WHAT'S HOT

April 2018

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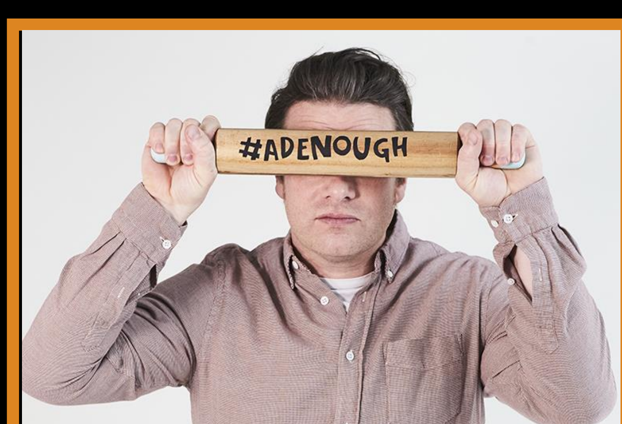

#ADENOUGH? TIME FOR ADVERTISERS TO TAKE THE LEAD ON HFSS

PAMCO: A GAME-CHANGER FOR PUBLISHERS?

It's the biggest news story of the month. No, not the Royal Baby or Kanye's tweets, but the launch of PAMCo. But why is it here? And why does it sound like it could be confused for having something to do with Japanese video games in the 80s?

PAMCo is, in fact, the new JIC (Joint Industry Currency) for published media, which produces de-duplicated brand reach. It allows those in the industry to carry out reach and frequency planning to better commercialise audiences across all platforms – and it is the first of its kind.

It uses new and "approved world-leading methodology" to help both the buy and sell sides navigate the tricky question of how much reach each publisher can deliver across their owned and operated channels – all with the hope of revitalising publishers' sales revenue. Equally, PAMCo aims to bolster audience sizes at a time when traditional print titles face challenges maintaining perceived coverage as audiences migrate to digital.

As for the name, PAMCo was originally to be named AMP, standing for Audience Measurement for Publishers. However, as fate turned out, Accelerated Mobile Pages from Google launched in 2015, putting an end to yet another three-letter media acronym. And so the standout name of PAMCo came into being (although its full, official title remains PAMCo - Audience Measurement for Publishers).

It comes at a time when, as a traditional channel, 'print' titles may have been suffering from advertisers seeing their reach figures in isolation, referring exclusively to their printed circulation as opposed to considering newsbrands as a broader-reaching cross-media platform.

This fact was recognised over three years ago when the idea to produce a cross-channel currency finally became a commitment. It had the ambition of replacing the National Readership Survey (NRS) as the long-standing currency for print trading. Having served a siloed purpose for print readership since 1956, it was certainly time to address the shift to digital consumption for quality journalism to help publishers better monetise their content across channels. At least, that was the aim.

The development of PAMCo offers new opportunities in terms of planning and buying strategies, with greater levels of accountability compared to previously loose estimations without a trusted method for everyone to adopt. A host of new sales strategies and fresh communications to fight for the prized media budgets with new sales patter will no doubt ensue too, which we will be excited to be a part of.

Significantly, the first sets of available data from PAMCo show that 24.6m people read news brands every day and 41.3m weekly – far higher than would have been seen with the old-school NRS figures.

What will be interesting to see is who comes out on top with new revenue developments, and how future trading opportunities open up more effective campaigns for advertisers – all assuming the sales houses can deliver on the promise the currency offers.

As we're surrounded by stories of fake news, brand safety concerns and privacy issues from some of the largest reaching digital platforms, it's potentially the perfect remedy to place our cherished publishers back in the hearts and minds of those seeking audience reach at huge scale in a trusted and premium environment.

AGAINST THE STREAM: CAN SPOTIFY RIVAL THE DIGITAL GIANTS?

Having listed on the New York Stock Exchange, Spotify this month introduced a raft of changes on its platform – including the launch of new hardware, a redesign of its user interface, and a move into the video space with a Hulu partnership, as well as developing new ad opportunities.

But, despite all these new developments, will Spotify ever be seen as a true rival to other digital media giants?

