Why TV is at the heart of effectiveness...

and what it will take to keep it there

By Peter Field

thinkbox

IPA

Foreword by Mark Ritson

Founder of Mini MBA in marketing

For more than a decade a significant proportion of marketing's opinion leaders predicted the death of TV advertising. So vehement and negative has been the criticism that those who pointed out that TV not only worked but often represented the zenith of marketing communications were openly laughed at.

I was careful with that last sentence. Deliberately restricting it with an 'often' when I could have opened both barrels and used an 'always'. That was for two reasons. First, because there isn't a universal winner when it comes to comparing different media. It depends on the campaign and the target and the objectives and the budget. Second, if we have learned anything in the last 20 years about advertising it is that blending and integrating different media into a campaign will usually (again, not always) deliver superior results to the advertising apartheid of a single medium.

But with those two nuances aside, it's apparent that during the period in which many marketers were questioning TV advertising, it was delivering on almost every effectiveness metric known to marketer. Younger members of our discipline, who grew up with ideological zealotry of 'digital', are often amazed when they begin to dig into the data and realise not only how undead TV advertising is, but how effective it remains on almost every front.

And the prime reason this data exists is Peter Field.

Throughout the era when it became uncool to promote TV advertising, Peter was often a lone voice of empirical sanity. He was cool headed. He was data driven. He was pacing some stage somewhere with irrefutable evidence and simple bar charts that screamed TV works! And he kept making the same basic points about TV and its remarkable contribution to brand building and marketing effectiveness until lots of people paid attention.

You cannot convince everyone of course. But it's fair to say that Peter Field has done, and will do, more for effectiveness than any other marketer. And, as TV continues to transform and digital zealots continue their attempts to undermine it, his voice and his bar charts are ever more important.

It's a voice that you, as marketer, should listen to.

Peter Field

Peter spent 15 years as a strategic planner in advertising and has been a marketing consultant for the last 25 years. Effectiveness case study analysis underpins much of his work, which includes a number of well-known texts in partnership with Les Binet, such as 'The Long and the Short of it'. Effectiveness in Context, and The 5 Principles of Growth in B2B Marketing. Peter has a global reputation as an effectiveness expert and communicator and speaks and consults on this topic regularly around the world.

With thanks to:

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Introduction

A decade ago, when Les Binet and I wrote 'The Long and the Short of it', based on data from the IPA Effectiveness Databank, we came to the clear conclusion that TV advertising had a very important role in effectiveness. But is that still the case today?

So here, I am examining the latest 10 years of the IPA's effectiveness data – together with the latest data from attention studies by Amplified Intelligence, Lumen, System1 and The Australian Effies to observe and explain whether TV is still at the heart of effectiveness. The IPA data increasingly represent the *crème de la crème* of global marketing effectiveness and reveal how media choices influence hard business effects such as market share growth and profit growth. Together, these data sources argue that TV remains remarkably effective.

In fact, I would argue that any marketer who considers walking away from TV advertising would be crazy to do so.

Understanding why requires a vital piece of context: one of the observations we made a decade ago is that long-term and short-term effectiveness are two completely different things. Long-term effectiveness is about ensuring that a brand's growth continues beyond the now, and that involves reaching out to all potential buyers of the category, whether or not they are buying now and ensuring that our brand is on their radar when they next buy. Brand-building advertising excels at this. Short-term effectiveness is about nudging the 5% or so of category buyers who are buying now to choose our brand. Performance marketing excels at this.

The long-term approach requires completely different strategies from those we need if we want to activate short-term sales: different kinds of advertising targeted at different people at different times and with different media, ideally.

But we observed 10 years ago – and it is still true today – that if we want to drive maximum growth, we have to do both. It is not good enough to live only in the world of bottom-of-funnel performance marketing. As I'll explain in this report, we have to be building the strength of the brand in the minds of consumers as well as encouraging them to buy now.

As the long- and short-term approaches take us in opposite directions in terms of strategy, balance is necessary. So we developed the model that is increasingly known as the 60:40 rule, which is the optimum average budget split across different contexts and categories between brand and performance. It argues for spending about 60% of our budgets on top-of-funnel, demand-building advertising that will create and increase demand for our brand over time amongst the universe of buyers. The remaining 40% should go into targeting purchases now by the small number of people who are in the market right now.

These are very different tasks and you won't build long-term growth by forever targeting the 5% who are in the market right now. We observed 10 years ago that TV excelled at long-term demand growth through brand building. For that reason, it featured strongly in effective campaigns, but is that still the case?

TV's relationship with effectiveness is growing

If TV advertising was losing its strength, we would expect to see this reflected in the IPA data. However, when we look at the number of IPA Effectiveness Award cases that have invested in TV advertising, it's actually been growing in recent years. And, if you look at TV's share of overall budget in the IPA data, it is at least stable and might even be beginning to rise.

Usage of TV amongst effectiveness cases is now rising. TV remains the driving force for brand building.

TV's enduring role in effectiveness cases

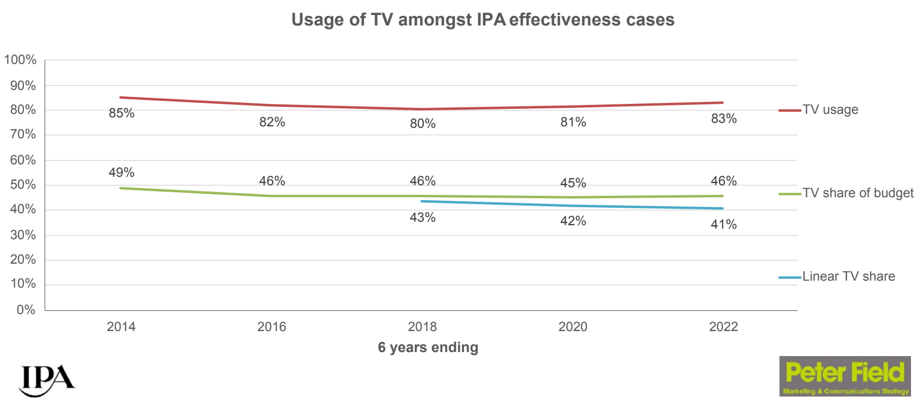

Fig 1

TV continues to be the dominant driving force for long-term, top-of-funnel demand growth.

So there is no suggestion of a breakdown in TV's very powerful link with effectiveness. This continuing dynamism and importance of TV is in part based on the gradual growth of on-demand which has rejuvenated TV by helping it fit much more powerfully with modern lifestyles, particularly of younger audiences.

With its 45–46% share of budget, in the context of the 60:40 rule, TV continues to be the dominant driving force for long-term, top-of-funnel demand growth.

How can we account for this when TV has faced so many challenges in recent years from new video platforms? The evidence suggests that there are three key issues that have kept TV on top: the attention brands receive in TV advertising; the emotional clout that TV advertising can generate; and the much-overlooked issue of trust.

Part 1: Attention

The importance of mental availability

A fundamental law of growth in marketing is that we have to strengthen our brand in the minds of consumers – that means creating 'mental availability' is crucial. The work of the Ehrenberg Bass Institute, as well as databases like the IPA's, prove unequivocally that if advertising is not building mental availability, i.e. if a brand doesn't come easily to mind at the moment of brand choice, then we simply will not drive enduring growth for that brand.

