



Impact Of COVID-19 On Consumer Behaviour, Attitudes and Expectations

Presented by:

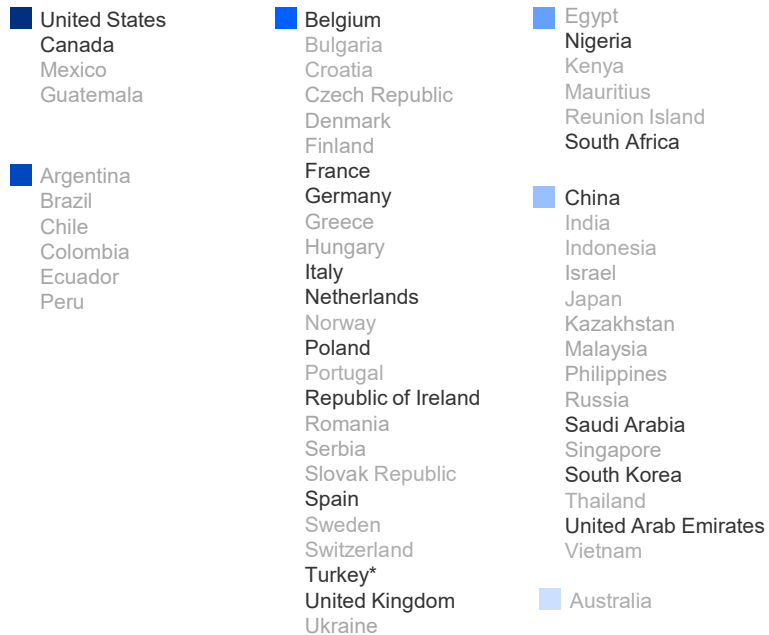
Kristanne Roberts, Global
Product Development Director,
Kantar

Duncan Southgate, Global Brand
Director, Kantar

May 13, 2020



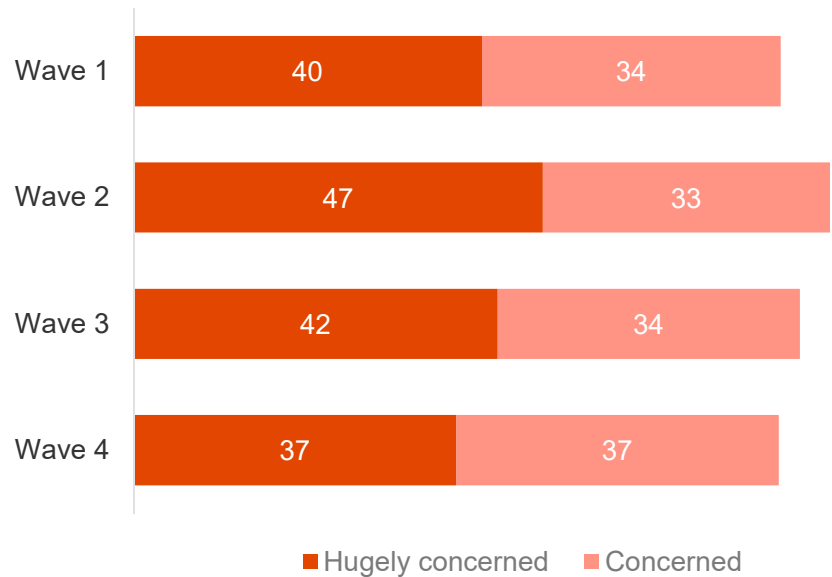
The largest study of its kind exploring the marketing implications of COVID-19 (including 25 European markets)



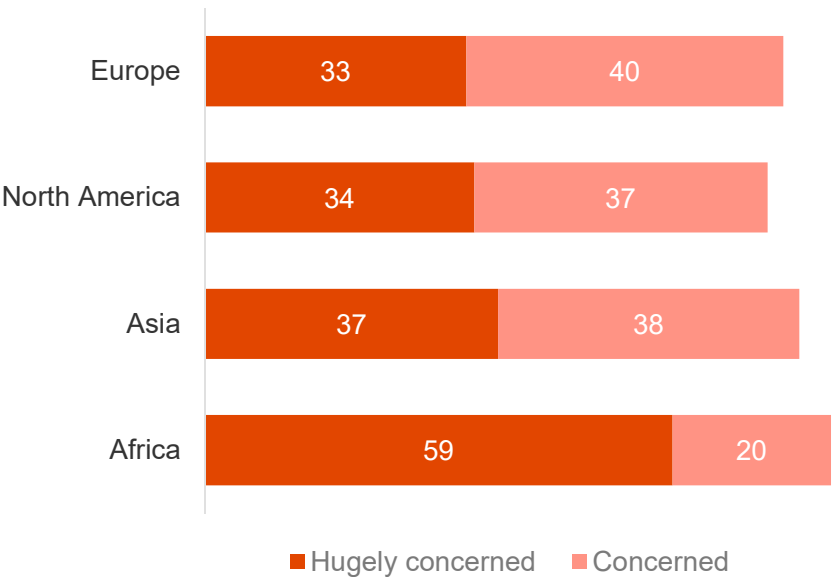
1 Consumer state of mind

Levels of concern peaked during “lockdown shock” at the end of March, but are now decreasing. Europeans being the least worried

