

OOH'S ROAD TO THE REBOUND:

Quick Overview

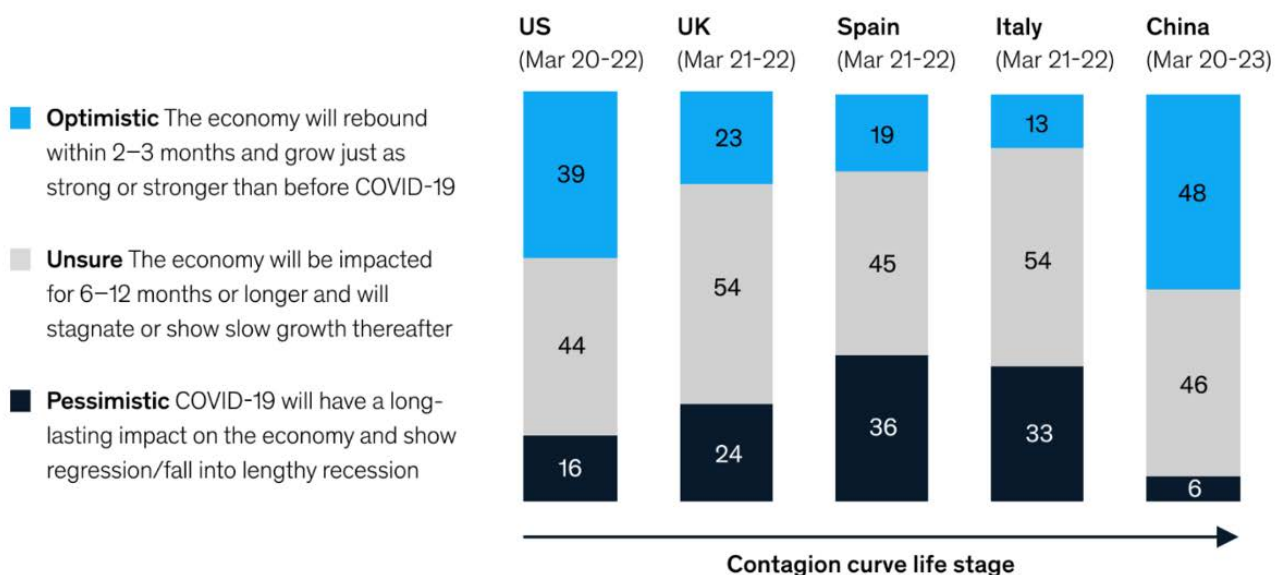
Despite decades of marketing science proving that advertisers should not go dark in a recession many advertisers did just that in these early weeks of the COVID-19 pandemic.

With businesses shutting or dialing down operations, it's understandable (to a degree) why holding back advertising spend seems like a prudent move. Our way of living has been completely upended and at a breakneck speed, disorienting people and businesses. Many are calling this time of stay-at-home isolation or lockdowns our "new normal" but actually it's not, it's an aberration that will come to an end. Looking to the countries who are one to two months ahead of Canada in terms of slowing the spread of the coronavirus, we see what is likely to be our realistic new normal. South Korea and Japan for example have restarted their economies in various stages with people returning to work and businesses opening back up. But it's not a wholesale return to life pre-COVID. Schools are mostly still out and certain social distancing requirements are in place. We have the benefit of peering into our future by keeping our eye on those countries to see what might lie ahead for us (see: *COVID-19: The slow return to normal for a Canadian in China*).

While we have yet to hit the peak of this crisis in North America, we do see that in China, who is on the other side of the curve, consumer optimism that the economy will rebound quickly and strongly is highest compared to countries still battling the spread.

