

Week in review

This week: First signs of recovery for media and advertising; addressable increases appeal of TV ads; consumers use technology to ease feelings of isolation.



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Some pockets of recovery in media and advertising around the world

As countries around the world move past the peak of the coronavirus crisis and begin to ease lockdown measures, Digiday reports on the varying stages of media and advertising market recovery.

China: Optimism sparked by evidence of people's return to retail outlets and hospitality venues has seen some acceleration in Q2 spend following the fall in Q1, though recovery is tentative. Growth is still forecast for 2020, though this forecast has been reduced and is expected to come almost exclusively from digital. "The diversification of purchase channels and increase in screen time on social platforms like Weibo, Little Red Book and Douyin have led brands to invest on a digital-first approach," said Janet Tsai, Global Lead of Ogilvy's China brand practice.

Germany: With fatalities at lower levels than neighbouring EU markets, more relaxed lockdown measures have produced some significant changes – a 20% increase in shop visits (first week May vs April), the restarting of Germany's top football league with matches drawing record TV ratings, as well as the opening of manufacturing plants. There is cause for optimism and ad budgets are expected to pick up.

Italy: The second major epicentre of the pandemic, a sense of national pride and enthusiasm to restart has emerged in Italy that looks set to be amplified by advertisers in their messaging. Similar to other markets, newspapers have suffered in Italy but they are seeing an increase in newsstand sales and have reason to hope for improved advertising spend following the government's announcement of a 30% tax relief on advertising investments in news media.

Australia: The COVID-19 crisis arrived at an already difficult time for the Australian economy in which media had experienced 18 consecutive months of market decline. Fortunately, Australia kept the virus at bay and has therefore been able to ease lockdown quicker than in other countries. Sporting and associated broadcasting will soon return, with large TV audiences and keen advertiser involvement anticipated. The government are actively supporting recovery with a range of relief measures for media owners.

[Full article](#) also covers Japan, Sweden, Spain, France and Brazil.



Is addressable TV the answer as the crisis accelerates the shift from TV to digital ads?

Over the last decade an increasing number of advertisers shifted their budgets toward digital and in many markets digital media has now overtaken TV in expenditure. Forecasts and reports are indicating that this pandemic will only accelerate this migration. TV ad revenue in Europe fell by almost 50% in April as advertisers opted for the more measurable and precise practice of online advertising. There is an upside for those still seeking TV ad space as this fall in demand has made spots cheaper; the inflation forecast for TV fell from 7.1% to -5.9% due to the coronavirus outbreak whereas Digital Video inflation stayed positive at 1.3%. This disruption and recovery is likely to feature partnerships and M&A among broadcasters as they seek a return to growth, with many tipped to follow the example set ITV & BBC launching Britbox in November.

Targeting and measurement are what advertisers seek when shifting to digital yet advertisers still have doubts over brand safety and TV still gives them a premium and brand-safe environment. Innovation is also taking place in the TV market and we are starting to see greater opportunities for personalisation, greater targeting and better ROI measurement. This technology is still nascent as it only launched in 2018 but early signs are promising. Partnerships will be the key as shown by Sky and Virgin Media who have joined up with 3rd parties to create anonymised and privacy-compliant audience segments. As OTT players such as Netflix and Disney stick to their ad-free guns, Sky reported a 48% decrease in channel skipping and a 49% increase in ad recall while experimenting with addressable TV. The main challenge lies in the adoption and integration of technology – while digital TVs are now a mainstay of the living room, the onus lies on advertisers to embrace this new age of TV advertising.



Ad shift from TV to digital will speed up even more because of coronavirus

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Addressable TV advertising: an opportunity for innovation

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Consumers focus on well-being to combat negative impact of COVID-19

The lockdown and associated feelings of isolation have had an increasingly negative impact on our wellbeing and health. Conditions like insomnia, anxiety and over-eating have become a major problem, particularly in Mexico, Brazil and Russia. To combat the negative effects of the lockdown, consumers have been turning to science, meditation, new hobbies and routines to take care of their wellbeing. People have also been looking for new ways of connecting with others, reflected in significant increases in the use of social media tools like Facebook video calls (+1000%) and revisiting older solutions like Netflix's Chrome extension 'Netflix Party' which enables friends to watch content together. Brands can play a meaningful role in helping consumers to survive the lockdown, but they need to focus on improving their well-being rather than providing products or services, creating occasions for moments of joy and offering real, tangible help.



Isolation during COVID-19 is triggering a raft of health issues

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Thank you

