



MEDIA IMPACT REPORT #21

COVID-19 Pandemic Advertising Ecosystem Impact

12.4.2020

TOP 3 THINGS TO KNOW

1

Companies should start preparing for a future where customer data is legally protected.

2

The 2020 holiday season has been driving historically high online sales, while in-store foot traffic decreases.

3

The media marketplace continues to be competitive heading into Q1.

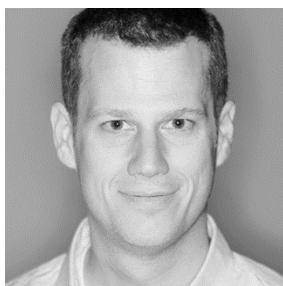
If you have questions related to anything in this report or previous reports, email us at askmediamavens@rainforgrowth.com and our subject matter experts will answer.





Agency POV:





Clayton Scott
Digital Media
Director



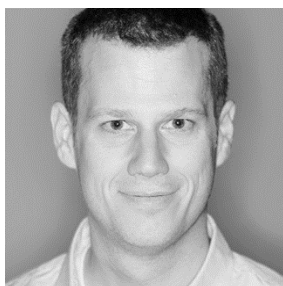
Industry Changes: CPRA

CPRA (California Privacy Rights Act) is an overhaul of the preexisting CCPA (California Consumer Privacy Act) covered previously. Voters passed the CPRA in the recent general election.

- **Timing: CPRA become fully operative by 1.1.2023 and enforceable by 7.1.2023**
- **Applies to Businesses** that satisfy at least one of the following thresholds:
 - \$25 million annual revenue
 - Buys, sells or shares 100,000+ consumers or households (CCPA is 50,000)
 - 50% of annual revenue derived from selling or sharing consumers' personal data (CCPA does not include sharing)
- **What are the key changes:**
 - **Explicitly introduces the category of "sensitive personal information"** which includes: government identifiers (such as Social Security numbers); financial account and login information (such as credit or debit card number together with login credentials); precise geolocation; race, ethnicity, religious or philosophical beliefs, or union membership; content of nonpublic communications (mail, email and text messages); genetic data; biometric or health information or sexual orientation information.
 - **Gives consumers the right to limit businesses' use of their sensitive personal information** by imposing following requirements on businesses:
 - Disclosure requirements
 - Opt-out requirements for use and disclosure. This Includes the right to opt out of data sharing for the purposes of 'cross-context behavioral advertising' - data given to a 3rd party for targeting
 - Opt-in consent standard for use and disclosure
 - Purpose limitation requirements
 - **Introduces new rights:**
 - Right to Correction: Consumers may request any correction of their PI
 - Right to Opt Out of Automated Decision-Making Technology.
 - Right to Access Information About Automated Decision Making: Allows consumers to request insight into the decision-making process
 - Right to Restrict Sensitive PI.
 - Audit Obligations.

[CPRA full text](#)





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Industry Changes: CPRA

- **What are the key changes (continued):**
 - **CPRA also further defines the following rights:**
 - Modified Right to Delete: Businesses are now required to notify third parties to delete any consumer PI bought or received, subject to some exceptions.
 - Expanded Right to Opt Out: Now covers "sharing" of PI for cross-context behavioral advertising as well.
 - Strengthened Opt-In Rights for Minors: Extends the opt-in right to explicitly include the sharing of PI for behavioral advertising purposes.
 - **Creates new privacy enforcement authority:** While CCPA is enforced by the Attorney General CPRA Establishes the California Privacy Protection Agency.
- **Impact on digital advertising is similar to CCPA with :**
 - Decline of "addressable audiences" - Opt-out rate of ~10% historically observed.
 - Opt-out exodus can be mitigated through customer education.
 - Greater emphasis on content vs. data targeting
 - Greater sensitivity around PII and sensitive PII data and PII indicators
- **Impact on businesses:** Companies should start preparing for a future where customer data is legally protected. While many of the CPRA requirements are likely already satisfied, at least to a degree, as a result of the CCPA, further adaptations and mechanisms will likely need to be put in place. CPRA is probably also a bellwether for additional legislation around consumer privacy at a federal level.

