

A Fresh Take On

Staying ahead of evolving dynamics in the marketplace and our culture

The Lessons Brands Can Learn From The Impact of Presidential Election Ad Spending



As Monday marked Presidents' Day, we thought we would take this opportunity to reflect on the record-breaking election cycle that just passed.

2020 witnessed the highest political advertising spend ever at over \$8.5 billion, nearly double (+90%) what was spent across all races during the 2016 Presidential election season.

With billions of dollars committed, which culminated in Democrat Joe Biden's victory in the Presidential election, we were curious to understand if there was a correlation between advertising investment and election results within this highly-competitive, outcomes-obsessed category and how these findings can be applied by marketers across all categories.

Source: Ad Age 'Political Ad Spending This Year Reached a Whopping \$8.5 Billion', 11/23/20; VAB analysis of Kantar Media 'Advertisers Spent \$5.25 Billion on the Midterm Election', 11/15/18

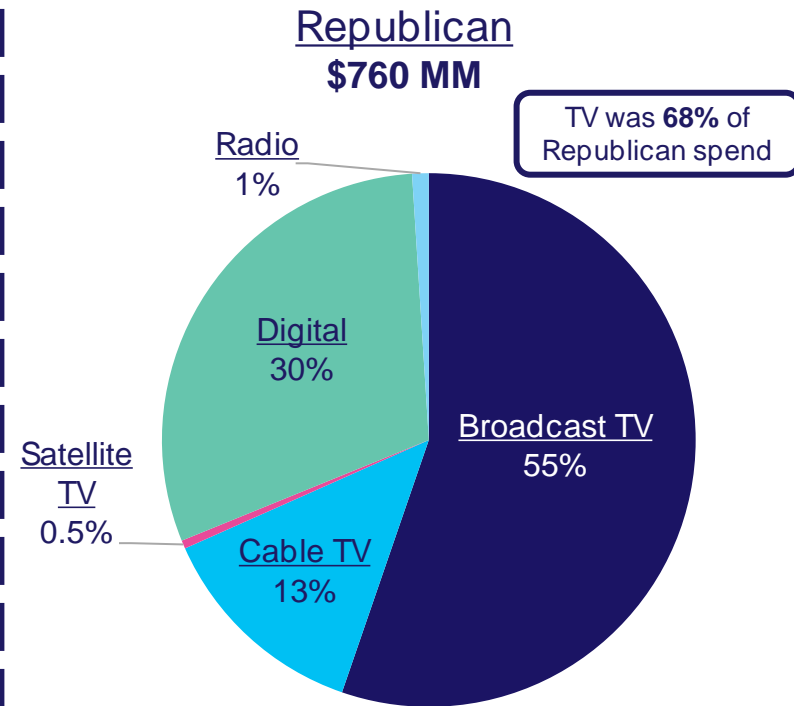
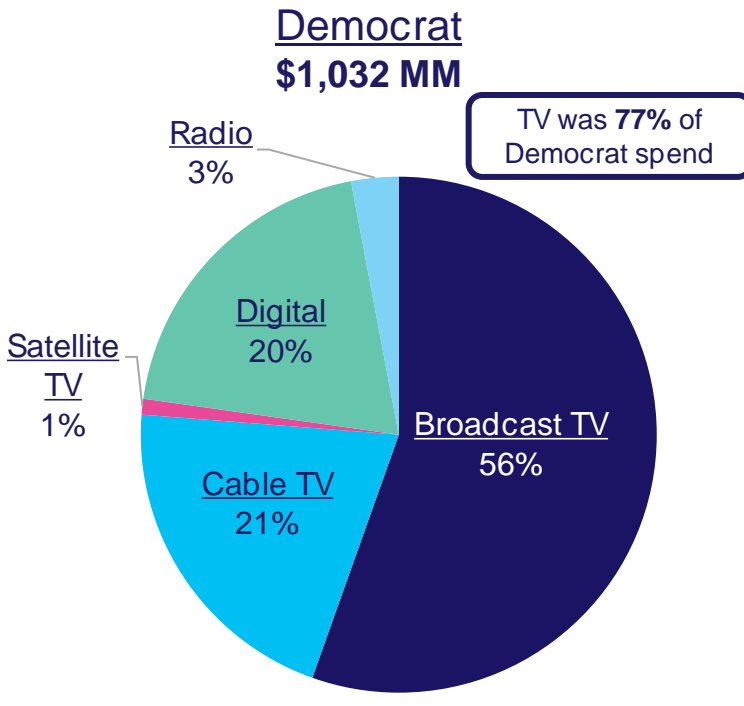
What's new to know?



