MOBILE SHOPPING GAINS LIKELY TO STICK IN FUTURE

SOME PANDEMIC-ERA BEHAVIORS TAKING ROOT

As lockdowns slowly lift in the U.S., retailers face a changed shopping landscape, eMarketer says. With lingering fears over renewed outbreaks, many consumers are wary of returning to stores.

A Morning Consult survey conducted June 9-11 found that just 35% of U.S. adults would be comfortable going to a mall. Although that’s double the percentage of respondents who were comfortable at the end of April, it’s a long way from a normal volume of shoppers returning to stores.

Moreover, discomfort with physical shopping has forced consumers to try e-commerce in new areas. Grocery shopping is a prime example. Over 40% of digital grocery shoppers during the pandemic never used online grocery shopping prior to the lockdown, according to a Business Insider Intelligence survey released in early April.

Undoubtedly, many who bought digital groceries in the past increased the frequency of their orders and the sizes of their baskets. A separate study by Aki Technologies and TapResearch found that 68% of new grocery e-commerce shoppers would continue to shop online in the future.

The rush to e-commerce has also forced retailers to improve distribution and pickup options. Grocery delivery service Instacart alone hired 300,000 workers during lockdowns in March and April. And along with delivery, many retailers honed their curbside and click-and-collect services. As a result of these changes, eMarketer expects click-and-collect sales in the U.S. to increase 60.4% in 2020, a massive $22.04 billion rise over 2019.

Increased digital shopping was a huge boon for companies with mobile apps geared toward m-commerce and click-and-collect options. “As COVID-19 kicked in, Google searches for the word ‘curbside’ shot up exponentially,” said Andy Norman, president of North America at customer engagement platform Mobiquity. “For anyone in retail, giving consumers the ability to order ahead, pay in-app and pick up orders curbside became pretty essential.”

Adjust and Liftoff published data last week that showed the cost of acquiring a retail mobile app user who made an initial purchase dropped by 50.6% globally, compared with April 2019. This was due in part to lower CPIs (costs per install), but also to greater consumer activity once the users were enrolled.

eMarketer expects that the effects of the pandemic will accelerate long-term trends in mobile usage. Although some gains with m-commerce and other mobile activities will not last beyond quarantines, the baselines for mobile activities will be higher than they would have been otherwise.

Overall, eMarketer forecasts U.S. adults will spend 24 additional minutes on their mobile devices in 2020. In 2021, they’ll add only 4 minutes — but the total of 4 hours, 22 minutes (4:22) will still be 28 minutes more than the research firm had forecast for that year in November 2019.

ADVERTISER NEWS

The North Face, Patagonia, REI and other brands have stopped next month’s Facebook advertising after civil rights groups such as the NAACP and the Anti-Defamation League advocated a boycott of the platform. The #StopHateForProfit initiative targets Facebook’s lack of action on disinformation and hate speech, and agencies including Mediabrands’ Reprise and Dentsu’s 360i are encouraging participation...

T.J. Maxx stopped e-commerce sales during the pandemic and the off-price retailer has no plans to expand its online retail offerings or launch click-and-collect programs, as many other brands have done. Parent T.J.X. had reopened around 85% of its 4,500 worldwide stores as of last week, and shoppers have returned to demonstrate pent-up demand... Changing shopping patterns resulting from the pandemic are driving higher demand for warehouse space as retailers update distribution centers, many near larger population hubs, to meet increased demand for online grocery shopping. Industrial leasing activity rose 43% in the 30-day period ending May 14, according to CBRE Group...

Subway is bringing the $5 Footlong out of retirement with a fresh campaign and a nostalgic jingle in response to hundreds of thousands of tweets about the fan favorite, CMO Carrie Walsh says. “We want everyone singing (and dancing) along, so you will see the jingle pop up on Instagram, Facebook and maybe even a new social platform for the brand,” she says... Dreyer's Grand Ice Cream announced it would retire its Eskimo Pie brand name. “We are committed to being a part of the solution on racial equality, and recognize the term is derogatory,” Elizabell Marquez, head of marketing for Dreyer’s, said in a statement... Sales at conventional food stores increased by about 12% in April and May. At food co-ops, however, sales fell 5.7% in April and 1.4% in May, according to Census.gov. Experts point to a combination of factors including strictly limiting the number of customers in stores as working against co-ops... Fleet Feet and its 184 independently-owned retailers rapidly ramped up e-commerce operations as the novel coronavirus pandemic hit. The retail banner is now poised to build on gains made during the lockdown to capture a greater share of the sneaker market going forward... Bed Bath & Beyond has laid off hundreds of employees, according to WARN notices filed in Florida and New Jersey. The retailer is closing a contact center operations site in Ocoee, Fla., and will lay off about 220 employees, effective Aug. 22, according to the notice. The retailer will also lay off 148 employees in Union, N.J., where its headquarters are... Americans no longer willing to go out to buy coffee drinks at their local shops are turning to whole bean and ground coffee services to satisfy their daily needs. “I think when things get hard for people, they look to have small, very meaningful luxuries,” said Matthew Berk, CEO of the subscription coffee company Bean Box. “I think there’s an appetite for experiences at home now that we’re stuck there.”
NETWORK NEWS

