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## Elon Musk Unveils Twitter's New Identity, X

In a [late-night tweeting session](#) on Twitter, Elon Musk, the visionary entrepreneur, and CEO, revealed the much-anticipated rebrand of the platform to its new identity, X.

Musk, known for using single-letter names in company and product titles, made the announcement through a series of tweets, signalling a pivotal moment for the social media giant. Alongside his Twitter thread, Musk reportedly sent [an internal email to Twitter employees](#), informing them of the rebrand and mentioning that this would be the last time he would email from a Twitter address.

The reception to the rebrand has been a mixed bag. While many of Musk's followers applauded the change, long-time Twitter users seemed less enthused. Even Marques Brownlee, a prominent user who joined the platform back in 2009, jokingly tweeted (or should we say '[Xed](#)') that he would continue calling it Twitter, to which Musk cryptically responded, "Not for long." Some have even gone as far to say that the rebrand was a high-risk move, considering the current competitive outlook for Twitter with advertisers withholding spend and the [emergence of Threads](#) as a potential "Twitter killer".

The change of brand name to 'X' embodies Twitter's bold vision for the future of social media, promising innovation, and interactivity. The company intends to transform its user experience, placing a strong emphasis on enhancing privacy and control over user data. While specific details remain undisclosed, Musk has hinted at incorporating blockchain technology, aiming to make 'X' the ultimate "Swiss army knife of mobile apps."

Linda Yaccarino, Twitter's CEO, sees X as an opportunity to "[transform the global town square](#)," aligning with the company's grand vision for the future of social media. The platform envisions a [limitless interactive space](#), encompassing audio, video, messaging, payments/banking, and becoming a global marketplace for ideas—all driven by AI.

The transition to 'X' has been a carefully orchestrated process, evident in the platform's recent developments. Long-form publishing has elevated the quality and depth of content, benefiting writers and users alike. The video offering has become more immersive, embracing vertical video and long-form content. 'X' has become a promising space for creators to thrive and monetize their content. Additionally, 'X' boasts improved brand adjacency protections for advertisers, ensuring a more controlled and brand-safe environment.

Elon Musk's audacious rebranding of Twitter to 'X' marks a shift in the social media landscape, signalling both challenges and opportunities for advertisers. As 'X' shapes the future of social media, marketing teams will need to adapt their strategies to this new, transformative platform.





## The Battle for Dominance within the AVOD Market

In a post-pandemic era, a lucrative streaming market continues to grow. It's drawn the attention of corporate giants like Disney and Apple, keen to both corner the market and stimulate demand. Increasingly, Advertising-based Video on Demand (AVOD) appears to be the tool of choice.

### Content remains king

A demand for content is fuelling the rapid improvements in tech and platforms available to consumers. There is no end to the number of players producing or curating content. Netflix, Prime Video, Apple TV+ & Disney+ may be the biggest, but there is a growing tail of providers, eager to lure consumers onto their proprietary platforms.

The cost of producing content is dramatically increasing, with shows costing £15m+ per episode not uncommon. Global market inflation is exacerbating this situation, as will the outcomes of the recent actors' strike, where demands on streaming giants are to provide a 'fairer split of profits.'

Providers look to drive revenue growth through base numbers, yet consumers are increasingly fickle. Concerned only about the latest trending show, they freely switch provider and binge series to evade costly subscriptions. 52% of UK consumers have access to at least one Subscription Video on Demand (SVOD) service; however, just 14% support three or more. Disposable income is a key factor, the cost of living crisis causing subscriptions to fall by two million in 2022.

This inflation puts significant pressure on production budgets, but if you can't be king without content, providers share a sticky conundrum.

### AVOD as the potential solution

Amazon, according to a recent news article, is poised to wade into the AVOD space, following both Netflix, who launched Q4 2022, and Disney+ (whose launch is imminent). Since 2019, Amazon's Freevee service has touted an ad-funded model that is integrated with its Prime Video content. However, reports are that Prime members will soon be offered a lower-tier ad-funded subscription model.

