



MINDSHARE

PERSPECTIVE FOR BRANDS

FROM CRISIS TO THE NEW NORMAL

CW 16

AGENDA



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**JOURNEY
TO THE
NEW NORMAL**

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**ANALYZING
THE WAY OUT**

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**IMPACTS
ON THE AD
MARKET**

04

**KEY
IMPLICATION
FOR BRANDS**





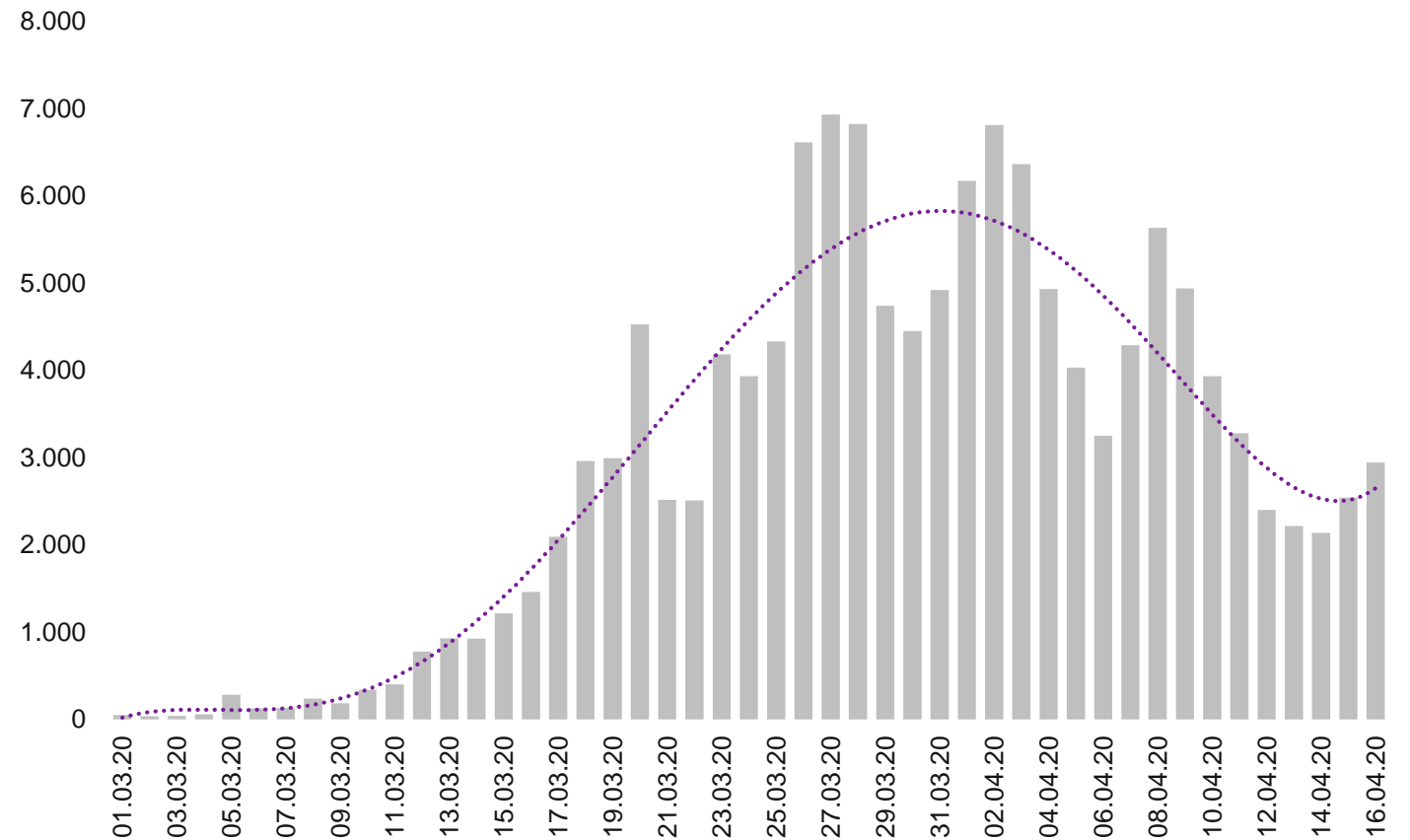
#1

JOURNEY TO THE NEW NORMAL

EMERGING HOPE

DAILY NEW COVID-19 CASES DECREASE

- The number of new cases is declining in Germany
- The lockdown shows effect



FROM MONDAY ON GERMANY IS GOING TO EASE RESTRICTIONS, YET OFFICIALS ARE STILL CAREFUL ABOUT FULLY OPENING UP SOCIETY

EASED RESTRICTIONS

On April 15th the government proposed to open the following facilities, starting on April 20th

- Shops with sales floors up to 800 m²
- Car and bike dealers
- Bookshops
- Libraries and archives
- Zoos and botanical gardens



SCHOOLS TO RESUME MAY 4TH

Starting with the grades that are taking finals this year or next year, as well as the top grades of primary school

The implementation might vary by federal state



MAJOR EVENTS REMAIN BANNED

Major events will continue to be banned until August 31st, including football matches & concerts.

The exact crowd size limits are to be determined by the federal states



THERE ARE LIGHTER SIDES OF A WORLD CONFINED IN LOCKDOWN

DON'T STAND SO CLOSE!

"Don't stand so close to me" by The Police saw a 135% increase in streams over the past weeks on Spotify, great advice!



PEOPLE MORE EXPRESSIVE

GIF platform Giphy reports 33% increase in use of its platform over the past month, with several keywords categories strongly growing
(TV 999% / 643% movies / 225% hobbies)



CHANGING CITIES

The city of Berlin started to increase cycle lane widths in order to better facilitate social distancing amongst cyclists



BUT IT IS CLEAR - GERMAN CONSUMERS ARE LOOKING FORWARD TO THE END OF LOCKDOWN & RETURN TO 'NORMALCY'

BACK TO NORMAL?

