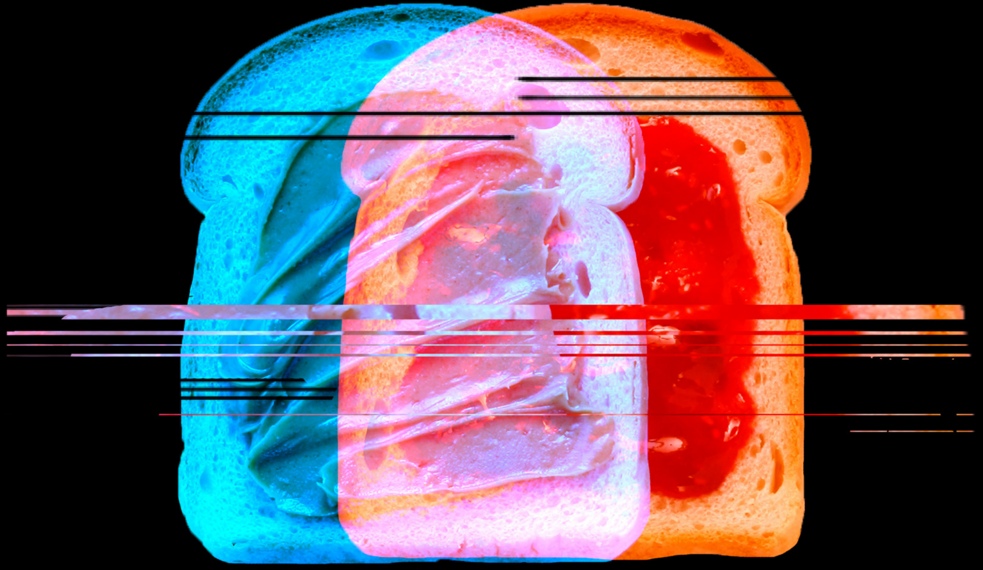
KANTAR

# Media Reactions 2020


Where great ads thrive



# Introduction

Welcome to Media Reactions, a new Kantar study, which introduces a global ad equity ranking for media channels and media brands.

These are challenging times for media companies as they seek to retain engaged audiences and maintain advertising revenues during a major global recession. How different media owners build a trustworthy reputation and how they respond to issues such as fake news and political unrest has never been more under the spotlight. This creates new complexity for advertisers and agencies who are trying to 'do the right thing' with their media choices, but don't want their campaigns to get swept up in unintended media storms.

Media Reactions will help both media and advertiser brands to navigate a way through these choppy waters, by providing a longer-term perspective on what people expect from advertising environments, particularly content-led and social media.

This complimentary report provides an overview of the best channels and brands, along with explanations of their success. It explores three divides in media equity, which the industry needs to address. Firstly, there are major gaps in channel and brand performance online and offline. Secondly, there are significant mismatches between consumers' and marketers' views. And thirdly, it's clear that not all media brands are able to convert equity in their platform to equity in their advertising experience.

Many congratulations to the media channels and media brands which feature at the top of the rankings. They clearly demonstrate the value of appropriate advertising formats and premium media environments. In the appendix you'll find more information on the methodology and details on how you can buy the data and reports.

We hope you like it.

**Jane Ostler**
Global Head of Media,
Insights Division, Kantar

**Duncan Southgate**
Global Brand Director,
Media, Insight Division, Kantar

## The medium is part of the message

Media is not just a numbers game. Eyeballs and cost per impression matter, but they are not the full story. Media shapes and flavours how advertising is perceived. Context influences people's differing perceptions and attitudes towards different channels. And these media reactions can make or break a campaign. Viewers don't necessarily love advertising, but they do have clear opinions about the formats they find more acceptable, and how much they trust ads in different environments.

## Different challenges

Advertisers and agencies need to ensure they place ads in trusted environments, and that they are aligned with their brand aspirations and campaign messaging. Media brands need to differentiate from their competition, not just based on the target audience using their platform, but also on the strength of their brand and the quality of their advertising experience. They must balance their users' desire for a relatively uninterrupted experience with a need to commercialise via advertising revenue. Industry bodies need to understand how their channels are perceived to ensure that educational efforts, industry initiatives and best practice builds on strengths and address weaknesses.

### Advertisers and agencies

— Where can I trust?

— What places align with my brand aspirations?

### Media brands

— How can I differentiate my ad environment?

— How to balance UX with monetisation?

### Industry bodies

— What strengths should we promote?

— What weaknesses should we address?

## Media ethics are getting more complicated

Providing a premium quality media environment is not just about the transparency of supply chains, managing brand safety and fraud reduction efforts. More subjective and politicised decisions about freedom of speech can impact attitudes to media brands, and the advertising that appears in those platforms. The marketing industry and future investment decisions are shaped significantly by opinions about which channels and media brands are most trustworthy, and which environments are innovating to deliver greater acceptance.

Consumer trust of a medium is an increasingly important consideration for advertisers, as is how well it fits with their own corporate values.

Analysis from **Kantar's COVID-19 Barometer** indicates that consumer choice is influenced by increasing societal and ethical concerns that the pandemic has precipitated. Advertisers and agency partners are now taking surrounding content into account, and holding data owners and publishers to a higher degree of scrutiny than ever before. As part of this study, we asked marketers what influences how they allocate media budgets. The top two factors are 'channels appropriate for campaign objectives' and 'channels where consumers are most receptive' - topics we explore in this study. These two factors were rated more important than other considerations such as media costs, sales response and ROI.

'It comes back in the end to respect for the consumer.

