

# COVID, CHRISTMAS AND THE E-COMM PHENOM

**Why TV is the new retail shopfront and how to put  
it to work for your business**

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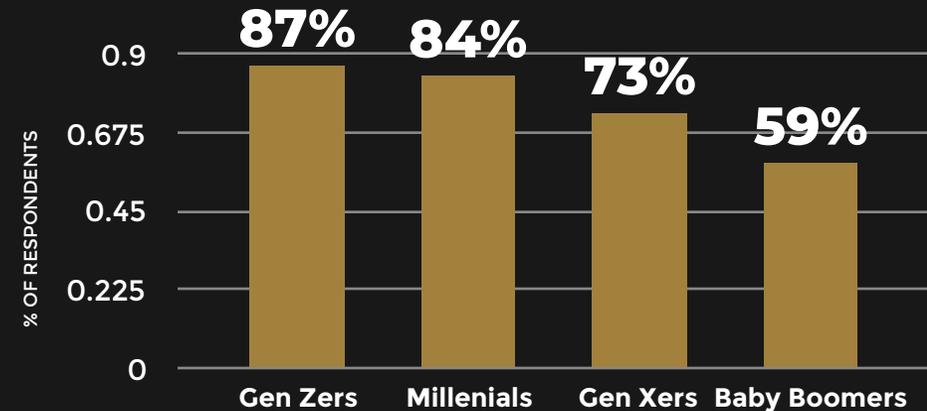
As COVID-wary consumers increasingly choose to buy online, how will they discover new products and how can retail brands entice consumers to purchase without the tinselly shopfronts of Christmas past?

# CHRISTMAS IS GOING TO BE DIFFERENT THIS YEAR

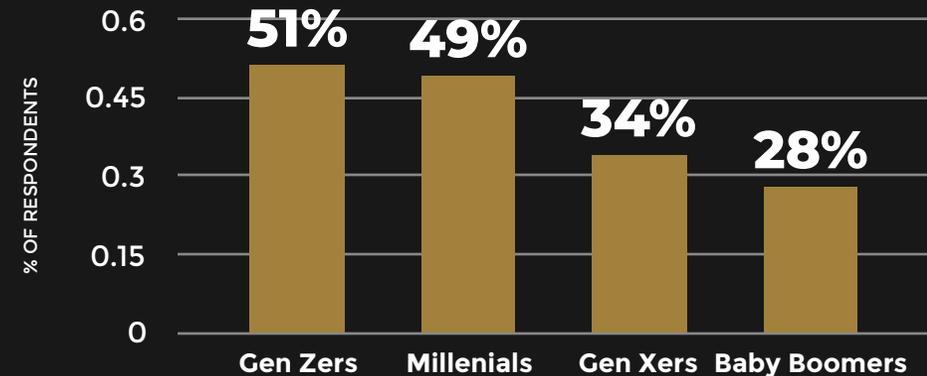
- Never have retailers held higher hopes for the pre-Christmas shopping spree.
- Retail brands are facing a triple threat: 25% of Australians are concerned about their finances, 40% believe they are worse off due to COVID and 47% are delaying large purchases.<sup>1</sup>
- The pandemic has forced consumers to shop differently:
  - One in five consumers who ordered their groceries online did so for the first time; or one in three for over 54s.<sup>2</sup>
  - So far in 2020, more Aussies have shopped online than ever before, up 31% YTD to April 2020<sup>3</sup>
- This shift has changed retail fundamentally and forever. Retailers are being forced to adapt to these changes while trying to capture the attention of consumers and convert them to purchase pre-Christmas.

## AUSTRALIA'S DIGITAL ACTIVITY HAS INCREASED ACROSS ALL AGE GROUPS

PENETRATION OF DIGITAL-TOOL USE<sup>1</sup>



INCREASE IN DIGITAL - TOOL USE SINCE COVID-19<sup>1</sup>



1. Source: Cfk Consumer Pulse Report

2. Source: COVID-19 Increasing Consumers' Focus on "Ethical Consumption," Accenture Press Release 4 May, 2020.

3. Source: Inside Australian Online Shopping, 2020 eCommerce Industry Report, Australia Post 2020.

4. Source: "As Physical Doors Close, new digital doors swing open" by Jenny Child, Rod Farmer, Thomas Rudiger Smith and Joseph Tesvic at McKinsey and Co. May 2020

