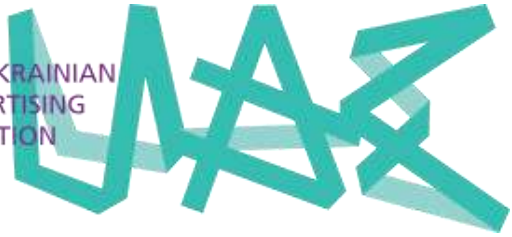
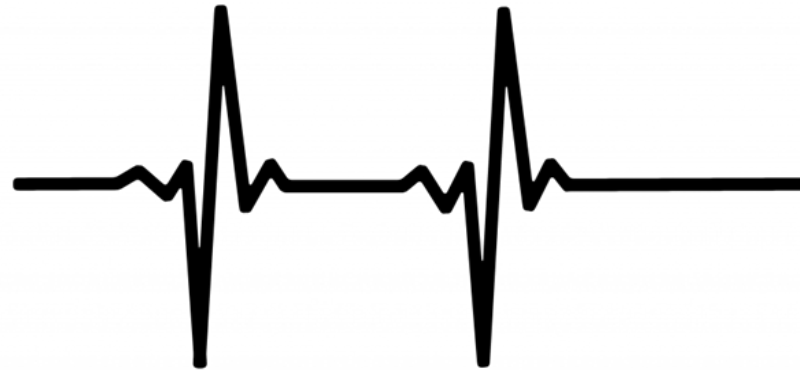


ALL-UKRAINIAN
ADVERTISING
COALITION



ADVERTISING INDUSTRY PULSE

RESEARCH



July 2022

Introduction



Dear colleagues,

Members of the All-Ukrainian Advertising Coalition (VRK) comprise advertising companies of various specializations that are active industry players.

Therefore, we surveyed the VRK members about their state of affairs to find out what's going on with advertising agencies and the advertising market on the sixth month of war in Ukraine.

Advertising Industry Pulse research is a unique report of Ukrainian advertising market in conditions of war on July 2022.

In difficult times, it is essential to unite with supporters. All-Ukrainian Advertising Coalition thanks to everyone who creates topical initiatives and is involved in our projects.

We look forward to further cooperation and we are moving forward to the victory together.

Maksym Lazebnyk
CEO

All-Ukrainian Advertising Coalition



Research methodology

The goal of the survey is to define and evaluate the impact of war on companies which are members of the All-Ukrainian Advertising Coalition, their state of business and business management.

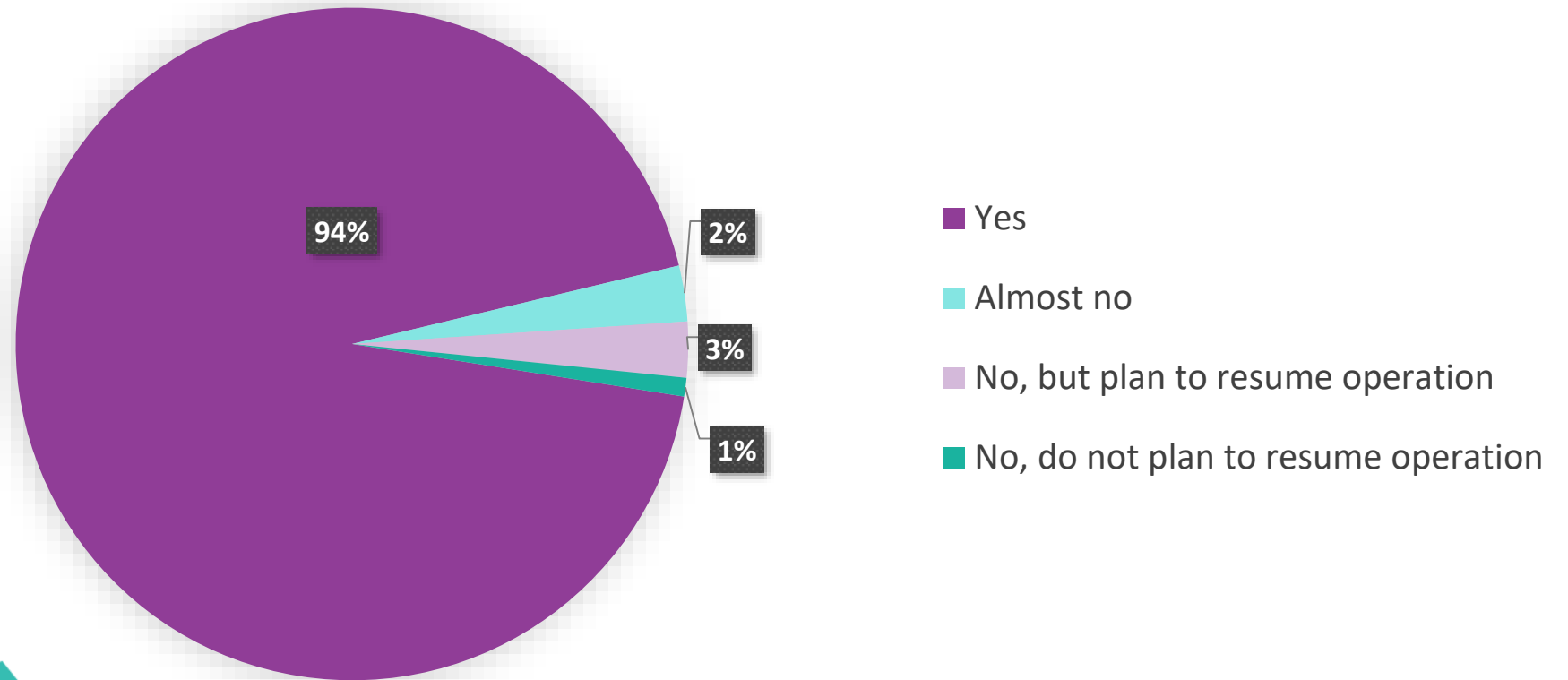
The research was conducted through a targeted online survey of representatives of companies that are members of the All-Ukrainian Advertising Coalition.

The survey involved 112 companies of various specialties.

The research period is July 2022.

Does your company currently work?

