



## Responding to Coronavirus: Advertising Trends & Strategy for Automotive

The novel coronavirus outbreak, also known as COVID-19, has severely affected many industries due to cancellations, restrictions and a drop in demand. Managing expectations of current and future customers has become even more important during this period of uncertainty. Digilant is committed to closely monitoring the impact of coronavirus on consumer behavior in order to provide the best digital advertising recommendations to advertisers during this time of uncertainty.

In this guide, you'll find several trends and strategies to consider to stay connected to customers and to prepare for economic recovery during this challenging time.



## 02. WHY AUTO AD SPENDING IS HOLDING STEADY

Per Digiday, while many consumers may not be in the right frame of mind to purchase a car right now, cars tend to have **longer sales cycles**. That means this period could be an opportune moment for longer-term brand-building campaigns designed to build **awareness** and preference for a time when things in the outside world become less chaotic. Empathetic to the current mood, some automakers have switched their creative (see page 3) to focus on financing options and other supportive messaging as consumers begin thinking about the impact the coronavirus pandemic will have on their wallets.

Even in circumstances such as these, life goes on. And for most Americans, it centers around their transportation mode of choice: cars. Which means vehicle sales will and must continue.

There's a silver lining in the economic anxiety Americans face: **Interest rates** are at unprecedented lows, and benchmark bond yields have dropped below 1% for the first time in history, conditions that are likely to cut borrowing costs even further on everything from buying cars to mortgages.

A bright spot for consumers is the price of oil. It's down to around \$25 per barrel, from as high at \$60 just over a year ago. This means that demand for **full-size pickups**, once the market recovers, may not slacken. This is good news for GM, Ford, and FCA, which derive much of their profits from these trucks.

"In terms of incentives, now is a great time to buy a car, especially for consumers with a prime credit rating," said Michelle Krebs, executive analyst at Cox Automotive. "Zero percent deals up to 6 or 7 years abound from numerous automakers along with a number of other perks, like delaying the first payment for three months or getting help in case of a job layoff."





# 03. RETHINKING AUTOMOTIVE STRATEGY & MESSAGING

*"Right now, businesses that can still afford to spend money on advertising have three options. One is to pretend the world has not changed; two is to cut all marketing; three is to continue marketing but change your messaging, recognizing the world has changed. Smart people do No. 3."*

- Rishad Tobaccowala, senior adviser to Publicis Groupe.

Some of the ways automotive companies are changing their messaging and offerings include:

- Hyundai Motor America, Toyota and General Motors have joined Ford Motor Co. in altering creative in response to the COVID-19 pandemic. Hyundai, for instance, is offering Hyundai Assurance, and is delaying payments for up to 6 months, in the event that the owner loses job any time in 2020 as a result of COVID-19.
- Toyota recently produced a new spot adjusting current sales event focused advertising to reflect a more timely market messaging, and is offering respect to front lines (healthcare, government) in "We're here for you" messaging.
- Cadillac/Buick/GMC is extending OnStar Crisis Assist Services & in-vehicle Wi-Fi, plus flexible payment arrangements.
- Honda, Cadillac and Nissan are offering online/over-the-phone purchasing, and delivering new vehicle directly to owner.
- Buick/GMC is deferring financing for 120 days, and is pushing online shopping home delivery.
- Ford is offering financial relief for those affected by the pandemic, and cancelled its March Madness messaging and changed to "Let us take care of you."

**Honda Sponsored**

Introducing Shop Simple with Honda. Buy your next Honda online through our participating dealers.

**shop simple with Honda**

Shop Simple available only in select states. Delivery options will vary. Buyer may be required to visit dealer to finalize purchase. See dealer for details.

Find your Honda online  
Shop Simple with Honda  
AUTOMOBILES.HONDA.COM

[Learn More](#)

**Cadillac Sponsored**

During these times of uncertainty, we're here for you. We are making OnStar Crisis Assist services available to current owners, along with complimentary 3GB/3 months (whichever comes first) of in-vehicle Wi-Fi data for a limited time. Because we're all in this together, and we have your back.

**WE HAVE YOUR BACK.**

**ONSTAR IS ACTIVATING CRISIS ASSIST SERVICES FOR A LIMITED TIME FOR CURRENT OWNERS.**

Discover how you can count on... [Learn More](#)

Specialty trained OnStar Advisors ar... [Learn More](#)

## 04. REASONS NOT TO GO DARK

While initial instincts may be to stop advertising during this time, there are several reasons to consider keeping a campaign running or refreshing strategy to better fit the nature of the current environment. Shifting messages could include promoting efforts to accommodate the times (no-touch gas stations, curbside pickup), philanthropic efforts, or simply changing out messages that are not relevant (dining in, in-person events, store openings, etc). As an example, Ford recently pulled ad campaigns promoting vehicles and incorporated ads supporting customers with a car payment relief program during the crisis (AdAge).

