



Response TV

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Response TV



Contents

1.	Introduction	2
2.	Background	3
3.	Response TV - key findings	4
	– Communications received	5
	– Engagement with commercial messages	6
	– Will respond to messages in future	7
	– Will respond to in future - young adults	8
	– Combined effect	9
	– Combined effect - young adults	10
4.	Conclusion	11
5.	Methodology and Design	12
6.	About the DMA	13
7.	About ITV	14



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1. Introduction

The pairing of ITV, the UK's largest commercial broadcaster, and the DMA, direct marketing's leading professional body, to produce this seminal report, marks a significant development for marketing. The pairing is a clear symbol that both recognise the need for a shift in the way in which advertisers think about the relationship between direct and mass media marketing. What is more important, however, is the empirical evidence of our joint research that vividly illustrates just how necessary this is.

TV is the preeminent communications channel in terms of its reach & the ability to build brands in the eyes of consumers. Of greater interest, though, is how combining TV advertising with other communications channels can amplify the effectiveness of its influence on consumer response. The simple act of combining TV advertising with a direct mail campaign can generate an increased consumer response rate of 143 per cent above the 7 per cent of consumers that would be spurred into action by standalone direct mail campaigns. The report also shows an amplification of response rates if TV is combined with other channels, such as press and internet advertising.

Response TV should be required reading for every brand that is considering a TV advertising campaign, but is concerned about maximising their marketing ROI: this report will help them to truly think outside of the box.

Rupert Howell
MD, ITV Brand & Commercial
ITV Plc

Robert Keitch
Chief of Membership & Brand,
Direct Marketing Association



2. Background

Studies of human behaviour tell us that consumers are constantly filtering the messages they are receptive to and the media through which they receive them. Media owners, agencies & brand owners need to continually evolve their thinking and knowledge of how individual channels work together to understand consumer usage & attitudes, and then convert this into rigorous multi-media campaigns.

Marketers today face a huge challenge in making themselves heard amongst a mass of marketing messages to increasingly savvy consumers. There is the perceived wisdom that media channels fulfil different roles as part of the media mix. The strengths of these individual media and the reason why marketers choose them have an impact on consumer buying decisions. For example web pages can carry more content and complex communication than most media forms & outdoor advertising can give quick bursts of information. Other media such as email will help you tell your full story, whilst TV adverts build brands quickly & effectively.

Much evidence exists that proves TV is the channel to use if you want to create a brand identity. Hundreds of brand owners have been doing so to great success for many decades. Even in today's multi-media world, the best campaigns still start their conversations on TV. Campaign magazine's Campaign of the Year for 2009 began in the January, with the arrival of Aleksandr Orlov on UK television screens for the first time, explaining the difference between his website and comparethemarket.com. By March, comparethemarket.com had achieved its 12-month growth objectives, just nine weeks after the first tv ad.

Generating a response to marketing campaigns is critical for measuring marketing ROI and overall campaign effectiveness and there are various media channels where one would expect to find direct response activity – direct mail, print and online being the obvious suspects; as the most scientific of channels it allows them to segment data, target the *right* consumer and to measure response rates effectively.

Straightforward attribution studies of response to channels tend to depress TV response and attribute it to other channels, making TV activity appear to be inefficient. For many brands, response is their business & so TV is a channel they rarely entertain.

Not only is TV not always the first choice as a response medium but it's also often the case that TV and direct response activity will be planned separately with different creative work and different objectives.

ITV believed that these accepted truths were not based on the current world of media consumption & interaction, and that actually TV in combination with direct response media is well placed to help maximise campaign potential, generating more response from consumers than ever before. However, no empirical evidence existed to prove it.

In partnership, ITV and the DMA have produced this practical piece of research to begin comparing and evaluating, from consumer responses, the effects of using TV advertising in a multi-media campaign. This inaugural report, Response TV, provides clear and compelling evidence of how TV works with other communication channels.



3. Response TV - key findings

With any direct marketing activity response means everything. For decades marketers have asked "What's the typical response rate for a marketing campaign in my sector, and which channels will give me the best response?" *Indeed for marketers response is one of the most important words in their vocabulary.*

ITV approached the Direct Marketing Association in summer 2009, to discuss their thoughts. With such a varied & diverse membership of prestigious brands, the DMA were an obvious choice to open up conversations with.

