

Executive Summary: The media-marketing economy is on hold

- The coronavirus crisis has driven massive growth in news consumption, but publishers are unable to monetize it (news publishers are twice as likely to be blacklisted vs. others)
- IAB notes overall alignment between buy- and sell-side perspectives, but a clear lag on the sell side which results in a more optimistic view of the market
- Both buy- and sell-sides expect the greatest impact on media spend and revenue in the immediate term (Mar-Jun) with Digital faring better than Traditional media
 - Digital ad revenues are down 19% - 25%, depending upon channel
 - Linear TV and print ad revenues are down 27% and 32%, respectively
- Sellers expect advertising impact to be significantly diverse across categories (e.g. Travel vs. Pet Supplies)
- Direct Publishers are feeling a greater impact than Programmatic companies
- Production challenges are a leading impediment to business-as-usual
- While the majority of buy- and sell-sides have not yet reforecast Q3 and Q4, we see a more optimistic view for the second half of 2020

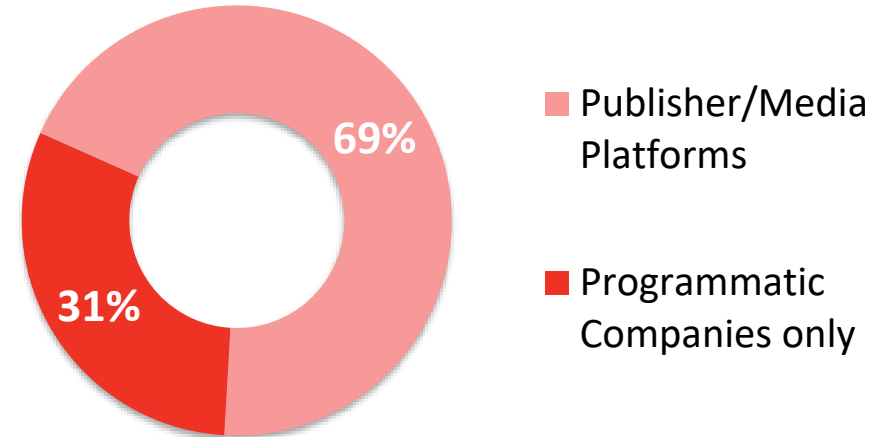
Who we surveyed on the sell-side

To understand how and where U.S. ad revenue is being impacted, IAB conducted a sell-side survey fielded April 1-8, 2020

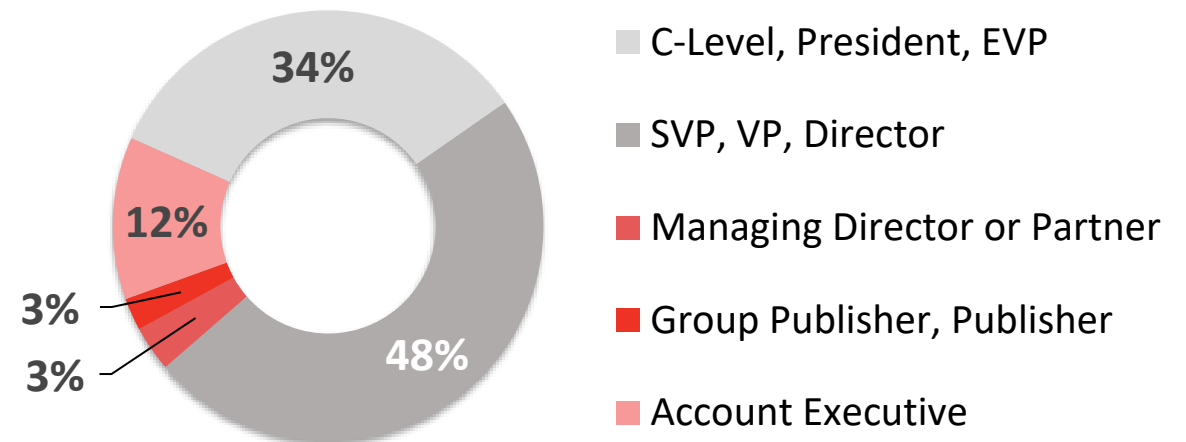
N=205 completes; respondents are those responsible/reporting U.S. advertising revenue:

- Publishers
- Media Platforms
- Programmatic Companies (e.g., SSPs, Ad Exchanges, Ad Networks)

Type of Company



Role



Coronavirus impact on 2020: comparing buyers & sellers

IAB conducted a similar study two weeks earlier of the buy-side (Fielded March 25, 2020). This analysis will, where possible, compare buy- and sell-side results.

- Where relevant, this analysis will also break out agency vs. brand responses on the buy-side, and publishers vs. programmatic pure play on the sell-side.
- If a breakout is not provided, either the comparison is not comparable/irrelevant, or the numbers are negligible.

Buy-side Respondents:

- Agency media buyers/sellers
- Brands: Incumbent and Direct-to-Consumer

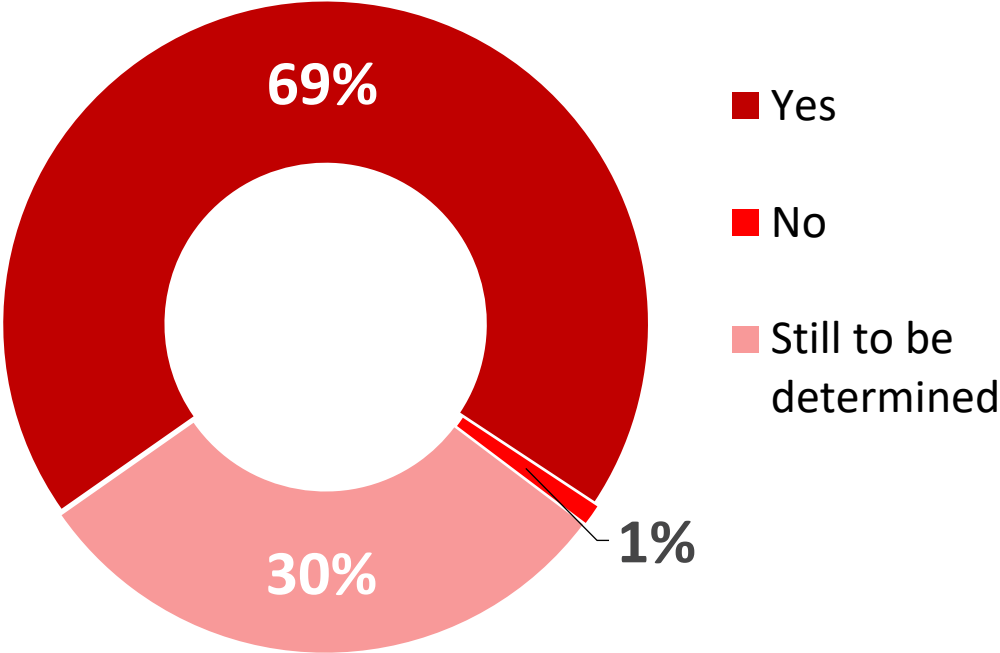
Sell-side Respondents:

