

MARKETING IN THE AGE OF COVID-19

A periodic communique regarding the impact of the virus on marketing

VERSION 2
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·FITZCO·

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EXECUTIVE SUMMARY

METHODOLOGY

On March 20, 2020, Fitzco surveyed 700 adults 18+ in the United States to uncover their thoughts, attitudes and behaviors toward COVID-19 and social distancing via our proprietary consumer panel. Data was weighted on age and gender to reflect the demographics of the general population in the US. The margin of error of this study is +/- 4% at the 95% confidence level. Data sourced to *Fitzco* refers to the findings of this study.

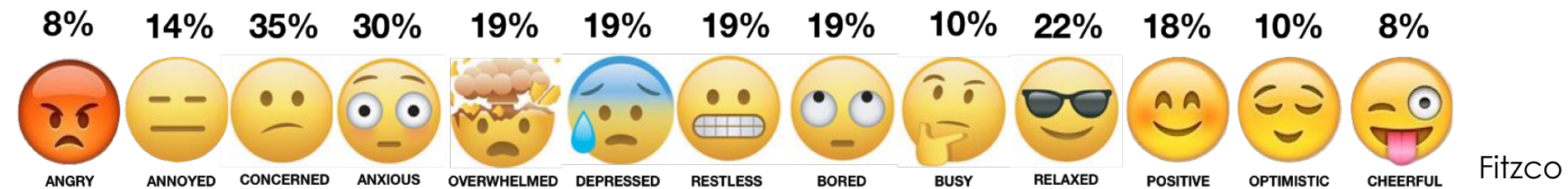
Additionally, a survey was conducted online within the United States by The Harris Poll on behalf of Fitzco from March 23-24, 2020 among 1,043 U.S. adults ages 18 and older. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. Data sourced to *The Harris Poll* refers to the findings of this study.

FINDINGS

- I. ALTHOUGH PEOPLE ARE UNSURE ABOUT HOW TO REACT TO THE PANDEMIC THEMSELVES, MOST THINK BRANDS SHOULD CONTINUE COMMUNICATION
- II. TRADITIONAL MEDIA RISES TO MEET DIGITAL MEDIA CONSUMPTION
- III. SOME NEW BEHAVIORS CREATED DURING SOCIAL DISTANCING HAVE STAYING POWER
- IV. LOOKING TO THE FUTURE: WHAT WILL MARK THE TRUE END OF THIS ERA AND THE START OF THE NEXT?

ALTHOUGH PEOPLE ARE UNSURE ABOUT HOW TO REACT TO THE PANDEMIC THEMSELVES, MOST THINK BRANDS SHOULD CONTINUE COMMUNICATION

WHAT BEST DESCRIBES YOUR CURRENT STATE OF MIND?



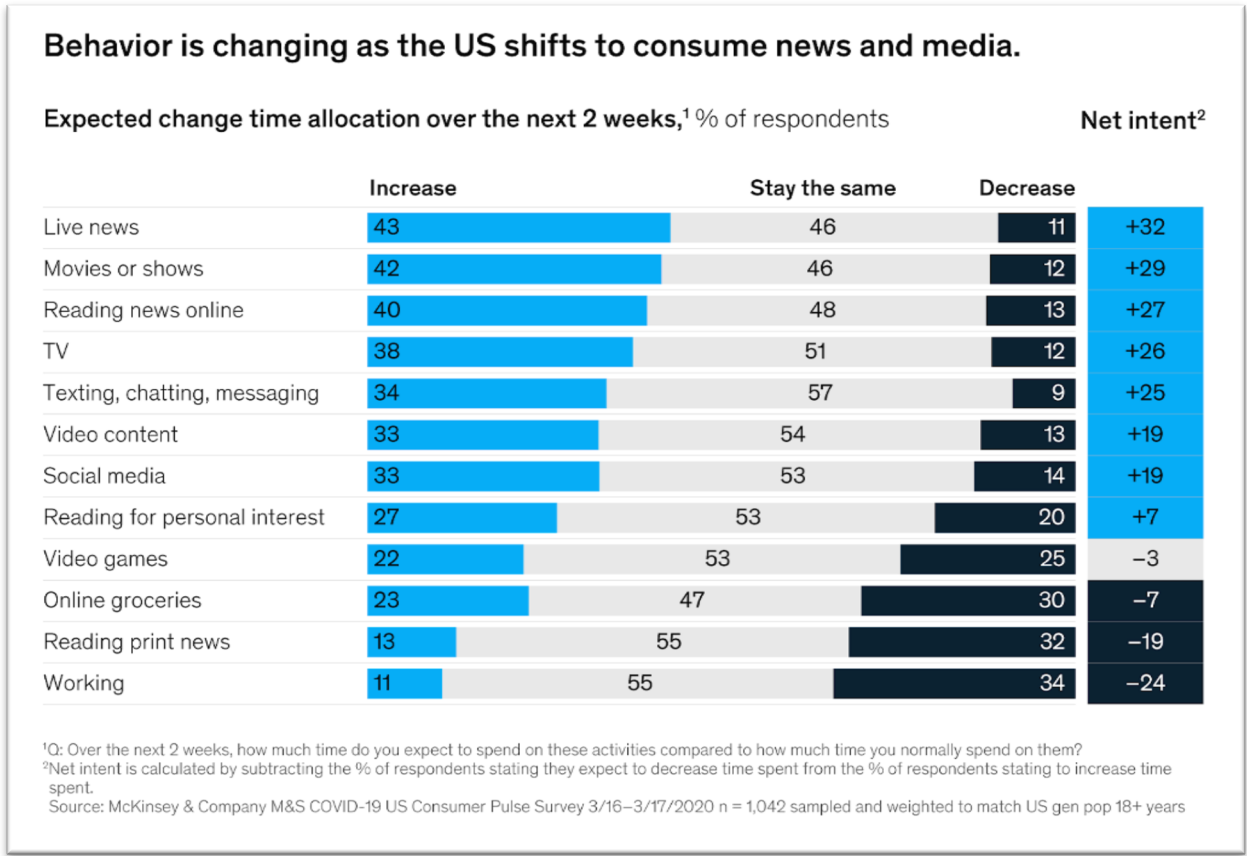
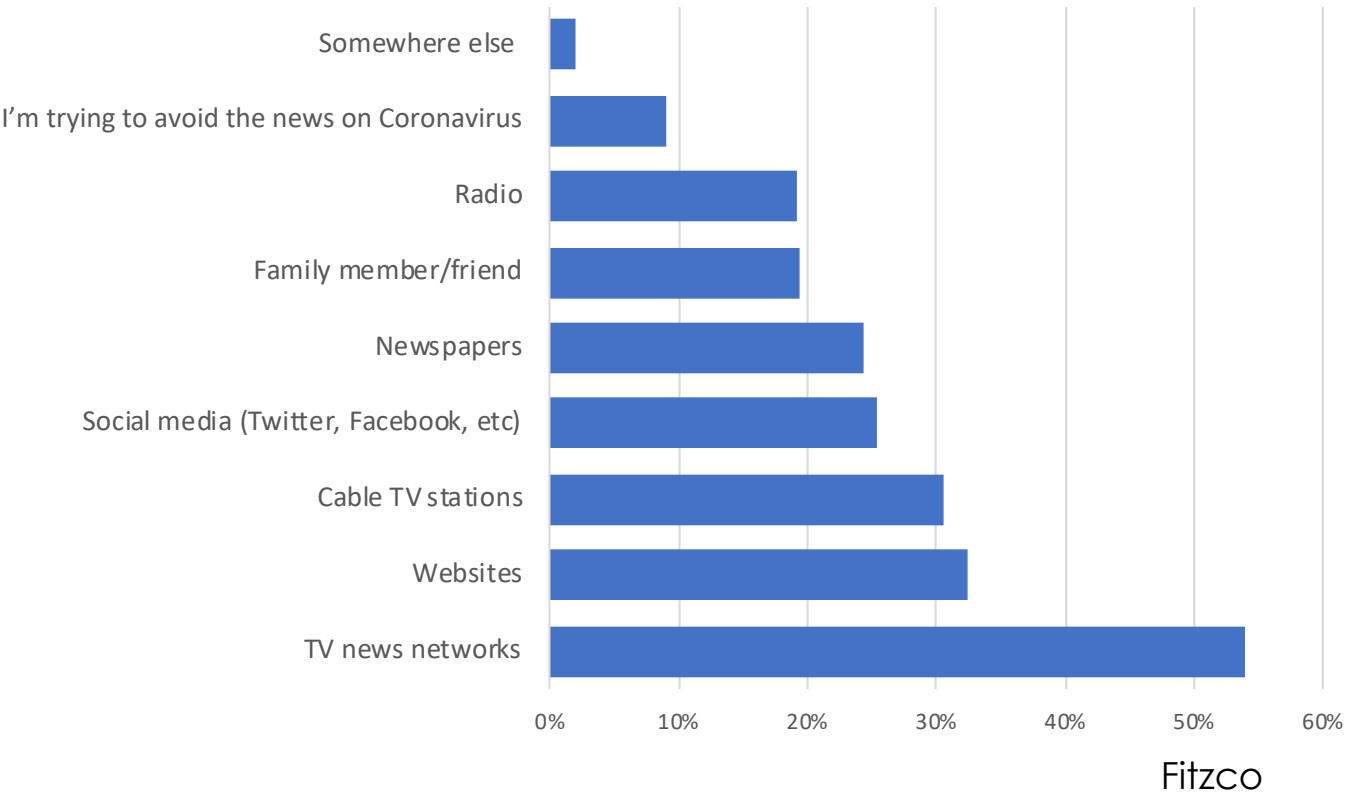
- a. People are split on how to react to the COVID-19 pandemic: there are those who think we are overreacting and those who are more stressed than ever.
 - i. 65% of Americans are reporting feeling anxious and concerned right now, while 63% of people also report that the public is overreacting. (Fitzco)
- b. However, most people do not want brands to retreat right now.
 - i. 79% of consumers report it is appropriate for brands to continue advertising as normal, while only 21% think it's inappropriate for them to continue. (Fitzco)
 - ii. 64% of consumers even report it's appropriate for brands to reference coronavirus in their advertising. (Fitzco)
- c. At this point in time, it is not recommended that brands go dark. Since this time is filled with a lot of uncertainty, it is an opportunity to build and maintain meaningful relationships with consumers rather than driving sales. ([Campaign](#))
- d. For brands who have products and services that can't be utilized by consumers right now, they should pivot and hold off on advertising those goods but not completely overhaul brand messaging.

Implication: Though Americans are split on their feelings towards the pandemic, most are certain that brands should continue communicating with them. As the weeks continue, brands should continue to monitor consumer feelings and reactions to see how they shift and look for indicators of a desire for a change in brand communications.

TRADITIONAL MEDIA RISES TO MEET DIGITAL MEDIA CONSUMPTION

- a. During this time, people are consuming media in atypical ways, increasing their consumption of traditional media more than usual.
 - i. The routine of watching the Nightly News is back. 52% claim that they have formed a new habit during social distancing - watching the news (The Harris Poll)

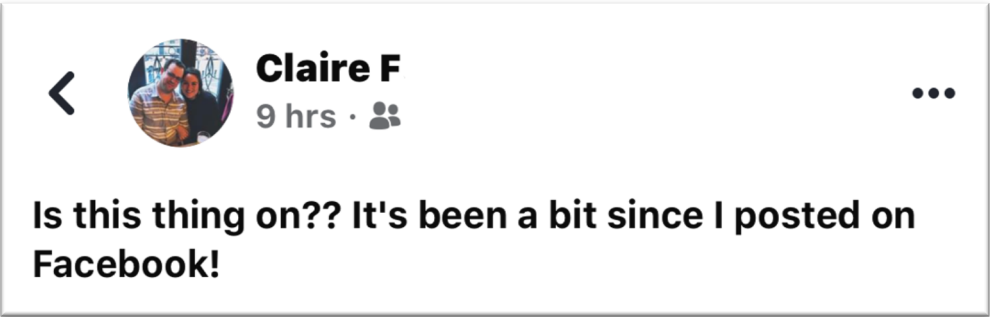
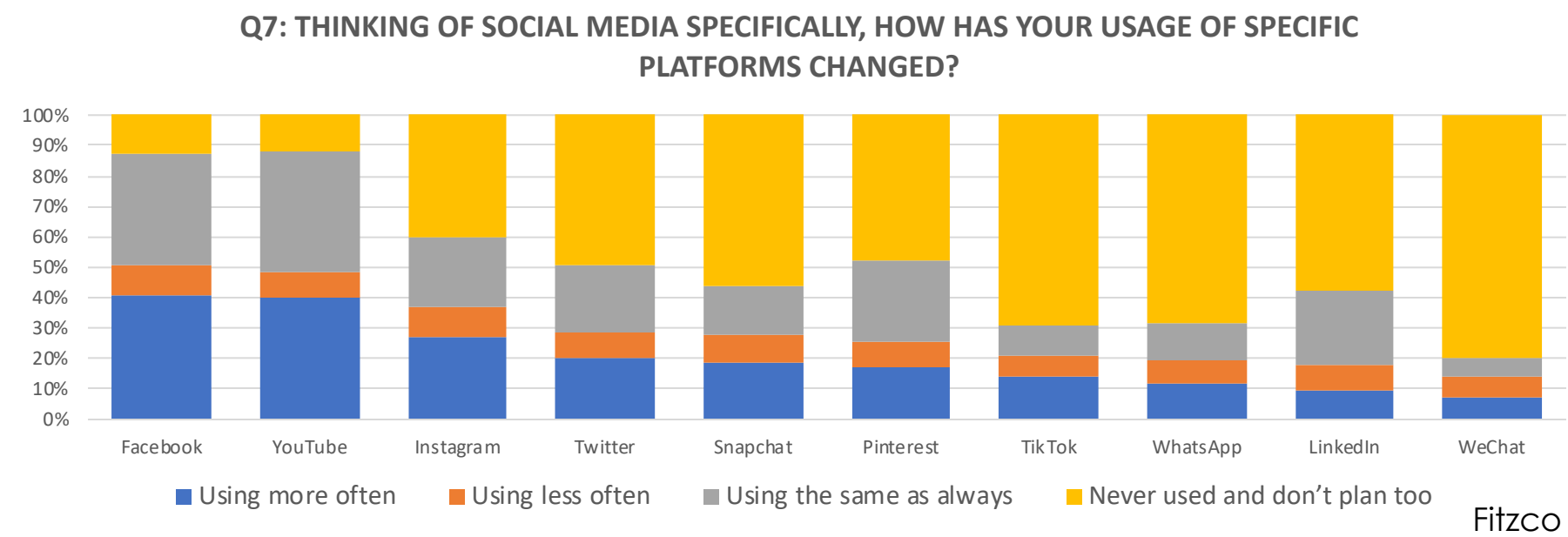
Q2: WHICH SPECIFIC NEWS SOURCES DO YOU TRUST FOR NEWS AND INFORMATION ON CORONAVIRUS?



- People trust TV news more than other news sources when it comes to information about COVID-19. (Fitzco)
- News programs are reaching more people than they have in years and, in one case, notched its biggest average audience ever, the Nielsen company said. ([New York Times](#))
- ii. For the first time in a long time, desktop usage growth outpaced smartphone growth with desktop time increasing 58% and phone time increasing 48%. It is expected desktop usage will continue to increase with the increasing amount of people working from home. (Mediaweek)

TRADITIONAL MEDIA RISES TO MEET DIGITAL MEDIA CONSUMPTION

- b. In general, digital media consumption is also increasing.
 - i. Across 13 markets surveyed, over 50% are watching more streaming services, 45% are spending more time on messaging services, almost 45% are devoting more time to social media and over 10% say they are creating/uploading videos. (Global Web Index)
- c. Facebook is seeing the greatest upsurge across social platforms.

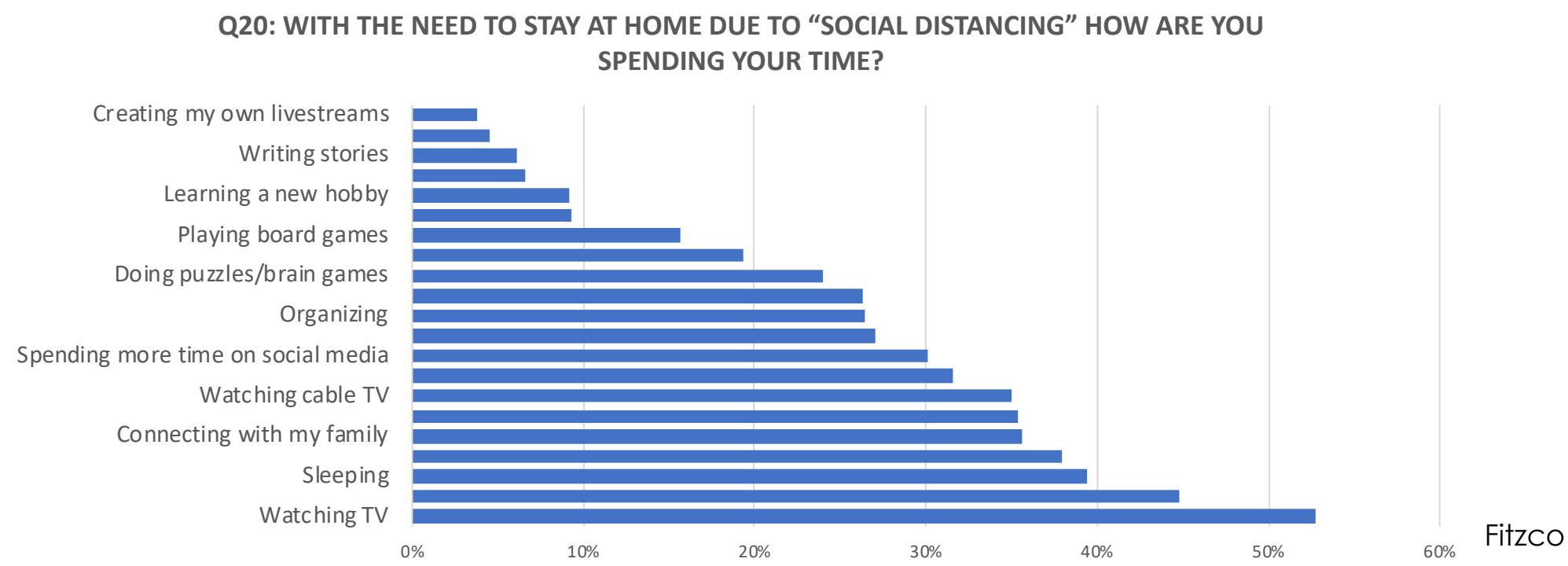


- i. Facebook reports total messaging across the platform's services has increased 50% in countries hit hard by the virus. (Washington Post)
- ii. "We've seen the most significant increases in Messenger usage across group calls; 70% more people are participating in group video calls, and time in group video calls has doubled globally, week-over-week." (Facebook)

Implication: Digital media consumption is understandably rising quickly, but traditional media types that were in decline pre-COVID-19 are now rising to meet their digital counterpart. Brands should examine their media mix and adjust to mirror consumers' media usage, while also being mindful of the cost dynamics caused by shifting supply and demand, which can make certain buys less efficient. Media consumption will likely return to normal quickly after the pandemic ends.

