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2020

# Welcome to TV

## Introducing The 'New Kids On The Block'

Full Year 2019 Update



# Welcoming New Brands to National TV

Television is one of the **most effective** platforms for advertisers to **increase reach** and **drive consumers through the purchase funnel**. In a fragmented media landscape, TV provides brands at all life-stages and budget levels with a unified platform and, because of this, more and more **brands are entering the national TV marketplace** seeking growth among new and existing consumers.

In our previous quick-hitter, [\*Welcome to TV\*](#), we introduced a **diverse group of brands** who launched their first-ever national TV campaign during the first half of 2019. In this update, we **dive deeper** into the TV landscape and **welcome all brands** who launched a TV campaign nationally during the full year.

In 2019, **over \$840 million** was collectively invested in the national TV marketplace by **110+ brands** with **direct-to-consumer brands** accounting for **two-thirds** of the total.

Let's take a look at who these brands are and what some of them are saying about TV...

Over **\$840 million** entered the national TV marketplace in 2019 from **114** first-time national advertisers across **61** categories



Source: VAB analysis of Nielsen Ad Intel data, Q1'19-Q4'19. TV spend includes national cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV. Brands reflect those with national TV spend over \$100K.

# 35 brands spent over \$5 million on national TV across 25 different categories ranging from headphones to pharmaceuticals

▶ Advertisers spending over \$5 MM in national TV accounted for 31% of total new advertisers



Source: VAB analysis of Nielsen Ad Intel data, Q1'19-Q4'19. TV spend includes national cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV. Brands reflect those with national TV spend over \$100K. \*MM = millions.

# 40 brands spent between \$1 million - \$5 million on national TV across 32 different categories ranging from ice cream to alcohol

▶ Advertisers spending between \$1MM - \$5 MM in national TV accounted for 35% of total new advertisers



Source: VAB analysis of Nielsen Ad Intel data, Q1'19-Q4'19. TV spend includes national cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV. Brands reflect those with national TV spend over \$100K. \*MM = millions.

# 39 brands spent under \$1 million on national TV across 28 different categories ranging from honey to money (financial services)

▶ Advertisers spending under \$1MM in national TV accounted for 34% of total new advertisers



Source: VAB analysis of Nielsen Ad Intel data, Q1'19-Q4'19. TV spend includes national cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV. Brands reflect those with national TV spend over \$100K. \*MM = millions.

# Taking A Deeper Dive Into The New National TV Advertisers

What is the dominant segment?

When did they launch their campaign?

When does the most spending occur?

What life-stage were they in when they launched a national campaign?

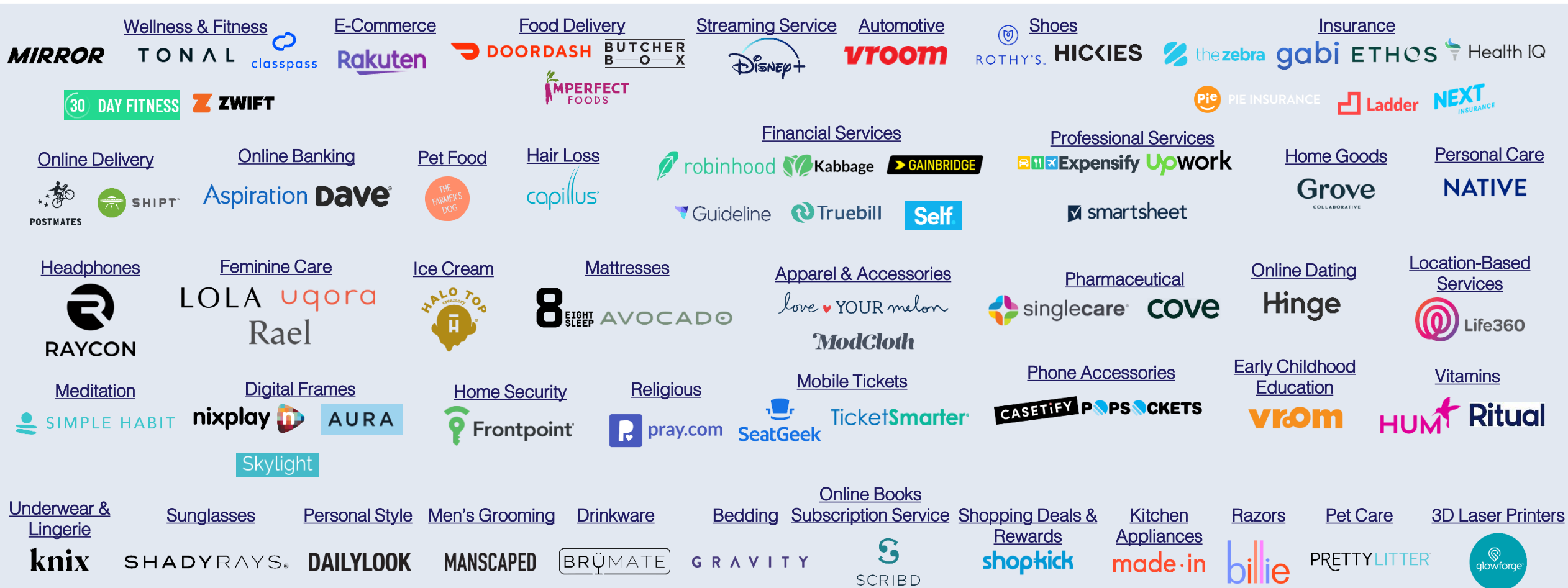
How have some of their media strategies evolved?

