iab. australia

WEBINAR SERIES

THURSDAY 11 JUNE
11 AM - 12 PM

MEDIA & COMMERCE BEHAVIOUR TRENDS

TEMPORARY VS PERMANENT CHANGES

TODAYS SPEAKERS

Gai Le Roy
CEO
IAB

David Kennedy
HEAD OF RESEARCH
VENTURE INSIGHTS

Helen Black
HEAD OF CONNECTION PLANNING
FACEBOOK

Kathy Benson
CHIEF CLIENT OFFICER
IPSOS

Introduction

Media, commerce and online advertising trends through COVID-19

Gai Le Roy, CEO IAB

In April Australians shifted online time to desktop and tablet

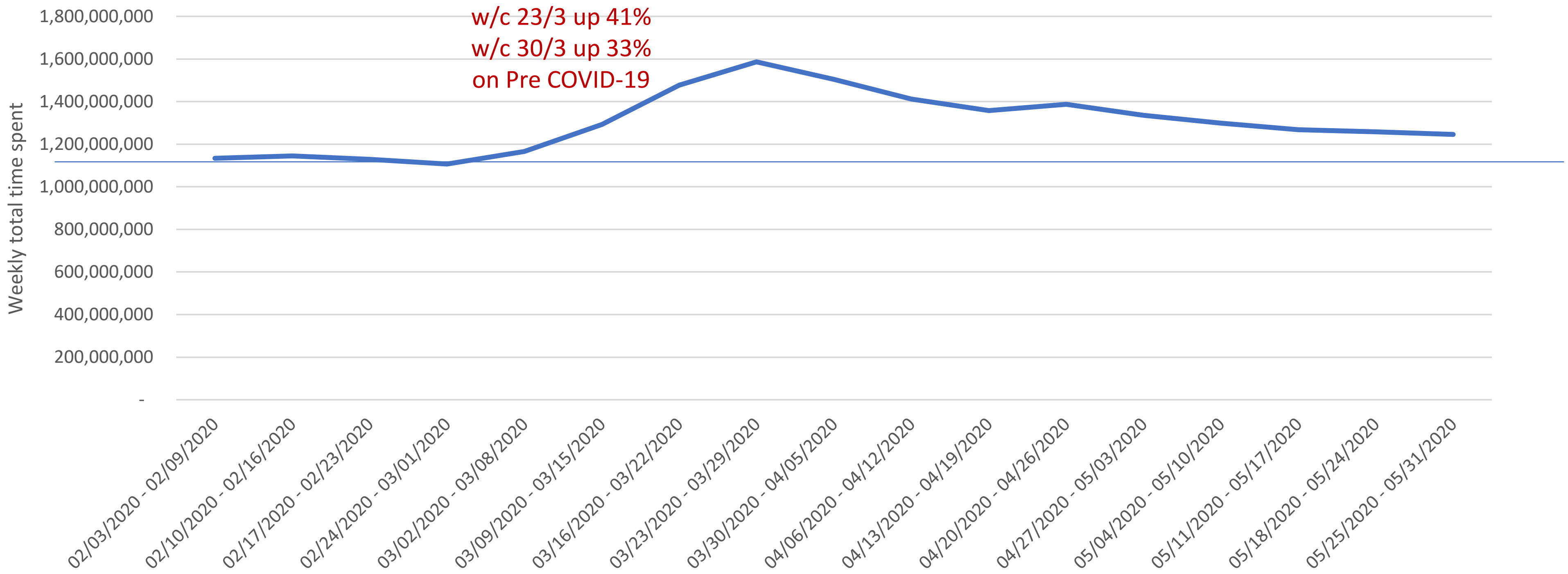
	MOBILE	DESKTOP	TABLET
Unique audience	16.6m	18.7m	7.4m
Av time pp	78hr 44min	28hr 21min	62hr 55min
Share of device time	57%	23%	20%
Total time Mar 20 v Apr 20	-3%	22%	14%

With many Australians WFH in April, online time on mobile dropped slightly while time spent on desktop and tablet surged from previous month.

Source; Nielsen Digital Panel text April 2020 PC age 2+, Smartphone & Tablet age 18+ (total time spent March 2020 v April 2020)

A boom time for digital content consumption

TOTAL TIME SPENT FOR TOTAL AUDIENCE OF TOP 150 DIGITAL CONTENT BRANDS



PRE-COVID-19
February average

COVID-19 LOCKDOWN COMMENCES
March up 24% on Pre-Covid

April up 22% on Pre-Covid

COVID-19 EASING OF RESTRICTIONS
May up 12% on Pre-Covid

Source: Digital Content Ratings, Tagged weekly, 3/02/20-31/05/20, Top 150 brands, Digital (Computer/Mobile), People 2+, Total Time Spent, Text.

Digital media connecting and informing during COVID-19

MoM CHANGES IN TOTAL ONILNE TIME SPENT BY CATEGORY (Mar 20 v Apr 20)

SOCIAL NETWORKING
+21%

NEWS
+ more than 40%
March & April v February

EDUCATIONAL RESOURCES
+ more than 24%
March & April v February

GOVERNMENT & NON-PROFIT
+24%

INSTANT MESSAGING
+24%

MAJOR RETAILERS
+25%

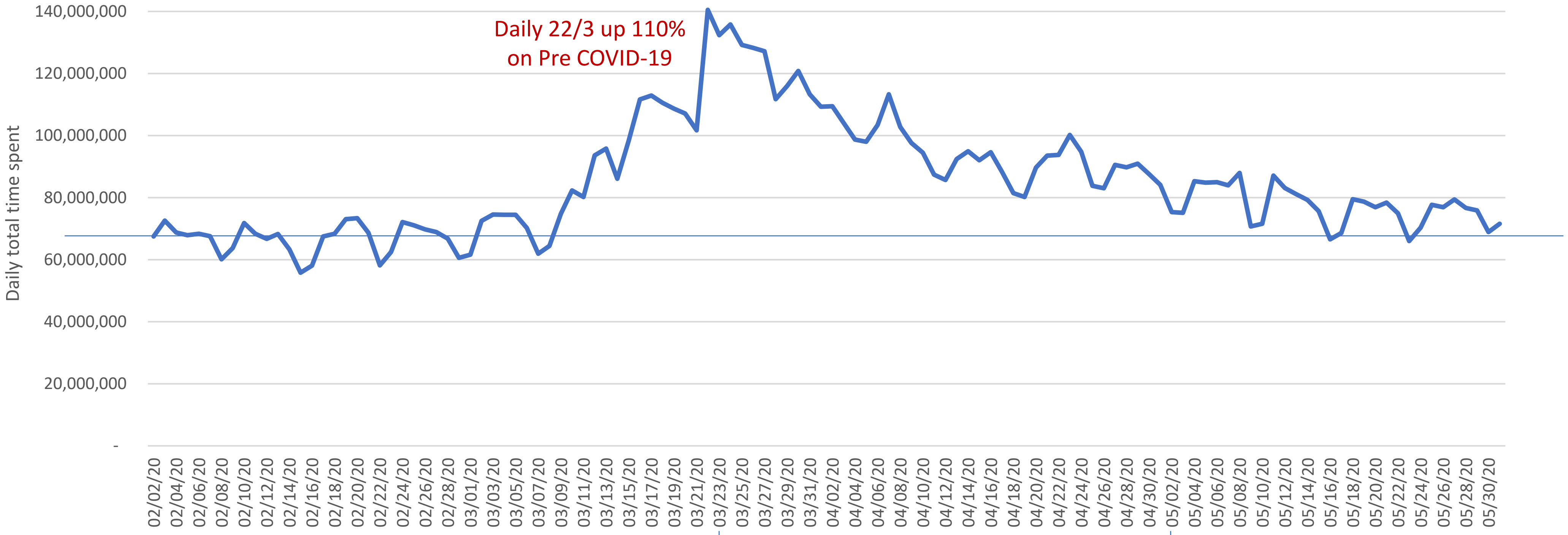
FAMILY
Kids/games/toys +51%
Genealogy +27%
Parenting +13%
Home & garden +61%

COMPUTERS
Software +27%
News +30%
Internet tools +96%
ISP +74%

Source; Nielsen Digital Panel text April 2020 PC age 2+, Smartphone & Tablet age 18+ (total time spent March 2020 v April 2020)

Digital news content engagement heightened as we hunt for information

TOTAL TIME SPENT FOR TOTAL AUDIENCE IN NEWS CATEGORY



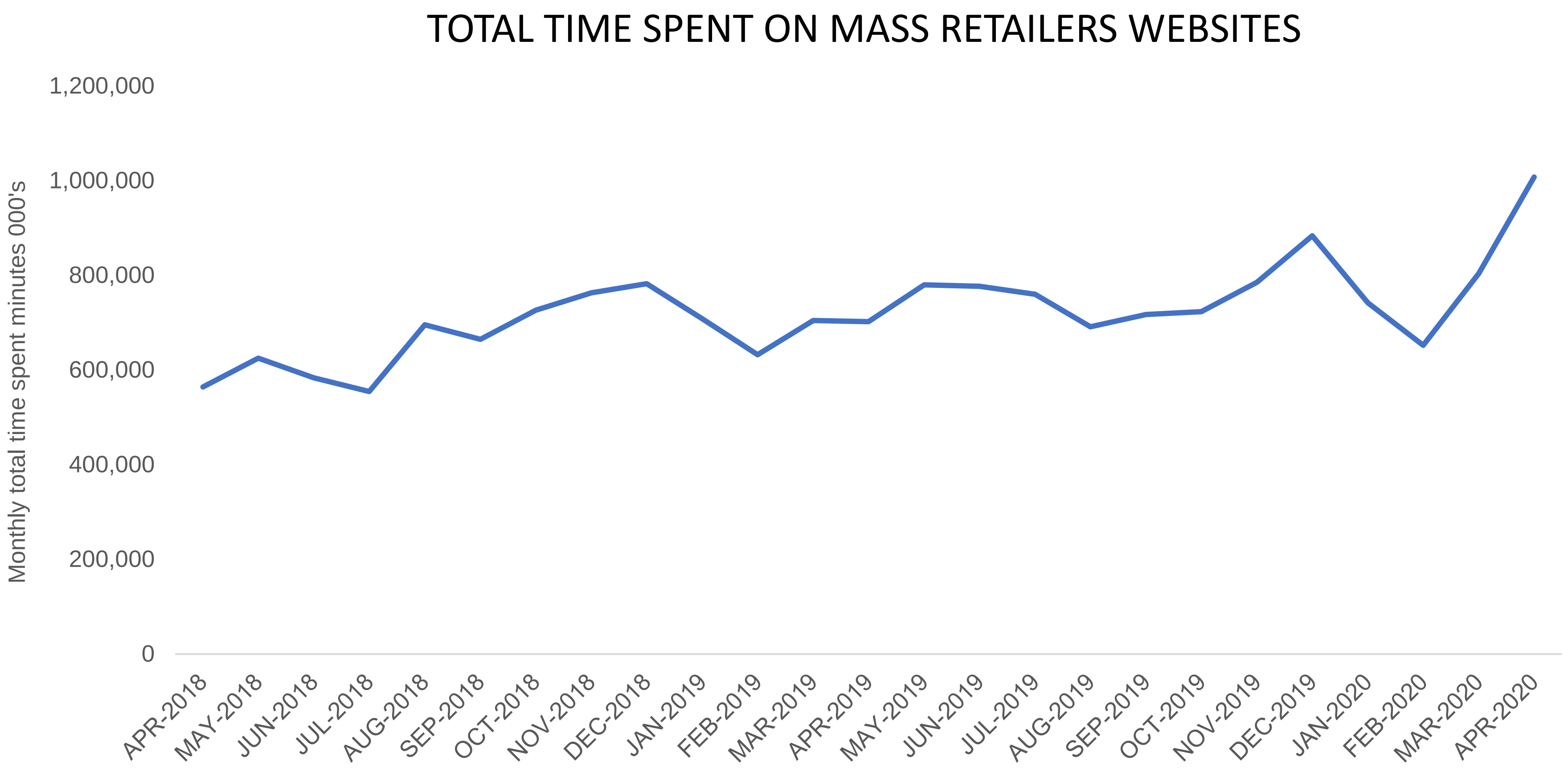
PRE-COVID-19
67 million min/day
February average

COVID-19 LOCKDOWN COMMENCES
w/c 23/3 up 88% on
February Pre-Covid-19

COVID-19 EASING OF RESTRICTIONS
Month May up 16%
on Pre-Covid-19

Source: Digital Content Ratings, Tagged Daily, 2/02/202-31/05/20, Current Events & Global News sub-category, Digital (Computer/Mobile), People 2+, Total Time Spent, Text.

Time spent on major retail sites up 44% year on year



17.8 million Australians visited a shopping website in April 2020.

Time spent on mass retailer websites is up 44% YOY (and up 14% on peak December).

Local retailers picking up the increase – time spent on mass retailer sites excluding Amazon is up 82% YoY.

