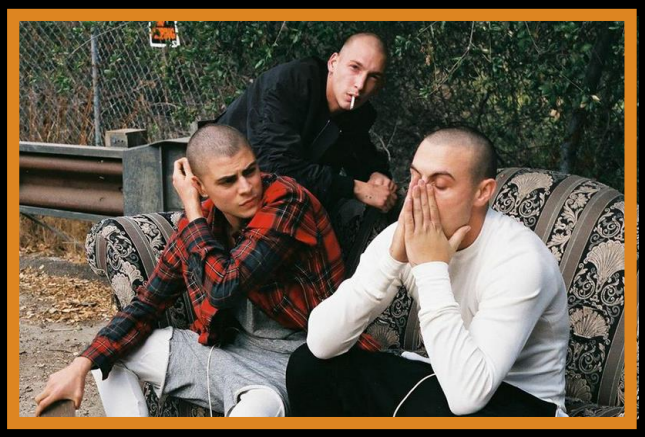
WHAT'S HOT

August 2018

TECHNOLOGY: DETOX JUST TO RETOX?



(MIS)REPRESENTATION: BRANDS ACCUSED OF EXPLOITING WORKING CLASS CULTURE

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TECHNOLOGY: DETOX JUST TO RETOX?

Findings from this month's QT study – a proprietary consumer tracking survey carried out by the7stars each quarter – indicated that 2 in 5 Brits consider technology addiction as damaging as drug or alcohol abuse – yet most don't even attempt to quit.

Perhaps unsurprisingly, the age group struggling most to switch off is millennials – they are the most prolific smart-phone users, with nearly 100% of people aged 18-34 using one. 67% of the 18-34 cohort admitted that they often feel they need a break from technology, rising to 71% among those under 24.

At the same time, only 6% of this same group admitted to actively turning off their phones at evenings or weekends, with 2 in 3 saying they like being connected all of the time. So what is responsible for this paradoxical state of mind?

Our survey indicates that there are several factors at play here. First is the blurring line between work and personal life, which is becoming more inter-twined thanks to the growth in mobile and social platforms. This is potentially why 57% of 18-34 year olds feel so dependent on technology, versus only 51% in the 65+ age group, who are largely retired, or close to retiring from working life.

We must also consider the changing nature of social currency. More now than ever there is an increasing social pressure to seem busy. In a recent op-ed in Campaign, Wagamama's Customer Director pointed to the fact that for Gen-Y at least, "being busy can be an aspirational status symbol". This increased pressure, and the need to broadcast this lifestyle, no doubt plays a large part in the desire to stay connected and in turn increasing their dependence on mobile devices in particular.

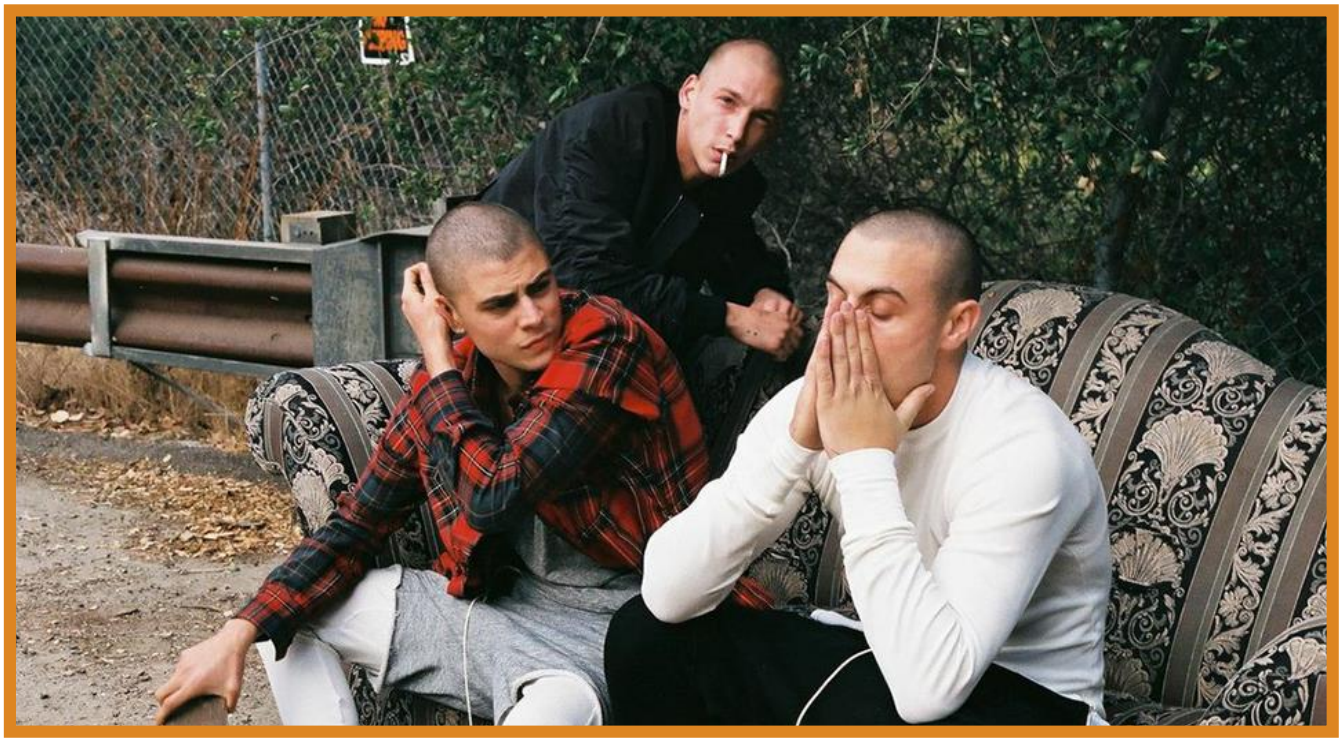
Despite this, there is evidence to suggest that consumers do want to be able to use technology to connect with friends and family on a more intimate level. Voice notes, for example, have gained popularity among young people, with 10 per cent 18-34 year olds now recording them in place of phone calls. Given that three quarters of the Londoners we surveyed are worried about losing the art of face to face conversation, perhaps voice notes will be the key to bridging the gap between using a more personal style of communication, and the pace of an ''always-on'' world.

