
July 2020

A Matter of Principle

Reassessing Your Strategy in Today's Environment



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.

Introduction – Reassessing Your Strategy in Today’s Environment

▶ How do proven marketing principles apply today?

When we published **A Matter of Principle** in November 2019, we couldn’t imagine how the world would change in just a handful of months. In addition to a frightening health crisis and the ensuing global battle against COVID-19, the deep-rooted issue of systemic racism has come to the forefront of not only society, but also our industry. Faced with so much social and economic uncertainty, **we are all seeking answers.**

As a result, **marketers are calling into question everything** - budgets, media strategy, messaging - **and wondering how the current environment will impact their upcoming strategic marketing and communication plans.**

Furthermore, brands and agencies are all looking for guidance on how to **meaningfully address** racial inequality within our own industry and beyond.

The spirit behind **A Matter of Principle** was to equip marketers with 10 principles proven to drive business and brand growth. Given the sheer volume of matters that need to be addressed as quickly as possible, we feel a responsibility to help the community that has increasingly looked to us for information and guidance to forge their own paths ahead.

In our ongoing mission of providing marketers with real, actionable insights, we have reviewed these principles in the context of the current climate and offer guidance on how you can apply them to your decision-making today.

As always, we’re here to support you, your business growth and the overall betterment of our industry as best we can.

What you'll learn

1. A refresher on the marketing principles proven to grow brands, inspire consumer action, and drive business growth
2. How those principles have heightened relevance in today's uncertain climate
3. As in the original A Matter of Principle, we will show how these principles can drive impact at each stage of the consumer funnel: **Awareness**, **Consideration**, and **Purchase**



Awareness:

Potential consumers are introduced to the brand and begin to form the impressions that may predispose them to consider that brand later in their journey

PRINCIPLE NO. 1

Balance Broad-Based Reach With Hyper-Targeting to Grow Market Share, a Key Driver of Profit

PRINCIPLE NO. 2

Virality Tactics Should Be a Part of an Integrated Campaign, Not the Sole Focus

PRINCIPLE NO. 3

Protect Your Brand by Investing in Only Premium, Viewable Content

Awareness: Principle No. 1

PRINCIPLE NO. 1

Balance Broad-Based Reach With Hyper-Targeting to Grow Market Share, a Key Driver of Profit

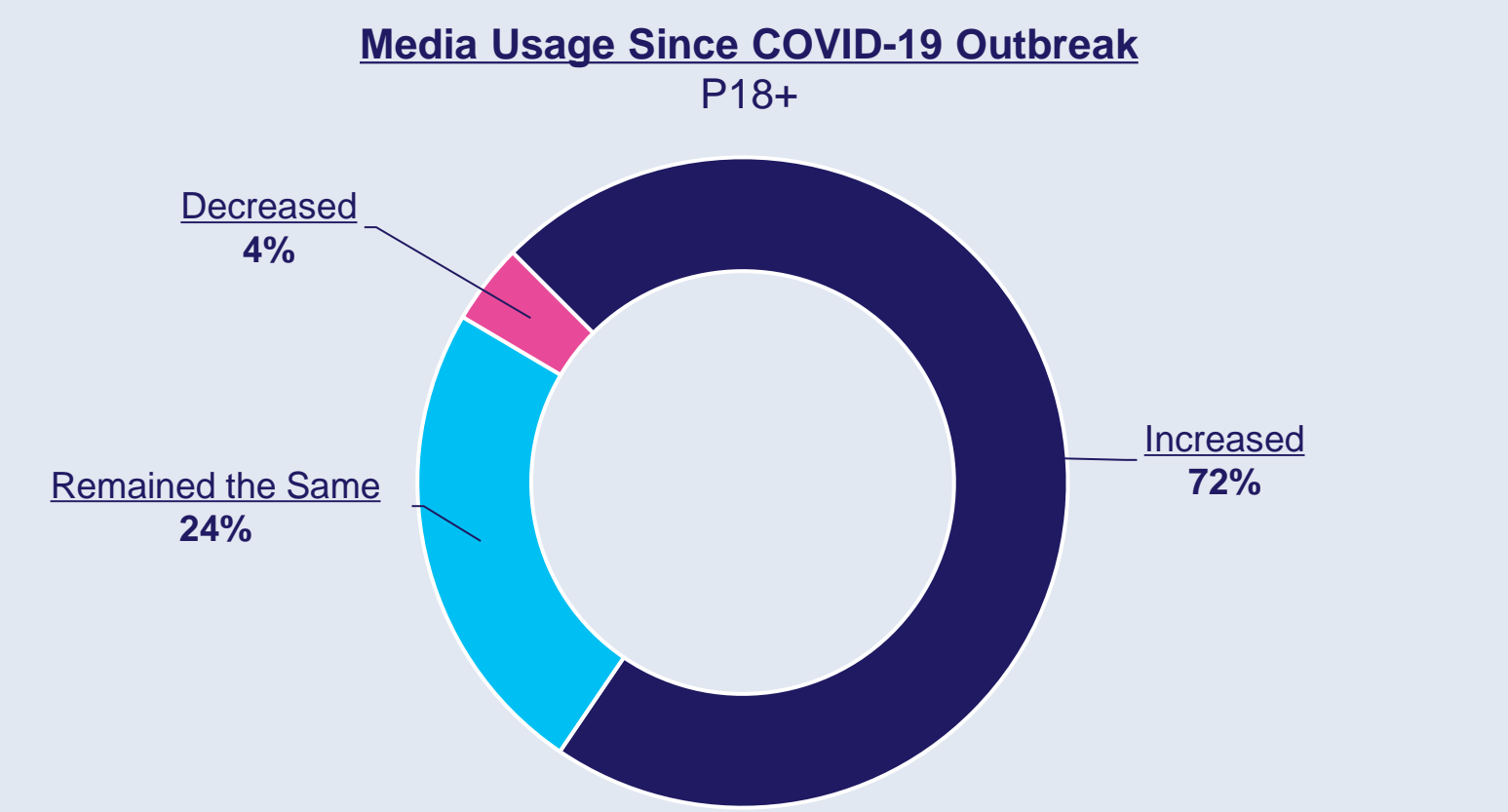
APPLYING TO TODAY'S ENVIRONMENT

Heightened interest in both the pandemic and Black Lives Matter movement has resulted in all demographic groups turning to video as they search for both news and a welcome distraction.

For marketers re-evaluating their media strategies, video offers scale to reach all potential customers during this uncertain economic time, and precision through audience-based buying or addressable targeting, ensuring no ethnicity is left underrepresented.

The current video environment offers marketers more scale and more targetability.

At a time when the need for both information and distraction is of utmost importance, **media usage has increased**, fulfilling many roles for overwhelmed Americans



Source: VAB's 'As Time Goes By: How Media Consumption Is Helping America Cope'. VAB / Lucid 'Media Usage In The Time of COVID-19 Survey,' April 2020. Survey base: P18+ & household subscribes to cable, telco, internet TV or satellite TV (n=1,004). Q1: Overall, please choose the statement below that best describes your media usage since the outbreak of the COVID-19 Pandemic.

