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## Why Luxury Brands Must Hit Multiple Consumer Touchpoints

The pace of change around the world has never been faster. ChatGPT is the latest AI technology to reach mass engagement and its applications make headlines globally. Everyone is consuming media in ever-evolving ways, presenting luxury brands with both a challenge and an exciting opportunity.

Here are three steps to stay ahead.

**Explore how purchase behaviours have changed**

The way people interact with brands evolves gradually. Yet 2020 was a year of revolution for most; the meteoric rise of TikTok being one example and the need for Ecommerce businesses to stay buoyant, another. Now, in 2023, many customers are elated to be back in stores, while others are more content with online retail and some happy with a mix of the two. So, how does this impact advertising for luxury brands?

In short, it calls for a mixed media approach. Striking ads in glossy magazines still have their place. But are digital consumers buying Harper's Bazaar each month or do they now take their tips from social media influencers?

**Consider your relevance**

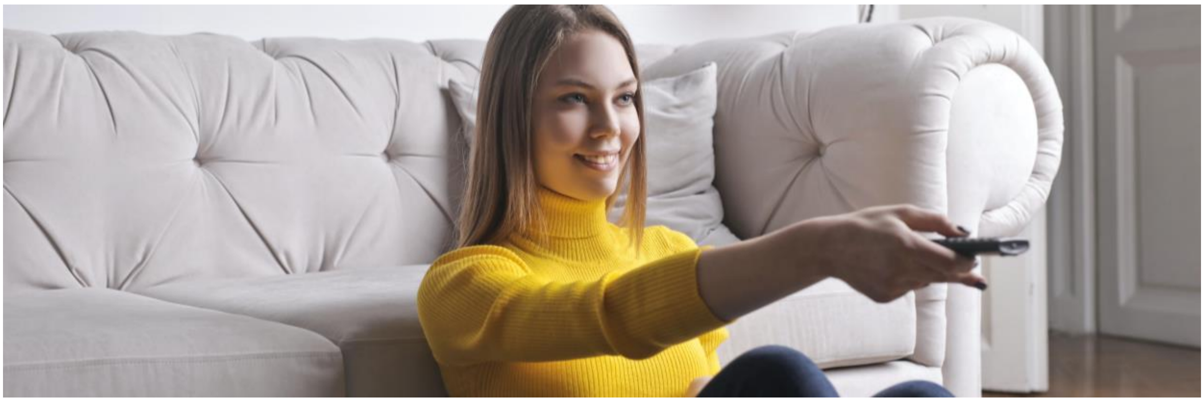
These changes in habits don't mean a complete shift to paid collaborations with Noorie Ana. Maintaining a balance between more traditional channels such as print and outdoor, and more contemporary digital platforms like Instagram, ensures luxury consumers are reached in environments most meaningful to them.

Many digital platforms also provide measurement opportunities not available to traditional channels – on and offline sales, ad attention and even footfall. In a world where digital convenience can alleviate the effort of travelling for goods it makes sense for brands to build a presence in digital spaces.

**Adapt what already works**

A high-end car brand is likely to have a heavy TV presence. A luxury fashion brand undoubtedly wants to be seen on the pages of Vogue. These are not bad choices! But with catch-up TV services like ITVX shifting to a catalogue-style streaming model, coupled with a wealth of first party data, could the car brand be less mass and more relevant? With Vogue.co.uk receiving 4.7m monthly visits, the fashion brand may be ignoring a significant online audience. Lastly, reach from a digital campaign is often more cost effective and the results more demonstrable.

Not everything will work. However, small adaptations to existing ways of working can unlock surprising insights and help luxury brands discover new ways of communicating with audiences – as well as acquiring customers who may have overlooked a brand relevant to them, but without visibility in their most relevant places.



## Measurement Improvements are a Must as CTV Ad Spend Increases

Earlier this year, the IAB released its 2023 Compass report, where it predicted that CTV spend will roughly double to £2.31bn by 2026. The report largely attributes this growth to increases in streaming due to more people having access to a connected TV, as well as new and improved services from the content providers. This, in turn, will be followed by increases in advertising spend.

