



July 2022



OFCOM to 'Investigate' Increasing TV Ad Break Durations

OFCOM have announced that they are 'looking into' proposals to extend TV ad breaks and/or allow more breaks per hour. They could also relax product placement rules, allowing for greater integration of brands in shows. This is proposed as a way to counter the rise in streaming, particularly after Netflix and Disney+ both announced their own intention to launch cheaper ad tiers to their platforms.

The Netflix Effect

Regulations have limited terrestrial stations to an average of seven minutes of ad time per hour, with only a single ad break in shows under 44 minutes duration.

With the 'Netflix effect' of taking linear TV viewers away to streamers, media owners have argued that the only way to compete is to be able to increase both ad times per hour and increase their product placement and brand integration opportunities.

Rumours of such a move have been circulating for years, but severe TV price inflation has put pressure on TV stations struggling to maintain viewing levels.

A further accelerant has been the announcement that Netflix has now signed an agreement with Microsoft to build their ad tier model. With the infrastructure already in place at Disney, through their ownership of titles like ABC and ESPN, we can expect these new competitors to enter the UK market in 2023.

A Split Reaction

Senior figures at ITV, C4 and Sky argue that this move is the only way of competing with the might of debt-laden Netflix, or the Disney behemoth (despite Sky being owned by US giant, Comcast).

Others observe that the loser will be the consumer. We are already in a market used to skippable ads, second screening and reduced TV reach so if the product is diluted through further ad break interruptions, fears are that viewers will be turned off.

Evidence confirms that not only will viewers complain if they feel their enjoyment is hampered, but TV stations will listen. After complaints of loading up on ads, Sky made the decision to reduce the minutage of ads in the latter Game of Thrones series to avoid detracting from the viewer experience.

An increase in TV ad impacts is likely to be a double-edged sword, with the initial reduction in CPTs gradually lost to a higher exodus of viewers (especially in younger audiences) as viewer experience declines.

A more positive option, if handled carefully, would be an increase in show/brand integrations and tasteful product placement which would open up new revenue streams and innovative options for advertisers.





Passion, People Purpose: Harnessing the Power of Sports Partnerships

Whether you've enjoyed cheering on the Lionesses, been glued to Tour de France or witnessed Novak Djokovic lift the Wimbledon trophy for 7th time, this year of sport so far has delivered plenty of drama. It has brought excitement, joy, tension and frustration, whilst restoring the buzz of live audience participation.

Sport is one of the nation's greatest passions and has an unrivalled ability to bring people and brands together when passion and emotion are rarely more alive.

the7stars' bespoke research, *Connecting with the Crowd*, spoke to sports fans to identify what people look for in authentic sports partnerships. We have identified three key pillars that can help guide brands in this space: passion, people and purpose.

Passion

Watching sport can elicit strong feelings. Our research revealed that 40% of Brits generally feel happier during major sporting events. However, the picture isn't always rosy – 1 in 5 sports fans also admit to crying when watching sports.

Brands should consider how they can bring these emotions to life through compelling storytelling to inform or even surprise their audiences.

People

We found that passion is even more powerful when experienced together. 3 in 4 people feel a sense of national or community pride when watching sport, and this feeling can linger long after the event is over. Sports fans can connect with their favourite athletes increasingly more easily, due to social media, drawing people further into the world of sport, and extending their memorable moments.

Therefore, brands have an opportunity to enhance the fan experience in many ways beyond the event itself, such as continuing the conversation on social media or partnering with their audiences' favourite sporting stars.

Purpose

Finally, fans want the sports they love to be a positive force in the world. 3 in 5 agree they want sports to make a meaningful change in society. Furthermore, half of Brits believe that athletes should be role models to future generations, and this number is even higher among 18-34s.

Therefore, brands need a reason to get involved. Fans not only welcome brands that can make a positive difference in sport, but they are actively expecting to witness it.

Tapping into at least one of these areas is a winning formula for sports partnerships.

To find out more about our research, as well as how the7stars can help you make the most of exciting sporting opportunities, do join us for an evening of wine and cheese on 15th September. Please contact your account team for more information.





Taking Pride in Inclusive Brand Safety

As we look back on this year's Pride Month celebrations, we consider planning and buying practices that discriminate indirectly against minority groups, and how outdated methods can do more harm than good – both for advertisers and publishers.