During the COVID-19 outbreak, the **TV itself has become the centerpiece** of our homes, providing viewers with easy access to content across platforms

% of respondents who agree with the statement

P18+



83%

“I couldn't imagine not having a television set right now”



67%

“TV has become the central focus of our home”

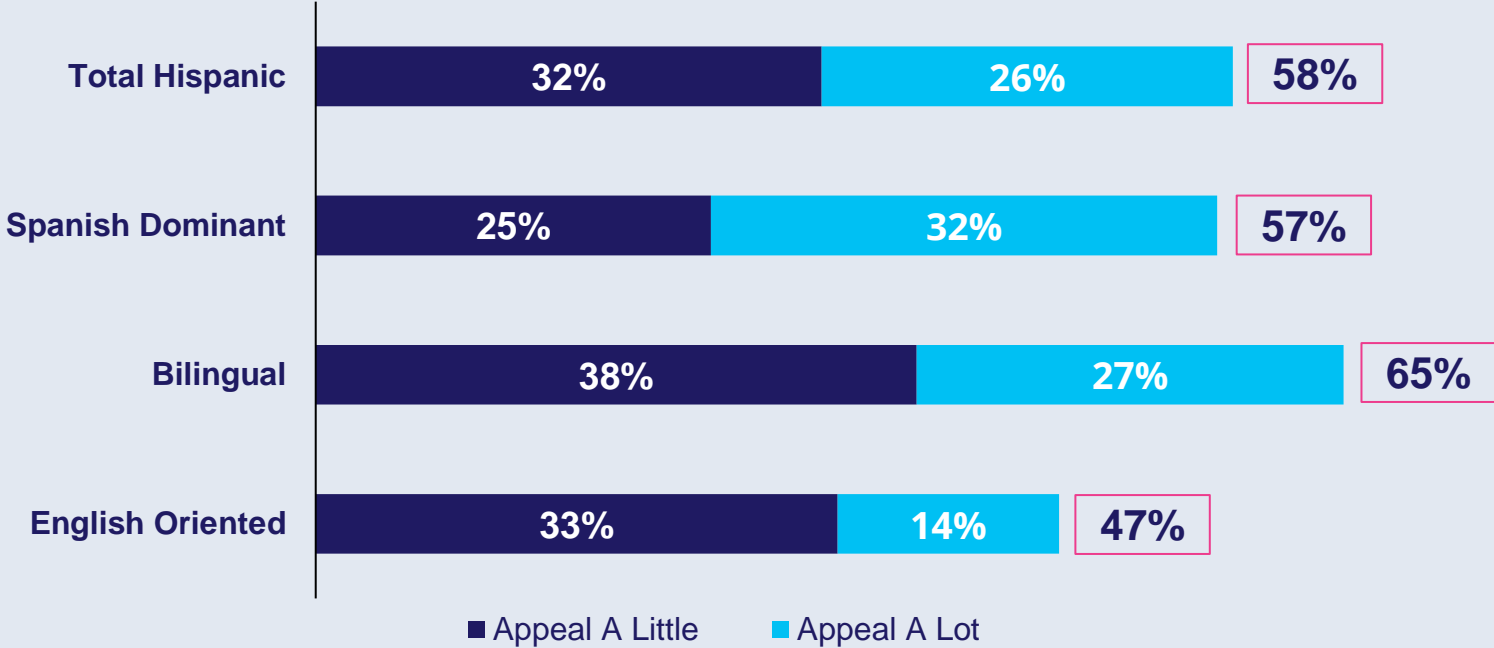
Source: VAB's ['As Time Goes By: How Media Consumption Is Helping America Cope'](#). VAB / Lucid 'Media Usage In The Time of COVID-19 Survey,' April 2020. Survey base: P18+ & household subscribes to cable, telco, internet TV or satellite TV (n=1,004). Q7: Thinking of your behavior since the start of COVID-19, please indicate below how much you agree or disagree with the following statements & Q9: Thinking of your behavior during the COVID-19 Pandemic, please indicate below how much you agree or disagree with the following statements.

By **expanding** a brand's presence to **Hispanic media**, advertisers build a stronger connection with multilingual audiences

► A targeted brand presence can increase relevancy by coming to meet your audience where they are



Appeal of When a Brand or Product Advertises in Hispanic Media



Source: VAB's 'Bridging the Gap: Utilizing Addressable TV To Extend Hispanic-Targeted Reach'. Horowitz Research, State of Consumer Engagement 2018.

Awareness: Principle No. 2

PRINCIPLE NO. 2

Virality Tactics Should Be a Part of an Integrated Campaign, Not the Sole Focus

APPLYING TO TODAY'S ENVIRONMENT

We've consistently seen strong real-time TV viewer engagement on social platforms, especially among the multicultural community.

But now, in our physical and emotional isolation, social media has been a lifeline to connect with others. TV offers the conversation fuel while social media provides the real-time platform for viewers to actively discuss their shared passion.

Marketers should consider how their TV and social strategies complement each other to maximize their voice in the conversation and amplify their engagement with multicultural audiences.

When stress is high, people turn to entertainment like TV, movies and social media to cope, increasing the **interplay between video & social** even more than prior to the pandemic



Ways To Deal With Stress During the COVID-19 Pandemic

% of respondents who agree

P18+



77%

TV & Movies



41%

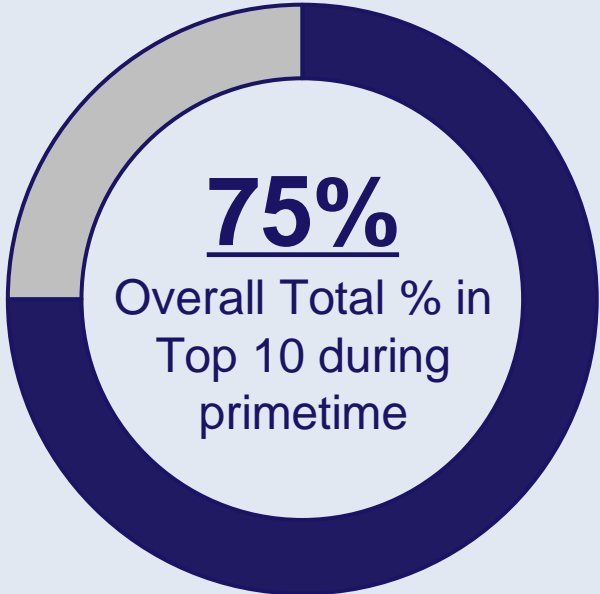
Social Media

Source: VAB's '[As Time Goes By: How Media Consumption Is Helping America Cope](#)'. VAB / Lucid 'Media Usage In The Time of COVID-19 Survey,' April 2020. Survey base: P18+ & household subscribes to cable, telco, internet TV or satellite TV (n=1,004). Q8: During this Pandemic, are any of the following helping you deal with stress?



Of all social trending topics, **video content** inspired the most conversation, accounting for **three-quarters of the top 10** Twitter trends

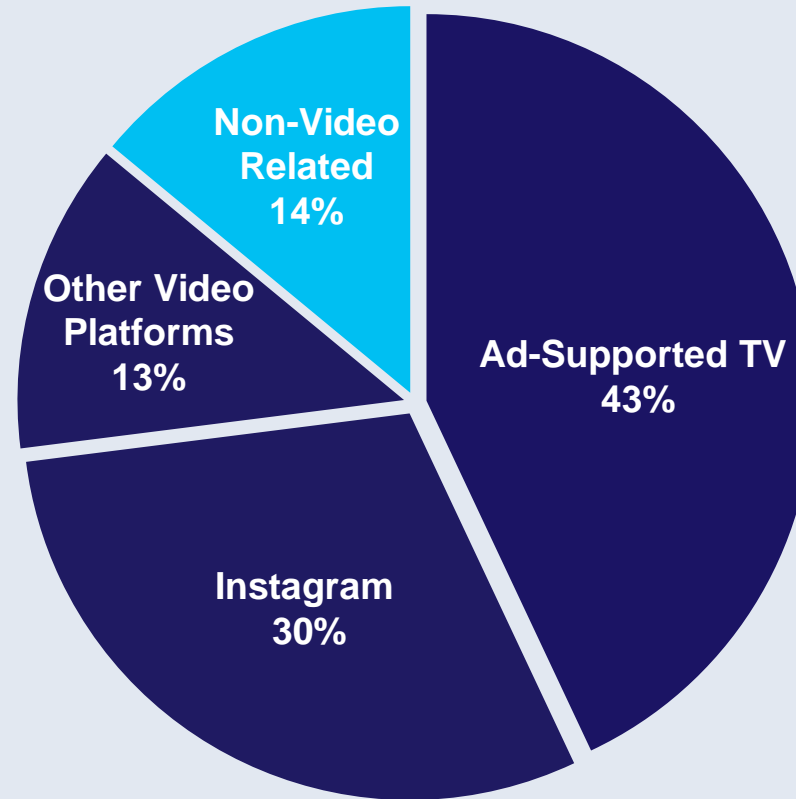
% of Video Topics in Twitter Top 10
(Primetime, during the first 6 weeks of lockdown)
(March 16th – April 26th)



Source: VAB's ['#AloneTogether: Culture in the Time of COVID-19'](#). VAB custom analysis of Top 10 trending Twitter Topics each night (9:30p & 11p) aggregated during the analysis time period (3/16/2020 – 4/26/2020). Results include both 'direct' and 'related' topics.

