COVID-19
A SPECIAL REPORT

May 2020

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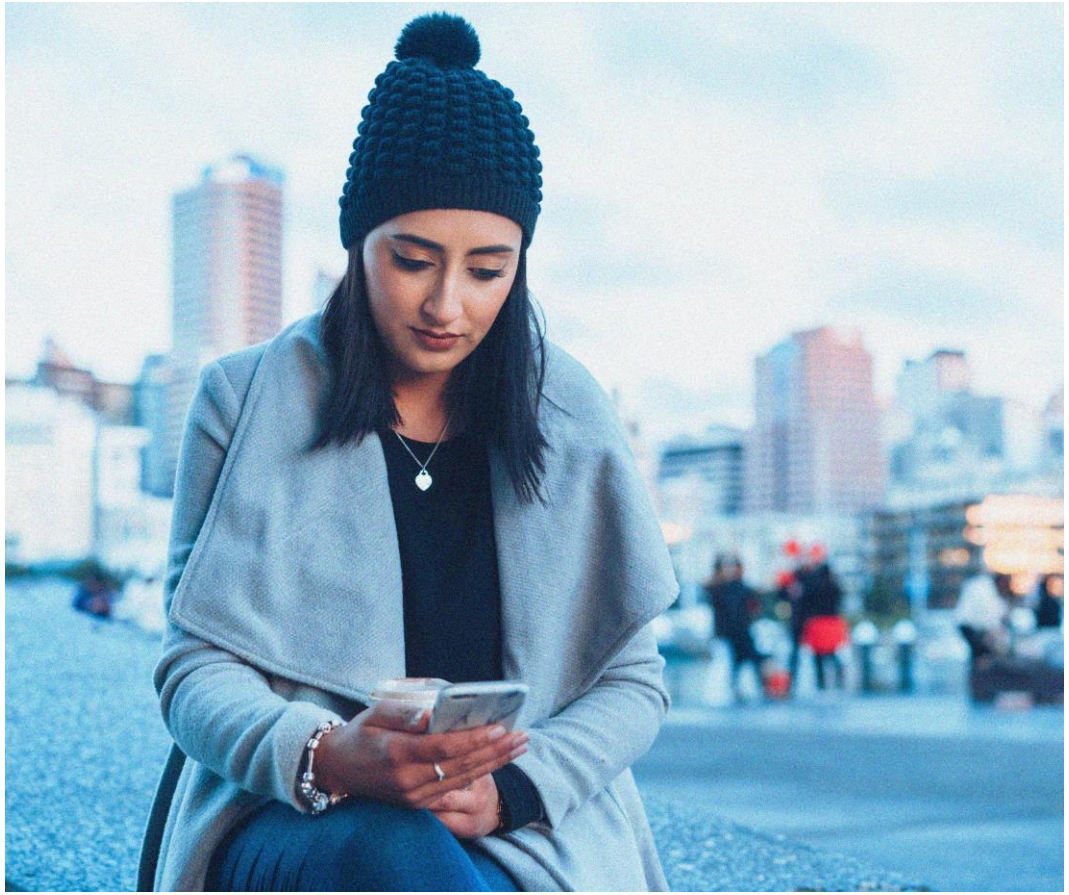
COVID-19 – A SPECIAL REPORT



Times are changing rapidly, and it is affecting us all as marketers. ThinkTV wanted to assist advertisers with some of the latest research into what New Zealanders are thinking plus changes in purchase habits and intentions.

This report, using data from Ipsos NZ's Covid-19 Tracker, undertaken 24th – 27th April 2020, aims to assist our valued advertisers with marketing decisions as the country moves to its next phase. Included in the report:

- Financial Impact
- General sentiment
- Purchasing impact
- E-commerce
- Eating out
- Attending Events
- Travel
- Sources of information and trust in information
- What does this mean for marketers
- The role of television
- TV audiences during Covid-19

HOW WILL NEW ZEALANDERS BEHAVIOUR CHANGE AND WHAT DOES THIS MEAN FOR BRANDS AND ADVERTISERS?

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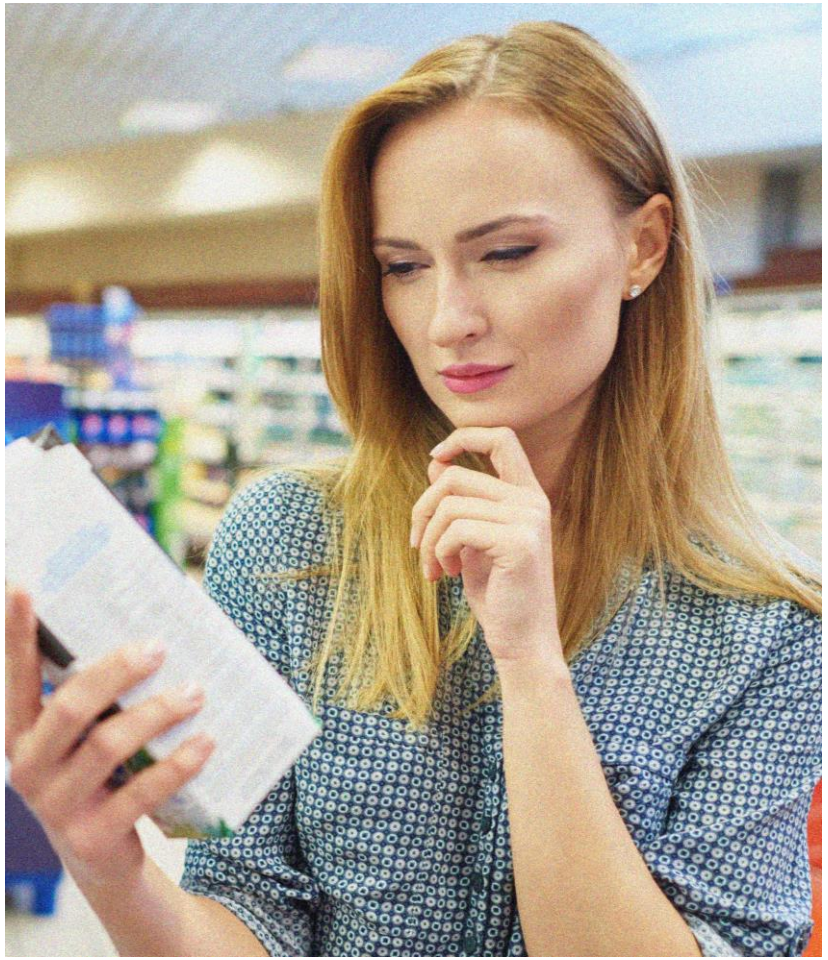
FINANCIAL IMPACT

Brands will need to consider that New Zealanders financial situation has very likely changed ….. and advertising messaging must align to this sentiment.

- 69% say Covid-19 will have a financial impact on them and their family – this has steadily declined in the last few weeks from a peak of 82% (21-24 March)
- Half of New Zealanders say "I'm delaying or thinking about delaying a major purchase because of Covid-19"
- 22-24% are highly concerned about their personal situation (whether they will have a job, be able to pay their bills, pay their rent or mortgage or provide for themselves or their family), while a further 34% are "somewhat concerned"
- 4 out of 10 say they want to put more money in savings
- 34% think the economy will recover quickly when the pandemic is over

Source: Ipsos NZ: Corona Virus Wave 7, 24-27 April, NZ Adults aged 18 -74, n = 1017

GENERAL SENTIMENT



The pandemic has meant that people have become more frugal, and, there is a resurgence in care for the environment. How can brands and advertisers capitalise on this?

