



Coronavirus Effect on Advertising Report

A new series of studies based on the effect of the Coronavirus on ad spending

Wave 2



Have Confidence in Every
Business Decision You Make

TODAY'S HOSTS



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KEY FACTORS TO CONSIDER NOW

- Be prepared for a U-shaped recovery
- Remain flexible for advertisers
- Leverage channels that stuck-at-home consumers are utilizing

METHODOLOGY & RESPONDENT PROFILE



Our Ad Pros Community represents the brands and agencies that are spending the most on advertising and marketing in the U.S. We continuously update, supplement, and refine the community based on movement in the market.

- INTERVIEWS CONDUCTED: 152
- **WAVE 2** SURVEY FIELDDED: April 1 - 4, 2020
- EXPRESSING OPINIONS FROM: **36% MARKETER 64% AGENCY**
- **SAMPLE:** Marketer and agency contacts from The Advertiser Perceptions Ad Pros proprietary community
- **QUALIFICATION:** 100% involved in media brand selection decisions
- Incentives include cash and information



1.

SPENDING EFFECTS EXTEND DEEPER INTO 2020

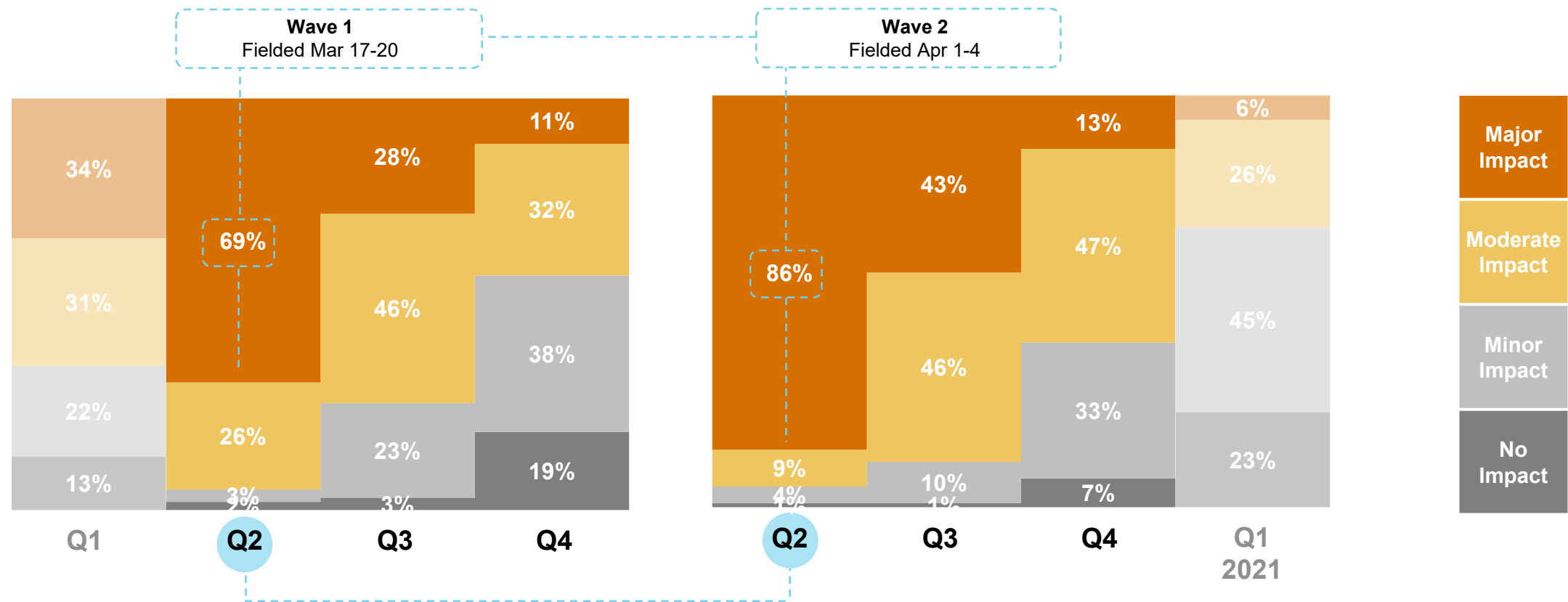
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We had plans to launch in Q2, but with this outbreak, we decided we would put those on hold for now. They weren't time sensitive and consumers are not in the right mindset to look at shiny new things.