Theoretically, CTV's unique selling point is that it fuses linear TV viewing with 'digital' targeting abilities. I.e., it offers advertisers the opportunity to reach highly engaged audiences, in quality content, with sophisticated targeting and reporting capabilities. However, the reality is the fragmented marketplace and shortcomings in measurement have held CTV back from delivering on its USP.

The term CTV includes services such as ITVx, All 4, YouTube, Netflix, Freevee, Samsung, Discovery Plus, Rakuten, Roku, Pluto, Vevo, and many more. Whilst the majority of views (and spend) are attributed to services from ITV, Channel 4 and YouTube, a typical CTV campaign will run across multiple VOD services, often offering different audience targeting and measurement systems. Current IP and device graph matching make it impossible to measure the success of each element of a media campaign, including isolating the effect that CTV has on business results. On top of this, it's not yet possible to pick up CTV in econometric studies.

Another missing piece of the puzzle is that the broadcasters do not allow third party tags to measure cross-campaign reach and frequency. The market is crying out for a unified solution to understand the effectiveness of CTV when it comes to incremental reach or driving low-cost frequency. C-Flight will help us to measure linear and BVOD reach across multiple audiences later this year, but currently there are no plans to incorporate YouTube or Advertiser VOD (AVOD) providers into this.

In better news, the long-tail CTV providers (such as Rakuten, Pluto, Roku etc) are working hard to form a unified approach for agencies to access their content more easily, as well as collaborating around targeting and measurement. And measurement solutions such as C-Flight, Viewers Logic, BARB partnerships, and Project Origin are making inroads to help us to measure reach and frequency, as well as the incrementality of CTV.

# Feeling Blue: Whether Brands Should Pay for Verification

While many phrases have been used to describe Elon Musk's first six months in charge of Twitter, 'uneventful' certainly is not one of them. Since officially announcing his takeover of the social media giant in characteristically troll-some fashion, the company has undergone a series of rapid, controversial changes, as its new CEO looks to make the company's finances sustainable.

Musk's signature proposition has been Twitter Blue, a radical rewriting of the platform's verification programme. Gone are the days where a verified profile required a formal application to Twitter; anyone, regardless of notability, can now acquire a coveted blue checkmark for their account – so long as they are willing to cough up $8 a month.

On April 20th, Twitter formally removed the blue checkmarks from all remaining 'legacy' verified accounts, leading to a bizarre period when accounts as high-profile as @nytimes and @pontifex – the official account of Pope Francis – with a combined 74m followers, were left check-less. All of which has created somewhat of a dilemma for brands – should they pay for a verified account and, if they choose not to, what pitfalls may they encounter?

The major benefit of Twitter's old verification system was that it acted as a quick sense check for users. Other profile features, such as a large follower count, may indicate that a brand account is genuine. But in a platform where fake accounts often crop up faster than they can be removed, with an experience designed for the fast-scrolling consumer, a blue checkmark signalled authenticity.

The early months of Musk's tenure have shown that even a paid-for verification may no longer be enough for brands to stave off imposters. Soon after Twitter Blue was launched, a host of accounts pretending to be recognisable brands surfaced, blue checkmark in arm, with many posting controversial content under the guise of the brand. And while many such accounts were intended as satire, their presence had significant ramifications, with some causing steep falls in share prices.

In reaction, Twitter has created new gold and silver checkmarks for organisations and government figures, creating an additional safeguard for users looking to interact with brands. Yet such badges currently appear to be applied inconsistently: @BBCNews has a gold checkmark, for example, but its sister account @BBCWorld is stuck with plain old blue.

And then there's cost. According to Twitter, a Verified Organization's subscription starts at $1,000 a month. While this may be affordable for some companies, for smaller brands this fee represents a significant outlay. Add to that the possibility that other social media sites – such as those owned by Meta, which is also experimenting with a paid-for verification service – may soon begin charging brands for checkmarks, and such costs could become prohibitively expensive for some companies.