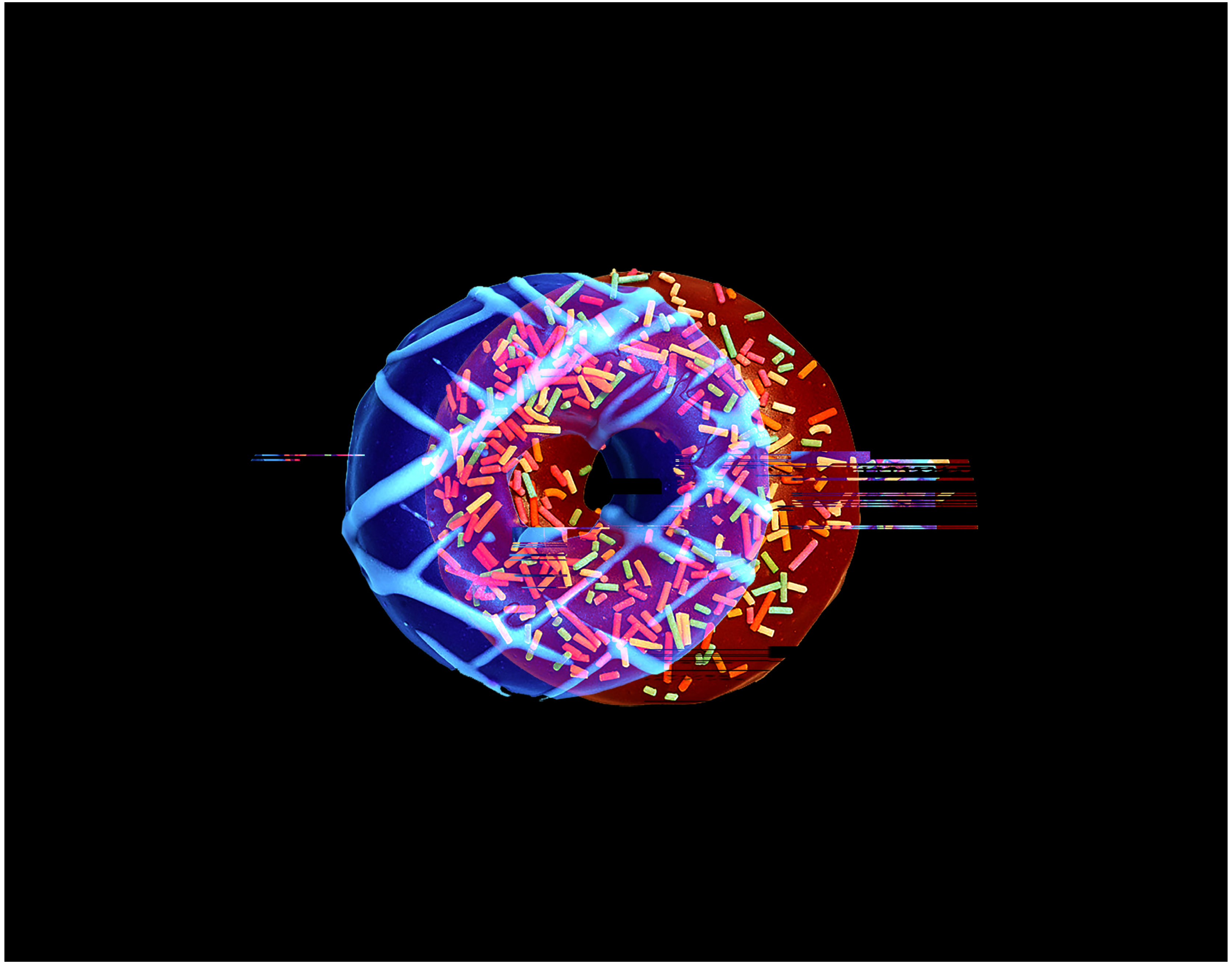
If you don't respect them and you create annoying advertisement experience, that's bad for the consumer, bad for advertisers, and bad for the industry in general'

**Alejandro Betancourt,**
**LATAM Brand Director, P&G**

'We need our advertising to appear in a trusted medium: it's delivering our message and must be delivered effectively.

If we appear in a medium that's not trusted by it's audience, consumers aren't going to trust our message'

**Micaela Lopez Parma,**
**Regional Media Lead,**
**Colgate-Palmolive**



# Introducing Media Reactions

**Media Reactions is the first global equity evaluation of a selection of media channels and media brands among consumers and marketers.**

The media brands evaluated vary by country but are mainly content-led and social media environments. It provides an overall ad equity metric, along with detailed diagnosis of perceptions of different media environments. This year, for the first time, Media Reactions combines two heritage Kantar studies: **AdReaction** which has long assessed consumer attitudes to advertising and **Getting Media Right** which has explored strategic media and measurement challenges among advertisers, agencies and media companies. Media Reactions surveyed 4,000 consumers across seven major media markets worldwide, alongside over 700 interviews with global marketers.

## Media Reactions global ad equity rankings

The new overall ad equity metric identifies the places where users of media channels and media brands most appreciate advertising and are least likely to view ads negatively. In essence a 'Net Promoter Score' for advertising formats and environments.

By combining multiple positive and negative dimensions of ad equity, we provide a comprehensive understanding of how ads are viewed along with a detailed diagnosis of their strengths and weaknesses.

## Global ad equity ranking - channels

| | |
|---|---|
| 1 | Cinema ads |
| 2 | Sponsored events |
| 3 | Magazine ads |
| 4 | Digital OOH ads |
| 5 | Newspaper ads |



## Our analysis has surfaced three important themes

1

### The online-offline divide

Offline channels dominate the overall ranking. In an incredibly tough year for the cinema industry, hopefully it is some small consolation to know that people are so positive about cinema ads. They top the list in part because of their strengths ('fun and entertaining' and 'good quality'), but also because they avoid many of the pitfalls of other ad formats ('too intrusive', 'dull', 'excessive ad volume' or 'excessive ad targeting'). We also know from effectiveness studies that while cinema as a channel is typically low reach, it is also high impact.

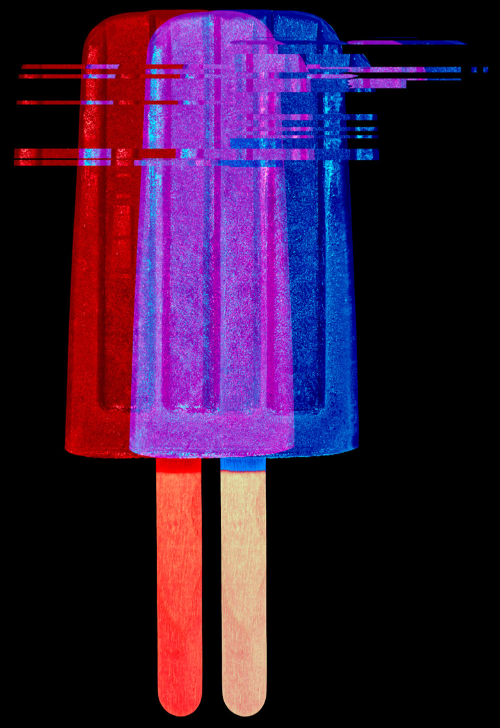
Sponsored events have the lowest ad saturation and are considered the least intrusive channel. People clearly appreciate brands supporting things they are passionate about, whether that's branded stadium LED advertising boards in a sports arena, or sponsoring the main stage at a music festival.

Print's relative strengths are trust and relevance, combined with low intrusion. Readers of style magazines are likely to be positive about ads from fashion and beauty brands because they complement and sit well alongside the editorial content.

But online ad formats suffer because they are generally considered too intrusive, with high ad saturation. Moreover, they are perceived to use more excessive targeting techniques than offline media, making viewers wary.

Respondent-level correlation analysis has helped us understand that **overall channel attitudes are most damaged by intrusiveness.** Thus, it is critical that marketers first understand which ad formats are considered most intrusive so that creative can be tailored to blend better in these particular contexts. Excessive frequency is then a secondary problem which compounds intrusion.

**Kantar's Dimension 2020 study** found that 71% of consumers criticise excessive frequency, so the online industry collectively needs to address these flaws to deliver better value to advertisers.



## Global ad equity ranking - online channels

1 Influencer branded content

2 Podcast ads

3 Streaming TV ads

4 Online display ads

5 Social media story ads

However, consumers don't see all online advertising in a negative light. **Some online channels perform better than others.**

Influencer content is viewed most positively because it is considered more relevant.

**Kantar's Dimension 2020 study** shows that influencers are especially appropriate for certain categories, such as luxury goods and travel.

