

# WHAT'S HOT

November 2017

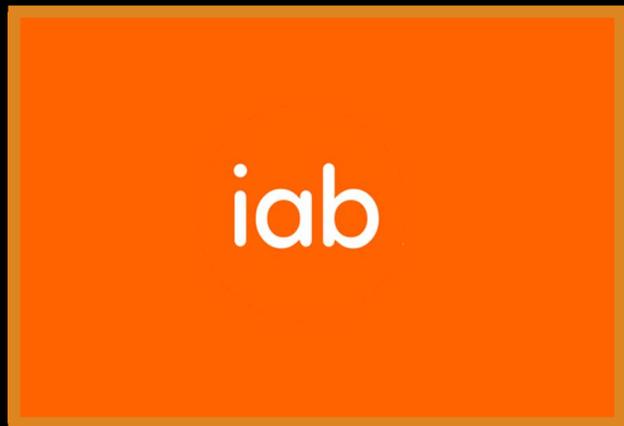




IS ADVERTISING REALLY DIVERSIFYING?



WINNER, WINNER CHRISTMAS DINNER



THE IAB GOLD STANDARD: MAKING DIGITAL SUSTAINABLE



WHAT'S UP?: HIGHLIGHTS FROM THE UPFRONTS SEASON



FACING THE FACTS: FACEBOOK'S ALGORITHM CHANGES



WHY FULL MOTION IS WORTH A SECOND (AND A HALF) LOOK



# IS ADVERTISING REALLY DIVERSIFYING?



2017 has given us a female Doctor Who, a mixed-race model on the cover of Vogue and the election of the first openly gay Irish Prime Minister (the fourth openly gay head of state in the world). But as the wider world looks to be catching up with the 21st Century, in adland the diversity debate rages on.

Research conducted as part of our quarterly consumer tracking study – [The QT](#) – identified that whilst 56% of Brits feel the debate around diversity is more widespread than ever, only 24% agree they feel represented in modern advertising.

What is particularly stark is that these figures are not driven by the groups you would imagine feel most uninspired. Many believe steps are being taken to represent LGBT and ethnic diversity, disability and gender, for example, but attitudes to regional representation are less favourable, with only 1% of those in the North East saying they felt advertising reflects life where they come from versus 18% of Londoners. This sort of London vs the rest of the UK divide is nothing new: Trinity Mirror's 'When Trust Falls Down' study corroborates our findings that those outside London are simply more likely to feel that brands don't understand what it's like for people living in Britain today. It's not surprising from our research then that a more significant proportion of Londoners (one in three) believe advertising is more progressive than wider culture.

Another point of interest is age. Giulietta, from our follow-up qualitative focus groups on Facebook Messenger, sums it up perfectly:

"I think that more of a range of people are now being shown in advertising - disabled, ethnic minorities, less so LGBTQ. As an older woman (60) I feel the only ads I see me in are daytime ads for incontinence aids or life insurance, and it does get on my nerves a bit."

Indeed, only 12% of the 65+ demographic feel fairly represented, compared to 40% of the 18-24 cohort. Not only does this feel unfair, but it also lacks business sense. After all, official figures show that [one in six pensioners is a millionaire](#), and Baby Boomers reportedly have a disposable income superior to any other generation.

So what does this mean for brands? Local media and relevant messaging can help to illustrate that you're on your customers' side in a more tangible way – especially outside the capital. Being representative doesn't mean sacrificing being aspirational, but knowing your audience will help. Association and affiliation with progressive social causes can be recognisable and beneficial, but brands must take care not to simply "rainbow wash". After all, two in five Brits (42%) feel brands sometimes exploit diversity events. Being true to your brand and your customers is a safe place to begin.