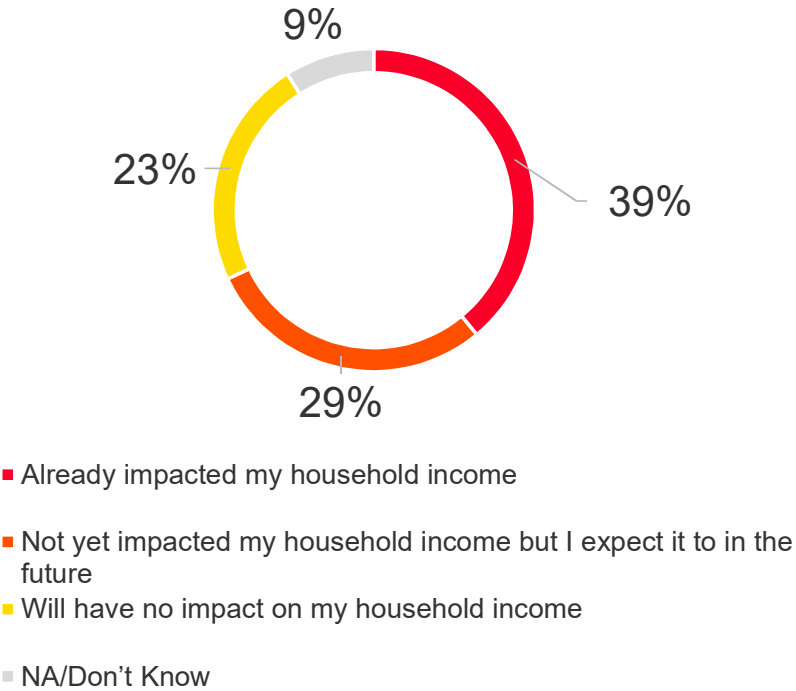
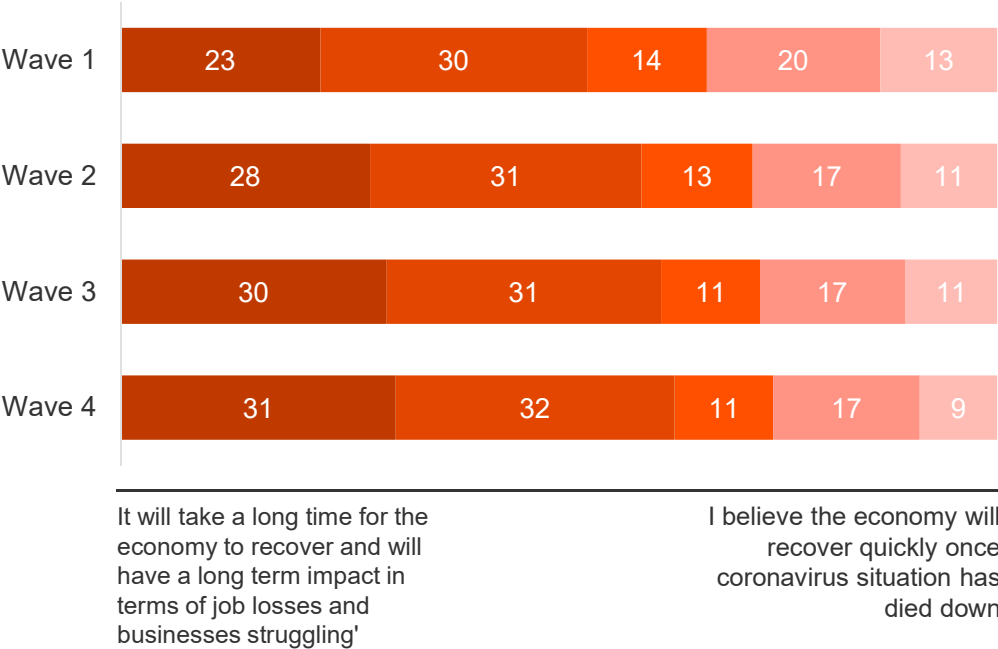
Concern over time



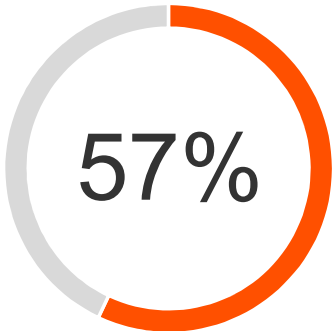
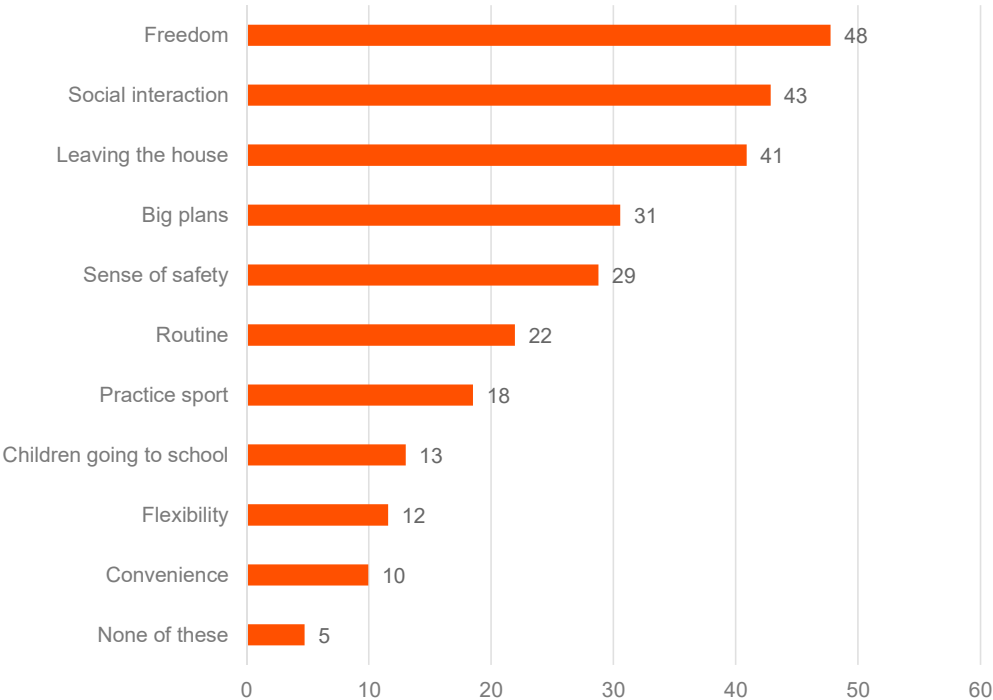
Current concern by region



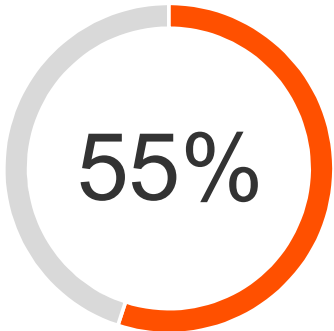
Longer term concerns are increasing, as we see concern about the economy intensify and more people start to feel the impact on household income



When it comes to the changes people have made to their daily lives, freedom and social interaction are the ones we miss most in Europe