What are they saying about TV?



# Of the new advertisers, there were **75 Direct-to-Consumer brands** across **43 categories** who collectively spent **over \$510 million** in national TV

► DTC brands accounted for **66%** of total new advertisers and **61%** of total spend

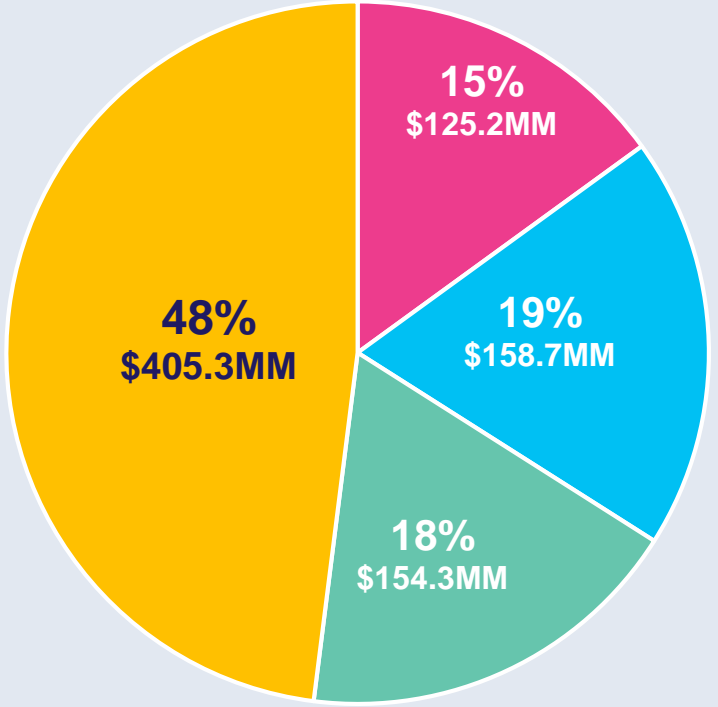


Source: VAB analysis of Nielsen Ad Intel data, Q1'19-Q4'19. TV spend includes national cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV. Brands reflect those with national TV spend over \$100k.

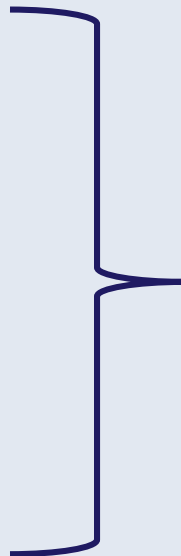
# Almost half of total new national TV spending was invested during the 4<sup>th</sup> quarter as 88% of all new advertisers were active during this time period

▶ With the start of a new year, the first quarter was the most popular time to launch a new campaign followed closely by fourth quarter; several new 1Q advertisers also increased their TV investment throughout their campaign after launch

## 2019 New Nat'l TV Advertisers Quarterly Spend



■ Q1 '19 ■ Q2 '19 ■ Q3 '19 ■ Q4 '19










| Quarter              | # of New Advertisers |
|----------------------|----------------------|
| Q1 '19               | 38                   |
| Q2 '19               | 11                   |
| Q3 '19               | 30                   |
| Q4 '19               | 35                   |
| <b>FY 2019 Total</b> | <b>114</b>           |

Source: VAB analysis of Nielsen Ad Intel data, Q1'19-Q4'19. TV spend includes national cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV. Brands reflect those with national TV spend over \$100k.

