WHAT'S HOT

April 2019

AD FATIGUE? WHY BRITS ARE TIRED OF ADVERTISING

Just 11% of the UK population "generally like advertising" according to a recent study from Kantar. But this shouldn't come as too much of a surprise; few of us really *like* adverts.

What's changed is that we trust them less, with public favourability dropping from 48% to 28% since 1992 (Credos). Less-trusted advertising makes campaigns less-effective – and this is a cause for concern.

The finger of blame for declining trust has been pointed at the rapid rise of online advertising. The latest IAB figures show that 2018 online spend was up 15% year-on-year, now at a huge £13.44bn.

More spend means more ads; audiences have noticed and are rising up against it. And while traditional advertising (TV, billboards, newspapers) was broadcast, online ads are targeted to individuals, and in mobile (the biggest area of growth), are both personalised and delivered to a personal device.

As Bob Hoffman recognises - *"In the online world, everyone lives in his or her own little digi-world. I have no idea what my friends are doing online and what ads they may be seeing… It's not enough for [an ad] to be seen by a single person or even by many people. Someone has to know that everyone else has seen it, too."*

Yet the industry is heading the other way, with more spend moving to repeated personal targeting, fuelling negative feeling. 73% of internet users report seeing the same ads "over and over again" (Kantar) and over half feel "bombarded by advertising" (TGI).

No wonder that audiences are taking control and avoiding ads: whether fast forwarding on TV, using adblockers (22%) or paying for ad-free subscription services, such as Spotify Premium (40%).

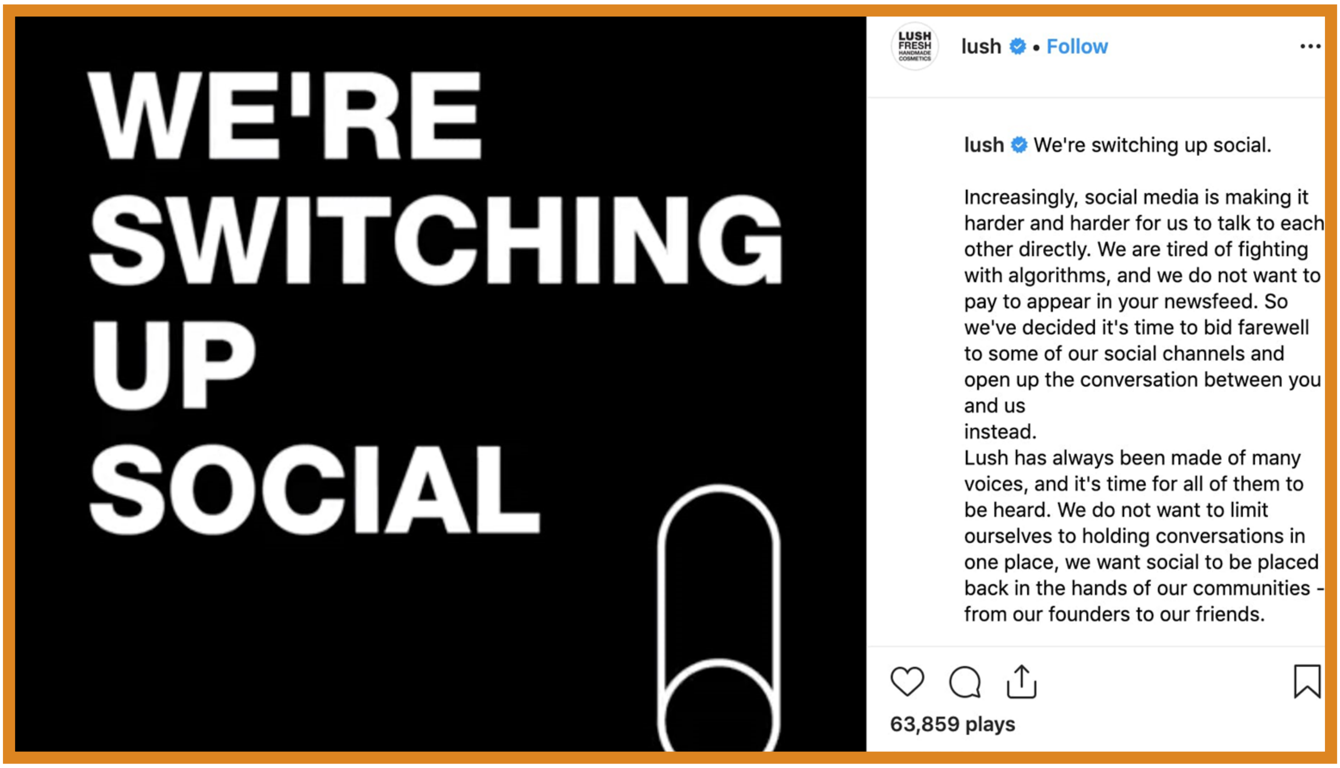
For most people advertising is an interruption: a break in the content they're enjoying or pre-roll delay ahead of a video. Remembering this is the first step in improving public sentiment. The value exchange must swing back towards audiences.