SOME NEW BEHAVIORS CREATED DURING SOCIAL DISTANCING HAVE STAYING POWER

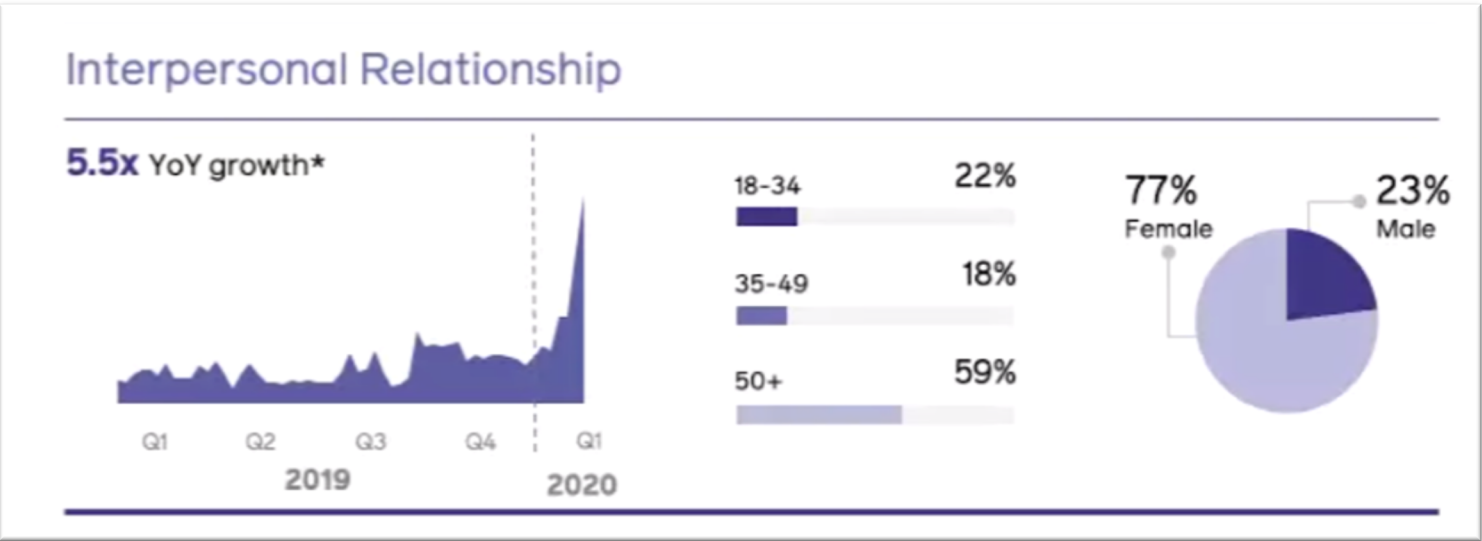
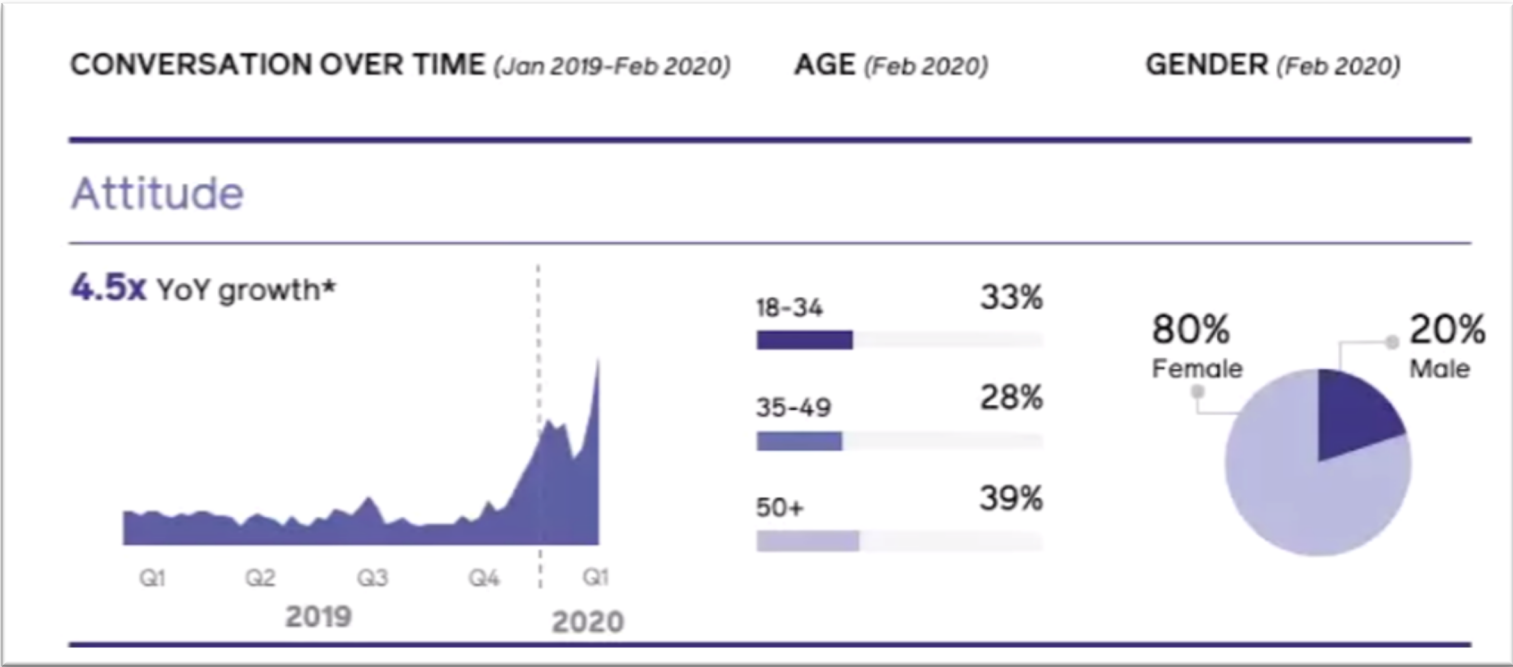
- a. The majority of respondents haven't picked up a new hobby yet (91%), but for those who say they have picked up new habits/hobbies (9%), 78% are reporting they're likely to continue these even after the pandemic is over. (Fitzco)
 - i. "People will change their habits, and some of these habits will stick," said Susan Athey, an economics of technology professor at Stanford Graduate School of Business. "There's a lot of things where people are just slowly shifting, and this will accelerate that." ([Washington Post](#))
- b. Although only some are taking up a totally new hobby, many are spending more time participating in household activities that may have been deemed less exciting or important in the past.



- i. Some newly popular social distancing activities include cooking, connecting with others, and some are even creating. (Fitzco)
- ii. This serves as an opportunity for brands, from CPG to retail, to provide helpful and even entertaining content to those trying new things at home.

SOME NEW BEHAVIORS CREATED DURING SOCIAL DISTANCING HAVE STAYING POWER

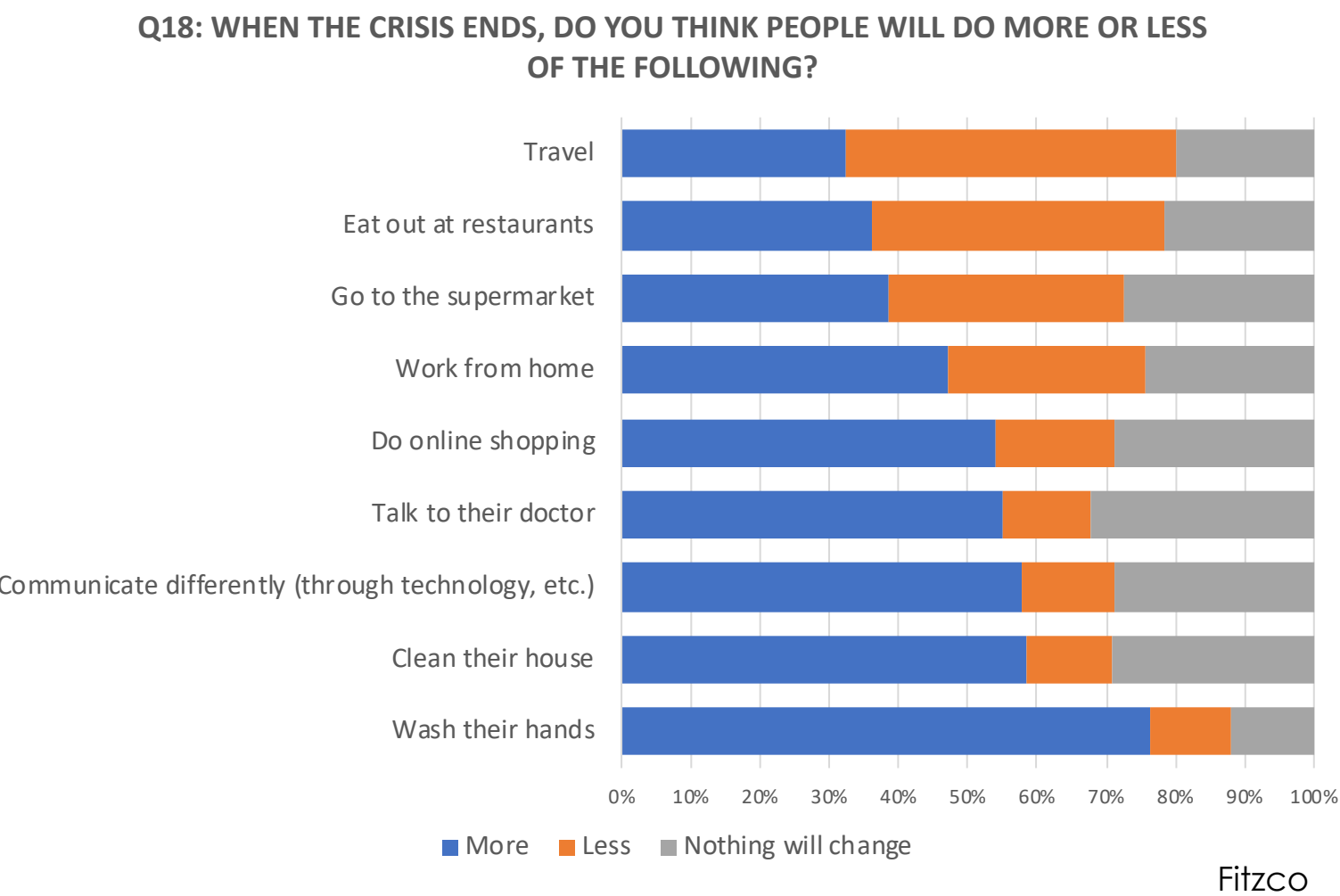
- c. Is there a potential upside to social distancing as people continue to connect via social media?
 - i. “One key platform trend is people's efforts to keep a positive attitude during trying times. They're working harder than ever to maintain interpersonal relationships remotely.” (Facebook)



- d. As people are thinking more about their health, proactive health proclivities have the potential to boom even after the pandemic.
 - i. 44% of consumers report that when thinking of their health in the future they plan to engage in more preventative care, and 2 in 5 Americans will seek out telemedicine options indicating that telemedicine services might finally see an increase in consumer adoption rate. (Fitzco)

SOME NEW BEHAVIORS CREATED DURING SOCIAL DISTANCING HAVE STAYING POWER

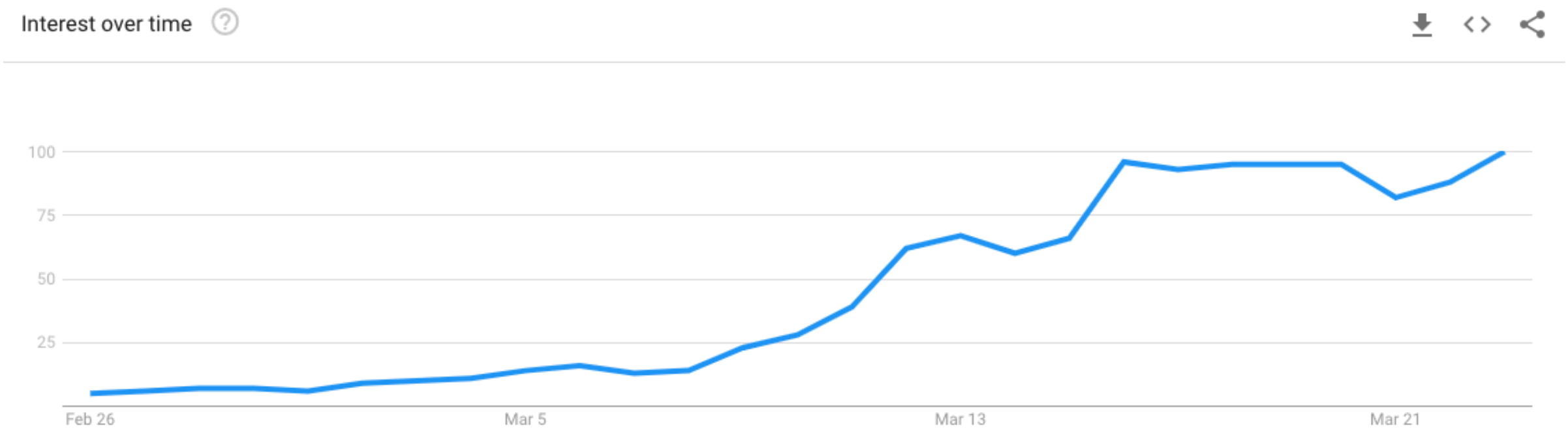
e. Some behaviors will return to pre-COVID-19 levels slowly. Survey respondents claim that they will travel and eat out at restaurants less even after the crisis ends. Additionally, the most Americans do not plan to travel for at least 3 months once restrictions are lifted. (Fitzco)



Implication: Behaviors adopted during this period have more potential to stick than the changes in media consumption during this time. Increased communication with doctors, increase in general hygiene, and decreased travel have the potential to last beyond the end of the pandemic. Brands should be cognizant of the staying power of these behaviors and be cautious of the heavy lift it will take for people to resume normal spending habits.

LOOKING TO THE FUTURE: WHAT WILL MARK THE TRUE END OF THIS ERA AND THE START OF THE NEXT?

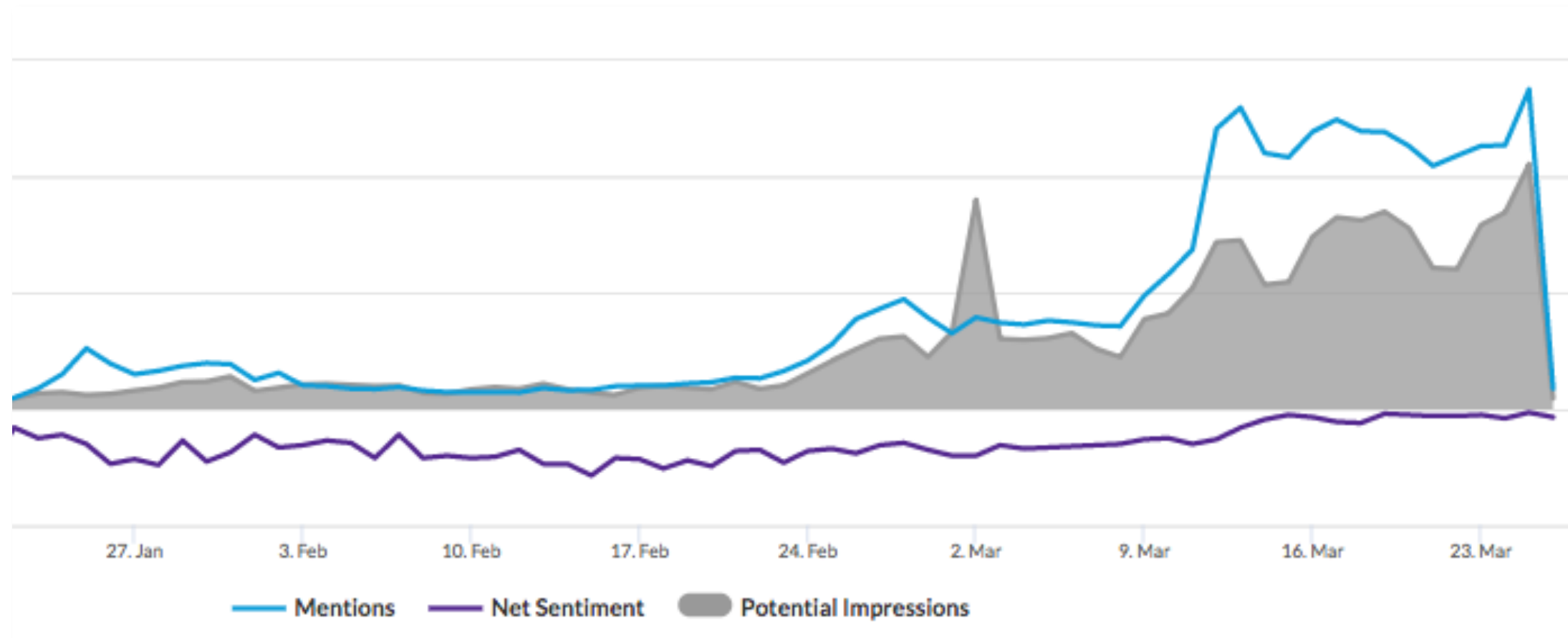
- a. No one knows for sure, but here are some potential signals that our team will continue to track and report on over time. These may be good benchmarks for specific brands who have altered brand messaging to cautiously begin post-COVID communications.
 - i. **The Infection Curve:** Monitoring the actual curve of infections will be the first indicator that the COVID-19 pandemic has begun subsiding.
 - ii. **The End of Social Distancing:** At the time of publication, 62% of survey respondents claim that they are practicing social distancing. (Fitzco) A decrease in this likely indicates that Americans feel safer and are starting to return to their normal routines.
 - iii. **The Resurgence of Sports:** Over half of survey respondents (58%) indicated that sports resuming would be a signal that things were starting to get back to normal. (Fitzco)
 - iv. **Search Trends:** Search volume around terms like COVID-19, coronavirus testing, stock market and unemployment seeing a steady, significant decrease will indicate less panic and less need for new information on the topics.



