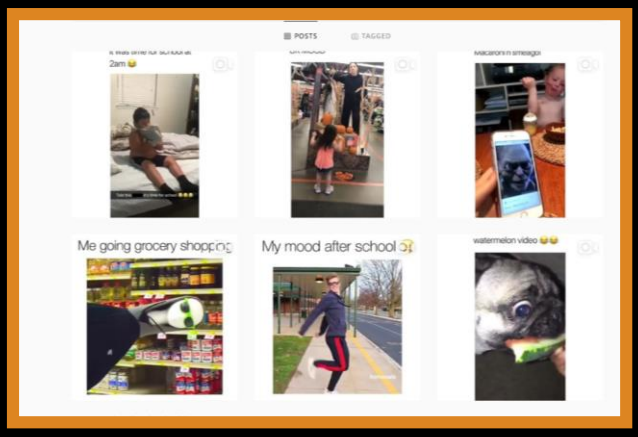
WHAT'S HOT

September 2018

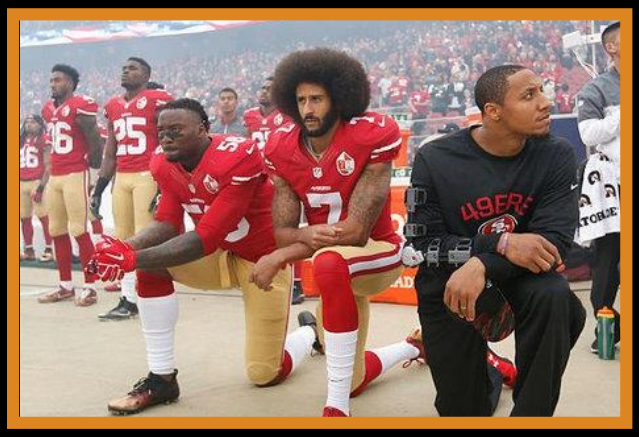
PAYING WHAT IS OWED: THE FACEBOOK & GOOGLE LINK TAX

FORTNITE: GETTING CAUGHT IN THE STREAM

THE “RELATIONSHIP AGE”: HERE’S TO NEW EXPERIENCES



IT’S ALL ABOUT MEME: HAS MEME MARKETING GONE VIRAL?



“BELIEVE IN SOMETHING”: NIKE GOES BOLD

NETFLIX: FROM PIONEER TO POWERHOUSE

PAYING WHAT IS OWED: THE FACEBOOK & GOOGLE LINK TAX

Google and Facebook's control of online ad revenue has often been described as a duopoly; together they make up half of the global digital ad market and are responsible for 90% of the growth in digital advertising.

Advertisers' dependence on them to build reach online has, as a result, led to growing concerns about their tight grip on the market. This is mainly due to the fact that Google and Facebook are content distributors rather than content creators.

The platforms are mostly used to access other sites, including to read snippets of articles written outside of the platforms. For example, a Guardian news headline is written and paid for by the publisher but will be posted on Facebook newsfeeds and Google search results for free.

Now there is increasing demand that the digital giants start paying media outlets for the content they use and the space around it that they monetise. Facebook did attempt to do this last year by paying publishers for premium video content they made for the platform. However, this programme has been slow to roll out completely and doesn't cover the more day-to-day use of headlines and their snippets.

This year, these calls were answered by the EU and the "link tax" proposal. This would see Facebook and Google pay media outlets for using their headlines, thumbnails and short descriptions of articles – rather than just using them for free as part of a Creative Commons License.

Critics have argued that forcing news outlets to charge a license fee will make life difficult for news start-ups and will lead to the spread of fake news.; this is because less reputable news outlets will charge lower fees which could lead to the proliferation of their news stories on the platforms.

But while these points may be valid, the issue remains that Facebook and Google have not been taking responsibility for what is being said and done on their platforms. As internet superpowers they have a responsibility to remunerate the publishers whose content they use to line their own pockets, while ensuring only accurate and factual stories shared on their platforms.

Spain tried to introduce a similar tax in 2014, but rather than pay out millions of euros in license fees Google shut down their platform and forced the government to go back on the proposal. Now however, with both the EU and the European Alliance of News Agencies behind the regulation, Google will struggle to use similar strong-arm tactics.

Overall, this would be a positive step in ensuring publishers can survive in an age where information is seemingly "free" and – if used properly – will be a bulwark against the spread of "fake news" online.

FORTNITE: GETTING CAUGHT IN THE STREAM

It's hard to believe that this time last year we were living in a world where "fortnight" simply referred to a two week time period. On 26th September 2017 Fortnite: Battle Royale burst onto the scene and gave a new meaning to the word.

