



Responding to Coronavirus: TV Sports Dollars & Shifting to a New Strategy

The novel coronavirus outbreak, also known as COVID-19, has severely affected many industries due to cancellations, restrictions and an overall drop in demand for many goods and services. With the cancellation of professional and collegiate sporting events, and the recent postponement of the 2020 Summer Olympics, the TV sports industry has been drastically impacted by the global pandemic. Consequently, managing the expectations of fans and viewers 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 TV Sports trends and strategies that will help you stay connected with your audience and enable you to target viewers despite the widespread cancellations.



01. TV SPORTING EVENTS SPENDING TRENDS

With the MLB, March Madness, MLS, NHL, Kentucky Derby and the Masters either postponed or cancelled, advertisers may be shifting a large portion of their sports TV dollars to alternative channels.

While TV Networks will help agencies find alternative inventory to replace sporting events, there will still be surplus dollars left to reallocate. According to Adam Simon of UM's IPG Media Lab, "It's about how do we redirect and try to reach those audiences. That's mostly been redirecting to digital video, OTT and advanced TV," (Source Digiday)

Now is the time to allocate budget towards CTV and programmatic video. Reach the growing cord-cutting and cord-never audiences, achieve high completion and viewability rates, and access premium networks at a lower cost (relative to Linear TV). Digilant has wide range of CTV/OTT inventory, alongside partnerships with popular streaming platforms.

QUICK STAT

U.S. video viewing could increase **60%** during a time of crises, according to Nielson.

Source: eMarketer

*Given the rapidly changing climate of Covid-19, Digilant will continue to make updates with Sports and industry trends when data is available.

02. STAYING CONNECTED WITH INFLUENCER MARKETING

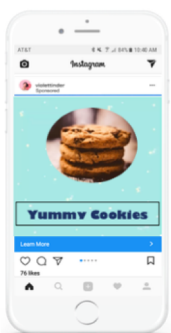
The 2020 Olympic games in Tokyo, Japan have been postponed to July – August 2021. NBCUniversal has sold a record-breaking year for ads for the 2020 Games, selling \$1.25 billion worth of National Advertising inventory. While it is likely that TV Olympic dollars will be spent in 2020, a large portion of marketing budgets may be shifted to **digital** or **social influencer channels**.

What is influencer marketing?

Content advertised by social influencers whose followers mirror a brand's target audience, goals and creative strategy.



01
Organic
Social Post



02
Targeting in
Paid Social



03
Amplify
Your Reach

QUICK STAT

34% of people have purchased based on an influencer's post.

Source: eMarketer

QUICK STAT

68% of people come to Instagram to interact with creators.

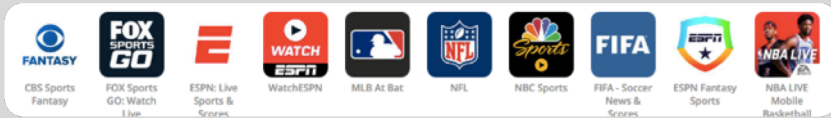
Source: Instagram

03. RETHINKING STRATEGY

To respond to widespread sports cancellations, Digilant can help advertisers shift TV Sports dollars to alternative channels while continuing to engage with the sports-watching audience:

Allocate budget towards surging channels such as Video & CTV: Now more than ever, people are spending time on screens and devices, and there is a clear uptick in video consumption. We can whitelist channels for CTV devices and gear them toward Sports Fans. [See #5.](#)

