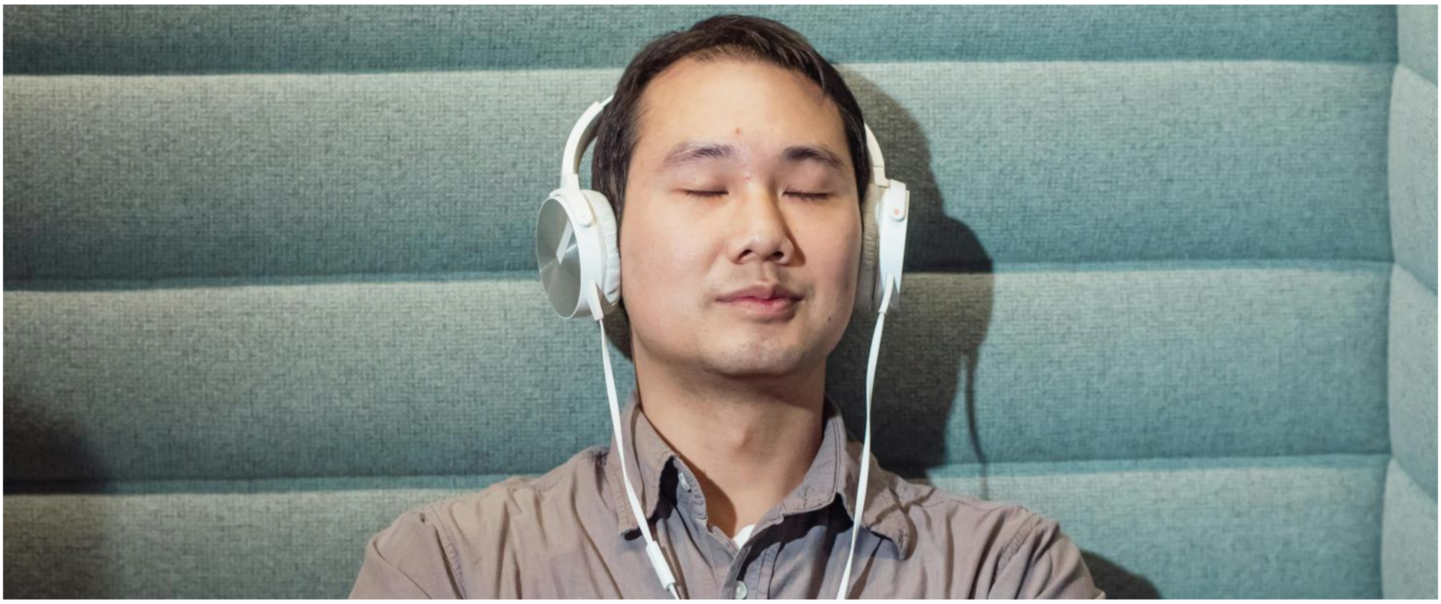
What's Hot?!

July 2024



Connected Audio Continues To Dominate

Once again, audio has hit the headlines as it continues to go from strength to strength. The latest RAJAR results overall showed a strong picture across the market with core growth coming through connected audio, now reaching two-thirds of all UK adults, shifting from half in 2019.

Connected audio is flourishing

We see the development of connected audio continue to flourish, covering podcasts, audiobooks, streaming music, catch-up radio, and any live radio consumed via smartphones, computers, smart speakers, etc. With the advancements in technology over the past 5 years, we naturally see consumers' habits changing, which is reflected in the latest figures. The release of the RAJAR and Midas figures at the end of May shows that one of the strong growth areas is on-demand music, up nearly 14% in weekly reach since 2018, now at 36% weekly reach.