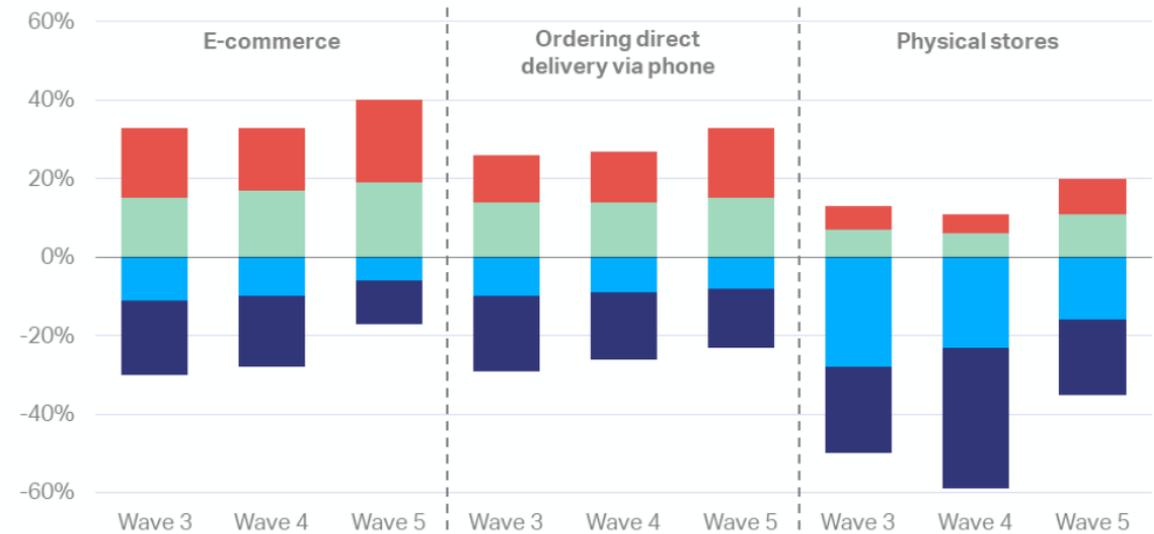
# E-COMMERCE HAS E-VOLVED THE RETAIL ENVIRONMENT

- Retailers can no longer rely on their physical store or face-to-face experiences to attract and convert customers.
- Although the final click to purchase is online, the customer's brand decision is often cast before they go near a keyboard.
- Customers remain interested in brands, and what they have to offer, even if they lack physical connection or proximity to stores.
- A brand's 'location' in the consumer's mind becomes more important than the brand's physical store as e-commerce puts every product just one click away.

WARC<sup>^</sup>  
DATA

## Global, Shopping channels during COVID-19

Change in use compared to previous month, % of consumers



**Note:** Based on survey of over 100,000 consumers in over 50 markets, wave 3 (10 – 13 April), wave 4 (24 – 27 April), wave 5 (22 – 26 May).

**Question:** Overall, how has the coronavirus situation impacted your shopping across channels, in comparison to last month?

