



NBCUniversal



How DTC Brands are Reshaping the Media Landscape

JULY 2020

While established brands have existed for decades and have large, loyal customer bases, **emerging DTC brands are disrupting the marketplace through more direct relationships with customers and a focus on customer centricity.**

Many Myths Have Emerged About DTC Brands and their Path to Success...

Myth #1

DTC brands have mostly millennial customers

Myth #2

DTC brands only focus on sales

Myth #3

DTC brands only advertise on digital & social platforms

Fact

51%
of their consumers
are over 38 years old

Fact

For Brand Objectives, **Customer Satisfaction (40%)** beats **Acquisition (29%)**, Leads (31%), and Loyalty (30%)

Fact

42% of Brands advertised primarily on TV in Q1'20, spending **\$2.0B**, up +16% vs. Q1'19



Some Keys to Their Success

DTC Success has Been Driven by Fulfilling Consumer Needs

Simplify
the buying process

Provide transparency
on fees and other
business practices

Eliminate barriers
to entry by removing
or lowering fees

Provide value
without
compromising quality

Enable self-expression
by sharing
consumer values

Casper

EVERLANE

venmo

WARBY PARKER

Glossier.



Slice



BONOBOS

Lemonade



metromile



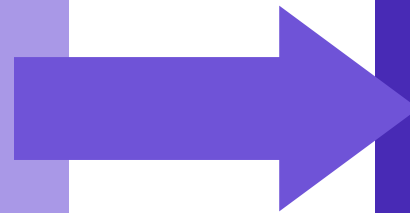
Shopping goes **beyond utilitarian purposes**.
It is **tied to meeting needs** and **connecting with values**.

DTC Will Continue to Grow Share of Wallet

TODAY

48%

of consumers purchase
DTC brands today



IN FIVE YEARS

~67%

of consumers expect that 20% or more
of their total purchases will be through
DTC brands



The DTC Approach Has Flipped the Funnel...

