A Time for DTCs to Thrive

The COVID-19 pandemic continues to have a massive impact on all aspects of the TV industry: with many people spending the majority of their time at home, TV has become the epicenter of day-to-day life. A Comscore study found that homebound audiences are, on average, watching an additional eight hours of content per week (across linear TV and OTT streaming services), while Nielsen has reported that streaming grew to 25% of total TV usage during Q2 2020 alone.

Meanwhile, inventory prices have decreased, making the path to entry more accessible to young brands. Buying habits have also shifted drastically during this time. With consumers now buying a broader range of products online than ever before, more and more advertisers are pivoting to a more ecommerce-focused model. Direct-to-consumer (DTC) brands—most of which are digital natives—have increasingly turned to TV advertising to drive performance—are well-positioned to thrive in this landscape. For example, a global, app-based DTC Education Brand has been undergoing a period of significant growth, even during a global crisis. Pre-COVID, the brand was already seeing great results with its media mix to include OTT, but the onset of COVID-19 sped up its plans.

During the first two months of lockdown…

The brand's linear TV response increased by +63%
while OTT performance soared +85%

The DTC advertiser discovered that, on average, OTT spots that aired during the day on weekends performed 4% better than weekday spots. To take advantage of this finding, the brand has further optimized its current campaign, moving more spots to the weekend than originally planned. Meanwhile, in conjunction with the amount of time many people are spending at home, its impressions during various time periods (including midday, early evening and late at night) have also gone up steadily. Overall, Impressions have gone up by about 77%.

Adding OTT Into the Media Mix

Understanding the TV industry's dynamic nature, coupled with the fact that this has been a time of heightened OTT viewership, TVSquared has been working closely with its clients to help them take advantage of the opportunity. While this advertiser was already using TVSquared real-time analytics platform, ADvantage to measure and optimize its linear TV campaign, it's now leveraging it to do the same with its OTT spend—also from the same unified platform. With ADvantage, the brand is also gaining a clear and accurate look at OTT's true impact on business (such as driving online visits, app installations, subscriptions and engagement).

A Closer Look at the Brand's OTT Trends During COVID-19

Like any business operating during the ongoing pandemic, the DTC Education Brand has had to ensure all of its media dollars continue to be as efficient and effective as possible. This is especially true with its recent increase in OTT spend has increased by an average of 463%!

The DTC advertiser observed that, on average, OTT spots that aired during the day on weekends performed more strongly than the afternoon, evening and late at night.

In the wake of COVID-19 (specifically throughout April and May 2020), the brand's CPR across OTT services improved by an average of 46%—the cheapest cost complementing to steady increase in OTT driven response that was established back in March.

The Major Takeaways

1. Don't Go Dark on TV - This DTC brand knew that it couldn't afford to go off-air, even in light of COVID-19. TV's unparalleled ability to drive immediate performance is more important than ever. To take advantage of this finding, the brand has further optimized its current campaign, moving more spots to the weekend than originally planned. Meanwhile, in conjunction with the amount of time many people are spending at home, its impressions during various time periods (including midday, early evening and late at night) have also gone up steadily. Overall, Impressions have gone up by about 77%, when compared to pre-lockdown.

2. Cost Per Response (CPR) - While the advertiser has benefited greatly from incorporating OTT into its media mix, it hasn’t abandoned linear TV. When OTT is added to linear campaigns, the advertiser is successfully able to continually engage responsive audiences and drive performance.

3. OTT and Linear Work Well Together - During the first two months of lockdown (March and April 2020), the brand's linear TV response increased by +63%, while its OTT performance soared +85%!

Homebound audiences are watching an additional 8 HOURS of content per week (across linear TV and OTT streaming services).

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