THE HALO EFFECT

TV AS A GROWTH ENGINE

Research conducted with VAB

effectv
A COMCAST COMPANY

VAB

EXECUTIVE SUMMARY

TV is the ultimate marketing vehicle for brands to convey their identity, appeal and unique position in the marketplace. 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 by life stage, Effectv and VAB took on an expansive analysis of hundreds of brands (both DTC and non-DTC) who have turned to TV as a way to drive their businesses forward. To further illustrate our point, the paper also features case studies from Effectv and Forecast Labs, part of Comcast Ventures.

Some key findings:

1

Both DTC and non-DTC brands across all life stages saw an immediate double-digit increase in unique visitors to their digital platforms during their TV launch month

2

Younger brands (three years or less) see the largest impact of TV as they are establishing their story and identity in market

3

The longer that younger DTC brands are active on-air, the higher their digital engagement as additional consumers are exposed to the brand and messaging

4

Younger non-DTC brands are aggressive, investing more and advertising consistently as they challenge category incumbents

5

Older non-DTC brands typically launch with a strong investment and then level off, using their entrenched awareness to drive results

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INTRODUCTION

When it comes to advertising, brands have historically developed a foundation with media such as radio, out-of-home, social and digital platforms over time first before steadily, but slowly, building towards the implementation of a TV campaign. In fact, until recently, even most direct-to-consumer brands who typically defy convention have followed this playbook. Only five years ago in 2016, the top 20 direct-to-consumer (DTC) TV spenders — brands like Wayfair, Ancestry, Chewy, Home Advisor and Zillow — had taken an average of eight years after their brand launch to implement their first TV campaign.

For a variety of reasons, TV is often considered too expensive or inaccessible for emerging brands or businesses that are taking a more conservative or digitally-centric marketing approach. In times of economic uncertainty, this is especially relevant, but it can also be an opportunity to shift a brand's media mix as well as reach new audiences to drive growth in the face of macro-challenges.

Over the last few years, several savvy marketers have upended traditional norms and accelerated their path to TV. By fast-tracking their use of TV, these brands have re-imagined the role TV plays in their growth. These marketers are primarily in the direct-to-consumer category and represent some of America's fastest growing, and youngest, brands that play essential roles in many consumers' lives.

Even prior to the pandemic, two-thirds of internet users expected that at least 20% of their total purchases would be through DTC brands within the next five years according to a YouGov survey. These brands also account for a majority of new TV spenders today, in fact, 66% of new national TV advertisers in 2019 were DTC companies.*

There are also great examples of non-DTC brands and more mature businesses turning to or doubling down on TV to create growth opportunities for their businesses, whether at the local or national level. TV can drive mass brand or product awareness through its reach, it can inform specific market segments and geographies about different or new offerings and it can drive action with audience-based tactics. In short, TV can drive growth for businesses at all levels of maturity and across all marketing goals.

TV can also be a legitimizer for new brands, bringing swift credibility and scale, as well as fast-tracking brands to become household names much more quickly than those confined to digital channels. TV, while more affordable and more sophisticated than many marketers think, is seen as the pinnacle of advertising channels by consumers, which in turn brings prestige and respect for the brand's image and offerings.

This paper, a partnership between Effectv and VAB, explores the halo effect that TV investment can create for overall business health, its importance as both a driver and complement to other marketing channels, and the various motivating factors for utilizing TV as a growth engine for brands, whatever their life stage.

*Source: VAB "Welcome To TV: Introducing the New Kids On The Block" – Full Year 2019 Update.

7 REASONS BRANDS ARE ACCELERATING THEIR PATH TO TV

As businesses, consumers and media evolve through digitalization, and everything from product development cycles to go-to-market strategies shorten, marketers are looking to capitalize on the key benefits of TV earlier in their brand's life stage. These key benefits include:

1 **Availability & Accessibility:** greater product availability creates greater TV accessibility — the digitization of supply chains, growth of ecommerce and simplified user experiences has rapidly expanded consumer access to products enabling brands to seek out the scale opportunities of TV, both on the national and local level, sooner in their life stage.

2 **Legitimizer:** creates, builds and enhances brand reputation while legitimizing their product or service offerings through the connection with premium video programming and association with other brand name advertisers within a commercial pod. This develops "fame" and elevates perceptions through adjacencies which can turn a brand into a household name.

3 **Targetability:** the continued expansion and evolution of scalable data-driven targeting solutions including addressable TV, video-on-demand and data-enabled linear TV create efficiency and limit wastage. Programmatic activations also enable greater extensions into cross-screen platform opportunities, such as Connected TV.

4 **Full-Funnel Outcomes:** through greater measurement and enhanced attribution capabilities, TV has shown its ability to drive brand results beyond upper funnel metrics like awareness to consideration, intent and sales.

5 **Inclusivity:** Enhanced targeting capabilities through advanced TV solutions creates audience efficiencies which lowers the traditional cost of entry. As such, business outcomes can be driven at all levels of TV investment, including brands that start with an initial test campaign then quickly scale up their spend.

6 **Storytelling:** the sight, sound and motion opportunities of a 15/30/60-second ad on the biggest screen available in the home can convey brand identity better than any other medium and it enables advertisers to engage the hearts and minds of consumers which further humanizes the brand and what it stands for.

7 **Halo Effect:** TV significantly improves the performance and ROI of all other digital channels such as paid search, display and digital video as well as a brand's online platforms. By fueling awareness and other brand equity, as well as reinforcing calls to action, TV creates cost efficiency and effectiveness for other media touchpoints.

