
2020

Keep Calm and Advertise On

VAB

Insights.
Inspiration.
Impact.



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.

Today's VAB Presentation

1 Advertising *Through* a Crisis



2 Coping with COVID – US TV in 2020



3 What Did 110 Brands LAUNCH in 1H 2020?



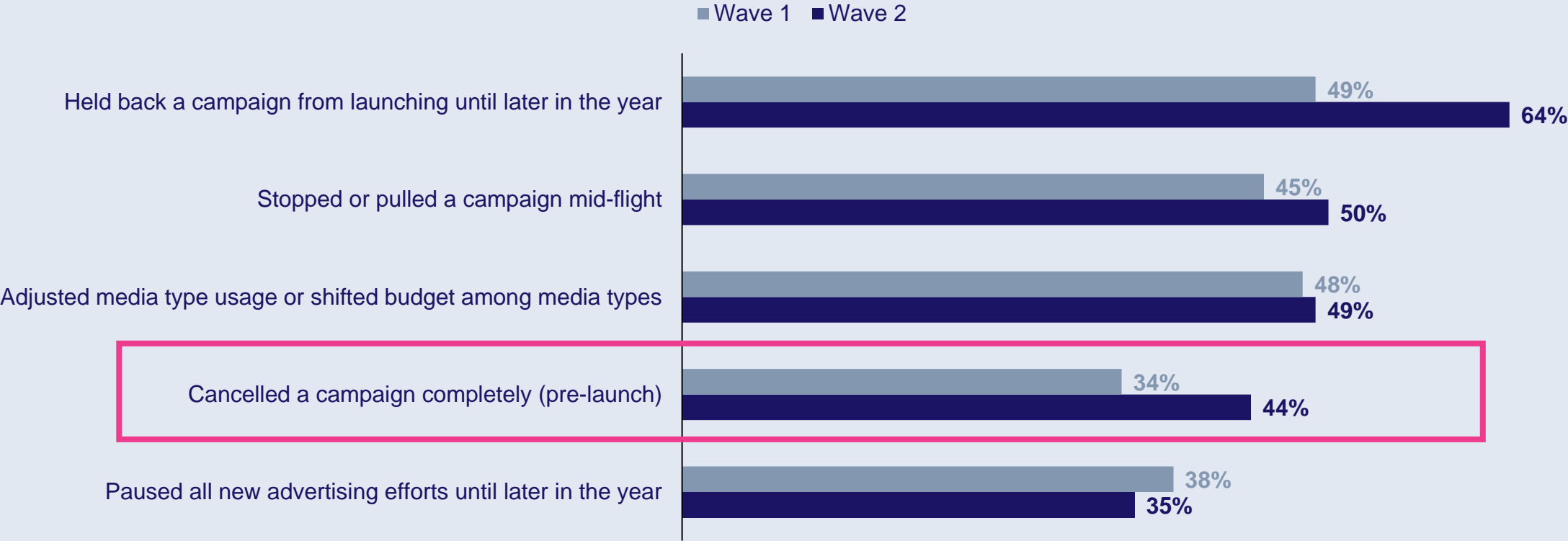
2020

Keep Calm and Advertise On

How to Successfully Navigate Your Brand Through an Economic Downturn

89% of Advertisers Took Action with Their Ad Budgets Due to COVID-19, with 44% Canceling New Campaigns Completely

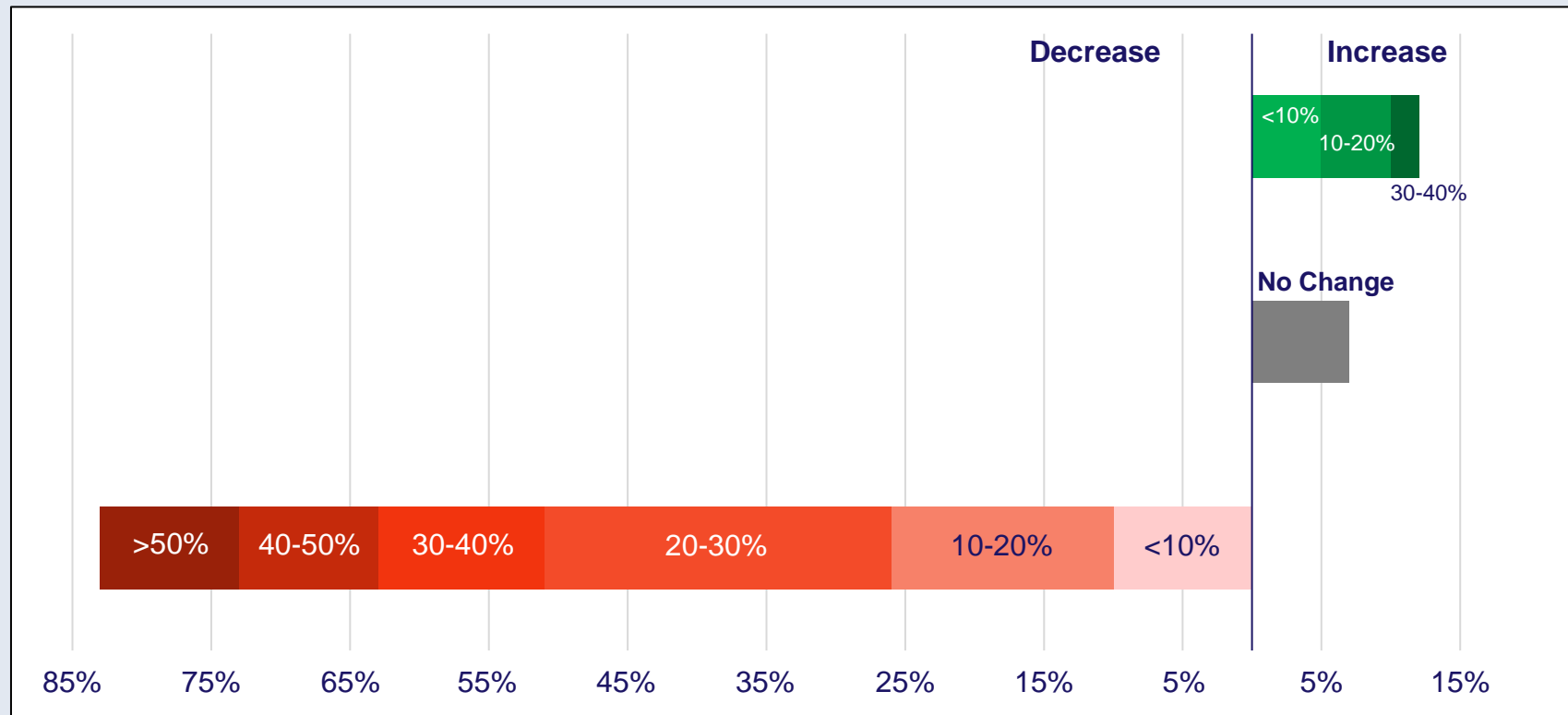
How has Coronavirus impacted your advertising efforts?



Source: Advertiser Perceptions, "Coronavirus Effect on Advertising" Report. Q12: In which of the following ways has the Coronavirus (COVID-19) outbreak impact your recent or ongoing advertising efforts?
Base: Total Respondents. Wave 1 = survey fielded March 17-20, 2020, 203 interviews conducted. Wave 2 = survey fielded April 1-4, 2020, 152 interviews conducted.

80% of Brands are Planning to Reduce Their Media Budget for 2020; More Than Half Expect to Cut Spend by > 20%

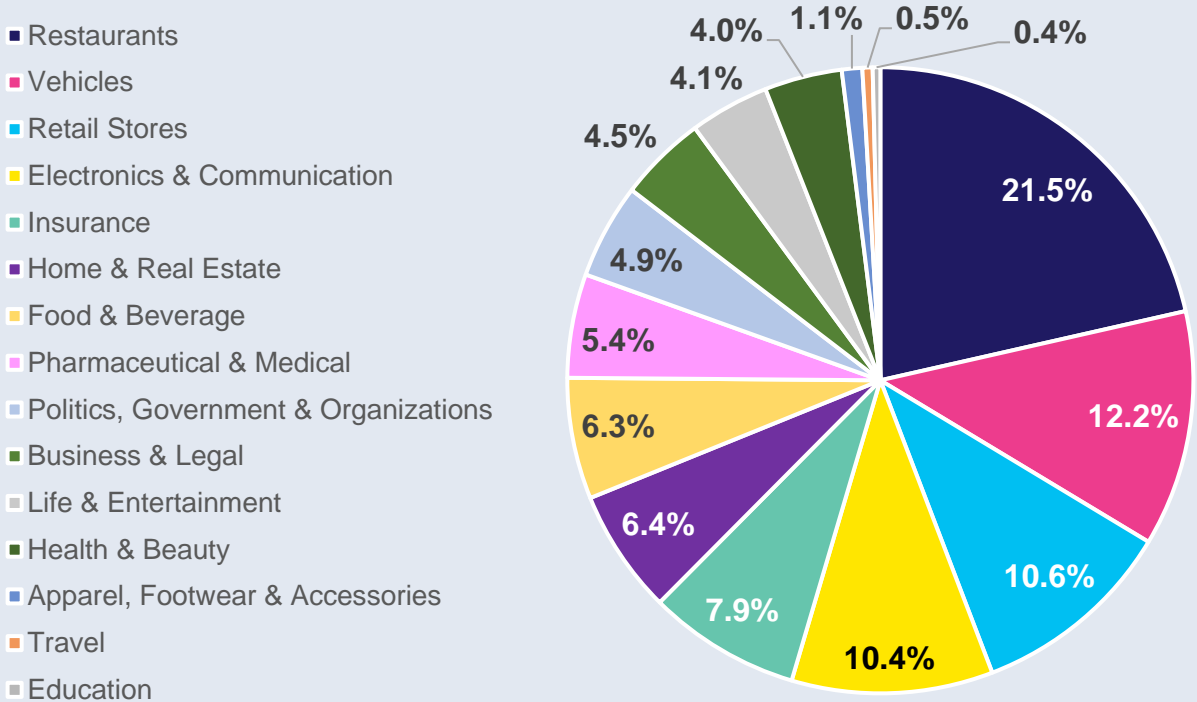
How do you expect your media budgets will change for the rest of the year?



By June 2020- 679 Brands Across 15 Industries Launched COVID Campaigns

COVID-19 Related National TV Imps By Industry

196 Billion Total Nat'l TV Imps



Top Brands by Industry

Industry	Brand	Nat'l TV IMPs
Restaurants	Domino's	6.0 B
Government	CDC	2.8 B
Vehicles	Carvana	3.4 B
Retail	Amazon	3.5 B
Electronics	Verizon	3.6 B
Home	Rocket Mortgage	1.2 B
Insurance	State Farm	4.2 B
Business	USPS	1.0 B
Life & Entertainment	Facebook	1.3 B
Food & Beverage	Samuel Adams	843 MM
Travel	Sandals Resorts	551 MM
Health & Beauty	Dove	1.1 B



Source: VAB analysis of iSpot.tv data released 6/11/20; reported national TV impressions for COVID-19-related creative, 2/26/2020 – 5/31/2020, P18+.



