



2020

Direct Effect

Driving Intent For Emerging DTC Brands

VAB Insights.
Inspiration.
Impact.

About VAB

VAB is an insights-driven organization that inspires marketers to reimagine their media strategies resulting in fully informed decisions.

Drawing on our marketing expertise, we **simplify** the complexities in our industry and **discover** new insights that **transform** the way marketers look at their media strategy.

Simplify

We save you time by bringing you the latest data & actionable takeaways you can use to inform your marketing plans.

Discover

We keep you one step ahead with the latest thinking so you can create innovative, forward-looking strategies.

Transform

We help you build your brand by focusing on core marketing principles that will help drive tangible business outcomes.

Driving Intent For Emerging Direct-to-Consumer Brands

In our recently released report entitled 'Welcome To TV', we introduced a diverse group of brands who launched their first-ever national TV campaign during 2019. **Two-thirds of those new advertisers were direct-to-consumer brands** which further solidified the importance of this segment within the American economy.

Earlier this year, we delved into the DNA of DTC brands and their importance to society in our marketer's guide, 'Deciphering Direct-to-Consumer'. However, this **segment has never been more vital than it is today**, in the time of COVID-19 and a world of physical distancing, lockdowns, closures and 'stay at home' mandates. DTC brands offer an array of essential goods and services delivered right to your door or seamlessly online.

As an extension of our 'Welcome To TV' report series and a continuation of our annual 'direct-to-consumer' attribution analyses, this report looks at how **TV is instrumental in driving consumer intent and building customer bases** by correlating TV investment to website traffic for a **set of 50 new DTC TV advertisers**.

DTC brands generally establish their customer base through social media, but to grow beyond their initial loyal, niche consumers they must add platforms that provide a broader audience like Multiscreen TV