If you divide IPA case studies into four groups [see Fig 2] from those that did nothing to build mental availability up to those that did a lot, and you look at the effect they had on six core business metrics [sales, market share, pricing power, customer retention, new customer acquisition and profit], a clear and strong relationship emerges proving that we have to build mental availability if we want to drive business success.

If advertising is not building mental availability, then we simply will not drive enduring growth for that brand.

Mental availability drives business success

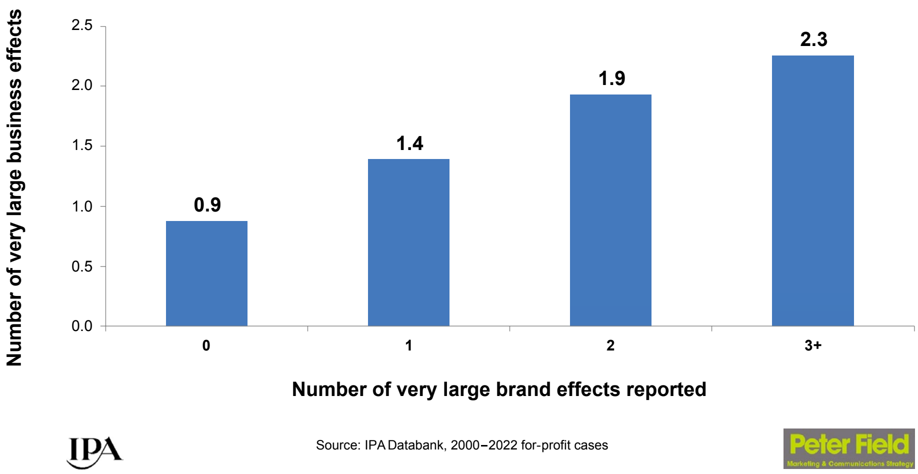

Fig 2

And this relationship between mental availability and business success has not changed – in fact, according to the latest two periods, the penalty for walking away from building mental availability has got worse [see Fig 3]. If there is any direction of travel in the data, it is that building mental availability is getting even more important.

Mental availability is just as important in today's market

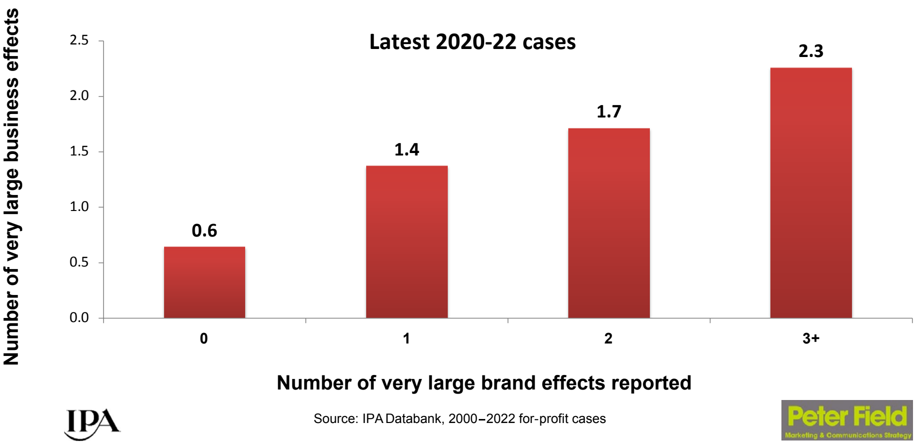

Fig 3

No attention, no mental availability

As demonstrated by Professor Karen Nelson-Field of Amplified Intelligence, attention is vital for building mental availability. A video commercial needs at least 2.5 seconds of our active attention before we begin to lay down the long-term memories that will drive enduring brand growth. Anything less than that is unmemorable.

Importantly, 2.5 seconds is just the baseline threshold for making memories – Professor Nelson-Field's research shows that the rewards for generating 10 seconds of attention and the resulting impact on memory are well worth aiming for [see Fig 4].

Relationship between Active Attention Seconds and Days in Memory.

Memory starts to kick in at 2.5 seconds

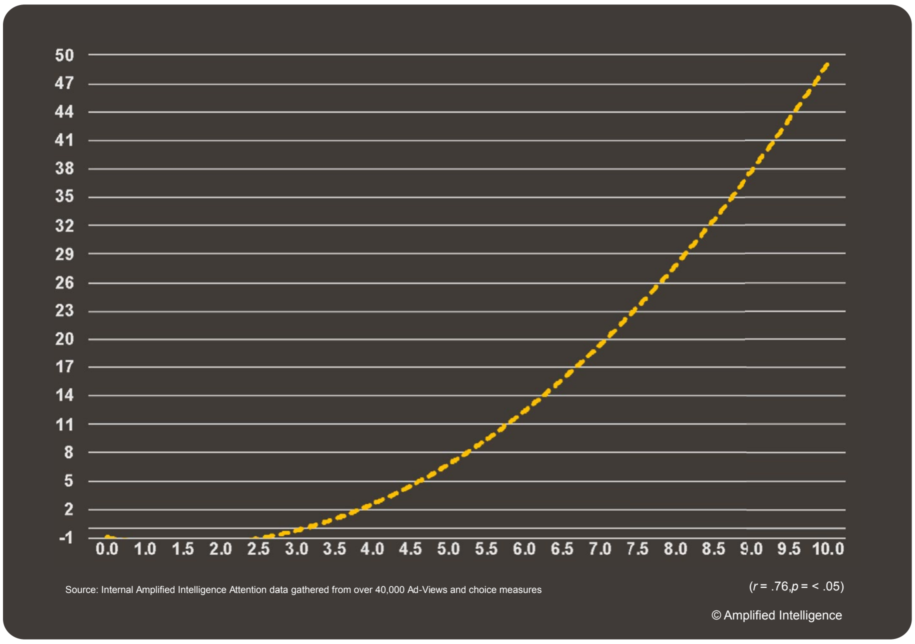

Fig 4

2.5 seconds of attention may sound like a low bar for video advertising, but shockingly, Nelson-Field has also shown that most online ads fail to meet even the 2.5 second threshold [see Fig 5]. In a study of 130,000 online ad views (social and non-social) from 1,150 brands, some 85% of them failed to meet even this low threshold. This means those ad exposures were functionally incapable of building mental availability and therefore driving long-term demand growth. Of the 15% that did make the threshold, only a handful achieved what I would regard as a more healthy level of about 10 seconds or more.

When ads don't meet the Attention-Memory Threshold of 2.5 seconds, it's hard for mental availability to grow.