A potential win for Amazon on many fronts, this would open Prime to a whole new audience. Freevee consumers would be encouraged to take up Amazon's e-commerce offering at a new, low price point. Consumer loyalty would be up, with subscribers willing to retain Prime at competitive rates. The addition of ad revenue will also subsidize the creation of future content.

For advertisers, Amazon's offering will be unique in that brands will take advantage of Amazon's first-party e-commerce behavioural data. Bespoke targeting audiences will be constructed around shopper behaviour, and conversion could be linked directly to sales.

### A saturated streaming market

AVOD uptake will not necessarily follow through to engagement. Open questions also remain about consumer perception of ads in their content, and inventory is limited. Netflix is all too aware of these headwinds, with reportedly only 200,000 UK subs on their ad-funded tier and stringent controls on ad inventory. However, Netflix remains confident and confirms plans are in place to stimulate growth in the coming months.

Audience fragmentation is something we've learned to navigate, yet walled gardens and the rise of SVOD create unwelcome obstacles. AVOD is forcing open cracks in the SVOD barrier, granting our brands access to an enticing ecosystem of premium content and engaged audiences. We at the7stars will be watching developments closely, looking to take full advantage of any new offerings.





## Gaming Enters the Mainstream at Cannes Lions

Back in December, the7stars published research into the emerging media opportunity in gaming, [Level Up](#). At the time, it was clear to us that gaming represented a substantial untapped potential for brands. Seven months' reflection has done little to dispel this notion.

The 2023 IAB Compass [report](#) listed gaming as one of the four digital channels with the highest predicted growth over the next five years. By 2026, UK in-game advertising spend is forecast to double compared to 2021 levels, reaching almost £2bn on mobile formats alone.

Gaming now reaches [nearly three-fifths](#) of the UK's population, including a majority of all age groups up to and including 45-54s. The proliferation of mobile gaming and a lasting lockdown-era boost have brought gaming to previously unreached audiences.

As Rema Vasan, head of global gaming business marketing at TikTok, recently put it, 'what emerged from [the pandemic] is this idea that there are moments people just wanted to have for themselves, that are about well-being and that give them joy. And that's perfectly aligned with gaming.'

Until recently, gaming was seldom considered alongside TV, social media, and other high-reaching channels as a viable commercial media opportunity. But innovations in the category, including the wider adoption of AR and VR technology allowing brands to create immersive brand-led experiences, have taken gaming activations to the next level.

This year, Cannes Lions announced the launch of the Entertainment Lions for Gaming, joining Sports and Music as additions to the prestigious awards. This follows years of winning campaigns surfacing from gaming, with a [74% increase](#) in Lion-winning plans featuring gaming in five years, according to CEO Simon Cook.

In the ceremony last month, the flavour of work on display more than justified this inclusion.

In the partnerships subcategory, [EA Sports and Apple](#) scooped top honours for enabling FIFA 23 players to step into the boots of Ted Lasso and take the helm of fictional Richmond F.C., ahead of the launch of the show's third season. The campaign followed in the footsteps of Burger King, [which won](#) the Direct Grand Prix in 2021 for its 'Stevenage Challenge.'

Meanwhile, [Greenpeace](#) took gold for in-game brand integration. Working within the second-highest selling game of all time, Grand Theft Auto V, the campaign depicted the fictional game world of Los Santos underwater after a global temperature rise of 3°C. The Greenpeace activation was widely praised and supports the7stars' findings that gamers would be open to an increased presence from the charity sector in gaming worlds.

But while brands as widespread as McDonald's, Pringles, and Dell received commendations, the inaugural Grand Prix winner came from a category closer to gaming's roots.

Last year, as the vastly popular mobile game Clash of Clans celebrated its 10th birthday, its marketers devised an ingenious strategy: what if the game wasn't turning 10, but 40?

The [resulting campaign](#), a 20-minute short documentary depicting the fictionalized origins of Clash – complete with 80s-esque cereal product placements and action figures – successfully tapped into the growing appetite for 'nouveau nostalgia', or a longing for the romanticized past we never lived in.

The introduction of gaming as a standalone Lion was a fitting culmination of a year that has seen the channel establish a viable, high-reaching media opportunity for brands to create lasting relationships with consumers. With plenty more innovation on the way, the time is right for brands to enter the gaming arena.





