World Federation of Advertisers

Media Outlook in the COVID-19 Crisis

Perspectives from the Industry

June 2020

Introduction

The full impact from the Covid-19 pandemic across the rest of 2020 and beyond is still unknown. What we do know is that economic activity contracted sharply in March and April, and there's been a reciprocal impact on the demand equation of global media markets.

And while audience supply has been decimated within some media, for example, cinema and Out Of Home, TV viewing and online streaming have seen significant increases.

This has fuelled considerable price deflation in many markets, in the second quarter of the year at least. Especially in markets and media where pricing is directly influenced by the supply and demand dynamic (e.g. UK TV).

Campaigns are being deferred to Q3 and Q4, as WFA's research into member ad spending intentions confirms, and clients are looking for intelligence to help them navigate the pricing fluctuations across the rest of the year. WFA's OUTLOOK is the industry's reference point for global annual media cost inflation and deflation. But ad spend is linked to economic health, which is, in turn, intrinsically linked to the biological health of populations. And there remains much uncertainty about when the Covid-19 pandemic will recede, and whether it will flare up again.

As a consequence, reliable media pricing data is hard to obtain. In its absence, the aim of this report is to introduce some qualitative perspectives from media agencies and consultants on how the markets and pricing are predicted to behave across quarters three and four of 2020.

Special thanks to

DG2, ebiquity, ECI Higher Media Value, FUEL Media & Marketing, groupm, MAGNA, MediaSense, OMG OmnicomMediaGroup, R3 Worldwide, STARS

for their participation in this exercise.

Please note that the recommendations included in this document are merely meant as suggestions or proposals. They are not binding in any way whatsoever and members are free to depart from them.

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Q. How are you anticipating supply, demand and pricing to develop across Q3 and Q4, as an overall picture?

Summary of trends

- The COVID Pandemic has triggered a global recession, with economic activity expected to decline by -3% in the world in 2020. "The economic recession is disproportionally affecting marketing spending and media demand, as in any recession", say Magna Global "but this crisis is also affecting media supply."
- Indeed, Ebiquity suggests that supply has been 20% and 50% higher than normal in some markets.
- Meanwhile OMG estimate that Q2 global spend could be down around 30%.
- The combination of these forces has driven "heavy deflation" (on TV) in Q2, in some markets.
- Looking forward to Q3 and Q4, several respondents point out that the level of uncertainty on media market scenarios and pricing remains very high, as the return to "normal" lifestyles and business conditions may be very slow and gradual.
- But this notwithstanding, several respondents point out that audience supply is expected to normalise in Q3. And advertiser demand will return to normal levels in Q4, due to the deferred budgets from Q2 and Q3. In fact Ebiquity predict that "Q4 could see some small inflation assuming the economy picks up again and clients expect profitability rising in 2021.
- "All vendors across all media will be trying to claw back revenue in the third and fourth quarters of 2020" say ECI. Fuel expands on this theory suggesting that Q4 deals may be based on revenues deferred to 2021 and beyond. "Q3 and Q4 may include inventory sold for future revenue in 2021, or one-year media deals turned into multi-year agreements."
- Overall, OMG expect global inflation (on broads) to be around -1%. A 7 point delta on pre-Covid forecasts.

"The deflationary prices that we're currently seeing will begin to stabilise" say ECI "it is unlikely, however, that pricing will be on a par with pre-Covid-19 levels."

ECI
HIGHER MEDIA VALUE

"The economic recession is disproportionally affecting marketing spending and media demand, as in any recession but this crisis is also affecting media supply."

MAGNA

Full responses from agency and consultancy contributors:

DG2

Although audience levels are boosted by the lockdown it is the lower revenue outlook that is the dominant factor in affecting lower CPM/CPPs. It is fair to estimate a 2020 CPM decline of ~ 25-30%. In TV, and due to the daytime segments' audiences being boosted, some costs could even be cheaper overall IF strategies incorporate less Peak.

ebiquity

We assume that there will be a recession which will last into Q3 and stop in Q4. Also, we assume that there might be another wave of infections but on a smaller scale and without the strict lockdowns we have seen. Under this scenario we forecast supply (viewership/impressions) to be higher than normal (between 20% and 50%) throughout Q2 but to normalize in Q3. Demand will come back in Q3 but will remain on a lower level than last year. Our recent client survey suggests a drop in media budget of 18% this year.