The DMA were already carrying out a tracking study to 1,000 adults per month using the British Marketing Survey, carried out by DataTalk, the results of which suggested that there was indeed a direct & complex relationship between TV & response media channels.

Building on what the DMA had already learnt ITV commissioned DataTalk to carry out a custom piece of analysis exploring their thoughts in more detail. Over 3 months, June-August 2009, DataTalk conducted a highly robust study, surveying 3,003 adults in the UK about their media consumption habits through face to face interviews in the home.

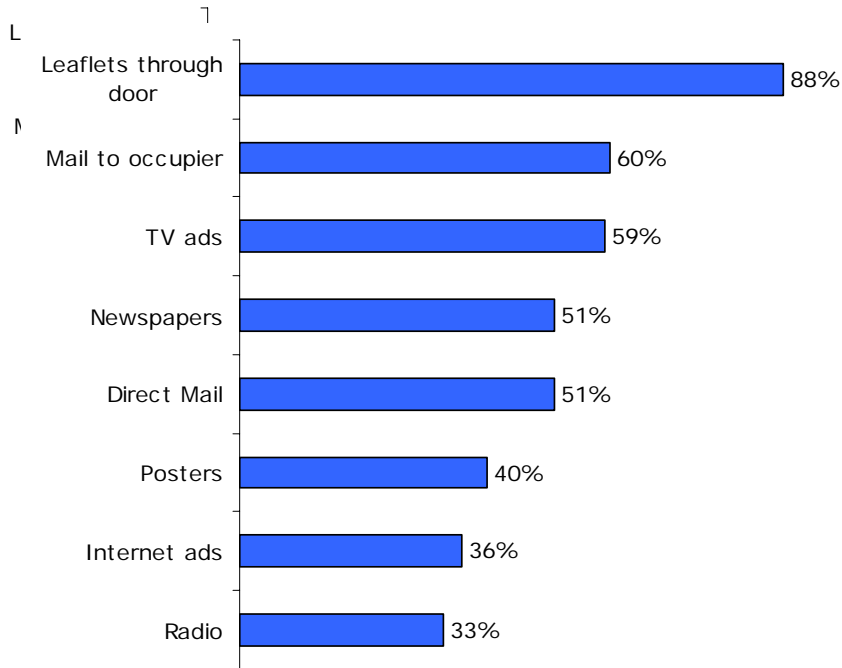
The study was designed to accurately measure the media channels that individual adults receive, the acceptability of advertising formats on those channels, & their responsiveness to them, to form a holistic picture of the relationships between the channels & the effect they have on each other.

Questions asked included:

1. Which of the following types of marketing have you seen or received during the last few weeks?
2. Which do you find acceptable to receive?
3. Would you be prepared to respond to, request information from or make purchase from any [marketing types] in the future?

The results of the study means that we can now quantify the impact of using TV as part of a multi-media campaign, which amplifies the response from consumers.

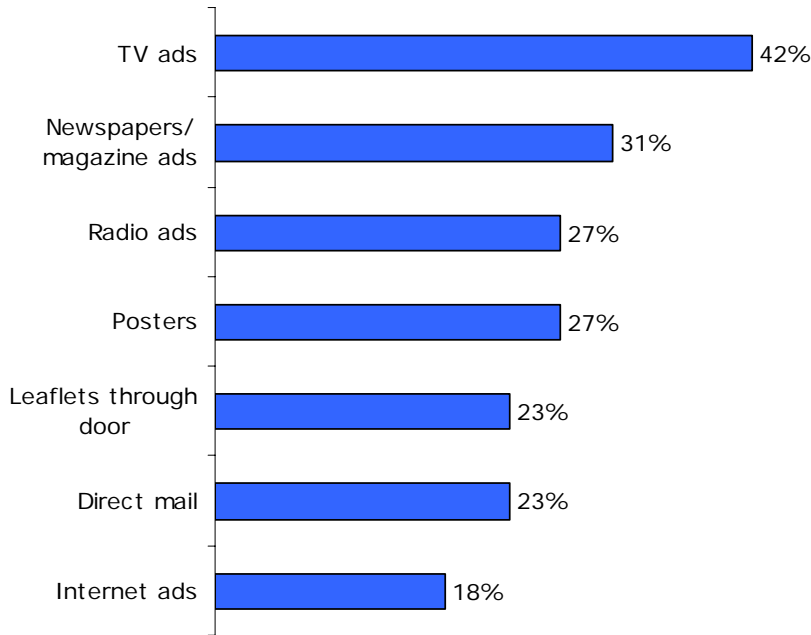
Chart 1: COMMUNICATIONS RECEIVED



*Chart 1: Source DataTalk study for ITV Sept 2009 3,000 UK adults
Question: Which of the following types of marketing have you seen or received during the last few weeks?*