Any brand weighing up whether to invest in verification will have to assess several factors: the role their social media presence plays for customers, their likelihood to face imposter accounts, and the reputational risk that not being verified may incur.

It's worth noting that, while seismic, the recent changes made to Twitter have all occurred within a short space of time. While the current litany of blue, gold, silver and grey checkmarks may cause short-term confusion, over time users will gain a deeper understanding of how to confirm accounts' authenticity – creating a danger that branded accounts without verification will be left behind.

The Twitter Blue programme has changed how social media operates, and its impact extends beyond Twitter. While most users have so far been reluctant to pay for their accounts, if uptake increases this would have significant implications for advertisers – not least because subscribers are shown around 50% fewer ads on the platform.

Similarly, the implications for brands of choosing whether or not to pay for their verified checkmarks will take time – to borrow from Musk's infamous takeover announcement – to sink in.


# SXSW 2023: a Snapshot for Marketers

South by Southwest (SXSW) festival once again presented a smorgasbord of emerging technology, trends and thinking last month. Consolidating the hundreds of sessions into useful themes for marketing is not the easiest task but, thankfully, the IPA did that bit for us and held a wrap up session to outline a couple of the key lessons learned; AI vs human connection and viral trends vs effectiveness for brands.

**In a World of AI, Don't Forget Humans**

Unfortunately, ChatGPT isn't up-to-date enough to write this piece for me, but it won't come as any surprise to you that it, and AI technology more broadly, was the self-aware heartbeat of the festival. However, rather than focus on how it will take over the world, the most interesting theme for marketers arose from discussions about what it can't offer; the human reconnections that many of us are craving. Across talks from doctors, artists, and charity workers – a fundamental part of the festival was discussing how we can remain in a world that prioritises our basic social necessities.

For marketers, this is a really important point to remember. Technological advances can only support advertising efforts if used properly. Yet, if we're to ensure that brands are still delivering that emotional connection which has been proven to lead to longer-term effectiveness and growth, we cannot forget what it means to be human and must consider what that may mean for communications.

**Jumping on Viral Trends**

Whilst there wasn't a branded NFT to be seen this year, the second key takeout for marketers from SXSW was the finite balance between jumping on social trends and not forgetting the basics of long-term effectiveness. Brands seeking visibility around the latest viral trend is hardly new, although whether they should is the bigger question. One of the most viral tweets that came out of Will Smith/Chris Rock #slapgate said, 'Dear brands, you don't need to post a Will Smith meme. It doesn't fit your brand strategy.' Unknowingly, this tweet summed up a number of key talks at SXSW a year before they happened.

Tentpole moments in brand social strategies are important, but they should be used only when they align to your long-term content strategy. They may allow you to rise above the noise barrier, but consumers will stick with you for your consistency. For example, if you're a running shoe brand you should be delivering consistent content that works for runners. This is the path of long-term effectiveness. Sprinkled in between you can pounce on the tentpole moment of the UK-wide alarm being scheduled for the London Marathon – because it's a viral moment in time that aligns to your content strategy. Remembering the latter is what separates the good from the cringe on social.

Two useful themes from SXSW for marketers were not forgetting the importance of human connection in a world powered by AI and utilising 'viral' moments on social only when they work for your brand strategy. However, if neither of those piqued your interest, you could seek out the many talks around the benefits of hallucinogens to spark creativity. At least, I think I saw those actually happen..!

# The New Commercial Landscape

This month, the hotly anticipated IPA Touchpoints report saw its fifth edition released, comparing behavioural and consumption shifts over the past 3 years. Below you'll find the best bits – both the "game-changers" and the "stay-the-samers".

**Firstly, game-changers.**

When looking at potential reach by channel, 16-34s and those 55+ appear more alike than ever. However, we shouldn't be fooled into thinking that their similarities mean that consumption is the same. The correlation between the age groups when it comes to the time spent with channels is at an all-time low – at only 7%. For example, reach across BVOD may be similar but older audiences could be Appointment TV viewing, selecting their programme of choice each time vs bingeing behaviour from younger audiences. This demonstrates the increased need for the role of planners to understand how different audiences are not only exposed to channels and platforms – but how they are engaging with them too. With the increasing divergence between age groups – guaranteeing broad reach for advertisers becomes more complex.