Q4 might see some increased demand from budgets shifted from Q2 to later in the year. This leads to heavy deflation on TV and digital in Q2. Q3 will be deflationary because of demand shortage. Q4 could see some small inflation assuming the economy picks up again and clients expect profitability rising in 2021.

ECI

Overall, we anticipate that the deflationary prices that we're currently seeing will begin to stabilise; it is unlikely, however, that pricing will be on a par with pre-Covid-19 levels, and as such most markets will experience deflation. All vendors across all media will be trying to claw back revenue in the third and fourth quarters of 2020.

FUEL

Would expect there would be some artificial inflation (driven by demand, esp. clients who postponed in Q2). Some clients may postpone Q3/Q4 to prop up numbers for financial end of year reporting.

Supply levels especially in TV/OLV and Social to remain high, allowing for lower market pricing and use of cheaper segments to achieve results. We anticipate Deals to include some value deferrals. This may include inventory sold for future revenue in 2021. Or one-year media deals turned into multi-year agreements. So, pricing for Q3, Q4 in 2020 may be based on revenues deferred to 2021 and beyond.

Trade credit squeeze will limit 'cash poor' brands. Expect weakening demand in 'high CPT' markets. With Global GDP predicted to fall to 2015 levels, it is not inconceivable that total advertising revenues could be even lower, especially in highly developed economies. Record government debt will affect discretionary spending, reducing shopping basket size and sell through.

STARS

Q2 budgets that were on stand-by will now be fully cancelled. Advertisers in the seek for any profit this year would decrease estimated spend in 2H by 5-10%. This shall have an effect on pricing, but we do not see it as a deflation in Q3-Q4 vs last year, rather a moderated inflation vs. what was initially expected.

Full responses from agency and consultancy contributors:

MAGNA

The COVID Pandemic has triggered a global recession, with economic activity expected to decline by -3% in the world in 2020. The economic recession is disproportionally affecting marketing spending and media demand, as in any recession, but this crisis is also affecting media supply.

Weaker demand, especially from hard-hit industries like travel, auto, entertainment pull in the same direction in the short term, slowing down media inflation in almost every market for Q2 and Q3.

Some markets do expect to see economic recovery in Q3 and Q4, as business is gradually re-opening and consumption resumes. Ad demand could surge towards the end of the year, driven by the need to reconnect with consumers and reclaim market share. The level of uncertainty on media market scenarios and pricing remains very high, as the return to "normal" lifestyles and business conditions may be very slow and gradual.

R3 WORLDWIDE

Demand is going to reduce substantially on a global basis and we would expect pricing to come down in an effort to stay competitive

MediaSense

Local regulations, local Government policy advertising mix are all so different, so you can't generalise too much.

Predictions are difficult to make further out. If we just take a UK basis, we are pretty certain what Q2 is going to be. Q3 and Q4 really depend on how effectively the country comes out of lockdown and obviously every market around the world is in a different phase.

OMG OmnicomMediaGroup

Global spend could be down ~30% in Q2. Prices expected to be suppressed in the low to mid single-digit range across all media on average.

Demand led deflation in Q2 spilling into Q3 & Q4 on a broad adult basis. Supply shortages especially among younger / mid-market audiences could lead to pockets of inflation, as markets re-emerge.

Overall, on current forecasts (with yet unknown effects from disrupted sports schedules and originally produced TV content suppression) we expect global inflation (on broads) to be ~-1% a 7pt delta on pre-Covid forecasts.

Audience Supply, Revenue Demand and Pricing Trends: by GEOGRAPHY

Q. How are you anticipating supply, demand and pricing to develop across Q3 and Q4, by market and region?

Summary of trends

- It's generally agreed by all respondents that markets need to be treated on a case by case basis. "Not all TV and digital will be up, and not in every market… Demand will generally be a function of the health of the economy" (GroupM).
- On that basis, markets hardest hit by Covid which, in turn suffer the most severe economic consequences, may experience weakest demand. "Volatile markets like UK, Spain and Italy are seeing highest deflation" say Ebiquity.
- APAC has emerged from lockdown more successfully than Europe so it's predicted that the media markets will recover faster. "You would have to assume that things could firm up in APAC by the time we get to Q4" say MediaSense.
- The US TV market is predicted to be relatively stable through Q2, because of the nature of long-term deals from which it can be hard to unravel. Several respondents expect the US to be hit hard in Q3 and Q4. The impact of COVID-19 on US network TV "will be brutal" predict MediaSense, with the Scatter market pricing also falling fast.

