

Political: THE Media Story of Q4

Political media – a world reserved for politicians and issues groups, right? Well, not so much.

Today, commercial, advocacy, and political advertising are converging more than they ever have before. During election cycles, political becomes the media story of the time – and we're right in the thick of it now, with the US midterm elections right around the corner. So, why should brands and advertisers care?

The media dollars in-market, the issues being talked about by politicians and advocacy groups during an election cycle, and the political messages influencing consumer sentiment on your products and services (yes...this is real!) all play a role in how your brand and marketing efforts are received by consumers.

Is this a challenging environment to navigate as a commercial advertiser? Sure. But we see it as an opportunity. In fact, we believe there is a symbiotic relationship between brand advertising and political advertising – and today, both need to be informed of what the other is doing.

And what's even clearer today is that consumers are starting to expect that brands find a space in the political and advocacy arena – an even thornier proposition.

To make sense of these challenges, and even more importantly, uncover the opportunities, we've brought together our top political and media experts, and consumer insights and business strategists, to deliver a connected viewpoint on the state of political and commercial advertising – backed by unmatched knowledge of the landscape and deep, data-driven perspective from our proprietary political and advocacy insights technology.

We're giving you the top headlines, the important data points, and the POV – all right here.



Issues-Based Advocacy on the Rise

An intricate strategy is required to meaningfully influence brand perception.



In a culture where brands are increasingly being pushed by consumers and employees to take a stance on hot-button issues, the nature of brand advertising has grown far more nuanced

Corporate advocacy campaigns must be run with precision and expertise – attributes gained by executing media strategy under the toughest conditions. If competitors are talking about how they are more sustainable, or that they pay their employees industry-leading wages (and thus are advocating for raising the minimum wage) – that all influences a brand's strategy.

Assembly's **Advocacy Insights Dashboard** was designed with this challenge in mind. It's a data visualization platform to see where, when, and how competitors are deploying advocacy messages. The approach blends the data, tech, and talent expertise of Assembly's Research and Political Strategy Teams to find more efficient and effective go to market approaches for Advocacy campaigns.

As mentioned earlier, **Advocacy is a marketing strategy to tackle perception challenges. Negative public sentiment plays a significant role in determining what advocacy issues that a company centers on.**

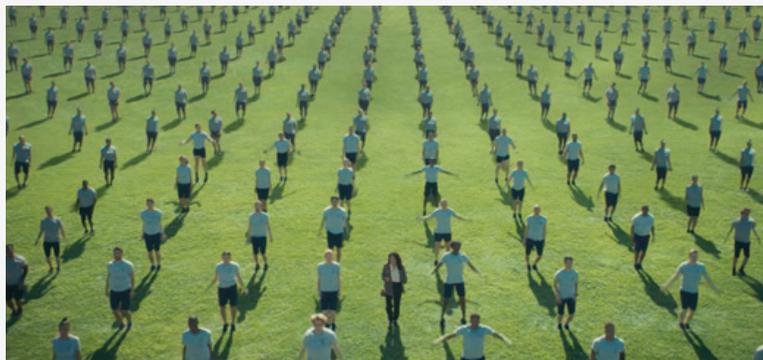
Today, advocacy is more than an extension of a brand's 'upper funnel' media campaign. It has shifted to a much deeper, more intricate strategy to tackle perception and reputation, not just awareness challenges.

Let's take an example from the media world. Meta may focus most of their advocacy advertising on issues like election integrity and online safety due to the numerous storylines about Facebook's historical struggles with those topics.

Amazon, on the other hand, has been fighting the general impression that they mistreat their warehouse employees. So, Amazon's advocacy spending may focus more on increasing employee benefits or raising the minimum wage.

By using the **Advocacy Insights Dashboard**, clients gain insight into which geos competitors are investing in advocacy campaigns, and what messages and media channels they're using.

Facebook Taking Measures to Keep its Platforms Safe



Facebook's ad campaign about enhanced security measures on its platforms, touting over 40,000 people working on the effort and over \$16B spent in the last 6 years.

