



# Empirical Generalizations Regarding the Effectiveness of TV Advertising Over Time

Webcast Prepared for Members of The Advertising Research Foundation

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January 14, 2009

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# Can TV still work? Some empirical results in favor...



- Evidence was published in 2007 by professors Hu, Lodish, and Krieger from IRI Behaviorscan testing using experimental design that the average level of effectiveness of TV advertising, using test vs. control methods, has actually **INCREASED**.
- Evidence that people are in heightened states of awareness while fast forwarding and still absorb messages (especially those they have seen before).



# The key questions

- » Has the effectiveness of TV impressions changed over time and if so, has it increased or decreased?
- » Is TV a reasonable option in the media mix or has a decline in effectiveness made it an undesirable way to spend your money?



# ARF conducted a meta-analysis of seven US databases, 388 cases



- » The ARF wanted to factually inform this issue via a meta-analysis...let's harvest what the industry has learned!
- » To integrate the results across databases, we used an indexing approach
  - Choose a “dependent variable” for each database (some measure of impact vs. weight on an “impressions” rather than dollar basis)
  - Average all the cases across time in a given database on this dependent measure and call that an index of 100
  - Analyze the index of cases over time (trending up or down) and/or compare the index of effectiveness across different media platforms



# The databases that the ARF had access to

## » Sales lift analysis databases

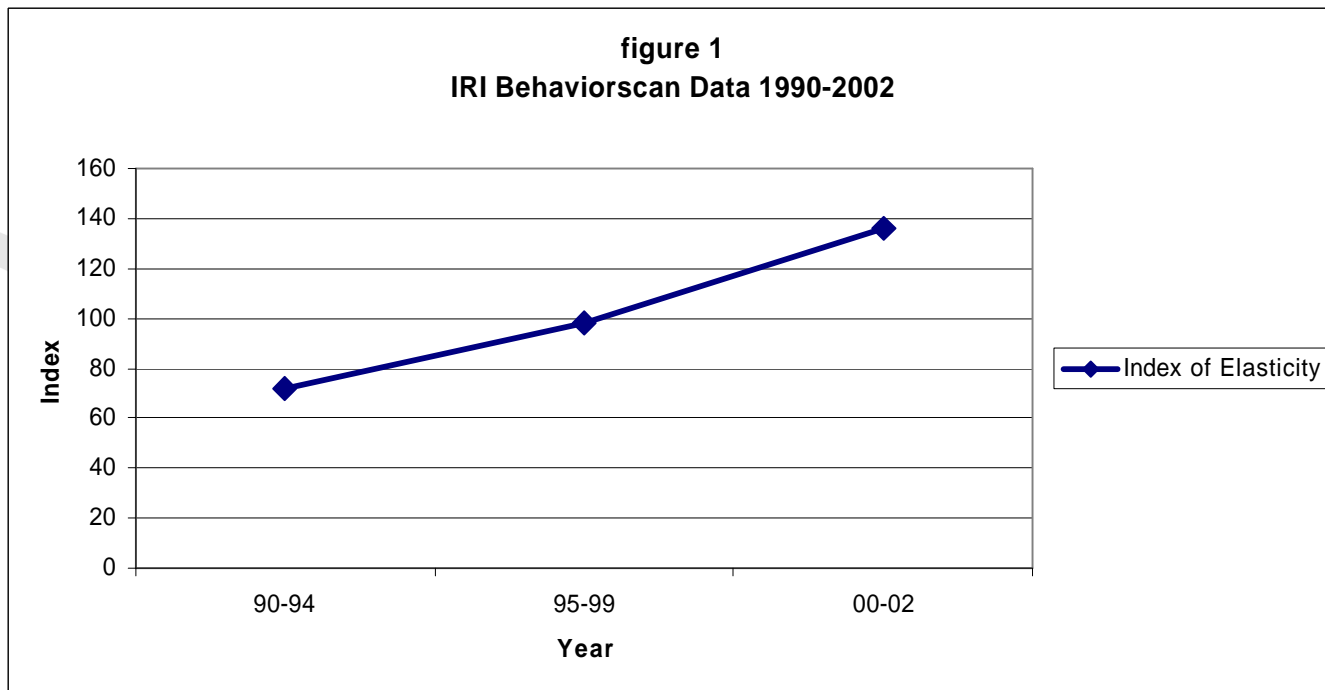
- Represent a broad range of CPG product categories
  - IRI – (n = 125) controlled and matched market testing where the level of spending was increased substantially from a non-0 level
  - PM Group (n = 37) and Drafield Analytics (n = 27)—marketing Mix modeling
  - ARS® – (n = 112) modeling wearout factors, and GRP advertising pressure vs. the sales impact associated with advertising.

