

WHAT'S HOT

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What Do Drake, Oprah Winfrey And Elon Musk All Have In Common? Welcome To Clubhouse



What is Clubhouse?

Clubhouse is an audio-only social media app that connects people from across the world in internet chatrooms. Imagine a convention centre with thousands of panels giving talks on topics ranging from feminism, to social media marketing, to entertainment news – but there’s a catch. It’s invitation only.

The app has seen a surge in popularity this year. It now has an estimated 3.6 million users (120,000+ UK Downloads) *according to data analytics firm Sensor Tower* – including tastemakers like Drake, Kevin Hart, Tiffany Haddish and Oprah. Part of the allure for celebrities and the business elite is the invitation only premise, which brings a buzz of exclusivity. Once you are a part of Clubhouse, you are granted just two invitations. So choose wisely.

How does it work?

The app offers users different ‘rooms’ where the participants host conversations on a variety of topics. Every room is open, offering Clubhouse users the chance to join conversations as audience members. Audience members can join in on discussions, but only when invited to do so by organisers of the room.

Clubhouse speakers present via audio only – eliminating the ‘what on earth is going on in your background’ fears we have all come to know on other platforms like Zoom. However, this is also a nod to the growing influence of digital audio as we approach peak prominence of mediums like Podcasts.

Why is it catching on?

Clubhouse allows for genuine conversation. In the 21st Century consumers embrace realness and authenticity, and the “direct-line” component to people of influence is something that’s similarly attractive on established and trending platforms like Instagram and TikTok.

In the last 10 days the app has seen an additional 1.1 million users sign-up, helped in part by the big names taking to the app to broadcast to their fans. Perhaps the biggest name of all, tech tycoon Elon Musk, recently created a frenzy on the app as his fans clambered at the chance to hear him in conversation with Robinhood’s CEO, Vlad Tenev.

As Clubhouse has grown, it has opened its doors to influencers, running a ‘Creator Pilot Programme’ which kicked off last December. If the programme were to take hold, it may offer direct access to different audiences compared to traditional social media. Catherine Connors, one creator chosen for the programme, is 50 years old and a regular host to thousands.

In fact, several of those chosen for the pilot programme are in their 40s or 50s making Clubhouse refreshingly non-Gen-Z centric in its audience as well as content.

Clubhouse will undoubtedly continue to grow this year. As it does, the influence of the app on wider media will continue to grow too. If you can’t get your hands on an invite just yet, fear not, because Clubhouse plans to expand across devices whilst increasing its user base gradually over the next year.



The Long-Term Impact of COVID on Sponsorship



The pandemic has had a dramatic effect on the sponsorship industry. With both major quadrennial sporting events being postponed, most sporting leagues paused and entertainment venues closed, the number of viable sponsorships in the market was greatly reduced. But with lofty budgets at stake, the industry has been forced to adapt, offering greater flexibility and finding fresh ways to activate.

This has impacted sponsorship in several key ways:

Digital growth: Sponsorship deals have become more digitally focused over time, but last year this was supercharged by the pandemic. Digital channels have proved to be one of the only feasible ways to fill the live sponsorship void at any scale, and are currently still the main way of delivering sponsors' rights. While reduced-capacity events are set to continue during the recovery from COVID-19, a report by PwC predicts that we will still see growth delivered through short-form content online.

Shorter terms: The average sponsorship locks brands into long-term deals that can last for multiple years. But with so much uncertainty caused by COVID-19, many advertisers have been unable or unwilling to commit to such terms. This means that rights holders and media owners have been more open to shorter-term sponsorships.

Diversification of advertisers: The pandemic hit traditional sponsors in travel and automotive categories the hardest, causing many of these brands to step back from sponsorship. With more opportunities available, competitively priced digital sponsorships and greater flexibility on deal length, brands from new categories like fintech and ecommerce have been able to enter the sponsorship space for the first time.