DTC BRANDS

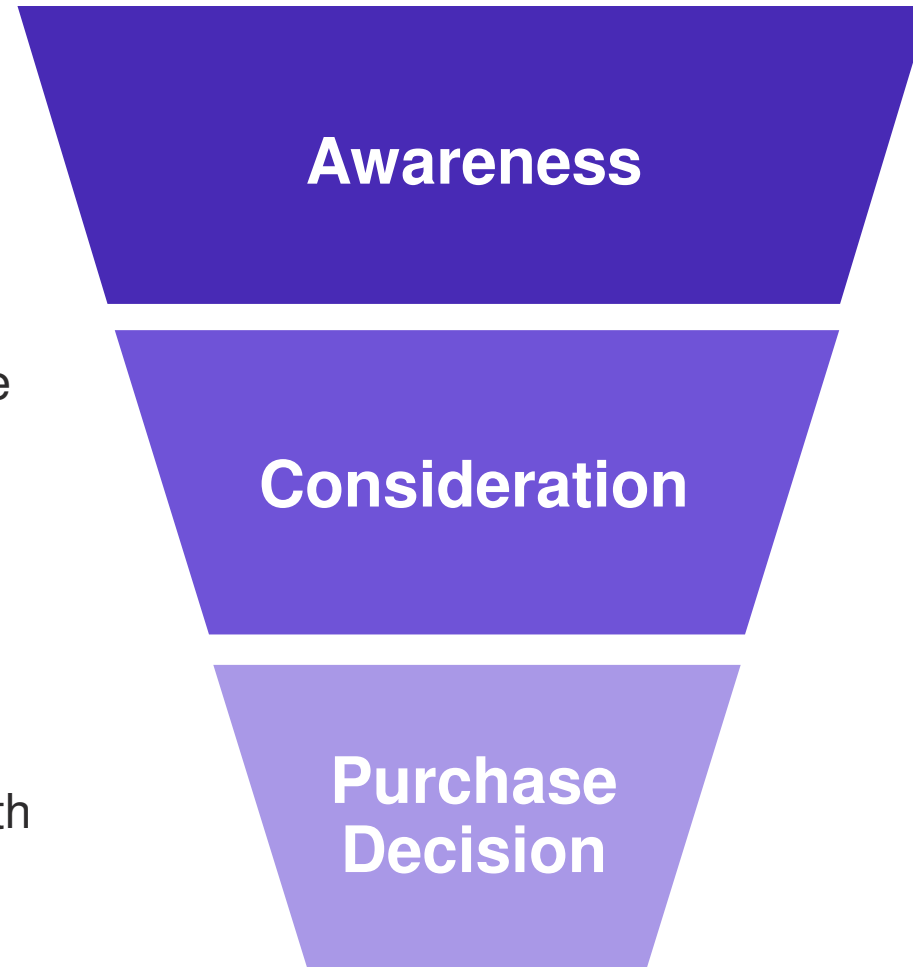
 PELOTON  wayfair  Casper

2.

In order to get the scale they need to grow, broader touchpoints, like TV, become a part of their media mix

1.

Brands often launch with lower funnel tactics like Social and Digital



ESTABLISHED BRANDS

1.

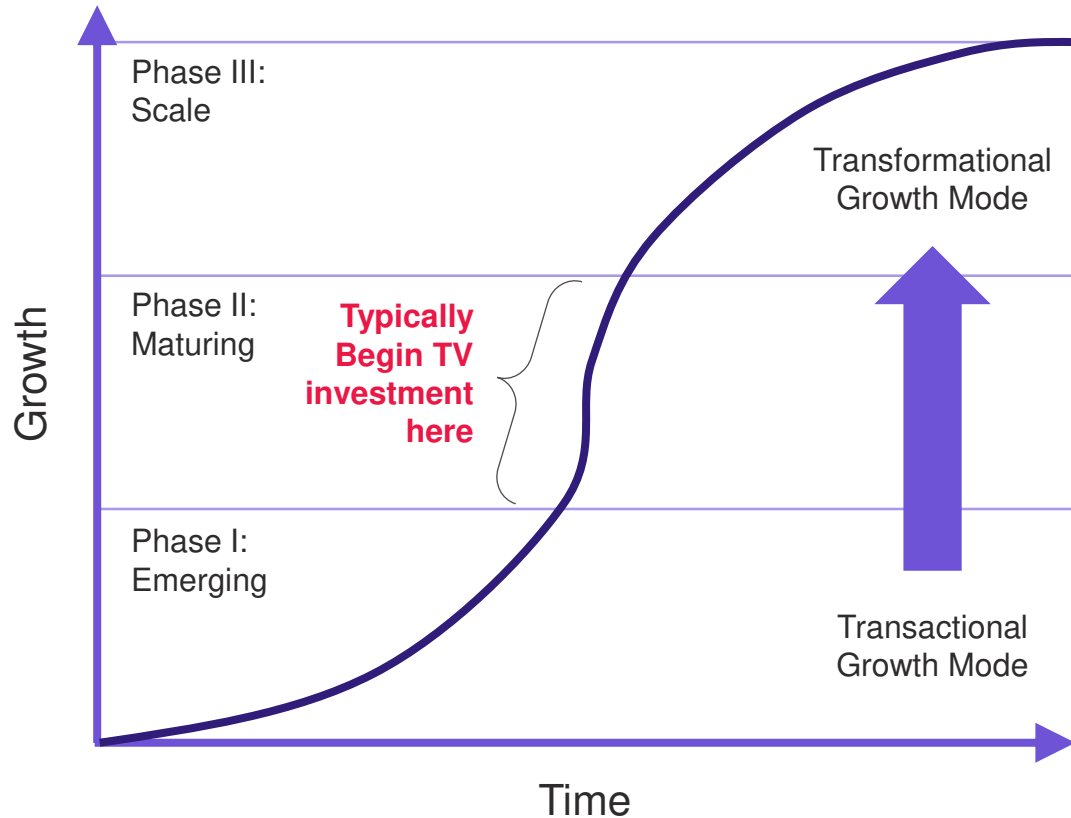
Brands “fill the funnel” with broad, awareness driving tactics

2.

