loopMe™

Brand Building in the Post-TV Era:

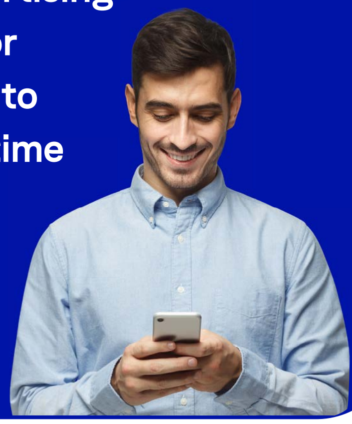
Unlocking Growth Amidst Uncertainty & Change

Table of Contents:

1. Introduction

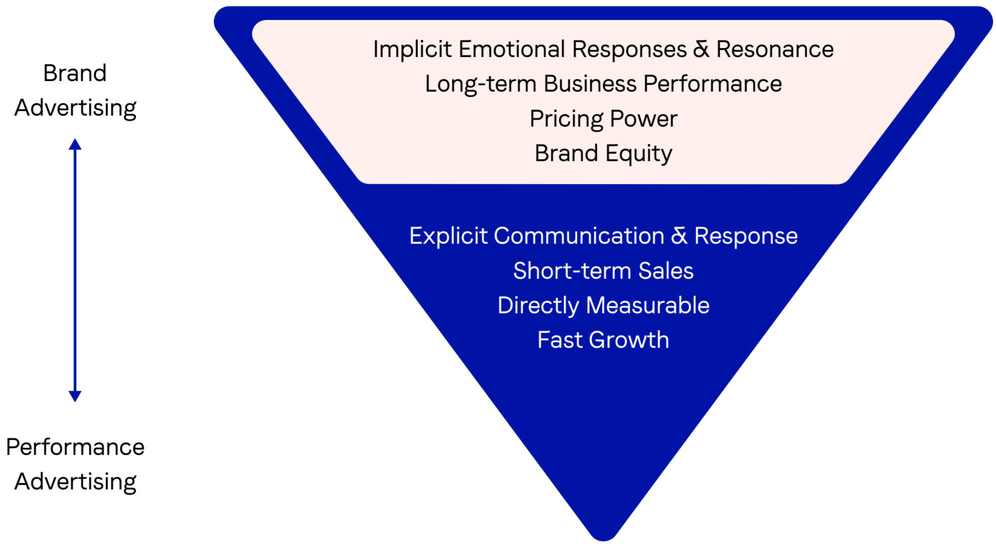
Brand advertising is the most important investment a brand can make for its future growth, and television has long been the dominant advertising medium for brand building. Celebrated for its broad reach and effectiveness in establishing long-term brand loyalty and sales, the rapid decline of TV viewing is putting the future of brand advertising in crisis.

Brand advertising is critical for businesses to grow over time



Brand advertisers now face a media landscape marked by audience fragmentation, walled garden opacity, shifting consumer habits, and intensified competition, with less attention to go around than ever before.

This paper explores these shifting dynamics and the implications for brands, while underscoring the importance of long-term brand advertising for sustained business growth. As TV declines and attention fragments, data shows that not all digital impressions are created equal. To be successful marketers will need to embrace new strategies to maintain relevance and brand performance in a digital-first world.



2. Why Brand Advertising Matters

Effective brand advertising drives sustained business growth and long-term ROI, cultivating consumer loyalty and competitive differentiation. Campaigns prioritizing brand-building metrics such as awareness and consideration generate direct benefits in sales and long-term profitability.

According to Nielsen's 2024 Annual Marketing Report, a 1-point increase in brand metrics like awareness and consideration correlates with an average 1% increase in sales, highlighting the direct financial impact of brand equity.

