

# WHAT'S HOT

February 2020



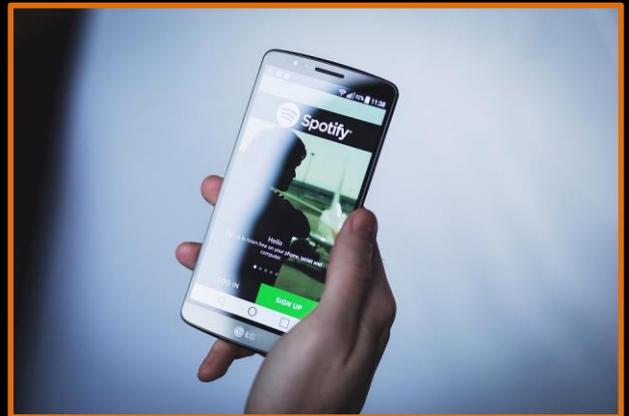
# HOTLINE

THE STORIES THAT LIT UP OUR MEDIA WORLD THIS MONTH



Figures issued by Warc and the Ad Association show that UK adspend rose 5.6% year-on-year to reach £5.97bn in Q3 2019, 0.8 percentage points ahead of forecast. With a full-year view, this takes the estimated 2019 adspend up to reach £24.8bn, a growth of 5.2%. The majority of the growth is being led by digital out-of-home, up 17.1%. TV broadcaster VOD saw a rise of 16.7% and national online newsbrands are up 6.5%

Music streaming service Spotify has announced it is officially launching a standalone kids app called SpotifyKids. The content is hand-picked by a team of editors coming from well-respected brands such as Nickelodeon, Disney and Universal Pictures, built around kids as the consumer. Alex Norström, the company's chief premium business officer said, "Spotify Kids is a personalized world bursting with sound, shape and colour, where our young listeners can begin a lifelong love of music and stories"



The Premier League's new CEO, Richard Masters, has announced plans to launch a Netflix-style digital streaming channel which would sell live games direct to fans. This would allow the Premier League to charge directly for content, rather than sell the rights to TV companies, with a view to potentially launch for 2022-25 seasons. The Premier League currently makes £3.1bn a year from TV rights, however launching its own streaming service could lead to a substantial increase in revenue.

Newspaper sales of the Sun have fallen 8% to 1.38 million in the year to July. However, this remains the UK's top paid-for paper. It appears the company has continued to deal with the fallout of the phone-hacking scandal, receiving a £26.7m legal bill relating to the issue. Meanwhile, the Sun on Sunday sold an average of 1.16m copies a week, which totals 111,000 less than the year prior.



# THE RISE OF FACIAL RECOGNITION TECHNOLOGY



This month The Metropolitan police announced the introduction of live facial recognition technology believed to help revolutionise the fight against crime. Consequently, there have been human rights concerns of a big brother society, but what's the story behind facial recognition and could it cross over into the media world?

First thought up in the 19<sup>th</sup> Century, biometric ID started in the form of finger prints. It wasn't until the 1960s that facial recognition became a possibility. Funded by the CIA and intelligence services, it's clear the direction this was taking. It took until 2010 for automatic categorisation of facial recognition to occur. Now through machine learning – computers can recognise eyes, noses, mouths without human intervention.

The first trial of this in the UK was by Cardiff police for the Champions League final. They scanned the face of every fan, in order to keep out the trouble makers. Post this test, a court upheld its use and now the Met police haven taken up the mantel, setting up CCTV cameras around London. Catching someone on the background of CCTV footage, they can now be re-identified on police databases... or even Facebook.

Facebook proved to be a very powerful tool for Trump's presidential campaign, uploading the names of those who attended his rally's to Facebook and then re-targeting them across Facebook, with hundreds of thousands of different, targeted ads. In the next election, will this be done by face? Unlike in the US, private sector use in the UK is still largely regulated. It took Facebook a long time to launch its facial recognition features here, and when it did it required opt-in consent.

In China facial recognition is being used as mass surveillance of its citizens through vast networks of CCTV cameras. The government says it's to improve security for its citizens, but this is the most

aggressive usage in the world to date. Yet being filmed has been normalised here. You can now pay for goods using your face in China. The future of financial payments isn't contactless, its facial. Smile & Pay accounts instead of Current Accounts. The state has even used facial recognition to 'pyjama shame' people who left their house wearing them, putting pictures of their faces on local billboards. A method we've seen limited use of in advertising in the UK, but which could soon become much more common.

