



# *MEDIA IMPACT REPORT #19*

COVID-19 Pandemic Advertising Ecosystem Impact

10.6.2020

## TOP 3 THINGS TO KNOW

1

Overall dynamic pricing trends in digital have remained consistent between battleground states and the remainder of the U.S.

2

Cord cutting continues to accelerate in 2020, representing approximately 27% of U.S. households

3

TV viewership remains steady and is within 2% of 2019 levels in cable

*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:





**Jennifer Eenigenburg**  
VP, Director  
Digital Media

## Digital Political Spend Impact: Pricing & Performance

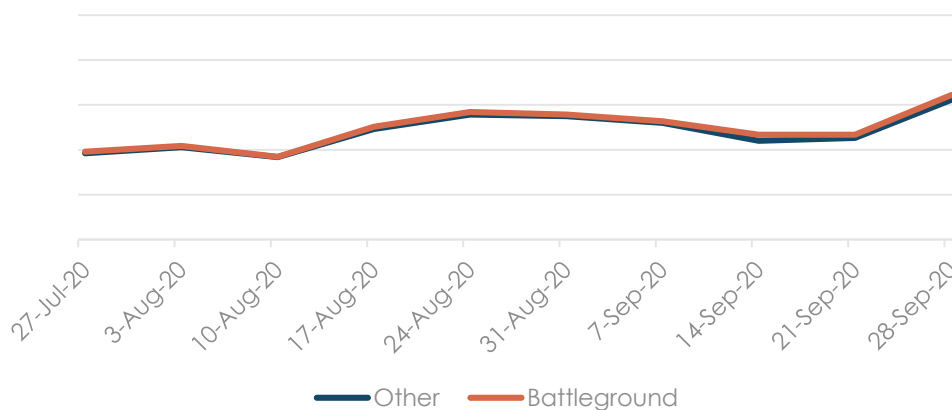
Our media and analytics teams at Rain the Growth Agency have been closely monitoring the effects of political ad spend across dimensions to gauge potential impact to our campaigns.

Here are some of our most pertinent findings:

### **Biden/Trump battleground states compared to other regions see similar pricing.**

- Overall dynamic pricing and pricing trends over time are essentially the same when comparing each state grouping.
- We see this pattern across digital media channels, including paid social, programmatic, and YouTube.
- This is due to other outside advertiser spends beyond political candidates as brands bounce from lower Q1/Q2 budgets, along with regional political races supplement spend in states that are not national battlegrounds.

### Digital CPM Trends Match When Comparing Battleground vs Other States





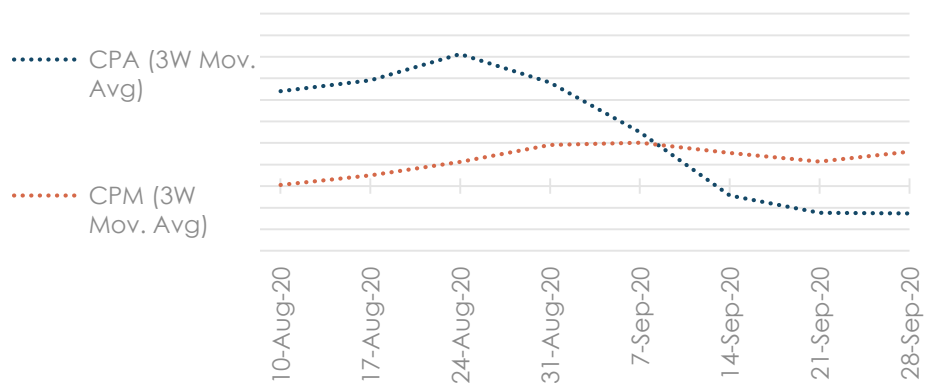
**Jennifer Eenigenburg**  
VP, Director  
Digital Media

## Digital Political Spend Impact: Pricing & Performance (cont.)

### Pricing does not dictate performance.

- **Higher CPMs do not equal higher CPAs:** CPM will play a factor in reach and frequency, however, there are many other variables the platforms and our digital media team optimize against for performance to find the users most likely to convert.
- CPA is one of the things we've been monitoring as CPMs have been trending up since the efficiencies seen earlier this year – and while CPMs are increasing, in general CPAs are staying efficient.
- CPMs are expected to increase as more advertisers gear up for the shopping season and recover from Q1/Q2 initial pandemic budget cuts.

