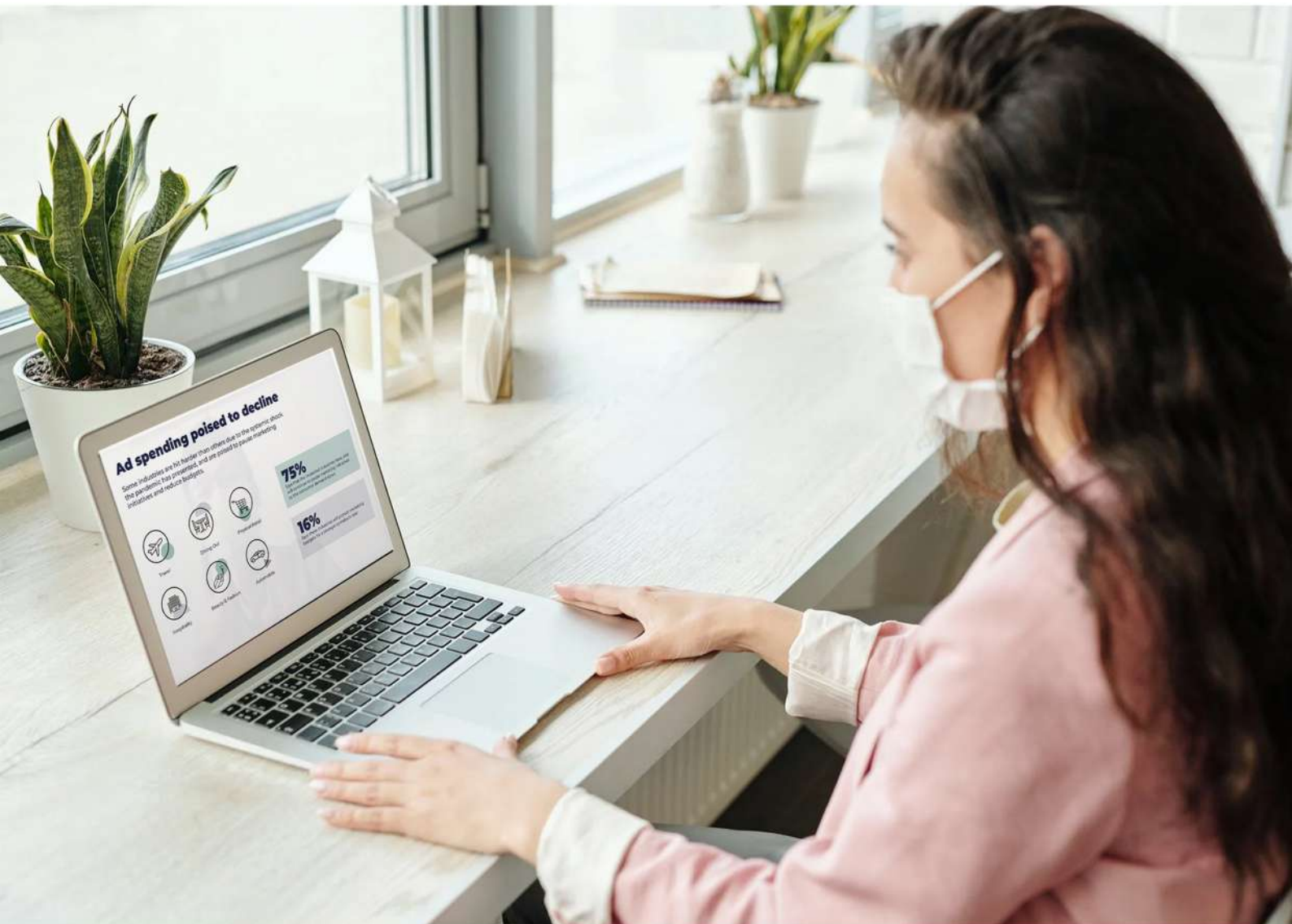


# Brand Response to COVID-19

A brand marketer survey for the SEA market

April 2020



# Impact of COVID-19 on marketing and brand safety strategies

Brands' response to the coronavirus pandemic not only impacts consumer's trust today, but it will significantly impact future purchasing decisions. Moreover, COVID-19 also brings with it brand safety risks that could irreparably damage brand reputation.

This online rapid response **survey of 150+ agency heads, business leads in media, digital and brand marketers in SEA** (Singapore, Vietnam, Thailand, Malaysia, Indonesia, Philippines) attempts to understand how brands are adapting their marketing strategies to the impact of the COVID-19 outbreak. And how they are mitigating the very real brand safety risks the rapidly growing coronavirus related content consumption poses.

