



INSIDE OUT

Finding relevance
in a changing world.

Part 2.
Going where your audiences are.

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Our relationship with media has changed fundamentally in just two months

Facebook Live, the social giant's first step into live streaming, has been with us for nearly half a decade. Up until recently it had mixed success but in the last few months live streaming through it was up by more than 50 per cent in the US alone.

There's nothing earth-shattering in the idea that lockdown has drastically changed how we're all interacting with media. Media owners are scrambling for revenue, businesses are trying to find new ways of staying relevant and consumers are finding new ways to be informed and entertained. Meanwhile, budgets have been slashed and the established patterns and trends that defined how marketers plan media spend, have fallen away.

Result? A volatile media market full of both challenges and opportunities – and a future that is difficult to predict.

No-one wants to end up shouting in an empty room. We've partnered with media agency **Altair** to provide a snapshot of the opportunities presented by changing consumption habits – and some thought starters on how you might think about your channel mix.



INSIDEOUT

Inside/Out is a series of bitesize content that tackles the big questions facing marketers looking to maintain relevance for their brands in a post COVID-19 world.

We're not following our own schedule here however: we're curating a conversation based on what clients and contacts are telling us is on their 'to do' lists.

Opportunity 1: widening generational gaps and the TV opportunity

“It’s a need that exists in times of physical distancing, but it’s a need that exists in normal times as well...”

Fidji Simo, Head of Facebook App, on the company’s re-prioritisation towards Groups, Live and News for the long term

Widening generational gaps and the TV opportunity

The lockdown has seen one variable across all age groups increase – disposable time.

So while most groups have started to consume media differently, generational differences have largely been maintained as people do more of what has always interested them. Boomers, for example, have been the least likely demographic to change habits. Along with Gen X, their consumption of broadcast TV has surged.

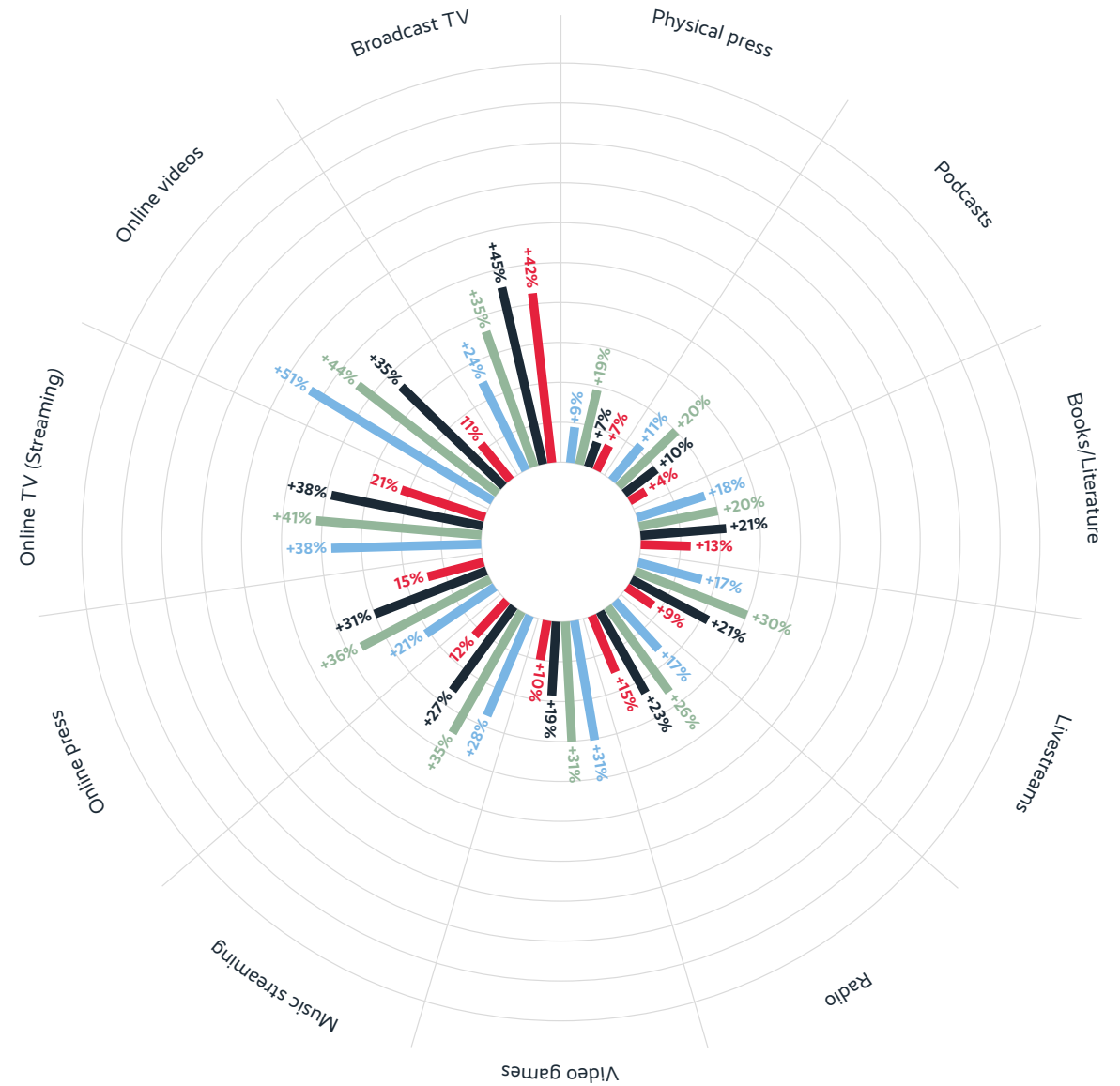
Elsewhere however, broader changes are afoot:

There are signs **online videos** and **streaming** are benefiting from the biggest rises : Gen X in particular are joining younger audiences in gravitating to them

TV has seen a resurgence thanks to younger audiences who are normally harder to reach here

Percentage who have started consuming or are consuming more since the outbreak

- Baby Boomers
- Gen X
- Gen Y (Millennials)
- Gen Z



Opportunity 2: Finding increased value through the at home opportunity

“The low-cost marketplace gives a new opportunity for business to educate, inform and entertain.”

Lyndsey Best, Director, Altair Media

Finding increased value through the at home opportunity

The combination of social distancing with collapsing marketing budgets has led to a significantly enhanced at home opportunity. There is a captive audience open to longer form content telling people what a brand can deliver, so it is a great time to promote that.

While media such as social, radio and TV are surging in usage – and media inventory is high – advertiser investment is down. This has had a direct impact on cost, particularly in the digital auction marketplaces of programmatic and paid social.

Supply and demand is finally working in favour of those advertisers with the ability to take advantage. But a surge in returning advertising as things stabilize means businesses need to invest sooner rather than wait longer for revenue to start coming in.

Paid social

- **39% increase** in UK social use: across all ages, but particularly under **35s (+44%)** and over **55s (+30%)**
- Buying is less competitive: spending on Facebook **dropped by an estimated 62% in March**
- Spend efficiency is hugely improved: reach, **+70%; CTR, +152%; ROI, +742%***

Programmatic

- VOD viewing **up 10%** – and **more than double growth among 16-34s**
- Mobile gaming time spent **increased by 14.4% by mid March** (Adcolony)
- **50% of UK adults** are considering On-Device mobile gaming as a way of socialising

