



Credit: NY Times

Marketing and the present moment

Last updated: May 12th, 2020

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Consumer Update:

Where we are in the crisis &
factors to consider

Advertising update:

Why now?
And how?

We'd like to thank these organizations who have published the valuable research shown in this report:

Acupoll, Bain, BCG, Comscore, eMarketer, Financial Times, IAB, Ipsos, IRI, Journal of Advertising Research Kantar, LEK research, Luth Research, McKinsey, MAGNA, Mindshare, Nielsen, NCS, NY Times, Persado, Peter Field, Real Eyes PWC, System-1, Unacast, Vidmob.

Consumer and the present moment

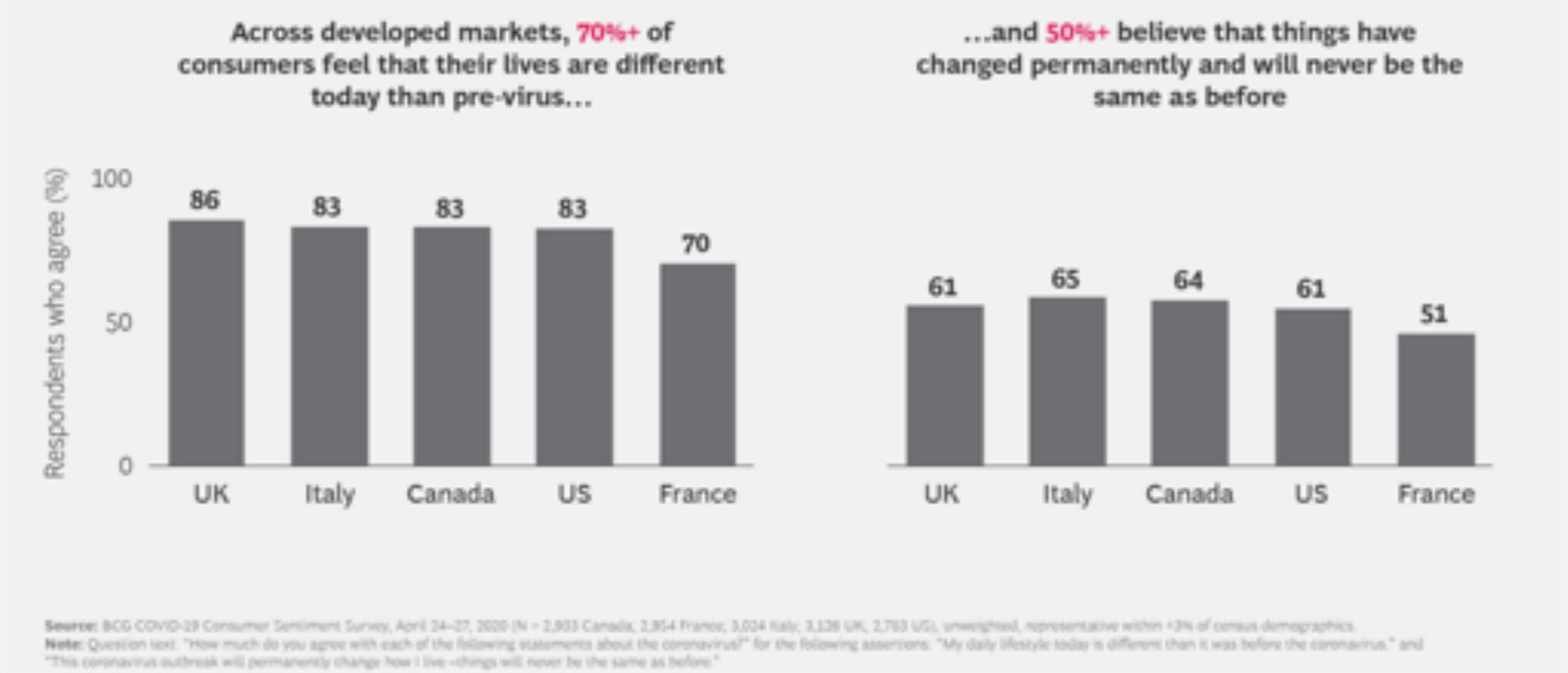
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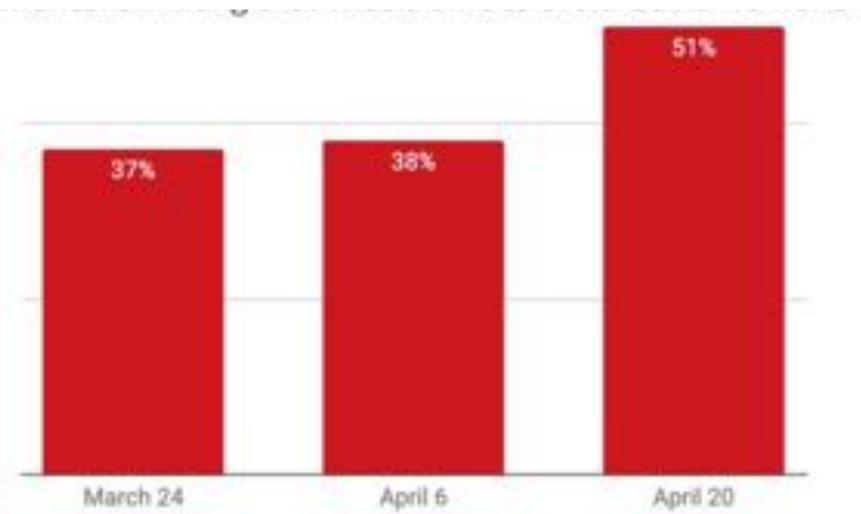
Why now?
And how?

Everything is now different. Will it ever be the same?



