

MARCH, 2020

COVID-19 AND THE STATE OF MEDIA IN NORTH ASIA

NIELSEN GLOBAL MEDIA

Nielsen whitepaper that outlines the near-term impact and changes in media-related consumer behaviour and media consumption in North Asia



The Impact of COVID-19 on Media Consumption Across North Asia

The impact of the novel coronavirus (COVID-19) is widespread and will likely shape business and consumer behaviour for months to come. And while the humanitarian and safety-related aspects of this outbreak are top of mind globally, it's unquestionable that social distancing, quarantining and staying home will have a significant effect on media consumption, which could rise up to 60%, according to [recent research](#) from Nielsen's U.S. media team.

The implications of today's reality for the media industry are straightforward: Content creators, networks, studios, media agencies, advertisers and brands have significantly more opportunity to engage with consumers simply because of the clear correlation between time at home and media consumption. So for networks, for example, the increased TV time might warrant an adjustment to programming schedules—or programming itself. And from an advertising perspective, brands and agencies will likely need to both adjust which products are being marketed, as well as the tone in which they're delivering their messages.

As the world adjusts to this new reality, Nielsen Media recently examined how COVID-19 has affected media consumption across North Asia, which includes many of the countries, regions, and territories that were first affected by the COVID-19 outbreak: Chinese Mainland, Hong Kong, Taiwan, Japan, and South Korea. This region isn't the only one affected, but it was one of the first to feel the effects of social distancing and quarantining. We hope the insights from the early days of the global pandemic can help businesses anticipate and respond to market needs and consumer behaviour amid times of significant disruption.

Media time rises and apps help consumers adjust to indoor living

As we expected, [retail consumption changed](#) as worries about COVID-19 spread around the globe, and it's far from unexpected that consumers also increased their media behaviour as they spent more time inside. As with any significant shift in consumer behaviour, however, it is possible that some changes could hold even after COVID-19. Across North Asia, we tracked four key media trends.

The Impact of COVID-19 on Media Consumption Across North Asia

Expanded TV Viewing

In Taiwan and Korea, the two markets where Nielsen measures television audiences, linear TV viewing grew in penetration and time spent. During the first three weeks of February, for example, Taiwan's TV audience grew by 1 million viewers, for a total viewing population of approximately 21 million. News channels and programs were the primary beneficiaries of the increased penetration, followed by children's programming. Kids in Taiwan and Korea, now home from school and forced to stay indoors, quickly gravitated to their TV screens and ramped up their linear program viewing. TV consumption also expanded considerably in Chinese Mainland (source: CCData) and Hong Kong (source: Television Broadcasts Limited).

Social Media Becomes THE COVID-19 Conversation Channel

Social media, now a part of everyday life for most consumers engaged with the world digitally, became the primary source for buzz about all things COVID-19 as worries and news intensified. The level of social media buzz about COVID-19 far overshadowed most other topics (in the Mainland, for example, COVID-19 chatter outpaced volume for the Spring Gala Festival 3:1), and peaked in the first two weeks of heightening outbreak news in each market. To illustrate, social media engagement in Taiwan peaked in early February and in Korea in late February. The peaks reflected announcements about local infections and local states of emergency, respectively. After engagement peaked, netizens used social media less for discussion and more for news.

New App Choices Support Indoor Lifestyles

Across markets, media-hungry consumers weren't just glued to the TV screen. Digitally savvy consumers have also gravitated to apps that meet the needs of their temporary indoor lifestyles, largely in the entertainment and e-commerce categories. While video and gaming apps have topped the entertainment options, consumers have embraced e-commerce for an array of needs: at-home delivery of goods and services, food delivery and online education. Even in markets like Hong Kong, which is generally a brick-and-mortar paradise with easy access to neighbourhood stores of all kinds, consumers ramped up their adoption of e-commerce apps as COVID-19 pressures mounted. Conversely, we saw the usage of out-of-home apps such as movie ticketing and navigation maps decline.

The Impact of COVID-19 on Media Consumption Across North Asia

Advertisers Were Overly Cautious (and this could be a missed opportunity)

Despite notably higher media consumption, a majority of advertisers pulled back on advertising campaigns and deferring others in an effort to bring investment in line with consumption and sentiment. This was likely a misstep, as the increased media time was likely the new “prime” time to brand build and interact with an engaged audience—albeit with the right tone and product/ service offerings. Certain sectors, such as health care brands, gaming companies and e-commerce operators, did lean in with disproportionate and opportunistic ad spending but the shift wasn’t widely adopted enough to encompass the depth and breadth of consumer interests or needs as the situation intensified.

“The knee-jerk reaction from advertisers at a time of crisis is typically to pull back or defer spends; however, COVID-19 is characterized by a situation where increased time at home means expanded media time and heightened consumer attention,”

said Ranjeet Laungani, North Asia Nielsen Media.

“For brands looking to authentically connect with the consumer during this difficult time and offer a solution, this is a time to lean in.”



Taiwan



Taiwan

Taiwan's TV Landscape Shifts Dramatically As COVID-19 Situation Evolves

As we expected, confinement in Taiwan resulted in a significant increase in TV viewing, particularly among young viewers who would normally be at school during the daytime hours. Overall TV ratings among the 4-14 and 5-24 age groups spiked 57% and 27%, respectively, over the same period last year (for the 2-week period just following Chinese New Year).

Variable Target\Year	TV Rating				Reach 000s				AveTime/Viewer (Min)			
	2019	2020	DIFF	Growth%	2019	2020	DIFF	Growth%	2019	2020	DIFF	Growth%
4-14	6.19	9.27	3.08	50%	1264	1401	137	11%	151	208	57	38%
15-24	4.95	6.27	1.32	27%	1208	1245	37	3%	162	191	29	18%
25-34	6.9	6.86	-0.04	-1%	1686	1562	-124	-7%	183	192	9	5%
35-44	9.22	10.18	0.96	10%	2530	2498	-32	-1%	198	220	22	11%
45-54	12.91	14.11	1.2	9%	2755	2687	-68	-2%	236	260	24	10%
55+	17.39	18.88	1.49	9%	5705	5857	152	3%	292	317	25	9%
Working Male	10.53	11.35	0.82	8%	4864	4826	-38	-1%	217	236	19	9%
Working Female	9.42	10.52	1.1	12%	3660	3739	79	2%	206	229	23	11%
Student	5.12	8.02	2.9	57%	1706	1881	175	10%	147	205	58	39%
Housewife	17.29	18.57	1.28	7%	2044	1908	-136	-7%	293	320	27	9%
Non-workers/ Retired	16.48	17.98	1.5	9%	2874	2895	21	1%	298	326	28	9%

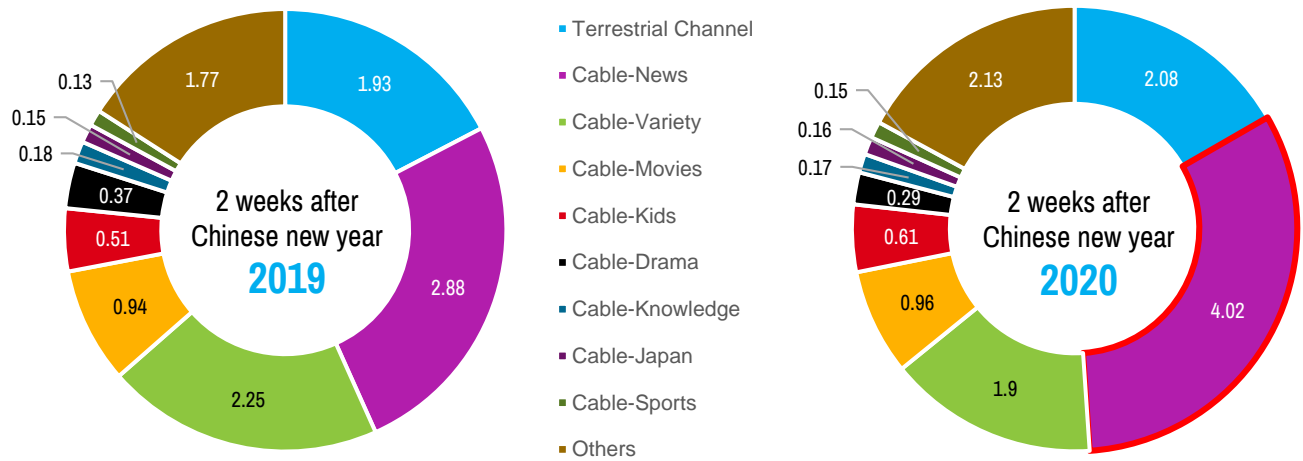


Taiwan

Unsurprisingly, the gravitation to TV has disproportionately benefited news channels. Children’s channels and programs have also seen notable spikes in viewership.

Rating share changes 2020

COVID-19 has increased viewing performance of News channels significantly



Source : Nielsen TAM Service

So how did advertisers respond to the increased engagement with TV? In short, brands in select categories responded by ramping up their advertising during a period that is typically a low season for ad spend. With consumers clamouring for cleaning and health-protection products, we saw a rise in opportunistic ad spending (and spots) from cleaning and bath supply companies.

We also saw an increase in digital ads for online gaming companies, which we equate with the increased numbers of kids at home during school closures. E-commerce and food delivery operators also ramped up their digital ad spending. And as expected, we saw reduced ad spend from online travel operators.



Taiwan

Sharp increase in ad' spots Cleaning supplies TV ad' spots multiply 7 times

2 weeks after Chinese new year: 2019Y=2/11-2/24 2020Y=1/30-2/12



+733%
Cleaning/
Detergents



+290%
Bath
Product



+96%
Computers/
Accessories/
Internet Service

TV Commercial



+44%
Other Website Services/
Home Delivery
(4.2 B imps)



+11%
Online Game
(1.1B imps)

Digital Impresion

Source : Nielsen AIS Service/Digital AIS Service

In the earlier days of the outbreak in Taiwan, social media usage skyrocketed among consumers who expressed everything from fear to worries about the future to prayer. While social media buzz about COVID-19 has remained steady since Chinese New Year, engagement peaked in early February. It then started to taper off as more people began to use social media to stay informed with news than to express their own personal experience.

