

# WHY

## LARGE ADVERTISERS

P R E F E R



**Sam Balsara**

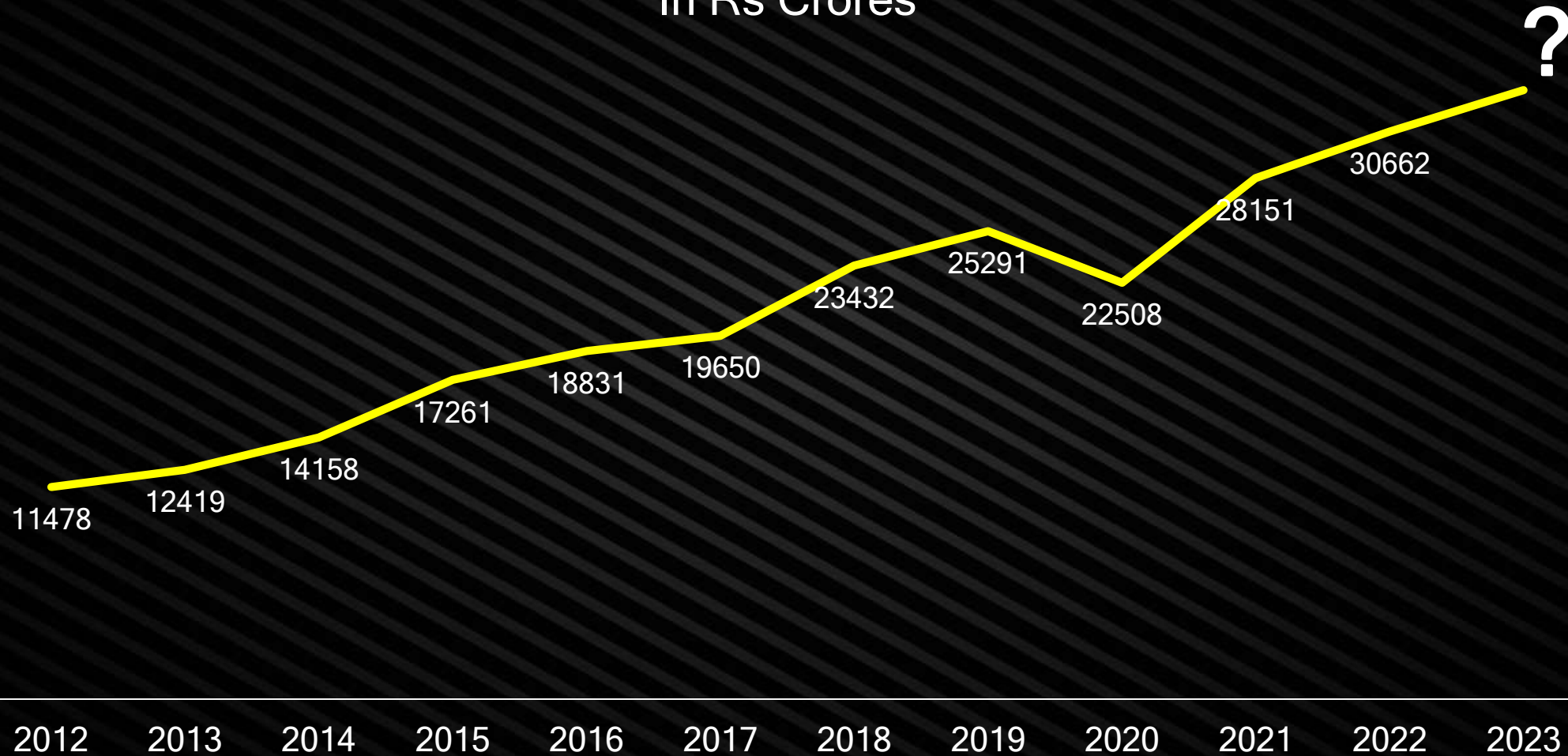
Founder, Madison Communications

**E4m TV Conference 2024**

*January 31, 2024 | Mumbai*

# Total TV ADEX growing significantly year on year

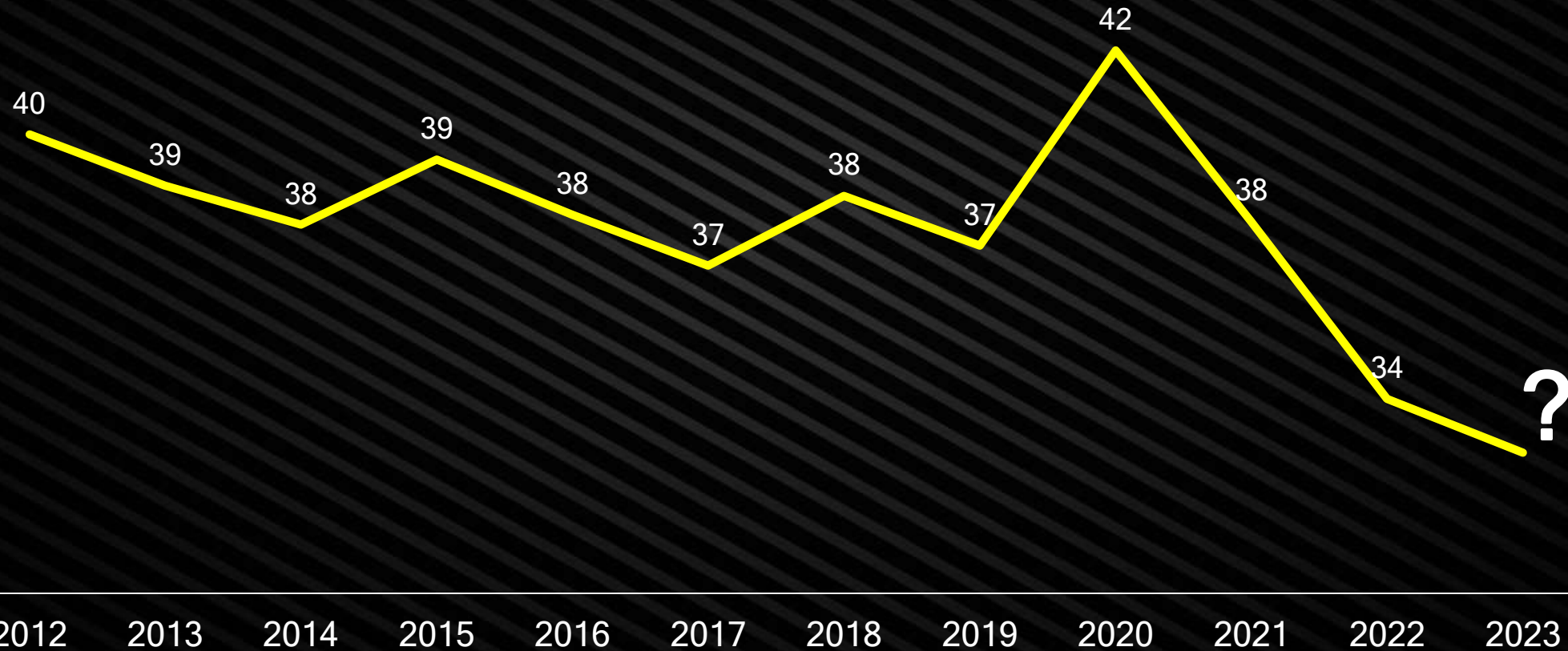
In Rs Crores



Source:PMAR

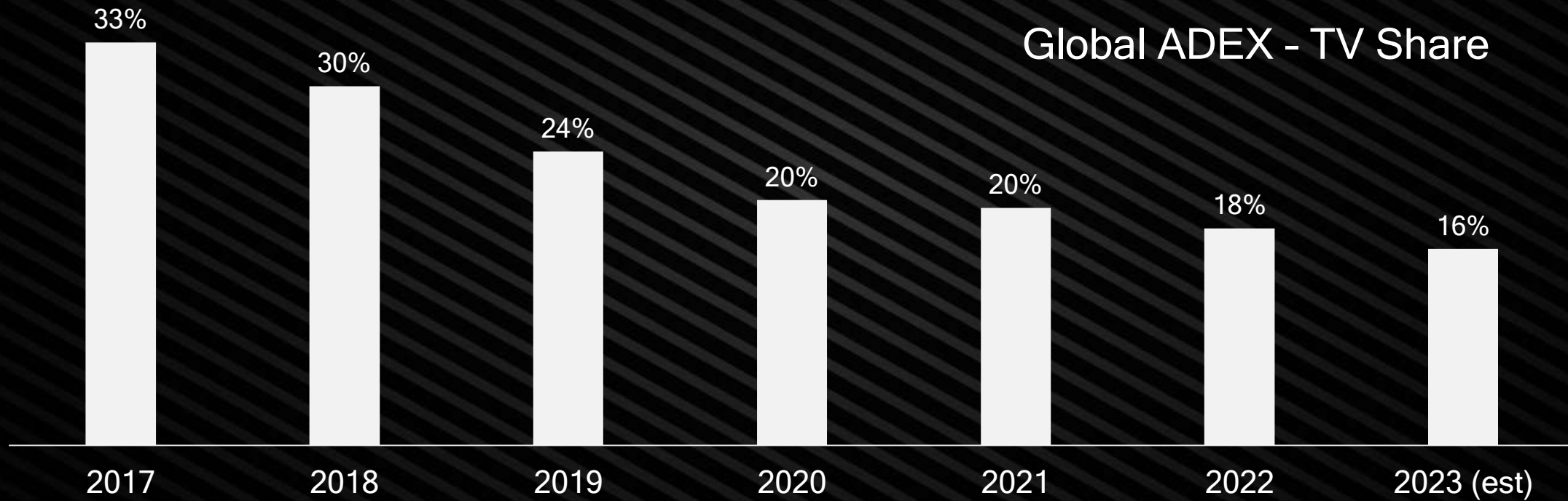
# Share of TV in Total ADEX has dropped significantly since 2020