[CPRA full text](#)





Black Friday & Cyber Monday Recap





Holiday Shopping Shifts Online

- While fewer people shopped in person over the Thanksgiving weekend, the National Retail Federation says consumers stormed ecommerce sites.
 - In-store visits plummeted 55% on Thanksgiving Day, as many more stores chose to remain closed this year.
- **Over 100MM** consumers shopped online for Black Friday, with the % of people who only shopped online climbing to **44%**
- Adobe Analytics reports that spending reached \$10.8 billion, which represents +15% vs. the previous year. **That makes it the largest online shopping day in U.S. history**, easily beating last year's \$9.4 billion record.
- Amazon also reported that this year's holiday shopping has been the largest in its history

Sources: [The New York Times](#), Nielsen





Consumers leverage new delivery options

- While more people are shopping online, shipping deadlines continue to be an area of focus. While a large percentage of consumers are likely to use standard delivery, many alternate delivery mechanisms are present this year, including click and collect, curbside pickup and use of personal shoppers
 - “Throughout the remainder of the holiday season, we expect to see record sales continue and curbside pickup to gain even more momentum as shoppers avoid crowds and potential shipping delays,” said Taylor Schreiner, a director at Adobe Digital Insights.

Coronavirus Impact: Delivery Services US Adults Are Likely to Use During the Upcoming Holiday Season, 2019 & 2020

% of respondents

	2019	2020
Standard delivery	62%	73%
Same-day or next-day delivery directly by the retailer	-	43%
Click and collect	34%	35%
Curbside pickup	11%	27%
Batching or combining orders of shipping	13%	20%
Same-day or next-day delivery through a delivery service	-	15%
Buy digitally, pick up in locker	8%	10%
Personal shopping assistant services	5%	8%

Note: 2019 n=4,410; 2020 n=4,012

Source: Deloitte, “2020 Holiday Retail Survey,” Oct 20, 2020

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eMarketer | InsiderIntelligence.com