Source: Nielsen Digital Panel text PC age 2+, Smartphone & Tablet age 18+ (total time spent YOY April 19 V April 20)

Increased time spent on retail websites in April

CHANGES IN TOTAL ONLINE TIME SPENT BY CATEGORY

MASS RETAILERS
+44% YoY
+25% MoM

- Supermarkets up in Mar & Apr
- Discount retailers
- Office supplies
- Electronics

APPAREL & BEAUTY
+17% YoY
+5% MoM

- Sports stores
- Beauty products

HOME & GARDEN
+57% YoY
+61% MoM

- Hardware
- Home furnishings
- Craft

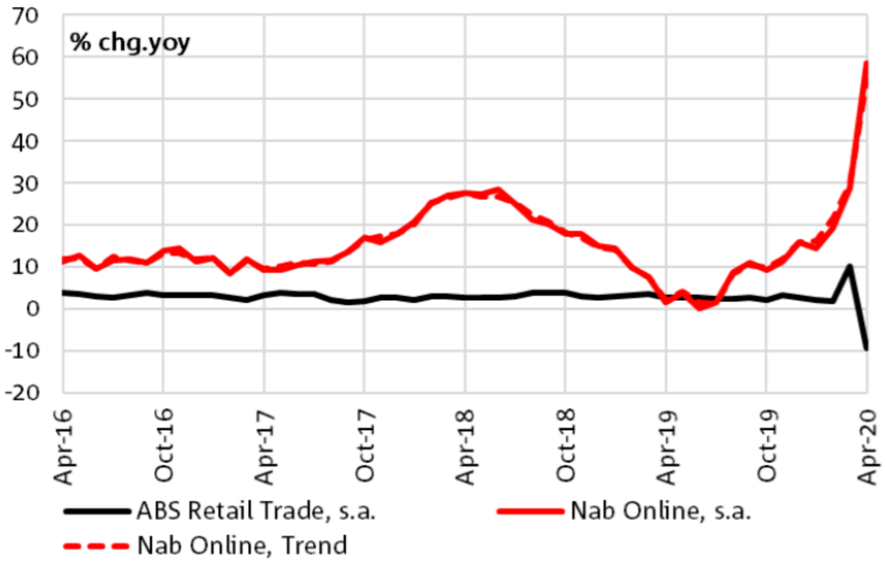
FOOD
+14% YoY
+6% MoM

- Takeaway online delivery services
- Alcohol stores

Source: Nielsen Digital Panel text PC age 2+, Smartphone & Tablet age 18+ (total time spent YOY April 19 V April 20; MOM Mar 20 v Apr 20)

Highest ever recorded monthly growth rate in online retail sales

Online Retail Sales and ABS retail sales



Year-on-year growth (% s.a.)	Feb-20	Mar-20	Apr-20
NAB Online Index	19.3	28.6	58.5
ABS Traditional Retail	1.8	10.1	-9.4*p

The NAB Online Retail Sales Index rapid growth accelerated again in April (16.2%), on a month-on-month, seasonally adjusted basis. This is the highest ever recorded monthly growth rate in the series history (2012).

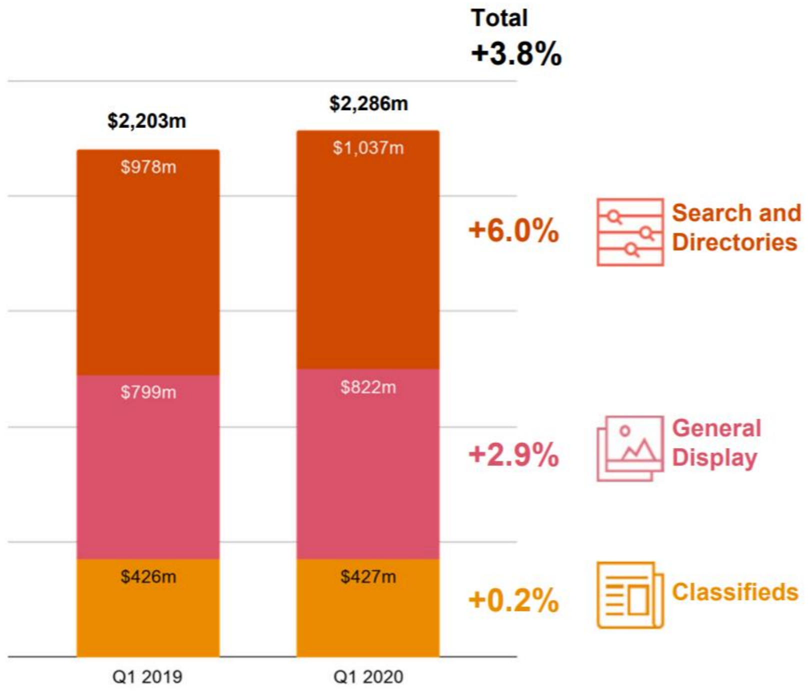
In year-on-year terms, the growth in the NAB Online Retail Sales Index accelerated (+58.5% y/y s.a.) in April, the highest year-on-year growth rate comparison in the series history

Source: NAB Online Retail Sales Index April 2020

Digital advertising spending slowed from Q1

Q1 Jan – Mar 2020

IAB/PWC Online Advertising Expenditure Report



April 2020

IAB Market Pulse Wave 1
COVID-19 Ad Impact

21% of advertisers surveyed had paused all spend and a further 57% had pulled back their expenditure.

May 2020

IAB Market Pulse Wave 2
COVID-19 Ad Impact

Approximately 50% of advertisers who had previously pulled spending are now back in market investing, though at mostly at a reduced level.

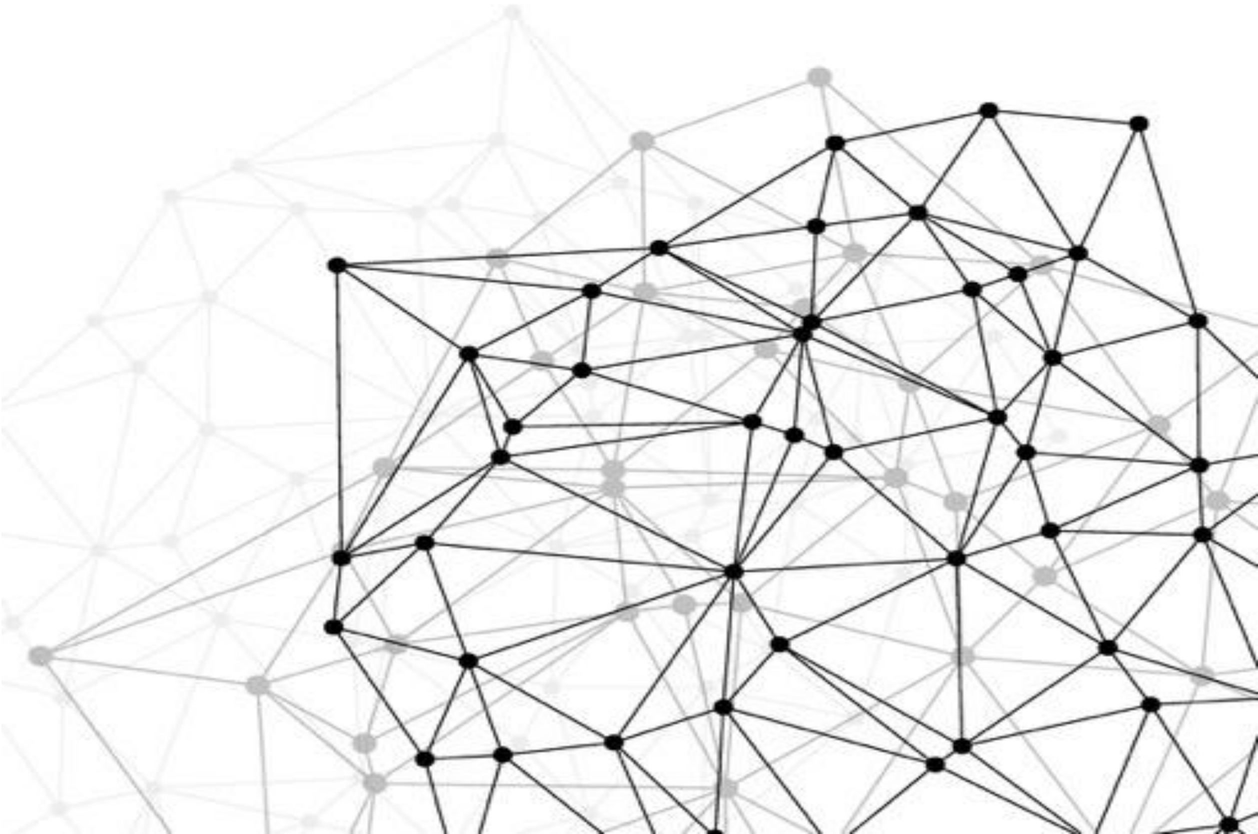
Source: IAB Australia/PwC Online Advertising Expenditure Report, Qtr Ended Dec 31 2019, CY2019;
IAB Australia Industry Market Pulse – COVID 19 Ad Impact – fieldwork April 2020 n = 78, May n=19 media agency executives (on behalf of individual clients) & senior marketers

Continue to invest in advertising thru the economic downturn to reap the long-term reward

Venture Insights Consumer Survey

Online life under COVID-19

David Kennedy
Head of Research
Venture Insights

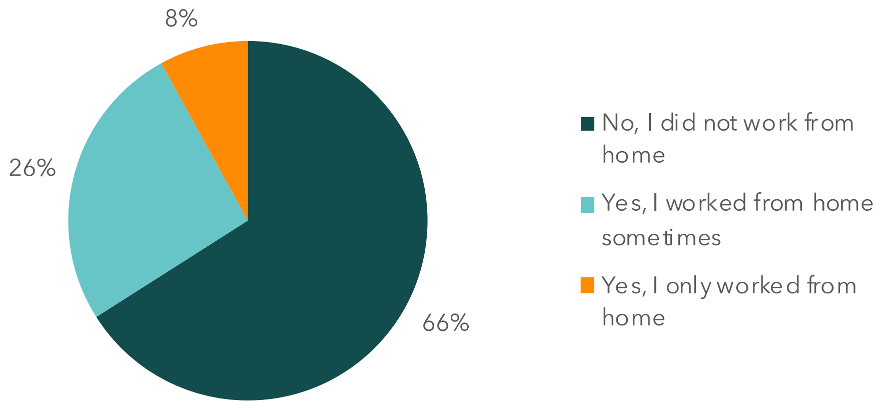


Survey parameters

A behavioural change survey was conducted by Venture Insights and commissioned by NBN Co (completed 28th April 2020). The aim of the survey was to understand how new needs due to COVID-19 had changed consumer broadband and technology usage.

The survey was conducted nationally across Australia for 1,006 respondents, all with a broadband connection, and with a representative survey sample across demographic and regional groupings.

Prior to COVID-19 (before 1 March) did you work from home? (Respondents who were in part or full time employment)



SOURCE: Venture Insights Australian Consumer Behavioural Survey, April 2020, n=585

Working from home

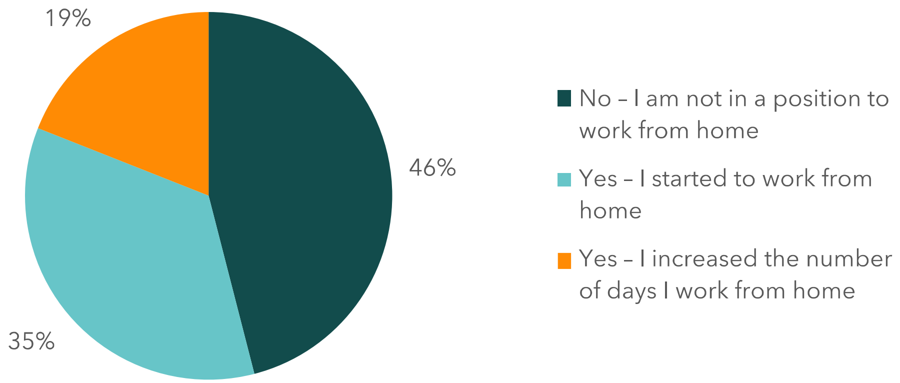
81% of all working from home respondents say that the experience of working from home has positively changed the way they think about managing work/life flexibility.

69% of all respondents purchased one or more devices to support their online activities, and that number increased to 79% for those working from home.

43% of all respondents had created new or dedicated office space, 26% had improved home cybersecurity and 20% had improved or purchased home wi-fi setup. These numbers were 56%, 20% and 20% respectively for those who were working from home.

67% of all respondents say that they expect to work from home more after the COVID-19 crisis has ended.

After the COVID-19 crisis started (from 1 March), did you start working from home and/or increase your number of days working from home? (Respondents who were in part or full time employment)



SOURCE: Venture Insights Australian Consumer Behavioural Survey, April 2020, n=585

Growing application use: telehealth

Almost half (48 per cent) of survey respondents who had a medical consultation in the past two months have had a telehealth consultation.

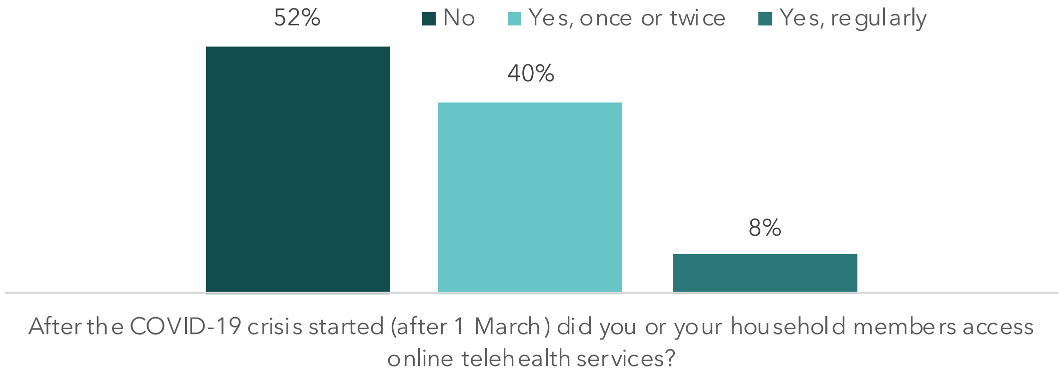
The share of respondents 65 and over who said that their household was accessing telehealth services doubled, from one in eight (13 per cent) to one in four (27 per cent).

A preference for face to face consultation (29%), a lack of awareness about telehealth services (18%), and a lack of offering of telehealth services (15%) were the main reasons for not using telehealth services.

Almost two thirds (63%) of all respondents said they would consider using telehealth services in the future.