This hugely popular online game was developed from an earlier third-person shooter release, and sees one hundred players on an island fighting for survival. In the space of just two weeks following its launch, the game amassed over 10 million players. Fast forward a year and Fortnite's domination continues with 10 times the players – now 125 million-strong. The game is now available on more devices than ever before and remains free to play.

It's unsurprising to see brands waking up to the huge opportunity provided by Fortnite's worldwide audience of engaged – or even obsessed – fans. We can't talk about the success of Fortnite without mentioning its loyal fandom and the streamers – gamers who record themselves playing live and share their videos via the likes of Twitch and YouTube.

The game is most watched on the Amazon-owned live-streaming platform Twitch. When pro-gamer Ninja was joined by Drake to play a game of Fortnite earlier this year - the stream became the most watched ever with 628,000 viewers.

Those who gain popularity on these platforms swiftly become recognised as influencers, opening themselves up for sponsored streams and branding partnerships.

One of the ways that brands can board the Battle Bus is by paying streamers for onscreen advertising whilst they play. Warner Bros, for example, promoted The Meg - branding a well-known streamer's video with their logo and with a filter on the left hand-side of their screen. As a full-viewable unit, this product placement was an effective way to drive high dwell times to an engaged audience.

Stream sponsorship is not, however, only suitable for those in the entertainment sector. Twitch reports that 81% of their viewers are male, but 78% of them have agreed that they want to see more charity in gaming – opening the door for many good causes to take advantage.

Even the most notoriously hard-to-reach audience – Gen Z – can be found playing Fortnite in their millions. First appearing on the Childwise Buzz report in Autumn 2017, Fortnite has quickly become a fan favourite, presenting brands with a significant opportunity to reach the untraceable under 13s (despite the game having an official age rating of 12). When coupled together with the steady YoY rise of YouTube watching and the ownership of personal devices, this is a match made in advertising heaven.

Amazon, too, has recognised the value that can be had from such a platform, announcing that the site will no longer be ad free with an Amazon Prime subscription as of next month. This is big news for commercial opportunities, with Twitch projecting an additional $1 billion in ad sales – double its current numbers.

Fortnite may be fad that'll run its course at any time (much like the Pokémon Go hype of 2016) but for now it holds the privileged title of being the most popular game in the world – and could be a huge opportunity for brands to engage a uniquely invested audience.

THE "RELATIONSHIP AGE": HERE'S TO NEW EXPERIENCES

Earlier this month, beer brand San Miguel launched an experiential stunt in support of their much-lauded #FindYourRich campaign. However, the consumer "experiment" has been accused of being overpriced and ill-favoured – given that ticket prices started at a fairly expensive £17.

However, experiences are arguably more important to brand marketing than ever before. As Keith Ferrazzi's so-called 'relationship age' comes to maturity, consumers are wanting more experiences and wanting to build deeper relationships with brands.

As the information age cements its place at the centre of culture, audiences are no longer waiting to have messages broadcast to them; they want to be involved. 50% of Brits say that they feel the need to satisfy their need for new experiences (Foresight Factory) and nowhere is this better demonstrated than in the commercial success of Secret Cinema. Their latest sell-out Romeo + Juliet screening demonstrated that experiential events have a shelf-life beyond fly-by-night, short term experiences.

Back in 1946, Edgar Dale presented "The Cone of Experience" - a model that for marketers effectively breaks down different communication strategies. The model suggests that people will remember 90% of what they do – a recall rate three times bigger than seeing, and nearly five times more than hearing.

The alcohol sector has been responsible for a number of brilliant brand storytelling experiences. Recent examples would include Carlsberg's Cabin with Airbnb, Lagranitas's Beer Circus and Guiness's Guiness Class airline – all of which demonstrate that commercial cues can be translated into credible marketing experiences when aligned with brand identity.