### Aggregated CPM and CPA Trending



**Opportunity:** Utilizing strategic audience targeting and advanced optimization approaches, combined with layers of performance measurement and industry trend analysis, and a flexible approach to channel and tactic mix, will help ensure campaigns are set up for success during this unusual year.





# *Marketplace Updates*





### **New Facebook Product: Live Shopping**

Facebook has answered the call and demand for Live Video Streaming by upping the ante with a recent feature release called **Live Shopping**. This is a new tool the Product Team has developed that allows partners to use Facebook or Instagram Live to interact with viewers, as well as shop for products in real-time.

#### **Case Study:**

***Strategically using this new feature helped Perricone MD create meaningful connections with viewers and increase their already popular fan and user base.***

- Our strong partnership with Facebook unlocked this opportunity for our beauty client [Perricone MD](#) to test **Live Shopping** across both platforms.
- The online event was **promoted** through an event campaign to allow users to RSVP.
- Using this feature enabled Perricone MD to share exciting new **product releases**, promote incredible **product sales**, as well as **engage with their audience** by answering product questions in real-time and gauge viewership engagement through **live reactions**.



#### **Opportunity:**

Continue to watch this space for additional ad-supported opportunities to further promote this product offering to extend reach and engagement.

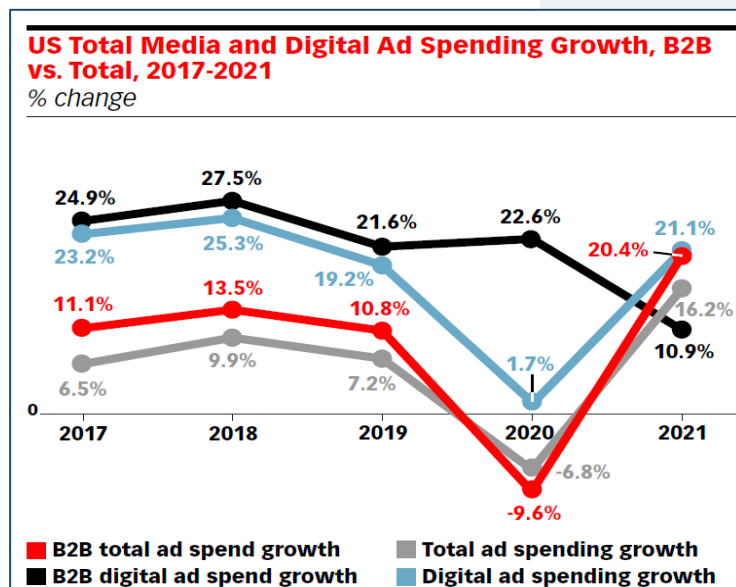


## B2B Advertising Trends: A Push to Digital Transformation

B2B marketers are battling the conflicting pressures of budget cuts on one side with the continued need to engage audiences in a COVID-19 world, and pivoting from traditional to digital channels.

*\*Note: **Healthcare** accounts for 10.4% of overall B2B digital ad spending in 2020, and has seen the most significant growth (41.2% year-over-year).*

Without in-person conferences to fuel leads, cultivate relationships, and share content, B2B marketers have pivoted to growth in digital touchpoints including:



- **Custom paid content directly with publishers**

- B2B publishers quickly expanded and transformed their ad offerings to meet advertiser demand for virtual events and native content.

- **Paid Search**

- Although many pipeline deals slowed, paid search offers B2Bs the ability to capture interest from audiences that were still in-market or showing intent.

- **Paid Social**

- To promote virtual events and online content, B2B now relies heavily on social media, with LinkedIn getting the lion's share securing roughly 1/5 of ALL B2B digital media dollars.

