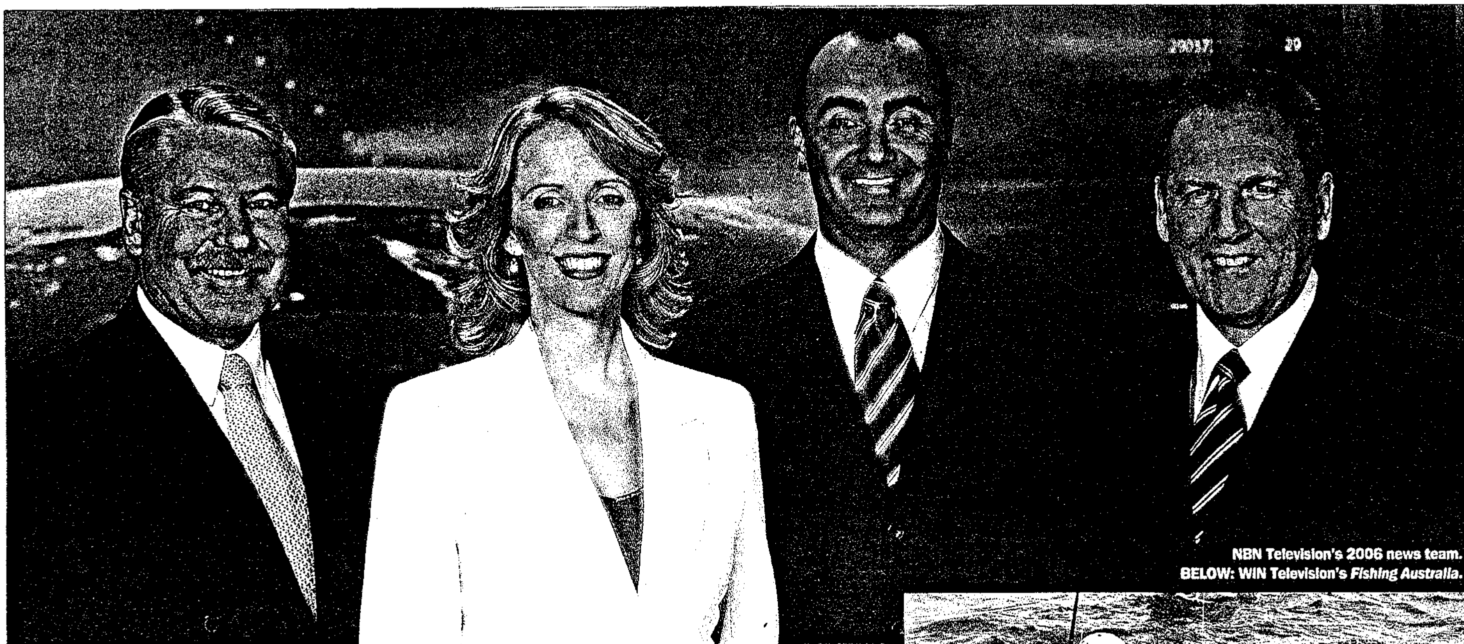
Regional TV's push for recognition



NBN Television's 2006 news team.
BELOW: WIN Television's *Fishing Australia*.

IT TALKS TO 36% OF THE POPULATION YET RECEIVES ONLY 20% OF TV SPEND. THE REGIONAL TV SECTOR IS GEARING UP FOR A FIGHT AGAINST BIG CITY BIAS AND, AS NINA LEES REPORTS, THE GUNS ARE LOADED.

Nationally, regional television broadcasters have put up a pretty good fight against their metro counterparts in the hope of snaring a greater slice of the advertising pie.

And while they have managed to boost their share of advertising revenue by 4.1% in the six months to June, industry body Regional Television Marketing admits there are still many misconceptions about the regional market and how its residents consume their media.

Brian Hogan, general manager of Regional TV Marketing, is charged with the task of supporting advertisers with specialist regional research and effectiveness studies. He targets advertisers and brands whose spend in regional markets is below a benchmark of 23%.

