

# COVID-19 & Consumers

## The lifestyle shifts reshaping media in summer 2020

At the top of 2020, no one could've imagined that wearing a face mask would be as common as carrying a cellphone. COVID-19's effects on changing consumer behavior are undeniable and, with summer upon us, consumers are antsy to get out of the house with hopes to "returning to normal".

The truth of the matter is that even if the current outbreak temporarily abates this summer, consumer behavior looks and feels nothing like the world of just three months ago—marketers must adapt.

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### Limited Mobility

With fewer consumers "on-the-go," widespread eComm adoption is here to stay and hyper-local audio advertising takes on a more prominent role in the home.

Shelter-at-home orders and social-distancing profoundly disrupted the flow of society, which will challenge how marketers engage consumers for the foreseeable future. As the U.S. phases through varying stages of re-opening, understanding shifts in consumer mobility and tactfully adapting to their new lifestyle will ultimately distinguish brands that rise to overcome the rest as summer 2020 heats up.

eCommerce is now essential and is expected to persist, as consumers continue avoiding crowds this summer. Brands with a high dependency on

physical stores are finding advantages as omni-channel retailers who are able to quickly use stores to fill online orders. A prime example is Walmart, whose president notes, "the number of new customers using pickup and delivery had increased fourfold since mid-March," and the *click-and-collect* trend shows no signs of slowing, as digital sales surge past seventy-four percent, to nearly double last year's growth rate during the same period.

The fact that U.S. shoppers are making fewer weekly shopping trips than anticipated has suddenly pressed brands to reconsider direct-to-consumer (DTC) marketing solutions as an essential part of doing business, optimizing investments by leveraging boutique platforms like Drizly or Foxtrot, alongside more established eComm outlets to deliver sales that were lost last quarter—the pandemic's peak.

Marketers who merely tested eComm in the past urgently depend on the

channel now, as they're forced to confront the new realities of how their products make it from the shelf into consumers' homes this summer.

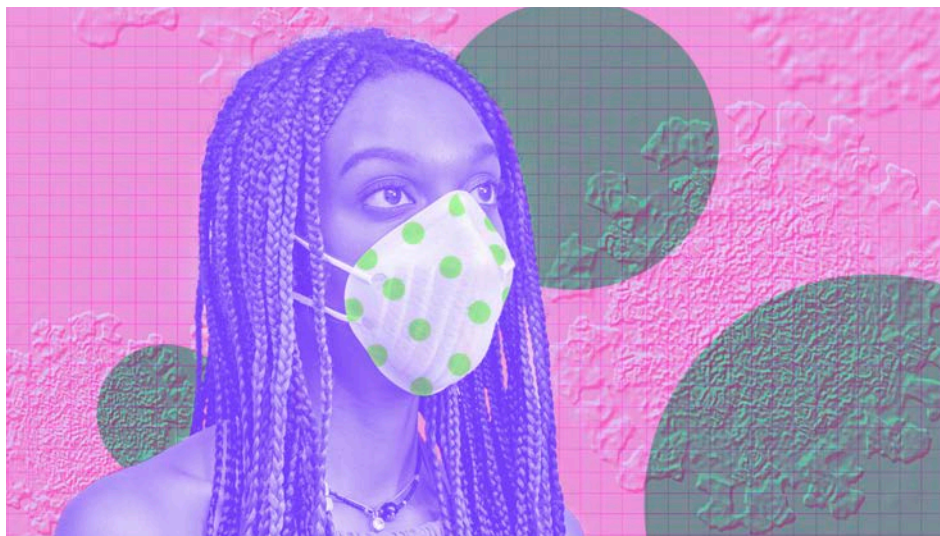
### **How can marketers ensure their media approach evolves ahead of the turbulent state of consumer mobility?**

*Embrace flexibility immediately—reconsider your DTC strategy and build more fluidity into budgets, flighting, and channel mixes to engage consumers who have also become more flexible in how they shop and what they buy. The silver lining is that the current environment will create a newfound appreciation for the variety of media options available to marketers and consumers alike.*

Sustained working from home has effectively killed the commute, a prized time for eighty percent of audio listeners. It's no surprise that this has led to a smart speaker boom; thirty-seven percent of consumers now spend more time listening on these devices, with co-listening at thirty-four percent.