It's not enough to know who an individual is before we target them, audiences expect ads to be useful, entertaining or educating; 40% expect entertaining ads (+5% 2011-2019, TGI), while appreciation triples when they feature audiences' favourite celebrities (16.7%).

This is where we've seen huge success with branded content, such as Suzuki's recent campaign. The latest extension of our long-running IPA Gold-winning partnership with ITV saw content from fan favourites Take That slot seamlessly into ITV's early-evening weekend entertainment programming.

Work like this not only delivers on average twice the audience engagement but, most importantly, has been proven to drive sales.

ANTI-SOCIAL: LUSH DELETES SOCIAL ACCOUNTS



Lush caused a stir earlier this month when it announced that it would be closing down several of its UK social media accounts having become “tired of fighting with algorithms”.

Having made the announcement at the same time as other brands are investing more in social media, and given its 220,000 followers on Twitter, 569,000 on Instagram and 423,000 on Facebook, it has come as a surprise.

While the business will feel it knows its customers best, having so many followers could suggest customers want to communicate on social media. Closing them makes this audience harder to reach and could even make them feel neglected.

A subsequent post from the business, however revealed more insight into the thinking; its organic (unpaid) content was only reaching just 6% of followers, a frustration that many brands will surely relate to. Given Lush doesn’t pay for advertising, and therefore can’t drive paid reach, the benefit of using resource to maintain these accounts is not as immediately clear.

Additionally, Lush is known for taking an ethical public stance on social and environmental issue - in stark contrast with Facebook in particular, which has faced fierce public criticism in recent years for its ethics. Distancing themselves from social media aligns with their brand values, and created a significant amount of PR value.

A final factor may have been the heavy criticism Lush received on social media last year in response to its ill-conceived ‘anti-spy cops’ campaign. It’s been scalded by social, yet not reaped the benefits.

With its newly freed up resource, Lush is intending to invest more into its owned channels, where it sees better engagement and can reduce reliance on third-party platforms. The company also says it will continue to use hashtags, such as #LushCommunity, so it hasn’t completely ended all social conversation, but it’s difficult to imagine how effective this will be in practice.

Lush closing its social accounts in a blaze of publicity may prove to be a shrewd and well-considered strategic move, but it is not without risk and hard to find a way back, should the company have a change of heart.

Any brand considering the same approach should evaluate the impact it will on their own business – and whether the risk outweighs the potential reward.

THINKBOX: A YEAR IN TV 2018

This month the marketing body for the main UK commercial TV broadcasters, Thinkbox, released A Year in TV, its 2018 annual review, with some eye-popping facts.

Though many people think TV is dying faster than characters on Game of Thrones, TV advertising accounts for 94.6% of the video advertising people see, and for 71% of the business profit advertising generates as a whole (Ebiquity/ Gain Theory).

UK TV ad revenue totalled £5.11 billion last year, matching that in 2017, with 867 advertisers either "new or returning" (ie after a gap of at least five years) to TV in 2018. This number was boosted by the increase of online brands, with companies such as Amazon, JustEat and GoCompare investing particularly heavily (to the sum of £760m over the last three years) to become TV's dominant advertisers.