- 78% plan to spend less & save more for emergencies. Just over half state that they will go back to doing everything they did before.
- 8 out of 10 agree with “I realise I can do with less and will reuse rather than buy new each time”
- 73% say they will seek out products that are healthier and better for the environment
- 68% say they will buy products that are better for the environment such as those in recyclable packaging or using sustainable ingredients, even if they cost more

Source: Ipsos NZ: Corona Virus Wave 7, 24-27 April, NZ Adults aged 18 -74, n = 1017

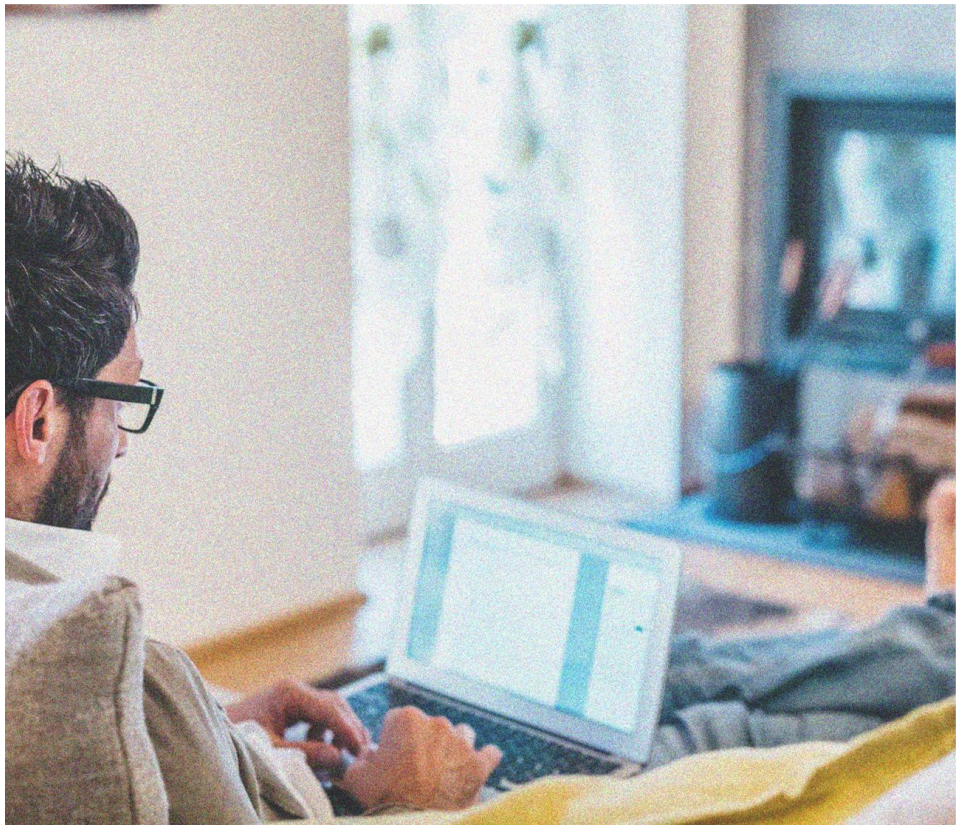
PURCHASING IMPACT - GENERAL

New Zealanders behaviour is likely to have changed markedly – they may be delaying purchases, looking for a bargain, have switched or considering switching brands or be less likely to visit the mall. Brands and advertisers will need to consider new and creative ways to attract their customers back or win new customers.

- 6 out of 10 say that when the shops open, they will wait for discounts or sales rather than pay full price
- Half of the population say "I'm delaying or thinking about delaying a major purchase because of what's happening with Covid-19", down from 63% early April
- 74% say they will shop closer to home and support local
- 31% tried a new brand because regular one was not available (30% for the first time)
- Two-thirds not comfortable to visit their local mall to browse shops

Source: Ipsos NZ: Corona Virus Wave 7, 24-27 April, NZ Adults aged 18 -74, n = 1017

E-COMMERCE



In Level 3, online shopping has gone through the roof. But when the physical stores open, now that more New Zealanders are comfortable shopping online, how many of us will continue this habit?

Each of these increased from the previous two weeks this question was asked

- 36% made a purchase from a store on their smartphone, 17% for the first time
- Just under a quarter used “buy online, pick up in store or curbside pickup”, 27% for the first time
- 13% ordered food delivery via an App, 24% for the first time

In terms of specific categories - one in five purchased basic groceries and clothing/footwear accessories online over the past two weeks, while 13% purchased wine/beer/alcohol, 11% household cleaners and 10% video games.

Source: Ipsos NZ: Corona Virus Wave 7, 24-27 April, NZ Adults aged 18 -74, n = 1017

EATING AND GOING OUT

Our attitudes to going out have changed dramatically. While this will be expected to ease as the risk of the virus affecting New Zealand lessens, businesses in the hospitality and public transport industries will need to reassure customers in advertising messaging that it is safe to come to their premises or use their services.

- Almost 7 out of 10 say they would not be comfortable eating in at a café, restaurant of fast food restaurant in the next few weeks, with 22% saying they definitely would not do this in the next few weeks
- However, longer term, within 2020, around half (49%) **would** be comfortable eating out at a restaurant
- 62% say they will avoid public transport and use their car or other vehicle more often than they did before

Source: Ipsos NZ: Corona Virus Wave 7, 24-27 April, NZ Adults aged 18 -74, n = 1017

ATTENDING AND ACCESSING EVENTS

Right now, large gatherings are not allowed, so alternatives are being offered, such as music events live streaming or broadcasting on TV. Sports events will start to commence again under Level 2, but with no audiences in attendance, TV may be the only option for fans to get their fix for the foreseeable future. Longer term, as per hospitality, those in the entertainment industries will need to reassure attendees of the safety and hygiene measures they have in place.

- Within 2020, 7 out of 10 would not be comfortable going to a concert or sporting event or to a theme/amusement park and 64% would not be comfortable going to a movie theatre.
- And one in four say they **definitely would not** go to a concert, sporting event or a theme/amusement park in 2020.
- 23% watched past games or sporting events on television, with 20% doing this for the first time.

Source: Ipsos NZ: Corona Virus Wave 7, 24-27 April, NZ Adults aged 18 -74, n = 1017

TRAVEL

While levels of discomfort about travelling and booking holidays declined from attitudes in the early part of our lockdown, there is still a level of nervousness about traveling. Marketers in the travel industry must consider this sentiment. However, this will be expected to ease, and New Zealanders are open to booking travel for next summer.*

- 53% agree that they will go back to doing all the things they did before, including vacation and travel, however 6 out of 10 say they will travel by air less than before (possibly due to the fact that travel options are limited)
- Around one-quarter to two-thirds said they would be comfortable about travel activities within the next few weeks: booking an airline ticket for summer holidays, (22%); booking a hotel or activities (25%); researching a leisure trip for summer (37%).
- When asked about travel in the **longer-term, within 2020**, people are generally more optimistic. However around half of the population are comfortable, while half are not per below:

Activity	% Very or somewhat comfortable – within 2020
Travelling by air/taking a flight within New Zealand	48%
Staying in a hotel in New Zealand	49%
Taking a holiday or leisure travel	44%

Source: Ipsos NZ: Corona Virus Wave 7, 24-27 April , NZ Adults aged 18 -74, n = 1017
**This study was undertaken prior to the decision about the ability to travel domestically under Level 2*

SOURCES AND TRUST OF INFORMATION DURING COVID-19 IN NEW ZEALAND

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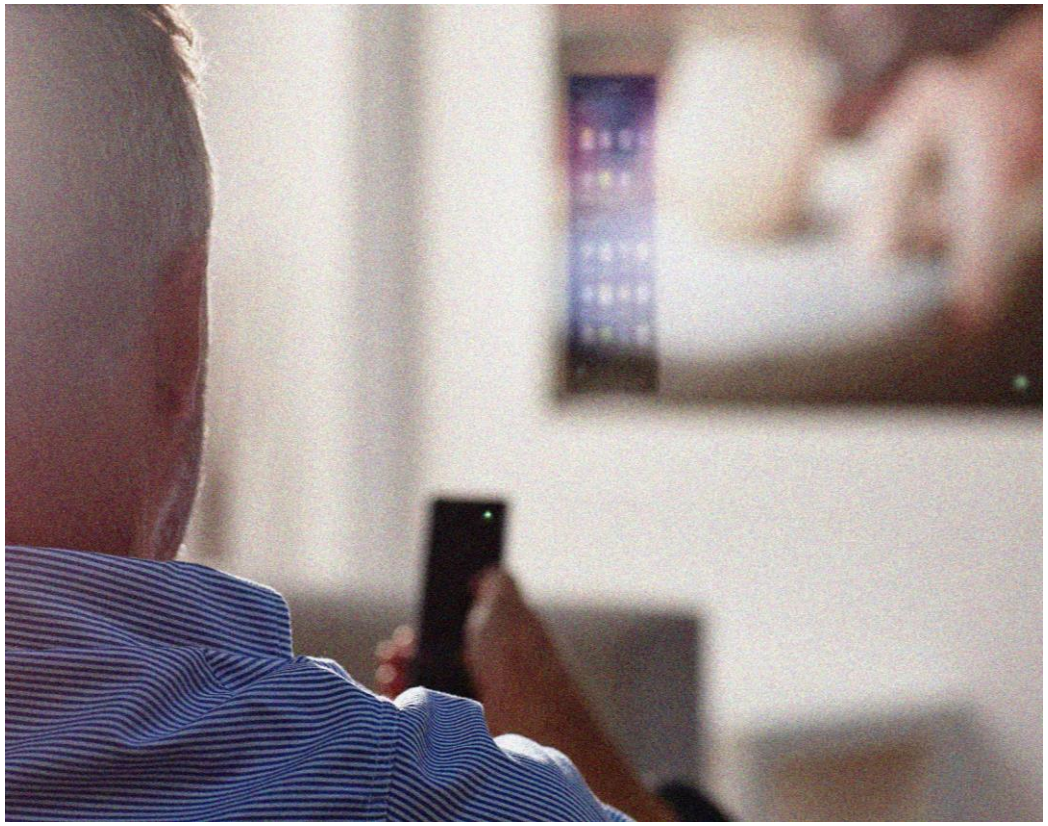
SOURCE OF INFORMATION



During the Covid-19 pandemic, television has proven its importance as a source of information.

