ADVERTISING ON TV AND DAS ERSTE

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PROMOTING YOUR **BRAND ON TV.**

The intention to invest in TV advertising often raises many questions. Small to medium-sized companies that have not yet had any contact with it often ask themselves whether it is worth investing in TV advertising at all, even with small budgets. We would like to answer these and other important questions on these pages and thus provide a little guidance on the “world of advertising”.

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FAQ

1. How much does TV advertising cost?
2. Step by Step – from idea to broadcasting
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4. Discount possibilities/agency commission
5. Advertising possibilities for smaller budgets
6. What does the production of a TV spot cost?
7. How many contacts can I achieve with TV advertising?
8. Building target groups / target group analysis

HOW MUCH DOES TV ADVERTISING COST?

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HOW MUCH DOES **TV ADVERSTISING COST?**

The costs for TV advertising vary greatly. That's why we can't give you all-inclusive costs – even for advertising at Das Erste. Basically there are significant factors that affect the cost of TV advertising in general:

- **Spot length:** The longer the spot, the higher the cost
- **Time of day:** The primetime (8 p.m. - 11 p.m.) is usually more expensive than daytime, which is distinguished in afternoon (1 p.m. - 5 p.m.) and pre-primetime or evening (5 p.m. - 8 p.m.)
- **Season:** Due to seasonal variations in viewer engagement, the summer months are more economic than spring, fall and winter months. For budgetary smaller test campaigns, the summer months are therefore suitable for determining the initial impact effects of TV advertising.

HOW MUCH DOES **TV ADVERSTISING COST?**

- **Viewership:** The more viewers a program has, the more expensive the price per second in its environment - in conjunction with the time of day, of course.
- **Kind of advertising:** Commercials in classic commercial blocks (in full screen, non-exclusive) are usually cheaper than the exclusive special placements (above all, split screens and full-screen solo spots) in which the individual spot benefits from special attention and mostly the unique placement.
- **OTC products:** At Das Erste, the broadcast time of the mandatory text (4 seconds) is free of charge for you. At private channels, customers usually have to pay for the advertising time for this legally required mandatory text for OTC products.

STEP BY STEP – FROM IDEA TO BROADCASTING

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STEP BY STEP I

Important steps to execute your communication goals by using TV advertising

- With our “rate calculator”, you can get an initial overview of our spot prices.
- If you have a specific interest in placing TV ads, our media service will be happy to assist you in defining the target group for your product and will build a hit list of advertising blocks suitable for your target group.
- You specify the budget, the spot length and the campaign period. Our media service creates a media plan accordingly.
- Our booking department reserves specific dates / placements for a maximum of three working days, while the media service evaluates the campaign and checks its CPMs and GRPs.

STEP BY STEP II

Important steps to execute your communication goals by using TV advertising

- You book the reserved dates / placements and receive an order confirmation. Approximately 14 days before the first broadcasting date, you will receive an invoice for pre-payment.
- You deliver the spot (incl. instructions) to WDRmediagroup (order service) 10 days prior to the first broadcast.
- Your invoice must have been paid three working days prior to the first broadcasting date.
- You will receive a broadcast confirmation on the second working day of the following month.

DISCOUNT / AGENCY COMMISSION

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DISCOUNT / AGENCY COMMISSION

Of course we can offer you a discount based on your investment, which is as follows:

annual sales off	discount	annual sales off	discount
125.000 €	0,5%	1.500.000 €	5,0%
150.000 €	1,0%	2.000.000 €	6,0%
250.000 €	1,5%	2.500.000 €	7,0%
500.000 €	2,0%	3.000.000 €	8,0%
750.000 €	3,0%	3.500.000 €	9,0%
1.000.000	4,0%	4.000.000 €	10,0%

If your spots are booked via a media agency, we can offer an additional discount of 15% (agency commission).

If you don't have an agency yet, you can get more information on the website of OMG (Association of Media Agencies in Germany).

https://www.omg-mediaagenturen.de/home/

Alternatively, your New Business Manager will be happy to tell you more about the "icing on the cake" for your campaign in person.

Changes and errors excepted.

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SOLUTIONS FOR SMALLER BUDGETS

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SOLUTIONS **FOR SMALLER BUDGETS**

Small and medium-sized businesses may think that a TV campaign is not affordable or cannot be done with smaller budgets, or that it might not be worth it.