- **Programmatic Media**

- B2Bs have previously been slower to adopt programmatic but new research shows 69% of B2Bs plan on expanding programmatic in the next 6 months (including the utilization of Account Based Marketing).

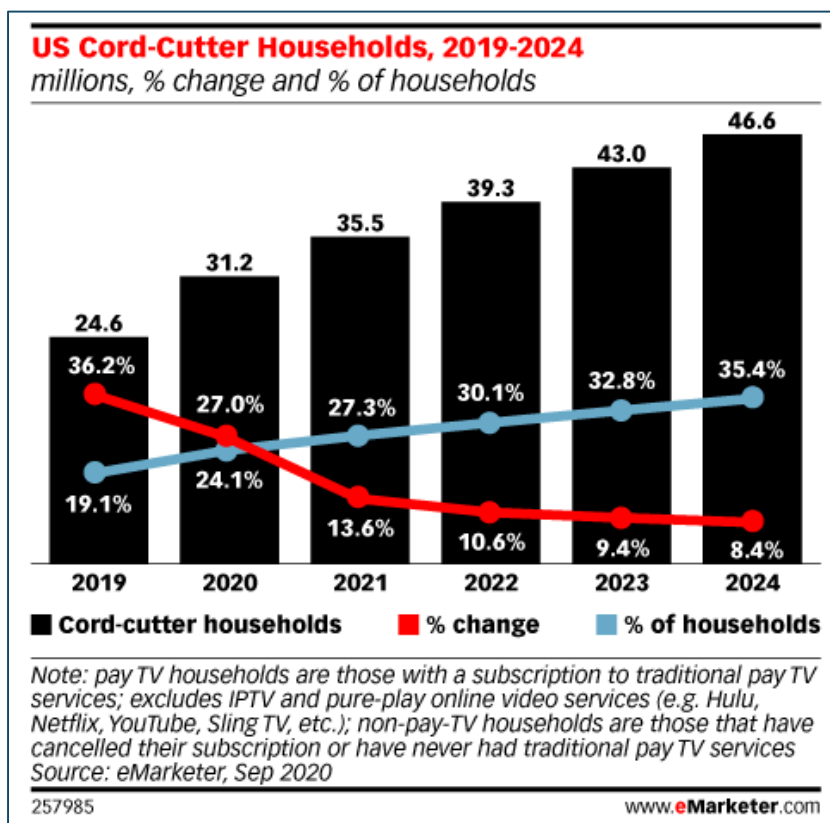
Source: [eMarketer](https://www.emarketer.com)





### Cord-Cutting has accelerated in 2020

- By the end of 2020, over 30 million U.S. households will have cancelled their pay TV subscriptions.
- Over 75 million U.S. households still subscribe to cable or satellite packages.
  - This is down 7.5% year-over-year, the biggest such drop ever.
- This also results in a major hit to traditional TV ad spending, which is projected to drop 15.0% this year to \$60 billion, the lowest since 2011.



Source: [eMarketer](#)



### Twitch Inventory Now Available Programmatically

The popular live streaming video platform now will have its video ad inventory accessible programmatically via Amazon.

#### User Stats

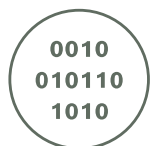
- Twitch has seen its user base growth accelerate this year, rising by 26.2% to 41.5 million users.
- **17% of digital video viewers in the U.S. will watch content on Twitch**, up from 13.9% last year.
- *"Twitch is benefiting hugely from the overall spike in live video viewers," said eMarketer forecasting analyst at Insider Intelligence Peter Vahle. "While more people are watching video game live streams on the platform, **non-gaming channels like 'Music' and 'Just Chatting' are attracting many first-time viewers.**"*

Entertainment   Gaming   Esports   Cooking   Travel  
Talk Shows   Sports   Creative   Music   Fitness



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

Source: Amazon;  
[eMarketer](#)



## Brand Safety During This Political Season

**As a standard best practice, we deploy solutions for brand safety verification, fraud avoidance, in-geo delivery, and viewability utilizing pre-bid avoidance within programmatic campaigns, coupled with post-bid blocking and monitoring.**

To identify and avoid controversial political content, we utilize **Inflammatory Politics & News** content categorization to pinpoint content that is not brand suitable or safe and to **circumvent fake news**.