- Media publishers/platforms
- Programmatic companies

Ad sellers mirror buyers: Nearly 7 in 10 are adjusting forecasts

IAB's previous research found that 70% of Buyers are making ad spend adjustments

**% Sellers Have/Are Reforecasting
Ad Revenue (Mar-Jun)**



Unsurprisingly, nearly all sellers expect a decrease in 2020 revenue

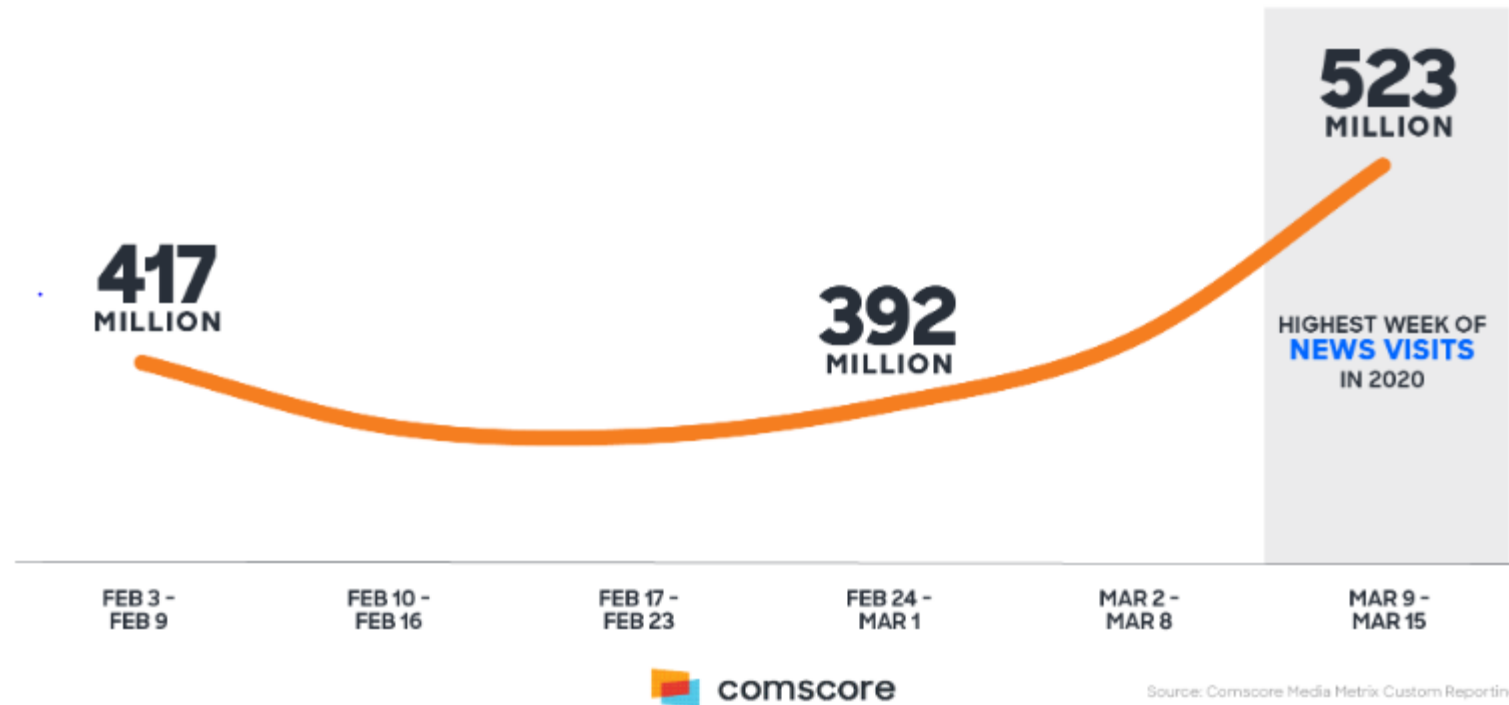
98%

of Sellers anticipate US ad sales revenue to decrease—including supply side / ad network revenue—against original 2020 plans due to Coronavirus outbreak

...Yet time spent on consumer media is soaring

Total Digital News Site Visits

AGGREGATE DATA OF ~40 SELECTED NEWS SITES



“Our traffic has surged since the coronavirus pandemic began interrupting businesses in early March. This is not the time to pause your campaigns. This is a time to potentially adjust your messaging.”

--Group Publisher; Publisher/Media Platform

comScore Media Metrics, March 2020 (reported on comScore Webinar April 3, 2020)

Base: n=205; Those seeing a decrease in revenue, n=200

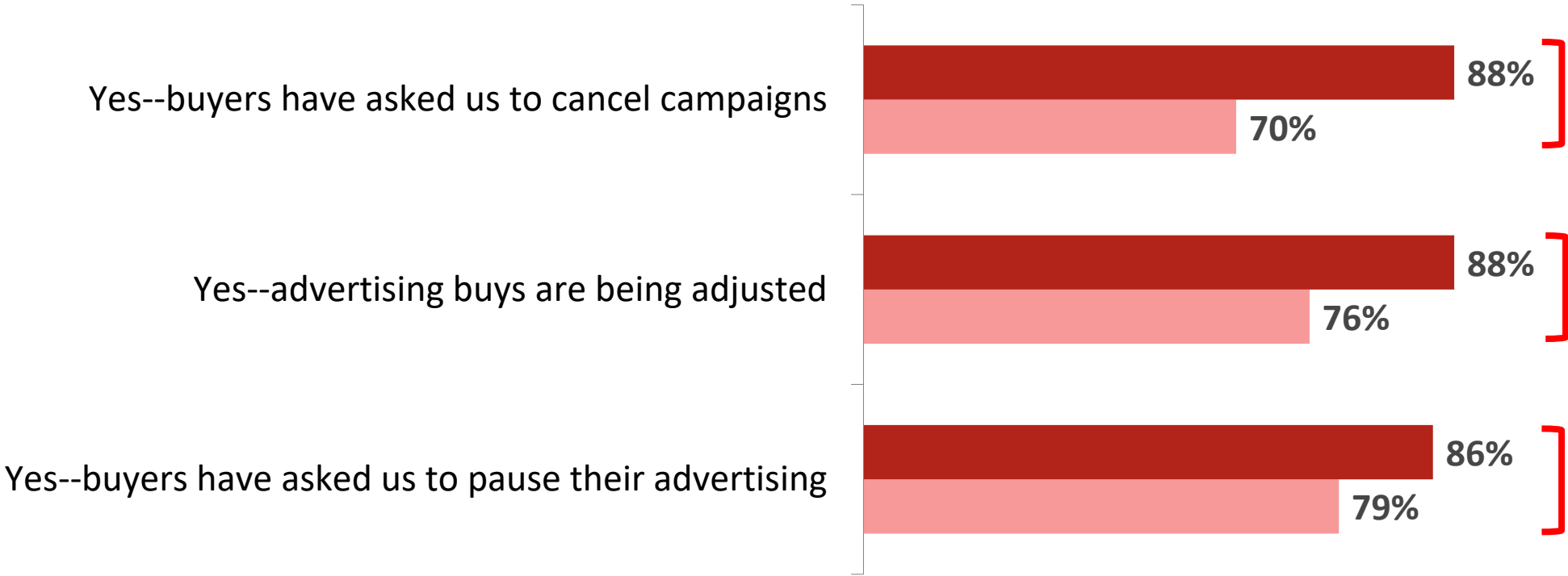
Q: Are you seeing a DECREASE in U.S. advertising sales / supply side / ad network revenue against your original 2020 plan due to the Coronavirus outbreak?

<https://www.comscore.com/Insights/Blog/Media-Consumption-during-the-Coronavirus-Pandemic>

News publishers are suffering most from pauses and cancellations

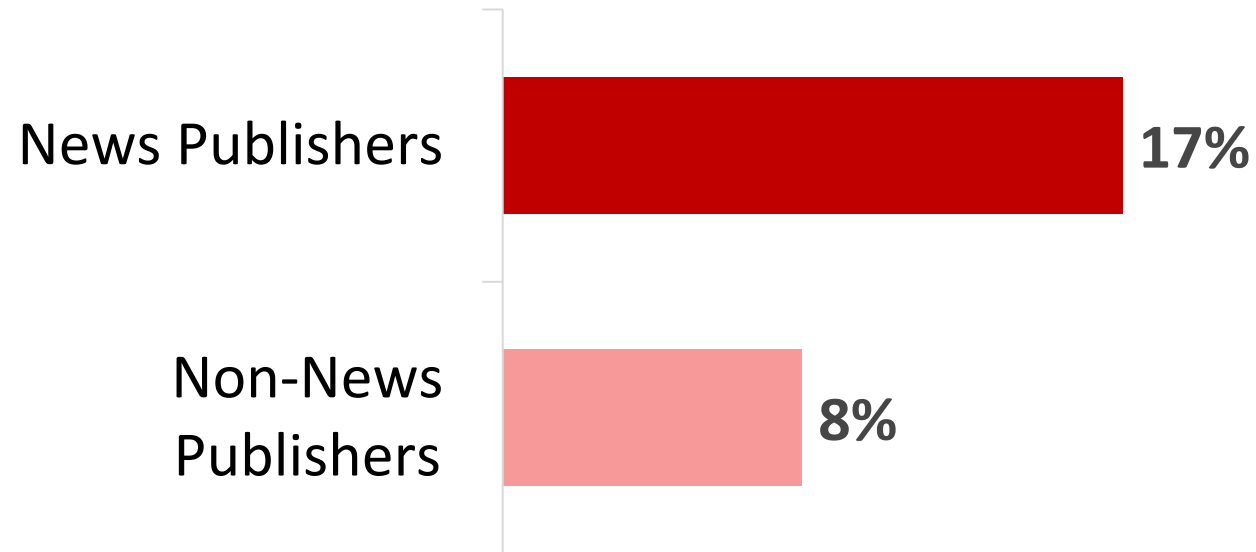
Short-Term Revenue Changes vs. Original 2020 Plan (Mar-Jun)

