

Q3 2020

# Tech Titans and the Pandemic TV Ad Insights Report

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TV ad trends for Amazon, Facebook, Google and Microsoft

## LG Ads



Q2 & Q3 2020

# Introduction

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This report analyzes the TV advertising trends for four technology and internet titans whose broad set of offerings overlap in multiple ways across the areas of search, services, computing personal devices, messaging and more. Our objective was to unearth interesting Insights on how each addressed their audiences through the medium of television. These insights are derived from audience and brand data from LG Ads' U.S. footprint of tens of millions smart TVs and connected TV devices.

**amazon**

**Google**

**facebook**

 **Microsoft**



# Key Findings - Q2 and Q3, 2020

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- ✓ Amazon dramatically outspends the other three brands - 73% more than the other 3 brands combined in Q2 & Q3
- ✓ Amazon spends a significant share of their TV ad budget on branding - much of that focused this year on its initiative to become net zero in their carbon footprint, and how they keep their warehouses safe during the pandemic (a controversial topic during this period).
- ✓ Google's branding ads focused on how they help connect with local businesses better, while Facebook focused on ads that show how people are able to do more when they come (virtually) together during the pandemic, a theme that is consistent with the company's mission statement.
- ✓ The pandemic was a great opportunity for video conferencing apps, and Microsoft Teams outspent both Facebook Rooms and Google Meet during this period. Microsoft Teams was also made available for personal use in June; Google Meet did this later but didn't invest on TV with that message. Rather, Google followed up with a TV campaign targeting usage among friends and families starting late Q3. Reportedly this increased active Google Meet users by around 50% by end October 2020.
- ✓ Amazon's smart speaker category ad spend dwarfed that of Google (\$13.9M v/s less than \$100K); as Amazon invested heavily in TV to promoting its new 2020 lineup of Echo devices.
- ✓ Mobile device spend on TV was low as budgets focused more heavily on digital; Microsoft spent under half a million on its Surface Duo launch on TV, while the Google Pixel had a no so significant presence on TV during these two quarters.

Q2 & Q3 2020

## Spend by Brand

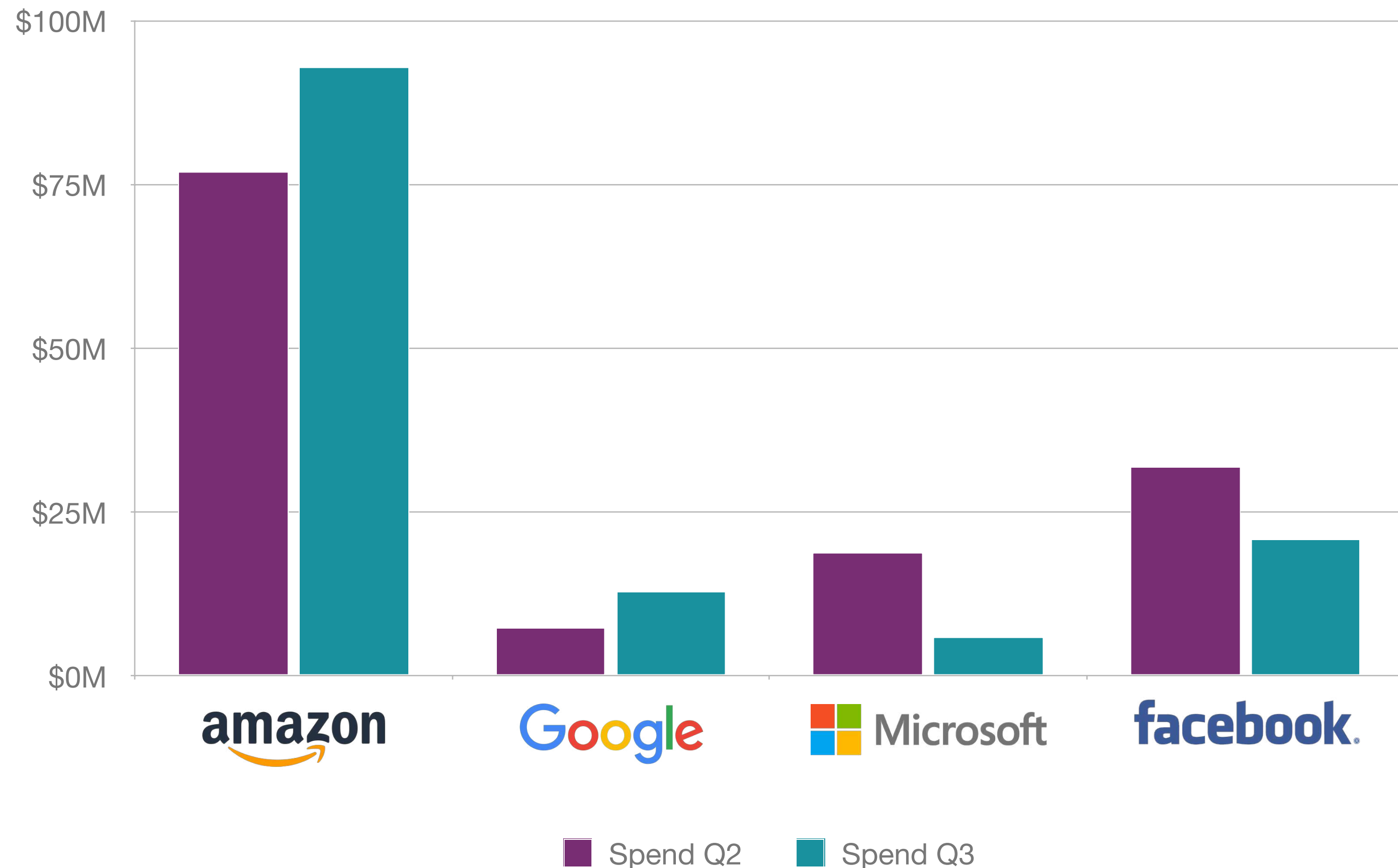
Quarter over quarter, Microsoft decreased its TV spend by ~70% in Q3 as compared to Q2, while Google increased it by 73%

Microsoft paused its Microsoft Teams campaign while Google focused more on brand advertising in Q3

Amazon also spent heavily for Prime Day in Q3, while pulling back spend on Music in favor of Echo and Alexa ads.