Consumer optimism varies by country but is typically higher at the start and end life stages of contagion curve

Confidence in own country's economic recovery after COVID-19,¹ % of respondents by country

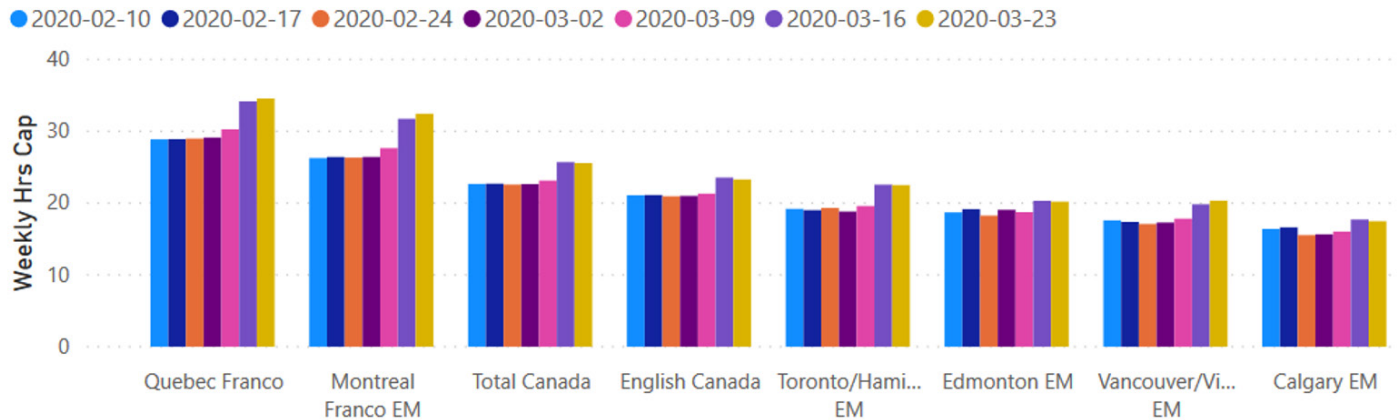


Source: McKinsey, March 2020

THE MEDIA LANDSCAPE

During this pandemic, all media has suffered advertising cancelations, even social media and television which during this same time saw increases in consumer "time spent". But advertisers haven't exactly gone to where the eyeballs are out of a concern with being adjacent to wall-to-wall COVID news coverage.

