



Why Reach Matters



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Introduction

Paper 1 in this series established that linear TV still wins because it delivers unmatched attention, efficient reach, brand safety, and accountability.

But that raises a deeper question:
why does reach matter so much?

The answer challenges marketing's most persistent myth: that brands grow by deepening relationships with existing customers through loyalty programs and personalized engagement. **Brands grow by reaching more people, not by making current customers buy more often.**

Decades of empirical research, most notably the work of Byron Sharp and the Ehrenberg-Bass Institute, show that market leaders win through penetration—reaching more of the category—not through superior loyalty. Light buyers who purchase infrequently represent the vast majority of growth opportunity, yet they're systematically undervalued in favor of heavy-user strategies that deliver diminishing returns.



Starting with Reach

For marketers deploying TV advertising, these principles matter because they point to a clear strategic imperative: **build broad reach first.**

TV remains uniquely capable of reaching millions of people quickly and cost-effectively.

But its efficiency depends on strategic execution—defining precise target audiences beyond broad demographics, finding undervalued inventory where those audiences concentrate, and managing frequency while extending reach.

This paper explains why reach drives growth, why TV remains the most efficient reach-building tool, and how audience-based linear strategies unlock efficiency that traditional planning leaves on the table.

Section 1:

How Brands Actually Grow

Marketing's most expensive mistake is believing that brand growth comes from making existing customers buy more often. It doesn't. **Brands grow primarily by reaching more people, not by deepening loyalty among current customers.**

This finding challenges nearly everything the marketing industry teaches about customer lifetime value, loyalty programs, and relationship marketing. But the data are unambiguous.



The Penetration Principle: More Buyers Beat Better Buyers

Byron Sharp's landmark research at the Ehrenberg-Bass Institute analyzed purchasing patterns across consumer packaged goods, financial services, automotive, retail, and dozens of other categories. The pattern holds everywhere: **market leaders have more customers, not more loyal customers.**

When Coca-Cola outsells Pepsi, it's not because Coke drinkers are fanatics who refuse to touch Pepsi. Both brands have similar loyalty rates—around 50-60% of their buyers are "exclusive" in any given year, meaning they don't buy the competitor. Coke wins because it has greater **penetration** (the percentage of the category who buy the brand at least once in a period), not greater loyalty.

Market share follows a simple rule:
Share of Market $\approx$ Penetration $\times$ Average Purchase Frequency. And because purchase frequency varies remarkably little between competing brands, penetration does almost all the work.



The Loyalty Myth: Why Heavy Buyers Don't Save You

Conventional wisdom says companies should focus on their best customers —the heavy buyers who deliver outsized revenue.

- Find more people like them.
- Give them VIP treatment.
- Maximize their lifetime value.

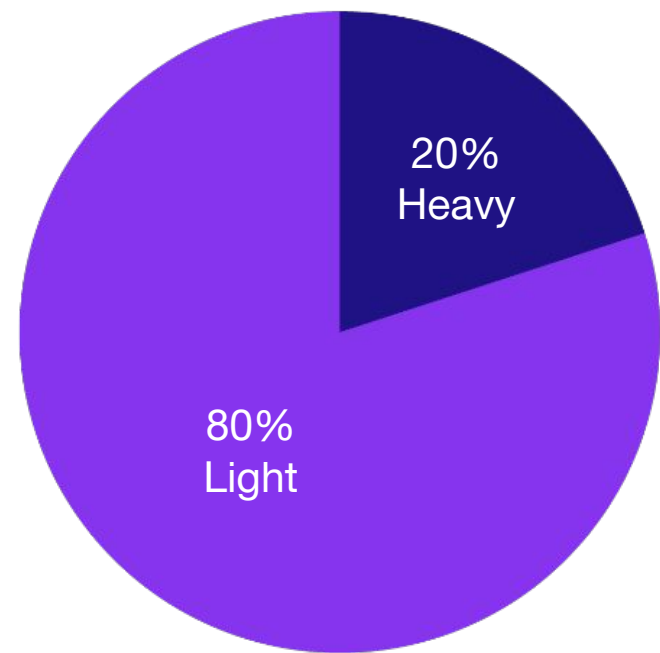
This advice sounds rational but misunderstands how customer bases actually work.



- **First**, heavy buyers are already buying. By definition, they're at or near their category ceiling. Someone buying detergent twice a month probably isn't going to buy it four times a month no matter how loyal they feel.
- **Second**, heavy buyers are rare. In most categories, the top 20% of customers might generate 35-40% of revenue, not the mythical 80% of the Pareto principle. The distribution is less skewed than marketers assume. And that top 20% represents a small absolute number of people.
- **Third**, heavy buyers moderate over time. Sharp's research documents "buyer moderation" —the statistical tendency for heavy buyers in one period to buy less in the next period, and light buyers to buy more. Brands that over-invest in retention programs aimed at heavy users are chasing a shrinking cohort.

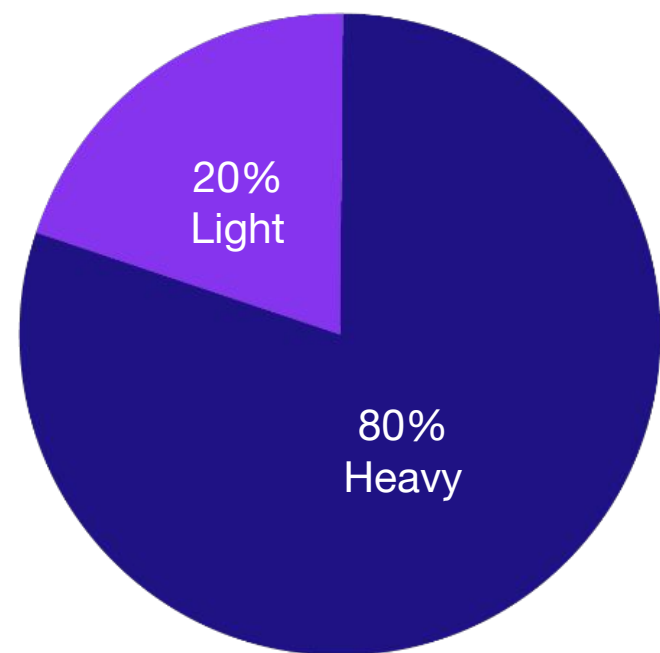
Light Brand / Heavy Category Buyers Represent Opportunity

Volume of Each Category Buyer



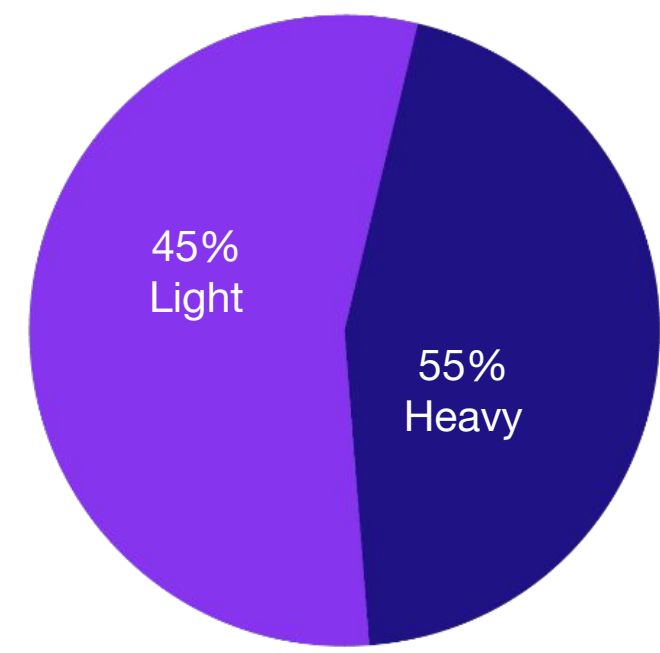
Light Buyers counts are typically 4x Heavy Buyers for a given brand

MYTH: % of Sales by Category Buyer



One of marketing’s **best known myths** is Pareto’s Law: “80% of your sales come from the top 20% of your buyers”

REALITY: % of Sales by Category Buyer



However, Heavy Buyers really only make up around 50% of sales and light buyers make up more of your sales than you think.



Since Heavy Buyers are the most frequent customers, many marketers *focus too much on retaining* them

Light Buyers Represent More Sales than Most Marketers Believe

Light buyers—the vast majority of any brand's customer base who purchase infrequently and often forget the brand between purchases.