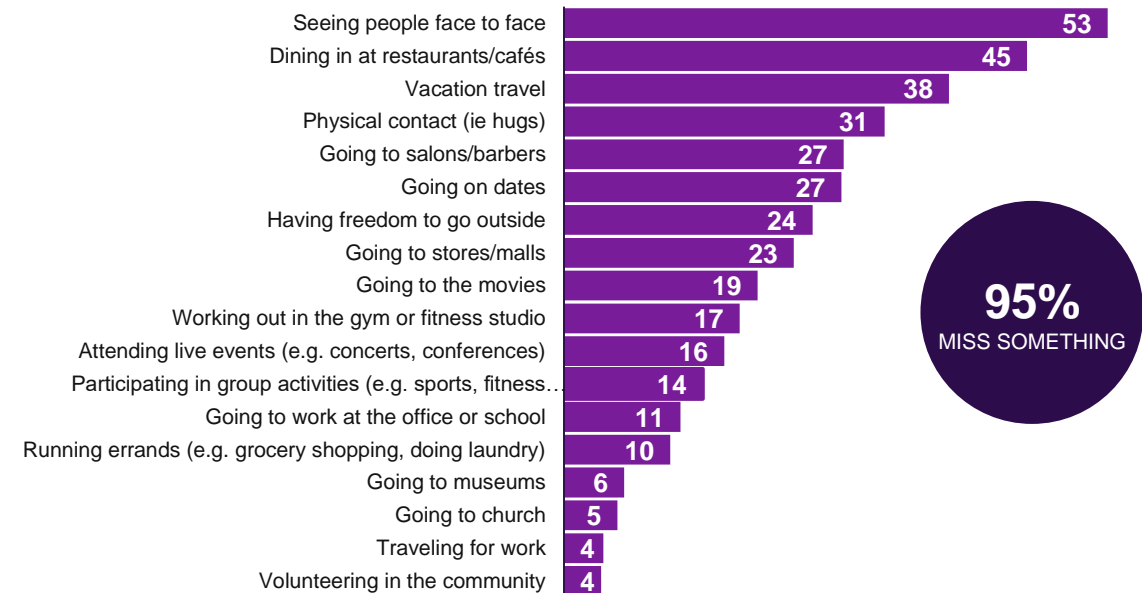


47% think their overall **lifestyle will not change** due to the crisis

49% believe their life will be **more mindful**

Source: Wavemaker survey, adults 18+, April 1, 2020

PEOPLE MISS GOING OUT & PERSONAL CONTACT

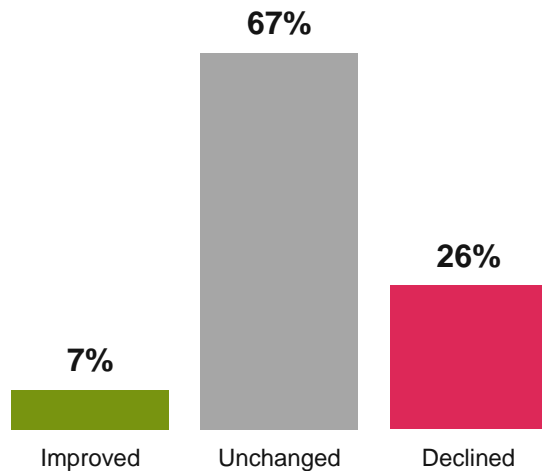


Most missed activities since the coronavirus outbreak (in %)

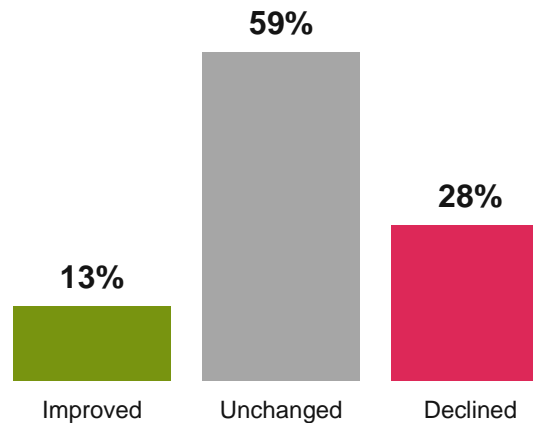
Source: Mindshare survey, adults 18-64, April 10-13, 2020

IT MAY BE SURPRISING - FINANCIAL SITUATION IS NOT EXPECTED TO WORSEN, AND NOT ALL BIG PURCHASES WILL BE CANCELLED

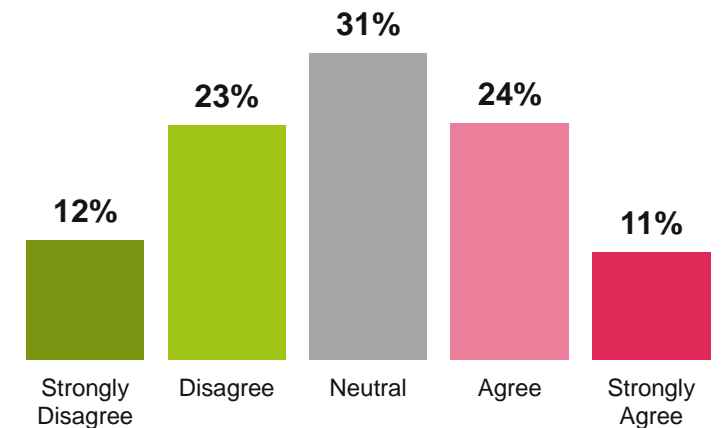
CURRENT FINANCIAL
SITUATION



FINANCIAL SITUATION
NEXT 3 MONTHS



MY ECONOMIC OUTLOOK WILL
PREVENT ME FROM BIG
PURCHASES THE REST OF THE
YEAR



CONSUMERS MIGHT ALSO BE EAGER TO GET OUT & TREAT THEMSELVES

“... The French heritage brand’s Guangzhou flagship store reportedly achieved \$2.7 million in sales when it reopened this weekend, according to WWD.”

This figure is believed to be the highest daily haul for a single boutique in China, and offers hope to luxury brands and retailers of what economic recovery may look like in the coming months...”

STYLE / ACCESSORIES

An Hermès Boutique in China Made \$2.7 Million in One Day After It Reopened

This could signal a strong recovery for the heritage brand.

