

MEDIA IMPACT REPORT #16

COVID-19 Pandemic Advertising Ecosystem Impact

7.17.2020

TOP 3 THINGS TO KNOW

1

The Facebook boycott has presented brands with an opportunity to learn about the impact of going dark on their business.

2

Streaming gains continue, with 131% increase in minutes during the COVID-19 time period.

3

While sports are beginning to come back, not all leagues will return.





Partner POV



Courtesy of our
Advanced
Analytics and
Modeling Partners
at **Leavened**



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What Going Dark on Facebook Really Means for Your Brand

Time to test the true impact of social campaigns on sales

It's mid-2020. Do you know where your favorite brands are advertising? It is not on Facebook and Instagram.

Facebook and its affiliates had become a marketing investment must for companies both large and small. It provides targeted, efficient reach coupled with performance and has an endless pool of inventory with 1.68 billion users, depth of targeting data, and proprietary algorithms that drive traffic and conversions. Despite this, things have recently taken an unexpected turn.

As part of a [monthlong boycott](#) in support of curbing Facebook's spread of misinformation and hate speech, multiple heavy-hitting brands have cut or suspended their advertising spend on the platform. We couldn't support these brands more and signs are pointing to this boycott lasting much longer than a single month. Facebook's perceived disinterest and lack of desire to control the content being published in its advertising, posts and communities make advertisers feel uncomfortable during these times of social change.

July has inadvertently become a time to experiment. As marketers, we wonder what impact pulling out of Facebook will have on a brand's business.

Because of the existence of [walled gardens](#) between major ad tracking platforms, there is a risk of digital and social measurement being inaccurate, as well as duplicated conversion counting between platforms without diligent management of pixel and tracking strategy. This makes it necessary for marketers to invest in more advanced measurement tools, like multi-touch attribution and marketing mix models. There's an opportunity here to challenge the belief that marketing on Facebook is necessary for success.





What Going Dark on Facebook Really Means for Your Brand

Going dark on social media could allow many brands to measure the true impact of their social campaigns on sales. We believe most of the larger marketers already understand the impact of cancelling or pausing their campaigns.

Brands that are fortunate enough to have a multifaceted analytics approach are able to triangulate the Facebook impact across digital last touch attribution, digital multi-touch attribution, attitudinal surveys and cross-channel marketing mix modeling. Smaller companies should take note. Multi-touch attribution (MTA) is a good first step, especially for marketers only investing in online advertising. [MTA](#) tools help identify where in the “path to purchase” Facebook assists in the conversion. Facebook even offers a free version of this methodology to help validate their impact on your business. MTAs can help you understand Facebook's advertising in the path to purchase, but not necessarily the total impact to the business when it comes to offline media investment, promotions and market factors.

Our hypothesis posits that larger brands leaned into their marketing mix (MMM) tools to help make the decision to cut their Facebook spend and determine the optimal ways to reinvest their budgets to make up for any lost sales. MMMs help quantify an individual media vehicle's incremental impact on sales and how media vehicles interact with each other, while controlling for promotions, non-paid media, distribution and other internal and external business drivers. This approach allows brands to understand and quantify marginal ROI for any decrease in investment of one tactic and increase in another.

As the headlines continue to roll in with more brands choosing to divest from Facebook, some of our clients considering [similar steps](#) have asked for our assistance in evaluating their media strategy and quantifying the possible impact. We have encouraged them to use the in-house tools they have in place to measure and analyze:



What Going Dark on Facebook Really Means for Your Brand

Audience reach

What is the incremental reach you get on Facebook and who are you reaching? Are you already reaching that same audience through other efforts or can you find them through other channels?

Last touch measures and multi-touch measures


Having used these measures to tactically optimize [Facebook](#), now evaluate how much of your campaign optimization could be impacted by duplicative conversion counts between platforms. How much of that do you anticipate would dry up if your brand was to divest from Facebook?

Digital control groups

Are you currently implementing, or have you previously executed, control groups to better quantify Facebook's incremental impact on your business?

Marketing mix

Based on your marketing mix analysis, what do you anticipate will be the incremental loss in sales to your business by divesting from Facebook and what components of your media plan can scale to offset any incremental sales loss you will see from Facebook? Secondly, what has your MMM told you about positive PR in the past? And do you anticipate that any PR related to divesting from Facebook will help offset some of those incremental sales as well? Now is the time to triangulate your different measurement approaches to get at the truth. If all those fail, you can just go dark and see what happens.