The loss of freedom being felt the most in in **Turkey** within Europe

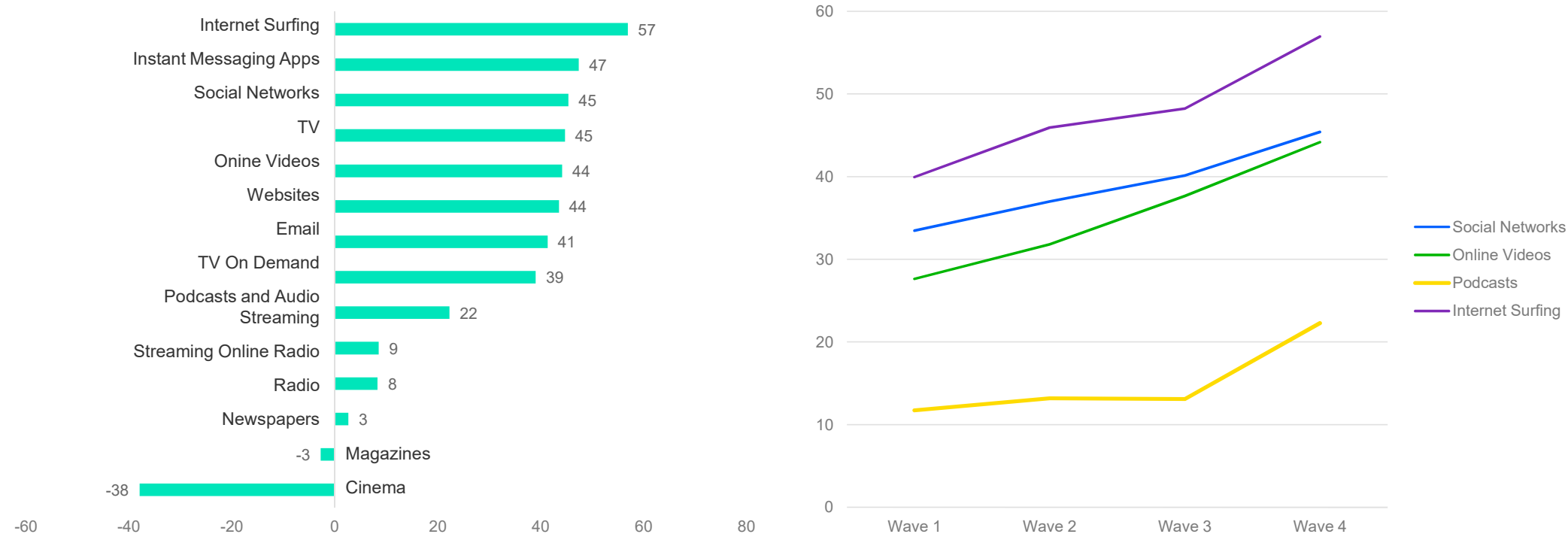


Whilst the **Republic of Ireland** are most missing social interaction in Europe

2

Changes in consumption behaviours

European media consumption has increased significantly in lockdown, with online media channels and TV providing new opportunities to reach audiences

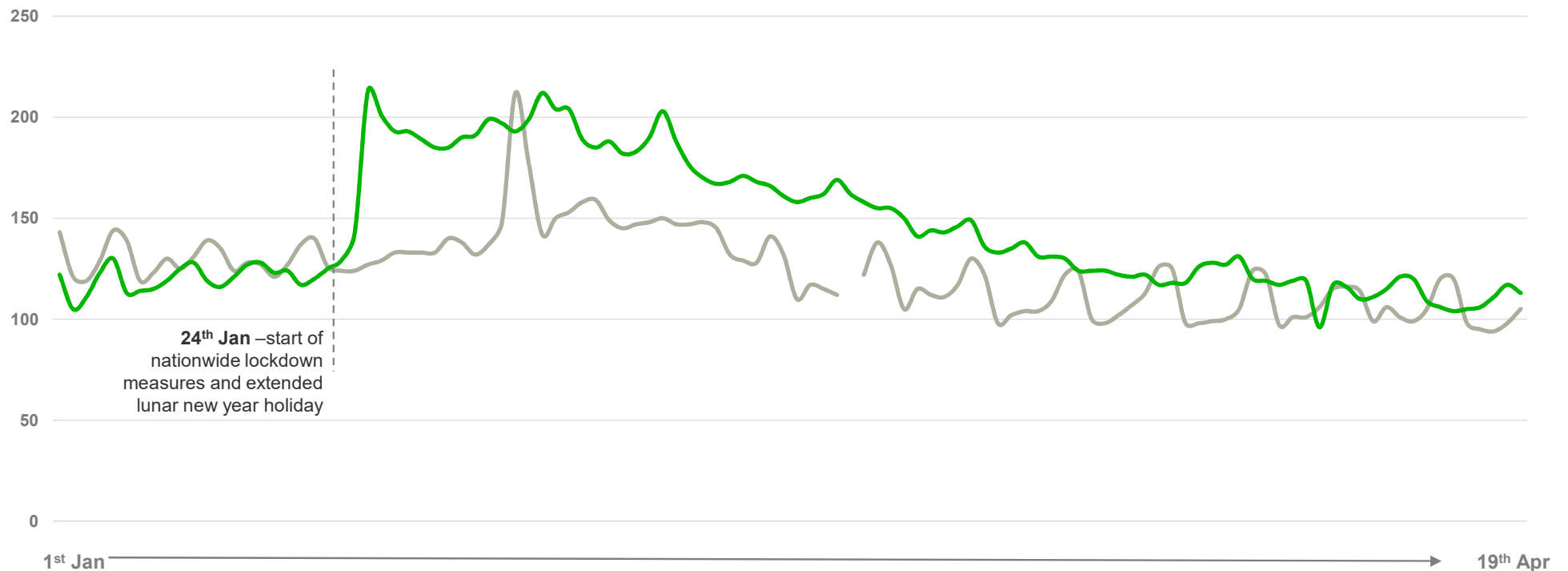


TV Viewing in China has started to stabilise

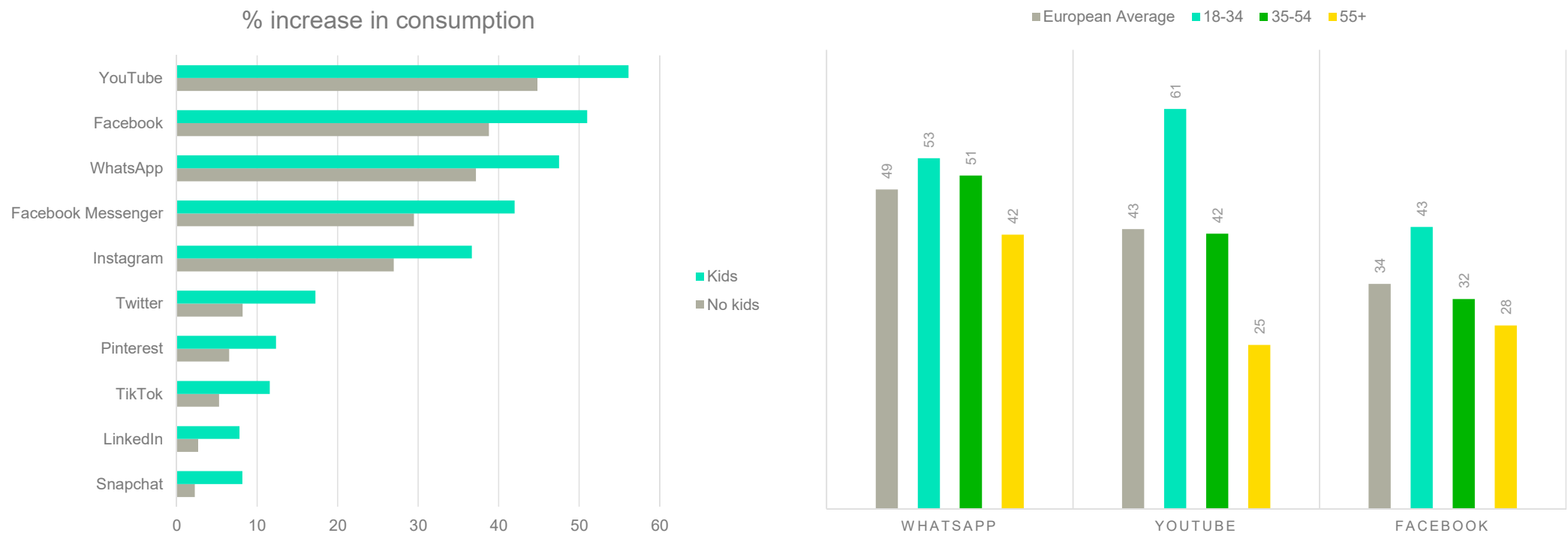
Are we heading “back to normal”?