In one of the most contentious and competitive races ever, Democrats won by utilizing the **right media mix** to ensure they effectively reached a wide swath of voters

- ▶ In contrast, Republicans employed a more **digital heavy strategy**, potentially oversaturating their already loyal base, which reinforces the importance of reaching a wide audience including new voters

2020 Presidential General Election: Spending By Media
(Candidate, Party & Issue-Based)



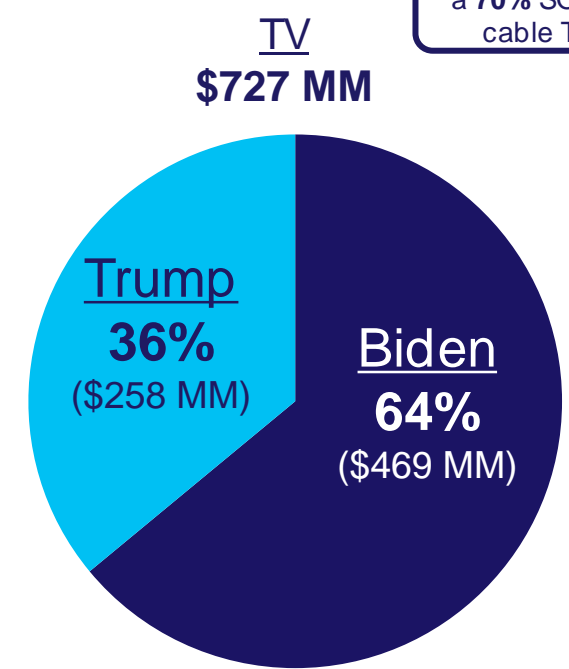
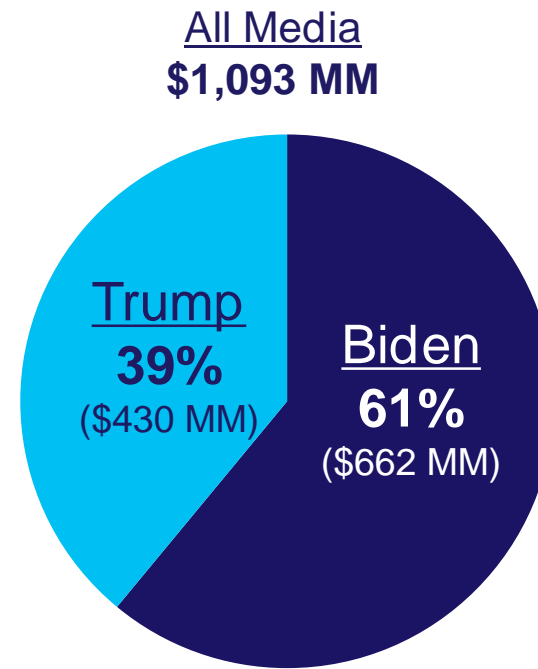
Source: VAB analysis of Kantar CMAG Political Competitive Data Gathering, 2020 Presidential Election data measured from 4/7/20 to 11/10/20 across general election spend. Total spend reflects: TV platforms, radio platforms and digital platforms. TV Platforms: Cable TV, Broadcast TV (including Spanish Language Broadcast TV), Spanish Language Broadcast TV and Satellite TV. Radio Platforms: AM Radio, FM Radio, State Radio Networks and General Radio. Digital Platforms: Google and Facebook. Candidate represents spend from only the candidates. Party represents spend from the political party and candidate/party co-op. Issue-Based represents spend from election-affiliated third-party sources (e.g. PACs, The Lincoln Project, NRA Victory Fund, Republican Voters Against Trump).

