



MEDIA IMPACT REPORT #13

COVID-19 Pandemic Advertising Ecosystem Impact

6.12.2020

TOP 3 THINGS TO KNOW

1

Linear TV media consumption has returned to pre-pandemic levels while Connected TV consumption increases have continued.

2

TV and movie production is set to return to L.A., and more sports leagues are planning their returns to play with additional safety protocols in place.

3

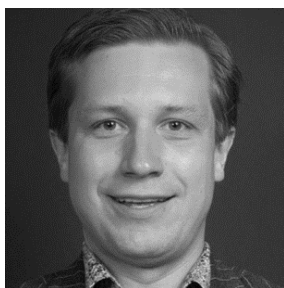
Brands that have had a consistent and relevant message during an economic downturn have benefitted historically in the long term.





Agency POVs





Written By:

Artem Peplov
Director of Digital
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Growing Brands During Recessions: A Glance at History

"If you stop advertising a brand which is still in its introductory phase, you will probably kill it — forever. Studies of the last six recessions have demonstrated that companies which do not cut back their advertising budgets achieve greater increases in profit than companies which do cut back."

- Ogilvy on Advertising

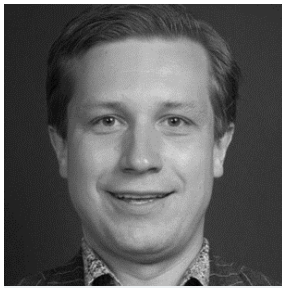
According to [Forbes](#), nine of the twelve key economic indicators they track signal a recession. Some industries are facing unexpected and significant challenges, including travel, oil, and hospitality. Simultaneously other sectors are benefitting from changing consumer habits – including technology, communications, and e-commerce platforms.

Interesting lessons can be learned from companies' marketing strategies during downturns as there are often advantages to maintaining or increasing ad budgets in a weaker economy. Doing so can tap into a confluence of conditions like lower rates and less competitive advertising to grow share of voice. This means staying relevant at a time when competitors fade back and remaining relevant when consumer spending rebounds.

Top brands that followed this playbook include:

- **Amazon:** The tech company's smart messaging and value propositions in 2009 drove their sales up 29% in the middle of the recession and helped solidify them as the leading online superstore for the next decade.
- **Proctor and Gamble:** The P&G brand grew significantly during the Great Depression, winning business from competitors who cut back their budgets. They embraced newer channels like radio, later going on to pioneer novel concepts like product placement.
- **Pizza Hut & Taco Bell:** In 1990, the brand capitalized on a decision by McDonald's to cut spending, strengthening their own ad spend. This increased sales by 40-61% for both brands, with McDonald's seeing a decrease of 28%.

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Growing Brands During Recessions: A Glance at History

- **IBM:** The tech giant has used surprisingly unusual techniques to sustain its “supremely dependable” brand image. They raised product prices during the 1973 recession to avoid devaluing the brand in the long run, while improving tech support to make buyers feel more comfortable.
- **Target:** During the 2000 recession, the company boosted its marketing and sales expenditures by 20%, expanding into new merchandise segments, focusing on staples like food, and promoting well-curated designers. Combined with operational improvements, this resulted in 40% sales growth and 50% profit increase over the course of the recession.

Progressive companies tend to deploy a balanced combination of defense and offense during downturns and part of the toolset includes strategic investments in marketing, which may produce modest results during the recession, but can significantly boost sales and profits afterward. The trick is intimately knowing your customer, understanding how their needs are changing, and adjusting your marketing strategy to meet the moment.



Opportunity: Unexpected periods of disarray can actually provide new momentum, allowing companies to incite change internally and externally to break the mold and stand out by pivoting into new territory with their overall business. We recommend building a solid marketing plan using the latest consumer and industry insights to create flexible strategies for media and creative. Having a measurement framework with recalibrated goals and expectations is also a key component to charting success and optimizing effectively based on learnings.