“In Taiwan, we get a very well rounded view of how the consumer is engaging with media,”

Irene Chen, Nielsen Media Taiwan.

“During COVID-19, we saw expanded TV viewing in news and kids programming (due to younger demos being home) and advertisers, that were benefitting disproportionately from the situation leaning in to drive up TV and digital ad spends. We also saw very high engagement on social media, first as a platform for information sharing and then as a platform for news.”

Taiwan

The end of Jan reach the peak SOV in Taiwan

Online volume continues to ferment but engagement has slowed recently



Source: Nielsen Social Listening 2020/1/23-2020/2/20

*Engagement is calculated in the following ways: Blogs: News Sites; Forums: Number of Facebook Likes + Number of Comments on the article + Number of Shares on Facebook of the URL + Number of Tweets on Twitter of the URL; Facebook: Sum of shares, likes and comments; Twitter: Sum of retweets and likes; Instagram: Sum of likes and comments; YouTube: Sum of likes, dislikes and comments

Emoji directly express posters' mood



Hong Kong



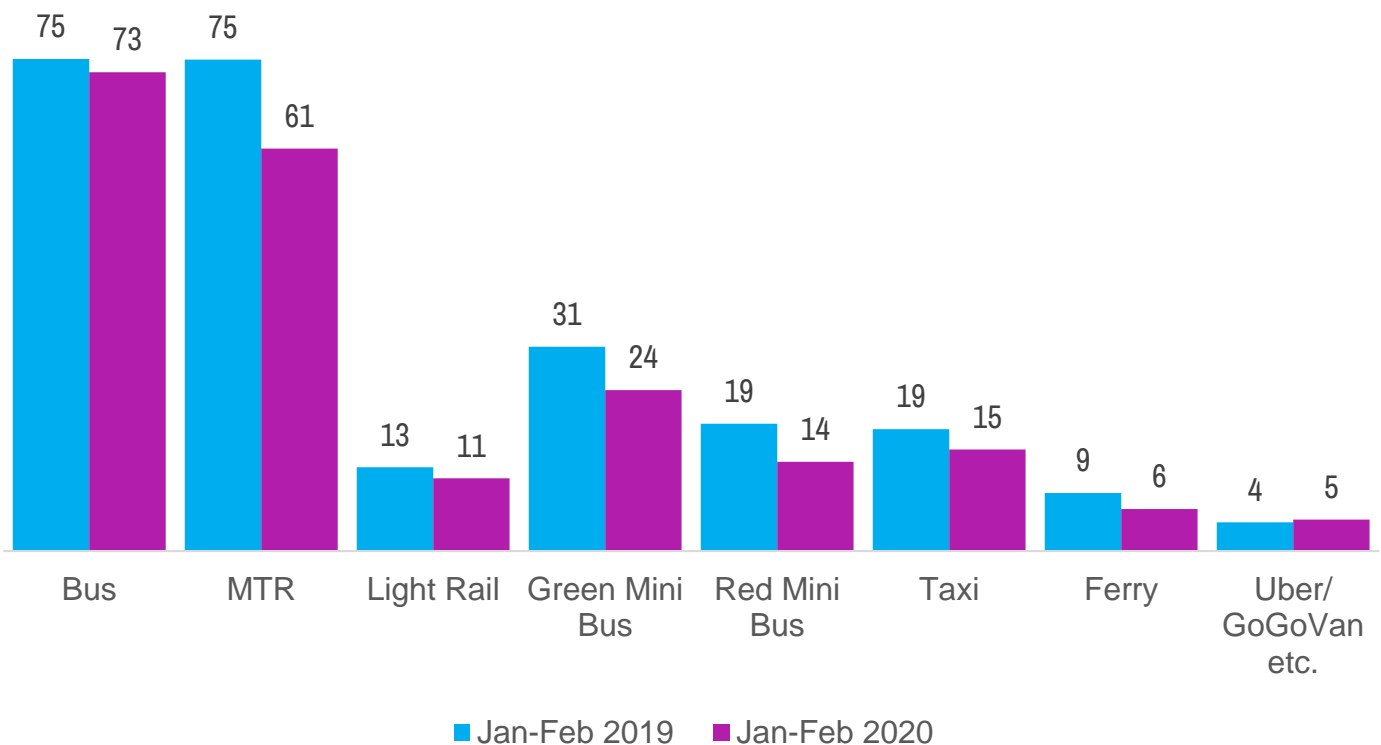
Hong Kong

Despite Heightened Media Use in Hong Kong, Advertisers Retreat

In Hong Kong, behaviour in the local community began to change as soon as the first case of COVID-19 was confirmed on Jan. 23, 2020. The changes involved behaviours, mind-sets and media consumption. Many of those changes reflected the efforts that the government and private companies took to reduce the spread of the virus. Importantly, many consumers in Hong Kong lived through SARS, which means they fully understand the need to minimize social interactions.

As consumers began restricting their time outside, reliance on the public subway dropped by 14 percentage points during the first two months of the year, the average amount of time consumers spent at home increased by 12% (Source: Nielsen Media Index). Should this trend continue, it could be a tough year for the outdoor advertising segment in Hong Kong.

Public transport is likely to be adversely impacted in Hong Kong

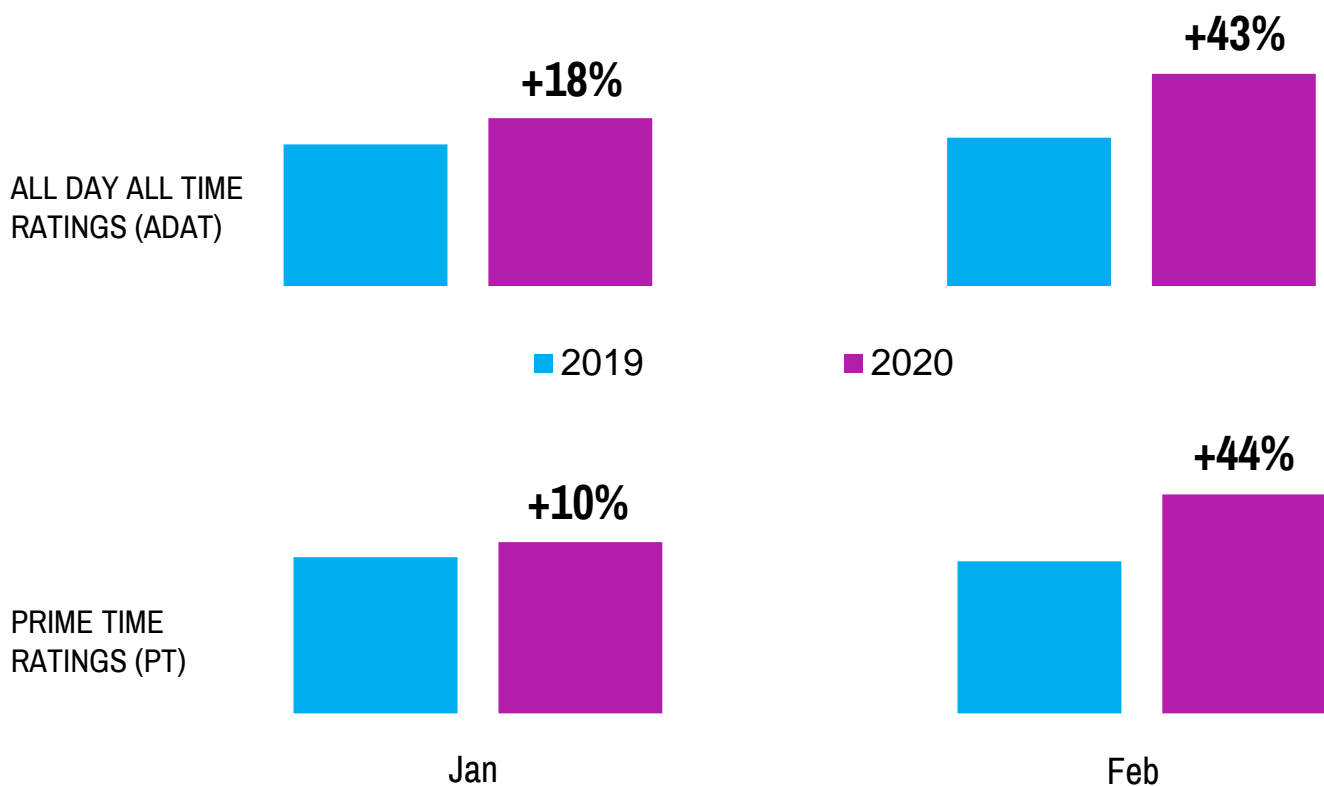


Hong Kong

As more consumers stayed home, TV viewing increased. Ratings for all day and all time periods increased by 43% in February 2020 compared with February 2019, while primetime ratings during the same period increased by 44% (source: Television Broadcasts Limited).