Light buyers collectively deliver the majority of a brand's sales volume.

That 55-60% of revenue coming from "occasional" buyers represents an enormous absolute number of people. And unlike heavy buyers, there's headroom to grow:



They can buy more often

A twice-a-year buyer becoming a three-times-a-year buyer is 50% growth from that customer



They're accessible

Light buyers haven't tuned out; they just haven't thought about your brand recently



There are more of them

The pool of potential light buyers (people who buy the category but rarely buy your product) is vast

But light buyers create a challenge: they have low mental availability.

They don't think about the brand often. Mental availability—being thought of in buying situations—is how brands win light buyers. And building mental availability requires reach.

Mental Availability: Being Noticed and Remembered

Sharp distinguishes between two types of availability:

Physical availability:

How easy it is to buy the brand
(distribution, price,
distribution/shelf space)

Mental availability:

How likely the brand is to be
noticed and thought of
in buying situations

Most marketing focuses
obsessively on persuasion
—convincing people the
brand is superior.

But in low-involvement
categories (which is most
categories), people aren't
carefully evaluating options.
They're reaching for whatever
brand comes to mind first that
meets their needs.

Mental availability is built through reach and distinctive assets
to be in people's heads when purchase occasions arise.

That requires:

- 1. Broad category reach at appropriate frequency**
- 2. Distinctive brand assets**
- 3. Consistent presence**



This is why Coca-Cola still
advertises despite having
near-universal awareness.

The goal isn't persuasion.
It's refreshing mental
availability so when someone
stands in front of a cooler,
"Coke" comes to mind.

Why This All Points to Reach

Sharp's research has profound implications for media strategy:

If brands grow through penetration, not loyalty, then media plans must prioritize reaching more people, not targeting narrow segments more heavily.

If mental availability drives purchase, then media must build memory structures through repeated exposure across the widest possible audience—which means frequency across reach, not frequency on a small group.

If light buyers are the growth engine, then campaigns must reach beyond core customers to the broader pool of infrequent buyers—which means broad reach, not overly precise targeting.

If distinctive assets matter more than persuasive copy, then the medium must showcase brand assets clearly and memorably—which advantages big-screen, full-canvas TV over scroll-by mobile formats.

The strategic imperative is clear: marketers need a mass-reach tool that can efficiently expose large numbers of people to distinctive brand messages. **That tool is television.** And the brands that deploy it strategically—building broad reach first, managing frequency sensibly, and maintaining consistent presence—are the ones that grow.

The next question is: how does reach actually work? What's the relationship between reach, frequency, and outcomes? And why is TV still the most efficient way to build it?

Section 2:

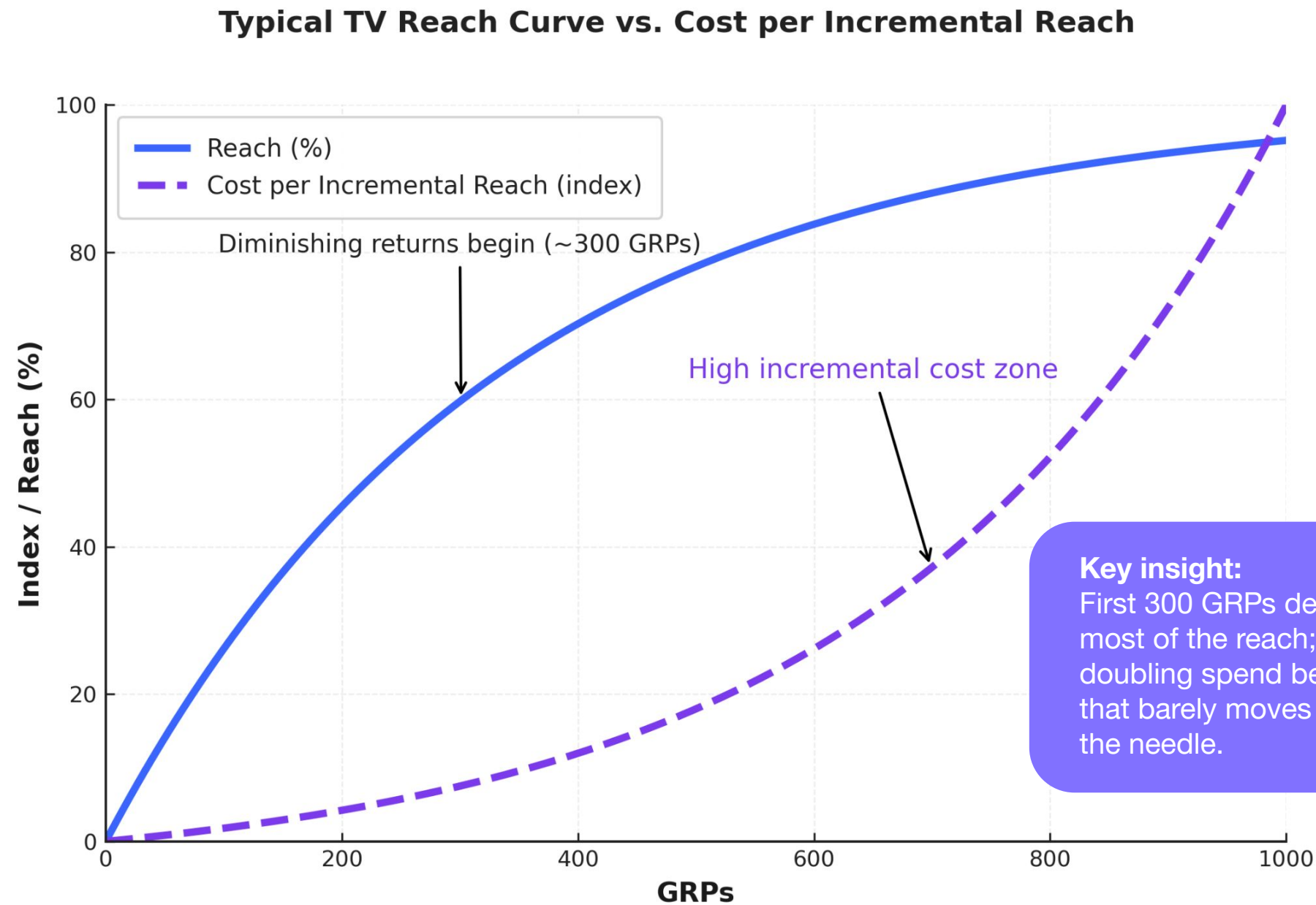
The Economics of TV Reach

Understanding why reach matters requires understanding how reach actually accumulates—and why the right approach can make it far more efficient than conventional planning suggests.



How Reach Builds: The Curve That Changes Everything

Reach doesn't grow linearly with spending. The first dollars buy reach cheaply; each subsequent dollar buys less. This mathematical reality—the reach curve—governs every media plan whether marketers acknowledge it or not.