■ News Publishers ■ Non-News Publishers



News publishers: 2x more likely to have ads blacklisted because of COVID content

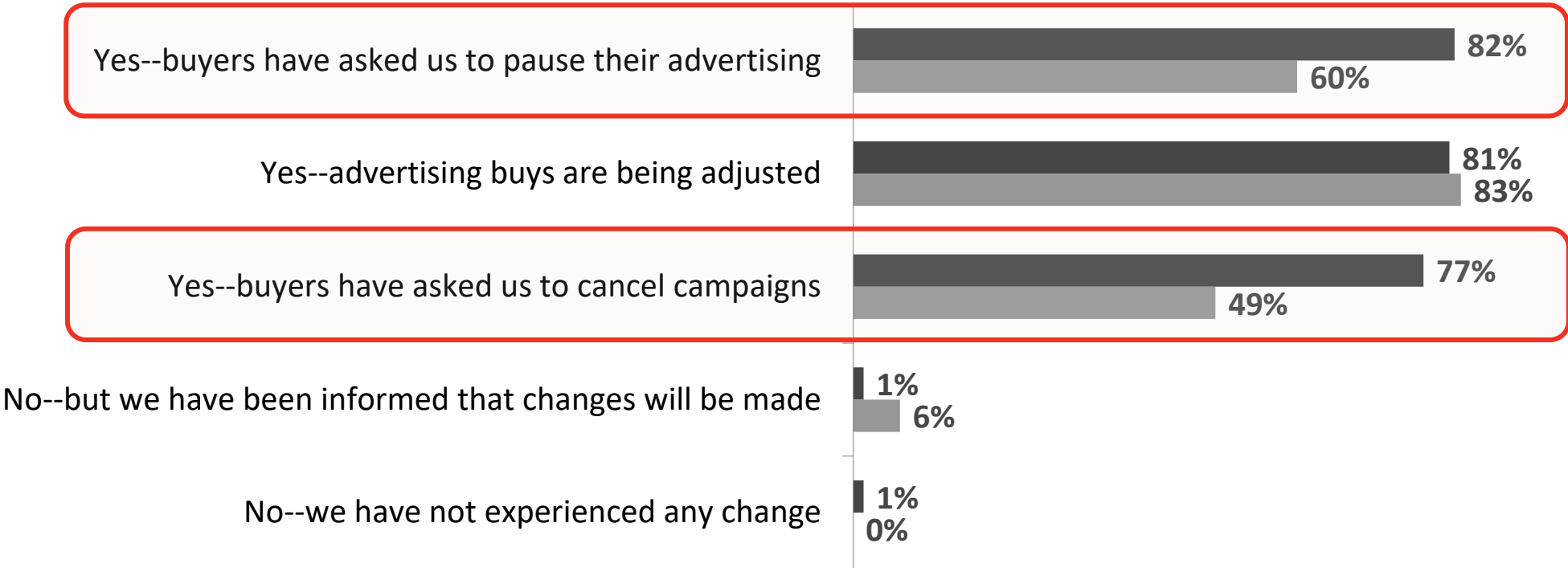
Publishers: % With Advertiser-Blacklisted Inventory (Mar-Jun)