DTC Advertising Evolution

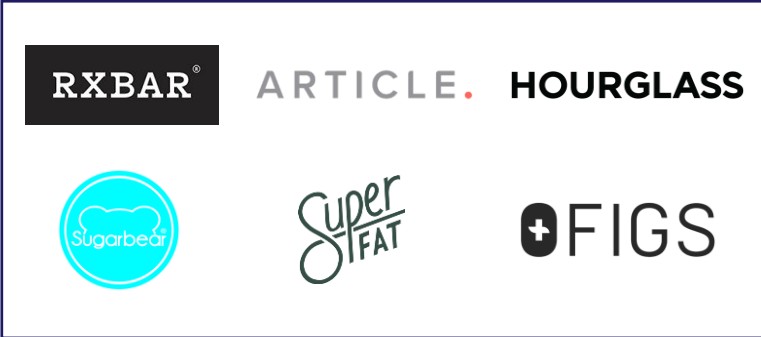
Social Media

Sampling of brands that are primarily advertising in this channel



Podcasts, Out-of-Home, Satellite Radio

Sampling of brands that have added these channels to their media mix



Multiscreen TV

Sampling of brands that have added TV to their media mix



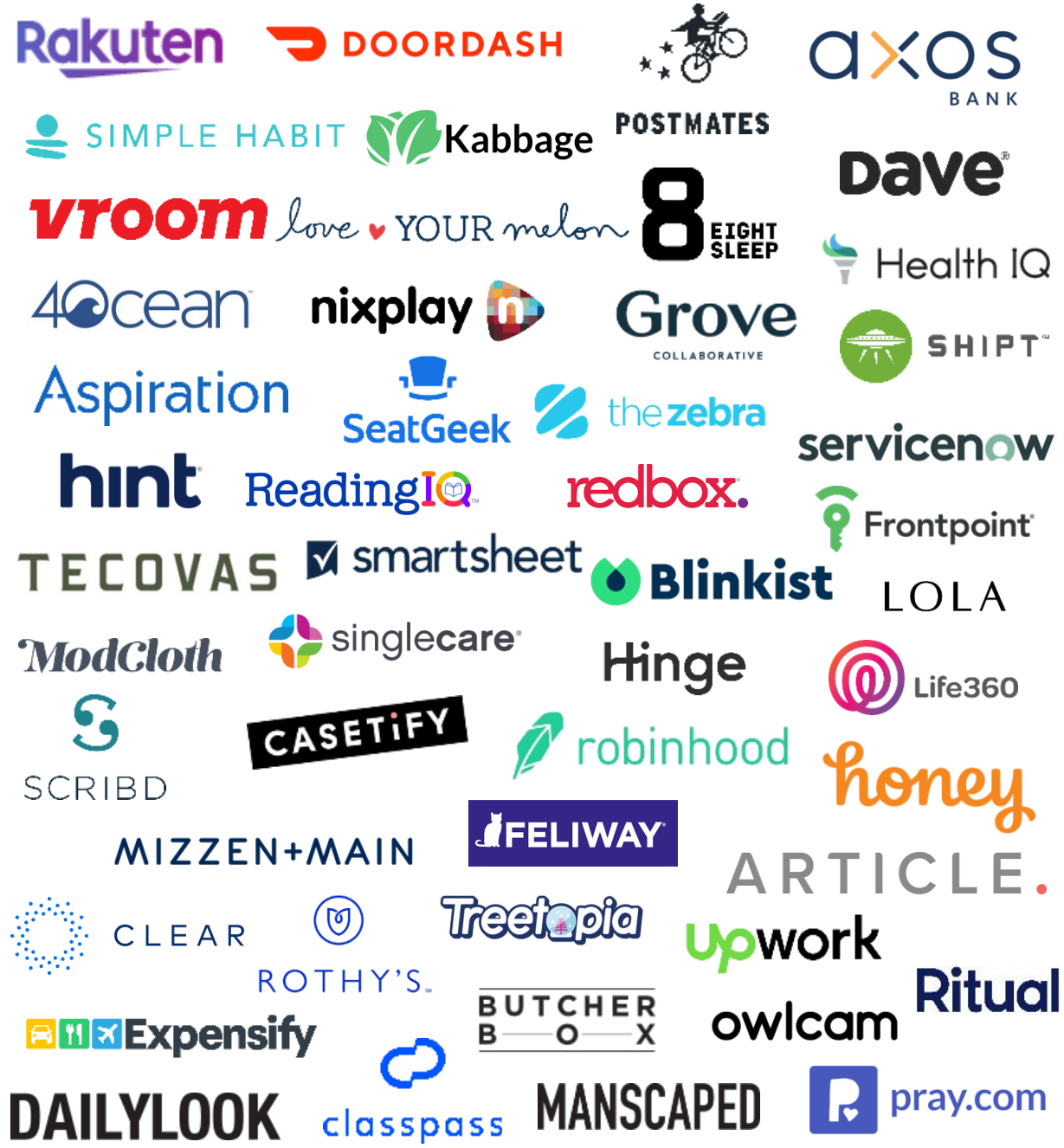
DTC Brand Maturity

To learn more about the DNA and evolution of DTC brands, download our 'Deciphering Direct-to-Consumer' marketer's guide [here](#).

In this analysis, we look at the effect TV spending has on website traffic for **50 new TV advertisers** within the Direct-to-Consumer segment.

These 'emerging' DTC brands (8 years old on average), spanning **39 categories**, launched their first national TV campaign between 4Q '18 – 4Q '19 and have invested over **\$425 million on TV** collectively during this time period.

This list of 50 Direct-to-Consumer brands represents a mix of companies across DTC categories who launched their first national TV campaign between 4Q '18 – 4Q '19 and invested \$500K+ in total measured TV spend (Nielsen Ad Intel), including spot TV, over a two-year period between Feb '18 – Jan '20. These brands also had to be measured in Comscore with available monthly unique website visitors data for analysis purposes.



These newcomers are not only relevant in today's economy but are especially vital to consumers and businesses in the time of COVID-19

▶ Many of the DTC brands within our analysis offer essential products and services that allow people to order, or connect with, from the comfort of their own home while limiting physical interactions with others

Essential DTC Brands During the COVID-19 Pandemic



Doordash provides door-to-door food delivery helping customers stay at home and restaurants stay in business.



POSTMATES

Postmates provides online deliveries from restaurants, retailers, grocers and more enabling anyone to have anything delivered on-demand..



With ecommerce growing during this time of physical distancing, **Honey** automatically finds and applies coupons codes to online shopping carts.



From groceries to household essentials, **Shipt** simplifies life with deliveries from local stores right to your door.



Redbox allows people to stream movies & TV shows on-demand at home or to rent them at kiosks in grocery stores and pharmacies.



Hinge is a mobile-first dating app designed for people who want to get off of dating apps.



Simple Habit is a 5-minute meditation app to help busy people stress less, achieve more and live better.



Pray is an interfaith mobile app that helps religious leaders stay connected with their congregants and provide daily prayers, bible stories, etc.



A modern twist on the neighborhood butcher, **ButcherBox** is a subscription service that delivers beef, chicken & pork directly to your door.



Classpass is normally focused on providing access to fitness facilities but has shifted their focus to providing at-home workout sessions during this time.

DTC brands are also helping people manage their personal finances, seamlessly conduct business and home school their kids

Essential DTC Brands During the COVID-19 Pandemic



axos
BANK

Axos offers online banking, mobile deposits, checking, savings, and loans, giving consumers the ability to manage their finances at home.



Dave[®]

Dave provides online banking services including overdraft protection, automated budgeting, no-interest cash advances and un-bounceable checks



Kabbage

Kabbage is an online financial company that provides funding and loans to small businesses and consumers through an automated lending platform.



robinhood

Robinhood is a financial services mobile app and website that offers the ability to invest in stocks and options, commission-free with no minimum deposit.



servicenow

ServiceNow is a cloud-based computing platform that delivers digital workflows for companies. They transform the IT experience and automate HR services.



smartsheet

Smartsheet is a 'software as a service' work management platform used to assign tasks, track project progress, manage calendars, share documents, etc.



ReadingIQ

Reading IQ is a digital library that provides thousands of books for kids ages 2-12 that can be accessed at any time.

