

# FUTURE OF ADVERTISING

**03** HOW DO BRANDS MAKE 'WOKE' ADS WORK?

**10** FUTURE SCENARIOS FOR INFLUENCER MARKETING

**18** MARRYING ADTECH WITH CREATIVITY



| LIMITEDSPACE |

## Destination: Future

Our OOH networks are building a new era of retail & lifestyle destination media. | [www.limited-space.com](http://www.limited-space.com)

# Advertising has no future

**Unless it works today**

@isobelcreative

Shortlisted Independent Agency of the Year **campaign**

**isobel**

# FUTURE OF ADVERTISING

Distributed in  
**THE TIMES**

Published in association with  
**IPA** Incorporated by Royal Charter  
**6 ADVERTISING WEEK EUROPE**

**Contributors**

- Georgia Aspinall**  
Women's health and lifestyle journalist, her work has been published in *Grazia*, *The Debrief* and *The Guardian*.

**Ian Burrell**  
Former assistant editor and media editor of *The Independent*, and an investigative reporter at *The Sunday Times*, he writes columns for *The Drum* and *i* newspaper.

**Lucy Fisher**  
Communications consultant and writer, specialising in media, marketing and technology, she has contributed to *The Guardian*, *Marketing Week* and *Newsweek*.

**Maisie McCabe**  
Business journalist, she is deputy editor of *Campaign* magazine, and contributes to *The Sunday Times* and *The Independent*.

**Suchandrika Chakrabarti**  
Freelance journalist and podcaster, her work has been published in *The Guardian*, *The Times* and the *New Statesman*.
- Gideon Spanier**  
Global head of media at *Campaign*, media columnist for the *London Evening Standard* and former chairman of the Broadcasting Press Guild.

**Jesse Bernard**  
Freelance music, trends and culture writer whose work has been featured in *The Guardian*, *The Fader* and *NME*.

**Magda Ibrahim**  
Award-winning journalist, she writes for *London Evening Standard* and specialist media including *Campaign*, *Third Sector* and *PRWeek*.

**Nick Easen**  
Award-winning journalist and broadcaster, he writes on science, technology, economics and business, producing content for *BBC World News*, *CNN* and *Time* magazine.

**Raconteur reports**

- Publishing manager  
**Alexion Lai**

Associate editor  
**Peter Archer**

Managing editor  
**Benjamin Chiou**

Data editor  
**Elaine Zhao**
- Head of production  
**Justyna O'Connell**

Digital content executive  
**Fran Cassidy**

Design  
**Joanna Bird**  
**Grant Chapman**  
**Sara Gelfgren**  
**Kellie Jerrard**  
**Harry Lewis-Irlam**  
**Celina Lucey**  
**Samuele Motta**

Head of design  
**Tim Whitlock**

Although this publication is funded through advertising and sponsorship, all editorial is without bias and sponsored features are clearly labelled. For an upcoming schedule, partnership inquiries or feedback, please call +44 (0)20 3877 3800 or email [info@raconteur.net](mailto:info@raconteur.net)

Raconteur is a leading publisher of special-interest content and research. Its publications and articles cover a wide range of topics, including business, finance, sustainability, healthcare, lifestyle and technology. Raconteur special reports are published exclusively in *The Times* and *The Sunday Times* as well as online at [raconteur.net](http://raconteur.net)

The information contained in this publication has been obtained from sources the Proprietors believe to be correct. However, no legal liability can be accepted for any errors. No part of this publication may be reproduced without the prior consent of the Publisher. © Raconteur Media

[@raconteur](https://twitter.com/raconteur) [/raconteur.net](https://facebook.com/raconteur.net) [@raconteur\\_london](https://twitter.com/raconteur_london)

**raconteur.net** /future-of-advertising-2019

**SOCIAL JUSTICE**

# Brands struggle to make ‘woke’ work

Reaching out to a new generation of consumers that grew up skipping ads on YouTube is an ongoing challenge for brands. But how do companies show they are alert to political and social injustice in an authentic way? More importantly, should they even try?

Jesse Bernard

Consumers are more socially aware than ever before. They increasingly want to engage with brands that support humanitarian and social issues, and are demanding ethical products and services which aim to give back. But brand advertising is still struggling to strike the right balance between aligning with customer values and being “woke” – aware of social and political injustice – in a credible way.

A 2018 survey by Edelman found 69 per cent of millennials across the world are belief-driven buyers, suggesting that a brand’s product and its principles inspire purchases equally. Over the years, it’s become increasingly difficult for brands to convince consumers that attempts to create purposeful ad campaigns are authentic. This has become even more difficult with the growing influence of social media and its focus on social injustice and activist movements, such as Black Lives Matter and #MeToo.

Gillette’s recent The Best a Man Can Be campaign evoked reaction across the industry and among the wider public with its socially charged theme. The slogan was a clear diversion from the brand’s infamous The Best a Man Can Get, which has been championed over the past 30 years. But how and why did it spark such a reaction?

Many felt it wasn’t Gillette’s place or role to touch on themes such as toxic masculinity and the #MeToo movement; others believed the brand had taken a clear stance and had urged its customers to do the same.

Sarah Sandford, planning director at Isobel, says Gillette’s stance is a brave response to growing commentary around toxic masculinity. “While adverts that try to tap into social movements can fall flat – look at the tone-deaf Pepsi #blacklives-matter ad, for example – if brands are prepared to address issues honestly and provocatively, they can make a huge impact,” she says.

Gillette didn’t aim to sell a product in the advert, but to tell an important story and the honesty in the brand’s approach was visible due to its tone. “In the case of Gillette, an old-school brand that is an icon of traditional masculinity, they took a hard look at their own past to challenge reductive stereotypes about gender and champion a new, healthy image,” says Ms Sandford.



Nike billboard featuring former NFL quarterback Colin Kaepernick in New York

Clothing and fashion retailer United Colors of Benetton has long built a reputation of using shock advertising tactics to respond to wider social justice issues. In 2000, art director Oliviero Toscani created arguably his most controversial and polarising campaign during an 18-year tenure at the company, which featured prison inmates on death row in the United States. Capital punishment was a key issue in the presidential race at the time.

In the end, Mr Toscani was fired for his last act, but the brand had proven itself to be authentic, given its previous reputation. So, was the world ready for this style of advertising? Perhaps more pertinently,

how would such a campaign be received today?

Other recent examples are certainly more complicated and highlight concerns regarding the authenticity of brands attempting to create woke advertising, such as Nike’s ad in September featuring American footballer and activist Colin Kaepernick, who controversially left the NFL in 2017 after refusing to stand for the US national anthem before games. The ad read: “Believe in something, even if it means sacrificing everything”.

Last year, Nike extended its deal as the NFL’s uniform supplier to 2028, despite the Kaepernick issue that began in 2016. From a consumer

perspective, Nike’s stance and position on the NFL’s treatment of Kaepernick becomes murky, thus raising questions about the authenticity of the ad.

What can advertisers learn from these examples? Firstly, they should begin by telling a compelling story that consumers can relate to. To engage consumers on a deeper, emotional level, brands need to ask themselves why audiences should care.

This year’s Super Bowl earned the lowest TV ratings among US audiences since 2009, with a viewership of 98.2 million compared with 112 million in 2016, the last Super Bowl before Kaepernick took the knee. The figures raise questions of whether the NFL’s public perception in the following years led to a decrease in viewership of one of the most prestigious events in sport.

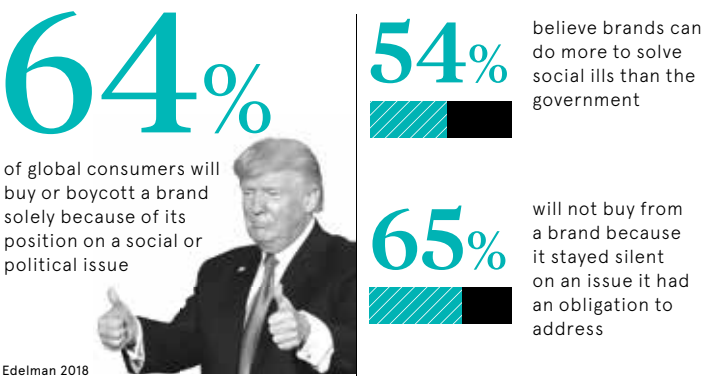
How people respond is just as important as wanting them to respond. If the brand’s goal is to achieve a certain level of media impact, then controversy for controversy’s sake is just fine. However, for brands attempting to encourage consumers to take a clear stance, the campaign’s message has to align with a human, primal feeling that cuts through the need to sell a product or service.

By urging consumers to buy into a campaign’s message based on the brand’s principles, they are far more likely to build loyalty and trust. As brands often fail at attempting to capture audiences through woke advertising, consumer trust is often subject to approval.

Christi Tronetti, managing partner at Isobel, says: “There’s a time and a place for everything. If it’s genuine, if the brand has something to say that’s unique and will move the conversation forward, then fantastic. But consumers know a fake when they see it, so tread carefully and thoughtfully.”

Who can predict whether the trend is here to stay, but generation Z’s spending power will continue to grow and they are certainly far more tech-savvy and socially aware than generations before them. They are the generation that grew up skipping ads on YouTube. To win their trust, brands will need to ensure they themselves believe in the principles and values they uphold.

The future is woke, but only if brands first believe in the principles and core values they champion. ●





## SHORT-TERMISM

# Efficiency bubble putting creativity at risk

Brands prioritising short-term wins over long-term brand-building could end up falling short of the competition

Gideon Spanier

**T**he advertising industry is suffering from an efficiency bubble. Data-driven digital advertising, in particular, has been highly efficient at driving short-term metrics such as sales, click-through rates and mobile app installations.

However, industry experts warn that a focus on efficiency and an immediate return on investment means advertisers are putting long-term effectiveness and creative bravery at risk.

Key measures such as awareness, consideration and brand love are being neglected because they take months, even years, to measure, rather than a sale that can happen in an instant.



Les Binet, head of effectiveness at adam&eve/DDB, the advertising agency behind John Lewis' Christmas ads, says: "The efficiency bubble is a real problem."

Mr Binet is co-author with Peter Field of an acclaimed study, *The Long and the Short of It: Short and Long-Term Marketing Strategies*, which has shown that advertisers should split their spend roughly 60:40

between brand-building and short-term direct response.

The pendulum has been swinging dangerously away from brand-building and effectiveness in favour of short-termism and efficiency, according to Mr Binet.

"Businesses that put efficiency first are businesses that are heading for disaster," he warns. "It's effectiveness that matters most. Only once you've

got effectiveness should you worry about efficiency."

Part of the reason that advertisers have shifted money into online direct-response channels is because of the dramatic change in consumer behaviour in the last decade thanks to the rise of the smartphone and super-fast broadband.

Google and Facebook are the world's two biggest online advertising platforms and much of their success has been built on the fact they make buying digital ads easy through an efficient, self-serve model.

Advertisers use search and social media ads to target key audiences, increasingly with personalised messages, and drive an immediate, measurable short-term response.

Such advertising has been dubbed "performance marketing" because it drives business performance.

What's more, digital agencies are experts in optimising performance, such as bidding for cheaper search keywords or increasing the number of app installs, which can increase the efficiency of their clients' marketing spend.

Chief financial officers and procurement chiefs in big companies are fans of performance marketing because the return on investment is accountable.

As Rory Sutherland, vice-chairman of advertising agency Ogilvy, puts it: "Had we put procurement people in charge of the D-Day landing, they would have insisted that the landings took place at Calais to minimise fuel costs."

Long-term brand-building and emotional storytelling are harder to justify in the boardroom when most companies are worrying about their next quarterly results, not their brand's health in three years' time.

Zaid Al-Qassab, chief brand and marketing officer at telecom giant BT, says it is vital to prioritise effectiveness, even though efficiency remains important.

