



The Global TV Deck

# **Direct-to-consumer brands' and global tech firms' investments in TV advertising**

October 2021

# Data-driven, outcomes-obsessed 'direct-to-consumer' and major technology companies represent the fastest growing, most successful brands and are also some of the biggest TV spenders globally

**Direct-to-Consumer:** a company that sells their product or service directly online to end customers without involving third-party retailers, wholesalers or other parts of the traditional consumer supply chain



## Tech Giants (FAAAM)



Facebook



Amazon



Apple



Alphabet (Google)



Microsoft



*"TV continues to outperform most of our other marketing opportunities on a dollar-for-dollar basis so it's great for the brand and it's great for the bottom line. We've loved television and we continue to love it."*

*John Foley - Founder & CEO, Peloton*



*"There are more and more DTC brands which start advertising on TV, with high budgets - not only in the US, but also here (in Germany). This trust is no coincidence: On the one hand, a mere look at the performance of the advertised products confirms that TV advertising is clearly paying off. On the other hand, numerous studies confirm the high effectiveness of TV."*

*Malte Hildebrandt - Managing Director,  
Screenforce*



*"There was a really big opportunity to invest in our brand more broadly and we know that TV drives that broader reach that it's difficult for us to get with more targeted audiences on social."*

*Charlotte Langley - VP Brand &  
Communications, Bloom & Wild*



# The DTC TV ad spend is steadily growing

‘Direct-to-consumer’ are among the fastest-growing brands, driven by their innovative connection to consumers and the way they approach media



# DTC brands build themselves around the needs of the modern consumer

## How Are DTC Brands Attracting Consumers?



**Deliver On A Specific  
Consumer Need**



**Ensure That Their  
Products Are Designed  
& Executed Well**



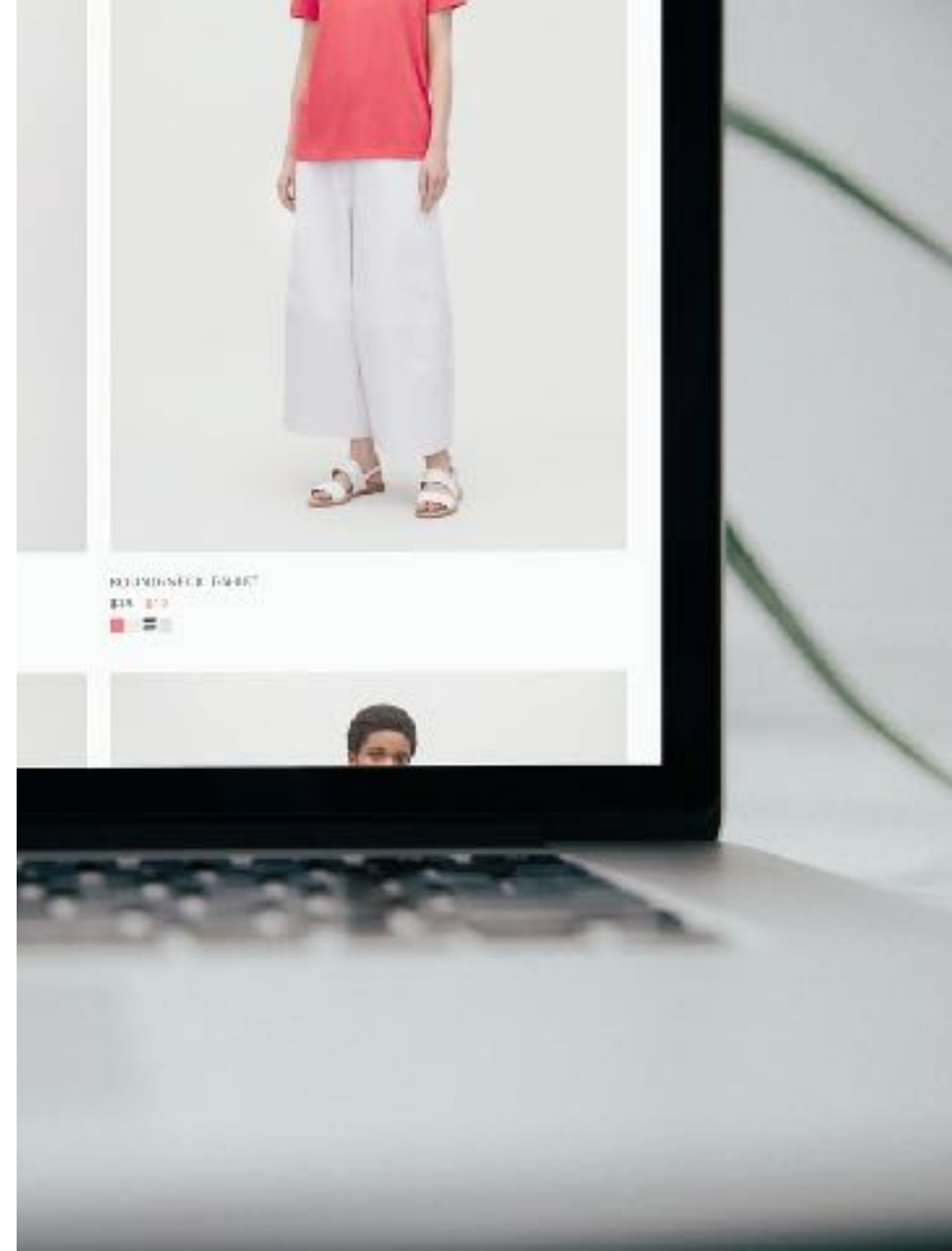
**Offer Their Product At A  
Fair Price**



**Take Pride In Excellent  
Customer Service /  
Experience**



**Simplify The Buying /  
Returning / Exchanging  
Process**



# Successful DTC brands adhere to a core set of principles that are shaped to fit today's consumer behaviours, lifestyles and values



**E-commerce**



**Data-  
Obsessed**



**Socially-  
Interactive**



**Design-  
Focused**



**Consumer-  
Centric**



**Customer-  
Led**



**Mission-  
Driven**

# With data science as a core competency, most DTC companies rely on data & analytics for their media decision-making

Performance is their currency and DTC companies know exactly what media works for growing and perhaps, more importantly, retaining their customer base

DTC's top KPIs are focused on growth metrics like sales, customer acquisition, conversion rates and website traffic

Through their own analytics, these brands can quickly 'test & learn' how their media placements (and creative content) are performing and their agility allows them to react / optimize swiftly and scale up when necessary



# Countries included in this section

## North America



US



Canada

## Europe



Belgium



Czech Republic



France



Germany



Italy



Netherlands



Portugal



Sweden



UK

## South America



Brazil



Chile



Colombia



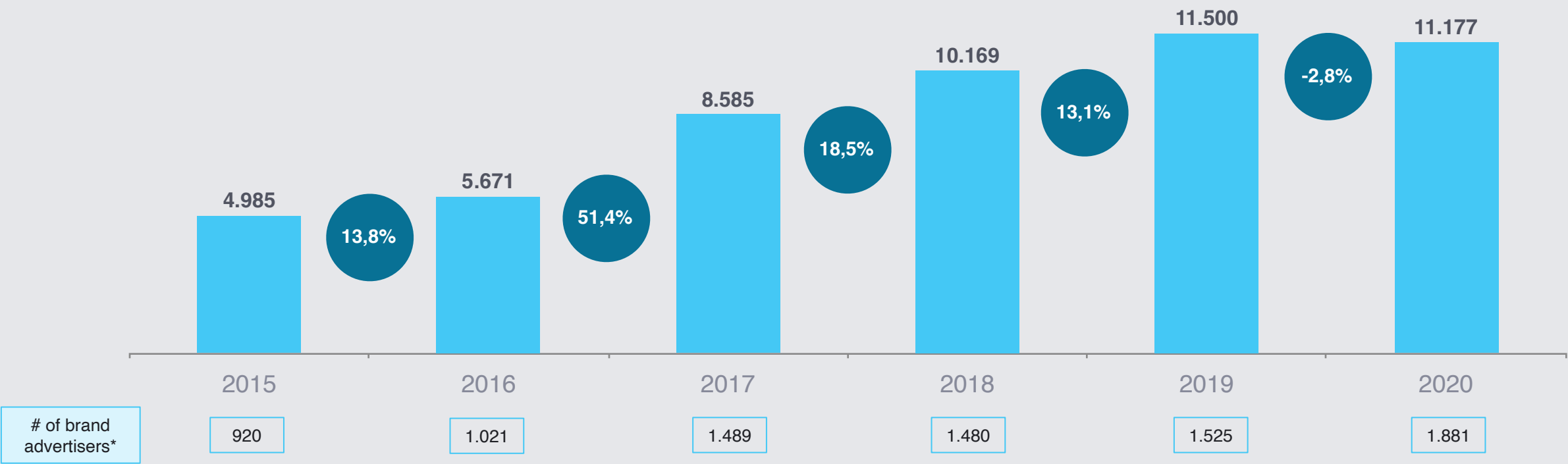
**Australia**





# In the 15 markets investigated, total TV spend of Direct-to-Consumer brands more than doubled from 2015 to 2020

Direct-to-Consumer Brands Total TV Spend in 2015 - 2020 (in EUR Millions)

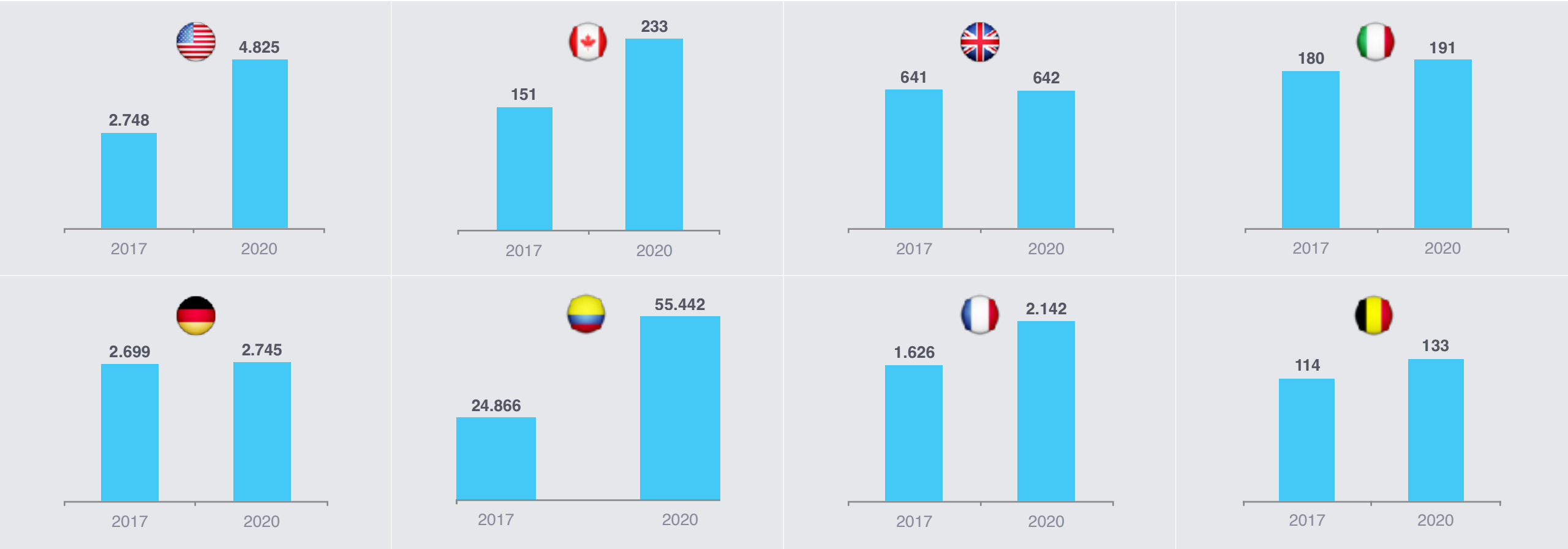


*Source:* Country specific data (see source of each market. Figures for the Netherlands and France not available for 2015 and 2016.  
*\*Total number of brands is summation of DTC companies active on TV in all markets, and thus counts companies more than once if they are active in multiple markets.*



