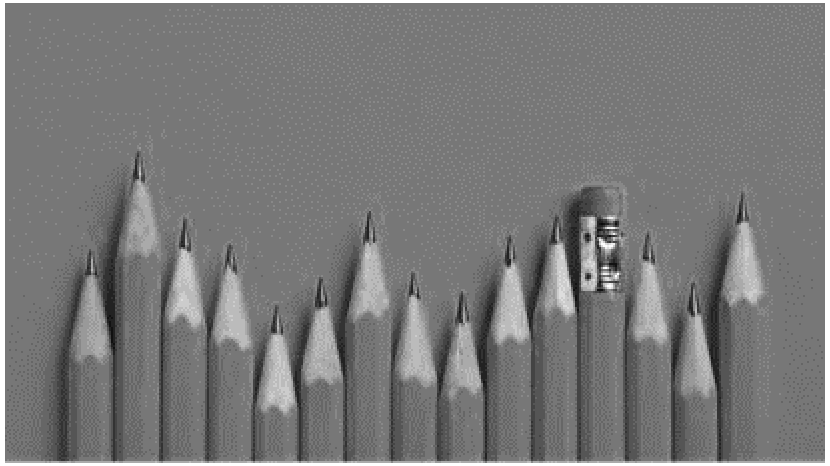
THE MEDIA IN THE POST COVID-19 ERA

GroupM SPAIN

HIGHLIGHTS DIGITAL AND UNCERTAINTY. ROI, ECOMMERCE OR SECURITY ARE OTHER IMPORTANT WORDS

Fuente: GroupM estudio sobre la situación de los medios EMEA (n=67 es España) – Mayo 2020. *Para resumir, ¿Qué tres palabras usarías para describir la nueva normalidad?*