Live radio still dominates

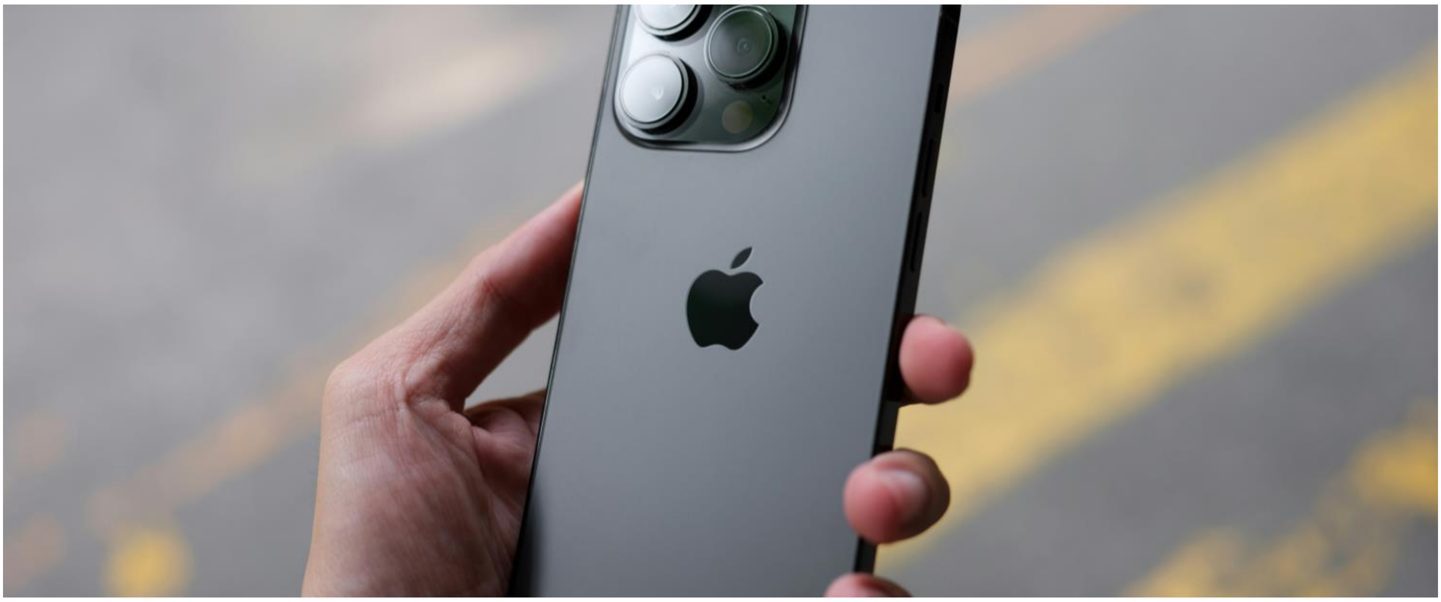
Despite the digitalisation of audio, we still see live radio taking the lion's share of listening, with 70% of all adults' listening time being live radio. This shows that radio still dominates the audio space and that the shift in listening is purely platform-based and changes in the way people consume the media. The benefit of this shift is how we can target listeners, allowing us to use data points to cleverly target consumers seamlessly across radio. If we look at Octave's Illuminate product, it has developed from utilising Bauer's data to now having the ability to retarget consumers exposed to audio via Octave with digital display across Bauer's sites. This connectivity between audio and display is game-changing in the market for enhancing the consumer's purchase journey.

Connectivity allows deeper engagement

As we see more users engaging with audio digitally, it can open the door for brands to connect on a deeper level. Spotify is leading the way in the connectivity space, weaving the latest AI technology into their app with their personalised playlists and specifically their 'daylist', which curates playlists depending on learnings from consumers' behaviours throughout the day and week. We are yet to see this area monetised with brands but this could come before the end of the year, and we aren't far away from brands monetising their infamous 'Wrapped' property. This heightened personalisation can truly capture consumers' attention and will allow brands to benefit from enhanced engagement.