As reported by Ebiquty earlier this year, Google, Meta and Amazon now account for more than 74% of global digital ad spending. Brand safety is a moving target for advertisers and, with such significant investment into unpredictable environments, a cautious approach makes sense. One misplaced impression can be captured and amplified on social, or even mainstream media, to the detriment of the brand.

Consequently, for several years, advertisers pursued the most risk-averse course possible; excluding placements, relying on strict inclusion lists, or even opting out of significant media channels and platforms altogether.

Yet, the adverse impact to advertisers of such action can be significant, limiting legitimate reach opportunities and increasing costs – a bit like cutting off your head to cure a headache. However, it's keyword blocklists that cause another significant problem for minority media.

Ad tech company Teads stated that between 30% and 40% of its campaigns contain requests for keyword exclusions, notably LGBTQ+ terms along with race and religion. As well as excluding entire audiences from targeting, minority publications that rely on advertising revenue also suffer. While figures are down from January 2021, considerable work remains.

Such measures are outdated but also staggeringly ineffective. For example, video content is hard to identify: keyword exclusions often operate only against titles, descriptions or surrounding page content. So, unable to ensure 100% brand-safe delivery, keyword blocklists can disproportionately cause more harm than good.

New technologies reduce the need to use keyword blocklists at all. Third party tools, such as Integral Ad Science, use exclusion technology that identifies page sentiment and context rather than relying on single words or phrases alone. Unsafe content that would have been excluded by keyword blocklists is still identified and excluded; but legitimate opportunities, using words in a neutral or positive context, are open.

This is why we have taken the stance to remove keyword blocklists as a default brand safety practice. In rare instances, an advertiser or platform-specific case for them might still apply. Otherwise, we now rely only on more nuanced technology and updated native platform controls.

In our tests, removing keyword blocklists results in no drop in the percentage of brand-safe impressions delivered, as measured by IAS.

We make sure that our standards, practices and risk assessments always keep pace with emerging threats and advances in technology. For example, TikTok is assessed as a higher-risk environment, but recent updates in brand safety may change our assessment of that risk considerably and warrant reappraisal from advertisers.

A consistent review of brand safety practices not only identifies new threats, but also safeguards responsible media practices that don't restrict reach away from minority audiences or negatively impact their revenue streams.





Cannes 2022: Grand Prix or Effective, but not both?

Cannes Lions 2022 showcased the ‘best-of-the-best’ in advertising and creativity. However, it has divided opinion over what was determined to be award-worthy, with the lines being drawn between purpose vs effectiveness. A high proportion of the entries and winners claimed incredible numbers in terms of impressions, engagements, and other soft metrics – but there was a noticeable lack of business results.

This discussion has been further fuelled by an analysis of the Cannes Lions film category from System1, showing that of the 23 award-winning adverts from the UK and US, 48% received a score of one star out of five. The rating is based on the film’s potential to build long-term brand growth based on the emotional response of viewers. The score of all 23 award winners came in at an average of 2.1 stars, which is slightly less than the average of their database of 80,000 ads, marking no change from last year’s scores.

Purpose-led campaigns were by far the most awarded, most of which were aimed at driving social action rather than commercial growth. While this shouldn’t be downplayed (75% of consumers believe it is the role of brands to solve sustainability issues, for example), it may point to the low System1 scores when some case studies, such as Coors or Dove, couldn’t convincingly point to a resolution of the issue raised. Yet both won Bronze awards.

What will be interesting to see over the next twelve months is how award winners change in relation to a more challenging market. It is likely that advertisers will rightly push agencies further into the core function of driving growth for their business. Will we see a shift in Cannes 2023 where more emphasis is put on business effectiveness as a stringent part of the judging criteria?

Importantly, a shift toward commercial effectiveness should not come at the detriment of creativity. P&G’s chief brand officer Marc Pritchard stated the responsibility of agencies to drive “creativity for growth”. There was evidence from this year’s awards that suggests we can be hopeful. Contagious emphasised that when you look further into the Silver and Gold awards, there were several case studies which quoted strong commercial growth results. Even System1 highlighted examples such as Mastercard’s ‘Spotlight’ and MGM Resorts’ ‘Joy’ as Silver winners who scored 3.9 and 4.2 stars respectively.

There is always going to be contention around Cannes. However, we’re hopefully going to see an improvement in the number of nominations that are built around proven commercial effectiveness, as well as the number that are ultimately awarded. But this needn’t come at the expense of creativity. With brands competing for mental availability and action in a market that is going to be more competitive than ever, breakthrough creativity has a huge role to play.





