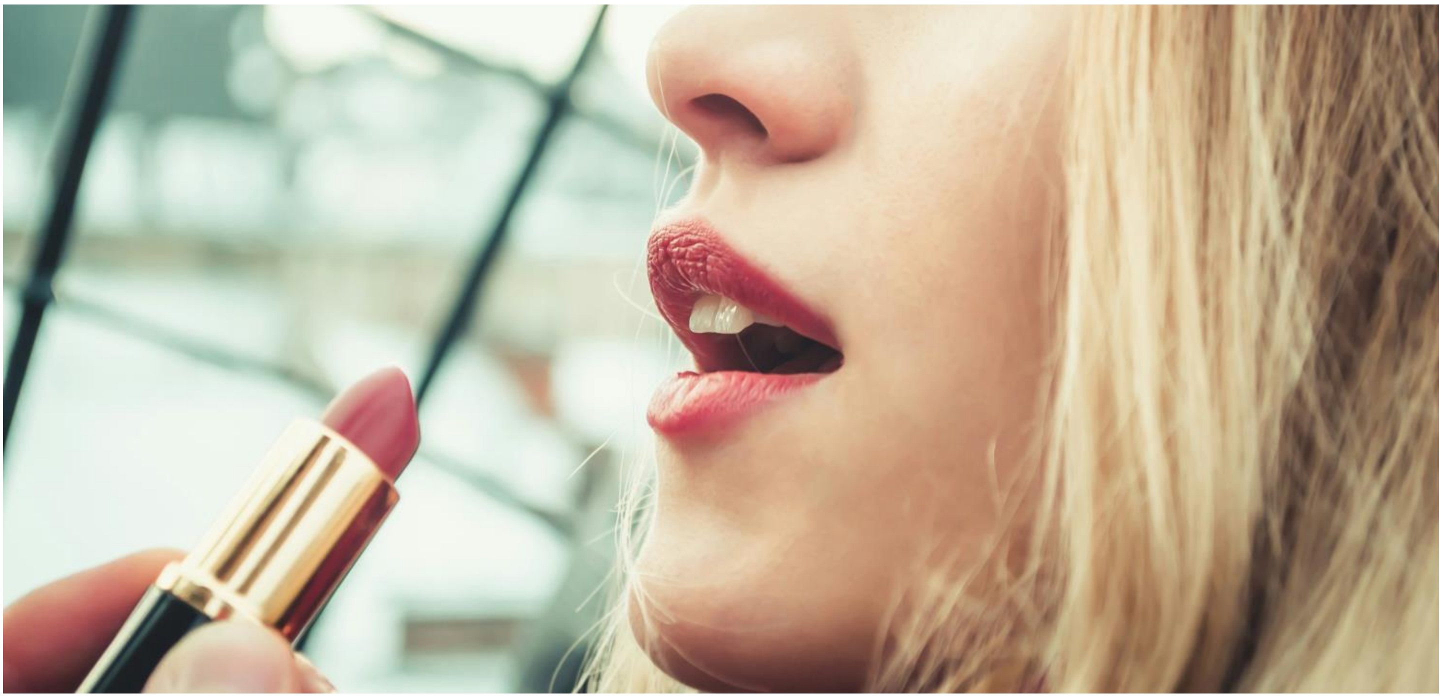
What's Hot?!

May 2025



Economic Uncertainty Spurs Consumer Concern: From Recession Blonde to The Lipstick Effect

As Trump unveiled his barrage of trade tariffs on virtually every major global economy, the stock market was left feeling the effects, and consumer confidence tanked. The threat of a recession looms over many countries, despite the fact it feels for many like we have been in one for months now. In the US, despite unemployment sitting at4.2%, over half of consumers view the economy through a negative lens.

In and around a recession, the way consumers engage with brands and spend changes dramatically, and the effect of this economic uncertainty is already being felt globally.