"The pandemic is shifting from East to West, a trend which will be reflected in the timing of when economies and media pricing return to inflationary positions. We expect that media pricing in APAC, which was the first region to be hit by the pandemic, will be in a stronger position by the end of the year.

ECI
HIGHER MEDIA VALUE

Full responses from agency and consultancy contributors:

DG2

Geographic differences will naturally be dominated by the virus' status. Already product launches have been pushed back on a regional basis in the automotive sector.

ebiquity

Volatile markets like UK, Spain and Italy are seeing highest deflation. The US is relatively stable through Q2 because of the nature of deals, but will be hit hard in Q3 and Q4.

AECI
HIGHER MEDIA VALUE

The pandemic is shifting from East to West, a trend which will be reflected in the timing of when economies and media pricing return to inflationary positions. We expect that media pricing in APAC, which was the first region to be hit by the pandemic, will be in a stronger position by the end of the year.

EMEA is anticipated to see prices rise in Q4, but not by enough to counter the drop in quarters two and three.

The US, which is on a similar pandemic timeframe to EMEA, is showing a delay in recovery in part due to trading years: Upfronts have been delayed and may shift to calendar year schedules. Meanwhile, the pandemic may have a longer-term impact on LATAM: not only was the region the last to be seriously affected by the virus, but it is also suffering the adverse effects of delayed lockdown restrictions and conflicting advice from governments.

FUEL
MEDIA & MARKETING

The Big 12 international markets (USA, UK, Spain, South Korea, Russia, Japan, Italy, India Germany, France, China, Brazil, Australia) where the Global Dollars and Euros are most concentrated are likely to see an acceleration of TV and Digital integration.

groupm

Not all TV and digital will be up, and not in every market; similarly, not all outdoor and audio will be down everywhere. Demand will generally be a function of the health of the economy, which should generally be weak in most countries, with some likely stronger than others, in large part depending on how well that country has fared during the pandemic from a public health perspective, paired with the degree to which public policies successfully hibernated a given economy. At the same time, government support for media in the form of increases in ad budgets may distort spending upwards in some cases.

Pricing will also play out differently in different countries, with factors such as the absence (or presence) of sports similarly impacting highly desirable inventory and then distorting the demand and pricing for other inventory.

Full responses from agency and consultancy contributors:

MediaSense

APAC appears to be coming out of lockdown more successfully. So you would have to assume that things could firm up in APAC by the time we get to Q4. Europe, however, is only just coming out of lockdown and coming out of lockdown very slowly. So we think we're looking at Q3 and Q4 in Europe and thinking, there's going to be deflation for the rest of the year. We are not convinced the markets are going to recover in Q4, because there's a lag effect as well.

There's obviously a correlation between each country's rate of economic recovery and what is going to happen in their media markets in Q3 and Q4, but we would suggest that APAC will look better, EU will be in the doldrums and the US, network TV in particular, may be impacted over a more sustained period.

In the US TV market, the scatter market (which is a pure supply and demand market) is falling very rapidly, and scatter market pricing is moving very close to upfront pricing. The markets are moving in slow motion in the US because, compared to other markets, media trading commitments are agreed to on a longer-term basis, so it takes longer for brands to unravel themselves from these.

OMG
OmnicomMediaGroup

Regionally we're seeing similar patterns given the global nature of the crisis. This will change over time as markets unlock.

R3
WORLDWIDE

China will be robust but other markets will decline.

STARS

Lockdown lifting will improve media market health globally, but not equally. We are quite sure that APAC, especially China, will pick up very quickly. Already signals from China are very positive. Europe will be split, with CEE doing better than Western Europe. America will most likely struggle for longer, similarly to Western Europe.

Audience Supply, Revenue Demand and Pricing Trends: by MEDIA

Q. How are you anticipating supply, demand and pricing to develop across Q3 and Q4, by media?
Q. Are you seeing any substantial shifts in media allocation mix among your clients?

