



Looking Ahead:

Now is the Time to Plan for 2020's Election Season

By Steve Nober

An American flag is visible on the left side of the page, showing the stars and stripes. The background of the page is a dark, textured surface.

Introduction

Every election year is a challenging time for non-political advertisers. Federal regulations incentivize political candidates to advertise on traditional broadcast channels such as TV and radio. These regulations may be good for candidates running for office; but for those businesses that rely on advertising to generate revenue, such as local, regional lawyers and law firms, the election year can mean less airtime and less opportunity to reach new clients.

Typically, in building clients' strategies for election years, we would look at historical data to see which stations and dayparts are affected and when, and then work around the patterns that affect TV station inventory. We start working with clients at the beginning of summer to create strategies for the fall election season.

However—as we are all keenly aware—2020 is a year like none before. The events around COVID-19, which launched stay-at-home orders starting in early-mid March, have meant that many TV advertisers have canceled or reduced their media buys. In fact, Nielsen Ad Intel has reported that almost 1 million fewer ads ran in the top 50 markets during the first 20 weeks of 2020, as compared to the prior year.

Therefore, we are faced with increased complexity when looking at ways to move forward into this election season. In our planning for 2020, we must consider:

- What will the recovery curve from COVID-19 look like?
- Will the advertisers who pulled back or went dark when the pandemic hit return to their previous spending ways?
- How will the excess TV inventory absorb the peak demand from the election campaigns?

All these questions and more will affect how we buy advertising in the months ahead.

Let's take a deeper dive into our analysis of the trends in 2020 and what we think is likely to come.

Federal Regulations About Candidates in Election Years

The Federal Communications Commission (FCC) and the Federal Election Commission (FEC) have created several rules around election advertising. They are designed to assure fairness and reasonable access to Radio and Television media channels. These include:

Reasonable Access – Under this rule, broadcasters are required to make time available to political candidates.

Lowest Unit Charge (LUC) – Under this rule, federal candidates receive the lowest rate charged to any advertiser for the same class and amount of time for the 45-day period prior to a primary and 60 days prior to a general election.

Equal Time Rule – All candidates, both federal and non-federal, running for the same office are entitled to the same use of a station's time. Therefore, once a candidate advertises on a station, his or her rival(s) is entitled to the same amount and type of ad time, at the same cost. This is not restricted to a limited period of time before the election.

Source: <https://www.fcc.gov/media/policy/statutes-and-rules-candidate-appearances-advertising>

2020 So Far

We begin our analysis by taking a look at recent media activity in the top 50 TV Designated Market Areas (DMAs). These areas account for almost 70 percent of all US households and can be reliably used to predict trends for the remaining 160 markets.

Spending and spot activity data from Nielsen Ad Intel competitive media reporting from the 2014, 2016 and 2018 election cycles, plus the first 20 weeks of 2020 are our main sources of data. Because our primary concern is station inventory, our key metric is 30-second equivalent ad units. We looked at weekly totals by daypart and station type as well as tracking activity for all clients, the legal services category and political advertising campaigns.

Through our analysis, we were able to find out when inventory pressure occurred and how much pressure there was.

“Hellacious” Trimester

Before 2020 began, the media pundits told advertisers to expect a “hellacious” first trimester. There was a crowded playing field of candidates in the Democratic party vying for the nomination. In addition, many large states, including California, Florida, Illinois and Texas, had rescheduled their primary elections to March and early April. Thus, 43 percent of Democratic delegates were decided on March 3, and 89 percent by April 28.

However, nobody expected the actual outcome. Front-runner candidates Amy Klobuchar and Elizabeth Warren, along with heavy spender Michael Bloomberg, dropped out by early March. And although he had been polling higher early in the race, Bernie Sanders withdrew on April 8.

April 2020 political topline numbers were way up compared to the prior election. During the first 12 weeks of 2020, comparing general market stations on all dayparts, 393,390 more political ad units were sold as compared to the same weeks during the 2016 presidential primaries—an increase of 223.3 percent. Compared to the 2018 mid-terms, there were 480,220 more ad units sold, or 536.9 percent.

But the largest chunk of this increase was from the Michael Bloomberg and Tom Steyer campaigns. They accounted for 354,999 ad units, 90% of the 2020 advertising increase.



COVID-19

Of course, the biggest story so far for 2020 has been the spread of the coronavirus (COVID-19). On March 19, the first stay-at-home orders were issued. California led the way, with the rest of the nation following soon after.