**SOURCE:** Kantar, COVID-19: Barometer Global Report, Wave 5

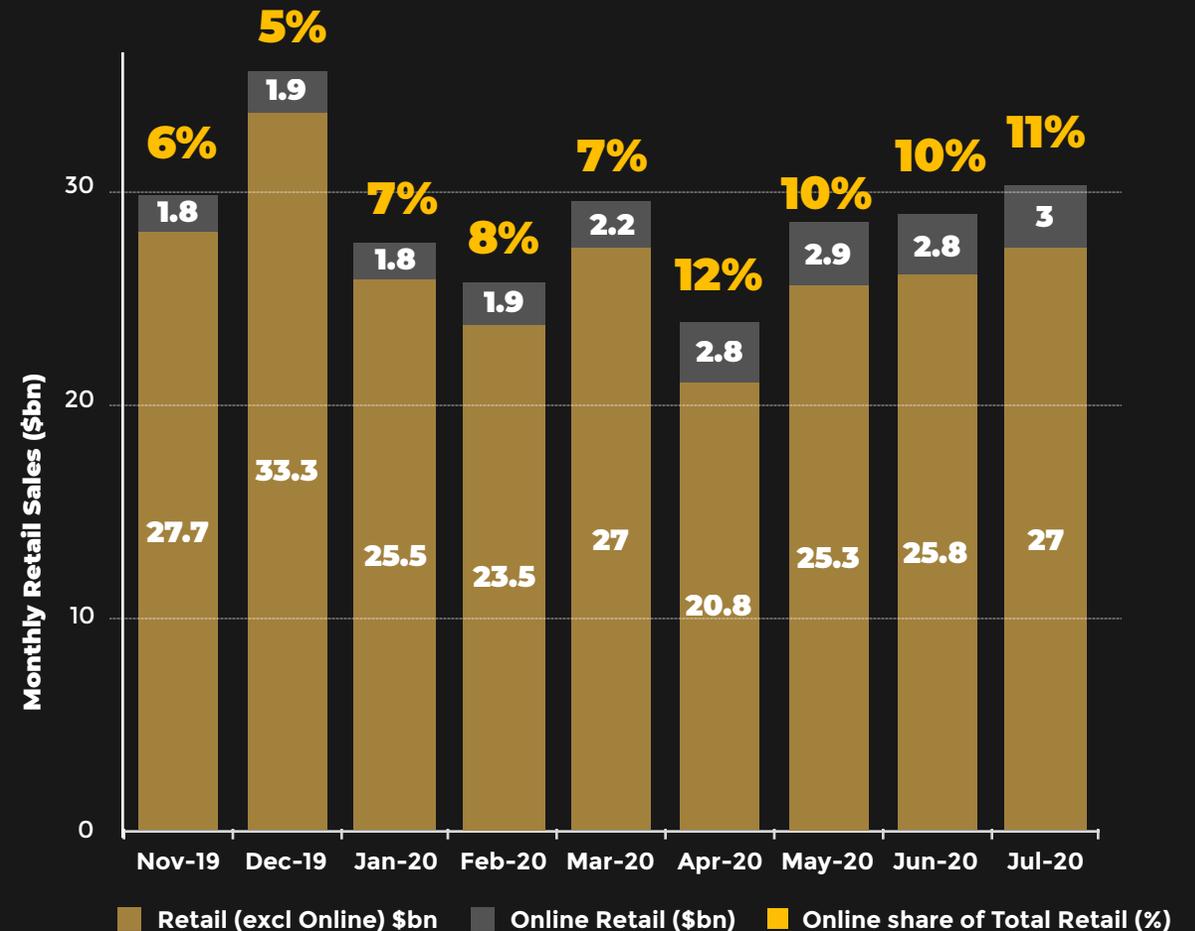


MacBook

# THE E-COMM PHENOM WINNERS WILL BE KNOWN AND TRUSTED BRANDS

- The pre-COVID advantage provided by scale and retail footprint no longer exists. Online shopping is the great leveller, allowing every brand, store and business the same opportunity to engage customers.
- With a deep recession looming, retail brands that take a fresh look at the old, and the new, will succeed.
- The COVID-induced e-comm phenom means the customer's journey starts in living rooms not high streets.
- Without impressive shopfronts, consumers look for other ways to be sure they are spending their money well.
- E-commerce shoppers want to shop brands they know and trust. So the critical question is, how do you ensure your brand is known and trusted?

## RETAIL TURNOVER INCLUDING ONLINE PURCHASING BY MONTH \$BN



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**That signal of trust is going to become more and more valuable. Particularly as stores lose their brick-and-mortar presence, increasingly, your brand is going to become like your shopfront. It's going to become the thing that consumers know.**

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**NIC PIETERSMA**

BUSINESS DIRECTOR FOR ADVANCED ANALYTICS, EBIQUITY



## 5 REASONS WHY

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# TV IS THE NEW SHOPFRONT



TV reaches Australians wherever they are and captures attention, establishing long-lasting mental availability.



TV is brand safe, driving trust in brands reliant on e-commerce shopfronts.



TV has a unique ability to deliver both brand and retail messages.



TV acts as a demand generator by targeting broadly to widen the pool of customers, whether online or offline.



TV amplifies the effectiveness of digital campaigns.



# TV THE NEW SHOPFRONT: TV GENERATES STRONG MENTAL AVAILABILITY

According to Professor Byron Sharpe, in order for brands to grow they must aim to build mental availability. But how do brands do that in e-commerce where 'point of sale' becomes 'point of click'?

Whether the purchase is offline or online, TV reaches Australians wherever they are, putting your brand in the consumer's mind well before the 'point of click' and ensuring mental availability that lasts nine times longer than ads on social video.

