

# POV: Marketing Impacts Due to COVID-19

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WRAY | WARD  
INSPIRED MARKETING COMMUNICATIONS

# PURPOSE

Provide information, trends and advice on examining and managing **ongoing marketing communication** campaigns in consideration of the **COVID-19 pandemic** and its impact.

# WHY IS THIS IMPORTANT?

**Halfway through May, even the most optimistic among us would say the recovery from the COVID-19 pandemic is barely in its infancy.** Unemployment continued to rise this week despite almost every state implementing some early reopening measures. Yet as we follow market, media and brand news, we've seen companies make a general shift from thinking about surviving the day to planning for what's next.

With unemployment rates nearing 25%, the economic recovery will depend on how quickly our manufacturing and service sectors can get back to work as well as our ability to keep hospitalizations due to COVID-19 on the decline.

In the midst of bringing teams back to offices and manufacturing facilities, **companies must continue to focus on digital communication strategies, ecommerce optimization and flexible plans for moving their businesses forward.**

# MARKET TRENDS OVERVIEW

**Overall market trends are still following the same general path that characterized the past few weeks.** The stock market continues to fluctuate based on COVID-19 news, and the initial jobless claims number dropped from the previous week yet still approached 3 million for the week ending May 9.

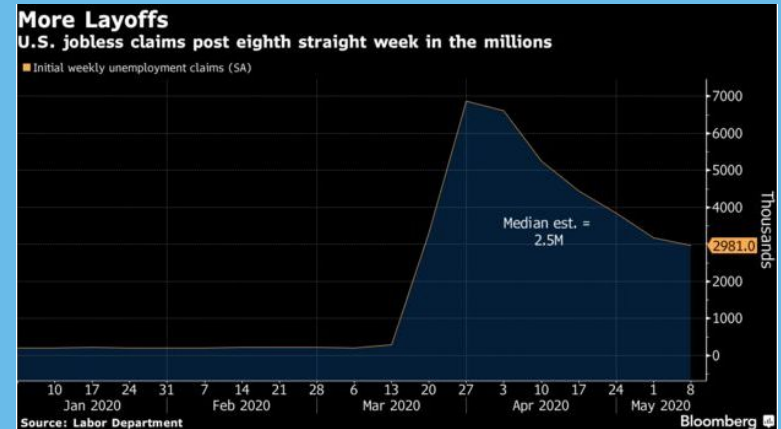
On the good news front, **we're seeing pent-up demand from affluent audiences and reports of increased project requests and demand among contractors and kitchen and bath dealers.**

Migration trends within the U.S. will be one of the interesting impacts of the pandemic to watch, with one real estate expert predicting a surge in household and business relocations during the next few months. A true surge in migration could help residential construction rebound more quickly in certain markets.

# INITIAL U.S. JOBLESS CLAIMS HIT 36.5M SINCE MARCH

**Initial jobless claims in state programs totaled 2.98 million in the week ending May 9**, following 3.18 million the prior week. While filings have eased for a sixth straight week, they failed to decline as much as economists had projected, with a median estimate of 2.5 million.

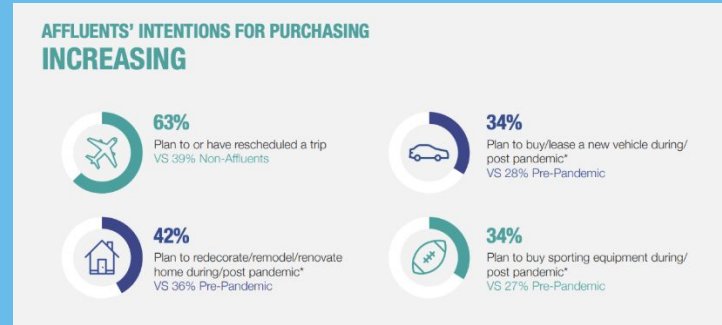
- Bloomberg, [U.S. Jobless Claims in Millions Again, Higher Than Expected](#), May 14



# AFFLUENTS SHOWING PENT-UP DEMAND INDICATORS

Data shows what IPSOS is calling the “Unattainable Effect” on psychographics. Many attitudes associated with categories that are literally off-limits right now are showing noteworthy increases vs. the pre-lockdown period. **IPSOS is also seeing meaningful increases in demand across categories.** Intent to purchase a new car or truck, home goods and services, apparel and more are showing significant rises vs. before the crisis. This is literally the definition of “pent-up demand” — intent to purchase increasing due to a current inability to buy.

