



Coronavirus Effect on Advertising Report

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

Wave 2

PRESS DECK



Have Confidence in Every
Business Decision You Make

METHODOLOGY & RESPONDENT PROFILE

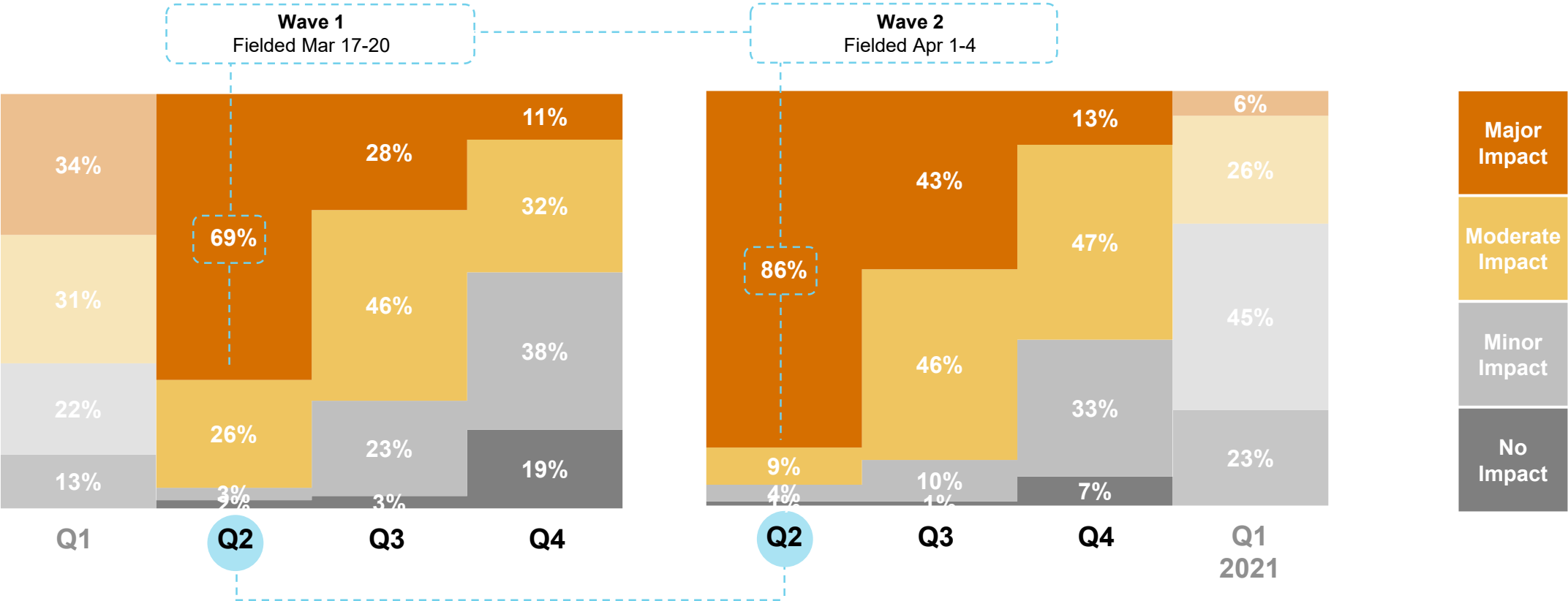


Our Ad Pros Community represents the brands and agencies that are spending the most on advertising and marketing in the U.S. We continuously update, supplement, and refine the community based on movement in the market.

- 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

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	

Advertisers will look to the *coronavirus* — 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 (on downward part of curve)	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)

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

Types of Media Had New Budget Added or Benefited From Reallocation



Media Types: New Budget Added

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%



Media Types: Benefited from Reallocation

Linear TV (Broadcast)	38%
eCommerce	33%
Search (paid)	31%
Linear TV (Cable)	29%
OTT/CTV	29%
Digital audio	22%
Display	17%
Digital video	11%
Social media (paid)	7%