- Women's Beauty Advertiser

Negative impact on budgets now extends even further than previously predicted – Pessimism on spending has moved out another quarter

Impact of Decreased Ad Spend by Quarter in 2020 - 2021



Q19. Thinking about your 2020 decrease in ad spending as a result of the Coronavirus (Covid-19) outbreak, which quarters do you anticipate will be impacted most? Base: Decreasing Ad Spending in light of Coronavirus

More U.S. advertisers look to cancel or hold back ad budgets

How has Coronavirus has impacted advertising efforts?

	Wave 1 Fielded Mar 17-20	Wave 2 Fielded Apr 1-4	Change in %-pts	
Held back a campaign from launching until later in the year	49%	64%	+15	↑
Stopped or pulled a campaign mid-flight	45%	50%	+5	
Adjusted media type usage or shifted budget among media types	48%	49%	+1	
Cancelled a campaign completely (pre-launch)	34%	44%	+10	↑
Paused all new advertising efforts until later in the year	38%	35%	-3	
Launched a new campaign that we hadn't previously scheduled	NEW	24%	n/a	



2.

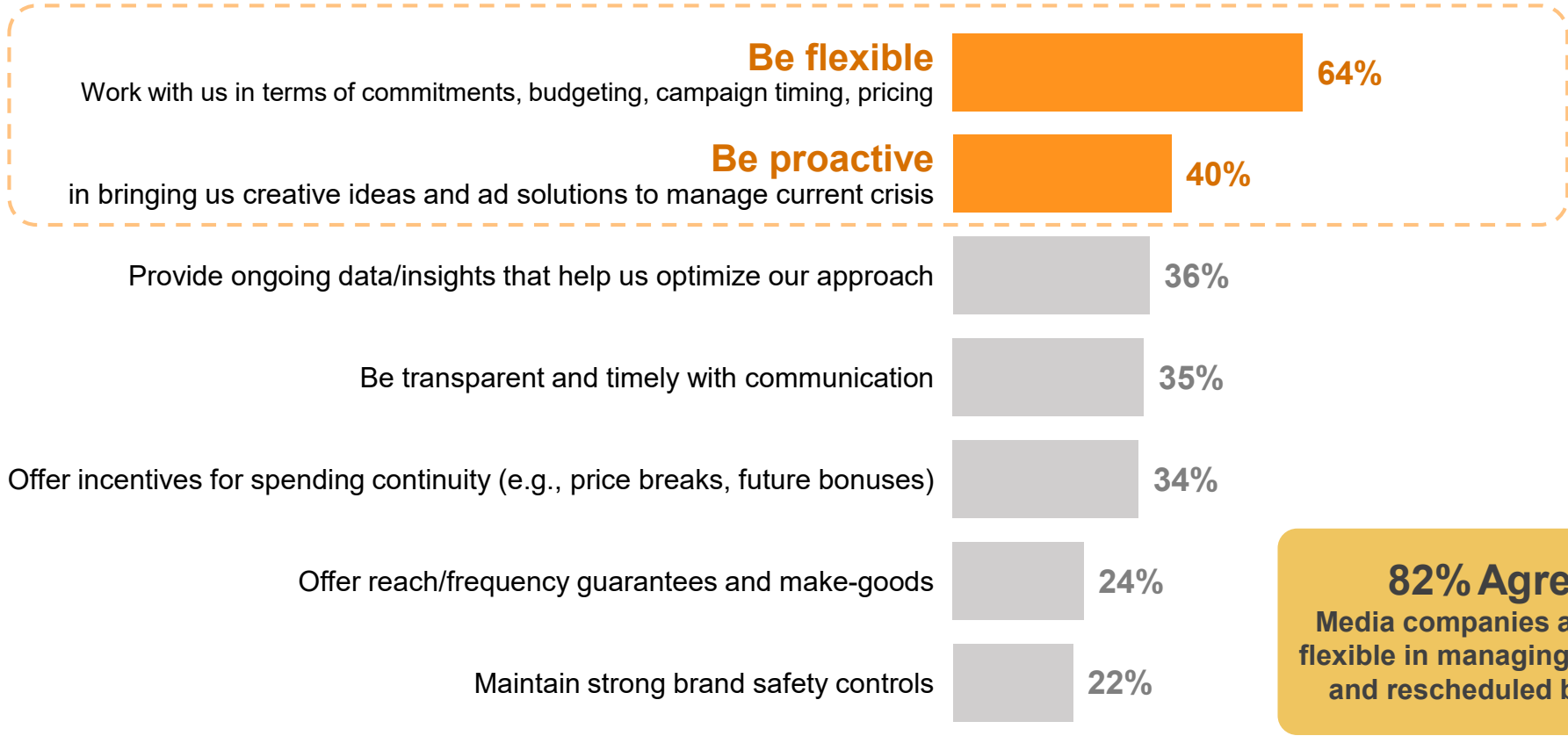
PARTNERSHIP MATTERS

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*One partner reached out with material and conversations that they were seeing in the marketplace. They wanted to know how we were handling things and **if there was any type of research or information they could provide***

Media brands that are **flexible** and **proactive** have the best chance of influencing advertisers' spending decisions

How Media Brands Can Assist in Ad Spending Decisions



Q22n. What are the most important things a media brand can do to assist you in your advertising spending decisions in light of the Coronavirus (Covid-19) outbreak? Base: Total Respondents



“

*I had a client **pause all active media** because they were completely out of stock — **all their items sold out on shelves.***

-CPG

“

*Our products have seen a **surge in** sales...largely due to people being stuck at home. Our client is looking at how they can extend that and showcase their brands and products as a resource for families during this time.*