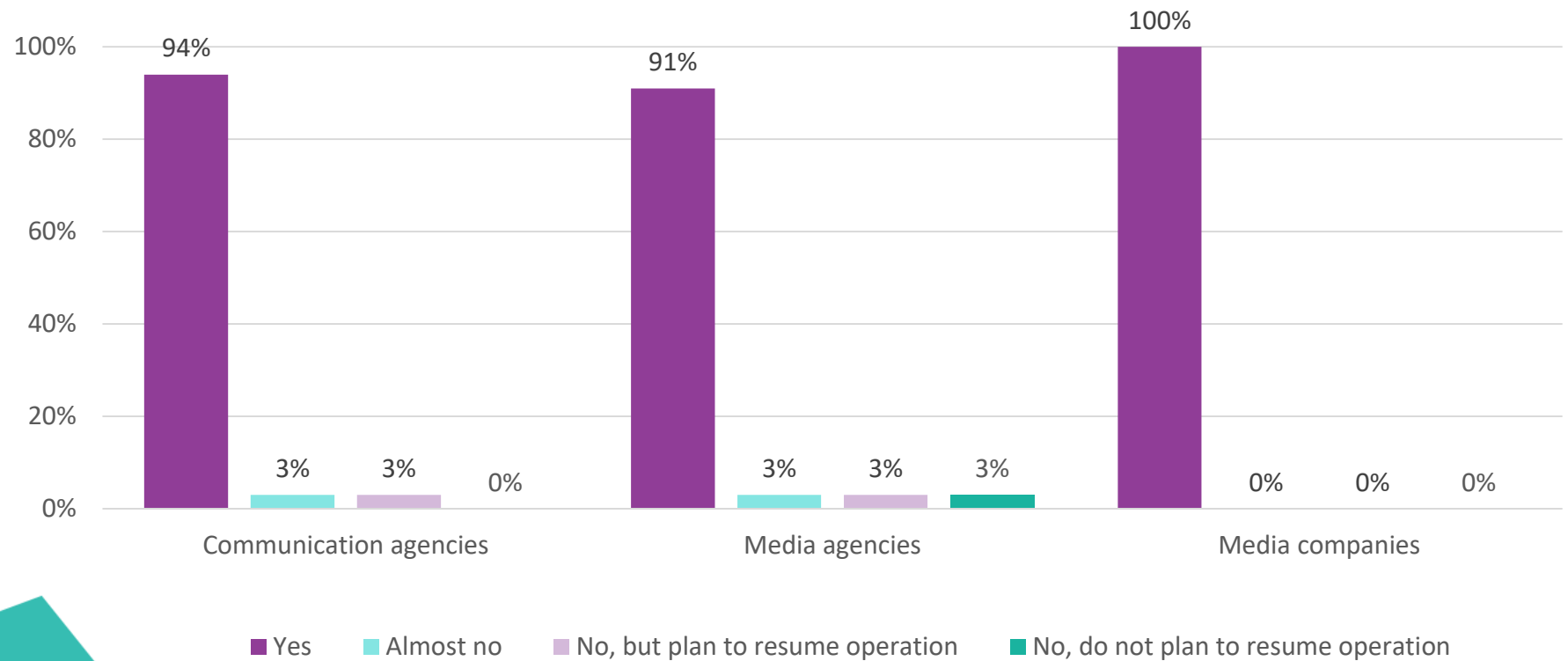
*The majority of respondents continue to work during the war.
Even 3% of companies that don't work now, plan to resume work.*



Does your company currently work?

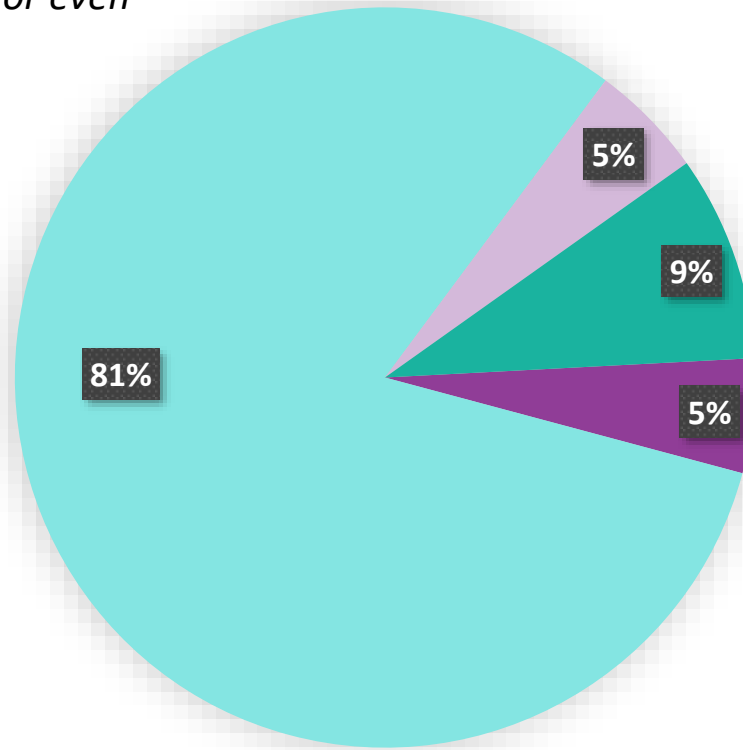
Data according to the types of companies

All surveyed media companies continue to operate. The vast majority of communication and media agencies (94% and 91% respectively) also continue their work.



How do you assess the state of business of your company at the moment compared to the period before 24 February 2022?

The majority of respondents (90%) pointed out that the amount of work has decreased and even almost stopped. And only in a small percentage of companies (about 5%) the amount of work has remained at the same level or even increased.



- remained at the same level
- decreased
- increased
- almost stopped

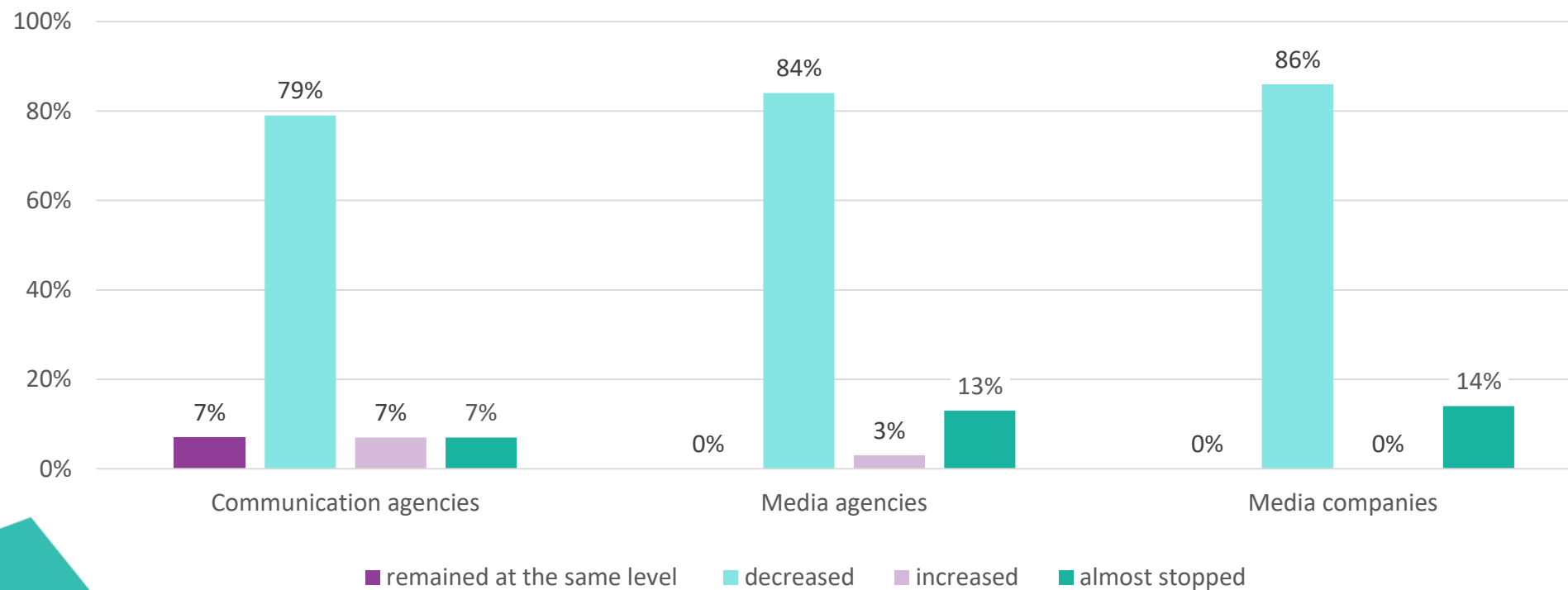
How do you assess the state of business of your company at the moment compared to the period before 24 February 2022?

Data according to the types of companies

Reduction in the amount of work is observed across all types of companies.

