MDI ALERT

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DO ATTENTIVENESS-BASED CPMs CHANGE THE GAME FOR SOCIAL MEDIA?

Media planners and buyers usually start their considerations by asking what the "audience" is and how much it costs to buy ad time or space. Given such information, they calculate the CPM and compare it with norms for their other media buys, or in general. Obviously, many other factors are at play, but there is a fixation with CPMs—or "cost efficiency"—that has led many to extend this concept to attentiveness.

Any rational observer will agree that it's better to try to estimate how many consumers will actually see, read or hear your ad message, as opposed to using the heavily inflated "audience" surveys that have been used for so long to determine media CPMs. For example, it's well known that only 40-50% of those counted as TV commercial "viewers" will remain present and look at the screen for at least a few seconds when a particular ad message airs. Moreover, such commercial viewers look at the screen for only about half of the commercial's content. So, if we were to regard visual attentiveness as a far better metric for calculating CPMs than people who might have been watching the TV show five minutes prior to the break but aren't necessarily watching the average TV commercial in the break, this works out to about 9-10 seconds of attentive time per ad message for those who watch any part of it including commercial avoiders, this comes out to roughly 5 seconds for the total "audience."

Such information is available—or can be reasonably estimated—for many TV platforms, including broadcast TV network shows, cable and syndicated fare, streaming content and even cinema commercials. And now we are getting similar findings for digital videos.

So, let's take all forms of "TV," including video, and compare them two ways: first, based entirely on ad spend, which gives a close approximation of how they perform in terms of "raw" or unadjusted "audience," and second, based on attentive time spent with the ads. The accompanying table compares the various platforms based on their share of total TV/Video ad spend, which worked out to be about $128 billion in 2024. Then we applied our own estimates of actual ad exposure coupled with dwell time to recalculate their share of total attentive seconds. We used this approach because the platforms differ considerably in the average length of their commercials. So, to get around the problem of comparability, we used ad spend—regardless of ad length—as our base for "raw" audience.

As can be seen, factoring in ad exposure and dwell time (based of eyes-on-screen attentiveness) causes a major shift in the findings. This is pretty devastating for social media as observational studies have found that their ads are often scrolled by, and very little time is devoted to them. To illustrate, the five broadcast TV networks garnered about $14 billion in ad revenues in 2024, which represented only 10.9% of all TV/video ad spending, including national and local buys. However, once attracted to a commercial, their ad viewers devoted much more dwell time than the average social video ad, based on eyes-on-screen measurements. Therefore, even though the social media video ad spend far surpassed the broadcast TV networks—by $23 billion to $14 billion, or 18% versus 11% of total ad spend—the broadcast TV networks attained a much higher share of attentive ad impressions (14.5% versus 6.7%). The third column in the table shows this difference on an index basis. Where the broadcast TV networks' share of attentive ad viewing time exceeded its share of ad dollars by 33% (133 index), the corresponding index for social media was 38. Putting it another way, an average broadcast TV network advertiser got 3.5 times more "value" per dollar spent than one using social media video ads.

As is also evident in our table, even though traditional TV and streaming come out quite favorably, there are notable variations. For example, national cable and spot cable do not perform as well as broadcast TV, while the comparisons for cinema advertising are the most positive. The national cable situation is a result of its heavy ad clutter and the use of many reruns, while spot cable suffers because its commercials appear in special out-of-program breaks which deliver lower attentiveness yields. In contrast, cinema advertising features very high attentiveness levels (85%+ per ad) and longer dwell time. So, despite its high CPMs, it generates far more than its share of ad dollars when attentiveness time is the criterion for comparisons.

SHARE OF TV/VIDEO AD DOLLARS AND AD ATTENTION TIME
2024

	Ad Spend	Attentive Time	Index
Broadcast TV Networks	10.9%	14.5%	133
Nat'l. Syndication	1.8	2.3	128
TV Station Spot Sales	13.2	15.8	120
Nat'l. Cable	17.5	20.9	119
Spot Cable	4.7	4.7	100
Streaming	21.0	25.1	120
Cinema Ads	.9	3.7	411
Social Media Video	17.8	6.7	38
Other Digital Video	12.4	6.3	56

Source: Media Dynamics, Inc.

Does this type of analysis preclude social media video advertising from consideration?

Not necessarily. First and foremost is the targeting—or demographic—factor. The main reason why traditional TV does so well in these types of comparisons is its predominantly older audience. Older viewers are far more likely to be attentive to TV commercials than younger ones, so if we redid this analysis based on age, the gap shown in our table favoring "TV" over social media would shrink dramatically. Second, averages can be misleading. Social media ad sellers offer many kinds of placements and many contexts, as well as the ability to target unique mindsets. It is not a given that attentiveness for all of these situations is as low as the averages may suggest. Third, not all TV or video commercials have the same purpose. It is not unusual for a brand to use TV :30s to make its basic positioning pitch, especially if it's a fairly complicated one, then use shorter messages as a reminder for consumers who have also seen the longer ads. And brands often do this kind of reminding on social media. Fourth is the timing aspect. A social media advertiser can run ads with day by day or even tighter precision, which is not so easy to do with traditional TV. Also, many brands have little of substance to say about themselves, so their primary objective is to maximize brand awareness, which again may be a strong suit for social media. Finally, there is the matter of ad budget size. Raw CPMs for social media videos are less than half those of traditional TV, in part because shorter messages are the social media norm. Many advertisers with spending constraints may find that social media—as well as other digital video platforms—can fulfill their needs especially in the early stages of their brand launches.

Put all of these considerations together, plus the fact that a large part of the younger audience doesn't watch traditional TV over the course of a week or month, and it is not advisable to base a "go or no go" decision about social media—or any medium—primarily on CPM calculations, even more realistic audience projections such as ad attentiveness and dwell time are applied.

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