Broadly, metropolitan and younger respondents were more likely to have used telehealth services and be open to using them in future.

Telehealth during COVID-19 (without the respondents who have not needed a health consultation since COVID-19 started)



SOURCE: Venture Insights Australian Consumer Behavioural Survey, April 2020, n=713

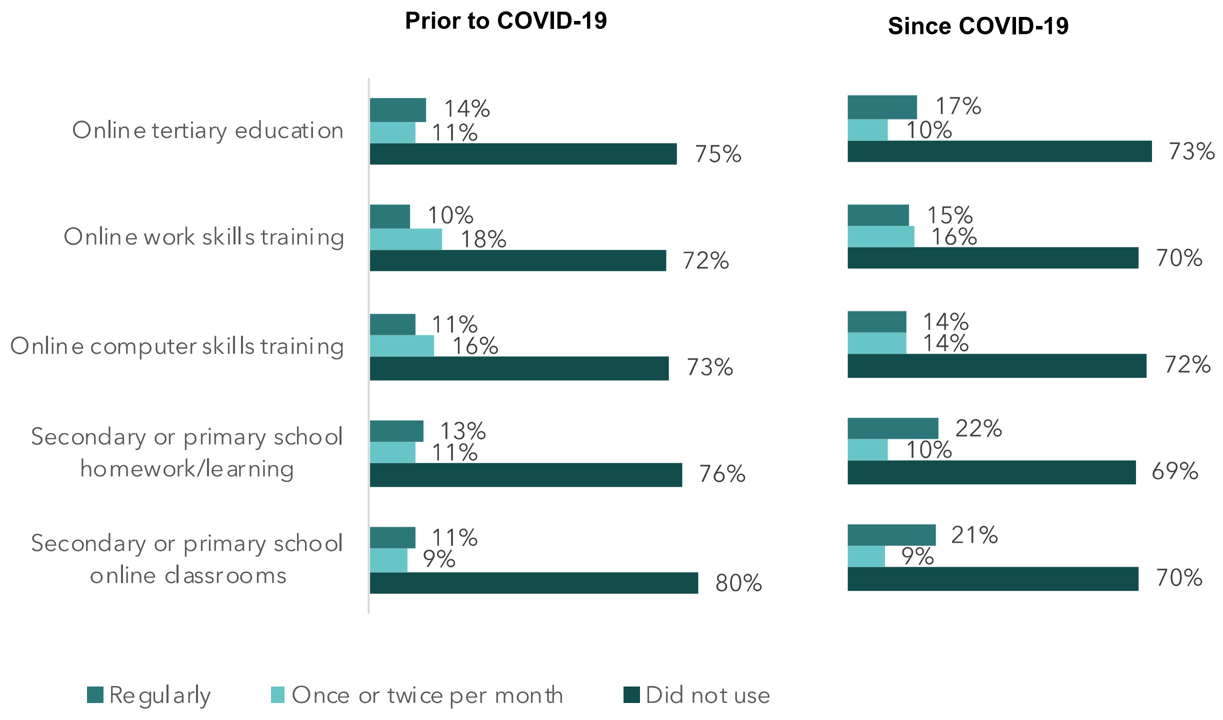
VENTURE Insights

Online education

Respondents using secondary or primary school homework/learning and secondary or primary school online classrooms has increased to 32% and 30% respectively, as compared to 24% and 20% respectively prior to COVID-19.

Households with young Australians aged 18-24 said their household used social distancing time to upskill, with almost one third (30%) undertaking online work skills training.

How often you or other household members use the following online education services?



SOURCE: Venture Insights Australian Consumer Behavioural Survey, April 2020, n=1,006

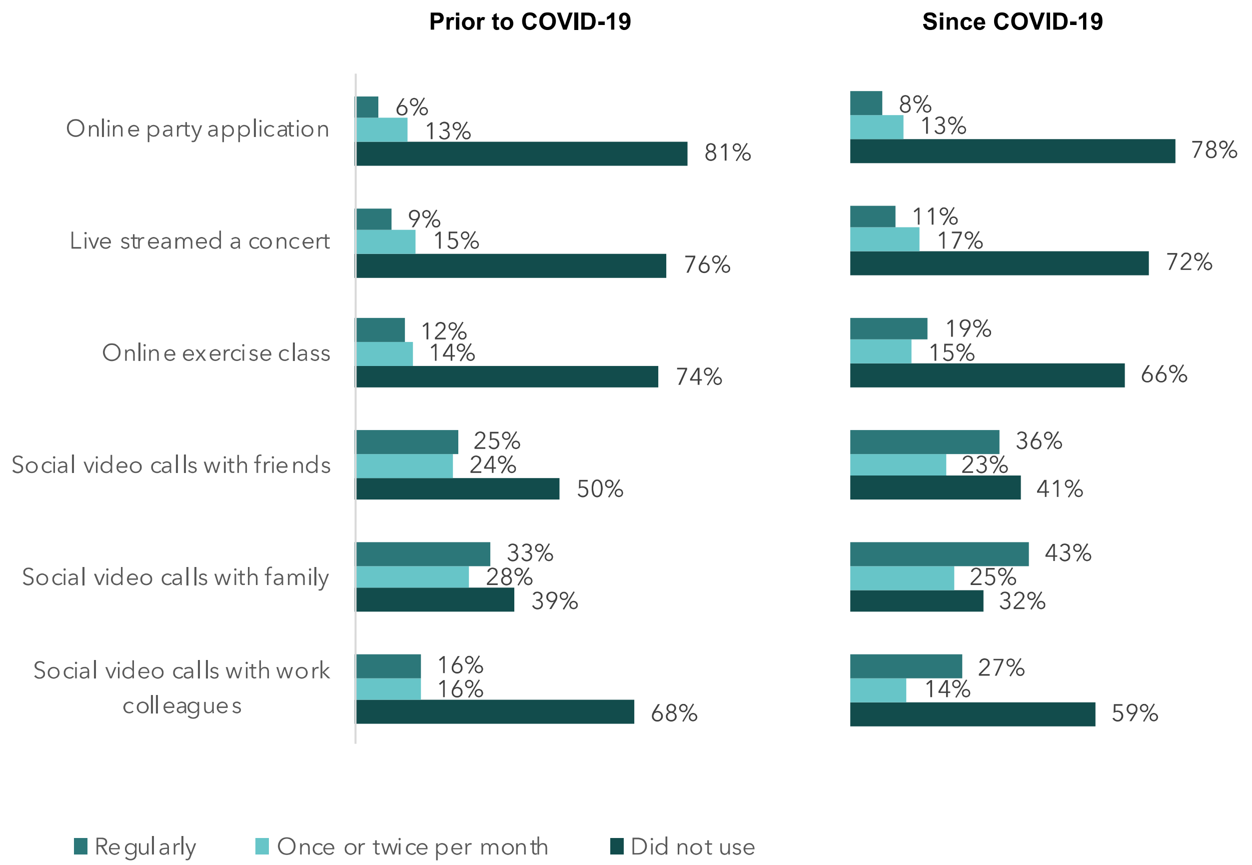
Social communication

Since COVID-19, there has been an increase by up to 10% in the share of respondents using social video calls with friends, family and colleagues as compared to pre-COVID-19.

The share of respondents using online exercise classes has also increased by 8%.

Metropolitan and younger respondents were significantly more likely to use social communication applications before and after COVID-19

How often you or other household members used the following online social activities to connect with people?



SOURCE: Venture Insights Australian Consumer Behavioural Survey, April 2020, n=1,006

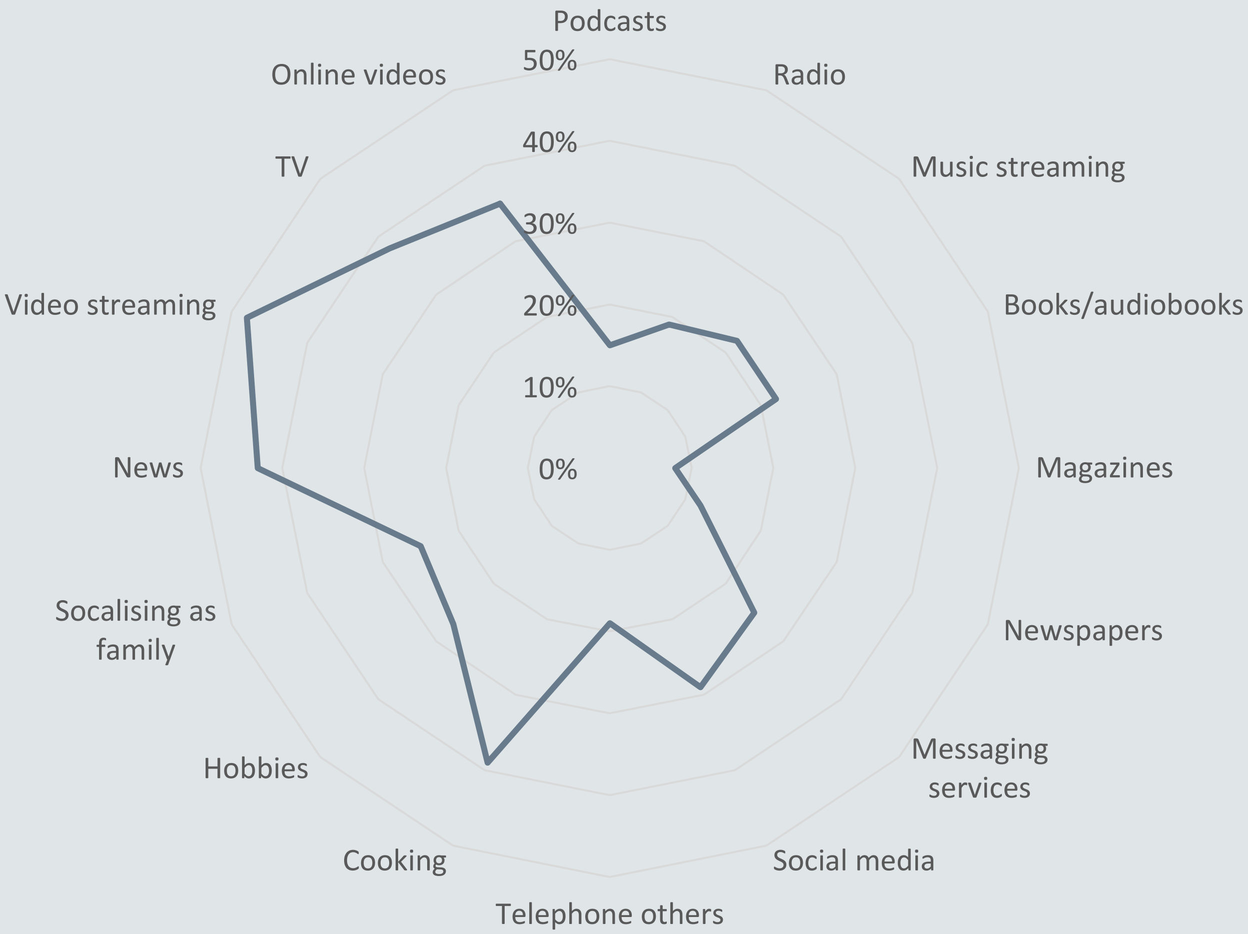
VENTURE Insights

BEYOND COVID:
Commerce, connectivity, community

FACEBOOK

We are in a forced period of experimentation

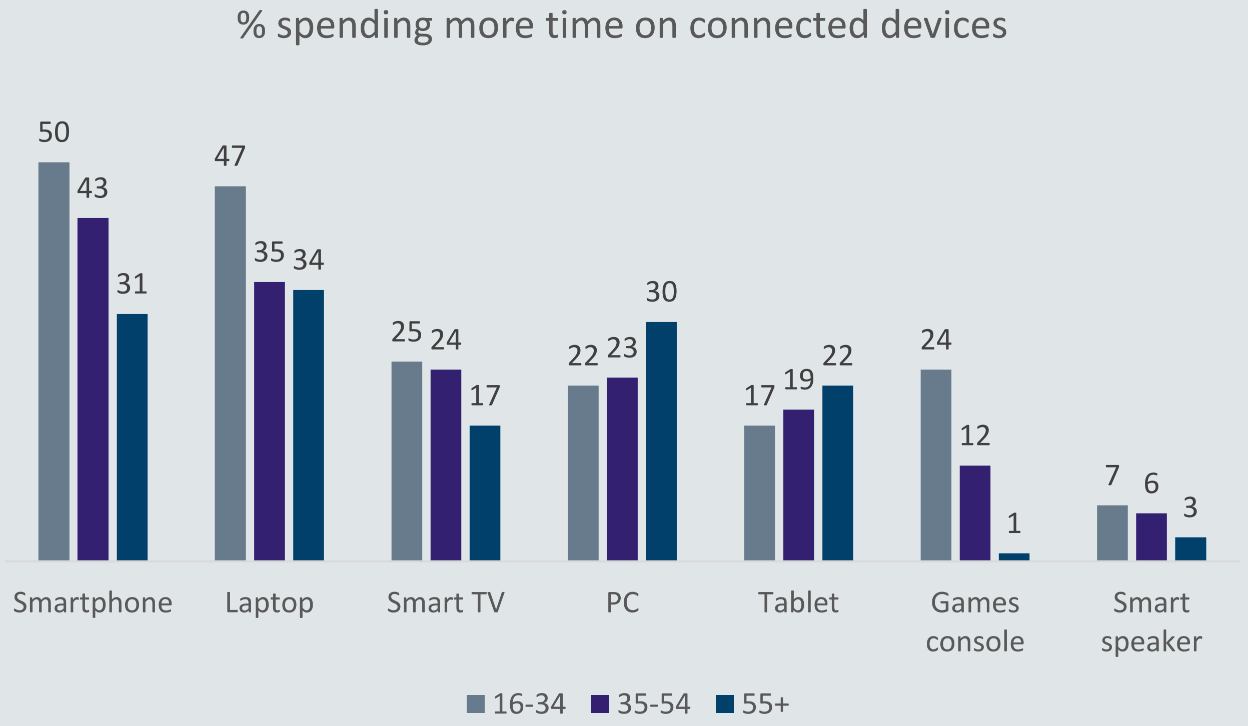
Which of the following have you been spending more time doing?



