

# *MEDIA IMPACT REPORT #18*

COVID-19 Pandemic Advertising Ecosystem Impact

9.14.2020

## TOP 3 THINGS TO KNOW

1

DTC Marketers should consider additional media tactics as consumer consumption and shopping habits are expected to shift this holiday season.

2

Facebook shows proactivity in preserving the integrity of the 2020 election.

3

As pro and college football have returned, the Linear TV marketplace remains active—even beyond the Live Sports genre.

*If you have questions related to anything in this report or previous reports, email us at [askmediamavens@rainforgrowth.com](mailto:askmediamavens@rainforgrowth.com) and our subject matter experts will answer.*







# Agency POV: Q4 Marketing Tactics





**Shasta Gibson**  
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## Three Key Tactics for DTC Marketers This Holiday Season

\*\*\*This is an extended version of the article originally published by [MediaPost](#)\*\*\*

Talking about the holidays in August always feels a little strange, but planning ahead is more important (and challenging) than ever. For marketers, the holiday season represents a time where media opportunities and product seasonality converge in a perfect customer acquisition storm. But this year is complicated: what will viewers watch if their favorite shows can't be produced? How can companies revise creative to stay with the times, without seeming performative? What will happen to media traditionally consumed during our commutes? We've all spent this year closely monitoring graphs and trends (some favorable, many not) and there are a number of industry figures to consider when navigating this pivotal season. The below tactics are among the most powerful for direct to consumer brands, and each offers room for growth amidst the uncertainty of Q4.

### Podcasting

I am not the first to say it and won't be the last: the power of podcast advertising is real. The trends in this space, while staggering, aren't surprising.

- eMarketer predicts U.S. podcast ad spending will surpass \$1 billion in 2021, compared to less than half that in 2018
- Time spent listening to podcasts still went up in Q2, despite the disruption caused by COVID-19
- Targeting and measurement solutions are seeing widespread adoption

Partnering with podcast hosts for personal endorsement has long been the gold standard, but now, developments in audience-based buying have unleashed new scale potential within the medium. The popularity of podcasts isn't slowing down, and platforms like Spotify attribute much of their own growth to investment in this space. The consistent increase in listenership, coupled with success against brand goals, solidifies podcasts as a much-needed reliable advertising source heading into Q4.

### OTT

Another environment where consumption and ad revenue continue to climb is digital video and OTT, where viewers access premium video content via internet-enabled devices including connected TVs and streaming hardware.

*Continued on next page*





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## Three Key Tactics for DTC Marketers This Holiday Season (cont.)

- The industry is seeing continual diversification of viewer demographics
- Top streaming platforms are experiencing continued growth in active accounts (Roku now surpasses 43mm!)
- 32% of U.S. TV households have cut the cord from traditional TV services

Platforms like Hulu and YouTube have invested in live content (ahem, sports), which helps make their services competitive with traditional cable. Concerns about financial stability during COVID-19 are driving viewers to reevaluate home entertainment expenses and turn to lower-cost options. The trajectory of this medium, and an array of opportunities ranging from highly efficient to ultra-flashy, make OTT a can't-miss tactic.

### Partnerships

During a time when differentiation defines brands, partnerships play an integral role. Custom content and sponsorships can evolve traditional advertising into an organic part of pop culture. Media is highly personal—just ask anyone about the Game of Thrones finale.

- Partnerships tap into the human element of media buys
- They allow for topical storytelling and content that is relevant to the current climate, without needing to re-work creative assets
- We are seeing opportunities for shorter-term commitments and advantageous pricing

Selecting brand or media partners requires methodical research and negotiation, but the outcome can be incredibly powerful for both awareness and customer acquisition. Whether it's through sponsoring an athlete or developing a storyline integration, the impact of partnerships is unmatched.

The changing landscape – economically and politically – has introduced countless new variables for marketers to consider. Investing in multiple avenues for advertising with an audience-first approach helps brands speak to their target regardless of media habits. Flexibility in creative messaging and strategic alignment ensures companies have a platform to make a statement. Podcasting, OTT, and Partnerships are three environments in which advertisers should rest assured that their dollars will work exceedingly hard this holiday season.