Among these four brands, Microsoft was the only company \*not\* to run a branding campaign on TV

Quarter-over-Quarter Spend Comparison



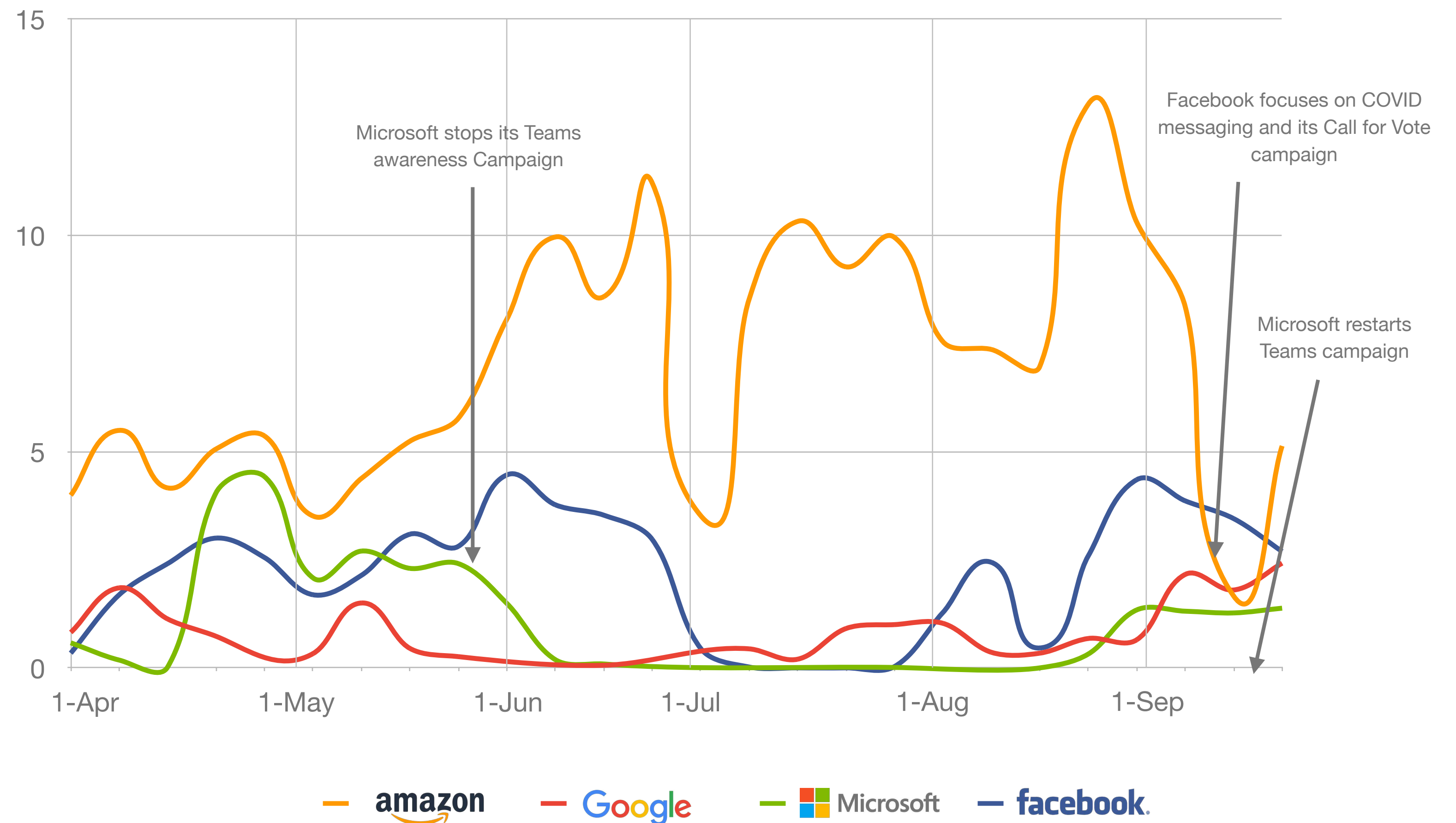


## Q2 & Q3 2020

### Amazon Outspends; Microsoft, Google Pull Back from TV for Summer

- Microsoft had almost no spend during the summer months
- Except for the third week of September, Amazon dominated spend on TV compared to the other three.
- Microsoft, Google and Facebook aired branding ads from early to mid-Q2 and again in late Q3; Amazon boosted spend on brand advertising more from Mid Q2 and peaked during early Q3.

