

DTC Education Brand Embraces OTT's Benefits During a Global Crisis

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 Comcast 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 that 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-pandemic, this advertiser was already seeing great success on TV and planning to expand its video mix to include OTT, but the onset of COVID-19 sped up its plans.

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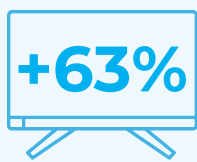
(across linear TV and OTT streaming services)



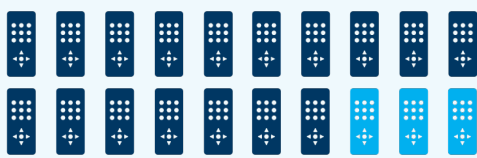
25% of total TV usage during Q2 2020 was dedicated to streaming alone

During the first two months of lockdown...

The brand's linear TV response increased by +63%,



while OTT performance soared +85%



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, the DTC Education Brand added OTT into its media mix in early 2020. While this advertiser was already using TVSquared's real-time analytics platform, ADvantage, to measure and attribute its linear TV campaigns, it's now leveraging it to do the same with its OTT buys—all 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).

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%!

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 inclusion of OTT into its media mix, while still maintaining a strong presence on linear TV. With ADvantage, it has been able to constantly monitor cross-platform buys to make sure all ad dollars are driving ROI—and the findings, as well as the optimizations the brand has been able to make to increase success during the first few months of stay-at-home orders (March-June 2020), have been fascinating:



Cost Per Response (CPR)

In the wake of COVID-19 (specifically throughout April and May 2020), the brand's CPR across OTT services **improved by an average of 40%**—the cheaper cost complementing its steady increase in OTT-driven response that was established back in March.



Time of Day

The DTC advertiser discovered that, on average, OTT spots that aired during the day on weekends **performed 8% 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%**, when compared to pre-lockdown.



OTT Spend

Due to its success with OTT, including strong response rates, the brand is now investing more heavily in OTT. Specifically, since its initial launch into OTT, its **OTT spend has increased by an average of 663%**!

Source: TVSquared Platform, 2020

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, longer-term impact and brand awareness is far too valuable. By staying on TV, across platforms, the advertiser is successfully able to continually engage with responsive audiences and drive performance.
- 2 Optimize, Optimize, Optimize** - By utilizing real-time performance analytics, the brand is consistently able to optimize (including mid-campaign) in order to drive (and even increase) response.
- 3 OTT and Linear Work Well Together** - 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 incremental reach it brings is enormously impactful.