‘Should I or Should I Not Spend?’ Marketers Ask in an Economic Downturn

“...**most firms tend to cut back** on advertising during a recession. **This behavior reduces noise and increases the effectiveness of advertising** of any single firm that advertises. Thus, the **firm that increases advertising** in this environment can **enjoy higher sales and market share**. When the economy expands, all firms tend to increase advertising. At that point, no single firm gains much by that increase. The **gains of the firms that maintained or increased advertising during a recession, however, persist**”

Gerard & Kethan Tellis
Journal of Advertising Research
*Research on Advertising in a Recession:
A Critical Review and Synthesis*
(September 2009)

‘Should I or Should I Not Spend?’ Marketers Ask in an Economic Downturn

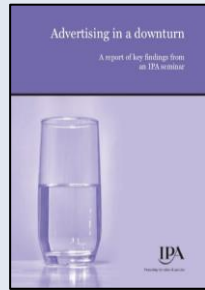
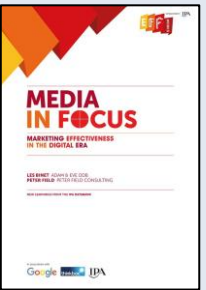
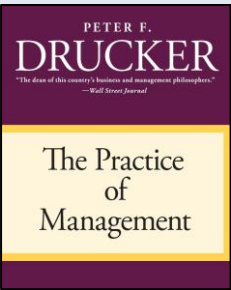
“Maintain marketing spending. This is not the time to cut advertising. It **is well documented that brands that increase advertising during a recession**, when competitors are cutting back, can **improve market share and return on investment at lower cost than during good economic times.**”

John Quelch

Harvard Business School

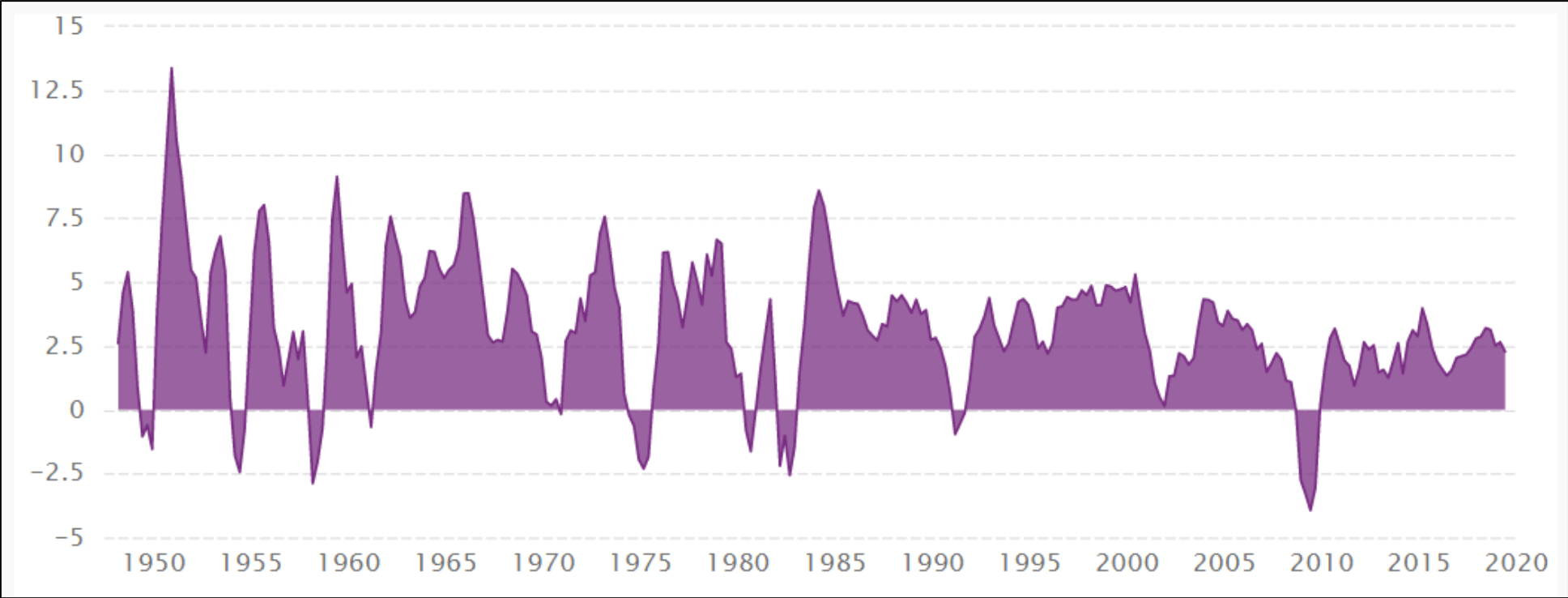
Marketing Your Way Through A Recession

Academic scholars, Fortune 100 companies, financial analysts, research firms and ad agencies all **conducted independent analyses** and agree **advertising through a downturn is better for your long-term brand health**



Since 1950 - There Have Been **11 Recessions** in the US, Averaging 11 Months Duration, with Long Periods of Prosperity In-Between

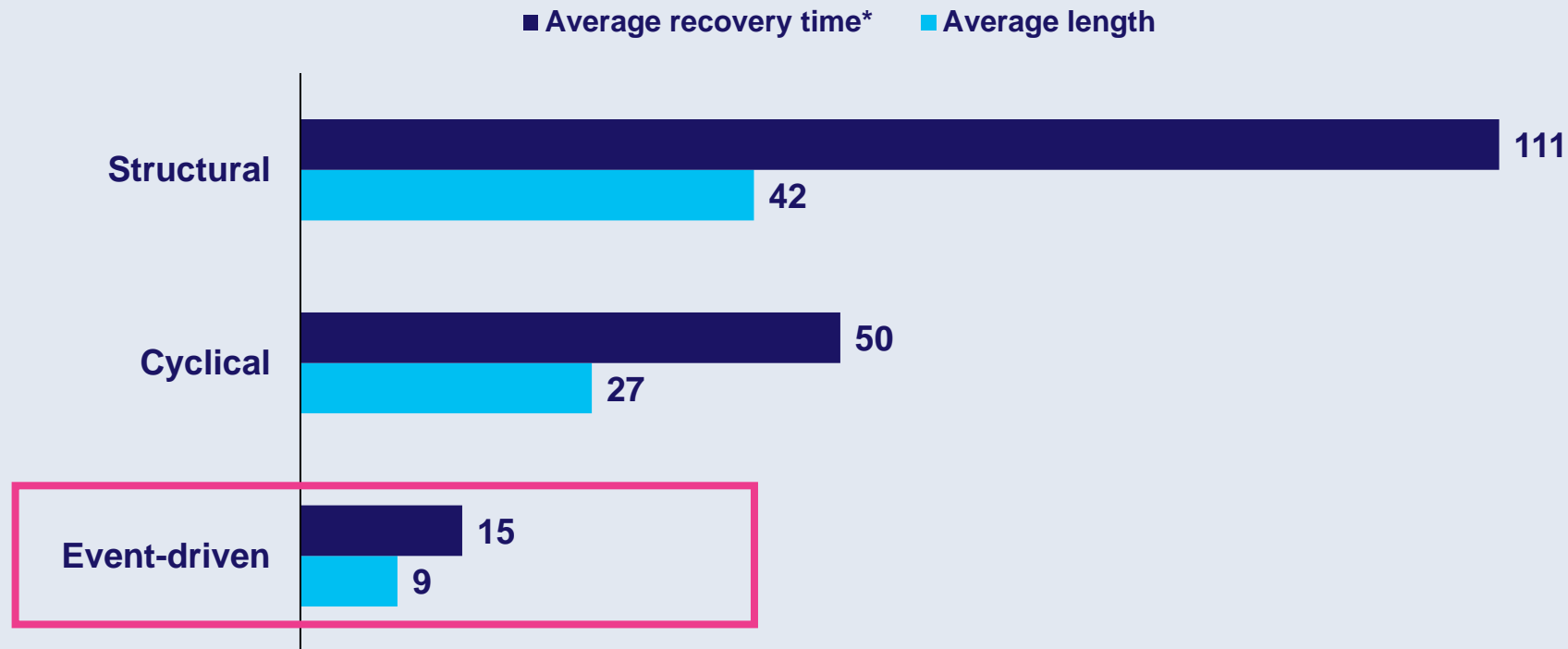
United States Real Gross Domestic Product (GDP): 1948 – 2019 (YoY)



Source: Census and Economic Information Center, CEICdata.com, March 1948 – December 2019.; Wikipedia.com

Recent Goldman Sachs Report: Bear Markets Recover Quicker After an Adverse Event than Cyclical Ones, or Those Caused by Underlying Structural Issues in the Economy

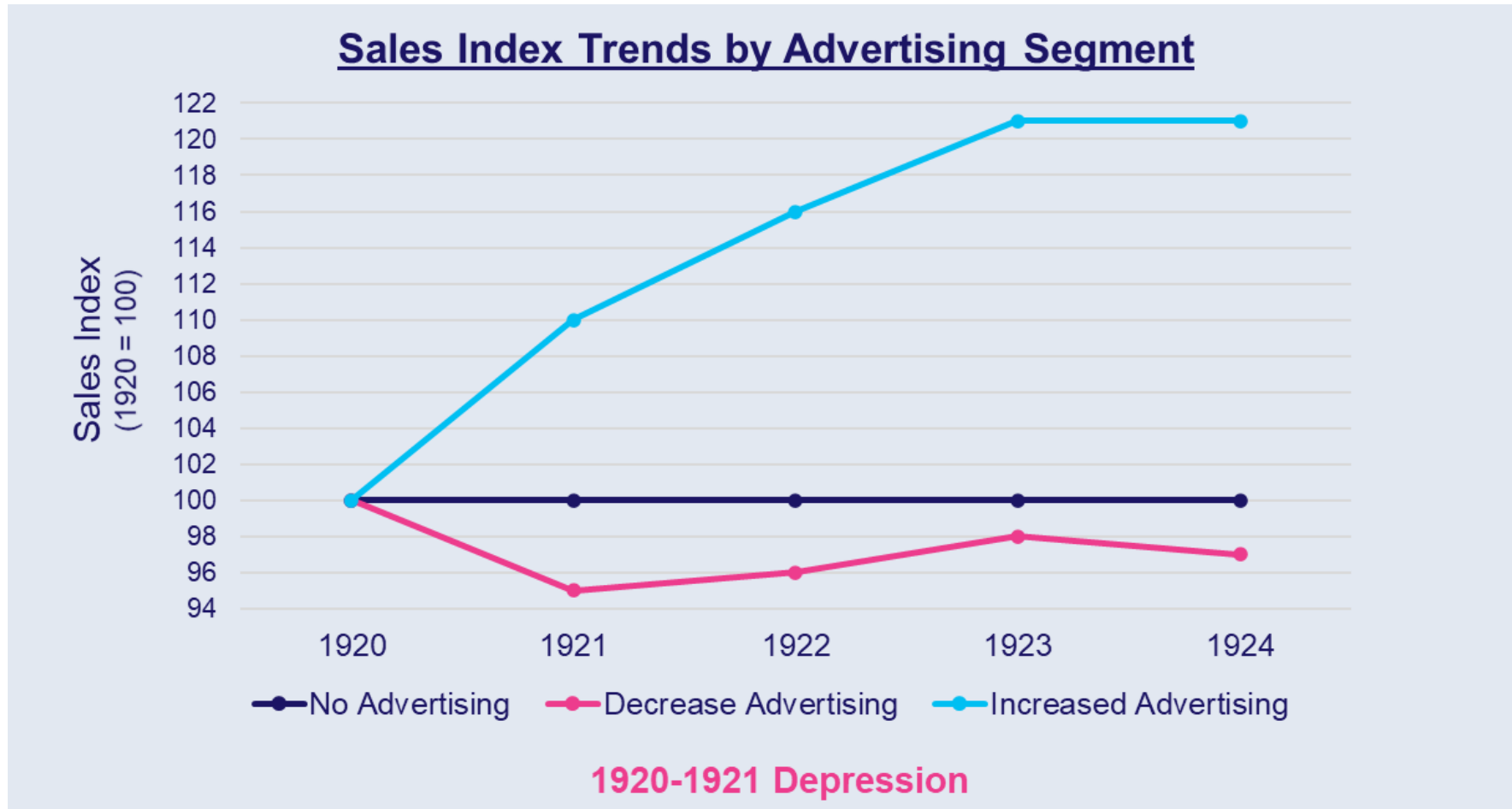
Average length and recovery time of U.S. bear markets since 1800, by type of trigger
(in months)