Spend by Week for Amazon, Google, Microsoft & Facebook



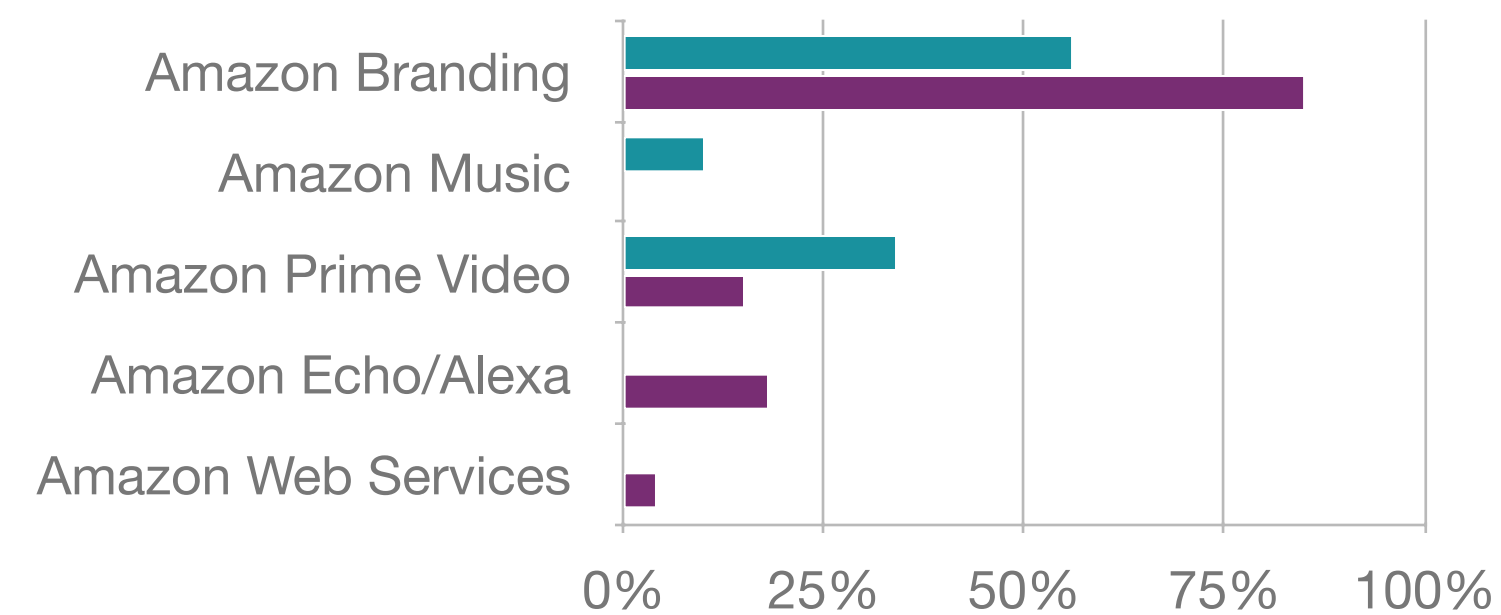
Q2 & Q3 2020

## Products vs. Branding

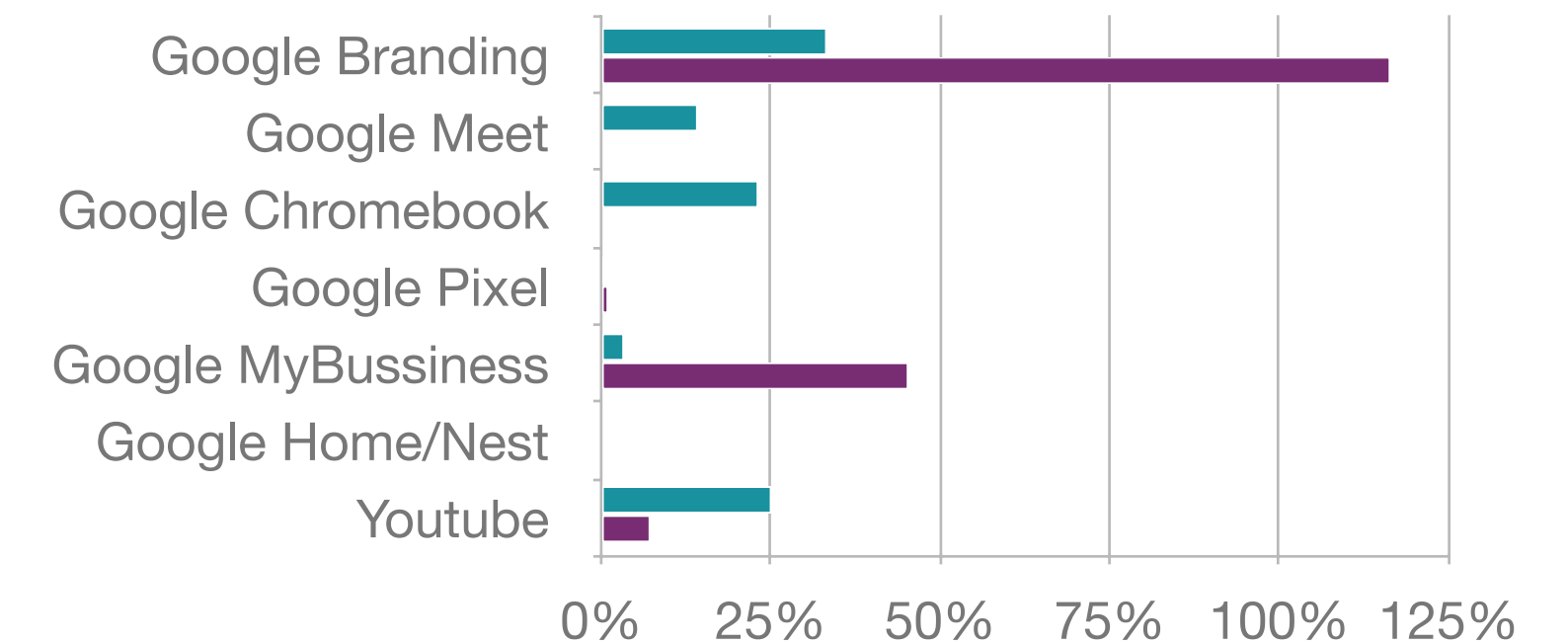
### Does the Microsoft Brand Speak for Itself?

