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May 2021

THE RIDICULOUS RISE OF NFTs

In March, Twitter co-founder Jack Dorsey commemorated the site's fifteenth anniversary by auctioning off the first ever tweet for $2.9m. Yet, the humble tweet – presumably created in ten seconds back in 2006 – is not even the high watermark for a sale of its kind: a .JPG file recently sold for a jaw-dropping $69.3m, the third highest price ever paid for the work of a living artist.

These sales were two of the landmark moments which have defined one of 2021's biggest crazes: the non-fungible token (NFT). A host of brands, from Taco Bell to toilet paper, have hopped on the NFT bandwagon. While most have taken the form of novelty collectibles, such as Pringles' golden crypto crisps, NFTs may soon serve more practical purposes. Since 2019, Vodafone has hidden NFTs around London, with treasure hunters competing to win tech goodies. Nike, too, was an early pioneer, having acquired a patent for physical, blockchain-compatible trainers. And with designer goods becoming hotbeds for trading among collectors, fashion designers are starting to take note of the potential of NFTs.

However, brands should proceed with caution. A hot topic of debate in financial circles has been whether the ballooning NFT market could burst as abruptly as the dotcom bubble of the early 2000s. Perhaps more concerningly, the environmental impact of the technology is enormous, with a single NFT created by the musician Grimes producing an estimated 70 tonnes of CO_2 emissions. In order to power its always-on network, the blockchain currently requires an energy consumption on par with that of Argentina, and this is only likely to surge as its usage explodes.

Any brand which opts to dabble in the NFT business must first think seriously about its environmental credentials, as charges of hypocrisy could cause severe damage to brand health – as Sega learned when its entry into the market was met with a backlash from concerned fans.

Such calculations make the decision to enter the NFT market a challenging one. But with the craze showing no signs of slowing down, having grown by 800% since the turn of the year, one thing is certain: brands who turn a blind eye to the blockchain boom do so at their peril.

IOS 14.5 & THE CHALLENGES IT BRINGS

Until now, advertisers have been able to rely on Apple's IDFA (identifier for advertiser) for tracking, targeting and attribution across Facebook. The IDFA is also how advertisers are able to segment iOS users into 1st party audience lists for targeting (e.g. website visitors) and optimise campaigns towards a specific conversion or event goal.

With the launch of iOS 14.5, users must now give their permission for their data to be tracked. Businesses that advertise mobile apps as well as those that optimise, target and report on web conversion events will be affected. In response, Facebook has created solutions to help combat the impact with the release of Apple's SKAdNetwork and Facebook's Aggregated Event Measurement (AEM).

When Apple enforced its prompt with the release of iOS 14.5 on the 26th April, advertisers initially saw 4% of users in the US and 15% of users globally opt-in. While the roll-out is gradual, as adoption increases, a variety of impacts across the Facebook platform are highly likely, including:

- Performance fluctuations: advertisers can expect to see the Facebook pixel record fewer conversions causing performance fluctuations and increased CPAs.

- Less granularity: as well as breakdowns (age, gender, placement) no longer supported in Ads Manager, the limit on custom conversions means advertisers will be unable to report/optimise using every step of the product journey.

- Audience sizes may decrease: users who opt-out of tracking will automatically be excluded from certain targetable audiences.

- Less flexibility in attribution windows: longer windows of 28-day click, and 7-day view are no longer supported which will limit analysis when trying to understand the impact of ads, especially for products with a longer decision period e.g. holidays, mortgages etc.

- All advertisers are now subject to the 8 event per domain limit for optimisation.

While advertisers won't know the true impact of the update until the roll-out is complete, there is no doubt that personalised advertising and attribution will face some challenges across Facebook in the future.

HFSS TOTAL ONLINE BAN

In a 10-minute address to the House of the Lords earlier this month (11th May) The Queen highlighted several laws ministers intend to pass in the coming year, one of which was the Health and Care Bill, aimed at tackling the obesity epidemic.

One of the key elements of this legislation is the tightening of restrictions on promotion of foods high in fat, salt or sugar expected to take effect from April 2022. So-called junk food advertising will be forbidden prior to the 9pm watershed on TV and banned entirely online.

Consultations began back in 2019 on this issue but with obesity thought to be a contributory factor to the pandemic death toll it appears there has been a real push for immediate action and a blanket HFSS ad ban.

Naturally anti-obesity campaigners welcomed the news, but it was met with dismay by many in the advertising industry. Losses in revenue could amount to an estimated £4.6bn for online platforms and a further £66m for advertising agencies. A joint statement from ISBA, IAB UK, IPA and the Advertising Association read, "The advertising sector is a proven engine of the UK economy, and we would urge ministers not to damage the jobs and tax revenue it creates. Beyond these direct benefits, the UK's world-leading advertising sector also underpins the success of the food and drink industry – itself the UK's largest manufacturing sector."