Search term: COVID-19 (past month)

LOOKING TO THE FUTURE: WHAT WILL MARK THE TRUE END OF THIS ERA AND THE START OF THE NEXT?

- v. **Social conversation:** Similar to search terms, when we start to see a steady decline in conversation around COVID-19 through our social listening platform NetBase, it will begin to signal the end of the pandemic to social audiences.



NetBase topic: COVID-19 (past 3 months)

Implication: There are several indicators for brands to follow in order to track the end of the pandemic. While the actual infection rate is a physical indicator, many others like social distancing, search volume, social listening and the return of sports identify that the American people have mentally begun to move on as well. Brands should be more concerned about perception of the end of the crisis and message accordingly, rather than return full force in market as soon as the infection curve subsides.

SOURCES

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- *McKinsey*, Coronavirus and Banks, Implications for Leaders
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- *American Hotel & Lodging Association*, COVID-19's Impact on the Hotel Industry
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- *Mediaweek*, Online news time up 29%: Nielsen on changing consumption patterns
- *NetBase*

METHODOLOGY

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CATEGORY-SPECIFIC FINDINGS

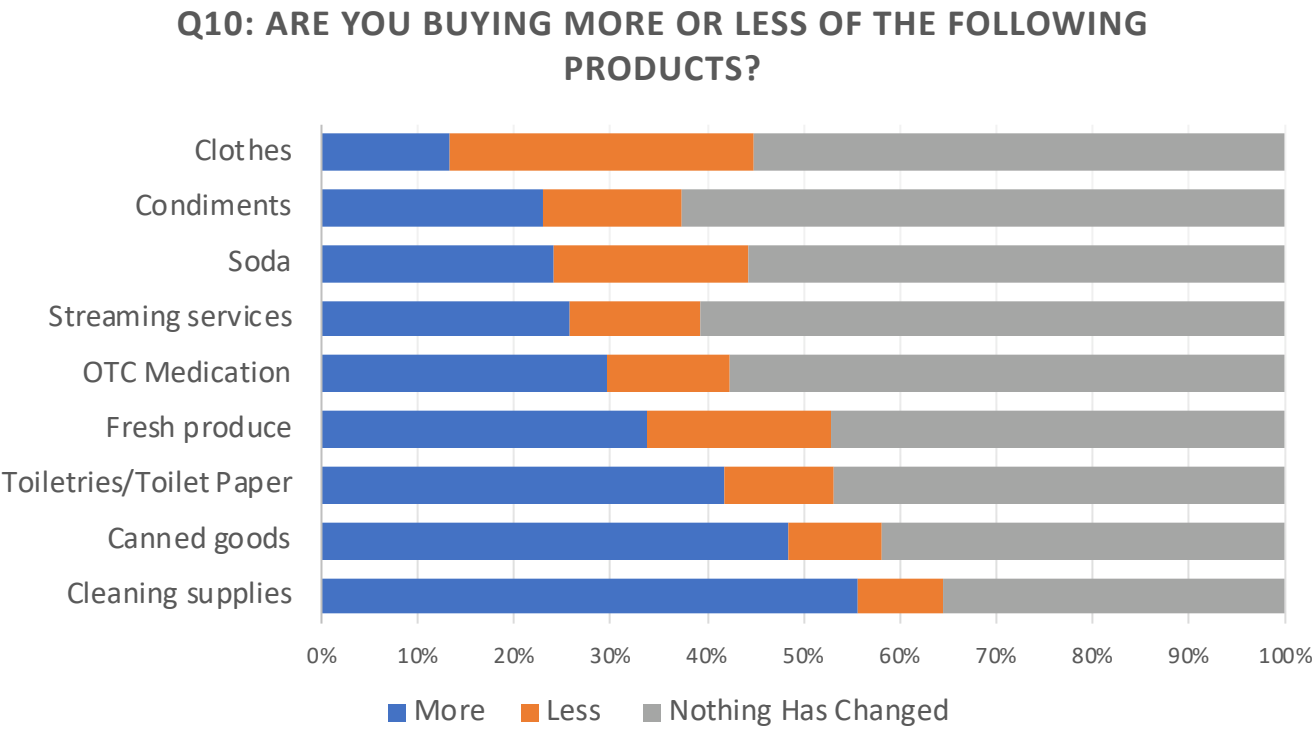
QSR & CASUAL DINING: FINDINGS AND IMPLICATIONS

- 77% of survey respondents are currently eating at restaurants less. (Fitzco)
- Additionally, 42% of respondents from our survey claim that they will not eat at restaurants as much once the crisis ends. (Fitzco)
- Communication is absolutely still key - Whether a restaurant has pivoted to delivery only or closed up completely, "you cannot cut the all-important line of communication off with customers just because they're not coming into the store." ([Nation's Restaurant News](#))
- Technology, such as location mapping, will be crucial to QSRs during social distancing and beyond. Restaurants will need to make the exchange as frictionless as possible, cutting down wait times, and implementing automated check-in and minimal interaction.

Implication: Restaurants will have an uphill battle to fight after the pandemic slows. QSRs must use this time to not only encourage purchase but maintain strong relationships with their consumers. After the crisis, they should consider investing in the technology, like a well-maintained app, to match the new reality of food ordering.

FOOD & BEV: FINDINGS AND IMPLICATIONS

- With all their time spent at home, Americans are shifting their free time from eating at restaurants to cooking. 66% of respondents are doing more cooking in the past few weeks than they have before. (Fitzco)
- Additionally, the majority of respondents who say they have picked up new habits/hobbies also say they are very likely to continue these even after the pandemic is over. (Fitzco)
- Aside from cleaning supplies and toiletries, 48% of people are reporting that they are buying more canned goods than before. (Fitzco)

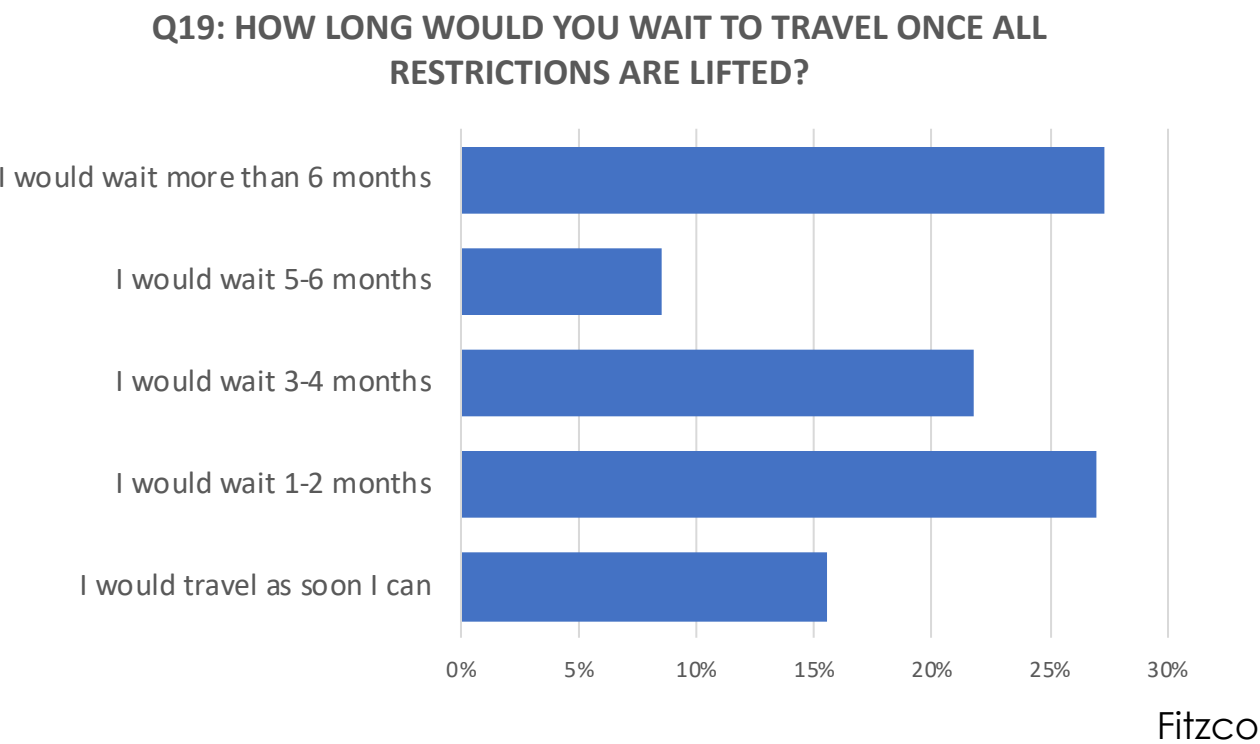


Fitzco

Implication: The uptick in cooking provides the food & bev category a unique opportunity to get relevant content out to masses. Content to consider could be new and interesting recipes, short-form cooking demonstrations and live streams.

TRAVEL & HOSPITALITY: FINDINGS AND IMPLICATIONS

- The American Hotel & Lodging Association (AHLA) [estimates that](#), since mid-February, US hotels have lost \$2.4 billion in room revenue. And they're on pace to lose more than \$200 million in room revenue per day going forward.
- 48% of Americans say they plan to travel less once the crisis ends. (Fitzco)
- Additionally, most people are putting off travel for at least 3 months once restrictions are lifted. Only 15% claim that they will start traveling as soon as they can. (Fitzco)

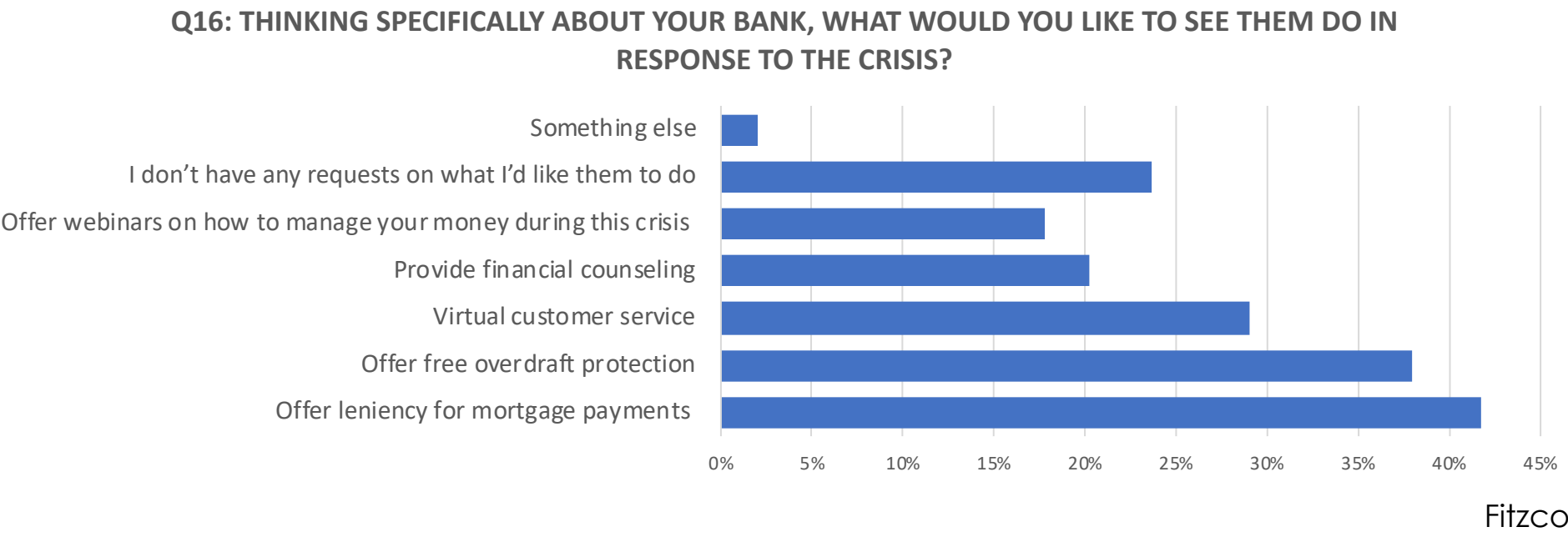


- In the UK and other countries, major chains such as Best Western, Travelodge and Hilton are all in talks with the National Health Service to potentially turn some of their properties into makeshift coronavirus wards. Additionally, Europe's largest hospitality company, Accor, opened 40 of its hotels in France for nursing staff, vulnerable populations and anyone fighting the spread of coronavirus. ([CNBC](#))
- In looking at 3 cases – Iceland, Phillippines and Brussels who all had to rebuild their tourism economy – it was their reliance on locals that helped kick-start the tourist economy. ([WARC](#))

Implication: Those in the travel & hospitality industry should attempt to re-purpose their goods & services during this time of crisis. While travel will bounce back slowly and travelers will still be wary for quite some time, the industry can ease travelers back in by encouraging staycation options and domestic travel to engage people closer to home, while slowly rebuilding their confidence in travel.

FINANCIAL INSTITUTIONS: FINDINGS AND IMPLICATIONS

- According to survey respondents, financial institutions are leading the pack so far in consumer perceptions to their COVID-19 response - 25% say they're doing a good job. (Fitzco)
- When asked what Americans want to see from them during this time, many answered they would like banks to offer leniency and overdraft protection. (Fitzco)

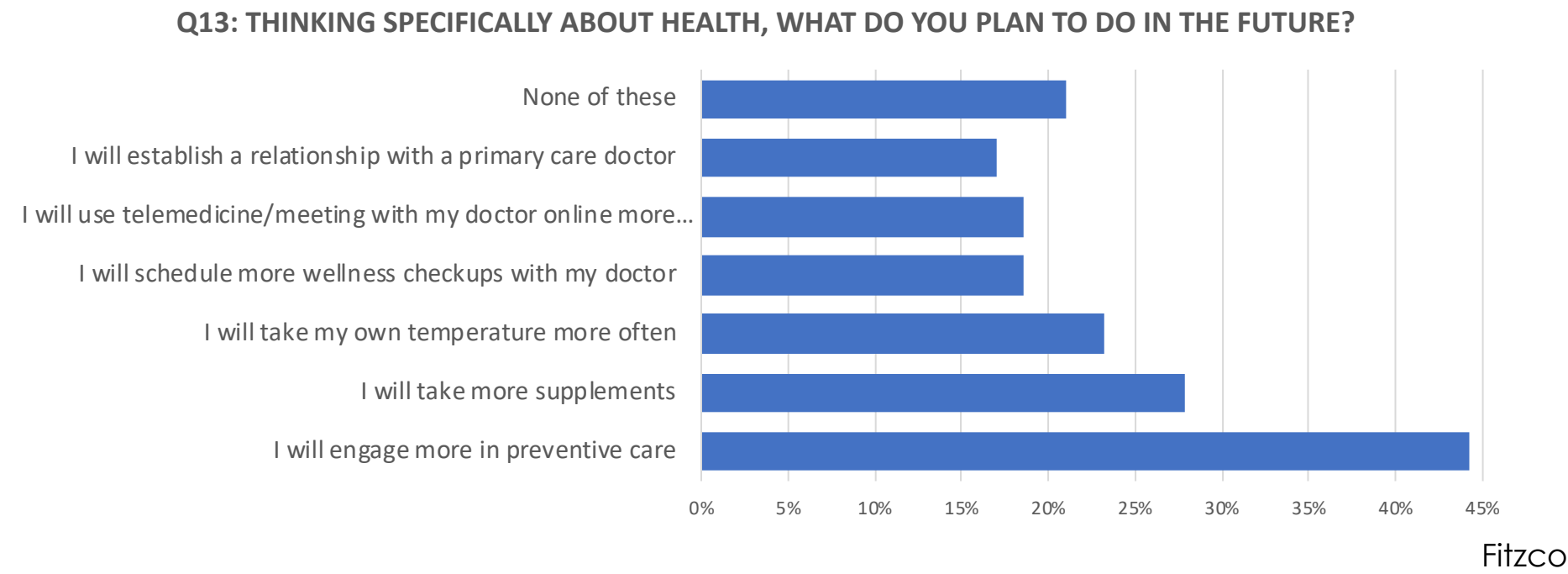


- From a credit perspective, banks should rapidly identify the most affected sectors and customers to understand how they can be most supportive to their clients and community. ([McKinsey](#))
- The message is more important than medium for financial services. Financial services are facing dramatic market volatility and recessionary trends, in addition to the public health crisis. It is important to be in the market with a reassuring brand message, and hard selling is not advised. ([Campaign](#))

Implication: During this period of social distancing, in addition to offering free overdraft protection and leniency for mortgage payments, financial institutions should also think about offering virtual customer service. They should communicate these benefits and dispel fear, without overselling until the pandemic subsides.