3.

THE EXPERIENCE IS ASYMMETRICAL ACROSS VERTICALS

Advertiser Perceptions classified various industries into three core groups:



"OUT-AND-ABOUT"

Verticals with businesses that consumers physically interact with and go to

- Restaurants
- Apparel/Fashion
- Auto
- Media/Entertainment
- Luxury
- Retail (Brick-and-Mortar)
- Travel/Tourism

Greatest
NEGATIVE
impact of
C-19



"HUNKER-DOWN-AT-HOME"

Industries consumers can leverage from their homes and residences

- CPG (Food)
- Retail (Online)
- Gaming
- Health and Pharma
- Beer/Liquor/Wine

Greatest
POSITIVE
impact of
C-19





ALL OTHER

- Baby/Child/Parent
- B2B
- Consumer Electronics
- CPG Other
- Education/Government
- Energy
- Finance
- Real estate
- etc.

DIGITAL CHANNELS AND AD FORMATS ARE PRIMARY TARGETS FOR OUT-AND-ABOUT AD SPENDING CHANGES

Media types paused, canceled completely or shifted/reduced budget

		 OUT-AND-ABOUT Verticals	 HUNKER-DOWN -AT-HOME Verticals
	TOTAL		
Digital video	78%	87%*	63%
Display	78%	87%	78%
Social media (paid)	73%	85%*	68%
Linear TV (Broadcast)	66%	74%	63%
OOH	66%	68%	65%
Search (paid)	65%	79%*	53%
Digital audio	64%	66%	63%
Linear TV (Cable)	64%	68%	65%
OTT/CTV	63%	70%	58%
Terrestrial radio	61%	70%*	53%
Print Magazine	61%	64%	58%
eCommerce	53%	64%*	43%
National Newspapers	53%	60%	45%

Q.13AN - You mentioned pausing/cancelling a campaign or shifting/adjusting media type usage/shifting budgets due to the Coronavirus (COVID-19) outbreak.
Which media types did you pause (with the intent of resuming sometime in the future), cancel completely or shift/reduce budget (while continuing campaign)?
Base: Coronavirus has impacted recent/ongoing advertising efforts

* Significance at 90%; significance denotes statistical difference between two groups.



**OUR DINING ROOM
IS CLOSED**
ORDER TAKE-OUT, DRIVE THRU OR
FOR PICK UP OR
DELIVERY

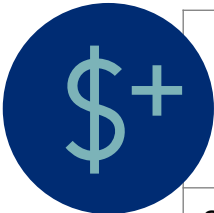
4.