- IPSOS, [Affluent Consumers During COVID - How Brands Can Fulfill Their Pent Up Demand](#)

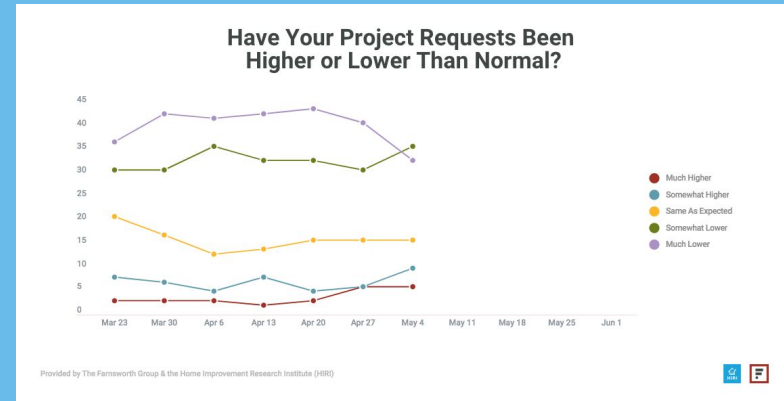


# CONTRACTOR PROJECT REQUESTS INCREASING

In the past few weeks, **contractors have reported an increase in project requests.**

There has been an 11% decrease in contractors reporting much lower project requests than normal in the two weeks leading up to the week of May 4.

- The Farnsworth Group, [Weekly COVID Impact Tracker](#)

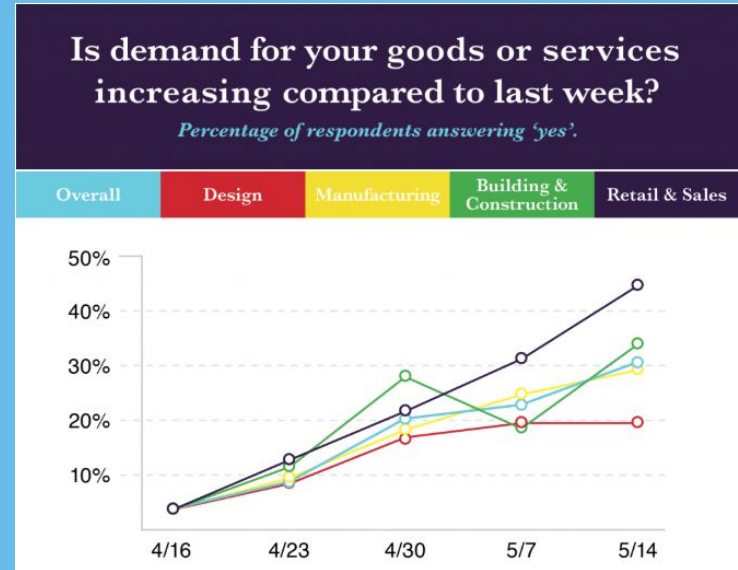


# NKBA MEMBERS REPORT INCREASING DEMAND

Overall, **30% of respondents said demand is increasing, up six points from last week.** The total who said demand is decreasing fell by five points, to 30% from 35%, and the number who said demand is stable was off by one point, to 40% from 41%.

More than 850 NKBA members responded.

- National Kitchen & Bath Association (NKBA), [NKBA Pulse: COVID-19 Impact Ebbs as Demand Edges Higher, May 14](#)





# CAN WE EXPECT A GREAT AMERICAN MOVE?

As states, cities and counties around the country slowly reopen, **John Burns Real Estate Consulting predicts what it's calling The Great American Move.** For safety reasons, financial prospects, life change improvements, personal comfort and employment, Burns expects **a surge in household and business relocations over the next few months that will provide new, strategic opportunities for the real estate market.**

- John Burns, [The Great American Move](#)

**JOHN BURNS**  
REAL ESTATE CONSULTING

## THE GREAT AMERICAN MOVE

As states, cities, and counties around the country slowly begin to reopen, we predict *The Great American Move*. Expect a surge in household and business relocations over the next few months that will provide new strategic opportunities for the real estate market.

**NEW HOMES**  
Home builders should capture the pent-up demand from apartment dwellers, home buyers moving from cities, families wanting more space, and residents relocating to new jobs.

