AdSphere™

POWERED BY DRMETRIX

Direct-to-Consumer Television
5 x 5 INDUSTRY STUDY

5 years
5 industry classifications.
2015 - 2019

*New Updated for 2020



AdSphere™

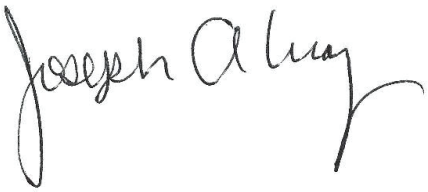
POWERED BY DRMETRIX

DRMetrix first introduced it's 5 x 5 industry study in November of 2019 in celebration of its AdSphere Research System having reached the benchmark of 50 million detected airings.

At the time of the initial release, expenditure data for Q3 of 2019 was projected along with both airings & expenditure data for Q4. This update contains all of the actuals for 2019.

Thank you to all of our clients/partners, your support has made this study possible.

Joseph Gray
CEO



INTRODUCTION

DRMetrix, the direct-to-consumer television industry's leading research company, is pleased to present its latest AdSphere industry study. Five years of national cable industry trends (2015 - 2019) are provided with media expenditures across five brand classifications. In addition to monitoring 127 national cable networks, DRMetrix added monitoring for ABC, NBC, CBS, and FOX in 2019.

Across the national cable and broadcast networks monitored, DRMetrix is reporting $17.9 billion of national ad spend in 2019 from campaigns that ask consumers to take action, such as by visiting a website or going to an app store. This represents a 14 percent increase over the previous year. There were 4,778 brands who provided a way for consumers to respond to their TV advertising. 37.4 percent used traditional direct-response (DR) techniques such as the use of DR variations. These can be described as the assignment of unique response variants that allow advertisers to track consumer response back to specific networks, dayparts, programs, and creatives. The use of DR variations is proven over many decades and a variety of methods are used including unique web-based promotion codes, SMS codes, and differing phone numbers. By using DR variations, advertisers are better able to track the performance of their campaigns in real time as well as optimize their TV buys to produce the highest level of return-on-investment (ROI).

For high frequency campaigns, the use of DR variations is highly recommended. Click here to skip to the TV attribution section which includes a more detailed overview / study of this topic.

It took over eight years to build, launch, and collect the data that has contributed to this study. Since its inception in the fourth quarter of 2014, AdSphere has identified more than 11,000 direct-to-consumer brands utilizing over 60,000 unique creatives. AdSphere's database contains over 57 million airings including over half-a-million 28.5 minute infomercial airings.

In recent years, one of the biggest drivers of direct-to-consumer advertising has been web and mobile-based companies that have

discovered the power of television advertising. Many are discovering the measurability and power of DR techniques, which include the use of DR variations and utilization of longer formats ranging from 60 seconds to 28.5 minutes, to drive higher levels of consumer engagement and response.

Among the many advertisers who use DR variations are household names such as Nutrisystem, Proactiv, St. Jude Children's Research Hospital, Colonial Penn, Humana, USAA Insurance, Nugenix, SoClean, Consumer Cellular, Jenny Craig, and Lifelock. DRMetrix's Adsphere research system tracks these and many other brands advertising across more than 190 industry categories such as beauty, fitness, home & garden, housewares & appliances, insurance, legal services and many more.

For its 2020 analysis, DRMetrix is using data from 127 national networks using state-of-the-art automated content recognition (ACR) and counted as 'direct-to-consumer' any ad that provides a phone number, web address, mobile SMS code or app store logo from Apple or Google.

DRMetrix keeps track of where these advertisers are spending down to the network, daypart, program, and creative level in order to help everyone in the industry become more successful and know where ROI is found in national advertising.

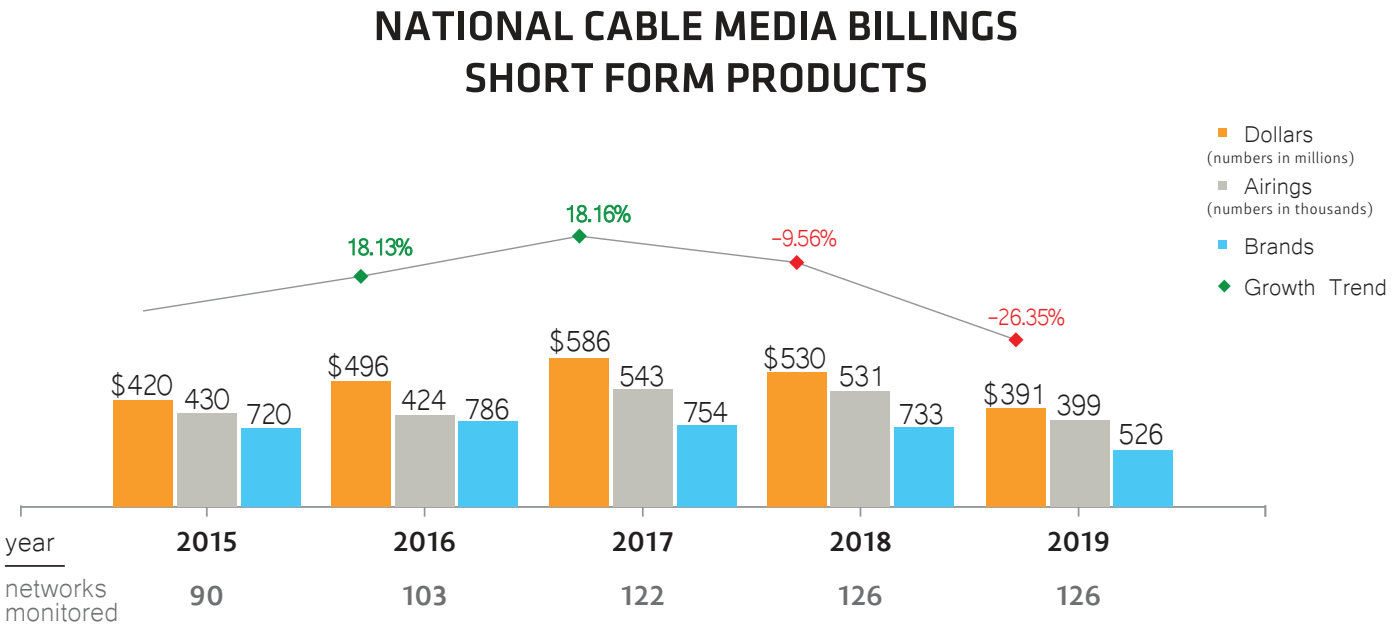
MEDIA VALUATION METHODOLOGY

DRMetrix has partnered with numerous agencies, as well as third party media rate aggregators, to create the industry's first rate database based on the averages of what brand-direct campaigns are paying for network daypart inventory. Major media holding companies, placing hybrid brand-direct campaigns (where DR variations are not utilized) represent the majority of the business. Understanding this, DRMetrix has created these rate metrics in order to provide the industry with a more realistic understanding of the size of the direct-to-consumer marketplace which includes brand-direct as well as DR types of campaigns. DRMetrix has also collaborated with leading long form (infomercial) agencies and advertisers to build a rate database for 28.5 minute program length advertisements. For more information regarding DRMetrix's spend methodology, please click here.