RESEARCH METHODOLOGY

To illustrate the varying brand outcomes delivered across different life stage segments, Effectv and VAB partnered on a comprehensive analysis of brands at various life stages, with a special (but not exclusive) focus on DTC brands. The research combined an in-depth exploration of 200 brands that ran TV activity in the last four years and include some case studies of brands that ran on the Effectv footprint, as well as more broadly on TV.

For the main analysis, the average monthly unique website visitors were recorded in relation to the TV campaign launches for 190 new TV advertisers. Since the life stages varied significantly (DTC brand average: 6 years old; non-DTC brand average: 38 years old), the 190 new TV advertisers were broken into two groups: DTC brands and non-DTC brands. The analysis encompasses over 35 categories over a four-year period (June 2016 – June 2020).

For both the DTC and non-DTC brands, the analysis of unique website traffic, and corresponding monthly TV spend, represents four distinct time intervals:

- Three-month average prior to the TV campaign
- TV launch month
- Monthly average "when on TV"
- Monthly average from launch through the end of the measurement period

This last time interval is instrumental in understanding the halo effect created by TV advertising after launch during the months when a brand is not actively advertising on TV.

Independent, third-party syndicated research was applied to conduct this analysis, utilizing Nielsen Ad Intel for measured TV occurrence data (national cable TV, national broadcast TV, Spanish-language cable TV, Spanish-language broadcast TV, spot TV, syndicated TV) to understand when brands launched their TV campaigns, their active TV flight months and their estimated investment levels. Then the monthly unique website visitors were analyzed for the appropriate brands through Comscore Media Metrix media trend multi-platform data to develop the comparisons and results you will see throughout this analysis.

In recognition of the accelerated path some marketers are taking to TV, this analysis focuses on the digital traffic lifts seen by first time TV advertisers, who are predominately challenger brands within their respective category, across brand life stage segmentations. **Although direct-to-consumer comprise the majority of brands due to the availability of measurable third-party online data; with over 25 categories represented, these findings are believed to be applicable to the majority of brands and advertisers both nationally and locally.**

As further validation, VAB has separately developed sixteen analyses over the last six years highlighting the business successes that brands of all life stages and investment levels across categories have achieved through their TV investment.

The case studies featured throughout show how a variety of brands across different industries used TV investment to drive growth for their businesses. Some had a rich history with TV, others are relatively new to using the medium, but all saw significant gains from using the sight, sound and motion of TV advertising to convey their message at a critical time. Where the case studies are signified by the blue color, they are in partnership with Forecast Labs, which is part of Comcast Ventures, and are based on TVSquared analytics. TVSquared measures initial lifts in baseline traffic, where and when the TV ad airs, within a 10 minute window and conversions within a window of up to 28 days. Note that this analysis only captures those initial visitor spikes (versus organic and baseline growth from TV and other marketing channels) and no longer-term visitor effect of that advertising exposure.

Ultimately, this analysis looks to answer the following questions:

01

How does TV impact growth strategies for brands and other marketing channels?

02

Do brands that launch their first TV campaign earlier in their life stage see a greater impact on their digital performance than more established brands?

DIRECT-TO-CONSUMER BRAND LIFE STAGE ANALYSIS

EVOLVING THE DTC ADVERTISING PLAYBOOK

DTC brands typically establish their customer base through social media and other digital channels, but to grow beyond their initial loyal, niche consumers they must add platforms that provide a broader audience for increased penetration. TV, with its broad reach and increased targeting capabilities, can provide an accelerated timeline to that evolution and growth trajectory. Additionally, according to research conducted by MediaScience for Effectv's "The Halo Effect: Digital Loves TV" paper, television is used to legitimize a brand as it increases trust, recall and purchase intent compared to a digital campaign alone.

Typical Direct-to-Consumer Brand Advertising Evolution

DTC Brand Maturity

Social Media

Sampling of brands that are primarily advertising in this channel

Podcasts, Out-of-Home, Satellite Radio

Sampling of brands that have added these channels to their media mix

Multiscreen TV

Sampling of brands that have layered TV onto their media mix

In the past, the journey from a DTC brand's first social media buy to their initial TV investment would take eight years on average.

However, even before the onset of the COVID-19 pandemic, DTC brands have been accelerating their advertising journey to TV over the last few years.

To understand business impact by life stage, the 140 direct-to-consumer brands analyzed in over 25 categories were divided among three segmentations that represent the time between brand introduction and TV launch:

• Three years old or younger:	40 brands
• Between four and seven years old:	60 brands
• Eight years or older:	40 brands

The early movers to TV, those that were three years old or younger when they launched their first TV campaign, represent a diverse mix of categories such as apparel & accessories, financial services, personal care, travel, pet care, health & wellness and streaming services and include brands such as Purple, Roman, Tecovas, Dave, Hubble, Keeps, Zelle and Wag!

BRANDS ACROSS ALL LIFE STAGES SEE STRONG RESULTS FROM TV, PARTICULARLY YOUNGER BRANDS

"We see the benefits of using TV early... it's a channel that enables you to tell a story."

– Steven Gutentag, Co-Founder, Keeps*

Brands that advertise on television see immediate results, regardless of life stage. The average brand within each life stage saw an immediate double-digit increase in unique visitors to their digital platforms during their TV launch month compared to the three-month average prior to campaign.

