BRAND SUITABILITY AND THE POWER OF CONTEXT

at a time of Crisis

AN EMEA CONSUMER STUDY
Q2 2020

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INTRODUCTION

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As the global crisis enters a new phase, communities, industries and businesses are confronted with its impact and side effects. Media consumption patterns and attitudes towards advertising are evolving swiftly, both in terms of temporary modifications of behaviour and with regards to new paradigms whose gradual emergence the pandemic has accelerated. Accurately tracking and quickly understanding these changes is crucial for our industry as a whole.

At **Union Media** we have been monitoring the effects at a local level, in every market we cover in the EMEA region, through the feedback from our 315 people in 34 cities and the daily interaction with thousands of local publishers with whom we collaborate closely.

We decided to dig deeper by releasing **a tracking study which will provide market intelligence and thus augment the decision-making** capacity of advertisers and publishers doing business in and across EMEA. In this release, **we focus in ten key EMEA markets** that offer representative coverage and mirror the region's diversity.

Key questions answered include:
- How have consumers' content consumption habits and trust levels towards media changed during the crisis?
- How do consumers think brands should shape their advertising strategy during this period?
- How is advertising adjacency to COVID-19 news affecting their buying behaviour per product category?
- How is the media type impacting brand affinity and preference?

You will be surprised to read, on the one hand, how unanimously consumers feel in answering some of these questions and, on the other, how culture, age or unfolding local conditions lead to notable divergence.

Local context matters.

METHODOLOGY

MARKETS COVERED:
France, GCC (Saudi Arabia, UAE, Bahrain, Kuwait, Qatar), Germany, Greece, Italy, Netherlands, Romania, Spain, Sweden, UK

SAMPLE:
n = 601 per market
Internet Users aged >18

CONFIDENCE LEVEL: 95%,

MARGIN OF ERROR: 4%

AUDIENCE DEFINITIONS:
Gen Z: 18-23
Millennials: 24-34
Gen X: 35-54
Baby Boomers: 55+

FIELD DATES:
April-May 2020

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I

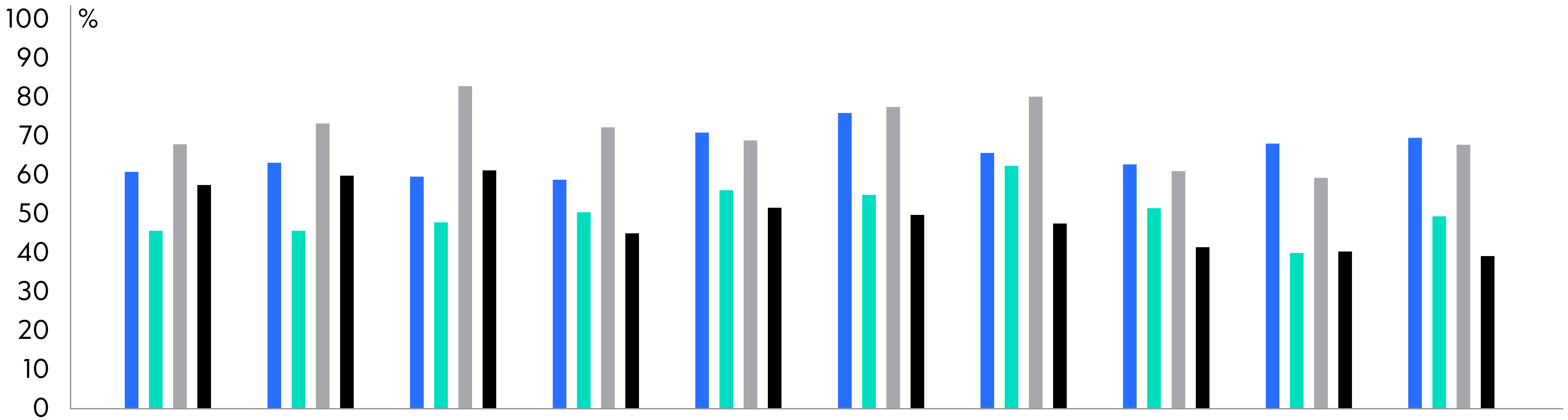
How have content consumption habits and trust levels towards Media changed during the outbreak?