This report further co-relates this data with leading third-party consumer studies that indicate what are consumers' expectations from brands, and what are the possible gaps.

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# Brands are adapting their marketing tone and initiatives to consumer expectations

Now, more than ever, brands are expected to step up and contribute meaningfully— whether it is protecting employees, collaborating with the government and other industry players. And, brands are responding to consumers' expectations by offering pragmatism, information, support and new ways of engagement, while avoiding seeming exploitative or insensitive.



Resonating with Govt. policies



Employee Protection



Giving back to Society



Creating digital alternatives to engage with consumers



Avoiding seen as opportunistic

## How are brands re-imagining and engaging consumers in light of the pandemic?

(% of responses)



# Ad spending poised to decline

Some industries are hit harder than others due to the systemic shock the pandemic has presented, and are poised to pause marketing initiatives and reduce budgets.



Travel



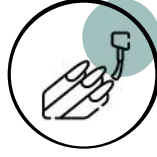
Dining Out



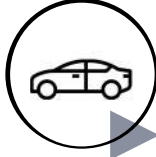
Physical Retail



Hospitality



Beauty & Fashion



Automobile

**75%**

Say that the impacted industries have, and will continue to pause marketing initiatives as the consumer demand slows

**16%**

Say these industries will protect marketing budgets for a stronger comeback later

Even industries that are experiencing increased consumer demand, might not fuel higher ad spending



Health



Physical Hygiene



Household Cleaning



FMCG



Pharma



Life Insurance

**only 5%**

Believe industries currently experiencing higher demand will increase marketing spend to capture the demand more aggressively

**13%**

Say brands are likely to pause marketing initiatives, in lieu of a pre-existing high demand

# Aggressive cuts in ad spends can lead to longer recovery cycles

Brands that reduce their spending during recession often experience long recoveries. Relevance of a product differs, but average marketing budgets should be protected, not raided for recovery. Strong brands recovered significantly faster than weaker brands following the financial crash of 2008. Brands that go dark during recessions suffer a decline in brand metrics in the range of 15 – 28 percentage points<sup>1</sup>.

**When times are good you should advertise.  
When times are bad you must advertise.**

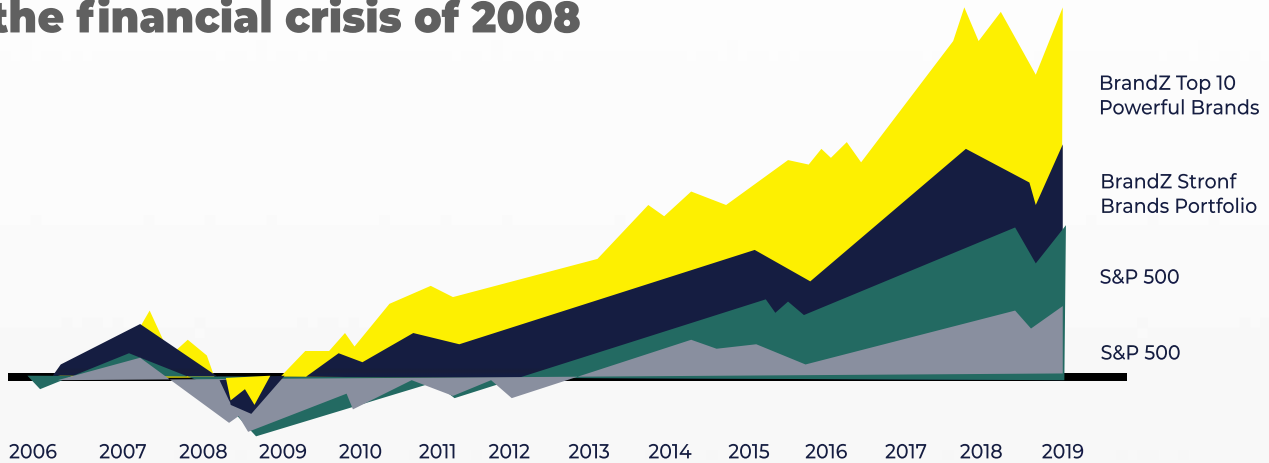
## Strong brands recover faster

Brands with strong equity as measured by Kantar BrandZ recovered faster from the financial crisis and performed better thereafter.

All brands in a category are affected by the same forces. As a result of this disruption, consumers will be experimenting more than ever with new solutions and offerings. Weaker brands can gain an edge by exploiting experimentation while strong brands can do better by leveraging their strengths to reinforce existing habits and preferences.

