

2020 POLITICAL SPENDING PROJECTIONS

Broadcast. Cable. Radio. Digital Video.

2020 is on track to shatter political spending records. When Michael Bloomberg entered the presidential primary, it seemed spending would blow past our initially projected \$6B figure. Then Coronavirus struck and the question has become, "How will this affect the political landscape in 2020?" In consideration of the current political environment, we have updated our projections model.

Despite an almost nation-wide lockdown, we maintain a bullish outlook on the 2020 cycle and have increased our 2020 political spending estimate by 12% to a total of **\$6.7B**. This is due to historic levels of primary spending, record-breaking fundraising, the lack of face-to-face campaigning driving higher shares of budgets to paid media, and increased levels of insight into digital video spending.

MAY 2020



POLITICAL SPENDING PROJECTIONS

CYCLE COMPARISON

- So far, a cumulative **\$2.19B** has been spent during the 2020 cycle
- This is over **\$1B** more than what was spent at this point in 2016 and 2018
- Excluding Bloomberg, the **\$1.58B** spent so far is nearly 2x that of any other cycle
- In 2016 and 2018, **54%** of the cycle's total cash was spent in the final 10 weeks
- **\$443M** has already been reserved for the fall of 2020

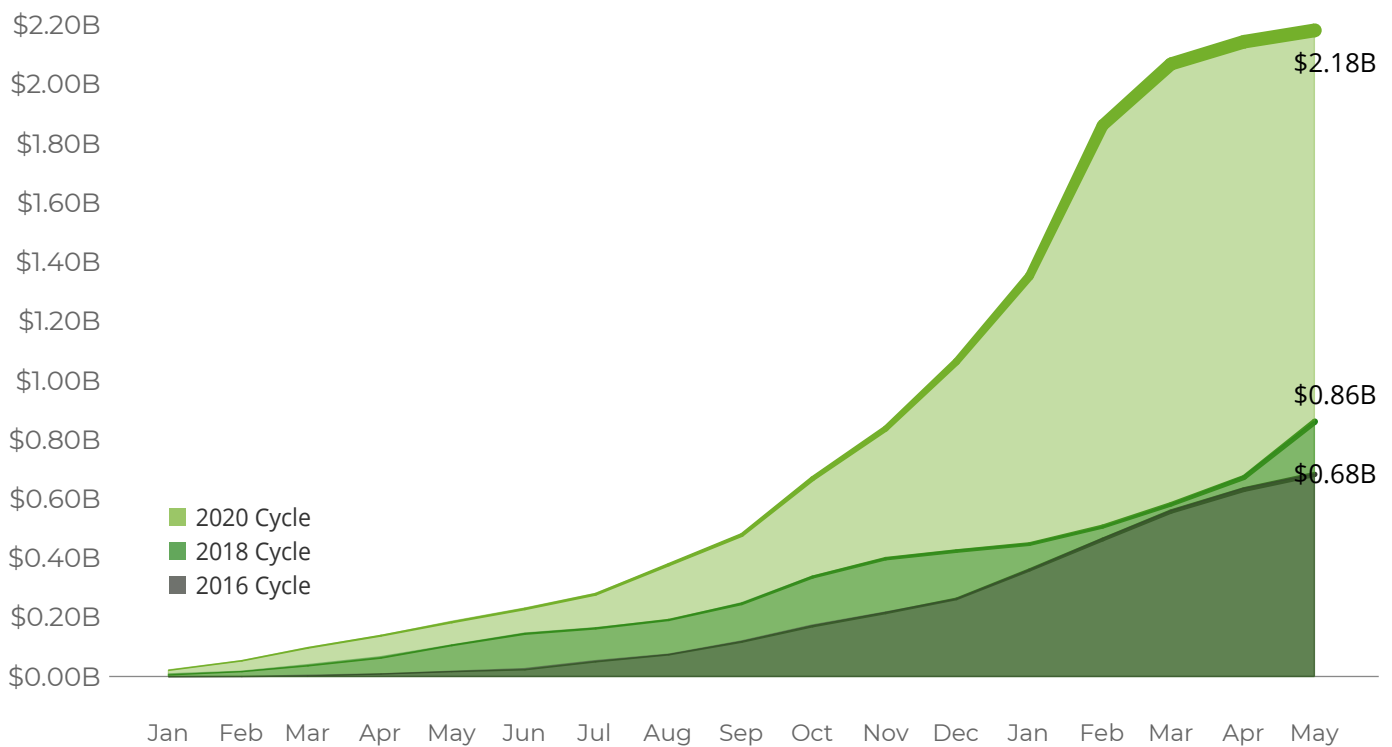


Figure 1 Spending Comparison by Cycle

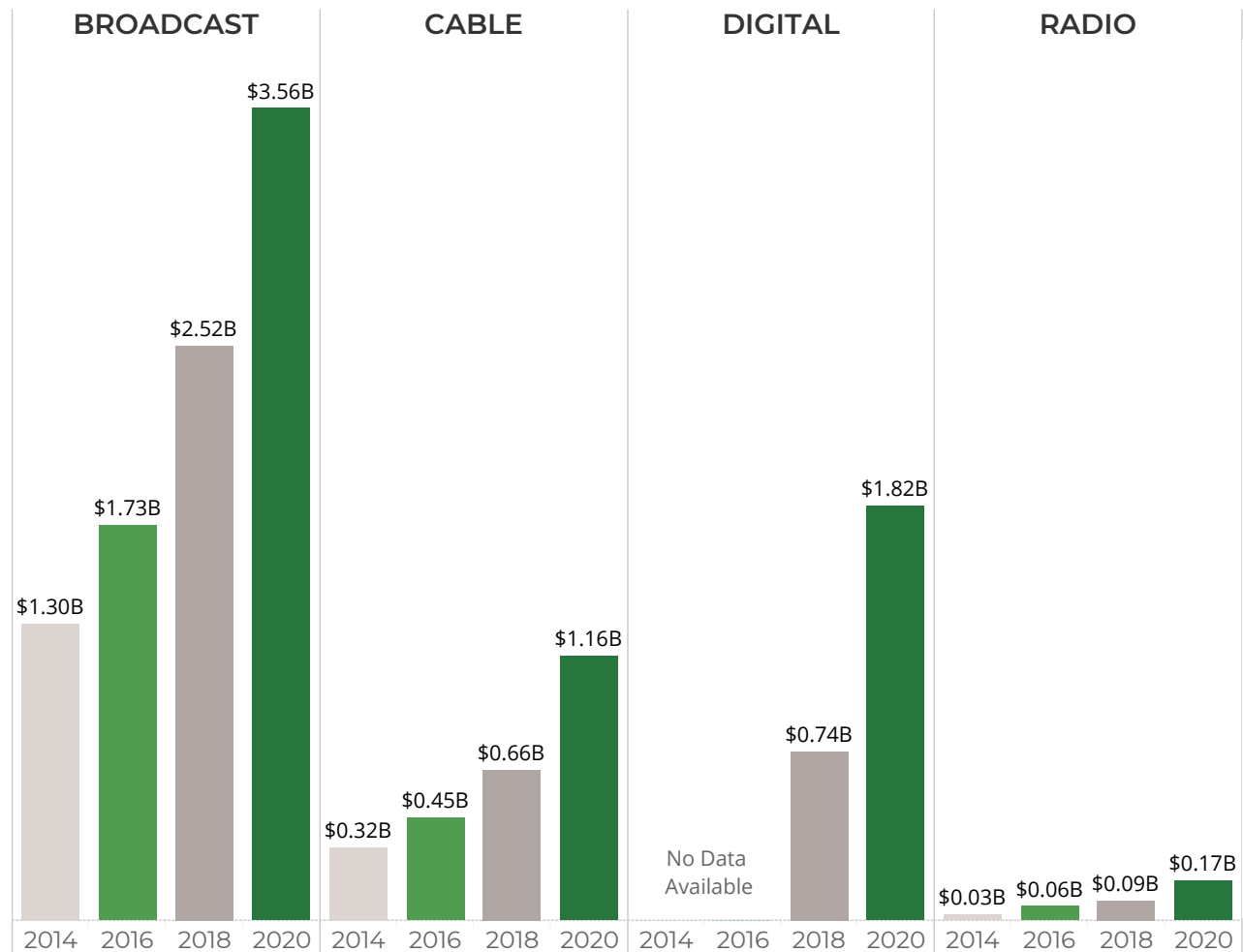


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TOPLINE PROJECTIONS

Advertising Analytics, in conjunction with Cross Screen Media, is projecting:

- **\$6.7B** in political media spending in the 2019-2020 cycle
- This represents a **12%** increase from our 2019 projection
- **\$4.9B** in spending on traditional media (broadcast television, cable, and radio)
- **\$1.8B** in spending on digital video (much of which will be on Facebook and Google)



*Digital data begins in June 2018

Figure 2 Cycle Spending by Media Type



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DIGITAL SPENDING

Advertising Analytics is the only company comprehensively identifying and organizing digital creative from President to State House into 3 distinct categories: Direct Response (fundraising and list building), Persuasion, or Get Out the Vote. These buckets allow for comparison to traditional media and give customers valuable insight into how campaigns leverage the digital space.

