

WHAT'S HOT

March 2019



LOCAL HERO: WHY LOCAL MEDIA MATTERS



After a month of buyouts and announcements, the dial's been moved on local radio. Global Radio recently announced it would no longer air regional breakfast and drivetime shows in favour of national programming, while NewsUK has sold off most of its local radio stations to invest in its national stations talkSPORT and Virgin Radio.

The move from Global, described as [“a huge step for the commercial radio sector”](#), will see 40 of its local breakfast shows replaced by national programming across the Capital, Smooth and Heart networks. Drivetime, evening and weekend programmes will also be reduced, and ten of its 24 local stations – including Cambridge, Norwich, Essex and Kent – will be closed. The announcement comes as part of Global's longer-term project to bring hundreds of local stations into several national brands – and puts over 100 jobs at risk.

Until last year Ofcom required that local radio stations produce their own breakfast show, but under new regulations introduced in October 2018, local radio stations now have a minimum requirement of just three hours of local programming during the daytime.

While commercial radio is seeing success – reaching record ad revenues of £713m in 2018 [according to the latest RAJAR reports](#) – the decision's likely been made by Global to allow it to invest in its national programming as competition intensifies from digital services such as Spotify.

In the print industry too there's been a shift from local to national. Earlier this year the Essex town of Harlow saw the closure of its last remaining local publication *Harlow Star* – and in doing so became the largest region in the UK without a local newspaper.

Meanwhile an independent review into journalism in the UK [released in February](#) suggested that local newspapers are important not only to the future of sustainable journalism but contribute to “a functioning democracy” – and recommended that public funds should be used to support local public-

interest news. Culture Secretary Jeremy Wright responded with a rallying cry to the industry, claiming it can [“overcome the challenges it faces from a changing market”](#).

Local media isn't just of benefit to the public interest but can be to advertisers as well.

A huge amount of Brits still have a strong sense of local identity, with 90% agreeing they are proud of the area they live in ([“Consumer Catalyst”](#)). Local media allows consumers to feel a part of their community – even if it's as simple as hearing local voices and regional accents on the radio, [as argued by broadcaster Mark Lawson](#).

Brands can tap into this, ensuring they speak to consumers in a meaningful way, and allowing all minorities (regional or otherwise) to feel represented in advertising – as we at the7stars discussed in our whitepaper [“Representing?”](#).

In an era of increasing uncertainty, fake news and “post-truth”, local news is also a trusted medium, with 74% of Brits agreeing they trust the information in their local newspaper, and 73% saying the same about local commercial radio – compared to just 22% for social media ([YouGov](#)).

A separate report from [Oxford University](#) released last year found that local newspapers have a “trust ranking” higher than any national publication – at 6.42 compared to score of 6.35 out of 10 given to best performing national The Times.

National campaigns can bring unprecedented scale and drive fame for brands but when it comes to building trust – arguably a metric more important than it's ever been before – local can still be a hero.



NEXT GEN: 5G AND THE FUTURE



It's been a long time coming but 5G – fifth generation mobile networks – may be about to arrive in the UK.

Earlier this year mobile network [EE trialled its superfast 5G](#) network on the biggest scale – live at the BAFTA Awards – as it unveiled the “world’s first” AI stylist.

Digital supermodel Shudu was brought to life at the event via holographic technology to capture the outfits of A-list guests and share shots with fans through a chatbot. With this came the news that 5G will begin to roll out across the UK by mid-late 2019.

First generation networks were introduced in the 1980s, but carried voice only; an early wireless cellular technology largely reserved for business use. 2G brought about mobile for the masses, with users able to send information via SMS, while 3G provided an upgrade in the form of smartphones and mobile broadband.

Fast-forward to 4G – networks designed to support sustained data bandwidth – and this now provides the basis for the continuing growth of the app-economy. Speed matters; 4G has the ability to accommodate high-speed activities such as video streaming, video calls and gaming without the need for a wi-fi connection.

The effect of the introduction of 5G is the subject of much speculation, however one of the more obvious benefits will be much faster internet connectivity.

