Current Issues in TV Advertising

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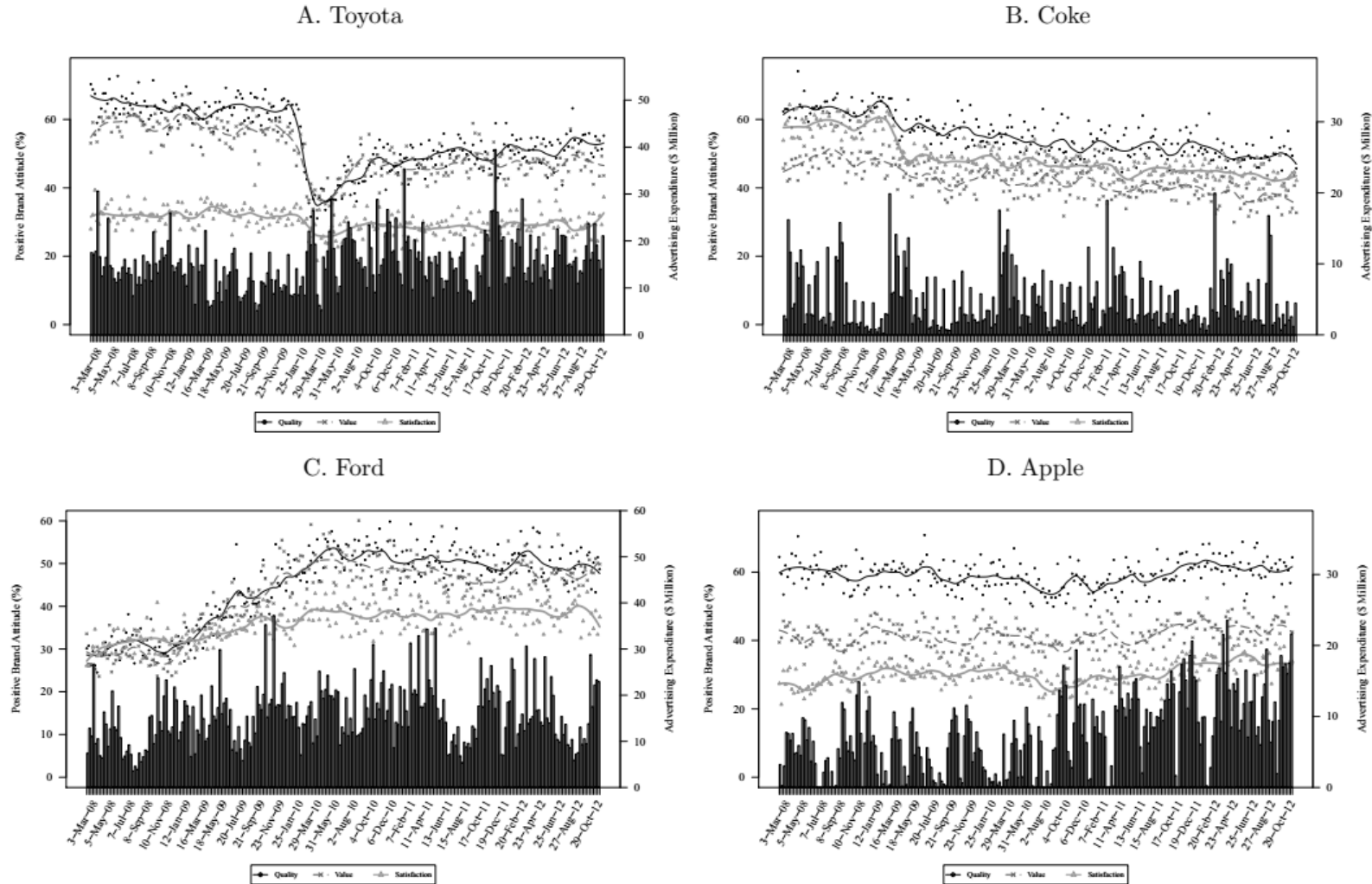
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Figure 4: Weekly Brand Attitudes and Ad Expenditures of Selected Brands

A. Toyota

B. Coke

C. Ford

D. Apple

From a scientific perspective, brand advertising is like nutrition. Statistical power limits what individuals can learn.

