



MEDIA IMPACT REPORT #8

COVID-19 Pandemic Advertising Ecosystem Impact

5.1.2020

TOP 3 THINGS TO KNOW

1

Increases in streaming consumption continue while linear viewing is holding steady.


2

New innovations continue to come to the market, allowing people to connect in new ways. The latest is Messenger Rooms (via Facebook).

3

While we are seeing digital CPMs down across the board, we are seeing the largest efficiencies in digital video, native and paid social.





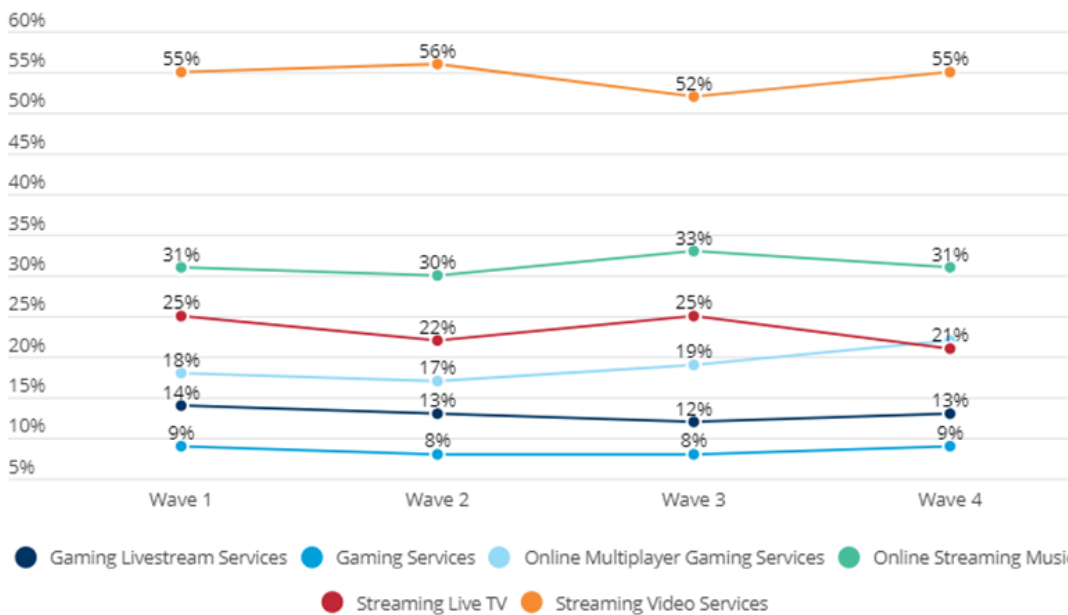
Media Consumption Updates





STREAMING KEEPS GAINING

- Nielsen reported a total of 154.6 billion total streaming minutes for the week of April 13. This is nearly twice as high as the same week in 2019.
 - Some of the top watched titles include *Ozark*, *Tiger King* and *The Office*.
- Amazon is reporting that fitness apps are seeing large month-over-month increases on Fire TV—up 40% on average.
- HBO Max set a launch date of May 27. The new service will include all original series, in addition to a deep catalog of content including *The West Wing*, *Friends* and *South Park*.
- With more people home, the Consumer Technology Association (CTA) has reported that more than half of U.S. households are now using at least one video streaming service.
 - “Use of online multiplayer gaming services continues to grow, especially as the weeks without live sports drag on,” states Lesley Rohrbaugh, director of research, CTA. “Many pro gamers and even pro athletes are playing online sports games, while audiences watch live via streaming platforms such as Twitch and YouTube.”



