



VAB - MARKETER'S GUIDE - 2019

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Brands In Crisis

Changing Perceptions Through TV Advertising

Contents

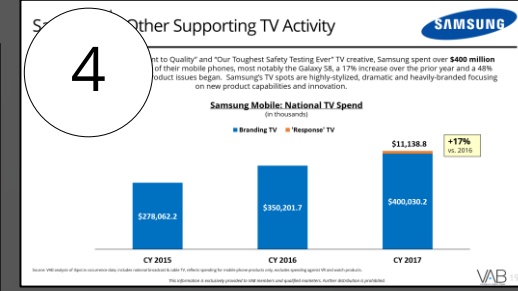
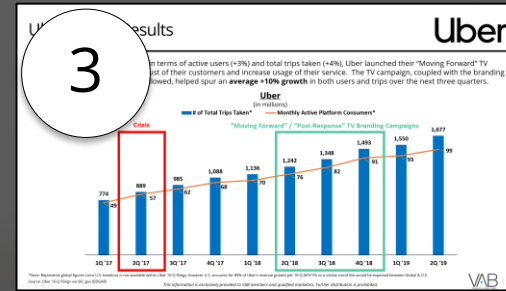
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- 7 Chipotle: Brand Building & Driving Sales
- 8 The Benefits Of Utilizing TV For Brands in Crisis

1 Changing Brand Perceptions

5 Ways For Brands To Successfully Navigate Through A Crisis

- 1 Acknowledge Your Brand's Mistakes**
In a sincere and authentic tone, take ownership of mistakes made by the brand immediately or as soon as all the facts have been gathered.
- 2 Articulate How Things Will Be Made Right**
Tell your audience the steps you're taking both internally and externally, to improve your brand and create better consumer experiences.
- 3 Complement Response With Strong Branding Activity**
Support your brand response with strong, longer-run branding campaigns to remind consumers about the brand's product quality and innovations.
- 4 Allocate 'Real' Resources Behind Your Message(s)**
Crisis can have a lasting effect on brand perception so it's important that campaigns created to combat them, and the branding activities that follow, are appropriately funded.
- 5 'Humanize' Your Brand**
Integrate real customers and real employees within your creative to elicit a greater emotional response from your brand message.

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5 Wells Fargo: The Response

Wells Fargo launched their "Commitment" TV campaign in October 2016 which focused on informing members about the internal changes they're implementing to make things right (fully refunding those confirmations, eliminated sales goals). A second, much larger, campaign then launched in May 2018 which, in total, spent over \$47 million on TV responding to their crisis.

"Commitment" - \$9.0 MM
15-Week Flight: 5/22/16 - 11/22/16
30- and 60-second creative / 1.5M Average / 45% Brand / 60% IMPs

"Re-Established / Earning Back Your Trust" - \$38.4 MM
30- and 60-second creative / 1.8M Average / 1.4 Billion IMPs

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6 Papa John's: The Response

Papa John's released their "Voices of Papa John's" TV campaign - \$6.4 MM

5-Week Flight: 9/22/18 - 11/22/18
30-second creative / 1.873 Airspots / 250.4 MM IMPs

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7 Chipotle: The Crisis

February 2016, Chipotle restaurants were linked to two separate E. coli outbreaks. In the first outbreak, 53 people were hospitalized in 11 states with 21 hospitalized. In the second outbreak, 5 people were hospitalized across 3 states with 1 hospitalized.

Bloomberg: Inside Chipotle's Contamination Crisis

Wired: Chipotle CEO Says E. coli Crisis Will Hurt Its Business Through 2016

FORTUNE: Chipotle's E. coli Outbreak Lingers as Sales Plunge Again

Chipotle: E. coli outbreak looks set to infect Chipotle's same-outlet sales

Chipotle: E. coli outbreak looks set to infect Chipotle's same-outlet sales

Chipotle: E. coli outbreak looks set to infect Chipotle's same-outlet sales

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8 Brands In Crisis Invest In TV To Leverage The Many Benefits The Platform Provides And The Outcomes It Delivers

- TV's attentiveness produces real breakthrough for a brand's message
- TV's emotional engagement builds brand love
- TV's emotional engagement can also influence brand perception among consumers
- TV's environment allows for effective brand storytelling
- TV offers brands an association with safety, trust and legitimacy

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Samsung Galaxy Note 7 recall: Here's what happens now



Papa John's founder will step down as CEO after criticizing national anthem protests in the NFL



Why Are Samsung's Galaxy Note 7 Phones Exploding?



There's a crisis at Chipotle



Uber CEO Travis Kalanick resigns following months of chaos



As Midterm Elections Get Underway, Facebook's Election Meddling Problem Is Worse Than Ever



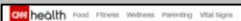
Wells Fargo Fined \$185 Million for Fraudulently Opening Accounts



Papa John's chairman steps down amid racial slur controversy



Cambridge Analytica and Facebook: The Scandal and the Fallout So Far



Chipotle shuts dozens of locations as more confirmed E. coli cases emerge



Uber's scandals, blunders and PR disasters: the full list



5,300 Wells Fargo employees fired over 2 million phony accounts

Brands In Crisis

Data privacy breaches & election meddling. Gender discrimination & sexual harassment. Explosive devices & mass recalls. Fake accounts & customer fraud. Racist remarks & NFL national anthem controversy. Not one but two E. coli outbreaks.

In the past few years, brands like Facebook, Uber, Samsung, Wells Fargo, Papa John's and Chipotle have experienced severe crises that could have inflicted lasting, and irreversible, damage to their brand.

However, to overcome the initial damage to the brand, all six companies developed their own consumer response to either address these crises head-on with the American public or to change the narrative.

As we highlight in this report through six detailed case studies, TV advertising was a key component utilized by each brand to help change public opinion and rehabilitate their image.

TV campaigns were successful in stabilizing these brands and helping them regain consumer trust, preserve brand reputation and rebuild their positioning. TV also aided in driving sales or, at the very least, stopping the bleeding for some.

Continue reading to learn about the central role that TV played in changing consumer perceptions of these six brands that were once in crisis.

Changing Brand Perceptions

5 Ways For Brands To Successfully Navigate Through A Crisis

1

Acknowledge Your Brand's Missteps

In a sincere and authentic tone, take ownership of the mistakes made by the brand immediately, or at least when all the facts have been gathered

2

Articulate How Things Will Be Made Right

Tell your audience the steps you're taking, both internally and externally, to improve processes and create better consumer experiences

3

Complement Response With Strong Branding Activity

Support your brand response with strong, longer-tail branding campaigns to remind consumers about the brand's product quality and innovations

4

Allocate 'Real' Resources Behind Your Message(s)

Crises can have a lasting effect on brand perception so it's important that campaigns created to combat them, and the branding activities that follow, are appropriately funded

5

'Humanize' Your Brand

Integrate real customers and real employees within your creative to elicit a greater emotional response from your brand messaging



Case Study: Facebook

How TV Keeps Business Going “As Is”

In March 2018, The Guardian & New York Times exposed Cambridge Analytica's harvesting of personal data from millions of Facebook user accounts which added another scandal amidst allegations of 'fake news' posts and Russian meddling on social media platforms to influence the 2016 Presidential election. The scandal culminated with Facebook co-founder & CEO, Mark Zuckerberg, testifying in front of Congress on April 10th-11th 2018 about the social media platform's mishandling of data and its' commitment to consumer privacy.

The New York Times
 Cambridge Analytica and Facebook:
 The Scandal and the Fallout So Far

WIRED
The 21 (and Counting) Biggest Facebook Scandals of 2018
 Bet you already forgot half of Facebook's crises this year.

FORTUNE
 As Midterm Elections Get Underway, Facebook's
 Election Meddling Problem Is Worse Than Ever



VARIETY
 Facebook Stock Drops on
 Report of Wider U.S. Probe of
 Cambridge Analytica Scandal

The Guardian
 Facebook usage falling after privacy
 scandals, data suggests

The Guardian
**Over \$119bn wiped off Facebook's
 market cap after growth shock**
 Shares crash as social network admits user growth fell after
 Cambridge Analytica breach

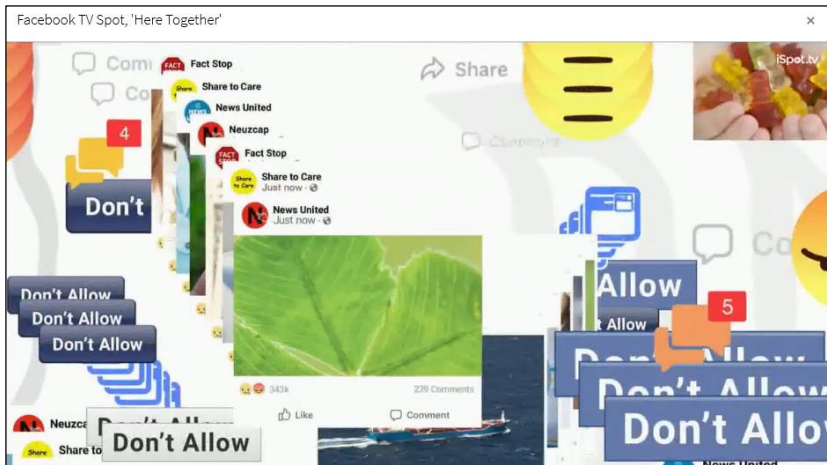
USA TODAY
 Facebook discloses possible election meddling by
 Russia, foreign actors on eve of midterms

Facebook | The Response



Only two weeks after Zuckerberg testified in front of Congress, and on the same day as their 1Q '18 earnings report release, Facebook launched their "Here Together" TV campaign in April 2018 acknowledging that people don't want to see spam, clickbait articles and false news so moving forward they were going to show more from the people you care about on your newsfeed.

