Appendix 4

Nielsen Advertising Spend and Impact Data
What is the range of influences on children’s food choices? Role of TV – How much is spent on TV advertising for Core Food Categories*?

- Core categories represent a declining share of the UK advertising market, as Core Category (above-the-line) spend has been falling, driven primarily by a decline in TV ad spend
  - Though ‘outdoor’ spend has been increasing
  - Total Core Category ad. spend in 2003 = £743m = 7% of total ad. market (£10b)

- Most Core Category above-the-line (ATL) spend is for TV advertising
  - Accounts for over two thirds (£522m) of Core Category ad spend compared to the market average of 37%
  - This splits across the Core Categories as follows:
    - Soft drinks: £63m
    - Chain restaurants: £70m
    - Food: £390m
  - The biggest sub-sectors within the Food Category are:
    - Prepared/Conv. Foods: £128m
    - Confectionery: £107m
    - Dairy Prods/Subs: £51m

- Core Category TV ad. spend in children’s airtime = £32m
  - = 1% of overall market TV ad spend (£3.7b)
  - = 6% of total Core Category TV ad spend (£522m)
  - = 22% of TV ad spend during children’s airtime (£147m)

* Core Food Categories = All Food + Soft Drinks + Fast Food (e.g. Burger King etc.)
What is the range of influences on children’s food choices? Role of TV – How much TV advertising for Core Food Categories* is seen?

• Most of the advertising seen by children is in adult airtime
  • Children are exposed to a total of 93b TV advertising impacts** p.a.
  • 27b (29%) of impacts are seen in children’s airtime

• A minority of all of the ads seen by children are for Core Category products
  • 18b impacts for Core Category advertising are seen in total by children
    = 19% of all TV ad impacts (93b) seen by children are for Core Category products

• The majority of ads for Core Category products are seen by children outside of children’s airtime
  • 10b impacts for Core category advertising are seen by children outside of children’s airtime
    = 57% of Core Category TV ad impacts (18b) are seen by children outside of children’s airtime

• Within children’s airtime, Core Category ads represent a sizable minority of all ads seen
  • 8b impacts for Core Category advertising are seen in children’s airtime
    = 29% of all TV ad impacts seen in children’s airtime (27b) are for Core Category products
    => Core Category ads do better targeting of/deals in TV media spend (22% spend but 29% impacts)?
    = 43% of all Core Category TV ad impacts seen by children (18b) are in children’s airtime
    = 8% of all TV advertising seen by children (93b) are for Core Category products in children’s airtime

*Core Food Categories = All Food + Soft Drinks + Fast Food (e.g. Burger King etc.)
** 1 impact = 1 member of target audience watching commercial
What is the range of influences on children’s food choices? Role of TV – How much TV advertising for Core Food Categories* is seen?

- However, children aged 4-9 spend more time viewing in children’s airtime, and so actually see more ads for Core Category products than older children.

<table>
<thead>
<tr>
<th>Core Category advertising exposure</th>
<th>Children</th>
<th>Children 4-9</th>
<th>Children 10-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>in children’s airtime as a proportion</td>
<td>43%</td>
<td>54%</td>
<td>33%</td>
</tr>
<tr>
<td>of total Core Category TV ad exposure</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Most of the advertising spend and impacts for Core Category products is skewed to the ‘Big 6’, and especially so in children’s airtime.

  - Within core category, the ‘Big 6’
    - = 75%+ of Core Category TV ad spend in children’s airtime
    - = 80%+ of Core Category TV ad impacts in children’s airtime
    - = 60%+ of Core Category TV ad spend in all other airtime
    - = 60%+ of Core Category TV ad impacts in all other airtime

*Core Food Categories = All Food + Soft Drinks + Fast Food (e.g. Burger King etc.)

