

NBCUniversal

The Importance of **TV for Auto Manufacturers**



OCTOBER 2023



Today

GOAL

Demonstrate TV's Impact on
Brand Metrics & Sales for Auto OEMs

1

Overall: The State of TV

CONSUMPTION &
LINEAR'S IMPACT

2

Auto: TV's Impact on Key Marketing Metrics

DEMONSTRATED THROUGH
SPECIFIC CASES



In A World Where **Ad Fraud Is Rampant...**

“ ... the vast majority of those 800 new-to-TV advertisers continually increase their TV ad investments is because **TV doesn't produce or sell empty or unproductive impressions**”

Sean Cunningham,
PRESIDENT & CEO VAB

DID YOU KNOW?

People Are Still Watching And Engaging With TV



3 in 4

U.S. Adults watch
linear television
every week¹



25%

Of the day
is spent with linear²



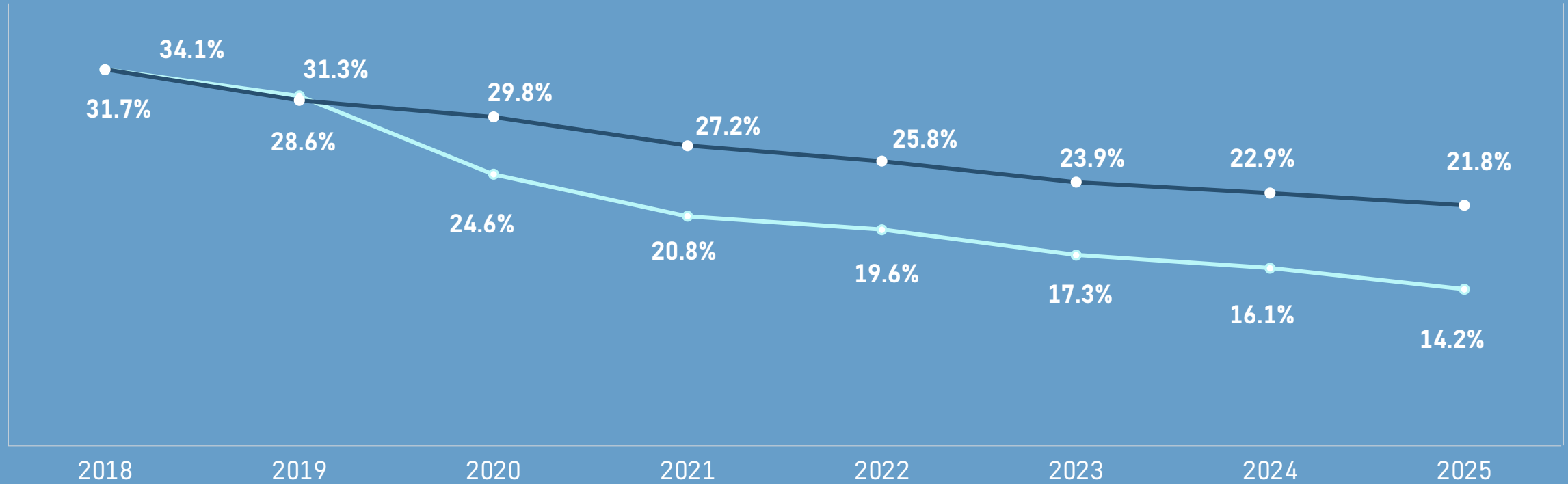
119M

Brand Searches
are generated by TV
advertising every week



YET, Ad Dollars Have Been Steadily Declining

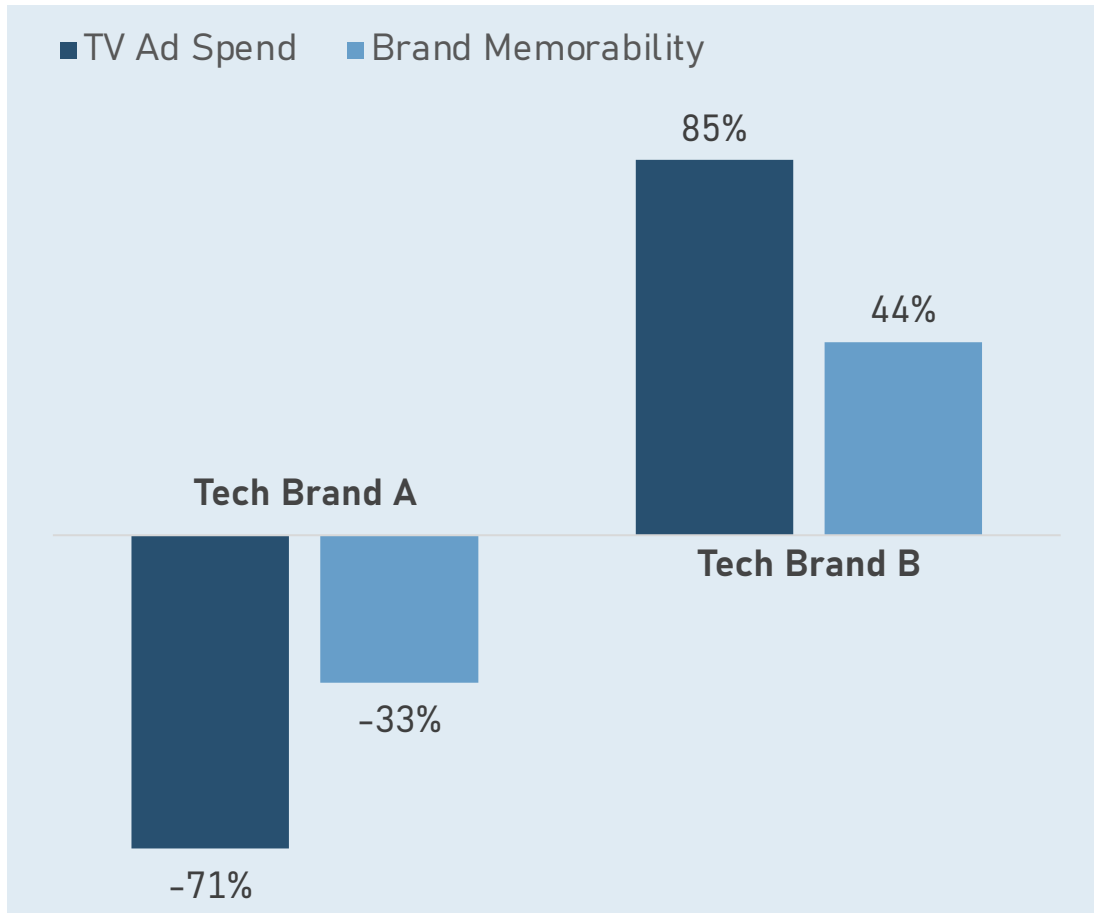
TV Share of Time Spent per Day with Media by US Adult vs
TV Share of Total US Ad Spending 2018-2025



