



## media release

Monday, February 27, 2006

### **Flatter TV Production Climate should benefit advertisers ... but doesn't**

A decrease in the volume of television production being undertaken in Australia should be a boon for advertisers but they are not benefiting because production costs have not fallen.

Clive Duncan of television production audit firm P3TV, said that advertisers should be pushing for lower rates where possible. "Less demand warrants lower prices and with production of television commercials generally being an organisations' biggest advertising expense behind media buying, there is scope for real savings", he said.

"Like any market, TV production is driven by supply and demand. With more overseas content, campaigns running longer and media fragmentation, things are a little bit flatter. Normally where demand falls, you'd expect to see a corresponding fall in price, but we're not seeing that in TV production costs being paid by advertisers."

In their work with both advertisers and agencies, P3TV works with some of Australia's biggest agencies and advertisers. Duncan said they are seeing a fall in production volumes, but he is not seeing prices fall. There are fewer commercials and they are running for longer.

"In the current environment with less production there are more opportunities to negotiate lower rates. Everyone in the production chain realises that they have to compete harder for less and pushed, most production houses, post production and even talent, might be willing to do deals", Duncan said.

He said that advertisers should be prepared to leverage the current situation and this might involve pushing the advertising agency a little harder to get a good deal.

"With a bit of understanding about the current climate, there are some pretty good opportunities out there."

ENDS.

<b>For more information on P3TV contact</b>	<b>For media inquiries contact</b>
Clive Duncan	Andrew McConville
P3TV	Sententia Group Public Relations
☎ 0419 366 586	☎ 0405 171 741

#### **About P3**

*P3 is a consulting company with a national network of more than 30 industry professionals that helps people to achieve commercial purpose through creative process. P3 works with some of Australia's largest advertisers to help them gain maximum value from their marketing expenditure. Leveraging their extensive knowledge of the marketing and advertising industry, P3 provides benchmarking, training and auditing services that assist marketing professionals to make more informed decisions about their investment across a broad range of marketing communications including agency remuneration, television and print production, bid authentication, media buying, PR, interactive advertising and Direct Marketing. P3's client base includes more than 40 of Australia's Top 100 Advertisers.*