REPORT

A CEO'S GUIDE TO TV ADVERTISING

The Case for TV as a Strategic Growth Driver

marketing architects

Introduction

It's 2007. Two twenty-somethings in San Francisco need to make rent. One floats an idea... What if they rented space in their apartment? So they buy a few airbeds and announce their offering: $80 for an "Air Bed and Breakfast."

A decade later, Airbnb was poised to go public. But continued scale faced a major roadblock—their marketing strategy. For years, the brand invested heavily in search advertising, capturing potential customers online as they searched for a place to stay during their next vacation or work trip. But those audiences were nearly exhausted.

"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

This scenario is far from uncommon for growth-oriented companies. Early success often comes from tapping into immediate demand—reaching customers through word-of-mouth, local advertising, or targeted digital campaigns. But once you've saturated that pool, growth slows, acquisition costs rise, and you get less return on every sale.

The hard truth is that in almost every category, most potential customers are not actively looking to buy. For B2B brands, it's estimated 95% of potential buyers are always out-of-market. Targeting only the in-market 5% severely limits growth potential.

For brands ready to expand beyond in-market audiences alone, TV advertising offers reach, visibility, and accountability to support both top and bottom-of-funnel growth.

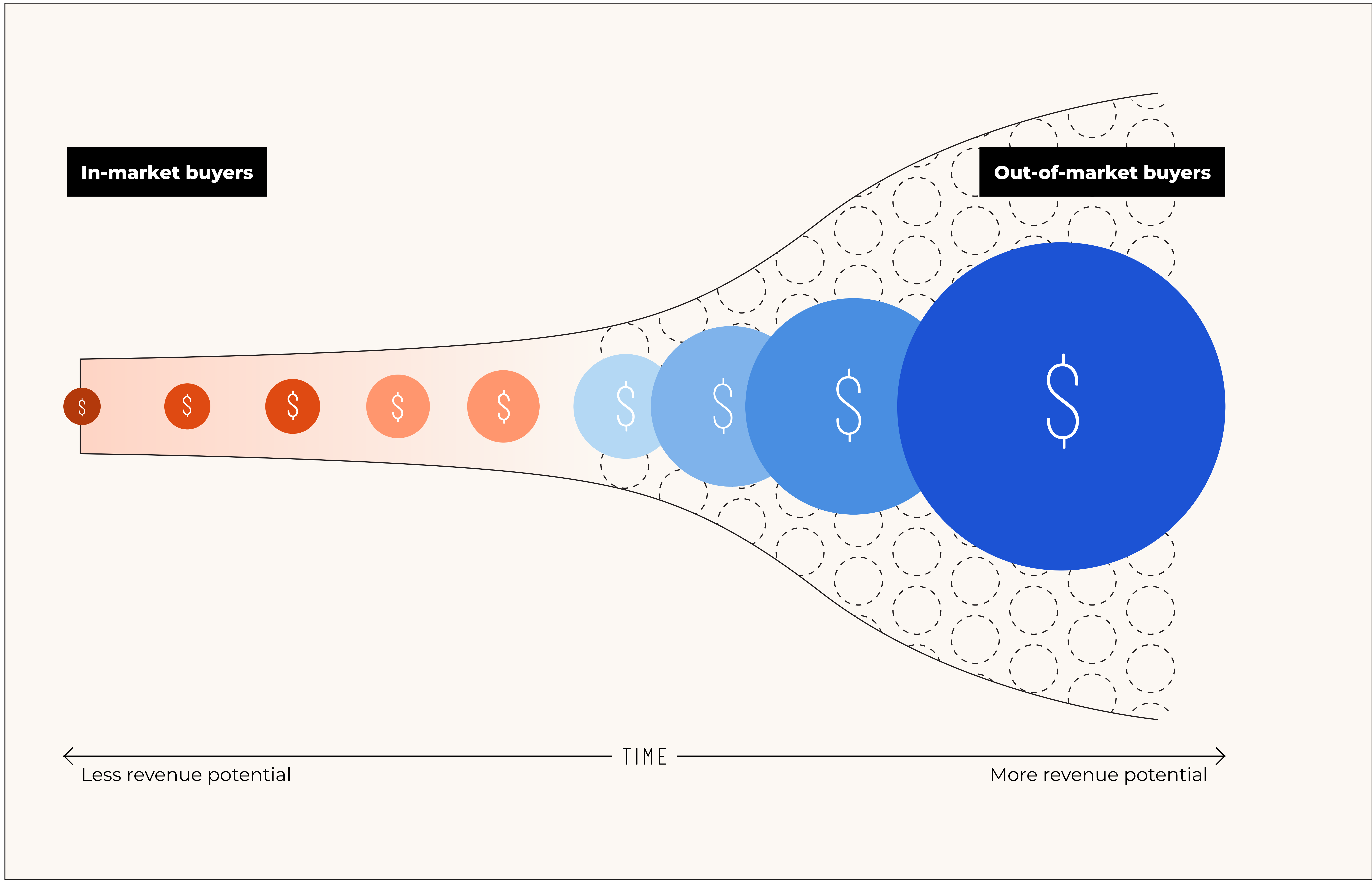
However, marketing teams often face resistance when proposing an investment in TV. Senior leadership is right to ask tough questions—how will it deliver ROI? Can we guarantee the return will justify the upfront cost? These are crucial considerations, but they can also lead to missed opportunities if TV is dismissed as "just another channel."

