



NEW CHALLENGES AND NEW SOLUTIONS

HOW LOCAL AND REGIONAL BUYERS ARE
WEATHERING THE COVID-19 STORM

SUMMARY

The events of COVID-19 have upended the advertising industry in ways that are still evolving. In a survey of nearly 200 agency buyers of local and regional advertising, nearly all agreed that COVID-19 events would impact their (or their clients') advertising in some way. But despite the great challenges they face, an overwhelming majority of agencies agreed it is important to keep advertising even in uncertain times like these. Many also saw it as a chance to explore new solutions including shifting budgets to Advanced TV media channels, and relying on data and targeting for greater efficiency and flexibility.

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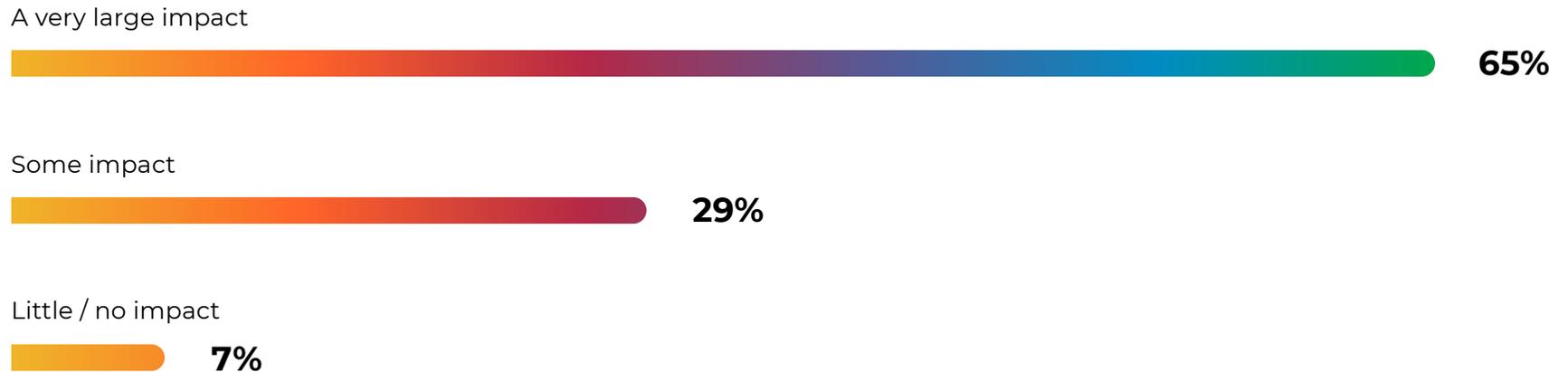
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A CHANGING WORLD FOR ADVERTISERS

Agencies today are seeing the world differently. Nearly every local and regional agency buyer surveyed said that COVID-19 events will have some impact on their advertising plans and strategies for 2020, with 65% saying it would be a “very large impact.”

CHART 1

How big of an impact have the COVID-19 events had on your advertising plans and strategies for 2020?



THE CONTINUED IMPORTANCE OF ADVERTISING

Despite the financial challenges facing businesses today, agencies are conscious of the ongoing necessity of advertising. In fact, 93% say it's still important to advertise during the COVID-19 pandemic, though many acknowledge it can only be done if the dollars are reasonably available.

CHART 2

Do you believe it's important for businesses to keep advertising in the current environment?



Advertisers are conscious of the new environment, and many have shifted their creative messaging to reach customers in meaningful and unique ways. In fact, 67% of those surveyed say their clients are already incorporating COVID-19 specific messaging into their advertising, with another 14% saying they may in the future.



WHAT CONSUMERS ARE SAYING:
According to another [survey](#) that FreeWheel recently conducted, nearly 60% of consumers think that brands should be incorporating COVID-19 specific messaging into their ads now.

CHART 3

Are you / your client incorporating (or planning to incorporate) COVID-19-specific messaging into your advertising?



