

THE POLITICAL MEDIA REMIX:

How digital can make political TV buys smarter



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01 INTRODUCTION

In politics, every vote counts.

Yet political campaigns continually risk under-delivering their ad messages to sizable chunks of the populations - and even completely ignoring some voting blocs - by sticking with ad strategies out of the Reagan-Bush era.

That's largely due to the fact that in a risk averse industry, political advertisers are inclined to stick with the tried and true - namely, linear television.

For decades, the playbook has been to flood the airwaves with ads during key periods. Most political campaigns accepted the fact that some voting blocs, such as seniors or local news viewers, would see their ads perhaps more than is necessary. But that tradeoff was deemed acceptable as long as overall TV advertising allowed them to reach as many voters as possible.

The problem today is that that playbook no longer works. Given the massive

20%

OF HOUSEHOLDS CONSUME
~70%+ OF POLITICAL ADS.

AT THE SAME TIME

60%

OF VIEWERS CONSUME
LESS THAN 20% OF ALL TV
IMPRESSIONS.

Source: MiQ TV Intelligence Tool 2022

shifts in consumer consumption habits over the past decade, which have been accelerated by the pandemic, linear TV viewing isn't just declining thanks to a boom in streaming. Its overall reach is contracting, as more and more consumers cut the cord or become streaming-centric TV viewers.

Political campaigns that maintain a linear TV-centric strategy don't just risk over indexing against certain groups - they are restricted in how much of the voting population they actually reach. Put another way, campaigns that focus on traditional TV are hitting a ceiling, while dangerously ignoring huge swaths of the population.

In this paper, we will examine data from a range of senatorial, gubernatorial and congressional races in 2020 and 2021 that should serve as a warning sign to

political advertisers that they need to shift their strategies, dramatically. MiQ analyzed data from our proprietary TV intelligence tool, used by hundreds of political advertisers, and found a common trend – both **Republican and Democratic advertisers missed between 25-40% of potential voters through their existing strategies** - more than enough of a gap to make a huge difference in races with little to no margin for error.

As 2022 races begin to heat up - and the 2024 presidential election looms, it is incumbent on political campaigns to rethink how they use linear TV, and how they can complement their strategy with connected TV and other forms of digital media to reach as many voters effectively as possible. The good news is that thanks to richer data sets available in TV, advancements in measurement, as well as a growing number of outlets to target audiences through CTV, these

campaigns can be far more strategic with their media budgets, while making adjustments in real time. Indeed, there is an opportunity to truly transform political advertising - turning it into a far more precise and scientific practice which can ultimately make or break who gets elected in this country.

02 METHODOLOGY

The report analyzes commercial viewership trends across **16 million American households** using MiQ's Advanced TV integrations, which is comprised of AdImpact's political ads library (AdMo) and data partnerships with the leading smart TV manufacturers. The purpose of the research was to understand the gaps between the actual and reported metrics across senate, congressional and gubernatorial political races over the 2021 and 2020 political cycles.

03 TV VIEWERSHIP & MEASUREMENT

The TV industry continues to endure radical shifts in viewership - which is impacting every aspect of how advertising is bought and measured.

Linear TV still commands a significant audience, and the medium continues to account for the majority of viewing time in the U.S. The average time per day spent with linear TV still exceeds three hours (3:17 per day, down 8% year over year per eMarketer)¹ while streaming

is nearing two and a half hours per day (2:29 / day (+6% YoY).

We also can't ignore that the number of subscription streaming services continued to proliferate. According to Kantar, a whopping 85% of U.S.

households have a video subscription service. In a single week last December, Nielsen found that Americans streamed 183 billion minutes of content.

As a result, ad spending on connected TV is soaring -and nearly two-thirds² of

1. <https://www.emarketer.com/forecasts/584b26021403070290f93a5e/5851918b0626310a2c186b32>
<https://www.emarketer.com/forecasts/584b26021403070290f93a3b/5851918b0626310a2c186b45>

2. <https://www.adweek.com/resource-library/these-are-the-trends-that-will-shape-ctv-ad-spend-in-2022/>

brands (66%) plan to increase their CTV ad budgets this year.