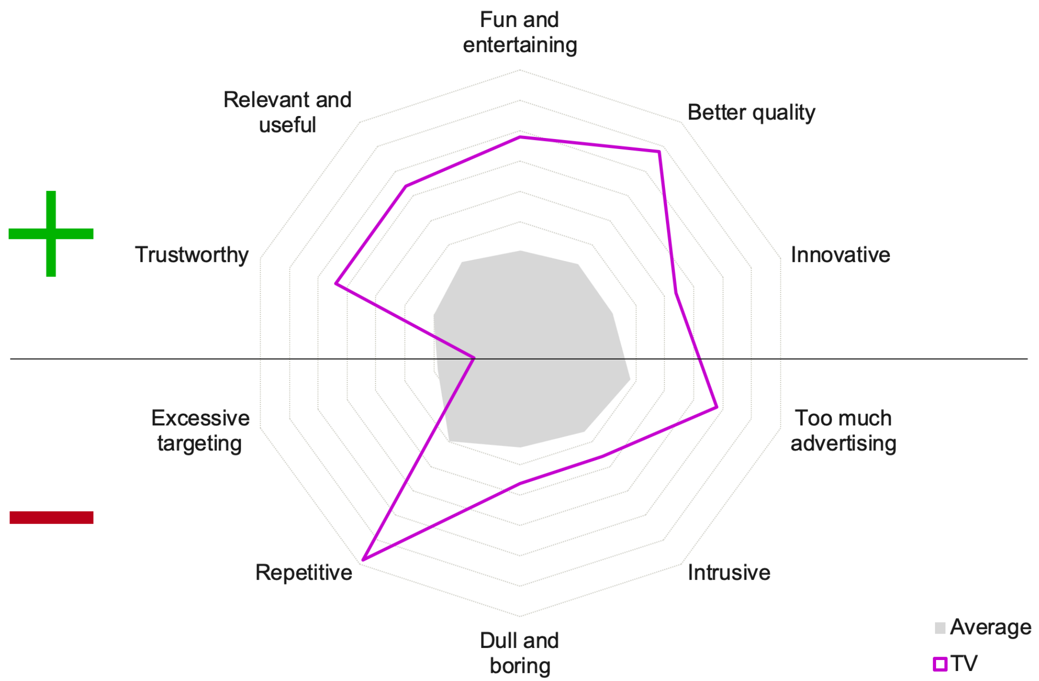
Podcasts are more popular because the ad environment is less cluttered, and streaming TV content is considered better quality. All these formats avoid the negative associations of other more intrusive online formats. Social media story ads are considered more innovative and would perform even better if they weren't appearing in cluttered environments.

### And what of TV?

Well, TV ads are polarising. As the single largest paid media, it seems that everyone has an opinion one way or the other. While not as popular as cinema or events, they are more popular than most online formats. Plenty of people think they're fun and good quality, and relevant and trustworthy too. However, many others dislike the saturation and repetition.

Consumers are very likely to appreciate industry initiatives that seek to reduce ad volumes per hour, and advertisers who are careful about TV frequency capping.

### Advertising attitudes of TV vs channel average




### Reducing irritation and improving effectiveness

Consumers are astute at assessing frequency levels. Many of them believe TV and radio ads are too repetitive, and this is also borne out in media effectiveness data. Kantar's CrossMedia effectiveness studies typically measure TV and radio campaign frequency levels of 15, which are very close to the ceiling beyond which we see dramatic falls in effectiveness. Actual frequency levels are much lower for online video and social media, and well below our effectiveness ceiling, yet some consumers feel these ads are also too repetitive. Again, context is important.

## Global ad equity ranking - media brands

1. TikTok
2. Instagram
3. SnapChat
4. Google
5. twitter

In stark contrast to the channel rankings, ad equity is generally higher for the global digital media brands than for local media brands with an offline heritage. It seems that the 'general failings' of online ads are less of an issue for most of the premium digital environments included in our study. But it may also be that users of specific digital media brands are more forgiving of ads on 'their' digital platforms of choice, than ads in the TV channels they choose to watch.

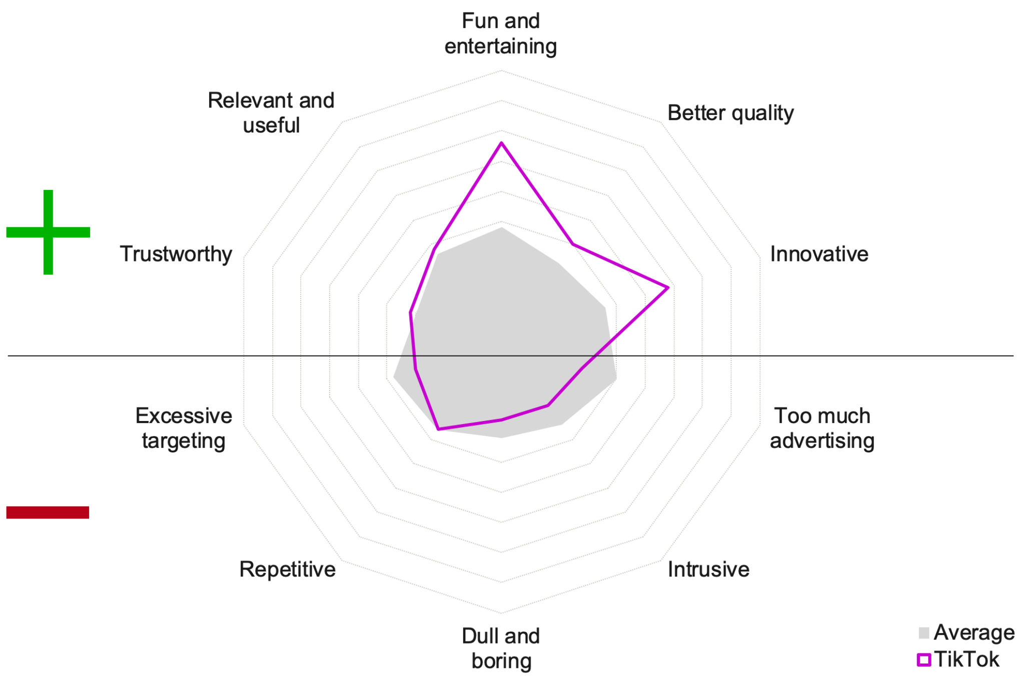
Among the selection of media brands measured* in more than four markets, **TikTok tops our inaugural ranking.** The excitement and passion for the innovative content on this platform clearly extends to the creative advertising that is also starting to appear.

We often see a honeymoon period for new platforms (both in terms of ad equity and effectiveness), so there is a clear incentive for advertisers to be early adopters in this space. In fact, the top three brands are all 'younger' digital brands, founded in the past decade.



