REPORT

# REACH, REVENUE AND ROI

The 3 Principles for Effective TV Advertising

# Executive Summary

**Purpose**
To provide principles for TV advertising success, as determined by our clients' real-world experiences and marketing effectiveness research.

**The Problem**
TV advertising provides opportunity for growth beyond what's possible with targeted advertising alone, but the channel can be complex and expensive, especially for those needing to definitively prove TV's value for the business.

**The Solution**
Brands looking to achieve success through TV advertising must approach the channel by:

1. Pursuing **reach** to connect with large audiences, rather than leaning into tight targeting.
2. Improving performance by understanding cost's role in determining a TV campaign's **ROI**.
3. Driving both sales and awareness on TV, at the same time, for the maximum impact on **revenue**.

**Evidence**
By following these three principles, clients have seen the following results on TV:

- TV advertising led to an average increase of 85% in aided brand awareness for established brands and 100% for startup/new brands.
- Direct traffic increased on average 34% for brands in their first year after launching TV advertising.
- Positive impacts of TV have been visible within other channels including direct mail, web traffic, branded search, paid search, and affiliate marketing.
- Even B2B clients have seen highly successful TV campaigns, with an average return on ad spend (ROAS) of 7.25 and revenue growth of 17.5% during their first year on TV.

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# BACKGROUND

BACKGROUND

# Why TV Advertising?

It's 2007. Two twenty-somethings in San Francisco need to make rent. Having recently moved from New York, they are jobless and strapped for cash in a new city.

One of them floats an idea... What if they rented space in their apartment? A local conference had attracted a surplus of visitors, and hotels across the city were fully booked. Surely someone was still looking for a place to sleep. So they bought a few airbeds and announced their offering: $80 for an "Air Bed and Breakfast."

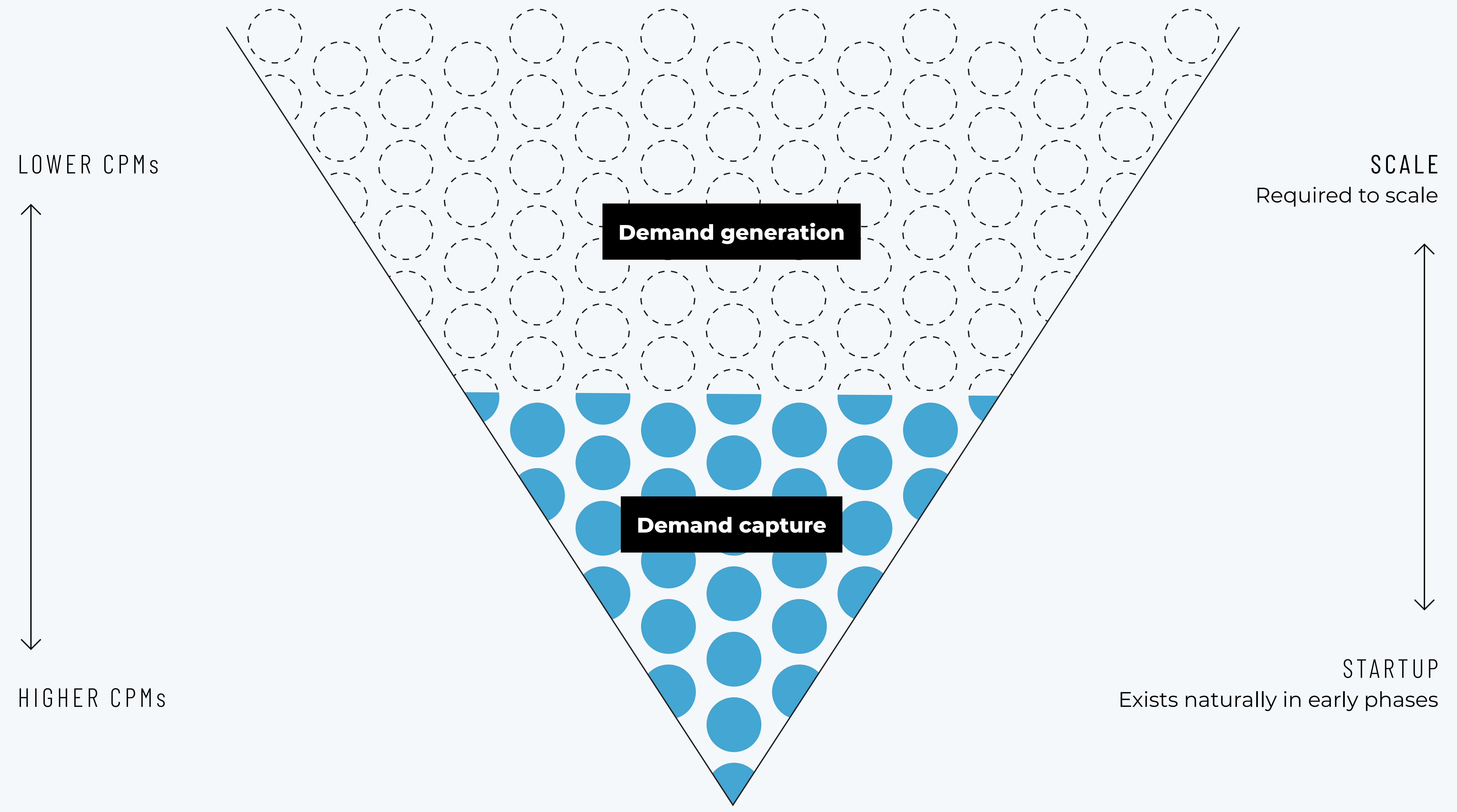
It took a few more years, a third co-founder, and a stint selling cereal boxes, but Airbnb finally took off. Today, the brand boasts 4 million hosts and has welcomed 1.4 billion guest arrivals.[1] It's redefined travel and lodging around the world.

"At some point you go from building the product, to phase two, which is **building the company that builds the product**."

—Brian Chesky, Founder, Airbnb

# Demand generation vs. demand capture

*Cost per thousand impressions (CPM) and brand maturity*




**But every business reaches a tipping point.** A point where growth is suddenly a challenge.

A decade after its founding, Airbnb was “growing up,” adding professional standards and a loyalty program.[2] There was even talk of taking the company public. But continuing to scale based on their current marketing strategy seemed untenable. Airbnb heavily invested in search advertising to capture demand, reaching potential customers online as they searched for a place to stay for their next vacation or work trip. But that demand wasn’t infinite.

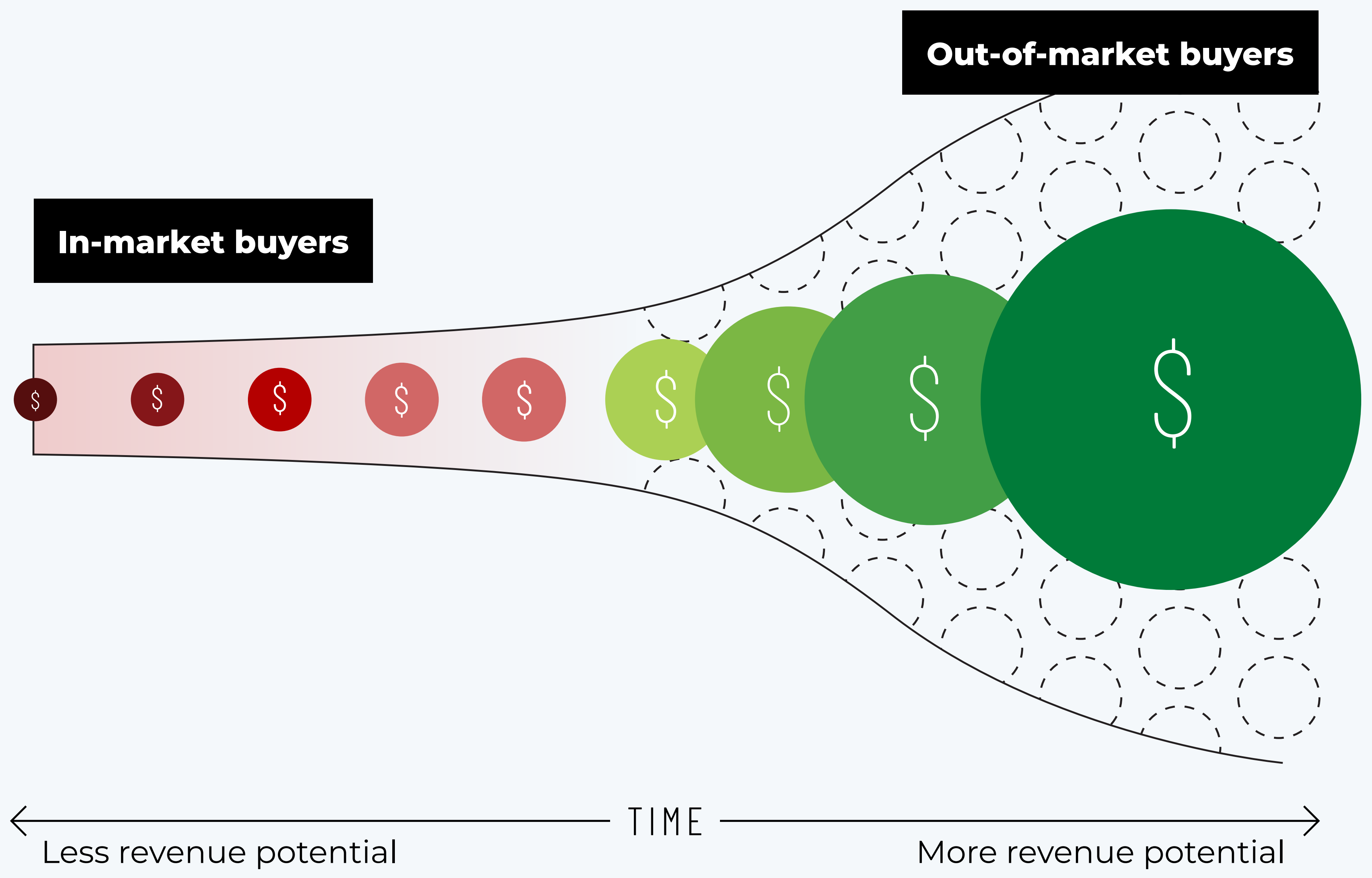
When a brand is born, an immediate pool of demand exists. Or it should, anyway, if your brand solves a real marketplace challenge. So, for a while, customers are relatively easy to find. You connect with them through word-of-mouth, local ads, and targeted digital advertising. The internet provides seemingly infinite reach—exposure to the whole world if needed—so you begin to scale. For a time, this drives the response you want.

