



FROM PARALYSIS TO SCENARIO PLANNING IN THE CORONAVIRUS ECONOMY

What we've learned about advertisers during the pandemic and our expectations for what's next

July 23, 2020

TODAY'S HOSTS



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TODAY'S GUEST PANELISTS

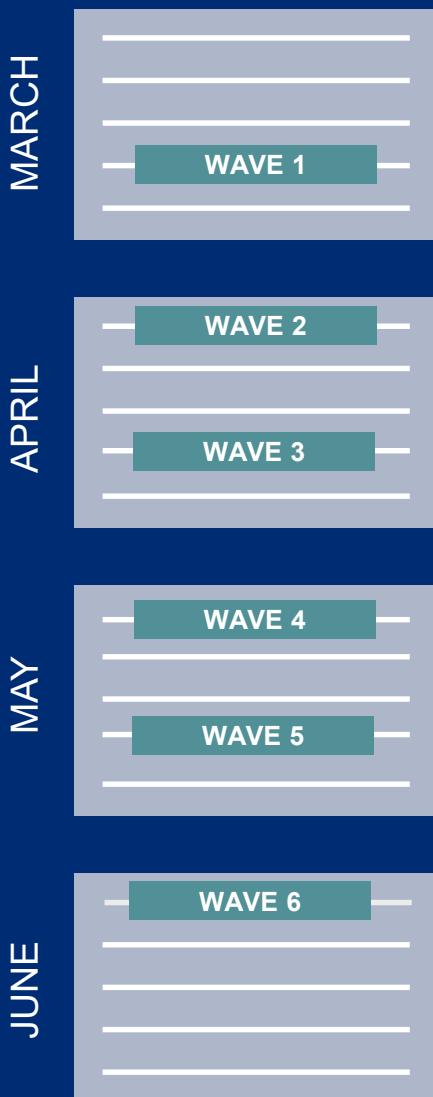


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Coronavirus Effect On Advertising Report TIMELINE



METHODOLOGY & RESPONDENT PROFILE

- Survey waves 1 - 6 fielded: March 17th – June 15, 2020
 - Interviews conducted per survey: 150
 - Respondent breakout: 35% Marketer | 65% Agency
 - Qualification: 100% involved in media brand selection decisions
-
- Sample: Marketer and agency contacts from The Advertiser Perceptions Ad Pros proprietary 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.



2020	
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Q1	
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A RECAP OF WHAT WE SAW IN THE SHORT TERM

Trends and tactics marketers used in order to navigate the initial phases of the coronavirus pandemic (Q1 2020 through the Q3 restart).

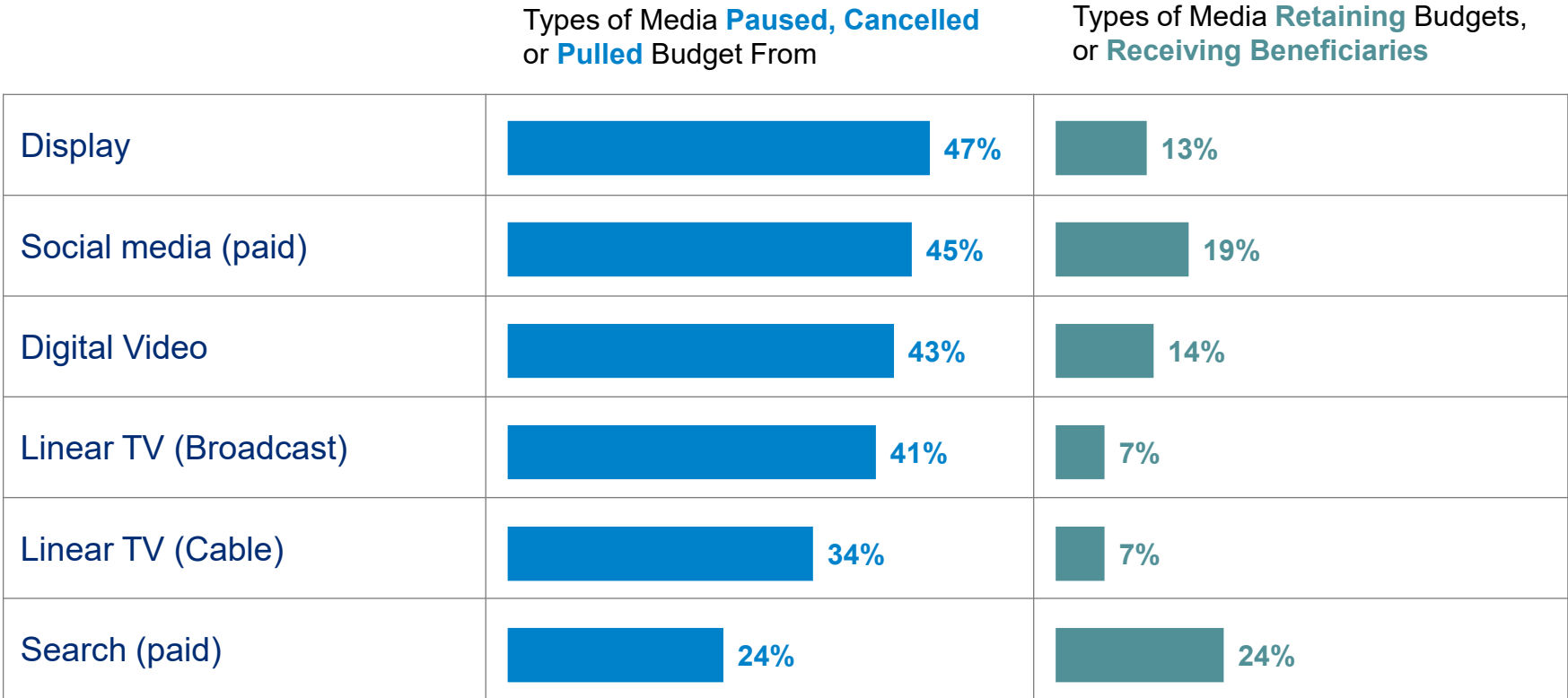


WHEN THE CORONAVIRUS PANDEMIC FIRST HIT, 9-in-10 ADVERTISERS TOOK ACTION WITH THEIR AD BUDGETS

SPECIFICALLY:

49%	Held back a campaign from launching until later in the year
48%	Adjusted media type usage or shifted budget among media types
45%	Stopped or pulled a campaign mid-flight
38%	Paused all new advertising efforts until later in the year
34%	Cancelled a campaign completely (pre-launch)

LINEAR TV & FLEXIBLE, DIGITAL AD CHANNELS WERE HIT THE HARDEST EARLY ON



BUT THE FLEXIBLE, NIMBLE NATURE OF DIGITAL MADE IT IDEAL FOR REINVESTING AD DOLLARS

2020 Ad Spend vs. 2019

■ Increase

■ Stay the Same

■ Decrease

Spend Momentum*

Search (paid)	28%	50%	22%	56
eCommerce	29%	48%	23%	54
Digital video	39%	34%	27%	45
Social media (paid)	42%	30%	29%	43
OTT/CTV	32%	35%	33%	34
Digital audio	21%	44%	35%	30
Display	21%	42%	37%	26
Linear TV (Cable)	11%	43%	46%	8
Linear TV (Broadcast)	16%	34%	50%	0
Terrestrial radio	7%	37%	55%	-11
National Newspapers	4%	31%	65%	-30
Print Magazine	5%	27%	68%	-35
OOH	5%	27%	68%	-36

Wave 2

INITIALLY, ADVERTISERS LOOKED TO THE *CORONAVIRUS*—NOT THE MARKETS—TO KNOW WHEN TO RESUME AD SPENDING

Reasons your company/clients will 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)



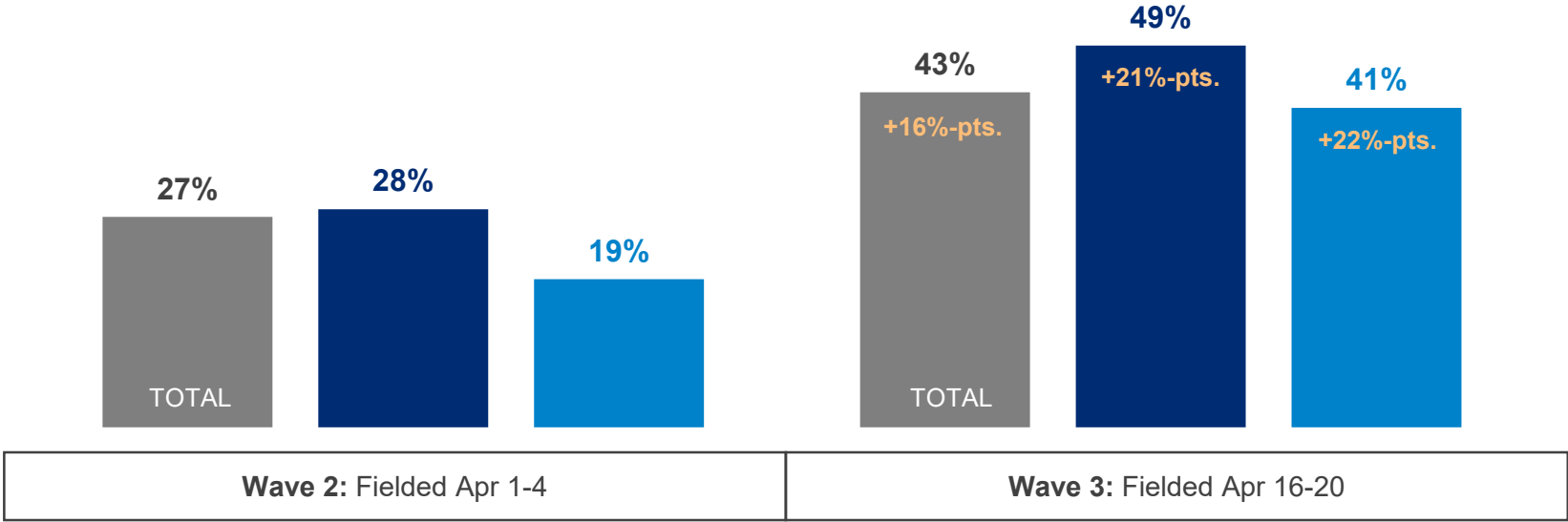
37% Ad Industry-related reason (net)