## » Cross Media comparison databases

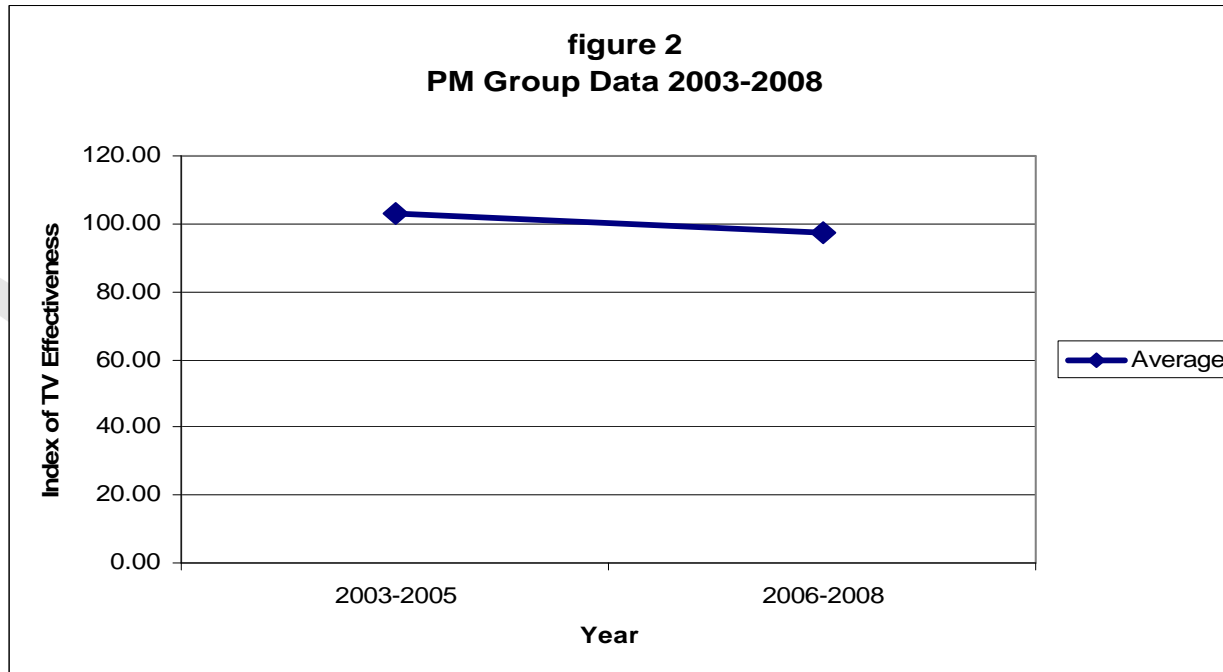
- Represent a broad range of products and services (not limited to CPG)
  - Marketing Evolution (n = 40) and Dynamic Logic (n = 47) – respondent level, post-hoc experimental design methods
  - PointLogic/Compose – Media planning tool for analyzing the relative impact of various advertising platforms