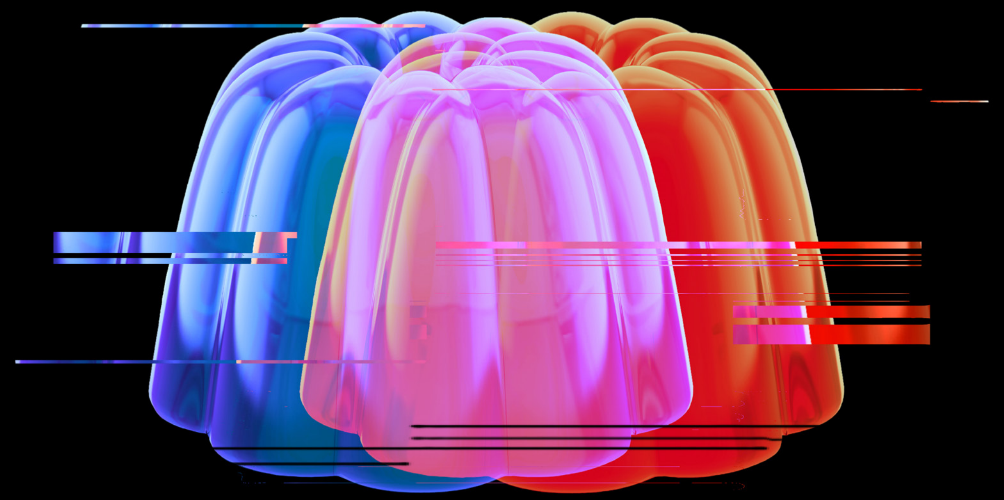
*See appendix for list of media brand coverage by country

## Advertising attitudes of TikTok vs brand average

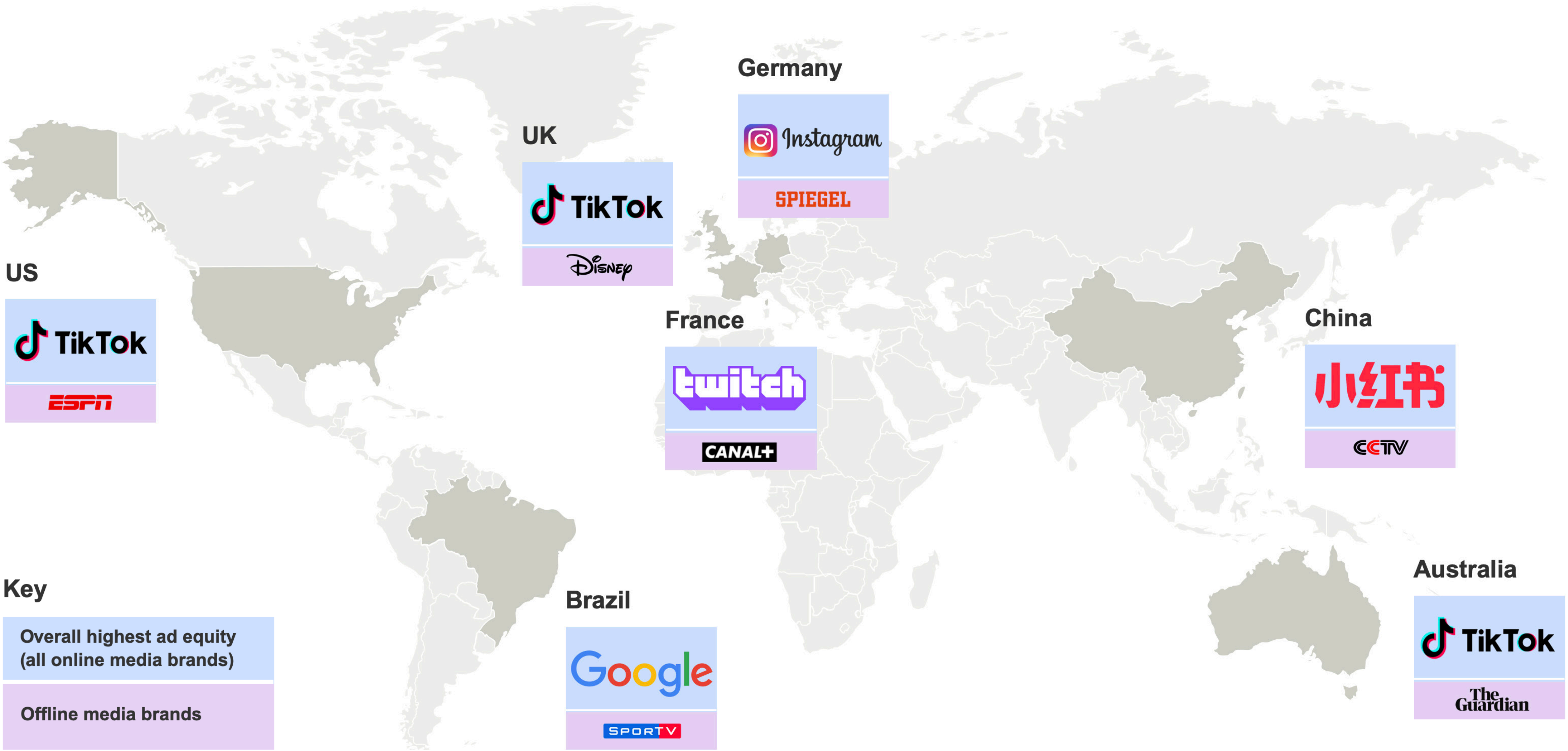



Although TikTok is still a relatively small brand, users find ads on the platform to be fun, entertaining and innovative, and they are far less likely to think that the platform contains too much advertising.

The gamified media formats (not just ads, but also Hashtag Challenges) are likely helping to drive these positive opinions. This currently makes the platform an appealing advertising environment. Of course, the challenge for TikTok will be to maintain these perceptions as they ramp up monetisation.



## Country variations in ad equity ranking




While TikTok scores well in all markets we measured it in - topping the list in three out of five countries - there is significant variation in ad equity by country. In China, TikTok (Douyin) was topped by Redbook. While ads on Redbook aren't considered as innovative as those on Douyin/TikTok, it is the least cluttered ad environment. In France, TikTok was nudged out by Twitch. Twitch was only measured in France and the UK but scored incredibly well among its relatively small number of users.

Google tops the ranking in Brazil, and scores well in the US, Germany and Australia, thanks to trust and relevance. It scores less well in the UK and France due to user targeting concerns. Instagram scores well globally, especially in Germany, where it is considered more relevant and useful than all other ad platforms. While the best online brands tend to dominate the top of the list, some offline heritage brands score well in particular markets (e.g. Spiegel in Germany thanks to trust, and ESPN in the US thanks to fun).

## 2 The consumer and marketer divide

While cinema, events and print are the most popular ad formats among consumers, marketers prefer TV and digital formats. Clearly, each group is arriving at this evaluation from a different perspective, with marketers keen to deliver impactful ads, whereas consumers generally prefer an uninterrupted viewing experience. However, it seems that marketers struggle to disentangle their knowledge about media - e.g. declining print circulations - from their attitudes towards them. Just because print audiences are shrinking doesn't mean these ads have stopped working.

When we isolate stakeholder segments, we see that marketers trust similar channels to consumers (both trust TV ads, TV sponsorship and radio ads), but marketers trust online video much more and they trust print far less.

| Global preference | Consumers | Marketers |
|---|---|---|
| 1 | Cinema ads | Online video ads |
| 2 | Sponsored events | TV ads |
| 3 | Magazine ads | Social media news feed ads |
| 4 | Digital OOH ads | Streaming TV ads |
| 5 | Newspaper ads | Social media story ads |

| Global preference | Consumers | Marketers |
|---|---|---|
| 1 | TikTok | YouTube |
| 2 | Instagram | Google |
| 3 | SnapChat | Instagram |
| 4 | Google | facebook |
| 5 | twitter | twitter |

**Marketers' enthusiasm for new media formats exceeds that of consumers, but for new media brands, consumers' enthusiasm is higher than that of marketers. Within the global digital media brands, consumers are generally most positive about the newer platforms, such as TikTok with less advertising, whereas marketers prefer more established platforms, such as YouTube.**

Consumers and marketers are more aligned in their opinions about the most trusted digital media brands (Google, YouTube and Instagram) and the most innovative brands (TikTok, Instagram and YouTube).

