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July 2018

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IN CONTEXT: A REVIEW OF C4's LATEST ADTECH OFFERING

Celebs and media planners alike gathered at Camden's Roundhouse earlier this month for Channel 4's 2018 Upfronts.

On the 4th July, Channel 4 brought famous faces to the stage to announce several future programming launches – including a Brexit referendum drama starring Benedict Cumberbatch, a Victorian comedy featuring Matt Berry named Year of the Rabbit, and a new dating show titled Flirty Dancing.

On top of this, Channel 4 announced plans to inject an extra £10m funding into E4, and also gave the industry a sneak peek of an exciting new advertising product called "Contextual Moments" – soon to be available for brands to trial.

Contextual Moments is an ad proposition allowing brands to appear on TV within contextually relevant environments. For example a character in a show might be seen enjoying a plate of chips at home, and consequently a brand's oven chips advert would be placed in the following break.

The pioneering technology will be powered by artificial intelligence – using algorithms to recognise visual and audio cues to identify the right contextual moment for an ad of a particular product or category to be served.

However, until the algorithms have been properly developed, the system will be manually overseen by humans, who will remain vital for approving each contextual moment before going live at this stage.

Channel 4's own research into the technology sounds promising – in their study, placing contextual ads next to regular spots meant spontaneous awareness went up by 34%, while positive brand perception increased 12%, and purchase intent by 13%.

After development of the AI-driven tech, Channel 4 will be looking to sell contextual moments in bundles to brands across different product categories.

The chief commercial officer of Channel 4, Jonathan Allan, said: "Our pioneering ad tech provides an exciting opportunity for advertisers to test a global first in linear TV ad targeting which we know delivers strong results".

Channel 4 are currently on the lookout for partners to test the new technology, with an aim for more research and a full market launch in 2019.

While an interesting tech-led development in the otherwise relatively traditional space of linear TV, advertisers are likely to have reservations - particularly when it comes to negative contexts and brand safety.

The challenge for Channel 4 will be in ensuring its algorithms correctly identify brand safe scenes or contexts. However, despite potential uncertainties, Channel 4 are taking a bold step in the right direction to enable smarter and more effective TV planning.

ALL EARS: PODCASTS GO MAINSTREAM

This month podcasting service Acast announced that they've passed 100m monthly listens – doubling the amount they achieved this time last year.

For regular podcast listeners, its surging popularity may seem unsurprising, but Acast's thriving fan base actually represents a major milestone in the significant growth of podcast listenership in the UK, and raises the question: are we taking the medium as seriously as we should be?

Podcasts are perhaps unjustly considered 'niche'. For example, although coming from humble beginnings, fan-favourite 'My Dad Wrote a Porno' recently sold out the Royal Albert Hall with its live show – not bad for a series that launched just three years ago, having been recorded in one of the presenters' living rooms.

Acast's own Audio Intelligence report also shows that 23% of the UK population have listened to a podcast in the last month – while 27% of 16-34s listen at least once a week. On average, Brits spend more than 3.6 hours per week with the channel. Moreover, AudioBoom - another main podcast platform - reported YoY revenue growth of 329% in Q3 2017, showing that brands are becoming more and more interested in the medium to showcase their brand.

The channel is growing rapidly in terms of reach, and thus has real advertising potential. Podcasts offer a unique way for brands to connect with their audience on a more personal and integrated level. Brands are waking up to this and becoming smarter in the ways they're using them. The channel lends itself well to branded content, on top of being a pure audio delivery mechanism; we're seeing more brands actually working with content producers to create their own episode/series in addition to bespoke sponsor reads from the podcasters themselves.

The IAB has also identified podcasts as a channel that needs to be given full attention in the digital audio space. In August 2017, they released a Podcast Playbook to guide marketers in how they approach advertising on podcasts.

Perhaps the key part of podcasting's immediate future is in how advertisers can go about buying it in conjunction with other audio activity, both to ensure consistent brand messaging but also manage frequency.

Acast have recently started their venture into programmatic buying, with DBM's fairly recent rollout of audio buying – it's only be a matter of time before the likes of Acast & AudioBoom work out a better way to work with tradedesks.

Ultimately, this recent news has confirmed what we all know anecdotally - that podcasting is a unique and valuable channel as yet untapped by brands who may be unsure about how to use them in the most effective way. Re-purposing audio ads is one way into the channel, but partnering with talent can be an even better one. One thing is for certain – the future is bright for the medium and for brands who are able to unlock its full potential.

INFLUENCERS: THE REALITY OF FAKE AUDIENCES

In 2018, a huge 39% of marketers plan to increase their investment into influencer marketing.