However, brands three years old or younger saw the largest lift – almost a one-quarter increase (+23%) in average website traffic within the launch month alone. It's important to keep in mind as we mentioned earlier in the "DTC Advertising Playbook" section that, by the nature of their business model, these direct-to-consumer brands have had a digital presence since near inception and have been advertising on digital platforms, especially social media, well before their entrance into TV so these increases are in the context of existing digital advertising preceding the launch of a TV campaign.

These results show how the addition of TV enhances advertisers' media mixes through scale and the ability to immediately bring potential new customers through the front door of a brand's digital storefront. Extending to TV also piques the curiosity of consumers who may not have been exposed to the brand earlier through other channels.

TV Launch Month vs. Three-Month Average Prior To TV

Average Website Unique Visitors

	Three Years Old or Younger	Between Four – Seven Years Old	Eight Years or Older
Unique Visitors % increase:	+23%	+19%	+10%
Unique Visitors increase:	+137K	+370K	+329K

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).

*Source: (Digiday, 1/22/19).

SUSTAINED PRESENCE ON TV DRIVES GREATER LIFTS FOR YOUNGER BRANDS

As these DTC brands continued advertising, younger brands saw even greater lifts in digital conversion compared to brands in older life stages.

Website traffic during months with TV advertising was more than double (+138%) pre-launch as additional consumers saw the TV campaign and message frequency increased among those already exposed to the advertising. The continued advertising created brand salience – top of mind awareness that creates a propensity of a brand to be thought of in buying situations - among consumers especially for the fresh, newer brands that were three years old or younger. This triple-digit increase equates to an average of over 800K more visitors to these younger brands' digital platforms each month they were airing on TV compared to pre-TV launch norms.

"When On TV" Monthly Average vs. Three-Month Average Prior To TV

Average Website Unique Visitors

	Three Years Old or Younger	Between Four – Seven Years Old	Eight Years or Older
Unique Visitors % increase:	+138%	+72%	+23%
Unique Visitors increase:	+811K	+1,383K	+803K

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).

BUILDING A BRAND THROUGH TV INVESTMENT

"Television is definitely a growing channel for us. There is something physical about TV... Something physical that someone touches. In some ways, it's just more real."

– Heidi Zak, Co-Founder & CEO, ThirdLove*

To challenge the incumbents and establish themselves in a new category, today's younger brands are spending more aggressively and advertising more consistently, resulting in a greater return on their investment.

Building brand recognition and establishing legitimacy is crucial for younger brands who may have less awareness prior to their TV campaign launch. According to recently published research from Thinkbox, brands that advertised on TV were significantly more likely to be perceived as financially strong, high quality, confident, trustworthy, popular and successful.

As a new set of consumers are exposed to the freshness and 'newness' of younger brands through their TV messaging, higher investment levels contribute to the greater lifts that brands in this life stage experienced. Younger brands typically entered the TV marketplace more aggressively than older brands as they try to establish their name and reputation, capture positive consumer perception, and increase their share of voice to grow market share.

In addition to spending more in total during their TV campaigns, younger brands also spent between 33% - 36% more than older brands in each month they were active on TV and 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

	Three Years Old or Younger	Between Four – Seven Years Old	Eight Years or Older
Average Total TV Spend:	$31,296,201	$22,806,082	$21,031,933
Average Monthly TV Spend ("When On TV"):	$1,794,904	$1,348,734	$1,319,950
Average # of Active TV Months:	**18**	**14**	**13**

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).

*Source: (Digiday, 1/22/19).

CASE STUDY

DTC HOME FURNISHINGS BRAND

TV INVESTMENT LAUNCHES COMPANY AND REVENUE TRAJECTORY

Brand
Home Furnishings

Founded	TV Launch Date	% Traffic Growth from TV	% Conversion Growth from TV
Jul-20	Jul-20	**100%**	**100%**

This home goods brand launched in July 2020 and their growth marketing strategy from inception was to use TV as the vehicle to establish their brand and offering. Launching amidst the pandemic, they used a 100% TV advertising strategy to launch the brand by reaching a broad audience with efficiency as well as finding target audiences who were spending more time at home and looking for ways to enhance their living space.
This bet on TV paid off: within months, they have already established a
$1.5M+ annual revenue run rate from a standing start.

TV INVESTMENT, POST-LAUNCH

"For Peloton, television continues to outperform most of our other marketing opportunities on a dollar for dollar basis so it's great for the brand, it's great for the bottom line."

– John Foley, Founder & CEO, Peloton*

(Not included within this analysis because they began airing on TV prior to our measurement period, Peloton represents another highly successful brand that launched their first TV activity early in their life stage).

Across all life stages, these performance obsessed brands reinvested in television, demonstrating their initial outlay produced positive business outcomes. Brands greatly increased their average monthly TV investment after their launch month, a strong indication of the immediate successes experienced with the launch of their initial TV activity and a validation of TV as a performance-driving media.

More specifically, younger brands increased their post-launch investments significantly which aligns with the greater impact seen in the growth of their monthly website unique visitors.

Separately, it's important to understand that this chart reflects average TV spending within each life stage and that business outcomes were realized across a range of initial investment levels including advertisers that spent in the five to six figure range at launch. TV is an inclusive medium for advertisers that can be ratcheted up from initially modest investment levels. It offers both scale and targeted solutions that drive results for all kinds of brands, both local and national.