PROJECTED EXPENDITURES BY BRAND CLASSIFICATION

SHORT FORM PRODUCTS DECLINES 26% IN 2019

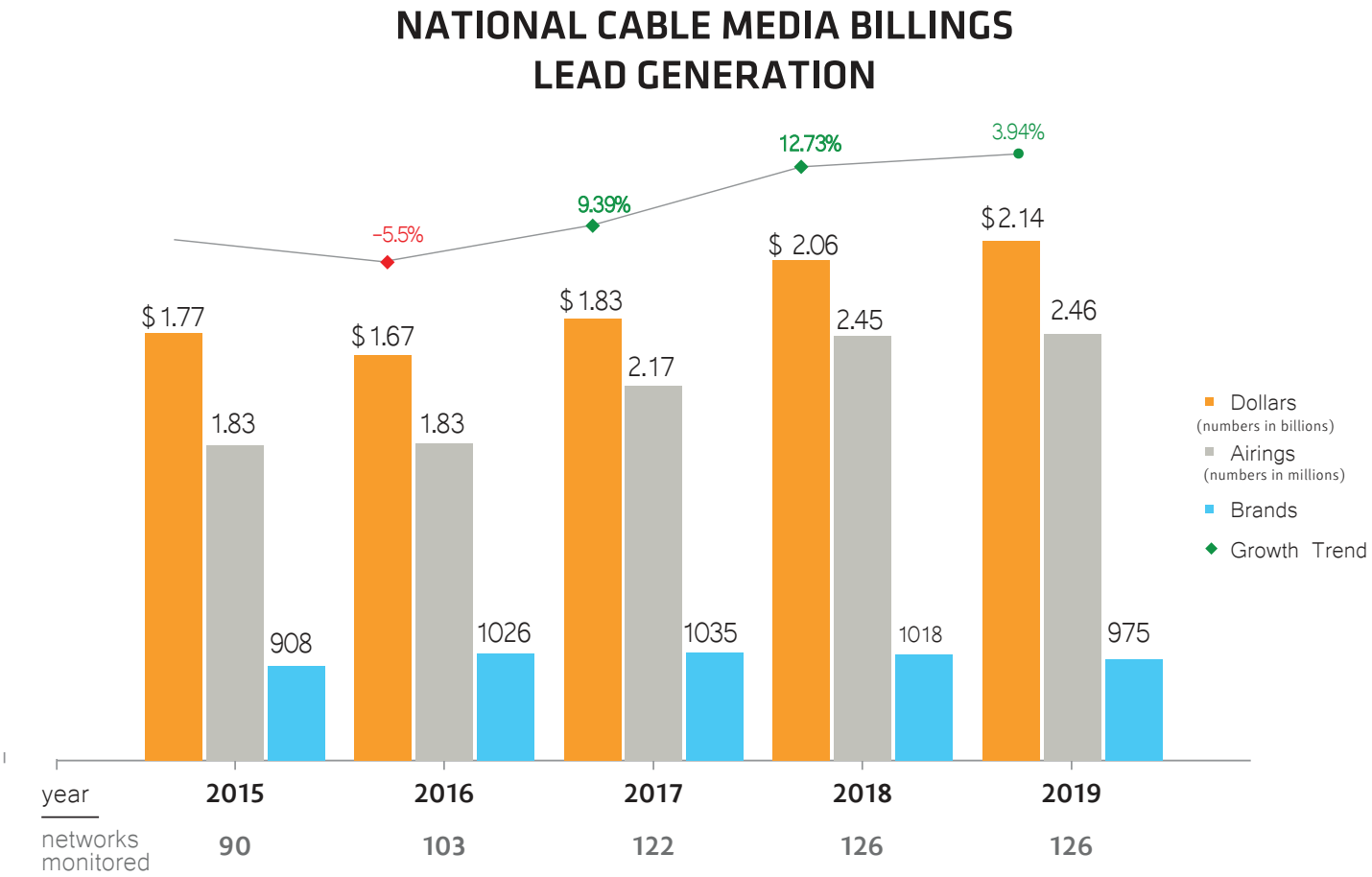
The brand classification "Short Form Products" includes campaigns that use DR variations to better measure their advertising ROI. Creatives in this category also disclose the full price of the main product being advertised. After two years of growth in 2016 and 2017, we are reporting declines of 9.56% and 26.23% in 2018 and 2019. For 2019, AdSphere shows that a group of nine advertisers, out of 136, accounted for $144 million in reduced media expenditures over the prior year. The largest of these was the Proactiv Company with a reduction of $63.3 million.



Note: Projected dollars are based on the average of what Brand/DR advertisers are paying for network ROS daypart inventory.

LEAD GENERATION NOMINAL GROWTH FOR 2019

The brand classification "Lead Generation" also includes campaigns that use DR variations but do not advertise full price points. Such campaigns include multi-pay and free-trial offers as well as free information campaigns. In terms of traditional DR classifications, Lead Generation is the largest with more than $2 billion in projected media valuation for 2018 and 2019.

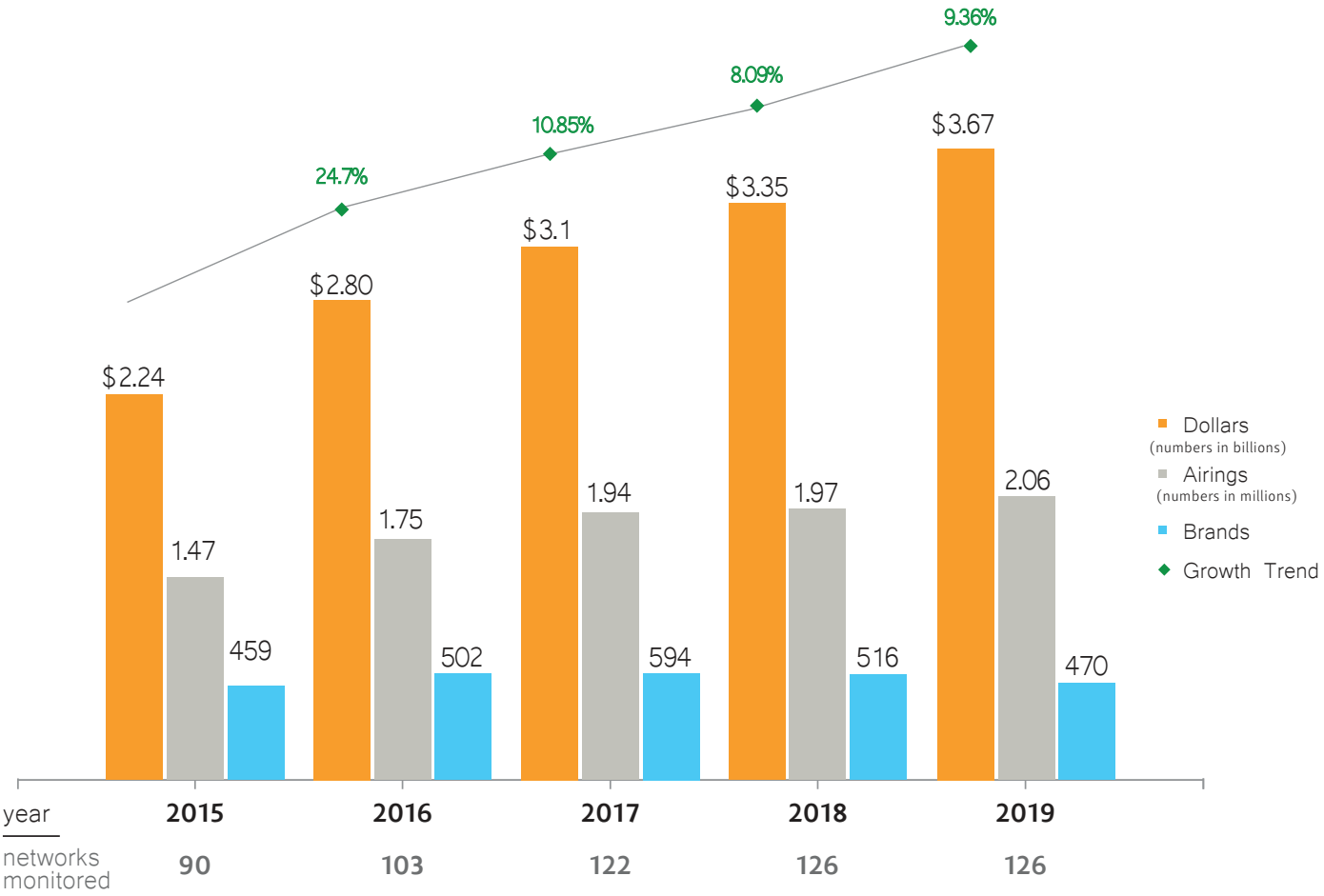


Note: Projected dollars are based on the average of what Brand/DR advertisers are paying for network ROS daypart inventory.