TV undoubtedly a top choice of in-home entertainment in Feb2020



Source: The Big Data Project (data copyright by Television Broadcasts Limited)

Audience : "All Individual" ; Platform : TV + TVBOTT ; Activities : Live + As Live ; Variable : TVR ; Daypart : All Day All Time (ADAT) , Prime Time (PT)

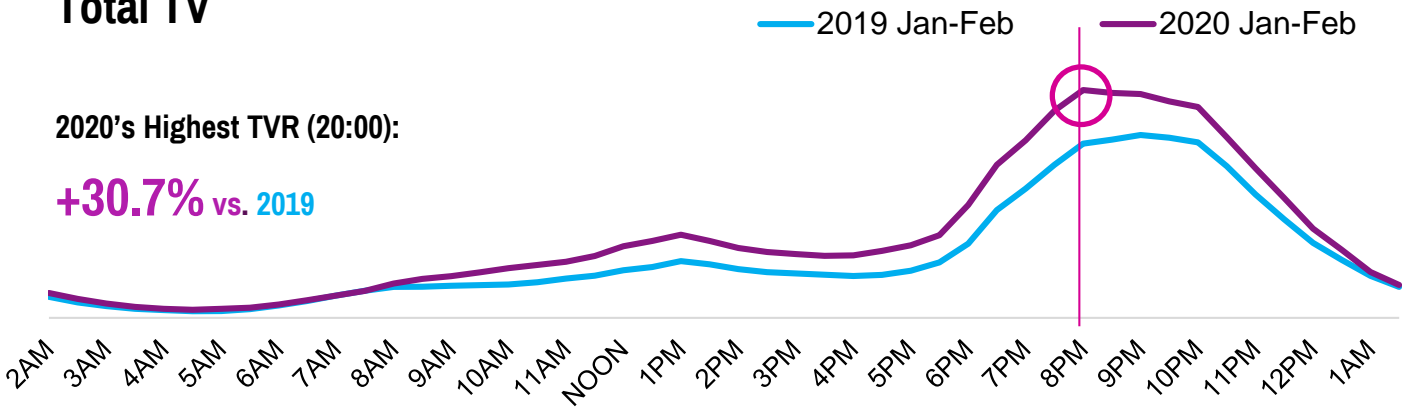
Data period : 20190101-20200229

Hong Kong

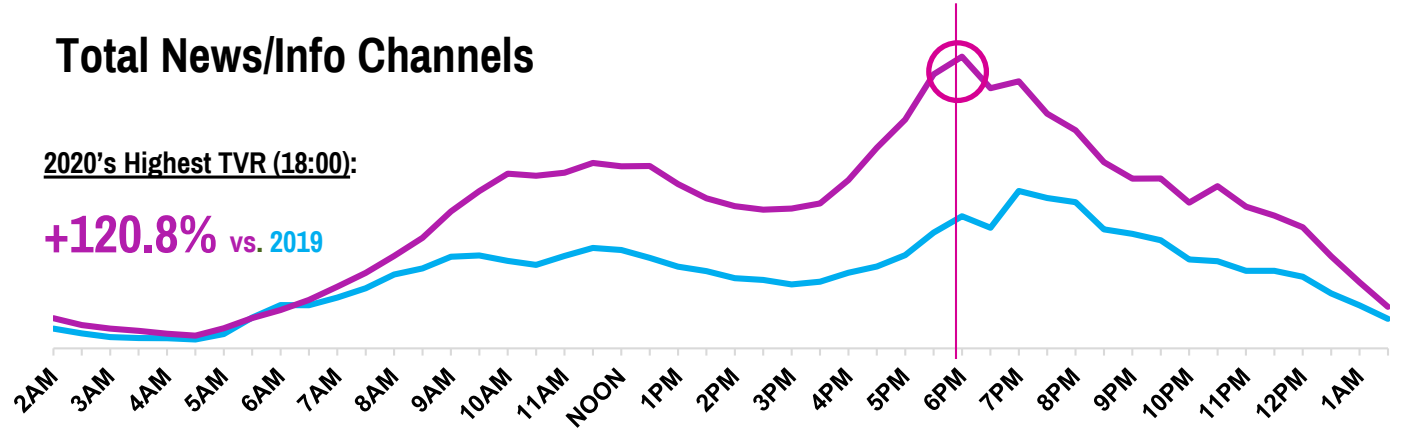
As was the case in Taiwan, news was the top TV genre, with ratings up 121% in January to February 2020 compared with the same time slot for the same period a year earlier. Non-news content was also popular, reporting a 20% uptick on ratings for the same time slot compared with a year ago.

TV sees a dramatic increase in viewership in Hong Kong

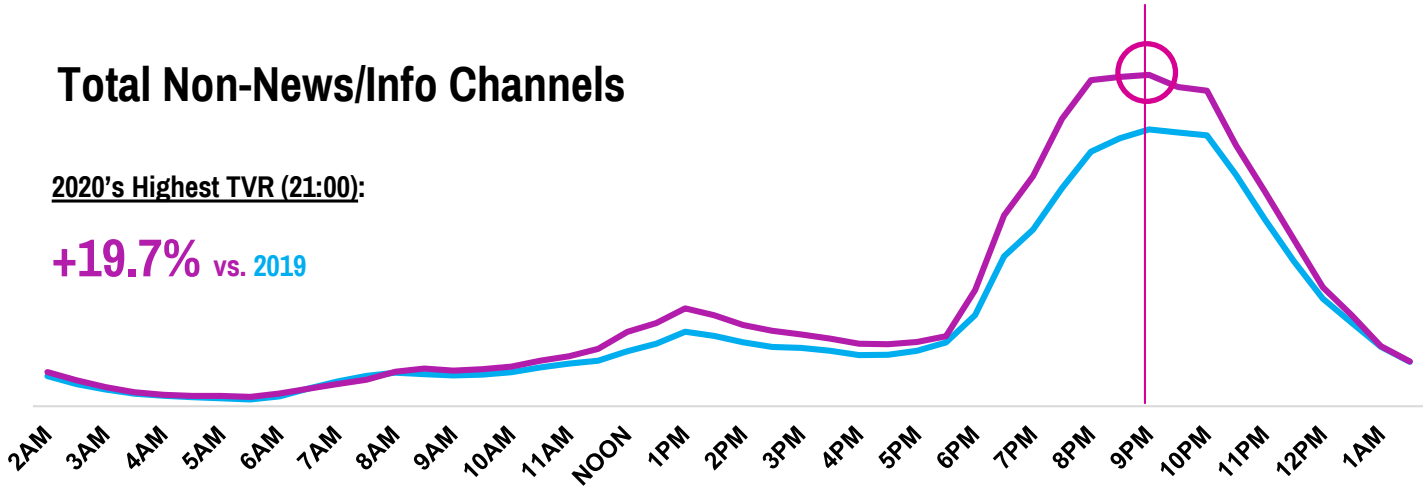
Total TV



Total News/Info Channels



Total Non-News/Info Channels



Source: The Big Data Project (data copyright by Television Broadcasts Limited)

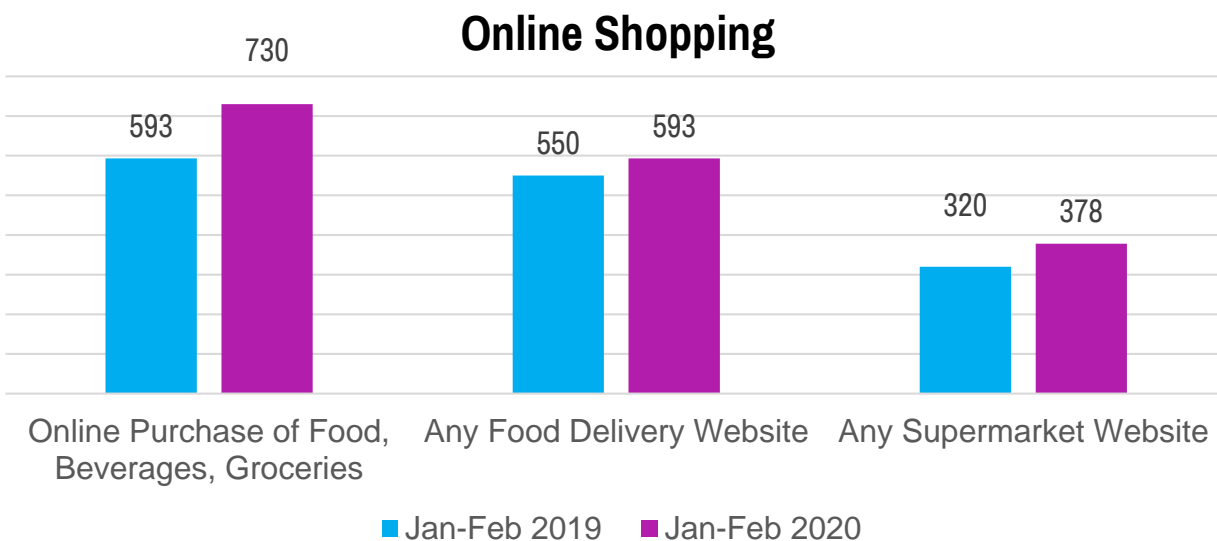
Hong Kong

In addition to spending more time with TV, consumers in Hong Kong spent quite a bit more time online as the outbreak intensified. Entertainment activities increased, as did shopping for surgical masks, hand sanitizers and cleansing agents. Typically, Hong Kong consumers are very accustomed to traditional in-person shopping. So as more consumers opted to stay home, online—and online shopping—activities skyrocketed. Based on the latest round (Jan-Feb 2020) of the Nielsen Media Index study, when we asked consumers how behaviours changed in the past seven days, we learned that internet usage grew to a historical high of 99%, while the penetration of online shopping increased by 8%. Average spending on online shopping increased by USD\$114 over a three-month period (1).

“The forming of new behaviours linked to greater time online shopping were a standout for consumers in Hong Kong forced indoors by the outbreak. Expanded TV viewing became the norm at this time as the average consumer was looking to be caught up on the often tense and evolving situation. Businesses that have pulled back significantly in their ad spends in the current crises should look to re-engage quickly with the consumer as normalcy resumes.”

- Clare Lui, Nielsen Media Hong Kong

Online as a convenient platform for food ordering and purchases



Despite the increased media consumption among consumers in Hong Kong, the spread of COVID-19 created notable uncertainties in the advertising world. Most advertisers and marketers have remained cautious with their ad campaigns, and many have suspended the campaigns they have planned for the first few months of the year. We, along with many in the industry, expect this sense of caution to continue in the coming weeks.