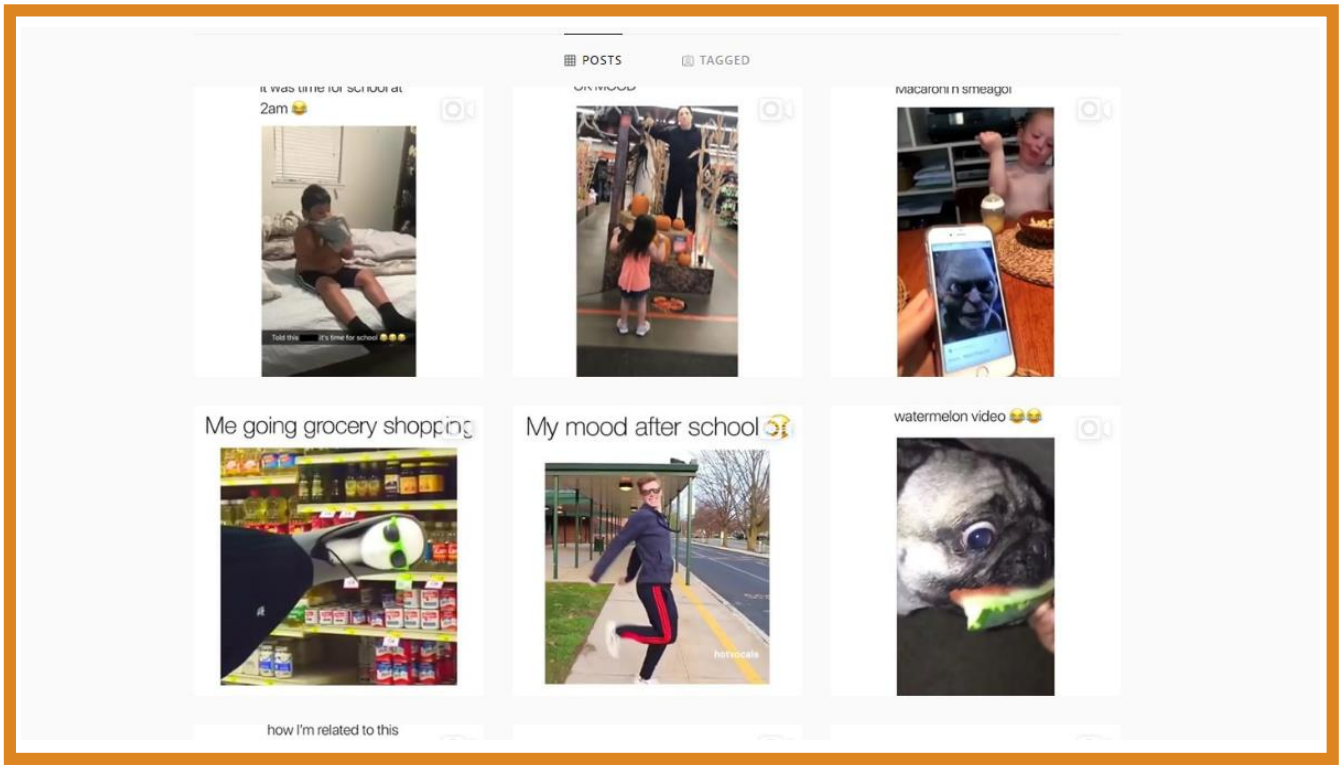
As Robert Rose, Chief Strategy Officer at The Content Advisory of the Content & Education Group of the Content Marketing Institute, eloquently puts it, "Marketing can no longer be the department (or person) that just describes the value of the product and services. Marketing must create value, independent of the product or service, through the experiences that it has the opportunity to create for customers. And, this responsibility now extends across the entirety of the customer's journey."

Clients and marketers alike must future-proof brands by placing them at the centre of the consumer cultural existence - whether in-store, online or in real life. But these experiences only really hit home when fully integrated into a brand's identity.

Importantly, providing consumer-led experiences delivers significant ROI. The numbers speak for themselves: 70% of consumers become returning customers after experiencing a marketing event; 65% of brands attribute live experiences converting to sale; and 98% of consumers feel more inclined to purchase after attending an activation.

Experiential should be the go-to for any brand looking to truly engage consumers.

IT'S ALL ABOUT MEME: HAS MEME MARKETING GONE VIRAL?



There was a time when, if you told a brand to make fun of themselves in their marketing, your suggestion would likely have fallen on deaf ears. But in 2018, meme marketing has really taken off – and it's no joke.

To recap, a meme (a word coined by renowned evolutionary biologist Richard Dawkins) is defined as a virally-transmitted cultural idea – which these days mostly refers to captioned photos or viral videos shared online. While thousands are posted on and first gain traction in online communities such as 4chan and Reddit, many are shared more widely on more mainstream social media platforms like Facebook, Instagram and Twitter.

Instagram, as an image-sharing platform, has been the perfect breeding ground for memes, and its growth in monthly users – which surpassed 1 billion earlier this year – has corresponded with the rise of many influential meme accounts. Some of the biggest, like @epicfunnypage and @daquan, have attracted over 15m followers, reaching millions of social media users on a weekly basis.

This is enviable reach for even the biggest brands, and with the average person spending over 40 minutes on Facebook and young people spending over 30 minutes a day on Instagram in the US, it's perhaps the perfect place to spread your brand message.

