

BETTER RESPONSE & RECOVERY THOUGHT LEADERSHIP SERIES:

How Should I Think About Innovation Right Now?



ABOUT THIS SERIES

These are unprecedented times. Not only have our day-to-day lives been radically changed, but the fast-moving nature of the situation also makes planning ahead highly challenging. The World Health Organization (WHO) advises that the **RESPONSE** phase of a pandemic will be followed with a **RECOVERY** phase – and while we need to adapt to the short-term, preparing for the long-term will be just as important. To that end, UM is harnessing the expertise within the agency to provide practical, actionable media advice that helps our teams and clients better Respond and Recover from the COVID-19 pandemic.

This issue is authored by our IPG Media Lab. Reach out to your UM team for further information in these areas, or visit <https://medium.com/ipg-media-lab> to see our latest POVs on the future of media, tech and consumer behavior.

INTRODUCTION

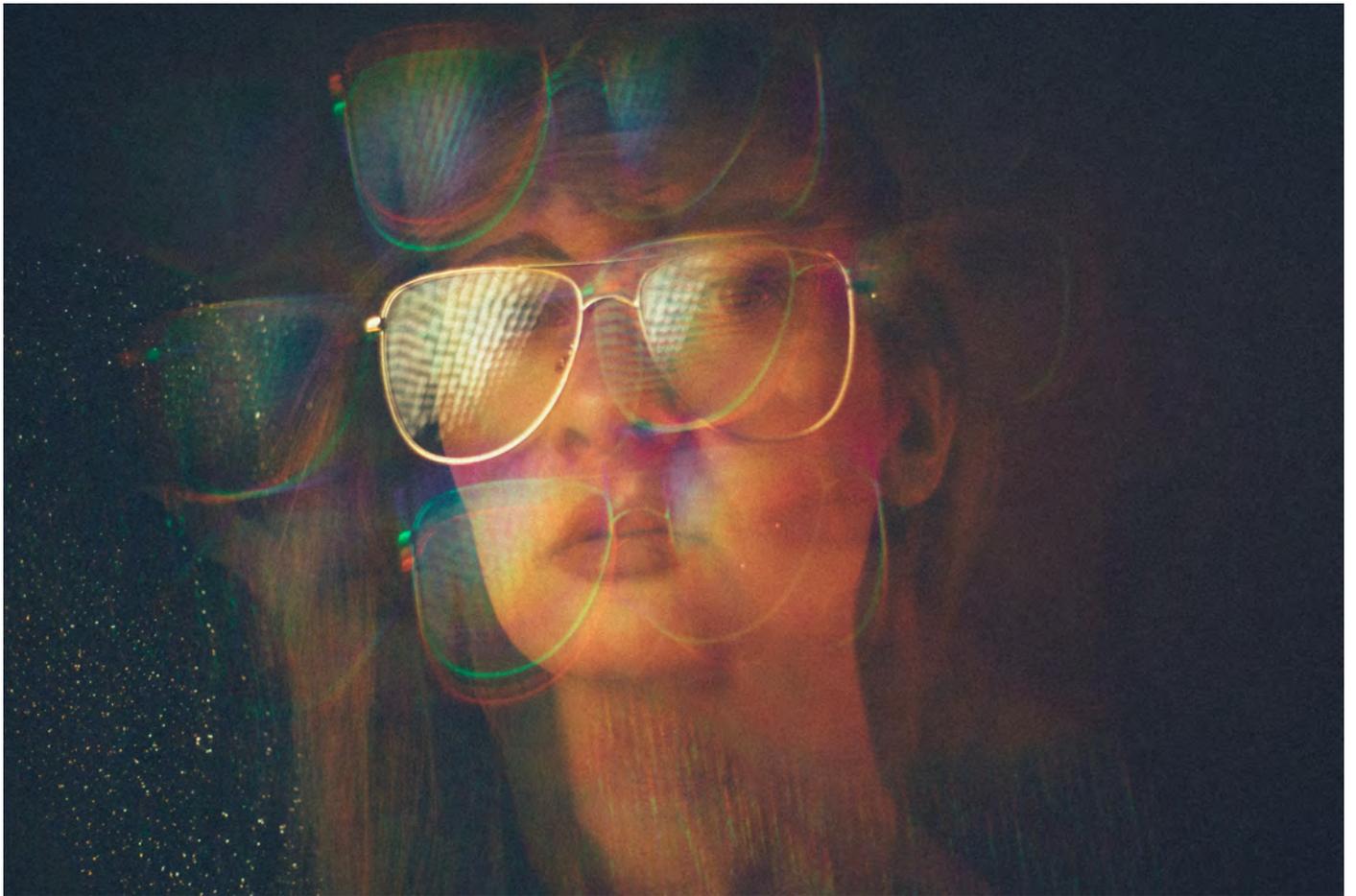
We're in the midst of a massive behavioral reset. Consumers are upending old habits, many of which will be embedded behaviors by the time we recover. In response to these shifts and new economic reality, brands are having to disrupt their businesses to respond in the short-term, and in doing so are enacting the disruptions necessary to support changed behavior in the future. Many industries are accelerating changes that seemed a long-time coming, like telehealth, remote working, and digital banking. While it's tempting to react conservatively, brands who can understand evolving consumer needs and move fast with tactics to support those needs are more likely to flourish as we recover.