Despite The Connection Between Spend & Impact

WHEN LINEAR SPENDING DECREASES, SO DO KEY BRAND METRICS & ROI

Change In Investment And Brand Health: Tech & Insurance Examples



Insurance Brand A

↓
-44%
Ad Dollars

↓
-18%
Ad Awareness

↓
-5%
Revenue

Insurance Brand B

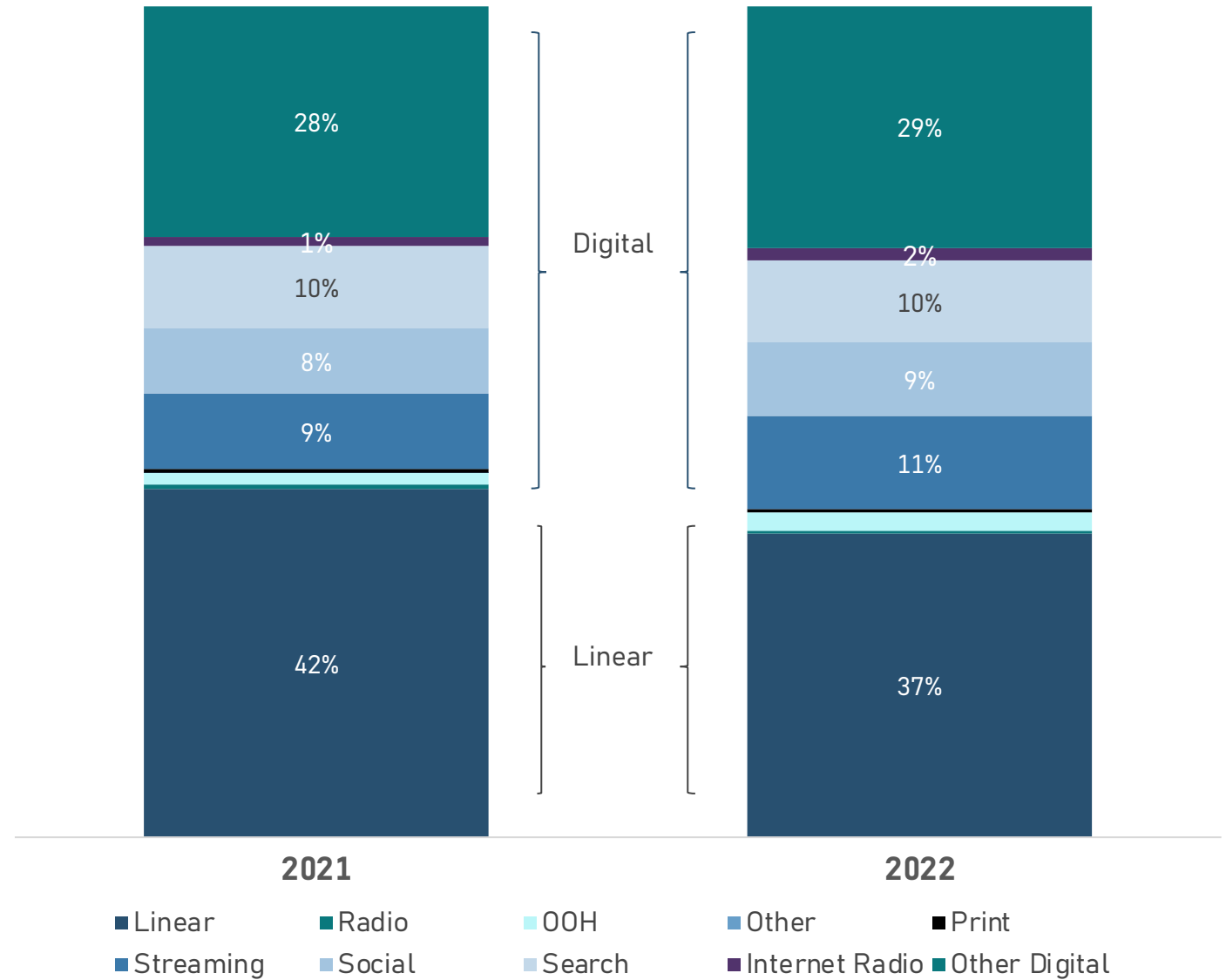
↑
4x
Ad Dollars

↑
+39%
Ad Awareness

↑
+20%
Revenue

Auto Is No Different

Linear share of spend declined 5pp in 2022 vs. 2021



Source: SMI Core 2.0, Motor Vehicles. Note: Streaming is composed of Pure Play – Video and TV Network – Digital. National TV is composed of Broadcast TV, Cable TV, Syndication, TV, Ad Sales House, and Other TV. Local TV is composed of Local/MSO Cable and Spot TV.

While It Being The Dominate Medium For New Launches

In EV launch campaigns >\$10m, video averaged

94% of total ad spend, and 84% was Linear

vs. <\$10M, where brands allocated on average 32% to video

Those brands sold ~22x more

vehicles vs. those that spent <\$10M

Average New Electric Vehicles Sold

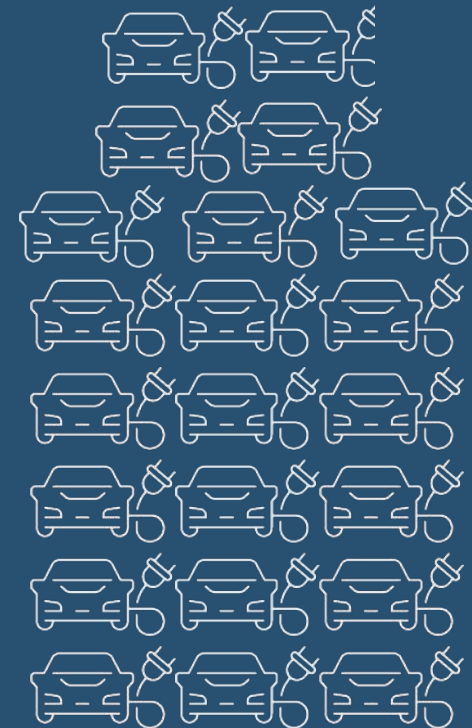
New Launches Only; First 6 Months Following Launch
1Q 2020 - 2Q 2022

200
vehicles



Launch Campaigns
Under \$10M

4,395
vehicles



Launch Campaigns
Over \$10M

Scale:  = 200 vehicles

Our Question
To Answer...

How Is TV Driving Sales?



Our Approach

OEMs Linear
TV Ad Investment &
Impact on KPIs



Role of Linear TV Reach
& Frequency on Auto
Brand Consideration



Planning
Recommendations



HOW IS TV DRIVING SALES?

