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# 9 Billion Reasons to Care About Political Video Ads

# Level Set on Terms

1. **Video Ad Market –** This encompasses the entire video market including television (broadcast, cable, satellite, etc.) and digital (CTV/OTT, social, mobile/desktop, etc.)

2. **Local vs. National –** Local is any ad purchased with specific geography (zip codes through regions)

3. **Linear = Broadcast + Cable**

4. **CTV** is included in digital

5. **Targeted –** Any ad that is targeted to a specific 1st and/or 3rd party data set (CRM, etc.). This includes both addressable (1:1) as well as data-driven linear.

6. **Non-Targeted –** Any ad that is targeted to a traditional demo such as age/gender.

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# 6 Big questions

1. How does 2022 compare to past election cycles?
2. What is the breakdown between screen types across linear and digital video?
3. Where is consumer attention?
4. Does video ad spend line up with consumer attention?
5. How do we reach swing voters with video advertising in 2022?
6. Who will win the battle for CTV dollars?

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# **Big question #1:** How does 2022 compare to past election cycles?

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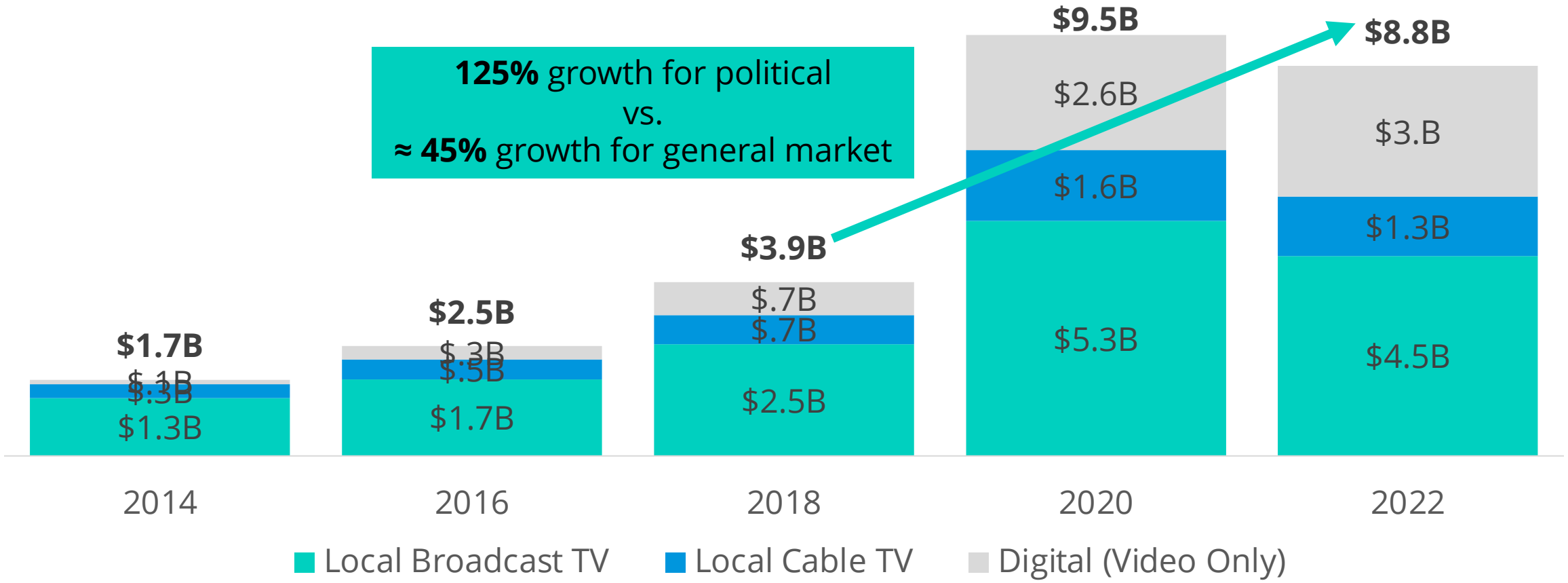
# Political = $8.8B video ad market in 2021-22

## 125% growth vs. 2017-18

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**Big question #2:** What is the breakdown between screen types across linear and digital video?

