

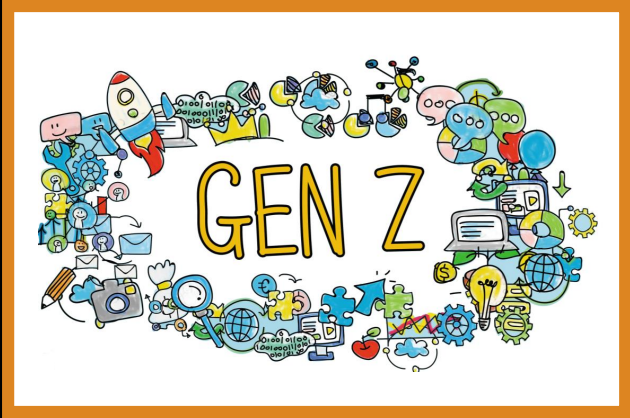
# WHAT'S HOT

February 2018





THE COUNTDOWN IS ON:  
AN UPDATE ON GDPR



GEN Z: THE NEXT GENERATION



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# THE COUNTDOWN IS ON: AN UPDATE ON GDPR



In under three months' time, GDPR comes into effect. Dire warnings about huge fines for businesses have been the up-in-lights feature of reporting about the forthcoming European Union regulation, to the detriment of other aspects, including the responsibilities it places on organisations.

GDPR involves a significant focus on transparency and accountability, and mandatory data breach reporting (unless the breach is unlikely to result in a risk to those whose data is being processed). It also provides for enhanced rights for those whose data is being processed, as well as enshrining the right to compensation if their data is abused.

Experts on data protection and data governance have been in demand in recent months as organisations scramble to put themselves on a sound compliance footing by the time the regulation comes into effect on 25<sup>th</sup> May.

Dr Katherine O'Keefe of the consultancy firm Castlebridge says: "One of the biggest misconceptions I think that people have around data protection is that it's a technology issue."

She argues that the regulation is about trying to protect people and their human rights, saying: "It's not just a matter of making sure we have computer security – that's a very important part of it – but it's making sure [organisations] treat us as human beings with respect and making sure they have proper governance around what they are doing."

The UK's data protection authority, the Information Commissioner's Office (ICO), echoes this sentiment. "Organisations that seek merely to comply with the GDPR and treat it as another box-ticking exercise are missing the point," information commissioner Elizabeth Denham said at a recent conference. "And they miss a trick because this is about restoring trust and confidence. Only one in five people in the UK trust organisations to look after their data. That's not good enough." "Good information handling makes good business sense. You'll enhance your business' reputation, increase customer and employee confidence, and by making sure personal information is accurate, relevant and safe, save both time and money."

However, awareness of GDPR is still "sadly lacking". And according to a GDPR compliancy benchmarking survey conducted by Deloitte, only 15 per cent of UK organisations expect they will be compliant as the new GDPR regulations come into effect.

This is particularly true among smaller businesses. Michele Neylon, chief executive officer of the domain registrar and hosting company Blacknight Solutions, believes overall awareness of GDPR among small businesses is presently insufficient. "While the bigger businesses might be aware and many have either done a lot of work on it, or are at least trying to address it, a lot of smaller businesses aren't aware how it impacts them," he says.

There is even less clarity among consumers. Our own [GDPR & Data Privacy research](#) shows that fewer than one in five UK consumers are confident their personal data is used in the best possible way by businesses. The survey also revealed that more than a third (34%) of UK consumers plan to exercise their right to be forgotten after the GDPR compliance deadline, and three-in-five are questioning how much data businesses hold on them.

Yet the research also highlighted a lack of knowledge among consumers of the changes being ushered in by the regulation, with only one-in-four respondents agreeing they have an understanding of what GDPR is and how it affects them.

So one thing is certain: with such a short period of time left before GDPR goes live, it's vital that we all understand what it means for us, both as businesses and as consumers.