That's despite ongoing upheaval in the third party measurement space. Legacy players like Nielsen are finding themselves under fire for their perceived inability to keep up with the rise of cross-platform viewership; brands want to be able to track how their ad campaigns are performing on linear TV, streaming platforms, digital outlets and so on. To fill that void, a slew of upstarts are looking to offer alternative methods of counting viewership on TV.

At the center of this media research shift is the rise of ACR, or automated content recognition technology. As smart TV sales explode- penetration is expected to surpass 90% into North American households by 2024 - tech companies are able to pull real time data on what ads are being shown at any given moment on millions of TV screens.

The availability of this data has proven to be highly revealing, exposing the true audience limitation of linear TV. For instance:

Today, close to 75% of linear TV viewers³ in the U.S. are above the age of 50. Meanwhile, the often-coveted 18-to-34-year-old audience accounts for just 9.8% of overall linear viewership, while representing a whopping 54% of the connected TV (CTV) audience.⁴

At the same time, this 'glass-level' viewership data, when coupled with other digital sources, promises to be revolutionary for political campaigns and other verticals - as they'll be able to plan and execute highly precise data-driven cross-platform campaigns at scale. That is, if they are able to embrace the necessary change.

THE POLITICAL ADVERTISING MIX

Recent political cycles prove that the advertising mix needs to change in order to effectively reach voters.

Even as viewership and measurement undergo rapid change, most political campaigns employ legacy planning and buying tools to estimate and negotiate TV buys. Across 2020 and 2021, MiQ's

3. Statista Market Research, Statista Outlook, 2022, <https://www.statista.com/outlook/amo/media/tv-video/ott-video/united-states#revenue>

4. TV and Video, Adexchanger, <https://www.adexchanger.com/tv-and-video/local-ott-advertising-is-an-untapped-137-billion-opportunity/>

Advanced TV data science team analyzed commercial viewership trends across **16 million American homes** through their TV Intelligence Tool to examine the gaps between the actual and reported metrics for multiple senate, congressional and gubernatorial races. This analysis was buoyed by digital data, as well as MIQ's decade-plus experience in programmatic ad planning and buying.

The results were eye-opening. For starters, the frequency problem was worse than expected. While campaigns are accustomed to reaching heavy TV viewers with numerous messages, in the case of multiple campaigns MiQ tracked:

90%

THE TOP **40%** OF THE EXPOSED HOUSEHOLDS CONSUMED OVER **90%** OF ALL TV IMPRESSIONS **~70%+** OF POLITICAL ADS.