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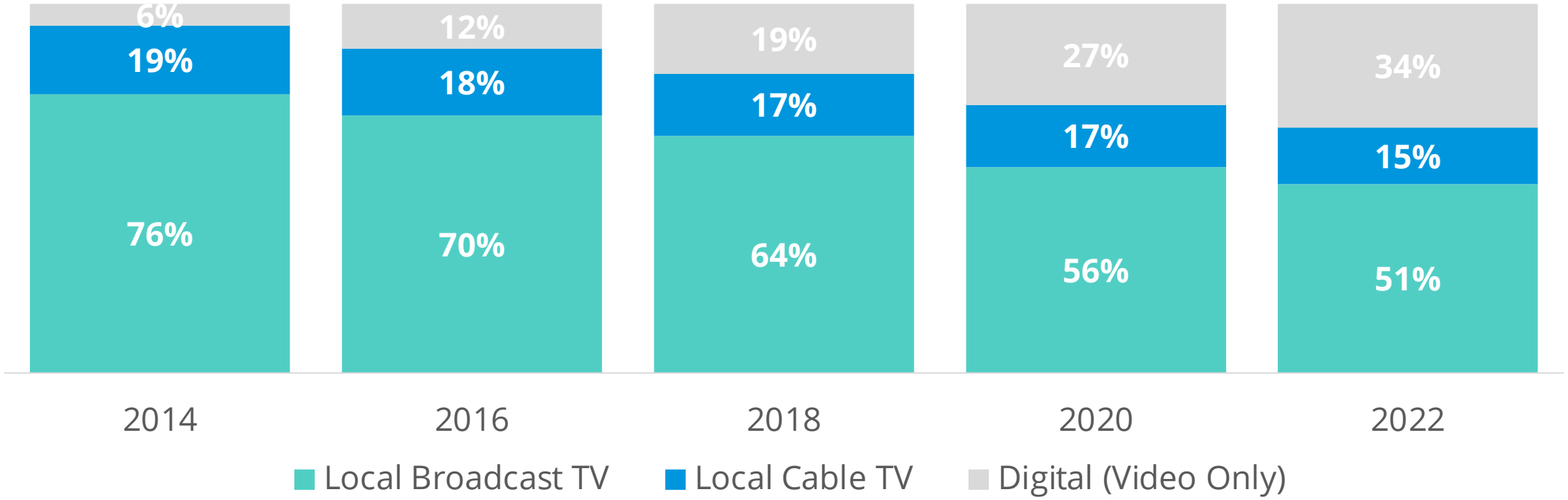
# Political spend shifts to digital

## 34% of video spend in 2021-22 will be digital video

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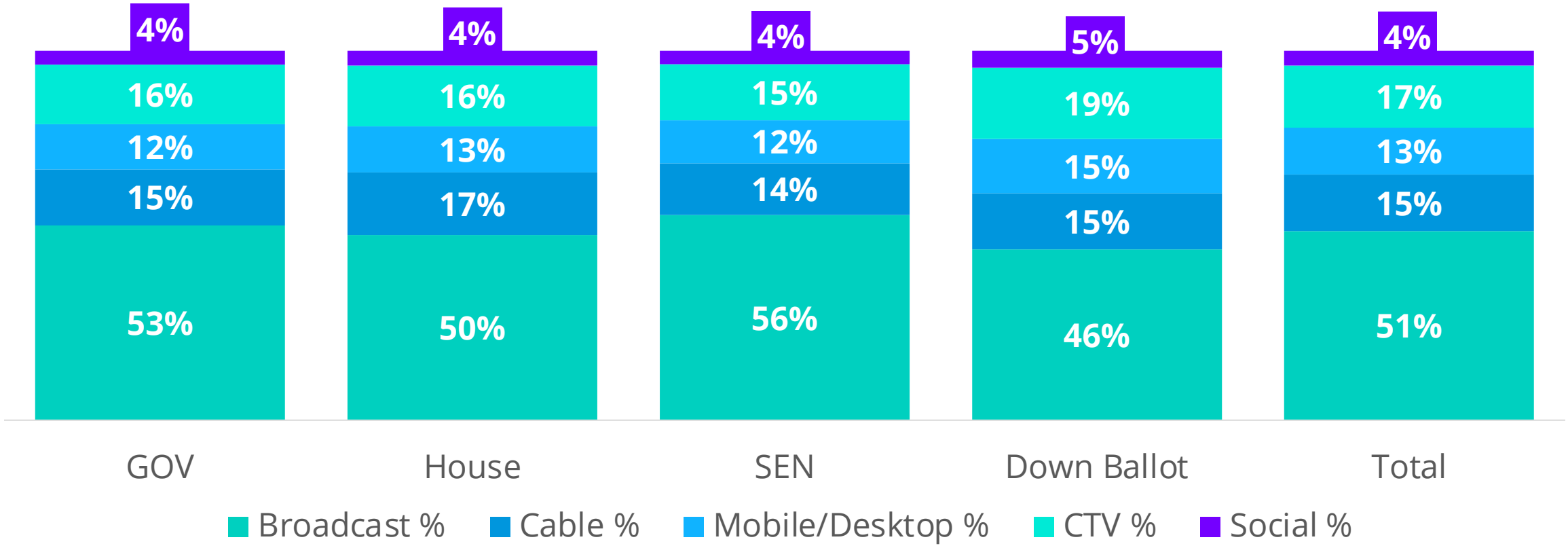
# Share of video ad spend differs by election type