The digital mental availability building challenge

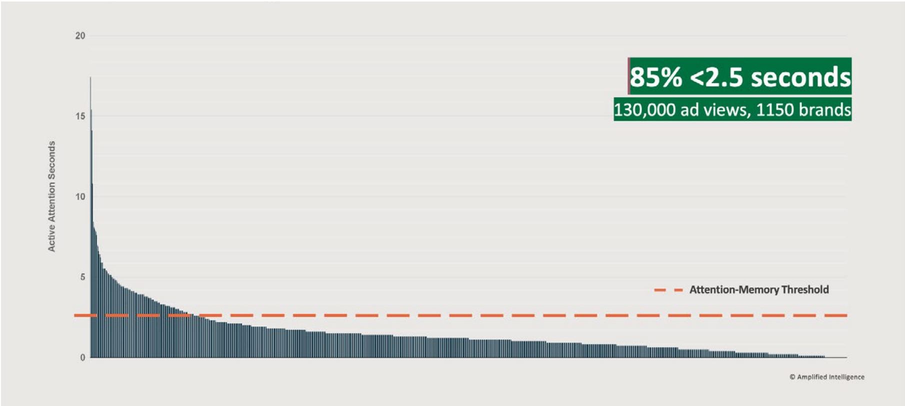

Fig 5

Attention decay: the slow and fast of it

Building brands, and therefore driving long-term demand growth on online platforms, is particularly difficult because many online environments are very cluttered, distracting and scrollable. If we're interested in catching up with our friends or managing our finances, we're simply not going to give much attention to advertising, so we see rapid decay in active attention [see Fig 6]. The number of consumers that we can actually build mental availability with is tiny because almost everyone has zoned out long before any memory structures are laid to drive long-term growth.

Fast decay looks like this.

Lots of active attention early, then a superfast and steep drop off.

Online platforms suffer from fast decay in visual attention

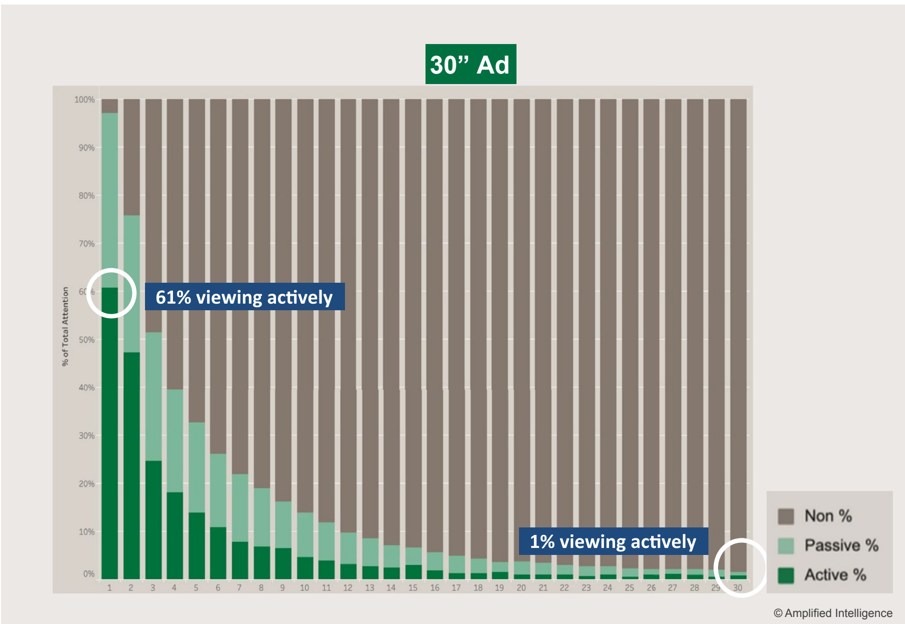

Fig 6

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The way forward for TV

But there are media where attention decay is much slower. TV is one of these, radio too, and non-skippable online video advertising. These forms of advertising perhaps begin with slightly lower levels of attention but what we start out with is more or less what we end up with [see Fig 7]. So here we can build mental availability amongst a large audience because a lot of them are seeing the ads right through from beginning to end, which makes a huge difference.

Slow decay looks like this.

Active attention is largely stable across the entire course of the view.

TV delivers stable levels of visual attention throughout an ad

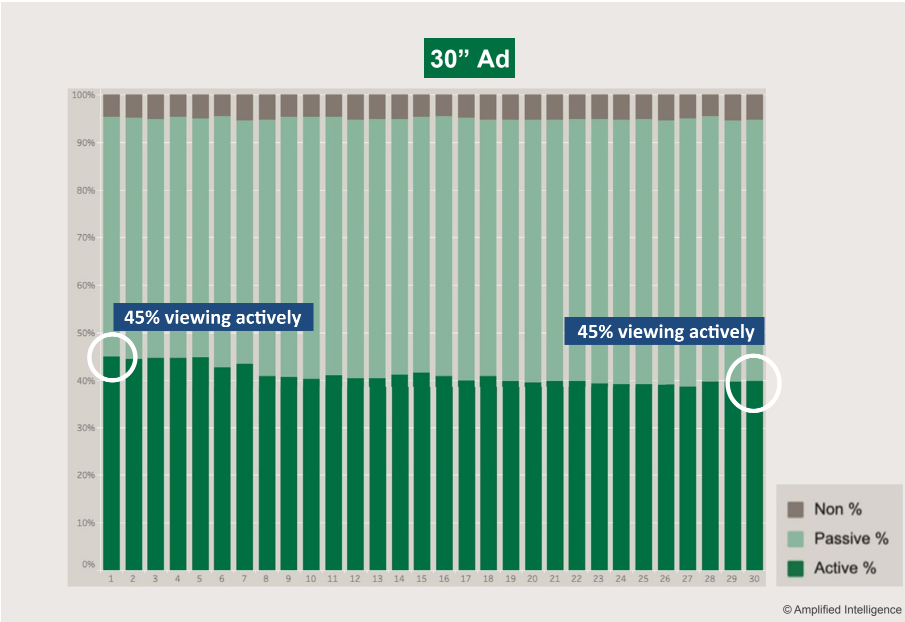

Fig 7

Why high attention matters

High attention platforms enjoy a double advantage over low attention ones according to Nelson-Field’s research. Not only do they deliver greater average durations of attention, but also the range of attention that can be achieved by better creative work is increased [see Fig 8] – she refers to this as attention elasticity and it is very important to effectiveness. Attention elasticity also varies widely across video platforms.

The range of attention seconds possible under the conditions of that platform or format.

Attention elasticity forms the attention opportunity for ad creative.

Attention elasticity varies by platform impacting on the creative opportunity

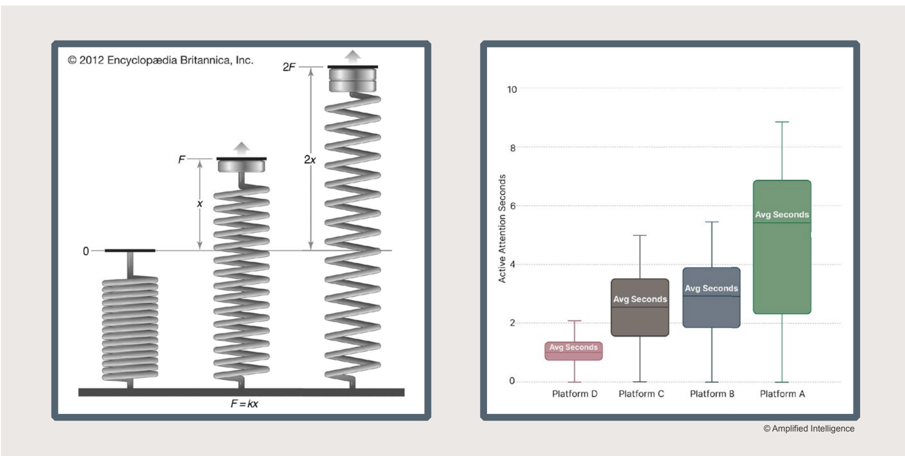

Fig 8

Platform D which delivers just over 1 second of active attention with a best-case creative stretch to 2 seconds, is simply functionally incapable of driving long-term demand growth because it doesn't deliver enough attention to build mental availability. That doesn't mean it is useless, however; it may be effective for performance marketing purposes, delivering a simple offer to nudge action, and could, therefore, contribute to the 40% that isn't designed to drive long-term growth. Platform A by contrast delivers around 5.5 seconds of active attention on average, with a best-case stretch to around 9 seconds: this is a platform that could contribute to long-term demand growth and justify a share of the 60% demand-building budget. The IPA data suggests that these demand-building platforms, where we can build long-term business growth, are worth a lot more to marketers and should be charged for as such.