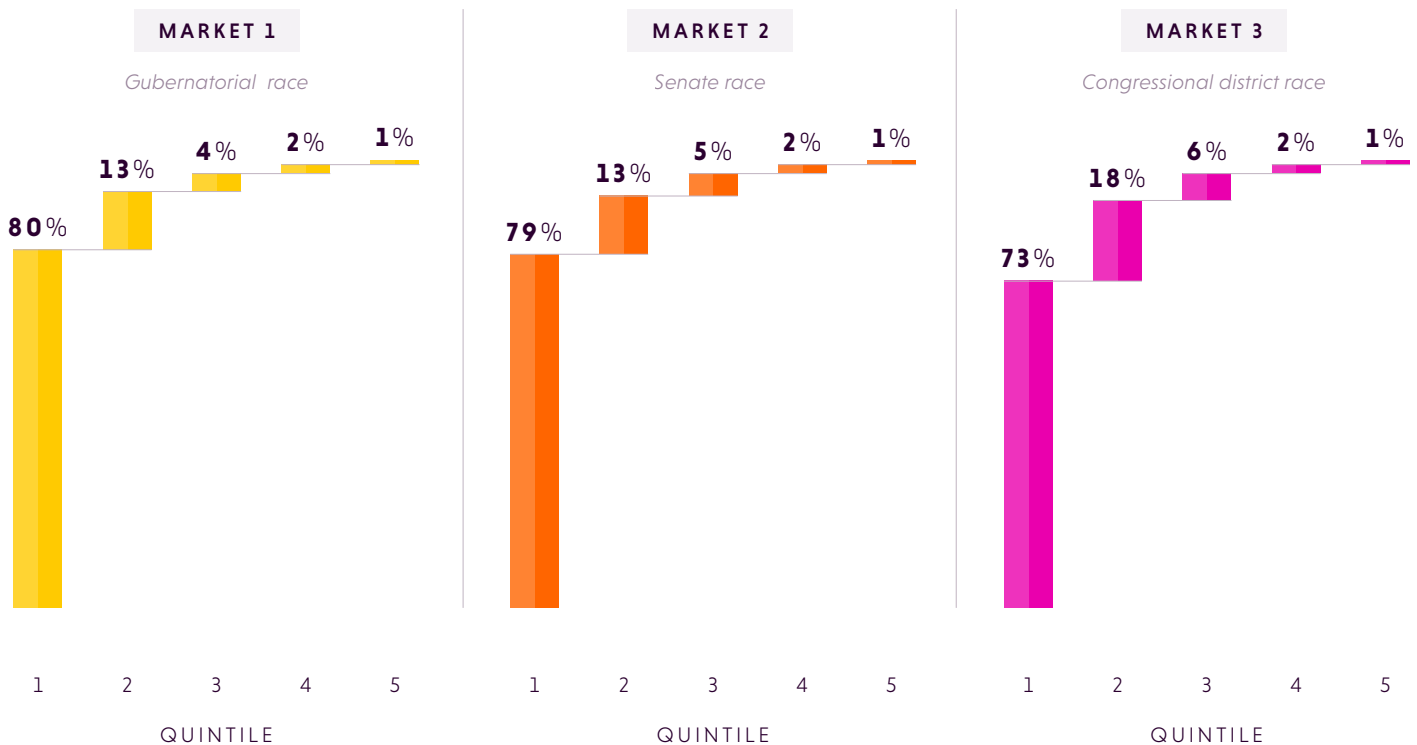
60%

THE BOTTOM **60%** ACCOUNTED FOR LESS THAN A TENTH OF ALL TV IMPRESSIONS VIEWED

FREQUENCY DISTRIBUTION ACROSS QUINTILES

PERCENTAGE OF ALL COMMERCIALS CONSUMED

Source: MiQ Advanced TV integration, Aug 2020 - Nov 2021



Statista Market Research, Statista Outlook, 2022, <https://www.statista.com/outlook/amo/media/tv-video/ott-video/united-states#revenue>

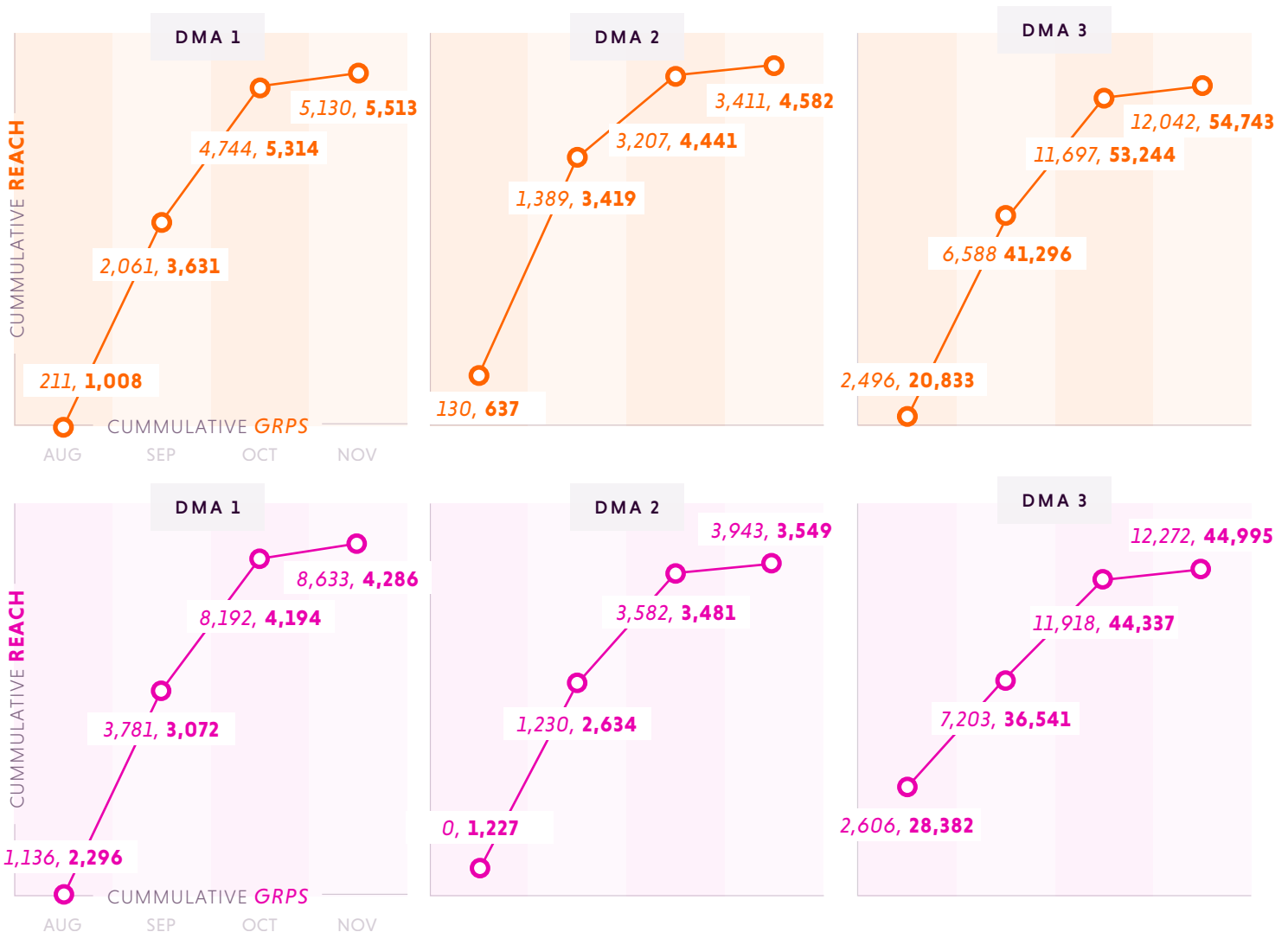
Unfortunately, given the finite audience for linear TV, some of the old tricks no longer work. There was a time when campaigns could simply buy up more GRPs to increase their reach - because the total TV audience was far broader and stable. That time has passed. Not only do TV buys begin to reach a point of diminishing returns more quickly than in the past, but campaigns that dial up on GRPs in search of incremental reach points end up wreaking havoc on their overall costs.