So what can brands do to help encourage healthier relationships between consumers and their devices?

They could start by re-thinking their approach when it comes to interacting with consumers online, and shaping communications around the needs of individual. Something as simple as avoiding sending e-shots late at night, for example, would be a good first step toward encouraging a healthier between the amount of time consumers spend in the digital world, and that spent connecting to people off-screen.

Consumer attention has become a valued commodity for brands, but as we move toward a healthier tech ecosystem, their priority should be to work with consumers and not against them by helping them take more control over their tech habits.

(MIS)REPRESENTATION: BRANDS ACCUSED OF EXPLOITING WORKING CLASS CULTURE



More than half of young people aged 18-30 believe that brands exploit working class culture, according to Amplify's latest Young Blood study.

It's a damning statement that further underlines appropriation as hugely problematic. And as calls for diversity across media grow, brands are grappling more and more with the task of finding the most credible ways to engage their audience, constantly straddling the line between championing the merits of a culture, and potentially exploiting it.

Mars UK has been notably bold in its push for representation in recent years through its marketing for Maltesers. Three TV spots featuring people with disabilities, in humorous, relatable narratives played as part of a Channel 4 diversity competition have been succeeded by ads approaching everyday stories about women often overlooked in media: a lesbian lamenting the pitfalls of online dating, and a group of friends going through menopause, for example.

This is representation that circumnavigates prevailing stereotypes, and actually engages with relatable human truths. "It's not just gender, it's the intersectionality of it," explains Michele Oliver, the vice-president for marketing at Mars UK, "not only are women not often seen in advertising, but the… types of women we do see are very narrow." And it paid off, not only as a most successful in terms of buzz and sales performance in ten years.

It helps if brands put their money where their mouth is. And, better still if the brand's message and actions align with championing working class excellence. Adidas, for example, famously funds and backs young athletes and musicians, putting the human element at the centre across its communications – such care pays off, as endorsements of the brand seldom seem out of place, and Adidas remains a respected fixture amongst rising grime artists and British athletes.

Penguin Random House recently announced a similar initiative, partnering with Stormzy to launch his own imprint, #Merky Books. It's a move that will not only allow the grime artist to publish his own book, but serve as a platform for a new generation of voices; a PR-able scheme backed with real corporate responsibility, funding internships at the publishing house, and open submissions for first time writers to win a publishing contract in the future.

The news comes after CEO Tom Weldon expressed concern in the lack of working class people in publishing, and calling its remedy an "urgent commercial imperative."

These are all welcome breaks from the ways in which working class culture is so often depicted in just one way: fetishised stereotype. Back in April this year, Puma hosted an experiential PR event named the House of Hustle, reportedly inspired by council estate drug dealing.