A study for the Advertising Council Australia by consultant Rob Brittain underlines the greater value of high-attention media. It divided advertising campaigns into two groups: those that leant more into high-attention platforms and those that leant more into low-attention platforms. The two groups had very similar average budgets but their in-market impacts were markedly different [see Fig 9]. The campaigns that used high-attention platforms built much stronger mental availability – and therefore saw a 65% uplift in terms of very large business effects.

Investment in higher-attention platforms enables creative to work more effectively

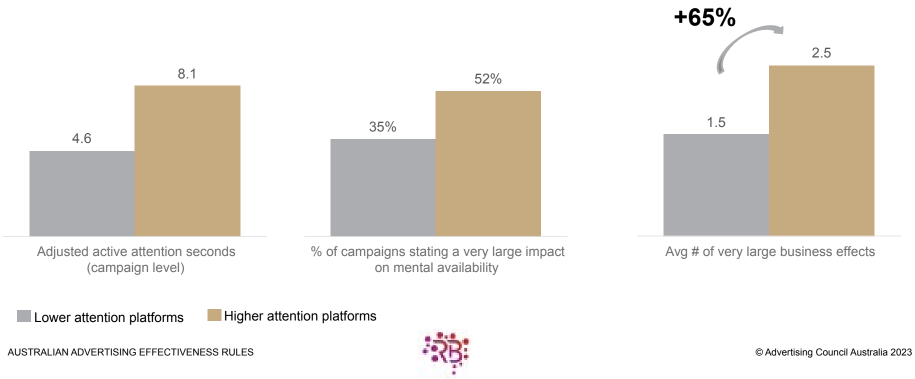

Fig 9

TV is a high-attention medium

So, media plans need to identify which media offer the high-attention advertising environments that can build mental availability and therefore long-term brand growth.

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Video viewing time varies dramatically between media

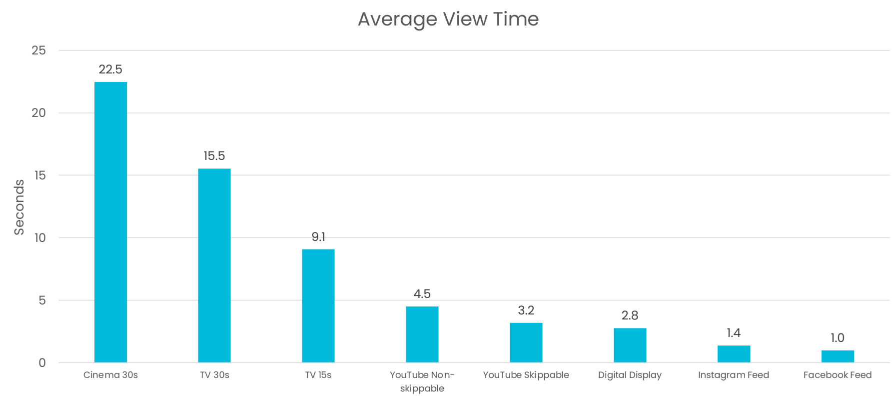


Fig 10

Sources: Attention data from TVision (TV), Lumen (Digital) latest 2023 data

The latest data from Lumen [based on almost 100 billion ad views] shows that TV is very much in the domain of mental availability building. With TV, advertisers are getting on average over 15 seconds of attention for 30-second TV ads and 9.1 seconds for 15-second ads, with BVoD not far behind. Non-skippable YouTube is also in the domain of mental availability building, though not so strongly as TV [see Fig 10]. Notably absent from this data is TikTok, who have curiously chosen not to publish their attention levels, despite anecdotally delivering relatively strong performance.

Skippable YouTube ads just creep into the domain of mental availability building with an average of 3.2 seconds of attention, and social media feeds are clearly not in the world of long-term demand generation. Social feeds appear best left to performance marketing purposes.

The danger of chasing cheap media

Enormous use has been made of many low-attention advertising platforms in recent years because the market has been chasing impression cost per thousands, and when you base decisions on that data it suggests that media like TV and cinema are expensive choices and that social media are very cheap [see Fig 11]. But earlier data from Dentsu and Lumen's 'Attention Economy' study shows how chasing cheap CPMs can be a very dangerous strategy.

Today's trading currency does not reflect attention

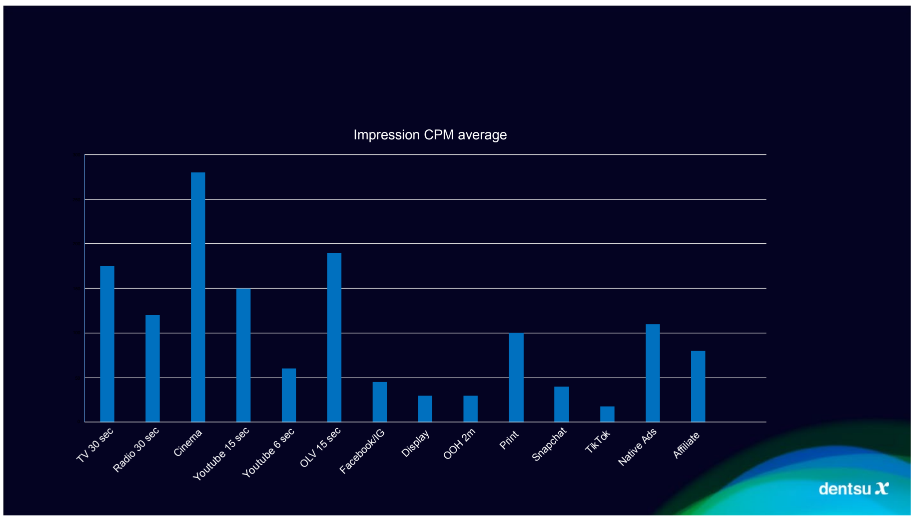


Fig 11

If you re-weight impression CPMs by attention – as Dentsu and Lumen did in their earlier study [see Fig 12] – then TV advertising suddenly starts to look rather good value, YouTube starts to look a bit more expensive, and social media looks very much more expensive – with the exception at that time of TikTok, although its CPM has reportedly increased considerably since Dentsu and Lumen's study.