Of course, all options must be strongly considered, taking into account both budgetary restrictions as well as the desired goal (e.g. building awareness quickly, changing brand perception, generating sales, etc.).

In order to achieve an effect with an advertising campaign at Das Erste, the spot should be broadcasted 15 to 20 times in an appropriate environment - the costs for this depend on the environment and time of day. With the help of our rate calculator, you can roughly estimate the necessary budget in the first step. You are welcome to ask our New Business Manager for specific offers.

WHAT ARE THE COSTS FOR A TV COMMERCIAL?

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WHAT ARE THE COSTS FOR TV COMMERCIAL?

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WHAT ARE THE COSTS FORT A **TV COMMERCIAL?**

The answer to this question is rather simple - and again not, because the costs of producing a spot depends on several factors, such as:

- **Spot length:** Do you want to communicate quick facts in 10 to 15 seconds, or do you want to do brand building in a longer spot?
- **Type of production:** Is a studio sufficient or are complex outdoor shoots necessary?
- **Will testimonials be used?** Here you have bigger cost differences, of course, depending on the level of awareness/popularity.

WHAT ARE THE COSTS FORT A **TV COMMERCIAL?**

A simple, but nevertheless meaningful TV spot can be produced for as little as approx. 5,000 Euros. Of course, there are (almost) no upper limits.

Our advertising research team will be happy to show you examples of various product spots and their impact. Or take a look at our impact cases here.

We will be happy to link you with an agency in your area that is specialized in the production of TV spots and with whom we have already had good experiences.

HOW MANY CONTACTS CAN I ACHIEVE?

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HOW MANY CONTACTS CAN I ACHIEVE?

Our media service builds media plans for your potential campaign, creates target group analysis and advises you on all aspects of an ideal campaign concept.

Do you have a special target group, such as "dog owners" or "intensive consumers of fruit juices"? An analysis with the “VuMA” (“Verbrauchs- und Medienanalyse”, Consumption- and media analysis) will tell you everything you need to know about the socio-demographics, attitudes, consumption habits and leisure activities of your target audience.

But in the end, the question of all questions is: How many people of my target group will I actually reach with my advertising campaign? Our media service provides you with specific planning figures for your TV campaign, to evaluate things in advance. This means that you already have a “legit result” before the campaign starts. These figures are determined by analyzing previous year's ratings for the same period and are therefore possibly subject to minor fluctuations.

HOW MANY CONTACTS CAN I ACHIEVE?

Sample planning	
Campaign period June - August 2017	Budget: € 125.000
Spot length: 15 seconds	Target group: adults 14+
Spot placements: Monday to Friday between 5 and 8 p.m.	

Index	Result	Explanation
Net viewership (m)	14.28	Number of different people 14+ who watch the spot
Contact total (m)	52.51	= Gross contacts in total
OTS (Ø contacts)	3.7	...because 14.28m people see the spot on average 3.67 times
CPM (€)	2,39	It costs 2.39 € to reach 1,000 people with one spot.

We use specialized software tools to compare and optimize plans, in short: we do "fine-tune" your campaigns towards maximum reach, profitability or the ideal contact dose.

Contact us - we'll be happy to support you in all matters of media planning.

BUILDING TARGET GROUPS / ANALYSIS

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BUILDING TARGET GROUPS / TARGET GROUP ANALYSIS

An essential for a reasonable advertising campaign.

Socio-demographic target groups

Example: Men aged 20-59 with a net household income of €3,000+.

Socio-demographic characteristics often form the basis of an initial market segmentation and target group definition of advertising companies. In practice, combinations of different socio-demographic criteria such as age, gender and education are mostly used, as each characteristic is hardly meaningful enough in itself to analyze the purchasing behavior of consumers in more detail. However, when doing a media planning based on purely socio-demographic characteristics, it is important to keep in mind that people are always disregarded who do not meet certain specifications, but who do have an interest in buying a product.

BUILDING TARGET GROUPS / TARGET GROUP ANALYSIS

An essential for a reasonable advertising campaign.

Psychographic target groups

Example: "I prefer to buy natural products, even if I have to pay a higher price for these".