DTC Brands' Average TV Spend: Launch vs. Post-Launch
Four-Year Period: June 2016 – June 2020

	Three Years Old or Younger	Between Four – Seven Years Old	Eight Years or Older
Average TV Launch Month:	$1,032,954	$929,852	$972,520
Average Monthly TV Spend ("When On TV" After Launch Month):	$1,835,869	$1,390,291	$1,165,738
Average % Difference:	**+78%**	**+50%**	**+20%**

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).

*Source: VAB "Founders Campaign" TV spot, May 2019.

CASE STUDY

DTC HOME INSURANCE BRAND

BRAND INVESTS IN TV AFTER 3 YEARS, DRIVING EXPONENTIAL GROWTH

Brand
Home Insurance

Founded	TV Launch Date	% Traffic Growth from TV	% Conversion Growth from TV
Oct-15	Sep-18	**71%**	**120%**

This DTC home insurance brand decided to invest in TV almost 3 years after launch and the results were dramatic, illustrating the impact TV can have early on in a brand's existence. TV activity was attributed to an increase of 71% in website traffic and 120% increase in conversions. It was the catalyst that gave the business a step change as they entered into a new phase of growth.

Additional Investment Spending Insights Beyond Life Stages: Scaling Up from Limited Budgets & Test Campaigns

"When we started with television, it was just an experiment, we always have a part of our budget that's set aside to try new things and we didn't know how big it could be. Very quickly it actually ended up being the biggest portion of our marketing spend."

– Jerry Hum, Co-Founder & CEO, Touch of Modern*

Many brands who initially launch TV as a test campaign quickly scale up their investment upon seeing positive results so they can drive an even larger flow of curious consumers to their digital storefront.

Within this DTC analysis, we identified 35 brands across life stages who began their TV campaign with a limited budget then significantly scaled up their investment in the following months. As campaigns continued across months, exposure grew, reach expanded and brands were able to bring more and more people to their digital front door.

On average, these brands welcomed over one million additional new customers each month when airing on TV versus the three-month average prior to their TV campaign.

Brands That Increased Their TV Investment Significantly After Launch
Average Website Unique Visitors vs. Three-Month Average Prior To TV

	TV Launch Month	"When On TV" Monthly Average
Unique Visitors % increase:	+15%	+80%
Unique Visitors increase:	+225K	+1,217K

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). Reflects brands who more than doubled their average spend in active months post-launch.

*Source: VAB "Founders Campaign" TV spot, May 2019.

CASE STUDY

BLUELAND

AN EARLY ADOPTER OF TV, TESTING, LEARNING AND THEN OPTIMIZING ESTABLISHED AWARENESS AND ENGAGEMENT

Brand
Blueland (CPG, Household Products)

Founded	TV Launch Date	% Traffic Growth from TV	% Conversion Growth from TV
Sep-18	Dec-19	**65%**	**77%**

Featured on the entrepreneurial TV show Shark Tank, this cleaning brand that emphasizes the importance of environmental impact, saw the value of television from the start. They ran TV spots after testing different creative executions in several geographic areas and then scaled nationally. This TV activity resulted in 65% growth in website traffic and 77% growth in conversions.

"We saw that investing in TV early on in our brand's life stage was a great way to communicate our brand and raise awareness with a national audience in an efficient way. It has also had the added benefit of amplifying our other marketing efforts to accelerate the growth of our business."

– **Gina Pak,** Founding Member & Head of Marketing

THE HALO EFFECT OF TV ON WEBSITE VISITATIONS

TV campaigns also create a distinct halo effect, especially for younger brands, during the months when they are not airing on TV. Younger brands, who invested more heavily in their campaigns on a monthly basis, continued to see greater spikes in their website visitors in "off" months after their TV launch versus their pre-launch norms.

Studies have shown that the full impact of advertising's effect is not seen immediately as sales can be spread across hours, days, weeks, months and even years. Because of this, the impact of TV has historically not been assigned its proper value within attribution models.

Share of Sales Impact by Timeframe

Hours / Days	Weeks / Months	Months / Years
18%	42%	100%
(via digital attribution)	(via marketing mix modeling)	(via brand equity modeling)

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

Source: Ebiquity, 'Advertising Through a Recession,' April 2020.

Therefore, strong TV investment with relevant and memorable creative messaging builds a sense of mental availability for brands among consumers which is acted on even in months when they are not advertising on TV. This is in addition to the consumers that have already entered a brand's digital storefront in previous months during the campaign and have now become habitual purchasers of the brand online.

"When Not On Air" After TV Launch
Monthly Average vs. Three-Month Average Prior To TV
Average Website Unique Visitors

	Three Years Old or Younger	Between Four – Seven Years Old	Eight Years or Older
Unique Visitors % increase:	+81%	+67%	+6%
Unique Visitors increase:	+470K	+1,174K	+211K

*Excludes brands that were not off-air for any months after TV launch. 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).

However, it is no surprise that monthly website visitors do experience a slight decline when brands go off the air. The older brands, with a presumably higher base of entrenched customers, saw the smallest fall off (-6% for brands between 4-7 years old; -8% for brands eight years or older) while the younger brands, who are still establishing themselves across new sets of consumers, saw almost a 20% drop off. Therefore, an "always on" (or at least consistent) TV strategy can aid brands in continuously fueling their consumer purchasing pipeline.

The halo effect of TV extends to digital advertising and improves performance of that channel as well. According to research conducted by MediaScience featured in "The Halo Effect: Digital Loves TV", brand recall more than doubled when a digital ad is accompanied by a TV ad for the same brand. Additionally, there was a 15% lift in purchase intent when ads aired on TV plus digital compared to digital alone.

