



# *MEDIA IMPACT REPORT #9*

COVID-19 Pandemic Advertising Ecosystem Impact

5.7.2020

## TOP 3 THINGS TO KNOW

1

Discussions around the return of live sports continue, with golf set to return in late May with a charity event. A league-by-league recap of the status of live sports has been provided in this edition of the flash report.

2

We continue to see pricing efficiencies in linear TV despite viewership starting to decline.

3

Podcasts are a great area for clients to communicate relevant and current messaging while taking advantage of the recent growth in consumption.





# *TV Viewership Updates & Impact of Live Sports*

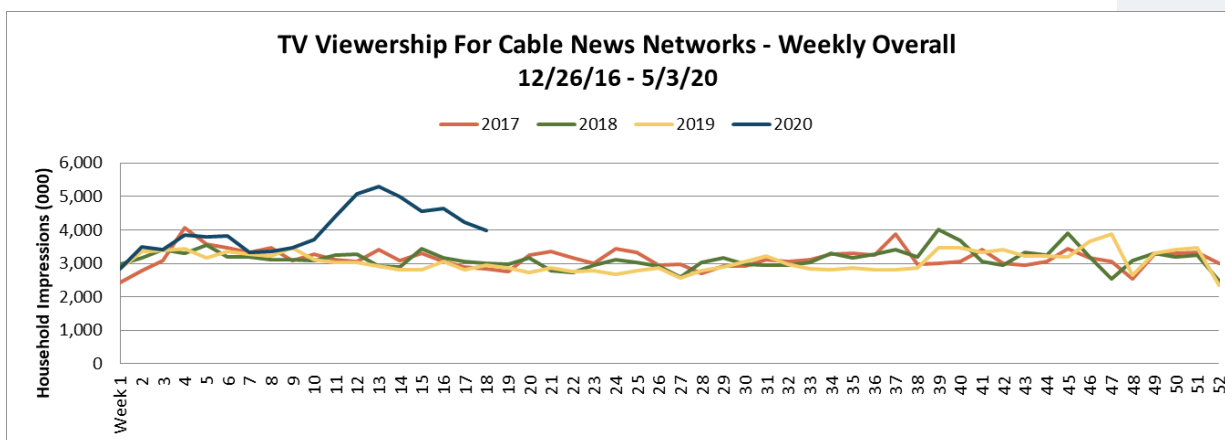
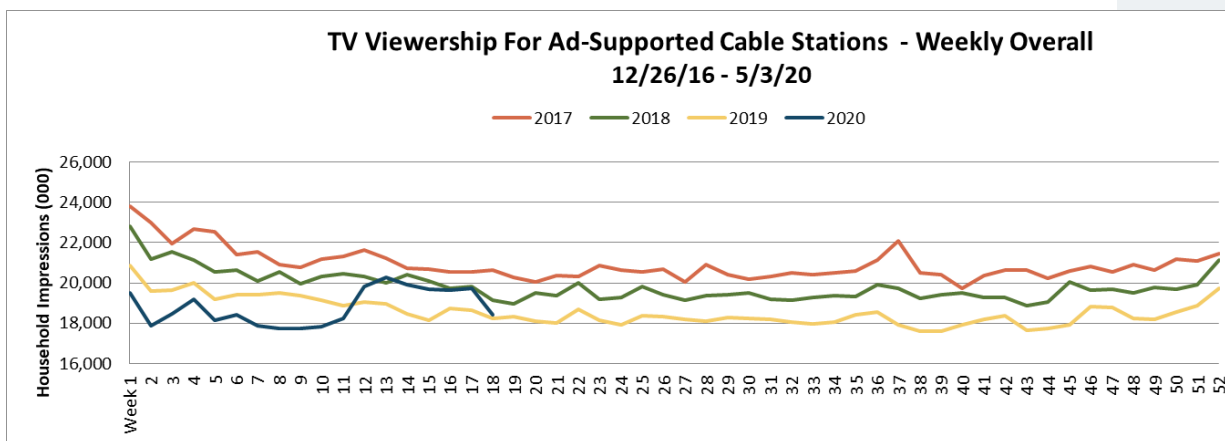




## HOUSEHOLD TV VIEWERSHIP (Monday-Sunday)

**For last week (week of April 27):**

- Overall, household viewership decreased last week by 7%, trending closer to 2019 levels.
- Cable news viewership has also decreased by 6%; however, the year-over-year viewership is still up **35%**.