Source:
eMarketer





Marketplace Updates





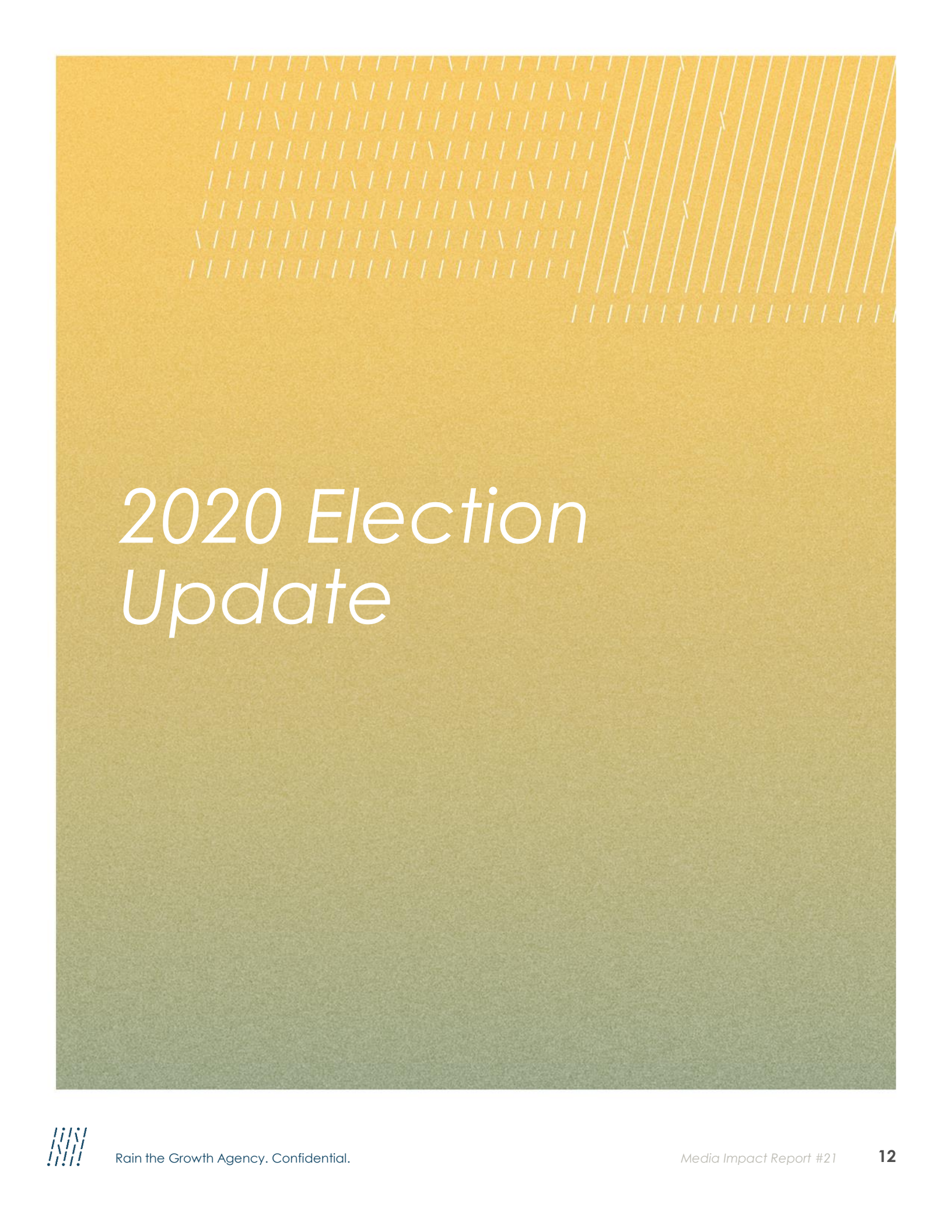
Q4-Q1 Marketplace Updates By Channel

- **Audio** - Expecting a busy first quarter in podcasting, with consumption continuing to climb and many big acquisitions. Radio is less booked than it was this time last year, but expecting a flood of activity just before the December holidays, which may result in inventory shortages.
- **Linear TV** - Continues to be a competitive space as Q4 winds down - the number of advertisers with large budgets to clear before the end of the broadcast year remains high, even as Medicare advertisers complete their flights this week demand remains strong (and expected to continue heading into Q1).
- **OTT** - Inventory tightness lightened some after the election but another surge of demand hit during key shopping dates - Black Friday, Cyber Monday, etc. Seeing heavy spends in CPG, Auto, Insurance and Retail categories throughout the quarter. Available inventory heading into Q1 (Jan and Feb looking more open).
- **Paid Social** - Competition in the marketplace continues to drive up CPMs, particularly for broad audiences, as brands pivot to e-commerce. While we expect costs to plateau in 2020's remaining days, we also expect a higher YoY CPM in Q1'21. Diversification across platforms is one way to mitigate this Covid-19 effect.



Q4-Q1 Marketplace Updates By Channel

- **Search** - Mobile has won the war. Across all verticals and Demographics, Mobile Phone Impressions have dominated search. Making up 71% of total search impressions, compared to Desktop Computer share of 26%, 2021 will be the year that each company will need to take a hard look at their Mobile Experience because the gap between Mobile and Desktop is likely to grow even more.
- **YouTube** - As is the case in previous years, YouTube Auction CPMs have increased by as much as 35% when compared to same timeframe in Q3. The CPM increase is common during the Holiday Season but 2020 has seen an even greater increase with advertisers returning that have been dark most of the year.
- **Display/Native** – As anticipated, CPMs rose between 10-20% overall Thanksgiving week. However as buying display and native inventory programmatically has become the norm over the last 5 years – algorithms are able to adapt to even stronger performance (based on cost per conversion) despite the higher CPM. More than 90% of display and native inventory is now monetized programmatically, and predominantly through the open exchange. This provides advertisers more comfort going into December by minimizing waste and maximizing performance.



