

APR INDUSTRY NEWS BULLETIN

Production During the COVID-19 Outbreak

Issued March 24, 2020

APR continues to provide timely advice regarding production while acknowledging that information changes daily. Here is our update which is current as of March 24th, 2020. The new information is *in italics* below:

Content:

- Motion/Still Productions
 - Cancelations and Postponements
 - Acquiring Content from Other Sources
 - Content Planning for 2020 and Beyond
- Events
 - Technology for Events
 - Cancelling Events
 - If Going Ahead with Events

In general:

- 1. **Be prepared:** Ask your agency/vendor for continuity plans that detail supporting your business given the current circumstances.
- 2. **Follow guidelines** from your government and WHO and other national institutions. Also, review and discuss how national marketing, advertising and production organizations are publishing suggestions and guidelines (AICP, APA, WFA, AMFI, etc.) might apply.
- 3. **Situational sensitivity:** Be sensitive about the context and content of your messaging regarding human interaction (social distancing, crowd scenes, excessive touching, etc.).

For Motion/Still Productions:

- 1. **Triage**. Since most productions we are aware of have been cancelled or postponed, work with your APR teams to ensure that the negotiated costs are accurate and fair. For productions ongoing and still planned, determine the priorities and order in which you can address each issue, the shoot location, the travel logistics, challenges for cast, crew, agency and client, contracts with vendors and talent, etc.
 - Given the current environment, vendors are extremely concerned about their own cash flow and ability to survive this challenging time. Honor your agreements to pay vendors negotiated fees in a timely manner.
- 2. **Stay flexible:** As the current situation is extremely fluid, be prepared for civil authorities to alter requirement and/or restrictions. Work with agencies and/or vendors to develop alternate plans.
- 3. **Capture additional scenes** or imagery to extend the lifespan of the work. What shots can be produced to refresh the content while travel conditions persist?
- 4. Explore **streaming video assist from set**. *If shooting is currently an option*, consider streaming video from the set location or studio to the marketer and/or agency. It may be possible to have a director weigh in from a remote location via video assist, as well. While it is not ideal, it is a solution during this time. There is a minimal to add a video streaming capability depending on remoteness of location. It helps support "social distancing"

aprco.com Page 1 of 5 24 March 2020



- a. Caution: Overtime crew labor costs can escalate if remote conversations derail shoot day schedules.
- 5. Continue to be knowledgeable about your **insurance coverage**.
 - a. Some production wrap-up insurance policies are provided by the advertiser, some by the agency or holding company. Review insurance policies to see if production costs resulting from COVID-19 issues will be covered. If clients or agencies have Wrap-up policies in place, extra expenses due to Civil Authorities pulling permits or denying travel may be covered. If insurance is supplied by vendors, Civil Authority coverage may not be included. Determine risks before awarding the project, discuss coverage as part of the bidding process.
 - b. Please note that the outbreak could be considered by insurance policies as a pre-existing circumstance and may not be covered.
 - c. If you have an agency or client wrap-up policy and cancelled an awarded production due to Covid-19, we suggest you file a claim. These are unprecedented times so be patient, there is already an overwhelming back-up of claims being considered/processed.
 - d. Your client and/or agency insurance provider may not cover productions scheduled in the immediate/near future. Consult with them before awarding any project.

Content from Other Sources

As clients, agencies and vendors have eliminated all but essential travel, explore deliverables that do not require large groups of personnel to travel and/or assemble:

- 1. **Repurpose existing assets**. Consider using existing assets to refresh or create new content as an alternative to producing new work. Be ready for the anticipated increase in post-production costs to re-edit existing assets and there may be costs or risks associated with rights associated to images, footage, music, audio, celebrities, etc.
- 2. **Consider previously unpublished work.** Directors/Photographer and other content creators typically have a large volume of personal and unpublished work. Discuss with your agencies and explore licensing appropriate unpublished content for advertising needs.
- 3. **Simpler executions/deliverables**: clients are creating simple graphics-only spots & print ads to deliver their message. These can be created and in-market very quickly.
- 4. Increase your use of **social influencers**. Influencers have become part of most brands marketing mix and are able to shoot their own content with very limited crews and require very little/no direct client supervision. When selecting your influencers be sure that there are best practices in place to engage them that reflect and support their personal style and capabilities. There are agencies specializing in selecting the influencers to best represent your brand.
- 5. **Engage your consumer:** Consumers are at home, with more time to interact with your product. Coupled with the ease of self-recording, brands have a built-in cadre of potential product advocates. Collecting <u>user-generated-content</u> (UGC) into an advertising campaign, whether for broadcast or social distribution is an inexpensive way to stay relevant and avoid large gatherings of traditional video productions.
- 6. Don't forget **e-commerce**. Your retail strategy should take priority. With travel bans in effect, consumer shopping online is increasing. Identify the right partners who are "fit for purpose" for ecommerce assets. While it may not be possible given current conditions, to conduct a formal RFP process, consider employing a pared down approach that involves getting bids from multiple vendors. This will give you more options in case a potential partner is not available, or pricing is overly inflated.

aprco.com Page 2 of 5 24 March 2020



Consider providing each vendor with a deliverables-based rate card template so that you can easily compare and negotiate pricing.

7. **Animation, VFX & CGI.** Animated and Computed Generated Imagery scenes can be produced in lieu of live action, not requiring a shoot with a crew. These animated videos can be a solve for content creation needs without bringing a large group together.

Tips:

- Repurpose when you can
- Consider animating, or doing something 'fun' without live action
- If live action is required, most post facilities can shoot within their studio with as little as a 2-3 person crew.
- Consider doing facial capture if you need certain talent or a celebrity. A 2-person crew might even travel to that celebrity's house, if necessary.

Watch outs:

- Timelines may be unpredictable. As with all of our clients, agencies, and post facilities now working from home, setup, render, turnaround time might be a little longer than usual. Make sure the client is aware of this.
- Some of the bigger VFX/CGI shops already have a backlog of projects. Prioritize what you need & only render/produce what you must. Now may not be the time to be doing massive amounts of exploratory work.
- Consider some of the smaller shops like Logan, CharleX, Imaginary Forces if the bigger shops are booked
- Decide upfront how many client revisions will be required, and make sure clients have accessibility to view either live-virtual or WIP's.
- 8. The **power of audio**. Focus on audio executions, either as standalone radio/internet audio tracks, or in conjunction with your other deliverables. You can align stakeholders to create a signature audio identity to represent your brand long term. Audio production Is very easy to accomplish since assets are produced remotely. Additionally, use this time to negotiate licensed music or develop relationships with bands that are right for your brand's character and campaign signature.

Plan Now for the Balance of 2020

- 1. Use the tips above to help maximize the repurposing of assets.
- 2. Plan for more digital output as the potential for consumers having to remain/work/study from home continues through the year.
- 3. Production Health Checks can assess your approach to content creation so that you are optimized when budgets for production become available.
- 4. A review of your Content Creation Ecosystem now can help to assess each partner within your current structure. More nimble models exist which you may want to consider.
- 5. Training sessions to keep your Marketing teams educated and primed with up to date production acumen.
- 6. Conduct an RFP for services you've been meaning to consolidate (talent payroll, e-commerce production solutions, distribution, post-production and production rosters, etc.).
- 7. Analyze agency time/rate cards across your content creation landscape of suppliers.
- 8. Build a center of excellence and align stakeholders internally to begin to address the reunion of media, creative and production.

aprco.com Page 3 of 5 24 March 2020



Tips Specifically for Events:

- Consider hosting your event using technology. Be ready with a recorded presentation or have panel members present via video presentation tools. Even if your event is cancelled, all is not lost. With less travel, there's a captive audience at the ready with more time to watch and learn. Now is a great opportunity to leverage content. Even more people may view your content online, versus at the event, and hopefully share it with thousands more.
 - a. Examples of technology:
 - i. Online streaming
 - ii. Event broadcast
 - iii. Virtual events
 - iv. Virtual learning
 - v. Virtual roundtable
 - vi. Virtual experiences
 - vii. On-demand events
 - viii. Live streaming
 - ix. Web conferencing
 - x. Hybrid programs (live and virtual)
 - xi. Chat rooms
 - xii. Video content