Publishers hit harder by cancellations than programmatic specialists

Short-Term Revenue Changes vs. Original 2020 Plan

■ Publishers ■ Programmatic Specialists

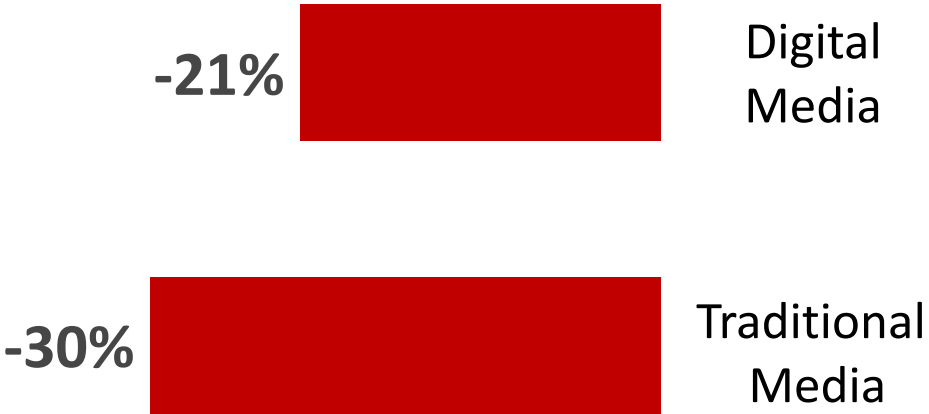


Legacy channels affected more than digital channels by short-term spend shifts

**Buyers: Among those Adjusting Spend (70%),
Estimated Percent Change
off annual plan (Mar-Jun)**

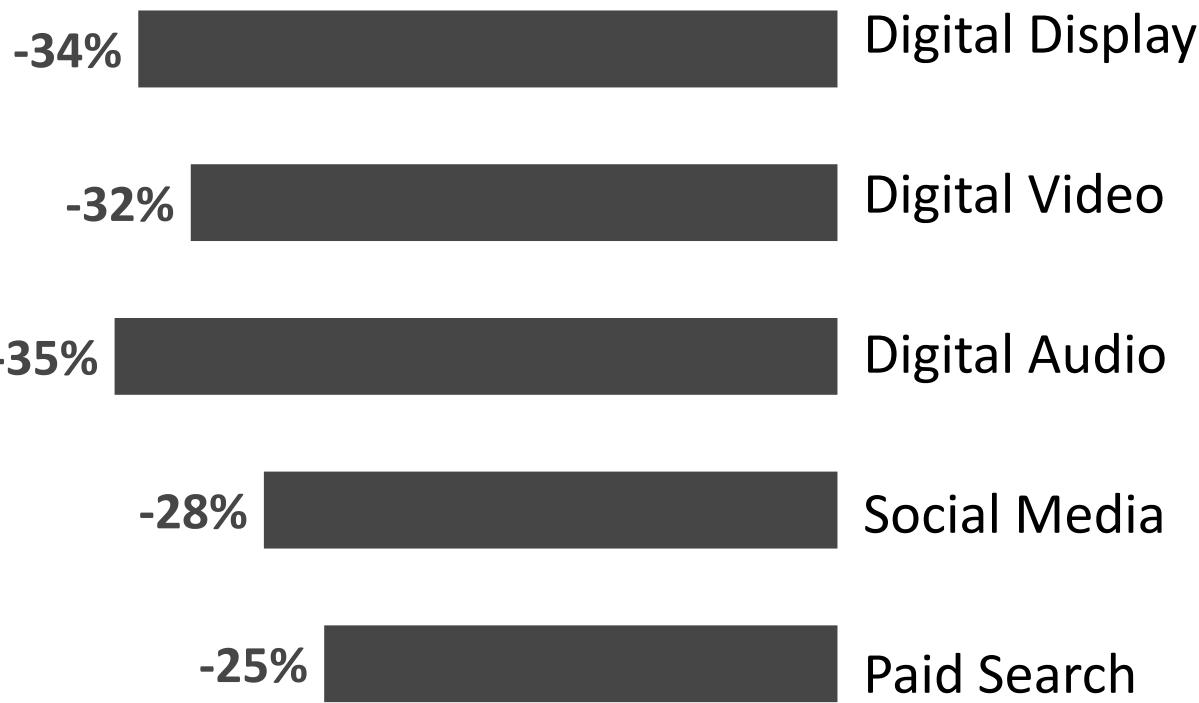


**Sellers: Among those Reforecasting Revenue (69%),
Estimated Percent Change
off annual plan (Mar-Jun)**

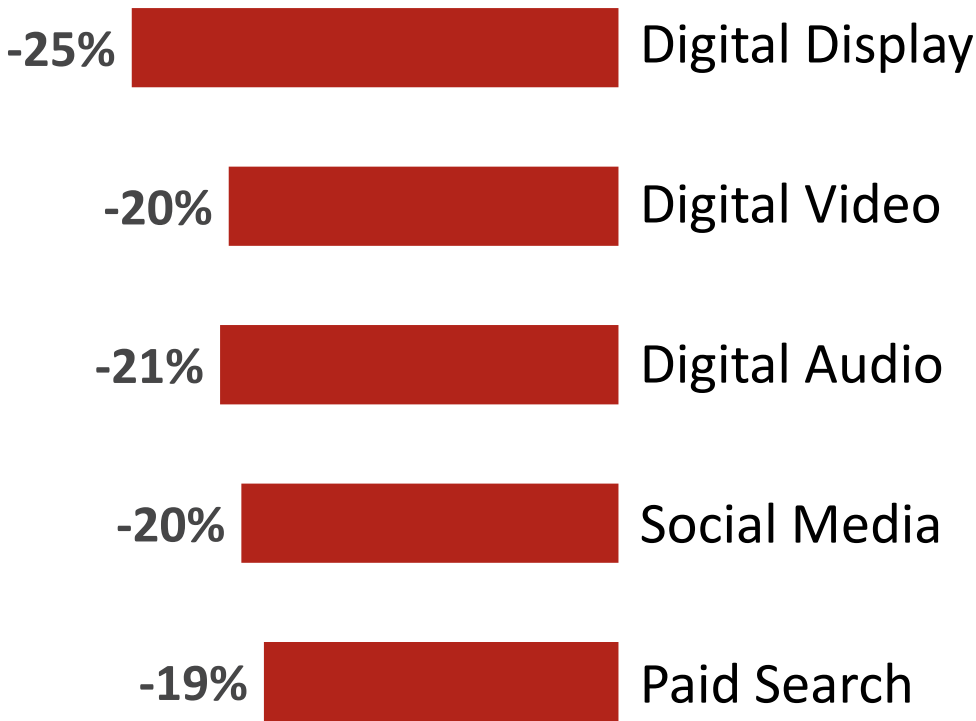


Publishers significantly more optimistic than buyers about extent of digital ad reductions

Buyers: Among those Adjusting Spend (70%), Estimated Percent Change by Digital Channel (Mar-Jun)



Sellers: Among those Reforecasting Revenue (69%), Estimated Percent Change by Digital Channel (Mar-Jun)



Advertisers say largest legacy channel impact will be felt by print & linear TV

Buyers: Among those Adjusting Spend (70%), Estimated Percent Change by Traditional Channel (Mar-Jun)

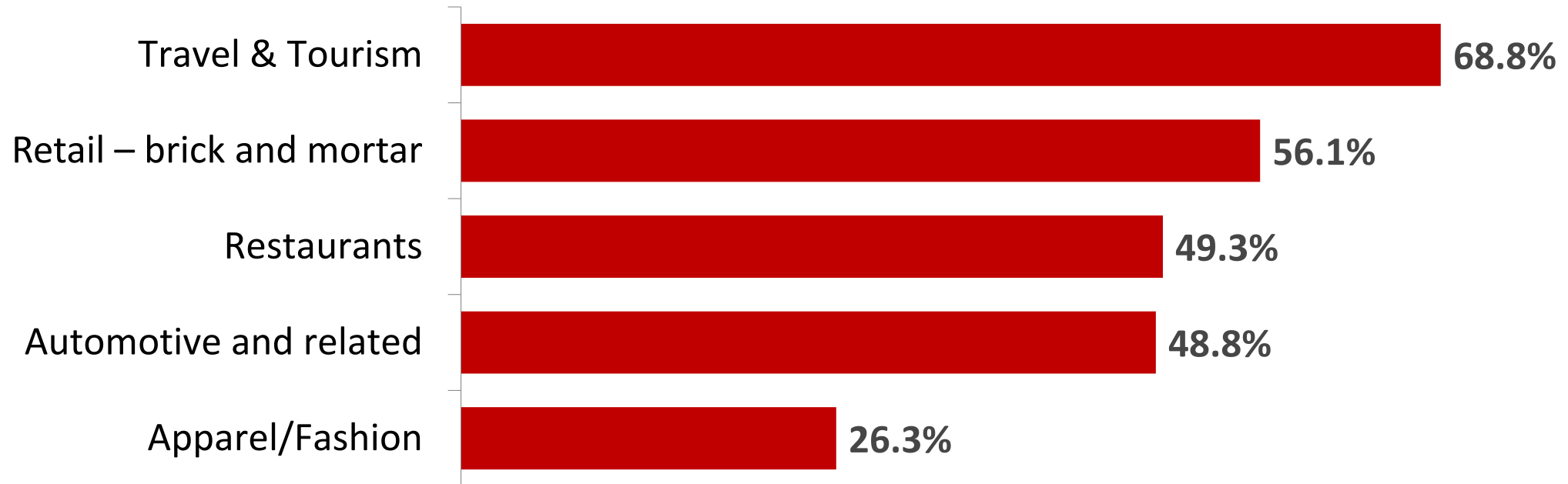


Sellers: Among those Reforecasting Revenue (69%), Estimated Percent Change by Traditional Channel (Mar-Jun)



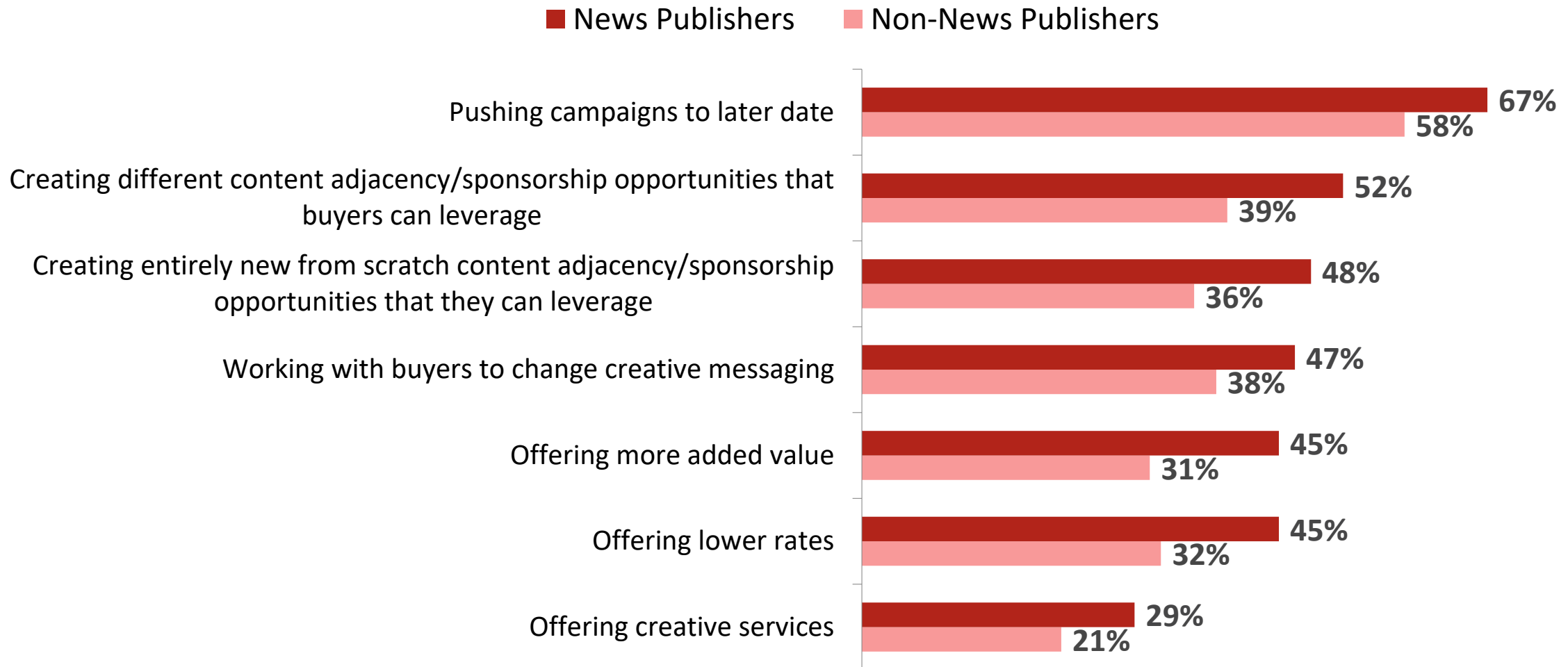
Most reduced advertising categories: those enjoyed outside the home

Sellers Project Brand Categories to be Hardest Hit (Mar-Dec 2020)