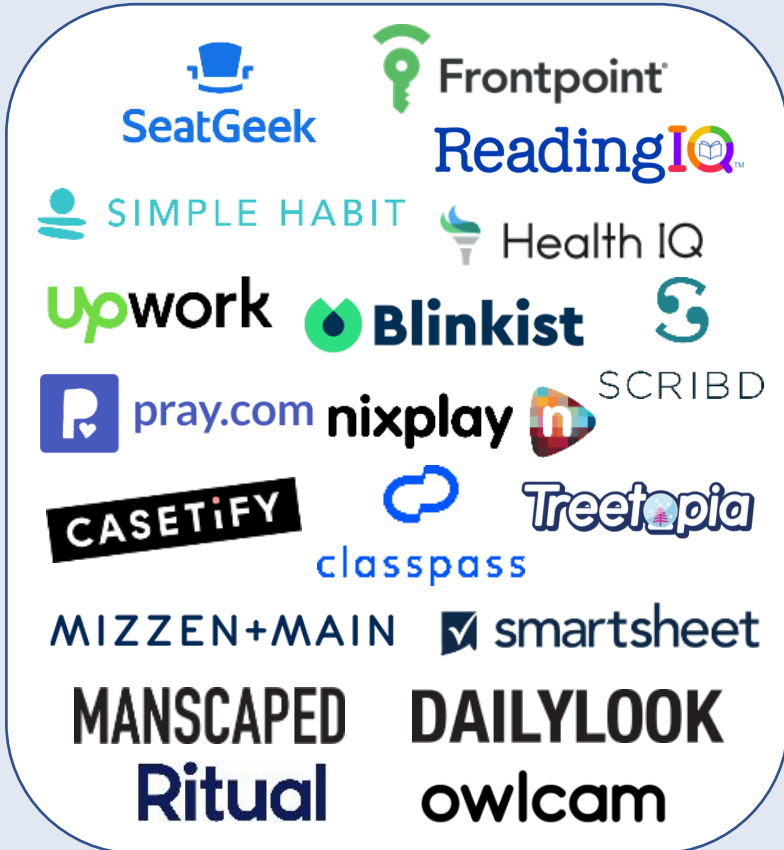


SCRIBD

Scribd is an e-book and audiobook subscription service that includes more than one million adults & children titles that can be read from the comfort of home.

Our analysis on driving ‘intent’ (i.e. website traffic) for 50 DTC brands includes companies across a wide spectrum of TV investment levels

TV Spend: \$500K - \$2MM



TV Spend: \$2MM - \$10MM



TV Spend: \$10MM+



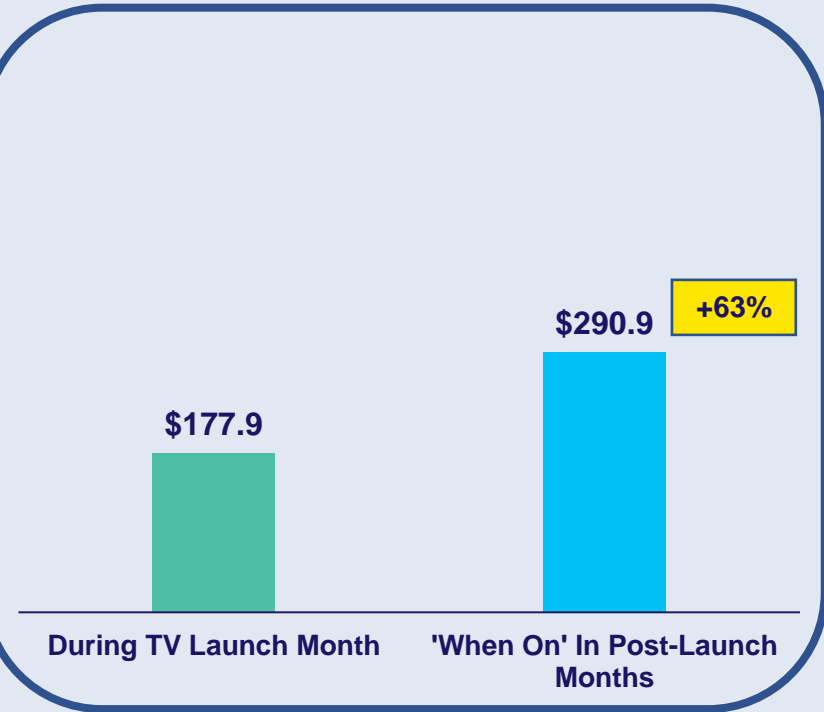
Source: VAB analysis of Nielsen Ad Intel data, total TV spend based on a two-year period: Feb'18 – Jan '20. TV spend includes national cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV. Brands reflect those with total TV spend over \$500K.

Interestingly, brands increased their TV investment by 51% on average across all levels during ‘when on TV’ months after their initial launch

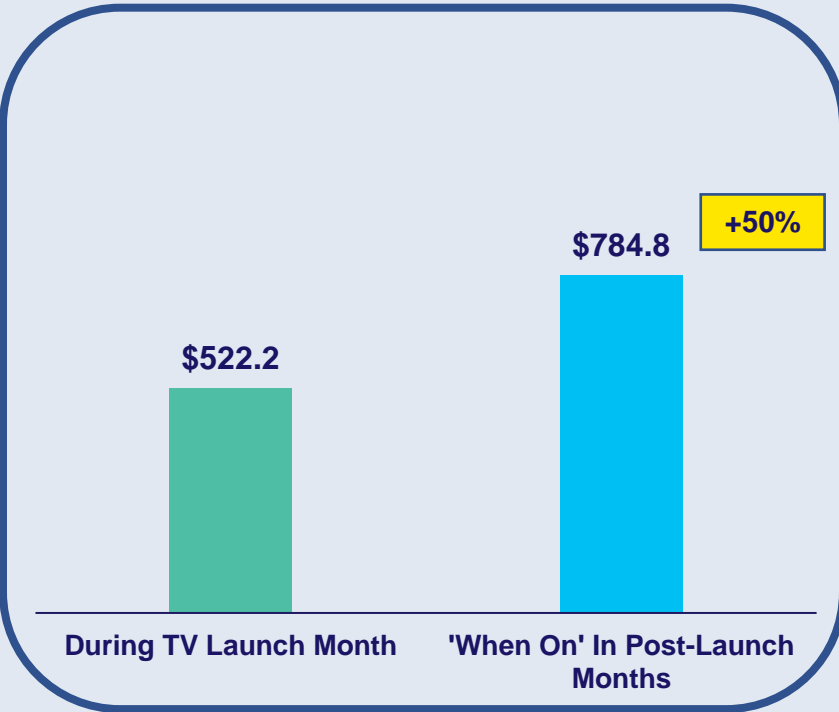
Average Monthly TV Spend (000)