Launching in 2008, Spotify got in early, carving out its position and becoming established as a new home for music libraries around the world. But, ten years on, it remains just that.

While the user base has exploded exponentially, Spotify's offering is still largely based on the same singular purpose: music streaming. Meanwhile, the tech behemoths of Amazon, Apple and Google have barged into this space, all the while maintaining their stronghold in e-commerce, hardware and beyond.

Whatever Spotify's services lack in terms of quality or user-friendliness, is compensated for by the fact that they are deemed a necessity by the customers in their universe. This is something Apple has been doing for years. For those who own Apple devices, life is made out to be easier if *all* your devices are Apple-made, from headphones, chargers and laptops to TVs and even the most recent addition of the Apple HomePod – which comes pre-installed with Siri and cunningly works best in tandem with Apple Music rather than Spotify.

In Amazon's case, getting a Prime membership also allows you access to the Amazon Music Unlimited (AMU) service. Likewise, when you buy an Alexa, she comes with AMU installed, meaning you actually have to tamper with the default settings to change the music provider to Spotify – and to do that you also need to really care about Spotify as a brand.

As these competing tech companies take on larger roles in our day-to-day lives, the services we use become increasingly homogenised as they become more convenient for us as consumers. In turn, this diminishes the role of players that don't quite fit in so snugly i.e. Spotify.

With this in mind, Spotify's scramble to become more than a streaming service is not just an attempt to expand, it's a bid to remain relevant.

Spotify must branch out before the use of its service becomes too great an inconvenience for consumers, or worst if Apple or Amazon outspend them into oblivion – something they can achieve with ease. Indeed, Apple Music's massive push for subscribers is already beginning to bear fruit, with predictions that they are set to overtake Spotify in the US later this year.

It can't be denied that streaming has become a behavioural norm, and Spotify currently holds an enviable audience of passionate music consumers in the UK and beyond – central to success in an ad market where scale is all-important. The additions to Spotify's ad offering means that brands are increasingly being spoilt for choice, and they have been vocal in holding the cards to MOAT'S HAVOC (delivered impressions to humans that are viewable and audible upon completion).

However, as the digital ad giants have all made steps to woo advertisers back by improving their brand safety offering (see YouTube), by far the biggest challenge for Spotify will be in maintaining the ad revenue gains they have inevitably made in the wake of fallout from recent scandals surrounding YouTube and Facebook.

Longer term, Spotify will look to maintain its audience share against streaming competitors. For the large part, however, its more about what the company has done already. For so many people, their music libraries are so inextricably linked to Spotify that changing services and starting all over again is just not an option (or at least a hugely inconvenient one).

Similarly, as one of the first streaming providers, Spotify have had the most time to optimise its service – the interface is smooth and user-friendly where Amazon's feels clunky and relentlessly glitchy. In addition, the playlisting culture Spotify has built is un-paralleled, with playlists updated and re-curated on a weekly basis in contrast to some Apple playlists, which are left gathering dust for months on end.

Spotify's music discovery technology is leaps and bounds ahead of – and far more accurate than – its competitors, but how long this will continue to be its winning hand remains to be seen

CAN FACEBOOK REGAIN TRUST?

Facebook has had a difficult few months, and with its escalating affiliation with fake news and data breaches, the digital giant has tried to reform to put a stop to user migration and brand safety concerns. But is it enough?

Following the electoral shocks of Trump and Brexit, eyes turned on Facebook for allowing the proliferation of 'Fake News' on the platform. Some even alleged that social media was becoming a direct threat to democracy, which seemed justified when Zuckerberg was hauled in front of the US Congress for allowing the personal data of 87 million people to be improperly shared with Cambridge Analytica and used to influence voters.

The company's CEO called what happened a "huge mistake" and hurriedly changed the way apps and third-party data providers such as Axciom and Experian could extract user information from the platform. Facebook even went as far as to launch a print campaign assuring people that under the new GDPR regulations the data they hold would be better protected.

However, the universal feeling seems to be that this is too little, too late, and how Facebook can act like it deserves a big pat on the back for simply obeying the new EU data protection laws seems slightly baffling. Facebook knew of Cambridge Analytica's activities in 2015 and refused to act. With the news this week that Martin Lewis is suing them for allowing improper use of his image by fraudulent companies, it really drives home the main point that the company has to take more responsibility as a publisher.