# WINNER, WINNER CHRISTMAS DINNER



52 days is a long time. [Wars have been won and lost](#) in that time. [Moustaches have been grown](#) and [novels have been written](#). But that's how far in advance of Christmas Argos launched its yuletide ad this year, kicking off the festive season and gaining first-mover advantage with its rocket-powered sled effort. But is moving early all it takes to 'win Christmas'? Or can John Lewis, former IPA Effectiveness Awards Gold winner, make it yet another champion year?

In both cases, the short answer is apparently not. M&S, with its Paddington 2 tie-in ad, is ruling the roost in the online polls despite (or perhaps because of?) [a little controversy](#). The [Telegraph Business readers](#) are particularly unimpressed with John Lewis' Moz the Monster effort, with it only taking 1% of their vote. [MailOnline readers](#) hand it to M&S too, with 49% of the vote vs a slightly-more-generous-than-the-Telegraph 20% for John Lewis.

What about the industry view? Despite a panel of [Retail Week commentators](#) handing the crown to John Lewis, a Twitter poll by the editor, [George MacDonald](#), also awards the 'winningest' tag to M&S.

Despite buzz frequently translating into success, however, all that ultimately matters is a campaign's effectiveness both in terms of short-term sales activation and longer-term brand health metrics – and it'll be some time before anyone really knows who's actually won. We're looking forward to the IPA Effie entries, though, that's for sure.

So, what to do if you're an advertiser who can't hope to compete with £20m+ Christmas ad budgets? Well, for one of our clients, for the second year running, we've recommended holding back from releasing their ad until it's actually Christmassy enough – a strategy they employed last year to great effect. The lesson here is to think differently about occasion-based campaigns. Most of the retail heavyweights have gone out within a few days of each other in early November, some time before the majority of people actually start Christmas shopping.

Dominic Mills agrees. In [his latest Mediatel column](#) he says "There are, I think, three dangers here for advertisers: one, consumers are fed up/bored with their ads by the time the real sales war is on them... two, they're drowning each other out; or three, they've run out of media cash and they'll have to raid the back of the sofa for some extra. Either way, their chances of being top of mind are diminished by the time the real shopping season is on us. "

Going ahead of peak season to establish a 'destination of choice' position with consumers might work with gargantuan media budgets at your disposal, but for smaller players you're simply going to be drowned out. We believe it can be much more effective to concentrate your resources when the greatest volume of your audience are in-market. And this is something that holds true all year round. A well-thought out media strategy should be the difference between an 'ok' and an 'incredible' Christmas.



# THE IAB GOLD STANDARD: MAKING DIGITAL SUSTAINABLE

The IAB logo consists of the lowercase letters 'iab' in a white, sans-serif font, centered on a solid orange rectangular background.

Digital ad spend has sky rocketed over the last few years, and shows no signs of slowing down any time soon. Maintaining this exponential growth has been of key importance for those in the world of digital media, but there are growing fears that, while spend is increasing, the quality of digital ads are not. Thus, for 2018, the focus of the Internet Advertising Bureau (IAB) is less about growing digital further and more about improving its sustainability.

The IAB frequently publishes eye-watering spend figures for the digital ad world and its H1 summary was no exception, with a reported £675 million year-on-year digital spend increase to £5.56 billion. This represents a 13.8% rise, with most of this increase driven by spiralling mobile budgets (up £655m to £2.37bn). However, these reports are paired with a rise in ad blocking, lingering problems of fraud and growing consumer frustration with intrusive formats. As digital takes ever increasing proportions of clients' media budgets, the challenge has been to stop it becoming its own worst enemy; to keep spend growing, as digital advertisers, we need to ensure we are spending responsibly.

Accordingly, the IAB has published its Gold Standard for digital media planning, a series of best-practice initiatives that will keep digital growing in the years to come. Guidance ranges from supplier-side tech implementations to guides for creatives to ensuring brand safety. The steps include:

**Reducing fraud through the ads.txt initiative:** Ads.txt is a mechanism on websites that allows the owners of content to declare who is allowed to sell inventory. It means that when we see ads for sale programmatically, we can be sure

that the ad we are buying is legitimate, which in turn goes some way to stopping rogue traders profiting from counterfeit inventory.