THREE GROUPINGS TO DESCRIBE THE FUTURE



Uncertainty

Digital

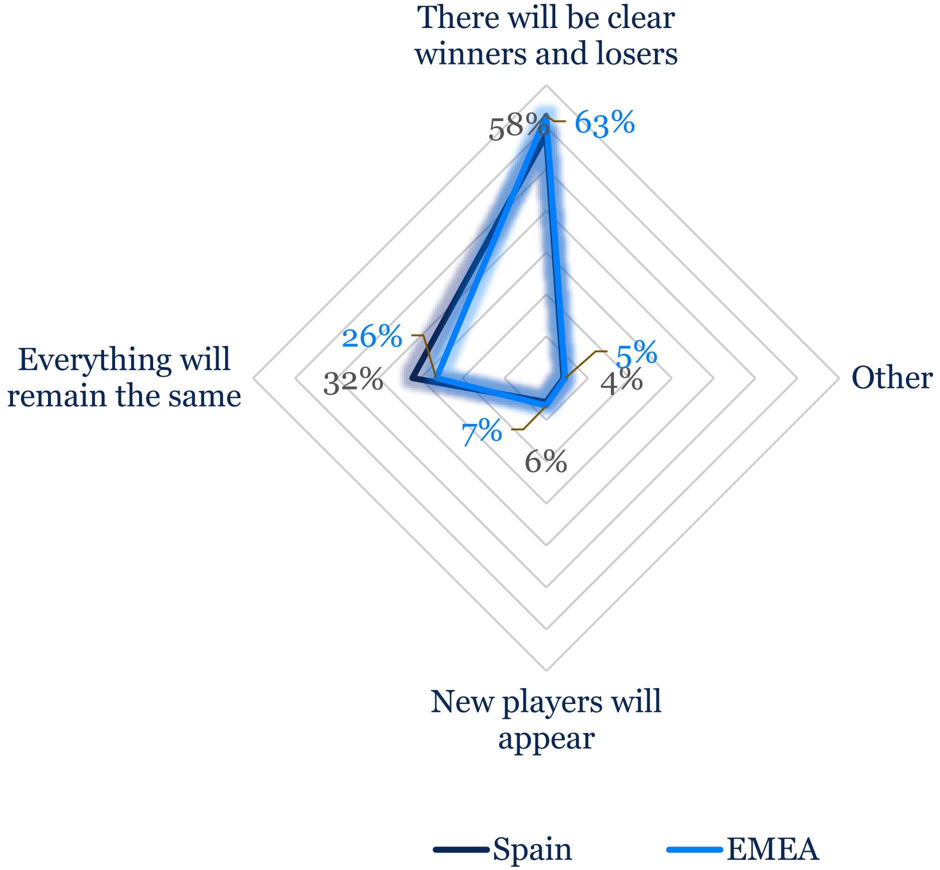
Security

Fuente: GroupM estudio sobre la situación de los medios. EMEA (n=67 es España) – Mayo 2020. *Para resumir, ¿Qué tres palabras usarías para describir la nueva normalidad?*

AT THE END OF THE LOCKDOWN WE WILL HAVE WINNERS AND LOSERS. THE SAME TREND DETECTED IN THE REST OF THE COUNTRIES.

Media professionals do not see a time for new agents in the market, in fact, 6 out of 10 see that there will be winners and losers so the number of competitors will probably be reduced.

POST-CONFINEMENT OVERVIEW



Fuente: GroupM estudio sobre la situación de los medios. EMEA (n=122 en España) – Mayo 2020. *Cuando piensas en tu medio y la competencia, ¿qué panorama crees que tendrá después de la crisis?*

MOST CONSIDERS THAT THERE WILL BE MERGERS. THEY HAVE THE IDEA OF A MARKET WITH LESS AGENTS.

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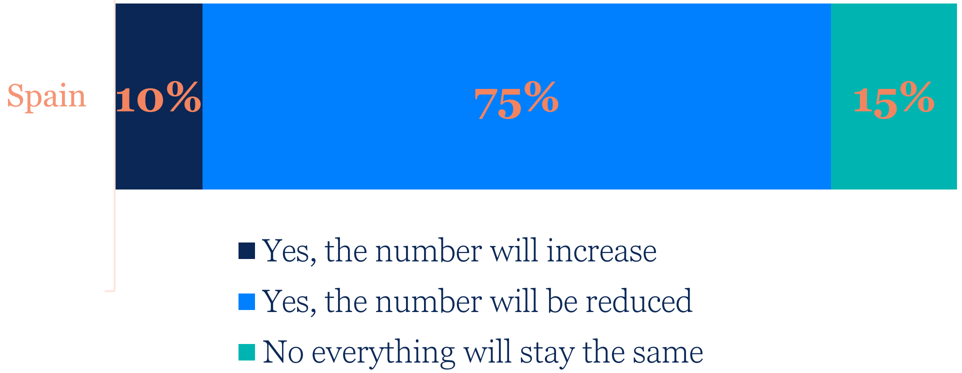
There is uncertainty regarding the structure of the Market. Each person thinks about the specific problems of their environment, but in a generic way, they see mergers in the future.

POST-CONFINEMENT MERGERS

Media in EMEA think very similarly (61%)