7 out of 10 New Zealanders turn to the News on TV for information on Covid-19 with half of the population saying that they get information from advertising and announcements on TV.

For young New Zealanders, aged 18-35, News on TV is equal highest with online news sites at 57%, and over 4 out of 10 say they have been getting information from advertising and announcements on TV.

More detail can be found in the Appendix

Source: Ipsos NZ: Corona Virus Wave 7, 24-27 April, NZ Adults aged 18 -74, n = 1017
Over the last week, where have you been getting information about COVID-19 from?

TRUST IN INFORMATION

New Zealanders across all age groups have high trust in the television news to deliver information on the Covid-19 pandemic

When asked to what degree respondents *trust* a range of sources, 7 out of 10 say they trust TV News.

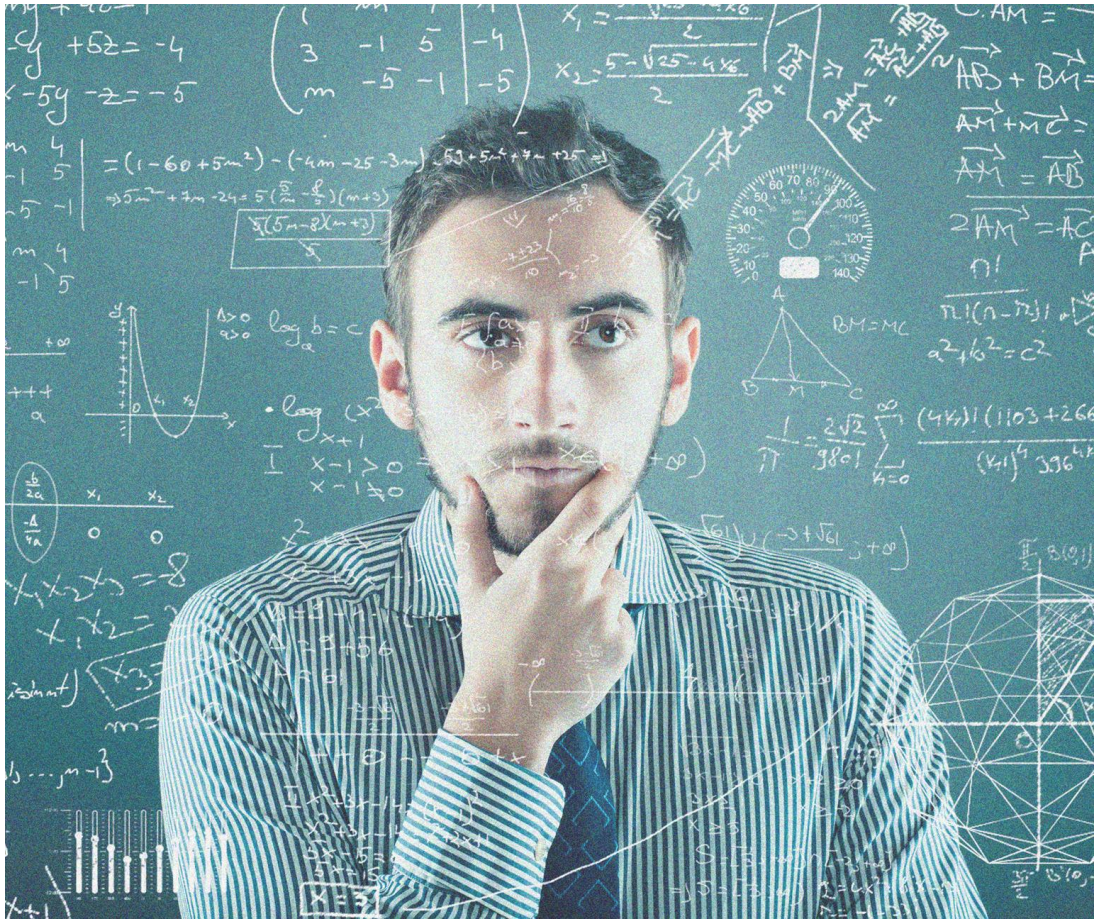
The level of trust is high across all age groups including People aged 18-35 where it is also trusted by 70%.

And no matter what the generation, the trust in TV News is double to social media sources.

More detail can be found in the Appendix

Source: Ipsos NZ: Corona Virus Wave 7, NZ Adults aged 18 -74, n = 1017
To what degree do you trust each of the following to deliver information on the Coronavirus? (% Trust or completely trust)

WHAT DOES THIS MEAN FOR MARKETERS



There's no doubt we're facing challenging times. This research confirms that New Zealanders behaviour has changed or will change markedly, whether its due to government restrictions or individual circumstances.

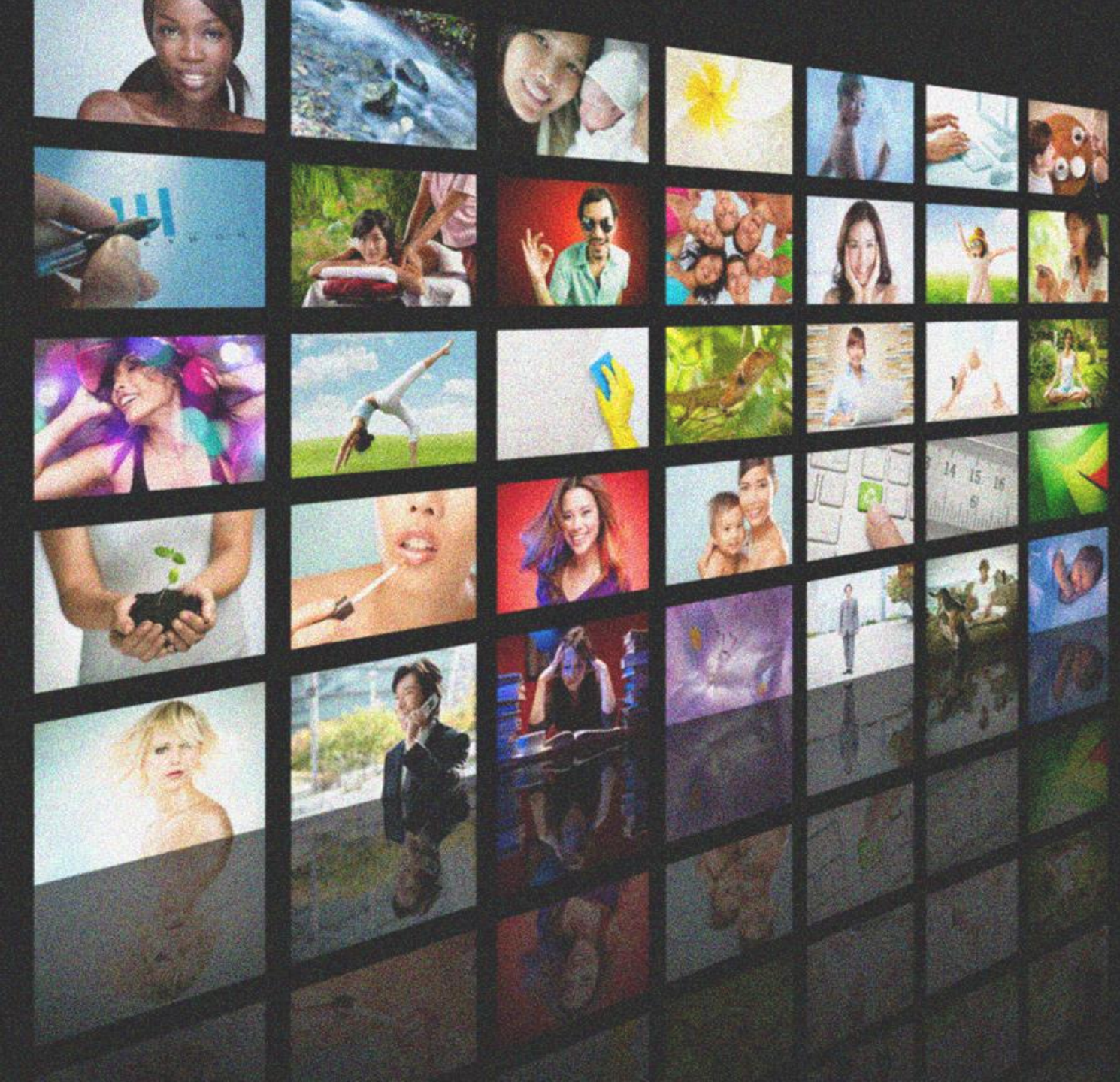
Many businesses and marketers are already innovating or offering alternative products and services. Many have also adapted their messaging to suit the "new normal" and changing needs of their consumers.

