

Advertising Trend Report



81st Academy Awards

February 2009

www.tnsmediagroup.com

ACADEMY AWARDS ADVERTISING ANALYSIS

TNS Media's analysis of the 2009 Academy Awards advertising includes top advertisers, new marketers, pod positions and commercial ratings.

"This year's tumultuous economic climate was both a boon and a bane to ABC's Academy Awards telecast. While several major advertisers dropped out of this year's event, it allowed new brands to participate," says Dean DeBiase, CEO of TNS Media. "Despite a challenging business climate and a downward trend in audience ratings in recent years, marketers understand the unique power of TV advertising for marquee events such as the Academy Awards."

A complete log of all commercials, their pod positions and audience ratings are available at: <http://www.tns-mi.com/resources/creativeAcademyAwards2009.htm>

ADVERTISING CLUTTER, TOP ADVERTISERS AND CATEGORIES

More Ad Time Sold

Despite the withdrawal of two major sponsors (GM and L'Oreal), the high price tag for commercial spots, and a weakening ad economy, ABC was able to sell 26 minutes of ad time in the Oscars broadcast, the most since 2004.

Network Ad Time (mm:ss) in The Academy Awards			
Year	Total Ad Time	Paid Brand Ads	Network Promos
2009	32:20	26:00	6:20
2008	29:50	24:00	5:50
2007	28:15	23:20	4:55
2006	34:30	24:30	10:00
2005	31:00	24:00	7:00
2004	35:05	26:00	9:05

Source: TNS Media Intelligence

Top Advertisers

A total of 18 different companies aired spots in the show, a larger-than-normal amount. The top four advertisers in terms of total ad time were Hyundai, Coca-Cola, JC Penney and MasterCard. This elite group accounted for 55 percent of the total paid ad time.

Top Parent Companies In The Academy Awards		
Parent Company	Ad Time (mm:ss)	# Units
Hyundai Corp	4:30	8
Coca-Cola Co	4:00	8
JC Penney Co	3:30	8
MasterCard Intl	2:30	4

Source: TNS Media Intelligence

An Influx of First-Time Advertisers

The Academy Awards has typically had a very low turnover rate among sponsors, making it difficult for new advertisers to gain entrée. This year, an unusually high number of companies opted to not renew their participation and it opened the door for seven first-time advertisers to fill the void.

First-Time Advertisers In The Academy Awards	
Advertiser	Ad Time (mm:ss)
Hyundai	4:30
Sprint Nextel	1:30
Bristol-Myers Squibb	1:15
Walt Disney/Touchstone Pictures	1:00
Hoover Vacuums	0:30
Paramount Pictures	0:30
Maytag	0:30
TOTAL	8:45

The 2009 telecast marked the first year that movie studios were allowed to buy ad time to promote upcoming theatrical releases. However, the Academy imposed significant restrictions which effectively limited the potential pool of films that might air spots. In the end, only two films aired commercials – a :60 spot from Touchstone Pictures for *The Proposal* and a :30 unit from Paramount for *The Soloist*.

SECOND-BY-SECOND RATINGS

TNS Media Research analyzed audience viewing behavior of the 81st Annual Academy Awards and the commercial breaks. The following highlights are based on unique second-by-second clickstream data collected from over 300,000 Households (HH) in the Charter Communications Los Angeles digital cable system:

- On average, 21.8% of HH's tuned in to the award ceremony. *The Road to the Oscars, Red Carpet Special* averaged an 11.8% rating.
- 3.2% of HH's viewed the event on ABC-HD, representing close to 15% of the total audience.
- The highest commercial retention score (Commercial Viewing Index) went to the 30-second, Hyundai Genesis ad, which posted a 113. Not surprisingly, this ad occurred at the beginning of the pod that preceded the announcement of the Best Director when audience engagement was quite high. The lowest commercial retention (as compared to the total program rating) occurred at the start of the program, with the first pod of the show averaging a CVI retention score of 73.
- A second-by-second look at commercial avoidance reveals that households that viewed the Academy Awards skipped the advertising at the same rate as regularly scheduled Sunday primetime broadcast programming, which averages 3% tuneaway per commercial as compared to the previous program content. First position or "A" ads fared better, losing only 6% of possible commercial seconds to channel changing as opposed to 9% among comparable primetime norms.