**LEAN Principles from the Coalition for Better Advertising:** LEAN is an acronym used to represent best practice in terms of digital ad specs: Light file sizes and strict controls on data; Encrypted; Ad Choices logo; and Non-intrusive. Together this adds up to a better user experience: ads load faster, users know why the ad has been served to them the ads are non-invasive.

**Never use the 12 bad ads:** There are 12 ad formats that shouldn't be on any media plan – the key ones are pop-ups and auto-play sound-on video.

**Working with JICWEBS:** This is a series of principles to follow that will secure a safer environment for online advertising placements by certifying vendors and content.

All in all, these steps work towards the goal of making digital ads safer for brands to buy and better for the users they are being served to. Essentially, the key messages are around due diligence – being sure of the ads you are buying – and perspective – considering whether, as a user, you would be happy if you were served this ad in this manner.



# WHAT'S UP?: HIGHLIGHTS FROM THE UPFRONTS SEASON



Nothing signifies the drawing to the end of another year in TV media more than upfronts season. This month Channel 4 and ITV hosted the industry to look back over the successes of the past year and reveal what's to come in 2018. From ITV's glitzy Gala hosted by Emma Willis to Channel 4 treating guests to a #nightwith4, audiences were treated to comic interviews, celebrity performances (including appearances from Jennifer Hudson and Craig David), and some insight into the minds of TV's biggest players.

ITV kickstarted the festivities with their annual Gala, hosted at the London Palladium. Looking back at 2017, the star of the show was the phenomenal success of *Love Island*. The segment, presented by *Love Island* narrator Iain Stirling, covered how the show's highs and lows captivated younger audiences, making ITV2 the top performing channel for 16-34 year-olds and '100% their type on paper'.

Programming was a hot topic for ITV, from returning favourites *Dancing on Ice* to their 2018 focus on drama. Q1 will see the release of *Next of Kin*, starring Jack Davenport and Emmy Award winner Archie Panjabi, and *Trauma*, while later in the year an epic new adaptation of *Vanity Fair* will be hitting TV screens.

The following week saw medialand descend upon Shoreditch for a night with Channel 4. The night was kicked off by Jonathan Allen, as he introduced and interviewed Alex Mahon, the new Chief Executive of Channel 4 – and his new boss! The bulk of the presentation focused on programming for the coming year; new original comedy (Lee and Dean), questionable reality TV (*5\* Hotel*), returning formats (*Ackley Bridge*) and new dramas (*Kiri*).

The biggest announcement came from both ITV and Channel 4, however, as they announced their plans to partner with Sorenson Media to look at bespoke targeting solutions across smart TVs – their answer to Sky's AdSmart proposition. While it has been rumoured that both saleshouses are in ongoing conversations with Sky AdSmart, this would be an independent step forward and create competition within the market where previously there has been none.

While the development of data-driven TV targeting for both Channel 4 and ITV is in the early stages and will only progress over the next year, what is certain is that both channels have put significant investment behind programming to ensure another successful year.

Also joining upfronts season this year was YouTube. Its Brandcast event kicked off with the Samba dancers and a showcase of some of the best content and advertising of the year. The party atmosphere was soon tempered as Ronan Harris took to the stage; the event hosted just one week after *The Times* had gone live with another exposé into advertising on the platform, meaning the brand safety issue was one that couldn't be ignored. He was quick to point to improvements in the automated detection of inappropriate content; on-going consultation with the four industry bodies; and work being done to switch off offensive comments on videos, but the room was left with the feeling that this was very much a work in progress.

Highlights included a focus on investment in longer-form premium content and series-length shows, but, despite impressive speeches from Content Creators and a guest turn from Krupt FM and Craig David (again), they couldn't quite re-re-wind the clock to wipe the brand safety concerns aside.