Wave 1 = March 27-29

Wave 2 = April 3-5

Wave 3 = April 10-12

Wave 4 = April 17-19

Sources:
[Deadline-Nielsen](#),
[Deadline-Amazon](#),
[MediaPost](#),
[CTA](#)

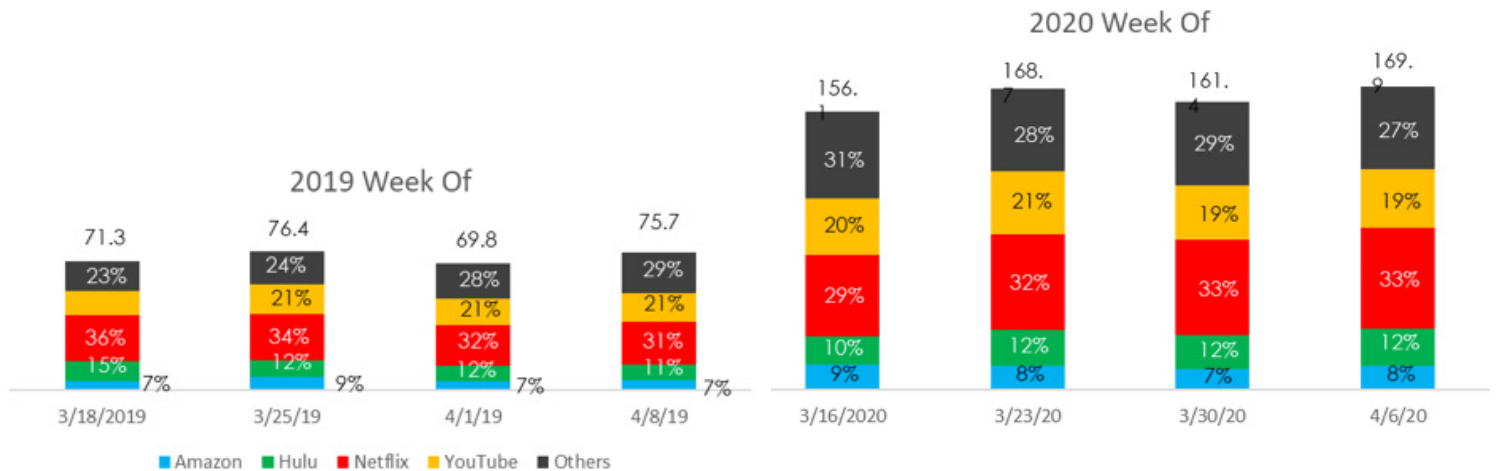




CONNECTED TV VIEWERSHIP INCREASES

- U.S. households are currently spending **170 billion minutes** streaming content on their TVs, **up 143%** from last year.
- **YouTube** has highest share of CTV minutes among ad-supported services, followed by **Hulu**.
 - **YouTube** accounts for a remarkable **75%** of all mobile video viewing.
- ‘Other’ category is seeing increase fueled by new platforms such as Disney+.

Weekly Minutes Streamed by U.S. TV Households in Billions



Sources: Nielsen Streaming Meter Homes. Sum of daily streaming minutes, weighted, for P2+. Nielsen via [Deadline](#). [MediaPost](#)



Opportunity: Increase reach and capture consumer attention within the growing digital video ad-supported space, particularly via YouTube and Hulu.