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# **Big question #3:** Where is consumer attention?

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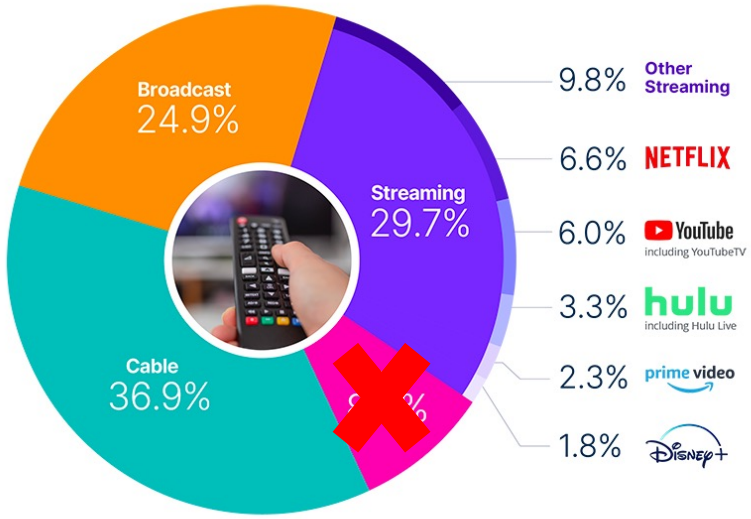
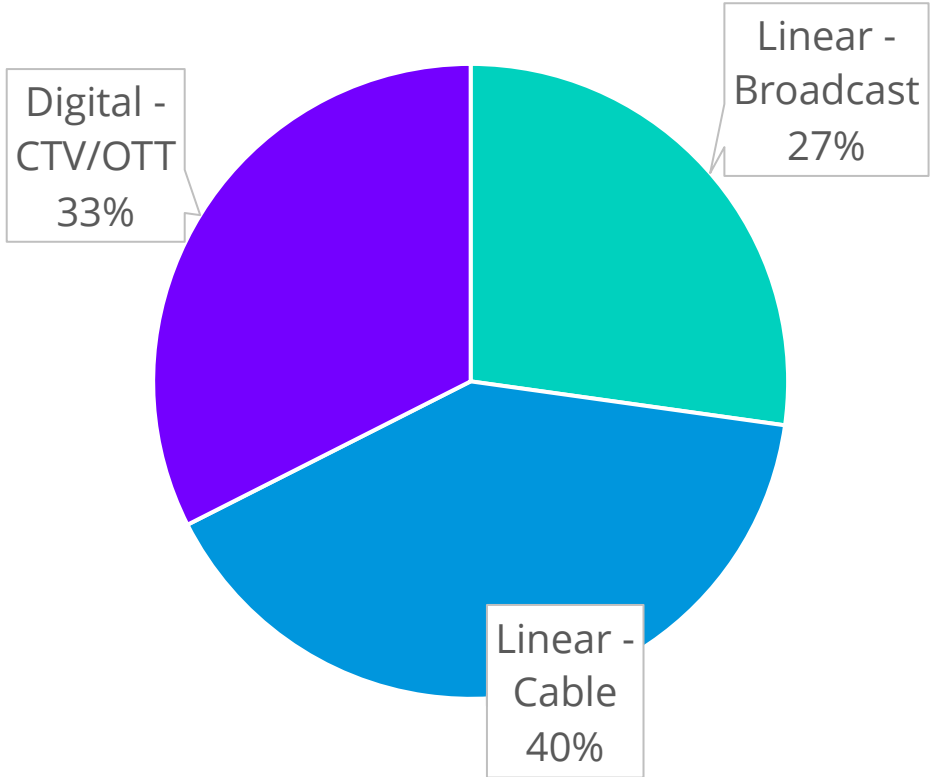
# Streaming share of total TV time grew 71% since start of pandemic

