

2021

Analyzing Outcomes From The “Tech Giants” TV Investment

How brands can apply these winning marketing strategies to their common business challenges



The ‘Tech Giants,’ commonly referred to as the acronym **GAFAM** (Google, Apple, Facebook, Amazon, Microsoft), have become nearly ubiquitous in society. This is especially true during the pandemic, as many offer goods or services that have taken on heightened importance and relevance to our everyday lives.

Despite their deep pockets and big names, in 2020 these brands had to overcome many of the same challenges other brands commonly face: threats to their SOV, competition from category challengers, need to support new product launches and the urgency to quickly pivot and meet a new set of consumer needs due to the pandemic.

We distill the winning marketing strategies of these data-driven, outcomes-obsessed brands and show how you can learn and apply to your own brand.

Insights Behind The Tech Giants' 2020 TV Investment Strategies





Google



Apple



Facebook



Amazon

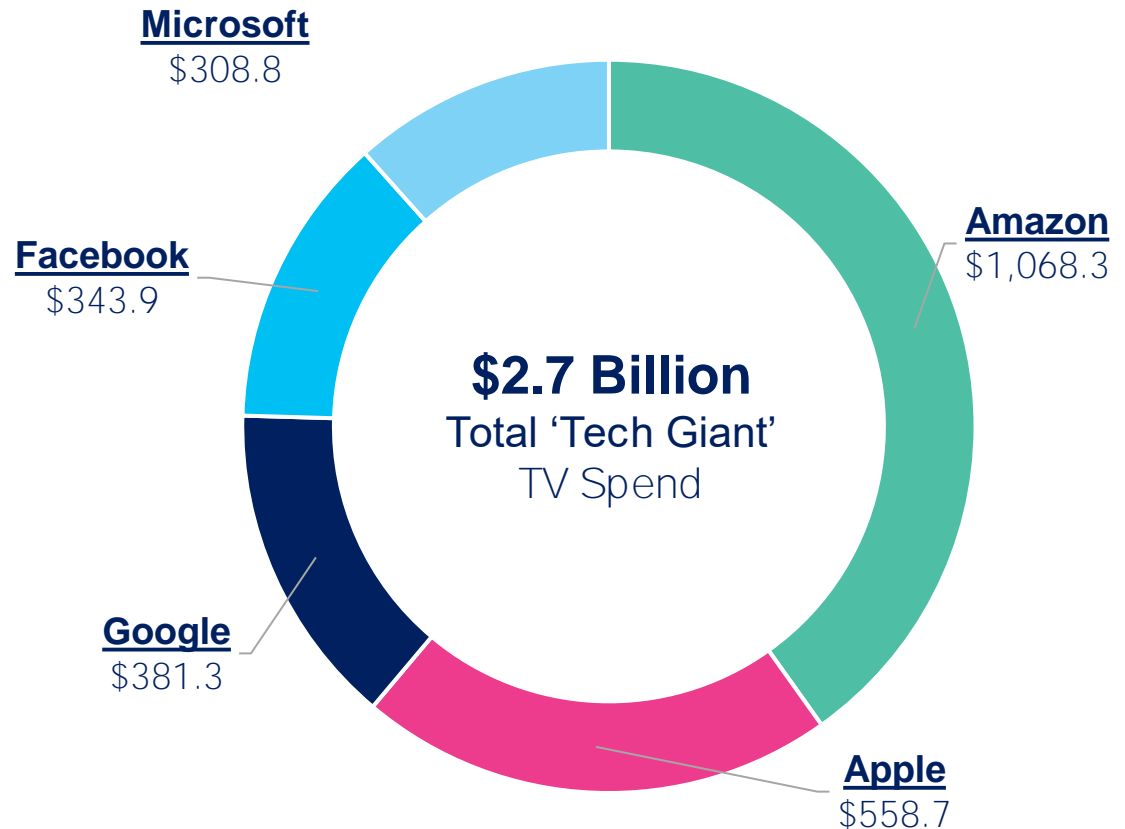


Microsoft

During a year of COVID-driven economic uncertainty, GAFAM invested **\$2.7 Billion** in TV, focusing messaging on pandemic related products & services

GAFAM U.S. Total TV Spend

2020 (\$\$\$ in Millions)