Source: Synthetic curve created in ChatGPT

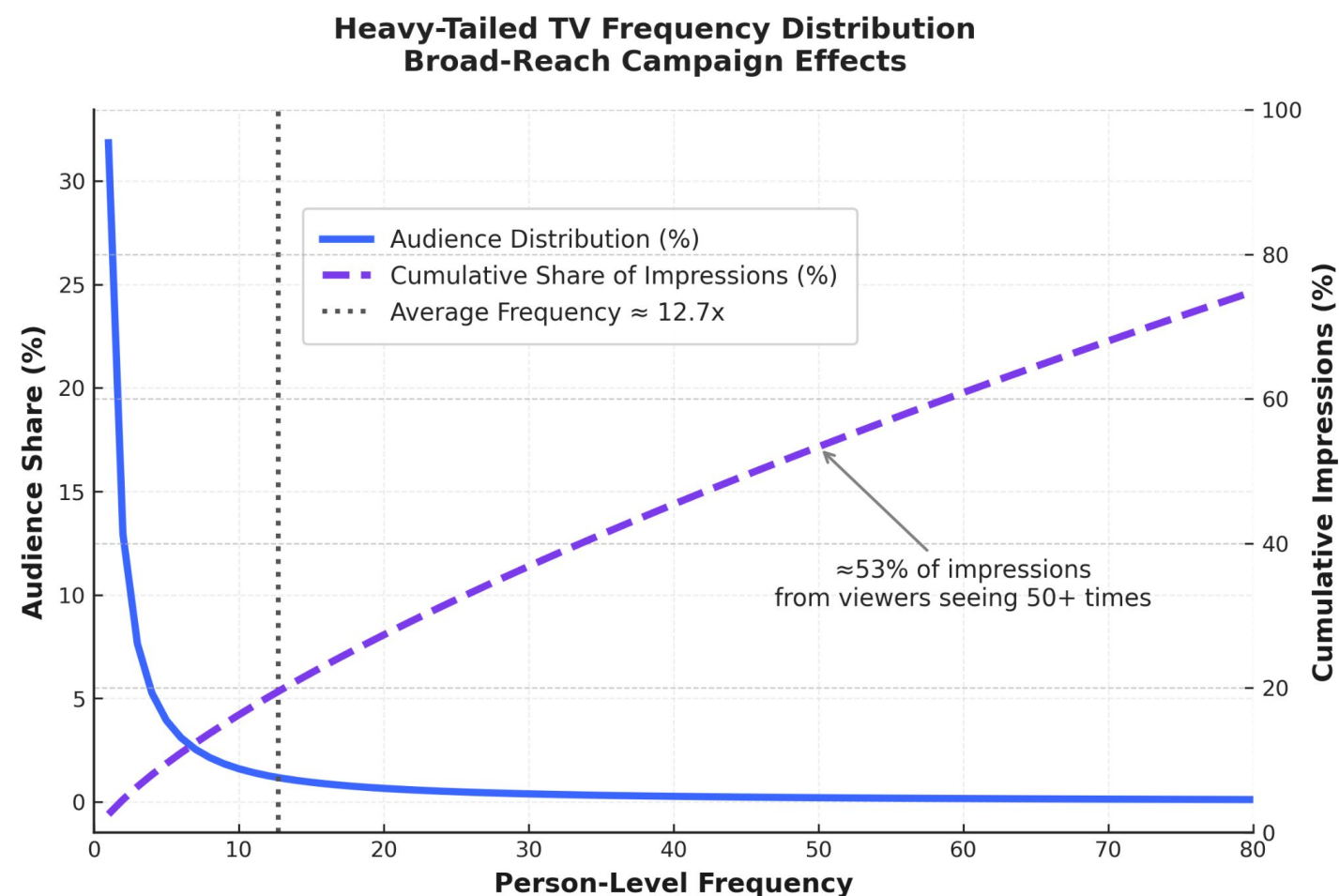
This chart shows a theoretical example of a typical TV campaign targeting adults 25-54. In such a scenario, the first 300 GRPs might reach 60% of the audience at least once. Doubling to 600 GRPs adds only 15 more reach points, to 75% total. Doubling again to 1200 GRPs might push reach to 85%, but might require quadrupling spending to gain only 10 incremental points.

Light TV viewers are harder to reach, so after covering the medium and heavy viewers efficiently, each additional impression has lower odds of landing on a new household.

The Reach-Frequency Tradeoff—And How to Improve It

Every media plan navigates a fundamental constraint: **for a given budget, reach and frequency move inversely**. Buy more reach, accept lower frequency. Push frequency higher, sacrifice reach. Actual reach vs. frequency distributions help inform better choices.

In this illustrative example, the campaign has an average frequency of 12.7 (not unreasonable), but over 50% of impressions are going to people receiving 50 or more impressions, which seems clearly inefficient and undesirable.



Source: Synthetic curve created in ChatGPT

- 1 Broadcast primetime commands premium CPMs because it delivers massive simultaneous reach (and correspondingly high costs).
- 2 Planning and buying on overlooked "long-tail" networks is challenging because of deficiencies in traditional measurement and complex logistics.
- 3 Limiting buys to the same few cable networks creates massive over-frequency among heavy viewers.

Traditional planning treats the reach / frequency tradeoff as fixed. But this assumes all GRPs cost the same and deliver equally. They don't. Incremental spending on the same networks/dayparts means increasing frequency rather than extending reach.

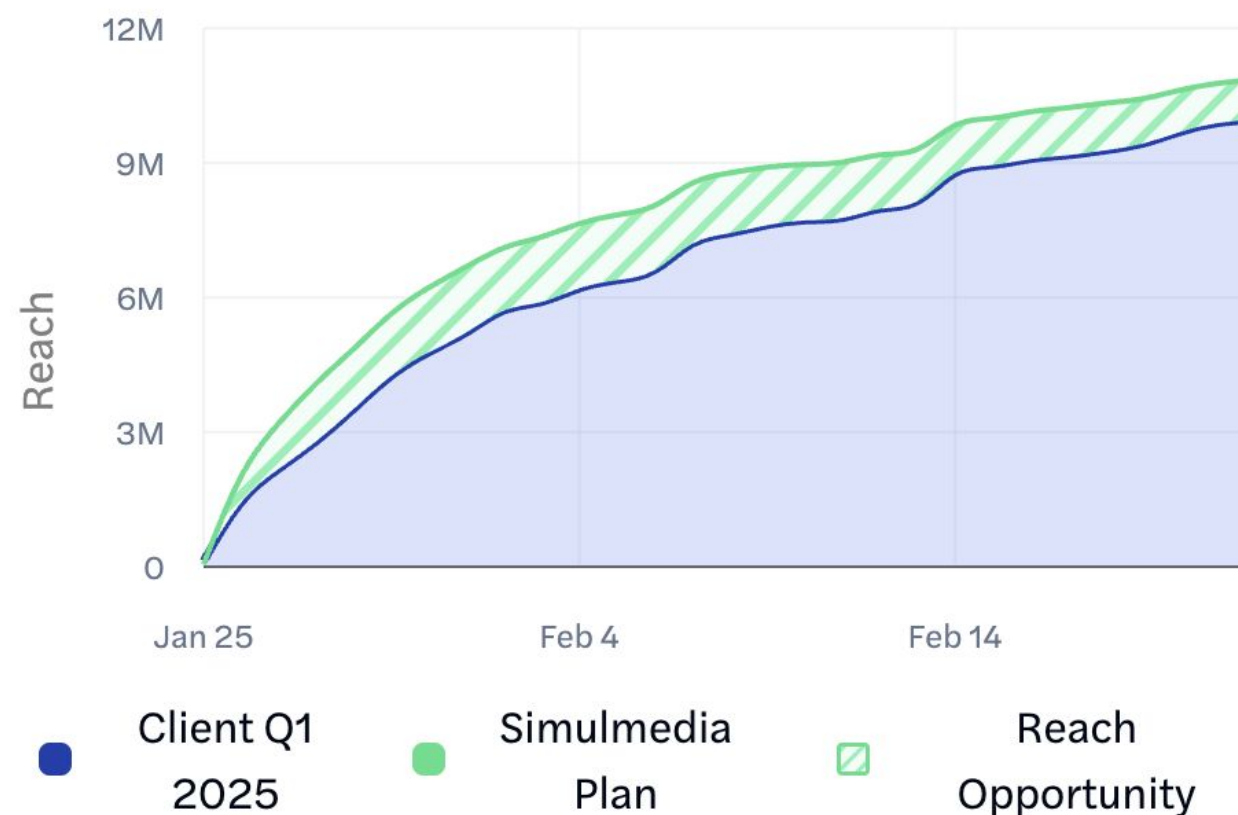
Broadcast primetime commands premium CPMs because it delivers massive scale, but a broad-demo broadcast-prime plan likely includes a small total number of high-delivery spots that quickly accumulate many GRPs against the (broad) target—but are so likely have significant audience overlap. Each additional spot contributes more to viewer-level frequency than to reach. And the common practice of reporting only average frequency, rather than frequency distribution, often obscures how many impressions are delivered at such absurdly high frequency levels as to damage brands and drive customers away.

Buying on cable networks outside primetime or on overlooked "long-tail" networks with lower demand, can buy reach more efficiently, especially against narrower target audiences.

Audience-based Planning Unlocks Efficient Reach

Reach Opportunity

+9%
Incremental reach by Simulmedia



Source Simulmedia TV+ platform

Key Insights:

Reallocating budget to Simulmedia can achieve higher effective reach through reduced frequency waste and precise targeting: +9% reach by this Simulmedia Linear Plan.

