June 5, 2020

Wave 2

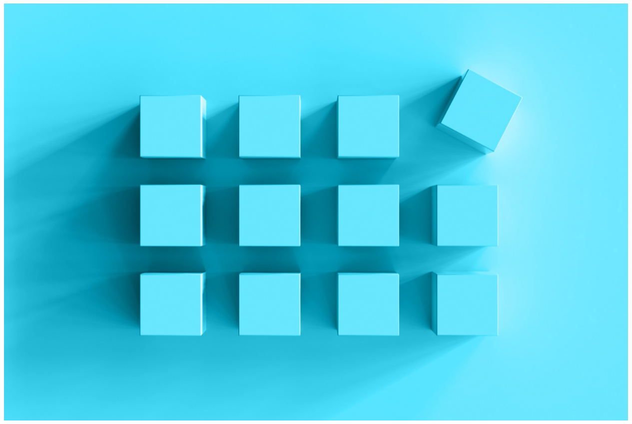
# Coronavirus Crisis Impact on Advertising & Brand

DW CREATIVE MARKETING

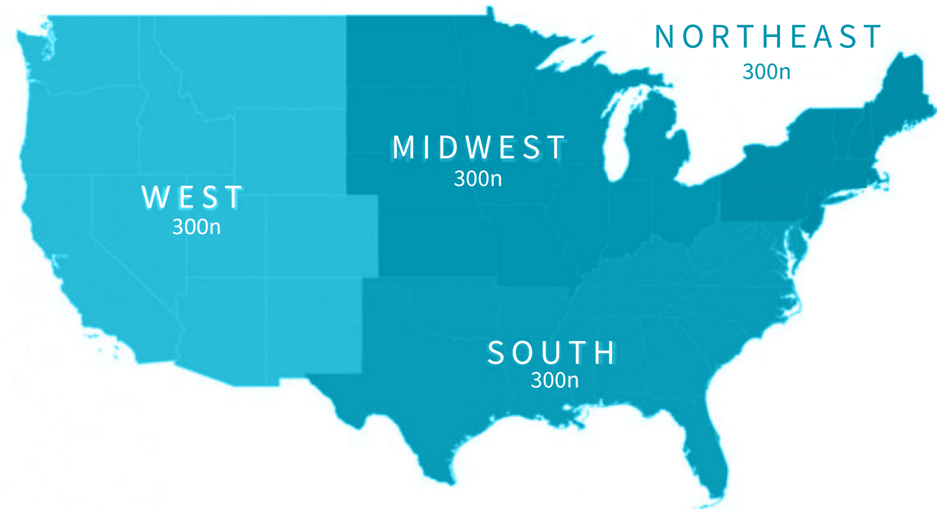
brandCERTAIN

Our goal for conducting a second wave of research (May 11-14) on the coronavirus crisis impact on advertising and brand was to measure if there have been any changes in consumer attitudes and perceptions since our first wave last month (April 6-9). Our timing for each study has been based on the cycle of state restrictions. In early April, nearly all states had some type of stay-at-home order in place. During our May fielding window, nearly all states had lifted some restrictions or had entered phase 1 of re-opening.

## Our primary purpose with this series of research has been to separate fact from fiction—something that is needed in this time of great unknowns for businesses and companies.

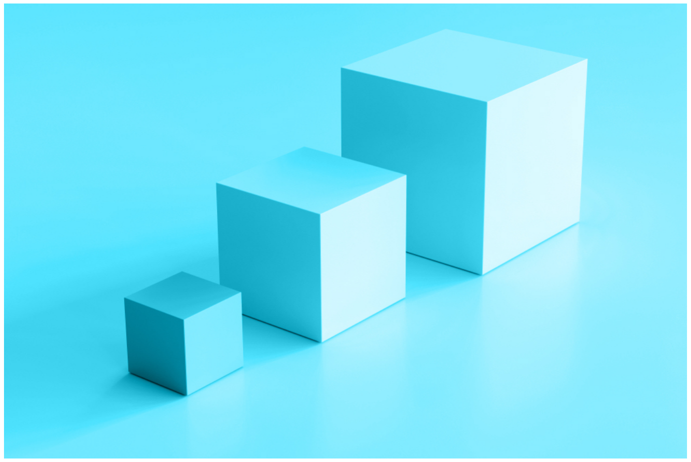


# The Sample




The sample for wave 2 mirrored wave 1 in most ways: 1,200 adults 18+ with completions distributed equally (300n) across four regions of the country—Northeast, South, Midwest and West. Once more, we engaged Dynata for panel recruitment. Where wave 2 differed was an increase in Hispanic/Latino respondents to more closely reflect the 2019 Census data.