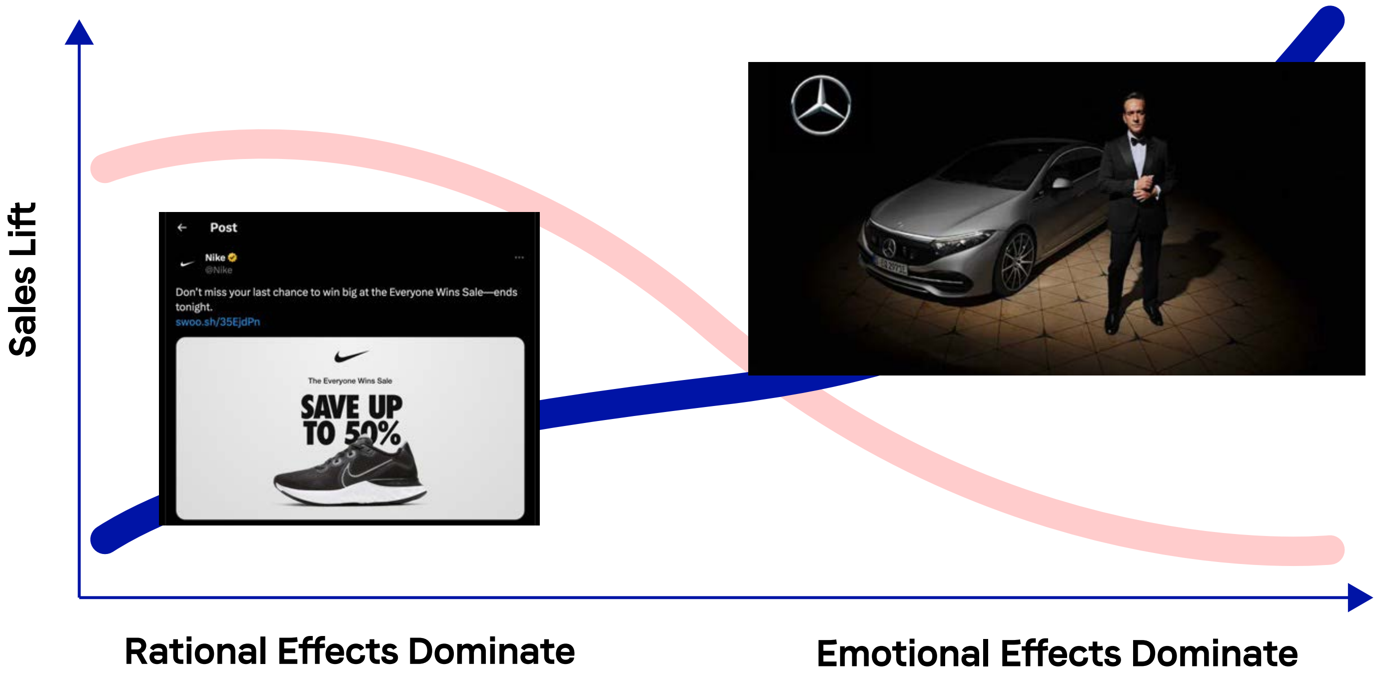
For every 1-point gain in brand metrics such as awareness and consideration, brands will see on average a 1% increase in sales

Source: Nielsen, Annual Marketing Report 2024

3. How Emotions Lead to Revenue Growth

Rational Messaging = Short-term sales uplift. No long-term increase in sales or reduction in price sensitivity.

Emotional Priming = Long-term volume increase & reduced price sensitivity.



Source: IPA, "The Long and the Short of It"

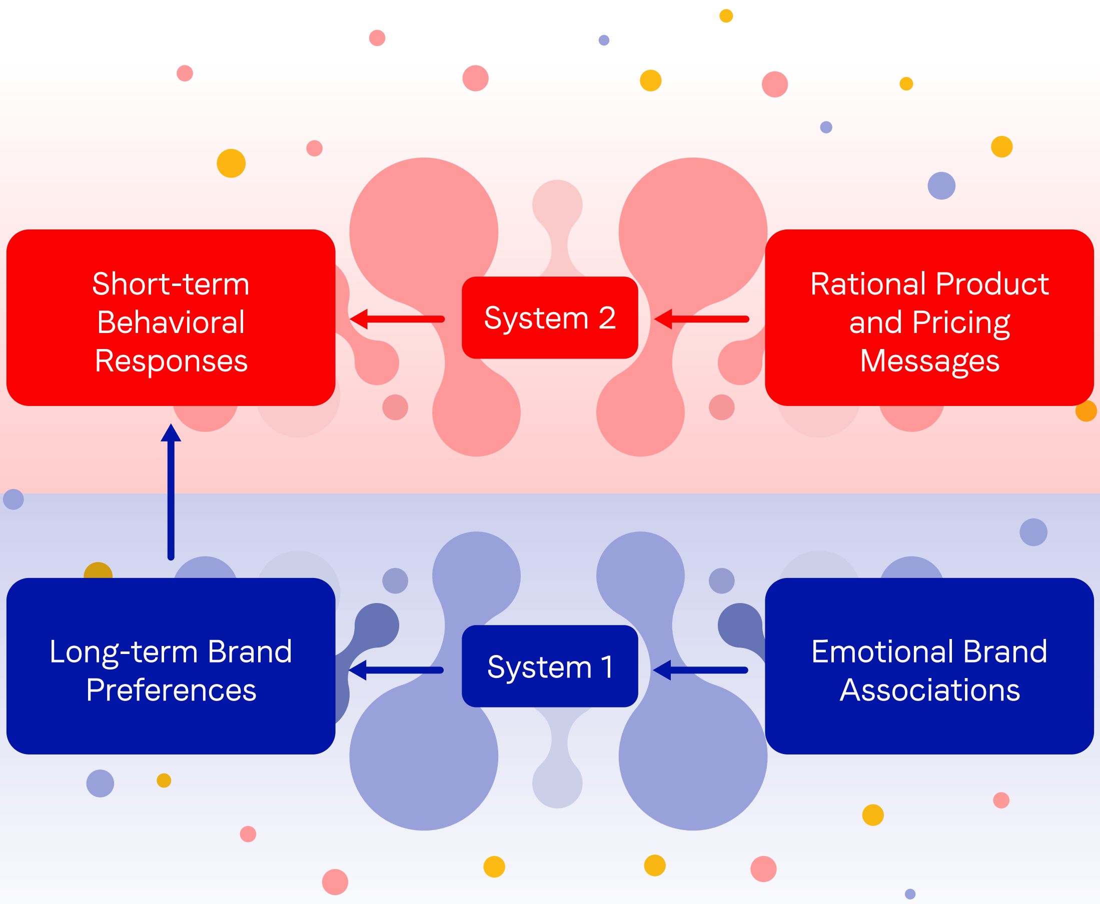
The process of brand building begins with emotions. Research consistently shows that the connection between an advertisement and the feelings it elicits leave a lasting and valuable impression.