DEEPER DIVES INTO KEY CATEGORIES

HEALTH/WELLNESS & PERSONAL CARE

Included in our analysis were 20 brands within categories such as health & wellness (ex. Aaptiv, noom), meditation (ex. Simple Habit, Calm), eyewear (ex. Hubble, Eyeconic) and personal care (ex. hims, Keeps) which collectively represent some of the highest performers across all life stages due to their investment levels and relevancy to consumers, especially as the country entered the COVID-19 pandemic. Although this analysis is reflective of a four-year time period, several brands continued seeing lifts through the beginning of the pandemic in 2Q '20.

While TV campaigns performed very well across all life stages, the younger brands saw staggering results with website unique visitors tripling in months they were on TV versus their pre-launch monthly norms.

Average Website Unique Visitors: "When on TV" Monthly Avg vs. Three-Month Avg. Prior To TV

- Three years old or younger: +373%
- Between four and seven years old: +84%
- Eight years or older: +96%

CASE STUDY

NURX (TELEMEDICINE)

TV CREATES SIGNIFICANT MARKETING EFFICIENCY IN CUSTOMER ACQUISITION ACROSS ALL CHANNELS

Brand
Nurx (Telemedicine)

Founded	TV Launch Date	% Traffic Growth from TV	% Conversion Growth from TV
Dec-15	Oct-19	**20%**	**20%**

When they launched on TV in 2019 after 4 years of existence, this telemedicine brand found that not only was it an efficient way to drive customer engagement, but that it also made their digital channels more cost-effective. They initially saw their overall new customer acquisition costs drop by 25%, and it reduced further to 50% of its pre-TV levels. TV helped to reach a broader audience and prompt increased responses to their digital advertising: investment in social media properties saw an increase in efficiency, with Facebook now at 60% of its original pre-TV acquisition cost levels and holding steady.

CASE STUDY

FabFitFun

ESTABLISHED BRAND USES TV TO DRIVE NEXT-LEVEL GROWTH OF CUSTOMER ACTIVITY

Brand
FabFitFun (Beauty and Wellness)

Founded	TV Launch Date	% Traffic Growth from TV	% Conversion Growth from TV
Mar-10	Sep-19	**8%**	**12%**

This fitness and wellness brand has been around for a decade and used digital marketing to drive engagement and subscriptions. In September '19, it took the step of investing in a TV campaign, resulting in single digit growth of traffic on an already well-established website, and double digit growth in conversions.

"Prior to our TV investment in 2019, we relied on digital channels to drive awareness as well as customer acquisition and it worked well. We have seen our TV advertising drive a new level of website and customer activity through its broad reach but also precision of finding our target audience."

– Rachael Tann, Head of Acquisition Marketing

ONLINE DELIVERY SERVICES & MEAL KIT SUBSCRIPTIONS

Online delivery (ex. DoorDash, Postmates) and meal subscriptions (ex. Sun Basket, Daily Harvest) were additional categories where brands benefited greatly from their TV investment. The category skews younger in terms of the eight brands included in the analysis with only the youngest two life stage segmentations reflected, but the impact was very similar to what was experienced in the health/wellness and personal care categories.

Average Website Unique Visitors: "When on TV" Monthly Avg. vs. Three-Month Avg Prior To TV

- Three years old or younger: +368%
- Between four and seven years old: +84%

HOME GOODS & SERVICES

There were 12 home brands (ex. Puls, Purple, Article, Modsy) across life stages within categories such as home goods, services, mattresses and home furnishings. Brands three years old or younger experienced triple-digit lifts in their average website visitors in the months they were airing on TV, in line with the outcomes seen within the overall analysis:

Average Website Unique Visitors: "When on TV" Monthly Avg. vs. Three-Month Avg Prior To TV

- Three years old or younger: +157%
- Between four and seven years old: +24%
- Eight years or older: +20%

NON-DTC BRAND LIFE STAGE ANALYSIS

Beyond direct-to-consumer brands, we also analyzed the impact of TV campaigns from a set of advertisers whose business models are not focused primarily on directly selling products to consumers, this includes brands in legacy categories that follow more traditional retail distribution methods as well as services and platforms where ecommerce is not their primary driver of revenue.

The 50 non-DTC brands we analyzed in over 15 categories were divided among two life stage segmentations that represent the time between brand introduction and TV launch.

Because these brands operate in categories that have existed for decades — and in some cases over one hundred years — the range between the two life stages is much wider than it is for the direct-to-consumer segment:

- Under Twenty Years Old: 25 brands
- Over Twenty Years Old: 25 brands

The brands that entered TV within the younger life stage, those that were under twenty years old when they launched their first TV campaign, represent a diverse mix of categories such as telecommunications, food & beverages, pharmaceuticals, home, health & wellness, retail, social networks and business services and include brands such as Mint Mobile, Instant Pot, Kind, Snapchat, Hint, Orangetheory, Coravin and Paycom.

BRANDS ACROSS EACH LIFE STAGE EXPERIENCED DOUBLE-DIGIT INCREASES AT LAUNCH

Similar to the direct-to-consumer segment, the average non-DTC brand within each life stage saw an immediate double-digit increase in unique visitors to their digital platforms during their TV launch month compared to the three-month average prior to the campaign.

The younger brands did see a larger lift in both the percentage of visitors and the number of additional customers to their website. Since these companies are typically not as reliant on their website to generate sales as the DTC brands, website traffic increases may be smaller as messaging may focus on brand building rather than conversion.