March 2022

**Total Day Persons 2+**




Nielsen Gauge (TV only): **March 2022**




Updated: 2022-Q1
Source: Nielsen

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**Big question #4:** Does video ad spend line up with consumer attention?

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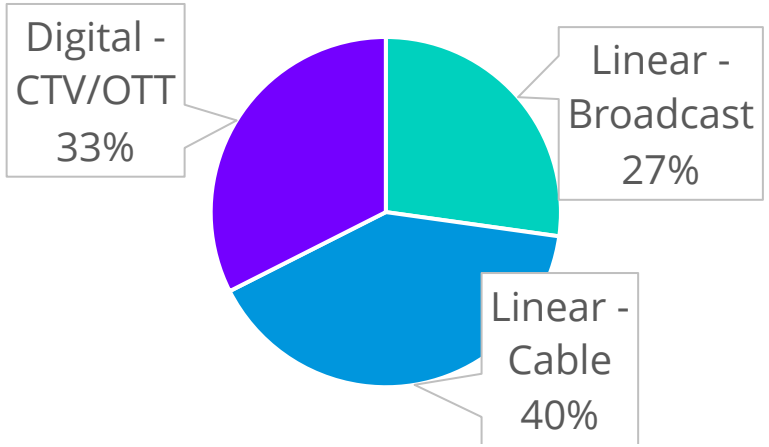
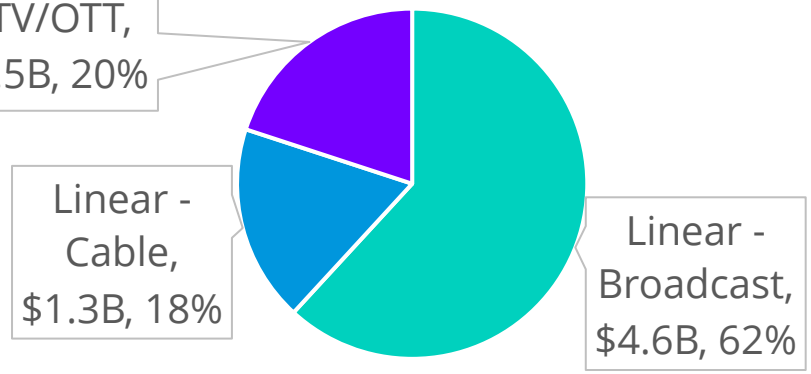
# Media consumption and share of ad spend are disconnected