The cost of attention tells a different story

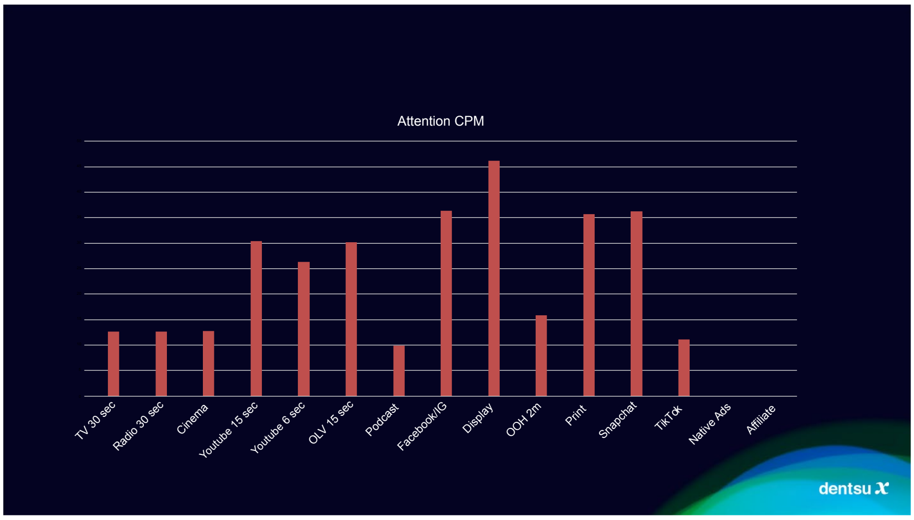


Fig 12

So, for effectiveness, it's important that marketers factor the cost of attention into their media decision-making and media choices should be assessed on their attention impact on audiences.

Another way to look at this is to re-weight Thinkbox's well-known video day chart, which estimates how much time the average individual in the UK – and the average 16–34-year-old – spends seeing different forms of video advertising [see Fig 13].

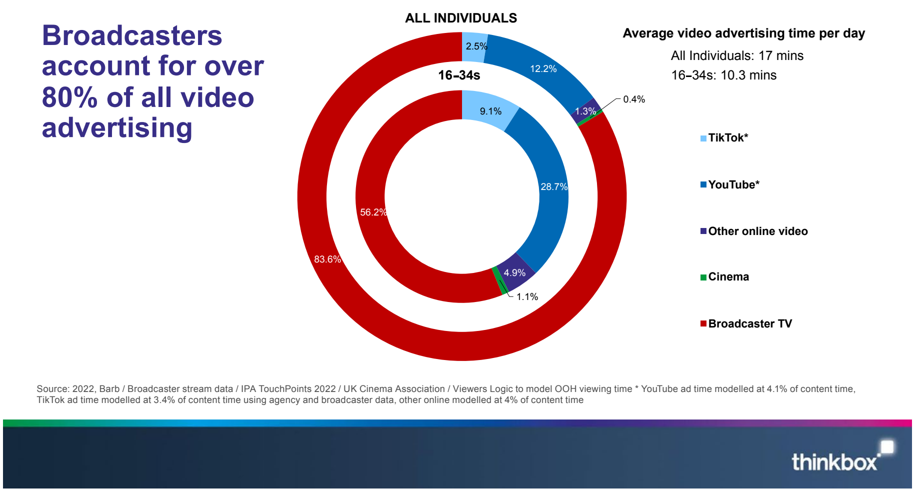


Fig 13

TV advertising – even for 16– 34s – accounts for the vast majority of video advertising time. Looking just at exposure levels to video advertising, it starts to look a questionable decision for any marketer even targeting a young demographic to walk away from TV, but this takes no account of the differing levels of attention that ads on these different platforms achieve.

If you overlay Lumen's latest 2023 data plus the earlier Dentsu/Lumen attention data over the Thinkbox estimates – which I can only do somewhat crudely as the public data is not granular enough to be precise, so this is directional not definitive – then a revealing picture emerges [see Fig 14].

Broadcasters account for 94% of all attention weighted video advertising

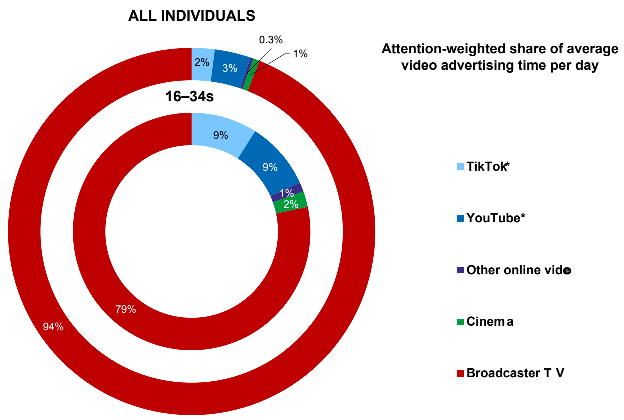


Fig 14

Source: 2022, Barb / Broadcaster stream data / IPA TouchPoints 2022 / UK Cinema Association / ViewersLogic to model OOH viewing time * YouTube ad time modelled at 4.1% of content time, TikTok ad time modelled at 3.4% of content time using agency and broadcaster data, other online modelled at 4% of content time. Attention weighting using 2023 Dentsu data and 2022 Dentsu / Lumen - Attention Economy study. All audience averages for most popular formats

Suddenly TV – covering both live and on demand – accounts for almost 80% of 16–34s' attentive minutage of video advertising. For all individuals it increases to 94%. Even with a generous margin for error in the calculations, why would any sensible marketer walk away from that?

Part 2: Emotional clout

The IPA's data has long proven that advertising that creates emotional associations with brands is the fast lane of effectiveness compared to rational advertising that communicates information about brands. You get a 3.5 multiplier in terms of share-of-voice efficiency [see Fig 15] – market share growth per unit of budget investment. Emotions work much harder because they create more powerful and more durable mental availability, so they are much better at driving continuous demand growth for brands.

Emotional advertising drives effectiveness

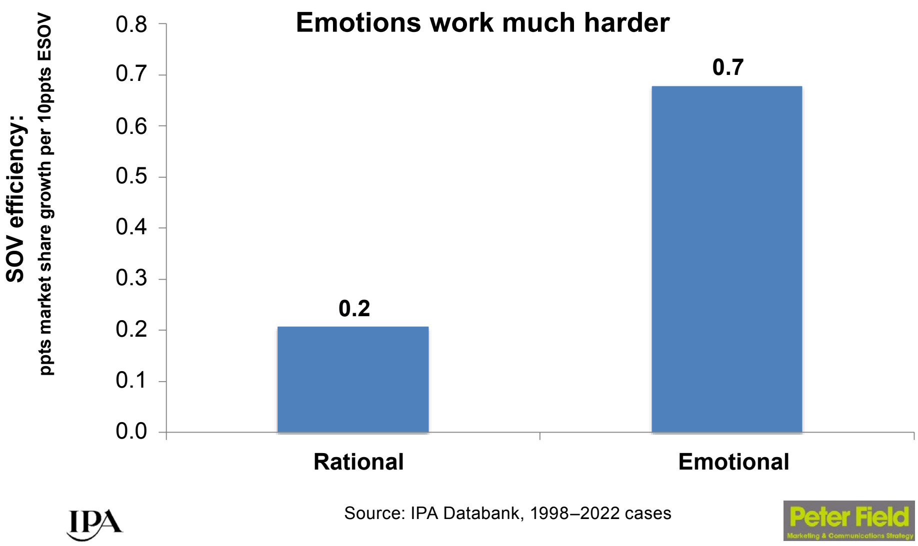


Fig 15

So it's no accident that, if you look at media usage amongst emotional IPA case studies vs. rational ones, TV occupies a much bigger share of 'emotional' marketing budgets [see Fig 16]. Smart marketers worked out many years ago that TV is a brilliant platform for creating vital emotional, mental availability-building associations. TV is less important amongst the rational campaigns, but then who wants to work in the slow lane of effectiveness?