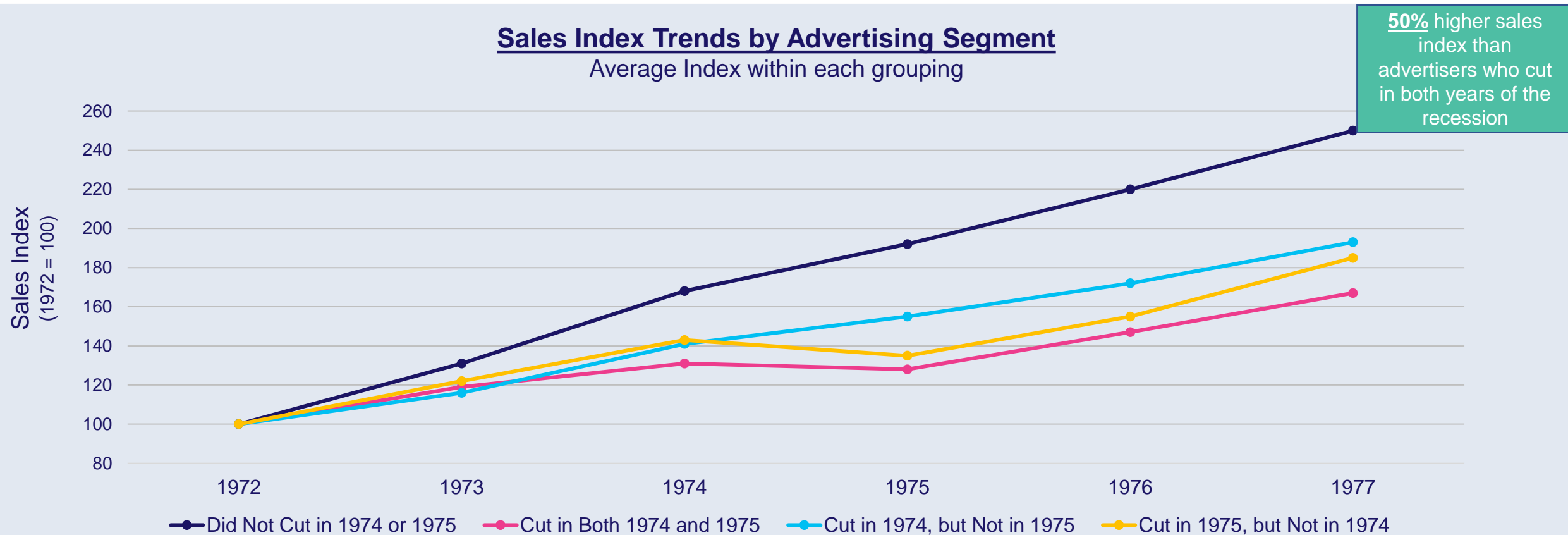
*Average recovery time = time it takes to get back to previous level

Source: Goldman Sachs, Bear Essentials: A Guide to Navigating a Bear Market, 3/9/20. Bear markets include seven structural, 14 cyclical and 5 event-driven ones. **Structural** bear market = trigger by structural imbalances and financial bubbles. Very often there is a 'price' shock such as deflation that follows. **Cyclical** bear market = typically a function of rising interest rates, impending recessions and falls in profit. They are a function of the economic cycle. **Event-driven** bear market = triggered by a one-off 'shock' that does not lead to a domestic recession (such as a war, oil price shock, EM crisis or technical market dislocation)

We Have **100 years** of Proof That Brands that Increase Ad Budgets During Economic Downturns **Grow Sales Much Faster** than Competitors, Both During the Time Period and Beyond It – Starting in **1920...**



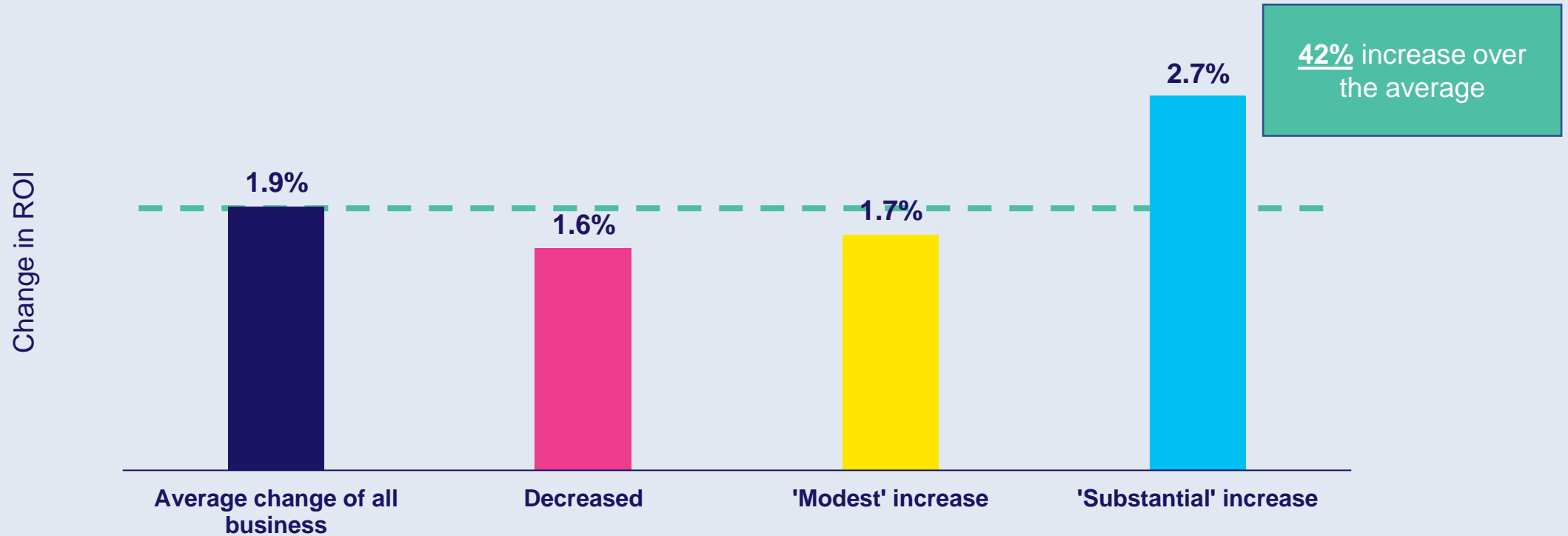
1974-1975 Recession: Similar Patterns Were Seen as Companies That Did Not Cut Their Advertising Budget Not Only **Remained Strong** During the Recession, but **Emerg**ed Even Stronger After It



1974-1975 Recession

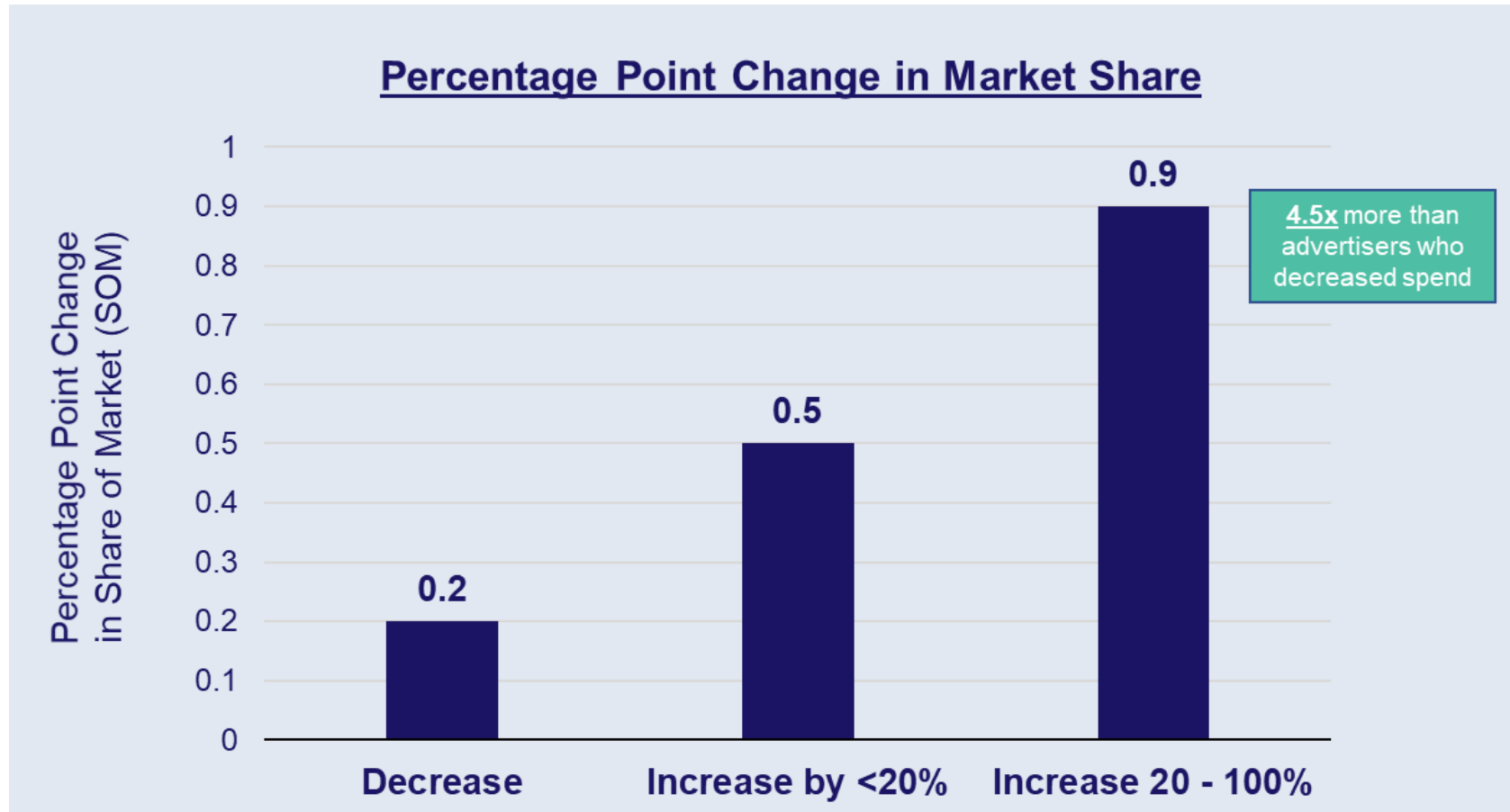
1980 Recession: An Analysis Conducted by WPP Across Almost 400 Companies Proved that **Increasing Advertising** During a Recession Has a Positive Impact on Return on Investment (ROI)