Users will have access to wider coverage and more stable connections. Ian Fogg from OpenSignal, a mobile data analytics company, argued that: “Whatever we do now with our smartphones we’ll be able to do faster and better”. Video calls should become clearer, and wearable fitness devices could monitor health in real-time – alerting doctors

as soon as any emergency arises.

Gamers should notice shorter delays and fewer lag effects improving the gaming experience without the need for wi-fi connection – meaning gaming on-the-go could become ever more popular.

In a media environment enhanced by 5G, there will be more opportunity than ever for super-fast load speeds. Extra-fast wireless connectivity and improved quality of video will mean that the demand for video will likely increase.

This will also likely mean higher-than-ever expectations for site load times and video play speed; brands will need to ensure that websites are optimised for mobile performance and for ecommerce sites that the customer journey is quick and painless.

With speedier tech also comes richer augmented reality experiences, all via mobile devices, meaning there will be further opportunity for personalisation in real-time.

Ultimately, companies such as Uber, Instagram and Spotify had only just launched at the introduction of 4G – so we can only contemplate what new technologies or services will come about via the future of 5G.

It may take a few years for everyone to be connected, but what we do know is that tech continues to drive change. And change is coming.



CAST AWAY: SPOTIFY MAKES ITS MOVE ON PODCASTS



Music-streaming service platform Spotify has this month announced the acquisition of yet another podcast platform. Following the buyout of Gimlet and Anchor earlier this year Spotify has now also acquired Parcast – an LA-based production studio specialising in true-crime – in a deal suggested to be worth [\\$100 million](#).

By acquiring the companies – taking on popular true-crime podcast series such as Serial Killers and Unsolved Murders as well as the mystery scripted series Homecoming – Spotify hopes to compete with current leader Apple Podcasts. These purchased shows will sit alongside Spotify's original content and will be curated by the team that has built its Discover Weekly playlist feature.

It comes as no surprise that Spotify is attempting to open up its platform to the spoken word, especially following Ofcom's recent report that the amount of weekly listeners of podcasts [has almost doubled in five](#) years.

According to these latest figures nearly 6 million adults tune in to podcasts each week, including one in five of those aged 15-24. Interestingly this represents not just a shift in consumption but an increasing demand for audio content in general; almost all podcast listeners (96%) also listen to the radio.

For brands, podcast advertising provides an opportunity for them to tap into an engaged audience. This mobile-first audience can be targeted in a specific way (via cherry-picking podcasts for example) and yet ads can be delivered dynamically through real-time creative optimisation based on factors such as location or time of day.

This approach has unfortunately fallen into the digital approach of old, however, with marketers often asking all digital inventory to be measured on a CPA or traffic basis.

For many it is still a temptation to report digital metrics on a last-touch CPA basis. Most podcasts now feature an advert for a subscription or offer with a unique code to enter online – but this approach underestimates the power of podcast advertising and feels more in tune with ripping Big Mac vouchers out of the newspaper than providing an intelligent and attributable measure of effectiveness.

Recently there has been an increasing focus on advertisers integrating seamlessly into the content rather than buying standard airtime, for example with a sponsored series or a "host read" – having the talent themselves record the ads.

Spotify will do well to follow the lead of podcast platforms such as Acast by investing in high-quality production and keeping up with the growing demand for more interesting content.

However, unless they invest simultaneously in a system to measure brand effect and educate their clients and agencies on the same, they may well struggle to see a return.



WATCH IT: BIG TV FESTIVAL 2019



Following a successful debut last year, ITV, Channel 4, Sky and Thinkbox collaborated again to host The Big TV Festival, hosted by TV personalities Scarlett Moffatt and Jamie Laing.

Similar to last year 2019 saw a selection of the industry's rising stars, broadcasters, advertisers, creative powerhouses, analysts and commissioners taking up camp to discuss all things TV; from the best new shows through to a new generation of cars with TV screens instead of windows.

The major news of the festival came in the announcement of Britbox; the joint venture streaming service from the BBC and ITV aiming to be released in Q3 of this year.

According to ITV 43% of all online homes would be interested in having access to a service which focuses on the best of British content. Britbox will satisfy this need, featuring archive British TV shows and freshly commissioned programming.