All Brands' TV Campaign Average
Based Over a Two-Year Time Period: Feb '18 – Jan '20

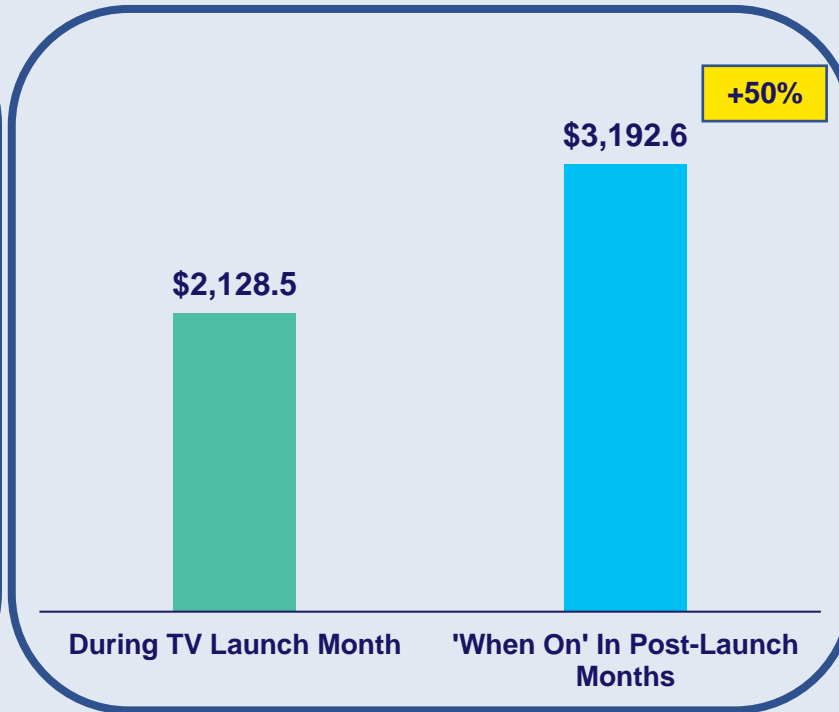
\$500K - \$2MM TV Spend



\$2MM - \$10MM TV Spend



\$10MM+ TV Spend



Source: VAB analysis of Nielsen Ad Intel data, TV spend (national cable TV, national broadcast TV, Spanish language broadcast TV, Spanish language cable TV, spot TV, syndication TV), Feb '18 – Jan '20 (calendar months). Note: the \$2MM-\$10MM TV spend bucket excludes Expensify which executed a targeted, heavy one-month TV campaign only.

Segmentation Analysis

Due to varying measurement data availability across brands, we segmented the 50 DTC companies into two groups for the purpose of this analysis



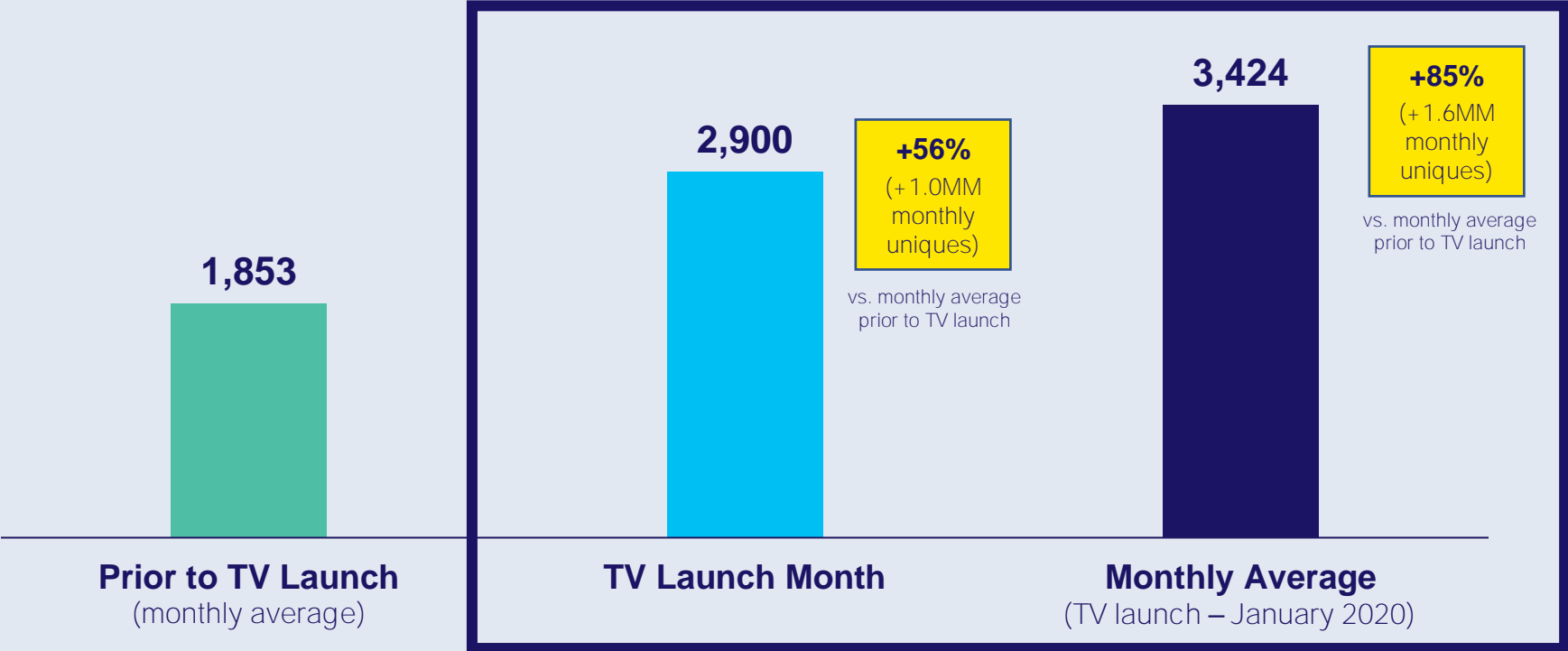
First Segment: There were 36 brands that had reported monthly website traffic measurement before launching their first national TV campaign

