

GLOBAL CONSUMER TRENDS

COVID-19 | ADVERTISING IN THE NEW NORMAL



ADVERTISING TO CONSUMERS IN THE EVOLVING PANDEMIC



EXECUTIVE SUMMARY

Nearly six months into this unprecedented pandemic, advertisers are still working hard to understand how to adjust their messaging as the situation continues to evolve. In *Walking A Fine Line: Brand Messaging During the Crisis*, part one of Dynata's *Global Consumer Trends COVID-19 Edition: Advertising in the New Normal* research series, we explored the initial effects of the pandemic on consumer opinions of advertising, and the messaging and actions advertisers should adopt to maintain positive brand perception and customer loyalty. This report expands on that research and examines how things are changing over time.

Just as part one of our *Advertising in the New Normal* research, fielded in late April-early May, was a product of its time, so too is part two of this series, *Advertising to Consumers in the Evolving Pandemic*. At the time of our first report, the first wave of the pandemic seemingly had been "flattened" by a combination of social distancing and economic lockdowns, especially in places like the USA, UK, and Australia, leading to some cautious optimism that things might improve.

Now, nearly two months after our report and four months into the pandemic, most of the countries we surveyed have seen new diagnoses continue to flatten or even decrease - with the notable exception of the USA where new cases have surged. Not surprisingly, we see the effects of this in our surveys on consumer attitudes and behaviors, coloring nearly every finding in this report.

Leveraging our global scale, the considerable breadth and depth of our consumer relationships, and the largest fully-permissioned first-party data set in the industry, **this report delivers insights for brands seeking to navigate the changing advertising and messaging landscape during the COVID pandemic, including:**



EXPECTATIONS FOR THE PANDEMIC'S DURATION ARE GROWING, BUT CONSUMER ANXIETY REMAINS MOSTLY UNCHANGED - AND HIGH.

Consumers are settling into the idea that the pandemic will last longer, with 65% now believing it will last six months or longer, up from 52% since late April. Net concern over health, finances and the economy remained stable, with most consumers remaining very concerned.



IT'S TOO EARLY TO PIVOT AWAY FROM MESSAGING THAT ADDRESSES THE PANDEMIC.

Somewhat surprisingly, consumers have shown little pandemic message fatigue, as 31% believe brands should continue to acknowledge the crisis in their ads, down from 34%. Attitudes towards brands not adapting their messaging to reflect the pandemic remains relatively unchanged, with 24% disliking this approach now compared to 23% in April.