# The Results



There were around a dozen major findings or themes that emerged from wave 2 that revealed an evolution or shift in attitudes from wave 1. We've crystallized those below and will provide more context about throughout the summary.

# Major Findings

- Unlike wave 1, geography made a difference across multiple sentiments, indicating that what was initially a national pandemic has shifted to a regional or local crisis.
- While more than half of consumers feel the crisis isn't over, the decision to re-open is a mixed—and politically divided—bag.
- Families with children under 18 in the home appeared more ready to move on from the crisis.
- When it comes to message fatigue, consumers were equally divided between being tired of them, not tired of them and neutral (Chart 1).
- Primary reasons for message fatigue were rooted in excessiveness, sameness and exploitation. Primary reasons for lack of fatigue were tied to social responsibility and messaging serving as a reality check.

# Major Findings

- While division by political orientation was thematic across many data points, the key rift was whether or not to re-open the economy. Over half of Republicans were in favor of it and half of Democrats were against it.

- Two thirds of consumers still want to see some communication from businesses and companies about the crisis, and they still want the message to be about their vigilance. At the same time, consumers were also more receptive to advertising about traditional products and services.

- Consumers in the Midwest were more likely to feel crisis ads were exploitative while those in the Northeast were least likely to feel that way.

- Consumers planning to make a major purchase sometime in the next 60 days was up nearly a quarter from wave 1 but the top category, furniture, was down significantly.

# Major Findings

- No income interruption supplanted confidence in a quick economic rebound as the top reason why some consumers will be making a major purchase in the next 60 days.
- Despite virtually no decline in consumer attitudes about some of their favorite or preferred brands because of their response during the coronavirus crisis, vulnerability to competitive brands is very high.
- Brand distinction in a traditional sense for businesses and companies isn't really on consumers' minds. Rather, they are most concerned about safety and sales/discounts.

# Do consumers feel the crisis is behind us?

Around 1 in 5 consumers believe the crisis is at least somewhat over. Conversely, 57% feel it's not over, including 2 in 5 that believe it's far from over. Democrats (50%) and adults 60+ (55%) were most likely to feel its far from over. Just a third of Republicans sided with Democrats. .

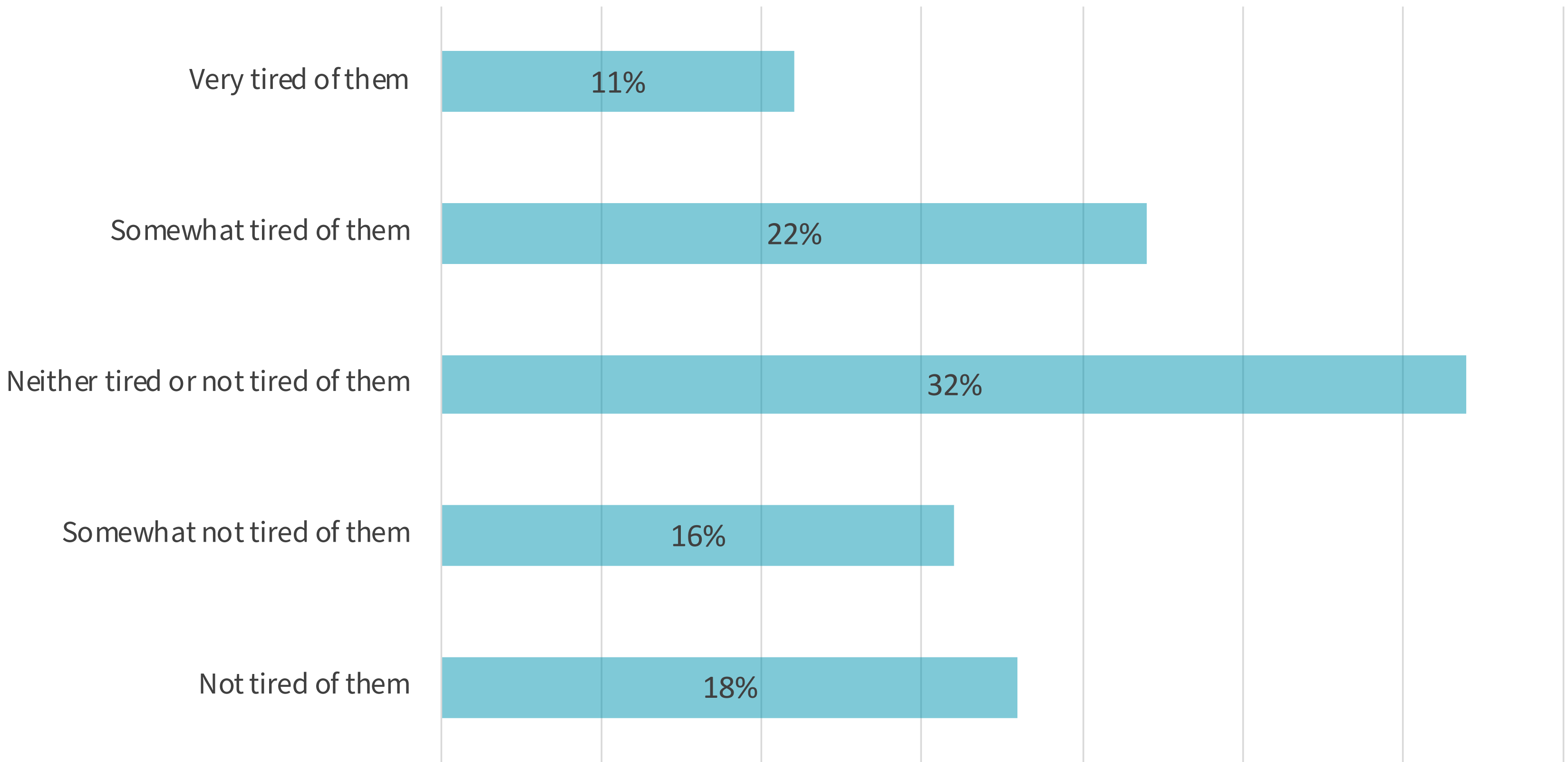
Speaking of politics, consumers were even more divided on sentiment about the timing of re-opening. Over half of Republicans feel it's time and over half of Democrats believe it's too soon.

