



March 2024



The Resurgence of Free TV

Q1 2024 has started with a bumper month for free TV, with ITV's *Mr Bates vs. the Post Office* [clocking up](#) more than 16 million streams on ITVX, while the second series of *The Traitors* [more than doubled](#) viewing figures on BBC iPlayer compared with the previous year. In addition, the UK's four major broadcasters [recently unveiled](#) Freely, a free-to-air streaming service set to launch later this year.

Through analysis of industry data and continued tracking of consumer sentiment, the7stars' AV team have identified four key trends which are driving the recent success of Free TV and the growth in ad-supported streaming services.

Financial Reassessment

The cost-of-living crisis has prompted individuals to limit their budget and limit their spends on services like Netflix, Amazon Prime, and Disney+. Instead, people are turning to free streaming services to keep themselves entertained without eating into their budget.

While linear television remains central to modern households, there's been a noticeable shift in viewers' behaviour to free streaming platforms such as Freevee, Samsung TV Plus, Roku and Pluto. In the last 12 months, Roku TV has reported a 14% YOY growth and Samsung TV Plus has similarly seen a massive 60% growth in viewership.

Slimming Down Services

Previously, consumers required multiple subscriptions to access diverse content, however recent data indicates a change in behaviour. Increasingly, consumers are being more selective in choosing which subscriptions are worth their while. According to recent data from BARB, there [has been a reduction](#) in those with two or more SVOD services from 46.4% of the population in Q3, down to 44.7% in the following quarter. As Maria Rua Aguiete, Senior Research Director at Omdia, reveals, 'This is partly driven by the increasing popularity of Free Ad-supported Television (FAST) channels, which are becoming a preferred choice for supplementary viewing'.

Shifting Perceptions

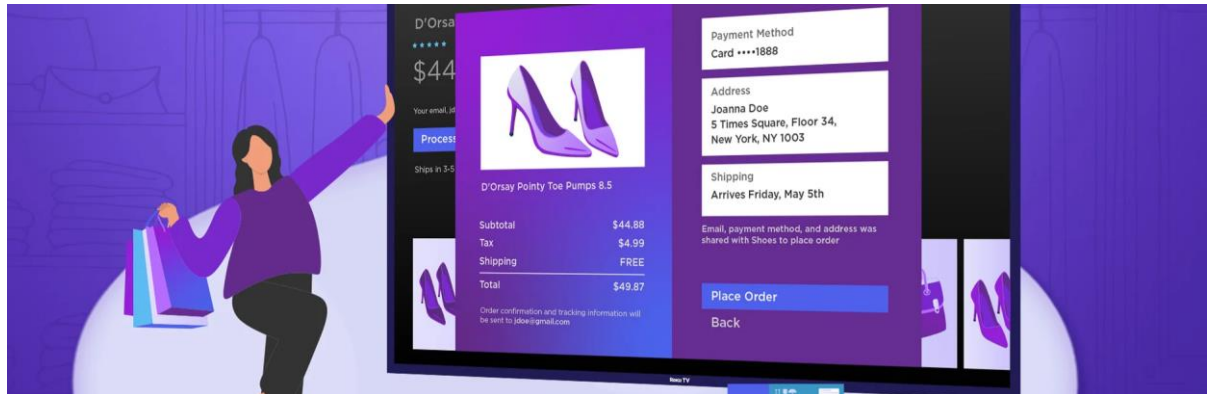
As users are diversifying their time across various platforms, public perception of free streaming services has improved, as users become accustomed to the benefits of easy accessibility. This attitude shift across free streaming services has been driven by several factors, in particular improvements in ad targeting and a more seamless user experience.

Better Quality Content

Viewers have long been platform agnostic when it comes to content, with most willing to hop between TV and streaming services in search of quality content. Accordingly, FAST services such as Samsung TV Plus have invested greatly in their output, with popular shows such as *Schitts Creek* and *Masterchef UK* helping to boost viewership figures. Such a change has not gone unnoticed: some 64% of viewers believe that content quality on FAST channels is improving.