% Share of TV in Indian ADEX



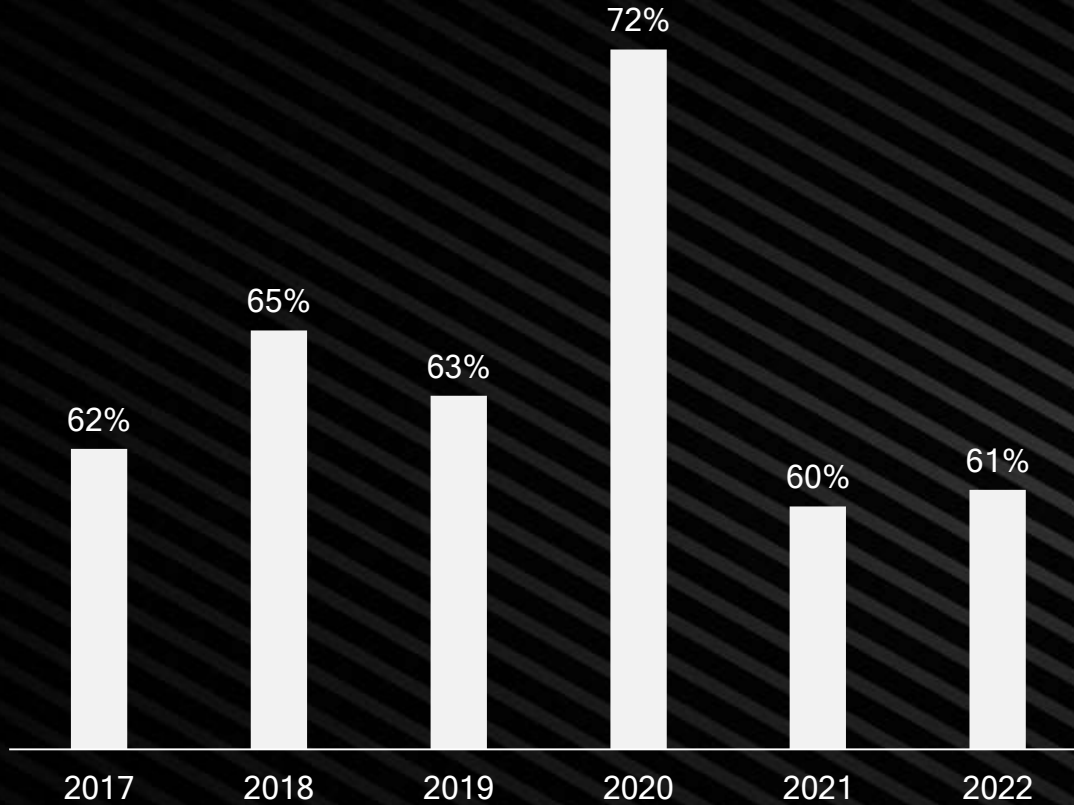
Source:PMAR

# TV Share in Global ADEX is Half compared to 6 years back

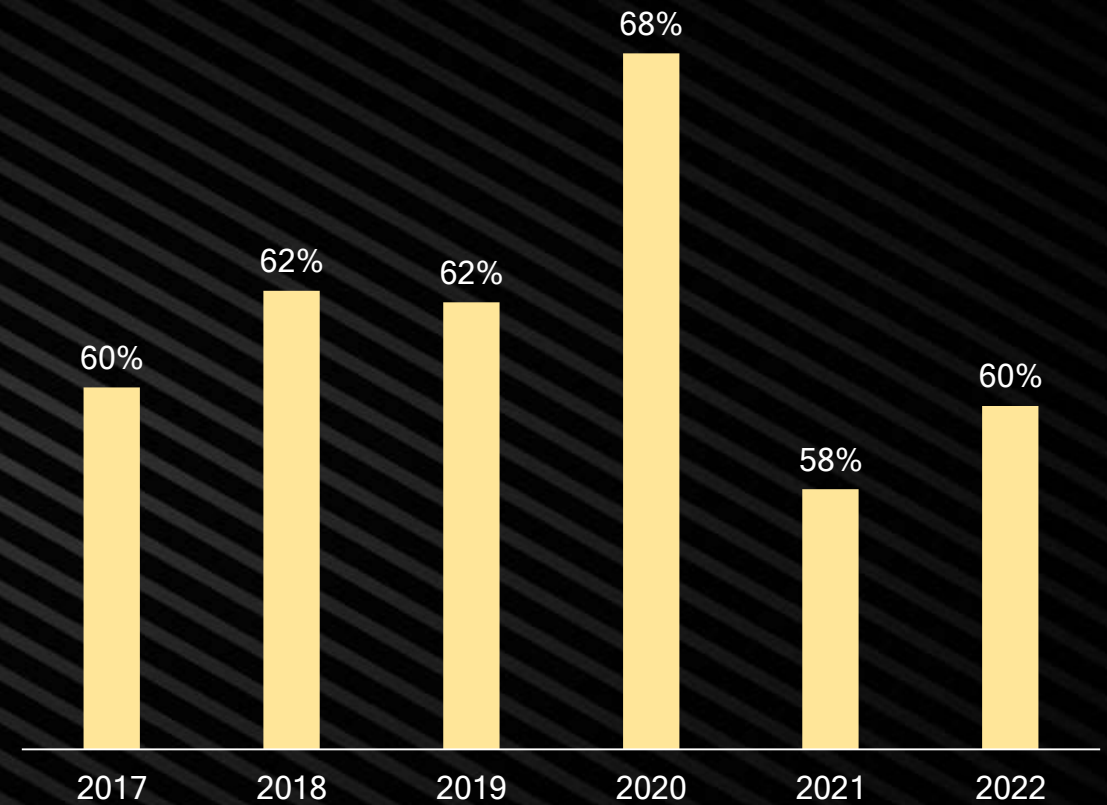


Source: WARC

TV Share in Media Mix of top 25 advertisers



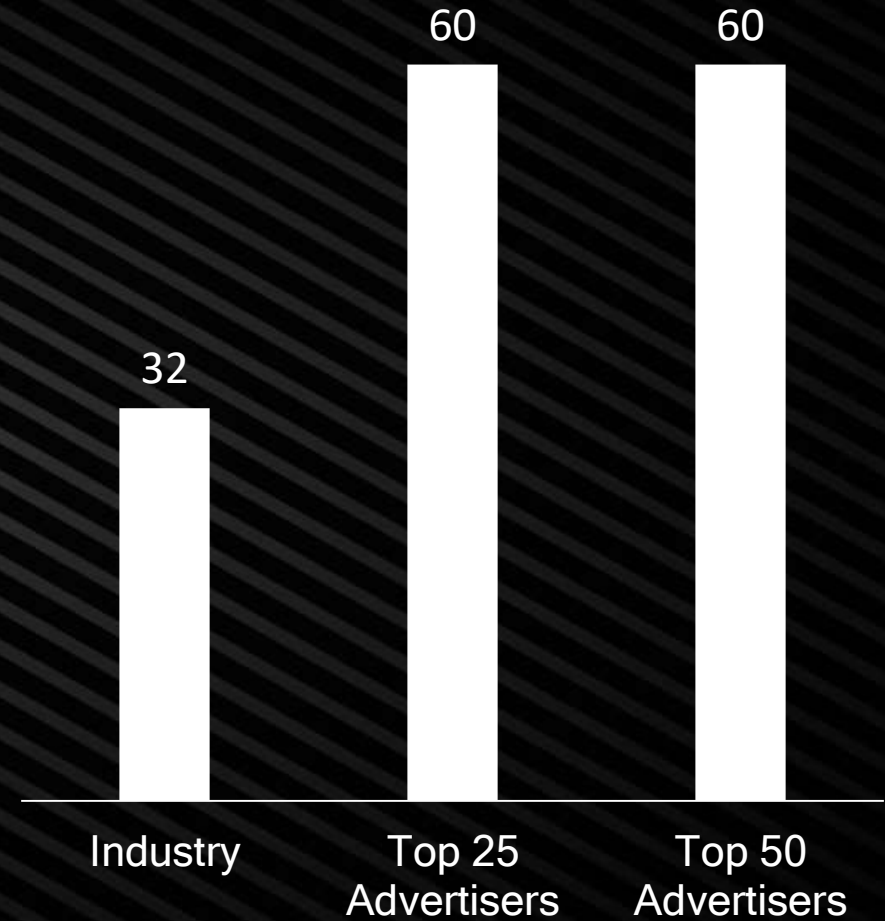
TV Share in Media Mix of top 50 advertisers



**However,  
Large Advertisers still spend 60% on TV**

Large Advertisers  
Spend TWICE  
as much as  
overall industry.  
*Why?*

+  
Share of TV in ADEX



Source: PMAR

# 3 Reasons Why LARGE Advertisers Prefer TV



Efficient & Effective



TV Drives Attention



Lingering Impact  
of TV ads

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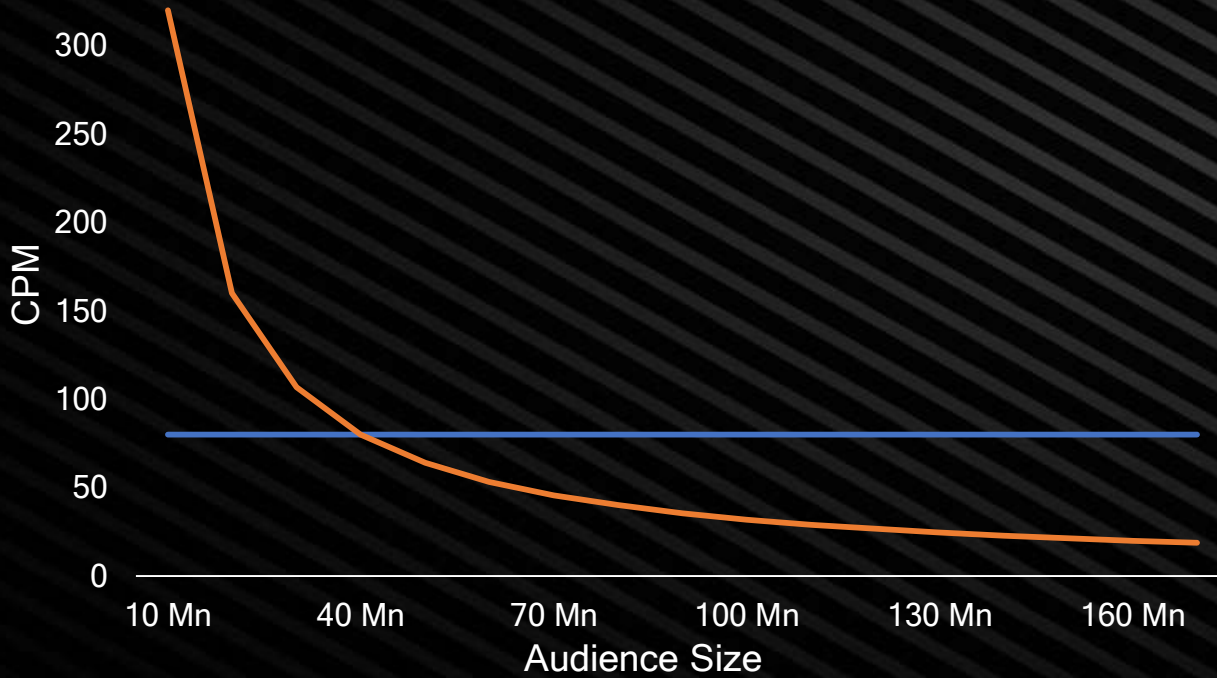