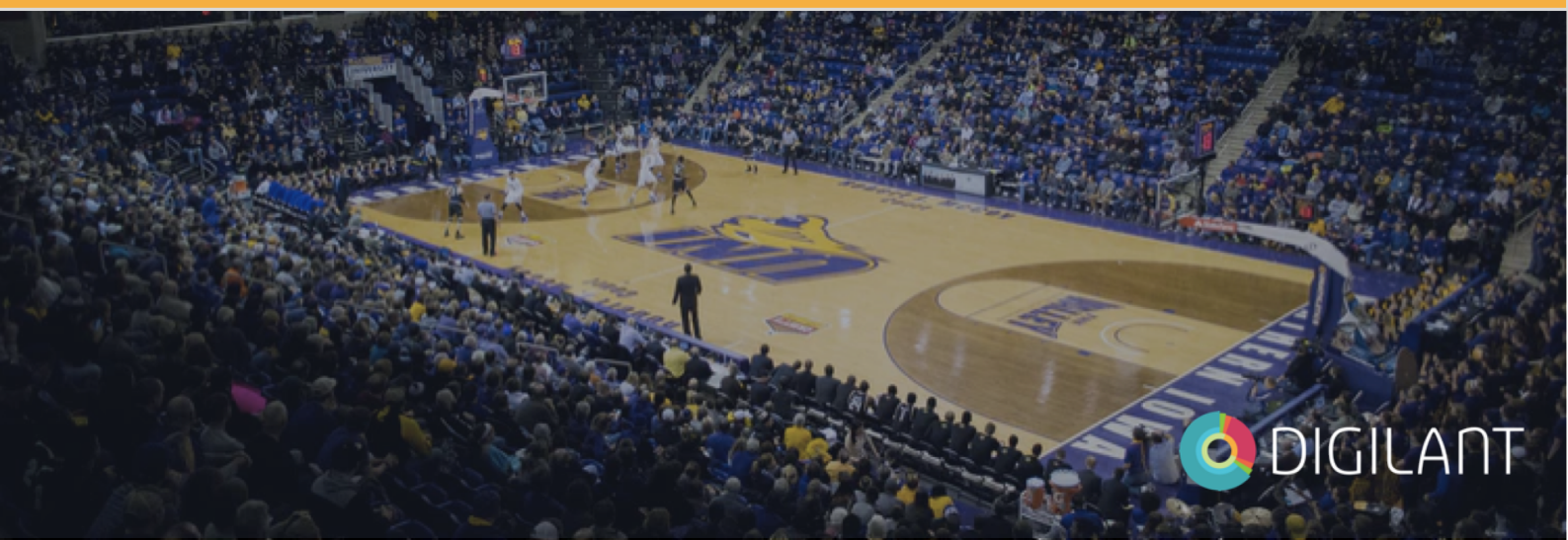
Reach existing customer base with tactics such as App Ownership and Whitelisting: By focusing on upselling & staying on the top of your existing customers' minds, brands can avoid fading awareness. Reach the sports enthusiast on their mobile apps, (ESPN, CBS Sports, Fox Sports, MLB, March Madness). We can also whitelist relevant sporting websites that the sports enthusiasts frequent.



Crawl, Walk, Run Approach: Because sports is directly impacted by COVID-19, 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 Sports TV watching audience and further brand perceptions. [See #8.](#)

Sample Behavior Targeting

- Nielsen TV - Genre - Sports - Heavy Viewers
- Nielsen TV - Golf Enthusiasts
- Nielsen TV - Genre - Sports - MLB Baseball - Heavy Viewers
- Nielsen TV - Genre - Sports - NFL Football - Heavy Viewers