<u>Online Banking</u> 	<u>E-Commerce</u> 	<u>Food Delivery</u> 	<u>Online Delivery</u>  POSTMATES	<u>Shoes</u>  ROTHY'S.	<u>Apparel & Accessories</u> 	<u>Wellness & Fitness</u>  classpass
<u>Pharmaceutical</u> 	<u>Pet Care</u> 	<u>Meal Kits</u> 	 SHIPT™	<u>Boots</u> TECOVAS	<u>Professional Services</u> 	<u>Phone Accessories</u> 
<u>Insurance</u> 	<u>Feminine Care</u> LOLA	<u>Home Goods</u> 	<u>Vitamins</u> Ritual	<u>Financial Services</u> 		<u>Men's Grooming</u> MANSCAPED
	<u>Coupons</u> 	<u>Furniture</u> ARTICLE.	<u>Location-Based Services</u> 			<u>Digital Frames</u> 
<u>Mobile Tickets</u> 	<u>Online Dating</u> Hinge	<u>Online Books Subscription Service</u>  SCRIBD	<u>Video-on-Demand</u> redbox.	<u>Biometric Security</u> 		<u>Religion</u> 
						

Source: VAB analysis of Comscore mediametrix multiplatform media trend data, total audience (Desktop P2+, Mobile 18+), Jan '16 – Jan '20 (calendar months).

On average, monthly unique visitors saw an **immediate surge** upon the launch of a TV campaign and this audience only **continued to grow** through the duration of these brands' TV flight

36 'Emerging' DTC Brands*
Average Monthly Website Unique Visitors (000)
Based Over a Four-Year Time Period: Jan '16 – Jan '20



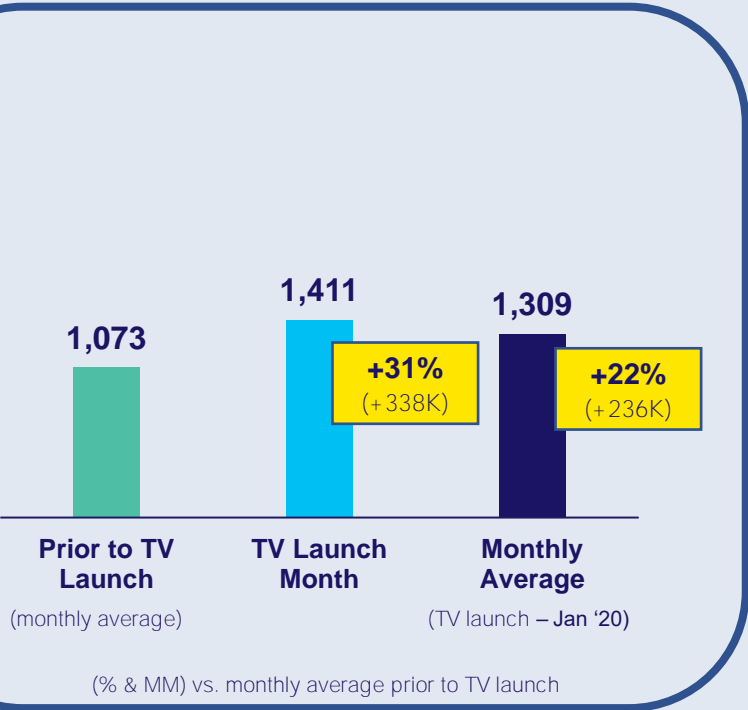
Source: VAB analysis of Nielsen Ad Intel data, TV spend (national cable TV, national broadcast TV, Spanish language broadcast TV, Spanish language cable TV, spot TV, syndication TV), Feb '18 – Jan '20 (calendar months). VAB analysis of Comscore mediametrix multiplatform media trend data, total audience (Desktop P2+, Mobile 18+), Jan '16 – Jan '20 (calendar months). 'Prior to TV Launch' reflects the average monthly unique visitors based on when each brand's website began being measured by Comscore, or starting from January 2016 if measurement began before that month. *Reflects the 36 brands that are measured in Comscore and had reported monthly unique visitors in at least one month prior to their campaign launch.