BY MARTIN LERMA ON APRIL 13, 2020

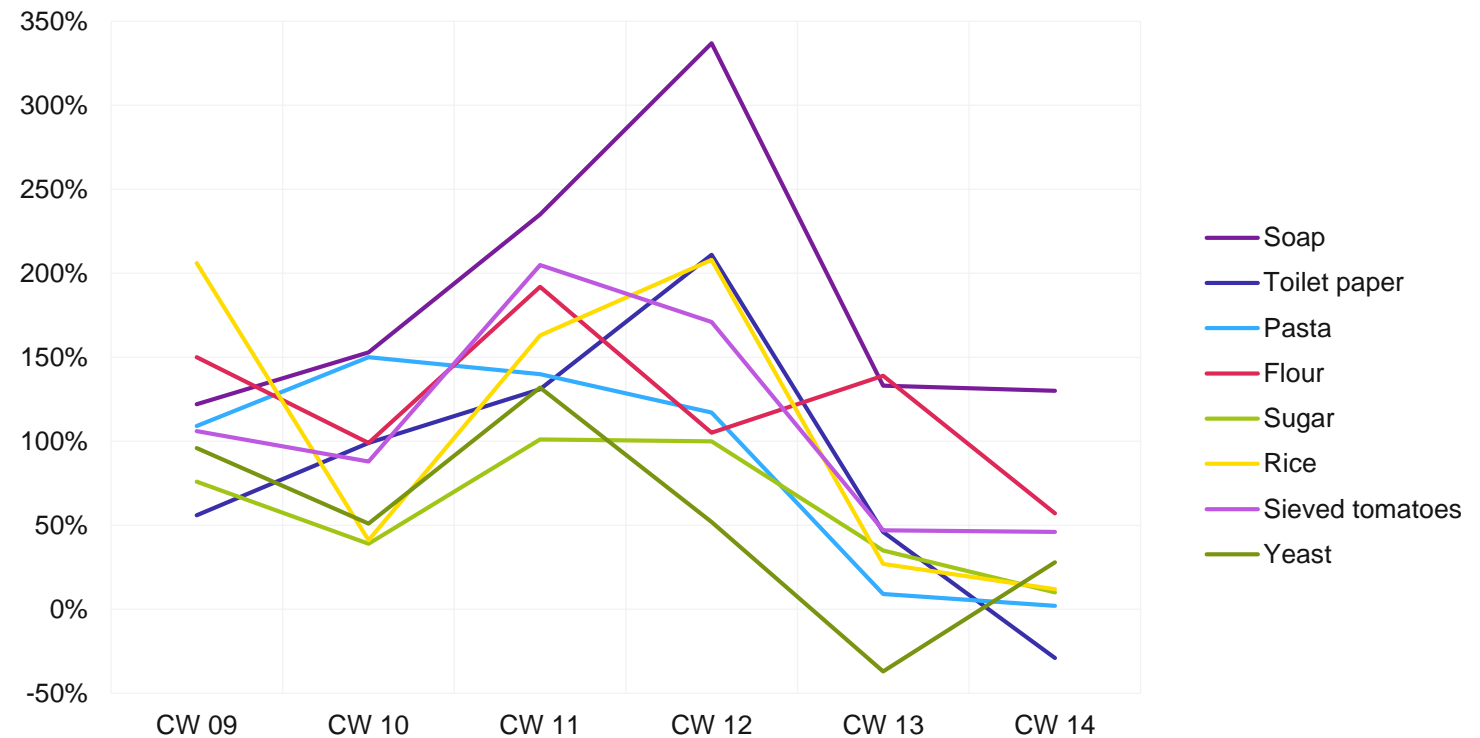


Is Hermès' blockbuster reopening in China a barometer of things to come in post-pandemic luxury shopping?

The French heritage brand's Guangzhou flagship store reportedly achieved \$2.7 million in sales when it reopened this weekend, according to [WWD](#). This figure is believed to be the highest daily haul for a single boutique in China, and offers hope to luxury brands and retailers of what economic recovery may look like in the coming months.

PURCHASE BEHAVIOUR FOR DAY-TO-DAY GOODS IS ALREADY BACK TO NORMAL

Change in sales compared to
August 19 – January 20, based on
scanner data from shops

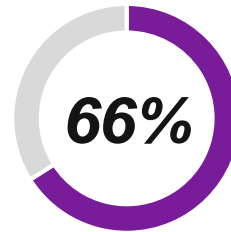


ALTHOUGH TOUGH, PEOPLE ARE ALSO EXPERIENCING UPSIDES TO THE CORONA CRISES

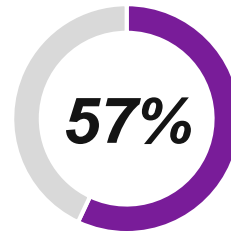
"I found that I communicate a lot more with my family, I want to take that with me"

- Wolfgang, 55

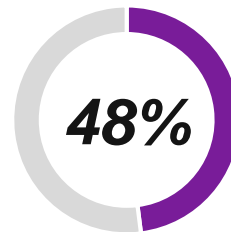
People realize that they can also get by with less, which calms them and makes them realize there is a 'different way' in life



"Because of the Corona Virus we are taking more time for ourselves"



"I exchange more information with my family and friends via digital channels"



"I think that the Corona Virus strengthens the sense of community and togetherness in society"

BRANDS & CONSUMERS ARE FINDING NEW OPPORTUNITIES AND RESTORING A SENSE OF NORMALCY

2020 will be a year of many firsts:

First lockdown birthday

First lockdown school diplomas

First lockdown concerts

With consumers yearning to meet their friends, go to restaurants & enjoy themselves, there is an opportunity for brands to help restore a sense of 'normalcy'

Natural Light hosts virtual college graduation on Facebook Live



Anheuser-Busch beer brand Natural Light announced it will host a virtual college commencement ceremony on Facebook Live to celebrate graduates around the world

The event will take place on Natural Light's Facebook page. Graduating seniors are encouraged to sign up to have their name featured during the event at a microsite



#2

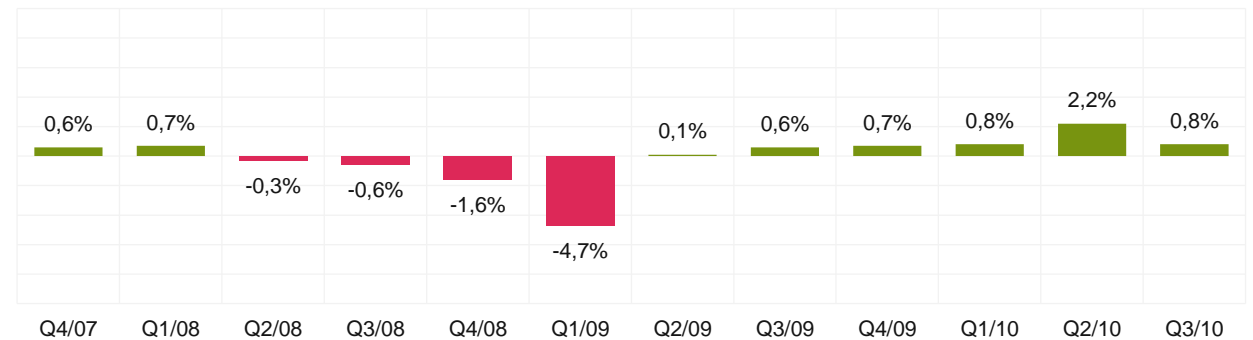
ANALYZING THE WAY OUT

AFTER THE DECLINE OF GDP AN IMMEDIATE RECOVERY IS EXPECTED IN Q3 DECLINE AND RECOVERY MIGHT BE STRONGER THAN IN THE FINANCIAL CRISIS

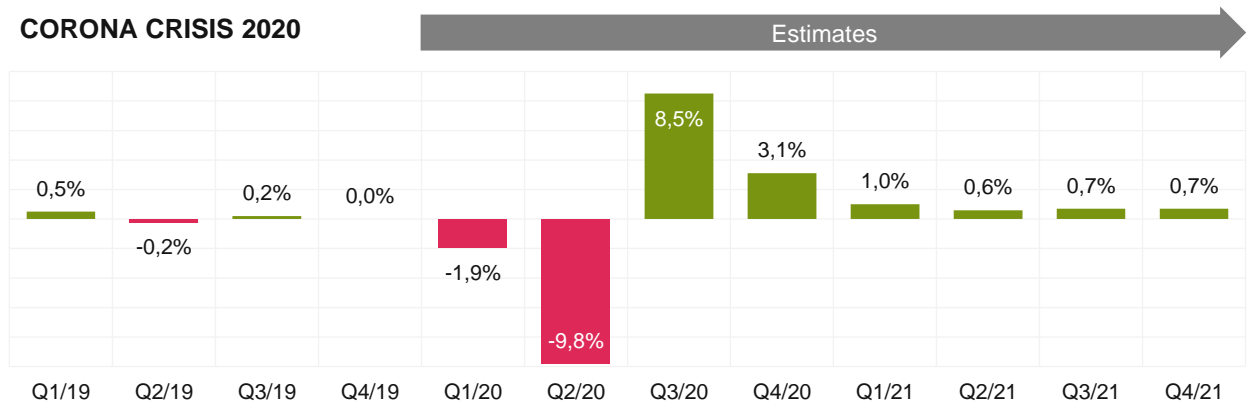
Development of GDP

- In the joint expertise of the leading German institutes, an economic recovery is expected for the third quarter 2020 if the shutdown is reduced in the course of April
- Although the 2020 recession will likely be higher than 2008, the expected recovery is also expected to be much stronger

