

12.3 Billion Reasons Consumer-Response TV Advertising is Here to Stay

A new study finds that \$12.3 billion of national ad spend last year went to TV commercials that ask consumers to take action ie: visit a website or app store.

SAN DIEGO, CA, UNITED STATES, October 3, 2019 /EINPresswire.com/ -- A surprising new study finds that more than \$12.3 billion of national ad spending last year went to TV commercials that ask consumers to take action, such as by visiting a website or going to an app store. Moreover, that amount represents an increase of nearly 17 percent over the previous year.

Conducted by Southern California-based research firm DRMetrix, the study finds that 4,751 distinct brands used consumer-response TV advertising formats in 2018. Fully 40 percent of those used traditional direct-response techniques of the kind that allow advertisers to track consumer response back to specific networks, dayparts and programs. In doing so, these advertisers were able to track the performance of their campaigns in real time as well as optimize their TV buys to produce the highest levels of return-on-investment (ROI).

"These staggering numbers show this industry space is growing in a way no one anticipated," said Joseph Gray, CEO of DRMetrix, "and that's just one of the many fascinating new findings in what is the largest and most comprehensive report we have ever assembled." The research company will distribute complimentary copies of its report to attendees of <u>PDMI West</u> in San Diego later this month, he added.

One of the biggest drivers of consumer-response advertising's 2018 growth was Web- and mobile-based companies that have discovered the power of offline media such as television, Gray explained. Between 2015 and 2018, network-television spending by such companies has averaged 26.6 percent growth annually. Some of these advertisers are also discovering the measurability and power of direct response, which often uses longer formats ranging from 60 seconds to 28.5 minutes to drive higher levels of consumer engagement and response.

Among the many DRTV advertisers who track their ROI are household names such as Nutrisystem, Proactiv, My Pillow, Jenny Craig and Lifelock. DRMetrix's AdSphere research system tracks these and other brands advertising across 170 industry categories, such as beauty, fitness, home & garden, housewares & appliances, insurance, legal services and so on.

For its analysis, DRMetrix monitored 130 national networks using state-of-the-art automated content recognition (ACR) and counted as 'direct response' any ad that provided a phone number, web address, mobile SMS code or app store logo from Apple or Google.

"We keep track of where these advertisers are spending down to the network, daypart, and program level and we share this information with other advertisers to help everyone in the industry to be more successful," Gray explained "We also keep a record of all commercials that these advertisers produce because the best and most effective copy is often written by direct-response writers."

In explaining his latter point, Gray invoked David Ogilvy, the man whom many consider the father of modern advertising. In a famous speech called "We sell or else" from the 1960s, Ogilvy lauded the value of direct-response advertising and predicted the worlds of direct response and

general advertising were on a collision course.

"Ogilvy recognized that longer ad formats on television were more effective than shorter formats and that direct response advertisers were unique in their ability to determine which aspects of their television buys were actually working," Gray said. "He famously remarked, 'You know to a dollar' what you are spending."

Ogilvy also predicted the practitioners of general advertising would one day learn from the experience of the direct-response industry and stated it would be within the power of direct-response practitioners to rescue the advertising business from its "manifold lunacies."

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