It shouldn't take an expert to know this kind of fetishisation and misrepresentation is tone deaf, inappropriate and offensive on so many levels. Pepsi found that out the hard way too by co-opting a powerful, political meme tied to the Black Lives Matter movement, and sanitising it in the most cynical of ways.

But some brands are managing to bridge this gap. McCain's and Iceland's move away from celebrity-fronted campaigns, towards depicting real families at home, are great examples. That these broadcast campaigns feature diverse, working and lower middle-class casts speaks to whom the brand values and best understands. Iceland goes a step further, underpinning its efforts by engaging entrepreneurial influencers, and partnering with expert voices like Channel Mum, that genuinely reflect its audience.

There's an inherent value exchange in media. As more and more brands vie for our attention, in increasingly vocal pieces of content, brands face more scrutiny than ever. That the same Young Blood study concluded "credibility rather than cool" was a motivator for consideration and purchase amongst young people, demonstrates the key in all this: authenticity. After all, why would any consumer engage with a brand that fundamentally misunderstands them?

BACK OF THE NET: FOOTBALL SHIRT SPONSORSHIPS VALUED AT £300M

The nation fell back in love with the beautiful game over the summer, with approximately 35 million people tuning into the World Cup Semi Final between England and Croatia – providing the biggest TV audience in decades. And now the Premier League and Football League seasons are braced for impact.

With the value of Premier League shirt sponsorship now at over £300m, it's no surprise that brands want in on the action. But, price tag aside, what's the real pay-off for commercial partners investing in such a convoluted and competitive market? What has been the fall-out for sponsors so far and, finally, is sports sponsorship the right move for every brand?

Let's start by taking a look at the size of the market, in terms of potential consumers targeted. There will be 168 Premier League games televised in the UK this season, between Sky Sports and BT. Even more are shown in 212 international markets, including the distant pre-season tournaments, and the involvement of geopolitical sponsors in wealthy territories such as the Middle East – with Emirates and Etihad heavily affiliated with Arsenal and Manchester City, for example.

By these standards, the Premier League's global appeal blows the rest of the sports marketing sector out of the water – so it's easy to see why the prospect of a sponsorship deal so appeals to brands.

The burgeoning relationship between sports and gambling adds fuel to this fire. In recent years we've seen a host of gambling companies ascend onto the Premier League sponsorship ladder – now nine of the 20 clubs in the top division are sponsored by gambling companies.

Additionally, online in-play betting has since become synonymous with a match day experience. Betfair made a wise decision when it decided to sponsor Fulham in 2002 – in doing so becoming the first gambling company to sponsor a Premier League team.

However, not all partnerships go hand-in hand like sports and gambling, and brands should be sensitive to the kind of culture they're buying into when committing to a Premier League partnership. With a marketing ploy of 'expectation' the FA lost key partners such as Vauxhall and Carlsberg in previous years. It's only by renewing focus on minimising the gap between the 'superstar' players and grass roots football around a more humble marketing strapline, that the FA were able to gain 2018 partners such as Lidl and long line supporter Nike who sold out of shirts during the tournament.

Premium brands aren't jumping into these relationships blindly, seduced by big numbers, but are considering the wider implications of this kind of partnership. It also shows that consumers pay attention to the kind of companies sponsoring their favourite teams, and expect these brands to reflect their core values, on and off the pitch.

So while there's no denying that an alliance with an English football team opens the door to vast audiences, the key to success for brands seeking to branch into this field is to ensure any partnership marries up with its ethos, in addition to that of its current following.

SOCIAL NETWORKS LOSE FRIENDS AT THE STOCK MARKETS

Late in July, Facebook's shares dropped a huge 19% in a single day – the biggest one-day loss of value in US stock market history. As trading closed, the social network giant had lost over $100 billion in value, while Mark Zuckerberg's personal wealth had dropped by nearly $16 billion.

Just 24 hours later, Twitter's stock dropped 21%, after announcing it had lost 1 million active users – the combination of which caused a mass tremor across Wall Street.

To some analysts this has been a long time coming, thanks to a slowdown in growth, dwindling users' attention and the fallout from recent political and data handling scandals.

To shaky shareholders it was as simple as concerns that neither platform would be able to sustain the profit levels they once held – and for that reason, they were out.

The impact on profit is expected to come from multiple directions, but namely costs up and users down, the (significant) costs coming from having to improve privacy safeguards and data protection.

Facebook claimed it would double the number of employees working on safety and security to 20,000 this year – and that doesn't come cheap.

Twitter too has said that efforts to rid its platform of spam has led it to eject millions of accounts (about 3 million to be precise – although there has been an 8% drop in abuse reports). New European laws and GDPR have also had an impact, with legislation only likely to continue.

