

WHAT'S HOT

December 2018

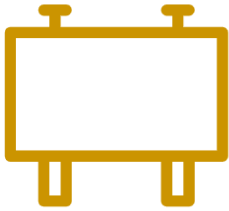




TV



VIDEO



OUTDOOR



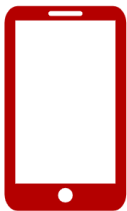
PRINT



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TV

2018 definitely did not disappoint on the entertainment front – it was the year Holly replaced Ant on I'm A Celebrity, ITV hit the jackpot with the 16-34s and the nation fell back in love with football thanks to the World Cup.

Love Island proved that with the right content, 16-34s will indeed watch linear TV. This success has triggered something of a renaissance in reality TV shows, with Channel 4 set to bring back old-favourite Shipwrecked in 2019, as well as a refresh of E4, to make sure this age group stay tuned.

Beyond 16-34s, we have seen a decline across the board, with impacts down 3% YoY. However, we're not declaring the much-discussed death of TV, we just have to adapt to the way we reach audiences – they are still consuming TV content but in different ways.

In January, HFSS advertising restrictions will go into a consultation stage for 12 weeks. In a world where digital and linear are not regulated on an equal playing field, we could see time restrictions put in place limiting the airtime advertisers can access.

We are also predicting a significant amount of revenue to come out of the market in 2019 due to the new gambling restrictions – we could even move towards an auction mechanic for the post 9pm spot.

VIDEO

2018 has been another successful year for growth and development across video. Traditional TV budgets have come under fire from the new tech boys on the block, and advertisers have been working out how to successfully shift streaming video products onto screens of all sizes, as well as how to capture or produce content that brings in audiences.

Amazon made its first investment in Premier League Football content for 2019 and Netflix has committed \$8 billion on around 700 original TV shows and 80 films. Facebook also launched IGTV and Facebook Watch, to compete with YouTube's dominance. IGTV in particular demonstrates the increased appetite for much shorter form video ads to drive efficiency and respect users' wishes for shorter interruptions on mobile video.

The latest figures released from the IAB UK and PWC suggest digital video was up 40% YoY in terms of investment in the UK through H1; the fastest growing area of digital ad spend. Outstream video delivered a huge part of the overall growth, up 94%, as publishers and networks

sought to generate revenue and produce more opportunities for video ads for advertisers through 2018.

In 2019, the battleground to get video ads placed alongside premium content on the largest screens available will continue. It could be the year Netflix opens up to advertisers to maximise its revenue opportunity the way its US competitors do.

We expect to see creative customised, or even created, with platform in mind for the first time, with a focus on shortened copy lengths on smaller screens.

At the7stars, we'll be focusing on supporting our clients' video plans with creative adaptation services to maximise the potential impact of their campaigns.



OUTDOOR

It's been an interesting year in the Out-of-Home (OOH) space. We've seen considerable consolidation in the marketplace, with Global exploding into the OOH market with the acquisitions of Primesight, Outdoor Plus and Exterior Media, bringing its share of the market to 33% (vs. JCDecaux's 35%). We could see further acquisitions like these in 2019.

We've experienced tighter rules across the board, which have both played in, and against, OOH's favour. GDPR has held back digital advertising, whilst bearing minimal impact on DOOH, allowing DOOH to prosper and continue with programmatic developments. However, a recent ruling by TfL has banned HFSS advertising from February 2019 which is likely to impact ad revenue.

Developments in the OOH sector don't seem to be slowing down in 2019 either. With the global digital OOH market

expected to be worth more than \$5 billion by 2022, we can expect to see DOOH to make exponential leaps next year.

There has never been a more exciting time for outdoor advertising, whether that be in the world of programmatic buying (something that Google is already testing in Germany, and that we at the7stars have already tested with JCDecaux) or new formats (take a look at the new digital ribbons unveiled on the TfL network).

PRINT

The biggest highlight for publishing in 2018 was the launch of PAMCo, an audience measurement tool designed to allow advertisers to plan across news and magazine brands. Additionally, print ad revenues for UK newsbrands increased for the first time in seven years this August.

As demonstrated by the formation of the Ozone Project, publishers have started to work more collaboratively to create a more straightforward buying approach that will help them to compete with the large-scale audiences of Facebook and Google.

The surprise news story of the year was the closure of ShortList magazine, following in the footsteps of NME. The publisher blamed declining advertising revenues and the increases in production as having forced the decision. While the brand will continue to exist online, it further highlights the struggles of the men's lifestyle magazine market.