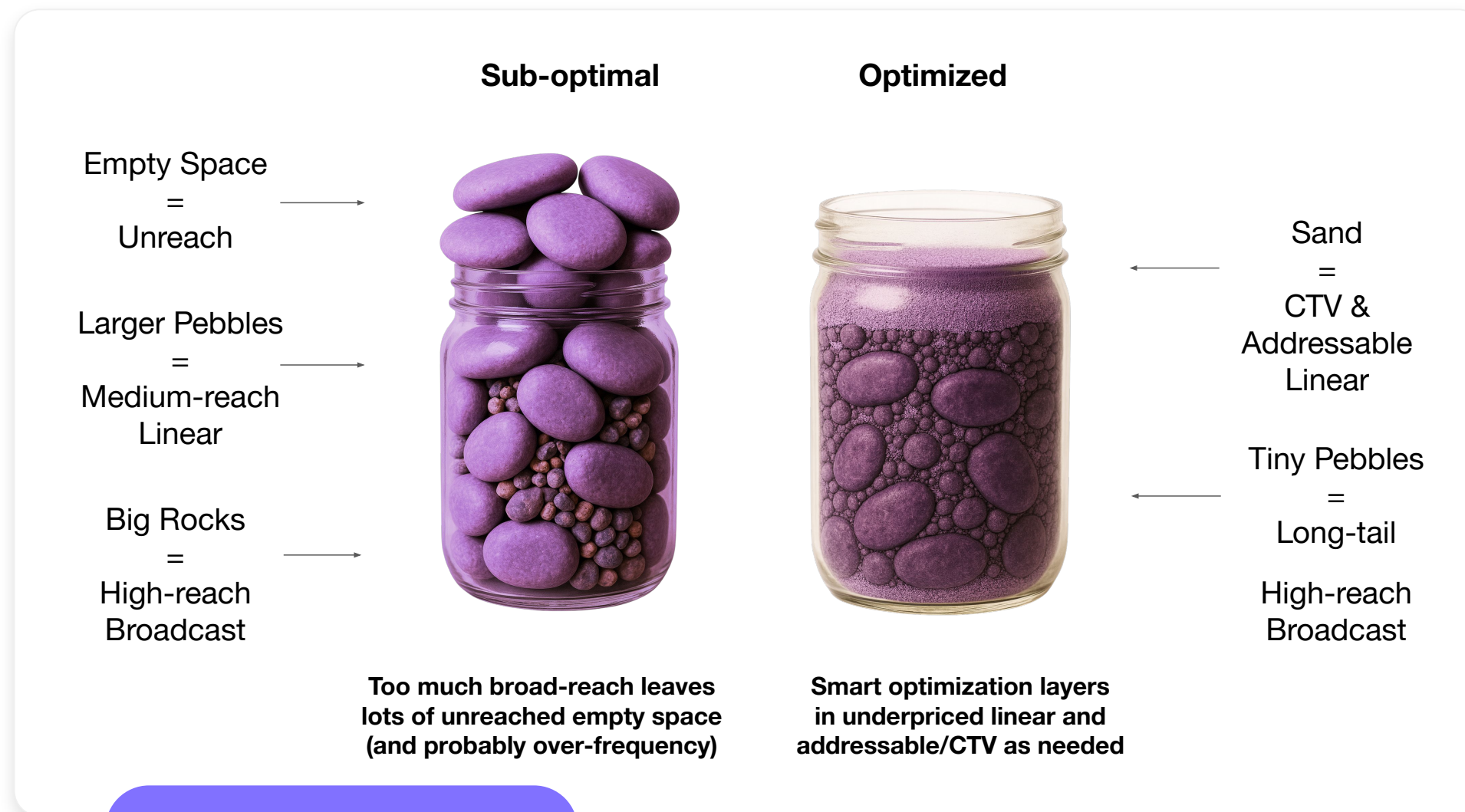
Audience-based planning across a wide variety of inventory sources creates a better tradeoff curve. By defining the target audience precisely—not just A25-54, but "parents of young children with HHI \$75K+" or "frequent QSR diners aged 35-55"—and using data to find where that audience actually watches, planners can

- **Buy more efficiently:**
Lower CPMs on undervalued inventory means more GRPs per dollar,
- **Reduce waste:**
Fewer impressions on people who'll never buy your product, and
- **Extend reach further:**
Diversified inventory footprint reduces duplication.

The result: **the same budget delivers higher reach at controlled frequency when planned against real audiences instead of broad demos.**

Building the Foundation: Linear First, Strategically

In theory, any medium can deliver reach. Against most audiences, linear TV still does it faster, more predictably, and—when bought strategically—more cost-effectively than alternatives. But traditional "spray and pray" broadcast buying can be expensive and/or leave a lot of a target audience **unreached**.



Key insight:

Filling the audience reach jar efficiently requires a coherent strategy that usually starts with linear TV

Think of complete audience reach as a glass jar, and spot within a campaign as a combination of rocks, pebbles and sand. Overfilling the jar with big rocks (generic high-reach broadcast spots) leaves lots of empty space between big rocks and at the bottom.

Audience-based linear strategies employ data to find and aggregate underpriced inventory across a broad range of networks and dayparts, filling the rest of the jar efficiently with smaller pebbles and sand.

Putting Data-driven Strategies Into Practice

Networks sell against broad demos at prices reflecting aggregate demand. But specific audience segments cluster differently across networks and dayparts. This requires big data: Granular viewership data from smart TVs and set-top boxes can be matched with audience data to predict where targets can be reached efficiently and affordably on linear TV, and to measure delivery against those audiences to inform adjustments that keep campaigns on track.

The reach curve, the inventory mispricing opportunity, and linear TV's structural advantages point to a clear planning principle: **build the reach foundation with audience-targeted linear TV, then extend strategically.**

Here's how it works in practice:



If you're starting fresh (no existing base media buy), begin by defining your target audience with precision. Use data to identify which networks, dayparts, and programs over-index for that audience.

Prioritize inventory with favorable pricing—often long-tail cable networks where demand is lower but audience concentration is high.

This approach fills the jar with efficiently priced reach-pebbles that collectively reach 50-65% of your target at controlled frequency.



If you have an existing base buy (broadcast upfront, sports packages, major cable networks), the strategy shifts slightly. Analyze what reach and frequency the base buy already delivers against your specific audience.

Then identify gaps—which audience segments aren't being reached? where is frequency building too high? where is it too low?—and use targeted linear buys in undervalued inventory to fill those gaps efficiently. This augmentation approach enhances total reach while controlling costs and frequency.

When and How CTV Fits

Other sources of granular “sandy” inventory are digitally-delivered connected TV, as well as its older cousin, dynamically-inserted addressable spots on linear TV.

These sources are by their very nature targetable to specific individuals, devices, or households, and so can cover specific audiences as accurately as the underlying targeting data permits.

But typically, the more narrow the audience target, the more expensive it can be to achieve broad reach: filling the jar with only sand fills in all available space, but requires a lot of individual grains.

At a given budget, CTV-only approach may leave a lot of empty space at the top of the jar. While some audiences are more easily found on CTV, linear TV also usually reaches at least some portion of those audiences.

CTV-Only Plan



CTV-Only plans can leave unreached empty space due to unavailability of some audiences and potentially high cost

CTV-First Optimized Plan



Data-driven layering of CTV with broad-reach and long-tail linear provides complete coverage and greater efficiency

Maximizing TV reach at reasonable frequency against a target audience is at the core of modern media buying.

Building audience reach isn't magic; it's mostly math. And it requires an understanding of how the target audience clusters across linear broadcast, cable, local, CTV, and across networks and dayparts.

Next we'll look at some approaches to build target audience reach efficiently and show some examples of the potential impact of using modern data and tools to power the process.

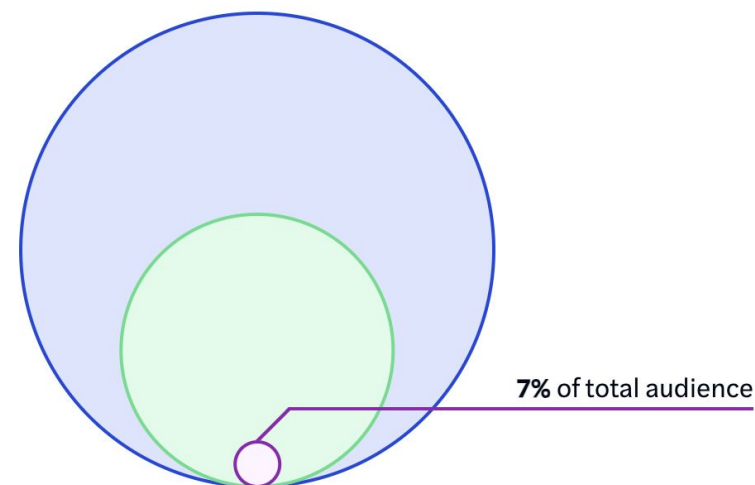
Beyond Demographics: Defining Real Target Audiences

Audience Definition Actual Client 1st Party Data—November 2025

Total Strategic Audience Size

23.1M

- Total Audience (P2+) - 100% 319.4M
- Demo audience (A35+) - 58% 184.9M
- Strategic audience (Actual Client 1PD Target Nov 2025) - 7% 23.1M



Source Simulmedia TV+ platform using actual anonymous client data

The audience example, which is the strategic audience used in subsequent examples in this paper, consists of individuals from a client's first-party respondent list who are adults aged 35 and older, encompassing both males and females across a range of mature age groups.

