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Misrepresenting Comcast's Advertising (White Paper)

Although the research firm Kantar does an excellent job reporting ad spending for the industry, its recent assessment of Comcast's ranking as the nation's #2 advertiser may be off the mark.

Pre-NBCUniversal merger, Comcast was ranked #50 on the top advertiser list. Flash forward to this week and Kantar is now claiming that Comcast is currently ranked #2 between advertising heavy-weights Proctor & Gamble (#1) and General Motors (#3).

A famous comedian once speculated that if a word was misspelled in the dictionary, how would we know? There should be the same cause for alarm among advertisers when a research vendor misrepresents data.

Comcast may in fact have a relatively high ranking, but it is probably not #2.

In all likelihood, Comcast's ranking has been artificially inflated by Kantar's inclusion of in-house ad dollars in its final tally.

What does this mean?

It means Kantar is likely including ad dollars that Comcast spent on the networks that it owns.

A commercial for Universal's Les Miserables running on NBC's The Biggest Loser is an example of what NOT to include in Comcast's final ad spending figures.

Another example of what NOT to include: a commercial for Comcast's xfinity service running on Bravo's The Real Housewives of Beverley Hills.

Neither NBC nor Bravo can potentially earn any ad revenue from xfinity and Universal, as all four entities are owned assets of the same company, Comcast.

Bottom-line:

Before assessing Comcast's ranking in the marketplace as a top advertiser, Kantar needs to revisit its data and exclude all ad dollars that Comcast spent on its own assets including its broadcast networks and cable networks.

Surmising a Different Implication:

If Kantar decides to revisit its data on Comcast -- and I encourage that it does so -- it should apply the same revised approach when calculating the metrics for other multimedia companies and figure out what implications can be made regarding the true health of the advertising market.

By using owned assets to self promote, Comcast and other multimedia companies may have likely cut ad spending elsewhere.

Comcast has approximately 17 broadcast and cable networks. In theory therefore, Comcast has an opportunity to promote from within by way of cross-pollination: Bravo advertising on Oxygen, the Golf Channel advertising on NBC Sports Network, Syfy advertising on USA Network, and so on.

In one regard, this can be a great opportunity for Comcast to save money by cutting its real advertising expenses. From another perspective however, it is losing potential ad revenue. By using up inventory promoting its own assets, Comcast could legitimately be earning ad revenue by selling to outside advertisers.

For sound strategy on key business decisions like these, ask media maven Craig Jaffe. Mr. Jaffe is an award-winning media and marketing executive who manages his own consultancy helping television networks and advertising agencies maximize viewership, drive revenue, and productize research concepts. He can be reached at 917-587-3649 and CraigJaffe@optonline.net. Feel free to also visit him at www.linkedin.com/in/CraigJaffeResearch.