Multicultural audiences have significant influence on online conversation - **27% of total trending topics** were related to subjects, content and programming that specifically featured people of color or a diverse cast

% of Top 10 'Diversity-Focused' Trending Topics by Platform
(March 16th – April 26th)



86% of total topics were video-based

Source: VAB's [#AloneTogether: Culture in the Time of COVID-19](#). VAB custom analysis of Top 10 trending Twitter Topics each night (9:30p & 11p) aggregated during the analysis time period (3/16/2020 – 4/26/2020). Results include both 'direct' and 'related' topics. Other video platforms include Facebook Live, HBO, Netflix, Twitter and YouTube. NFL is excluded from the count of topics due to the mainstream nature of the sport and online conversations.

Awareness: Principle No. 3

PRINCIPLE NO. 3

Protect Your Brand by Investing in Only Premium, Viewable Content

APPLYING TO TODAY'S ENVIRONMENT

With many companies cutting budgets and every marketing dollar scrutinized, brand leaders need to fiercely protect their investment by making sure campaigns run in 100% viewable, fraud-free content.

Drive more ROI by ensuring your messaging is seen by your audience, as designed.

At a time when budgets are being even more heavily scrutinized, it is crucial to make sure your campaign reaches the right audience in a brand-safe environment

- ▶ The right environment isn't just about brand safety either – depending on where you allocate your ad dollars, the intended audience might never even receive a brand's messaging



According to a recent report:

49%

of online ad spend never arrives in front of the intended audience

15%

of online ad spend, representing ~1/3 of supply chain costs, could not be attributed

Source: ISBA and PwC via MediaVillage, 5/8/20. Based on survey data from 15 advertisers, 12 agencies, five DSPs, six SSPs and 12 publishers, representing approximately £0.1bn of UK programmatic ad spend and nearly two-thirds of AOP (premium publisher) digital ad revenues. Data collection ran from 1/1/2020 – 3/20/2020;



Consideration

Consumers evaluate choices, drawing largely on their perceptions of brands and their emotional connection to them as well as rational messages and information to help inform choice

PRINCIPLE NO. 4

Brand Building Leads to Increased Long-Term Profitability

PRINCIPLE NO. 5

In an Information-Heavy, Opinion-Saturated Environment, Brand Building Is Essential to Support Brand Perception and Foster the Loyalty That Protects Pricing and Profits

PRINCIPLE NO. 6

Brand Building Media, Such As Premium Video, Fosters a Deep Emotional Connection

PRINCIPLE NO. 7

Content Environment Matters Everywhere

Consideration: Principle No. 4

PRINCIPLE NO. 4

Brand Building Leads to Increased Long-Term Profitability

APPLYING TO TODAY'S ENVIRONMENT

Brands play an essential role in a crisis. We look to them for reassurance and to help us navigate (in an authentic way) our new normal.

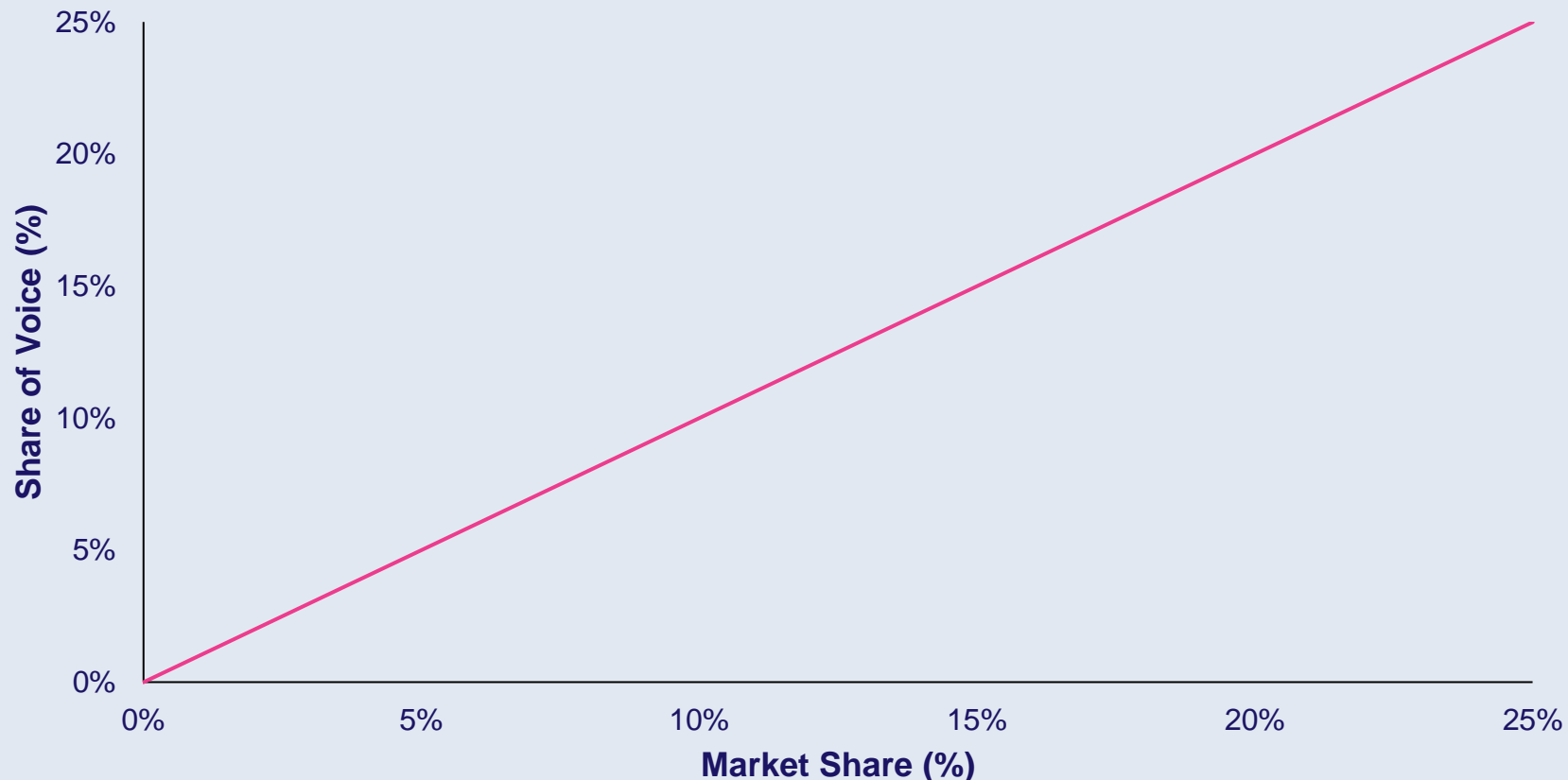
In times of economic downturn, many marketers question whether they should be spending. Both history and marketing principles prove unequivocally that brands that maintain or increase their spending reap significantly greater long-term benefits than those who cut spending.

Furthermore, brands have proven investing in multicultural targeting leads to financial reward. Many multicultural campaigns have resulted in the launch of successful brands and increased business outcomes.

Marketers should remember that maintaining SOV now will cost you less in the long-term and brands that invest in multicultural marketing typically experience positive financial returns.

Academic scholars who have analyzed the historical relationship between Share of Voice (SOV) and Share of Market (SOM) have found there's a rather clear **equilibrium that exists between the two**

SOV vs. SOM



Market share is a function of many things. But one of the biggest drivers of sales is a brand's **share of voice**.

The more a brand spends on advertising vs. its competitors, the more it will grow. This proven relationship is called '**Excess Share of Voice (ESOV)**.'

If a brand has a **20%** share of market but a **30%** share of voice, it has an ESOV of **+10**.