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Wave 3

OVER TIME, BUSINESS REALITIES BEGIN TO PLAY A GREATER ROLE IN THE RECOVERY TIMELINE

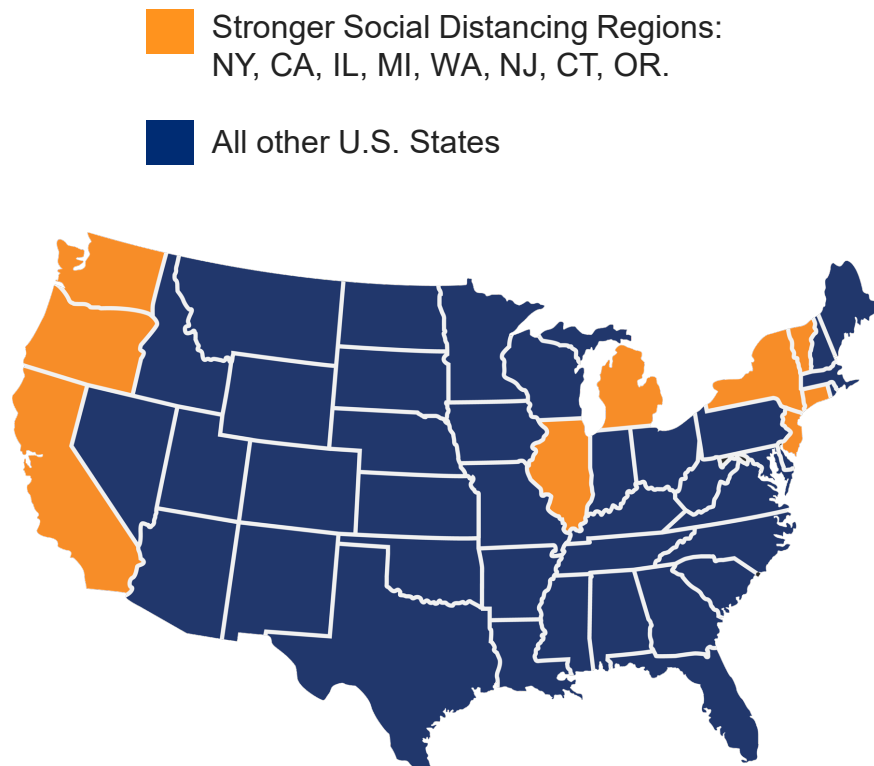
Reasons to resume any paused or cancelled advertising activity:
Stabilization of our company's/clients' revenue for one quarter



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Wave 5

AS DID REGIONAL DIFFERENCES



Relaxing of social distancing and slowing growth of new C19 cases are key signals for all regions, but additional top triggers to resume spending vary:

In Stronger Social Distancing Regions, they're looking for...

- Coronavirus no longer dominating news cycle
- Live Sports events resume

For advertisers in other U.S states...

- Stabilization of our company's revenue for one quarter
- Health of product supply chain

WITH UNCERTAINTY BEING THE ONLY CERTAINTY, ADVERTISERS NOW PLAN MEDIA NO MORE THAN 3 MONTHS OUT

Planning times by media type (in months) Means reported. Sorted by change

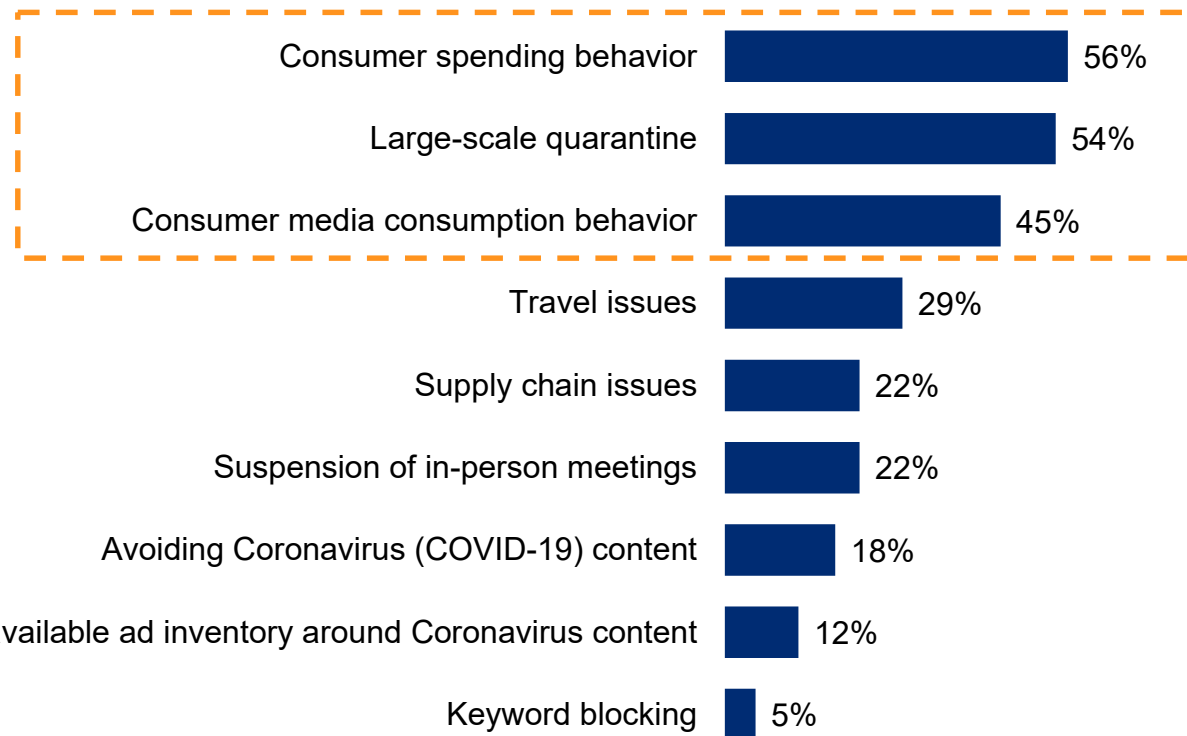
MEDIA TYPE	PRE-COVID-19	CURRENTLY	CHANGE
Linear TV (Broadcast)	5.34	2.71	-2.63
OOH	5.18	2.61	-2.57
Linear TV (Cable)	5.15	2.73	-2.42
Print Magazine	5.13	2.76	-2.37
OTT/CTV	4.53	2.36	-2.17
Digital video	3.78	1.98	-1.8
National Newspapers	4.32	2.55	-1.77
Terrestrial radio	4.07	2.34	-1.73
Display	3.66	2	-1.66
Digital audio	3.63	2.02	-1.61
Social media (paid)	2.96	1.62	-1.34
Search (paid)	3.15	1.85	-1.3
eCommerce	3.32	2.05	-1.27
Media type average	4.17	2.28	-1.89