Leaflets through the door, mail to occupier & TV are in fact the most received channels by adults in the UK (Chart 1). A form of direct marketing communication is received by up to 92 per cent of adults, the most common form being leaflets through the door. Almost two thirds of adults also receive mail to occupier and 51 per cent receive direct mail addressed to them. TV commercials are the third most received channel, to 59 per cent of adults. Newspapers also rank highly.

Chart 2: ENGAGEMENT WITH COMMERCIAL MESSAGES



*Chart 2: Source DataTalk study for ITV Sept 2009 3,003 UK adults
Question: Which do you find acceptable to receive?*

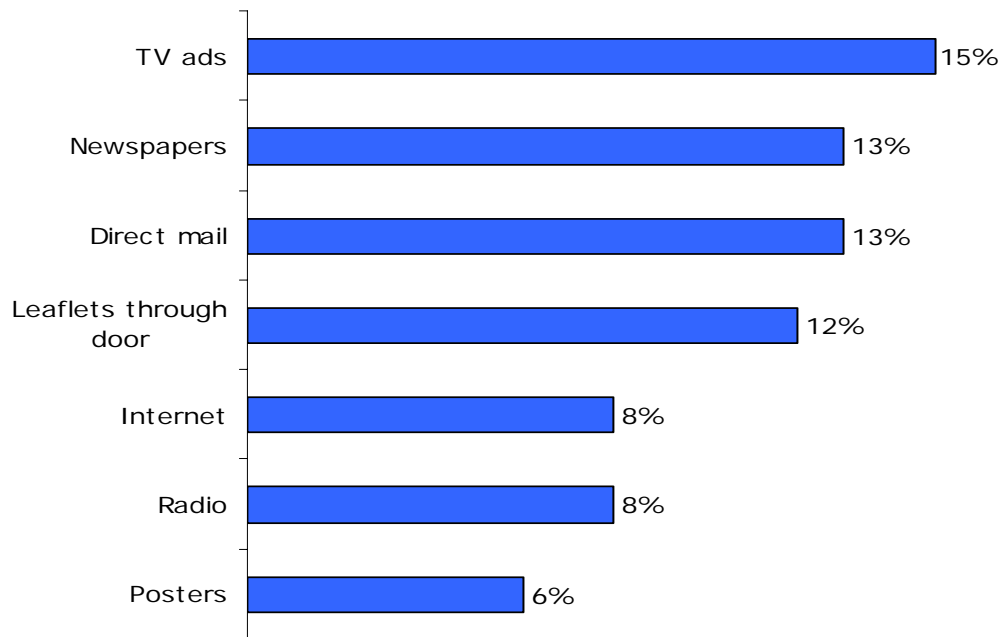
We know that reach is important – you need your messages to be seen by a critical mass of your target audience – and so is engagement (Chart 2). Not just the numbers behind how many see your message, but how acceptable it is as a communications channel. Responses to this question show that the acceptability of TV commercials is greater than for any other media channel, with 42 per cent of UK adults claiming that TV ads are acceptable to them.

Newspapers rank second with just under a third of adults claiming them to be an acceptable form of marketing communication.

23 per cent of adults find leaflets through the door and direct mail acceptable.

This is one area where TV & direct marketing work well together – a TV campaign builds presence & trust in a brand so that when direct marketing activity occurs, a base acceptance of the brand & communication has already been founded by TV.

Chart 3: WILL RESPOND TO IN FUTURE



*Chart 3: Source DataTalk study for ITV Sept 2009 3,003 UK adults
Question: Would you be prepared to respond to, request information from or make purchase from any [marketing types] in the future?*

Something that we know from many years of research is that when we ask the general public about advertising they naturally downgrade their opinions & behaviour around it, which makes the results to this question all the more exceptional. We wanted to isolate people's expectations of response; which of the channels that they received were they most likely to respond to in the future.