The country scrambled to adjust to an unprecedented lockdown, which was reflected in the lowest Apple Mobility Index numbers on April 30. And, naturally, advertisers began cancelling buys as businesses shut down, events were canceled, and Americans dealt with the results of the pandemic—unemployment, anxiety, working from home, loss of loved ones, and more.

So, let's look at the numbers during the height of the crisis and nationwide lockdown. If we take data from March 23 to May 10, 2020, compared to the same weeks in 2018, we will see:

- Total station inventory is down 745,232 units (-10.8 percent)
- Political ads were down 127,015 (-70.4 percent)
- National and local auto ads were down 390,832 (-35.9 percent)
- Restaurants and fast food ads were down 113,299 (-36.2 percent)

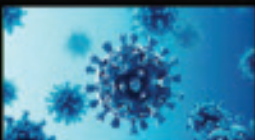
What's interesting is that the data shows that advertising for lawyers and law firms thrived in this environment. During the March 23 – May 10 time period law ads were:

- Up 139,410 units (+23.2 percent) as compared to 2018
- Up 226,186 units (+43.9 percent) as compared to 2016

We saw similar increases during the first 20 weeks of 2020 for lawyers and law firms:

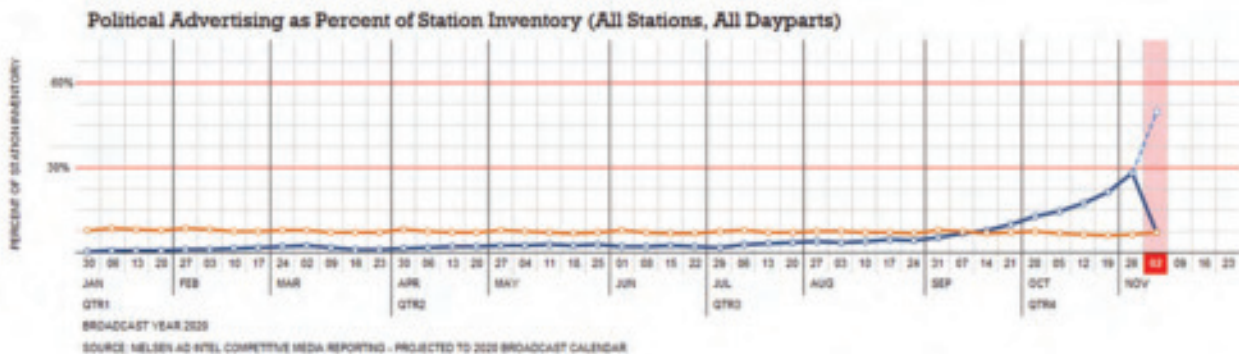
- Up 81,238 units (+8.5 percent) as compared to 2018
- Up 245,558 (+32.5 percent) as compared to 2016

This demonstrates that legal services are one of the few categories that were able to acquire and service new clients while other businesses had to shut their doors. In addition, many legal services were able to benefit from rate reductions and bonus schedules that stations offered to try to keep their clients on the air.



Historical Data

Campaign advertising tends to be consistent and predictable.



CAMG combined 2014, 2016, and 2018 political ad activity and applied it to the 2020 broadcast calendar. The blue line represents political ads as a percent of total ads, by week, up to the November 2 election date. The light blue line is a scaled number based on how many ads would air during that week using the number that aired that Monday.

This tells us:

- 80% of all political ads will run between October 5 and Election Day.
- During the final week, political advertising peaks at 30% of total ads.
- On Monday, November 1, 53% of all TV ads are for candidates, ballot measures or by political action committees.

Orange line is tracking the legal services category.

- Over the course of a year, the category averages 7.6% share of local station inventory.
- However, in the final weeks running up to the election, that share falls to 6.6%, which is only a 13% loss for the category.

Inventory pressure varies by station and daypart:

- Prime time for elections is local news. For the major network affiliate stations in our analysis (ABC, CBS, and NBC), political ads peak at 55% of total ads running during Late News.
- On Monday, November 1, 80% of all ads for all advertisers will be campaign ads.

Managing Campaigns During Elections

When we plan campaigns in various markets, there are a number of factors we must take into consideration. Each market is different, and we look at who is running and when.