We recently held a GDPR event at the7stars with a number of leading industry speakers, to help promote a better understanding of the major issues. You can view edited highlights from all speakers and the panel debate – see [here](#).

Finally, the ICO has now published a lot of relevant content on its website and is a great place for further guidance on GDPR preparations – see [here](#).



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All this really demonstrates is a lack of understanding.

To understand what really matters to this group, the best way is simply to spend time with them. As a partner of Visionpath – a social enterprise hosting skills workshops with students aged 13-15 in the UK – we are constantly talking to this audience.

However, when tasked with looking at their daily lives, it's more enlightening to understand their appreciation of how technology could be an everyday enabler. Gen Z spontaneously suggested how smart tech could help save time with chores – including not forgetting your keys or homework – or even solving environmental problems through tracking food waste in their home.

While self-care and wellbeing is a topic more commonly associated with their Millennial predecessors, it is also a surprisingly hot topic for Gen Z. Two in ten 13-15 year olds say they're 'worried' or 'nervous' about the impact of technology on their life, and spontaneously cited health and fitness as an area of particular concern.

Observing what young people say and how they feel provides us with true insight into what's important to them and provides a more tangible view than traditional methods of research can provide. Most importantly, it means we are able to better understand what it's really like to be a teen today and keeps us close to the consumers of the future.

*Source: 223 students aged 13-15 years old completed surveys on their attitudes to technology, media and life as part of skill workshops hosted by Visionpath. the7stars has been a partner in Visionpath's programmes with Gen Z since 2015.*





# CLEAN UP OR GET OUT: UNILEVER'S LATEST STANCE ON DIGITAL ADVERTISING



This month Unilever's CMO Keith Weed issued a threat to online advertising platforms – including Facebook, Twitter and Google. In a speech at the annual Interactive Advertising Bureau (IAB) conference he warned technology firms that “Unilever will not invest in platforms in environments that do not protect children or which create division in society and promote anger or hate.” Weed made it clear that Unilever “will prioritise investing only in responsible platforms that are committed to creating a positive impact on society.”

A year after P&G's Marc Pritchard cited similar bold ambitions, Weed moved the debate on from something focused on advertiser needs, to a wider societal issue.

There appears to be three key motivators in this decision:

- A need to ensure Unilever's ad behaviour doesn't create a mistrust amongst consumers.
- A sense of overspending in digital advertising, when it still hasn't met the demand for greater transparency.
- A strong desire to use his power to promote positive social change.

Trust and positive behaviour are hot topics at the moment – and not just in advertising. Consumers are more aware of brand behaviour, they care more about how brands act and actively use this information as reasons to choose to buy or not. So, you can see why this is important to a company that owns over 400 family friendly products including PG Tips, Marmite, Dove and Persil.

It's also important to the tech firms that could be affected by this development. As the world's second largest marketing spender (in 2017 Unilever spent £6.8bn advertising brands), this has the potential to be hugely damaging to the income of the firms implicated.

It feels like Facebook could suffer the brunt of this move. Though hugely successful in terms of growth and wealth (revenue has been increasing 50% a quarter, and earnings per share stands at more than 70%), Facebook is accumulating enemies and challenges at a rapid rate. Only last week the BBC wrote a damning article on the [eight reasons Facebook has peaked](#). Third on the list was advertiser enmity, due to a lack of transparency and audience delivery over estimations.

Viewed as the most influential CMO out there (as voted for by *Campaign* in 2017), there is reason to believe others will follow suit.

Yet putting this ambition into practice may be a lot harder than it looks. More importantly, are there alternative options for advertisers?

Perhaps we'll go back to a world where traditional channels like TV, magazines and newsbrands reign supreme giving advertisers the trusted, transparent and (mostly) socially-acceptable space they are after.

NewsUK has come up with a new tool that allows advertisers to upload the creative assets they would typically post to social platforms Facebook, Twitter and Instagram. Once uploaded into the tool's dashboard, an exact replica of the creative will automatically resize to fit the dimensions of the top ad slot on the Times' mobile site and The Sun's desktop and mobile sites.