"Here Together" - \$67.8 MM
12-Week Flight: 4/25/18 - 7/19/18
:30, :60-second creative / 3,713 Airings / 1.9 Billion HH IMPs

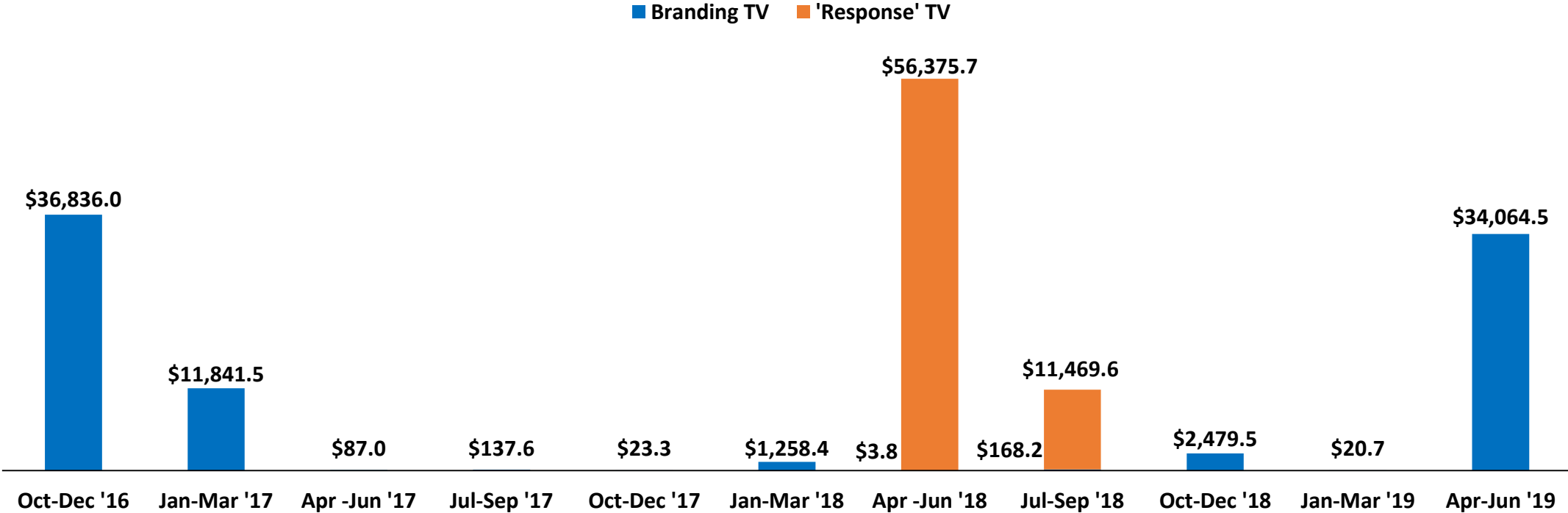


Source: VAB analysis of iSpot.tv TV occurrence data. Impressions represent US TV HHs and include activity within national broadcast and cable TV linear, national time-shifted, local, VOD and OTT. Note, figures above also includes creative labeled as 'A Little Closer' which accounted for 46 airings / 97.8 MM imps / \$2.9 MM between 4/25/18 - 7/14/18.



When Facebook launched their "Here Together" TV campaign in April 2018, it ran almost exclusively throughout their flight and it represented their largest TV campaign to date. Other Facebook campaigns over the last three years focused on their products such as Facebook Live, Groups, Marketplace and Fundraisers (\$155 million in TV since 4Q 2016).

Facebook: National TV Spend
(in thousands)



Source: VAB analysis of iSpot.tv occurrence data, includes national broadcast & cable TV.

This information is exclusively provided to VAB members and qualified marketers. Further distribution is prohibited.



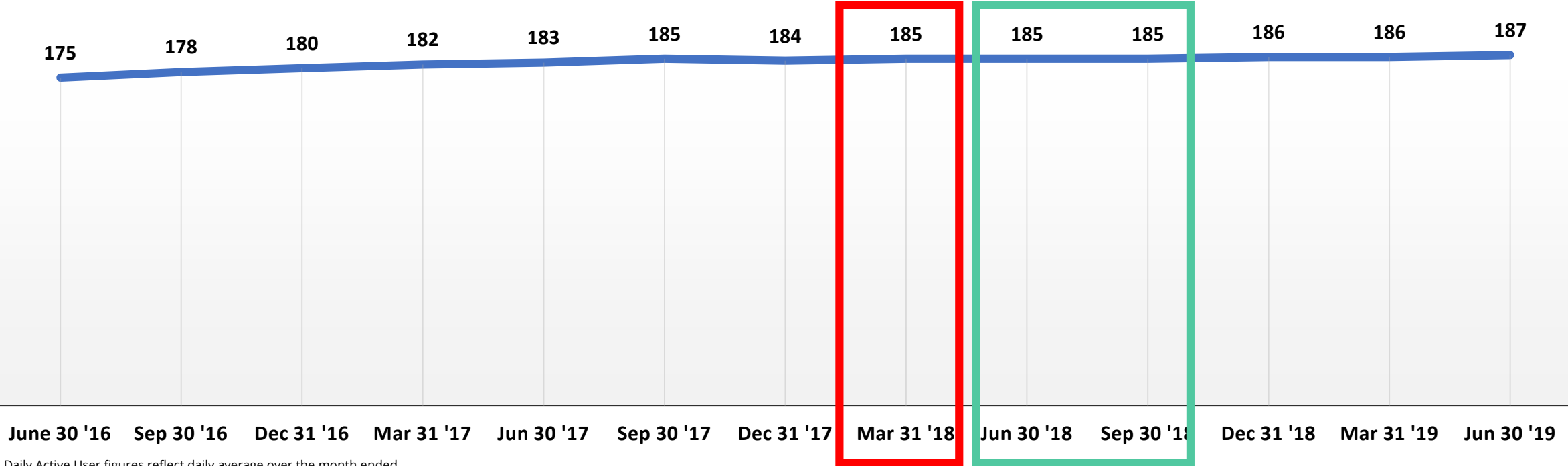
Although the hashtag #DeleteFacebook trended across social media platforms soon after the scandal broke, **daily active users remained relatively unaffected** overall as the mass-reaching “Here Together” TV campaign, where they tacitly acknowledged past missteps, launched quickly after Mark Zuckerberg appeared before Congress.

Facebook: Daily Active Users

US & Canada
(in millions)

“Here Together”
TV Campaign

Crisis

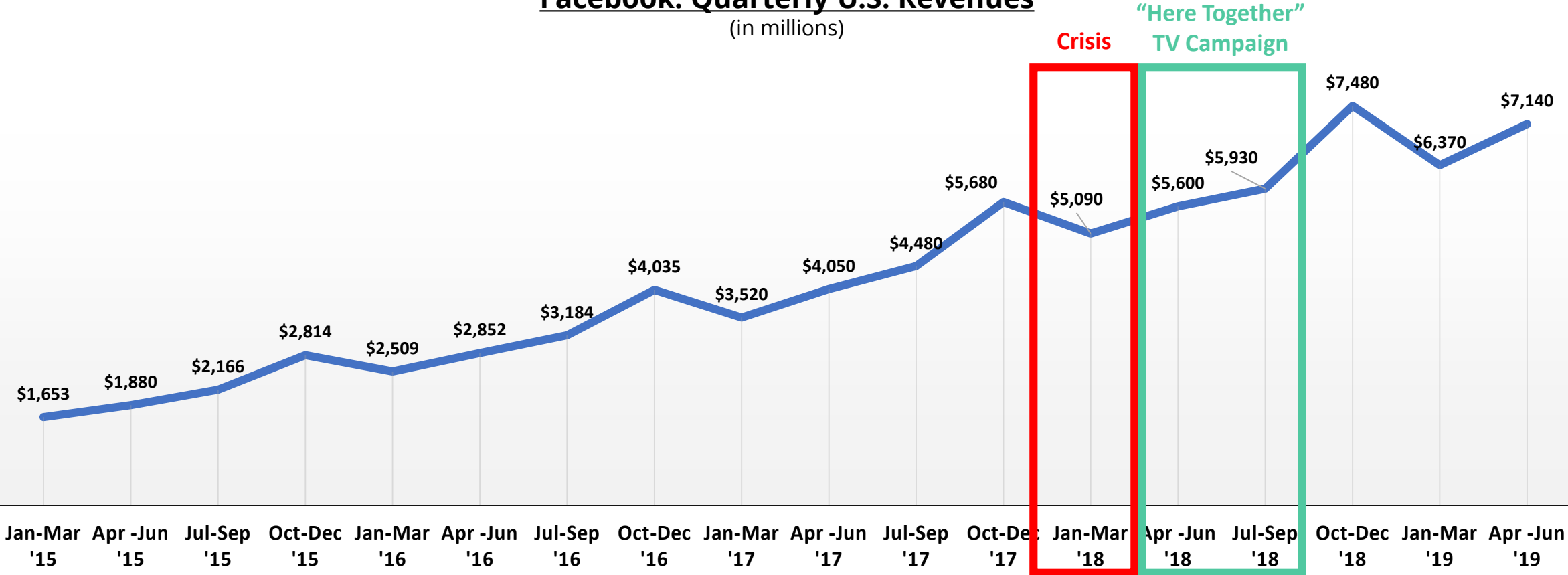


Note: Daily Active User figures reflect daily average over the month ended
Source: Facebook 10-Q filings via SEC.gov (EDGAR)



Facebook’s significant investment in their “Here Together” TV campaign was a key component in maintaining their total number of daily active users and helped the company continue “as is” from a revenue perspective leading into 4Q ‘18, which delivered their **highest quarterly revenues to date.**

Facebook: Quarterly U.S. Revenues
(in millions)



Source: Facebook 10-Q filings for U.S. revenues via SEC.gov (EDGAR)

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Case Study: Uber

How TV Aids In Regaining Consumer Trust

In June 2017, Uber founder / CEO Travis Kalanick resigned after six months of scandals including gender discrimination and sexual harassment, his berating of an Uber driver caught on video and other allegations of misconduct by other executives and drivers.