But sitting on opposite sides of the screen does mean marketers and audiences have differing views on what formats are innovative. Both find social media stories, digital OOH and influencers innovative. While podcasts and streaming TV are top of mind for marketers, TV and online video are still considered innovative by consumers.

Ultimately, managing this format - brand divide requires marketers to consistently re-evaluate their own assumptions. While they may be comfortable or familiar working with particular media partners, they should frequently assess whether those platforms remain relevant for their target audience.

## The impact of the pandemic

Faced with a sudden downturn in their own businesses, and with concerns for the future as a result of the pandemic, businesses are adopting recessionary behaviours.

69% * Sixty-nine percent of Kantar's clients said their Q2 2020 performance had been impacted negatively - **15% very negatively**

As a result, 60% have reduced their marketing spend overall - 30% have reduced it a lot. Although the majority (64%) is optimistic that their business will recover in 6-12 months, most appear to be saving their way out of the crisis.

At the same time, the pandemic has acted as an accelerant for key trends, which businesses can no longer ignore, including a greater focus on brand purpose and digital transformation. Ninety-five percent think online consumer spending will increase; 62% by a lot.

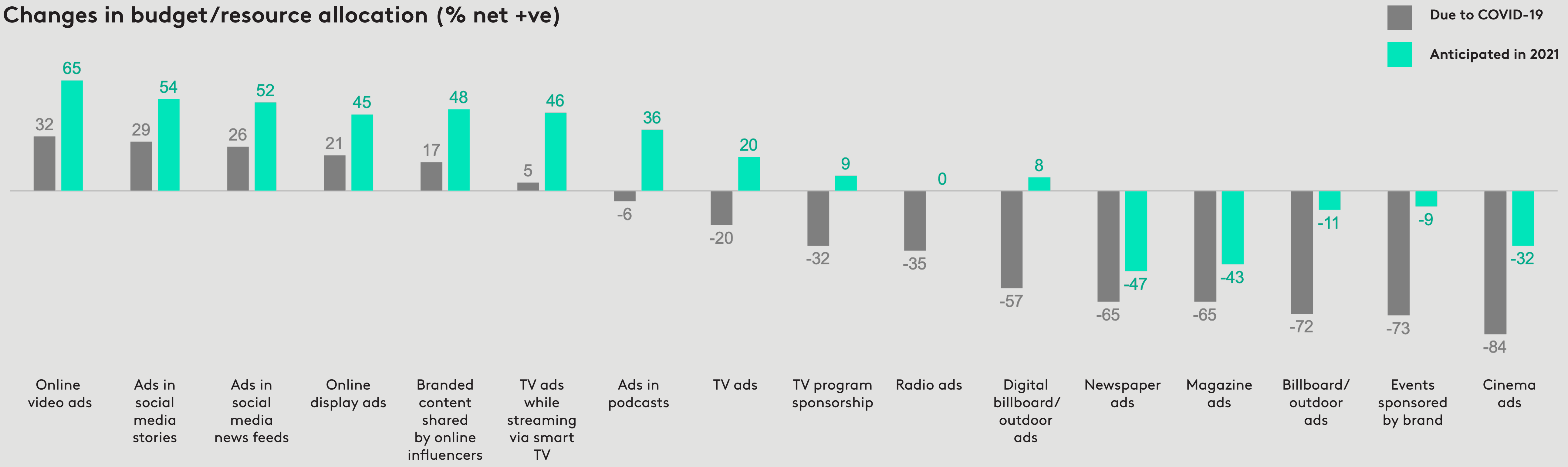
Fifty-four percent of businesses will therefore increase e-commerce capabilities, and a further 26% will introduce them – needing to catch up. This digital business transformation will also likely be reflected in increased digital media spend.

*Source: Kantar Global Business Compass

Our Media Reactions survey of global marketers showed that all digital channels saw a net increase in media spend and resource allocation due to COVID-19. This shift looks set to accelerate further into 2021, especially for online video. The global platforms most likely to benefit are:

TV investment suffered a short-term reversal but is expected to bounce back. Spend on cinema, events, OOH and print have fallen significantly and that trend looks set to continue into next year.

## Changes in budget/resource allocation (% net +ve)



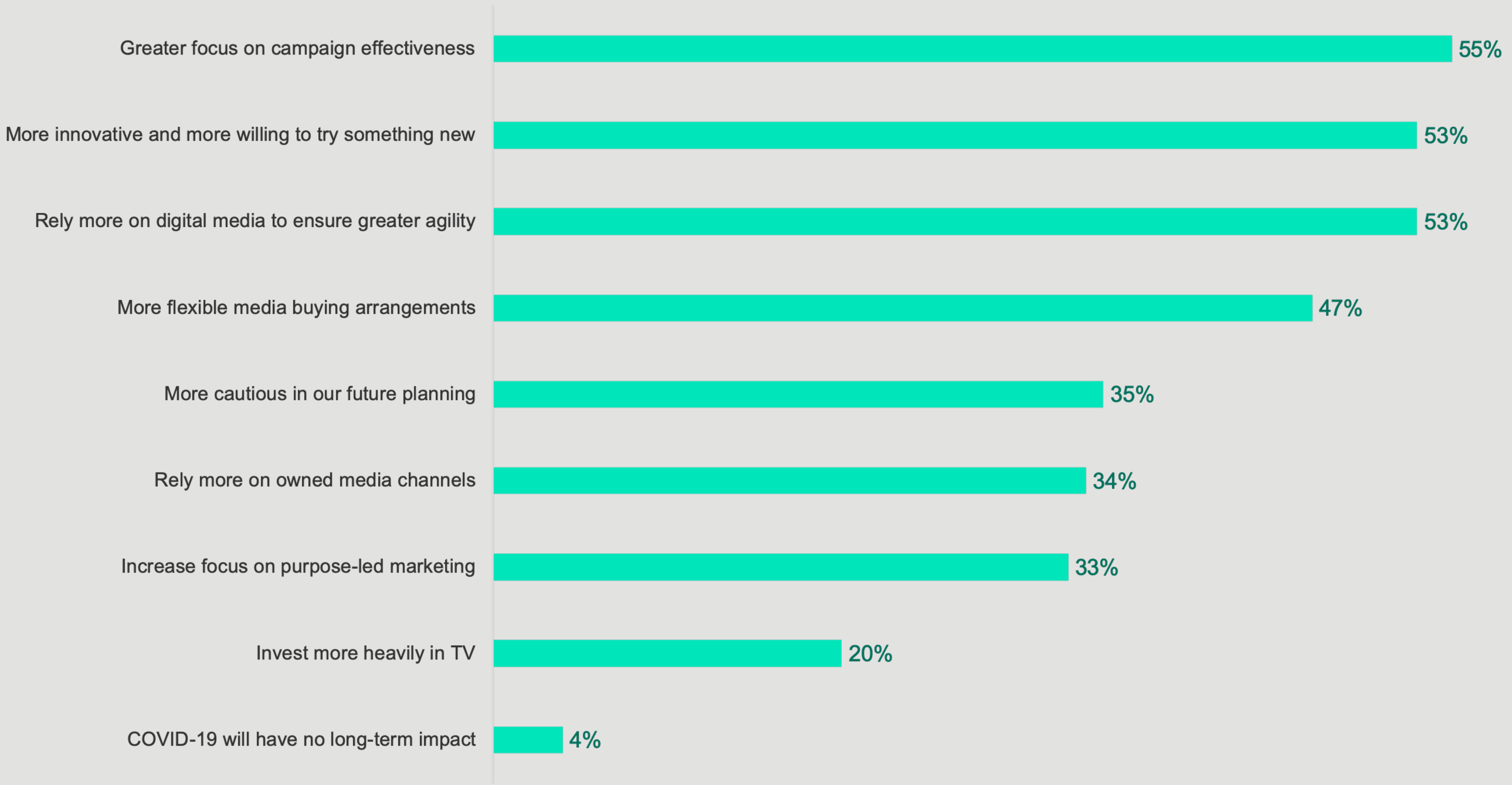
The COVID-19 pandemic has emboldened marketers to speed up change, rather than making them more cautious.