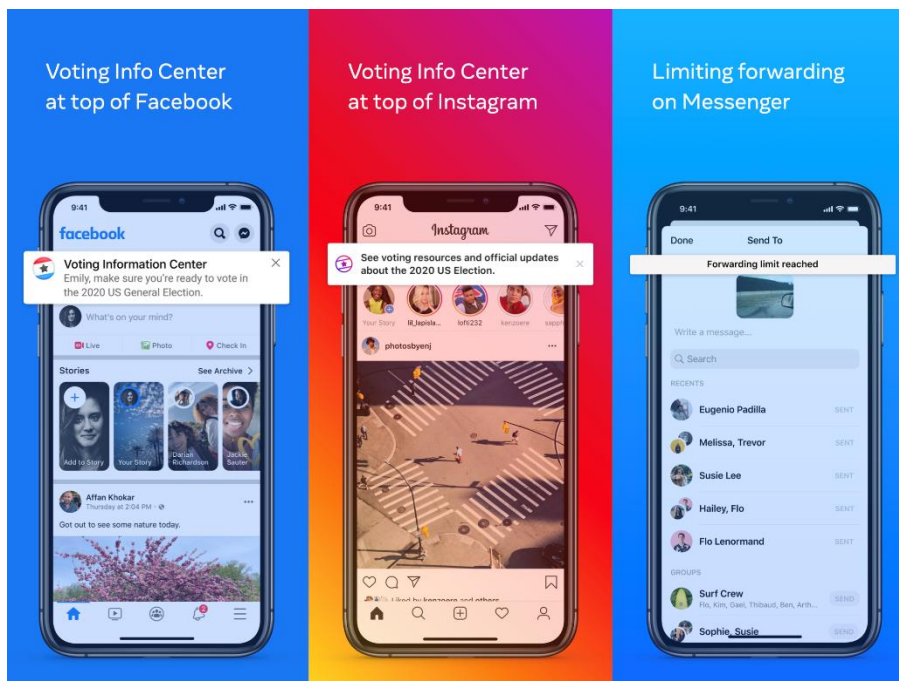
# Marketplace Updates



# Facebook Outlines New Steps to Preserve Election Integrity

On August 28, Facebook held a virtual roundtable to discuss how the platform is approaching the upcoming presidential election. Facebook followed the roundtable with a blog post on Sept. 3, outlining new steps they are taking to “protect” U.S. elections.

- Facebook says they’ve spent more on safety and security than the total revenue of the company when they went public, including tripling the number of people (> 35k) working on election integrity.
- In terms of inaccurate content, Facebook finds, investigates, exposes and removes operations of “coordinated inauthentic behavior” and also employs its own fact checkers.
- Facebook will not accept new political ads the week before the election. Post-election, Facebook says, “We will attach an informational label to content that seeks to delegitimize the outcome of the election or discuss the legitimacy of voting methods.”
- Facebook has introduced the Voting Info Center to provide easily accessible resources to potential voters.



Source: [Facebook](#)





# Consumer Trends



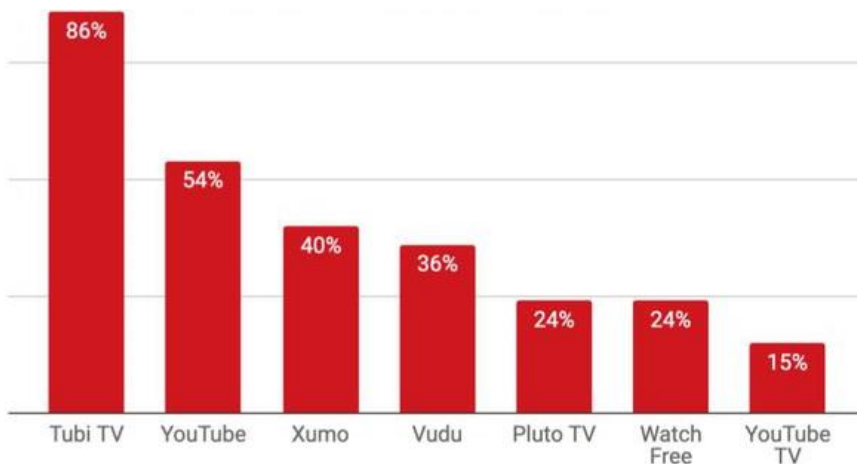




## OTT Viewing Continues to Rise

- The COVID-19 pandemic created a surge in usage of OTT viewing.
- Over the course of 4 months, comparing February to June, viewing data was analyzed from Vizio TV households. During this period, nearly all app and device-based OTT viewing saw substantiation increases.
- During the same time period, Linear TV viewing also grew about 5%, however, due to the surge in OTT, the overall share of Linear TV viewing fell during this time period.
- TubiTV (recently acquired by Fox) saw the largest increase in viewing minutes, followed by YouTube.