Search US edition

Uber's scandals, blunders and PR disasters: the full list

The company has had a seemingly never-ending string of missteps, from its controversial CEO to questionable tactics and sexual harassment claims

Search US edition

Uber accused of silencing women who claim sexual assault by drivers

Search US edition

Uber fires more than 20 employees after sexual harassment investigation

Search US edition

Uber CEO Travis Kalanick resigns following months of chaos

Embattled founder of ride-hailing app stepped down in face of pressure from investors after tumultuous six months of scandals and stumbles

WIRED A Short History of the Many, Many Ways Uber Screwed Up

USA TODAY

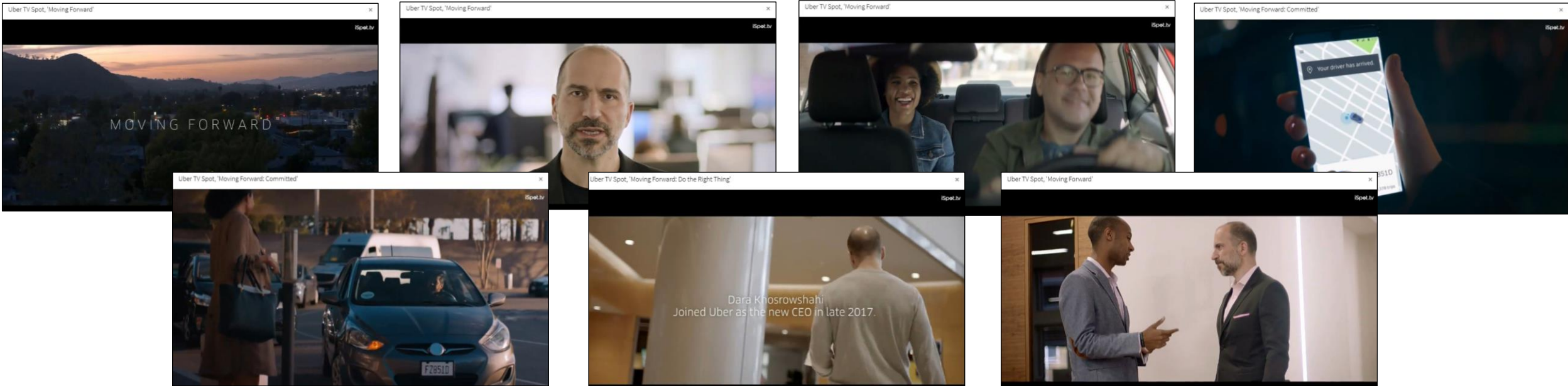
Vows to 'delete Uber' weren't just talk: Uber loses market share to Lyft after year of scandal

Democracy Dies in Darkness

How Uber's Trying to Clean Up Its Act En Route to an IPO

In response to continual scandals, Uber released their “Moving Forward” TV campaign featuring new CEO Dara Khosrowshahi and emphasizing a new direction with new leadership and culture and their core value of ‘always do the right thing’ and how they’re listening to customers and drivers and making improvements to the service (enhanced background checks, 24/7 customer support, better ride quality, etc).

“Moving Forward / Committed” - \$48.0 MM
18-Week Flight: 5/14/18 – 9/16/18
:15, :30, :60-second creative / 12,215 Airings / 2.6 Billion HH IMPs



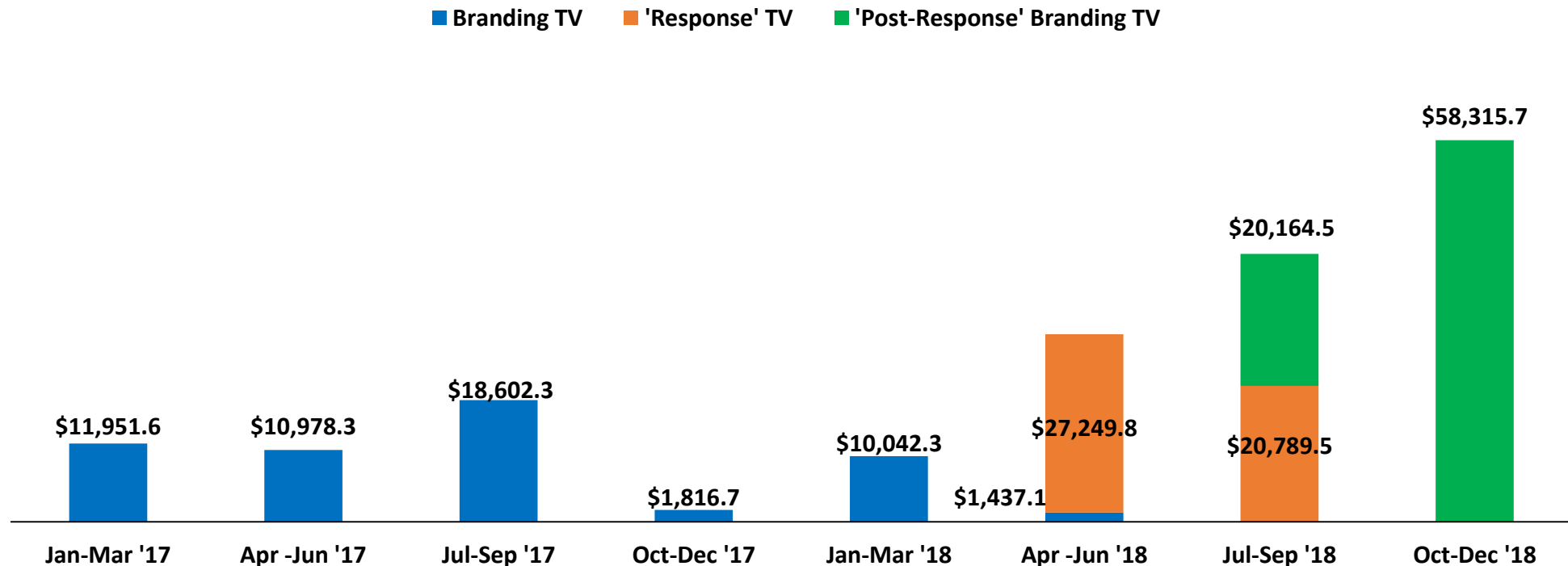
Source: VAB analysis of iSpot.tv TV occurrence data. Impressions represent US TV HHs and include activity within national broadcast and cable TV linear, national time-shifted, local, VOD and OTT.

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94% of Uber's TV activity between 5/14/18 – 9/16/18 was allocated towards the "Moving Forward" campaign. Immediately after that campaign ended, Uber launched a branding campaign entitled "Doors Are Always Opening" which ran through the balance of 3Q '18 and through 4Q '18. In total, Uber spent \$181 million in TV between 2017 & 2018.

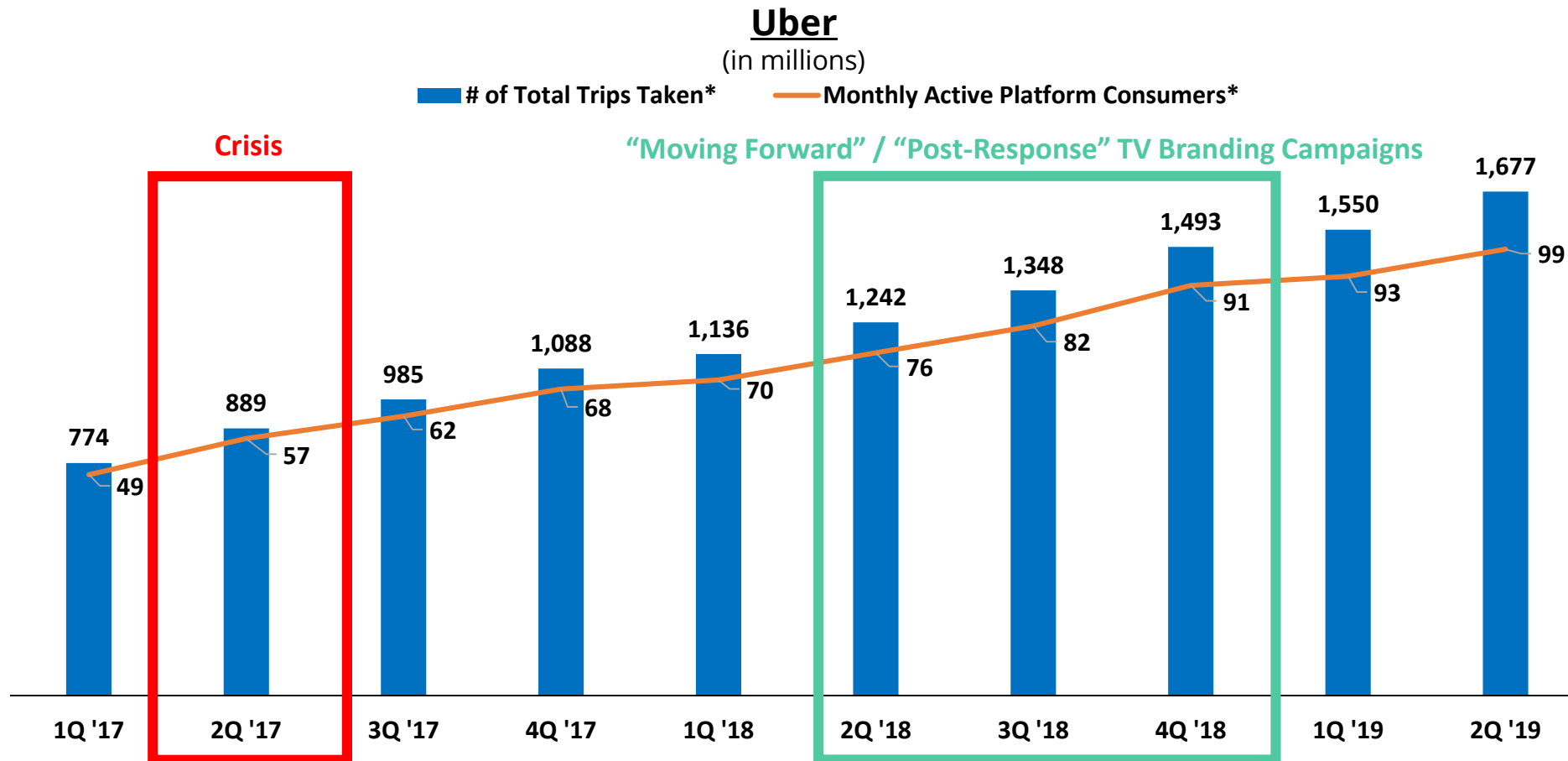
Uber: National TV Spend

(in thousands)



Source: VAB analysis of iSpot.tv occurrence data, includes national broadcast & cable TV.