But with so many reports of fake audiences – including recent claims that 12% of Instagrammers buy fake followers – brands would be forgiven for thinking they have stumbled into digital marketing's new Wild West.

Facebook has even admitted that around 3% of Facebook accounts are still fake despite its algorithms nipping many in the bud at their source (the social media giant deleted 583m fake accounts in Q1 alone this year).

A major contribution to these issues is the severe over-emphasis on reach, across the industry – often at the expense of relevance, content quality and engagement. This, along with the eruption of influencer discovery tools and social networks, has meant that by simply having the right kind of numbers, even the least credible influencers have managed to gain a place on some media plans.

A similar case can be seen across other social platforms. But in this case, it may not be within platforms' financial interests to stage too much of a crackdown – after all, it inflates their user numbers and can increase revenues.

In order to challenge this issues, the biggest move that agencies and advertisers can do is create demand for genuine engagement, quality content and real advocacy. Emerging technologies can help here, as they provide access to metrics like "*active* (read: human) audience" and engagement in place of traditional "reach".

A demand for quality engagement will also provide influencers with a level playing field, in which they're not having to compete with those who are cheating the system. This will in turn encourage influencers to focus on maintaining their real audiences (something that we know our top influencer partners here at the7stars already do).

But while the right tools make an impact, no amount of data can replace the human element involved in selecting influencer partners: content quality, opinions, preferences and stories play such an important role that a hands-on approach is needed to see through a successful influencer partnership.

While the industry needs to make some major changes, we wouldn't recommend abandoning influencers altogether. The opportunity to work with passionate and influential partners in the social space remains powerful – even in the face of fake followers.

SOMEWHERE OVER THE RAINBOW: LGBT ADVERTISING POST-PRIDE

Pride Month and the Pride in London festival has come to a close for another year.

During each year's celebrations we see more and more brands engage with Pride - and it's easy to see why. If the global LGBTQ community were a country, its GDP would be the world's fourth largest.

Pride in London saw approximately 1m attendees this year, and in turn London retailers saw huge spikes in on-the-day revenues. Although impossible to measure with pinpoint accuracy, some report the "Pink Pound" in the UK to be worth around £6bn annually.

Unfortunately, Pride is often tainted by the perception that brands exploit the event for their own gains. Consumers remain unconvinced by flash-in-the-pan rainbow-colored marketing that appears once a year; LGBT+ consumers, and those in support of the LGBT+ community in particular can see right through these tactics. If a brand is deemed to be exploiting a market they risk losing consumers rather than gaining them.

Much like any area of diversity, brands need to strive for authenticity. In the US, 64% of LGBT+ consumers and allies said they were more likely to spend with a brand if they deemed them inclusive. However, inclusivity is not simply introducing a same sex couple into your campaign for one month of the year – it should be a continuous communications effort and far-reaching business objective designed to ensure genuine diversity.

Most importantly, the motivations for inclusivity should stretch beyond just profit. Much like other marginalised groups, the LGBT+ community face huge difficulties - 68% of LGBT people avoid coming out at work, while 2 in 5 have experienced harassment within the last 12 months.

Advertising can help to action positive changes by contributing to our cultural landscape, and in turn helping to shift public opinion. A great example of this was the Nike 'Yes' campaign in Australia, where they turned their classic swoosh logo into a symbol for social acceptance in the Marriage Equality postal vote.

For those brands looking to branch into new markets, it can be a sensitive territory to navigate.

But there are more resources than ever available to help them tread carefully. PrideAM, the ad industry's LGBT network, recently released Outvertising – a resource for brands needing advice on LGBT+ inclusive communications strategies. Similarly, specialist consultancies have launched – take Othervox, for example, an agency providing intelligent LGBT targeting in digital media.

Along with semiotics and cultural insight agency SignSalad, the7stars has also this month released a whitepaper, Representing?, exploring the ways in which brands can champion diversity without offending and, importantly, making sure they avoid tokenism.

Brands have started waving the rainbow flag – now they need to make sure they're supporting diversity year-round.

NEWSBRANDS EVOLVE WITH THE TIMES

In 2018 we've seen a real shift towards better co-operation between publishers, with the launch of three game-changing initiatives – The Ozone Project, Impact and PamCo.

Each of these initiatives has been created with the intention of bolstering the ways in which advertisers can access high-reaching inventory, safely, cost-effectively and at scale – simultaneously breathing life back into print industry revenues.

Impact, the newest of these developments, comes in the form of a premium, market-wide takeover, offering advertisers a presence across almost every major newsbrand's homepage, and the first print ad of almost every major UK newspaper, uniformly for a day.