BRAND-DIRECT CONTINUES EXPLOSIVE GROWTH

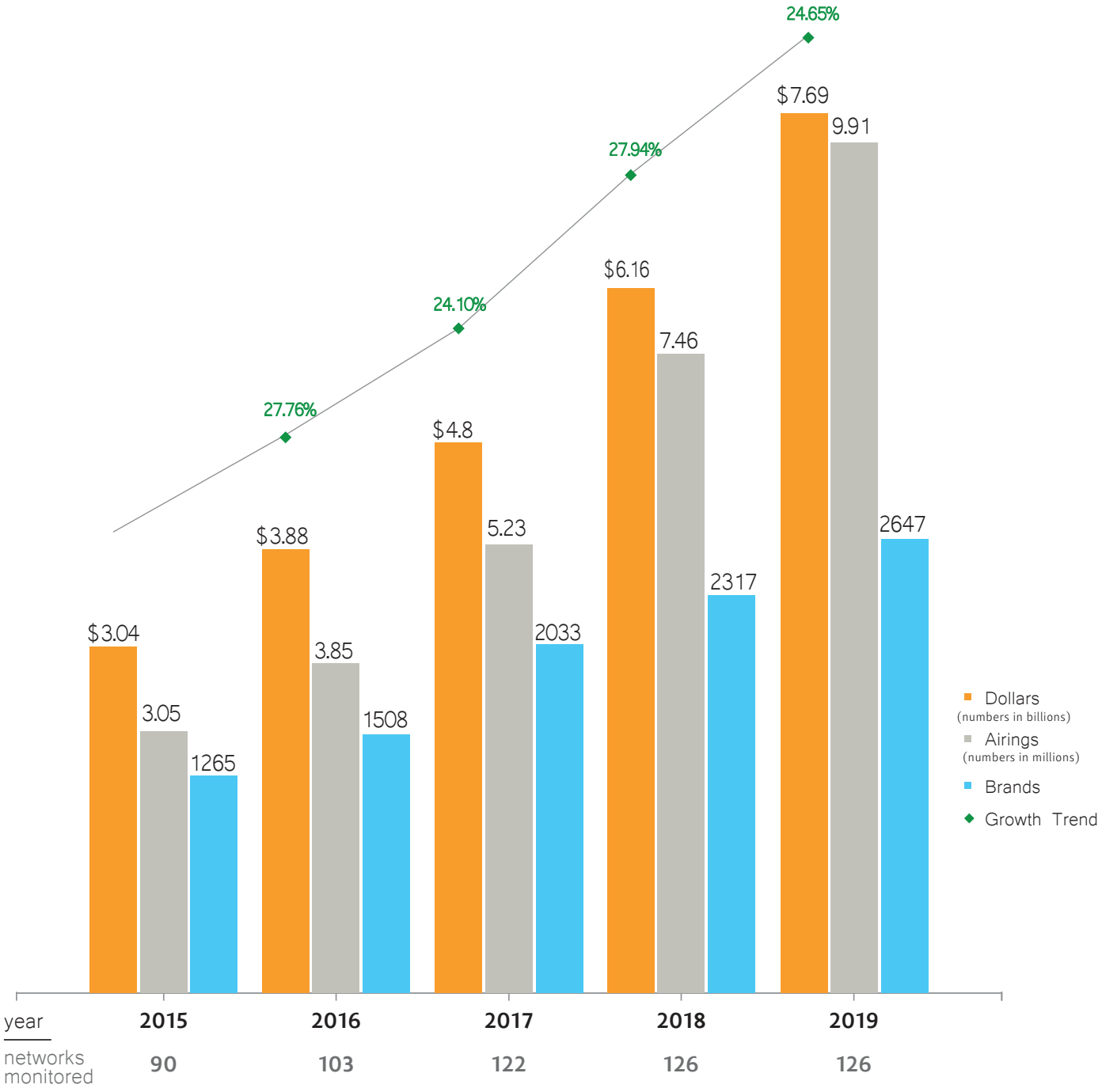
Brand-Direct campaigns do not use DR variations. They use a combination of vanity web addresses and/or phone numbers, SMS, or mobile app store response components. Many of these campaigns execute a combination of daypart buys and program specific brand buys. DRMetrix segments these campaigns into two camps: those advertising vanity phone numbers and those using non-phone methods of response such as web and/or mobile. Based on the data, it's clear that network daypart inventory continues to be under pressure from Brand-Direct advertisers as they continue to enjoy impressive year-over-year growth in 2019.

NATIONAL CABLE MEDIA BILLINGS
BRAND-DIRECT (PHONE)



Note: Projected dollars are based on the average of what Brand/DR advertisers are paying for network ROS daypart inventory.

NATIONAL CABLE MEDIA EXPENDITURES
BRAND-DIRECT (WEB/MOBILE)

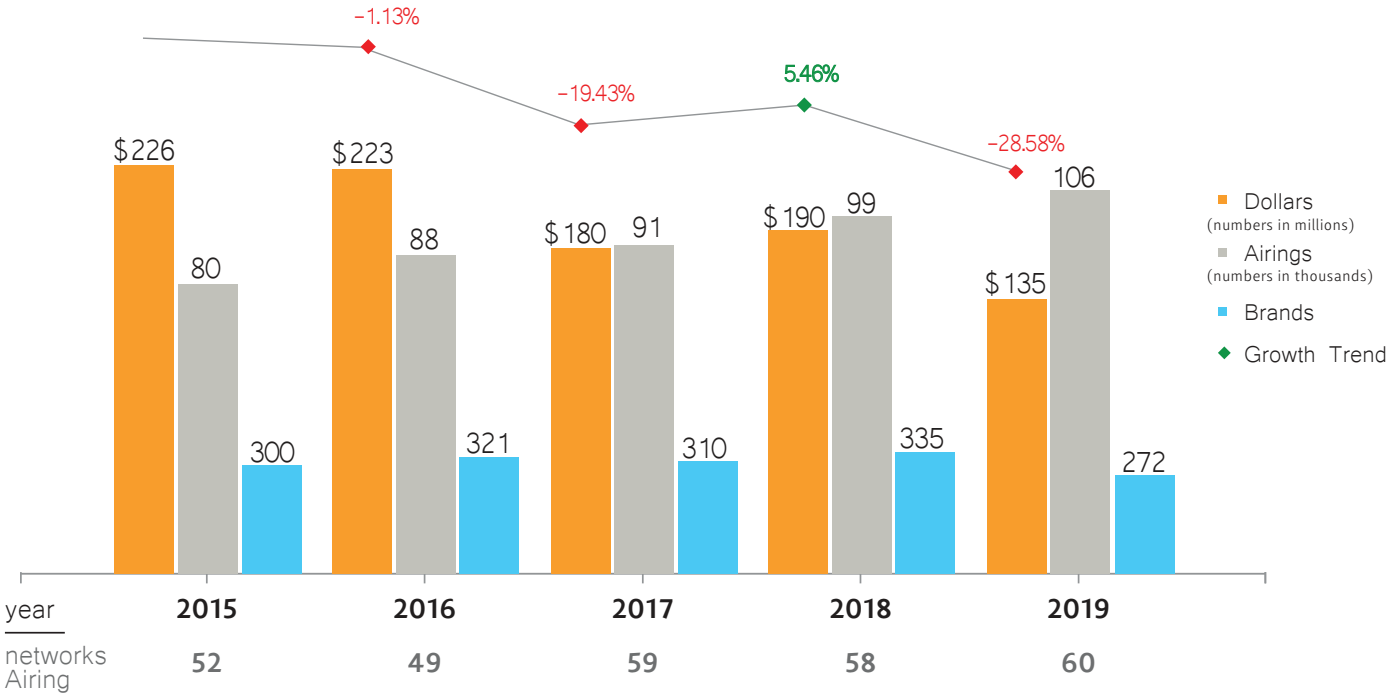


Note: Projected dollars are based on the average of what Brand/DR advertisers are paying for network ROS daypart inventory.