If you plan on using technology to host events:

- 1. Determine what you want to get out of your virtual event in order to decide which option would work best for meeting your goals.
- 2. What's your budget? Each of the virtual/online options vary greatly in budget from a few thousand to millions of dollars.
- 3. Ensure that live online events look and sound good!
 - a. Test your audio, video, feed, etc. multiple times before you go live to ensure all equipment is working properly.
 - b. Ensure the camera is mounted & steady not wobbly or shaking.
 - c. Ensure the audience will have clear audio (not muffled, distorted, or crackling).
 - d. Ensure the presenters bring the same energy and excitement to the screen that they would in real life. Consider using "vocal variety" to show their passion and emphasize specific ideas by getting loud, or quiet, or varying the speed and pitch of their delivery.
 - e. Ensure that the content is captivating by using powerful visuals and well-designed animations.
 - f. Ensure you are not infringing on any copyrighted materials logos, music, etc.
- 4. Ensure that whatever option you choose can handle the traffic. Consider hosting multiple sessions.
- 5. Make it interesting! Use polling, trivia, gamification, or live Q&A to mix up the content and keep the attendees engaged and on their toes. Show the results so the attendees can compare their answers to others.
- 6. Coffee talk. People love live events because of the engagement. Not just with the brands or products, but with other people. Make sure they have that option with virtual events too. Consider virtual "coffee talks" where attendees can message one another or event staff and have conversations.
- 7. Communicate. As with any event, in order to ensure attendee arrival, let alone engagement, consistent communication and updates regarding the event are a must!
- 8. Provide takeaways after the live event links to material presented, contact information for follow-ups, etc.

aprco.com Page 4 of 5 24 March 2020



Are You Considering Cancelling Your Event?

- 1. Review your agreements with your agencies and production partners.
- 2. Review your insurance coverage to determine if it includes a cancellation policy.
- 3. Review your staffing policy for Brand Ambassadors, Product Specialists, Right-Seat Drivers, Onsite Supervisors, Team Leads, etc. to determine the timing on if / when they will get paid
- 4. Review your agreements with third parties such as; venues, rental companies, hotels, caterers, airlines, rental car companies, etc.
- 5. Encourage your agency and production partners to:
 - a. Review cancellation terms with third parties such as; venues, rental companies, hotels, caterers, airlines, rental car companies, etc.
 - b. Review timelines and sunk costs and determine "cancel by dates" to recover maximum fees
 - c. Review insurance coverage and determine it includes a cancellation policy
 - d. Check with federal, state, and local government for potential support
 - e. Negotiate any and all cancellation fees

If Going Ahead with Your Event:

- 1. Use **Data and Geographic information** to determine if you should still host your event:
 - a. https://gisanddata.maps.arcgis.com/apps/opsdashboard/index.html#/bda7594740fd402994 23467b48e9ecf6
 - b. https://coronavirus-disasterresponse.hub.arcgis.com/
- 2. Use localized data to determine how the event could be affected:
 - a. Are local airports cancelling flights?
 - b. Is the city or state on mandatory "stay at home" executive order?
 - c. Are there other events in the area?
 - d. Are other 3rd party and support vendors affected?
- 3. Create onsite messaging:
 - a. Promote regular and vigorous hand washing
 - b. Promote no handshake/alternative to hand shaking
 - c. Keep your distance! Stay 6' from other participants
- 4. Onsite preparedness:
 - a. Add more hand washing stations
 - b. Add more hand sanitizer stations (70% alcohol-based gels)
 - c. Scheduled time slots to reduce crowds
- 5. Marketing and Communication:
 - a. Consistent communication and updates regarding the event/event status
 - b. Communicate proactive onsite approach
 - c. Communicate alternative ways to enjoy the event (virtual tools above)
 - d. Refund/cancellation policy

aprco.com Page 5 of 5 24 March 2020