

Global Ad Trends

TV during lockdown

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DATA
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Takeaways

1. First party data created and supplied by Adgile, exclusively for WARC, show that advertising volume fell 5% as the outbreak took hold last year. The sharpest reductions in ad volume were recorded within the travel & tourism and media sectors.

2. The health and beauty sector saw the largest increase in spot volume after the COVID-19 outbreak took hold. Ad volume within the sector rose 47.2% from pre-COVID levels. Reach peaked during the second wave in July, at 3.6bn, coinciding with an intense increase in spot volume.

3. Campaigns ran for longer as production was curbed. The sports & entertainment sector is the only to now run campaigns for a shorter period than before the outbreak, but the difference is slight. FMCG TV campaigns are now over a week longer than before the outbreak.

4. Brand-building made way for product-led creative as the outbreak eased last summer. Indeed, just one in five sectors favour a brand-focused TV strategy. The consumer services sector is a clear outlier; here four-fifths of TV creative has the brand as the most dominant feature.

5. Retailers, usually value-led, pivoted to brand-building during the coronavirus outbreak. Brand-led content reached 30% of retail spots between April and August last year, up from a quarter (23%) between September and December 2019.

6. FMCG advertisers were quick to launch new products. Before the outbreak, just 2.2% of the sector's TV creative included a product launch – this leapt to 15.4% during the outbreak.

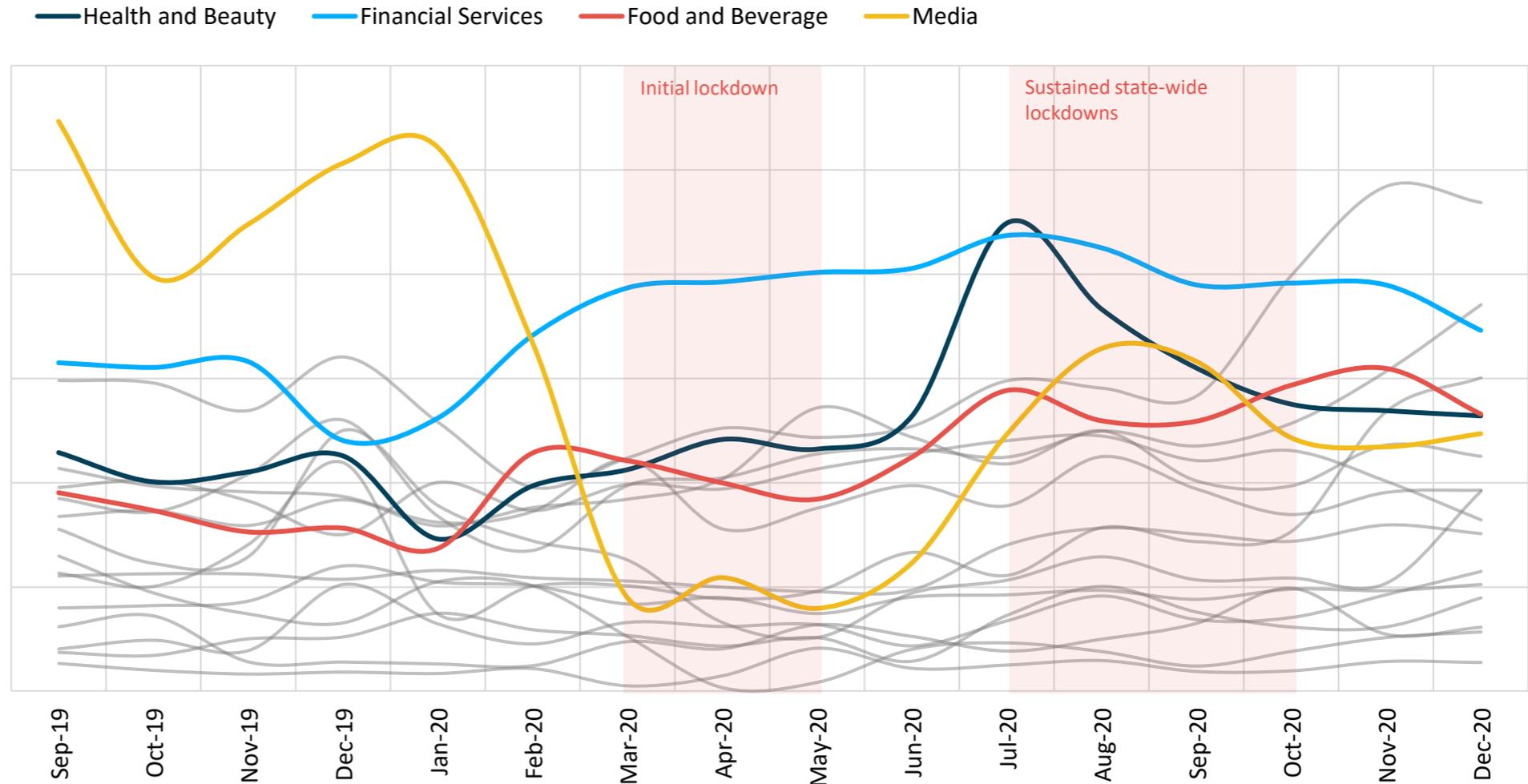
Spot volume fell 5% as the outbreak took hold

1.23m spots were measured in April 2020, down by 4.5% from March and 11.2% from January. As brands withdrew, CPMs fell by 4.9%, per the WFA's agency consensus of cost inflation.

The health and beauty sector saw the largest increase in spot volume, rising 47.2% between the pre-COVID period (09/19 to 02/20) and the outbreak (03/20 to 09/20). Finance and food brands increased volumes by over a third during this time.

The spot volume among media brands collapsed from a previous high – by the last three months of 2020 it was still at about half its pre-COVID level. There was no notable change in the number of active brands for most categories, suggesting there were few new entrants.

Australia, Monthly spot volume by category



Note: Number of unique (in time, region, and channel) individual spots aired.