- We have tracked more than **\$605M** in spending from 13,000 advertisers on Facebook & Google
- **\$400M (67%)** has been spent in Direct Response vs. **\$145M** in Persuasion ads
- The Trump campaign has spent **\$48M** on Direct Response ads (94% of their total spending)
- The Biden campaign has spent **\$16M** on Direct Response ads (86% of their total spending)



Figure 3 2020 Digital Spending

- Direct Response increases around elections but has a long tail and flatter trajectory
- Persuasion more closely resembles television trends, where more than 75% of spending generally happens in the 10 weeks before election day

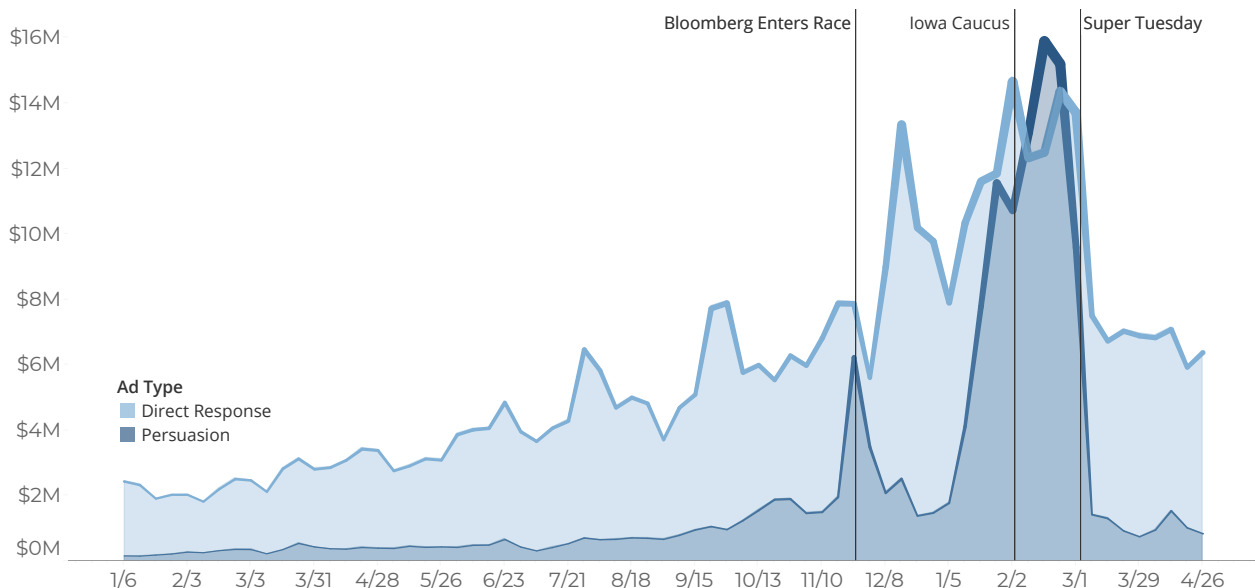


Figure 4 2020 Digital Trajectory



POLITICAL SPENDING PROJECTIONS

PROJECTIONS BY RACE TYPE

- The Presidential General projection has increased from **\$1.8B** to **\$2.2B**, partially due to record-breaking fundraising
- Senate projections have increased **19%** to **\$1.0B**
 - As of 5/5 **\$196M** has been reserved for the fall by Senate advertisers
- House and Governor projections remain steady from our previous release
- Neither category has seen large shifts in competitive races
- The Presidential Primary concluded with **\$1.17B** spent, exceeding our projection by **17%**
 - Michael Bloomberg spent **\$581M, 49.8%** of the total primary expenditures