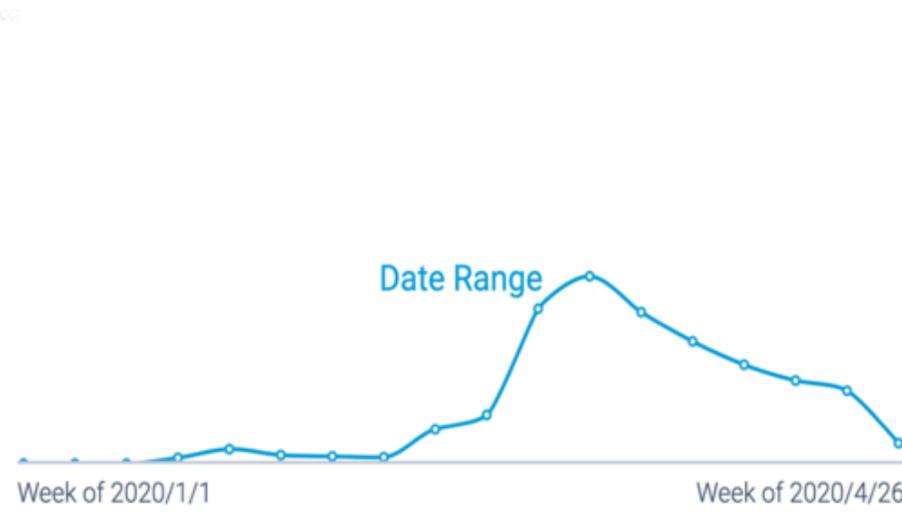
COVID-19: We are tired of it all

Avoiding Covid-19 news



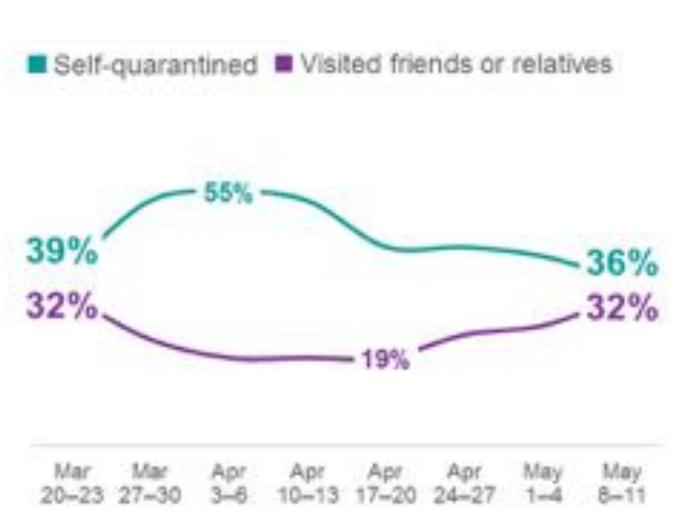
Source: Mindshare

Not talking about it



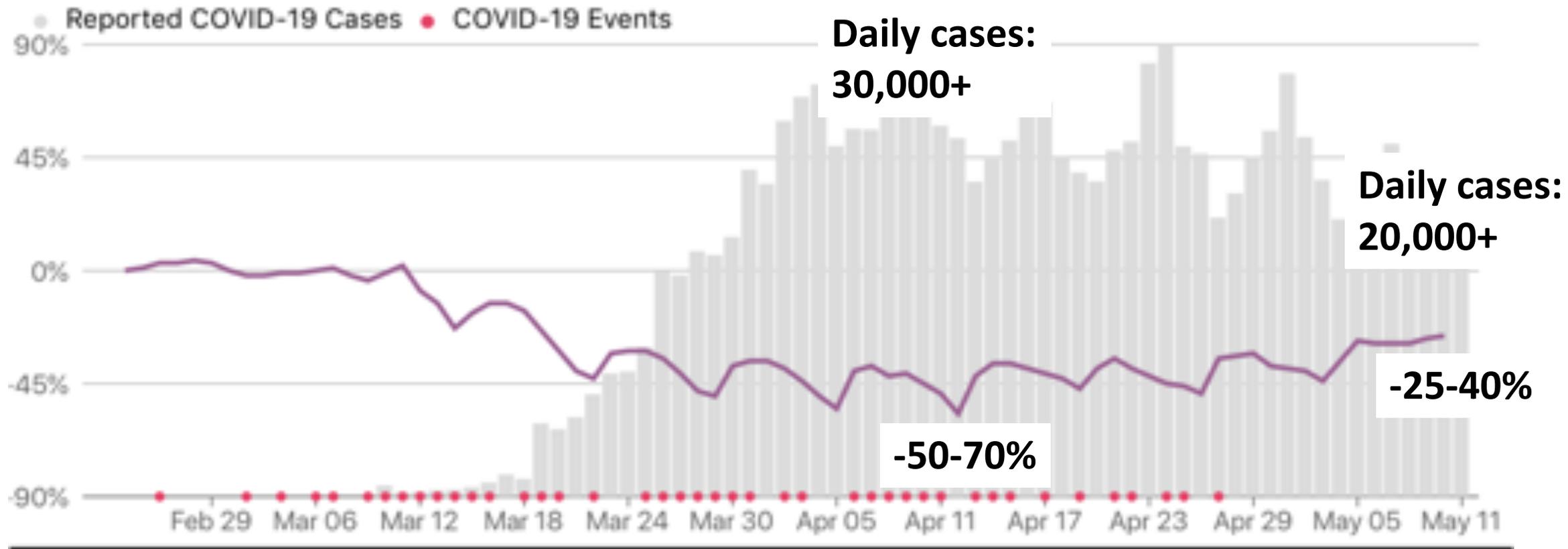
Source: IRI

Taking fewer precautions



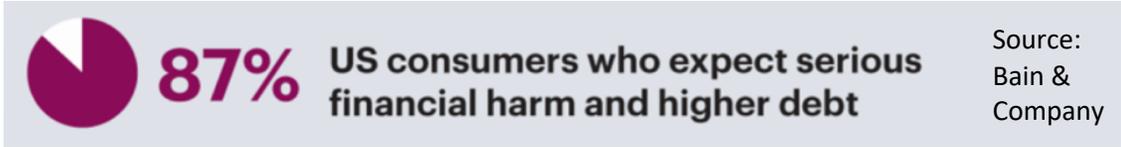
Source: Ipsos

Lockdown: Is it working?