Used correctly, TV is a strategic growth driver. But it requires leadership involvement to unlock its full potential. CEOs and senior executives play a critical role in ensuring TV becomes part of the company's broader growth strategy, not just a line item in the marketing budget.

Here are five reasons why CEOs should play a role in their company's TV advertising strategy.

Generate demand with the 95-5 Rule

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



B2B Institute at LinkedIn

REASON #1

TV grows market share through mass reach.

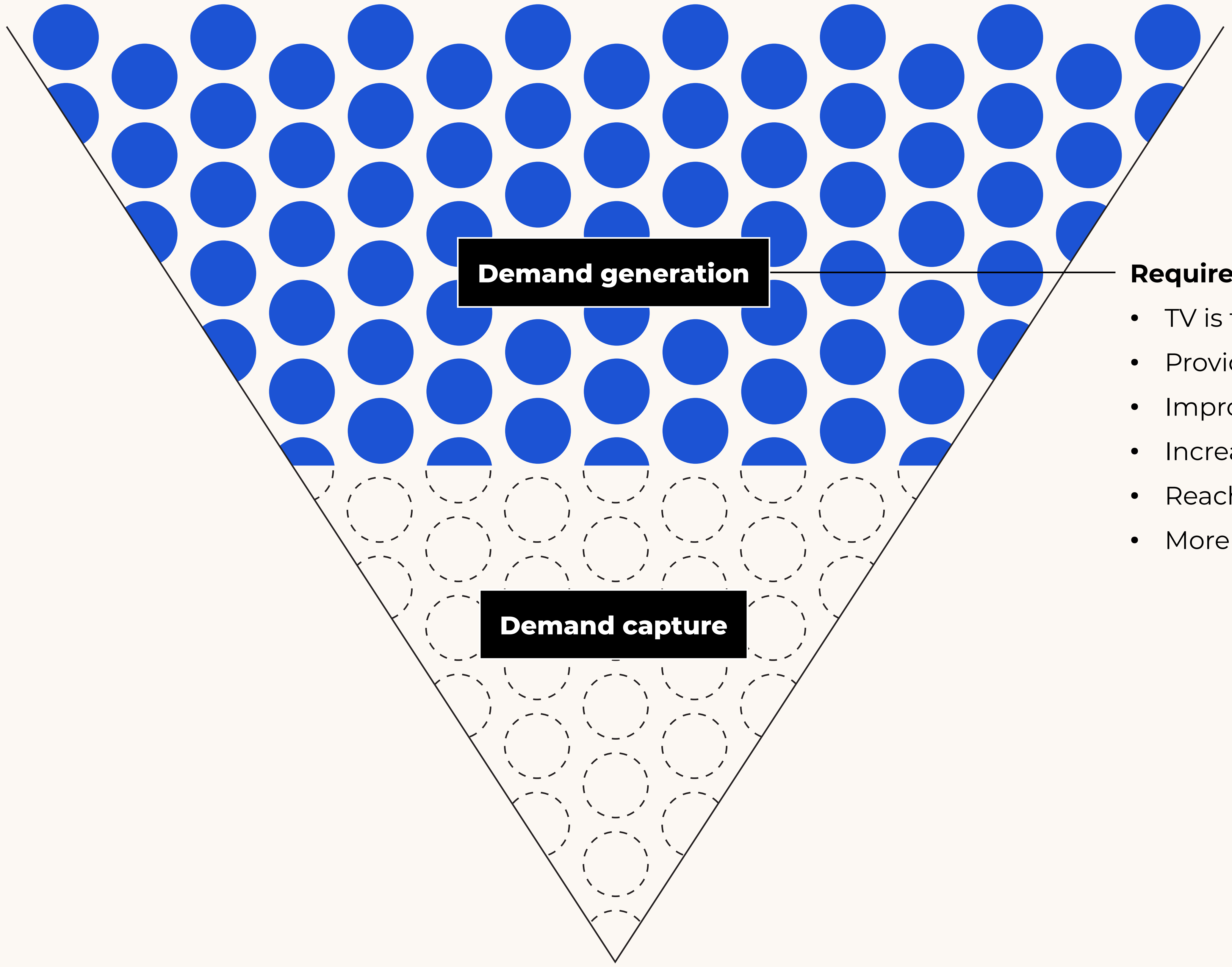
In an era of hyper-targeted digital advertising, "reach" can seem inefficient. Why market to those who aren't likely to buy immediately or who don't fit perfectly within your ideal customer profile? But as we know, pursuing scale means you need to look beyond in-market audiences.