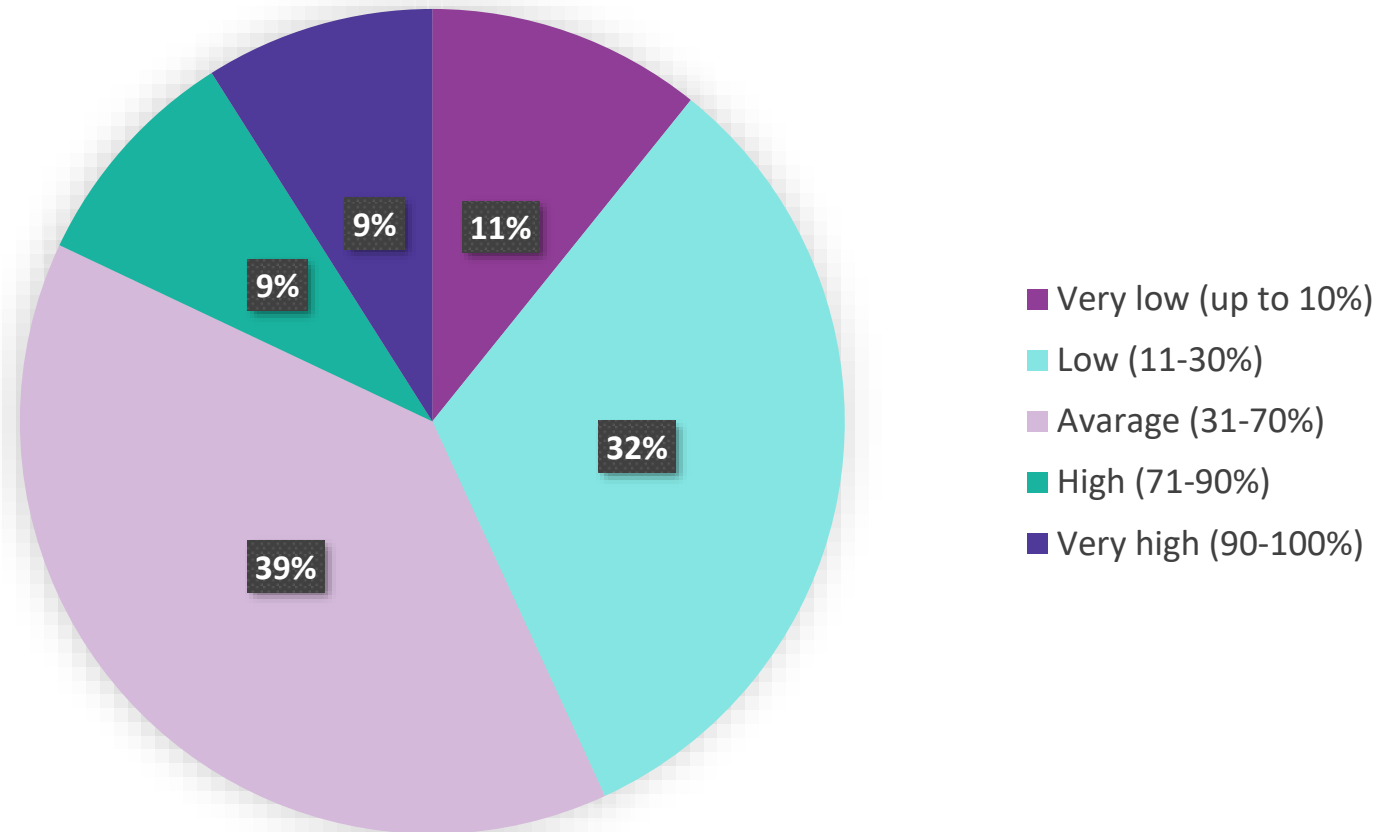
Most of the companies that have almost stopped their work came from the media segment (13% of media agencies and 14% of media companies).

At the same time, the amount of work of 14% communication agencies remained at the same level or even increased.



If you keep working, what is % of your workload compared to the same period in 2021?

The majority of respondents (71%) noted that they have low or medium workload compared to the same period last year. Only 9% of respondents noted a high level of workload.

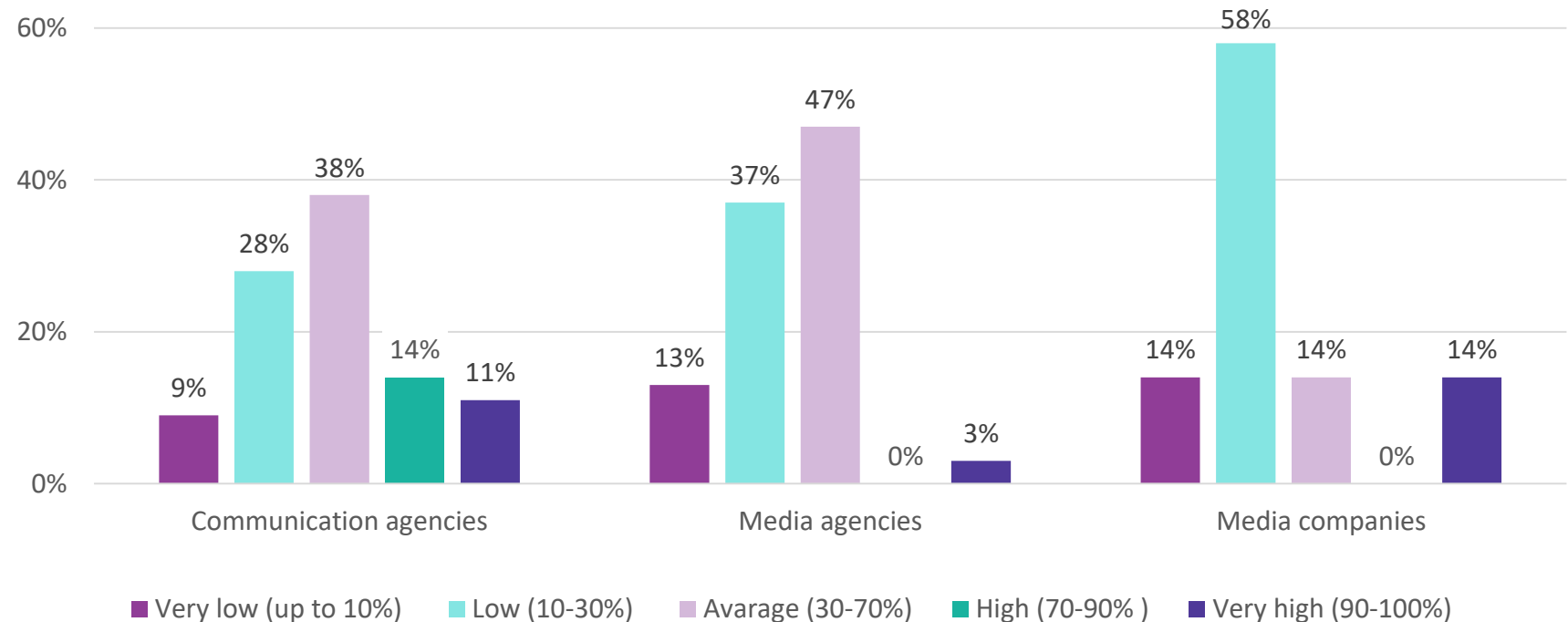


If you keep working, what is % of your workload compared to the same period in 2021?