Within media, it's no different: as we adjust to the next normal, consumers are experimenting with new channels and interacting with media in new ways. As Tim Armstrong mentioned, "for the first time in history, we'll have the

highest point of media usage in the history of the United States and the lowest point of advertising." What better time to innovate? With attention up for grabs, less competition for share of voice, and favorable commercial terms, now is the time for brands to move fast, test into new channels, and support new habits as they're being formed.

As UM's dedicated innovation team, the IPG Media Lab is obsessed with consumer attention: how it's changing, where it's heading, and how it will impact brand interactions. We've been on the ground globally since the crisis hit China, making sense of behavioral evolutions as they happen and coalesce into patterns across markets. We've also been actively helping our brand partners navigate these evolutions consciously, yet with speed to market. Here are some ways you can use media to tap into these new behaviors, right now as they're forming.





OTT: STREAMING SURGES AS OTHER ENTERTAINMENT OPTIONS NARROW

With [over 90% of Americans](#) ordered to stay home and nearly all major sports events canceled, consumers are increasingly turning to online streaming services for entertainment and comfort. According to MAGNA, streaming is nearly double last year's level. In the current media environment, the daypart is becoming considerably less important, as audiences spread their media consumption throughout the day. The elimination of commuting further

obliterates the distinction between “prime time” and “daytime”. Meanwhile, Amazon is reporting a 20% increase in average daily users and 35% growth in time spent across Prime Video and IMDb TV, with growth driven by ad-supported IMDb TV for the week of March 23rd. As the streaming wars continue to heat up, COVID-19 will push more people to try free and ad-supported OTT services as they look to expand their entertainment options at home.

WHAT YOU CAN DO NOW

Switch to audience-first buying for streaming television by partnering with a platform like [SpotX](#) to target audiences across AVOD

services like Hulu and Roku. Additionally, work with Hulu, Amazon or Roku for custom branded integrations into their OTT services.

E-COMMERCE: A SURGE IN DEMAND PROPELS GROCERY INTO A MAJOR DIGITAL CATEGORY

The slow shift towards online grocery shopping is being accelerated by COVID-19, further underlining the importance of establishing an omni-channel retail strategy. A [recent ShopperKit survey](#) found that 31% of U.S. households have used a grocery delivery or pick-up service in March, and 26% of those surveyed say they're using online grocery services for the first time. We expect online

grocery to continue at consistently high numbers during quarantine, and many of these users will retain the habit for at least some of their shopping going forward, permanently establishing online grocery as a major retail channel and opening the door for other brands across categories to tap into strengthened last-mile delivery networks.