TV is important for emotional campaigns

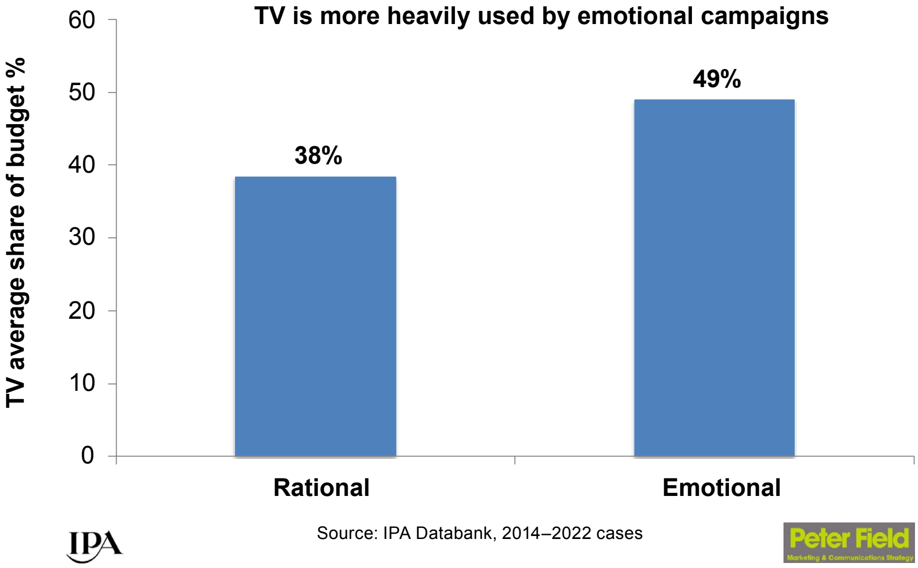


Fig 16

Examining the impact on effectiveness of TV share of budget by these emotional campaigns suggests that you almost can't have too much TV advertising [see Fig 17]. Those that made above median use of TV were distinctly more effective than those that didn't. Obviously, no one is arguing for 100% TV advertising campaigns, because there is the rest of the funnel to think about. But let's be clear: there's a particularly strong relationship between TV and the fast lane of effectiveness strategy.

TV boosts effectiveness of emotional campaigns

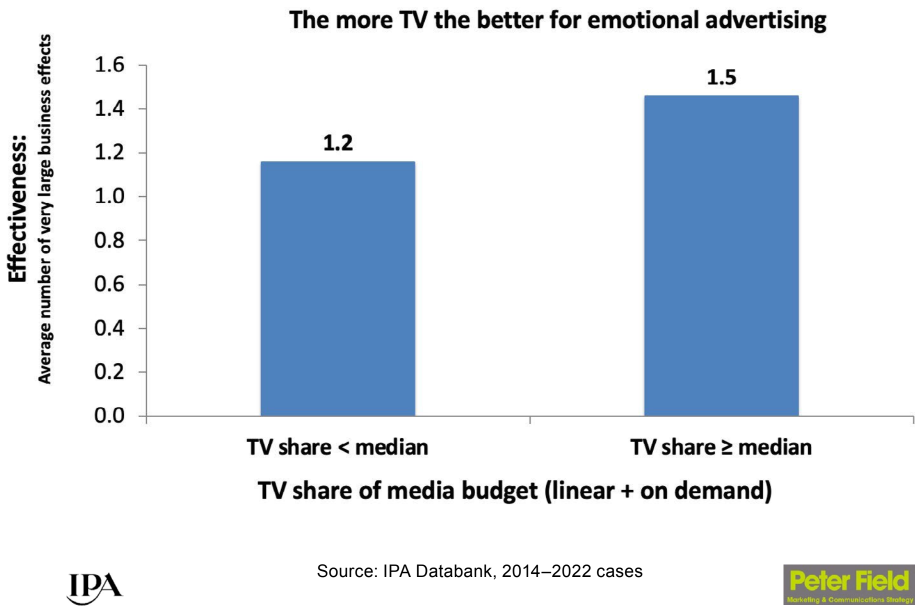


Fig 17

Turning again to the world-leading Advertising Council Australia study by Rob Brittain, we can see why TV has an especially powerful impact when used in conjunction with strongly emotional advertising. His study, using System1 emotional impact data in conjunction with Amplified Intelligence video attention data, shows that if you want to reap the benefits of powerful emotional advertising on attention and therefore long-term growth, you must use high-attention media [see Fig 18].

High-attention media adds a multiplier effect to the performance of emotive comms.

High-attention media works harder for emotive advertising

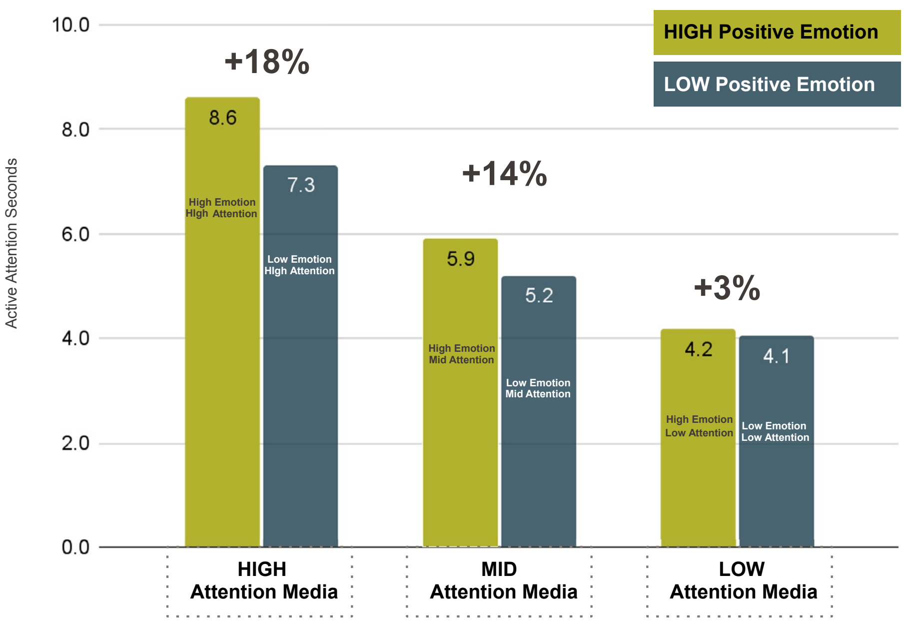


Fig 18

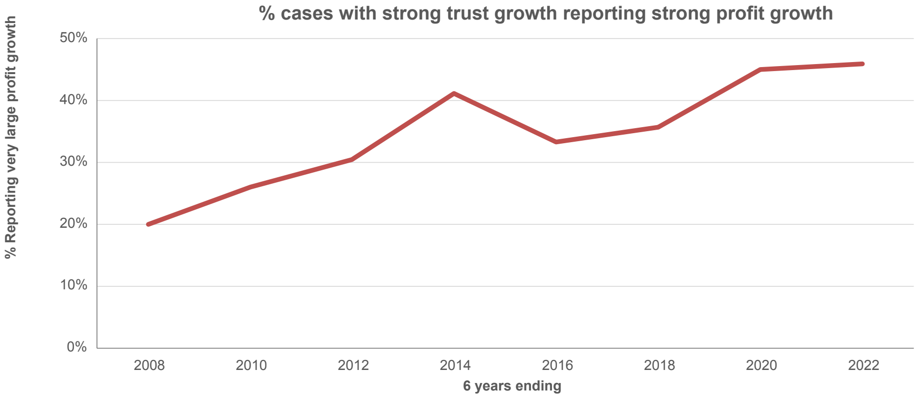
Part 3: Trust

Trust is hugely overlooked

There is one further effectiveness issue that separates TV from many other video advertising platforms: the trust engendered in brands by the advertising platforms they use. As long ago as 1964, Marshall McLuhan famously stated that "the medium is the message" and the strengthening truth of that has become very apparent in the IPA data.