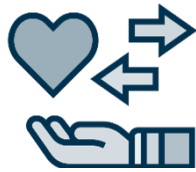
Sources: [Forbes](#),
[Harvard Business Review](#), [Nuvonium](#),
[CBS](#), [Medium](#)





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Be Relevant. Be Genuine.

- **Brands have had to adapt rapidly to the unique advertising environment of 2020.** According to WARC, almost 90% of brands have rolled out a new campaign since the COVID-19 pandemic was announced. The campaigns that are resonating with consumers the most clearly empathize with the current situation, explain how they're helping, and link an uplifting and relevant message to their brand.
- The biggest criticisms are given to brands when their message doesn't feel genuine or appropriately tied to our current environment. **Consumers are paying attention to what brands are doing** and can distinguish a genuine message of support versus lip service. Some examples of brands releasing relevant and genuine messages include:
 - Nike released a video titled "For Once, Don't Do It," with a message to not "pretend there's not a problem in America."
 - ViacomCBS networks played eight minutes and 46 seconds of breathing sounds for remembrance of George Floyd.
- The parody below called out the companies who have not acted in a genuine and empathetic manner:



Chris Franklin
@Campster



A statement from [Brand]®

We at [Brand] are committed to fighting injustice by posting images to Twitter that express our commitment to fighting injustice.

To that end, we offer this solemn white-on-black .jpeg that expresses vague solidarity with the Black community, but will quietly elide the specifics of what is wrong, what needs to change, or in what ways we will do anything about it. This is doubly true if [Brand] is particularly guilty of exacerbating these issues.

We hope this action encourages you to view [Brand] positively without, you know, expecting anything from us.

[BRAND]
You know the ones.™

♥ 48.1K 12:56 PM - May 31, 2020



Source: Icon
made by [Eucalyp](#)

rain
the growth
agency

At Rain the Growth Agency, we have a long history of supporting important, relevant causes, including working to help Portland-area homelessness with [Central City Concern](#) and our [SheScales](#) program, which backs women-founded businesses. Our team is invested in helping with media partnerships and thoughtful creative strategies for brands during this time.





Marketplace Updates





TV & Film Production May Resume in L.A.


California plans to allow film and TV shoots to resume effective June 12, according to the office of Governor Gavin Newsom.

- Productions will be subject to the approval of county public health officers where they take place.
- Entertainment studios and labor unions have agreed to new protocols that significantly overhaul the way sets operate, addressing everything from meals to the handling of props, aimed at protecting workers and performers.
- Shows with studio audiences are, at this point, still planning to film without live attendance until further notice.



Conversations with our key partners indicate that the timing of individual shows returning to in-person production will vary, with many opting to stay remote for the near future.

Sources: Deadline,
[Los Angeles Times](#)