Wave 3

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ULTIMATELY, ADVERTISERS WILL FOLLOW CONSUMERS' LEAD

Issues Having Biggest Impact on Ad Spending Regarding the Coronavirus Outbreak



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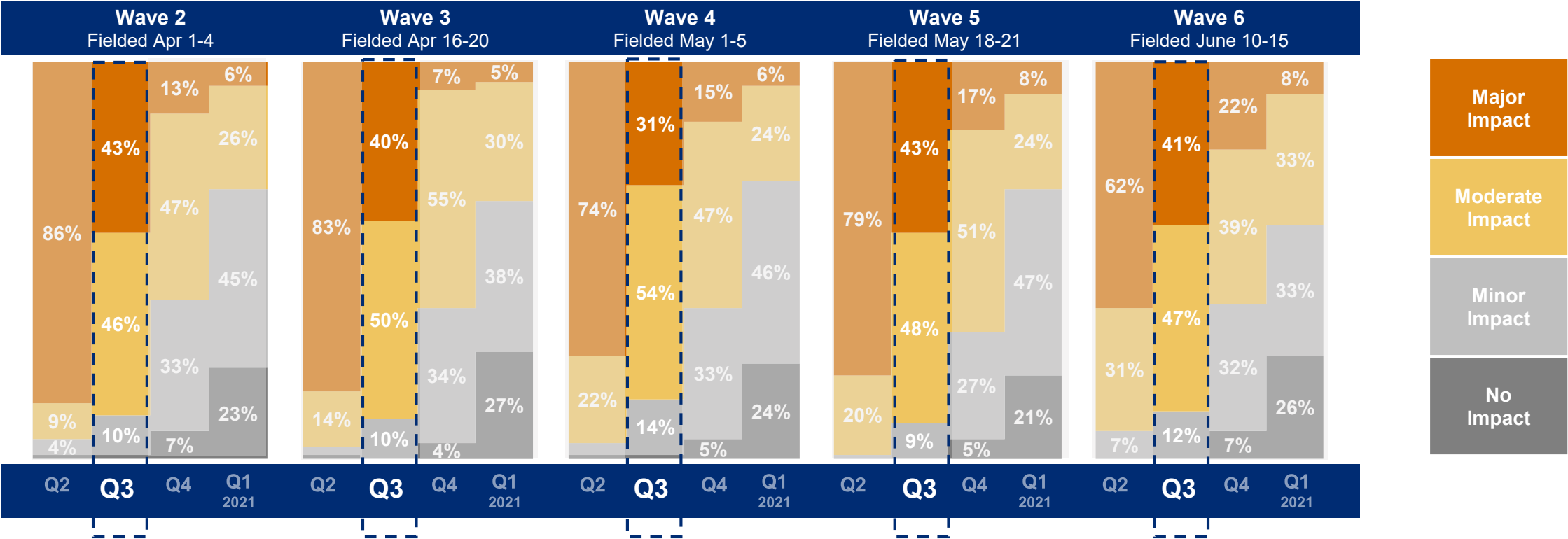


A LOOK AT THE MEDIUM TERM

Trends and tactics we expect advertisers to lean on as they move into the restart of H2 2020.

ADVERTISERS HAVE CONSISTENTLY POINTED Q3 AS THE START TO A LENGTHY RECOVERY

Impact of Decreased Ad Spend by Quarter in 2020 - 2021

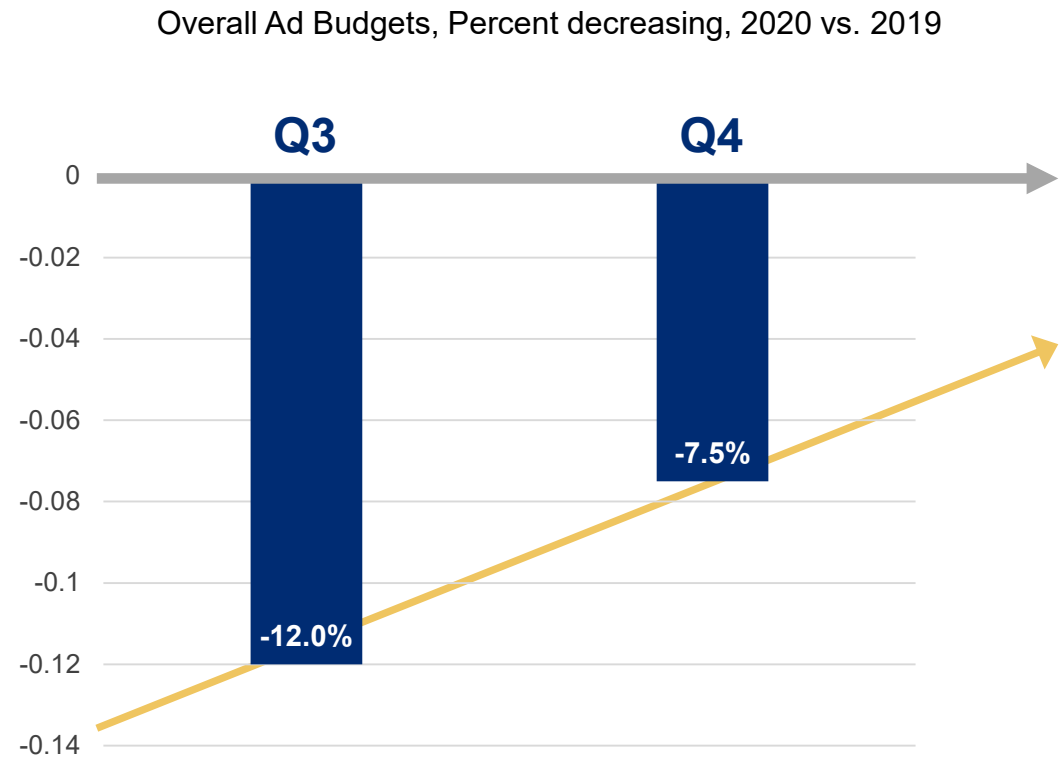


Q. Thinking about your 2020 decrease in ad spending as a result of the Coronavirus (Covid-19) outbreak, which quarters do you anticipate will be impacted most? Base: Decreasing Ad Spending in light of Coronavirus