<sup>1</sup>Source: When A Recession Comes, Don't Stop Advertising

## Strong brands recovered 9x faster following the financial crisis of 2008



Source: Kantar BrandZ Global Study, 2019

# Consumers want to hear from brands

People are looking towards trusted brands to provide them with safety and security in testing times. They want to be assured that the brands they choose are in control of their supply chains, are transparent and trustworthy.

People expect brands to deliver real value, act responsibly, do right by the community, including their employees. Brands who are able to deliver purpose in an ethical way saw their value grow twice as much as average brands<sup>2</sup>

**Only 8% consumers believe that brands should stop advertising.**

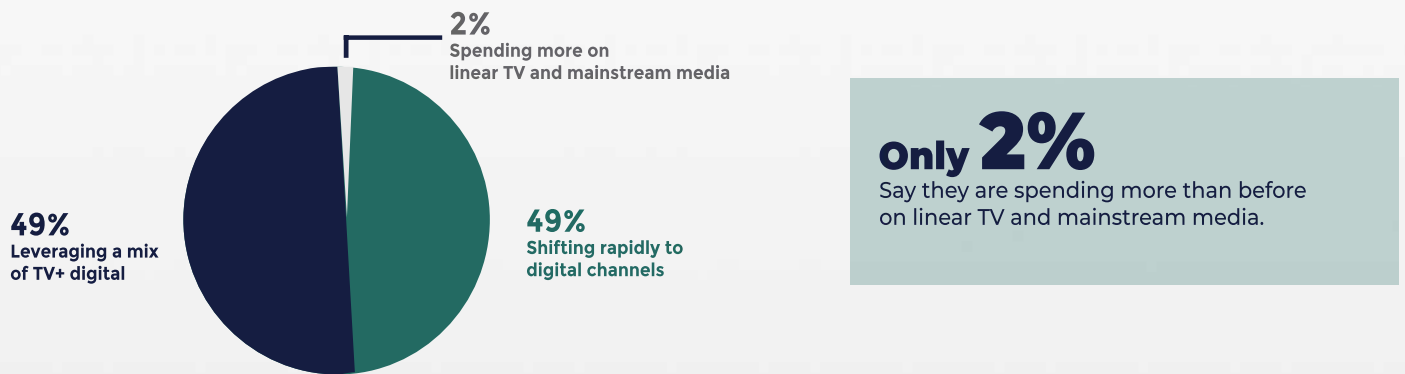
<sup>2</sup>Source: What do consumers expect from brands? KANTAR, 2020



# Ad Spends are shifting to digital channels

Despite significant increase in TV viewership owing to government-imposed lockdowns and social distancing measures across SEA, digital migration of ad spends are deemed cost-effective and impactful Vs. TV.