We've also seen ground-breaking moves to champion TV – with ITV, Channel 4 and Sky collaborating to create a greater force to beat the likes of Facebook, but also to demonstrate and remind advertisers that TV has the ability to grow brands. See the next article for more...



# BIG UPDATES FROM THE BIG TV FESTIVAL



Earlier this month TV powerhouses ITV, Channel 4 and Sky came together to make history by collaborating on the industry's first ever joint TV event. Together with the help of Thinkbox, the three broadcasters launched The Big TV Festival, an exclusive two-day event which took place in Blackwood Forest, Hampshire. Around 150 of the media industry's rising stars were accompanied by broadcasters, commissioners, directors, creative heads and analysts to discuss the current and future state of TV.

The festival – ably co-hosted by Scarlett Moffatt and Jamie Laing – featured talks from some of advertising's most influential and forward-thinking individuals, including the likes of Rory Sutherland (OgilvyOne), Kate Waters (Now), Chaka Sobhani (Leo Burnett) and Rosie Arnold (AMV BBDO). Topics covered across the two-day event included content, creativity, effectiveness and innovation, all of which served to underpin an overall understanding of TV as the key media channel for brand growth.

Naturally, it wouldn't have been a TV showcase without some programming, and each of the three broadcasters leapt at the chance to flaunt some 2018 highlights. ITV shared the upcoming period drama *Vanity Fair*, a high-budget adaptation of William Thackeray's classic 1848 novel. A collaboration with Amazon (who will distribute the show via its Prime service), *Vanity Fair* provides an example of how broadcasters are adapting to the changing TV landscape and the demand from audiences for high-quality content.

In another collaboration, Channel 4 unveiled its upcoming Netflix co-pro *Kiss Me First*. The curious new six-part drama from the creator of *Skins* tells the story of Leila, a 17-year-old who is addicted to an online gaming site. Sky's trailer

was for *Save Me* – its latest Sky Atlantic drama which airs in the coming weeks featuring the ubiquitous Suranne Jones alongside Daniel Adegboyega.

Two of the most insightful talks were led by Now's Kate Waters and Ebiquity's Nick Pugh. The latter stressed the importance of the long-term impact of advertising, outlining that only 42% of advertising effects can be felt in the weeks and months following a campaign. Waters expanded on this, encouraging a move away from immediate 'real time' marketing in favour of long term growth. To the delight of the broadcasters, Pugh also demonstrated recent Ebiquity findings that not only attribute the highest levels of ROI to TV but also labelled the media channel as the least risky.

A summary of the inaugural Big TV Festival would not be complete without a nod to Rory Sutherland. The eccentric OgilvyOne Chairman brought a fresh perspective to proceedings, encouraging advertisers to abandon logic and explore lateral thinking. Indeed, the eclectic mix of talks across the two-day period worked well, inspiring and engaging attendees.

Rather than a hard TV sell, the Big TV Festival represented a collaborative discussion and sharing of ideas. Kudos therefore to Thinkbox and the three heavy-hitting broadcasters, as they acknowledge how the industry is changing – users just aren't consuming content like Homer Simpson on his family's brown sofa any more.



# YOUTUBE SEES THE LIGHT OF HUMAN INTELLIGENCE



To kickstart 2018, YouTube has blessed the industry with news of major changes in the running of the platform, announcing a new approach to monetisation and verification that includes the introduction of human vetting for all Google-preferred ad placements.

With goals of keeping violative content off YouTube – preventing ads from appearing where they shouldn't and giving advertisers more control – they hope to help reassure the digital ad community that YouTube is the best place to advertise online.

This follows a turbulent year in which Google's video platform became the target of claims of funding extremists, providing opportunities for paedophiles to operate and evade detection, and where one of their highest paid content partners (Logan Paul) posted a video of a dead body that was viewed over 6 million times, to worldwide condemnation.

