

The Impact of COVID-19 on Marketing Budgets 2020 in Finland

08.04.2020

Who we surveyed

- **N= 190**, focus on CMO's and other marketing decision makers.
- The survey was conducted between **April 3rd and 7th** 2020, by IAB, ASML and Avaus
- In some questions we have used as a reference The CMO 2020 Survey, conducted in 10/2019 by IAB Finland and Avaus (76 respondents)

ROLE

Marketing Director / Manager	34 %
Sales Director / Manager	19 %
CEO	7 %
Head of Communications	4 %
CIO (Chief Information Officer)	2 %
CDO (Chief Digital Officer)	11 %
CCO (Chief Content Officer)	2 %
Other	30 %

CUSTOMER TARGETGROUP

B2C	42 %
B2B	16 %
B2C and B2B - sekä kuluttajat että yritykset	41 %
DtoC	2 %

E-COMMERCE

No	25 %
Yes	75 %

IF YES

Average share of revenue	27 %
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COMPANY'S NET REVENUE 2019

Less than 2 M€	1 %
2-9 M€	13 %
10-49 M€	16 %
50-99 M€	4 %
100-499 M€	24 %
500-999 M€	7 %
+ 500 M€	35 %

Breakdown of Respondents

RESPONDENTS BY ADVERTISING CATEGORY

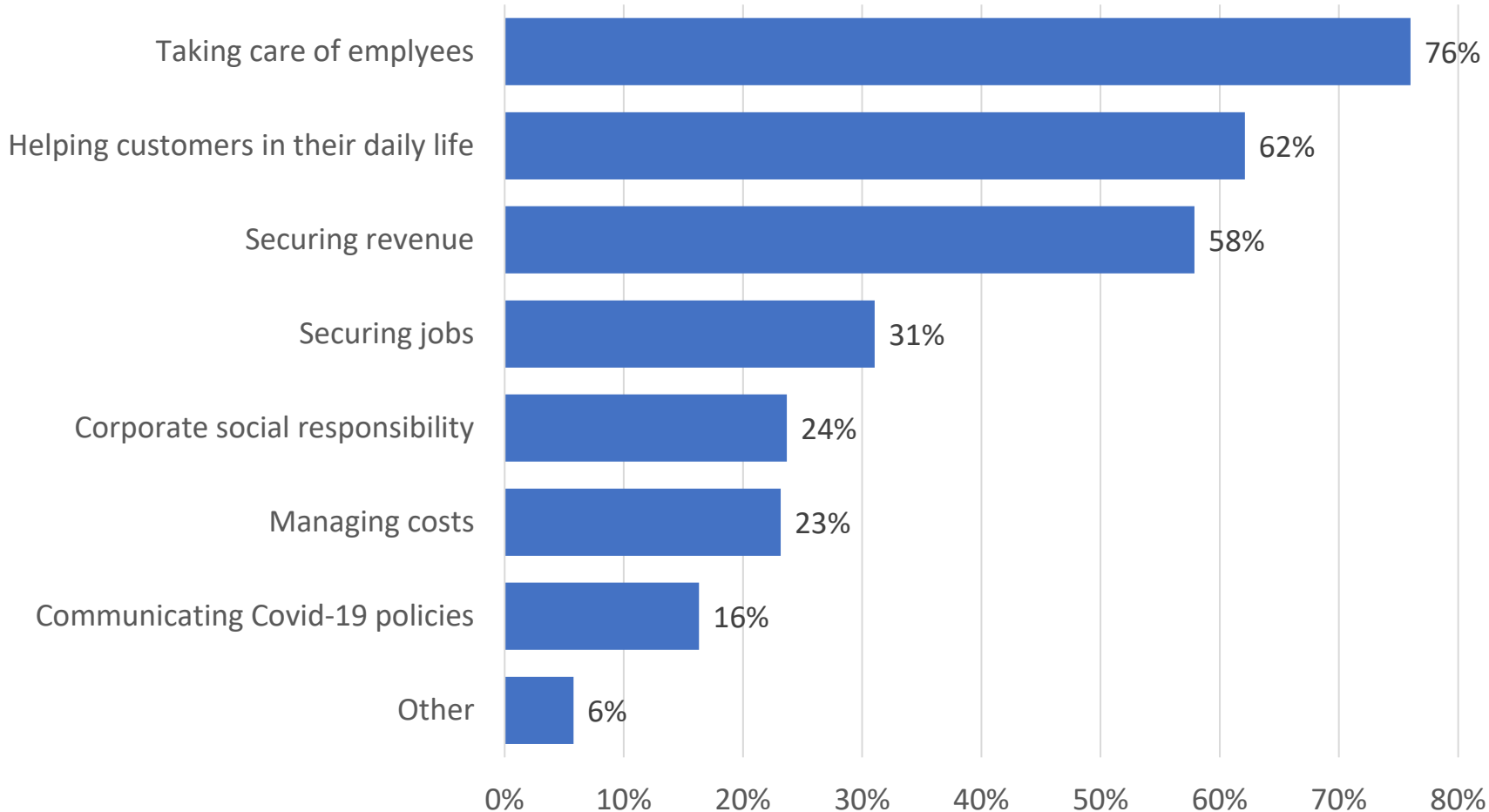
Media & Entertainment	21 %
Retail	19 %
Finance	16 %
Manufacturing	4 %
Public services	1 %
Telecommunication	8 %
Business Services	2 %
Construction / Real Estate	3 %
Travel & Tourism	5 %
Logistics	4 %
Health / Healthcare	4 %
Marketing / Advertising	1 %
Other	14 %

Keep in mind that research findings does not represent all Finnish companies!

OTHER CATEGORIES INCLUDE

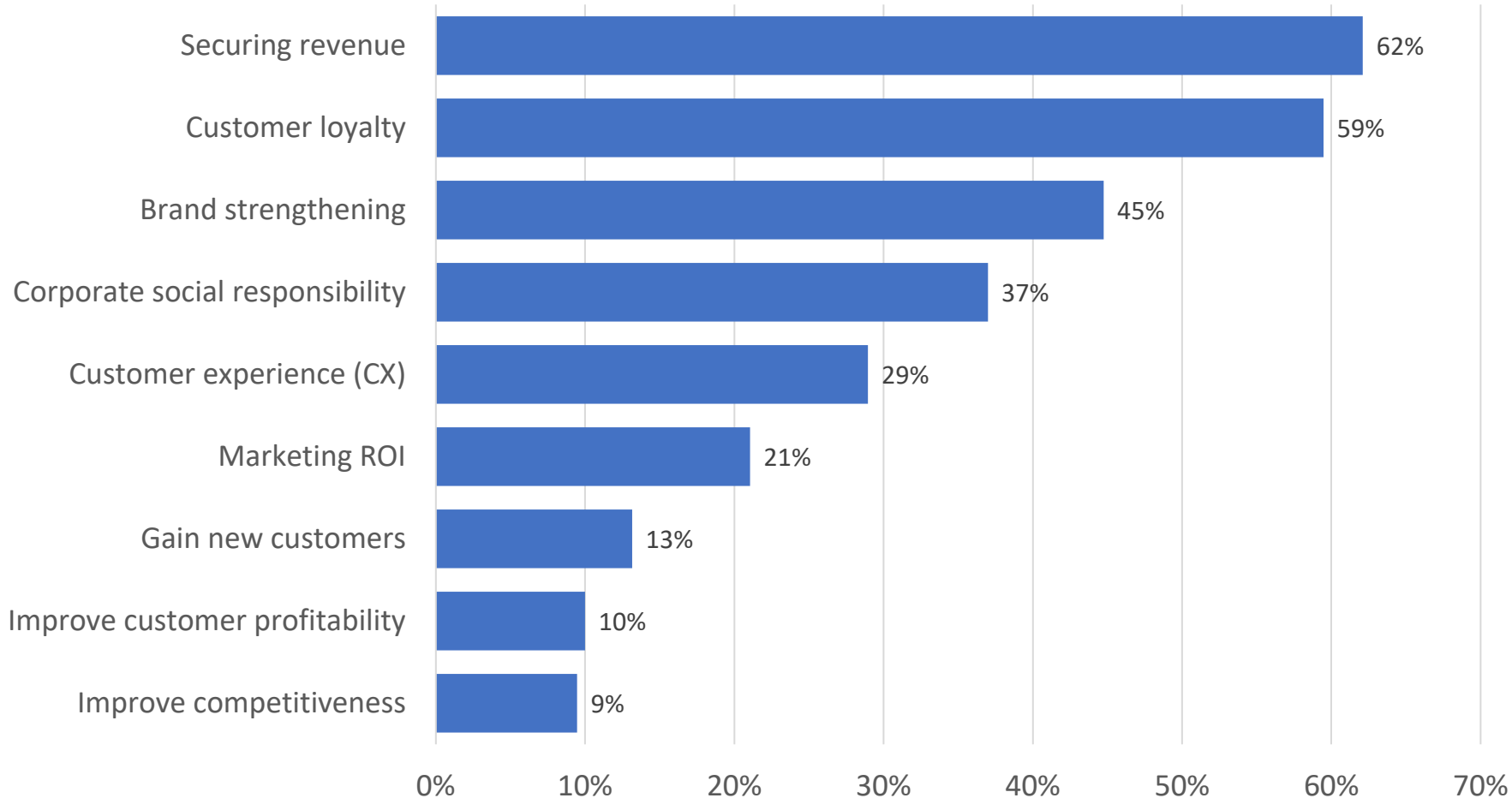
Associations
Education
Energy
Gaming
Restaurants
Politics, Organizations or Public services

Company's TOP3 priorities during COVID19-crisis



No big surprises – employees, helping customers and revenue securing are TOP priorities at the moment.

TOP3 priorities for marketing during COVID19-crisis



Marketing focuses on securing revenues and keeping current customers.