Media Consumption Updates

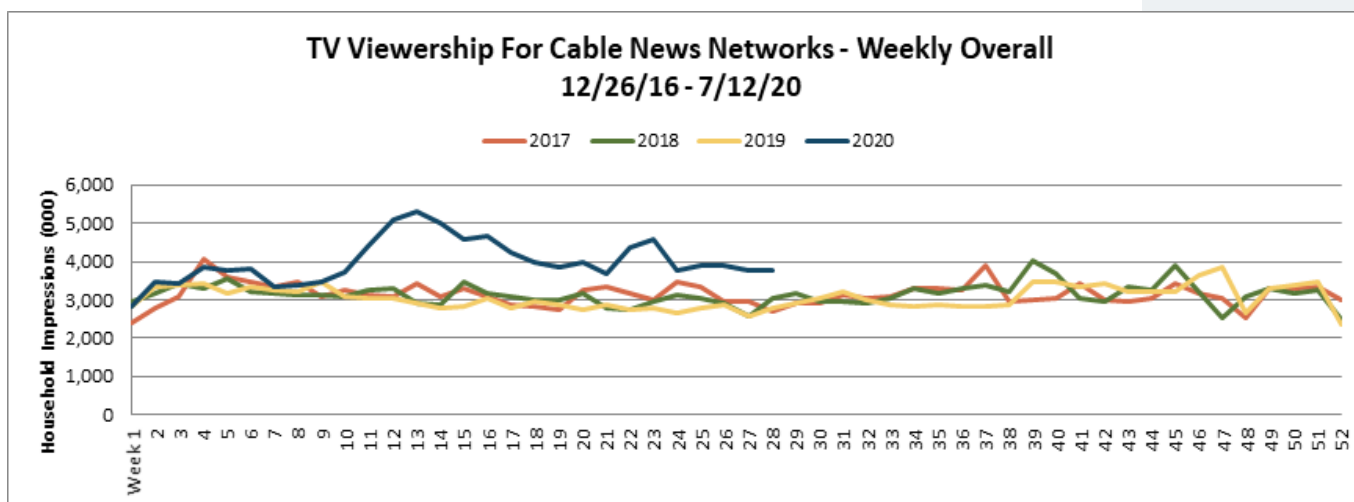
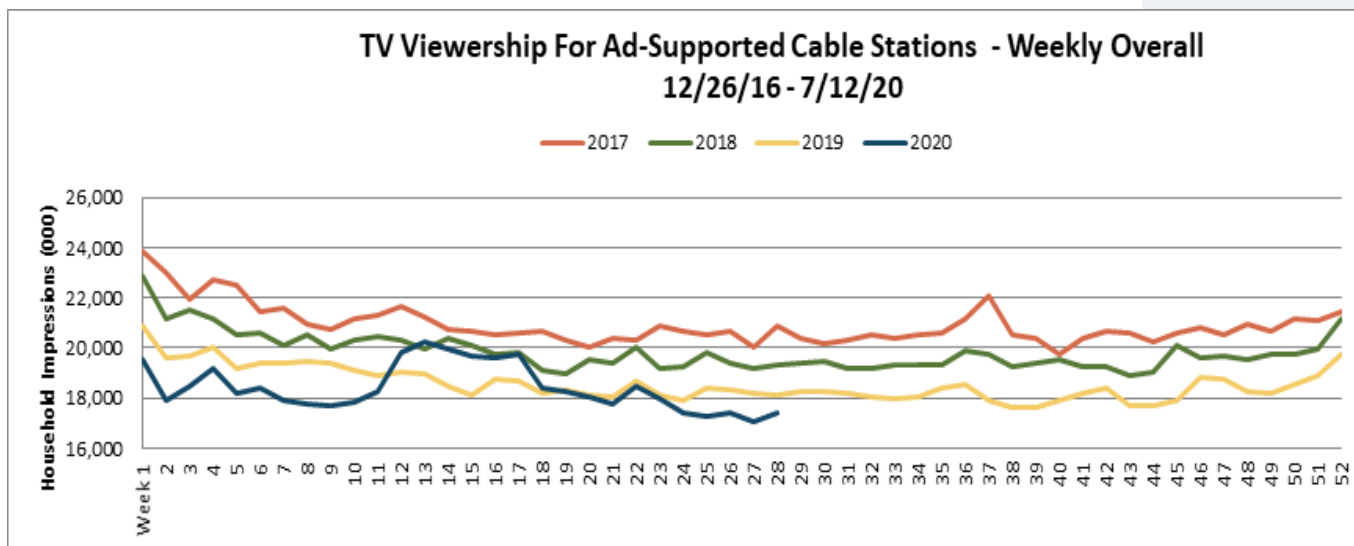




HOUSEHOLD VIEWERSHIP

Overall (Monday-Sunday)

- For the week of July 6, overall cable viewership increased 2% when compared to the previous week.
- Cable news viewership remains strong year over year, and has been relatively flat over the past several weeks.