Source: Nielsen



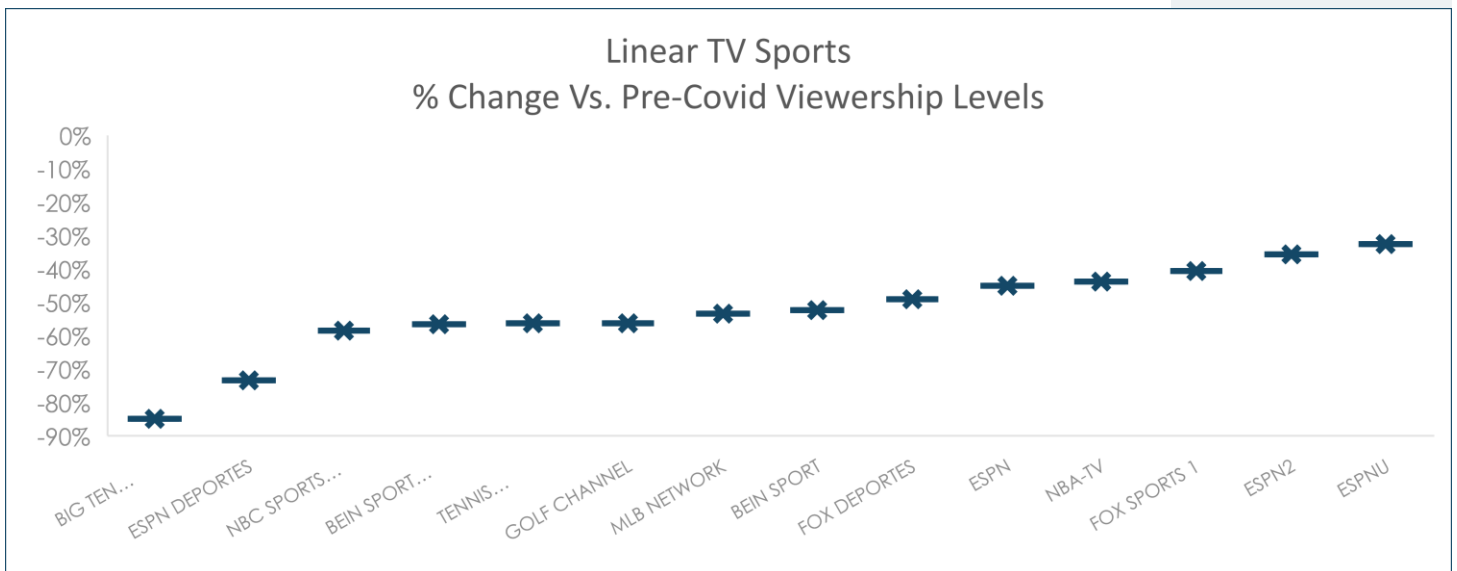


## LIVE SPORTS VIEWERSHIP

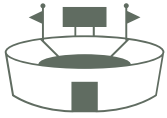
(Monday-Sunday)

### Comparison of viewership “pre-COVID” to last week:

Sports continues to drive the largest decreases in ratings across the board, with a drop-off of 30% to 90% in ratings from the pre-COVID period compared to the week of April 27.



Source: Nielsen



### **Latest Updates by League**

**Given the impact of live sports to viewership, this edition of the Impact Report provides a comprehensive update on the status of the major sports leagues.**

#### **NBA**

- On Friday, the National Basketball Association announced the postponement of the NBA Draft Lottery 2020 and NBA Draft Combine 2020. The Draft has not yet been officially postponed.
  - The league has been in discussions around a “bubble” concept, finishing up the 2019-20 season at Walt Disney World (decisions TBD).

#### **MLB**

- Major League Baseball canceled spring training and indefinitely delayed the start of the season.
  - CNN: “But as the coronavirus spread has yet to slow down, the league is now considering other options—most notably playing the entire season in just one or a few locations.”

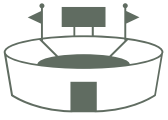
#### **NHL**

- The National Hockey league is reportedly looking to shift the 2020 draft to early June via a virtual ceremony.
  - It has been reported that the league could start playing as early as December.

#### **NFL**

- The National Football League Draft took place virtually.
- As of now, the NFL is preparing for a full 2020 season.
  - NFL schedule release is planned for May 7.
- Last week, Amazon finalized its deal with the NFL, securing an exclusive Saturday night game.