Whether you're a retail store, financial institution/bank, fast food restaurant, tourism operator or health food manufacturer there is no doubt your customers may be thinking differently.

New Zealanders may be overwhelmed right now and bombarded with information so it's imperative to cut-through the clutter, get noticed and ultimately make more sales. And, more than ever, using trusted proven media is vital.

Should you wish to access more information from the Ipsos study please contact us or Ipsos directly.

THE ROLE OF TELEVISION



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THE ROLE OF TELEVISION

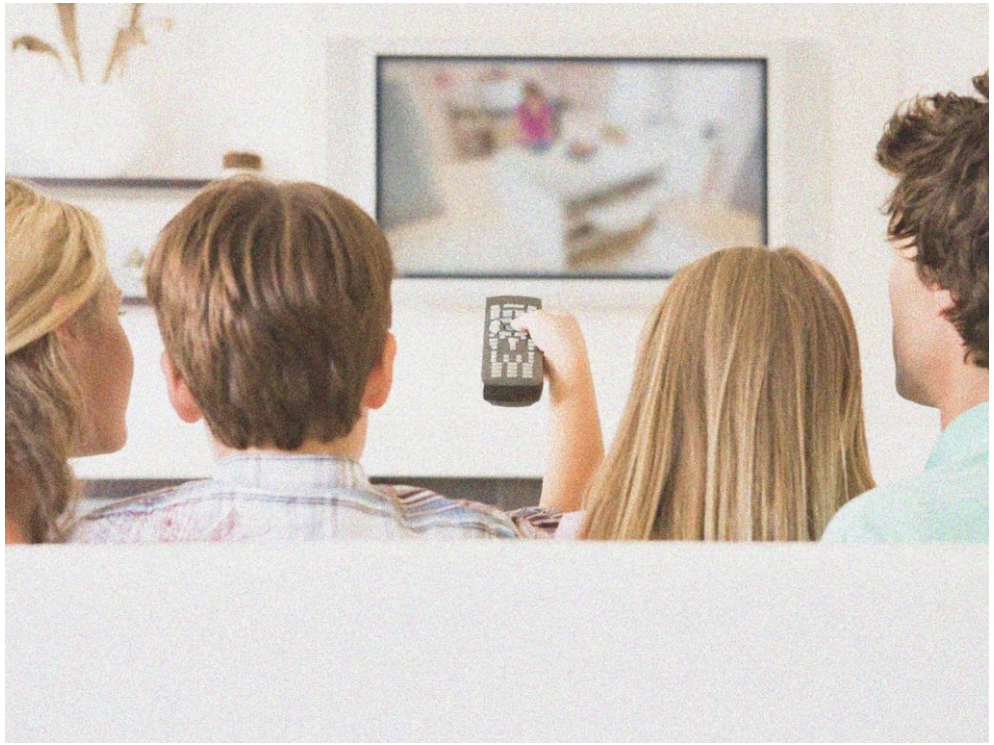
It’s clear from the Ipsos study that during the pandemic TV and TV News provided a vital and trusted source of information for New Zealanders from all age groups.

Nielsen Television Audience measurement data is also showing large increases in viewing across all generations. With these huge audience levels, TV is offering incredible value during the coronavirus crisis. Now is a great time to use TV for many categories. While we have come off the huge peak seen a couple of weeks ago, viewing levels are still well above normal times. **TV offers better value now than it ever has, and possibly ever will.**

When we move to Level 2, there are still many limitations for our options to go out and with winter upon us we will expect viewing levels to remain high, especially in genres such as news, sport, drama and movies.

More than ever, it's **critical to reach as many existing and new customers as possible and ensure every dollar works** as hard as it can by choosing the most **effective channels** available. On the following pages we outline why it’s imperative that TV is part of the media mix.

WHY TV? … REACH MORE PEOPLE AND NEW CUSTOMERS



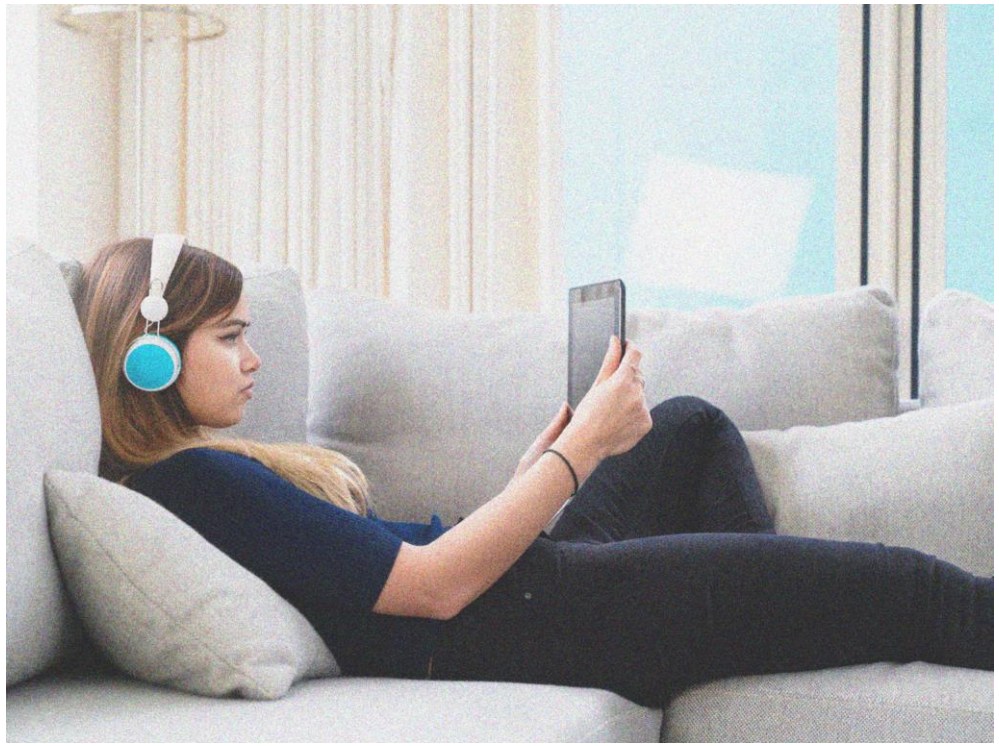
A broad target is far more effective in driving both business and brand effects …. TV's broad reach can deliver more new customers.

Mass Reach: TV reaches 2.5 million New Zealanders a day and 3.3 million New Zealanders a week*

Co-Viewing: The power of "co-viewing" or shared viewing cannot be underestimated. Unlike social video such as YouTube and Facebook, TV has the power to bring people together for a shared experience -this presents an opportunity for brands to increase share of voice without spending an extra cent by speaking to multiple generations at once, sparking conversations that influence purchase decisions and driving behaviour change. With share of voice equating to market share, co-viewing is a powerful tool for brands looking to come out on top post-COVID. More than half of New Zealand TV viewing is currently shared*.

**Source: Nielsen Television Audience Measurement, All People 5+, Total TV (Linear) Weeks 12-18 2020*

WHY TV? … VISIBIILTY AND MEMORABILITY MEANS MORE SALES



Research shows that TV advertising is more visible and more memorable, ultimately resulting in better sales whether in the short or long term.

Visibility: Why pay for an ad that is half exposed? TV (Linear or BVOD) is 100% visible, 100% of the time, meaning it drives more attention and sales than other video platforms.

Ad retention: An effective ad is one people remember. TV advertising continues to impact sales for 109 days or 100 days longer than social video ads.

Sales effect of multi-platform TV: Brands that combine Linear TV + BVOD see more than twice the sales impact of campaigns that combine TV and social video platforms

Source: Professor Karen Nelson-Field, Benchmark Series

WHY TV? … A QUALITY ENVIRONMENT

Engaging content: Television's professionally produced content means that whether on Linear TV or BVOD people are choosing to watch a TV programme so they are relaxed and have the time to watch your ads – and indeed they expect them.