Amazon Boosting its Employer Reputation



Amazon employment ads, with a focus on flexibility and great pay.

The Burning Questions That A Brand Must Ask Are:

1.

Are these campaigns targeting influencers in state capitals to try and achieve a specific goal? Or are they trying to reach as many customers as possible, as a PR play?

2.

What percentage of a competitor's overall media spend is being devoted to advocacy spending?

3.

Is one media channel seeing a disproportionate amount of advocacy spending compared to others?

The Wrap-up:

With so many brands under increased pressure to take a stance on the issues that matter to their customers, businesses can expect their competitors to be more vocal and active than in the past on issues of advocacy. Which means, the answers to these burning questions can no longer be abstract hypotheticals. Luckily, there are tools, expertise, and dedicated partners out there today that can help bridge the gap between the data and the strategic direction a brand should take when it comes to advocacy, and this is crucial for moving forward.

Measuring Market Intensity



With our dizzying projections like “**more than \$9 billion during the whole cycle**” or “**\$3.3 billion from 10/1-11/8**”, it helps to put all this political spending into context. While political spending will be the story this Fall, proactively planning around it enables advertisers to prepare for possible disruptions.

To help clients prepare, we created the **Assembly Market Intensity Index (AMII)**: a 1-10 scale of how busy a given market would be this election cycle.

Though grounded in specific and tangible data, AMII is further informed by Assembly’s Political Strategy’s unique expertise in the field of tracking political media spend nationwide.

Our team applied AMII values to every DMA in the country: from the group of “10s” (**Atlanta, Phoenix, and Las Vegas**), all the way to Glendive, MT – this cycle’s only “1”. What makes AMII such a gamechanger is the fact that it’s dynamic. Next year and the next election cycle, the list of hottest political markets will evolve – though Phoenix will likely be getting another “10” rating in 2024!

AMII is based on several factors including:

- Number of races in a DMA
- Competitiveness of said races
- Expected outside/issue group involvement
- Market size
- Spillover into competitive districts/states
- Geographic location of market within a competitive state.

Why should brands care?

Like we mentioned, there's a symbiotic relationship between brand advertising and political advertising. Assembly's Market Intensity Index can inform:

1.

Supply and demand dynamics with local advertising inventory

2.