After a quarter of low growth in terms of active users (+3%) and total trips taken (+4%), Uber launched their “Moving Forward” TV campaign in 2Q ‘18 to regain the trust of their customers and increase usage of their service. The TV campaign, coupled with the branding campaign that immediately followed, helped spur an **average +10% growth** in both users and trips over the next three quarters.



*Note: Represents global figures since U.S. breakout is not available within Uber 10-Q filings, however U.S. accounts for 89% of Uber’s revenue growth per 10-Q (8/9/19) so a similar trend line would be expected between Global & U.S.

Source: Uber 10-Q filings via SEC.gov (EDGAR)

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Case Study: Samsung

How TV Helps Preserve Brand Reputation

Between August & September 2016, users began making social media posts about their Galaxy Note 7 batteries exploding which led Samsung to officially recall them in September 2016.



Why Are Samsung's Galaxy Note 7 Phones Exploding?



Samsung Galaxy Note 7 recall: Here's what happens now

A more detailed look at why Note 7 phones caught fire not once, but twice -- and what happens next.



Watch as Samsung phone explodes in a man's shirt pocket



Samsung asks woman to return phone she says exploded and torched her car



Samsung Suffers Its 'Worst' Drop in Smartphone Sales After Galaxy Note 7 Recall



From a 'cultural meme' to a comeback kid: How Samsung overcame its Galaxy Note 7 fiasco

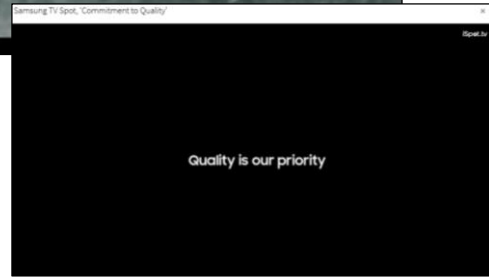


In early 2017, ahead of their Galaxy S8 phone release, Samsung spent over **\$11 million** on TV with two creative executions specifically focused on how they extensively test, re-test and test again their phones through an 8-point battery safety check which included the tagline “Innovation is our Legacy, Quality is our Priority.”

“Commitment To Quality” - **\$4.4 MM**

11-Week Flight: 2/26/17 – 5/14/17

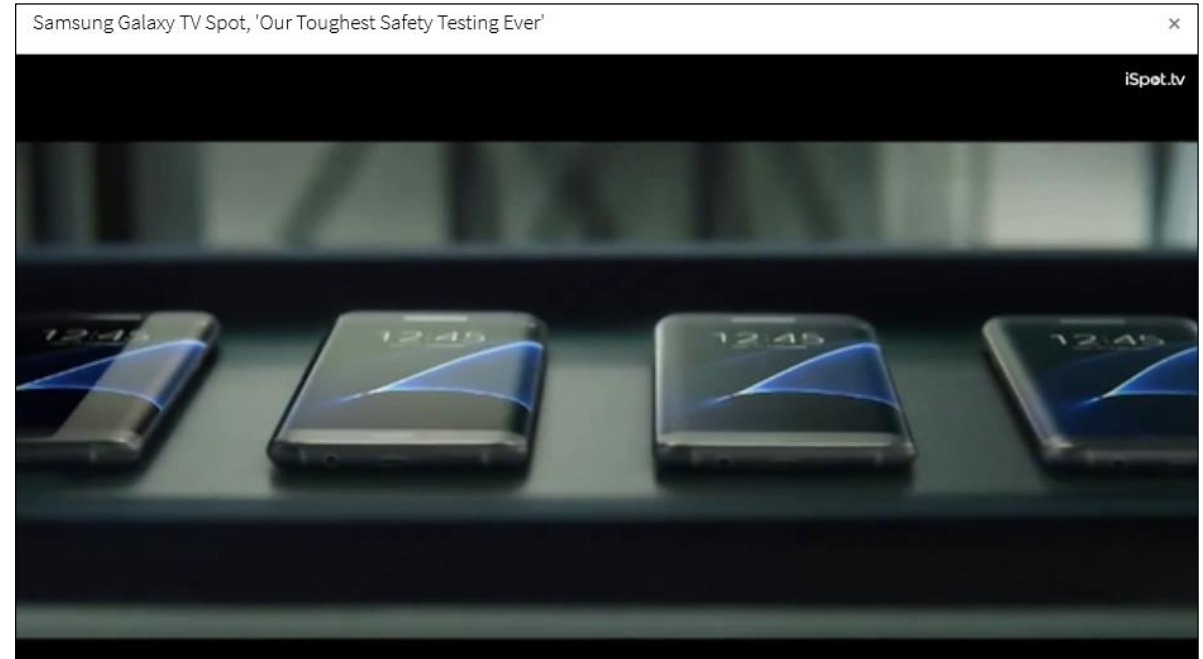
:30-second creative / 132 Airings / 92.4 MM HH IMPs



“Our Toughest Safety Testing Ever” - **\$6.8 MM**

5-Week Flight: 2/26/17 – 4/1/17

:30-second creative / 747 Airings / 213.6 MM HH IMPs

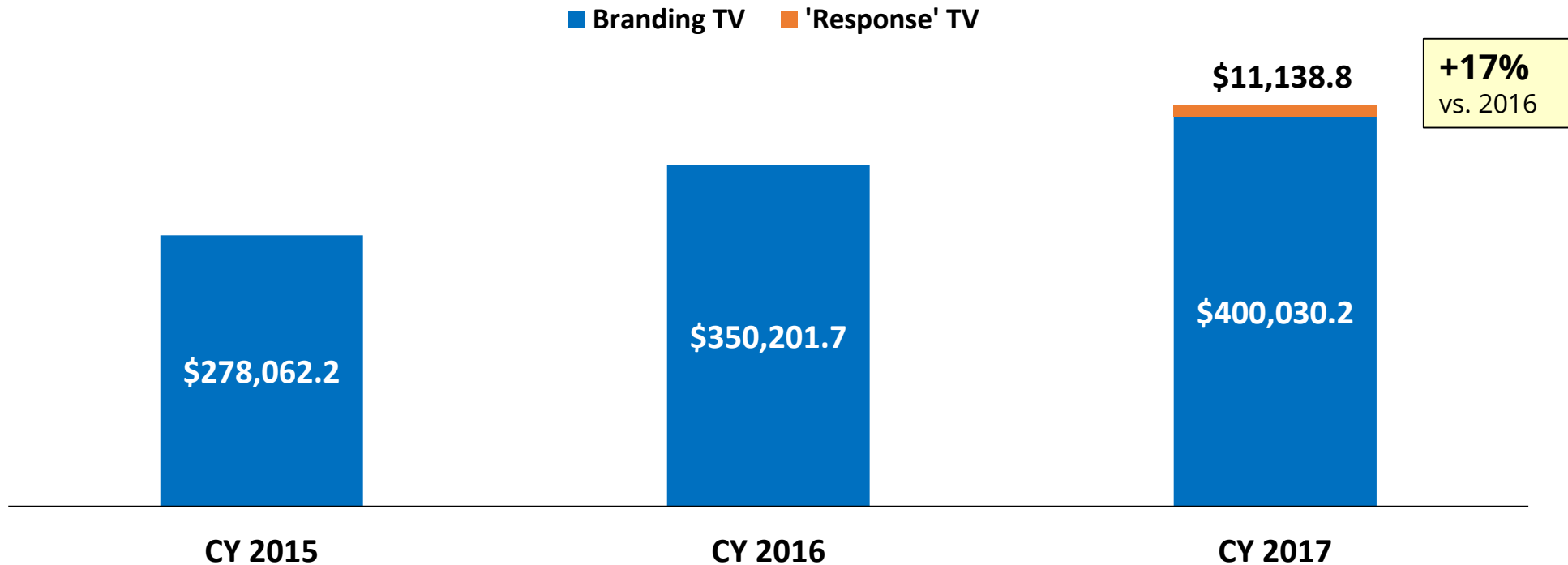




In addition, to the 'Commitment to Quality' and "Our Toughest Safety Testing Ever" TV creative, Samsung spent over **\$400 million** in TV branding ads in support of their mobile phones, most notably the Galaxy S8, a 17% increase over the prior year and a 48% increase vs. 2015, before the product issues began. Samsung's TV spots are highly-stylized, dramatic and heavily-branded focusing on new product capabilities and innovation.

Samsung Mobile: National TV Spend

(in thousands)



Source: VAB analysis of iSpot.tv occurrence data, includes national broadcast & cable TV, reflects spending for mobile phone products only, excludes spending against VR and watch products.