Summary of trends

- In terms of the media winners and loser from the Covid pandemic, several respondents point out that, inevitably, anything consumed out of home will fare less well compared to media typically consumed within the home environment.
- TV viewing grew +10% to +40% above 2019 levels at the beginning of lockdown and remains above 2019 levels (+5% to +15%) in most markets (Magna Global).
- Out Of Home and Cinema media have seen their supply decimated. Radio has also struggled as so much audience for this medium comes from commuting. Meanwhile it's suggested by one respondent that radio campaigns are relatively easy to cancel, so the medium has fallen victim to a fallout in revenues.
- Meanwhile, Print, which tends to be highly reliant on retail revenue is in a bad place from a demand perspective. And while online audiences for news content are up, this isn't necessarily feeding through to ad spend to due Covid-19 'blacklisting'.
- Digital, although not immune from the fallout in spending is in a much stronger position claim several respondents. "If you're seeing 30% or 40% reduction in TV CPMs in Q2, you're seeing 15% to 20% reductions in digital CPMs" say MediaSense.
- Budgets are following eyeballs and "ecommerce will probably sustain an elevated growth rate" suggest GroupM. "And because so many marketers tie at least some digital media to e-commerce activity, this would probably contribute to an acceleration in the share of budgets which go to digital media.

"Globally, we expect TV inflation to slow down to +5% this year, down from our previous estimate of +9%. We expect deflation in 2Q followed by stabilization in 3Q and (for some markets) inflation in 4Q."

MAGNA

- At least two respondents pointed out that "there's a tendency to shift into media which impact sales short-term" (Ebiquity). The major digital platforms are "benefiting from what appears to be a shift into short-term activation and performance advertising" agreed MediaSense.
- Looking forward to Q3 and beyond, there's differing opinion on the likely fate of TV. Fuel suggest that "TV will be slow to emerge from the crisis [because] commercials are not being made in any volume, especially large format brand commercials."
- But for at least two respondents it's anticipated that there will be some TV inflation in Q4. "While TV supply could be constricted by lack of new content," say OMG "the resurgence of sports could see inflation in key periods". Similarly, Magna Global expect "deflation in Q2 following by stabilization in Q3 and – for some markets – inflation in Q4". Magna Global have forecast global TV inflation to slow down to +5% this year, down from the previous estimate of +9%.
- In general, there seems to be consensus that the Covid crisis will accelerate the transfer of budgets from 'traditional' media to digital. "Traditional media will take much longer to return to stable pricing" suggest ECI. "Search and social can be bought and planned with smaller budgets and more flexibility, so we expect that pricing for these channels will stabilise more quickly." It's suggested that tactical media, such as Print and Radio may see a resurgence post lockdown "but not back to pre-crisis levels" (OMG).

"The platforms are benefiting from shifting media mix allocation into digital. But equally, a lot of their traditional advertisers…have gone away. The long tail is going out of that bucket, but the bigger brands are coming in, which is quite an interesting dynamic."

MediaSense

Full responses from agency and consultancy contributors:

We anticipate TV suffering more from short-term contraction and withdrawal of revenue. Digital is able to adapt to strategic change more readily. Tactical offers may favour Digital in the return to market.

Main trends are that TV and Digital likely to eventually benefit as they both offer a greater level of creative dynamism, call to action and creative morphing.

If, as we anticipate, 30+% revenue decline, at least during the peaks of lockdown, across the next period, each medium will need to dramatically adapt to clients' copy/message development as sector by sector requires its specific "instant" start-up support.

Heavy deflation in TV and digital in Q2. TV and digital viewing are benefiting from the lockdowns. OOH, Cinema and print are suffering. The latter are also the media with highest losses, also throughout the rest of the year.

We see a tendency to shift into media which impact sales short-term, e.g. search and other digital performance channel. The increasing subscription to streaming platforms (e.g. Netflix) will last long-term and speed-up the loss of linear TV reach which will raise demand for online video ads.