TV, newspapers & direct mail are generating the highest levels of future response – 15 per cent of adults claimed that they expected to respond to a TV commercial. Direct marketing also receives high levels of expected future response with 13 per cent of adults expecting to respond to direct mail, the same for newspapers, & 12 per cent to respond to leaflets though their door. Compare this to just 8 per cent of adults who say they are likely to respond to online advertising & with almost double the anticipated response levels, the truly responsive nature of TV & direct marketing starts to be seen.

Chart 4: WILL RESPOND TO IN FUTURE – YOUNG ADULTS

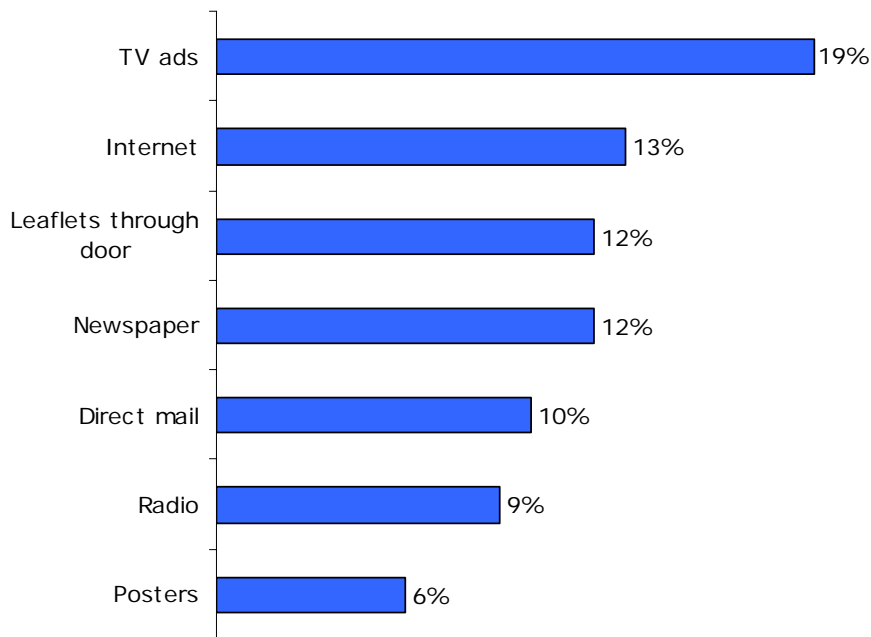


Chart 4: Source DataTalk study for ITV Sept 2009

Question: Would you be prepared to respond to, request information from or make purchase from any [marketing types] in the future?

There were some striking results when the responses to this question were looked at by different demographics. In particular young adults aged 15-24, who contrary to popular belief are *especially* responsive to TV (Chart 4). There is a significant uplift over all adults of 27 per cent - a fifth of young people claim to be responsive to TV. The internet resonates much higher with this group also at the expense of newspapers, & is no longer one of the lowest scoring channels, although TV still generates almost 50 per cent more response. Direct marketing channels score well amongst 15-24's also.

The results so far show us some fascinating results about the power of TV & direct marketing to generate responses. However it is when we start to look at combinations of communications channels that the real strength of TV becomes clear. There are often many elements to a single advertising campaign & so whilst it is important to know the benefits of each on their own, we also need to observe the effects of a multi-media campaign.

The next chart (Chart 5) shows how future response levels grow when communication channels are received and analysed in combination with TV.