COST OF INCREMENTAL REACH BY CAMPAIGN FLIGHT, AUG 2021 - NOV 2021

CANDIDATE 1 **CANDIDATE 2**

Source: AdImpact - MiQ Advanced TV, Aug 2020 - Nov 2021

— CUMMULATIVE REACH: TOTAL INDIVIDUAL IMPRESSIONS PER MARKET



From the first to the third month of a campaign the cost to reach a new household could be **10-12x higher**.



04 REGENCY & LAG TIMES

It might seem like you've seen that ad over and over...and over again. But the data begs to differ.

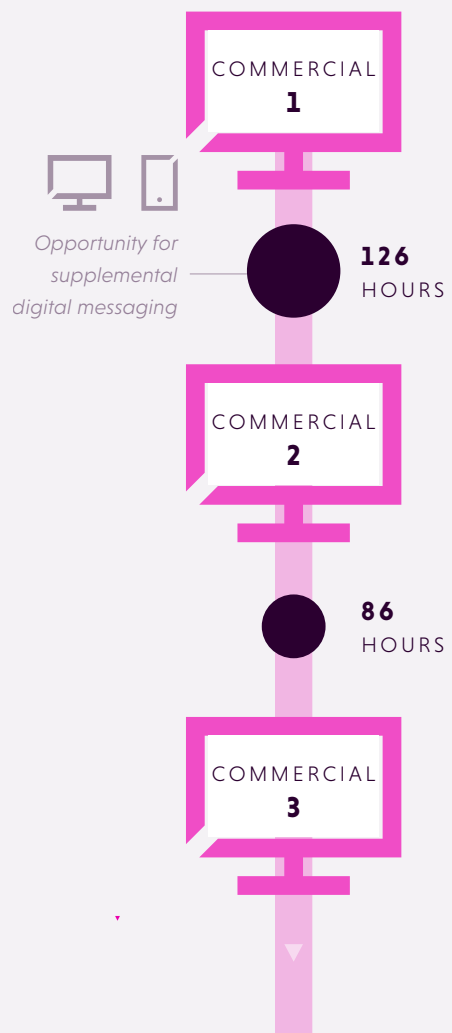
In the past, when TV brands spend at a certain level, they could feel confident that their audience reach would be evenly dispersed and that their messages could be delivered in a timely fashion that best resonated with potential voters.