1

THE NEW PRIME TIME.

During the COVID-19 crisis, which of the following digital activities have you increased noticeably? (multiple selection)

- Reading the News and browsing Social Media becomes the new prime time. Italians, due to prolonged and strict quarantine measures, have the highest growth in declared overall Media consumption (75% for News and 77% for Social Media).
- Swedes beg to differ with the highest growth in News Media (67%) vs. Social Media consumption (59%), followed by the Dutch (69% - 67%) and Germans (62% - 60%). A North – South divide?
- In GCC Social Media consumption grew to record levels. 82% of consumers noticeably increased the already high Social Media consumption.



	GREECE	ROMANIA	GCC	FRANCE	UK	ITALY	SPAIN	GERMANY	SWEDEN	NETHERLANDS
	60.23%	62.56%	59.00%	58.24%	**70.22%**	75.21%	65.06%	**62.12%**	**67.42%**	**68.86%**
	45.26%	45.26%	47.38%	49.92%	55.57%	54.41%	61.73%	51.01%	39.58%	48.90%
	67.22%	**72.55%**	**82.00%**	**71.55%**	68.22%	**76.71%**	**79.37%**	60.44%	58.71%	67.11%
	56.91%	59.23%	60.59%	44.59%	51.08%	49.25%	47.09%	41.08%	39.96%	38.82%

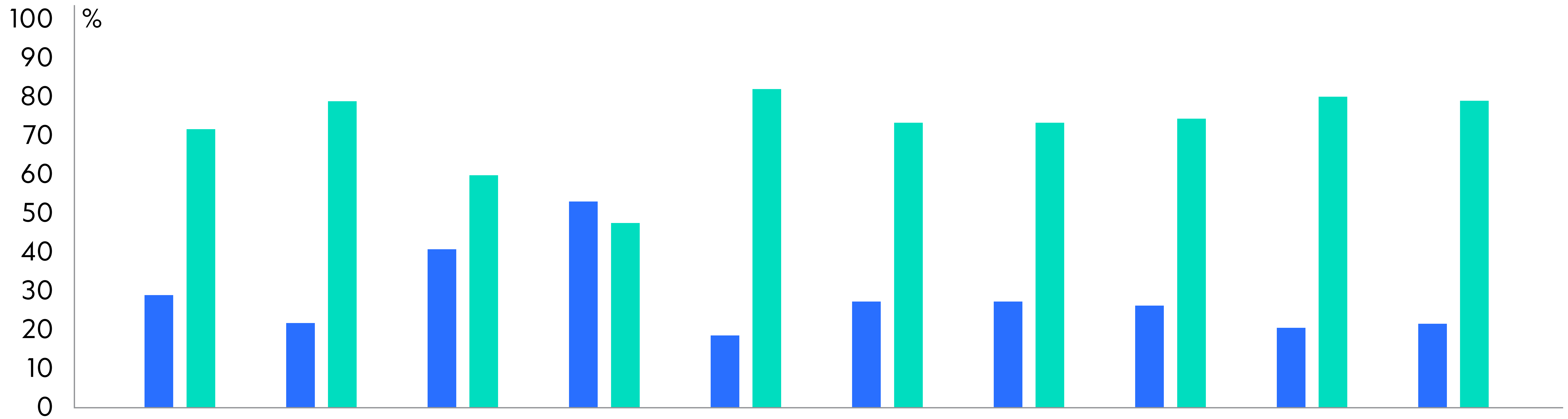
- Reading the News
- Consuming other content e.g. entertainment
- Social Media
- Online shopping

2

NEWS PUBLISHERS GET THE VOTE OF CONFIDENCE.

In terms of reading the news, which source do you tend to trust more?