NUMBER OF PLAYERS



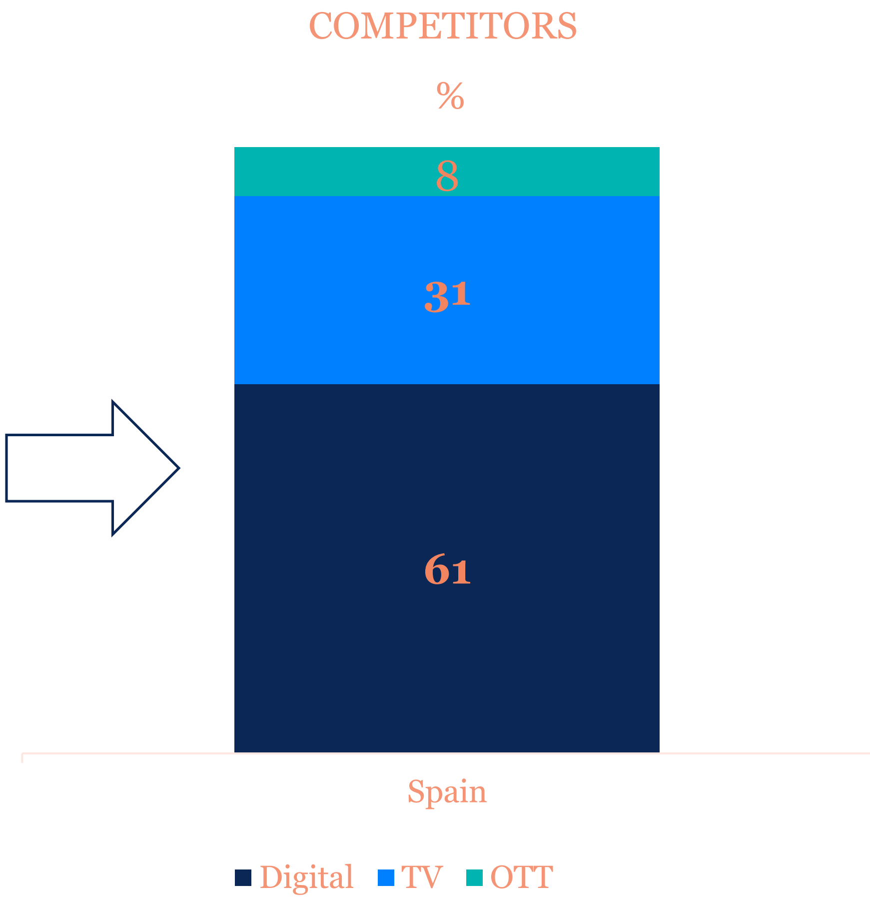
Fuente: GroupM estudio sobre la situación de los medios EMEA (n=74 y n=67 en España) – Mayo 2020 .*¿Qué fusiones y adquisiciones tienen sentido en el nuevo entorno? ¿Consideras que esto afectará al número de players en el mercado?*

DIGITAL, TV AND OTTS ARE SEEN AS THE MAIN COMPETITORS

43% indicate that their competition is changing, this represents a great change in any market in a few months. In EMEA the figure is also high, 39%

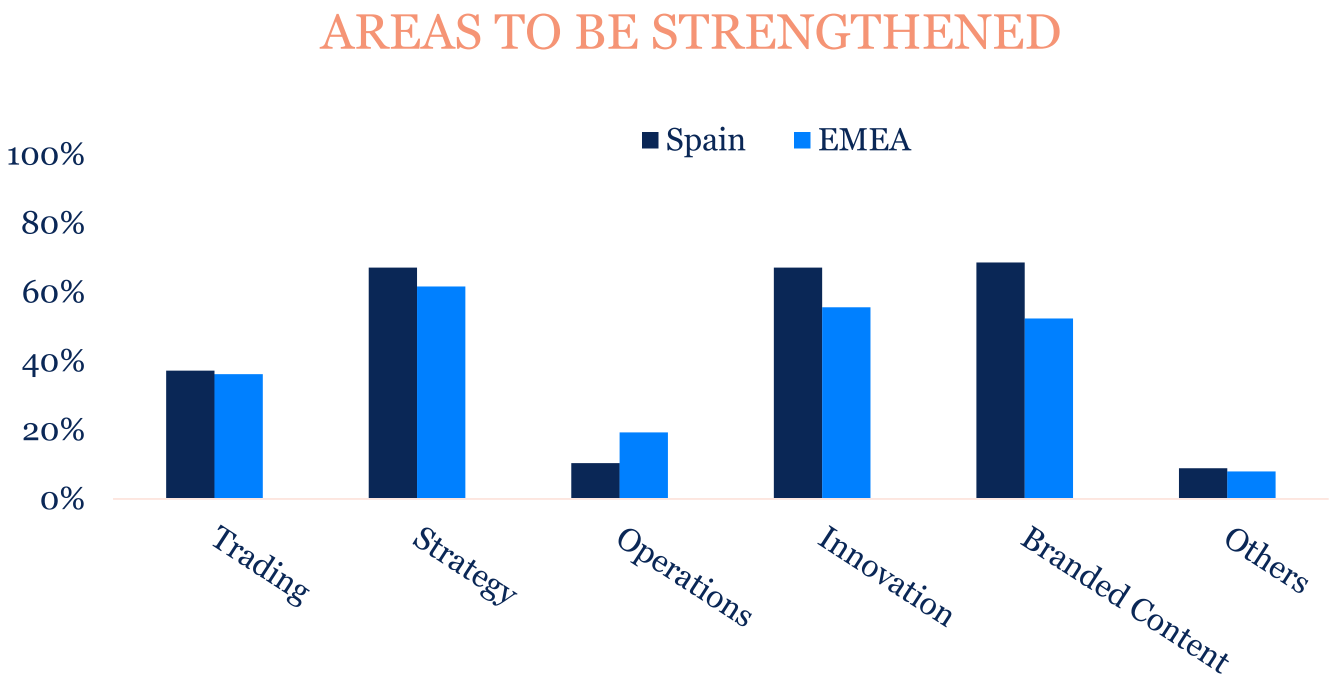
56% of the answers consider that their main competition is Digital, TV and OTT. **