FACEBOOK

Source: Coronavirus Research by GWI, Australia, 1053 respondents, internet users aged 16-64, 19th – 26th May

Pushing the internet harder than ever before



"Traditionally, weekend internet traffic is highly distinguishable from weekday traffic, noted by a two-day hump in traffic, that signature has been eliminated completely."

Artur Bergman, Executive Chair, Fastly

FACEBOOK

Source: Coronavirus Research by GWI, Australia, 1053 respondents, internet users aged 16-64, 19th – 26th May

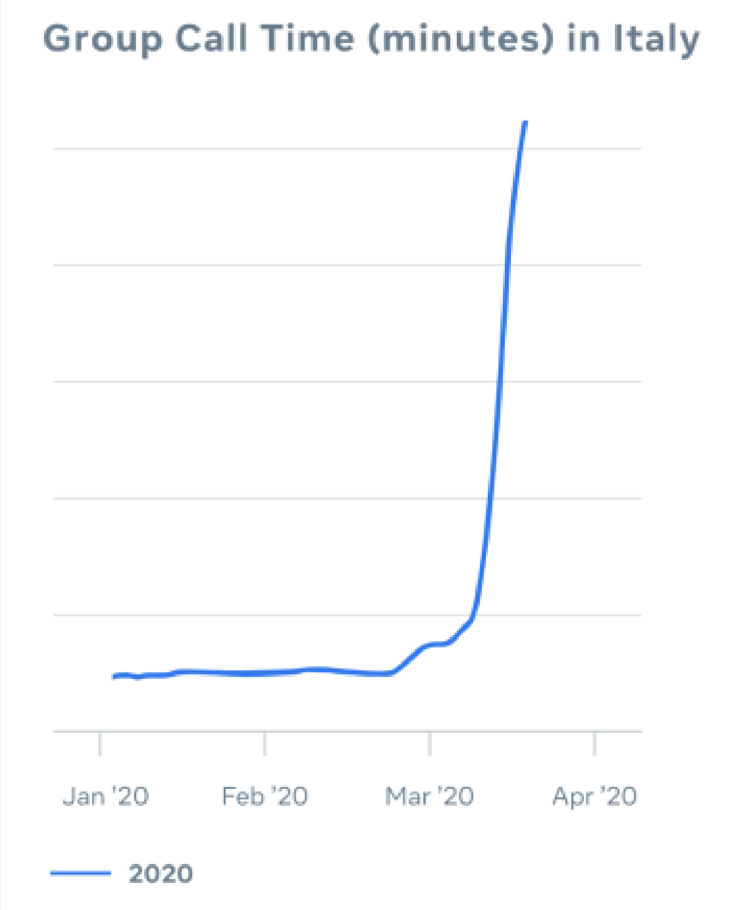
On our own platforms

In many of the countries hardest hit, total messaging has increased more than **50% over the last month.**

Voice and video calling have more than **2x** on **Messenger** and **WhatsApp** in places hardest hit by the virus.

In Italy, we saw up to **70% more time spent** across our apps in March.

In Australia, **Instagram Live** views **doubled** in a week in March.



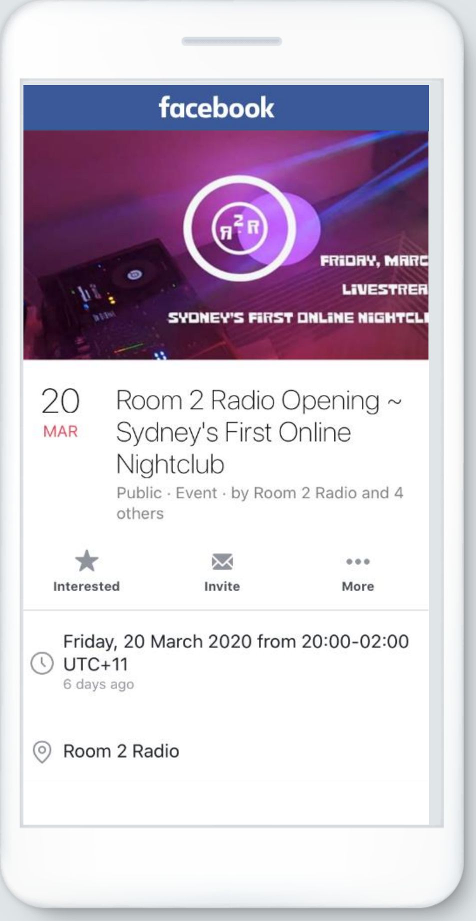
FACEBOOK

Source: Facebook internal data, March 2020

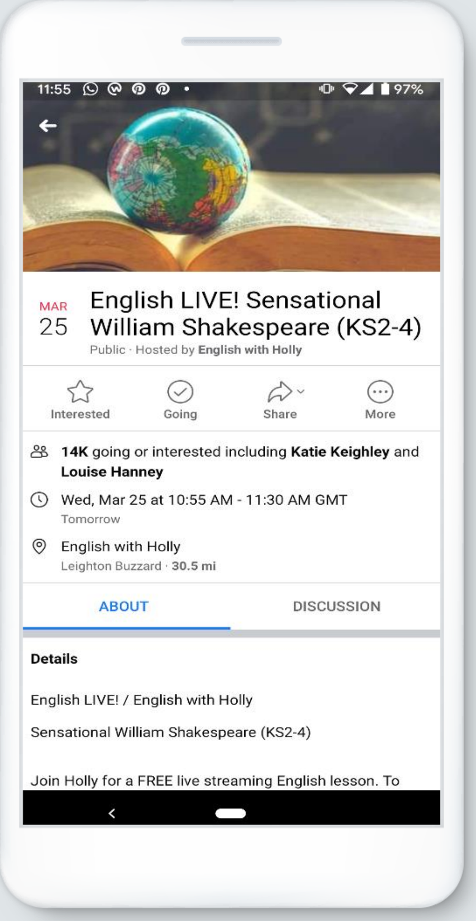
Concerts

Cooking

Clubs

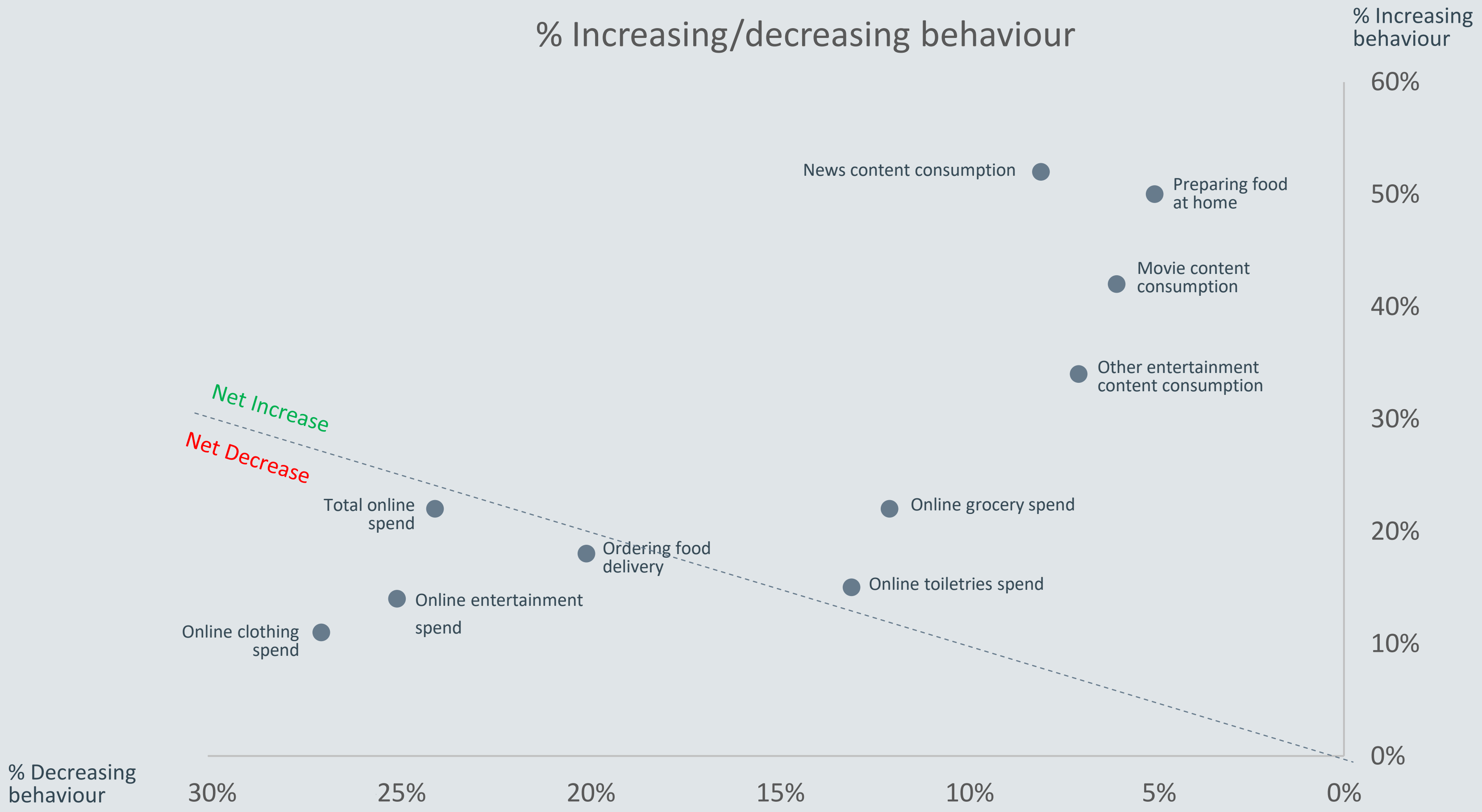


School lessons



FACEBOOK

Habits being broken on mass



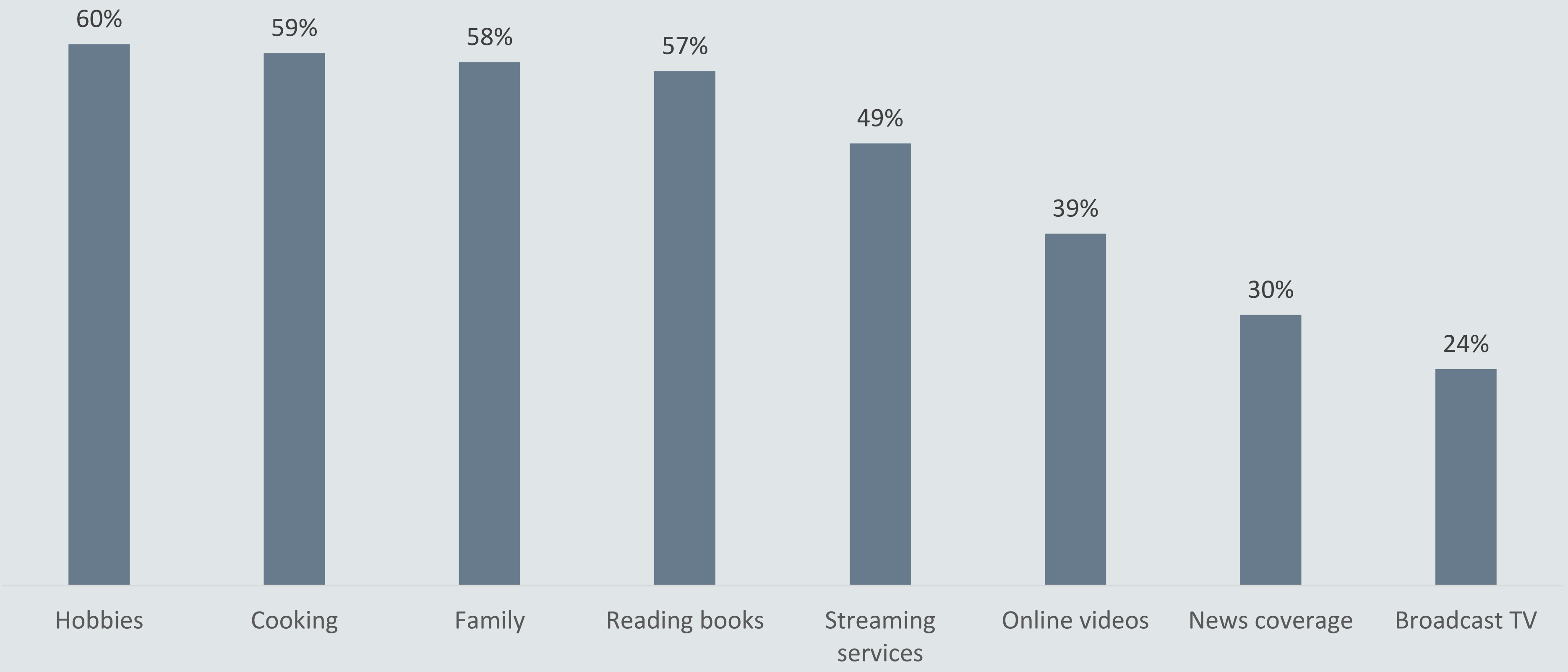
FACEBOOK

Source: COVID-19 impact on AU consumer behaviour" consumer research by YouGov (online survey of 3,070 respondents in Australia), 25th May 2020


What will last?