Lingering Impact  
of TV ads



# TV is bought on CPRP basis, TV CPM reduces with increasing TG size

CPM - TV vs Digital



— CPM Digital — CPM TV

Digital CPM - 80; CPRP of TV : 32,000

TG Size	Media Mix
Around 40 Mn	Digital is efficient
> 40 Mn	<p>TV for broad coverage</p> <p>Addressing high potential cohorts using targeting ability of Digital</p>

When  
The Size of  
Audience  
is Large



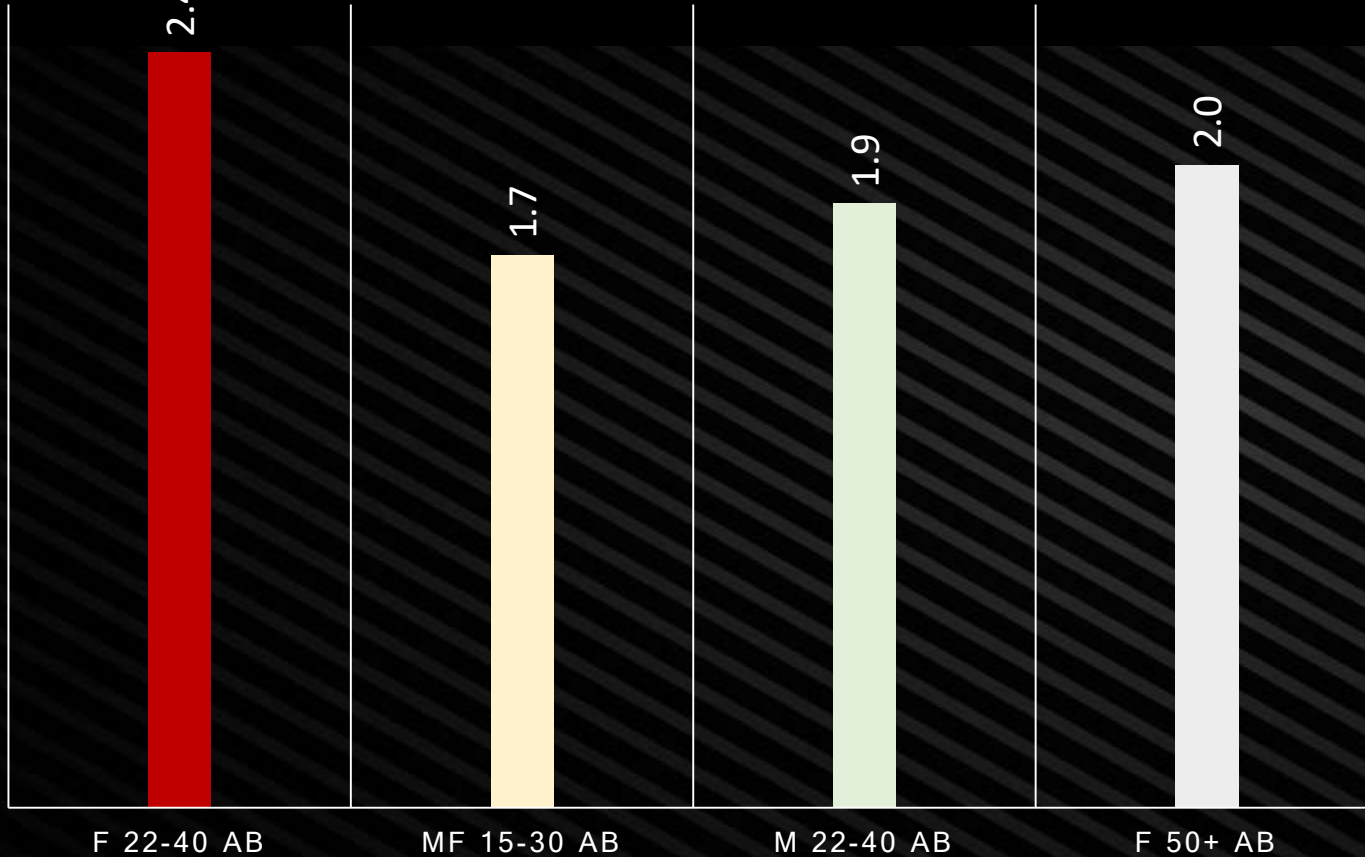
CURRENCY OF TV [CPRP] IS  
ADVANTAGEOUS TO  
ADVERTISER



CURRENCY OF DIGITAL IS  
ADVANTAGEOUS TO  
MEDIA OWNER

# TV delivers Spill Over Audience 'FREE'!

■ F 22-40 AB ■ MF 15-30 AB ■ M 22-40 AB ■ F 50+ AB



- No luxury of Spill Over in digital
- In digital, must be precise on source of business