Other new uses of facial recognition we've seen range from a US comedy club 'charging by the laugh' - 38c per laugh with a max charge of \$30. It even extends into lip reading and Gait analysis – identifying someone by their walk... great for footwear recommendations.

Yet there are problems with this tech; false identifications, racial bias and gender mistakes. Amazon's public facial recognition engine Rekognition, fed every NFL player in the US into its platform, only to identify 27 wrongly as criminals. The problems go back to how these data sets were built in the first place - large scrapes of public domain material with an emphasis on quantity not quality.

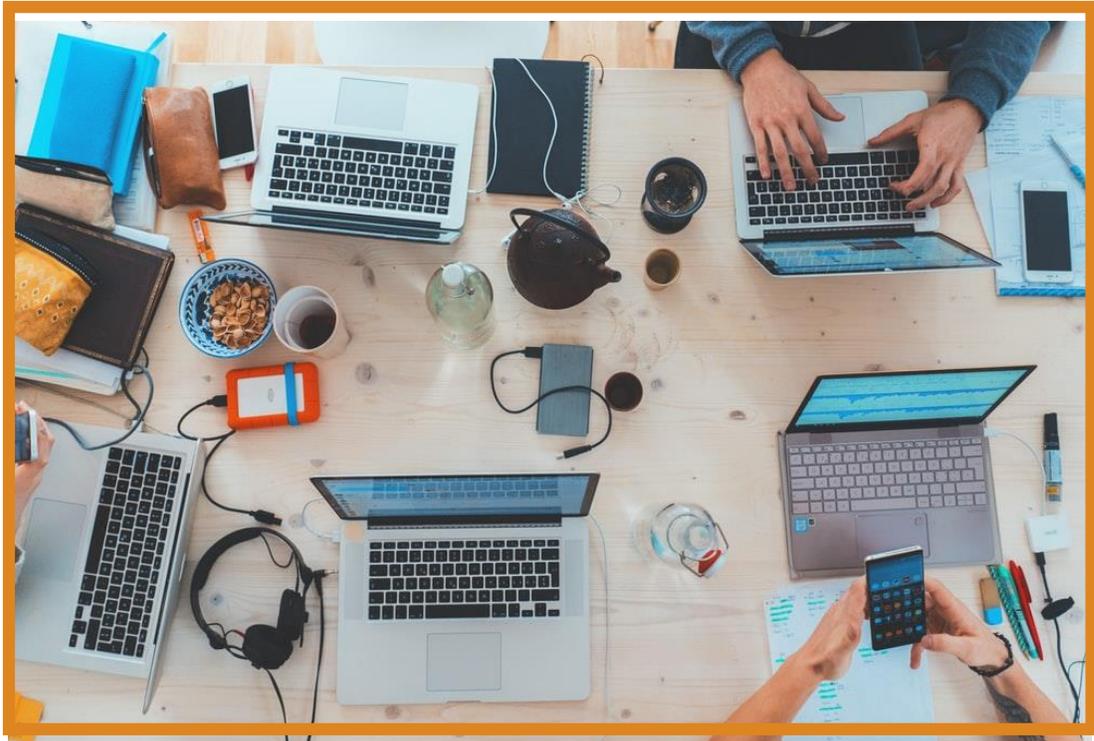
Public reaction in the UK so far is varied, but reserved. Fear comes from its mis-use and the possibility of it spiralling out of control. Civil rights groups have campaigned against it and worry about the effects of knowing that you are being watched.

But what do we want the constraints to be, and can they be limited? With big tech giants like Amazon, Google and Yandix.com taking the lead in this space, will advertisers and brands start to capitalise on this tech in 2020.

But how much do we want people to know about us, without actually telling them? The technological answer to that is everything.



# BRAND SAFETY, AND THE POTENTIAL CONSEQUENCES OF A “BETTER SAFE THAN SORRY” ATTITUDE TO CONTEXTUAL TARGETING



On the 22<sup>nd</sup> of January, the IAB launched their [Content Verification Guide](#) to help create a safer online environment, lead the charge on regaining consumer trust in digital advertising and ultimately help highlight how much scale brands are currently losing out on. While brand safety is still as important as ever, we as an industry need adapt our approach to create both a safe online environment and help brands reduce wastage and grow faster.

[Research from the Advertising Association](#) has shown us that consumer favourability in advertising is at an all-time low, coming from 50% in the 90's down to just 25% in 2018. It also shows us that trust and favourability are highly correlated, which means consumers have lost a great deal of trust in advertising over the years. Trust matters, as [it can determine whether or not an individual is likely try a brand's new products or to stay loyal to a brand in the face of disruption from competitors](#).