- In Q3, Google focused on branding and My Business ads, reducing its budget for Chromebook, Google Meet and Google Home (Nest Home)
- Microsoft focused only on products, focusing mainly on Teams in Q2 and Q3, adding Surface Duo ads in Q3. It's overall spend decreased by 60% from Q2 to Q3.
- In Q3, Facebook withdrew its spend on Messenger and Portal, and increased its spend on branding.

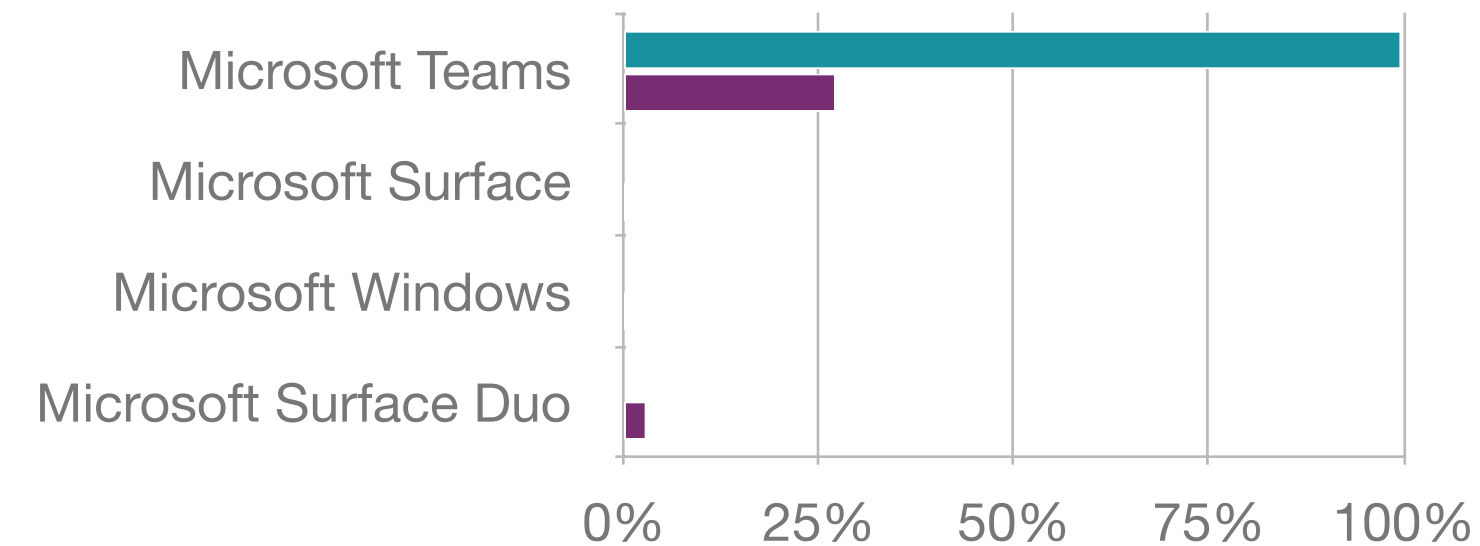
**amazon**



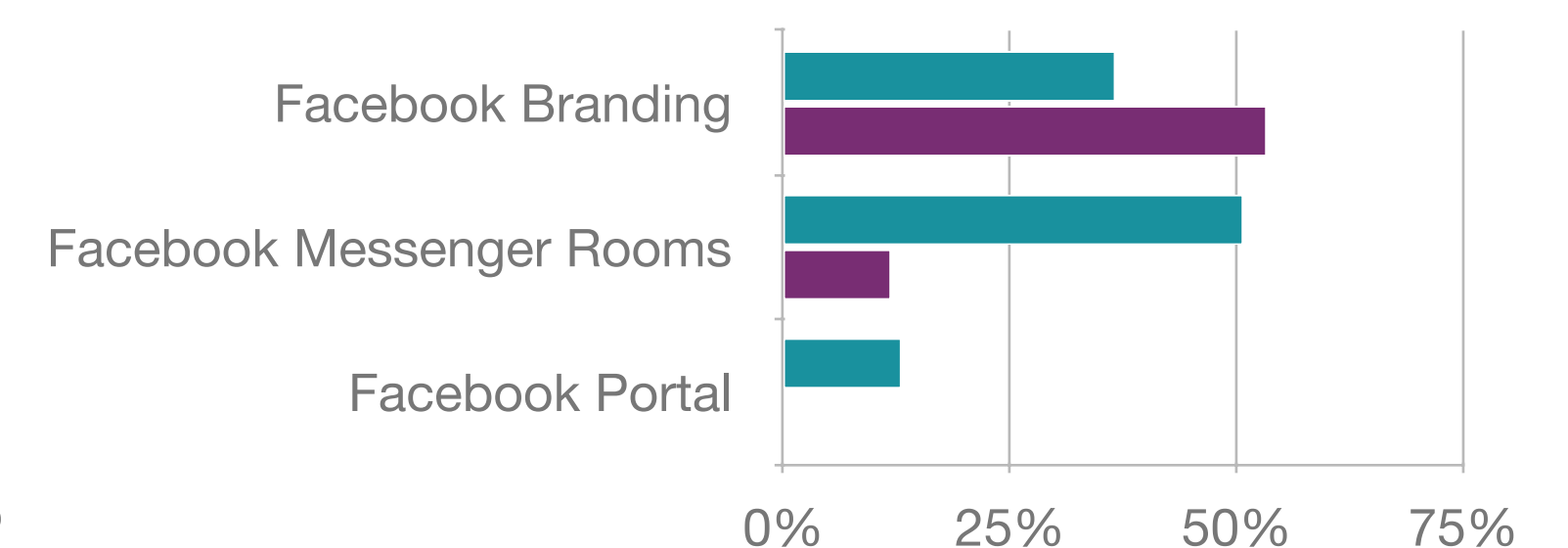