Changes in ROI related to changes in advertising spending during a recession



1980 Recession

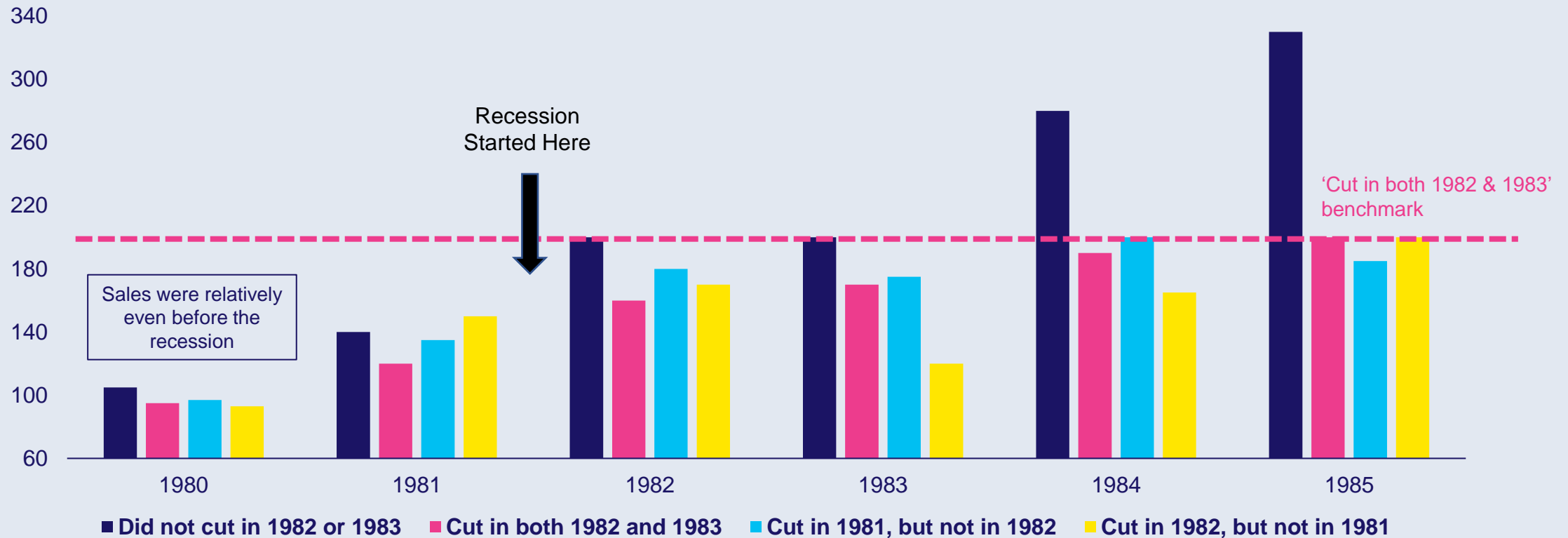
1980 Recession: Same WPP analysis Showed Brands Investing in Advertising During the Recession Saw an Increase in Market Share



1980 Recession

1981-1982 Recession: McGraw-Hill Research Analysis of 600 Companies Showed Those Who Maintained or Increased Ad Spend - Averaged Significantly Higher Sales Growth for Three Years After Recession

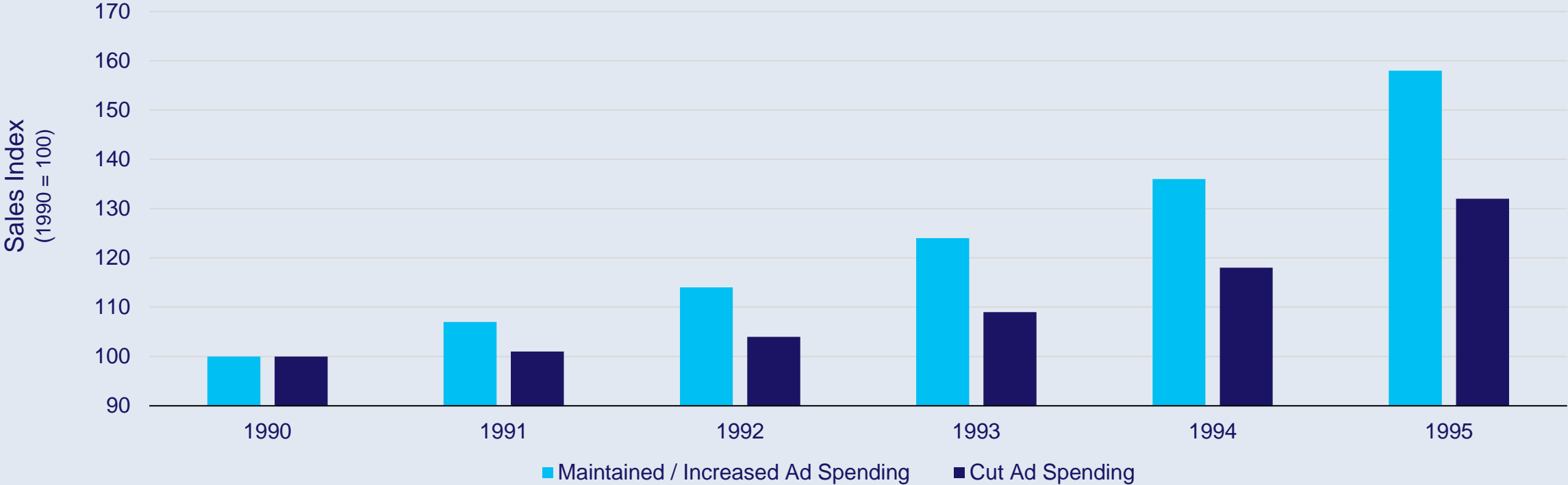
Sales Index Trends by Advertising Segment



1981-1982 Recession

1990-1991 Recession: Same Principles to Hold True Through Another Analysis that Showed the Negative Effect of Cutting Ad Spend Resulted In Significant Share Loss to Competitors

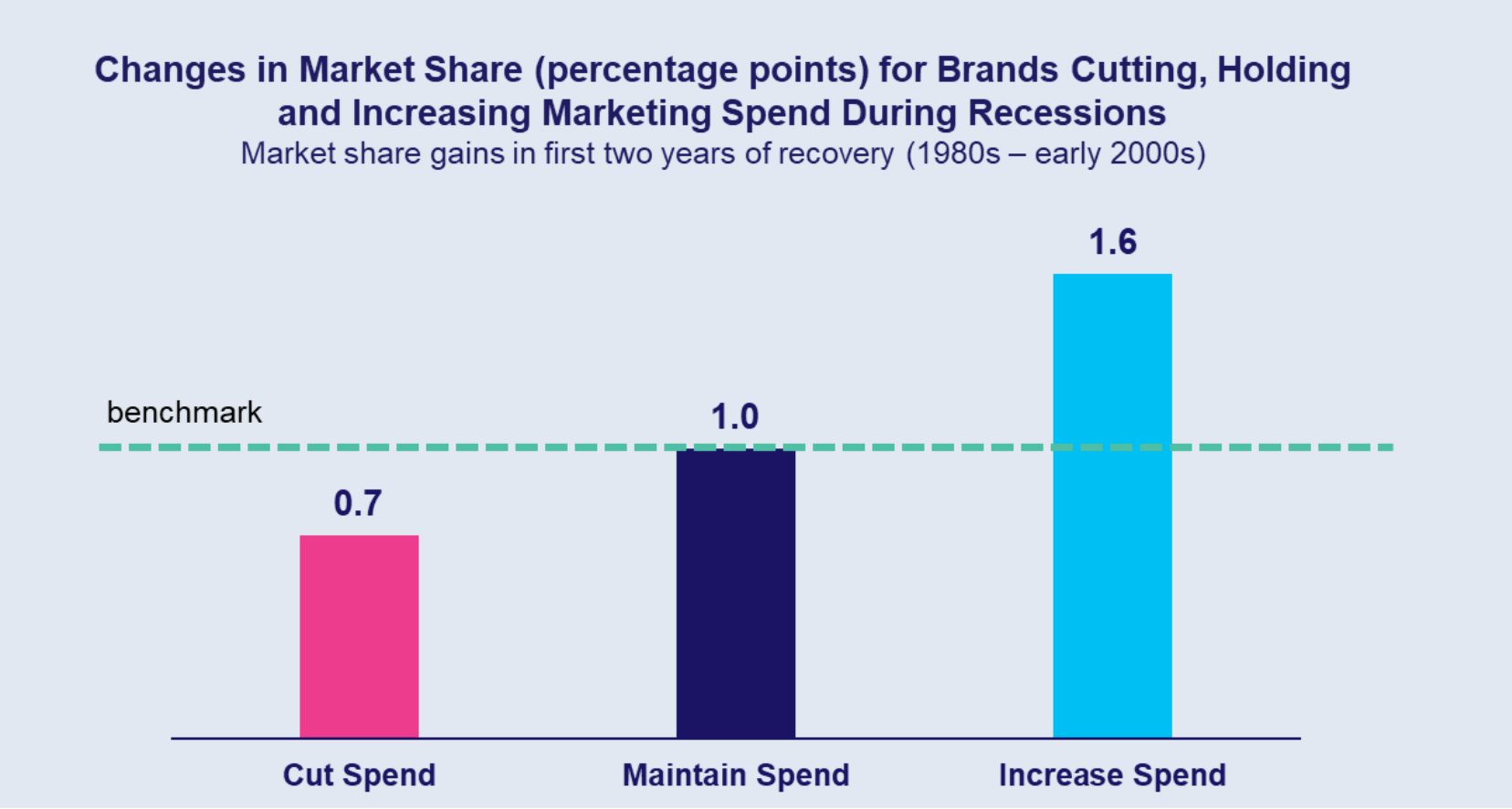
Sales Index Trends for Brands Who Maintained / Increased Ad Spending vs. Cut Ad Spending



1990-1991 Recession

Source: Thomas Kamber, Journal of Brand Management; 2002.

