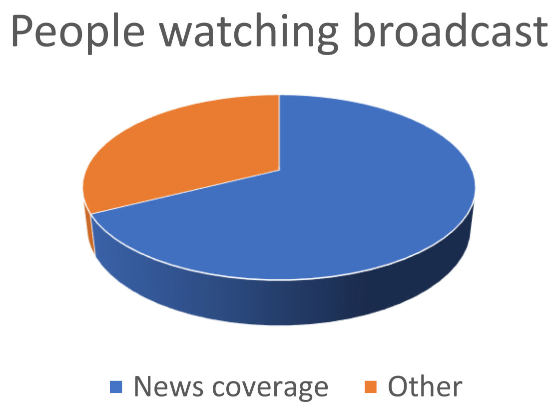
Sub2 Technologies - Covid-19 research

Covid-19 market research and insights

Sub2 has brought together trends identified by Global Web Index [1], a readership poll by The Times [2] and data from the Sub2 2Share network to show key initial insights into customer behaviour since the start of the Coronavirus pandemic. Whilst it is accepted that these findings will change over time as circumstances change, these insights are as up to date as are currently available.

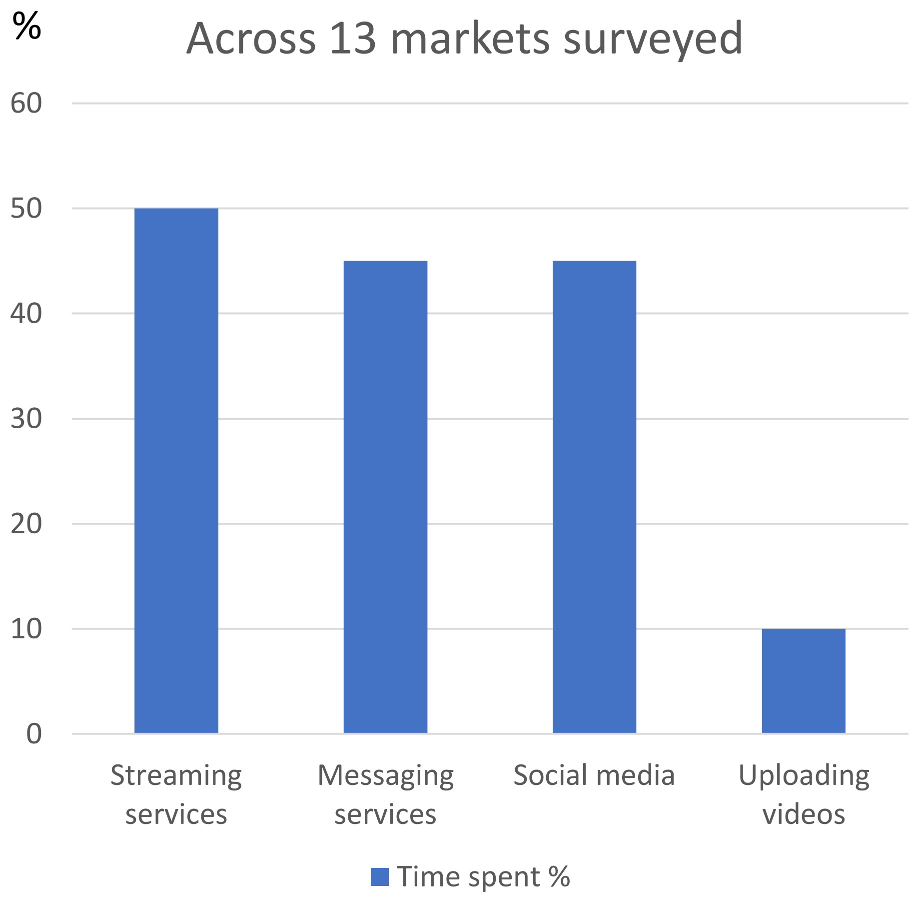
Key Insights on Consumer Behaviour

95% of consumers say they’re spending more time on in-home media consumption / activities



Age can be a huge influencer over behaviors.
Gen Z are seven times as likely as boomers to report increased usage of music streaming services, and over ten times as likely to be creating / uploading videos. Conversely, boomers are the most likely to be watching more TV on broadcast channels.