# FACING THE FACTS: FACEBOOK'S ALGORITHM CHANGES

The Facebook logo is centered within a blue square that has a thin orange border. The word "facebook" is written in a white, lowercase, sans-serif font.

Facebook's experiments with its newsfeed are a reminder that both publishers and brands can't take organic reach for granted on social platforms.

Last month, in response to user feedback, Facebook introduced the Explore feed, a newsfeed separate from the default newsfeed, as part of an initiative to separate 'Personal' posts from 'Public' posts from news brands. However, in six of its smaller markets Facebook went a step further and removed all organic posts from the original newsfeed, meaning all organic posts from news organisations and other brands were now 'hidden' in the new Explore feed.

The change saw organic reach on Facebook for some of the leading news publishers in these territories fall by 60-80%. This move has prompted fears in the region about freedom of the press, and has rung alarm bells more locally about the threat this could pose to news businesses who rely to a greater or lesser extent on traffic from Facebook. Unsurprisingly, this change did not affect paid posts, raising the prospect of more spend having to be allocated to promote posts that would have previously achieved good organic reach. Facebook has made it clear for some time that in future brands can expect to assume their organic reach on the platform will fall to zero. However, this move also raises the same question about third-party influencers and news publishers that brands use to reach their audience organically on Facebook-owned platforms.

As it stands, the Facebook algorithm heavily favours paid content to the extent that influencers are struggling to reach new audiences even when the quality of the content and engagement is high. If Facebook rolls out this update globally this could spell the end of organic reach on the platform. For a company that promises to put user experience first, serving people content based on the spend behind it rather than its engagement or relevance could backfire. The benefit of organic branded content is its native seamless approach to getting users attention and the quality of the content itself. If spend has to be taken away from content creation and moved into media spend then both brands and the audience will miss out.

This is a reminder, if one were needed, that brands and influencers should invest in their owned assets because they risk having the carpet pulled from under them if they spend too much time building a profile on Facebook.



# WHY FULL MOTION IS WORTH A SECOND (AND A HALF) LOOK



New research by Neuro-Insight on behalf of Ocean Outdoor has found that full motion digital out-of-home (DOOH) can deliver 2.5 times the impact of equivalent static sites.

The neuroscience study shows how full motion DOOH delivers an experience that appropriates the traditional brand-building role of television and can amplify the impact of online advertising.

Building on previous neuroscience studies, Ocean hypothesised that full motion DOOH would play a similar role to television in helping to build brand equity and create strong emotional associations for brands, and that, as part of a linked campaign, it could prime the brain to respond more strongly to brand communication in an online environment.

What was learnt and what it means:

**Full motion outperforms static:** DOOH is 2.5 times more impactful than equivalent static sites. Full motion DOOH is comparable to television in its brand-building impact

**Full motion DOOH builds brands:** Full motion sites can extend the reach of a television campaign whilst eliciting equally strong and positive responses

**Online video translates to DOOH:** Short-form online video content performs better on DOOH than it does in an online context. DOOH can add a brand-building dimension to content which, online, tends to play more of an activation role

**DOOH amplifies online impact:** Full motion DOOH primes this content to perform better when seen online. Online short-form video campaigns will perform better if full motion DOOH is included as part of the media plan.

The study demonstrated that full motion DOOH delivers a brain response that is comparable to that of television advertising and works in a similar way, delivering multiple brand impacts and a strong emotional response - the components that have been shown to contribute to real-world sales impact.

It can also work as an effective delivery mechanism for short-form online content and, as part of a linked campaign, can prime the brain to respond more strongly to that same content when viewed online.