Brand safety is key to maintaining trust, particularly in the digital landscape. [IAS research](#) from 2019 has shown that just over half of UK consumers will feel less favourable to a brand after seeing brands in low quality environments and 70% would stop using those brands altogether. On the other hand, they also found the ads seen around high-quality content see 30% greater memorability and consumers who read higher quality content are 20% more likely to engage.

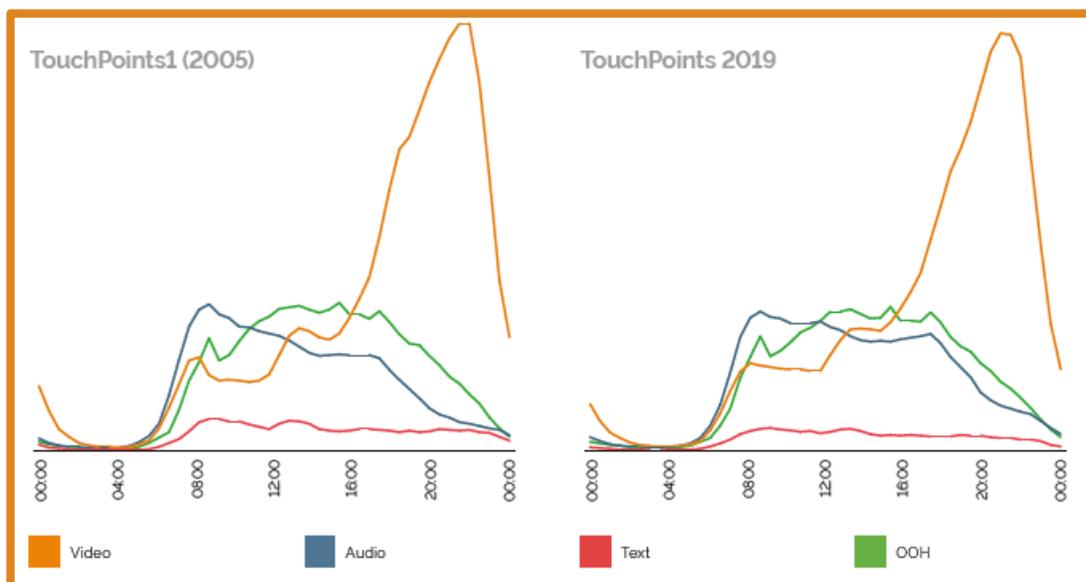
Brand safety efforts in the industry thus far has been far more focused on using methods such as exclusion lists or content verification technology to prevent appearance in low quality environments, at the risk, however, of not being able to appear on high-quality

content. When users trust the contextual environment, [it can improve brand love by 21%](#), so although there should still be a focus on excluding the negative, we should also look more closely at not excluding the environments with rich potential for ad revenue. The IAB identify keyword exclusion tactics in particular to be a blunt tool that does not account for semantics, i.e. when excluding the word 'shooting' from a campaign, advertisers run the risk of missing out on valuable, higher quality content around football or photography for example.

Extensive exclusion lists have led to a huge loss of ad revenue both on publisher side and advertiser side, [estimated at \\$200m per year](#). Grapeshot, Oracle & Reach have all worked to develop a solution, the latter having come out with their [new natural language processing and visual recognition technology called Mantis](#). In line with IAB guidelines, as an industry we should all move towards a system of semantic analysis versus the current more limiting method of keyword exclusions and content blocking. This can lead to increased revenue from quality contextual environments that may have previously been blocked and increase in brand love and trust which in turn leads to brand growth. Brand safety is still as important as ever, but there is plenty to be gained by moving away from "better safe than sorry".



# MAKING SENSE: THE COMMERCIAL MEDIA LANDSCAPE



IPA Touchpoints was created in 2005 as an industry tool to give marketers insight into the daily habits and media moments of target audiences, as well as help planning and measuring the scale of ad campaigns.

Whilst the media landscape has changed fundamentally since that launch, the latest white paper from the IPA, Making sense: The Commercial Media Landscape, suggests that in the marketing world, we may be inflating these changes beyond the true effect on the daily lives of consumers.

Pulling an average day time diary from both 2005 and 2019, the pattern around broad media formats of video, audio, text and OOH take the same shape, highlighting how consistent media consumption has been for the last 15 years.

How people *access* various media may be changing but the same need states remain; people must travel to work in the day (OOH) and crave some form of downtime before bed (video).

The only format which looks to have altered slightly is audio, peaking higher throughout the day due to the increase in on the go availability via digital access. Unsurprisingly, the impact of digital was a running theme throughout the presentation.