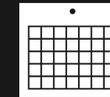
- TV reaches Australians wherever they are and establishes long-lasting mental availability.
- On big and small screens, TV advertising generates significantly more attention than Facebook and YouTube.<sup>8</sup>
- Ads on TV continue to impact sales for nine times longer than the average of Facebook and YouTube.<sup>9</sup>



**EVERY MONTH, MORE THAN 21 MILLION AUSTRALIANS WATCH LINEAR BROADCAST TV.**



**THE AVERAGE AGE OF A BVOD VIEWER IS 15 YEARS YOUNGER THAN LINEAR BROADCAST TV.**



**HALF OF ALL 18-24 YEAR OLDS WATCH LINEAR BROADCAST TV EVERY WEEK.**

**SALES IMPACT OF TV LASTS 9X LONGER THAN SOCIAL VIDEO<sup>9</sup>**



**TV IS VIEWED BY MORE THAN HALF THE POPULATION AND WATCHED FOR MORE THAN 2 HOURS IN AN AVERAGE DAY**



**EVERY WEEK, 3 OUT OF 4 AUSTRALIANS WATCH LINEAR BROADCAST TV.**



**IN THE LAST 6 MONTHS HOURS OF BVOD VIEWING GREW 30.9% YEAR ON YEAR.**

**TV COMMANDS MORE ACTIVE ATTENTION THAN SOCIAL VIDEO<sup>8</sup>**

**58% TV**  
**31% YouTube**  
**4% Facebook**

8. Source: The Benchmark Series: Viewability. ThinkTV 2017  
 9. Source: The Benchmark Series: Memory Decay ThinkTV 2018  
 10. Source: Fact Pack: January - July 2020



# TV THE NEW SHOPFRONT: A BRAND-SAFE AND TRUST-INSPIRING ENTRY TO THE ONLINE WORLD

Unlike ads on Facebook and Youtube, ads on TV are full screen so your brand is safe from appearing near negative content. Consumers are 2.8 times less willing to associate with brands that do.<sup>11</sup>

Australians are more likely to trust ads they see on TV than on Facebook or YouTube with TV being identified as the most likely place to find trusted advertising that stirs the emotions and sticks in people's memories.<sup>12</sup>