**SPILL OVER**  
**Audience**  
**is an advantage**

F 22-40 AB

MF 15-30 AB

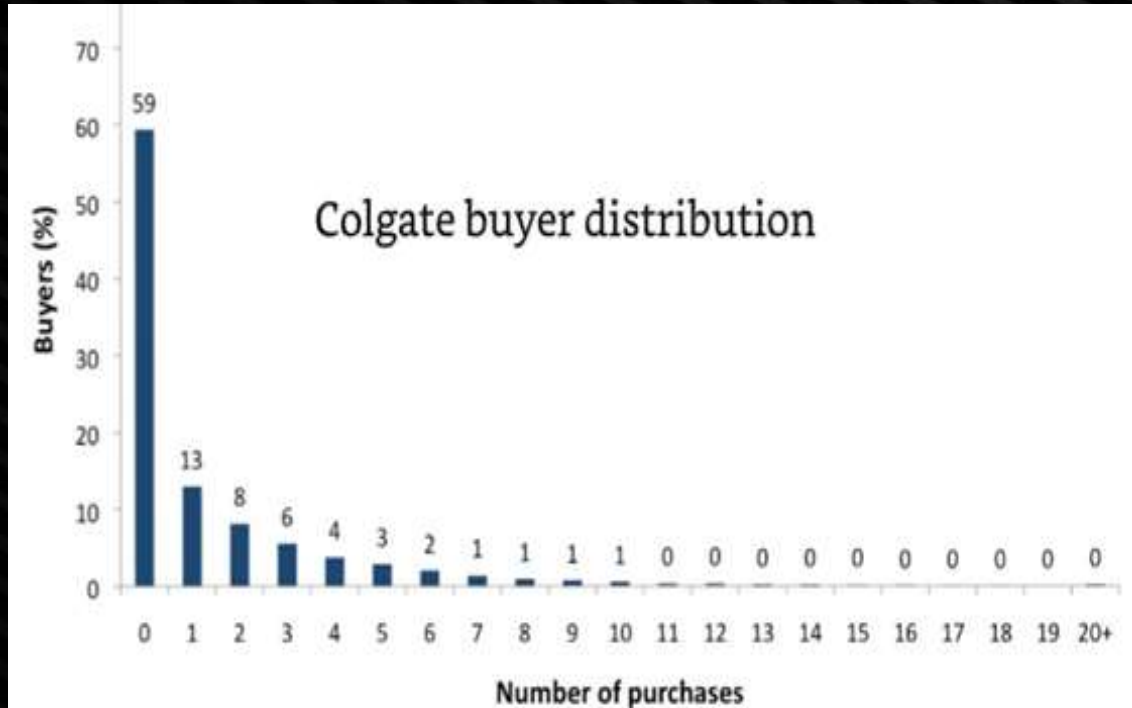
M 22-40 AB

F 50+ AB

Plan TG

Other Demographic groups also reached

# Spill Over Audience is Critical for Brand's Growth



Source: Byron Sharp

Byron Sharp showed

- Brands grow by addressing 'Infrequent & Non Users'
- Even for a highly penetrated brand,
  - Only 9% of buyers bought brand 5 times or more
  - Growth head room is in targeting 59% non users