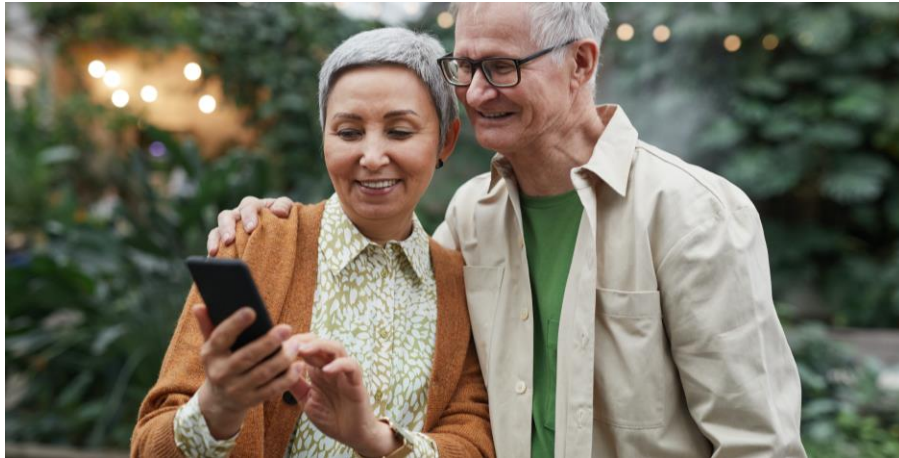
The evolution of TV: With the live sponsorship market still on shaky ground, more brands have been turning to TV sponsorship. All of ITV and Channel 4's big-ticket sponsorship properties have flown off the shelves by their offer deadlines. With audiences now viewing less linear TV, in favour of Broadcast VOD, SVOD and Online Video, it has become vital for brands to acquire TV sponsorship deals in order to have a heavy presence in the best video content (in terms of quality and reach) in the market. While there are still short-term deals to be done, it seems brands are factoring TV sponsorships into their long-term marketing strategies, and are using TV sponsorship to 'lock, block and own' key appointment to view video moments.

Purpose driven: While purpose-driven marketing is nothing new, last year unprecedented restrictions on freedom of movement saw many brands pivot their marketing communications to support those most affected. Mondelez used their sponsorship of Arsenal FC to support a local fan-favourite café, whilst the 7stars client TSB funded and sponsored a one off special on Channel 4 celebrating Britain's Unsung Heroes.

Sponsorship will continue to play a pivotal role in allowing brands to get closer to the passions and interests of their audiences. But the way in which the sponsorship industry operates has been irrevocably changed. We predict that many of these changes will be long-lasting as advertisers reap the benefits of an increasingly flexible and wide-reaching marketing channel.



The Pandemic's Online Gap



Media consumption habits were turned on their head last year as consumers were predominantly confined to their homes. But it was not just overall media habits that were drastically altered but the differences in audience's usage. Recent results from the IPA Touchpoints survey highlight that there was only an 8% similarity between 16-34 year olds and 55+ in how they spent their commercial media time during lockdown 2020. This was a drastic change from a 21% similarity between the generations in pre-lockdown 2020 and a significant fall from 58% in 2015. Highlighting the pace of change in just five years and the impact that lockdown has had in accelerating trends, namely the diversification of media habits between generations.

From May 2020, the 7stars QT started tracking changes in media habits as a result of the pandemic. We have seen that the differences between the generations appear to come both from an overall usage in particular online media habits supporting the IPA research, as well as the purpose for using online and technology.

When looking at 18-34 year olds in May 2020 we saw a dramatic increase in their media consumption over all areas of media, which were greater increases than the 55+ audience. But this was particularly true when it came to online. The biggest differences came in increased usage of video calls (74% amongst 18-34 year olds versus 48% amongst 55+), social media usage (69% of 18-34s versus 30% of 55+) and TV/Movie streaming services (69% amongst 18-34s versus a quarter of 55+). This trend has continued through the course of 2020 and in 2021.

Interestingly, we have also seen the reasons for usage are motivated in different ways, when it comes to online and technology. When it comes to the 18-34 year olds, escapism and fear of missing out drive usage. Whereas, in the recent Original Misunderstood Generation thought piece from the 7stars, it showed that the 55+ audience are more selective in their choices, choosing to use online and technology only if it benefits their life rather than unquestionably immersing themselves in it.

The pandemic has accelerated the differences in the two generations usage of online whilst further highlighting the differing motivators for using online. As the UK begins to lift lockdown, it will be interesting to see if the divergence of online habits between the generations continues or if the gap reduces again. But it will also be important to remember that the motivators for using online media channels vary by generation so need to be positioned differently to the two groups.