"When you look at the efficiency of your marketing spend, you will be able to do a lot of efficiency tweaks; maybe you can switch the media channels and save 10 per cent, maybe you can improve online click-through rates by 5 per cent," says Mr Al-Qassab.

"But when you look at understanding your customer and getting the

consumer insight right, and focusing on your company's core proposition, you can increase your effectiveness tenfold."

The debate about effectiveness versus efficiency has been maturing as companies ask themselves whether they have got the balance right between short-term performance and long-term brand-building.

Enders Analysis has published a landmark report, *Mounting Risks to Marketing Effectiveness*, which examined why advertisers have become obsessed with efficiency.

"A focus on quick returns and cheap media at all costs is hurting marketing effectiveness, measured in long-term return on investment, brand equity and consumer satisfaction," according to Enders.

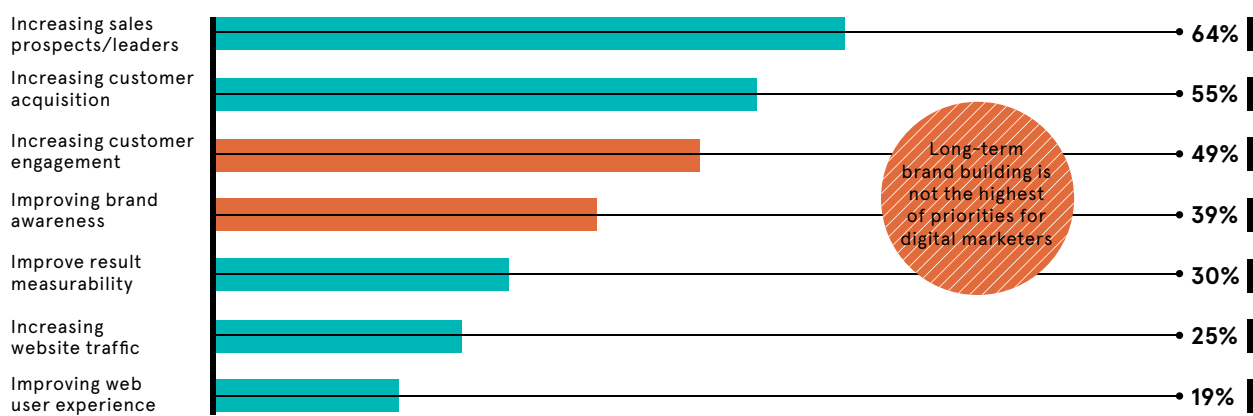
The report blamed a number of factors including the short tenure of chief marketing officers, who last only about three years on average, and the rise of procurement and so-called zero-based budgeting. The latter is when a company starts the financial year with a marketing budget of zero, rather than using last year's expenditure as a guide, so it only spends money it thinks is essential.

Enders charted UK ad spend over the last decade and a half and found the rise of Google and Facebook has encouraged brands to shift the mix of their ad spend from a 60:40 ratio between brand-building and direct response, as recommended by Mr Binet and Mr Field, to 50:50.

However, there are signs that some advertisers are waking up to the potential risks and are willing to burst the efficiency bubble.

## TOP PRIORITIES FOR DIGITAL MARKET STRATEGIES

Survey of B2B and B2C digital marketing professionals



Ascend2 2019

**“When you look at understanding your customer and focusing on your company's core proposition, you can increase your effectiveness tenfold**



## Misbehaving Since 2011

Creature is a gloriously independent advertising agency, owned and run by its three founding partners. Fuelled by intelligent misbehaviour (breaking the rules, in the right way, for the right reasons) and deep audience understanding, we have made work that real people can't help but care about for brands like Carling, Good Energy, The British Red Cross, Anchor, Tetley, adidas, and more. If your business could do with a healthy dose of intelligent misbehaviour, you know where to come.

For any new business enquiries please get in touch  
camilla@creaturelondon.com / 020 3195 2666



NewsCast/UiG via Getty Images



## Popping the efficiency bubble

The Automobile Association's shift from performance marketing back to brand-building is widely regarded as one of the best examples of bursting the advertising efficiency bubble.

Five years ago, the AA was focused on what it admitted with hindsight was the "efficient delivery of short-term results via direct, targeted comms".

The AA's marketing strategy seemed to be working as profit was growing. But when the AA looked beyond short-term results, it "discovered a worrying picture of market share and membership decline, driven by increased price sensitivity and falling salience", as the company conceded in its winning entry at the Institute in Practitioners in Advertising (IPA) effectiveness awards last year.

The car breakdown recovery group changed its approach and invested heavily in "emotional mass reach executions", including TV, outdoor and radio,

and went on to increase market share to its highest level since 2012. The marketing switch delivered a return of more than £2 for every £1 the AA invested.

Insurance services firm Direct Line Group has also won effectiveness accolades from the IPA for investing in TV and radio as part of a long-term, brand-building strategy that helped to increase brand preference and consideration and drove profit by an extra £46 million.

Significantly, Direct Line found that investing in some automated online advertising, known as programmatic, produced little benefit, even on a short-term basis.

However, some leading companies are challenging received wisdom.

Fashion retailer Next, which is expanding its ecommerce operations and reducing dependence on high street stores, said it will double its online marketing spend "to better target new and existing customers" while halving its investment in direct mail, print advertising and TV.

Industry experts say it usually takes at least three years to assess the effectiveness of a marketing strategy.

There is one caveat: some early-stage companies may choose efficiency over effectiveness in the short term if they need to drive rapid growth through online optimisation. Brand-building can follow later.

The Automobile Association, the car breakdown recovery company, invested heavily in direct mail, only to have a change of heart and it moved money back into brand-building with mass reach.

Direct Line Group, the insurance services group, resisted the temptation to focus on the short term. It stuck with long-term brand-building by increasing its investment in TV and boosted profits.

Both companies have become advertising industry case studies and won gold awards at the Institute of Practitioners in Advertising's Effectiveness Awards last year.

Mr Al-Qassab believes there is a growing recognition that "as an industry, we've spent a lot of time and effort optimising digital, but actually it's playing with the last mile of the marathon".

In another sign that brand-building is making a comeback, fast-growth digital companies have been investing in traditional mass media such as TV and out of home.

ITV reported that its advertising revenues from digital disruptor brands such as Deliveroo, Facebook, GoCompare, Google, Just Eat and Uber rose 10 per cent last year, more than offsetting the decline of legacy advertisers.

The recent financial troubles at consumer goods manufacturer Kraft

Heinz, which cut costs and then had to write down the value of its brands, have also served as a warning that focusing too much on efficiency can have harmful consequences.

Enders recommends companies should give marketing chiefs "more space for long-term judgment" and "refocus agency remuneration" on creativity and media planning, rather than on efficiency at all costs.

It would be wrong to think that online advertising only drives efficiency and not effectiveness.

Advertising on most media channels, including TV, radio, out of home and newspapers, is going to be bought digitally in future as the analogue and online worlds merge.

There is also a growing trend for advertisers to use technology to create dynamic content that can be personalised and optimised at scale, with thousands, even millions, of messages, which can be tweaked by location, gender, weather, time of day and so on.

Ultimately, the difference between effectiveness and efficiency is recognising that building a brand requires making a lasting emotional connection to justify a premium in the mind of the consumer.

Efficiency and keeping costs low will never go out of fashion, but the most effective way to drive growth is to invest in creativity. ●

# Smarter brands for a digital age

As digital disruption and big data reshape marketing towards shorter-term strategies, the case for digital advertising as a brand-building tool has yet to be convincingly made. However, modern-day advertising must embrace the idea that the nature of brands themselves will need to change, as **Sean Healy** at global media agency network Carat explains

**A**t any other point in its history, a conversation about the future of advertising would be a conversation about the future of brands. The two are inextricably linked. We all have a favourite ad, but it's brands that define our industry and endure in the public's mind.

The paradox is that our industry's enthusiastic adoption of all things digital has, arguably, been at the expense of its passion for brands.

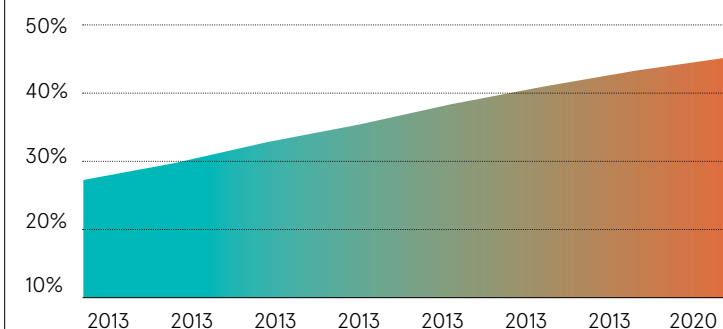
Worldwide, nearly 40 per cent of advertising spend now flows to digital channels. In markets such as the UK and China it's 60 per cent and still growing in double digits year on year. The market response has been a pivot towards short-termism. For the most part, new digital advertising dollars are focused on performance marketing and precision targeting. Where boardroom conversations about advertising might once have been about the latest campaign, they are more likely now to focus on in-housing marketing operations and onboarding technology.

But the case for strong brands endures. For established businesses, investment in their brands is vital as they face a salami-slicing of market share by digital newcomers and massive disruption of their model by tech platforms. At the other extreme, the digital economy is creating new entrants in unprecedented numbers. These businesses are using ecommerce and data to quickly build market share, but often run into a "TV moment" at the point they need to scale.

Even the global tech giants are learning that strong brands are more

## DIGITAL: SHARE OF GLOBAL AD SPEND

Percentage of global share



Dentsu Aegis Network Ad-Spend Report, Jan 2019

sustainable. Amazon outspent both Tesco and Unilever on traditional media in the UK last year, though brand investment may be as much an effort to manage regulatory attention as to woo the consumer.

All this points to a central question for the future of advertising: can digital alone build and sustain big brands? One consequence of the fixation with using digital channels to meet short-term objectives is that we don't truly know. But if advertising's future is to be an enduring one, we need a longer-term view. The ability to apply the key principles of brand advertising – brand fame, delivered through mass reach and simultaneity – is ultimately shrinking, though not as fast as is claimed, as mass audiences fragment and people move to on-demand viewing.

Instead of asking whether digital channels can build big brands, perhaps we need to ask a different question: is digital changing the nature of brands themselves? The evidence suggests it is.

The gold rush to gather data is slowly giving way to the more human challenge of how you interpret and apply data in ways that strengthen relationships between people and brands. In business terms this represents a people premium, where understanding your customers and acting on that data has become intrinsic to shareholder value. Through our consulting practice, we have analysed consumer centricity across more than 300

businesses and the correlation with growth is clear.

As a consequence, brands are getting smarter. They are becoming more purposeful, more focused on the utility they provide and how to create more meaningful services for what were previously simply packaged goods and physical products.

IKEA is a fantastic example. It has understood the risk to its brand of being perceived as "fast furniture" in a world buying into the circular economy. Great-looking furniture is no longer enough, we want products that can be repaired, recycled and resold; a trend underpinned by access to information and the networking digital effects. The company's response has been to trial furniture rental, for businesses at first, but products for the home may follow, and to launch learning labs in-store and online, helping customers find new ways to think about old products.

When we use data to think this way about the role that brands play in people's lives, the question of whether and how brands can be sustained in the digital economy answers itself: the opportunities are unlimited. Perhaps the biggest challenge as we consider the future of advertising is to think about what we advertise, rather than how.