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Wave 6

A LOOK AT TOTAL BUDGET IMPACTS BY QUARTER SHOWS A MARKET MOVING TOWARD ITS RECOVERY



ADVERTISERS RESTARTING IN Q3 FACE A DYNAMIC 6 MONTHS

Summer Olympics in Tokyo Postponed to 2021 Due to Coronavirus

Decision to delay leaves NBCUniversal with \$1.25 billion-plus ad revenue hole for 2020

By Jason Lynch | March 24, 2020



Another wave of coronavirus will likely hit the US in the fall. Here's why and what we can do to stop it

By Nicole Chavez, CNN
Updated 7:25 PM ET, Sat May 2, 2020



Will Your Child Return To School This Fall?



Zack Friedman Contributor
Personal Finance
Bestselling Author, *The Lemonade Life*. I write and speak about leadership and greatness.



Our Guide to the 2020 Election

The Latest

President Trump's polling numbers are plunging and his campaign is beginning to worry about his standing in states like Ohio and Iowa that he won in 2016.

Meet the Candidates »

Learn more about the presidential contenders.



Joe Biden
Democrat



Donald Trump
Republican

Election Highlights

Black and Hispanic women won elections in multiple states on Tuesday while Steve King, a congressman with a long history of racist remarks, was ousted.

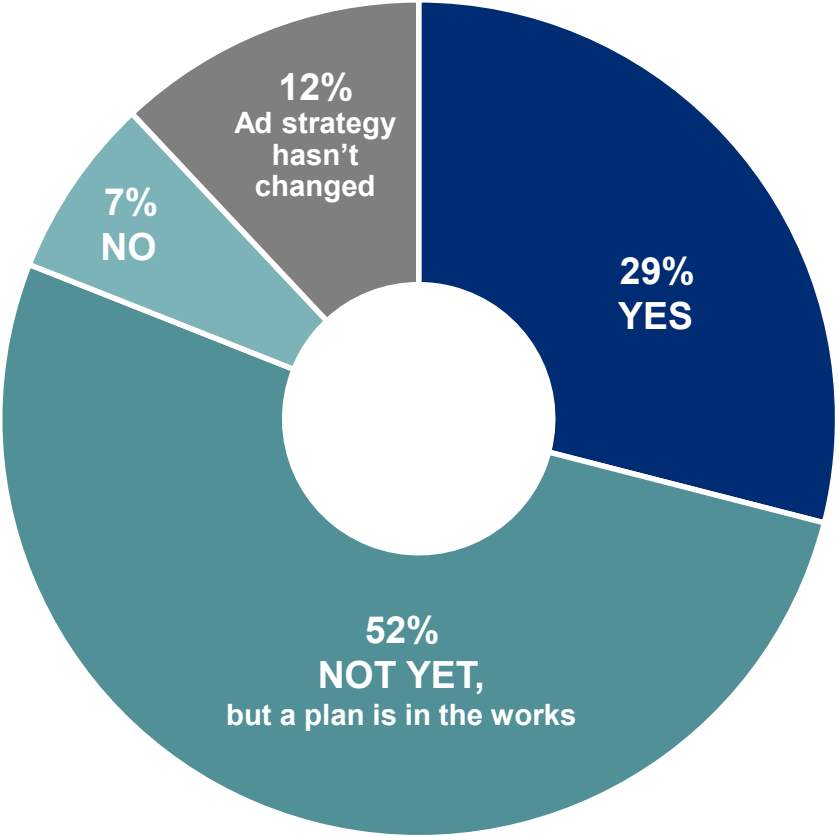
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Wave 5

THE MAJORITY OF ADVERTISERS ARE STILL FINALIZING THEIR POST-COVID-19 STRATEGIES

Q: Does your company/client have a strategy in place for the ‘new normal’?



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A LOOK AT THE LONG TERM

Trends and tactics we expect to stand post-pandemic.

TODAY'S GUEST PANELISTS



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HERE IS WHAT WE'RE TRACKING AS THE H2 2020 RESTART BEGINS:

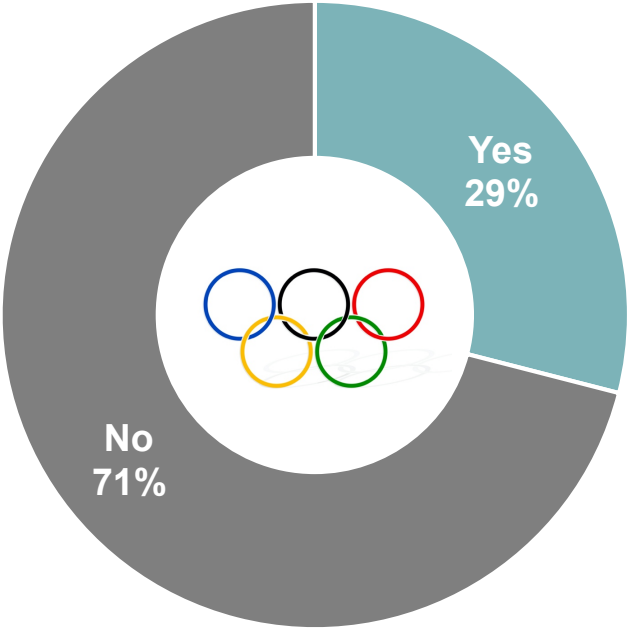


1. Who will win the race for reassigned Olympics budgets?
2. Will digital/ecommerce drive the 2020 holiday season?
3. How can regional advertisers eliminate complexity and allow for more contingencies?
4. Will data and insights determine advertisers' media partner selection moving forward?
5. Is flexibility a need-for-now fad or a new foundation for media programs?
6. How will OTT and CTV keep growing past the pandemic?
7. Is "good-enough" creative the new branding / performance standard?

