
March 25 2021

The HALO Effect

Executive Summary



Insights.
Inspiration.
Impact.



The Halo Effect analyzes 190 new TV advertisers to understand TV's ability to drive business outcomes by life stage



- **Beginning TV early** in a brand's history creates a sustainable competitive advantage.
- **No brand is too young to benefit from TV** – Direct-to-Consumer (DTC) and non-DTC brands across all life stages see an immediate double-digit increase in website traffic at launch.
- Younger brands see the **largest impact and halo effect from a sustained** presence on TV.
- **Younger brands spend aggressively** and advertise more consistently on TV to establish their name, build reputation, develop positive perception and grow share.
- Many brands that implement **test and learn** strategies on TV see results that justify big boosts to their TV ad budgets to drive even greater business outcomes.

Q&A Highlights

To what extent are the results of your study a product of ‘TV’s halo effect’ or the circumstances of the Covid pandemic (e.g. more people at home watching TV):

The VAB: The analysis looks at a period of over 4 years, only 3 months of which were impacted by the Covid pandemic. It is, therefore, safe to say that the results were relatively unaffected and would have turned out similarly even without Covid.

How did you select the brands that featured in the analysis?

The VAB: We followed direct-to-consumer brands (DTCs) very closely to begin with, which allowed us to have a good overview of the brands and notice that they appeared to be getting younger. We decided to investigate this and look at how younger brands perform on TV. There was no ‘cherry picking’ – if the data on a given brand was available, VAB included it in the study, which is why there are precisely 190 brands in the study.

Interestingly, many younger brands actually received investment on the condition that an early TV launch be part and parcel of the brand’s launch strategy.

How was TV defined in this study? Does it only include linear or VOD and OTT too?

The VAB: The study was ultimately tied to the available data, which came from linear TV. Going forward, we aim to have a more holistic overview, incorporating AVOD, streaming, digital platforms etc. but the numbers are currently not available for the moment.

TV does not operate in a vacuum. How was the impact from TV differentiated from other media?

The VAB: The impact from TV is demonstrated in the data itself. We identified a clear and immediate uplift in sales when a TV campaign was introduced and there is a correlation between continued uplift and a sustained presence on TV. What is more is that data and analytics companies have such sophisticated tools to understand the data - there is very little room for guess work.





To what extent are the results transferable to other markets?

The VAB: Consumer dynamics are 100% transferable to any other consumer society. The factors that are at play in the US that are responsible for TV's 'halo effect', such as building brand image, are also present in other markets.

How does the concentration of a TV campaign impact results?

The VAB: In short, the longer you're on TV the better the results. Younger brands are spending more aggressively, booking campaigns for 12-14 months and sometimes longer. Successful campaigns often start with a big burst in the beginning and then sustain their investment over a long period of time. The average spend is around a \$1M, however, impact can start with just a few hundred dollars.

What was the most surprising thing that came out of the study?

The VAB: We found that the results came out in a surprisingly straightforward manner. A pattern emerged whereby the 3 'life stages' of a brand were easily identifiable – under 3 years old, 3-20 years old and over 20 years old. Younger brands were consistently the most rewarded by TV.

Surprisingly, however, even the brands the most far removed from the well-rewarded younger brands, in other words the non-DTC brands aged 20+ years, were still seeing significant rewards.

Are these younger DTC brands paving the way for the industry?

The VAB: FMCG brands, the likes of P&G and others used to be the ones setting the rules, now these new young brands that are spending aggressively in TV are the ones to watch. Above all else, these brands are concerned with results and driving sales.



What is in the VAB's pipeline in terms of research? What other advertiser's questions are you aiming at answering? What can we expect to see in the near future?

The VAB: We aim to continue looking at the short-term and long-term effect of the Covid pandemic, both on brands and consumers. How has the pandemic changed consumption, behaviour and habits and to what extent will they remain once the pandemic is over?

We want to adopt an even more holistic approach to looking at TV's impact - an approach that looks at linear as well as other viewing options, e.g. AVOD, streaming, digital video platforms. We'd also like to address other important questions, such as the role of premium content versus user-created content, targetability, addressability, cross-platform measurement and analysis, and trends in online viewing and VOD.