

CE CRISIS RESPONSE CLIENT PLAYBOOK

Real-time recommendations & insights during
the coronavirus pandemic

3.17.20

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1) Brands Actions (Mainly) Focusing On Utility

Brands step in where people really need them, keeping them connected via no cellphone data caps, pausing payment for vehicles, offering contactless delivery, providing free ad space for COVID-19-related education, providing meals to health care workers, free video conferencing, and more.

2) Ad-Spend Shifting

More people staying indoors has led to a shift in media spend to digital (incl. streaming), mobile gaming, and television. Last Friday and Saturday, linear TV usage saw a 6% increase among adults vs. previous week. On the same days, streaming to the TV set saw a 43% increase (also adults).

3) History Shows Spend Can Help Long Term

As some brands reduce ad spend those, that maintain will gain a higher share of voice within category for the same spend. Of course, conversations around the crisis will dampen some effect of this. But traditionally, spending when others don't can pay dividends later.

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4) Social Leads Problems, Sentiment, and Solutions

Misinformation is being spread on social channels, prompting a response from Facebook and other providers. While there is understandable fear and concern, there's also a surge of humor and memes from younger consumers and offers of help, advice, and kindness.

5) Brand Missteps

Whole Foods CEO's suggestion that employees donate sick days to each other is under attack, along with a number of brand communications pushing product among messages of concern.

6) Ad and TV Productions Hit

Production, especially those shooting internationally, are slowing or stopping as travel becomes difficult, social distancing becomes expected, and safety concerns grow. TV shows and movie schedules will shift. In-house, in-agency, and digitally produced communications will soar.

1) BRANDS ACTIONS (MAINLY) FOCUSING ON UTILITY

Brands step in where people really need them, keeping them connected via no cellphone data caps, pausing payment for vehicles, offering contactless delivery, providing free ad space for COVID-19-related education, providing meals to health care workers, free video conferencing, and more.

Domino's, McDonalds, Pizza Hut, Instacart, and many others are providing “contactless delivery”; the delivery person leaves items at a designated spot and the customer can then pick it up separately. KFC and others are offering free delivery also. Sweet Greens, Uber, and others are offering free food for hospital workers, medical personnel, and first responders. Starbucks and others are moving to a “to go” only offering.

AT&T, **Verizon Wireless**, and **Sprint** are pretty much following FCC Chairman Ajit Pai's terms, which includes not terminating services due to inability to pay bills caused to the disruptions, waiving any late fees and opening its Wi-Fi hotspots to any American who needs them. **T-Mobile** went a little further with a 60-no-data-cap, and **Mint** gave 30 days.

Facebook inserted a box on news feeds that connected directly to the CDC and granted unlimited free ad credits to WHO to promote accurate information. **Google** committed \$50 million to the COVID-19 response and is partnering with the government to build “a nationwide website that includes information about COVID-19 symptoms, risk and testing information.”

Hyundai and **Ford** launched temporary relief from car payments.

LVMH is having three of its perfume-manufacturing facilities make hand sanitizers instead of fragrance.

2) AD-SPEND SHIFTING

More people staying indoors has led to a shift in media spend to digital (incl. streaming), mobile gaming, and television. Last Friday and Saturday, linear TV usage saw a 6% increase among adults vs. previous week. On the same days, streaming to the TV set saw a 43% increase (also adults).

Adweek: TV could continue to thrive: Early indications are that overall ad spending could take at least a temporary hit, but TV could actually benefit from people staying home and watching the news and streaming programming. Publicis Groupe's Zenith said this week it would lower its December prediction of a 4.3% rise in global ad spending this year due to the coronavirus, according to *The Wall Street Journal*. Meanwhile, the consensus from TV ad-sales professionals Adweek contacted was a combination of optimism—fueled by a belief that a ratings increase between the 2020 elections and coronavirus coverage should translate to an increase in ad revenue—and “it’s too early to tell.”

MAGNA: The big winners in a self or mandated quarantine scenario will be the streaming services, as it is ideal for binge viewing, and the influx of new services means there is more content to offer than ever. Linear TV may see a slight bump in usage as a whole with more people staying home, but the lack of live sports and events could well cancel that out. The biggest one, of course, is the Olympic Games scheduled to start on July 24 in Tokyo, Japan. Recently, the Olympic minister Seiko Hashimoto said Japan's government and Tokyo were still committed to hosting the event, but didn't rule out a postponement. News, however, should see double-digit spikes. Advertisers should not block the term COVID-19 or coronavirus nor adjacent terms such as CDC and WHO; this is adversely impacting the ability for clients to deliver media as all marketers search for a “safe” environment.

3) HISTORY SHOWS SPEND CAN HELP LONG TERM

As some brands reduce ad spend, those that maintain will gain a higher share of voice within category for the same spend. Of course, conversations around the crisis will dampen some effect of this. But traditionally, spending when others don't can pay dividends later.