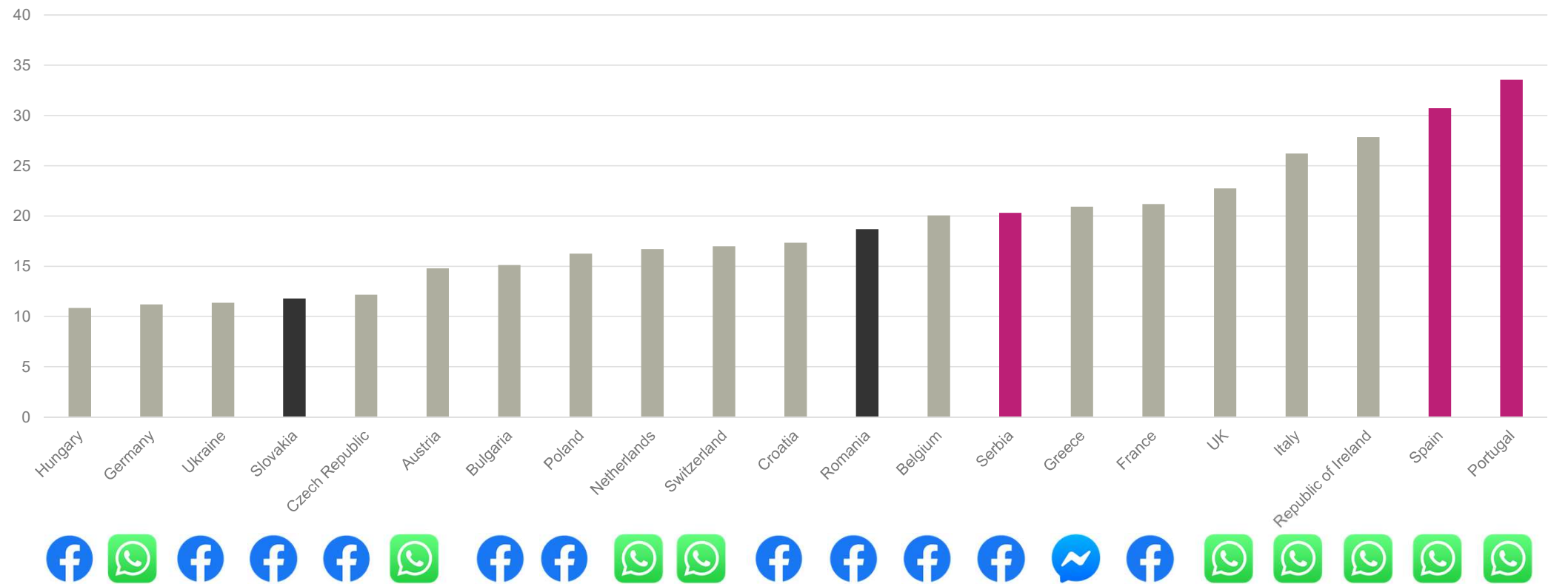
2020
2019



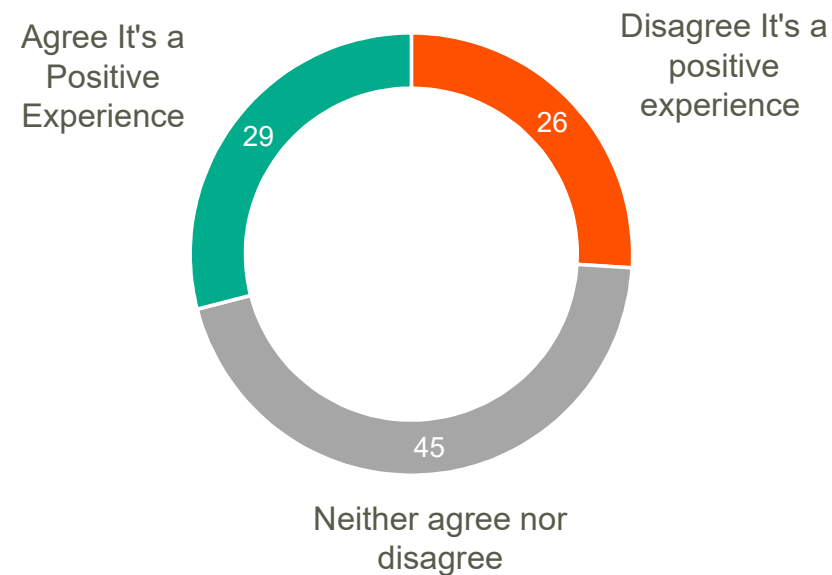
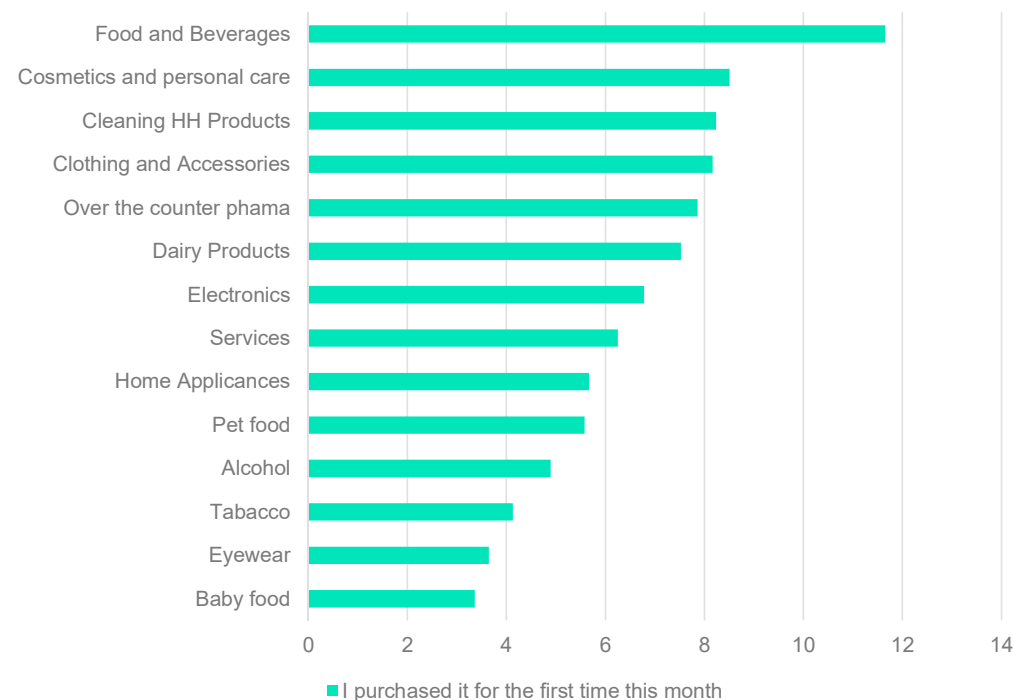
Households with kids are seeing the greatest increases in consumption across all media channels and apps, with the younger audiences spending more time on YouTube



