

Increased Media Consumption During Pandemic May Not Translate to Ad Revenue Growth

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ith the coronavirus pandemic keeping most people worldwide at home, media consumption is up. But with an economic slowdown crashing markets and supply chains disrupted by the virus, many advertisers are pulling or pausing spend—meaning increases in media engagement aren't translating into increased ad revenues.

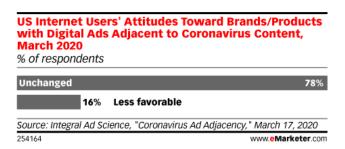
Twitter was among the first major US digital ad publishers to give investor guidance on the new situation. Based on our analysis of Twitter's Q1 update, the company looks set to see a decrease in revenues of between 9% and 40% during March. Facebook also released information about its engagement and ad revenues, noting that a lot of the increased engagement is on properties or services, such as WhatsApp, that aren't monetized much to begin with. Reports of consumers spending more time with digital media don't necessarily mean they are spending more time with media where marketers can reach them.

Even if they are, marketers may not want to. By early March, Integral Ad Science and DoubleVerify were reporting that "coronavirus" and related terms had shot to the top of clients' brand safety blacklists. News



publishers are seeing a surge in traffic, but falling advertiser demand—and prices.

It may be understandable for advertisers to shy from "negative" or "anxious" content like coverage of a pandemic. But March 2020 research from Integral Ad Science suggests those concerns may be misplaced: Just 16% of US internet users surveyed said they would have a less favorable opinion of a brand whose ad was adjacent to coronavirus-related content. Almost eight in 10 respondents said such placement wouldn't change their view of a brand.



Respondents were slightly more likely to say they thought it was "unsuitable" for a brand to advertise next to this content, at 22%. But about one-third said it would depend on the brand. Almost half of respondents said they wanted to see health and pharma-related brands advertising near coronavirus content, for example.

It's clear that there is public desire—and need—for pandemic-related news. Even if the flurry of developments the US experienced in March begins to slow, people will still be eager for information about their communities, institutional responses and how to keep their families safe. Many marketers are already leaning into branding-focused creative that emphasizes their own roles in these communities. Brands should consider whether one of those roles is sponsoring the information people will need during the crisis.

It's worth noting that bringing a branding focus to digital campaigns will also help offset the lack of out-of-home advertising, not to mention retail storefronts (many of which are now boarded up in cities like New York and Chicago).