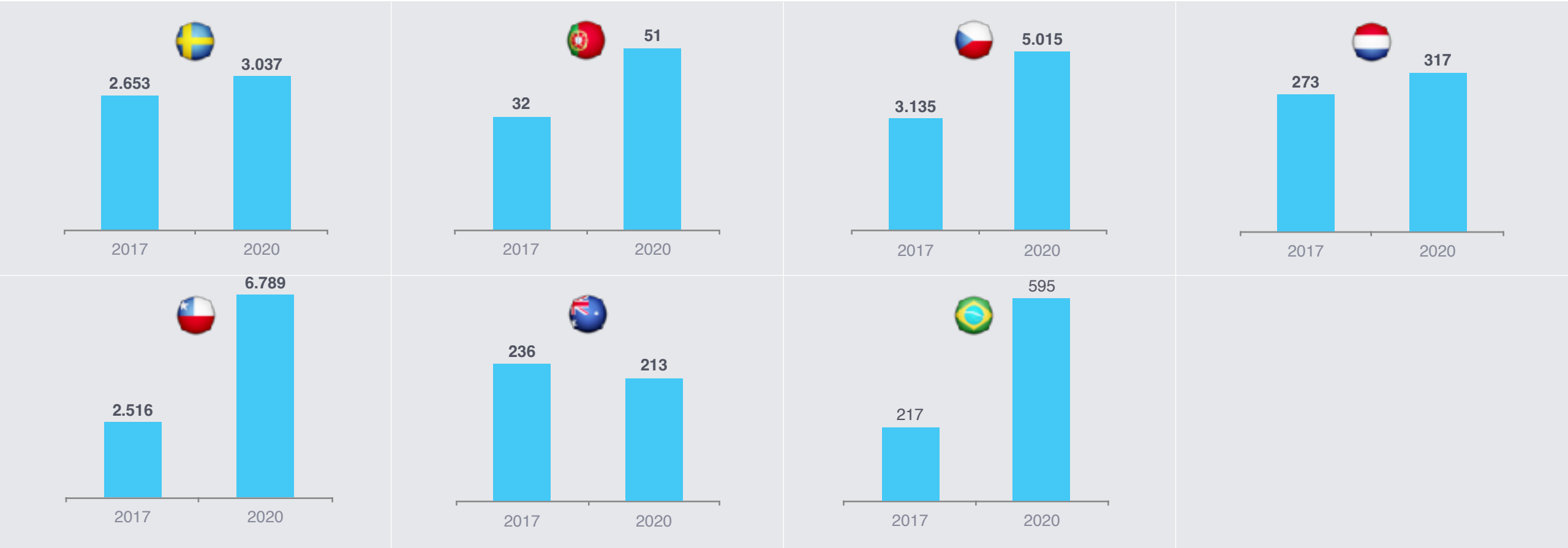
# Market snapshots portray a fast growing TV spend by DTC brands worldwide (1/2)

Direct-to-Consumer Brands Total TV Spend in 2017 vs. 2020 (Local currency in Millions\*)



# Market snapshots portray a fast growing TV spend by DTC brands worldwide (2/2)

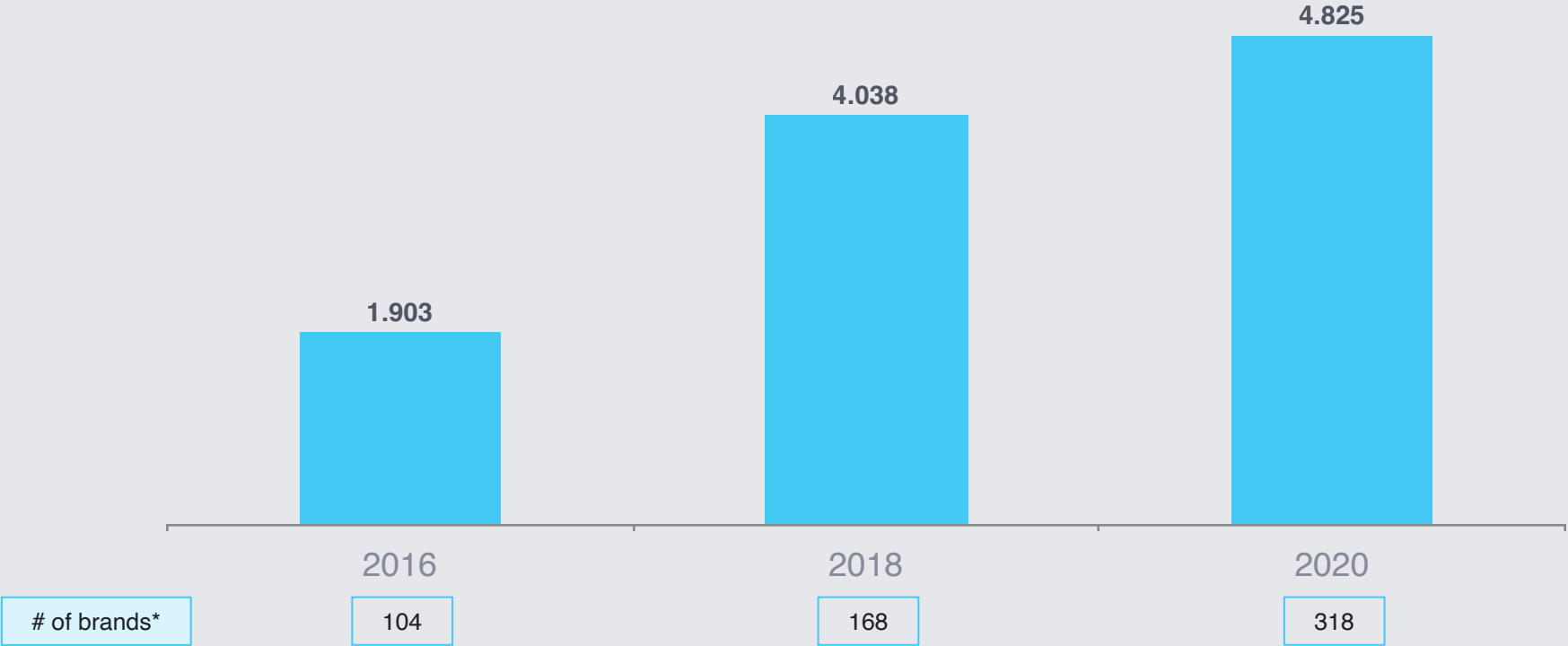
Direct-to-Consumer Brands Total TV Spend in 2017 vs. 2020 (Local currency in Millions\*)



# Digital-native, direct-to-consumer brands invested nearly \$5 billion in U.S TV advertising during 2020, more than triple what the category spent only five years ago



Direct-to-Consumer Brands Total TV Spend in 2016 - 2020 (\$\$\$ in US Millions)



“We saw all our KPIs improve, the costs per customer went down, and the cost per sign up went down. If I were advising another company, I would tell them to test TV out but if they were a competitor, I would tell them not to.”

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

“TV continues to outperform most of our other marketing opportunities on a dollar-for-dollar basis so it’s great for the brand and it’s great for the bottom line. We’ve loved television and we continue to love it.”

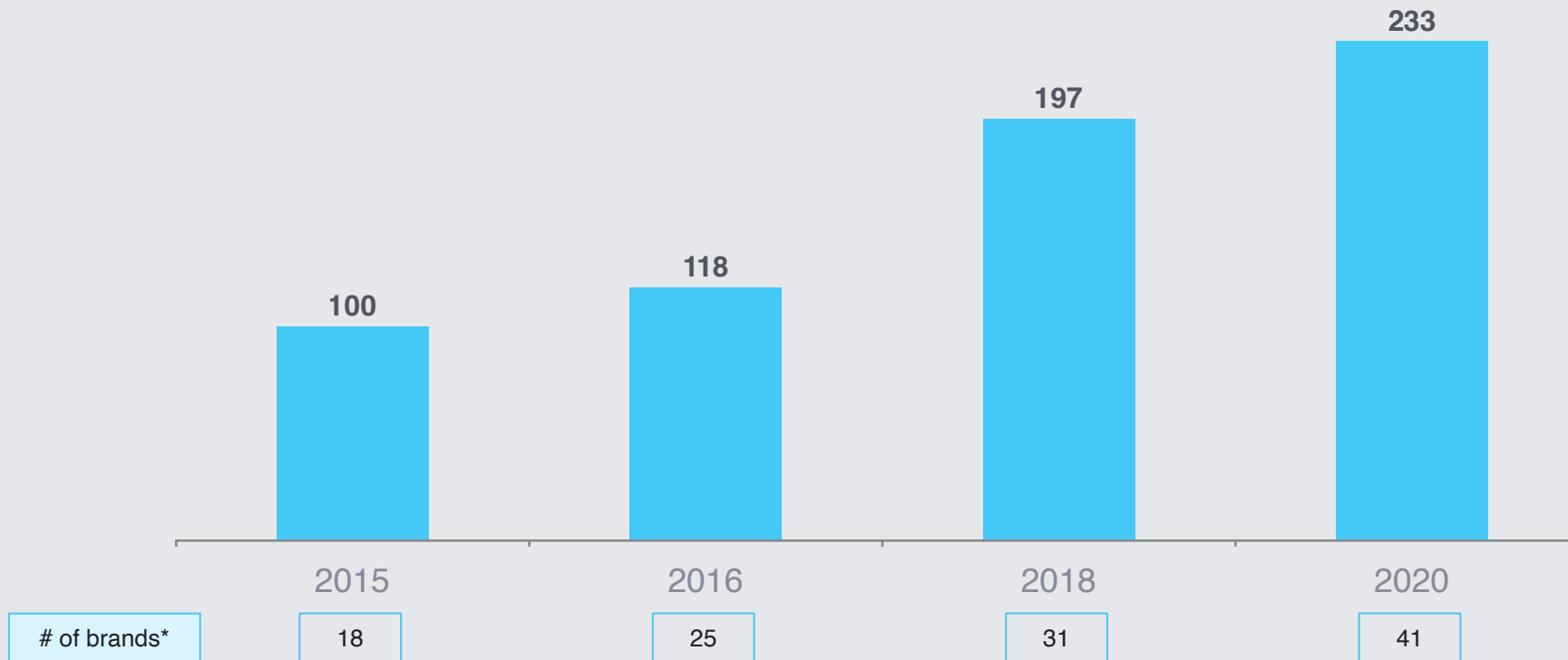
--- John Foley - Founder & CEO, Peloton

Source: VAB analysis of Nielsen Ad Intel, calendar year 2016-2020. U.S. TV spend includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, spot TV, and syndicated TV. Direct to Consumer – a company that sells their product or service online directly to end customers without involving third-party retailers, wholesalers or other parts of the traditional consumer supply chain. \*Number of DTC brands active on U.S. TV each year.