For more information please visit [www.carat.com](http://www.carat.com)

**CARAT**

“Perhaps the biggest challenge as we consider the future of advertising is to think about what we advertise, rather than how



# Tuning in to what viewers want

TiVo is transforming content discovery with technology based on machine-learning for a more personalised user experience

**I**n the current golden, or even platinum, age of television, when critically acclaimed, high-quality and inventive shows populate the airwaves, viewers are truly spoilt for choice. Content production continues to grow globally year on year; in the United States alone, there were almost 500 original scripted series produced in 2018, leading to an overwhelming amount of content for consumers to navigate. The almost never-ending stream of new content is making it more difficult for consumers to find programming they are interested in, without having to manually search through hundreds of irrelevant programmes. Just a few years ago, personal recommendation tools were typically based on simple content metadata connections, along the lines of “you watched this particular programme, here are more shows like that”, which lacked a highly personal approach. Thanks in part to innovative machine-learning technologies, new solutions are now available that take a much more sophisticated approach, by analysing viewership patterns by

device, day and time of day, to make accurate predictions and recommendations for viewers. “Marketers and service providers are realising that this personalised experience is a true differentiator for them in an increasingly crowded and fragmented content environment,” says Walt Horstman, senior vice president of advanced media and advertising at TiVo, a global leader in entertainment technology and audience insights. “The amount of choice in the market for the consumer has really served as an impetus for both service and content providers to think of how they can best bring simplicity and intelligence to the way content is shown to their consumers, so viewers remain engaged, loyal and, ultimately, help improve the bottom line.”

**Essential personalisation**

In a changing media landscape, it’s essential to utilise personalised content discovery tools and provide a data-driven user experience, if consumers are to remain engaged and receive the most relevant content



“**TiVo’s service will present a host of recommendations, which are personalised and predictive of what the consumer wants to watch**

they’re most likely to enjoy. This ensures a high level of engagement which presents many opportunities for advertising monetisation. Data-driven insights are paramount to making the content recommendation experience fully personalised. Data forms the base level for all these solutions and then a whole host of sophisticated machine-learning tools are applied to recommend the right content for individual consumers. These predictions are continuously refined so deep and meaningful insights into consumer behaviour can be extracted. When the consumer is receiving content suggestions that are closely aligned to their interests, not only will the content provider ensure the viewer is enjoying the programming, but advertisers and marketers will have a more engaged consumer for effective monetisation through relevant, targeted advertising. “For example, on weekdays consumers are focused on watching content that they have already started and catching up on regular programming they have missed. But on weekends, their behaviour is much more expansive and they are open to exploring a broad array of new content,” says Mr Horstman. Companies in the media industry that don’t fully embrace data-driven insights and incorporate them into the

wider user experience will soon realise they don’t have a real understanding of what the consumer truly wants and will not be able to merchandise their content effectively. Uninformed approaches that put the burden on the user as opposed to making the experience easy, engaging and personalised are being left behind as innovative solutions begin to fundamentally shift what the user experience can look like. TiVo’s Personalised Content Discovery platform is revolutionising the way content is delivered to viewers by giving content producers and service providers the ability to optimise content discovery, target promotions and monitor audience engagement. Research from TiVo has found that the consumers who are using their Personalised Content Discovery offering are three times less likely to churn, than those who find content in other ways. “This directly translates to the bottom line for the service provider, content provider and, ultimately, even enhances the effectiveness of advertising because there is a more engaged and loyal consumer population, which improves the profitability for all participants in the ecosystem,” says Mr Horstman.

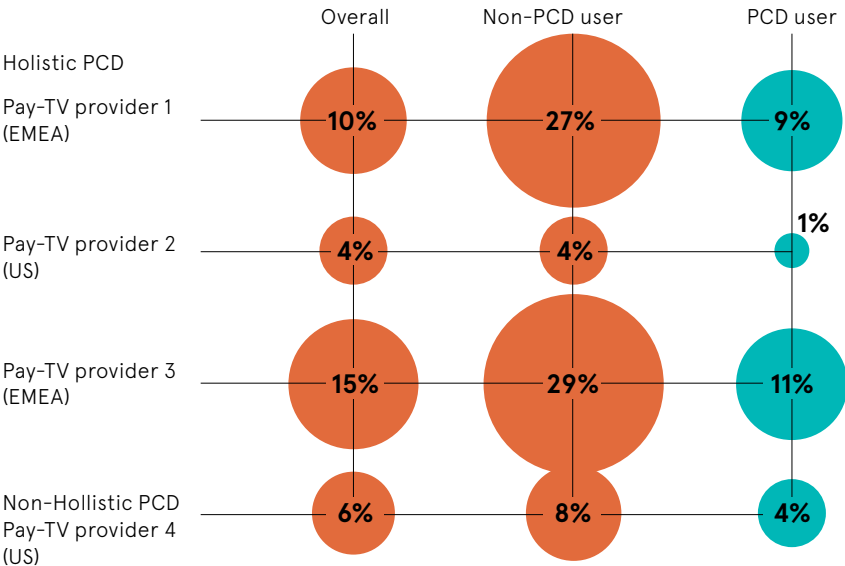
**Sponsored Discovery**

Beyond the personalised recommendation and predictions engine, there are monetisation opportunities through TiVo’s recently launched advertising product called Sponsored Discovery, which is a native ad unit within a recommendation experience that a content marketer can use to promote their particular piece of content. Whether it’s to drive audiences to a new show for binge watching or for catch-up purposes, Sponsored Discovery is targeted based on the viewership preferences of consumers and helps make promotions contextually relevant.

“Some of the initial results we’ve had with Sponsored Discovery campaigns are showing lifts of greater than 140 per cent in tune-in conversion of those people who have seen this sponsored unit compared with those who haven’t,” says Mr Horstman. The holistic approach that TiVo embraces in the entire end-to-end discovery experience sets them apart from competitors in the media industry. The Conversation offering uses sophisticated natural language understanding capabilities and gives the consumer the ability to pick up their remote and simply ask, “What’s on TV tonight?”. TiVo’s service will present a host of recommendations, which are personalised and predictive of what the consumer wants to watch, at that time on that specific day of the week. “Conversation is the gateway for consumers to get into the content. Then, of course, we have the full suite of insights and data collection that give service providers and content providers a deep understanding of the different audiences who are engaging with their content,” says Mr Horstman. “They can understand the effectiveness of the recommendations and start to fine-tune different merchandising promotions, all within this suite for the discovery process.” By taking a comprehensive view of the entire discovery process, TiVo enables the world’s leading media and entertainment providers to deliver an unrivalled entertainment experience. “There isn’t anyone else within our ecosystem, or within the entertainment world, who provides such comprehensive capabilities,” Mr Horstman concludes.

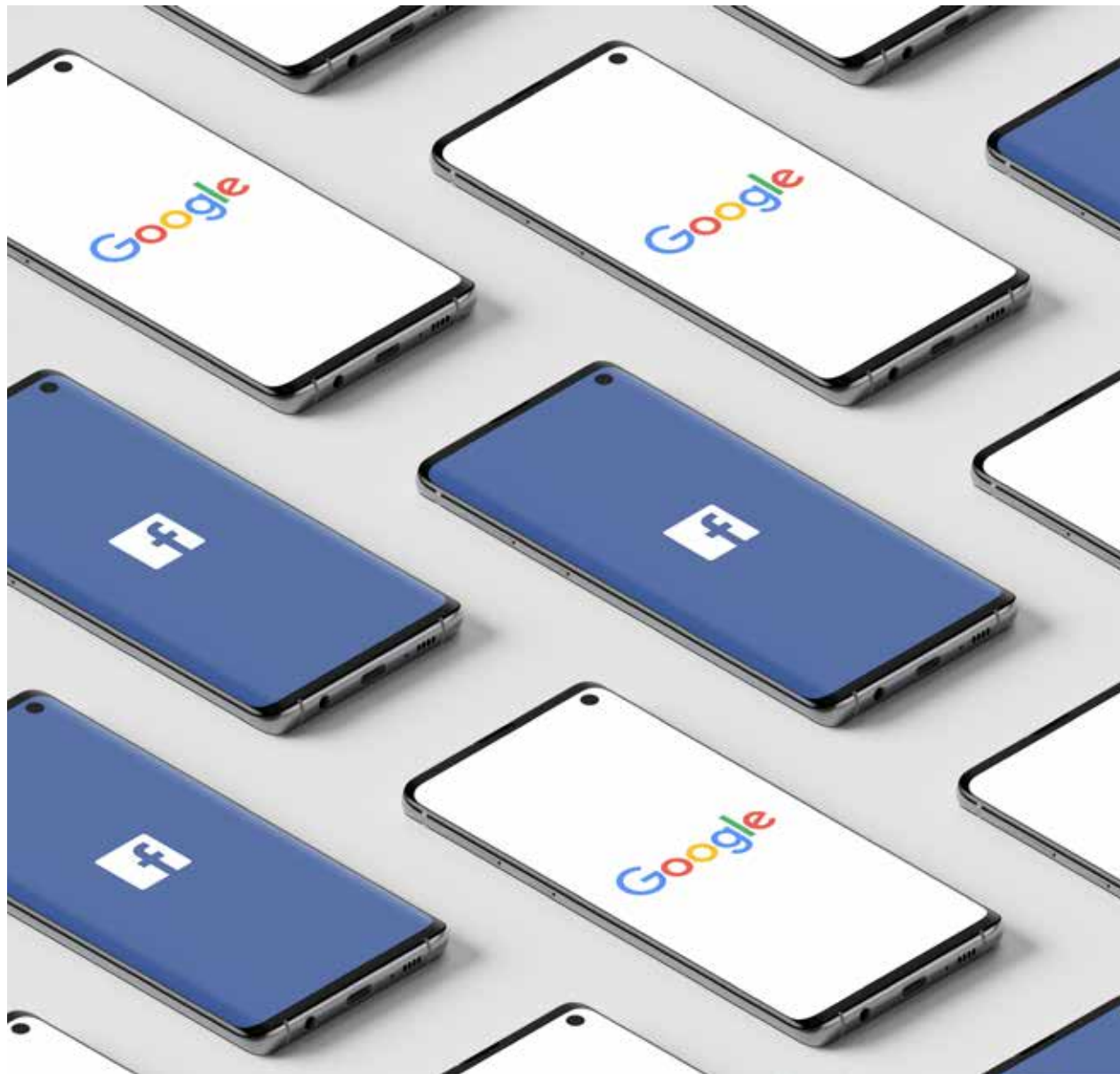
## TV CONTENT DISCOVERY CHURN RATES

TiVo analysed three pay-TV customers (two in EMEA, and one in the US) who use their Personalised Content Discovery platform holistically (i.e., implement every solution in the platform) to identify what churn rates look like across subscribers that are opted in or out. A non-holistic pay-TV customer (who only uses some of the PCD solutions) was also analysed as a control



For more information please visit [www.tivo.com](http://www.tivo.com)





FACEBOOK &amp; GOOGLE

# Challenging the Facebook-Google digital duopoly

Internet behemoths Facebook and Google collectively dominate the online ad market, so what chance do smaller businesses have in competing?

Ian Burrell

**F**orget your fondness for Don Draper's *Mad Men* suits and your nostalgia for classic 30-second TV ads, Google and Facebook are swallowing advertising whole.

The digital duopoly's dominance of an industry with more than 150 years of history has been achieved inside a generation.

Predictions from industry analyst WARC in its *Global Advertising Trends Report*, released last month, suggest that Google and Facebook's share of the global online ad market will grow to 61.4 per cent this year, up from 56.4 per cent in 2018. The duopoly's \$176.4 billion in forecasted ad revenues amounts to a 22 per cent increase on 2018. For everyone else, the future looks tough as internet advertising spend outside the duopoly is predicted to fall by 7.2 per cent.

The platforms want yet more of the pie, encroaching into specialist areas of advertising. Facebook last month announced Facebook Showcase, a programme to sell ad spots for its Facebook Watch video service. The strategy mirrors the broadcasting sector's use of "upfronts" to sell ads for hit TV shows. Facebook has an in-house Creative Shop that works with brands across its portfolio, which also includes Instagram, Messenger and Oculus. Google has its in-house creative team, Google Zoo, to assist brands in making the best use of YouTube and its other technologies.