**TV delivers broad audience enabling recruitment of 'infrequent users'**

# TV Advertising Builds Distribution - Parag Milkfoods Case Study

Our modern trade channel has witnessed strong 15% growth YOY

The General trade channel has grown by 38% YOY

Ghee distribution has grown by 37% YOY

Doubled our reach for cheese distribution



Source: Investor Presentation

# Why do we say TV is efficient & effective for large advertisers?

TV is  
*cheaper*  
when size of  
addressable  
market is large

TV delivers  
*'spill over'*  
audience that  
powers brand  
growth

TV is known  
to *drive*  
distribution

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TV Drives Attention



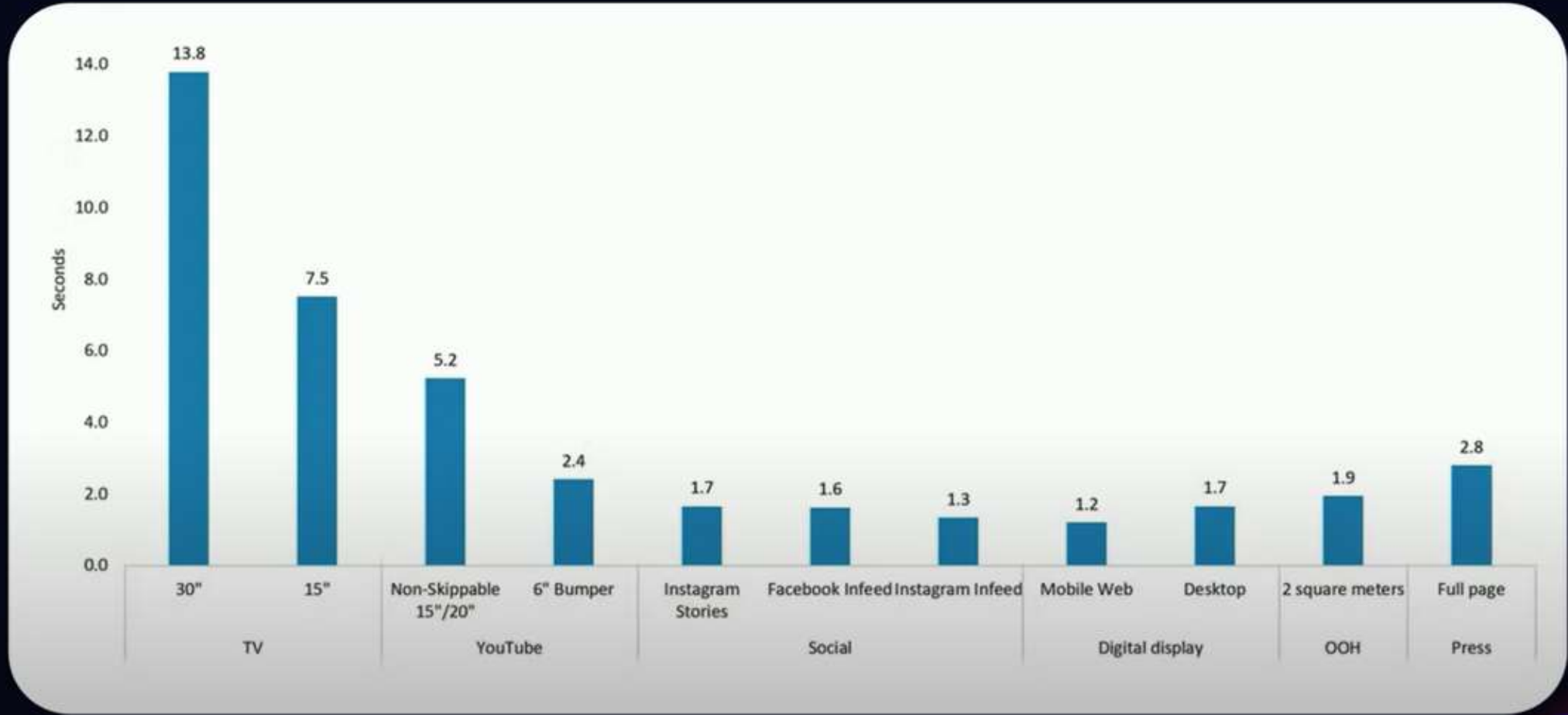
Lingering Impact  
of TV ads