SOURCE: Adgile

Retail, fashion and tech ads intensified ahead of Christmas

Ad volume within the retail sector was severely reduced during the first half of the year when compared to the pre-outbreak period, a reflection of the impact lockdown measures were having on physical stores.

Retail’s messaging intensified in the run up to Christmas, however, while data also show a pivot towards brand-building following the outbreak.

Advertising activity within the gambling sector was seen to peak in October, coinciding with the Spring Racing Carnival.

A sharp reduction in ad volume was recorded within the travel & tourism and media sectors, the latter perhaps hindered by a lack of cinematic releases last year.

Australia, Monthly spot volume by category, Index

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Post-outbreak average
Food and Beverage	79	132	128	115	106	130	167	150	150	170	179	154	145
Health and Beauty	72	98	106	120	115	131	223	182	154	137	134	131	143
Wagering and Gambling	65	61	119	101	159	131	96	125	163	248	136	153	143
Financial Services	88	115	130	132	135	136	147	143	131	132	131	116	133
Technology	89	72	105	109	121	124	119	133	125	137	163	197	133
Government or Organisations	93	104	109	120	160	144	129	147	119	116	139	133	132
Fashion	114	80	116	109	112	77	119	161	121	124	163	202	130
Fast Moving Consumer Goods	146	115	104	84	100	56	142	197	148	120	121	175	125
Retail	59	81	81	71	77	107	89	126	115	123	215	241	124
Home and Garden	95	72	82	92	89	93	109	107	104	146	177	172	117
Consumer Services	104	98	95	90	86	87	126	141	135	129	143	136	117
Property and Construction	109	94	108	105	116	124	131	133	120	125	109	89	116
Education	85	108	26	74	205	110	125	147	95	98	142	137	116
Automotive & Boating	87	92	119	83	94	105	95	120	104	91	102	103	102
Restaurants and Fast Food	109	106	87	94	78	94	97	101	92	102	101	107	95
Sport and Entertainment	109	88	77	40	31	58	65	79	65	66	63	118	66
Media	114	73	20	24	17	27	54	72	69	53	51	54	44
Travel and Tourism	111	106	55	3	9	42	49	40	25	40	54	60	38

Note: Number of unique (in time, region, and channel) individual spots aired, indexed against average recorded during ‘pre-outbreak’ period of September 2019 to February 2020.

SOURCE: Adgile

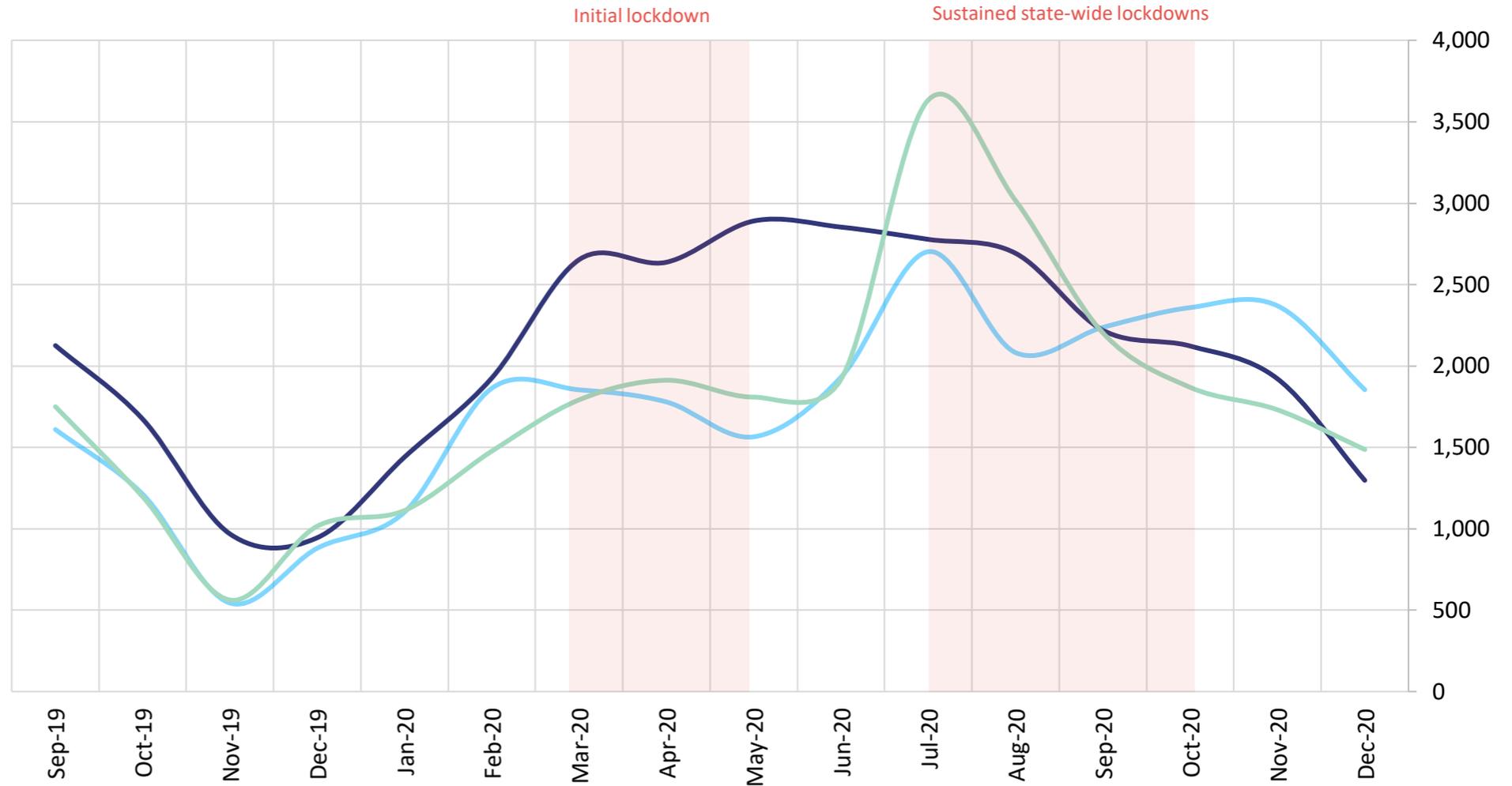
Exposure to health and beauty advertising peaked in second wave

The property & construction sector witnessed the largest number of active brands on average throughout 2020 as a whole, but the financial services industry recorded the highest number of active brands during the first wave of the coronavirus outbreak (March to May 2020).