The figure grows to 59% in EMEA.



Fuente: **GroupM estudio sobre la situación de los medios** EMEA (n=74 en España) – Mayo 2020. Con los cambios en la distribución de medios, ¿están cambiando tus competidores? (izquierda) ¿Quiénes son tus competidores ahora? (derecha) ** Sin NS/NC, otro o ninguno

IN THE NEXT MONTHS, THE MOST IMPORTANT AREAS IN THE COMPANIES WILL BE STRATEGY, INNOVATION AND BRANDED CONTENT.



Fuente: GroupM estudio sobre la situación de los medios. EMEA (n=67 en España) – Mayo 2020. *¿Qué áreas se fortalecerán en los próximos 6 meses?*

DIGITAL LEADS CHANGE AND IS ALSO SEEN AS AN OPPORTUNITY. ON THE OTHER SIDE, THE CRISIS IS THE GREAT THREAT TO THE MEDIA.

OPPORTUNITIES

Digital is the main opportunity in the "new normal" (44% that includes OOH digitalization) In EMEA the% is slightly higher.

A second opportunity for the media is **e-commerce**, 11% being slightly higher than the EMEA%, 6%

E-gaming and **podcasts** are singled out by 6% as a different way of advertising for brands. (8% in EMEA)

THREATS

The great threat is the **economic crisis** (26%). The same scenario occurs in the EMEA countries (21%).

Digital has two faces because 23% of the responses consider it a threat, especially the more traditional media. Also important in EMEA (17%)

Other responses are **loss of audience** (6%) or media **concentration** (5%)

Fuente: GroupM estudio sobre la situación de los medios EMEA (n=89 en España) – Mayo 2020. ¿Qué nuevas oportunidades para los medios han surgido después del confinamiento? ¿Qué nuevas amenazas han surgido después del confinamiento? % sin NS/NC, ninguno y otros.

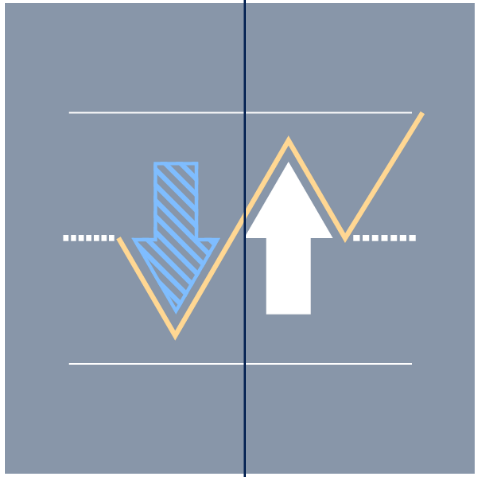
DIGITAL AND VIDEO WILL BE PREDOMINANT. LESS WEIGHT WILL HAVE TRADITIONAL ADVERTISING.