After watching what happened to YouTube and the *Daily Mail* with the Stop Funding Hate Campaign, Facebook has reason to be worried. Advertisers, (particularly in digital) feel strongly averse to any risk of appearing in potentially offensive, inappropriate or even ethically-questionable environments.

Wetherspoons recently took the controversial step to abandon its social media channels and distribute content only through its website and magazine. This triggered quite a large debate, ironically on social media, with many calling the move madness. But Wetherspoons' logic was 'why bother with it?' On average, the company's tweets this year got six retweets and four likes; given that it sells three million pints a week, it clearly isn't an effective way of communicating with customers.

This however is a view on the organic use of social media platforms by brands; for paid media, however, Facebook remains almost unparalleled in terms of reach and cost efficiency.

At the height of the recent Cambridge Analytica scandal, 93% of Brits were aware of the story and yet only 6% planned on deleting their accounts. It remains a key platform to communicate with the public. They do, however, need to take their role as content moderators and publishers far more seriously – or they risk losing this status.

IS LOYALTY ENOUGH?

At a time when consumers are exposed to more price-cuts, offers and opportunities each and every day, loyalty is increasingly hard to come by.

Supermarkets in particular find themselves locked into constant battle to win over consumers, and with shoppers so spoilt for choice all over the country, how much is a loyalty scheme still worth?

To understand loyalty, we first need to understand what drives us in-store in the first place. This used to be simple in the UK market, where the difference between up-scale, budget and convenience stores was clear. However, with the rise of discounters like Aldi and Lidl stealing market share across the board, the 'big four' and other supermarkets need to continue to explore ways in which they can incentivise customers to spend with them.

In any case, with the recent announcement that Sainsbury's is due to merge with Asda, the highly competitive 'big four' looks like it'll become a 'big three'. The merger will mean that nearly £1 in every £3 will be spent at the giant, and, with chief executive Mike Coupe promising no store closures, it'll take the total to 2,800, closing in on Tesco's 3,400, but tipping market share to 31.4% (v. Tesco's 27.6%).

With the newly merged mega-supermarket vowing to cut costs too, soon, value will no longer be a big enough hook to keep consumers loyal.

The value challenge is also compounded by the familiarity and expectation challenge. In a recent Nielsen study, 89% of Britons admitted to being members of a loyalty scheme. Yet in spite of this, only 51% of those surveyed said they would choose a retailer with such a scheme over one without. Consumers expect more from retailers and brands, and supermarkets are no exception.

For Tesco, the main reason for updating the Clubcard was to modernise the consumer experience, introducing contactless and pay+. This has been cited as one of the reasons it has seen an improvement in overall NPS score.

Sainsbury's, meanwhile, has taken a different tack. It has not only modernised its scheme but also changed the way customers are rewarded, no longer focusing purely on spend but incorporating frequency of shop as well.

Between these scheme changes and the merger, the priority for supermarkets is to maintain interest among customers – us Brits over-index by 20% when it comes to being recognised as a valued customer. But with competition on the high street being so high, and with digital retailers existing in every pocket, questions remain over whether loyalty will ever overcome value.