Non-DTC Brands: TV Launch Month vs. Three-Month Average Prior To TV
Average Website Unique Visitors

	Under Twenty Years Old	Over Twenty Years Old
Unique Visitors % increase:	+15%	+12%
Unique Visitors increase:	+700K	+187K

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).

SUSTAINED PRESENCE ON TV DRIVES GREATER LIFTS FOR YOUNG NON-DTC BRANDS

A common theme in this overall analysis is the earlier in their life stage brands advertise on TV, the greater the results throughout their campaign.

Average uniques during months with TV advertising were 50% higher than their pre-launch website visitor norms. This is in comparison to a 21% increase for brands in the older life stage. As we observed with the direct-to-consumer segment, TV advertising can drive consumer awareness and brand recall, especially for younger brands, which translates to a huge wave of new consumers entering a brand's digital storefront.

In fact, the 50% average increase among the younger brand segment equates to an average of 2.3 million potential new online customers each month they were on TV, compared to pre-TV launch months.

Non-DTC Brands: "When On TV" Monthly Average vs. Three-Month Average Prior To TV
Average Website Unique Visitors

	Under Twenty Years Old	Over Twenty Years Old
Unique Visitors % increase:	**+50%**	**+21%**
Unique Visitors increase:	+2,302K	+315K

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).

BUILDING A NON-DTC BRAND THROUGH TV INVESTMENT

Another common theme we observed between DTC and non-DTC brands is the aggressiveness that younger brands enter the TV marketplace with. Younger 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 to drive greater market share.

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. Just as we saw within the DTC segment, 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

	Under Twenty Years Old	Over Twenty Years Old
Average Total TV Spend:	$25,695,323	$19,296,057
Average Monthly TV Spend ("When On TV"):	$1,576,233	$1,057,526
Average # of Active TV Months:	16	17

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).

NON-DTC TV INVESTMENT, POST-LAUNCH

Younger non-DTC brands were much more likely than their older cohorts to significantly increase spending in their TV campaign after their launch month, no doubt encouraged by the early positive lifts in website traffic they experienced during the initial phase of their TV advertising. Older brands, on the other hand, tended to launch with a strong investment and then level off their spending in the following months.

On average, younger brands nearly doubled their investment in active, post-launch TV months from their launch month which contributed to the velocity of website visitor growth experienced by these brands throughout their TV campaigns.

As noted within the DTC analysis, this chart reflects average TV spend within each life stage but business outcomes were witnessed across a range of initial investment levels including advertisers that spent in the five-to-six figure range at launch.

Non-DTC Brands' Average TV Spend: Launch vs. Post-Launch

Four-Year Period: June 2016 – June 2020

	Under Twenty Years Old	Over Twenty Years Old
Average TV Launch Month:	$801,310	$1,590,847
Average Monthly TV Spend ("When On TV" After Launch Month):	$1,589,506	$985,429
Average % Difference:	**+98%**	**-38%**

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).

CASE STUDY

QUICK SERVICE RESTAURANT (QSR)

20+ YEAR OLD BRAND PIVOTING TO TV TO DRIVE NEW MESSAGING

Historically this QSR brand used TV sporadically and traditionally focused on aligning their brand and messaging to sports programming. Their media investment had tended to skew towards out-of-home and radio but the COVID-19 pandemic that hit in Mach, 2020 had a big impact on the efficacy of those media channels.

Needing to communicate to customers the changes to their store dynamics during the stay-at-home orders, they used TV to generate traffic to drive-thru services at specific locations while wanting to create community-centric and supportive messaging during a challenging time.

They used a data-driven approach to finding audiences outside of sports and applied geographic targeting to deliver their message to consumers within a five mile radius of their restaurants. By using these strategies they were able to drive pre-Covid level customer engagement very efficiently and dominate their “trade radius” while outperforming their competition who outspent them by 3-5 times in the same period.

After the success of the drive-thru campaign, this QSR brand followed up with an additional campaign featuring creative produced by Effectv’s in-house agency, Mnemonic, to say "thank you" to first responders and front line workers, conveying their support of the communities they serve.

By combining TV’s dynamic canvas and technology, they were able to convey critical information to customers and messaging that reinforced identity, growing both business and brand equity.

Additional Investment Spending Insights Beyond Life Stages: Scaling Up from Limited Budgets & Test Campaigns

Just like with DTC brands, several non-DTC brands who initially launch TV with a limited budget, or as a test campaign to measure the efficacy of the medium, quickly scale up their investment once they see positive results in order to bring more customers through their digital storefront.

We identified 15 non-DTC brands, most of whom are within the younger brand segment, that began their TV campaign with a limited budget then significantly scaled up their investment in the months following their launch. Much like we saw with DTC brands, exposure grew, penetration increased and TV brought more and more new people through brands' digital front doors as campaigns continued across months.

On average, these brands welcomed over three-quarters of a million more potential customers each month when airing on TV versus the three-month average prior to their TV campaign.

Non-DTC Brands That Increased Their TV Investment Significantly After Launch

Average Website Unique Visitors vs. Three-Month Average Prior To TV

	TV Launch Month	"When On TV" Monthly Average
Unique Visitors % increase:	+20%	+47%
Unique Visitors increase:	+321K	+770K

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). Reflects brands who more than doubled their average spend in active months post-launch.