## How are brands adapting to the changing media consumption?

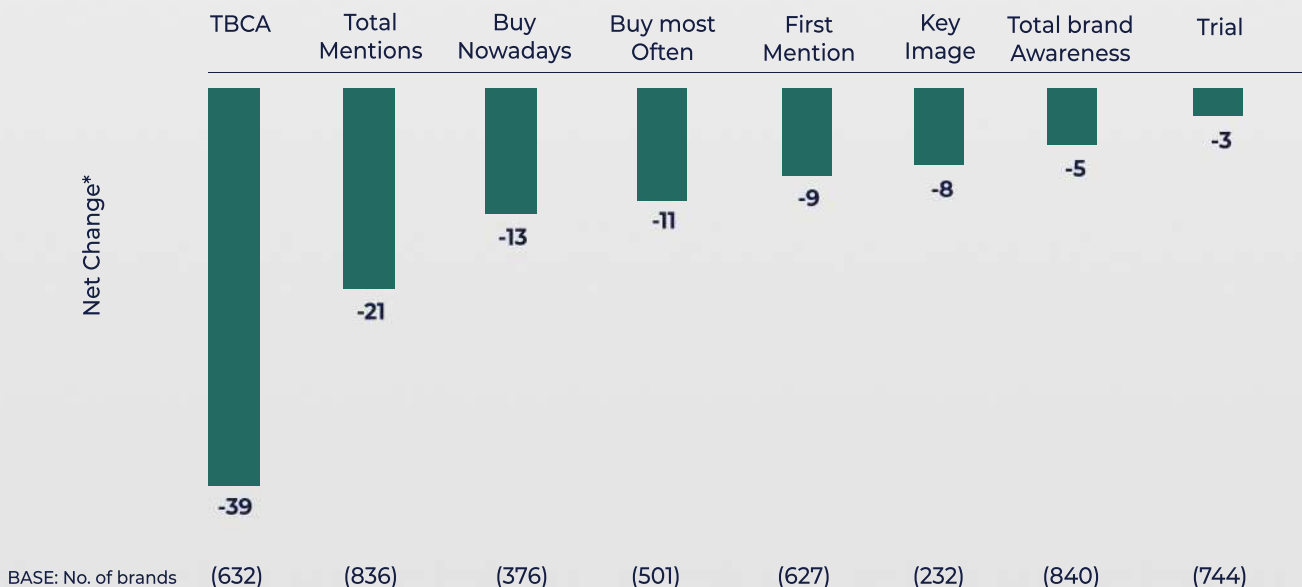


Source: SEA survey on brand response to COVID-19, Silverpush, April 2020

## However, curtailed TV ad spends can adversely affect brand health measures

### What happens to brand health measures if you stop advertising on TV?

Net effects on brand measures 6 months after stopping TV advertising.



\*Net Change: Percent of brands increasing--percent of brands decreasing.

Source: Kantar BrandZ Global Study, 2019



# Brand Safety Response to COVID-19

Brands are trying to avoid coronavirus related content entirely, further compounding a widespread freeze on advertiser spend. Brands want to avoid being aligned with the unfortunate negative consequences of this pandemic, and are cautious about their messaging showing up next to content that could be perceived poorly by the consumer.

## How brands are responding to the brand safety risks posed by the outbreak?

Online related content is seeing huge jumps in traffic, but many advertisers are blocked from appearing near content mentioning coronavirus.

**78%**

Say they are either strongly to moderately worried about the unsafe brand exposure due to ad adjacency across COVID-19 related content

Most industries including travel, hospitality, food & beverages, electronics & tech, automobile, retail, apparel, beauty & fashion and entertainment are stringently avoiding advertising across COVID-19 related content.

**only 3%**

Say they are not worried

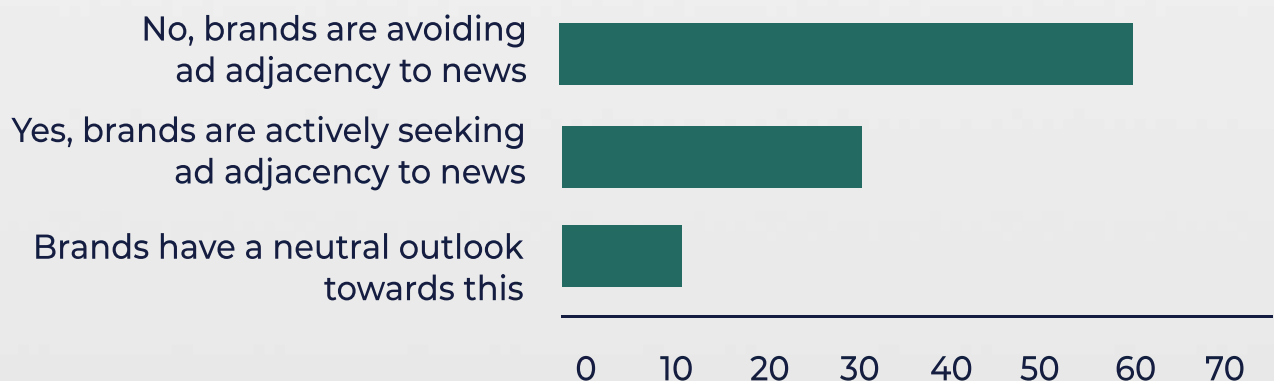
# With news consumption growing rapidly, are brands actively targeting this content to reach users?

Publisher news sites and news channels on platforms like YouTube are facing advertiser block-lists due to coronavirus-related coverage. Meaning brands have missed out on reaching audiences and publishers have lost ad-revenues owing to sensitivity for brand safety.

Health, hygiene, telecom, government, pharma are a few industries that have relevancy which warrants ad placements across COVID-19 related content.

## Are brands actively targeting news channels/ content for advertising?

(% of responses)



# Are brands currently using third party tools to know and control where the ads are running?

Majority of brand safety tools available in the market are content verification tools that have made efforts to categorize content, but are still feeling the financial impact of keyword blacklisting.