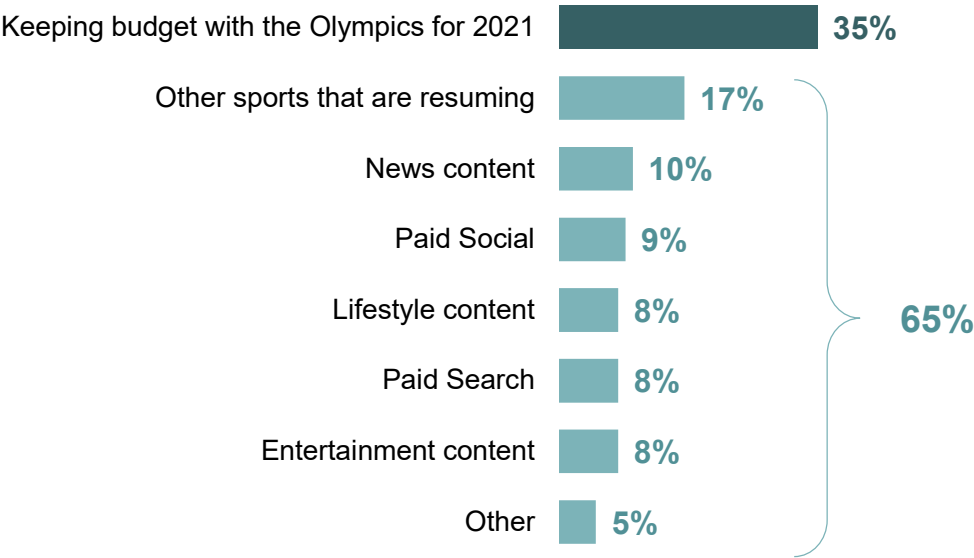
Wave 6

WHO WILL WIN THE RACE FOR REASSIGNED OLYMPICS BUDGETS?

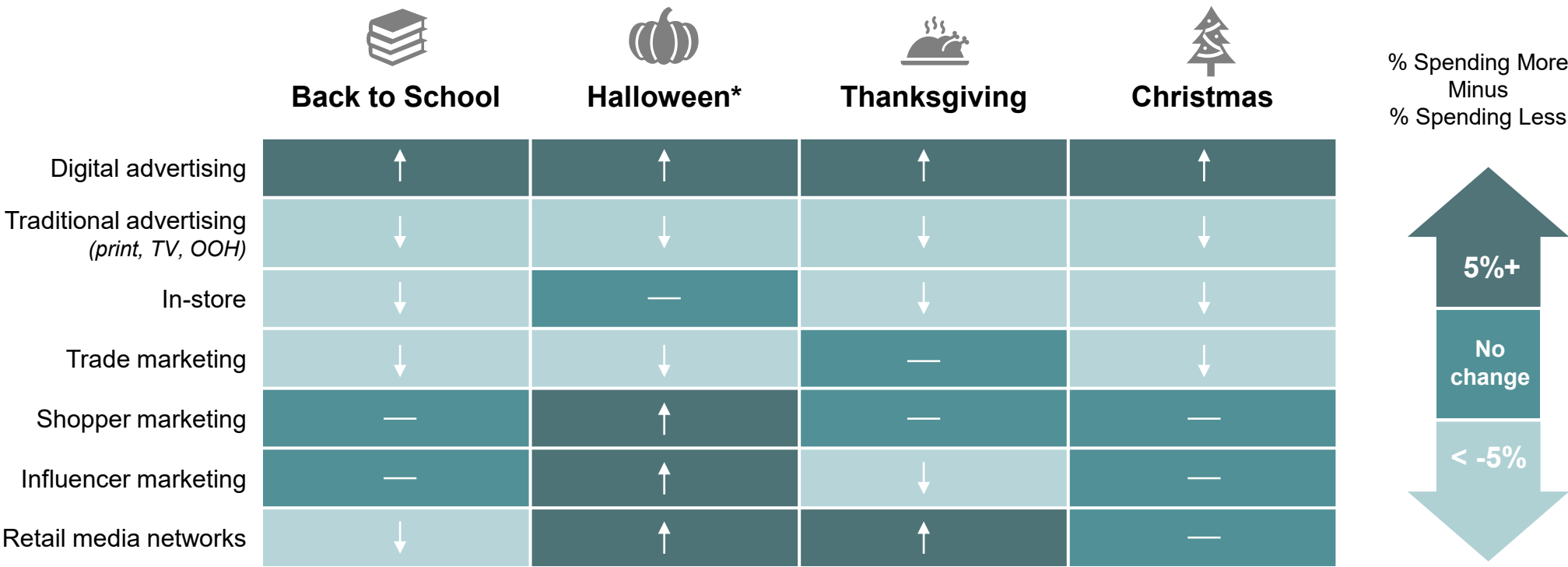
Were you planning to advertise in the 2020 Summer Olympics?



Where do you plan to re-allocate Summer Olympics ad budgets?
Summary of Means



WILL DIGITAL/ECOMMERCE DRIVE THE 2020 HOLIDAY SEASON?