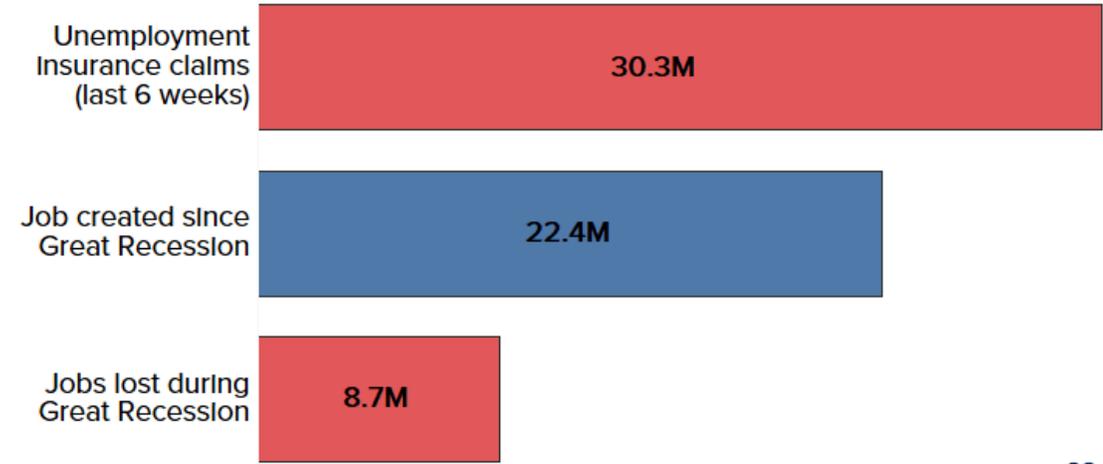
Source: Unacast

Economy: An increasing concern

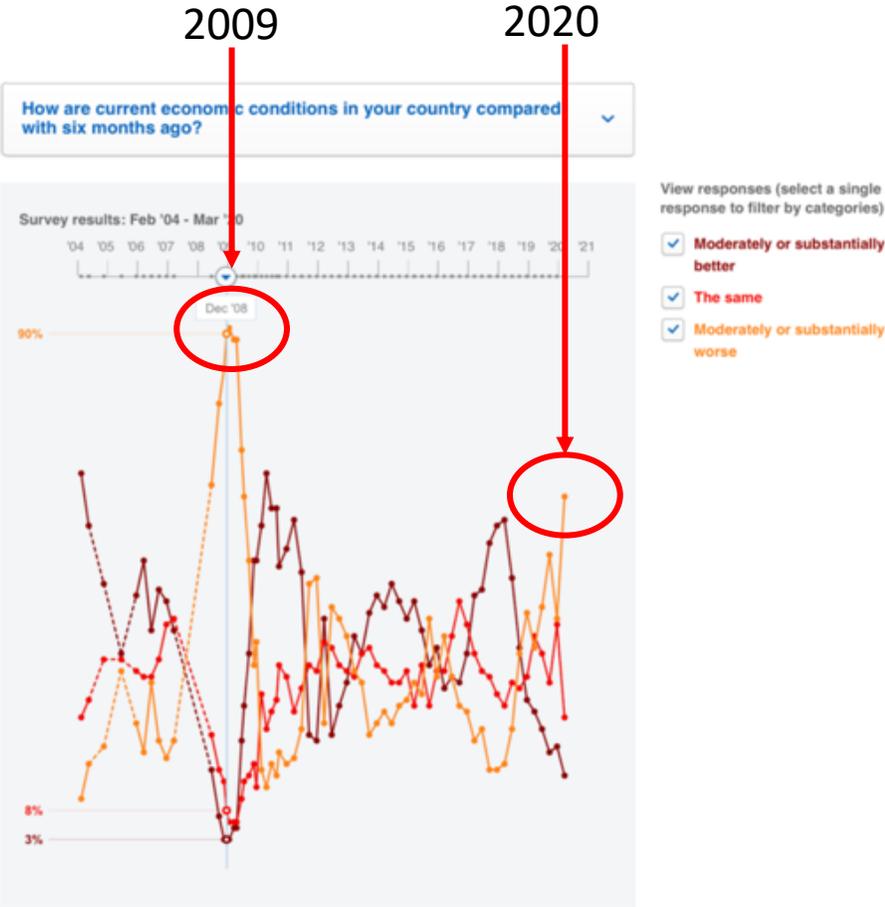


Dashboard

Coronavirus job losses surge



SOURCE: Dept. of Labor, Bureau of Labor Statistics



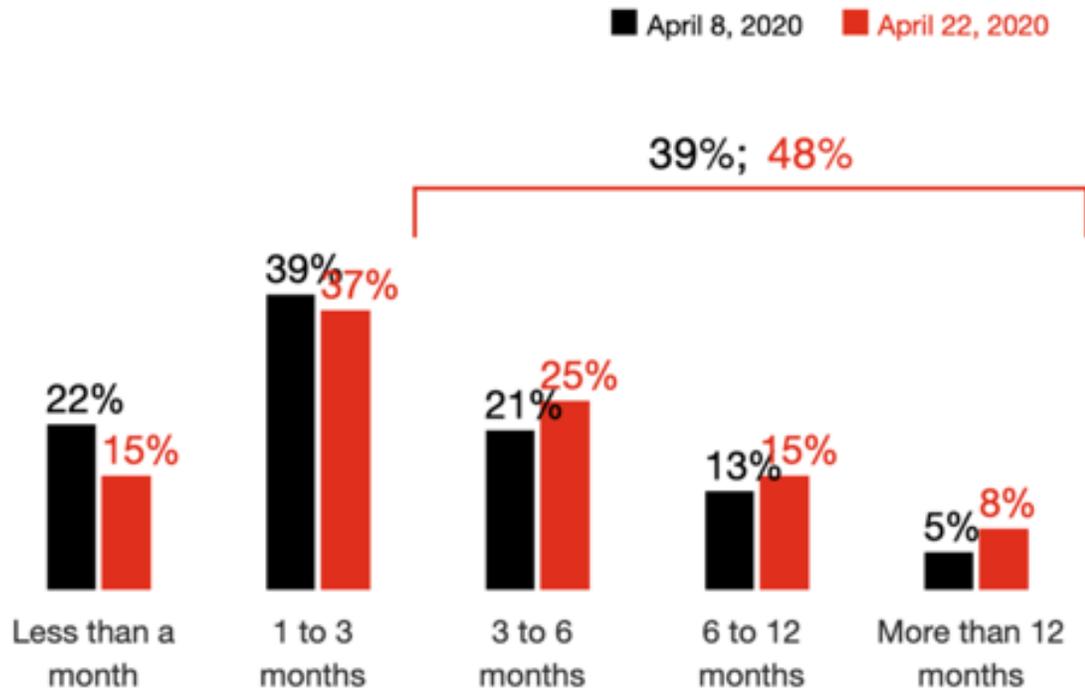
Specifically, compared with early September 2008

Source: McKinsey



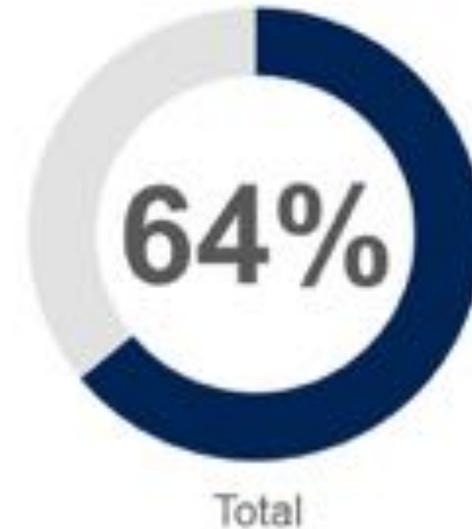
Reopening: A polarizing issue and a moving target