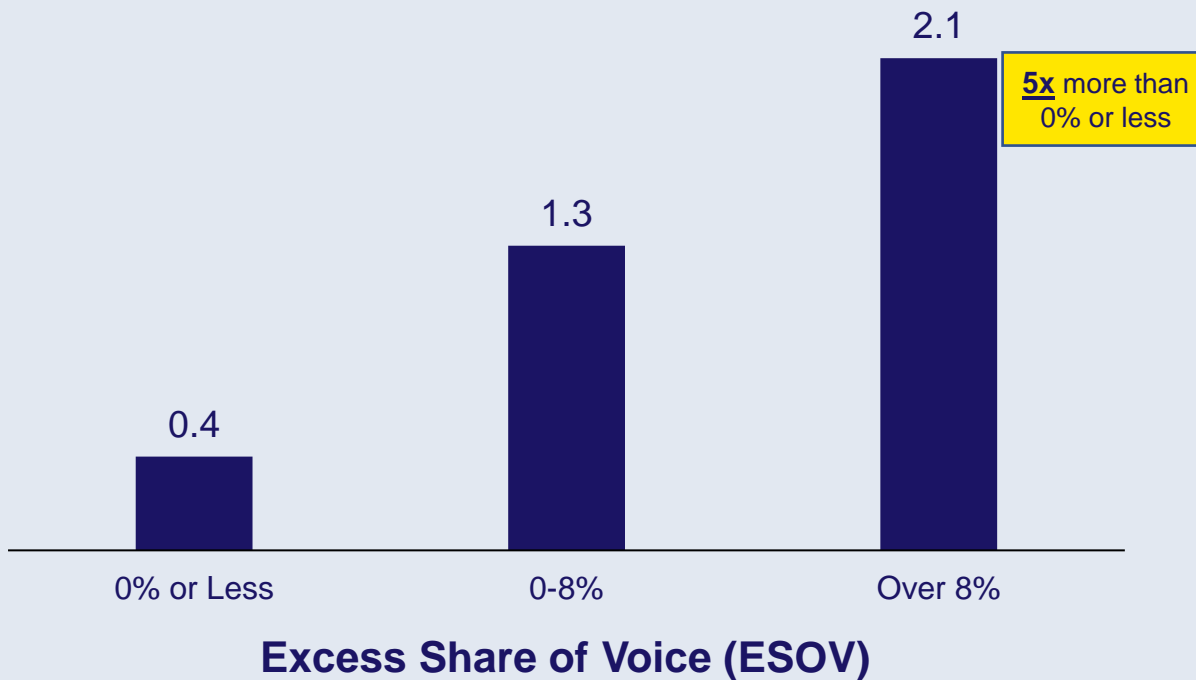
1980s – Early 2000s Recession Periods: Companies That Sustain Ad Investment During a Recession do Better vs. Competitors in Recession & Grow More Quickly After



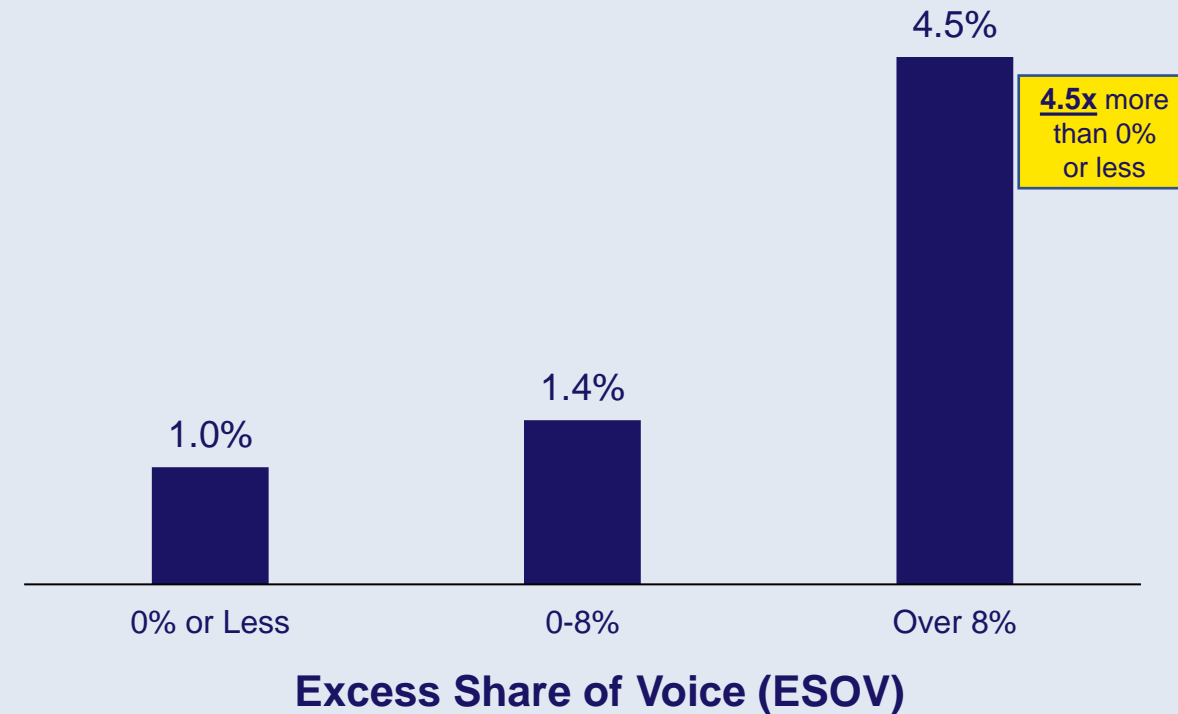
1980s – early 2000s Recession Periods

2008-2009 Recession: According to Peter Field, Investing in SOV Drove Strong Growth Through the Recession

Average # of Very Large Business Effects*




Annualized Market Share Growth



2008-2009 Recession

*Very Large Business Effects' = metrics like profit, sales, market share, penetration, loyalty, and price sensitivity



“The gangster move in a recession is not just to maintain the budget but actually increase ad spend. That sounds like a lunatic move until you understand ESOV and the dynamics of long-term brand building.”

Mark Ritson

Marketing & Branding Consultant

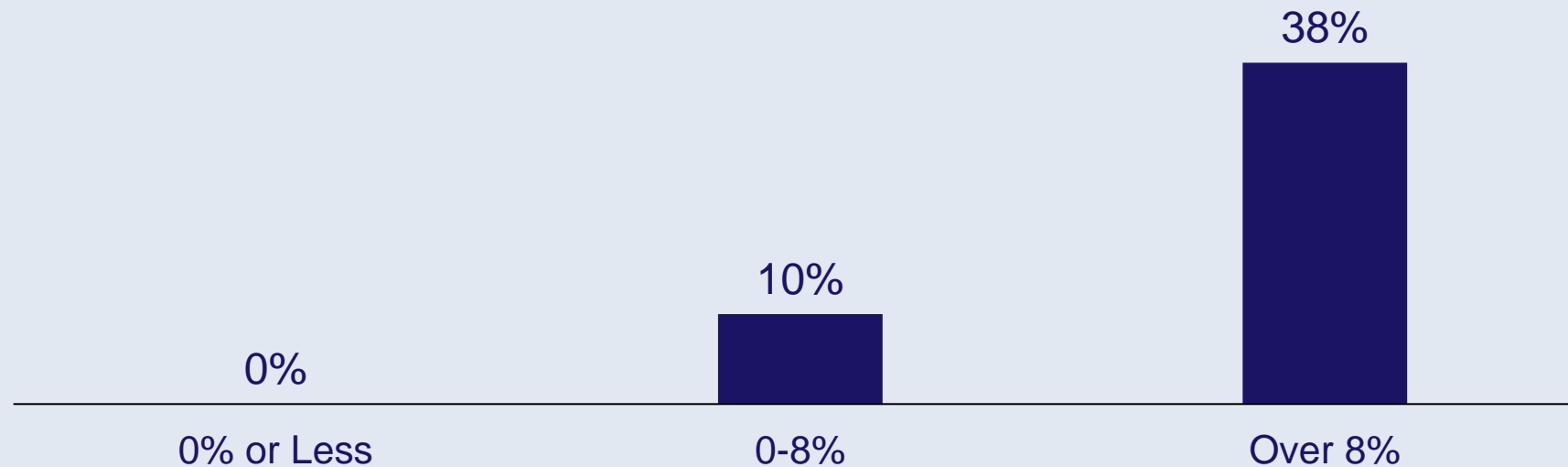
Former Professor of Marketing at Melbourne Business School

Founder, Marketing Week Mini MBA

Marketing Week, 4/6/20

2008-2009 Recession: Based on the Same Analysis, Investing in SOV During Recession Drove Large, Long-Term Profit Growth Afterwards

% Cases Reporting Very Large Profit Growth



Excess Share of Voice (ESOV)

2008-2009 Recession

2008-2009 Recession: Savvy Marketers Focused on Long-Term Branding Efforts by Increasing TV Ad Investment Delivering Positive Business Outcomes



Ecommerce



Amazon **launched its first TV campaign** in the middle of the recession in 2008 and saw a **compound annual growth rate of 34%** between 2008-2012



Retail



Walmart significantly **increased their TV investment** in both 2008 & 2009 and saw **high single digit sales increases** in each year with continued growth after the recession



Telecommunications



T-Mobile had a **moderate increase in their TV investment** in both 2008 & 2009 and saw a **compound annual growth rate of 21%** between 2008-2011



CPG (Household)



Church & Dwight **increased their TV investment** in both 2008 & 2009 and **increased their sales by 10%** in each year

Source: U.S. TV spend based on VAB analysis of Nielsen Ad Intel data, national TV spend (national cable TV, national broadcast TV, Spanish language broadcast TV, Spanish language cable TV), CY 2007-2012. U.S. revenues are based on company filings (10-K) for U.S. revenue via SEC.gov (EDGAR). Church & Dwight's primary TV support was for Arm Hammer.

The Drum.

P&G ramps up marketing amid coronavirus demand: 'This is not a time to go off-air'



“There's a big upside here in terms of reminding consumers of the benefits that they've experienced with our brands and how they've [met] their family's needs, which is why **this is not a time to go off air. This is not a time to retrench and really that's all in service to our consumers and service to our retail partners, and – we believe – in service to our society.**”

Jon Moeller

Chief Financial Officer, Procter & Gamble
*Fiscal Q3 '20 Procter & Gamble Quarterly Earnings Call,
4/27/20 (via The Drum)*



Mondelēz Shifts Investments To Paid Media To Capture Online Orders And US Snacking



“This is a moment to really, what I would call, **attack the market** in the second half.”