Earlier, you mentioned fatigue with coronavirus crisis ads and messaging is divided (Chart 1).
Who was most tired of them and least tired of them?

Consumers in the West (16% very tired) have grown wearier of them than people living elsewhere. Minorities were least likely to feel tired of them—especially Black/African American consumers at 53%. Hispanic/Latino consumers (41%) were next in the less fatigued category.

# Do consumers feel the crisis is behind us?

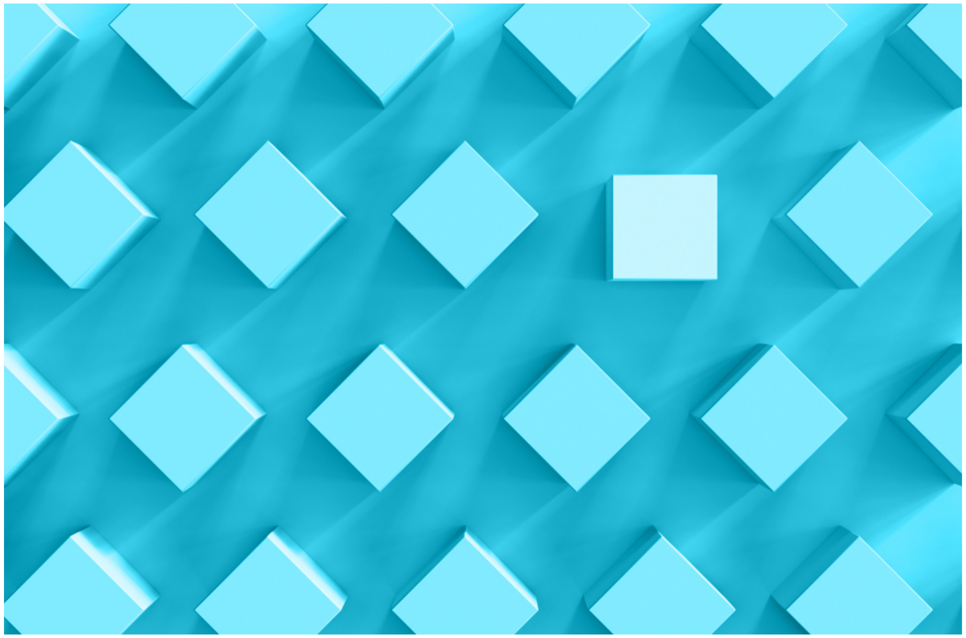
*chart 1*




Q. When it comes to those advertisements and messages from businesses and companies that address the coronavirus crisis in some way, which one best describes how you feel?