Total TV Weekly Hours (Cap) by market

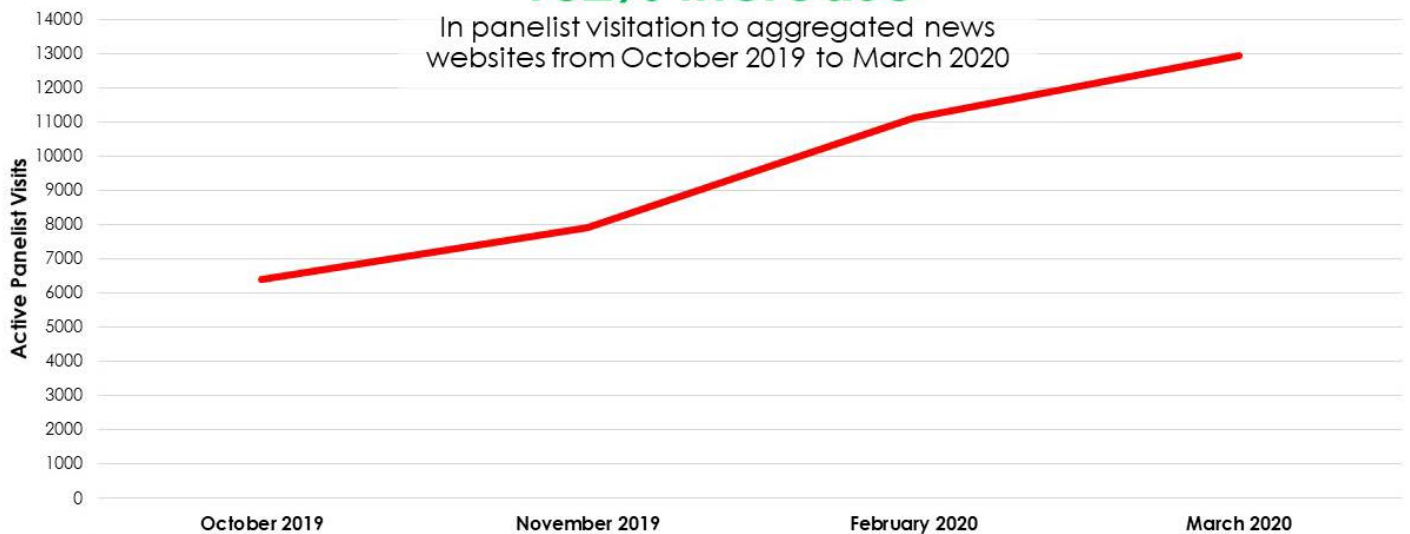


Source: Nlogic, A2+ demo

VISITS TO NEWS WEBSITES

102% Increase

In panelist visitation to aggregated news websites from October 2019 to March 2020

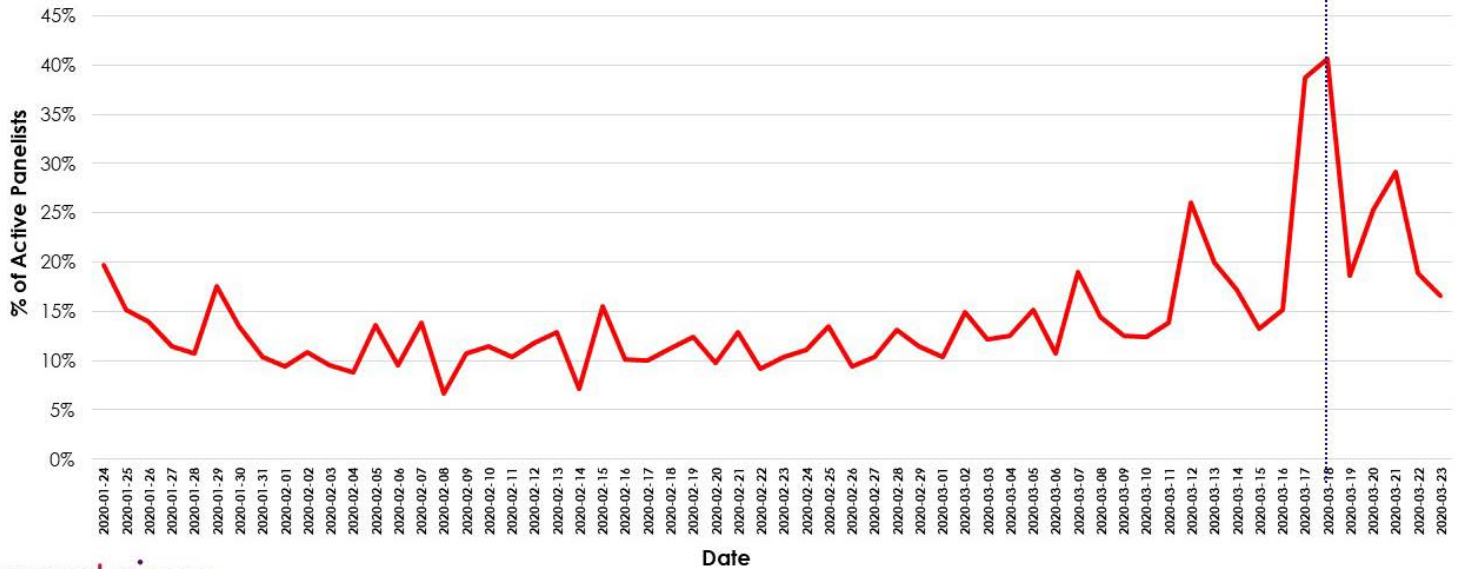


metrica
by vividata

Time period: October 2019 – March 2020 (13-22 of each month)
Aggregated Websites: CBC, CNN, CTV News, La Presse, National Post, The Globe and Mail, Radio Canada, The Star

VIEWING OF NEWS ON YOUTUBE.COM:

PM's Border Announcement (March 18, 2020)



metrica
by vividata

Time period: January 24, 2020 – March 23, 2020

In addition to the negative-association concerns advertisers have with social and online media, there is the fact that the public has an even lower degree of trust in that channel during this crisis.