- This provides coverage for content that includes disinformation, misinformation, propaganda, extremist point of views, and/or inflammatory political rhetoric.
- In order to comprehensively identify Inflammatory Politics & News, content is assessed semantically by looking at the structure, language, rhetoric and any association with organizations known for perpetuating misinformation or inflammatory content.
- Additional inputs and sources are also utilized, including expert third-party reporting and data from Storyzy, a technology company that offers automated solutions for tracking inflammatory political content and misinformation online, across multiple languages.
- Click [here](#) to see trending for inflammatory news content.

### Additional tools utilized:

- **Trusted content page identification** recognizes trusted content including top 100 publisher homepages and channel section.
- Advanced brand safety **prebidding** allows for robust pre-bid targeting within our DSPs to accurately align with post-bid settings for better targeting.
- **Custom Blocklists** tailored to each account.
- **YouTube Brand Suitability** as well as Viewability/Fraud avoidance and monitoring top videos within our campaigns.
- **Certified Facebook Brand Safety** is an available product that provides customizable controls for blocking within specific placements.





# A Look Back at the Facebook Boycott (and What's Next)

## Effects of the July boycott

- Out of 9 million Facebook platform advertisers, around 1,100 paused spend.
- Looking at the top 100 spenders on Facebook in June – **22% paused all spending and 36% reduced budget**, equaling about **\$133M less in spend** comparing June to July.
  - The remainder actually spent **\$80M MORE month-over-month**.
  - Largest July spenders: Home Depot, Purple, DoorDash, Donald Trump, AT&T.
  - Largest July spend decrease: P&G, Joe Biden, Microsoft, HBO, Samsung, Disney.
- Facebook overall July year-over-year revenue growth was about 10%.

## Today most brands are back on Facebook

- **10% of the top 100 have remained off** – including Microsoft, McDonalds, and Proactive.
- **Other advertisers that had paused are back on** – including Disney, Starbucks, Pfizer, Walmart, and Samsung.
- **Majority of top advertisers are running at various levels** – and are likely to increase spending in Q4, particularly around key shopping dates.
- **Small business spending** is also expected to increase around the holidays.

## Latest #StopHateForProfit news

- On Wednesday, Sept. 16, **celebrities and influencers “froze” their Instagram accounts** and stopped posting new content. In the week following the freeze they posted #StopHateForProfit messages to their followers.
  - Dozens of high profile artists participated including Kim Kardashian West, Sacha Baron Cohen, and Katy Perry.




### What's next?

Facebook announced plans for election ad and content policy including blocking fresh political ads the week before the election – ads that already had been running will be allowed to keep running.