Going dark could risk losing brand equity, while as an alternative, properly shifting brand messaging could lead to an increase in both awareness and brand trust. Now is a time more than ever to stay in touch with your consumer base. Ad costs are lower, and with many companies pausing their efforts, it provides an opportunity to gain a larger share of voice.

### QUICK TIP

Shift messaging as necessary

### QUICK TIP

Reallocate budgets to surging channels

### QUICK TIP

Build on CRM & existing relationships



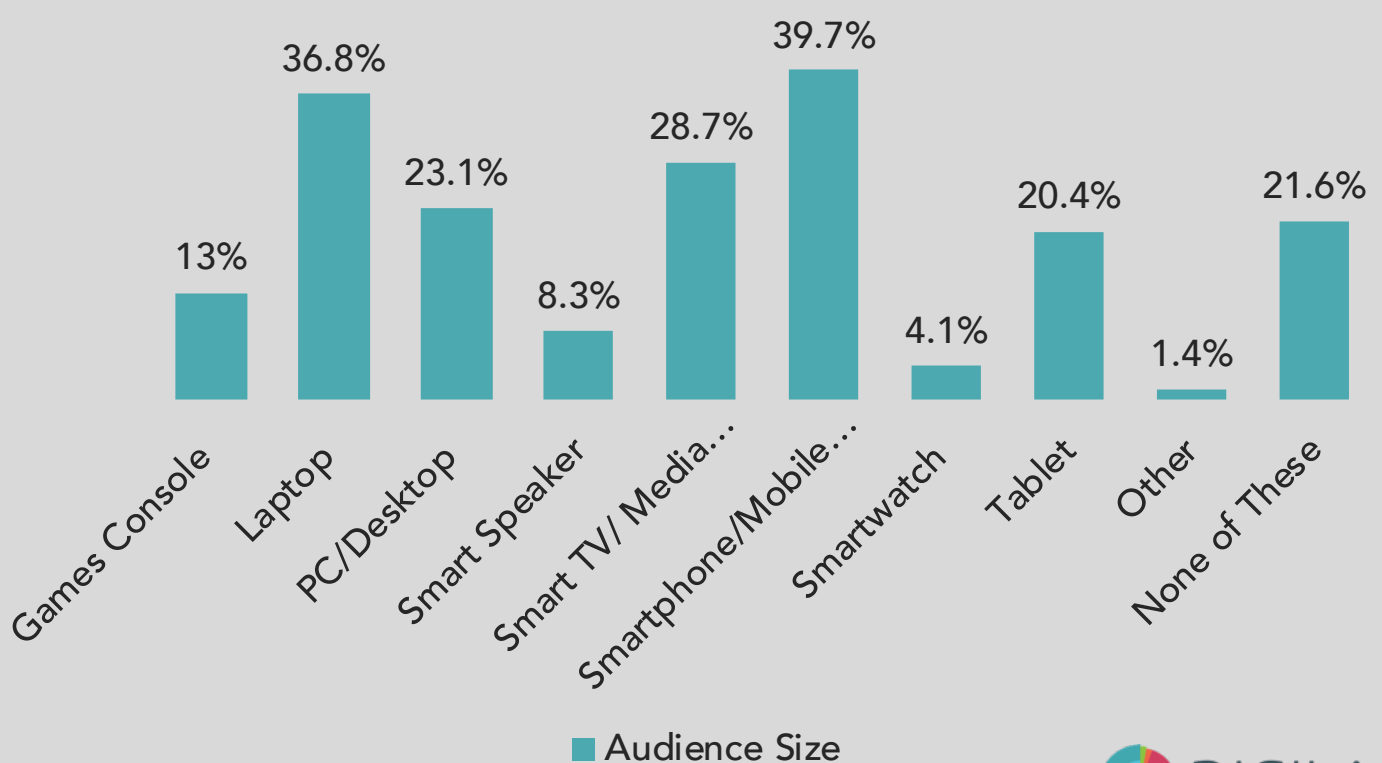
## 05. TECH USAGE

With social distancing, more consumer are turning to their devices while at home to stay connected to their loved ones and the world, as well as to entertain themselves in their down time.

Data usage has seen a huge spike since the start of the coronavirus outbreak, with overall web traffic increasing 20% (CNBC). This means more ad inventory and a larger reach than usual for advertisers looking to hone in on their target audience.

Devices expected to see a significant increase include Smartphones, Smart TVs, Laptops, Game Consoles and Tablets. Now is a time to consider expanding targeting to devices and channels that are going to see heavy usage during the coming months.

