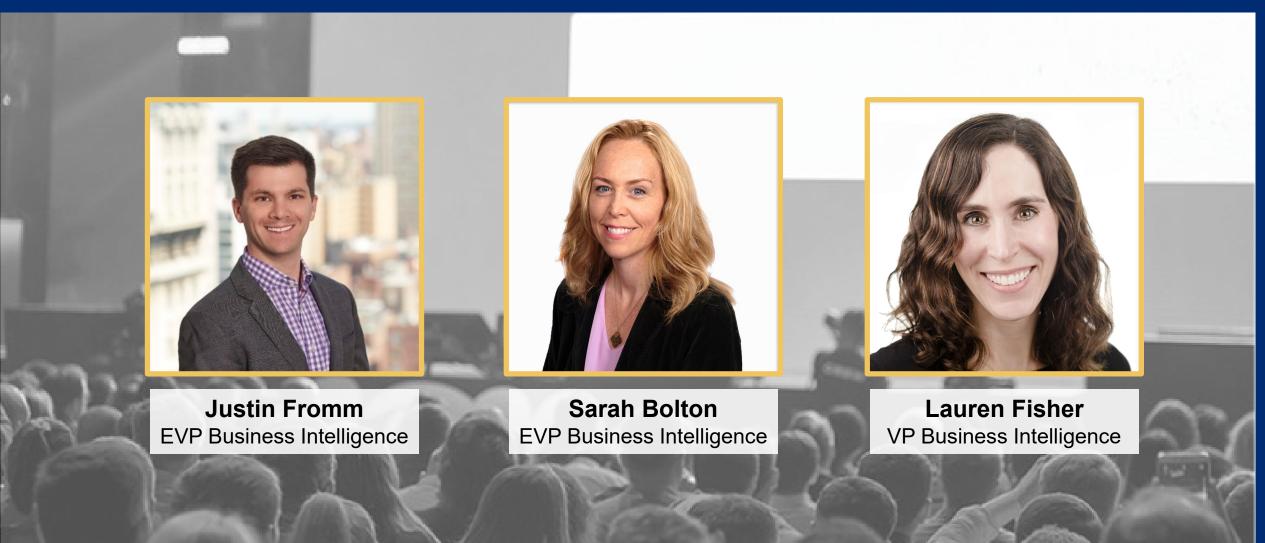


FROM PARALYSIS TO SCENARIO PLANNING IN THE CORONAVIRUS ECONOMY

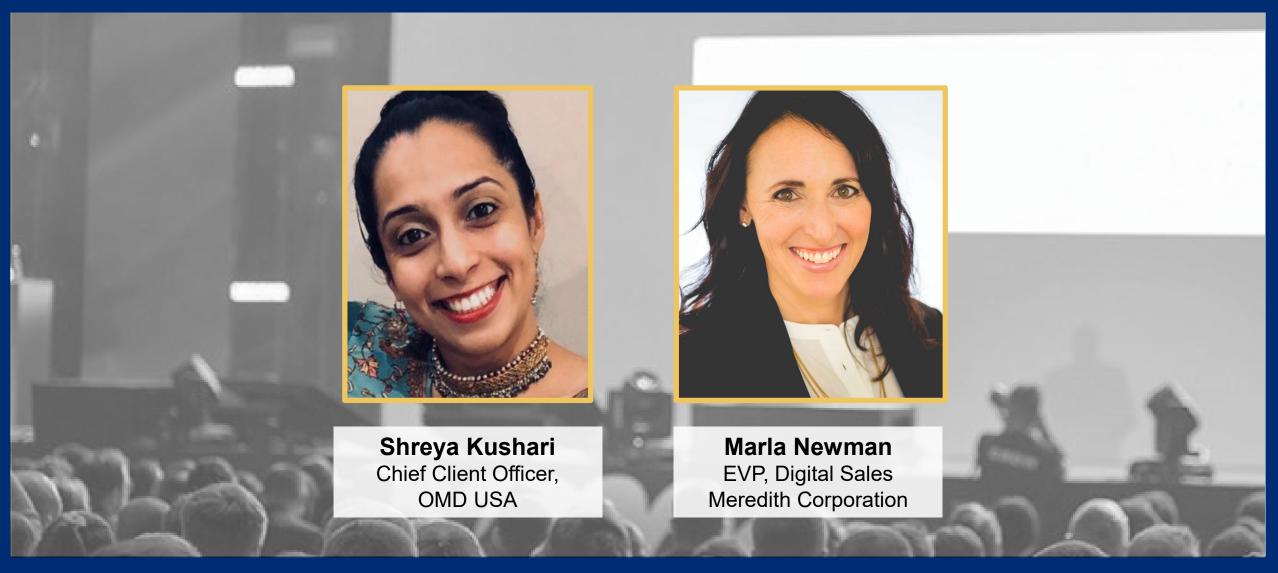
What we've learned about advertisers during the pandemic and our expectations for what's next