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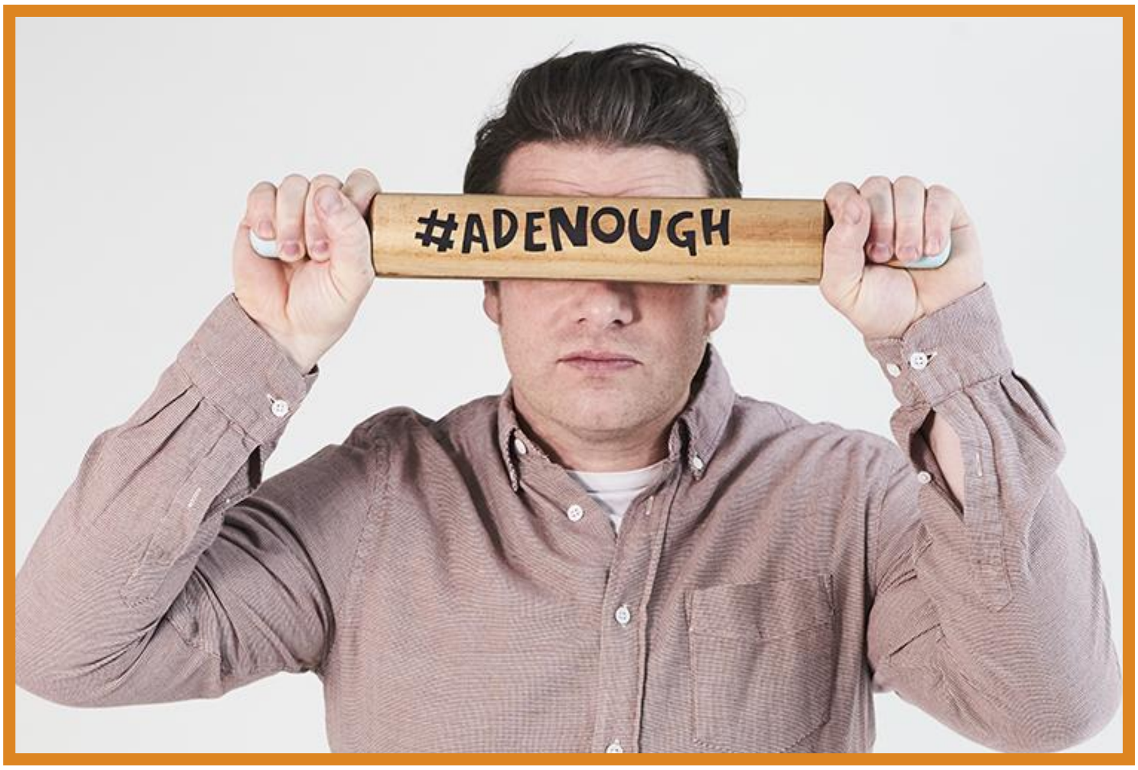


For some time, the government has been under pressure to review the current rules governing the advertising of food high in fat, salt or sugar (HFSS).

Now the HFSS review has been given renewed impetus thanks to a campaign spearheaded by Jamie Oliver (of course). He's supporting a ban on the advertising of such products before the 9pm watershed, as well as stricter measures covering non-broadcast media.

Oliver has called for "proper controls on what ads kids see online, in the street and on public transport". MPs called for a ban earlier this year on all HFSS TV advertising before the 9pm watershed – a move that Labour pledged to make before last year's general election.

The Committee of Advertising Practice, which writes the UK's codes of practice for advertising, has been reviewing the effectiveness of current regulation. The first piece of major regulation came into force in 2007 – a move that unintentionally sped up the decline of children's TV on the main ITV and Channel 4 channels.

Last year new rules came in banning advertising for HFSS in non-broadcast media either aimed at children or where they make up at least 25% of the audience. It brought channels including social media, magazines and billboards into line with TV.

CAP said it was "widely acknowledged that factors other than advertising are the main influences on our children's waistlines, including socio-economic circumstances, parental choices, school policies, sedentary pastimes, levels of understanding about nutrition and the availability of HFSS products". CAP will evaluate the evidence and publish an analysis in the autumn.

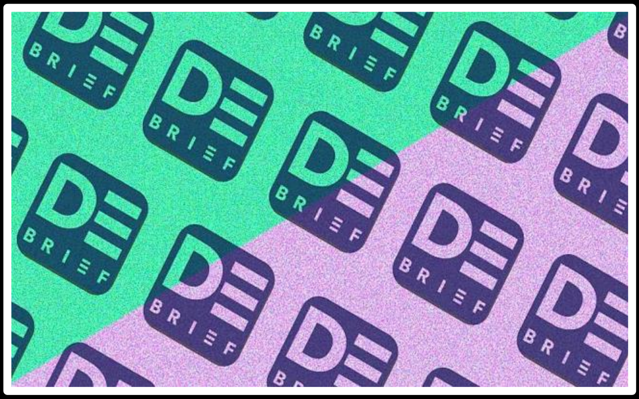
There is no doubt that HFSS advertising pounds are being invested into family entertainment shows such as The Voice and The X-Factor that are outside the reach of current regulation. Outside of TV, the likes of YouTube, cinema and outdoor (in proximity to schools) also receive more than their fair share of HFSS investment.