Significant numbers believe they'll maintain new behaviours

% of those doing more who believe they will continue after the crisis



FACEBOOK

Source: Coronavirus Research by GWI, Australia, 1053 respondents, internet users aged 16-64, 19th – 26th May

We could see lasting change, but context matters

66 days average to form a habit

(18 to 254 days)

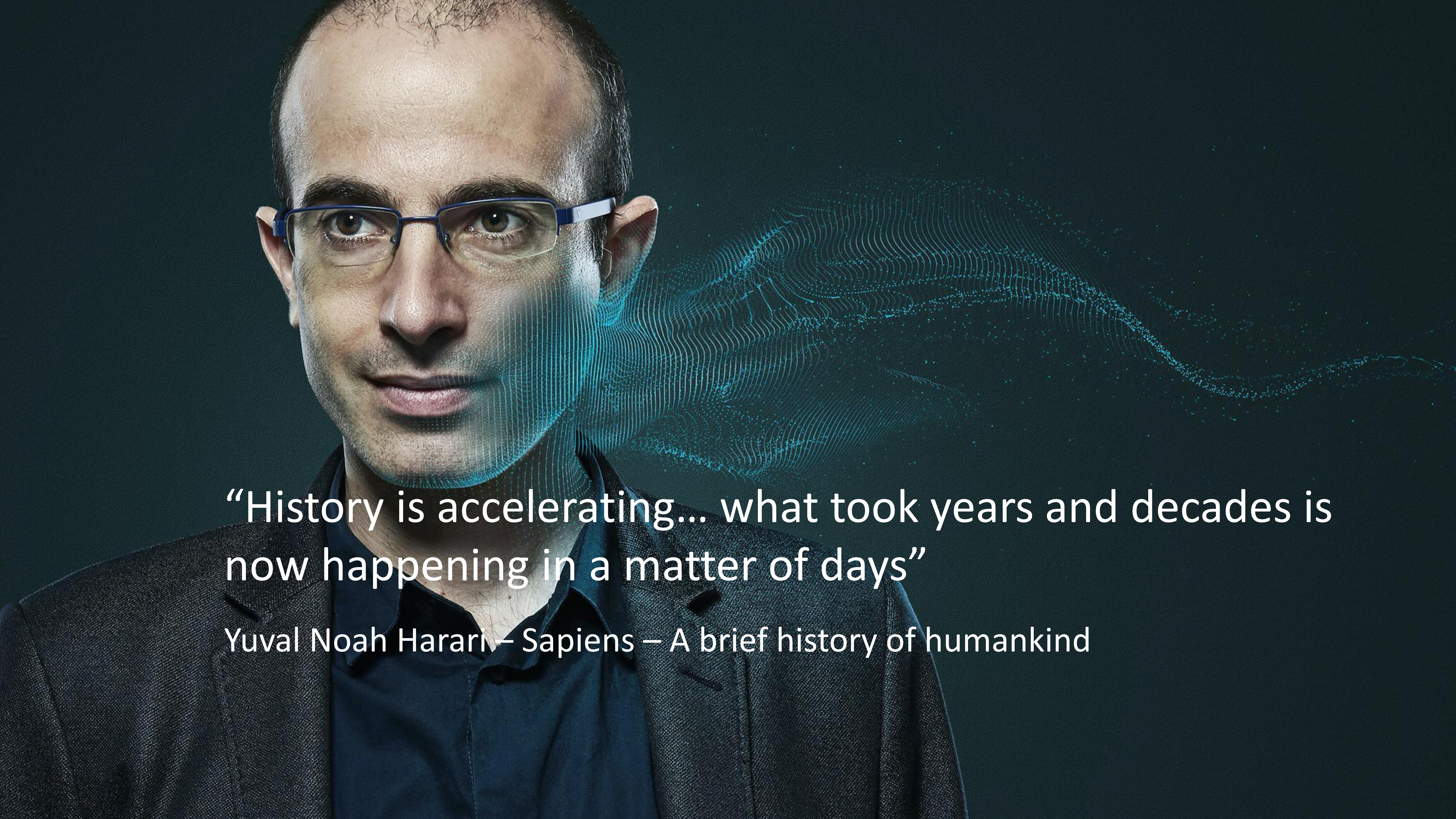
Trigger

Friction

Reward

FACEBOOK

Source: Philippa Lally, How Are Habits Formed: Modelling habit formation in the real world, European Journal of Social Psychology July 2009



"History is accelerating… what took years and decades is now happening in a matter of days"

Yuval Noah Harari – Sapiens – A brief history of humankind

Shopping moves more online

After the outbreak is over, do you think you'll do any of the following?

	Australia	UK	Pre COVID-19 growth potential	Post COVID-19 acceleration potential
Grocery & liquor	0-5%	5-10%		↑↑↑↑
Health & beauty	5-10%	10-15%		↑↑↑
Recreational & other goods	20-25%+	40%+		↑↑
Homewares & appliances	10-15%	40%+		↑↑
Apparel	10-15%	30-35%		↑
Automotive	5-10%	5-10%		→

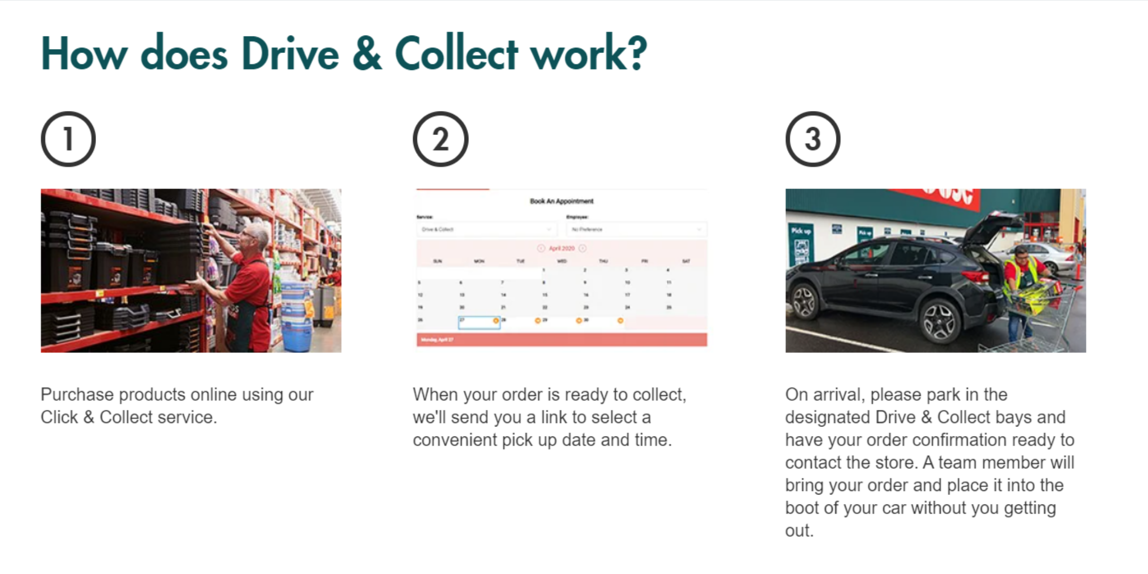
Lower growth potential — Higher growth potential

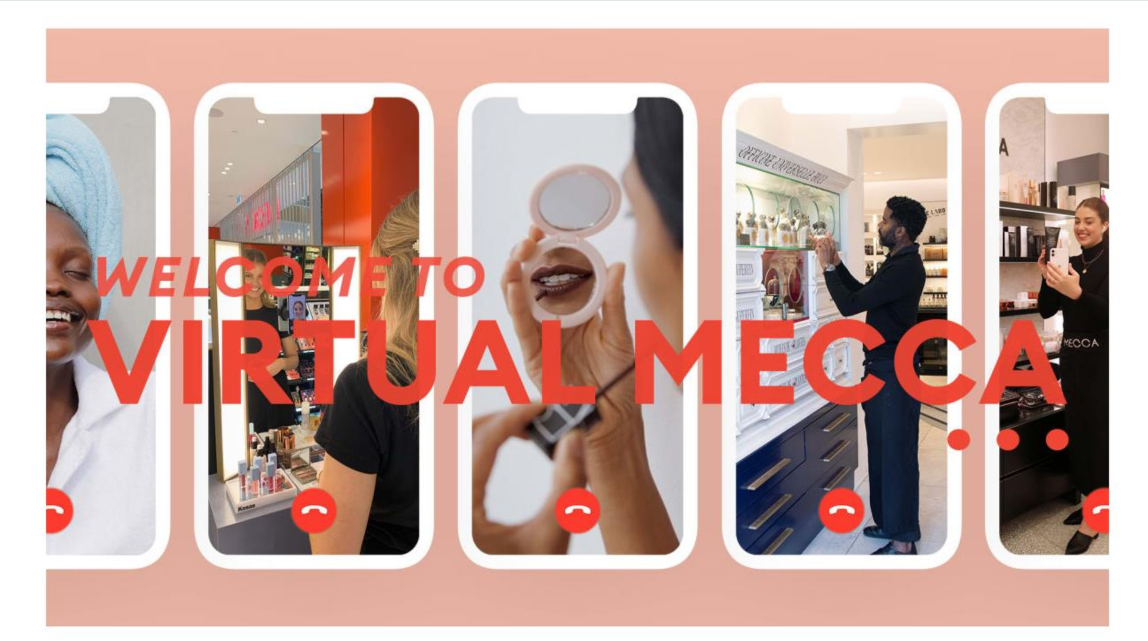
FACEBOOK

Source: Coronavirus Research by GWI, Australia, 1073 respondents, internet users aged 16-64, 22nd – 27th April; Retail's Revival and Survival by KPMG, Australia, 2nd April 2020

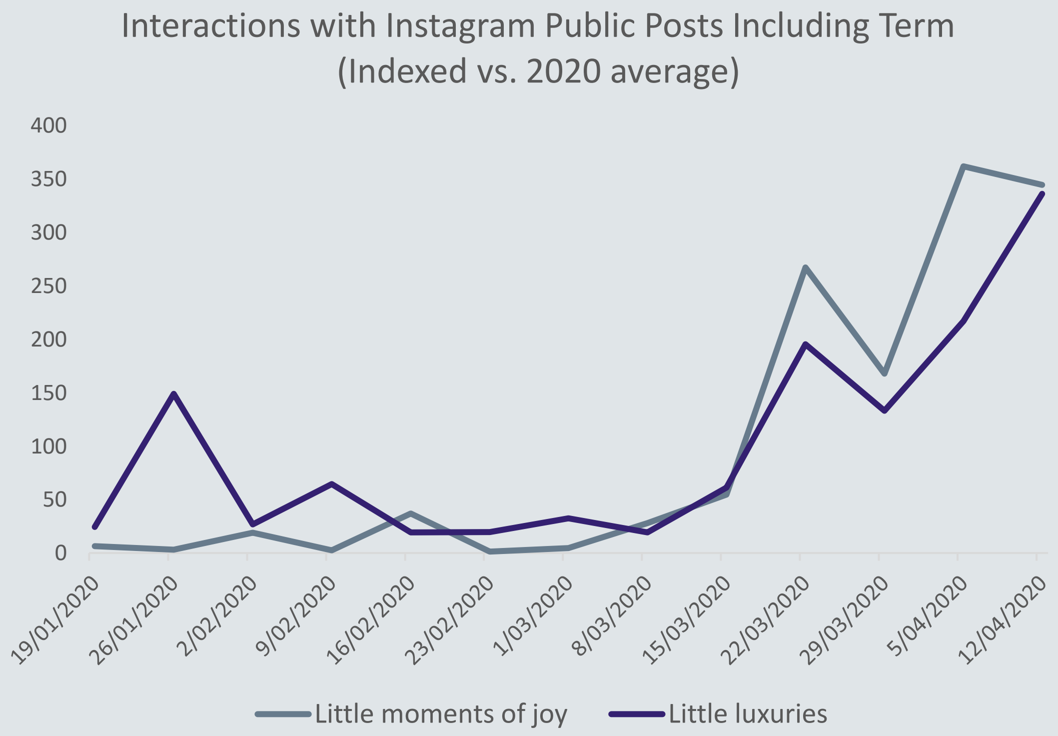
Tech touch: Retooling for a contactless world

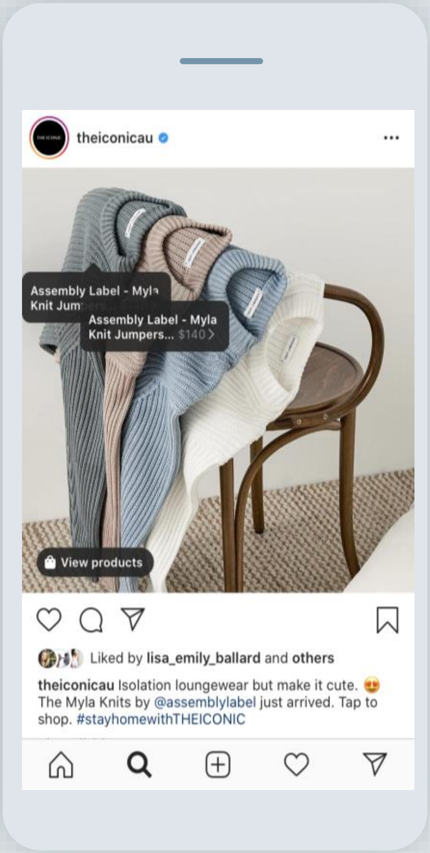
General	Perspex, cashless, capacity
Cinema	Staggered seating
Restaurants	Contactless waiters
Clothing	Disinfected items
Department stores	Virtual stylists