CASE STUDY

TAX ACT

20+ YEAR OLD BRAND, USING TEST & LEARN STRATEGY TO MAXIMIZE ROI AND CREATIVE PERFORMANCE AND RESULTS

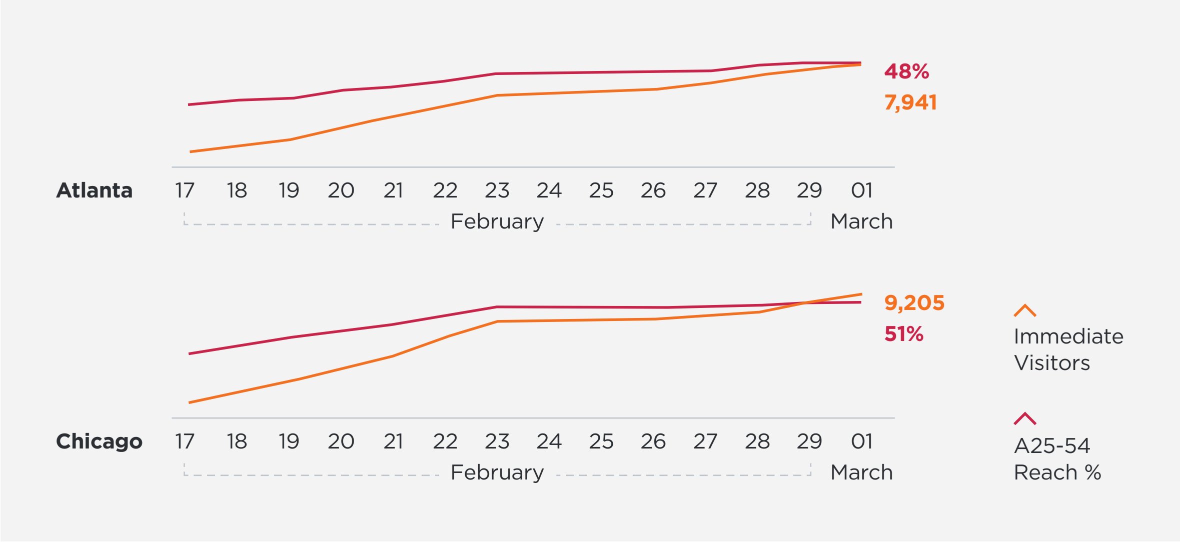
TaxAct is a tax preparation software company who historically utilized digital channels to promote the business. Senior management believed in the power and scale of TV, and ahead of the 2020 tax season, they began testing data-driven linear TV with Effectv.

Using A/B testing of different creatives per market, TaxAct looked to efficiently track website lift and application submissions in order to understand ROI and optimize their investment.

According to TVSquared analysis, TV drove 10% (Chicago) and 11% (Atlanta) increases in traffic volumes and a very strong conversion rate by those immediate visitors of 40%.

One of the creatives that were tested proved to be the most successful in driving immediate website visitation, so TaxAct were able to optimize mid-flight to drive results.

Web traffic continued to climb in both markets as the campaign was optimized to unique reach of the target audience:



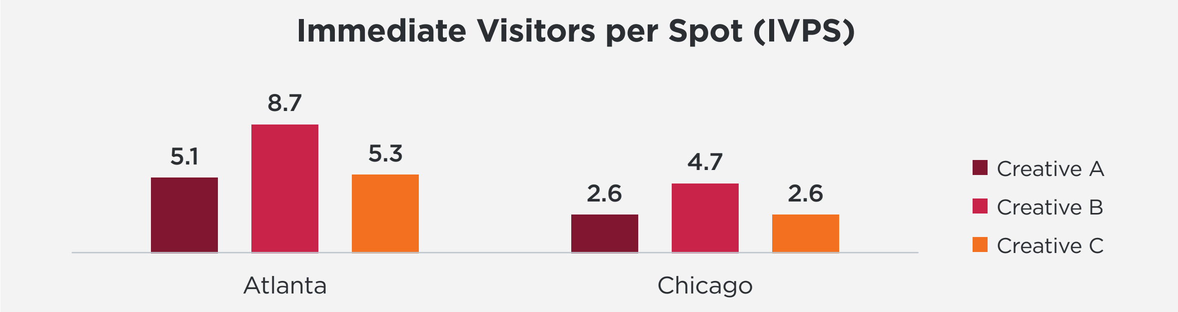
CASE STUDY

TAX ACT (CONTINUED)

An audience-based approach (diverse set of networks and a mix of dayparts) to finding the highest converting visitors helped to drive favorable results across both markets:

	Atlanta	Chicago
Cable Networks	39	32
% Non-Prime	58%	52%
Immediate Visitor Lift	11.4%	9.6%
Application Starts Conversion	**40%**	**38%**

Of the three creatives running, Creative B drove **64%** more immediate visitor per spot (IVPS) to the website in Atlanta and **81%** more IVPS in Chicago than the other creative running at the same time:



Enhanced targeting and proof of attribution helped to drive confidence in TV as a medium, overcame any legacy perceptions about a lack of digital-like capabilities and ultimately it resulted in TaxAct expanding their TV investment to a national level.

"We had been shifting away from TV spend but we decided to test the impact of investing in It again. The test had an immediate business impact of driving more potential customers to us soon after each ad aired, as well as improved conversion metrics across other media channels."

– **Chris Walters,** CEO of Blucora (TaxAct)

THE HALO EFFECT OF TV ON WEBSITE VISITATIONS

Another common theme between DTC categories and non-DTC categories is the halo effect created by TV advertising during months when brands are not on TV, especially for the younger brands. Younger brands, who invested more heavily on a monthly basis "when on" and in their campaigns overall, continued to see greater spikes in their unique website visitors during "off" months versus pre-launch norms.