BRANDS NEAR  
NEGATIVE CONTENT

**2.8X**

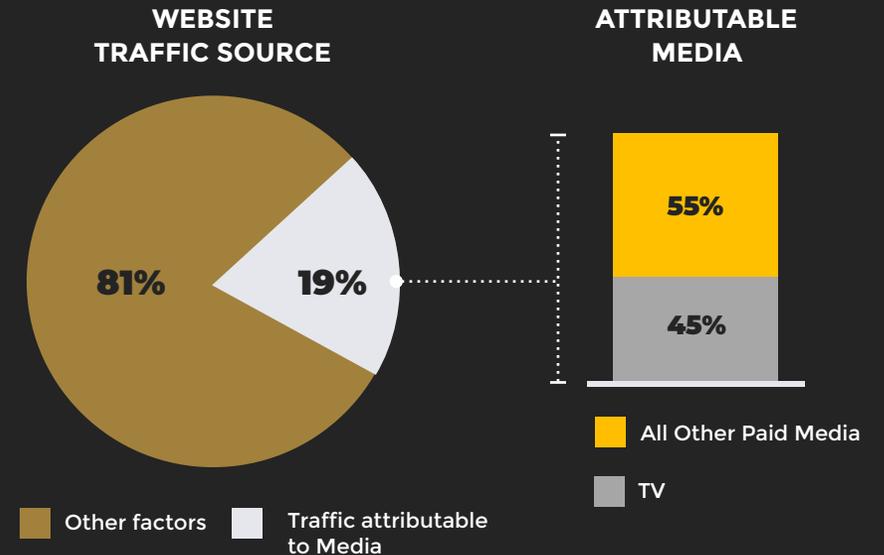
LESS DESIRABLE



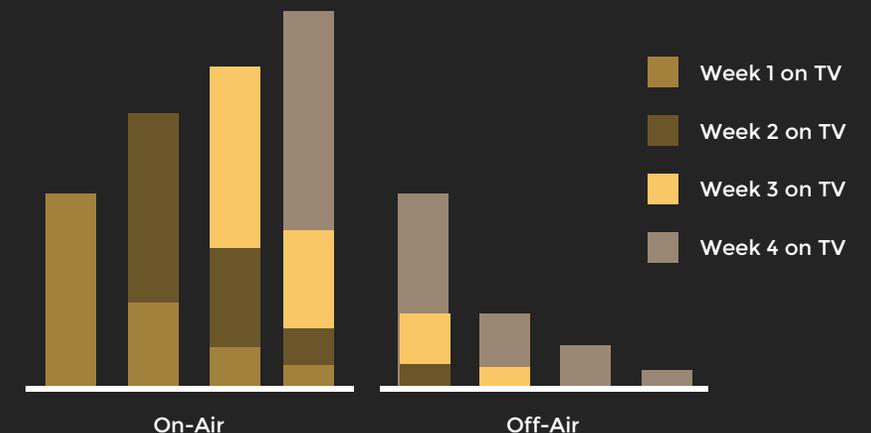
# TV THE NEW SHOPFRONT: TV ACTS AS A DEMAND GENERATOR ONLINE

- Some online advocates believe online businesses should only advertise online. This is equivalent to a physical store only advertising in its front window.
- Despite the customer journey increasingly moving online, the fundamental need to drive consumers to the shopfront remains.
- TV allows brands to stand out from the category by driving consumers specifically to their brand, whether in store or in search engines.
- Once TV has established an affinity for a particular brand, the search becomes a branded search, connecting customers directly with e-commerce outlets supplying their brand of choice.

**TV DRIVES BRANDED SEARCH TO SEPARATE YOU FROM  
YOUR COMPETITION IN CLUTTERED ONLINE ENVIRONMENTS**



**WEBSITE RESPONSE OVER TIME FROM EACH WEEK OF  
TV ADVERTISING**





# TV THE NEW SHOPFRONT: TV SUPERCHARGES THE FULL PURCHASE FUNNEL

Avoid a click-to-competitor moment when it matters most.

Brands that invest heavily in lower funnel digital options at the expense of high-reach broadcast channels such as TV see brand equity decline rapidly.

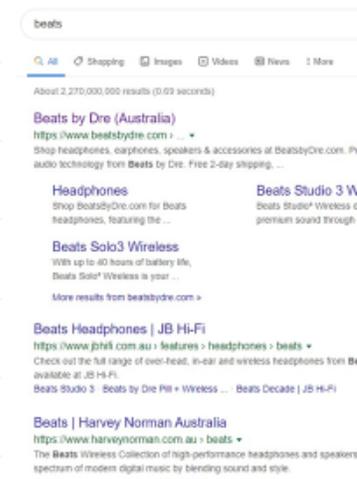
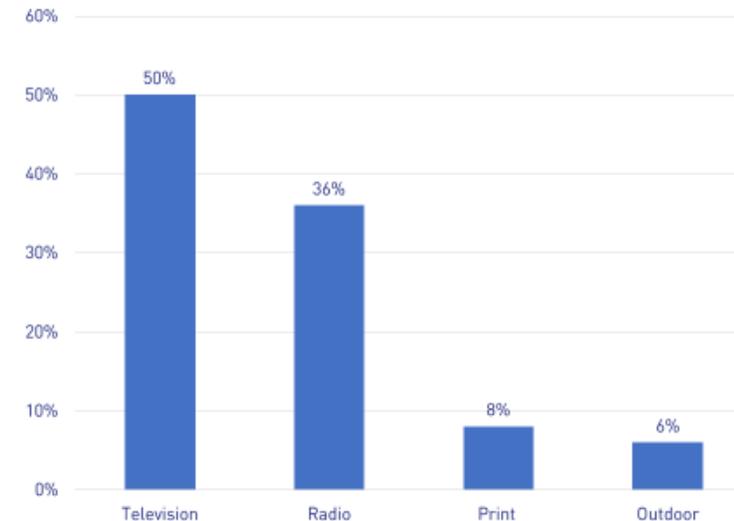
This decline leads to a decline in branded search.

As online tradesperson marketplace Hipages found, applying the brand-building power of TV converts customers better than generic search.

Advertising your brand on TV reduces the cost of paid search and improves paid search efficiencies in cluttered and expensive search categories.

## TV DRIVES BRANDED SEARCH TO SEPARATE YOU FROM YOUR COMPETITION IN CLUTTERED ONLINE ENVIRONMENTS

**TELEVISION ADVERTISING GETS PEOPLE SEARCHING SPECIFICALLY FOR YOUR BRAND. IT CAN INCREASE BRAND AWARENESS, AND DECREASE RELIANCE ON PAID SEARCH**





