

Why TV Advertising?



David Gent, MD of specialist TV agency David Gent Creative, offers some straightforward answers to frequently asked questions about television advertising.

As an agency, DGC has plenty of experience working successfully with first-time TV advertisers (even advertisers who tried TV before and thought it wouldn't work), helping them to increase sales, enquiries and customer traffic, building some into major TV brands. Because we work with entrepreneurial people, often with initially modest budgets, who really need their foray into TV marketing to work (covering the investment and justifying to colleagues), we appreciate how difficult and brave it can be to take the first step. So for those of you contemplating TV marketing, I've put together some FAQs and answers you may find useful in your deliberations. Of course, if you have any other TV-related questions (about advertising, not how to get on Pop Idol), you can always email me at david@davidgent.com and I'll endeavour to give honest answers.



Does TV advertising work?

For many consumer goods and services, even a lot of business-oriented brands, TV does work, by increasing sales, generating customer traffic, boosting enrolment numbers, getting telephones ringing or whatever. A recent study indicated an almost five per cent uplift in sales over the first 28 days of TV advertising, with an ongoing effect for some time after. DRTV advertising of financial, insurance and personal injury services depends on virtually every spot working, with the costs per response analysed minutely. Compared to other media, 43% of all adults say they are most likely to respond to TV advertising, as against 13% for press and radio. Of course, it would be easier if advertisers divulged their results, but this is market sensitive information. In the public sector, colleges, tourist offices, city centres and leisure attractions used to share market intelligence, although as competition for numbers increases, there is even a reluctance here too. Suffice to say, virtually all big brands have been built on TV.

What does a TV campaign cost?

We're often asked this question by Media Studies students working on college projects, but there really is no simple answer. It depends where you advertise (network, regional, macro, satellite), the audience you target (ABCI, Housewives, Men...), the daypart, number of ratings, commercial length and other factors. Also because there's a fixed amount of commercials screened, the price of TV airtime is subject to supply and demand, with spots costing more at popular times like Bank Holidays or the build-up to Christmas. Nevertheless, it would be possible to fund a modest satellite or micro ITV region campaign for a low 5-figure budget, a seasonal burst or test campaign for mid-to-high 5-figure spends, or an annual programme from 6 figures upwards, depending on platform. Big fmcg brands and DRTV advertisers often spend millions, justifying this against carefully calculated formulae of cost per converted sale or telephone enquiry. Sometimes regional budgets are quoted as 'national equivalent', which expresses what the spend would be if repeated across the entire ITV network, simply because it sounds more impressive.



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How do we cope with the response?

This is often the follow-up to the above, suggesting the questioner appreciates TV will work and is concerned it might work too well. So gearing up for the anticipated response is an important corollary of any TV activity. In a sales scenario, it means strengthening the distribution chain, alerting stockists in anticipation of extra demand and negotiating with multiples for improved listings and shelf space. For direct response type campaigns, it may entail installing extra phone lines, arranging a freephone number, training staff to handle calls or perhaps using a specialist call centre, to provide an overflow/out-of-hours facility or undertake the whole data capture process (remember, if you're running peak time or late night advertising, consumers will often make the call there and then). Elsewhere, it means gearing up the complete 'supply chain', by involving production managers, department heads, HR people, staff and other stakeholders. Your website provides another channel of communication, providing the url is included in the commercial, and some level of interactive online functionality should really be incorporated to help manage response.





Why is TV advertising so effective?

Over 90% of consumers turn to commercial TV every week, far more than any other medium, and the average adult spends 26 hours each week watching TV. Just 0.5% of us never watch TV (compared to 44% who never listen to commercial radio and 76% who never read regional papers) and for the majority it's the most talked about daily topic. It's a powerful medium, because (good and some bad) commercials capture the attention of the audience and communicate in a quick, impactful and often entertaining style. TV is creative, full colour and fun, it intrudes directly into the living room and studies suggest that receiving visual and aural input together is the best way to recall messages. ITV and other channels restrict advertising to an average seven minutes in any one hour, ensuring advertisers compete with relatively few others for the attention of viewers, while 'no clash' policies mean not appearing in the same break as direct competitors. Besides, TV has a certain cachet, it says 'you've arrived'.



What's the role of an agency?

Because TV is such a fluid and complex medium, with programming, ratings and prices changing all the time, you need specialists to plan the campaign against a target audience, negotiate with contractors, monitor ratings delivery and help analyse the results. That's the role of an agency, but not just any agency, a TV Eye recognised one. TV Eye is the official agency accreditation body and recognition is a complex, ongoing procedure involving financial checks, strict payment terms, assurances of forward bookings and directors' guarantees. Recognised agencies, like ourselves, receive a standard commission from the TV contractors, which is not available to the advertiser, so our media buying service is effectively free. I know other agencies do things differently, but we at David Gent Creative also include scriptwriting, arranging BACC clearances, selecting the production studio and even attending the shoot and edit, as part of that service. It means channelling maximum value and expertise into the campaign, to ensure successful outcomes for the advertiser, repeat TV activity and extra commission-earning opportunities for us.



Why shouldn't I deal direct?