"TV is the biggest megaphone out there. It has **helped us connect with consumers we can't reach effectively through purely online media**."

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

Television increases demand generation

Exploring the benefits of demand generation versus demand capture



Required to scale

- TV is the most effective channel
- Provides mass reach
- Improves market share
- Increases mental availability
- Reaches future buyers
- More conversion opportunity

Digital channels like paid search provide physical availability by helping consumers find a solution easily. Professor Byron Sharp of the Ehrenberg-Bass Institute refers to paid search as online “shelf space.” But physical availability will only help a brand reach people who are already looking for a solution. 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 imagine you’re standing at the free-throw line on the basketball court at the Chase Center. Next to you stands Steph Curry. Curry has just one shot. You have 100. Who’s going to make more baskets? Despite his skill, the odds are in your favor. Mass marketing works the same way. While targeting is still critical, more opportunities naturally lead to more conversions.

TV remains the most effective channel for reach due to its massive scale and visibility. Despite growing fragmentation, TV still boasts some of the largest audiences of any medium. In 2024, time spent with TV across linear and streaming is only growing, with the average American spending just over 5 hours a day consuming TV content. Total viewership is also projected to increase to 251 million this year, up from 247 million in 2022.

For CEOs focused on growth, the takeaway is clear. More reach gives you more chances to convert. And more conversions mean greater share of market.