Financial services also led in terms of total TV audience at this time, reaching a peak of 2.9bn during May. The health & beauty sector then recorded the largest audience in the second wave, peaking at 3.6bn in July. This coincided with an intense rise in ad volume (see previous page). Finally, the food & beverage sector recorded the greatest reach from October.

Australia, Audience per industry in 2020, Millions

Financial Services Food and Beverage Health and Beauty



SOURCE: Adgile

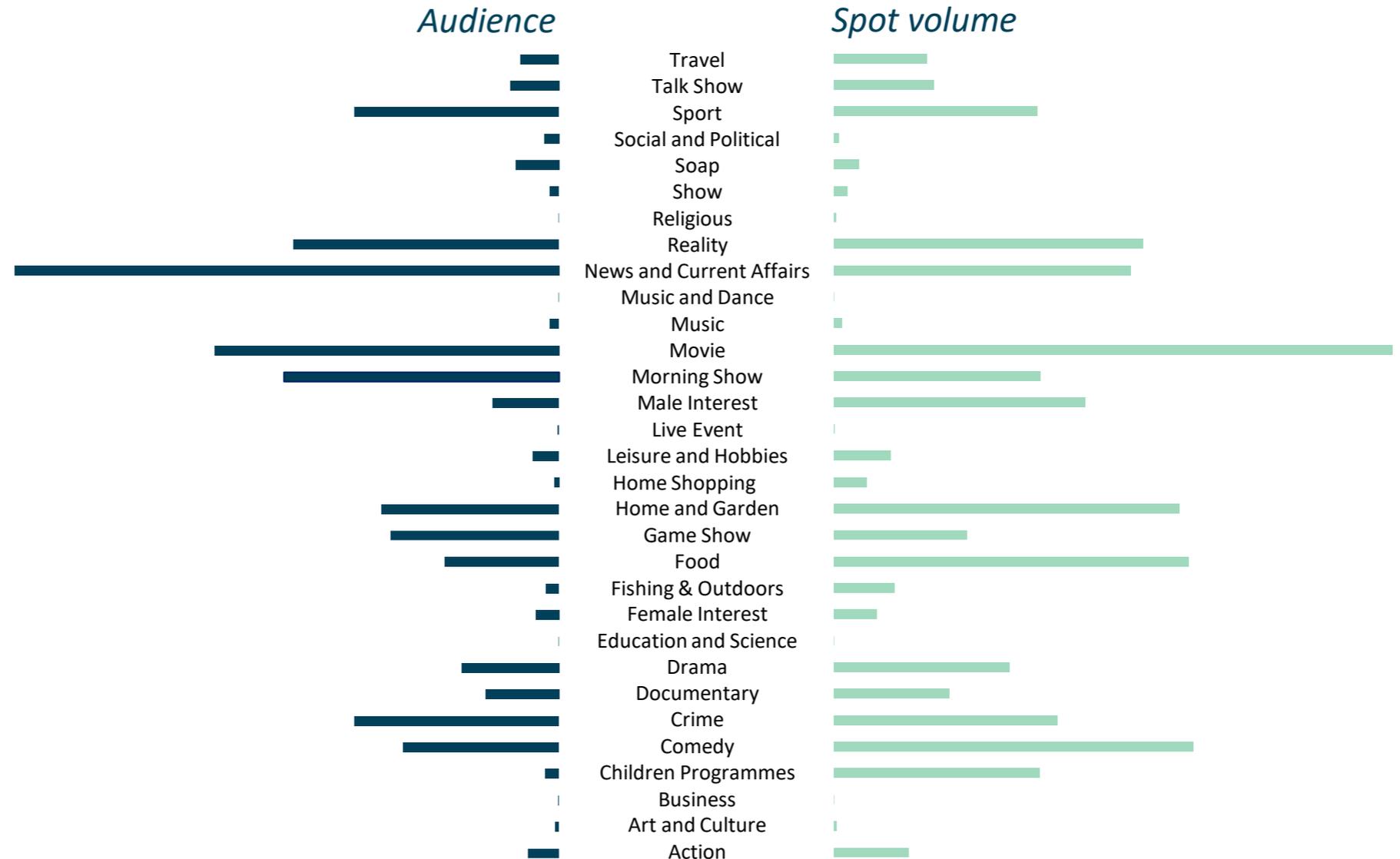
Viewers flocked to news programming during the outbreak

News and current affairs is the most popular programme type across all industries with the exception of FMCG, which favours spot buys during movies and morning shows.

Children’s programming, drama and male interest shows all drew above-industry average spot volumes but below-industry average audiences – a reflection of the specialist nature of the content.

Food programming also shows a larger-than-average gap between audiences and spot volume, one which was seen to spike between August and October during the second phase of lockdowns.

Australia, Audience versus spot volume by programme type in 2020, Millions



SOURCE: Adgile

The gap between main and secondary TV channels is narrow in certain sectors

Main channels (on the Seven, Nine and Ten networks) attracted roughly two-thirds of the total TV audience across all sectors in 2020.