TV builds emotion. We know from our TRA Top 10 TVC's research that viewers love and remember TV ads that make them laugh or cry. TV's premium quality content and high levels of viewer engagement create an environment that fosters the full arc of compelling storytelling. Emotion works over the longer term, building brand memory structures; emotional campaigns drive larger brand effects.

A brand safe environment: Knowing what content your ad is placed next to is crucial for both advertising effectiveness and brand safety.

WHY TV? … MAXIMISE YOUR ADVERTISING DOLLAR

TV is highly cost-effective and right now with large viewing audiences spending 2 hours 47 minutes per day watching TV, the medium offers better value than it ever has, and possibly ever will.

As compared to other video platforms, television ads are much more likely to be seen, meaning your advertising dollar is working harder.

Non-skippable ads: 90% of Linear TV is watched Live*

Ad completion: On ad-supported NZ BVOD platforms, ads are more likely to be viewed to the end with an average 96% completion rate, and the average cost per view is $0.07. **

**Source: Nielsen Television Audience Measurement, All People 5+, Total TV (Linear), Weeks 12-18 2020*
***Source: Google Ad Manager ; TVNZ and MediaWorks*

TV VIEWING AUDIENCE DURING COVID-19 IN NEW ZEALAND

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TV VIEWING AUDIENCE DURING COVID-19

New Zealanders have turned to television in large numbers during the Covid-19 pandemic.

During the last 7 weeks, compared to the same period the previous year, viewership to news programming increased markedly, driving high peak-time audiences.

In the week commencing 5 April, 1.5 million New Zealanders tuned into the news hour. This levelled off at 1.4 million last week (w/c 26 April), 19 % up year on year.

Time spent viewing and all-day audiences are up too, and growth is across a range of demographics.

Time spent viewing across a day is up on average 20% year on year; HHS with Kids are spending over 3 hours a day, a 28% increase.

More details in the Appendix.

Source: Nielsen Television Audience Measurement, All People 5+, Total TV (Linear), Weeks 12-18 202 (15 March – 2 May) and Weeks 12-18 2019 (17 March – 4 May)

APPENDIX

SOURCES AND TRUST OF INFORMATION DURING COVID-19 IN NEW ZEALAND – DETAILED CHARTS

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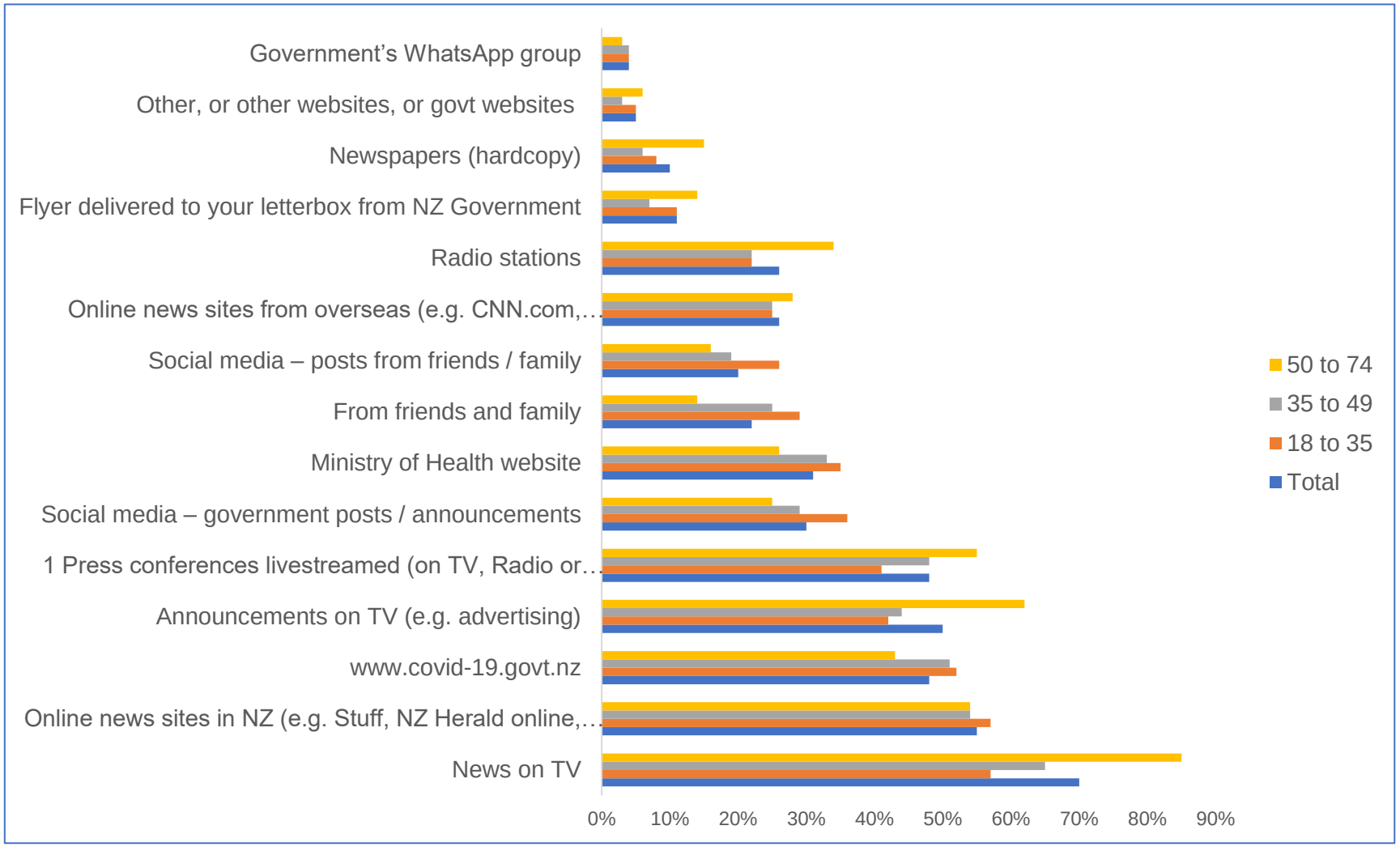
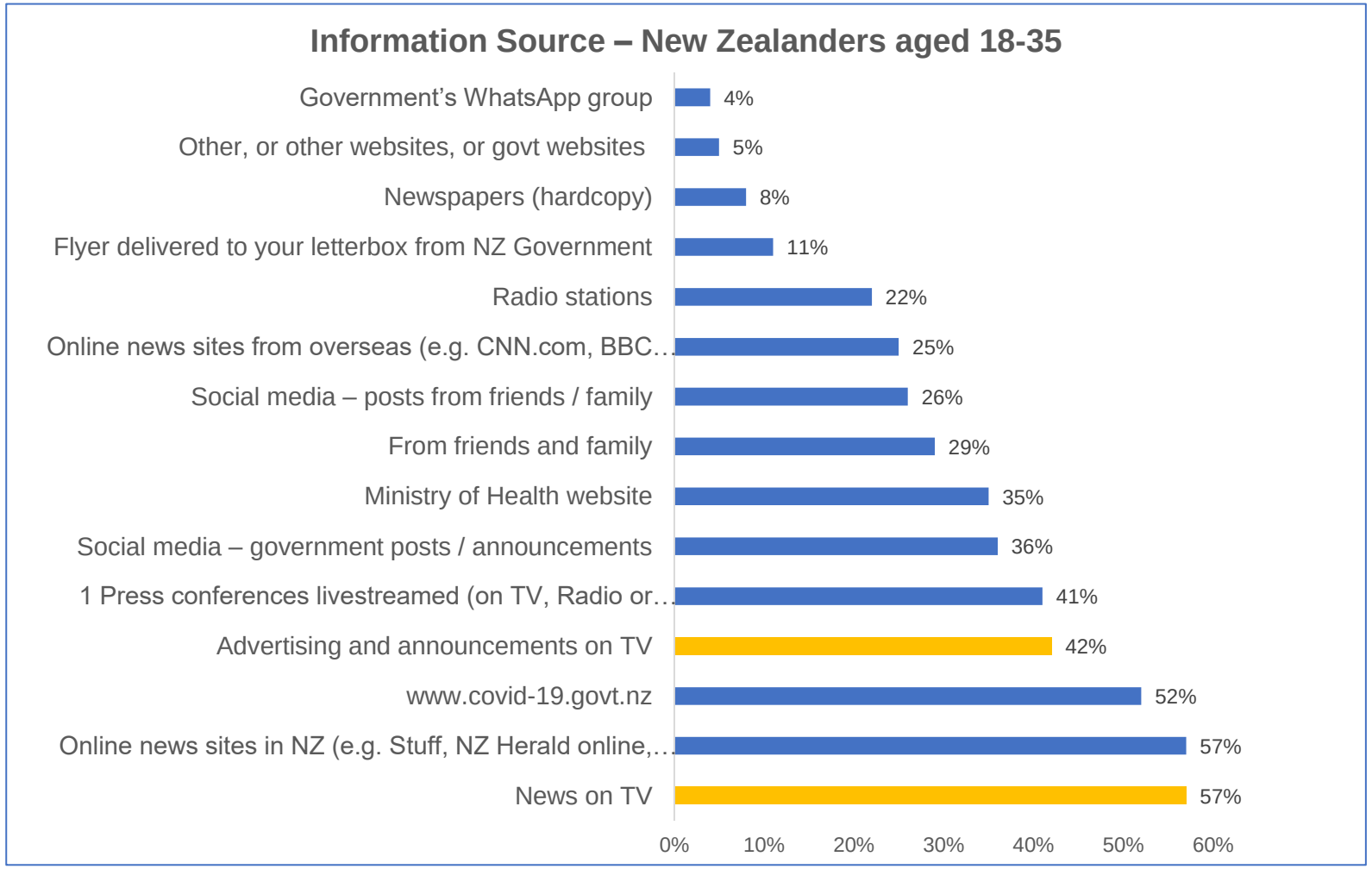
INFORMATION SOURCE – NEWS ON TV HIGHEST FOR ALL AGE GROUPS