But what happens after you’ve maximized your share of in-market customers? Performance marketing becomes challenging. The cost of each new customer increases, and you get less return on every sale.

This happens because, for most categories, the vast majority of potential customers are not immediately in-market. For B2B brands, for example, it's estimated 95% of potential buyers are out-of-market at any time.[3] Targeting only the in-market 5% severely limits growth potential. Which is why creating demand is just as important as capturing it through bottom-of-the-funnel digital marketing.

## Generate demand with the 95-5 Rule

*Revenue potential for "in-market" buyers versus "out-of-market" buyers*




B2B Institute at LinkedIn [3]

Eventually, to continue growing, brands need to reach broad audiences including out-of-market prospects. To reach beyond highly targeted advertising. Research organizations including The Ehrenberg-Bass Institute and The B2B Institute at LinkedIn have repeatedly proven this principle.[4] What should now be added to the conversation is the how. How do brands achieve the reach needed for growth? How do they begin to approach a long-term move like this, especially when they are reliant on performance marketing to keep the lights on?

For brands at this stage, TV advertising offers scale, visibility, credibility, and accountability to support both top and bottom-of-funnel growth.

Airbnb is no stranger to what TV can do. In 2019, the company made a major shift.[5] It decreased its overall marketing budget and reallocated spend previously focused on search to brand-building endeavors, especially PR and TV. At the end of 2022, Airbnb's CFO credited the brand-focused marketing strategy for driving the company's most profitable quarter-to-date.

Despite not being first in its category—that distinction belongs to Vrbo, founded in 1995—Airbnb today is synonymous with "vacation rental" while also arguably owning hotel alternatives for every type of travel. More than 90% of traffic to its platform comes direct rather than from search ads. The brand had the foresight to know when to add demand creation to their demand-capture marketing strategy. And they had the finances to make that possible through TV advertising.

But many brands lack the resources needed to make a shift. Or, they're prepared to change, but aren't sure how to begin. After all, driving tangible, accountable results with a channel like TV advertising is complex. There are a lot of misconceptions about TV, from the idea that TV is "dead" to thinking it can't be measured. This means it's often not leveraged to its full potential and brands miss crucial opportunities to take their businesses to the next level.

That's why we decided to dig into our own clients' results to determine exactly how they've successfully used TV advertising to drive growth. Now, we're sharing our findings so more brands can understand all their options when it's time for them to lean into demand creation rather than only demand capture—and the role TV advertising could play in making that happen.

REACH, REVENUE AND ROI

# METHODOLOGY

METHODOLOGY

# Our research method

While preparing this report, we examined a number of sources for information and insight. These sources include:

1. **Clients' first-party data**. This report is reliant on TV campaign results and business metrics from brands that have partnered with Marketing Architects to advertise on TV. These brands:

    - Do business in different industries.
    - Include B2B, B2C and DTC business models.
    - Have been founded as recently as 2013 and as long ago as 1902, meaning the data includes both young and established brands.
    - Generate revenue ranging from tens of millions to multiple billions each year.

Throughout the report, we reference both averages across a number of clients and examples specific to individual clients' outcomes.

2. **Secondary research** from credible industry journals and research sources including eMarketer, WARC, VAB, and the Ehrenberg-Bass Institute has been used to explain why clients' strategies on TV have found success and provide support for various marketing principles. References citing this research can be found at the end of the report.

REACH, REVENUE AND ROI

# FINDINGS

FINDING #1

# Reach drives greater returns than targeting.

What is reach, really? If we're going back to Marketing 101, reach is simply the number of individuals exposed to an ad. So technically, every campaign has reach. But the extent of that reach varies. When we talk about the importance of reach in this report, we're talking about broad reach marketing. Marketing campaigns designed to connect with massive numbers of people. To create household names and category leaders.

"TV is the biggest megaphone out there. It has **helped us connect with consumers we can't reach effectively through purely online media**. It's very, very difficult to overstate the impact it's had on our ability to grow."

—Todd Wehmann, Marketing Director at Charles Schwab and former Head of Marketing at Touch of Modern

But in an era where digital advertising allows targeting to just those most likely to become customers, some view “reach” as a dirty word. Or, at the very least, an ineffective approach to marketing. Why market to those who aren’t likely to buy right away or who don’t fit perfectly within your ideal customer profile (ICP)?

There are a few reasons:

1. **To build mental availability.**

As previously discussed, if you’re pursuing continued scale, you’ll eventually run out of people to target. For growth, you need to look beyond audiences already interested in buying. This requires achieving a balance between physical and mental availability.[6]

Physical availability refers to how accessible and convenient something is to purchase. Today, digital channels provide physical availability by helping consumers find a solution easily. *How Brands Grow* author Byron Sharp refers to channels like paid search as online “shelf space.”[7]

However, strong physical availability will only help a brand reach people who are already looking for them. Mental availability, or how likely someone is to think of a brand when needing a solution they provide, is what makes people think to look for them in the first place.

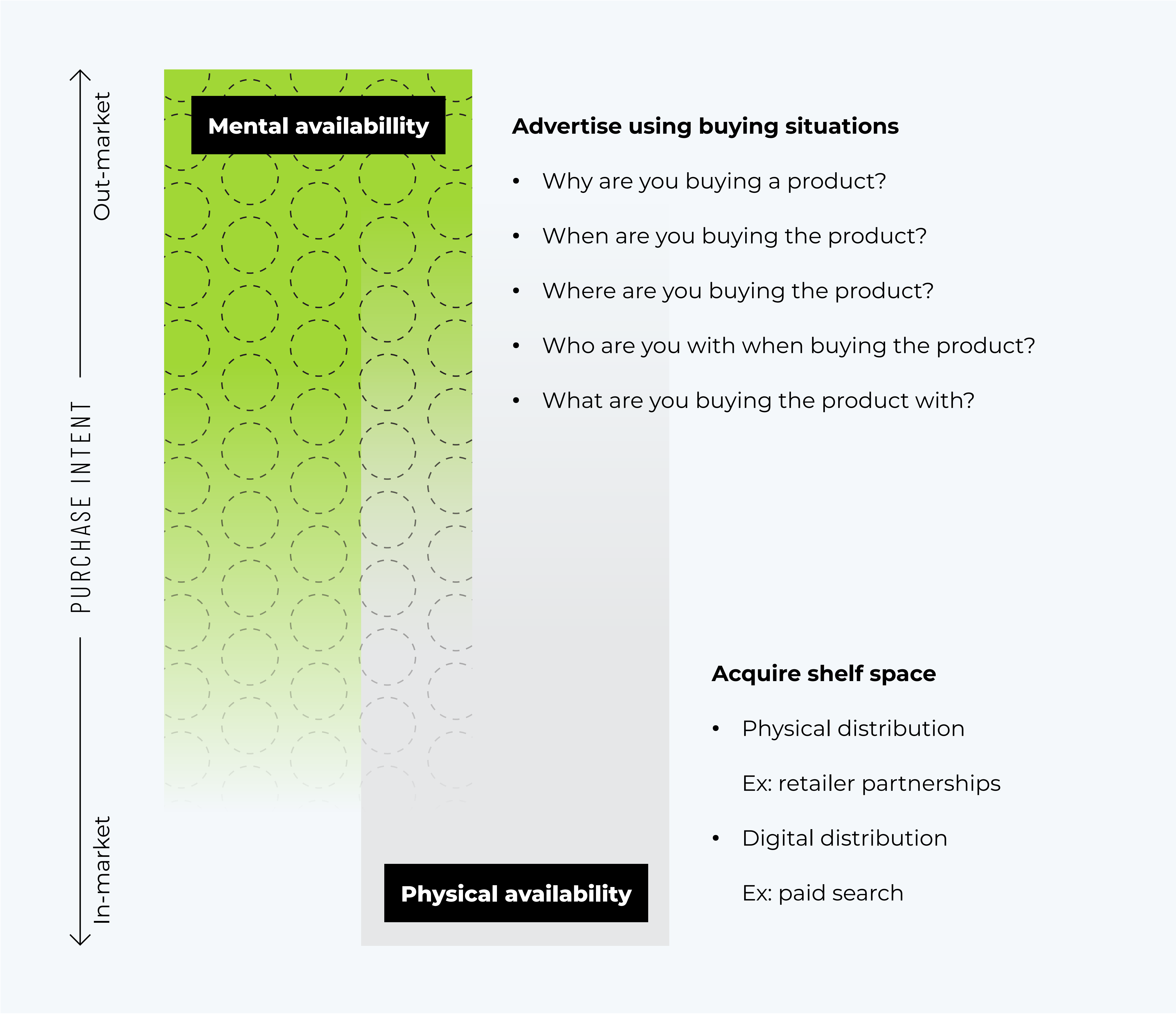
Let’s say you’re in charge of marketing for a company that sells sneakers. You’re pursuing growth, so a major goal for your marketing is attracting new customers. The shoes are extremely comfortable, so you advertise the shoes’ benefits for people who spend a lot of time on their feet. How do you make your product the first option consumers think of when they’re in-market for a solution like yours?

You do the work to remind people about all the situations where your shoes are the perfect solution. Maybe they’re ideal for nurses spending long shifts running down hospital hallways. Or they’re great for moms who are always on-the-go, shuttling their kids from one activity to the next. Or for bartenders and restaurant servers who are constantly moving from one customer to the next. The more your product comes to mind in all these situations, the greater your mental availability. And the more likely it is that people in these situations will choose to buy from you.

But of course, in order to achieve this level of mental availability, your marketing needs to be able to reach all these people in the first place.