Source: Du, Joo and Wilbur (2019), *Quantitative Marketing and Economics*, forthcoming

Figure C1: DFS TV Ads and Search Spikes during Sept. 10, 2015, 9:01-9:59 P.M. E.S.T.
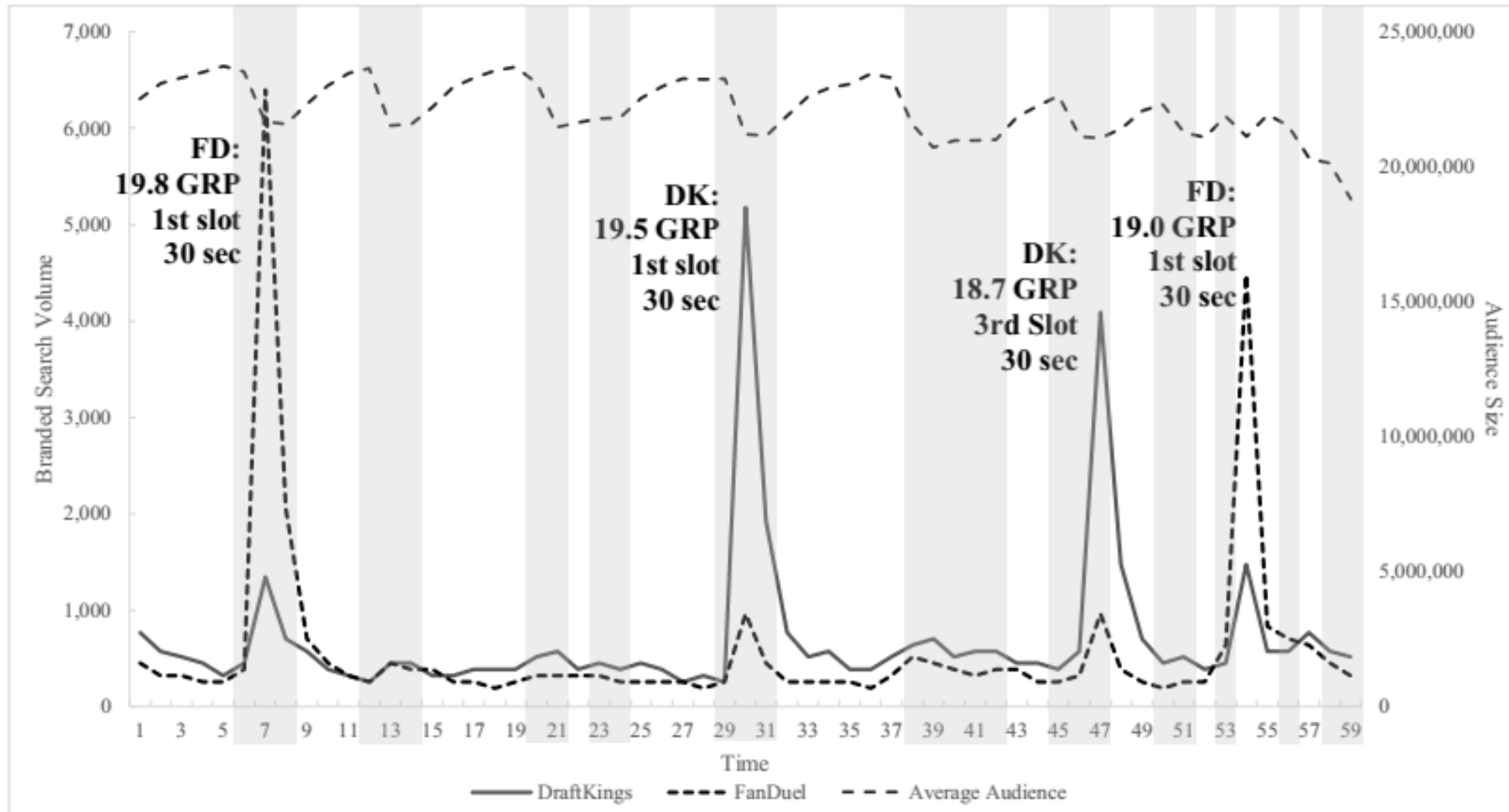
Search data calculated by merging minute-level Google Trends reports with Keyword Planner volume estimates

Source: Du, Xu and Wilbur (2019), *Journal of Marketing*, forthcoming

VIEWER_1

LEFT EYE OPEN	NO
RIGHT EYE OPEN	NO
SMILING	NO
ENGAGED	NO
IN ROOM	YES
HOUSEHOLD	1468

VIEWER_2

LEFT EYE OPEN	YES
RIGHT EYE OPEN	YES
SMILING	NO
ENGAGED	YES
IN ROOM	YES
HOUSEHOLD	1468

VIEWER_3

LEFT EYE OPEN	NO
RIGHT EYE OPEN	NO
SMILING	NO
ENGAGED	NO
IN ROOM	YES
HOUSEHOLD	1468

T VISION
INSIGHTS

Averages are taken from 22 million exposures of ~2k viewers to ~24k ads, collected by Tvision Insights

