

Why ITV are right to be optimistic

Looking at ITV's recent results it is interesting to see the comment from its' Chief Exec;

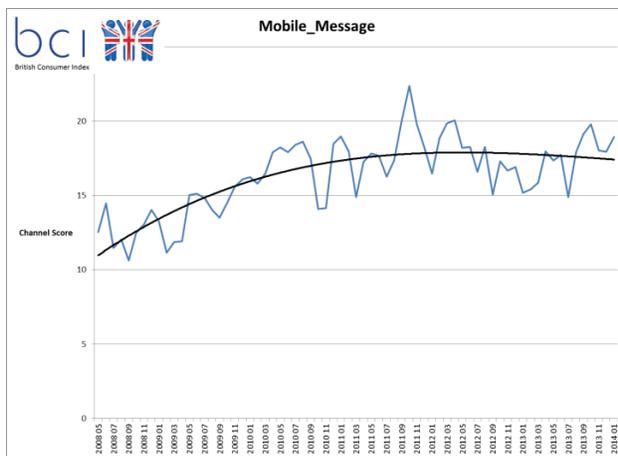
"Crozier noted further "signs of improvement" for the television advertising market in 2014 and said the company expects its TV revenue to rise 5-6 per cent year-on-year in the four months to April."

So, ITV are optimistic, but is that backed up by how consumers react to TV advertising?

To do this it is necessary to look at the trend rather than just current data. Over the last few years the way in which brands communicate their message to consumers had changed enormously, probably more rapidly than at any time in history.

New channels have emerged and older channels have developed sometimes presenting a confused picture as consumers react to the novelty of the new.

We only have to look at the trend in acceptability of Mobile to see this in action. ('Channel Score' is a measure of a marketing channels acceptability and responsiveness)

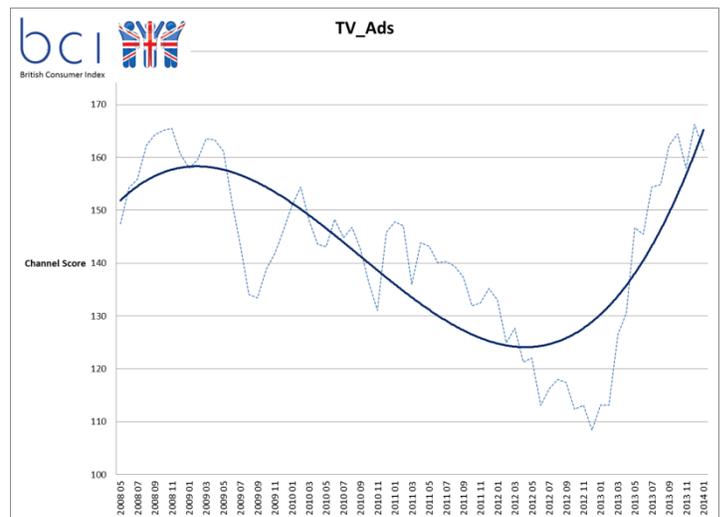


Perhaps the initial novelty of mobile is being overtaken by irritation. As with personalised direct mail all those years ago marketers are just learning how to use the medium.

However, if we contrast this with TV we start to see why ITV may be right to be optimistic.

TV started to decline late 2008 but turned the corner at the back end of 2012.

Since then there has been a dramatic rise in the 'popularity' of TV advertising. Maybe as a result of better ads, maybe because people find them less irritating than other media, maybe because people can choose which ads to watch by using their PVR?



Whatever the reason there seems to be a clear message from consumers that TV is on the up as a way to receive marketing messages. So, if brand marketers and advertising agencies take note of what consumers are saying then ITV are right to be optimistic.

All figures are from The British Consumer Index.

The British Consumer Index is the monthly monitor of consumers acceptability and responsiveness to different marketing communication channels, what influences choice of brand or retailer, likelihood to purchase and financial optimism.

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