The announcement is a much-needed start to the new year, changing perceptions of a business under intense scrutiny from journalists, advertisers and agencies alike.

Details released last month revealed the following:

- Higher thresholds for content to be eligible for monetisation, based on watch-time and not view-count.
- The deployment of a human-artificial intelligence hybrid approach to content verification.
- 'Google Preferred' strengthening to 100% of channels and videos being manually reviewed.
- A simple three-tier suitability system to enable clearer control over placement selections.

Beyond this, at the7stars we're aware that the third-party integrations for viewability vendors currently in place will be extending to their brand safety tools, following trial periods this quarter. This should further bolster the opportunities for advertisers and agencies to refine their approaches in a customised fashion.

The changes have already been welcomed by the IPA, with Tom George, chair of the IPA's Media Futures Group, saying: "We believe it is a step in the right direction and evidence that Google has listened to the advertising community to try to resolve the issues of brand safety that have been the subject of much concern in 2017."

Whilst those advertisers who have had their ads misplaced in the past will likely proclaim that this comes too late for them, for the 'so-far unscathed' many it will be very reassuring that the protection of their brands when choosing to advertise on YouTube is vastly improving.

Let's hope that 2018 becomes the year that sees the goliaths of the digital ad industry become more responsible for their actions in helping produce the safest, most effective places to advertise for brands.



# BLOCKED: GOOGLE STARTS FILTERING “BAD” ADS



You could be excused this week for not noticing one of the biggest changes in internet browsing technology in recent times.

Google's Adblockalypse finally came into effect on 15<sup>th</sup> February, automatically blocking – or “filtering” – ads which they deem bad for the user experience on its browser, Chrome. The chances are you use Chrome across one of your devices already; StatCounter estimates it's active on around 60% of all devices.

The prevalence of the browser means that the new filtering software, now applied automatically, should have a significant effect on all areas of the digital advertising ecosystem, all the way from the publisher hosting and benefitting from ad revenue, through to what the end user now sees on the page.

It's likely, however, that you may not have seen a huge difference in your own browser experience recently. If you're one of the 22.1% of the UK population who currently use an ad blocker (IAB/YouGov), then this certainly isn't a replacement for that tool.

Instead, Chrome's filtering software, despite initial concern from publishers, is actually fairly lenient. The Coalition for Better Ads (CBA) was setup primarily to clean up the dirge of terrible digital adverts that offered a bad user experience or ate up unnecessary data or bandwidth across devices.

There are only a measly 12 ads that are currently identified as 'bad', which Chrome will now filter out automatically, although it must be stated that the research into which ads are the most 'bad' for users was conducted by Google itself and doesn't in fact include some of their largest inventory pools, such as YouTube pre-roll.

Some of the recent controversy has been centred on the research undertaken and whether this is just one additional unfair advantage in Google's ever-increasing dominance of the digital ad space. With so many users already running the Chrome browser as their default, publishers will have to listen and adhere to the CBA rules or risk missing out on ad revenue. Google has already announced that ads won't be immediately blocked, but publishers

will have up to 30 days to rectify placements before being filtered out.

There remains some discomfort around the reasons why YouTube pre-roll in particular hasn't been included in the research which led to the 12 formats being banned.

Autoplay video ads with sound and prestitials loading before content, for example, are now banned, which aren't hugely unrelated to YouTube's Trueview formats. It's totally understandable that publishers should be concerned that changes will have a small effect – if any – on Google's own advertising products whilst a large effect on theirs, especially if research hasn't been undertaken independently. The CBA was formed to be able to give a voice to players on all sides, and although a big voice, Google wouldn't be able to push through an agenda by itself.

Whatever the outcome for publishers, though, agencies and advertisers should concern themselves more with the hope that this is a first step rather than a resolution. It's clear to anyone that the web still has ads that are far from ideal. It's also obvious, especially across mobile, that many formats are bad for the user experience and show a lack of creativity.