CSR, CX and brand strengthening also important.

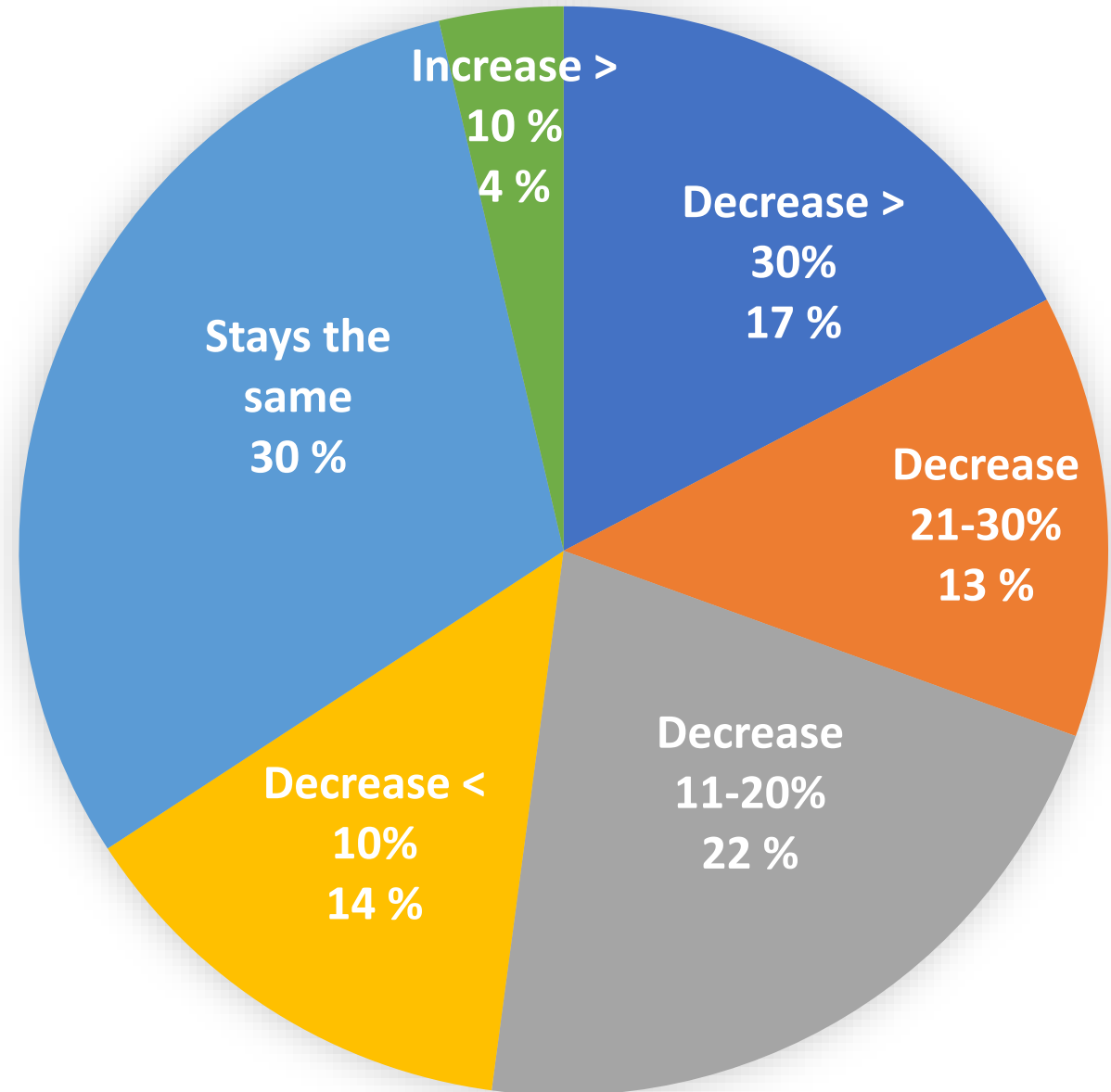
Marketing Budgets

- against original 2020 plan

The Media Advertising Expenditure in Finland 2019

1 259 M€ (+ 1,2 % vs PY)

Research results forecast **about** 10-15 %
decline to 2020 Media Advertising
Expenditure (?)