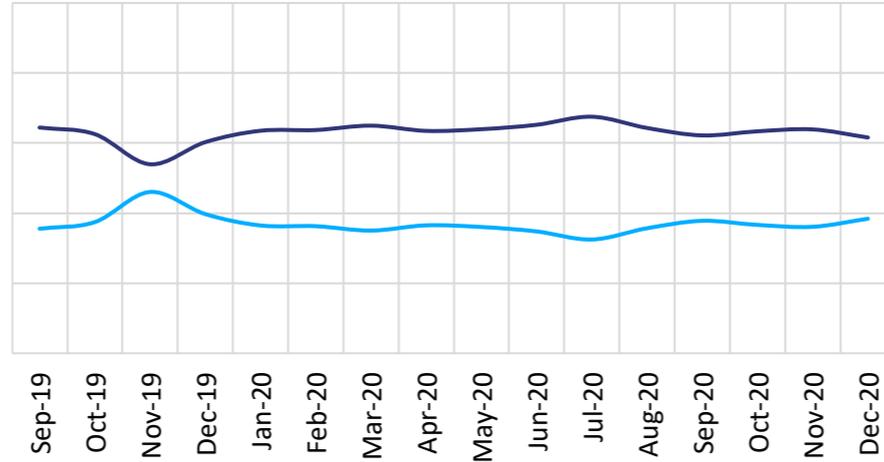
The split between main and secondary channels varies greatly, however, and this is most notable within the consumer services, fashion and media industries. In each of these cases, the audiences from secondary channels surpassed those of the main channels at least once.

This shows how optimal reach can be maintained through a combination of mass-reach and specialist programming.

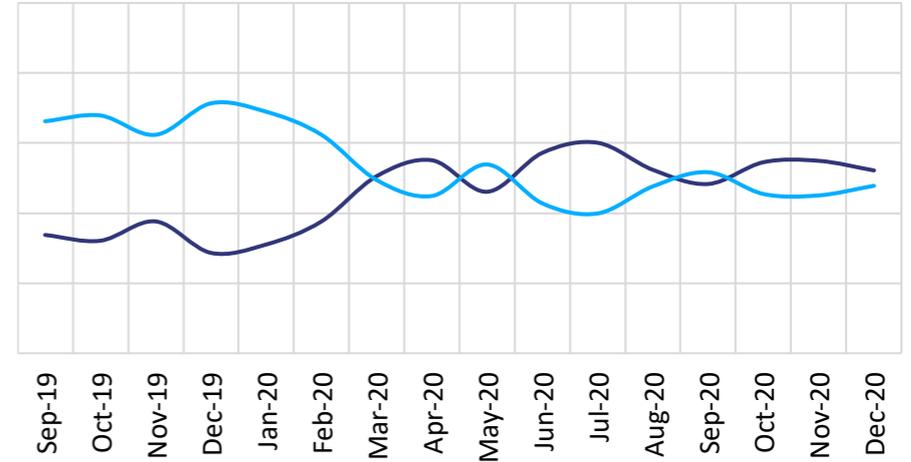
Australia, Share of audience by channel type