Consumers' behaviours will continue to adapt

We will continue to see growth in connected audio over the coming years. The difficulty is knowing what this level of connectivity will do for brands; however, we know that early adopters in the technology and AI capabilities will benefit vastly from setting themselves apart from their competitors. Personalisation in the space continues to be important, but ensuring the balance is right is key. In no time, we have no doubt that AI will be able to pull audio copy with humanistic quality bespoke to a listener's requirements, opening the door to bespoke copy easily without production costs.



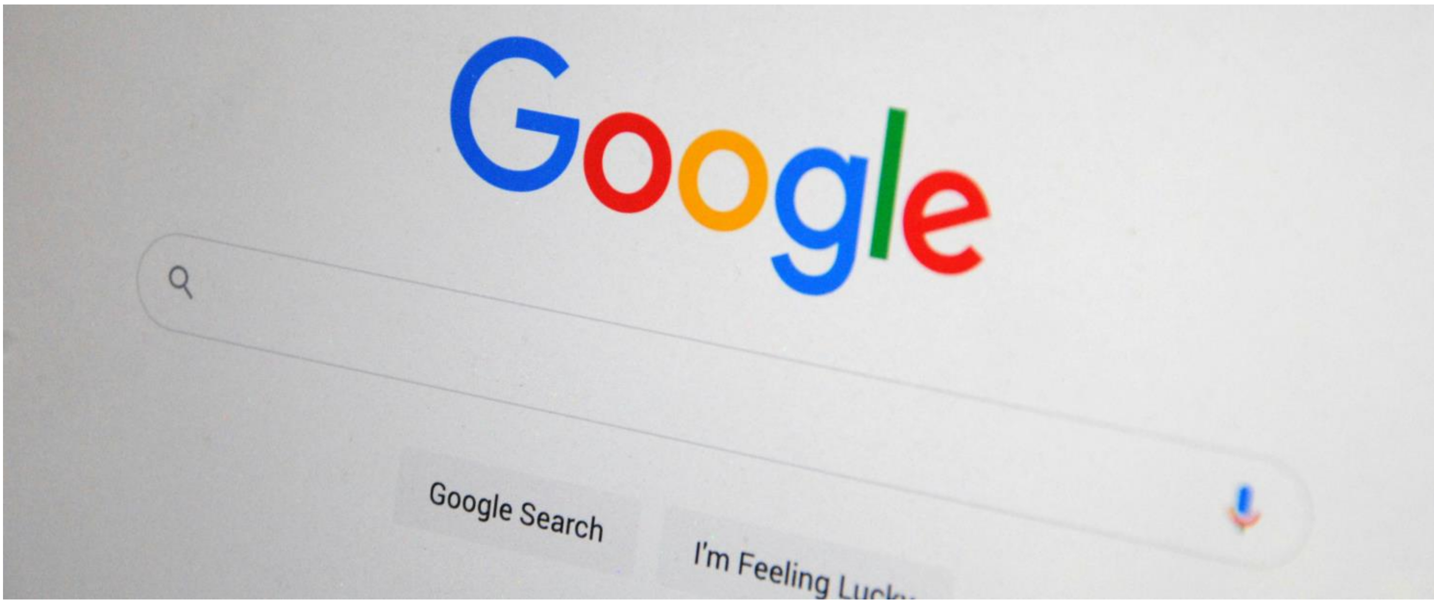
Apple Set to Change the Tech Landscape Yet Again

Apple's Worldwide Developer Conference (WWDC) 2024 delivered yet another landmark for the hosts this year. Viewers peaked at over 800,000 to witness Apple finally adding the word 'AI' to their vocabulary, although they managed to tweak it ever so slightly to mean 'Apple Intelligence' instead of the acronym's traditional interpretation. Apple Intelligence is a personal AI system designed to provide device users with enhanced language capabilities. With the beta version launching in Autumn of this year, it will be built into many of Apple's newer iPhones, iPads and iMacs. With one of the world's most influential tech companies entering the rapidly evolving field of consumer AI offerings, will consumer sentiment about AI take a turn for the better?