46% SAY YES

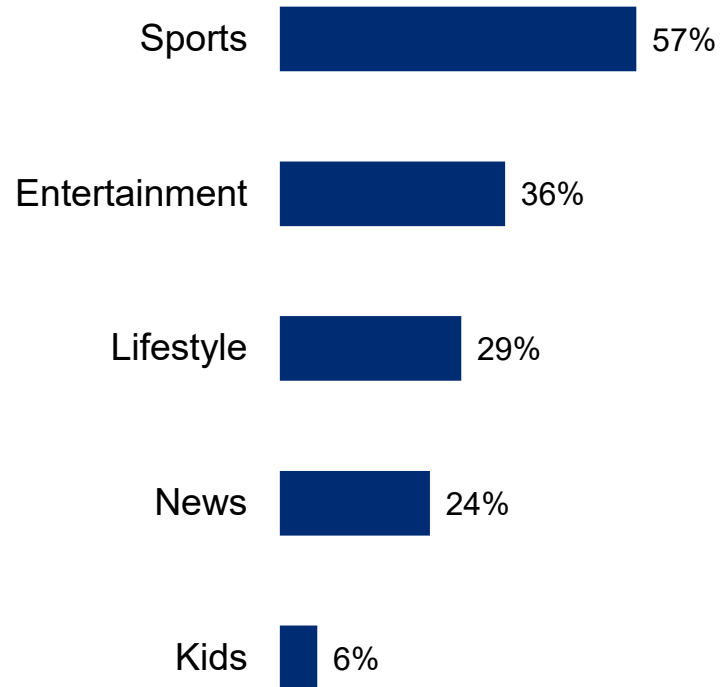
Media types have:

1. Retained budget,
2. Had new budget added or
3. Benefited from reallocation

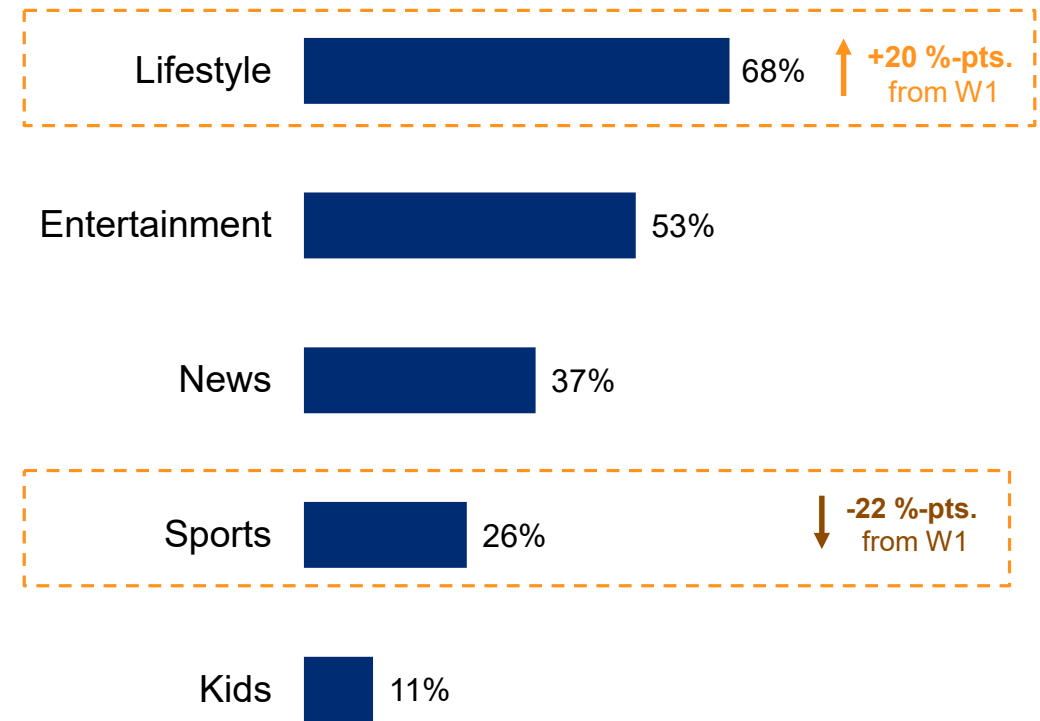
As creative responds to the *situation*, advertisers will look to pair it with *relevant content*

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

Decreased Ad Spending



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)

