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media release

Wednesday, March 1, 2006

How much does a television advertisement really cost?

Television benchmarking and advertising audit firm P3TV has launched a new service that gives companies wanting to advertise, the definitive answer to the perennial question of the advertising and marketing industry: just how much does a TV advertisement cost?

Clive Duncan of P3TV said that many advertisers struggle to manage a TV concept within a given budget and are unsure whether the budget they have really equates to the actual cost of the TV production.

“It’s the \$64,000 question, but often it’s a lot more costly than that. Just how much does a TV advertisement cost? Over the years we’ve done a lot of work with advertisers but we found that while we could assess the cost of a production, it can be worthwhile for us to work with advertisers earlier in the actual bid assessment”, Duncan said.

With organisations facing tougher governance and accountability hurdles, measurability is becoming very important. Duncan said that a bid authentication provides transparency to the costing process for TV production and believes that if you can measure it, you can save on it.

“Unfortunately a lot of advertisers don’t even know if they are wasting money but there are a couple of steps that they can take to get a better handle on it.

“Firstly, set a budget and actually stick to it. The budget should be set before any agency briefing. It is an investment and should generate a return – so what sort of return are you looking for? There are plenty of industry benchmarks out there that can help in the budgeting process.

“Secondly once the agency has responded to the brief with concepts, then get the cost of producing the concepts independently assessed”, he said.

Duncan relates a recent example where a client was considering a new campaign and based the estimated spend on the previous year’s campaign at around \$400,000. He talked with the client, the agency and the production company and determined a more realistic cost of \$320,000, saving the client around \$80,000.

“The idea behind the new bid authentication service is that by reviewing budgets prior to briefing an agency and then assessing the production cost of the creative concept prior to briefing a production company, the advertiser is put in a much stronger position – setting expectations rather than having to simply negotiate changes to a default budget”, Duncan said.

ENDS.

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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.