— Main — Secondary

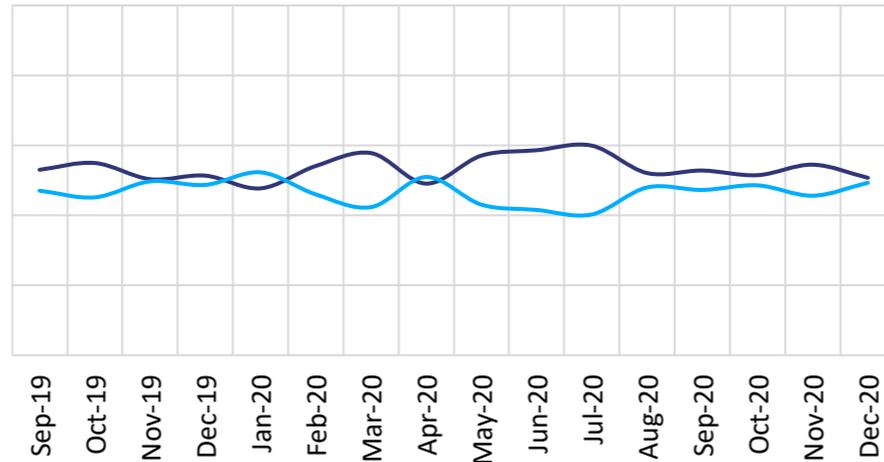
All industries



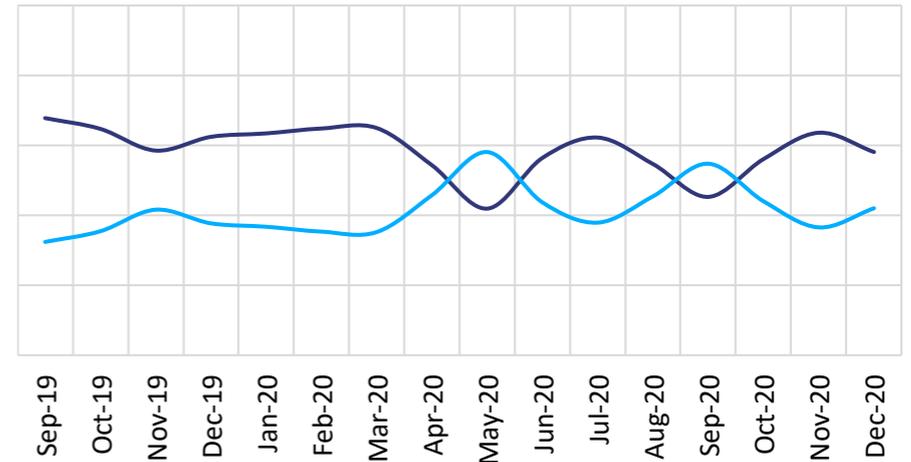
Media



Consumer services



Fashion



SOURCE: Adgile

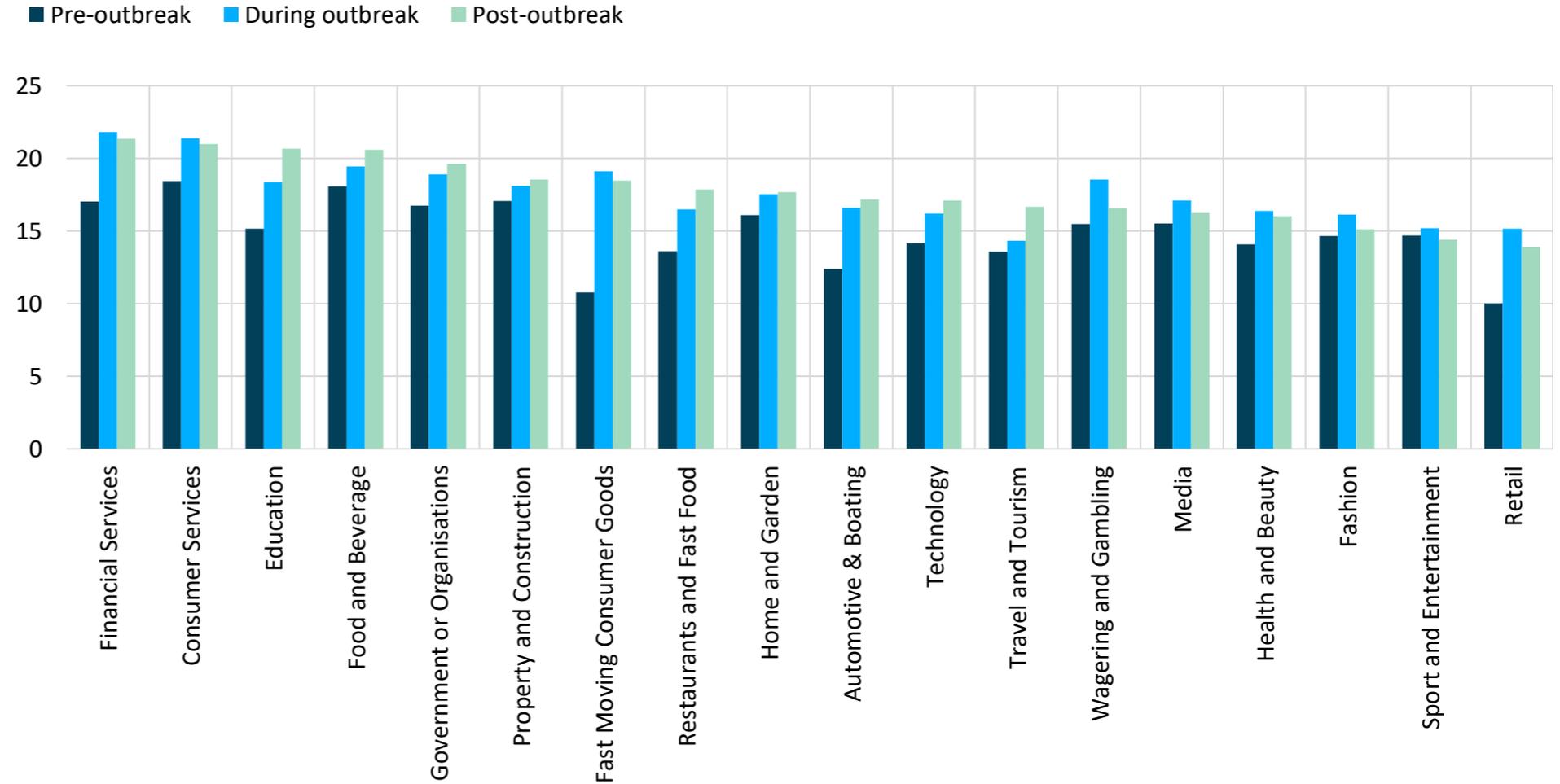
Campaigns ran for longer as production was curbed

Across all 18 product categories tracked, the average campaign length increased from 15 days before the outbreak to 18 days during the months in which Australia was impacted most (March to September 2020).

Campaign duration then fell back from October within half of the sectors monitored. This may speak to the problems inherent to producing spots while social distancing measures were in place, with existing creative instead being used for longer.

The sports & entertainment sector is the only one to now run campaigns for a shorter period than before the outbreak, but the difference is slight. FMCG TV campaigns are now over a week longer, however.

Australia, Average TV campaign length (days) by category



Note: Pre-outbreak is Sep 2019 to Feb 2020, during outbreak is Mar 2020 to Sep 2020, post-outbreak is Oct 2020 to Dec 2020.