## Dual approach to brand availability

*Complementing your physical availability with mental availability*




WARC [6]

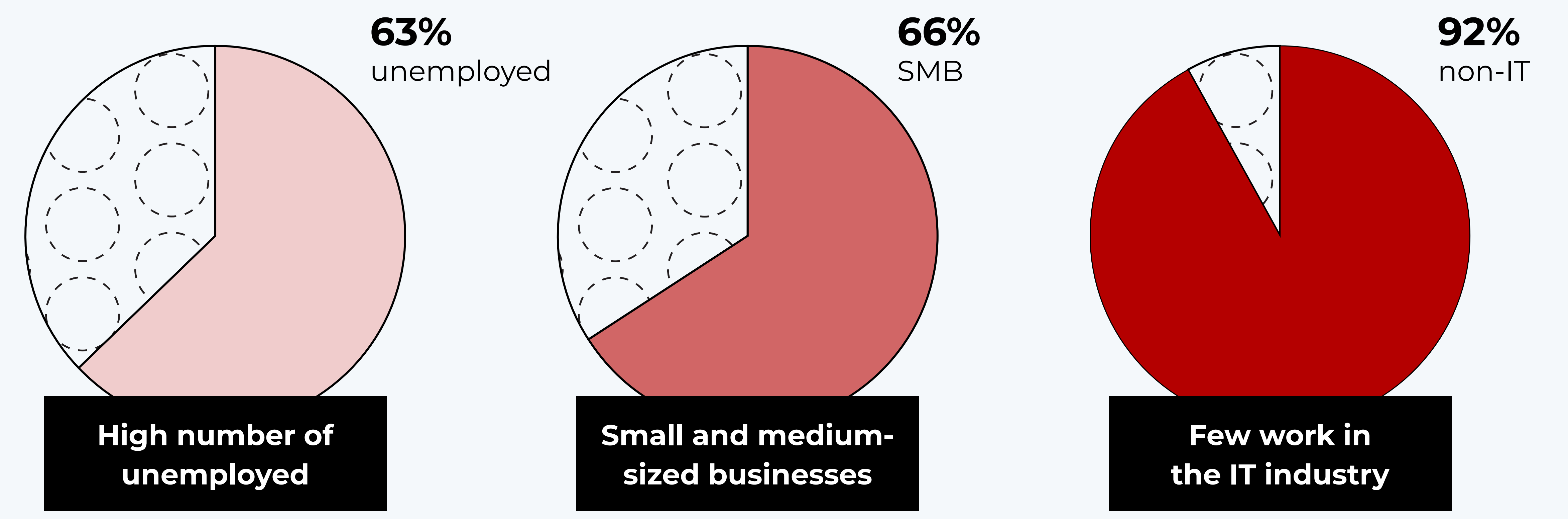
**2. To ensure you don't miss your customers.**
Research increasingly calls into question the accuracy and reliability of highly targeted digital campaigns. The Global Head of Media at HP recently spoke about behavioral targeting.[8] For years, they believed tight targeting through digital enabled them to reach the exact right people (IT decision-makers) at the right time (when they were ready to buy). But slowly, skepticism grew. Partnering with MIT and the University of Melbourne, HP set out to evaluate how well they were really reaching their preferred audience with hyper-targeted digital ads.

The results were surprising—only 8% of the people they targeted actually worked in IT. 63% were unemployed. And despite targeting enterprise companies, 66% worked at small and medium-sized businesses. Many of the targeting segments performed worse than if HP had not targeted at all. Their best performing segment by far was targeted only by age, reaching people 45-54.

Despite evolving technology, digital is only growing more challenging. In the last two years, Facebook ad prices have skyrocketed. Apple's iOS 14 update has created attribution difficulties.[9] The pending loss of the third-party cookie is sending marketers scrambling for new ways to target. And we're all at the whim of Google algorithm changes.

## Low-quality audience in targeted campaign

*Digital targeting evaluation by HP in partnership with MIT and the University of Melbourne*




**3. To access more potential customers.**
Mostly, the importance of reaching more people through your marketing efforts comes down to one core idea—more reach gives you more chances to convert. Let's imagine for a minute that you're standing at the free-throw line on the basketball court at the Chase Center. Next to you stands Steph Curry. Steph has just one shot. You have 100. Who's going to make more baskets?

Most people here will admit… it's probably going to be you, even through sheer luck. And in this analogy, any sophisticated mass marketer should be a decent shot. (Mass marketing still requires strategic targeting, after all.)

Besides, there's always the possibility your highly-targeted ads are going to the wrong people. That you think your company's sneakers are designed for people seeking a high-performing running shoe when in reality your best customers just want something cute and comfortable for daily life.

But that's the beauty of broad reach marketing. You can reach massive audiences who include various consumer groups interested in your offering for very different reasons—even reasons you haven't considered.

Where does TV fit into all of this? Like digital is inherently built for tightly targeted ads, TV is the perfect channel for broad reach due to its massive scale and visibility. Here's how TV matches up with our three reasons to pursue reach—and where advertisers should lean in order to benefit most from the channel.

| Why Reach? | Why TV? |
|---|---|
| To build mental availability. | TV is the undeniable king of brand awareness. |

To create mental availability, you need consumers to recognize and remember you. That's accomplished through brand-building.

TV is widely accepted as the top brand-building channel.[10] Its ability to connect with large audiences in a memorable and engaging format remains unmatched. And it's built for storytelling and creativity. Through the combination of audio and visuals, TV presents your brand to your audience in the comfort of their home, while they're primed to consume content, and gives you a full 15 or 30 seconds to leave a lasting impression. So it's no surprise that, according to a study by Comcast and MediaScience, TV ads resulted in 2.2x higher ad recall than mobile ads.[11] In fact, 77% of ad views happen on a TV screen (compared to just 10% on mobile devices).[12]

TV's ability to build brand has been proven in our own work. Based on a review of nine clients, all of whom have launched TV with Marketing Architects since 2018, aided brand awareness has increased on average 85% for established brands and 100% for startup/new brands.

Direct traffic, a sign of improved brand awareness, has also seen positive growth. Across nine brands, clients on average saw a 34% increase in direct traffic during their first year after launching TV. This suggests people are remembering the advertisers' names and typing them directly into their browsers when searching for a solution the client provides. This means clients avoid the Google tax—or battling competitors for pricey paid search terms in order to capture these customers.

| Why Reach? | Why TV? |
|---|---|
| To ensure you reach the right people. | TV avoids targeting pitfalls by putting your brand in front of potential customers and influencers. |

With tightly targeted digital ads, you run the risk of targeting the wrong people. Or missing a hugely important purchase influencer. That's where the idea of positive spill comes into play. In marketing, "spill" is often equated with "waste." But additional reach beyond a brand's ideal target audience often results in unexpected new customers. And even people who don't become customers can provide value—if they play a role in others' purchase decisions. After all, 89% of purchase decisions are discussed with others.[13] The bigger the purchase decision, the more likely there are multiple people weighing in.

Let's look at the idea of spill through the lens of a B2B company. B2B brands tend to have especially narrow audiences. So it makes sense why they leverage tight targeting to reach decision-makers. But even they can benefit from spill.

Suppose a business is searching for a new project management tool, which you provide. An IT leader searches online for your brand's category. Your site pops up at the top of the search results. That's great. You fought tooth-and-nail for those keywords.

But today, the typical B2B buying decision involves six to 10 people.[14] In this case, the CFO recommended a different supplier to the IT leader, so they navigate away and buy from the competition. It didn't matter that the person making the purchase saw your site first. A lack of brand awareness lost you even a bottom-of-the-funnel sale that should come easily with online ads.

Now imagine your TV commercial aired in the weeks before this company's search. Through TV, you appeal to a wider range of stakeholders. The CFO notices the commercial while watching the evening news and mentions it to the IT leader. The IT leader has heard of your brand before, and they're excited to test it.

Over the years, our B2B clients have seen incredible results on TV. The average return on ad spend (ROAS) for their TV campaigns is 7.25, and brand awareness has improved by more than 90% on average. Best of all, revenue increased by an average of 17.5% during their first year on TV with us.

| Why Reach? | Why TV? |
|---|---|
| To access more potential customers. | There are many ways to reach massive audiences on TV. |

35 years ago, you could reach nearly 100% of TV viewers by buying media from the top three networks. Today, audiences have hundreds of ways to view content, as streaming enables viewers to watch their favorite content whenever and wherever they want.

So yes, TV audiences are increasingly fragmented. But this can create opportunity. If there are hundreds of viewing options, there are also hundreds of ways for you to connect with your audience—well beyond the few most known (and most expensive) networks.

And despite growing fragmentation, TV still boasts the largest audience of any marketing channel. In 2022, nearly 3/4 of all US adults watched linear TV regularly, according to eMarketer.

For even greater reach, TV advertisers can build campaigns that include both linear and streaming TV. When paired strategically, adding streaming and CTV to a linear TV campaign can provide incremental reach (reach beyond those your linear campaign is already engaging).

One of our own clients has seen the reach TV can provide when trying to expand beyond online channels. They leveraged both streaming and linear TV for the greatest possible reach. Their streaming campaigns connected with audiences that were 96% new compared to their linear campaigns.

CASE STUDY

# How Joybird Exceeded ROAS Goals on TV


**Overview**

Furniture retailer and manufacturer Joybird historically focused marketing efforts on social and digital. But after establishing a loyal customer base, they were ready to expand offline and let new audiences know about their bold colors, unique styles and 18,000 furniture customization options. Because bold styles deserve bold marketing.

**Objective**

Joybird decided to launch both streaming and linear television to connect their brand with as many potential customers as possible. With the help of our media-buying AI, Annika, we drafted a plan that resulted in only 4% overlap between linear and streaming audiences, maximizing Joybird's reach.

Next, we prepared to launch two separate campaigns. The first used existing creative to help drive sales during the busy holiday season. The second developed creative from the ground up, from strategizing messaging to pretesting creative concepts to shooting a spot that beautifully highlighted Joybird's customizable furniture. This commercial supported peak seasonality at the start of the year.

**Results**

To understand TV's full impact on Joybird's business, it was important to isolate TV's direct impacts while recognizing the halo effect TV had on other channels, including digital. We prioritized driving traffic to Joybird.com, but we also wanted to increase brand awareness, preference and intent.

Still, it all came down to achieving a 4X return on ad spend. Within weeks of the launch, TV's impact was clearly visible. And within a year, Joybird reached a ROAS of 7-10 across both linear and CTV—more than double the original goal. Best of all, more people than ever were finding joy in Joybird's colorful, customizable designs.

**In their first year on TV, Joybird saw:**

**700,000+**
web visits driven by TV

**16,000+**
TV-attributable orders

**7-10X**
return on ad spend


FINDING #2

# The principal determinant of TV's ability to drive ROI is cost.

It's no secret TV has historically been among the worst offenders for skyscraper-high prices. Since the first Super Bowl in 1967, Super Bowl ad prices have grown 16,371%.[15] In 2022, the average cost of airtime during the big game was $6.5 million.