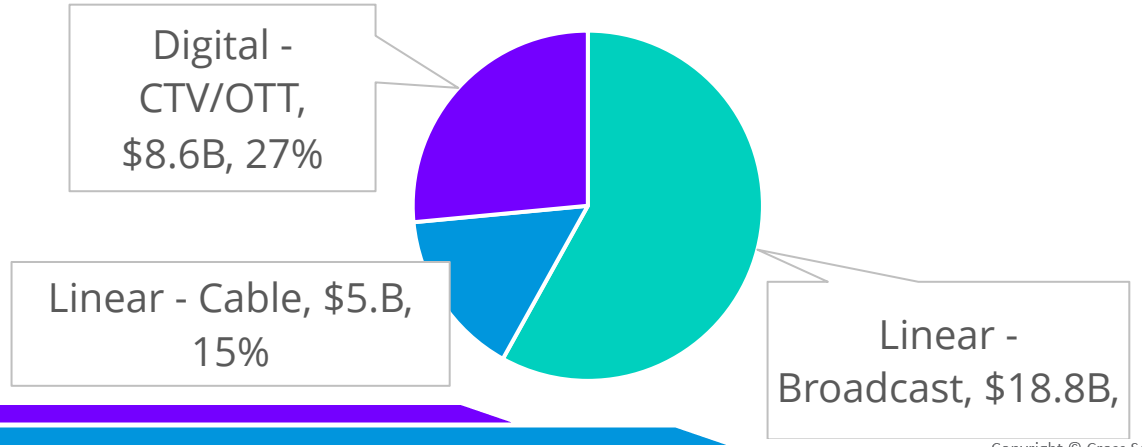
Nielsen Gauge (TV only): **March 2022**



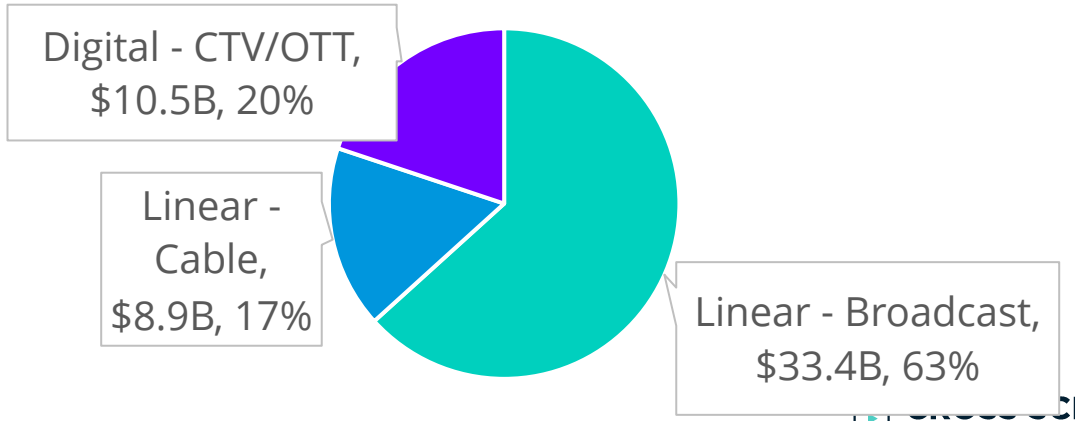

Political: **$7.4B**




Local: **$32B**




National: **$53B**

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**Big question #5:** How do we reach swing voters with video advertising in 2022?

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# How do 2022 swing voters compare to 35+?

**Audience:** Likely mid-term turnout + Soft DEM, Soft REP and Swing

**Markets:** Atlanta, Las Vegas, Milwaukee, Minneapolis-St. Paul, Philadelphia, Phoenix (Prescott), Raleigh-Durham and Tampa-St. Pete (Sarasota)

| | 2022 Swing | 35+ |
|---|---|---|
| Individual | 7.2M | 22.0M |
| Households | 5.2M | 10.3M |
| Average Age | 49 | 58 |
| Nielsen HH | 14.3M | 14.3M |
| Share of Nielsen HH | 36% | 72% |