Key Findings

WHAT WE SAW

WHY IT MATTERS

1

Strong Connection between Ad Awareness & Purchase Intent

The journey is longer & more complex

Time spent researching & shopping for a new car reached 14 hrs. 22 mins in 2022¹

2

Linear TV Builds Brand Familiarity & Drives Search

Consumer behavior is evolving

Auto pre-purchase behavior is starting 6+ months out from when the buyer decision journey begins², loyalty is wavering³, and younger audiences need convincing⁴

3

Linear TV Reach & Consistent Presence Impact Performance Against Funnel Metrics

The fight for attention is real

Potential buyers face a plethora of vehicle choice with ~55 new launches expected in 2024⁵

4

Balance Media Mix of Linear & Streaming Yields Optimal Reach

Plethora of screens to use

The avg U.S. HH had 22 connected devices in 2022⁴, yet an auto brand consistently reaches 80M consumers on TV each month (on average)

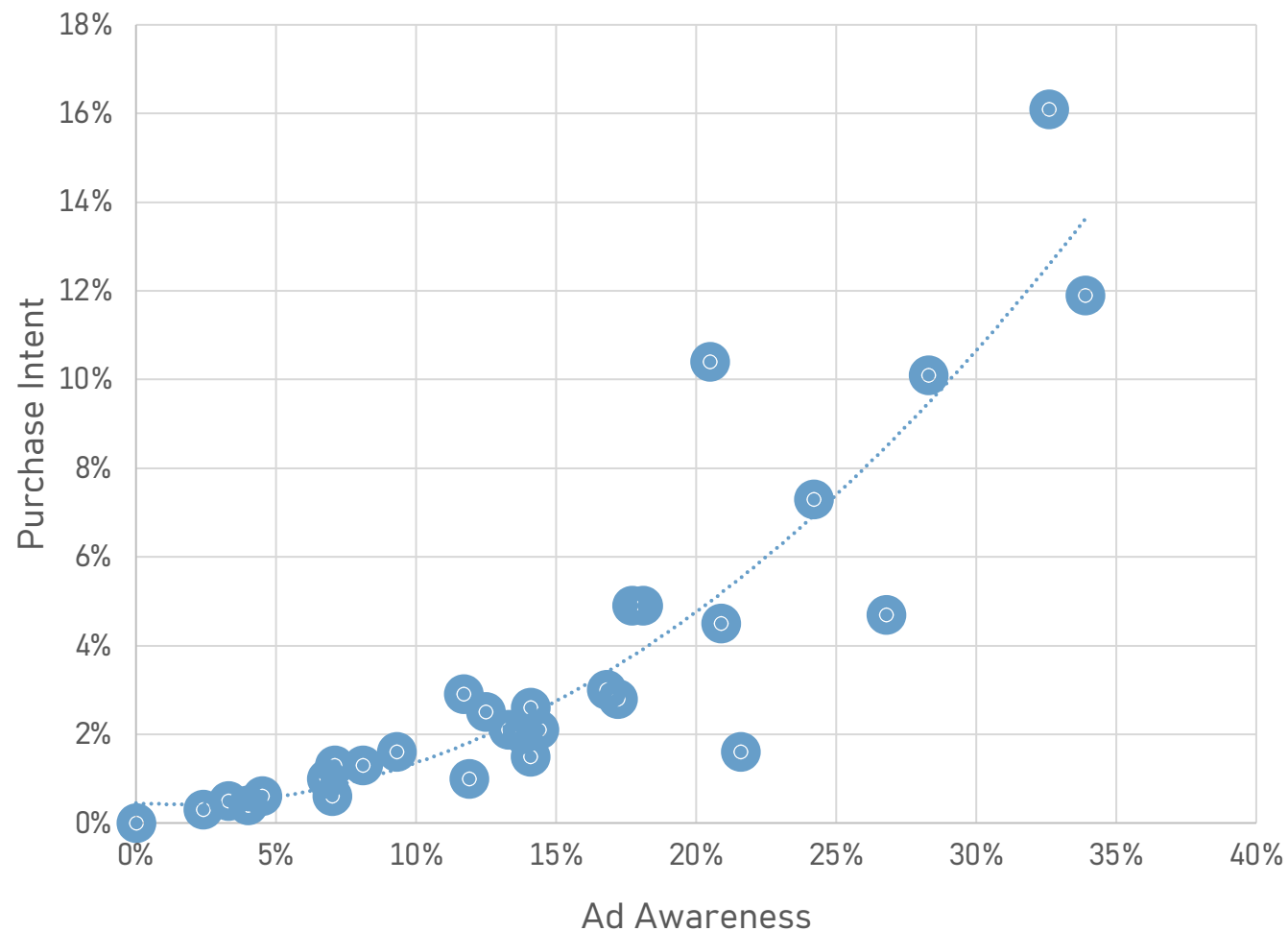
1

The More Aware Consumers Are Of A Brand's Ad, The More Likely They Are To Purchase