SOURCE: Adgile

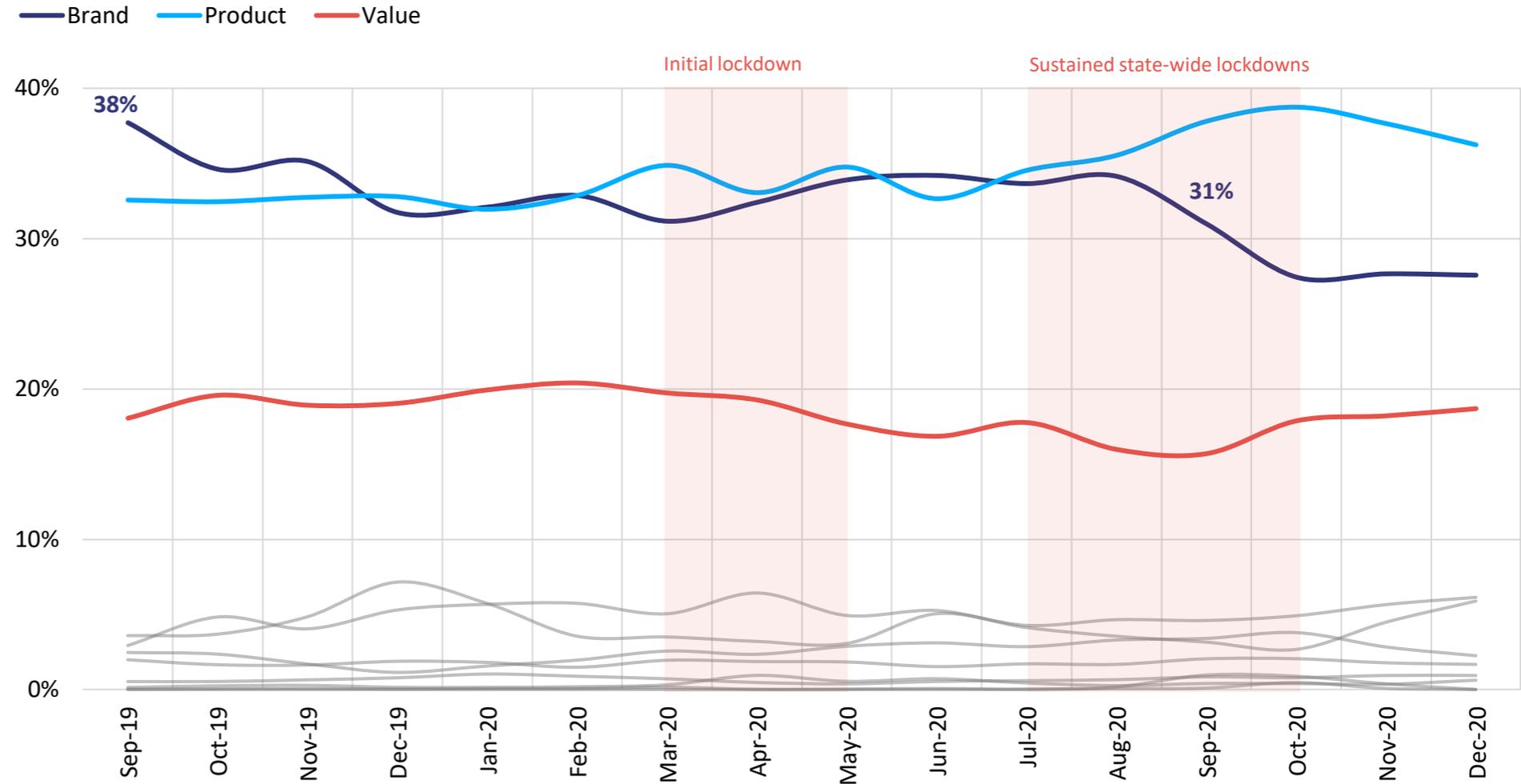
Brand-building made way for product-led creative last summer

Brand-building strategies were prevalent during the final few months of 2019, but their adoption fell back notably in the final months of 2020 during the Australian summer, aside the easing of lockdown conditions.

The adoption of brand-building messaging as a share of all TV creative held at approximately a third throughout the outbreak. Telco Optus focused their creative towards a clear aim of building brand love, for example.

After a period of stability, brand-led strategies then fell by seven percentage points in September 2020 compared to a year earlier. The rate eased further – to 28% – for the remainder of the year, coinciding with an uptick in the share of product-led campaigns.

Australia, % share of TV creative utilising strategy



Note: Brand strategy is when brand is most dominant feature in creative, product strategy when product is featured without price or sale message, value strategy when a value message, for example around price, is present.

