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Television: King of the media for ROI, shop traffic and sales

**SCREEN
FORCE**
THE MAGIC OF TV

This week, egtabites once again **shares the TV love**, bringing you the results of a new analysis of TV effectiveness from our friends at Screenforce Finland, the country's television trade body.

The data used in the analysis comes from 100 econometric modelling projects conducted by the media agency Dagmar from 2012 to 2016, almost all of which include measurement of the impact of television.

The headline finding: The ROI of television advertising in Finland is 2.4!

The study

Dagmar is an independent Finnish agency that specialises in business development, marketing technologies and marketing communications. Dagmar uses econometric modelling, which quantifies the impact of different factors on sales, to understand and predict the effect of advertising, amongst other things, on companies' sales. The modelling also allows the effect of other actions carried out by brands, including pricing, PR and promotions to be assessed alongside external factors such as seasonality, the weather, competitors' activities and the macroeconomic environment.

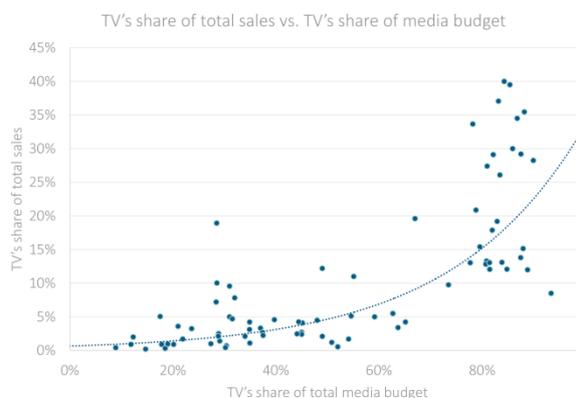
The companies included in the econometric modelling projects fall into four categories: FMCG, durable goods, healthcare and services, and in most cases the modelled variable is turnover, the number of sold items or consumer traffic. The ROI was calculated for 87 of the 100 cases, and the effect of television advertising on website traffic was examined in just over half the cases.

The results

A positive correlation between television advertising and sales or shop traffic was found in 99% of the cases analysed, a significantly better performance than any other medium. This positive correlation was found, by comparison, in 89% of cases for online, 56% for magazines and 35% for outdoor.

The analysis also sheds interesting light on television's effectiveness as a driver of sales when used by brands in different ways. TV plays a greater relative/proportional role in driving sales when its share of a campaign's media budget is bigger. TV is also more effective when used as the main advertising medium, and ROMI (return on marketing investment) also increases under these circumstances.

Interestingly, television has the longest half-life of all media types: on average, half of TV's effect on sales takes place in the first two weeks, with the rest of the impact spread in decreasing amounts over the subsequent weeks. Radio has the second longest half life, at about one week, and online (excluding search engine marketing) has the shortest. While a television campaign may

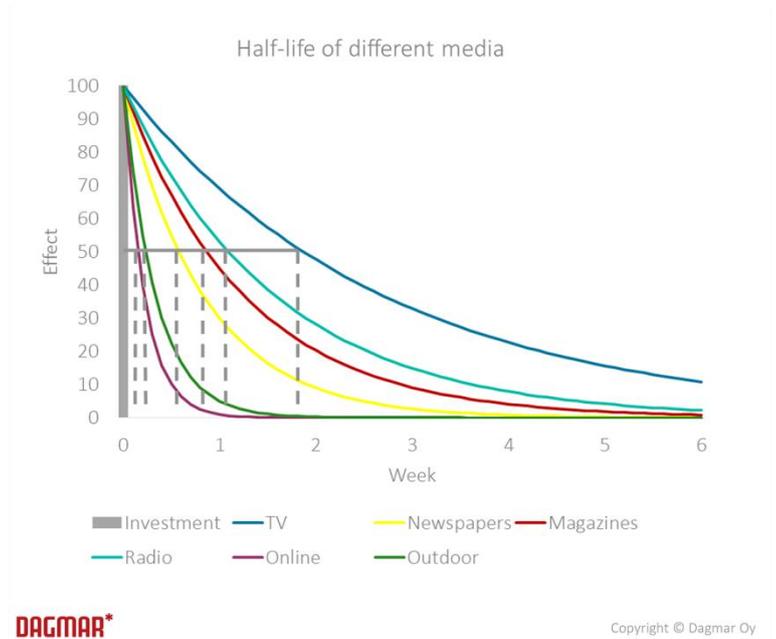


DAGMAR

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still be affecting sales five or six weeks on, an online campaign is unlikely to have any impact at all after just one week.

The study looked at the relationship between TV advertising and website traffic and found that television drives people to search engines and social media. This adds to television's indirect impact on store traffic and sales, amplifying the effectiveness of online marketing campaigns. A positive relationship between TV advertising and website traffic was found in 93% of the modelling cases, a higher number than other traditional media such as newspapers, magazines, radio and outdoor.



Why this matters to egta members

Opaque data sources and research of questionable quality are increasingly used – particularly in the digital sphere – to lure advertising investments away from television. Econometric studies such as this work by Screenforce Finland and Dagmar, with data spanning several years and multiple advertising cases, provide the kind of unbiased, reliable figures that the industry needs to show the impact of television on the KPIs that really matter to brands: store traffic, sales and ROI.

Share the TV Love!

Did you know that egta is actively working with other trade bodies around the globe to promote television's power and its evolution across the world?

Well, now you do! This group is called [PEPP.TV](#), and it brings together 15 trade associations whose mission it is to promote television in their country and beyond. Our new year's resolution for 2016 is to share interesting information, projects, slides and research that have been published by these associations and to make sure that broadcasters and sales house in Europe are equipped with the latest facts to actively and proudly promote the universal strength of television.



Background info

Please click on the links below to access the relevant documents:

- » **Presentation of the study** (please click [here](#))
- » **Screenforce Finland website** (please click [here](#))