So for most brands, it doesn't matter that the 2022 Super Bowl also had more than 115 million viewers.[16] The potential impact of that reach and visibility is irrelevant when you don't have $6.5 million in the first place. Essentially, reach has major value—but only if the price is right.

Let's think back to our basketball example. Once again, you choose between Steph Curry shooting

> "TV has helped us share Joybird's wide range of unique and customizable products with new audiences **while driving performance for the business**."
>
> —Kimberly Gonzales, Joybird Director of Brand and CRM

one free throw and you shooting 100. But now, for every shot taken, you pay $1. For every shot made, you get $3. (Yes, this is starting to sound like your college economics textbook, but bear with us.)

Steph's shot is still a slam dunk, but potential profit is limited to $2 total.

| Cost | Baskets Made | Revenue ($) | Profit ($) |
|---|---|---|---|
| $1 | 1 | $3 | $2 |

And if you shoot 100 baskets? Your potential profit is far greater, but the upfront investment is $100, meaning you'll need to make 34 baskets before you profit at all. It's risky—maybe too risky.

| Cost | Baskets Made | Revenue ($) | Profit ($) |
|---|---|---|---|
| $100 | 5 | $15 | -$85 |
| $100 | 25 | $75 | -$25 |
| $100 | 55 | $165 | $65 |
| $100 | 75 | $225 | $125 |

By accounting for cost, this analogy starts to break down. It's also where a mass-reach strategy on TV often breaks down in real-life marketing planning. Because, sure, you'd like to get in front of as many people as possible. But you must have significant success with a mass-reach campaign to see the same ROI you'd gain from a smaller, targeted investment.[17]

Of course, there are the long-term benefits of reach that we established earlier. Brand-building. Stronger ad recall. Connecting with influencers, not just purchase decision-makers. But as budgets tighten and C-Suites debate how to weather an uncertain economy, it's tough to justify investing in mass reach for the long-term benefits alone. Not when your CFO is demanding results now.

But TV's reputation as the most expensive marketing channel is inaccurate. In fact, it's targeted digital ads that are growing pricier, some estimating the increase being as much as 50% compared to last year.[18] That's due to growing competition from big companies ramping up their online spend and from industry players like Google using their market position to charge steep commissions.

TV, on the other hand, is increasingly accessible. Making short-term, performance-driven results achievable.

Let's say that now you pay the same $1 total whether Steph shoots one shot or you shoot 100. You still gain $3 for every shot made. In this case, if you make even just two shots, you'll achieve greater profit than is possible with Steph's single shot. The upfront cost changes everything.

| Cost | Baskets Made | Revenue ($) | Profit ($) |
|---|---|---|---|
| $1 | 5 | $15 | $14 |
| $1 | 25 | $75 | $74 |
| $1 | 55 | $165 | $164 |
| $1 | 75 | $225 | $224 |

When reach is achieved efficiently, TV can be an accountable performance channel. Capable of attracting new customers. Proven to drive more and larger orders. Across our own clients, the average TV campaign ROAS is 5.0. For every dollar spent on their TV campaigns, they generate $5 in revenue.

According to WARC, TV generates the greatest sales impact of any form of video advertising. TV drives 44% more sales than when an ad is not seen at all—compared to 37% for YouTube ads and just 21% for Facebook ads.

VAB has also proven TV's potential to drive short-term business results. 77% of app-driven brands see a direct correlation between their TV campaigns and traffic to their mobile app. And ecommerce brands especially have seen double and even triple-digit percentage revenue increases in the first year after launching TV.

One client, an online retailer, had been known as the place for professional photographers for decades. But by the 2010s, the company had expanded online and hoped to appeal to a broader crowd.

TV was the perfect way to get in front of a new audience. Partnering with us, the retailer launched a TV campaign during a key holiday season. They focused on advertising locally in a test market. This meant a smaller media investment was required and they'd be able to determine TV's exact impact by comparing the test market to control markets without TV advertising.

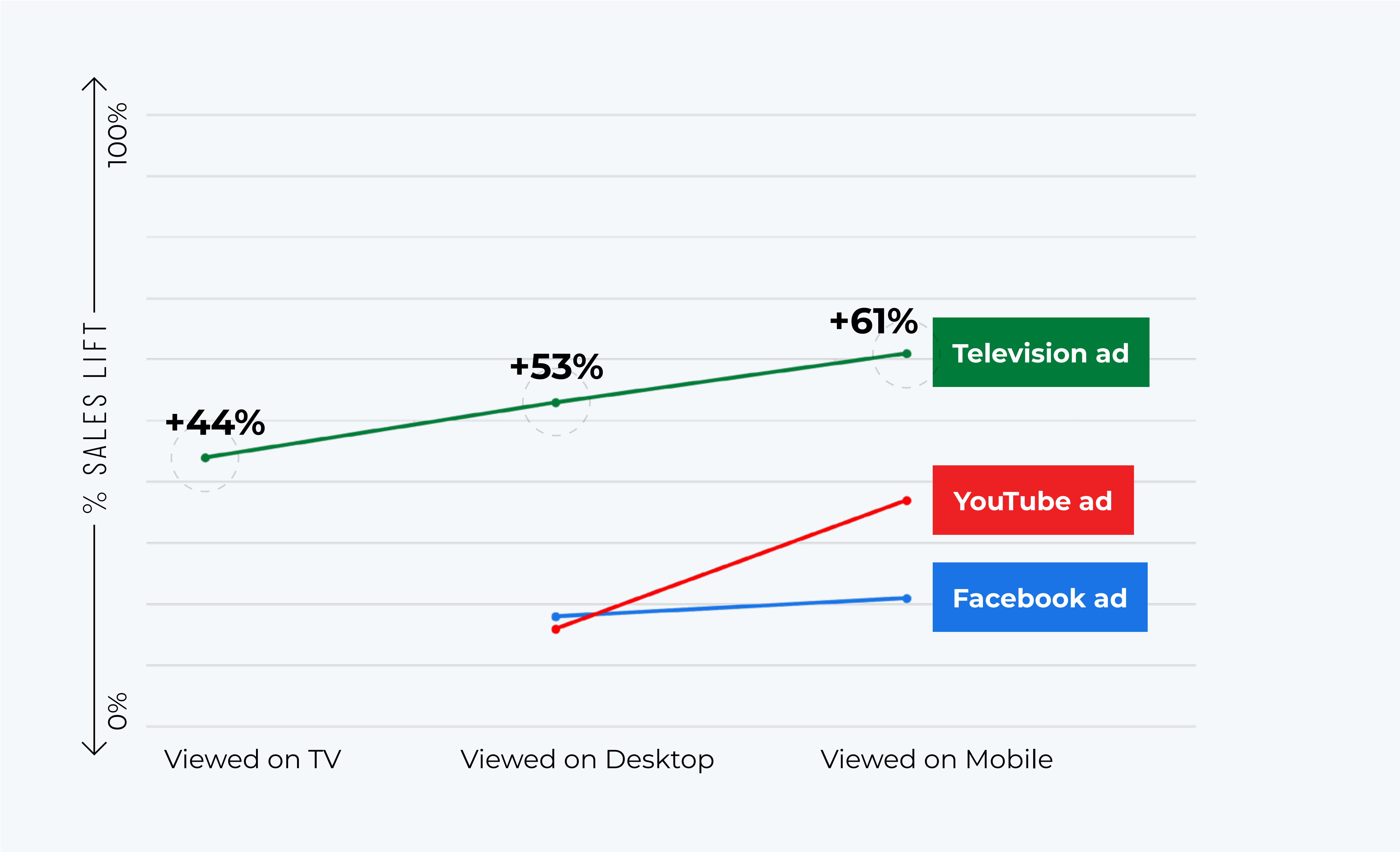
New website user growth in the test market more than doubled. Sales growth was greatest in categories beyond camera and photo, meaning the retailer was reaching new audiences. And by the campaign's end, they saw 100% growth in their computer category, 214% growth in gaming, and 52% growth in home electronics.

This story is just one of many. According to VAB, in 2022, 303 advertisers across 71 product categories launched national TV campaigns for the first time. That's 303 new advertisers despite the recession worries and budget cuts that loomed over the year. These advertisers included wellness startups, established insurance companies, and luxury brands who all saw TV's potential to drive meaningful results for their business, including performance results.

Of course, some brands still spend tens or hundreds of millions of dollars on TV every year. (The Super Bowl media prices listed earlier are accurate, after all.) But now, there are options for getting your brand on TV at a wide range of price points depending on your media buying approach.

