



Video Streaming & CTV Investments Amid the COVID-19 Outbreak



March 2020

As more people stay home, self-isolate, and act on quarantine measures, we are beginning to see increases in media consumption in the home. On-demand video and entertainment platforms are playing a critical role in how our consumption habits are changing today will continue to evolve in the weeks to come.

With a plethora of trends and shifts in consumer consumption behavior, continue to keep the following in mind:

Leverage CTV & livestreaming strategies as alternatives

Streaming remains an opportunity to unwind and engage

Fresh content will keep consumers engaged

You don't need to reinvent the wheel for creative

State of Consumption

Within the last week, we've seen new and innovative ways that streaming is supporting both consumers and brands during this time. Isolating the week of March 15th, global streaming hours increased 20% WoW with spikes seen between the hours of 12 PM and 5 PM as more people have stayed home, [according to Roku](#). Amidst all the chaos, Nielsen is estimating that sheltering at home could lead to a [60% increase in time spent with media](#). With quarantines and nationwide lockdowns across Europe, Netflix is experiencing record-breaking days alongside other streaming platforms. So much so that Netflix and [YouTube](#) were asked by officials to reduce the quality of streaming to help [avoid internet overload and massive outages](#).

Across the board, platforms are seeing average OTT viewing sessions increase (in the case of Vizio, from 19 to 34 minutes) since the first week of March, and [these numbers are expected to rise](#). It should come as no surprise that free, ad-supported streaming services are seeing record days as consumers [supplement paid subscriptions with fresh content](#). These trends only increase with kids' programming, as parents seek TV programming while academic curriculums shift online as a result of school closures.

Change of Plans

While distributors and movie studios postpone the releases of new films like *Mulan* and *Fast & Furious 9*, films that recently hit the big screen or were slated to still be in theaters headed straight to streaming and digital distribution early.

- Disney released *Frozen 2* on Disney+ to many parents' appreciation.

- The most recent Star Wars film was made available for purchase across digital platforms earlier than anticipated.
- Hulu surprised viewers with an early drop of three Little Fires Everywhere episodes.
- Amazon Prime Video unveiled its new page for theatrical releases known as “in-theater rentals.”

Balancing the News & Counterprogramming

Cable news and lifestyle content are bringing in the greatest viewership reach with live sports programming off-air as viewers seek to balance virus coverage with passive entertainment. Similar to movie studios, media companies are dropping an unprecedented amount of counterprogramming to balance the news cycle, including an early release of Pete Davidson’s Big Time Adolescence on Hulu, and Hallmark is holding a Christmas movie marathon in March.

Despite more consumers turning to video content to pass the time, revenue for publishers is down due to high-profile live events being canceled amid coronavirus concerns. This, of course, impacts CPMs, which have lowered in recent weeks.

Inventory Response

Between the COVID-19 outbreak and the impending 2020 U.S. election, brand-safe news coverage can be scarce. Other programming considerations should be kept in mind:

- Live sports programming, including NCAA March Madness, NBA, and MLB, have been canceled.

To supplement the loss of live programming and sports news, ESPN and Fox Sports are replaying old games and content for viewers. A shining star at the end of 2019, Disney, ESPN’s parent company, has been hit on multiple fronts by the virus outbreak: parks closed and cruise liners docked while ESPN loses live programming.

- The 2020 Tokyo Summer Olympics have been postponed.
- A deep bench of political coverage is available and currently being used to balance out COVID-19 related updates.
- The news cycle surrounding the coronavirus outbreak is extensive and growing quickly.

Known as the Lockdown Paradox, news cycles shift between two storylines: **global**

public health crisis and the emerging global economic crisis as a result of the public health crisis.

Some notable performance trends across media include:

CTV & OTT

Programmatic CTV investment projections remain positive during this crisis, with increased advertiser appetite for the control of data-driven targeting, transparency into rates, and real-time increase in supply mirroring viewership. As budgets are likely to shift during this season of economic volatility, marketers want to ensure any investment in media is the right one.

According to agency partners, inventory availability steadily increases and correlates to high viewership amid declines in average CPMs. Despite the absence of live sports in TV schedules, CTV and OTT overall ad-supported inventory is up between 30-50% across networks, with news seeing the greatest traction.

Free, ad-supported streaming services such as XUMO, Tubi, and Pluto are being acquired left and right by major networks seeking new viewer audiences beyond paid subscribers. With more people spending time at home, these acquisitions couldn't come at a better time as viewership over the past seven days has skyrocketed across platforms. PMG can access many PMP deals with these networks programmatically— the preferred route for securing OTT inventory. However, quality remains the utmost priority when placing buys on these platforms relative to offerings across the inventory landscape.

When it comes to CTV and OTT, contextual strategies are more important than ever in order to distance brands from negative sentiment amid virus coverage and polarizing political content.