The rest of advertising is being squeezed for money and talent, particularly the adtech companies, which match advertisers with online audiences, but don't have access to the vast data pools accumulated by the duopoly.

"The big tech giants hold a huge amount of data on consumers, but with great power comes great responsibility," says Ruth Manielevitch, vice president of global business development at mobile ad technology company Taptica. "The industry needs an independent regulatory watchdog that would serve to scrutinise the powers of the big tech giants, diminish the monopoly they have and demand greater transparency, which would build trust among consumers."

The US Federal Trade Commission has announced a task force to investigate anti-competitive conduct in the tech sector. A UK parliamentary committee last month called for

Facebook to be subject to statutory regulation and branded the company "digital gangsters".

Stewart Easterbrook, chairman of data-driven media agency MiQ and former chief executive of Starcom MediaVest, explains the duopoly's ascendancy as a matter of convenience. "Over recent years clients and [media] agencies have arguably become too reliant on the easy scale that Facebook and Google have provided them," he says. "It's a friction-free way of communicating to very large audiences."

But platforms have a vested interest when advising brands, he argues, and media agencies must demonstrate their independence so clients trust them "to ensure that their money is distributed appropriately to reach the right customers", says Mr Easterbrook.

Such is the imbalance in data that Eric Visser, chief executive at Dutch-based ad marketplace JustPremium, calls for drastic measures. "The whole ecosystem, outside Google and Facebook, should collaborate on collecting data and making it widely available to anybody else," he says. "As long as we keep feeding the cookie monsters – Google and Facebook – we are not going to get there."

Mr Visser claims there are limitations to the ad templates offered by Facebook's Creative Hub tool and Google, which clients should recognise. "If you want to stand out, you need a bigger canvas," he says. "Creativity is most essential in the success of a campaign."

Digital news publishers have been especially hard hit by the duopoly. Tracy De Groose, executive chair of Newsworks, the marketing body for UK newspapers, points to Planning for Profit, a study of advertising return on investment across multiple categories, showing that £3 billion was "left on the table" by advertisers who ignored news brands in campaigns. "News brands have been under-invested in mainly because digital platforms have been over-invested in," she says.

Ms De Groose, former UK chief executive of Dentsu Aegis Network, wants publishers to be allowed to

61%

Google and Facebook's combined share of the global online advertising market in 2019, up from 56 per cent in 2018

Warc 2019

join forces and compete with the duopoly, citing the Ozone Project, an advertising network created by four UK news organisations. "I'm not sure there is fair competition," she says of the unregulated tech giants. "We have to adhere to the regulation in our sectors and be cognisant of the competition authorities in a way that I don't think tech giants are."

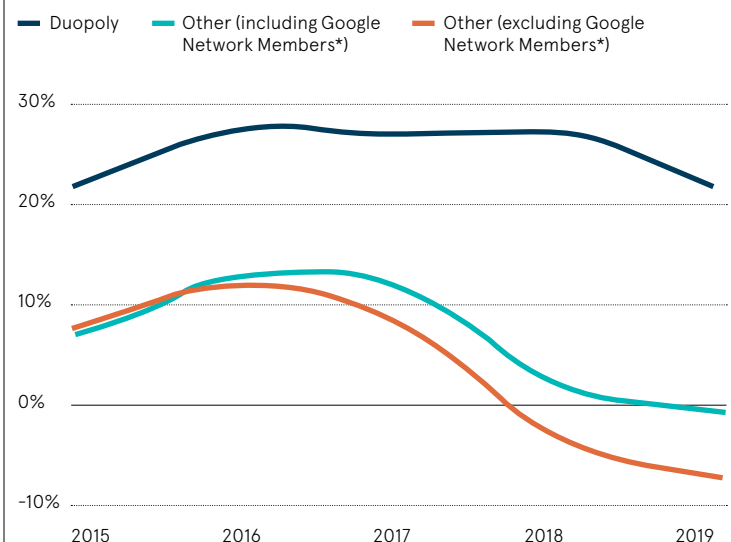
Mazen Hussain, director of paid media and creative at digital marketing agency Croud, argues that clients still have many alternatives to the duopoly, highlighting the strengths of Pinterest, Chinese-owned video app TikTok and the live-streaming video platform Twitch, owned by that other tech giant Amazon, which could make \$11 billion in US ad revenues this year, according to eMarketer.

Celine Saturnino, chief commercial officer at behavioural media agency Total Media, highlights the advertising potential Amazon has in voice-activated media and notes that podcasts are surging in popularity. "That's a huge opportunity and one that has been largely untapped," she says.

The duopoly is not guaranteed to rule forever. Ms Saturnino concludes: "Facebook currently has a huge proportion of inventory and total audiences, but they will definitely be challenged by the next big thing; among the younger generation, it's not seen as a cool, hip and trendy platform to be on." ●

## ONLINE AD REVENUE GROWTH

Percentage year-on-year change in revenues for the duopoly and the rest of the market



\*Google Network Members are online publishers that receive payment from Google for hosting Google advertising

Warc 2019





Sky Creative Agency

Cromination DOOH ad in Hammersmith from Sky Creative Agency coincided with the launch of new F1 season on Sky Sports

IN-HOUSE ADS

# Should brands bring advertising in-house?

The last few years have seen swathes of companies in-house their advertising functions, but what is the impact on creativity when your employees are working on the same brand, year in year out?

Lucy Fisher

**A**s the saying goes, if you want something done, do it yourself. Certainly there has been a growing trend of brands moving advertising functions in-house, but industry professionals warn that such decisions cannot be taken lightly and must be considered on a case-by-case basis.

According to Ruben Schreurs, chief executive of consultancy Digital Decisions, there are now only a very limited number of top brands not working on in-housing as part of their media buying, production or creative strategies. But he believes the models working best

are hybrid in nature, involving an in-house team alongside specialist partners.

That said, each brand is unique. Sky is one household name which has famously in-housed many elements of its advertising function, having created Sky Creative Agency (SCA) just over two years ago. Simon Buglione, SCA's managing director, says the brand's scale and expertise in content and technology is a huge advantage, and for this reason the rationale for Sky in-housing elements of its advertising is fairly clear. The same may not be said for many other companies.

"The key benefit is connection to brand. You're part of the process as shows are being developed," says Mr

Buglione. "But we still work with creative agencies. There are times when an external perspective is useful."

Alessandra Di Lorenzo, chief commercial officer, media and partnerships, at Lastminute.com Group, has also been working on in-housing media functions. She stresses that creativity in the digital age is very different to what it used to be. Certainly the amount of content that is being pushed out by brands across a plethora of touchpoints means there is considerable emphasis on day-to-day content and communications housekeeping over and above one-off campaigns.

"Thanks to the surge of accessible software, martech [marketing technology] has been democratised, meaning that in-housing has become more feasible," she says.

The difficulty for brands, she adds, is finding the talent to understand and manage these technologies, and to deliver

er stand-out creative. Nevertheless she would encourage more brands to consider in-housing, with the caveat that in her view "big, brilliant above-the-line [mass media] brand campaigns still, and will always, need specialists to bring them to life".

Pete Markey, TSB's chief marketing officer, agrees on this point, despite describing himself as a growing fan of in-housing. TSB brought in Oliver Agency around six months ago to develop a social and content function in a unit working alongside its own employees. The model of having Oliver employees alongside in-house staff appears to be going down well. Founded in London in 2004, Oliver now operates in 42 countries.

The model offers huge flexibility, says Mr Markey, providing resources when you need them. He points out, however, that TSB has drawn the line at involving Oliver Agency in above-the-line work or so-called "big idea" campaigns.

Simon Martin, Oliver Agency's chief executive and founder, says that in-housing in the UK has been accelerating for a couple of years, driven by the need for always-on campaigns and content. "We give them capability and capacity," he says. "We don't position ourselves as a hot-shot creative business that just does the big idea."

Neil Munn, global chief executive of ad agency BBH, however, has some words of warning. "If you want to squeeze efficiencies out, you want to be careful not to squeeze out flair," he says. "The biggest crime of advertising today is generic, bland advertising. Brands are built on difference." And he warns that world-class creative types don't want to work on one category or one brand.

Talent is indeed a key consideration in the in-housing debate. Bill Scott, chief executive at Droga5, agrees that really talented creatives often want a variety of briefs and to work alongside like-minded colleagues.

Mr Scott also claims that smaller agencies with a more boutique offering can be very appealing, pointing out that Droga5 is often brought in on a project basis and has won business as a result of the drive towards in-house from the many brands seeking greater control, faster turnaround of content and cost efficiencies.

“

**Thanks to the surge of accessible software, martech has been democratised, meaning that in-housing has become more feasible**

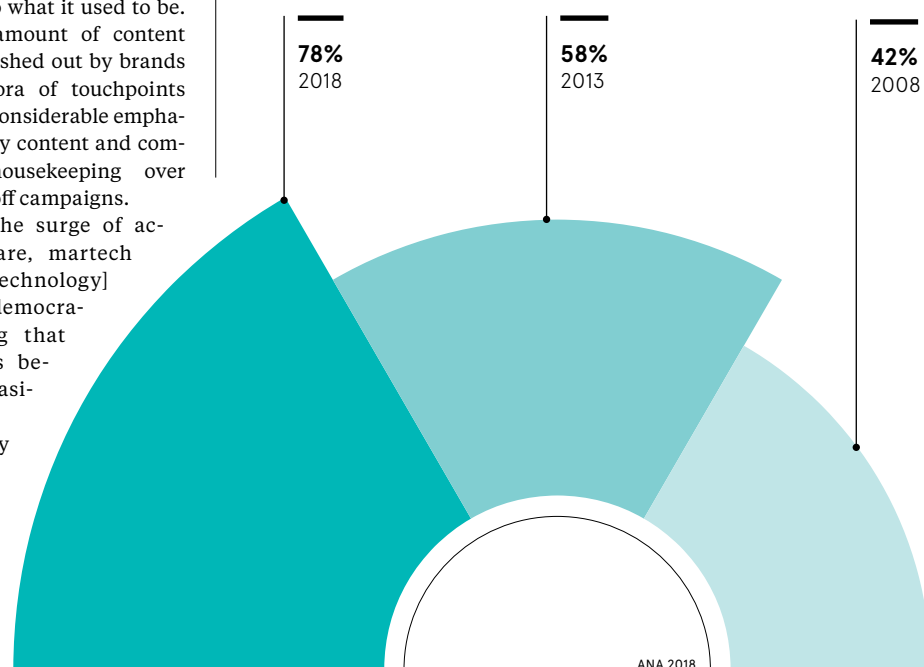
Similarly, Edward Glover, founder of independent creative agency Recipe, says that its model, which integrates production into its core offering, has been hugely advantageous. "We can react and create content of any kind incredibly quickly. We also operate with a project-based mentality, so it gives clients the flexibility to lean on us when they're busy," he says.

Sarah Douglas, chief executive of AMV BBDO, which works with more than 70 brands, concludes that excellence in creativity has never been more vital. "We are bombarded with over 2,000 messages a day, recalling a mere 2 per cent of them and acting on 2 per cent of the recalled 2 per cent," she says.

It appears that cutting through the clutter and creating stand-out advertising campaigns may not be as easy as it might seem. ●

## IN-HOUSING SEES DRAMATIC INCREASE

Share of members of the Association of National Advertisers who have some form of an in-house agency





# Building on pillars of excellence

Successful advertising is seldom simple, but the narrative adopted by Verizon Media to capitalise on the future of the industry certainly is. It's a narrative aided by a shift and rebrand of the media company

**G**lobal telecommunications group Verizon now has three pillars: its consumer mobile and wireless business; an enterprise business; and Verizon Media, previously known as Oath.

Yahoo and AOL, the two powerhouse internet companies that between them helped define the internet, merged under Verizon back in 2017.