REASON #2

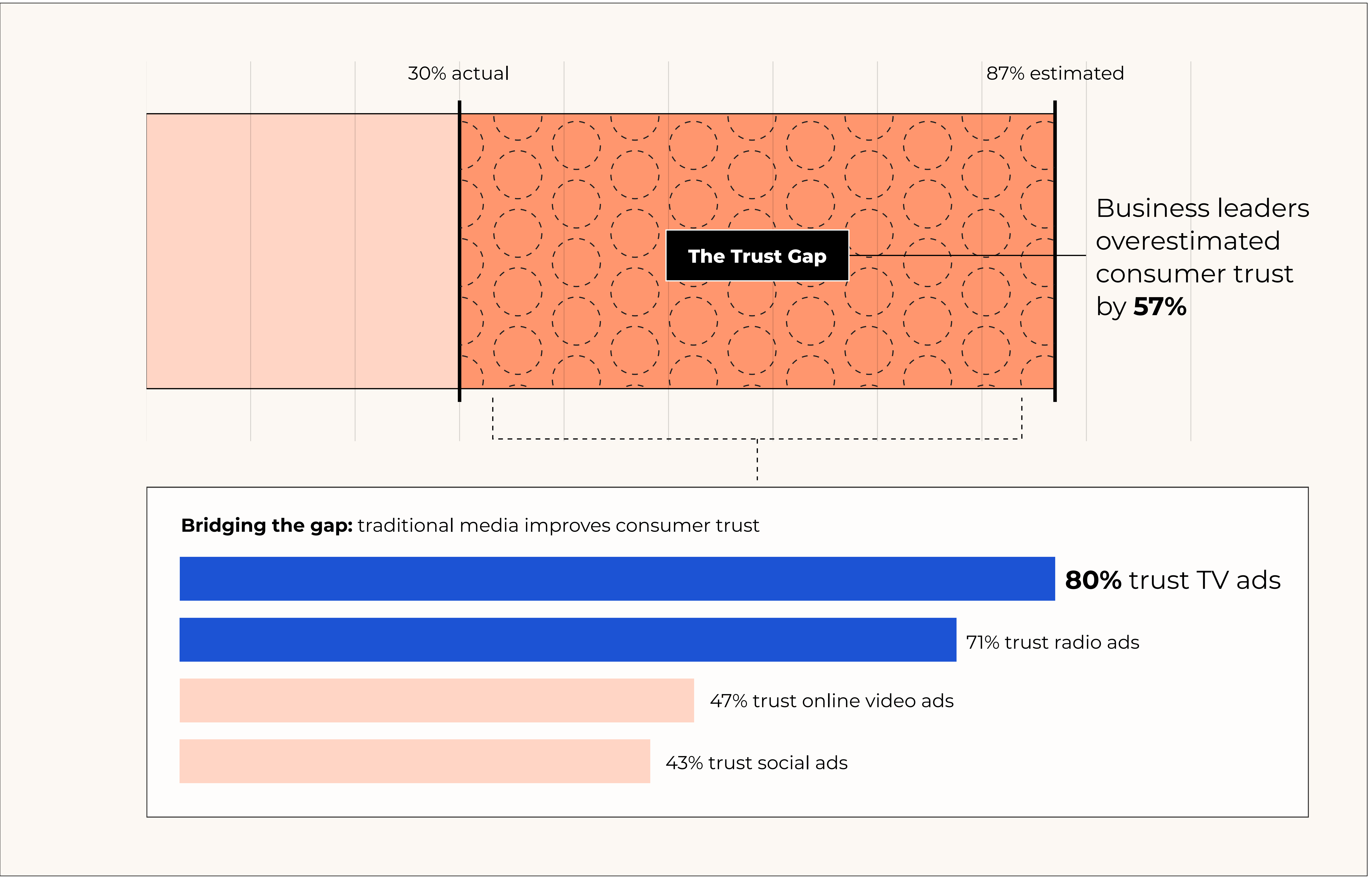
TV builds trust, and trusted brands are more purchased.

Trust is critical in purchase decisions, yet many companies overestimate how much trust they've earned. While 87% of business leaders estimate that consumers trust their company, the reality is just 30% do, according to a survey by PwC.

"For CEOs looking to build and sustain long-term growth, **brand trust isn't optional**."

Bridging the "Trust Gap"

Percent of estimated consumer trust versus actual consumer trust



Forbes, HBR

This disconnect is costly. The same survey reported that 44% of consumers have stopped buying from a brand because they no longer trusted it, and research from Adobe found 71% of consumers buy more from brands they trust. Deloitte also found consumers spend 25% more money on trusted brands than brands they use but trust less.

For CEOs looking to build and sustain long-term growth, brand trust isn't optional. So how do you build it? That's a complicated process, but TV advertising is a useful item to have in your trust-building toolkit.

The most trusted ad formats are all traditional channels—print, TV, direct mail, and radio—while digital and social channels claim lower trust levels. For TV in particular, trust levels have reached 80%. In fact, twice as many people say TV advertising leaves a positive impression compared to those who say the same of digital ads.

The reason? High barriers to entry. TV's high standards and extensive regulatory checks create a level of accountability not seen in other mediums. And even TV's perceived high costs imply that only a legitimate and vetted brand could afford to be on TV in the first place.

TV offers a unique opportunity to elevate brand perception and build trust with both current and future customers. By investing in TV, you're positioning your company as a credible, trustworthy leader in your industry. And in today's marketplace, trust directly translates to higher sales.