While all investment levels saw at least **double-digit traffic increases** on average, the biggest TV investors **tripled** their monthly unique visitors during this short time period

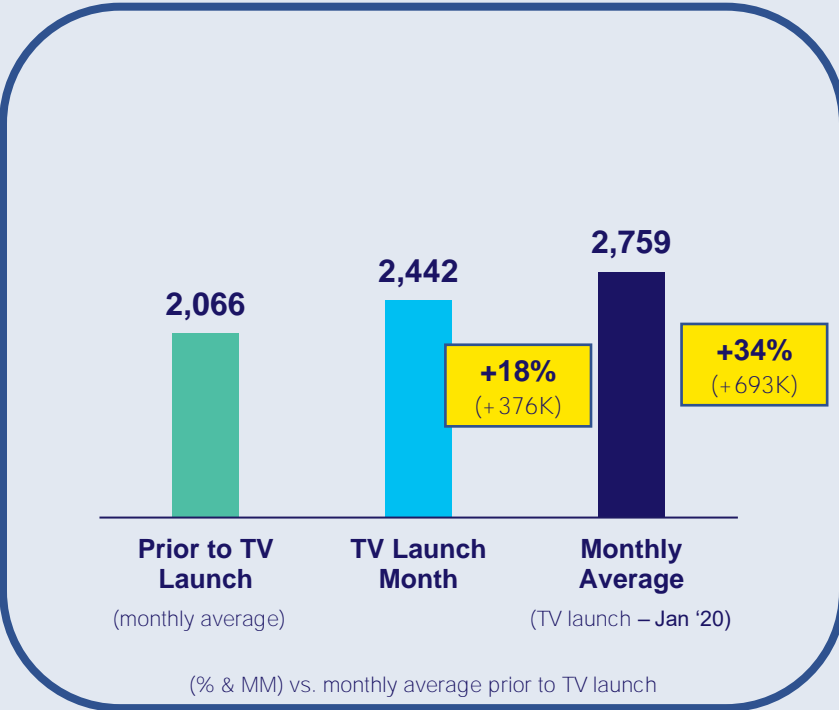
36 'Emerging' DTC Brands*

Average Monthly Website Unique Visitors (000)
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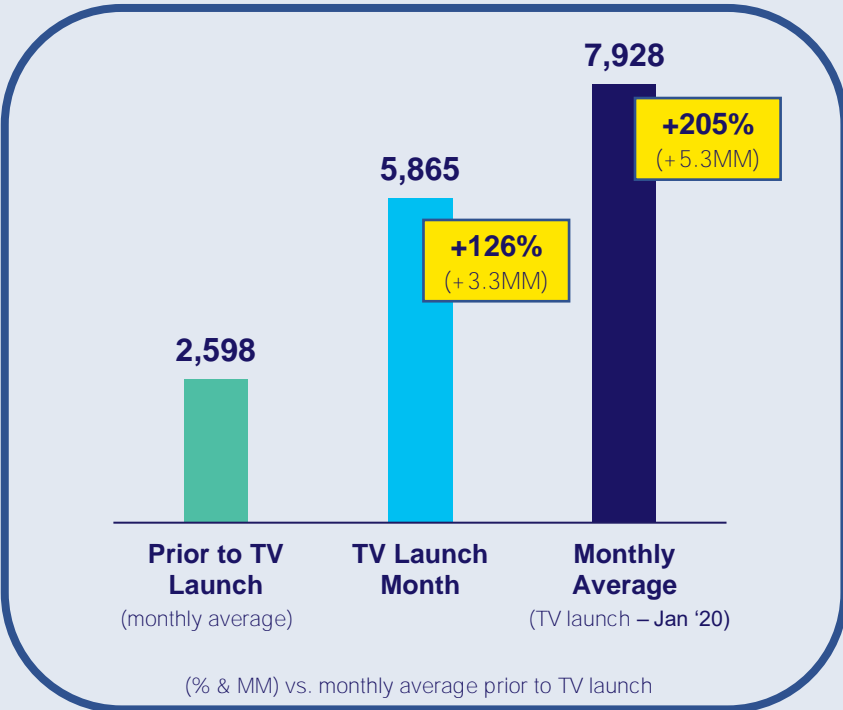
12 Brands: \$500K - \$2MM TV Spend



16 Brands: \$2MM - \$10MM TV Spend



8 Brands: \$10MM+ TV Spend















Source: VAB analysis of Nielsen Ad Intel data, TV spend (national cable TV, national broadcast TV, Spanish language broadcast TV, Spanish language cable TV, spot TV, syndication TV), Feb '18 – Jan '20 (calendar months). VAB analysis of Comscore mediametrix multiplatform media trend data, total audience (Desktop P2+, Mobile 18+), Jan '16 – Jan '20 (calendar months). 'Prior to TV Launch' reflects the average monthly unique visitors based on when each brand's website began being measured by Comscore, or starting from January 2016 if measurement began before that month. *Reflects the 36 brands that are measured in Comscore and had reported monthly unique visitors in at least one month prior to their campaign launch.

Sampling of Brands: Monthly Website Unique Visitors (000) Comparison

Based Over a Four-Year Time Period: Jan '16 – Jan '20

While most DTC brands start with a social media-dominant strategy (Facebook, Instagram, etc.), monthly unique website visitors quickly **skyrocketed** for these 'emerging' new TV advertisers with many welcoming **millions** of potential new customers to their digital platforms













Brand	Monthly Average: Prior to TV Launch	Monthly Average: TV Launch – Jan '20	# Diff	% Diff
 DOORDASH	5,467	22,020	+16,553	+303%
 Rakuten	2,783	13,381	+11,048	+397%
 Postmates	3,426	11,208	+7,783	+227%
 robinhood	5,249	10,352	+5,103	+97%
 Life360	6,061	11,027	+4,966	+82%
 SHIPT™	1,430	3,470	+2,040	+43%
 Dave®	3,414	5,259	+1,846	+54%
 SeatGeek	2,920	3,923	+1,003	+34%
 singlecare®	1,808	2,788	+980	+54%
 Grove COLLABORATIVE	2,340	3,284	+944	+40%
 MANSCAPED	765	1,662	+897	+117%
 servicenow.	1,696	2,416	+720	+42%