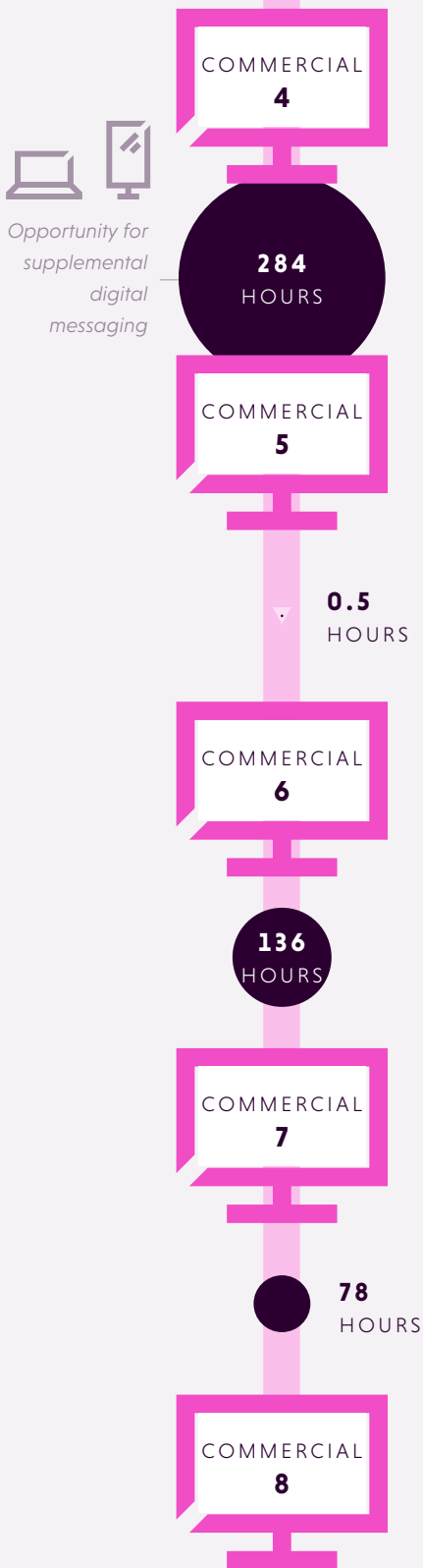
However, MiQ's analysis of recent TV Intelligence Tool data reveals that in many cases, there is a sizable lag between when people are exposed to ads, and when they see them again.

For example, data from 2020 and 2021 campaigns showed that there was often a four to-five day lag on average between successive impressions for audiences seeing more than one commercial. In a category where candidates have highly limited windows through which to establish their name ID and policy positions, that lack of recency can be detrimental. Plus, MIQ's analysis found that the average household consumes over 300 ads on TV alone during those four and five day gaps - meaning that candidates are fighting against both short memories and voters who have been overloaded with marketing messages overall.

AVERAGE TIME BETWEEN TWO SUCCESSIVE IMPRESSIONS FOR AN AVERAGE AMERICAN

- AVERAGE TIME BETWEEN TWO SUCCESSIVE IMPRESSIONS





Therefore, it's crucial for candidates to use digital platforms to fill in the blanks during these gaps, keeping their messages top of mind.

Another argument for a more diversified media approach is the fact that typically, most opposing candidates find themselves fighting with their opponents over media space and therefore the same TV audiences. MiQ's analysis found that in several key 2020 and 2021 races there was more than 63% overlap between competing campaigns on TV.

This dynamic screams for campaign managers to adopt alternative vehicles in order to go after different, less-saturated audiences using data designed to help them increase voting blocks.