** 1 impact = 1 member of target audience watching commercial
Core Categories* represent a declining share of the UK advertising market …

% of Total UK Ad Spend Represented by Core Categories

<table>
<thead>
<tr>
<th>Year</th>
<th>% of Total UK Ad Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>11.2%</td>
</tr>
<tr>
<td>2000</td>
<td>10.0%</td>
</tr>
<tr>
<td>2001</td>
<td>9.6%</td>
</tr>
<tr>
<td>2002</td>
<td>9.3%</td>
</tr>
<tr>
<td>2003</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

% of Total UK TV Ad Spend Represented by Core Categories

<table>
<thead>
<tr>
<th>Year</th>
<th>% of Total UK Television Ad Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>18.6%</td>
</tr>
<tr>
<td>2000</td>
<td>16.4%</td>
</tr>
<tr>
<td>2001</td>
<td>15.9%</td>
</tr>
<tr>
<td>2002</td>
<td>15.3%</td>
</tr>
<tr>
<td>2003</td>
<td>14.1%</td>
</tr>
</tbody>
</table>

Source: Nielsen. Total spend excludes Direct Mail & Internet spend as continuous data is unavailable
* = Food + Chain Restaurants + Soft Drinks
Total Core Category* ad spend has been falling …

Source: Nielsen. Total spend excludes Direct Mail & Internet spend as continuous data is unavailable

* = Food + Chain Restaurants + Soft Drinks
Driven by a decline in TV ad spend, though outdoor spend has increased.

<table>
<thead>
<tr>
<th>£m's</th>
<th>Total UK Ad spend</th>
<th>Core Category* Ad spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total*</td>
<td>7,636</td>
<td>8,290</td>
</tr>
<tr>
<td>Cinema</td>
<td>92</td>
<td>149</td>
</tr>
<tr>
<td>Outdoor</td>
<td>365</td>
<td>696</td>
</tr>
<tr>
<td>Press</td>
<td>3,052</td>
<td>3,166</td>
</tr>
<tr>
<td>Radio</td>
<td>528</td>
<td>588</td>
</tr>
<tr>
<td>TV</td>
<td>3,600</td>
<td>3,691</td>
</tr>
</tbody>
</table>

Source: Nielsen. Total spend excludes Direct Mail & Internet spend as continuous data is unavailable.

* = Food + Chain Restaurants + Soft Drinks
TV accounts for over two-thirds of the advertising spend of Core Categories – compared to the market average of 36%

Core Category ATL (above the line) advertising accounts for 7% (£743m) of total ad spend (£10b)

Source: Nielsen, 2003. Total spend includes Direct Mail & Internet and excludes production costs & classifieds

*= Food + Chain Restaurants + Soft Drinks
Core Categories* account for 14% (£522m) of the overall TV advertising market

• Spend on TV across these categories amounts to £522m – **14.1%** of the total UK television advertising mkt
• This splits across Core categories as follows:
  - Soft Drinks £63m
  - Chain restaurants £70m
  - Food £390m

Source: Nielsen, 2003. Total spend includes Direct Mail & Internet and excludes production costs & classifieds *= Food + Chain Restaurants + Soft Drinks
The biggest sub-sectors within the Food Category are Prepared & Convenience Foods, Confectionery and Dairy Products.

The split in spend across categories is fairly consistent across the total advertising market and the TV market.

Source: Nielsen, 2003. Total spend includes Direct Mail & Internet and excludes production costs & classifieds.
Core Category spend during children’s airtime represents 1% of total television ad spend.

Source: Nielsen, 2003
Core Categories = Food + Chain Restaurants + Soft Drinks

Total TV Ad spend = £3.7bn
Core Category TV Ad spend/all airtime = £522m
Core Category TV Ad spend in children’s airtime = £32m
Non-food categories (e.g. motors, retail, finance) = 86%
... 4% of total Core Category ad budget...