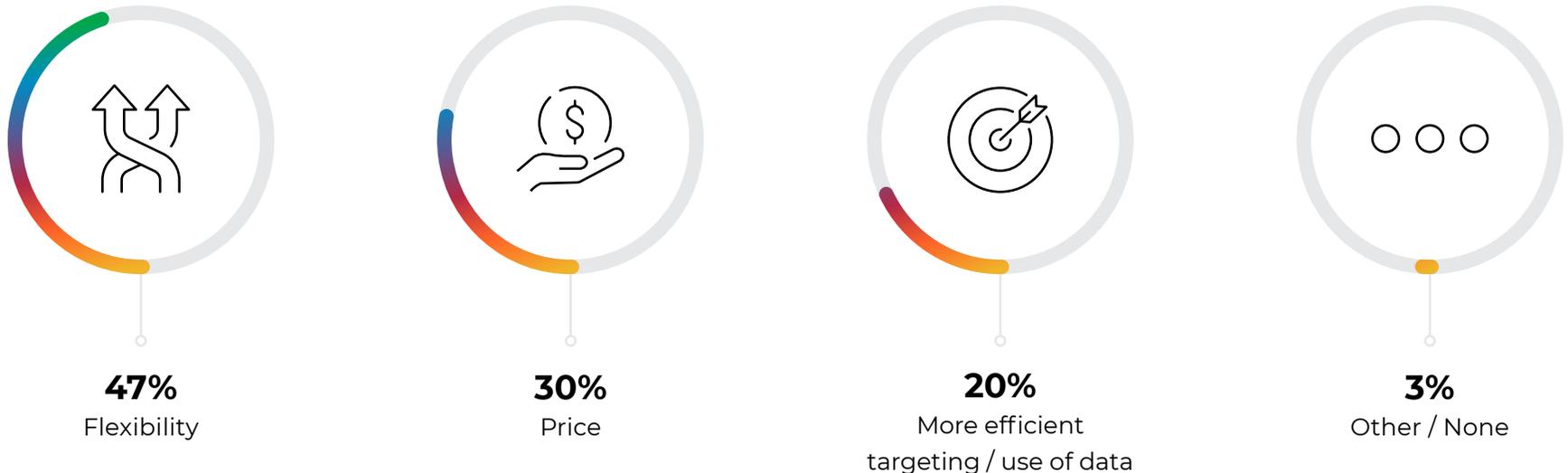
EXPERIMENTING WITH NEW SOLUTIONS

Not surprisingly, priorities are changing now as marketers and agencies alike face the realities of a challenging market. But they know that any challenge is just temporary. Looking ahead, buyers of local and regional advertising say flexibility

will be critical for their future ad buying, as will price. Additionally, 20% acknowledge the importance of targeting and data as way to increase efficiency.

CHART 4

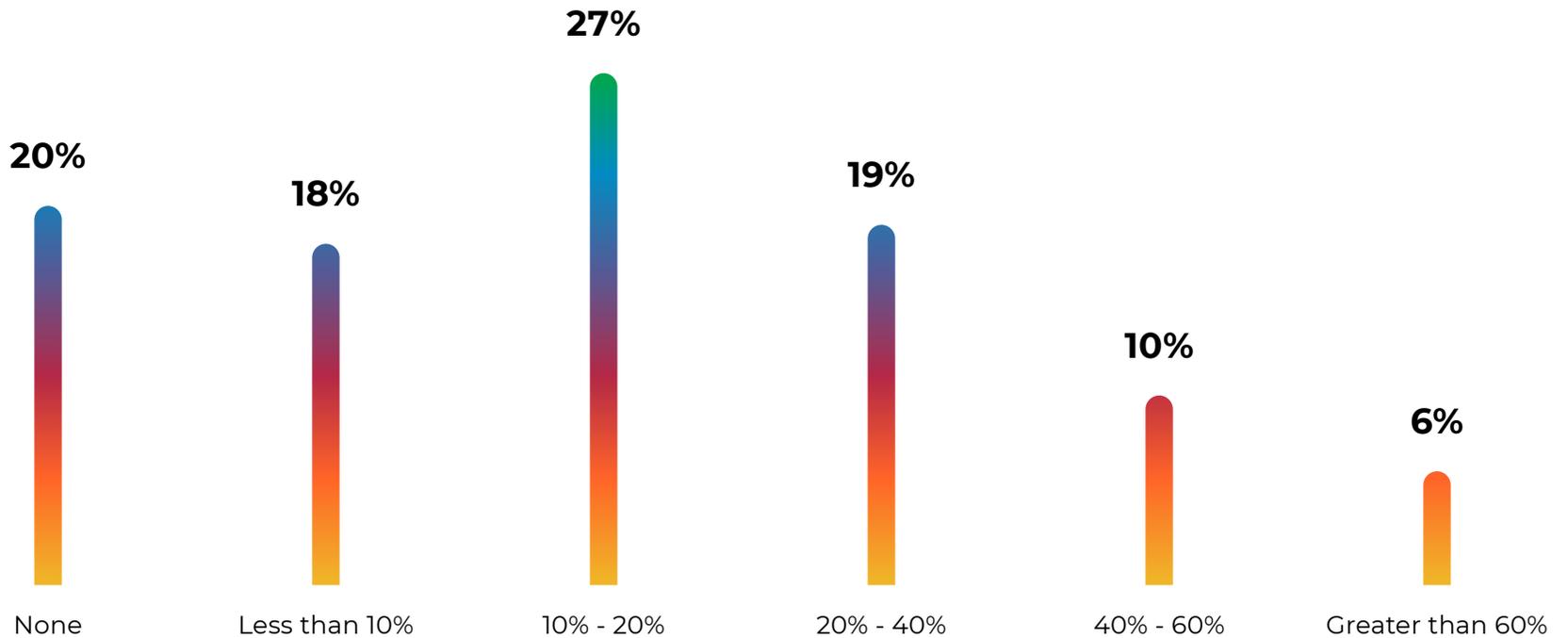
Which of the following are especially important to you now as you consider ad buys in a COVID-19 environment?