Research and strategy consultancy MTM's Age of Television study found that whenever we watch TV video, we are doing so to satisfy one or more of eight different needs.

For example, live viewing such as sport, is driven by a need to keep in touch and experience viewing with others. On-demand viewing allows us to escape into content such as reality TV, while primetime dramas (more likely to be time-shifted) allows viewers to unwind and be distracted.

Though we watch as much TV as ever, how we watch is changing. 48% of the UK lives in a household with access to a subscription (SVOD) service such as Netflix and Amazon, rising to 62% of 16-34s.

These services may compete with broadcasters for younger audiences, but don't directly replace the traditional platforms; only the heaviest 20% of Netflix users watch more Netflix than broadcast TV.

This change in habits emphasises how broadcaster VOD (BVOD) is seen as a necessity, not a luxury. Linear TV is still the largest video medium at 76%, followed by SVOD (9%) and BVOD (6%). Facebook video is flat, accounting for 1.1% of total viewing in 2017 vs. 1.2% in 2018 – compare this to 69% of all video viewing on television.

New forms of online video have brought new users: videos for practical tasks (such as "How-To DIY" videos) or distraction attract many views. TV viewing dropped overall among young audiences (16-34s) year-on-year (50.1% in 2017 to 45.1% in 2018) but it still dwarfs other platforms, with this 5% drop moving to BVOD, SVOD and YouTube.

Once again Thinkbox's 2018 review highlights the important role television retains in the media landscape. As well as providing mass reach, TV drives fame and builds trust for advertisers, and an immediate short-term impact for brands – particularly those that rely heavily on digital marketing. It impacts our emotions, providing intrinsic benefits and an escape from the hustle and bustle of daily life.

As our consumption habits alter, advertisers can earn incremental reach increase effectiveness by adding video-on-demand to a linear television campaign. As online video attempts to take the jewels from TV's crown, it's clear the latter is still sat on media's iron throne.

OOOOH: OUT-OF-HOME BECOMES AUTOMATED

Outdoor took a big step into the digital world in 2018, as Digital Out of Home (DOOH) became the second fastest growing media channel, behind mobile.

This has been driven by mass-digitisation of sites. Market-leader JCDecaux passed the 50% digital milestone a few years ago, while a recent announcement from Clear Channel revealed that 60% of their revenue is now generated through DOOH (up from just 2% as recently as 2016). And it's more effective than paper & paste – a recent study shows that DOOH ads are twice as likely to be seen and 2.5 times more impactful.

With this growth we have seen the launch of the programmatic supply exchange VIOOH - Global's bold move into OOH the acquisitions of Primesight, Outdoor Plus and then Exterion.

A greater volume of impressions is now 'addressable' with many programmatic buying platforms (DSPs) now able to access and buy DOOH inventory (Verizon, Scoota, TheTradeDesk, MediaMath, Adform, Appnexus, Outmoove, Vistar, and more).

For 2019 a connected data strategy will sit at the heart of DOOH buys – with data feeds fuelling when, where, and what, to run as the 'new normal' across DOOH. Customised, dynamic, full motion and high-quality digital ads will quickly fill the UK's outdoor spaces.

This creates opportunities for better joined-up mobile and DOOH, with the ability to buy formats across both in a single platform, linking audiences, time, location and message.

As such, we expect brands' online social voices to be brought onto the streets more and more, with brand effective metrics said to increase by 23% when included in outdoor ads.

We expect further growth as more branding budget is allocated to digital, with channels better-optimised and digital creative optimised for larger screens.

Marketers will be able to increase the efficiency of outdoor through more-targeted audience buys, and improved performance through more relevant, second-by-second, dynamic creative.

The big question will be how measurement advances across outdoor, with more ability to look at brand engagement and attention through digital and data connections – we may soon get to the stage of bringing this huge traditional 'herding behaviour' channel into a closer customer context.

Location data services, data hubs and, of course, Google, will likely be big drivers for this: location, maps and search data will have a huge part in bringing the impact of OOH into the full media mix.