"In other words, anything lower than 23% and they are under-investing in regional areas," Hogan claims.

Harvey Norman is currently the country's biggest investor in regional TV, spending $13 million on screens outside the city limits in 2005, ahead of clothing retailer Rivers which spent $8 million in the same period. The two firms reflect the breadth of advertisers supporting regional TV: Harvey Norman is ranked 12th in terms of ad spend in metro markets, while Rivers largely ignores inner city consumers, coming in at number 1,547.

Regional TV Marketing has a pretty strong case. Its information shows advertisers such as Harvey Norman and Rivers are targeting 36% of the Australian population, more than 7.7 million people living outside the city limits. It claims regional markets have enjoyed buoyant economic conditions over recent years, with high rates of population growth particularly among young families. Household spending is also above average on many grocery categories, and there is a higher per capita spend on appliances, new cars and home improvements.

Regional markets also claim a greater return on investment – up to double that of metro TV – while response is up to 15% greater, according to a three-year Regional TV Marketing study on 40 nationally advertised grocery brands.

Other figures show sales from regional TV markets for a typical FMCG advertiser are around 36% to 40% of national sales volume.

Yet, as Southern Cross Broadcasting national sales director Jeremy Simpson says, regional stations wage a constant battle to explain their message to clients and media agencies.

"The figures show that 36% of the population lives in regional Australia, yet we only receive 20% of the television dollars," Simpson says.

"In fact, out of the national markets, we only receive approximately 15% of all TV dollars. This represents a huge opportunity for advertisers to reach consumers that may not have been exposed to their product or service."

One concern that has been raised by the media buying community is that, in an age of new media, smarter integration and better accountability, regional players risk falling behind their metro counterparts.

It is a concern that Matthew Evans, Sydney general manager of WIN NBN Sales, is quick to quash.

"We integrate into local programs such as *Fishing Australia*. We run promotions, which of course we produce for our clients. We run a local sports person of the month with McDonald's for example, which is great. We do a whole bunch of integration," he says.

Southern Cross Broadcasting's Simpson admits, however, that integration on regional TV can be challenging: because his station is an affiliate, around 95% of its programming product is rebroadcast material.

"It is challenging for us to find programs where we can offer integration and product placement," he says.

"Sponsorships are available for our local news updates, which are broadcast by sub-market. We do have some in-program opportunities to offer through *Hook Line 'N Sinker*, *State Focus* and *Targa Tasmania*, and we are always willing to investigate any opportunities that a client or agency may bring us."

Regional TV Marketing's Hogan argues that regional TV is in fact very open to integration – if only clients were.

"I can promise you that any regional network would jump at the chance to explore ways of adding value to an advertiser's communication strategy," Hogan says.

Regional players were also quick to offer examples of how they are proving accountability, with WIN's Evans pointing out that regional TV, like metro TV, has daily minute-by-minute ratings data.

"Regional television is absolutely accountable right now. We use the same company [as metro TV] to provide this data, and our sample sizes are among the best in the world."

Campaigns are post-analysed in the same way as metro campaigns, he adds, and agencies or clients decide and pay for the process.

"This applies to the competitive aggregated markets of Australia. In regional WA there are only two commercial stations, and WIN Television has spent considerable money recently introducing peoplemeters to the market to make it more accountable."

Evans concedes that one element missing has been the auditing of WIN markets by companies such as the Faulkner Group, which is conducting some auditing in regional Australia but not as much as in metropolitan markets.

"I believe this is on the increase and I welcome the additional auditing of our market as I know the outcome will be beneficial for regional TV."

Hogan says the challenge for Regional TV Marketing and advertisers is to work out a practical solution when the TV budget doesn't stretch to full national coverage.

"I would recommend marketers invest their hard-won budget where it will deliver the greatest sales growth and return per dollar invested, and this will unquestionably be in regional markets," he says.

"The demographic profile of regional Australia skews towards families with kids and baby boomers – two groups which represent major spenders on most advertised categories."