Dirk Van de Put

CEO, Mondelez International
Q1 '20 Mondelez Quarterly Earnings Call,
4/29/20 (via AdExchanger)

Today's VAB Presentation

1 Advertising *Through* a Crisis



2 Coping with COVID – US TV in 2020





April, 2020

As Time Goes By

How Media Consumption Is Helping America Cope

The #1 Way People are Coping During This Stressful Time? Watching TV and Movies

Ways To Deal With Stress During the COVID-19 Pandemic

% of respondents who agree
P18+

77%

TV &
Movies



65%

Music



42%

Cooking &
Baking



41%

Social
Media



40%

Video
Games



34%

Self
Care



29%

Hang With
Family



25%

Learn
Something
New



TV Has Become the **Centerpiece of the Household**, with **83%** Saying They Couldn't Imagine Not Having a **Television** Right Now

% of respondents who agree with the statement
P18+



83%

“I couldn't imagine not having a television set right now”



72%

“Watching TV or movies together as a family has become more common”



70%

“I binge watch more TV shows or movies”

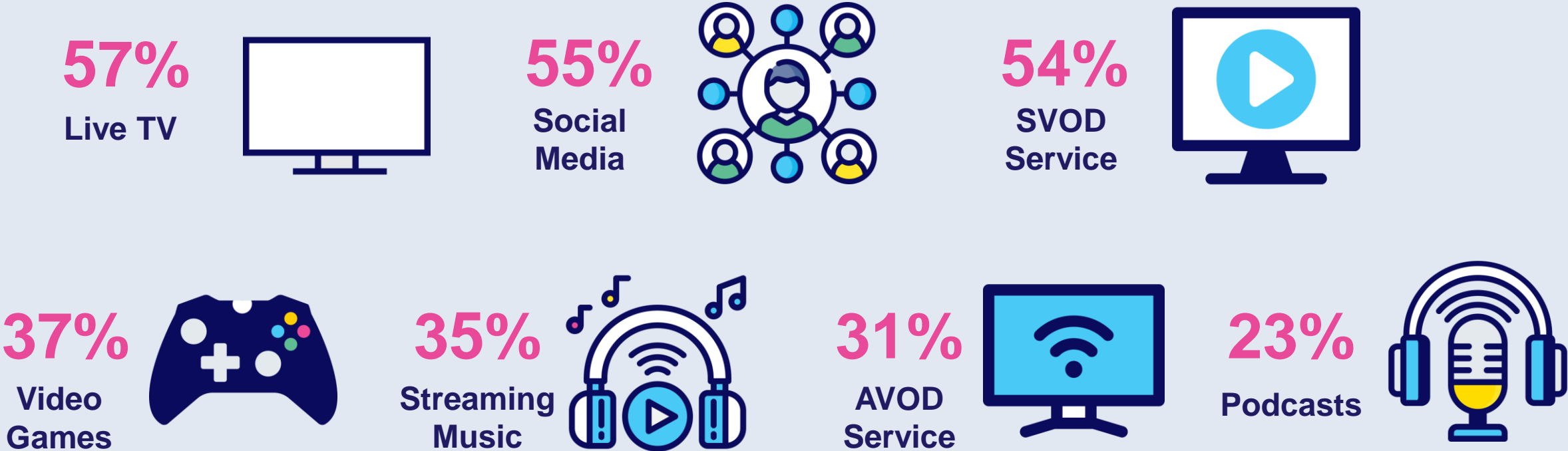


67%

“TV has become the central focus of our home”

Live TV - Experiencing the **Biggest Increase** Since COVID-19 Began

% Of Respondents Who Increased Usage By Platform Since COVID-19 Outbreak
P18+



Source: VAB / Lucid 'Media Usage In The Time of COVID-19 Survey,' April 2020. Survey base: P18+ & household subscribes to cable, telco, internet TV or satellite TV (n=1,004). Q2: When thinking about how you've spent your time during the COVID-19 Pandemic, have you increased, decreased or spent the same amount of time with the following media? SVOD: Subscription Video On Demand (e.g. Netflix, Amazon Prime Video), AVOD: Ad-Supported Video On Demand (e.g. Tubi, Roku).

And **Sampling** Both Ad-Supported and Subscription **Streaming Services**

Since the COVID-19 Pandemic, have you done any of the following?

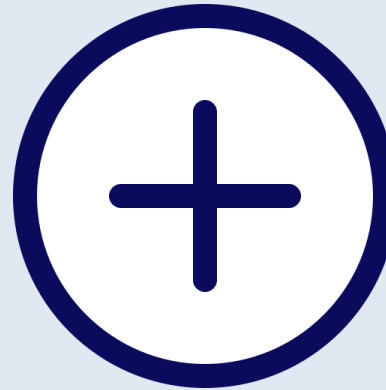
P18+



37%

Watched a free streaming service

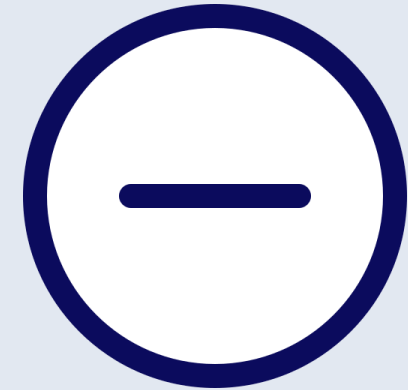
(e.g. Roku, Pluto or Tubi)



36%

Added a new streaming service

(i.e., Apple TV+, Disney+, Netflix, etc.)



9%

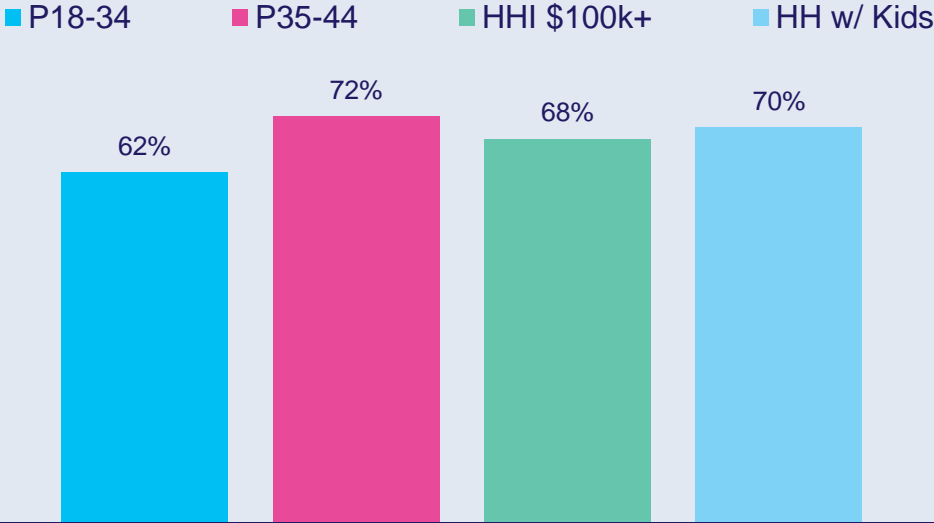
Unsubscribed from a streaming service

(i.e., Apple TV+, Netflix, etc.)

Most Viewers are Exploring **New Features on Smart TVs and Connected Devices**

“I have learned how to use more features on my smart TV or a TV related device/platform”

Top 2 Box (Agree Completely or Agree Somewhat)

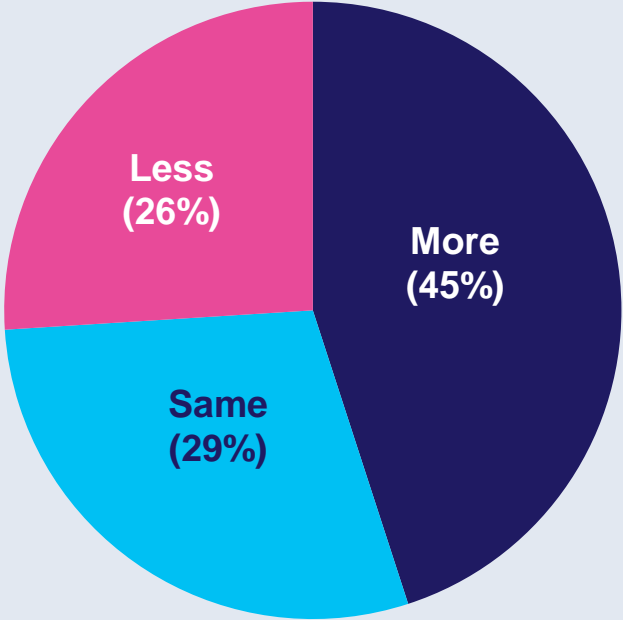


Source: VAB / Lucid 'Media Usage In The Time of COVID-19 Survey,' April 2020. Survey base: P18+ & household subscribes to cable, telco, internet TV or satellite TV (n=1,004). Q9: Thinking of your behavior during the COVID-19 Pandemic, please indicate below how much you agree or disagree with the following statement, top 2 box (agree completely or agree somewhat).

The Cancellation of Live Sports is Not Keeping Sports Fans From Watching TV, Nearly **Three-Fourths** are Watching **More or the Same** Amount of TV During the COVID-19 Pandemic



Due to COVID-19 virtually all live sports have been pulled off the air. As a result, are you watching more, less or the same amount of TV?



Source: VAB / Lucid 'Media Usage In The Time of COVID-19 Survey,' April 2020. Survey base: P18+, household subscribes to cable, telco, internet TV or satellite and viewers that previously watched live sports (n=797). Q12: Due to COVID-19 virtually all live sports have been pulled off the air. As a result, are you watching more, less or the same amount of TV? Excludes respondents who did not watch live sports.

That Includes All Demos, Across Gender, Race & Ethnicity

Viewers Watching More Or The Same Amount Of TV Since The Cancellation of Live Sports



Adults 18-34: **71%**

Adults 35-54: **73%**

Adults 55+: **81%**



Male: **72%**

Female: **79%**



Non-Hispanic Black: **78%**

Hispanic: **68%**

Even While WE Keep Ourselves Distracted, the **News** Has Become More of Our **Focus** These Days

% of respondents who agree with the statement
P18+



74%

“I check the news for updates multiple times per day”



77%

“I read/watch different media outlets throughout the day so I can make sure I’m fully informed”



48%

“I have switched my news source or started following/watching/listening to a new source”

Not Only Are More People Choosing **Live Television for News**, it's **Also The Trusted Source** for Viewers

% of respondents who agree with the statement
P18+



78%

“Television news (national & local) is the most reliable source for information and news on COVID-19”



77%

“I am relying on TV news to help my decisions regarding me and/or my family's safety”

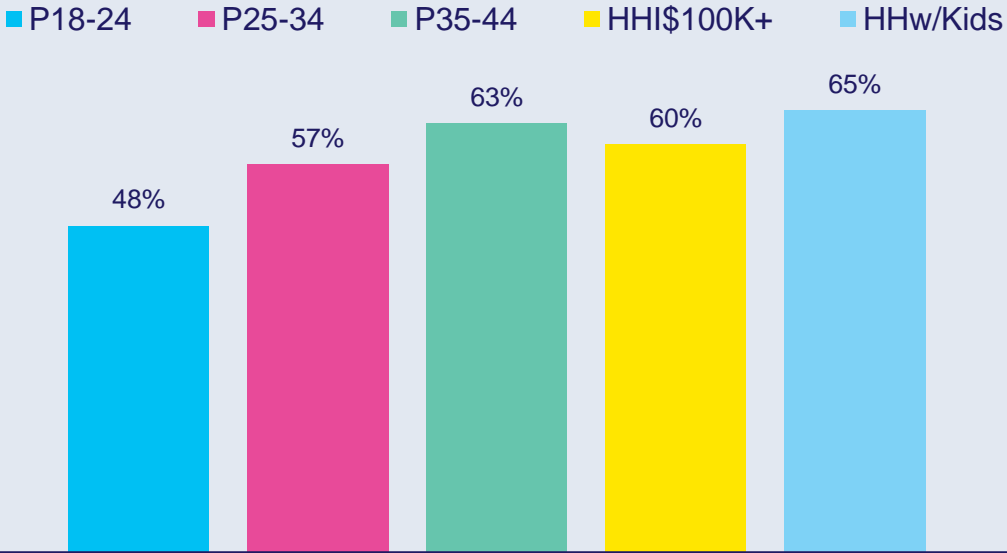


49%

“At least one TV in my home is set to a news channel at all times”