Trust has become an especially important issue for brands because, as the IPA data shows, over the last 20 years the relationship between building trust in a brand and achieving greater profit has strengthened considerably [see Fig 19]. Twenty years ago, trust was the least important of the seven brand mental availability metrics that the IPA monitors; today it is the second most important, bested only by the perceived quality of the brand.

The link between trust and profit has grown especially strongly



Base: IPA Databank 2004–2022 for profit cases reporting very large trust improvements NB: insufficient data prior to 2008

Fig 19

The correlation between trust and perceived quality has also strengthened, suggesting that consumers are increasingly making assessments of the quality of the brands they buy based on whether they trust that brand and its advertising. Given the importance of quality perceptions to pricing power and therefore profitability, it's easy to see why trust has become so important.

It turns out that building trust has significant media implications.

If we compare campaigns that built strong trust effects with those that didn't and how they allocated their budgets across media, we can get an indication of which media are associated with creating trust. And, of course, which are not.

What we see is that there are certain media that are clearly good at creating trust [shown on the left-hand side of Fig 20] – because campaigns that built trust tended to make greater use of these media. A lot of these media are long-established platforms like radio, newsbrands... and TV, but search also appears to be pro-trust.

TV is one of the trusted media

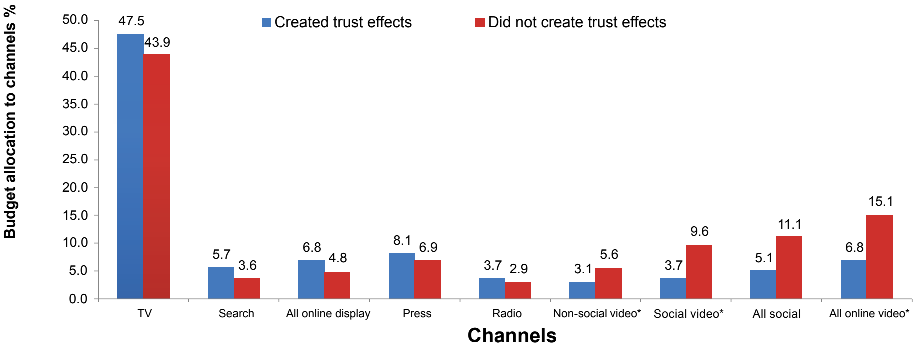


Fig 20

Source: IPA Databank 2014–2022 for profit cases *data available from 2016

Trust is a big issue for growth and profitability.

When we see advertising on these trusted media, we trust it more, as Marshall McLuhan would have predicted. It's not rocket science, but it is an effect that has grown particularly strongly over the last four or five years, coinciding with the moment when society realised it had entered the era of fake news and that they couldn't believe a lot of what they were reading online.

This possibly explains why the campaigns that made the biggest trust impacts used a lot less of platforms like social media: it's not absolute proof, but it is certainly a smoking gun. The clear implication is that marketers should be very careful to choose trusted media, because trust is a big issue for growth and profitability.

Perhaps that is why TV's impact on profit is the highest it's been in more than a decade, having surged back since the dawn of the fake news era [see Fig 21].

TV's impact on profit

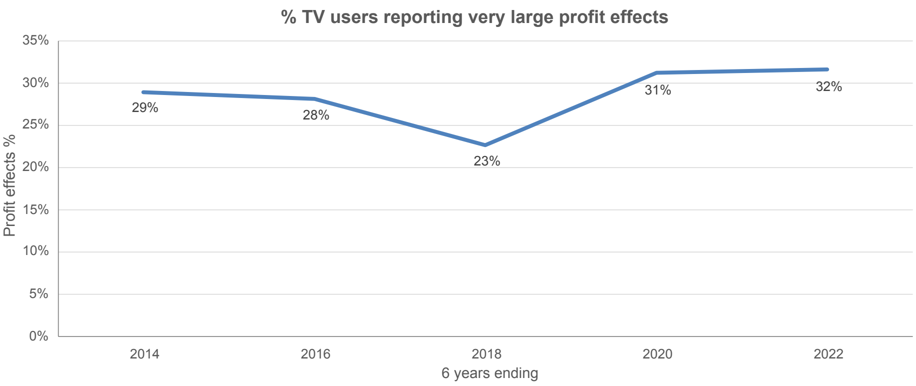


Fig 21

IPA Source: IPA Databank 2020–2022 for profit cases Peter Field

How much TV advertising do brands need?

The case for using TV is clearly very strong, so perhaps the more important question is 'how much should brands use'?

The answer to this question will, of course, depend on a brand's context and particular objectives. But the IPA data can help us peer through the fog of all the many different factors that influence effectiveness to detect the signal that comes from TV budget allocation. The database is not large enough to do this reliably, so the following findings are offered as suggestions, for further research.

If we take the broadest view of effectiveness across all of the six business metrics – some of which are more short term, some more long term – it suggests that the sweet spot for TV is about 45% of the overall budget. That's very close to the average found within the IPA case studies.

The most effective campaigns spend 45% of their budget on TV

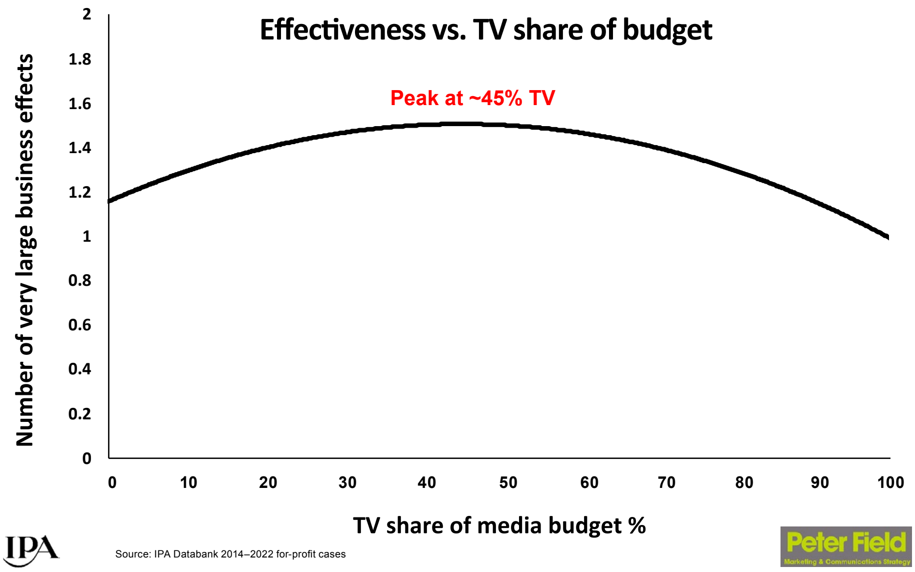


Fig 22

TV's impact on pricing and profit power

But arguably not all business metrics are equally important to profit potential – the world's most famous investor, Warren Buffet, has argued that pricing power is the most important metric and the IPA data certainly supports his point of view.