Psychographic target groups might be the most complex target groups. The definition is based on characteristics such as attitudes and values with the resulting consumer behavior, preferences, status awareness, the type of communication and aesthetic perception.

Using demographic information only doesn't help to understand a person's challenges in everyday life. With these characteristics you have a real person in front of you who could be given a name. It is usually much easier to see things from this person’s perspective, than from a data set.

BUILDING TARGET GROUPS / TARGET GROUP ANALYSIS

An essential for a reasonable advertising campaign.

Typologies

Example: SINUS-Milieus

For more than three decades, the Sinus Institute has been dealing with (amongst other things) determining target groups by means of “lifeworld analysis”, in which people are divided into certain "type groups" according to a similar view of life and way of life. Both value orientation and everyday attitudes are taken into account, which can vary greatly due to different preferences and habits, among other things. Target groups formed in this way can often offer marketing better decision-making aids than purely socio-demographic target groups, so it sometimes makes sense to target an advertising message to certain "types", such as decision-makers, business-minded people or people with an affinity for brands.

BUILDING TARGET GROUPS / TARGET GROUP ANALYSIS

An essential for a reasonable advertising campaign.

Consumer target groups

E.g.: "intensive user of coffee" or "TV set in HH that is older than 5 years". With a pure focus on socio-demographic target groups, a considerable number of people are often neglected who do not fulfill the given criteria such as age and gender, but who do have an interest in buying the product in question. Consequently, valuable contacts can be lost here in media planning because the intersection of the defined target group with the actual consumers is often comparatively small, while the wastage is very high. Consumer target groups, on the other hand, can offer a precisely targeted size with additional sales potential. Our media service will be happy to support you in finding your target group.

THE MOST IMPORTANT MEDIA KEY FIGURES

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THE MOST IMPORTANT MEDIA KEY FIGURES

The technical jargon of the advertising market is not always self-explanatory.

That's why we would like to briefly name and explain the most important buzzwords or key figures here.

Net reach

Indicates how many people within the target group were reached with at least one insertion in an advertising medium/means or within a campaign. Each person is counted only once. Net reach is usually presented as a % value and cannot exceed 100%.

NRW in % = net RW in million / target group potential in million.

Thousand Contact Price

The thousand-contact price indicates the amount of money that must be invested in an advertising measure in order to reach 1,000 people of the desired target group via visual contact (in radio, audio contact). In the online sector, for example in banner advertising, one ad impression is considered a contact.

CPM = price of placement for 30 sec./gross reach x 1000

Affinity index

Proportion of a specific target group among the users of a medium in relation to the proportion of this target group in the total population (index). The affinity is presented as an index. It is a measure of the closeness of the medium to the target group.

THE MOST IMPORTANT MEDIA KEY FIGURES

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Market share

Indicates the relative share of viewing time of a program/advertising block/time interval in the total viewing time of all programs at the respective time interval.

"Half of all TV viewers watched the soccer match on Das Erste last night." = MA of 50

Average contacts

Expresses the average number of advertising contacts per target person reached. OTS (Opportunity to see) = gross ROI in % / net ROI in %.

Gross reach / GRP

The gross reach represents the sum of all contacts of the target group with an advertising medium. Each contact is counted and it is not apparent how often the same people are included in the calculation (contact total).

Gross reach can be expressed either as an absolute number (million) or as a % value (GRP). The GRP (Gross Rating Point) is used as a measure of advertising pressure. It is thus a rough measure for evaluating an advertising campaign and for comparing different approaches to advertising campaigns.

GRP = Net RW in % x average contacts

THE MOST IMPORTANT MEDIA KEY FIGURES

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Share of Advertising (SoA)

Share of advertising investment of a campaign/brand in the advertising investment of a defined overall market (competitive field).

"The customer places 30% of its TV advertising investments with the station Das Erste." = SoA of 30%

Cost per GRP

Expenditure needed to reach 1% of the target group.
CPG = Cost of advertising in € / GRP

Contact class distribution

Media users can have different frequencies of contact with a campaign and thus belong to different contact classes. The contact class distribution shows how many people fall into each class. It serves as a yardstick for assessing the advertising impact.

The contact distribution can be shown in individual contact classes (1, 2, 3, etc.) or in combined classes (2+, 3+, 3 - 5, etc.).

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