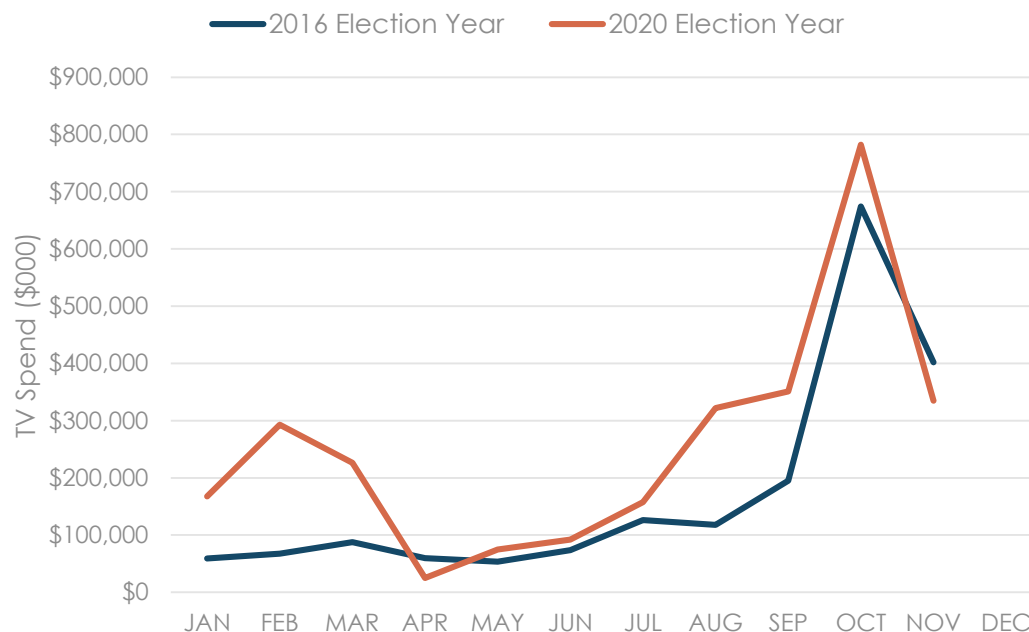
2020 Election Update





Linear TV political spending tops \$2.8 Billion in 2020

Political Linear TV Ad Spending 2016 vs. 2020



- Overall political TV spending is estimated at \$2.8B during 2020 election year and is 47% higher vs. 2016 election year.
 - Excluding Bloomberg from the primaries, political TV expenditure in 2020 paced 28% higher vs. 2016 election year.
- Total spending behind the Presidential campaign more than doubled against the last election (at \$1.2B).
- As with previous elections, Local TV accounted for the bulk of Linear TV dollars (~90%)

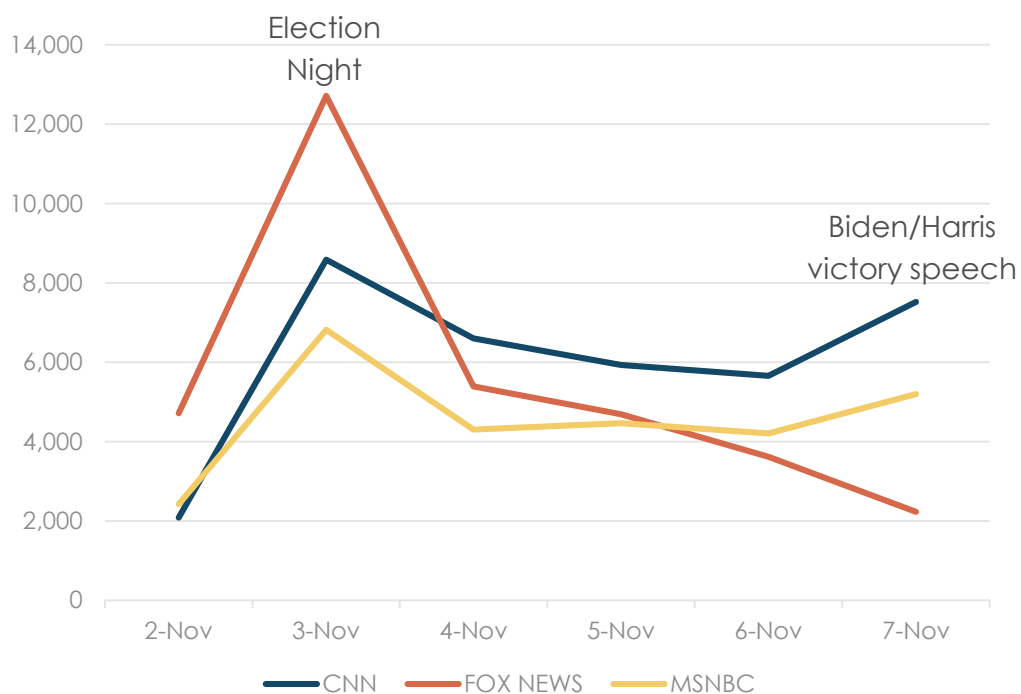
Source: Kantar





Fox News wins election night, but CNN won the post election week

- On election night, Fox News easily had the highest viewership during the primetime daypart with reporting 12.7 million viewers, followed by CNN with 8.6 million viewers and MSNBC with 6.8 Million.
- As post election coverage continued on through Saturday, 11/7, CNN easily stormed back and won every night for the rest of the week, culminating with the Saturday night speech from President-elect Biden.
- MSNBC also saw strong sustained viewership, over taking Fox News for the No. 2 spot on Friday and Saturday night.