### WHAT DEVICE(S) HAVE YOU BEEN SPENDING MORE TIME USING SINCE THE START OF THE CORONAVIRUS / COVID-19 OUTBREAK?\*



\*Source: Global Web Index

## 06. RETHINKING BUDGET ALLOCATION

In looking at the research of top consumer channel trends, there is a wide range of support to continue to advertise and rethink strategy:

- **Allocate budget towards surging channels such as CTV & Social:** Now more than ever, people are on their screens and devices. As seen in recent research, TV and social are on the rise, alongside overall web traffic.
- **Reach existing customer base with tactics such as CRM Onboarding** – By focusing on upselling & staying top of mind with a current audience base, brands can avoid fading out of consumers' minds. Target past converters, drive higher engagement and utilize direct mailing lists via CRM Onboarding. Digilant's **Look-A-Like Targeting** tactic also allows advertisers to reach users who act most like their most loyal customers.
- **Crawl, Walk, Run Approach:** Instead of going dark, focus on upper-funnel strategies for the time being. With tactics such as Behavioral Targeting, Whitelisting & Keyword Targeting, Digilant can help you reach your target audience and further brand perceptions.





# 07. SHIFT TO STREAMING AND CTV

With streaming services, such as Hulu, Netflix and Youtube TV offerings binge-able content, there is no shortage of content to be watched while households all over the nation experience this quarantine. With many live events being cancelled as well, people are turning to at-home entertainment to fill the void.

According to Nielsen, the nation staying home during COVID-19 can lead to upwards of a **60% increase** in the amount of TV we consume. Nielson looked to past major crisis such as Hurricane Harvey, which showed a **56%** increase in total TV usage during that time, while in the severe North East snowstorms of 2016, TV usage in New York was **45% higher**. Understandably, desires to consume and keep up with the current events has risen, alongside entertainment .

Now is the time to allocate budget towards CTV. Reach the growing cord-cutting and cord-never audiences, achieve high completion and viewability rates, and access premium networks cost-efficiently compared to Linear TV. Digilant has wide range of CTV/OTT inventory, alongside a partnership with platforms such as Hulu.

## QUICK STAT

**29%** of users indicated they have been using streaming services/Smart TVs more since coronavirus began.

*Source: Global Web Index*

## QUICK STAT

**9%** of users indicated coronavirus outbreak as a major reason they subscribed to a streaming video service, while **12%** indicated the outbreak as a minor reason.

*Source: eMarketer*

## QUICK STAT

**32 million Americans** watched the news mid March, up **42%** from the same week last year.

*Source: Quartz*

## 08. STAYING CONNECTED ON SOCIAL MEDIA

While social distancing has kept people physically away from one another, social media now more than ever, provides a way for users to stay in contact with one another. It is also a way to stay on top of the latest news surrounding COVID-19. Facebook reported that WhatsApp and Facebook Messenger use has more than doubled during this crisis (Hootsuite). In addition to users engaging with one another, social channels such as Facebook, Twitter and Instagram provide an outlet for brands to stay connected with their user base and potential customers during this time, while simultaneously analyzing how they are responding to the crisis.

### QUICK STAT

64% of surveyed users expect their usage of YouTube to increase, while 63% expect their Facebook usage to increase.

Source: Yahoo Finance

### QUICK STAT

Users are engaging with ads on Instagram more than usual with a 76% increase of likes on #ad posts.

Source: Obviously, 2020 Influencer Study



## 09. GAMING SEES STRONG UPTICK

One vertical that is currently seeing positive numbers is the gaming industry. Verizon reports that gaming has seen a **75%** increase in usage since the outbreak (CNBC). This is logical given the increase in time people are spending at home looking for various ways to keep themselves entertained indoors. Some video games, such as Pokémon Go, have added features to make it more accessible to play at home or alone as opposed to with a group to encourage social distancing (Polygon).

Given the strong uptick in gaming, gaming streaming services have also seen an increase in activity. Twitch, one of the leading live video streaming platforms popular amongst gamers, has seen a 10% spike in viewership (Game Industry Biz).

This is a time to test out advertising on these interactive, engaging platforms for applicable verticals looking to reach a tech savvy audience – eCommerce, CPG, Technology and more. Through Digilant's ability to advertise via Twitch, advertisers can reach this highly engaged group as they game.





Questions?



There's a lot going on right now. Social distancing is impacting how we all do business and we know there is concern over the days ahead. Not only do you have to worry about your health and the health of your family, but you have to find the best path forward for pursuing your company's objectives for the year.

We are (and have always been) optimists and believe that we will get through this together.

We are with you for the long haul and will continue to provide relevant insights and guidance as you navigate this new normal. You can reach us with any questions or concerns at [digilant.com/contact](https://digilant.com/contact) or [info@digilant.com](mailto:info@digilant.com).