Biden, who held the SOV advantage, primarily leveraged TV to build his relationship with voters which led to his popular vote and electoral college victory

- ▶ A prominent figure prior to his Presidential run, television enabled Biden to reintroduce himself to all voters, especially undecided ones



2020 Presidential General Election: Share of Voice
(Candidate Only)



Biden also held a 70% SOV in cable TV

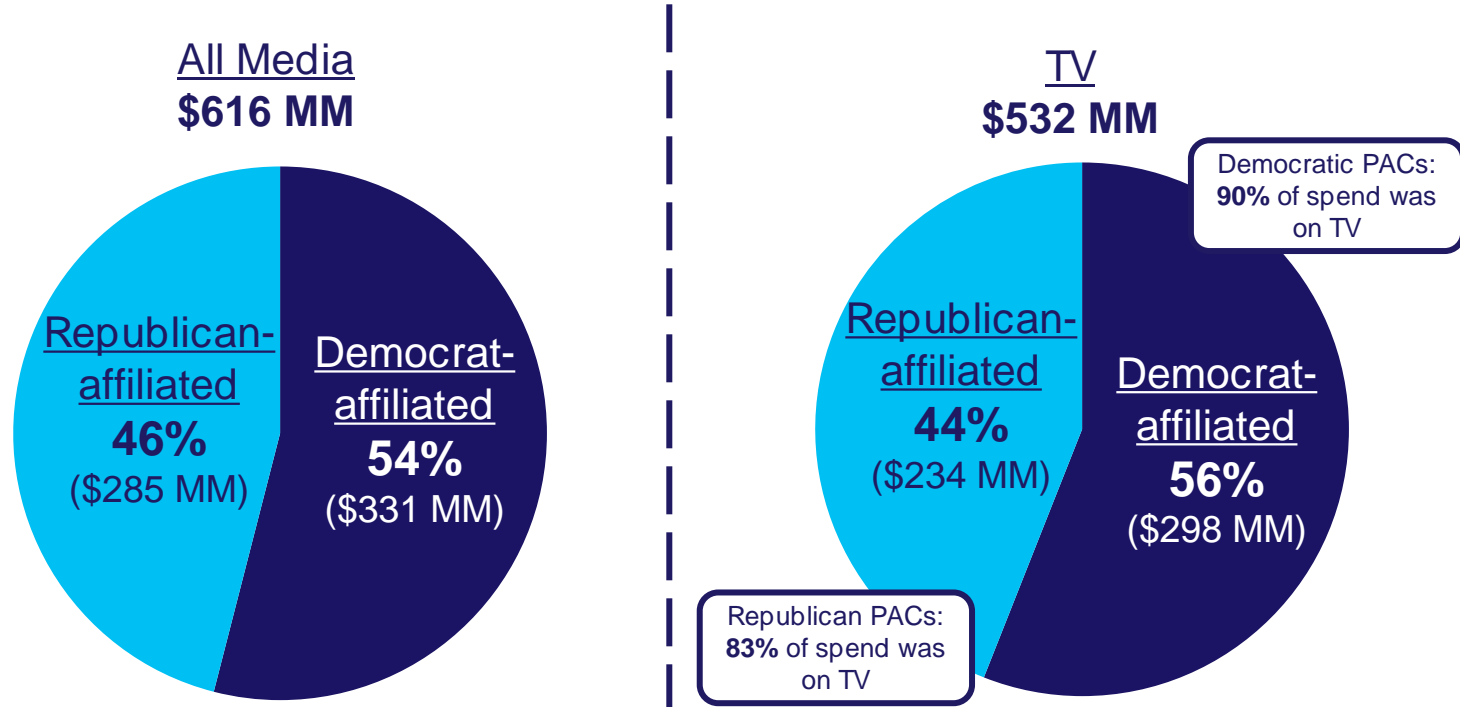
Source: VAB analysis of Kantar CMAG Political Competitive Data Gathering, 2020 Presidential Election data measured from 4/7/20 to 11/10/20 across general election spend. All media spend reflects: TV platforms, radio platforms and digital platforms. TV Platforms: Cable TV, Broadcast TV (including Spanish Language Broadcast TV), Spanish Language Broadcast TV and Satellite TV. Radio Platforms: AM Radio, FM Radio, State Radio Networks and General Radio. Digital Platforms: Google and Facebook. Candidate represents spend from only the candidates. Party represents spend from the political party and candidate/party co-op. Issue-Based represents spend from election-affiliated third-party sources (e.g. PACs, The Lincoln Project, NRA Victory Fund, Republican Voters Against Trump). SOV = Share of Voice.