Shifts in creative strategy to tackle voter's state of mind

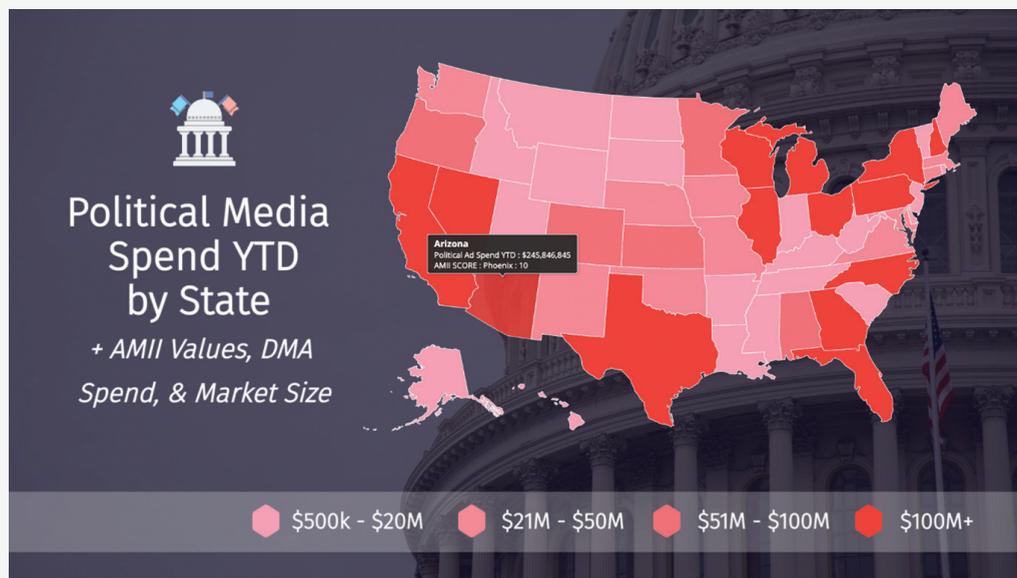
Rules of the Game

The FCC places a lot of regulations on political advertising, which plays a big role in the supply and demand of local TV inventory. Political candidates are not only given equal access to purchase the same inventory as their competitors, but they are also guaranteed the lowest unit rate (LUR) within any given program. This means that if a brand advertiser placed an annual schedule months ago at a deeply discounted rate on a particular local station, a political candidate can come in, and is guaranteed an even lower rate.

The TV stations are also required to give candidates "reasonable access" to this inventory, which limits supply and drives up demand for any remaining inventory to brand advertisers. Furthermore, issue and advocacy groups do not receive this favorable LUR, in fact it's quite the opposite. These groups can often have very large budgets meant to make a splash and pay premium rate card levels (similar to a non-preemptible rate for an entertainment client), which may be preferable to local station sellers when managing inventory, causing further restrictions on supply.

High AMII Markets

Historically, brand advertisers would normally place a premium on their planning costs when entering a heavy political marketplace, but that does not offer complete protection with the regulations that the FCC has in place and can also cause the advertiser to simply over pay. In markets with a high AMII index this Fall, such as Phoenix, Atlanta, Las Vegas, and Boston, advertisers should not only be proactive in their planning process, but also a bit more strategic and flexible when it comes to the dayparts or flight weeks, allowing for fluctuations between linear and digital video delivery to still achieve weekly KPIs.



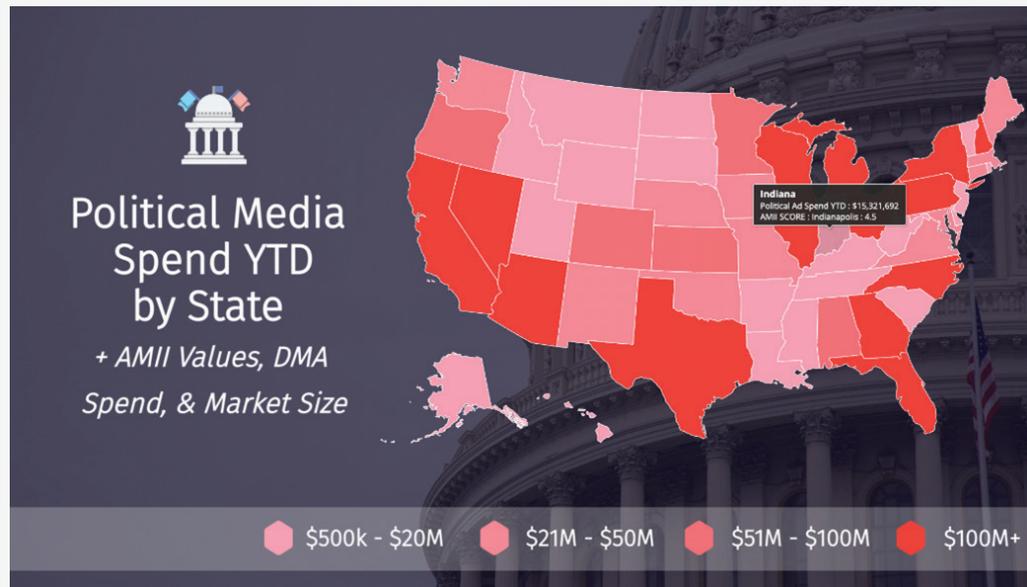
A Data visualization created from Assembly's Political Insights technology, demonstrating states with high AMII scores, along with political ad spending year-to-date – in the above, Arizona (\$245M+ spending YTD)

Low AMII Markets

Markets with \$200M+ in political spending tend to get more attention, but larger markets without a lot of political spending represent an interesting opportunity for advertisers.

While it might seem like a good time to pull back on local TV in certain markets, there are other areas where the political cycle could provide an opportunity for advertisers to break through the noise.