53% say that they expect to 'be more innovative and more willing to try something new'.

A clear driver behind the shift to digital is the need for greater agility, but this will also extend into more flexible buying arrangements across all media. With volatility across many categories, marketers are keen to minimise risk by avoiding long-term lock-in arrangements that could turn out to be unsuitable with unforeseen events.

Interestingly, the single biggest shift will be an increased focus on campaign effectiveness, making optimisation and measurement vital. **Just 4% of marketers believe there will be no long-term impact.**

## Long-term impact of COVID-19 on approach to media and advertising investment



## Global brand equity rankings

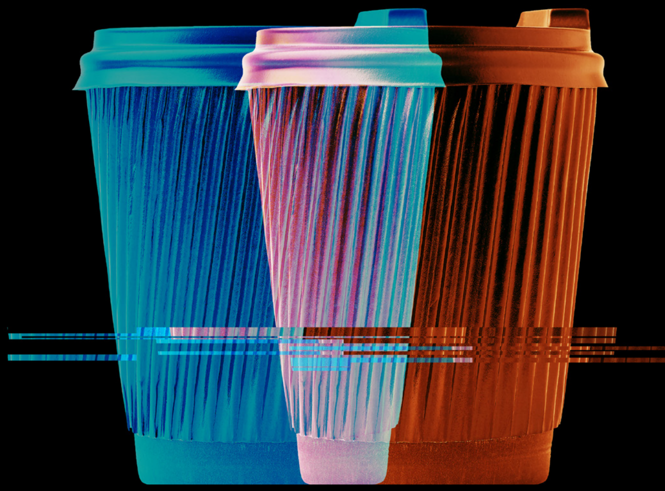
1. Google
2. NETFLIX
3. YouTube
4. amazon
5. Instagram

## 3 The brand and ad equity divide

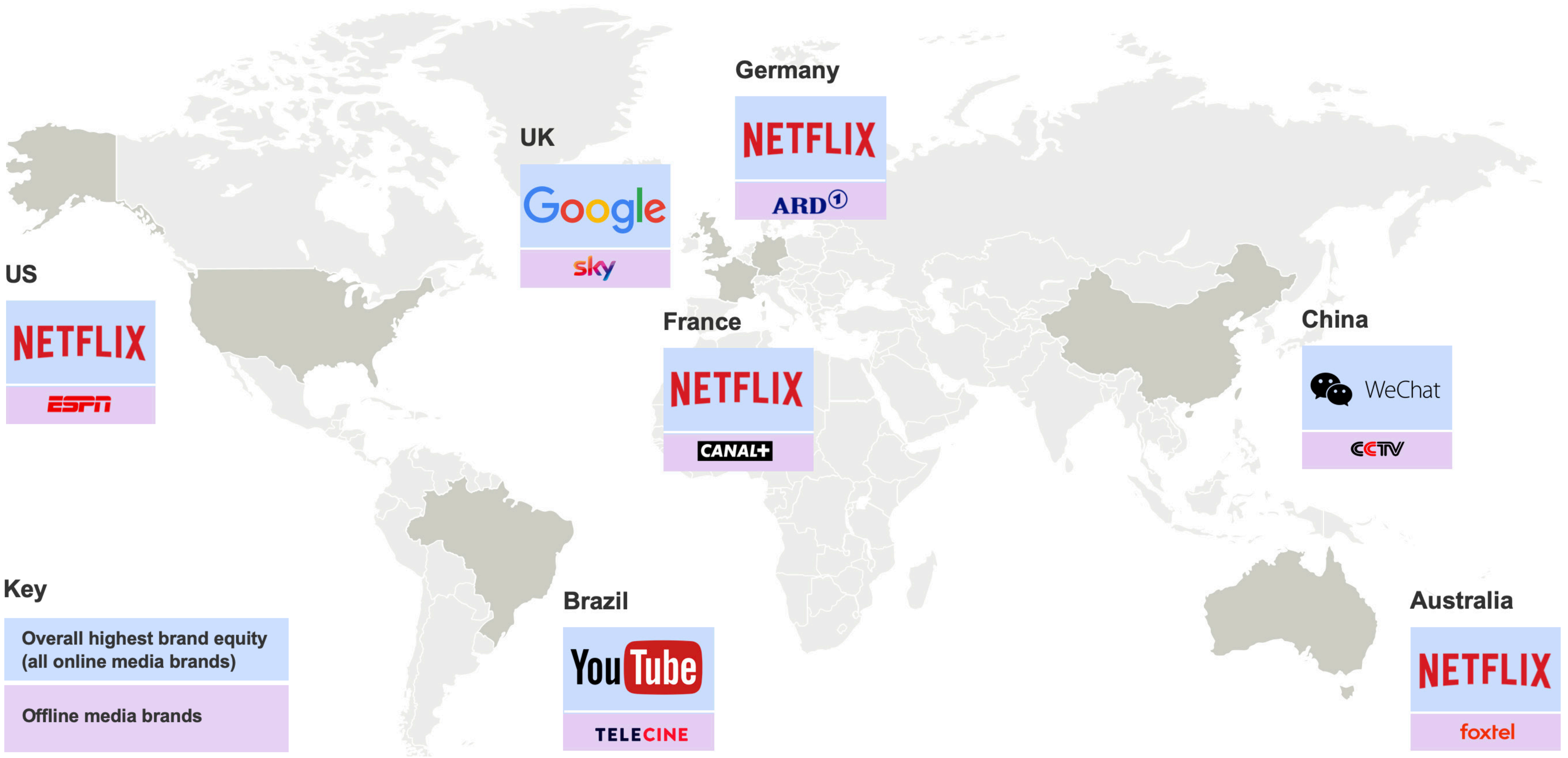
People will only spend time visiting and revisiting a media environment if they find it relevant, useful, and better than other media.

Kantar's extensively validated brand equity framework assesses the degree to which brands are Meaningful (affinity and meeting needs) and Different (unique or setting trends). In this study we applied these measures among users of each brand.