Consider the following:

- U.S. senators are elected for six-year terms. Therefore, every state has a four-year gap in every six-year cycle, and they don't always run concurrently.
- Members of the U.S. House of Representatives are elected for two-year terms. They stand for reelection every federal election period.
- Usually six to eight state governors are elected during the even-number years.
- Statewide initiatives or ballot measures can attract well-funded campaign committees.

Managing campaigns during “normal” nonelection times requires close attention to market conditions.

To manage these campaigns:

- We use competitive media reporting to prepare baseline scenarios for each market.
- Our buyers and planners work with station reps to track and understand local developments.
- We pore over competitive analyses, like the Cook Political Report and other sources, to find factors that might impact the market.

So, when TV market conditions tighten, costs rise or if inventory is not available, as is common during election years, we:

- Pull schedules forward to avoid complications.
- Increase digital, radio and/or outdoor advertising investments.
- Find the media opportunities where pricing still makes sense and meets target demo.
- Evaluate and make decisions about client strategies on a daily basis.

What's Ahead for 2020?

Despite five months of the COVID-19 crisis, there is still much uncertainty about its outcome. As a result, the economic outlook is changing daily.

The current political climate is equally unpredictable. Both candidates and citizens see this election as a referendum on the future of the nation. President Trump's handling of the pandemic and race relations has resulted in a lower approval rate and preference than for any other incumbent in recent history. On the other hand, President Trump as well as some members of the Democratic party have raised doubts about the fundraising raising acumen of Joe Biden. Plus, there is the ongoing specter of active-measures campaigns by hostile foreign powers that may have had an influence on the past two elections.

However, we still feel that despite all these diverse factors, lawyers and Legal Services advertisers may not be significantly impacted. Political advertisers will most certainly take advantage of the lower rates caused by the soft demand. But if history is any guide, legal services advertising should be able to remain scheduled through peak political demand. Also, because stations tend to reward loyalty, they may be preferential to the law firms and lawyers who kept their spending in place during the crisis.

How CAMG Can Help You

The current political climate portends a volatile election season. While we can't predict the future, our unique, proprietary analytics tools can help us predict what might be coming; or give us insight when events happen so we can present our clients with effective courses of action and maintain new client economics and volume.

Throughout all this, Program-Length media offers Lawyers and Law Firms consistent, reliable access to media audiences. Political campaigns very seldom use Infomercials, so those campaigns have no impact on rates or availability. And stations will not convert half-hours into entertainment or other programming so they can sell political ads. We're advising clients to use 30-minute long-form advertising as a hedge against high costs and tight availability caused by election campaigns.

We will be using some of the important tools at our disposal—such as the Mobility Index, digital metrics, viewership data and more—in order to help you analyze market conditions so you can continue to meet your goals. Whether it means focusing more on TV, digital, social media, paid search, or radio during the months to come, you can count on CAMG to come up with a plan to help you optimize your budget. The most important aspect is to start your planning process now so that you'll be ready for what will likely be an interesting (to say the least) season ahead.

Moving ahead, you can depend on CAMG to:

- ➔ Monitor competitive media reporting for significant changes in market conditions.
- ➔ Stay in touch with station contacts for updates on pricing and inventory.
- ➔ Constantly search for, develop, and test new methods to reach, engage, and bring new cases to our clients.
- ➔ Utilize MotionMetrics to find opportunities to reach your precise target audience by monitoring traffic and accident patterns in your local market.

Digital Media and Political Advertising

Digital media, including paid social media, digital advertising, paid search, as well as OTT and streaming, are not subject to the same laws as standard broadcast media. For that reason, especially during the busy election season, turning your ad spend to digital outlets may be a good alternative or complement for your media plan.

Plus, digital media is quickly becoming the preferred choice of younger viewers and those who have decided to “cut the cord” from their standard cable provider. eMarketer stated in an August 2019 article that the number of pay TV households has decreased from over 100 million in 2013 to 86.5 million in 2019. It expects that number to continue to decrease through 2023 and the number of non-pay TV households to increase.

This means that you can't ignore the impact of digital media and that through it, you can reach a different audience than you might from simply advertising through traditional channels.

However, this fact has not been lost on political advertisers. According to Advertising Analytics' 2020 Political Spending Predictions, of the \$6.7 billion that will be spent on political ads, \$1.8 billion will be spent on digital—most of which will be Google and Facebook ads. The remaining \$4.9 billion will be on traditional TV and radio ads.