MARKETERS ARE TAKING CUES FROM CONSUMER BEHAVIOR

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*We're continuing to look at media trends, and we're seeing that **things like online video, OTT and audio consumption is increasing** a lot during this time period. So we're debating if we should increase our weight toward those channels.*

Media buyers are shifting budgets to formats and channels where digital media consumption and online shopping are increasing



New Budget Added by Media Type	
Social media (paid)	64%
Digital video	44%
Linear TV (Cable)	43%
OTT/CTV	43%
Digital audio	33%
Search (paid)	31%
Terrestrial radio	25%
Linear TV (Broadcast)	25%
eCommerce	17%
Display	17%

46% SAY YES


- Media types have:
- 1. Retained budget,
 - 2. Had new budget added or
 - 3. Benefited from reallocation

Advertisers will look to the **virus** — not the markets — to know when to resume ad spending

Reasons your company / clients to resume any paused or cancelled advertising activity

Relaxing of social distancing	50%	+
Slowing growth of new cases of Coronavirus in US	40%	+
No new cases of Coronavirus in US	37%	+
Coronavirus no longer dominating news cycle	31%	+
US travel restrictions lifted	30%	+
Live sports events resumed	28%	+
Stabilization of our [company's/clients'] revenue for one quarter	27%	↗
Live entertainment events resumed	23%	+
Stabilization of stock market	22%	↗
Supply chain for our [company's / clients'] products healthy	21%	↗
Media partner offers new ad opportunities tailored to current circumstances	20%	💻
We produce new creative assets appropriate to current situation	19%	💻
International travel restrictions lifted	13%	+
New inventory made available	10%	💻
Passage of economic stimulus package by Congress	9%	↗

 **89% Coronavirus-related reason (net)**

 **51% Economic-related reason (net)**

 **37% Ad Industry-related reason (net)**



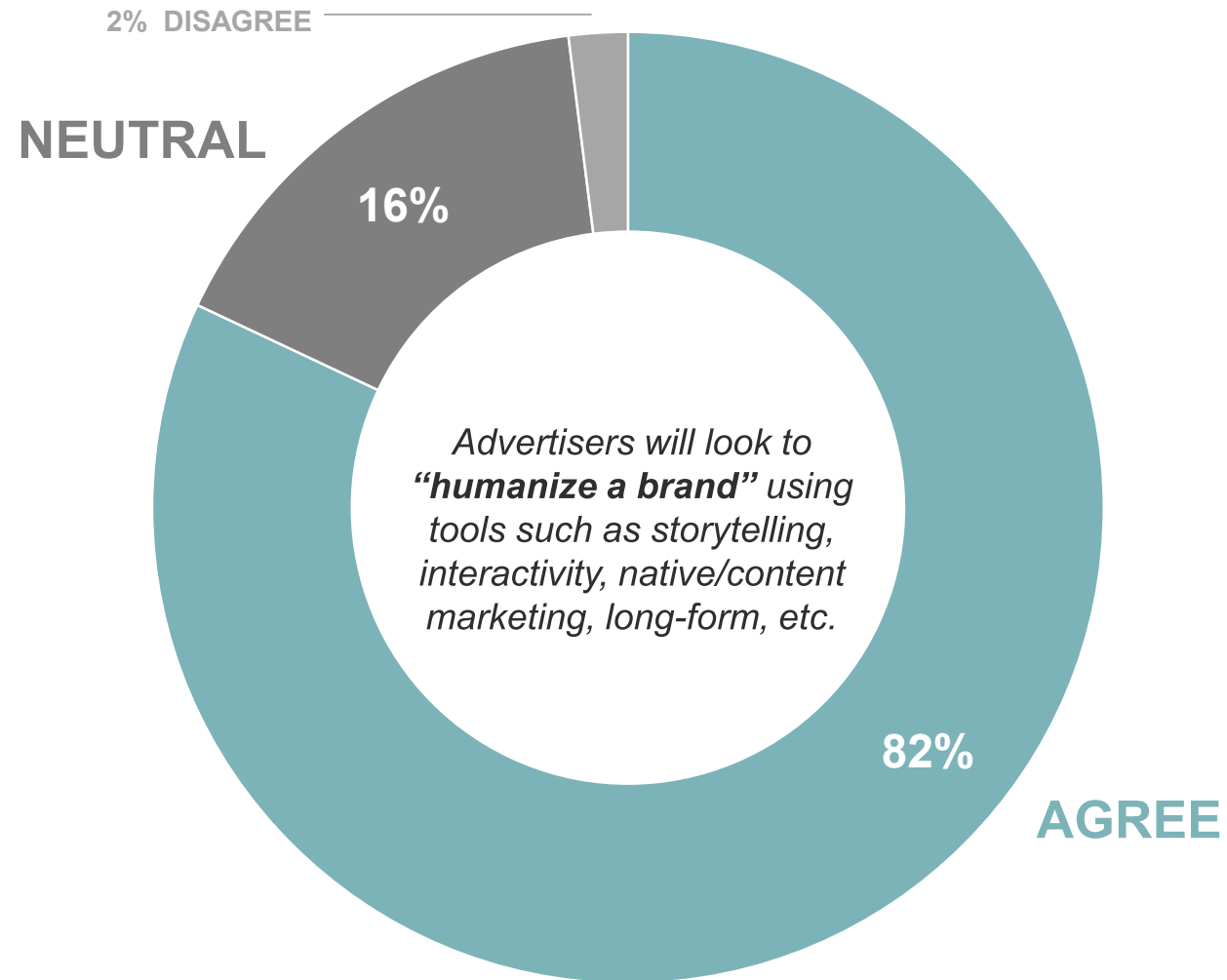
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*We want to be sensitive. It's not about capitalizing on what's a terrible situation. It's about looking at how we, as a company, **can help provide resources to households and people stuck at home.***