Of the media brands measured in multiple markets, Google has the highest brand equity thanks to strongly meeting needs, while users of Netflix have especially high affinity. As we saw with ad equity, users are generally more positive about online media brands than they are about offline brands.



## Country variations in brand equity ranking




We see a lot of variation in brand equity across markets. While Google tops the list globally, Netflix tops the brand equity ranking in four of the five countries where it was included. Clearly there is a huge passion for the content available via the Netflix platform, but it is likely no coincidence that this is a channel that does not carry advertising.

Overall, popular brands are more likely to be popular ad environments. However, not all media brands successfully translate their brand equity into advertising equity. Many beloved media brands are being let down by their advertising proposition.

Excessive or inappropriate monetisation via ads may eventually reduce brand equity. Other platforms have strong ad equity but are yet to establish brand loyalty, these tend to be smaller platforms. It is generally harder for larger platforms to have high ad equity, but of course they do offer greater potential scale for advertisers.

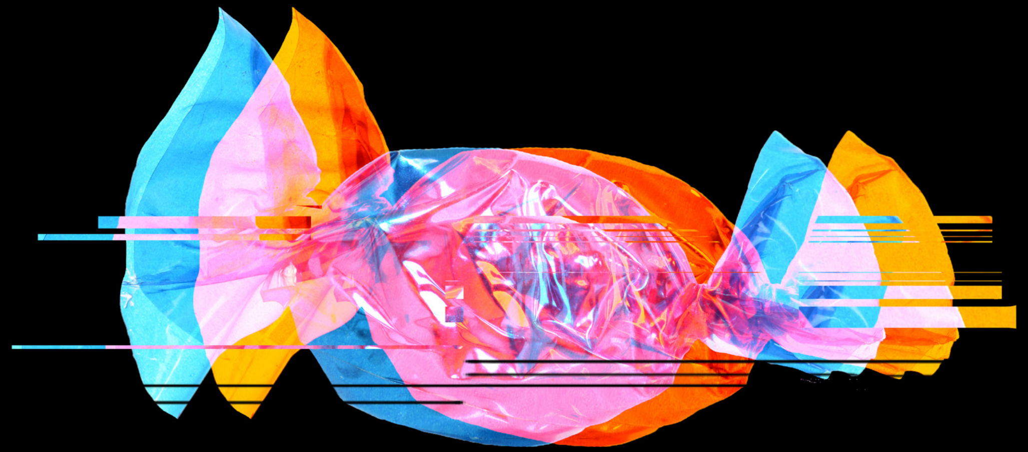
YouTube tops the ranking in Brazil and is also the highest rated ad-funded platform in Australia, France, and the US. Spotify leads the ad-funded platforms in Germany. Among offline platforms, Sky in the UK is considered strongly unique.

## Managing medium as message

There's no such thing as the perfect media brand personality. What is 'good' is what is appropriate for the brand being advertised. However, it is likely that more clearly defined media brand characters will enable stronger transference. Also, because no single brand can be all things to all people, advertisers will need to 'blend' media personality types to provide the optimal mix for their campaign.

Many of the social media and streaming video brands are considered fun, but they differentiate themselves via their secondary personality attributes. YouTube is fun and creative. Snapchat is fun and playful, and Hulu in the US is fun and desirable. Some brands like TikTok have a consistent personality across countries (always playful and fun). Others can see more variation, for example Twitter is considered more rebellious in France, and more innocent in Germany. Similarly, Facebook is deemed more fun in Brazil, and more assertive in Germany.

Amazon, along with Google and many of the news brands and TV broadcasters share more 'serious' personalities (in control, straightforward, assertive). But there can still be significant differences between TV broadcasters. In the UK, ITV is friendly and straightforward, whereas Channel 4 is rebellious and different. Understanding these nuances is important for brands wishing to maximise halo effects.



## Summary: the three key media equity divides

**1. The divides between online and offline channels and brands**

Offline media channels are generally favoured due to more trust and the perception that they are better quality. Consumers prefer the less intrusive experiences of cinema, sponsored events, and print ads.

However, low receptivity towards online advertising doesn't translate to all online media brands. TikTok, Instagram and Snapchat top our inaugural global ad equity ranking. Digital brands generally have higher ad equity because they are more fun, entertaining and innovative.

**2. The divide between consumers and marketers**

Marketers prefer more intrusive formats such as online video, TV, social media news feeds, stories and VOD. They are most favourable towards YouTube and Google.

The COVID-19 pandemic has accelerated reliance on digital in media plans as marketers have responded to increased consumer usage of online media channels. While TV spend should rebound, decreased spend in cinema, events, OOH and print look set to continue into 2021.

**3. The divide between brand and ad equity**

Many media brands are well loved, but brand equity does not always translate to analogous perceptions about the ads on the platform. Excessive monetisation on platforms with high usage can ultimately reduce ad equity.

Regardless of their size, media brands display very different personality characteristics. Many social media brands are more 'fun', while news and broadcasters are more 'serious', but there are important nuances between individual brands, and these profiles can vary across countries.

## Implications for advertisers and agencies

**1. Tailor your advertising approach based on consumer expectations**

Reduce frequency in channels and media brand environments where consumers think there's already too much repetitive advertising. Make sure you entertain and are relevant in more intrusive environments, whilst not using excessive targeting approaches. Lobby your major media partners to address the weaknesses that undermine their ad equity, and ultimately your chances of advertising success.

**2. Keep pace with changing consumer habits and expectations**

The world has changed. Consumer media habits have changed, and your media spend needs to move with it. This won't just be a short-term blip. Now is the time to speed up innovation rather than to be cautious, and to focus more than ever on effectiveness (doing the right things and doing them cost-efficiently). Engage in social issues, be authentic, have a point of view and reflect this in your media partner selection.

**3. Invest in media environments that reflect your brand aspirations**

There's no 'perfect personality' for media brands, other than the ones which best fit your intended positioning. Make sure your ads are enhanced by the places they appear. Social media and streaming media brands generally have a playful and fun style, whereas Google, Amazon and news sites are more serious in tone. Social stories, online games, video streaming and digital OOH are seen as innovative. Select complementary channels.