“The impact of COVID-19 is absolutely substantial,” said David Yeung, Vice President of Marketing Communications, Consumer Group, at HKT Limited. **“Almost all industries have been badly hit, with lots of closure in the news for retail outlets, restaurants, etc.. Under such circumstances, many marketers have no choice but to suspend marketing campaigns and activities for now. The key to survival is to adapt to the changing business environment very quickly and to ensure threats are turned into opportunities by tapping into technology and data.”**

Chinese Mainland



Chinese Mainland

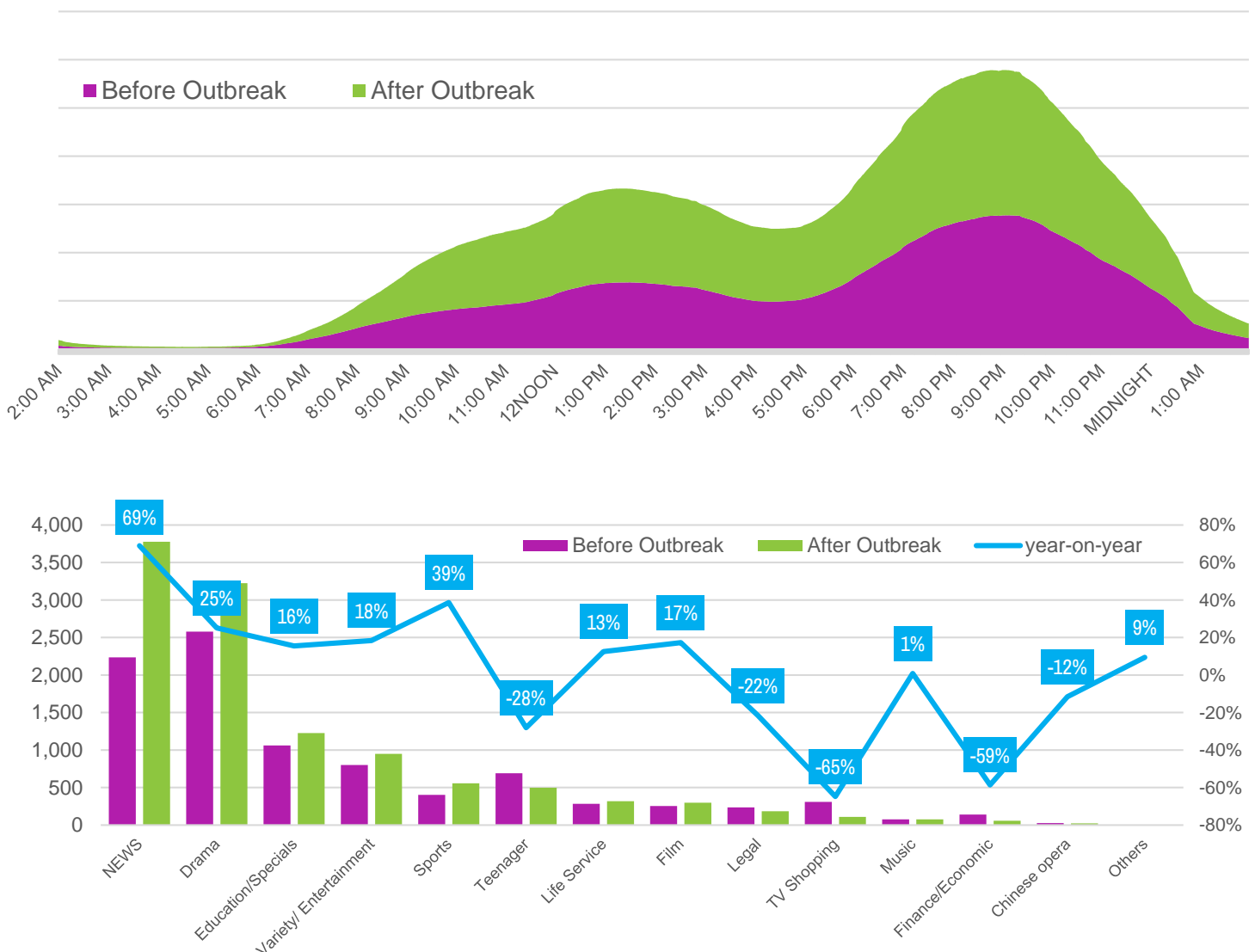
Media Across Chinese Mainland Hits New Heights

Chinese Mainland was the first to experience the strains of the COVID-19 outbreak, and media consumption among consumers has risen dramatically since the early part of the year. While increased TV viewing each day was expected, the degree of increase has been unprecedented, rising by 70 minutes to 7 hours and 40 minutes amongst current TV viewers (3). The news and drama genres have experienced the most viewership growth.

“Advertisers that have been compelled over time to tell their stories in compressed ad formats (from largely 30-second slots down to almost 5 seconds in recent years) now had the opportunity to tell longer stories and in a form better suited for news and drama.”

- James Gong, Nielsen Media Chinese Mainland

Pre- and Post-COVID-19 Outbreak TV Viewership

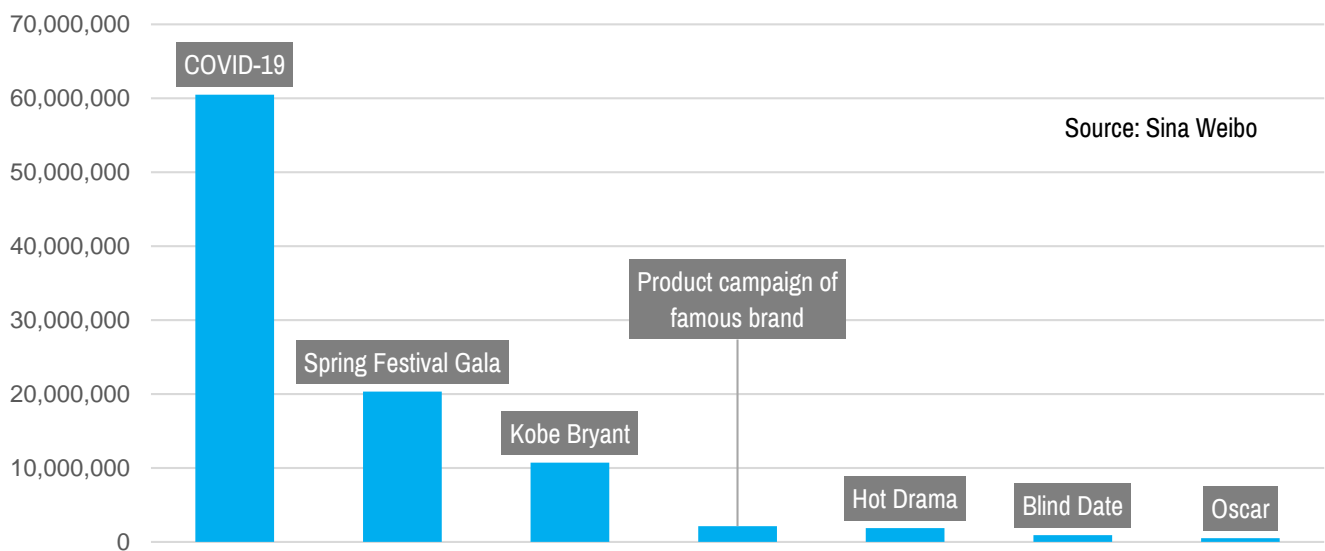


Source: CCdata

Chinese Mainland

As news of the outbreak intensified, so did conversations across social media, as chatter about COVID-19 between Jan. 20 and Feb. 20 far exceeded conversations about many other hot topics during the same period.

Social Media Conversations in Chinese Mainland About COVID-19 Soar



Despite the circumstances, Nielsen social intelligence data suggests that Chinese consumers are making most of their indoor situations. As consumers adjusted to their new reality, conversations online shifted to “what to do at home,” “spending time with family” and “cooking delicacies.”

Toward the middle of March, consumer sentiment in the mainland had improved considerably as the outbreak passed its peak. As a sense of normalcy began to return, advertisers started to evaluate investing in media research to gauge the improving consumer sentiment and release pending digital ad campaigns that they had placed on hold during much of February. As Zod Fang, Head of GroupM Knowledge, GroupM China puts it, there is opportunity ahead: “Moving forward China will enter into the recovery stage soon. The Chinese government is releasing more and more policies to stimulate the economy and consumption. This will lead to greater demand. Therefore, brands need to get prepared. Work with agencies to have an overall plan including sourcing, logistics, marketing and sales etc. to fully seize the opportunity.”