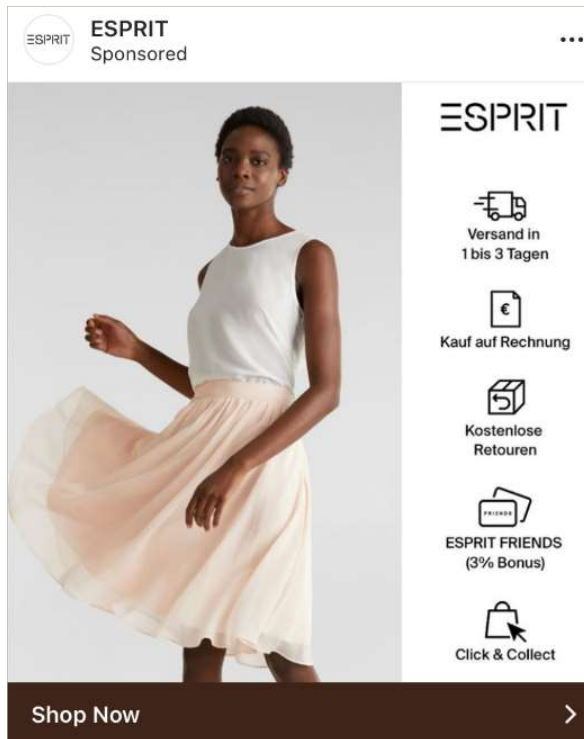
Social and messaging app usage is increasing across Europe, with Spain and Portugal seeing the greatest increases in those claiming they spend more time on the platforms



As people have adjusted to the home centric lifestyles e-commerce has become increasingly important in many categories, but many still don't find it to be a positive experience



eCommerce - Opportunities and Risks



SARS epidemic is often seen as birth hour for e-commerce in China

Concerns about availability hold consumers back – ensure reliability and availability. If possible, emphasize home delivery

Safety in the foreground – show measures to protect customers (delivery to front door without signature, hygiene training, etc.)

Some concerns about the environment – eco-friendly packaging, delivering all order items at one, stress responsibility for supplier health



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What marketing and media decisions should brands be making?

Comprehensive COVID response plans need to look beyond survival tactics

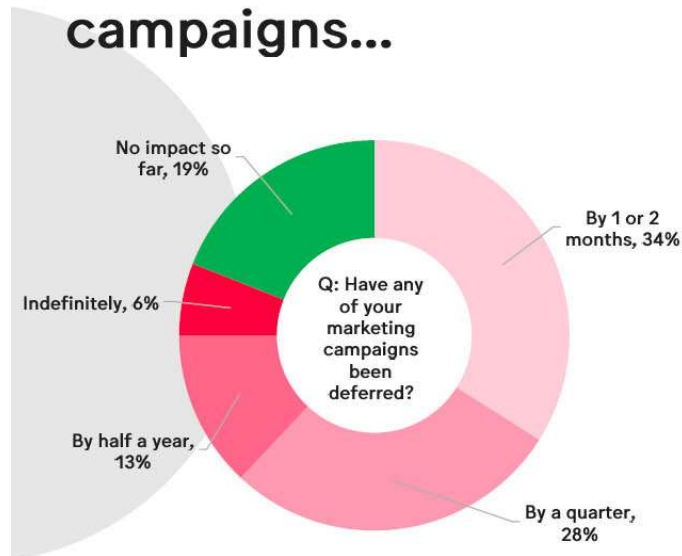
1. Ensure the health, safety and productivity of employees.
2. Put a rapid response team in place.
3. Take stock of the commercial situation across retail, marketing, sales and digital.
4. Minimise business exposure.
5. Capture immediate business opportunities.
6. Monitor and update in real time.
7. Plan now for the recovery.



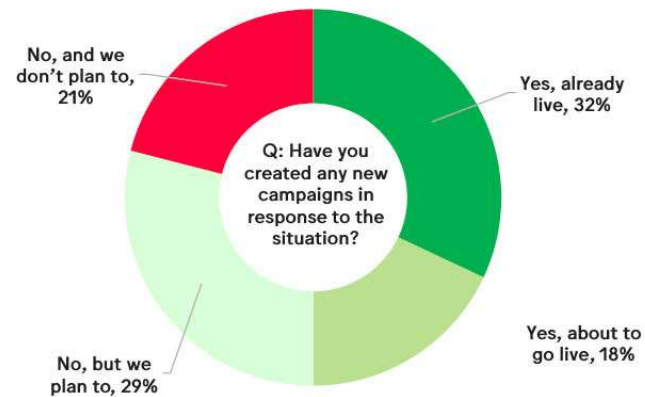
AMERICAN MARKETING
ASSOCIATION

Marketers have almost all been deferring campaigns.
While many are creating new ones, overall spend will be lower.

81% have deferred campaigns...