HEALTHCARE: FINDINGS AND IMPLICATIONS

- According to survey respondents, 2 in 5 Americans are now considering telemedicine. (Fitzco)
- Additionally, 44% of respondents will now engage in more preventative care. (Fitzco)



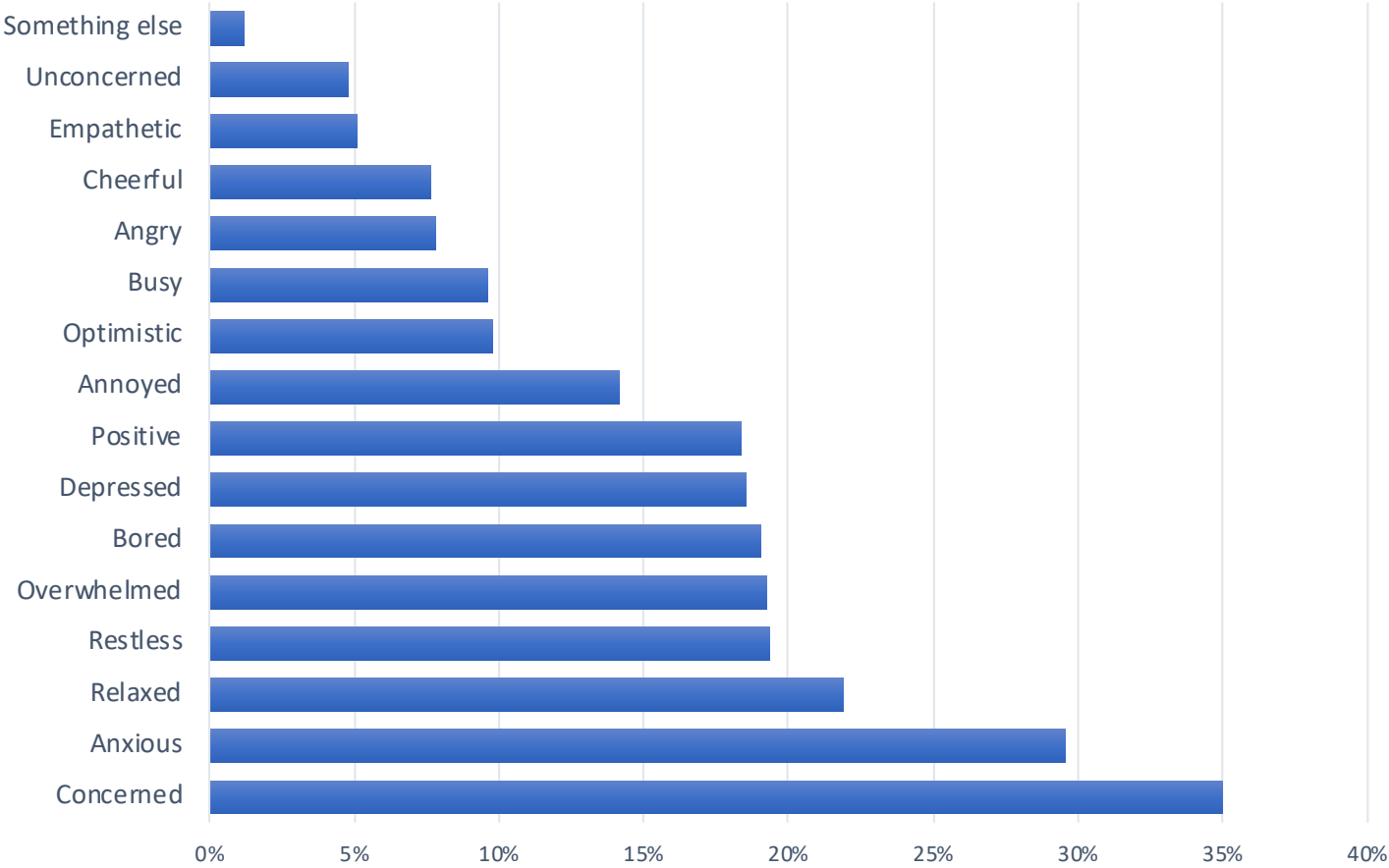
- Not only is Google search volume up immensely for Coronavirus symptoms & testing, peripheral searches are up as well. Panic attack symptom searches are up 100% from the previous year.

Implication: The healthcare industry will likely see a larger volume of patients come in more consistently for check-ups as well as vaccinations. Urgent Care facilities should both prepare and communicate that they have these capabilities. In the past, telemedicine has seen extremely slow adoption. As seen in our survey results, this global pandemic could be the catalyst for a shift in attitude towards and adoption of telemedicine, which the healthcare industry should prepare for.

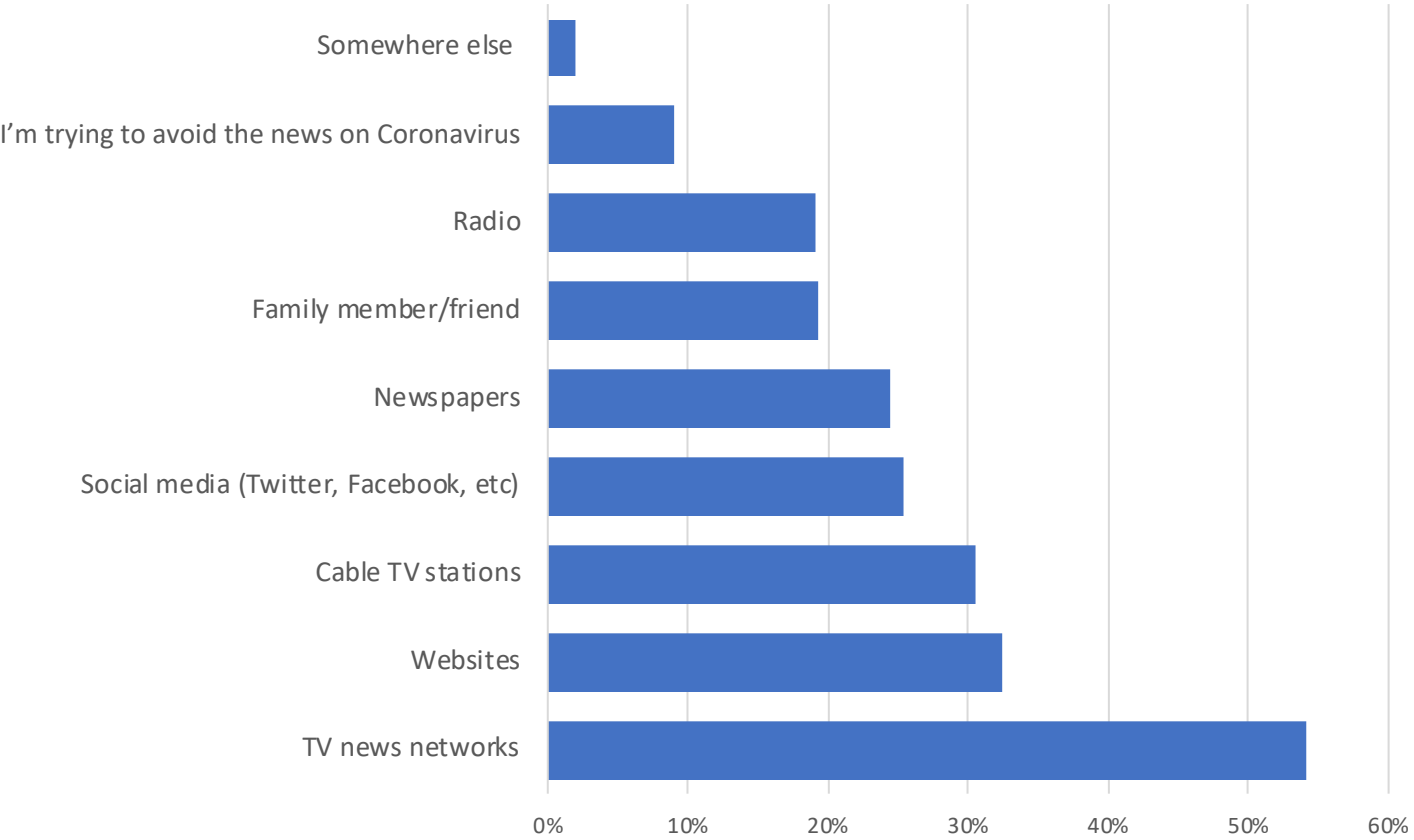
APPENDIX

FITZCO CONSUMER PANEL SURVEY RESULTS – WEEK 1

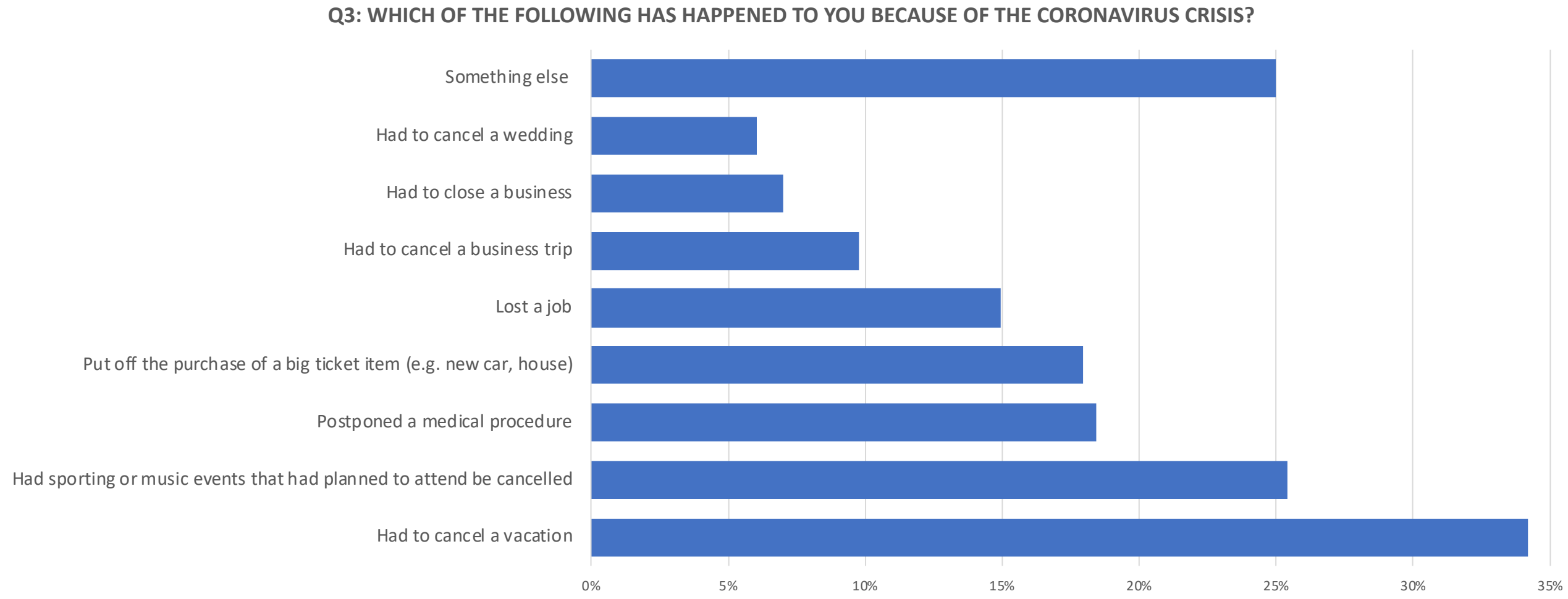
Q1: WHAT BEST DESCRIBES YOUR CURRENT STATE OF MIND?



Q2: WHICH SPECIFIC NEWS SOURCES DO YOU TRUST FOR NEWS AND INFORMATION ON CORONAVIRUS?

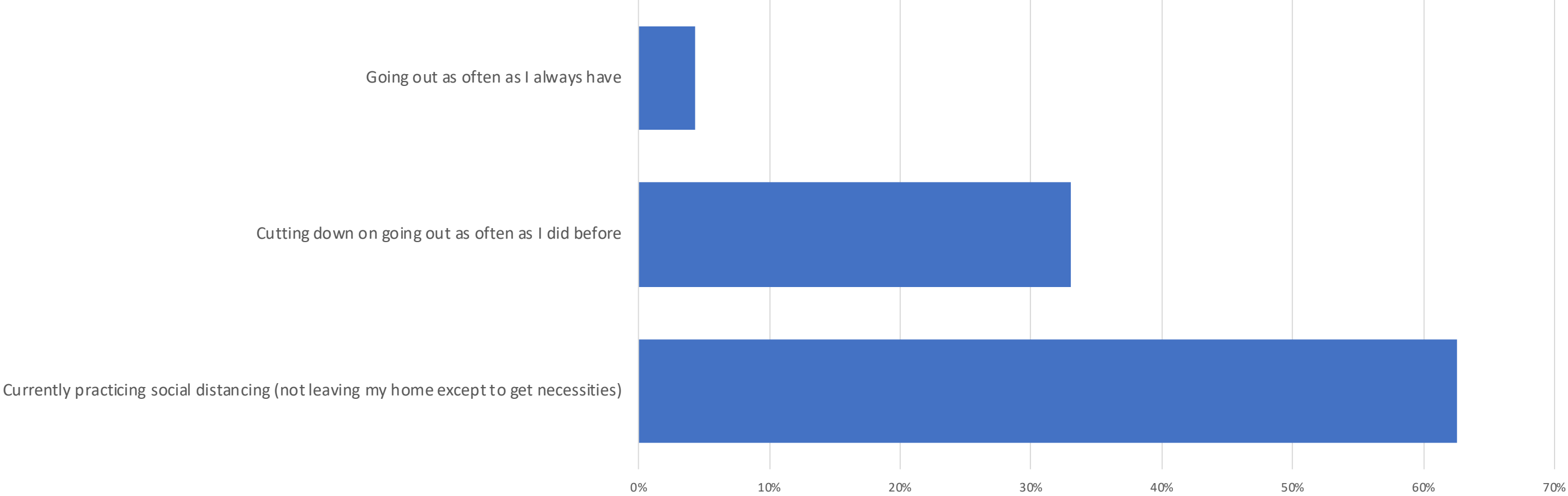


FITZCO CONSUMER PANEL SURVEY RESULTS – WEEK 1



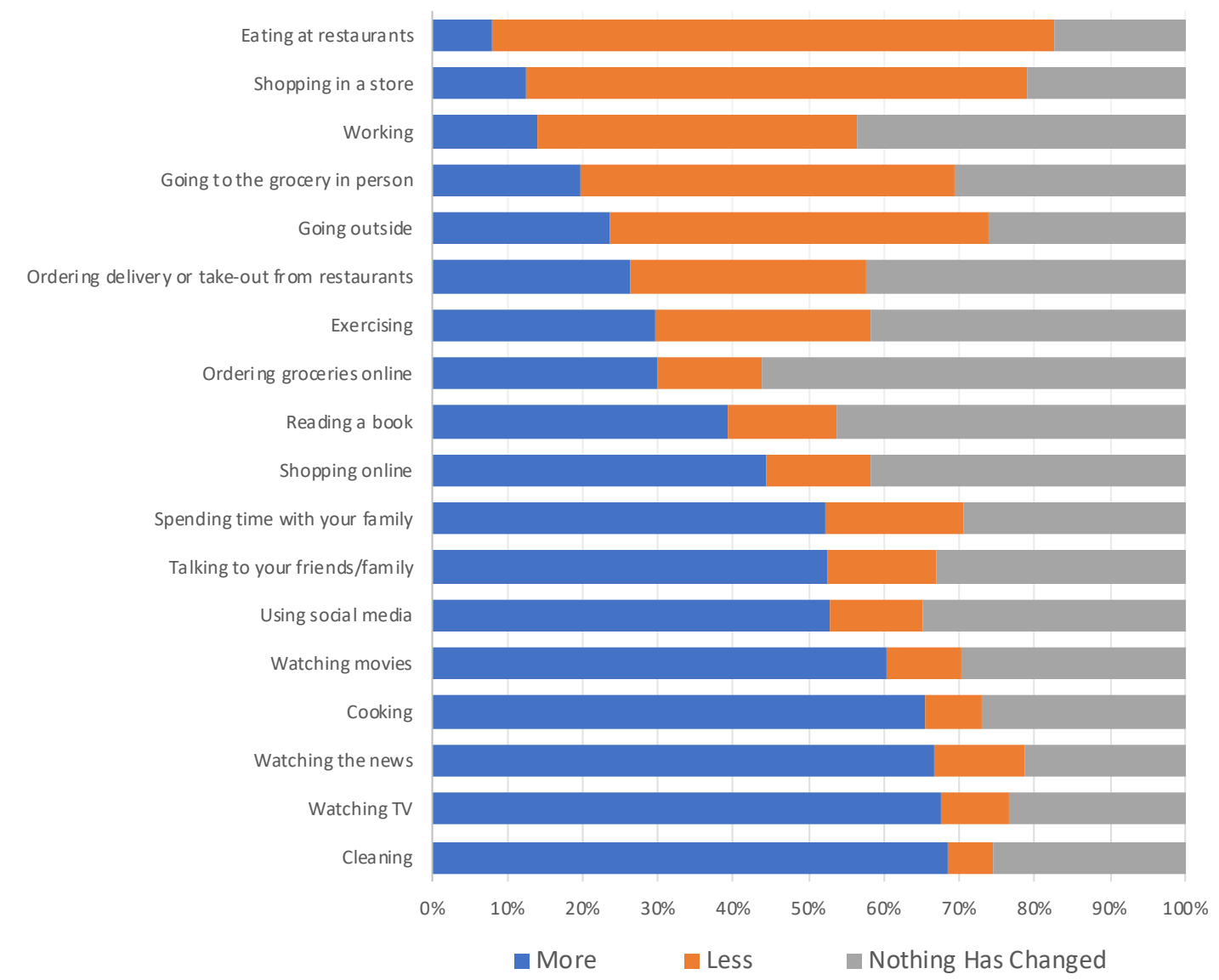
FITZCO CONSUMER PANEL SURVEY RESULTS – WEEK 1

Q4: ARE YOU...?