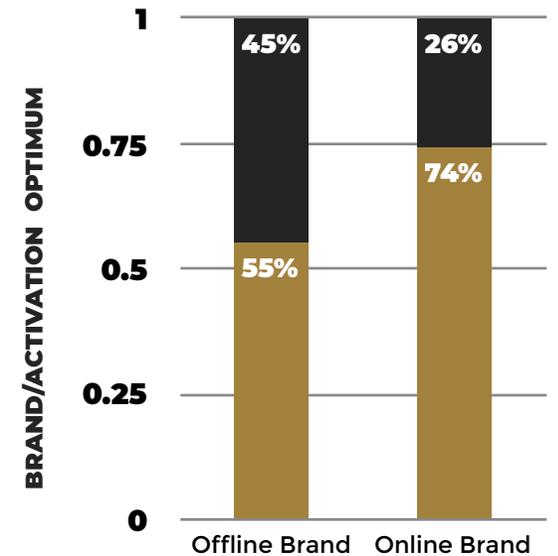
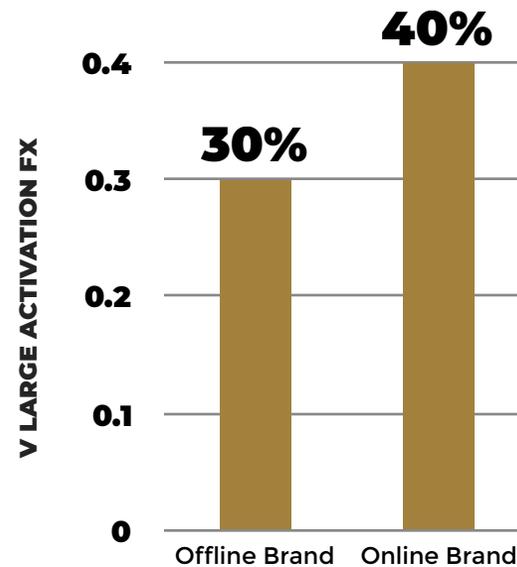
# TV THE NEW SHOPFRONT: TV DELIVERS BRAND AND RETAIL CAMPAIGNS

Effectiveness researchers Les Binet and Peter Field famously argued that the optimal split between brand advertising and sales activation is 60:40.

In fact, for brands selling online, the ideal ratio may be skewed higher.

The beauty of TV advertising is that you can do both of these things simultaneously. For example, brands can run two campaigns at the same time, one building brand and the other promoting price, or opt for a brand-building ad with a call-to-action at the end.

**FOR E-COMMERCE BRANDS THE IDEAL RATIO MAY SKEW BUDGETS 74:26 TOWARDS BRAND<sup>16</sup>**





# TV THE NEW SHOPFRONT: TV AMPLIFIES THE EFFECTIVENESS OF DIGITAL ADVERTISING



Without the halo from broadcast TV, the average ROI of digital advertising would decline by 19%

## BROADCAST TV'S HALO ON DIGITAL ADVERTISING

In integrated advertising campaigns, TV makes digital advertising more effective

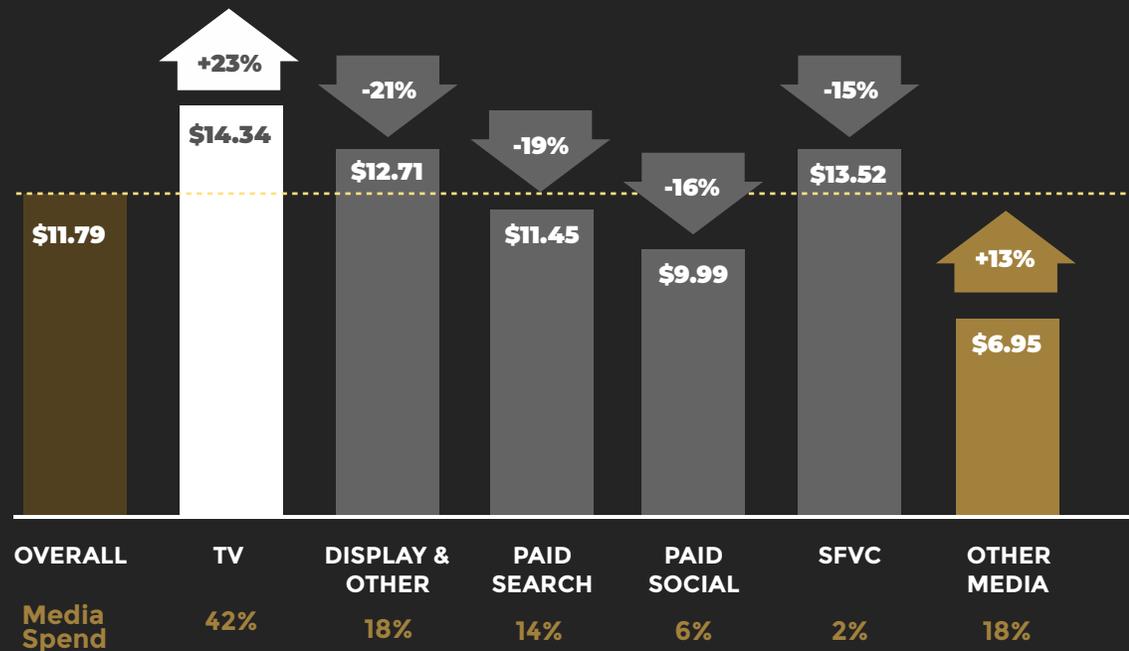


By ignoring the impact of TV on other channels, broadcast TV's average ROI is understated by 23%