Our proprietary research platforms suggest that consumers were still split about AI earlier this year. Our quantitative research platform, the7stars Pulse, indicates that more than one in three Brits look at AI more positively now than they did a year ago. However, the vast majority continue to remain on the fence regarding the matter. A big reason for this reservation is a lack of general education surrounding AI. One respondent who is part of our qualitative research community, The Street, captured this sentiment perfectly when asked for their opinion – 'I'll be honest, I'm not educated enough... it's something that I need to educate myself on.' (J, Male, 25-34 y/o). Others described AI as 'fake', 'scary' and 'creepy'.

Apple's WWDC this year aims to alleviate concerns about AI by making it their own – Apple Intelligence. This rebranding strategy attaches a sense of familiarity, hoping to increase overall trust and comfort with the subject. Additionally, the company prioritises seamless integration, contrasting with competitors like Google who offer AI through standalone applications and platforms, among other integrations. Apple views AI as a function, not a product or a service. This simplification could increase user interaction with AI significantly in performing everyday tasks like texting, writing emails, or editing photos. Instead of necessitating additional steps through dedicated apps and websites (a common inconvenience), Apple Intelligence incorporates AI directly into the workflow.

So, will the most influential tech company have a positive effect on consumer sentiments when it comes to AI? Our guess is YES. Apple has a history of reimagining and pushing the boundaries of technology, and they boast a loyal customer base. A portion of these users will soon have access to one of the most sophisticated consumer-focused AI features available. This, coupled with Apple's brand recognition, is likely to lead to a significant growth in consumer interaction with AI, potentially pushing the technology further into mainstream adoption.



Google Marketing Live: A New Era of Ads

A new era of AI, a new era of ads. This was the tagline of Google Marketing Live – Google's 2024 Product Roadmap Kick-off. Of course, 2024 is the year of AI, so no wonder this was particularly front and centre this year. Despite Paid Search Marketing already relying on AI (think Bid Strategies, Ad Auctions, RSAs), Google Marketing Live announced a number of exciting new ways AI can be incorporated into the PPC world.

AI & creative

With visual creative becoming ever more important in the world of Paid Search Advertising, Google has developed and released an AI-based Image Generation Tool, which can create visual assets for use across PMAX & Demand Gen campaigns. This is useful for advertisers who, for a variety of reasons, can struggle to create assets. On top of this, there are AI-based tools that can then take the generated image and amend it to the brand's look and feel. There is a measurable benefit from this, with Google claiming that advertisers who use asset generation are 63% more likely to have a Good or Excellent Ad Strength – a marker of a high-quality ad.

AI search results

Google's own AI chatbot, Gemini (formerly known as Bard), which has existed since 2023, has now been incorporated into Google's search results, allowing users to see AI-generated content alongside their search. While this was initially a concern for search marketers – that AI content was hijacking the Search Ad real estate – Search & Shopping ads are now being incorporated into the generative results. This essentially creates a new placement for Search & Shopping Ads and places them in a more natural-language environment. This placement, which works in the same way as current Search & Shopping Ads, has the added benefit of shortening the user journey, providing more relevant and tailored results to users based on their prompt. Moreover, Google Lens search is using AI more and more, allowing users to search for products (i.e. shopping ads) from images.

AI & reporting

Finally, Google is bringing more AI features to reporting. In-Google Ads, reports can now be generated from a natural language prompt, saving time on the existing manual building which can be complex for non-seasoned Google Ads users. Also, though previously in beta, Google Ads has now released its AI-based tool to uncover and present account and performance insights. This should save time in account analysis, allowing advertisers to find and optimise the most pressing points.

Though AI and digital advertising go together like that one song from Grease, it is clear that, in the Google-verse, AI is now becoming much more involved. From improving creatives and creating new ad placements to saving time on reporting, Google (and Google Ads, specifically) are leaning more and more toward AI. From the broadcast era to the precision era, it seems that we are now truly in a new era of ads – the AI era.