In 2019, we could see more changes to the publishing world; Esquire has already announced it'll raise cover

prices as it reduces the frequency of its editions, and others may follow suit.

It'll be interesting to follow the journey of The Ozone Project as it tries to find its place in the market, when access is already possible with these suppliers programmatically. However, the biggest challenge will continue to be how publishers monetise this audience as they move away from declining circulation figures to multi-platform reach.



CINEMA

It has been another successful year on the big screen. Total admissions for the year will be 176 million – 3% higher than 2017, and the highest figure since the 1970s.

But if 2019 will be anyone's year, it will undoubtedly be Disney's. From several superhero releases (Captain Marvel, Avengers Infinity War End Game and Spiderman Far From Home) to the conclusion of the third Star Wars trilogy, Disney is likely to have nearly 30% (up from 17% YoY) of all admissions in the UK – a staggering achievement for just one studio.

Sequels are always favoured by studios as practically guaranteed hits and with this, we've seen a number of live action reboots this year. Disney has tested the water with Cinderella and Beauty and the Beast for example, both of which did well enough for them to launch three live action films next year, with the anticipated release of The Lion

King, Aladdin and Dumbo.

The nostalgic appeal of these classic remakes means they are excellent for attracting the so-called "Netflix generation" to the big screen, helping to drive far more admissions from this difficult-to-reach audience group.

With cinemas and studios pulling out all the stops to engage new audiences, the future of cinema looks bright.

RADIO

Video may have killed the radio star, but 90% of the UK population still listening to the radio each week. Global Radio has retained a steady listener share this year, while Bauer, recorded an increase in listeners in the latest RAJAR results, totalling a massive 18.2 million.

Digital listening prevails however, with DAB reaching a new record share of 52% in Q3 2018. Meanwhile, 63% of the UK population now listens to radio via a digital platform each week.

Despite this, there doesn't appear to be any plans to switch off AM/FM broadcast in the UK just yet. Ofcom has stated that this is because "listeners aren't ready", whilst the BBC announced that "more needs to be done" before a switch-over takes place, though this may need reviewing in a few years' time. The BBC's release of its audio app BBC Sounds is a sign of intent from the broadcaster.

Meanwhile, radio brands are continuing to reward and showcase their fantastic work, in an attempt to attract more revenue and talent to the industry. The Global

Awards, for example, which debuted in March, recognise talent in music, news and entertainment, and are set to return next year.

In 2019, we also expect to see further developments in automated buying. Global is already leading the way with its DAX proposition, and inventory will be sold programmatically from across its own stations as well as Bauer and Wireless into next year. This will likely make dynamic and multi-channel campaigns easier for advertisers to activate.

Another big focus for the year ahead will be podcasts. The latest figures from Ofcom state that 5.9 million adults listen to podcasts weekly, and we only expect this to rise. This will bring with it a number of advertising opportunities, such as Acast's recently announced personalised ad product.



DIGITAL

With GDPR coming into force this year, it seemed 2018 would be the year the industry finally tidied itself up. We responded well, because despite the panic in the run up to the May deadline, only minor drops in traffic through programmatic platforms were noted on May 25th and all were quickly recovered.

Several targeting companies such as Drawbridge and Weve closed up shop in Europe however, whilst others like Location Sciences (who can verify where your ad is served and by whom), have benefitted from tighter policies and accountability.

Stricter expectations around transparency and brand safety in digital remained big news, with YouTube Facebook and Twitter all falling foul to brand safety faux-pas, while reviews of US practices within programmatic continued.

Agencies and clients alike continued to partner with verification providers, to ensure that advertising is viewable, safe and free from fraud. The IAB Gold Standard was launched in the UK to enable agencies to showcase their commitment to best in class digital advertising. This has also allowed them to demonstrate that they have reduced ad fraud, implemented the DTSG brand safety principles and improved digital effectiveness by adhering to the Coalition for Better Ads.

Advertisers continue to see digital as a core channel for reaching target audiences, resulting in a 15% YoY growth in ad spend - £6.4 billion in H1 alone. Video received the largest % growth, which is something we expect to continue into 2019.

TECH

A number of new and exciting developments took place within marketing technology this year.

Firstly, we've seen agencies and advertisers building better advanced attribution models to measure performance on and offline. Data-led digital attribution is the norm, and offline conversions are more common, (store footfall / CRM user matching).

Out-of-home, meanwhile, is quickly becoming 'programmatic'. Global platform VIOOH helped transform the OOH advertising sector, while the likes of JCDecaux and Clear Channel shifted into technology, and Global Radio acquired Exterion, Primesight and Outdoor Plus. In 2019 we can expect OOH to grow much more data-driven, moving closer to digital activation and strategy.