Much has changed since then, however. In a highly regulated world, trust and transparency have never been more important. And with the imminent rollout of 5G, consumers will soon realise truly immersive content experiences wherever they are.

That's the crux of the new strategy for Verizon Media UK managing director Anna Watkins. "We're focused on two core pillars, innovation and trust, with one clear goal of creating better business outcomes for our customers," she says.

"We've made great strides with GDPR [General Data Protection Regulation] and best practices when it comes to data, as well as investing in our premium editorial brands to ensure both consumers and advertisers are in a safe, authentic and quality environment."

And building on innovation, Watkins explained that Verizon Media's product offering is broken down into three core elements: content, tech and data. Content with premium, editorial brands "like *HuffPost*, Yahoo, partnerships with Microsoft and Xbox, as well as our branded content studio RYOT that produces video and

editorial partnerships, as well as AR, VR and mixed reality experiences.

Data "through our audience insights from strong first-party data. We have the ability to combine the most diverse data-sets to serve consumers the most relevant and engaging content as well as deliver seamless brand experiences."

And finally technology, "with our unified ad platforms that use machine-learning algorithms and new, premium quality ad formats to deliver better, targeted experiences that drive performance".

One of the key innovations the company has recently launched is its unified ad platform, which gives advertisers and agencies direct access to all its inventory, as well as premium third-party publishers.

"Think quality video; native, display and mobile inventory; and premium, interactive formats through one simple platform," says Ms Watkins.

A great example of how advertisers can leverage the Verizon Media ecosystem from data to innovative, branded content is its partnership with Crowne Plaza Hotels & Resorts, part of the Intercontinental Hotels Group.

"In partnership with the agencies and the client, we commissioned extensive research to identify key consumer insights around business travel. This informed our campaign idea of Downtime and the way in which it was brought to life through a 'mockumentary' video series," Ms Watkins explains. "The series was hosted on *HuffPost* with a wealth of practical, informative

and entertaining editorial around it. Made-for-mobile and social video edits were then distributed across our ecosystem.

"The videos have been watched 37 million times and the client saw a significant increase of 6.5% in brand awareness, their main KPI, across their target audiences as a result of seeing the campaign."

In addition to being a trailblazer in terms of original and innovative content and advanced ad tech solutions, the culture and values of the company form an integral part of Verizon Media, how it operates and what it strives for. Diversity and inclusion are key to this.

"If you look at the 2018 McKinsey diversity study, it's been proven that companies with a diverse executive team are 33 per cent more likely to outperform on profitability," says Ms Watkins. "As much as it is a moral imperative, it's also a tangible business strategy to be more diverse, and here in the UK Verizon Media

has a number of initiatives to better

promote the necessity of diversity and inclusion."

This begins with its own workforce where a culture of personal empowerment has been fostered via employee resource groups. Five voluntary groups ensure that inclusion is an ethos driven from the inside out, addressing gender equality, LGBTQ rights, parents and carers, neurodiversity and BAME.

"Diversity and inclusion also comes through the content we produce," Ms Watkins adds. "At Advertising Week Europe, we will launch a new original video series on Yahoo Finance called '*Global Change Agents with Lianna Brinded*' to celebrate female business leaders, delving into all the ways women shape the world we do business in, all filmed in our brand new studio in London."

In addition, Verizon Media partnered with the *Black is the New Black* exhibition by Simon Frederick at the National Portrait Gallery in late-2018, celebrating the UK's first exhibition of iconic Afro-Caribbean Britons. Verizon Media sponsored the exhibition, as well as creating an augmented reality app to enable people to watch interviews with portrait sitters by hovering their phones over the photographs. It was a first for the National Portrait Gallery.

This brings Verizon Media back full circle to its objectives to champion the next era of content, data and tech with a core focus on trust and innovation.

"Looking at the issues with GDPR, fake news, declining consumer confidence and harmful online content,

it's more important than ever that everything we do is underpinned by trust. And that's a fundamental philosophy of our business," says Ms Watkins. "Innovation is our driving force, with the launch of our new TV-quality production studios, our new unified ad platform and the lead we are taking in 5G."

She is quick to remind that 5G is just around the corner and, unsurprisingly, it's an area where Verizon Media is already ahead of the curve in harnessing its potential.

Ms Watkins concludes: "In the UK, there will be 5G nodes in six cities by the middle of 2019 and 18 by the end of the year. We're already helping our clients future-proof their businesses and adapt to the seismic shifts 5G will bring in terms of content experiences, advertising, production and distribution with the launch of our new 5G studio in Los Angeles.

"By maintaining a continuous drive for innovation in all that we do and remaining a beacon of trust in a complex and shifting world, with the ultimate aim of driving better business outcomes for our advertisers, we believe we are setting ourselves, and our consumers and advertisers, up for success."

For further information please visit [verizonmedia.com](https://verizonmedia.com)

**verizon**



**We're focused on two core issues, innovation and trust, with one clear goal of creating better business outcomes for our customers**

## INFLUENCERS

# What the future holds for influencer marketing

Influencer marketing is a huge industry and is almost synonymous with the platforms it appears on. However, given its rapid growth and a recent marked change in consumer attitudes to social media, how will influencer marketing evolve? Here are four possible scenarios

Georgia Aspinall



Joel Backaler, global marketing strategist and author of *Digital Influence: Unleash the Power of Influencer Marketing to Accelerate Your Global Business*, but as they appear to hold themselves to a higher moral standard, and are kept to it by followers, they're less likely to be involved in scandals around a lack of transparency.

The greatest benefit for the brand they're promoting, however, is they represent an ethos companies can align with to encourage brand loyalty, which is one of the greatest challenge's advertisers are currently facing.

"Research shows that loyalty to companies is in decline; people are more likely to shop around," says Mark Schaefer, business consultant and author of *Marketing Rebellion: The Most Human Company Wins*. "The most effective way brands can create and sustain loyalty now is to align with the shared values of their customers," he says. "So that's why we see Nike taking a strong stand, aligning with Colin Kaepernick [American football quarterback and activist], and American Eagle aligning with gay rights and anti-gun causes, because this reflects the values of their core customers. I think overtime this will align with influencer marketing."

who they associate with and why," says Stuart Flint, a vice president at Verizon Media. "If you're not clearly communicating that you have paid, or have been paid, for an endorsement or if you jeopardise the relationship of trust between the influencer and their audiences, or the brand and its customers, in any way through the process, then reputations will ultimately suffer for everyone involved."

It's with this in mind that marketing experts are hypothesising a trend towards working with social media activists. Not only do these types of influencers have "more true engagement", according to

## Activist influencer

In an industry where influencers are duping brands about their true influence using third-party apps that inflate follower counts and engagement rates, companies are becoming more rigorous about who they work with. Even for reputable influencers, bad practice has forced the Advertising Standards Agency to create an official guide to posting adverts online following an investigation by the Competition and Markets Authority into influencers breaking consumer law.

"Trends are leaning towards brands being a lot more discerning about

## Micro-influencer

Becoming more discerning about who to work with also means brands are likely to reallocate funds away from the macro-influencers with millions of followers, towards micro-influencers who have more targeted audiences and potentially better engagement rates.

"Some of the top influencers are becoming more difficult and expensive to align with," says Mr Schaefer, "so businesses and brands are looking down the line at micro-influencers, people who maybe only have a few hundred followers, but they have a lot of authority with those followers. That's a trend that will absolutely continue."

According to Mr Backaler, audience size will become largely irrelevant as brands begin to ask more questions about the actual reach of the influencer. "An influencer might have hundreds of millions of followers, but just because they get the message out is anybody going to listen?" he asks. Brands should ask the questions: "Is the

content they produce really related to your brand and what you're trying to achieve? Or do you have an opportunity to work with a big name and so you're reverse engineering an excuse to be able to invest your marketing budget for them?"

In asking questions like this, Mr Backaler says brands can avoid bad practice and are more likely to invest in the right people. "What really needs to happen is for companies to invest more in their influencer identification to determine, regardless of the size of the audience, the right types of people who are going to have an impact on what they're trying to achieve. So that could be working with an influencer who has a few hundred or thousand people, but they know their audience listen to everything they say."

This means influencers representing companies online won't just be young entertainers and models or those advising on fashion, beauty and fitness, who currently punch the most weight in the influencer marketing industry, but also academics, medical professionals and journalists, among others.



# DOOH.COM

Helping brands, agencies and media owners unlock the potential of **DIGITAL OUT OF HOME**







## Monogamous influencer

Growing the pool of influencers brands use may in fact be a necessity for the future of influencer marketing, as another trend experts predict is that influencers will limit the number of brands they represent and enter into more long-term relationships.

"There is only so many times a beauty influencer can change their skincare routine before the audience starts questioning how much they really like those products versus how much they are getting paid," says Mr Backaler.

Mr Schaefer adds: "There's a balance in the number of brands an influencer would have the bandwidth to represent." While he notes that followers are more than happy

for an influencer to work with multiple brands, citing a study by global affiliate network AWIN which found nearly a fifth of 11 to 16 year olds in the UK aspire to be social media influencers as a career, there's a limit before scepticism rises in the audience and trust is lost.

"There are only so many influencers to go around and they can only represent a finite number of brands, so the competition will increase and the prices to access the top influencers will go up," he says.

However, for companies able to gain that access, long-term relationships are a must. "You're going to see more ongoing collaborations and long-term partnerships," says Mr Backaler. "Going through the effort of establishing a relationship

and put that into action is truly a waste of effort to then not work together again after one post."

So, if macro-influencers become monogamous with the brands they choose to represent, does this mean smaller companies will be priced out of the market? Not necessarily, according to Mr Backaler, especially with the rise of micro-influencers. "People recognise in order to maintain authenticity and true engagement you can't just have the same group of individuals representing the same set of products," he says. "You will see smaller companies that understand the value of working with influencers, especially the direct-to-consumer, born-online brands, that are selling all different types of products."



## Private influencer

Increased competition isn't the only barrier to entry that poses a threat to brands in the industry though. For Mr Schaefer, one of the greatest challenges for influencer marketing that no one has really figured out yet is the increased activity on private social media platforms.

"In 2015, for the first time, more people were active on private channels than public channels," he says. "A lot of customer activity is migrating to private platforms like Messenger and WhatsApp. The reason being that they don't want to be scrutinised or bullied, so that voice and influence is going behind a privacy wall. What do brands do in a case like that? How

do you see what's going on when its private information?"

These are the questions many brands are now asking. How would you ensure an influencer follows through on their promotions? And more importantly, how do you determine who to work with if their sphere of influence is no longer public knowledge? According to Mr Schaefer, these concerns are yet to be answered. However, he does believe that should brands learn how to work with influencers on private platforms, it would be monumental for the actual impact of the advertisement.

"Overall, I think it's a healthy trend because, if people are behind a privacy wall, they're going to be more honest and vulnerable with their friends," he says, "and maybe we'll have less bullying and toxicity on the web."

As the entire purpose of influencer marketing is that the promotion comes from a trusted source, and if going behind a privacy wall automatically inspires more trust in the content, it could prove hugely successful in increasing engagement and therefore a greater return on investment.