South Korea



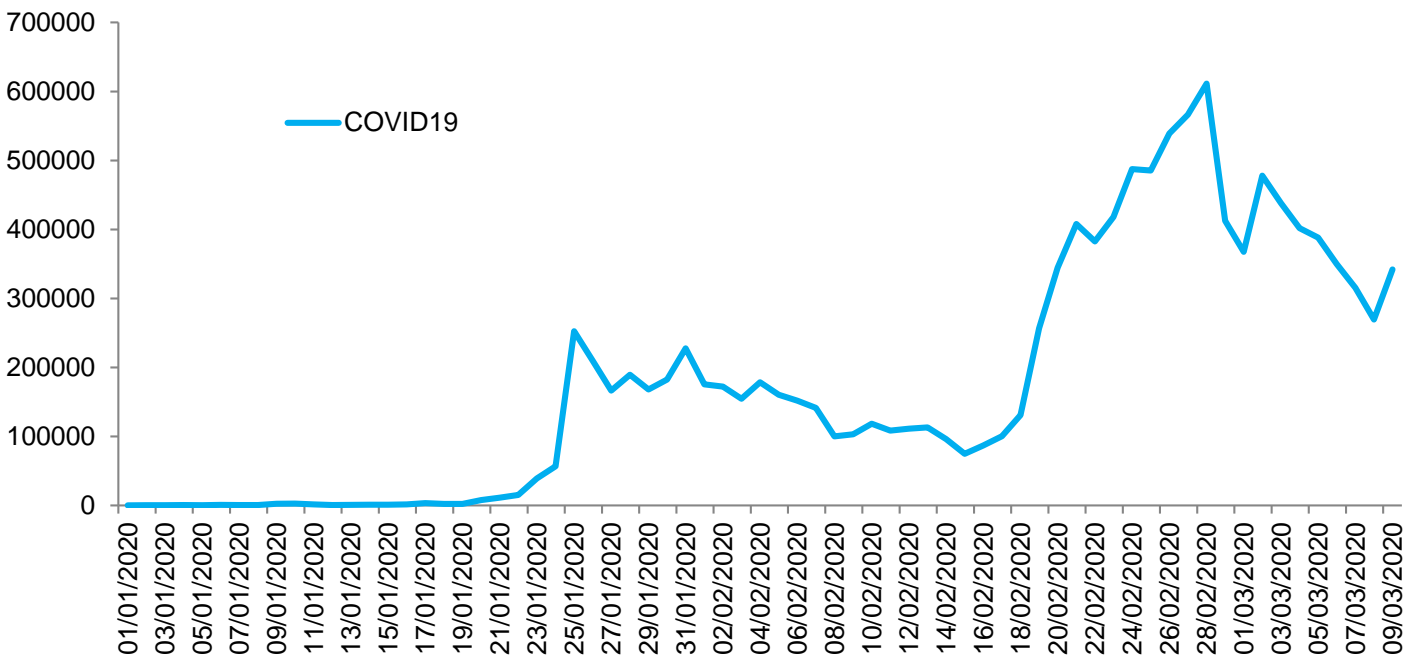
South Korea

Increased Media Use in South Korea Spiked Later than Elsewhere in North Asia

As we saw across other areas of North Asia, consumers in South Korea were quick to increase their digital media usage as news about COVID-19 spread, especially across social media following confirmed cases in Daegu on Feb. 19, 2020. Notably, news that person-to-person transmission was linked to a specific religious group sparked a spike in social chatter about the group, called “Shincheonji.”



Trended Social Buzz About COVID-19



Source: Nielsen Media Korea Buzzword2020.01.20~2020.03.08 Unit: The number of postings(Blog, club, Knowledge Q&A, Community, SNS, Video)

South Korea

Popular Words on Social Media



20/01/2020
to 16/02/2020



17/02/2020
to 08/03/2020

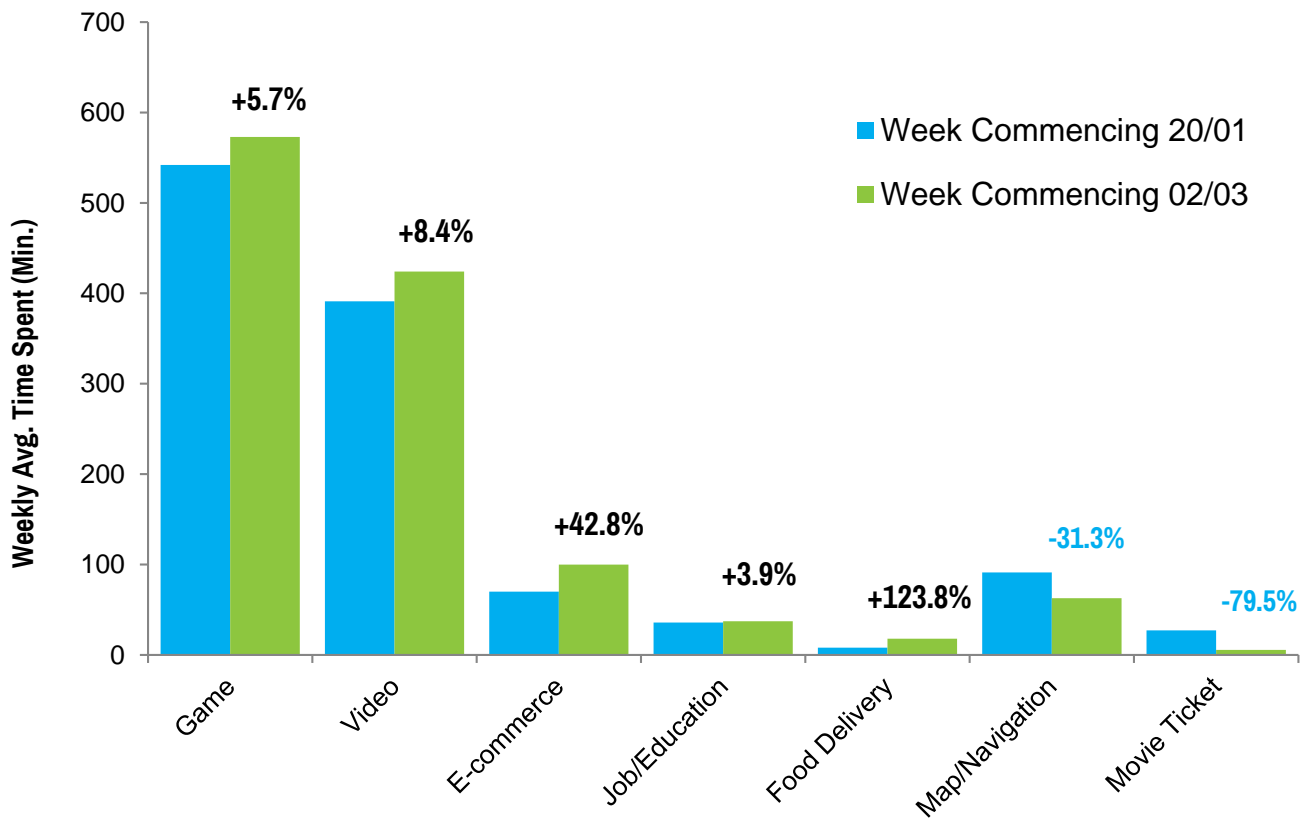
Source: Nielsen Media Korea Buzzword
2020.01.20~2020.03.08

South Korea

Across mobile apps, consumers amplified their use across several key categories: games, video, food-ordering and e-commerce. It was somewhat less expected to see increased use of job and education apps, but the uptick makes sense given the replacement of many in-person classes with online lectures. Also expected was the significant decline in the usage of transportation and outdoor entertainment apps, such as maps/navigation and movie ticketing.



Mobile App usage in Korea supports an increasingly indoor lifestyle



Source: Nielsen Media Korea Mobile behaviour

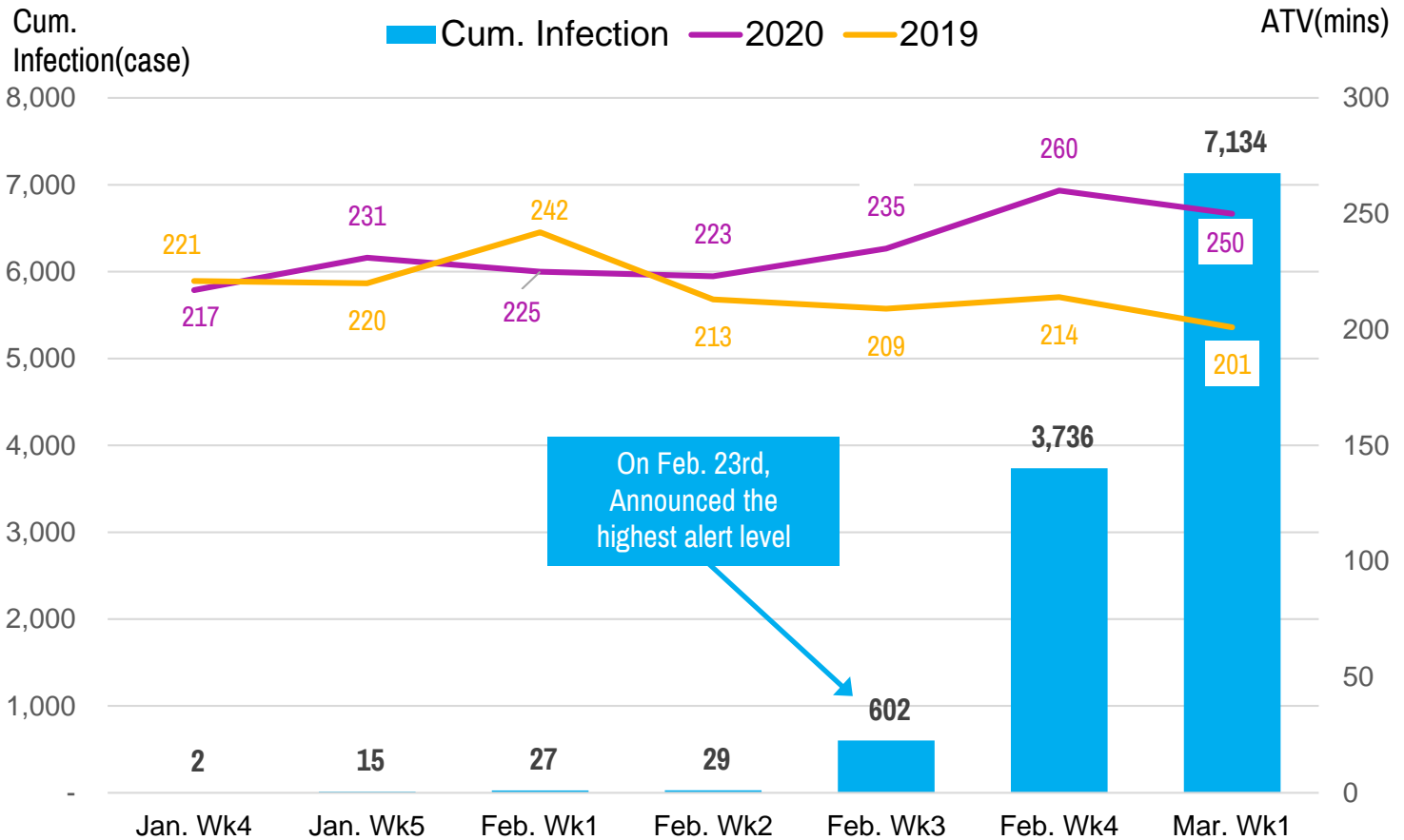
South Korea

With respect to TV viewing, activity (viewing time) did not change much when the first case of COVID-19 was reported in South Korea on Jan. 23, 2020. That changed in the third week of February, and then skyrocketed in week four, coinciding with the country’s alert level being elevated to its highest warning threshold

