



# Covid-19 Impacts On top 50 DTC advertisers



DRMetrix, the direct-to-consumer (DTC) television industry's leading research company, uses automated content recognition technology to track television ads airing across [130 national networks](#). Across the national cable and broadcast networks monitored, DRMetrix reported \$17.9 billion of national ad spending in 2019 from campaigns that ask consumers to take action, such as by visiting a website or going to an app store. For an in depth analysis of this industry sector, please reference DRMetrix's [2019 industry study](#).

In this report, we'll be studying the top 50 web/mobile DTC advertisers for 2019 to see how their TV ad buys have changed in 2020 during the quarantine period. Over the past five years, these online and/or mobile-based companies have increased their television expenditures an average of 26% each year. Some have considered that level of growth unsustainable even before the current crisis.

# Why all TV research data is not created equal

DRMetrix rankings of top DTC advertisers can differ significantly from the published rankings put out by other TV research companies. Since DRMetrix monitors [commercial grade feeds in a DPI compliant manner](#), 100% of the airings we detect and report originate from national networks. Some research companies monitor the national networks via consumer-grade feeds originating from local cable providers and/or providers such as DirecTV. Unfortunately, when TV research companies monitor via consumer-grade feeds, they face the challenge of having to distinguish between commercials running on national networks and commercials running locally, which are inserted by the TV providers. Treating local ads as national ones creates significant errors in research data. If one is unable to determine who inserted an ad, and how many households were reached, then a proper value can not be assigned to each ad detection. Moreover, the majority of national networks sell two different types of ad breaks. One of these ad breaks, called a DPI ad break, is discounted 80-90% and reaches a much smaller audience than a national ad break. TV research companies that are not DPI compliant are unable to determine in which break type a detected ad is running. As a result, they are unable to assign the proper value to ads running in DPI ad breaks. This can cause the spend estimates for certain brands to be inflated if they are running in national DPI ad breaks.

## How we collected and organized our data

In this report, we provide the spending data for the top 50 web/mobile DTC advertisers of 2019 across 130 national networks.

We also took the average weekly spend for each brand during media weeks 1-10 for the prior and current year, 2019 and 2020. For 2020, we're calling this the "pre-quarantine" period as the [national Covid-19 emergency](#) was declared on March 13th (beginning of media week 11) and most states didn't shut down until later in March.

The data shows that during the pre-quarantine period, aggregate media expenditures for the group were down 5% over the prior year.

Similar data is also presented for media weeks 11-19, which we're calling the "quarantine" period. During this period, aggregate media expenditures for the group dropped 33.8% compared to the prior year. It's interesting to see that certain brands are bucking the trend by increasing their TV ad frequency. These brands include Indeed, Noom, Rakuten, Warby Parker, Mirror, Chime, thredUP, and Overstock.com -- to name a few.