Sources:  
[ESPN.com](https://www.espn.com), [CNN](https://www.cnn.com)



### ***Latest Updates by League***

#### **Golf**

- PGA:
  - New 2020-21 PGA Tour season now has 13 FedEx Cup events. The first event, the Charles Schwab Challenge, will take place June 11-14 in Fort Worth, Texas.
  - The first 4 events will take place without fans, but the Tour will be "closely monitoring the situation at the federal, state and local levels, and ultimately we are going to follow every single recommendation that they make."
- The Match: Champions for Charity:
  - Tiger Woods and Phil Michelson are set to play in a rematch on May 24. The event will include Tom Brady and Peyton Manning, and will offer \$10MM to benefit COVID-19 relief efforts.
  - The event will be simulcast on TNT, TBS and TruTV.

#### **NCAA Sports**

- The NCAA halted all sports on March 12, meaning winter sports did not finish and spring sports barely got started.
- As a result, NCAA has awarded an extra year of eligibility to spring sports athletes who missed out on their seasons.
- As of now, college football is planning to run a full season for 2020-21.

#### **Olympics**

- Officially postponed to 2021.
  - ESPN: "Despite the postponement, the Summer Olympics -- when they eventually happen -- will still be called the Olympic and Paralympic Games Tokyo 2020. The Olympic flame will also remain stored and displayed in Fukushima."
  - Dates: July 23 - August 8, 2021.

Sources: [CNBC](#), [PGA](#),  
[USA Today](#), [ESPN.com](#)





## Sports' Returns are Still Uncertain

- The chart below recaps the current status for all leagues.
- Note:** Return dates are still subject to change and potentially could be cancelled if delayed further.

	CANCELED	SUSPENDED/ POSTPONED	UNCHANGED	STARTING DATE / DATE SUSPENDED	NEW DATE
N.B.A.		●		March 11	
W.N.B.A.		●		May 15	
NASCAR		●		March 8	May 17, 2020
N.C.A.A. *	●	●		March 12	
M.L.B.		●		March 12	
M.L.S.		●		March 12	
Champions League		●		March 13	
N.H.L.		●		March 12	
N.H.L. Draft		●		June 26	
French Open		●		May 24	Sept. 20, 2020
Wimbledon	●			June 29	
U.S. Open (tennis)			●	Aug. 24	
W.T.A./A.T.P. Tours		●		March 12	
L.P.G.A. Tour		●		March 12	
PGA Tour		●		March 13	June 11, 2020
The Masters		●		April 9	Nov. 12, 2020
P.G.A. Championship		●		May 14	Aug. 6, 2020
U.S. Open (golf)		●		June 18	Sept. 14, 2020
British Open	●			July 16	
Summer Olympics		●		July 24	July 23, 2021
Paralympics		●		Aug. 25	Aug. 24, 2021
N.F.L.			●	Sept. 10	
U.F.C.		●		March 21	May 9, 2020



**Agency POV:** We expect that sports will be very competitive when they return. We are closely monitoring the availability of inventory and will be having discussions on a client-by-client basis. Note that the market will continue to be fluid in this area.

Source:  
[New York Times](#)





# *Industry & Audience Updates*





### IAB Advertising Survey

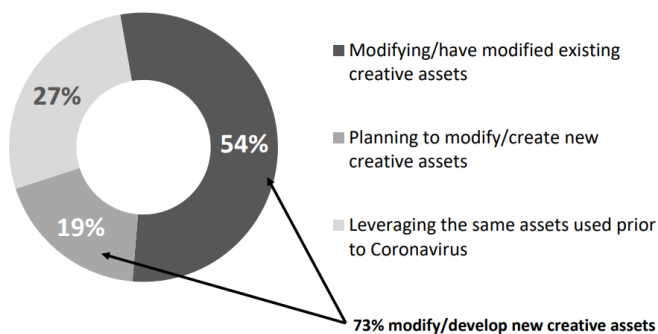
#### Coronavirus impact as reported by the buy-side to creative messaging and media plans:

- **Creative:** Most brands are updating messaging, with 73% either already or planning to modify/create new assets – of this segment, 58% say new creative will in some way mention Coronavirus/COVID-19.
- **Media Spend:** Comparing the IAB March survey results to the April results:
  - Digital and Linear TV ad spend is experiencing a slight rebound, although it is still off-plan from cuts made during the beginning of pandemic.
  - Traditional media channels that are seeing more cuts include Traditional Direct Mail, Terrestrial Radio, Traditional OOH, and Print.