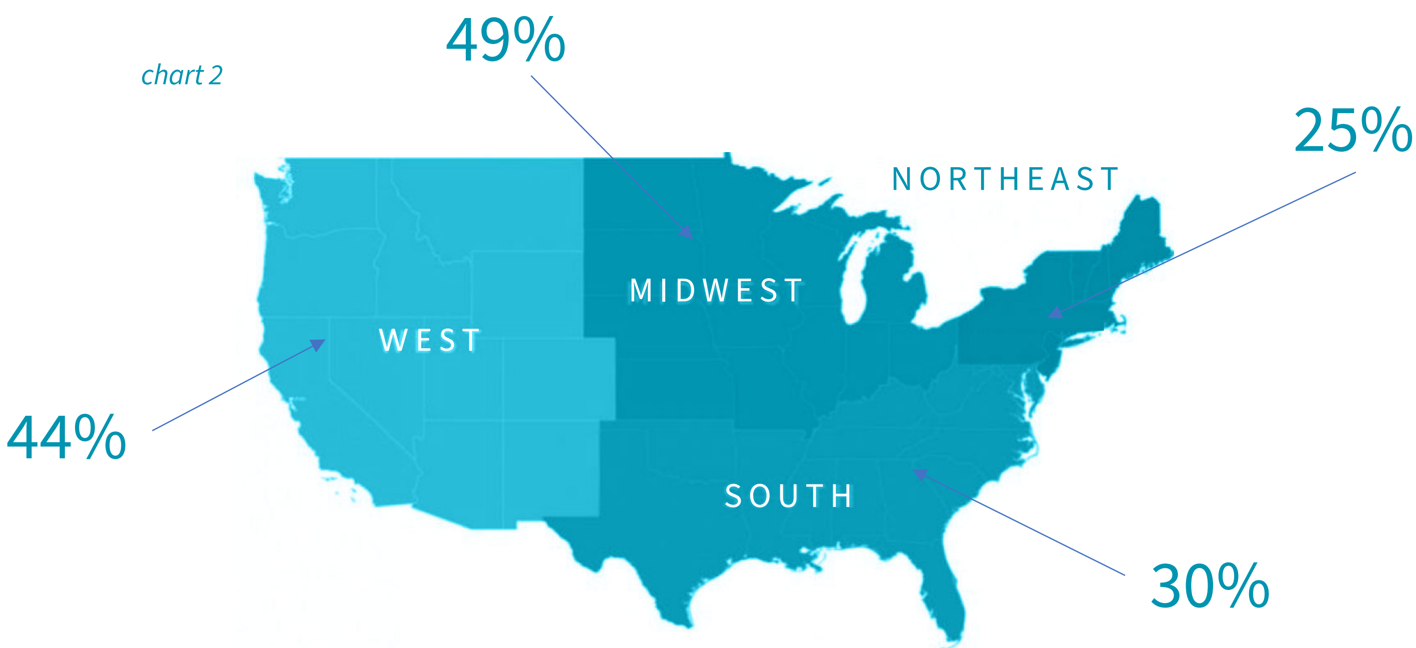
# What is driving fatigue or lack of it?

Overall, it's the repetition (40%), sameness (37%) and a sense that some businesses and companies are trying to capitalize on the crisis (37%). Midwesterners were most likely to feel the ads/messages are exploitative while those in the Northeast were least likely to feel that way (Chart 2).



# “Feels like they’re trying to capitalize on the crisis” (39% overall)

*chart 2*




When it comes to those advertisements and messages from businesses and companies about the coronavirus crisis, why are you somewhat or very tired of them? Please select no more than your top three reasons why.

More political division was seen in the fourth highest reason for weariness, “I’m ready to move on from the crisis (32%).” Around 43% of Republicans felt this way compared to just 18% of Democrats. Also, 43% of consumers with children under 18 in the home indicated having grown tired of them.

Consumers with children in the home were also more likely to just want to hear about those business’s and company’s products and services compared to all other consumers, and a quarter of them also feel those ads and messages make them feel more anxious.

Those not fatigued cited social responsibility—“Reminds you that everyone plays a part in fighting the spread of Covid-19” and “Reinforces that this is everyone’s responsibility”—and it being a reality check—"Reminds us the crisis isn’t over yet”—most as reasons why. Women were much more likely than men to choose everyone plays a part in fighting disease spread. Consumers in the West were more likely to select that it’s everyone’s responsibility, the crisis is still ongoing, and “Shows businesses and companies do care about you.”

Politically, Democrats (54%) were much more likely than Republicans (38%) to believe “Everyone plays a part in fighting Covid-19,” but red trumps blue in “Shows businesses and companies care about you” (36% to 26%) and “There’s enough variety in messages” (26% to 11%).

