top, and we can play at the bottom, which we couldn’t do before.”



09

In 2021, the world of total TV will further expand

Australians have the most connected devices in the world, with eight in 10 Australians having access to a connected TV. With this trend showing no signs of slowing down, it's important for the industry to properly define what connected TV means, and understand what category it fits into.

"Audiences don't turn on a television and go, 'I'm just about to jump on my connected TV experience', they go to watch television," said Foxtel's Nev Hasan, during a panel about what connected TV means to Australian marketers and media owners.

Hasan noted that it's important to ensure a standardisation around what connected TV is, including the way that we buy it, measure it, and understand where it sits on the media plan.



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AUSTRALIANS
WATCH CONNECTED TV

"You've got specialised teams that are solely looking at a connected TV strategy, you've got teams that plan it as digital, and teams that plan is television," said Hasan. "As an industry, we've got to be better at bringing all of those conversations together, and truly define connected TV as a video platform."

10

Sponsorships: a win for clients and networks

During a panel on 2021 and agency, broadcaster and client relationships, Ten's Lisa Squillace explained that sponsorships are mutually beneficial for both clients and broadcasters.

"Relevant, editorially-led sponsorships change the whole conversation because the value equation is different," she said. When it comes back to a business outcome and ROI, sponsorships provide guaranteed access and premium placement.

Antonia Farquhar, head of media, content and data at Nestlé, shared her experience working with MasterChef to promote Maggi, explaining how the show helped the brand become more relevant, talked about, and sit within a wider cultural context.

"That's something we want to continue to invest in because we've seen the benefit of having our brands talked about. For us, saliency is key."





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