Media Consumption Updates



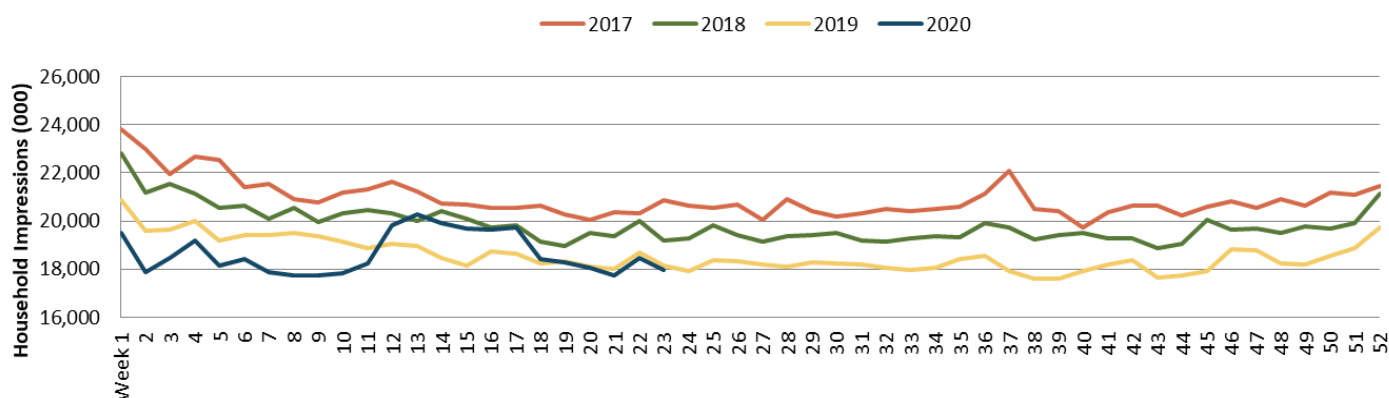


HOUSEHOLD VIEWERSHIP

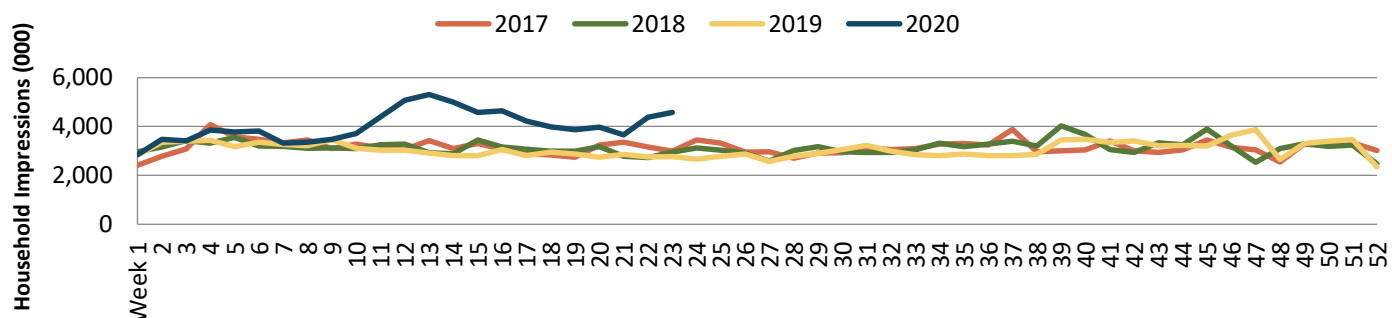
Overall (Monday-Sunday)

- While overall cable viewership decreased by 3% vs. the previous week, cable news increased by 4% (comparing the week of June 1 to the previous week).
- Overall cable news viewership continues to exceed historic trends.