Source: McGranaghan, Liaukonyte and Wilbur (2019), *work in progress*
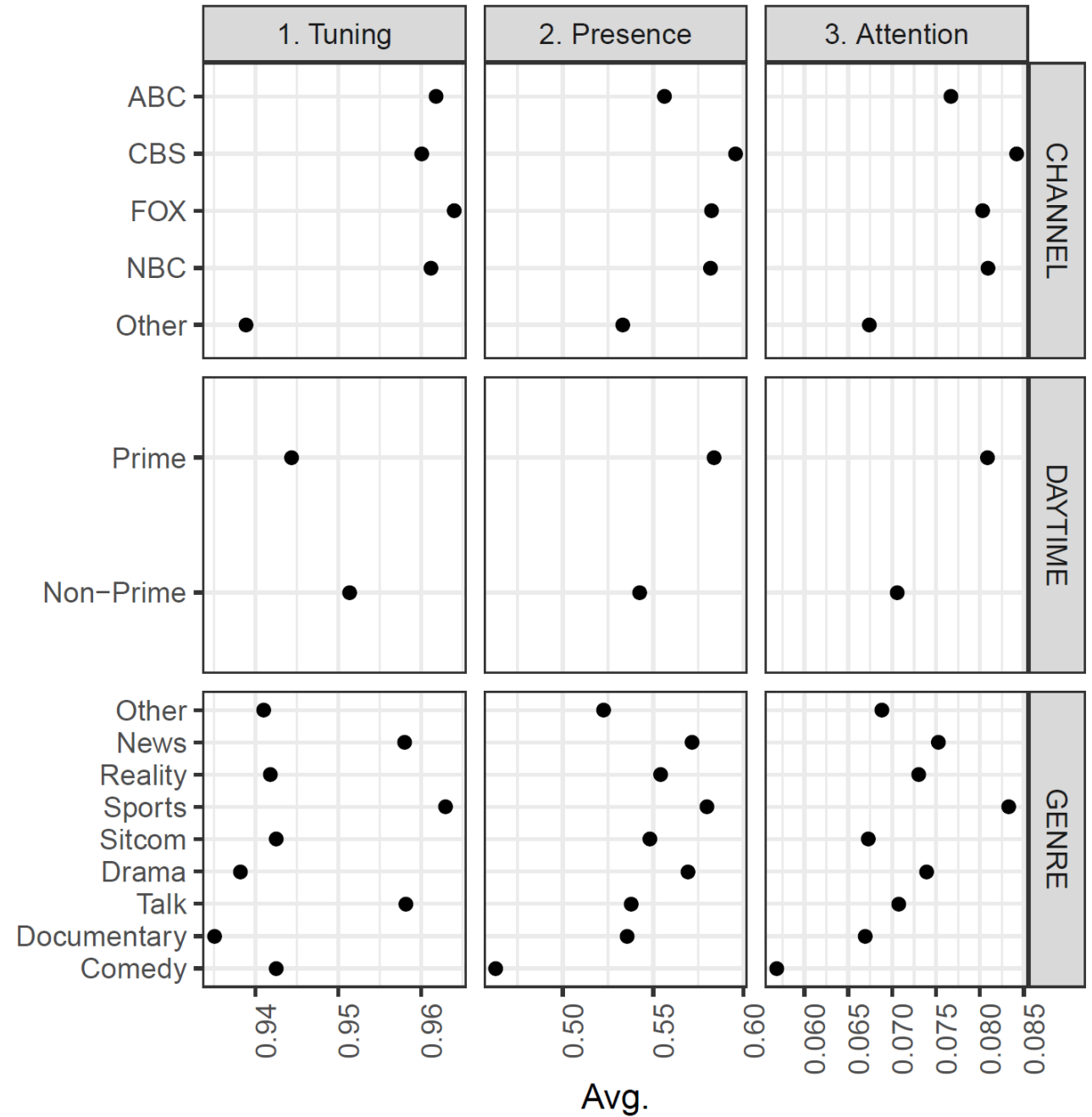
How much do TV ad markets overlap?

Top 1,000 advertisers accounted for $64.8B, 84% of all measured TV spend

Table shows the % of top 1,000 TV advertisers who spent at least 5% of their ad budget on {row} *and* at least 5% on {column} in 2018

	National Cable TV Networks	National Broadcast TV Networks	Spanish Language TV	Local Broadcast TV Stations	Syndicated TV Programs
National Cable TV Networks	86%				
National Broadcast TV Networks	69%	72%			
Spanish Language TV	23%	19%	24%		
Local Broadcast TV Stations	23%	17%	6%	34%	
Syndicated TV Programs	35%	30%	11%	8%	35%

Source: ad hoc analysis of Kantar Stradegy data by Kenneth Wilbur (2019)

Overlooked advantages

Linear TV	**Digital Video Ads**
• Quasi-neutral 3rd parties {Nielsen, comScore, others} estimate audience sizes	• Ad sellers measure ad impressions and manage invalid traffic, clicks and conversions
• Most ads are viewable	• "Viewability" : 50% of the ad pixels played for 2+ seconds
• Programming is generally "safe" for brands	• Ads often appear in inappropriate contexts
• Ad avoidance requires viewer activity	• Ad blockers enable passive ad avoidance

But, TV is less targeted; individual-level conversions are difficult to attribute; audience measures are subject to error and difficult to forecast