The three-hour concert CMA Best of Fest, hosted by Luke Bryan, will air on ABC on Monday, July 13 at 8 PM (ET). Artists also appearing in the special include Jason Aldean, Kelsea Ballerini, Garth Brooks, Eric Church, Dan + Shay, Lzzy Hale, Joan Jett, Lady A, Miranda Lambert, Lil Nas X, Little Big Town, Tim McGraw, Maren Morris, Brad Paisley, Rascal Flatts, Darius Rucker, Blake Shelton, Carrie Underwood, Keith Urban, Dwight Yoakam and Zac Brown Band, with appearances by Bobby Bones, Jim Gaffigan, Peyton Manning, Lionel Richie, Gwen Stefani, Michael Strahan and Rita Wilson... The 93rd Academy Awards, which was scheduled to air on ABC live on Sunday, Feb. 28, 2021, has been pushed to Sunday, April 25 due to COVID-19. Comparably, this will be the latest airdate for the Oscars since it began broadcasting on television in 1953... Fox has renewed the animated comedy The Great North, from Bob’s Burgers creator Loren Bouchard, ahead of its premiere. The renewal of the show, which is set to launch midseason, comes as Fox continues to double down on animation. The network has been aggressively ramping up its slate of animation over the last few years with the likes of Bless The Harts, Duncanville, Housebroken and a new series from the Rick and Morty co-creator joining the likes of The Simpsons, Family Guy and Bob’s Burgers.

USED APPAREL IS INCREASINGLY BIG BUSINESS

Despite the coronavirus pandemic upending much of the retail industry and putting a damper on apparel sales, the secondhand clothing market is still expected to boom, according to one online, resale marketplace.

The secondhand apparel market is valued at about $28 billion today and is forecast to reach $64 billion within the next five years, ThredUp said in its annual report, which is completed in a partnership with the third-party research firm GlobalData Retail.

It said the resale market grew 25 times faster than the overall retail market last year, with an estimated 64 million people buying secondhand products in 2019. “Resale is here to stay,” said ThredUp co-founder and CEO James Reinhart. “The next question is who wins and who loses.”

Some experts have cautioned that consumers might pull back on shopping used merchandise as they think about the COVID-19 virus and how it can be transmitted. Some worry it might linger on fabrics. But according to Reinhart, that fear is not yet showing up in the data.

According to the report, secondhand goods are expected to make up 17% of a person’s share of closet space by 2029, up from just 3% in 2009. That would put it behind only merchandise bought from off-price outlets such as TJ Maxx, at 19%. Meantime, department stores’ share of a closet is expected to be at 7% in 2029, down from 22% two decades earlier.

“Department stores acknowledge they will lose share unless they capture the magic mojo... and what else is going on in apparel,” Reinhart said. “The department store is looking at us to help in some small way.”

ACCOUNT ACTION

Omnicom’s eg+ Worldwide has been awarded the global production account for PlayStation, Campaign US reports. The Sony Interactive Entertainment brand will reportedly use the shop to help amplify work crafted by creative partner adam&eveDDB across digital. The shop, which was created from the merger of E-Graphics Worldwide and Hub Plus in 2014, is believed to have delivered its final presentation in May. PlayStation appointed adam&eveDDB its new global creative agency of record around one year ago following a six-month review.

MLB READY TO IMPOSE LIMITED 2020 SEASON

Major League Baseball said yesterday that it would impose an abbreviated 2020 season after a bruising and inconclusive dispute between team owners and the players’ union that could signal years of labor discord ahead, The Wall Street Journal reports.

But a big hurdle still remains in the way of returning to the field: a spike of coronavirus cases in key parts of the country that has the sports world nervous about restarting play.

The announcement comes after weeks of posturing, public ultimatums and brinkmanship between the league and the Major League Baseball Players Association, who together failed to reach a negotiated settlement dictating how to handle the economics of playing games with no fans in attendance. Instead, MLB commissioner Rob Manfred plans to exercise his right to implement a schedule of the length of his choosing — likely consisting of 60 games from late July until late September — followed by a normal postseason tournament.