Traditional TV planning operates in broad demographic buckets: Adults 18-49, Women 25-54, Men 18-34. These targets are easy to buy and measure, which explains their persistence. They're also nearly useless for efficient reach-building.

Consider two women, both age 35. One has young children, household income over \$100K, drives a luxury SUV, and travels frequently for work. The other is single, rents an apartment, uses public transit, and works in retail. They're the same "demo." They're not the same customer for virtually any product.

Audience-based planning starts by defining who actually buys your product—and who represents growth opportunity.

This requires data:

- **First-party data:**
CRM files, purchase history, loyalty program data, website visitors
- **Third-party audience segments:**
Verified consumer data appended to viewing behavior
- **Lookalike modeling:**
Finding households with similar characteristics to known customers

Just the Right Amount of Precision

The goal isn't perfect precision (which is expensive and creates waste through over-targeting—too sandy!). It's strategic precision: identifying audiences specific enough to guide inventory selection but broad enough to support efficient reach-building.

For example, instead of buying against "Adults 25-54," a QSR brand might target "frequent fast-food diners ages 25-54 in households with children." That definition is specific enough to predict who's likely to respond, broad enough to represent millions of reachable households, and actionable enough to guide network and daypart selection.

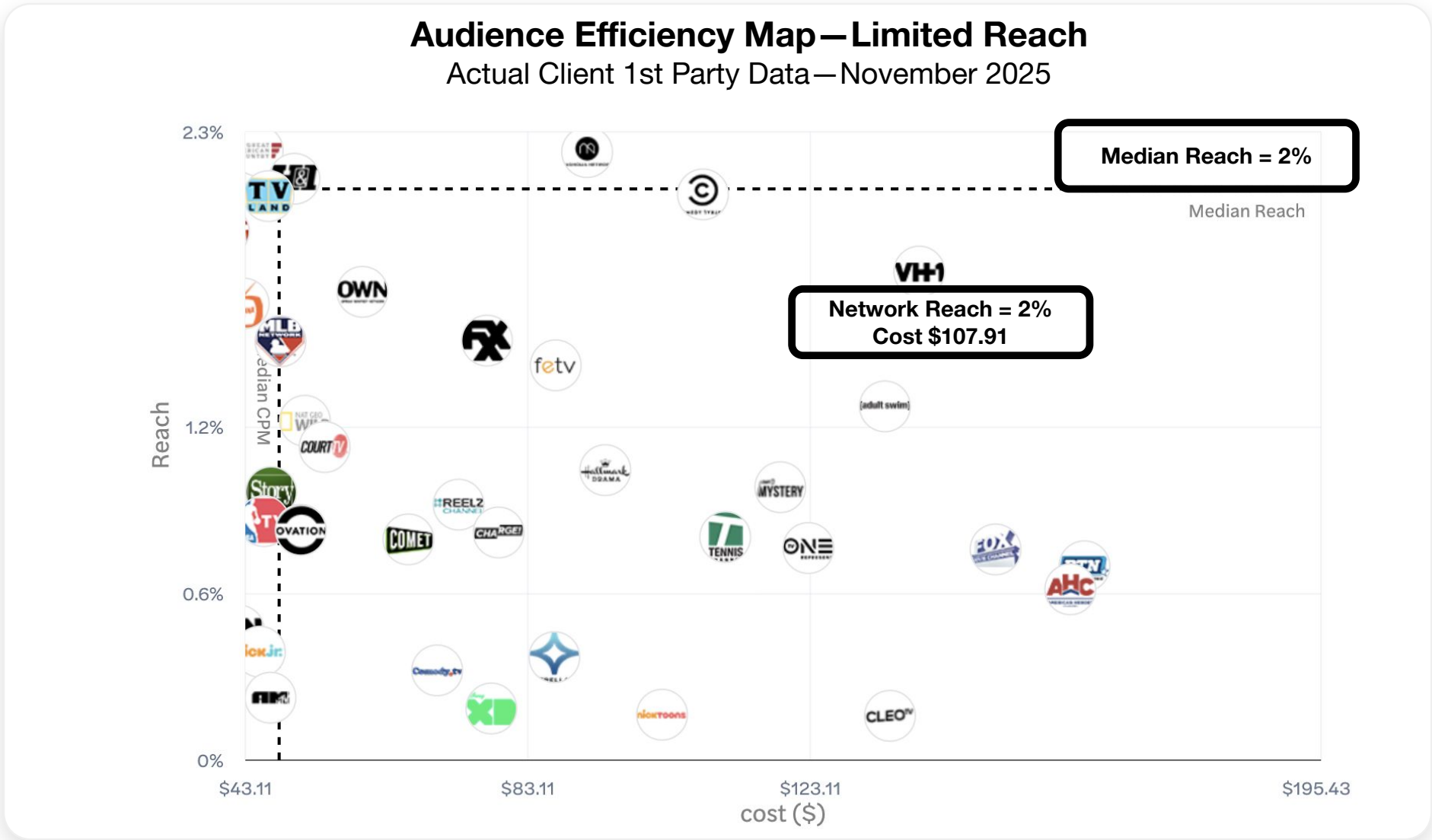
Since linear TV is a one-to-many broadcast medium, a buy targeted to even a relatively tight audience definition (like the 7% first-party data example on the previous page) will also reach a significant number of households adjacent to the target audience. This natural expansion naturally extends the campaign beyond only existing customers—likely including buyers of other brands in the same product category.



Granular TV Data Drives Inventory Optimization

Once the audience is defined, the next step is finding where they watch—and where the pricing creates opportunity.

Granular audience data from set-top boxes and smart TVs can be directly matched to audience data to first-party, third-party, or lookalike datasets to identify the networks, dayparts, or programs where that audience is most concentrated. The ability to predict where rich pockets of precisely-defined audiences can be found requires significant data and effort—which is why many marketers do not avail themselves of this technique.



Not all TV inventory reflects audience value accurately (or even similarly). Broadcast networks command premium CPMs because they deliver massive aggregate reach. Major cable networks price based on total viewership.