Almost 50% of Viewers Have at Least One TV Always Set to a News Channel

“At least one TV in my home is set to a news channel at all times”
Top 2 Box (Agree Completely or Agree Somewhat)



Source: VAB / Lucid 'Media Usage In The Time of COVID-19 Survey,' April 2020. Survey base: P18+ & household subscribes to cable, telco, internet TV or satellite TV (n=1,004). Q6: Thinking of your behavior during the COVID-19 Pandemic, please indicate below how much you agree or disagree with the following statements , top 2 box (agree completely or agree somewhat)

Total Viewing of Ad-Supported TV by Key Audiences Was Double-Digits Higher

Ad-Supported TV % Differences: w/o 4/20 vs. w/o 2/24

	P2+		P12-17		P18-34		P35-49	
	Reach	Time Spent	Reach	Time Spent	Reach	Time Spent	Reach	Time Spent
Total Day*	+4%	+12%	+16%	+32%	+5%	+11%	+3%	+14%
Early Morning (M-F 6a-9a)	-5%	-2%	-15%	-14%	-10%	-5%	-6%	-6%
Daytime (M-F 9a-4p)	+15%	+27%	+58%	+129%	+15%	+26%	+16%	+35%
Early Fringe (M-F 4p-7p)	+3%	+15%	+7%	+32%	+5%	+14%	+4%	+21%
Prime Access (M-F 7p-8p)	+2%	+8%	+10%	+17%	+3%	+6%	+2%	+11%
Prime (M-F 8p-11p)	+2%	+5%	+5%	+18%	+2%	+4%	+1%	+5%
Late Night (M-F 11p-1a)	+9%	+10%	+29%	+19%	+12%	+11%	+9%	+11%
Overnight (M-F 1a-6a)	+6%	+3%	+34%	+2%	+8%	+8%	+4%	+3%
Weekend (Sa-Su 6a-6a)	0%	+3%	+2%	+9%	-1%	-2%	-2%	+1%

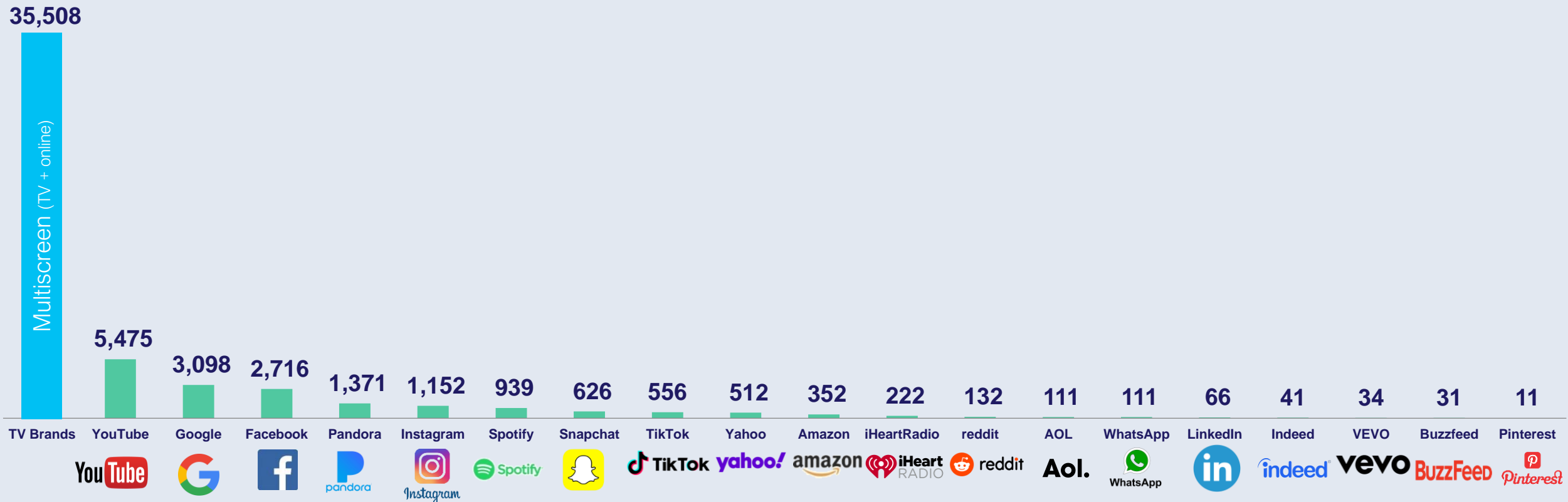
Source: VAB analysis of Nielsen R&F Time Period Report, Live, w/o 2/24 & w/o 4/20; Demos: P2+, P12-17, A18-34, A35-49, Viewing Source: Ad-Supported Cable TV & Broadcast TV (includes Spanish Language Networks).

*Total Day - reach reflects average daily reach for the week (Monday-Friday) and 'time spent' reflects total weekly minutes viewed (Monday-Friday).

Average Audience During Any Given Minute Highlights the Gap Between Multiscreen TV and Digital Platforms Among Adults

- ▶ 6.5x more P18+ are watching ad-supported TV content than are on YouTube in any given minute
- ▶ 13x more P18+ are watching ad-supported TV content than are on Facebook in any given minute

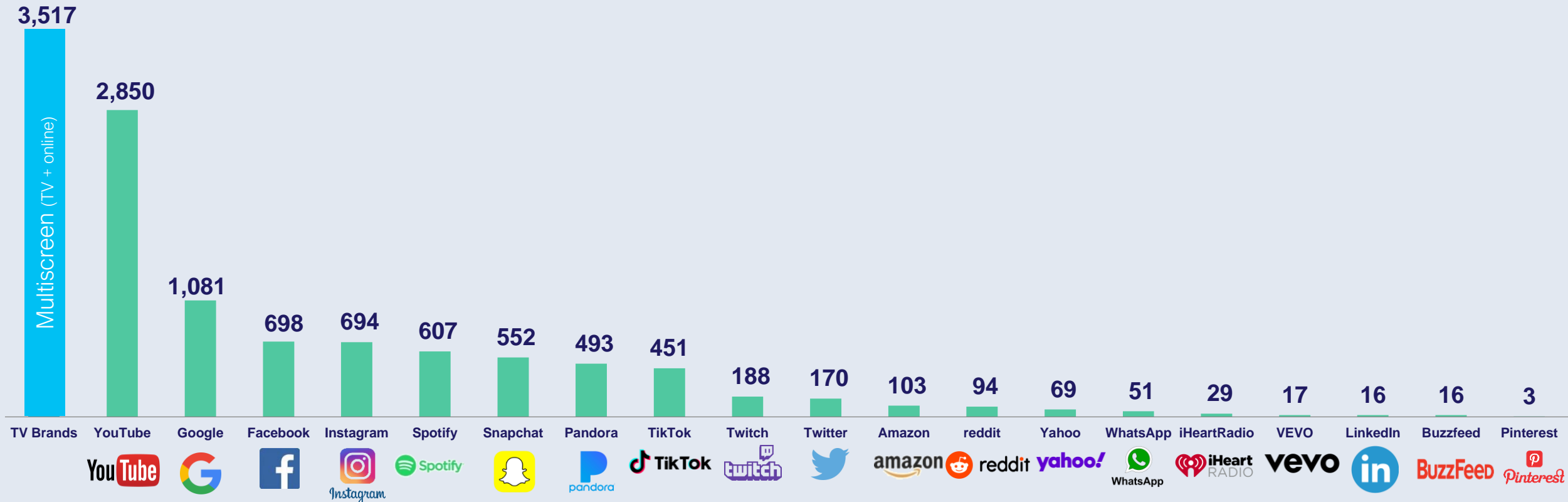
P18+ Average Audience (000)



Average Audience During Any Given Minute Highlights the Gap Between Multiscreen TV and Digital Platforms Among Adults 18-34

- ▶ 23% more P18-34 are watching ad-supported TV content than are on YouTube in any given minute
- ▶ 5x more P18-34 are watching ad-supported TV content than are on Facebook in any given minute

P18-34 Average Audience (000)



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3 What Did 110 Brands LAUNCH in 1H 2020?





2020

Welcome to TV

Introducing The 'New Kids On The Block'

1st Half of 2020

VAB Insights.
Inspiration.
Impact.

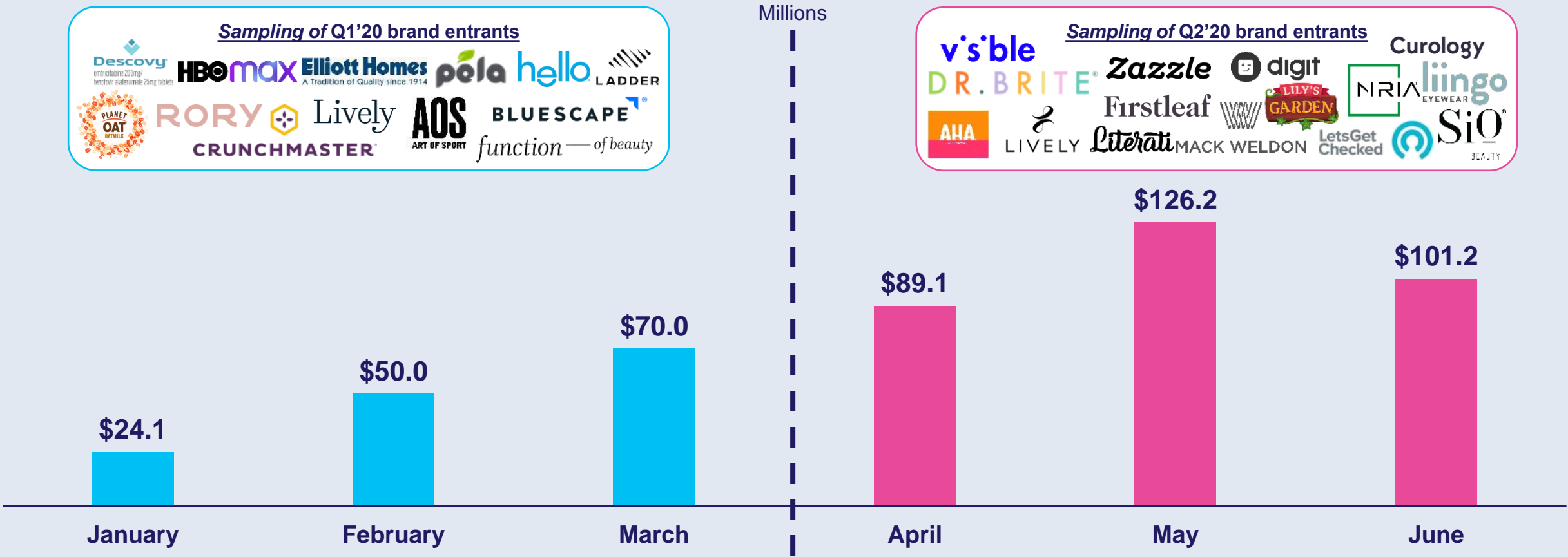
Nearly **\$460 million** Entered the US National TV Marketplace in 1H 2020 From **110** First-Time National Advertisers Across **59** Categories



Source: VAB analysis of Nielsen Ad Intel data, Q1'20-Q2'20. 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.