Markets like Indianapolis (AMII: 4.5), Memphis (AMII: 3), and New Orleans (AMII: 3) are geos where advertisers can reach a lot of people without having to compete with hundreds of millions of dollars' worth of political spending – including the messaging challenges that come with advertising in such a charged environment. If geos like these are already priorities for an advertiser, it makes sense to shift even more money to these markets to secure added value.



A Data visualization created from Assembly's Political Insights technology, demonstrating states with low AMII scores, along with political ad spending year-to-date – in the above, Indianapolis.

These can also be prime markets for testing products or creative messaging, as it allows a brand advertiser to avoid the challenges of a market with heavy political spending. Additionally, in the future, advertisers can use tools like AMII to predict where the opportunity will exist for testing product launches or doing an A/B creative test without having to compete with political spending.

Large markets with a low AMII also won't experience 'post-election hangover' that is seen in so many of the busiest markets. So, if advertisers take a brief pause in activity in these markets, they should resume activity on November 8 to take advantage of lower rates and more inventory, especially leading into the busy holiday season.

Political Messaging Acts as an Echo Chamber

The tenor and frequency of political advertising acts as an echo chamber for many consumers, as the messaging reinforces their opinions and beliefs. For this reason, an advertiser may want to consider slight tweaks in creative messaging if their audience base resides in a market with a strong AMII.

This year, more mature and/or conservative consumers will be getting inundated with economically themed political advertising as the “state of the economy” is a central platform for Republicans. These consumers will be getting told “you have less money than you used to due to inflation,” and after hearing that same messaging for months, this often instills new beliefs and/or acts as an echo chamber to reinforce existing opinions and beliefs.

Conversely, if independent and liberal consumers are hearing more and more about the tax incentives and overall scope of the Inflation Reduction Act, this may make them more likely to invest in products related to green energy like hybrids, EVs, and solar panels.

Regardless of which side of the political aisle your consumer base resides, political advertising has impacted their purchase behavior. According to August 2022 NRG research, conservatives have cut back more on discretionary spending due to their perceptions about the health of the economy. And independents and liberal consumers have been cutting back on essentials. Depending on the markets an advertiser targets, this could have a tangible effect on sales.

The Wrap-up:

AMII is and always will be a way to estimate what an election season will hold. However, our projections from July are holding steady, validating our methodology and reinforcing the power of technology.

When AMII was unveiled this summer, three DMAs were given ‘10’ ratings on the scale: Atlanta, Phoenix, and Las Vegas. Those projections have remained durable, with those three markets being amongst the most crowded politically. Combined, those markets have accounted for more than 15% of all political spending nationwide.

Our lowest AMII rating was given to Glendive, MT – which, to date, has not received any political spending this year. One benefit of a dynamic scale like AMII is that these numbers will be refreshed every year. So, when the 2024 Senate race takes place in Montana, it’s very likely that Glendive (and the other MT markets that were given low AMII scores), will end up much higher.

Projections on political creative have also remained durable. Most Republican advertising has focused on the economy/inflation, with additional attention paid to immigration and crime. On the other hand, Democratic advertising has primarily focused on abortion and climate change.

Deciding Whether to be the Face of Change



According to Mintel, 68% of consumers want brands to be clear about their corporate values. This has given rise to Corporate Social Responsibility (CSR) and Corporate Advocacy campaigns, which are quickly becoming a key aspect of brands' overall comms and marketing strategies, and niche expertise is being hired into the roles. This shift is difficult to deny, especially when 87% of consumers said they'd purchase a product or service when a company advocates for values they care about (Cone Communications).

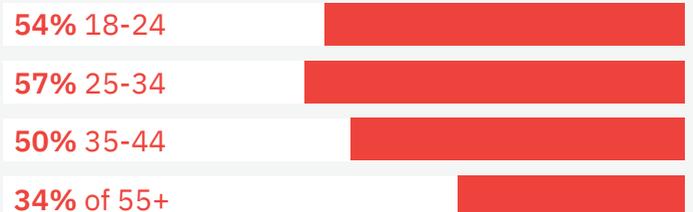
Consumers know that brands use CSR and Advocacy campaigns to promote a positive image and that's okay. But when it blends into politics, it's a bit trickier.