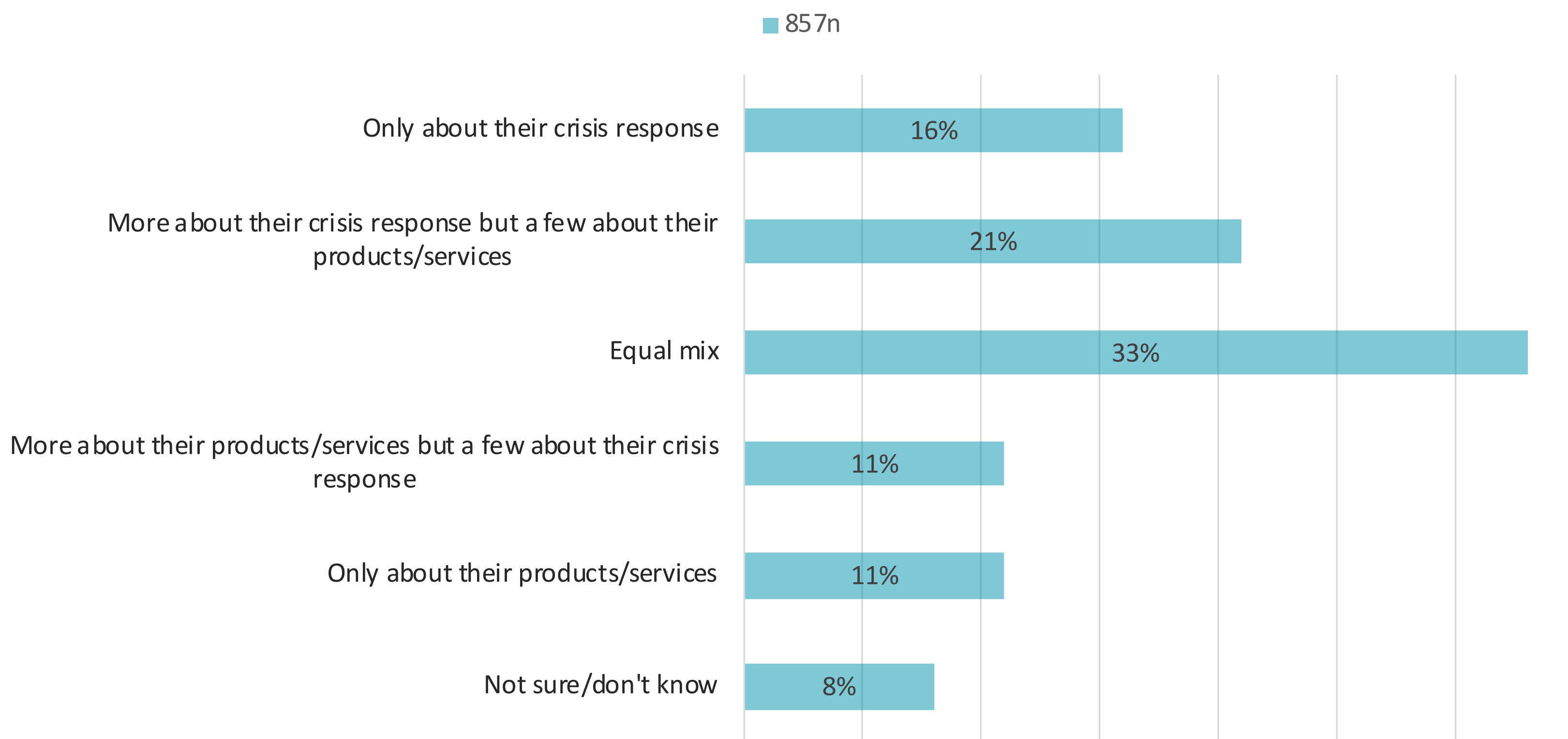
## There have been people and experts lampooning message themes for sounding too much alike. Do most consumers share these sentiments?

Our evidence suggested that there's still an appetite for those types of advertisements and messages (Chart 3). Furthermore, two that seem to be getting roasted a lot were actually in the top three that consumers have most connected with: "We're all in this together" (47%) and "We'll get through this" (41%); tributes to frontline responders was second (43%). Even a third of those who have grown fatigued with these types of messages indicated they too can relate to them. However, none of the top three connected that well with younger people (18-39).

We'd be remiss if we didn't point out that message fatigue and themes were two areas in which there were no differences in sentiment between Republicans and Democrats, nor were there any variances from how all consumers felt on those fronts.

Perhaps, it's better to treat all of these more as the narrative you want to convey rather than actual words you use.