REASON #3

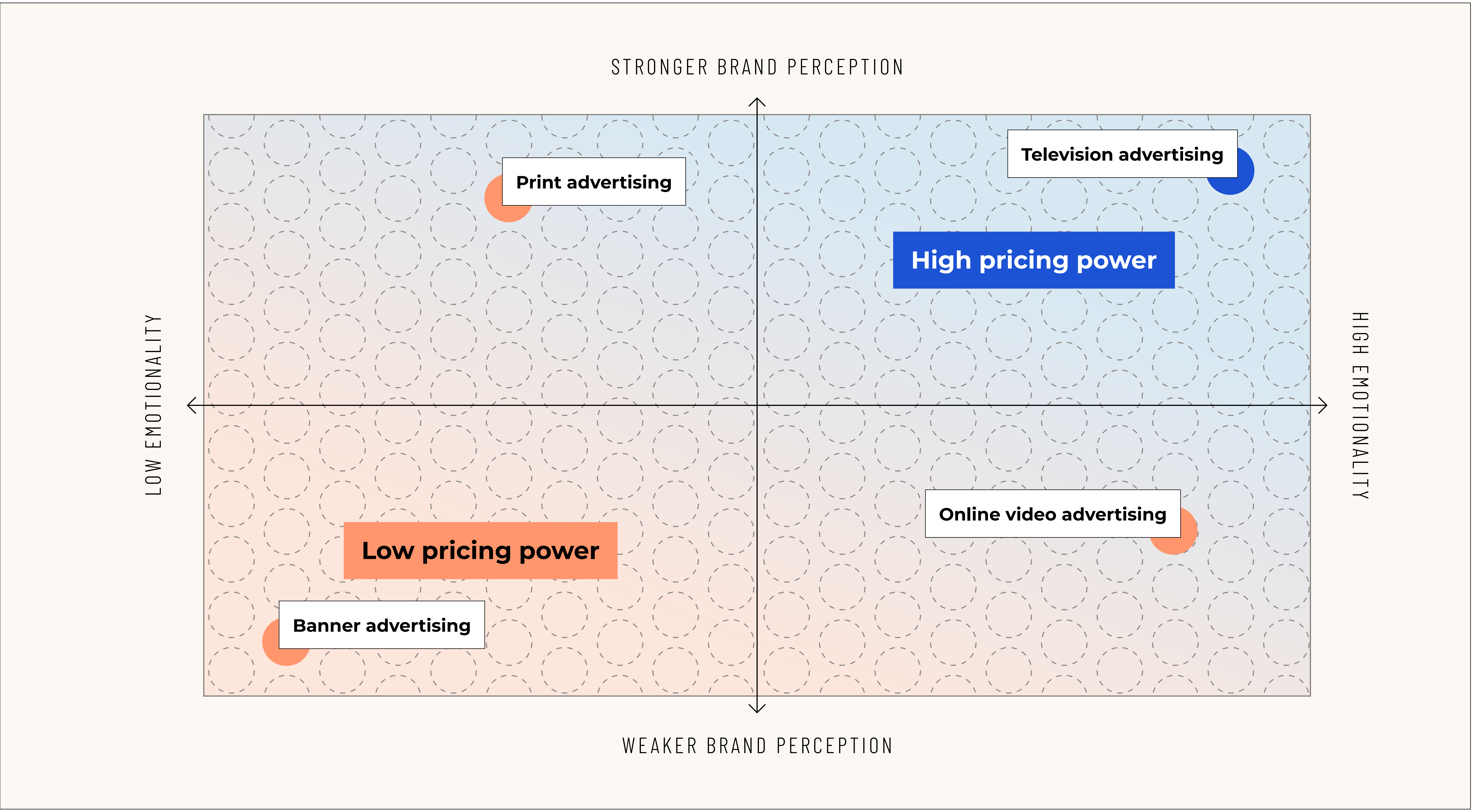
TV improves perceived quality and pricing power.

Pricing power is one of the most valuable assets a business can develop. When customers perceive your brand as high-value, they become less sensitive to price changes, giving your company the flexibility to maintain or even increase prices without losing market share.

"Building pricing power through TV is a strategic way to **enhance profitability and long-term growth**."

Television advertising drives pricing power

Comparing media by brand perception and emotionality



One example comes from an education provider who found the top consideration for choosing a solution in their category was price. However, their investment in TV had grown pricing power so even as their perceived affordability fell, new customers flooded in.