CFOs expectations on time of recovery continue to extend



Source: PWC

Opening the economy is not worth it for most Americans



© 2020 Ipsos

Source: Ipsos

New normal: It's complicated

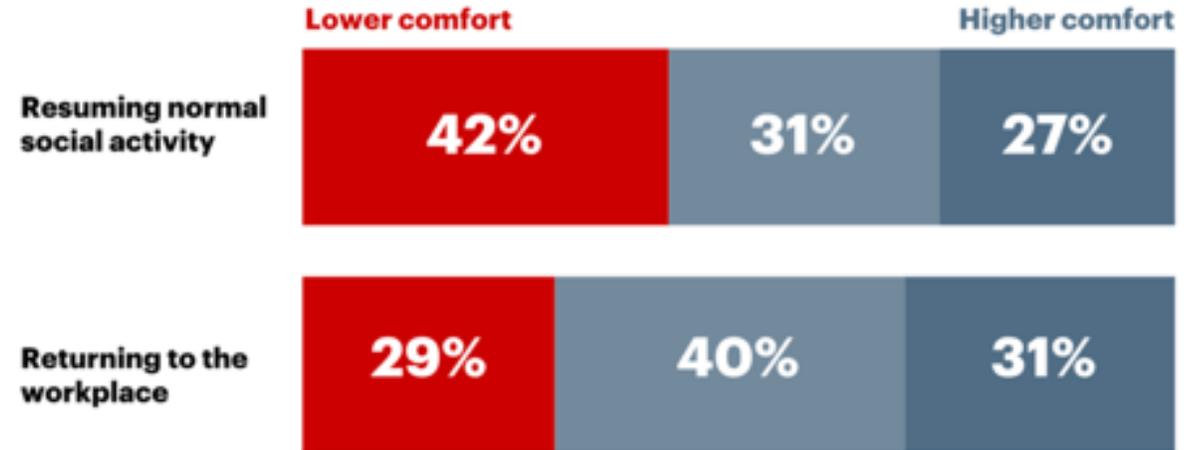
“Did we go ‘back to normal’ after 9/11? No. We created a whole new normal.

We securitized the United States. We turned into an antiterror state. And it affected everything. We couldn't go into a building without showing ID and walking through a metal detector and couldn't get on airplanes the same way ever again.

That's what's going to happen with this.”

Laurie Garrett

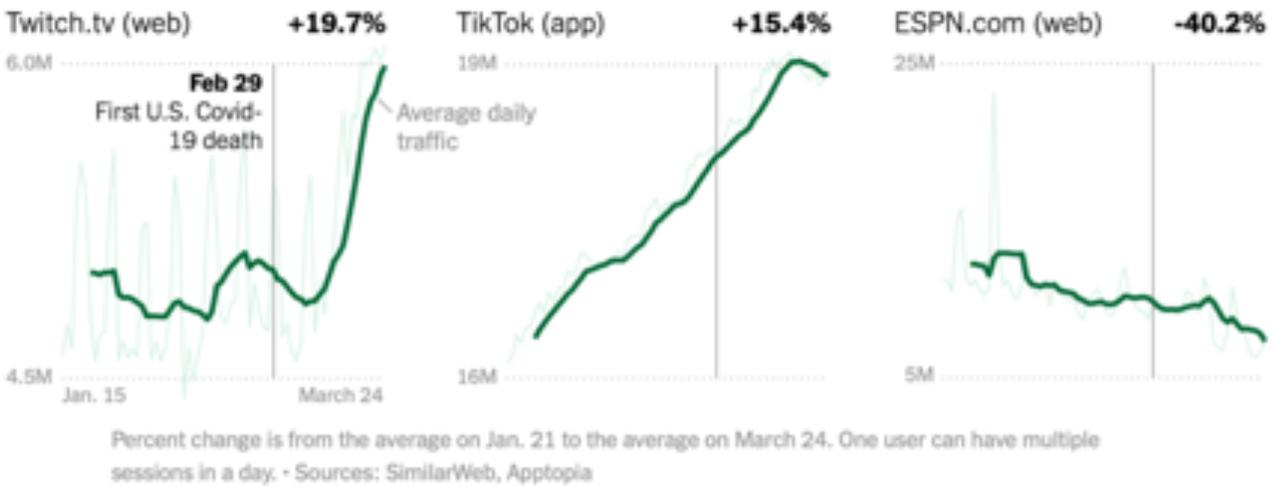
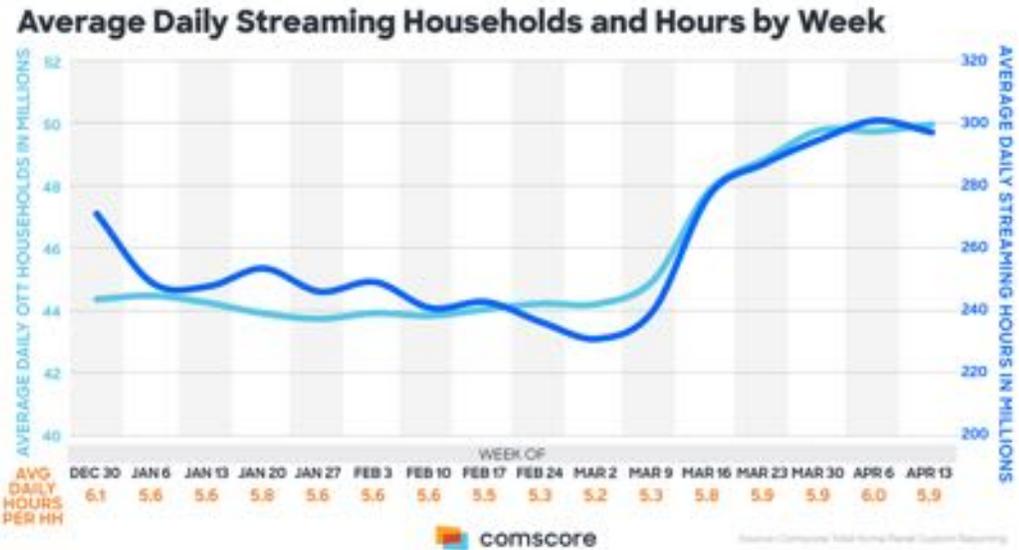
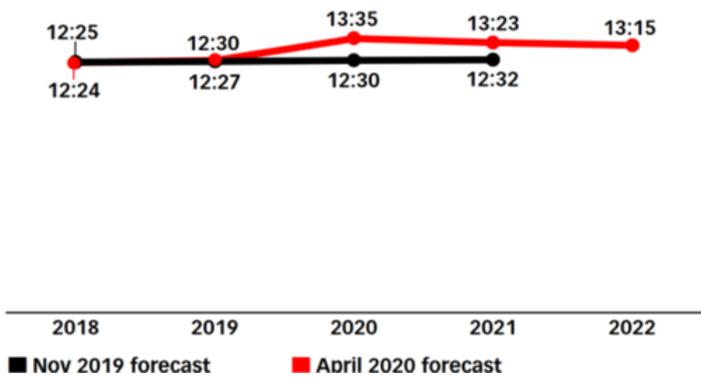
Americans are less comfortable returning to their social lives than they are returning to the workplace