In just 4 years the shift towards 'digital' platforms has been phenomenal. In 2015, there was a minority 42% digital share of commercial media amongst all adults, whilst in 2019 this percentage had moved to a 50/50 even split. For a 16-34 audience the shift is even more stark, moving from

a 59% digital share to 73% in the same time period. Older audiences are going digital, just at a slower rate.

The disparity between Gen Z & Millennials vs a wider all adult population is becoming more and more pronounced when it comes to media consumption. Never before has the commercial time share between younger and older groups been so dissimilar; there was a 58% correlation in all media consumption in 2015 but only 25% correlation in 2019. Grabbing attention with broadcast media that speaks to both groups has never been so difficult.

Lastly, the IPA report discussed that not all impacts are equal and this is another factor we must take into account when planning our ad campaigns. Whilst measuring reach and frequency remains the cornerstone of media planning (one of the core roles of touchpoints) *influential* reach is what we should really be considering. The impact of a beautifully shot 60" ad in an immersive cinema environment is not equal to a digital display format in 50% view for 1". Both have key roles in a media plan but we need to be mindful of the true meaning of impact, reach and frequency when planning and measuring our campaigns.



# IS GOOGLE UNDER THREAT?



## DuckDuckGo

DuckDuckGo, the privacy first search engine, will be a default choice on Android devices from March after pressure on Google from EU regulators. But does this represent a significant moment for challengers of GAFA and encourage a potential shift in user behaviour?

With data-privacy continuing to be high on the new agenda. Big tech companies are falling over themselves to prove they can responsibly handle user data without 3<sup>rd</sup> party regulation. Their empires have been built on the collection of vast swathes of user data to aid targeted advertising. Depending on your point of view, this has either provided users with increasingly relevant, free and useful internet experiences or contributed to an ever-murky advertising ecosystem where the value of user experience has been relegated in favour of extracting more ad value per person, at all costs.

The reality is both of those things. But continued negative media coverage around the use of personal data has meant that the latter has bred greater feelings of annoyance and distrust. Concerns over the ability of tech companies to know the more intimate details of your habits and behaviours have raised questions. There are [plenty of stats that point](#) to the majority of users being more concerned with their online privacy than ever before.

This represents a slither of an opportunity for tech challengers who put user-privacy at the forefront of their offering. Enter DuckDuckGo. Founded in 2008 it made the decision to not track user search history in 2010 and has made this its USP since then. Its position is now starting to bear some fruit. In 2019 it was the only US search engine to manage positive growth in market share.

Verizon also launched OneSearch, another privacy centric search engine that doesn't track, store or sell user data. So even major challengers to Google are probing opportunities for potential shifts in behaviour.

And challengers to Google are now also being given an extra leg-up because of scrutiny over anti-competitive behaviour. Last year Google were fined a record 1.5 billion EUR for breaching EU antitrust rules. One of the results of that case is that Google has had to provide users with options

on which search engine they make their default choice on android devices. For a search engine growing as quickly as DuckDuckGo this is good news. [However, they still don't believe this goes far enough and are pushing for Google to change their choice mechanism to give users more context](#)

The important point DuckDuckGo want to make explicit to users in this selection is that they don't track you! With android having over [50% of UK market share, this is a big opportunity to increase user awareness of their offering.](#)

Of course, the likes of Google are recognising their need to address privacy concerns. But their approach is one that requires balance. Much of their revenue stream is built on their use of user data and they need to protect this. So, they must at once increase user-controls over personal data to appease dissenters but also persuade them and the public that sharing it is contributing to better experiences and vital in the maintenance of a free internet. And for all the survey data suggesting people are more concerned with data privacy, actions speak louder than words. Google have still maintained 92% global search engine market share over the last 12 months. If users are concerned, it doesn't appear that they're too concerned with Google.

Ultimately Google have maintained their search market dominance by consistently providing the best experience for users. They have used data to improve the quality and relevancy of their search results over time. And unless the competition can challenge that, users will often revert back to Google to get the answers to their questions more swiftly and successfully. DuckDuckGo won't win on privacy issues alone and it must provide users with a comparable or better search experience than Google to seriously challenge long-term. This is a monumental ask. And for all DuckDuckGo's growth, [1.4% share in the US and 0.6% share in the UK](#) is still nowhere near high enough to warrant real consideration from advertisers.





**BRIT AWARDS**



**LOVE ISLAND  
FINAL**



**FOREIGN  
LANGUAGE FILMS**



**ROYAL BRANDING**



**STORMS**



**PUBLIC  
EUROVISION VOTE**