In order to achieve greater flexibility and price, as well as smarter use of data and targeting, 80% of local and regional buyers say they intend to carry out some part of their business via programmatic buying.

CHART 5

What percentage of your business do you intend to carry out with programmatic buying?



Many agencies also express interest specifically in Advanced TV, which provides opportunities for greater targeting and use of data in smarter ways. Over 90% of local and regional buyers plan to put some of their video budget towards Advanced TV channels like video on demand, over-the-top, addressable, or advanced linear.



A LOOK BACK:

In October 2019, 79% of agencies surveyed said they were interested in Advanced TV. Today, 91% have allocated budget towards the medium, suggesting interest has grown in advanced targeting and efficiency in TV.

CHART 6

What percentage of your video budget do you intend to allocate to Advanced TV (STB VOD, OTT, addressable TV, advanced linear, streaming FEPs) in 2020?

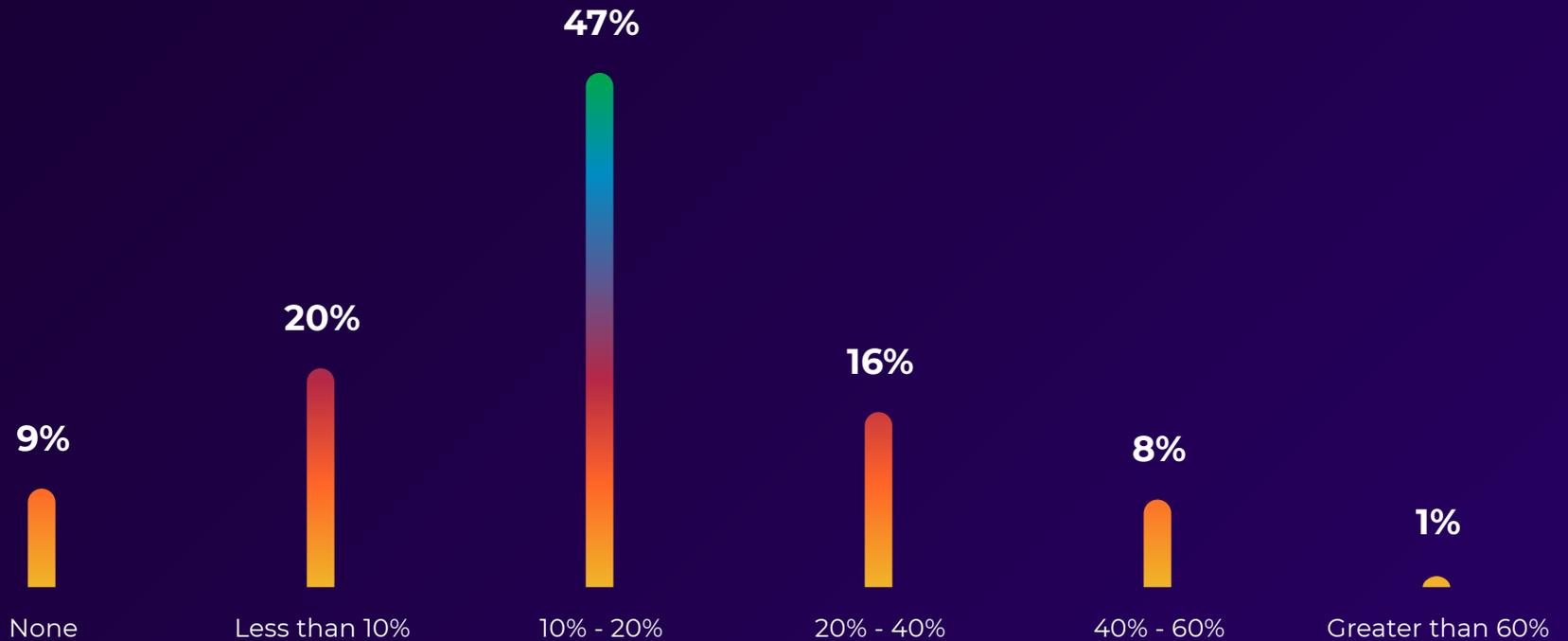
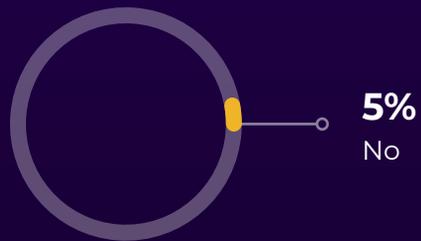
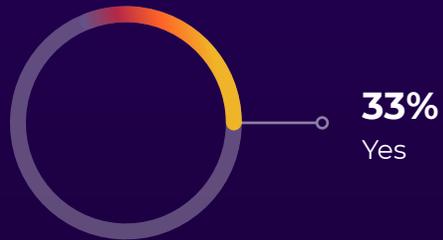


