

The 2020 Election Effect on Digital Marketing

The investment influx of political ads and the subsequent fight for consumer attention Marketers face this election cycle

YOUR BRAND IS NOT RUNNING FOR PRESIDENT BUT, THE 2020 ELECTION CYCLE HAS EVERYTHING TO DO WITH HOW DIGITAL ADVERTISERS WILL MANAGE COSTS, COMPETITION, AND CLUTTER THIS FALL.

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Politics Go Programmatic

Every autumn, marketers anticipate increased competition for digital inventory from the influx of seasonally aligned campaigns. This year however, among the hard truths that 2020 has challenged the industry to confront, it's clear that brands must brace their strategies for additional strains on the marketplace resulting from what many consider the most electric election cycle in over a decade.

Political Ad spending for the 2020 election will eclipse the \$6 billion spent in 2016, surpassing \$10 billion USD which undoubtedly will crowd the marketplace this Q4. Marketers and Politicians alike are utilizing a wider array of Media channels this election cycle to cast the largest net possible and reach more citizens, forcing brands to formulate new digital strategies in order to break through the clutter. While all media channels benefit from the increased political ad spending, it's predicted that digital media will grow the most as \$1 billion revenue is generated from political ads alone. Programmatic Display, Mobile, and Connected TV (CTV) are nothing new to savvy marketers but as politicians put them into practice, *computational politics* will consequently change how brands are able engage with consumers online forever.

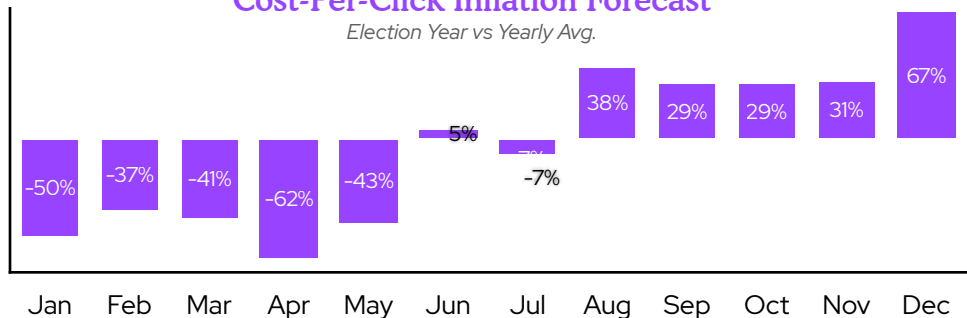


Of the interrelated digital media and marketing industry trends that play a role in re-shaping digital strategies during the 2020 election, the most influential one is advanced Social media. Since COVID-19 canceled in-person rallies and conventions, Social media emerged as the main stage for political engagement. The expanding role of Social platforms enables political campaigns to access rich sets of personal data, further develop personalized campaigns, and maximize their ability to test countless messaging elements on individual users. This topic alone has put Facebook in the congressional hot-seat (i.e. 2016 Russian interference scandal) and caused

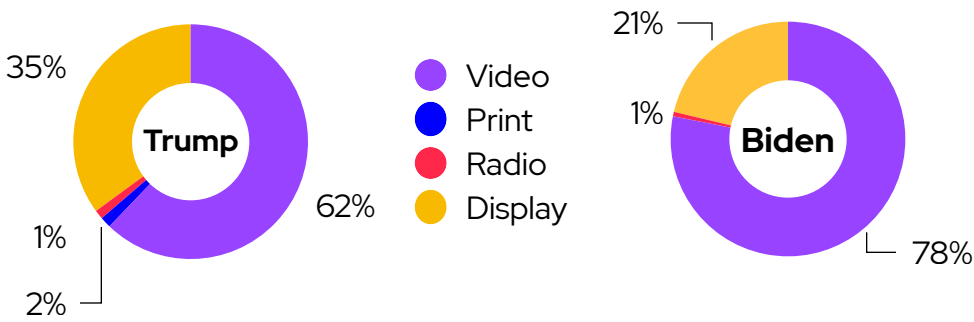
Pinterest, Twitter, and other high-profile platforms to ban political ads entirely. The increased political activity on social media along with new data-privacy legislation and internal fact-checking policies makes it more difficult for brands to effectively reach target audiences this fall, as ad-approval guidelines increase stringency to mitigate growing consumer concerns with fake-news while maintaining a brand-safe environment as a whole. Similarly to last election year, costs for advertisers will be impacted; anticipate cost-per-clicks (CPCs) to inflate by 38% in August with heightened costs persisting through Election Day into the holiday season.