PREDOMINANTS

Digital is the first medium for the future (30%)

Video is also important for the future, being the most valued format (17% in Spain and 13% in EMEA)

In third position, **branded content** (12%)



LESS PREVALENT

Traditional or conventional advertising (30%).

Following that idea, 12% of responses point to advertising on TV shows.

Print is also traditional, 11% of the responses speak about this type of advertising.

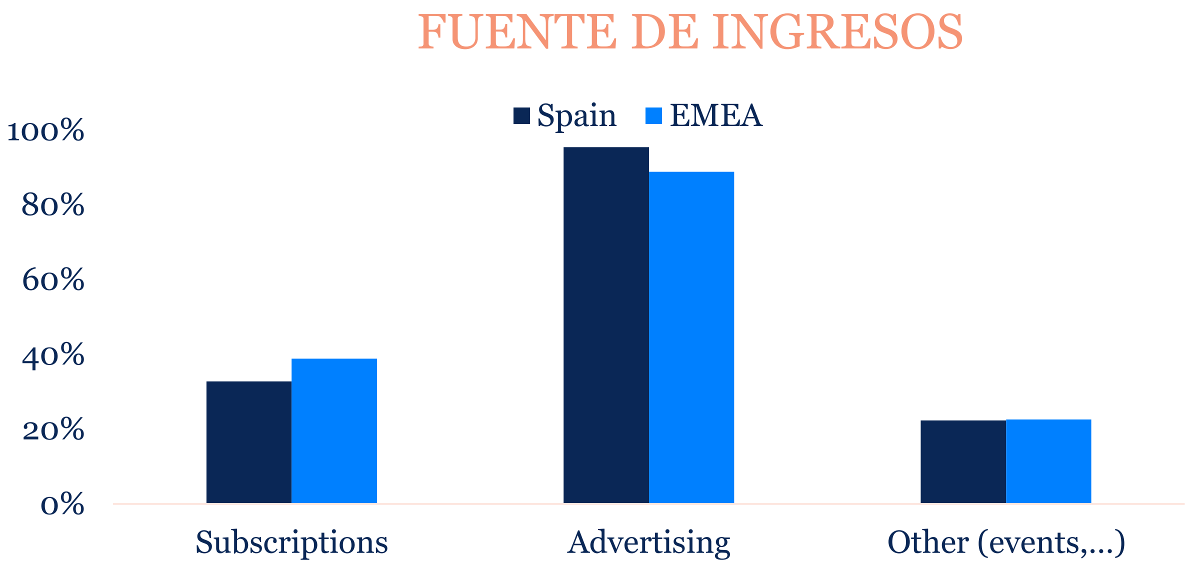
The percentages in EMEA are very similar for these formats, 26% 7% and 9% respectively.

Fuente: GroupM estudio sobre la situación de los medios EMEA (n=103 y n=66 respuestas en España) – Mayo 2020. ¿Qué formatos serán prevalentes en el post-confinamiento? ¿Qué formatos serán menos prevalentes en la etapa posterior al confinamiento? Respuestas sin NS/NC

ADVERTISING WILL BE THE MAIN SOURCE OF INCOME, BUT NEW REVENUE LEVERS WILL GAIN IN IMPORTANCE, SUCH AS SUBSCRIPTIONS.