“South Korean consumers quickly adapted their mobile app preferences to cater to their indoor lifestyle and were glued on to their TV sets, across age groups, to monitor the evolving situation as the crises heightened. It was an opportunistic time for advertisers to make their brands available and engage in constructive conversation”

- Dohyun Yoo, Nielsen Media Korea

TV viewing expands in 2020 versus 2019, in line with rising infections

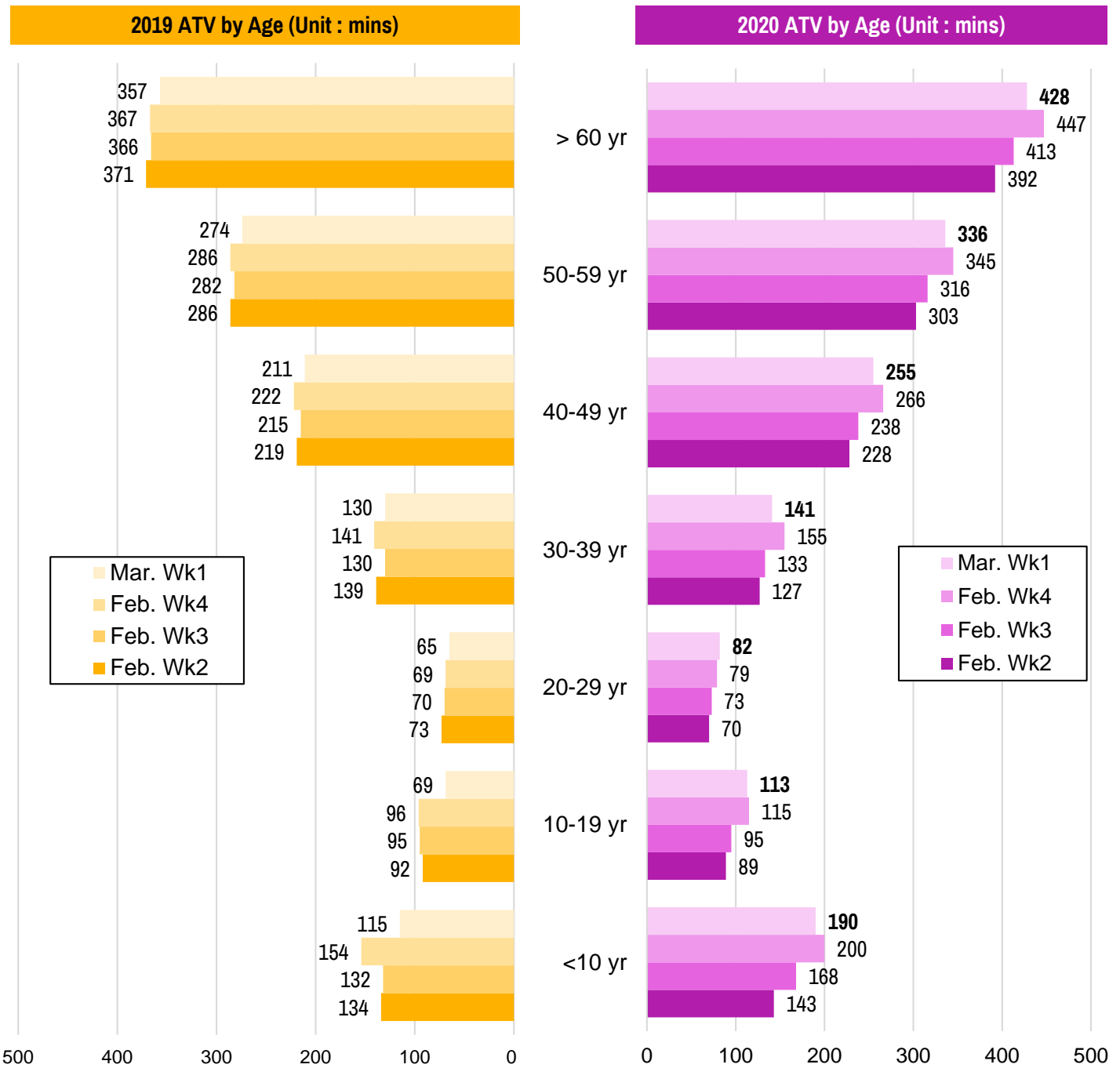


(National, All Platform, Total Individual)
ATV = Average time viewing

South Korea

This year's TV viewing behaviour, while driven by COVID-19 worries, represented an opportunity for media companies and advertisers during a period that isn't characterized by heavy TV viewing. The heightened average time spent viewing between noon and 18:00 was notably a

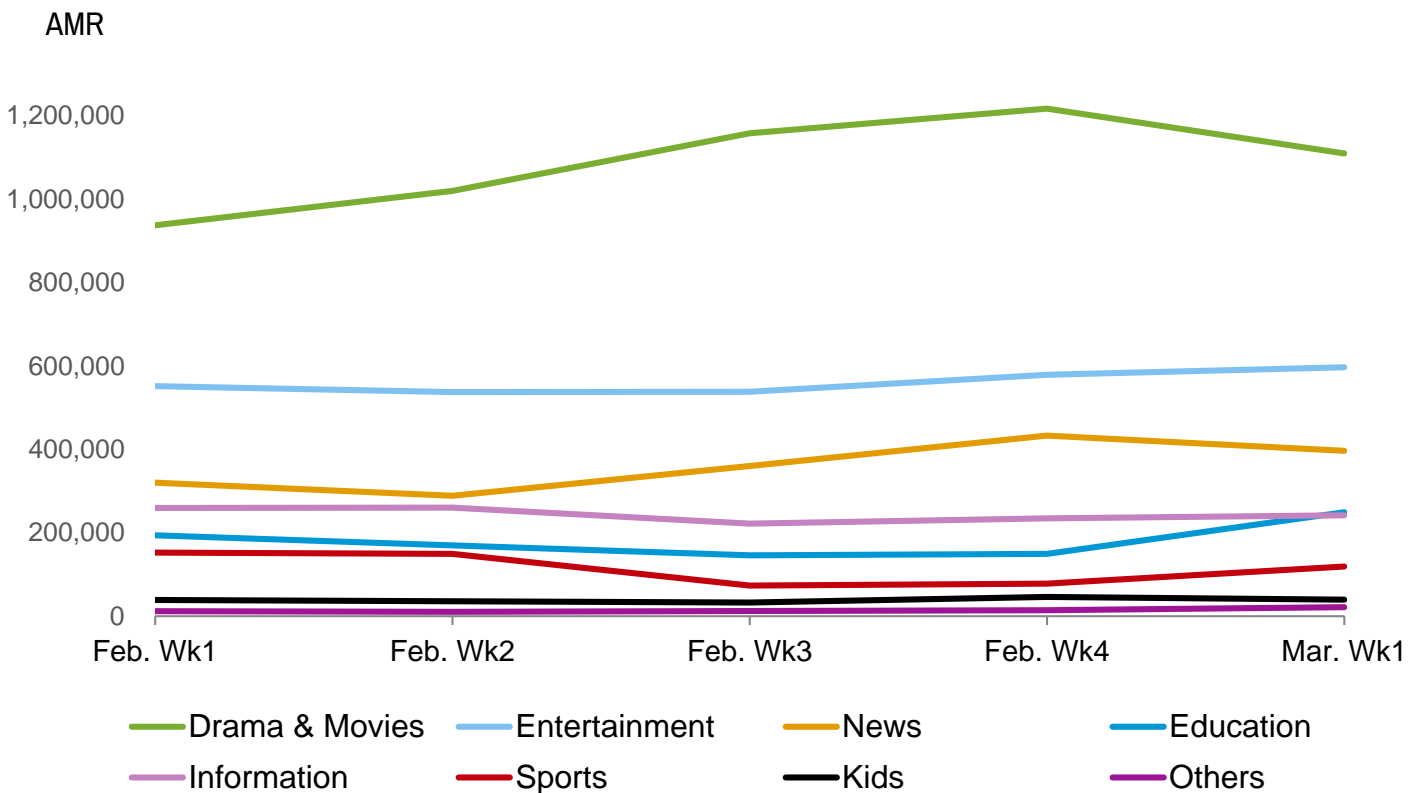
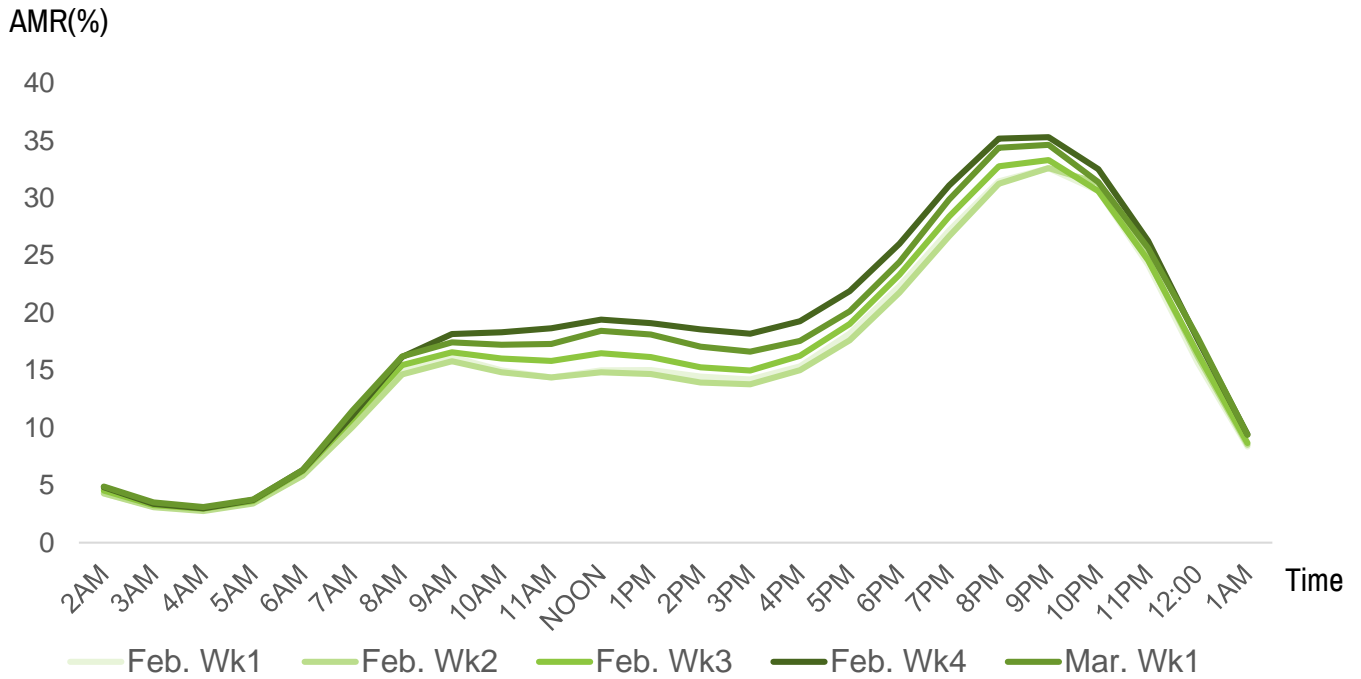
TV viewing expands in 2020 versus 2019, in line with rising infections