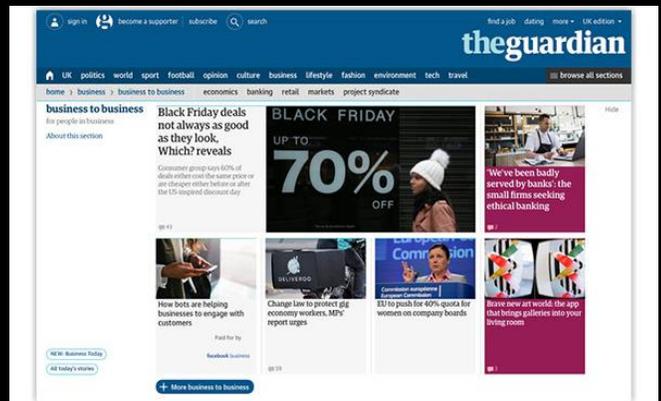
# HOTLINE

## THE STORIES THAT LIT UP OUR MEDIA WORLD THIS MONTH



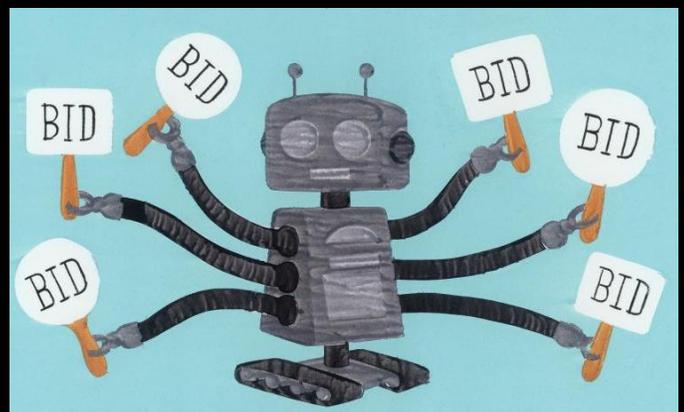
Facebook and Apple are set to initiate plans to invest in original TV content, in an attempt to compete with streaming services from Google, Amazon and Netflix. Apple has recently recruited Channel 4's chief creative officer Jay Hunt, as creative director of its Worldwide video group in Europe in an attempt to coalesce its linear and non-linear programming. Yet again, TV has shown its vast influence, with leaders of online and mobile content showing a willingness to venture into a marketplace that advertisers would have previously suggested to be their rival. In future, we are likely to see companies make more of these types of moves as society's hunger for new and original TV content continues to grow.

The division of The Guardian that is responsible for branded content, Guardian Labs, is launching a new Business to Business section (B2B) supported by Thomson Reuters, Facebook and the Post Office. Guardian Labs has dedicated an editorial team to the management of selected news and features from across The Guardian to run alongside pieces that are funded by advertisers/media owners. This new style of feature writing is set to spark conversation about brands amongst the business community via articles, videos and podcasts. For the 2016/17 financial year the Guardian reported a £44.7m net loss, so a move like this is an interesting attempt at expanding its existing portfolio to implement a drive in revenue.



Video content streaming platform Amazon Prime Video has recently won the distribution rights for all ATP World Tour tennis events until 2023. Amazon Prime Video customers will now have access to all 37 ATP world tour events in the period of 2019 to 2023. In addition to this, customers will receive full on demand access to highlights, press conferences and additional original content for no extra cost. This is not the first we have seen of digital platforms purchasing rights to live sport. Earlier this year Facebook purchased the rights to the UEFA Champions League 2017/18 football season in a deal with Fox Sports, to allow football fans in the US live coverage of matches through social media.

Programmatic trading is predicted to reach 67% of the digital display market in 2018, according to Zenith. Currently in 2017, 59% of all digital display ads are programmatic, with the UK market even higher at 77% and predicted to reach just under the 90% mark in 2018. The findings are a reflection of the growing trend of agencies using programmatic to produce intelligent targeting to advertise premium content rather than the previous use of the tool as a method of hastily pushing outdated inventory. The proliferation of programmatic trading in digital display ads is likely to impact on many other sectors, such as outdoor, cinema, radio and TV.





**HARRY & MEGHAN**

**BITCOIN**



**DX3**

**BLACK FRIDAY**



**AUTUMN BUDGET  
JOKES**

**YOUTUBE**

**You Tube**