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Wave 6

HOW CAN REGIONAL ADVERTISERS ELIMINATE COMPLEXITY AND ALLOW FOR MORE CONTINGENCIES?

With staggered reopening of the economy coinciding with the 2020 election cycle, regional advertising will be _____



MORE COMPETITIVE

67% AGREE completely/somewhat

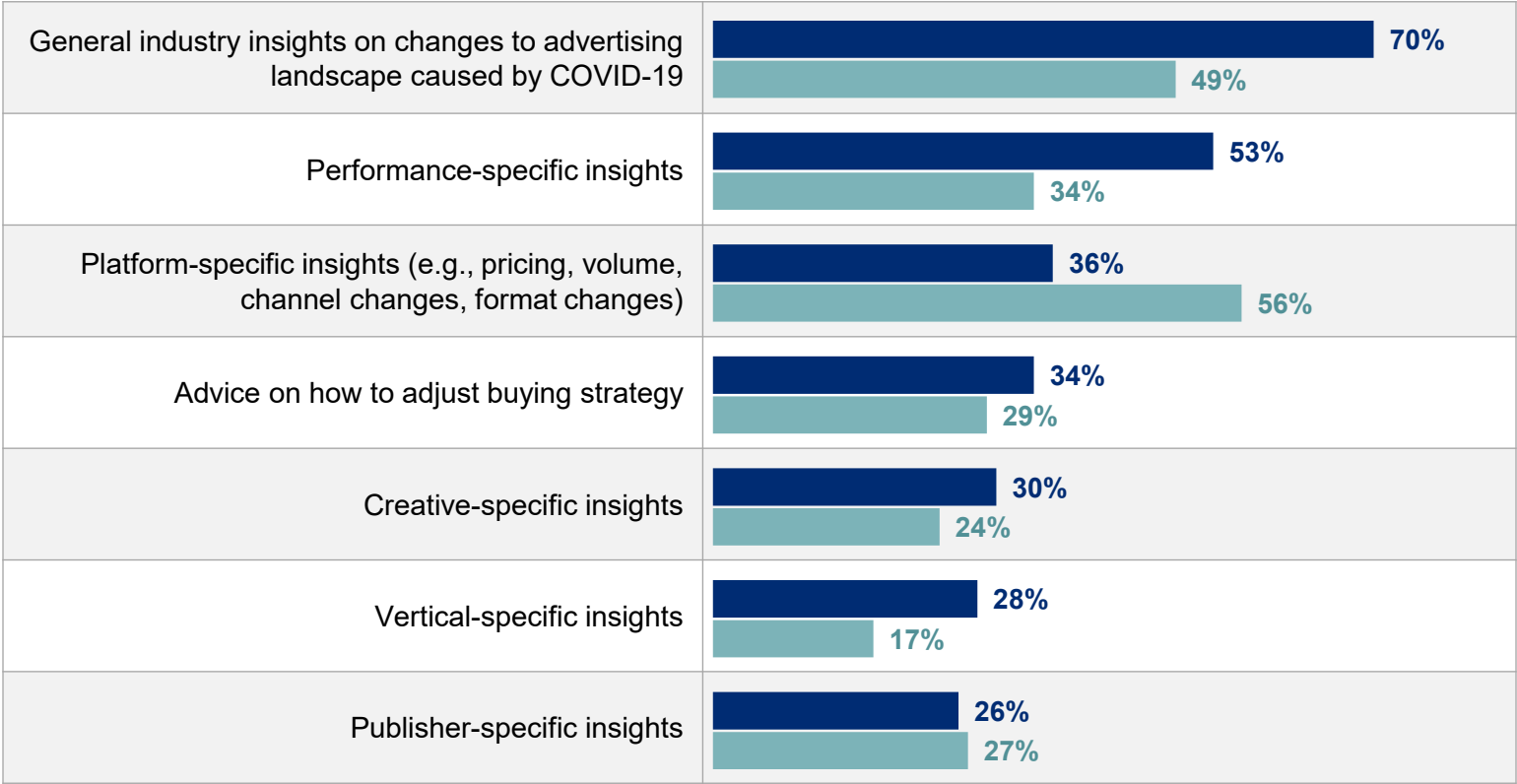


MORE IMPORTANT

57% AGREE Completely/Somewhat

WILL DATA & INSIGHTS DRIVE ADVERTISERS' MEDIA PARTNER SELECTION MOVING FORWARD?

What are you looking to media or ad tech partners to provide during the COVID-19 crisis?



Out & About Verticals

Hunker Down at Home Verticals

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Wave 1

Wave 4

Wave 6

IS FLEXIBILITY A NEED-FOR-NOW FAD OR A NEW FOUNDATION FOR MEDIA PROGRAMS?

“

*Work with us in rescheduling. Be a good partner. This too shall pass, but **this is when you find out who the partners are that you want to continue giving money to in the future.***

Q: How can media brands assist in ad spending decisions?

64%
BE FLEXIBLE

“Advertisers will negotiate for greater flexibility in media contracts.”