Consumer confidence falls
At the beginning of April, The Evening Standard reported that businesses are 'braced for a nosedive in consumer confidence'. At the same time, US consumer confidence fell to 92.9 for March 2024, hitting lows not seen since early 2021. As consumer confidence falls, EY data indicates that consumers are reassessing their choices, pushing brands to work harder to retain favour as consumers consider price, value and pack size, and the relevance of the brand itself.

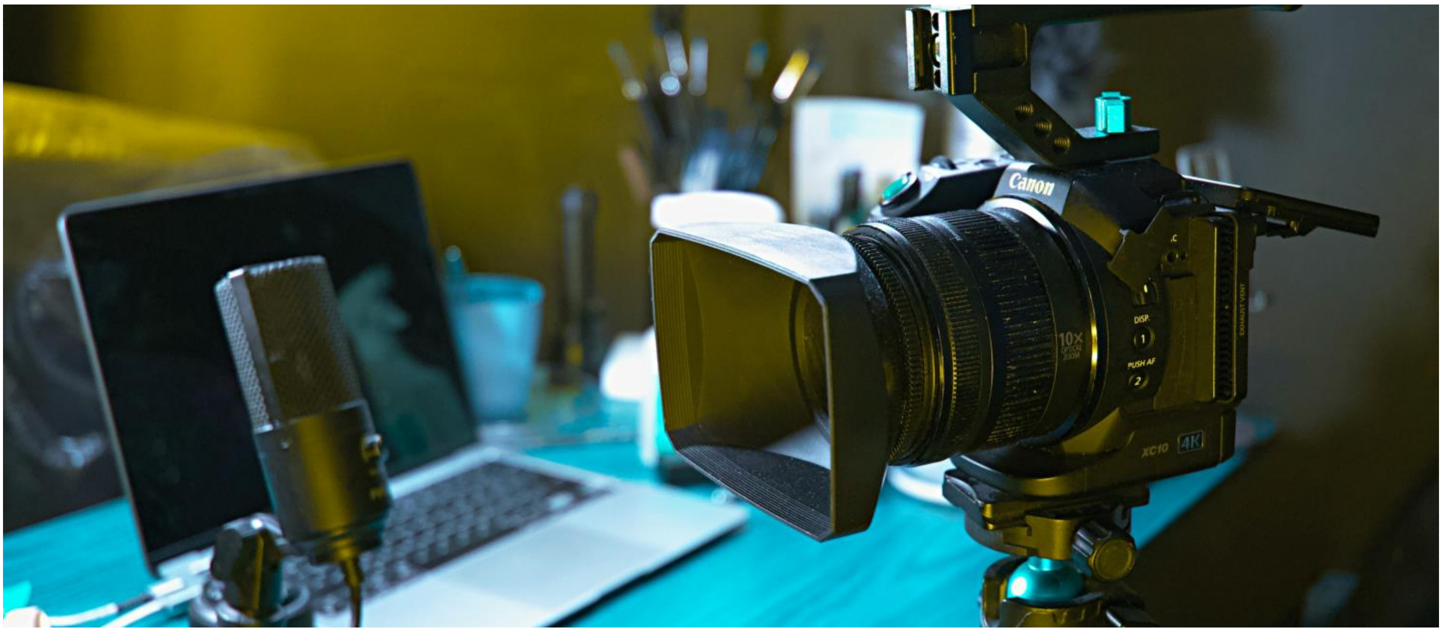
Hemlines and hair
While we are not in a recession yet, social media commentators and consumers note that bellwethers of economic decline have been prevalent in our beauty, fashion and wellbeing choices for some time.
'Recession blonde', the rising trend of growing out your blonde highlights, creating a more defined root, and overall, darker do, has been reported on by Vogue and discussed widely on TikTok.

This is not a new phenomenon. The hemline index suggests that the popular length of skirts appears to rise or fall along with stock prices. It suggests that skirt lengths get shorter in good economic times and longer in downturns, such as after the 1929 Wall Street Crash, when many went from flapper to flowing.

Lipstick and little luxuries
However, this does not need to be a death knell for brands. Despite tightening purse strings, there are still certain things on which consumers will splurge.

