



ADVERTISING IN THE AGE OF COVID-19

The novel coronavirus (COVID-19) has forced immediate, far-reaching lifestyle shifts for American consumers. With most of the country sheltering in place and as people make massive changes to how and when they work (if they are working at all), the pandemic has swiftly transformed all aspects of daily life, including how consumers engage with the media and retail landscapes.

It's unlikely that consumers' lives will return to normal in the near future. And as they've adapted their media and shopping habits to manage their lives through the pandemic, those changes are likely becoming embedded as part of the new normal that will emerge as the country recovers.

Advertisers have experienced similar whiplash as much of the economy has come to a halt. Faced with uncertainty about the future, many companies are responding by trying to freeze all activity, from hiring to marketing. But stopping and cutting all activity can only persist for so long without dramatic downstream effects. Adaptation will be the key to survival, and the marketers who can begin to strategically evolve their approach to changing consumer behaviors now will be way ahead of the game when consumers find post-pandemic balance.

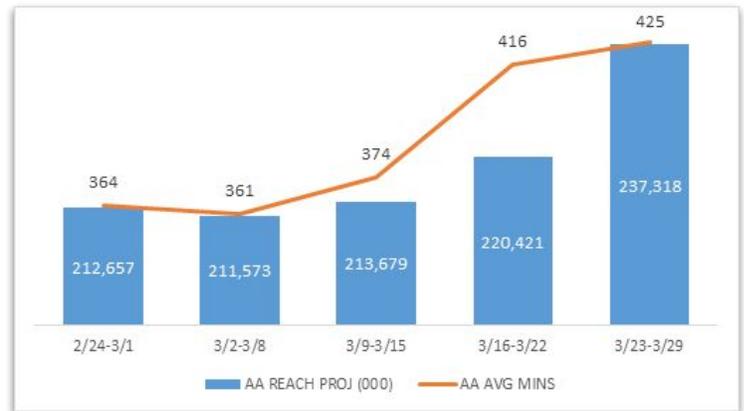
CHANGING MEDIA HABITS

As people spend more time indoors, they're turning to various forms of media for information, connectivity and escape. For advertisers, that means larger audiences and new ways to reach them. And as audiences grow, that means lower costs per GRP, or impression, to reach an ever-expanding set of eyeballs.

TELEVISION

Some of the most dramatic increases in media consumption have been tracked across television viewing. In South Korea, for example, TV viewing **increased by 17%** over a two-week period in February 2020.

Across the U.S., the total use of television (TUT) has increased in both reach and time spent over the past five weeks. And with more people working from home and sheltering in place, daytime television usage is increasing.



RADIO

In addition to consuming more local news and digital media, **83% of U.S. consumers say they are listening to as much radio as they had before the pandemic.** Consumers say they use radio to feel informed and connected to their community. Sixty percent of American adults 18 and older hold radio in high regard and trust it to deliver timely information about the current COVID-19 outbreak.

STREAMING

Perhaps the most dramatic increase has come from streaming video on demand (SVOD), with **total SVOD minutes up 120%** the week of March 23, 2020, compared with the same period in 2019.

Even just within the month of March, streaming increased by about **45%**, as more people stayed indoors.

CONNECTING LOCALLY THROUGH A GLOBAL PANDEMIC

With many states and cities under stay at home orders, people are turning to local news.

The earlier impacted West Coast led the way in viewership increases:

San Francisco: +38%
Los Angeles: +25%
Seattle: +23%

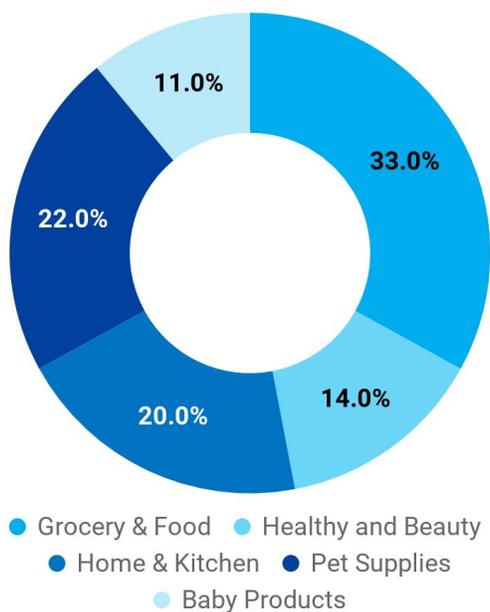
(Increases among viewers 25-54)

CHANGING SHOPPING HABITS

THE RISE OF E-COMMERCE

Consumers have adapted to new, tech-forward ways of shopping, perhaps more quickly than any other time in recent history. E-commerce grocery services like Amazon Fresh and Instacart are now so overwhelmed with demand that delivery windows are unavailable for weeks. Amazon is no longer accepting new online grocery customers due to the dramatic influx. At the peak of stay-at-home orders in mid-March, online CPG sales saw a 91% increase versus the same period in 2019.