Chrome's adblock may, however, have come at exactly the right time. With GDPR around the corner, publishers and ad tech vendors are suddenly having to revisit all elements of digital advertising, including the data they can use for targeting, the information held on a user and now the actual creative they can deliver. We're not far from a full display revamp which can only be positive for the industry.

Let's finally focus on the quality experience that digital can deliver and clean up all aspects of creative delivery, not just what Google tells us to.





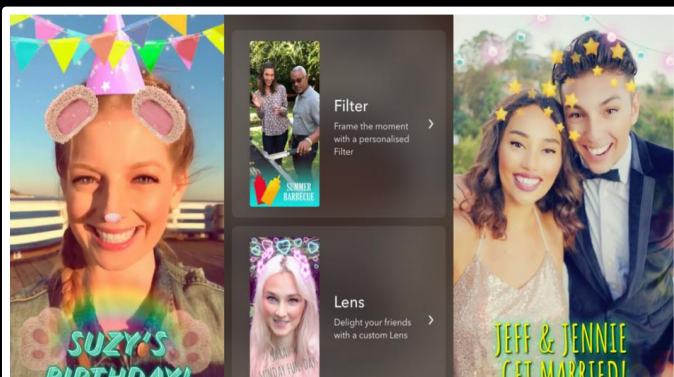
# HOTLINE

THE STORIES THAT LIT UP OUR MEDIA WORLD THIS MONTH



Sky and BT have signed deals worth a combined £4.46bn to show 160 live Premier League football matches for three seasons from 2019-20. The two broadcasters have ultimately squashed the persistent speculation that new players such as Amazon, Facebook or Netflix would disrupt the market, taking a combined five of the seven packages available. However, there is still the possibility of a digital platform winning some matches, although the Premier League has said “multiple bidders” have expressed an interest in acquiring the two remaining packages totalling 40 games.

Singapore Airlines has launched the world’s first blockchain-based airline loyalty digital wallet, helping to benefit both its customers and its investors. This newly-proposed alternative has the potential to eradicate previous loyalty scheme problems such as expiry dates, limiting how members can redeem their points, and also depreciation in value over time due to inflation. This can be achieved with cryptocurrency as it would be flexibly interchangeable with other digital currencies, programs or money, as well as the market being able to decide the value of these tokens, which would create the potential for value appreciation.



Snapchat has announced more product changes, enabling UK users to create a custom AR Face Lens. In under five minutes, users can create bespoke personalised Snapchat Lenses for all manner of special occasions. The company continues to tweak its offering in the face of ongoing competition from Instagram Stories. However, the app’s redesign has been met with mixed reviews, including a Kylie Jenner tweet stating her discontent on the changes, which some have linked to a 6% drop in its shares. The company’s Bitmoji product has been successful with consumers, with Bitmoji Deluxe taking the top spot as the most downloaded app in the world in 2017.

Amazon has eclipsed rivals Apple and Google in the latest Brand Finance Global 500 ranking as the e-commerce goliath cemented its position as the most valuable brand on the planet with growth of 42% year-on-year to achieve a valuation of \$150.8bn. The retail giant is now the world’s largest internet business in terms of market capitalisation and revenue after successfully diversifying into cloud infrastructure and electronics, with its desire to expand set to continue following a mammoth \$13.7bn takeover of Whole Foods last year. Apple held the number two position, followed by Google which dropped from first to third, with Samsung and Facebook filling up the top five.



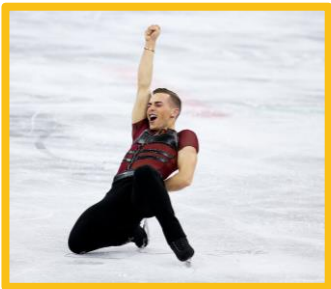


THREE BILLBOARDS

BRIT AWARDS



WINTER OLYMPICS



KFC'S CHICKEN CRISIS



BEAST FROM  
THE EAST



KYLIE KILLING OFF  
SNAPCHAT

