



PRESS RELEASE

*TREND SCORE LATAM 2020 – Trends in communication investment
(Covid-19 special)*

Marketers in LATAM estimate a period of less than 6 months for the recovery of advertising investment

85% of marketers declare that they have reduced their investment in advertising since the start of the crisis caused by Covid-19, mainly in durable consumption goods and government & NGOs

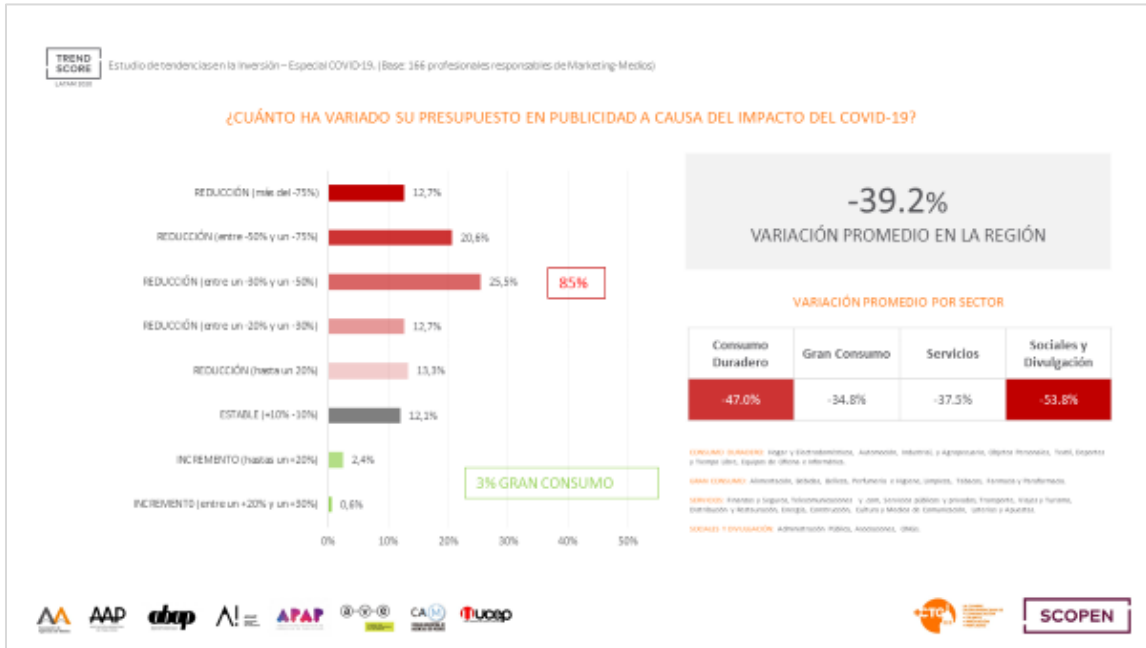
Madrid, July 2020.- Marketers in Latin America estimate a period of 5.7 months for the recovery of advertising investment from August, representing a return to "normality" from the beginning of 2021.

This is one of the main conclusions to emerge from the TREND SCORE Latam barometer (COVID-19 special) promoted by Más Cartagena and SCOPEN. It was conducted over the month of June, with the collaboration of the most important Agency Associations in the region (AAM, AAP, ABAP, ACHAP, APAP, AVE, CAAM and UCEP). A total of 166 marketers from 6 Latin American countries -Argentina, Brazil, Chile, Colombia, Mexico and Peru- have participated in this special edition of the study, with the aim of analyzing the impact of the crisis caused by COVID-19 on advertising.

75% of the interviewees believe that COVID-19 has changed marketer-agency relationships and that the most important changes have been working remotely, changes in investment and media planning, and an acceleration of processes.

85% of marketers report having reduced their advertising investment since the start of the pandemic crisis. This decrease has been especially pressing for 58.8% of the companies, who have experienced a reduction of more than 30%. Only 12.1% of professionals indicate that they have kept their advertising investment stable and only 3% claim to have increased it.

The estimated average variation stands at -39.2% globally, although it is true that in some categories the drop has been much greater. By sector, government & NGOs have experienced the greatest reduction in media activity (-54%) along with durable consumption goods (-47%), while fast moving consumer goods have seen the greatest variation in the change of their investments



Despite this situation, the impact on the marketers' workload with their agencies has been considerable. Almost 40% of the interviewees confirm that they have increased their workload in these months, while 29.5% have seen a reduction.

BTL is the area that has suffered the greatest negative impact on the change in investment, with almost 90% of advertisers reducing their activity, while only 8% indicate having kept it stable. We should bare in mind that the lockdown and closure of retail has prevented many projects from being carried out.

In the case of Digital, the impact is more moderate. In creativity / content it remains practically stable and 40% of professionals declare having increased their investment (9% do so above 50%). On the other hand, in the purchase of digital media, the impact has been greater than in creativity / content. Thus, 45% declare a reduction in their investments, 24% stability and the remaining 31% an increase.