July 23, 2020

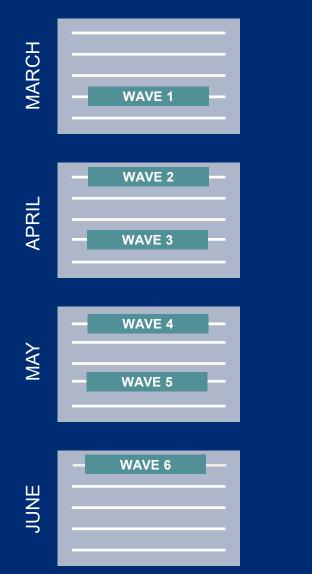
TODAY'S HOSTS



TODAY'S GUEST PANELISTS



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.



Q4 2021 Q1 Q2 Q3 Q4

Q3

2020

Advertiser Perceptions[®]

MITT III

Coronavirus Effect on Advertising Report Waves 1 - 6



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

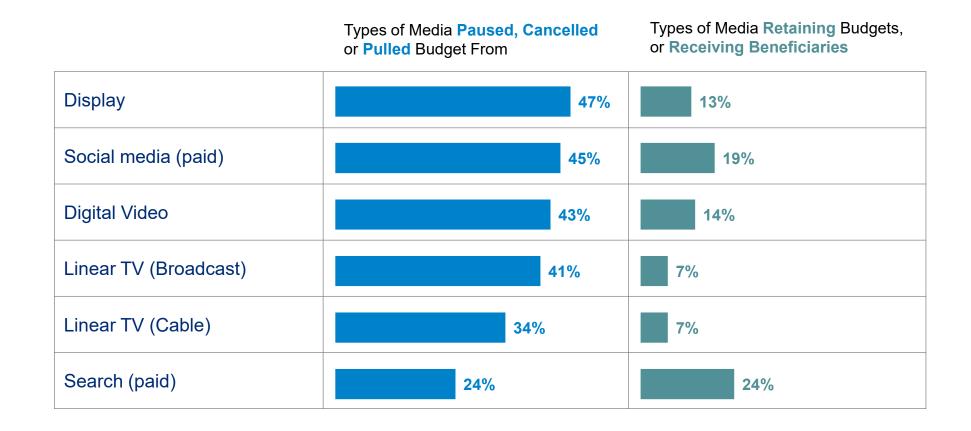
SPECIFICALLY:

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)

2020

Wave 1

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



Coronavirus Effect on Advertising Report Waves 1 - 6

2020

Feb

Mar

May

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Oct

Nov

Dec

2021

Q3 Aug

Q4

Q1

Q2

Q3

Q4

Wave 1

Q13a. You mentioned pausing/cancelling a campaign or shifting/adjusting media type usage/budgeting due to the Coronavirus (Covid-19) outbreak. Which media types did you pause, cancel or pull budget from?Q13b. And which media types, if any, retained their budgets/usage or were the beneficiaries of any budgeting reallocation due to the Coronavirus (Covid-19) outbreak? Base: Coronavirus has impacted recent/ongoing advertising efforts

Advertiser Perceptions

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

2020 Ad Spend vs. 2019	Incre	ease	Stay the S	ame	■ Dec	rease	Spend Momentum
Search (paid)	28%		509	%		22%	56
eCommerce	29%		48	%		23%	54
Digital video	39%	6		34%		27%	45
Social media (paid)	42	2%		30%		29%	43
OTT/CTV	32%		35%			33%	34
Digital audio	21%		44%			35%	30
Display	21%		42%		3	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%	6		65%	/ 0		-30
Print Magazine	5% 27%	0		68%			-35
ООН	5% 27%			68%			-36