FINANCIAL CRISIS 2008FF



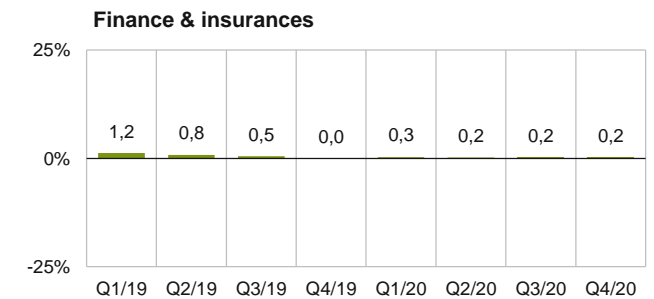
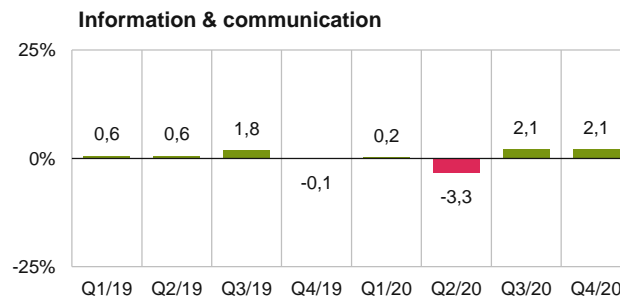
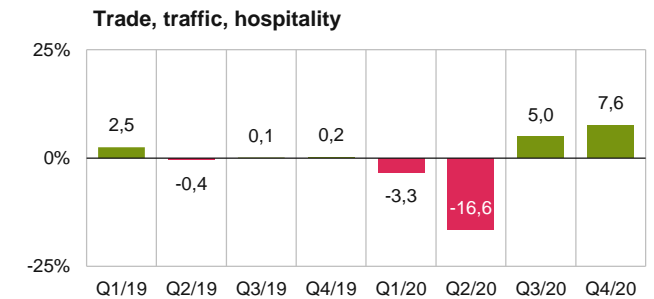
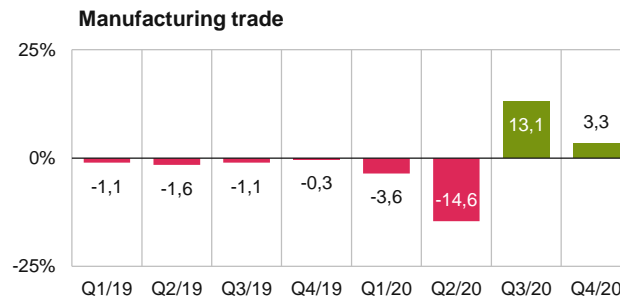
CORONA CRISIS 2020



ECONOMIC SECTORS ARE AFFECTED IN DIFFERENT WAYS BUT ALL SECTORS ARE PREDICTED TO GROW IN Q3

Gross value added by sector

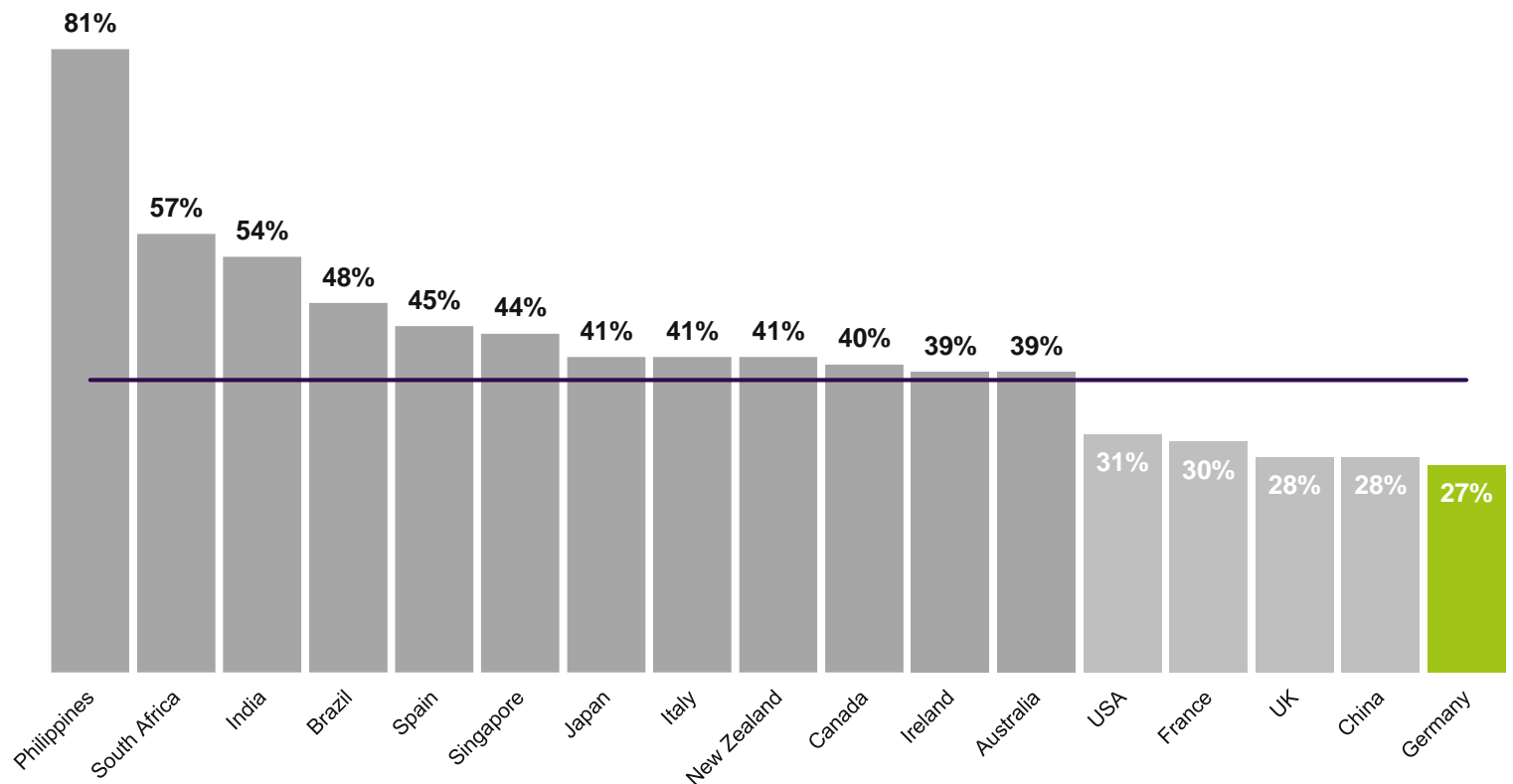
- Manufacturing & Hospitality sectors could see strong recovery in Q3 & Q4 if the lockdown is eased in April
- Less severely impacted industries could expect modest growth in remaining quarters of 2020