WHAT YOU CAN DO NOW

Optimize e-commerce listings for grocery and CPG products, making sure to stay ahead of stock in major channels such as Amazon, Walmart, and Target. Delist out-of-stock products to maintain ranking and avoid a negative flywheel, and shift spend to promote products in native e-commerce ads, driving to aggregators or, if available, direct-to-consumer fulfillment.

To help manage Amazon-specific e-commerce strategies, consider working with a company

like [Gradient.io](#) to gain shopper insights on Amazon to inform keyword bidding strategies and protect digital SOV. Also, consider turning social channels into commerce channels by partnering with [MikMak](#), which creates shopping landing pages across social platforms and directs users to check out on third-party websites like Amazon, Target and Walmart.

ESPORTS: NEW AUDIENCES AND NEW DISTRIBUTION AS TRADITIONAL SPORTS PASS THE TORCH

In the wake of COVID-19, media companies are being forced to try out alternative content to fill the void that canceled sports left behind. As a result, more professional athletes are joining the game streaming surge with NBA stars [competing against professional gamers in the 2K20 Player Tournament](#) on ESPN, and virtual racing hosted by Torque Esports, featuring real Formula One stars garnering [90% more live viewers](#) than any esports racing event in

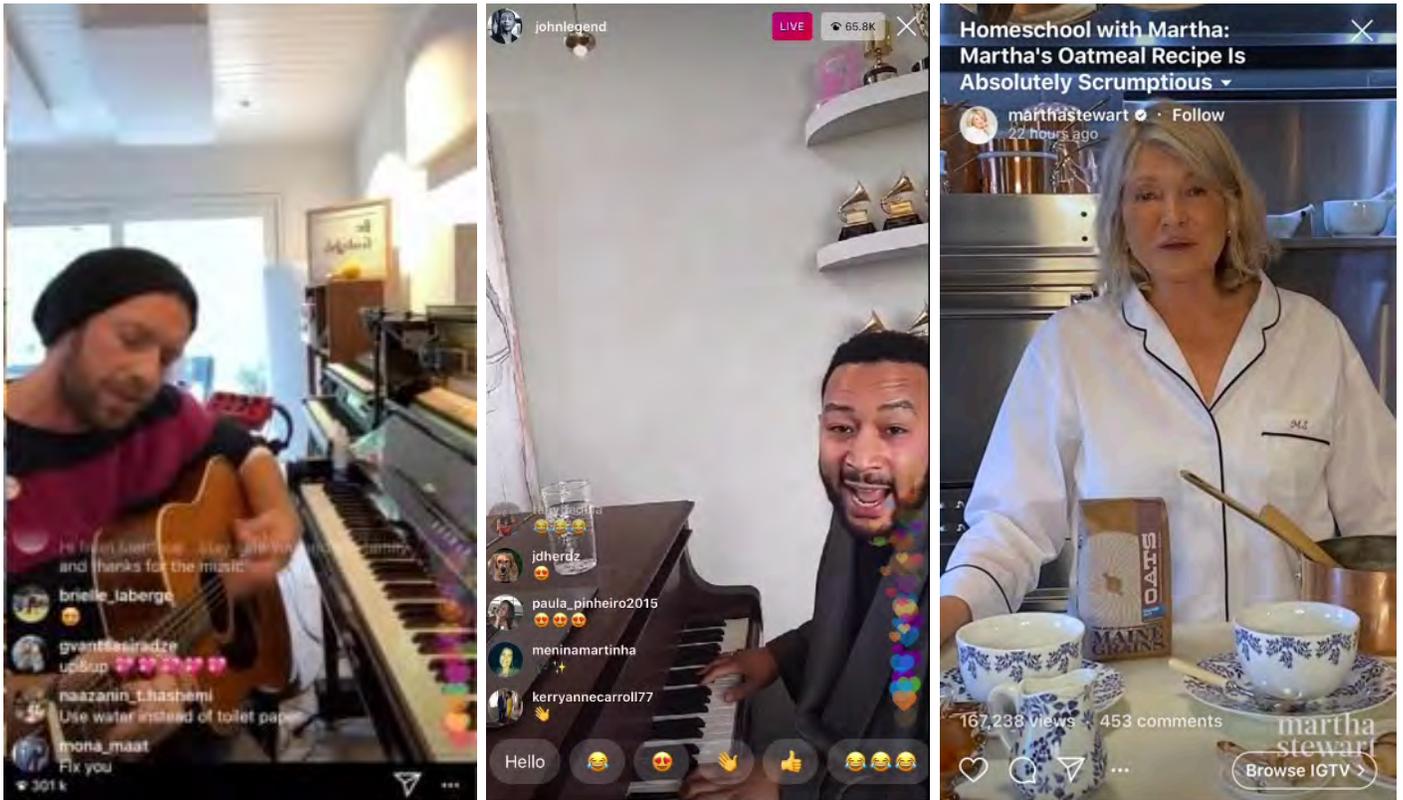
history. On Fox Sports 1, virtual Nascar iRacing on March 22nd was the second most watched telecast for the month of March, and the two iRacing telecasts out-delivered the last live racing event on March 7th, by 45% and 23% among adults 18-49. Esports is the new sports, and there is no better time for brands to adjust their media budgets to reflect this shift in audience attention.