Unlike other advertising rep's, who are usually regarded with scepticism, TV sales people are often treated unquestioningly, as if they've just finished presenting the local news and popped round to chat about airtime. But TV contractors are selling organisations and can be as single-minded in pursuit of your business as any other. With an agency, you have someone in your camp, who negotiates on your behalf, has an informed, independent perspective on the airtime offering and can introduce efficiencies through audience targeting and programming selection, all for no extra cost. In any event, contractors will usually prefer that you deal through an approved agency, with typically only local packages handled direct. Even here there are potential pitfalls (some terms & conditions actually reserve the right 'to omit part or all of the package') and TV sales departments don't have the resources to look after script writing, BACC clearances and other important pre-and post-production functions. So why not use an agency, if it adds value and safeguards your interests.

How do I reach the right audience

TV has the best methods for measuring audience demographics, tracking the age, sex, status and interests of viewers watching specific programmes. This allows you, or rather your agency, to target specific audiences for your campaign, whether it's young housewives, upmarket adults or whoever. Your agency will look at back data for TV channels and programming, then develop a buying strategy for reaching the target audience in the cheapest manner possible. This can be achieved by selecting programming and dayparts that best fit the profile, possibly buying on a small satellite channel which attracts that particular profile or by targeting those with the chosen demographics in mainstream programming (you only pay for the audience you want). In addition to audience selection, there is also geographical targeting to suit your outlet or distribution area or chosen test market. That means using ITV regions, even smaller micro areas, or Channel 4 / 5 / GMTV macro regions, covering 'The North', 'Midlands' and so on. If you need nationwide coverage and a UK-wide terrestrial campaign is too rich for your budget, then there's a whole mix of satellite channels.





What's so important about ratings?

Television ratings, TVRs or just ratings are the common currency of the TV industry. They're what advertisers buy, TV companies sell and how audiences are measured. TVRs represent the percentage of the target audience who actually watched the programme. So if Corrie scores 30 TVRs for Housewives, that means 30% of that demographic watched the show. In commercial breaks, each minute also has a TVR value calculated, from which we can check ratings delivered and the cost per thousand viewers. However 100 TVRs doesn't mean that everyone in that demographic sees your commercial, just that some viewed it more than once. TV buying professionals determine the success of a campaign, by calculating how many see it at least once (coverage) and how many view it the benchmark 4+ times (frequency), and we buy ratings to achieve those magic figures. We then monitor live figures to verify that actual TVRs match predicted TVRs. Typically, predicted ratings are slightly inflated and if they do go down, then the advertiser would lose out on airtime value and it's our job to ensure they don't.



What does a commercial cost?

TV advertising budgets are divided between airtime (the price paid to the contractor) and production of the commercial. As a general rule of thumb, production should account for 10-20% of the airtime spend, more at the low end of the scale and perhaps less at the high end, although different copy forms to vary the message then come into play. With our main base in the north, we're fortunate in having access to creative and cost-effective studios, who can produce sophisticated live action and computer generated commercials at affordable cost (less than £10k is a realistic start point). Using celebrity artists and voice overs adds substantially to the cost, although there are plenty of talented professional artists available for modest fees. You and your staff could appear in the commercial (it adds realism and saves on extras), but I wouldn't recommend it for presenting or acting roles. A hit sound track adds impact but is certain to be expensive, so you are better off using license-paid music or specially-written compositions that project a similar sound.



Are there any production guidelines?

Airtime costs are always based on a 30 second commercial and this format is ideal for most messages. Shorter time lengths (10", 20") are disproportionately more expensive in airtime terms, but can be useful for sales and reminders, whilst 40" plus commercials suit more complex propositions. Visually, you can feature a lot in 30", using split screens, overlaid images, computer graphics and other effects, but the script might appear rather sparse, as it needs to be a reasonably-paced read for the V/O artist (actually in 29 seconds). An experienced scriptwriter will also omit the superlatives, comparisons and other extravagant claims an advertiser might wish to include. That's because all scripts (and later VTRs) have to be approved by the BACC, which imposes strict conditions on what can be said and portrayed, to ensure advertising is 'consistently honest and truthful'. There are restrictions on portrayals of products and services, testimonials, endorsements, even performers and on-screen graphics, although your agency will guide you through. Then it is just a matter of getting your digibeta tape to the transmission suite, so the commercial's aired.

How can TV help my marketing?

Over the years, TV has been the most effective tool for increasing our clients' sales, response levels and bottom line. People notice TV and they respond to the commercials. Because the TV industry uses sophisticated audience research to measure minute-by-minute viewing, it's a uniquely accountable medium, so you only pay for the people who watched your commercial. Thanks to regional broadcasting and the wealth of digital TV channels, it's a highly flexible medium, which allows you to reach specific demographic audiences and niche markets. The diverse and competitive nature of the TV marketplace also means it's accessible to ever smaller advertisers. TV advertising works because it's seen to be honest and consumers believe it to be the most effective medium. Can I guarantee it? Given other factors like the offering itself, price structure, the weather, market swings and outside influences (9/11, Iraq), not in every instance. Do I recommend it? Unhesitatingly yes, with the proviso that it's a surprisingly complex area and you'll need specialist help (like us).

David Gent Creative is based in Lancashire and Essex and is a TV Eye recognised agency. David Gent can be contacted on 01706 220388, by email at david@davidgent.com or by visiting www.davidgentcreative.com