Change in CTV Minutes Viewed (Feb to June)



Source: USIM analysis of Inscope ACR data covering about 14.5 million Vizio TVs in top U.S. cities. \*Change represents difference in minutes viewed in June vs. February.



**Opportunity:** As OTT viewing continues to surge and additional services become more mainstream, advertisers have an opportunity to capture users through this medium.

Source: [MediaPost](#)





## Consumers Are Spending, Still Remain Hesitant

Consumers are slowly returning to normal, judging by Consumer Sentiment During COVID-19, a study based on Epsilon's Shopper's Voice.



**2 out of 3** consumers have returned back to usual spending habits

What percent of your government stimulus did you **save**?

**GEN Z: 50%**



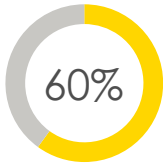
**Millennials: 43%**



**Gen X: 28%**



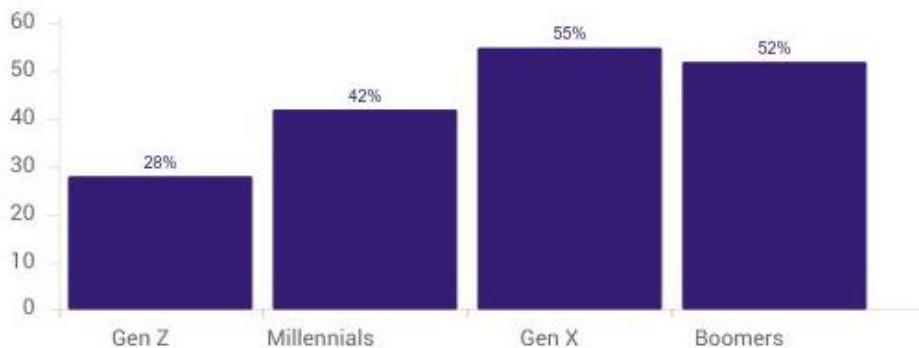
**Boomers: 37%**



Consumers have negative feelings about changes in their lives due to COVID-19

Sadness – Fear – Anger

Will special offers improve the email marketing you receive? (Yes Response)




Gen X and Boomers are most likely to demand special offers

Source: [MediaPost](#)







# Media Consumption Updates









### Fall Football Update

#### Professional

- The NFL season is scheduled to commence games starting with Texans at the Chiefs on Thursday, Sep. 10.
  - Kansas City announced they will host up to 22% seating capacity during the season, while they sell tickets in “pods” with a max purchase of six seats per pod.

#### College

- 54 FBS programs will not play football this fall, including every school in the Big Ten, MAC, Mountain West and PAC-12, plus New Mexico State, Old Dominion, UConn and UMass.
- **“Power 5” Conferences:**
  - **ACC:** Announced July 29, that its 14 schools, plus Notre Dame, will play a 10-game conference schedule along with one non-conference game this fall. Competition will start the week of Sep. 7-12.
  - **Big 12:** Announced it will play a “9+1” football schedule this fall, where each school will play nine conference games and one non-conference home game.
  - **SEC:** Announced it will hold a 10-game conference schedule this fall, starting Sep. 26.
- **Other Conferences:**
  - **AAC:** Announced its schools will play eight conference games and up to four non-conference games this fall.
  - **Sun Belt:** Announced its football season will begin over Labor Day weekend, with an eight-game conference schedule and up to four non-conference games per school.

