



November 2023



## The Power of Sustained Activism

As Black History Month concludes, it's an ideal moment to reflect on brand initiatives that unfolded in October. While some brands have effectively embraced this cultural celebration, others faced criticism for their approach. This raises a fundamental question: How can brands honour cultural holidays, such as Black History Month, without appearing performative?

### A Blueprint for Sustained Activism

Increasingly, brands have seized the opportunity presented by Black History Month to run special campaigns, highlighting their commitment to diversity and inclusion. Today, [64% of consumers](#) take action after encountering ads they view as diverse and inclusive, underscoring the undeniable need for year-round inclusivity.

Channel 4's ['Black to Front'](#) project in 2021 serves as an outstanding example. The channel reimaged its entire schedule, featuring content exclusively fronted by Black talent. From show introductions to on-screen talent, social media, All4, and even advertisements like [our Gousto ad](#), this bold project celebrated Black excellence comprehensively. This endeavour resonated with a staggering 7 million people, equivalent to 11.6% of the TV population.

The project's power lay in its sustained nature, coupled with concrete promises to 'supercharge change in Black representation off-screen.' Channel 4 committed to increasing Black representation behind the camera, providing opportunities for career progression and creative control for Black talent in the industry. The project made a tangible impact, with over half of viewers becoming more aware of the challenges facing Black and minority ethnic individuals in society. This positioned Channel 4 as a fearless channel unafraid to tackle important issues, resonating with 85% of viewers.

### The Perils of Insensitivity

Conversely, there have been instances where brands faced backlash for Black History Month campaigns that appeared profit driven. [Apple](#), for instance, [received criticism](#) during Black History Month for their 'Unity Challenge.' This challenge encouraged Apple Watch users to work out for seven days straight in February to celebrate the holiday, a move widely deemed 'unbelievable and unacceptable.' Such situations highlight the perils of insensitivity in an era where consumers swiftly hold brands accountable for their actions. With [80% of consumers](#) unwilling to purchase from scandal-plagued companies and 70% of Gen Z consumers seeking ethical brands, it's imperative for brands to act responsibly during cultural celebrations like Black History Month.

### Strategies for Authentic Inclusivity

To navigate this complex landscape, brands must adhere to core principles:

- 1. Year-Round Commitment:** Showcase your brand's continuous work to foster diversity, equity, and inclusion. Prioritising inclusivity solely during cultural holidays is no longer enough.
- 2. Authentic Amplification:** When planning campaigns, [partner with a variety of Black creators](#) and keep them at the campaign's core. Ensure Black individuals are involved in every aspect to amplify their stories authentically, respecting the diversity of experiences within the community. This addresses the issue where only [38% of Black individuals](#) feel understood by brands.
- 3. Support the Community:** Financially support Black charities and Black-owned businesses consistently throughout the year. In a world where [45% of consumers](#) believe retailers should actively support Black-owned businesses, this commitment goes beyond token gestures and makes a real impact.

In a world where younger consumers wield financial influence and scrutinise brand values, ethics, and actions, it's crucial for brands to proactively foster internal diversity and inclusion while genuinely supporting marginalised communities.





## **Navigating the Future of Gaming: Insights from the Conference**

The gaming industry, now home to over [3 billion active global gamers](#), has emerged as a dynamic realm for marketers seeking to [engage this vast audience authentically](#). This year's Future of Gaming Conference unravelled the intricacies of reaching gamers, unlocking their purchasing power, and identifying upcoming opportunities within the gaming sphere. In this article, we explore the main takeaways and highlights from the conference.

### **Crucial Education for Marketers**

An overarching theme echoed throughout the conference: the imperative need for marketers to understand the nuances of gaming audiences and the diverse range of inventory options available within and outside the gaming environment. The critical takeaway: brands must abandon the one-size-fits-all approach and instead, recognise the variance across gaming platforms. Different forms of gaming resonate uniquely with different brands, whether it's mobile gaming, console experiences, or other innovative formats.

### **The Metaverse: A Complex Evolution**

The concept of the [metaverse](#) remained a focal point of discussion. While some critiques deemed Mark Zuckerberg's VR-enabled metaverse as falling short of expectations, the more focused interpretation involving vast gaming communities such as Fortnite and Roblox emerged as a thriving, lucrative landscape for advertisers. There was consensus that the failure of one metaverse iteration should not overshadow the potential of others, urging marketers not to dismiss gaming solely based on a single interpretation's shortcomings.