Strong connection between Ad Exposure and Purchase Intent among Auto Decision Makers

Ad Aware & Purchase Intent

P18+ AUTO DECISION MAKERS: 2022



2

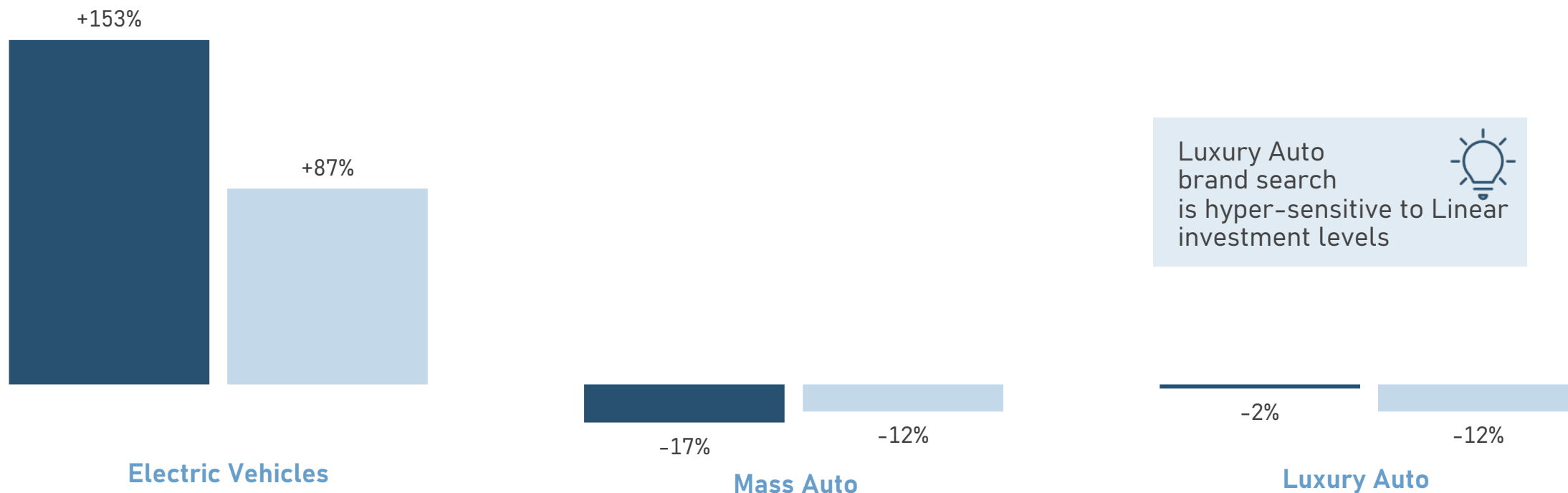
TELEVISIONS BUILDS

Brand Familiarity And Share Of Voice

Change In Linear TV Investment & Brand Search

2022 vs. 2021

- TV Ad Spend
- Brand Search (5 mins post Linear TV ad exposure)



Ad Dollars - Nielsen Ad Intel. Industry: Auto, Auto Access & Equip Linear TV Ad Spend. Excludes PSAs, Promos, Local Avails & DR. 2021 to 2022 (1/1-12/31). (a) EV Filtered by Brand Variant Name containing "EV". EL & SL Broadcast & Cable Networks. (b) Mass & Luxury = EL & SL Broadcast & Cable Networks. Brand Search = EDO Search Volume 2021 & 2022 (1/1-12/31). (a) EV = EVs by creative messaging. (b) Mass & Luxury by Make

2

TELEVISIONS BUILDS

Brand Familiarity And Share Of Voice, Especially for EVs

This is especially true for EVs, as linear TV ad spend investment needs to be competitive enough to impact metrics