There are two main reasons why TV supports pricing power so well. First, TV advertising creates a powerful, positive association with your brand. This elevated perception gives you the ability to justify higher prices because consumers begin to view your offering as a premium solution.

Second, TV's storytelling creates emotional connections with viewers. Emotionally connected customers are often willing to pay more for brands they feel aligned with.

Building pricing power through TV is a strategic way to enhance profitability and long-term growth. This pricing flexibility becomes a competitive advantage, allowing you to withstand market pressures, adjust pricing strategies confidently, and continue expanding market share.

REASON #4

TV grows revenue in both the short- and long-term.

For leadership focused on sustainable growth, the ability to drive both immediate sales and long-term brand value is vital. TV advertising delivers on both fronts. It strengthens brand awareness, recognition, and equity—building the foundation for lasting revenue growth—while also generating measurable short-term sales results.

"**TV generates the greatest sales impact** of any form of video advertising."

TV is widely accepted as the top brand-building channel. Its ability to connect with large audiences in a memorable and engaging format remains unmatched. Through the combination of audio and visuals, TV presents your brand to your audience in the comfort of their home and gives you a full 15 or 30 seconds to leave a real impression.

So it's no surprise that, according to a study by Comcast and MediaScience, TV ads result in 2.2 times higher ad recall than mobile ads. In fact, 77% of ad views happen on a TV screen compared to just 10% on mobile devices.

TV's ability to build brand is proven in active campaigns, too. Based on a review of nine advertisers, all of whom have run 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 awareness, also sees 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. This also means brands avoid the Google tax—or battling competitors for pricy paid search terms in order to capture these customers.

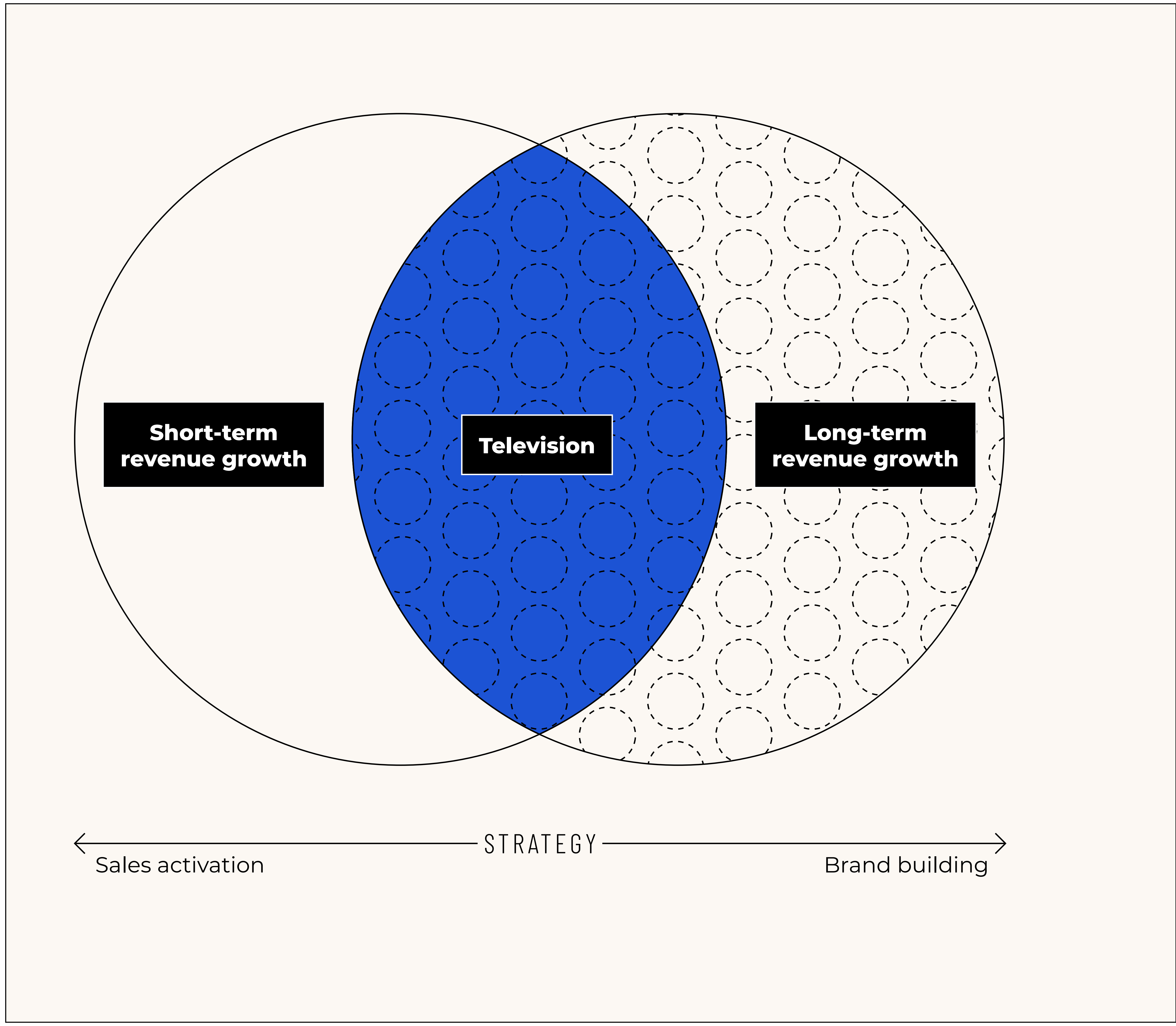
When reach is achieved efficiently, TV can also be an accountable performance channel capable of attracting new customers. According to WARC, TV generates the greatest sales impact of any form of video advertising. TV drives 44% more sales than when an ad is not seen at all—compared to 37% for YouTube ads and just 21% for Facebook ads.