Cinema's Got Our Attention

It's been a strong few months for cinema, thanks to the much-anticipated Top Gun: Maverick, an array of Marvel movies and a brilliant awards season: a triumphant return following lockdown struggles. This was celebrated in the recent DCM Upfronts session, which introduced the latest research on attention, cinema's overall impact and provided a sneak peek of the big movie moments to come in the next twelve months.

Upcoming Movie Moments

Annual cinema audiences are on track to return to pre-pandemic levels in 2023. A host of movies are due for release, starting with eagerly anticipated sequels from late Q4 including Black Panther: Wakanda Forever and Avatar 2. Following the successful first instalment of 2009, Avatar 2 could become the highest-grossing film of all time. The Marvel franchise, which consistently does well with the lighter TV viewing 16-34 audiences, has more in the pipeline for next year, including Guardians of the Galaxy 3 and The Marvels. Tom Cruise returns in his seventh Mission Impossible outing in July 2023, along with, the much-talked-about Barbie movie.

Attentive Audiences

Magnetic's 'Pay Attention' research has previously shown that people believe they are most attentive to cinema ads. However, with an increased industry focus on attention-based media and metrics, DCM were eager to understand whether this claimed behaviour, translated into real-life action.

In conjunction with Lumen, using viewing capture technology, they have observed '% of viewable time spent viewing' to see how consumers view ads in a cinematic environment, taking into consideration time spent looking at phones, chatting amongst friends and so on, to determine actual dedicated screen attention.

Results showed that the cinema generates an average of 77% of viewable time spent focused on viewing the content, surpassing all other channels. In fact, the research revealed that cinema ad attention is almost as high as the movie trailers (77% vs. 80%). This supports consumers' appreciation for cinema ads and helps justify their place as part of the AV plan when looking to drive attention and impact.

Big Screen Accountability

With one of the most frequent pushbacks to cinema being a lack of accountability (beyond econometrics or paid for brand lift studies), these findings can help justify why cinema can enhance plans, through its attention-commanding context. This has led DCM to recommend that at least 5% of media budgets (where AV assets are available) should be invested into the channel. By doing this, brands can reach audiences who are open to advertising and likely to respond favourably.

Bespoke media planning is essential, so this 5% figure would fluctuate on a campaign-to-campaign basis. However, the increased accountability of this research may inspire more brands to run cinema advertising as part of their overall AV approach.

Not only is cinema back, but there's so much more to come on the big screen. With the overall fragmentation of video viewing, cinema provides a unique, attention-rich space that can be leveraged within our AV mix.



This month's mini stories

The proposed \$44bn takeover of Twitter by Elon Musk, the world's richest man, is in jeopardy. Citing frustration at Twitter's alleged failure to provide comprehensive information on spam accounts, the Tesla CEO withdrew his offer to buy the company. However, the saga is far from over: Twitter is suing Musk to enforce the merger agreement and is 'confident' it will prevail.

The ongoing feud appears to be taking a toll on Twitter's finances, with revenues declining by 1% YoY in Q2 – something the social media giant blamed on both Musk and an advertising slump.



The Lionesses made history in more ways than one! With a dramatic 2-1 victory over Germany, the team ended England's 56-year trophy drought and became the first ever major tournament win for the Women's National team. In the stadium, the Lionesses rocked Wembley with a sell-out crowd of 87,192 – the largest crowd for any Euros match - men's or women's - in history. Off the pitch, viewership records were broken and the clash became the most watched women's football match ever in the UK, reaching a peak TV audience of 17.4 million on the BBC and smashing the previous record of 11.7 million (Lionesses v USA Semi Final, WWC 2019). These figures also make the spectacle the most-watched TV broadcast event of 2022 so far.

In a bid to continue increasing interactivity, streaming giant Spotify announced that it is acquiring the Heardle music game to make music discoverability more engaging. The Wordle-inspired music game will keep the same rules (with players guessing songs before more of the song is revealed) but when the full track is revealed it will be linked to Spotify, replacing Heardle's original destination, SoundCloud. This follows the streaming platform's earlier unveiling of Call-to-Action cards in January, where clickable ads appear during podcast ad breaks and remain on the page, further prompting users to engage with the platform more than ever before.

