
MediaCom Study: TV Response Report

Introduction

Thinkbox recently commissioned global media agency MediaCom to explore the role of TV in generating short-term response, particularly online.

The UK study sought to ultimately define television's short-term impact on ROI (return on investment).

The groundbreaking study reveals that the role of TV in driving a response, particularly online, has been massively undervalued.

TV's long-term impact well-established

Television's ability to drive a return on investment in the long-term is well-established.

A recent study conducted by PricewaterhouseCoopers found television pays back over 4.5 times its advertising investment in increased sales revenue - significantly more than any other medium.

What's more, TV still affected sales the year after campaign activity - almost as strongly as it did in the first year of investment.

Short-term impact not well-understood

Television is all too often seen as being less accountable, despite a barrage of evidence to the contrary. It is no less accountable but in the new media environment is more complex!

Some believe television is less effective because it delivers lower response rates via the dedicated telephone channel to their DRTV (direct response TV) campaigns.

Offline channels driving online response

Superficial response analysis suggested, in terms of cost per customer acquisition, DRTV was among the most expensive media channels.

However, further analysis found that offline channels – particularly TV – were actually driving consumers online ... and online was being credited with driving the final response!

TV can be as cheap as online

Applying detailed econometric analysis, MediaCom found the relative cost of DRTV fell dramatically.

In some cases, DRTV was as cheap as or cheaper than online in terms of true cost per customer acquisition.

TV drives a third of all ad-driven sales

MediaCom's analysis showed television typically accounts for one third of advertising-driven sales (depending on sector, brand and levels of investment), despite TV spend accounting for less than this.

But what about the immediate effect of TV advertising on web activity?

TV drives half ad-driven web responses

In this study, a total of 175,000 TV spots for seven brands across six categories (including finance, automotive, travel, charity and telecoms) were linked to initial web activity within ten minutes of the ad being broadcast.

46 per cent of total web responses were campaign-driven, with the remaining 54 per cent attributable to underlying base factors including brand equity and customer habits.

TV drove nearly half of all campaign-driven web responses ... marginally less than all other media *combined*.

In summary

TV's impact on direct response channels has, until now, slipped under the radar.

MediaCom's detailed analysis proves the crucial role of television in driving short-term responses both online and via telephone.

In fact, television drives almost half of all advertising-driven web responses.

For a copy of the report visit Thinkbox UK at <http://www.thinkbox.tv>