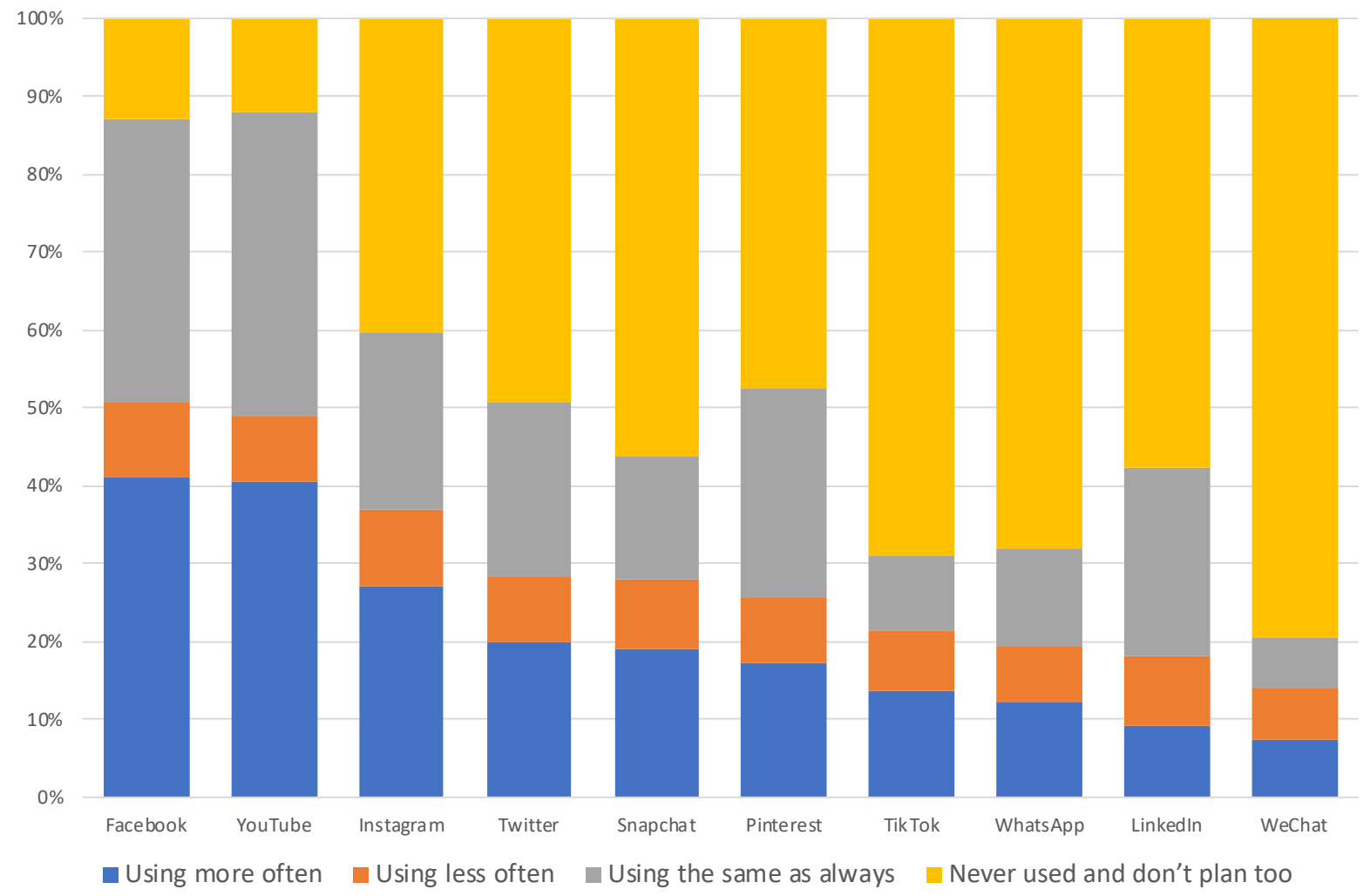


FITZCO CONSUMER PANEL SURVEY RESULTS – WEEK 1

Q5 & 6: OVER THE PAST FEW WEEKS, WOULD YOU SAY YOU ARE DOING MORE OR LESS OF THE FOLLOWING?

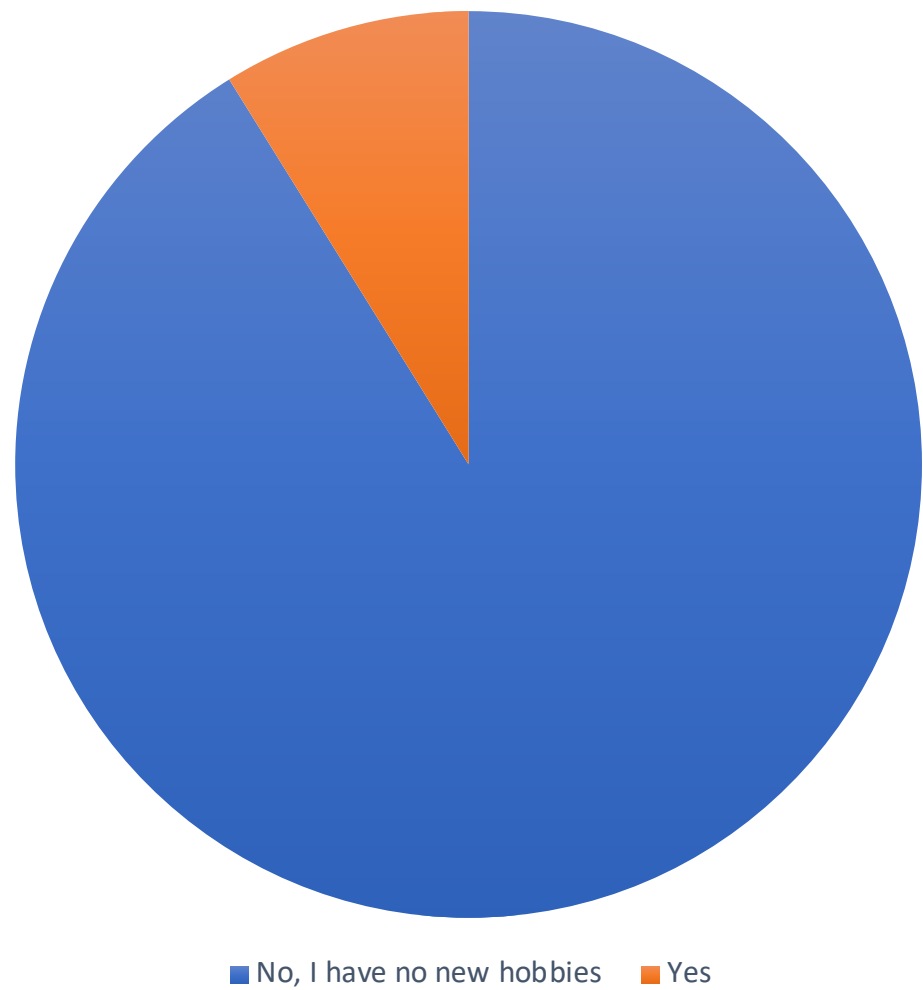


Q7: THINKING OF SOCIAL MEDIA SPECIFICALLY, HOW HAS YOUR USAGE OF SPECIFIC PLATFORMS CHANGED?

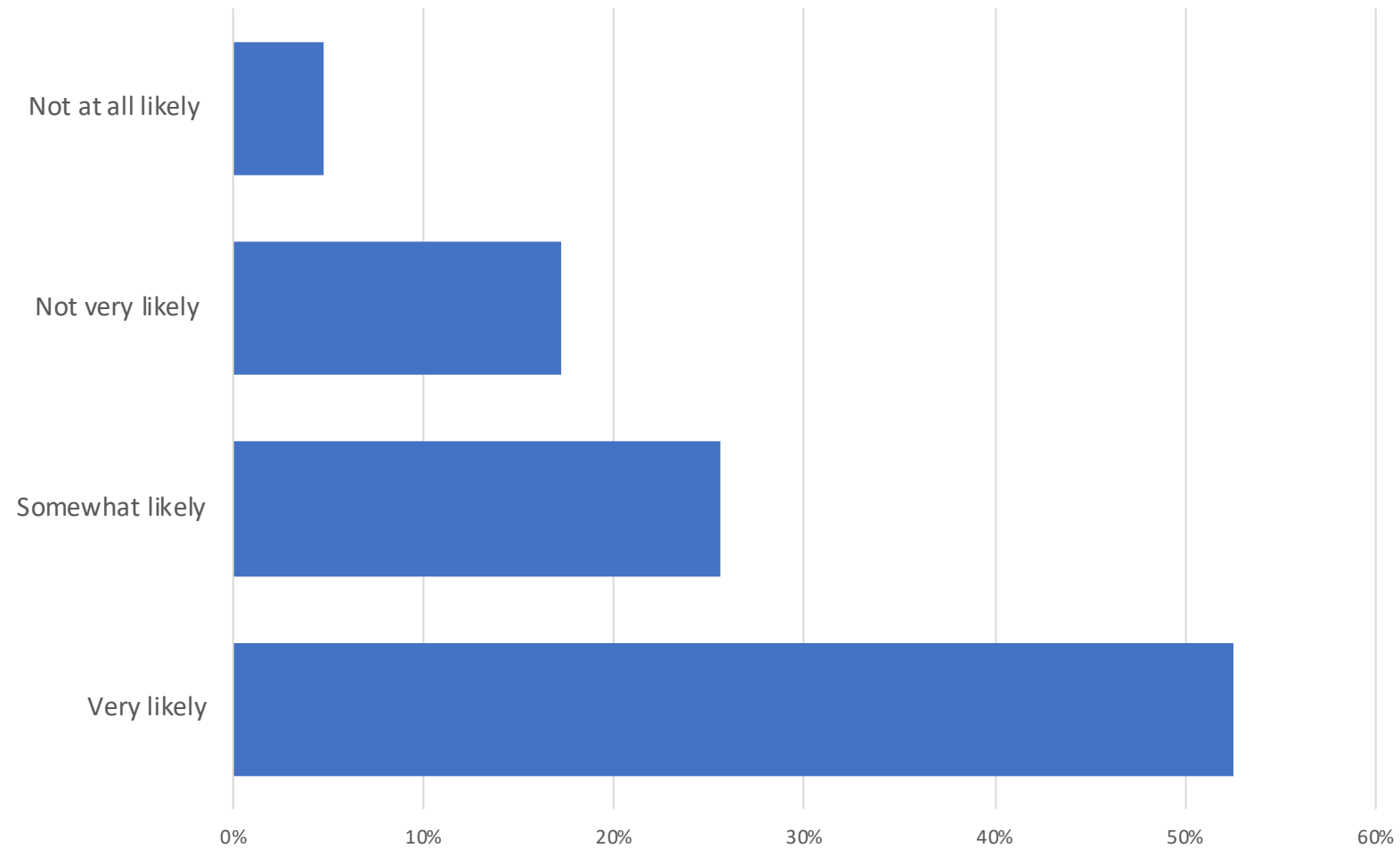


FITZCO CONSUMER PANEL SURVEY RESULTS – WEEK 1

Q8: HAVE YOU PICKED UP ANY NEW HOBBIES SINCE THE PANDEMIC STARTED?

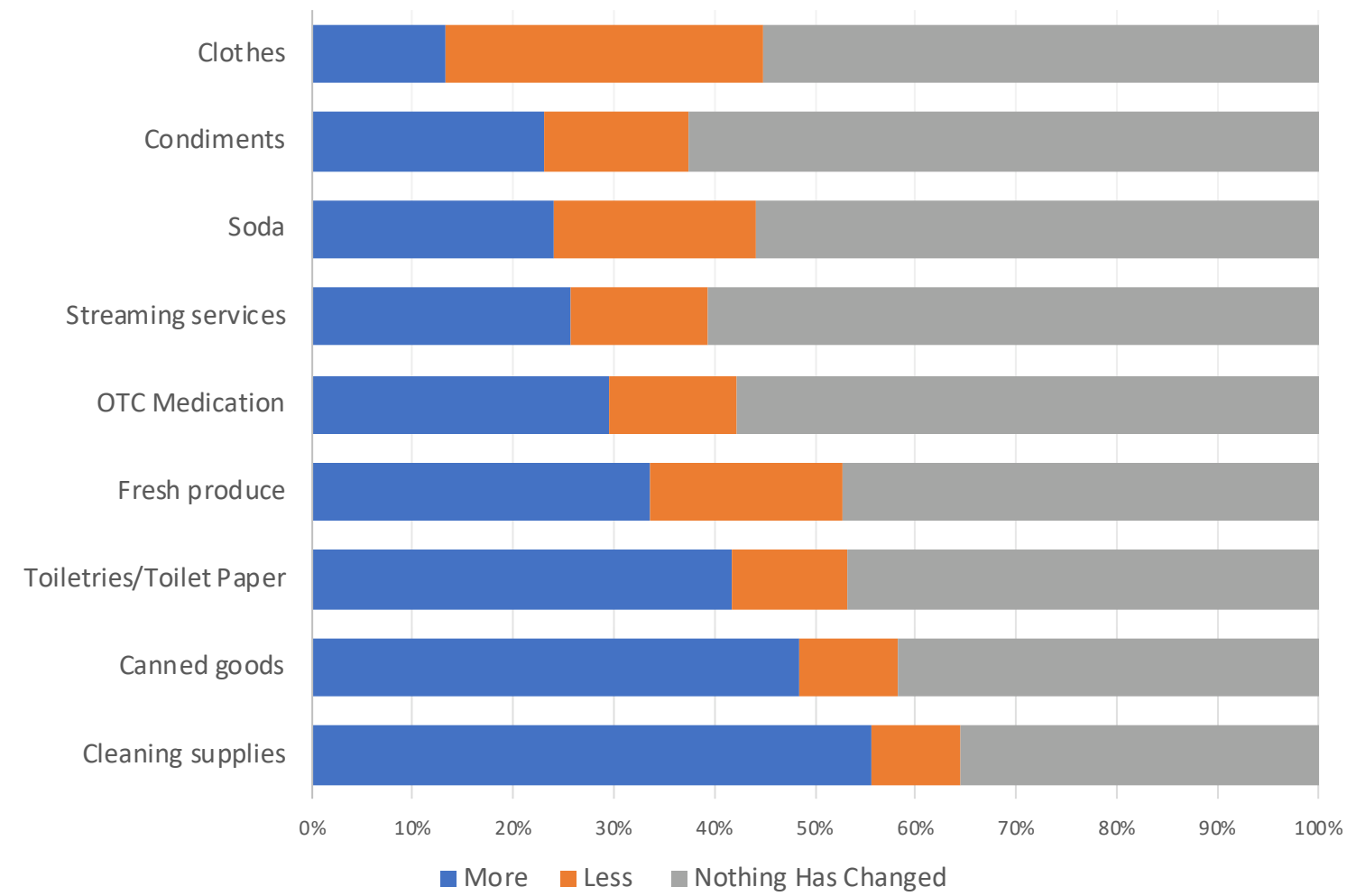


Q9: HOW LIKELY ARE YOU TO MAINTAIN THESE HABITS OR HOBBIES WHEN THE CORONAVIRUS CRISIS HAS PASSED?

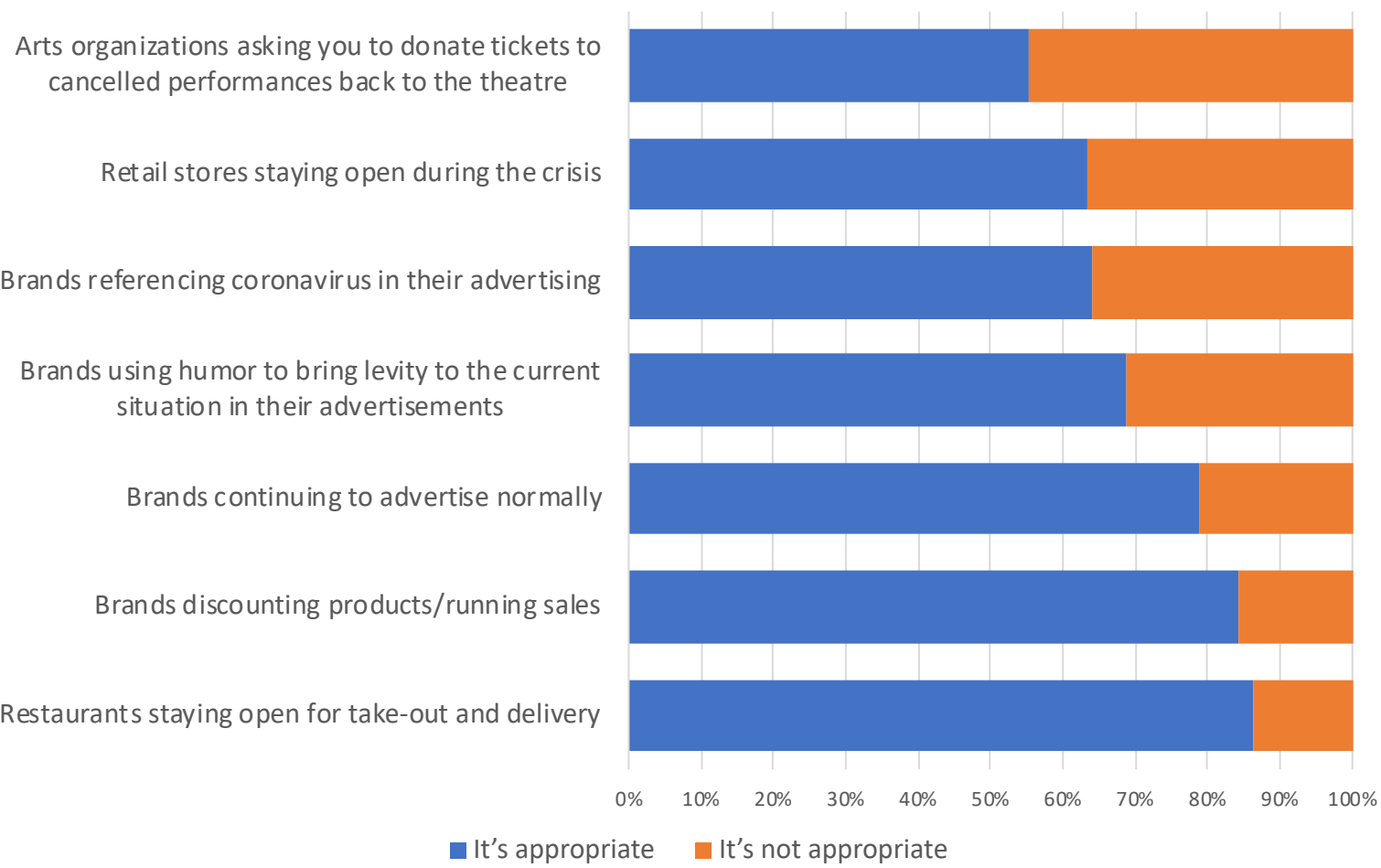


FITZCO CONSUMER PANEL SURVEY RESULTS – WEEK 1

Q10: ARE YOU BUYING MORE OR LESS OF THE FOLLOWING PRODUCTS?