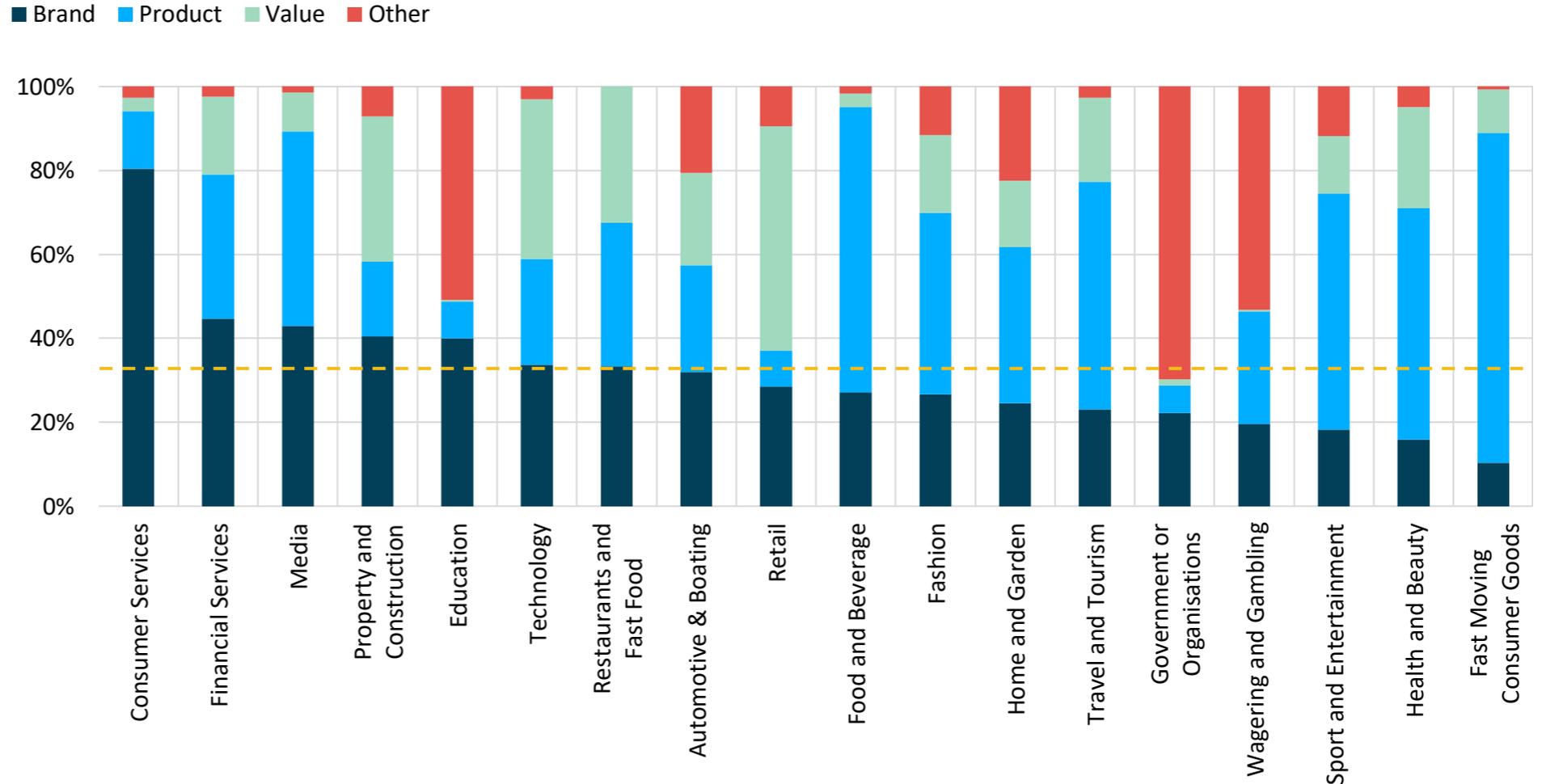
SOURCE: Adgile

Just one in five sectors favour a brand-focused TV strategy

While the proportion of brand-building campaigns held at approximately a third during the outbreak, most sectors were seen to be below this level. The consumer services sector is a clear outlier, though – four-fifths of TV creative had the brand as the most dominant feature since the outbreak began in Australia.

A product-led strategy was instead the most common for half of the categories analysed. This was particularly true among the FMCG and food & beverage sectors, though both were seen to put a greater emphasis than usual on brand-building during the pandemic's worst months.

Australia, % share of TV creative using strategy



Note: Brand strategy is when brand is most dominant feature in creative, product strategy when product is featured without price or sale message, value strategy when a value message, for example around price, is present. Average between March and December 2020. Dashed line denotes 2020 average for brand-building creative.

SOURCE: Adgile

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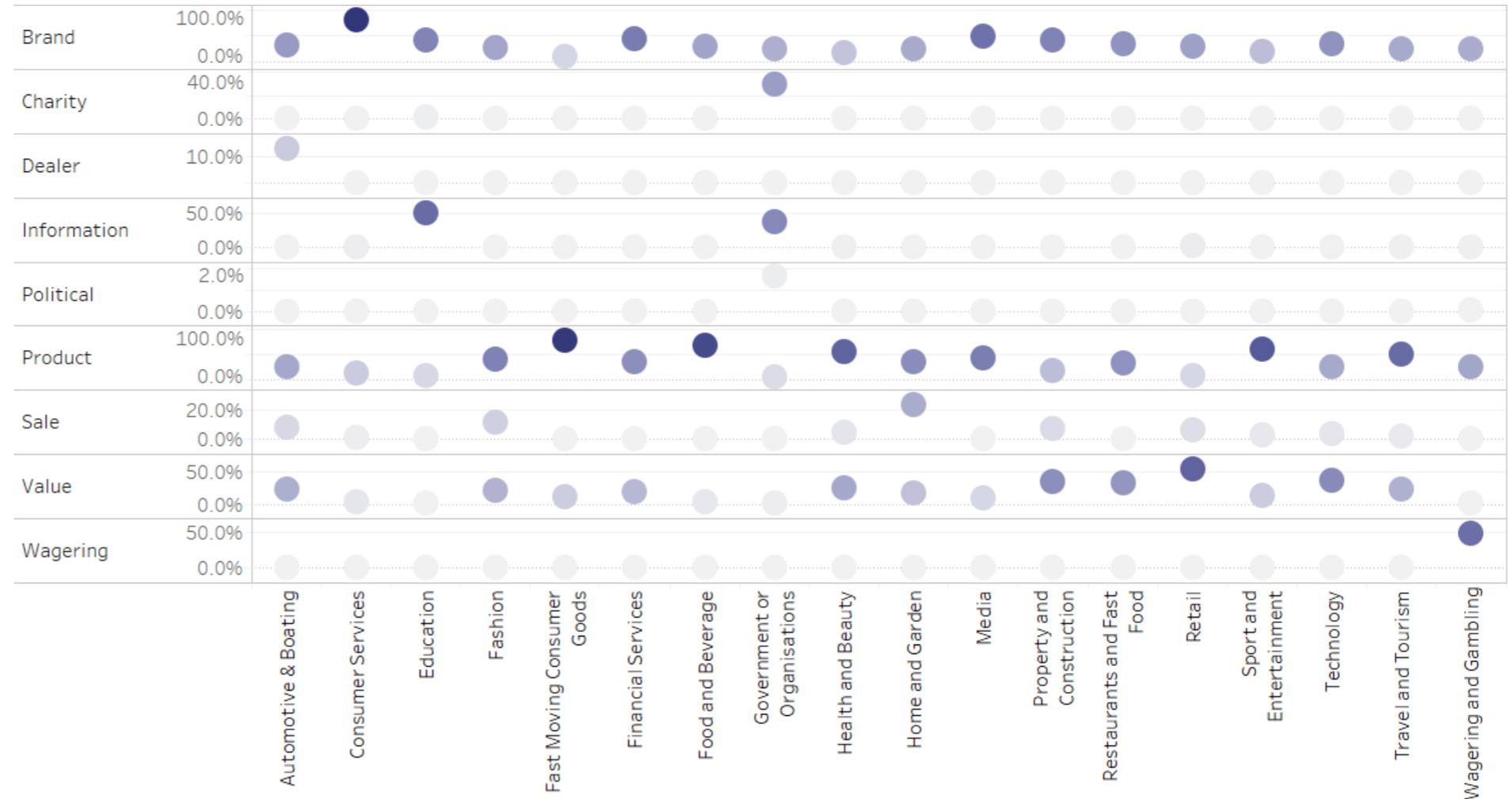
Retailers have pivoted to brand-building since COVID-19

The retail sector often places value-oriented messaging at the centre of its creative, but is now seen to be including more brand messaging since the start of the pandemic. Brand-led content reached 30% of retail spots between April and August last year, up from a quarter (23%) between September and December 2019.