For all of the digital advertising touchpoints covered in the survey, less than a quarter of respondents for any one touchpoint indicated that it gave them a positive impression. For example, recommendations from influencers resulted in 20% positivity. Social network ads saw 24% with a positive response. Video platform ads had 17% positivity, and in-game ads had only 13% positivity.

Fake news on social media is the top digital-related concern for respondents, with 53% of people saying this impacts their trust in digital media.

[Source:] GroupM Canada, March 2020 Study

Brand Safety and Brand Trust are serious issues that fortunately do not affect OOH and year-over-year reporting by Ad Standards Canada shows that Canadians have a high degree of trust in the medium. Given OOH's detachment from editorial content, there's no reason to believe this high degree of trust will change in the post-COVID period and should instead increase OOH's value as a media platform.

Increase in **comfort level** with **OOH** advertising as being truthful and accurate



Source: Ad Standards Canada, 2019

TELEVISION PRODUCTION INTERRUPTION

Granted television viewership has increased in March, news programming is logically the primary driver, especially given the cessation of live professional sports. Even if news programming keeps viewership high, broadcasters will be dealing with a negative byproduct of the pandemic: the interruption of television show production that occurred when international borders were shut-down. Without a strong schedule of non-news programming, advertisers may continue to be reluctant to invest in television, most certainly not at pre-COVID levels.

"The TV world could see broader-reaching impacts. "However, we are seeing production schedules delayed as a precautionary measure due [to] risk infections on set, so the impact to TV content delivery may come into question."

Source: Nicole Brown, Head of Performance and Investment at Dentsu Media; March 12th, 2020



CLASSIC



DIGITAL



TRANSIT



PLACE BASED

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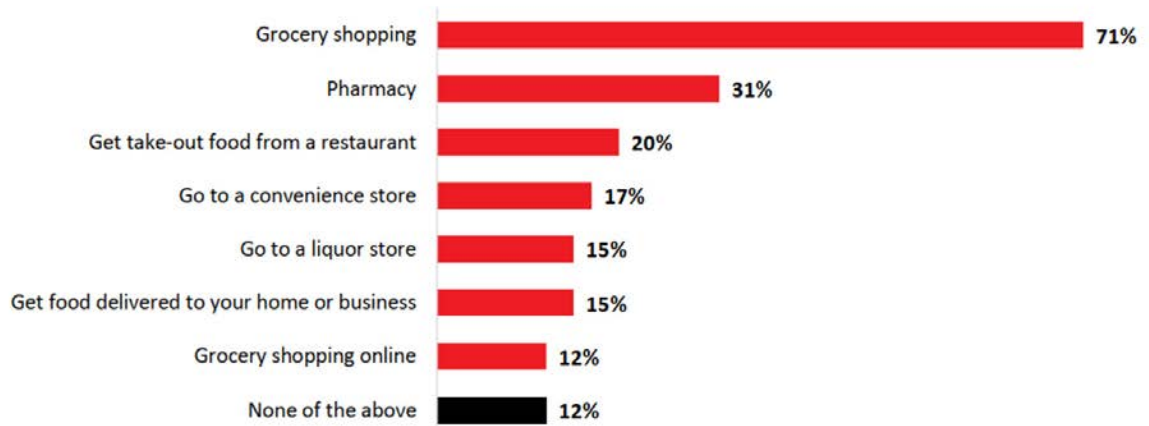
OOH NOW AND IN THE NEAR FUTURE

Should stay-at-home orders continue for the next month or more, brands and businesses may become more inclined to discussing advertising on OOH. After all there are a number of businesses designated as essential that consumers are still frequenting. The OOH displays within close proximity of these businesses offer advertisers the opportunity to speak to consumers in an uninterrupted and uncluttered way. Below is a graph for March that demonstrates Canadians are indeed still making trips outside their home to make household purchases. Attention to messaging of course is heightened in this period, but Canada is in the top 3 of measured countries that do believe brands should consider the implications to consumers of the pandemic. This can be interpreted to mean, advertise new convenient services, products and community support.