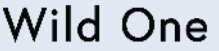


Nearly 70% of New 1H National TV Dollars Were Spent During 2Q, the Heart of the Pandemic, with Over \$316 million From 60 Advertisers

2020 New Nat'l TV Advertisers Monthly Spend



Source: VAB analysis of Nielsen Ad Intel data, Q1'20-Q2'20. 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.

60 New Advertisers
 Across **41** Categories -
 Launched TV During the
 First 3 Months of
 COVID-19, **over \$114MM**
 In US National TV Spend

	Sampling of New Entrants by Month		
Sampling of New Categories	April	May	June
Pharmaceutical			
Cleaning Products			
Streaming Services			
Wine Club			
Medical Apparel			
Online Dating			
Computer Software			
Telemedicine			
Pet Care			
At-Home Medical Testing			
Shoes			
Total Monthly Spend by New Entrants	\$13.9 MM	\$46.9 MM	\$53.6 MM

+238% vs. April

+14% vs. May

Source: VAB analysis of Nielsen Ad Intel data, Q1'20-Q2'20. 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. *MM = millions.

Nearly **\$460 million** Entered the US National TV Marketplace in 1H 2020 From **110** First-Time National Advertisers Across **59** Categories



Source: VAB analysis of Nielsen Ad Intel data, Q1'20-Q2'20. 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.

16 Brands Spent Over \$5 MM on National TV - Led by Pharmaceutical & Video Streaming categories

Pharmaceutical



\$79.4 MM



\$58.1 MM



\$32.0 MM



\$27.5 MM



\$14.7 MM



\$10.4 MM

Streaming



\$27.2 MM



\$24.8 MM



\$23.9 MM



\$13.6 MM

Vitamins & Supplements



\$12.4 MM

Telco



\$12.2 MM

Oat Milk



\$9.8 MM

Pain Relief



\$9.7 MM

Sparkling Water



\$6.6 MM

Automotive



\$5.0 MM

25 Brands Spent **Between \$1 million - \$5 million** on National TV Across 20 Different Categories Ranging from Beer to Healthcare

Underwear & Lingerie


LIVELY
\$4.8 MM

Beverages

CREATIVE
ROOTS
\$4.4 MM

Skincare

MUSELY
\$4.0 MM

Streaming

tubi
\$3.9 MM

Financial Services

 GREENLIGHT
\$3.8 MM
 NetCredit®
\$1.7 MM

Personal Care

function — of beauty
\$3.6 MM
hello
\$1.1 MM

Alcoholic Beverages

SAINT ARCHER
BREWING CO.  \$3.4 MM
 \$1.4 MM

Education

 iD Tech
CAMPUS, ACADEMIES & ONLINE
\$3.3 MM

Moving & Storage

 MakeSpace
 MovingHelp
SAFE • CONVENIENT • RELIABLE
\$3.3 MM

Women's Healthcare

RORY
\$3.1 MM

Vitamins & Supplements

 CALM
NATURAL & VITALITY
\$3.0 MM
 stressballs
\$2.7 MM

Medical Equipment

 PurePAP™
\$2.5 MM

Social Networking

 Nextdoor
\$2.0 MM

Direct Response

Handvänä™
\$1.7 MM

Cleaning Products

DR. BRITE®
\$1.7 MM

Hearing Aids

Lively
\$1.5 MM

Snacks

 CRUNCHMASTER®
\$1.2 MM

Insurance

 Tiburon
Insurance Brokers®
\$1.1 MM

Online Printing

 BONFIRE
\$1.1 MM

Home Furnishing

 VITRAZZA®
Glass Office Chair Mats
\$1.1 MM

Of the 110 New Advertisers: 60 Direct-to-Consumer Brands Across 34 Categories – That Spent Over \$144 million in National TV



Source: VAB analysis of Nielsen Ad Intel data, Q1'20-Q2'20. 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.

Why do We Pay Special Attention to Direct-to-Consumer Brands?

<p><u>Streaming</u></p>		<p><u>Underwear & Lingerie</u></p>		<p><u>Skincare</u></p>		<p><u>Financial Services</u></p>		<p><u>Personal Care</u></p>									
<p><u>Moving & Storage</u></p>		<p><u>Women's Healthcare</u></p>		<p><u>Social Networking</u></p>		<p><u>Cleaning Products</u></p>		<p><u>Hearing Aids</u></p>		<p><u>Online Printing</u></p>		<p><u>Wine Club</u></p>					
<p><u>E-Commerce</u></p>		<p><u>Medical Apparel</u></p>		<p><u>Phone Accessories</u></p>		<p><u>Pet Care</u></p>		<p><u>Online Dating</u></p>		<p><u>Computer Software</u></p>		<p><u>Eyewear</u></p>					
<p><u>Telemedicine</u></p>		<p><u>Children's Book Subscription</u></p>		<p><u>Wellness & Fitness</u></p>		<p><u>Vitamins & Supplements</u></p>		<p><u>Mobile App</u></p>									
<p><u>Wallets</u></p>		<p><u>Laser Therapy</u></p>		<p><u>At-Home Medical Testing</u></p>		<p><u>Shoes</u></p>		<p><u>Wigs</u></p>		<p><u>Online Banking</u></p>		<p><u>Medical Service</u></p>		<p><u>Online Education</u></p>		<p><u>Apparel</u></p>	

Why do We Pay Special Attention to **Direct-to-Consumer Brands**?

Direct-to-Consumer Brands Have the Best Data/Analytics in US Marketing

Streaming
AT&T tv, Quibi, peacock, HBO max, tubi, PUREFLIX.COM, Urbanflix TV, FANDANGO NOW

Underwear & Lingerie
LIVELY

Skincare
MUSELY, SiO BEAUTY, AOS ART OF SPORT

Financial Services
GREENLIGHT, NetCredit, digit, adyen, FIGURE

Personal Care
function — of beauty, hello, Curology

Moving & Storage
MakeSpace, MovingHelp

Women's Healthcare
RORY

Social Networking
Nextdoor

Cleaning Products
DR. BRITE

Hearing Aids
Lively

Online Printing
BONFIRE

Wine Club
Firstleaf

E-Commerce
Zazzle, GOVX, FIGS

Medical Apparel
pele, touch screen purse

Phone Accessories
pele, touch screen purse

Pet Care
KittyPoo CLUB, Wild One

Online Dating
dating.com, okcupid

Computer Software
VantagePoint

Eyewear
liingo EYEWEAR

Telemedicine
Teladoc HEALTH, PlushCare

Children's Book Subscription
Literati

Wellness & Fitness
obé, HYPERICE

Vitamins & Supplements
NUTRAFOL, EQUELLE, LADDER

Mobile App
RoboKiller, COOLCROSS, LILY'S GARDEN

Wallets
the RIDGE

Laser Therapy
CURAVI HEALTH

At-Home Medical Testing
LetsGetChecked

Shoes
OOFOS

Wigs
MAYVENN

Online Banking
Empower

Medical Service
lunella.

Online Education
SKILL share.

Apparel
MACK WELDON, PRETTYLITTLETHING

2019 Opened with 125 DTC's on US National TV

US TV Ad Spend

125 DTCs- **\$3.8B**



Source: VAB analysis of Nielsen Ad Intel data, calendar years 2014-2019. TV spend includes national cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, spot TV, syndication TV.

75 New DTC's Began National TV in 2019...

US TV Ad Spend

125 DTCs- \$3.8B

75 New DTCs- \$0.5B

225 DTCs- \$4.3B



Source: VAB analysis of Nielsen Ad Intel data, calendar years 2014-2019. TV spend includes national cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, spot TV, syndication TV.

Add the *Other* Major US Analytics-Driven TV Ad Spender in 2019...

US TV Ad Spend

125 DTCs-	\$3.8B
75 New DTCs-	\$0.5B
225 DTCs-	\$4.3B
FAANG-	\$2.6B
	\$6.9B



Source: VAB analysis of Nielsen Ad Intel data, calendar years 2014-2019. TV spend includes national cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, spot TV, syndication TV.

At Minimum – US National TV Began 2019 with 125 Direct-to-Consumer Brands, and Will Close 2020 With at Least 285... 160 New Brands in 24 Months



Many First-Time National TV Advertisers Made Industry Headlines When they Launched Their TV Campaigns...



BeautyIndependent

MAYVENN

With National TV Ads And A Spotlight On Salons, Mayvonn Aims To Be Much More Than A Hair Extensions Brand March 7, 2020

ADWEEK

**DTC Men's Apparel Brand Mack Weldon
Airs Television Ads for the First Time**

A drop in demand for TV advertising has made the channel more affordable June 25, 2020



MACK WELDON

GLOSSY

'We want to turn TV into performance marketing': Function of Beauty tests national ads

January 10, 2020

function — of beauty

The Drum.



LIVELY

As big advertisers go off air, Lively leads the DTC brands testing TV at cut-price rates

April 30, 2020



**MediaPost
Palo Alto Networks Unveils Its First National Campaign**

May 7, 2020



AdAge

**KOBE BRYANT'S SKINCARE BRAND
ART OF SPORT DEBUTS FIRST TV ADS**

March 10, 2020



AOS



Novartis touts survival edge in Kisqali's TV debut



March 4, 2020

SGB MEDIA

Hyperice Debuts First TV Commercial

May 26, 2020



AbbVie prompts patients to 'take on' arthritis in first Rinvoq DTC ad

March 2, 2020



ModernRetail

Rory is running its first TV commercial as telehealth is having a moment

April 21, 2020

RORY



Gilead says 'Step up for PrEP' in Descovy's first HIV prevention campaign

February 10, 2020



7 SAN DIEGO

Saint Archer Launching \$20M Campaign for Premium Light Beer

Saint Archer's first television commercials will launch during the NFL playoffs



January 23, 2020



CarParts.com Delivers to America Through Rapid Response TV

May 19, 2020

carparts.com™

MediaPost

hello

Hello's First TV Campaign: It's Strange But OK To Like Toothpaste

April 9, 2020

...And Marketers at First-Time TV Advertisers are Championing the Clear Growth Driven by National TV

MAYVENN

*"We have a lot of indicators from our other marketing channels that **television is a really engaging place for a lot of our customers.**"*

Diishan Imira, Founder, *Mayvenn*
(Beauty Independent, 3/7/20)

carparts.com™

*"This campaign is about empowering drivers and bringing awareness to the selection we offer as well as the ease and convenience of shopping on CarParts.com.... **We're assuring them, on national TV, that we will deliver the part they need, when they need it.**"*

Houman Akhavan, Chief Marketing Officer, *US Auto Parts Network* (Parent company of CarParts.com)
(Business Wire, 5/19/20)



"TV all of a sudden started to sparkle.... It's so much more efficient than we ever anticipated."

Michelle Cordeiro Grant, Founder, *Lively*
(The Drum, 4/30/20)



[Brian Berger, CEO, Mack Weldon] is optimistic [TV] will become a meaningful part of its mix.

Adweek, 6/25/2020

Today's VAB Presentation

1 Advertising *Through* a Crisis



2 Coping with COVID – US TV in 2020



3 What Did 110 Brands LAUNCH in 1H 2020?



2020

Keep Calm and Advertise On

VAB

Insights.
Inspiration.
Impact.