WHY IT'S NOW TIME TO GET INVOLVED IN WOMEN'S SPORT

Women's sport is becoming increasingly mainstream, as coverage and media reporting becomes more of a focus for broadcasters and publishers alike.

As recently as 2016 the charity Women in Sport found that that televised women's sport accounted for just 3% of all sports coverage in print, online and radio. Share of sponsorship was even lower, at just 1%.

This lack of media attention has arguably had the biggest influence on the public's perception of women's sport. The media can have a huge influence, both in transforming society's views on women and gender equality, as well as normalising women's sport. Its tremendous reach gives it the power to reinforce positive attitudes in society, encourage girls and women to participate and to encourage mainstream audiences to watch and engage.

The lack of media coverage has also made women's sport less attractive to sponsors. Fewer eyeballs meant it was less valued, so it's either not on the consideration list or, if it is, they'll pay less than they do for men's sport.

But the good news is that media coverage is significantly increasing, which is having a positive benefit to attracting sponsorship, and much-needed investment into sports that have been grossly underfunded.

SSE, with their FA Cup partnership, and Vitality's sponsorship of netball, football, rugby, cricket and hockey have been relatively long-term investors in women's sport. But a recent flurry of high-profile sponsorship announcements, such as Barclays' title sponsorship of the Women's Super League (for a reported £10m+ over three years) and Boots' sponsorship of the Ireland and the four Home Nations Women's national football teams, shows that brands increasingly recognise its value.

The advantages for brands are clear. An uncluttered environment, with fewer sponsors, means brands get more cut-through. Audiences continue to grow as media coverage increases. Those getting involved now have the opportunity to build a legacy in women's sport as a long-term partner and grow together. And there is still value for money; sponsorship supply still outstrips demand so it's a buyers' market.

Commercial benefits aside, there are other compelling reasons for brands to invest; first in standing up for equality – it's important for any 21st-century brand to be walking the talk of equality, and secondly, female athletes are great role models and more-accessible ambassadors for brands.

Looking ahead, The Women's World Cup – taking place in France in June – will put women's sport in the spotlight more so than ever before. It's time for more brands to get involved.

With thanks to David at The Value Xchange
david@thevaluexchange.co.uk

HOTLINE

THE STORIES THAT LIT UP OUR MEDIA WORLD THIS MONTH

Q1 2019 Bellwether Report: Marketing budgets bounce back

The IPA's most recent Bellwether report has revised marketing budgets to +8.7% in Q1. While Brexit has led to uncertainty, some brands have taken a proactive approach and increased investment – with online channels in particular expected to see its net balance up from +2.1% to 17.2%. Market research, sales promotion and direct marketing budgets meanwhile were all revised lower during Q1.

Disney is to launch a streaming service featuring its own original content. Disney+ will launch in the US later this year with content including Marvel and Star Wars TV series and will cost $6.99 a month or $69.99 a year. A worldwide roll-out of the service is expected by the end of 2021.

Spotify has introduced a tool offering measurement capabilities, delivering engagement metrics to give a better understanding of campaign performance. It has also partnered with Nielsen to offer a Brand Effect study, and claims that campaigns to-date have seen a 25% increase in brand awareness.

The BBC is set to complete a £180m takeover of UKTV, which will see the Alibi, Dave, Drama, Eden, Gold, Yesterday and W brands come under its ownership. The channels will continue to operate under the UKTV brand but BBC Studios will grow investment in programming and original content. Meanwhile, Discovery has taken control of lifestyle channels Good Food, Home and Reality, adding to its portfolio of 16 entertainment channels.

AVENGERS: ENDGAME

LONDON MARATHON

EXTINCTION REBELLION

SONIC TRAILER

GAME OF THRONES SPOILERS

AMAZON FAKE REVIEWS


Most Recent Customer Revie

Life Changing Magic of T
Terrific. Read every word. Great ideas
Published 5 hours ago by E. Blocksom

Five Stars
Great book with excellent tips.
Published 5 hours ago by J D