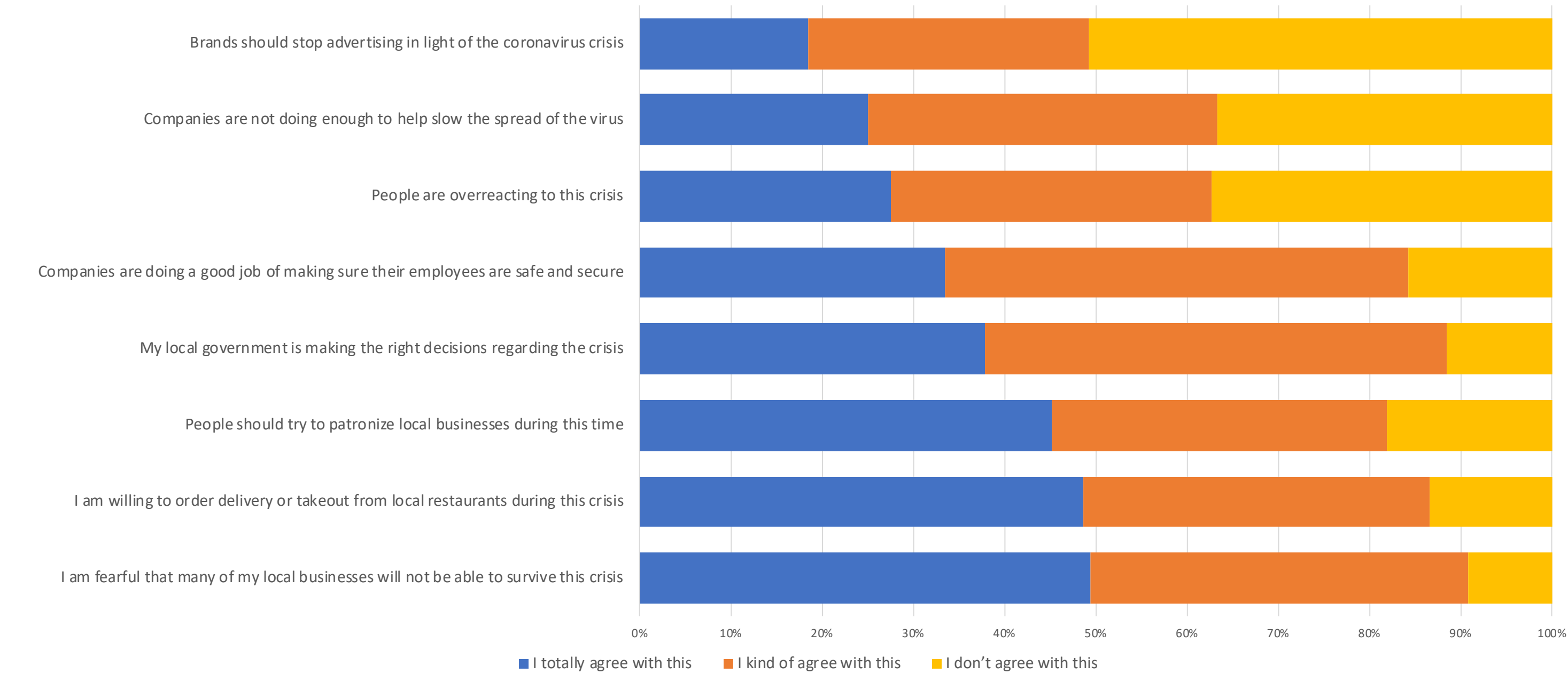


Q11: THINKING OF S BUSINESSES ARE RESPONDING, HOW APPROPRIATE DO YOU THINK EACH OF THE FOLLOWING SCENARIOS ARE?



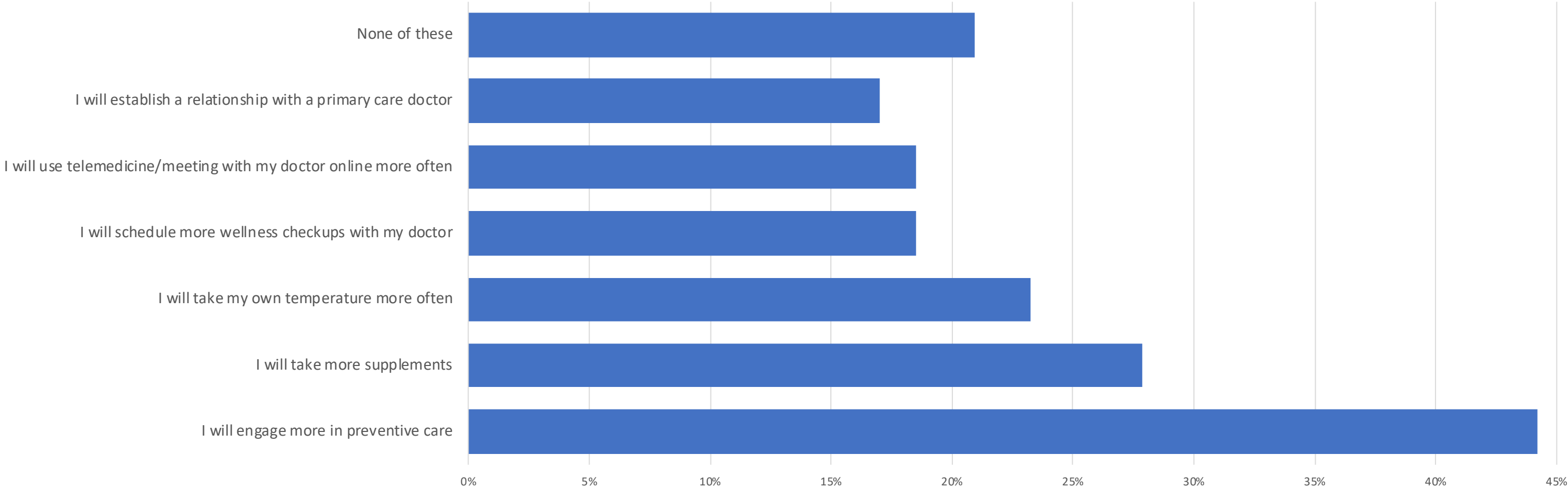
FITZCO CONSUMER PANEL SURVEY RESULTS – WEEK 1

Q12: HOW STRONGLY DO YOU AGREE WITH EACH OF THE FOLLOWING STATEMENTS?

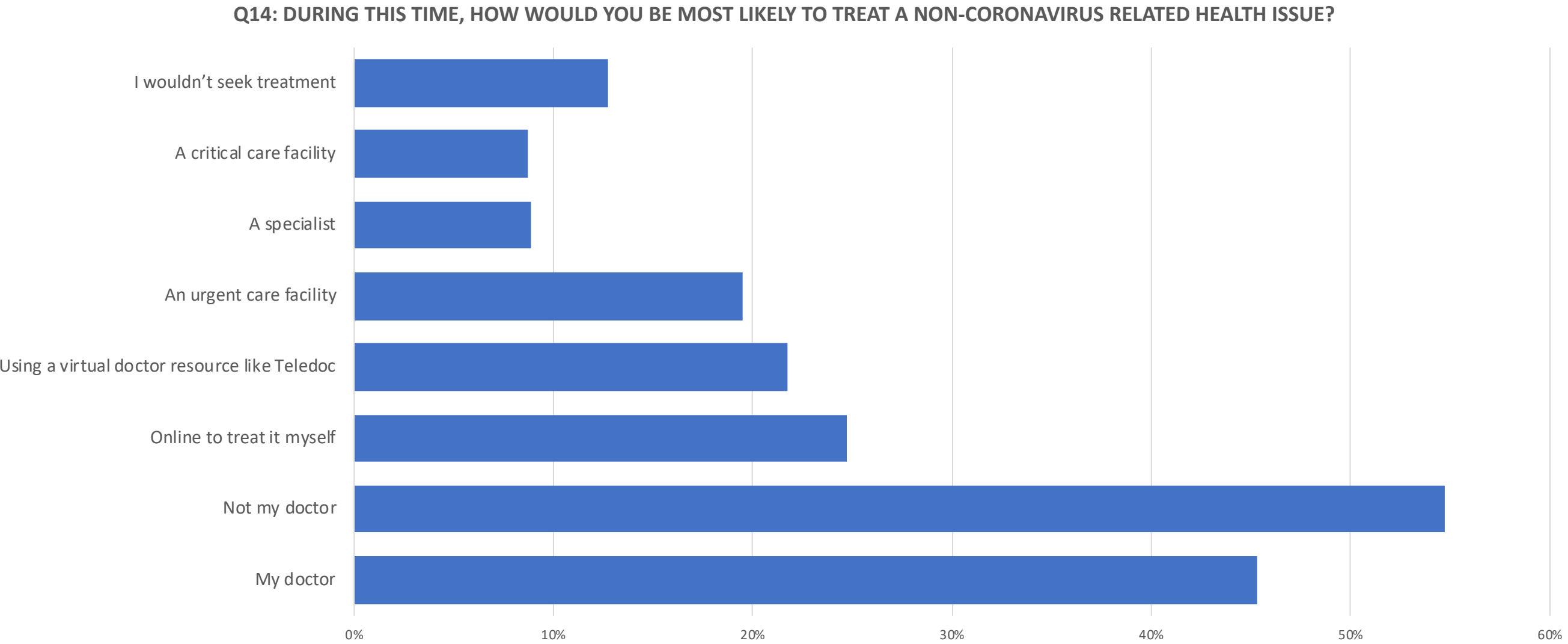


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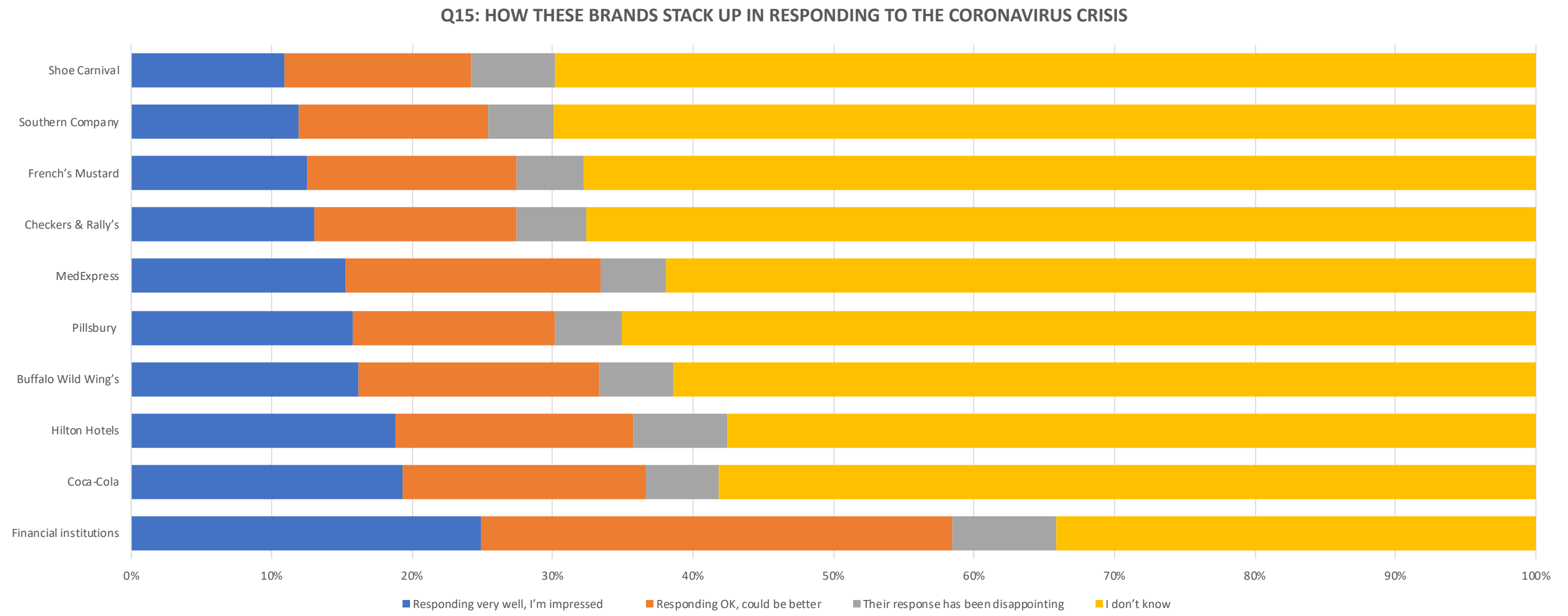
Q13: THINKING SPECIFICALLY ABOUT HEALTH, WHAT DO YOU PLAN TO DO IN THE FUTURE?



FITZCO CONSUMER PANEL SURVEY RESULTS – WEEK 1

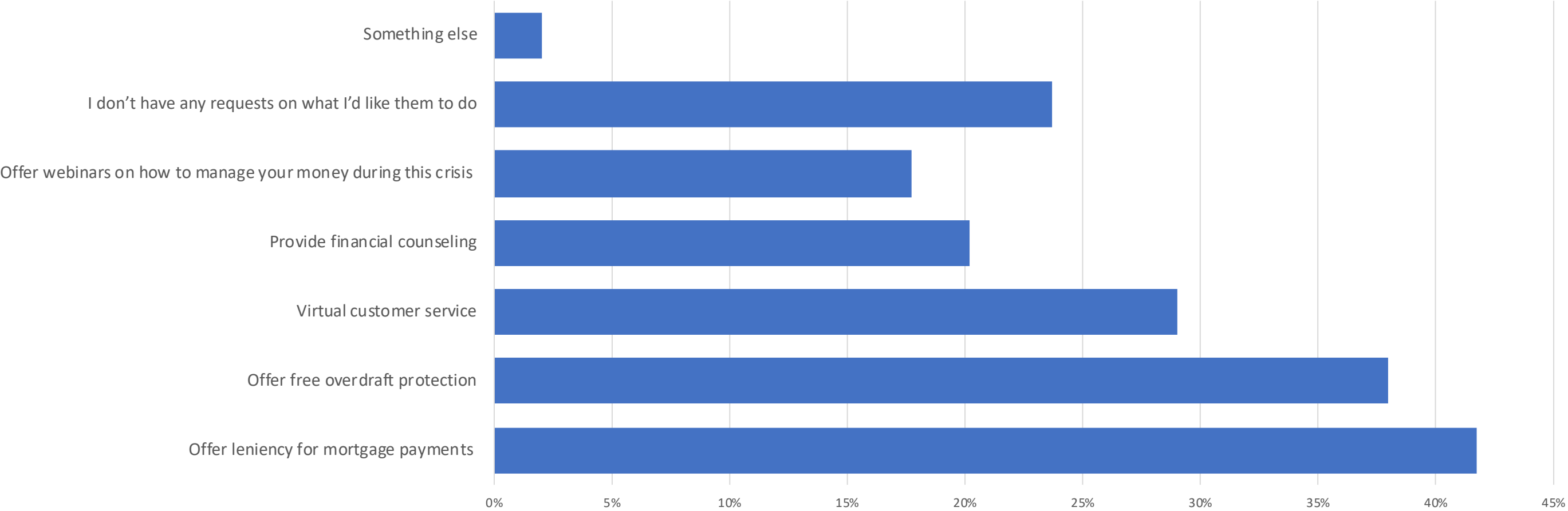


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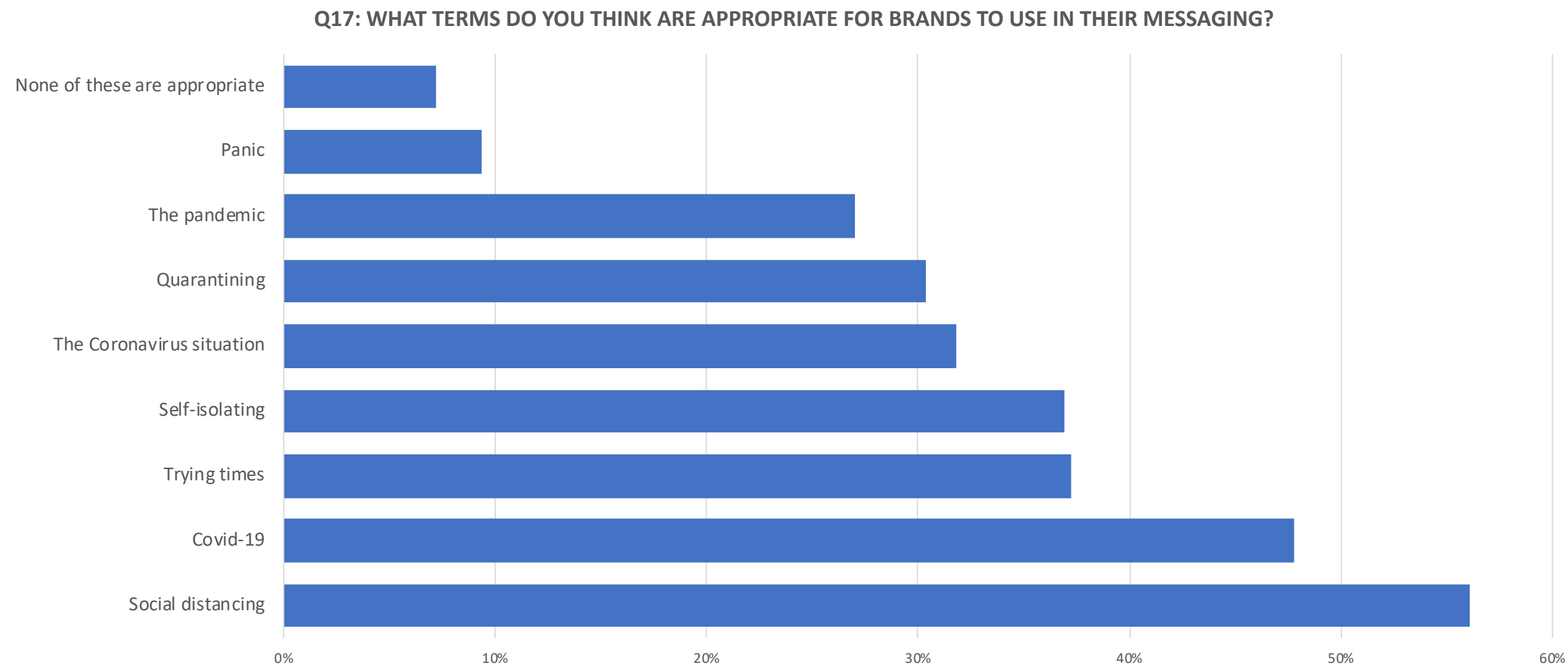


FITZCO CONSUMER PANEL SURVEY RESULTS – WEEK 1

Q16: THINKING SPECIFICALLY ABOUT YOUR BANK, WHAT WOULD YOU LIKE TO SEE THEM DO IN RESPONSE TO THE CRISIS?