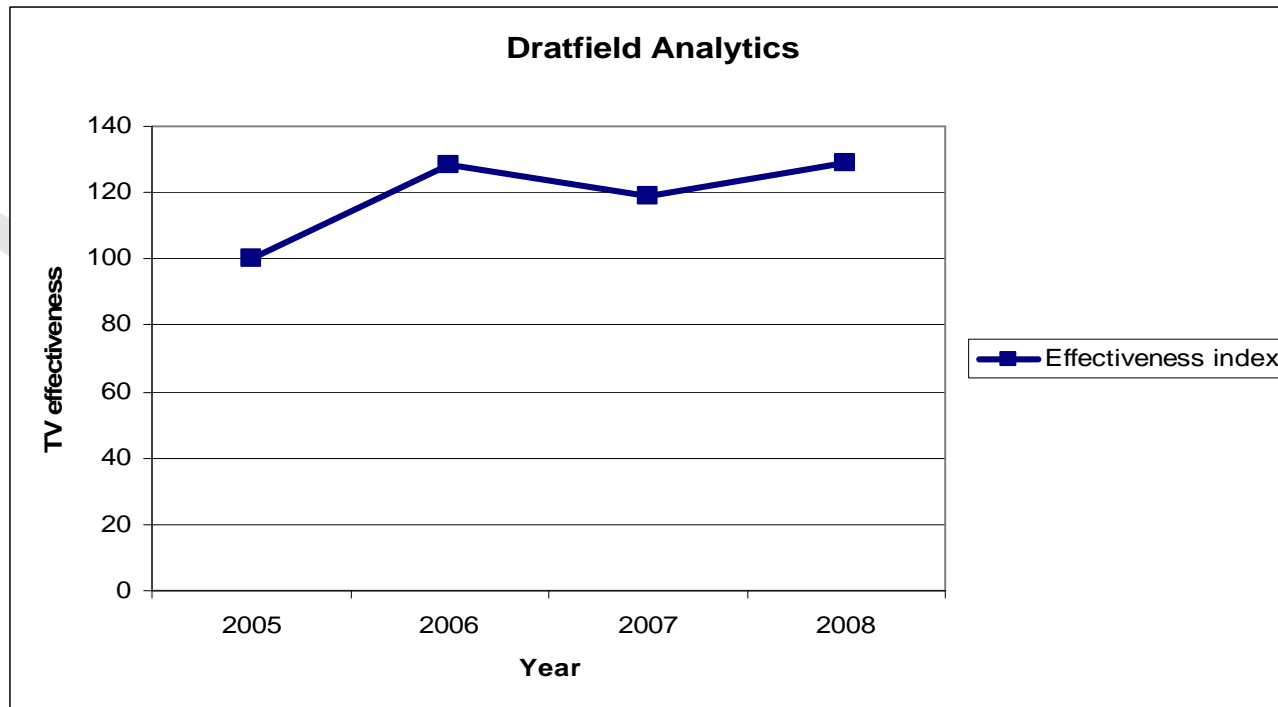
# TV Advertising does NOT appear to be declining in effectiveness, and perhaps is even increasing



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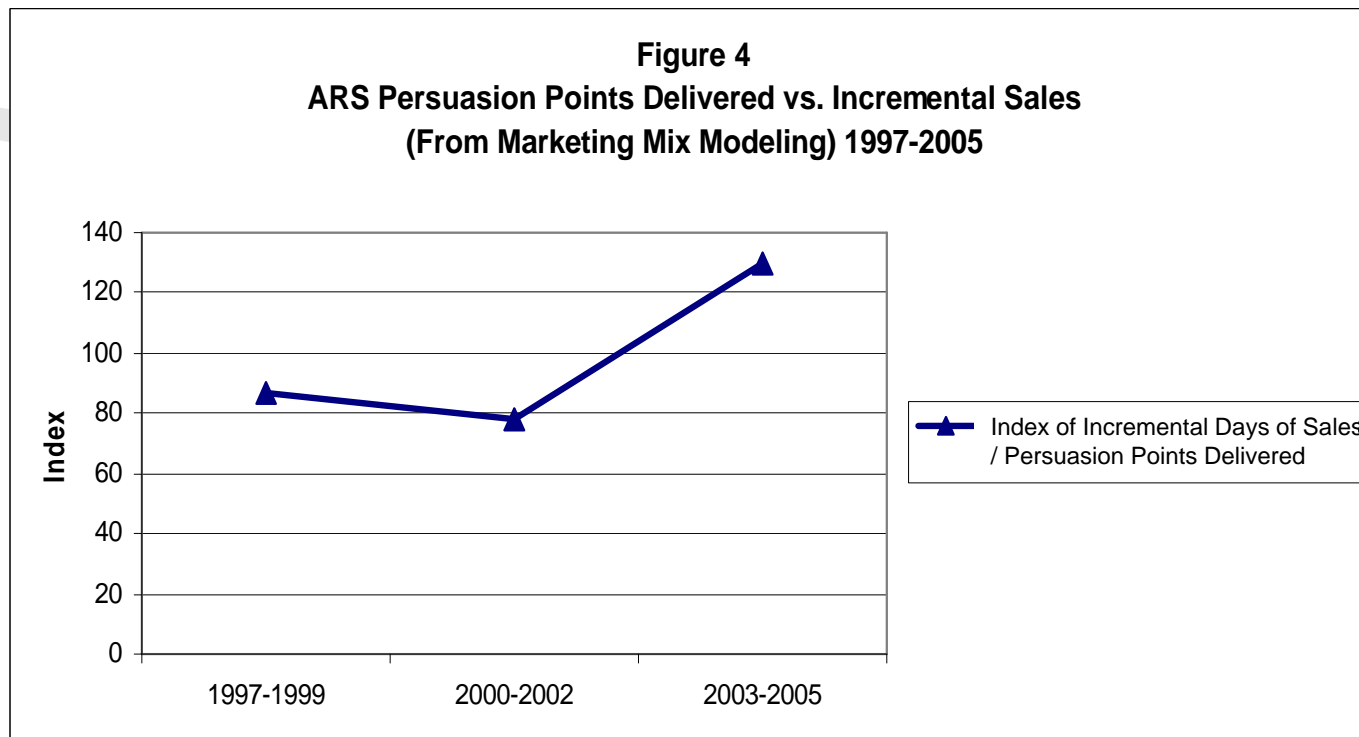
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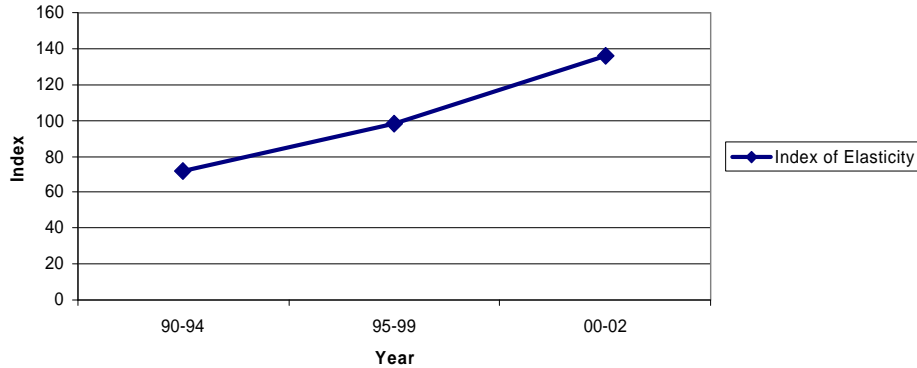
- Even when controlling for copy quality and wearout, TV advertising effectiveness appears to be increasing.