CHART 7

Do you expect the COVID-19 events to impact your 2021 advertising strategies?



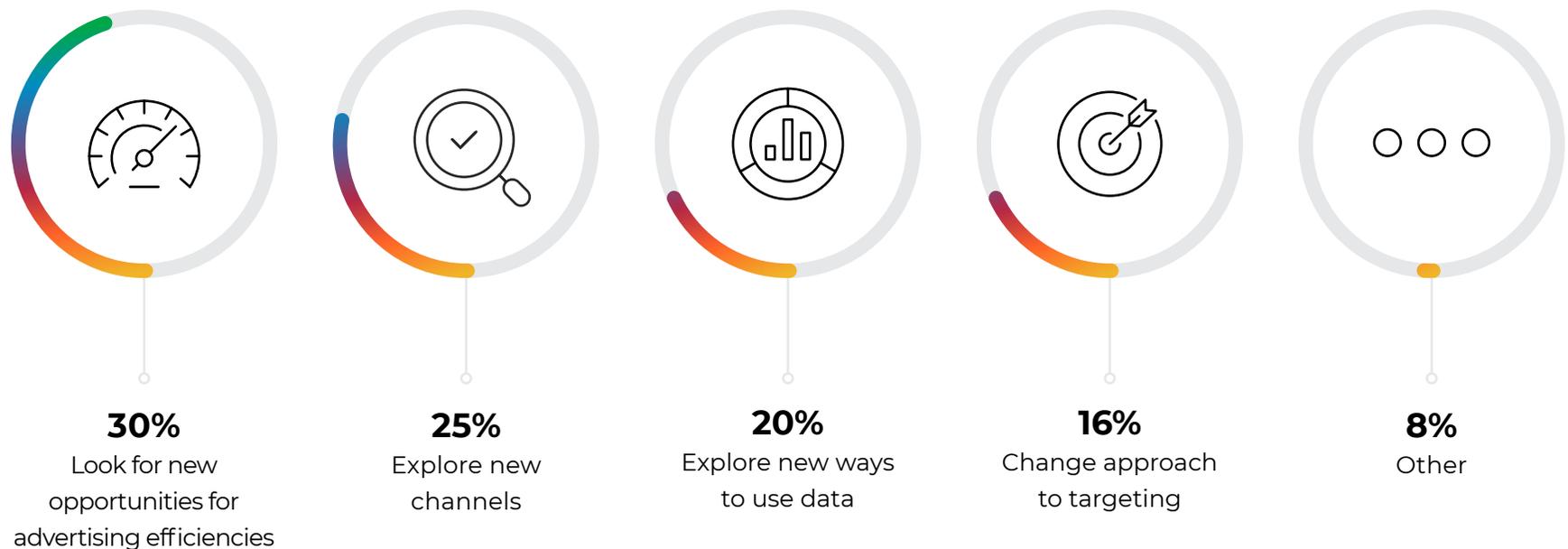
WHAT'S NEXT

Looking ahead, local and regional agency buyers were asked if they expect the events of COVID-19 to impact 2021 plans. Most advertisers say it's too early to tell, though a third believe the impact is inevitable.

Buyers of local and regional advertising are not planning to sit still in 2021; instead, they acknowledge the importance of exploring new opportunities as they search for cost savings and flexibility. 30% say they will actively look for advertising efficiencies for 2021, with 25% expecting to explore new channels, 20% exploring new ways of using data, and 16% expecting to change their approach to targeting.

CHART 8

What might change in 2021?





Methodology: Online survey of 194 Strata platform customers using QuestionPro, April 2020.