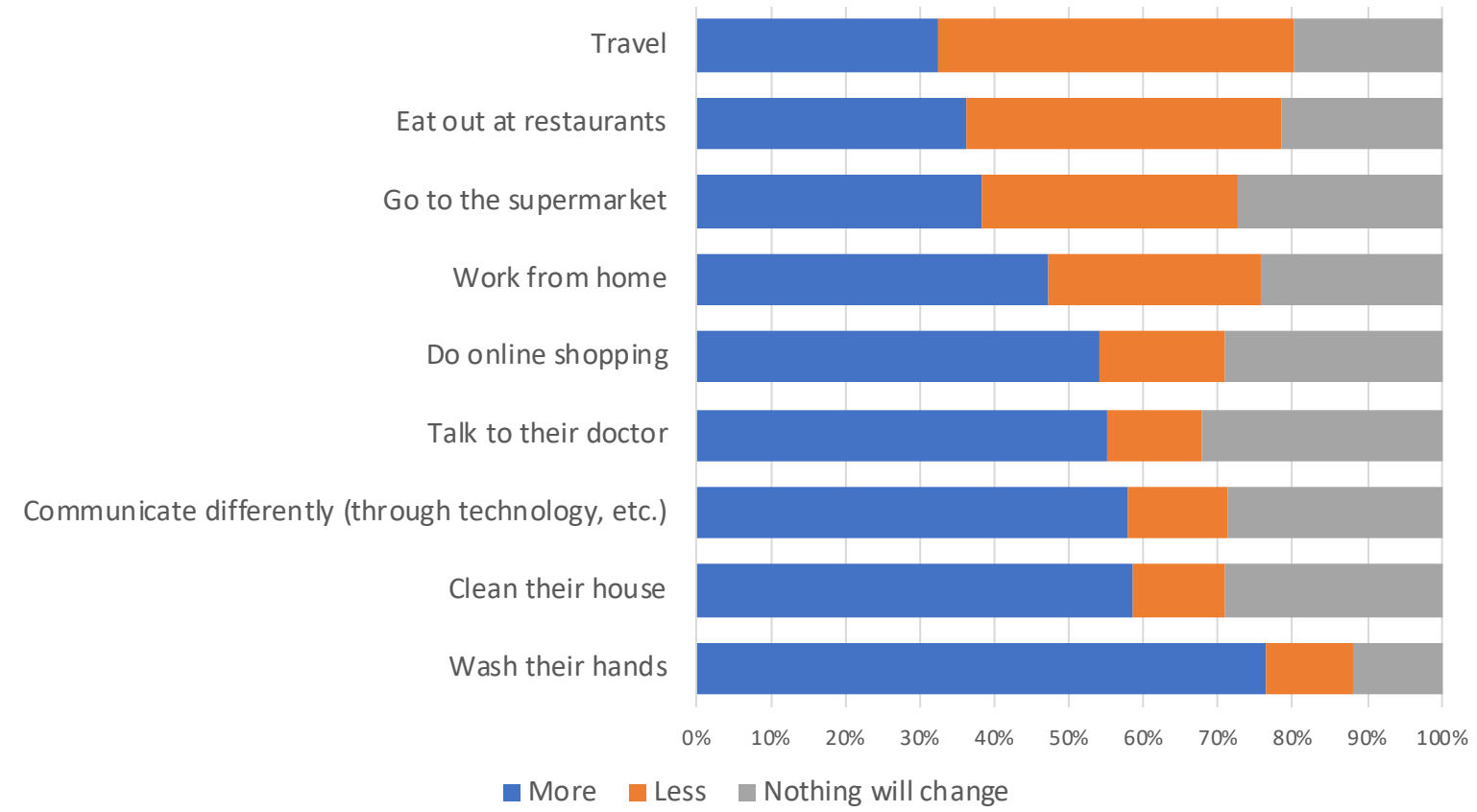


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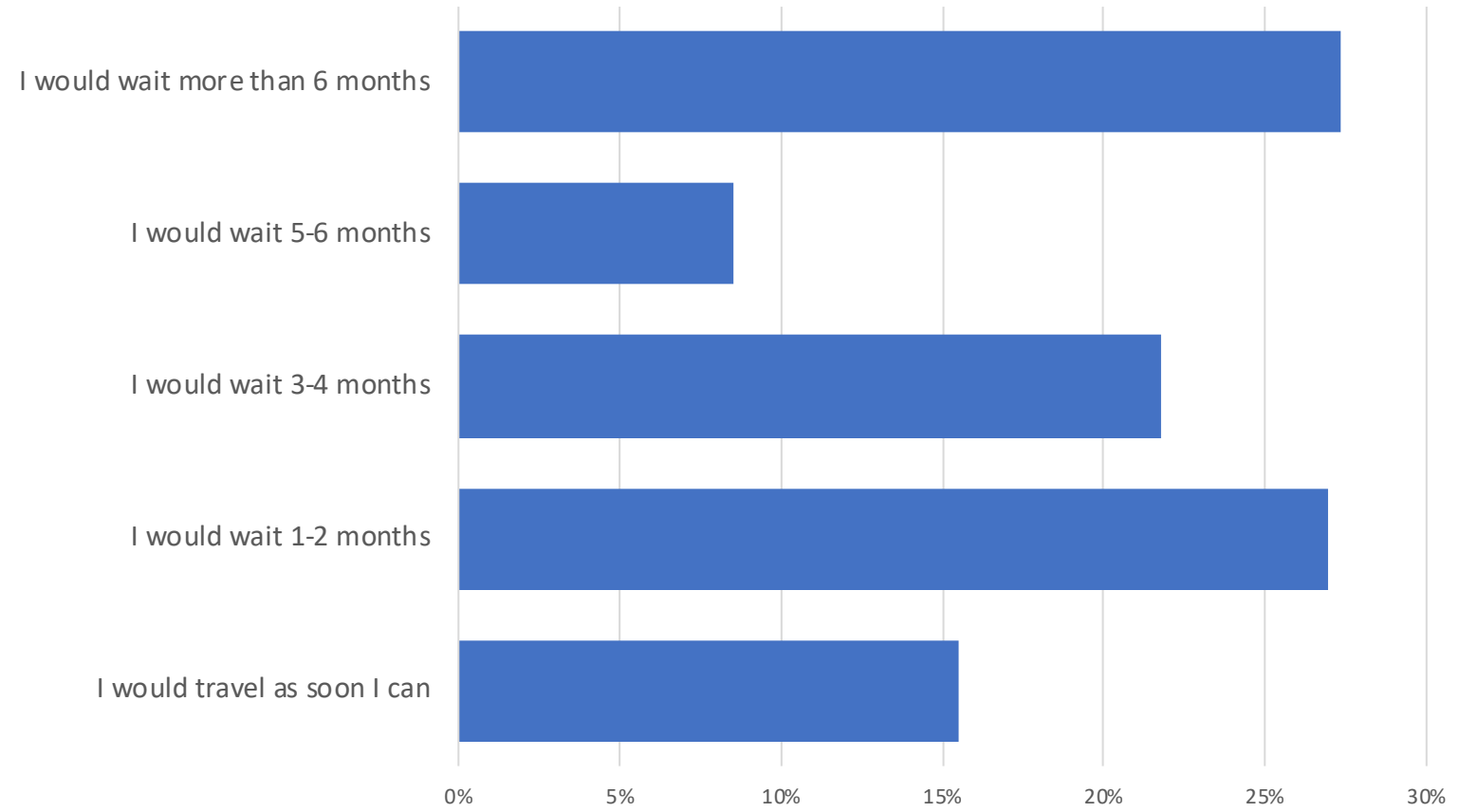


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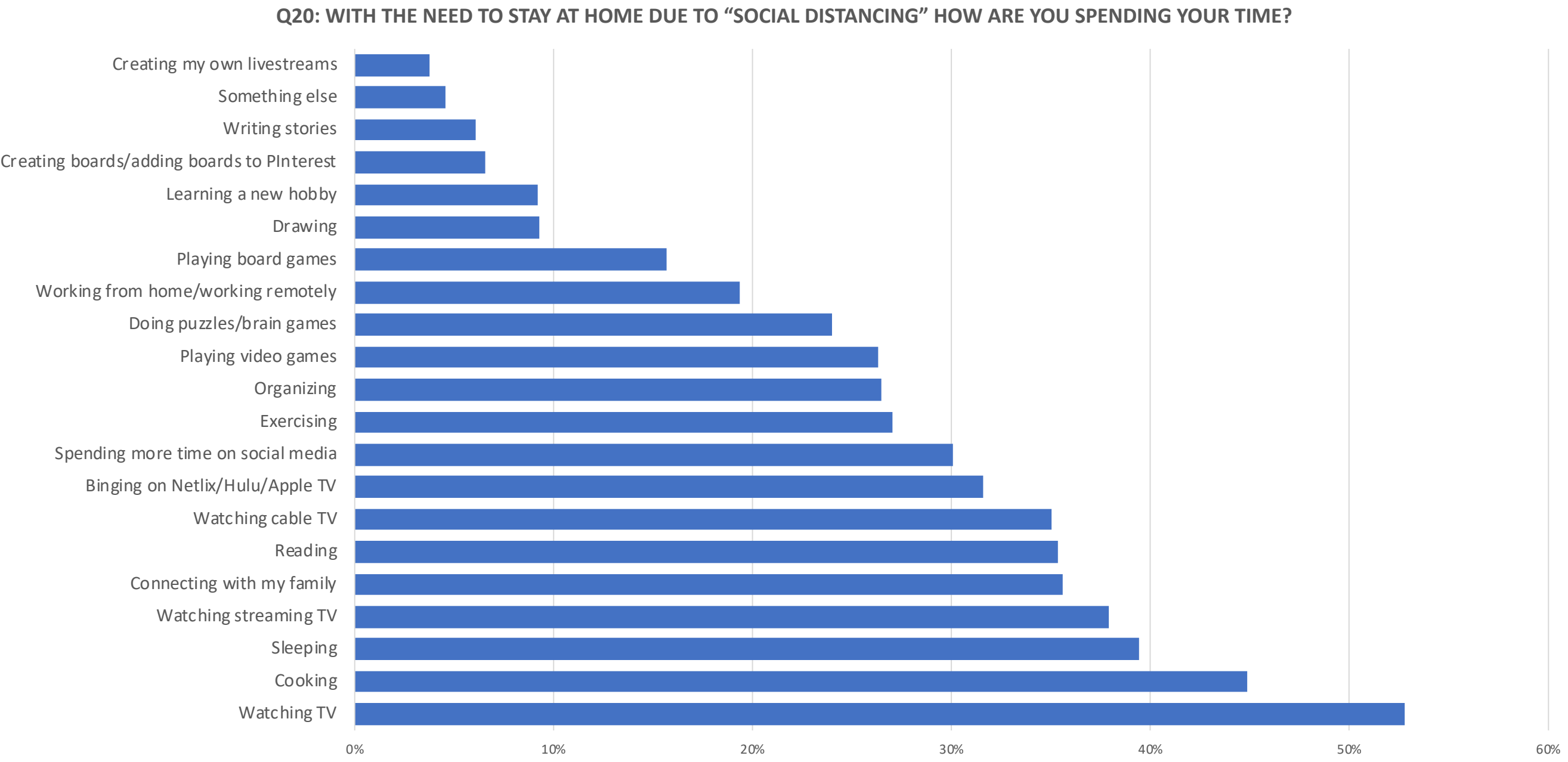
Q18: WHEN THE CRISIS ENDS, DO YOU THINK PEOPLE WILL DO MORE OR LESS OF THE FOLLOWING?



Q19: HOW LONG WOULD YOU WAIT TO TRAVEL ONCE ALL RESTRICTIONS ARE LIFTED?

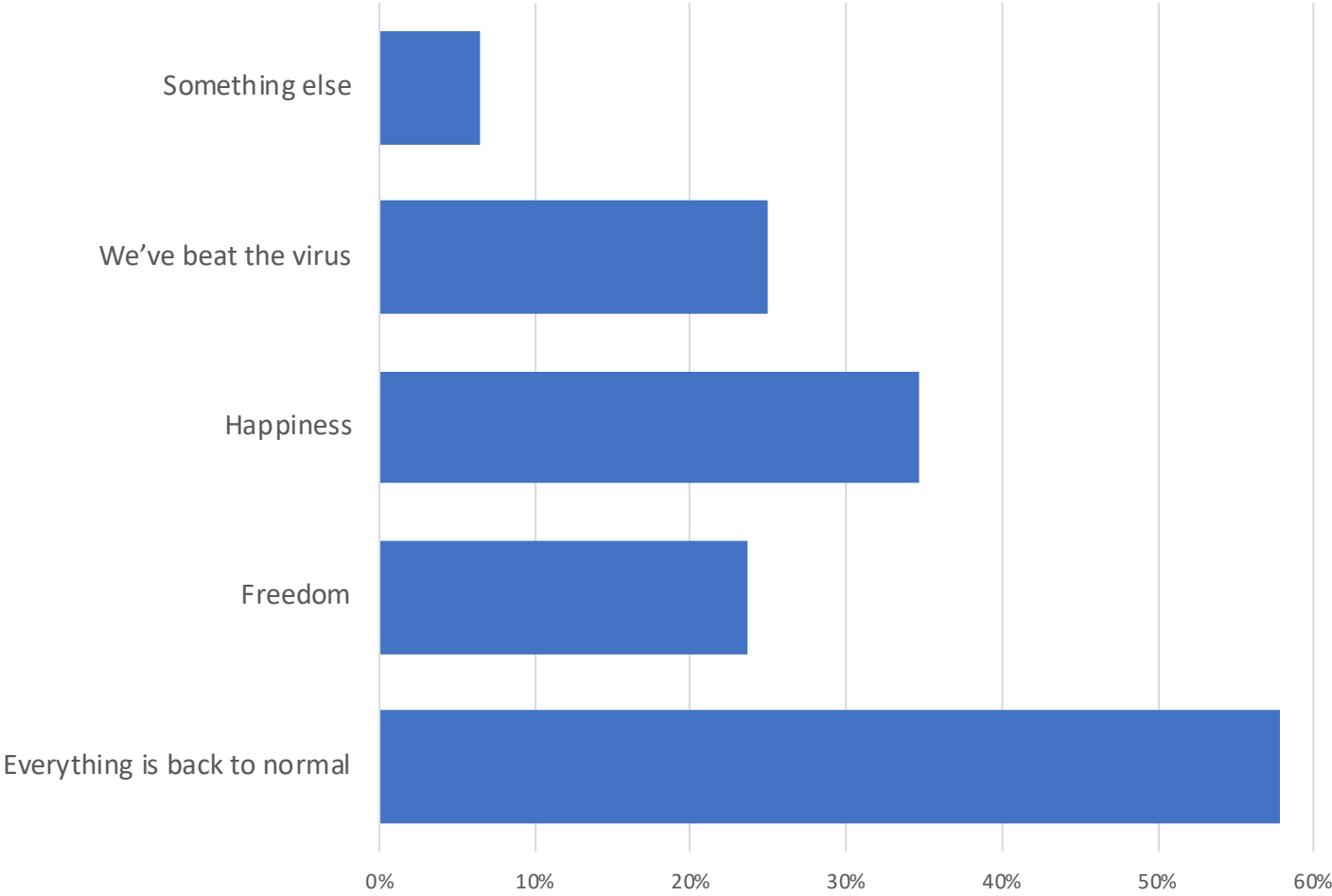


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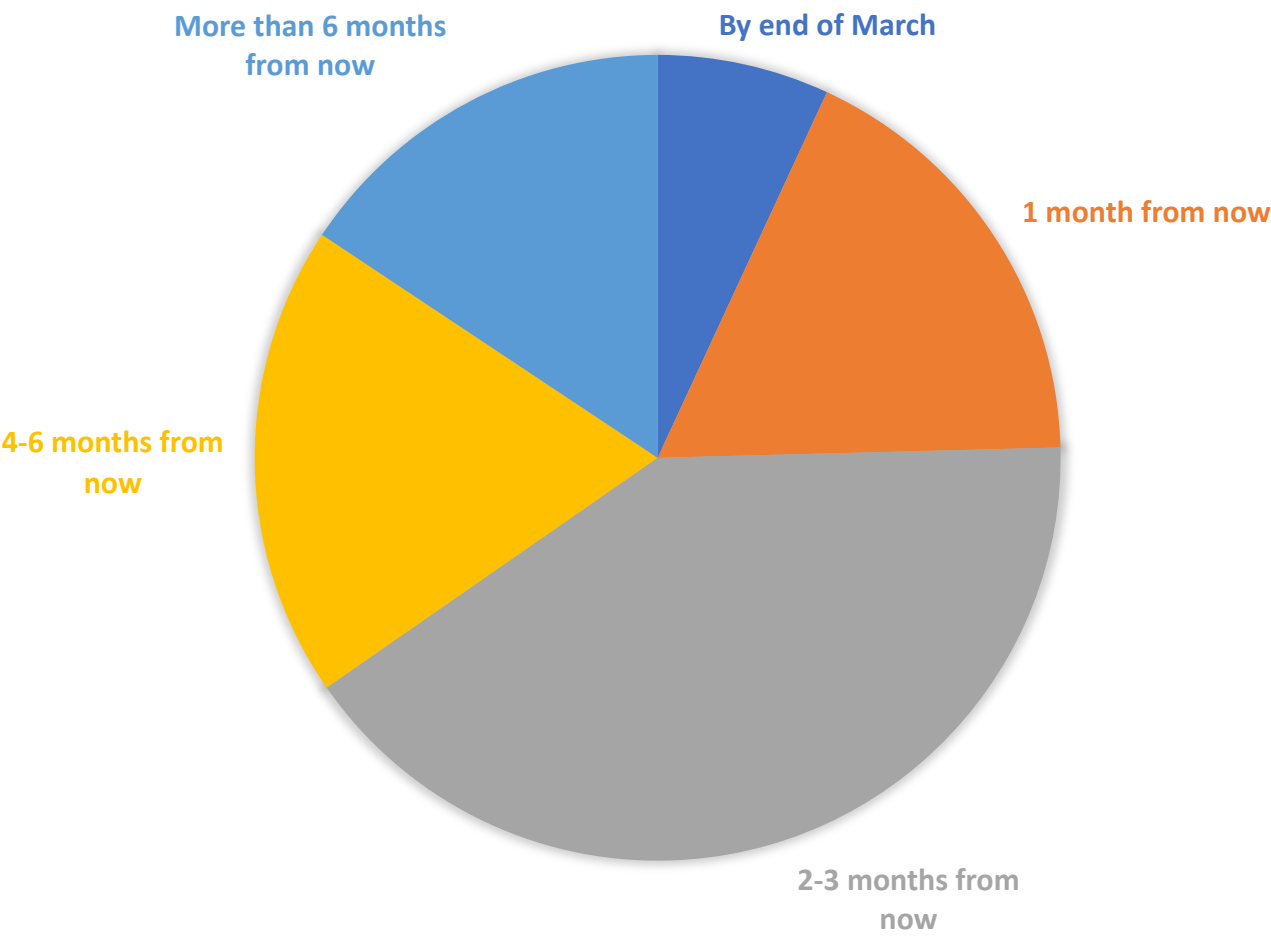