Source: VAB analysis of Nielsen AdIntel, calendar year 2020. TV spend includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, spot TV, and syndicated TV. U.S. TV spend only. GAFAM includes Google (Alphabet), Apple, Facebook, Amazon and Microsoft



Rather than relying solely on their own platforms or digital media during this time of economic austerity, GAFAM invested heavily in TV becoming the **#1 US advertiser** during the pandemic



► **Amazon** would rank as the **#4** TV advertiser overall by itself

Rank	Company	CY 2020 U.S. Total TV Spend
1		\$2.7 B
2	P&G	\$2.4 B
3	BERKSHIRE HATHAWAY INC.	\$1.4 B
4	abbvie	\$1.2 B
5*	General Motors	\$923 MM
6	TOYOTA	\$911 MM
7	T Mobile	\$888 MM
8	AT&T	\$882 MM
9	COMCAST	\$864 MM
10	PROGRESSIVE	\$840 MM

Source: VAB analysis of Nielsen AdIntel, calendar year 2020. TV spend includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, spot TV, and syndicated TV. U.S. TV spend only. Rankings are based on total TV spend for parent companies based on their subsidiaries and brands as of March 2021. GAFAM includes Google (Alphabet), Apple, Facebook, Amazon and Microsoft. *Amazon, which would've ranked #4 (excluding GAFAM combination), shifted into #1 for the purposes of this chart.

With the pandemic keeping people indoors and in front of their TVs, GAFAM invested in **marquee, premium content** including ‘buzzed about’ entertainment programs, specials, live shows and sports