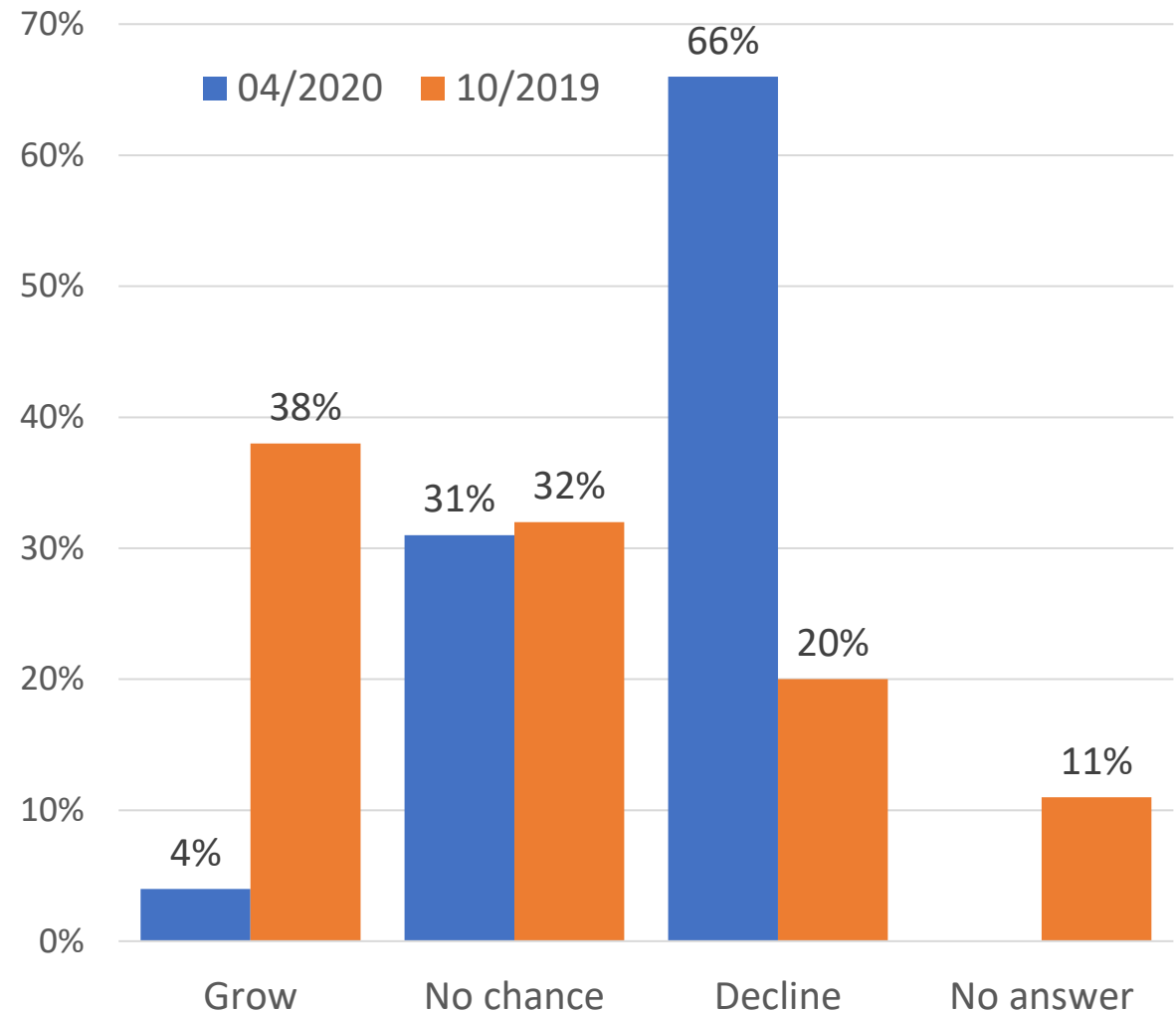
Marketing Budgets

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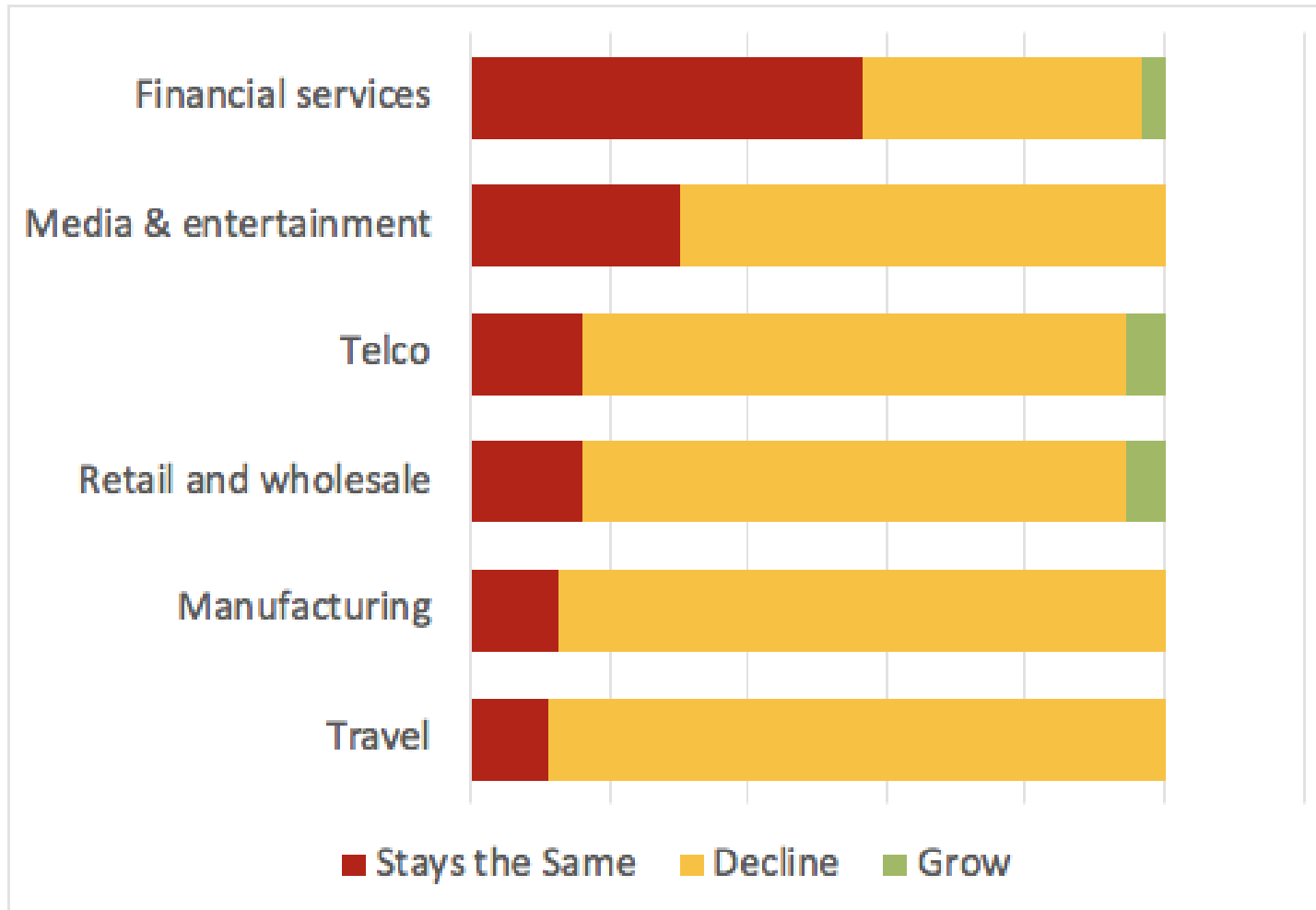
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Marketing Budgets

- against original 2020 plan

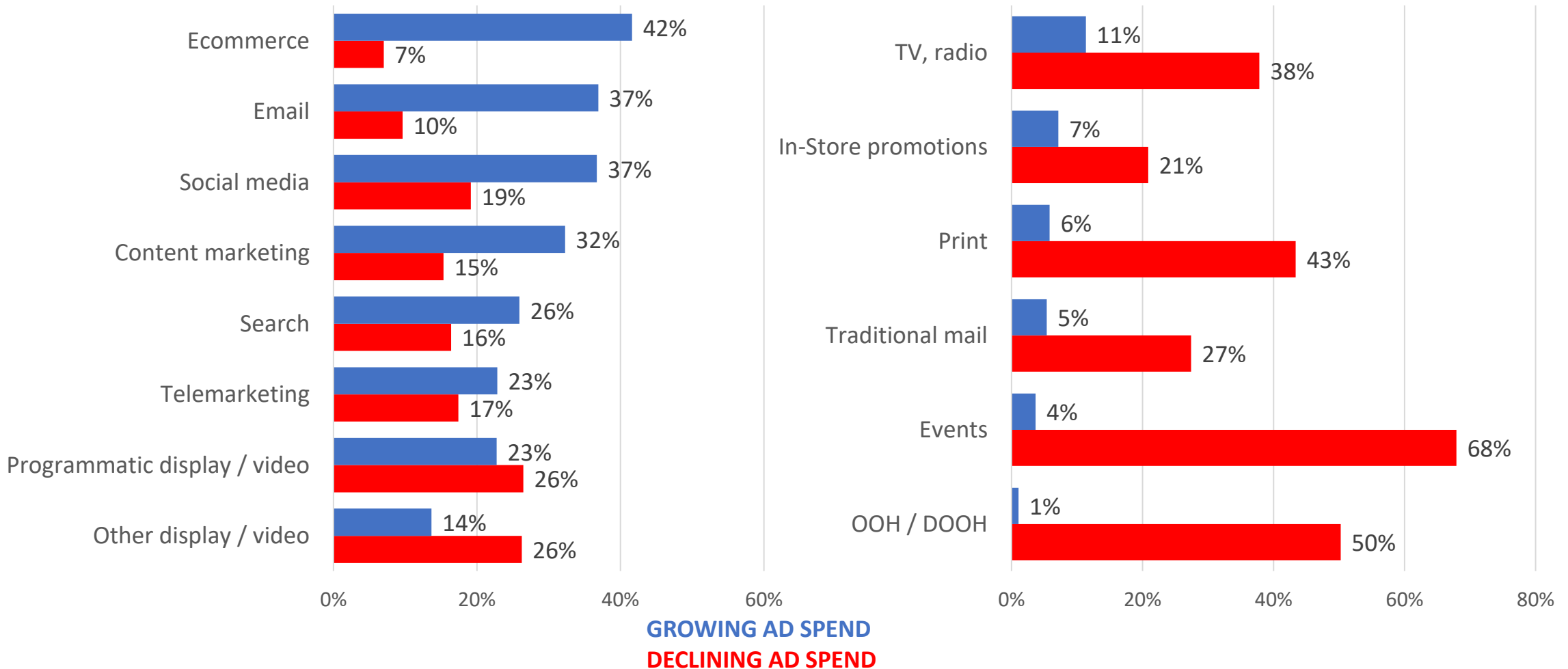


Financial Services seems to survive with smallest budget cuts.

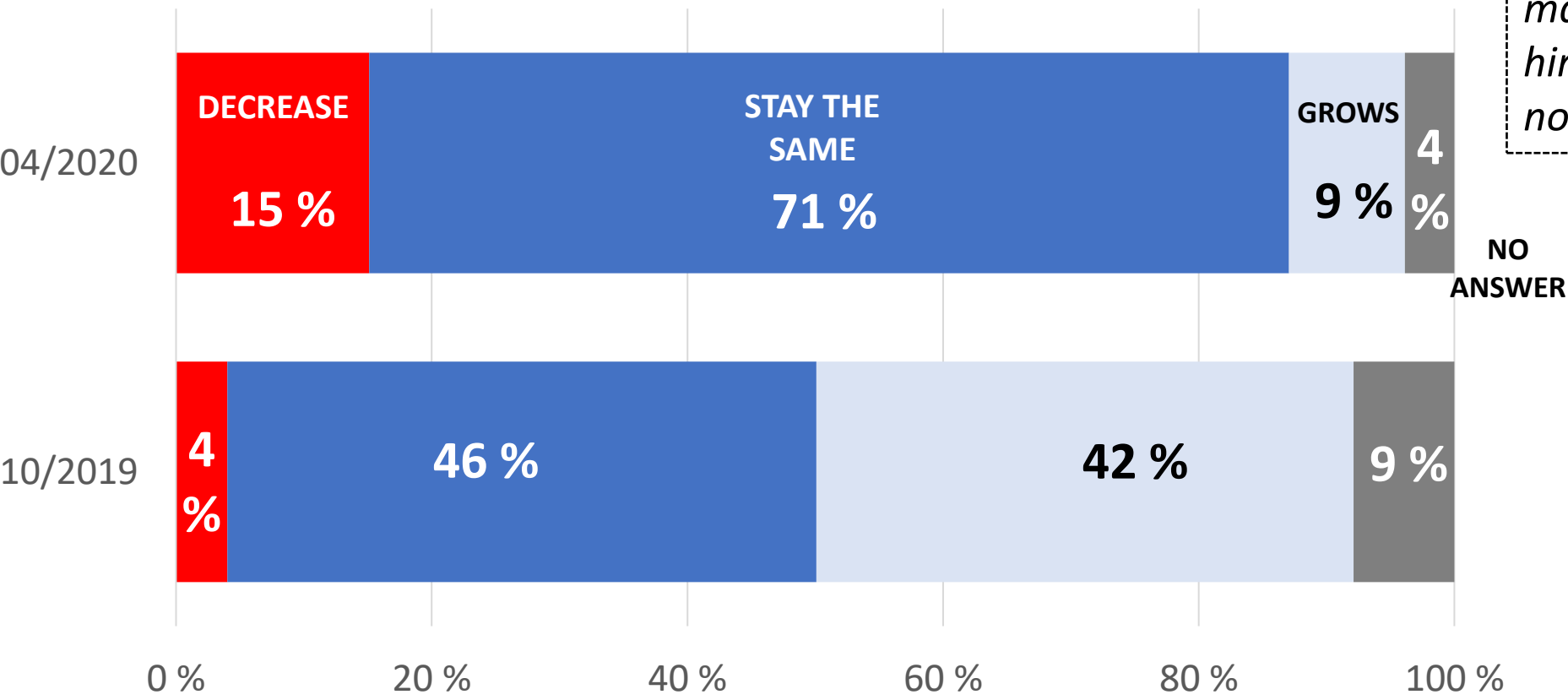
Tough times especially for Travel Manufacturing and Retail.

Ad Spend Impact by Channel due to COVID19

Own medias, social media, search and content marketing might be relative winners, but it's too early to forecast revenue growth even to these channels.



Marketing Headcount 2020



Few companies are still planning to marketing headcount, hire-freezes are the norm

Executive summary

- The COVID-19 has hit the economy and marketers by full force by early April 2020 leading to downsizing and restructuring on budgets.
- The key takeaways from our COVID-19 CMO Survey:
 - Almost two third of all companies are slashing budgets. The average savings are 15-30%
 - Verticals are affected unevenly. Financial services have relatively small savings pressures, manufacturing and travel have major.
 - Retention and ensuring loyalty of existing customers have become the paramount objective for marketers, aggressive customer acquisition activities are put on hold.
 - Ecommerce ramp up and support is the main area of activity as other channels are unavailable.
 - Customer data leverage follows suite and tactical activities are executed in addressable own channels with email and telesales, supported by search, social and content.

