TV ads give best results: study

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LONDON: Television advertising offers a greater return on investment than the radio, press, online display and out-of-home equivalents, a new UK study has found.

Thinkbox, the trade body, worked with Ebiquity, the research firm, to assess 3,000 ad campaigns across nine industry sectors that were run between 2006 and 2011, primarily using econometric analysis.

On average, TV ads were found to deliver a return on investment of £1.70 for every £1 spent, a total rising by 22% in five years, as the sales increase per exposure remained constant while media rates fell.

Moreover, the typical payback provided by television came in ahead of radio on £1.48, press on £1.40, static online display's £1.06 and outdoor's £0.45.

According to the analysis, press ads also delivered just 37% of the sales uplift generally supplied by television, an amount that reached 19% for radio, 15% for static internet display and 9% for outdoor.

Indeed, the research discovered that 71% of all sales attributable to advertising resulted from TV commercials, even though this channel only receives 55% of media budgets.

More broadly, television can boast of a wider "halo" effect. For example, 38% of the impact enjoyed by TV spots takes the form of boosting the sales of other products within the portfolio of the brand being advertised.

Equally, when campaigns ran on television and radio, ads on the latter medium saw their effectiveness rise by up to 100%, a figure standing at 35% for branded online search.

"TV is weathering a perfect storm of economic downturn and increased competition from emerging media," said Andrew Challier, effectiveness practice leader at Ebiquity.

"Its unrivalled effect on sales and profit and its profound influence on other media make TV advertising both the most effective form of advertising and a powerful ally to other media and marketing mechanics, both on and offline."

Data sourced from Thinbox; additional content by Warc staff