## Average active attention seconds



### Prof Karen Nelson-Field

Globally renowned media science researcher and founder of Amplified Intelligence



# TV delivers HIGHEST Attention Seconds

Generalized Chart but in practice varies by Demo, Message & Geo



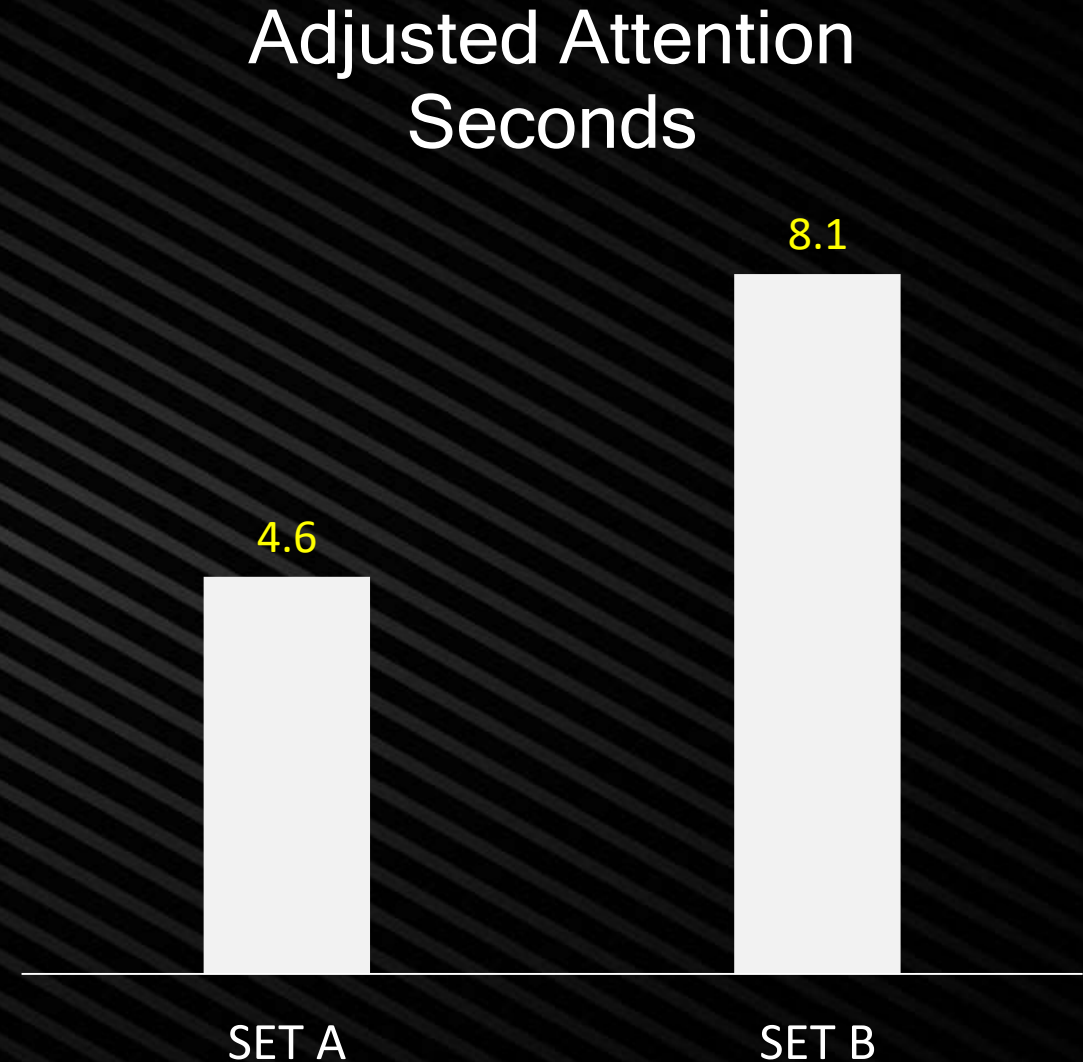


Does  
**Attention**  
Matter?

# Award Winning Media Research by Prof. Nelson

- Two sets of Campaigns were studied
  - Almost Equal Budget
  - Media Mix Varied resulting in different Adjusted Attention Seconds

*What were the outcomes of these two sets of campaigns?*

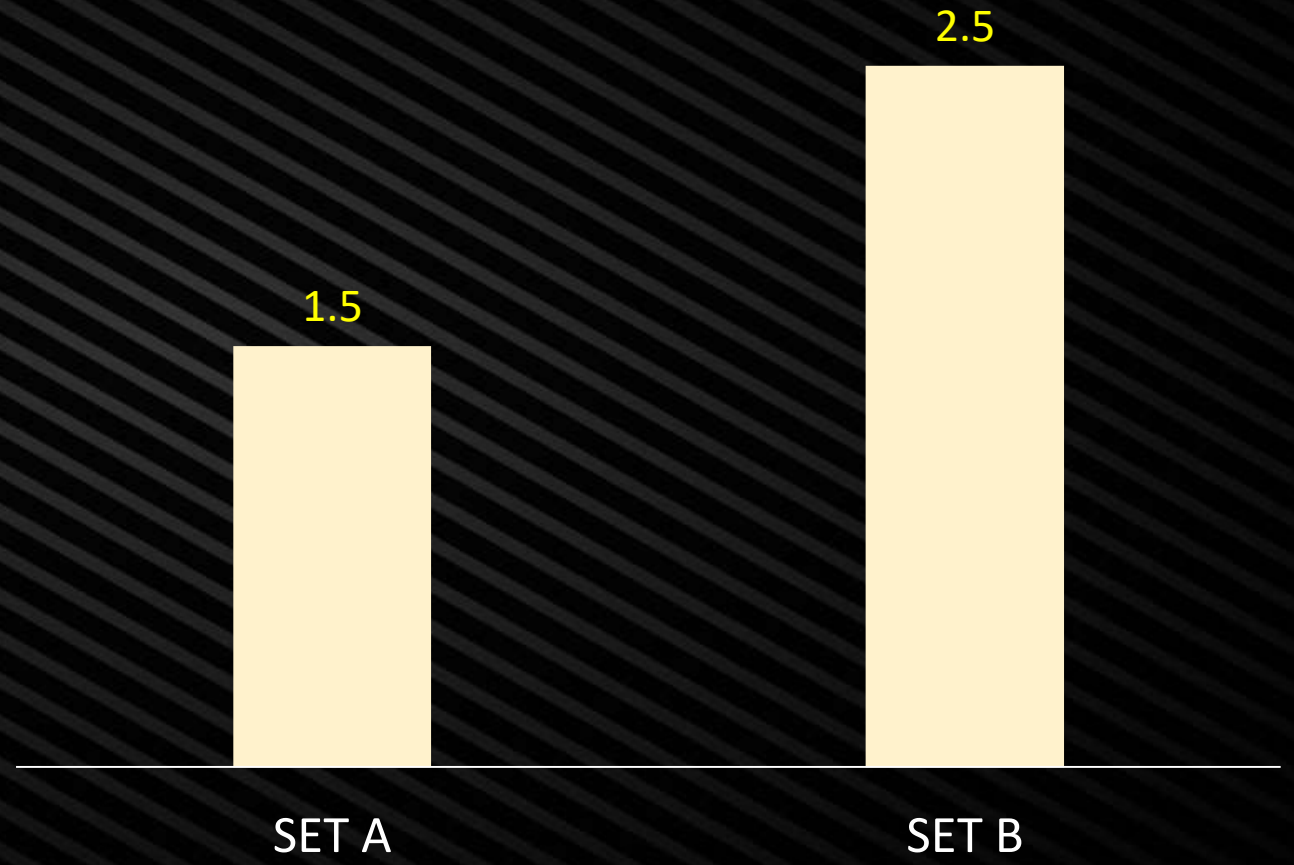


Finding from an  
Award Winning  
Media Research

65%

Increase in **Outcomes**  
in campaigns with  
Media Mix optimized for  
**HIGHER ATTENTION**