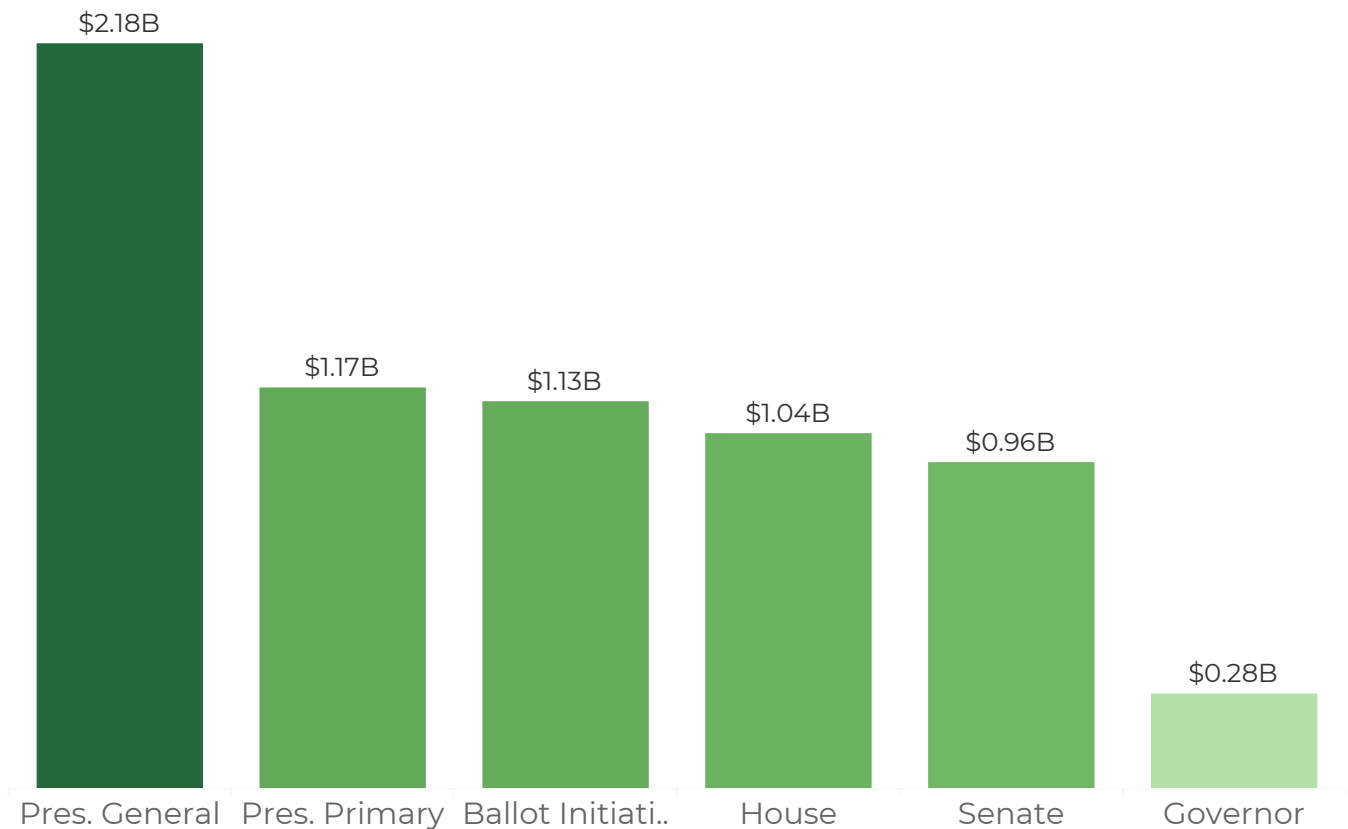


Figure 5 2020 Race Spending



POLITICAL SPENDING PROJECTIONS

PROJECTIONS BY MARKET

- 14 Markets will exceed **\$100M** in revenue
- We expect Florida and North Carolina to each have two markets exceeding **\$100M** in revenue
- We expect Phoenix, Philadelphia, and Atlanta to exceed **\$150M** in revenue