# Direct-to-Consumer companies know TV works in Canada! DTC advertiser spend on TV has more than doubled since 2015

Direct-to-Consumer Brands Total TV Spend in 2015 – 2020 (Indexed to 2015)



## Sampling of 20 DTC Brand TV Advertisers

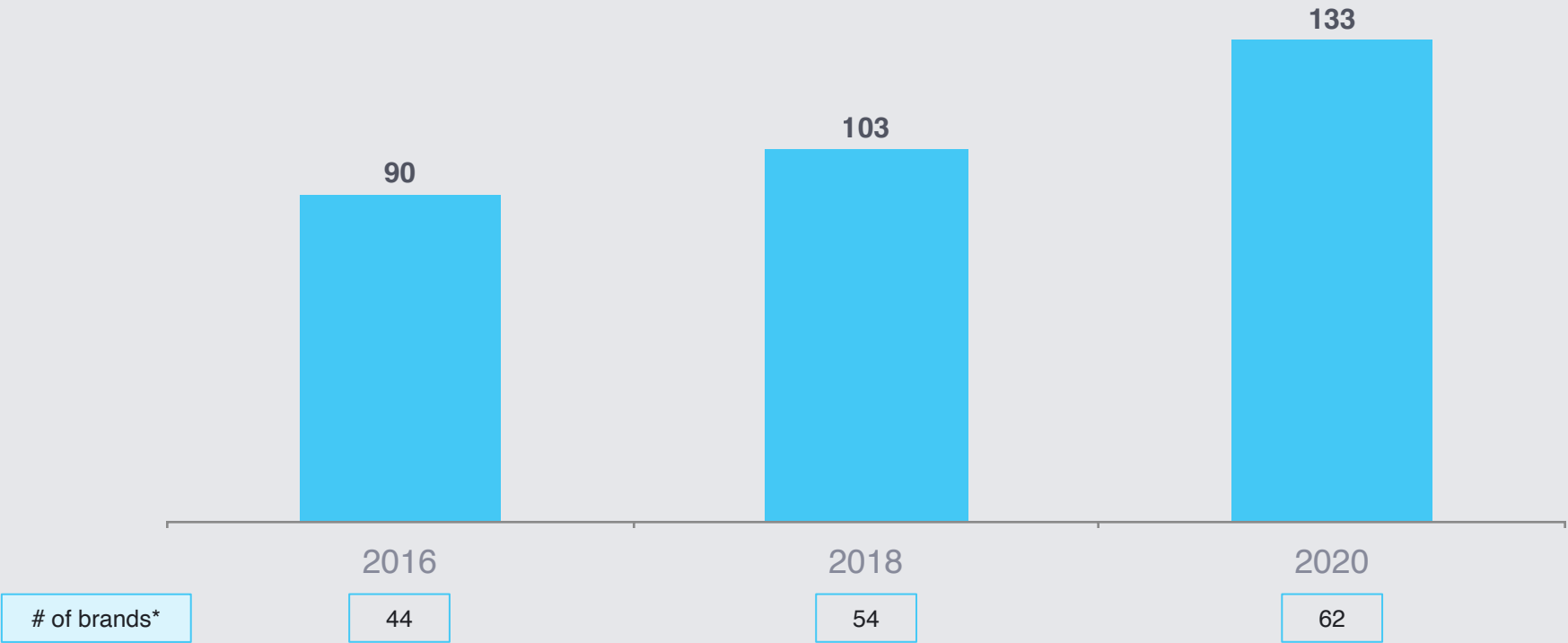


*Source: Total Canada/Annual/Numerator Canada. \*Number of DTC brands active on TV each year.*



# Direct-to-consumer brands' yearly spend on TV in Belgium has increased by almost 50% since 2016 as number of companies and spending continues to increase

Direct-to-Consumer Brands Total TV Spend in 2016 - 2020 (in EUR Millions)



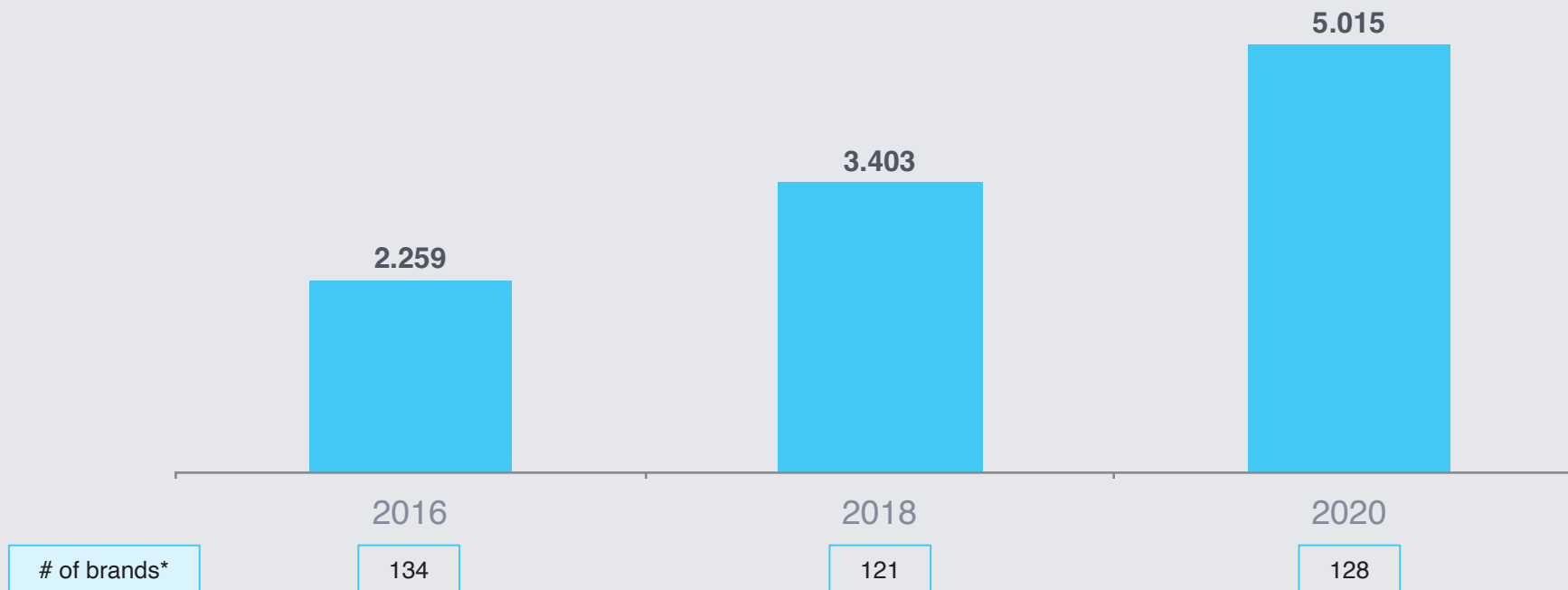
## Sampling of 20 DTC Brand TV Advertisers



Source: Nielsen MDB. \*Number of DTC brands active on TV each year.

# Direct-to-Consumer brands in the Czech Republic growingly advertise on TV, increasing their spend year-over-year since 2016

Direct-to-Consumer Brands Total TV Spend in 2016 - 2020 (in CZK Millions)



## Sampling of 13 DTC Brand TV Advertisers



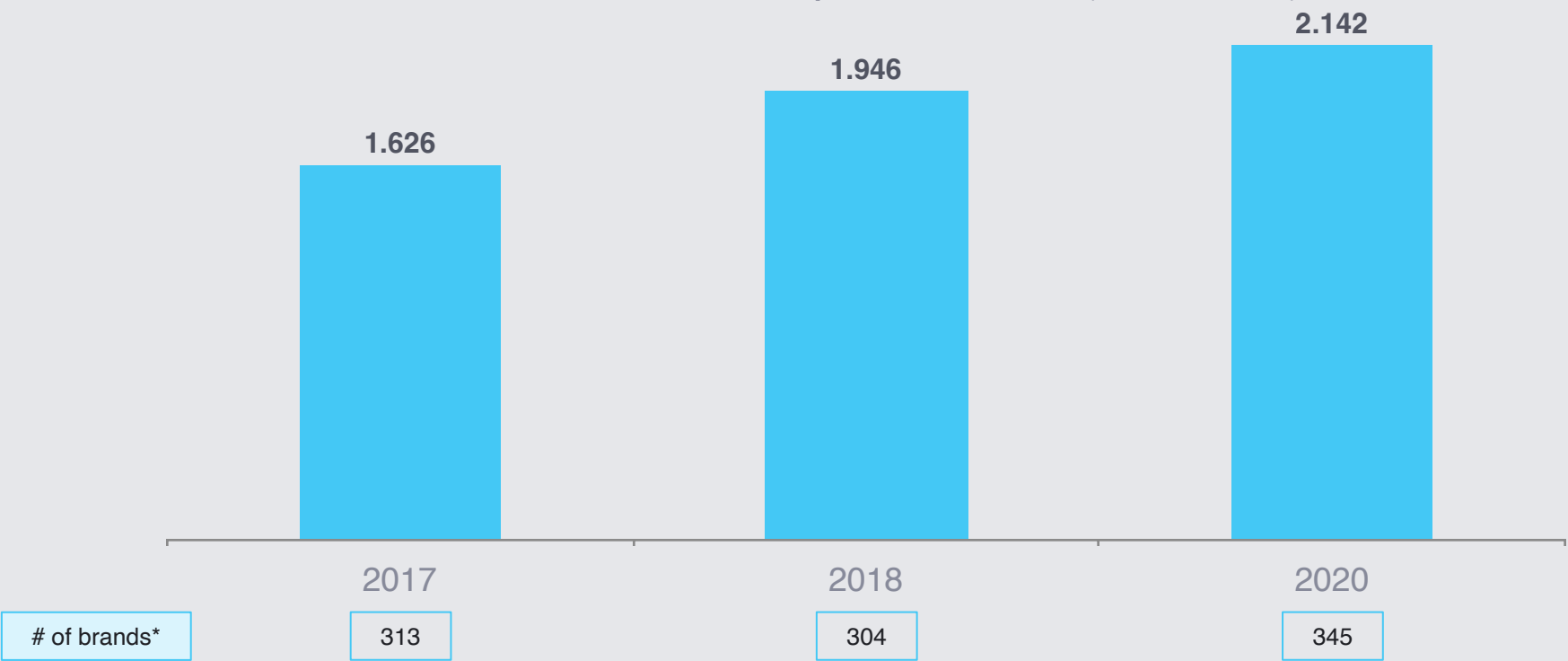
*Source: Nielsen Admosphere, includes brands with spending only above 100,000 CZK.*

*\*Number of DTC brands active on TV each year.*



# Direct-to-Consumer brands in France have increased their TV spend by a third from 2017 to 2020

Direct-to-Consumer Brands Total TV Spend in 2017 - 2020 (in EUR Millions)



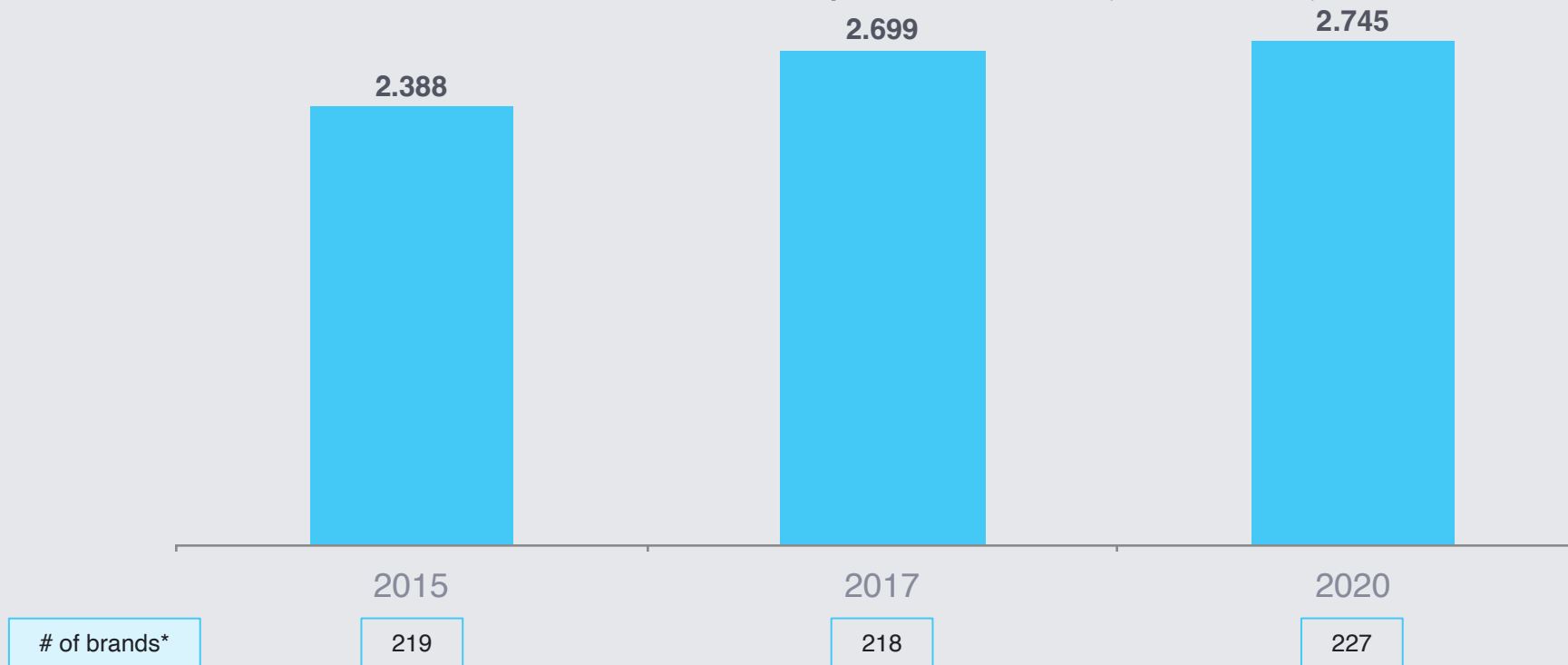
Sampling of DTC Brand TV Advertisers - missing



Source: Kantar. DTC companies manually selected. \*Number of DTC brands active on TV each year.