FITZCO CONSUMER PANEL SURVEY RESULTS – WEEK 1

Q21: WHAT WILL THE RETURN OF SPORTING EVENTS SIGNAL TO YOU?

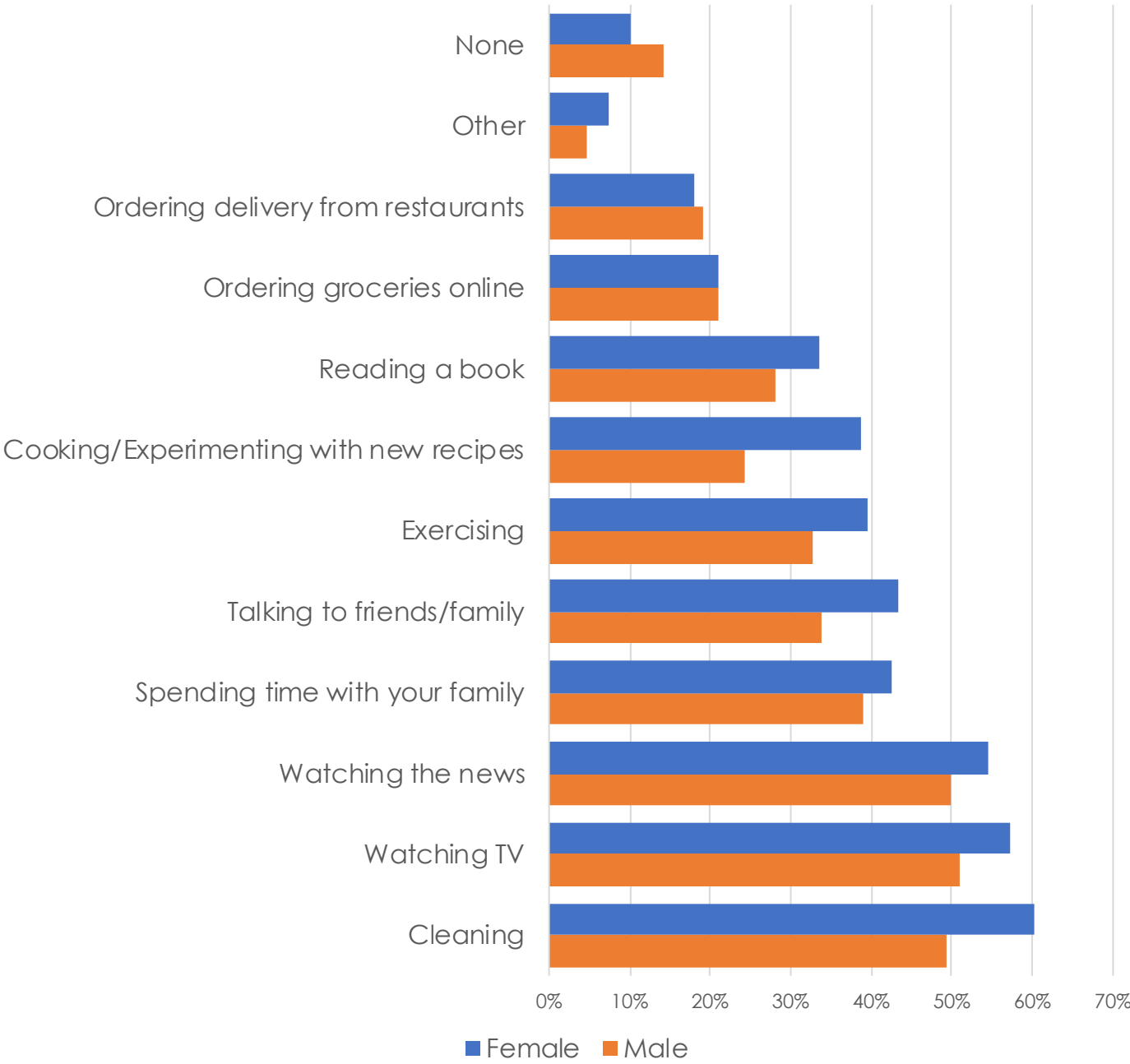


Q22: WHEN DO YOU THINK THIS CRISIS WILL END?

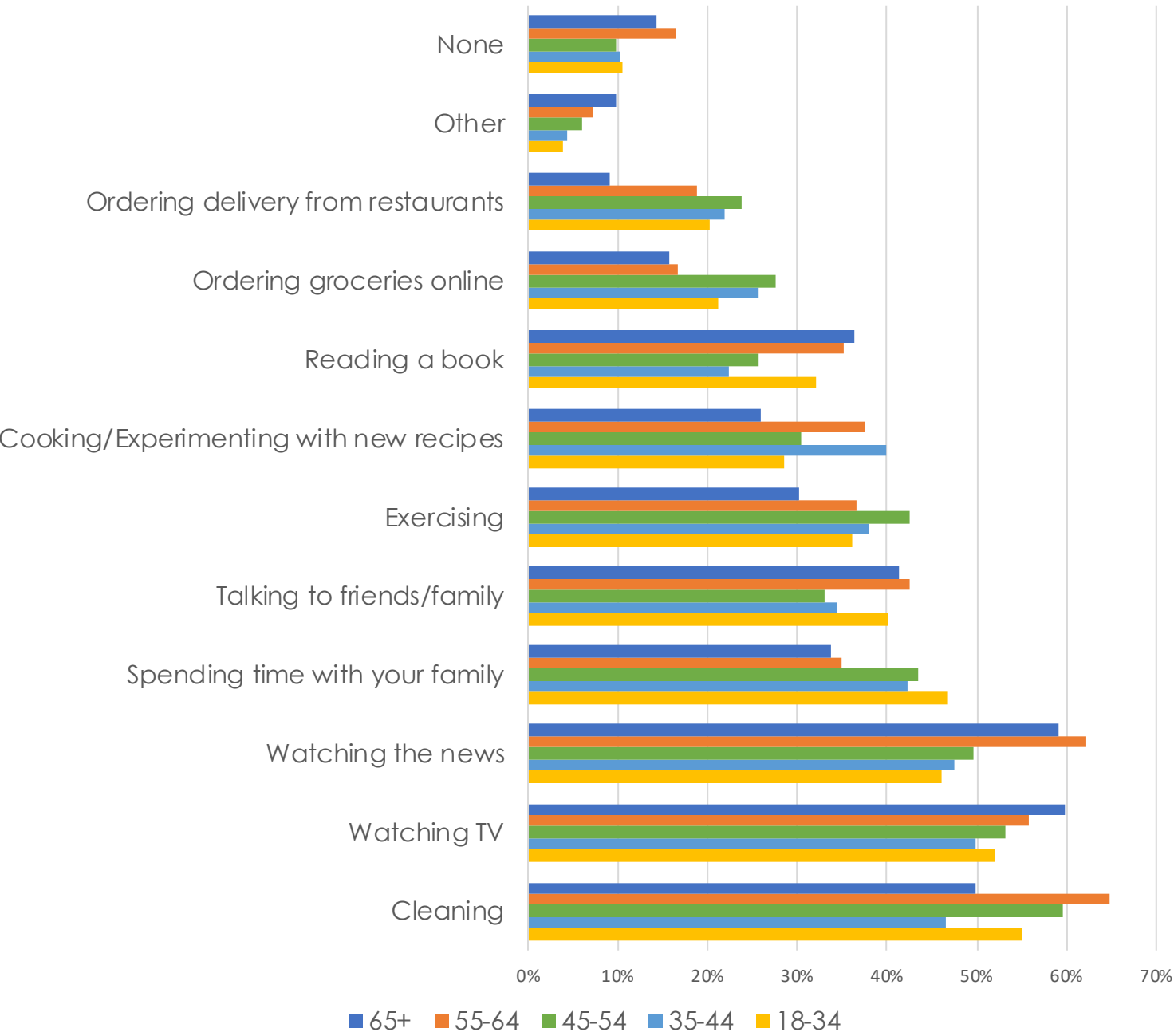


THE HARRIS POLL - WHAT NEW HABITS HAVE YOU FORMED WHILE PRACTICING SOCIAL DISTANCING?

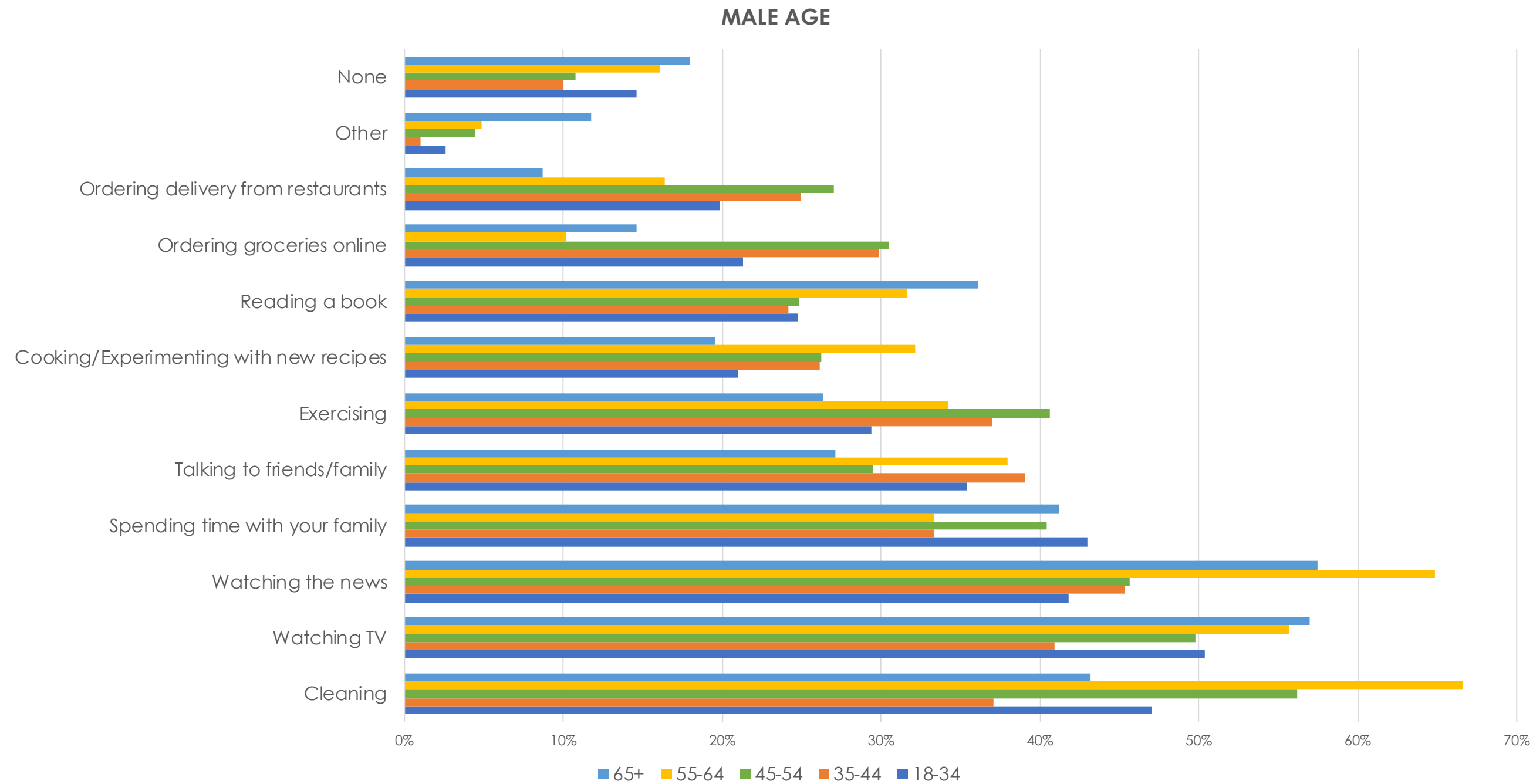
BY GENDER



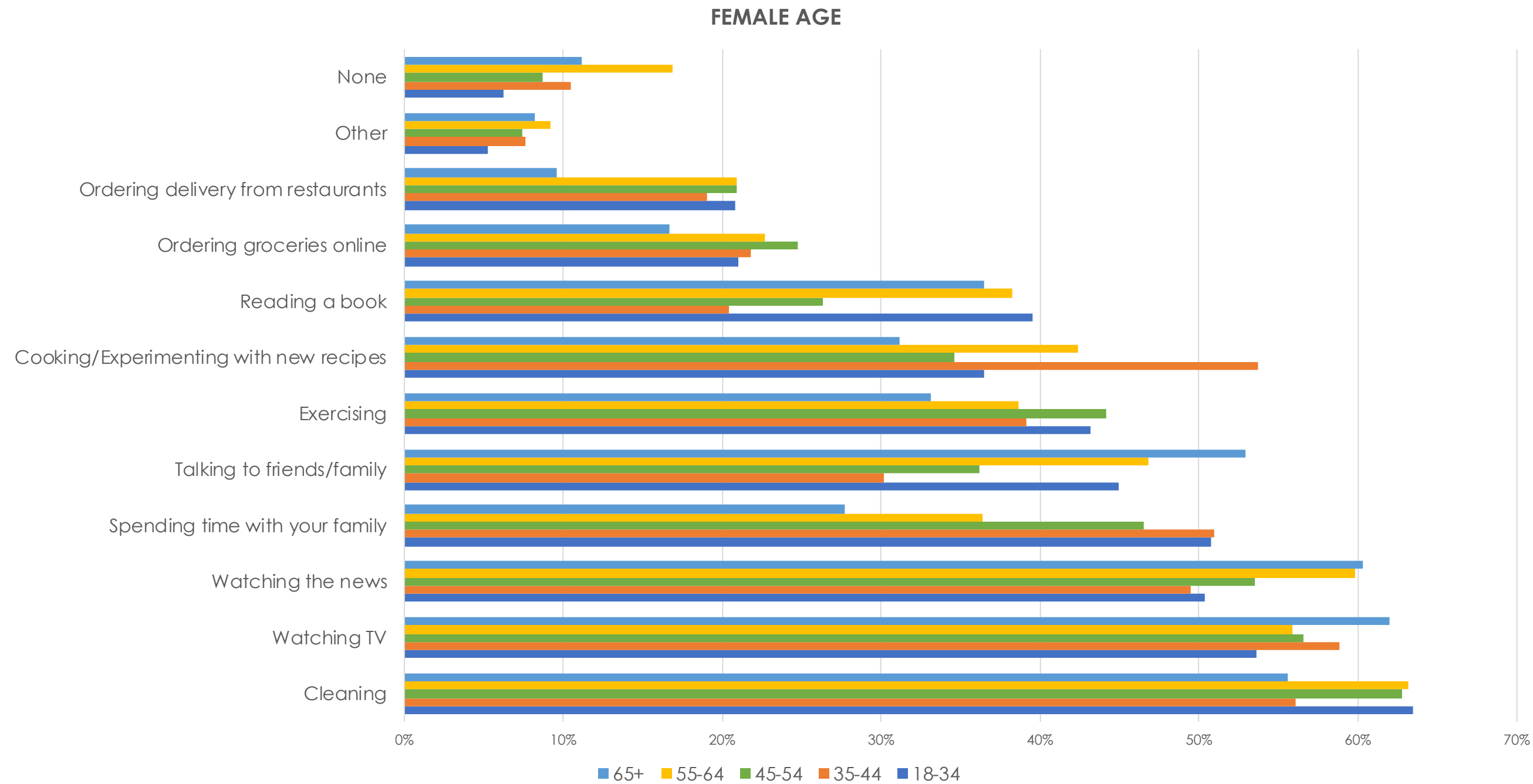
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