In almost every recorded instance, a brand with a positive ESOV will gradually grow its share of the market to a level that will eventually match its share of voice.

-Mark Ritson (4/6/20)

There are 100 years of analyses conducted during recessions that proves marketers need to at least **maintain their share of voice** to grow market share and avoid a prolonged and expensive recovery afterwards

For 100 years, scholars have been demonstrating how brands that increase their ad budgets during an economic downturn **grow sales much faster** than their competitors – both during the time period and beyond it

In the 1920's, companies that decreased their advertising spend saw sales decline both during the recession and then for the following three years.

In relative terms, **these companies actually underperformed even those that elected to do no advertising at all.**

This was the first in a series of proof points over the last century to prove the ability of increased advertising during a recession to drive outcomes.

1920-1921 Depression

Source: Robert E. Hall, 'The Use of Advertising During Recession,' Harvard Business Review, 8, April 1937. Analysis includes 300 companies. Quarterly sales index data points based on Mark Reiners, 'Marketing in the Time of Contraction,' October, April 2009 (Marketing Week, 185-188) (Marketing program).

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1974-1975 Recession: Similar patterns were seen in the 1970's as companies that **did not cut their advertising** budget not only remained strong during the recession but emerged even stronger after it

1974-1975 Recession

Source: Mark Reiners and Pamela H. Janssen, 'Business Publications,' 1975 based on an analysis of 141 companies. Quarterly sales index data points based on Mark Reiners, 'Marketing in the Time of Contraction,' October, April 2009 (Marketing Week, 185-188) (Marketing program).

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1980 Recession: An analysis conducted by WPP across almost 400 companies proved that **increasing advertising** during a recession has a positive impact on return on investment (ROI)

1980 Recession

Source: Bill and Deborah King, 1980 WPP Center for Research and Development. Analysis includes 395 companies advertising for Profit Impact of Marketing Strategy (PIMS) database.

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1981-1982 Recession: A McGraw-Hill research analysis of 600 companies showed that those who maintained or increased their ad spend averaged significantly **higher sales growth for three years after the recession**

1981-1982 Recession

Source: McGraw-Hill Research analysis of 600 companies covering 16 different industries from 1980 - 1985. Post-recession sales growth (three years after recession) based on Reiners, 1975.

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1980s – early 2000s Recession Periods: The same PIMS study demonstrated that companies **increasing their advertising investment** also improved their 'Return on Capital Employed (ROCE)'

Return on Capital Employed – is a financial ratio that measures a company's profitability and the efficiency with which its capital is used (i.e., a measurement of how well a company is generating profits from its capital).

Source: Reiners, 'Investing Through a Recession,' categories from PIMS – the Profit Impact Marketing Strategy database. The PIMS database contains information on 140 consumer business companies' marketing and financial information from 1980-2000.

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2008-2009 Recession: Based on the same analysis, investing in share of voice during the recession **drove large, long-term profit growth** afterwards as well

2008-2009 Recession (began Dec '07)

Source: PIMS Research, 'Investing Through a Recession,' Study 2007. Study is Advertising Profit Impact of Marketing Strategy (PIMS) database. Linear 2008-2009 recession. Study PIMS database covers 2008 recession the history of advertising.

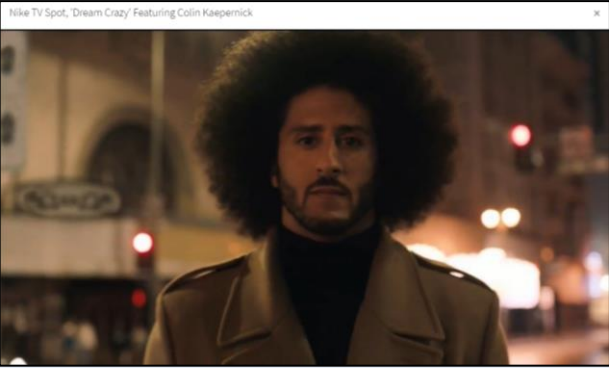
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Source: VAB's 'Keep Calm and Advertise On: How to Successfully Navigate Your Brand Through an Economic Downturn'.

Recently, brands that have **increased diversity** within their ads or have launched **inclusivity-specific campaigns** have seen significant **sales growth**

MARKETINGDIVE Study: Diversity in ads correlates to gains in revenue, brand perception

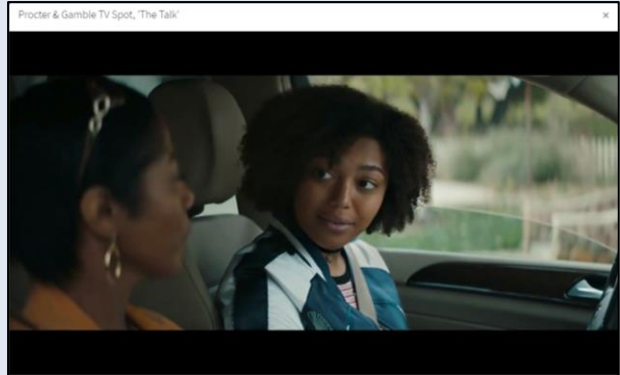
MarketWatch
Nike's online sales jumped 31% after company unveiled Kaepernick campaign, data show



ADWEEK
'Share a Coke' Campaign Grows Sales For First Time in 10 Years, WSJ Reports
September 26, 2014



Bloomberg
P&G Rises After Posting Best Sales Growth in at Least a Decade
July 30, 2019, 7:23 AM EDT



TOYOTA NEWSROOM
Toyota Motor North America Reports December 2019, Year-End Sales
RAV4 2019 sales mark all-time best ever; up 4.9 percent, led by RAV4 Hybrid posting increase of 92.3 percent



Consideration: Principle No. 5

PRINCIPLE NO. 5

In an Information-Heavy, Opinion-Saturated Environment, Brand Building Is Essential to Support Brand Perception and Foster the Loyalty That Protects Pricing and Profits

APPLYING TO TODAY'S ENVIRONMENT

Building an emotional connection has always been a critical component to influencing consideration. This emotional connection has a deep impact on brand perception, especially among multicultural consumers.

Particularly in times of uncertainty or unrest, purpose-driven, emotional messaging helps to nurture the relationship with consumers.

These brands will set themselves up for increased consideration as they will be more top-of-mind in the future. This also builds an 'equity bank' with the consumer that helps to defend against any conflicting 'rational' or 'practical' message that may threaten consideration in the future – for example, negative reviews, competitive landscape or pricing disparities.

