

**What are the steps to
limit the business**

Country

Italy

Germany

Slovenia

Belgium

Poland

Russia

Request on the impact of coronavirus on the advertising industry

ation of answers is the result of a survey carried out among egta members. It is not intended as a comprehensive or exhaustive report on

steps taken by your sales house to navigate the current situation resulting from the COVID-19 crisis impact or threats to advertising revenues. Here are a few areas in which you might have seen

1. Clients and business loss/development

SECTORS DYNAMICS: first to react with cancellation requests: travel, luxury, out of home food chains, cosmetics & perfumes etc – these investments should be considered almost 100% lost ; in case you move to restrictive hard measures impacting social life (no school, no shopping trips in commercial centers, malls, downtown etc.) you experience an escalation – a key sector is automotive : when car manufacturers start to consider postponement or even cancelation of adv the effect is “contagious” – the whole industry could ask to cancel the main part of planned campaign in no more than 2-3 days; then as a consequence of the general situation even sectors that are actually experiencing an increase in sales (grocery retailer, food, household care product, personal hygiene, pharma, telco and internet service provider, etc.) start adapting/reducing/postponing their advertising plan – be ready for a double digit decrease in those 4-6-8 weeks of crisis peak (and the first digit could be higher than 1...)

COMMERCIAL POLICY general modification of commercial policy “erga omnes” may represent a drawback (a salehouse in Italy announced a promo 1+1 measure (50% of campaign paid , 50% for free, etc.) with an immediate “snowball effect” on all other salehouses and no benefit for the first mover – preferred approach: “one to one approach” client by client , understanding the specificity of the category : if you can help with an extra effort now (inventory available) to persuade clients to keep the investment; sit down with your client and re-plan the investment in the medium short-term (weeks); if any other alternatives is not available (some advertisers are obliged to shut down their productive lines and/or distribution channels) again sit down with them and try to re-plan together in the 2nd half of the year...before investments disappear this year. Any additional benefit given to clients in these weeks is an “on/off” one shot benefit, not impacting on their standard conditions

- Getting the first cancellation requests.
- the travel industry (cruise ships, airlines,...) are having a hard time
- considering shorter cancellation periods now for new incoming clients/campaigns to offer additional flexibility.

We are seeing cancellations and postponements right now. Industries are tourism, but increasingly grocery stores, too. For the grocery stores they see so much traffic and demand that it doesn't make sense to advertise heavily, thus they decreased weekly GRPs. The loss at this point represents 1% of our planned turnover 2020. We do not see any panic, overall it's a planned, rational decision making process. I personally don't think we're at the bottom of things yet, as stock exchanges go crazy and we're about to see loss in value all over the place. The German Economy is concerned.

After Slovenia yesterday announced that the school will be closed on Monday, we are facing cancellation almost from all clients. The most active in cancellation are food retailers due to “unappropriate communication and misleading offer in the stores”. Retailers would like to continue advertising within the new working frame but they will communicate solidarity among citizens.

Regarding cancellation we start being cooperative as much as possible, but our workload is dictating how flexible we are. Majority of sales team and traffic team is working from home.

We see that travel/film/leisure parks, D2C, local businesses, ... request for cancellation of their booked campaigns and feel a lot of hesitation (due to the current uncertainty) with customers in general to sign engagements. If the campaign is a general image campaign we do not expect cancellation, if the campaign is focussed towards open doors or another activation we try to push towards a more general brand awareness campaign (depending on the availability of material of course).

By reaching out and open up the conversation we hope to be able to detect opportunities for later on. Ex an investment freeze across the board now could create an opportunity later on if TV can offer an easy way to increase investments versus for example OOH who as a sector has very a rigid inventory. We're working on a communication (a bit tongue in cheek) to invite customers to talk to us (by skype of course 😊).

The decision of closing schools was announced 12th March, and from Thursday it is very visible that TV consumption is growing, especially during day-time. ATV for Thursday 12.03.2020 was higher by 14% in comparison to 4 previous Thursdays. Similar dynamic of growth was noticed on Friday and Sunday. The highest growth was on Saturday (24%). Growth of viewership comes mainly from news channels.

In case of the Internet, news sites note almost 200% increase (page views)

Some of our Clients decided to cancel campaigns in March in connection with coronavirus situation in Poland. We expect that tendency of reduction advertising budgets will be continued in April.

