



The End of Advertising and the Birth of Brand Engagement



The historic advertising model has primarily consisted of a one way mode of communication whereby brands send marketing messages that they feel best fit their specific product or service. These messages are communicated through a variety of channels, including print, television, internet, radio and billboard. On any given day, we are all bombarded with numerous ad-driven attempts to capture our attention. Whether it is when we wake up and turn on the TV; read our local newspaper (printed version or online); listen to our favorite radio station; are stuck in traffic in front of some massive billboard; or browse the web. In fact, where once the question was how many times in a single day we were exposed to advertising messages?; the question today is how many times during a day are we not exposed to advertising messages?

According to a study by Yankelovich Consumer Research¹, the average American consumer could be exposed to as many as 5,000 advertising messages each day. Subsequently, due to this overwhelming sensory overload, we have conditioned our minds to simply ignore the majority of advertising messages that we encounter each day. For example, when was the last time you noticed the advertising on the right side of your Facebook page, listened to all of the commercials during a radio or television broadcast or actually read a printed advertisement?

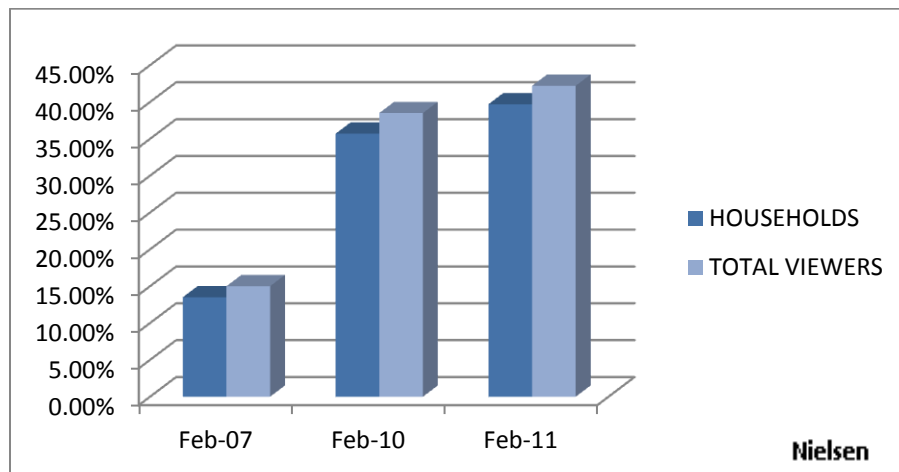
"An average American is exposed to 5,000 ads a day"

The increase of advertising messages has been a growing trend for the last 40 years. In fact according to USA Today in the 1970s the average American city dweller would have only been exposed to slightly more than 1000 advertising messages per day². The increasing popularity of digital social



media has dramatically increased our exposure to advertising messages. According to Com-Score³ statistics, the average internet user is exposed to several thousand display ads on social networking sites alone each month. With so much exposure to advertising in our daily lives, it is easy to see why audiences are becoming increasingly more immune to advertisements. Rather than trying to decode all these messages, we have essentially trained our minds to ignore them all.

As consumers now have access to technology allowing them to control how they watch TV through DVR, TiVo and On-Demand, the effectiveness of the traditional TV advertising spot has been greatly diminished. In particular, these technologies have facilitated "timeshifting" - the process of recording and storing data for later viewing - an increasing global consumer trend. Nielsen⁴ reports that DVRs are now in nearly 40% of U.S. homes. With this statistic in mind, it should be no surprise that the ability to avoid ads is a key driver in a consumer's decision to purchase a DVR. In fact, according to a survey conducted by Oliver Wyman⁵, the ability to skip commercials is the second most important factor (behind convenience) in prompting users to watch shows on their DVRs as opposed to real-time.



This behavior is common in different markets as well. The same research⁶ also found that 85% of the 1,000 global respondents used their recorded programming device to fast-forward through at least 75% of all commercials. Looking specifically at the US market, Starcom USA-TiVo⁷ states that 90% of people skip ads via TiVo/DVR. Even those who view live TV tend to avoid the conventional :30 spots. According to Media Planning Group⁸ only 16% of real-time viewers are watching ads today.

The Challenge of Getting Your Message Heard

As a result of the aforementioned scenario, the battle for the consumers' attention has gotten more difficult for local and small businesses that must compete with bigger brands for the attention of consumers. However despite this fact, as a result of the evolution of social media tools and in particular the ability for small and local companies to target "hyper local audiences" there now exists a tremendous opportunity for small and local businesses to get their messages heard.