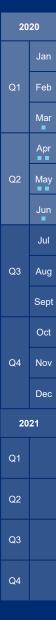
Coronavirus Effect on Advertising Report Waves 1 - 6

* Spend Momentum = Increase/Maintain minus Decrease. Q. Do you expect your 2020 advertising spend with each of the following media types will increase, stay the same or decrease compared to 2019? Base: Total Respondents Using Media Type (Variable Base)

Advertiser Perceptions

Wave 4

2020

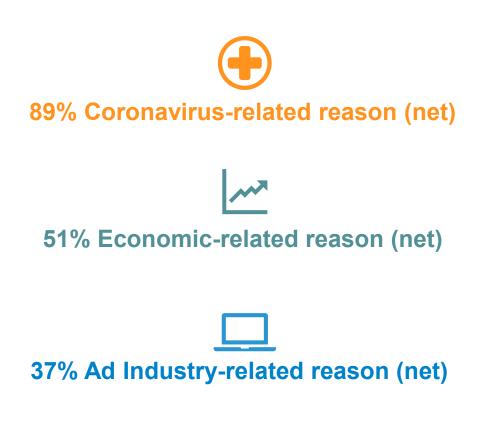


Wave 2

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

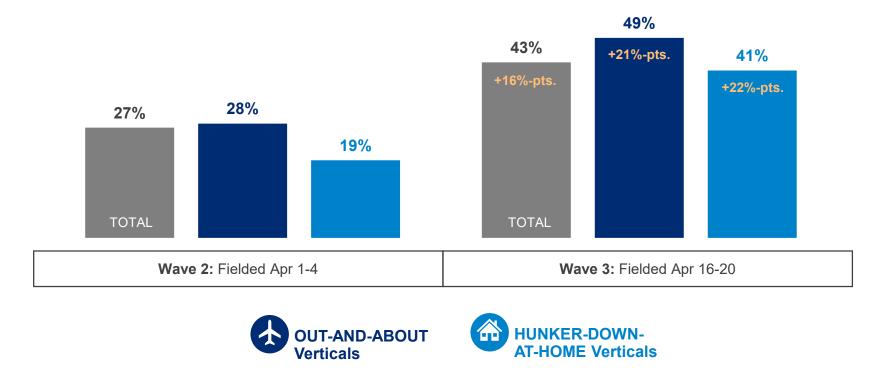
Relaxing of social distancing	50%
Slowing growth of new cases of Coronavirus in US (on downward part of curve)	40%
No new cases of Coronavirus in US	37%
Coronavirus no longer dominating news cycle	31%
US travel restrictions lifted	30%
Live sports events resumed	28%
Stabilization of our [company's/clients'] 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%



Q12c. Which of the following would cause your company / clients to resume any paused or cancelled advertising activity? Base: Paused/Held Back/Cancelled Recent or Ongoing Advertising Efforts

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**



2020

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Dec

2021

Q3 Aug

Q4

Q1

Q2

Q3

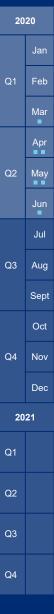
Q4

Wave 3

Q. Which of the following would cause your company/clients to resume any paused or cancelled advertising activity? Base: Paused/Held Back/Cancelled Recent or Ongoing Advertising Efforts

Advertiser Perceptions

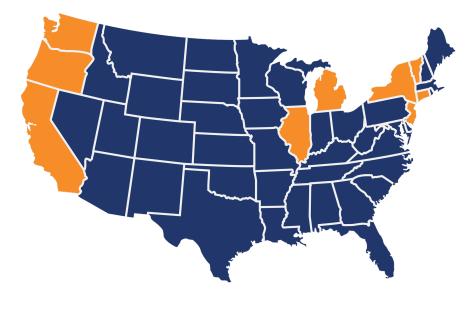
AS DID REGIONAL DIFFERENCES



Wave 5

Stronger Social Distancing Regions: NY, CA, IL, MI, WA, NJ, CT, OR.