Viral examples such as Drake's "Hotline Bling" dance and Gucci's TFW campaign show that memes can be an excellent way to prompt engagements online and generate conversation at a wider scale – especially amongst a young and receptive audience.

''Going viral'' is no mean feat however, and can be difficult for even the best marketers. To that end, here are our three top tips for making the most out of memes:

Work with the best – The social-media-savvy Gen Z can spot authenticity from a mile off, and when creating memes it's important to tread carefully. Always work with those who know what they're doing and have content created by the accounts who work in the space.

Know what you want to achieve – As with any campaign, it's important to set your objectives – so be clear on what you want your brand to get out of a meme campaign, and in turn the content required. Without this, you're in danger of getting lost rather than achieving stand-out.

Be reactive – Memes are current and trending. There's a lifespan to them – tracked by sites such as Know Your Meme, which has documented over 12,000 memes since 2008. Once they've hit the big time, it's often a matter of days before the next one's being shared.

If you see a trend that is fit for your brand, get a move on, quickly.

“BELIEVE IN SOMETHING”: NIKE GOES BOLD

Earlier this month, mega-brand Nike unveiled controversial sports star Colin Kaepernick as the face of its 30th anniversary “Just Do It” campaign.

In a tweet that has since generated over 900,000 likes, Kaepernick stated simply “Believe in something, even if it means sacrificing everything”. The following day Nike launched a two-minute film featuring Kaepernick alongside other worldwide famous basketball, football and tennis players. In the US, the ad aired as a TV spot during the NFL season opener.

Kaepernick is a controversial figure, best known for being the first NFL player to kneel in protest during the national anthem. He was derided by Donald Trump and others for disrespecting the flag through his actions. Nike’s partnership with him therefore stands out from other campaigns with purported “social purpose” in that it involved the genuine risk of alienating customers – and the calculation that it would eventually be worth it.

Following the campaign launch, Nike’s stock fell 3% whilst Trump predicted Nike would be “killed” by boycotts, causing #BoycottNike to trend on Twitter. The hashtag generated over 1.4 billion impressions and people started to burn their Nike products en masse. At first, it looked as though Nike had made a catastrophic mistake in its potentially multi-million pound Kaepernick endorsement – alienating people is normally an indication of disastrous brand damage.

But the costs of alienating some of the audience can be outweighed by the benefits of inspiring others to rally around a brand even more enthusiastically having taken a side on a divisive issue. In fact, after the initial share price drop, Nike’s company value reportedly went up by $6 billion, and has sold 61% more of its products since the ad aired.

In launching a purposefully provocative campaign – described variously as “powerful”, a “stroke of genius”, “anti-American” and “sending a terrible message” – Nike has not only shown genuine understanding of its customers (or at least the vast majority of them) but has demonstrated firm confidence in its brand messaging and resolute support for its endorsed athletes.

Nike fans will be grateful to the brand for taking a stand when it can be difficult to do so. Arguably, with global revenue amounting to $36 billion in 2018; they can afford to lose the trainer-burners. Nike has steadfastly stood behind Kaepernick with the brand’s North American vice president openly stating that they believe him to be “one of the most inspirational athletes of this generation, who has leveraged the power of sport to help the world move forward”.

In this sense, investing in a controversial campaign has been hugely successful. The discussion (and controversy) around the campaign generated $43million worth of media exposure within just 24 hours – likely offsetting the largest part of any lost revenue straight off the bat.

Unlike Pepsi’s Kendall Jenner fiasco, this is an example of how a brand can engage in a social issue without entirely missing the mark.

Contrary to some opinions that Nike has commercialised social activism, the campaign’s messaging remains true to the brand’s long-term values. Kaepernick as a spokesperson feels not only powerful but authentic too.

NETFLIX: FROM PIONEER TO POWERHOUSE

According to the latest IPA TouchPoints survey, Netflix has increased its viewership by almost half (45%) in the past year alone. As a result, the platform is now the sixth most watched channel for adults, behind only the big names of BBC One, ITV, Channel 4, BBC Two and Channel 5.

Netflix's business model centres around the user's journey, understanding people's habits and the types of shows they like to watch – and arguably has normalised the phenomenon of 'binge-watching', or boxset viewing. Amongst younger viewers in particular, some are arguing that binge-watching may come to replace 'event television' – though with notable exceptions. See Bodyguard, for example, which pulled in an average of 10.4m viewers on BBC One, and peaking at 11.0m, for its last episode.