Average # of LARGE  
business effects [Sales/ M.S Gain etc]



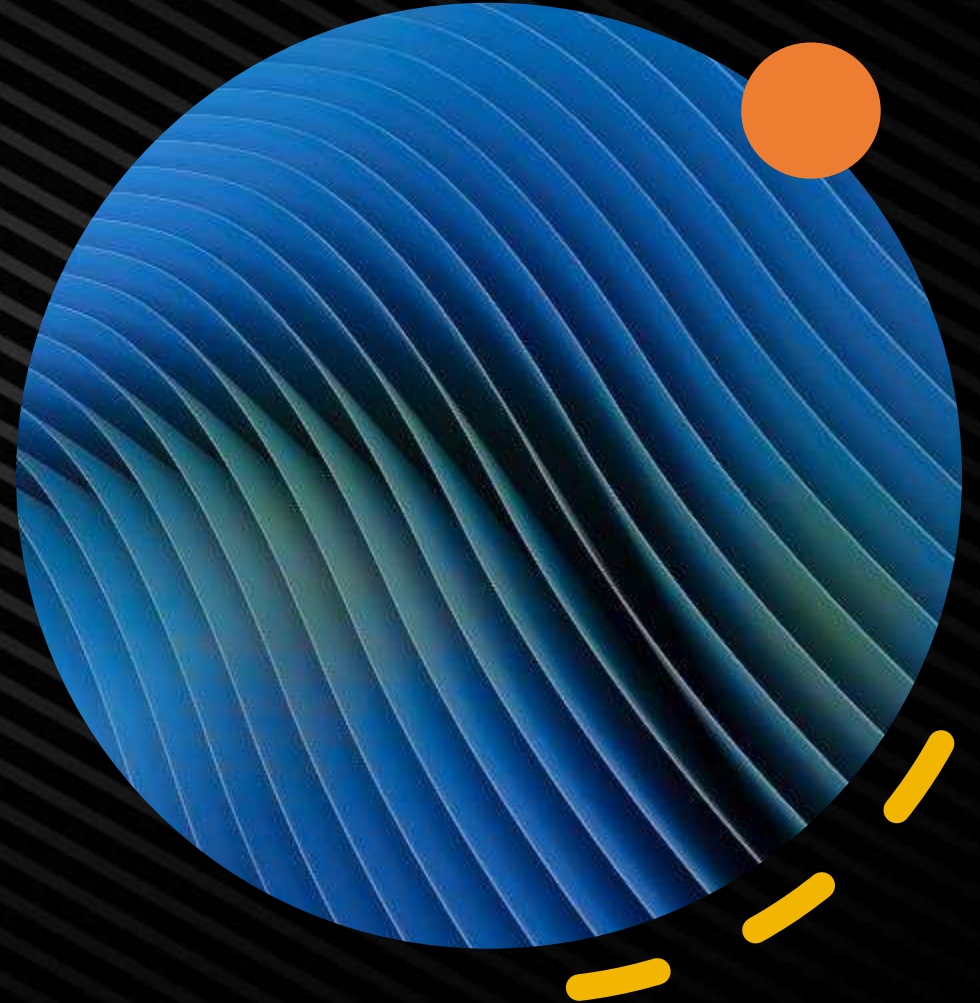
# TV is critical in 'Attention Economy'



Ability to drive  
attention at SCALE



Attention delivers  
OUTCOME



# 3 Reasons Why LARGE Advertisers Prefer TV



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TV Drives Attention



Lingering Impact  
of TV ads



TV ads tend to linger longer

# How is Lingering Effect Quantified?

- “Half Life”
- Marketing Mix Model experts unanimously agree that TV advertising on an average outbeats other media

They linger at least *3 times longer* than other media

# Rol is delivered only when ads linger

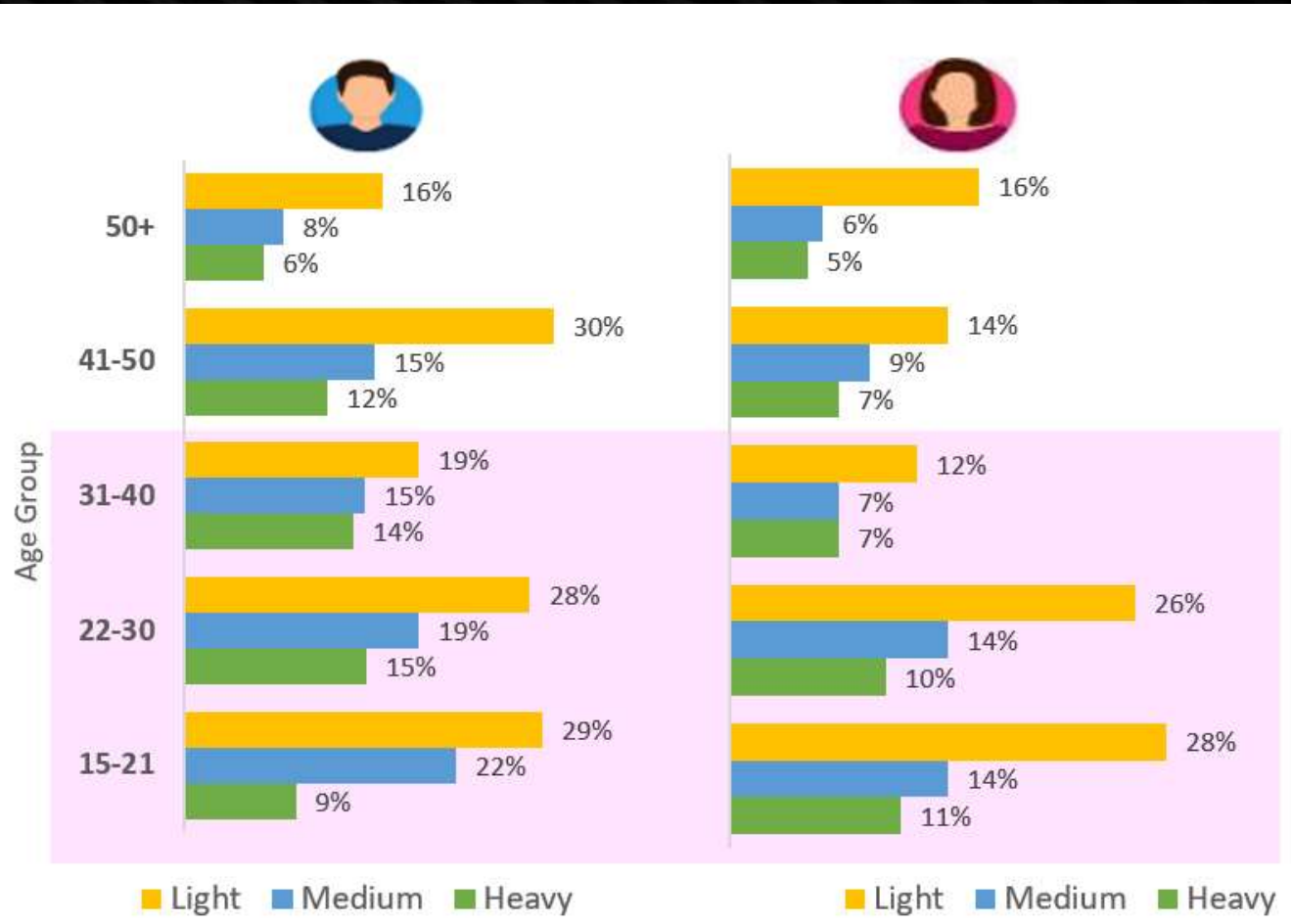
- Ads that linger helps increase the outcome even when there is no investment
- Very different from Performance marketing where Outcomes reverts to Zero when investments are stopped



A hand holding a remote control, overlaid with a blue tint and text. The text reads: "Harsh reality is TV viewership is indeed coming down".