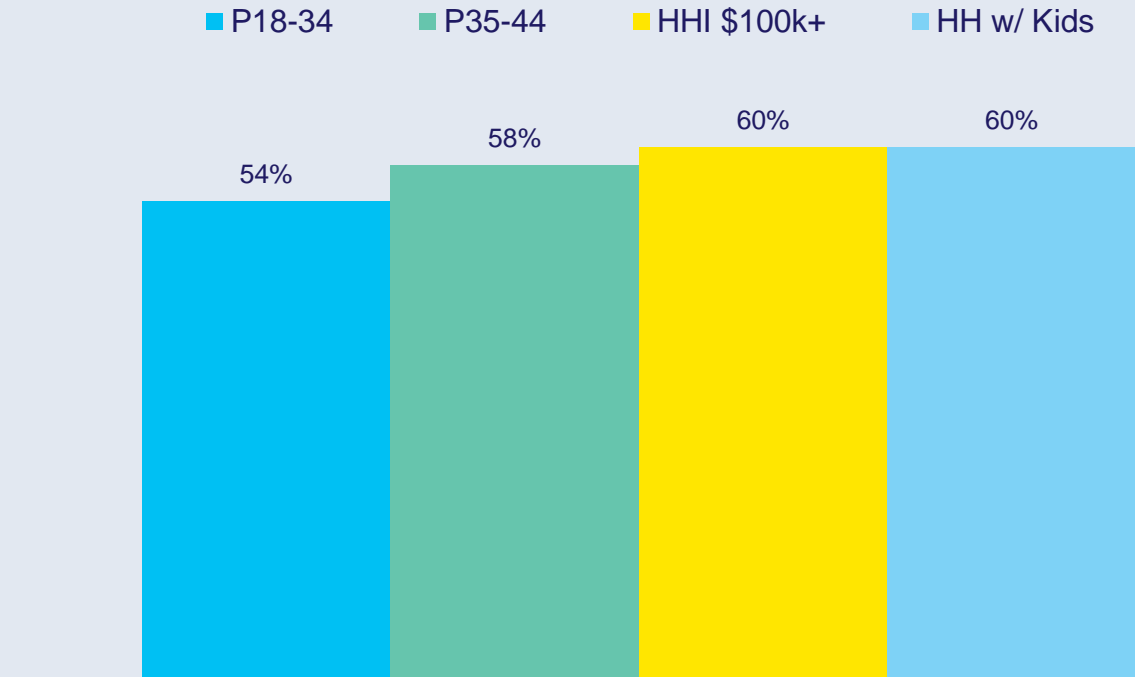
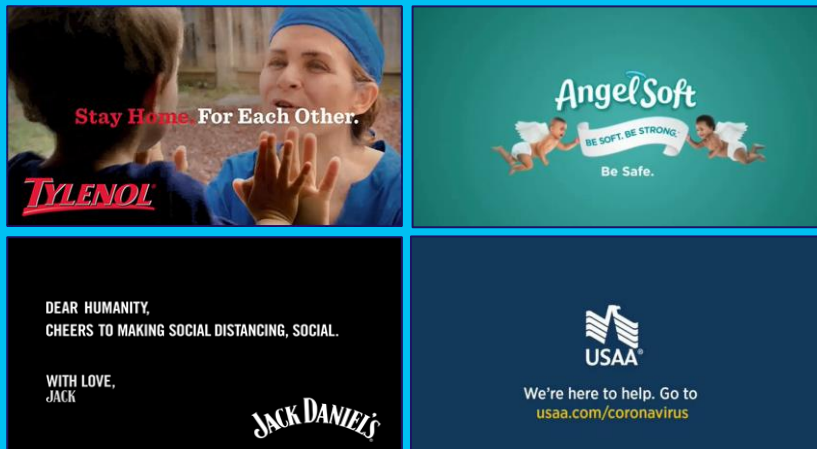
Marketers have a unique opportunity to build brand love with consumers to increase consideration in the short- and long-term.

Consumers look to brands to address uncertainty and offer authentic help, and when they do it, it positively impacts how they feel about those brands

“Companies with specific COVID-19 related advertising messages positively impacts my perception of the brand”

% that agree with the statement

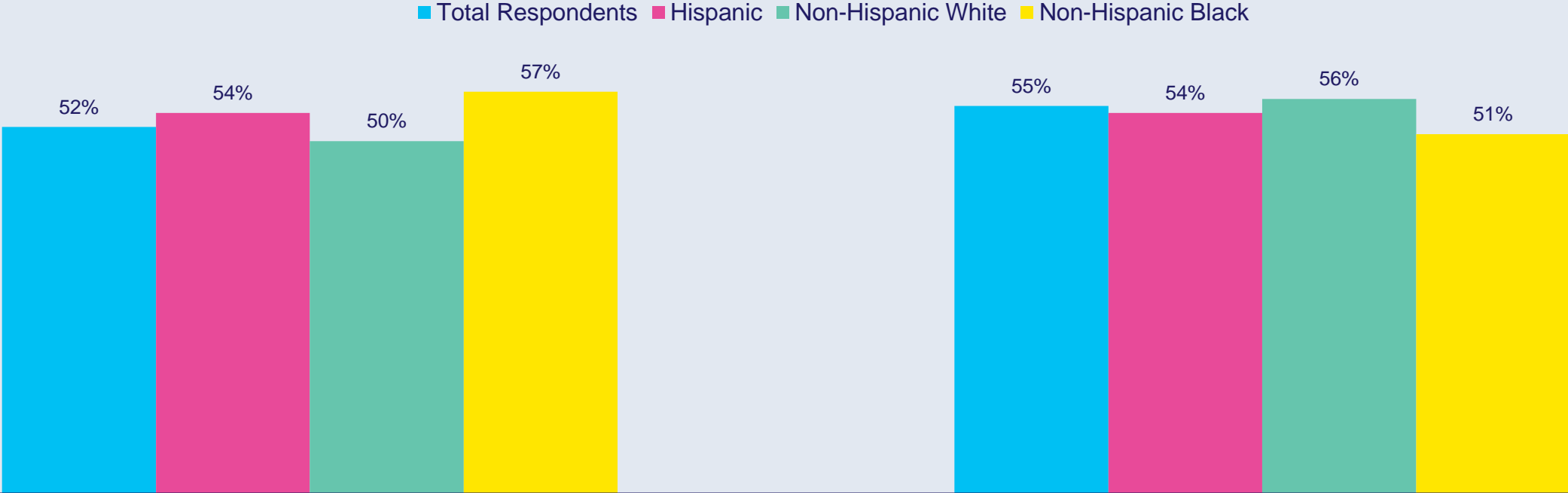
52%
of all respondents



Source: VAB's 'As Time Goes By: How Media Consumption Is Helping America Cope.' VAB / Lucid 'Media Usage In The Time of COVID-19 Survey,' April 2020. Survey base: P18+ & household subscribes to cable, telco, internet TV or satellite TV (n=1,004). Q14: Some companies have created specific COVID-19 related advertising messages (e.g. Guinness, Ford, Burger King, Verizon). How do these types of advertisements typically impact your perception of a brand?

Among multicultural consumers, companies that share **positive messaging** and actively seek to help communities during this crisis are positively impacted

% of respondents who agree with the statement



Companies with specific COVID-19 related advertising messages positively impacts my perception of the brand

I am more likely to purchase a product or service from companies that are lending resources or helping local communities during the crisis

Source: VAB's 'As Time Goes By: How Media Consumption Is Helping America Cope,' VAB / Lucid 'Media Usage In The Time of COVID-19 Survey,' April 2020. Survey base: P18+ & household subscribes to cable, telco, internet TV or satellite TV (n=1,004). Q14. Some companies have created specific COVID-19 related advertising messages (e.g. Guinness, Ford, Burger King, Verizon). How do these types of advertisements typically impact your perception of a brand? & Q15. Some companies are lending resources (e.g. Comcast donating free internet, Ford, 3M and GE Healthcare making healthcare equipment), or helping local communities during the crisis (Miller Lite starts 'virtual tip jar' to support out-of-work bartenders). How does this affect your likelihood to purchase a product or service from this company?

Consideration: Principle No. 6

PRINCIPLE NO. 6

Brand Building Media, Such As Premium Video, Fosters a Deep Emotional Connection

APPLYING TO TODAY'S ENVIRONMENT

At this time, many brands have a dual need to show empathy, but also provide real, practical help or action. This is seen in the “we’re here for you” COVID-19 messaging coupled with offers of contactless-delivery, curbside pick-up, or financing options and the companies who supported Black Lives Matter and then joined the #StopHateForProfit Facebook boycott.

Marketers should reflect on the current climate and re-consider their messaging to determine the appropriate way to engage with their consumer moving forward.

From an advertising perspective, consumers are **turning to brands for reassurances** during these uncertain times and want to hear how companies are responding to the pandemic crisis



What Consumers Want

56% are 'pleased to hear brands taking action like making donations of goods and services'

43% say they want messages that are 'reassuring from the brands I know and trust'

40% want to know what brands are doing in response to the pandemic



What Kind of Messaging Resonates?

Viewers show strongest resonance towards **uplifting themes of unity & resilience**

A **strong connection** between the **brand** and **message** must be apparent

Ads should be driven by **relevance** and **information**, but viewers are still looking for **entertainment** and **storytelling**

As emotions run high surrounding current social unrest and the Black Lives Matter movement, brands' responses can elicit strong reactions, both positive and negative, from consumers

- ▶ Consumers take notice of the brands that take a genuine, active role in addressing current issues, and they also pay attention to those who miss the mark in their messaging or those who stay silent all together

USA TODAY

'Boycott for Black Lives': People plan to stop spending in companies that don't support BLM

ADWEEK

Brands Are Increasingly Supporting #BlackLivesMatter, But Advocates Want More Than Words

On social media, companies and influencers who call out police violence are being told to 'open your purse'

WWD

Customers Respond to How Brands React to Black Lives Matter Movement

Younger consumers surveyed are 3.2 times more likely to suggest that the movement is going to change their purchase behaviors in the future.