- Social Media we have a trust issue. 9 out of 10 markets trust Social Media much less than the News.
- France is the only country that seems to record a noteworthy level of trust in Social Media (53% vs 47% for News Media). Vive la Social Media Révolution?



	GREECE	ROMANIA	GCC	FRANCE	UK	ITALY	SPAIN	GERMANY	SWEDEN	NETHERLANDS
Social Media	28.79%	21.63%	40.55%	**52.75%**	18.47%	27.12%	21.46%	26.09%	20.45%	21.49%
News organizations	**71.21%**	**78.57%**	**59.45%**	47.25%	**81.53%**	**72.88%**	**78.54%**	**73.91%**	**79.55%**	**78.51%**

Social Media

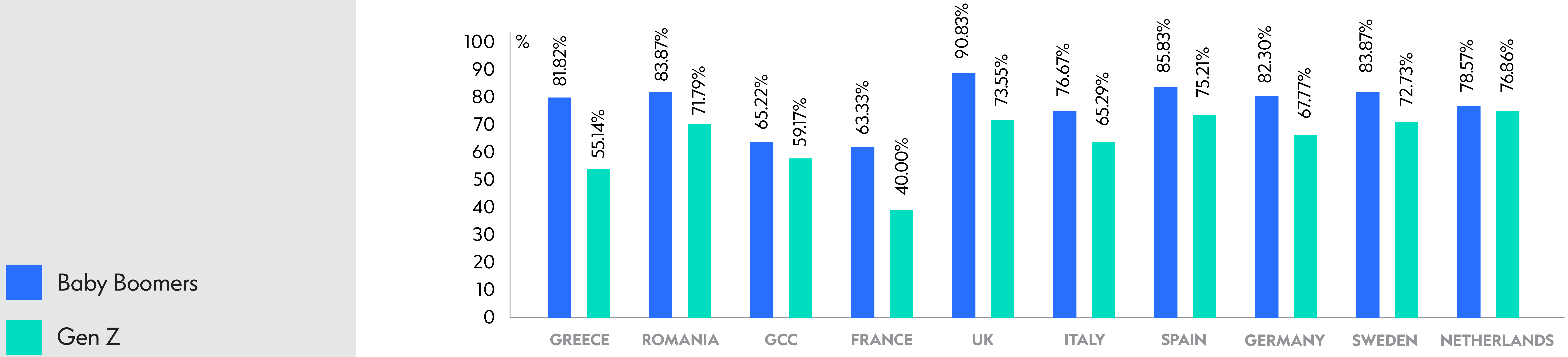
News organizations (e.g. broadcasters, publishers)

3

THE GENERATION GAP?

In terms of reading the news, which source do you tend to trust more?
Baby Boomers VS Gen Z

- News Media have diverging trust levels between the two ends of the age spectrum, GenZ & Baby Boomers, but not as big as the cliché would have it.
- With a few exceptions, notably France (only 40% of GenZ trust the News) and Greece (only 55% of GenZ trust the News) where News Media need to work harder to win the young hearts and eyes, UK, Sweden and the Netherlands show the way in building trust across generations.



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How do consumers think brands should shape their advertising strategy during this period?