The lipstick effect is the theory that consumers will still buy small luxury items even during an economic downturn. Be it a coffee as a treat, a pint with friends, or yes, lipstick, consumers still look to little luxuries for a dopamine boost,and to maintain the life they may have enjoyed pre-economic downturn.

Tapping into the idea of a 'little treat, in a tough time' in advertising could help boost consumer confidence in their brand and maintain a loyal audience, while also promoting positive sentiment towards a brand.



As Streamers Take the Plaudits, What Next for UK Content Production?

Few shows have captured the nation's attention in recent years quite as well as *Adolescence*, which aired in March. Boosted by near-perfect reviews and even touting a mention by the Prime Minister in Parliament, the four-part Netflix series quickly eclipsed the popularity of shows like *Baby Reindeer* to become the most-viewed streaming show ever in the UK.

As a cultural behemoth, *Adolescence* fuelled a global conversation about the growing influence of the 'manosphere' – a topic that was fresh on our minds last month as we wrote about the role media can play in reinforcing positive attitudes among young men. Amidst the debate, however, the show was setting another cultural milestone closer to home, one with ramifications for the wider UK TV landscape: it marked the first time that a streaming episode had been the most viewed weekly show in Britain. With almost 6.5 million tuning in to the debut episode in its first week, according to Barb, *Adolescence* topped that week's instalment of *The Apprentice* by 700,000 viewers.

In many ways, this milestone was a long time coming. As Barb data reflects, since Q4 2022, the 'Big 5' UK broadcasters have lost an average of 8.6% in reach, though this ranges from -12.49% for Channel 5/Paramount to a more modest -3.33% decline for ITV. Subscription-based streaming services now account for a greater combined reach than the BBC's television output, with Netflix alone behind only BBC & ITV in the number of adults it reaches each month.

As streaming services prosper, there have been fears in some quarters that UK-based content production could suffer, given the more globalised output of the major streaming platforms. Bectu, the trade union of the British film & broadcasting industry, released a report last year describing 'a sector in crisis' and citing that a majority of the country's film and TV workers were not in work in February 2024.

Adolescence – alongside recent ratings juggernauts like the aforementioned *Baby Reindeer* and *Mr Bates vs. the Post Office* – tells us that the British TV production industry is very much alive and kicking, joined by inward investment into the film industry. According to the BFI, UK film and high-end TV production spend rebounded by 31% last year, with the biggest film of the year, Wicked, filmed right here at Elstree.

Though these provide reasons for optimism, the long-term future of UK content production remains unclear, against a continually shifting media landscape. The parliamentary Culture, Media and Sport committee has called for a new levy on streaming services to fund British-made content directly. Such a change would be contentious, with some commentators suggesting it would provide a much-needed cash injection to the industry. Others argue it would be, in effect, an unwelcome tariff on consumers, at a time when purse-strings are already tight. Moreover, President Trump has threatened a 100% tariff on films not made in the United States – a proposal which adds further uncertainty to the UK's burgeoning industry.

Whatever the outcome of the levy debate, the success of *Adolescence* and other shows like it – be they broadcast or streaming – proves that the UK remains a hub of best-in-class content production. While channels, viewing habits and devices may change, the nation's love of the box is as strong as ever.

New Report Highlights Success of Google's Demand Gen

With Google set to sunset Video Action Campaigns (VAC) in H1 2025, just as it did with Discovery campaigns in 2024, advertisers will soon be required to pivot to Demand Gen as the go-to solution for mid- to low-funnel online video and display across Google properties.

Demand Gen, which launched in 2023, is Google's solution to capture campaign engagement and action across YouTube, Discover, Gmail, and Google video partners. Despite its growing relevance, Demand Gen remains underutilised, which prompted the need to evaluated its effectiveness and strategic role within digital advertising.

New research from the7stars has confirmed that Google's Demand Gen solution is a valuable addition to any media strategy. In a series of comprehensive tests, Demand Gen campaigns were found to consistently deliver incremental uplifts in traffic and conversions across industries. Here are five key takeaways from the report.

