



For interview requests and queries:

Bill Daddi
Daddi Brand Communications
646-370-1341
917-620-3717
Bill@DaddiBrand.com

KANTAR MEDIA FINDS OSCAR ADVERTISING TAKES THE PRIZE; \$88.3 MILLION IN 2013 AD REVENUES BEAT OUT THE GRAMMYS AND GOLDEN GLOBES

New York, NY, February 19, 2014 – The 86th Academy Awards take place on March 2nd and will be watched by millions of TV viewers tuning in to see who wins, what they're wearing, whether an acceptance speech goes off track and to critique the performance of the host. A select group of marketers will also be looking to take home a prize, paying hefty prices to be associated with this marquee franchise and woo its viewers – an audience that is heavily dominated by women.

Kantar Media has mined its extensive database to compile key figures on Academy Awards advertising. Significant trends include upward movement in ad pricing and revenue; less ad clutter compared to other programming; commercial messages with merely average holding power; and a variety of digital tactics used by media companies to create interest in Oscar-related content and offer marketers a way to target Oscar enthusiasts.

The Price of Advertising

During the past few years, the price of ad time in the Academy Awards has been re-approaching the peak levels achieved in 2006-2008. The average cost of a 30 second unit in the 2013 telecast was \$1.65 million and total revenue reached an all-time high of \$88.3 million.

Spots for the 2014 show are selling for around \$1.8 million per 30 seconds, according to external reports. This is about a 10 percent increase versus last year, a growth rate the Academy Awards has experienced only twice in the past decade. The robust pricing reflects advertiser demand for live TV events that can generate strong engagement in social media.

**Academy Awards:
Advertising Rates and Revenue**

Year	Avg Cost :30 Unit (000)	Total Ad Spend (millions)
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
2009	\$1,307	\$68.0
2010	\$1,400	\$70.0
2011	\$1,550	\$74.4
2012	\$1,610	\$82.1
2013	\$1,650	\$88.3

Source: Kantar Media

In marketing circles, the Academy Awards, Grammy Awards and Golden Globes are often compared against each other. While the Academy Awards occupies the higher perch, the Grammy Awards has recently been narrowing the gap on ad revenue and pricing.

**Major Award Shows:
Comparative Ad Metrics**

	2010	2013	% Change
Ad Revenue (millions)			
Academy Awards	\$70.0	\$88.3	26%
Grammy Awards	\$33.3	\$67.2	102%
Golden Globe	\$27.2	\$30.2	11%
:30 Unit Price (000)			
Academy Awards	\$1,400	\$1,650	18%
Grammy Awards	\$427	\$861	102%
Golden Globe	\$400	\$425	6%

Source: Kantar Media

Advertising Clutter

The Academy Awards offers marketers a much less cluttered environment compared to other TV programming. However, the 2013 telecast was relatively bloated by historical standards with a network ad load that reached nearly 11 minutes per hour, up about 15 percent versus recent years. The increase was attributable to extra promotional announcements from ABC.

Network Ad Time Per Hour Academy Awards

Year	Total Ad time mm:ss	Paid Ads mm:ss	Network Promos mm:ss
2009	9:07	7:20	1:47
2010	9:40	6:50	2:50
2011	9:00	7:12	1:48
2012	9:42	7:48	1:54
2013	10:54	7:24	3:30
Average	9:42	7:19	2:23

Source: Kantar Media

As reference points, the Grammy Awards and Golden Globes have each contained 14.5 minutes of national ad time per hour during the past several years. Regular prime time entertainment programming typically has 14-16 minutes of national ads per hour.

The Holding Power Of Ads

Strong viewer engagement with the awards ceremony and fewer commercial breaks does not translate to significantly greater holding power for sponsors' ad messages. Based on analysis of Kantar Media's second-by-second Return Path Data, which is sourced from digital set-top boxes, commercial tuning behavior during the Academy Awards is actually lower than typical primetime programming.

The 2013 telecast registered a live commercial tuning index (CTI) of 85, meaning that without time-shifting, the average commercial had an audience that was 85 percent as large as the average number of viewers for the program itself. The average CTI score for live primetime programming is approximately 89, so the Academy Awards show performed 4 points lower, indicating comparatively higher commercial avoidance. The drop in audience between program and commercial breaks is primarily caused by viewers who tune away to another channel when the ads appear and then return to the show sometime later.

When timeshifting is considered, Kantar Media has found that commercial engagement for the Academy Awards falls even further. Last year's show received a CTI+3 of only 74, meaning that viewership levels of commercials within three days after broadcast were 26% lower than for the show content itself. Since the CTI+3 primetime average is an 84, the Oscars performs 20% lower than the typical primetime program in retaining audiences during commercials. Of course, even with lower viewing levels advertisers can still reach a compelling number of viewers through the Oscars due to its large audience.