**Google**



**Microsoft**



**facebook**



■ Q2 Spend ■ Q3 Spend  
X-axis : Share of Q2 spend for the brand



Q2 & Q3 2020

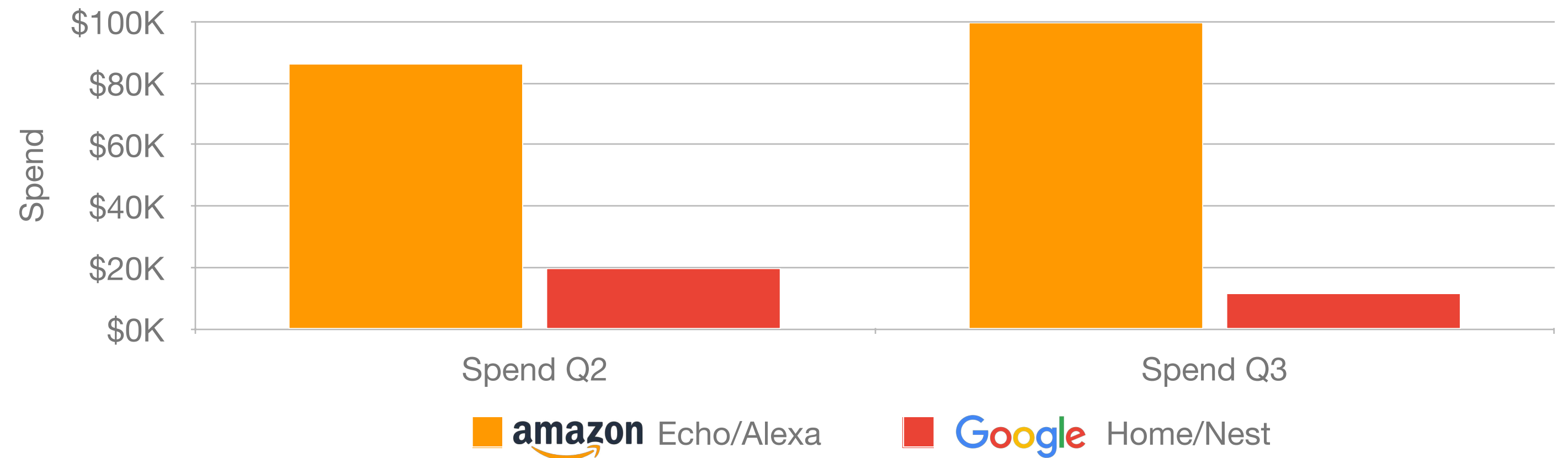
## Amazon vs. Google: Smart Speakers

New generations of Amazon Echo and Google Nest arrived this fall; Amazon invested heavily around this launch in TV; Google did not

Amazon Echo dominated the smart speaker category by primarily advertising during the restart of live NBA games

In Q3, Amazon invested \$13.9M for Echo TV campaigns, which is far above any other smart speaker brand