Super PACs, who are singularly focused on delivering results, **predominantly invest in TV to achieve success** (collectively represents 87% of their total media spend)

- ▶ Outcomes-obsessed PACs are some of the **most intensely behavioral data-driven organizations** in any category and marketers would be wise to follow their playbook

2020 Presidential General Election: Share of Voice
(Issue-Based: PACs & other 'special-interest / policy' groups)



Source: VAB analysis of Kantar CMAG Political Competitive Data Gathering, 2020 Presidential Election data measured from 6/16/20 to 11/2/20 across general election 'heavy-up period' spend. TV Platforms: Cable TV, Broadcast TV (including Spanish Language Broadcast TV), Spanish Language Broadcast TV and Satellite TV. Candidate represents spend from only the candidates. Party represents spend from the political party and candidate/party co-op. Issue-Based represents spend from election-affiliated third-party sources (e.g. PACs - The Lincoln Project, NRA Victory Fund, Republican Voters Against Trump). Democrat PACs with over \$10MM in TV general election spend: Future Forward (\$105MM), Priorities Action USA (\$56MM), Independence USA (\$40MM), American Bridge (\$35MM), The Lincoln Project (\$13MM) & Unite the Country (\$12MM). Republican PACs with over \$10MM in TV general election spend: Preserve America (\$98MM), America First Action (\$89MM) & Restoration (\$14MM). PACs = political action committees. 69 total PACs spent in the Presidential race (D = 50 / R = 19).



The winning formula is a continuous investment throughout a campaign with an extended heavy-up leading right into voter decision time

- ▶ For Biden, a continuous advertising presence built ‘brand salience’ – top of mind awareness that creates a propensity of a brand to be thought of in ‘buying’ situations

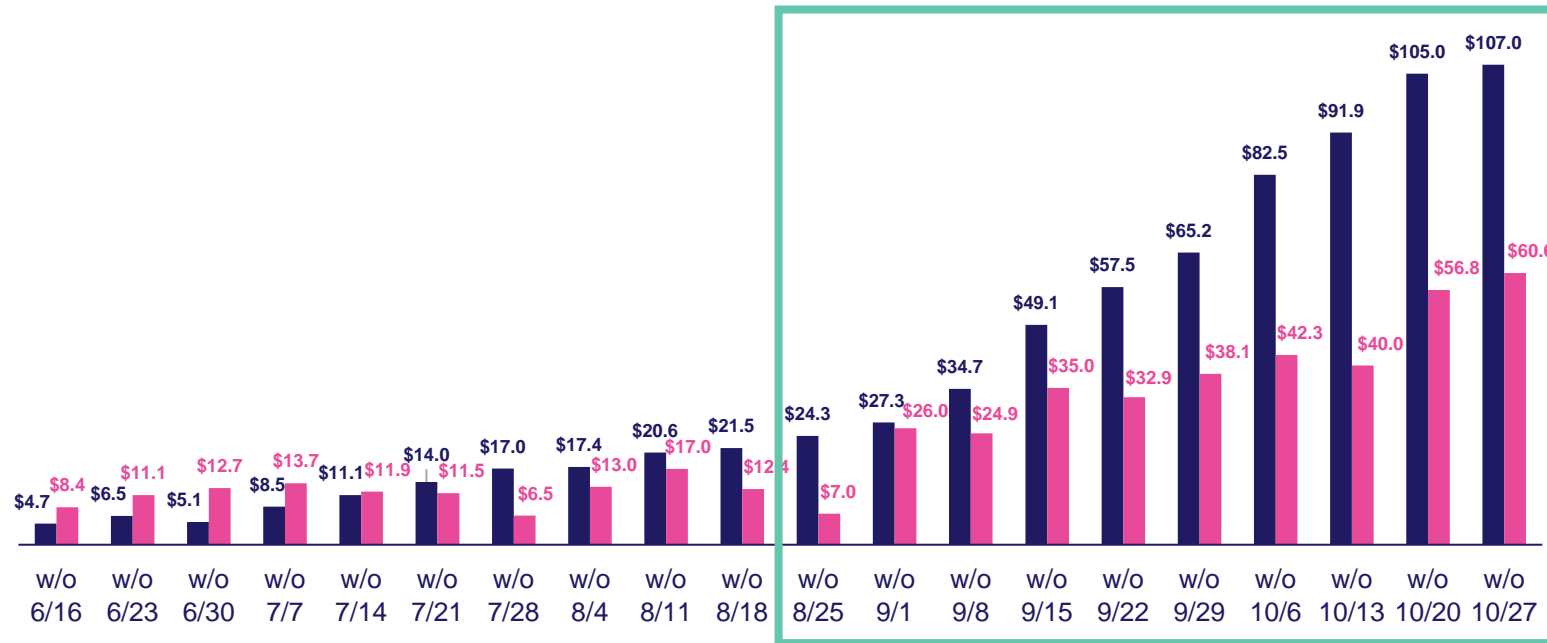


2020 Presidential General Election: Weekly TV Spend

(Candidate, Party & Issue-Based)