*chart 3*



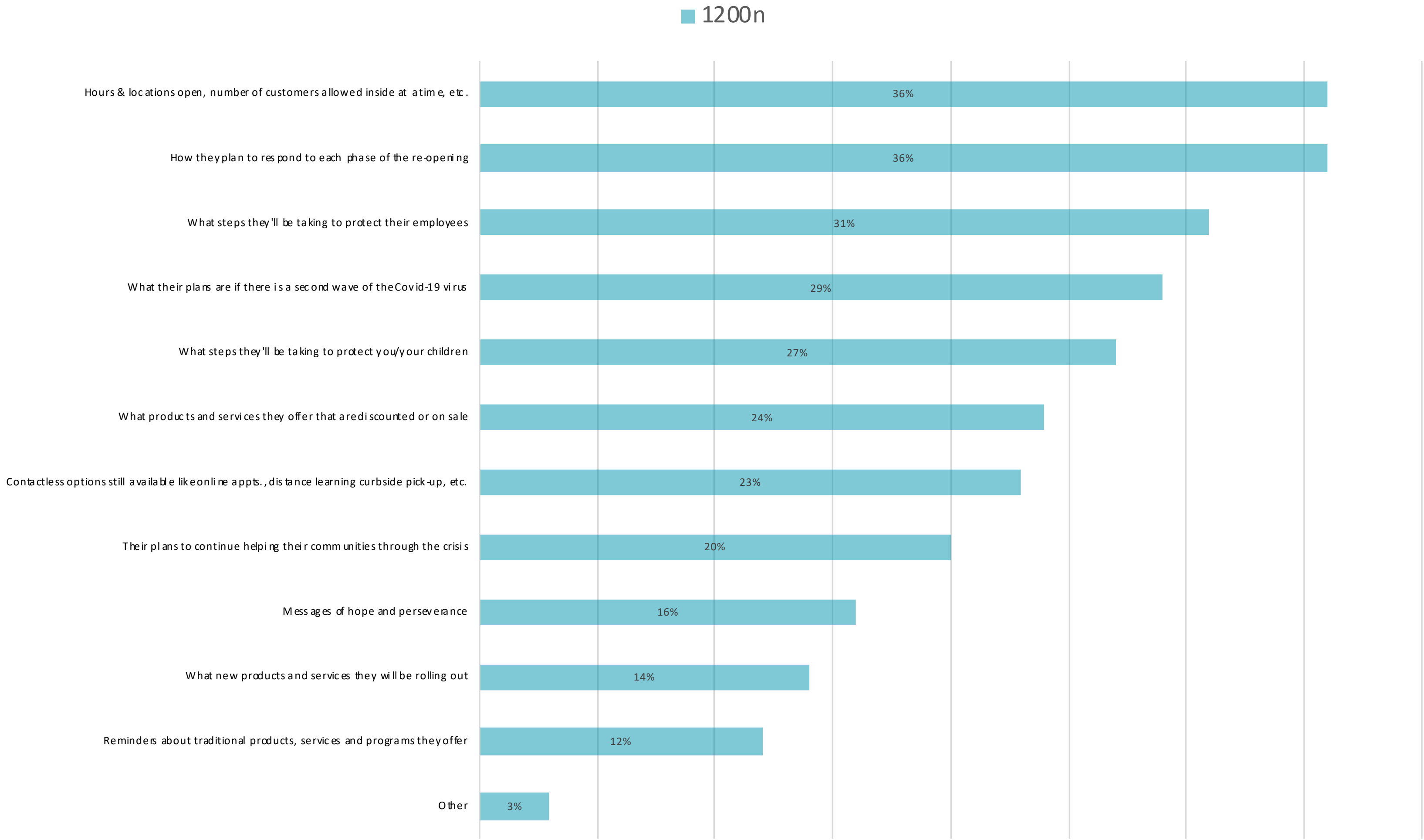

Q. When thinking about two different types of advertisements from businesses and companies—those that just promote how they're responding to the coronavirus crisis and those that just promote their products and services—what would you most like to see now?

# Now that states are re-opening, what messages do consumers most want to hear from businesses and companies?

Aside from the nuts and bolts about locations and hours open, consumers still want to hear about how they're being vigilant (Chart 4).

Midwesterners were more inclined to want to know about locations and hours, response plans for each phase and steps that will be taken to protect them and their children. More Democrats (35%) than Republicans (23%) want to know about plans for a second wave, and 1 in 5 consumers with children in the home still want to hear messages of hope and perseverance, and what new products and services businesses and companies will be rolling out.

*chart 4*




Q. What messages would you most want to hear from any business, company or college at this time?
Please select no more than your top three.