The Cultural Relevance of Love Island

Airing in 2015 on ITV2, Love Island quickly became a cultural phenomenon. In 2019 the fifth series broke records, achieving a peak audience of 6 million viewers, which remains the most watched series to this day. However, with media consumption habits continuing to change, is ITV2’s flagship show doing enough to keep the audience engaged in 2024?

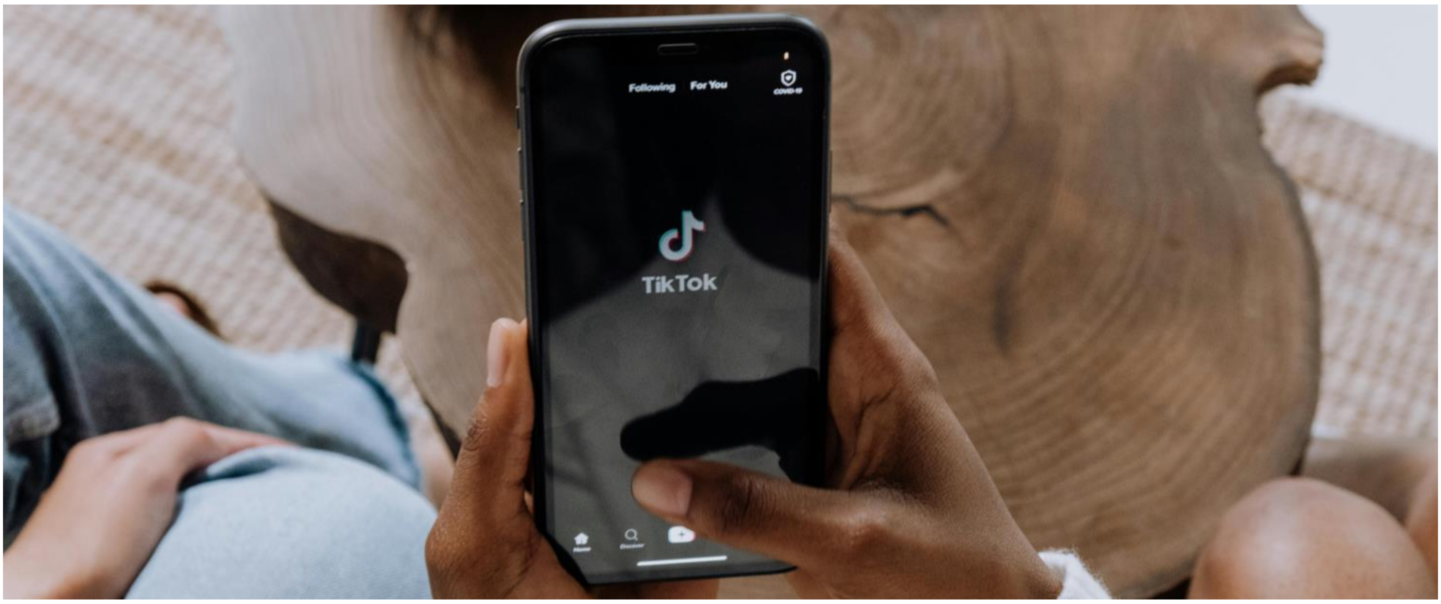
Whilst there is a clear decline in Love Island's viewing on linear TV, its viewership continues to be hugely popular on ITVX. Audiences, particularly younger demographics, are viewing more on-demand content than ever, embracing the flexibility to watch shows at their convenience. Many viewers now prefer to binge-watch series rather than follow a weekly or daily schedule.

It certainly remains hugely popular for advertisers. The show offers numerous advertising and sponsorship opportunities, which brands such as eBay have utilised in order to reach more of the younger-skewing audiences that Love Island attracts. However, as linear viewing audiences decline, could this diminish its appeal to advertisers?