Sources:  
Pathmatics,  
Facebook





# Media Consumption Updates

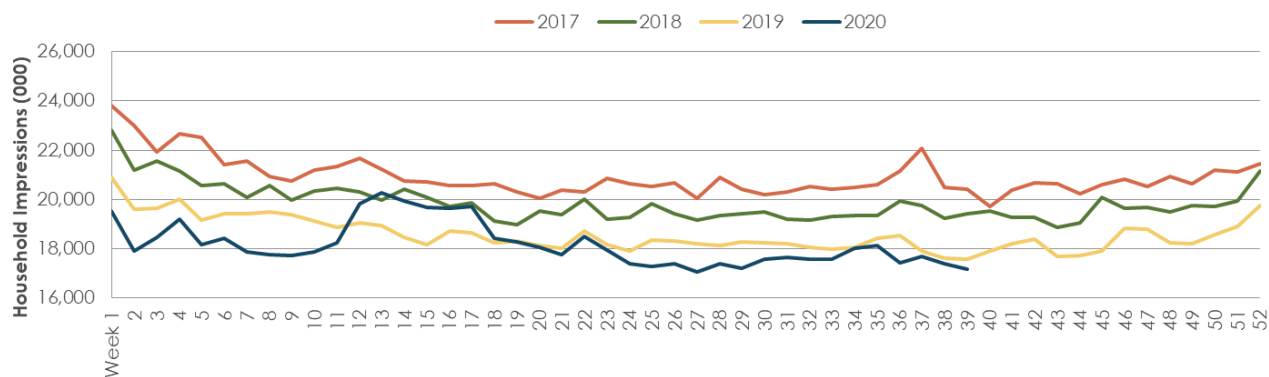




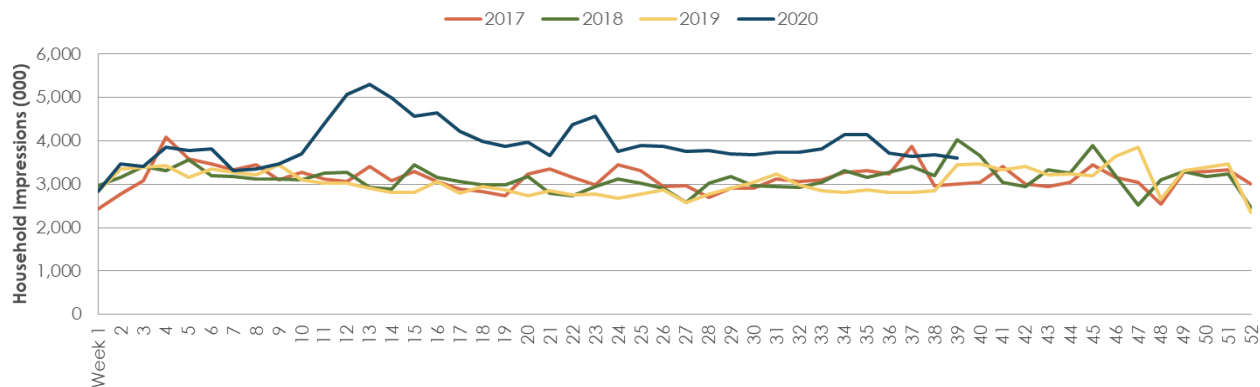
## Household Viewership Overall (Monday-Sunday)

For the week of September 21, overall Cable viewership is trending 2% below 2019 levels, while Cable News specifically is up 5% vs. last year.

**TV Viewership For Ad-Supported Cable Stations - Weekly Overall**  
**12/26/16 - 9/27/20**



**TV Viewership For Cable News Networks - Weekly Overall**  
**12/26/16 - 9/27/20**



Source: Nielsen





# *Media and Programming Updates*





### Linear & Video

#### Linear TV

- Q4 is already showing signs of being a very competitive quarter
  - There is heavy demand for inventory the last week of Q3, that continues heading into Q4
  - Medicare and insurance categories are spending heavily in Q4
  - Political advertising is starting to increase in the national cable realm – impacting inventory
    - HGTV, INSP and MeTV are some of the areas political dollars are being placed
- Live sports –games are being rescheduled due to COVID-19 outbreaks
  - **NFL** – with games being delayed, networks will run one of the other regional games on during that time
  - **MLS** – Portland Timbers vs. Colorado moved from Saturday, Oct. 3 to Nov. 4
  - **MLB** has some game delays, but that was due to weather, not COVID-19

Sources: [AdAge](#),  
[Bleacher Report](#),  
[ESPN](#), [Yahoo](#)  
[Sports](#)





### Audio

#### Podcasting

- A study commissioned by Stitcher and presented at the IAB's virtual 2020 Reach Conference showed that *announcer* reads generated significant lift over a control group for important brand health measures. But the *host* reads produced 91% more lift than those announcer reads. Host reads achieved 66% more unaided recalls than the announcer reads for established brands and 59% more for emerging brands. It was concluded that both result in strong performance, but host reads remain the most impactful.
- Podcast downloads for the 52-week period from September 9, 2019, to September 13, 2020, are up +43%

#### Terrestrial

- AM/FM radio's weekly reach in PPM markets is now 97% of March levels
- AM/FM radio retained 101% of its weekly reach in diary markets compared to March levels

Sources:  
[Inside Audio](#)  
[Marketing](#),  
[WestwoodOne](#)



# FOR MORE INFORMATION



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