The awareness, recall and salience established by their TV advertising built memorability for brands which carried over across months and continually funneled potential new customers to their digital storefronts at consistently higher monthly levels than before their campaign launch, whether the brand was actively on TV or not.

Non-DTC Brands: "When Not On-Air" After TV Launch
Monthly Average vs. Three-Month Average Prior To TV
Average Website Unique Visitors

	Under Twenty Years Old	Over Twenty Years Old
Unique Visitors % increase:	+44%	+11%
Unique Visitors increase:	+2,263K	+172K

*Excludes brands that were not off-air for any months after TV launch. 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).

DEEPER DIVES INTO KEY CATEGORIES

HOME GOODS & SERVICES

Included in our analysis were six brands (ex. Instant Pot, Coravin, LeafFilter) across the two life stages within categories such as home services, furnishings and retail which collectively outperformed the overall non-DTC average in terms of website visitation lifts when a brand is on TV versus their pre-campaign norms.

Similar to the outcomes witnessed for the DTC brands in the home segment, TV advertising by younger brands within the more traditional sectors generated greater impact compared to the older brands.

Average Website Unique Visitors: "When on TV" Monthly Avg. vs. Three-Month Avg Prior To TV

- Under Twenty Years Old: +268%
- Over Twenty Years Old: +36%

BUSINESS-TO-BUSINESS

Many B2B brands incorporate TV advertising into their media mix to capitalize on the key benefits afforded by the medium in regard to trust, financial strength and the ability to elevate a brand's reputation. Younger brands typically air a TV "test" campaign first and, upon seeing positive results, will scale up and expand their activity to additional months and flight dates.

The analysis includes eight B2B brands (ex. BlueVine, ServiceNow, Palo Alto Networks, Paycom) within categories such as computer software and small business insurance. The younger brands experienced a double-digit lift in unique website visitors when they were on TV, an impressive lift, illustrating TV's ability to target niche audiences.

Average Website Unique Visitors: "When on TV" Monthly Avg. vs. Three-Month Avg Prior To TV

- Under Twenty Years Old: +38%
- Over Twenty Years Old: +9%

CASE STUDY

TRINET

30+ YEAR OLD BRAND

GEOGRAPHIC EXPANSION VIA TV INVESTMENT, RESULTING IN HALO EFFECT FOR OTHER MARKETING CHANNELS

Invested in TV with a target demographic of Adults 25-49 which resulted in the following:

- Single digit increase in Google brand searches
- Double digit decrease in cost per click in paid search
- Double digit increase in total site traffic (from same period YOY)
- Showed significant brand lift in 3 new markets by double digits

"As a B2B company that serves more than 18,000 small and medium-size businesses across the country with comprehensive HR solutions, we use television as part of our omnichannel strategy to reach our target markets. Television has helped to further increase awareness and context of our solutions and services, driving prospects through the marketing funnel and in turn, boosting the efficacy of other channels. Our recent ramp up in media spend helped to drive gains in site visits, as well as positive results with our target audience."

– **Michael Mendenhall,** SVP, CMO & CCO, TriNet

CONCLUSION

No matter the size or age of a business, TV does not discriminate. It gives brands at all life stages the platform to catapult their business forward.

This analysis shows that TV drives outcomes for brands of all types, with younger brands benefiting the most from launching their TV investment as early as possible to establish their identity and customer base through storytelling, reach and precision.

TV is no longer the medium exclusive to the established, blue chip brand. Targeting and the ability to test and learn can make for a very affordable cost of entry to TV with the platform now more accessible to businesses at any stage of media investment. Using attribution, brands can prove ROI before committing additional investment dollars as well as optimize campaign performance based on creatives.

For brands strategizing about ways to enhance brand reputation, legitimize product or service offerings and use advanced data capabilities to target prospective customers, TV is the growth engine to drive results. It has never been more dynamic, technologically advanced, measurable or accessible.

About Effectv

Effectv, the advertising sales division of Comcast Cable, helps local, regional and national advertisers use the best of digital with the power of TV to grow their business. It provides multi-screen marketing solutions to make advertising campaigns more effective and easier to execute. Headquartered in New York with offices throughout the country, Effectv has a presence in 66 markets with nearly 35 million owned and represented subscribers.

For more information, visit www.effectv.com.

About VAB

VAB is an insights-driven organization that inspires marketers to reimagine their media strategies resulting in smarter, more educated decisions. VAB develops unique market insights and answers questions from a marketer's perspective, tackling the toughest issues with fresh thinking and supporting data.

To learn more, visit www.thevab.com.

About Forecast Labs

Forecast Labs is a startup studio by Comcast Ventures. Designed as an Accelerator & Incubator, it helps drive growth and operational efficiencies for existing portfolio companies while birthing new businesses with visionary entrepreneurs. As part of its Accelerator services, Forecast Labs offer a wide range of programs that pair their diverse experience as startup operators with the size, scale, and reach of Comcast NBCUniversal to create a unique growth advantage for participating companies. Their flagship program is to offer participants access to our full service, no-fee Direct Response TV program, including our one-of-a-kind CPA based pay-for-performance program. Through this program, startups both new and established have been able to scale growth profitably, reach new audiences outside of digital, and lower their total acquisition costs via the unique performance model and the halo effect that TV brings to all other marketing channels.

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