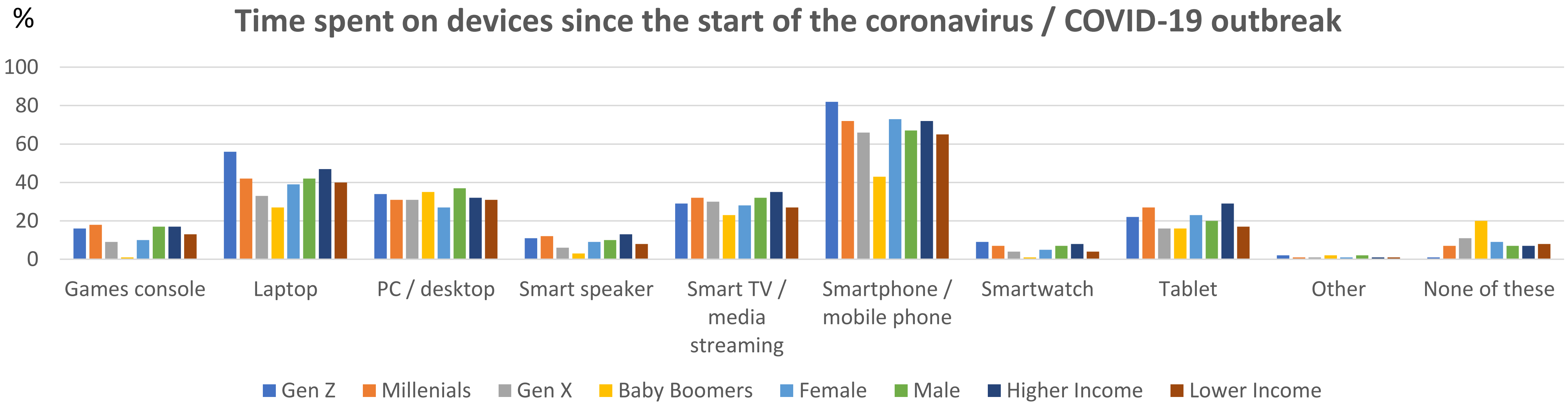
Higher income groups more likely to report increased media consumption



China, the Philippines, Spain and Italy lead for increased usage of streaming services (over 50% in each country)

Spain, Brazil and Italy are ahead for increased gaming (40%+)

Smartphone usage

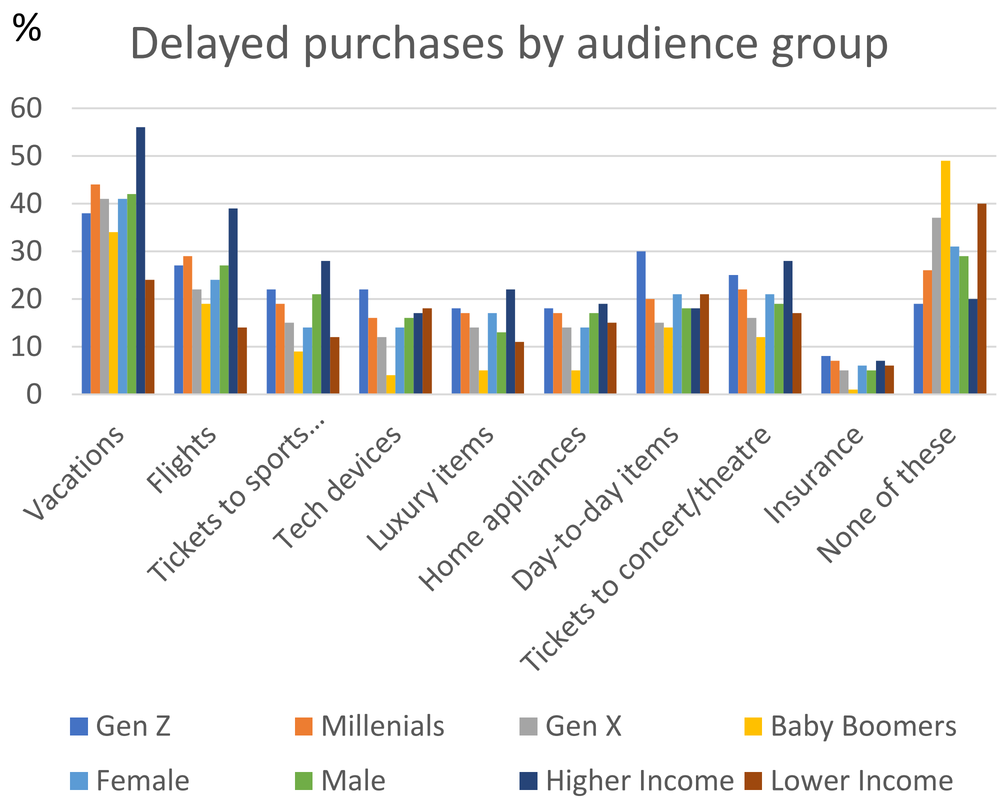


Location can make a big difference here: over three quarters of urban respondents are spending more time on their smartphones, compared to just under half of rural consumers.