Data according to the types of companies

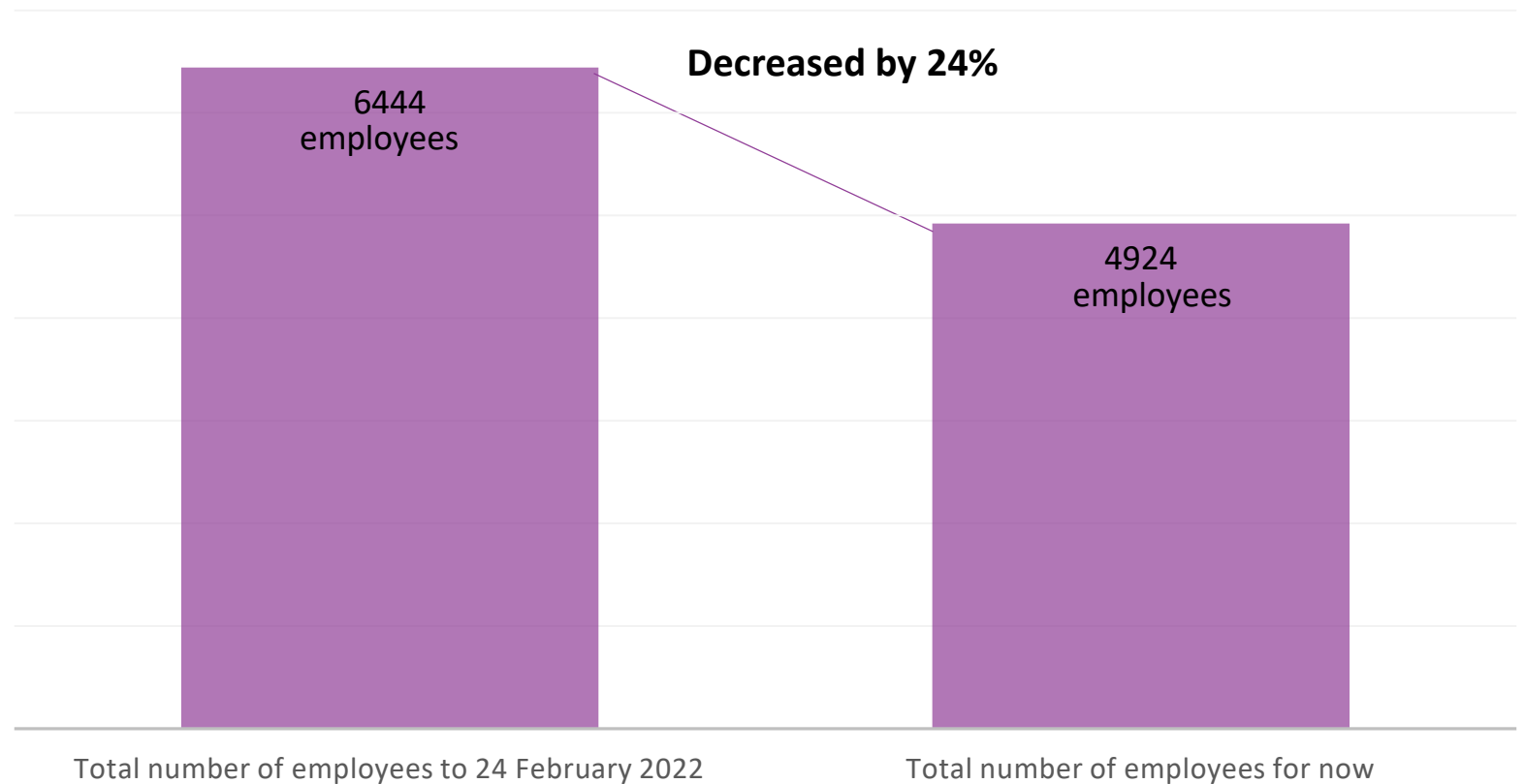
There is a reduction of the overall workload level in all types of companies.

In the media segment (13% of media agencies and 14% of media companies), respondents indicated a very low workload (up to 10%). At the same time there are companies with the opposite situation. Thus, in 11% of communication agencies and 14% of media companies, the workload reaches 90-100% compared to the same period in 2021.



How many employees were employed at your company by 24 February 2022 and how many are currently employed?

The data below shows the total number of employees of all surveyed companies for two periods and their percentage change.



How many employees were employed at your company by 24 February 2022 and how many are currently employed?

Changes regarding the number of employees in individual companies

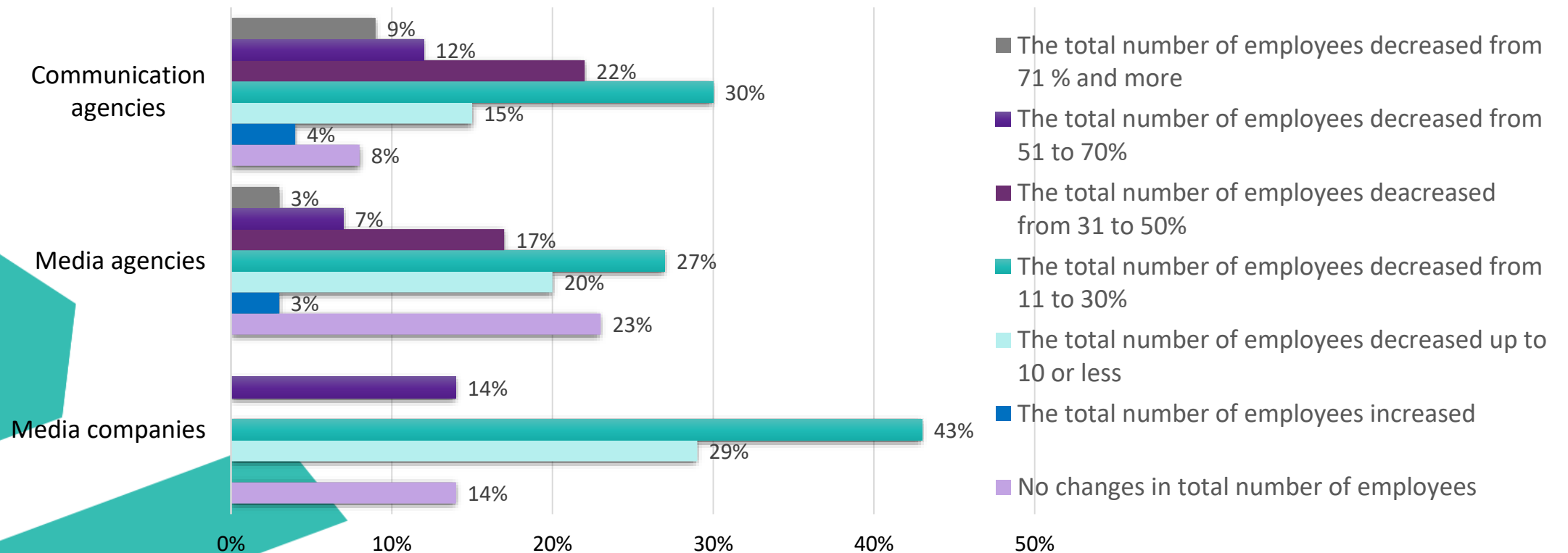
In a third of the companies` the number of employees decreased by 11-30%. A rapid layoff (from 71% and more) occurred only in 7% of respondents. Meanwhile, there are companies in which the number of employees has not changed (13%) or even increased (4%)



How many employees were employed at your company by 24 February 2022 and how many are currently employed?

Data according to the types of companies

In media companies there was a minor or up to 30% layoff (72% of respondents), but at the same time these companies had no large reductions of 70% and more. The staff of 23% of media agencies stayed the same as before, 47% of media agencies had a minor reduction or no more than 30%. More than half of communication agencies (52 %) have reduced the number of employees from 10 to 50%; 22% of communication agencies have reduced by half or more. Only 8% of communication agencies pointed out that their staff stayed the same as before.