Listeners are specifically seeking messages that are honest, relevant, and provide an escape from their limited lifestyle. As summer sets in, and consumer mobility remains in flux, messaging that includes local and community information breaks through to listeners seeking more than entertainment and who increasingly rely on their smart speaker for news.

Audio-streaming is at the top of all media consumption habits that have



increased since the onset of the pandemic, and it's a trend consumers will continue after the outbreak subsides. This excites advertisers who recognize it as an opportunity to connect with consumers hyper-locally while their commute is still in question. Expect brands tuning into this wave of audio behavior to go beyond simply making a splash with messaging this summer, instead generating lasting favor amongst listeners by creating unique moments that fit into their new routines.

One thing's certain—summer 2020 will be the most culturally unfamiliar season

thus far, and returning to “normal” will be simply out of the question.

## The New Rise of Remote Culture

**Viewers are consuming more video content this summer; however, where it's being consumed has changed due to coronavirus.**

Consumers' relationship with TV (first screen), Mobile (second screen), and Cinema (silver screen) has changed since COVID-19 lockdowns forced them to redirect their primarily mobile-viewing habits back to the largest screen in their homes. Furthermore, as movie theaters slowly re-open this summer, marketers are closely watching the cinema industry, as they reset and relaunch the theatrical experience.

The streaming wars heats up this summer as in-home entertainment becomes America's primary source of leisure. Forty percent of U.S. consumers are considering purchasing new media subscriptions to pass the time and, above all, video streaming services are at the top of their agenda—instead of cable. Average time spent per day watching cable TV declined ten percent since COVID-19, despite television usage growing since the beginning of the crisis. The underlying reason is that Connected TV (CTV) consumption is on the rise; it offers consumers a level of convenience and control that was disturbed by coronavirus. Additionally, three out of four users prefer watching on the largest screen possible, which attracts their attention from mobile devices towards the television by the masses.

This is great for marketers since ad recall on CTV is thirty-seven percent

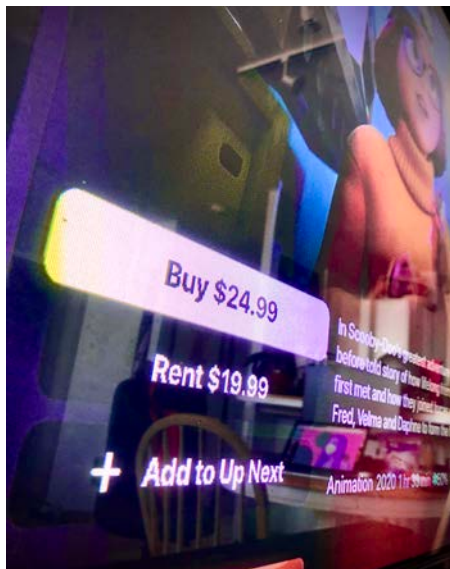
higher than the next closest screen in the home, making it a priority for brands acclimating to the summer 2020 consumer climate.

New streaming habits put cinema in the spotlight this summer, as some studios may exclusively rely on digital distribution for otherwise high-profile feature film releases (i.e. Hollywood's controversial embrace of straight-to-streaming movie premiers). Consumers are responding with record-breaking viewership, which leads advertisers to begin looking at theatrical investments differently. Classically, cinema is a high-production way to reach a captivated audience in theaters and on the silver screen. However, due to coronavirus, this classic experience is plagued by uncertainties of reopening, limited attendance, and now content concerns. As more straight-to-streaming films are released, marketers continue to search for a comparable way to reach audiences and measure performance.

Signals show that “new normal” behaviors like cord-cutting, surges in streaming, and a growing craving for on-demand premium content will continue to intensify this summer and beyond.

### **As the country reopens state by state, how should brands use CTV to support or supplement video and cinematic investments throughout the summer?**

*Ultimately, marketers must rely more heavily on CTV to: localize big-screen buys at scale, hyper-target audiences, and keep video budgets agile while cultural uncertainty persists.*



### **Actively take steps to adapt your marketing today to prepare your brand for this fall.**

- Your DTC/eComm strategy is more important than ever. Strengthen it by diversifying your approach.
- The video landscape is fluctuating fast this season. Take advantage of growing CTV trends to advance your strategic mix and stay ahead of shifting consumer behavior.

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