### **Expanding Brand Horizons in Gaming**

The impact of the COVID-19 pandemic saw a surge in both gamers and brands seeking to explore this space. Notably, 'non-endemic' brands such as Charlotte Tilbury, Mercedes, and the UK Government – entities traditionally unrelated to gaming audiences – ventured into gaming. As gaming becomes endemic across various demographics, the outdated stereotype of 'gamers' as a separate category is fading, which opens a broad spectrum of opportunities for brand engagement in this space.

### **Synergies between Film and Gaming**

Efforts to bridge the gap between gaming and the film/TV industries showcased promising advancements, learning from previous failures in game adaptations for movies. Innovative strategies, like the integration of games with movie promotions, were evident in A24's successful promotion of 'Talk to Me' in Fortnite. This integration not only engaged audiences but also effectively cut through traditional advertising clutter, providing a blueprint for future cross-media collaborations.

Diving deeper into the 'why' behind gaming, beyond the 'what' and 'how,' emerged as a key insight. Players engage with games for diverse reasons, be it achievement-based gaming, social connections, or the escapism and enrichment offered by the gaming experience. Brands aspiring to reach gamers with sincerity must tap into these emotional connections to create resonating advertising strategies.





## A Game-Changer for Advertisers in the UK TV Market

The streaming video-on-demand (SVOD) landscape is ever evolving, and Amazon Prime Video has announced they will introduce ads in 2024, a move that holds profound implications for advertisers and the broader UK TV market.

### The Evolution of SVOD Services

Their decision is part of a broader strategy to boost revenue which began in February 2022. The company [increased its membership fees by a substantial 17%](#), laying the groundwork for transformation. Other streaming giants, including Netflix and Disney+, have introduced ad-supported tiers alongside their ad-free models to drive revenue. Yet, [recent research from Ampere Analysis](#) suggests that, in the U.S, only 2% of Netflix and Disney+ subscribers choose ad-supported packages. Clearly, many viewers still prefer a seamless, ad-free experience.

In contrast, platforms like Peacock, Paramount+, and Hulu launched with ad-supported tiers right from the start. They now boast significantly more subscribers willing to exchange advertisements for more budget-friendly viewing. In the U.S, Peacock alone has over 30 million ad-supported subscribers, while Paramount+ boasts over 25 million. More remarkably, over 90% (roughly 45 million) of Hulu's subscribers opt for the ad-supported tier.

### Launch Strategy

Timing significantly influences the type of audience these services attract. Launching with ad-free options first may inadvertently limit appeal to a cost-conscious viewer. Alternatively, platforms that launch with ads, risk losing more affluent customers (which advertisers want to reach) who have already migrated to the ad-free tier. Recognizing this, Netflix made a bold move by [removing its cheapest ad-free basic tier](#) for new subscribers.

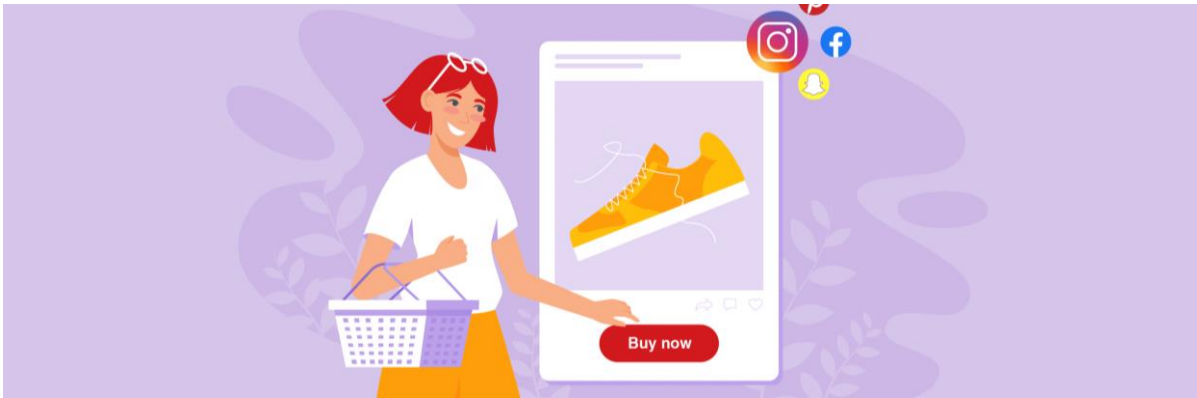
### Potential Impact on the UK TV Market

With [12.9 million UK households](#) already subscribed, Prime Video has the potential to compete on a level playing field with traditional UK broadcasters in terms of monthly active users. If Prime Video don't introduce an ad-free tier, it could become an ad-supported VOD platform with equally competitive scale and quality.