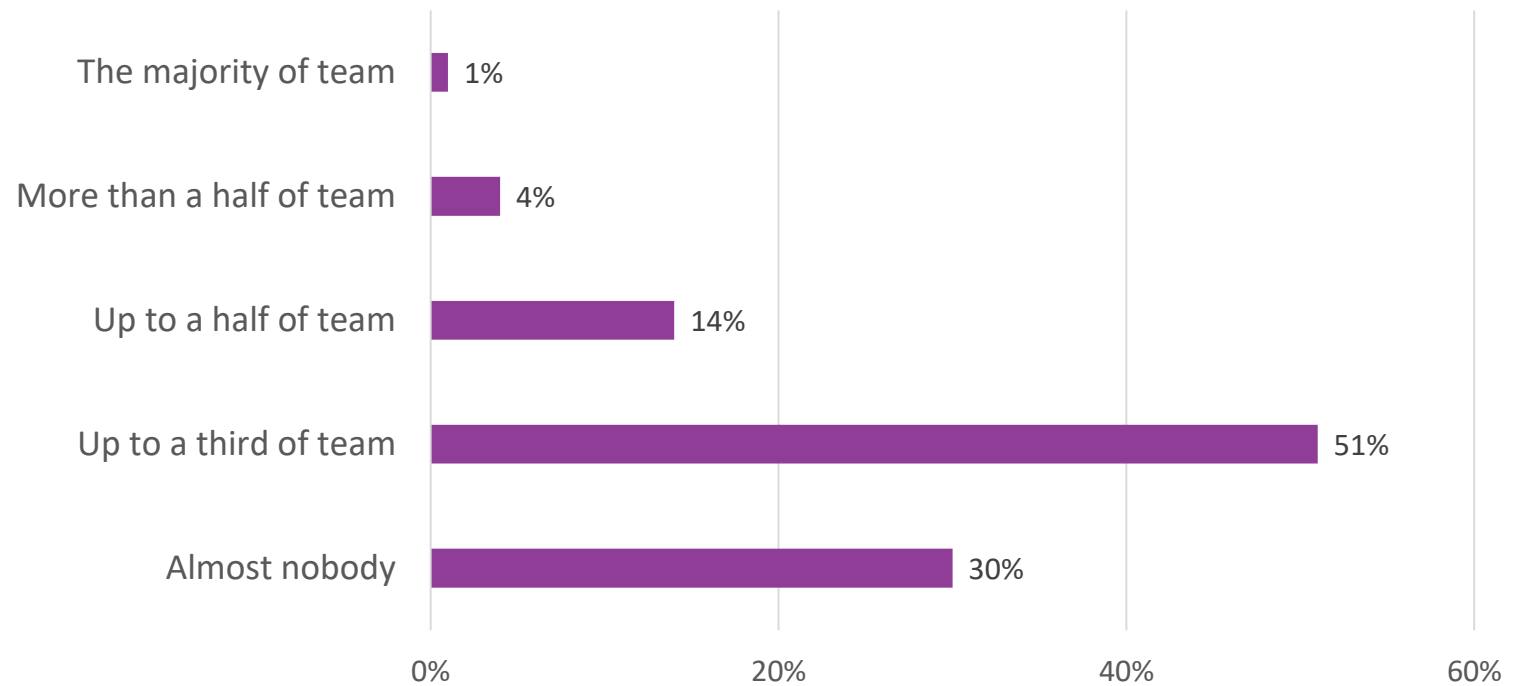


How many employees in your company are currently outside of Ukraine?

A half of respondents indicated that nearly a third of their staff are currently located outside of Ukraine.

Companies that indicated a small percentage of employees who are located abroad represent 30% of the total number of respondents.

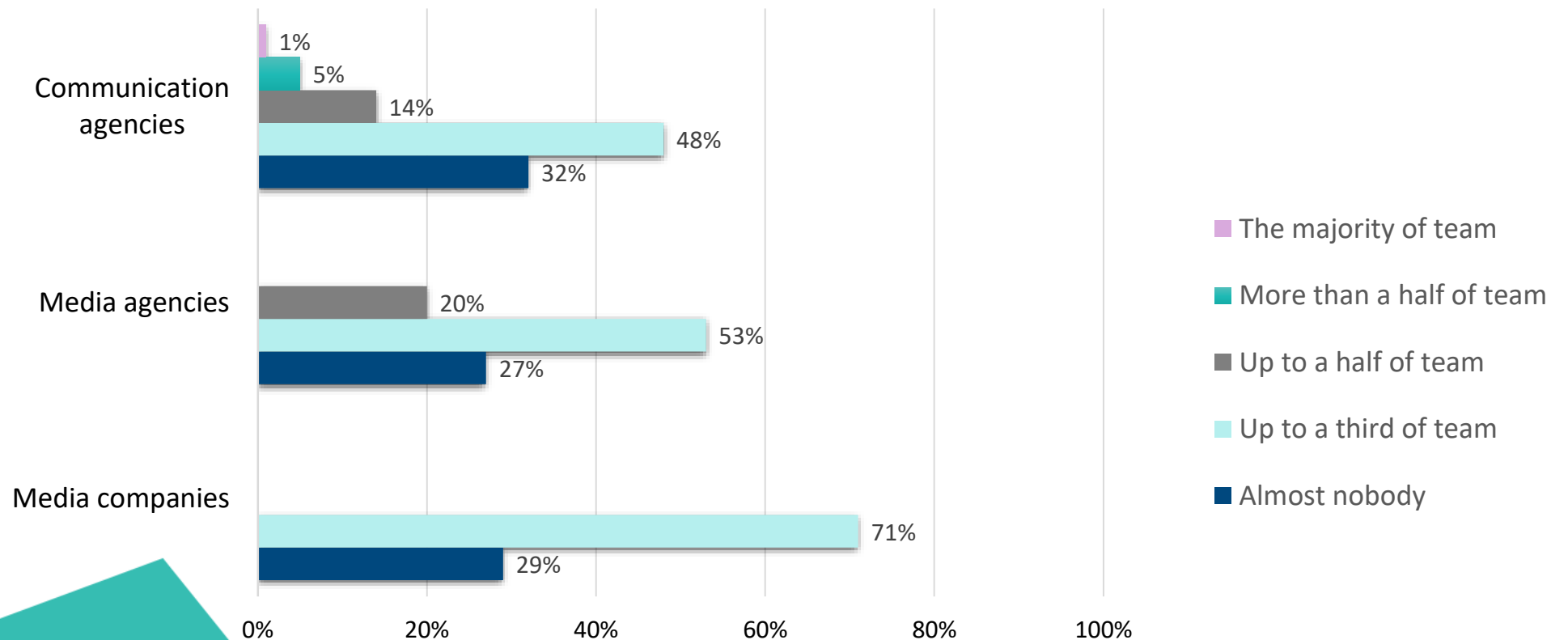
And only 1% of respondents indicated that almost all of the staff are located abroad.



How many employees in your company are currently outside of Ukraine?