However, it remains a concerning trend since the industry is already shrouded in mystery. Could influencer marketing moving on to private platforms only encourage murkier practices? Given the way authorities and social media platforms are playing catch-up when it comes to regulating the industry, it seems we may only find out when it's too late. ●



# Global Trade Group Architecting the Future of Marketing for CMO's

**PROGRAMMES FOCUSED ON  
THE FUTURE OF:**  
**Attribution**  
**Brand Safety**  
**Ad Fraud**  
**Marketing Organisation Design**  
**Advanced Mobile Marketing**

FOR MORE INFORMATION TO JOIN THE MMA:  
VISIT [WWW.MMAGLOBAL.COM](http://WWW.MMAGLOBAL.COM) OR CONTACT  
**CHRIS BABAYODE, MD MMA EMEA**  
AT [CHRIS@MMAGLOBAL.COM](mailto:CHRIS@MMAGLOBAL.COM)



**MMA | IMPACT LONDON**  
BUILD THE FUTURE

May 13th County Hall, London

**EXPERIENCE THE MMA AT IMPACT LONDON**

50 Free Passes for Brand Marketers  
so Don't Wait to Register.

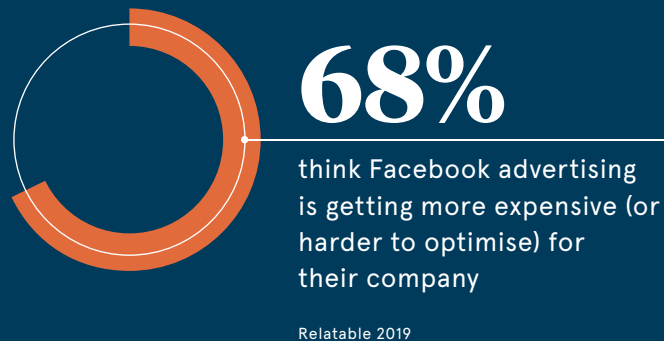
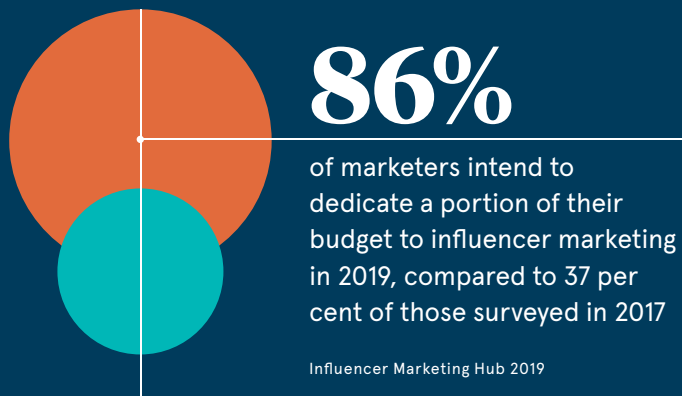
[www.mmaglobal.com/impactlondon2019/UK](http://www.mmaglobal.com/impactlondon2019/UK)

**#SHAPE THE FUTURE™**

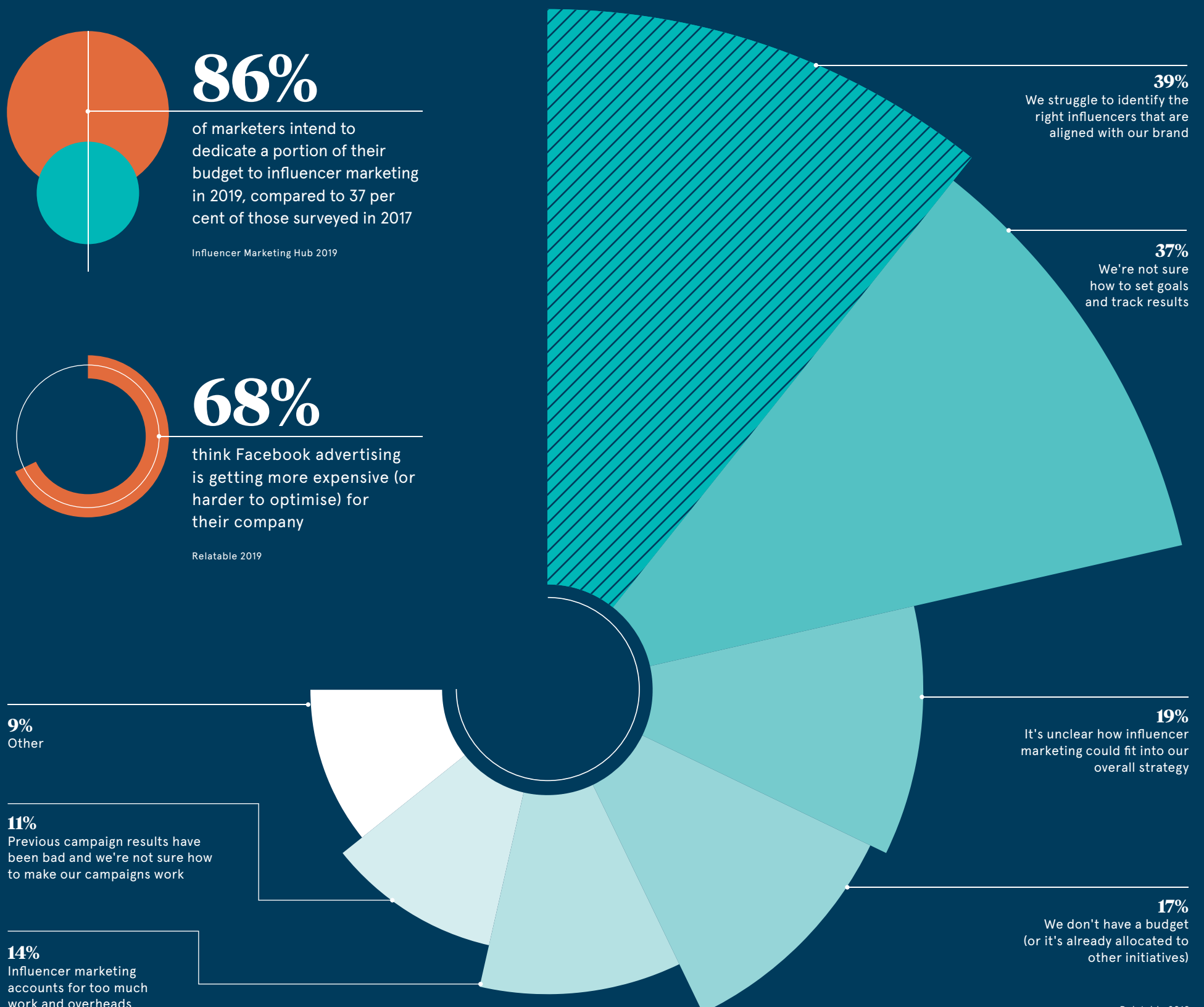
# NAVIGATING THE WATERS OF INFLUENCER MARKETING

It's 2019, and being an Instagram star today often guarantees more influence over people's everyday lives than most brands could hope for. To capitalise on this phenomenon, investments in influencer marketing continue to skyrocket. Yet senior marketers must also navigate how engagement through this newer realm ties in with other strands of their overall strategy, and how they can translate its continued potential to the rest of the C-suite