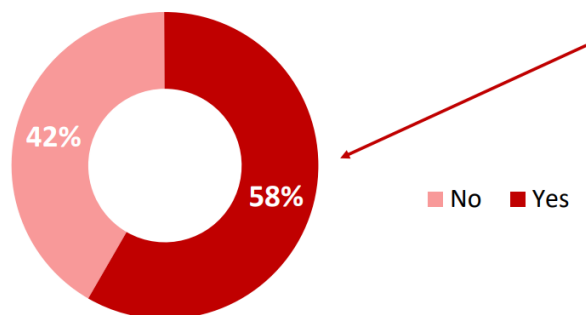
#### Creative Assets Being Used by Buyers (Apr-Jun)

Base: All Respondents (100%)



#### Coronavirus Crisis Mentions in Creative (Apr-Jun)

Base: Buyers Using or Planning to Use Modified/New Creative



**Opportunity:** Shifting messaging quickly to appropriately speak to users is key during this time; our creative experts can develop new relevant messaging while adhering to platform best practices.

Source: [IAB](#)

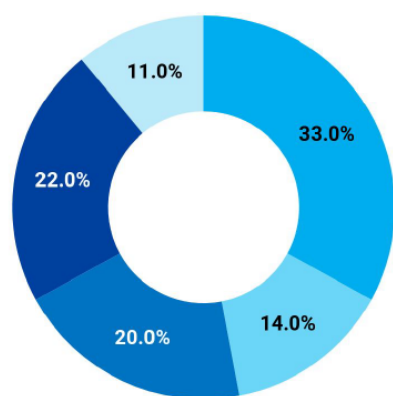




### Nielsen: Changing Shopping Habits

- **Major uptick in online shopping** observed in the wake of the pandemic, with large week-over-week and year-over-year increases seen for **Home & Kitchen, Baby Products, Grocery, Pet Supplies, and Health & Beauty**.
- Nielsen: "In the U.S., only about **9% of Americans are brand loyal**. With supply chains disrupted and more frequent out of stocks, it's an unprecedented opportunity to **capture new buyers**. Even more than usual, keeping your **brand top of mind** with shoppers has the potential to pay off as consumer priorities and needs change in the midst of COVID-19."

SHARE OF E-COMMERCE ABSOLUTE DOLLAR CHANGE WEEK OVER WEEK



● Grocery & Food ● Healthy and Beauty  
● Home & Kitchen ● Pet Supplies  
● Baby Products

Department	Dollar % Growth vs. Prior Week	Dollar % Growth vs. Week Year Ago
Grocery & Gourmet Food	50%	124%
Health & Beauty	16%	33%
Home & Kitchen	60%	284%
Pet Supplies	56%	87%
Baby Products	92%	164%

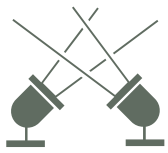
Nielsen Total US E-commerce measurement powered by Rakuten Intelligence, Week Ending 3/14/2020; vs Week Ending 3/7/2020



**Opportunity:** E-commerce brands can benefit from sustaining SOV with current target audiences - and also with new audiences who are in need - to capitalize on online shopping trends, while keeping competitors out.

Source: [Nielsen](#)





## 2020 Newfronts Theme Announced: Insight. Inspiration. Transformation.

Newfronts will be **livestreamed** from **June 22-26, 2020**.

*Presentations are planned to be focused on the new consumer and media landscape we find ourselves in, including trends, implications, and opportunities.*

- Newfronts have historically been focused on digital video content, though 2020 will **branch out to reflect a changing marketplace** and include new formats, new classes of creators, and new tech and measurement opportunities.
- IAB: "Presentations are planned by NewFronts Founding Partners **Hulu** and **YouTube**, plus confirmed presentations from **Condé Nast, Crackle Plus, Ellen Digital, Roku, The Recount, The Wall Street Journal | Barron's Group, Tubi, Vibonomics**, and **3BLACKDOT**. Program contributions are also expected from **Facebook, GSTV, Samsung Ads, Tremor Video, and Xandr**. Additional digital content presenters are expected to be added to the virtual program shortly."



**Opportunity: New Livestream format** will allow greater attendance from buy-side community members who want to develop deeper digital relationships – even in the midst of COVID-19 – for long-term **partnerships**.