Country-by-country behaviours can also be very different; around three quarters or more in the Philippines, China, Brazil and South Africa report increased usage of their smartphone, compared to around a third in the UK, Australia and Germany.

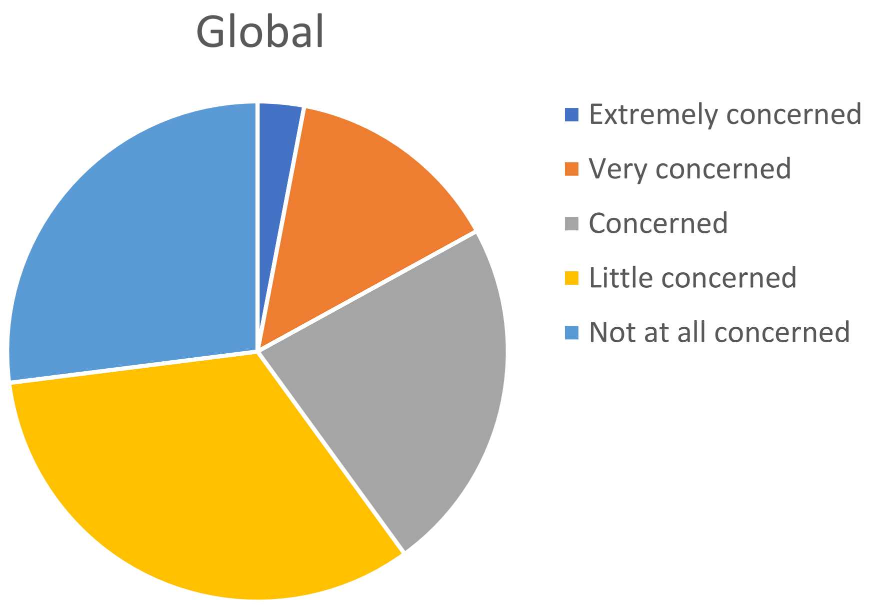
iPhone owners (71%) have a 10-point lead over Samsung owners (61%) for increased smartphone usage.

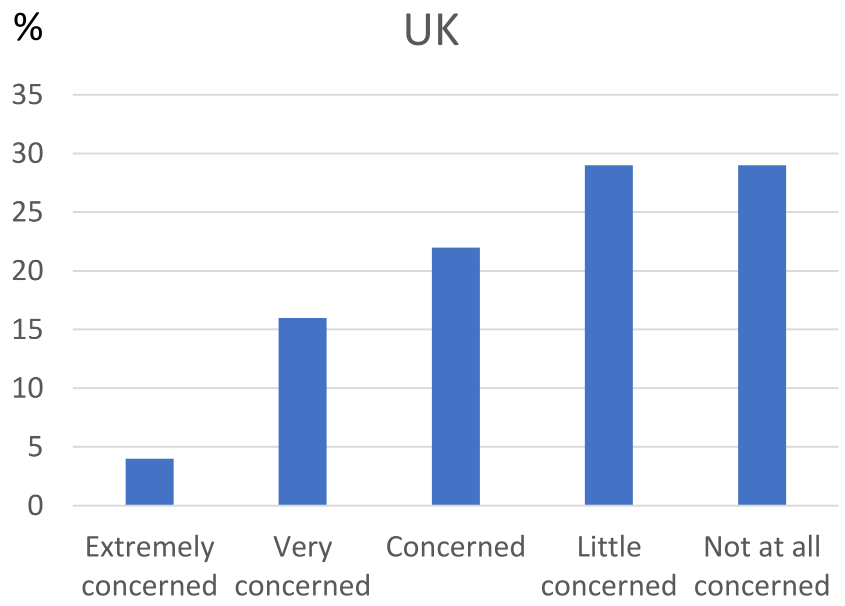
Large purchases could be delayed for a long time



- Flights (26%) and vacations (41%) most likely to have been delayed, 15% report delaying purchases of luxury items, technology devices and home appliances / devices.
- The delay for luxury items climbs to one of its highest figures in China (20%), underlining the challenges for brands in this sector who rely on Chinese customers.
- Age is a strong influencer here; Gen Z are most likely to be delaying purchases in several categories. Over 20% delaying buying technology devices.
- Almost 40% will buy major purchases they have delayed only when outbreak begins to decrease or is over. 20% will wait until the outbreak decreases or is over *globally*.
- The top income group have a notable lead for being open to making their purchases once the national situation begins to improve