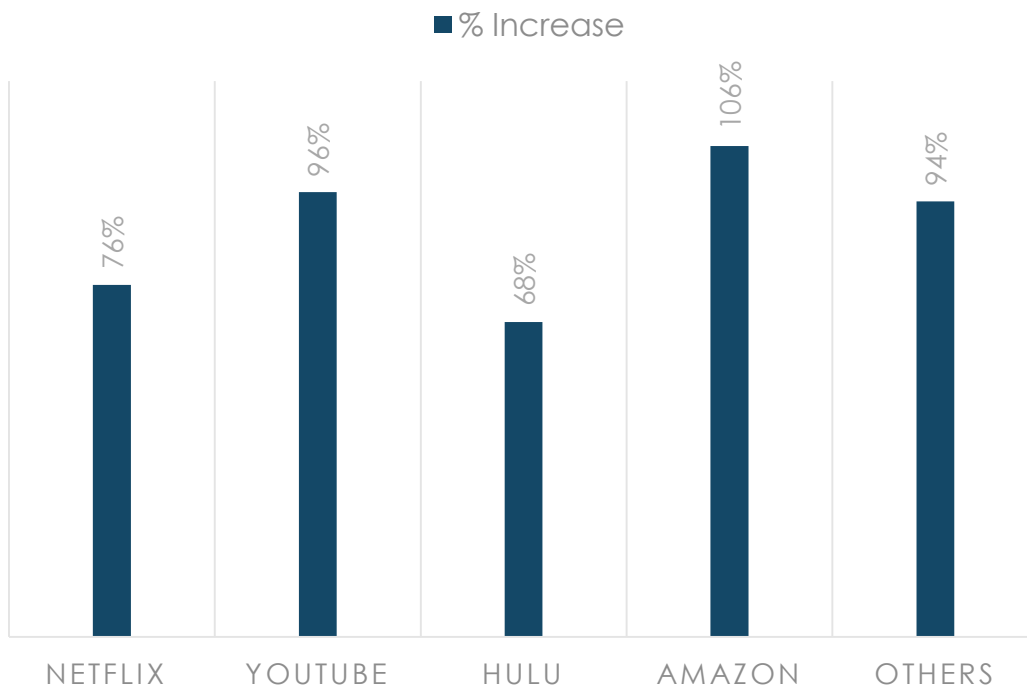


Source: Nielsen



Exponential Growth in Streaming During COVID-19

- According to Nielsen data from a MoffetNathanson research analysis, total streaming minutes were up 85% year-over-year from March 30 – June 7.
- “At the end of March/early April period during the initial COVID-19 surge, there was a 131% rise in streaming minutes versus the same period a year ago. Although they drifted lower by the first week in June, streaming minutes were still up 50% year-over-year.”
- All major platforms saw gains in consumption.
 - The “Others” category includes Disney +, CBS All Access and other AVOD services.



Source: [MediaPost](#)





Media and Programming Updates





As professional sports leagues begin their return, not all are following suit

- While COVID-19 cases have begun to surge again, many leagues have been scaling back or cancelling fall sports. Current updates include:
 - The Big Ten conference has cancelled all non-conference football games.
 - The Ivy League has cancelled all fall football.
 - The NFL has shortened the preseason to two games, down from four.
- According to ESPN, here are the major sports leagues updates related to COVID-19:



NFL - Sources said the NFL and NFLPA management councils are expected to meet Monday in hopes of agreeing to terms on a return to work.



NBA - The NBA announced the schedule Saturday for scrimmages at the Walt Disney World Resort, with 33 games scheduled for July 22 and July 28.



MLB - Spring training 2.0 ... or summer camp? No matter what you call it, baseball's road back to the field has begun.



NHL - The 24-team tournament will begin on Aug. 1 in two hub cities -- Edmonton for the Western Conference and Toronto for the Eastern Conference.



PGA - The PGA of America has made it official by postponing the Ryder Cup and Presidents Cup for a year.



Olympics - The Summer Games in Tokyo have been postponed and organizers said the opening ceremony will now take place on July 23, 2021.



Cycling - The Tour de France has been postponed -- it is now due to start on Aug. 29.



Tennis - The United States Tennis Association is moving ahead with its plans to play the U.S. Open in its projected time frame, starting on Aug. 31.



Wimbledon was canceled for the first time since World War II. The French Open has been postponed and is now scheduled to run from Sept. 20 to Oct. 4.



Horse racing - The 146th Kentucky Derby has been moved from May 2 to Sept. 5. The 145th Preakness Stakes has been rescheduled for Oct. 3.

Source: [ESPN](#)



Audio

Podcasting

- According to the fourth annual IAB Podcast Advertising Revenue Report prepared by PwC, U.S. podcast advertising revenue is expected to grow 14.7% in 2020, despite the pandemic. As growth continues, U.S. podcast advertising revenue is nearing the \$1 billion mark. Additionally:
 - DTC brands (22%) and financial services (16%) make up top podcast advertisers — Health & Wellness and Home & Appliance are the largest DTC sub-categories.
 - Podcast advertising is considered more resistant than other media against COVID-19 due to agile and flexible shifting ad messaging and growing adoption of news consumption.
 - In 2019, podcast advertising revenues increased by 48% reaching \$708.1 million.
- SiriusXM has agreed to buy podcast production/sales company Stitcher (formerly known as Midroll). The deal could top \$300M depending on some financial-contingent payments that SiriusSM has agreed to include. Stitcher podcasts include *Freakonomics Radio*, *My Favorite Murder*, *How Did This Get Made?*, *Office Ladies*, *Conan O'Brien Needs a Friend*, and many more.

Sources:

[IAB Podcast Advertising Revenue Report](#)

[Radio Online](#)





FOR MORE INFORMATION



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