THANKS & BE SAFE

IAB Sverige

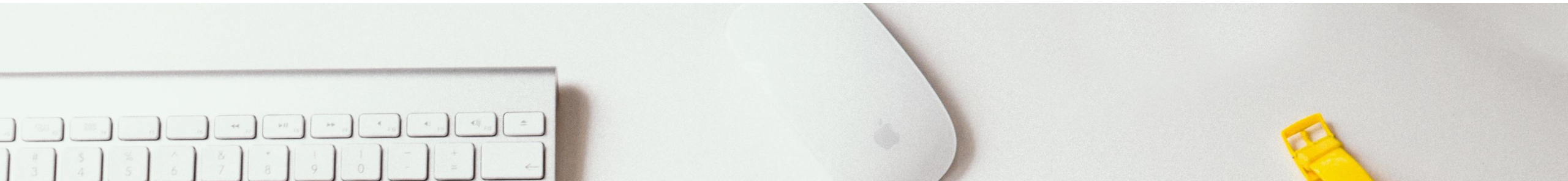
STUDY WITH CMOs AT BRANDS

HOW COVID-19 PANDEMINE IMPACT ON THEIR MARKETING PLANS

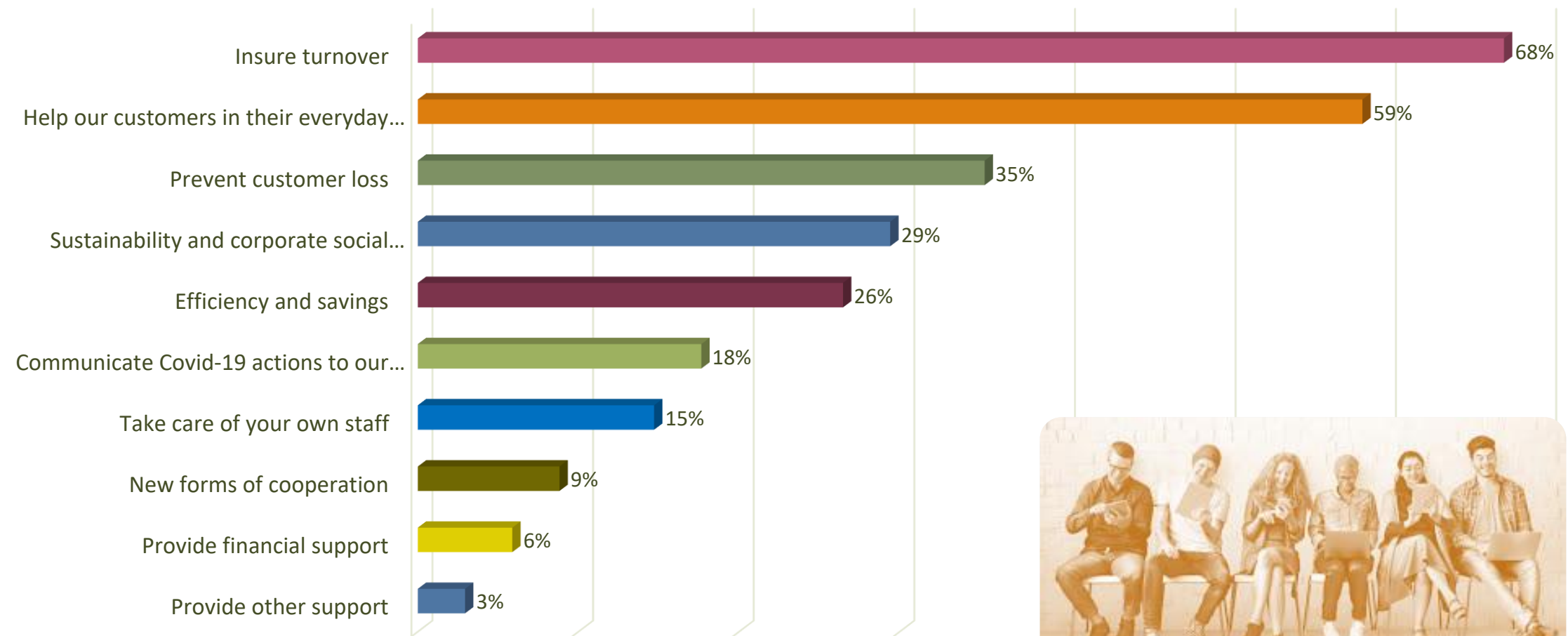
April 2020

Sample of the companies that participated

**GANT, VW, SAMSUNG, MASTERCARD, MEDS, NORDNET, IF, CANON, BLUESTEP, ACTIC,
BARNCANCERFONDEN, SVEDEA, TRE, KLARNA, RESEGUIDEN, APOTEKET, ASUS, DESINIO OSV..**



What are **the three** most important marketing objectives of your company during the ongoing Covid-19 crisis? Maximum three options

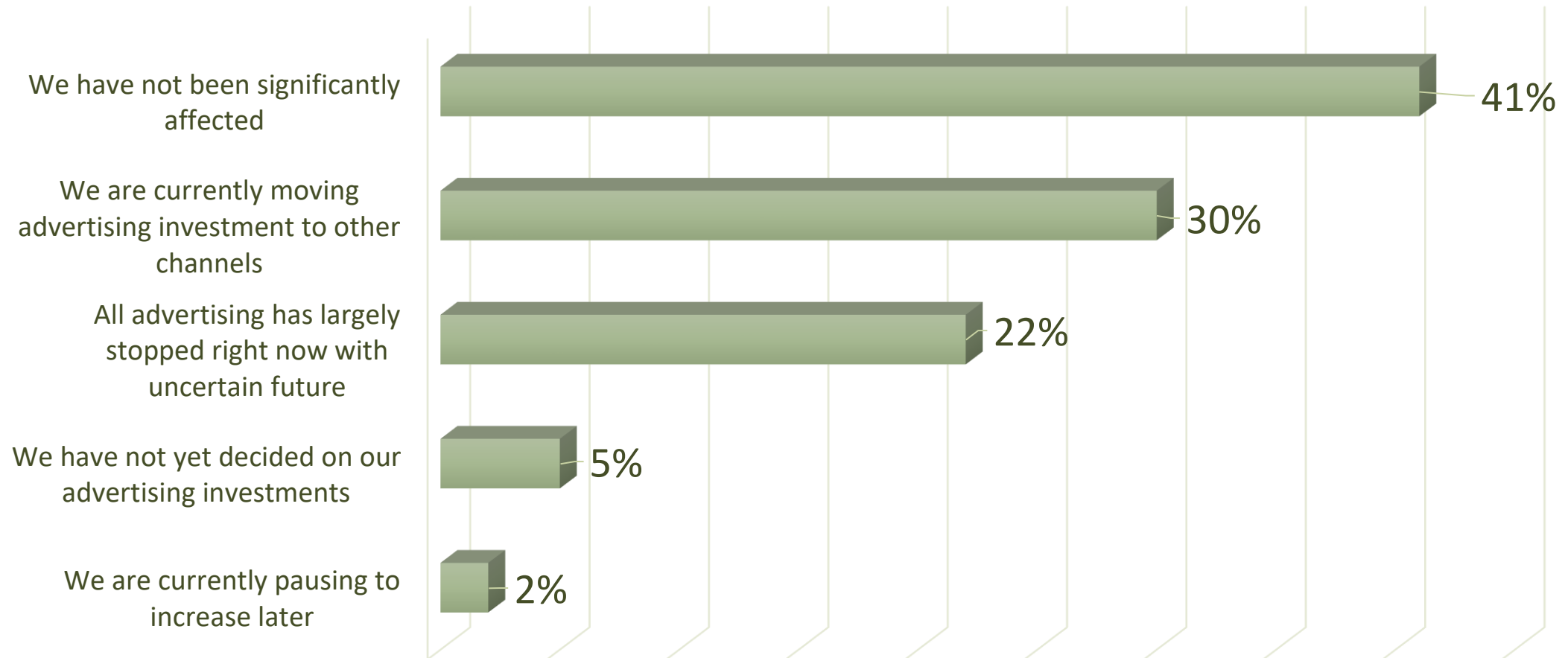


(Other: Increase brand awareness)