TV will be slow to emerge from the crisis, commercials are not being made in any volume, especially large format brand commercials. OLV will increase in demand - heavy utilised by retail, entertainment and automotive. Search - big sectors expenditure down – lowering CPC in Financial, (esp. insurance & mortgages, loans), Retail (High street vendors) and QSR sector. Social – Hold up well due to increased audience share and strong ROI reporting.

Anecdotal evidence suggests that OOH and Print budgets shifted to digital (esp Social and OLV), slowing the digital downturn relative to other channels.

Presuming the virus has not been eradicated and consumers are staying at home more than in the past (if less than in the second quarter of the year) we would expect higher levels of TV and higher levels of digital content consumption but less outdoor and audio consumption, given its skew towards out of home consumption.

There are always shifts in mixes due to a range of factors, but there are some categories which have been unable to operate conventionally and have shifted much of their media to digital.

E-commerce will probably sustain an elevated growth rate, and because so many marketers tie at least some digital media to e-commerce activity, this would probably contribute to an acceleration in the share of budgets which go to digital media.

HIGHER MEDIA VALUE

Offline media, which is subject to much higher deflation than online, will continue to suffer year-on-year budget decreases in Q3 due to booking deadlines and the uncertainty relating to lockdown legislation in many markets. Digital media is more flexible and will allow for more stable estimates: it is expected to return to inflationary levels in markets that have progressed through to the latter stages of the pandemic.

Traditional media will take much longer to return to stable pricing; search and social can be bought and planned with smaller budgets and more flexibility, so we expect that pricing for these channels will stabilise more quickly.

It goes without saying that any shifts in media allocation mix varies according to the client's situation and category. However, we are seeing a trend whereby budgets are following consumer eyeballs, shifting from Outdoor, Radio and Cinema to TV and Digital. We see our clients achieving 20% incremental reach and a 20-30% decrease in pricing for TV campaigns in some markets.

Full responses from agency and consultancy contributors:

MAGNA

In almost every market, lockdowns and work-from-home policies have led to significant increases in linear TV viewing and digital media, across all demographics and dayparts. TV viewing grew +10% to +40% above 2019 levels at the beginning of lockdown and remains above 2019 levels (+5% to +15%) in most markets, after 10 to 12 weeks. We anticipate linear TV consumption will ultimately come back to their long-term trend (i.e. yoy decline of -5% to -10%).

Globally, we expect TV inflation to slow down to +5% this year, down from our previous estimate of +9%. In-stream video inflation will be +6%, while out-stream inflation will be +2%.

Digital media will be the least impacted media type, thanks to organic growth factors that will mitigate the slowdown of demand. In addition, the continued growth of ecommerce and continued re-allocation of budgets from below-the-line marketing channels into social and search, continues to drive digital growth. Social and digital video ad formats are likely to slow down less than search.

Radio advertising revenues will be hit harder because car commuting (generating the bulk of talk radio listening) will stop for weeks. Radio is also easier to cancel than television.

MediaSense

The print market is faring worse than TV and OOH. Obviously, there's been a dramatic reduction in retail print ad spending, but also a dramatic reduction in readership. OOH and cinema have also suffered very significant reductions in audience and revenues. At least TV and digital are seeing increased audiences which means that you can build reach more cost effectively than before. So, if a brand is able to support its budgets then that's where the money is sticking.

If you're seeing 30 or 40% reduction in TV CPMs in Q2, you're likely to see 15 to 20% reductions in digital CPMs.

The platforms have been relatively upbeat. What they're benefiting from appears to be a shift into short-term activation and performance advertising. But equally, a lot of their traditional advertisers, particularly SMEs, have gone away. The long tail is going out of that bucket, but the bigger brands are coming in, which is quite an interesting dynamic.

OMG
OmnicomMediaGroup

Lack of new TV content in production / Sports coupled with markets coming out of lockdown in the summer could lead to supply-led TV inflation in H2. Moderate decreases in digital spend due to general budget cuts from large advertisers, but more so from numerous SMEs shuttered by lockdown.

Large decreases in OOH & Cinema spending / audiences due to lockdowns, and estimated decreases in Radio spend / audiences due to initial lack of vehicle usage. Cinema likely to remain subdued due to on-going social distancing measures. Large decreases in print spend compounded by distribution challenges, but large increases in Newsbrands' online readership (although not always feeding through to ad spend due to early Covid-19 'blacklisting').