Fundamentally, will an advertising ban solve the longer-term problem? The Government sees the move as a way of future-proofing their policy against changes in media habits, particularly amongst children. However, we've seen regulations imposed within the tobacco industry and more recently in the gambling sector, but the measures are continually having to evolve as issues prevail. Could a HFSS advertising ban mean brands invest more in their point-of-sale activity, for example? Kate Halliwell, chief scientific officer for The Food and Drink Federation claimed, "This Government is interested in headline-chasing policy rather than making serious interventions that will help reduce obesity rates."

Right now, there is a lack of clarity in the scope of the online ban and the IAB have been seeking to explore the full ramifications with the Department for Digital, Culture, Media and Sport. We understand the ASA are pushing the government into looking at alternatives to an advertising ban as they view this as a regulatory issue. Whatever their outcomes we expect a further update on the HFSS restrictions in the coming weeks as the Health & Care Bill will be introduced to Parliament next month.

GOOGLE LAUNCHES THE SHOPPING GRAPH

Google last week launched its new Shopping Graph - the real-time dataset that connects shoppers with billions of product listings from merchants all across the internet. They also announced an expanded Shopify integration and several other features designed to facilitate e-commerce for users.

Built using the same principle as Google's Knowledge Graph, Shopping Graph brings together information from websites, prices, reviews, videos and retailer product data, and calculates how those attributes relate to one another.

The Shopping Graph is a dynamic, AI-enhanced model that understands a constantly changing set of products, sellers, brands, reviews and most importantly, the product information and inventory data we receive from brands and retailers directly.

With people shopping across Google more than a billion times a day, the Shopping Graph makes those sessions more helpful by connecting people with over 24 billion listings from millions of merchants across the web. It works in real-time so people can discover and shop for products that are available right now.

Another notable Google Shopping announcement is the ability for Google Lens to detect searchable items in screenshots saved to Google Photos. When you view any screenshot in Google Photos, there will be a suggestion to search the photo with Lens, allowing you to see search results that can help you find that pair of shoes or wallpaper pattern that caught your eye.

Google is also working to tackle cart abandonment with a new Chrome tool that bundles together open carts across a number of merchants in a separate tab in an effort to encourage people to make a purchase.

It would seem Googles' primary focus is on creating the best possible shopping experience for the consumer, whilst ensuring that more people stay within their platform as opposed to finishing their purchasing elsewhere. It's also in further response to breaking some of Amazon's dominance.

The emphasis on pulling in retailer product data puts real priority on having a up to date, real time and detailed product feed, to ensure that when consumers are searching a brands products, their products are more likely to be featured.

It also puts added importance on making sure product descriptions and titles are accurate and relevant, managing your reviews and creating engaging product content on You Tube.

TOUCHPOINTS 2021: HOW LOCKDOWN HAS SHIFTED OUR CONSUMPTION

This month we saw the latest Touchpoints data released, looking at behaviour across Jan-Mar, and giving the industry a fresh look at media consumption post (yet another) lockdown. In September, we saw initial changes to the landscape with OOH seeing particularly steep decreases; its time being replaced with traditional broadcast platforms such as TV and Radio which saw increases of 14% and 10% respectively. The latest edition observes whether initial behavioural changes have stayed the same or altered even further.

During the first lockdown, consumers spent 2hrs 37m out of the home. This has gradually increased over the latest lockdown to 3hrs 55m with consumers feeling slightly more confident with regulations. This was driven by changes in both work and school as well as social activities such as cycling and visiting parks which all saw higher increases in 2021 versus lockdown one. Conversely, we saw acts of mindfulness decrease over lockdown 3; further corroborating consumers' feeling more confident and potentially less anxious after adjusting to the new reality over the past year. This increased confidence and time outdoors has, ultimately, influenced OOH consumption too. Time spent consuming OOH has increased versus the first lockdown and returned to a 90% weekly reach against all adults, although the volume of time remains less than an hour, compared with nearly 3 hours per day spent on the mainstay TV.

With AV leading the charge for media consumption during lockdown, it's no surprise that we saw time per day increase across all platforms. Commercial linear TV saw an increase of 23 minutes a day whilst BVOD saw the highest percentage growth and now accounts for 10% of all viewing. Online video and SVOD together see nearly 30% of all AV consumption; the latter increasing a total of 16 minutes per day from pre-lockdown to lockdown 2021. It will be interesting to observe how AV consumption continues as we start returning to normal; the expectation being that on-demand viewing will only increase as our time in-home decreases.