GERMANS FEEL LESS IMPACTED IN THEIR HOUSEHOLD FINANCES COMPARED TO THE REST OF WORLD

Impact on household finances:
Top-2 of 5 pt. scale: Dramatic / big impact

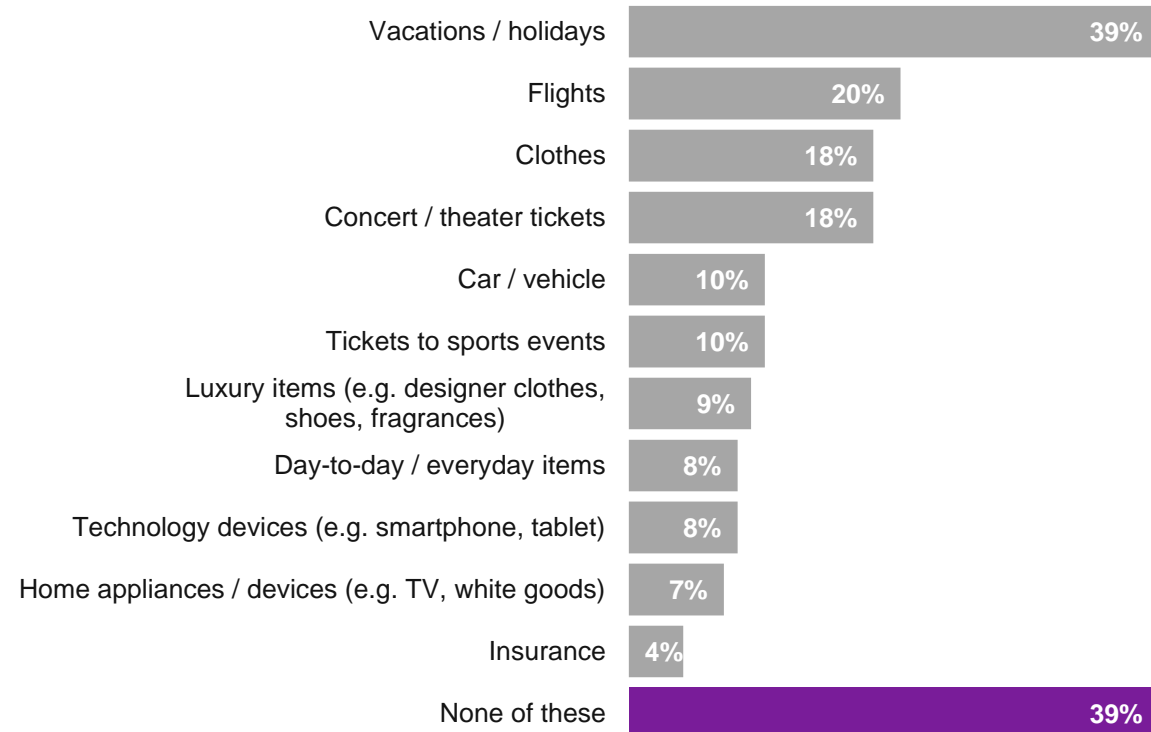
- Households in developed countries are less affected in their finances by the outbreak



Source: GlobalWebIndex, Coronavirus Research,
data collected March 31 – April 2, 2020,
internet users 16-64