# DTC brands are already active on the German TV ad market which continues to grow, building on the success of over 200 companies utilising TV

Direct-to-Consumer Brands Total TV Spend in 2015 - 2020 (in EUR Millions)



## Sampling of 20 DTC Brand TV Advertisers



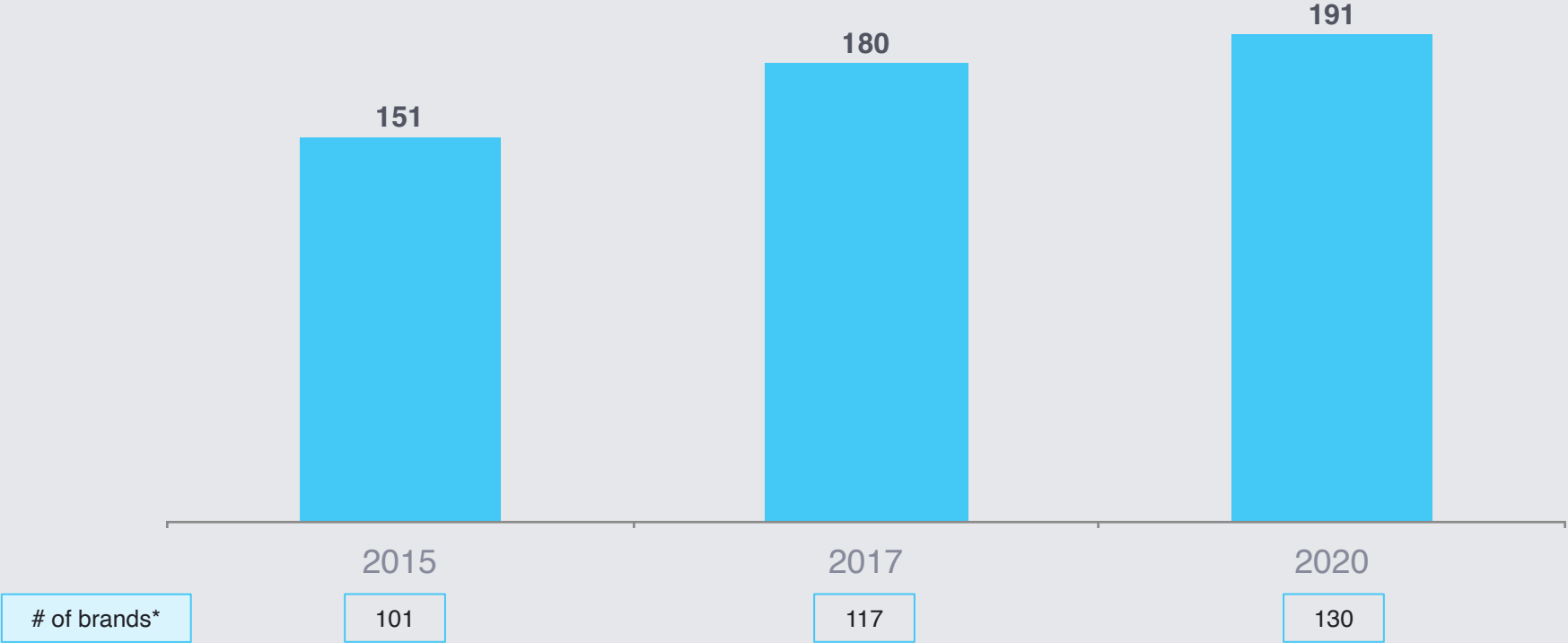
"There are more and more DTC brands which start advertising on TV, with high budgets - not only in the US, but also here (in Germany). This trust is no coincidence: On the one hand, a mere look at the performance of the advertised products confirms that TV advertising is clearly paying off. On the other hand, numerous studies confirm the high effectiveness of TV."

--- Malte Hildebrandt, Managing Director, Screenforce.

Source: Nielsen, Total TV ad Spend, as of 08/03/2021. Includes brand with spending over EUR 1m. \*Number of DTC brands active on TV each year.

# The TV spend by Direct-to-Consumer companies in Italy rose steadily from 2015 to 2019, and in 2020 more DTC brands than ever invested in TV

Direct-to-Consumer Brands Total TV Spend in 2015 - 2020 (in EUR Millions)



## Sampling of 20 DTC Brand TV Advertisers

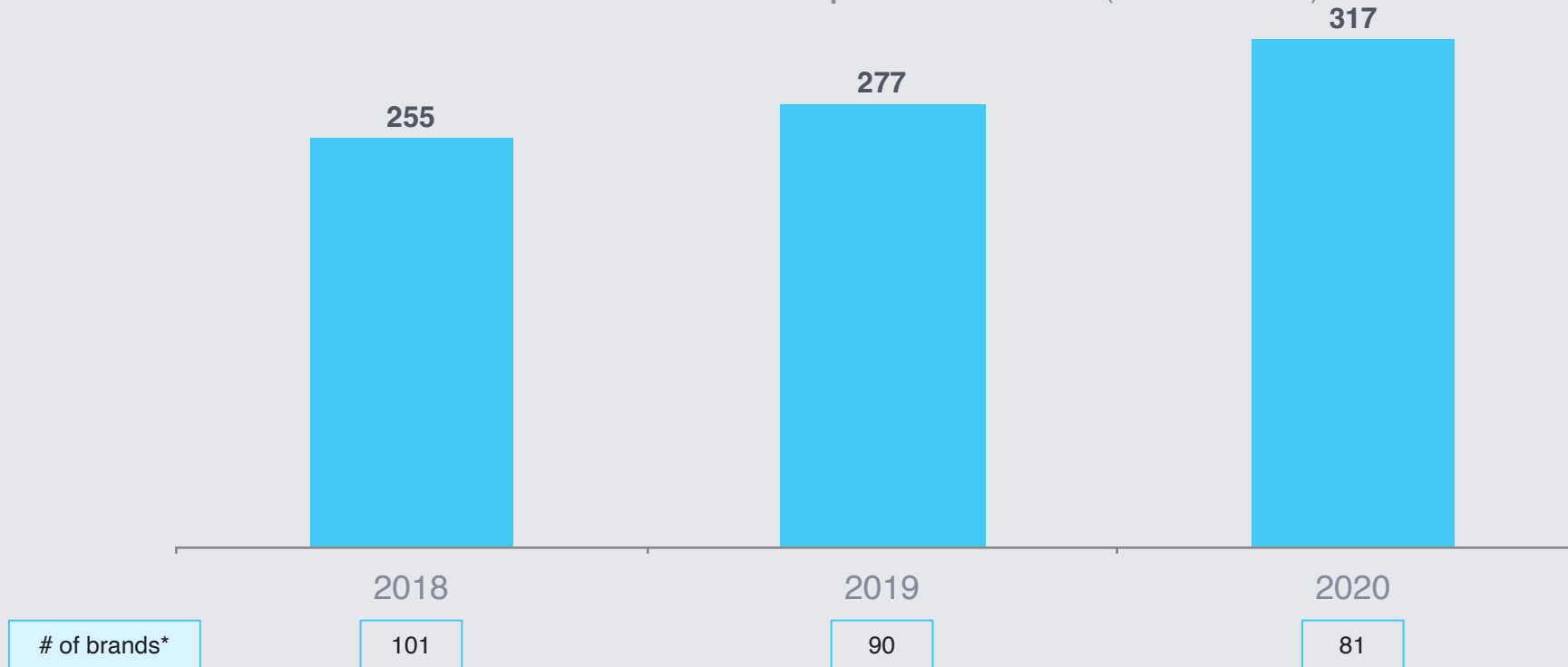


Source: Nielsen AdEx as of 7/7/21. Net figures.  
\*Number of DTC brands active on TV each year.



# Direct-to-Consumer brands have steadily increased their investment in Dutch TV

Direct-to-Consumer Brands Total TV Spend in 2018 - 2020 (in EUR Millions)



## Sampling of 10 DTC Brand TV Advertisers

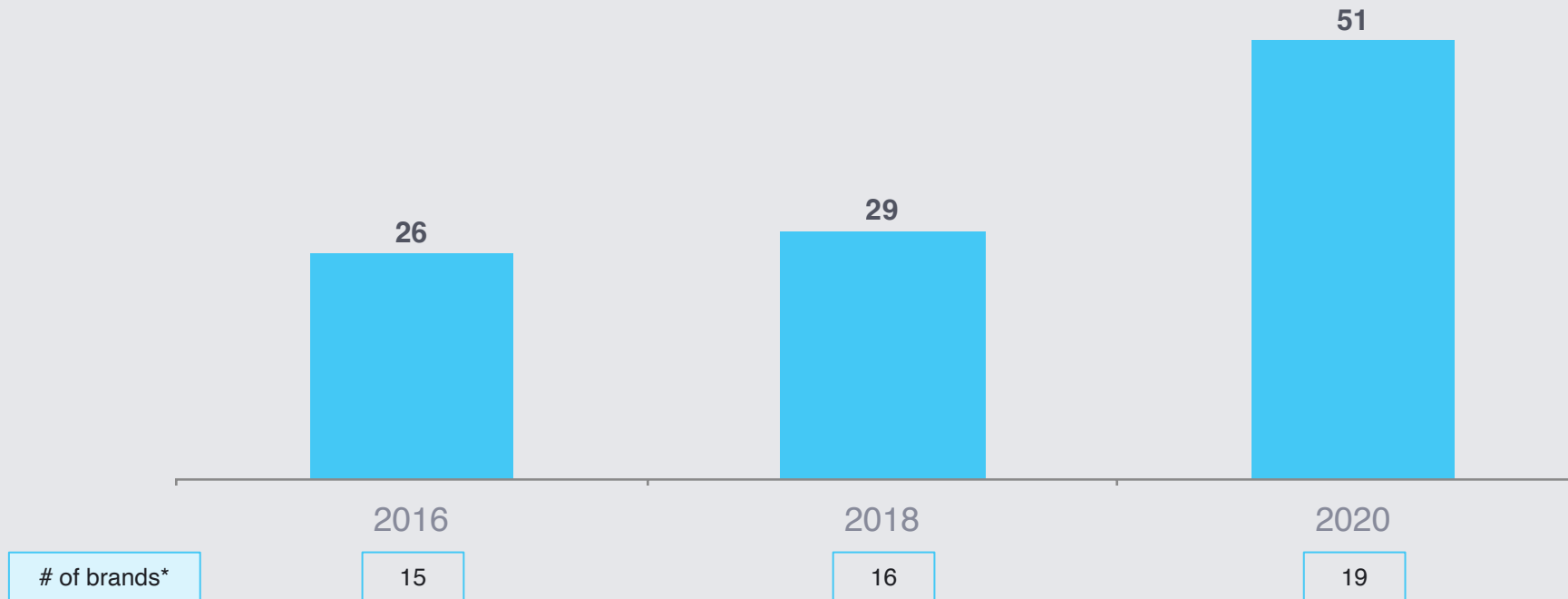


Source: Nielsen; spend is gross/rate card prices. \*Number of DTC brands active on TV each year.