Channel 4 is yet to team up in the joint venture – having them on board would certainly add scale to the proposition – however it remains to be seen whether the offer of the “Best of British” will be enough to entice consumers to sign up to yet another subscription service in a marketplace dominated by Amazon and Netflix that is growing evermore fragmented.

Plenty of quality new content was on show at the two-day event with each of the saleshouses providing previews into their most notable programming coming up in 2019.

ITV gave a sneak peak of the new series of The Voice Kids, which promises to be as much of a pull on the heartstrings as ever, while Channel 4 played a sequence from the Celebrity edition of their hit show SAS: Who Dares Wins.

However, the Golden Globe of the event goes to Sky and HBO and their new drama Chernobyl; the gritty and shocking portrayal of the human side of the natural disaster promises to be a stand out moment of the TV calendar.

Outside of the showreels, further highlights included Natalie Pinkham talking about the power of live sport – with the almost unbelievable stat that 97% of the UK population watched live sport in 2018.

Meanwhile Lorna Hawkin prophesised about the benefits of a growth mindset in relation to advertising effectiveness, and Thinkbox hosted a panel showcasing best-in-class TV campaigns.

Rory Sutherland also returned to the top of the bill; this time exploring the dangers of a model becoming a mindset and the pitfalls of rational versus emotional thinking in advertising.

With the pace that the video advertising market is changing it's imperative to have events like this in the calendar, both to inspire new thinking and stay ahead of the curve.

Roll on BTVF 2020.



THE MODERN FAMILY: MOTHERHOOD OR 'OTHERHOOD?'



The modern family is changing: childlessness in particular has nearly doubled in the last 30 years. A generation ago in the UK 11% of women aged 45 were childless, while today that has risen to one in five (18%).

Welcome to "Otherhood". Cultural insight agency BAMM recently conducted research looking into this specific group of people; women and men who have actively chosen not to have children.

Otherhood embodies those who do not have children because they have chosen other priorities: namely change and mobility. They appreciate the value of not needing to set down roots, with the added benefit of keeping their carbon footprint low by not having kids.

For marketers Otherhooders are the favourite "Aunts" and "Uncles" who have money to spare and to spend.

To appeal to the group it's all about inclusivity, and normalising an often stigmatised lifestyle choice. Otherhooders are particularly attracted to brands that support their restless lifestyles. Brands will need to cater to flexibility such as the various 'rent a dog' platforms and subscription services like Zipcar.

Otherhooders want to improve themselves and gather valuable life experiences – so brands have an opportunity to offer experience and learning as part of their service.

On the other hand motherhood is increasingly being

'seen' in society. Whilst Meghan Markle may be one of the most famous pregnant women at the moment, she embodies a very traditional, pristine image of being "with child", while the future seems much more unruly.

Waves of the new dawn of motherhood have been afoot for many years, with celebs regularly making an event of posting their bare-all pregnancy pics.

Cultural signals of pregnancy and motherhood have taken a defiant turn more recently. Notably, Slick Woods walked the 2018 Fenty show while having contractions, and model, Valeria Garcia, strutted the runway wearing a breast pump in the same year.

No longer is motherhood a distinct segment of a woman's life, and one be sanitised. The future says it will be in your face and unapologetic.

Brands should adapt to this new world – whether targeting this group specifically or not they should be sensitive to the understanding that a modern family no longer means two parents and 2.4 children.

For more from the Cultural Insights Forum on the make-up of the modern family, get in touch.



MIGRATION OF THE MILLENIALS



Younger audiences are watching less TV than in 2018, it was [revealed this month](#). The number of linear television adverts seen by 16-34 year olds has slumped by a fifth year-on-year, with Sky and Channel 4 most affected by the drop in commercial impacts.

The latest BARB data shows that both Sky and Channel 4's 16-34 impacts have dropped by 23% year-on-year, while ITV's has dropped by 7%. TV ad revenue has however remained fairly flat during this time period.

It is often reported that the increasingly popular subscription video-on-demand services are stealing their fair share of the younger audience, but what's interesting is that linear Sky and Channel 4 have been hit the hardest.

Sky's Premier League schedule in January is often diminished due to the live FA Cup fixtures on BT Sport and BBC, and this year also saw the loss of Celebrity Big Brother.