# COVID-19 IMPACTS ON TOP 50 DTC ADVERTISERS

Rank 2019	Brand Name	2019 Spend	Pre-Quarantine '20 Media Week 1 - 10		Change	Quarantine '20 Media Week 11 - 19		Change
			2019 Avr \$ / week 12/31/18 - 03/10/19	2020 Avr \$ / week 12/30/19 - 3/8/20		2019 Avr \$ / week 3/11/19 - 5/12/19	2020 Avr \$ / week 3/9/20 - 5/10/20	
1	Home Advisor	\$ 130,075,291	\$ 3,067,323	\$ 978,904	-68.1%	\$ 2,642,841	\$ 606,553	-77.0%
2	Chewy.com	\$ 125,458,601	\$ 2,413,023	\$ 2,037,659	-15.6%	\$ 2,162,187	\$ 718,590	-66.8%
3	Wayfair	\$ 110,204,846	\$ 2,560,151	\$ 2,145,287	-16.2%	\$ 2,038,109	\$ 1,777,822	-12.8%
4	Peloton	\$ 99,358,625	\$ 2,957,769	\$ 3,762,627	27.2%	\$ 1,146,314	\$ 552,126	-51.8%
5	Ancestry	\$ 98,922,640	\$ 1,722,980	\$ 2,293,965	33.1%	\$ 1,705,219	\$ 1,105,755	-35.2%
6	Booking.com	\$ 95,923,415	\$ 1,962,572	\$ 1,753,486	-10.7%	\$ 2,638,785	\$ 123	-100.0%
7	Carvana	\$ 94,573,618	\$ 1,550,413	\$ 2,294,574	48.0%	\$ 1,627,923	\$ 1,939,386	19.1%
8	Trivago	\$ 91,712,755	\$ 1,586,340	\$ 1,999,131	26.0%	\$ 1,647,346	\$ 207,956	-87.4%
9	Smile Direct Club	\$ 75,963,238	\$ 1,707,524	\$ 1,669,055	-2.3%	\$ 1,510,032	\$ 153,619	-89.8%
10	Grubhub	\$ 62,452,674	\$ 1,563,349	\$ 1,084,072	-30.7%	\$ 1,182,107	\$ 1,494,677	26.4%
11	Expedia	\$ 60,531,241	\$ 1,562,741	\$ 1,295,761	-17.1%	\$ 1,069,492	\$ 3,819	-99.6%
12	Credit Karma	\$ 55,561,676	\$ 1,697,217	\$ 941,007	-44.6%	\$ 818,464	\$ 517,556	-36.8%
13	Hotels.com	\$ 52,215,240	\$ 773,065	\$ 1,211,206	56.7%	\$ 670,896	\$ 389,849	-41.9%
14	GoodRX.com	\$ 49,816,927	\$ 870,343	\$ 1,113,603	27.9%	\$ 941,919	\$ 1,205,452	28.0%
15	Home Light	\$ 46,950,567	\$ 1,490,382	\$ 1,329,373	-10.8%	\$ 1,087,692	\$ 835,596	-23.2%
16	Stamps.com	\$ 46,530,336	\$ 570,937	\$ 1,074,637	88.2%	\$ 777,842	\$ 1,088,157	39.9%
17	Indeed	\$ 42,963,916	\$ 807,256	\$ 1,760,639	118.1%	\$ 473,565	\$ 896,325	89.3%
18	CarGurus	\$ 42,247,591	\$ 872,840	\$ 665,738	-23.7%	\$ 820,423	\$ 368,153	-55.1%
19	NerdWallet	\$ 42,182,305	\$ 1,109,849	\$ 1,134,880	2.3%	\$ 859,218	\$ 367,753	-57.2%
20	Noom	\$ 42,112,214	\$ 832,844	\$ 1,507,753	81.0%	\$ 373,017	\$ 1,619,799	334.2%
21	Car Fax	\$ 41,485,358	\$ 826,785	\$ 1,549,891	87.5%	\$ 519,272	\$ 558,153	7.5%
22	DoorDash	\$ 41,167,408	\$ 625,692	\$ 763,094	22.0%	\$ 902,774	\$ 1,092,000	21.0%
23	TripAdvisor	\$ 40,750,288	\$ 1,280,736	N/A	N/A	\$ 891,595	N/A	N/A
24	Rakuten	\$ 39,326,125	N/A	\$ 463,650	N/A	\$ 111,645	\$ 324,064	190.3%
25	Angies List	\$ 37,259,290	\$ 808,025	\$ 303,230	-62.5%	\$ 1,015,514	\$ 43,174	-95.7%

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26	Zillow	\$ 36,690,081	\$ 1,066,929	\$ 768,856	-27.9%	\$ 1,136,932	\$ 592,927	-47.8%
27	Purple Mattress	\$ 35,283,262	\$ 467,972	\$ 877,093	87.4%	\$ 501,383	\$ 240,684	-52.0%
28	Audible	\$ 30,795,513	\$ 1,083,038	\$ 1,245,263	15.0%	\$ 773,737	\$ 462,646	-40.2%
29	CreditSesame.com	\$ 29,842,978	\$ 619,278	\$ 642,613	3.8%	\$ 186,460	\$ 142,868	-23.4%
30	4 imprint	\$ 29,090,843	\$ 342,881	\$ 709,085	106.8%	\$ 499,362	\$ 319,349	-36.0%
31	Drive Time	\$ 28,193,170	\$ 548,393	\$ 1,067,568	94.7%	\$ 578,940	\$ 545,759	-5.7%
32	Poshmark	\$ 27,589,788	\$ 678,345	\$ 614,893	-9.4%	\$ 599,501	\$ 305,303	-49.1%
33	Warby Parker	\$ 27,287,891	\$ 580,733	\$ 872,424	50.2%	\$ 379,559	\$ 649,170	71.0%
34	Hello Fresh	\$ 26,865,205	\$ 114,579	\$ 425,998	271.8%	\$ 585,250	\$ 56,965	-90.3%
35	Mirror	\$ 26,110,220	\$ 78,680	\$ 1,075,681	1267.2%	\$ 81,817	\$ 530,561	548.5%
36	eHarmony	\$ 25,468,147	\$ 602,429	\$ 623,130	3.4%	\$ 460,232	\$ 497,068	8.0%
37	E Trade	\$ 25,458,364	\$ 5,983,237	\$ 532,162	-91.1%	\$ 694,685	\$ 658,068	-5.3%
38	Chime	\$ 25,387,013	\$ 467,299	\$ 1,589,288	240.1%	\$ 307,877	\$ 741,033	140.7%
39	Touch of Modern	\$ 24,549,496	\$ 302,058	\$ 368,121	21.9%	\$ 334,285	\$ 331,156	-0.9%
40	DealDash	\$ 23,524,402	\$ 367,971	\$ 536,946	45.9%	\$ 249,422	\$ 498,067	99.7%
41	VRBO	\$ 23,589,892	\$ 1,244,041	\$ 673,283	-45.9%	\$ 917,020	N/A	N/A
42	Apartments.com	\$ 23,523,388	\$ N/A	\$ N/A	N/A	\$ 833,288	\$ 1,135,654	36.3%
43	Care.com	\$ 22,945,053	\$ 510,067	\$ 581,511	14.0%	\$ 408,744	\$ 260,618	-36.2%
44	Sheex	\$ 22,647,547	\$ 346,909	\$ 468,766	35.1%	\$ 256,500	\$ 138,062	-46.2%
45	thredUP	\$ 21,567,766	\$ 125,264	\$ 882,692	604.7%	\$ 163,889	\$ 266,827	62.8%
46	TrueCar	\$ 20,802,547	\$ 325,887	\$ 124,039	-61.9%	\$ 294,649	\$ 48,332	-83.6%
47	Overstock.com	\$ 20,757,273	\$ 610,429	\$ 271,625	-55.5%	\$ 371,056	\$ 544,689	46.8%
48	Letgo	\$ 20,421,214	\$ 1,722,001	\$ N/A	N/A	\$ 355,689	\$ N/A	N/A
49	CasperSleep	\$ 19,311,235	\$ 292,234	\$ 404,552	38.4%	\$ 266,355	\$ 208,214	-21.8%
50	Etsy	\$ 19,261,537	\$ -	\$ 348,170	N/A	\$ 191,762	\$ 126,122	-34.2%
<b>Total</b>		<b>\$ 2,302,710,010.00</b>	<b>\$53,700,805</b>	<b>\$50,836,980</b>	<b>-5 %</b>	<b>\$41,062,586</b>	<b>\$27,166,602</b>	<b>-33.8 %</b>