SHARE OF E-COMMERCE ABSOLUTE DOLLAR CHANGE WEEK OVER WEEK



Department	Dollar % Growth vs. Prior Week	Dollar % Growth vs. Year Ago
Grocery & Gourmet Food	50%	124%
Health & Beauty	16%	33%
Home & Kitchen	60%	284%
Pet Supplies	56%	87%
Baby Products	92%	164%

Source: Nielsen Total US E-commerce measurement powered by Rakuten Intelligence, Week Ending 3/14/2020; vs Week Ending 3/7/2020

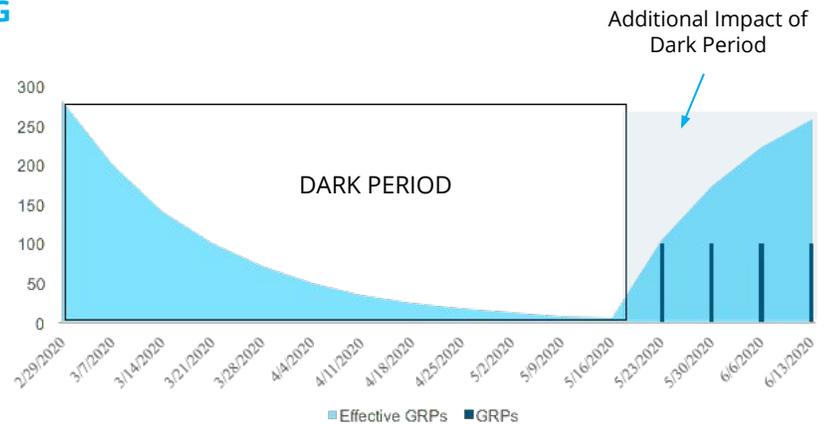
But upticks in online shopping haven't been exclusive to grocery. Other FMCG departments, like health and beauty, baby, and pet supplies have seen equally impressive e-commerce sales boosts.

In the U.S., only about 9% of Americans are brand loyal. With supply chains disrupted and more frequent out of stocks, it's an unprecedented opportunity to capture new buyers. Even more than usual, keeping your brand top of mind with shoppers has the potential to pay off as consumer priorities and needs change in the midst of COVID-19.

HOW ADVERTISERS CAN RESPOND

ASSESS THE IMPACT OF NOT ADVERTISING

Going dark has both short- and long-term implications. Eliminating advertising for a period of time reduces effectiveness of media even when ads go back on the air. With only about half of TV volume realized in the two weeks following the week of execution, it takes time to recoup the awareness lost from a gap in continuous airing.



Nielsen’s Marketing Mix analyses show that short-term decisions to go dark also put long-term revenue at significant risk—both incremental revenue and base sales, which are associated with things like brand equity, distribution and product value. Nielsen’s database of long-term effect models suggests that **cutting advertising for the rest of 2020 could lead to an 11% revenue decrease in 2021.**

LEVERAGE THE STRENGTH OF YOUR PORTFOLIO

Media performance and effectiveness is different across brands, giving you the opportunity to capitalize on strong performance and curb investment in lesser-performing brands.

The **top 25% of brands** within the same advertiser **perform 2.4x better** in terms of return on advertising spend than the bottom 25%.

Return on Ad Spend (ROAS) Range

■ Top 25% ROAS Brands ■ Bottom 25% ROAS Brands



Source: Nielsen ROI Compass based on Marketing Mix Studies conducted 2017-2018, where advertiser had 5+ measured brands within their portfolio

THE PATH FORWARD

ADAPTING YOUR STRATEGY FOR EMERGING CONSUMER PATTERNS

As people tentatively settle into a new way of life, there are emerging patterns for how habits have shifted. Media usage is increasing as a result of stay at home orders. More people across demographics are watching daytime television and streaming viewership has more than doubled since last year.

As digital and contactless interactions have become synonymous with “safe,” COVID-19 has ushered in a [wave of technology adoption](#). Shoppers have adopted e-commerce—particularly in grocery—at an unprecedented rate, fundamentally changing one of the last strongholds of brick-and-mortar retail.

Although we’re in the midst of the most significant global event in recent history, where there are patterns, there can be decisions. And just as people are trying to mitigate risk in their daily lives, advertisers now have information that can help them adapt their marketing strategy and mitigate risk for their businesses.



ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global measurement and data analytics company that provides the most complete and trusted view available of consumers and markets worldwide. Nielsen is divided into two business units. Nielsen Global Media, the arbiter of truth for media markets, provides media and advertising industries with unbiased and reliable metrics that create a shared understanding of the industry required for markets to function. Nielsen Global Connect provides consumer packaged goods manufacturers and retailers with accurate, actionable information and insights and a complete picture of the complex and changing marketplace that companies need to innovate and grow.

Our approach marries proprietary Nielsen data with other data sources to help clients around the world understand what's happening now, what's happening next, and how to best act on this knowledge.

An S&P 500 company, Nielsen has operations in over 100 countries, covering more than 90% of the world's population. For more information, visit www.nielsen.com.

Copyright © 2020 The Nielsen Company (US), LLC. All Rights Reserved.