The rise of joy substitutes

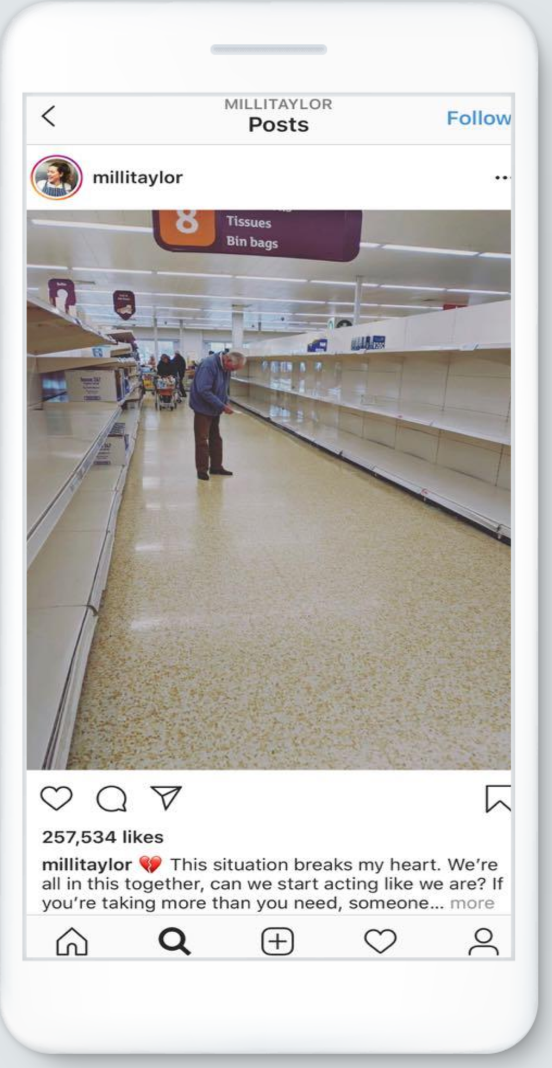




FACEBOOK

Source: CrowdTangle, global Instagram Public Posts including “little moments of joy” and ”little luxuries” 19 Jan – 12 Apr 2020

Move to collectivism: from 'me' to 'we'



>200,000

people in Australia are members of COVID-19 local support groups on Facebook

300m

The IG Stay Home sticker surpassed 300m uses in the first month after launch globally

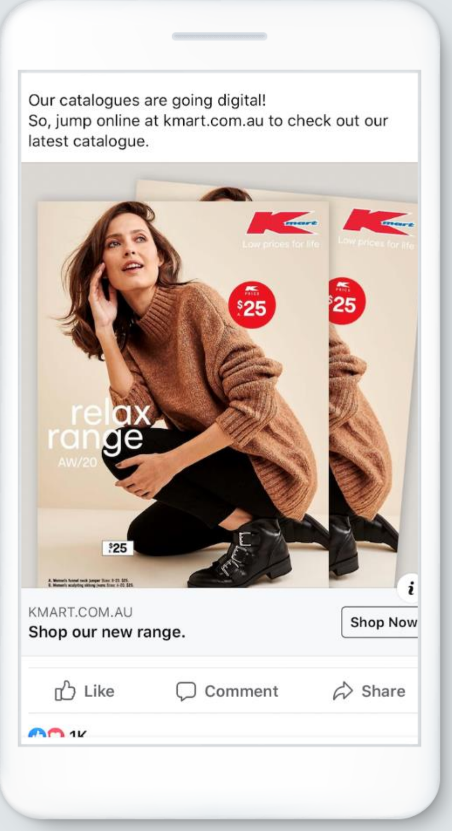
FACEBOOK

Source: Facebook data, April 2020

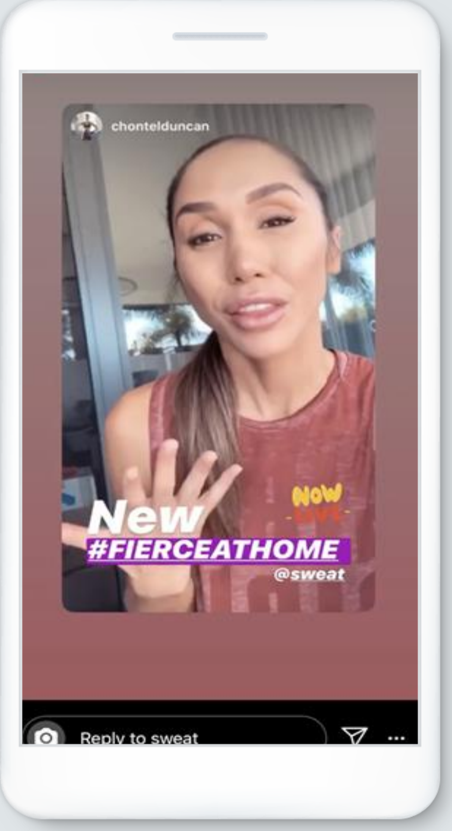
From fixed to flexible marketing

Supply chain

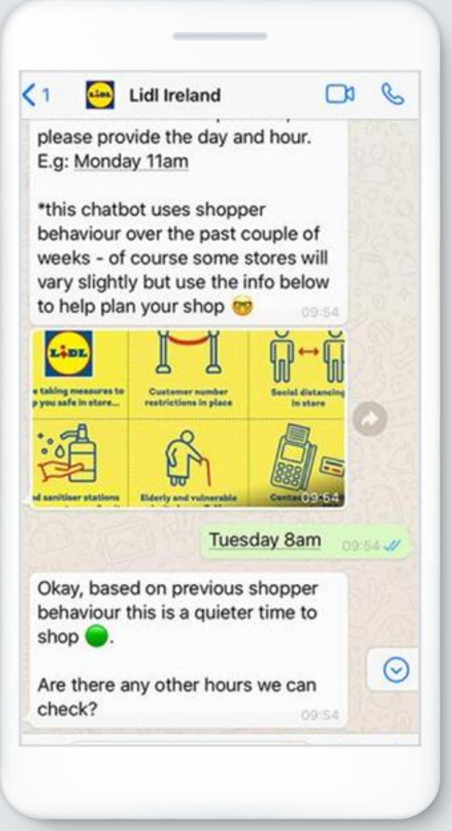
Channels



Consumer demand



Customer care



BEYOND COVID:
Commerce, connectivity, community

MEDIA & COMMERCE BEHAVIOUR TRENDS

Temporary vs Permanent Changes

Kathy Benson, Chief Client Officer, Ipsos Australia & New Zealand

11 June 2020

GAME CHANGERS

Crisis or cultural change, either way, we need to continue to understand

1 **Stay in touch** with your customer. Sync in with the psyche of the local market. Do not go dark. Do not disconnect.

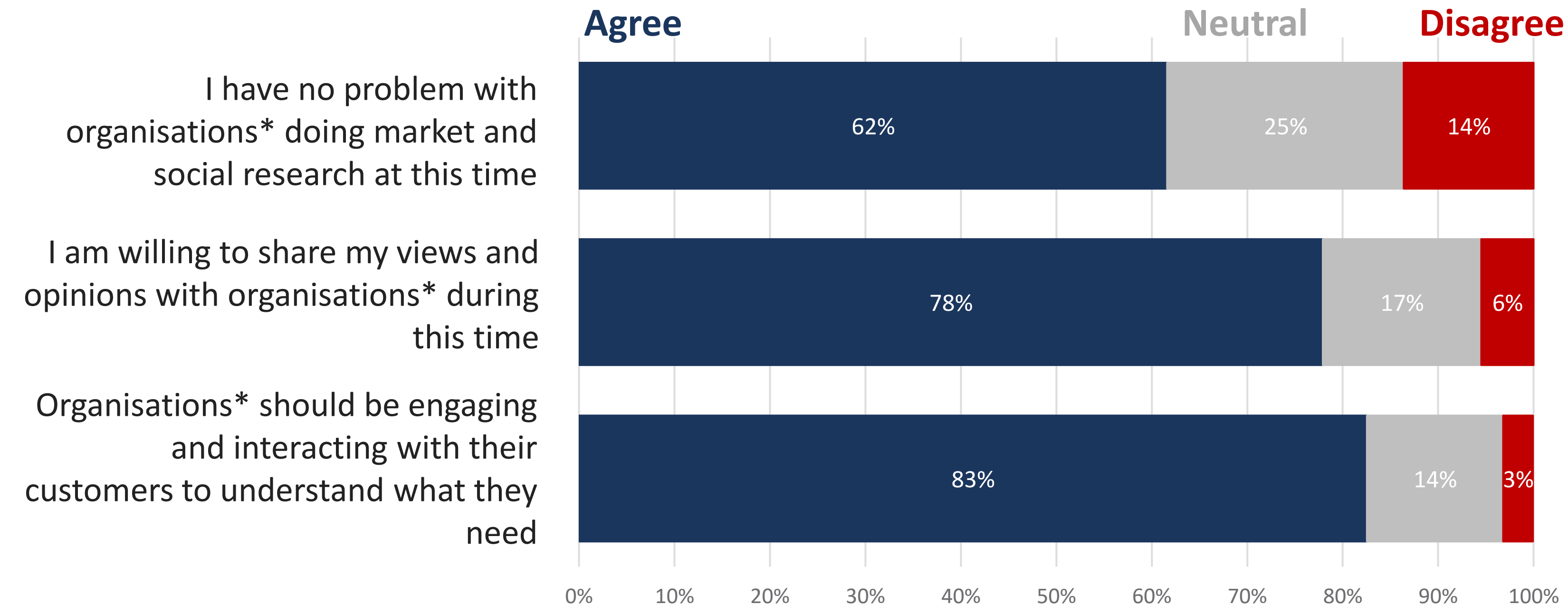
2 A strong brand's primary weapon is the product itself. Keep **evolving the product**, don't be afraid to quickly ideate and launch new products to meet the new emerging needs in a swiftly changing marketplace.

3 The consumer is changing, and fast. Don't just keep up with the change. Get **ahead of the change**.

> The best brands have one foot in their category and one foot in culture.

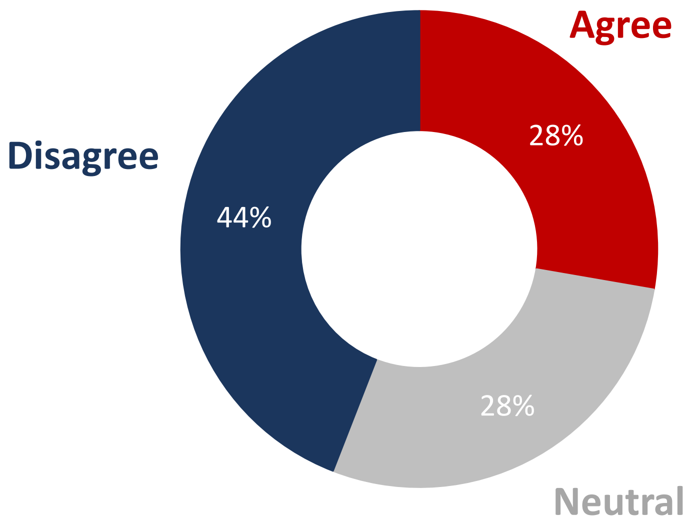
Crisis Q1: should we do research, should we advertise, what should we do?

So we did some research.....



*Organisations refers to both Government and commercial businesses

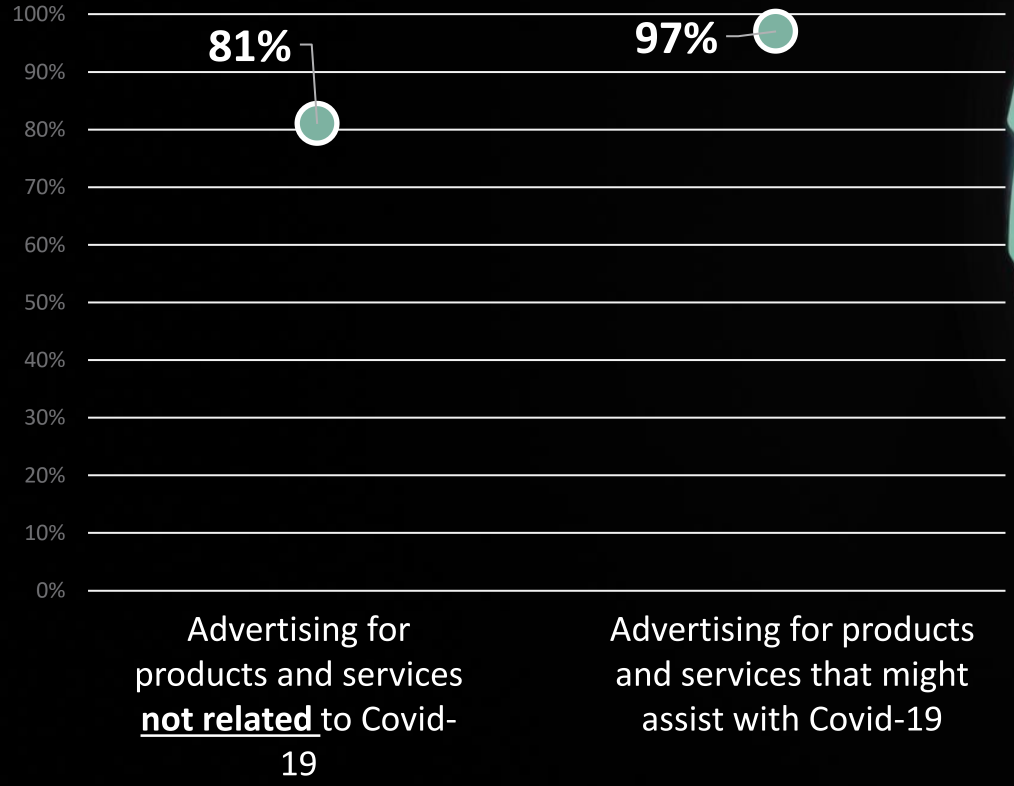
Organisations* still doing market research or advertising on matters not related to Covid-19 are being insensitive and wasting my time