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

		<u> </u>				
MEDIA TYPE	PRE-COVID-19	CURRENTLY	CHANGE			
Linear TV (Broadcast)	5.34	2.71	-2.63			
ООН	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			

Coronavirus Effect on Advertising Report Waves 1 - 6

2020

Feb

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May

Q3 Aug

Q4

Q1

Q2

Q3

Q4

Sept

Oct

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Dec

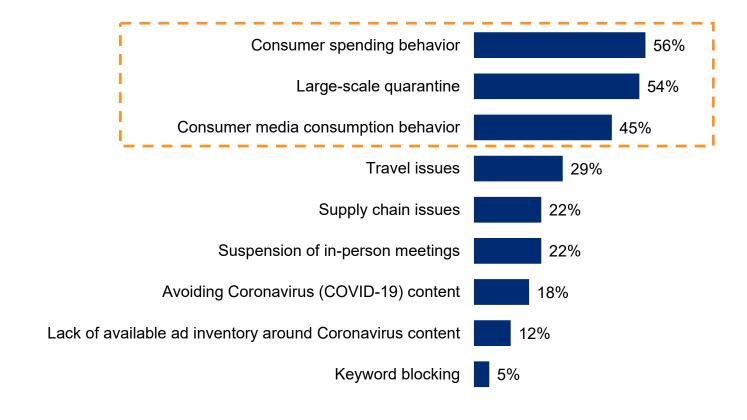
2021

Wave 3

Q. Prior to the Coronavirus (Covid-19) outbreak, how far ahead did you typically plan the following media? Base: Total Respondents

ULTIMATELY, ADVERTISERS WILL FOLLOW CONSUMERS' LEAD

Issues Having Biggest Impact on Ad Spending Regarding the Coronavirus Outbreak



Coronavirus Effect on Advertising Report Waves 1 - 6

2020

Feb

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Dec

2021

Q3

Q4

Q1

Q2

Q3

Q4

Wave 2

Q20. Which three (3) of the following will have the biggest impact on your ad spending regarding the Coronavirus (Covid-19) outbreak? Base: Decreasing Ad Spending (N=129)

Advertiser Perceptions¹³

A LOOK AT THE MEDIUM TERM

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



2020

Jan

Feb

Mar

May

Jun Jul

Aug

Sept

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Dec

2021

Q2

Q3

Q4

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

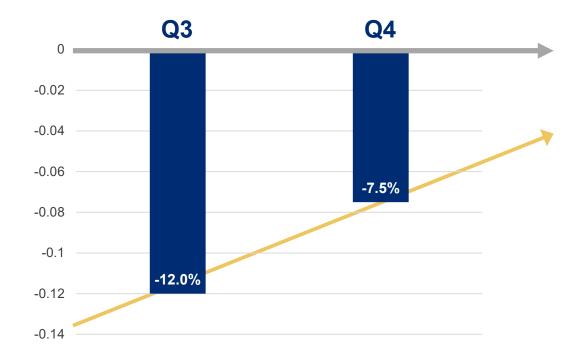
Wave 2 Wave 3 Wave 4 Wave 5 Wave 6 Fielded Apr 1-4 Fielded Apr 16-20 Fielded May 1-5 Fielded May 18-21 Fielded June 10-15 7% 6% 6% 8% 8% 13% 15% 17% Major 22% Impact 31% 40% 41% 43% 43% 62% 74% 79% 83% 86% 47% 50% No 27% 26% 24% 23% 21% Impact 10% 7% 7% **Q1** Q1 Q1 Q1 Q1 Q4 Q2 Q4 Q2 Q4 Q2 Q4 Q2 Q4 **Q2** Q3 **Q3 Q**3 **Q3** Q3 2021 2021 2021 2021 2021 -----_ _ _ ----

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

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

Overall Ad Budgets, Percent decreasing, 2020 vs. 2019



Coronavirus Effect on Advertising Report Waves 1 - 6

2020

Q1

Q2

Q3

Q4

Q1

Q2

Q3

Q4

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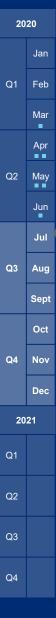
Nov

Dec

2021

Wave 6

Q. By what percentage do you expect your Q3 2020 ad spending to increase/decrease compared to Q3 2019? Base: Increasing/Decreasing Q3 2020 Ad Spend Q. By what percentage do you expect your Q4 2020 ad spending to increase/decrease compared to Q4 2019? Base: Increasing/Decreasing Q4 2020 Ad Spend



ADVERTISERS RESTARTING IN Q3 FACE A DYNAMIC 6 MONTHS

health Food Fitness Wellness Parenting Vital Signs

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

Another wave of coronavirus will likely hit the US in the

fall. Here's why and what we can do to stop it



Summer Olympics in Tokyo

Will Your Child Return To School This Fall?