**APARTMENTS**  
Apartment renters may move closer to jobs and to cities where businesses are hiring. Some may "double up" in larger units, while others look for more efficient spaces at lower absolute rents.

**SINGLE-FAMILY RENTALS**  
Single-family rentals allow financial flexibility and privacy, with enhanced "social distancing" opportunities. Many will be renters by choice and will pay a premium to live in a dedicated community with other renters and community amenities.

**COMMERCIAL REAL ESTATE**  
Retail stores will re-open in the best locations, and expect accelerated suburban mall redevelopment with new housing. Some office submarkets will need more space, and branded hotels with strict cleaning standards may benefit from business travel.

# JCHS: HOW LONG WILL CONSTRUCTION DELAYS LAST?

COVID-19 will have many effects on housing markets in the coming weeks and years. **Before the pandemic, multifamily housing construction was booming**, with a new cycle high of 403,000 starts in 2019. Single-family construction had remained depressed since the last recession, with 12 straight years of starts under 1 million. However, this stat reflected growth, albeit slow growth, over the last eight years, reaching 888,000 starts in 2019. The construction pipeline was also robust prior to the crisis with 1.2 million units under construction including 652,000 units in multifamily buildings. **The housing market was set to have some big completion numbers in coming years, but delays in construction mean those numbers almost certainly will be lower than expected.**

- Joint Center for Housing Studies of Harvard University (JCHS), [COVID-19 Will Delay Housing Construction, but for How Long?](#) May 7

# MEDIA TRENDS OVERVIEW

During a time when everything seems to change by the minute, much has stayed the same across the media landscape the past few weeks. In a webinar this week, Nielsen reminded us that **brands who stop advertising have a long hill to climb to regain share.**

**Many networks are facing production challenges for new series.** HGTV shared with us their Q2 show launch delays and plans for filling the content gap with new “shot-at-home” series.

As consumers continue to seek news about the pandemic, **radio news/talk share of listening has jumped 24% the past two months.** And, data from the OOH (out-of-home) industry shows that Americans are slowly beginning to travel more than one mile from home, with 69% of Americans traveling at least one mile from home daily (down from an average of 80% in normal times).

# NIELSEN: ADAPTING ADVERTISING TO A NEW NORMAL

During a Nielsen webinar this week, *Adapting Advertising to a New Normal: Insights, Trends & The Path Forward During COVID-19*, the speakers shared three key points for advertisers to consider:

- Advertisers who cut ad spend and go dark could face severe, long-term negative effects. **It can take 3-5 years to recover lost brand equity as a result of going dark for an extended period of time.**
- Nielsen says that **brands cutting ad spend for the rest of 2020 can see up to a 11% revenue decrease for 2021.**
- Brand loyalty is down: About 41% of consumers are willing to purchase from brands they would not have previously considered.

- Nielsen, [Adapting Advertising to a New Normal: Insights, Trends & the Path Forward During COVID-19](#), May 11

# HGTV PUSHING SOME SERIES, LAUNCHING NEW SHOWS

**The following HGTV series will move from 2Q20 to 3Q20 due to production pauses caused by the pandemic: Brother Vs Brother; Windy City Rehab S2; Help! I Wrecked My House; My Big Italian Adventure.**

HGTV is filling the content gap through the production of four new, self-shot series, all of which will premiere in May or June: Design at Your Door; Hot Mess Home; Fix My Fail; House Hunters LOL.

- Discovery Networks Ad Sales Programming Update

# IAB VIRTUAL NEWFRONTS SCHEDULED FOR JUNE

The **Interactive Advertising Bureau will offer its NewFronts as a virtual video upfront series of presentations for the week of June 22-June 26**, after canceling its live events set to run in April. The virtual video presentations will run from 12 p.m. through 4 p.m. ET every day and will cover “streaming video, lifestyle, news and audio, eSports, and gaming.”

Presenters so far include: Roku, Crackle Plus, Tubi, and Hulu (June 22); Snap, Conde Nast, Facebook, Ellen Digital and Vevo (June 23); The Wall Street Journal/Barron’s Group, Forbes, Vice Media Group, Vibonomics and American Public Media (June 24); YouTube, TiVo, Tremor Video, Samsung Ads, GSTV, Xandr and TikTok (June 25).