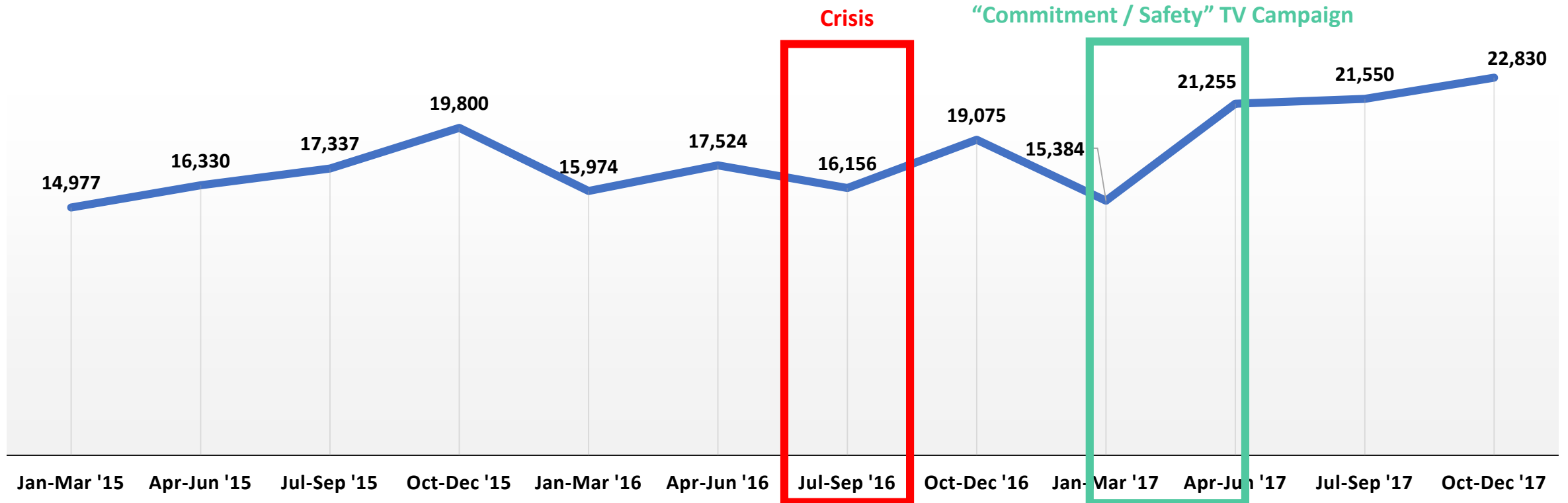
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Samsung's "Commitment To Quality" & "Our Toughest Safety Testing Ever" TV creative in tandem with increased TV spending for their overall branding & product campaigns helped the brand minimize damage to their reputation in advance of their Galaxy S8 phone release. In fact, in 2017, TV spending for Samsung's mobile segment was up **+17%** over the prior year while Samsung America's revenues were up **+18%**.

Samsung America: Quarterly Revenues

(Korean Won, in billions)



Source: Samsung quarterly financial statements from their investor relations website. Samsung does not report mobile phone revenues separately for the America region, however mobile accounts for approximately 73% of their consumer segment sales.

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A close-up photograph of a person's hand holding a silver smartphone. The person is wearing a dark, quilted jacket. To the left, a green ATM screen is visible, showing a blurred image of trees. The background is a bright, out-of-focus outdoor scene with trees and a path. A dark semi-transparent banner is at the bottom of the image, containing white text.

Case Study: Wells Fargo
How TV Helps Stabilize A Brand

Wells Fargo | The Crisis



In September 2016, federal regulators revealed that, in order to meet sales goals, Wells Fargo employees created millions of fraudulent savings, checking and credit card accounts on behalf of Wells Fargo clients without their consent.

CNN BUSINESS
5,300 Wells Fargo employees fired over 2 million phony accounts

BUSINESS INSIDER | TECH | FINANCE | POLITICS | STRATEGY | LIFE | ALL | BI PRIME | INTELLIGENCE
Wells Fargo will pay \$575 million to settle claims stemming from sales scandal

The New York Times
Wells Fargo Review Finds 1.4 Million More Suspect Accounts

CNBC
Wells Fargo will pay \$190 million to settle customer fraud case

abc NEWS
Timeline of the Wells Fargo Accounts Scandal

The New York Times
Wells Fargo Fined \$185 Million for Fraudulently Opening Accounts

BUSINESS INSIDER | TECH | FINANCE | POLITICS | STRATEGY | LIFE | ALL | BI PRIME | INTELLIGENCE
Wells Fargo's fake accounts scandal is still having a big impact on business

The New York Times
Wells Fargo Struggling in Aftermath of Fraud Scandal

THE WALL STREET JOURNAL
Wells Fargo Scandal Hurting Bank's Branch Business

CNN BUSINESS
Wells Fargo's scandals are hurting its bottom line

Wells Fargo | The Response

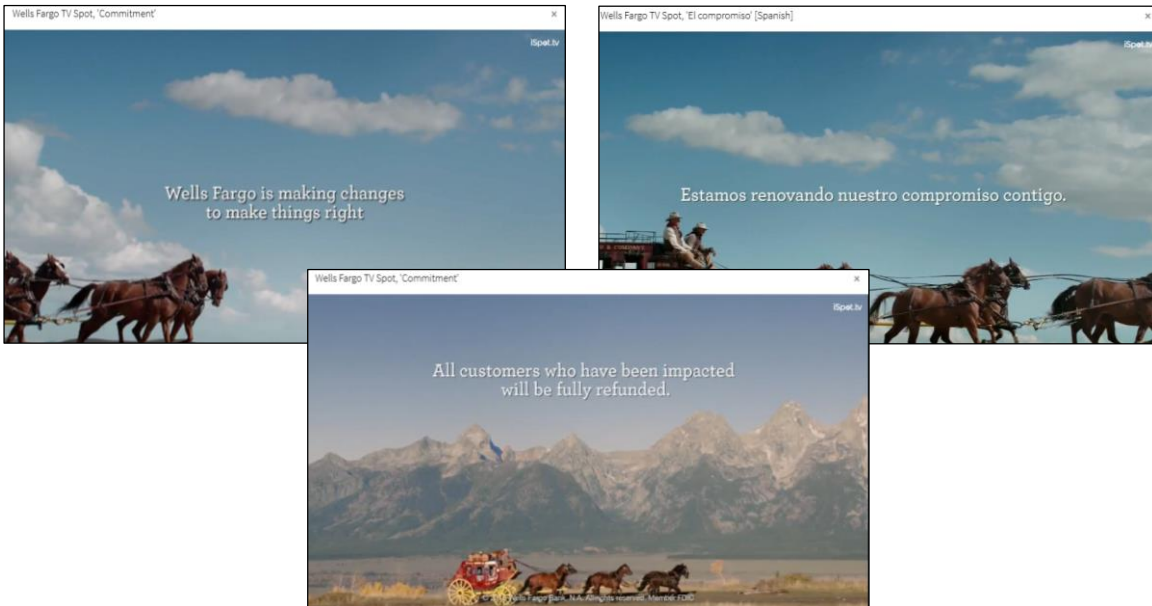


Soon after the scandal broke, Wells Fargo launched their 'Commitment' TV campaign in October 2016 which focused on informing customers, and prospective customers, about the internal changes they're implementing to make things right (fully refunding those impacted, proactive new account confirmations, eliminated sales goals). A second, much larger, campaign then launched in May 2018 around a similar theme. In total, spent over **\$47 million** on TV responding to their crisis.

"Commitment" - \$9.0 MM

5-Week Flight: 10/24/16 – 11/27/16

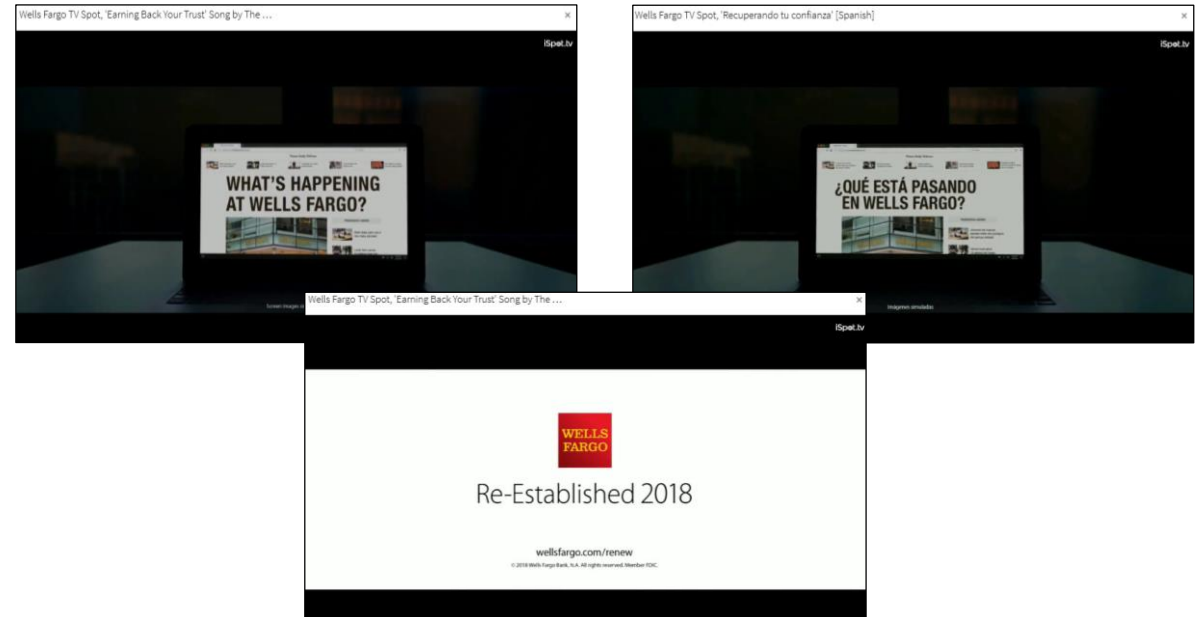
:15, :30-second creative / 1,140 Airings / 499.4 MM HH IMPs