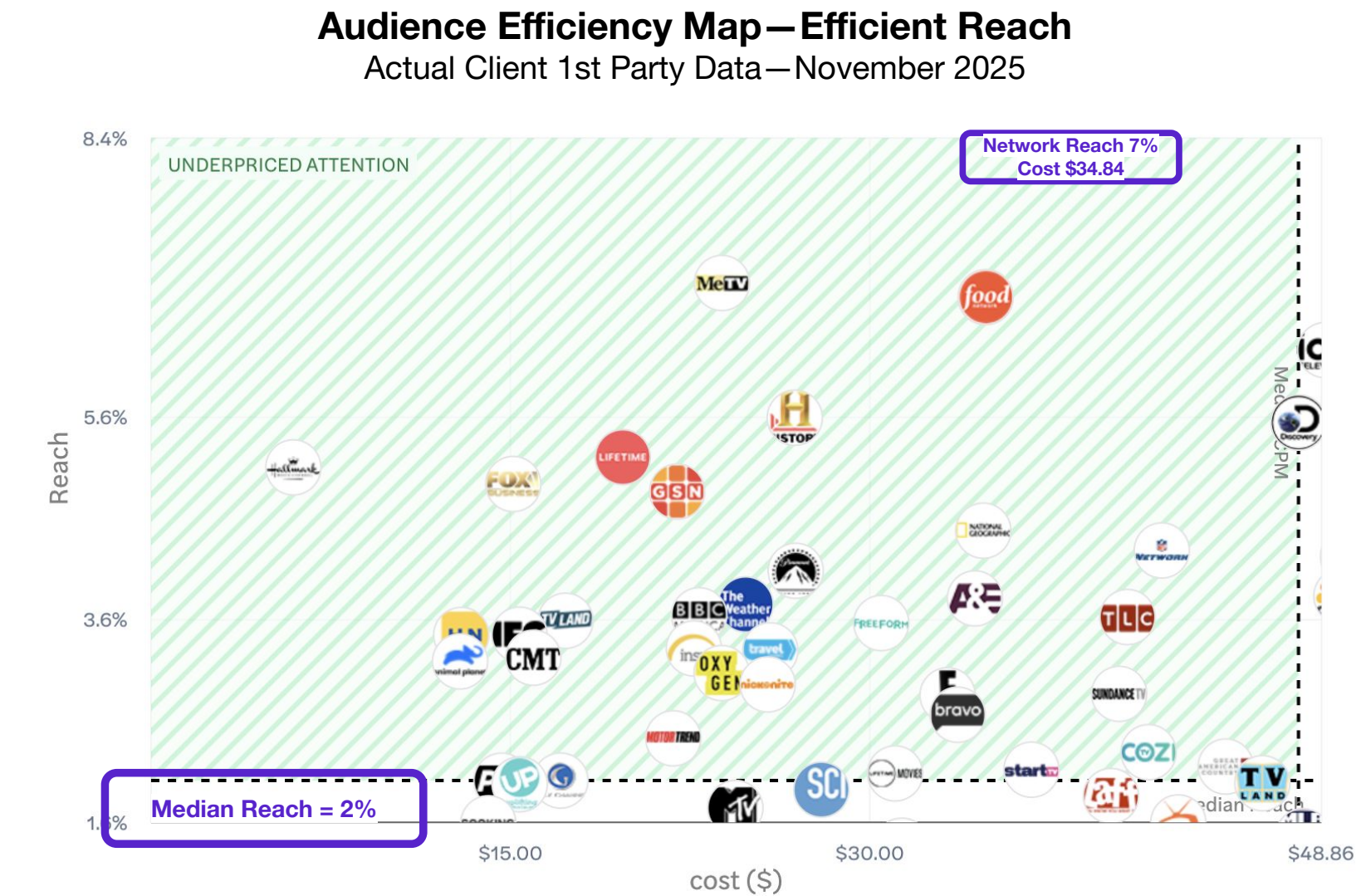
But if a target audience over-indexes on smaller networks—food networks for grocery brands, home improvement channels for appliance manufacturers, lifestyle networks for travel companies—those networks might deliver better reach efficiency despite lower total ratings. And there is significant variance in cost per reach, even across smaller networks.

Finding Efficiency in the Long Tail

This is the "long-tail" opportunity: networks and programs that deliver strong audience concentration but don't attract broad advertiser demand.

Their CPMs stay lower because they don't scale to every advertiser's needs.

But for brands whose customers concentrate there, they're arbitrage opportunities.



Source Simulmedia TV+ platform

This example shows how reach efficiency can be increased through data-driven long-tail network buys. In this example, for the same network reach, the optimized cost (\$34.94) was 1/3 of the non-optimized version on the previous page (\$107.91)!

Data Reveal Pockets of Efficiency

Audience indices (how much your target over-indexes versus the general population on a given network) combined with pricing data show where reach can be built cheaply. A simple comparison: a network with a 150 index for an audience at a \$12 CPM delivers better effective reach than a network with a 100 index at \$25 CPM—even though the second network has higher total reach.

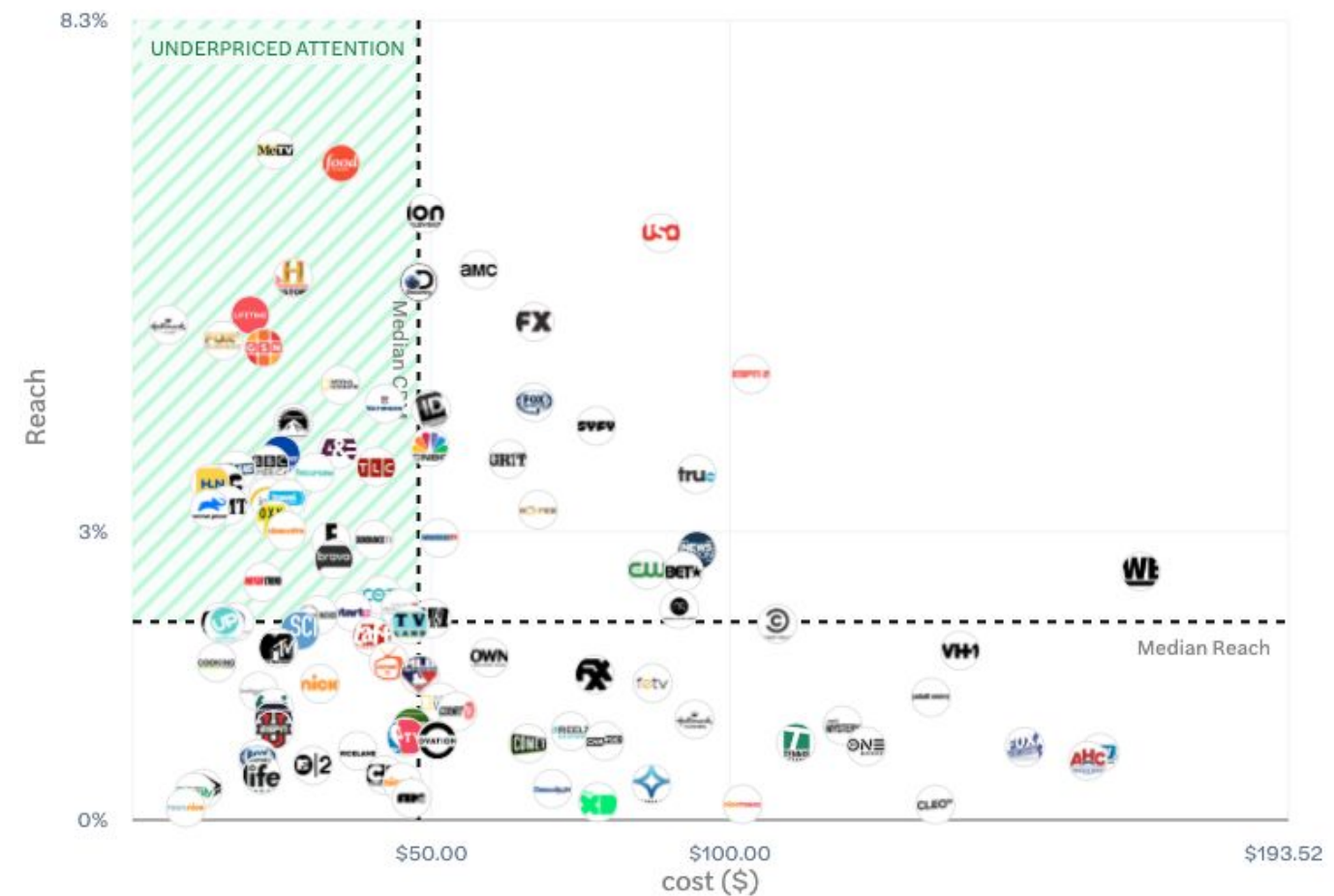
What This Map Shows

- This map highlights which TV networks deliver the best value for the audience by comparing reach and cost. Top-left networks provide the most efficient reach for the allocated media spend.