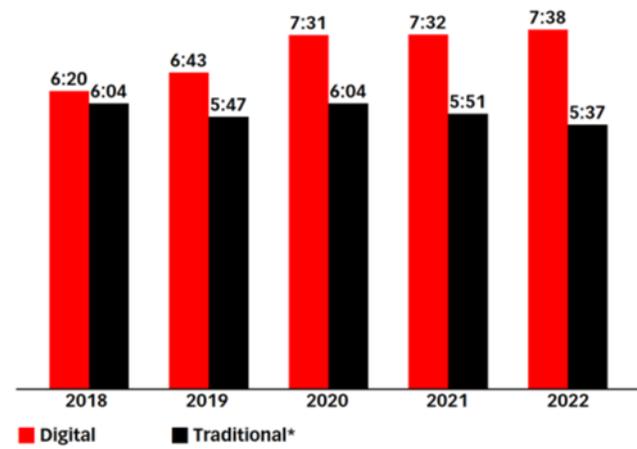
Source: Bain & Company

Media: MORE!

How Has the US Average Time Spent with Media Forecast Changed? 2018-2022
hrs:mins per day among population, Nov 2019 vs. April 2020

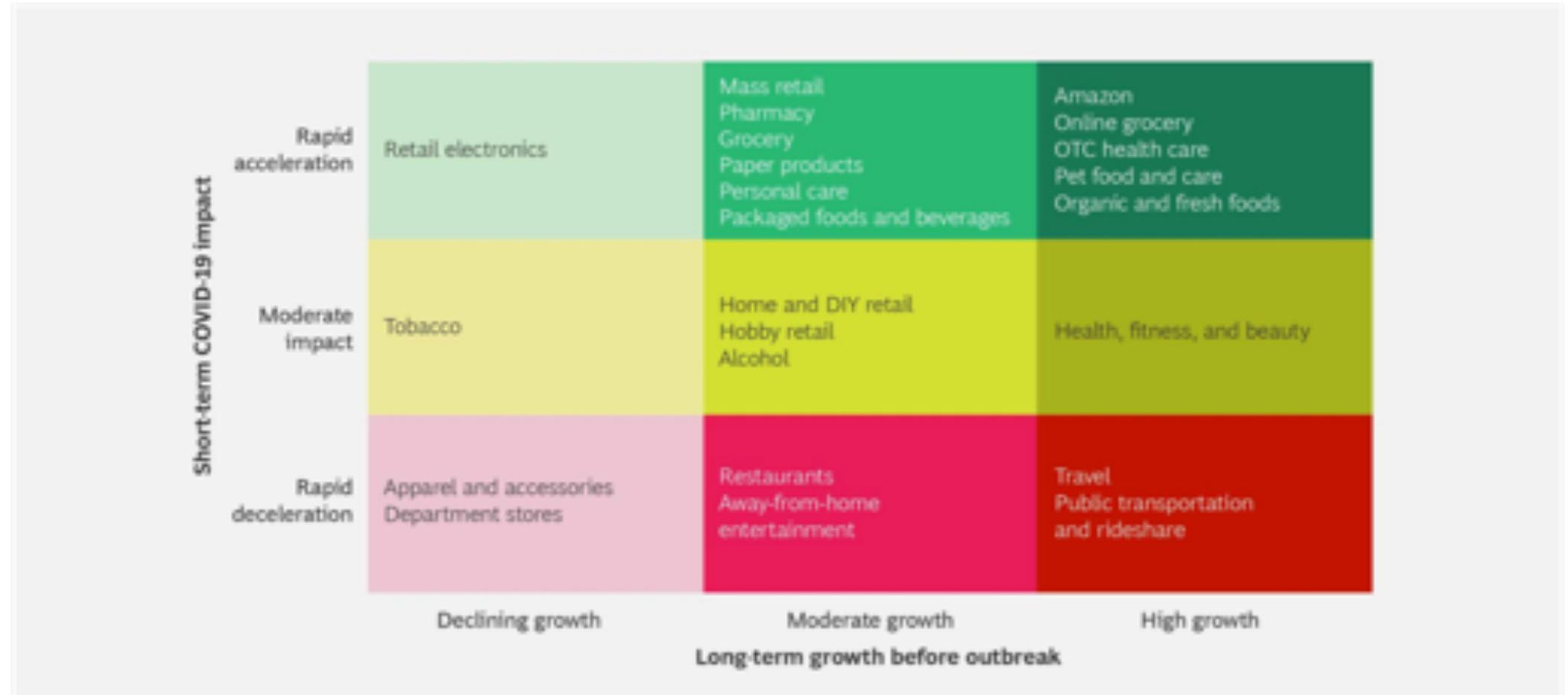


Traditional* vs. Digital Media: Average Time Spent in the US, 2018-2022
hrs:mins per day among population



Source: comScore, NY times, emarketer

Consumption: Acceleration of long-term trends (and some reversal)



Source: BCG analysis on credit card and IRI data

Psychology: It hasn't been all bad

Staying home has been an opportunity to find meaning

Majority of Americans feel Better about:

Relationship with their family: +19%

Their priorities in life: +18%

The development of their children: +12%

*"This has **changed me for the better**"*

*"I stop to **thank people** at the grocery"*

*"Helping my kids process **their feelings**"*

*"I **am proud of myself** for not breaking down"*

*"Taking time to **reflect, exercise**, spend more time with my **family**"*

*"Engaging my family in activities **they never participated before** like cooking"*

Current Mindset: Summer or the apocalypse (or both)?