## TV generates greatest sales impact

*Measured across media platforms*

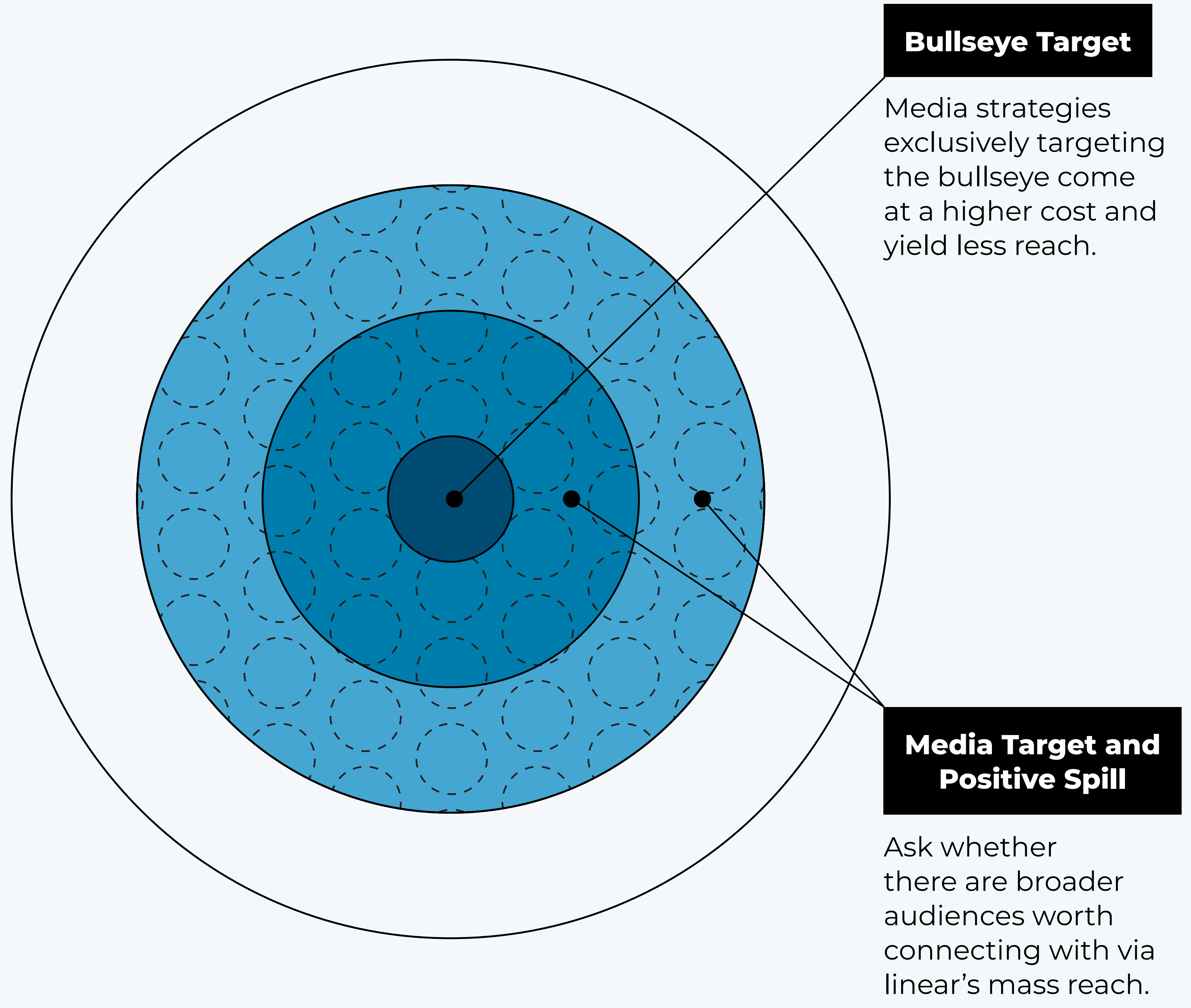



According to a media audit conducted based on data by technology company Samba TV, our clients have achieved the same level of reach as some of the biggest brands on TV (think Walmart, Home Depot, and IBM) at **40-60% of the cost**.

The following outlines a media strategy those clients use to drive performance results with their campaigns.

# Many brands have a broader audience than they think

*Comparing targeting tiers*




**1. Don't limit your media plan to only the biggest networks.**
Imagine you own a home renovation business that you'd like to advertise on TV. It makes sense to advertise on HGTV. After all, many people watching HGTV already have interest in remodeling. They may even be watching the latest show on "flipping" houses specifically to find ideas for their own home.

HGTV is rated as the twelfth most popular network on linear TV, drawing more than 700,000 people during primetime in one week.[19] Sure, it's not one of the "Big Four" networks (NBC, CBS, ABC, and Fox), but it's up there with the best of them. So you get visibility in front of your key audience on a premium network. But because of HGTV's premium status, airings can be expensive. And when it comes to snagging airtime, you're battling direct competitors trying to get in front of the same audience. If HGTV is the only network in your media plan, you're paying through your teeth.

A decade ago, TV agencies often included just the most well-known networks (like HGTV) in their buys. Today, advancing technology has made this a dated and unnecessarily expensive strategy.

**2. Find your audience across the media landscape.**
Your potential customers watch dozens of networks besides HGTV, all of which offer media at different price points. It's just a matter of finding them across the vast media landscape. This is where targeting comes in. Because even mass-reach marketers should be targeting—it's just a different type of targeting compared to the hyper-targeted digital ads of a brand's early growth stages.[20] Broad reach marketing ≠ reaching everyone in the entire universe.

Of course, targeting starts with identifying exactly who your audience is. As the owner of a successful home renovation company, you already know who your ideal customer is. For TV, the next step is simply broadening that definition slightly to get the benefits of positive spill we discussed earlier.

For your home renovation company, you may look for an older audience since you know more than half of people conducting renovations on their homes are Baby Boomers.[21] This generation is also more likely to hire someone (like you) to update their home, rather than doing it themselves. Let's also say your typical customer has an income of at least $200,000 and is primarily female, so you only want to target women in households that make above that amount.

Reaching this audience requires only basic demographic targeting every media agency should provide. Contextual, geographic, and time-of-day targeting can also be applied.

**3. Leverage technology to build a diversified media plan.**

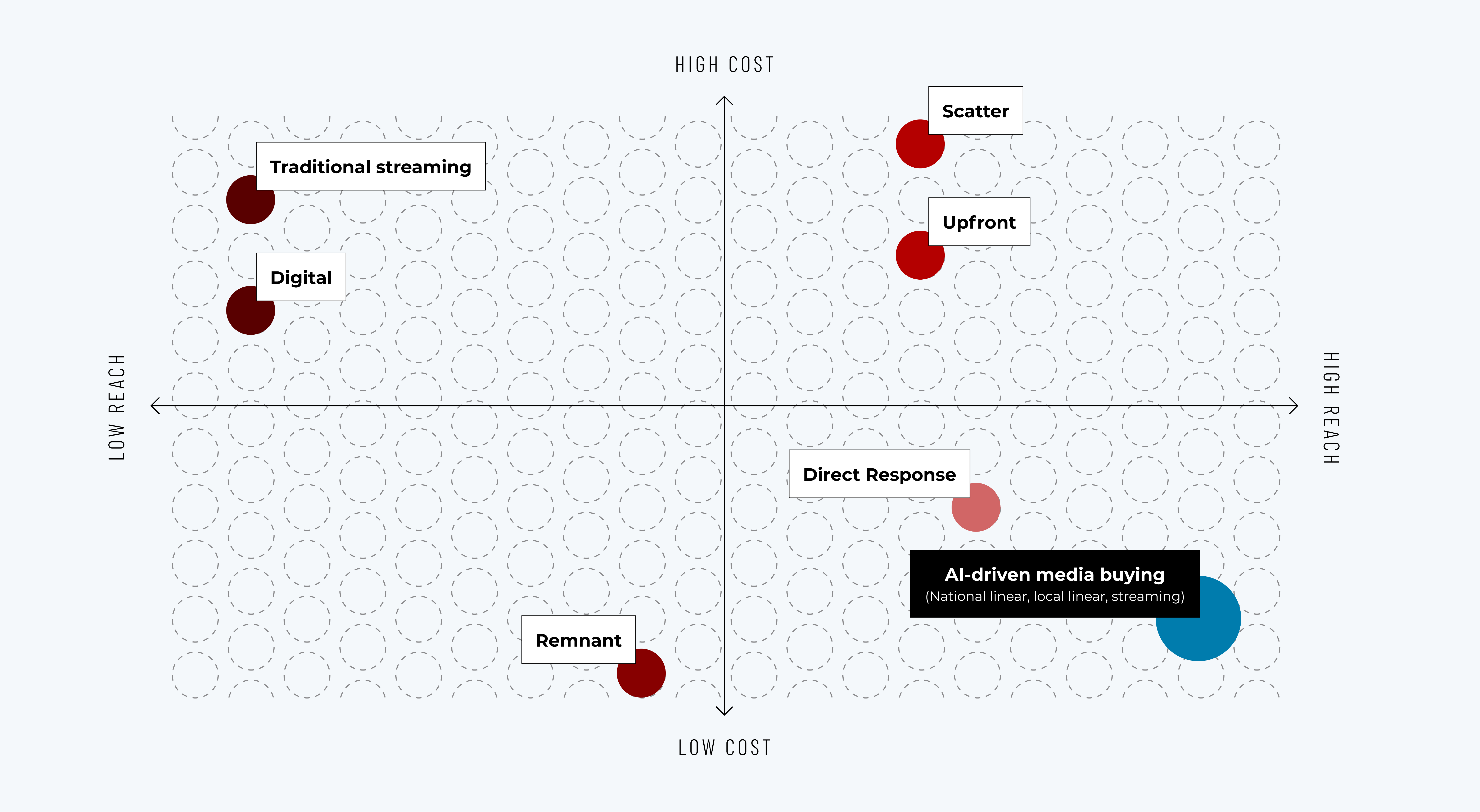
The challenge, of course, when looking at options across the entire media landscape is the sheer amount of data that determines the best ways to reach your audience.

Here's where technology plays a crucial role. Whether buying media through a self-service vendor or partnering with an agency, carefully evaluate their tech capabilities. The most advanced media-buying technology will use artificial intelligence to review the billions of data points that go into identifying optimal buys for your campaign.

When using technology to evaluate all media options based on how well they meet your audience and price goals, your final media plan may still feature HGTV. Premium buys don't always require premium price tags, as you'll see in the following case study about HurryCane. But it may also include Hallmark, INSP, the History Channel, and dozens of other options.