LONG FORM (28.5m)
UNITS INCREASE - RATES SOFTEN

Our last brand classification is Long Form, which consists of creatives using the 28.5-minute infomercial format. In 2019, less than half of the networks monitored by DRMetrix offer inventory for this format. With the exception of 2017, infomercial airings have increased in number for each successive year while media billings have declined in all years -- except 2018, which saw a 5.46 percent increase in infomercial billings. The data suggests infomercial prices have softened while airings have mostly increased with more than 106,000 infomercial airings for 2019.

NATIONAL CABLE MEDIA EXPENDITURES
LONG FORM (28.5 m)



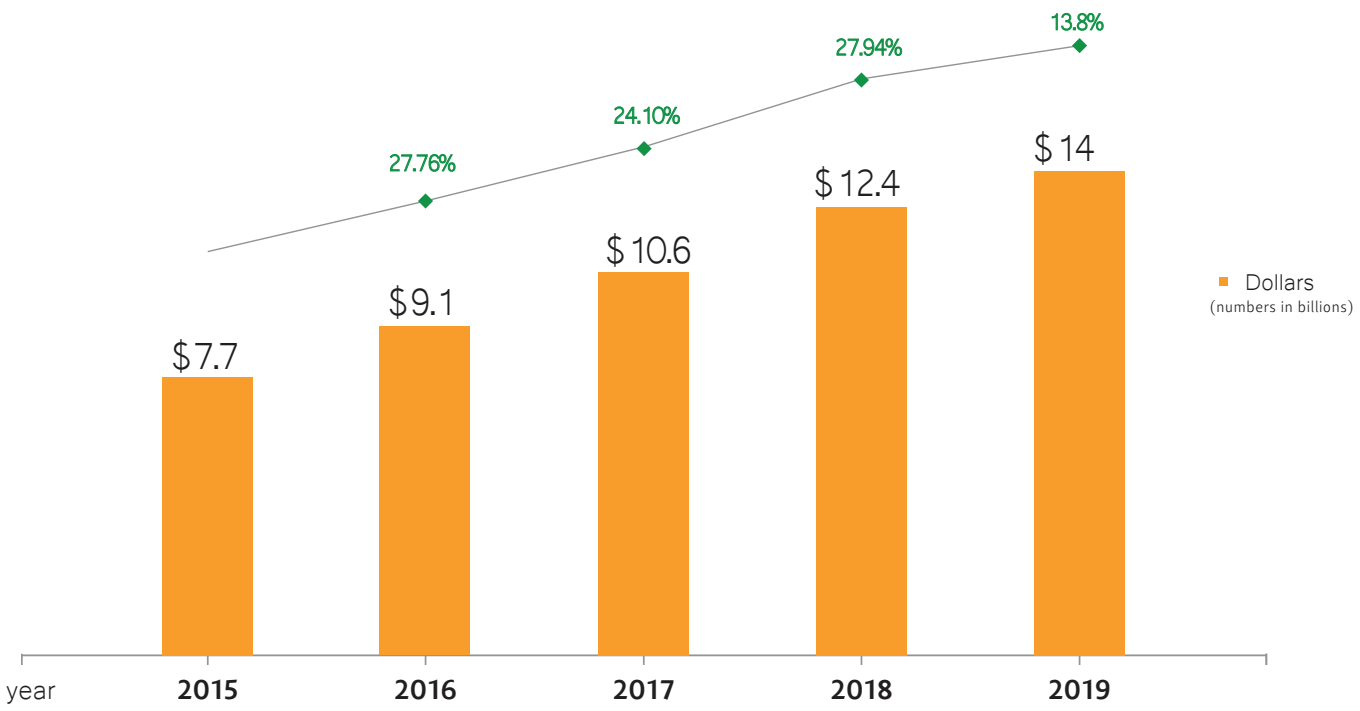
Note: Projected dollars are based on the average of what Brand/DR advertisers are paying for network ROS daypart inventory.

AGGREGATE MEDIA EXPENDITURES FOR ALL 5 BRAND CLASSIFICATIONS

DRMetrix is reporting slower year-over-year growth for 2019 at 13.8 percent. Estimated national cable media expenditures increased to $14.0 billion in 2019.

Note: DRMetrix reports that direct-to-consumer expenditures on national broadcast (ABC, CBS, NBC, and FOX) were an additional 3.8 billion in 2019.

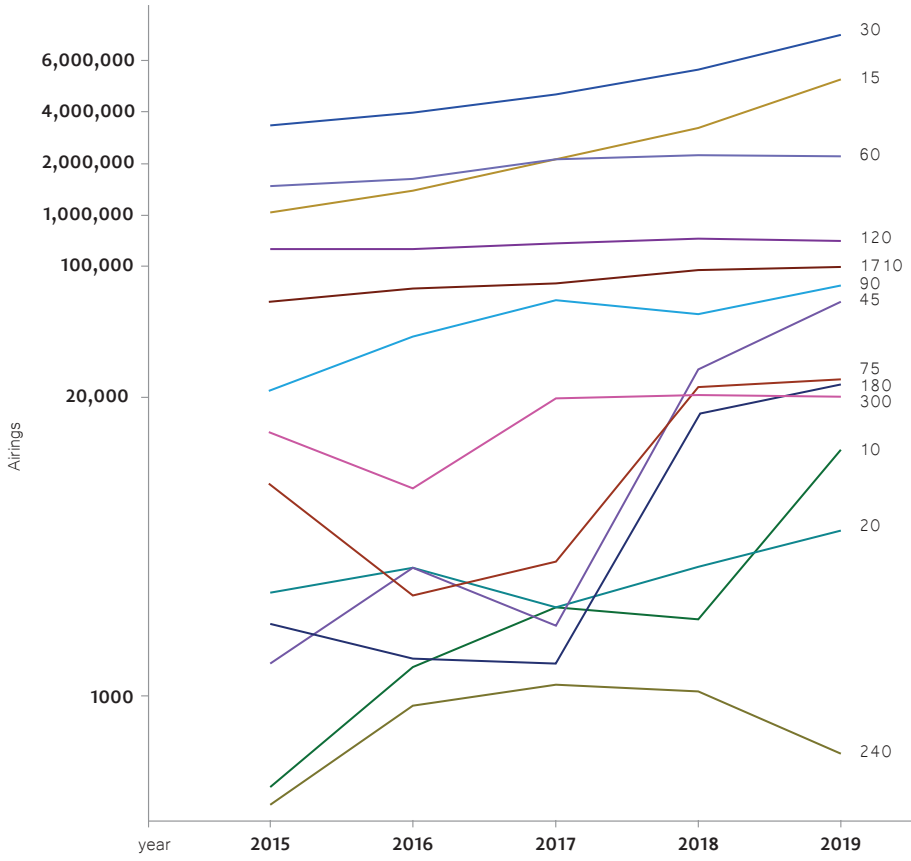
NATIONAL CABLE MEDIA BILLINGS OVERALL TOTAL



Note: Projected dollars are based on the average of what Brand/DR advertisers are paying for network ROS daypart inventory.

THE RISE OF LONGER FORMATS (Yearly Airings by Ad Format)

The following chart shows the ad unit growth for various creative formats from 2015-2019



Ad Format (sec)	2017-2018 YOY CHANGE	2018-2019 YOY CHANGE
10	-12.57%	175.87%
15	53.23%	53.49%
20	37.48%	24.00%
30	20.37%	13.29%
45	583.86%	106.11%
60	9.86%	-3.36%
75	184.62%	14.90%
90	-10.57%	23.41%
120	15.44%	-9.37%
180	487.03%	49.03%
240	-23.20%	-61.68%
300	6.57%	-7.18%
1710	8.95%	6.07%

There were a few formats that experienced rather significant growth in 2019. We've provided some additional details on these formats.