Harsh reality is  
**TV viewership**  
is indeed  
**coming down**

Closer Examination Reveals Time Spent on TV is **REDUCING** esp amongst young & males



Numbers are % fall in Avg Time Spent between 2019 and Now (as determined by BARC SML analysis) – 2 Years like to like comparison

# TV Viewers Should be Decomposed into 3 Sets



**HEAVY VIEWERS**



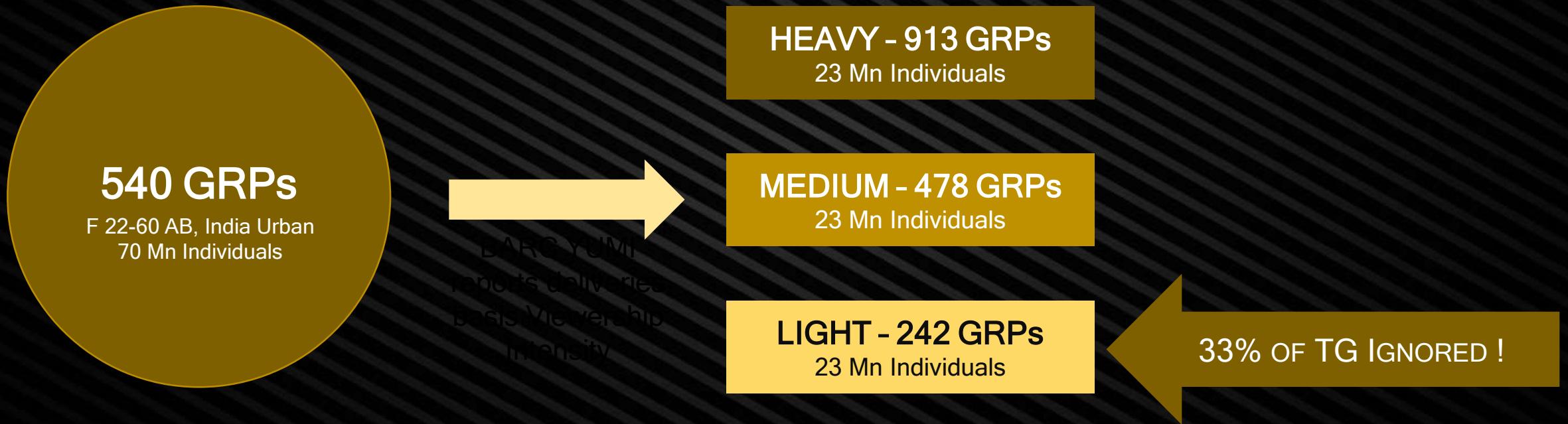
**MEDIUM VIEWERS**



**LIGHT VIEWERS**

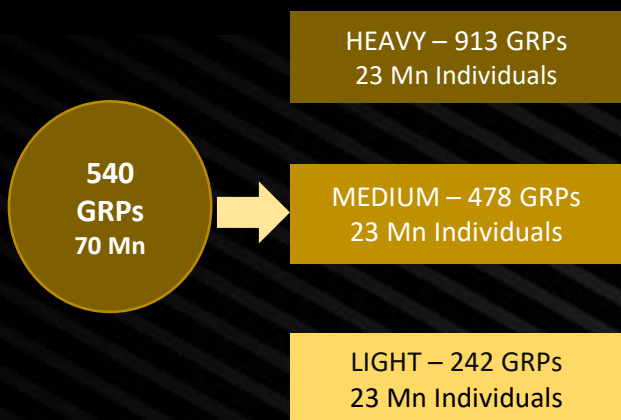
BARC YUMI System has capability to evaluate plans basis above three cohorts

# TV Campaigns are INCREASINGLY missing out on light TV viewers

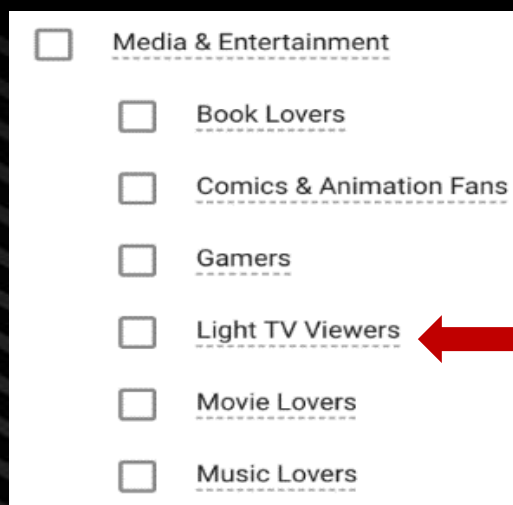


Each of Heavy, Medium & Light cohort constitute 23% of total TG

# Adding Incremental reach by targeting light TV viewers



Target HEAVY & MEDIUM viewers on TV



Supplement 'Light TV Viewers' on Digital Platforms [Youtube]

Need to reach Only 23 Mn Light Viewing Individuals makes digital efficient too



How are light viewers identified ?

Triangulation using machine learning

- People watching IPL on Android device
- Using maps in TV prime time
- Installing streaming Apps
- Watching full movies on Youtube
- *100 such signals*

# Why TV for Large Advertisers & those with 'large sized ambition'



Cheaper on CPM  
basis for large  
audience



Delivers spill over  
audience free



Known to drive  
distribution




Scores high on  
Attention



Attention Powers  
Outcome



High Lingering  
Effect amplifying  
RoI



However, the harsh reality is that  
**TV share of ADEX**  
is coming down



# WHY?



- A marketer's term in a company is shortening, so is that of CFO and CEO
- Everybody is in a hurry to show results
- Promoters today have to pander to the requirements of investing public and a large number to Private equity players
- Both of whom don't understand, What is a Brand, How to build it? And How to strengthen Brand Equity over time for sustainable profits
- TV is great at Building Brands, but takes TIME but benefits are huge in the long run
- Performance spends on Digital are great for short term results, but not sustainable in many cases in the long run