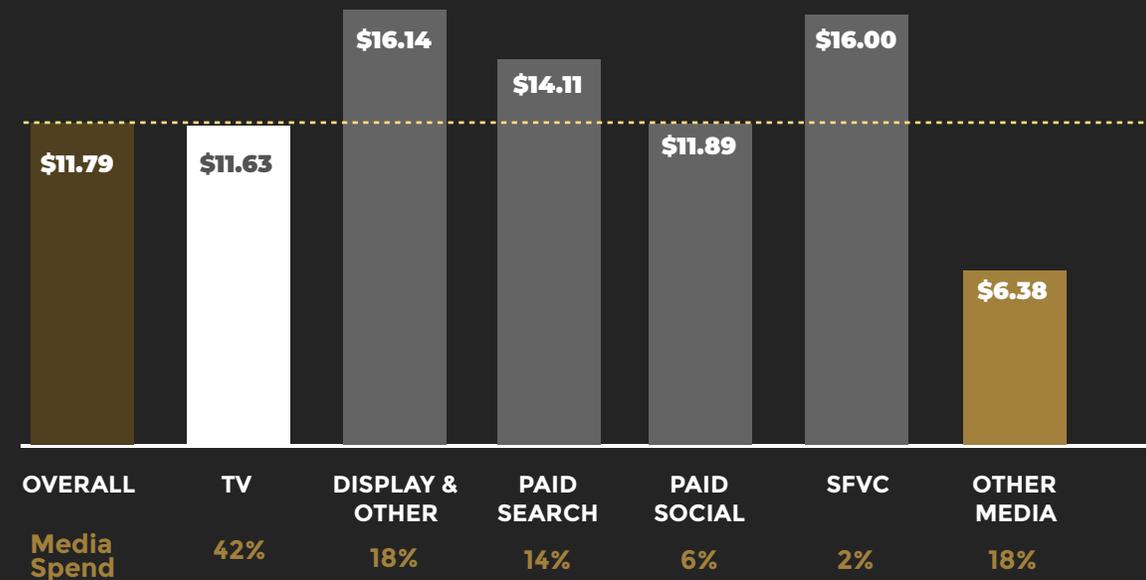
# TV THE NEW SHOPFRONT: AMPLIFIES THE EFFECTIVENESS OF DIGITAL ADVERTISING

WHEN EVALUATING THE ATTRIBUTED RETURNS, THE SALES ROI OF TV INCREASES BY 23%



WITHOUT ACCOUNTING FOR THE HALO EFFECT ACROSS CHANNELS, TRADITIONAL MARKET MIX MODELLING FINDINGS ARE MISLEADING

## DIRECT SALES ROI BY MEDIA CHANNEL



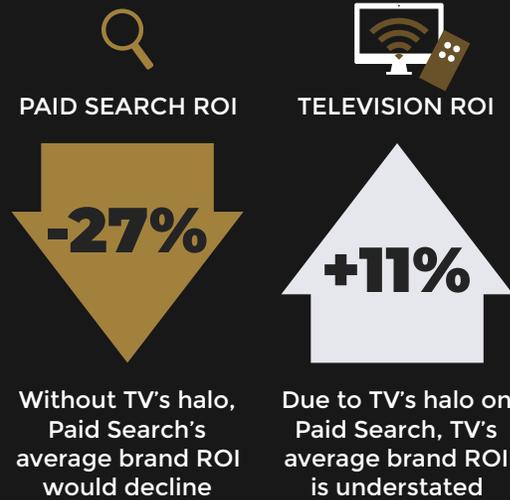
18. Source: The Benchmark Series: Viewability. ThinkTV 2017

19. Source: 'The Money Ball Moment for Marketing in Canada. Advertising Effectiveness. In a Multi-Channel World.' Accenture Strategy 2019