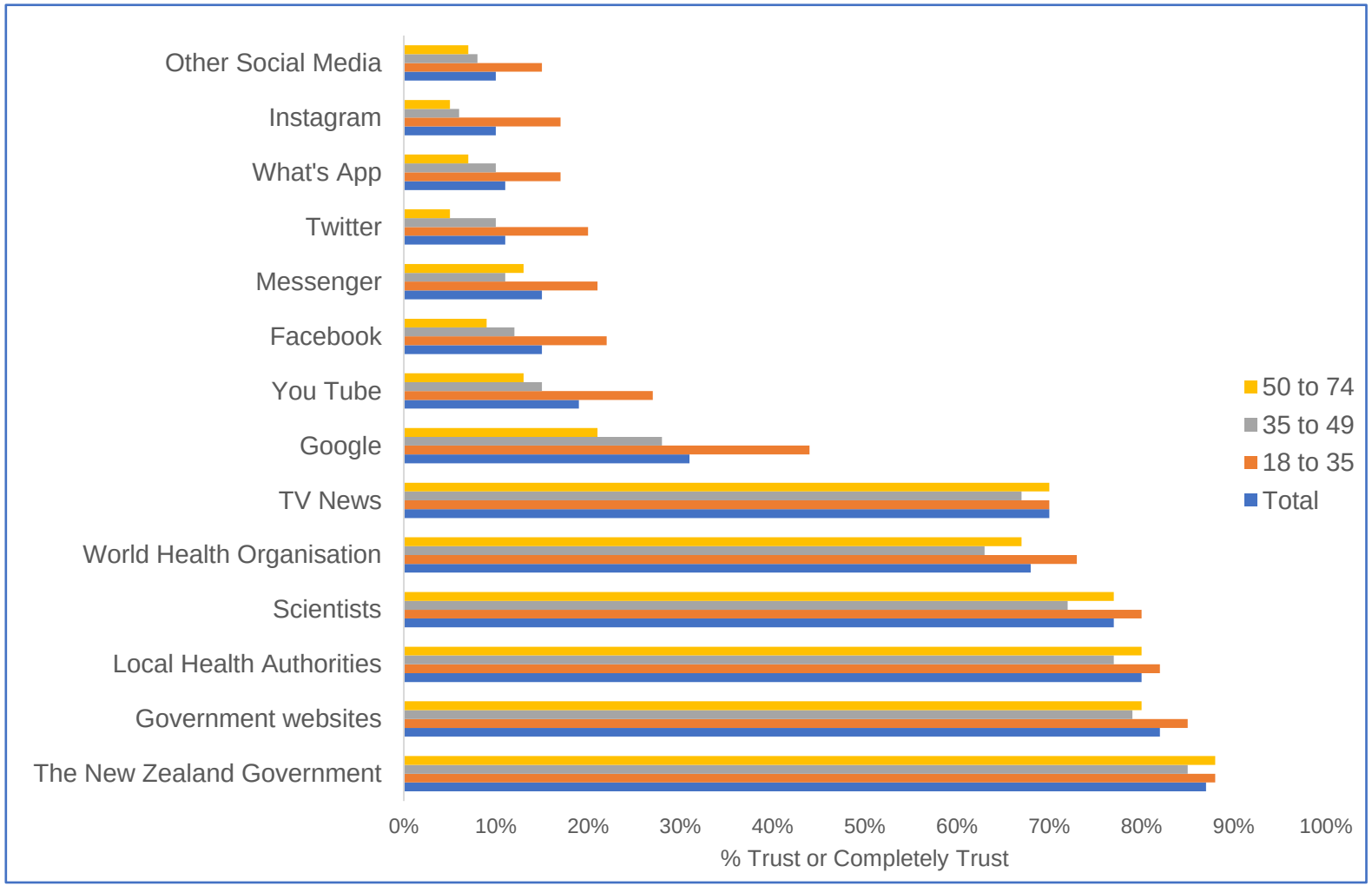
Source: Ipsos NZ: Corona Virus Wave 7, NZ Adults aged 18 -74, n = 1017
Over the last week, where have you been getting information about COVID-19 from?

NEWS AND ADVERTISING ON TV WELL AHEAD OF SOCIAL MEDIA FOR 18 – 35 YEAR-OLDS



Source: Ipsos NZ: Corona Virus Wave 7, NZ Adults aged 18 -35, n = 403
Over the last week, where have you been getting information about COVID-19 from?

TRUST IN INFORMATION – TV TWICE AS HIGH AS SOCIAL – ALL AGE GROUPS



Source: Ipsos NZ: Corona Virus Wave 7, NZ Adults aged 18 -74, n = 1017
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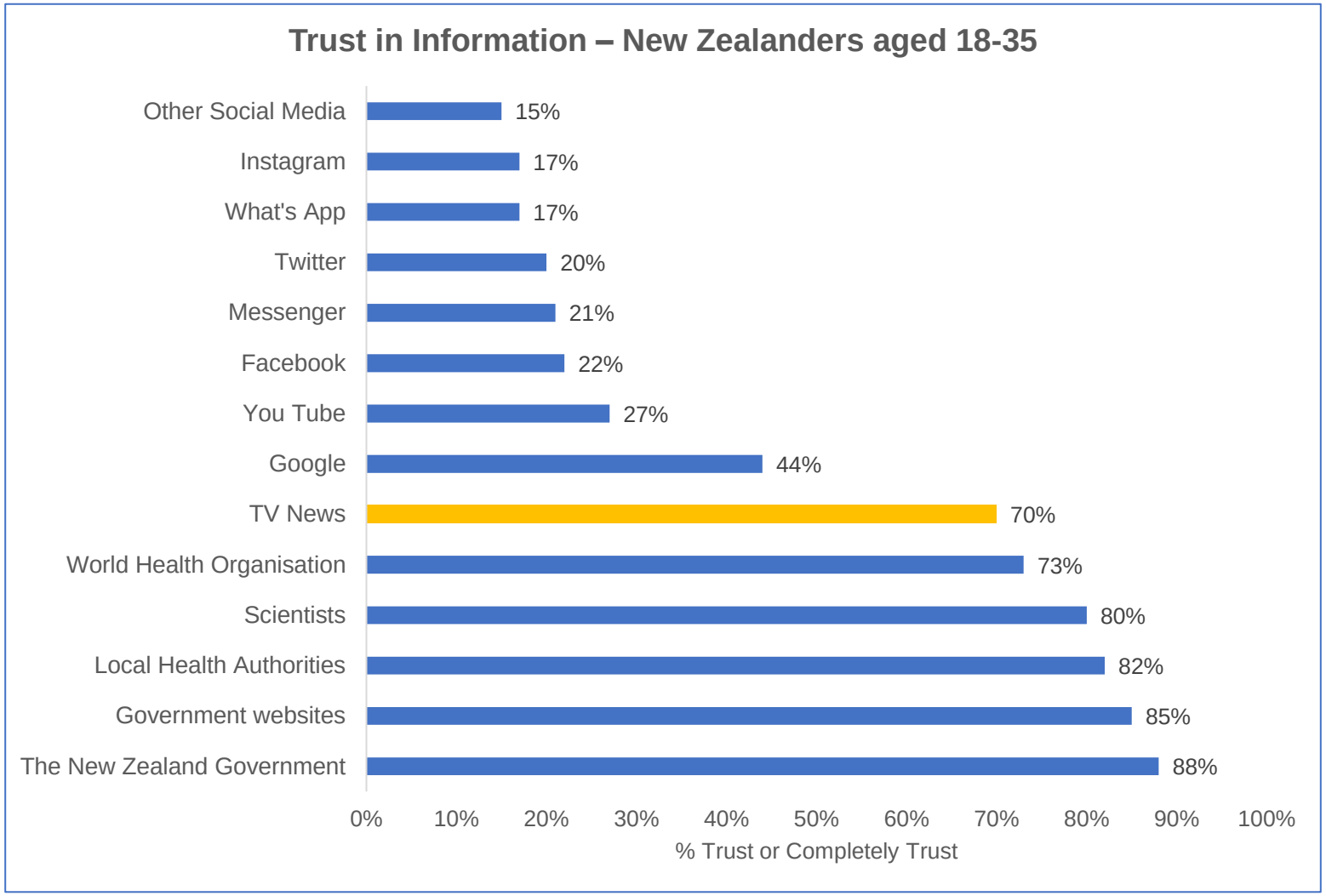
TRUST IN INFORMATION – SEVEN OUT OF TEN 18 TO 35'S TRUST TV NEWS