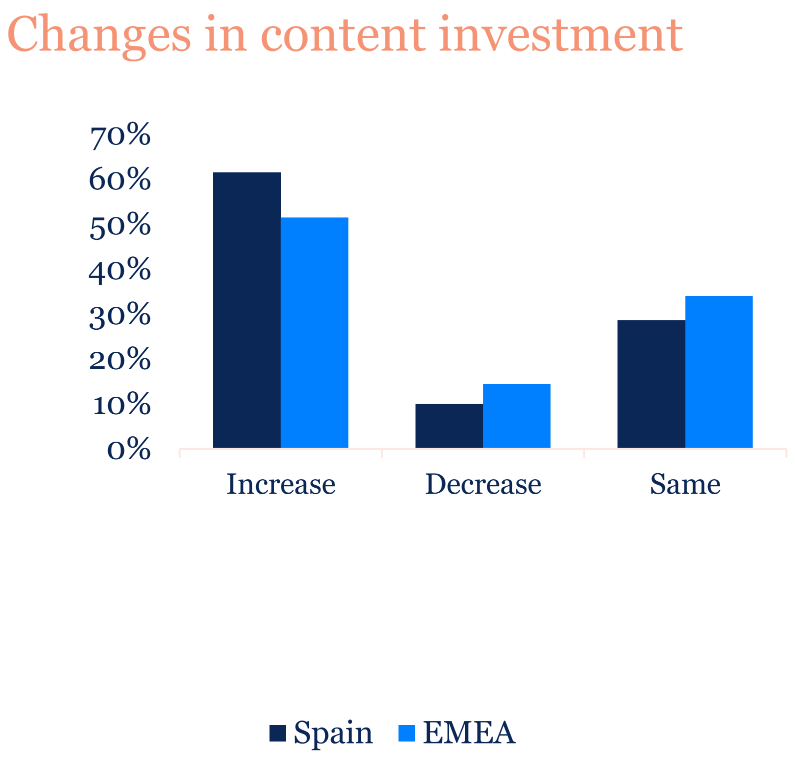
ADVERTISING

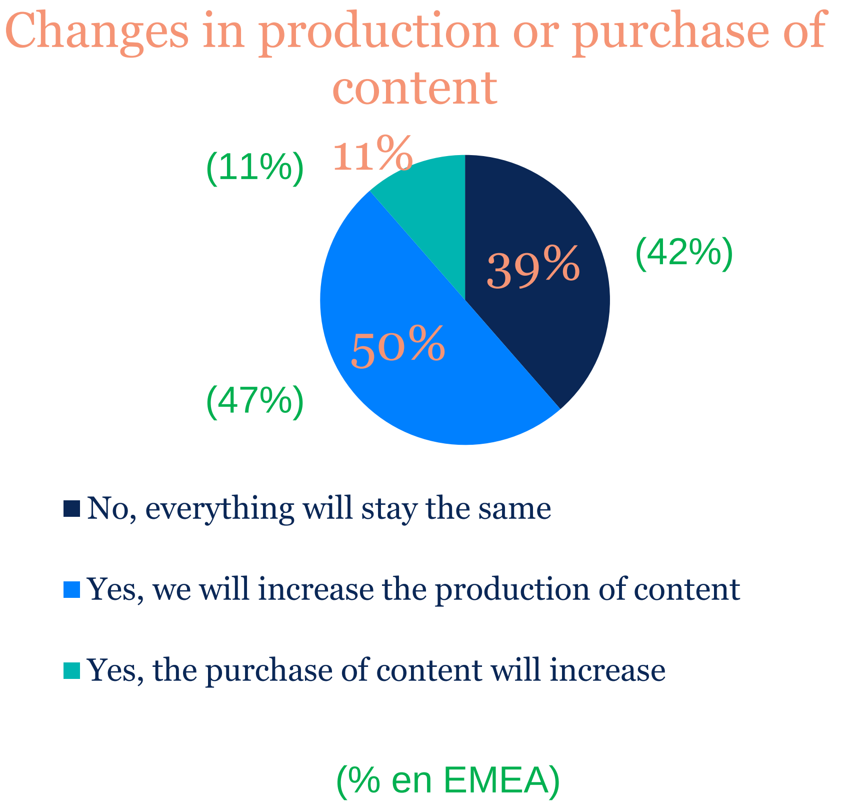
Both in Spain and in Europe the main source of income for the media will be advertising, but secondary revenue streams will gain importance.