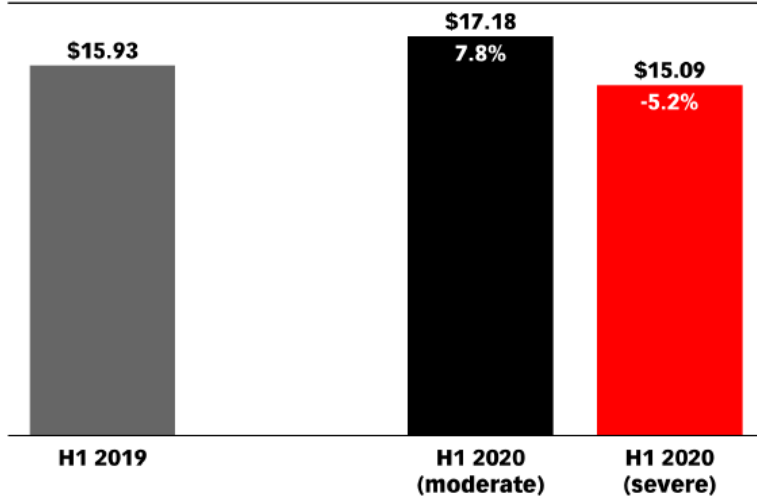
DIGITAL VIDEO: REFORECASTED SPEND EXPECTATIONS

New forecast demonstrates marketplace volatility

- Originally, eMarketer forecasted digital video spend to grow by 26.2% year-over-year pre-pandemic.
- U.S. advertisers increased their Q1 digital video ad spending by between 10.5% and 17.0%. Jan/Feb drove the increase with larger budgets year-over-year; Q2 is projected to see declines, especially from travel, media and entertainment companies.
- eMarketer is expecting other digital media channels such as display, audio and paid social will see drops in H1 2020, particularly within these industries.

Analyst Take: US Digital Video Ad Spending, H1 2019 & H1 2020

billions and % change vs. the prior-year period



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices; includes in-stream video ads such as those appearing before, during or after digital video content in a video player (pre-roll, mid-roll, post-roll video ads) and video overlays; includes social network in-stream video advertising in platforms such as Facebook Watch and Snapchat Shows; includes outstream video ads such as native, in-feed (including video ads in Facebook's News Feed and Twitter's Promoted Tweets), in-article, in-banner and interstitial video ads
Source: eMarketer, April 2020



Opportunity:

- Digital video is a good substitute for channels with less media consumption like out-of-home (OOH).
- More efficient pricing has made digital video more attractive to advertisers (see page 15).

Source: [eMarketer](#)



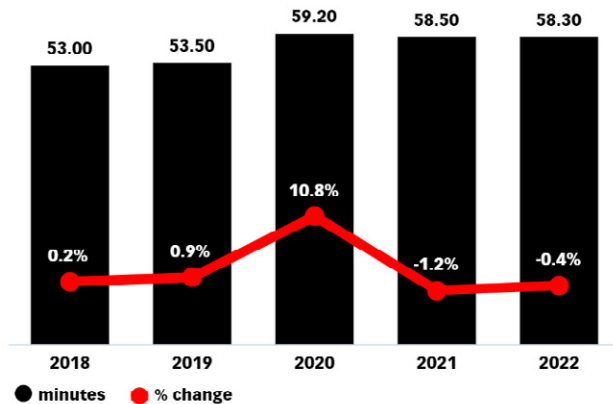


SOCIAL MEDIA ENGAGEMENT AND TIME SPENT ARE INCREASING DURING PANDEMIC

Current situation is driving users to spend more time with social platforms.

- eMarketer is predicting an 11% increase year-over-year for an average of 59 minutes spent per day with social media in 2020.

Average Time Spent Per Day With Social Networks US, 2018–2022



- Influencers are seeing a **significant increase in social engagement*** across platforms comparing January to April of this year:

- **Facebook** comments are up 20%.
- **Instagram** video views are up 23%.
- **Instagram** likes are up 30%.
- **Instagram Live** 10x in views with top talent creating content for thousands of fans tuning in daily.

*Captiv8 analyzed over 10M+ influencer accounts in January 2020 and compared that same dataset to April 2020.



Opportunity: Shelter-at-home has created unique opportunity for higher engagement with audiences via paid social and influencer marketing.