# Brands under 5 years old

Several new and emerging brands have launched campaigns on national TV to capitalize on its ability to drive brand awareness and recruit new customers

Sampling of New Nat'l TV Brands under 5 years old


| Brand  | Category              | Year Founded | TV Spend (\$\$\$) |
|--|-----------------------|--------------|-------------------|
|                   | Streaming             | 2019         | \$59,404.2        |
|                   | Alcoholic Beverages   | 2019         | \$3,649.9         |
|                   | Frozen Foods          | 2018         | \$2,016.5         |
| <b>G R A V I T Y</b>   | Bedding               | 2017         | \$502.0           |
|                   | Razors                | 2017         | \$232.8           |
| <b>MIRROR</b>  | Wellness & Fitness    | 2016         | \$97,654.7        |
|                   | Insurance             | 2016         | \$5,607.6         |
| <b>Dave</b> <sup>®</sup>   | Online Banking        | 2016         | \$3,742.8         |
| <b>MANSCAPED</b>   | Men's Grooming        | 2016         | \$668.7           |
|                   | Professional Services | 2015         | \$1,723.5         |
| <b>T O N A L</b>   | Wellness & Fitness    | 2015         | \$5,805.4         |
| <b>LOLA</b>  | Feminine Care         | 2015         | \$4,570.7         |
| <b>AVOCADO</b>  | Mattresses            | 2015         | \$745.3           |
| <b>BUTCHER</b><br><b>B O X</b>   | Food Delivery         | 2015         | \$649.1           |
| <b>Ritual</b>  | Vitamins              | 2015         | \$541.2           |

Source: VAB analysis of Nielsen Ad Intel data, Q1'19-Q4'19. TV spend includes national cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV. Brands reflect examples of those with national TV spend over \$100K that were founded within the last five years.

# Brands between 5-20 years old

More experienced brands turned to national TV to capitalize on its ability to strengthen consumer trust and build further emotional connections

## Sampling of New Nat'l TV Brands between 5-20 years old
















| Brand   | Category            | Year Founded | TV Spend (\$\$\$) |
|---|---------------------|--------------|-------------------|
|  SHIPT™                  | Online Delivery     | 2014         | \$2,851.7         |
|  THE FARMER'S DOG        | Pet Food            | 2014         | \$8,708.0         |
|  8 EIGHT SLEEP           | Mattresses          | 2014         | \$2,980.4         |
|  Rakuten                 | E-Commerce          | 2013         | \$92,673.1        |
|  DOORDASH                | Food Delivery       | 2013         | \$60,325.8        |
|  vroom                   | Automotive          | 2013         | \$18,640.2        |
|  classpass               | Wellness & Fitness  | 2013         | \$1,091.7         |
|  robinhood               | Financial Services  | 2013         | \$6,953.2         |
|  N°7                     | Cosmetics           | 2012         | \$11,098.7        |
|  the zebra               | Insurance           | 2012         | \$14,199.5        |
|  ROTHY'S.                | Shoes               | 2012         | \$16,462.5        |
|  HALO TOP               | Ice Cream           | 2012         | \$3,812.9         |
|  Hinge                 | Online Dating       | 2012         | \$2,240.7         |
|  SeatGeek              | Mobile Tickets      | 2009         | \$1,059.3         |
|  AVIATION AMERICAN GIN | Alcoholic Beverages | 2006         | \$171.3           |

Source: VAB analysis of Nielsen Ad Intel data, Q1'19-Q4'19. TV spend includes national cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV. Brands reflect examples of those with national TV spend over \$100K that were founded between 2000 and 2014.

# Brands founded pre-2000

Even brands that have been in existence for decades have recently sought the benefits that come with a national TV campaign through wider exposure and the ability to capture consumer attention with their messaging