Chart 5: COMBINED EFFECT

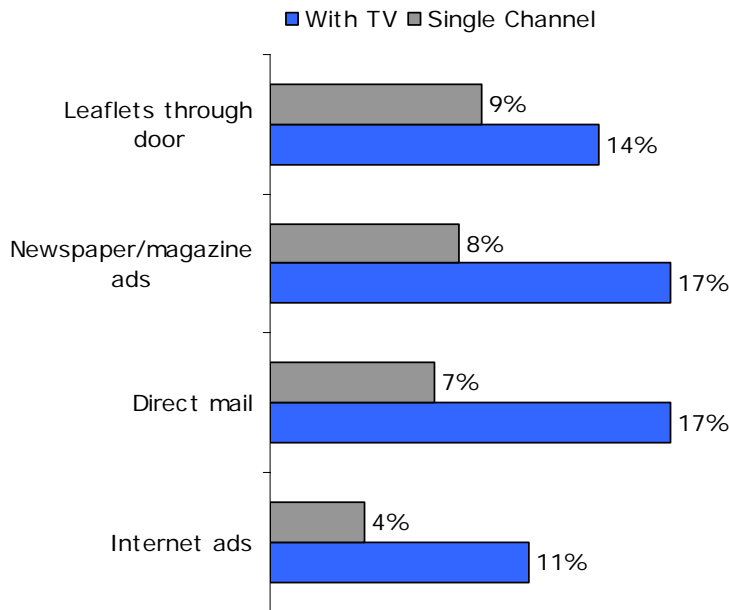


Chart 5: Source DataTalk study for ITV Sept 2009 3,003 UK adults

In this chart, the pale blue bar shows anticipated responses for the channel in isolation. The darker blue bar shows the response to the channel when TV is also included in the media-mix.

Direct marketing channels including leaflets through the door, can see response levels increase by almost two and a half times when compared to response levels achieved in isolation; a 143 per cent uplift in responsiveness when TV is included. Similarly with press, when the combined effect of press plus TV is measured, press response levels increase by more than double, an uplift of 112 per cent.

It is when we observe the results of combining online advertising with TV that the most striking results occur – TV can almost treble the responsiveness of online, growth of 175 per cent.

The results were again analysed by young adults aged 15-24 (Chart 6)

Chart 6: COMBINED EFFECT - YOUNG ADULTS

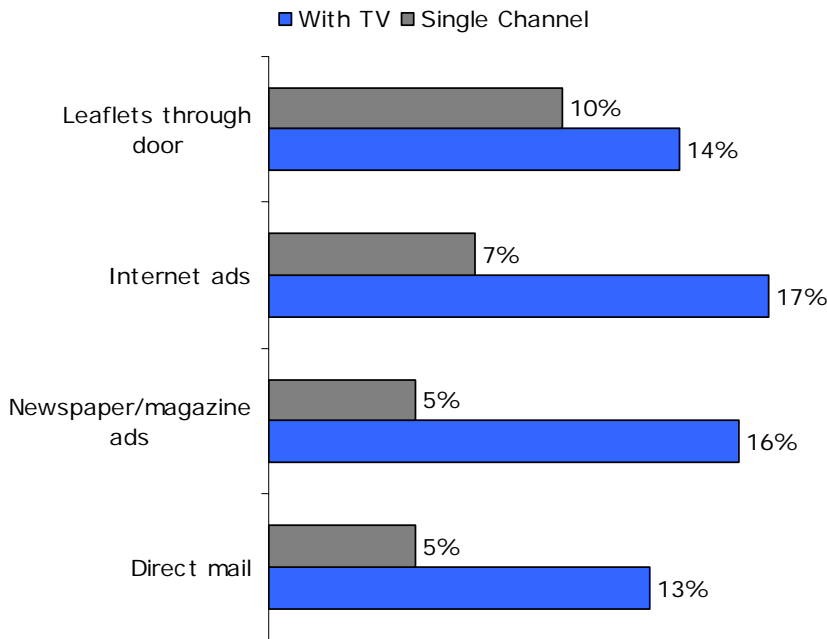


Chart 6: Source DataTalk study for ITV Sept 2009

Young adults are even more responsive to TV viewing than all adults. The response to direct mail is more than one and a half times greater when TV is included.

Online advertising, which has the highest usage levels amongst this audience, receives a much greater level of responsiveness on its own than with all adults (7 per cent vs 4 per cent), but when TV is included in the mix, responsiveness increases 143 per cent.

For 15-24's, who have grown up in a world where newspaper audiences have been declining & the internet has provided them with their daily news requirements, it is the effect of TV on their newspaper & magazine ad responsiveness that stands out. When TV is taken into account, responsiveness to print advertising increases by more than double, 220 per cent.

When looking at the established marketing channels in the above charts it is clear to see that consumers' future responsivity to advertising increases considerably when a combination of TV plus other response media channels are used together. The valuable role that TV plays in a multi-channel campaign can be seen across direct mail, press & online. In fact the substantial amplification effect of TV is more than doubling response intentions in many cases.

