

Transitioning from TV advertising to the new world of more effective and more responsible Digital Connection

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Advertising has undergone a transformation over the past few decades, shifting from the heyday of newspaper and "Mad Men"-style TV advertising to today's digital-led landscape. This new world, dominated by streaming platforms and other digital outlets, has eroded the position of traditional television. According to BARB data from the UK, **traditional**

TV minutes among all adults are falling at a rate of 17 minutes per year. While the COVID-19 pandemic temporarily increased traditional TV viewership, the long-term downward trend resumed once restrictions lifted.

This decline is not the only challenge traditional television faces. The costs of advertising through traditional TV channels have increased significantly. Network cost-per-thousand (CPT)



The number of minutes of traditional TV viewership is declining rapidly

All Adults total TV minutes



Source: BARB, DemographyUK 2023

Traditional TV costs have risen dramatically

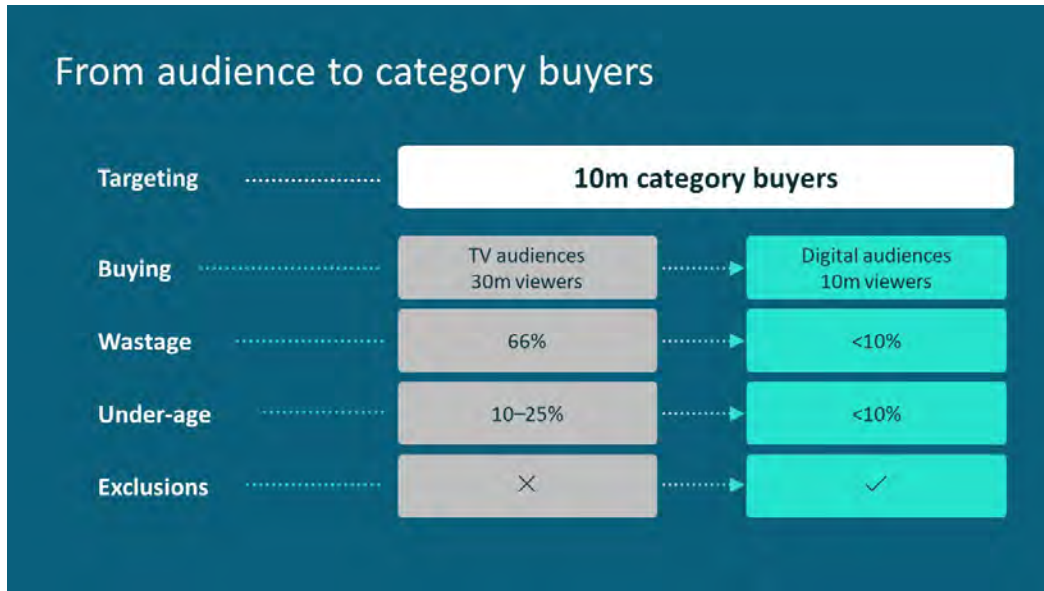
Network cost-per-thousand (CPT)



has risen by 107% over the last eight years, causing advertisers to rethink the value proposition of traditional TV advertising as returns diminish and costs climb. Against this backdrop, streaming platforms and other digital channels have emerged, capturing viewers, and challenging the status quo.

The digital age has brought new opportunities as well as fresh challenges. **With streaming platforms, social media, and mobile devices at their fingertips, advertisers can reach more consumers in more personalized ways.** However, these benefits come with a caveat. The increased precision in targeting has also made over-targeting and under-representing certain demographics a risk. The fragmentation of media has made

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reach. Such data allows for real-time campaign impact measurement, enabling swift adjustments to maximize return on investment. Moreover, first-party data ensures campaigns remain relevant to category buyers while preventing inadvertent exposure to sensitive demographics, such as under-age audiences.

To succeed in this complex environment, advertisers must shift to a model of media mastery that blends traditional TV with digital targeting. This requires a data culture capable of not only leveraging first-party information but

also managing it responsibly within each market's regulatory framework. Although regulations like GDPR and CCPA create challenges, a compliant, innovative data approach can give brands an edge over their competition.

Ultimately, advertisers face a media landscape where consumer behaviour shifts quickly and unpredictably. The old TV-first models are insufficient to meet modern challenges. As viewership falls and advertising costs rise, advertisers must rethink how they reach category buyers. **Moving away from broad targeting and toward strategic, data-backed messaging offers the best chance of success.**

In this fragmented media environment, the solution lies in blending the strengths of traditional and digital media. By integrating data effectively across these channels, advertisers can reach category buyers with personalized campaigns. In doing so, they can avoid the pitfalls of either approach when used in isolation.

With a robust data culture and a creative mindset, advertisers can remain relevant in a rapidly changing media world. Traditional TV's large audiences combined with digital media's precision targeting provide the foundation for campaigns that resonate globally while meeting local compliance needs. As the advertising landscape evolves, staying agile and willing to experiment will be the keys to success. ■

reaching a wide audience difficult, even as regulation tightens on how data can be collected and used.

Legislation like the EU's General Data Protection Regulation (GDPR) and California's Consumer Privacy Act (CCPA) have introduced strict guidelines on how advertisers can collect and leverage consumer data. They also reinforce the ethical considerations surrounding privacy, leaving advertisers with a complex balancing act: harnessing the power of data for targeted campaigns while respecting consumers' rights to privacy.

To meet these challenges, **advertisers are shifting from the old model of broad, mass-audience targeting to a more refined strategy.** In the traditional TV model, a network audience of 30 million viewers might contain around 10% to 25% category buyers, depending on the product. In contrast, digital audiences are more focused, with a potential 10 million viewers containing less than 10% of the same category buyers. The result? More precise and effective targeting is needed, focusing on consumers actively considering or purchasing in the advertiser's category.

The new approach involves gently nudging these category buyers whenever they engage in relevant product exploration. **The digital landscape provides unparalleled access to these potential customers, enabling advertisers to personalize their messaging and increase conversion rates by making their products more appealing.**

Inflation in advertising requires innovative solutions. This is where the long-tail strategy comes into play, emphasizing the value of reaching niche audiences often overlooked by traditional media. **Niche marketing leads to higher engagement and often delivers a more cost-efficient way to connect with consumers, particularly those who are more likely to convert into loyal customers.**

In this environment, first-party data plays a pivotal role. Advertisers can harness first-party data to better understand their audience, refine their messaging, and reach category buyers with more precision. However, **these efforts require seamless cross-channel integration between traditional and digital media.**

Combining traditional media's broad reach with digital's granular targeting is critical to success. Traditional TV still has value when it comes to reaching large audiences, particularly during live sports or popular events. These moments draw millions of viewers simultaneously, providing significant advertising impact. However, **integrating digital data and analytics can refine this reach, ensuring advertisers deliver personalized messaging to the right consumer at the right moment.**

First-party data usage must navigate varying regulations across different regions. From the UK to Austria and the U.S., each market presents unique challenges. Advertisers must maintain compliance while leveraging first-party data to personalize campaigns and maximize