# Who is taking advantage of high levels of TV viewership and low rates?

Six days after the Covid-19 [national emergency](#) was declared, DRMetrix launched its [online television tracker](#) to measure how different sectors of the DTC television industry were being impacted by the crisis.

This tracker has revealed that many leading web/mobile DTC advertisers have pulled back on their television buys, but it's worth noting that other types of DTC advertisers have taken full advantage of the situation, buying more television time than ever before. For some, it makes sense to buy during the quarantine given that television viewership is at an all-time high while TV advertising rates are significantly discounted.

AS SEEN ON TV product advertisers are one category of DTC advertiser that have dramatically increased their TV buys during the 2020 quarantine. As web/mobile DTC advertisers have pulled back, AS SEEN ON TV ad frequency has increased as much as 135% over the same period. This is especially impressive considering AS SEEN ON TV ad expenditures were down over 26% in 2019.

Of the 4,778 DTC brands that provided a way for consumers to respond to their TV advertising in 2019, 37% used traditional direct-response (DR) techniques similar to AS SEEN ON TV advertisers. These techniques involve 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 has been proven effective over many decades, and a variety of these methods are now 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 TV campaigns in real time as well as optimize their TV buys to produce the highest level of return-on-investment (ROI)

## What is causing some to spend more while others are pulling back?

One reason AS SEEN ON TV advertisers are increasing spending while web/mobile are pulling back may be the former's ability to measure and attribute consumer response immediately, which allows them to better understand the media value they are receiving. This hypothesis holds when other sectors of DTC advertising that use DR variations are considered. These include household names such as Nutrisystem, Proactiv, St. Jude's Children's Research Hospital, Colonial Penn, Humana, USAA Insurance, Nugenix, SoClean, Consumer Cellular, Jenny Craig, and Lifelock. DRMetrix classifies these types of DTC campaigns as "Lead Generation - DR".

Lead-generation advertisers have increased their TV buys by nearly 13% during the quarantine period over prior year. Data showing day-to-day and week-over-week ad frequency for different sectors of the DTC advertising industry, as well as cause of change, can be viewed on DRMetrix's online [covid-19 television tracker](#).

## Final thoughts

As 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.

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 DTC industry to study these types of campaigns.

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

Whether DTC advertisers use 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](http://www.drmetrix.com/knowROI) for more information.

To learn more about the direct-to-consumer television industry, visit the Performance-Driven Marketing Institute (PDMI) online at [www.thepdmi.com](http://www.thepdmi.com). Through the sharing of research data, DRMetrix is hoping more advertisers will discover the significant advantages of using time-proven TV attribution techniques including, the use of DR variations as discussed in this report. We look forward to continuing to help the industry through research and education.

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

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