ACADEMY AWARDS FROM YEARS PAST

Biggest Spenders... Ad Pricing Trends.... Smaller Viewing Audiences

Often referred to in advertising circles as "the Super Bowl for women", the event continues to be a marquee franchise for advertisers even though recent years have seen more glitter from the celebrities' evening gowns than the TV audience ratings. TNS Media Intelligence has once again searched its extensive database to compile key figures and trends on the past ten years of Academy Awards advertising.

According to TNS Media Intelligence, marketers have spent \$691.2 million during the past decade to advertise during the live network TV broadcast of the awards ceremony.

"While the Academy Awards has experienced a decline in ratings over the past few years, it still delivers higher ratings than most primetime network shows," said Dean DeBiase, CEO, TNS Media. "What is important for advertisers is not just the reach secured during the broadcast but whether they can leverage their exposure in an integrated manner through online content, social networking, mobile media and in-store

over an extended period of time. The Academy Awards ultimately provide context for a brand message. The challenge for advertisers is can they utilize this context and exposure to maintain a dialogue with the consumer that extends through the broadcast to digital platforms and beyond to point of purchase.”

The Price of Advertising

Following the recession of 2001, ad pricing for the Academy Awards tumbled and it took several years to completely make up the lost ground. Since 2006, the cost of a :30 spot has leveled out at \$1.65-1.70 million and with it, total ad spend has hit a plateau of about \$81 million.

The outlook for the 2009 broadcast is anything but golden. Faced with a weakening ad marketplace and the prospect of a smaller viewing audience, ABC has reportedly cut its asking price for a :30 unit to \$1.4 million. If it secures this pricing level, total revenue should be \$66-68 million.

ACADEMY AWARDS ADVERTISING RATES AND SPENDING 1999-2008

Year	Cost :30 Unit (\$000)	Total Ad Spend (\$ millions)
1999	1,000	\$48.0
2000	1,305	\$61.3
2001	1,450	\$61.6
2002	1,290	\$63.2
2003	1,355	\$65.0
2004	1,503	\$78.2
2005	1,503	\$72.1
2006	1,647	\$80.7
2007	1,666	\$80.0
2008	1,689	\$81.1

Source: TNS Media Intelligence

Top Advertisers In The Academy Awards

The Academy Awards is notable for the select list of blue-chip advertisers who have been long-time sponsors of the program. Over the past ten years, total ad spending in the Academy Awards has been \$691.2 million and more than 60 percent of this amount has come from the eight marketers shown in the table below.

TOP ADVERTISERS IN THE ACADEMY AWARDS 1999-2008

Rank	Advertiser	Ad Spend (\$millions)	# of Years With Ads In The Show
1	General Motors	104.9	10
2	American Express	61.5	10
3	PepsiCo	60.7	7
4	JC Penney	59.1	7
5	L'Oreal	40.9	5
6	Mastercard	34.3	7
7	Coca-Cola	31.7	3
8	McDonald's	30.3	10

Source: TNS Media Intelligence

In a cost-cutting move, General Motors has pulled out of its advertising sponsorship and will be replaced in the 2009 telecast by Hyundai and Audi. GM has had a continuous presence in the program dating back to at least 1992.

Prior to the General Motors withdrawal, the last big shake-up occurred in 2006 when Coca-Cola took over the beverage category sponsorship from Pepsi.

The low turnover rate among major sponsors coupled with stiff limits on the total amount of commercial inventory in the broadcast makes it difficult for new marketers to gain entrance into the event. For example, in the 2008 ceremony there were a total of 13 different advertisers and only two of these were first-time participants. By comparison, the 2008 Super Bowl featured 34 sponsors of which seven were first-timers.

Movie Advertising: A Silver Lining Or Fools Gold?

Movie advertising has always been forbidden in the Oscars telecast as the Academy sought to avoid any suggestion that the studios had influence over the awards. Last autumn, the Academy eased its ban and agreed to allow motion picture ads. However, it imposed tough restrictions on the number, length and content of studio messages.

While motion picture ads in a program celebrating the achievements of the movie industry and viewed by 30-40 million movie fans may appear to be a match made in heaven, there are strong reasons to believe the category will only have a modest presence in the show and not be a financial bonanza for ABC.