We'd expect initial CPM price suppression for programmatically traded media to reverse as demand picks up and consumption levels drop after the initial uptick of time spent online. TV supply could be constricted by lack of new content leading to some inflation across many markets. Resurgence of Sports could see inflation in key periods. We'd expect increased usage of tactical / flexible media such as print and radio, but not back to pre-crisis levels. OOH could see a resurgence in H2 as brands seek to engage with audiences spending more time out of the home, but not expected to be back at pre-crisis levels.

Advice for brands to plan budgets in a highly unpredictable market

Q. What advice would you offer to brands who are attempting to plan budgets?

Summary of ideas

- Use short-term opportunities in Q2 from supply increase and Q3/Q4 from demand shortage (deals). Check if your guarantees are set-up to give you the benefit of deflation or whether your agency will have an easy year (Ebiquity).
- Advertisers should be smart and find a balance between their committed and flexible budgets. Last-minute buys can be efficient, but don't sacrifice media quality even when the price is extremely low (ECI).
- Your agency is your "Agent". It needs to respond to a shifting economic world and ensure maximum client flex on campaign timing without penalty (DG2).
- Make sure agencies don't over deliver on campaigns in Q2 – you don't want Q3/Q4 brands to get value recouped. Look at daytime TV again – increased rating may make it more effective than usual. Be agile enough to adjust your usual media mix to offset inflation in your regular channels if necessary (Fuel).
- Individual marketers will be focusing on first finding new opportunities to grow their businesses in the current environments or otherwise prepare their businesses for newly forming consumer needs (GroupM).
- Business research and marketing literature suggest that brands cutting marketing spending during crises hurt their long-term business by an amount that outweighs their short-term marketing savings. Brands that have maintained or increased communication during crises have historically benefitted from above-average business outcomes in the mid-term (Magna Global).
- Consider setting budget aside because there are a lot of opportunities. Media owners are being much more flexible and are not penalising short-termism. We would recommend setting aside around 20%-30% of budget for short-term opportunities (MediaSense).
- Be prepared to assess possible trade-offs between price and flexibility. Don't assume relatively low periods of demand will automatically feed through to depressed pricing, due to potential supply pressures as well as vendors traded price for flexibility (OMG).
- Be patient. Don't over commit and be open to last minute opportunities (R3).
- Do not make any significant decisions until mid-August. See if demand is rebuilding and check the newest prognosis for a second wave of Covid. Do not plan any media pitches until mid-September (Stars).

Full responses from agency and consultancy contributors:

Without over emphasizing the points made above, your agency is fundamentally your "Agent". Responsibly it needs to respond to a shifting economic world and ensure maximum client Flex on campaign timing without penalty.

Spending through the recession increases brand equity and yields over-proportional returns. Keep investing in your brand. Use short-term opportunities in Q2 from supply increase and Q3/Q4 from demand shortage (deals). Check if your guarantees are set-up to give you the benefit of deflation or whether your agency will have an easy year. Measure your media performance more closely than ever. This year performance will be very volatile and depend more than ever on challenging your agency to give you the best deals possible.

To ensure optimum performance in these uncertain times, advertisers must secure a more dynamic and flexible planning process. Indeed, many media outlets are allowing a higher degree of flexibility: even those that have traditionally required upfront negotiations and spend commitments are currently shifting to short-term cycles of price negotiations and pricing adjustments to reflect shifts in offer and demand. Agility is key: take advantages of opportunities. Advertisers should be smart and find a balance between their committed and flexible budgets. Last-minute buys can be efficient, but don't sacrifice media quality even when the price is extremely low. TV and digital media channels are seeing huge audiences, so maintaining budgets can see great returns. Messaging and creative should be adjusted to reflect the current environment and, as always, keep an eye on your competitors' activity.

Above all, have your agency negotiate sufficient Flex to allow brands to move and adapt timing. The one lever that matters is that it's your (client's) revenue so keep control and flexibility in your pocket to allow that adaptability. Look for media value (Consider pre-paying, examine opportunities to increase SOV vs competitors). Make sure agencies don't over deliver on campaigns in Q2 – you don't want Q3/Q4 brands to get value recouped. Look at daytime TV again – increased rating may make it more effective than usual. Be agile enough to adjust your usual media mix to offset inflation in your regular channels if necessary.