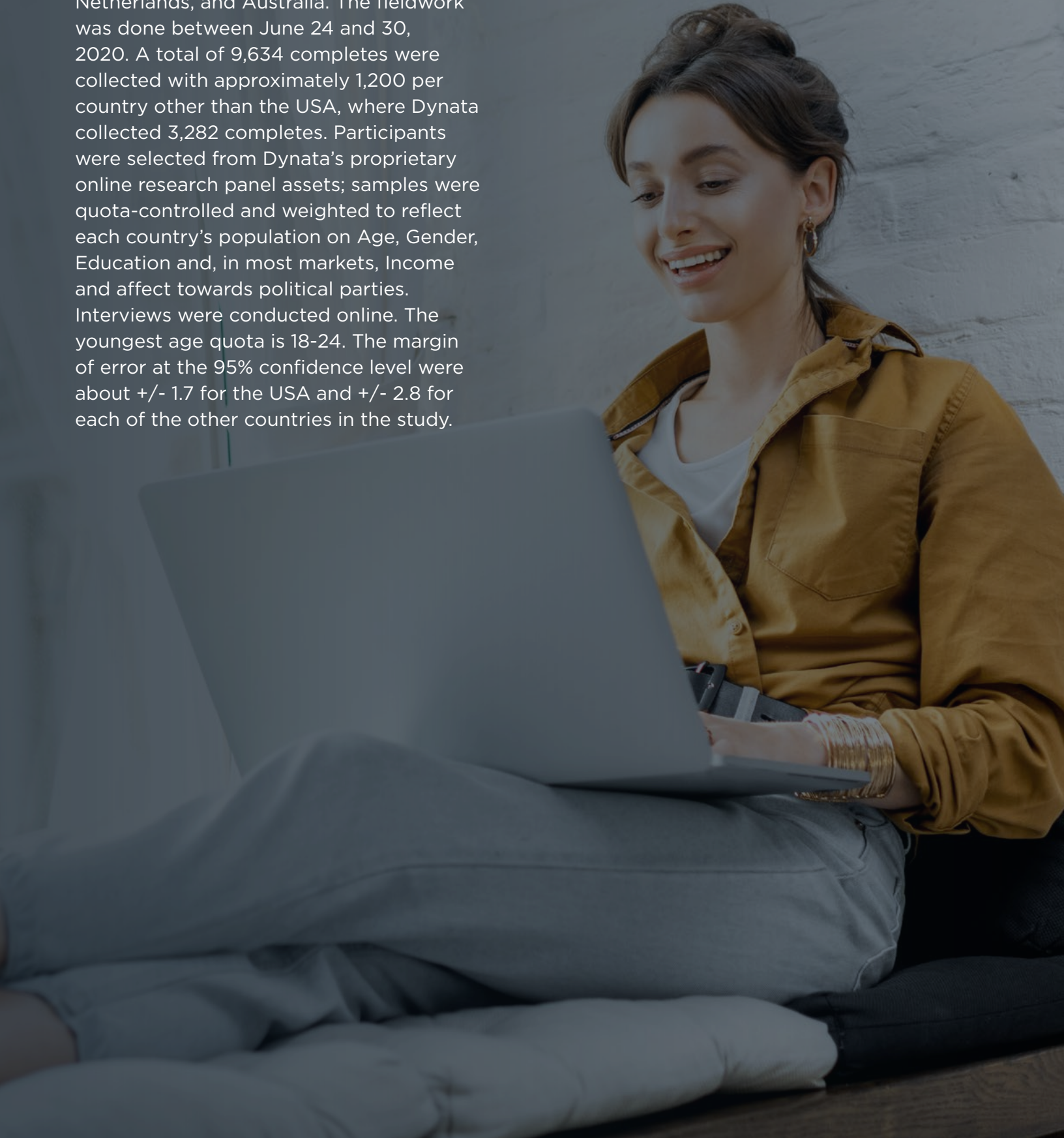


CONSUMERS SAY THAT BRANDS TAKING ACTION TO SUPPORT PANDEMIC RELIEF EFFORTS WILL INCREASE THEIR LOYALTY LONG TERM.

In addition to acknowledging the pandemic in their messaging, brands can boost customer loyalty by taking action to help their employees or local communities (43% said this would boost loyalty) through a variety of actions, from donating personal protective equipment to healthcare workers/first responders (48% find this appealing) to feeding healthcare workers and/or first responders and paying employees unable to perform their job (47% each).

METHODOLOGY

The research was conducted in six countries: The United States, the United Kingdom, France, Germany, the Netherlands, and Australia. The fieldwork was done between June 24 and 30, 2020. A total of 9,634 completes were collected with approximately 1,200 per country other than the USA, where Dynata collected 3,282 completes. Participants were selected from Dynata's proprietary online research panel assets; samples were quota-controlled and weighted to reflect each country's population on Age, Gender, Education and, in most markets, Income and affect towards political parties. Interviews were conducted online. The youngest age quota is 18-24. The margin of error at the 95% confidence level were about +/- 1.7 for the USA and +/- 2.8 for each of the other countries in the study.





WHEN WILL IT END AND HOW WE FEEL

There is widespread recognition that the pandemic will last longer than originally anticipated. Concern for the economy remains high even with many businesses reopening, though other worries have seen a slight reduction, including family financial security, personal health, and the health and safety of families and communities.



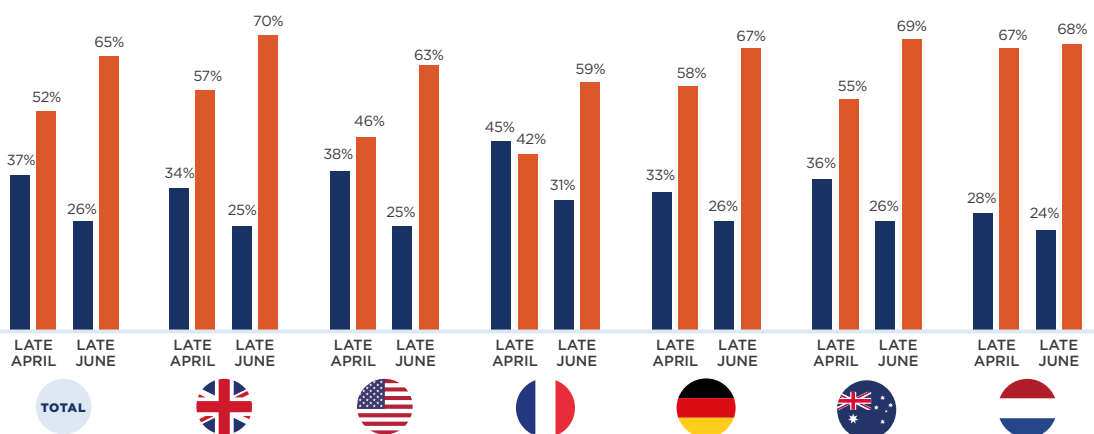
IMPENDING IMPACT

If consumers are settling in for a longer pandemic than originally expected, how should brands respond to this changing expectation? With economic anxiety still high, how can brands help consumers feel more confident about spending in the pandemic? What's behind the apparent disconnect between rising cases in the USA and lessening anxiety?

When part one of our *Advertising in the New Normal* series went into field in late April, just over a third (37%) believed the pandemic would be over in a just a few more months, while 52% believed it would be over in six months or longer. **Today, consumers expect the pandemic to last longer than before, with 65% now believing the pandemic will last six months or longer, a 13-point increase. The USA and France have experienced the largest increase in their expectations for the pandemic with over 17-point increases in each country.**

How long will the pandemic last?