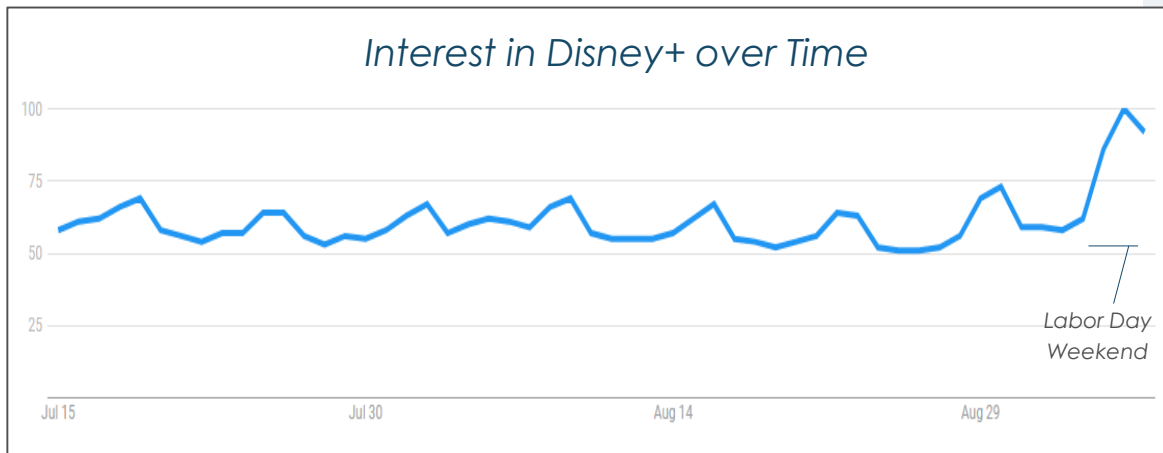
Source: [Yahoo Sports](#), NCAA





## Mulan Streaming Debut Estimated to Pull in \$33MM+

- Disney's live action remake of Mulan debuted over Labor Day weekend on their Disney+ platform.
- The title, originally planned as a theatrical release, was sold as "Premium Access" for a price tag of \$29.99.
- According to Samba TV, a viewer tracking company for smart TVs, the movie was seen in over 1.1 million homes, which would equate to an estimated \$33.5 million in revenue.
- The Disney+ app also saw a 68% jump in downloads heading into Labor Day weekend.
- This is not the first major motion picture which has switched to a streaming debut because of the impact of COVID-19. Earlier this year, Trolls World Tour debuted in April via a premium streaming option with a \$19.99 price tag.
  - Trolls World Tour ended up taking in over \$100 million dollars over a three-week period in April.



\*Google Trends

Source: [MediaPost](#)







# *Media and Programming Updates*





### Linear & Video

#### Linear TV

- The overall marketplace continues to be very active, with many advertisers continuing to spend as we head further into September. We're seeing inventory tighten, even outside of news networks, and in some cases rates needing to go up in order to maintain clearance.
- Upfront marketplace is still ongoing – deals are expected to wrap up for the most part by week of Sep. 14, with many of these schedules beginning Sep. 28.
- We've seen some scatter market avails in live sports typically there are only a few spots available, no real rate discounts and they sell quickly.
  - NFL season officially starts Thursday, Sep. 10.
  - College Football season kicks off on Sep. 10, with one game – UAB at Miami. Many more games are scheduled for Saturday, Sep. 12, kicking off with Syracuse versus North Carolina.
- Networks have been successful at moving/redesigning show productions in order to comply with COVID-19 safety measures. Many shows have moved production outside of L.A. or, in the case of NBC's America's Got Talent, are utilizing the outside spaces at Universal Studios for the live show competition portion of the series.
- In recent weeks networks have announced return dates of mid-November for many of their scripted series.

Sources: [TVLine](#),  
[The Wrap](#)







### Audio

#### Podcasting

- eMarketer's latest forecast has U.S. podcast ad spending surpassing 20% of digital audio ad spend this year, and crossing the \$1 billion mark for the first time in 2021.
  - Programmatic buying is small, but growing. In 2020, 4.0% will be programmatic, increasing to 6.0% next year. By 2022, eMarketer predicts 8.0% of podcast ads will be traded programmatically.
- A survey among marketers conducted by Advertiser Perceptions found that two-thirds of ad agencies and brands say they have discussed adding podcasting to their media plans, but only a third of them currently advertise in podcasts.

#### Terrestrial

- AM/FM radio's weekly reach in PPM markets has now recovered to 96% of March levels.
  - Out-of-home AM/FM radio listening in PPM markets has also nearly recovered to March levels, with in-home listening coming slightly back down from its initial spike in April.
- According to the latest Audio Pulse survey, reach is said to be an important part of 99% of brands' media strategy, but only a third of marketers are aware that radio is the medium with the biggest reach of all. More than 229 million Americans listen to broadcast radio according to Nielsen, with radio still the most-used medium in the car.

#### Streaming

- Over the last four years, an examination of ad-supported audio audience shares among persons aged 25-54 reveals the combined shares of music streamers Spotify and Pandora slightly dropped from 14% in Q2 2016 to 13% in Q2 2020.

Sources:

[eMarketer](#)  
[WestwoodOne](#)  
[Radio Advertising](#)  
[Bureau](#)  
[Inside Audio](#)  
[Marketing](#)  
[Edison Share of Ear](#)  
[2020](#)





# FOR MORE INFORMATION



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