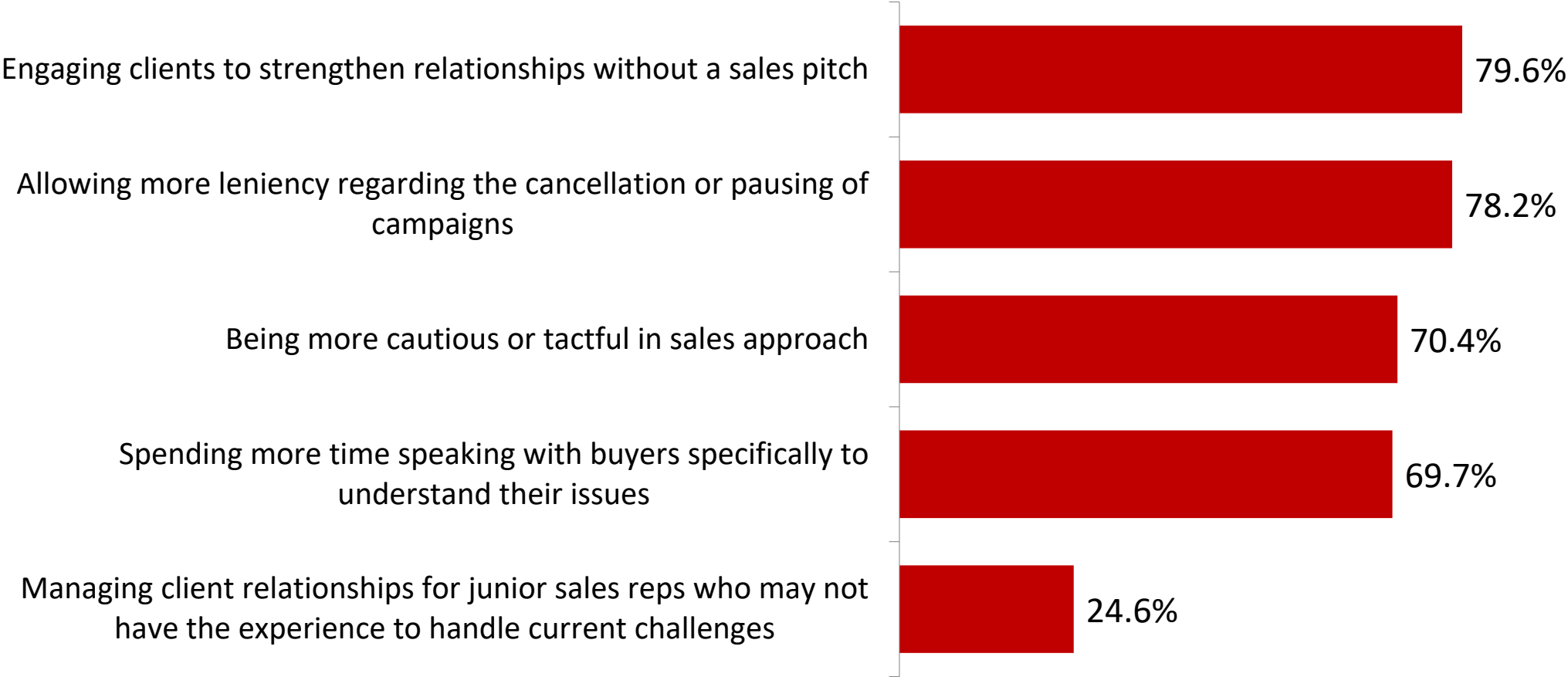
All publishers – news especially – creating more flexible advertiser options

How Publishers Are Working With Advertisers (Mar-Jun)



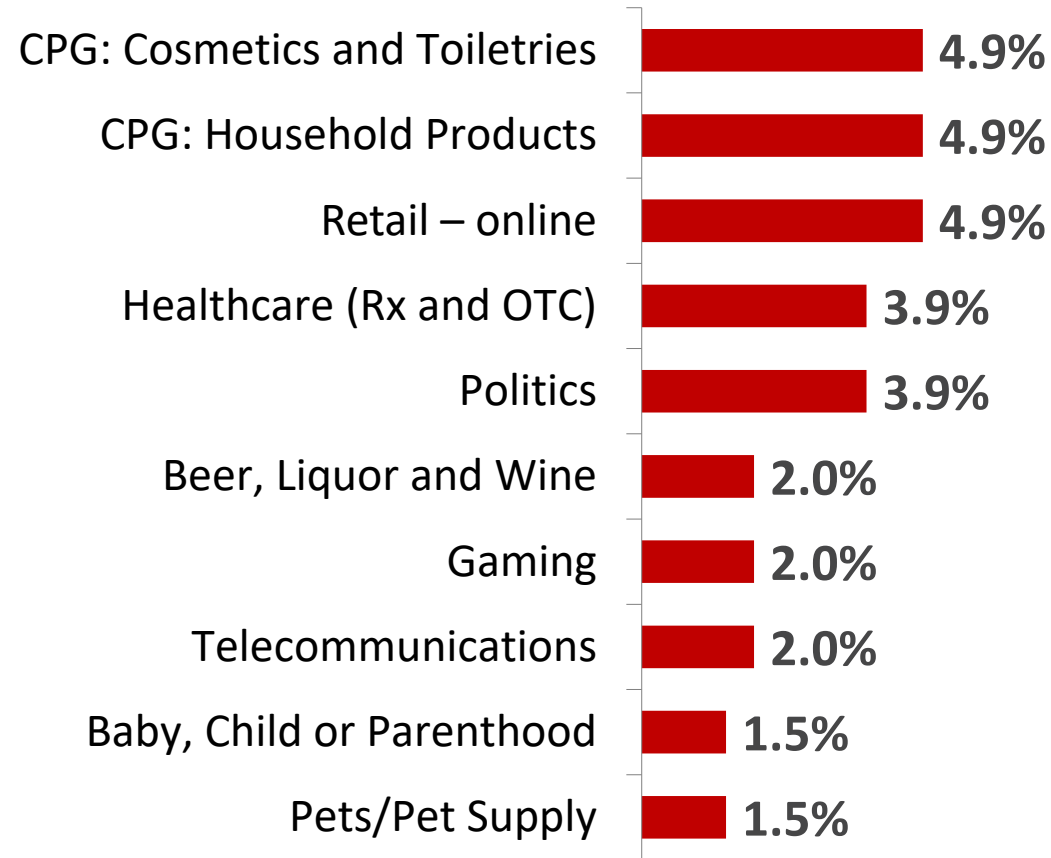
Publisher sales are becoming more consultative

% Publishers Current Ad Sales Approaches (excludes Programmatic Companies)



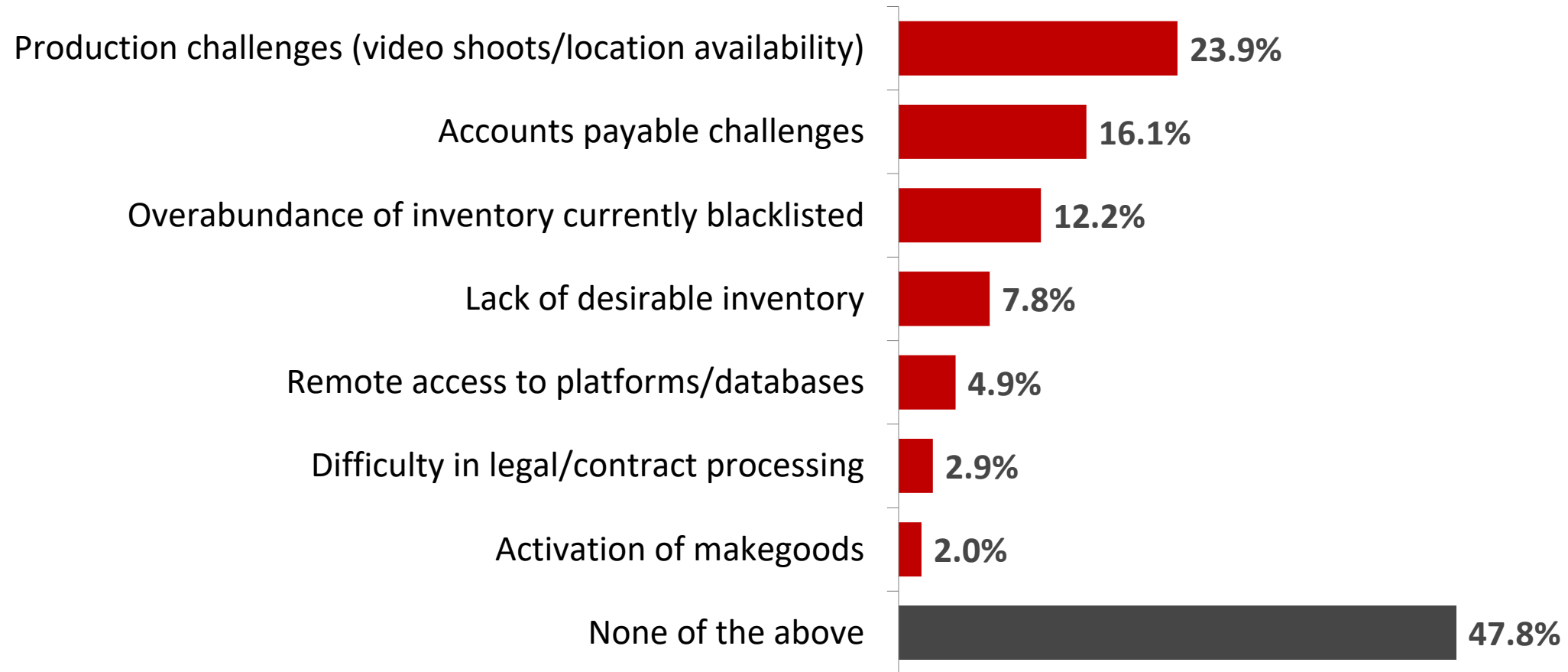
Lightest expected impact: consumer essentials & indoor activities