This coincided with a drop in value-led content within the retail sector, down from 57% in September-December 2019 to 52% in April-August 2020.

Some of this can be explained by the heightened emphasis on sales during the Christmas period, but the increase in brand-building exercises were still higher than a year earlier come December 2020.

Australia, Share of version strategies adopted in each industry



Note: Darker dots denote above-average values.

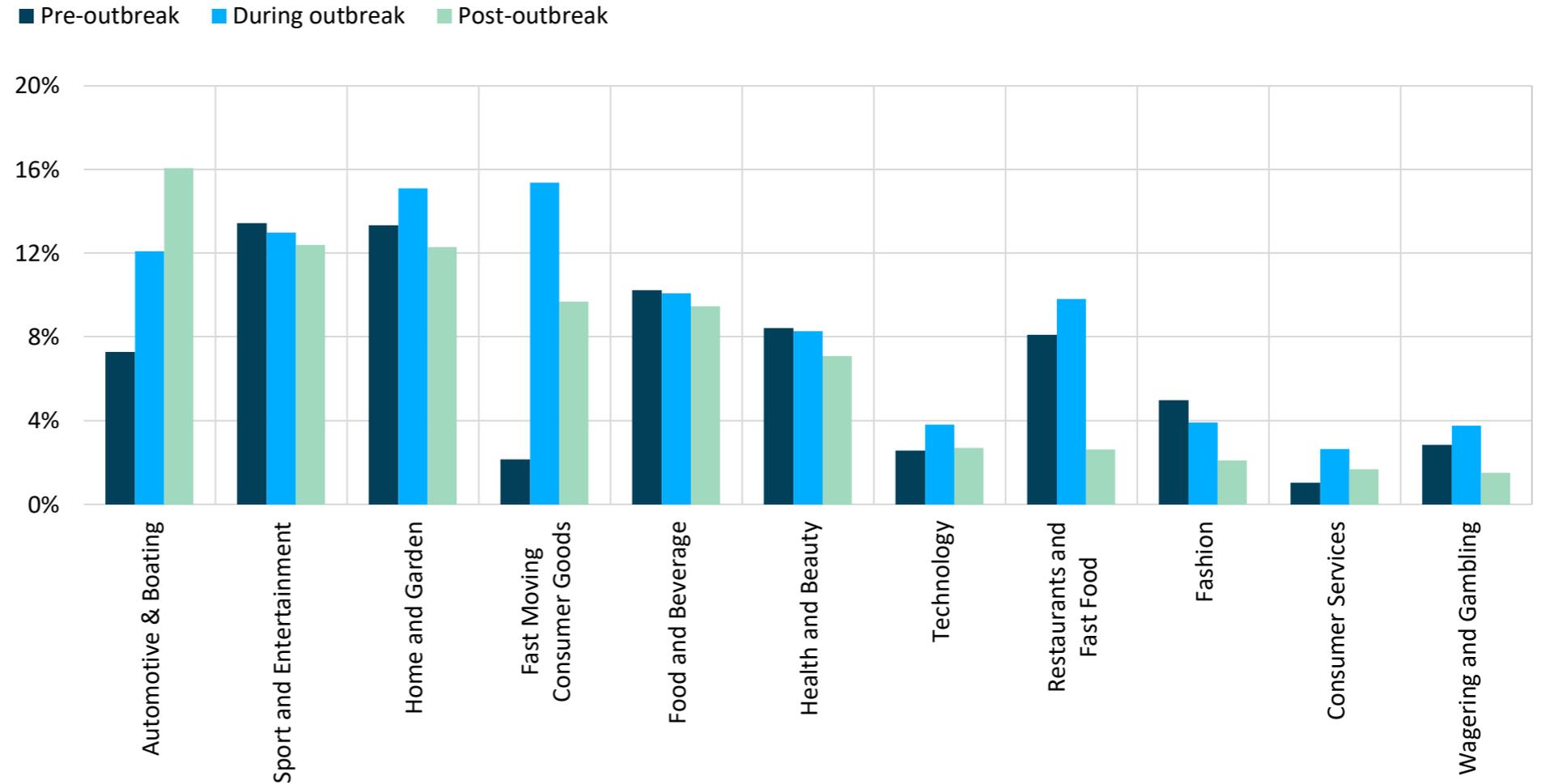
SOURCE: AdGile

FMCG advertisers were quick to launch new products via TV

The coronavirus pandemic disrupted most companies' plans for 2020, though FMCG brands were quick to react and launch new products. Before the outbreak, just 2.2% of the sector's TV creative included a product launch – this leapt to 15.4% during the outbreak.

This is most likely in response to the higher consumer demand for health and hygiene products, as related categories like food & beverage did not record a similar uptick.

Australia, % share of TV creative that included a product launch



Note: Pre-outbreak is Sep 2019 to Feb 2020, during outbreak is Mar 2020 to Sep 2020, post-outbreak is Oct 2020 to Dec 2020. Only categories with at least 1.0% of creative including a product launch post-outbreak displayed.

SOURCE: AdGile

ADGILE CONNECTING TV™

About Adgile

Adgile is a next generation Total TV data and analytics partner to the industry, bringing intelligent, real time visibility and control across linear and on demand TV.

Their patented visual recognition technology literally watches TV - identifying all spot advertising, sponsorship and in-programme brand content in high resolution.

Adgile's cloud-based platform – Catalyst – harnesses the rich, structured first party data they create, enabling users to understand, optimise and extend

their TV planning and buying through our Analytics, Attribution and Activation product capabilities.

One integrated platform. Total TV Effectiveness.

Visit adgile.com for more information.

About the data

First party data created and supplied by Adgile, exclusively for WARC.

Data analysed for this section were recorded from Australian TV networks Seven, Nine, Ten and SBS between 1st September 2019 and 31st December 2020. A total of 15.6m ads were monitored during this period.