- A few more months
- Six months or longer



In late April, we also asked consumers how soon after governments establish that it's safe to do so they intend to return to restricted activities such as traveling via plane, dine in restaurants, order take-out food and eat at fast food establishments. **Across the board, the number of people returning to these activities today is much lower than the number who intended to return by now in the previous study.** The belief that the pandemic will last longer than expected, could be contributing to this disparity, especially within these industries. Some of these differences are, of course, driven by the fact that some countries have been slower to resume certain activities than others.

Of these businesses, sit-down restaurants had the slowest return. In late April, among those who normally did so, 38% of consumers across all markets said they intend to eat at a restaurant within a month of governments deeming it safe to return; however, only 17% have followed through. **There was a large disparity seen in Australia, where 44% intended to return within a month, but today, only 17% report having done so**, despite lockdown having been lifted there in late June.

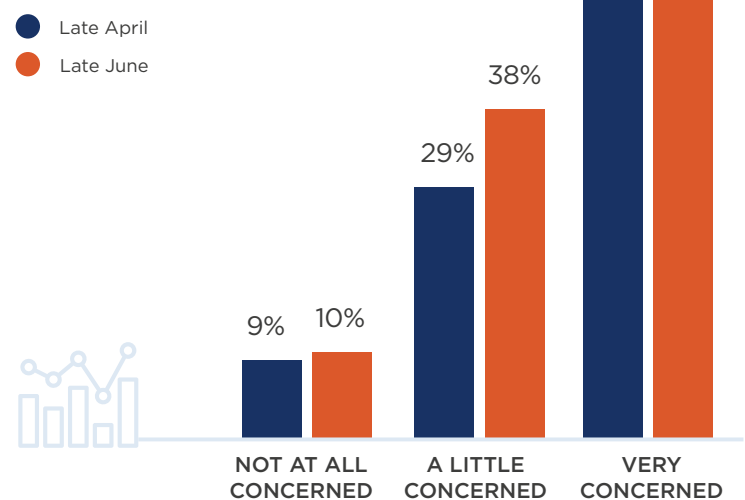
Similarly, among fast food patrons, 36% said they would dine in a fast food restaurant within a month of government approval, but in the last week of June, only 13% have done so. The USA shows remarkable disparity, with 32% expressing intent to eat at fast food establishments within 2 weeks of the government allaying safety concerns, while today, only 17% have followed through on this intent. Consumers have been slightly less apprehensive about ordering take-out or takeaway, but initial intent remains significantly higher than reality. For example, 48% (in late April) said they would order take-out within a month, while in our latest survey, only 31% globally report having done so.

We observe a similar pattern in air travel, although initial intent to return was much lower than that of restaurants. Globally, eight percent of people who say they normally travel by air said they would return to flying within a month of governments establishing it's safe to do so, (slightly higher at 10% in the USA and Germany) but eight weeks later, only two percent say they have done so. Across all countries studied, except the USA where four percent have already returned to air travel, only one to two percent say they have taken a flight.

Additionally, consumer concern has shifted, though not as dramatically. Looking at concern levels across a variety of factors -- including their families' financial security, their jobs, their personal health, the health of their family, the health of people outside their family, and their communities' safety - **net concern has decreased slightly, from 1 to 5-percentage points, but concern is still high, averaging in 80th percentile range.** So, consumers are still concerned, but slightly less so than in late April.