Marketers want to ensure that every pound they spend is placed where it will generate the greatest response. As an industry we invest heavily in marketing communications and therefore effective and efficient media planning is paramount to driving maximum responses. These compelling & powerful insights help us to build a richer picture of consumer response, adding new insight into the creation multi-channel campaigns. TV is at the heart of optimising response levels.



4. Conclusion

There are robust findings emerging from this research study that demonstrate to all marketers that TV is not just highly effective at building brands, but that it is also a channel to turn to for optimising consumer response levels – there is a clear relationship between the use of TV and media channels to drive response.

Adults are more likely to respond to TV than any other channel measured; newspapers & direct mail are second & third. However single communication channel campaigns are rare, making it crucial to fully understand the strengths and weaknesses of the media mix & channel relationships with each other.

Consumers' willingness to respond to marketing communications is significantly enhanced when combinations of channels are used. In fact, the research shows that when TV is used in an integrated way with direct mail, press or online, the uplift in response from consumers is exponential - as much as 143 per cent for DM, 52 per cent for press, and 175 per cent for online.

The evidence provided here should encourage advertisers for whom response is necessary to consider whether they are optimising their response levels with their current media schedule.



5. Methodology and Design

The research reviewed in this report was conducted during the months of June, July and August 2009. The method was face-to-face interviews in the respondent's homes, and the sample was population representative, through sampling points across Great Britain.

The interviews totalled 999 in June, 990 in July and 1,013 in August. The charts throughout this report are therefore based on a sample of 3,003 adults, aged 15 and above.

The questions on consumer perceptions of marketing are extracts from the monthly marketing tracking study The British Marketing Survey. The first three questions on Television viewing habits were commissioned by The Direct Marketing Association for ITV and conducted as an integral part of the tracking study for those months

The overall study looked at 17 marketing channels. However, for the purposes of this report we have only analysed a selection of channels – leaflets through door, mail to occupier, TV ads, newspapers, direct mail, posters, internet ads and radio.

The data has been analysed by recording individual media channels received by adults & observing significant indicators through cross tabulation.

For more information on The British Marketing Survey - www.thebps.co.uk

For more information on Response TV & advertising on ITV - www.itvmedia.co.uk



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6. About the DMA



The Direct Marketing Association (DMA) is Europe's largest and most influential professional body to serve the direct marketing industry. Through its unique services and initiatives, the DMA promotes the business interests of its members and drive the growth of the direct marketing industry.

The DMA counts among its membership direct marketing agencies, services suppliers and corporate clients. The DMA advances the professional development of these members through offering a range of commercially beneficial services, including: networking and knowledge-sharing events; cutting-edge industry studies and research; updates and analysis on the latest political and legal developments; business support tools; and specialised legal advice.

Additionally, the DMA maintains the industry's self-regulatory framework by developing industry standards of best professional practice; engaging with government and other policymakers on legislative matters that affect the industry; and producing industry standards that guide the sustainable development of direct marketing. The DMA also provides thought leadership for the industry, and raises its profile through an active PR programme and ongoing community initiatives.

For details on the benefits of becoming a DMA member please call (020) 7291 3300 to speak to the membership team, or email: membership@dma.org.uk, or visit www.dmamembership.org.uk.



7. About ITV

Today ITV is the UK's largest advertising funded broadcaster, investing around £1 billion per year in programming. ITV's production business, ITV STUDIOS, makes more hours of network television than any other UK commercial producer. ITV employs over 4,000 staff worldwide within its three business segments: Broadcasting, ITV STUDIOS and Online.

ITV has the country's leading portfolio of digital channels, with ITV2 and ITV3 the most popular in the UK and ITV4 within the top ten.

ITV Online is focused on video services delivering ITV programming via the web and – increasingly – directly to the television set. itv.com includes ITV Player, which allows users to access catch-up and watch clips from the best ITV programmes, all supported by advertising. As online and TV-based services converge, itv.com is coming of age as a digital channel in its own right. In 2009 the appetite for viewing and interacting with content online continued to grow. Page impressions to the site totalled 1.1bn, up 21 per cent on 2008. Video consumption on the site also reached new levels with 198 million video views in 2009.

For advertising sales information and to find out how your brand can work with the ITV family please visit, itvmedia.co.uk.

On ITV.com/about you can find out more about the history of the ITV, our programming and commissioning policies and our public service broadcasting and regulatory commitments.





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