"Re-Established / Earning Back Your Trust" - \$38.4 MM

8-Week Flight: 5/5/18 – 7/2/18

:30, :60-second creative / 3,948 Airings / 1.4 Billion HH IMPs



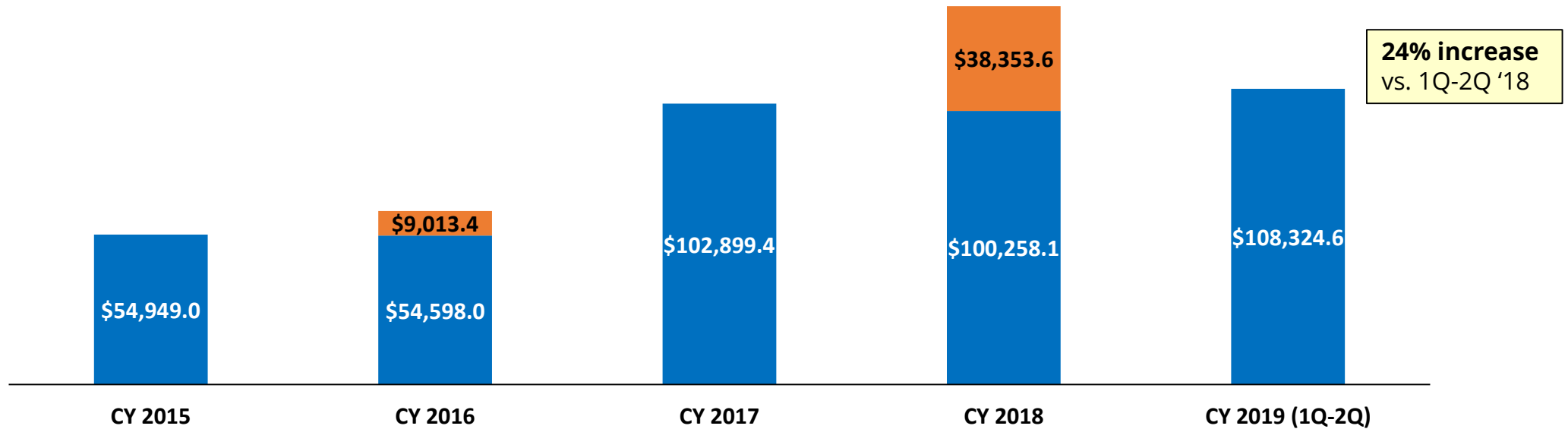
Source: VAB analysis of iSpot.tv TV occurrence data. Impressions represent US TV HHs and include activity within national broadcast and cable TV linear, national time-shifted, local, VOD and OTT.

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Between their 'Re-established / Earning Back Your Trust' campaign and additional branding activity focused on their mobile banking app and security-related issues (suspicious card activity, missing cards, etc), Wells Fargo more than doubled their TV investment in 2018 vs. 2016 when the fraud scandal broke. Interestingly, recent creative (post-'EBYT' campaign) has made much more use of people within their ads, regularly including both customers and their employees.

Wells Fargo: National TV Spend
(in thousands)

■ Branding TV ■ 'Response' TV



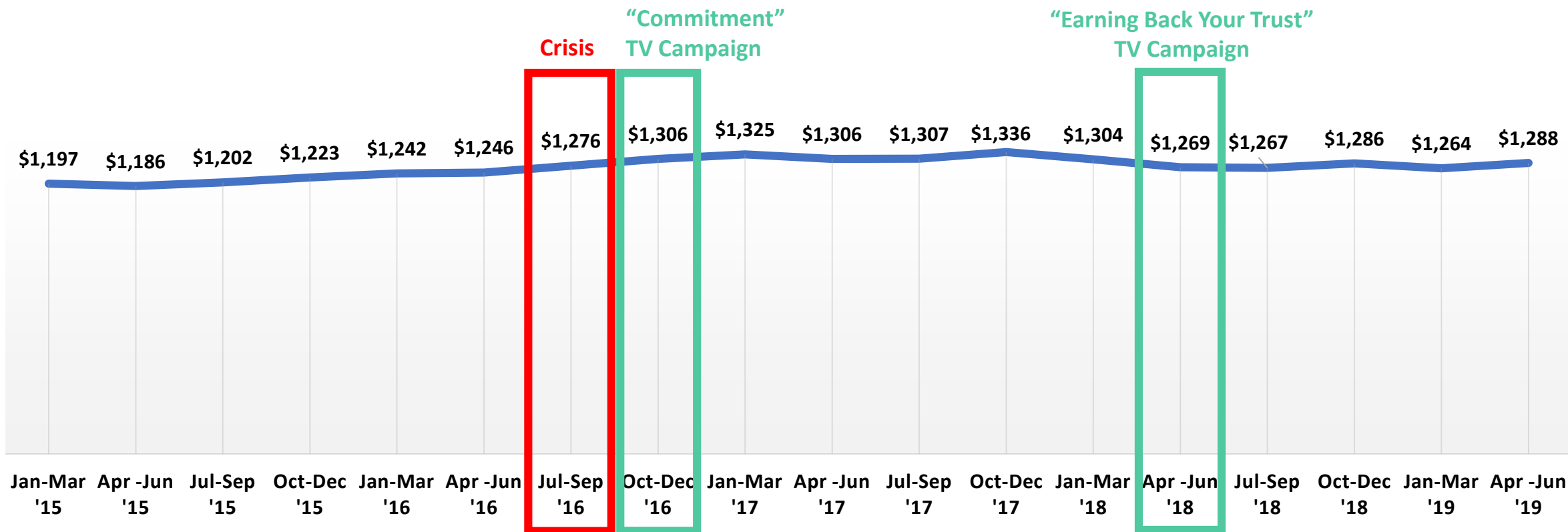
Source: VAB analysis of iSpot.tv occurrence data, includes national broadcast & cable TV.

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Wells Fargo’s two TV campaigns focusing on ‘commitment’ and ‘trust,’ along with their increased branding TV activity, **helped stabilize the company** and avoid a potential mass exodus of customers amidst the highly publicized scandal which affected their own clients.

Wells Fargo: Total Deposits (Quarter End)

(in billions)



Source: Wells Fargo 10-Q filings for total period-end deposits via SEC.gov (EDGAR)



Case Study: Papa John's

How TV Helped Stop The Brand Bleeding



On July 11th 2018, Papa John's founder, John Schnatter, resigned as Chairman when a scandal broke out over his use of a racial slur in a meeting when trying to minimize the controversy over earlier comments he made late in 2017 about NFL players kneeling during the national anthem.

The Washington Post
Democracy Dies in Darkness

Papa John's founder will step down as CEO after criticizing national anthem protests in the NFL

Vex

Papa John's founder resigns as chairman after using a racial slur on a call

RESTAURANT
BUSINESS

SALES DATA SHOWS BAD NEWS FOR PAPA JOHN'S AFTER JOHN SCHNATTER CONTROVERSY

 Bloomberg TicToc  @tictoc

Papa John's chairman steps down amid racial slur controversy

EATER

Papa John's Founder Resigns After Racist Rant Leaks

Amid calls for a boycott, the pizza chain's stock is tanking

CNN BUSINESS

Markets Tech Media Success Perspectives Video

Papa John's blames Papa John for big sales decline

Papa John's | The Response

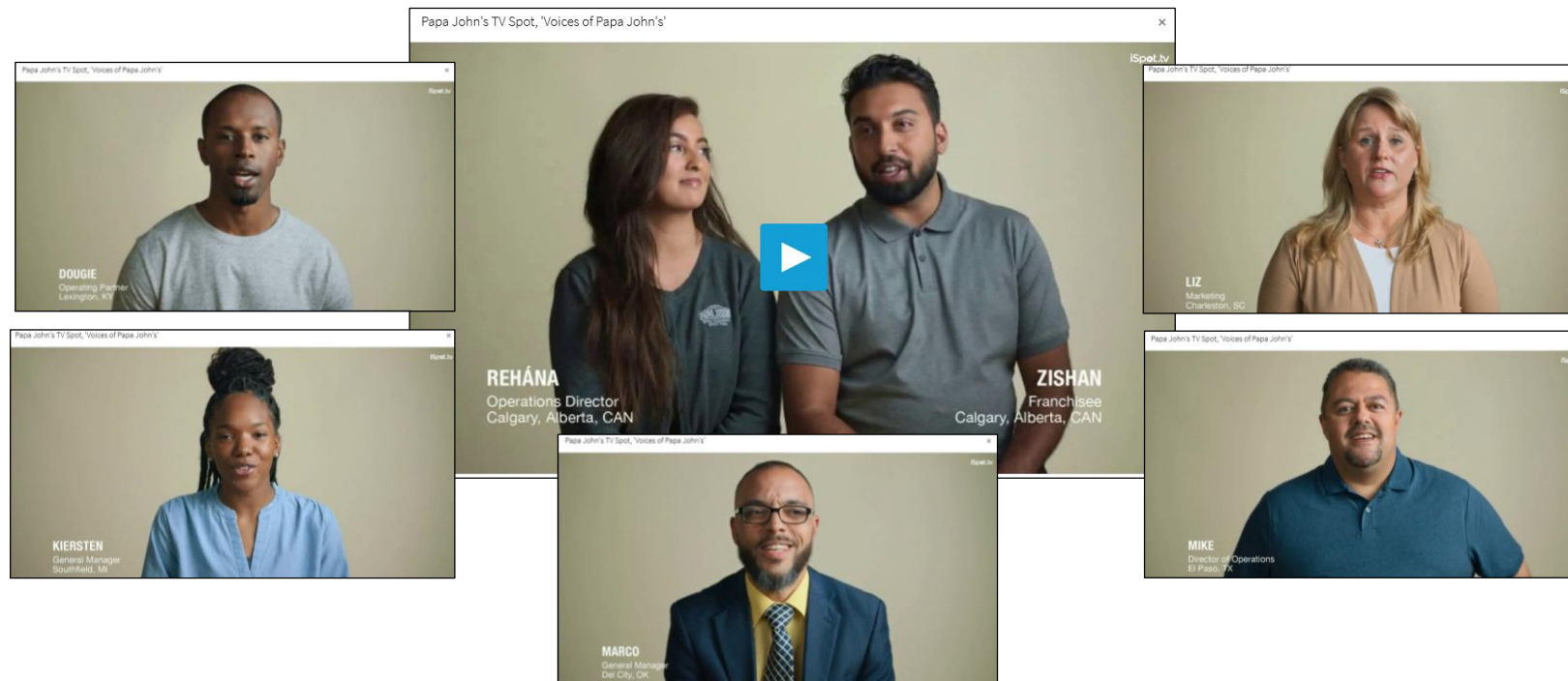


In response to the controversy surrounding the founder, and former chairman, Papa John's released their 'Voices of Papa John's' TV campaign that focused on diversity and the fact that the real face of their company are the thousands of employees and franchisees.