Fuente: GroupM estudio sobre la situación de los medios EMEA (n=67 respuestas en España) – May 2020. ¿Qué palancas de ingresos trabajarás en el post-confinameinto?

THE MEDIA THINKS OF CONTENT FOR POST-CONFINEMENT, ESPECIALLY IN PRODUCTION. SIMILAR TREND IN EMEA



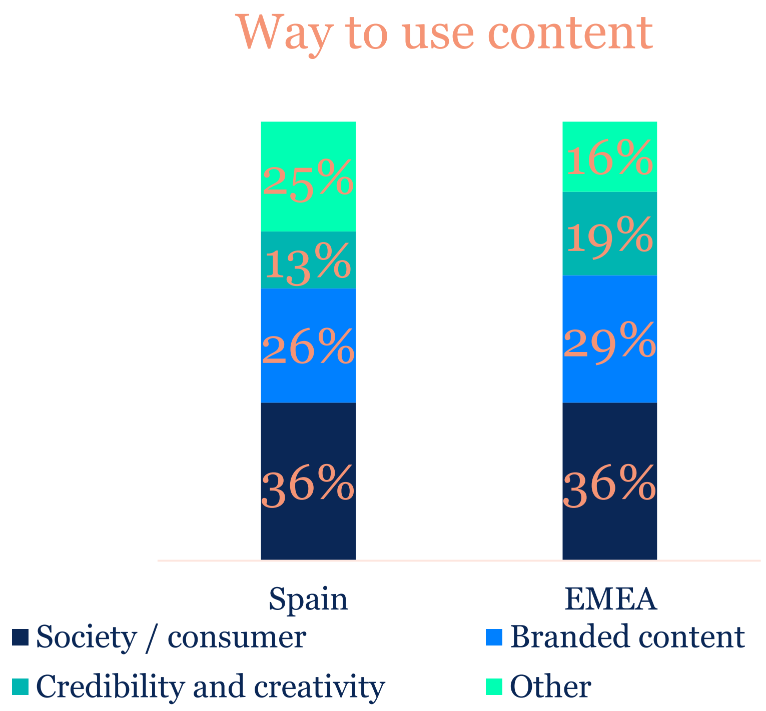


Fuente: GroupM estudio sobre la situación de los medios EMEA (n=70 en España) – May 2020. ¿Cambiará la manera de compra/producción de content? (Izq) ¿Incrementará o reducirá su inversión en content? (dcha)

THE INCREASE IN CONTENT IS DUE TO THE EXPECTATION THAT BRANDS WILL WORK HARDER, ESPECIALLY THOSE RELATED TO SOCIETY, PEOPLE AND CONSUMERS.

MORE CONTENT FOR THE FUTURE

The main reason to increase content is because the media consider that brands will be more related to content in the future (87% in Spain and 80% in EMEA)



Fuente: GroupM estudio sobre la situación de los medios EMEA (n=70 y n=59 en España) – Mayo 2020. ¿Trabajarán más las marcas con content?(Izq) ¿De qué manera? % sin otro y no respuesta.

THE FUTURE RELATIONSHIP OF THE MEDIA WITH GROUPM WILL CONTINUE TO BE BASED ON TRUST, PROFESSIONALISM, INNOVATION AND SERVICES.

