

MARKETING

## Television advertising is losing its clout in conversational pull

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*Experiential events have benefited from technology. Image credit: Printemps*

By BRIELLE JAEKEL

While marketers are still devoting significant budgets to traditional television advertising, new research shows that the growth of cord cutting has drastically reduced the number of conversations surrounding brands.

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Word of mouth is still a significant driver in marketing, with consumer conversations driving 19 percent of purchases, according to a [new report from Engagement Labs](#). However, the number of these conversations is dropping at a speedy pace, from 115 per person a week to 95 in just five years.

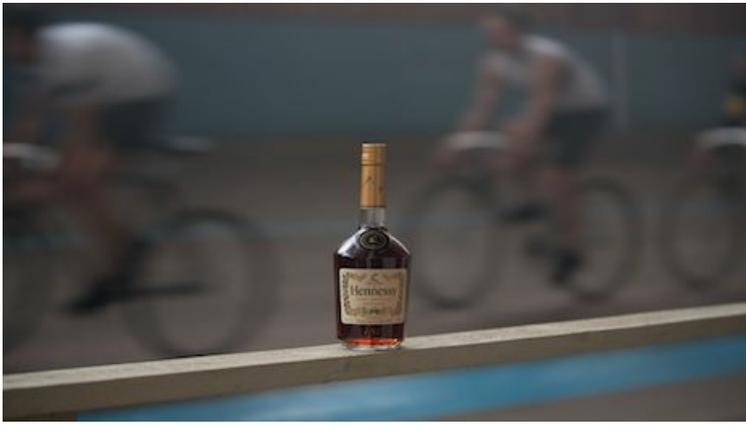
"This study makes it very clear the relationship that has historically existed between paid marketing and consumer conversation is undergoing a profound change and marketers need to adapt quickly," says Ed Keller, CEO of [Engagement Labs](#).

"We know that conversations drive business performance," he said. "And an important way to get people talking has been via TV advertising, which not only reaches eyeballs but it also sparks conversation.

"Cord cutters who are mostly young people have significantly impacted paid-ad related conversations especially in the tech, telecom and auto industries. It is imperative for brand marketers and advertisers to find new ways to reach consumers and inspire brand engagement as cord cutting expands to older segments."

Advertising in the new age

Consumers no longer have to rely on ad-supported television, with so many available alternatives.



*Hennessy is one of the first luxury liquor brands to advertise during the Super Bowl. Image courtesy of Hennessy*

Digital is now the top driver regarding brand conversations, with 31.8 percent of those inspired by paid ads on mobile and desktop channels leading to purchases. Compared to 16.6 percent five years ago, this is a steep jump.

This form of advertising has now replaced television in terms of purchase-driven conversations in the top spot, moving television down to second. Now, only 31.6 percent of conversations that are driven by television advertising lead to purchasing, down from 37.4 percent in 2016.

Major industries are greatly impacted by the decline in conversations among teenagers, with technology, telecommunications, automotive, entertainment and sports all dropping by double-digit percentages.

In technology, Apple, Sony, Microsoft, Dell and HP saw the biggest decline in conversations, in that order. For auto brands, Ford, Chevrolet, Honda, Toyota and Dodge saw the most reduction in discussions.



*Lady Gaga for Tiffany & Co.'s Legendary Style campaign; Photo by Hanna Besirevic, image credit: Tiffany & Co.*

Advertisers should reprioritize their goals and focus on driving relationships and engagement now that television watching has evolved towards a bonding experience amongst consumers.

#### Additional insight

Italian automaker Lamborghini has bolstered its marketing reach and increased its goodwill among influencers, according to a recent report by Engagement Labs.

The auto brand's recent announcement of a new SUV helped drive the positive conversation around Lamborghini, landing it in the top spot in Engagement Labs' TotalSocial automotive rankings. Meanwhile, fellow Italian automaker Ferrari fell from first to sixth place as less consumers discussed the brand on- and offline ([see story](#)).

Previously top-ranked in consumer engagement, department store chain Nordstrom has been pushed out by mass-market retailers, according to Engagement Labs.

The high-end department store previously held the third spot in Engagement Labs' TotalSocial rankings, but it dropped to spot 20 after it received negative backlash from dropping the Ivanka Trump's namesake apparel and accessories line. The drop in ranking, however, left room for mass retailers Macy's and Target to swoop in, with both seeing significant gains ([see story](#)).

"To succeed in this new era, advertisers will need to be more creative, more relevant and more interesting if they are going to engage consumers and earn a return on their marketing investment," Engagement Labs' Mr. Keller said.

"Conversations among consumers drive about 19 percent of purchases, and if you can't provoke conversations and recommendations, then you're missing out."

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