

The Effectiveness of Television

Reports of TV's demise greatly exaggerated

TV has traditionally been a powerful and effective medium for marketers due to its wide reach and ability to engage audiences. However, with the tsunami of new video channels such as Broadcaster Video on Demand (BVOD), Advertising-based Video on Demand (AVOD), and social video platforms, the landscape has been flooded with new opportunities for brands to connect with their target audience. We explore why TV remains effective and the opportunities and threats to marketers presented by the new breed of video on demand channels.

The Media Precinct

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Video on demand and social video are not killing the TV star, but they are diffusing its light over an expanded landscape that's giving brands more choices than ever to engage people with visual content.

Compared with the early days of the streaming wars, an explosion of video platforms and content options means today's consumers have never been so spoilt for choice.

However, this wealth of opportunity also threatens advertisers with the sheer complexity of channel and platform options they can either pull the right strings with or tie themselves up in knots.

Dr Danielle Chmielewski-Raimondo, Senior Lecturer and Master of Marketing Communications Co-Director at Melbourne University, says the rise of BVOD, AVOD and social video, are "increasingly seen as nails in the coffin of television advertising".

Dr Chmielewski-Raimondo points to evidence from KPMG and industry body ThinkTV to show that with more than 25 million hours of BVOD content being consumed every week in Australia, BVOD platforms rose 10% in the second half of 2022.

"Social media videos, in particular, are more targeted and personalised and often shared by people we trust, such as friends, influencers, bloggers; they are also more engaging and often employ storytelling to resonate more deeply with select and relevant target audiences."

Another benefit of these platforms is that they are not pushed at audiences, she says.

"The audience - who typically watches TV with at least one other device close to them - can seek out something interesting and relevant to them on their tablet or phone.

"So, it leads to more precise targeting of messages, reducing advertising wastage. Also, these platforms cost much less than the cost of traditional TV advertising."

TV still a big player

However, there's a vital place for linear TV in the mix, with evidence showing that when TV is used in combination with BVOD, campaign effectiveness increases by around 10%, Dr Chmielewski-Raimondo says.

Commercial television reaches an audience of 16 million Australians in an average week, with viewers watching around three hours per day. And, sometimes TV is the only option for advertisers to best leverage appointment viewing occasions.

"With something that reaches a mass audience - like COVID-19 messaging, FIFA Women's World Cup 2023, AFL, The Voice or The Bachelor - TV remains an effective way of connecting with audiences and generating attention and awareness," Dr Chmielewski-Raimondo says.

Relationship-builder

Glenda Wynyard, the managing director of full-service agency Media Precinct, says TV's superpower is enabling brands to form long-lasting relationships with viewers.

"To generate awareness and form perceptions, a basic level of impact - seeing and/or hearing an ad - is critical," Wynyard says.

"Broadcast television is still number one for contributing to awareness as it offers both the ability to see and hear an ad within a high attention period to provide brands the opportunity to form a 'relationship' with viewers."

Media Precinct works with several research companies to benchmark client awareness pre versus post-campaign and TV dominates brand awareness - no matter the age profile of the target audience, she says.

On and off-screen blend critical

When well-executed product placement combines with the organic use of a product, the results can steer viewers in a new direction when it comes to their purchasing decisions.

In 2021, supermarket brand Coles sought to leverage its long-standing sponsorship of the TV cooking show MasterChef Australia by continuing its strategy of integrated product placement. An integrated playout highlighted Coles' priority brand messaging, including the strategic placement of a TVC alongside key moments of the challenge.

Off-screen extensions across digital and social as well as an integrated program ID and sponsorship billboard rounded out the activation. In this instance, the product was a purple cauliflower which was included in one of the programme's popular Mystery Box challenges.

As a direct result of this collaboration, Coles experienced a 430% increase in the volume of purple cauliflower sold in-store. Other results arising from the deal included:

- The highest sponsorship recall of any MasterChef Australia sponsor
- 77% of committed viewers could recall seeing the purple cauliflower integration.
- MasterChef Australia viewers are 7.8 times more likely to intend to purchase purple cauliflower than non-viewers.