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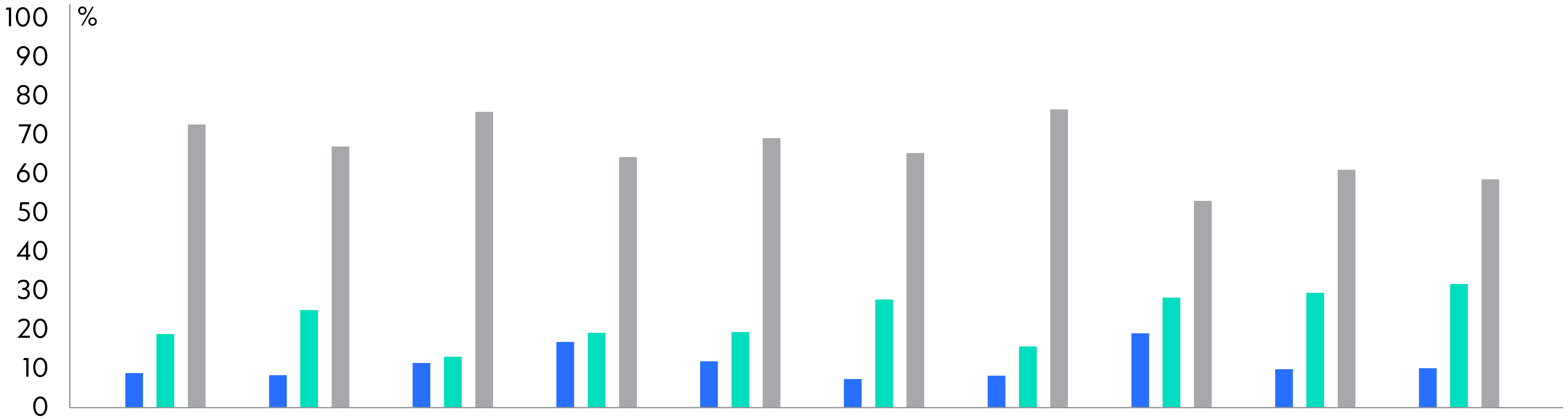
SAY SOMETHING, ANYTHING?

During this period, do you think that brands should...

- 9 in 10 consumers in almost all markets want brands to continue advertising. Two of the markets hit the hardest, Italy (93%) and Spain (92%), are leading the way.
- New reality requires brands to adjust their messaging or risk losing out, with the majority of consumers requesting brands to adapt their messaging to the changing conditions.



	GREECE	ROMANIA	GCC	FRANCE	UK	ITALY	SPAIN	GERMANY	SWEDEN	NETHERLANDS
Stay silent and advertise again after the crisis is over	8.82%	8.32%	11.39%	16.81%	11.81%	7.12%	8.15%	19.02%	9.85%	10.09%
Continue what they were doing before the crisis	18.80%	24.96%	12.98%	19.13%	19.30%	27.62%	15.64%	28.11%	29.36%	31.58%
Adjust their message to the new reality	**72.38%**	**66.72%**	**75.61%**	**64.06%**	**68.89%**	**65.06%**	**76.21%**	**52.86%**	**60.80%**	**58.33%**

How is advertising adjacency to COVID-19 news items affecting consumer buying behaviour?

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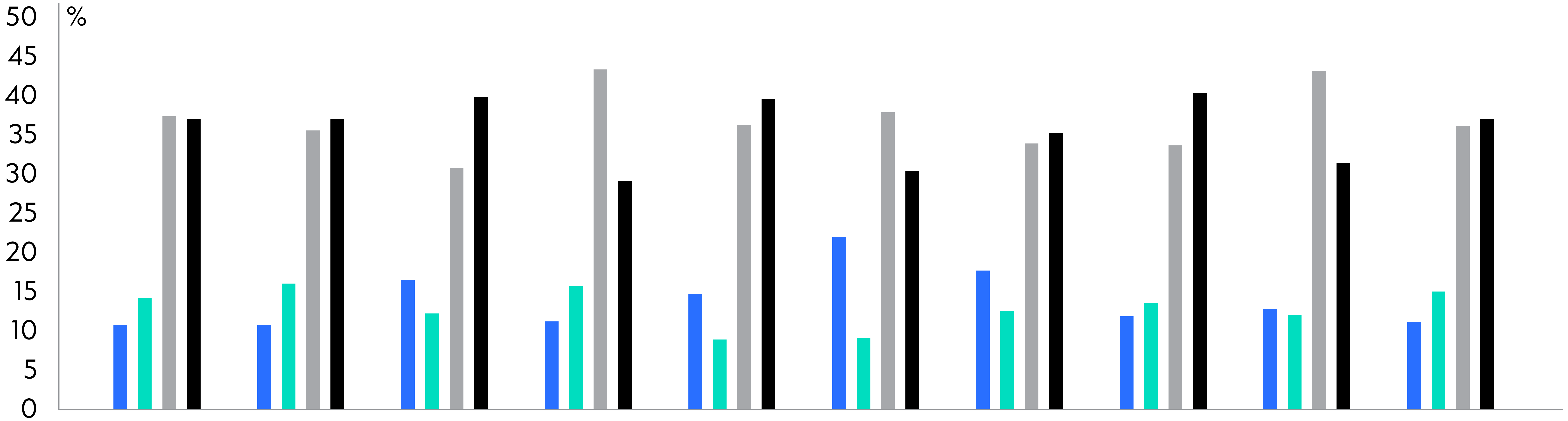
THE THEORY OF RELATIVITY.