The Guardian

Third of advertisers may boycott Facebook in hate speech revolt

'Stop Hate for Profit' campaign gathers momentum as ad boycott spreads outside US

Marker

Ben & Jerry's Doesn't Have Time for Platitudes

The ice cream maker from Vermont schooled every brand in how to address racial injustice

B/R

NBA Releases Social Justice PSA Video: 'The Truth Is Black Lives Matter'

MarketingWeek

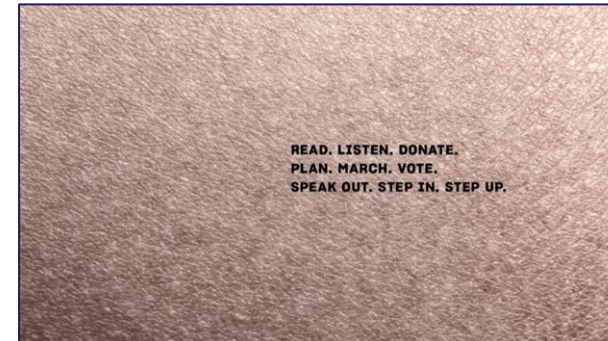
P&G calls on white people to 'step up' and tackle racism

The world's largest advertiser is calling on white people to use their "power" and stand up against racism in the wake of the Black Lives Matter movement.

AdAge

NIKE'S ANTI-RACISM AD DRAWS PRAISE AND CRITICISM, AS OTHER BRANDS WEIGH IN ON GEORGE FLOYD'S DEATH

Adidas, YouTube, the NFL, Bumble and others join Nike in speaking out against racism after protests rage across the U.S.



Consideration: Principle No. 7

PRINCIPLE NO. 7

Content Environment Matters Everywhere

APPLYING TO TODAY'S ENVIRONMENT

To truly connect with multicultural audiences, savvy brands look to borrow from the equity of the content environments they appear in.

Aligning your brand with trusted, culturally relevant content is an essential element to building brand equity and driving sales.

As marketers seek to convey trust, authority, and reassurance among diverse consumers, they need to ensure they are placing those messages in culturally relevant environments.

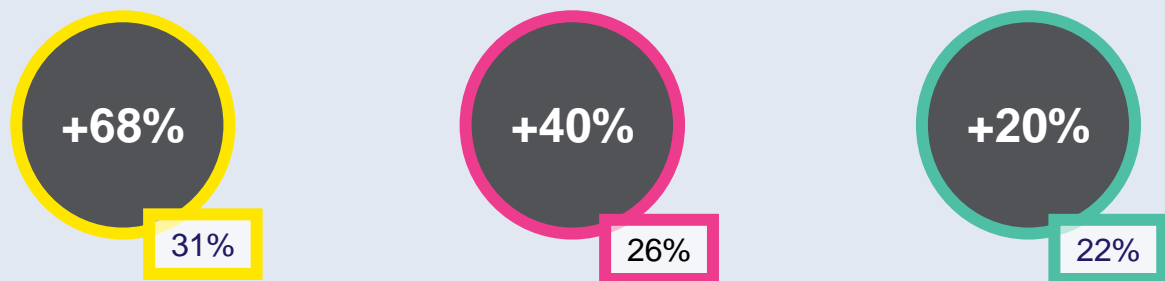


People crave **familiarity**, and for multicultural viewers that plays a big role in the content they connect with

% vs. Non-Hispanic White 18+

● Black A18+ ● Hispanic A18+ ● Asian A18+

'I'm more likely to watch a TV show if it is relevant to my own cultural identity'



XX% = % of Respondents

Source: VAB's 'Discover the Difference: How Culturally Relevant Video Content Drives Action By Multicultural Audiences'. VAB / Dynata 'Multicultural Video Engagement Survey,' August 2019. Q7: What qualities make you more likely to watch a TV program? Select any or all that apply . African American/Black/Caribbean American = 302 Respondents, Hispanic = 300 Respondents, Asian American/Pacific Islander = 100 Respondents, Non-Hispanic White = 300 Respondents.

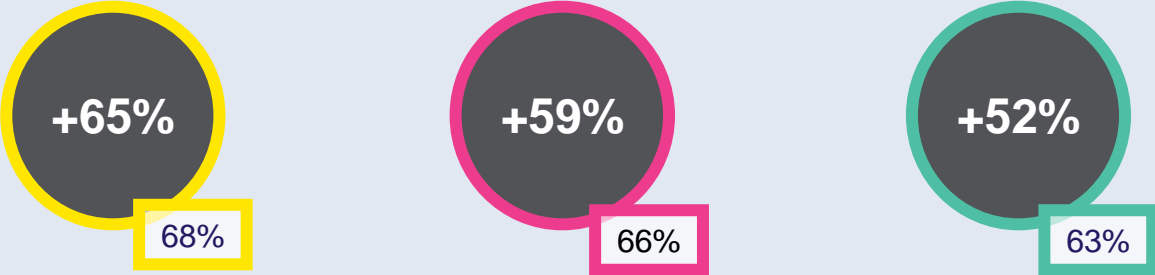


By building a strong emotional connection through **powerful storytelling**, brands can have a lasting impact on multicultural consumers' behavior

% vs. Non-Hispanic White 18+

● Black A18+ ● Hispanic A18+ ● Asian A18+

*'I have **purchased a product** I saw while watching a TV program or endorsed by a favorite TV personality / actor'*



XX% = % of Respondents

Source: VAB's 'Discover the Difference: How Culturally Relevant Video Content Drives Action By Multicultural Audiences'. VAB / Dynata 'Multicultural Video Engagement Survey,' August 2019. Q10: Please indicate how often you do the following. Respondents Answer = Always, Frequently or Occasionally. African American/Black/Caribbean American = 302 Respondents, Hispanic = 300 Respondents, Asian American/Pacific Islander = 100 Respondents, Non-Hispanic White = 300 Respondents.



Purchase

As a result of emotional conditioning over time, as well as their current need state, consumers ultimately make a purchase decision

PRINCIPLE NO. 8

Success Should Be Measured and Evaluated Against Both Short- and Long-Term KPIs

PRINCIPLE NO. 9

Brand Leaders Need to Equip Themselves With the Data to Defend Decisions Based on Core Marketing Trends

PRINCIPLE NO. 10

The Balance of Brand Building and Short-Term Tactics Drives Both Immediate Demand and Long-Term Equity