5.

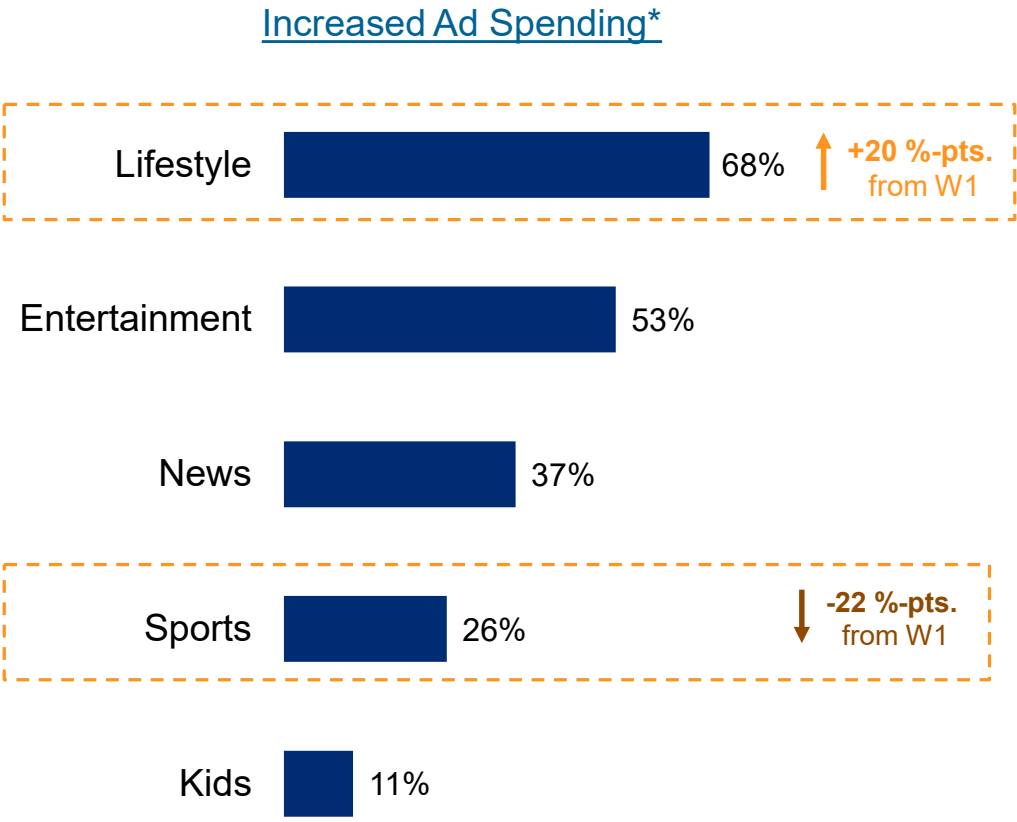
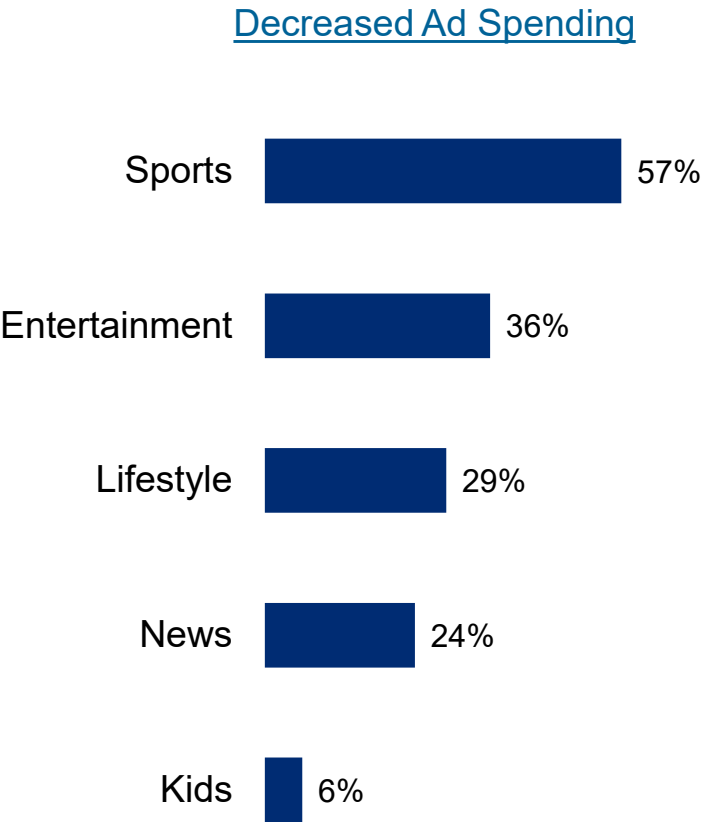
CREATIVE TAKES CENTER STAGE