- I would feel favourably towards the brand and likely to engage with it
- I would feel less favourably towards the brand and unlikely to engage with it
- It depends on the brand / ad
- It depends on the article (e.g. whether the article is negative and deals with suffering or with positive stuff, such as increase in home cooking)

How do you feel about brands that advertise in articles relevant to COVID-19?

- How people react to ads adjacent to COVID-19 content very much depends on the brand / ad and the exact sentiment of the article, for 7 out of 10 consumers. The case for brand suitability at its best.
- Italians (22%), Spaniards (18%) and GCC residents (17%) show the highest rate of favourable attitude towards brands that advertise in articles bearing COVID-19 news.



	GREECE	ROMANIA	GCC	FRANCE	UK	ITALY	SPAIN	GERMANY	SWEDEN	NETHERLANDS
I would feel favourably towards the brand and likely to engage with it	10.82%	10.82%	16.63%	11.31%	14.81%	22.15%	17.80%	11.95%	12.88%	11.18%
I would feel less favourably towards the brand and unlikely to engage with it	14.31%	16.14%	12.30%	15.81%	8.99%	9.15%	12.65%	13.64%	12.12%	15.13%
It depends on the brand / ad	**37.60%**	35.77%	30.98%	**43.59%**	36.44%	**38.10%**	34.11%	33.84%	**43.37%**	36.40%
It depends on the article	37.27%	**37.27%**	**40.09%**	29.28%	**39.77%**	30.62%	**35.44%**	**40.57%**	31.65%	**37.28%**

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NO SIZE FITS ALL. LOCAL CONTEXT MATTERS.

NOT MIND AT ALL

80-100%

60-80%

40-60%

20-40%

0-20%

MIND VERY MUCH

Which categories of brands/advertisers would you mind/not mind seeing in an article that concerns the virus?

- Local sensitivities create an interesting puzzle of different results per market.
- Romanians (75%) followed by Brits (71%) and Swedes (69%) seem to have the most relaxed attitude towards advertising in a COVID-19 context. They don't really mind.
- CPG Brands (68%) (call me cleaning products), Educational Institutions (65%), Pharmaceutical Brands (63%), Telcos (61%) and Government (60%) seem to have higher affinity with such content than the rest of the categories. Degree varies significantly per market to make any confident generalization.
- The varying levels of affinity between each nation with their state could possibly explain the acceptance level of governmental ads next to such content. Spain (35%), GCC (44%), Greece (54%) and Romania (58%) see the lowest affinity levels between governmental ads and COVID-19 news.

Cosmetics & Beauty Products	67%	43%	70%	59%	59%	56%	62%	72%	56%	50%
Pharmaceutical Products	80%	86%	54%	75%	65%	80%	29%	88%	76%	39%
Cleaning Products	82%	89%	63%	81%	77%	76%	35%	92%	81%	42%
Food & Beverage	77%	69%	61%	70%	63%	59%	35%	79%	74%	44%
Telecommunications	74%	69%	71%	68%	62%	64%	39%	81%	75%	46%
Fashion & Lifestyle	60%	50%	68%	54%	54%	49%	57%	69%	55%	54%
Banking / Finance / Insurance	70%	46%	55%	59%	48%	49%	41%	72%	66%	49%
Automotive	62%	38%	72%	54%	50%	48%	62%	68%	60%	52%
Government	78%	75%	54%	75%	74%	67%	35%	58%	82%	44%
Education	82%	85%	60%	79%	73%	74%	25%	82%	81%	43%
Travel	51%	57%	53%	55%	46%	52%	50%	57%	55%	55%