Simulmedia's Planning Intelligence

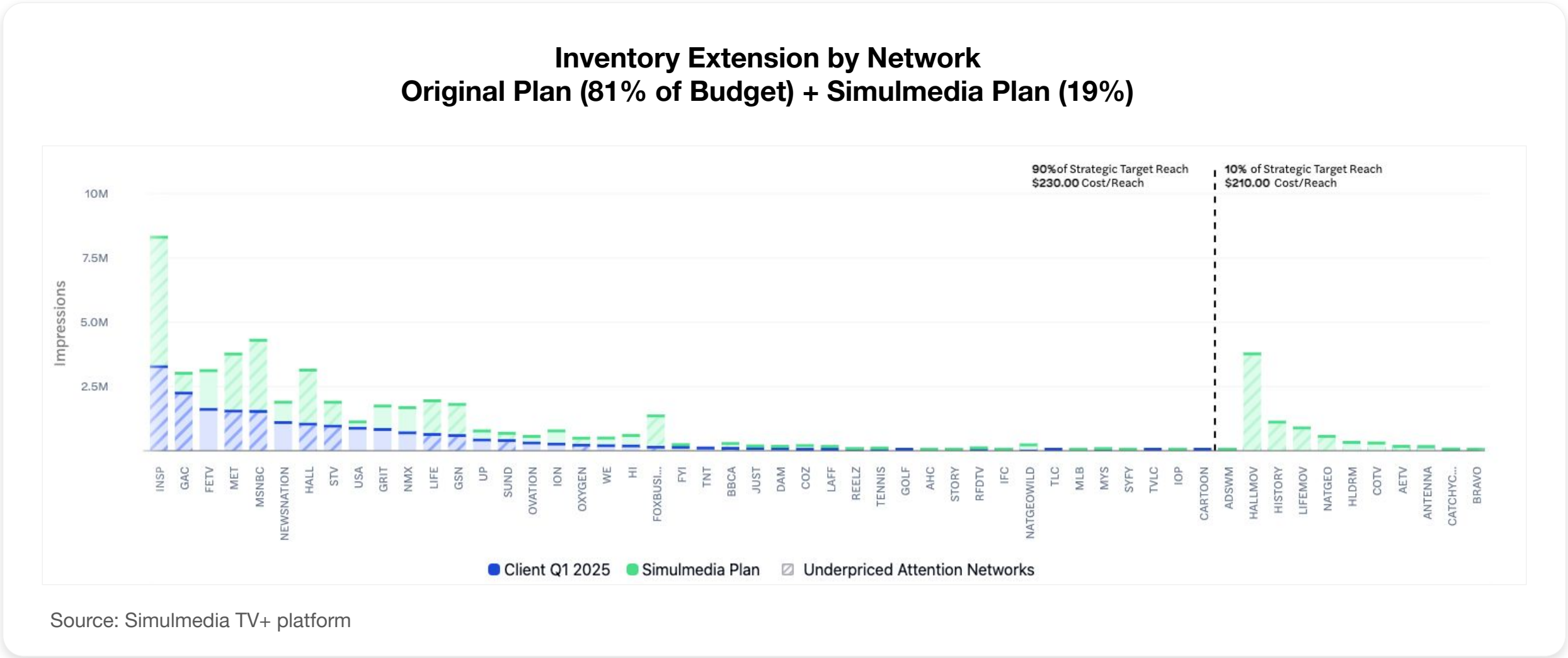
- TV+ identifies and selects spot level inventory that packages strategic audiences efficiently while maintaining brand guidelines and driving incremental reach.

Audience Efficiency Map—Strategic Audience Actual Client 1PD Target Nov 2025



Source Simulmedia TV+ platform

Building Reach via the Long Tail Looks Different



The result is higher reach at lower cost—but only if you're using data to guide the decisions.

More networks:

Instead of concentrating on 10-15 major networks, audience-based plans might span 40-60 networks to capture dispersed viewing

Broader daypart mix:

Efficiency often lives outside primetime, in early morning, late night, weekends, and weekday daytime

Longer planning horizons:

Reaching 60-70% of a dispersed audience requires sustained presence, not short bursts

Managing Frequency While Building Reach

One risk of diversified inventory strategies is losing control of frequency.

Buying across many networks and dayparts can accidentally hammer the same households repeatedly if viewing patterns overlap.

This is where modern planning technology matters. Household-level viewing data collected and processed on a daily basis reveals actual frequency distributions—not just average frequency, but how many households hit 1x, 3x, 5x, 10x+ exposures.

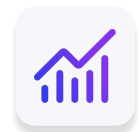
Planners can identify:



High-frequency households getting overexposed (typically heavy TV viewers)



Zero-reach households not seeing any impressions despite being in the target



Optimal frequency bands (usually 3-5 exposures) that maximize impact per dollar

With this visibility, strategies can adjust:



Cap frequency by network or daypart to prevent over-delivery to heavy viewers



Shift inventory toward networks that reach under-exposed segments



Sequence messages appropriately if frequency climbs high enough to support multiple creative rotations

The goal isn't uniform frequency across everyone—that's impossible and wasteful.

It's **efficient frequency distribution**: most of the audience reaching the desired frequency sweet spot, minimal waste on excessive frequency, and maximum reach extension into under-exposed households.

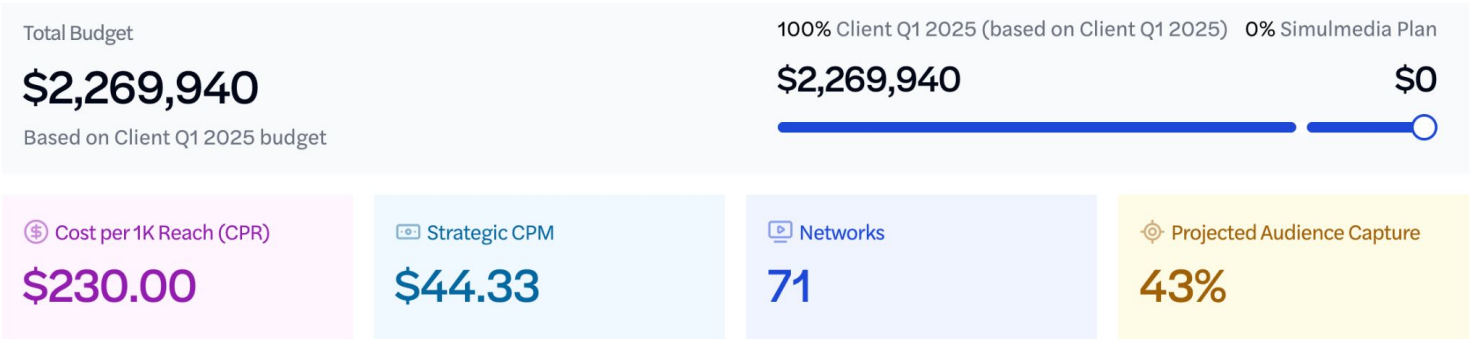
Optimization Increases Reach and Decreases Cost

This example, using an actual client first-person strategic audience target, shows the potential increase in targeted reach and efficiency gained by using data-driven optimization.

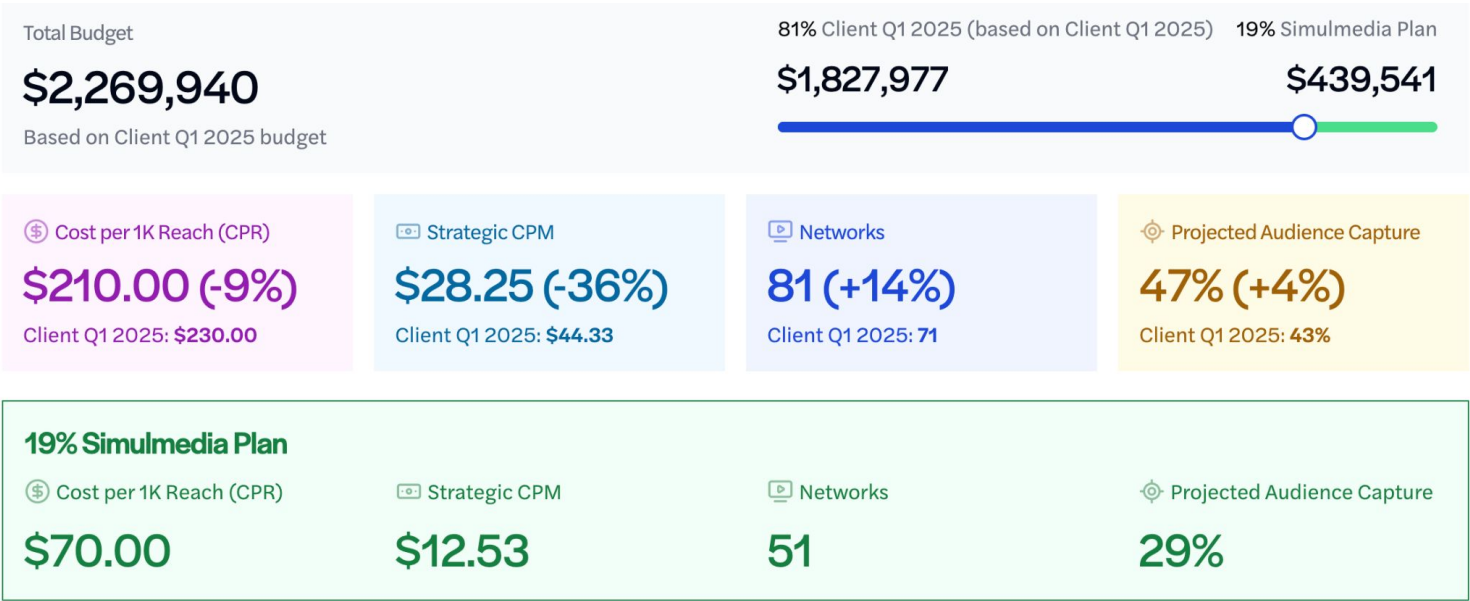
Reallocating just 19% of the plan budget drives a 36% reduction in target CPM, a 4% increase in total reach, and a 9% reduction on cost per reach at the overall same spend level.