Jack Dorsey, Twitter's co-founder and chief executive, said the numbers "reflect the work we're doing to ensure more people get value from Twitter every day".

What has long been the fear for Facebook is that the business model depends on new user growth, and with 1.94 billion monthly active users, Facebook may simply have run out of people to recruit.

What's more, there is an increasing concern that young people are leaving the platform, as older ones remain. "Teens are abandoning – or just not joining Facebook" said Richard Holway, chairman at UK tech analyst house TechMarketView.

These factors will ultimately cause a slowdown in advertising on the platform, and therefore profits – whether now or in the near future, which of course is all shareholders care about.

But that doesn't make either Facebook or Twitter lame ducks, rather such news will only spur both the readjust to changing media habits in a saturated market. The recent international launch of Facebook's Watch platform marks a bold step towards diversification of the platform's offering, and an all important move in to content curation. Even with its current numbers, the platform remains heads above market leaders like YouTube, Amazon and Netflix in terms of audience.

Moreover, if we readjust to focus on quality rather quantity, this can only mean good things for both advertisers and users – healthy platforms, quality data, engaged customers – ultimately positive for both brands' long term growth.

ON THE MONEY: AD SPEND UP IN Q1

According to the Advertising Association/WARC Expenditure Report published this month, UK advertising spend in Q1 2018 has exceeded expectations, rising 5.9% year-on-year to reach £5.7bn – the 19th consecutive quarter of market growth.

These are the strongest figures for a first quarter in three years, coming in 1.3 percentage points (pp) ahead of forecast. Interestingly, though internet spend continued to thrive (+10.8%), it wasn't entirely responsible for this boost in spend. Traditional channels also held their own this quarter, with print display ad revenue for national news brands rising for the first time in seven years and radio (+12.5%) recording its strongest growth since 2014. Spend on out-of-home (+5.3%) and TV (+5.0%) was also high, according to the report.

Such positive figures have resulted in ad spend growth forecasts for the rest of the year and next being upgraded, by 0.6pp to 4.8% and 0.7pp to 4.5% respectively. If proved accurate, this would conclude a decade of continuous growth, and result in investment of over £24bn in 2019.

Even the looming outcome of Brexit – which could dramatically change this trajectory – could not deter the spirits of the Advertising Association's chief executive, Stephen Woodford, who said of the figures

"Our latest advertising expenditure figures reflect the resilience of the wider UK economy, where consumer confidence is improved and the jobs market remains very strong. UK advertising continues to show steady growth with more businesses investing more spend in advertising. This investment boosts company profits and overall GDP, creates more jobs and helps our media sector to continue to invest in the creative content and technology that the public values.

"If the government can secure a good outcome from the Brexit negotiations and introduce a business-friendly immigration policy, we should continue to see sustained UK market growth and continued export success for advertising."

These results are a great sign for the future of the UK ad industry, which has battled with instability over the past 12 months.

IN REVIEW: WHAT'S CHANGED POST-GDPR?

Given how long we've been talking about GDPR, it may come as a surprise that it's only been three months since the EU-wide regulation came into effect.

However, we've already seen some early casualties as a result of the law. Most notably Drawbridge, the cross device measurement and attribution platform, and Verve, the location data specialists, have both pulled out of Europe – and blamed GDPR for the move.

As expected ad tech's major players, including the Google/Facebook/Amazon triopoly, have remained relatively unscathed, with consent fairly easy to come by.

The difficulties that GDPR poses looks to have fallen at the feet of the smaller technology platforms. There have been a number of companies pulling sales teams or even their whole advertising platform – in the case of Weve – out of the UK, albeit without stating GDPR as a reason.

Whether it was a direct cause or not, GDPR has arguably begun cleaning up the digital advertising infrastructure.

A recent Reuters study looked at the delivery of cookies across news sites and it's the UK that's seen the largest drop of all European territories. Between April and July, there has been an estimated 45% drop in use of third party cookies in the UK.

Partly spring-cleaning and partly regulatory, the news should be seen as a positive move from major publishers as a step towards greater digital transparency and an improved user experience for consumers.

The initial panic from advertisers saw programmatic ad spend drop fairly dramatically across the board, mainly due to the uncertainty around the regulation itself and with marketers waiting to see its true impact.

In better news, the concern has now begun to subside and faith seems to have been restored in programmatic, with spend recovering to the levels pre-GDPR.