- [MediaPost, IAB's 'Virtual' NewFronts Set For End Of June, Presenters Include Hulu, Roku, Snap](#), May 14

# NEWS/TALK GROWS AQH SHARE BY 24%

**For a second consecutive month, the news/talk format registered a substantial gain in audience share, as Americans continued to tune in for news on the pandemic. The format surged to a 15.0 share in Nielsen's April Portable People Meter (PPM) survey, up from a 13.3 in March and a 12.1 in February. In the span of two months, the share of listening for news/talk has jumped 24%.**

- Inside Radio, [Since COVID Outbreak, News/Talk Has Grown Its AQH Share By 24%](#), May 12

## NEWS FORMATS GAIN SHARE; MOST FORMATS REMARKABLY CONSISTENT

|   | FEB   | MAR   | APR   |
|---|-------|-------|-------|
| News/Talk (Commercial + Non-Commercial) | 12.1% | 13.3% | 15.0% |
| Adult Contemporary                      | 8.3%  | 7.7%  | 6.4%  |
| Country                                 | 6.2%  | 6.0%  | 6.3%  |
| Classic Rock                            | 5.2%  | 5.4%  | 6.1%  |
| Classic Hits                            | 5.6%  | 5.5%  | 5.3%  |
| Urban Adult Contemporary                | 4.2%  | 4.2%  | 4.3%  |
| Pop CHR                                 | 5.6%  | 5.1%  | 4.2%  |
| Mexican Regional                        | 3.1%  | 3.1%  | 3.5%  |
| Hot Adult Contemporary                  | 4.6%  | 4.2%  | 3.5%  |
| All Sports                              | 4.3%  | 4.1%  | 3.5%  |
| All News                                | 2.4%  | 2.9%  | 2.8%  |
| Urban Contemporary                      | 2.8%  | 2.7%  | 2.6%  |
| Spanish Contemporary                    | 2.7%  | 2.7%  | 2.5%  |
| Alternative                             | 2.7%  | 2.5%  | 2.4%  |
| Contemporary Christian                  | 2.1%  | 2.2%  | 2.2%  |

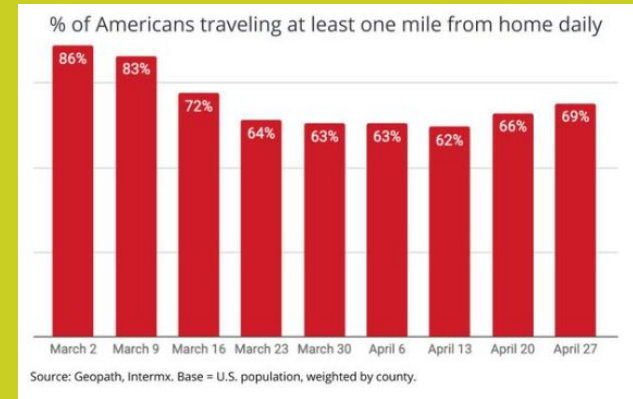
Source: Nielsen Feb-Apr 2020 PPM / 45 Market Total / M-F 6a-7p / Adults 18+ / Average Quarter Hour Share

# AMERICANS' DAILY TRAVEL BEGINS TICKING BACK UP

**Data from the out-of-home industry shows Americans are slowly regaining their mobility after months of staying at home.** This data from Geopath and Intermx shows the percentage of Americans traveling one mile or more from their homes daily.

It was averaging well in the 80%-plus range at the start of U.S. restrictions and bottomed out at 62% April 13. Since that low, it inched up to 69% for the week of April 27, the most recent week available.

- MediaPost, [OOH Data Shows % Of Americans Traveling Daily Is Back On The Rise](#), May 12





# BRAND TRENDS OVERVIEW

Many brands have canceled or delayed research projects based on the notion that any information collected won't be valuable when compared to normal times. This week, DIG Insights released a great white paper dispelling this myth and emphasizing that **change is not a reason to stop doing research — it's a reason to start.**

As retail shops around the country reopen their physical stores, **the International Council of Shopping Centers surveyed consumers about what would make them more likely or more comfortable with visiting physical spaces.** Surprise! Frequent cleaning and sanitizing topped the list.

Just in time for the first live sporting event since early March, the NASCAR race this weekend at Darlington, **Bud Light reimaged its “Real Men of Genius” campaign from the late '90s and early 2000s as “Stay at Home Humans of Genius.”**

# IS NOW A GOOD TIME TO CONDUCT MARKET RESEARCH?

Should you conduct market research during the COVID-19 pandemic?