HBR: Brands that increase advertising during a downturn can improve market share and return on investment.

ABM: Economic downturns rewarded the aggressive advertiser and penalized the timid and shy ones. Findings indicated that by failing to keep “top of mind” with its customers, companies risked jeopardizing their current and future sales. ABM’s conclusion: “When times are good you should advertise, and when times are bad you must advertise.”

Auto: History has shown businesses across all industries that maintain or increase their advertising investments in periods of economic downturns increase their sales and share of market, both during and after the downturn.

HBR: Throughout a downturn, all consumers (except those in the live-for-today segment) typically reevaluate their consumption priorities.

Forbes: There have been a number of studies going back nearly one century that point out the advantages of maintaining or even increasing ad budgets during a weaker economy. Those advertisers that maintained or grew their ad spending increased sales and market share during the recession and afterwards.

4) SOCIAL LEADS PROBLEMS, SENTIMENT, AND SOLUTIONS

Misinformation is being spread on social channels, prompting a response from Facebook and other providers. While there is understandable fear and concern, there's also a surge of humor and memes from younger consumers and offers of help, advice, and kindness.

Social platforms strive to provide accurate information and resources. Instagram has banned searches for COVID-19 AR effects and placed a pinned header to the top of the feed linking to certified and credible information. **Facebook** has implemented various advertising policies looking to crack down on exploitive ads and is supporting global health organizations with free ad space. **Snapchat's** own news snapshows are providing constant updates and information. **Twitter** has expanded their ban on political advertising to include anything that “opportunistically uses the COVID-19 outbreak to target inappropriate ads.”

Memes and jokes fill social media feeds. In true internet fashion, the severity of this situation has been co-opted as a punchline. As popular memes and trending jokes are normalized, brands must take all precautions to not inappropriately jump in.

Infected celebrities are taking to social to educate their fans. High-profile infected individuals like Idris Elba, Tom Hanks, and Kristofer Hivju have repeatedly taken to social to educate people about the severity of the issues at hand.

Generational warfare continues. #OkBoomer has evolved to characterize COVID-19 as the more aggressive "Boomer Remover" as Boomers are at higher risk of infection.

5) BRAND MISSTEPS

Whole Foods CEO's suggestion that employees donate sick days to each other is under attack, along with a number of brand communications pushing product among messages of concern.

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Coronavirus: Whole Foods chief asks healthy workers to 'donate'

3 days ago - The chief of **Whole Foods** has reportedly asked US shop workers to "donate" their holiday **pay** to colleagues who fall ill to coronavirus. ... On Wednesday, CEO John Mackey sent an email to employees with a list of options for ...

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Whole Foods Asks Workers to Pay for Co-Workers Sick Leave

2 days ago - **Whole Foods** CEO John Mackey said in an email sent Wednesday to staffers that one of the options available to face the coronavirus crisis was ...

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Whole Foods wants workers to help pay some ... - Raw Story

2 days ago - In a letter sent to employees earlier this week, **Whole Foods** CEO ... sick days taken

A number of stories and even petitions have begun in response to the comments by John Mackey. There is a little more to this story (Whole Foods' paid time-off "donation" program has existed since the 1980s as a way for the then-small grocery chain to move around sick leave that would otherwise go unused), but that was Whole Foods then vs. Whole Foods now, a multi-billion dollar behemoth.

6) AD AND TV PRODUCTION ALSO HIT

Production, especially those shooting internationally, are slowing or stopping as travel becomes difficult, social distancing becomes expected, and safety concerns grow. TV shows and movie schedules will shift. In-house, in-agency, and digitally produced communications will soar.

Adweek: Next to suffer will be the advertising production industry—a world ruled by tight deadlines, inflexible budgets and seamless travel—as its schedules are thrown into disarray. Production companies, however, are still in wait-and-see mode, though many of those who work in production are seasoned professionals who have seen all manner of twists, turns and pivots that could make these companies more nimble.

Vox: Hundreds of shows have delayed or suspended production, including Apple's *The Morning Show* and *Little America*; Netflix shows, including *Russian Doll*; the CW's *Riverdale*; NBC shows, including *the Chicago* dramas and *The Kelly Clarkson Show*; CBS shows, including the *NCIS* dramas, *The Amazing Race*, and *Survivor*; and many more. Saturday Night Live also announced on March 16 that it would suspend its next three shows. Disney delayed films including *Black Widow*, Regal and AMC shut down movie theaters across the country, and London's West End and NYC'S Broadway went dark.

WHAT'S NEXT?

We will follow up with updates regularly.

If you have any questions about the information in this deck or your brand at this time, please contact us.

If communications need to be produced, **CE's in-house studio** team is still working while following all suggested safety measures.

For information about COVID-19, we encourage use of the CDC and WHO.

CDC: <https://www.cdc.gov/coronavirus/2019-ncov/about/index.html>

WHO: <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/advice-for-public>

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