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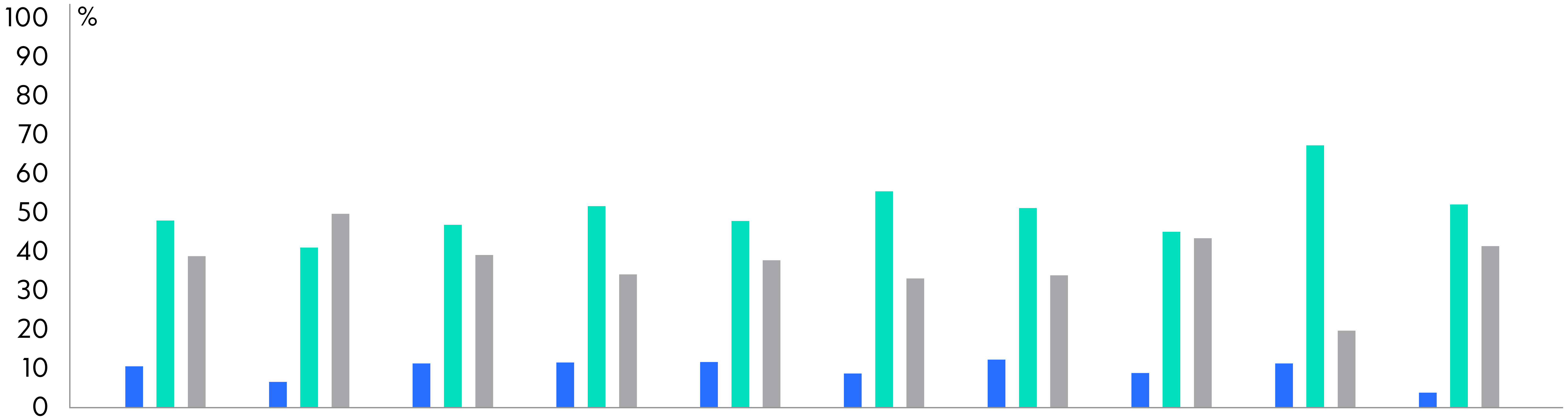
BRAND-CONTENT FIT. DON'T LET YOUR GUARD DOWN.

What was your reaction when you came across ads that you found unsuitable because of the content of the article you were reading? (Out of those who said they were exposed to ads that felt unsuitable)

- 7 out of 10 consumers or more, across markets, say they didn't notice or that they rarely noticed (<5 times) context unsuitable ads in the previous week. A sign that should probably make the industry a little more relaxed about the issue?
- But don't let your guard down. Of those who frequently (>5 per week) or rarely noticed (<5 times) such ads, the majority says they felt annoyed. Swedes seem to have the highest intolerance levels, with 68% feeling annoyed and 12% angry, while Romanians are on the other end, the least concerned (51% are indifferent).



	GREECE	ROMANIA	GCC	FRANCE	UK	ITALY	SPAIN	GERMANY	SWEDEN	NETHERLANDS
Anger	10.87%	6.79%	11.63%	11.86%	12.02%	8.97%	12.62%	9.11%	11.64%	3.95%
Annoyance	**49.25%**	42.18%	**48.17%**	**53.03%**	**49.18%**	**56.95%**	**52.57%**	**46.31%**	**68.06%**	**53.50%**
Indifference	39.87%	**51.03%**	40.20%	35.11%	38.80%	34.08%	34.81%	44.58%	20.30%	42.55%

Anger

Annoyance

Indifference

NOTE: The sample size is subset of the total 601 respondents per market
N per market: UK: 389 | IT: 446 | FR: 413 | ES: 428 | DE: 411 | GR: 469 | RO: 486 | GCC: 415 | SWE: 385 | NL: 429

IV

How is the Media channel impacting brand affinity and preference?