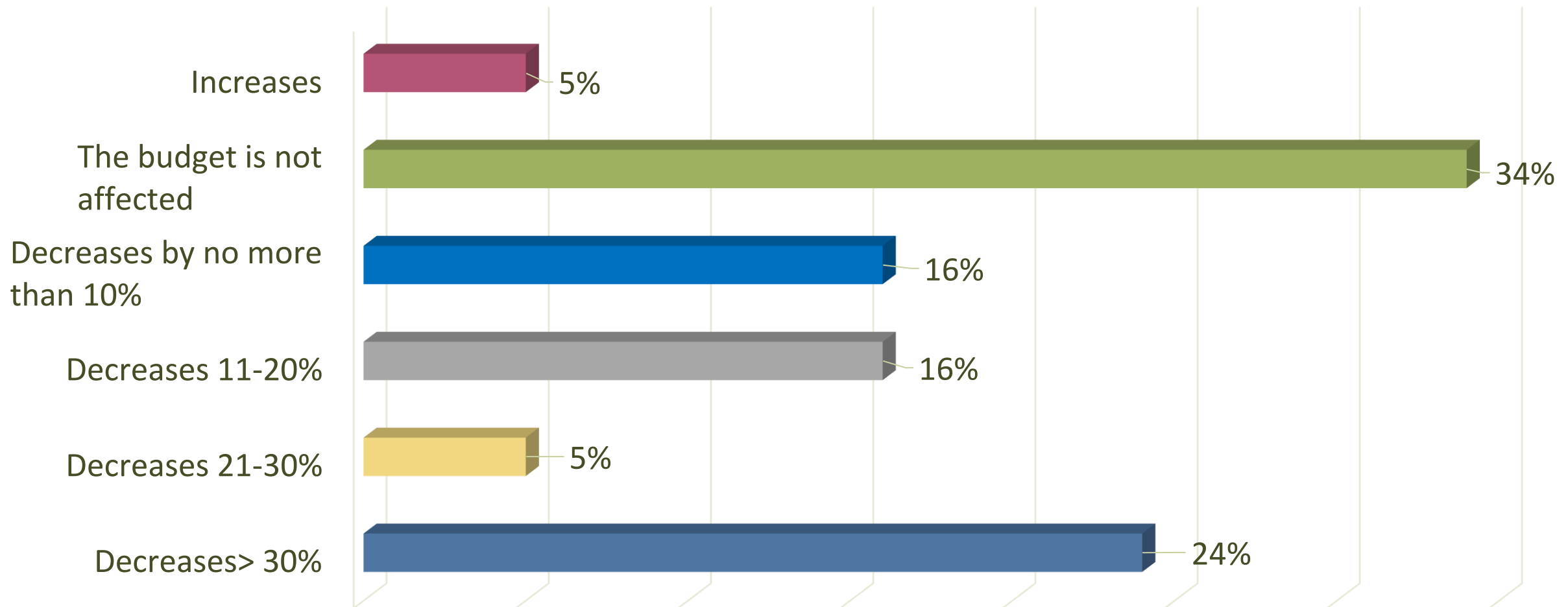


Has your digital media budget been affected by COVID-19?

max one answer

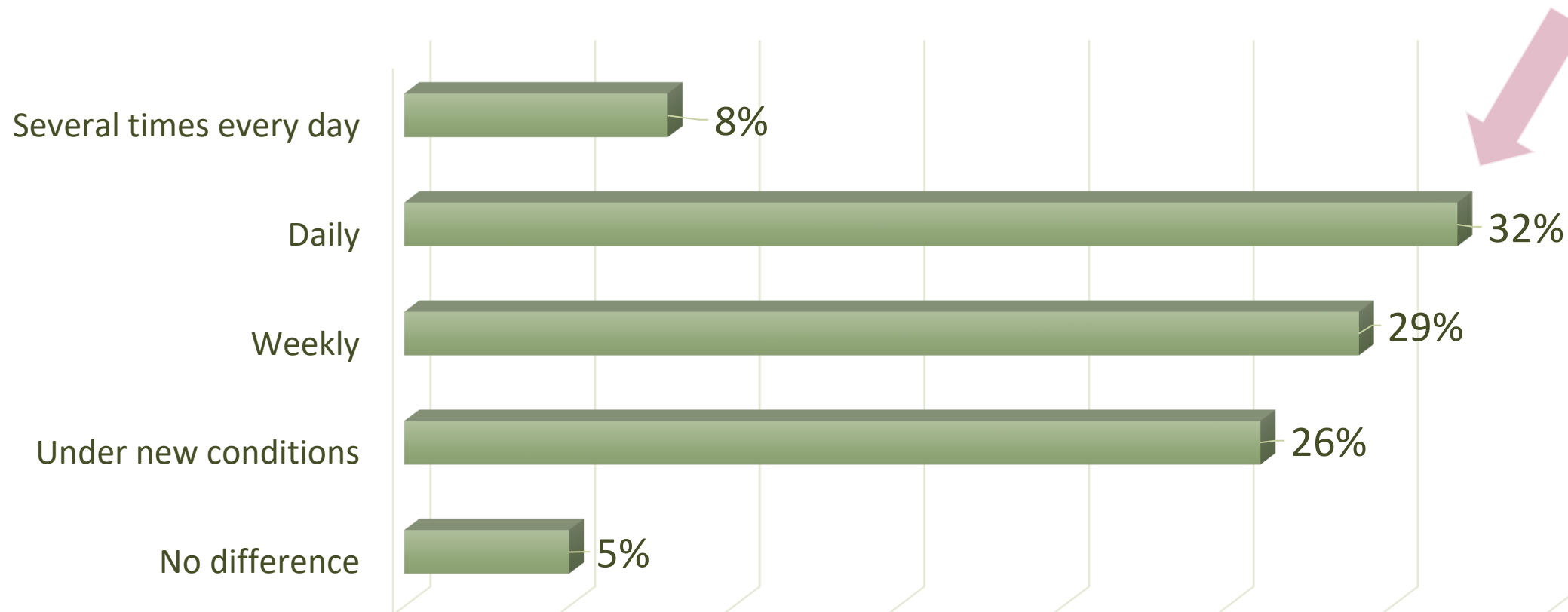


How will the marketing budget be affected by the Covid-19 pandemic during the rest of 2020?

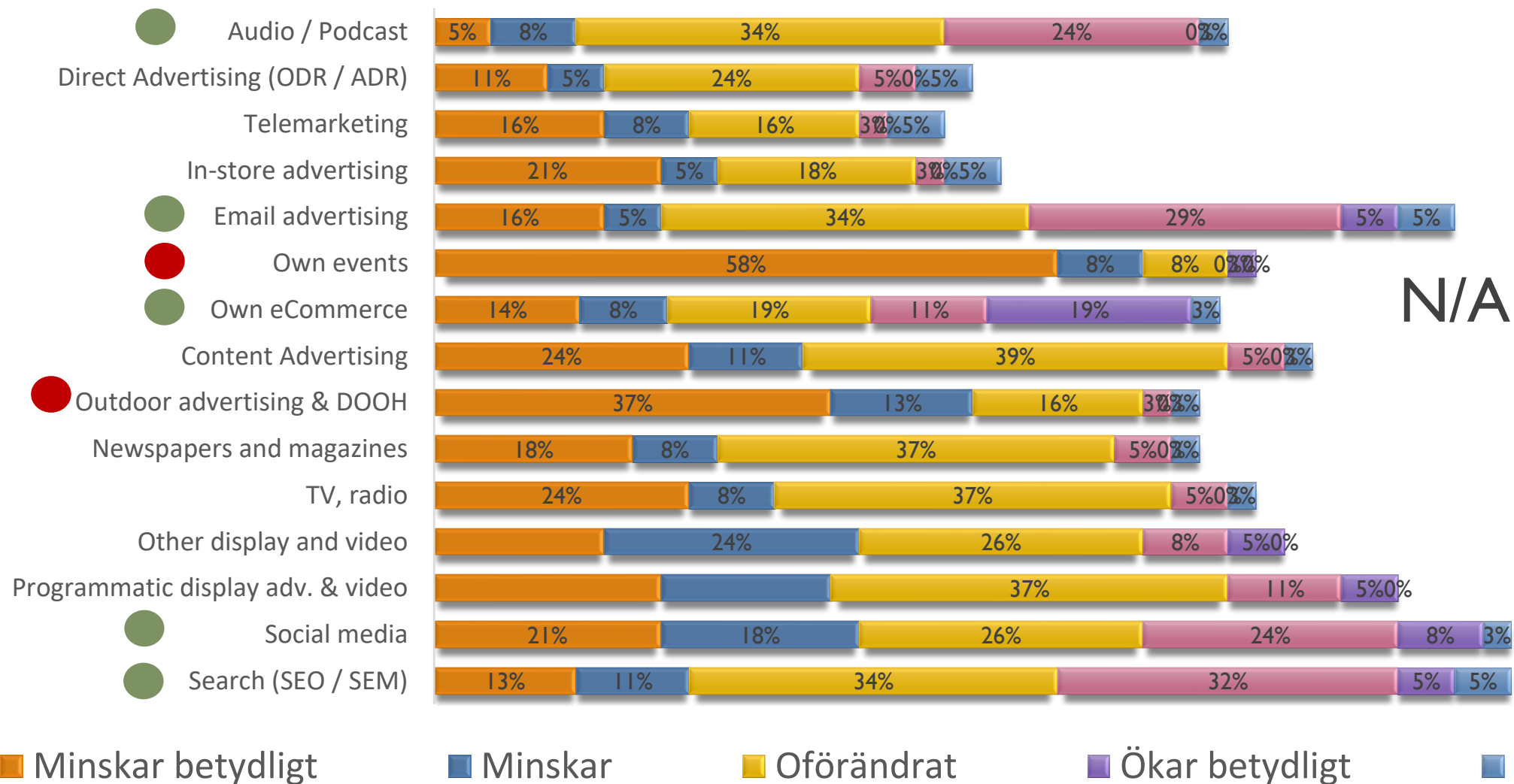


HOW OFTEN DO YOU CURRENTLY REVIEW YOUR STRATEGY WITH YOUR TEAM OR AGENCY FOR MAJOR CHANGES?