## Implications for media companies

**1. Take inspiration from best-in-class media channels and brands**

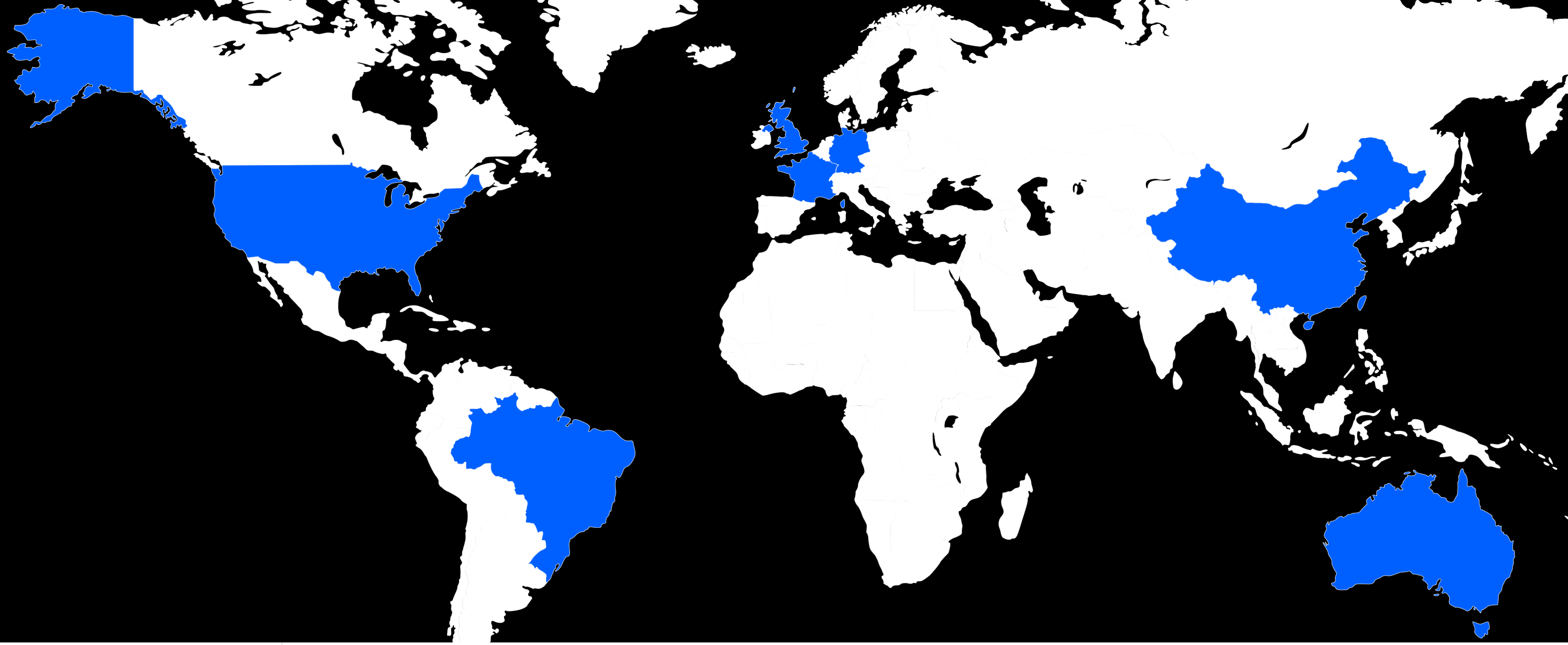
Be mindful of the trade-off between relevance and privacy. Concerns about excessive targeting and intrusiveness are large factors in lower overall receptivity. Online publishers need to collectively improve their industry reputation for intrusion. Offline channels could learn from the engagement generated by fun new online approaches.

**2. Appeal to both the consumer and the marketer**

Innovate your advertising formats regularly to satisfy marketer needs, while keeping consumers entertained and paying attention. Instagram balances these needs well. TikTok has captured the hearts of consumers, but still needs to convince marketers. Beware of salami-slicing receptivity by steadily increasing ad saturation. You'll only find out you're running too many ads when it's too late and your users have moved elsewhere.

**3. Assess whether your ad equity makes the most of your brand**

For some brands, ad equity is undermined by ad saturation, while others are considered intrusive or boring. Work to address weaknesses while promoting strengths. Understand your brand character and the type of 'halo' effect you can provide to advertisers.



# Appendix

## About our study

We've been talking to consumers and marketers for many years about their media experiences and perceptions. This year we've combined the consumer and marketer studies to give a complete view of the current media landscape and how to navigate it. Beyond the publicly available materials, global and country data files and reports are available to purchase with much more detail.

**Consumer survey**
We conducted a 15-minute online survey amongst 16-65-year olds, 500 interviews in each of in Australia, Brazil, China, France, Germany, UK and 1,000 in the US.

**Marketer survey**
733 senior marketers (Advertisers, Agencies and Media Companies) answered a 15-minute online survey.

Media Reactions complements Kantar's comprehensive portfolio of media measurement and effectiveness solutions, including approaches which enable the testing of ads in different media contexts and channels.

Visit our website or contact your local Kantar representative for further information.

# Media Reactions 2020 measured the following channels and brands

## Channel coverage (consistent globally)

| Global |
|---|
| TV ads* |
| TV program sponsorship* |
| TV ads while streaming via a smart TV* |
| Newspaper ads* |
| Magazine ads* |
| Radio ads* |
| Billboard/Outdoor ads (posters)* |
| Digital Billboard/Outdoor ads (video screens)* |
| Cinema ads (appear before movies at the cinema)* |
| Online display ads (images + text)* |
| Online video ads* |
| Events sponsored by a brand* |
| Ads in digital streaming music services |
| Ads in podcasts* |
| Branded content shared by online influencers* |
| Ads in social media stories* |
| Ads in social media news feeds* |
| Ads in online or mobile games |
| Ads on news website or portals |
| Ads in video streaming websites or apps |



## Media brand coverage by country

| Australia | Brazil | China | France | Germany | UK | US |
|---|---|---|---|---|---|---|
| Google* | Google | Baidu | Google | Google | Google | Google |
| YouTube* | YouTube | BJ Satellite TV | YouTube | YouTube | YouTube | YouTube |
| Facebook* | Facebook | CCTV | Facebook | Facebook | Facebook | Facebook |
| Instagram* | Instagram | Douyin | Instagram | Instagram | Instagram | Instagram |
| Twitter* | Twitter | Hunan Satellite TV | Twitter | Twitter | Twitter | Twitter |
| Snapchat* | globo.com | Huya | Snapchat | Snapchat | Snapchat | Snapchat |
| TikTok* | UOL | iQIYI | TikTok | ARD | TikTok | TikTok |
| Netflix | Mercado Livre | JD.com | Twitch | ZDF | Twitch | Netflix |
| Spotify | Spotify | Kuaishou | Netflix | RTL | Netflix | Spotify |
| Seven Network | Deezer | QQ | Spotify | SAT 1 | Spotify | Hulu |
| Nine Network | Rappi | QQ Music | Deezer | Pro 7 | BBC | HBO |
| Network 10 | TNT | Redbook (Xiaohongshu) | France Télévisions (France 2, 3, 4 & 5) | VOX | ITV | Disney + |
| SBS | SporTV | Tencent News | TF1 | Kabel 1 | Channel 4 | NBC |
| ABC | Multishow | Tencent Video | M6 | RTL 2 | Channel 5 | ABC |
| Foxtel | Telecine | Tmall/Taobao | CANAL+ | Netflix | Sky | CBS |
| Stan | Globo | Toutiao | Leboncoin | Spotify | Disney | Fox |
| news.com.au | SBT | Wechat | Amazon | Amazon Prime | Amazon | ESPN |
| nine.com.au | Band | Weibo | Cdiscount | BILD | Pinterest | Fox News |
| The Guardian | Record | Xiaomi TV | Le Monde | Spiegel | The Guardian | CNN |
| Daily Mail | RedeTV | Youku | Le Figaro | Focus | Daily Mail | CW Network |

*These media channels and media brands are also included in the global marketers survey

KANTAR

Kantar is the world's leading evidence-based insights and consulting company. We have a complete, unique and rounded understanding of how people think, feel and act; globally and locally in over 90 markets. By combining the deep expertise of our people, our data resources and benchmarks, our innovative analytics and technology, we help our clients **understand people** and **inspire growth.**