"Voices of Papa John's" TV Campaign - \$6.4 MM

5-Week Flight: 9/22/18 – 10/27/18

:30-second creative / 1,673 Airings / 390.4 MM HH IMPs



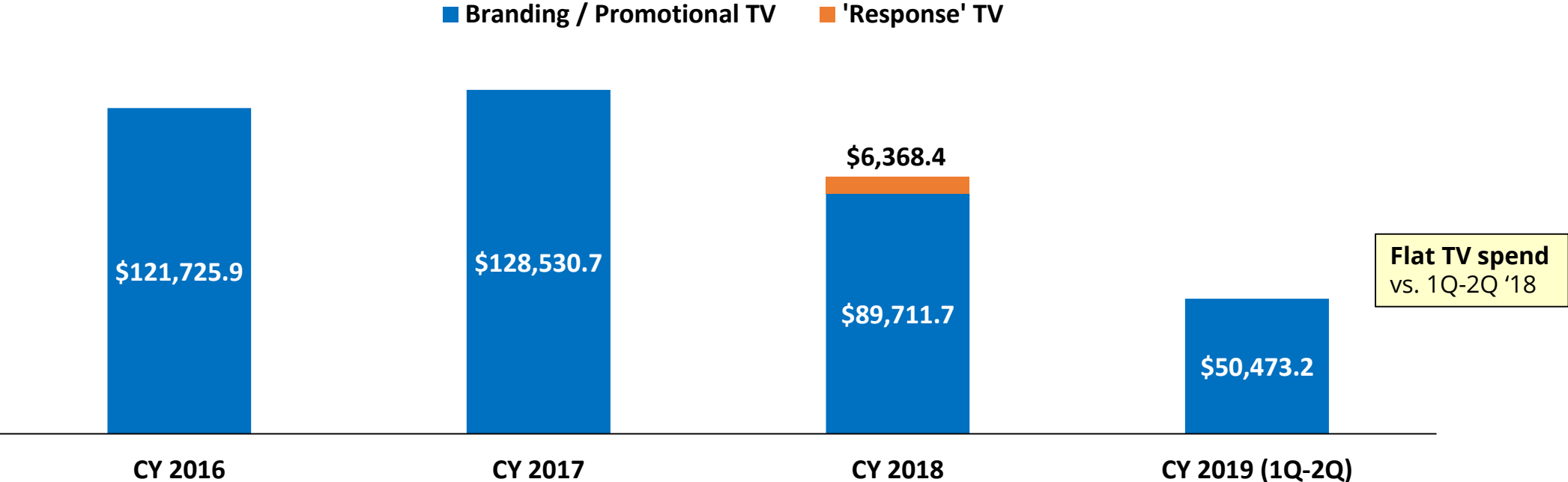
Source: VAB analysis of iSpot.tv TV occurrence data. Impressions represent US TV HHs and include activity within national broadcast and cable TV linear, national time-shifted, local, VOD and OTT.

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Papa John's peeled back some of their TV spend in 2018 as controversy surrounded Papa John's founder, however spending was flat during the first two quarters of 2019 vs. prior year. "Voices of Papa John's" creative had the most dollars allocated towards it during its flight (9/22/18 -10/27/18) and, after that campaign ended, Papa John's has been more cognizant about integrating the diversity of their employees into recent branding and promotional TV spots.

Papa John's: National TV Spend (in thousands)



Source: VAB analysis of iSpot.tv occurrence data, includes national broadcast & cable TV.

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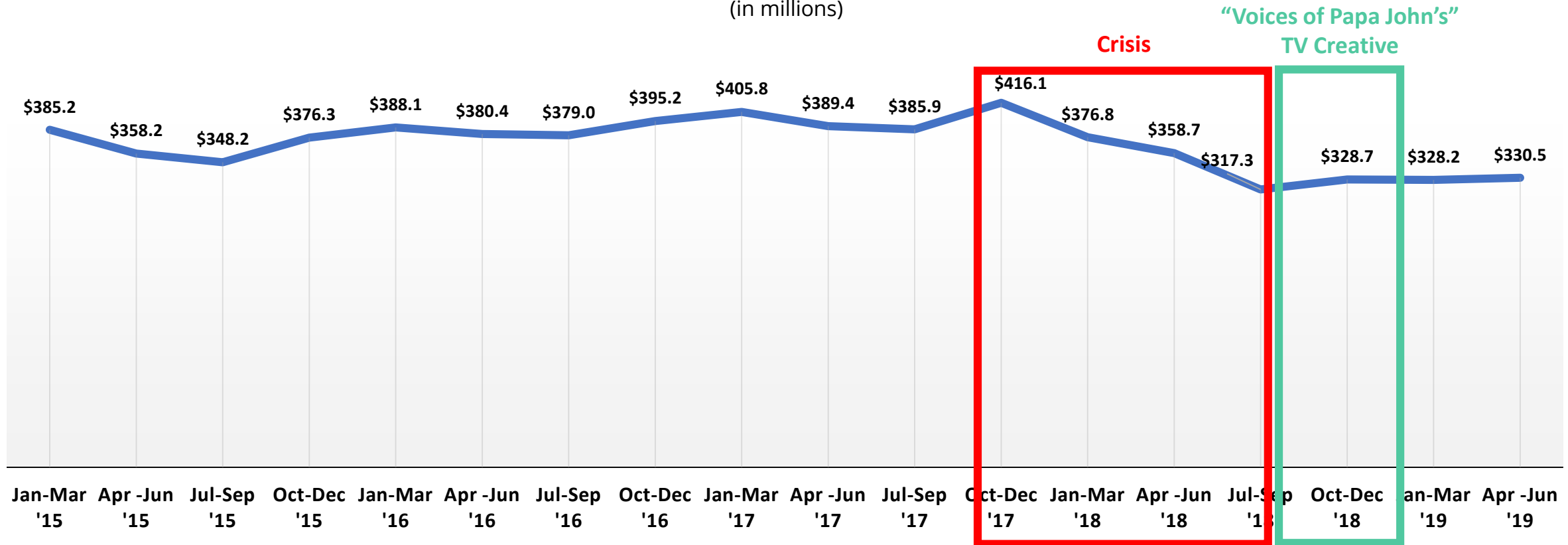
Papa John's | The Results



Interestingly, in 2017 Papa John's **TV spend increased 6% and revenues were up 4%** but in 2018 **TV spend decreased 25% while revenues decreased 14%**. In late 2018, "Voices of Papa John's" TV creative and the ensuing stabilization of **TV spend helped stop the hemorrhaging of quarterly sales** and aided in the flattening of revenues from October 2018 through the present.

Papa John's: Quarterly U.S. Revenues

(in millions)



Source: Papa John's 10-Q filings via SEC.gov (EDGAR)

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Case Study: Chipotle
Utilizing TV For Brand Building & Driving Sales

Chipotle | The Crisis



Between October 2015 – February 2016, Chipotle restaurants were linked to two separate E. coli outbreaks. In the first outbreak, 55 people were infected in 11 states with 21 hospitalized. In the second outbreak, 5 people were infected across 3 states with 1 hospitalized.

The Washington Post
Democracy Dies in Darkness

There's a crisis at Chipotle

Food poisonings and other challenges are threatening the darling of fast food's reputation

FDA U.S. FOOD & DRUG
ADMINISTRATION

FDA Investigates Multistate Outbreak of E. coli O26 Infections Linked to Chipotle Mexican Grill Restaurants

CNN health Food Fitness Wellness Parenting Vital Signs

Chipotle shuttered dozens of locations as more confirmed E. coli cases emerge

By Ben Brumfield, Joe Sutton, Nadia Kounang and Jen Christensen, CNN
Updated 6:33 PM ET, Wed November 4, 2015

Bloomberg Inside Chipotle's Contamination Crisis

FORTUNE

Chipotle CEO Says E.coli Crisis Will Hurt Its Business Through 2016

By Phil Wahba January 13, 2016

FORTUNE

Chipotle's E.Coli Hangover Lingers as Sales Plunge Again

By Phil Wahba July 21, 2016

REUTERS

BUSINESS NEWS NOVEMBER 23, 2015 / 9:57 AM / 4 YEARS AGO

E.coli outbreak looks set to infect Chipotle's same-outlet sales

The New York Times

Chipotle Stock Tumbles After E. Coli Outbreak

CNN BUSINESS

Chipotle sales down 22%. Customers still scared

by Patrick Gillespie and Heather Long @CNMoneyInvest

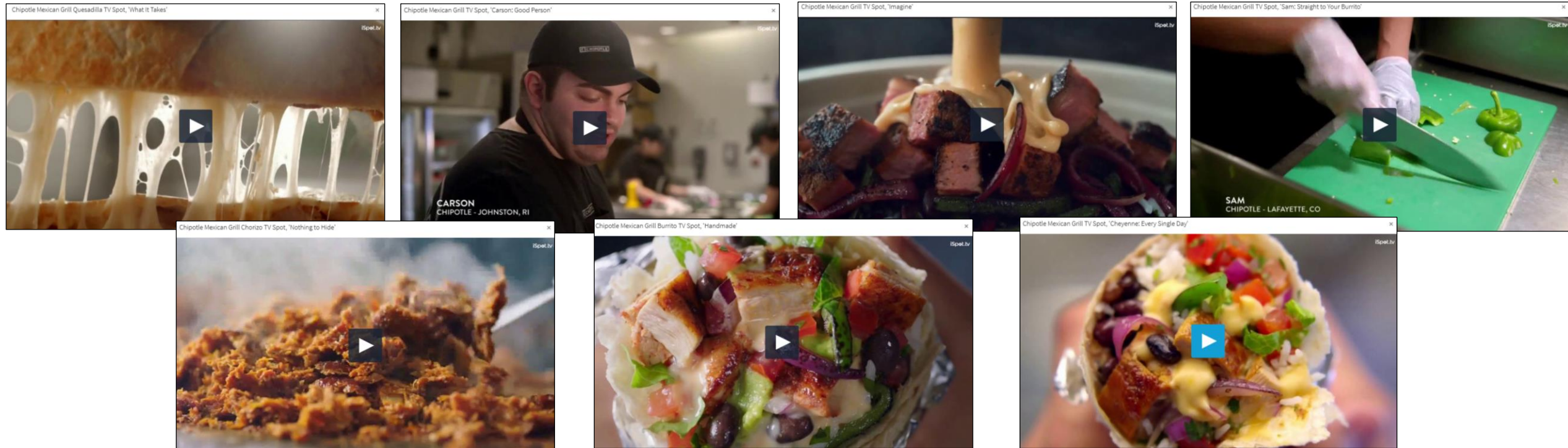
October 25, 2016: 5:49 PM ET

Chipotle | The Response



Although Chipotle didn't respond directly to the E. coli outbreak through TV advertising, they did launch their first national TV campaign in April 2017* in order to change consumer perception of the brand by focusing initially on their fresh, 'real' ingredients with later campaigns spotlighting the real employees who prepare these 'real' ingredients.