Another game changer is digital transformation by age group. For the first time ever, the top 5 reaching media properties for 16-34s were entirely made up of social or online video platforms. Whilst this undoubtedly demonstrates the proliferation of digital consumption across the age group, there's also a feeling that digital consumption levels for younger audiences may have reached a peak and is unable to grow much beyond current levels. With the IAB publishing this week that digital ad spend smashes growth targets with a 56% increase since the pandemic, it will be interesting to see where further growth will come from in future years. Will ad spend across digital start to slow, or will the convenience and tech advancements help deliver growth against the 55+?

**Secondly, the stay-the-samers.**

Whilst the above illustrates the shifts in consumption, as human beings, we remain creatures of habit. Despite tech giving us the opportunity to host TV shows, movies, and the latest reality gossip all in our pocket, consumers still sit down in the evening and watch content on the big screen. So what else has stayed the same?

OOH remains – for the 5th year running – the only single curated channel that can deliver 90% weekly reach against all ads. With the fragmentation of other traditional channels – think TV into BVOD, SVOD, AVOD, CTV and all the other acronyms, or radio into music streaming, podcasts and digital audio – singular reach with one channel becomes a lot harder. OOH remains consistent; the digitisation of the platform isn't fragmenting audiences, it's just making the formats more advanced for both audience and messaging targeting.

Finally, despite the lockdown driving an increase in subscription viewing – shifting consumers into more ad-free platforms – the ability to target consumers across commercial media remains mainly unchanged (from 61% to 62% against all ads, and from 63% to 66% for 16-34s). Great news for agencies and advertisers alike! With Disney+ and Netflix both announcing ad-supported opportunities and the growth of platforms such as FAST in the US, we can anticipate the opportunity to see growth across commercial media. This will, however, come with its own challenges as the pressure to capture attention and stand out across an even heavily fragmented market puts more emphasis on planners to truly understand their audiences.

Whether we concentrate on the "game-changers" or the "stay-the-samers", the one thing the latest report shows is that planners need to be evermore considerate of how different audiences grow and evolve with the tech and opportunities presented to them within channels. At the7stars, we put people first and use qualitative and quantitative insight to understand our audiences, translating them into audiences that we can actually buy against with data and allowing advertisers to see the wood for the trees in an increasingly fragmented media landscape.

# This month's mini stories

Much has been said about the clash between US Tech Titans Microsoft and Google and their text-based AI products, ChatGPT and Bard. Nevertheless, recent months have seen Chinese companies invest massively into Artificial Intelligence. Such a positive attitude towards this technology seems fitting given that the Mandarin word for love is 'ai'. Alibaba, Tencent and Baidu have all been developing their own AI products, further intensifying the US-China tech rivalry. These projects have been coming on in leaps and bounds, with Tencent and Alibaba's text-based AIs now proven to outperform humans in language tests. Although it remains to be seen whether these newer models can dethrone ChatGPT, one thing's for certain: China has fallen in love with Artificial Intelligence!


Social media app TikTok was fined £12.7 million by the Information Commissioner's Officer (ICO) for breaching data protection law by using the personal data of children under the age of 13 without parental consent. The ICO stated that the company had not done enough to ensure that all users of the app were over the age of 13 or to remove accounts of underage users. It was estimated that TikTok allowed 1.4 million children under 13 to use the platform in the UK (even though 13 is the minimum age needed to create a TikTok account).

The Guardian has struck a deal with adtech company Illuma to protect the content of publishers whilst also making money from contextual advertising. The agreement will see The Guardian categorising article webpages for contextual advertising whilst also ensuring that the intellectual property rights of the content are protected. This partnership was endorsed by the Association of Online Publishers (AOP) just weeks after the AOP managing director Richard Reeves published an open letter denouncing 'unscrupulous' tech vendors of stealing publishers' IP through data scraping practices.