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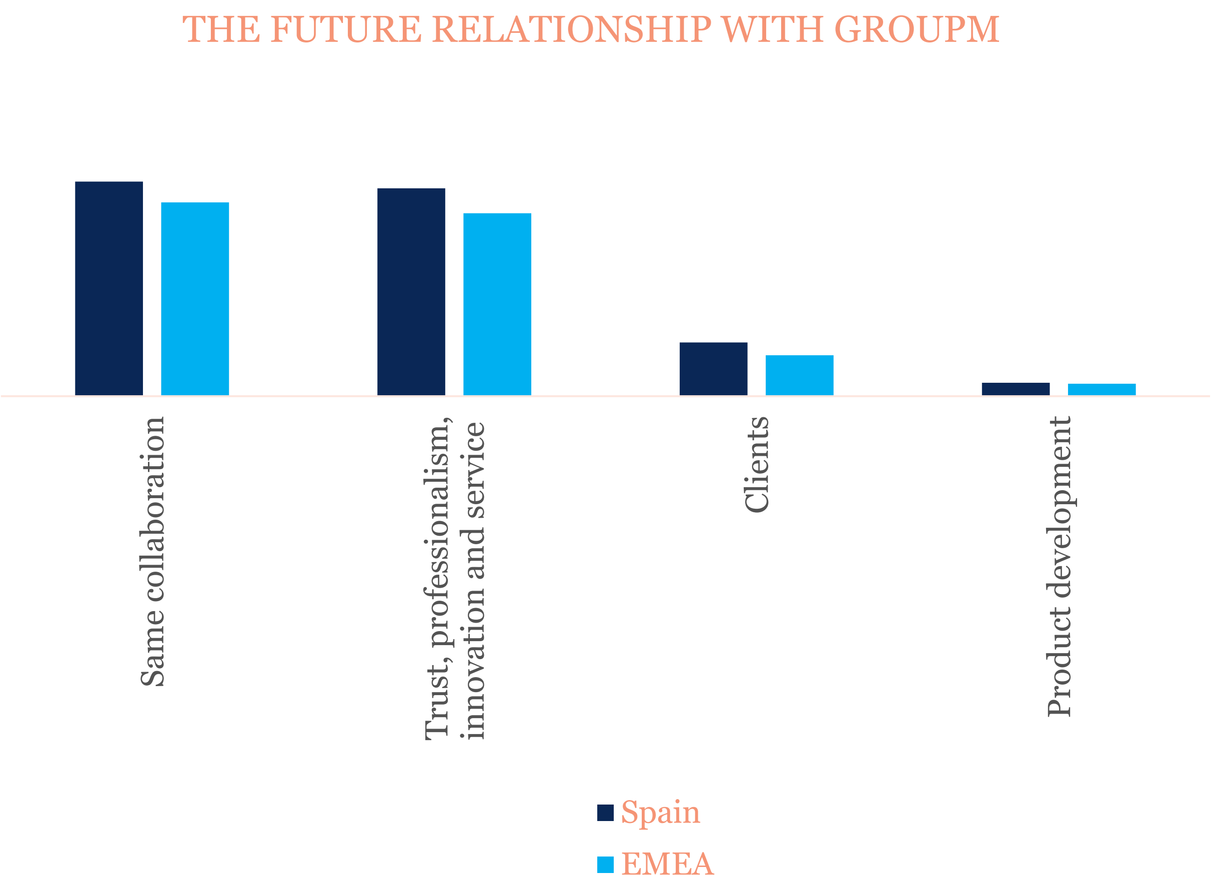
The media want to maintain the relationship with GroupM and the agencies. It must be a relationship based on trust, service, innovation and professionalism.



Fuente: GroupM estudio sobre la situación de los medios EMEA (n=62 en España) – Mayo 2020. ¿Cómo te gustaría que fuese la colaboración con GroupM y las agencias en el futuro? Respuestas sin NS/NC

CONCLUSIONS

- The vision of the situation of the Spanish media coincides with that of EMEA mostly
- There will be winners and losers. The number of agents will likely decrease due to business terminations, mergers o alliances.
- Digital as a media and Video as a format are increasing their strength in the market.
- Strategy, Innovation and Branded Content will be the areas of greatest development.
- The media is developing other revenue levers like subscription, but advertising will continue to be the number one revenue earner.
- Brands will increase their interaction with Content, so the media will bet on it, especially its own production.
- GroupM is a great media partner for innovation, trust and professionalism.

GRACIAS