Where third-party data is more difficult to access and is being scrutinised more than ever before, the opportunity for contextual planning in digital has returned. Contextual targeting has been the poorer cousin in recent years, when coming to digital strategy.

Third-party data could, however, accurately tell you whether someone was in market, stood on the high-street or behaving like your current customers, contextual was the domain of offline channels and less digital.

Relying less on third-party data and more on the environment and quality of a placement should also begin to drive better results for advertisers. The rise in awareness of things such as viewability and exposure times has put digital ads under the microscope once more, but it has exposed the area where digital advertising is often held back – creative.

Focusing on how an ad looks to the consumer, an understanding of the device being used and then buying in contextually relevant environments should serve to improve the experience and simplify the process for advertisers.

It's safe to say we probably haven't seen the last of the GDPR casualties quite yet, but if progress continues to be made and the digital ecosystem becomes more transparent, it will be a price worth paying.

HOTLINE

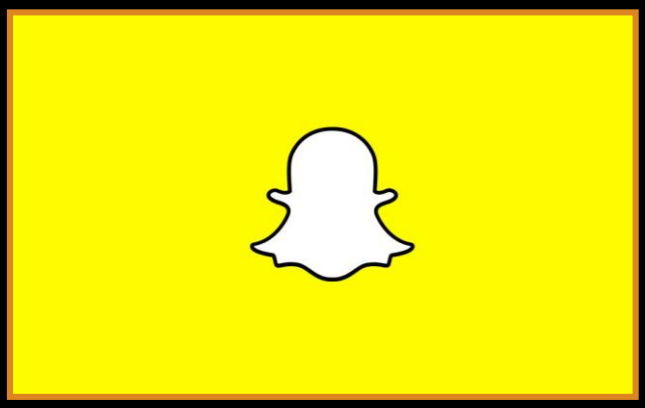
THE STORIES THAT LIT UP OUR MEDIA WORLD THIS MONTH

Mobile marketing proposition Weve has recently made a move to shift its focus away from advertising to concentrate on data and consumer insight services. The venture, owned by O2, will continue to see out live campaigns but with no new bookings being taken. With an audience database of c.23 million adults, Weve has a large base to draw insights from for its own marketing and brand loyalty purposes. Managing director Martin Weller said "While Weve is, for now, stepping back from delivering mobile advertising, our customers and partners will continue to receive the highest levels of service and delivery for existing campaigns, while we explore and transition to a new business model".

Netflix has announced that it has begun testing skippable promotional videos between episodes to flag up similar content that viewers may like. With a subscription pool that is ultimately finite, it's likely that Netflix will eventually look to increase its income in future. However, the question remains whether this will come from additional subscription packages or if the company will fully open up its advertising inventory. Currently the recommended ads have only been rolled out to a selected group of subscribers as part of a controlled test. As Netflix continues to optimise the user experience it is yet to be seen what direction this will take.

The competition to create the best exclusive online video content has intensified with craft beer maker BrewDog's plan to launch a subscription video on-demand service this year. The app-based video service will include beer and culinary-themed programming, providing unique content for a passionate beer-loving audience. Recent months have seen the BBC, Channel 4 and ITV secure Ofcom's approval to create a combined streaming service that would allow them to co-produce new popular content. Meanwhile, Netflix has worked more closely with European producers to create content like Troy: the Fall of the City, to appeal to local audiences. Whether they start creating content of their own or stick to more traditional producers, brands will have increasing opportunities to align themselves with quality content.

Although Snapchat has made headlines this year for falling user numbers, it appears set to remain the key channel for accessing younger demographics, according to new eMarketer forecasts. By the end of 2018, total Snapchat users will reach 16.2 million, of whom 31% or 5 million will be between the ages of 18 and 24. At the same time, Facebook will see a 1.8% decrease in 18 to 24-year-old users, bringing its total number down to 4.5 million. This will put Snapchat ahead of Facebook, as well as Instagram, with 4.2 million and Twitter with 2.6 million 18 to 24-year-olds. Snapchat's unique success amongst the youngest cohort of users demonstrates the importance of adopting mobile-first strategies to reach this younger audience.

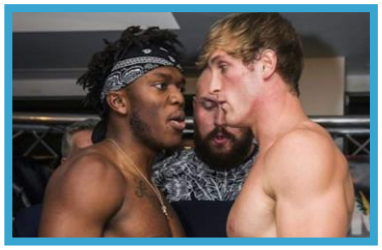


GBBO'S BACK

BLACKKKLANSMAN

SPICE GIRLS COMEBACK

SACHA BARON COHEN



KSI V. LOGAN PAUL

FACEBOOK SHARES