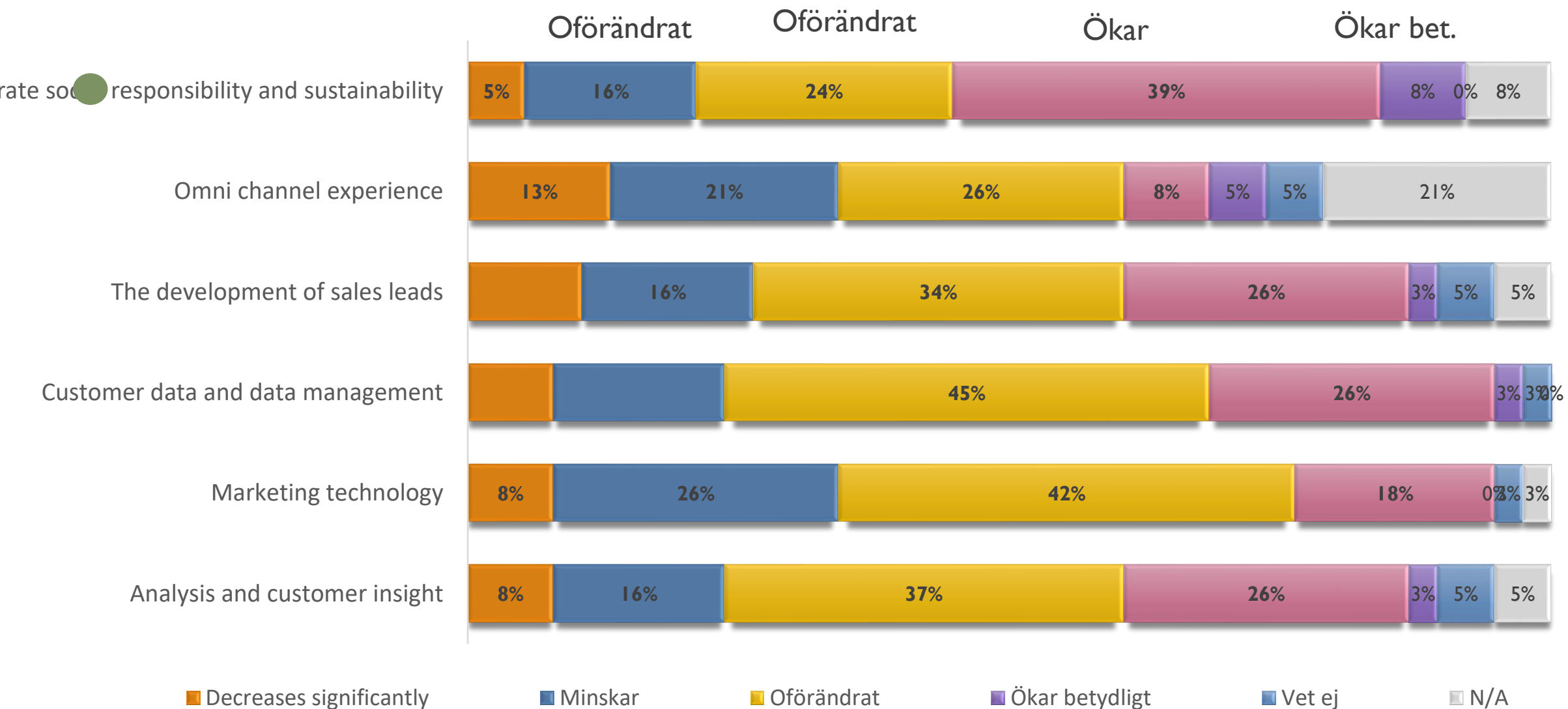
(NOT THE USUAL OPTIMIZATIONS)



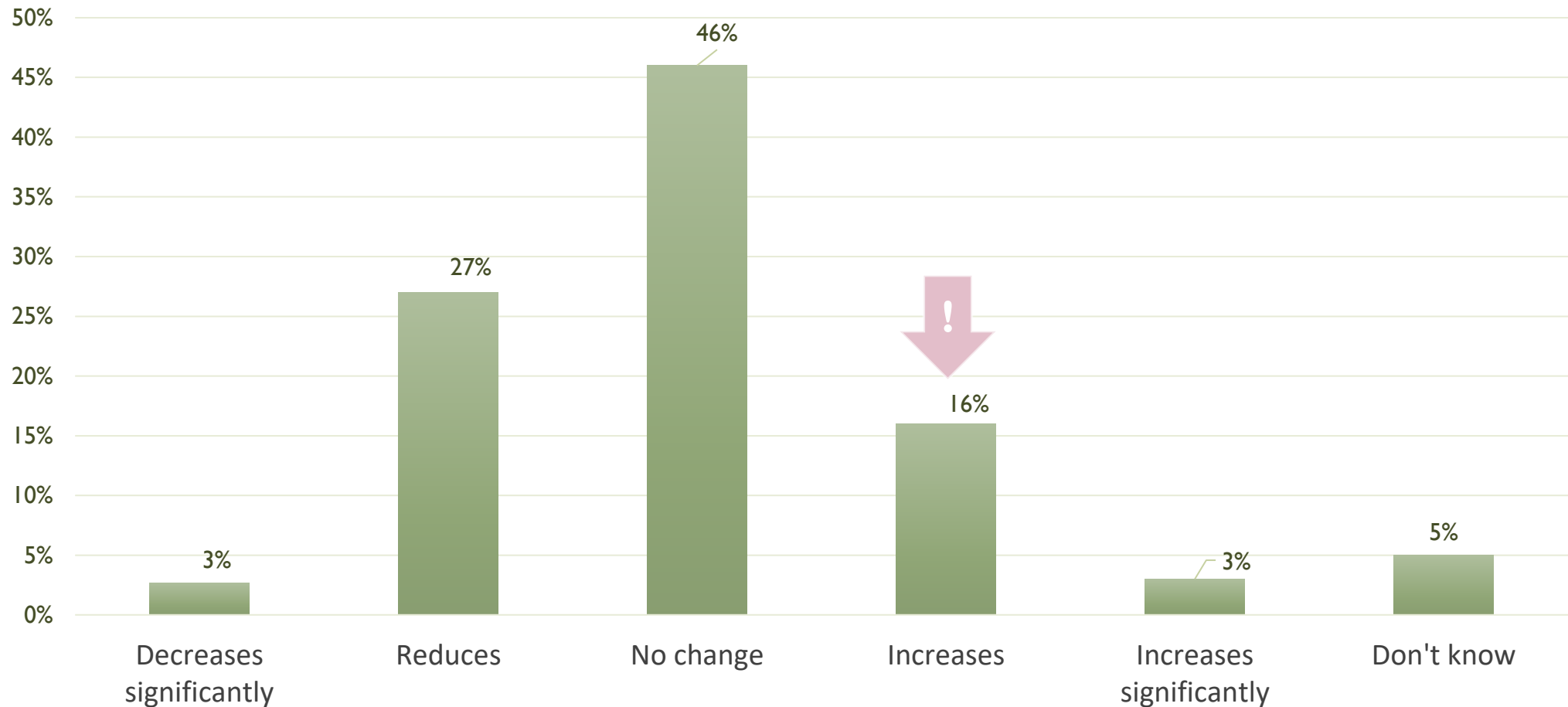
HOW ARE INVESTMENTS IMPACTED BY THE COVID-19 PANDEMIC?



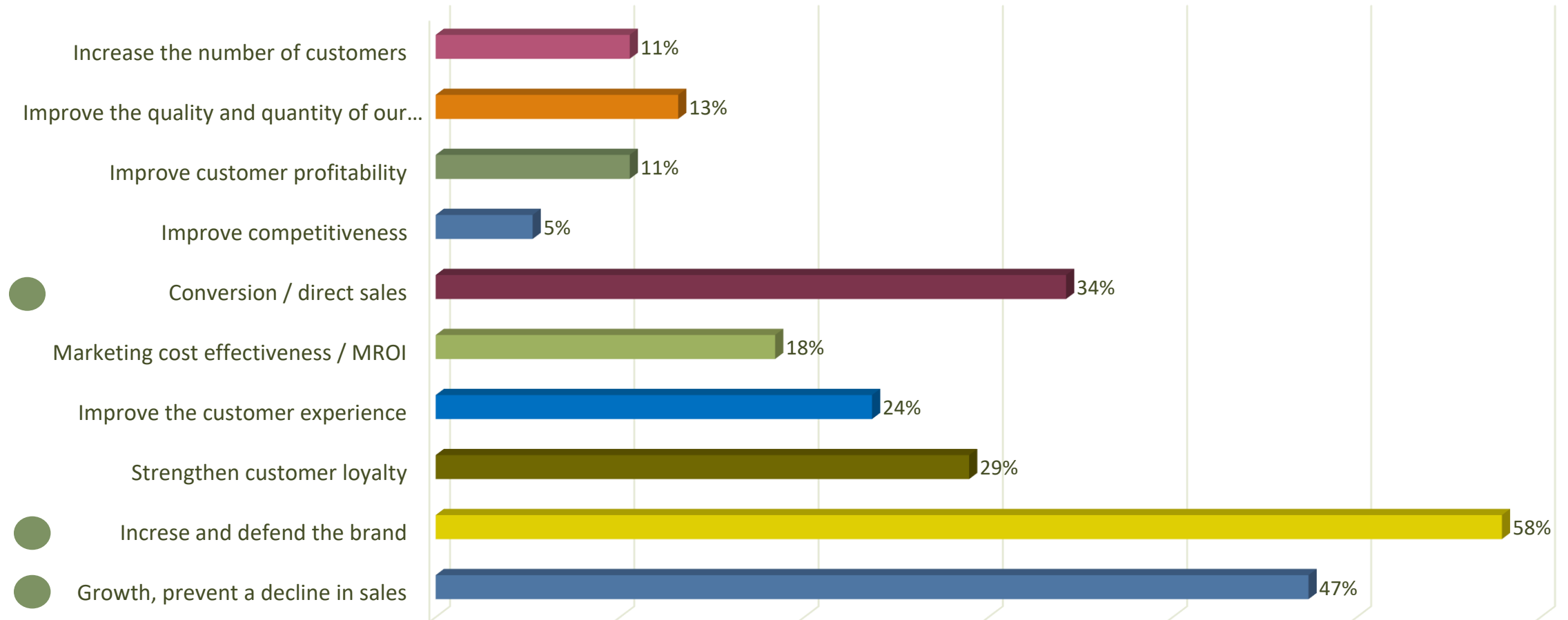
HOW WILL THE COVID-19 PANDEMIC AFFECT YOUR INVESTMENTS IN 2020 IN THE FOLLOWING AREAS?



HOW DO YOU THINK YOUR WORKFORCE IN MARKETING AND ADVERTISING WILL DEVELOP IN 2020?