Consumers don't want brands to take a political stance UNLESS it is core to their business.

A Generational Divide?

So, who cares about brands taking a stance? Does this fall along generational divides? The answer is no. Sure, it skews younger, but not as pronounced as one might think.

Consumers that say they like brands that are willing to get involved with political/social issues, by age



The divide on whether brands should get involved does fall along political lines (62% democrat vs. 19% republican).

So, it would make sense that the issues consumers expect brands to be involved with tend to be left leaning. Of those who say they like brands that are willing to get involved in political issues (vs. the general population), the most important topics include:



Feelings on the News & Brand Involvement in It

While education, gun control, healthcare, national security, and taxes are important issues to most generations, only 19% of respondents surveyed recently by **NRG** had consumed **Political content** and 26% consumed **News**, and **Current Affairs** content in the last two days at the time they were polled. Compare this to **Live Sports** and **Comedy**, where nearly half had consumed content. We attribute declining interest in News and Current Affairs to the fact that it's emotionally taxing. This genre of content makes people concerned about the society they live in (49%). Additionally, for many, the content was "irritating" (30%) and made them feel sick of all the political content in media today (28%). These negative emotions were pronounced amongst all generations but especially those aged 45-54, who tend to be the highest consumers of news content.

But there is a silver lining...

NRG found that a portion of Gen Z finds news and current affairs content "uplifting" and makes them feel "more connected to their citizens". One of the reasons could be that TikTok is Gen Z's #1 source for news, and it's quickly becoming a political echo chamber.

Gen Zs are following influencer driven news content that reflects perspectives they agree with. That is why 25% of Gen Z ages 13-17 said brand advertising during news/current affairs content improved their opinion of the brand (vs. 10% average of all respondents).

The reality is, for most people (57%), advertising adjacent to news content does not have any negative impact on their views. Only 7% said their views of the brand declined somewhat. So, if advertisers are on the fence about contextually targeting news content because it will negatively impact the brand image, that's not necessarily the case.

The more concerning issue, however, is brand suitability of news when perception of fake news is at an all-time high in the US (74%), according to Edelman's 2022 Trust Barometer. The political chasm has widened the disparity in trusted media sources, with only 24% of Republicans vs. 55% of Democrats "trusting" media.

Culturally, we've seen that the circle of trust has contracted post pandemic. Consumers have closer bonds with neighbors and co-workers today, which might explain why we've seen a recent rebirth of local, community-based content consumption. The trusted media sources to keep Americans informed and connected as a community are not only local news websites and social groups, but also mainstream local TV programming (local ABC/NBC/CBS) and local talk radio stations.



4 Principles to Be the Face of Change

Brands who want to take a political stance or delve into issues-based advocacy need to evaluate on a case-by-case basis, and should carefully consider the impact on their business, customers, and alignment to their core identity.

Important considerations to evaluate:

1. Demonstrate Direct & Intrinsic Linkage to Your Brand

Today's consumers expect a brand move to make sense – how it takes a stand should mesh well with other actions and beliefs. In one of many examples of this, OKCupid donated ad space on its platforms for Planned Parenthood in response to the Roe v. Wade overturn and sent push notifications to its users to encourage donations. As a dating app, helping protect female reproductive rights pairs well with the business itself, and their history of supporting Planned Parenthood with donations and partner badges lends credibility to the 2022 move. Their action was received so well that influencers supported OkCupid on TikTok without being paid for it.



The "I'm pro-choice" badge on the app. OkCupid

“This isn’t just an issue that’s important to OkCupid employees, it’s top-of-mind for our millions of daters across the nation. More than 7 in 10 people on OkCupid added our Pro-Choice badge to their profile demonstrating their support of reproductive rights, and 2 million of our daters in the United States are publicly against the government defunding Planned Parenthood.”