AS A CONSEQUENCE 4 OUT OF 10 HAVE NOT DELAYED ANY PURCHASES YET DUE TO THE LOCKDOWN TRAVEL AND EVENTS ARE MOST AFFECTED

- Consumers report little effect on insurances, devices and day-to-day items

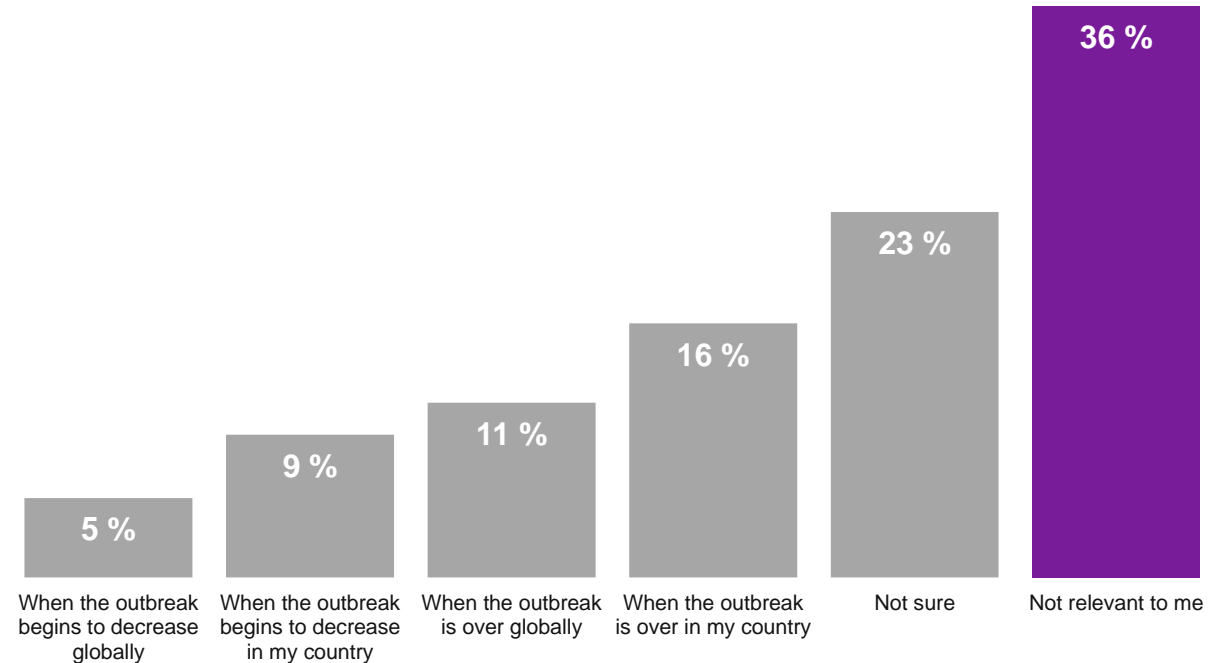


FOR MOST CONSUMERS PURCHASE DELAY IS NOT RELEVANT

OTHERS WILL ADAPT THE DELAY TO THE COURSE OF THE PANDEMIC

Expected duration of purchase delay

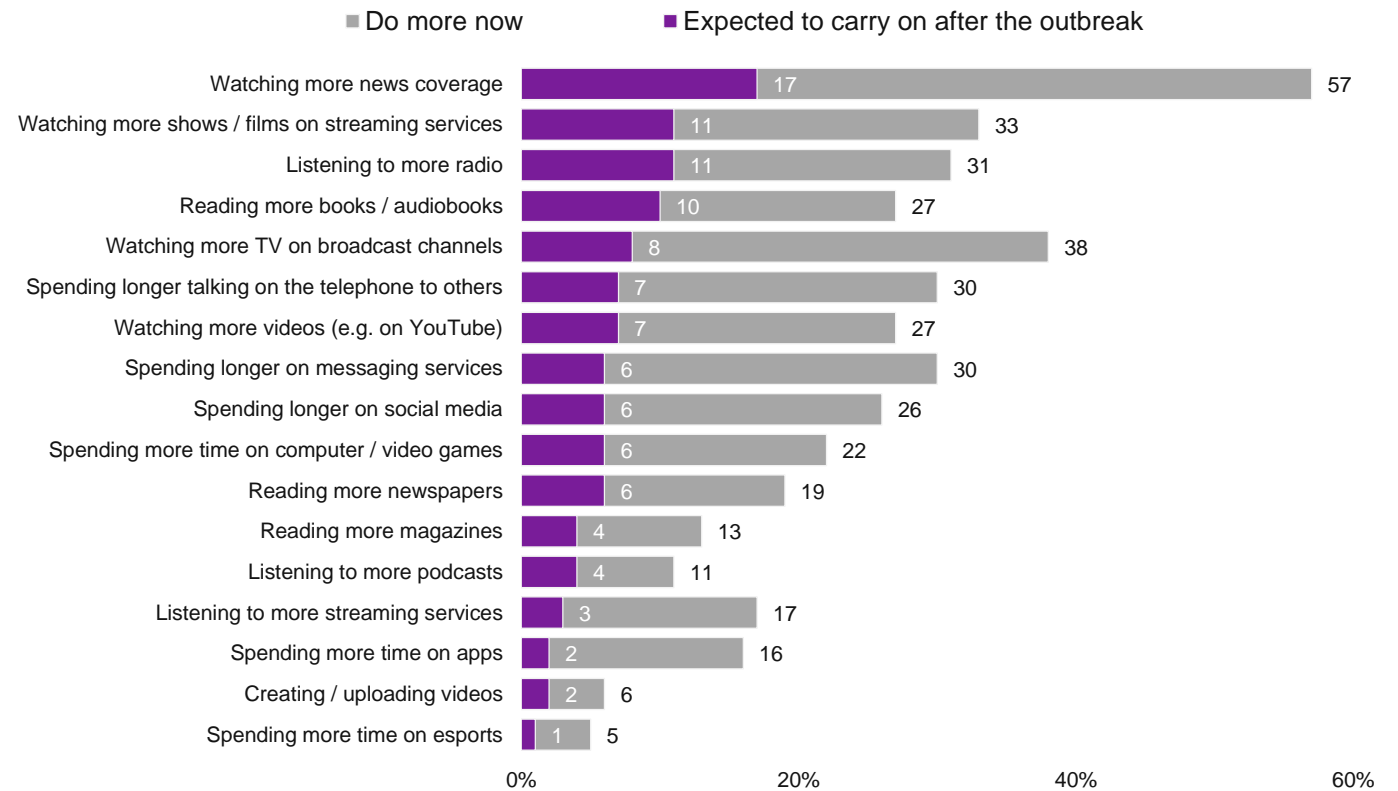
- Consumers can't schedule their revised purchase plans, there is too much insecurity
- But for almost 40% delaying purchases is not an issue



NOW AND IN THE FUTURE MEDIA CONSUMPTION WILL BE MORE FOCUSED ON NEWS

RADIO IS EXPECTED TO GROW NEXT TO VIDEO STREAMING

- Consumers are looking to consume more information in the future, especially via video streaming, radio & TV
- Based on these insights, integrating news and information related channels into the media plan becomes extra critical, including channels such as radio



BRANDS CAN PROVIDE PRACTICAL INFORMATION DURING THE OUTBREAK BUT ALSO LIGHT-HEARTED CONTENT

Approval of brand's actions during the outbreak

- Many people are looking for brands to help provide information & help society by providing critical supplies
- Simultaneously, they are also looking to score a good deal, whilst being entertained





#3

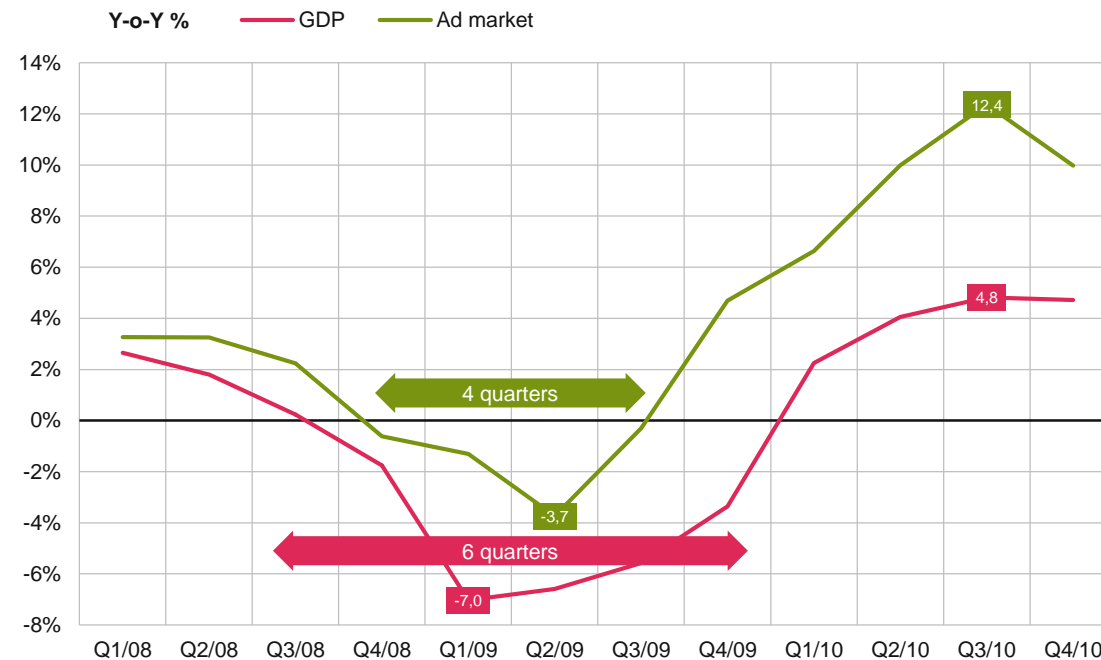
IMPACTS ON AD MARKET

AD MARKET WAS LESS AFFECTED COMPARED TO TOTAL ECONOMY

ADVERTISERS SHOULD PREPARE FOR THE RECOVERY

Development of GDP and ad market during the financial crisis 2008ff

- The crisis of ad market was shorter and not so severe as for the total economy. The recovery went faster.
- Advertisers should be prepared for faster normalization of the ad market and prepare their activities.