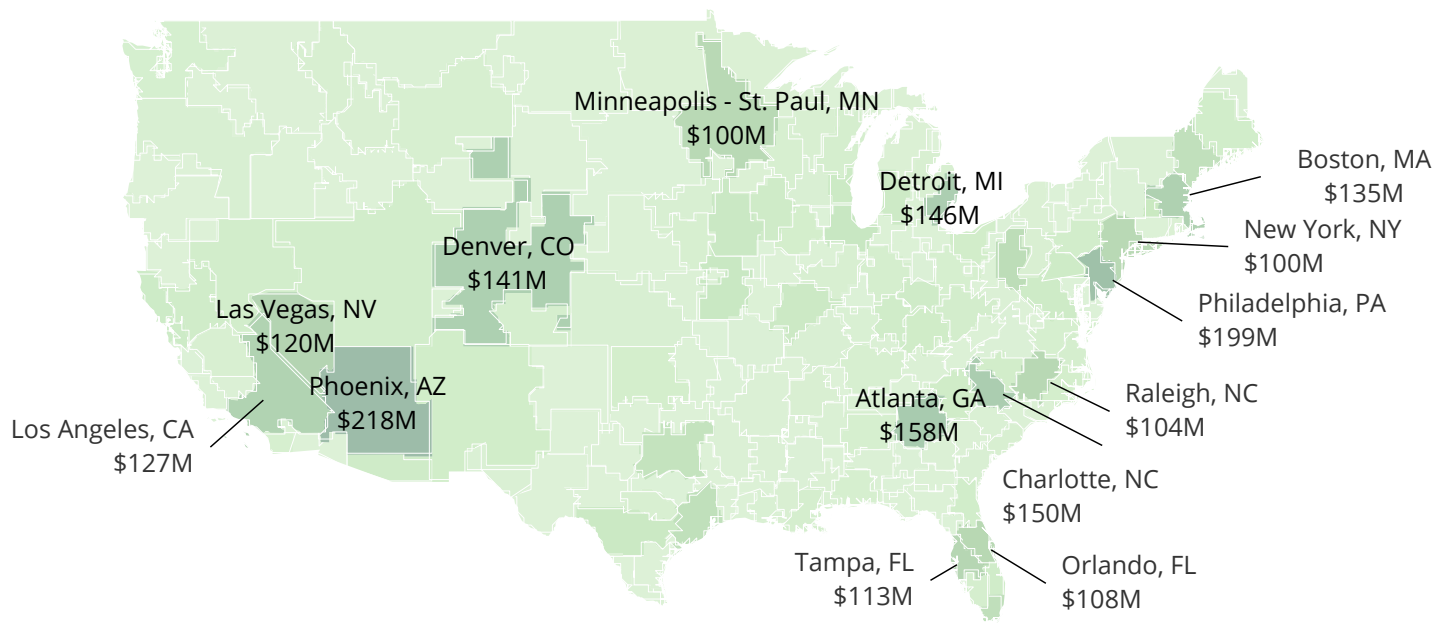


Figure 6 2020 Spending by Local Market



POLITICAL SPENDING PROJECTIONS

METHODOLOGY

We set out to build our projections from the ground up. Rather than dividing the topline numbers from previous years, we built a model to project spending at the individual race level and then rolled these numbers up to reach our topline conclusions. Spending levels in a race correlate strongly with the competitiveness of a seat, so we based our 2020 estimates on each seat's previous spending levels and Cook Political Report's race ratings (Lean D, Toss Up, Lean R etc.). <https://cookpolitical.com/ratings/house-race-ratings>

We based our projections on historical spending figures. Our database includes \$10B of spending from more than 2,000 elections, and 8 million ad airings. Each race is given a baseline number which is then adjusted by factors such as the price of a media market and candidate cash-on-hand reports. On average, a race in a market that demands higher average unit rates (AUR) like Los Angeles, CA will see far more spending than a race in a market where AUR's are comparatively less, such as Norfolk, VA, since it costs significantly more to reach the same relative audience levels.

OUR PRODUCTS

ADMO

The only ad detection tool that tracks political ads in real time in all 210 media markets and on digital platforms.



DELTA

The most comprehensive political spending data from all race levels on all media types, including digital. A spending database of \$10B+.



PHAROS

The most accurate pricing tool with a database of TV rates containing 540,000+ contracts, 15,000+ advertisers, and \$9.5+ billion dollars in rates.



Advertising Analytics provides clients with sophisticated, real-time media intelligence. Our product suite provides actionable data about ad spends, airings, ratings, and creative details on both traditional and digital platforms.

For more information or to request a demo, please email jlinc@advertisinganalyticsllc.com



Cross Screen Media is a marketing analytics and software company helping brands, agencies, and networks succeed in the Convergent TV space. Our platform creates a common currency across linear TV, digital, and CTV views so ad buyers can build a single optimized plan and sellers can prove the value of their inventory.

For more information, please email dschreff@crossscreen.media.