Source: Ipsos NZ: Corona Virus Wave 7, NZ Adults aged 18 -35, n = 403
To what degree do you trust each of the following to deliver information on the Coronavirus? (% Trust or completely trust)

TV VIEWING AUDIENCE DURING COVID-19 IN NEW ZEALAND:

DETAILED CHARTS

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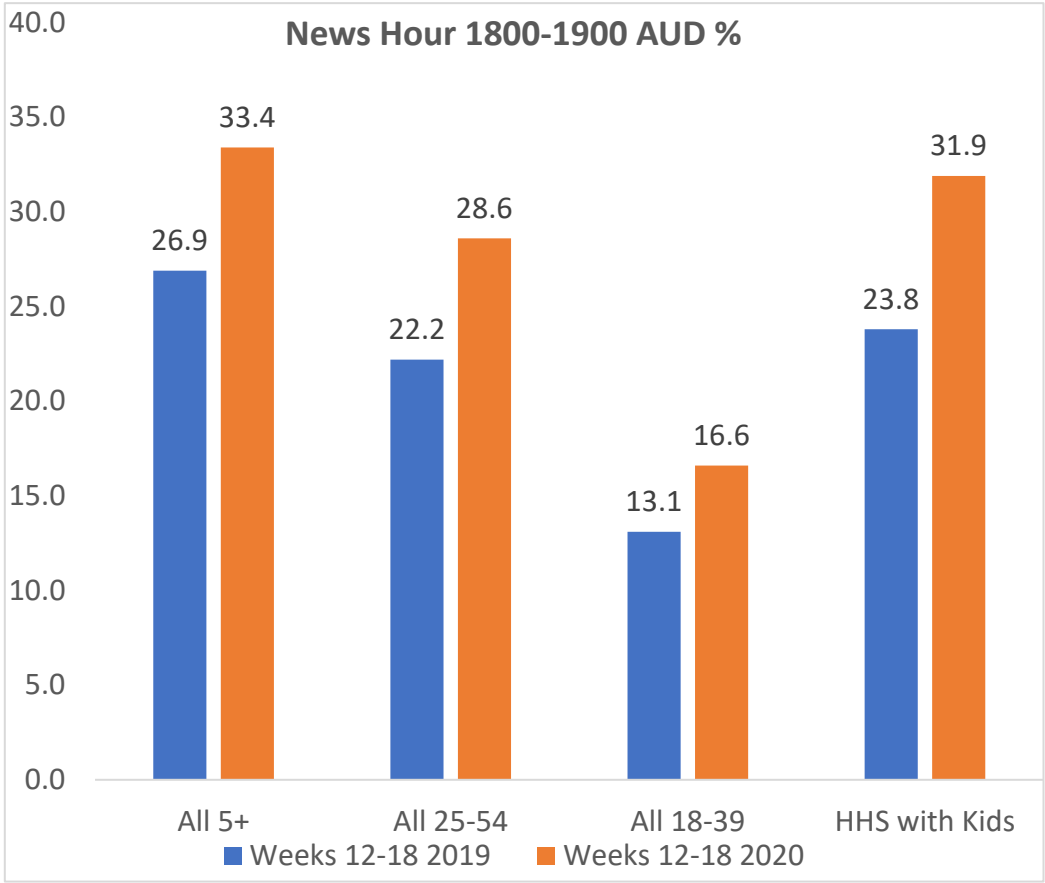
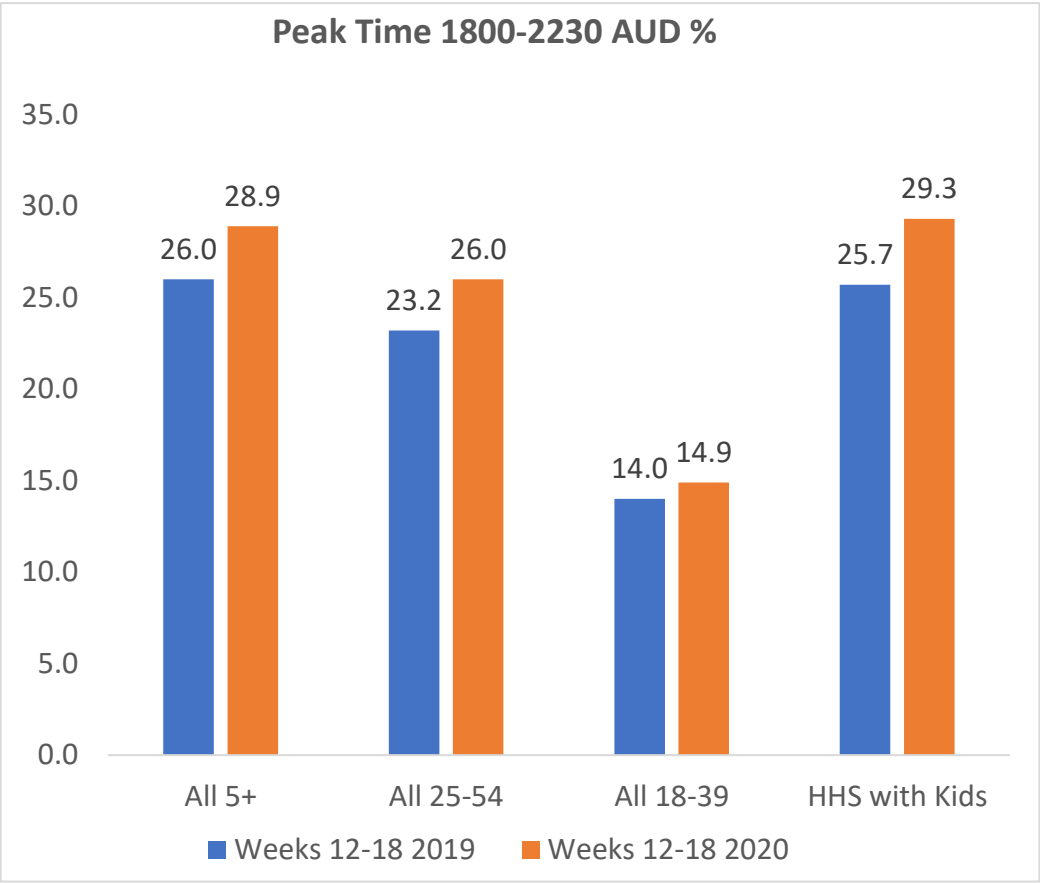
NEWS HOUR AND PEAK TIME VIEWING UP ACROSS ALL AGE GROUPS YEAR ON YEAR