More targeted methods are then used to drive consideration and purchase decision



The Shift to TV Begins when the Brands Start to Mature...



... And Continues to Drive Impact at Scale

2019

178 brands spent an estimated \$2.61 billion on television commercials, a 13.43% increase in spend from 2018

2020

Many brands entered TV in Q2 to capture marketplace demand due to COVID



TV Spending Drives DTC Brand Impact

41%

of consumers discover
“disruptor” brands through
TV advertising

+83%

in search queries when
emerging DTC brands
increased TV spend

30%

of consumers bought
a DTC product after
seeing a TV ad



Partnering with NBCU

NBCU Brings the Knowledge of a Diversified Portfolio of DTC Brand Partnerships

spindrift



talkspace

chewy.com

Calm

ROTHY'S

MeUndies

acorns
Invest the Change

MASTERCLASS

TheRealReal
AUTHENTICATED LUXURY CONSIGNMENT

WARBY PARKER



DOLLAR SHAVE CLUB



DAILY HARVEST

QUIP

Casper

THIRDLOVE

billie

wayfair



GOLDEN HIPPO

ZOLA

ZipRecruiter

Hippo

STITCH FIX

chime



GRUBHUB

ELYSIUM

minted.



SQUARESPACE

fabfitfun

headspace

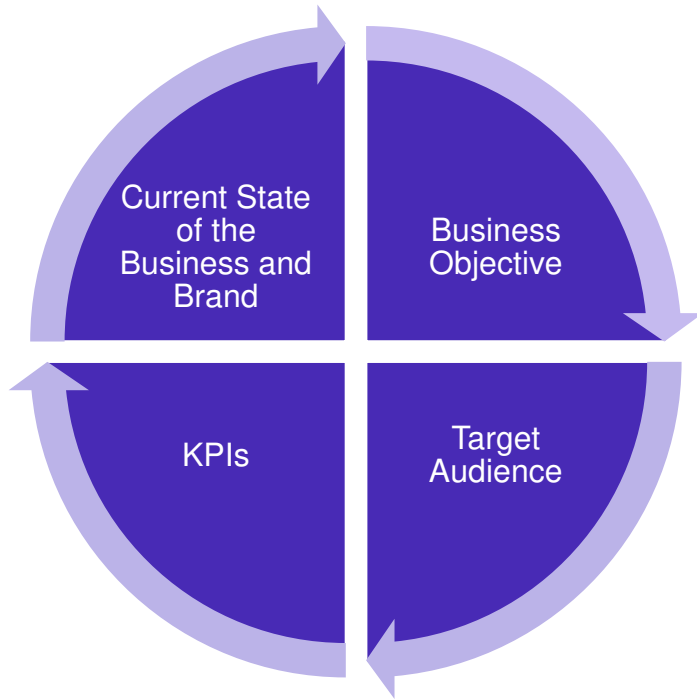
Square

NBCUniversal

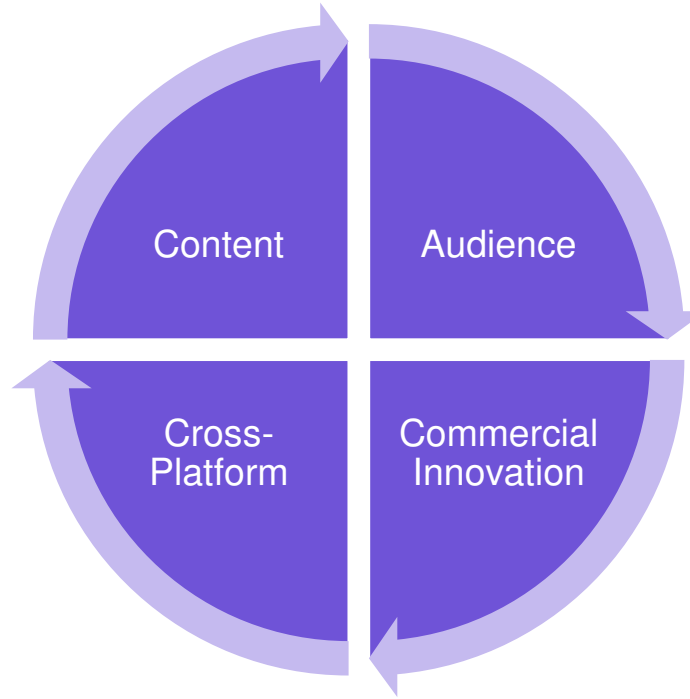


Working with Both Established and DTC Brands Helps Us with Future Solutions for Our Partners

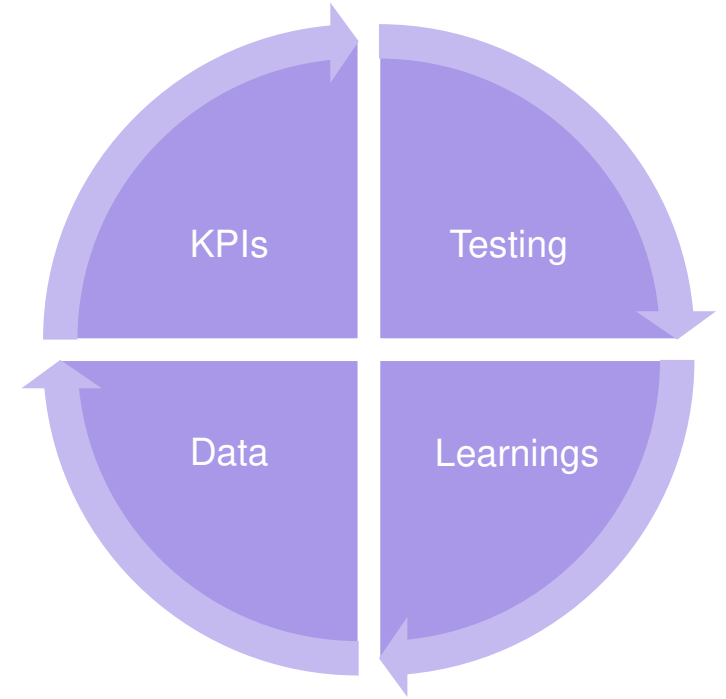
1. Needs Assessment



2. One Platform Strategy & Solutions