# Direct-to-Consumer TV spend is on the rise in Portugal, increasing by 75% from 2018 to 2020

Direct-to-Consumer Brands Total TV Spend in 2016 - 2020 (in EUR Millions)



## Sampling of 10 DTC Brand TV Advertisers



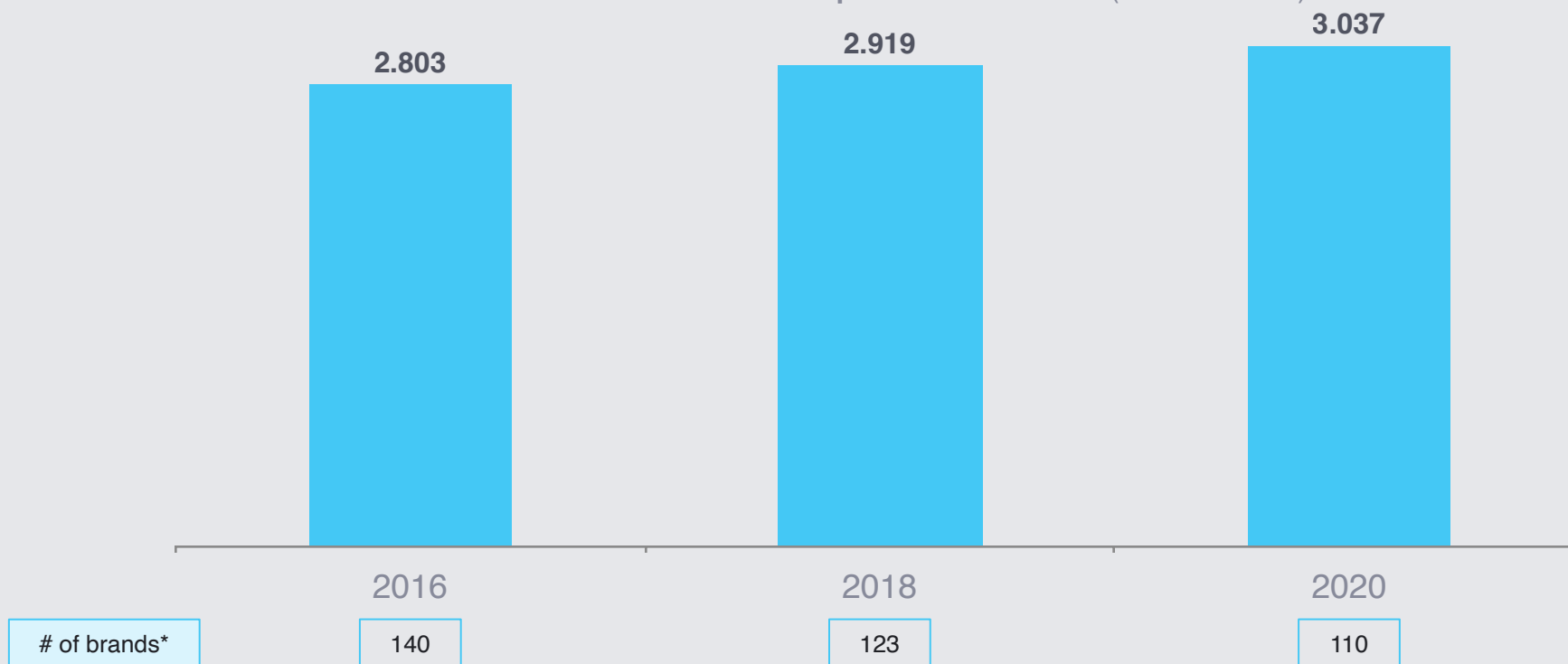
Source: Yumi. Gross investment. Internet sales companies only.

\*Number of DTC brands active on TV each year.



# Swedish direct-to-Consumer have increased their yearly investment in TV since 2016

Direct-to-Consumer Brands Total TV Spend in 2016 - 2020 (in SEK Million)



## Sampling of 15 DTC Brand TV Advertisers



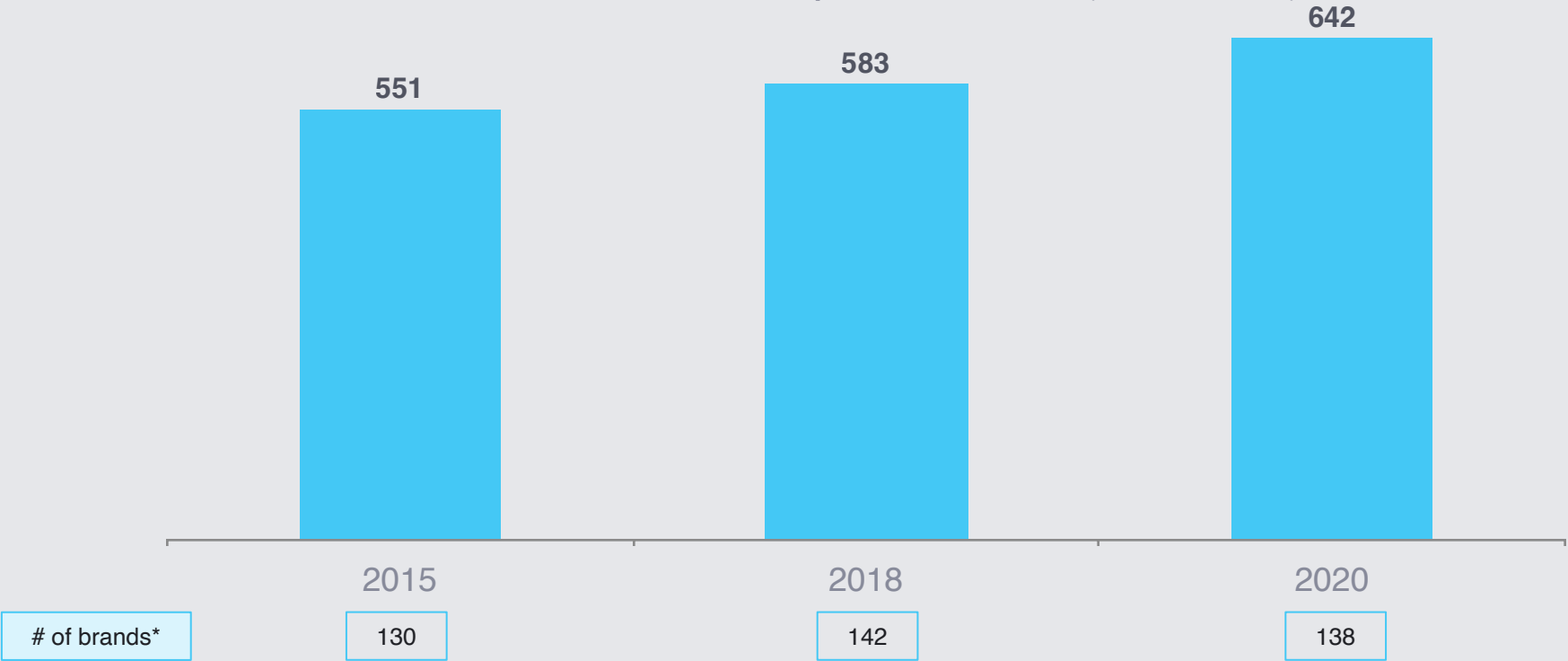
*Source: Reklammatningar (Kantar Sifo), who measures all media spend across all media categories, advertisers, industries. Gross measures.*

*\* Number of DTC brands active on TV each year.*



# Testimonials by leading brands have helped grow TV spend of Direct-to-Consumer companies in the UK

Direct-to-Consumer Brands Total TV Spend in 2015 - 2020 (in GBP Millions)



## Sampling of 20 DTC Brand TV Advertisers



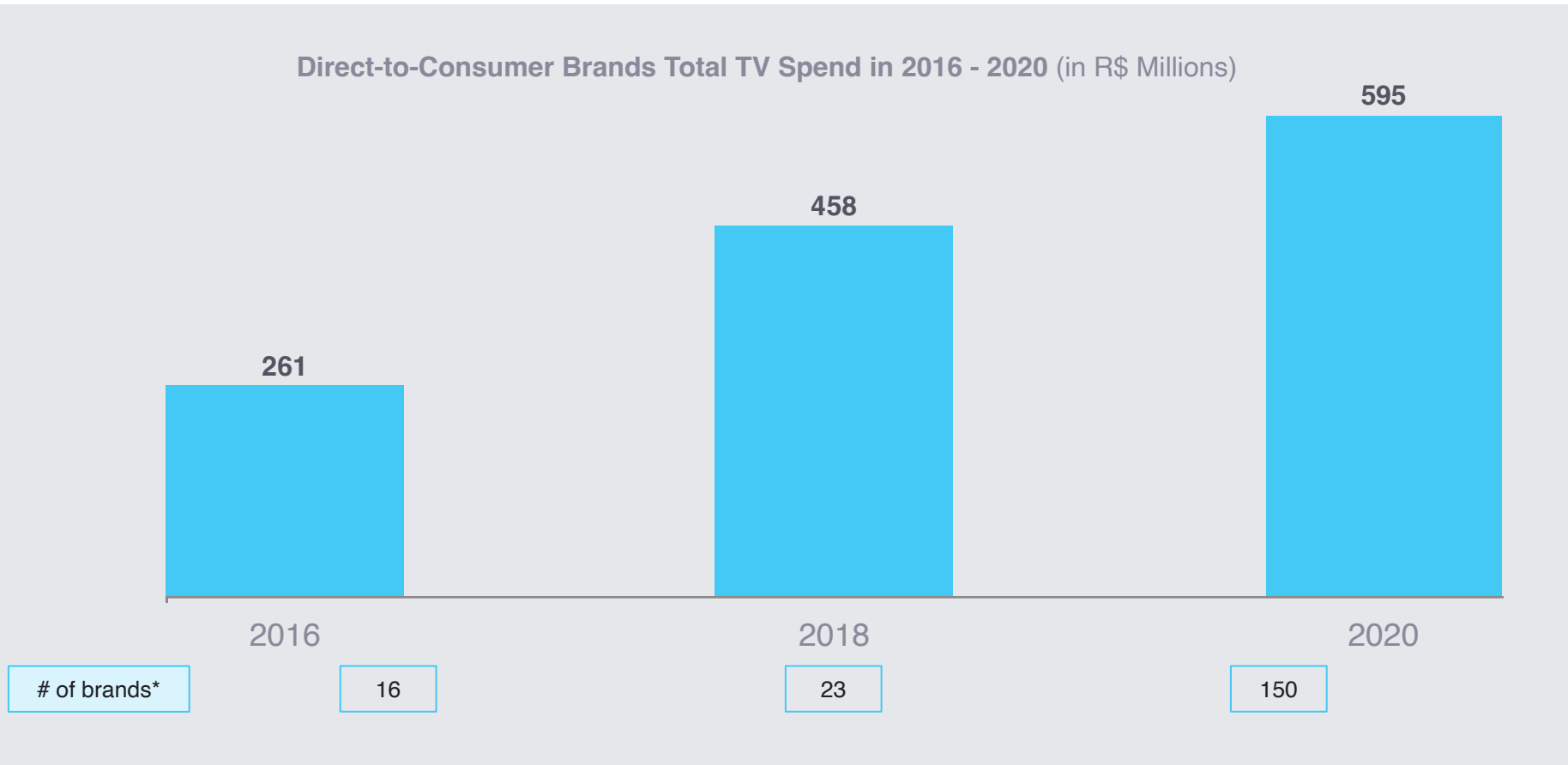
*“There was a really big opportunity to invest in our brand more broadly and we know that TV drives that broader reach that it’s difficult for us to get with more targeted audiences on social.”*  
--- Charlotte Langley, VP Brand & Communications, Bloom & Wild

*“The best way to build a brand is to have a campaign led by TV, supported by highly targeted performance marketing to help drive short-term sales targets.”*  
--- Darren Bentley, Chief Customer Officer, Cazoo

*Source: Nielsen AdIntel as of 7/7/21 (based on the top 500 TV spenders for each year between 2015-2020). \*Number of DTC brands active on TV each year.*



# Number of DTC brands advertising on Brazilian TV increased almost ten-fold from 2016 to 2020



## Sampling of 13 DTC Brand TV Advertisers



Source: Kantar Monitor Evolution - 2016 to 2020 - Gross Investment in Open TV, Pay TV and Merchandising.