## INFLUENCER MARKETING STRATEGIES



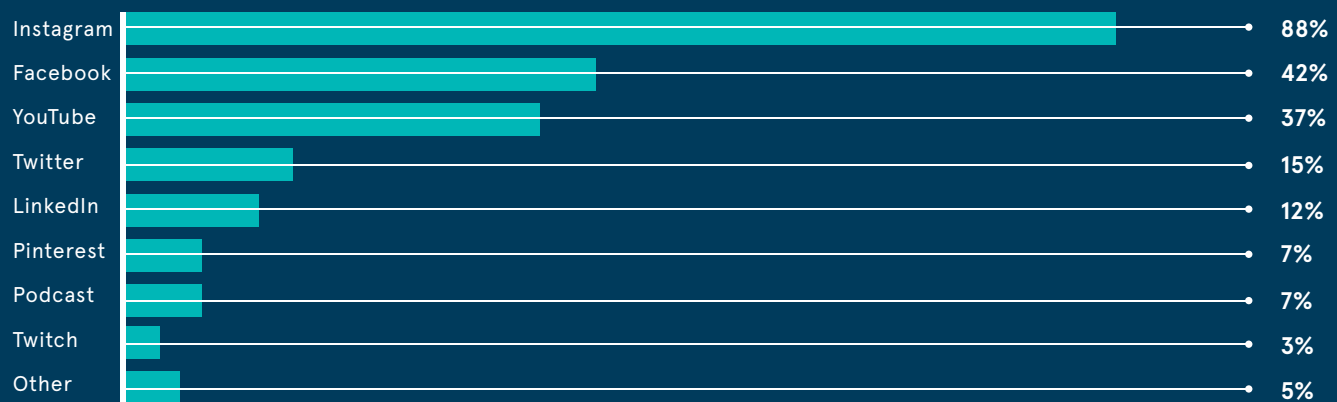
## BIGGEST CHALLENGES WITH INFLUENCER MARKETING





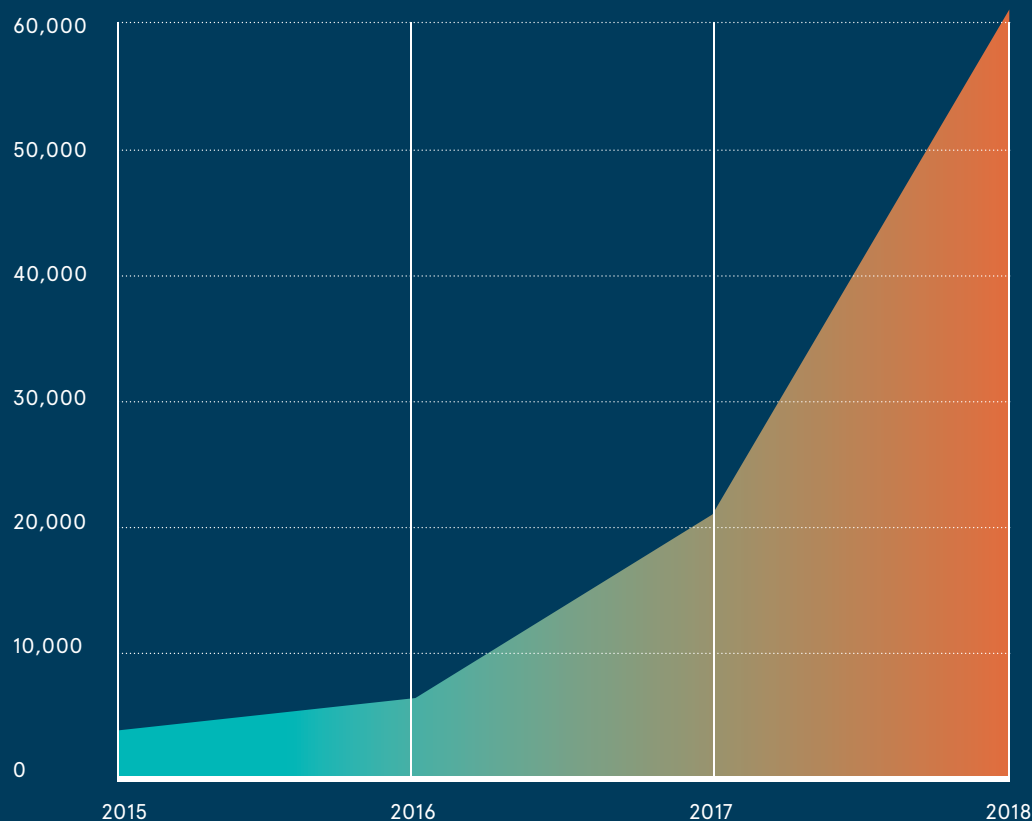
## MOST POPULAR CHANNELS FOR INFLUENCER MARKETING CAMPAIGNS

Percentage of brands and agencies that use the following

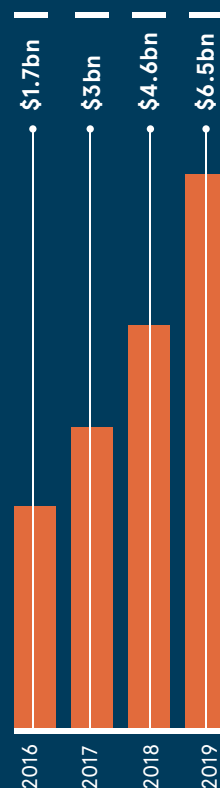


Relatable 2019

## MONTHLY GOOGLE SEARCHES FOR "INFLUENCER MARKETING"



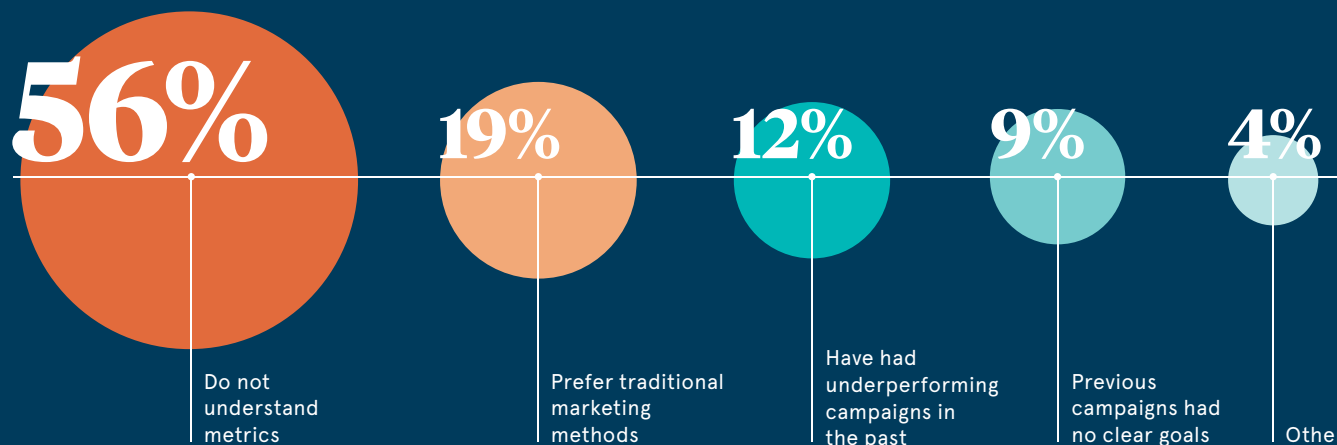
## INFLUENCER MARKETING INDUSTRY



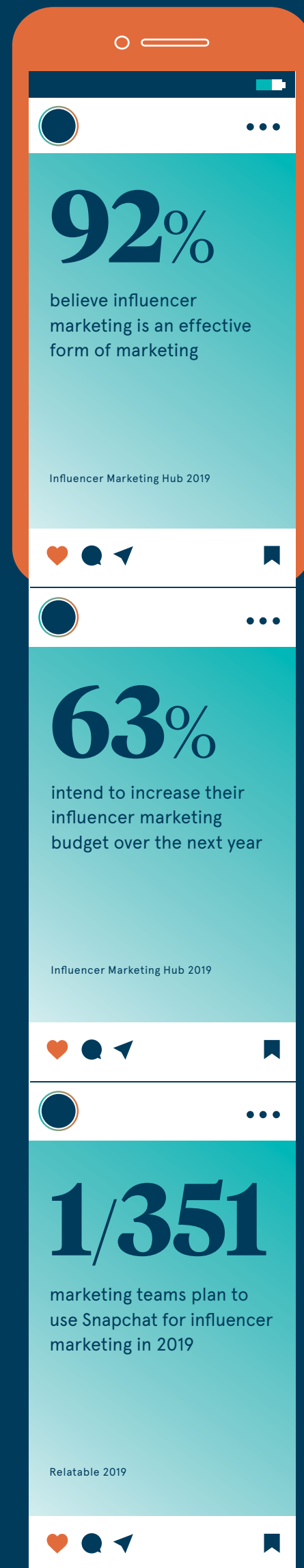
Influencer Marketing Hub 2019

## JUSTIFYING THE SPEND FOR INFLUENCER MARKETING

Obstacles faced with colleagues/managers



Relatable 2019



# Why brands must conquer their fear of data

**Patrick Johnson**, chief executive at Affectv, explains how brands can overcome concerns and distrust around data to move to the next level of data-driven targeting

**D**ata is one of the most powerful tools at an enterprise's disposal, yet for many marketers it's become a word they fear their brand sharing a negative headline with. Security breaches and misuse of customer information dominate discussions about data in the mainstream media, leading to distrust and disillusionment among consumers.

A recent parliamentary report by the Digital, Culture, Media and Sport Committee branded Facebook a "digital gangster" operating "beyond the law" in the way it threatens the privacy of its users, not to mention the prominent role third-party access to its data has played in fuelling the fake news ecosystem.

Negative sentiment can also stem from individual user experiences. We are all familiar with the scenario of an ad relentlessly chasing us for weeks across the sites we browse and the social networks through which we communicate.

Meanwhile, understanding of the General Data Protection Regulation (GDPR) is still largely inconsistent among brands and suppliers, and inexact segmentation strategies are placing individuals in buckets they know they don't fit into. Let's not forget many companies are still trying to get to grips with the impact of GDPR since its introduction last year.

It's only recently, with the actions of a few major digital enterprises, that data has become synonymous with disgrace and marketers have become scared of problematic interactions with their brands; yet that needn't be the case. Data has been used by credit card companies, banks, airports and loyalty card issuers for years, and it is increasingly crucial to successful marketing.

Accurate targeting offers advantages to both consumers and brands. The more brands have an open relevant dialogue with their customers, the more both parties benefit.

## PRECISION STORYTELLING RESCUES DATA FROM DISGRACE

### CONSUMER CONCERNS ABOUT DATA

- GDPR/privacy concerns
- Privacy scandals
- Intrusive and awkward messaging

**71%**

of consumers are concerned about how marketers collect and use their data<sup>1</sup>

### MARKETERS' INCREASED USE OF DATA

- Need for scale
- Measurable ROI off major platforms
- Desire for personalised experiences

**17.5%**

increase in data spend in 2018<sup>2</sup>

"If [as consumers] we are highly targeted, and in return, our preferences are understood and employed to make useful recommendations, utility and satisfaction will naturally increase."<sup>3</sup>

<sup>1</sup> Express VPN Poll, May 2018

<sup>2</sup> IAB State of Data report, December 2018

<sup>3</sup> Dr Jenny Darroch, Drucker School of Management

“

**Brands need to demonstrate to consumers that data can improve experiences, pricing, and efficiencies to benefit them as a customer**

Too many companies are remarkably fuzzy about their own data policies, why they are in place and whether they're consistent. By getting organised, brands can then move on to utilising data to gain a better understanding of customer behaviour and making more connected decisions through their sales funnel.

Smart brands are using insights to power creative development, which starts even before the development of creative. Using behavioural data that provides contextual relevance for the creative environment should be built from the beginning of the user journey and carried in a multichannel manner.

Our own Affectv Platform moves beyond crude demographics or assumed relevance based on location to programme-customised audience profiles that are focused on a specific marketing need. It enables brands to find new customers by understanding audience intent and behaviour, and then delivers personalised advertising. By embedding data insight into their creative thinking, companies can push for deeper links between content, creative and media in a more integrated way, moving away from siloed technologies and practices.

One leading appliance maker we worked with found itself at war with competitors at the crucial purchasing point. By educating and advising consumers earlier in their purchase journey, we built loyalty so the brand was the top choice at transaction. Other beneficiaries of Affectv's platform include a major Middle East airline, which generated a 300 per cent return on its investment after targeting audiences from

its competitors, and Eurosport, which increased viewership by engaging with a more relevant audience.

A leading online university, meanwhile, not only surpassed its target for prospectus downloads by 160 per cent, through serving ads to relevant individuals at the appropriate times, but also achieved large efficiency savings. With its marketing previously siloed into faculties, the insights our data signals created into who was interested in what courses enabled the university to consolidate to one digital team that works on all messaging.

Data is going to be the fulcrum between the world of media and creative, informing development, not dictating it. Brands must find the right balance between audience targeting and keeping customers loyal onside. There is enormous value in personalised interactions, but these need to be conducted in a transparent way.

Being the ad that chases you for three weeks does a brand nothing but harm. A more balanced outcome between brands and their customers is where marketing is heading: a direction that is effective for brands, simple to adopt and utilise using existing capabilities. This is the nirvana of a respectful balance between customers and their brands using relevant data.

For more information please visit [affectv.com](http://affectv.com)

**affectv**

## Five key steps to data-driven targeting

### 01 Let insights drive your strategy

Data enables you to make more informed decisions, so constantly analyse the data you are generating and apply conclusions to your strategy as it evolves.

### 02 Plan a partner strategy that works for you

Brands need to be looking for flexible partners that complement their marketing needs to enable a cohesive approach to storytelling to consumers.

### 03 Engage senior stakeholders early

There needs to be senior stakeholders involved from the very start. By doing

it in isolation, marketers can create a friction point with others. Engaging them is the oil in the execution process.

### 04 Develop a learn and iteration mentality

Some brands pivot from one strategy to another quite abruptly and end up back where they started. Walk before you run and try things out in a sensible, controlled manner.

### 05 Have consistency across your messaging

Keep your testing simple and scalable, measure success along the way and making a small number of changes to ensure consistency before rolling out more widely.

Indeed, many of the most revered brands place data at the heart of their business models. Amazon, which uses artificial intelligence on its user data to drive personalised recommendations, has hundreds of millions of customers. While analysis of our video-watching habits has been central to the dominance of Netflix as it produces more content we like to watch. Closer to home, data-fed algorithms connect us to our favourite fast food through UK companies such as Deliveroo.

Data is the foundation between media and creative storytelling, enabling a more evolved measurement of effectiveness to counter the lack of precision that has previously existed. Numerous tools are available for brands seeking effective attribution and GDPR compliance oversight of their partners' and rivals' activities, but they can also deal with the scrutiny around data by developing their own strategy and policies.



## PODCASTS

# Possibilities and pitfalls in podcast advertising

As more brands grow wise to the potential of podcast advertising to reach engaged and dedicated listeners, is there a risk of an eventual over-saturation that will turn once-loyal subscribers off?

Suchandrika Chakrabarti

We're either in the golden age of podcasting or just about to enter it, depending on what you read. The recent £275-million takeover of podcast firms Gimlet and Anchor by Spotify was a huge vote of confidence in the future of monetising podcasts, and it might just change everything. The first big developer has swooped in to gentrify this neighbourhood.

So, is now the right time for brands to spend on podcast advertising? Audience numbers are certainly on the rise. According to a September 2018 Ofcom report, six million adults now listen to podcasts every week, a figure that has almost doubled in five years. Podcasts are particularly popular with younger listeners; 49 per cent of listeners are under 35.

This is an age group that has grown accustomed to not paying for content, whether they're looking for news or music or podcasts, but content creators will need money to keep their show on the road. Travis Leggett, senior copywriter at marketing and advertising firm Robin Des

Bois, says: "Advertising is the driving force that allows many podcasts to remain on the air. There is a very delicate balance that has to be maintained between how many ads you can run in a show before the number of listeners drops off significantly."

**“Advertisers need to respect audiences; something that is, disappointingly, not that common**

The key is to keep the classic podcast consumer, a spellbound listener who'd never dream of hitting the fast-forward button, onside. James Cridland, audio consultant and managing editor of podnews, a daily podcast newsletter, says: "Brands are best served by being where their potential customers

are and catching them at their most receptive. Audio, in all its forms, is successful at doing that and is resilient in terms of avoiding ad-blockers. Ninety per cent of podcast listeners do so alone and brands can really leverage the personal, intimate nature of the medium.

"The *Joe Rogan Experience* [16 million downloads a month] starts with seven minutes of advertising; I can't help but worry that this is training people to use the skip button. Advertisers need to respect audiences; something that is, disappointingly, not that common."

Still, most brands have wised up to this issue and are working with it. Meredith L. Eaton, a director at public relations and marketing communications agency Red Lorry Yellow Lorry, says: "Marketers and advertisers are starting to really hone in on best practices for podcast advertising. They're recognising the value of endorsed organic formats over produced scripted ads, spots that air mid-roll, as opposed to pre or post-roll, and direct sales tracking through promo codes and custom URLs."