Source: VAB analysis of Nielsen Ad Intel data, TV spend (national cable TV, national broadcast TV, Spanish language broadcast TV, Spanish language cable TV, spot TV, syndication TV), Feb '18 – Jan '20 (calendar months). VAB analysis of Comscore mediametrix multiplatform media trend data, total audience (Desktop P2+, Mobile 18+), Jan '16 – Jan '20 (calendar months). 'Prior to TV Launch' reflects the average monthly unique visitors based on when each brand's website began being measured by Comscore, or starting from January 2016 if measurement began before that month.

Even smaller DTC brands saw near immediate, **double- and triple-digit increases** in their monthly unique website visitors

Sampling of Brands: Monthly Website Unique Visitors (000) Comparison

Based Over a Four-Year Time Period: Jan '16 – Jan '20

Brand	Monthly Average: Prior to TV Launch	Monthly Average: TV Launch – Jan '20	# Diff	% Diff
 nixplay	65	211	+146	+224%
 FELIWAY	58	171	+113	+193%
 Ritual	119	300	+181	+152%
 CLEAR	155	384	+229	+147%
 Casetify	163	341	+178	+109%
 TECOVAS	549	1,081	+532	+97%
 pray.com	134	240	+105	+79%
 honey	336	595	+258	+77%
 classpass	286	474	+188	+66%
 Kabbage	142	227	+85	+60%
 ARTICLE.	153	225	+72	+47%
 thezebra	731	1,077	+346	+47%

Source: VAB analysis of Nielsen Ad Intel data, TV spend (national cable TV, national broadcast TV, Spanish language broadcast TV, Spanish language cable TV, spot TV, syndication TV), Feb '18 – Jan '20 (calendar months). VAB analysis of Comscore mediametrix multiplatform media trend data, total audience (Desktop P2+, Mobile 18+), Jan '16 – Jan '20 (calendar months). 'Prior to TV Launch' reflects the average monthly unique visitors based on when each brand's website began being measured by Comscore, or starting from January 2016 if measurement began before that month.

Second Segment: There were 14 brands whose website traffic was not measured before they launched their first national TV campaign







<p>Online Banking</p> <p>Aspiration</p> <p>axos BANK</p>	<p>Mattresses</p> <p>8 EIGHT SLEEP</p>	<p>Personal Style</p> <p>DAILYLOOK</p>	<p>Apparel & Accessories</p> <p>love ♥ YOUR melon</p> <p>MIZZEN+MAIN</p>	<p>Education</p> <p>ReadingIQ™</p>
<p>Automotive</p> <p>vroom</p>	<p>Home Security</p> <p>Frontpoint</p>	<p>Dash Camera</p> <p>owlcam</p>	<p>4ocean™</p>	<p>Book Summary Service</p> <p>Blinkist</p>
		<p>Seasonal Trees</p> <p>Treetopia</p>	<p>Fruit-Infused Water</p> <p>hint</p>	

Source: VAB analysis of Comscore mediametrix multiplatform media trend data, total audience (Desktop P2+, Mobile 18+), Jan '16 – Jan '20 (calendar months).

TV helps build brand recognition while driving **hundreds of thousands of potential new customers** to a brand's digital platform

Sampling of Brands: Monthly Website Unique Visitors (000) Comparison

Based Over a Four-Year Time Period: Jan '16 – Jan '20

Brand	Monthly Average: Prior to TV Launch	Monthly Average: TV Launch – Jan '20
Aspiration	N/A	4,972
EIGHT SLEEP	N/A	796
 Blinkist	N/A	672
 4Ocean	N/A	573
 hint	N/A	556
 vroom	N/A	420
 axos BANK	N/A	233
 love ♥ YOUR melon	N/A	223

Source: VAB analysis of Nielsen Ad Intel data, TV spend (national cable TV, national broadcast TV, Spanish language broadcast TV, Spanish language cable TV, spot TV, syndication TV), Feb '18 – Jan '20 (calendar months). VAB analysis of Comscore mediametrix multiplatform media trend data, total audience (Desktop P2+, Mobile 18+), Jan '16 – Jan '20 (calendar months). 'Prior to TV Launch' reflects the average monthly unique visitors based on when each brand's website began being measured by Comscore, in the case of these brands there was no measurement until they launched their TV campaign. N/A = not enough traffic for Comscore to measure.

Other brands saw significant lifts in online traffic during targeted TV campaigns and specific time periods



Treetopia saw their average Nov-Dec '19 seasonal unique website traffic **increase 41%**, or **+112K monthly visitors**, YoY after doubling their TV investment to \$770K during the two month timeframe.



Frontpoint invested \$1.5MM total on TV between Nov'19 – Jan '20 and saw their monthly website traffic build from 'not measured' in Oct '19 to **164K unique visitors** in Jan '20.



After **ReadingIQ** invested \$1.5MM in TV during calendar year 2019, the brand's website began being measured in Comscore and saw **73K unique visitors** in Jan '20.



Mizzen+Main invested \$800K total on TV during 4Q between Oct '19 – Dec '19 and saw their monthly website traffic build from 'not measured' in Sep '19 to **49K unique visitors** in Dec '19.