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

With the ability to drive both brand and performance results, TV is perhaps the marketing channel with the greatest potential to impact a company's revenue growth.

TV delivers both sales activation and brand building

Exploring the overlap of long-term and short-term revenue growth



REASON #5

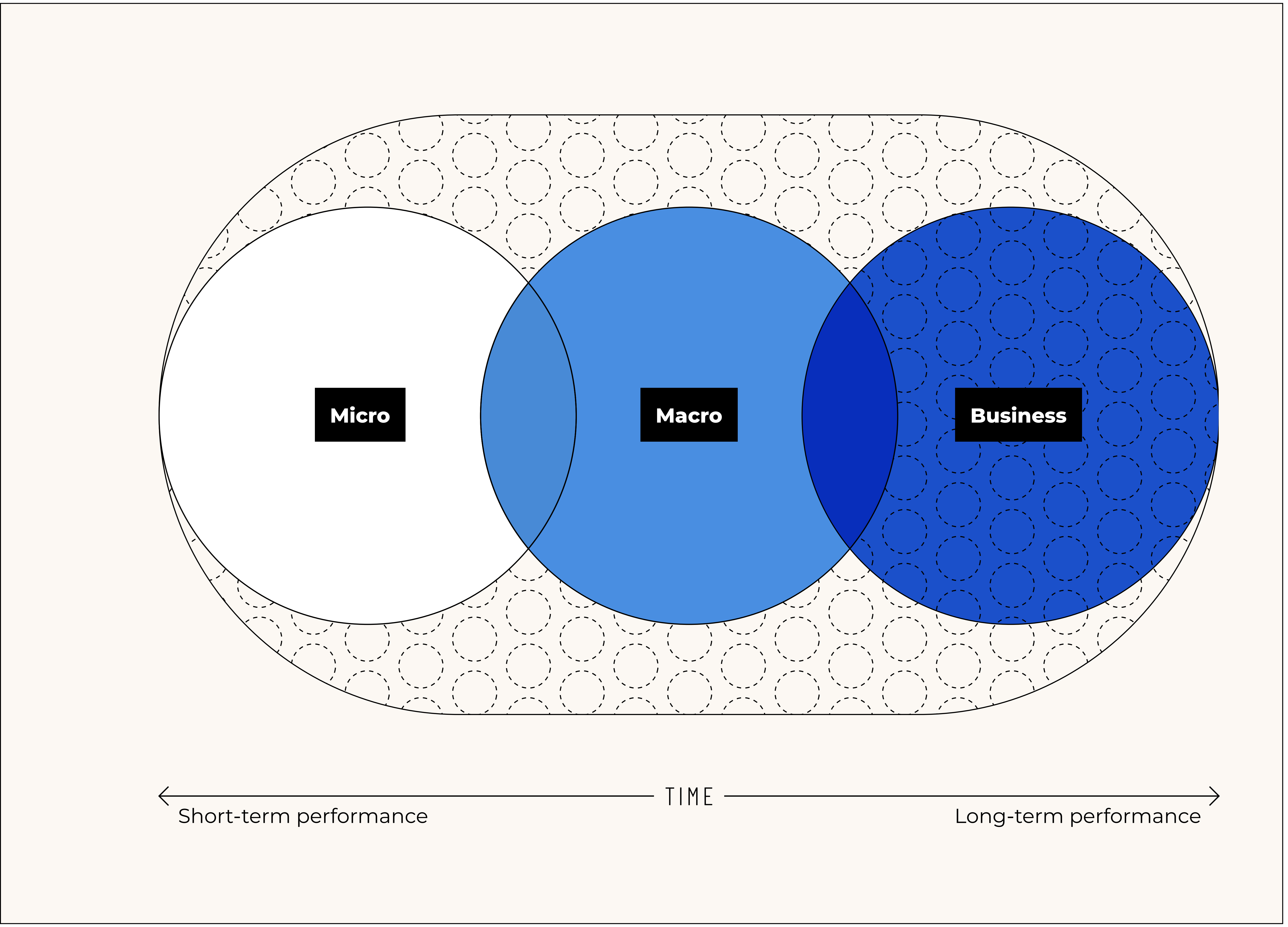
TV produces accountable, measurable results.