Source: [IAB](#)



# *Updates by Media Channel*





### AUDIO

#### Terrestrial

- SiriusXM, the satellite service used in many vehicles, is pivoting their strategy due to fewer people driving under lockdowns, and the possibility that new car sales are likely to drop during economic troubles. In an effort to attract new listeners, they launched a free streaming service through their websites and apps that is available until May 15.
- Data released last week by Geopath and Intermedia reveals the average number of daily miles traveled per American increased 18% from two weeks earlier. The increases are significant for radio because, even during the pandemic, the majority of AM/FM radio time spent listening continues to occur out of home, according to Nielsen.

#### Streaming

- Streaming music service Spotify is seeing "less engagement" from users during home quarantines from the COVID-19 pandemic, according to a Wall Street analyst. "More time indoors is driving less engagement and fewer downloads," Patterson said.

#### Podcasts

- According to Podtrac charts, the week of April 20-26 was positive for both download growth (+4%) and audience growth (+2%) compared to the previous week. This is the first week both measures were positive since the week of March 2-8.



**Opportunity:** Podcast growth bouncing back lately is very encouraging and the continual production of fresh, new content in this space makes it prime for testing.

Sources:  
[Podtrac Weekly Podcast Data Amid the Coronavirus Outbreak](#)  
[CNBC](#), 4/28/2020  
[Wall Street Journal](#), 4/25/2020  
[Inside Radio](#), 5/4/2020





## LINEAR TV AND VIDEO

### Marketplace

- Overall, the Linear TV marketplace remains open. We continue to see weekly one-time-only offers (OTOs) across all media types: syndication, broadcast network, and national cable.
- **Long Form:** We continue to see local market broadcast half-hours at discounted rates.

### New Programming for May

- **ABC:** Sunday, May 11, at 7pm: *The Disney Family Singalong V2*
- **CBS:** Wednesday, May 27, at 8pm: *Game On* hosted by Keegan-Michael Key, a new sports-themed competition show.

### Network Upfronts

- **NBC Universal** is giving a marketplace update on Monday, May 11, (11am EST), which was originally their upfront presentation time.
- **ViacomCBS** announced two upfront dates:
  - Monday, May 18: They will present combined assets and leading solutions across the newly combined ViacomCBS portfolio and give a first-look across their “Entertainment & Youth” and “Kids & Family” brands, BET, PlutoTV and digital offerings.
  - Tuesday, May 19: The fall programming line-up for CBS network, CBS All Access, as well as preview opportunities from CBS Sports.
- **Disney/ABC:** We anticipate they will be announcing a presentation date(s) soon.



**Opportunity:** While we are seeing a flattening in linear viewership, we continue to see firesales across key networks, such as TBS national prime, TLC, CBS and NBC prime time and CBS syndication.



## Snapchat Reports Strong Growth in Daily Active Users and Engagement

- **Snapchat's user base was already growing, pre-pandemic:** The Q1 2020 earnings report cited 229MM global daily active users (DAUs), a 17% increase from Q4 2019.
- **Time spent on the platform has increased since COVID-19:** According to CEO Evan Spiegel, average time spent was up more than 20% globally in the last week of March vs. the last week of January.
- Snapchat users are increasing their time on the platform **chatting with friends, calling, and playing games**, according to Spiegel.
- Though reporting a **44% year-over-year increase in revenue** in the Q1 2020 report, Snapchat likely won't have those strong numbers in Q2 due to COVID-19 impact. However, **advertisers aren't seeing as big of an exodus on Snapchat post-COVID-19 as they are experiencing in Facebook.**
  - eMarketer: "(Snapchat) has relatively fewer small-business advertisers than Facebook and Instagram do, and more large advertisers have been willing to commit to using Snapchat on a regular basis."
- Snapchat says **direct response ads now account for more than half of their global revenue.** This **obvious commitment to data within their ad products** via pixel-based targeting and optimization, among other things, continues to make it appealing to advertisers willing to see the platform in a new light and capitalize on the comparatively low cost.