(National, All Platform, Total Individual)
ATV = Average time viewing

South Korea

TV viewing expands in 2020 versus 2019, in line with rising infections



(National, All Platform, Total Individual)
AMR = Average minute reading

Japan

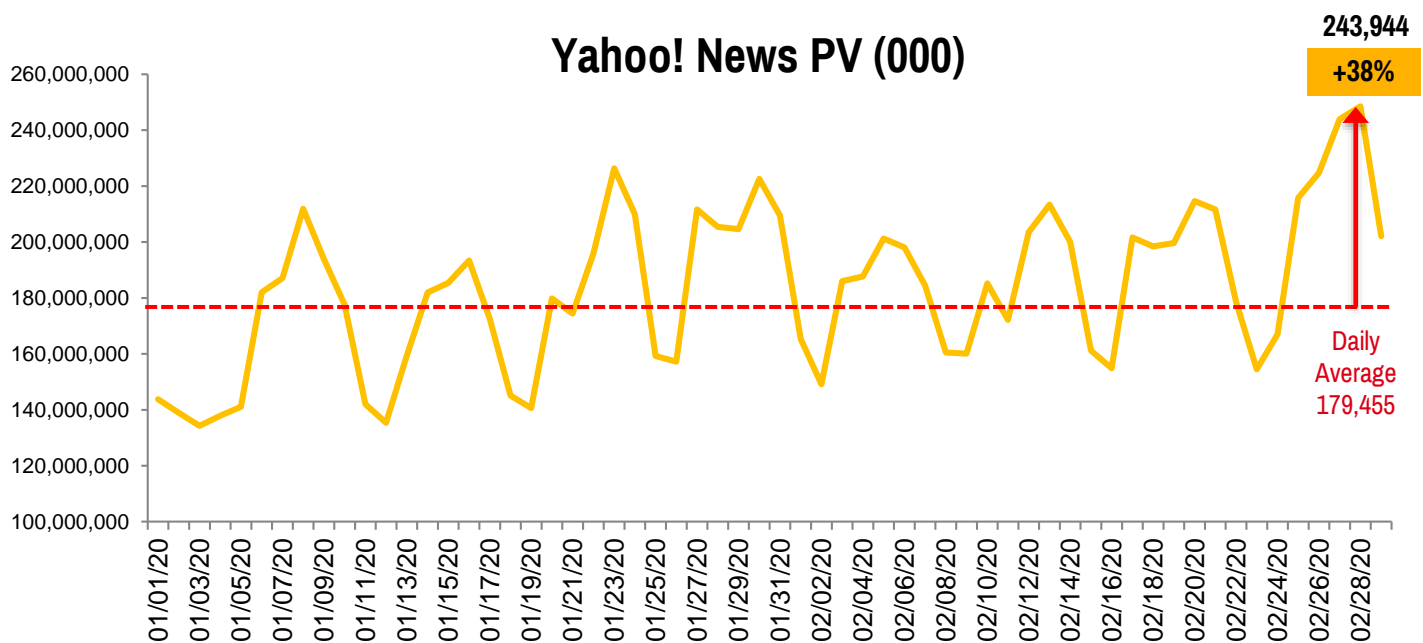


Japan

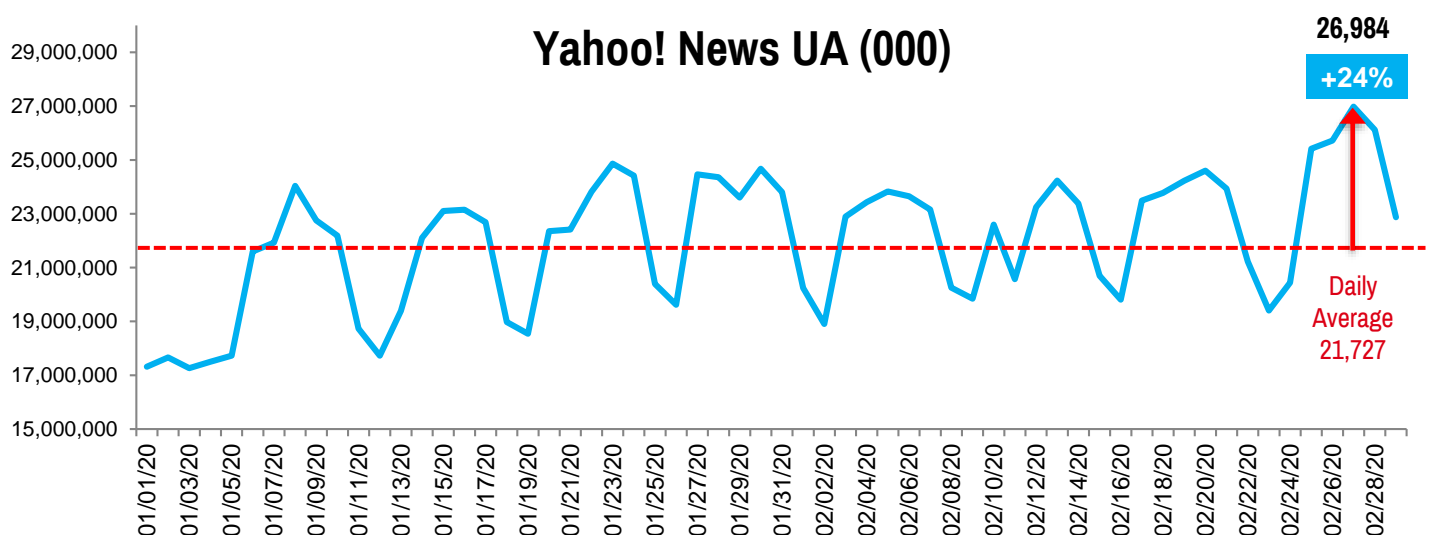
The News Cycle Drives Japan's Higher Media Consumption

News consumption in a crisis is to be expected, but daily digital news consumption in Japan increased by the millions as worries about COVID-19 spread toward the end of February. Page views across Yahoo! News spike to nearly 244 million on Feb. 27, 2020, 38% higher than the daily average. The increase was driven by an additional 27 million people users, 24% more than the daily average during the month of February as per Nielsen Digital Content Ratings.