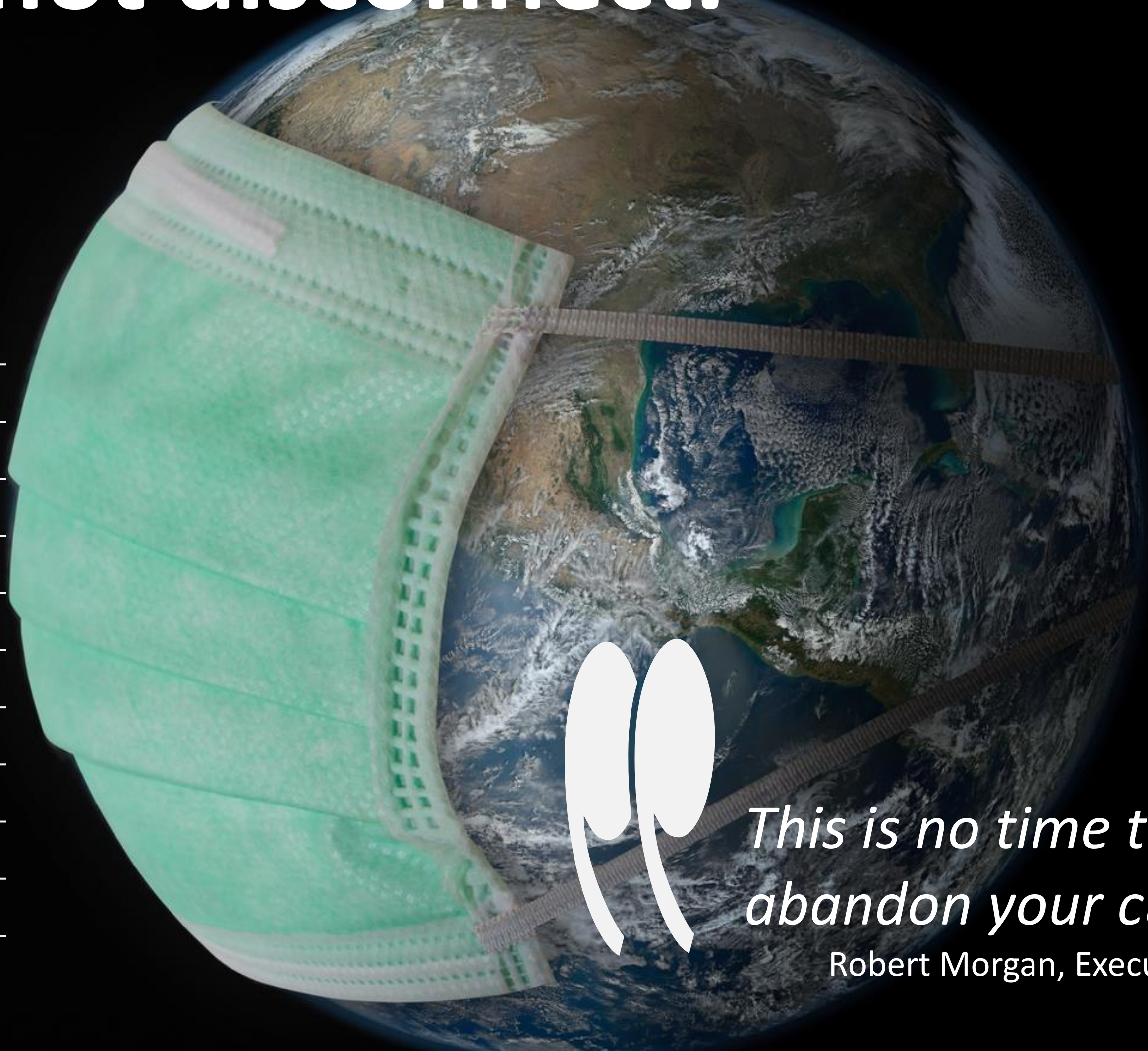


Source: Ipsos internal research; Australian general population 18+; n=1,000; fieldwork was conducted March 25th to 27th

Do not go dark. Do not disconnect.

% Appropriate/neutral for Businesses



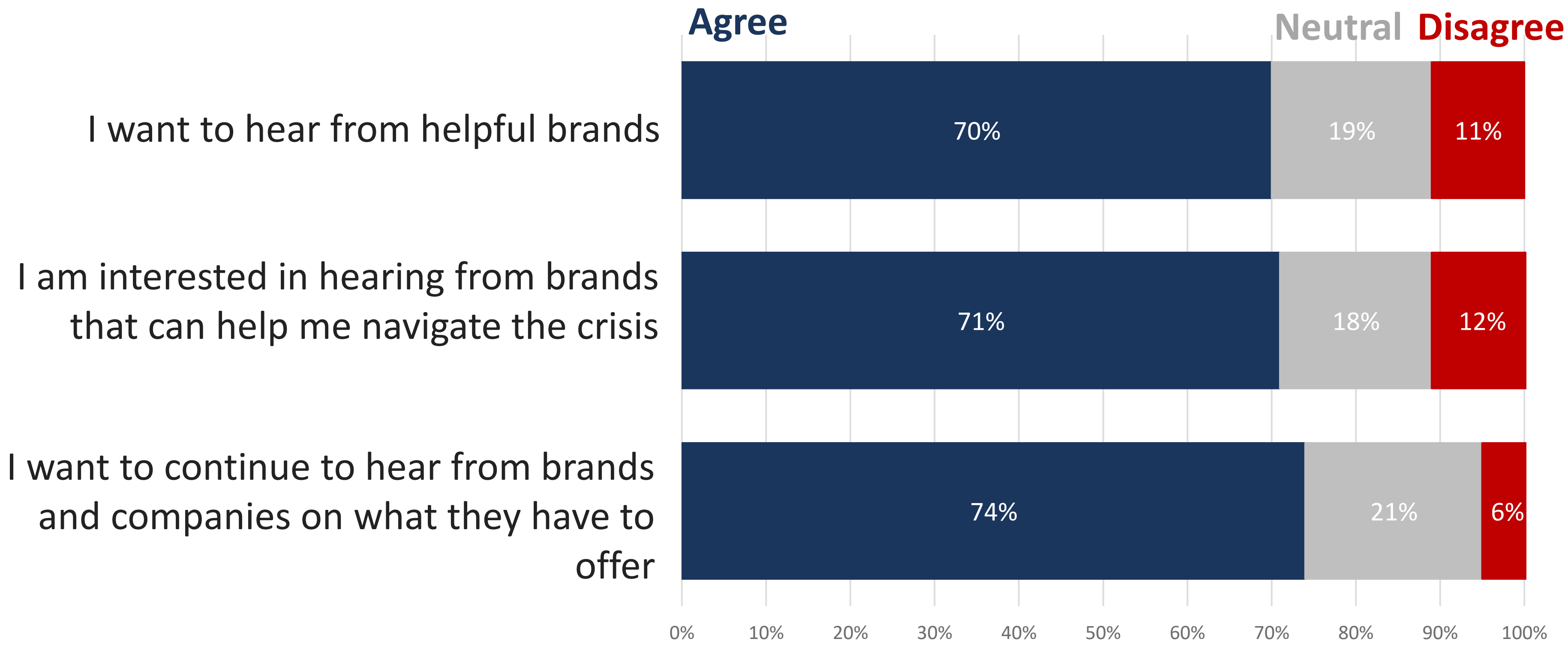


This is no time to abandon your customers"

Robert Morgan, Executive Chairman of Clemenger BBDO

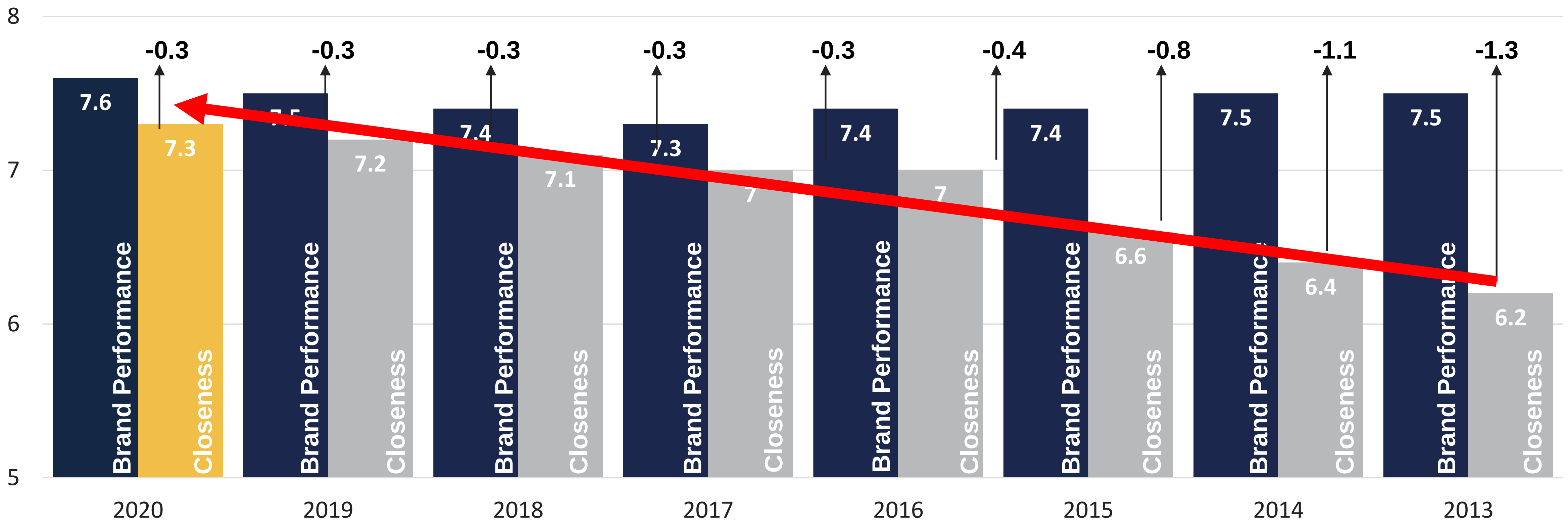
Source: Ipsos internal research; Australian general population 18+; n=1,000; fieldwork was conducted March 25th to 27th

Business unusual: consumers expect brands to step up and lead



Source: Ipsos Global Brand and Communications Poll, w/c 16 March, n=999 adults aged 18-65