Rising Retail Categories in Google Search

VS a year Ago (up to 900% or more)

Surgical Gowns, Household disinfectants
Sneeze Guards, Hand sanitizers & wipes,
Disposable Gloves,
Neck Gaiters, Protective Masks, Hazardous
Material Suits, Liquid Hand Soap, Bleach,
Antiseptics & Cleaning Supplies, Bidet Faucets &
Sprayers, Infrared Thermometers, Gas Mask &
Respirator Accessories, Webcams, Paper Towels

Yeast, Breadmakers, Bread Pans & Molds
Free Weights, Bicycle Brake Parts

VS a month ago (up to 200%)

Home outside:

Swimming Pools, Outdoor Umbrellas & Sunshades, Sprinkler
Accessories, Outdoor Umbrella & Sunshade”

Outdoor Activities:

Water Parks & Slides, Vehicle Boat Racks, Golf Bag accessories,
Roller Skates, Paddleboards, Wakeboarding, Kayaks, Motor-
Boats, Bicycles, Trampolines

Food prep:

Ice Crushers & Shavers, Tortilla & Flatbread Makers, Outdoor
Tables, Frozen Drink Makers, Food Mixers & Blenders,

Personal care:

Skin Care Masks & Peels, Necklaces, Spas, Sunscreen,

In Summary:

Our state of mind after weeks of lockdown...

- **Everything is now different.** Will it ever be the same?
- **COVID-19:** We are tired of it all
- **Economy:** An increasing concern
- **Reopening:** Polarizing (and a moving target)
- **New normal:** It's complicated...
- **Media:** MORE!
- **Consumption:** Acceleration of long-term trends (and some reversal)
- **Psychology:** It hasn't been all bad
- **Current Mindset:** Summer, or the apocalypse (or both)?

Advertising and the present moment

Consumer Update:
Where we are in the crisis &
factors to consider

Advertising update:
Why now?
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The advertising decision tree in times of crisis

Should we stay on air or not?

Yes

No

What should be our goal?

What creative should we use?

Long/
Brand

Short/
performance

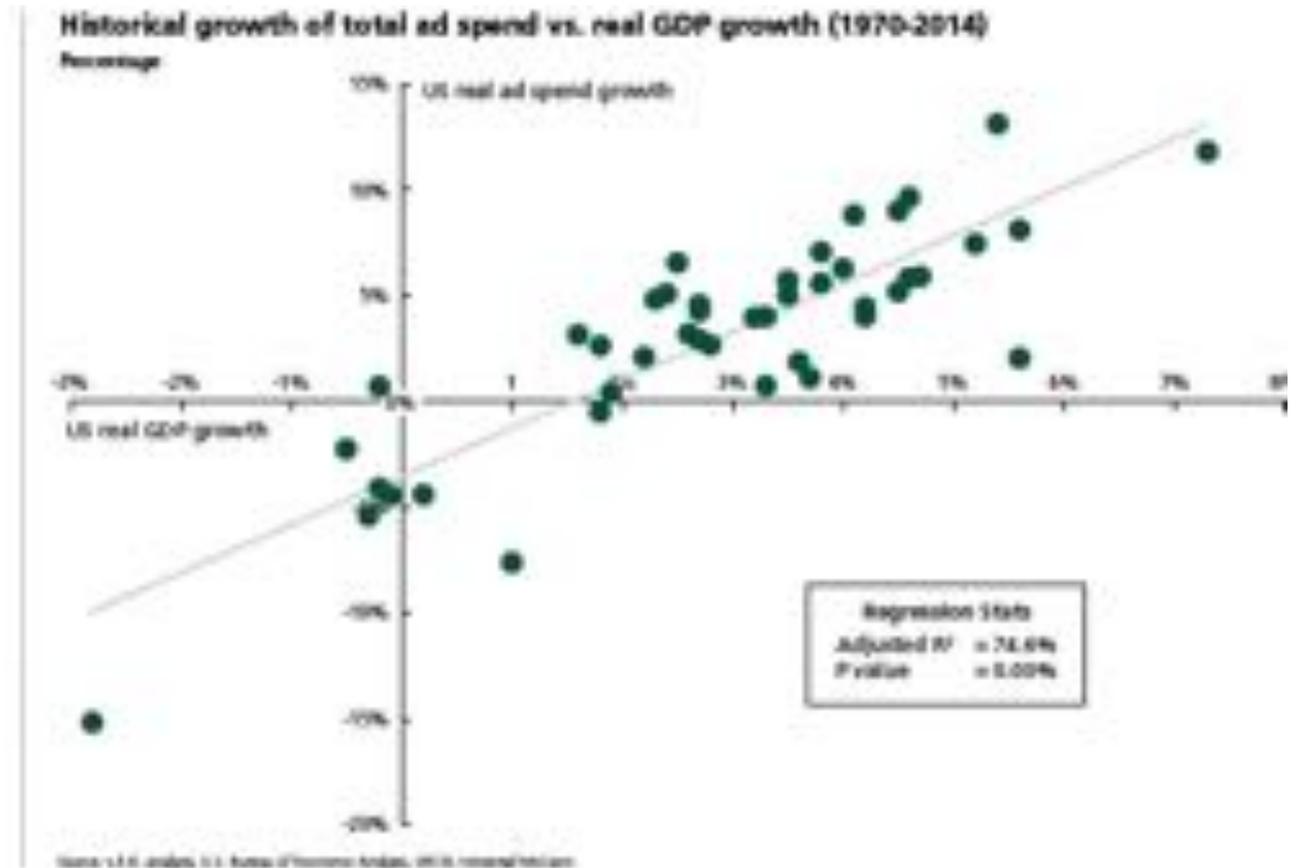
Both

New

Same as
before

Ad Spend and the economy: We all move in the same direction

- 75% of the change in ad spend is explained by change in GDP
- Basically, advertisers adjust their spend based on the economy and follow a herd mentality