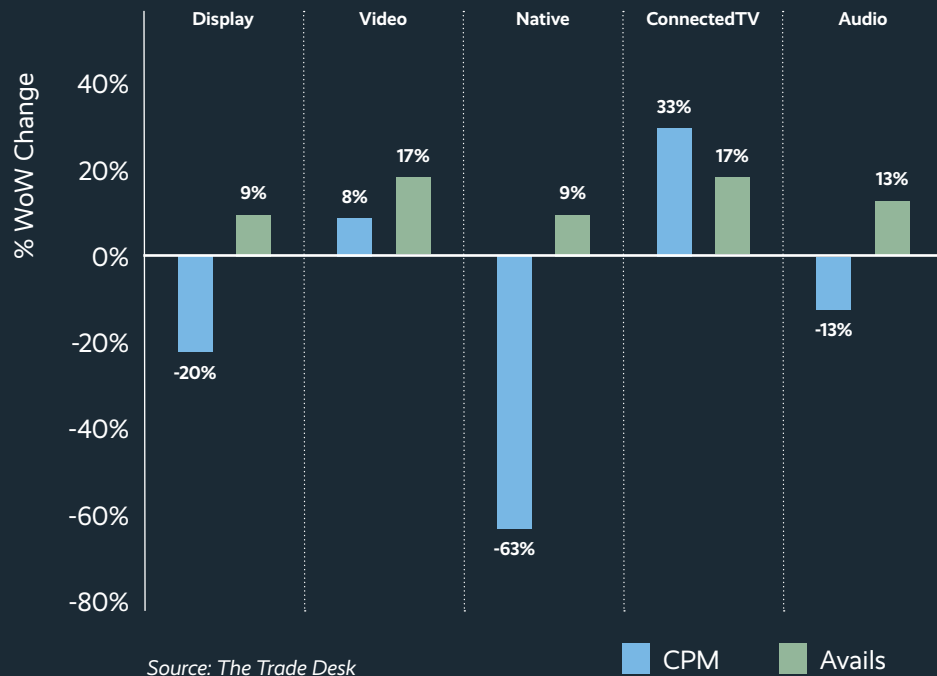
Digital audio

- Radio streaming **(+23.8%)**; music streaming **(+23.3%)**; podcasts **(+9.6%)** – DAX
- News channels and podcasts faring especially well
- Lack of commuter behaviour is resulting in consistent consumption throughout the day

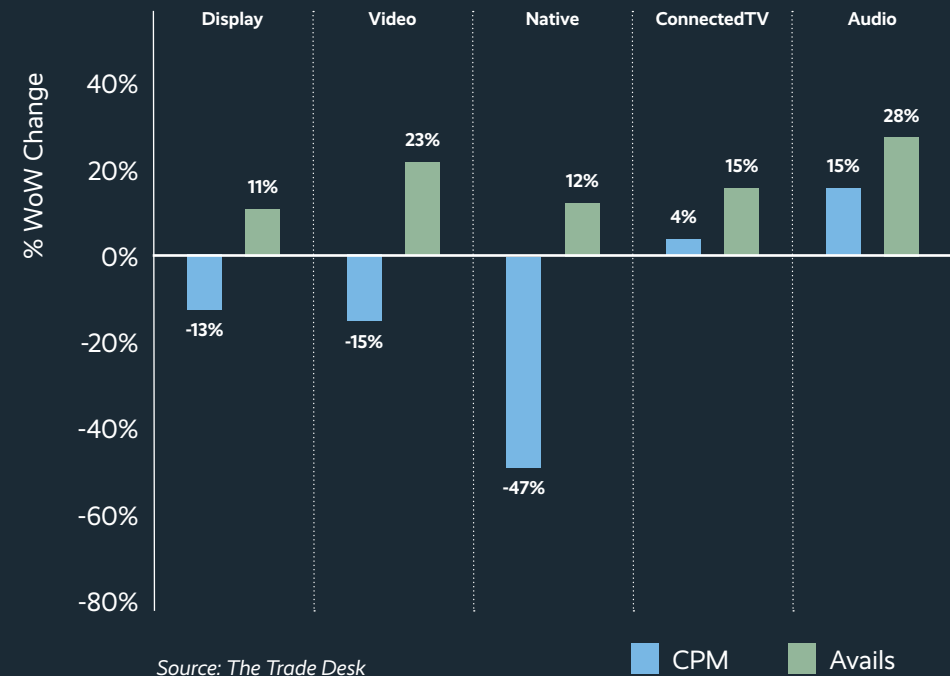
* Figures based on Altair campaign metrics

Cheaper media available at scale across EMEA

Global trends COVID19 impact (March 2020)



EMEA COVID19 impact (March 2020)



Opportunity 3: Opportunity... and risk opportunity

“My health and safety is the top priority for so many brands I never even knew had my personal email.”

@chrisdoyle, Twitter, March 2020



Gmail

Opportunity... and risk.

