

The Broadcast Media



Advertising on Television

- The first choice for advertising fast moving consumer goods (FMCG) and consumer durables.
- Effectively communicates benefits and advantages of the products or services in a lively manner.
- In recent years advertisers have also learned how to exploit the narrower reach of cable TV which is growing fast and diversifying to target audience niches that include highly prized segments such as working and upscale families.
- The main thing about broadcast media is to produce the right commercial at the right time and to the right target audience.

Broadcast Television

- Broadcast Television consists of two main players: [network television](#) and [local television](#).
- A [network](#) links stations in diverse locations by beaming a single set of programs and commercials to a series of affiliates, individual stations that have contracted to broadcast the network's material to local viewers or listeners.
- Four major US broadcast TV networks are ABC, CBS, NBC and Fox.

Local Television

- Many broadcast TV stations in local markets are affiliated with one of the four major networks in US.
- Local affiliates broadcast a mix of network-provided and locally produced programs and commercials.
- They air movies, children's programs, local news, sports and other programs.
- Some local stations show programs geared to specific ethnic or religious groups, and they attract a variety of advertisers that want that reach

Television Syndication

Off-network syndication

- Individual stations rerun established programs that originally appeared on network TV, such as *The Cosby Show*.

First run syndication

- Stations air new programs that are produced specifically for syndication, such as *Star Trek: The Next Generation*.

- **Barter Syndication**

A local station pays less (or nothing) for a first-run or off-network program in syndications that comes with a percentage of its commercials presold to national advertisers.



Types of Television Advertising

Sponsorship

- An arrangement that assumes responsibility for producing a program and enjoys the exclusive right to air commercials during the show.
- A sponsor can link its products with a high-quality program, thereby gaining prestige from the public perception of the show.
- For example, L'oreal sponsor the Anugerah Juara Lagu.
- However, being the sole sponsor of a program can be costly.

Types of Television Advertising

- **Spot Announcement** - is a segment of commercial time purchased from a local station. For broadcast and cable TV, this is known as spot television.
- **Adjacency** - some commercial time just before or just after a network program.
- **National spot** - commercial time purchased by a national advertiser.
- **Local Spot** - commercial is purchased by a local advertiser from a local station.

Advantages and Disadvantages of Television Advertising

Advantages

- **Creative Flexibility** - Television offers countless possibilities for using sound, colour, and motion to communicate an ad message.
- **Coverage of mass markets** - It's hard to beat broadcast television for reaching huge numbers of people quickly.
- **Cost efficiency** - relatively low price tag for reaching a huge audience.

Disadvantages

- **Limited Selectivity** - Broadcast Television isn't geared to precise demographic or geographic targeting.
- **Audience erosion** - Network broadcast TV viewers have slowly but steadily been changing channels, with many defecting to cable stations.
- **Relatively high entry cost**
- **Clutter** - Network viewers may see an average of 20 commercials per hour. Too many ads to be absorbed by the viewers.
- **Limited viewer attention** - TV competes with other media as well as with *noise*. Viewers may resort to *zapping* - keep changing channels, *grazing* - quickly scan a lot of channels, *zipping* - using video to record and skip the commercials.

Advantages and Disadvantages of Cable Stations

Advantages

- **Increased Selectivity** - Cable TV is built around narrowcasting, the ability to deliver specialized programming to highly targeted audience e.g. ESPN – viewers with sports interest.
- **Lower entry costs** - generally costs less.
- **Increased flexibility** - Cable TV advertisers aren't locked into the 15, 30 or 60 second slots for commercials.

Disadvantages

- **Limited reach** - don't yet reach as many people as broadcast television.
- **Audience fragmentation** - dozens of channels competing for the subscriber's attention.
- **Limited research** - Advertisers and agencies want more details to better understand cable stations.

Planning TV Advertising

Rating and Audience Share

Once the researchers have gathered the data from their sample, they can estimate the size of a program's audience by calculating its:

Program rating

- The percentage of all households with a TV in a specific market tuned into that program

Program rating = $\frac{\text{households tuned to the program}}{\text{total television households in the market}}$

$$\text{Program rating} = \frac{5,142,250}{36,630,000} = 0.14 = 14$$

- **Share of Audience**

Another key audience measure is share of audience (usually referred to as share) which reflects the audience of a particular program as a percentage of the total audience viewing TV at that time



$$\text{Share of Audience} = \frac{\text{households tuned to the program}}{\text{households using TV}}$$

Selecting Time Periods

- **Run of station** – station can run your commercial at any time during the day
- The **time periods** can be categorized according to:
 - 1) **Daypart** - a defined segment of the 24 hours of TV or radio day.
 - 2) **Prime time** - stretches from 8pm – 11pm is the daypart with the highest viewing level, so price is higher.

Understanding TV Ad Rates

Cost per rating Point (CPP)

- To compare the costs efficiency of reaching your target audience through commercials on various programs
- Shows how much is spent to reach 1 per cent (1 rating point) of the audience

$$\text{CPP} = \frac{\text{cost of commercial time}}{\text{program rating}}$$