What are the top three marketing and advertising tasks currently in your business?

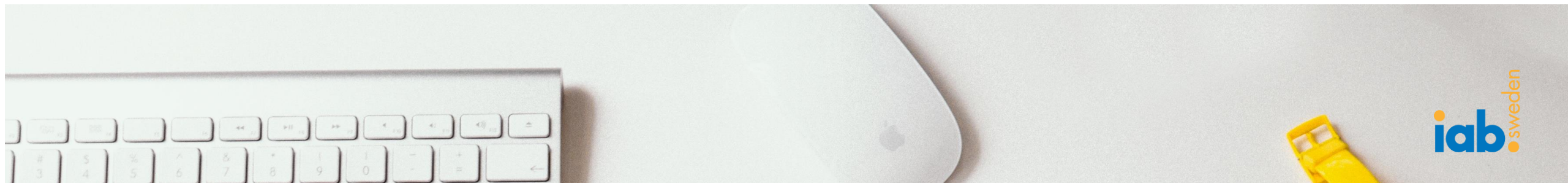




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Take care!



Bakgrund

- In these exceptional times, we want to create a clearer picture of what is happening in the industry right now.

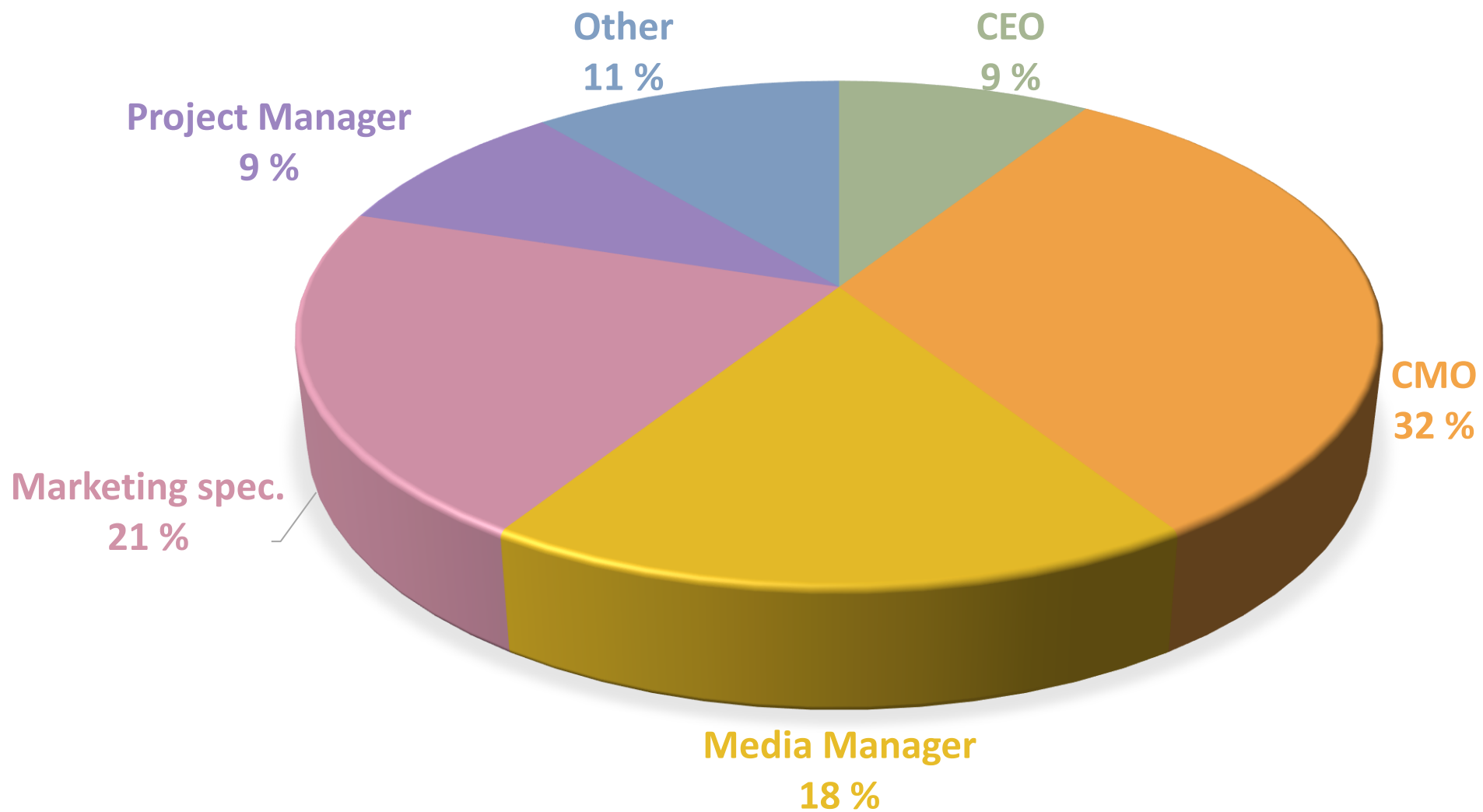
Therefore, we have sent out a survey to improve understanding and help marketers, management groups and boards and able make decisions.

We want the study to offer orientation and support for decision-making in our industry.

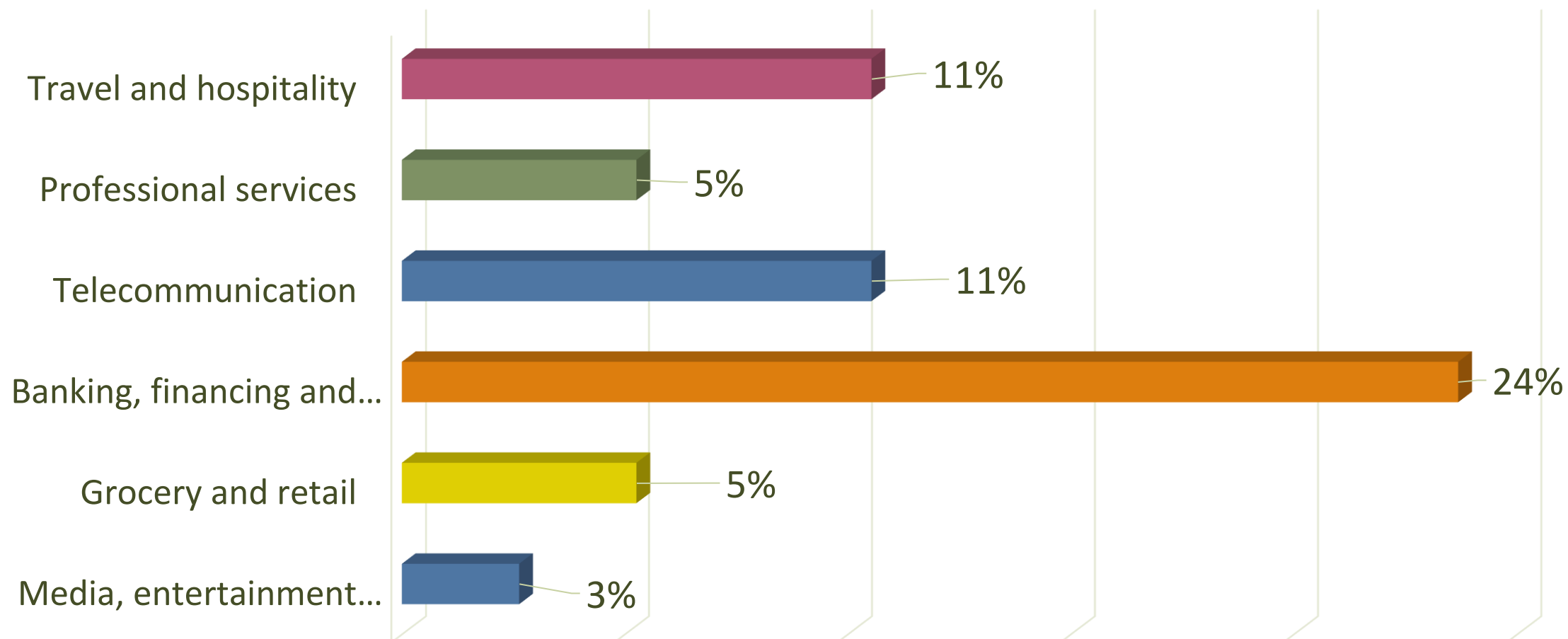
- We have only asked brands about Covid-19 pandemic's impact on advertising investment right now.