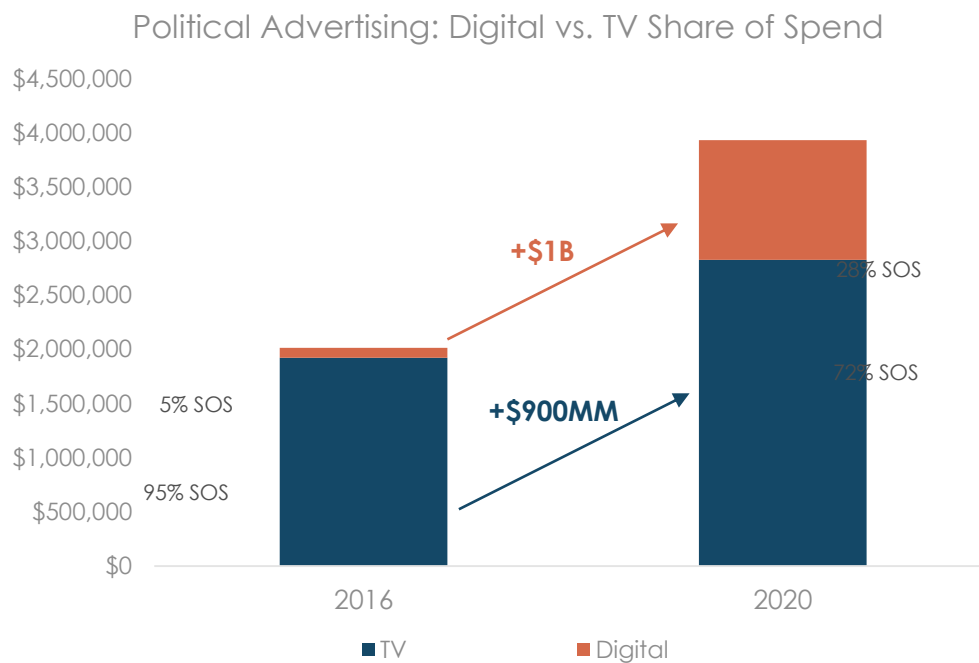
Sources:
[MediaPost](#),
Nielsen





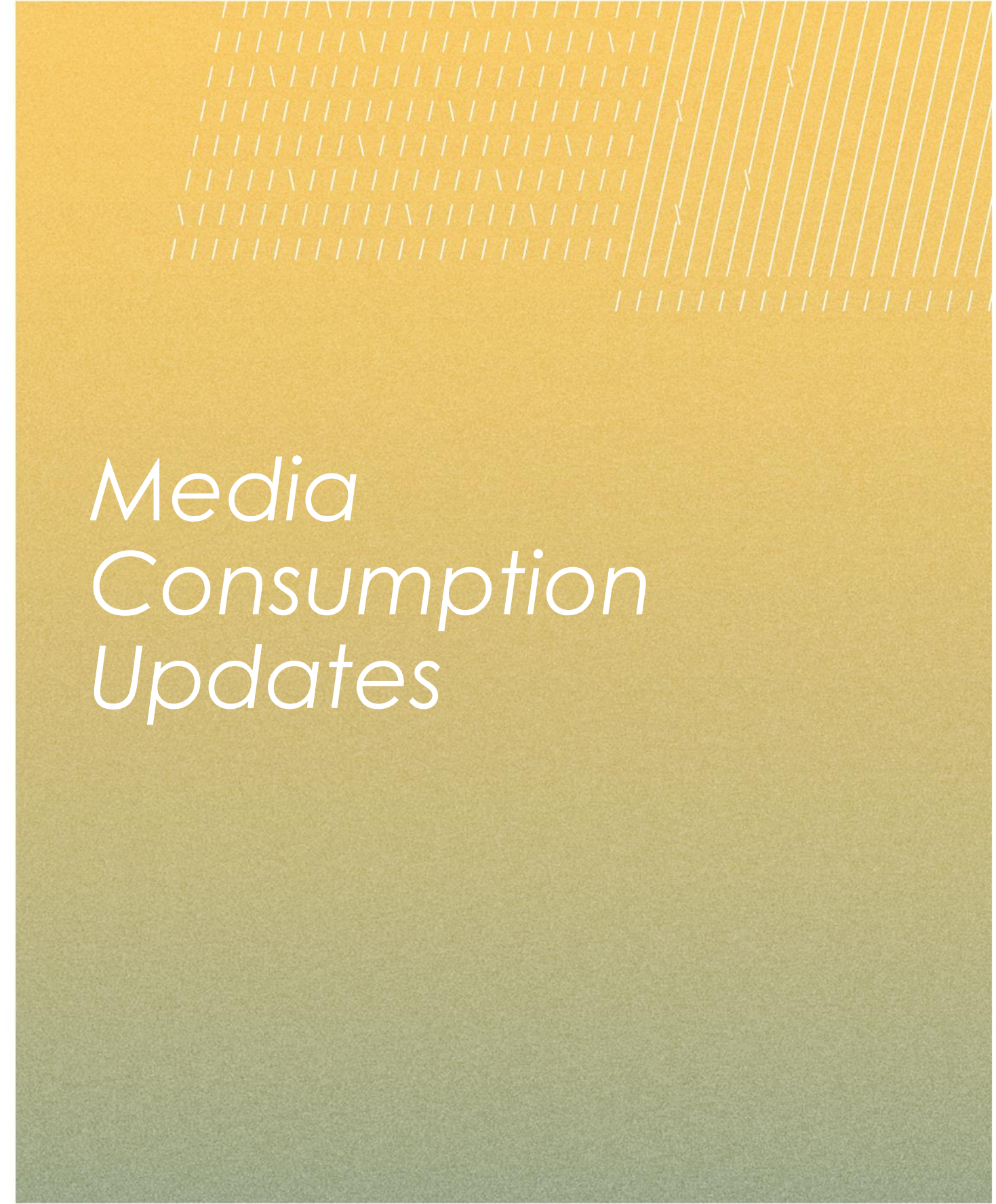
What to expect for election 2024

- Linear TV (focused in local TV) still maintained the majority share of spend in the 2020 election, however, Digital spend increased significantly from the 2016 election.
- With advanced targeting through digital channels, Digital SOS should continue to increase in the 2024 election, taking even a larger share of dollars.
- Linear TV spending will also continue to increase and more dollars should be expected in existing and new battleground states including Georgia, North Carolina, Wisconsin and Michigan.