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

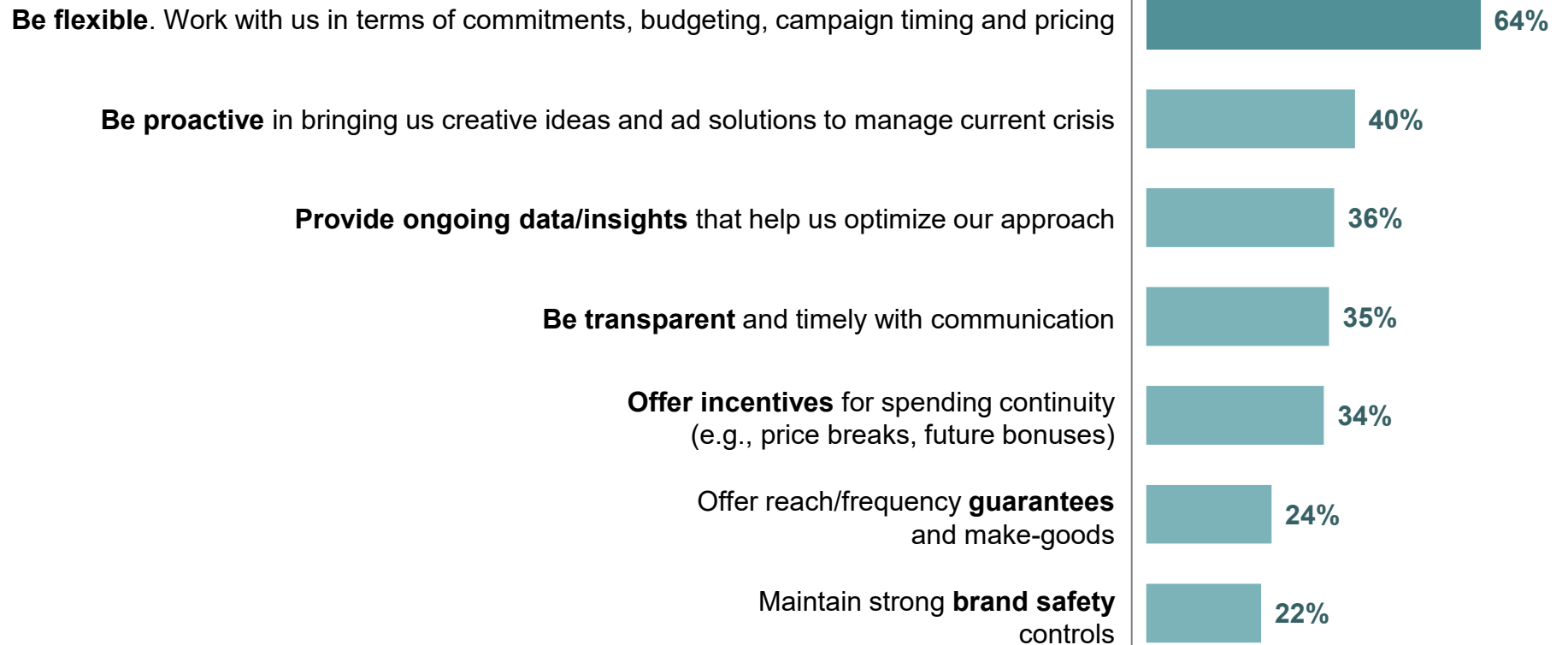
	TOTAL	OUT-AND-ABOUT Verticals	HUNKER-DOWN -AT-HOME Verticals
Digital video	78%	87%*	63%
Display	78%	87%	78%
Social media (paid)	73%	85%*	68%
Linear TV (Broadcast)	66%	74%	63%
OOH	66%	68%	65%
Search (paid)	65%	79%*	53%
Digital audio	64%	66%	63%
Linear TV (Cable)	64%	68%	65%
OTT/CTV	63%	70%	58%
Terrestrial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

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

How Media Brands Can Help Inform Ad Spending Decisions



Advertisers are doing their best to support those partners and keep their ad dollars in place—at least for the time being

Plans for Allocated Funds due to Some Sporting Events Being Cancelled or Postponed

Pulling the funds and not allocating them for spending right away	34%
Keeping the funds with the same media company and shifting to sports programming later in the year	31%
Keeping the funds with the same media company but shifting them to different, non-sports programming later in the year	31%
Keeping the funds with the same media company during the same time period but shifting to different, non-sports programming	24%
Keeping the funds with the same media company but not allocating them at the moment	22%
Moving the funds to a different media company	15%

72% (net)
Keeping budgets
with the same
media company