Electric Vehicles

2022 vs. 2021

2.5x

Linear TV
Ad Spend

1.9x

Brand Search post
Linear TV ad exposure

Auto Brand

+\$18M

Linear TV Investment +4.1x YoY



+1.3x

Ad Memorability



+7.7x

Brand Search



3

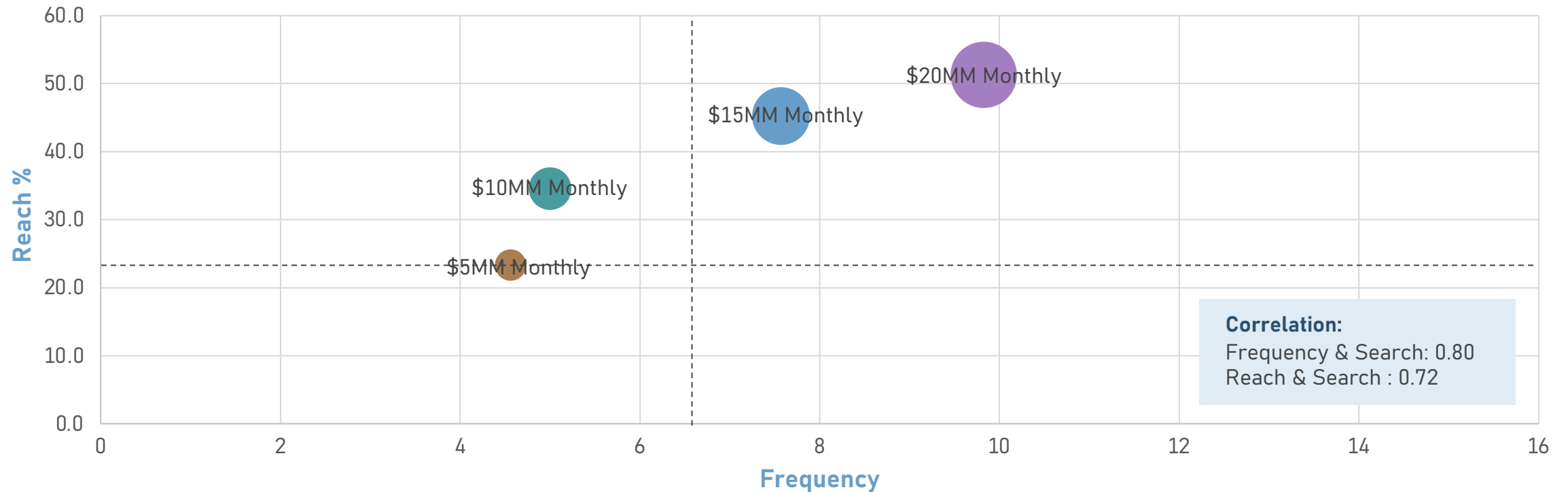
WITH HIGHER REACH & FREQUENCY LEVELS COMES

A Stronger Propensity In Auto Brand Search

Automotive Brands Average Monthly 2022 (1/1-12/31)

Ad Spend, P18+ Reach, Frequency & Search

Size of Bubble is Search Volume



3

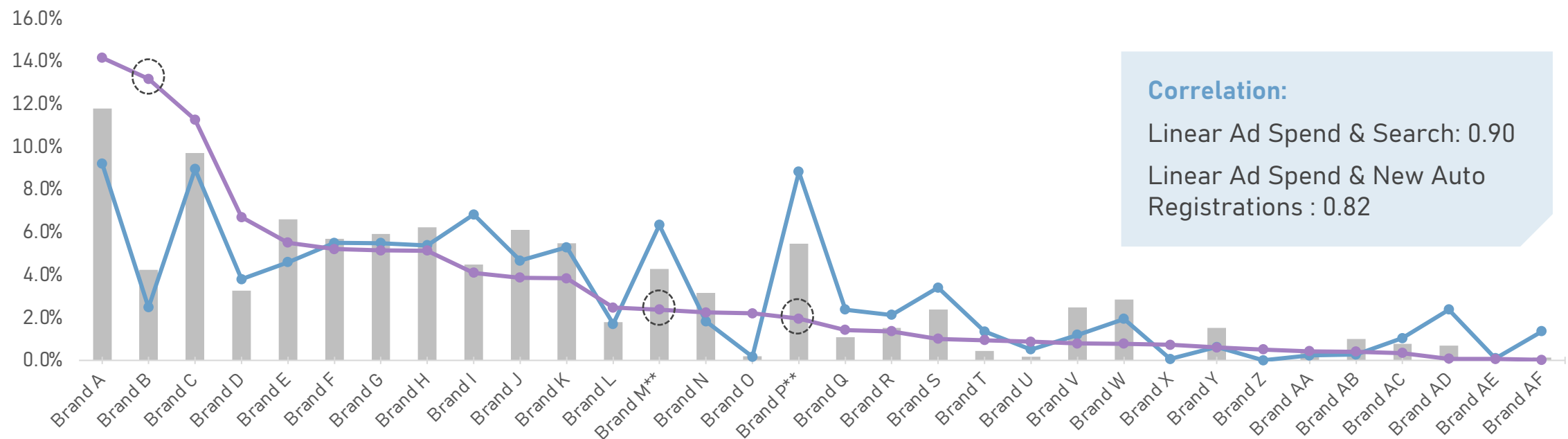
AND AN OVERALL

A Positive Correlation Between Share Of Linear TV Ad Spend, Share of Brand Search, & Share of New Registrations