On and off-screen blend critical

But with the vast majority of brands now reaching increasingly smaller and more targeted or niche audiences, TV has a smaller and different role to play, Dr Chmielewski-Raimondo says.

According to global market data intelligence portal Statista and Magna Global, TV advertising spending is forecast to continue its decline in Australia by around 13% in 2023.

Most adults are awake for around 15 hours a day. In that time, they average six hours and 43 minutes online through mobile, PC, laptop or tablets. Dr Chmielewski-Raimondo says BVOD, AVOD and social platforms work best with long-form videos to build brands and establish and deepen long-term brand connections with key target audiences.

“These platforms also allow more flexibility than TV, meaning the advertiser can change and tweak their campaigns as needed or if they see consumers behaving in a particular way.

“Short-form ads are typically shown more on linear TV and are better at driving brand reminders, i.e: top-of-mind awareness of a brand, transmitting simple messages, and generating some brand awareness.

“Ultimately, using a combination of linear TV and digitally connected TV and all other smart devices is what will strengthen the consumer journey and increase the effectiveness of a campaign, particularly when reaching younger audiences.”

Shifting viewing habits

Dr Chmielewski-Raimondo’s comments are borne out in evidence from ThinkTV for the ‘total TV’ advertising market – which includes free-to-air, subscription TV and BVOD. It recorded a combined revenue of \$4.1 billion for the year to December 2022 in Australia, up 1.2 per cent compared to the same period ending December 2021.

More recent data for FY to June 2023 continues this trend with the TV advertising market declining 11.8% to \$3.6 billion and BVOD growth continuing to accelerate, up 6.1% year-on-year to \$392 million, defining it as one of the country’s fastest growing media channels. It should be noted, however, that the latest data did not include subscription TV.

Broadcasters expand offerings in response

[ThinkTV](#) CEO Kim Portrate says audience viewing habits continue to shift and Australian broadcasters are expanding the way they cater to these changes.

The data shows it has been a challenging 12 months for advertisers, broadcasters, and consumers alike. Yet, despite “the economic headwinds the wider industry faces”, BVOD growth continues, Portrate says.

Investment in BVOD platforms 7plus, 9Now and 10 Play saw revenue increase 6.9 per cent to \$188 million for the six months to 30 June 2023. BVOD revenue for the total financial year was \$391 million, up 6.1 per cent year-on-year.

“These results show that even as budgets contract, marketers continue to invest in all forms of today’s television, a testament to its reach, targeting and effectiveness. This reinforces the power of Total TV to drive business outcomes,” she says.

The right media mix crucial

Portrate says marketers looking to optimise their video advertising campaigns across television and new video channels need to work hard to ensure they get their media mix right.

Research conducted for ThinkTV titled The Benchmark Series found that TV delivers twice the active attention of YouTube and 15 times the active attention of Facebook. The primary driver of this, she says, is screen coverage with ads on TV taking up 100% of the screen 100% of the time.

“By comparison, video ads on Facebook only take up 10% of the screen. For YouTube, that figure is 30%.”

Portrate says Total TV continues to perform strongly in all areas of media interaction.

It is not just effective on its own but enhances the cross-channel impact and performance of the rest of a brand’s media mix.

“A meta-analysis of 179 real-world Aussie campaigns found that while some perform well on their own, others need support channels to drive genuine brand impacts. Because of this, there’s no such thing as a like-for-like channel substitution.”

Proof’s in the pudding

A 2022 report by Deloitte Access Economics, *Everybody Gets It: Revaluing the economic and social benefits of commercial television in Australia*, says that research from Monash University models the effectiveness of marketing across nine media types including Total TV, Search, Digital Video, Social Media (Facebook), and Radio.

More than 850 observations of return-on-investment (ROI), provided by 60 brands across 10 product categories were considered. The results demonstrated the effectiveness of Total TV relative to other advertising forms:

- Total TV drives 3X more sales volume than any other media type
- Every dollar invested in TV advertising generates \$4.30 in return within 3 months
- Every dollar invested in TV advertising generates \$18.30 in return in the long term

In the report, Ad Council CEO Tony Hale says that given the returns from advertising in the long term, it should be expected that businesses would set brand building as a strategic priority, but this is not the case.