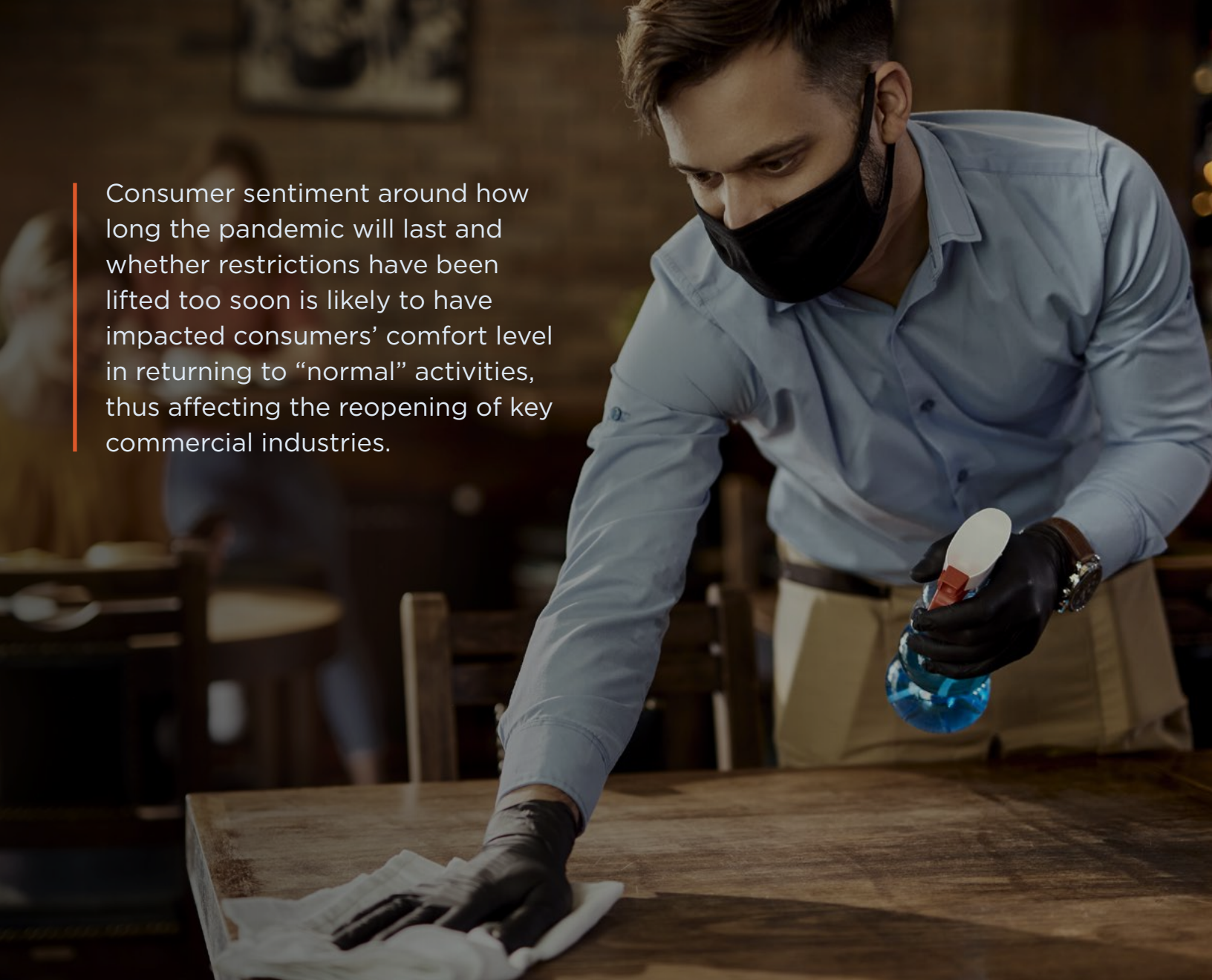
Of those factors, concern for the economy has remained the highest throughout the past two months even as businesses reopen, with concern relatively flat from 92% to 91% over eight weeks. **Brands might have an opportunity to play a larger role in reassuring consumers given that 53% of consumers are now very concerned about the economy and the expected ramifications of that fact on buying intention.** Concerns for the economy are lessening in all countries, except for France and Germany where it grew marginally. Interestingly in the USA, those who were very concerned dropped from 61% to 52% but amongst those who were a little concerned increased from 29% to 38%. This is despite recent reports of surges in new cases, and also that 50% of Americans believe the worst is yet to come in late June.

To what extent are you concerned over the economy? (US only)



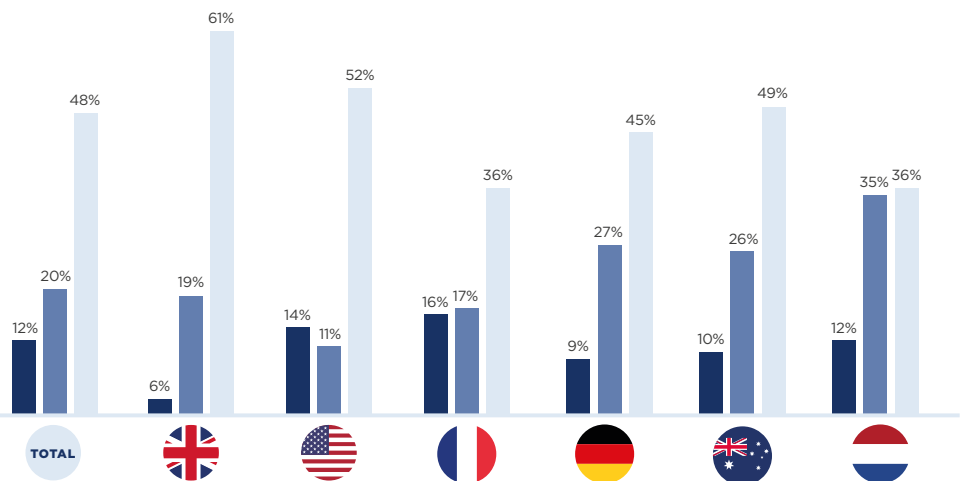
Concern levels remain relatively high, and follow-through on intent to dine-in, order takeout and travel remains low; perhaps it is because many consumers feel that restrictions were lifted prematurely hence staying cautious. Globally, 48% believe restrictions were lifted too soon, with a high of 61% in the UK and 52% in the USA. In the USA, 10% said they should not be lifted until there is a vaccine, followed by Germany at 8%, the highest amongst all countries studied.

Consumer sentiment around how long the pandemic will last and whether restrictions have been lifted too soon is likely to have impacted consumers' comfort level in returning to "normal" activities, thus affecting the reopening of key commercial industries.