In particular, because of the previously mentioned avalanche of advermedia, the focus for businesses now is not "How do I get my message out" but rather "How do I make sure my message does not get ignored". A study conducted by ANA and Forrester Research⁹ found that 62% of marketers believe traditional TV ads have become less effective during recent years. In his book *Marketing to the Social Web*,¹⁰ Larry Weber states that less than 1 out of 5 traditional TV campaigns generate positive returns on investment. In addition, his study also showed that only 14% of viewing audiences trust traditional advertising.

"Less than 1 out of 5 traditional TV campaigns generate positive return on investment"

The quest of getting the attention of target audiences has always represented the "Holy Grail" of the advertising industry and fostered the concept of brand engagement. To the end, a WARC Media Report¹¹ identified psychological factors that helped hammer this point home. According to the study, product brand placement works on the non-intentional form of memory that boosts unconscious learning. When ad placements are enhanced with attractive actors or industry experts, recall is aided through what is called a positive source effect. Therefore a message that is sent through product/brand placement (i.e. where the brand is directly incorporated into the content) has a far greater likelihood of being retained and not being ignored.



Alternative Advertising Options

The evolution of alternative advertising options was significantly advanced during the 1970's, when the advertising industry experienced a rapid expansion. During this period, the first generation of infomercials was produced and grew rapidly alongside the booming cable television sector. The formula of a charismatic host extolling a product's virtues combined with powerful testimonials from demographic peer groups proved very successful. Today, it is not difficult to point to similar successful strategies utilized to promote products like P90X, Ginsui Knives and Time Life Music series. These products engage their audience and include enticing calls to action, such as "order now and get the second one for free." Although predictable and often unimaginative this "fear of loss" selling technique, combined with engaging product presentation has worked well for over 3 decades.

Despite their historic success, however, the effectiveness of infomercials has also declined as today's media savvy audiences have conditioned themselves to enjoy the entertainment aspect of infomercials and ignore the pitch. As audiences have become more sophisticated, the logical evolution of infomercials and traditional commercials is branded entertainment, whereby a promotional message is inseparably linked to the desired entertainment. Per the previously referenced research, conducted by ANA and Forrester Research¹², the loss of faith in TV ads has 87% of marketers believing that branded entertainment is the key to audiovisual advertising in the coming years.



A great example of this are the “half time” or “instant replay” sponsored segments of televised sporting events. In these instances the audiences willing consumption of the winning play in slow motion requires them to also digest promotional audio (i.e. “ESPN’s instant replay is brought to you by Allstate Insurance”) and video (i.e. the Allstate logo strategically placed on the screen) branded messages. One of the most compelling aspects of branded programming (especially for small businesses with limited advertising budgets) is its ability to capture a targeted viewer’s attention. How many times while channel surfing have we caught ourselves drawn into an infomercial whereby we continue to be engaged with a program long after we have determined that it is obviously a sales pitch? Effectively produced, branded programming will elicit that effect from its targeted constituents in that the seamless integration of relevant information, charismatic delivery and a smooth sales pitch penetrate the psyche at a far deeper level than traditional advertising methods. Subsequently, in an environment where brands are fighting to keep from having their messages ignored, branded programming represents a very attractive promotional option.

“62% of marketers believe traditional TV ads have become less effective during years”

The simplicity that social media and video sharing websites bring to broadcast video content makes this marketing alternative even more powerful. This is why 77% of marketers plan on increasing their YouTube and/or video marketing efforts, according to the Social Media Marketing Industry Report 2011¹³.



As it is now technically possible for any business to create their own channel for branded programming, the key to success in this area is related to the creative and production aspects of the programming. Subsequently, a company could develop a weekly show or web series to engage and entertain their audience and also inform them at the same time. For example, a fitness club could create a before and after web program highlighting a specific group of people pursuing specific fitness goals over a designated period.

"77% of marketers plan on increasing their YouTube and/or video marketing"

Notwithstanding the increased popularity of brand engagement tools, the ultimate measure of any promotional activity is determined by the associated impact on sales. Subsequently, while branded programming has become increasingly more popular, the continued growth and sustainability of this trend will be subject to concrete quantifiable sales data.

About Affinity TV 247

Affinity TV 247 was created in direct response to the increasing popularity of online video consumption and need for companies to engage this audience effectively.



Sources:

*Yankelovich Consumer Research*¹

*"Product Placement: you can't escape it", October 10, 2006, USA Today*²

*Com.Score*³

*Nielsen Report*⁴

Oliver Wyman^{5, 6}

*Starcom USA-TiVo*⁷

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*"Marketing to the Social Web", Larry Weber, Wiley Publishing 2007*¹⁰

*WARC Media Report, "Global Product Placement Now and in the Future"*¹¹

*Social Media Marketing Industry Report 2011*¹³