Sampling of Top TV Programs Advertised On

2020

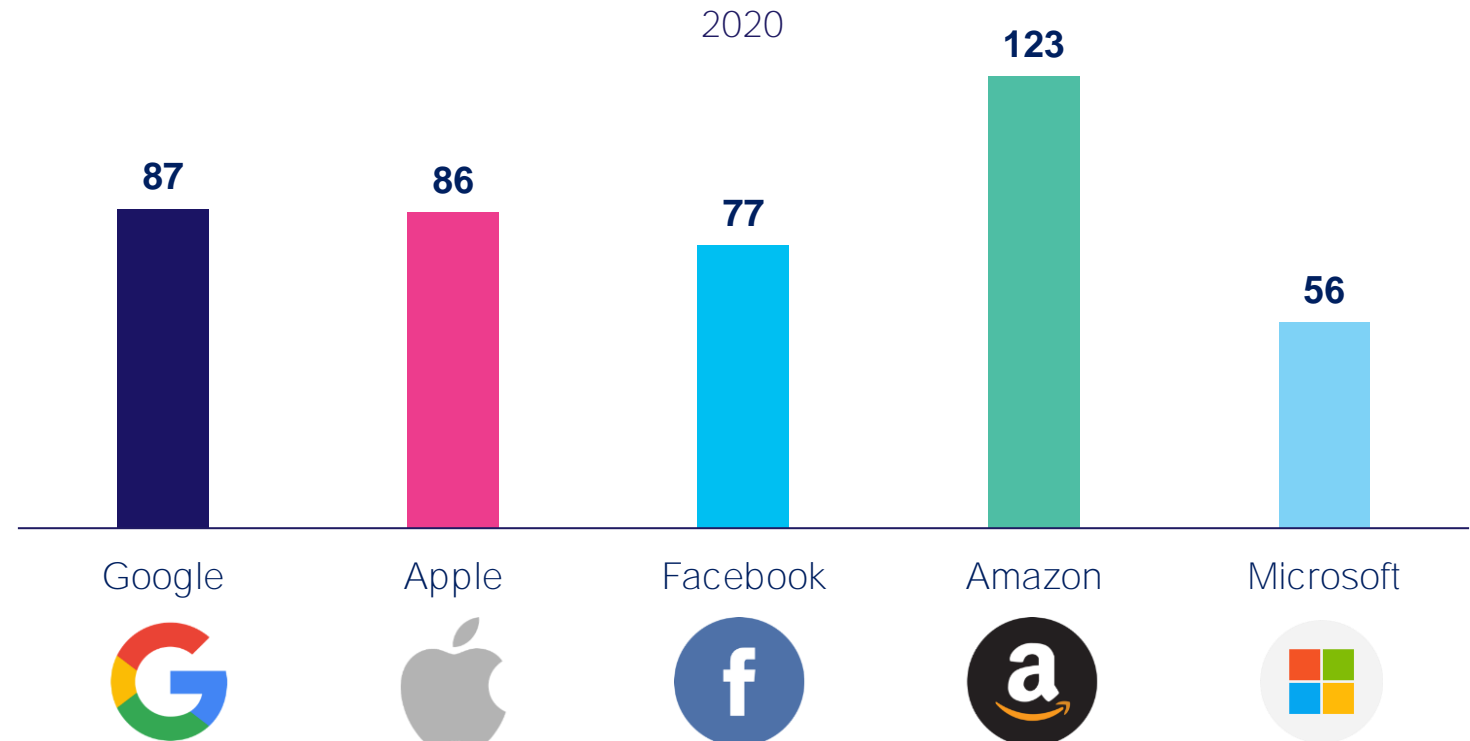


Source: VAB analysis of Nielsen AdIntel, calendar year 2020. TV spend includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, spot TV, and syndicated TV. U.S. TV spend only. GAFAM includes Google (Alphabet), Apple, Facebook, Amazon and Microsoft.

With large budgets, these brands had the luxury of choice on how to invest and, grounded by data, they saw the value of a wide list of networks and programming to drive outcomes

- ▶ The average GAFAM brand advertised across **86 broadcast and cable TV networks** to maximize scale and engage wide audiences

U.S. National TV Networks Advertised On



Source: VAB analysis of Nielsen AdIntel, calendar year 2020. TV spend includes cable TV, broadcast TV, Spanish language cable TV and Spanish language broadcast TV. U.S. TV spend only. GAFAM includes Google (Alphabet), Apple, Facebook, Amazon and Microsoft.

**A Look At Outcomes Supported By
GAFAM's TV Investments In 2020...**

**And The Lessons Brands Can Learn
From Them**



Through five outcomes-based analyses, we can learn successful marketing strategies that can be applied to a variety of common brand challenges



How a brand can successfully adjust its investment priorities to align with changes in consumer behavior.

How a new product can benefit from creating a sustained presence on TV beyond the launch.

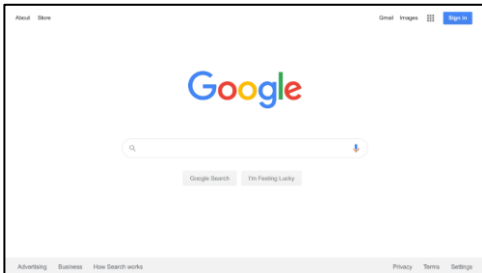
How a brand that creates a share of voice advantage can drive product consideration.

How a widely-used service can continue to benefit from maintaining its SOV.

How a brand tapped into a consumer need and created a SOV advantage to become the category leader.



Google Search



Apple TV+



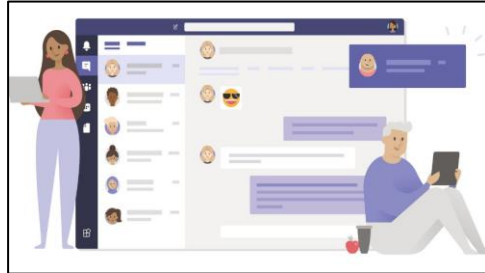
Oculus Quest 2



Amazon

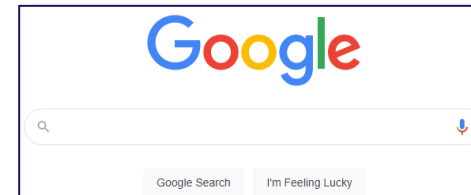


Microsoft Teams





Observing the heightened need for information during the pandemic, Google prioritized investment in its Search product **driving higher, more habitual, user engagement**



Google Search

	2019	2020	% YoY Change	# YoY Change
'Google Search' Brand TV Spend	\$109.5 MM	\$195.4 MM	+78%	+\$85.9 MM
Avg. Monthly Unique Visitors	205.9 MM	210.7 MM	+2%	+4.8 MM
Total Annual Visits	2.5 B	4.1 B	+63%	+1.6 B
Total Annual Page Views	9.2 B	15.9 B	+73%	+6.7 B