WHAT YOU CAN DO NOW

Using an audience-first approach, shift spending from traditional sports to esports on major broadcasters such as Fox and ESPN. Where there is an audience match, extend to Twitch and YouTube Gaming to sponsor

upcoming live events and major gaming influencers. Partner with [Ader](#) to find and verify esports and gaming influencers in order to capture the increase in attention on live streaming platforms.





LIVE VIDEO: THE BREAKOUT INFLUENCER AND E-COMMERCE TOOL DURING QUARANTINES

Live video streaming is among the fastest-growing subsets of digital video, and its growth has been significantly accelerated during COVID-19. Instagram Live and Facebook Live views [doubled in a week's time](#) in Italy since the nation went into lockdown. Celebrities are going live on Instagram and YouTube to connect with their fans, while a new breed of influencers pop-up on live streaming channels. From barbers to pastors

to fitness instructors, people of all professions that used to provide in-person services are now turning to online platforms to market their expertise, often through live video across an increasingly diverse set of channels. As live video continues to gain popularity and diversification, now is the time to work with influencers to test live video and leverage it to connect with your audience with immediacy and interactivity.

WHAT YOU CAN DO NOW

With studio and publisher content production halted, look to influencers for creative production, branded content and native product insertion in live video. Formulate your live strategy by working with [Dovetale](#), an influencer search engine to quickly find and vet existing and emergent influencers in your category, and partner with them to keep your

brand top-of-mind during quarantine. Expand beyond traditional social channels to influencers working on platforms like Zoom and Houseparty, as a way to test into new platforms and mediums. Use these learnings to futureproof your influencer strategy during recovery with live video and beyond.

DIGITAL HEALTH: A BOOM IN HOME WORKOUTS CREATES NEW OPPORTUNITIES FOR BRANDS

COVID-19 is accelerating the ongoing trend of at-home connected fitness, with many adopting home gym equipment and wearable devices to track their progress and participate in virtual workout challenges and classes. Demand for home fitness content is at an all-time high, and increasingly is breaking out of traditional categories, as families, roommates, and distant friends find themselves working out together in ways that they normally wouldn't have. This opens the door for even non-endemic brands to sponsor content, such as sparkling water brand, Recess, teaming-up with Sky Ting, a community-driven yoga brand, to live stream yoga classes for free.