Recession: We hit the brakes HARD on ad spend

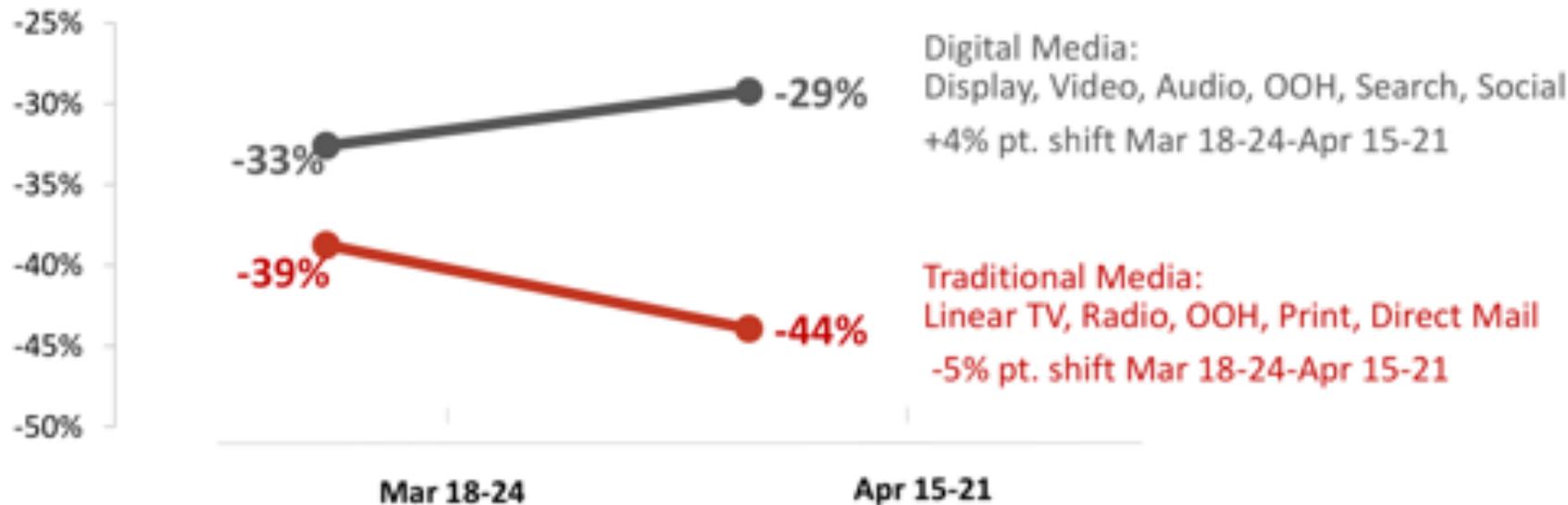
- On average 1% drop in GDP causes 4.4% drop in advertising
- Advertising is still not seen as a source of competitive advantage although it could be.



According to a study by (AAAA) advertising during difficult times results in increase in a 1.5-point gain in incremental market share, much greater market share gains than in periods of economic prosperity.

State of advertising: Spend is already down

- *Digital* ad spend is down 29%, slightly improving
- *Traditional* media is down 44%, continues downturn
- Advertisers who leverage news more likely to pause/cancel ads
- 43% of originally planned Sports budgets are off the table
- Yet, nearly 26% *more brands are advertising on TV today vs. a year ago*
- Audience targeting is up (+38%)



Sources:

1. IAB buy side survey, April 2020
2. iSpot analysis of national advertising from March 14 through April 12. (March 14 was selected as the starting point because it marked the first Saturday at the start of pandemic lockdown without live sports broadcasts.)

What the research says: keep spending (if you can)

Strategy	Expected outcome based on research
Cutting Spend	Cutting back on advertising during a recession can hurt sales <i>during and after</i> the recession, without generating any substantial increase in profits.
Maintaining Spend	Not cutting back on advertising during a recession could increase sales <i>during and after</i> the recession
Increasing Spend	Increasing advertising during a recession may boost sales, market share, or earnings during or after the recession because <i>most firms tend to cut back on advertising during a recession.</i>

A MORE POSITIVE INTEREST IN ADVERTISING AND BRANDS



Source: Ipsos

“Do not hit the panic button and withdraw brand advertising, unless short-term survival depends on it.

Resist the pressure to switch advertising spend from brand solely to activation.

Maintaining SOV is likely to be cheaper than in normal times.”

PETER FIELD



Creative (1/2): Initially, we all got the same brief

73%

of advertisers are adjusting their messaging*

Decided to:

1. adjust tone of voice
2. show empathy
3. Communicate that *we are in this together*

58%

Mentions Crisis in new creative

Creative (2/2): we all got to the same place



Source: Youtuber Microsoft Sam - <https://www.youtube.com/watch?v=vM3J9jDoaTA>

A tinkling piano.

Monochrome deserted streets.

An old newspaper blows past.

Empty chairs. Gloomy skies.

Concerned faces.

"We've been there for you since 19-something something," says a comforting, homespun voice.

The tempo of the piano increases. The sun rises.

"But in these unprecedented times," the voice continues, *"we can still be there for each other and our families."*

Product shot.

Slow motion video of employees interacting in a friendly yet socially isolated manner.

Children play at home on the sofa. An old person waves through a web cam.

"Together with you."

Logo.

Or did we?

1. People are less receptive to sentimental messaging *interwoven* with technical product aspects and more transactional sales messaging.
2. Pick one, as they may not work well together.

RANK	BRAND	CAMPAIGN	RE SCORE	WORD COUNT	SENTIMENT (Google)
01	Ford	Built to Lend a Hand	65	72	0.2
02	Hyundai	Hyundai Assurance	61	89	0.1
03	Chevrolet	Chevy Cares: Doing Our Part	57	156	0.2
04	Buick/GMC	We're Here to Help	54	82	0.1
05	Toyota	We're Here For You	53	53	0.1
06	Cadillac	We Have Your Back	33	87	0.3
Industry Benchmark			51		

Source: Realeyes / Using computer vision and machine learning, the company measures how people feel and their attentiveness as they view your content online through their camera's device

Evolving narratives: From pandemic to (new) normalcy

 **mindful narratives**
Mapping the language of conscious communications.

 reassurance

nurture	resilience	alleviation	...
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we're here for you
you can count on us
what we're doing for your safety

 sanctuary

distraction	inspiration	comfort	...
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a happy distraction
necessary for nesting
your happy place made better

 optimism

positivity	solidarity	endurance	...
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just to see you smile
we're in this together
not losing steam

 wellness

self-care	tranquility	enrichment	...
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permission to treat yourself
keep calm & stay sane
for your new-normal everyday

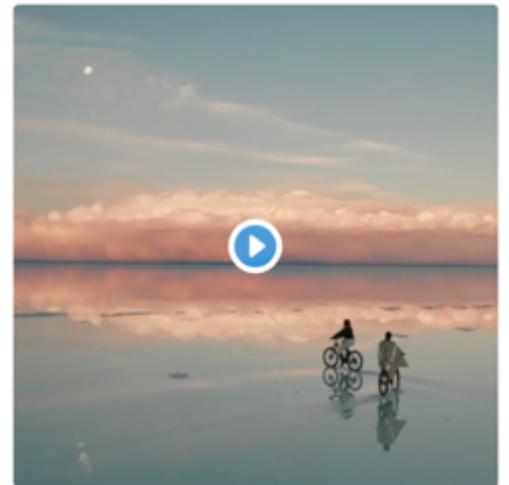
 **Marriott Bonvoy**
@MarriottBonvoy

We will travel again.

Soon, we will step out from behind our screens. We will look each other in the eye — instead of the camera.

We will clink glasses. We will exchange hugs. We will travel again.

Until then, stay healthy and stay positive. We'll be waiting.