Targeted Reach Efficiency Comparison

Projected Targeted Campaign Efficiency: Without Simulmedia



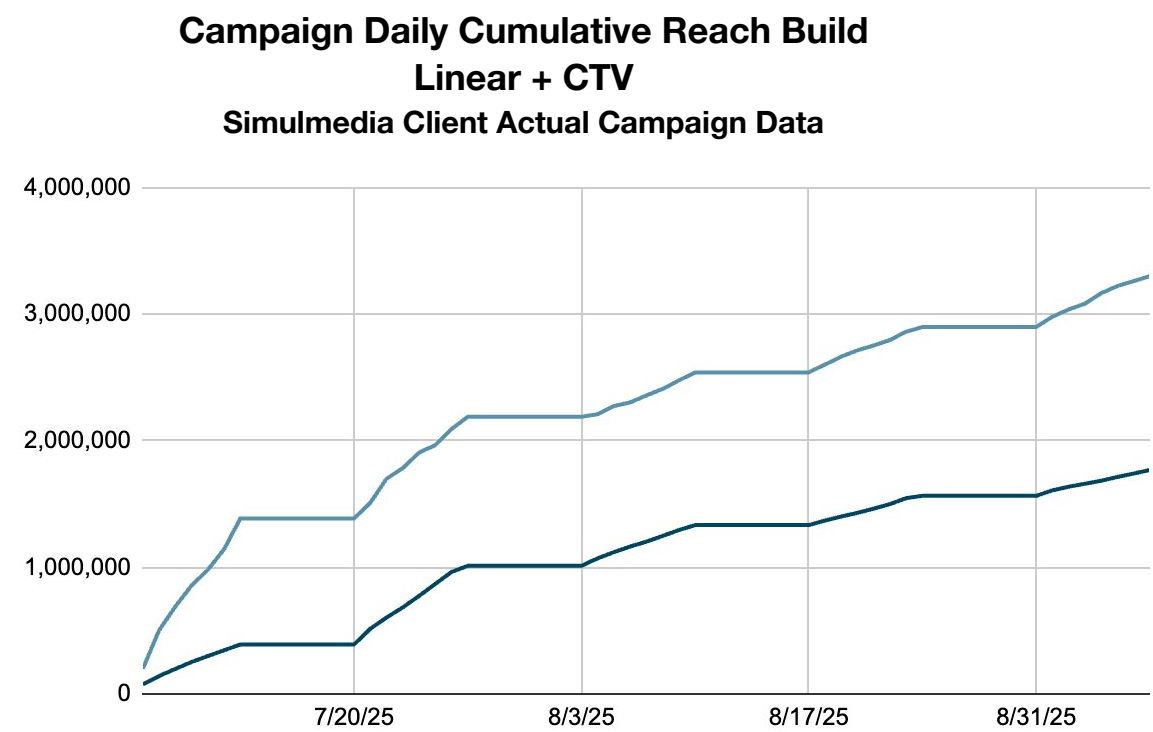
Projected Targeted Campaign Efficiency: With Simulmedia



Source: Simulmedia TV+ Platform based on Nielsen AdIntel cost and client audience,, Q1 2025

Where and How CTV Fits

Even well-executed audience-based linear strategies face limits. Some households watch minimal linear TV. Others have cut the cord entirely. Reaching these segments requires CTV.



Source: Simulmedia TV+ Client Actual Campaign Data, July 7—September 7, 2025

The strategic question is when to deploy CTV: early in the plan or late?

For many brands and audiences, CTV works best as a **reach extension layer** on top of a linear foundation:

- 1 Build ~50-70% reach** with audience-based linear, taking advantage of its scale and efficiency
- 2 Measure the reach gap:** Use granular viewership data to identify which audience segments remain under-reached
- 3 Deploy CTV tactically:** Use addressable CTV to reach cord-cutters, younger viewers, light TV viewers, or other segments that over-index on streaming

Layering CTV as Reach Extension



Linear-First Optimized



CTV-First Optimized

Linear fills the jar with low-cost reach first. This sequence maximizes efficiency.

CTV adds the smaller, more expensive pieces that complete coverage. In some organizations, CTV comes first—because of internal buying structures, because decision-makers want digital-style targeting and attribution, or because the audience genuinely skews toward cord-cutters. When this happens, the logic inverts but the principle holds: **use linear to fill reach gaps that CTV can't cover efficiently.**

Either way, cross-channel reach requires de-duplication. Household-level data reveals overlap between linear and CTV delivery, enabling planners to measure true incremental reach and avoid paying twice for the same households.

Without this visibility, "cross-channel" often means "duplicative"—and expensive.

Execution: Turning Strategy into Results

Audience-based reach strategies sound straightforward in theory. Execution is harder because it requires:



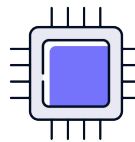
Data infrastructure:

Deploying accurate granular TV viewing data, matching to first-and third-party audience data, modeling lookalikes, forecasting avails



Inventory access:

Developing relationships with inventory providers that enable efficient access across a wide variety of networks and platforms



Planning technology:

Enabling audience creation and management, reach estimation, viewership forecasting, and plan optimization



Measurement:

In-flight tracking of reach, frequency, and audience composition to enable adjustments + post-campaign delivery and outcome measurement

Brands attempting audience-based strategies with traditional tools and processes hit walls quickly. Spreadsheets can't model 60-network plans. Manual trafficking can't manage hundreds of rotations. Nielsen demos can't validate audience delivery. Standard TV measurement can't be tied to business outcomes or enable cross-channel reporting across linear and CTV.

This is why **audience-based linear reach remains underutilized despite proven efficiency**. Most marketers lack the infrastructure to execute it. They default to broadcast-heavy demo buys because those are easy to plan, easy to buy, and easy to measure—even if they're not particularly efficient. Or they give up entirely on traditional TV because CTV seems easier and more measurable—and miss the efficient reach that linear TV still provides.

But for brands that invest in the right data, technology, and partnerships, audience-based linear strategies deliver measurably better reach economics: 20-30% more reach per dollar, better frequency control, and stronger business outcomes because more of the spend lands against actual prospects instead of the general population.

The opportunity isn't theoretical. It's sitting in underpriced inventory waiting for buyers smart enough to find it.

Conclusion

The case for reach is built on evidence, not intuition. Byron Sharp's research across thousands of brands shows that growth comes from penetration, not loyalty—from reaching more buyers, not extracting more value from current customers. Light buyers, not heavy users, represent the growth engine. Mental availability, not persuasive messaging, drives purchase decisions in most categories.

These findings point to a clear strategic imperative: **brands need mass reach, delivered efficiently and consistently.** That's exactly what television provides when deployed strategically.

Linear TV builds reach faster and more cost-effectively than alternatives—but only when planning moves beyond broad demographics toward precise audience targeting. The efficiency sits in undervalued inventory: long-tail networks, non-primetime dayparts, and programs where target audiences concentrate but advertiser demand stays low.

Finding these opportunities requires data, technology, and sophisticated execution.



Winning with Smart Reach

The brands winning with TV today aren't buying the most expensive sports packages or the sexiest streaming platforms.

They're using audience intelligence to find overlooked linear inventory that over-delivers against their specific targets, building 50-70% reach efficiently, then layering CTV strategically to extend into hard-to-reach segments.

The opportunity isn't theoretical. It's quantifiable, executable, and hiding in plain sight for marketers willing to modernize how they plan and buy television.

Reach matters because penetration drives growth. TV wins because it builds reach efficiently. The question isn't whether to use TV—it's whether you're using it as strategically as the science demands.



What Comes Next

This paper made the case for why reach still matters.

The rest of this series will provide more detail on *how* to make it work:



Entertainment TV Opportunity

The massive incremental reach in non-sports inventory



Data-Driven Buying:

How audience-based planning delivers efficient TV



Outcomes & Accountability:

Modern TV measurement, attribution, and proving incrementality



Audience + Content:

The "both/and" strategy for balancing visibility and reach clever thing here