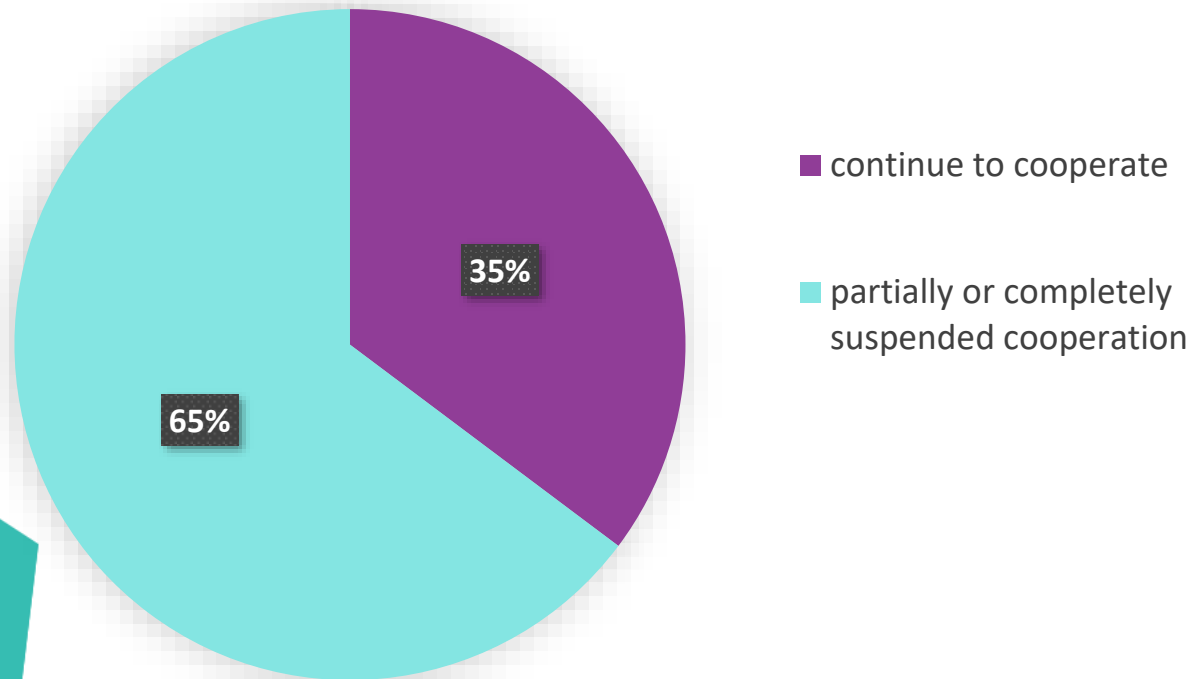
Data according to the types of companies

The responses of companies of all types indicate that the majority of their employees are located in Ukraine now. Only 6% of employees in communication agencies are currently located abroad.



How are you currently cooperating with your clients that you worked with before 24 February 2022?

The majority of respondents (65%) partially or completely suspended cooperation with clients whom they had cooperated with before the war. However respondents comment that this is due to the low activity of clients.



Respondents note:

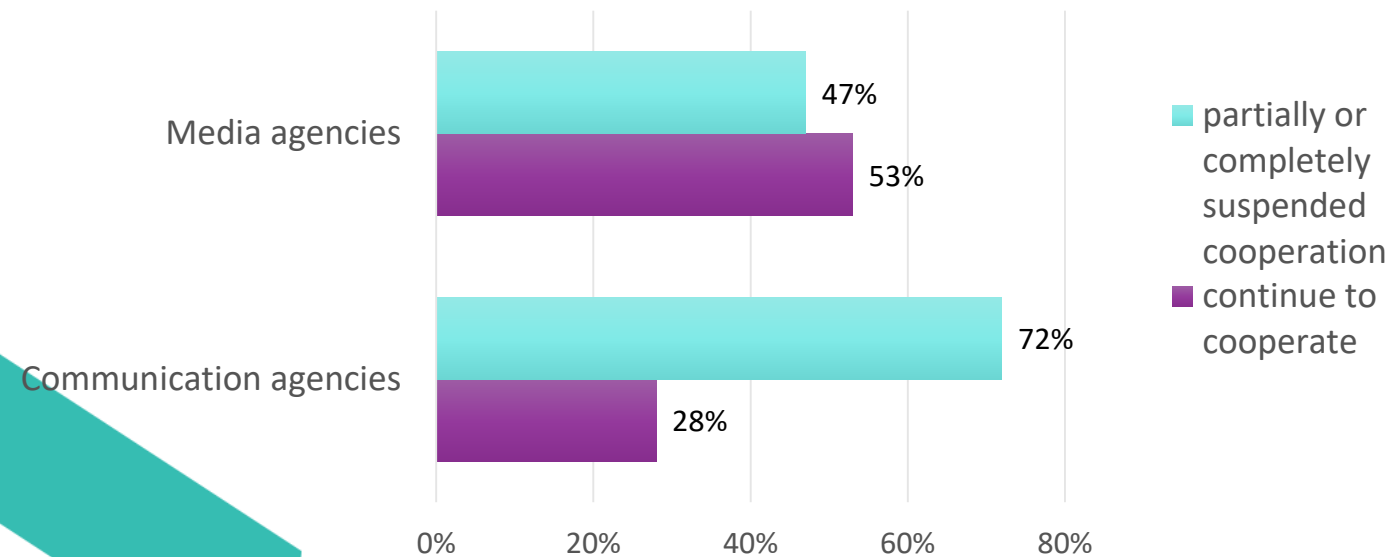
- Some Ukrainian clients have suspended projects. Some began to resume work slowly. But there were more new foreign clients and new Ukrainian clients who had started cooperation with us because other agencies stopped operating. Therefore, the overall view is quite positive.
- Many clients have stopped all activities or do it themselves. Others reduced everything. We have no clients that have remained unchanged.
- We stay in touch with all, but without implementation of projects.

How are you currently cooperating with your clients that you worked with before 24 February 2022?

Data according to the types of companies

72% of communication agencies indicate major changes in cooperation with their clients.

But at the same time more than a half of media agencies (53%) continue to cooperate with their «pre-war» clients.

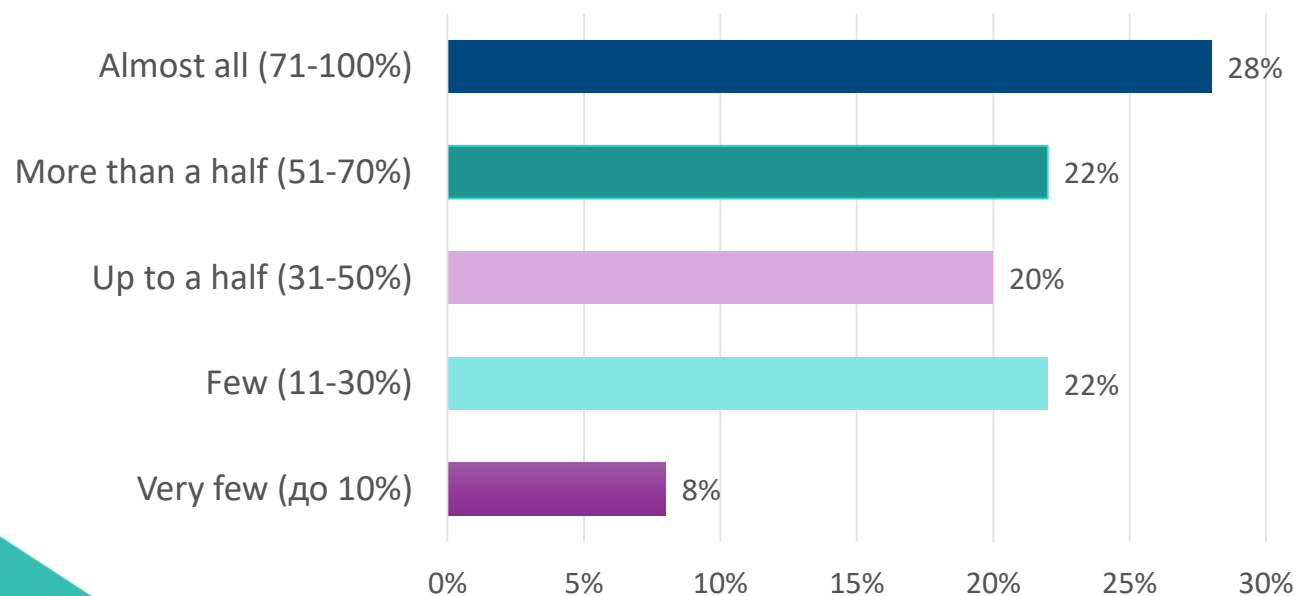


Respondents note:

- Cooperation with someone has been stopped, with some clients we are working on a reduced volume and with other clients are at the same level as before the war.
- Clients from Ukraine stopped cooperating, clients from abroad continue to cooperate and actively support.
- We almost stopped cooperating with whom we have had partnership until 24 February. 90+ % of new clients are from Western market.
- We try to support clients and help with communication, but there is no cash flow yet.
- We cooperate with the same clients, but they are inactive on any marketing activities.

How many clients stayed to cooperate with you compared to the period before 24 February 2022?

Most of the clients continue to cooperate with agencies they worked with before the war, but the clients' advertising activity almost stopped.



Respondents note :

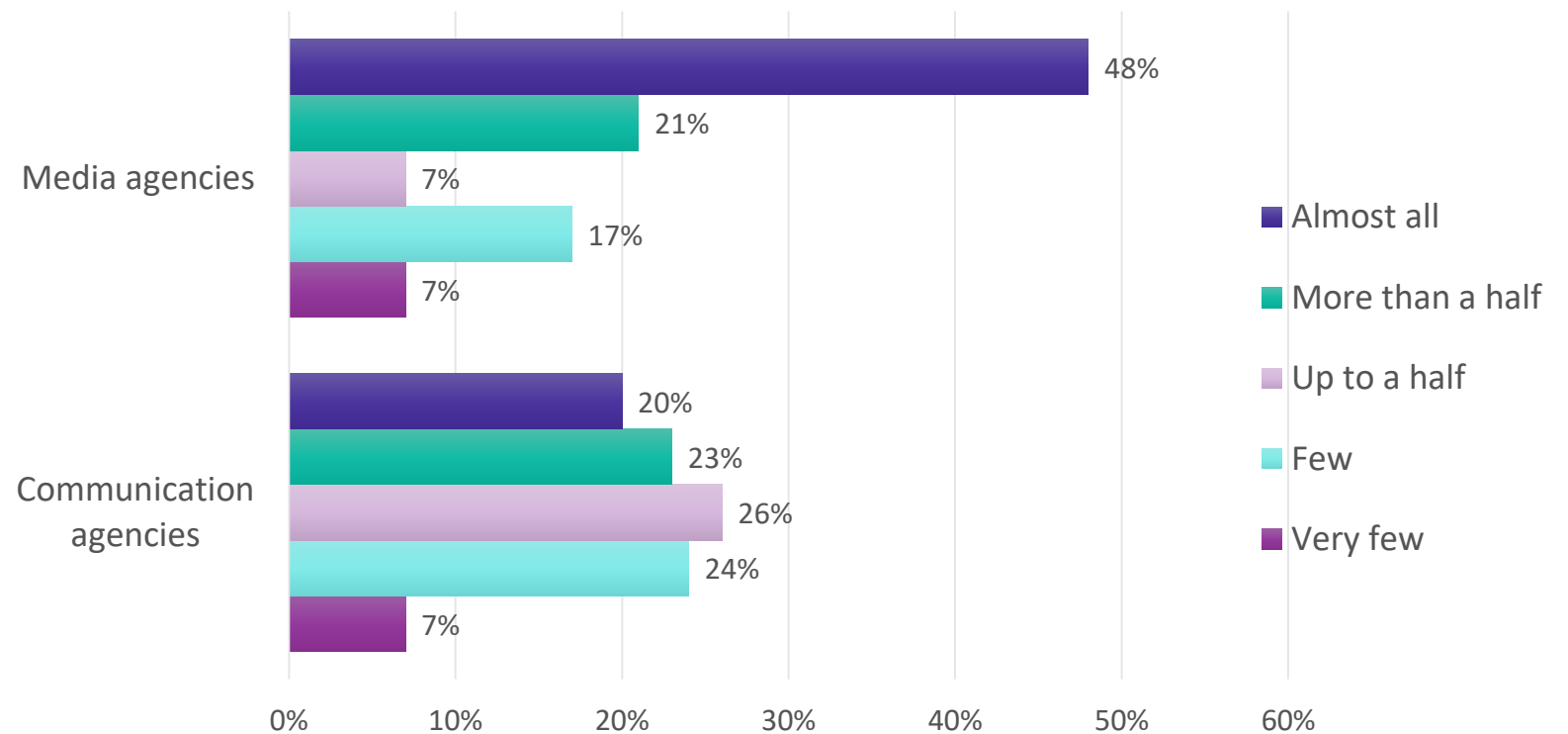
- Clients have stayed with us, but most of them do not have advertising activity.
- All stayed, but active only up to 10%.
- In the amount - 50%, in the money - 30%.
- 90% of the old, but made many new clients.

How many clients stayed to cooperate with you compared to the period before 24 February 2022?

Data according to the types of companies

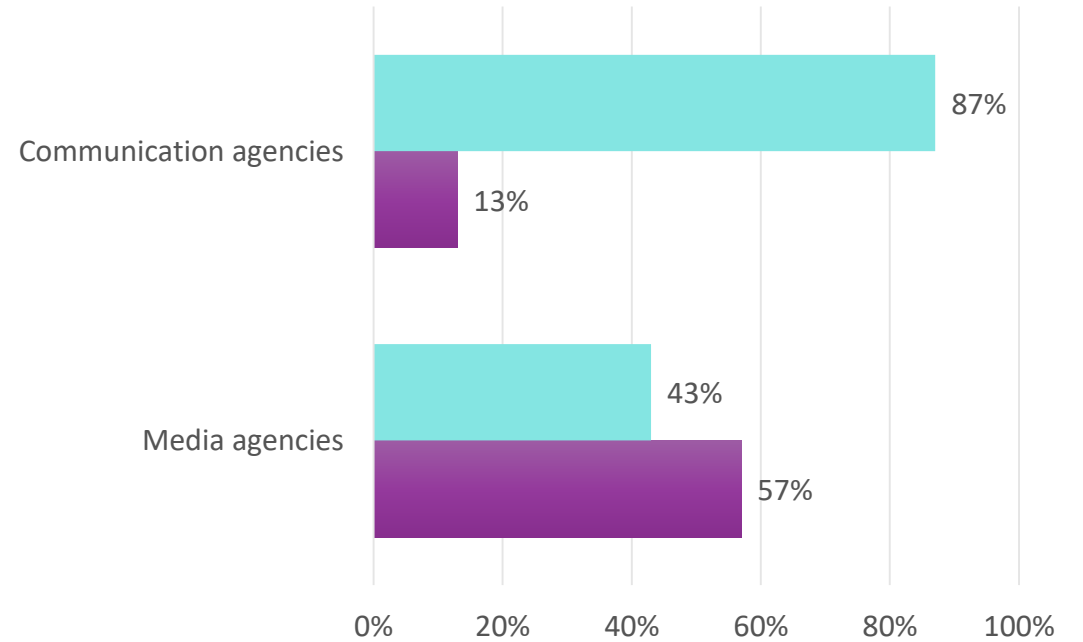
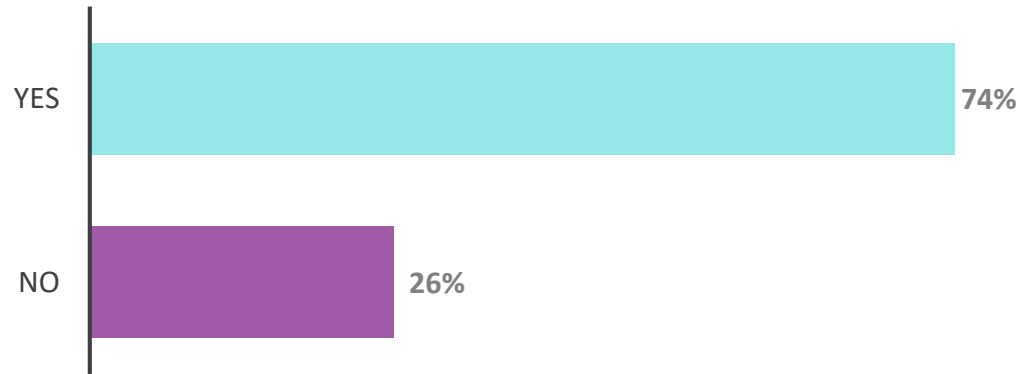
It is worth noting that responding to this question demonstrates how different agencies perceive their non-active clients for now. Almost a half of media agencies (48%) indicate that their clients stay to cooperate with them.