\$ in Millions, 6/16/20 – 11/2/20

■ Democrat ■ Republican



Source: VAB analysis of Kantar CMAG Political Competitive Data Gathering, 2020 Presidential Election data measured from 6/16/20 to 11/2/20 across general election ‘heavy-up period’ spend. Political weeks begin Tuesdays and end Mondays. TV Platforms: Cable TV, Broadcast TV (including Spanish Language Broadcast TV), Spanish Language Broadcast TV and Satellite TV. Candidate represents spend from only the candidates. Party represents spend from the political party and candidate/party co-op. Issue-Based represents spend from election-affiliated third-party sources (e.g. PACs, The Lincoln Project, NRA Victory Fund, Republican Voters Against Trump). Note: Biden invested over \$15MM in TV during 12 separate weeks vs. 7 for Trump.

Democrats used TV SOV to influence brand loyalists, turning several projected 'red' states into 'toss ups' and 'toss ups' into 'blue-leaning' states before the election

- ▶ 82% (9 out of 11) of the battleground states listed below had a direct correlation between the shift in their electoral college vote projection and Democratic TV SOV

2020 Presidential General Election: Electoral College Projections vs. TV SOV

(reflects candidate, party & issue-based TV spending)

Cook Political Report Rating* / State	Total TV Spend	Democratic TV SOV	Republican TV SOV	Race Projection Shift vs. TV SOV Advantage Correlation?
'Likely Republican' to 'Toss Up': Electoral College Vote Projection (1/9/19 vs. 10/28/20)				
Texas	\$78 MM	99%	1%	Yes
Ohio	\$37 MM	88%	12%	Yes
'Lean Republican' to 'Toss Up': Electoral College Vote Projection (1/9/19 vs. 10/28/20)				
North Carolina	\$147 MM	47%	53%	No
Iowa	\$91 MM	82%	18%	Yes
Georgia	\$51 MM	37%	63%	No
Maine 2nd CD	\$6.6 MM	81%	19%	Yes
Nebraska 2nd CD	\$3.8 MM	89%	11%	Yes
'Toss Up' to 'Lean Democrat': Electoral College Vote Projection (1/9/19 vs. 10/28/20)				
Pennsylvania	\$247 MM	88%	12%	Yes
Michigan	\$133 MM	78%	22%	Yes
Arizona	\$131 MM	69%	31%	Yes
Wisconsin	\$121 MM	67%	33%	Yes

Source: VAB analysis of Kantar CMAG Political Competitive Data Gathering, 2020 Presidential Election data measured from 4/7/20 to 11/10/20 across general election spend. TV Platforms: Cable TV, Broadcast TV (including Spanish Language Broadcast TV), Spanish Language Broadcast TV and Satellite TV. Candidate represents spend from only the candidates. Party represents spend from the political party and candidate/party co-op. Issue-Based represents spend from election-affiliated third-party sources (e.g. PACs - The Lincoln Project, NRA Victory Fund, Republican Voters Against Trump). *VAB analysis of The Cook Political Report '2020 Electoral College Ratings' 1/9/19 vs. 10/28/20. SOV = Share of Voice. CD – Congressional District.

What's important for marketers to know?

- ▶ Due to its **reach, saliency, legitimacy and storytelling abilities**, TV is the preferred platform with the largest share of media spend across candidates and political action committees within this highly competitive category
- ▶ A **'share of voice' advantage driven by a continuous advertising presence** to stay top-of-mind with audiences up to their decision time is a key factor in achieving successful outcomes
- ▶ TV has the **influence to shift consumer perceptions** in highly competitive markets and a higher 'share of voice' enables a **challenger brand to establish themselves, amplify their messaging and steal share from a category incumbent**

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