Which best describes how you feel about lifting the restrictions around leaving your home?

- They were lifted too late
- They were lifted at just the right time
- They were lifted too soon



IS IT STILL OKAY TO ADVERTISE?

Consumers remain supportive of brands advertising during the pandemic and are slowly becoming more open to seeing advertisements for non-essential products and services.

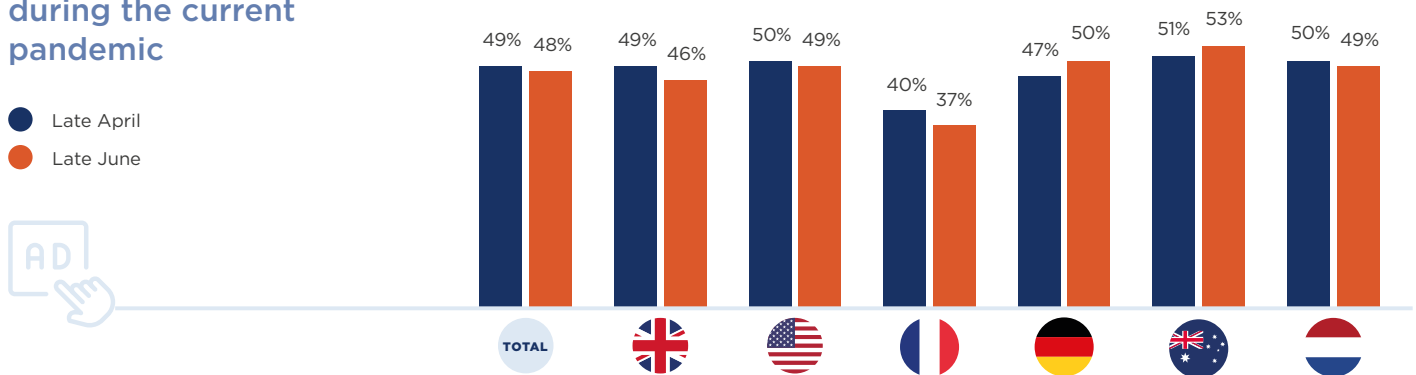


IMPENDING IMPACT

With permission to advertise stable, is there an opportunity to evolve or pivot to include more non-pandemic or non-crisis messages? Now that non-essential products and services are more acceptable, how can advertising and creative firms capitalize? If more of us are streaming or using social media, is this the tipping point for prioritizing sponsored content over traditional ad buys?

In *Walking a Fine Line: Brand Messaging During the Crisis*, our findings showed it was not only okay, but advisable for brands to continue advertising during the pandemic. Now, nearly two months later, has this attitude shifted as the pandemic has evolved? In a reassuring sign for marketers, there has been **very little shift in attitudes towards brands advertising during the pandemic, with 48% agreeing “it’s fine to advertise”** compared to 49% previously. This sentiment has **increased by three points in Germany and two points in Australia**, while decreasing by three points in the UK and France, one point in the Netherlands.

It’s fine for brands to continue advertising during the current pandemic



We have also observed a growing openness to advertisements for non-essential offerings, with the percentage of consumers saying that brands should avoid advertising these products decreasing by four points. This change in attitude could be due to more retail stores, restaurants and non-essential services beginning to reopen.

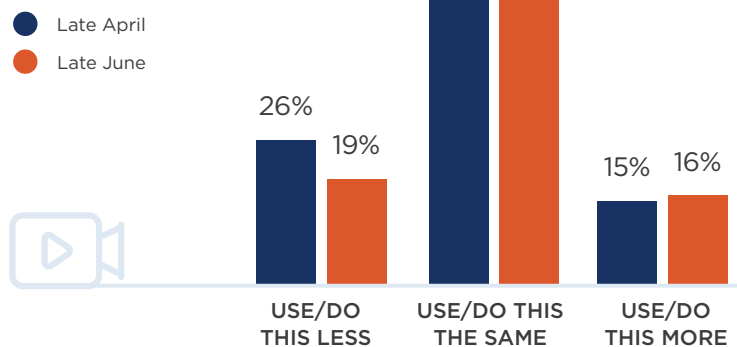
The COVID-19 pandemic has not only changed how consumers respond to messaging in advertising, but also where we receive those messages – our media diets.



With a drastic change in lifestyle during the pandemic, it's no surprise that people are consuming media differently than before, a boom for some platforms but perhaps less so for advertisers themselves. *Marketing Week* [predicts](#) advertising spend in the UK will decline by as much as 16.7% in 2020 as a result of COVID-19, the first year spend has declined across all media channels since the advent of digital. This places a premium on understanding the channels and platforms that people are consuming, and what those trends can mean for the future of media consumption.

While streaming video services such as Netflix, Prime Video and Disney+ experienced a spike in subscribers earlier in the pandemic, usage is starting to wane as **fewer respondents report using streaming services today compared to earlier in the pandemic, with 30% saying they do this more than before the pandemic compared to 34% in early May.** And while only 16% expect they will use streaming video services more (versus 19% who will do so less), when life starts getting back to normal consumers who anticipate their video usage will remain at current consumption levels increased from 59% to 65%.