Spending By Top Advertisers

During the past five years, the top five advertisers in the Academy Awards have spent nearly \$200 million in the telecast, accounting for 51 percent of total ad revenue. Hyundai, JC Penney and Coca-Cola lead the pack.

**Top Five Advertisers In The Academy Awards
2009-2013**

Rank	Company	# of Years With Ads In The Show	Ad Spend (millions)
1	Hyundai Corp	5	\$56.6
1	JC Penney Co Inc	5	\$49.4
3	Coca-Cola Co	5	\$41.5
4	American Express Co	5	\$24.4
5	Samsung Group	4	\$24.0
	Top 5 Total		\$195.9

Source: Kantar Media

Hyundai has been the exclusive auto advertiser since 2009 and Coca Cola has held the non-alcoholic beverage sponsorship since 2006. However, both marketers have said they will not be participating in this year's ceremony. General Motors and Pepsi are expected to assume the vacated positions.

Three other well-known advertisers stand out for their loyalty and longevity. McDonald's has appeared in the program every year since 1992 and American Express since 1993. JC Penney has been a continuous sponsor since 2002.

First Time Advertisers

Throughout the first decade of the 21st century the Academy Awards had a stable core of dominant and perennial sponsors. This low turnover coupled with stiff limits on the total amount of commercial time made it difficult for new marketers to gain entrance to the program.

The recession of 2008-09 led to a big shakeup in the advertiser roster. Some legacy sponsors withdrew entirely and others reduced their purchases. The defections created an opportunity for other companies to buy commercial time and ushered in an era with more fluidity in the annual lineup of advertisers. In the 2013 show, 29 percent of the marketers were first-timers.

**Number of Advertisers In The Academy Awards
2009-2013**

	2009	2010	2011	2012	2013
All Advertisers	18	21	21	21	21
First-Timers - #	6	10	5	6	6
First-Timers - %	33%	48%	24%	29%	29%

Source: Kantar Media

The freshman class of 2013 included Blue Diamond, Chobani, Coldwell Banker and Diageo.

Advertiser Overlap In The Academy Awards And The Super Bowl

The two most expensive advertising events of the year - the Super Bowl and the Academy Awards - occur just several weeks apart. Despite the high price of a commercial in these two shows, some companies choose to participate in both.

Dual Advertisers: Super Bowl and Academy Awards 2009-2013

Year	# of Advertisers In the Academy Awards	# That Also Advertised In Super Bowl	% In Common
2009	18	6	33%
2010	21	5	24%
2011	21	7	33%
2012	21	8	38%
2013	21	7	33%

Source: Kantar Media

The smallest duplication occurred in 2010 when the Q1 event calendar included the Winter Olympics and gave marketers another option.

The Digital Advertising Footprint

Although the Academy Awards is still predominately a TV advertising event, there are a range of digital marketing programs that capitalize on the event and target Oscar enthusiasts.

ABC is the most active player, using digital media to generate audiences for both its TV and online content which it can then monetize through advertising sales. ABC places rich media and display ads on targeted web sites in the 2-3 weeks leading up to the Academy Awards to promote and build interest in the TV broadcast. The network also executes a paid search ad campaign to direct traffic to its online coverage of the event.

ABC sells display and video ads on Oscars.com and in a companion mobile app. Primary 2014 sponsors of these digital platforms are Cadillac, JC Penney and Samsung.

Other web publishers create content around the Academy Awards that helps support their ad sales efforts. For sites that cover the entertainment and celebrity industry, popular approaches include announcements of the nominations, predictions and fan voting for winners, red carpet activities, critiques of celebrity fashion, and coverage of post-Oscar parties. Food-oriented web sites have also gotten into the game with articles on hosting an Oscar-themed party at home and recipe ideas.

About Kantar Media

Kantar Media provides critical information that helps our clients make better decisions about communications. We enable the world's leading brands, publishers, agencies and industry bodies to navigate and succeed in a rapidly evolving media industry. Our services and data include analysis of paid media opportunities; counsel on brand reputation, corporate management and consumer engagement through owned media; and evaluating consumers' reactions in earned media. As the global house of expertise in media and marketing information, Kantar Media provides clients with a broad range of insights, from audience research, competitive intelligence, vital consumer behaviour and digital insights, marketing and advertising effectiveness to social media monitoring. Our experts currently work with 22,000 companies tracking over 4 million brands in 50 countries.

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