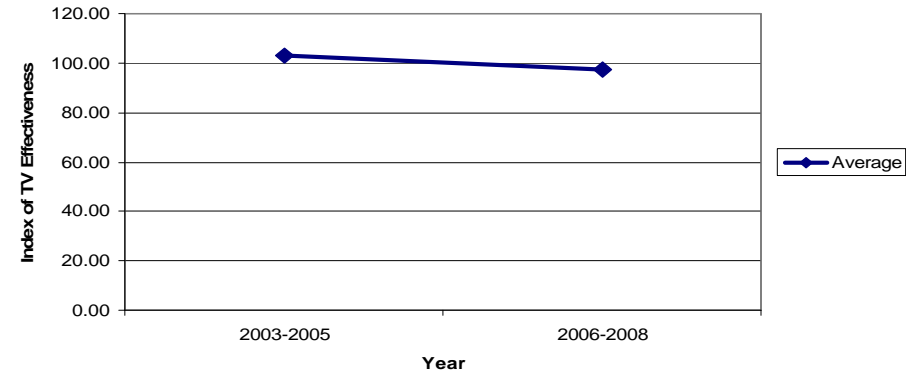
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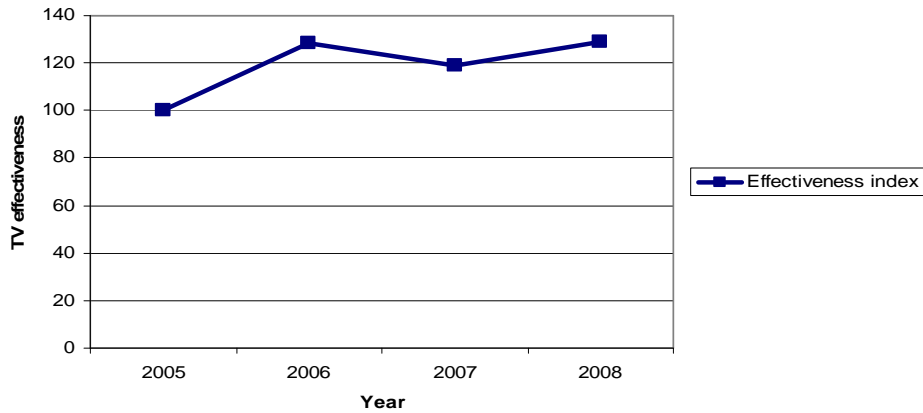
**figure 1**  
IRI Behaviorscan Data 1990-2002