Source: Cross Screen Media

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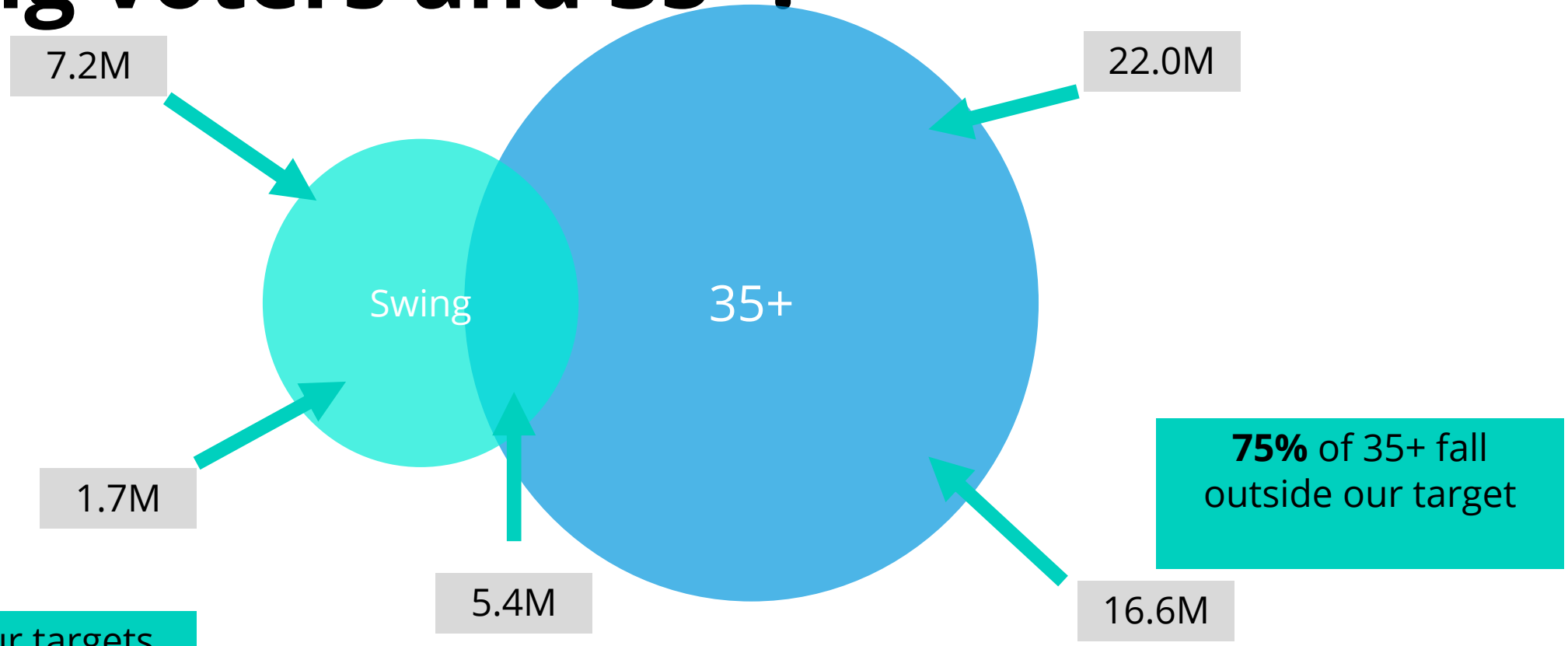
# What is the overlap between 2022 swing voters and 35+?




**75%** of 35+ fall outside our target

**32%** of our targets fall outside 35+

Source: Cross Screen Media

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# How will political campaigns reach swing voters with video in 2022?

| | | Max Reach % | Exclusive Reach % | Actual Reach % |
|---|---|---|---|---|
| Linear | Local Broadcast | 94% | 16% | 60% |
| | Local Cable | 52% | 0% | 45% |
| Digital | CTV | 29% | 1% | 30% |
| | Mobile/Desktop | 58% | 0% | 60% |
| | Social Video | 58% | 0% | 60% |

Source: Cross Screen Media

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# How will our budget match up to reach/frequency?

| | | Actual Reach % | % of Budget | % of Frequency | eCPM |
|---|---|---|---|---|---|
| Linear | Local Broadcast | 60% | 51% | 40% | $92 |
| | Local Cable | 45% | 15% | 20% | $54 |
| Digital | CTV | 30% | 17% | 24% | $50 |
| | Mobile/Desktop | 60% | 13% | 13% | $70 |
| | Social Video | 60% | 4% | 2% | $125 |

Source: Cross Screen Media

**Key fact:** Average eCPM with this mix = **$73**

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# How does our eCPM differ by market?

| Media Market | eCPM |
|---|---|
| Milwaukee | $38 |
| Minneapolis-St. Paul | $41 |
| Raleigh-Durham | $66 |
| Las Vegas | $77 |
| Atlanta | $82 |
| Philadelphia | $85 |
| Tampa-St. Pete (Sarasota) | $117 |
| Phoenix (Prescott) | $118 |

Source: Cross Screen Media

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# **Big question #6:** Who will win the battle for CTV dollars?