Purchase: Principle No. 8

PRINCIPLE NO. 8

Success Should Be Measured and Evaluated Against Both Short- and Long-Term KPIs

APPLYING TO TODAY'S ENVIRONMENT

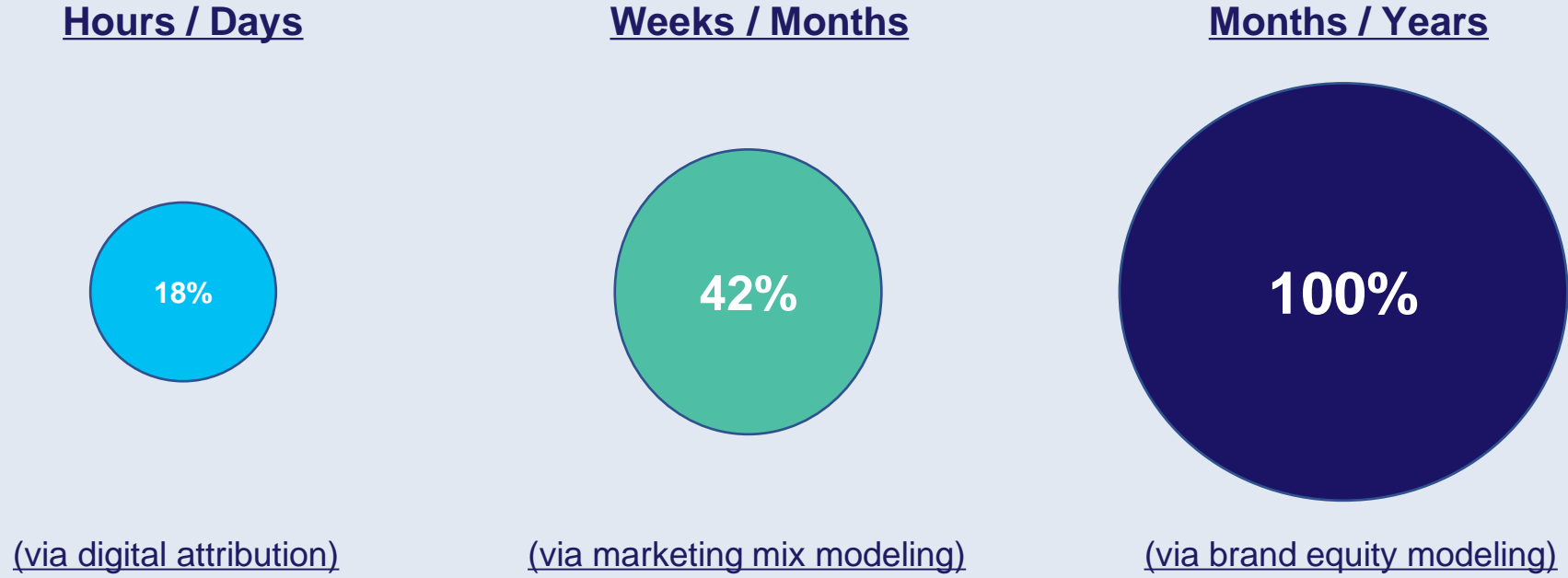
The determination of how successful a campaign is should be based on its short and long-term impact.

While certain metrics can be measured in the short term, history proves that as brands advertise through an economic downturn, they overwhelmingly see an impact in the years after the event. For example, brands like Uber (“Thank you for not riding with us”) and Hotels.com (“Just stay home”) are messaging and measuring for impact in the long-term.

With so much uncertainty, marketers should design campaigns that can be measured for impact today, but also in 3, 6, 12+ months.

It's important to understand that the **full impact of advertising's effect is not seen immediately** which helps explain how brands that spend during a recession continue to see significant share gains in the years after it

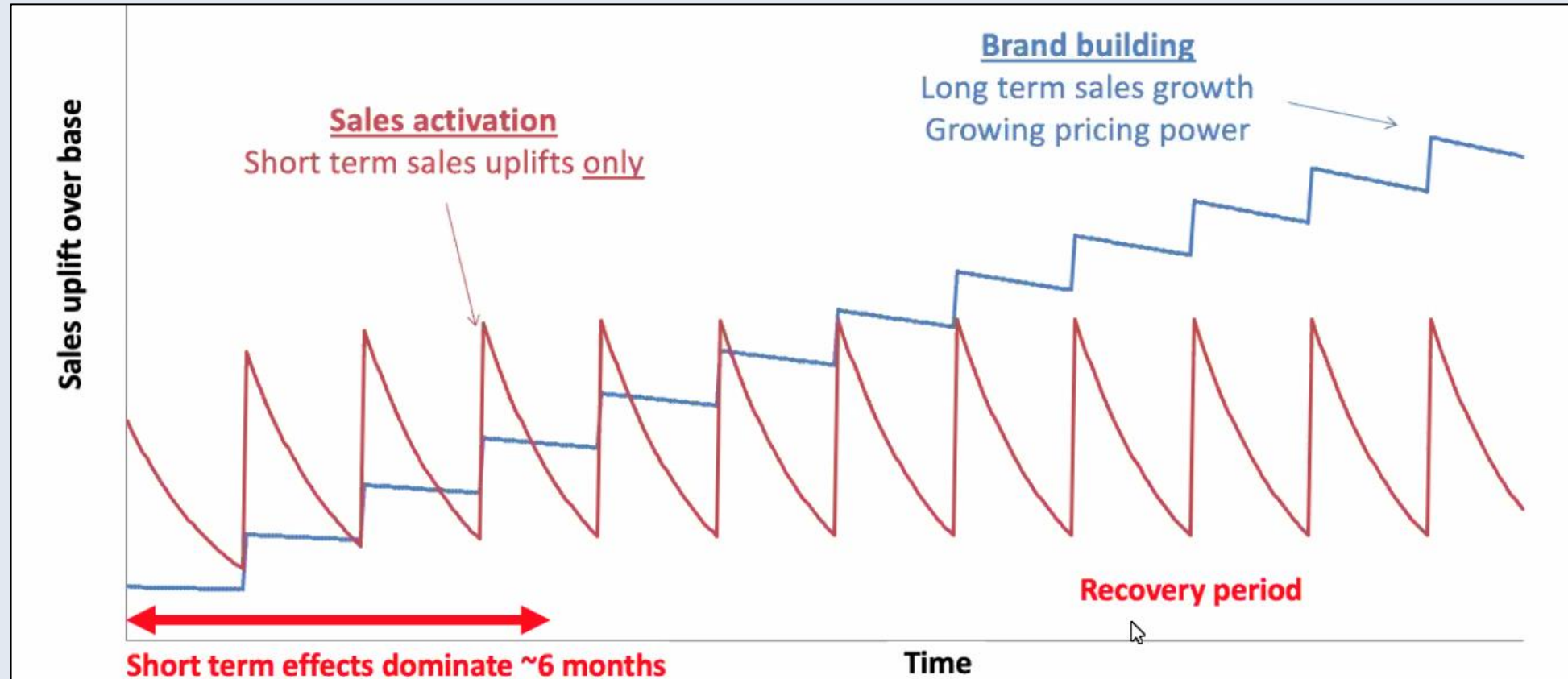
Share of Sales Impact by Timeframe



How to read: 18% of sales derived from advertising occurs within hours/days of exposure

Source: VAB's ['Keep Calm and Advertise On: How to Successfully Navigate Your Brand Through an Economic Downturn'](#). Ebiquty, 'Advertising Through a Recession,' April 2020.

Brand building strategies particularly matter during a recession as they provide long-term sales growth and increased pricing power



Source: VAB's ['Keep Calm and Advertise On: How to Successfully Navigate Your Brand Through an Economic Downturn'](#). Binet & Field, 2013. 'The Long and the Short of It: Balancing Short and Long-Term Marketing Strategies.'

Purchase: Principle No. 9

PRINCIPLE NO. 9

Brand Leaders Need to Equip Themselves With the Data to Defend Decisions Based on Core Marketing Principles

APPLYING TO TODAY'S ENVIRONMENT

With so much upheaval – change in consumer and media behaviors, uncertain economic conditions, social unrest - it's incumbent upon marketers to have the information they need to develop & defend their strategies.

This can range from brand health measures like awareness, favorability, consideration, to lower funnel metrics like sales and site visits. With increased budget scrutiny, this creates a true picture of the advertising impact and enables more informed future decisions.

In times of intense plan scrutiny, data and proven marketing principles are a marketer's best friend in defending budgets to a CFO.

Now, more than ever, it is **crucial for brand leaders to collaborate** – it is up to CMOs to leverage their company’s data and develop KPIs in order to better justify ad investment to their CFOs

“We’re getting so much data so quickly that we need to **make decisions much faster** than in the past. But it **allows us to understand customers** and their journeys in ways we couldn’t before.”

Barbara Goose
CMO, John Hancock
Deloitte Insights, 9/18/19

Source: VAB EVP Danielle DeLauro via Chief Marketer, [CFOS: THE MARKETER'S KEY TO THE C-SUITE](#), 3/10/20.

As brands push to **stay relevant to consumers' shifting needs**, marketers should look to DTC brands who are adept at using data to their advantage

▶ DTC brands enable consumers to easily purchase a wide variety of products from the comfort of home; performance is their currency and their ability to know what media works is a driving force behind the **\$425MM+** collective national TV investment by 75 new DTC advertisers in 2019

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 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 coupon codes to online shopping carts.