That's why it's so important to secure your digital media plan now so that you can take advantage of this important outlet during the crowded fall election advertising season.

Infomercials

Almost all political advertising is short-form 15-, 30-, or 60-second media buys. CAMG's 30-minute infomercials offer some real advantages to law firms advertising during election campaigns.

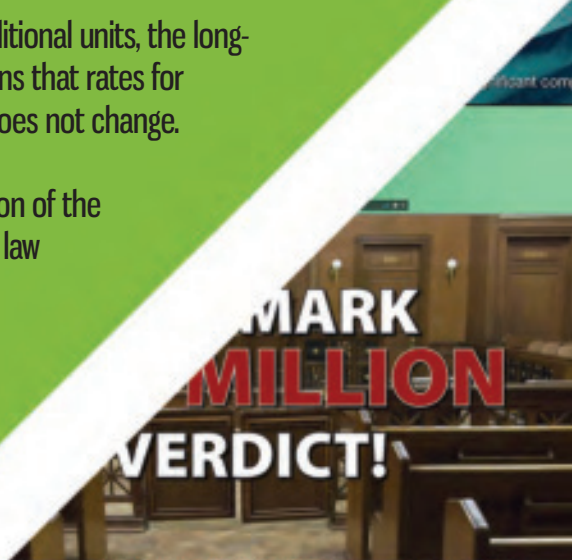
First, these are 30-minute paid blocks of time and there are no competing ads from other law-firms. In fact, the only ads that viewers will see during these blocks are those from your firm.

Second, while they are subject to the same FCC and FEC regulations as traditional units, the long-form marketplace makes them impractical for candidates to use. That means that rates for these blocks do not go up when political buying starts, and the inventory does not change.

Third, they provide their audience with a deeper, more thorough presentation of the facts about these cases, and the benefits of working with a highly-qualified law firm. For many clients it takes this extra time to convince them they have everything they need to make an informed decision, and call.

Our infomercials are high-quality, professionally produced spots with your firm's branding. They are shot in our in-house studios and are a cost-effective way to get out in front of your clients.

These programs educate viewers on mass torts including Zantac, 3M, Roundup, Truvada, and Talc. But they work for single-event firms as well, who use their airtime to highlight the skill and talent of their legal staff.



ROUNDUP HERBICIDE LEGAL HELPLINE



Anyone diagnosed with medical complications after being exposed to Asbestos may qualify for a cash settlement. Get Legal Advice today, if you were exposed to Asbestos and have been diagnosed with Lung Cancer, Mesothelioma, or Asbestosis.



WORLD TRADE CENTER | 9/11 DISASTER
40,000 WORKERS WERE EXPOSED TO ASBESTOS

At your screen, now, you may be entitled to significant compensation. There is...
MESOTHELIOMA & ASBESTOSIS LEGAL HELPLINE



LEGAL HELPLINE



TDF DRUGS FOR HIV LEGAL HELPLINE



Anyone diagnosed with medical complications after using Combat Arms Earplugs may qualify for a cash settlement. Get Legal Advice today, if you used Combat Arms Earplugs while serving in the armed forces.



SERVED IN U.S. MILITARY
2003 - 2015

COMBAT ARMS E





SEXUAL ABUSE
If you or a loved one has been sexually abused, please call the number on your screen now as you may be entitled to significant compensation.

HERMAN LAW

LH

SEXUAL ABUSE LEGAL HELP

HERNIA MESH
COMING UP
TALCUM POWDER
ROUNDUP

LH

HERNIA MESH LEGAL HELP

SEXUAL ABUSE
If you or a loved one has been sexually abused, please call the number on your screen now as you may be entitled to significant compensation.

HERMAN LAW

LH

HERNIA MESH LEGAL HELP

HIV DRUGS
Have you or a loved one used Truvada, Complera, Atrine, Abatacept, or Veklury (formerly Keytruda) or Tivicay (Biktarvy)? You may be entitled to significant compensation. Call the number on your screen now as you may be entitled to significant compensation.

GILEAD

HIV DRUGS

HERMAN LAW

LH

HERNIA MESH LEGAL HELP

Ask us how you can put the power of our infomercials to work in your market today.

The CAMG Infomercial Advantage

- Rates do not go up during political elections
- Inventory does not change
- Captive audience during peak hours for your target demo
- More time equals more detail about cases and lawyers



800.200.CAMG

camginc.com