Concern about the local vs global





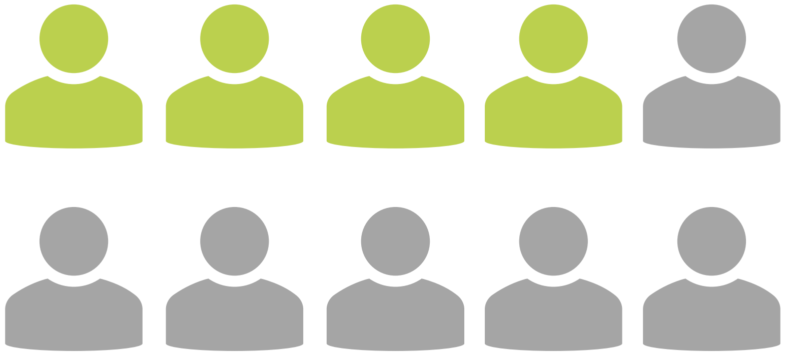
In China, around 25% are very / extremely concerned about the situation in their own country but rises over 50% when asked about the global situation.

In countries like France, Spain, UK, and the U.S., the figures are much more equal.

Business Travelers and Travel enthusiasts have strong concerns about the global situation – almost two thirds in each audience are extremely concerned.

Consumers are interested in live streams of postponed event

4 in 10



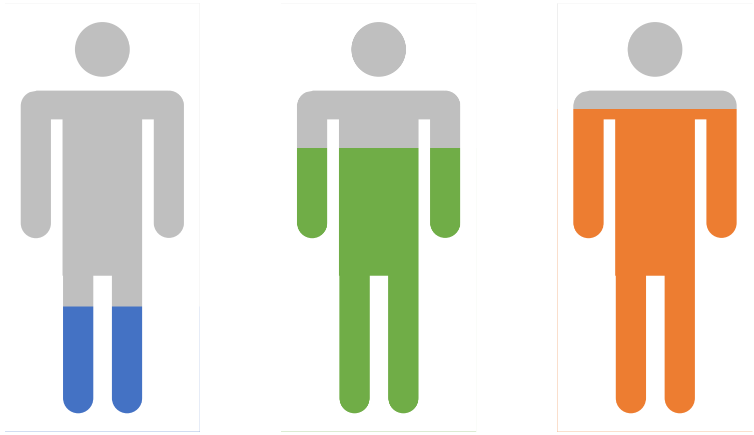
are interested in watching live stream

- Prospect of live-streamed sports events and music concerts are equally popular – over 4 in 10 are interested in watching them.
- Around 20% are interested in live-streamed theatre shows, with millennials and the higher income group reporting the highest figures.
- Age is a strong influencer across the board. Almost 50% of boomers are not interested in any live streaming, compared to around 20% of Gen Zs and millennials.
- Interest in live-streamed music concert drops in line with age, whereas millennials lead the charge for sports live-streams at almost 50%.
- Unsurprisingly, fans of each entertainment type report the highest interest levels: 50% of music lovers are keen to see live-streams of concerts, while almost two thirds of Sports fans are interested in watching live-streamed sport.

Impact on personal finances vs global economy

- Biggest discrepancies found in France, Germany, Italy, Japan, the UK and the U.S. where there is at least a 50-point difference between the smaller numbers expecting it to have a big or dramatic impact on their personal finances vs the higher numbers expecting it to hit their country's economy.
- By generation, boomers see a 56-point gap here: 30% expect it to have a big / dramatic impact on their personal finances, whereas 86% think it will have a big / dramatic impact on their country's economy. The higher income group (43-point gap) are ahead of the lower income group (35-point gap).