This occurs through a process of repeated "emotional priming," which helps to create deep, long-lasting connections between brands and consumers, influencing their purchasing behavior over time and reducing their price sensitivity.

Alternatively, rational messaging, which is typically found in performance advertisements, drives short-term sales uplift but does not significantly contribute to long-term revenue growth, increased profit, or reduced price sensitivity.

This can be attributed to the concept of "cognitive ease," introduced by Nobel Prize-winning psychologist Daniel Kahneman, detailing why familiar, emotionally resonant brands are more memorable and appealing. His research and descriptions of "System 1" thinking (intuitive, emotion-driven) have been shown to be what predominantly shape brand preferences.

"System 2" thinking (rational, analytical, price driven), on the other hand, is what supports short-term and rational buying choices. However, even purchase decisions driven by System 2 will still tap into System 1 memories and heuristics to help make those decisions easier and less cognitively challenging, highlighting the need for brand advertising that develops emotional connections for both long-term and short-term marketing efforts.



Kahneman's model for human decision making applied to purchase decisions

CASE STUDY

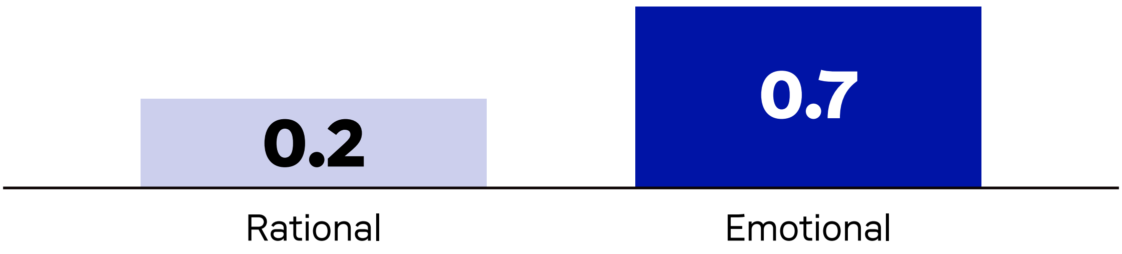
Netflix's Shift from Performance Ads to Brand Storytelling

Netflix, initially known for its reliance on performance marketing (paid search, social ads), has pivoted toward brand storytelling as a long-term growth strategy. The company's 'One Story Away' campaign emphasized the emotional connection between consumers and Netflix's vast content library, shifting away from pure subscriber-acquisition tactics.

By investing in branded content and leveraging organic word-of-mouth marketing, Netflix strengthened its brand affinity, reduced subscriber churn, and built lasting emotional resonance with audiences. This approach highlights the power of brand advertising in creating sustainable growth beyond immediate conversions.