Share of Linear TV Ad Spend, Share of Auto Brand Search & Share of New Auto Registrations

Full Year 2022 | Brands Shown in Descending Order Based on Share of New Auto Registrations

■ Share of Linear TV Ad Spend ● Share of Auto Brand Search ● Share of New Auto Registrations



**Supply Chain Issue

Source: Details in notes.

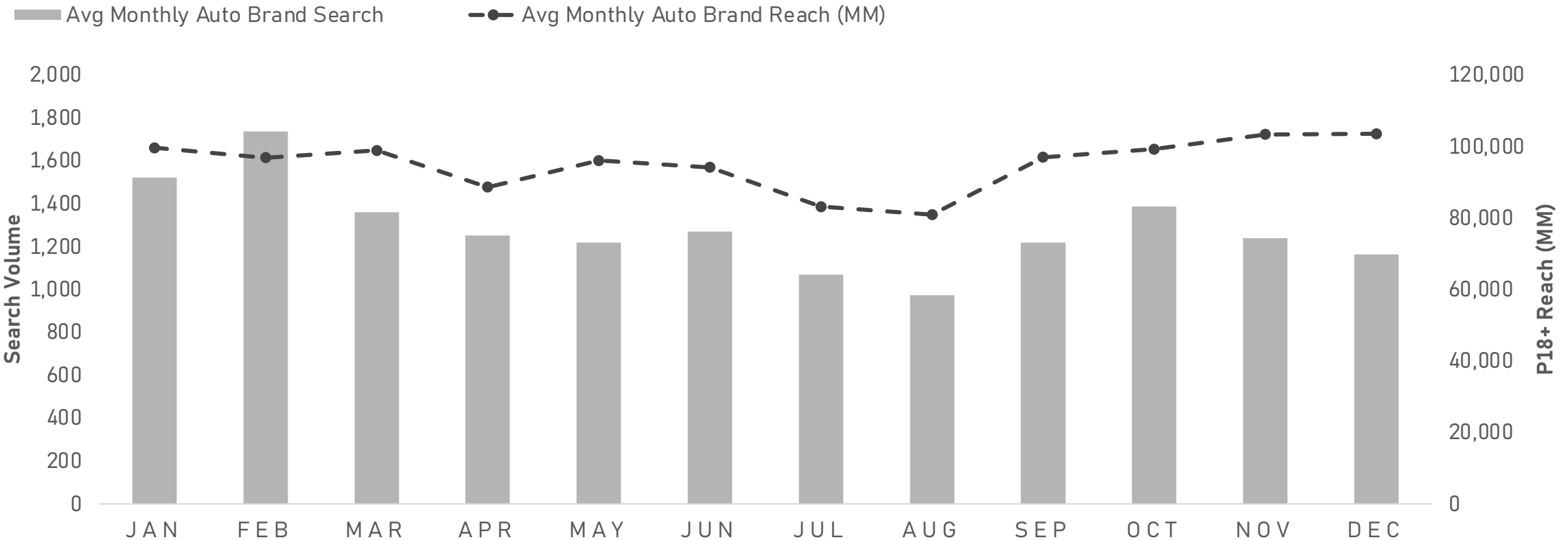
3

THE CORRELATION IS DRIVEN BY CONSISTENT PRESENCE ON TV

Brand Search Moves in Tandem with TV Campaign Reach

Auto brands consistently reach over 80M consumers on TV every month, creating a baseline

Auto Brands Average Monthly Reach to Brand Search



Source: (1) L5M TacticVision System - R/F Counter & Optimizer - Schedule Reach using Nielsen AMRLD. Live +3 data. Total Broadcast & Cable TV. Ad Intel By Subsidiary. Calendar Month 2022 (1/1-12/31). P18+ Reach & Frequency Average per Subsidiary. (2) EDO. Calendar Month 2022 (1/1-12/31). Luxury & Non-Luxury Auto Brands. (3) Nielsen Ad Intel. Passenger Cars-Factory: New & CPO. Average Spend per Month FY 2022.

