

THE HALO EFFECT

TV AS A GROWTH ENGINE

Research conducted with VAB

Answering Marketers' Questions:

How should I think about my TV investment? Is there a strategy that is proven to generate better outcomes?

effectv
A COMCAST COMPANY

VAB

Younger brands are investing more aggressively, prioritizing continuity and expanding their customer base, thus posing a challenge to category incumbents.

A common theme we observed between DTC and non-DTC brands is the aggressiveness with which younger brands entered the TV marketplace.

Building brand recognition and establishing legitimacy are crucial for younger brands who may have less awareness prior to their TV campaign launch.

As a result, to challenge the incumbents and establish themselves in a new category, today's younger brands are spending more aggressively and advertising more consistently. In doing so, they are increasing their share of voice and, in turn, driving greater market share.

Younger DTC brands spent significantly more, on average, than brands four years old and older. In addition to spending more in total during their TV campaigns, younger DTC brands also spent between 33% - 36% more than older brands in *each month* they were active on TV. They also had a consistent presence, i.e. more active months, during the four-year measurement period as they worked to establish top-of-mind consumer awareness.

DTC Brands' Average TV Activity

Four-Year Period: June 2016 – June 2020

	<u>Three Years Old or Younger</u>	<u>Between Four – Seven Years Old</u>	<u>Eight Years or Older</u>
Average Total TV Spend:	\$31.3 MM	\$22.8 MM	\$21.0 MM
Average Monthly TV Spend ('When On TV'):	\$1.8 MM	\$1.3 MM	\$1.3 MM
Average # of Active TV Months:	<u>18</u>	<u>14</u>	<u>13</u>

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, syndicated TV), Jun '16 – Jun '20 (calendar months).
 VAB analysis of Comscore mediametrix multiplatform (desktop + mobile) media trend data; P18+, Jun '16 – Jun '20 (calendar months).

Similarly, younger non-DTC brands invested in their TV campaigns at higher spending levels than the older brand segment as they looked to build product legitimacy and increase their share of voice. While there was practically no discernable difference in the number of active TV months between the two life stages during the measurement period, younger brands did spend almost 50% more than older brands during each month they were active on TV. This consistently higher investment level was a contributing factor to the greater lifts that brands within the younger life stage experienced.

Non-DTC Brands' Average TV Activity

Four-Year Period: June 2016 – June 2020

	<u>Under Twenty Years Old</u>	<u>Over Twenty Years Old</u>
Average Total TV Spend:	\$25,695,323	\$19,296,057
Average Monthly TV Spend ('When On TV'):	\$1,576,233	\$1,057,526

Marketer Takeaway:

By increasing share of voice, there is an opportunity for younger brands to steal market share from incumbent brands. Similarly, incumbent brands can protect themselves by maintaining spend and a continuous TV presence.

Related Questions

Additional marketer questions answered by *The Halo Effect: TV as a Growth Engine*

- ▶ *How long will it take to see impact from my TV investment, and does it matter if I'm a direct-to-consumer brand or not?*
- ▶ *How much impact have young, first-time advertisers seen from their TV campaigns?*
- ▶ *To what extent can a consistent on-air presence impact my business outcomes?*
- ▶ *If I can't afford to advertise my brand consistently on TV, is there a benefit to running a TV campaign*

About our Marketer's Guide

The Halo Effect: TV as a Growth Engine

As TV has become more accessible to brands earlier in their life stage through data informed strategies, it is important to consider when is the right time to use TV to take that next leap forward. Historically, brands have waited to invest in TV, however there has been a movement recently by brands towards investing earlier so it's important to understand the impact of this strategy shift.

To illustrate TV's influence on driving business outcomes and growth, [Effectv](#) and VAB developed [The Halo Effect: TV as a Growth Engine](#), an expansive analysis of hundreds of brands who have turned to TV as a way to drive their businesses forward.

You may find the full guide, inclusive of methodology, [here](#).