1. Proven incrementality: across all experiments, Demand Gen was found tod rive a consistent uplift in traffic (2-4% increase in sessions) and conversions. While this was particularly true of lower-barrier purchases (e.g. retail), higher-consideration categories (such as finance and travel) also benefited from improved mid-funnel engagement.

2. Complementing Performance Max: the study found that running both Demand Gen and Performance Max (PMax) in tandem produced incremental results. As PMax campaigns allocate minimal spend to video/display, Demand Gen is beneficial in filling a mid-funnel gap, especially across YouTube Shorts, Discover, and Gmail.

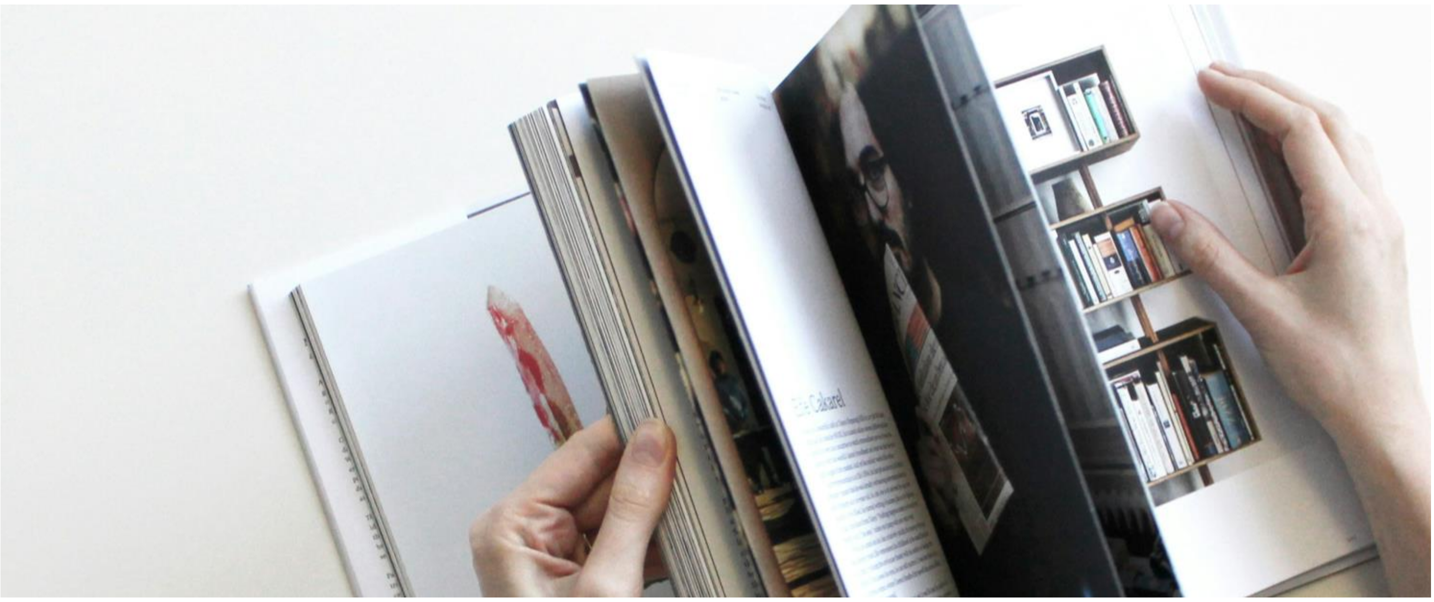
3. Bid strategy and conversion goals matter: Demand Gen's performance is highly dependent on matching bid strategy to campaign goals. Conversion-based bidding outperformed click-based strategies, particularly when campaigns used "softer" goals (e.g. add to basket) that are linearly tied to final conversions.

4. Stronger performance vs. VAC: Demand Gen was found to have greater efficiency than its predecessor, VAC, with results showing Demand Gen drove up to +59% higher omnichannel ROAS and significant revenue gains. Online ROAS, in particular, saw a major lift.