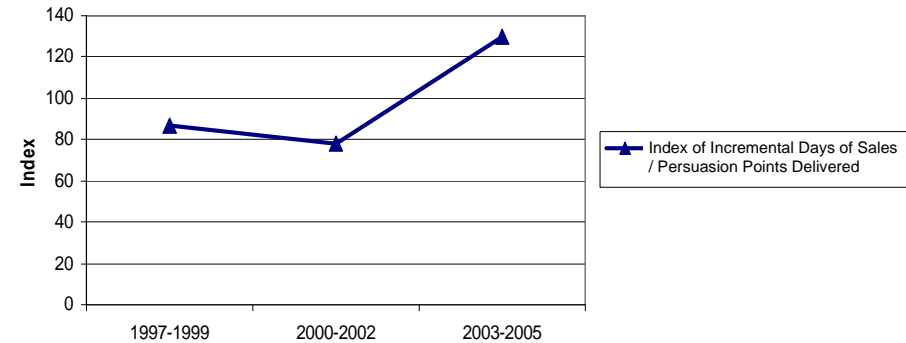
**figure 2**  
PM Group Data 2003-2008



**Dratfield Analytics**



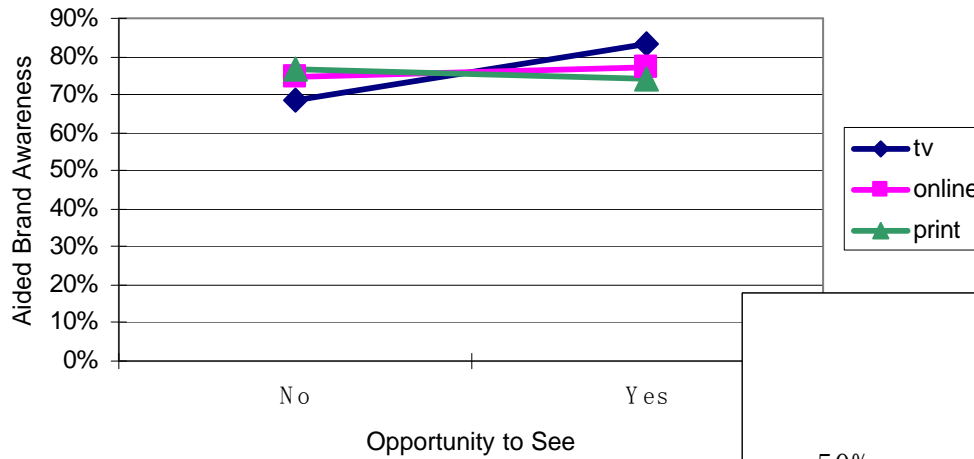
**Figure 4**  
ARS Persuasion Points Delivered vs. Incremental Sales  
(From Marketing Mix Modeling) 1997-2005