People opinions about financial impact surveyed across 13 markets



30% Personal finance

75% Country's economy

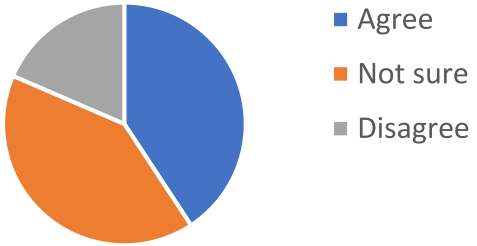
85% Global economy

Fact-checked and filtered news is expected from social media

- Globally, around two thirds expect social media companies to be providing fact-checked content and to be filtering “fake news”. Almost 3 in 10 would like them to provide live-streams of events – something which peaks among Gen Zs and millennials.
- Users of different services hold broadly similar views about what social media should be doing. However, if we look at Facebook, Twitter, Instagram, WeChat, YouTube and Snapchat, then it’s SnapChatters who are most likely to want live streams and to have connections with neighbours / local communities. Meanwhile, WeChatters are most vocal about wanting fact-checked content and the filtering of fake news.

Views on advertising are polarized

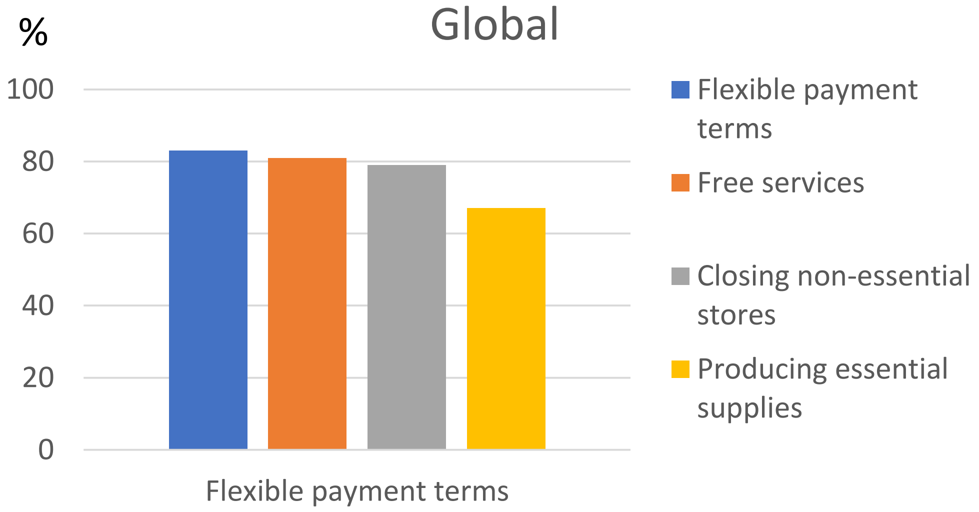
Should brand advertise as normal



Most likely to agree that advertising should continue as normal.

Gen Z **Male** **Higher Income**

Greater divergence at a national level. Approval is led by Australia, Brazil, Italy and the Philippines at over 50%. Disapproval peaks in Germany at 60%, followed by France at 40%.



All of these score significantly more than the 37% who think they should carry on advertising as normal.

What this means for Advertisers (2Share network insight)

- User browsing and bargain hunting behaviour is prevalent across the UK

- As brands lower spend to reduce cost, so decreases the competition in auction environments across programmatic and Facebook, Sub2 is seeing a 10-30% reduction across these channels in the cost of media

- This represents a potentially cheaper way to activate branding campaigns across these channels, now could be a good time to reassure existing customers and inform new customers of brand value propositions

- Conversions are more expensive, but consumers are still buying, many brands are adjusting their KPI’s to reflect the increased cost of conversions but are still pressing ahead with direct response activity

- Fashion has seen the sharpest decline in the 2Share network with average demand for casual clothing down 40% with occasion wear seeing a drop of 75%.

- Garden, home and children's clothing and shoes are currently the least affected in the 2Share network and are showing positive signs of growth

Panel Information

- [1] - GWI Coronavirus Research | March 2020 Release 3: Multi-market research - All stats in this report are from a GlobalWebIndex March 2020 custom recontact survey among 1,004 (Australia), 1,001 (Brazil), 1,003 (China), 1,016 (France), 1,010 (Germany), 1,010 (Italy), 1,079 (Japan), 1,008 (Philippines), 1,008 (Singapore), 573 (South Africa), 1,005 (Spain), 1,040 (UK) and 1,088 (USA) internet users aged 16-64. In the interest of speed, GWI looked to collect 1,000 responses per country (500 in South Africa). This allowed them to be in-field for the shortest possible time, and therefore bring the results to you as quickly as possible. They have weighted the responses in each country according to our usual age, gender and education framework. In some countries, they collected relatively few responses in the 16-24 or 55-64 groups; where necessary, they have therefore combined weightings with adjacent age groups. Again, this was in the interests of speed.
- [2] – The Times - Readers' poll: how concerned are you about the impact of coronavirus in the UK?, 16th February 2020.

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