TV Viewership For Ad-Supported Cable Stations - Weekly Overall
12/26/16 - 6/7/20



TV Viewership For Cable News Networks - Weekly Overall
12/26/16 - 6/7/20



Source: Nielsen

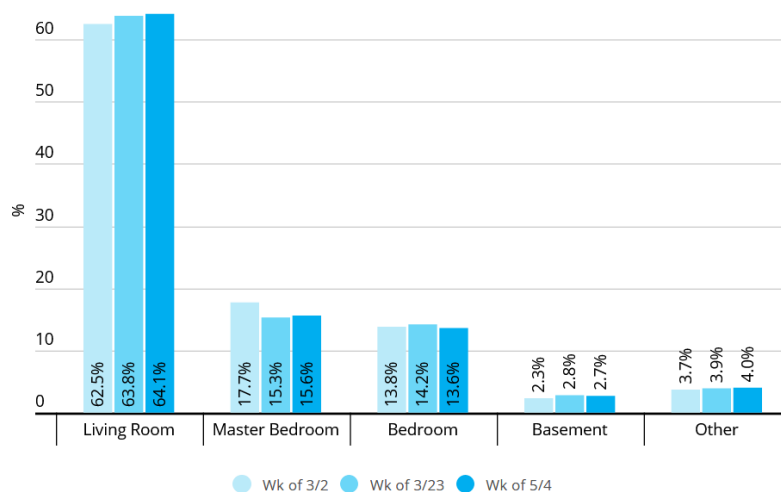




Connected TV Growth Has Been Accelerated By COVID-19

- A new Nielsen study shows a continued increase in the number of **Connected TV minutes**, while Linear TV has overall returned to pre-pandemic levels.
- The study demonstrates a **rise in the amount of time spent viewing CTV** in the living room, lining up with an overall trend in rising co-viewership.
 - "Co-viewing grew across broadcast, cable and syndicated TV viewing as well, rising 2 percentage points (from 34% to 36%) between the week of March 2 and the week of May 4."

CTV share of minutes viewed by location for persons 2+



Opportunity: While linear TV levels have returned to previous levels, CTV use has been accelerated by COVID-19 and remains on an upswing. Rain the Growth Agency recommends a mix of linear and OTT (including CTV) to maximize reach across target audiences to find traditional TV viewers, light TV viewers and cord-cutters.

Source: Nielsen





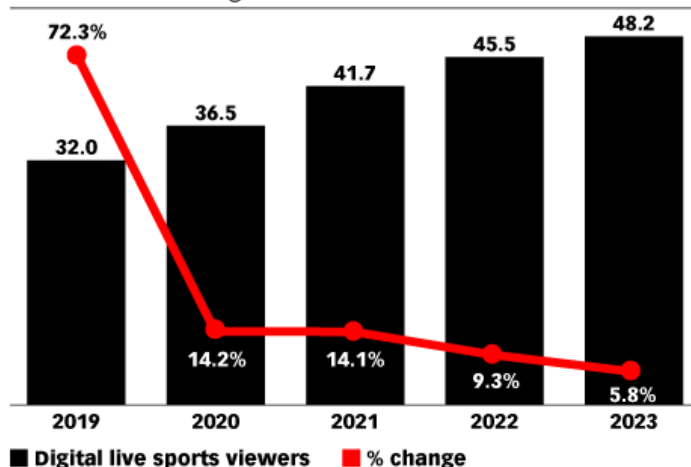
Live Sports Viewing through Digital Continues to Grow

According to eMarketer, 36.5 million people in the U.S. will watch live sports digitally in 2020, which represents a 14% rise from 2019.

- Virtual multichannel video programming distributors (vMVPDs), such as Sling TV and Hulu with Live TV, will make up almost half of those viewers watching live sports via digital platforms.
- **Projections assume major sports will return later this year**, as talks of the MLB and NBA resuming could be happening as early as this summer. There are no planned delays currently for the NFL in the fall.

US Digital Live Sports Viewers, 2019-2023

millions and % change



Note: individuals of any age who watch live sports content at least once per month over the course of the season of at least one sport on digital platforms such as OTT, TV Everywhere and vMVPDs; excludes highlight viewing and viewing of nonlive content; excludes esports; excludes Olympics content

Source: eMarketer, May 2020

255451

www.eMarketer.com



Opportunity: Our media team can evaluate linear and digital opportunities for reaching the sports enthusiast based on your specific target audiences and goals.

Source: [eMarketer](#)





Updates by Media Channel



Upfront Marketplace Updates

This will be a regular feature in each impact report for the next several weeks.

NewFronts

Scott Rogowsky will host the IAB NewFronts and will be joined by co-hosts including media and technology experts Nora Ali, Cheddar; Bon Appétit Test Kitchen video host Claire Saffitz; Alan Wolk, TVR[E]V; and Molly Wood, Marketplace.




























IAB: "Rogowsky rose to fame as host of *HQ Trivia*, a hugely popular mobile game show. He currently co-hosts *ChangeUp* on DAZN, a nightly whiparound-style show that provides coverage of all Major League Baseball games, where he provides real-time commentary, and conducts interviews with league talent and insiders. In 2018, Rogowsky was named one of Time's 25 Most Influential People on the Internet."