While there are opportunities for marketers to think differently about their channel mix, there are risks, too.

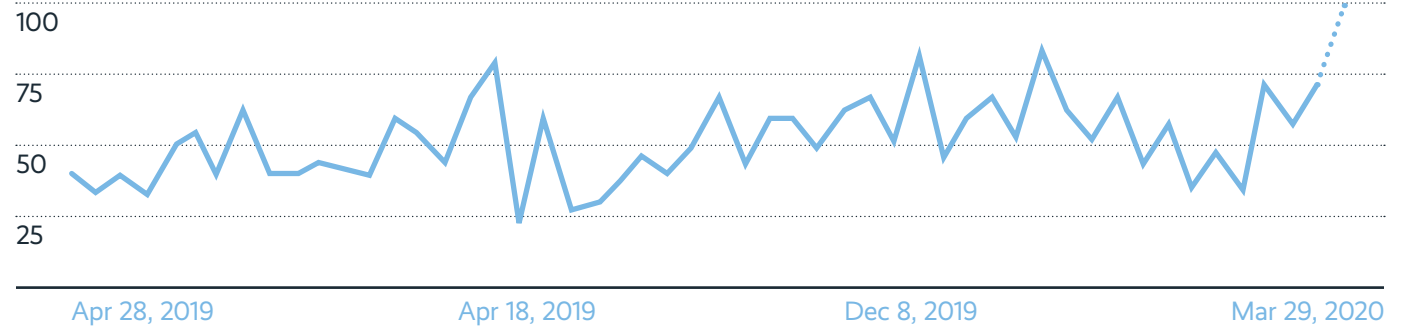
Email became a 'go to' as the crisis started affecting lives and brands scrambled to stay relevant to customers. But Google Trends data shows user searches related to 'unsubscribe from emails' rose sharply since late March and are now projected to exceed the annual Christmas period spike.

Why? AdWeek's COVID-19 email analysis suggests language has trended towards soft, emotive words. Out of context, there's a risk that that what was supposed to be reassuring has often become faux sentimentality.

Twitter has been awash with observations on this. It goes some way to explaining increasing opt-out rates and raises the prospect of audiences being alienated by marketing, whatever the channel.

Interest over time

Source: Google Trends



So while it is vital to judge that the time and place is right, maintaining relevance also comes through four communication 'modes':

1. **How changes are affecting services (valuable)**
2. **Outreach to employees on wellbeing/concerns (transparent)**
3. **Relief, charity or philanthropy efforts (action)**
4. **Welcoming dialogue or opinion from customers (open)**

Opportunity 4: Looking ahead: medium-term complexity, long-term recovery

“This pandemic is giving consumers a bit of a reset button, and behaviours and consumption patterns might be very different.”