Storytelling is a go-to strategy for many brands making a pivot



As creative responds to the *situation*, advertisers will look to pair it with *relevant content*

Which content types will be most impacted by your **decreased/increased** ad spending?



Q18a. Which content types will be most impacted by your increased ad spending?
Base: Increasing Ad Spending in light of Coronavirus (N=19) *Caution: Small Base
Base: Decreasing Ad Spending in light of Coronavirus (N=129)

KEY FACTORS TO CONSIDER NOW

- **Be prepared for a U-shaped recovery.** Keep an eye on consumer attitudes and behaviors as leading indicators of “back to normal,” but understand that the true timeline for recovery maps to the trajectory of the coronavirus.
- **Remain flexible for advertisers.** Verticals are asymmetrically challenged, which requires even more flexibility among brands. Look to have conversations on context being the convergence of efficacy and social good.
- **Leverage channels that stuck-at-home consumers are utilizing** – be mindful of marrying *the right creative* with the right circumstance.

THE MARKETER'S VIEW: IN CONVERSATION WITH RON AMRAM



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COMING SOON

Contact your Advertiser Perceptions
Account Team, or email us at
Info@AdvertiserPerceptions.com
for access to the full Coronavirus Report.

To be included in upcoming wave(s) of the study (every 2 weeks):

1. Updated spend outlooks (H2-2020) - and shifts among media/campaign types
2. Additional insight/analysis by vertical groupings
3. Perspective on shifts in focus between awareness/upper funnel vs mid- vs. DR/lower funnel efforts
4. Update on advertisers' creative pivots: strategies and tactics
5. How are advertisers balancing paid, owned, earned media during this time
6. More specifics/depth on how media sellers can partner with advertisers to help them navigate this time: from consultative guidance to new ad products



THANK YOU

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**Have Confidence in Every
Business Decision You Make**