If we divide the IPA case studies into four groups [see Fig 23] based on those that neither drove market share nor pricing power, those that either drove market share or pricing power, and those that delivered both, it clearly demonstrates that pricing power is the more powerful driver of profit growth for businesses and should be built into brand strategy. This has implications for TV usage because of its strong and proven ability to build pricing power for advertised brands.

Pricing power is a powerful driver of profit growth

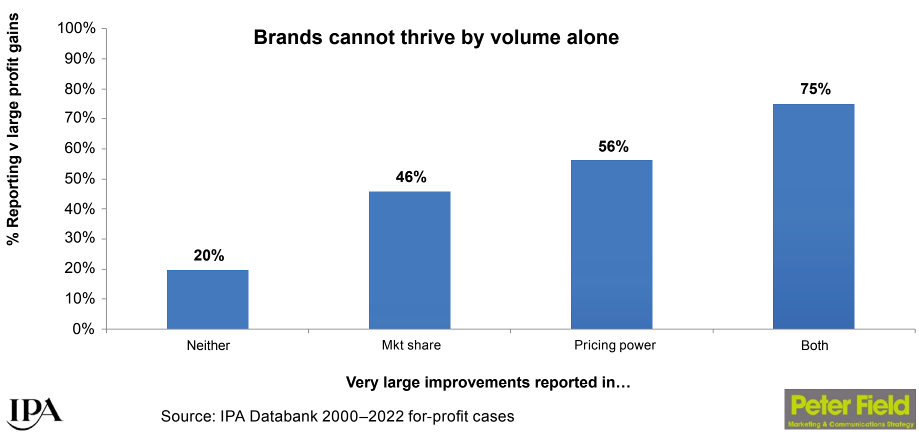


Fig 23

Looking through the prism of pricing power therefore suggests an even greater use of TV advertising [see Fig 24] – perhaps something approaching even 80% of the overall budget. Of course, this isn't going to be relevant to every brand – pricing may not be a huge issue for example. But if a brand is either trying to defend or grow its pricing power in a market, then TV assumes greater importance.

Pricing power argues for greater TV share

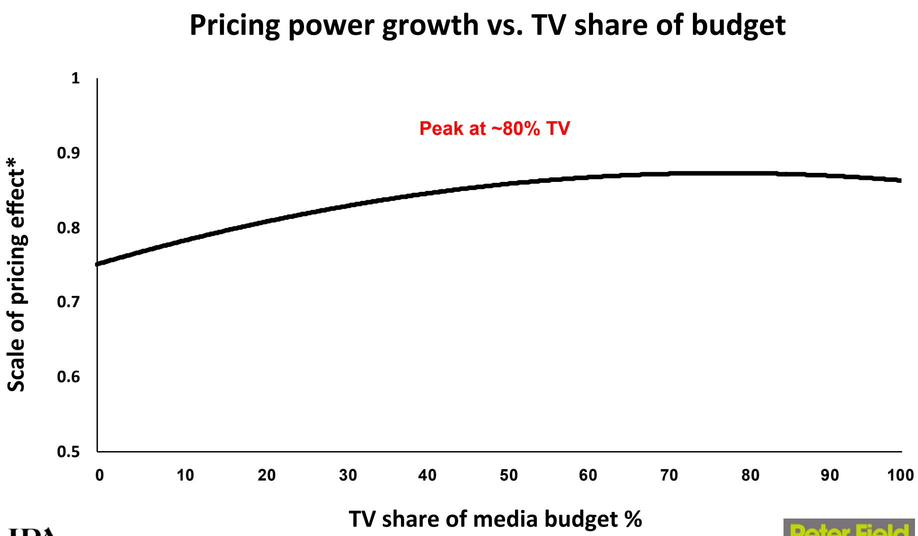


Fig 24 IPA Source: IPA Databank 2014–2022 for-profit cases *4-point scale Peter Field

However, if you take profit growth as your single objective [see Fig 25], the sweet spot for TV is at around the 50% of budget mark, which is more than the IPA case study average, arguing that TV may already be too disinvested in – it should be receiving more marketing investment than it currently gets.

The most profitable campaigns spend 50% of their budget on TV

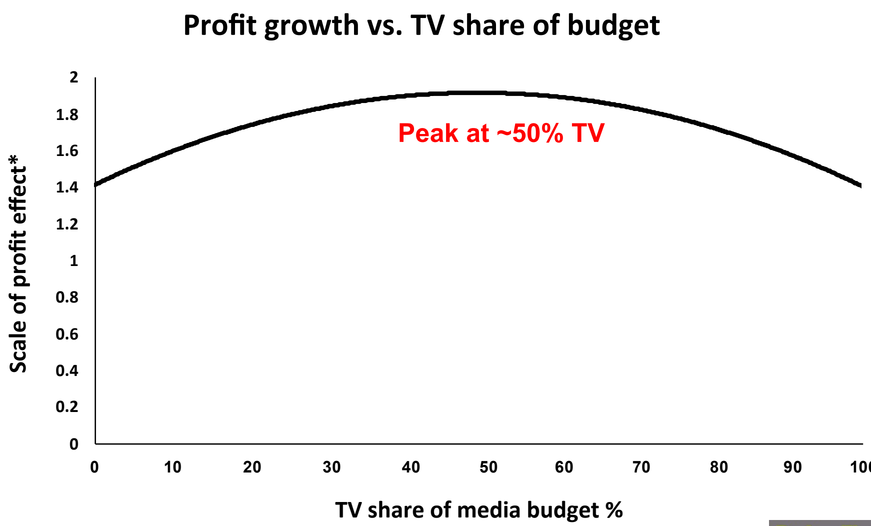


Fig 25 IPA Source: IPA Databank 2014–2022 for-profit cases *4-point scale Peter Field

The way forward for TV

This paper has argued that attention, emotional power and trust are key features in the effectiveness of TV advertising, but none of these can be taken for granted in future.

There is currently a great deal of excitement (especially in the USA) about the potential for addressable TV to play much more strongly in the performance marketing world. Some argue that this is the future of TV advertising, despite the evidence of its greater value as a demand-generation platform. I believe that this would be a great mistake. It would result in a tsunami of very dull performance marketing advertising, which we know from System1 data has very weak attention power. In time, this would undermine the attention power of the TV break – perhaps TV's greatest current strength.

A knock-on effect of the trend to performance marketing advertising styles reported by System1, that we are already seeing, is much less enjoyable advertising with much weaker emotional impacts. TV's continuing emotional firepower will depend on restoring the enjoyment of the ad break year-round rather than just at selected times of the year.

And trust in TV is not a universal strength worldwide – it is greater where it has been associated with genuine news and regulated advertising claims. Its future as a trusted medium will depend on maintaining and building its link with truth.

TV advertising's continuing unique strengths across sales, margin and profitability depend on defending these key features of the platform.

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