For CEOs, every marketing investment must be tied to measurable outcomes that drive business strategy. After all, TV's impacts are only helpful for strategic decision-making if they're provable. To definitively show how TV affects your business, examine its impacts across three categories:

"Marketing Architects advertisers have seen **revenue grow an average of 39%** during their first year on TV."

Getting the full picture of TV performance

Micro, macro and business impacts



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. You can get as granular as looking at response in the minutes after each airing.

Macro Impacts. Of course, 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, your marketing team should track other changes, like in website traffic composition. 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 increase—TV drives an especially high-intent customer.

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 for fundraising and investment opportunities. And of course, you should see revenue growth. Marketing Architects advertisers 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.

With results like this, it's hard not to be excited about what TV can do. And it's clear TV isn't just an investment in marketing. It's an investment in your company's growth and success.

Conclusion

In 2019, Airbnb decreased its overall marketing budget and reallocated spending to brand-building endeavors, especially press and TV. In 2022, the brand's CFO credited the new marketing strategy for driving the company's most profitable quarter to date. Today, Airbnb boasts 5 million hosts and has welcomed 1.5 billion guest arrivals. They had the foresight to know when to add demand creation to their demand-capture marketing strategy. And leadership's guidance made that pivot possible.

TV advertising remains one of the most powerful tools for business growth, but its full potential can only be realized when CEOs and their marketing teams are aligned. McKinsey reports that companies placing marketing at the center of their growth strategies are twice as likely to achieve more than 5% annual growth. However, there's often a disconnect between CEOs and CMOs around marketing priorities. While 90% of CEOs believe they understand the benefits of marketing, only 50% of CMOs share this view. Bridging this gap is crucial for maximizing the impact of TV advertising and overall marketing efforts.

As a CEO, your role is to steer the company toward sustainable growth and competitive advantage. TV advertising offers a proven, strategic path to reaching these goals by:

1. **Expanding market share** through efficient reach and broad audience exposure.
2. **Building credibility and trust**, positioning your brand as a trusted leader in the industry.
3. **Creating pricing power** by elevating brand perception and reducing price sensitivity.
4. **Driving revenue** from immediate sales and long-term brand equity.
5. **Delivering measurable results** that prove out the channel's impact and allow for data-driven decision-making.

By viewing TV advertising through this strategic lens, companies can unlock the channel's full potential as a driver of brand strength, customer engagement, and ultimately, sustainable business growth. That's what we'd call a smart investment.

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 All-Inclusive approach to TV to help advertisers make the most of their TV investment. Connect with us at **marketingarchitects.com** to learn more.