Advertising that stimulates emotions drives more effectiveness and works harder for brands

Ad Impact on Long-term Sales Growth



Source: IPA, "The Long and the Short of It"

4. Balancing Brand and Performance Advertising with the 60/40 Split

Research has shown that for most brands, the optimal split between brand and performance advertising investments is 60% brand and 40% performance. Maintaining this balance between brand and performance advertising is essential in today's fragmented and attention-starved landscape.

According to Nielsen, 70% of marketers said that they intended to shift their investments toward more performance marketing, responding to the need for immediate returns. However, this over-reliance on performance marketing at the expense of brand advertising can seriously impact long-term brand health and sales, with the revenue uplift from performance advertising quickly diminishing, leaving no lasting impression for future customers who are not immediately in-market for the product or service.

Reductions on brand advertising will have negative impacts over time

Average Impact of Reduction of Brand Advertising Spend

Lower total shareholder return	Lower sales growth
-6 pp	**-13 pp**
Lower market share	Weaker full-funnel conversion & brand health
-0.8 pp	**-18 pp**

Boston Consulting Group & Analytic Partners, 2022-2023

CASE STUDY

Cautionary Tale: Nike's Struggle with Direct-to-Consumer Shift

Nike's shift to a Direct-to-Consumer (DTC) model was intended to increase margins and build direct relationships with consumers. However, this transition also had unintended consequences, including an over-reliance on discounting, dilution of brand exclusivity, and increased competition from emerging brands like Hoka and On Running.

By moving away from key retail partners like Foot Locker and Macy's, Nike reduced brand exposure in high-traffic shopping environments. Additionally, increased discounting on Nike's e-commerce platforms weakened the brand's premium positioning, leading to concerns about long-term brand equity. This case demonstrates the risks of prioritizing short-term efficiency over sustained brand desirability.

5. The Risks of Reducing Brand Advertising During Downturns & Uncertainty

During economic downturns, the risk from cutting brand advertising dollars is even more acute. Historical data from recent economic downturns and crises paint a grim picture for brands forced to pull back on brand advertising.

Alternatively, brands that have maintained or increased brand investments during downturns have significantly boosted their long-term market share and profitability.

- **Brands that increase media investment during recessions typically see incremental sales rise by 17%, while cutting back risks losing as much as 15% of business to competitors who continue to advertise.**
- **Brands that decrease advertising during recessions consistently showed the lowest market share growth, whereas maintaining or increasing spending resulted in market share gains of 1% to 1.6%.**

Source: Analytic Partners, ROI Genome Report 2022

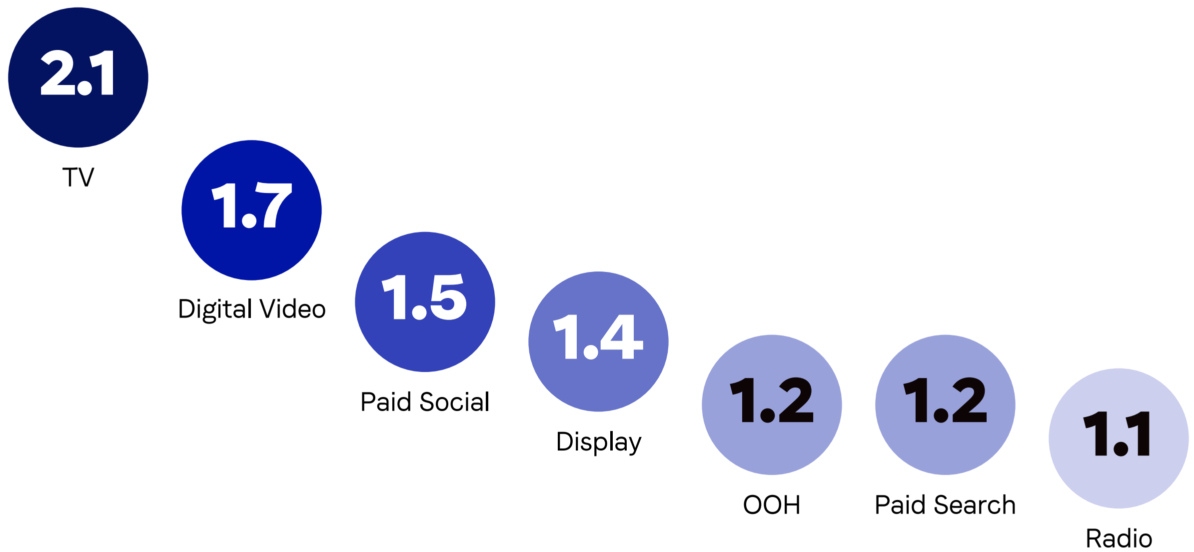
6. The Challenge of Declining TV Viewership on Brand Advertising

Television has traditionally provided the highest ROI for brand-building, with brand effects multipliers greater than any other media category. Its ability to also command viewer attention, twice the attentive seconds per thousand impressions compared to digital, further underscores its unique role in effective brand building and advertising effectiveness.