Zack Friedman Contributor @ estselling Author, The Lemonade Life. I write and speak about leadership and



2 0 2 0 Tuesday's Primaries Highlights National Map Delegate Count Election Calendar

Our Guide to the 2020 Election

The Latest

LIVE TV Edition

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 »

Joe Biden

ore about the presidential contende

100 西

Donald Trump

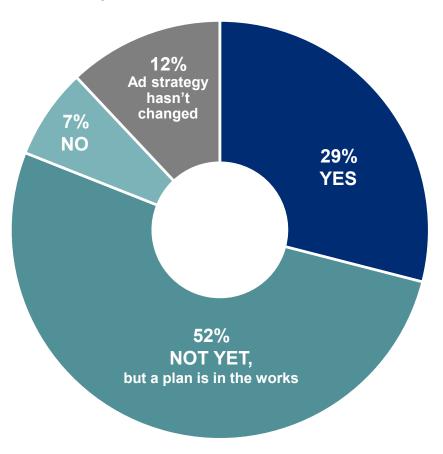
Election Highlights

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.



Coronavirus Effect on Advertising Report Waves 1 - 6

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



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

Coronavirus Effect on Advertising Report Waves 1 - 6

2020

Q1

Q2

Q3

Q4

Q1

Q2

Q3

Q4

Jan

Feb

Mar

Apr

May

Jun

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Aug

Sept

Oct

Nov

Dec

2021

Wave 5

Q. Does your company/do your clients have an advertising strategy in place for when things go back to 'business as usual' or the 'the new normal'? Base: Total Respondents

Advertiser Perceptions[®] 18

A LOOK AT THE LONG TERM

Trends and tactics we expect to stand postpandemic.



Coronavirus Effect on Advertising Report Waves 1 - 6

2020

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2021

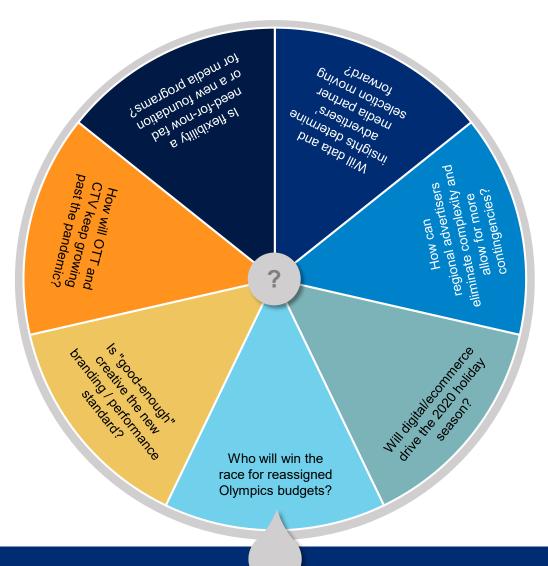
Q3

Q4

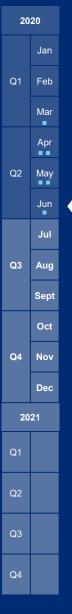
TODAY'S GUEST PANELISTS



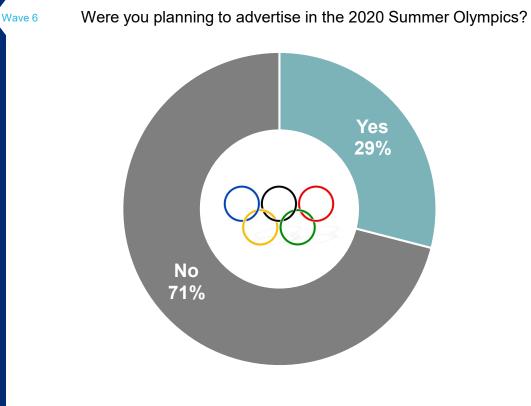
HERE IS WHAT WE'RE TRACKING AS THE H2 2020 RESTART BEGINS:



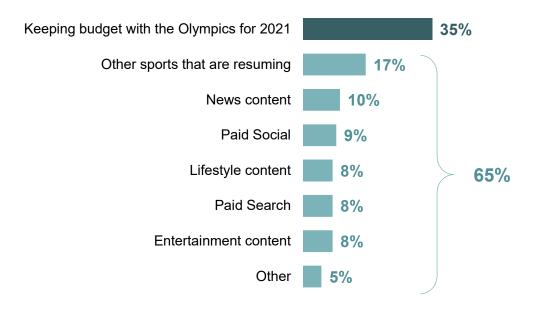
- 1. Who will win the race for reassigned Olympics budgets?
- 2. Will digital/ecommerce drive the 2020 holiday season?
- 3. How can regional advertisers eliminate complexity and allow for more contingencies?
- 4. Will data and insights determine advertisers' media partner selection moving forward?
- 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?



WHO WILL WIN THE RACE FOR REASSIGNED OLYMPICS BUDGETS?



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

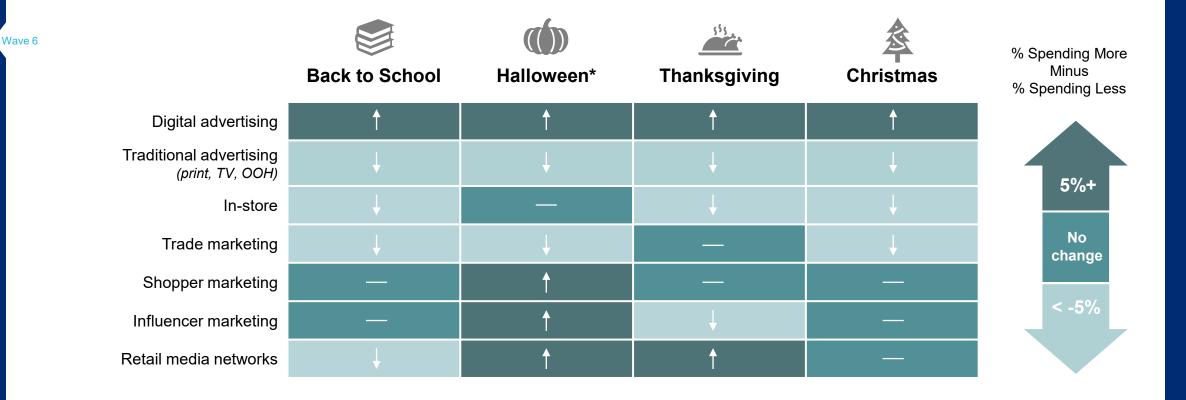


Coronavirus Effect on Advertising Report Waves 1 - 6

Q. Were you planning to advertise in the 2020 Summer Olympics this year? Base: Total Respondents Q. Where are you planning to re-allocate ad budgets that had been previously planned for the Summer Olympics Base: Planned to Advertise in 2020 Summer Olympics

Advertiser Perceptions²²





2020

Q1

Q2

Q3

Q4

Jan

Feb

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Dec

2021

Q. Compared to 2019, do you plan to spend more, less or the same on your 2020 holiday/seasonal advertising using each of these marketing channels? Base: Advertise Around Holiday/Seasonal Event (Variable Base) *Caution: Small Base