The Launch Of GB News & News UK TV



Two new current affairs channels have caused controversy ahead of their official launch in spring this year. GB News will be funded by numerous investors, including Discovery Inc, and will be spearheaded by former BBC presenter Andrew Neil. News UK TV will be backed by Rupert Murdoch who also owns Fox News.

GB News will be a 24-hour news channel, with Andrew Neil hosting a nightly news programme. In addition to Neil, Tom Harwood, former senior reporter at the right-wing website Guido Fawkes, and journalist Darren McCaffrey have joined the GB News political team. In addition, former executive editor of the Sun, Dan Wooton, will also be joining GB News as one of the on-air presenters.

While GB News will be a traditional linear channel aiming to air 6,500 hours of original programming a year via Freeview, News UK's channel will be available via streaming services. Gordon Smart will be returning to Murdoch's News UK to take up a new role as a host and Executive Producer for a new show, provisionally titled News To Me. The panel show will be streamed live and on-demand with a new show each weeknight.

Both News UK TV and GB News are eager to offer viewers an alternative to mainstream media coverage with GB News claiming to be "committed to impartial journalism".

Both launches are perfectly timed. As we have seen increased TV and Connected TV consumption over the last 10 months, it is expected that they will gain traction with audiences.

However, the news of the launches has already

sparked reaction from industry experts along with the campaign group Stop Funding Hate, who have been urging people to join the hashtag Don'tFundGBNews. This has stemmed from claims that both Rupert Murdoch and Andrew Neil are keen to shake up the news sector as rivals in "anti-woke" television news. Neil has stated that today's news debate is "too metropolitan, too southern and too middle-class", not to mention, "Increasingly woke".

New suppliers are always welcomed into the market as they provide advertisers with a new avenue to reach new and engaged audiences. However, despite the pending triumph they may have in terms of potential scale, we are at a fundamental turning point in the advertising industry. Outside of the usual considerations all brands seek before investing in any channel, there is now an increased scrutiny around content, messaging and brand ethos. The success will hinge on whether the new channels align with advertisers' core brand values and initiatives. Should they fall short in this alignment commercial success maybe limited.



TikTok - A Serious Social Contender



TikTok was certainly the social media winner of 2020. Its growth rate far exceeded the large social apps like Facebook, Instagram and Twitter, and it caused the other Social Giants to alter their offerings to mimic TikTok's successful platform. Now Instagram are rolling out 'reels' and Snapchat is allowing users to add officially licensed music into their videos. According to analysis of App Annie data, across 16 countries TikTok's average monthly consumption per user increased by 94% from 2019 to 2020. The average increase for the other five largest social media apps was just 11% over the same time period. TikTok have increased their monthly active users by a whopping 375% during 2020 with those users 11% more likely to shop online and 45% more likely to make impulse purchases than users of the other big social platforms.

TikTok have also been consistently working on improving their efforts to reduce hate speech and misinformation/disinformation and data/protection measures, areas they have received criticism for in the past. They have recently been awarded Gold Standard 2.0 certification from the Internet Advertising Bureau UK, joining the likes of Facebook, YouTube, Instagram and others in being certified under the initiative. In order to achieve the certification, TikTok had to implement several measures promoting Transparency, Privacy and Safety across the platform. Kantar has also ranked TikTok number 1 for ad equity. The work they have been putting into measures like this has been reflected in the latest Media Responsibility Index from IPG Mediabrands. It found that TikTok was the most improved across most of the principles that the index measures, showing significant improvement on diversity and representation, third-party brand safety partnerships and policy-enforcement approaches.

This combination of growth in user base and improvements in platform safety has not gone unnoticed by brands, with over two-fifths (44%) of marketers planning to spend more on TikTok in 2021. This makes it the fourth most in demand platform, ahead of Facebook. Demand is likely to rise further as they expand into social commerce, something they have already been testing with great success in China. This rapid rise of TikTok does not look set to slow down and the other major social platforms are under more pressure than ever to keep up.

The recent announcement that TikTok is an official partner of UEFA EURO 2020 further solidifies the company's challenge to be the top social media giant. This the first time a digital entertainment platform has ever sponsored a major football tournament and TikTok will be benefiting from extensive brand exposure during the football match broadcasts.