Once the crisis has passed, how will your streaming video usage change?



Use of social media during the pandemic has declined with 28% saying that they use social media more now than they did before the pandemic, a decrease from early May when 36% said they had increased their usage. This drop could be a result of the gradual relaxation of social lockdowns, allowing consumers to see friends and family more freely rather than being restricted to socializing online. **Our data shows that the pandemic will not have a long-term effect on social media usage after the pandemic, with 70% anticipating their usage will remain the same as before.**

RESONATING WITH CONSUMERS DURING THE REOPENING

Brands should avoid transitioning away from messaging that reflects the pandemic too soon as consumers still value advertisements that acknowledge the pandemic, display social distancing and make them feel that brands care.



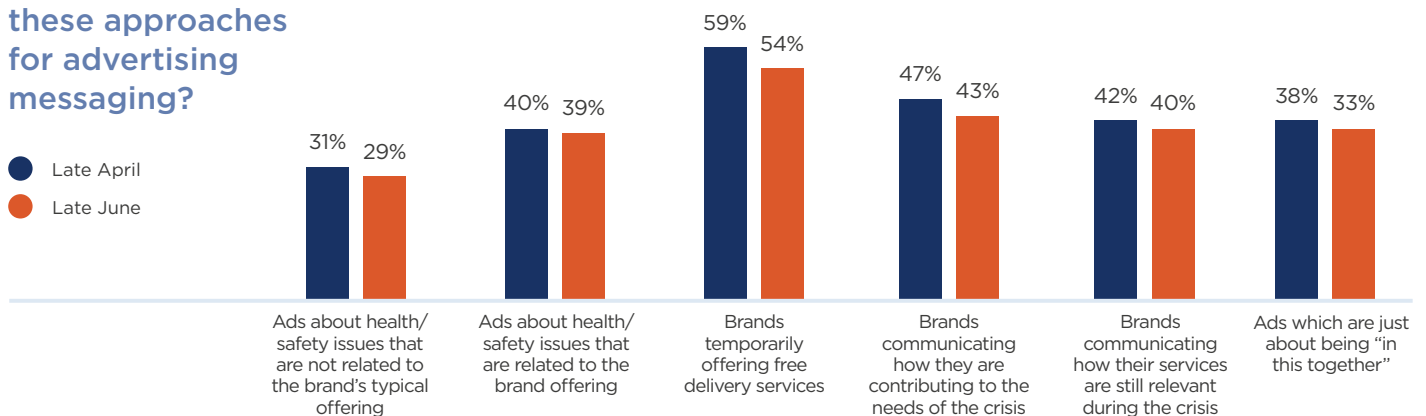
IMPENDING IMPACT

Will brands ever be able to return to pre-pandemic messaging? Will offering free delivery be less effective as consumer freedom increases? Is it time to retire “we’re all in this together” and return to market or buyer-specific messages?

Across the countries studied, consumers felt somewhat less strongly about advertisements addressing the pandemic since our prior report went into field in late April. Nonetheless, it’s critical for brands to continue to acknowledge the pandemic in their messaging and creative to maintain consumer resonance and appeal. Over a third (34%) still believe that brands should mention the pandemic in their ads compared to 41% eight weeks earlier, a sign that this attitude may remain for some time to come.

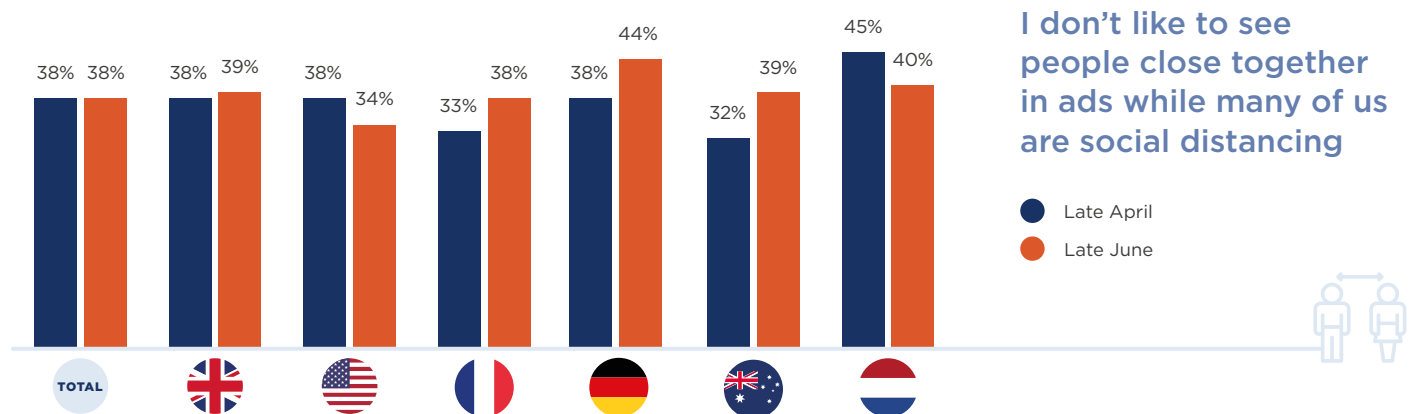
When asked which messages or incentives appealed most to consumers, advertisements offering a free delivery service continue to resonate best, with 54% finding this message appealing. This message scored highest across all markets we surveyed, though it did show a slight decline in every country except the Netherlands, where it grew by two points.