- Michael Kaye, Director of Global Communications, [okcupid](#)

2. Walk the Talk

Brands can no longer afford to make empty statements about values without taking clear action to back them up. Patagonia embodies what it means to walk the talk, as a brand that clearly shows they’re in business to save the planet. They aren’t quiet about their goals and have made tangible efforts towards making them happen. Most recently, Patagonia’s founder, Yvon Chouinard, made a bold stand when he turned over ownership of the company to two newly created entities stating, “Earth is now our only shareholder.” Yvon explains instead of “going public,” Patagonia is “going purpose” with 100% of the company’s voting stock transferred to the Patagonia Purpose Trust, created to protect the company’s values; and 100% of the nonvoting stock has been given to the Holdfast Collective, a nonprofit dedicated to fighting the environmental crisis and defending nature.



3. Be A First Mover

When the situation is driven by a business imperative, companies must make swift decisions. This year, Russia's invasion of Ukraine was met with quick response from most brands; those who were late were called out and suffered the consequences. One such brand was McDonald's, who blamed their delay in action on logistics. Though it's understandable that in a situation with many moving parts – such as pulling business out of an entire country – takes time, the decision to do so must be communicated in a timely manner. By the time McDonald's announced three months after the war began and long after many businesses had already pulled out, consumers were calling for a boycott of the chain.



4. Build Trust in Local Communities

With many Americans preferring local news outlets to stay informed and connected, it's no surprise that many brands do well when they focus on communities. A great example of this, while UK based, is Converse's 'Create Next', an initiative in partnership with British actor, John Boyega, to spotlight emerging Black filmmakers. Through the partnership, Converse has invested in mentoring and highlighting the work of local, next gen creative talents, further emphasizing the importance of local community building.



Adapting to the Evolving News Media Landscape



Political Advertisers Are Taking the Battle to Streaming Video

Over the past three years, platforms that deliver live, linear television over the internet have grown from 7.1% of all TV households to 12.5%, with **YouTubeTV, Hulu+Live, DirectTV Stream, and Sling TV** driving much of that growth. The platform with the highest penetration is YouTubeTV, which has grown by more than 160% since 2020, according to Nielsen's State of Play (April 2022).

This change in media consumption underscores a significant shift in the way that candidates and issue groups will target voters, both now and into the future. Historically, political campaigns have relied on saturating the local broadcast markets and cable news networks.

Since the core age group for targeting political ads (A35+) spends the most time with streaming content, heavy investment in broadcast networks now significantly limits political campaign reach and voter targeting capabilities.

As a result, political ad spend in streaming services is on the rise - expected to generate \$1.44 billion — or about 15 percent — of the projected \$9.7 billion in ad spending for the 2022 election cycle, according to a report from AdImpact. This is now on par with the spending we have seen on Facebook and Google.

Looking ahead to the 2024 election cycle, it's quite possible to experience less pressure on traditional broadcast inventory in favor of digital and streaming platforms. We recommend speaking with local buyers before putting budgets together for video. Non-political advertisers who typically have considered CTV/OTT a "safe space" to avoid preemptions, rate hikes, and crowded airways may find that this is changing, and streaming inventory is not as available during high political season.