Keyword blocking related to the outbreak, political news, and unemployment content has even further reduced CPMs to secure OTT impressions, already falling with live sports shifting out of programming schedules. Additionally, verification partners such as Integral Ad Science have made significant strides during Q1 2020 to ensure content and traffic measurement can mitigate risk surrounding negative topics within OTT content specifically.

Shoppable Video

Last week saw considerable increases in CTR (40%) and interaction rates (120%+) from the previous week. If you look MoM, these gains are even higher, with a +270% increase in CTR and a +375% increase in interaction rate. This is likely a result of consumers being online and more engaged throughout the day to pass the time during shelter in place and social distancing directives.

YouTube

YouTube remains one of the most widely-accessed video platforms on the internet, especially at this time, with millions of parents seeking educational resources and consumers around the world searching for the latest news on the coronavirus outbreak. It's important for advertisers to understand that many partners (like YouTube) are consumer-facing and have a dual responsibility to brands and consumers, and thus, are utilizing their platforms' reach and services to help update people on the latest developments concerning the outbreak. Google updated its homepage in some areas with CDC and WHO resources, as YouTube [launched info panels](#) and updated its [monetization policies for creators](#).

More recently, YouTube and other media platforms have donated ad inventory to governments and NGOs to enable informational messaging about ways to #FlattenTheCurve and other PSAs. As a result of this unprecedented situation, increased certification requirements were set forth for creators and news partners to ensure any virus-related content remains factual and informative to preserve standards and expand monetization interest for advertising.

Now is the time to refresh your knowledge of YouTube's [advertiser-friendly content guidelines](#) to better understand the environment and content ads can run in on the platform. Of note, any content mentioning coronavirus or related topics is now categorized as a "sensitive event." Regardless, "coronavirus" was the [second-most blocked keyword](#) for programmatic advertisers in February 2020, and that's likely to not change as officials estimate the outbreak will continue (and dominate headlines) throughout the summer.

Twitch

Another platform starting to see a rise in usage is Twitch, both from a live-streaming and consumption perspective. Although the platform is generally gamer heavy, there's been increases in content from [DJs](#) to [comedians](#) and has become another outlet to reach and entertain viewers in real-time. The gaming world is still seeing significant moments from Call of Duty launching its latest expansion of a battle royale game type (competing with major players like Fortnite and Apex Legends) as well as the release of a popular gaming series Animal Crossing: New Horizons. With increases in creator content and new games along with more viewers staying at home, this has led to a recent and direct increase in viewership by almost [10% across the world](#).

As with any live-streaming platform, there's less control over where ads are being shown in real-time; however, Twitch has always provided brand-safe game title targeting and offers the ability to work with creators deemed reputable directly. There's also a variety of opportunities outside of video ad placements such as display inventory on the home page and throughout the website (as viewers tend to watch content from desktops) or even influencer/creator collaboration through branded content.

Short-form & UGC platforms

Both viewership and content creation rates are skyrocketing across user-generated content platforms like TikTok, with high-profile talent including LeBron James, Gordon Ramsey, and Emily Ratajkowski joining the platform with refreshing, new content during shelter-in-place orders across the U.S.

While a key platform in reaching Gen Z audiences, the live-streaming and feed structure of the platform offers more volatility and less control of content, with fluidity beyond contextual parameters that many advertisers have become accustomed to in other channels. Given demand and scale on the platform, TikTok's inventory only became available programmatically in [APAC regions as of last week \(3/18\)](#), and we continue to closely monitor how transparent buying on this platform can benefit advertisers' video portfolios amidst 2020 current events.

Our POV

With many brands looking to help consumers in these difficult times, the video and streaming landscape continues to provide opportunities to engage consumers.

Leverage CTV and livestreaming as alternative strategies

With other media channels being scaled back and prospecting efforts being minimized, reach large audiences while they consume video-based content. We expect spikes in impression availability to continue in the short-term, with reduced CPMs, but then ultimately, increased competition as brands evaluate and deploy streaming video strategies in the coming weeks. Early movers can take advantage of this shift.

Streaming remains an opportunity to unwind and engage

As viewers look to feel-good and family-centric content, offer consumers value by sponsoring genres, movies, or shows to escape the rise in news and decline in sports coverage. Moreover, continue to leverage your first-party data to target loyalists of the brand while they consume content in other environments.

Fresh content will keep consumers engaged

With new shows and movies being added or released daily, engaged viewership will continue to rise. Ensure a robust line-up of content and platforms in video strategies to keep messaging fresh.

You don't need to reinvent the wheel for creative

Not having to produce fresh creative to get a message across is crucial in times like these. From this, our recommendation is that clients don't need to go back to the drawing board and redo or tweak their creative, but can instead utilize shoppable technology to repurpose their already existing content.

Additionally, shoppable video technology partners are able to layer in custom frames with key COVID-19 updates the company wants their target audiences to know. This can be as subtle as object copy or link from the PCTA to a dedicated COVID-19 page on the community portion of the brand's site.

PMG will be monitoring media and market trends closely as we continue to provide customer guidance in the days to come.



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