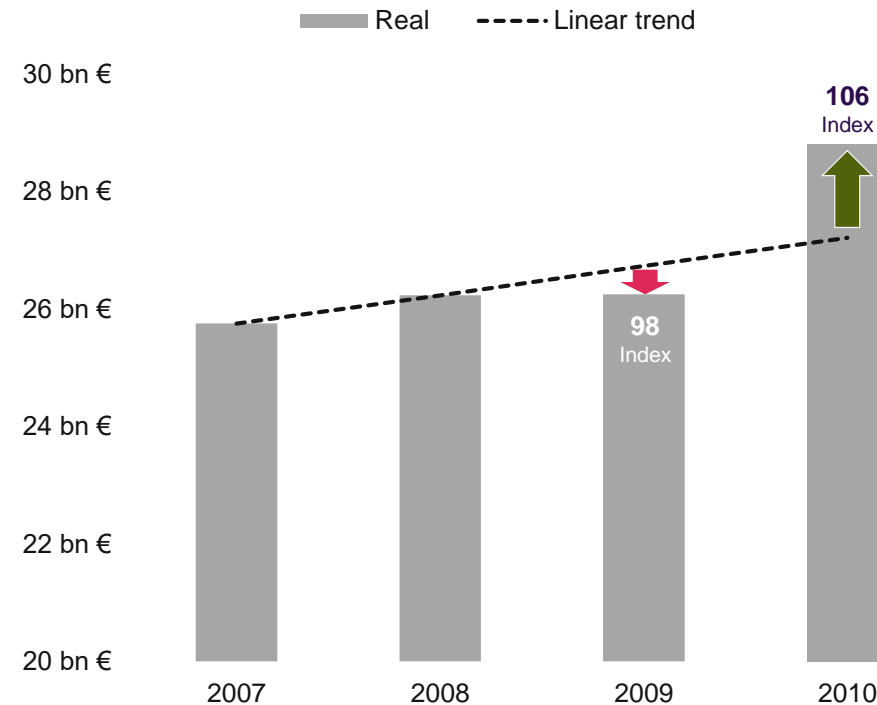


THE LOSS WAS OVERCOMPENSATED IN THE FOLLOWING YEAR

ADVERTISERS SHOULD BEGIN TO SECURE AD PLACEMENTS

Development of ad market in bn Euros during the financial crisis 2008ff

- In the year after the financial crisis there was an overcompensation of loss
- Competition for the best ad placements after the crisis might grow

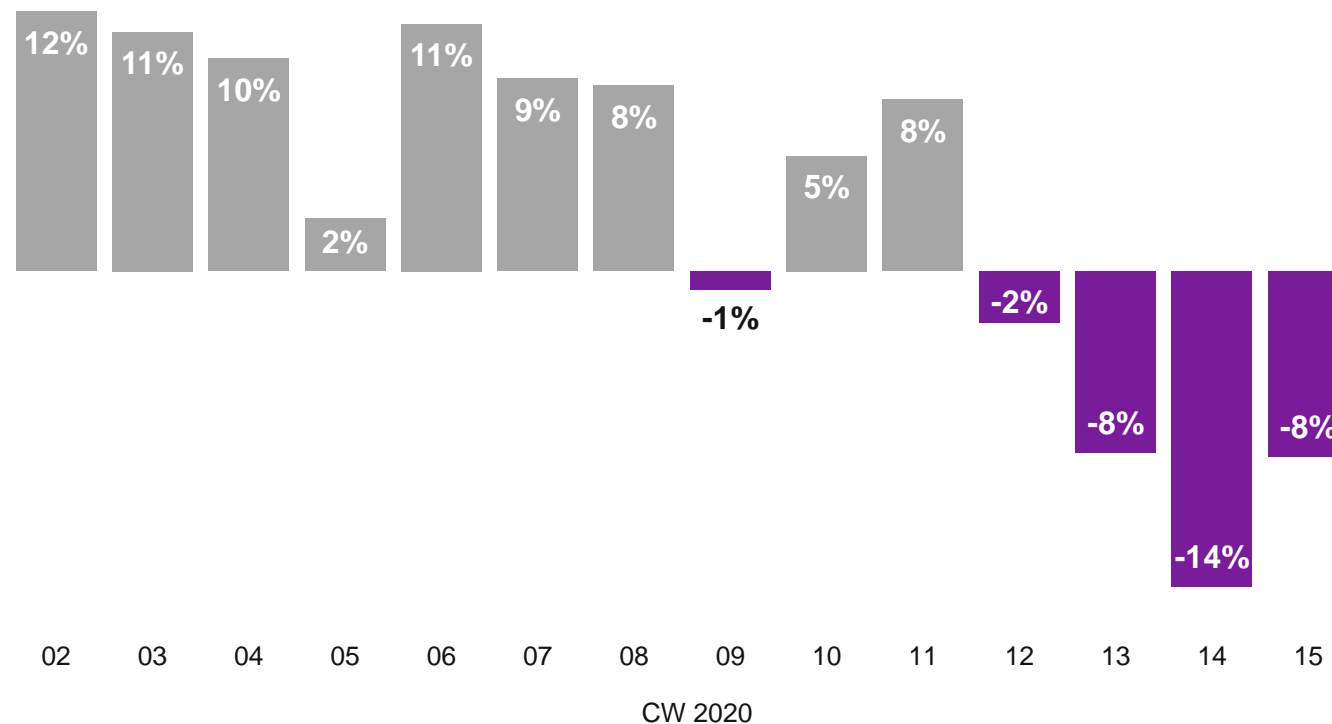


SALES HOUSES DO NOT ADAPT THEIR PRICING TO THE GROWING TV VIEWING

ADVERTISERS GET MORE PERFORMANCE FOR THEIR INVESTMENTS

TV cost-per-grp by week 2020: YOY %

- TV sales houses have not adapted their pricing to the growing TV viewing
- In return cost-per-grp becomes more attractive
- At the moment advertisers get more performance for their investments





#4

KEY IMPLICATIONS FOR BRANDS

ANTICIPATING MEDIA TOUCHPOINT RELEVANCY IN THE UPCOMING SUPPRESSION PHASE – MOSTLY DRIVEN BY MOBILITY AND INSECURITY

RETURN OF OOH

With people yearning to flock outside again, OOH will re-emerge as a powerful reach medium to reach those on-the-go in the Suppression phase



CONTINUED NEED FOR SOCIAL

Social media will continue to be an important medium for people to stay informed, keep in touch with friends & family, to vent and to be entertained.