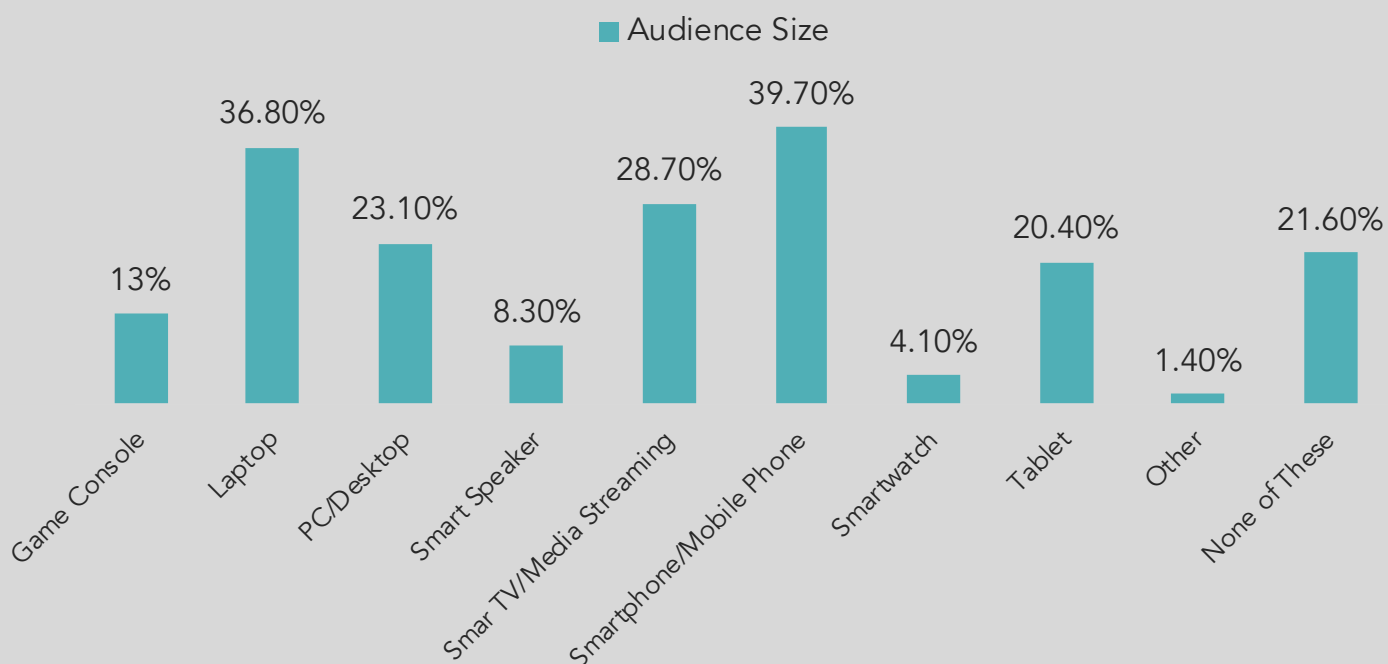
04. TECH USAGE

With the swift adoption of social distancing measures, more consumers are utilizing portable devices to stay connected to their loved ones and to entertain themselves in their down time.

Data usage has spiked since the start of the coronavirus outbreak, with overall web traffic increasing 20% (CNBC). This has ultimately yielded an increase in ad inventory and a larger reach, giving advertisers a prime opportunity to capture the attention of their target audience.

Devices expected to see a significant increase include Smartphones, Smart TVs, Laptops, Game Consoles and Tablets. Now is the time to consider expanding targeting to devices and channels that will continue to see greater than average usage in the coming months.

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



05. SHIFT TO STREAMING AND CTV

With streaming services such as Hulu, Netflix and Youtube TV offering an enormous quantity of binge-able content, households all over the nation will be tuning more than ever. Additionally, with many live events being cancelled, people everywhere are expected to fill the void with content from their preferred streaming service.

According to Nielsen, the social distancing efforts caused by COVID-19 could lead to upwards of a **60% increase** in the amount of TV we consume. Nielsen looked to past major crises, like Hurricane Harvey, which drove a **56%** increase in TV consumption, while the severe Northeast snowstorms of 2016 drove a **45% increase**. Understandably, desires to consume and keep up with the current events has risen in conjunction with the increased need for entertainment.

Now is the time to allocate budget towards CTV. Doing so will enable you to reach the growing cord-cutting and cord-never audiences, achieve high completion and viewability rates, and access premium networks at a far more cost effective price than with linear T.V.. Digilant has access to a wide range of CTV/OTT inventory, alongside a partnership with Hulu.

QUICK STAT

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

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.

QUICK STAT

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

06. STAYING CONNECTED ON SOCIAL MEDIA

While social distancing has driven us apart, people now more than ever are relying on social media to bring us together once again. It is also an optimal way for us to stay on top of the latest news surrounding COVID-19. Facebook reported that WhatsApp and Facebook Messenger use has more than doubled since the onset of this crisis (Hootsuite). In addition to higher virtual engagement with each other, social channels such as Facebook, Twitter and Instagram provide an opportunity for brands to stay connected with their existing base and prospects alike. This trend also enables brands to analyze 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.

QUICK STAT

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

07. GAMING SEES STRONG UPTICK

One vertical that is currently seeing a clear uptick in users is the gaming industry, as Verizon is currently reporting a **75%** increase in usage since the outbreak (CNBC). This is logical given the increased time people are spending at home searching for entertainment. Pokémon Go, for example, is adapting to the current circumstances by adding features that make it easier to play at home or alone, diverging from its historically social and exploratory nature (Polygon).

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

This is the perfect time to test out advertising on these interactive, engaging platforms, specifically for verticals looking to reach a tech savvy audience – eCommerce, CPG, Technology, amongst others, could see success. With Digilant's ability to advertise on Twitch, clients will have the ability to reach this highly engaged group as they game.



08. REASONS NOT TO GO DARK

While economic instability may incline business owners to cut advertising costs, there are several reasons to consider keeping a campaign running or pivoting your strategy to better fit the nature of the current environment. Shifting your messaging to include promotional or philanthropic efforts could be helpful for your brand, as is changing messaging that is no longer relevant (dining in, in-person events, store openings, etc). For example, Ford recently pulled ad campaigns promoting vehicle purchases and replaced it with ads promoting a car payment relief program to assist individuals through the economic fallout (AdAge).

Going dark could perpetuate a loss in brand equity, while conversely, properly shifting brand messaging could lead to an increase in both awareness and brand trust. Now is the time to stay engaged with your consumer base. Ad costs are lower than ever, and with many companies pausing their efforts, an opportunity has emerged 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



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 or info@digilant.com.