



NEWS RELEASE

# TiVo Research and 84.51 Show Decreasing TV Advertising Budgets Disproportionally Hurts Brand Sales

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NEW STUDY WITH TV NETWORK PARTNERS SHOWS REDUCED TV AD SPEND FOR 11 CPG BRANDS RESULTED IN A 3X LOSS IN SALES

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NEW YORK, NY -- (Marketwired) -- 03/07/16 -- TiVo® Research, a subsidiary of TiVo Inc (NASDAQ: TIVO) and 84.51°, a customer engagement consultancy, today released the results of a study that showed when 15 Consumer Packaged Goods (CPG) brands cut their TV advertising budgets, the majority lost a much greater amount in sales year-over-year.

Each participating media brand chose five consumer brands that had lowered their TV advertising spend between 2013 and 2014 to see the year-over-year impact. The results clearly showed reducing TV spend leads to reduced exposure and sales/ROI effectiveness.

The study, conducted by 84.51° in partnership with TiVo Research and media properties including A+E Networks® the global media company with top brands such as A&E, HISTORY and Lifetime; and global media company Turner, home to a portfolio of leading entertainment, kids, news and sports media brands. The study found that for 11 of the 15 CPG brands analyzed, sales returns dropped by a combined \$94 million when TV spend was cut year-over-year. This accounted for 69% of the 2013 incremental sales attributed to TV advertising. In 2014, the average on-air

brand was reaching only 25% of its purchasers in an average week (down from 35% in 2013), leaving 75% open to competition.

#### Additional Study Results:

- All 15 brands posted reach declines, and nearly all brands that decreased spending also saw a decrease in return.
- For every dollar decline in ad spend, the 11 brands lost 3x that amount in return. The correlation was disproportionate in favor of higher TV spend.
- Reduced ad spend resulted in reach and frequency declines for 11 of the 15 brands, which led to the drop in sales/ROI.

"In today's multi-screen content universe, consumer brands are reallocating advertising dollars to digital spend, however, our research found that TV advertising is more effective than ever," said Betsy Rella, Vice President, Research, TiVo Research. "This study confirms a direct link between TV advertising spend and ROI for brand advertisers."

"We see marketers constantly struggling to find the most effective advertising media, with many cutting their TV advertising efforts," said Nishat Mehta, Head of Brands, 84.51°. "We wanted to better understand the effects of changes in TV spend. These results will help the industry make more informed decisions about optimizing their media planning."

"While advertisers are evaluating new and different ad tools and platforms, some TV budgets have shifted without the benefit of fully understanding the effects and quantifying the value of those shifts," said Mel Berning, President - Chief Revenue Officer, A+E Networks. "Among all the platforms in which media companies can engage and integrate advertisers, this study has further proven that television continues to provide both better return on investment and accountability for our ad partners."

"Our interest in this study stemmed from concerns over the extent to which some brands were reallocating television budgets to digital platforms, and that they would lose dramatic amounts of sales attributed to TV, which likely would not be made up in digital," said Howard Shimmel, Chief Research Officer, Turner. "The study proved our first concern true, being that the brands studied lost three dollars in sales for every dollar moved out of television. We will work with TiVo Research to further address our secondary concern, how the ROI of digital compares to TV, and whether digital can make up for the loss in sales attributed to TV."

For additional information about the study click [HERE](#) to download the research report. The findings will also be

presented at the Advertising Research Foundation's (ARF) Re!Think conference on Monday, March 14 at 3:10-3:30pm EDT.

## Methodology

The TiVo Research study, in partnership with 84.51°, was based on a combined data stream of 84.51°'s in-store sales with TiVo Research's viewing data for over 2 million households. Both data panels are combined to create an anonymized matched panel of over 400K households with both exposure and purchase data, providing a single source view of the consumer. The two panels are matched via Experian, which connects the information from 84.51° and TiVo anonymously on the backend.

## About TiVo Research and Analytics, Inc.

TiVo Research and Analytics, Inc., a wholly-owned subsidiary of TiVo Inc. (NASDAQ: TIVO), is a leading cross media research, measurement and analytics company that provides nationally representative single-source data linked to purchases made at the household level. Advertisers, agencies and television networks utilize the company's solutions to improve advertising targeting, accountability, and return on media investment. Partnerships with multi-service operators, and proprietary TiVo set-top-box data enable TiVo Research to provide research based on a representative panel of more than 2.3MM households. The web-based Media TRAnalytics® and TV Health Ratings platforms match the TV and online advertising that households actually receive with the products that the same households actually buy, enabling clients to find "The Right Audience®" while providing an unmatched level of transparency, measurement, media planning/selling, and improved ROI. More information at:

[www.tivoresearch.com](http://www.tivoresearch.com).

## About TiVo Inc.

TiVo Inc. (NASDAQ: TIVO) is a global leader in next-generation television services. With global headquarters in San Jose, CA and offices in New York, NY, Durham, NC, and Warsaw, Poland, TiVo's innovative cloud-based Software-as-a-Service solutions enable viewers to consume content across multiple screens in and out-of-the home. The TiVo solution provides an all-in-one approach for navigating the 'content chaos' by seamlessly combining live, recorded, on-demand and over-the-top television into one intuitive user interface with simple universal search, discovery, viewing and recording from a variety of devices, creating the ultimate viewing experience. TiVo products and services are available at retail or through a growing number of pay-TV operators worldwide. TiVo's multiple subsidiary companies provide the broader television industry and consumer electronics manufacturers with set-top box, cloud-based video discovery and recommendation options, interactive advertising solutions, and audience research and measurement services. More information at: [www.TiVo.com](http://www.TiVo.com).

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## About 84.51°

84.51° believes in making people's lives easier, helping companies create sustainable growth by putting the customer at the center of everything. 84.51° works with some of the world's leading CPG manufacturers and partners to help activate and measure retailer and national media. Using a sophisticated suite of tools, insights and technology, 84.51° creates a complete view of customer behavior over time. By helping clients activate on the most granular verified shopping behavior and measure across retail and national media channels for single or cross channel accountability, 84.51° reduces the degrees of separation between customers and media. 84.51° is a wholly owned subsidiary of The Kroger Co. For more information, please visit us at [www.8451.com](http://www.8451.com).

#### About A+E Networks

A+E Networks®, LLC. is an award-winning, global media content company offering consumers a diverse communications environment ranging from television networks to websites, gaming, watch apps and educational software. A+E Networks is comprised of A&E®, Lifetime®, History®, LMN®, VICELAND™, FYI™, H2™, A+E Studios™, History en Español™, Crime & Investigation Network™, Military History™, Lifetime Real Women®, A&E IndieFilms®, A+E Networks International®, A+E Networks Digital® and A+E Networks Consumer Products™. A+E Networks channels and branded programming reach more than 350 million households in over 200 territories. A+E Networks, LLC. is a joint venture of Disney-ABC Television Group and Hearst.

#### About Turner

Turner Broadcasting System, Inc., a Time Warner company, creates and programs branded news; entertainment; kids and young adult; and sports media environments on television and other platforms for consumers around the world.

Source: TiVo Inc.