The Academy rules limit the studios to promoting films that open the last weekend of April or later. There are few big releases scheduled in April-May with a target audience that includes upscale women, which is the profile of the Oscars viewers. The viewing demographics also don't mesh well with many of the wide-release summer movies that are scheduled to be in theaters after Memorial Day. These tend to be broadly targeted at a diverse audience and as a result they opt for the Super Bowl as their early announcement platform.

Among the summer releases, the handful of films targeted at families (i.e., mothers and children) are the most likely to take advantage of the female audience skew and air commercials in the Academy Awards.

TV Ratings For The Academy Awards: Trending Downward

Audience ratings for the 2008 Academy Awards were 22 percent lower than 2007 and the smallest ever since Nielsen started measuring the show in 1967. Over the past decade, viewing levels have plummeted 37 percent. By comparison, Super Bowl ratings have grown slightly over the same period.

In any given year, viewer interest in the awards ceremony may rise or fall based on the slate of nominees for major awards, their box office performance and the buzz surrounding them. The celebrity hosting the show can also be a contributing factor,

either positive or negative. However, the long-term ratings trend is unmistakably downward, as it is for TV programming in general.

Year	Academy Awards			Super Bowl	
	HH % Rating	Index		HH % Rating	Index
1999	28.6	100		40.2	100
2000	29.2	102		43.3	108
2001	26.2	92		40.4	100
2002	25.4	89		40.4	100
2003	20.4	71		40.7	101
2004	26.0	91		41.4	103
2005	25.4	89		41.1	102
2006	22.9	80		41.6	103
2007	23.0	80		42.6	106
2008	17.9	63		43.1	107

Source: TNS Media Intelligence analysis of Nielsen Media Research data

Less Is More – Ad Clutter In The Academy Awards

In an era where the trend is toward greater amounts of TV advertising time, the Academy Awards stands out for the uncluttered environment it offers marketers.

The total volume of network ad time in the 3+ hour broadcast has averaged 31 minutes over the past ten years. This includes paid ads plus promotional plugs from the network for its own programming. On a per hour basis, it works out to 8-10 minutes of national commercial messages. The comparable figure for the Super Bowl is about 12 minutes per hour and for a typical hour of prime time network programming it is 14-15 minutes.

Network Ad Time (mm:ss) In The Academy Awards

Year	Total Broadcast	Average Hour
1999	27:30	7:04
2000	32:00	8:25
2001	30:15	9:21
2002	32:50	8:11
2003	31:30	9:27
2004	35:05	10:15
2005	31:00	10:16
2006	34:30	9:57
2007	28:15	8:05
2008	29:50	8:38

Source: TNS Media Intelligence

TNS Media Intelligence is the leading provider of strategic advertising intelligence to advertisers, advertising agencies and media properties. The company's tracking technologies collect advertising expenditures and occurrence data, as well as select creative executions on more than 3 million brands across 20 media in the U.S.

For more information, please contact your local TNS MI account service representative.

TNS Media Research sets the standards in electronic measurement of media audience behavior, using fixed and portable metering technology and Return Path Data (RPD) from set top boxes to deliver state-of-the-art internet, TV & radio audience measurement

For more information, please contact your local TNS MI account service representative.

About TNS Media

Established in more than 30 countries, TNS Media explores all media - print, radio, TV, Internet, social media, cinema and outdoor worldwide, 24 hours a day, seven days a week, and offers a full range of insights, analyses and audience measurement services.

TNS Media combines the deepest expertise in the industry to provide media and marketing intelligence including advertising expenditure monitoring, advertising creation monitoring, audience measurement, market influence analytics, online consumer behavior tracking, news monitoring, sports sponsorship evaluation and more. The TNS Media companies track more than 3 million brands and provide vital market intelligence to 16,000 customers around the world. For further information, please visit

www.tnsmediagroup.com

About Kantar Group and TNS

The Kantar Group is one of the world's largest research, insight and consultancy networks. By uniting the diverse talents of more than 20 specialist companies – including the recently-acquired TNS – the group aims to become the pre-eminent provider of compelling and actionable insights for the global business community. Its 26,500 employees work across 80 countries and across the whole spectrum of research and consultancy disciplines, enabling the group to offer clients business insights at each and every point of the consumer cycle. The group's services are employed by over half of the Fortune Top 500 companies. For further information, please visit www.kantargrouptns.com



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