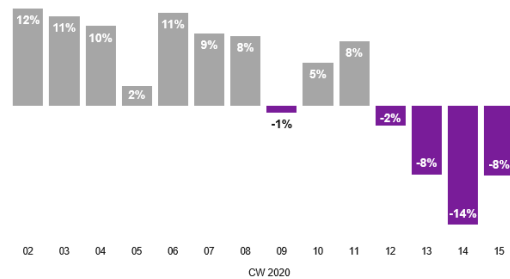
RELIANCE ON NEWS

News environments will remain a lifeline for people to stay informed & up-to-date, and should therefore be considered as a key media touchpoints for brands

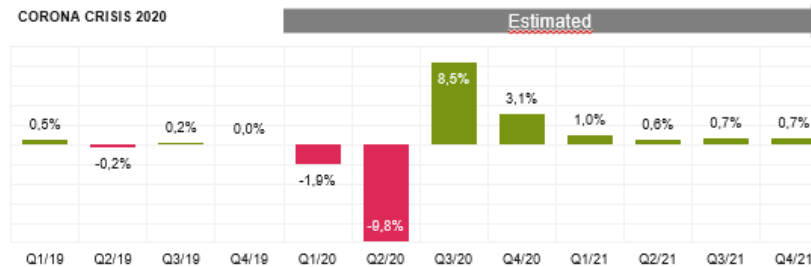


KEEPING UP AD INVESTMENTS PAYS OFF – AND BE PREPARED FOR A FAST RECOVERY AND AD BOOM

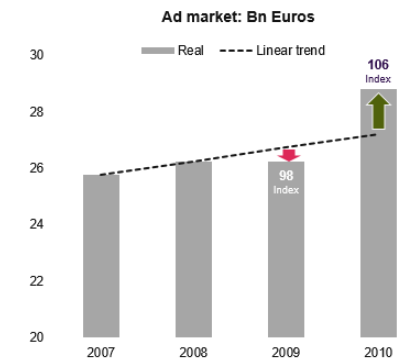
CpGRP decreases



Immediate GDP recovery in Q3 is expected



Begin to secure ad placements



TRANSITION

NEW NORMAL

HELPING TO RESTORE A SENSE OF 'NORMALCY' IN ABNORMAL TIMES & PRESERVE THE 'GOOD'

The crisis will reveal an entirely new scale of **first-mover advantage**. The brands willing to take a risk and **build a better tomorrow** will be best placed to ensure it reflects their purpose.

Let's fill together the **RENEWAL ROADMAP** with **provocative ideas**.

LOCKDOWN

TRANSITION

NEW NORMAL

EMPHATY

WHAT Build your insights from the bottom up through qualitative research.

HOW You cannot aggregate empathy. Find individuals in your community and ask.

INNOVATION

WHAT Match that need with a media platform that is shaping the new normal.

HOW Start with how behaviour has already changed and extrapolate from there.

ACCELERATION

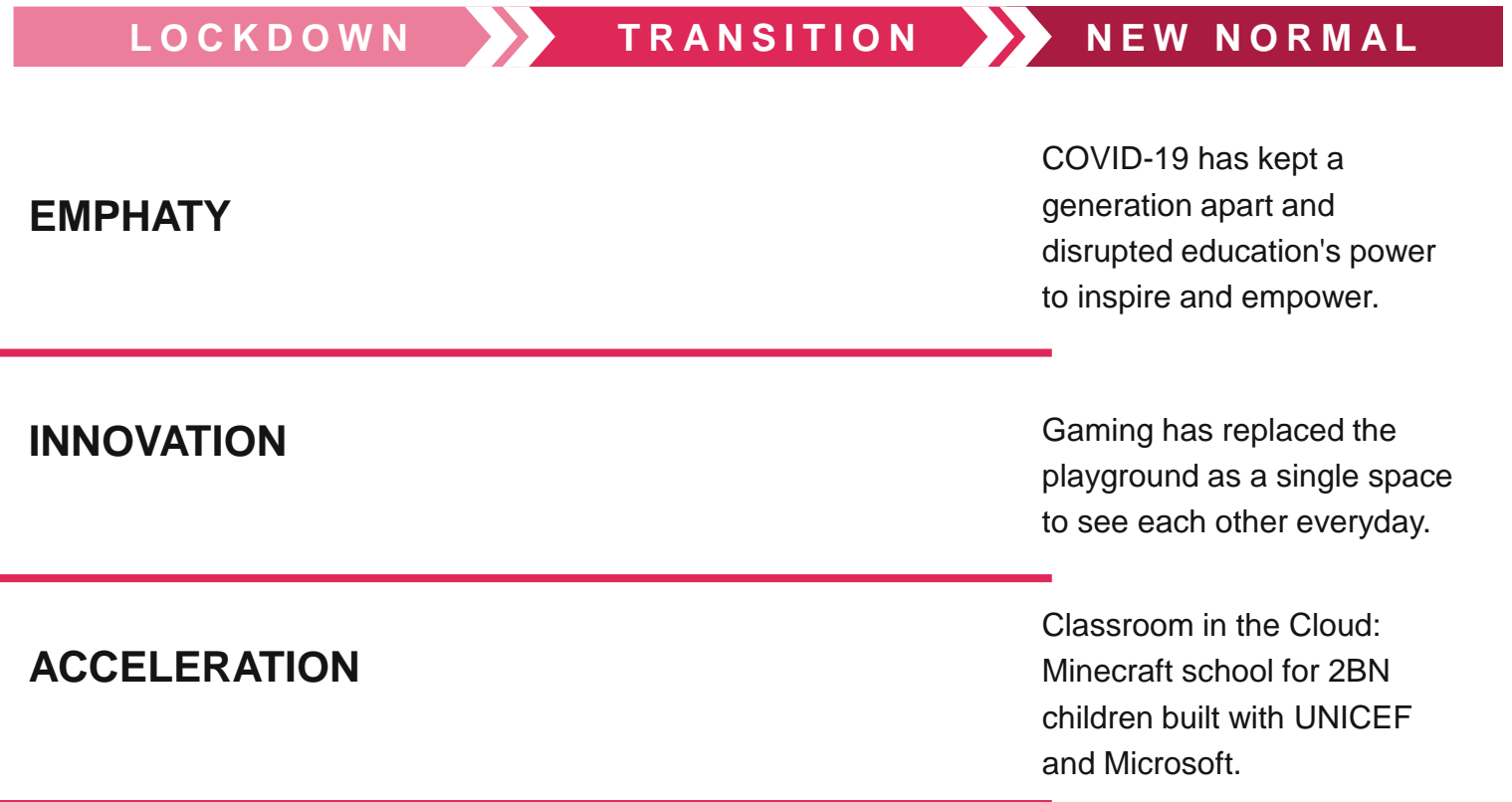
WHAT Match the community need and the emerging platform with brand purpose.

HOW Develop a partnership idea that promotes the behaviour change we seek.

HELPING TO RESTORE A SENSE OF 'NORMALCY' IN ABNORMAL TIMES & PRESERVE THE 'GOOD'

The crisis will reveal an entirely new scale of **first-mover advantage**. The brands willing to take a risk and **build a better tomorrow** will be best placed to ensure it reflects their purpose.

Let's fill together the **RENEWAL ROADMAP** with provocative ideas.



**WATCH OUT
FOR THE
NEXT EPISODE**

MINDSHARE

PERSPECTIVE FOR BRANDS

CW 18