Netflix took a year to amass an ad-supported user base rumoured to be over 5% the size of ITV's and Channel 4's. Amazon Prime Video, with its vast user base, could achieve this even more quickly.

If we regard Prime Video as a TV channel, it sits in the top three most-watched for ages 16-24 and 25-34, and top five for 35-44. Even if half of Prime Video's users upgrade to an ad-free tier, the platform would still sit in the top six channels for each of these age demographics. Amazon's approach should excite advertisers. It opens fresh potential to embrace a vast audience – a rare opportunity in the Connected TV (CTV) space, and one to be seized.





## The Challenges of Social E-commerce

Social e-commerce is the integration of social media and e-commerce, allowing customers to purchase products and services directly through various social media platforms such as Facebook, Instagram, Pinterest, and TikTok. The launch of shops through these platforms allows brands to integrate their online offering into social networking routines by displaying products mid-stream. In theory, this provides buyers with a seamless transaction, negating the need to navigate away from the app.

While this is a rapidly growing trend that is changing the way we shop, there are potential challenges that the social platforms need to address. Here are our key points for brands to consider.

### Fragmentation of customer journeys

Customers may start their shopping journey on a particular social media platform, only to find that the process is not always as seamless as one would hope. A lack of consistency across platforms sometimes means taking the user away and interrupting their social experience. Due to the nature of how fragmented customer journeys are, beginning the purchase within one app, but completing it within another, makes it difficult to track the customer's journey accurately.

This also impacts consumer safety. There have been increasing cases of fraud across social e-commerce platforms, capitalising on the ease of purchasing in-app, with it becoming increasingly difficult for customers to identify safe and secure payment gateways to avoid any issues.

### Role of influencers

Influencers have played a vital role in the growth of TikTok e-commerce as it creates an opportunity for brands to communicate with their target audience. Customers are more likely to purchase from an authentic interaction which highlights the reliability of the product.

User-generated content dominates most of the information viewed across social platforms, posing a challenge for brands. As this form of advertising has become so popular there is a risk of saturation in the market. Intense competition for every user's attention makes it even harder for brands to stand out amid the crowd. There are also challenges regarding content not being clearly displayed as an 'ad,' calling into question the trust consumers place in what they're seeing across Social.

### Integrating 1st party data

A common issue for advertisers has been the inability to measure ROI accurately through traditional retail media. However, the expansion of integrating first party retail data into social platforms has enabled advertisers to maximise their investment by only paying to reach high-value users. Furthermore, they can now attribute both offline and online sales, enhancing the effectiveness of the advertising campaign.

This also allows the user to be served a more personal ad that is relevant to their purchasing behaviours, improving their in-app experiences. This is a great way to mitigate measurement issues. However, setting up data and privacy protocols to capitalise on this is often a bigger obstacle than perhaps it should be. We see social e-commerce as a powerful tool to drive business growth, but it is important to acknowledge the potential challenges that come with exploring a new channel.

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## **AI-Driven Personalisation and the Future of Audio**

Commercial radio celebrated its 50th birthday last month. Since the launch of LBC and Capital Radio in 1973, commercial radio has come on leaps and bounds, surpassing the BBC in terms of listeners. Here's what we think is next for the future of audio.

We have seen huge advancements in digital audio, from targeting capabilities to complex activation approaches. We can apply specific targeting to our campaigns and individual listeners, such as demographic, geographic and behavioural data, to acutely refine our targeting approach - personalising content for each user to enhance engagement and drive results.

Personalisation, paired with innovation around AI, is becoming prominent within the industry. We expect targeting to become more focussed on specific user listening habits, rather than demographical data. Spotify has already started to make advancements in this space. Spotify's AI DJ, a personalised playlist generator, utilises AI algorithms to curate music based on user preferences and context. Advertisers can tailor ads to fit individual playlists, targeting specific demographics and optimising engagement by aligning with users' musical preferences. This approach will enhance ad relevance and increase the audience's attention.