Spend Q2 and Spend Q3



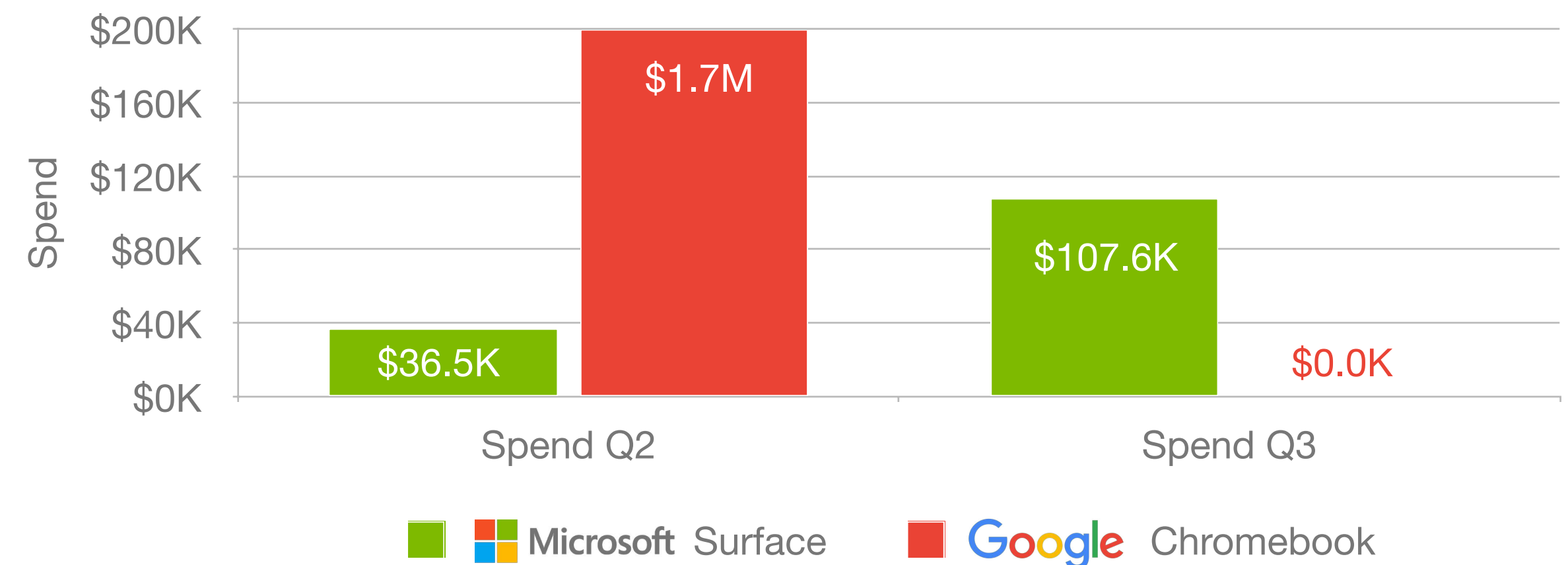


Q2 & Q3 2020

## Google vs. Microsoft: Personal Computing

- Chromebook outspent its competitor Surface in Q2, when there was an increased demand for portables
- Microsoft restarted Surface ads on TV with live NFL Football games, ahead of the new release in October.
- Chromebook way overspent its competitor Surface when there was an increased demand for Laptops in Early Q2 and stopped spending on it in Q3.
- Microsoft Surface jump-started its spending with Live NFL Football in Q3