Source: VAB analysis of Nielsen AdIntel, calendar year 2019 & 2020 ('Google Search Engine' brand). TV spend includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, spot TV, and syndicated TV. U.S. TV spend only. VAB analysis of Comscore mediameatix multiplatform media trend data, total audience (Desktop P2+, Mobile 18+), U.S. only, Jan '19 – Dec '20 (calendar months). Comscore data represents 'Google Search' (which includes images, video, news pages, etc)



The steady increase in usage after the Apple TV+ launch demonstrates the importance and impact of continued investment

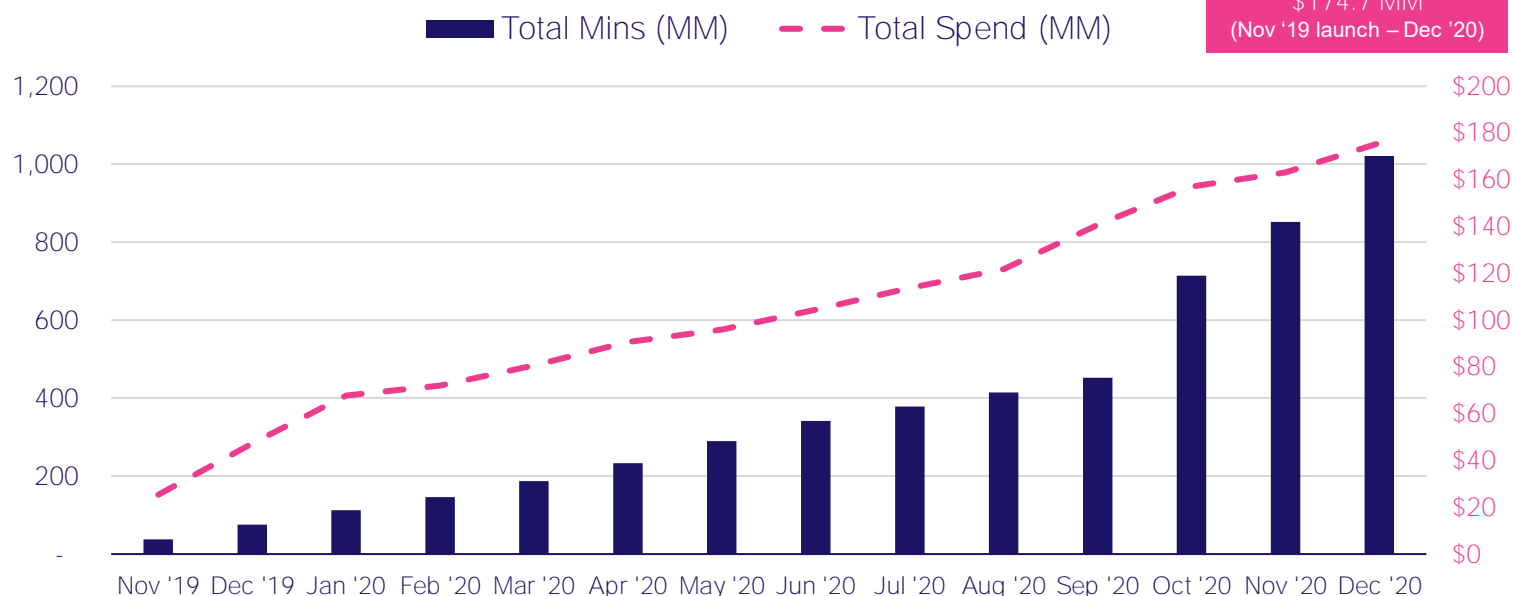
- ▶ A sustained TV presence from launch through the pandemic enabled Apple TV+ to steadily **grow its total viewer time spent** in line with their TV investment



Apple TV+ - Cumulative Monthly U.S. Total TV Spend & Time Spent

2020

Cume TV spend:
\$174.7 MM
(Nov '19 launch – Dec '20)



How to read - Ex: Dec '20 represents total measured time spent & TV spend from Nov '19 – Dec '20 for Apple TV+

Source: VAB analysis of Nielsen AdIntel, Nov '19 – Dec '20 (calendar months). TV spend includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, spot TV, and syndicated TV. U.S. TV spend only. VAB analysis of Comscore mediаметrix multiplatform media trend data, total audience (Desktop P2+, Mobile 18+), Nov '19 – Dec '20 (calendar months), data represents Apple TV (mobile app).