**80%**

Said they are already using a tool

**Only 4%**

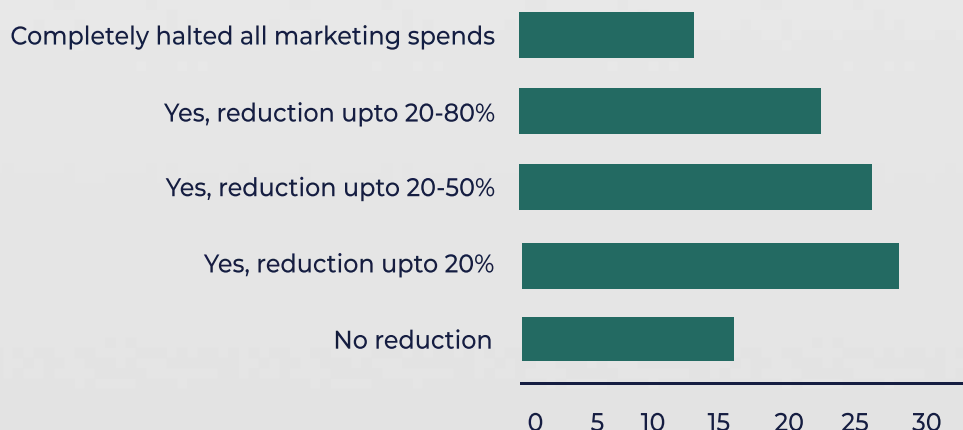
Say they do not see the importance of such a tool

**A measure of advertisers' confidence on brand safety tools is depicted by how despite using third party tools to ensure safe ad placements, brands are reducing marketing budgets and pausing advertising specifically to avoid association with Coronavirus related content.**

## Are brands curbing marketing budgets specifically to avoid brand association with unsafe COVID-19 related content?

**71%** say brands are reducing marketing budgets ranging from complete halt of marketing spends leading to up-to 80% budget cuts, in order to avoid running ads across coronavirus related content.

(% of responses)



# Why are brand safety measures not working?

Keyword blocking using blunt tools has taken blacklisting too far. Static Keyword based filters and white-listed channels are not cutting it. In a programmatic environment, providers aren't necessarily aware of exactly what type of content an ad will be served against. Advertisers, eager to mitigate brand safety risk, turn to keyword blacklists as a filtration mechanism to detect and block harmful video content. However, keyword blacklists cannot guarantee complete protection, and often fail to understand the complex undertones and various contexts a single word can be used for.

**It is difficult for keywords to identify content featuring safe Coronavirus related content such as information on fighting the pandemic, government measures, positive notes of recovery Vs. morbidity related content that can be conceived poorly. Thus, mass keyword blocklists are squeezing ad revenues, and adding to the advertising freeze. And blacklisting related channels completely further adds to the challenge of ad relevancy at a time when consumers are vociferously consuming COVID-19 related content.**

# Can context relevance be the answer?

Emerging AI powered solutions are increasingly focusing on providing context relevance, and are fast becoming an answer to brand safety woes. AI enables processing of large volumes of data at speed, with better context, at higher scale and improved targeting efficiencies.

However, most of these solutions still depend on use of NLP and semantic analysis, not truly understanding the sub-text, nuanced contexts, and complex relationship words have in written or spoken language.

**AI powered computer vision can detect in-video contexts, offering a higher degree of context relevance that surpasses limitations of traditional keyword targeting and NLP based technologies. Offering unparalleled insight for advertisers to place context-relevant video ads and exclude unsafe content in a highly structured manner, and at the scale programmatic has traditionally offered.**



# Dynamic brand safety, with higher and more relevant reach

In-video context detection opens a whole new set of audience to improve reach, with unparalleled brand safety. The ad has a higher probability to match its environment in terms of context and messaging. It runs on the principal that users are engaging with their interests while consuming certain content, and engaging at the right moment can augment this experience and gain interest and trust.

**With brand safety as a key consideration, an advertisement when served in a context that matches the content, is more likely to achieve increased clicks, views, and completed views.**



Unlock the full context



Relevant in real-time



Immense contextual possibilities



Transparency & Effectiveness



Brand safety & Control



Data Privacy Compliance

# About Silverpush

Silverpush offers artificial intelligence powered advertising technology solutions. Helping some of the largest brands globally, to understand and reach their customers, like never before. With its deep learning and computer vision powered platform Mirrors, Silverpush helps brands discover their most relevant audience through context relevant video ad placement targeting, in a brand safe environment. And Parallels, a real-time moment marketing platform helps brands and consumers connect meaningfully through TV to digital ad sync. Our mission is to offer data driven solutions to complex client problems, using cutting edge technology. We are focussed on further developing proprietary metrics around advanced computer vision capabilities that can be applied to new use cases in the media industry, and can in future serve a variety of other industries and use cases.

Since 2012, Silverpush has been leading the industry in bridging the customer journey from TV-Search-Social-Mobile. With global presence in 12 offices across Asia, Middle East, Africa and Europe, Silverpush continues to serve 150+ brands worldwide, including Unilever, Coca-Cola, Nissan, Mondelez, Nestle, Johnson & Johnson, KFC, Astro to name a few.