Streaming video share of time spent by age
February 2022



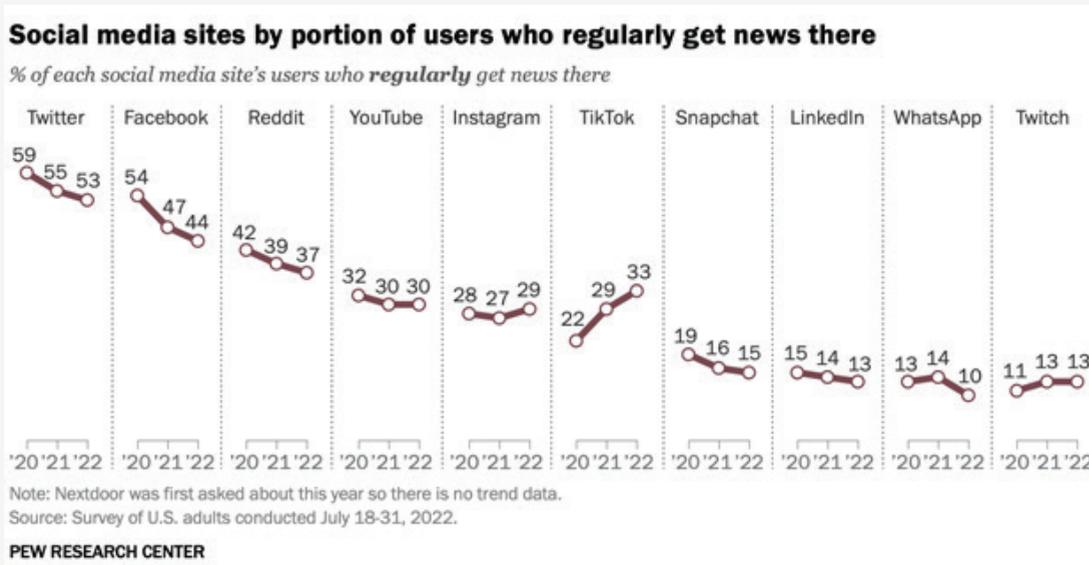
Source: Nielsen Streaming Platform Ratings

National News Fatigue in American Culture

As told by NRG research, viewers are less engaged with news content than they have been in recent years. In fact, their engagement has plunged during the first half of 2022 compared to the first half of 2021, and in some cases, it has fallen below pre-pandemic levels. The biggest shift has been with news content on social media which has dropped by -50%, followed by Cable News (-19%).

Social Sources for News

Platforms like **Meta** only approve news content from “legitimate” sources, but consumers are finding the content a turn off. The only social media site to see a significant increase in news consumption was **TikTok** (which is the #1 source of news content for Gen Z and AA). Their algorithms are recommending influencer driven news content, so while the platform may act as an echo chamber for viewers’ beliefs, it’s also not necessarily a credible news source.



Prime Time Viewing Down

ACNN, Fox News, and MSNBC are, on average, down 19% in prime time for the first half of this year, compared to the first half of 2021. Those losses skew heavily toward CNN and MSNBC, which are down 47% and 33%, respectively. Fox’s ratings are up 12% in that six-month span.

Change in news engagement, H1 2021 to H1 2022



Data: NewsWhip, Apptopia, SimilarWeb, Nielsen; Note: Cable ratings only include Fox, MSNBC and CNN, from Monday to Sunday; Chart: Will Chase/Axios

It seems as if Americans have become tired of the negative national headlines that have replaced Trump-era crises, scandals, and tweets. The lower engagement also suggests that people have grown tired of the 24-hour news culture they’ve become used to since 2020. Domestic and global events such as the war in Ukraine, a series

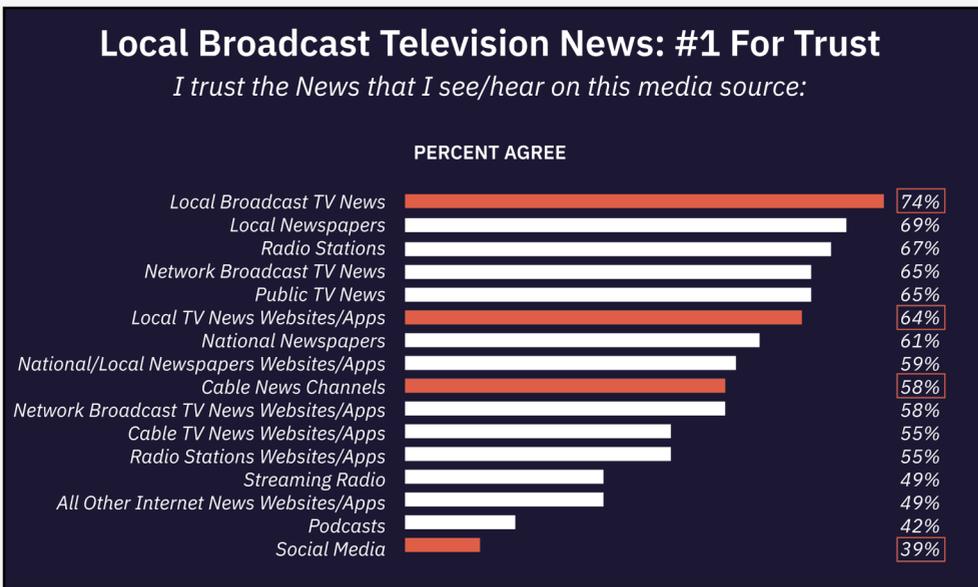
of deadly mass shootings, the Jan. 6 hearings, and the overturning of Roe v Wade, have not been able to capture the same level of attention spurred by the onset of the pandemic and the 2020 election.