WHAT YOU CAN DO NOW

Work with partners like [BeachBody On Demand](#) to surround at home fitness content through sponsored workouts, post or pre-roll within workouts or custom activations. Look to new-to-digital entrants like Equinox or Barry's Bootcamp who are bringing their sizable offline audience to new experiences online. Run mobile ads in digital health apps like [MyFitnessPal](#), or work with wellness services like [Brain.fm](#) and sponsor subscriptions for consumers in need of a mental break.





DIGITAL CREATIVITY: AT HOME, EVERYONE'S A CREATOR, AS PLATFORMS FOR SELF- EXPRESSION BOOM

As a result of quarantine orders and limited entertainment options, creative platforms are seeing a major uptick in sign-ups. TikTok has reportedly seen [a surge in U.S. downloads](#) in response to the shut-in orders. [Patreon says](#) that 30,000+ creators signed up for its service

in the first three weeks of March, which nicely pairs with a surge in people willing to pay. Brands should seize the moment to test a variety of ways to support digital creators with the right tools and brand assets, thus enabling loyal fans to become brand advocates.

WHAT YOU CAN DO NOW

Seed creative platforms with brand assets and branded content for remixing and creative use. Explore your way into the creators world by developing challenges on TikTok, Instagram, and Twitter. Seed images on [Imgur](#) and Unsplash, and 3D assets on Sketchfab. Look outside of traditional channels to embrace platforms like Zoom (with background images

and videos), Snapchat Camera (for lenses that can make video calls more fun), or even Animal Crossing (for family-friendly assets that users can customize and share). Explore new forms of content, like DIY how-to videos with [Jump rope](#) that showcase your brand in unexpected ways.

PODCASTING: A CIRCUMSTANTIAL DIP ENABLES FOR TESTING AT LOW COST

Podcasts entered 2020 as a growing audio media channel with maturing ad opportunities. According to the [Infinite Dial 2020 report](#), 37% of Americans age 12 and up are now consuming podcasts regularly, as monthly podcast listenership increased by 16% year over year. While people stuck at home understandably gravitate towards video and gaming content over audio content, causing

overall podcast listenership to [drop by 10%](#), the underlying listener habits and industry investments are still firmly in place for podcasting to stay on course as we recover. This is a good opportunity to test into the category across use cases, developing learnings at a lower cost, with a plan to execute once listening levels rebound.

WHAT YOU CAN DO NOW

Using an audience-led approach to find the correct shows and networks, work with aggregators like [Spotify](#) and [Acast](#) on a plan for dynamic ad insertion to test audience sizes

and engagement levels, or partner with [Megaphone](#) to buy podcast ad placements using audience segments and first-party data to target individual listeners.



MESSAGING APPS: MEET CONSUMERS WHERE THEY'RE CHATTING

In response to social distancing, many people are turning to messaging apps to keep up with close friends and family. WhatsApp usage [spiked 40% in March](#) while Facebook rolled out new desktop apps for Messenger after total messaging [increased by 50%](#) in countries hard-hit by the pandemic. With increased usage, there is an opportunity for brands to

reach people where they are actively engaged. Branded gifs, for example, could help establish brand presence in a usually ad-free environment, whereas chatbots, if correctly deployed, can help brands deliver basic customer services in a prompt manner to customers in times of need.



WHAT YOU CAN DO NOW

Work with [Tenor](#) and [Giphy](#) to seed GIFs and stickers into their widely used, keyboards which work across messaging platforms. Create branded stickers with [Holler](#) to be a part of the conversation across apps like iMessage and Venmo. Partner with [Snaps.io](#), [Apple Business Chat](#), or [Facebook Messenger](#)

[for Business](#) to deploy chatbots for basic customer service to alleviate the strain on call centers. Engrain your brand in communities through [NextDoor](#) by targeting neighborhoods and residents on message boards while they stay at home.