Chipotle TV Branding Campaigns - \$111.0 MM+
First-Ever National TV Campaign Launched 4/10/17 – present (stats through 9/30/19)
:06, :15, :30-second creative (50+ executions) / 18,174 Airings / 7.7 Billion HH IMPs



Source: VAB analysis of iSpot.tv TV occurrence data. Impressions represent US TV HHs and include activity within national broadcast and cable TV linear, national time-shifted, local, VOD and OTT. *Prior to their first national TV campaign, Chipotle implemented a local market TV test in 4Q 2016 within markets like Austin, Minneapolis and San Diego; separately they also ran one national TV spot in The 2012 Grammy Awards.

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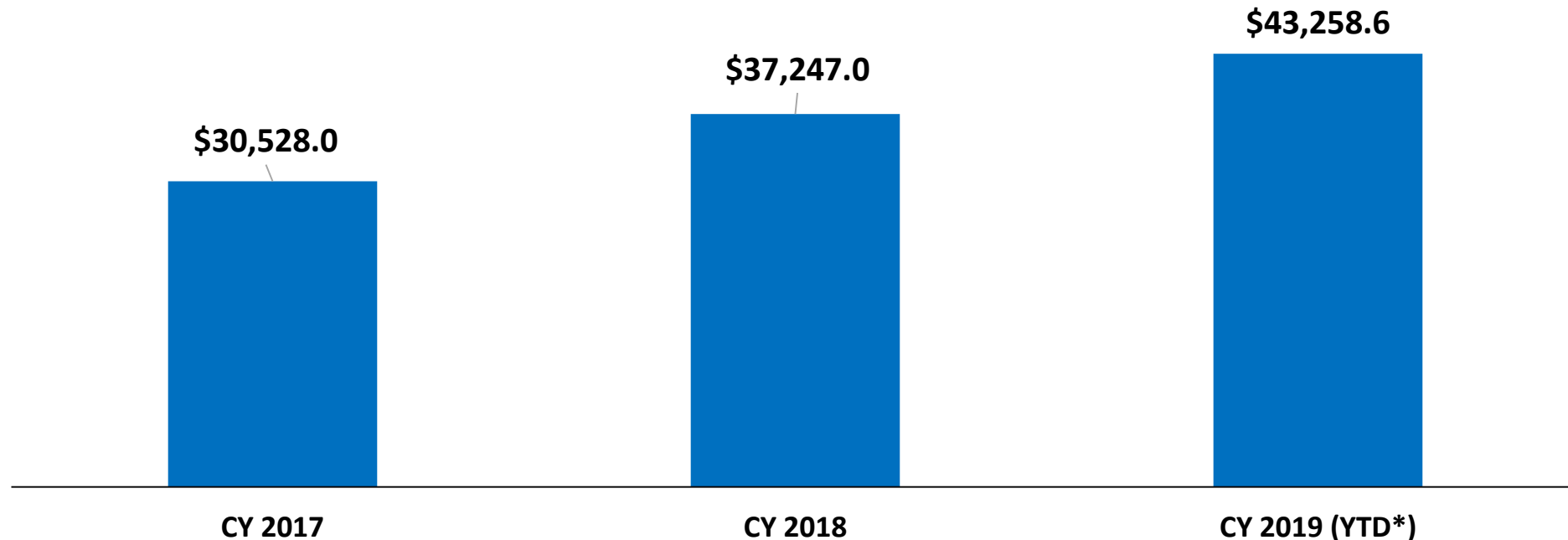
Chipotle | Brand TV Spending



Chipotle has increased their TV investment each of the last two years after launching in 2Q '17. There's been a particular spike in TV spend during 2019, 1Q-3Q spending reflects a 178% increase vs. same time period in 2018.

Chipotle: National TV Spend

(in thousands)



Source: VAB analysis of iSpot.tv occurrence data, includes national broadcast & cable TV. *CY 2019 YTD through September 30, 2019

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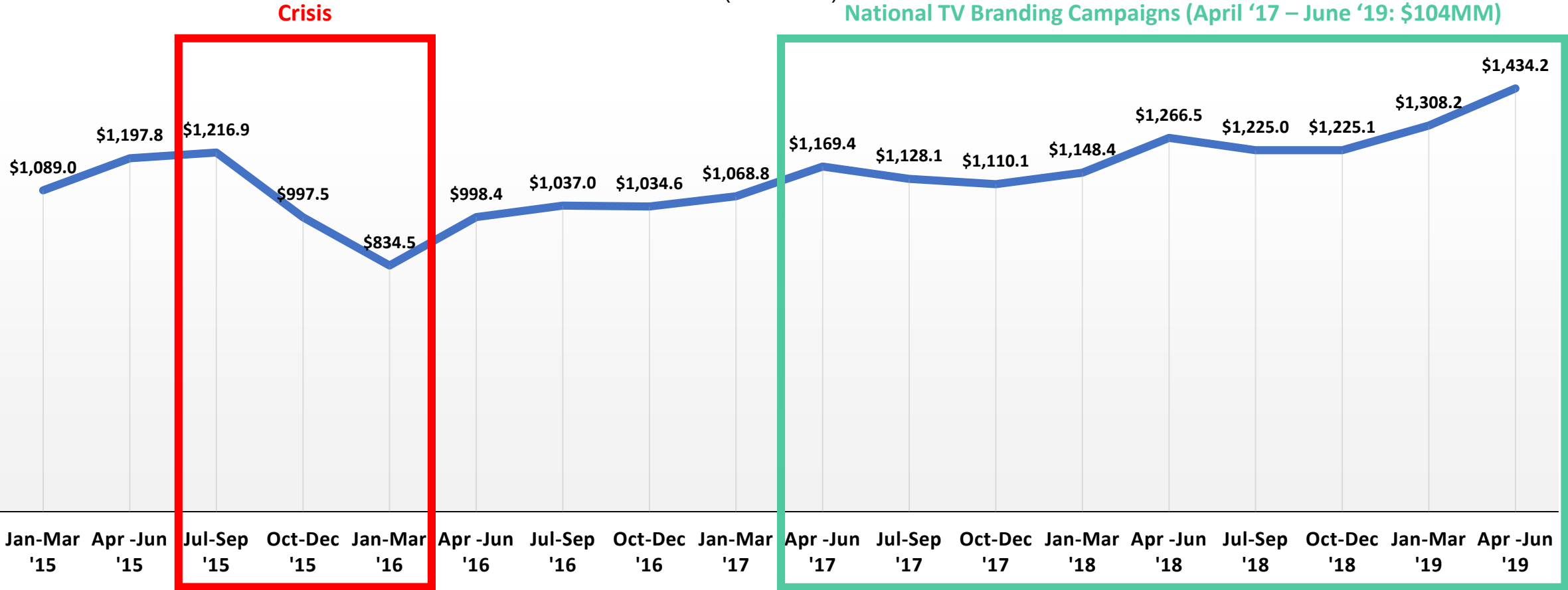


Aided by their heavy investments in national TV branding campaigns since April 2017, Chipotle's **1st half 2019 revenues were up +50% vs. 1st half 2016 revenues** when the brand was in the midst of the second E coli outbreak and the immediate customer fallout.

Chipotle: Quarterly U.S. Revenues

(in millions)

National TV Branding Campaigns (April '17 – June '19: \$104MM)



Source: Chipotle 10-Q filings via SEC.gov (EDGAR)

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Brands In Crisis Invest In TV To Leverage The Many Benefits That The Platform Provides And The Outcomes It Delivers

TV creates awareness by delivering mass reach quickly

"Clearly we want to put this (campaign) in front of as many consumers as possible, as quickly as possible."

Melissa Richards, VP of global brand strategy for Papa John's, *CNBC*, 9/18/18

TV's attentiveness produces real breakthrough for a brand's message

"Using humor and a commitment to telling it like it is, we cut through the clutter of confusing claims, limited time offers or farmers holding produce and created a campaign that is very true to who they are."

Will McGinness, executive creative director at Venables Bell & Partners, *Chipotle press release*, 4/10/17

TV's emotional engagement builds brand love

"That crisis brought the need for a strong brand into even sharper focus. There is more forgiveness when you love someone, that works for a brand too. It's a cushion at a time like this."

Pio Schunker, SVP of mobile communications business at Samsung Electronics, *Campaign*, 4/7/17

TV's emotional engagement can also influence brand perception among consumers

"When customers talk about Chipotle, it is easy for them to say 'Oh yeah, did you hear about the food safety issues?' It is important as a brand to replace that narrative with our intended brand narrative."

Mark Crumpacker, chief marketing & development officer, *Fortune*, 4/10/17

TV's environment allows for effective brand storytelling

"We've turned the page. We have the larger desire to put out into the world who we are and what we believe in as a brand."

Melissa Richards, VP of global brand strategy for Papa John's, *Bloomberg*, 9/20/18

TV offers brands an association with safety, trust and legitimacy

"We are taking a broader view of our responsibilities and we hope this campaign will show that we take that responsibility seriously and are working to improve Facebook."

Facebook statement, *WSJ*, 5/30/18

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