Core Category TV Ad spend in children’s airtime = £32m

Core Category TV Ad spend/all airtime = £522m

TV = 70%

Children's Airtime = 4%

All Other media = 30%

Core Category Ad spend = £743m

Source: Nielsen, 2003. Total spend includes Direct Mail & Internet and excludes production costs & classifieds
Core Categories = Food + Chain Restaurants + Soft Drinks
...6% of Core Category TV spend

Core Category TV Ad spend in children’s airtime = £32m

Children's Airtime = 6%

Core Category TV spend = £522m

Source: Nielsen, 2003
Core Categories = Food + Chain Restaurants + Soft Drinks
Children’s airtime (27bn impacts) accounts for 29% of all advertising (93 bn impacts) seen by 4-15 year olds

Source: Nielsen, 2003 (Child impacts)
Core Categories = Food + Chain Restaurants + Soft Drinks
Total TV Ad spend in children’s airtime = £147m

Core Category TV Ad spend in children’s airtime = £32m

Core Category advertising seen per child in children’s airtime = 860 impacts

Advertising seen in children's airtime (2,960 impacts/child)

Note: 1 impact = 1 member of the target audience viewing one commercial

Core Categories account for 22% of television advertising spend during children’s airtime – but 29% of advertising seen by children in this airtime

Source: Nielsen, 2003 (Child impacts)
Core Categories = Food + Chain Restaurants + Soft Drinks
Core Category advertising seen in children’s airtime accounts for 8% of all advertising seen by children overall. More Core Category TV ads are seen in adult airtime.

On average, each child sees 28 advertising impacts per day…..

Core categories (e.g. motors, retail, finance) = 81%

Non-food categories seen by children:
- Core category advertising seen by children in children’s airtime (2 impacts)
- Core category advertising seen by children in ‘adult’ airtime (3 impacts)
- Non food TV advertising seen by children (23 impacts)

Source: Nielsen, 2003 (Child Impacts)
Core Categories = Food + Chain Restaurants + Soft Drinks
Core Category advertising seen in children’s airtime accounts for 43% of all Core Category advertising seen.

Source: Nielsen, 2003 (Child Impacts)
Core Categories = Food + Chain Restaurants + Soft Drinks
A similar proportion of Core Category impacts is seen by children aged 4-9 and 10-15 in children’s airtime …

Source: Nielsen, 2003

Sum of impacts on commercial terrestrial channels + non-terrestrial channels

Children’s Airtime = Children’s airtime on terrestrial channels + Dedicated children’s channels
However, children aged 4-9 spend more time viewing in children’s airtime, and so actually see more ads for Core Category products than older children.

### Daily Impacts

<table>
<thead>
<tr>
<th>Children’s Exposure to TV Advertising, 2003 (Impacts per child per day)</th>
<th>Children</th>
<th>Children 4-9</th>
<th>Children 10-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total TV Advertising</td>
<td>28</td>
<td>28</td>
<td>29</td>
</tr>
<tr>
<td>Total TV Advertising in children’s airtime</td>
<td>8</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>Core Category TV Advertising</td>
<td>5</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Core Category TV Advertising in children’s airtime</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

Advertising exposure in children’s airtime as a proportion of total TV ad exposure:

- 29% for Children
- 38% for Children 4-9
- 20% for Children 10-15

Core Category advertising exposure in children’s airtime as a proportion of total children’s airtime TV ad exposure:

- 29% for Children
- 28% for Children 4-9
- 30% for Children 10-15

Core Category advertising exposure in children’s airtime as a proportion of total Core Category TV ad exposure:

- 43% for Children
- 54% for Children 4-9
- 33% for Children 10-15

Core Category advertising exposure in children’s airtime as a proportion of total TV ad exposure:

- 8% for Children
- 11% for Children 4-9
- 6% for Children 10-15

Source: Nielsen. Total spend includes Direct Mail, Internet and excludes production costs & classifieds.

Core Categories = Food + Chain Restaurants + Soft Drinks.