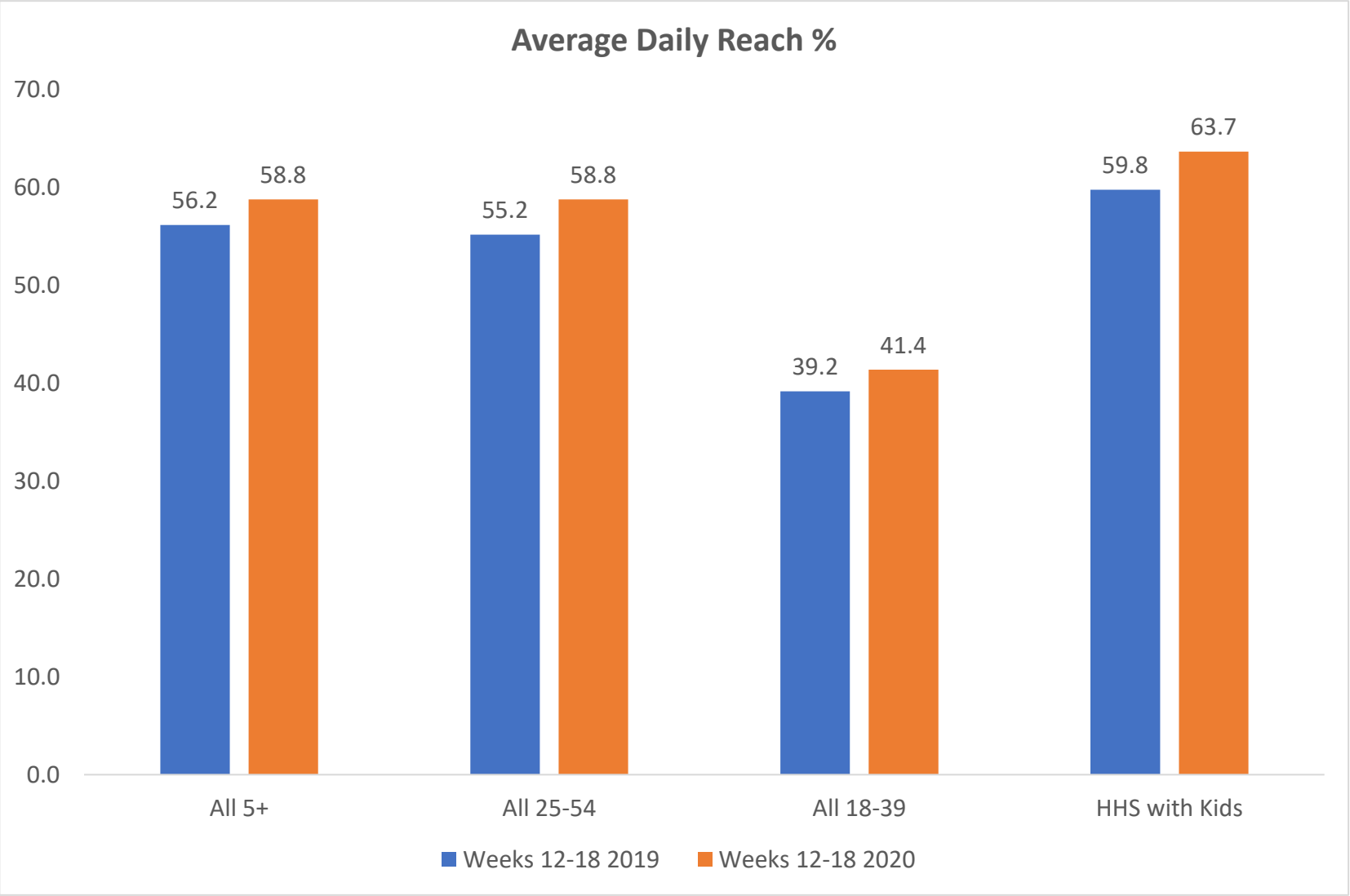
AVERAGE INCREASE OF 28% FOR THE NEWS HOUR





Source: Nielsen Television Audience Measurement, Weeks 12-18 2019 = 17 March – 4 May 2019; Weeks 12-18 2020 = 15 March – 2 May 2020. Total TV, AUD %
AUD % - the average viewing audience for a demographic expressed as a percentage of the relevant Universe Estimate, also known as TARP (Target Audience Rating Point)

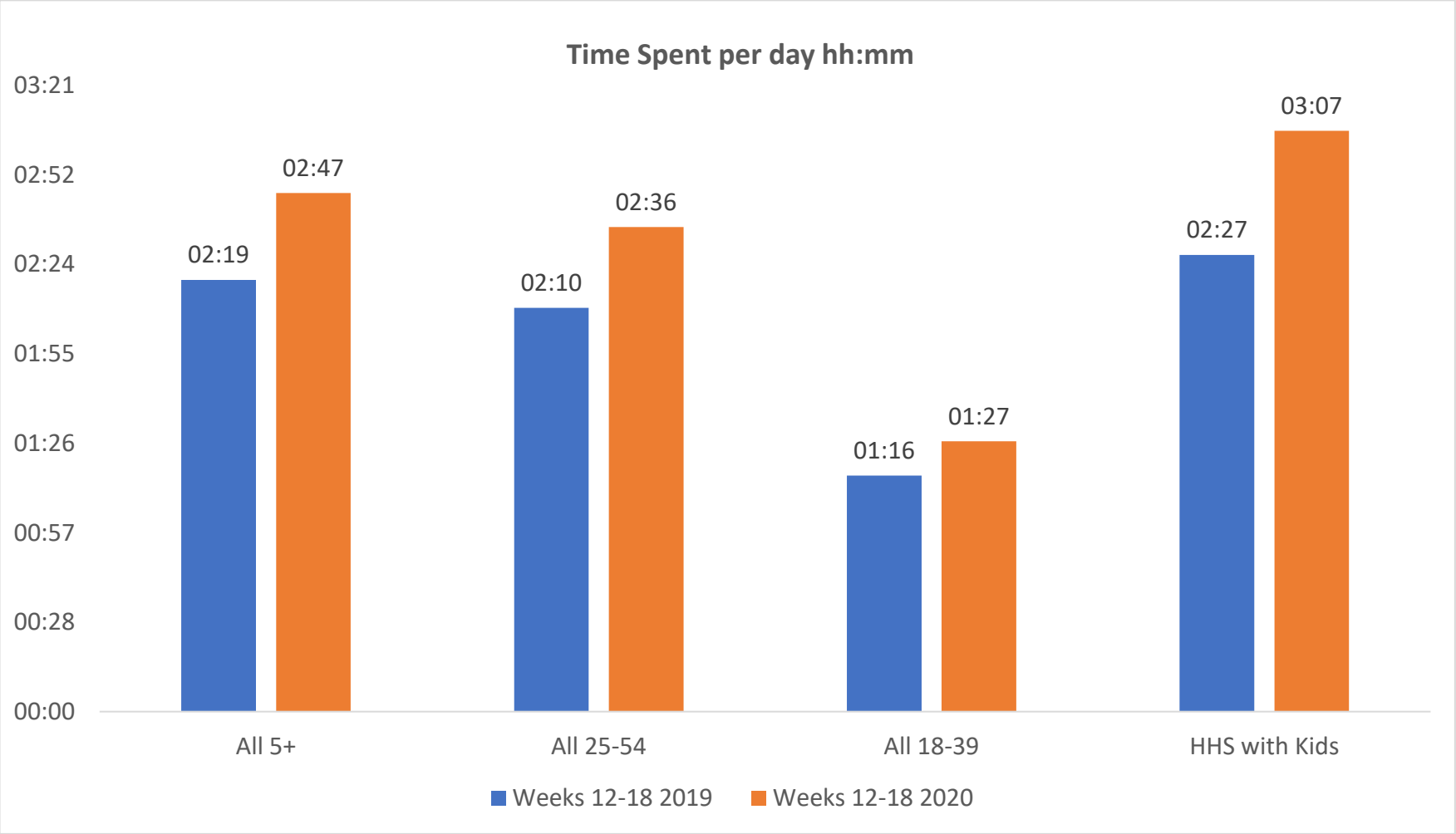
ALL DAY VIEWING UP ACROSS ALL DEMOS



Source: Nielsen Television Audience Measurement, Weeks 12-18 2019 = 17 March – 4 May 2019; Weeks 12-18 2020 = 15 March – 2 May 2020. Total TV, Average Daily Reach %
Average Daily Reach % - the sum of the number of unique viewers who have seen at least one minute of an event or time band across the day, averaged across a period of time (days),expressed as a percentage.

ALL DAY TIME SPENT HIGHER AMONG ALL AGE GROUPS

AVERAGE INCREASE OF 20%; 28% FOR HOUSEHOLD SHOPPERS WITH KIDS



Source: Nielsen Television Audience Measurement, Weeks 12-18 2019 = 17 March – 4 May 2019; Weeks 12-18 2020 = 15 March – 2 May 2020. Total TV, Time Spent Viewing – ATV – All Day Viewing
ATV: Of the total number of people in the target market (potential audience), the number of minutes each person viewed of a specific event. This variable considers the potential of the target, even if many individuals in the target audience did not watch the event being analysed

CONTACTS

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