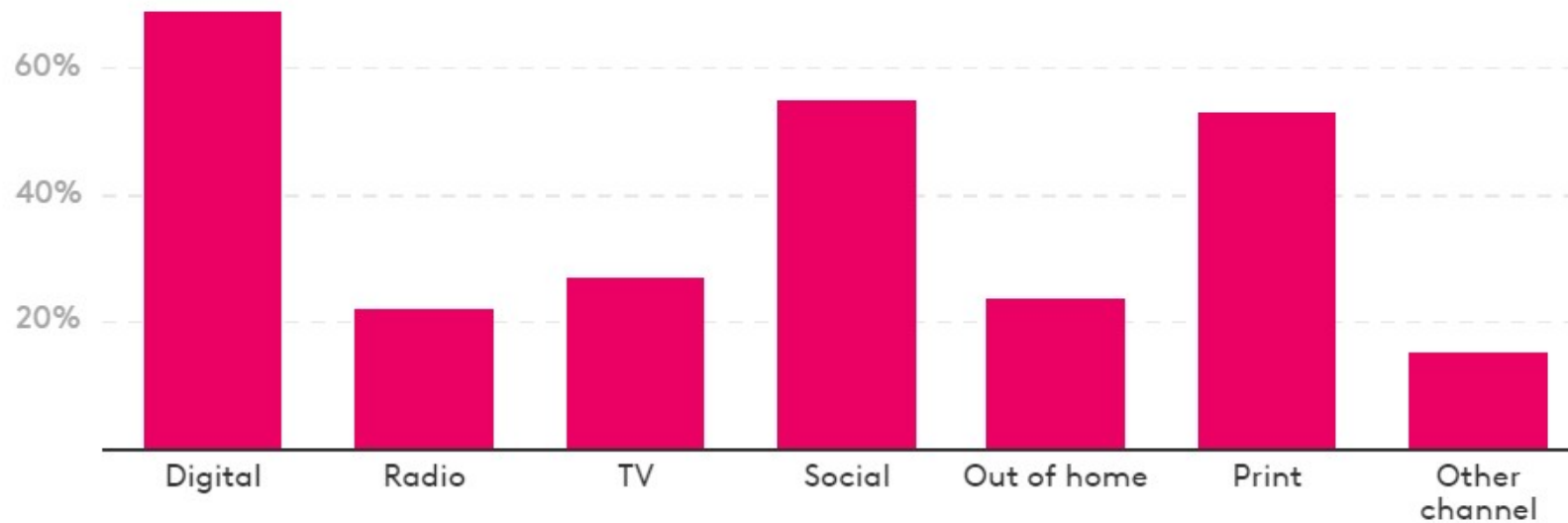
But 79% creating new ones...



Source: WFA Survey on Brands' response to Covid-19 Crisis, March 25-30 2020; Base: 32 companies



Whilst consumption of digital and social channels are seeing the greatest increases in time spent, spend has been reduced most significantly in those channels



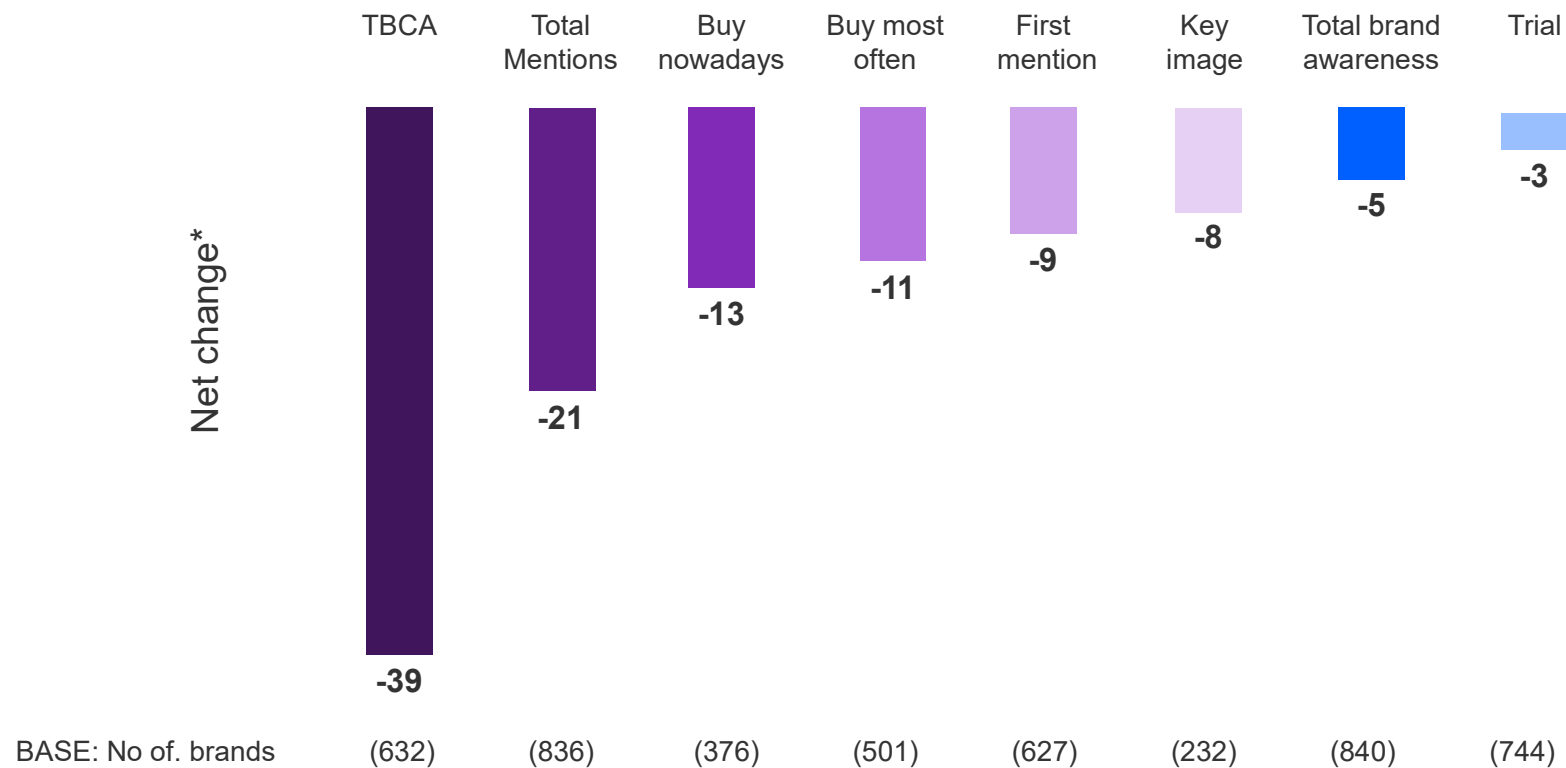
AMERICAN MARKETING
ASSOCIATION

Only 8%

...of consumers believe that companies should stop advertising, we know budgets are under increasing pressure.

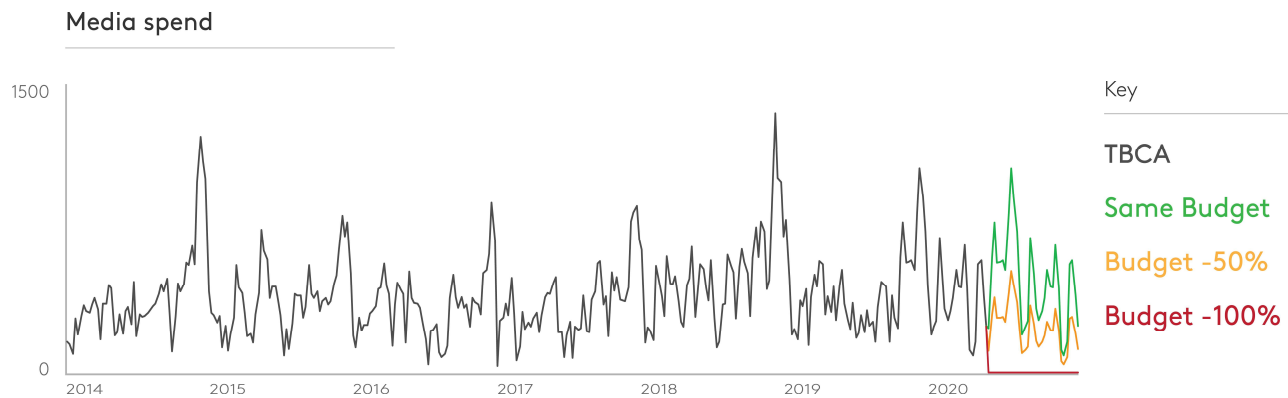
What happens to brand health measures if you stop advertising?