- **Change is not a reason to stop doing research — it's a reason to start**
- There is a need to understand how behaviors and attitudes are evolving
- **The pandemic will have short, medium and long-term effects on attitudes and behaviors**

- DIG Insights, Conducting Marketing Research During COVID-19, April



# CLEANING KEY TO BRINGING CONSUMERS BACK

As retailers begin to reopen their doors, a new survey sheds light on what they need to do to make their stores inviting to customers.

**Consumers ranked frequent cleaning and sanitizing as the top (66%) measure that would make them more likely or more comfortable with visiting physical spaces** in a survey conducted by the International Council of Shopping Centers. It was followed by having more hand sanitizer stations and/or disinfecting cloths available for shoppers (62%); seeing staff wear gloves and/or masks (49%); requiring staff/employee training on hygienic protocols (48%); implementing measures that facilitate in-store social distance (48%); and putting in place new occupancy limits (44%).

- Chain Store Age, [Survey: Cleaning is key to making consumers more likely to visiting stores again](#), May 8

# NASCAR FIRST LIVE SPORTING EVENT SINCE MARCH

**NASCAR returns to the track for the first time since early March with its first race since the COVID-19 outbreak shut down the sports world.**

The Cup Series makes its best effort to return to some semblance of normalcy by holding its first races in more than two months at Darlington Raceway, host to a 293-lap event Sunday, The Real Heroes 400 (3:30 p.m. ET, FOX) and a 228-lap race Wednesday (7:30 p.m. ET, FS1). **The events will be held without fans in attendance and with the track's property restricted to only a limited group of essential personnel.**

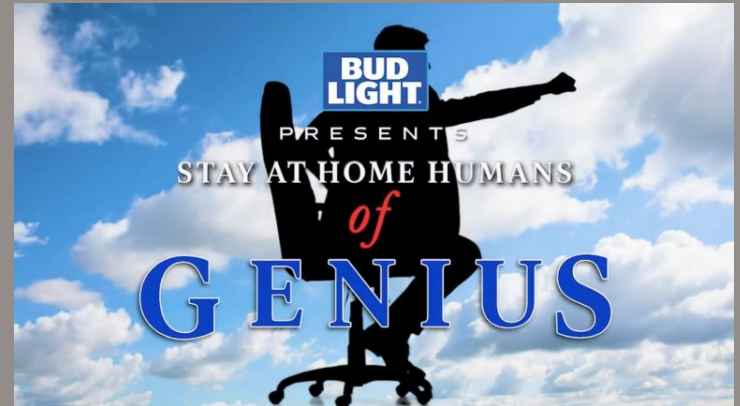
- NASCAR, [Darlington 101: TV times, key stats, revised procedures and more](#)

# BUD LIGHT BRINGS BACK GENIUS CAMPAIGN

**Bud Light just brought back its classic tribute to underappreciated geniuses — but this time with a new shelter-in-place twist.**

In four new spots, the Anheuser-Busch brand salutes “Stay at Home Humans of Genius” who make quarantining a little easier on the rest of us by making up new sports, singing from balconies, giving enthusiastic air high fives or sharing creative (yet questionable) new recipes.

- AdWeek, [Bud Light Reimagines Iconic Campaign in ‘Stay at Home Humans of Genius’ Ads](#), May 13



# WHAT'S NEXT?

Wray Ward is dedicated to helping you navigate the business and marketing impacts from this pandemic. Our teams are here to help you think strategically and activate swiftly, while finding creative solutions to the challenges that may be changing by the hour. We have immense tools at our disposal that help us understand audience behavior and deliver communications that perform. While the future is uncertain, many of the fundamentals haven't changed. Our promise to you is that your team at Wray Ward will do everything we can to stay in front of changing market conditions, provide the best counsel possible and keep you informed. We will provide ongoing updates on market, media and brand trends as this crisis unfolds.

# EXTERNAL SOURCES CITED

- Bloomberg
- IPSOS
- The Farnsworth Group
- National Kitchen & Bath Association (NKBA)
- John Burns Real Estate
- Joint Center for Housing Studies (JCHS)
- Nielsen
- Discovery Networks
- MediaPost
- Inside Radio
- DIG Insights
- Chain Store Age
- NASCAR
- AdWeek

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