## Technology-driven media buying is the most efficient option

*Comparing media by cost and reach*



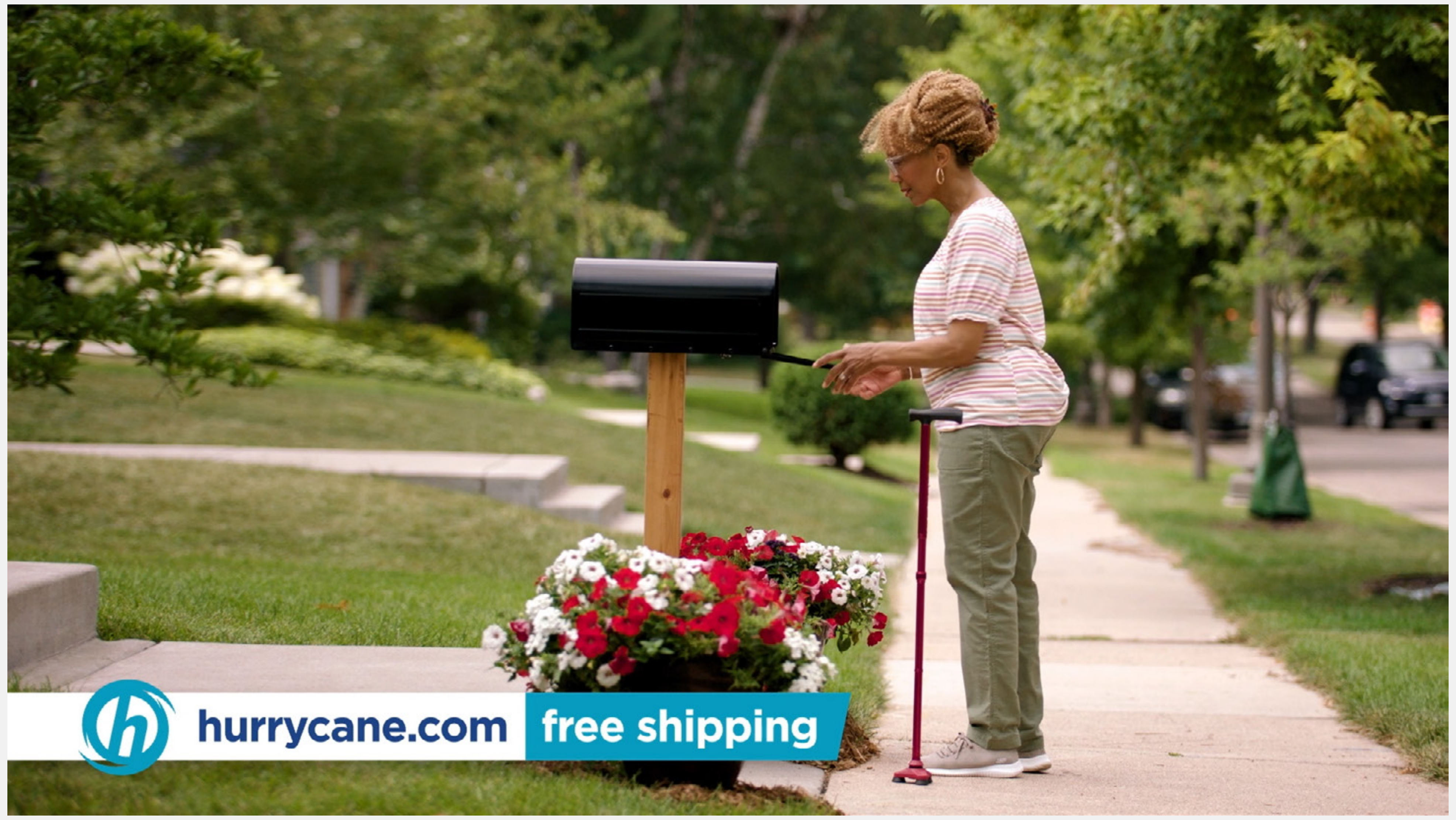
**Questions to help evaluate media partners**

| Your question | Their answer should be... |
|---|---|
| Do you buy across the full media landscape? | Yes, you get access to all national and local linear and streaming media. |
| Do you buy remnant? | No. Remnant has an association with low-quality media. We buy premium and standard media. |
| How do you predict ROI? | We use AI technology to predict the return of each buy based on its match with your audience (or how likely people are to respond) and its price. |
| Can I customize my media plan to include or exclude certain options? | Yes, you can identify certain networks you'd like to purchase or avoid. However, this can lead to higher prices. |
| How much will my campaign cost? | We will recommend the baseline minimum budget required to see measurable results, then plan to scale after verifying TV's impact. |

It's worth noting that TV advertisers must also allocate budget for strategy development, creative production, and attribution modeling. With expensive shoots and talent fees, commercial production alone can blow a brand's budget. All-Inclusive TV covers the cost of everything needed for success on TV beyond media. That way, your TV budget is fully dedicated to putting your brand in front of potential customers.

CASE STUDY

# How HurryCane Became the #1 Brand in its Category




**Overview**

Our clients tackle hefty challenges. To understand their world, we launched our own product, taking it from the drawing board all the way to divestment. We set out to design, market and sell a better walking cane.

Interviewing cane users was heartbreaking. We heard words like weak, vulnerable and shame. We heard stories of people who'd risk falling and injuring themselves before they'd be seen with a cane. We heard enough to realize the big problem wasn't mobility. It was dignity.

Our cane took design inspiration from the human body with a pivoting base that moved like an ankle and could stand on its own. But we also rethought typical industry messaging. Instead of appealing to fear, the HurryCane was presented as a faithful cane companion meant to empower.

**Objective**

With our message clarified, we introduced the HurryCane on TV. And performance was... fine. It was a successful campaign, but this was a cane unlike any other. That's when an unexpected opportunity arose.

When buying media, inventory occasionally becomes available at the last minute if an advertiser backs out. When networks sell these newly freed-up spaces, they offer a lower price due to the short notice. As we were evaluating HurryCane's TV results, ESPN asked if we'd be interested in a vacant space during one of its major games.

This was a chance to acquaint a larger, more diverse audience with our product. Until now, we focused on targeting older audiences, the primary users of our product. But promoting our product during the game would give us massive reach and visibility.

**Results**

We took the deal. Although the game's audience included a smaller number of older viewers, most people know someone who uses or could use a cane. Many audience members were the children of our target customers. They faced concerns about an aging parent's mobility and were eager to invest in an innovative solution to make their parent's life better. Plus, because we'd secured media at such a discounted price, the return on our investment was far beyond what we would've otherwise expected.

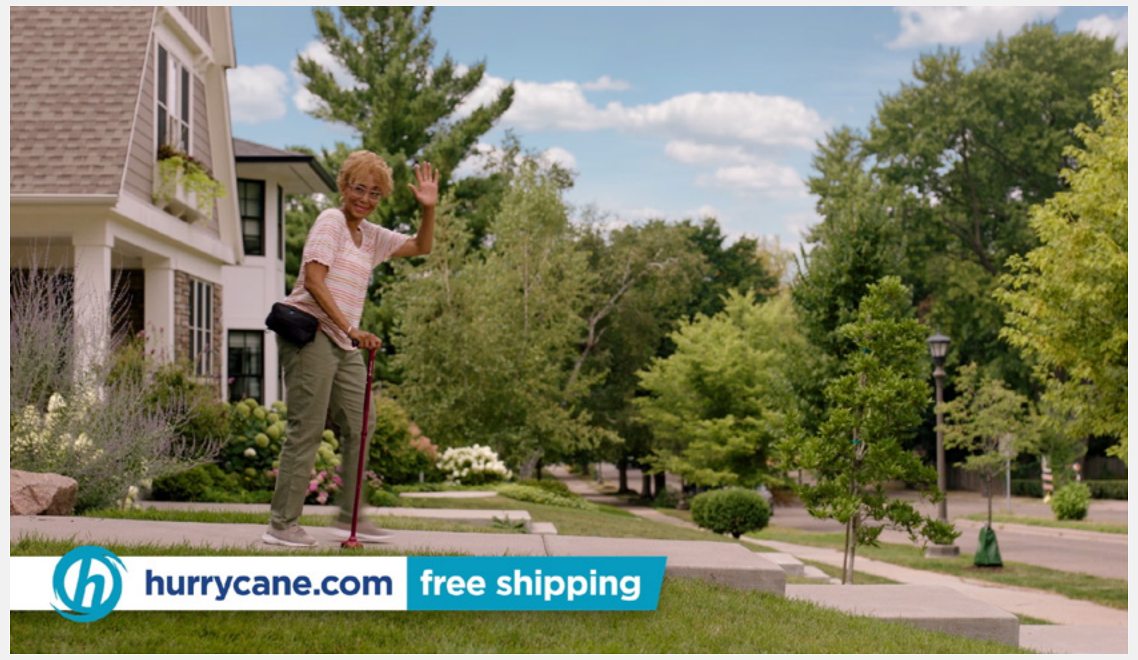
Best of all, there was new excitement around the brand. $50 million in canes were sold. The product was flying off the shelves at Walmart. Amazon orders poured in. The HurryCane was the best-selling cane in North America and the best-performing cane in brand recall studies. Seeing the brand's success, medical device leader Drive DeVilbiss Healthcare® acquired the cane and began selling it globally. Now, cane users across the world had another option.

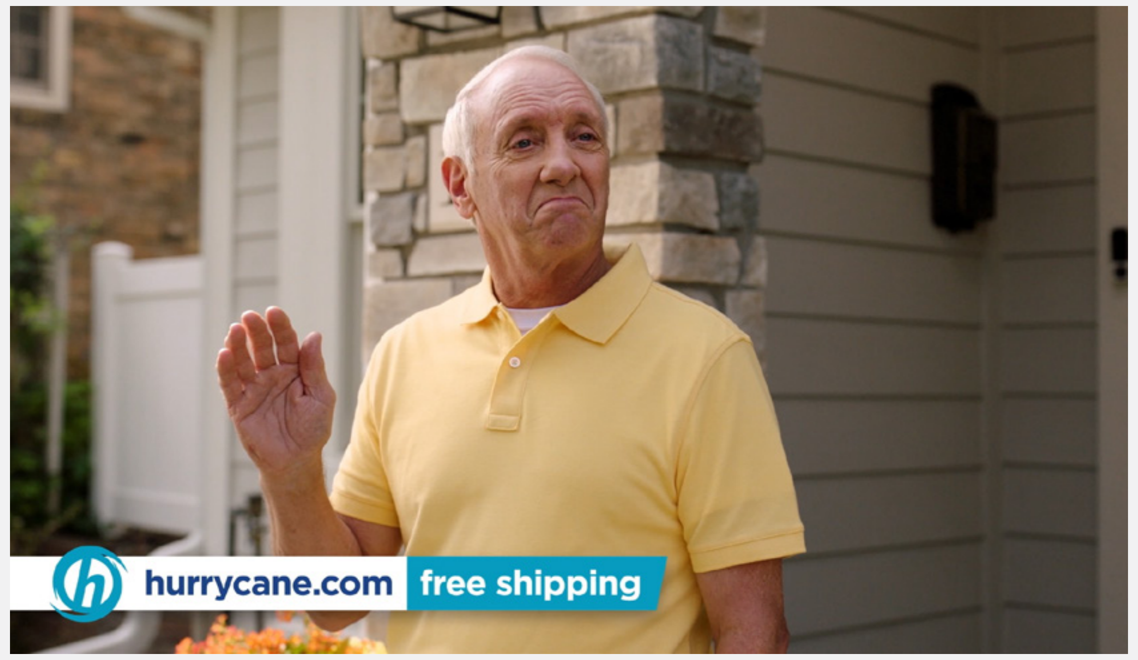
**From the HurryCane's rollout to its sale to Drive, it saw:**

**#1 ranking**
in brand recall

**$50,000,000**
generated in cane sales

**+ROAS**
positive return on ad spend

FINDING #3

# Sales and brand together drive revenue growth on TV.

Marketing isn't rocket science.