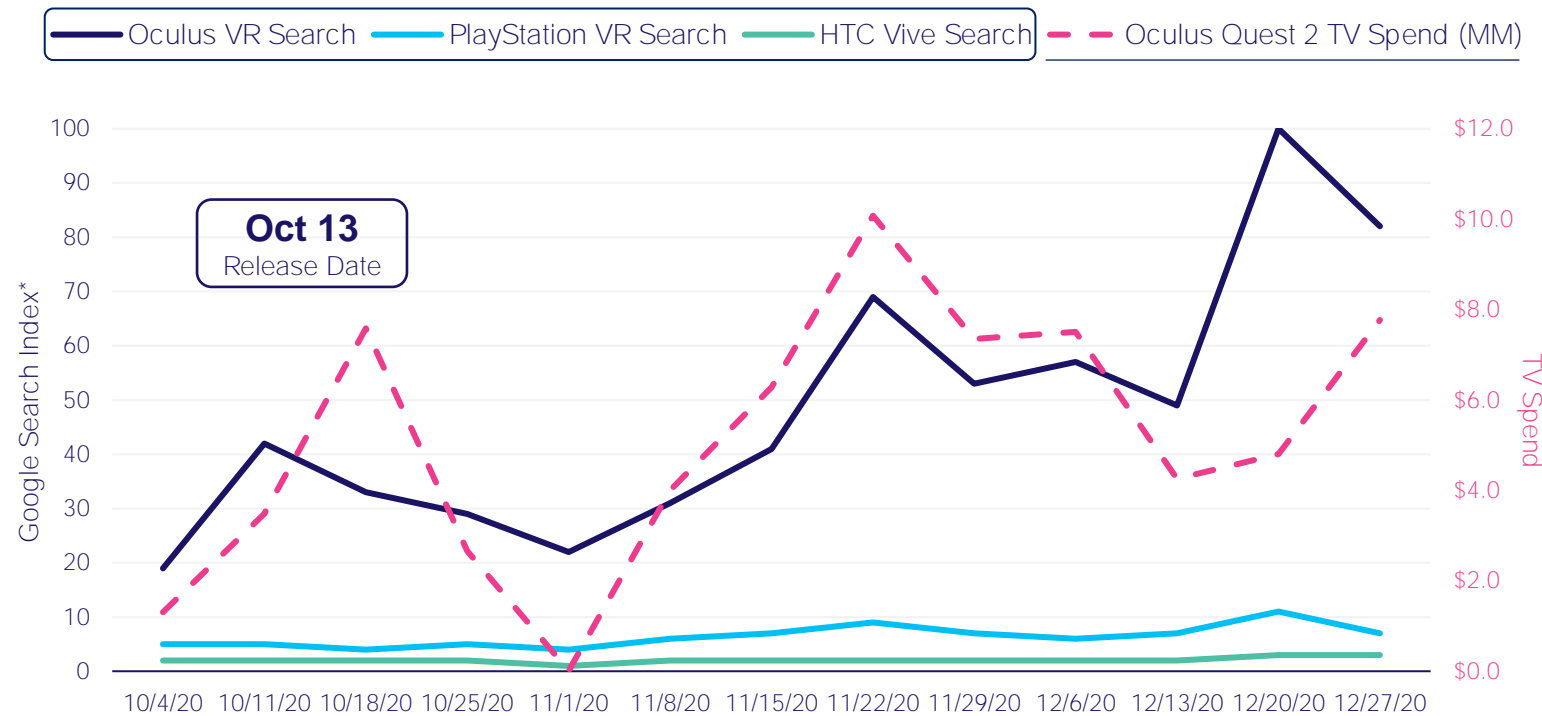


Facebook's Oculus Quest 2 highlights how brands can increase consumer consideration by dominating share of voice

- ▶ Facebook's Oculus Quest 2 dominated search queries with their SOV advantage in the VR category: \$67 MM in 4Q '20 TV spend vs. no spending by its competitors

Weekly Google Search Trend Indices & Total U.S. TV Spend

2020



Source: VAB analysis of Nielsen AdIntel, 10/4/20-1/1/21, TV spend includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, spot TV, and syndicated TV. U.S. TV spend only; VAB analysis of Google Trends, United States only, All Categories, Web Search, 10/4/20-1/1/21, SOV = Share of voice. *Google Search Index represents search interest relative to the highest point on the chart for the given region and time period, a value of 100 is the peak popularity for the term, a value of 50 means that the term is half as popular.