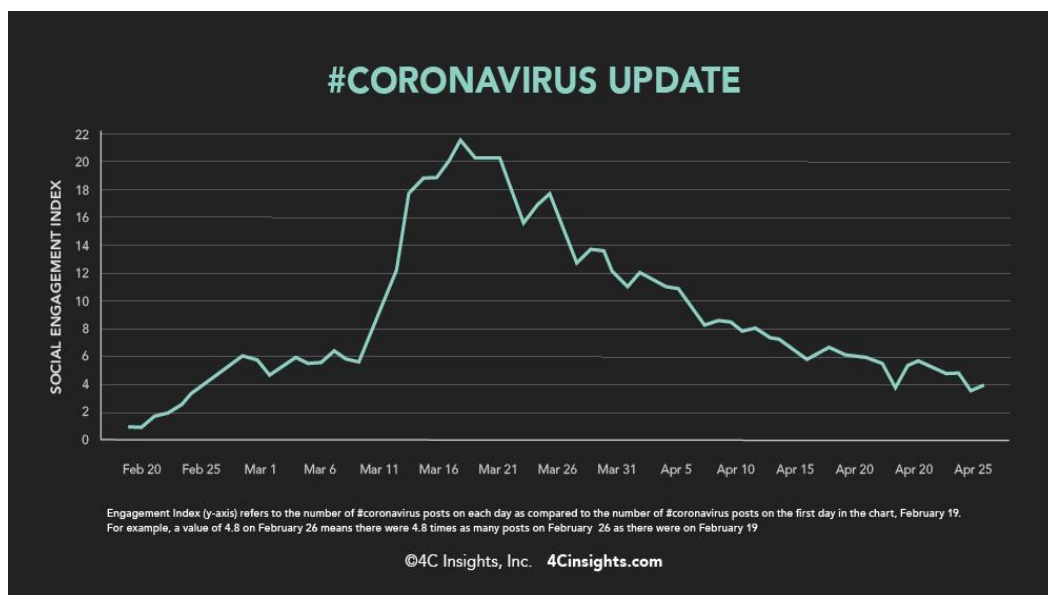
**Opportunity:** Increased consumer attention, coupled with an already low comparative CPM, opens a door for Snapchat with advertisers looking to diversify their Paid Social footprint on a growing data-driven platform.

Source: [eMarketer](#)



### Social Updates

- Facebook continues to make moves that **ensure information accuracy around COVID-19** including:
  - Sharing updates on official Facebook, Instagram, and WhatsApp pages with **credible, sourced information**.
  - Combating misinformation** through efforts like funding fact checking organizations, reducing distribution of known false content, and showing warning labels with added context to questionable info.
  - As part of Facebook's effort to limit potentially harmful content, they are **prohibiting "exploitive tactics" in ads** and altogether banning ads for medical-grade face masks, hand sanitizer, and other in-demand products.
- As stay home orders begin to lift and the COVID-19 curve begins to flatten, **global mentions of #coronavirus on Twitter have also tapered:**



Sources: [Facebook](#),  
[4C Insights](#)



### Day of Week, Content Trends Have Shifted for Email

- Overall, email opens have been higher during the COVID-19 stay at home orders vs. early March.
- According to the COVID-19 Retail Pulse, Monday has been the best day of the week for sending marketing emails.
  - “**Email opens** jumped to 49.50% on Monday April 13, plunged to 21.93% on Saturday, April 18, and rebounded to 36.4% on Monday, April 20. On Monday of this week, they hit 41%.”
  - “The reason is that people working from home are using Monday morning to ease back into things (as opposed to working right away), states Ryan Urban, founder and CEO of BounceX.”
- Use of COVID-19 content in emails is declining. Only 1 out of 25 emails now features COVID-19 content, compared to 1 out of 15 two weeks ago (source: Greg Kimball/Validity). Laura Christensen, director of professional services for Validity, describes the email message progression as follows:
  - **Week 1:** Long form updates, acknowledgements. GDPR-like outreach.
  - **Week 2:** Companies mobilized, ‘We’re in this together’ messages, tore hour reductions, temporary closures.
  - **Week 3:** Striving for Continuity, value-added content, free shipping/offer extensions, safety & convenience adjustments.



**Opportunity:** Understanding the content your audience is interested in from your brand and designing appropriate communication strategies to best support is key during this time; Our content and creative experts can help develop strategies to best align.

Source: [MediaPost/Validity](#)





# FOR MORE INFORMATION



**Robin Cohen**

*VP, Group Media Director*

[robin.cohen@rainforgrowth.com](mailto:robin.cohen@rainforgrowth.com)



**Jennifer Eenigenburg**

*VP, Digital Media Director*

[jennifer.eenigenburg@rainforgrowth.com](mailto:jennifer.eenigenburg@rainforgrowth.com)