How appealing are these approaches for advertising messaging?



Communicating how your brand is contributing to the needs of the crisis was the second most appealing message by consumers at 43%, followed by ads that communicate how a brand’s offering is still relevant at 40%. A third of respondents resonated with ads that say that brands care about them, with this message having the most impact among German consumers.

In assessing the effectiveness of various creative tactics in advertising, our findings show that **38% say they don't want to see people close together** while many of us are social distancing, a belief that has not shifted over the past two months. With many countries continuing to emphasize social distancing as a preventative measure against the spread of COVID-19, it's unsurprising that this attitude remains, and shows increases of five points in France, six points in Germany and seven points in Australia.

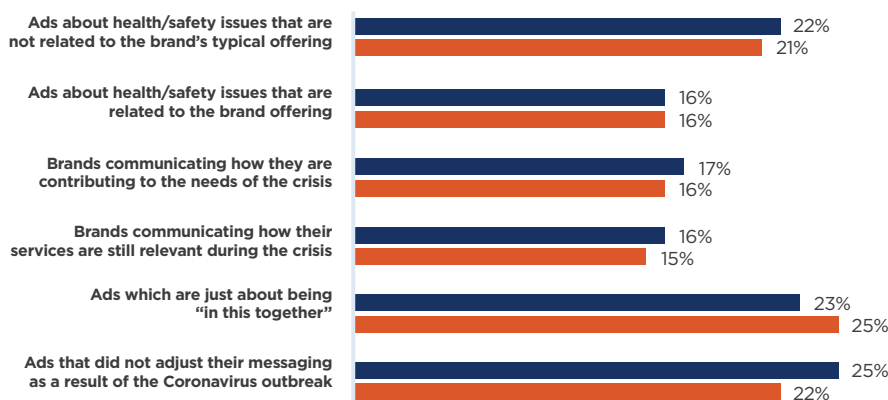



Reminding consumers of life before the pandemic has become slightly less important as the pandemic evolves with this attitude dropping by four points overall in every country except Australia. This change in attitude could be influenced by some consumers returning to their pre-pandemic work, social and shopping lifestyles. It could also be a sign that consumers are coming to realize that life may not, if ever, return to the "way it was."

Once again, we observe that ads using the **"we're all in this together" message are found to be least appealing, with 25% of consumers viewing this sentiment negatively.** This is particularly true among consumers in the UK, USA and Netherlands, where ads of this nature are the least appealing, even more so than ads where brands have not adjusted their messaging, which were the least popular in late April. Overall, consumer attitudes towards brands that don't adjust their messaging has softened slightly, from 25% in late April to 22% now, a sign that consumers are open to newer or more normal messaging the longer the pandemic goes on.

How unappealing are these approaches for advertising messaging?

● Late April
● Late June





DONATE

DRIVING LOYALTY THROUGH POSITIVE CORPORATE ACTION

As the pandemic evolves, COVID-19 relief efforts remain important for retaining long-term customer loyalty, however, each market needs to have a tailored approach. Corporate response to social justice causes, such as Black Lives Matter, scores lower in encouraging loyalty than pandemic-centric actions.



IMPENDING IMPACT

For how long should brands contribute to COVID-19 relief efforts? With social actions having less impact, how can brands stand out amongst competitors? What can the difference between responses to social justice and pandemic actions tell us about consumer priorities?

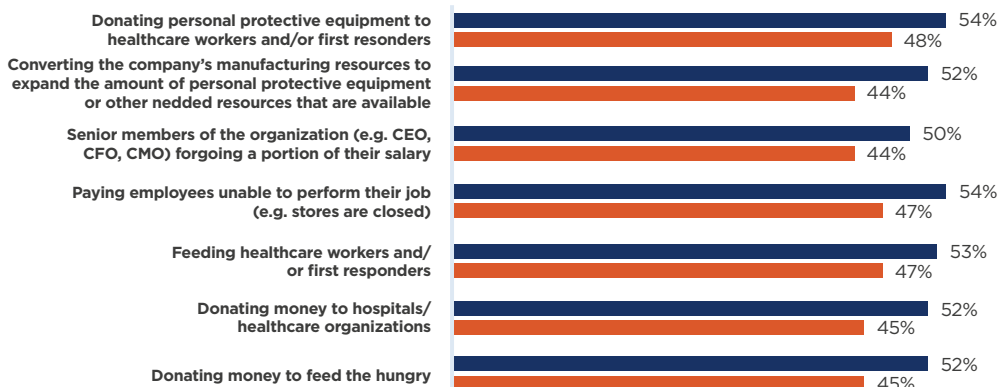
When disaster strikes, brands often find themselves in the spotlight, with consumers looking to them for meaningful action that demonstrates their commitment to their customers and communities. In *Walking a Fine Line: Brand Messaging During the Crisis*, our findings showed that just conveying the right brand message isn't enough to retain loyal customers – actions speak louder than words.