Sources: eMarketer, April 2020; Captiv8





Industry & Audience Updates

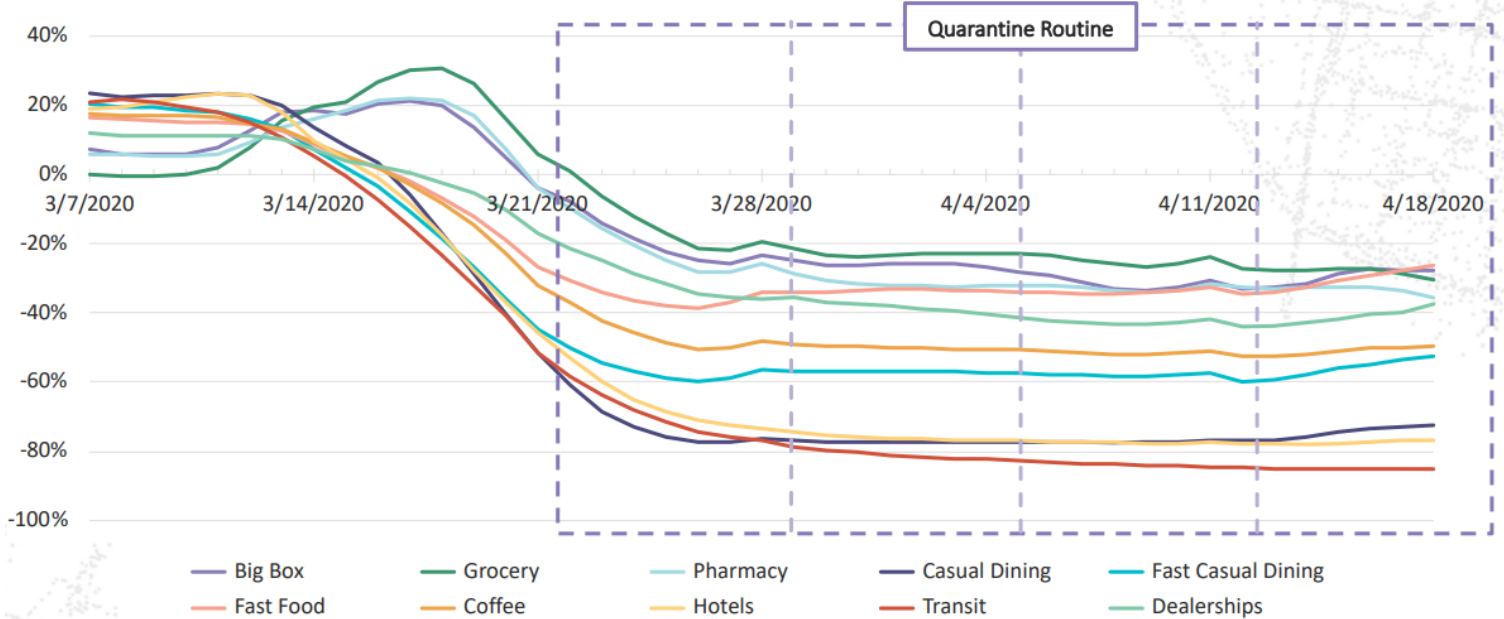




CHANGES IN CONSUMER BEHAVIOR:
Foot Traffic Still Down

- All industry foot traffic remains down showing consumers are sheltering at home as advised.
- Transit, hotels, and casual dining are the hardest hit with the highest declines in foot traffic.
- Dining saw gains in fourth week of quarantine with an uptick in casual dining, fast casual, and fast food.

% Change in Foot Traffic Volume vs. Pre-COVID Norms, 7-Day Moving Average



Opportunity: Reach specific audiences who would typically have shopped in-store with targeted online sales messaging.

Source: [PlaceIQ](#)





FACEBOOK LAUNCHES ZOOM COMPETITOR: MESSENGER ROOMS

- Mark Zuckerberg announced on Friday that Facebook will be rolling out a free group video chat feature called Messenger Rooms.
- According to CNET: "Facebook users will soon be able to create a video chat room via Facebook or the Messenger app and invite up to 50 people to join a video call -- even if they don't have a Facebook account. There will be no time limits on calls".



How to create a Facebook Messenger Room:

Once it's available in your area, here's how to create a Room from your phone:

1. Open the Messenger app.
2. Tap the People tab at the bottom right of the screen.
3. Tap Create a Room and select the people who you want to join.
4. To share a Room with people who don't have a Facebook account, you can share the link with them. You can also share the Room in your News Feed, Groups and Events.

Sources: [Facebook](#), [CNET](#)





Media Updates by Channel





AUDIO

Terrestrial:

- 34% of radio listeners who are working from home say they are listening to more radio since the pandemic began.
- 56% of radio listeners are listening to news and information stations more since the pandemic began.
- Nielsen's April 2020 PPM for survey dates from March 26 –April 22 should be released between May 11-14.