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Most of the advertising spend for Core Category products is skewed to the ‘Big 5’ and ‘Big 6’, and especially in children’s airtime.

Source: Nielsen, 2003
Most of the advertising impacts for Core Category products is skewed to the ‘Big 5’ and ‘Big 6’, and especially in children’s airtime.
There is proportionally little seasonal variation in Core Category ad spend

<table>
<thead>
<tr>
<th>Ad spend, £</th>
<th>Q1 2003</th>
<th>Q2 2003</th>
<th>Q3 2003</th>
<th>Q4 2003</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total TV Ad spend</td>
<td>£845m</td>
<td>£947m</td>
<td>£863m</td>
<td>£1,035m</td>
<td>£3.7bn</td>
</tr>
<tr>
<td>Total Core Category Ad spend</td>
<td>£168m</td>
<td>£220m</td>
<td>£182m</td>
<td>£173m</td>
<td>£743m</td>
</tr>
<tr>
<td>Total Core Category TV spend</td>
<td>£125m</td>
<td>£159m</td>
<td>£122m</td>
<td>£115m</td>
<td>£522m</td>
</tr>
<tr>
<td>Core Category TV spend in children’s airtime</td>
<td>£8m</td>
<td>£11m</td>
<td>£8m</td>
<td>£4m</td>
<td>£32m</td>
</tr>
</tbody>
</table>

Core Category TV spend in children’s airtime as a proportion of:

- Total TV spend: 1% 1% 1% 0% 1%
- Total Core Category Ad spend: 5% 5% 5% 3% 4%
- Core Category TV spend: 7% 7% 7% 4% 6%

Source: Nielsen. Total spend includes Direct Mail, Internet and excludes production costs & classifieds
Core Categories = Food + Chain Restaurants + Soft Drinks
There is proportionally little seasonal variation in Core Category ad impacts, with the exception of Q4

<table>
<thead>
<tr>
<th></th>
<th>Q1 2003</th>
<th>Q2 2003</th>
<th>Q3 2003</th>
<th>Q4 2003</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children’s Exposure to TV Advertising (Impacts, 000s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total TV Advertising</td>
<td>22m</td>
<td>21m</td>
<td>22m</td>
<td>27m</td>
<td>93m</td>
</tr>
<tr>
<td>Total TV Advertising in children’s airtime</td>
<td>6m</td>
<td>6m</td>
<td>7m</td>
<td>8m</td>
<td>27m</td>
</tr>
<tr>
<td>Core Category TV Advertising</td>
<td>5m</td>
<td>5m</td>
<td>4m</td>
<td>4m</td>
<td>18m</td>
</tr>
<tr>
<td>Core Category TV Advertising in children’s airtime</td>
<td>2m</td>
<td>2m</td>
<td>2m</td>
<td>1m</td>
<td>8m</td>
</tr>
<tr>
<td>Advertising exposure in children’s airtime as a proportion of total TV ad exposure</td>
<td>27%</td>
<td>28%</td>
<td>30%</td>
<td>30%</td>
<td>29%</td>
</tr>
<tr>
<td>Core Category advertising exposure in children’s airtime as a proportion of total TV ad exposure</td>
<td>9%</td>
<td>11%</td>
<td>10%</td>
<td>4%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: Nielsen (Child Impacts)
Core Categories = Food + Chain Restaurants + Soft Drinks
TV advertising spend for Toys in children’s airtime shows the most seasonal variation

Ad Spend in Children's Airtime, 2003

Source: Nielsen, 2003

Children’s Airtime = Children’s airtime on terrestrial channels + Dedicated children’s channels
TV advertising impacts for Toys in children’s airtime shows the most seasonal variation

Impacts in Children's Airtime (Children), 2003

Source: Nielsen, 2003
Sum of impacts on commercial terrestrial channels + non-terrestrial channels
Children’s Airtime = Children’s airtime on terrestrial channels + Dedicated children’s channels