

MDI ALERT

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WHAT WE KNOW ABOUT HOW TV COMMERCIALS WORK

We receive many questions about how commercials work, especially in terms of attentiveness and impact. We therefore thought it would be of interest to our subscribers if we shared a summary of our top line answers on the subject.

Attention Levels

We know from TVision's ongoing webcam research that approximately 30% of the program "audience" is either absent or leaving the room when an average commercial appears on the screen. Of those who remain, roughly half don't even look at the commercial. The other half (35% of the program's total "audience") looks at it for at least two seconds. Typically, the average "attentive" adult sees a little less than half of a commercial's visual content and only a small percentage—perhaps only 3-4% of the audience—watches it in its entirety.

Attentiveness Demographics

Because a high proportion of commercials are for products they have no interest in, plus the fact that they are more likely to leave the room anyway, children, teens and young adults are much less likely to watch an average TV commercial than older, more sedentary adults. Typically, adults aged 55+ are 20% more likely to watch than those aged 18-34. Moreover, even when both are attentive, older adults devote about 25-30% more dwell time to commercials than younger adults.

Product Interest

Not surprisingly, product category users and, in particular, those who buy the advertised brand, are 25-30% more likely to watch and recall a brand's TV commercial as it reaffirms their already favorable opinion about the brand and may stimulate them to stock up on their next shopping occasion. However, there are subtle differences within product user groups. For example, even if both an 18-34 and 55+ aged adult are recent sports car buyers, the former is much more likely to watch a commercial for this category; in contrast, even if both are headache pain reliever users, the older one is more inclined to watch.

Co-viewing Effects

Streaming advocates have made much of this point as an advantage over linear TV for advertisers. The claim is that when two or more people watch a commercial together, they interact and comment—often favorably—on the brand being advertised. The jury is actually still

out on this one. For one thing, streaming has a relatively small edge over linear in co-viewing; about 47-49% of streaming TV viewers watch along with someone else per commercial exposure situation, compared to 40-42% for linear TV viewers. In addition, TVision has reported that when the streaming co-viewing situation involves children and adults, average attentiveness levels are actually about 3-5% lower than the norm. We speculate that, based on TVision's overall findings, when only adults are in the room, there is a modest boost of about 7-10% in attentiveness. In short, it may not be such a big deal.

Commercial Clutter Effects

Numerous small-scale studies have suggested that commercials in short breaks perform considerably better in capturing a viewer's attentiveness than those in extended breaks. Commercial recall studies have consistently shown cable performing at lower levels than broadcast TV in ad attentiveness due in large part to cable's higher clutter levels. On the other hand, TVision has reported that broadcast/cable commercials slightly outperform CTV ads in attentiveness, despite the fact that CTV features considerably fewer commercials per hour. Is this a function of CTV's somewhat younger audience delivery? Is it due to the types of programs that the commercials appear in? Or is it the fact that linear TV mostly has older viewers? We simply don't know.

Commercial Frequency

Old set usage tallies have shown that dial switching avoidance is higher when a commercial reappears on a TV screen within a few days of prior exposure, but avoidance diminishes when the time frame between exposures is expanded to several weeks. In other words, you may get a dial switching rate of 8-10% if the same commercial pops up a day or so later on a viewer's screen, but this drops to only 3-5% if the last exposure was 14 days ago. TVision explored this subject recently but found that commercial attentiveness declined only after 16 or more exposures, in essence finding no real difference based on how many times the same ad message was repeated. How do we explain this finding? It may be that many commercials use creative devices (e.g. animation, celebrities, animals, kids, humor) to hook audiences and these make the commercials more entertaining, even when viewed repeatedly. Whether this generates a more or less positive effect on brand preference or sales intent is open to question.

Sales Motivation

A number of studies have tracked the swift decline in ad awareness that ensues after a viewer is exposed to a TV commercial. Within a few minutes, the viewer's ability to name a brand whose message has just appeared on the TV screen drops by 50% and after 8-10 minutes it falls another 25%. If, however, the viewer's memory is aided by product cues ("Did you see a peanut butter commercial?"), recall levels remain fairly strong for a day or more. Declining sales lifts over time have also been shown in studies of packaged goods brands monitored by UPC scanner panels whose TV set usage is also tracked. Typically, 15-20% of sales lift is lost within a few days and 30% in a week. Carry it out to a month and, without the reinforcing effects of a second exposure, the decline is 50%. Obviously, reach isn't the only factor involved; without

supporting frequency—“crabgrass” to some—an effective advertising campaign is not being waged.

We could go on and on, but what is evident to us after many years of studying this kind of research is that every case has its own, often unique, issues. Formulaic thinking—like “the ideal frequency is one or that anything over six is ineffective”—is not terribly helpful in this regard. It's just not that simple. What we also see is that we are lacking good and hard data on many aspects of commercial attentiveness and impact, as is painfully evident by some of the contradictory findings in this report. The only way we are going to resolve these issues is by applying much more effort and energy to studying how ads work and less to trying to find as large a media “audience” as possible so the sellers can monetize it.