Optimism for the recovery of advertising investments in 2021

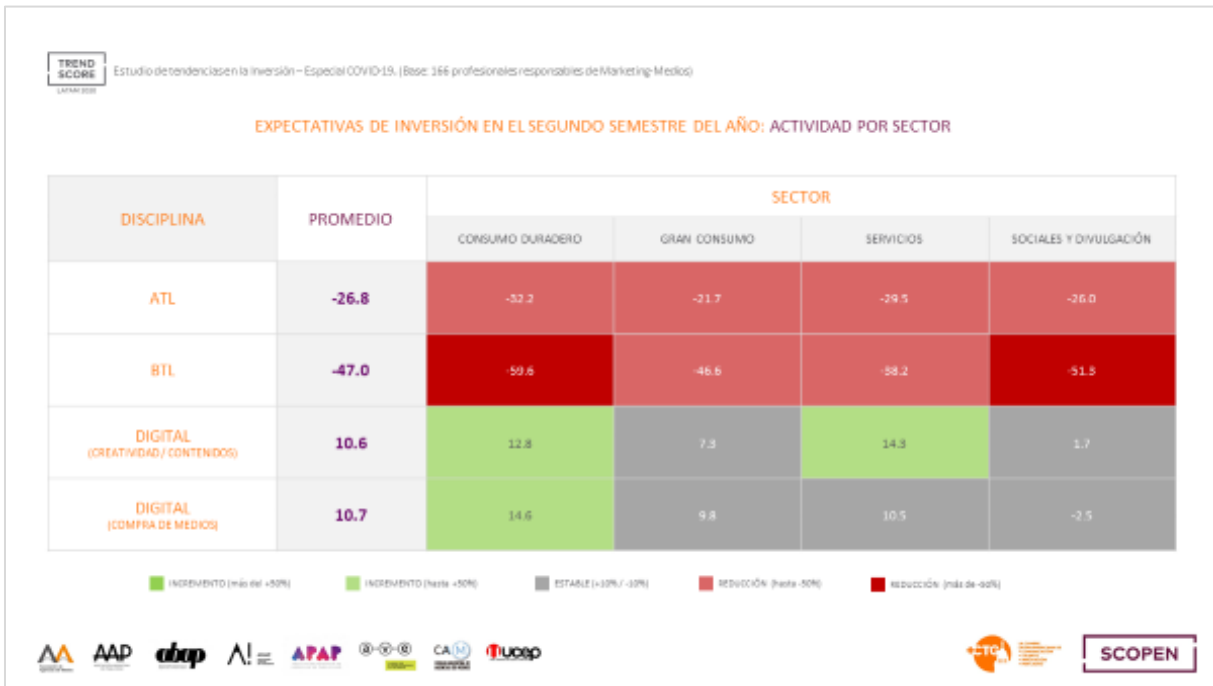
65.3% of marketers are moderately optimistic about the recovery of the advertising sector from the beginning of 2021.

On average, marketers believe that of advertising investment will recover in approximately five and a half months, from August, or from first quarter 2021.

This increase of investment would largely depend on the industry itself for 68.5% of the marketers (mainly cost reduction in companies and rationalization of spend, as well as the adaptation of agencies to meet new customer needs), on the situation of the global economy for 32.2% (the global economic recovery is key) and on consumers for 23.8% (they expect consumption to recover).



The recovery of spend would be led by investment in the digital environment, both in content generation and media purchase. While in BTL and ATL, the predictions are not at all positive, in digital, they expect a growth in the durable consumption sector and stability in the rest of the sectors.



Más Cartagena and SCOPEN statements:

Ximena Tapias, President of the Latin American Summit + CTG and President of the Colombian Union of Advertising Companies - UCEP: "In Más Cartagena we are really satisfied to promote this study. It is the first shared project of the most important Associations of Agencies in the region (AAM, AAP, ABAP, ACHAP, APAP, AVE, CAAM and UCEP) and I want to thank them all for their support and help with the participation of the most important marketers in their countries".

César Vacchiano, president & CEO at SCOPEN: "The results that emerge from the TREND SCORE LATAM are very similar to those obtained in Europe. In Spain, marketers estimate the start of the recovery to be in six and a half months. In the UK the Bellwether report developed by the IPA does not estimate a return to a pre-covid-like situation until 2024".

About TREND SCORE Latam

Más Cartagena and SCOPEN have promoted the realization of the TREND SCORE Latam with the objective of analyzing investment trends in marketing and communication.

TREND SCORE barometer has been carried out by SCOPEN for more than 10 years in other countries and, once carried out in 2020 for the first time in this region, the intention is to give it continuity analyzing the



evolution of investments in marketing and communication in the continent with detailed analysis in the most important countries.

This special edition of TREND SCORE LATAM Barometer has been conducted aiming to analyze the impact of the COVID-19 crisis on the communication activity of Latin American marketers.