One thing is for certain; TikTok is the platform to watch during 2021. TikTok could be the next stage of social media above and beyond the likes of Facebook as it is ripping up the rulebook and providing a more creative and spontaneous way for audiences to express themselves.

Sources:

[https://www.warc.com/SubscriberContent/article/WARC-DATAPOINTS/TikTok leads the social pack as us er activity doubles/135516](https://www.warc.com/SubscriberContent/article/WARC-DATAPOINTS/TikTok%20leads%20the%20social%20pack%20as%20us%20er%20activity%20doubles/135516)

Source: GWI, Gen Y & Z Users of TikTok vs. Gen Y & Z Users of Facebook, Instagram, Twitter & Snapchat, Globalsans China, fieldwork conducted March 31 - April 27

EU Holiday Shopping Behaviour Study 2020



Advertising Association/ WARC 2021 Predictions



In February, several reports were released which allowed us to form a clearer picture of how the ad market closed in 2020. Which channels fared well, which struggled, and what we might expect to see in 2021.

The industry staple, AA/WARC's review of 2020, stated that the UK ad market shrank £23.2bn (7.9%), which is less than some had originally feared, and was buoyed by two hero factors – a rise in e-commerce and the consequential increase in digital ad spend.

The pandemic accelerated the e-commerce trend by 3 to 5 years as we saw 28% [of retail sales](#) in the UK in 2020 happen online, up 10% from 2019.

The summer was a particularly strong period for on-line platforms. Internet advertising grew by 10.1% to £4.2bn, influenced heavily by a 14.5% rise in search spend. Interestingly, some of the big on-line platforms, such as Amazon, did not increase their ad spend.

On the contrary, Amazon decreased advertising spend for the first time in a decade as people flooded to their platform by default.

It was the main ATL channels that felt the biggest negative impact of Covid in 2020. The expected decline in cinema and outdoor advertising rose to 80% and 45% respectively. The market for newsbrands was down 28%, radio 16% and magazines 12%. April and May were particularly tough trading periods for the UK TV ad market, with a 50% collapse in the £4bn-a-year sales numbers.

Things are starting to look up, though. With the onset of a national vaccine rollout and a Brexit deal done, there is hope for strong growth in 2021. AA and WARC predict the UK ad market to grow by 15.2% this year with most media sectors expected to see double-digit growth.

This will impact on market inflation, however, as post-pandemic advertising picks up. ECI Media Management's *Annual Media Inflation Report* is forecasting 3.4% inflation in media in the UK this year.

So whilst we will all be extremely happy to see media channels and sectors regaining ground and delivering growth once again, we must keep an eye on the prize.



POSITIVE NEWS THIS MONTH



Early February marked the annual Super Bowl LV, which saw the Tampa Bay Buccaneers beat the Kansas City Chiefs. The event typically attracts massive advertising spend. In less than 4 hours, 65 commercials costing an average of \$5.6m per 30-second spot aired for 91.5m Super Bowl LV viewers, the lowest TV audience since 2007. An additional 5.7m viewers watched over a digital stream, bringing the total to 97.2m. The half-time show saw The Weeknd perform from the stands to 25,000 socially distanced fans. YouTube ranked the most-viewed Super Bowl LV commercial as Amazon Alexa's spot featuring Michael B Jordan.

The backlash against influencers working from various countries has come to a head recently with Priti Patel criticising them for "showing off about which parts of the world they are in", in the midst of a global pandemic. Despite this, it appears that the effect is not wholly negative. According to a [study from Rogue Media](#), likes per post for influencers abroad were up 144% compared to their average. For these stars posting from abroad, 25 are previous Love Island contestants and Dubai was the destination of choice. It appears that locked-down audiences are still turning to influencers for some distraction or inspiration, with social screen time still on the up.



The end of lockdown is now in sight, with Boris Johnson having laid out the detailed plans for unlocking the country amid the countrywide vaccination programme. He has set out several stages for easing restrictions, beginning on March 8th when schools will open. This will continue with an additional three further stages of a four-step plan that runs up until June 21st, with rules around social contact and hospitality steadily being lifted, marking a positive light at the end of the tunnel for many.