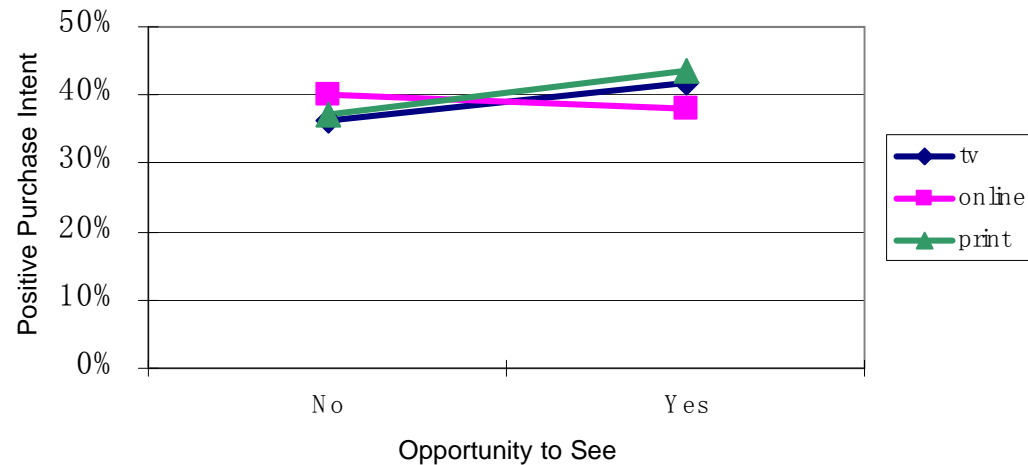
# TV can be an effective platform



**Figure 7a**  
**Dynamic Logic 2004-2008**



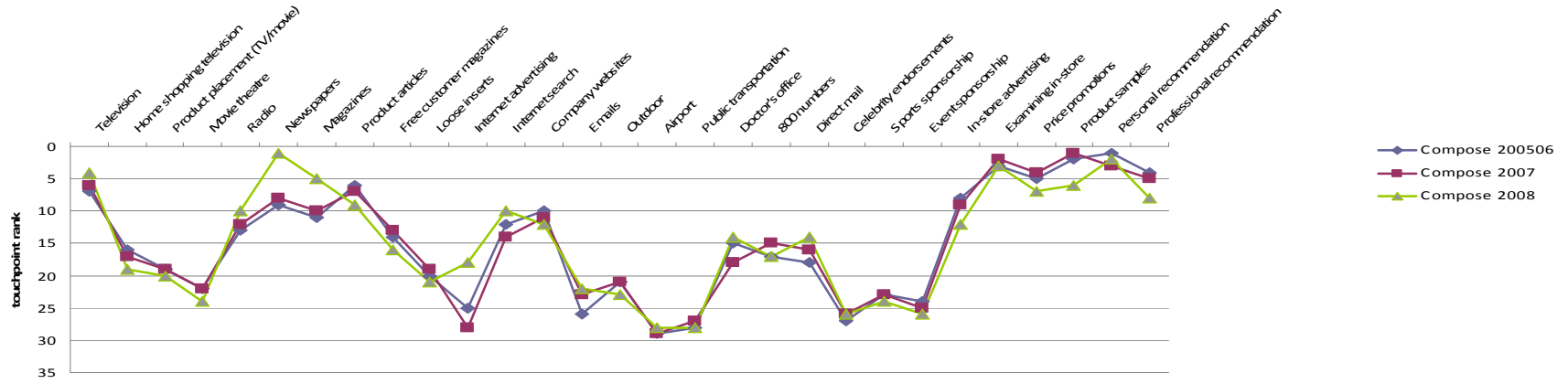
**Figure 7b**  
**Dynamic Logic 2004-2008**



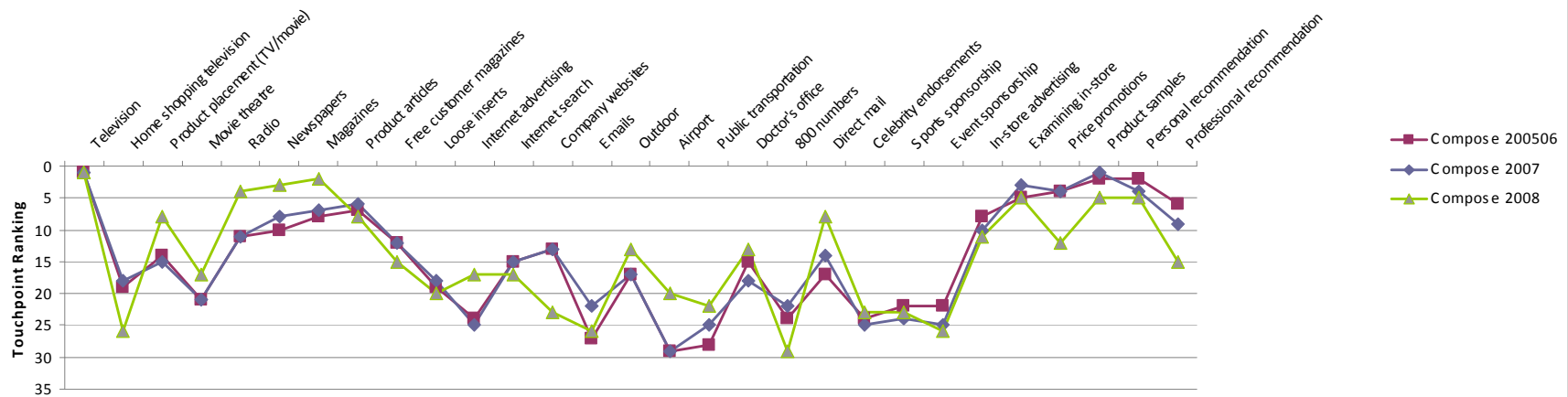
# TV can be an effective platform



**Figure 6a**  
Compose Touchpoint Rankings 2005-2008



**Figure 6b**  
Compose 2005-2008 Awareness Rankings





# Conclusions

- » TV advertising does not appear to be declining in effectiveness, and perhaps is even increasing
- » TV can be an effective platform
- » TV appears to work best at generating brand awareness
- » Marketers must be alert to the dynamic nature of TV as long-form video becomes more available via other platforms and as TV becomes interactive and targetable