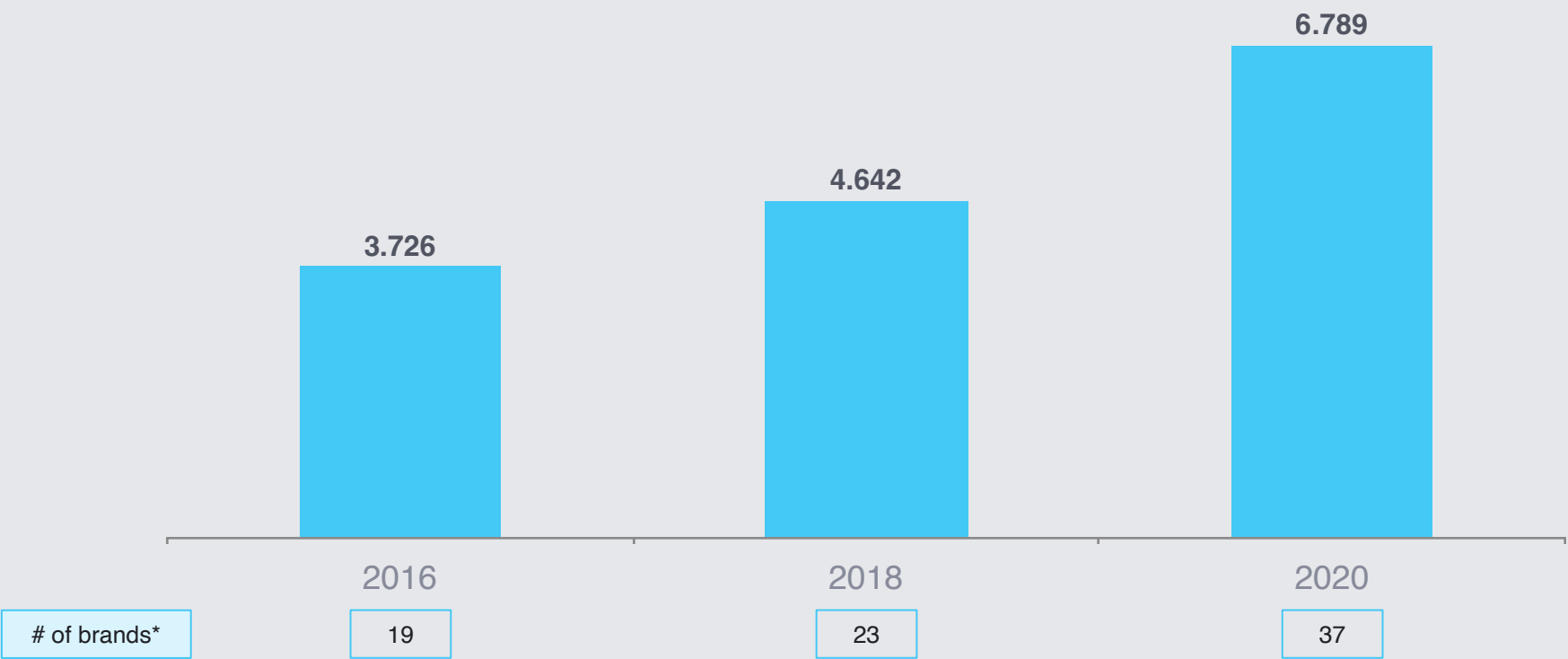
\*Number of DTC brands active on TV each year.





# TV spend of direct-to-consumer brands in Chile reached its highest point in 2020 after growing steadily in the years prior

Direct-to-Consumer Brands Total TV Spend in 2016 - 2020 (in CLP Millions)



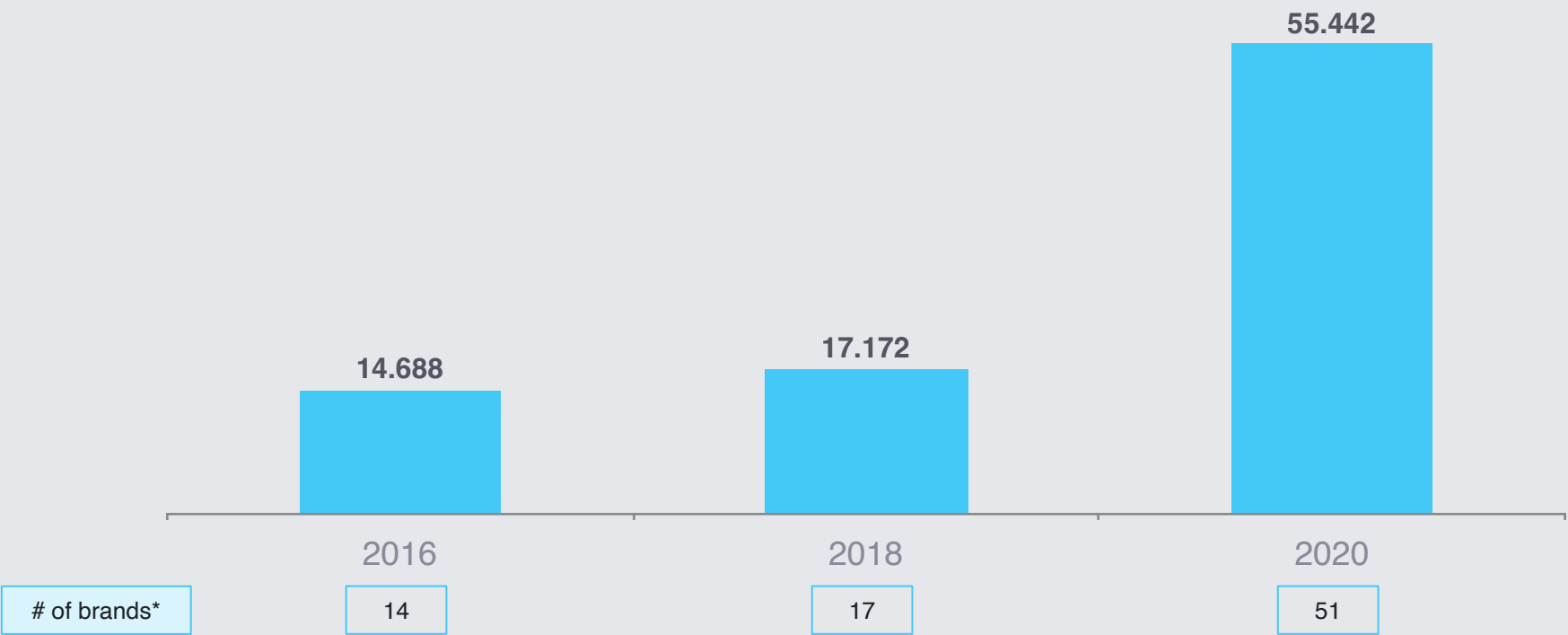
## Sampling of 10 DTC Brand TV Advertisers



Source: Megasuite.  
\*Number of DTC brands active on TV each year.

# The number of direct-to-consumer brands advertising on Colombian TV soared in 2020

Direct-to-Consumer Brands Total TV Spend in 2016 - 2020 (in COP Millions)



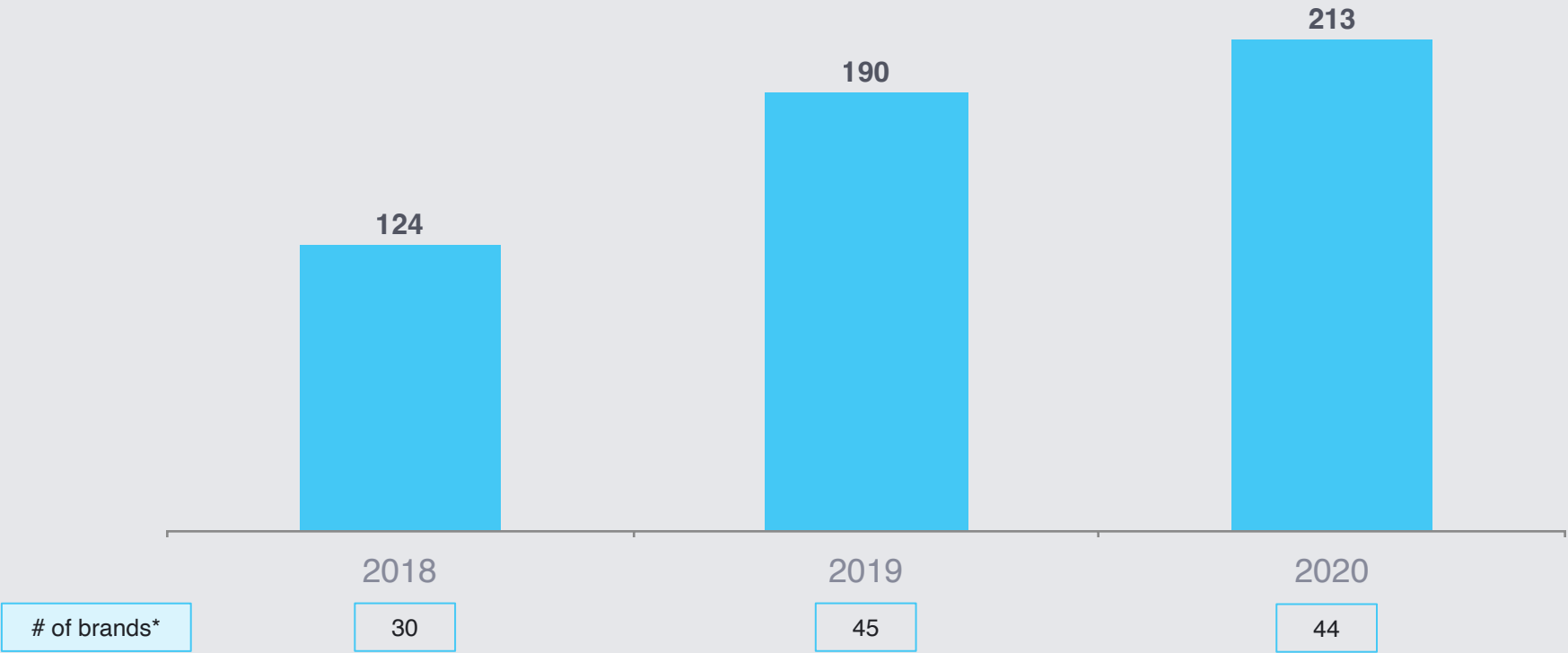
## Sampling of 15 DTC Brand TV Advertisers



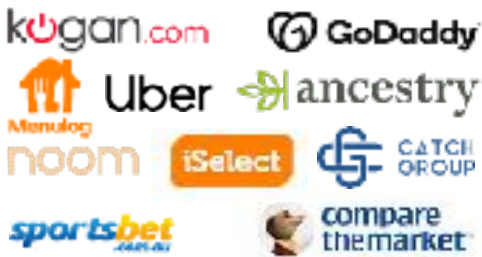
Source: Ibope - IWKS. Gross Investment.  
\*Number of DTC brands active on TV each year.

# TV spend by Direct-to-Consumer brand in Australia is on the rise, increasing by over 70 per cent from 2018 to 2020

Direct-to-Consumer Brands Total TV Spend in 2018 – 2020 (in AUD Millions)



## Sampling of 10 DTC Brand TV Advertisers



Source: Nielsen AdEx (Australia). \*Number of DTC brands active on TV each year.



# Major tech companies are spending big on TV

The 'Tech Giants,' commonly referred to by the acronym FAAAM (Facebook, Alphabet / Google, Amazon, Apple, Microsoft), have become nearly ubiquitous in societies across the globe. This is especially true during the pandemic, as many offer goods or services that have taken on heightened importance and relevance to our everyday lives.

Despite their deep pockets and big names, these brands must overcome many of the same challenges other brands commonly face: threats to their Share of Voice (SOV), competition from category challengers, need to support new product launches and the urgency to quickly pivot and meet a new set of consumer needs fostered by the pandemic.

Much like the 'direct-to-consumer' category, these data-driven, outcomes-obsessed brands are going big in TV to drive continued business growth.