The popularity and resonance of Love Island can also be shown by its huge online presence. Social media plays a significant role in how audiences engage with the show, allowing fans to follow updates, participate in discussions, and share content in real time. Viewers have stated on X that the show is still relevant as ‘It has become a part of British culture’ or because it's ‘relatable’. This demonstrates that while the live audience may have declined, fans remain highly engaged.

However, there have been viewers who believe a shift in tone and format could recapture the reality show’s glory days. A growing perception amongst viewers is that the show has shifted its focus from genuine romantic connections to the pursuit of fame and financial gain. This shift has likely alienated viewers, making it more challenging for them to relate to the couples on the show. This season has seen the inclusion of reality show veteran Joey Essex in the contestant lineup, a far cry from the original remit of the series, where contestants were genuine members of the public.

The 2023 season finale attracted 1.9 million viewers, a significant drop from the 3.6 million who tuned in for the 2019 finale. Whilst not dominating live viewing as it once did, audiences remain strong for a programme that is now airing its 11th season. For advertisers, it is clear that Love Island is not immune to changing media consumption habits, as viewers continue to migrate to on-demand platforms. While Love Island still holds cultural significance and the opportunity for valuable exposure, brands may need to begin diversifying their advertising efforts across different media platforms to maintain reach.



TikTok Releases Instagram-Style App Called *Whee*

In June 2024, TikTok launched a new photo-sharing app on the Android store in a dozen markets. It offers a more authentic way to connect with close friends through spontaneous moments, allowing users to share real-life photos only visible to their friends.

This strategic move by TikTok reflects its ongoing efforts to diversify its platforms and enhance user engagement by catering to the desire for more private and intimate social sharing spaces.

The Origins

This is not TikTok's first foray into app development. Previously, they launched Lemon8 in February 2023, which focuses on product reviews and commercial content, and Notes, which targets a broader audience with content like recipes, travel tips, and life hacks. Unlike Whee, which is intended for sharing with friends, these apps cater to wider audiences. The release of Whee aligns with Chinese market trends, following the success of Instagram-inspired platforms like Xiaohongshu (aka Red) which, at last count in 2020, boasted over 450 million users. Whee has not yet been released in the US market, potentially due to the looming possibility of a TikTok ban in the country.

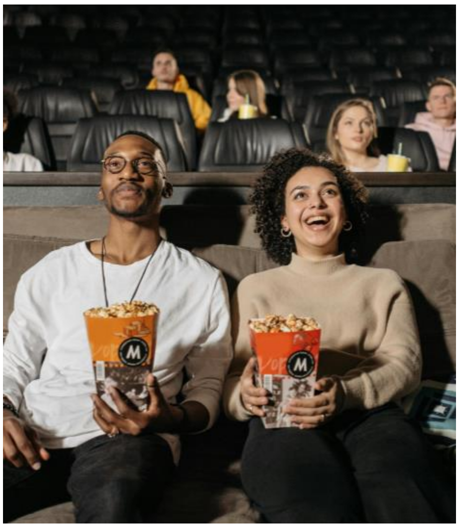
The good, the bad and the features

Whee diverges from BeReal's timed photo concept and Snapchat's ephemeral content, offering a more intimate version of Instagram. It allows content sharing exclusively with friends, who can like and comment on posts but, unlike Instagram, Whee permits comments without captions on photos. The app aims to integrate the best elements of these platforms in a simplified manner. Whether Whee will gain traction remains uncertain, especially given the mixed reception of new platforms like Threads.

The launch of Threads by Meta in July last year, arguably posturing as their rival to X, saw a record-breaking 100 million users subscribe in its first five days. But success was short lived and active users diminished to just 8 million by the end of the month. Criticisms of the app's searchability and scant features left advertisers uncertain about the risk of investment, although Meta has responded proactively to reignite interest.