As the FAST channel market continues to grow, this gives advertisers new opportunities and challenges to align with the correct service providers, whilst adapting to the changing landscape to keep up with evolving viewer demands.





New Opportunities as TV Streaming Becomes More Shoppable

Last month, Disney became the latest streaming service provider to introduce new products and tech partnerships aimed at increasing the shoppability of its ad offering.

Gateway Shop is an evolution of their commerce-focused opportunity that enables advertisers to send QR prompts, mobile push notifications and emails to users without disrupting the viewing experience.

The endeavour to make streaming more shoppable is gathering pace and is taking precedence over live shopping experiences, which have struggled to gain traction. By integrating shoppability into the content viewers want to watch, in non-disruptive ways, shoppable streaming taps into existing behaviours rather than trying to alter them.

In October last year, a survey of over 1,000 smart TV owners by Samsung Ads and Kerv Interactive showed that over 25% of TV viewers actively shop online or via mobile while watching TV. 28% of those respondents claimed that they browsed for an item after seeing it on TV.

It's almost as if advertising and product placement are interest and intent drivers! Who knew!?

Of course, now, streaming is providing the opportunity to shortcut that user journey from awareness and inspiration to purchase. With that, the connection of commerce to streaming and TV provides advertisers with all the benefits of programmatic ad buying, including new ways to deliver relevance, efficiency and short-term effectiveness.

These benefits include:

1. Increased ad relevancy with the ability to reach advertisers in contextually relevant moments, matching product ad prompts to onscreen content. So rather than a user going to search for those new Nike trainers displayed on the screen, a relevant prompt or QR code will be available to shortcut that journey to the advertiser's shop.
2. Closed-loop measurement and the ability to attribute sales directly to ad exposure.
3. Subsequently, the ability to optimise ad spend and delivery to these measures in real-time.

It's like bringing the opportunities and benefits of paid social advertising to the big(ger) screen and high-impact formats. But with new opportunities come the same potential pitfalls and the industry must be aware of them.

Firstly, a poorer user experience. Of course, the focus of Disney's developments is to be non-disruptive. No one intends to disrupt the user experience, but only time will tell. In general, it's easy to see how streaming and smart TVs are seeing the proliferation of interfaces and complexity that make it harder for the user to get to the content they wish to watch without jumping through hoops and navigating past sponsored content. Will this only get worse as vendors seek to increase ad load?

Secondly, the opportunity for closed-loop measurement inevitably encourages advertisers to overinvest in short-term outcomes. We've seen how detrimental this can be for brands as the digital media landscape has developed. As always, the key is to understand the long and the short and retain the perspective that not everything we do must, or should, prompt an immediate action from the user.





Unique Opportunities As OOH Surpasses Pre-Pandemic Levels

It is expected that this positive momentum of the out-of-home market will continue into 2024 with forecast annual growth levels of around 6% across the market. Revenues are forecast to hit £1.3m, surpassing 2019 levels (i.e., pre-pandemic). Amid continued investment into new inventory, creative and data opportunities by media owners, 2024 is set to be an exciting year for outdoor.

Showstopping opportunities

Digital outdoor is forecast to be 67% of total OOH revenue in 2024, compared to 50% in 2018. Media owner investment in digital sites continues to grow (at the expense of classic) with a +16% increase in Roadside D6s, and a +17% increase in roadside 48s. It's within digital where the most interesting OOH trends lie.

3D Digital OOH is set to continue to grow, and media owners are investing in inventory that allows for this technology. JCDecaux has just launched 2 national OOH productions that will allow advertisers to use 3D at scale. Anamorphic 3D on the Waterloo Motion gives the illusion of 3D when viewed from a particular vantage point, while their 3DOOH At Scale product allows for 3D to be on 6s and not just big impact sites.