Katy Perry has also been added as a special guest.

About NewFronts

The [NewFronts](#) is an annual series of events founded in 2012 by Google/YouTube, Hulu, Microsoft, Digitas, and Verizon Media (formerly known as AOL and Yahoo). It is committed to the creation of valuable partnerships between brands and native digital content. Our mission is to shape the NewFronts into a new and practical marketplace for connecting the wealth of digital content and content creators to brands and their media and marketing agencies.

Current NewFront Schedule:

MON JUN 22							
TUE JUN 23							
WED JUN 24							
THU JUN 25							
FRI JUN 26 SPECIAL GAMING AND E-SPORTS DAY BEING PROGRAMMED	TBA	TBA		TBA			

Source: [IAB](#)



Upfront Marketplace Updates

Disney Virtual Roadshow Recap

Main Themes – Culture, Connections and Creativity

- Hulu is now a part of Disney's first-party data pool.
- Disney's automation platform allows agencies to measure and manage brand reach and frequency across all of Disney's digital platforms by providing end-to-end measurement for both linear and digital properties.
- Disney spoke about new programming but gave no specific timeline as to when these would be on-air.
- ABC Network writers have been working during stay-at-home so scripts are ahead of where they normally would be. Once production begins again, this means show may not be as delayed as originally expected.

New Shows:

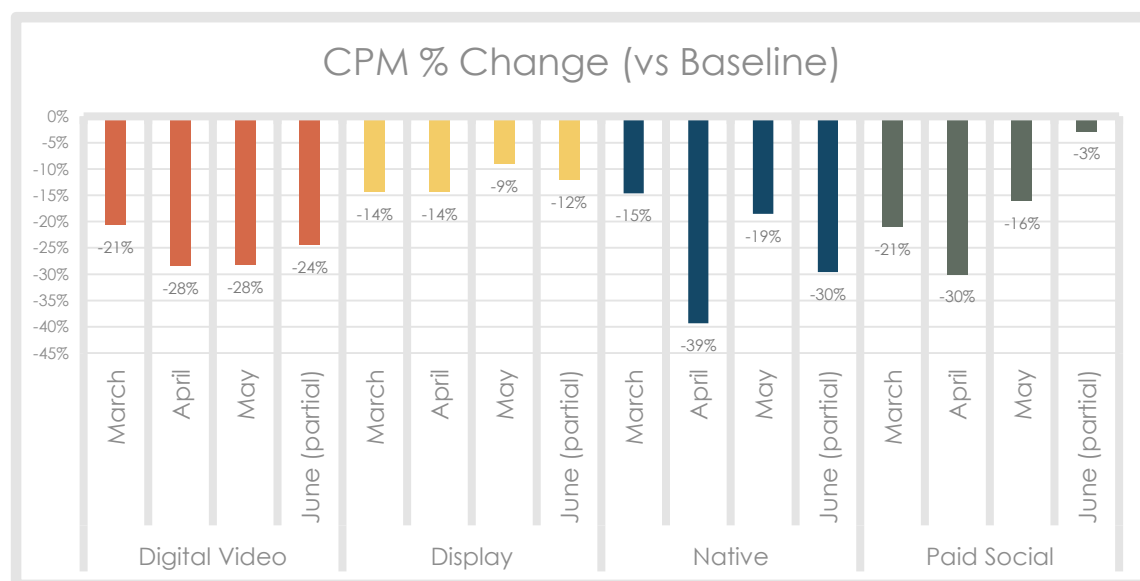
- FX
 - American Horror Story spin-off – “*American Horror Stories*” – each week a featured writer/director will present a new story.
 - “*The Old Man*” – comedy starring John Lithgow and Jeff Bridges.
 - “*The Teacher*” – dram starring Kate Mara and Nick Robinson.
 - “*Y*” – starring Diane Lane based on a “beloved graphic novel.”
 - New comedy created by B.J. Novak.
 - New drama starring Matthew McConaughey, produced by the team that created “*True Detective*”.
- ABC Network
 - “*Big Sky*” – mystery/drama created by David E. Kelly – three private detectives search to rescue two missing sisters and discover a larger mystery.
 - “*Call Your Mother*” – comedy starring Kyra Sedgwick about a single mom from Iowa moving in with her grown children in L.A.
 - “*Supermarket Sweep*” – Leslie Jones will host the revamped version of this classic.
- National Geographic
 - Genesis series will feature the life of Aretha Franklin.
- ESPN
 - 3x new films and new episodes of “*30 for 30*”, “*E60*” and “*Outside the Lines*.”
 - Tom Brady will have a new series debuting in 2021 that will take viewers inside his nine Super Bowl games.