8

VALUE STANDS IN THE EYES OF THE (LOCAL) BEHOLDER.

FAVOURABLY

INDIFFERENTLY

NEGATIVELY

How does where you see the ad impact the way you see a brand? (favourably or negatively)

- The degree of positive value a brand capitalizes by advertising in a given context varies per market and media type considerably, underlining the importance of local market knowledge and context.
- GCC seems to be the market where premium News publishers are considered to be creating the biggest perceived added value (56% feel positively influenced) for a brand.
- Special interest sites score higher than News publishers in Italy with 62%.

A premium News site	47%	53%	41%	46%	41%	45%	44%	45%	43%	56%
A special interest site	44%	61%	39%	49%	38%	43%	47%	42%	45%	45%
Other content (less known sites, blogs etc)	48%	43%	39%	47%	43%	37%	41%	35%	41%	34%
Social Media (including video sharing platforms)	41%	36%	35%	39%	35%	37%	42%	40%	40%	53%

WHAT'S MORE...

As with any research that is both targeted and diverse in geography or demographics, the more closely data is examined and analysed, the more remarks or avenues of further inquiry emerge. Thus, to complement findings outlined in this brief overview, there are several indications on subtle trends which, in the context of a broader communications campaign spanning different markets, should be taken actively into consideration.

SOME KEY TAKEAWAYS:

- **Don't Stay Silent.** Consumers nearly unanimously want brands to continue advertising during the crisis. What becomes evident across this survey though is that they need to adjust to the situation. Empathy, that is, and understanding of the local context becomes the key criterion of success for any brand communication.

- **The North-South Divide.** The North-South divide in the continent does not concern climate only or, more recently, Eurogroup meetings: there appears to be a further dimension in which **Northern countries demonstrate somewhat more distinct earnestness.** This concerns both the comparative increase of News reading versus Social Media consumption, as well as a higher percentage that, interestingly, thinks that brands should continue to advertise (in terms of not only frequency, but also messaging) as they did before the outbreak.

- **The Generation Gap?** Speaking of divides, some appear much less pronounced than stereotypes would have it. For starters, take age: though Baby Boomers, unsurprisingly, tend to be heavier users of News, younger generations are also quite highly engaged with News sites and local content brands, **smashing the tired hypothesis that the "youth" demographic can best be reached via Social Media platforms only.**

- **An emerging New Normal?** Cautiously, as microtrends must be read, an intriguing development may be in the works: in countries most hit by the pandemic, say Italy, sensitivity to COVID-19 adjacencies appears to be receding, possibly pointing to the emergence of a "new normal". On the one hand, it is too early for such a trend to be conspicuously manifested. On the other, it does point to the eternal trait that is humankind's resilience.

- **Brand Suitability. It's complicated**. To say that it all very much depends on the content–context fit or that COVID-19 adjacencies can create a level of annoyance to parts of the audience is hardly startling stuff. What is however unexpected, admittedly with **a level of variance between markets**, is the equivalent degree of mere indifference, as well as, interestingly, the distinctly low percentage of users that react angrily to such occurrences. Simply put, in the context of advertising during the crisis, the risk of severe or disastrous blowback, may be much more limited than expected or assumed, but still, **brands shouldn't hold their guards down or take a one-size-fits-all approach.**

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Clearly, a number of useful insights can be discerned, to help brands navigate the path to a new normal as consumers in EMEA come out of the lockdown or restrictive measures.
We will make sure we track their development over this period and beyond.

One major takeaway that stands out conspicuously from this research is that while there seems to be a converging pattern in terms of increased Media consumption, the consumer criteria that influence attitudes and behaviour vary significantly per market.

Now, more than ever, **LOCAL CONTEXT MATTERS.**

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HELPING BRANDS CONNECT WITH THEIR AUDIENCES IN THE LOCAL SITES **THAT MATTER.**

280m
People in EMEA

2.000+
Local Websites

315
Digital Professionals

34
Local EMEA Cities

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