Think Local not National When it Comes to News

While we have seen a decline in cable news ratings nationally, local news continues to thrive as a trusted source of information, especially as it pertains to local communities and interests. Even though local news did also hit a peak of viewership in 2020, ratings have been holding steady since 2021 in top markets across the country.



This is a key area of opportunity for advertisers as long as they avoid hot political markets (high AMII index), because it allows them to connect with consumers within locally relevant content on a platform they trust more than any other source.



To win the hearts and minds of Hispanic Americans, however, Spanish Language News and Streaming Platforms are the trusted platforms where brands need to be.

Spanish language news networks have not seen the same level of decline in viewership that the national news networks have in the past two years. Hispanic Americans still seek out national news content to stay informed on Covid-19, Healthcare, and Economy/Jobs, according to Univision’s political tracker, in collaboration with Media Predict (October 2020).

Local News on Spanish Language broadcast networks still hold strong as well. **Univision** garners the biggest share of viewing within their top 9 Local People Meter markets, where their Spanish Language newscasts rank either #1 or #2 of all newscasts (Nielsen, NSI, Live+SD, Adults 18).

According to a recent study by Nielsen, 56% of Hispanics say they are more likely to continue engagement with content when it features someone from their identity group, therefore native language news content is still seeing a high level of consumption, especially with younger audiences on streaming platforms.

As the cable news networks fight to hold share, they are trying to find ways to engage younger viewers who prefer streaming. **CNN En Espanol** has found ways to bring in these younger viewers, over-indexing against A18-44, while the other news networks typically under-index against that same audience. Since streaming news content continues to thrive for Hispanic Americans, as they are the largest consumers of streaming services in the U.S, this provides additional opportunities for brands to deliver messaging in news content during a high political season.

Percentage of time with TV

Viewing source	Total U.S.	Hispanics	English Dominant	Spanish Dominant	Speak Spanish and English equally
 Broadcast	21.6%	23.1%	14.5%	34.9%	21.0%
 Cable	34.4%	20.0%	25.6%	14.7%	18.8%
 Streaming	34.8%	43.6%	44.7%	42.5%	43.7%
 Other	9.2%	13.3%	15.3%	7.9%	16.6%

Read as: 43.6% of Hispanics' time with TV in July was spent with streaming content.
Source: Nielsen NPOWER, National TV Panel and Streaming Platform Ratings; July 2022

The Wrap-up:

As brands think about running advertising where their target audiences are consuming news, consider the following:

1. Lock in Q3/Q4 2023 streaming buys early, as political spend will saturate the market as they shift more dollars to these platforms
2. Avoid contextual targeting of “news genre” on social platforms; there is declining interest and continuing concerns about fake news
3. Break the cycle of distrust in media. Go local to win the hearts and minds of the general population
4. Remember that Hispanic Americans turn to native speaking platforms to stay informed on issues important to them



About **+ASSEMBLY**

Assembly is the modern global omnichannel media agency, bringing data, talent, and technology together to find the change that fuels growth for the best brands on the planet. Our approach connects big, bold brand stories with integrated, global media capabilities that deliver performance and drive large-scale business growth. Our work is powered by our proprietary, in-house technology solution, STAGE, and led by our global talent base of over 1,600 people around the world. We're purpose-driven at our core and pioneers in social and environmental impact in the agency world.

Assembly is a proud member of Stagwell, the challenger network built to transform marketing.

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