Sellers: Categories to be Least Impacted (vs. Original Plan, Mar-Dec 2020)



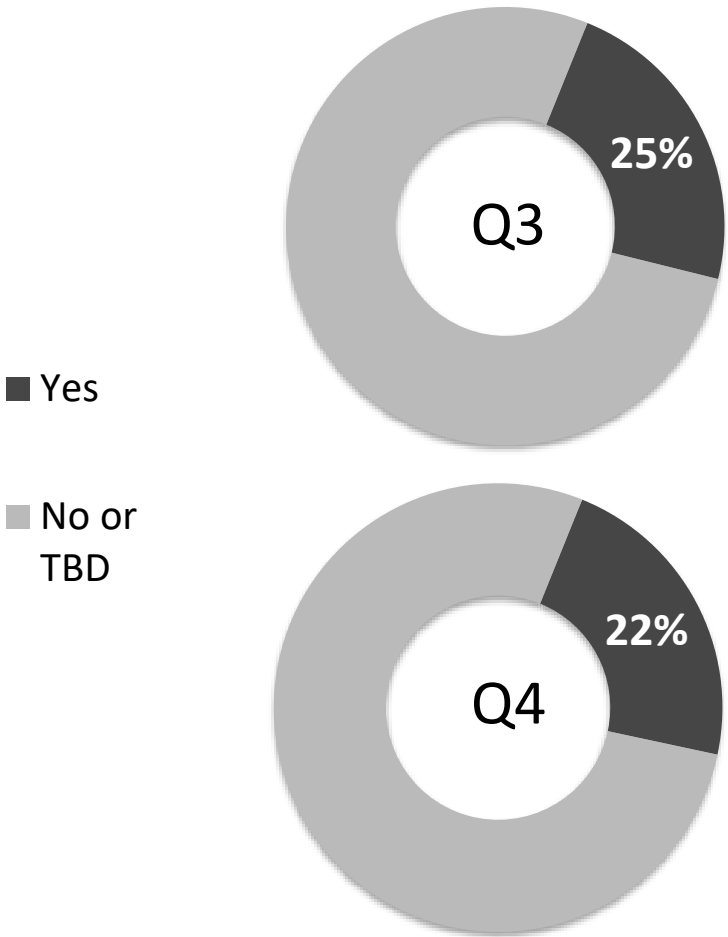
Biggest hurdle to ad fulfillment: production challenges

% Sellers Experiencing Business-as-Usual Hurdles

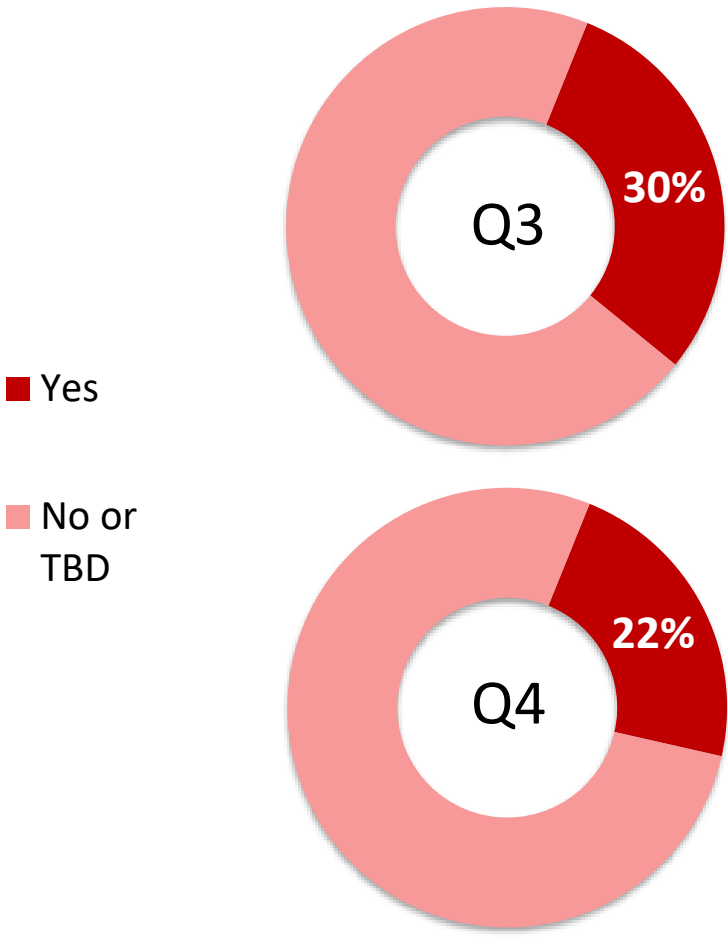


Most ad buyers & sellers have not reforecast for Q3 & Q4...

Buyers: % changing spend forecasts in Q3 & Q4

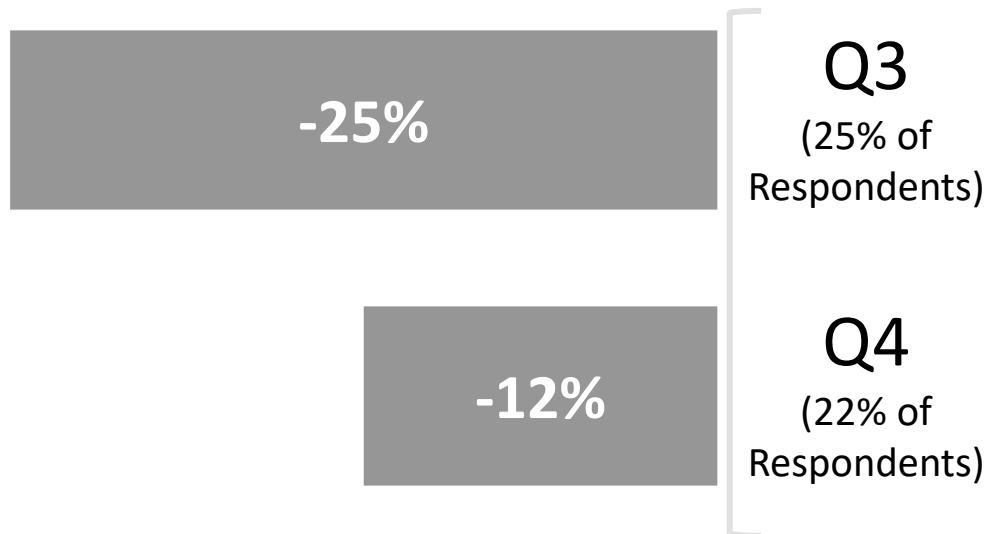


Sellers: % changing revenue forecasts in Q3 & Q4

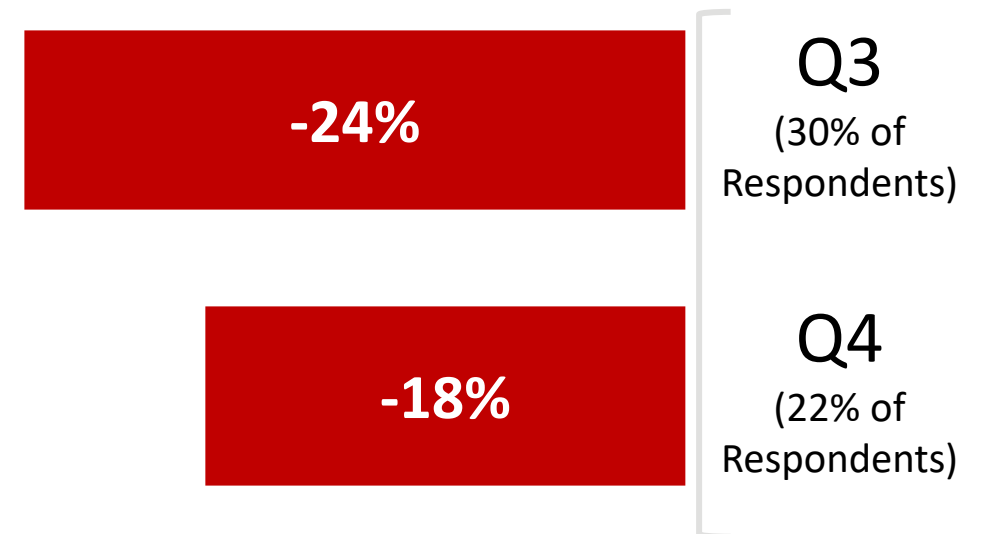


...But those that have reforecast, expect slight rebounds in the second half

Buyers: Those Making Changes Mar-Jun 2020
Estimate Ad Spend Change vs. Original Plan
for Q3 & Q4



Sellers: Those Making Changes Mar-Jun 2020
Estimate Ad Spend Change vs. Original Plan
for Q3 & Q4



We're keeping our eyes on...