Source: VAB analysis of Nielsen Ad Intel data, TV spend (national cable TV, national broadcast TV, Spanish language broadcast TV, Spanish language cable TV, spot TV, syndication TV), Feb '18 – Jan '20 (calendar months). VAB analysis of Comscore mediametrix multiplatform media trend data, total audience (Desktop P2+, Mobile 18+), Feb '18 – Jan '20 (calendar months).

With the successes seen in driving ‘intent’ among a broader audience, DTC marketers are championing the growth opportunities available through multiscreen TV



"Our aim was to create something visually delightful in order to elevate the spot beyond the everyday scenarios typical to the category. Ultimately, we hope the campaign drives acquisition but also creates equity for the brand."

Adam Ledbury, Associate Creative Director at M/H VCCP (in partnership with Doordash), *Doordash* (1/14/19)



"(TV) has been game-changing for the business. We've been able to reach more new people on TV than in any other channel. If you think of it from a growth perspective, there's no other channel where you can just flip a switch overnight like TV. It has massively exposed us to a broader set of people."

Branden Windle, Co-founder & Chief Marketing Officer, *Tecovas* [Interview with Tatari.tv](#)



ROTHY'S.

"It's (TV) connecting with people in a different way because of how they consume content. You can really tap into their mindset. It just opens up the door to new storytelling."

Elie Donahue, VP of Marketing, *Rothy's* (AdWeek, 3/11/19)



"We started a TV pilot in April and every month since it's been an increasing part of our channel mix....attribution on TV isn't as perfect as other channels, but at the end of the day, we'd rather have something that's clearly making an impact even if the attribution isn't perfect."

Jordan Gladstone, Director of Marketing, *Dave* [Interview with Tatari.tv](#)



Postmates

"In a category where so many focus on the tactical nature of delivery and technology, we decided to tap into the human truth of intense cravings and bring this to life through incredible storytelling."

Eric Edge, SVP of Marketing & Communications, *Postmates* (Campaign Live, 2/10/20)

love ♥ YOUR melon

"Our goal is to continue to share our mission with new audiences. We are excited to see the impact this national TV ads campaign can make. Our video 'Warmth' encompasses our story and what it feels like to be a part of the Love Your Melon community."

Zachary Quinn, President, *Love Your Melon* (Business Wire, 10/30/19)

These successes are the latest proof points uncovered over the last several years that show similar results for TV driving business outcomes

2017

'The Market-Changers Playbook'



10 'brand building / emerging' direct disruptors saw an average **+139% lift** in their website traffic after they launched their first TV campaign. **(+2.5MM average monthly unique visitors).**

2018

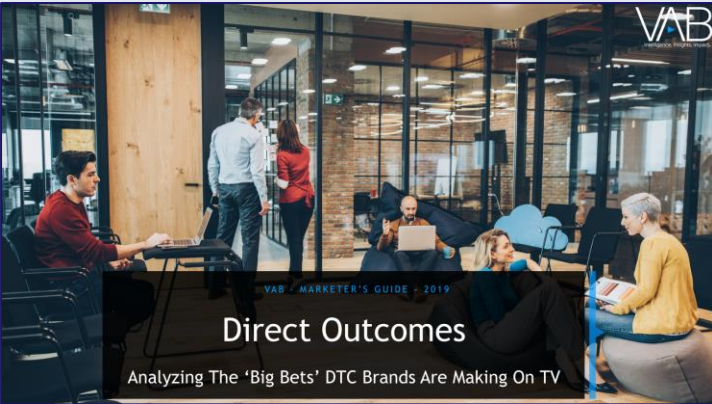
'Direct Impact'



29 'emerging' direct disruptors saw an average **+83% lift** in their website traffic after they launched their first TV campaign **(+1.2MM average monthly unique visitors).**

2019

'Direct Outcomes'



39 'emerging' direct-to-consumer brands saw an average **+93% lift** in their website traffic after they launched their first TV campaign **(+2.5MM average monthly unique visitors).**

2020

'Direct Effect'



36 'emerging' direct-to-consumer brands saw an average **+85% lift** in their website traffic after they launched their first TV campaign **(+1.6MM average monthly unique visitors).**

Note: click on each image to download the report and to learn more about the analyses methodology. For 'The Market-Changers Playbook,' figures for the 'Brand Building Disruptor' segment excludes Yelp and three brands that were not Comscore measured before their TV campaign launched.

Key takeaways for marketers

Although we looked at data-obsessed, performance-driven, 'direct-to-consumer' ecommerce brands, this analysis is applicable across brands and categories



Brands of all sizes and budget levels are entering the TV marketplace looking to build 'intent' among consumers and increase their customer base



Regardless of budget, brands are seeing quantifiable business outcomes from their TV investment as a result of consumer engagement and direct actions taken



These successful outcomes are driving brands to rapidly re-invest into TV and increase their spend from their initial expenditure

Thank You

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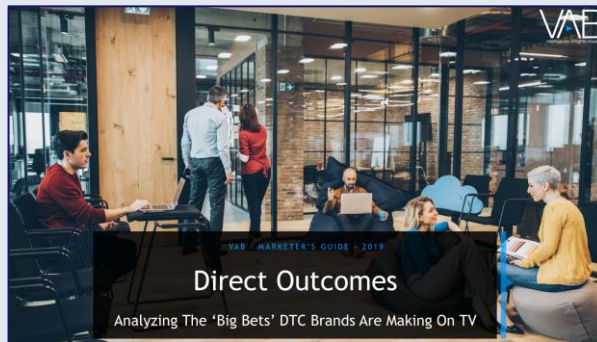
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