Net effects on brand measures 6 months after stopping advertising

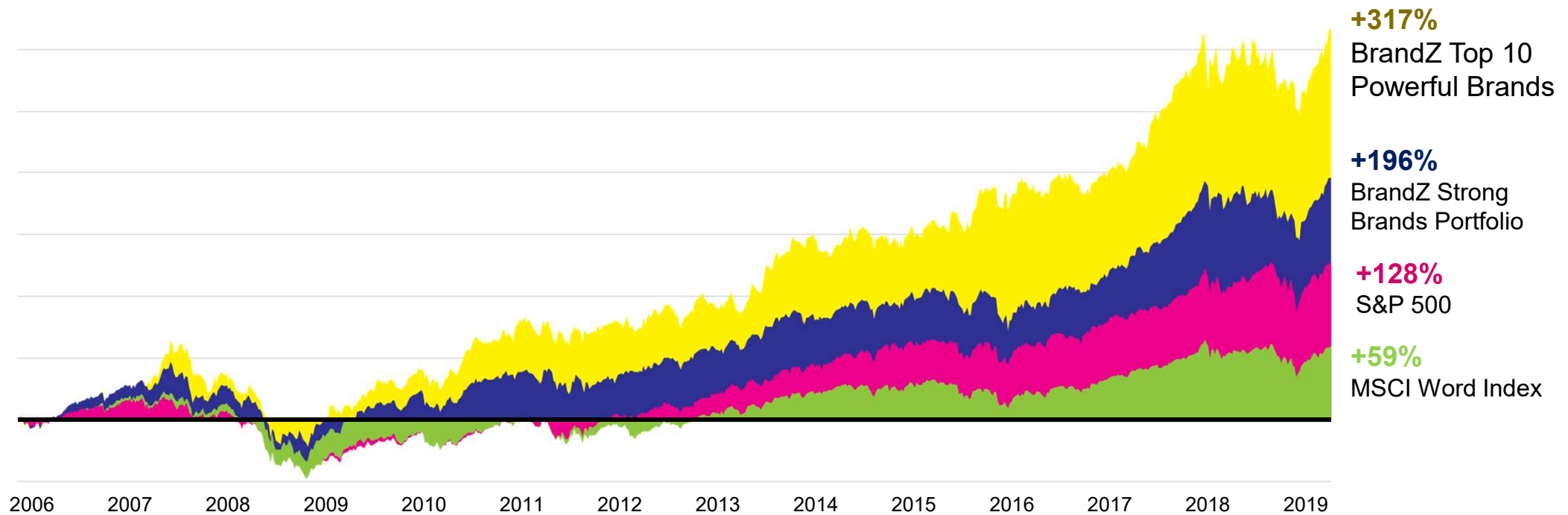


What happens if you decrease your ad spend?

Simulation for a real beer brand to March 2021

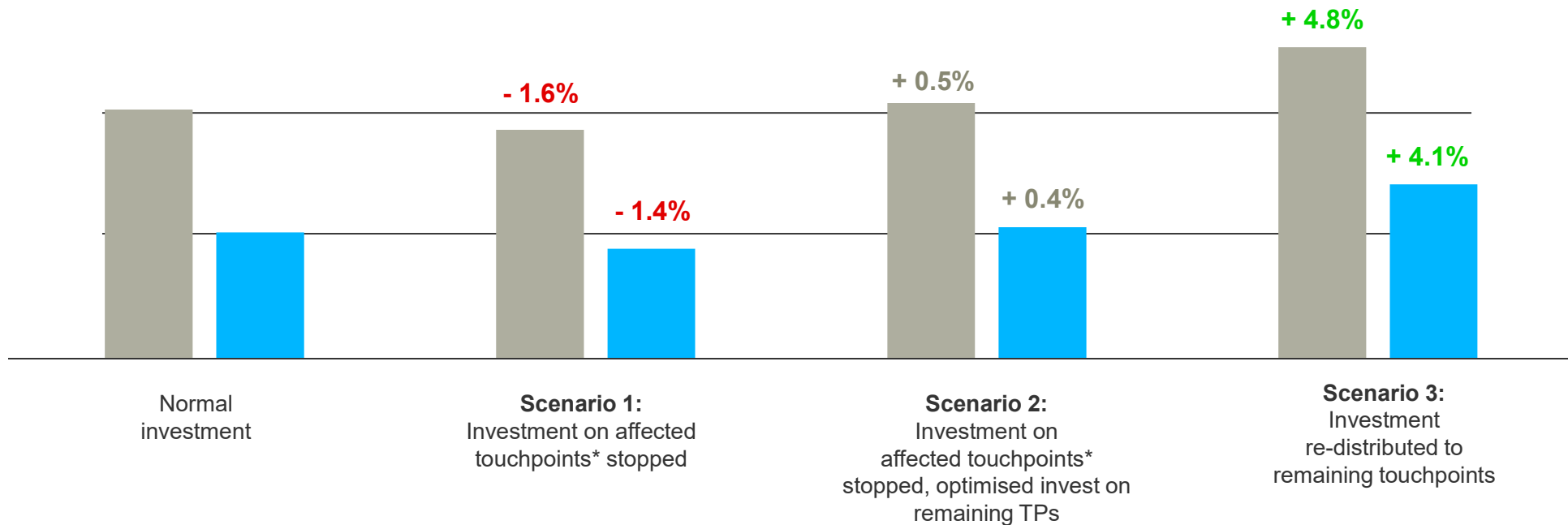


We've seen before that strong brands recovered NINE TIMES faster following the financial crisis of 2008



Media plans are being dramatically impacted (e.g. no OOH, cinema or event sponsorship). Re-allocating budget to more efficient TV and digital channels can increase impact with maintained or reduced spend

Consumer brand, Europe



Source: Kantar Connect Budget simulations

If you double-down on digital, don't just focus on short-term performance. Adidas recently needed to reset their balance.



The company's strategy to drive **direct-to-consumer growth led to more short-term thinking**, simply because the marketing team had more data and they could literally see the sales happening.