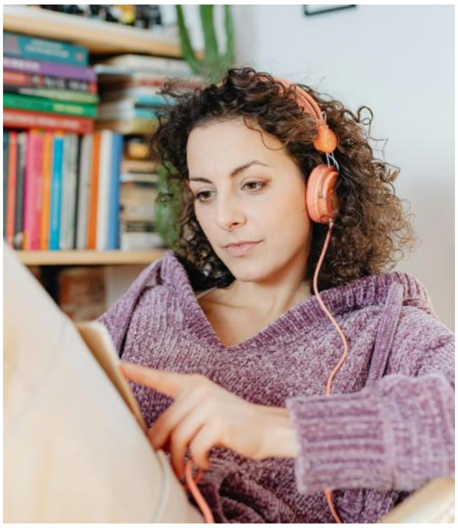
Currently, Whee lacks advertising opportunities, making its potential for growth and appeal to advertisers an open question. The app is basic, featuring only a messaging list and a post creation option. Users can tag friends, emphasising its focus on close social connections. Notably, videos are not supported.

Whee fosters a secure, inclusive environment for users to share unfiltered moments privately with friends, emphasising personal connections over public sharing. Keep an eye on monthly user growth and potential new features like hashtag searchability, advanced photo-editing, and AI integration, all of which could enhance the app's appeal and functionality.



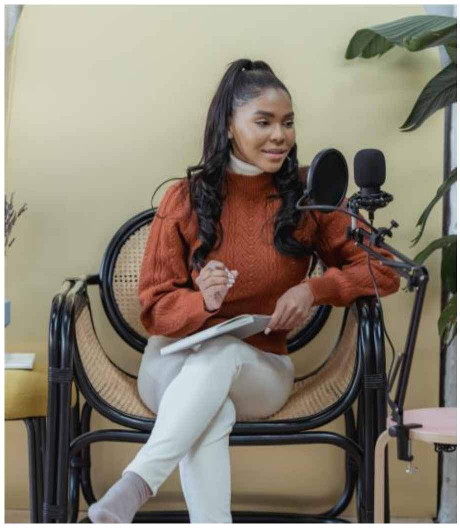
May Box Office Falls by 29%

The UK and Ireland box office experienced a significant decline in May, with revenue dropping 29% to £72.6 million compared with £102 million in May 2023, according to Comscore. Year-to-date revenue is now trailing 9% behind the same period last year. The top films were Kingdom of the *Planet of the Apes* (£13.7m), *The Fall Guy* (£11.3m), and *IF* by John Krasinski (£10m). Despite high expectations, George Miller's *Furiosa: A Mad Max Saga* grossed only £5.1m. The uneven film slate, influenced by last year's writers' and actors' strikes and the ongoing impact of the pandemic on production schedules and consumer behaviour, is a major contributing factor.



Bauer Media Audio Launches Rayo Platform

Bauer Media Audio has launched Rayo, a new audio platform consolidating all its content, including popular radio stations like Absolute Radio, Magic, Greatest Hits Radio, and Kiss, as well as renowned podcasts such as *The Empire Film Podcast* and *Grazia Beauty Life Lessons*. Simon Kilby, Managing Director at Bauer Media Advertising, highlighted Rayo's potential to enhance targeting and personalisation, offering substantial benefits for commercial partners through advanced digital audio advertising. Additionally, Bauer's online station aggregator has been rebranded as hellorayo.co.uk, while its e-commerce solution retains the name: Planet Offers.



Diverse Listeners Transform Podcast Landscape

The UK podcast landscape is set for a transformation as younger and increasingly diverse listeners engage with the medium, according to new research by Edison Research. Nearly half of black Britons (48%) and 39% of Asian Britons listen to podcasts monthly. It was also noted that younger generations, particularly Gen Z (ages 15-24), who comprise 38% of recent listeners, are pivotal in this shift. This demographic is notably diverse, with Gen Z newcomers being twice as likely to identify as Asian, nearly twice as likely to identify as black, and twice as likely to identify as mixed race. This trend indicates a forthcoming change in the podcast listener demographic, reflecting the broader appeal and evolving nature of the medium.