Advertiser Perceptions²³

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 _____





Coronavirus Effect on Advertising Report Waves 1 - 6

2020

Q1

Q2

Q3

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Dec

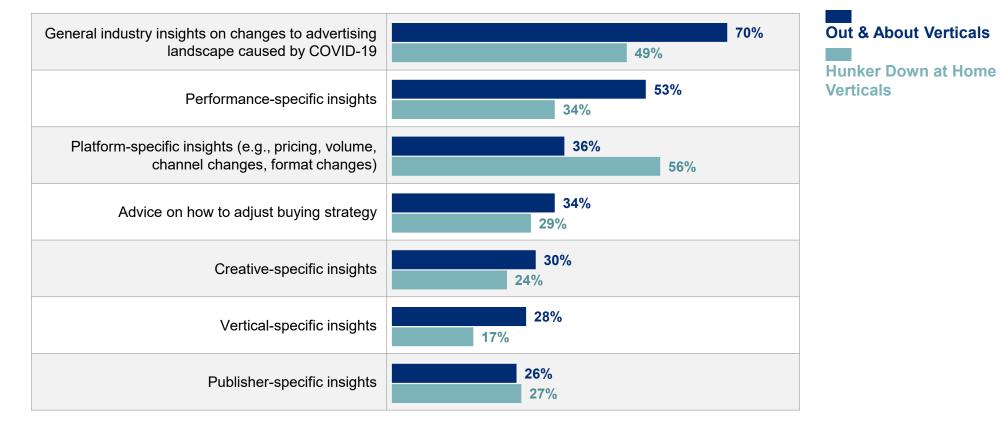
2021

Wave 6

Q. How much do you agree with the following statements? Base: Total Respondents

Advertiser Perceptions²⁴

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?

Coronavirus Effect on Advertising Report Waves 1 - 6

* See Methodology section for full description of vertical breakouts

Q. Which of the following have you looked to media or ad tech advertising partners to provide during the COVID-19 crisis? Base: Total Respondents

Advertiser Perceptions²⁵

2020



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

Coronavirus Effect on Advertising Report Waves 1 - 6

2020

Jan

Feb

Mar

Apr

Jul

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Dec

2021

Q2 May

Q3

04

Q4

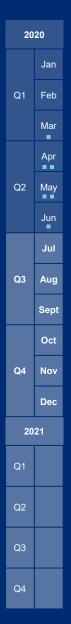
Wave 1

Wave 4

Wave 6

Q22. What, if anything, can media brands do to assist you in your advertising spending decisions in light of the Coronavirus (Covid-19) outbreak? Base: Total Respondents 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 Q. Which of the following have you looked to media or ad tech advertising partners to provide during the COVID-19 crisis? Base: Total Respondents

Advertiser Perceptions²⁶



Wave 2

Wave 5

HOW WILL OTT AND CTV KEEP GROWING PAST THE PANDEMIC?

Change in Personal Consumption of Media/Entertainment due to Coronavirus Outbreak:

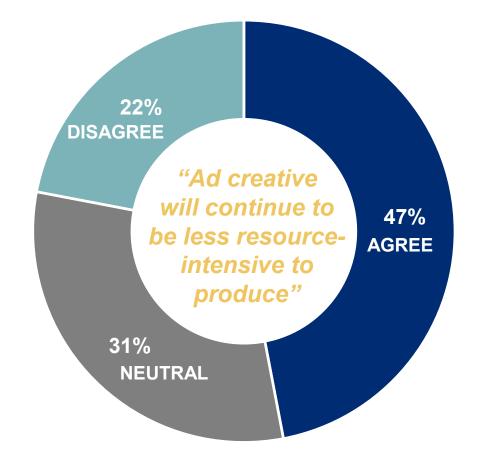
We're continuing to look at media trends, and we're seeing that things like online video, OTT and audio consumption is increasing a lot during this time period.

80% INCREASE **STREAMING SERVICES**

43% **ADDED NEW BUDGET** TO CTV/OTT **DURING COVID-19**

Coronavirus Effect on Advertising Report Waves 1 - 6 Q8. In light of the Coronavirus (Covid-19) outbreak, how do you expect your personal consumption of the following types of media or entertainment to change, if at all? Base: Total Respondents; Q13b1. Have any media types retained their budgets, had budget added or were the beneficiaries of any budgeting reallocation due to the Coronavirus (Covid-19) outbreak?Q13bN. And which media types, if any, retained their budgets/usage or were the beneficiaries of any budgeting reallocation due to the Coronavirus (Covid-19) outbreak?Q13bN. And which media types, if any, retained their budgets/usage or were the beneficiaries of any budgeting reallocation due to the Coronavirus (Covid-19) outbreak? Base: Media Types Have Retained Budget, Had New Budget Added or Benefitted from Reallocation

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



Coronavirus Effect on Advertising Report Waves 1 - 6

2020

Q1

Q2

Q3

Q4

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Nov

Dec

2021

Wave 6

Q. How much do you agree with the following statements about the impact the Coronavirus (COVID-19) pandemic will have on the advertising industry long term? Base: Total Respondents

Advertiser Perceptions²⁸

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.

Advertiser Perceptions²⁹



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Sarah Bolton Sarah.Bolton@AdvertiserPerceptions.com



Have Confidence in Every Business Decision You Make