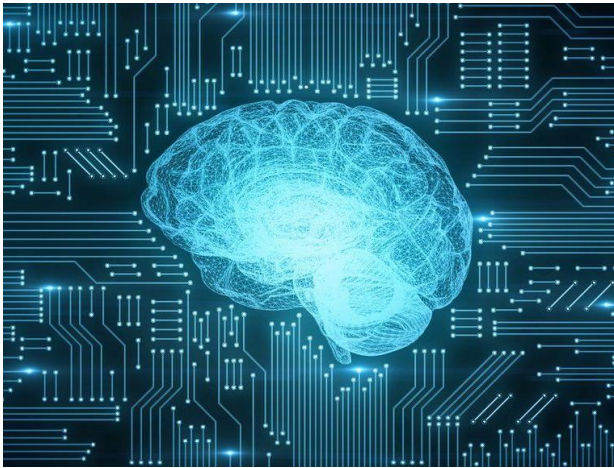
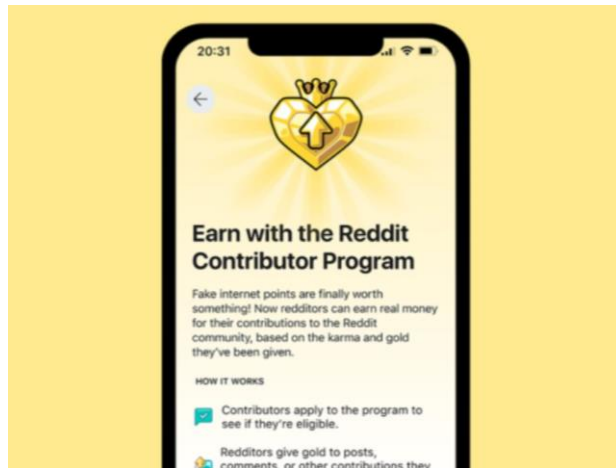
Take Kopparberg as an example. If they wanted to use digital audio AI to create highly personalised and contextually relevant campaigns Spotify's AI could be used to generate personalised playlists. The platform would create a playlist that caters to users' musical tastes and their specific listening habits, moods, and preferences. If a user listens to indie rock during the evening, their playlist will feature relevant tracks alongside Kopparberg ads at appropriate times.

Looking ahead, there are exciting developments in the future of audio, and one of these paths lies within the dynamic realm of digital technology. Advances in AI showcase the potential to tailor content based on user habits and preferences. By leveraging these technologies, advertisers have the potential to create finely tuned, personalised campaigns that synchronise with individual listening patterns. This level of precision and relevance in ad delivery holds the key to capturing the audience's attention and driving engagement, shaping the future landscape of audio advertising.



## This month's mini stories

Reddit is addressing the fallout from a recent controversy over increased API prices by introducing changes aimed at satisfying both volunteer moderators and the company's control over the platform. Users will now be able to purchase and donate in-app rewards directly, with a revamped Reddit Gold system making this process more straightforward. Additionally, Reddit has introduced a Contributor Program that allows qualifying redditors to earn real money for their content and contributions within the app. The earnings are determined by the amount of karma and gold received for their eligible contributions, with Top Contributors earning a higher rate.



The Advertising Association (AA) in the UK has set up an AI Taskforce, led by Yves Schwarzbart of Google, with the aim of establishing ethical safeguards for artificial intelligence (AI) development in advertising. The taskforce will collaborate with the Advertising Standards Authority (ASA) to ensure that the use of AI in ad campaigns complies with transparency and legal standards. It will operate for at least 12 months, meeting quarterly, and focus on promoting responsible AI utilization in advertising while enhancing the UK's role in global AI-driven marketing and advertising innovation. The IPA and ISBA have also announced twelve guiding principles for agencies and advertisers on the ethical use of generative AI in advertising.

In September, the UK box office recorded over £65 million in revenue, marking a 13% increase compared to the same month in the previous year. Year-to-date, 2023 is currently running 10% ahead of 2022. Sony Pictures' 'The Equalizer 3' led the way with earnings just over £8 million, followed by 'A Haunting in Venice' (£7.3 million) and 'The Nun 2' (£6 million). 'Barbie' and 'Oppenheimer' maintained their strong performances despite their July releases, with 'Barbie' grossing £95.4 million in the UK and Ireland, making it the top box office title of the year. 'Oppenheimer' follows with a total UK&I gross of £58.3 million. The success of these films, along with National Cinema Day and upcoming releases like 'Killers of the Flower Moon,' is helping boost cinema attendance and revenues.