Previously, when people bought in a shop, we had little visibility [of those sales]. Once it became a direct transaction, because you can see sales in the moment, **there is a temptation to over-focus on that and forget about the long-term.**

adidas analysed their sales data and found that that, whilst the brand enjoys a core fan base of loyal heavy users **it's essential to build on the light user who still form the bulk of sales.**

More targeting is positive but it's important not to lose sight of the power that television has ... in delivering one message to everyone. **We see the pendulum swinging back to brand building.**

Andy Pilkington
Media Director, Europe

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What should brands be saying?

Advertising should be useful, positive and consistent with your values. Don't exploit the situation, and don't just drive your usual messages

Advertising...	78%	75%	72%	67%	65%	50%
Should	Show how they can be helpful in the new everyday life	Inform about their efforts to face the situation	Use a reassuring tone	Offer a positive perspective	Communicate brand values	Talk about brands like they have always done
Should not	74% exploit coronavirus to promote a brand					

Three camps emerging

1) Tangible help



Reference COVID-19

2) Pure emotional support



3) Business as usual

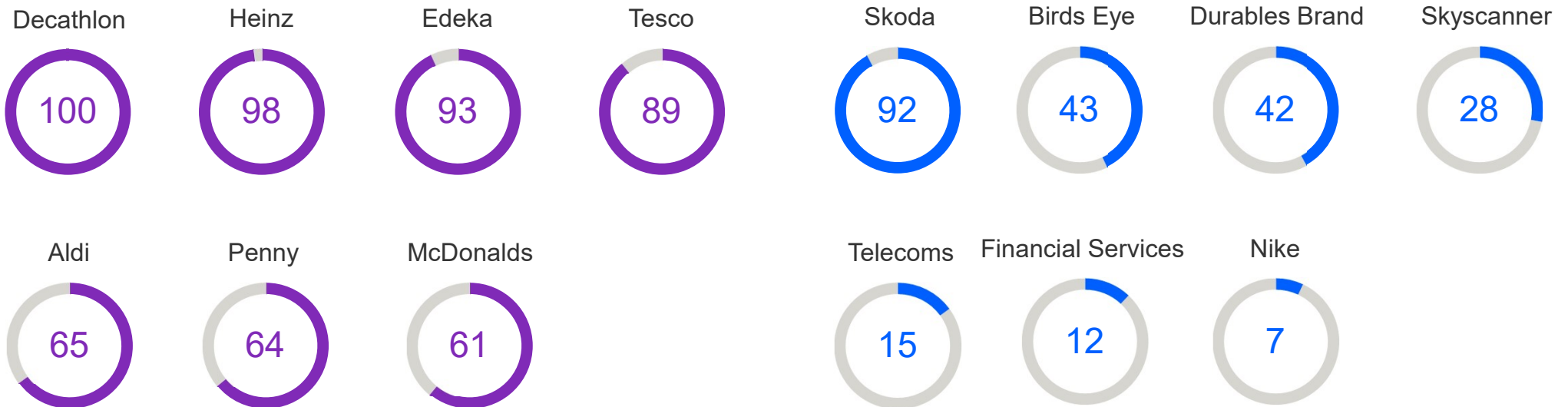


No specific reference

Tangible help ads tend to drive stronger long-term equity gains. Emotional support ads tend to see a more muted response.

1) Ads showing how brands help the fight or help people day to day

2) More emotional ads offering hope or encouraging good behaviour





For Business As Usual ads, parallel studies show consumer attitudes have not fundamentally changed

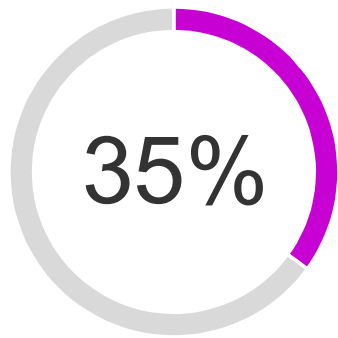
So keep on testing

- Now more than ever, getting communication right is crucial

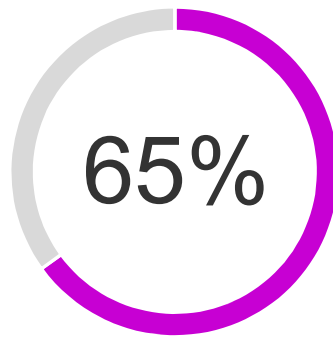
We have also learned

- ok to show ads with people in social situations
- don't need to edit ads to show people wearing masks

And when it comes to humour in advertising views are a little polarised, but ultimately it's about staying true to your brand



...of people feel
humour is
inappropriate in
advertising at this
time



...don't think it's
inappropriate



Conclusions and recommendations

A COVID state of mind

People around the world are living through tough times, so help and a little light relief from brands is appreciated

Impact on consumption

Has shifted significantly, with major increases in TV and digital

Given supply > demand, CPMs will be falling, and achieving higher SOV is likely more affordable than usual

What should marketers be doing?

Maintain/ redeploy media investment as much as possible to ensure long-term growth

If you need to cut, reduce least effective channels, not just those which are easiest to exit

What should advertising be saying?

Tangible help > Emotional support

Don't get overly concerned about business as usual, but do test to see if your content and placements are still relevant



Thank You

For more information, please visit:
www.kantar.com/en/Campaigns/COVID-19-Barometer

Or contact:

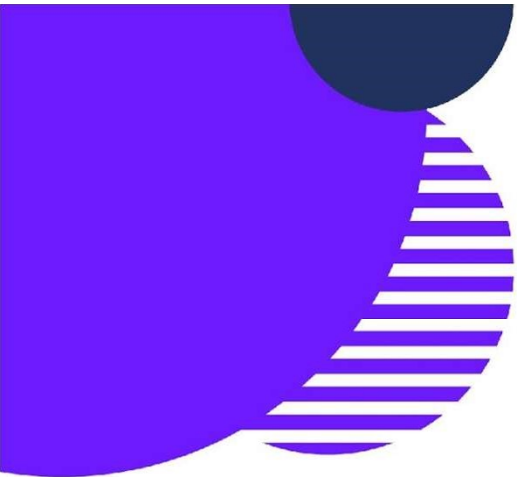
Kristanne Roberts –
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A photograph of a woman with long brown hair wearing a light blue surgical face mask. She is looking upwards and to the left. The background is a blurred city street scene.

COVID-19 Barometer

The leading syndicated study on how COVID-19 is influencing consumer behaviour, attitudes and expectations, covering over 50 markets.



IAB Europe Economic Trends Forum Webinar: COVID-19 Update

20th May, 16.00 CEST / 15.00 BST

IAB Europe's Chief Economist Daniel Knapp will provide an update on the data he presented in April which will take into account the latest market statistics.

Daniel will provide an economic outlook for the digital marketing and advertising industry based on his analysis of market trends and financial reports in the last few weeks. The forum will include a Q&A session for all attendees.

Register [here](#).