More people than ever are choosing to consume content through over-the-top (OTT) services like Netflix - 55% of British households connect their TV to the internet while a third of households own a service subscription (Parks & Associates Connected Consumer Report 2017). Smart televisions are also enabling this shift in behaviour, by offering built-in streaming services so users can watch what they want on demand.

As a result, there's also been a rise in 'cord cutting' – the practice of cancelling or forgoing a pay television subscription in favour of an alternative internet-based service.

For example, Sky is choosing not to directly compete but instead make Netflix content available on Sky Q from November to its premium subscribers. The deal means Sky Box sets, which include 400 UK and US series and the full Netflix service will be available for the first time in a single on-demand service.

This is not the first time a TV provider has integrated with an on-demand service, as Virgin did just this with Netflix in 2013 leading to Netflix becoming Virgin's fourth biggest channel.

Younger people are consuming television media differently by streaming more - 16-34s are reportedly watching a further 12% of content on subscription services versus all individuals (BARB).

By brokering a deal with Netflix, Sky will appeal to this younger audience. Andrew McIntosh, the head of TV analysis at Enders Analysis has said of the move "Sky is making sure that younger people in the household are becoming as familiar with Sky as older people". Though Sky are open to an affiliation with Netflix, Comcast's $40 billion takeover deal also creates leverage for the broadcaster to create new content to rival subscription services.

While it's not yet the death knell for TV, broadcasters are acknowledging that streaming services and on-demand platforms have at least started to shift viewing habits, especially amongst a younger generation.

The broadcasters may, finally, have come to realise that the likes of Netflix could even become an ally – rather than an enemy – in the war on video content.

HOTLINE

THE STORIES THAT LIT UP OUR MEDIA WORLD THIS MONTH

Global this month acquired both Primesight and Outdoor Plus, and announced the formation of a new division, Global Outdoor. The value of the deal has not been disclosed but last year Primesight saw a turnover of around £61m and Outdoor Plus just over £30m – reports have suggested the deal, therefore, to be worth over £200m. While the newly formed Global Outdoor will remain distinct from Global's radio business, the structure will enable advertisers to integrate radio and OOH into cross-platform campaigns. The move comes after consolidation seen elsewhere in the industry, as media owners multiply their formats in order to grow revenue streams.

In a move that Sir Richard Branson has described as a "major coup", long-time BBC Radio 2 presenter Chris Evans departed this month to take up a roll at Virgin Radio. Following Eddie Mair's transfer from BBC Radio 4 to LBC earlier this year, this migration of talent caps off a year of success for commercial radio. In Q1 of 2018 RAJAR released the highest ever listener numbers and a significant lead for commercial radio. Commercial radio overtook BBC radio by its biggest ever lead of 960,000 listeners. Revenues, meanwhile, were also at their highest ever in Q1 2018 at £179.3m, representing a 13% YoY increase.

Hearst publishing has made the decision to close celebrity weekly Reveal after the news that the magazine's circulation has fallen dramatically over the last four years. Reveal was launched in 2004, and in 2007 the weekly reached a circulation of 346,257, according to ABC, with the highest selling issue reaching 560,000 in April of that year. Average print circulation halved between 2007 and 2014 to c.160,000, and again in the last four years. The last issue will go on sale on 2nd October this year as Hearst UK president and chief executive James Wildman reported to staff: "Reveal's sales are no longer sufficient to make it commercially viable. We've explored alternative solutions but as Reveal's celebrity market is particularly challenged on the newsstand, we cannot see a way of continuing to publish the title profitably."

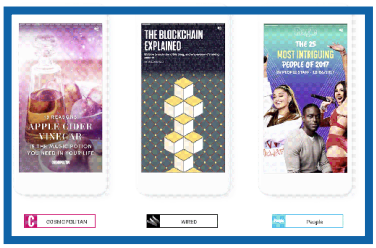
Comcast has won the bidding war against Fox to purchase Sky – with a final bid of £29.7bn. The auction process, overseen by The Takeover Panel saw the final offered share prices at £17.28 per share from Comcast with Fox at £15.67, upped from previous offers of £14.75 and £14 respectively. The winner of the auction will acquire a business that serves 23 million customers in seven European countries. Set up as a satellite TV broadcaster in 1989, Sky has since diversified into broadband, streaming via the Sky Q service and Now TV box, news and original content. Sky also offers value in the UK advertising sales market, handling both its own inventory and that of channels belonging to Viacom such as Channel 5 and Discovery.

THE7STARS-IVERSARY

NIKE'S KAEPERNICK CAMPAIGN

BODYGUARD

GOOGLE STORIES



VMLY&R

MERGERS

NATIONAL LOTTERY AD