Cost-Per-Click Inflation Forecast

Election Year vs Yearly Avg.



2020 Presidential Campaign Media Weights



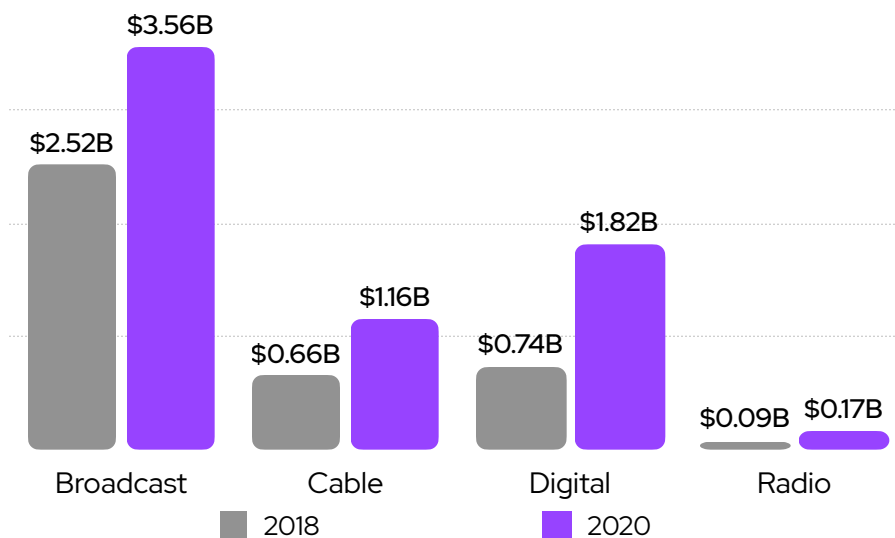
Understanding which channels 2020 political campaigns utilize and how their presence affects consumer attitudes toward digital media enables marketers to pierce the noise with paid and organic content, providing a much-welcomed digital escape for their audiences. On top of increased inventory infringement by political ads and competitors across the board, brands must also prepare for mass consumer ad-fatigue to permeate as election day draws near— especially in swing states where geo-targeted inventory availability is hot. Political campaigns have always relied heavily on television however, the promise of premium inventory with: high-viewability, limited ad breaks, share of voice caps, and untapped placement audiences contributes to a major spike in demand for a digital alternative. The most notable

developments to the medium over the past few years is the expansion of data-targeting capabilities via CTV, driven in part by the consumer’s rapid adoption of numerous streaming services. As a result, traditional political TV campaigns have taken note and are bleeding onto unregulated streaming and digital video platforms like Youtube, Peacock, and PlutoTV. This is why it’s critically important for brands to ensure their digital video ads break through the onscreen monotony to stand a chance at connecting with consumers. Do this by capitalizing on sentiments of the time; ads that champion values and morals may perform better, striking a chord with viewers during an election cycle that at times, lacks both.

Managing cost efficiency remains a priority for marketers and

embracing a more holistic media investment strategy now, will give your business more advertising mileage in the ensuing months. As November 2020 approaches, expect increased competition for ad bids and keywords combined with growing consumer apathy towards ads overall to further reduce click-through and conversion rates. Although many brands do plan for peak seasons by reserving placements upfront, the influx of political ad campaigns with significantly larger spend in Q4 than most brands allocate across a full fiscal may result in “bumping” as they outbid marketers with established deals, forcing vendors to issue make-goods after the election to rectify any lapses in media availability. While political ad campaigns typically flight 10 weeks of activity that peaks on Election Day, this year’s kicked-off earlier in order to influence those voting by mail. This means marketers should anticipate any strains the election may have on the digital marketplace to take effect sooner as well. Most importantly, make sure your brand has a pivot plan in place so that if digital advertising costs or competition volume becomes too high— you can pivot accordingly.

Projected Top-line Comparison by Media Type



Although achieving success on your digital campaign may take some re-strategizing to thrive this election cycle, it is possible. Proactively fine-tune your social, video, and investment strategies to aptly prepare your brand for the 2020 political season, and stay two steps ahead of your competition.

Sources:

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