There is always the pressure to cut back on marketing and advertising activity due to financial uncertainty, supply issues and the perceived risks for a brand to communicate in a sensitive climate. However, business research and marketing literature suggest that brands cutting marketing spending during crises hurt their long-term business by an amount that outweighs their short-term marketing savings. Not only does advertising through a crisis make consumers feel positive and comforted by a brands' commitment to its products and its clients ("Keep Calm And Carry On"), but it also keeps the brand in consumers' top of mind and better prepared when pent-up demand re-emerges. During the 2008-09 recession, half of US brands increased national TV spending, 25% of brands decreased slightly (0 to -20%) and 25% of brands decreased spending significantly (more than -20%). Brands that maintained or increased communication during crises have historically benefitted from above-average business outcomes in the mid-term. In the US, more than 400 brands have come out with 700 TV COVID-themed commercials to voice their solidarity with employees, customers and frontline workers, and/or promote new services to locked-down consumers (e.g. contactless pizza delivery, online services etc).

Full responses from agency and consultancy contributors:

MediaSense

Marketers will need to be more intensive with their media oversight. Working very closely with media agencies will be critical because ROI models are changing radically. Seek out monthly updates to planning costs and regular assessments of where audiences are moving, as both are critical.

At the moment the ROI for TV has never been better. So, our advice to advertisers is to remain focused on understanding what their MMM (Market Mix Models) are now looking like in the new normal.

Consider setting budget aside, because there's a lot of short term media offers and opportunities. A lot of media owners are being much more flexible and are not penalising short termism. We would recommend setting aside around 20%-30% of budget for short-term opportunities.

And then re-budget and re-plan on a regular basis. The more agile you are, the better you'll do out of this situation. You can't be agile everywhere, but there's a new playbook emerging, where media management is much more intensive, much more collaborative, much more focused on knowledge sharing and re-planning.

OMG
OmnicomMediaGroup

Try to get ahead of the curve as demand picks up again. Those continuing to advertise now are most likely already enjoying higher SOM. Be prepared to assess possible trade-offs between price and flexibility. Don't assume relatively low periods of demand will automatically feed through to depressed pricing, due to potential supply pressures as well as hardening vendor policies and/or trading flexibility for price.

groupm

Individual marketers will (or at least should) be focusing on first finding new opportunities to grow their businesses in the current environments or otherwise prepare their businesses for newly forming consumer needs. Marketers and media directors are often at the forefront of understanding consumer trends and may similarly be best positioned to focus on the ways in which consumer interests and opportunities will evolve

R3
WORLDWIDE

Be patient, don't over commit and be open to last minute opportunities.

STARS

Do not make any significant decisions until mid-August. See if demand is rebuilding and check newest prognosis for a second wave of the covid. Do not plan any media pitches until mid-September.

Other resources

- WFA Covid Compendium – the actions brands are taking around the world
- WFA Crisis Clinic Series – Managing your media, agencies, content, remuneration, sponsorship... in the Covid pandemic
- WFA Covid response tracker – Wave 1, Wave 2

Note: All WFA benchmarks, survey results, agendas and minutes are reviewed by Hogan Lovells International LLP, our competition lawyers

WFA Competition law compliance policy

The purpose of the WFA is to represent the interests of advertisers and to act as a forum for legitimate contacts between members of the advertising industry. It is obviously the policy of the WFA that it will not be used by any company to further any anti-competitive or collusive conduct, or to engage in other activities that could violate any antitrust or competition law, regulation, rule or directives of any country or otherwise impair full and fair competition. The WFA carries out regular checks to make sure that this policy is being strictly adhered to.

As a condition of membership, members of the WFA acknowledge that their membership of the WFA is subject to the competition law rules and they agree to comply fully with those laws. Members agree that they will not use the WFA, directly or indirectly, (a) to reach or attempt to reach agreements or understandings with one or more of their competitors, (b) to obtain or attempt to obtain, or exchange or attempt to exchange, confidential or proprietary information regarding any other company other than in the context of a bona fide business or (c) to further any anti-competitive or collusive conduct, or to engage in other activities that could violate any antitrust or competition law, regulation, rule or directives of any country or otherwise impair full and fair competition.