# Countries included in this section

## North America



US



Canada

## Europe



France



Germany



Italy



Spain



UK



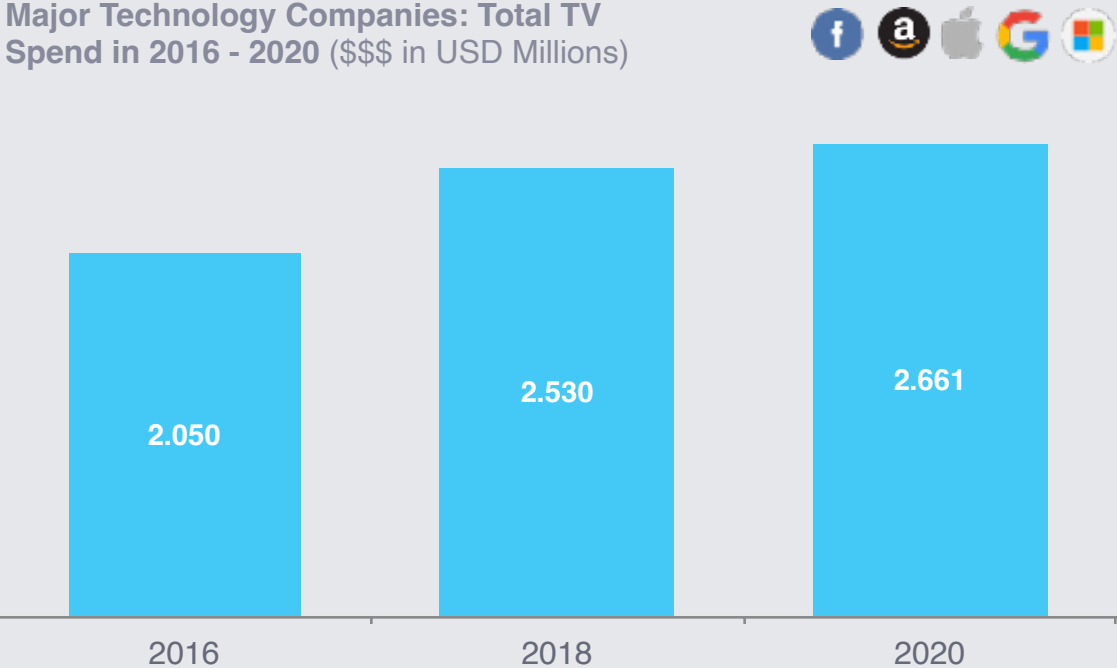
Australia















# Collectively, the five major tech companies (FAAAM) rank as the #1 TV spender in the U.S.

Major Technology Companies: Total TV Spend in 2016 - 2020 (\$\$\$ in USD Millions)



Source: VAB analysis of Nielsen AdIntel, calendar years 2015-2020. U.S. TV spend includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, spot TV, and syndicated TV. Major U.S. Technology Companies includes Google (Alphabet), Apple, Facebook, Amazon and Microsoft.

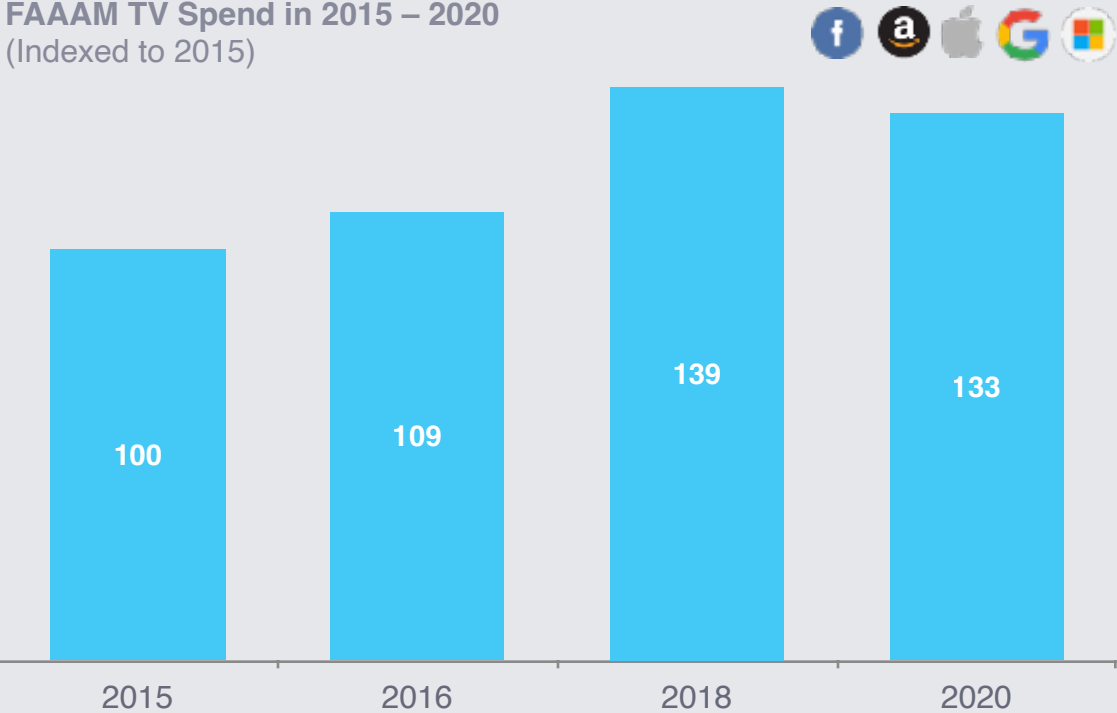
Rank	Company	Total TV Spend 2020
1		\$2.7 B
2		\$2.4 B
3		\$1.4 B
4		\$1.2 B
5*		\$923 MM
6		\$911 MM
7		\$888 MM
8		\$882 MM
9		\$864 MM
10		\$840 MM

Source: VAB's [Analyzing Outcomes From The "Tech Giants" TV Investment](#). Rankings reflect total TV spend for parent companies based on their subsidiaries and brands as of March 2021. Major U.S. tech companies includes Google (Alphabet), Apple, Facebook, Amazon and Microsoft. \*Amazon, which would've ranked #4 by itself (excluding GAFAM combination), shifted into #1 for the purposes of this chart. B = billions, MM = millions.



# The FAAAM group of companies together were the #2 largest TV advertiser in Canada in 2020

FAAAM TV Spend in 2015 – 2020  
(Indexed to 2015)



Source: Numerator, Canada.

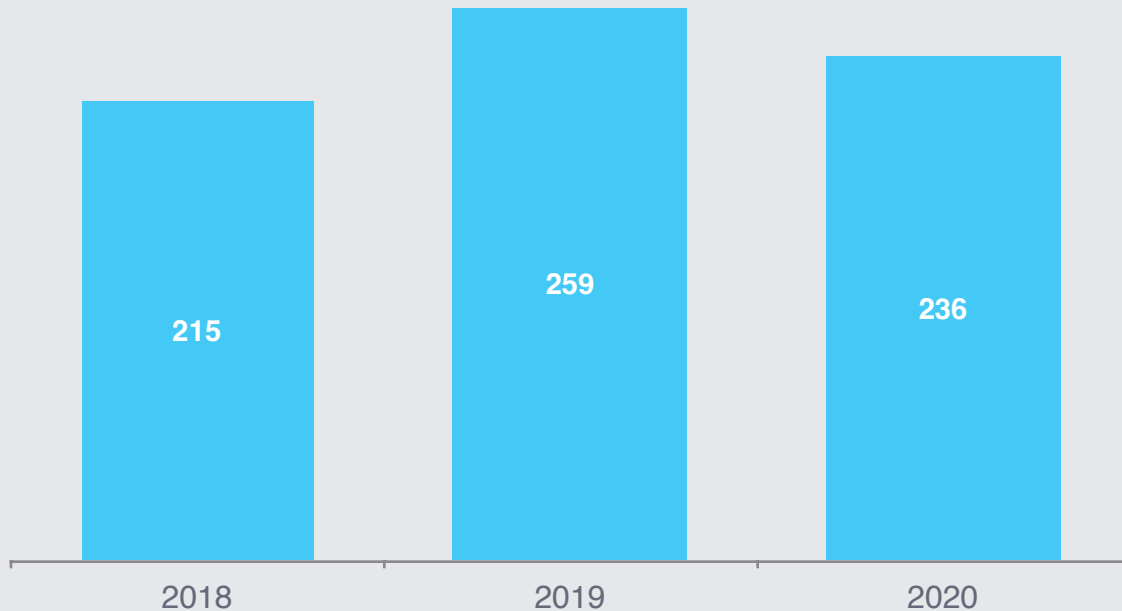
Rank	Company
1	P&G
2	f a Apple G Microsoft
3	OTG
4	rbi restaurant brands international
5	McDonald's
6	Johnson & Johnson
7	Bluebird
8	PEPSICO
9	Leons
10	Government of Canada / Gouvernement du Canada / Canada

Source: Total Canada/Annual/Numerator Canada



# Collectively, the FAAAMs rank 7<sup>th</sup> among the largest TV advertisement spenders in France

Major Technology Companies:  
Total TV Spend in 2018 - 2020 (in EUR Millions)



Source: Kantar.

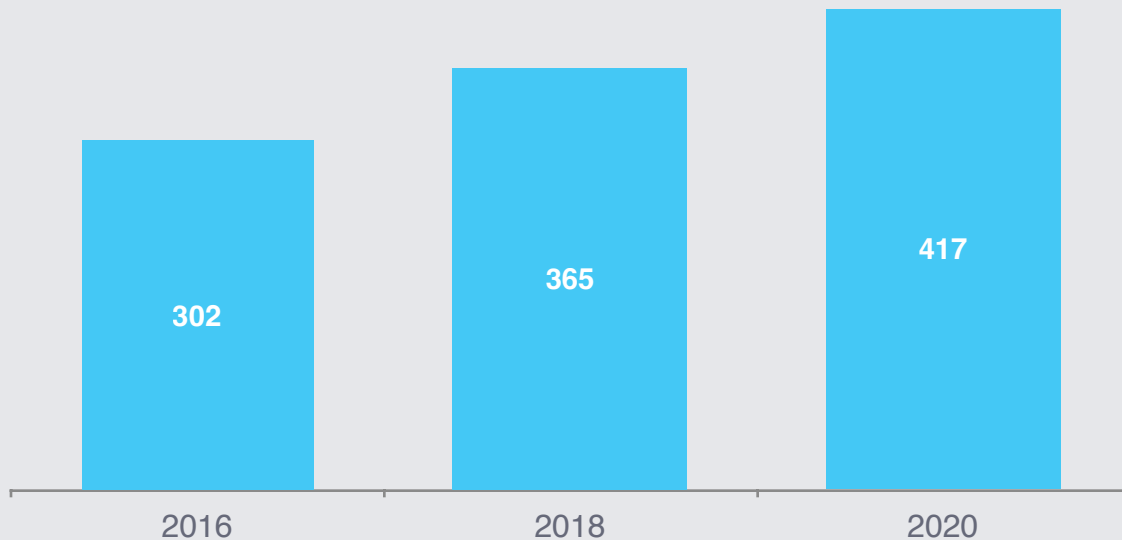
Rank	Company	Total TV Spend 2020
1	L'ORÉAL	€ 416 MM
2	P&G	€ 366 MM
3	VW	€ 285 MM
4	PSA RENAULT NISSAN MITSUBISHI	€ 284 MM
5	PSA GUYOUFE	€ 275 MM
6	FERRERO	€ 243 MM
7	Facebook, Amazon, Apple, Google, Microsoft (FAAAMs)	€ 236 MM
8	MEZLIG	€ 228 MM
9	McDonald's	€ 198 MM
10	reckitt	€ 193 MM

Source: egta TV database (Kantar), gross excluded.



# Accumulated TV spend of the FAAAMs ranks them collectively as the second largest advertiser in Germany

Major Technology Companies:  
Total TV Spend in 2016 - 2020 (in EUR Millions)



Source: Nielsen, Total TV ad Spend, as of 08/03/2021.

