

In Search of Scale, Direct-to-Consumer Brands Flock to TV

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TV spending by direct-to-consumer (D2C) brands has almost doubled since 2016, according to The Video Advertising Bureau. They tracked 120 D2C brands using Nielsen data, and found that D2Cs spent \$2 billion on TV in 2018—and 70 of the 120 were using TV for the first time.

It's a natural move for the growing brands which, in their quest for larger audiences, are finding it too expensive to rely solely on the social channels they used to build their businesses.

Another factor driving TV spending is the increasing CPMs on Facebook. "We can't work fast enough to maintain the stability of the pricing," Fabian Seelbach, senior vice president of marketing at Curology said to [Digiday](#). "The effectiveness for Facebook has gone down and got particularly bad in late April and early May, which is why we are shifting significant spend."

TV networks and agencies have taken note. In November 2018, NBC launched a program that makes TV ads more accessible to D2C brands, who can be scared off by high entry prices. It also solves the measurement issues TV creates for D2Cs that need to prove ad dollars aren't going to waste by guaranteeing business results instead of

Nielsen demographics. This is a big change for the TV industry, and chairman of advertising sales and client partnerships at NBC Linda Yaccarino called it a “new day of measurement” to [AdAge](#).

Simulmedia has a similar program in open beta, and is collaborating with D2C brands to figure out the best measurement solution. “We’re spending most of our time with analytic folks, testing out different attribution techniques,” said the company’s CEO Dave Morgan. “We needed to find a way to parse out attribution, and give a certain predictability for delivery so they can see it in their business results,”

Their solution enables brands to tie back an individual TV spot’s contribution to website traffic by linking pixels on destination sites to matched, anonymous TV viewing data. Most brands are venture-backed, and either need to grow or die, so this level of measurement is key.

Measurement for the industry as a whole will continue to improve as TV inventory become more addressable and targeted, and in Morgan's mind, digitally native D2Cs are in a perfect position to take advantage.