

TV INSIGHTS

WHY DIGITAL CAMPAIGNS ARE NOT AS EFFECTIVE AS BROADCAST TV FOR MOST ADVERTISERS

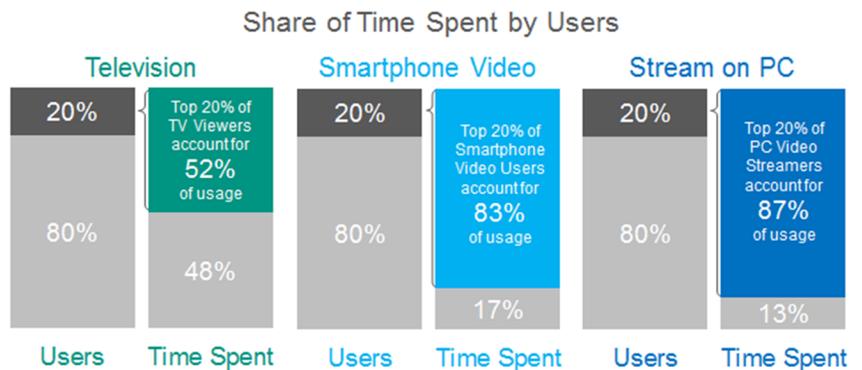
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A SMALL GROUP OF HEAVY DIGITAL STREAMERS ACCOUNT FOR MOST OF THE USAGE

Digital video is concentrated on a small group of heavy users – the top 20% make up 87% of the time spent on digital video on a PC and 83% of smartphone video. A campaign airing on digital video streaming develops very lopsided distribution of frequency.

DON'T LIGHT DIGITAL USERS WATCH ADS TOO?

Time spent is so concentrated among the top 20% of users that light viewers receive very little exposure to ads. Heavy PC streamers view 109 minutes per week of streaming video on a PC while the remaining 80% only watch 14 minutes per week. Smartphone video is a much smaller pie with heavy users watching 23 minutes per week and all other viewers only 4 minutes. Campaign Gross Impressions present distorted results since nearly all are focused on a very small group of users.



WHY IS BROADCAST TV SUCH AN EFFECTIVE ADVERTISING MEDIUM?

A spot airing on Broadcast TV achieves much broader distribution of frequency. While the top 20% are heavier viewers, the remaining 80% still view nearly half of the total minutes. **The odds of reaching more people more often are over 3 times better on Broadcast TV than Digital.**

TV ADDS A BREATH OF FRESH AIR

P&G targeted digital ads for Febreze air freshener at pet owners and households with large families, but found that sales fell. As P&G CMO Marc Pritchard summed up, *“We targeted too much, and we went too narrow...”* When P&G expanded their media buy to include more TV, sales rose significantly. Why? Increasing digital ad spend cannot increase effective frequency distribution - it only increases the *frequency* of views by a small group of users. The broader reach and frequency capabilities of TV provided the broad base Febreze required to grow sales.

BROADCAST TV DELIVERS THE FULL SPECTRUM OF USERS

Source: Nielsen TAR & CMR Reports, Q1'16. P18+; WSJ August 9, 2016