DIGITAL

Pricing Trends

- **Dynamically priced inventory continues to see efficiencies across digital channels** compared to the February baseline, though overall May saw pricing that was not as reduced as April.
- **Initial June data shows signs of continued efficiency**; this may change as the quarter wraps up pending future advertiser spending and resulting competition in the marketplace.
- **Price fluctuations** continue to be driven by inventory increases as more users are engaging with content and consuming more frequently during the pandemic, along with the state of brand competition within ad auctions.
- **CPM pricing likely to see greater fluctuation** across reach and engagement media vs. specific audience targeting strategies, such as site retargeting, due to optimization and audience pool size.



Opportunity: Experiment with new targeting, channels, and inventory sources as investment allows for more reach and impact due to efficient pricing.

Source: Rain the Growth Agency data through June 10





LINEAR TV AND VIDEO

Overall marketplace remains active:

- **More advertisers are returning to air**, including packaged goods companies. In general, fewer advertisers are pushing back media and instead choosing to run as originally scheduled.
- **News networks are dealing with breaking news throughout the week**, which is impacting inventory and rates (i.e. advertisers are increasing rates in order to try and clear in a limited number of breaks).
- **Live sports continues to make its return:**
 - PGA coverage of the Charles Schwab Invitational starts Thursday, June 11.
 - The NBA is talking about restarting the 2019-2020 season by holding games in Orlando at the end of July.
 - The tentative schedule has players reporting on June 21, with the season re-starting in Orlando on July 30.
 - The start of the MLB season is still TBD, however, the live draft coverage is on-air Wednesday, June 10, and Thursday, June 11.
 - MLS returns for play starting on July 8 and will be held at ESPN's Wide World of Sports complex in Orlando.
 - NWSL returns for play starting on June 27 in a 25-game tournament that will be held at Zion Banks Stadium in Utah.

Sources: [CBS Sports](#),
Rain The Growth
Agency





AUDIO

Terrestrial Radio

- AM/FM radio's weekly reach in PPM markets is now 90% of March levels, signaling a recovery from late March and April dips.
- News/Talk formats represented a 13.3% share in March, jumped to 15% in April, and are back down to 13.6% from May.
- May 2020 PPM markets (survey weeks 4/23 -5/20) will be released between 6/8 and 6/11.

Streaming

- Through mid-May, music video streaming has continued to climb above the average week from Jan-Mar, and pure-play audio streaming has normalized after seeing a dip in April.

Podcasts

- According to Podtrac, the week of May 25-31 was down 4% for both downloads and audience compared to the previous week due to lower podcast streams and downloads on Memorial Day.
- Weekly downloads since the first week of January are up 31% and weekly audience is up 13% through the week ending May 31, 2020, across all Podtrac measured podcasts.
 - With the exception of Memorial Day, downloads during peak weekday commute times continue to trend up since a low point the week of April 13-19.
- Podtrac has concluded their Coronavirus-specific tracking series effective last week (6/1).

Sources: [Podtrac](#),
[WestwoodOne](#)



FOR MORE INFORMATION



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