Channel 4's schedule at the beginning of 2019 was weighted towards public service broadcasting versus the same time in 2018 – and may have been affected by their position on the Sky TV Guide ("Electronic Programme Guide" or EPG) having been moved too.

Although we see this decline in linear 16-34s impacts, Thinkbox have demonstrated that when linear and broadcast video-on-demand are combined, reach amongst the audience now is roughly the same as a stand alone linear campaign ten years ago.

As Thinkbox's Matt Hill has argued, broadcaster VOD services are "now a necessity, not a luxury" – particularly for brands wanting to reach this younger audience.

Consumers are now willing to pay for content (provided

it is good of course) and often sign up to more than one subscription service – although for the first time Apple TV has signed up some platforms to allow users to make one payment through the app to access multiple streaming sites.

Britbox meanwhile – another subscription service announced recently – will allow both ITV and BBC to keep hold of their own created content rather than sell them, as seen when ITV shot themselves in the foot with their sale of the ever popular Bodyguard to BBC and then Netflix.

Young audiences may be watching less linear TV but viewing of non-linear and catch-up content is higher than ever before. In fact, All 4 recorded its best ever viewing figures during March with 19.4m impressions in a single week. This was thanks to a schedule consisting of Leaving Neverland, Derry Girls, and Celebs Go Dating and far exceeded their previous record of 16.5m achieved during October 2018.

At a time of uncertainty in the economy and political environment, it is pleasing to see TV ad revenue remain stable.

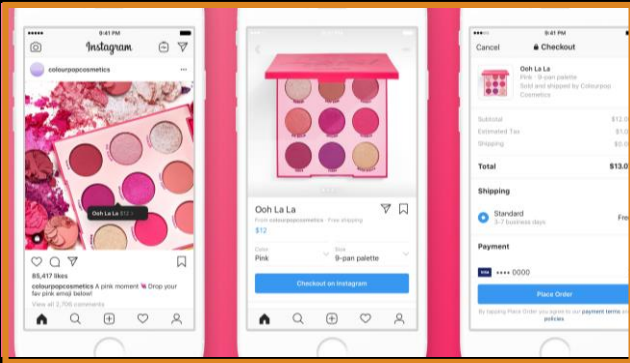
For some time it has been difficult to target the younger 16-34 audience on linear television alone and some argue the growing popularity of paid-for and ad-free subscription services has provided another stumbling block to get in front of this hard-to-reach audience.

However the demand for high-quality video content is high and the use of broadcast video-on-demand among this age group is only increasing. With binge-worthy programmes such as Game of Thrones, Love Island and The Circle appearing back on our screens in a few months, the future's bright – the future's on-demand.



HOTLINE

THE STORIES THAT LIT UP OUR MEDIA WORLD THIS MONTH



Instagram is testing a feature which will allow users to buy products within the app. Checkout, a feature currently in beta in the US, may be rolled out if successful. It was previously suggested that Instagram would be launching a standalone app, IG Shopping, but it is unclear whether these plans are now on hold. Nike and Uniqlo are among the 20 brands involved in the test.

Apple announced the launch of its streaming service AppleTV+ this month. An updated version of the Apple TV app will be released in May ahead of the launch of Apple TV+, an ad-free subscription service set to host Apple's original TV content. Apple's TV app allows users to make a single payment from an account to access content from multiple streaming and pay-TV services, such as HBO, Showtime and Amazon Prime in the US.



Twitter has announced the launch of a new prototype app Twtrr to allow the testing of new features. Currently the social media platform is testing a feature to make it easier for users to follow and join conversations, while also hiding abusive messages. The announcement comes after a feature roll-out earlier this month allowing users to hide replies to their tweets from specific users, with Twitter's senior product manager suggesting it will give users "more control" over the conversations they start.



TI Media has announced the closure of Now magazine, with the final issue to go on sale on 2nd April. The publisher has described "changing dynamics of the celebrity market" since the launch of the magazine in 1996 and has seen falling circulation and a drop-off in advertising revenue in recent years. In the latest ABC figures Now's circulation had been down 11.9% period-on-period to just 45,000.





ADWEEK

GOT BUILD UP



GOOGLE STADIA

APPLE TV



INDICATIVE VOTES

NOW MAG