The 10 second format grew by 175.87% YOY due to the following brands. Note: A couple of these are PSA or network 'direct-to-consumer' promotions. Theraworx Relief stands out as the biggest cause of change having had no 10 second airings in 2018 and dominating the use of the format in 2019.

Brand Name	Advertiser	Airings	Spend ($)
Theraworx Relief	Avadim Technologies	3,596	3,229,274
Pass It On	Foundation for a Better Life	2,055	89,615
ESPN+	ESPN	1,294	978,533
The ESPN Daily	ESPN	1,205	94,167
Rodeo New York	Rural Media Group	764	34,182
NBC Sports Gold	NBCUniversal Media	655	102,424
Flex Seal Products	Swift Response	622	946,378
American Rodeo	Rural Media Group	558	24,887
Bearpaw	Romeo & Juliette	515	610,920
GolfPass	GolfNow	476	84,103
RAINN	Rape Abuse & Incest National Network	402	30,742
1-800-PetMeds	PetMed Express	388	275,395
Zulily	Zulily	349	102,580
Flextone Game Calls	Plano Synergy Holding	257	9,393
On X Maps	onXmaps	257	6,824

The 45 second format grew 584% in 2018 and another 106% in 2019. The use of this longer format continues to be driven by pharmaceutical advertisers.

Brand Name	Advertiser	Airings	Spend ($)
Stelara	Johnson & Johnson Consumer	17,868	41,588,978
Otezla	Celgene	12,135	73,303,668
Taltz	Eli Lilly and Company	11,871	65,716,760
Chantix	Pfizer	7,457	39,308,692
Emgality	Eli Lilly and Company	6,914	43,050,280
Tremfya	Johnson & Johnson Services	5,924	14,288,762
Lo Loestrin Fe	Allergan	5,415	17,150,098
Qbrexza	Dermira	4,739	21,291,199
Symbicort	AstraZeneca	4,126	17,514,679
Lyrica	Pfizer	753	4,532,706
Frixion Erasable Pen	Pilot	590	608,361
Capital Group	The Capital Group Companies	402	854,694
New Day USA	NewDay Financial	308	869,204
eHealth Medicare	eHealthInsurance Services	183	69,950
Audible	Audible	133	733,719
Cosequin	Nutramax Laboratories	97	699,987
Northern Ireland	Invest Northern Ireland	28	9,706
Consumer Cellular	Consumer Cellular	15	88,437
Connor's Cure	V Foundation	3	32,170
Ritual	Natals	1	19

The 75 second format grew by 185% in 2018 and another 15% in 2019 also driven by pharmaceutical advertisers.

Brand Name	Advertiser	Airings	Spend ($)
Xarelto Rivaroxaban Tablets	Johnson & Johnson Services	10,832	73,898,716
Jardiance	Boehringer Ingelheim Pharmaceuticals	7,025	49,572,270
Trulicity	Eli Lilly and Company	5,900	50,726,309
Ibrance	Pfizer	3,740	91,475,010
Ocrevus	Genentech	2,150	23,187,907
Verzenio	Eli Lilly and Company	2,002	17,474,667

The 180 second format grew 487% in 2018 and another 49% in 2019 thanks to these advertisers:

Brand Name	Advertiser	Airings	Spend ($)
Humana - Medicare	Humana Insurance	4,031	10,906,718
ASPCA	American Society for the Prevention of Cruelty to Animals	3,472	9,618,089
SoClean	Soclean	3,422	5,182,662
eHealth Medicare	eHealthInsurance Services	3,007	7,840,376
St. Jude Children's Research Hospital	St Jude Children's Research Hospital	2,896	9,301,910
U-Box	U-Haul International	2,189	1,668,191
Humana - Dental	Humana Insurance	1,994	1,060,930
Proactiv+	The Proactiv Company	1,991	3,183,716
Capillus	Capillus	1,649	3,185,169
Luminess Silk Infinite Beauty Collection	Luminess Direct	776	1,199,390
Netspend M/C	Netspend	745	781,738
Plexaderm	True Earth Health Products	565	619,788
Inogen One	Inogen	341	663,099
UPWalker Lite	Protostar	272	427,127
Luminess Skincare Powered Cosmetics	Luminess Direct	155	169,037
Craftmatic Adjustable Beds	Adjustable Bed Enterprises	123	218,389

PROJECTED EXPENDITURES BY MASTER CATEGORY (2015 - 2019)

Over the next few pages, we're proud to present 2015 - 2019 projected media expenditures by brand classification across 20 industry categories. In the AdSphere research system, each of these master industry categories include numerous nested subcategories that number over 190. For example, under the master category Beauty, Hygiene & Personal Care, there are subcategories for Beauty Shops/Salons, Cosmetics & Skin Care, Hair Restoration Products, Hair Styling Accessories, Oral Hygiene Products, and Personal Grooming & Supplies. Under the master category Legal Services there are subcategories for Bankruptcy, General, Personal Injury, and Tort & Class Action.

Within AdSphere, one can study campaigns across any of these 190 category/subcategory combinations to understand spend levels, the ranking of network/dayparts based on share of category dollars, and even study the best performing creative executions.

INDUSTRY CATEGORY - SHORT FORM PRODUCTS					
MASTER CATEGORIES	**2015**	**2016**	**2017**	**2018**	**2019**
Beauty, Hygiene & Personal Care	143,472,832	154,117,028	180,970,952	223,573,174	155,316,654
Communications	9,164,785	53,797	0	6,197	1,038,437
Drug & Toiletry	0	0	56,369	257,633	30,021
Education	0	87,303	0	33,282	0
Electronic & Software	8,290,712	9,746,077	20,562,498	21,068,241	13,156,247
Entertainment Venues	0	0	0	0	0
Financial	880,383	7,112	0	28,737	0
Health & Fitness	89,359,357	107,842,729	107,852,588	83,252,209	95,133,618
Home & Garden	13,069,598	45,486,016	43,053,385	38,690,893	28,274,964
Housewares & Applicances	40,039,250	62,376,776	101,941,355	78,364,414	56,667,318
Infotainment	0	0	0	0	0
Insurance	0	0	0	0	0
Legal Services	0	0	0	0	0
Manufacturers's Coupon Offers	0	0	0	0	0
Miscellaneous	111,348,947	114,882,457	129,913,906	81,268,229	39,380,637
Music and Video	2,052,300	1,690,916	2,181,084	3,928,239	1,733,914
Online Services & Shopping	0	0	0	18,153	0
Public Service	2,533,376	148,330	40,259	0	0
Retail, Restaurant & Food Venues	0	0	0	0	0
Transportation (Sales and Repair)	0	0	0	0	0
Travel, Vacation and Hotel	46,537	0	0	0	0
	420,258,076	496,438,541	586,572,395	530,489,403	390,731,811