But the science of marketing is still a largely under-researched and misunderstood field, especially in the US. This has left many to "follow their gut" when deciding marketing strategy. And over the years, this gut-following has resulted in the creation of certain marketing "camps."[22]

Agency vs. in-house.
Brand vs. product.
Creative intuition vs. data-driven design.
And, of course, sales activation vs. brand-building.

"TV has helped us achieve remarkable **growth in new markets and tap into true brand-building**."

—Pete McGuire, CMO, 1-800-HANSONS

In 2021, marketing consultant and professor Mark Ritson wrote "'Bothism' Is the Cure for Marketers' Fascination With Pointless Conflict."[23] The *MarketingWeek* article points out that marketers (at least based on their social media presence) seem to spend less time actually marketing than they do bashing opposing professional perspectives—especially when discussing the battle between top-of-funnel and bottom-of-funnel marketing.

Ritson proposes a simple, albeit disruptive, solution: both are crucially important for business growth. Marketing must create and capture demand. Build brand and drive sales.

The same is true for TV advertising. With the ability to drive both brand and performance results, TV is the most versatile and influential marketing medium. But even brands that recognize TV's full-funnel impacts can fail to maximize TV's effectiveness. And it's because "bothism" doesn't make it into the creative.

Think back to the infamous infomercials of the '80s. They were loud, aggressive and 100% focused on selling. The enthusiastic spokesperson would repeat the 1-800 number at least twice before the ending jingle. The claims were big. The production quality was low.

While this type of ad still exists, it's rarer. Advertisers realized that while these ads drove response, they missed the long-term benefits of TV such as improved brand awareness, positivity and trust. In fact, an especially pushy infomercial could even harm a brand's reputation.

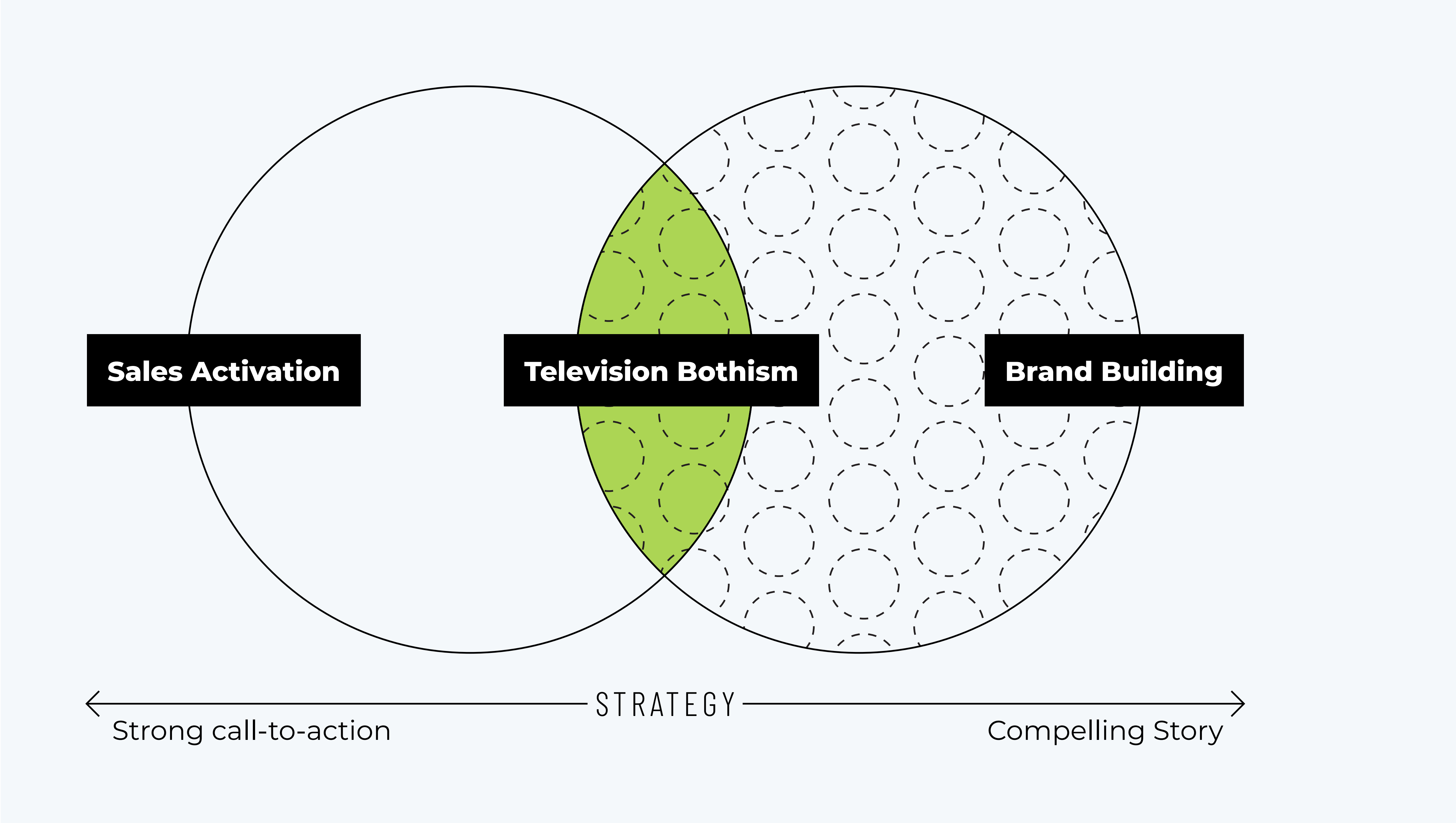
But there are still ads 100% focused on sales. Instead of a 1-800 number, the ad may direct you to a website. Or ask you to scan a QR code. And a performance ad does not equal an ugly ad. Production quality varies.

However, these commercials never achieve the creativity of brand campaigns like Coca-Cola's "Share a Coke" or Nike's "Just Do It." And that's too bad. Because creativity and emotional storytelling are key to getting the most out of a TV campaign. They're what help make your connection with customers memorable and lasting.

To solve this, some TV advertisers launch two separate campaigns that run simultaneously. One is a brand ad telling a compelling story. The other encourages viewers to act—to make a purchase or request more information. And sure, you get the benefits of brand and performance on TV. Unfortunately, you're also either spending double on media or limiting your reach for each campaign because you're splitting budget between two commercials.

# Applying "bothism" philosophy to TV

*Combining sales activation and brand building*




But, in the spirit of bothism, what if you built brand and drove sales with the same commercial? Including a call-to-action (CTA) doesn't mean a commercial can't also tell a compelling story. In fact, a strong storyline makes people even more likely to respond. We've seen this repeatedly with our own clients.

One online retailer we partnered with had been on TV before. But they wanted more out of their campaigns. They looked to improve brand awareness, but as an ecommerce company used to digital advertising's accountability, they also had performance expectations for TV.

We offered to take a swing at their creative. They were a lifestyle brand—adventurous, sophisticated and aspirational. So we crafted stories around their customers. A man takes his bike on the open road. A couple hosts a party at their beautiful home. A group of friends catch some sun on a yacht.

But since this was about driving sales as much as it was about crafting a story, each scene featured real items sold on their site. The actor on the yacht showed off a waterproof watch. The couple hosting made great use of their dual coffee table/mini fridge. At the end of the spot, the voiceover directed viewers to visit the website.

We were pushing people to buy. But in a way that was beautiful and entertaining. And this wasn't just based on our opinions as creative experts. Before launching the campaign, we pretested the creative against both short-term performance and traditional brand metrics—all signals were go.[24]

The performance results were immediate. Google search costs decreased. Cost per customer dropped. Average order value increased, and sales were up. But long-term impacts also began to show. Investors expressed interest, press inquiries poured in, and major-label merchandisers wanted to partner with the brand.

Bothism makes even more sense as part of your TV strategy when considering how integrated everything in the marketing mix really is. A social campaign, for example, plays a clear role in driving traffic to your website. But it can also drive foot traffic in retail locations.[25] The exact impact social ads have on in-store visits is harder to measure, but a correlational study is almost certain to determine the relationship exists.

Because no marketing channel works in complete isolation. And the impact one channel has on others in the marketing mix is especially obvious with TV advertising. It's called the halo effect.

As reported by WARC, TV improves the performance of generic search by 8%, online video by 20% and paid social by 31%. Brand recall more than doubles when a consumer sees both a TV commercial and a digital ad for the same brand, as opposed to seeing only a digital ad.[26] Purchase intent also improves with the addition of TV—rising 15% when added to a digital campaign. Plus, TV campaigns that lean into reach by buying across the entire media landscape see the greatest impact on other channels—campaigns running across more than 20 networks saw 127% greater website lift than those on fewer than 10 networks.

Our own clients experience the relationship between TV and other channels in their marketing mix first-hand. One financial services company, for example, discovered TV increased leads from other channels up to 12%. Accounting for these additional TV-driven leads, their campaign achieved a 400% ROI. Next, we've included a sampling of the relationships clients have proven between TV and their other marketing channels.

| Company Type | Channels Positively Impacted by TV |
|---|---|
| Financial services provider | Direct mail, phone calls, web visits |
| Online retailer | Branded search, organic and direct web traffic |
| Education provider | Affiliate marketing, paid search |
| Online retailer | Website and app sessions, paid search, branded search |
| Insurance provider | Direct mail, ecommerce |
| Online retailer | Direct traffic |

This integrated understanding of TV is what allows clients to see TV's impact at the business level. Beyond "brand" or "performance" results. Simply results that drive profitable growth. To see how TV is affecting your business across the funnel and across channels, look at its impact in three categories:

1. **Micro Impacts**

Start by looking at TV's most obvious and immediate effects. This includes tracking response through calls, texts, app downloads or web traffic after launching TV. For our clients, we get as granular as looking at response in the first six minutes after each airing.