Source: Pathmatics





Media Consumption Updates

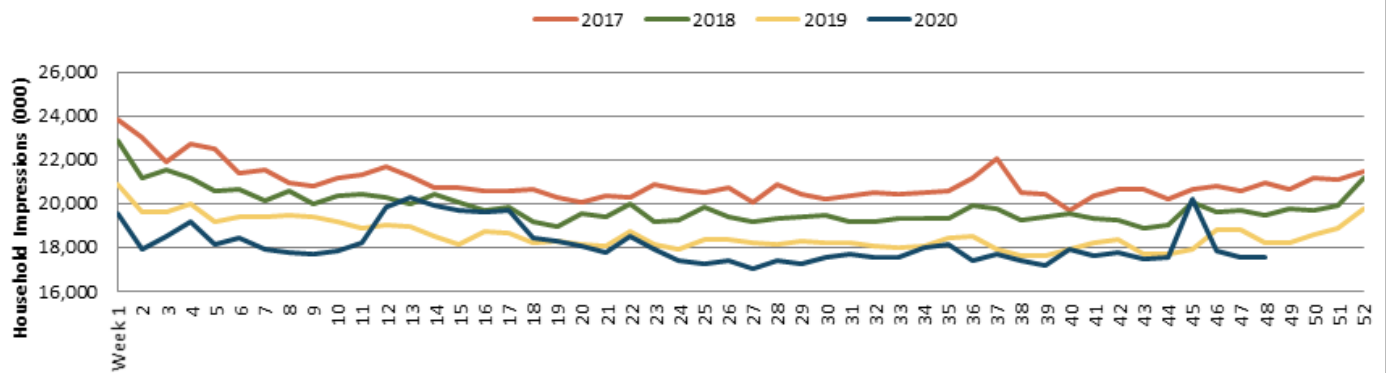




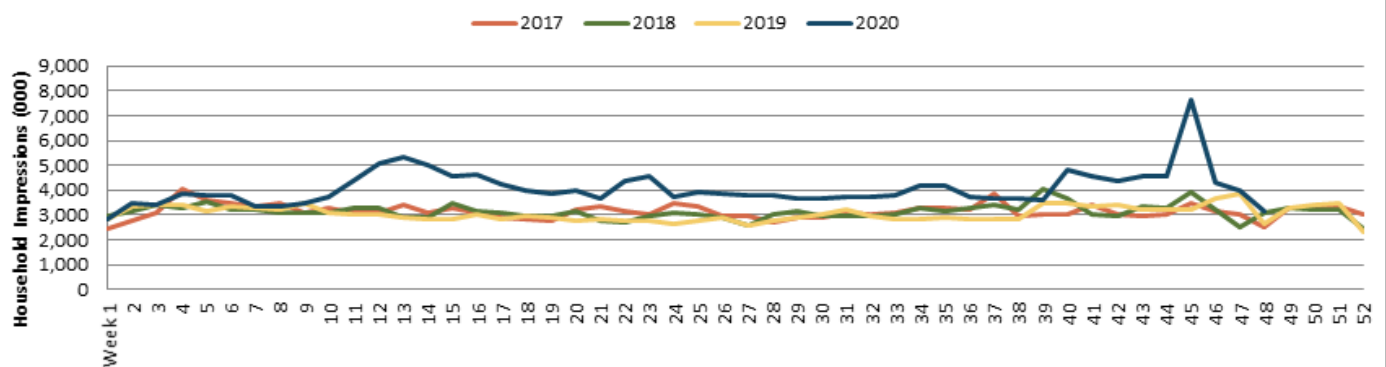
Household Viewership Overall (Monday-Sunday)

Household viewership remained relatively flat week over week overall, while cable news decreased significantly – with a 20% dip week over week.

TV Viewership For Ad-Supported Cable Stations - Weekly Overall
12/26/16 - 11/29/20



TV Viewership For Cable News Networks - Weekly Overall
12/26/16 - 11/29/20



Source: Nielsen



Media and Programming Updates





Linear & Video

Linear TV

- 2020-2021 Award Season pushed back due to Covid-19 – Golden Globes, SAG and Academy Awards now starting in late February and extending into April 2021.
- **NBA** 2020-2021 season confirmed to start Dec. 22.

OTT

- Discovery announced it's global streaming service today – **discovery+**.
- Pluto TV adds three new channels (from Cynopsis 12/2/20)
 - **Pluto TV is launching three new channels:** The Price Is Right: The Barker Era; Showtime Selects, a curated sampling of dramas, comedies and documentaries from Showtime; and December cooking channel Home for the Holidays (Campbells). The announcement comes on the heels of Pluto TV launching home shopping channels HSN and QVC.

Sources: [ET Online](#),
[NBA](#), [Discovery](#)



Audio

Podcasting & Streaming

- Magellan AI's list of the ten biggest podcast advertisers during October indicates that the industry is shaking off any impact of Covid-19. Among the advertising categories, Magellan says financial services was one of October's standouts, jumping ~27% between September and October. Campaigns are also shifting their creative messaging away from Covid-specific scripts to more standard creative.
- According to Podtrac data for the week of November 23-29 (Thanksgiving week), downloads were down 17% over the previous week and up 35% over the corresponding period last year for their measured shows.
- The Joe Rogan Experience was the most popular podcast on Spotify in 2020, the streamer revealed as part of its year-end report. The other most popular podcasts from this year included TED Talks Daily, The Daily, The Michelle Obama Podcast and Call Her Daddy. Of those, only The Michelle Obama Podcast is a Spotify original.
- When Apple unveiled the HomePod mini last month, the company also showed off the ability to use it with third-party music services. And as of now, Pandora is the first third-party music app to work with the product.

Terrestrial

- According to Nielsen, AM/FM radio's weekly reach in PPM markets is now 97% of March levels.
- Morning drive listenership continues to increase after pandemic-related drop offs; other dayparts have remained more consistent.

Sources:
[WestwoodOne](#)

[Inside Audio Marketing](#)

[Radio Online](#)

[Billboard](#)

[Engadget](#)



FOR MORE INFORMATION



Robin Cohen

SVP, Group Media Director

robin.cohen@rainforgrowth.com



Jennifer Eenigenburg

VP, Digital Media Director

jennifer.eenigenburg@rainforgrowth.com