4

DETERMINING THE OPTIMAL REACH FOR IMPACT REQUIRES

A Mix Of Linear TV & Streaming

Linear being the mass reach driver as a consistent base

P18+ Monthly Reach

Optimal Split
Linear | Streaming

■ Linear Incremental Reach (%)

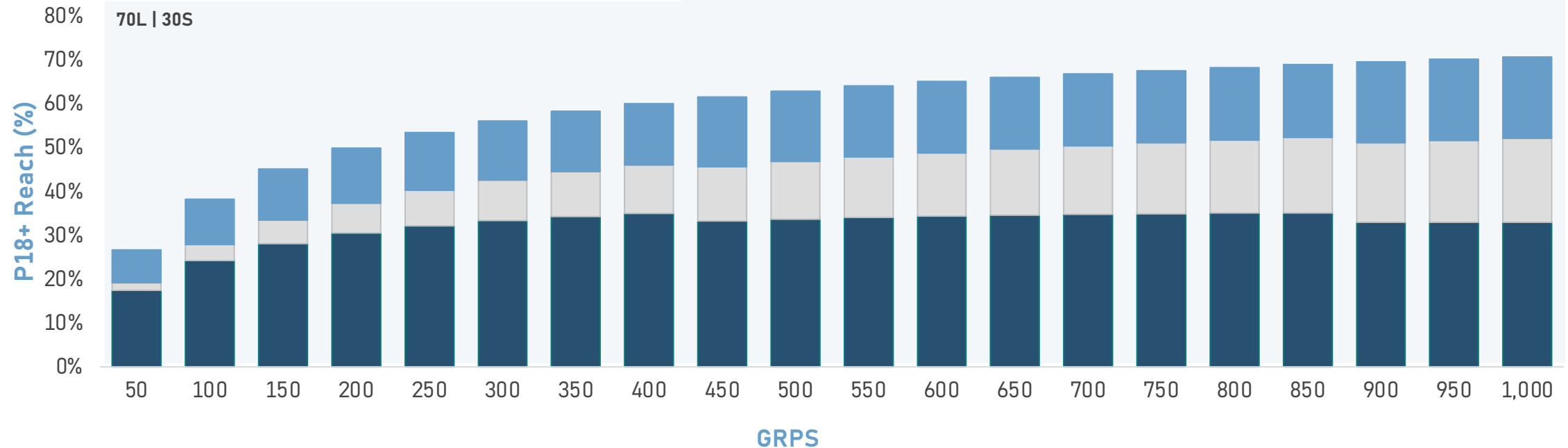
■ Overlap

■ Streaming Incremental Reach (%)

50L | 50S

60L | 40S

70L | 30S



HOW IS TV DRIVING SALES?

Key Implications

1

Strong Connection between
Ad Awareness & Purchase Intent

Stay Top of
Mind Through
the Journey

2

Linear TV
Builds Brand Familiarity & Drives Search

Impact
Pre-Journey
Behavior

3

Linear TV
Reach & Consistent Presence Impact
Performance Against Funnel Metrics

Maintain a
Consistent
Presence

4

A Media Mix of Linear & Streaming
Yields Optimal Reach

Reach All
Potential
Buyers

Diversify the Video Plan
with the optimal mix of
Linear TV & Streaming

To connect with your potential
buyers no matter their point
in the journey (pre & during) &
achieve your brand metrics

Partnering with NBCU

EVERYTHING DRIVES PERFORMANCE



RESULTING IN

Full Funnel Impact For Our Automotive Partners



BUSINESS OUTCOME

NBCU AUTO CAMPAIGNS – Test vs. Control

Brand

(Upper Funnel)

Brand
Familiarity
+5%

Brand
Favorability
+9%

Ad
Recall
+25%

Brand
Consideration
+15%

Performance

(Lower Funnel)

Search
Engagement
+58%

Purchase
Intent
+13%

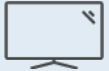
Site
Visitation
+20%

Foot
Traffic
+19%

Buy
Rate
+11%

AT NBCU

Everything Drives Performance



Linear

Generates search

7X

competitive ads needed to generate the same search impact as Linear campaign elements on NBCU¹

*Auto specific



Multiplatform

Generates more impact than single platform

+37% Ad Recall

+34% Brand favorability

+102% Consideration

+64% Recommendation vs. single platform²

*Auto specific



Premium Content

Outperforms Social/Video platforms

+26%
lift in ad recall

+10%
lift in purchase intent³



Commercial Innovation

Outperforms standard ads on key brand metrics

+19% Brand perceived to be leader in the category

+10% Brand perceived to be more relevant

+9% Ad more memorable
*vs. standard ads⁴



NBCUniversal

Thank You

QUESTIONS?

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AUGUST 2023