## Rethinking Programmatic Advertising at MAD//Fest

In the fast-paced realm of digital advertising, embracing change and innovation is imperative for sustained growth and success. At the recent MAD//Fest festival, two key insights captured the attention of Media and Advertising professionals: the evolving landscape of programmatic advertising and the resurgence of contextual targeting. This article delves into the intriguing perspectives presented at the event and their transformative impact on the advertising and media industry.

### Rethinking Programmatic Advertising

Initially designed to tackle challenges of scale and efficiency across the open internet, programmatic advertising has been a game-changer for the industry. However, Lisa Kalyuzhny, PubMatic's RVP, Advertiser Solutions, EMEA, argues that the industry has been constrained by an overly simplistic, one-size-fits-all approach. To unlock its full potential, a re-evaluation of the supply chain and a shift in focus from traditionally segmented business models – (e.g. DSPs, DMPs) – to capabilities is necessary.

This shift can consist of moving away from the once homogenous role of walled gardens and regimented specific services of DSPs, SSPs etc... and using a more holistic view of what tech can offer us (e.g., audience targeting and matching may now be better applied on the Sell-Side than the conventional Demand-Side). This more flexible approach allows programmatic to accommodate a broader array of use cases, opening up new opportunities for differentiation, value creation, and alignment with the needs of publishers and advertisers, fostering a more sustainable ecosystem.

### Contextual Advertising Returns with Real-World Success

Amidst the technological advancements and data-driven targeting, contextual advertising lost its prominence in the digital landscape. However, Paul Wright, Head of Uber Advertising UK&I, highlighted the significance of context and attention as key metrics for advertisers, especially in light of growing privacy concerns. Contextual advertising, which effectively targets ads without invading users' privacy, provides brands with the means to understand consumers' context and deliver relevant, engaging ads. The cookieless nature of this kind of solution futureproofs it against many other programmatic targeting options that will be severely hampered by the eventual arrival of Cookie Death.

Together with Paul, Ismael Sadiq (Digital Strategy Lead at the7stars) presented Uber's successful contextual advertising work in our campaign for Ed Sheeran's new album, "Subtract." This case study exemplified the effectiveness of contextual targeting and its positive impact on brand-consumer interactions.

### Impact on Advertising and Media

The evolution of programmatic advertising and the resurgence of contextual targeting are reshaping the advertising and media industry in multiple ways. Advertisers and marketers now have the freedom to explore a wider range of use cases directed by tech solutions to specific advertiser problems rather than an outdated understanding of the supply chain, allowing them to align advertising efforts with specific business objectives. Adopting a more flexible approach to programmatic technology empowers advertisers to create personalized, memorable experiences for their audiences. Simultaneously, the revival of contextual advertising ensures that ads are relevant, engaging, and respectful of users' privacy, ultimately leading to improved brand-consumer interactions and a more positive user experience.

MAD//Fest underscores the perpetual transformation of the advertising and media landscape. Embracing customization and context in programmatic advertising enables brands to connect with their audiences more effectively and ethically. Real-world success stories, such as Uber's campaign, demonstrate the power of contextual targeting in a soon-to-be cookieless world, culminating in resonant and impactful ad experiences. Embrace the opportunities presented by these new perspectives in programmatic advertising and contextual targeting to create meaningful and impactful ad experiences that deeply resonate with your audience.





## **Understanding Gen Z's Preference for User-Generated Content**

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The shift in purchasing power from Millennials to Gen Z highlights a profound understanding of their media consumption habits, which often diverge from those of previous generations. Among the myriad content choices available, user-generated content (UGC) has emerged as a potent force, particularly when it comes to capturing the hearts of Gen Z.

In a recent survey by Inmobi Insights, analysing streaming subscription behaviours across different age groups in the US, fascinating insights came to light. Millennials (ages 35-44) leaned heavily towards streaming content, such as TV shows. In stark contrast, Gen Z (ages 18-24) displayed a resolute preference for UGC, closely followed by a penchant for Music/Podcasts. Younger Millennials (ages 25-34), interestingly, exhibited a more eclectic content taste, with no clear-cut preference apparent.