Page views grow considerably for Yahoo! News in Japan



Spike in Unique Audience for Yahoo! News in Japan



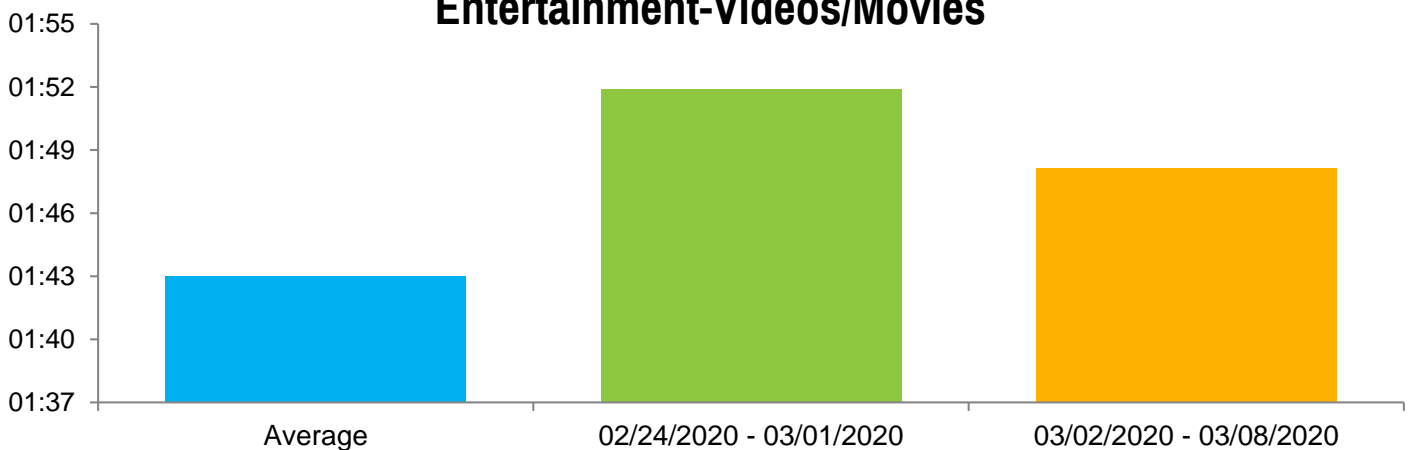
Source: Nielsen Digital Content Ratings

Japan

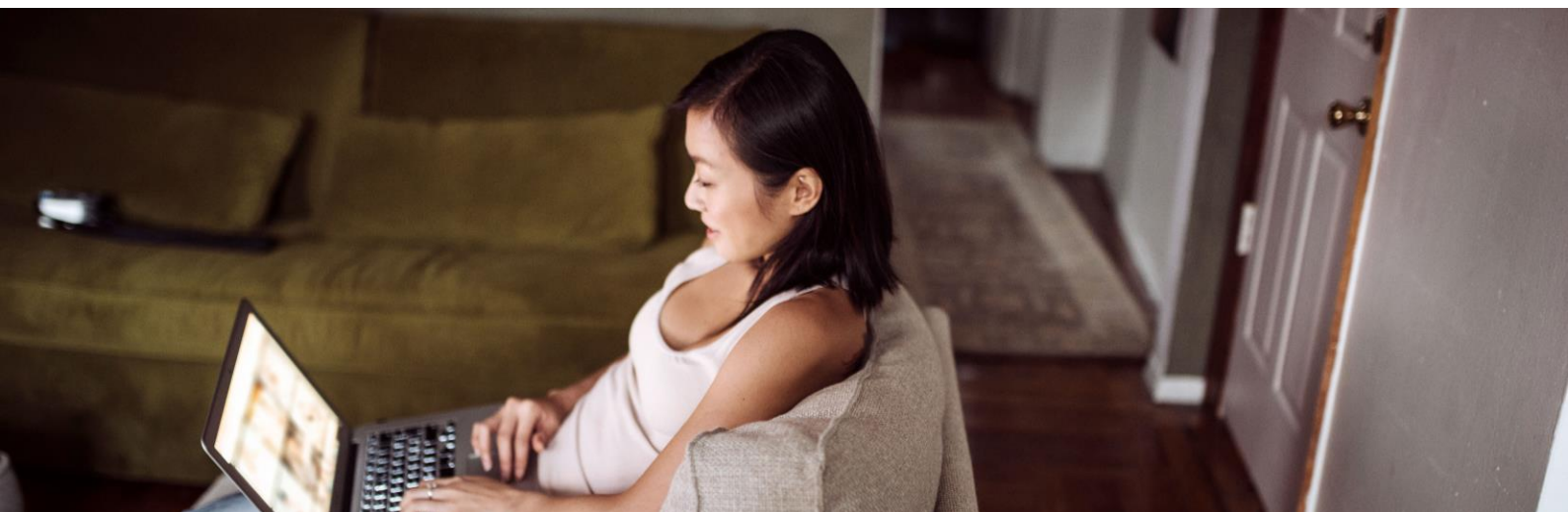
As consumers spend more time indoors, online media consumption peaked. According to NTT Communications, one of the major ISPs in Japan, internet traffic on weekdays (from 9:00 a.m. to 16:00 p.m.) in the first week of March increased by 35% and also went up 40% in the following week compared to average weekly usage. NHK news attributed this increase in traffic to online video, educational programs, and online classes due to the expansion of remote work and school closures.

At home desktop consumption of content saw a meaningful upward shift. In the last week of February and the first week of March, Nielsen saw media consumption growth in the weekly time spent on websites in the “Entertainment –Videos/Movies” category, according to Nielsen, with 8.7% and 4.9% growth respectively compared to the average of the first 3 weeks in February.

Weekly Time Spent Entertainment-Videos/Movies



During this time, we see advertisers taking a cautious approach in Japan in the early days of the outbreak. While some reduction in digital campaigns is expected this time of the year (the first two months are generally soft), we continue to see a downward trend in Japan in 2020, even more than what seasonality would otherwise suggest.



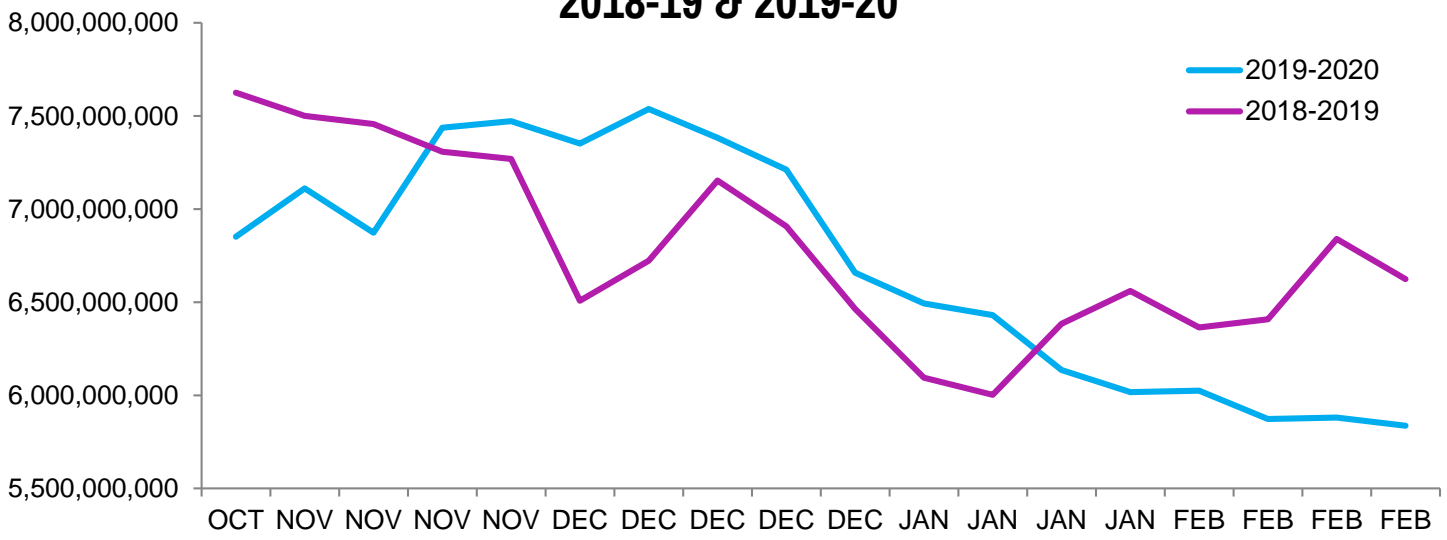
Japan

There is a considerable pull back in digital campaigns. We saw about 5,065 million impressions on digital advertising campaigns (excluding native ads) in the week of March 2, which was 20.5% smaller than during the week of March 4, 2019, according to Pathmatics. At this stage, advertisers are erring on the side of caution in this market.

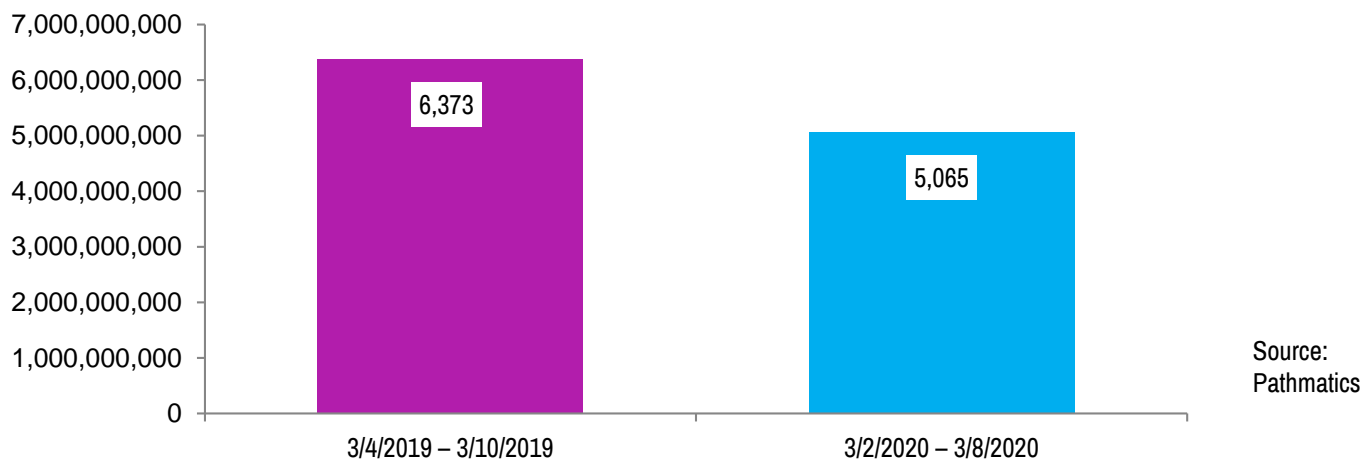
“Even as content consumption around news spiked in Japan as the situation intensified and being in-home led to greater desktop content consumption, advertisers pulled back spends significantly and quickly in line with consumption sentiment in Japan. This means that advertisers may have missed an opportunity to connect and build their brand proposition with a more engaged audience”

- Jun Miyamoto, Nielsen Media Japan

**Weekly Impressions (Nov-Feb)
2018-19 & 2019-20**



**Weekly Total Impressions (000,000)
*excluding Native Ads**



Source: Pathmatics

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