## Sampling of New Nat'l TV Brands founded Pre-2000

| Brand  | Category               | Year Founded | TV Spend (\$\$\$) |
|--|------------------------|--------------|-------------------|
|  <b>+essentia</b><br>hydration perfected                  | Bottled Water          | 1998         | \$8,751.6         |
|  <b>tropical CAFE</b><br>SMOOTHIE                         | Fast Casual Restaurant | 1997         | \$238.8           |
|  <b>Neurocrine</b><br>BIOSCIENCES                          | Pharmaceutical         | 1992         | \$20,264.7        |
|  <b>Silver Sneakers</b><br>By Silver Health               | Wellness & Fitness     | 1992         | \$3,724.4         |
|  <b>RAO'S HOMEMADE</b><br>— DELICIOUS SPEAKS FOR ITSELF — | Sauces                 | 1992         | \$2,333.1         |
|  <b>ILUMYA</b><br>tildrakizumab-asmn                      | Pharmaceutical         | 1983         | \$77,631.9        |
|  <b>CREATIVE PLANNING</b>                                  | Financial Services     | 1983         | \$20,086.9        |
|  <b>Boston Scientific</b>                                 | Medical Devices        | 1979         | \$7,056.7         |
|  <b>LIGHTLIFE</b>   | Plant-Based Food       | 1979         | \$6,137.6         |
|  <b>MARCO'S</b><br>PIZZERIA                               | Pizza                  | 1978         | \$20,400.4        |
|  <b>RE-BATH</b>   | Kitchens & Bath        | 1978         | \$2,390.2         |
|  <b>Golf Digest</b>                                      | Publications           | 1950         | \$1,044.8         |
|  <b>ADP</b>   | Professional Services  | 1949         | \$11,331.6        |
|  <b>Capital Group</b><br>Companies                      | Financial Services     | 1931         | \$5,943.8         |
|  <b>SUGAR HONEY</b><br>EST. 1921                        | Honey                  | 1921         | \$428.0           |

Source: VAB analysis of Nielsen Ad Intel data, Q1'19-Q4'19. TV spend includes national cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV. Brands reflect examples of those with national TV spend over \$100K that were founded prior to the year 2000.

# In terms of media buying strategies, several new national TV advertisers peeled back their existing local TV presence while others went ‘big’ with a launch that included local market coverage

## Evolving Buying Strategies: Local TV Spenders Who Expanded Into National TV During 2019



**Speedway** tested national TV with a \$1MM campaign while increasing their total local TV spend by 14% across slightly fewer markets



**Re-Bath** heaved-up in national TV while keeping their spot TV investment and market penetration fairly flat



**Marcos Pizza** went ‘national’ by peeling back their local TV almost entirely and investing heavily into national TV (\$20MM)



**Doordash** entered the overall TV marketplace with a \$60MM national campaign and a \$11MM spot TV overlay in key markets



**Boston Scientific** re-allocated most of their local TV spend and additional dollars to a \$7MM national campaign



**Vroom** went heavy into national TV with a \$19MM campaign while peeling back their two-market spot TV buy by almost \$3MM































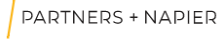











**POSTMATES**

**Postmates** also entered the overall TV marketplace with a \$13MM national campaign and a \$3MM spot TV overlay in key markets

Source: VAB analysis of Nielsen Ad Intel data, 2013-2019. TV spend includes spot TV only. MM = millions.