No campaign cancellations yet (Except for some film marketing campaigns if film premiere is postponed)

the given subject, and egta does not take responsibility for any inaccuracies in responses provided

crisis? Please do not focus on the HR and logistical contingency and something to share at this point:

2. Making the most of the increase in viewership which results from teleworking practices, travel bans, changes to the programme grid due to special news programmes. Any insights on strategies for viewer/listener retention

A double digit decrease in ad spending forces you to restructure your spending in content and programming with cost efficient and effective measures – on the one hand the double digit increase in linear TV viewership (including also GenZ and Millennials !) improve the effectiveness (Ratings) of current programming . of course news programmes but also entertainment, movies etc..As clients decide to postpone investment, it is equally rationale to decide to postpone high value-high cost programming for the forthcoming months after the crisis – re-running archive programming is a rational choice. The other interesting thing is the growing multiscreen consumption of TV contents when people are forced to stay at home, so this produces non linear TV metrics growth combined with Linear Tv growth. So plenty of evidences of TV effectiveness and plenty of reasons to cost saving on programming without affecting campaign results delivery

TV consumption is currently higher than usual, both for news and entertainment. Many channels have cancelled events or run shows without studio audiences now. Access to channels' properties and agencies is partly limited.

- We are preparing stronger campaign for SVOD and digital portfolio since announcement that school will be closed.
- 14 days free trial period for SVOD platform.
- More news live news content on our free digital platforms.

Our day programming has been adapted and re-runs are on the menu in order to fill the gaps that cancelled sports related programs tear in the grid.

RTL-TVI et Bel RTL are launching new programme “Belgians at home”. It will focus on the positive news and aspects of life in lockdown, sharing good news and initiatives from Belgium and the world. On radio every day 10-12 focused on solidarity among citizens and tips – how to entertain kids, how to help neighbours in quarantine, how to help elderly people. They will invite listeners to share their ideas. On TV the hosts will broadcast from home and have several segments – video testimonies from viewers, how to help each other, fun challenges, best of jokes from social media etc.

In case of linear tv, news channels are main 'beneficiaries' of current situation. We expect that in longer period there is a possible scenario that viewership of movie and series channels would start to grow along with reduction of news channels' viewership. Additional impact for tv landscape goes from pay platforms which started to offer open windows for premium channels, and open windows for cab/sat channels will follow. There is a difficult situation of main channels which are at the beginning of Spring grids that include many shows which used to be made with audience. In current circumstances broadcasters decided to produce next episodes without audience in studio and then some shows have postponed until after the Covid-19 crisis. Some channels share signal and broadcast their news simultaneously

VOD-services are giving free access to their content for 14 days including broadcaster VOD

ed. However, every effort has been made to ensure that the enclosed information is accurate and as complete as possible.

spect of the overall media house or broadcaster, but rather on what you may be doing to

3. Changes in communication strategies vis à vis clients	4. Any other anti-crisis business tactics you consider implementing?
<p>we all have an issue of business dis-continuity – our clients in many cases are suffering to a greater extent compared to us (we may suffer double digit decrease for weeks, some clients are impacted more than 50% of their business) but they need to rethink our to recover whenever possible – a proactive approach in restructuring their adv plans, offering “customized” incentives could work – for sure smartworking and videoconferencing could help in keeping the relationship alive</p>	<p>A key issue is the incoming restructuring of sport events calendar with a proper phasing of events aligned with the way out after the covid crisis– it could be a key leverage in a recovery phase</p>
<ul style="list-style-type: none"> - Sales houses and trade bodies have already cancelled most events (big and small) for March and April and partly for May. More and more companies including agencies impose travel restrictions (no travels at all or only for absolutely necessary meetings). - Companies are shut down for visitors. Meetings are turned into telephone or video conferences. Securing mobile work for all business units which are vital to core business and to keeping the systems running 	<p>Daily management meetings, if necessary, to assess the situation for the safety of all employees and for business adjustments.</p>
<p>At this point we do not see any cancellation of upfronts etc. More broadly speaking most of our partners do the same like we do – work remotely, ban travel and meetings We are having a travel ban and right now work remotely for the next 4 days to test if it works. If all works well and if our Government continues to plan for shutdowns (which is very likely) we will continue working mobile for as long as we need. I would be very interested in know-how sharing how to retain advertisers, learn if other organisations set up any special programs etc.</p>	<p>Nothing here to share yet, apart from the fact we are planning and reporting cash flow more rigorously.</p>

<p>Since one week no meeting with clients only VC and phone</p>	
<p>cfr supra our outbound communication which should be ready by the end of next week</p>	
<p>We decided to reduce face-to-face contacts along with all our partners. In as many cases as it's possible we offer home office, we prefer electronic documents and invoices, online meetings, etc.</p>	<p>Currently we do not implement anything new. We are consequently working with our sales policy and do not plan any changes.</p>
<p>Conferences, seminars and industrial events are moved to online formats. Meetings with clients are held also in online formats (Skype, videoconferences, etc.); meetings in the office are cancelled</p>	