1. When will Sports return and what impact will it have on the market?
2. Will non-linear ad spend (OTT/CTV) rise to meet the growth of consumer usage?
3. Will programmatic channels continue to be more resilient?
4. Will there be any shift in support for news?
5. How will spend shifts change across vertical categories over time?
6. Will publisher outlook “lag” meet buy-side projections?



Thank You

IAB is conducting frequent surveys across the ecosystem during the pandemic. If you would like to suggest research questions for consideration, please share by contacting:

Research@iab.com

The following pages include both buy- and sell-side data comparisons.

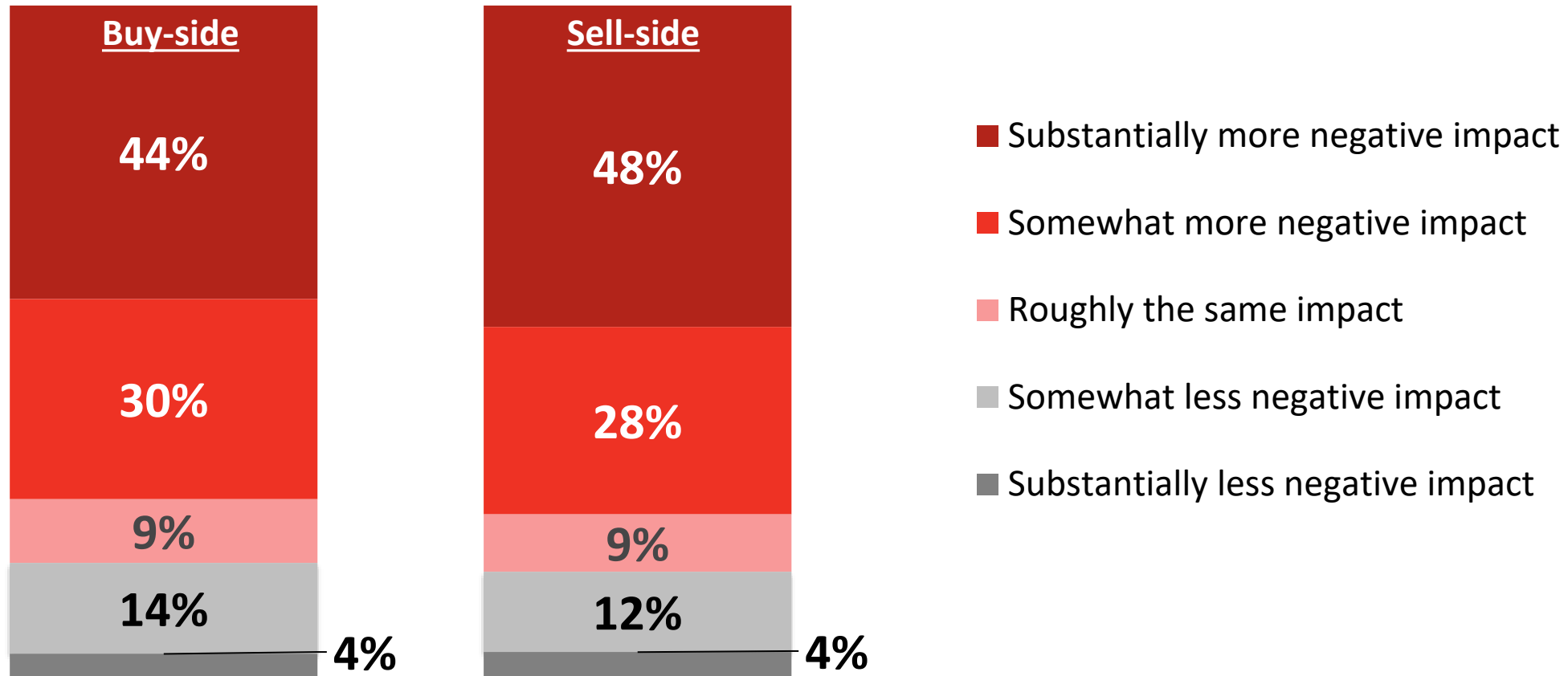
For buy-side methodology and further detail, please refer to full deck published 3.27.20 on iab.com:

[Coronavirus Ad Spend Impact: Buy-Side](#)

Buy- and sell-side agree: Coronavirus will hit economy harder than the financial crisis of 2008/09

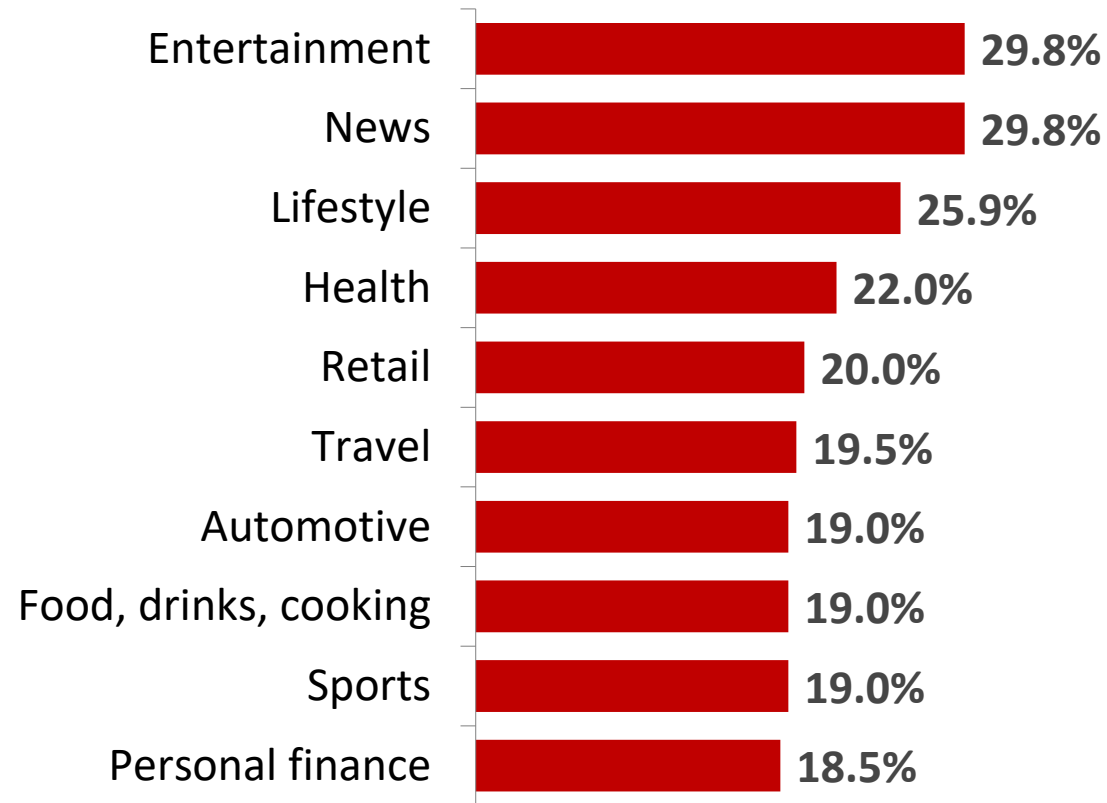
Time period: Mar-Jun 2020

Comparison to 2008-2009 Financial Crisis



Breakdown of sell-side respondents by content genres monetized

The sell-side composition of this survey includes publishers, media platforms and programmatic companies, all of which generate revenue from a wide spectrum of content types:

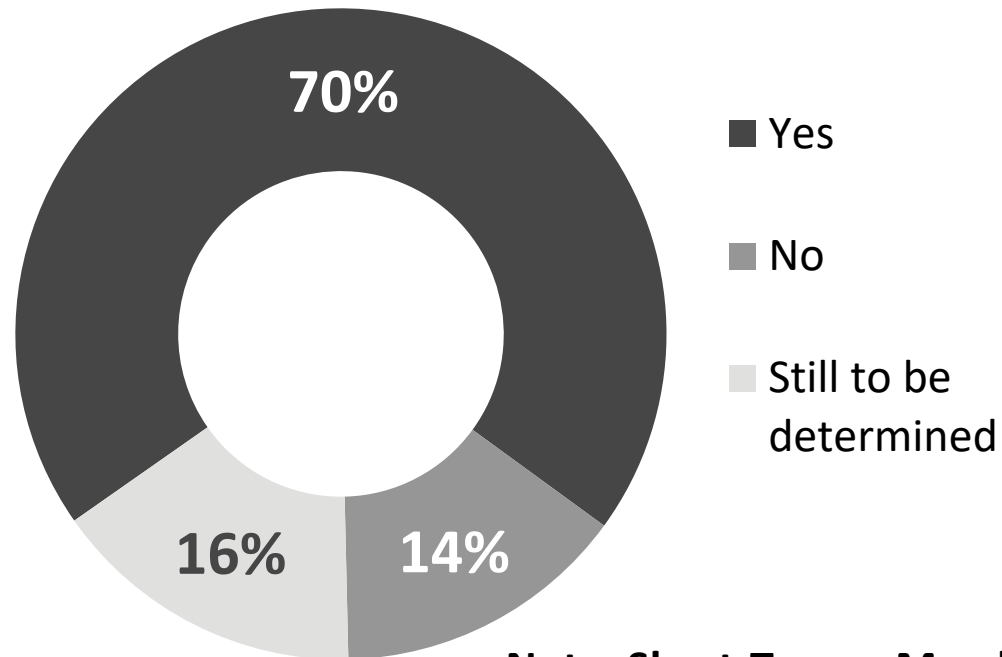


***Other Genres include:**

- Politics
- Shopping/E-commerce
- Home, decorating
- Education
- Technology
- Esports / gaming
- History / science
- Gambling
- Misc.

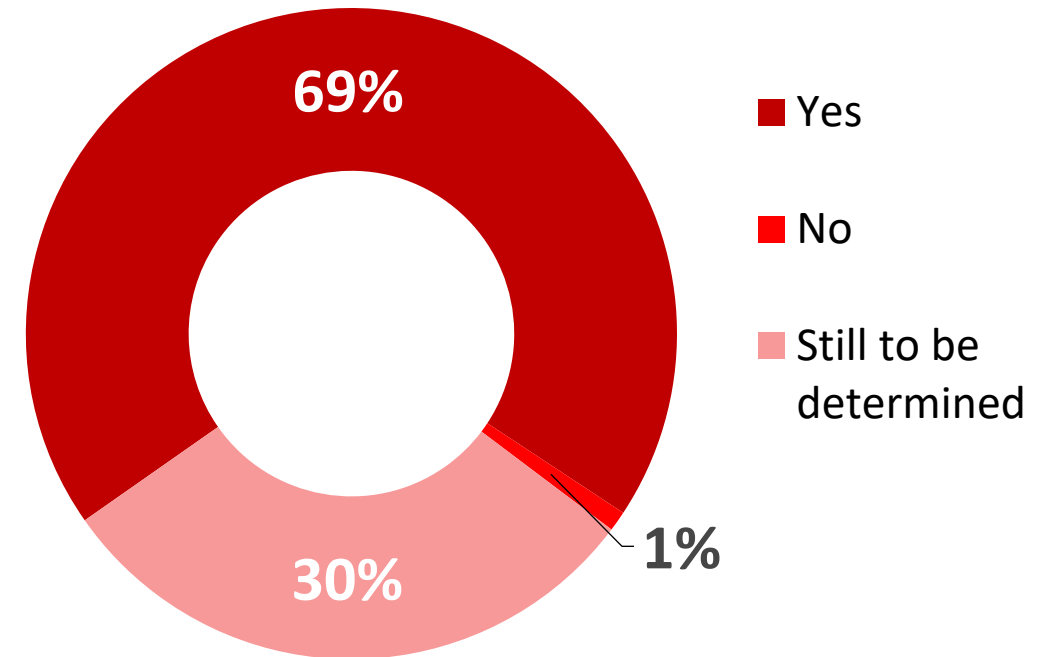
Majority of buy-side vs. sell-side: reforecasting Mar-Jun

Buyers: % Making Short-Term Ad Spend Changes (Adjustments or Pauses)



Note: Short-Term = March through June

Sellers: % Who Have or are Planning to Reforecast 2020 Ad Revenue



Base: Buy-side, n=390; Sell-side, n=200 (Those seeing a decrease in revenue)

Buy-side Q: Are you making any short-term advertising spend changes as a result of Coronavirus? (Note: short-term = March through June)

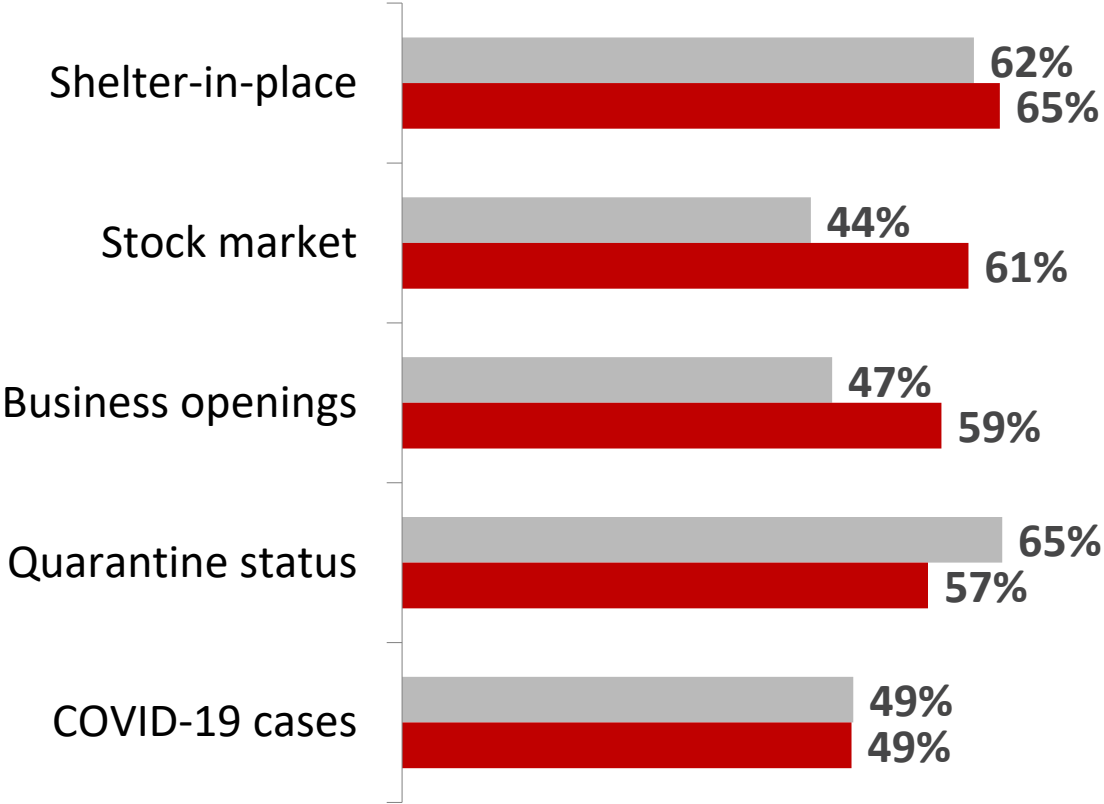
Sell-side Q: Have you or are you planning to reforecast your U.S. advertising sales / supply side / ad network revenue against your original 2020 plan due to the Coronavirus outbreak?

Health of both the public & market hold the top 5 positions as indicators tracked by buy- and sell-Side decision makers (Mar-Jun)

Top Events “I am Watching”

■ Buy-side ■ Sell-side

Health/Economic State



Entertainment