# Many first-time national TV advertisers made industry headlines in 2019 when they launched their TV campaigns...

|   |   |  |  |   |  |   |   |   |  |
|---|---|--|--|---|--|---|---|---|--|
|  <b>MediaPost</b><br><b>First TV Campaign For SilverSneakers</b><br>(January 3, 2019) |  <b>SilverSneakers</b><br><b>First TV Campaign For SilverSneakers</b><br>(January 3, 2019)                                     |  <b>RESTAURANT DIVE</b> |  <b>DOORDASH</b><br><b>DoorDash hits the airwaves with first national ad campaign</b><br>(January 14, 2019)   |  <b>MediaPost</b>    |  <b>Kabbage</b><br><b>Finance Company Kabbage Kicks Off First TV Campaign</b><br>(January 18, 2019)   |  <b>MediaPost</b>          |  <b>Rakuten</b><br><b>Rakuten Campaign Kicks Off North American Debut</b><br>(February 12, 2019)   |  <b>BUSINESS INSIDER</b> |  <b>HALO TOP</b><br><b>Ice-cream brand Halo Top grew up on the internet. Here's why it's launching its first national TV campaign.</b><br>(March 5, 2019) |
|  <b>FiercePharma</b>  |  <b>ILUMYA</b><br><b>Sun Pharma joins supercrowded next-generation psoriasis treatments on TV airwaves</b><br>(March 11, 2019) |  <b>ADWEEK</b>          |  <b>ROTHY'S</b><br><b>Rothy's Is the Latest DTC Brand to Launch a National TV Campaign With Its Fun Female-Focused Spots</b><br>(March 11, 2019)        |  <b>AdAge</b>         |  <b>PERONI ITALIA</b><br><b>PERONI'S FIRST NATIONAL CAMPAIGN DOES 'BIRRA BEAUTIFULLY'</b><br>(March 15, 2019)                                 |  <b>SPORTS ILLUSTRATED</b> |  <b>SeatGeek</b><br><b>SeatGeek This Week Debuting First National TV Ad Campaign</b><br>(April 2, 2019)  |  <b>Bloomberg</b>        |  <b>essentia</b><br><b>Essentia Water Launches New Integrated Marketing Campaign "It Might As Well Be You"</b><br>(April 8, 2019)                         |
|  <b>The Drum</b>  |  <b>POSTMATES</b><br><b>Postmates teams with Martha Stewart for its first national TV campaign</b><br>(May 23, 2019)           |  <b>MARKETS INSIDER</b> |  <b>SIMPLE HABIT</b><br><b>Simple Habit Launches First Television Ad Campaign to Transform How Busy People Think About Self-Care</b><br>(July 29, 2019) |  <b>ModernRetail</b> |  <b>8 EIGHT SLEEP</b><br><b>Mattress brand Eight Sleep used a new product launch to reduce its dependence on Facebook</b><br>(August 5, 2019) |  <b>CISION</b>             |  <b>CAPITAL GROUP</b><br><b>Capital Group launches first brand campaign in 87-year history</b><br>(September 3, 2019)  |  <b>businesswire</b>     |  <b>shopkick</b><br><b>Shopkick Launches Television Advertising Campaign with Minneapolis-Based Agency Marketing Architects</b><br>(October 1, 2019)      |
|  <b>PARTNERS + NAPIER</b>   |  <b>Instant Pot</b><br><b>Instant Pot® Launches First National Ad Campaign With Partners + Napier</b><br>(October 8, 2019)   |  <b>businesswire</b>  |  <b>love YOUR melon</b><br><b>Love Your Melon Brand Launches National TV Ad Campaign</b><br>(October 30, 2019)                                       |  <b>CISION</b>     |  <b>PIE INSURANCE</b><br><b>Pie Insurance Launches First TV Campaign</b><br>(November 12, 2019)   |  <b>ADWEEK</b>           |  <b>AVIATION AMERICAN GIN</b><br><b>Ryan Reynolds Sneaks an Aviation Gin Ad Into a Samsung Ad</b><br>It's the turducken of TV advertising<br>(November 20, 2019) |  <b>KANTAR</b>         |  <b>robinhood</b><br><b>Robinhood Takes Aim at Advertising, Ranks Among the Top Investment Companies in 2019</b><br>(February 14, 2020)                 |

# ...And marketers from first-time TV advertisers are championing the growth opportunities available through national 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)



*"We've reached a certain saturation point where it makes sense to do more traditional marketing. We know that TV is a great way to expand our presence with a broader audience, who aren't necessarily that engaged digitally."*

Justin Woolverton, CEO, *Halo Top*  
(Business Insider, 3/5/19)



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)



*"It's a dramatic increase in investment for the brand." – On their media buy covering programming on ABC, NBC, Travel Channel, FX, Bravo, E!, Food Network, TLC, Comedy Central, TBS and more.*

Paul Verdu, VP of Sales & Marketing,  
*Peroni*  
(Ad Age, 3/15/19)



*"Television offers the opportunity to expand awareness of the app and its success to even more users, supporting Shopkick's growth goals," said Eric Pilhofer, VP Creative at Marketing Architects. "We've seen a tremendous opportunity for TV advertising to reach large numbers of Shopkick's core target audience, and are excited to see how this – and future – campaigns will provide value to the app."*

Eric Pilhofer, VP at Marketing Architects,  
(in partnership with *Shopkick*)  
(AdWeek, 10/1/19)



*"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)

# Key takeaways about the new advertisers who entered the national TV marketplace in 2019

## The Accessibility & Inclusiveness of National TV



### Diversity of Budget Levels

Out of **114** first-time national TV brand advertisers:

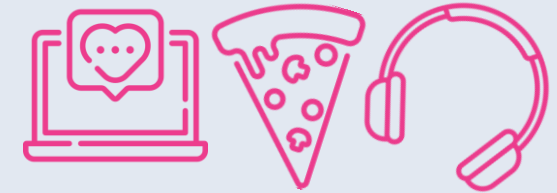
- **31%** invested over **\$5MM**
- **35%** invested between **\$1MM - \$5MM**
- **34%** invested under **\$1MM**



### Diversity of Brand Life-stages

Out of **114** first-time national TV brand advertisers:

- **39%** are **under five years old**
- **46%** are **between 5-20 years old**
- **15%** were **founded before 2000**



### Diversity of Categories

The 114 first-time national TV advertisers can be found across **61 different categories** including headphones, pizza, pharmaceuticals, plant-based food, sports betting, ice cream, snacks, auto, sauces, online dating, food delivery, insurance, financial services and more

# Creators



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