DIRECT MAIL: A MEDIUM WITH ADVANCING SOPHISTICATION AND MEASUREMENT

With people staying at home now more than ever, direct mail is well positioned to capture consumer attention. Advancements in direct mail's programmatic capabilities make real-time action possible. As brands adjust their marketing mix to optimize for a new set of KPIs, direct mail's compatibility with other digital marketing channels gives brands

flexibility, coordination, and precision. For example, as more attention shifts to e-commerce, direct mail can incorporate cross-channel data to target consumers who abandoned their cart. And with consumers craving physical interactions, direct mail offers a way to deliver targeted, tangible messages.

WHAT YOU CAN DO NOW

Now is the time to test into direct mail. Work with programmatic direct mail partners like [Postie](#) or [Pebble Post](#) who apply digital capabilities like retargeting and lookalike modeling to send hyper-relevant at-home marketing. Be sure to integrate direct mail with other digital and social channels to create

omni-channel campaigns that increase conversion throughout the funnel. With most content production shutdown, use direct mail as a way to distribute branded content to offer escape, entertainment, or education in a memorable, physical way.

NEWSLETTERS: AN EFFECTIVE, BUT OFTEN MISUSED MARKETING CHANNEL

Due to COVID-19 shut-downs, many businesses that rely on offline channels have lost direct contact with consumers. Meanwhile, consumers are stuck at home, looking for valuable information and diversions to help them cope. To maintain existing consumer relationships and reach new consumers, many

brands have dialed up their direct outreach efforts via newsletters, causing some consumer backlash. Instead of using COVID-19 as a pretext to communicate for promotional purposes, brands should consider reaching out to consumers to provide relevant information and add value to their lives under lockdowns.

WHAT YOU CAN DO NOW

With consumers spending more time in their inboxes, newsletters have emerged as an entertaining, informative way to reach vertical communities of interest and distribute branded content. Leverage platforms like Mailchimp and Substack to develop a direct-to-consumer channel to provide distraction, education, or

entertainment, focusing on more than promotion but staying true to brand ethos. Alternatively, tap into the growing popularity of established vertical publications such as [Morning Brew](#), [The Skimm](#), [Axios Sports](#), and [NextDraft](#) to sponsor content and align with audience passions.





VIRTUAL WORLD BUILDING: REACHING PARENTS AND KIDS AS THEY GET CREATIVE

With 32.5 million children in the U.S. at home, many parents are turning to creative games such as Fortnite, Roblox, and Minecraft as a way to keep them engaged and offer some level of educational value. Before COVID-19, younger generations were already using these games as a virtual place to socialize with friends and peers — [a late 2018 survey](#) of Gen Z audiences found that 71% of the Fortnite players said that all or most of their real-life friends also play the game. COVID-19 is not

only accelerating this trend, but also introducing older audiences to these virtual worlds, especially parents who are playing with their kids in lieu of the usual outdoor family activities. As with any emerging platform, virtual worlds present many exciting brand opportunities for marketers to explore. Fortnite has been at the forefront of brand integrations, including an exclusive Nike Air Jordan outfit for in-game avatars and a *Star Wars*-themed in-game event from Disney.

WHAT YOU CAN DO NOW

Identify which virtual world platforms align with your target audiences, and partner with them to sponsor in-game events, learning curricula for parents to use with their kids, and release branded assets in-game. Partner with Sketchfab to distribute branded 3D assets for use in creative environments. Work with

partners like [Super League Gaming](#) and [Framerate](#) to reach those audiences in these virtual worlds. Their free Minecraft server, Minehut, has inventory that includes in-game billboards and unskippable pre-roll, reaching 1.2M registered users monthly in a fully COPPA-compliant environment.



CONCLUSION

Throughout the COVID-19 response and recovery, the IPG Media Lab will be continuing to source innovative ways for brands to reach consumers using emerging media and technology. For more information about these and other innovation opportunities, reach out to request a digital copy of the 2020 Innovation Annual.



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