Amazon saw continued benefit in prioritizing its TV investment as it aligns with their annual U.S. revenue growth over the last five years

- ▶ Although over 55% of US households are Amazon Prime subscribers and online ordering has grown during the pandemic, Amazon continued to drive scale and immediacy of message with TV.



	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>5-Year Trend</u> 2015 v 2020
Total U.S. Annual TV Spend (MM)	\$262.5	\$436.5	\$476.4	\$725.6	\$1,093.9	\$1,068.3	+307%
\$\$ Diff (MM)		+\$174.5	+\$39.4	+\$249.2	+\$368.3	-\$25.5	
Total U.S. Annual Revenue (MM)	\$70,500	\$90,300	\$120,500	\$160,100	\$193,600	\$263,500	+274%
\$\$ Diff (MM)		+\$19,800	+\$30,200	+\$39,600	+\$33,500	+\$69,600	


Source: VAB analysis of Nielsen AdIntel, calendar years 2015 - 2020. TV spend includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, spot TV, and syndicated TV. U.S. TV spend only. Revenues are based on annual company filings (10-K) for United States revenue via SEC.gov (EDGAR). <https://www.statista.com/statistics/861060/total-number-of-households-amazon-prime-subscription-usa/>




By quickly pivoting to recognize a new consumer demand and driving SOV behind its relevant product, Microsoft Teams **established itself as the leading business communications platform**



- ▶ In total, Microsoft invested **\$172 MM in TV** to support Teams during calendar year 2020 (campaign launched in January)

 Microsoft Teams	10-Month COVID Time Period vs. Previous 10-Months			
	May '19 - Feb '20	Mar '20 - Dec '20	% Change	# Change
Total U.S. TV Spend	\$20.0 MM	\$152.4 MM	+661%	+\$132.4 MM
Avg. Monthly Unique Visitors	11.8 MM	32.3 MM	+173%	+20.4 MM
Time Period Cume Total Hours Spent	68.5 MM	379.1 MM	+453%	+310.6 MM

 slack	May '19 - Feb '20	Mar '20 - Dec '20	% Change	# Change
	Total U.S. TV Spend	N/A	\$0.5 MM	N/A
Avg. Monthly Unique Visitors	5.1 MM	4.9 MM	-6%	-0.3 MM
Time Period Cume Total Hours Spent	101.1 MM	49.3 MM	-51%	-51.7 MM

Source: VAB analysis of Nielsen AdIntel, calendar months of May 2019 - December 2020. TV spend includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, spot TV, and syndicated TV. U.S. TV spend only. VAB analysis of Comscore mediametrix multiplatform media trend data, total audience (Desktop P2+, Mobile 18+), May '19 - Dec '20 (calendar months)

What's important for marketers to know?

Although these brands enjoy significant awareness and deep pockets, the winning formula they applied to tackle their marketing challenges can be applied to many brands:

- Identify a consumer need.
- Invest in advertising behind it.
- Add the scale and immediacy of marketing elements like multiscreen TV.

Creators

Jason Wiese

SVP, Director of Strategic Insights
jasonw@thevab.com

Reed Kiely

Insights Manager
reedk@thevab.com

Discover more

Looking for more data, insights and takeaways?
Check out this related VAB content



The Halo Effect
TV as a Growth Engine



Direct Effect
Driving Intent For Emerging DTC Brands



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



What Is Audience-Based Buying?
Untangling and Simplifying Marketing Topics and Terms

VAB Members, brand marketers and agencies get free and immediate access to VAB's content library. Get access at [theVAB.com](https://thevab.com)

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.

We are committed to your business growth and proud to offer VAB members, brand marketers and agencies **complimentary access** to our continuously-growing Insights library. **Get immediate access** at theVAB.com.

