

## MYTHBUSTER

# Death of TV

Les Binet and Sarah Carter of DDB get a little bit angry at some of the nonsense they hear around them... like the death of TV advertising is nigh

If there's one thing most marketing folk seem to agree on, it's the death throes of 'traditional' TV advertising. Type 'TV advertising is dying' into Google and thousands of articles emerge, explaining why TV is doomed in today's digital world.

For a start, TV viewing is in terminal decline, isn't it? Families no longer sit glued to their box every night – instead, they entertain themselves with a growing list of glittering alternatives: DVDs, computer games, mobile phones, iPods, Facebook.

What's more, the dwindling pool of TV viewers is becoming more fragmented, as the number of channels increases. So the number of people reached by any given TV spot goes down and down each year. And, if TV advertising can no longer reach mass audiences, surely it loses its *raison d'être*?

And isn't it obvious that all of this is going to get worse? It's accepted wisdom that young people hardly watch TV at all now, and, anyway, the rise of Sky+ and other PVRs means that those who do watch teller will skip most of the ads. TV advertising looks doomed.

It's a simple argument and, like most simple arguments, it's completely wrong. Unfortunately for the doomsters, the facts point in completely the opposite direction.

Start with the assumption that TV viewing is in decline – hardly ever questioned, but totally lacking in evidence. Total TV viewing is actually rising in most countries, including some of the most technologically sophisticated consumers in the world – with total US TV

viewing increasing 16% over the past 10 years.

Why has this trend largely gone unnoticed? Because while total TV viewing has been rising, pundits have focused instead on ratings for individual channels and programmes – both falling as the number of channels mushroomed.

On to the doomsters' second big assumption – audience fragmentation is a 'bad thing for TV advertisers'. The argument here is that, because each TV spot reaches fewer people, TV advertising no longer reaches mass audiences. But this argument ignores price. With the explosion of TV channels, spot prices have plunged, increasing the number of people any given TV budget reaches. Yes, more spots are required, but TV ads still reach people en masse, and it is increasingly cheap to do so.

In fact, channel fragmentation helps TV advertisers in two ways. First, more competition drives down the costs of reaching people with TV. Second, a wider range of content enables tighter targeting. So TV becomes increasingly efficient at reaching people.

This helps to explain another inconvenient truth. Most marketers assume TV is becoming less effective, yet the numbers stubbornly disagree. Great TV campaigns still generate high levels of awareness, still get talked about by the public, and still yield big financial paybacks. The Institute of Practitioners in Advertising (IPA) dataBank figures suggest that sales effects of TV advertising are getting bigger, not smaller.

But what about the future? If young people are turning away from TV, surely things look bleak? Again, no. Teenagers do watch a bit less TV than adults, but they always have,

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because they go out more. When they are at home, TV dominates their leisure time. In fact, TV viewing among young people is rising, just as it is for the population as a whole.

Okay, but what about PVRs? If people are skipping ad breaks, why should advertisers bother with TV? This sounds like a killer argument, until you look at the facts. PVRs do increase ad avoidance a bit, but the effect is much smaller than initially feared. And people with PVRs end up watching a lot more TV, offsetting the effects of ad skipping. So PVRs may end up increasing the reach of TV advertising.

In 2004, one agency chief said that “in 10 years’ time, there won’t be any such thing as TV advertising”. Six years on, that prediction is looking shaky. If anything, the digital revolution has made TV advertising even sharper and more efficient.

Yes, TV advertising will continue to change, but anyone betting on its imminent death needs to take a long, cool look at the facts.