ACTIVITIES DONE IN THE LAST WEEK

CTC17. Over the past week, which of the following did you do? MULTIPLE MENTIONS*

Base: All respondents (n=1,590)



	TOTAL CANADA	ATL	QC	ON	MB/SK	AB	BC	18-34	35-54	55+
Weighted n =	1,590	109	373	610	104	178	216	419	559	612
Unweighted n =	1,590	105	424	619	133	142	167	396	565	629
Grocery shopping	71%	75%	64%	70%	67%	79%	79%	63%	77%	71%
Pharmacy	31%	34%	42%	30%	26%	26%	22%	21%	29%	40%
Get take-out food from a restaurant	20%	26%	16%	22%	21%	23%	17%	24%	23%	15%
Go to a convenience store	17%	27%	21%	16%	13%	17%	9%	20%	17%	15%
Go to a liquor store	15%	13%	12%	14%	16%	18%	25%	17%	15%	15%
Get food delivered to your home or business	15%	11%	19%	15%	17%	11%	10%	22%	13%	11%
Grocery shopping online	12%	11%	11%	13%	8%	14%	11%	13%	14%	9%
None of the above	12%	7%	13%	12%	16%	9%	14%	13%	10%	13%

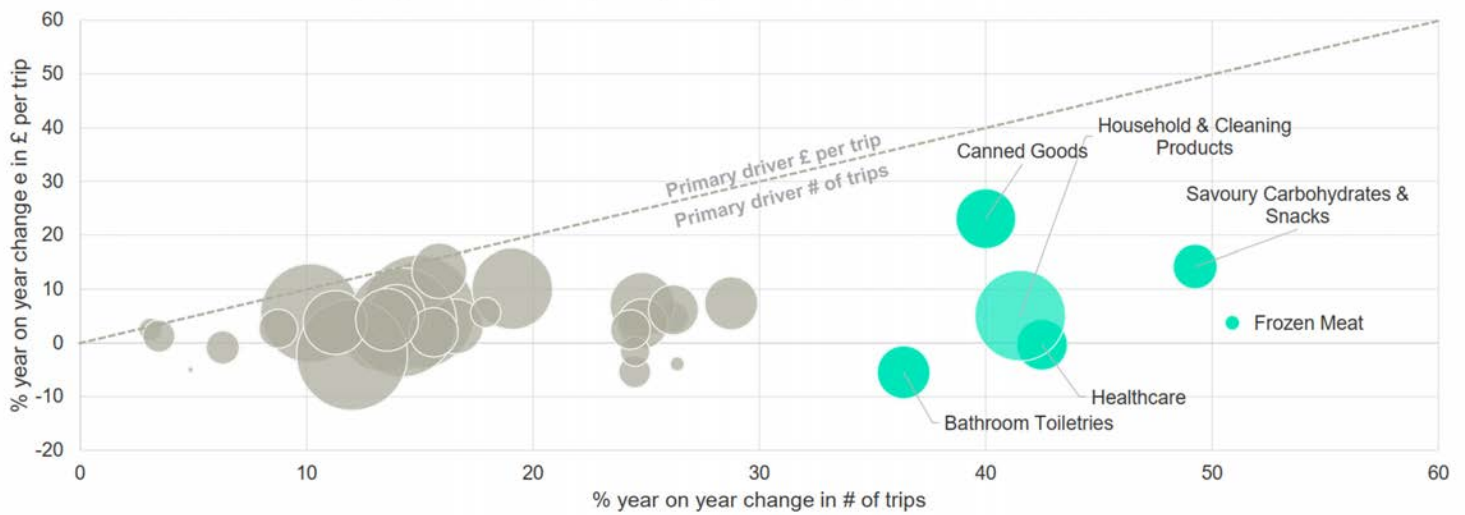
*Because respondents were able to give multiple answers, total mentions may exceed 100%.

Source: Leger interviewed 1,590 Canadians, COVID-19 Tracking Survey Results – March 30th, 2020

Every part of the store benefitted from increased footfall.