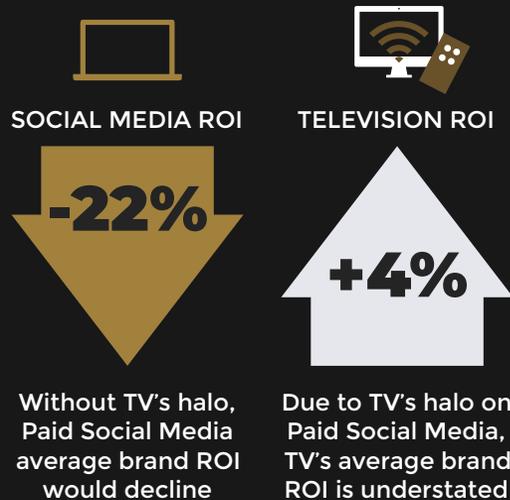
**BRAND AWARENESS ROI OF TV AND PAID SEARCH  
EXPRESSED AS A PERCENTAGE SHIFT DUE TO HALO**

# BEWARE THE ALLURE OF LAST CLICK ATTRIBUTION

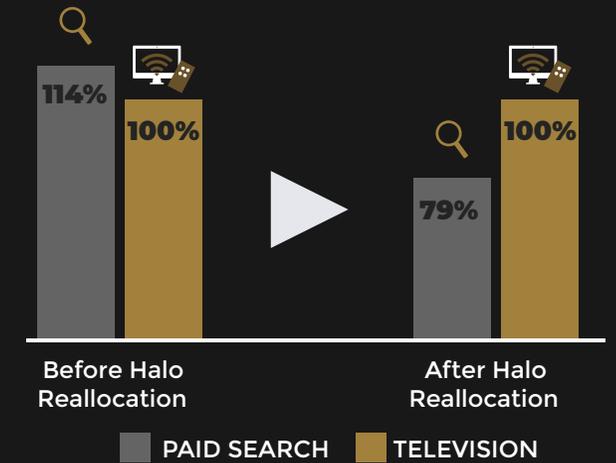
- Increased online purchasing is set to continue in the lead up to Christmas and beyond.
- The 'last click' to purchase may happen online, but don't be lured into the trap of only casting the net online. Research shows this is an ineffective way to attract customers.
- A trusted and wide-reaching channel such as TV will maximise your e-commerce revenue.



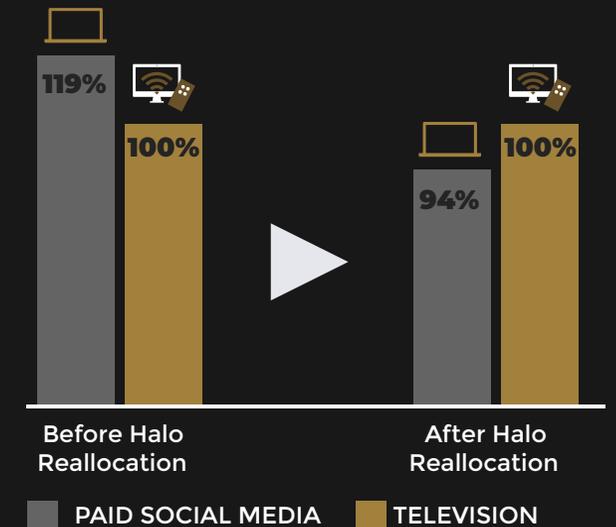
**QUALITY ROI OF TV AND SOCIAL MEDIA  
EXPRESSED AS PERCENTAGE SHIFT DUE TO HALO**



**BRAND AWARENESS ROI OF TV AND PAID SEARCH  
EXPRESSED AS A BEFORE AND AFTER RELATIVE  
ROI AFTER REALLOCATION**



**BRAND AWARENESS ROI OF TV AND SOCIAL MEDIA  
EXPRESSED AS A BEFORE AND AFTER RELATIVE  
ROI AFTER REALLOCATION**



# MASTERING THE E-COMM PHENOM: TOP 6 TAKEAWAYS

1. The COVID-induced eComm phenom requires a rethink of retail fundamentals and how to apply them to drive advertising effectiveness this Christmas.
2. Unable to rely on the physical store or face-to-face customer experience, a strong brand is fundamental, key to driving online traffic and maintaining price premiums.
3. With every product one click away, a brand's 'location' in the consumer's mind becomes more important than its physical location in the shopping centre.
4. As restrictions continue to ebb and flow, advertising replaces the role of foot traffic in capturing the attention of Australians.
5. Retail brands need to balance brand with retail activation and create mental availability.
6. TV is so much more than media. It's the new shopfront protecting margin, preventing substitution and driving e-commerce outcomes.