Spend Q2 and Q3



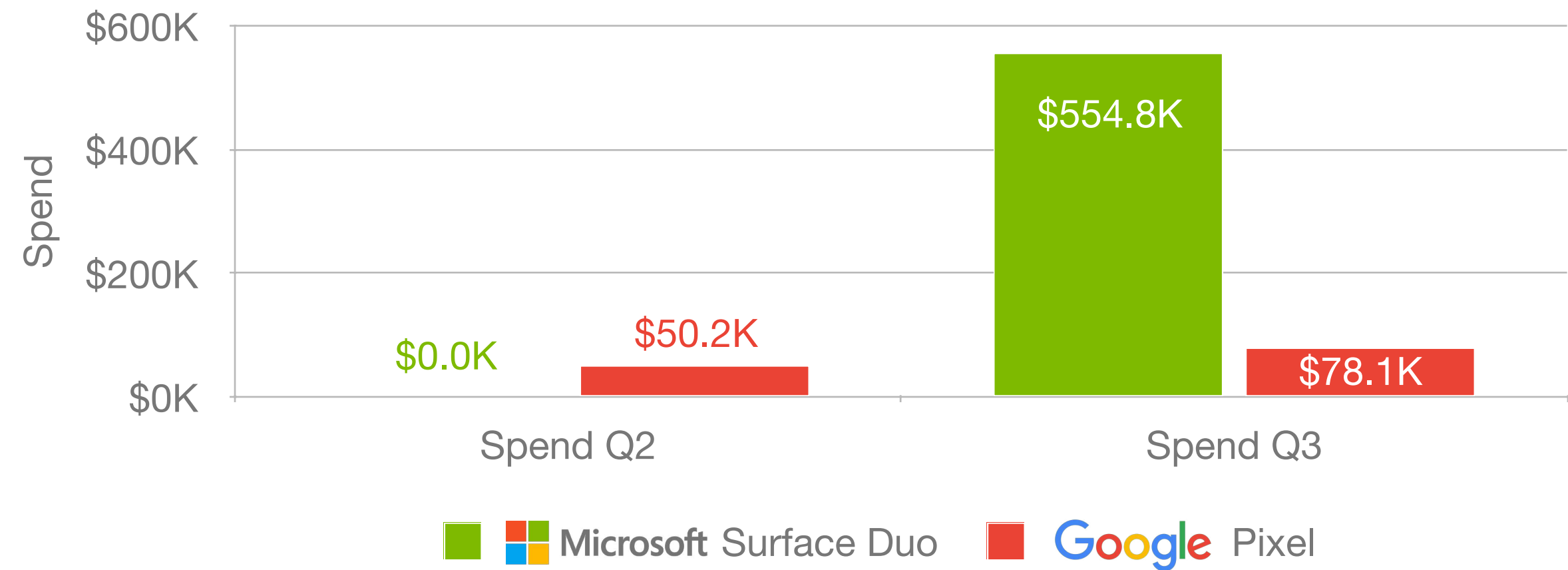


Q2 & Q3 2020

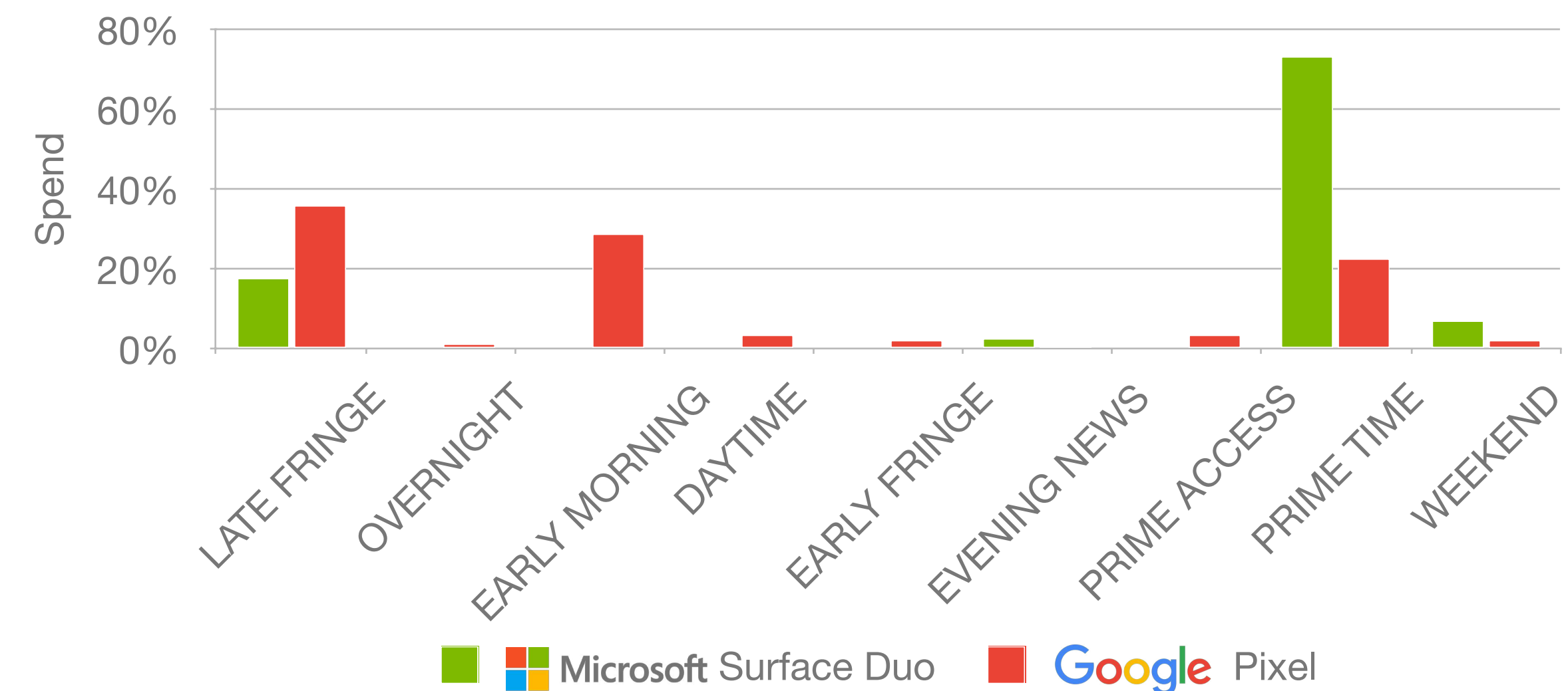
## Google v/s Microsoft: Mobile Phones

- Microsoft's new foldable mobile device, Surface Duo, saw a minimal investment of just over half a million (\$550K) on TV in Q3 around its launch
- These ads focused primarily on NFL matches
- Microsoft Surface Duo focused on Prime Time and Late Fringe only where as Google Pixel more on Early morning, Late Fringe as well as Prime Time
- Surface spent 73% of its budget on Prime Time where as Chromebook spent only 22% during Primetime and 35% during Late Fringe.