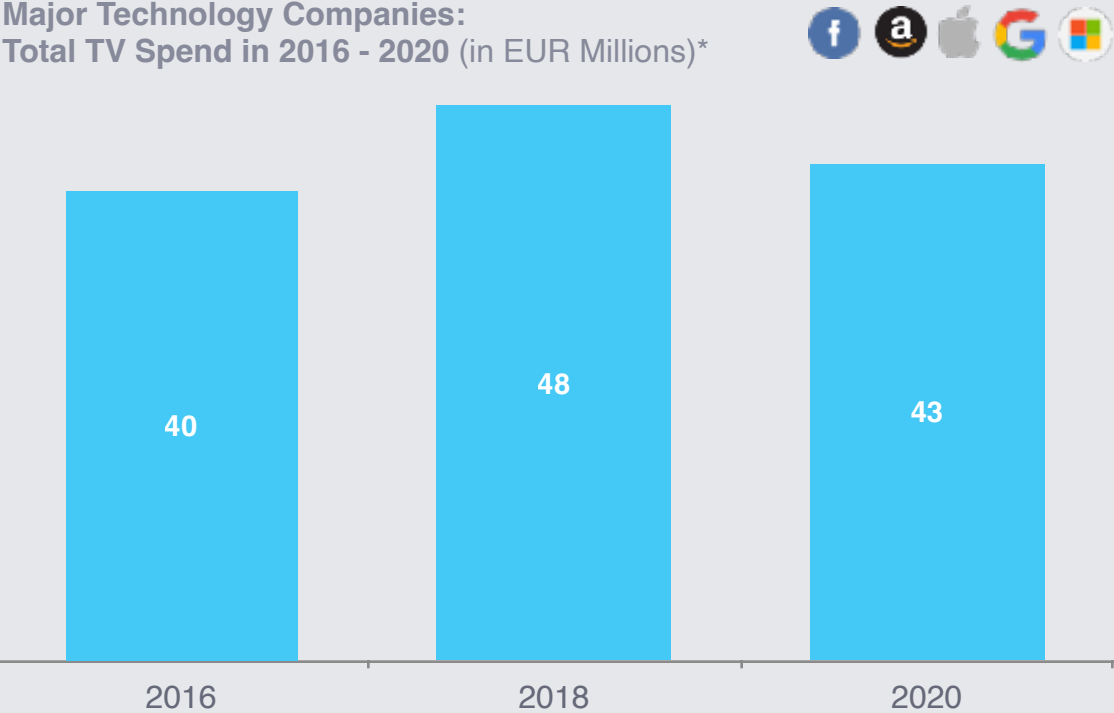
Rank	Company	Total TV Spend 2020
1	P&G	€ 1,3 B
2	FAAAMs	€ 417 MM
3	FERRERO	€ 415 MM
4	L'ORÉAL	€ 379 MM
5	VW	€ 315 MM
6	Dr. Oetker	€ 296 MM
7	Henkel	€ 258 MM
8	Beiersdorf	€ 226 MM
9	T-Mobile	€ 197 MM
10	VfL Wolfsburg	€ 180 MM

Source: Nielsen, Total TV ad Spend, as of 08/03/2021.



# Dominated by local giants and international brands, FAAAM ranks collectively in 9th place on the list of Italy's biggest TV advertisers

Major Technology Companies:  
Total TV Spend in 2016 - 2020 (in EUR Millions)\*



Source: Nielsen AdEx as of 7/7/21. Net figures.

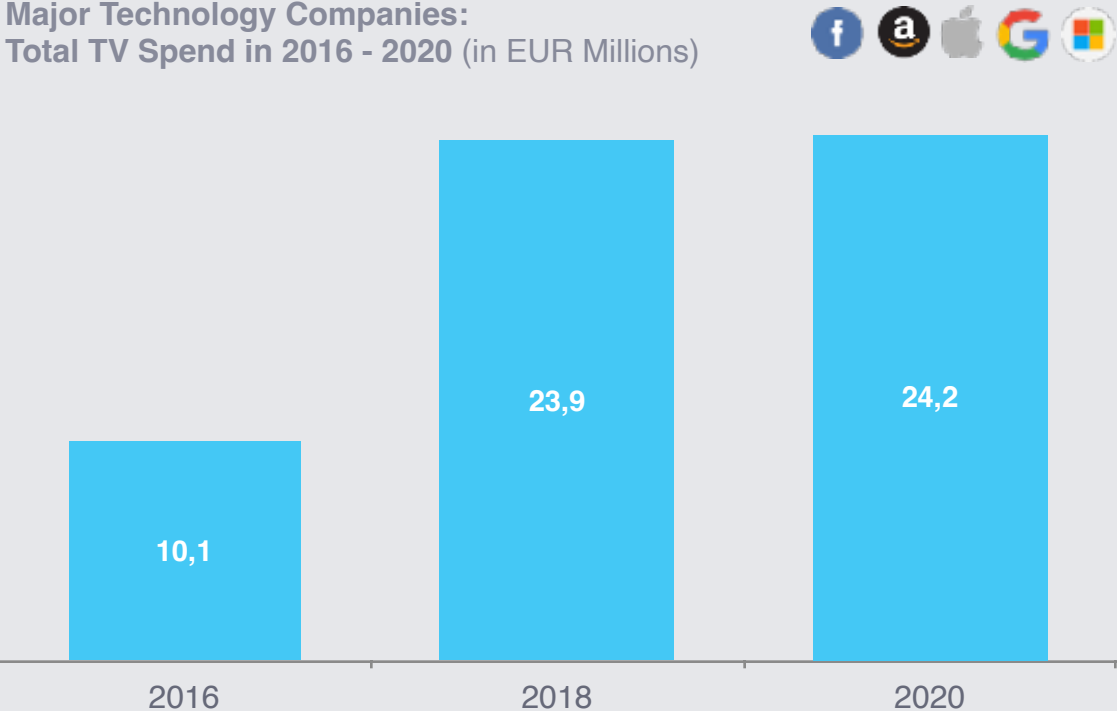
Rank	Company	Total TV Spend 2020
1	<b>FERRERO</b>	€ 89 MM
2	<i>P&amp;G</i>	€ 79 MM
3		€ 74 MM
4		€ 73 MM
5	L'ORÉAL	€ 57 MM
6		€ 51 MM
7		€ 49 MM
8		€ 44 MM
9		€ 43 MM
10		€ 42 MM

Source: Nielsen AdEx as of 7/7/21. Net figures.



# Led by Amazon and Apple, the TV spend of tech giants in the Spanish market has more than doubled since 2016

Major Technology Companies:  
Total TV Spend in 2016 - 2020 (in EUR Millions)



Source: Arce Media. Facebook's did not spend on TV in 2016-2020. Microsoft's and Google's TV spend was within €200k except 2018-2019 for Google.

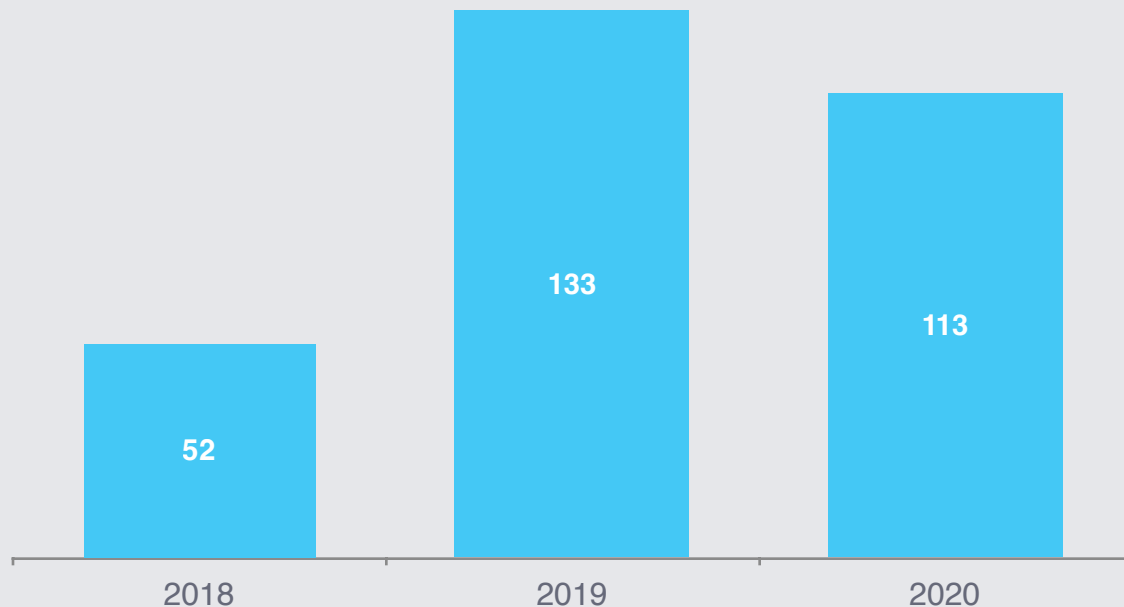
Rank	Company	Total TV Spend 2020
1	L'ORÉAL	€ 52 MM
2	P&G	€ 49 MM
3	reckitt	€ 35 MM
4	Nestle	€ 31 MM
5	VW	€ 27 MM
6	orange	€ 26 MM
7	Vodafone	€ 25 MM
8	Amazon, Apple, Google, Microsoft	€ 24 MM
9	MUTUAMADRILEÑA	€ 21 MM
10	Infiniti	€ 20 MM

Source: Arce Media.









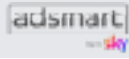



# The FAAAM tech giants rank jointly among the three largest TV ad spenders in the UK

Major Technology Companies: Total TV Spend in 2018 - 2020 (in GBP Millions)



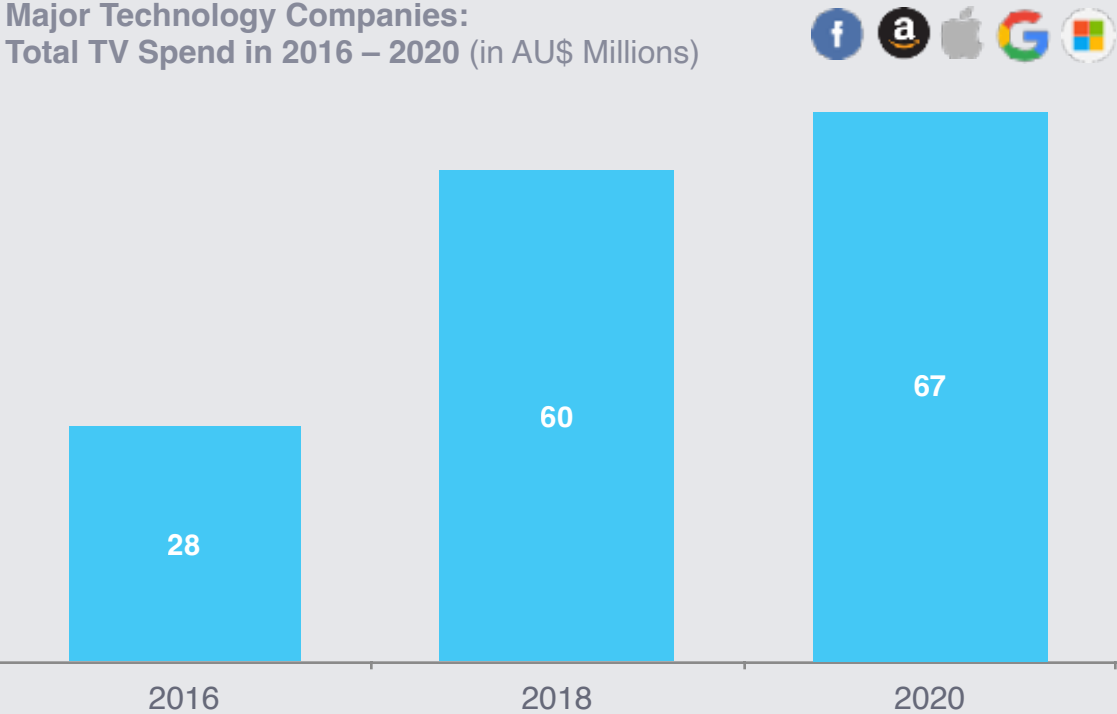
Source: Nielsen AdIntel as of 7/7/21

Rank	Company	Total TV Spend 2020
1		116 MM
2		113 MM
3		113 MM
4		71 MM
5		61 MM
6		61 MM
7		45 MM
8		42 MM
9		40 MM
10		38 MM
















Source: Nielsen AdIntel as of 7/7/21

# Lead by Amazon and Apple, the FAAAMs have boosted their TV spend in Australia to a total of nearly AU\$ 70 millions in 2020

Major Technology Companies:  
Total TV Spend in 2016 – 2020 (in AU\$ Millions)



Source: Nielsen AdEx (Australia)

Rank	Company	Total TV Spend 2020
1	 incl. 	92 MM
2	    	67 MM
3		64 MM
4		56 MM
5	 Australian Government	55 MM
6		51 MM
7		50 MM
8		49 MM
9		46 MM
10		43 MM

Source: Nielsen AdEx (Australia)