1,383 likes 10:43 AM - Mar 27, 2020

570 people are talking about this

Source: Persado/ an AI-powered message machine that understands language and breaks down marketing creative into its critical elements: narrative, emotion, descriptions, calls-to-action, formatting, and word positioning

Comfort “food”

- **Established Brand Characters.** Established characters provide consistency in a time of crisis. They also have the benefit of operating in a slightly parallel brand world that remains unaffected by world events, allowing brands to play with humor.
- **Familiar Scenarios.** Ads with a repeatedly used scenario or with a familiar tagline which play out in a slightly parallel make-believe world. They often depict a scene unfolding — a drama not a lecture — with characters or actors playing parts.
- **Ads set in the past.** Ads that are set in the past enable you to show groups, human connection and humor, while avoiding any sensitivities associated with a modern-day context.

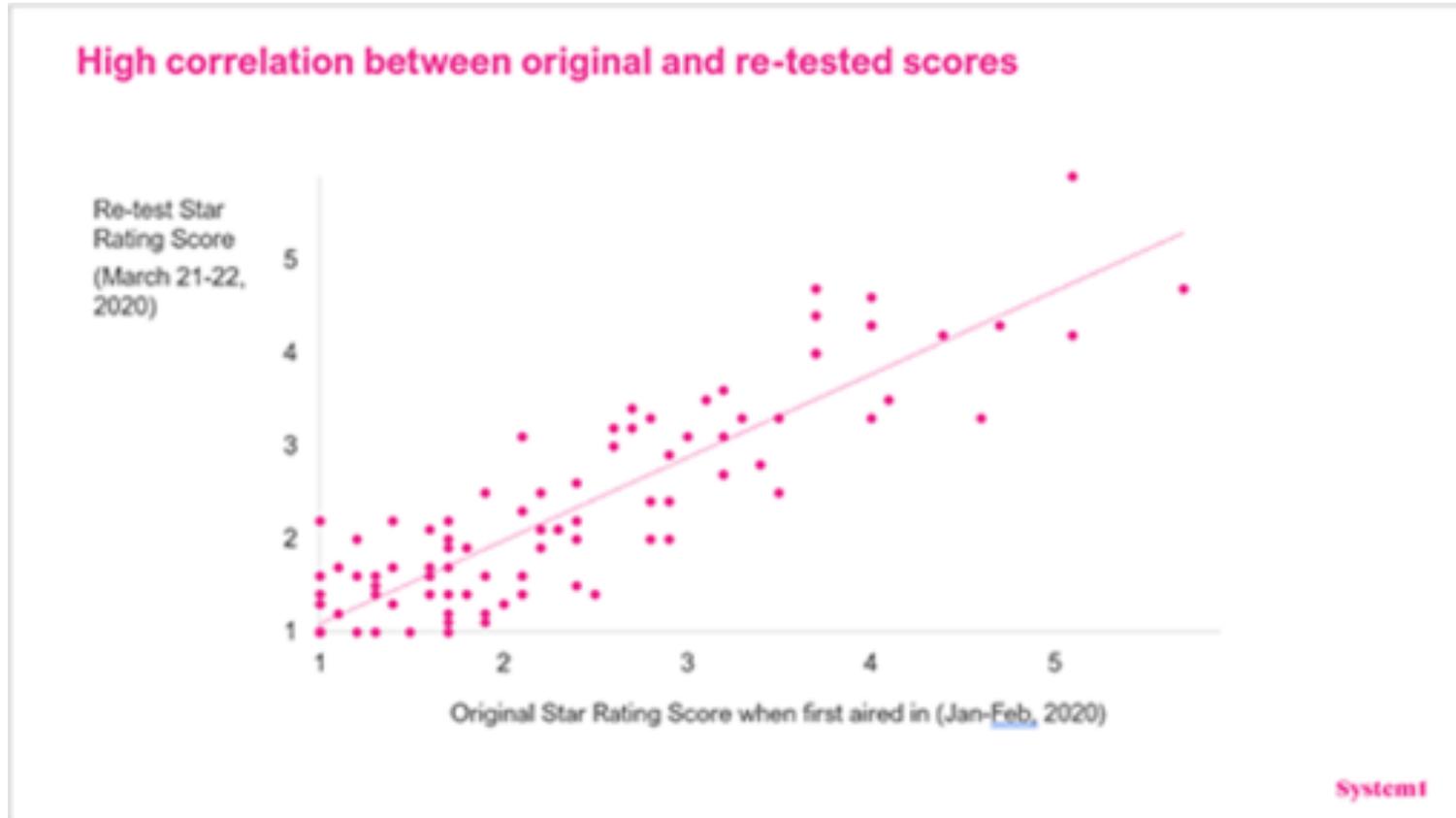


32%

“According to our analysis of video ad viewing experiences in the U.S., people are showing 32% fewer happy emotions, and a 2.9% drop in attention.”

RealEyes

What about your old ad?



System1 re-tested 100 ads — mostly B2C — in the UK (50 ads) and the US (50 ads) from January and February 2020 (the period before the pandemic hit these countries) to investigate whether these ads are connecting any differently today. The ads were chosen at random from across the sectors covered and the re-test was conducted over the weekend of 21-22 March.

What to avoid: aggressive, high energy, rhythmic pace

[PERSADO]



Stop: Do not use

1. Puns or jokes about the COVID-19 outbreak
2. Words or phrases that convey undue urgency or alarm
3. References to "updates," "news," "developments" etc.

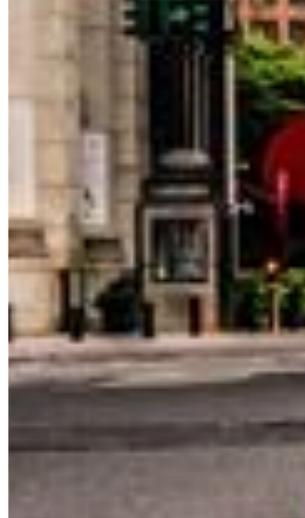


Pause: Consider context and tone

1. Language implying immediate action is necessary
2. Explicit or indirect references to the situation in playful ways
3. Strongly suggesting or prescribing actions related to the situation

- **Aggressive, competitive or performance-focused ads.** It is high energy, loud and aggressive in the current context.
- **Ads reliant on words and rhythm.** Although tempting, over-reliance on the use of on-screen words and rhythmic soundtracks are common features of ads that are performing worse today.
- **The direct 'hard sell' ad, focused on price or promotion.** Ads that stress price and offers — at least at this stage in the crisis.
- **Ads that pander to vanity or self-image.** Ads that are highly self-conscious and encourage you to project an image to the world.

Concluding:



State of consumer and advertising

Last updated:
May 12th

1. Consumer attention: Shift from Covid to the economy (for now)
2. Mindset: People are stressed, but the summer is approaching
3. Advertising: brands should not go dark / they should maintain spending *if possible*
4. Creative: we need to evolve the creative formula or use existing assets.