5. First-party and lookalike audiences perform best: Audience type was one of the clearest differentiators in campaign success, with first-party data (1PD) and lookalike audiences achieving the lowest cost-per-acquisition (CPA) – over 50% more efficient than Google's pre-defined segments.

Demand Gen has proven itself to be a strong, incremental, and scalable addition to digital media plans – particularly as it becomes a default mid- to low-funnel video/display solution on Google's properties. With robust setup, smart measurement, and tailored creative and bidding strategies, brands can unlock significant growth and effieicny in the evolving performance landscape.

The full whitepaper, Measuring Success of Google's Demand Gen, can be downloaded at https://www.the7stars.co.uk/blog/measuring-googles-demand-gen/



Magazine Health and the Future of Print vs. Digital

If the past decade has seen rapidly accelerating media fragmentation, few areas have been rocked as much as editorial brands. According to IPA TouchPoints data, since 2015, the collective reach of print newsbrands has more than halved, with print magazines sustaining an almost identical decline of -47%. Conversely, the digital companions of print titles have sustained strong growth, with online news reach increasing by 44% over the same timeframe and online magazines climbing by a staggering 162%.

As Star Wars actor Mark Hamill reportedly said, 'Everything has changed but nothing has changed'. Having seemingly survived an existential threat, editorial brands continue to hold strong footing today.

PAMCo's latest report, *The Stories Behind the Numbers*, provides deeper insights into the UK's editorial media landscape, highlighting audience reach, engagement and demographic diversity.

Widespread reach
Magazines continue to reach 37+ million UK adults monthly, equating to 75% of the adult population, with 16 million men and 21.4 million women engaging through either print or digital media. When considering the audiences this reaches, there is a clear propensity among people aged 55+ towards printed titles, while those aged 35-54 resonate more with digital publications. This highlights the opportunity for brands to take an omnichannel approach to reach a broad mix of audiences through trusted editorial content.

What's more, brands seeking to reach audiences across different media will have greater opportunities for measurement in 2025, with joint industry currencies Barb, PAMCo and UKOM having recently linked up. Following a successful pilot, the two-year collaboration will integrate readership, AV and web tracking data, to provide more holistic audience measurement.

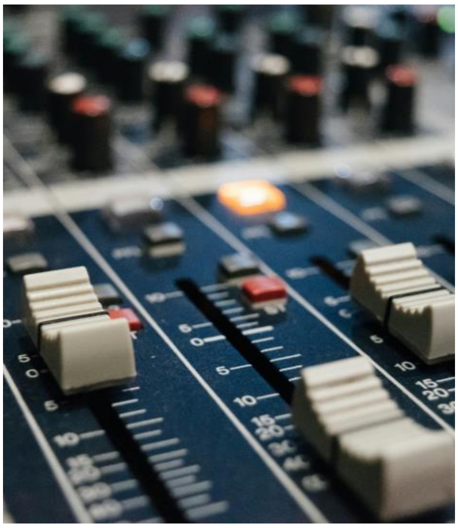
Digital dominance
Digital magazine and news consumption continues to grow and dominate. But the key question is: can print keep up? Many publications have been shifting towards a digital-first approach, trying to engage younger audiences, and it's clear why. In a continuation of the trend seen in recent years, magazine readership has decreased year-on-year by 2.54%, with combined print and digital data showing a near flat reach of -0.28%.

Where digital offers a more flexible approach for readers, rising production costs and decreased circulation may eventually spell the end for some longstanding printed titles – as seen with the final hard copies of Time Out in 2022 and, more recently, the Evening Standard's daily edition.

Editorial endurance
Despite the changing tides, editorial titles must also be seen as a beacon of stability when considering audience trust. According to PAMCo, 90% of adults say they trust what they read in magazines – a far cry from the nation's historically low trust in the news media.

With millions still showing faith in editorial titles, magazines may hold the key to meeting brands' needs – drawing on their expertise to attract audiences and tailor content to briefs. For niche audiences in particular, magazines are often still a powerhouse for audience engagement.