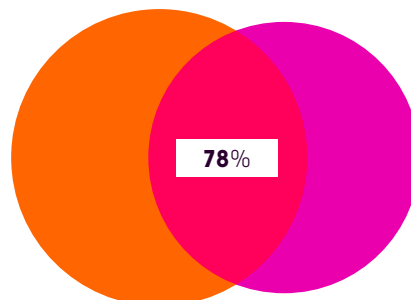
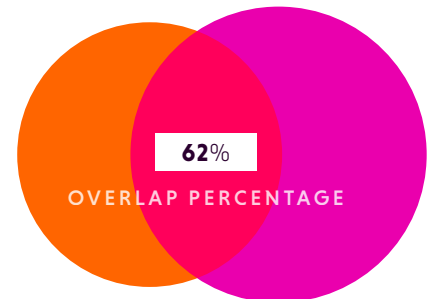
OVERLAPPING AUDIENCES ACROSS COMPETING POLITICAL CAMPAIGNS

UNIQUE AD CAMPAIGNS REPRESENTED TO AUDIENCE

- CANDIDATE 1
- CANDIDATE 2

GUBERNATORIAL RACE

MiQ Advanced TV

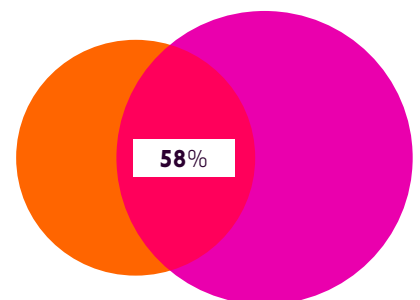


SENATE RACE

MiQ Advanced TV

CONGRESSIONAL RACE

MiQ Advanced TV



Source: MiQ Advanced TV Integration, Aug 2021 - Nov 2021

04 THE ROAD AHEAD

How political advertisers can increase reach and frequency to ensure they are reaching their target voters.

Modern political advertisers need the right combination of advertising tools, technology and data that will allow them to allocate their budgets more strategically upfront, and also help them manage messaging more effectively throughout a campaign. TV advertising no longer has to be a blunt weapon, but can be deployed in a far more scientific manner so that the right voters are reached with messages that will resonate at a frequency level that keeps these campaigns top of mind through Election Day.

MiQ's TV Intelligence tool blends accurate, real time TV ad delivery data

with a variety of digital signals. The platform was built through investments in strategic partnerships with Smart TV and Set-Top-Box companies, which provide smart TV viewership data from millions of fully-opted-in households covering every media market, demographic and socioeconomic group in the US.

The TV Intelligence dashboard ingests viewership data across linear and over-the-top TV - which is then matched with analytics from top political media databases allowing for more real-time advertising campaign management for candidates and causes. This gives

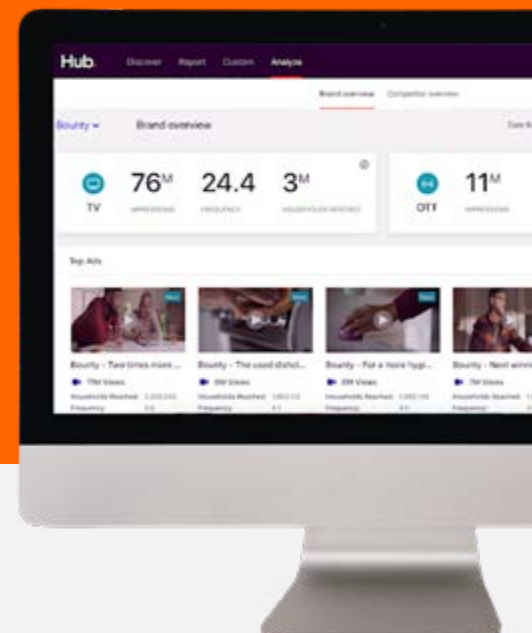
clients access to an always-on, live dashboard to manage ad frequency more effectively, optimize TV ad dollars with granular precision, and more consistently reach key target audiences across an entire media buy.

The power of the MiQ dashboard lies in the immediacy, and responsiveness it provides campaigns. The minute that an ad or piece of content is seen on the screen, that data is fed to MiQ, enabling advertisers to immediately target voters who have just been exposed to a message on TV via digital media.

Political advertisers use the MiQ TV Intelligence to:

- **Target voters who just watched a debate or candidate interview segment with digital ads.**
- **Conquest opponent's media buys to seamlessly adapt digital ad strategy in real-time.**
- **Identify voters who have seen a message too little or too much for more precise targeting.**

Instead of maintaining siloed media plans with individualized goals for different media vehicles, with MiQ's TV Intelligence Tool, campaigns can finally achieve an overarching media strategy that flows seamlessly between traditional and digital channels.





Please reach out to political2022@miqdigital.com to learn more.