INDUSTRY CATEGORY - LEAD GENERATION					
MASTER CATEGORIES	**2015**	**2016**	**2017**	**2018**	**2019**
Beauty, Hygiene & Personal Care	71,465,584	43,858,175	45,017,400	79,346,883	63,006,797
Communications	46,458,250	32,997,706	25,768,364	19,805,931	7,901,969
Drug & Toiletry	24,371,737	29,682,239	12,384,773	12,747,777	22,645,846
Education	110,860,831	56,332,815	36,258,620	66,487,714	45,585,181
Electronic & Software	25,418,299	16,618,679	29,600,268	48,790,186	44,461,814
Entertainment Venues	505,377	284,569	1,066,425	3,052,737	4,683,066
Financial	205,644,473	201,737,894	193,002,990	183,487,313	215,594,224
Health & Fitness	435,803,166	500,086,286	643,755,130	723,364,352	591,529,142
Home & Garden	104,503,406	83,605,256	92,435,308	97,700,051	102,538,188
Housewares & Appliances	8,736,254	6,677,066	5,123,712	11,906,906	48,552,956
Infotainment	0	0	0	0	0
Insurance	297,691,624	346,438,408	292,169,539	380,511,396	546,493,882
Legal Services	112,435,672	82,916,459	89,677,363	86,130,208	149,111,243
Manufacturers's Coupon Offers	0	631	0	0	0
Miscellaneous	70,023,038	73,352,450	117,139,903	125,599,909	95,043,894
Music and Video	2,147	0	14,243	5,596	11,046
Online Services & Shopping	132,015,111	36,897,672	55,564,241	25,462,072	40,470,320
Public Service	113,727,526	139,710,641	170,166,072	160,646,552	132,949,329
Retail, Restaurant & Food Venues	0	0	0	0	5,285,932
Transportation (Sales and Repair)	1,529,416	1,336,900	748,870	9,121,678	10,224,043
Travel, Vacation and Hotel	7,564,386	18,963,810	18,543,124	26,948,174	16,268,463
	1,768,756,296	1,671,497,656	1,828,436,347	2,061,115,434	2,142,357,336

INDUSTRY CATEGORY - BRAND/DR (PHONE)					
MASTER CATEGORIES	**2015**	**2016**	**2017**	**2018**	**2019**
Beauty, Hygiene & Personal Care	4,017,413	10,171,423	4,372,059	24,462,201	2,989,230
Communications	174,464,998	203,080,840	144,908,999	153,859,866	82,066,840
Drug & Toiletry	649,500,011	1,086,414,829	1,496,384,516	1,838,960,127	2,230,303,461
Education	36,166,468	63,911,620	120,319,348	54,305,876	12,677,384
Electronic & Software	16,492,070	9,014,188	8,808,983	15,791,739	32,773,380
Entertainment Venues	324,100	362,406	765,336	343,939	415,053
Financial	96,981,403	85,021,554	84,467,824	60,487,016	45,601,331
Health & Fitness	61,858,644	73,421,682	137,407,581	144,976,179	138,914,999
Home & Garden	142,948,873	123,261,731	124,137,811	109,722,087	77,031,778
Housewares & Appliances	14,790,702	18,437,281	27,671,828	11,892,652	2,359,504
Infotainment	0	0	0	0	0
Insurance	808,973,994	822,161,868	707,260,156	718,187,445	801,950,272
Legal Services	8,913,249	3,997,857	14,353,958	1,900,131	1,211,550
Manufacturers's Coupon Offers	0	0	0	0	0
Miscellaneous	66,852,402	72,341,328	36,283,565	41,773,316	48,588,166
Music and Video	0	0	4,628	142,487	0
Online Services & Shopping	8,396,316	37,833,399	20,599,379	15,268,242	14,282,316
Public Service	74,024,666	64,678,898	49,439,678	38,883,955	36,424,956
Retail, Restaurant & Food Venues	1,308,278	5,390,955	7,084,473	8,554,090	136,355
Transportation (Sales and Repair)	26,997,035	39,987,849	42,274,397	42,163,088	56,582,342
Travel, Vacation and Hotel	51,922,684	79,981,760	76,716,615	72,535,476	83,822,628
	2,244,933,307	2,799,471,468	3,103,261,134	3,354,209,912	3,668,131,547

INDUSTRY CATEGORY - BRAND/DR (WEB/MOBILE)					
MASTER CATEGORIES	**2015**	**2016**	**2017**	**2018**	**2019**
Beauty, Hygiene & Personal Care	145,579,092	142,560,567	127,145,265	138,164,196	171,256,012
Communications	59,250,446	62,776,416	135,993,370	270,600,273	263,115,310
Drug & Toiletry	95,432,197	53,266,299	68,722,263	149,922,899	240,536,698
Education	150,347,453	157,642,884	165,116,475	205,076,792	205,584,153
Electronic & Software	226,895,385	317,779,920	406,213,756	384,112,330	440,969,432
Entertainment Venues	9,629,106	7,994,040	22,626,431	31,780,959	27,118,763
Financial	285,108,232	363,771,369	309,030,873	384,490,589	553,535,231
Health & Fitness	179,560,620	230,749,099	309,428,964	501,660,426	726,956,792
Home & Garden	210,208,984	264,212,702	390,511,286	439,179,380	599,943,564
Housewares & Appliances	83,858,809	86,059,727	210,595,231	264,221,925	298,731,989
Infotainment	0	0	0	0	0
Insurance	73,369,365	242,929,785	292,832,925	293,934,937	477,223,146
Legal Services	29,281,412	19,295,524	8,721,434	15,391,707	5,365,927
Manufacturers's Coupon Offers	125,982	6,853,075	5,159,444	626,523	0
Miscellaneous	758,760,389	980,613,615	1,178,691,634	1,255,771,889	1,488,996,416
Music and Video	7,258,473	4,796,704	19,438,083	9,758,612	7,924,122
Online Services & Shopping	97,538,864	187,027,021	236,721,349	287,851,624	328,323,299
Public Service	115,741,325	140,184,490	184,125,230	302,756,605	303,696,758
Retail, Restaurant & Food Venues	193,898,878	214,300,238	157,500,425	436,267,691	619,573,864
Transportation (Sales and Repair)	78,063,718	70,782,795	92,561,055	208,432,832	275,692,164
Travel, Vacation and Hotel	239,606,888	329,652,226	480,657,350	580,969,105	648,075,329
	3,039,515,617	3,883,248,497	4,801,792,843	6,160,971,294	7,682,618,966

INDUSTRY CATEGORY - LONG FORM (28.5 m)					
MASTER CATEGORIES	**2015**	**2016**	**2017**	**2018**	**2019**
Beauty, Hygiene & Personal Care	56,195,058	50,753,295	47,247,530	41,041,550	27,907,992
Communications	114,363	169,054	2,238	0	1,221
Drug & Toiletry	4,191	3,780	82,385	0	0
Education	1,071,108	439,183	212,860	2,598,085	1,810,955
Electronic & Software	99,785	905,489	3,738,511	1,584,844	1,136,194
Entertainment Venues	0	0	0	0	0
Financial	1,128,557	581,261	961,874	9,142,549	3,231,653
Health & Fitness	79,397,396	61,157,162	38,290,533	46,214,069	33,432,728
Home & Garden	9,289,900	7,013,966	6,146,340	7,439,391	6,572,055
Housewares & Appliances	47,659,038	56,848,967	45,451,470	41,745,252	28,288,099
Infotainment	0	0	0	126,479	2,856
Insurance	8,123,344	8,276,005	5,704,729	4,918,677	5,705,643
Legal Services	0	0	0	57,261	851,184
Manufacturers's Coupon Offers	0	0	0	0	0
Miscellaneous	12,231,671	18,154,314	14,459,855	16,277,150	13,374,117
Music and Video	5,155,192	7,002,507	5,985,509	5,051,295	3,078,888
Online Services & Shopping	3,316,126	11,332,274	10,851,582	11,991,016	8,817,794
Public Service	1,597,819	529,811	470,138	1,425,691	1,192,099
Retail, Restaurant & Food Venues	0	0	0	0	0
Transportation (Sales and Repair)	0	0	0	0	0
Travel, Vacation and Hotel	340,589	0	191,750	0	0
	225,724,135	223,167,066	179,797,304	189,613,310	135,403,479

2018 TOP 10 BRANDS BY BRAND CLASSIFICATION

Short Form Products

1	Proactiv+	$57,605,026
2	Copper Fit Compression Gloves	$13,473,350
3	GraniteStone / GraniteRock	$12,853,269
4	MicroTouch Solo	$12,441,864
5	Gotham Steel Pan	$12,273,495
6	Luminess Silk Infinite Beauty	$10,867,514
7	Copper Fit Energy Socks	$10,488,024
8	Hearing Assist	$10,314,930
9	Bell+Howell Tac Visor	$9,286,686
10	Flexible Mirror	$8,963,921