While corporate responsibility activities are having slightly less impact on customer loyalty than they did in late April, they are still a critical component for driving brand loyalty and burnishing brand reputation. This change may be due to consumers forming an expectation that brands should be socially minded in this phase of the pandemic, a sign to marketers that consumers still want to see brands contributing to pandemic relief efforts for some time to come. **Not addressing the crisis at all and continuing business as usual, appears to harm customer loyalty, with 32% of consumers indicating they would be less loyal to brands taking this approach, compared to only 16% who would be more loyal.**

Perhaps due to the prolonged nature of the pandemic, all loyalty impact metrics experienced a small but significant decline among consumers over the last two months. When asked which actions will encourage loyalty, **donating personal protective equipment to healthcare workers or first responders remained the most popular in producing a positive loyalty impact**, with 48% agreeing it would increase their loyalty towards a brand after the pandemic – though this did decrease from 54% compared to late April. **Paying employees unable to perform their job and feeding healthcare workers also scored highly**, with 47% agreeing that both would positively impact brand loyalty, down from 54% and 53% percent respectively.

How would the following positively impact your loyalty

- Late April
- Late June

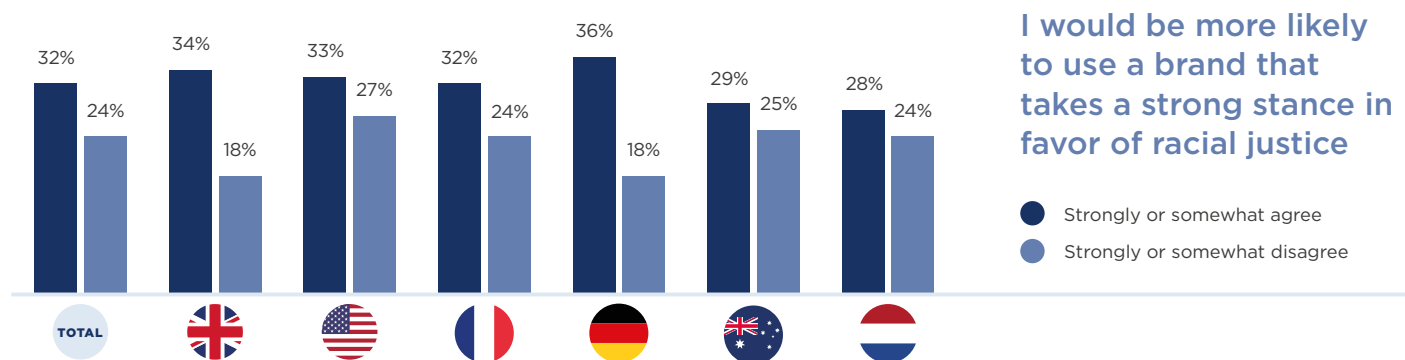


Brands should avoid a one-size-fits-all approach to taking action during the pandemic, as opinions on which produce positive loyalty impacts differ from country to country.

For example, Australian consumers have had a shift in attitudes in the past two months, with 55% stating that feeding healthcare workers and/or first responders now has the largest impact on customer loyalty compared to early April when they selected paying employees who are unable to perform their jobs as the most impactful action at 54%. We also observe a shift in the Netherlands, donating personal protective equipment to healthcare workers and/or first responders now is rated most impactful on customer loyalty at 48%, a change from donating money to hospitals and healthcare organizations being most impactful in April at 49%.

Since we published *Walking a Fine Line: Brand Messaging During the Crisis*, the Black Lives Matter movement has transformed the cultural and social landscape, and many brands have chosen to take a public stance on the matter. Reaction to the Black Lives Matter movement and the ongoing conversation on social and racial justice has, like the pandemic, brought corporate responsiveness and actions into consideration as a potential multiplier on brand reputation and consumer loyalty – positive or negative. In unprecedented times, where the social and commercial landscapes are complex and fast-changing, consumer behavior is continually shifting. How do consumers want brands to respond to this issue?

The response is mixed. Globally, **45% of consumers believe that brands should not take political stances of any kind, yet more than a third believe brands should take a clear side on the racial justice issue.** Despite nearly half wanting brands to remain politically neutral, **32% say they would be more likely to purchase from a brand that takes a strong stance in favor of racial justice.** This sentiment is highest in Germany at 36%, **while the USA, birthplace of the Black Lives Matter movement, shows the highest level of disagreement with this statement at 27%.**



I would be more likely to use a brand that takes a strong stance in favor of racial justice

- Strongly or somewhat agree
- Strongly or somewhat disagree

For continued coverage of the latest global consumer trends, and additional insights on what these trends reveal about our New Normal, visit our [COVID-19 Insights page](#).



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