Its cost effectiveness for mass reach has been conceived to rival OOH, TV and Radio.

With almost all of the national press on board, and twenty-four regional newsbrands in Reach's Big City package (which includes titles such as The Daily Record and Manchester Evening News) included, its potential reach is huge. It amounts to 21 million adults in a single day and with frequency across the different newsbrands measured at 2.43 OTS a day, according to PamCo data, it makes for a formidable 51.4m impacts.

But with a price tag of £375,000, it's a big investment, and may not appeal to all advertisers.

Impact was borne out of PamCo – a newly launched measurement currency that combines de-duplicated print, mobile and desktop readership figures. PamCo will reset the way the industry treats the two modes of communication as part of a singular medium.

In another development this year, The Guardian, Telegraph and News UK unveiled The Ozone Project – their own unified digital ad network. It has been specifically designed to deliver simplicity, brand safety, and a cost-effective scale of reach comparable to social media in the UK (of which there are 39.4 million unique users).

The Ozone Project is a deeply competitive and deftly designed means of offering advertisers tailored access to its various, trusting audiences, whereas Impact is more a proclamation of the powerful reach of newsbrands across print and digital as a single whole. Both, along with PamCo breathe new life back into the value of print as a broadcast medium.

Perhaps the constant furore around Facebook's place in publishing has been the catalyst for newsbrands to finally – after years of speculation – evolve and band together.

Between the massive appetite for news, and for trustworthy content, it's been a sensible move. So is print a dying medium? Not at all – it might even be the one most well-equipped and ready to evolve.

HOTLINE

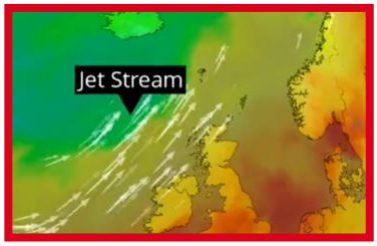
THE STORIES THAT LIT UP OUR MEDIA WORLD THIS MONTH

ITV is preparing to remove its programming from Netflix as it plans to launch its own rival streaming service. Announced this month, ITV's chief executive is said to be planning to take its archive of shows to which it has UK rights, including Broadchurch, Victoria and Prime Suspect, from Netflix. ITV's revenues have been boosted this year thanks to World Cup coverage and the success of Love Island, with ad revenue up 22% in June and 9th in July; contributing to a total increase of 2% across the first six months of 2018. Whether an ad-free streaming will be a success, however, remains to be seen.

A new study from Trinity Mirror Solutions and House 51 has suggested that those working in the ad industry are fundamentally different to consumers. Specifically, the research found that, while analytical thinking dominates our industry, the public tends to think more holistically. This means that the advertisers tend to undervalue the context of advertising, the importance of creating shared rather than individual experiences, and the continued effectiveness of existing creatives and traditional media channels.

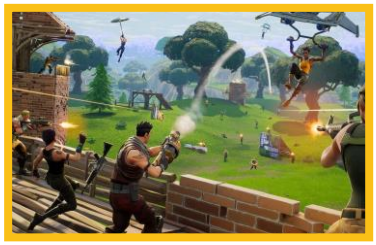
Twitter has begun an effort to address social media fraud by deleting tens of millions of suspicious accounts on the platform. Twitter has come under scrutiny recently, as the market has come to invest further in social media influencers. In a move that seeks to restore trust for advertisers and attack those with artificially inflated follower counts, a number of users will have seen their follower account drop. Twitter has estimated that the typical user will see this decrease by about 6%. Some of Twitter's top ten most followed accounts have also seen a drop – including One Direction member Harry Styles, who's lost 877,000 followers, bringing him to 32 million. The move should help to maximise ad spend and stamp out fraud across the market.

The heatwave has had a detrimental impact on UK cinema attendance, with box office sales down 20% since June, despite the release of mega-hits Jurassic Park and Ocean's 8. Between June to mid July last year, the UK box office had taken £128m, this year taking just £103m within the same period. The industry will hope that the long-awaited Incredibles sequel, despite having opened over the weekend of the World Cup final, will convince Brits to head to their local theatre. Major releases such as Fantastic Beasts and family-favourite Mary Poppins Returns should also see attendance back up towards the end of 2018.



HEATWAVE

THE7STARS PODCAST, 7TALKS



FORTNITE SEASON 5

LOVE ISLAND FINAL

ITV'S RUMOURED NEW STREAMING SERVICE

INDUSTRY VIEWABILITY RATES