Baseball’s attempt to return to the field comes just days after MLB closed down all team training facilities across Florida and Arizona to address a surge in players and staff contracting COVID-19.

The Philadelphia Phillies alone confirmed eight positive tests last week, with dozens more still pending heading into last weekend. Four states that are part of the current surge — Florida, California, Arizona and Texas — host 10 of the league’s 30 franchises.

The season will feature a normal 10-team playoff structure, instead of the experimental 16-team postseason that was on offer. Owners wanted additional playoff games to sell to television networks in need of original, live programming.

I don't like books. They're all fact, no heart.

Stephen Colbert

7/23/2020
STUDY: SPORTS BETTING CAN LIFT ENGAGEMENT

The legalization of sports betting could open up a number of doors for TV broadcasters, according to a new study from Horowitz Research. “The State of Sports Betting: New Frontiers, New Technology and New Audiences” takes a broad look at how the legalization of sports betting can be a positive for a wide variety of industries, and lays out a number of examples specific to the TV industry.

First, sports betting boosts audience engagement. When a person makes a bet, Horowitz found that 80% are more likely to watch the sport, but it also leads them to watch news about it (77%). This increases the potential for increased ad revenue as well.

There is also an opportunity for new content for broadcasters and sports networks around sports betting, Horowitz shares, as sports bettors are interested in news and commentary specifically around the analysis and results of betting. Some broadcasters, like NBC Sports, have already created some special programming around sports betting.

MVPDs can incorporate sports betting as an additional revenue stream, as Horowitz says that there is very high interest in sports betting features embedded in cable, satellite or other platforms. This includes 84% of respondents saying they would be at least somewhat interested if they could place a sports bet directly on the TV while watching the game.

“Our data show that the top resources used to inform sports bets are major media sports brands, including ESPN, Fox Sports, NBC Sports and CBS Sports, along with league websites and Twitter,” said Adriana Waterston, Horowitz’s senior vice president of insights and strategy. “This highlights an enormous opportunity for these brands to capitalize on their already-engaged audience and their vast reach.”

U.S. HOME SALES DROPPED 9.7% LAST MONTH

Sales of previously owned homes dropped 9.7% in May from the prior month, as the coronavirus pandemic kept shoppers indoors during the typically busy spring homebuying season, The Wall Street Journal reports.

But record-low interest rates have lured buyers off the sidelines in recent weeks, economists and brokers say, and they expect sales to pick up starting in June.

Existing-home sales fell in May to a seasonally adjusted annual rate of 3.91 million, the National Association of Realtors said yesterday. Previously-owned homes make up most of the housing market.

Sales have plunged since hitting a 13-year high in February. The May closings represent the lowest annualized sales activity since October 2010, said Lawrence Yun, NAR’s chief economist.

Economists surveyed by the Journal expected an 8.8% monthly decline.

Homes typically go under contract a month or two before the contract closes, so the May data largely reflects purchase decisions made in March or April, when millions of Americans were staying home to prevent the spread of the coronavirus.

A FIRST FOR GOOGLE: FALLING AD REVENUES

For the first time since it has been tracked, Google’s U.S. ad revenues will decline this year, according to revised projections released yesterday by eMarketer. “Google’s net U.S. ad revenues will decline this year primarily because of a sharp pullback in travel advertiser spending, which in the past has been heavily concentrated on Google’s search ad products,” explains Nicole Perrin, eMarketer principal analyst at Insider Intelligence. “Travel has been the hardest-hit industry during the pandemic, with the most extreme spending declines of any industry.”

The other two of digital’s Big 3, Facebook and Amazon, will increase their ad revenues, as well as their share of digital ad spending in the U.S., especially Amazon, which has benefited from a surge in e-commerce that was also triggered by the pandemic.

Amazon’s share of the Big 3 will surge nearly two points to 9.5% from 7.8% in 2019, while Facebook will pick up 0.7 of a point to a 23.4% share. Google’s share will decline 0.8 point to 29.4% of digital ad spending.

THIS AND THAT

Presumptive Democratic presidential nominee Joe Biden has pulled in front of President Trump in the monthly money race, outraising the president by about $7 million in May, according to the campaigns. Trump’s campaign and the Republican National Committee said they collected $74 million last month. Biden’s campaign and the Democratic National Committee said they had raised a combined $81 million over that span... An active cycle of breaking news stories combined with a dramatic increase of the number of viewers stuck at home has helped push CBS News’ CBSN streaming service traffic to a 216% year-to-year increase this May.

SUNDAY NIELSEN RATINGS - LIVE + SAME DAY

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