“Many businesses tend to adopt a short-term approach to advertising, he says. “However, the real benefit for advertisers is from long-term, sustainable brand building. This has a substantial impact on the value of brands that tends to be ignored or overshadowed by short-term activation.”

Wynyard says that BVOD and AVOD also give TV new audience targeting capabilities to compete with the sophisticated “Google targeting environments” the digital media channels offer.

“Television can be equally innovative with its targeting.”

Engaged vs scroll

When it comes to finding the right media mix to capture attention, the new breed of VOD channels offers a vastly different landscape than traditional models.

The key to getting the video channel mix right is understanding the nuanced differences between engaged video content platforms such as YouTube and scroll video platforms such as TikTok.

Dr Chmielewski-Raimondo says YouTube typically caters to a wider and broader demographic and allows for both shorter videos and much longer ones. “TikTok, on the other hand, is really about short and catchy videos. It offers ‘bite-size content’, so is often easier to gain exposure to the video more quickly.”

It also seems to appeal more strongly to younger audiences – teenagers to early 20s, she says. “With TikTok, it is often more about creating entertaining or funny videos. There is less editing required as a smartphone is all you need. It is seen as providing a more passive viewing experience in comparison with YouTube.”

Emma Prineas, marketing director at educational group Navitas Skilled Futures, agrees there are significant differences between how consumers consume content on BVOD, AVOD and social video.

When people consume engaged video content they are actively choosing a program that interests them. The same cannot always be said of scroll video platforms, Prineas says.

“We find that targeting options are just as strong as other video channels, but that the audience context is different, as on YouTube/TikTok, people are just scrolling looking for that dopamine hit. On AVOD and BVOD, people are more engaged in the content, so targeting in that sense is more likely to hit a purposefully consuming audience, rather than an ‘accidentally’ consuming audience,” she says.

Marketers looking to optimise their video advertising campaigns across television and new video channels for long-term, sustainable brand building are well advised to adopt an open-minded approach to how to allocate their media spend, Prineas says.

“Tailor your creative and messaging to the audience that you are targeting, don’t just use the one piece of creative and expect it to perform. Whatever your objective, you’ll need to review your measurement indicators accordingly.”

Dwell time the key

Wynyard says “marketers need to understand dwell time – the duration an ad is watched – because it’s a more accurate measure of an ad’s ability to raise awareness than ad length and it varies significantly by platform.

“Channels that deliver higher attention levels, such as high-quality, premium video platforms like BVOD and AVOD drive higher effectiveness and efficiency.”

Shorter durations are required to achieve viewable advertising on social media scroll channels, she says.

“The average 30-second TV ad generates the same amount of attention as 1.5-second YouTube ads, 4.5-second Facebook in-feed ads or 40-second desktop display ads.”

Wynyard cites data from marketing effectiveness agency WARC to conclude that TV ads perform better than those on other digital video platforms for both dwell time and percentage of ad viewed. The average 15-second TV ad is watched for 7.5 seconds – 50% of the full ad, compared to the average 15-second YouTube ad watched for 5.2 seconds (equating to just 35% of the full ad).

“The dwell time on other popular digital video ad formats goes down from there.”

The concepts of dwell time and ‘attentive second’ enable marketers to go deeper in their understanding of TV and video ad effectiveness, she says.

Given the wide cost variance to advertise on different platforms, marketers should ask which channel can provide the biggest “bang for their buck”, Wynyard says.

“The key metric is cost per thousand attentive seconds (aCPM), which combines attentive seconds per thousand impressions (aPM) with the cost per thousand impressions (CPM).

“Despite TV being the most expensive media, its premium environment generates the highest attention effectiveness and efficiency compared to other platforms.”

On the face of it, the desktop display represents much ‘cheaper’ media from a CPM perspective but when evaluated on an aCPM basis, it “isn’t cheap at all”, she says.

“Through the lens of attention, low-priced media such as Facebook, Instagram and YouTube – on mobile and display – come at a very high price.”





The Media Precinct is a full-service media agency that specialises in mining deep insights from niche audiences about Australian audiences. We partner with your brand to deliver tailored solutions that ensure the best outcomes for your marketing and advertising campaigns.

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