For all that's changed, editorial titles hold a special place within the media ecosystem. They may not have the scalability of TV or podcasts, or the lower-funnel ability of PPC, but what they do have is dedicated audiences who trust and frequent their content. If recent years are anything to go by, print will endure even as some titles end their printed editions, whilst digital consumption will only continue to grow.

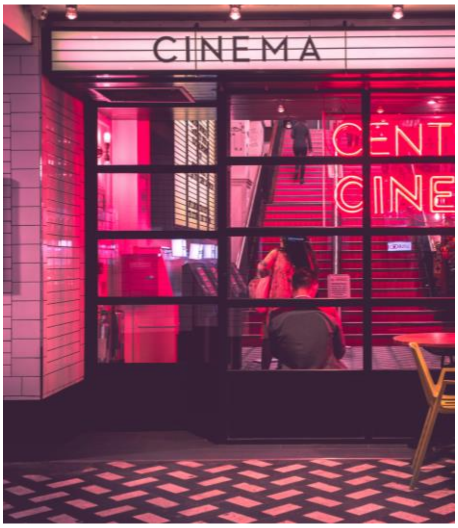


New BBC Stations Blocked in Boost for Commercial Radio

Ofcom has provisionally blocked BBC plans to introduce new stations, while approving the launch of others. Following a consultation period, the media regulator rejected a proposed Radio 2 spin-off focused on music from the 50s, 60s and 70s, arguing it would have a detrimental impact on competitors including Boom Radio. The BBC was also prevented from extending the broadcast hours of Radio 5 Sports Extra.

Conversely, the public broadcaster's plans to introduce three new DAB+ stations were approved on the grounds these would have limited impact on commercial operators.

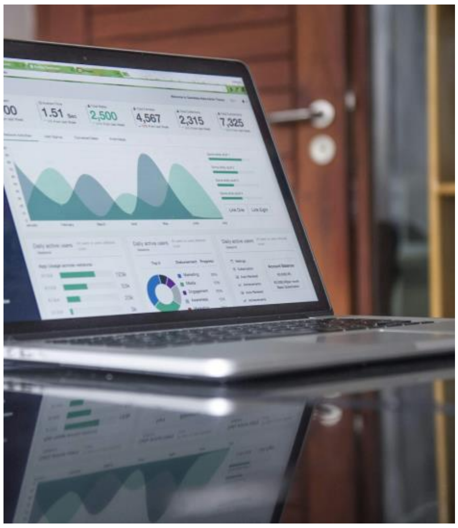
While the combined listening hours of commercial radio stations have surpassed that of the BBC in recent years, the latest RAJAR results show that both grew in Q1 of 2025.



Box Office slows – but cinemas set for big Q2

UK box office revenues fell by 35% year-on-year in March, following a 15% comparable rise in February. The drop was attributed to fewer big-name titles and the later Easter holiday. March 2024 saw the release of blockbusters including *Dune: Part Two*, but a year later *Bridget Jones: Mad About the Boy* took the crown for the second month running – suggesting fewer new releases had pulled in large crowds to the big screen.

Yet UK cinema media continues to prosper, as planners seek cinematic environments to launch campaigns. DCM reports a 33% year-on-year increase in revenues. With the launch of *A Minecraft Movie* and *Sinners* in April, plus a host of big releases like *Mission Impossible: The Final Reckoning* still to come, there are plenty of opportunities for brands to engage with audiences in this unique, impactful space.



Marketing Budgets Fall, IPA Bellwether shows

The latest IPA Bellwether report has found that UK companies cut their marketing budgets in Q1 2025 by 4.8%, the first decrease in four years and a marked change from recent quarters. This suggests marketers are concerned about the long-term impact on sales of a potential global recession sparked by recent trade wars.

Such a decline is not being applied evenly, however. Surveyed brands suggested they would cut market research investment by 10.5%, following a predicted 3.1% increase in the previous quarter. Across media channels, OOH was predicted to fall by 18.9%, vs. only -1% for Video and +9% for direct marketing.

Amid the uncertainty, there are reasons to be cheerful. Despite the short-term cuts in the forecast, 36% of those surveyed expect marketing spend to rebound in 2025/26.