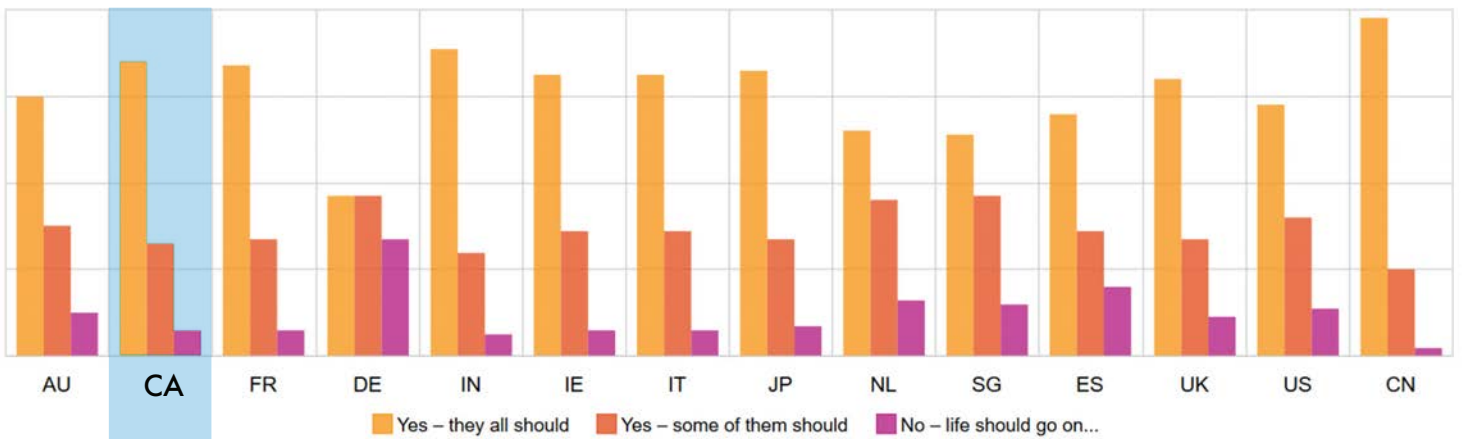
Presence in more baskets is the primary growth driver for all market sectors.

Total FMCG – Market Sectors – Year on year growth in # of trips vs. year on year growth in spend per trip



Source: Kantar UK – March 22nd, 2020

Should companies be thinking about the outbreak pandemic when they are advertising or marketing to you?



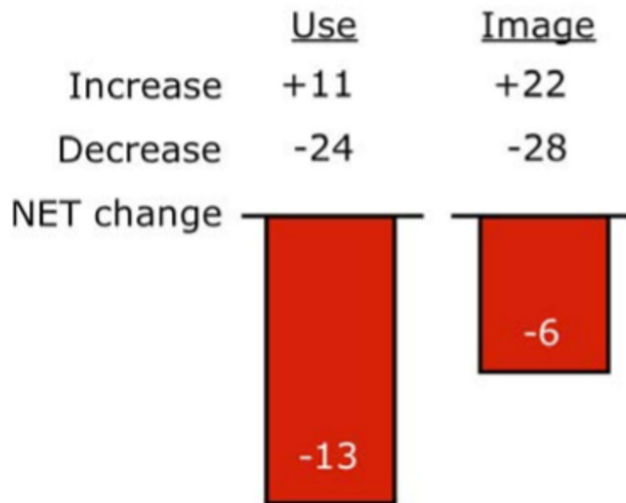
Source: dynata COVID-19 special edition of the Global Consumer Trends Report, week of March 30th, 2020

It may also be the notion that advertisers who initially ignored the evidence that going dark (meaning no activity for 6+months) hurts a brand in the long-term will soon become open to re-entering the advertising space as stay-at-home orders go on and important brand health metrics start to become affected (see chart below).

Millward Brown evidence:

60%

of brands 'going dark' **decline**
on at least one key brand metric
(i.e. relationship suffers)



85+ Brands with no
TV spend for 6+mths

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In closing, this POV is a snapshot. We will be providing more in-depth analysis in the coming weeks and months to equip our sales force with valuable insights.



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