Kate Pomeroy, VP of Marketing, Pernod Ricard

Looking ahead: medium-term complexity, long-term recovery

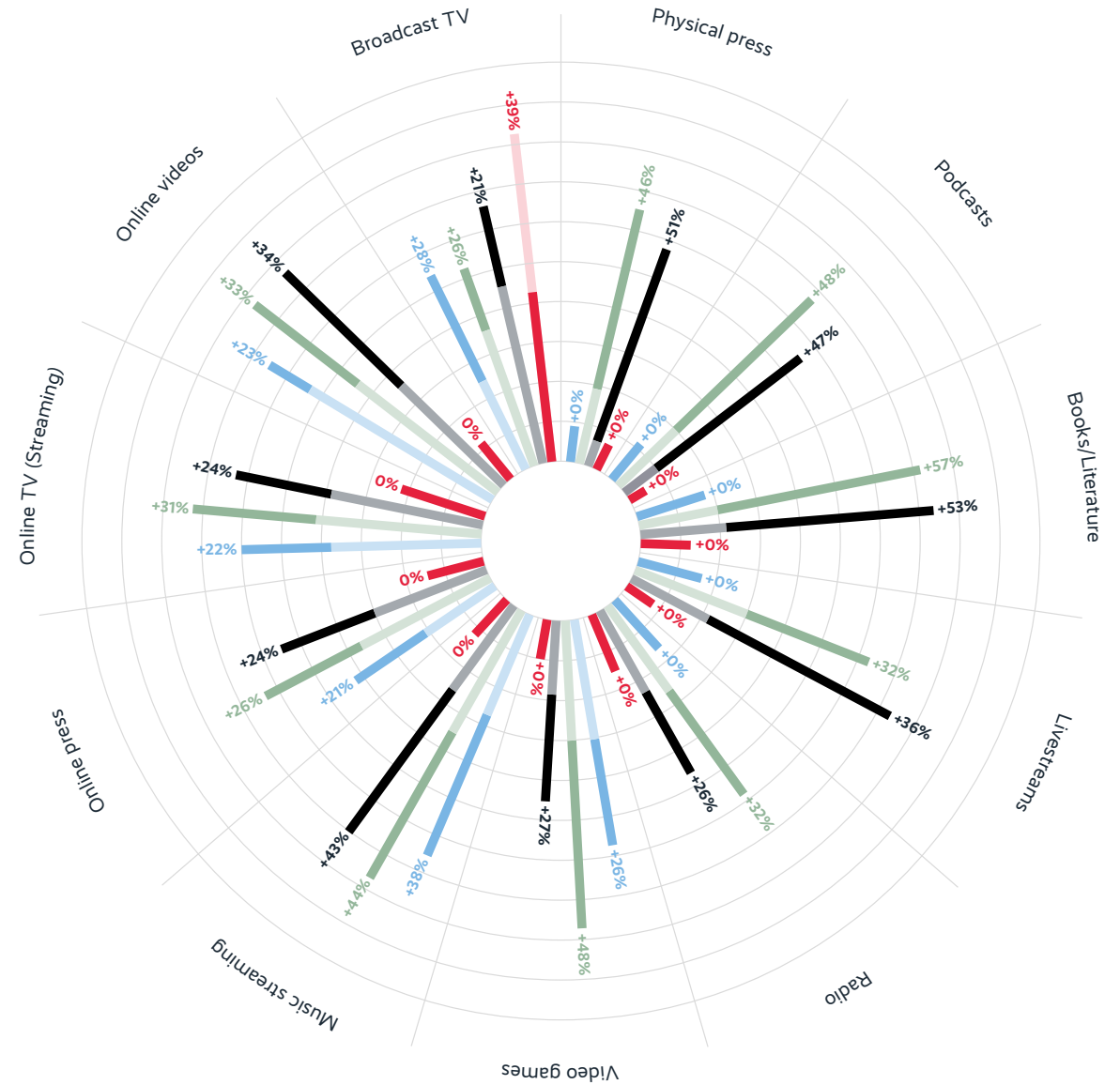
In the medium term – assuming lockdown continues to be gradually lifted – planners will need to think carefully about how to reach increasingly fragmented audience groups. They’ll need to consider how to better personalise marketing across channel, tone and timing to capture audiences with new working arrangements, and quickly respond to emerging relief from (or reversion to) current restrictions.

Looking longer term, the GWI research suggests some temporary habits will revert to normal, but others could be here to stay:

- **Printed literature** and the physical press is forecast to recover after the outbreak.
- **Online video, music streaming, podcasts and video games** should all have staying power, particularly among younger audiences.

Businesses that are still tentative about digital transformation should begin planning now.

% who are currently consuming more, and plan to do after the outbreak



INSIDE OUT

We're facing a volatile media landscape, but there are emerging, high-value ways to reach audiences for marketers ready to exploit new opportunities.

Marketers are under pressure to work flexibly, constantly adapting to evolving media consumption patterns and changing audience need-states and lifestyles.

And, finally – there's an imperative to think about all this now. "As recession hits," Lyndsey Best, Altair Media says, "we'll see an increased appetite to advertise. This will inflate costs". Doing what you can now to build share of voice with high priority audience groups will pay long-term dividends.

Best wishes from RY and Altair



Up for a conversation?

How are your audiences' consumption habits changing?

Is your channel mix evolving?

Do you have the resource and budget to trial new approaches?

What pre-lockdown patterns will re-emerge?

Which new trends will stick?

Get in touch