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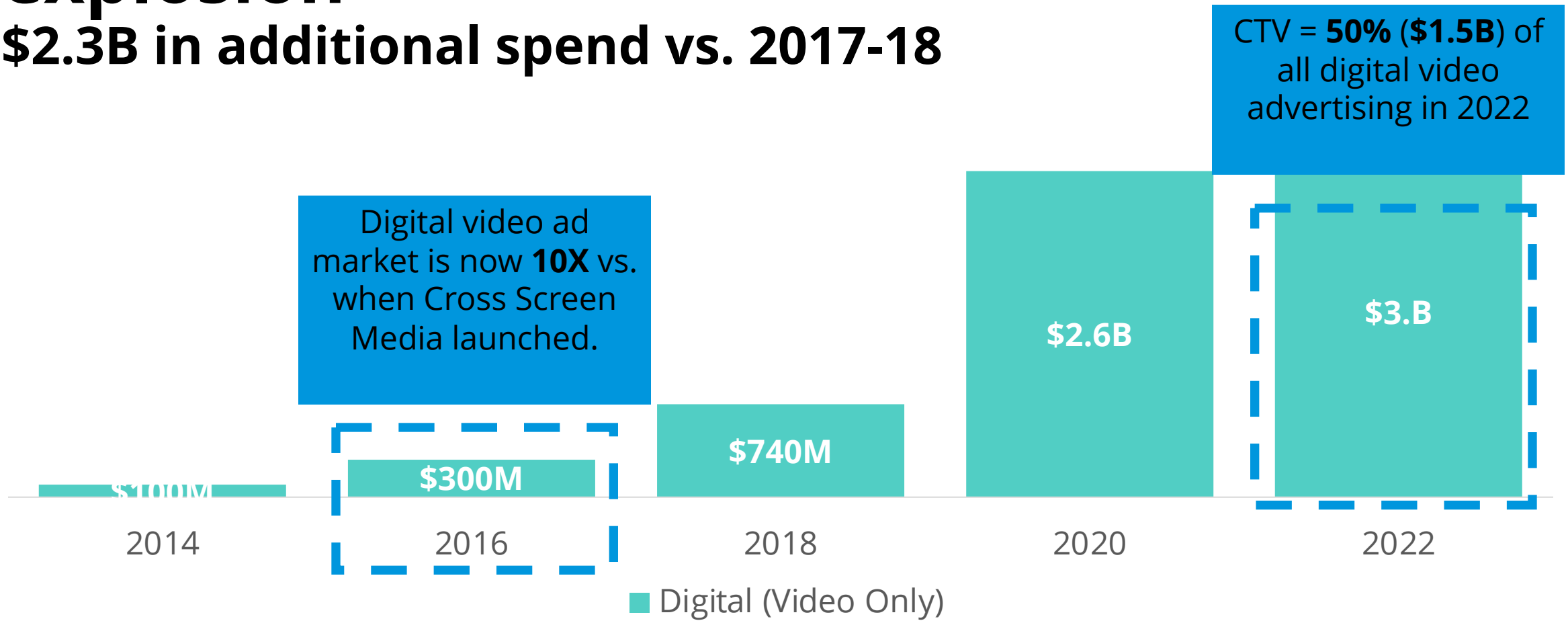
# Digital video grows in politics behind CTV explosion

## $2.3B in additional spend vs. 2017-18

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# 60% believe that digital buyer will win CTV spend in politics