Lead Generation

1	Nutrisystem	$101,414,869
2	CarShield	$52,531,234
3	St. Jude Children's Hospital	$51,003,209
4	Colonial Penn	$45,658,473
5	Humana - Medicare	$42,353,298
6	ASPCA	$41,902,853
7	Medicare Coverage Helpline	$37,290,293
8	USAA Insurance	$36,377,583
9	Nugenix Total-T	$35,921,529
10	SoClean	$34,657,101

Brand/DR (Phone)

1	Humira	$402,408,324
2	Liberty Mutual	$357,639,219
3	Progressive	$319,015,728
4	State Farm	$169,219,345
5	Chantix	$151,718,381
6	Trulicity	$136,530,154
7	Jardiance	$128,194,879
8	Ozempic	$127,118,239
9	Otezla	$124,199,026
10	Xarelto Rivaroxaban	$123,971,944

Brand/DR (Web / Mobile)

1	Geico	$197,064,039
2	Home Advisor	$130,075,291
3	Chewy.com	$125,458,601
4	Progressive	$119,274,047
5	Wayfair.com	$110,204,846
6	Booking.com	$95,923,415
7	Carvana.com	$94,573,618
8	Trivago	$91,712,755
9	Ancestry.com	$87,730,715
10	Walmart	$83,424,967

Long Form

1	LifeLock with Norton	$7,544,495
2	Luminess Silk Infine Beauty	$6,017,586
3	Crepe Erase Advanced	$4,672,244
4	Total Gym	$4,436,402
5	Omega XL	$4,399,124
6	Meaningful Beauty Supreme	$4,192,206
7	Piyo	$3,957,814
8	Power Smokeless Grill	$3,554,232
9	Dr-Ho's Circulation Promoter	$3,183,990
10	Humana - Medicare	$3,098,880

Note: Projected expenditures are based on the average of what Brand/DR advertisers are paying for network daypart inventory

TV ATTRIBUTION

In offline linear television, many advertisers use traditional ratings as a guide to purchase television time. For many decades, a different approach has been used by DR advertisers who engage consumers to respond to their commercials and track responses back to specific networks and dayparts.

DR agencies have long studied the correlation between consumer response, ratings data, and resulting advertising ROI. It has been proven that ratings data does not correlate and can not be used to reliably optimize a DR campaign. Further, DR agencies have discovered that the current generation of television attribution solutions are highly inaccurate when it comes to properly attributing consumer response to specific linear television networks.

These are some of the reasons why nearly 40% of consumer-response brands continue to use DR variations as an important part of their attribution and media optimization strategy. This time proven practice has been around for decades. As an example, it has become common in television and radio to provide consumers with a promotion code to use when visiting an advertiser's website. Whether using promotion codes, differing phone, web, or SMS variants, the goal is always the same - to attribute response so that media schedules can be optimized. Some of the reasons why DR advertisers prefer to use DR variations have to do with difficult problems that only DR variations can solve for.

THE PROXIMITY OF AIRING ISSUE

If you have multiple national networks running commercial spots near one another, the attribution challenge becomes problematic. The problem is further compounded by time-shifted viewing made possible by digital-video-recorders. Estimates suggest that as many as 20-40% of consumers are watching popular TV shows up to 35 days beyond live.

Depending on the frequency of the problem, and the number of networks involved, the use of DR variations can be a viable solution to these difficult problems.

The chart on the next page provides insight into the proximity of airing issue, using data from 30 of the more prominent TV campaigns not using DR variations. DRMetrix wanted to determine

how often these campaigns encountered conflicts where more than one network aired within a short period of time. We used a five and a one-minute delta for the study. The five-minute delta looks back five minutes and forward five minutes from when each spot ran to determine if there were other airings for the brand on a different network. Similarly, the one-minute study looks back one minute and forward one minute. DRMetrix did not consider airings on the same network to be in conflict. For a conflict to exist, there must be at least two airings on different networks within the allotted time frame. DRMetrix also studied how many networks on average were involved when conflicts were discovered.

In the case of Chewy.com, we analyzed 153,926 airings that AdSphere captured for 2019. Approximately 145,163 had conflicts within a 5-minute delta which is 94.31%. The average number of networks involved during each period of conflict was 5.87. Assuming Chewy.com is doing TV attribution, this would leave less than 6% of their airings unconflicted from which to build a model to accurately attribute the remaining 94.31%.

		5 Minute Delta			1 Minute Delta		
Brand Name	Total Airings	Airings with Network Conflicts (Within Delta)	Conflict Percentage	Number of Network Conflicts (Average)	Airings with Network Conflicts (Within Delta)	Conflict Percentage	Number of Network Conflicts (Average)
Chewy.com	153926	145163	94.31%	5.87	74852	48.63%	2.46
GoodRX.com	146663	137950	94.06%	8.7	86348	58.88%	2.75
Chime	144734	136035	93.99%	5.8	71965	49.72%	2.48
Smile Direct Club	128708	117125	91.00%	5	58966	45.81%	2.33
Home Light	126424	118857	94.01%	6.53	65347	51.69%	2.52
Touch Of Modern	111517	98685	88.49%	4.47	44804	40.18%	2.35
Home Advisor	109825	97844	89.09%	5	47394	43.15%	2.41
Peloton Cycle	106604	93519	87.73%	4.39	42040	39.44%	2.35
GrubHub.com	104643	93001	88.87%	5.43	46573	44.51%	2.45
Nerd Wallet	97961	85893	87.68%	4.96	41407	42.27%	2.43
thredUP	96164	83215	86.53%	3.96	35043	36.44%	2.28
GoDaddy	96086	80968	84.27%	3.65	31628	32.92%	2.24
Fanatics	91387	76644	83.87%	3.55	29511	32.29%	2.23
Noom	90752	76107	83.86%	4.24	34444	37.95%	2.38
Keeps	88863	75463	84.92%	3.59	29660	33.38%	2.2
Geico	81826	97516	119.17%	12.43	49979	61.08%	2.8
Purple Mattress	80897	66248	81.89%	3.66	26191	32.38%	2.26
Expedia	75325	60649	80.52%	3.43	22527	29.91%	2.21
Poshmark	73535	58426	79.45%	3.72	23522	31.99%	2.27
Golden Corral	73047	60619	82.99%	3.87	24989	34.21%	2.29
Warby Parker	72130	58580	81.21%	3.73	23995	33.27%	2.23
Carvana.com	69242	56987	82.30%	3.92	23443	33.86%	2.29
Stamps.com	68046	54084	79.48%	4.16	23890	35.11%	2.35
4 imprint	65185	52968	81.26%	4.1	23023	35.32%	2.32
Wayfair.com	62002	49634	80.05%	3.64	19662	31.71%	2.25
Progressive	61103	47987	78.53%	3.76	19454	31.84%	2.28
S. New Hampsh U.	60916	50635	83.12%	4.34	22494	36.93%	2.36
Ashley Homestore	58764	47776	81.30%	3.69	19318	32.87%	2.25
Trivago	57868	43880	75.83%	3.25	15683	27.10%	2.21
Credit Karma	57411	40525	70.59%	3.12	14151	24.65%	2.19

Traditional DR advertisers buy fixed network dayparts at a discount where there is little control over when spots run or which programs they air in. This is an acceptable tradeoff which allows the direct-to-consumer industry to buy television time at lower rates. Because of the obvious variables involved, it is difficult to model future performance based on past airings data which further supports the use of DR variations.

In conclusion, many direct-to-consumer advertisers use DR variations to dramatically improve the accuracy of their attribution and it has become an important part of their overall attribution model which includes digital attribution, multi-touch, and other methodologies.

The challenges advertisers face today with linear offline media attribution are significant enough to justify employing a combination of attribution methodologies which for many include the use of DR variations.