We also saw increases in audio; whilst live radio remains the core platform for consumption, overall time spent with audio was augmented by podcasts, which saw a 50% increase. This was potentially due to consumers switching from music streaming platforms, with Spotify and Apple Music seeing a decrease in the number of minutes' listening per day. Audio habits also shifted across periods of the day with lower commuting numbers tending to move listening slots for consumers to later in the day.

Finally, with Touchpoints' time diary data, the7stars have been able to launch a new visualisation tool – JoyDex – giving us a clear view of how consumers are feeling throughout the day when exposed to different media, activities, people and locations. Combined with indicating where consumers are most likely to turn for trustworthy content, this gives us an effective perspective to tailor our comms and messaging to the right consumer mood, increasing relevance and opportunity to resonate.

LIGHTBOX SENSE

MEASUREMENT THAT MIRRORS HUMAN PROCESSING

When looking at creating a successful media campaign, there are four essentials that need to combine together for it to be successful. Success means driving business goals and sustaining brand health. The four essentials are: delivering the right message, at the right time, to the right person, in the right place. Whilst all four elements are important, when the message is on point, the other three elements can fall into place more easily.

However, achieving a message that resonates is often easier said than done. Our the7stars neutral planning research found that the default consumer response to advertising is one of apathy, with 2 in 3 more inclined to dislike or feel indifferent to a piece of advertising.

Paired with this, consumers are presented with advertising anywhere that the eye can see. It was estimated by Yankelovich, a marketing research firm in the US, that we see around 5,000 ads every 24 hours – and that was in 2007. Some believe this number could have so much as doubled by now. This makes the task of creating a piece of advertising that cuts through the clutter and drives consumer engagement even harder.

Consequently, if we want to create advertising that delivers impact then we need a method to determine consumer engagement with it before publication, in order to afford it the greatest chance of success.

Traditionally, research methodologies have relied upon rational approaches such as focus groups and questionnaires. If we ask consumers their opinion on a piece of advertising, they apply post rationalisation to formulating their answers, and this doesn't reflect the full picture of how people make decisions.

Humans aren't rational, logical creatures. Often decisions we make are born of an instinctive, emotional reaction to experience which is then rationalised and processed. So, whilst rational approaches have their benefits (the opportunity to collect a robust sample, to probe into the 'why' and to turnaround data at speed) they don't present the opportunity to tap into the emotional side of the brain.

This is where methodologies such as eye-tracking, implicit response and biometrics work, because they observe rather than ask. However, these approaches often rely on smaller sample sizes, are more costly and have longer lead times.

Therefore, if we are going to measure a piece of advertising, we need to mirror the human brain. This means bringing together methodologies that tap into both the emotional and the rational processing that humans undertake. Doing this will enable us to generate a far stronger piece of messaging with a greater chance of breaking out of the background to capture a consumers' attention. This is precisely why we have created Lightbox Sense – our new proprietary creative measurement tool, which collects data from both the emotional and rational parts of our brains.

POSITIVE NEWS

Recent research from Stanford University provided evidence that the "Zoom fatigue" many of us feel is entirely real. However, there are now a growing number of sites, platforms or apps that offer an alternative to the many faces displayed across Zoom or Teams. Gather is a virtual world where you choose an avatar and interact with people the same way you would in the non-virtual world. You can join conversations and move your avatar round the screen as you do so. When in conversation a small live video appears above the main screen. Gather already has 4 million users at only 18 months old, and there are ever more other solutions. Wonder is another virtual event space where the user moves between white circles representing tables on which people can video chat

UK advertising company Mirriad is offering the ability to add products digitally into almost any movie or TV show in a new kind of product placement.

The technology seamlessly inserts computer-generated images by 'reading' the image, understanding depth and motion to introduce a product that the viewer would not be able to tell was not there at point of filming.

This could also offer music artists the chance for an additional revenue stream by inserting products into music videos digitally – without the need for having to wear the brand's clothes physically, for example, or re-record a video.

Sky has announced that they are launching new advertising formats one of which will be Shoppable Ads. These ads will feature a QR code within the ad, enabling potential retail brands to promote offers and direct those who have scanned the QR code to a desired action.

In addition, Sky will introduce Pause Ads into its roster. When a viewer pauses live TV, after 5 seconds the ad will display on screen until the viewer resumes playing their program. Sarah Jones, Head of Planning for SkyMedia said "What a great opportunity to fill the dead time with related ads while the TV is paused".