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



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.



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




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



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.

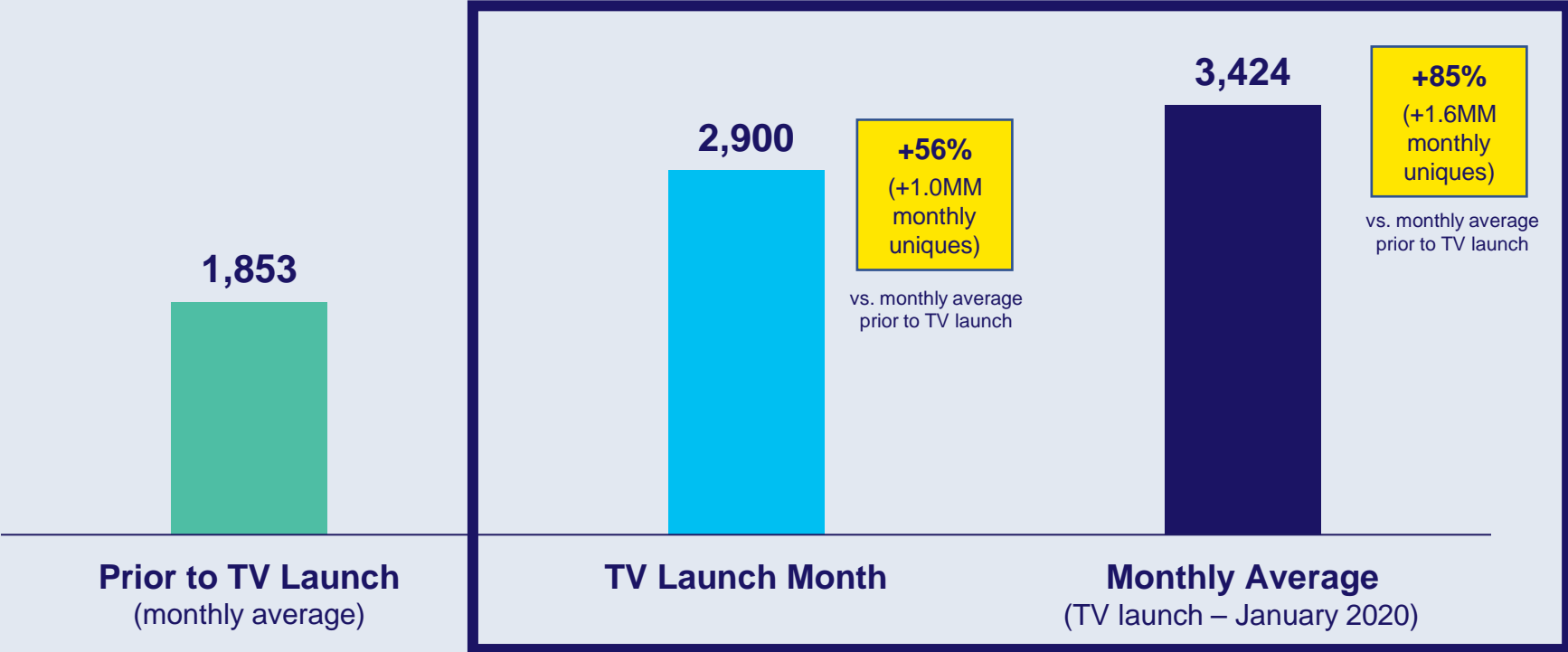


ServiceNow is a cloud-based computing platform that delivers digital workflows for companies. They transform the IT experience and automate HR services.

Source: VAB's 'Direct Effect: Driving Intent For Emerging DTC Brands'. 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.

Data-driven DTC brands advertising on TV see an **immediate surge** of monthly unique visitors upon their campaign launch and this audience only **continues 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's 'Direct Effect: Driving Intent For Emerging DTC Brands'. 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 mediameatrx 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.

Purchase: Principle No. 10

PRINCIPLE NO. 10

The Balance of Brand Building and Short-Term Tactics Drives Both Immediate Demand and Long-Term Equity

APPLYING TO TODAY'S ENVIRONMENT

As many brands struggle under economic distress, they are seeking ways to include tactics that will drive short-term demand, but also impact the long-term.

One way brands have done this has been by altering their message to balance an empathetic tone, with more practical, tangible immediate help. Other brands are evaluating their channel mix to select platforms that can do 'double duty' – drive equity, but also action.

In order to maximize spend, marketers should select media vehicles and platforms that offer the scale and immediacy to drive short term demand, but also the equity-building, storytelling abilities to create a longer-term impact.

Marketers are utilizing TV to **emotionally connect** with consumers by emphasizing purpose over product to build long-term brand equity while also driving short-term, **rational benefits**

verizon✓

We are here. And we are ready.



DRIVE SHOP ONLINE. TAKE DELIVERY AT HOME FROM A PARTICIPATING DEALER.

GRUBHUB™

Together, we can help save the restaurants we love.

Hotels.com™

HE'S GOING TO BE SOCIAL DISTANCING FOR A WHILE.

Disney+ on us

First year on us. With Unlimited. Then \$6.99/mo after.

Apple Music: Live must be on Play. More or Get More Unlimited plans. Disney+ Disney on us from first of anniversary month until 6/30/21. Then \$6.99/mo. After limited period ends either you cancel or receive the 10th birthday. Disney on us automatically after 10 mos. 24/7 terms apply. Live offer per eligible Verizon account. YouTube TV: Live events only. Must be 18 years or older. 100% terms of payment required. Standard subscription price of \$49.99/mo after trial. YouTube TV offer is representative when YouTube TV is available. For more information visit verizon.com/verizononus. Additional terms apply.



FLEXIBLE PAYMENT ARRANGEMENTS



*Reflects new creative launched between 3/16 – 6/16

Marketers, remember to **stay principled**, especially in a time of economic uncertainty

Awareness

PRINCIPLE NO. 1

Balance Broad-Based Reach With Hyper-Targeting to Grow Market Share, a Key Driver of Profit

PRINCIPLE NO. 2

Virality Tactics Should Be a Part of an Integrated Campaign, Not the Sole Focus

PRINCIPLE NO. 3

Protect Your Brand by Investing in Only Premium, Viewable Content

Consideration

PRINCIPLE NO. 4

Brand Building Leads to Increased Long-Term Profitability

PRINCIPLE NO. 5

In an Information-Heavy, Opinion-Saturated Environment, Brand Building Is Essential to Support Brand Perception and Foster the Loyalty That Protects Pricing and Profits

PRINCIPLE NO. 6

Brand Building Media, Such As Premium Video, Fosters a Deep Emotional Connection

PRINCIPLE NO. 7

Content Environment Matters Everywhere

Purchase

PRINCIPLE NO. 8

Success Should Be Measured and Evaluated Against Both Short- and Long-Term KPIs

PRINCIPLE NO. 9

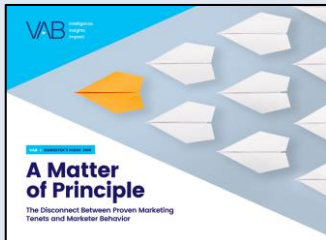
Brand Leaders Need to Equip Themselves With the Data to Defend Decisions Based on Core Marketing Trends

PRINCIPLE NO. 10

The Balance of Brand Building and Short-Term Tactics Drives Both Immediate Demand and Long-Term Equity

Looking for more analysis and guidance?

To learn more about how the 10 marketing principles can be applied in today's environment of economic uncertainty, we offer these additional resources:



A Matter of Principle
The Disconnect Between Proven Marketing Tenets and Marketer Behavior



As Time Goes By
How Media Consumption Is Helping America Cope



#AloneTogether
Culture in the Time of COVID-19



Make Yourself at Home
Video Viewing in the Time of COVID-19



Discover The Difference
How Culturally Relevant Video Content Drives Action By Multicultural Audiences



Direct Effect
Driving Intent For Emerging DTC Brands

As a reminder, brand marketers and agencies get immediate and complimentary access to VAB's continuously updated [Insights library](#). You can learn [more here](#).

Thank You

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