But at the same time, communication agencies are more prone to a pessimistic view. A half of respondents pointed out that they continue to cooperate with few pre-war clients or the amount of clients decreased more than 50%.



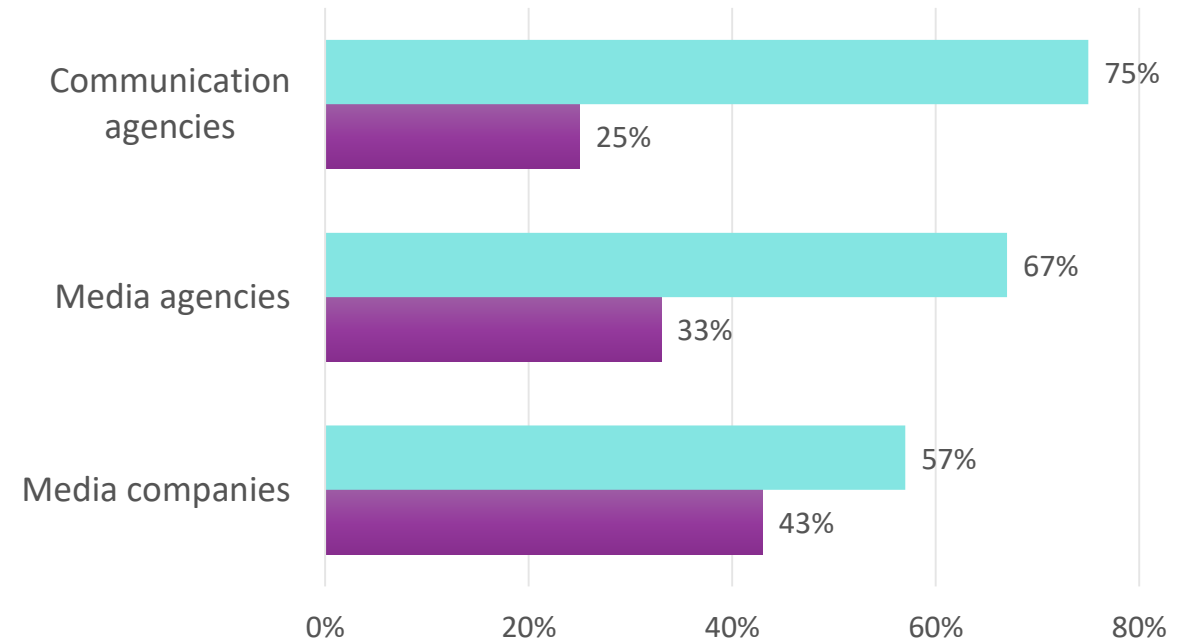
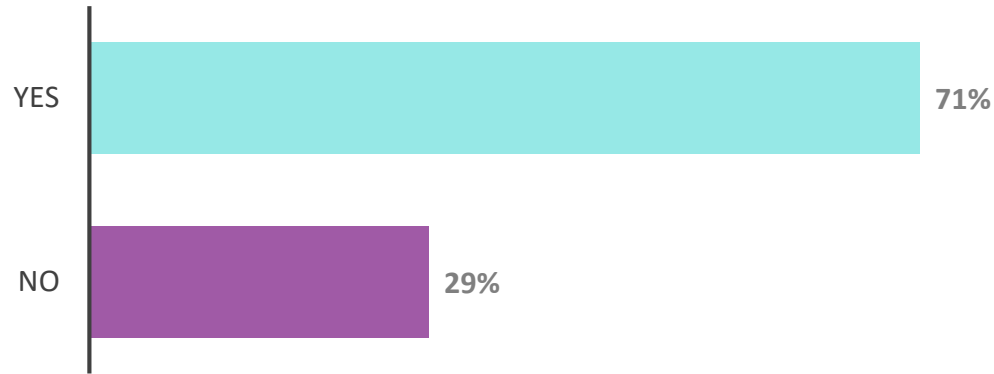
Has your company got new clients since 24 February 2022?

Many respondents (74%) have started cooperating with new clients. This relates to communication agencies (87%).



Do you cooperate with international partners (clients/agencies) in foreign markets?

The majority of respondents cooperate with international partners. 75% of communication agencies have collaboration in foreign markets. And more than a half of media agencies and media companies cooperate with international partners.



Do you see the value of being a member of VRK?

In these difficult times, we understand that a unity of advertising market players is a priority for a common purpose. For this reason the majority of respondents see the value of being a member of the All-Ukrainian Advertising Coalition and plan to actively participate in the further development of the advertising market of Ukraine. VRK expresses sincere gratitude for your trust and support.



Summary

- ❑ *The majority of members of VPK continue to work. This applies to all types of companies who participated in the survey: communication agencies, media agencies and media companies.*
- ❑ *But 81% of respondents pointed out that the amount of work has decreased. The majority of respondents (71%) indicated a very low or average workload compared with the same period last year.*
- ❑ *The number of employees was reduced by 24%. 30% of companies decreased the number of employees in a range 10-30%. A rapid layoff (from 70% and more) occurred only in 7% of respondents.*
- ❑ *51% of companies indicated that nearly a third of their team are currently located outside of Ukraine. 30% of respondents indicated that all or nearly 90% of their employees are currently located in Ukraine.*
- ❑ *There are changes in cooperation between 72% of communication agencies and their clients: they partially or completely suspended cooperation. But at the same time more than a half of media agencies (53%) continue to cooperate with their «pre-war» clients.*
- ❑ *However most of the clients continue to cooperate with agencies they had cooperated with before the war, but the clients' advertising activity almost stopped.*
- ❑ *Many respondents (74%) have started cooperating with new clients during the war. This relates to communication agencies (87%). Perhaps this is due to collaboration with international partners.*
- ❑ *Currently the majority of respondents (71%) cooperate with international partners. 75% of communication agencies have collaboration in foreign markets. And more than a half of media agencies and media companies cooperate with international partners.*



**LET'S MOVE TOGETHER
TO THE VICTORY!**