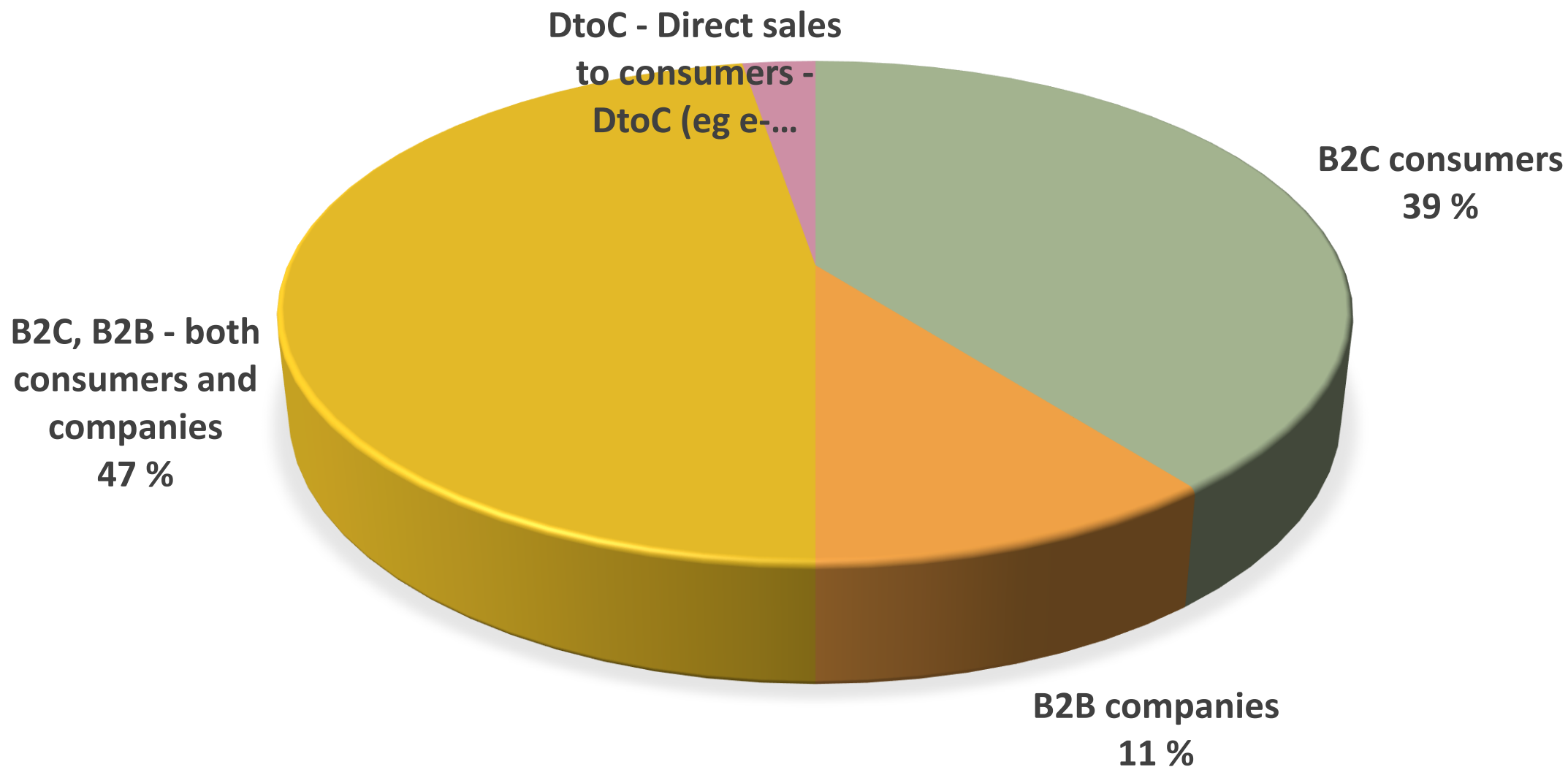
WHO HAS ANSWERED



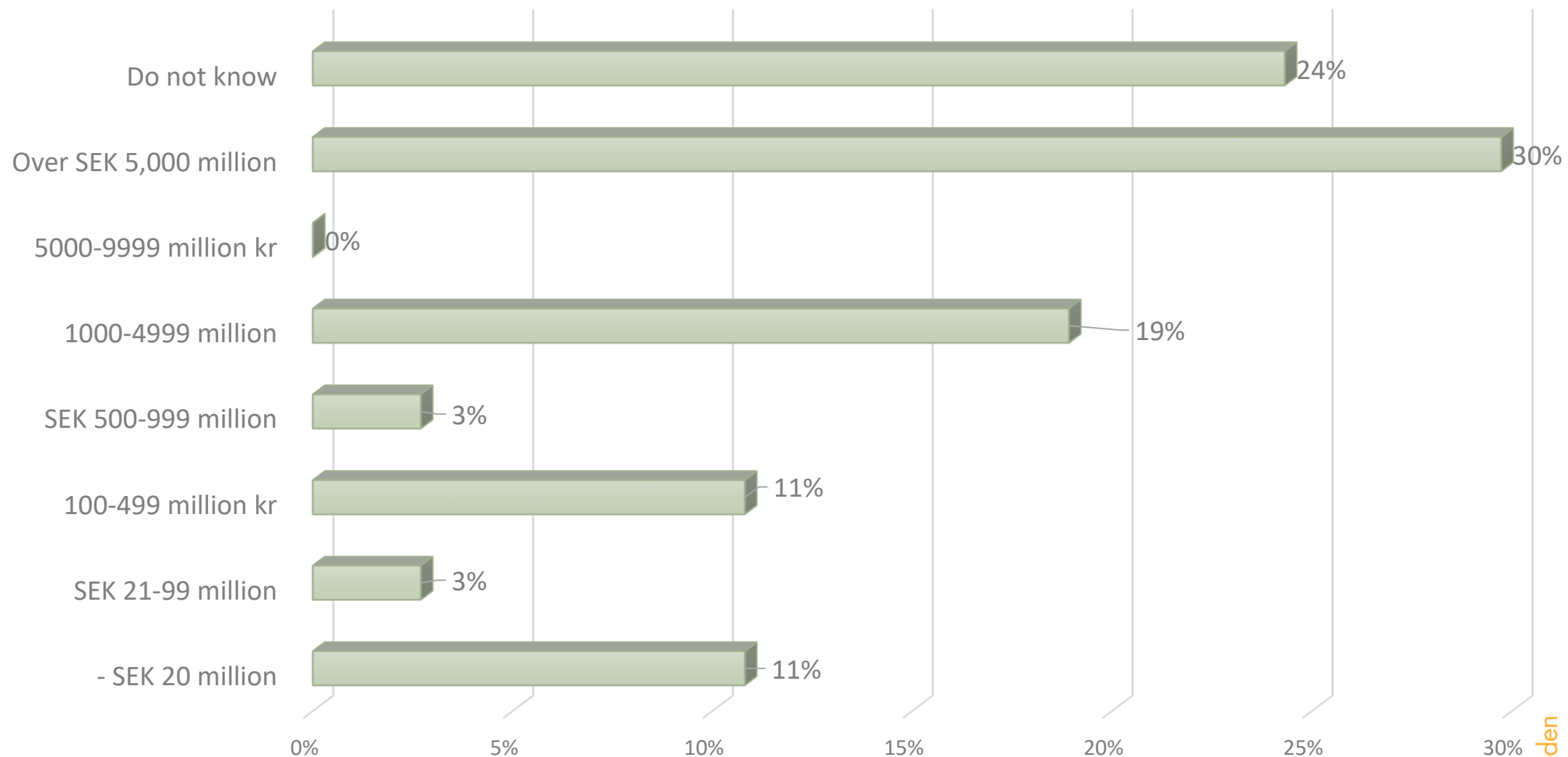
IN WHICH INDUSTRY IS YOUR COMPANY OPERATING?



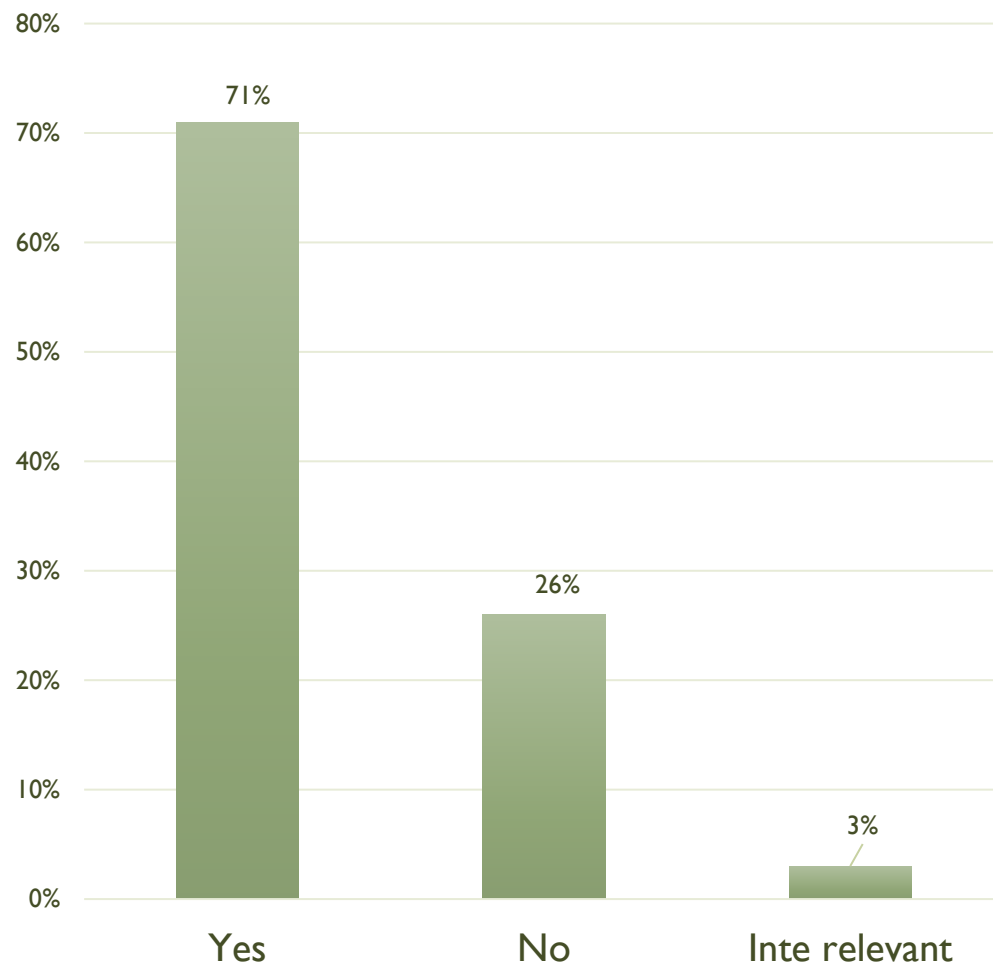
WHO HAS ANSWERED



Company turnover in 2019??



DOES YOUR COMPANY TRADE ONLINE?



Yes,
an average of 52%
of sales is via
e-commerce