These findings underscore a notable transformation within the content ecosystem, wherein content creators reign supreme. By wholeheartedly embracing UGC as an integral part of their content strategy, brands stand to reap a multitude of benefits - heightened engagement, unwavering brand loyalty, and an authentic brand image. More than just a marketing tactic, UGC fosters a genuine sense of brand affinity, nurturing an organic connection between brands and their audience.

To fully harness the potential of UGC, brands must be discerning in their selection of creators, ensuring a seamless alignment between the brand's essence and the creator's voice. Crafting a tailored approach is imperative, maintaining coherence with the brand's identity and messaging while remaining adaptable to the evolving digital landscape. Keeping a vigilant eye on prevailing trends across various platforms equips brands to produce hyper-relevant content that amplifies engagement to unprecedented levels.

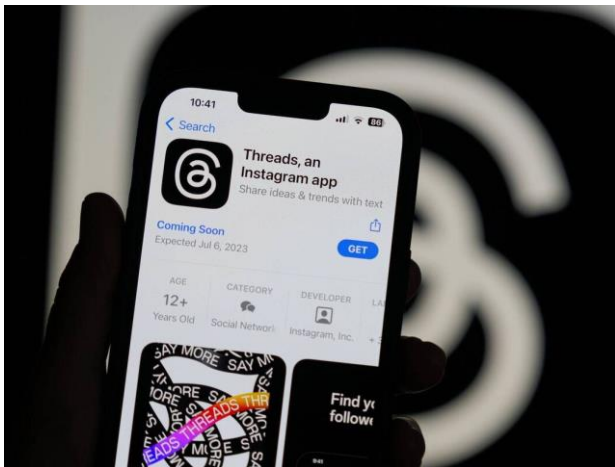
As the tide of media consumption patterns shifts with each generation, brands must fortify themselves with a well-crafted content strategy to effectively resonate with their target audience. Gen Z, known for being elusive and discerning, places greater trust in the opinions of their peers than in conventional marketing messages. In this context, UGC's relatable and authentic nature serves as a potent catalyst for forging indelible connections with Gen Z, allowing them to see themselves mirrored in the content they cherish.

In conclusion, deciphering Gen Z's profound preference for user-generated content is the key to unlocking the hearts and minds of the consumers of tomorrow. Brands that master this artful dance between authenticity, engagement, and adaptability are poised to seize the unrivalled potential of Gen Z as a loyal and impassioned consumer base.



## This month's mini stories

After launching one year ago in June 2022, Snapchat's 'Snapchat+' subscription service has accumulated four million paid subscribers, with special perks soon being made available for subscribers in the near future. The first feature set to be introduced will be 'Expressive Chat Messages,' enabling users to send messages in bigger font sizes, as well as 'Custom Chat Colours,' giving users the ability to choose the colour in which their name appears in chats. While the subscription service is showing steady growth, the latest number still only represents a small portion of the app's 375 million daily active users.



Following the successful launch of Meta's Threads app (gaining over 100 million users in over 100 countries in under a week), it seems as though the European launch of Threads may face delays due to Meta's challenges with regulatory uncertainties surrounding personal data usage. The EU Digital Markets Act (DMA), which aims to safeguard user privacy, is widely speculated to be the source of this delay, as the company is forced to evaluate how it protects users before launching in Europe. Meta is also blocking EU-based users from accessing the Threads app via VPN.

As part of the 2023 Digital Upfronts season, IAB UK will host the UK's inaugural Retail Media and Connected TV Upfronts on Wednesday, 18th October, offering advertisers and agencies an unparalleled opportunity to preview product launches and gain valuable insights and advice on leveraging these impactful channels. New opportunities are set to be debuted at the Retail Media Upfronts from Amazon Ads, ASOS, LiveRamp, Nectar360, and Tesco Media & Insight Platform, whilst CTV Upfronts will showcase offerings from DAZN, NBC Universal, Rakuten Advertising, and Vevo. We will also be hosting our own Retail Media event on 23<sup>rd</sup> August, packed with invaluable insights for advertisers.