DRMetrix has provided some click-to-watch examples of TV creatives using DR variations on the next pages.

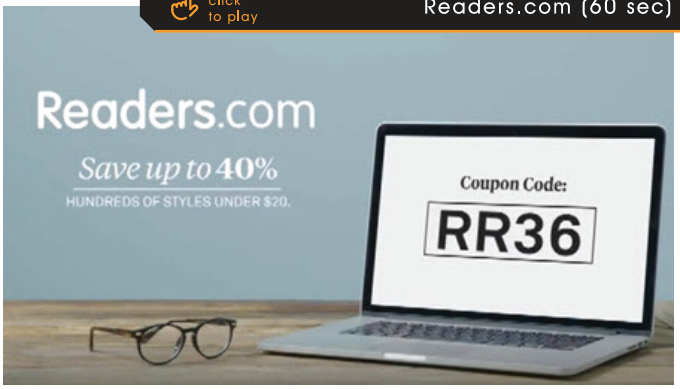
If your company is not currently using DR variations in your television advertising, please email DRMetrix at info@drmetrix.com for a free proximity of airing report for your brand/s.

EXAMPLES OF DR VARIATIONS IN USE

click to play — Proflowers.com (30 sec)



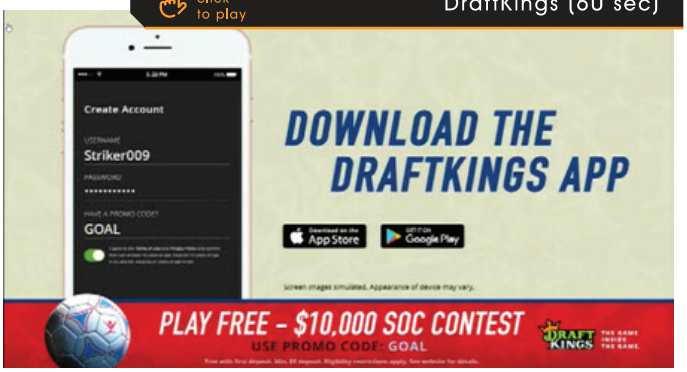
click to play — Readers.com (60 sec)



click to play — Caption: Graze.com (30 sec)

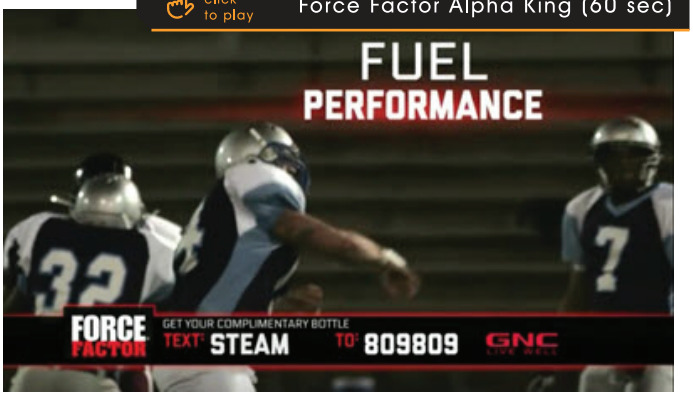


click to play — DraftKings (60 sec)



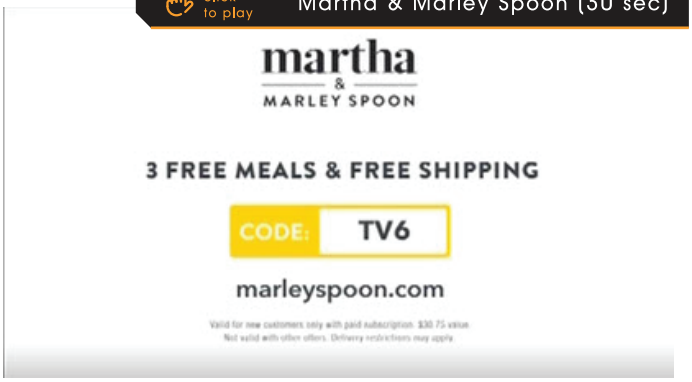
Click on images to play spots.

click to play Force Factor Alpha King (60 sec)



Click on images to play spots.

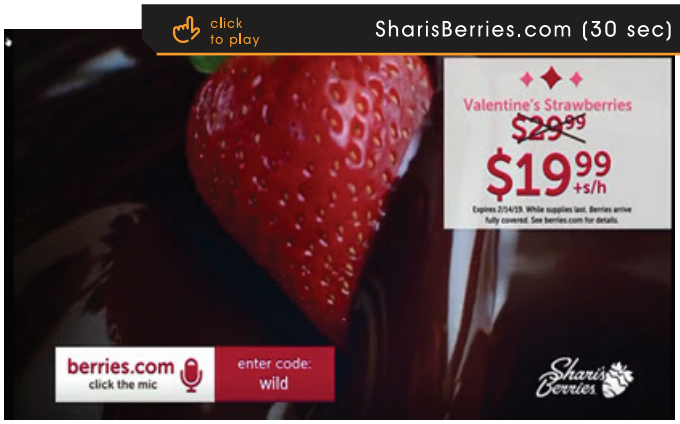
click to play Martha & Marley Spoon (30 sec)



click to play Slimfast (30 sec)



click to play SharisBerries.com (30 sec)



FINAL THOUGHTS

In 2019, over 4,700 brands provided a way for consumers to respond to their TV ads. 37.4% of these brands used DR variations to make their television advertising more accountable.

As more web and mobile companies continue to migrate to television, they are often frustrated by the lack of measurement and accountability. The DR industry stands ready to help through education.

Since DR advertisers have the most accurate understanding of their television ROI, DRMetrix has worked over the past eight years to create AdSphere, the first television research system of its kind, which makes it easy for the broader direct-to-consumer industry to study these types of campaigns. Instead of relying on inadequate approaches that produce poor results, consider the value of leveraging competitive DR advertising research.

DR agencies and advertisers are better positioned to optimize campaigns and allocate spend where they are measuring acceptable ROI. DR agencies optimize campaigns down to the network, daypart, program, and creative levels. Network dayparts and creatives that under-perform are discontinued while profitable media is continued. Accordingly, the actionable insights gained from competitive DR media research will lead many direct-to-consumer advertisers to make immediate changes to their media and/or creative strategy. The positive impact of these changes can be measured by direct-to-consumer advertisers.

Whether an advertiser uses DR variations or not, many can immediately benefit from AdSphere research data to dramatically improve their key-performance-indicators (KPIs). See www.drmetrix.com/knowROI for more information.

Beyond more effective attribution, DR advertisers are vastly more successful in creating commercial campaigns that perform and generate ROI. Accurate measurement from the use of DR variations breeds success.

Industry legend, David Ogilvy, the man who many consider the father of modern advertising, said as much in a famous speech from the 1960's entitled, "We sell or else". Ogilvy lauded the value of DR advertising and predicted the worlds of DR and general advertising were on a collision course.

He recognized that longer ad formats were more effective than shorter formats and that DR advertisers were unique in their ability to determine which aspects of their television buys were actually working.

Ogilvy also predicted that the practitioners of general advertising would one day learn from the experience of the DR industry and stated it would be within the power of DR practitioners to rescue the advertising business from its “manifold lunacies”.

The learn more about the DR television industry, visit the Performance-Driven Marketing Institute (PDMI) online at www.thepdmi.com

Through this industry study, DRMetrix is hoping more advertisers will become attracted to and discover the significant advantages of using time proven DR techniques including, but not limited to, the use of DR variations and/or embracing competitive DR media research.

We look forward to continuing to help the direct-to-consumer industry through research and education.

If you are interested in learning more about the direct-response industry, or learning where ROI is found in television advertising, please contact DRMetrix for a complimentary two-week trial of AdSphere.



27710 Jefferson Avenue, Suite 206 Temecula CA 92590 951-234-3899 sales@drmetrix.com