As traditional TV viewership declines–by over 40% in the past decade–brand advertisers now face the ongoing challenge of reaching audiences in a fragmented digital ecosystem. While digital video and CTV offer flexibility, they often struggle to replicate TV's historical impact and reach.

This means that non-TV media like web, mobile and social media need to work much harder for brand advertising, creating more cost, more inefficiency, while potentially negatively impacting a brand's future growth.

Long Term Brand Affects ROI Multipliers



Nielsen, Annual Marketing Report 2024

7. The Future of Brand Advertising: Adapting Tactics in a Post-TV Landscape

While TV's decline is accelerating, the critical importance of brand advertising for long-term growth is only becoming more important; so, what options do brands have in a post-TV world?

Smart brand marketers know that emerging platforms like mobile apps, and new AI tools like AI-powered brand audiences, pre-bid signals, and outcomes agents are becoming essential for modern advertisers and will only be more prevalent in the future.

These new AI agent solutions enable brands to engage target audiences at scale while ensuring delivery across the ad placements best suited for specific brand outcomes, reducing waste and low-probability engagements.

LoopMe's AI Agent Solutions for brands

Brand Audiences:
Tap into direct consumer sentiment and AI modeling to precisely target intent and mindset-driven audiences beyond basic demographics

Pre-bid Signals:
Brand-trained predictive models strategically prioritize impressions and remove unwanted waste before you bid in real-time

Brand Outcome Agents:
Adaptive real-time AI replaces traditional reach & frequency by optimizing toward truly incremental outcomes like increases in awareness, consideration and purchase intent

8. Conclusion

Brand advertising is the most important investment a brand can make for its future growth. As media consumption shifts away from TV, brands must balance classic brand-building principles with innovative new technologies like AI to ensure their long-term growth and consumer loyalty.

In the post-TV landscape, brands cannot afford to pull back or shift solely to a lower-funnel media and advertising strategy. Instead, they must embrace AI and data-driven strategies to maintain their relevance, share of wallet, and most importantly, to replicate TV's lost effectiveness.

The new fundamentals of brand media buying–brand audiences, brand pre-bid signals, and real-time brand uplift optimization–will enable advertisers who embrace the future of brand advertising to thrive in the new digital-first and app-driven ecosystem. While those who do not will likely see their businesses shrink and their customers move on.

9. References & Sources

Analytic Partners. (2022). ROI Genome Report: How to Win in a Recession. Analytic Partners.

Andjelic, A. (2020). Nike's Shift to Direct-to-Consumer Strategy with Personalization. Harvard Business Review.

Boston Consulting Group. (2023). Don't Cut Your Brand-Marketing Budget. Rethink It. BCG.

Ehrenberg-Bass Institute. (2018). Marketing Science Insights. Ehrenberg-Bass Institute.

eMarketer. (2024). TV Viewing Statistics. eMarketer.

Field, P. (2025). Five Charts to End the TV Debate. ThinkTV New Zealand.

Fox, Wharton Neuroscience Initiative. (2024). Media Drivers of Brand Attraction: Predicting Platform & Content Impact on Sales Lift. Wharton Neuroscience Initiative.

IPA. (2013). The Long and the Short of It: Balancing Short and Long-Term Marketing Strategies (L. Binet & P. Field). Institute of Practitioners in Advertising.

Kahneman, D. (2013). Thinking, Fast and Slow. Farrar, Straus and Giroux.

Keller, K. L., & Swaminathan, V. (2019). Strategic Brand Management: Building, Measuring, and Managing Brand Equity (5th ed.). Pearson.

LoopMe. (2023). Internal Analytics: Campaigns Between January 2023 – February 2024.

LoopMe. (2024). 30th Anniversary of Banner Ads: Consumer Survey, Q4 2024.

LoopMe. (2024). PurchaseLoop Audiences Overview. LoopMe.

Lumen & Ebiquity. (2024). Maximising Profit Through Attention. Ebiquity and Lumen Research.

Meta. (2022). Meta Horizon Workrooms Launch and Vision for Future Brand Experiences. Meta Newsroom.

Nielsen. (2024). Annual Marketing Report. Nielsen.