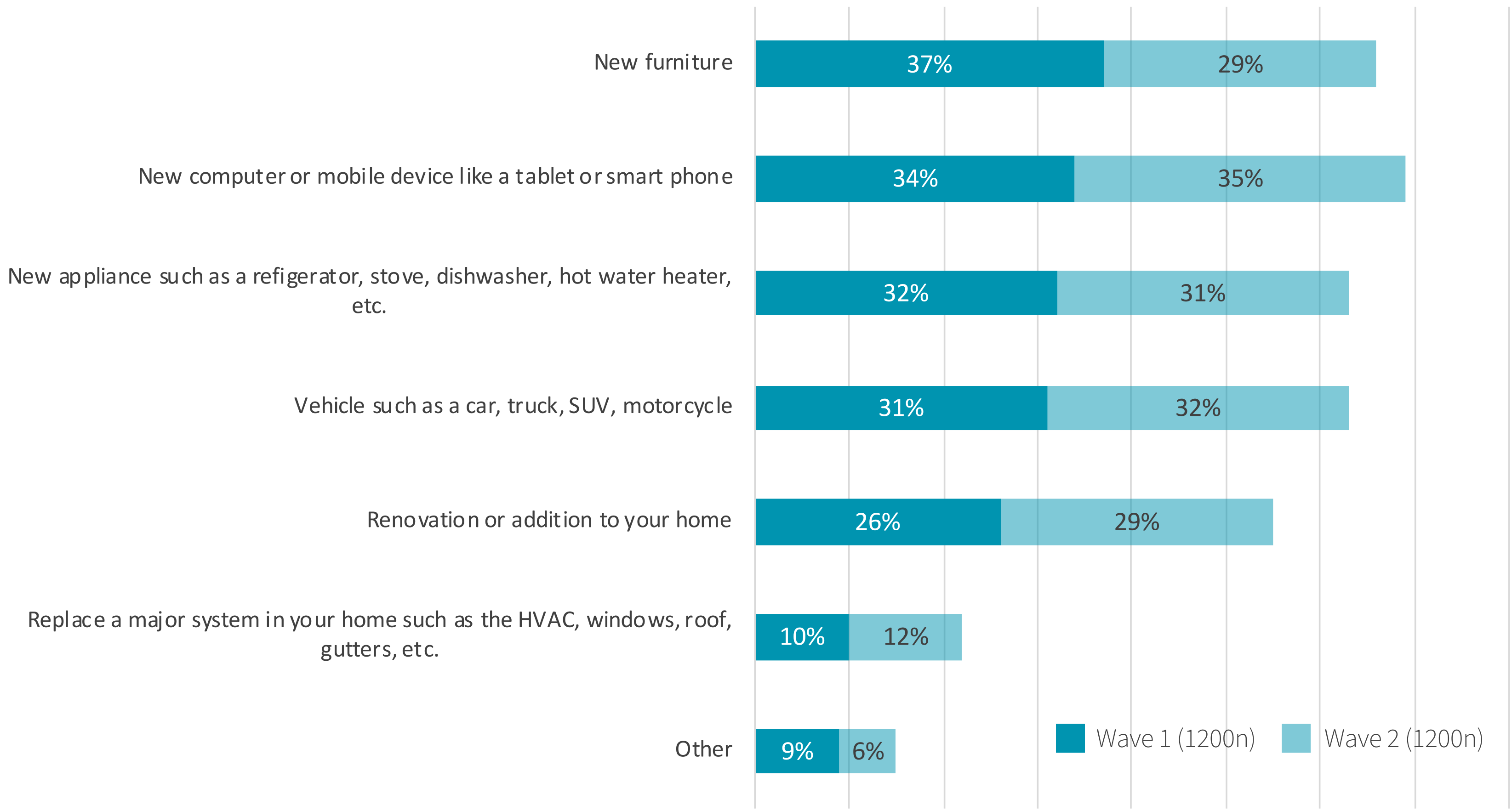
# Have there been any changes in major purchasing behaviors from early April to early May?

Yes—38% of consumers indicated they would now be making a major purchase (furniture, appliance, vehicle, home improvement, etc.) sometime in the next six months compared to 31% then. Furniture, which was the top category, has fallen to fourth. (Chart 5).

The reasons for making a major purchase have also shifted. In April, it was no interruption in household income and feeling that the economy would bounce back tied at the top (30%). Now there is a gap between the former (39%) and the latter (25%). A new option, “Businesses seem to be adequately enforcing social distancing” was tied with “You feel the worst of the coronavirus crisis is behind us” as the third highest reason at 22%.

Notable differences in sentiment included Midwesterners who indicated being less likely to have experienced income interruption (45% vs. 39% overall), Republicans and men most likely to believe the economy will bounce back (31% each vs. 25% OA), and consumers with children in the home more likely to feel the worst of the coronavirus crisis is over (30% vs. 22% OA).

*chart 5*




Q. Which, if any, of these purchases or services are you likely to make sometime in the next six months? Please select all that apply.

# Have there been any changes in what consumers most want from brands?

Nominally. Those who feel better about some of their favorite or preferred brands still say it's because they've been demonstrating vigilance and being authentic. One increase we did see attached to those positive feelings was a 20% hike in brands being more transparent about how the crisis has affected them. For context, transparency was one of the top qualities or attributes consumers said they most want from brands now.