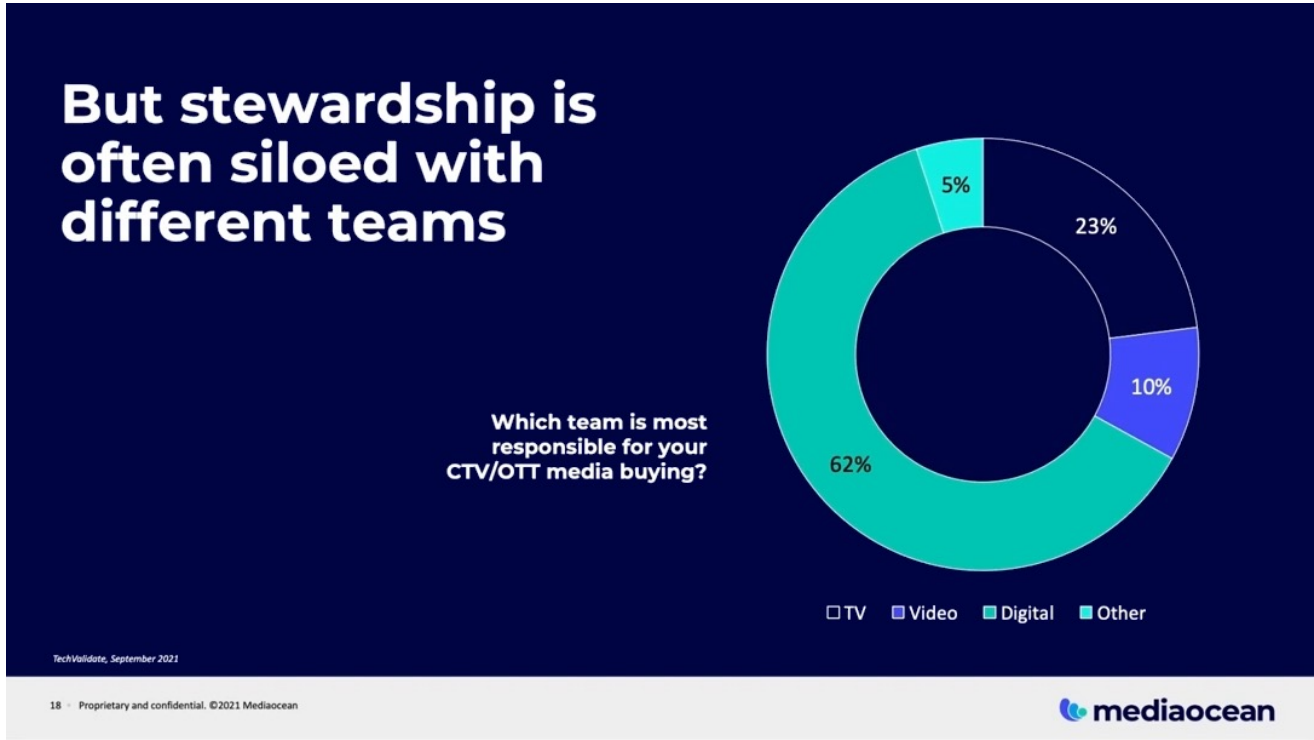
## The balance of power may shift toward the digital buyer, but knocking down silos is critical.

**60%** **of strategists we interviewed told C&E they think it will be the digital buyers and/or the digital teams who will end up taking the lead when it comes to purchasing CTV**. The slightly more complex nature of digital buying, with the need to understand the metrics unique to the digital space are the primary reasons most gave the upper hand to the digital side.

But as those silos continue to break down, the likelihood is that we move toward a much more collaborative process that mimics the way agencies have been shifting internally in recent years.

*"I think that where we are moving as an industry is away from one individual controlling all of the decisions and more of a collaborative environment in which consultants, whether they be TV or digital consultants, are working toward an audience-first solution for the campaign that's going to be strategic."*

***Ryan Fanning, DSPolitical***




Source: Premion, Mediaocean

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# Cross-screen tech = huge advantage for CTV

| | Cross-screen planning, activation and measurement | | |
|---|---|---|---|
| | TV Buyer | Digital Buyer | Who wins CTV? |
| Scenario #1 | ✗ | ✗ | Digital Buyer |
| Scenario #2 | ✗ | ✓ | Digital Buyer |
| Scenario #3 | ✓ | ✗ | TV Buyer |
| Scenario #4 | ✓ | ✓ | Jump Ball |

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# Rules for allocating video ad budgets in 2022

1. **Cross-screen video tech can return 10X the investment in improved reach/frequency**

2. **Don’t let a digital buyer pick your video allocation unless they can explain the TV part of the buy**

3. **Don’t let a TV buyer pick your video allocation unless they can explain the digital part of the buy**

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