The rise of Faux OOH is another trend that is likely to continue into 2024, as even established brands like M&S are starting to use this technology. Although it may drive talkability, as this technology gets used more often, consumers may become less impressed with the newness, and talkability may fade. Nevertheless, there is still a place for that joint physical and digital presence and these elements can work together for a stronger campaign. Ocean's 'Digital Out of Home: The Vital Ingredient Study' found that individuals are drawn more towards the brand on social media having seen a physical DOOH activation first.

Precise targeting

Innovation is not confined to the creative domain alone; data-driven opportunities are increasing and this year represents a key shift in audience tracking. The death of the cookie in 2024 means highly specific targeting with ads will become more difficult. In 2024 we'll see brands start to use their own first-party data to generate audience-first OOH campaigns. This data opportunity combined with the dynamic opportunities that OOH offers will mean this channel has the potential for exceptional targeting and relevancy. Programmatic OOH formed 3% of all OOH campaigns, and that figure is set to double in 2024.

Another area of increased media owner investment is retail media. ClearChannel will begin their rollout of Sainsbury's Live In-store screens from H2 this year. These screens will be located in-store and bring incredible opportunities for brands to be close to purchase.

New opportunities and advancements in technology and data make OOH an extremely versatile channel which should be considered across every part of the funnel, from impact brand building to smart targeting and even point of purchase.





Reflections and Resolutions in Marketing Effectiveness

Effectiveness underpins all great media plans. The question that normally springs to mind, however, is what makes one plan more effective than another? There are many answers to that question although, ultimately, measurement lies at the root of them. To drive better effectiveness outcomes, we at the7stars think it's also important to overlay the context of key priorities for brands, agencies and media providers.

This year we set out to understand how to create a roadmap for effectiveness for ourselves and for our clients at the7stars. We conducted research that surveyed 103 senior industry professionals – across brands, media agencies and media providers – who shared their feedback on marketing effectiveness ambitions and priorities for the year ahead. Our research shows that data siloes, a lack of holistic measurement frameworks and a disconnect between marketing investment and objectives top the list of marketers' challenges for the year ahead. 8 in 10 agree that effectiveness has never been more important, nor higher up the CFO's agenda.

With the measurement and evidence available to marketers, we believe this is an opportunity, not a threat. Guided by new year quantitative and qualitative research of the advertiser, agency and media owner effectiveness communities, we at the7stars have drawn up our effectiveness resolutions for 2024. We aim to improve client effectiveness outcomes by:

- Providing strategic glue in a fragmenting measurement landscape.
- Unlocking the power of existing evidence to de-risk investment.
- Using experiments strategically to drive competitive advantage.

Looking Forward

The full report adds further colour around the outcomes, but what's been evident from our research is that there is a clear opportunity for intentional effectiveness programmes with our clients. As a part of this journey, we have codified our point of view on the most important effectiveness topics and will use this knowledge to continue to partner with clients to drive stronger business outcomes.

Our full report breaks down these three resolutions and offers solutions in more detail.

Please email effectiveness@the7stars.co.uk for a copy of the report.





Super Bowl Ads 2024: Celebrating Brand Love on Game Day

Get yourself a client that looks at you like Travis Kelce looks at Taylor Swift.

Quarterback, star wide receiver and tight end meets global mega pop star. Oh, for a creative client with pockets deep enough to treat you to a Super Bowl spot. Relationships are everything in this game. No more so than on this very specific given Sunday. And, whilst it will never guarantee a lifelong relationship, a stonking Super Bowl spectacular will at least declare that you're in the 'rude health' phase of love.

It wasn't a vintage year by any means, but today is not a day for thoroughly reasonable critique and barely masked creative jealousy.

There were some serious PDAs on display this Super Bowl Sunday and here are three that caught our eye across a crowded room.