2. **Macro Impacts**

But not everyone responds right after seeing an ad on TV. It might take a few weeks, or they might have to see your ad twice, before a viewer searches online or texts a number for more information. So after a few months on TV, you should be tracking other changes.

Your website traffic composition will shift. TV primarily drives paid search, direct, and organic traffic. With a TV campaign driving customers, you should expect a greater percentage of traffic to come from these sources. New customers should grow, and conversion rates should increase—TV drives an especially high-intent customer. And, depending on the company, changes in brand awareness may begin to be felt at this point.

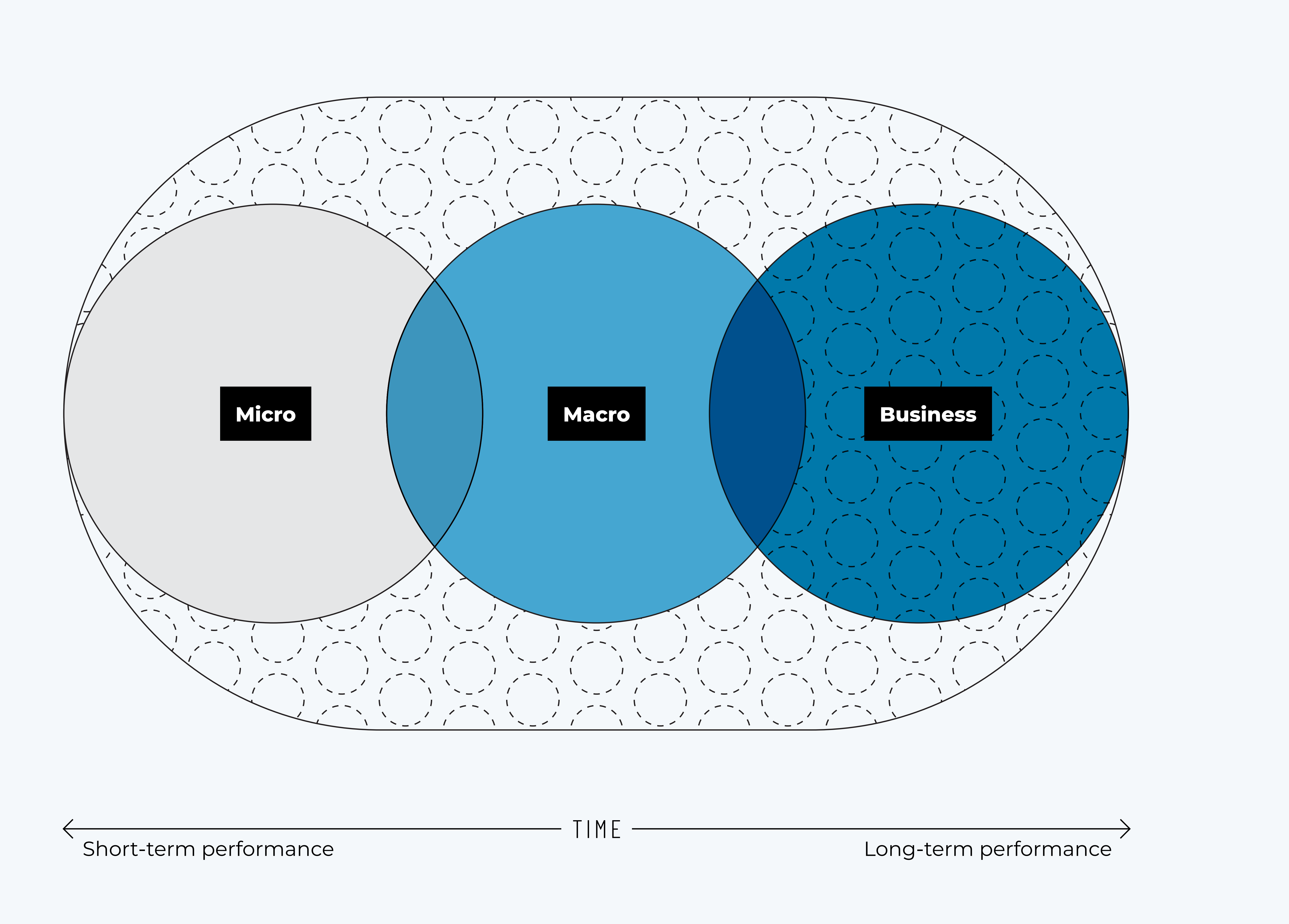
3. **Business Impacts**

These are the most exciting effects of TV, but they can take longer to fully realize. For example, your company may experience shifts in brand recall, familiarity and memorability over time. Or you may discover newly opened doors, created by TV's credibility-boosting ability, for fundraising and investment opportunities. And of course, you should see revenue growth.

Our clients have seen revenue grow an average of 39% during their first year on TV. They've experienced results ranging from TV making them number one in their category to burgeoning stock prices. One client received a call from Disney after airing an ad on TV.

## Getting the full picture of TV performance

*Micro, macro and business impacts*



Disney was interested in a partnership to promote a new movie. The client gladly agreed. This same client also benefited from improved pricing power while advertising on TV. The top consideration for choosing a solution in their category was price. But despite their perceived affordability falling, new customers were flooding in.

Plus, the excitement around TV has an equally pronounced impact internally.  Everyone from board members to employees to stakeholders feel excitement when their brand launches TV. There's something about seeing your business on-screen that is completely unlike seeing a display ad for your brand online.

As an agency, we experience this excitement vicariously through our clients. A CEO takes a picture when they see their advertisement on TV unexpectedly and emails it around the company. An employee is flying for a work trip and is surprised to see their commercial filling every screen on the plane. Clients report renewed energy from their sales force. One even had distributors call to thank them for elevating their category through their TV campaigns.

With results like this, it's hard not to be excited about what TV can do.

CASE STUDY

# How Nuts.com Used TV to Build its Name in a New Category


**Overview**

Founded as the Newark Nut Company in 1929, family-owned Nuts.com has sold premium nuts, fruits and snacks for three generations. Decades after transforming into an ecommerce business that sells much more than nuts, the company maintains its customer-first approach. But Nuts.com was ready to build its name, and customer base, through TV.

**Objective**

Partnering with our team, Nuts.com prepared their brand for TV. Just weeks after launching their campaign, Nuts.com was attracting new audiences by highlighting their nuts, fruits and snacks nationally. National aided awareness quickly rose more than 100% while driving a positive return on ad spend. New customers increased 166%, setting a company growth record. In fact, Nuts.com was getting more impressions on TV than Planters—a well-known competitor. But there were even more opportunities ahead.

Nuts.com had long positioned itself as an online grocery company. But we suspected Nuts.com's history with and connection to nuts made it a noteworthy name in the snacking category.

**Results**

Conducting a brand study, our strategy team found that when Nuts.com was repositioned as an online snack brand, contextual awareness skyrocketed an additional 136%. Shifting messaging to focus on snacking also improved relevance, particularly among younger age groups.

And TV was the perfect place to broadcast the company's new positioning. The mass reach channel communicated the shift with creative highlighting Nuts.com's wide range of snack options—from milk chocolate gummy bears to bourbon pecans. Excitingly, we also found customers driven by TV were highly retentive, with a 20% higher lifetime value than customers driven by other channels. So the new customers enjoying all the snacks Nuts.com had to offer? They were sticking around and coming back more often.

**After repositioning as on online snack brand, Nuts.com saw:**

| | | |
|---|---|---|
| **136%** increase in contextual brand saliency | **192%** greater ad recognition | **5%** unaided awareness for the first time |


REACH, REVENUE AND ROI

# CONCLUSION

CONCLUSION

# Leverage TV to drive reach, revenue and ROI.

At the beginning of this report, we told the story of Airbnb—how, after scaling as much as they could through targeted marketing and digital, they leaned into TV and saw their most profitable quarter to date as a result. What we didn't include is the fact that their story is far from unique.

In 2019, Adidas announced they were shifting from marketing efficiency strategy to a marketing effectiveness strategy.[27] They had heavily invested in digital advertising, especially paid search. But after using an econometric model, they discovered brand activity was driving 65% of sales. At the time, they were spending only 23% of their budget on brand-building. And yet that was their primary growth driver. The brand now invests in online video, TV, out-of-home, and cinema advertising.

News stories have also publicized how DTC startups have leaned into TV. Brands like Chewy, Purple and HelloFresh.[28] They outgrew social and digital and were ready for a new level of growth. After launching TV, the result was higher web traffic, increased sales, and greater awareness to help these brands stand out from the massive number of competitors online.

The 303 advertisers that ran TV for the first time in 2022 had a wide variety of reasons for testing the channel. For some, the goal was drawing awareness to their relatively new brand. For others, it was growing market share. Still others hoped to benefit from TV's legitimizing power.

The good news is TV can do it all.

But there are missed opportunities that can mean the difference between success and failure on the channel. This report highlights three key findings about maximizing TV's effectiveness:

1. First, that reach is essential for building mental availability, connecting with your audience, and ensuring brands don't miss potential customers. TV, with its massive scale and visibility, is the perfect channel for achieving broad reach when used strategically.

2. Second, the return a brand gains on its TV investment is directly correlated to the cost per impression. Although TV offers visibility unlike any other channel, it can be expensive, making a positive ROI sometimes difficult to achieve. However, TV is becoming increasingly accessible for brands of all sizes and growth stages. Performance marketers looking to drive accountable results through TV should look to buy media based on both audience and price fit.

3. And third, making the most of TV advertising requires an integrated approach to commercial development and an understanding of how TV drives both brand and performance results.

To make the most of their campaigns, brands getting started on the channel should ask five important questions:

| | |
|---|---|
| 1 | What are my primary goals for TV? |
| 2 | Who is the audience I want to reach on TV? (This might be a little broader than your typical ICP.) |
| 3 | Am I or my media partner able to access efficient rates for TV media? |
| 4 | How will I measure TV's impact on both brand and sales? |
| 5 | Am I pretesting my creative to optimize its effectiveness? |

The answers to these questions will help shape your TV advertising strategy and identify any gaps where an additional partner may be helpful—so you can leverage TV to drive reach, revenue and ROI.

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# About Marketing Architects

TV advertising is a powerful channel.

Done right, it can become an essential growth driver for your business. At Marketing Architects, we use an approach called All-Inclusive TV to help advertisers make the most of their TV investment. Connect with us at **marketingarchitects.com** to learn more.