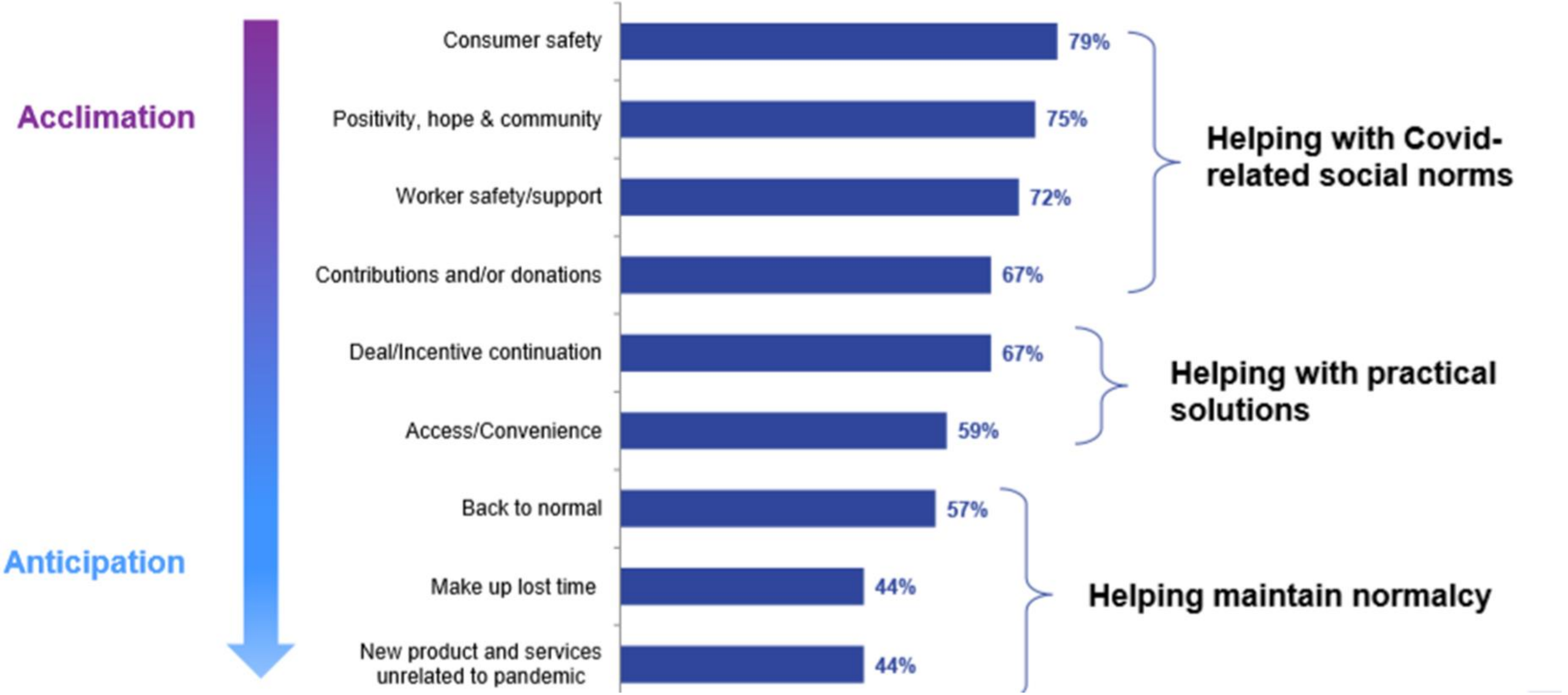
And stay close



Source: Ipsos Brand Value Creator (BVC) Database

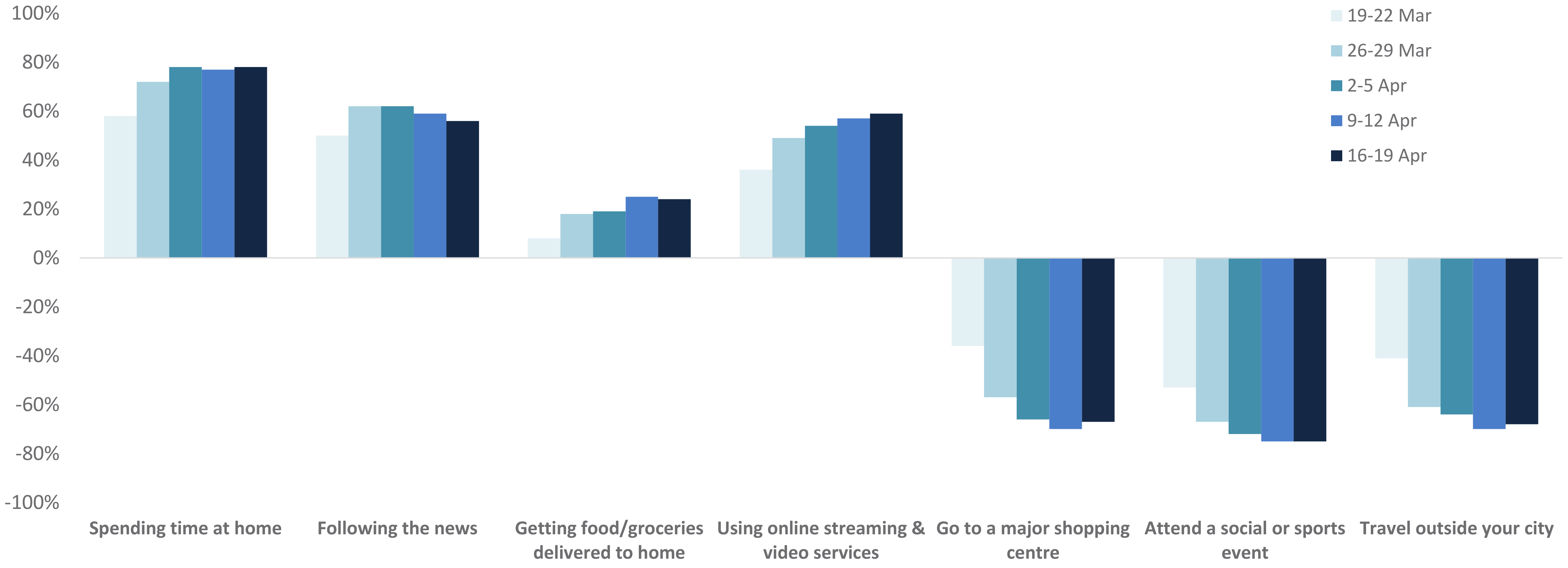
What and how to communicate?

Message importance aligns with crisis phases. Get ready to pivot



Entrenched behaviours changed rapidly

Doing more frequently compared to a month ago



Source: Ipsos Global Advisor Covid-19 Public Opinion Tracking, Australian general population 18+, n=1,000, fieldwork was conducted March 19th to 19th April

And a tsunami of Covid ripple effects followed

Signals

Politics returns as the lockdowns ease

Signals

Egg cups sell out as lockdown creates time for breakfasts at home

Signals

Hotel and home cleaning brands combine

Signals

Thai Airways reward frequent fliers for staying at home

Signals

McDonalds Brazil redesigns its logo to incorporate elements of social distancing

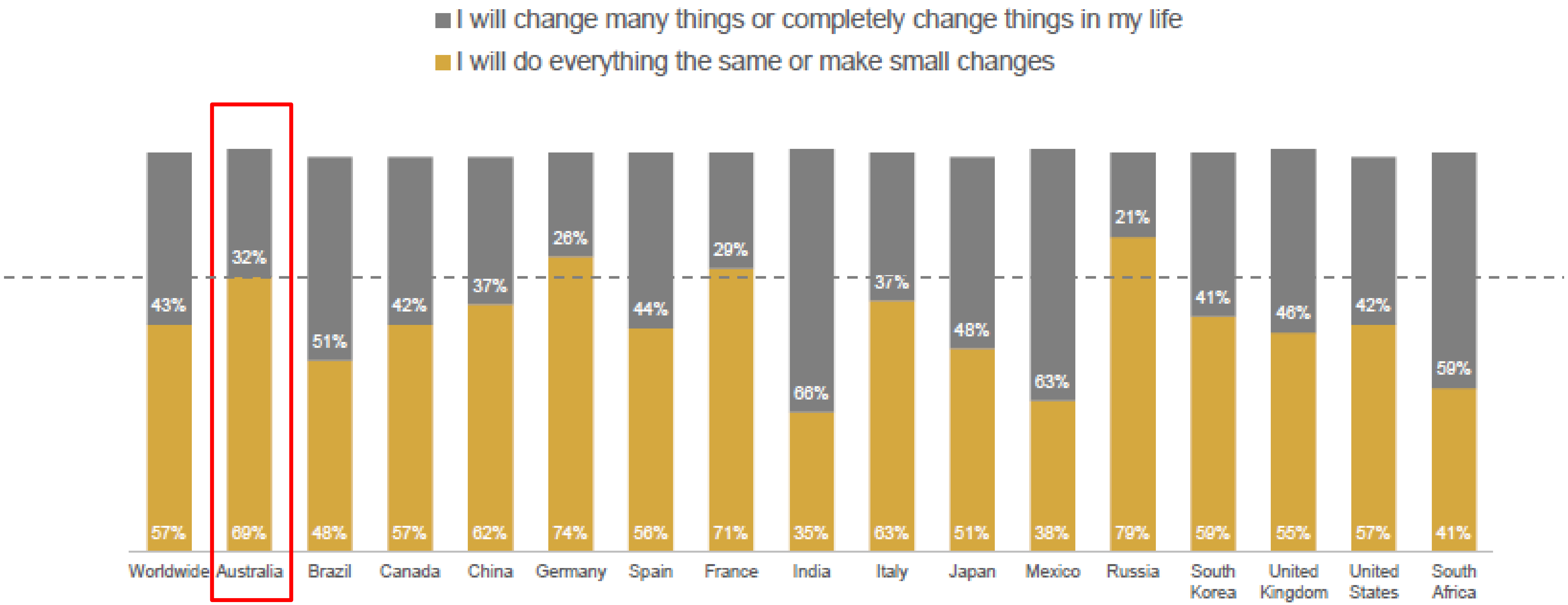
Signals

Streaming-only films to be nominated for the Oscars

Source: https://www.ipsosglobaltrends.com/

But will the changes last?

Australians had it pretty good and permanent change might not be as prevalent in our country, but some things might stayed changed. Which?



Source: Ipsos China, Coronavirus in China, Impact & Recovery, March 2020

Crisis Q2: can we rely on research we do now? Are we collecting ‘dirty’ data?

BeSci Principle

Data collected during this time will include some ‘noise’ or ‘dirt’ from the impact of Covid and should be ‘washed’

Global Forces & Trends

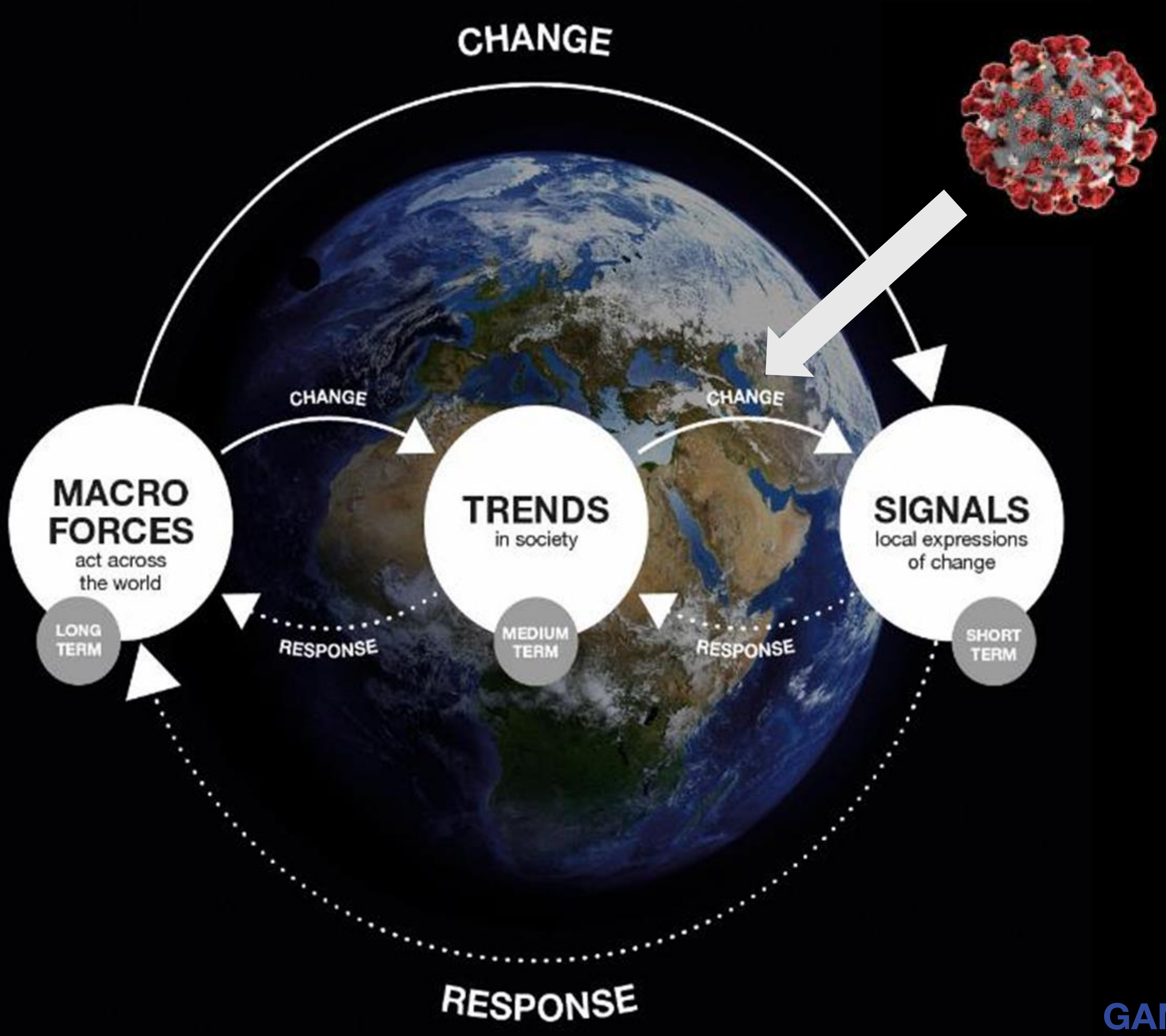
	Not easier / better	Is easier / better
Does not align with a pre-Covid trajectory of change	Revert	Fade
Aligns with a pre-Covid trajectory of change	Evolve	Accelerate

A lot of predictions are wrong

"When a century has passed all thought of our so-called speaking pictures will have been abandoned. It will never be possible to synchronize the sound with the picture."

Oscar-winning director D.W. Griffith, 1924

Because they are based on the wrong clues



A 'shock' to the eco-system!

Covid-19 has produced a tsunami of new signals that are impacting life now and may result in impending change to our future societies.

Pre-Covid macro forces of change

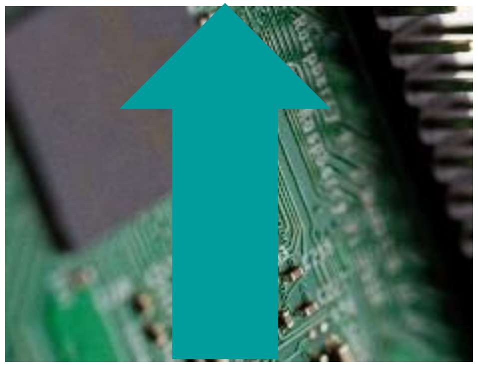
Dynamic populations

Growing inequality and opportunity

Geopolitical tensions

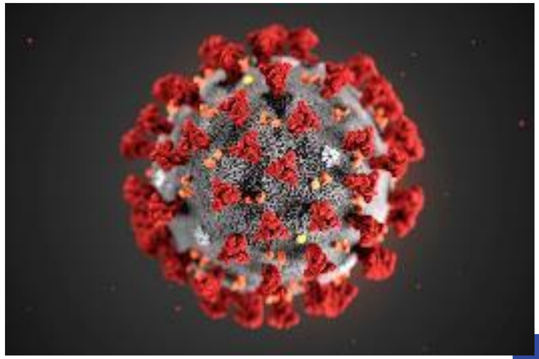
Data world

Technology tipping points



The fragile planet

+



We are adaptive decision makers…

SEEK UNTAPPED RITUALS

Identify new, potentially durable routines that are not yet ritualized.

HELP INTERNALIZE NEW HABITS

Build benefit associations and affirm the behavior, building confidence in its mastery.

CULTIVATE A SENSE OF SHARED EXPERIENCE

When trying new behaviors, people often feel self-consciously alone. Show them others are doing it too, so they will be more likely to repeat it.

DELIVER AN ALIGNED BRAND EXPERIENCE

Develop positioning and delivery that provide mutual reinforcement – laying the groundwork for repetition.

… and brands can *craft the context*

The most agile brands will thrive – not the biggest

BE SURE. MOVE FASTER.

GAME CHANGERS

Ipsos

Q&A

WEBINAR SERIES

WEDNESDAY 17 JUNE
9 AM - 10 AM

AUSTRALIAN DIGITAL ADVERTISING PRACTICES

2020 UPDATE