Let's start with the very definition of a 'love in' using the obligatory Super Bowl superstar formula courtesy of this Boston mafia uber 'throuple' - Ben Affleck, Matt Damon and Tom Brady. Ben and Matt have been infatuated with Tom for many years now and seeing their relationship brought to life (not to mention the star-studded entourage that accompanies them) means there was an awful lot of love in the room. Brash branding, lots of content and plenty of in-jokes, what's not to love?

[Reese's](#) and their agency are way past courting; this spot was love at its purest. A refreshingly simple love letter in a sometimes needlessly complex forum. The news of a product change among lovesick diehards sparks fear, chaos and sweet visual gags. Repeat as necessary until the confusion is cleared up. Job done. The key is in the detail here and the love for the product is there for all the world to see. American agencies doing what American agencies have always done so well. Relax, tell it like it is and be funny.

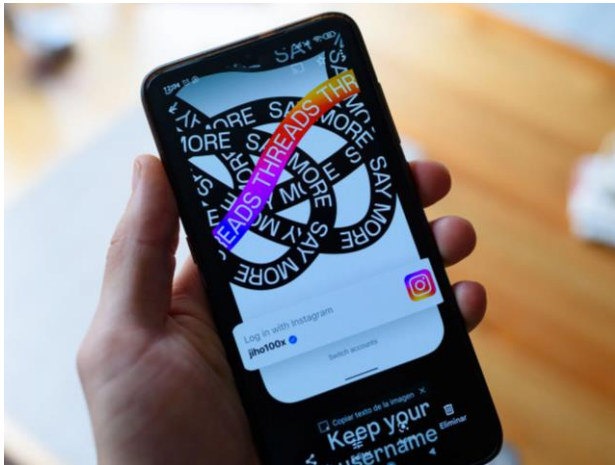
Everybody's favourite Allan took centre stage in the ad for skincare brand [CeraVe](#). Michael Cera played Michael Cera with tongue firmly in Michael Cera's cheek. A smart piece of social intrigue led to this love fest and, whilst it's probably only a one-night stand, the relationship must be on a strong footing if the brand is confident enough to let that happen with the eyes of the world upon them.

Clearly, the true test of love will be how many brands continue their undying love for the other 364 days of the year but, at least for Sunday alone, Super Bowl agencies still love Super Bowl clients... IDT... INDT (If Destroyed, True... If Not Destroyed, True).



This month's mini stories

Apple has released its high-end Vision Pro headset on February 2 in the US, priced at \$3,499. The device boasts 256GB storage and eye-tracking technology for single-eye use. Apple aims to differentiate it by promoting 'spatial computing' over AR, VR, XR, or MR. Despite the potential for multi-billion revenue, the steep price may limit its accessibility. Meta's cheaper Quest 3 at \$499 struggles with comfort and mass appeal. Apple's move signals a significant step into mixed reality, reminiscent of iPhone's 2007 launch hype. However, production forecast reductions suggest challenges lie ahead.



Threads, Meta's Twitter alternative, is gaining traction with 130 million monthly users, as announced by CEO Mark Zuckerberg during Meta's Q4 2023 earnings report. Zuckerberg noted the steady growth, surpassing its initial launch peak. The app's expansion into the EU further fuelled expectations, with an anticipated increase of 26 million users from the region alone. This trajectory suggests Threads is on course to become a significant success for Meta, aligning with previous growth projections. With its rising user base and sustained engagement, Threads signifies Meta's increasing foothold in the social media landscape, presenting a formidable competitor to established platforms.

In January, the UK and Ireland's box office saw a 2% rise from the previous year, totalling £67.8 million, as reported by Comscore. Warner Bros Discovery's *Wonka* led the charge, adding £10.6 million to its impressive December earnings, becoming director Paul King's and actor Timothée Chalamet's highest-grossing film. The success of mid-budget films such as *Wonka* underscores their potential in the post-pandemic era, as many were not initially convinced that *Wonka* (budget: \$125 million) would achieve such a monumental opening weekend. This further proves that opportunities for mid-budget films to become significant cultural events are alive and well.