2018 also saw a push to clean up digital media buying, with technology at the heart of solutions around brand safety, fraud and viewability. With so many newspapers 'going digital', as well as the continued spread of fake news, particularly on sites like YouTube with user-generated content, these have remained highly relevant topics in 2018.

Another hugely significant event this year was the implementation of GDPR which aimed to protect data and clean up the online data ecosystem. A lot of work has been undertaken this year to ensure data compliance within marketing, and while some would argue that websites are now worse off thanks to all the notifications and consent boxes, few would argue it wasn't an important initiative.

Consumer tech, meanwhile, continues to evolve rapidly and impact media consumption. Smartphones and computers are faster than ever, and on-the-go media consumption is growing in line with this. Watches are now also communication devices and media streaming has become the norm.

In 2019, we can expect to see many developments in the world of TV tech, with Facebook, YouTube, Amazon and Netflix all gradually moving into live broadcasting. It's likely that Facebook and Google will continue to be scrutinised, and trust will shift away from digital media toward traditional news media. Overall though, real-time data reporting across all marketing will start to become standard hourly marketing measurement.



SOCIAL & INFLUENCERS

Without a doubt, the biggest social media story of 2018 was the Facebook Cambridge Analytica scandal. The controversy, along with a number of other data protection and fake news incidents, led to the trending of #DeleteFacebook, and the questioning of Mark Zuckerberg by the US Senate. The role of the social network in democratic societies was scrutinised and this raised important questions about the social responsibilities of tech giants.

This, along with the introduction of GDPR, is forcing the industry to take a fresh look at how user data is collected, stored, used and protected. The implications are clear – users and brands will lose interest in social networks if they do not regain trust.

However, positive steps are being taken with a shift in newsfeed rankings so that the human connections take priority. Meanwhile, awareness of the relationship between social media and wellbeing is growing. Features designed to give users more control over how they spend their time have been released on both Facebook and Instagram, including reminders for when you've used the app for too long, for example.

We're quickly learning that healthier audiences are likely to have more meaningful interactions with ads, so we can expect to see social networks continue to build positive relationships with users in 2019 – something that will ultimately provide better results for brands as well.

Influencer marketing in particular is likely to be a focus in 2019, with the market expected to become a \$5-10 billion

industry by 2020. (MediaKix 2018). It matured considerably in the last 12 months, proving to be a cost-effective medium that can provide clients with engaging content that helps to educate users, raise awareness and promote advocacy around a brand or product.

Alongside clients' increasing spend comes an intense scrutiny over ROI, bots and fake followers. An industry-wide cleanse is underway to rebuild the trust that once made influencer marketing most desirable. A much more data-led approach to planning and transparency will be paramount to influencers' success long-term and we can expect this to play out over the next year.

However, there are still big questions that need answering as we move into 2019. These include the measurement of engagement and the scale of impact to both larger scale campaigns and micro-influencers.

As the pressure on influencers (and consequently their followers) mounts, so too does the need for agencies and clients alike to be watchful of the over-commercialisation of influencer content.

Influencer marketing's success derives from the fact that the content and persona put forward are not far removed from the people that follow them. In order for this to continue, all involved must work together to keep a level of raw authenticity that is otherwise lost in the wider marketing mix.

DATA & INSIGHT

The never-ending stream of information available to businesses has continued to dominate the media landscape in 2018. However, the challenge of extracting actionable insights that actually make a difference to how we plan and buy media remains.

GDPR posed an interesting test in May, with the data value exchange flipping into the hands of the consumer. Other wider social and economic conditions have meant that brands were more focused on brand health metrics than ever before, and more interested in understanding consumer behaviour.

This is good news for the world of media. We've seen structural change in the ways data and insight are used, and increased importance and value placed on how to be more evidence-based in decision-making. It's certainly a step in the right direction, and this will only continue into next year.

In 2019, there's no denying that the effective use of data and insight will unlock more opportunities for business

growth. But fundamentally, with the internet of things becoming more commonplace, increased focus on how to capture dark data and predictive analytics will offer new opportunities to target.

Advertisers will be wise to remember that the consumer is king. In placing value on the data and insight we capture and continuing to put the consumer at the forefront, it will make for more interesting and innovative media campaigns of the future.





DIGITAL DETOXING



SUMMER HEATS UP



**SUSTAINABILITY GOES
MAINSTREAM**



DATA PROTECTION



SHORTLIST



**CAMBRIDGE
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