### Spend Q2 and Spend Q3



### Spend by Daypart



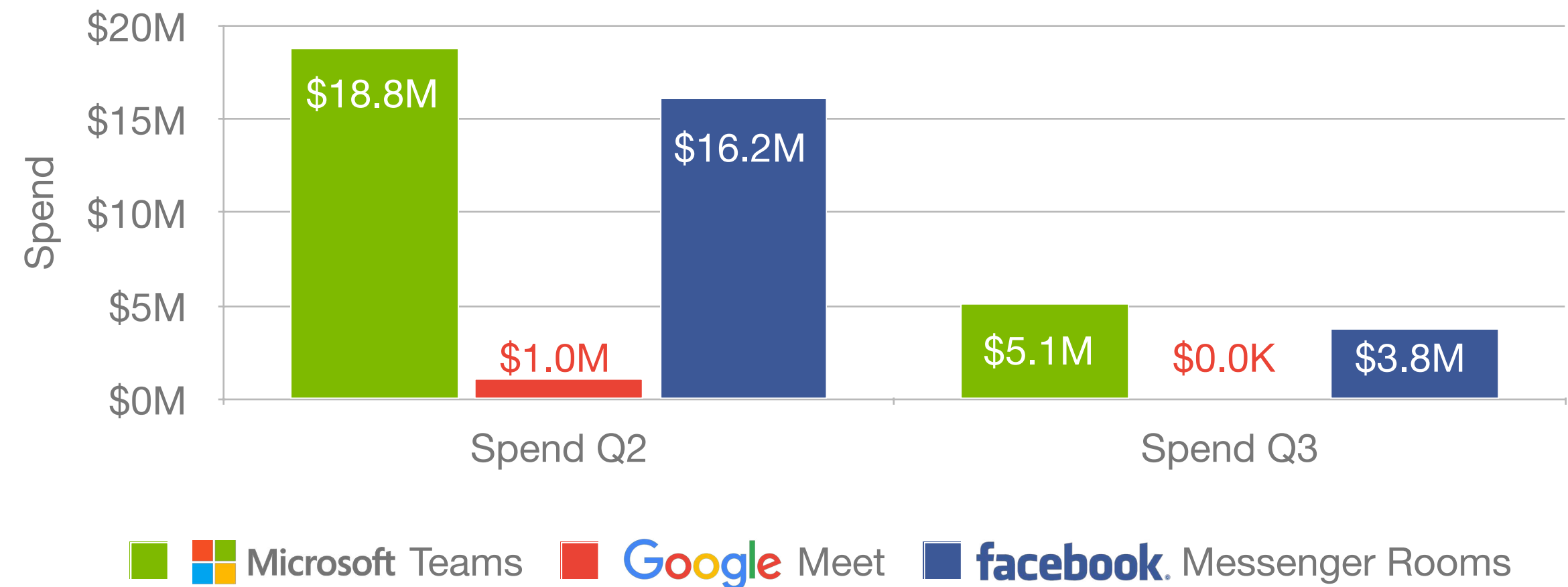


Q2 & Q3 2020

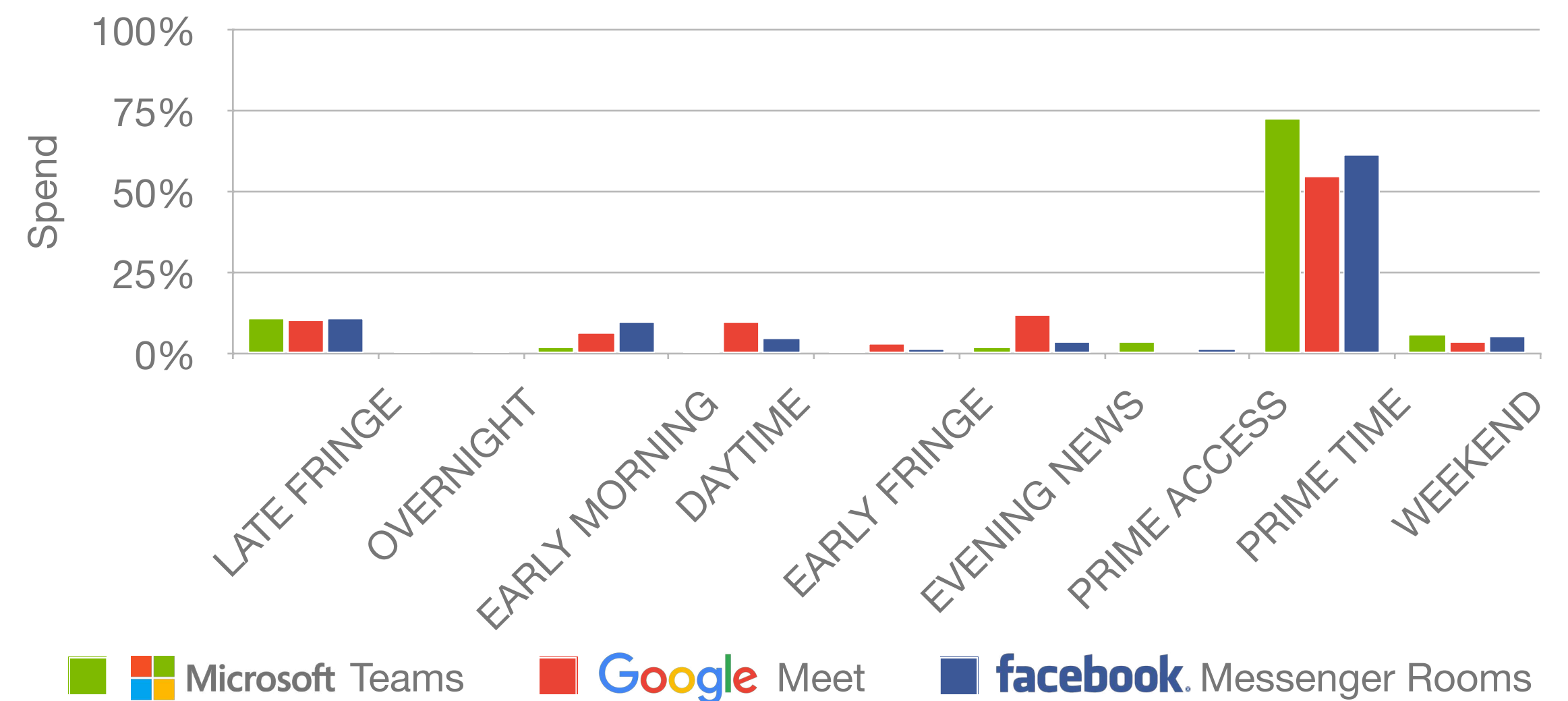
# Microsoft Teams Outspends on Video Conferencing Ads

- Microsoft Teams spent \$18.8M in Q2 and \$5.1M in Q3 - topping both quarters for this product category
- Google Meet ads only aired for a week in Q2. This was immediately after it was made free for everyone in May
- Microsoft Teams was also made available for personal use, and their campaign targeting usage among friends and families started in late Q3. This likely helped increase its active users by around 50% in October
- All three brands focused on Prime Time, Late Fringe and Early Morning slots for their ads, while Meet and a much larger share of spend in Evening News
- Teams, Meet and Messenger all saw over half their TV spend (70%, 55%, and 60% respectively) go to Prime Time programming

## Spend Q2 and Spend Q3



## Spend by Daypart





# About LG Ads

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We're a leader in helping brands find unduplicated reach across a fragmented TV landscape, and maximize return on ad spend. We bring together years of experience in delivering premium home entertainment products to consumers worldwide, with big data and Video AI designed to connect brands with audiences across all screens.

Our platform brings together the two best TV industry leaders' technologies and devices, to create one platform for activating and measuring media across connected TVs and digital video. Our actionable insights help marketers fine tune cross-screen campaigns in flight; and understand ad performance to optimize media buys.

Advertisers now have a single source for LG CTV inventory, with one-stop planning, activation and measurement across all viewing platforms. With our premium LG smart TV ad inventory, combined with deterministic TV data from a broad range of smart TV brands, LG Ads stands out for its expertise in reaching both massive-scale and granular custom audience segments, and for helping brands understand business outcomes from TV.

To learn more, visit [www.lgads.com](http://www.lgads.com)