Podcast:

- Media analyst Jack Myers forecasts podcast ad spending will increase 8% compared to a year ago, despite also projecting an overall decline in ad spend in 2020.
- The week of April 13-19 was flat for download and audience growth compared to the previous week.

Streaming:

- As more people work and study at home without commuting, there is less listening occurring through Spotify's car and wearable apps. Other devices appear to be picking up some of the slack, with listening through TVs and game consoles is up by over 50 percent.
- Listening patterns for every day of the week now resemble a weekend day.
- Spotify's ad business has been hit harder than other areas of the company, with brands spending less money on advertising. They reported that their ad-supported revenues fell short of forecast.

Sources: [Inside Radio](#)

Nuwoodoo National Study, 4/16-4/24/20

[WestwoodOne: The State of Consumers, Audio, and Media](#)

[Podtrac](#)

[The Verge](#)



Opportunity: With inventory largely available and the ability to produce new content remotely, it's a great time to test podcasting.





LINEAR TV & VIDEO

- Market is stabilizing. We are seeing pricing bottom out and clearance become more predictable.
 - Last week, we continued to see in-week opportunities including:
 - NFL Draft - ESPN – local breaks.
 - *The Last Dance* – Michael Jordan documentary.
 - Re-airs on ESPN/ESPN2.
 - First-run, full-feed and UA DirectTV.
- Launch of Magnolia Network, Chip and Joanna Gaines' network, is delayed by COVID-19, but a 4-hour preview aired last Sunday, 4/26.
- Daytime broadcast network programming update:
 - CBS – *The Bold and The Beautiful* and *The Young and The Restless* original episodes are set to run out on Monday, 4/27. The soap operas will air reruns in themed weeks with cast members providing commentary.
 - ABC – *General Hospital* has approximately one more month of original episodes.
 - NBC – *Days of Our Lives* shoots eight months in advance so the show has original episodes to last until the Fall.



Opportunity: Firesales represent a great opportunity to test new stations, rotations, and programs that were previously less CPM-friendly.

Source: [CNN](#)





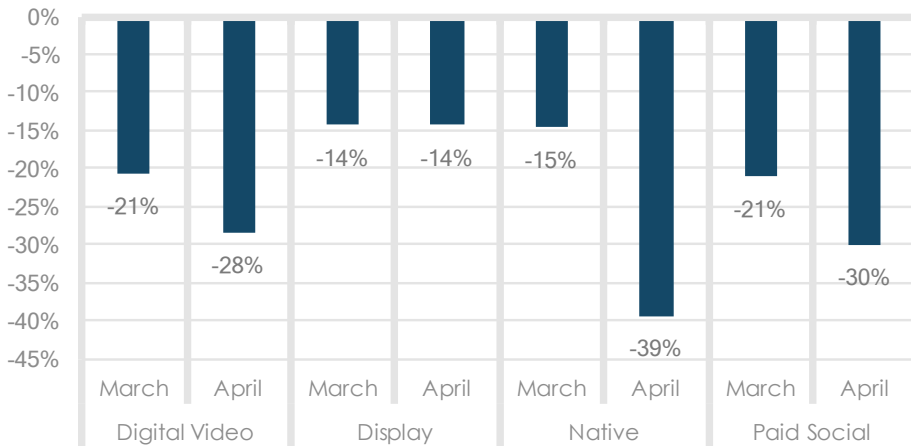
DIGITAL

CPMs See Better Efficiencies in April

Compared to February, as we had previously reported, March saw pricing efficiencies across digital channels. This trend continues in April, with **even bigger price reductions for dynamically priced inventory.**

Price fluctuations are driven by inventory increases and competition decreases in market.

CPM % Change (vs February)



Opportunity: Test/experiment with new audience targeting, channels, and inventory sources as investment impact is greater with more efficient pricing.

Source: Rain the growth agency data through April 26



FOR MORE
INFORMATION



Robin Cohen
VP, Group Media Director
robin.cohen@rainforgrowth.com



Jennifer Eenigenburg
VP, Digital Media Director
jennifer.eenigenburg@rainforgrowth.com