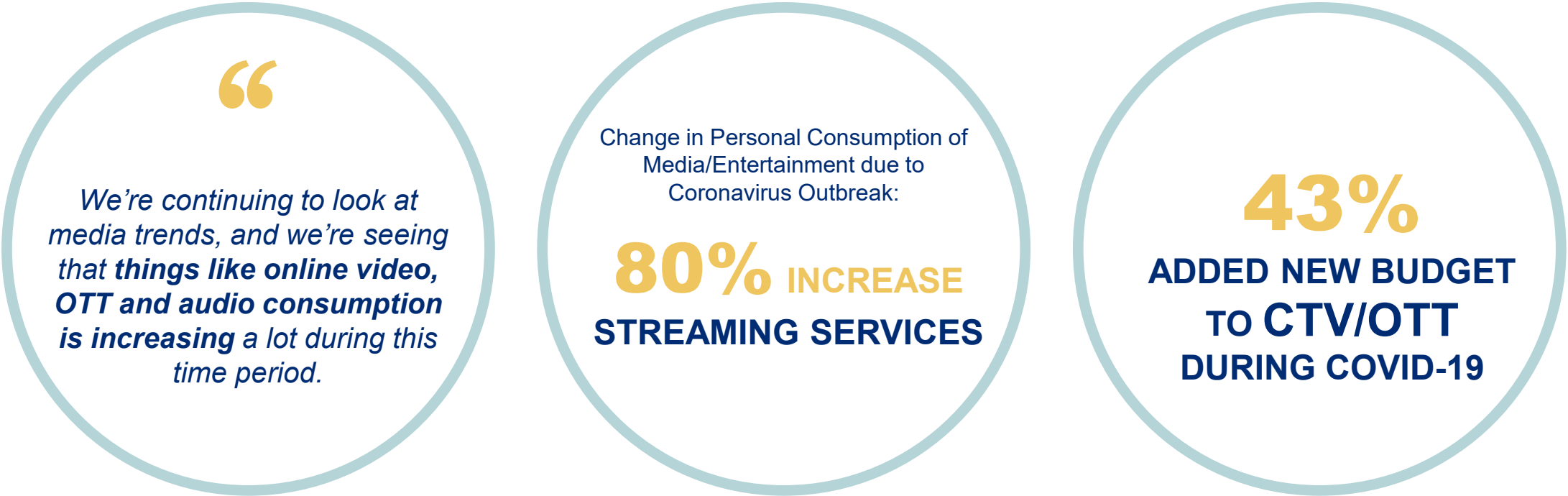
87%
AGREE

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Wave 2

Wave 5

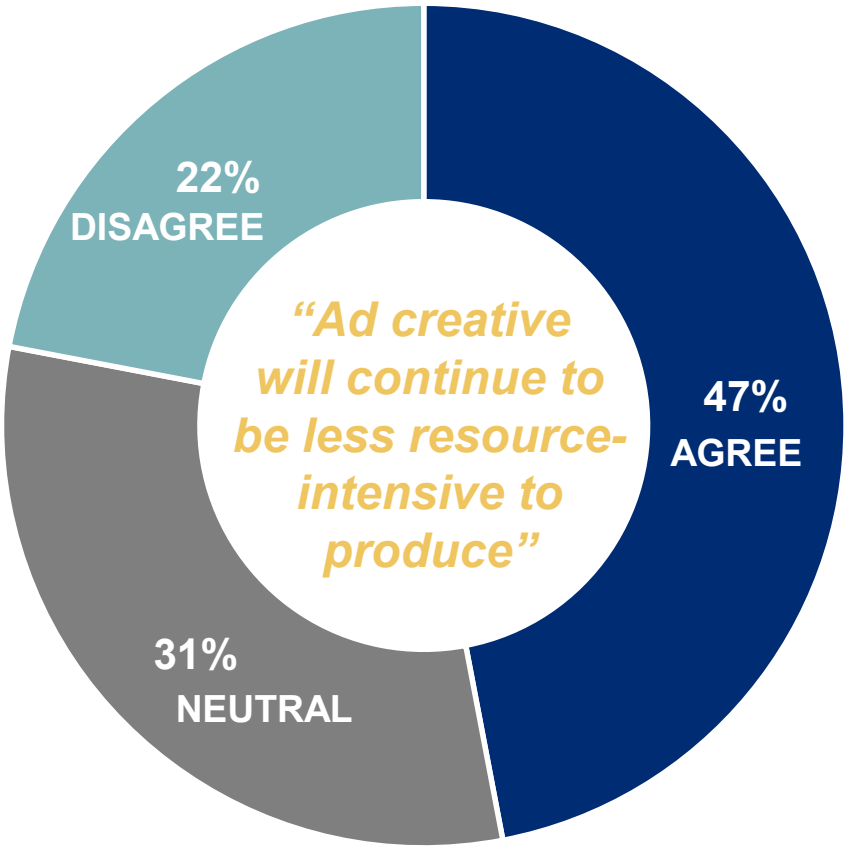
HOW WILL OTT AND CTV KEEP GROWING PAST THE PANDEMIC?



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Wave 6

IS "GOOD-ENOUGH" CREATIVE THE NEW BRANDING/PERFORMANCE STANDARD?



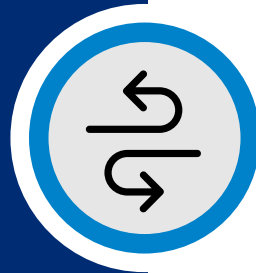
KEY TAKEAWAYS



Buyers, sellers and ad tech partners must be ready to tackle regional challenges. Creative and budget limitations aside, the variability in reopening guidelines across the country poses real challenges for advertisers. Contingency planning will be key, as will companies' abilities to rely on region-specific insights, geotargeting capabilities and being sensitive to sentiment in these areas can help advertisers make the most of this challenging time.



Data and insights is a must. Throughout the pandemic, advertisers have leaned heavily on media partners for insights on pricing, media consumption, and platform-specific trends. As they're ramping back in H2 2020 and looking beyond, these demands will likely intensify, requiring media and platform partners to provide ongoing intel needed to fine-tune ROI and performance goals.



Flexibility will be a focus moving forward. Buyers, sellers and ad tech companies will continue to navigate the continued uncertainty around the coronavirus and its effect on media consumption, content and daily life. Those capable of navigating these uncertainties in a nimble, flexible manner will have the edge.



THANK YOU

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