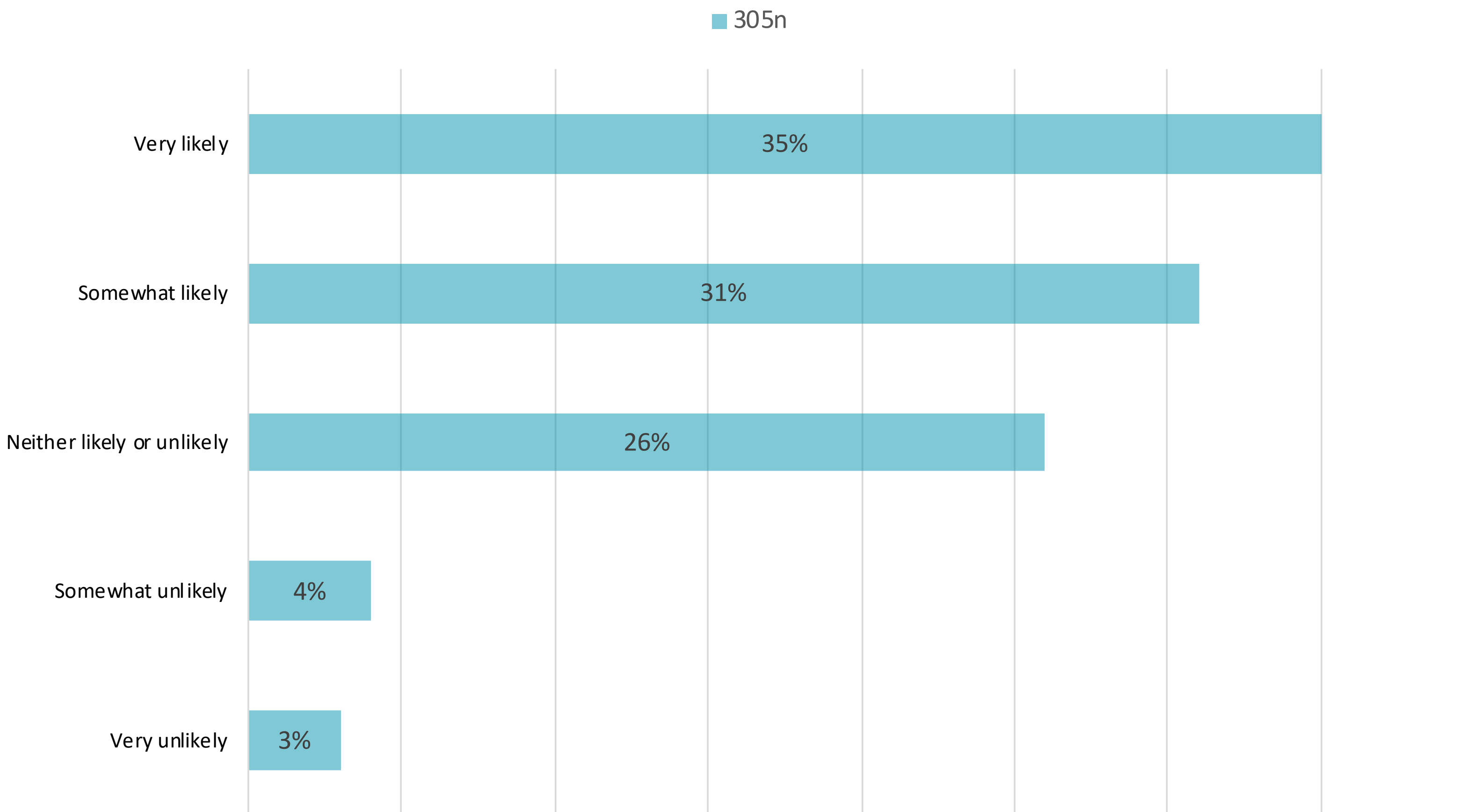
For those who feel worse about some of their favorite/preferred brands, there was a significant decrease in the percentage (from 36% to 16%) of consumers who admonished them for continuing to run normal advertisements for their products and services without any mention of the coronavirus crisis.  One might conclude from this shift that there is more receptivity to advertising and messages about business's and company's traditional products and services.

Regarding what qualities and attributes consumers most want in brands now, those that reflect human characteristics—honesty (31%), genuineness (24%) and authenticity (18%)—along with convenient (24%), solves a problem (22%) and transparent (19%), are still the top ones. The largest decrease was in authenticity, which was down from 22%. The biggest increase was in “adaptive,” which grew to 13% from 9%.

The most important takeaway about brands was how vulnerable they are (Chart 6). Despite only a little over a third of consumers indicating they feel somewhat or worse about their favorite or preferred brands, two-thirds noted they are at least somewhat likely to consider other brands. Minorities and those with children in the home were the most likely to sample other brands.

This high degree of brand vulnerability reinforces the need to listen to the voice of your consumers and adhere to what they most need from your businesses and companies at this time to mitigate defections.

*chart 6*




Q. How likely is it that you will consider other brands over your favorite or preferred ones because of their response to the coronavirus crisis?

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