It is time for the industry to take the lead ahead of more draconian regulatory measures coming in, starting with an acknowledgment that children's media habits have changed since the initial 2007 rules came into effect. As a sector, if we can demonstrate that we're able to prohibit children from being actively targeted then perhaps a wider advertising ban can be avoided.

The industry effectively faces a choice between taking the initiative to ensure the rules are still fit for purpose and waiting to be told what to do next.

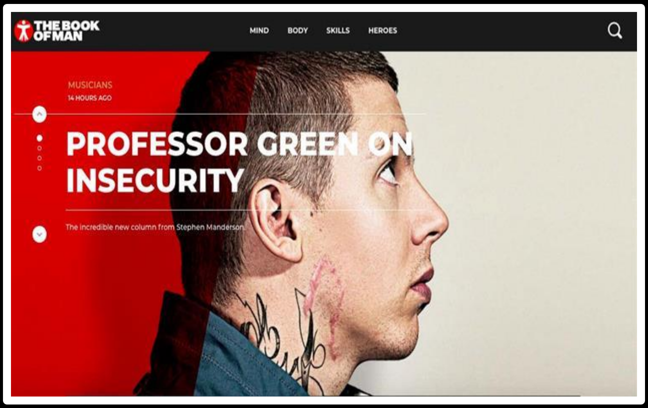
HOTLINE

THE STORIES THAT LIT UP OUR MEDIA WORLD THIS MONTH



Bauer Media is shutting *The Debrief* and consequently enhancing sister publication *Grazia* with its digitally-savvy staff. The company claims the closure was made to “drive growth and better serve its audience” at *Grazia*, a move made easier by a unified audience keen on “fashion authority, coverage of politics and news that has a broad appeal amongst women”. As a result of the move, *Grazia* will have a digital editorial team of six people, working under lifestyle digital editorial director Rebecca Holman and in close collaboration with the wider *Grazia* brand team under the direction of incoming editor Hattie Brett.

Digital ad spend hit a record high of £11.55bn in 2017 driven by an increase in mobile as advertisers followed consumers onto their smartphones. The latest figures show advertisers spent £5.2bn more on smartphone ads last year. That makes mobile the fastest-growing online ad format and means it now accounts for 45% of total digital ad spend, up from just 9% five years ago. IAB UK’s chief digital officer Tim Elkington noted how “digital has led to a change in consumer behaviour as people use their smartphone for a wider variety of things, be it listening to podcasts, learning a new skill or following stories on social media”. Video ad spend also saw big growth, rising 69% year on year to £1.17bn across phones, computers and tablets.



Former Shortlist editor Martin Robinson has launched *The Book of Man,* a digital platform that is aimed at tackling toxic masculinity. The site’s core content aims to provide advice for men on subjects that are not covered in ‘conventional’ male media, such as how to talk about your feelings and how to treat women appropriately. With the prevalence of male suicide, (the largest cause of death for males aged under 45 in the UK), and the recent accusations against the likes of Harvey Weinstein and Kevin Spacey, Robinson said “old-school masculinity reared its head and showed that it’s still there”. The platform’s initial revenues will come from brand partnerships, with no current plans to run display ads or to charge readers.

Bauer Media is to restructure it’s network around the launch of a new radio station, *Hits Radio.* The new Manchester-based station will launch on the 4th June featuring the likes of Gethin Jones (breakfast show), and Gemma Atkinson and Sarah-Jane Crawford (evening show). This first major commercial radio to come out of Manchester will reach a national and local audience, with content aimed at those around the 25-44 age bracket. The new radio station will become the flagship station of the Bauer City Network, which currently incorporates *Absolute Radio*, *Magic* and *Kiss.*

PAMCO

ROYAL BABY

MO SALAH

LONDON MARATHON

TRINITY TAKEOVER

THE DEBRIEF