3. Planning & Measurement



NBCUniversal



sky

peacock

GLOBAL NEWS
network

COMCAST



COMCAST SPECTACOR

COMCAST BUSINESS

xfinity



LOCAL NEWS

NBCUniversal
Owned Television Stations



TV DISTRIBUTION



THE KELLY CLARKSON SHOW

ACCESS/★

FILMS



ILLUMINATION ENTERTAINMENT

FOCUS FEATURES



PARKS



These NBCU One Platform Solutions Deliver DTC Impact

Awareness

Our 211M P18+ monthly reach drives higher awareness than any other platform

Brand Lift
+170%

Consideration

Consumers actively connect with brands and that sparks consideration

Site Visitation Lift
+21%

App Usage Lift
+30%

Purchase Decision















Consumers then decide to make the purchase...

Registration Lift
+36%

NBCU's Full-Funnel Measurement Partners Across All Platforms

Best Providers by Category

Brand impact, site traffic, & foot traffic partners the same across brands; sales impact partners selected from the best available per category

	Auto	CPG	Finance	Insurance	Healthcare & Pharma	Movie Studios	QSR & Food Services	Retail	Wireless	
Brand Impact	   									
Site Traffic	  									
Foot Traffic	   									
Sales Impact		  	  <p>Nielsen Buyer Insights</p>			  <p>Nielsen Buyer Insights</p>	 	  <p>Nielsen Buyer Insights</p>		
1st Party										

Let's work together
to drive impact for your brand.

Our journey starts here.



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