There's also opportunity in leveraging the interconnected way in which millennials and generation

Joe Rogan in the studio recording the *Joe Rogan Experience* podcast, which receives 16 million downloads a month

Z consume their entertainment and do their shopping, then advertise their habits on social media.

Ms Eaton says: "Having a podcast host say a promo code that listeners can use for a giveaway is a great way to track lead conversions, but what about tying it to social media instead? If the podcast host encourages listeners to tweet about why they deserve your company's giveaway, you're getting the podcast audio ad as well as buzz on social platforms."

According to Edison's *The Podcast Consumer 2018* report, the podcast landscape is looking even healthier in the United States. Some 17 per cent of the population aged 12 years and over – 48 million people – listened to a podcast in the last week. The report also points out that "there is tremendous opportunity to grow with persons 55-plus." It seems as though listening to podcasts is taking over from radio across the age spectrum, so is there any evidence of the advertising money following?

Mr Cridland says: "We'll see more big brands moving to podcasting. Geico, the US insurance company, is the number-two radio advertiser in America and is now the

number-two podcast advertiser as well. I suspect we'll see many more discovering the intimacy and habitual nature of podcasting."

Ms Eaton also remains optimistic. "With 660,000 podcasts out there, and climbing, there's likely a podcast out there for everybody and every brand," she says. "Podcasts have been found to have the most engaged and dedicated audiences of any platform; combine this with data that shows astonishing buying habits and brand recall. Podcast adverts offer a unique spin on influencer marketing, especially when told from the mouths of influential podcast hosts themselves." The listener-host relationship in podcasting is a special one; that's the power of voice and it isn't going to change.

The Spotify-Gimlet-Anchor deal might be the tipping point for the podcasting community, which has always had an open, do-it-yourself feel. Perhaps the space is about to become a series of gated communities. It makes sense for brands to eye up prime billboards for themselves, in the world of imagination that develops between podcast fans and their favourite hosts. ●



Vivian Zink/Syfy/NBCU Photo Bank via Getty Images

## Podcast listeners in the UK

Based on people over the age of 15

Ofcom 2019

5.9m

people listen to podcasts on a weekly basis, representing 11 per cent of the population over the age of 15

84%

increase in the number of weekly listeners between 2013 and 2018

19%

of people aged 15 to 24 listen to podcasts on a weekly basis

1/2

of listeners are under the age of 35, compared with 29 per cent of traditional radio listeners

36%

of listeners use the BBC website and app for podcasts, compared with 26 per cent who use YouTube and 25 per cent who use iTunes

# Battles continue for ad giants and indies

Recent success stories from smaller independents show competition has ramped up for the ad giants, but both sides are facing disruption in an evolving market

Maisie McCabe

**T**hat WPP's shares climbed slightly on March 1, when the company announced its 2018 pre-tax profits fell by almost a third, demonstrates how low they had already slumped.

Results for the London-based multinational advertising and public relations giant, which owns Ogilvy and MediaCom, were slightly ahead of forecast. But WPP chief executive Mark Read warned investors to expect a steeper revenue decline this year due to fallout from clients lost in 2018.

Under its former chief executive Sir Martin Sorrell, WPP was known for tying big business into to multi-discipline, horizontal agency contracts, such as Walgreens Boots Alliance in 2017, or selling the benefits of WPP-only reviews, for example Marks & Spencer's ad pitch in 2016. Nevertheless, it wasn't enough to stop turnover from falling in 2018 – WPP's first annual revenue decline and the final full year with Sir Martin at the helm.

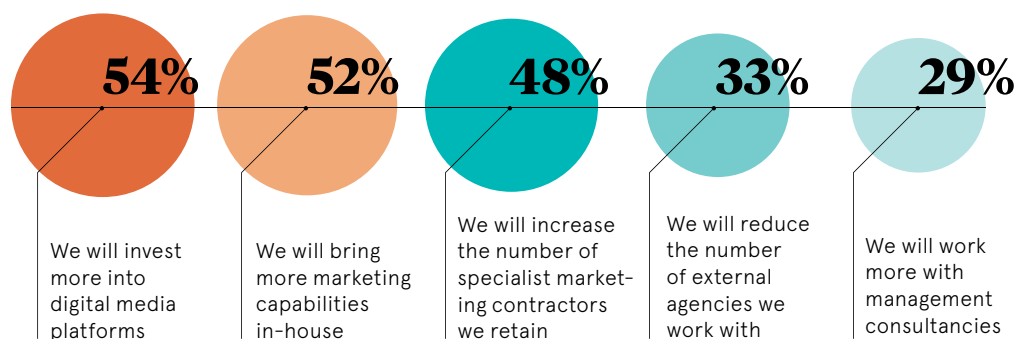
But if some ad giants are grappling with challenging times, many independent agencies are flourishing. If you clubbed together all the independent media agencies in the UK by their estimated spend on media, or billings, they are now the second largest group.

According to analysis by Nielsen data, UK independent media agencies grew their billings by a combined 8 per cent year on year as Omnicom, Publicis Groupe and



## HOW PARTNER/SUPPLIER APPROACHES WILL CHANGE OVER THE NEXT TWO TO THREE YEARS

Percentage of chief marketing officers selecting the following



Dentsu Aegis 2018

Dentsu Aegis Network declined, and WPP held flat. Meanwhile, the proudly self-governing creative hot shop Mother topped *Campaign's* new-business rankings with wins such as Sky and Capital One.

Jenny Biggam, co-founder at autonomous media agency the7stars, says although marketers do not usually explicitly say they are looking for an independent, the agency's ownership allows it

to create a transparent culture and values that attract clients. The7stars works with brands such as Deliveroo, Suzuki and Iceland, and grew its billings by 31 per cent last year to more than £300 million. It also launched sister shop Bountiful Cow in late-2016.

"At the7stars we have no vested interest in anything other than what's right for the client," says Ms Biggam. "This is so important

because agencies that are owned by holding companies often have conflicting objectives and sometimes become very focused on maximising profit for the network."

Transparency has become a major issue in recent years. Everything from the digital media supply chain to agency group-wide deals with media owners is under scrutiny. "With indies growing and clients increasingly using biddable

London headquarters of the7stars, the UK's largest independent media agency

media, the days of the straightjacketed agency deal are numbered," says Andrew Stephens, co-founder at Goodstuff Communications. "Because of our lack of agency deals and our commitment to transparency, clients trust our advice."

Goodstuff was originally backed by Omnicom, but its founders bought out the US holding company's 20 per cent in 2017. Recent successes include winning the AA and ITV at the expense of ad giants, and backing two startups of its own earlier this month. Mr Stephens says marketers are attracted by the extra attention they get at an independent agency, which leads to "good advocacy, long-term relationships and clients who tend to buy more services from us".



**Advertising is at its best when it solves tensions. For me, it's not about who is better, it's about what can we learn from each other**

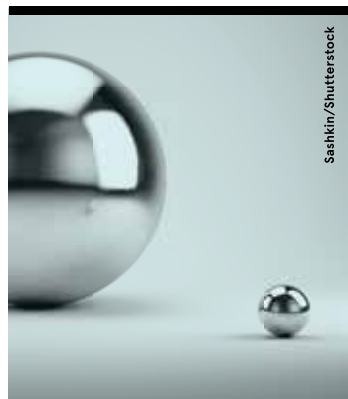
## THE DRUM NAMED US THE N°1 INDIE AGENCY IN B'HAM

oneblackbear.com



ONE BLACK BEAR  
BE FIERCE





Sashkin/Shutterstock

## Small agency appeal

Karl Thompson, UK and Europe managing director for Sandals Resorts, has worked with the7stars media agency for almost ten years. He says one of the main reasons he appointed them was their independent status.

"During the rapid growth that the7stars has experienced, their personal attention, which the networks can't deliver, has never wavered," says Mr Thompson. "We have always been made to feel that Sandals is their most important client."

"The other main factor that reassures me is the transparency they offer on media rates. I also believe the7stars is more nimble than a network for the more creative solutions we may require."

Cheryl Calverley, chief marketing officer at Eve Sleep, appreciates the access she has to senior people at Goodstuff Communications.

"I have a direct relationship with the most senior, most experienced team, which I wouldn't experience with a network agency, unless I'm a £50-million-plus budget client," she says. "Basically, no matter how big or small I am, I feel like a top-five client. It's hugely useful as the best work comes from talking to the right people."

Ms Calverley says other benefits include getting "genuinely bespoke answers to a brief, ripped through with creativity" because Goodstuff is not "locked in to 'cookie-cutter' deals and a 'productised' way of working".

Despite the success of some indies, the majority of clients' budgets in the UK continue to go through agencies that sit inside one of the ad giants. "For all the chat about the virtues of independence, there's a highly plausible case that the advertising business will become increasingly concentrated, rather than less so," says Laurence Green, executive partner at MullenLowe London.

As a co-founder of 101, a 50-strong ad agency working with Dunelm, Drench and Zoopla, Mr Green reached a "stick or twist" moment. The agency had built a good brand and attracted some grown-up clients, but missed out on opportunities, such as the global Costa Coffee account, because of its limited geography and capability.

On the other side of town, after the loss of UK accounts and much of its British leadership team, Interpublic's MullenLowe London was looking for an acquisition. In August 2017 MullenLowe bought 101, consolidating the two agencies to fill each other's gaps.

"There's a slightly crazed glory about independent agencies," says Mr Green, who also co-founded Fallon London in 1998. "A David versus Goliath narrative to draw on. Oh, and some operational efficiencies. But there's a downside too. I could shout across the room and get someone a pay rise, but now I can shout across a room and get a ministry of all talents to stare at a client problem."

Selling additional services has been a key growth driver for holding companies and a bulwark against independents. Publicis Groupe has led the way in this, but it spooked the markets with disappointing 2018 results, dragged down by its US performance.

There have been some significant wins, such as Fiat Chrysler's US media and social in December, but

it does not work for every client. In the UK an integrated team servicing Asda broke down. The retailer moved the ad account from Saatchi & Saatchi to Omnicom's Abbott Mead Vickers BBDO last year. Blue 449 retained the media.

"Advertising is at its best when it solves tensions," says Annette King, chief executive at Publicis Groupe UK. "For me, it's not about who is better, it's about what can we learn from each other. A willingness to try new and untested things can yield exciting results and isn't limited to independents. It's about creating a culture where people can flourish. Our flexible working policy for all 5,000-plus UK staff is an example of being brave and doing it at scale."

Regardless of their ownership, agencies are facing significant challenges. New groups such as Sir Martin's S4 and David Jones' You & Mr Jones claim to offer a flexible tech-first structure, while management consultants such as Accenture are on the attack. And that's before you get on to the threat of companies deciding to bring their marketing services, particularly digital media, in house.

Often, for both marketers and agency staff alike, the choice comes down to personal preference. "There are two types of people who work in advertising," says Dan Cullen-Shute, founder and chief executive at independent creative agency Creature London, which works with Good Energy, Facebook and British Red Cross. "Those who think the holding company model is the future and those whose financial futures aren't desperately pinned to that being the case."

"Why would a client limit themselves to the resources and talent that happen to be in the building? We may not have everything under one roof, but we have clients calling us from all over the world." ●

# Are networks set up to do joined-up thinking?

An independent, story-first approach can deliver on the promise of true integration, says **Roger Hart**, chief executive at Aesop Agency, and MC&C Media chief executive **Robin Trust**

**T**here's a popular TV show. An engaged couple are given a budget to plan their dream wedding. The catch? The entire process is left up to the groom. The bride only discovers the details on the day.

Invariably the groom knows his fiancée's broad likes and dislikes, and vaguely what style of wedding she would like. But when push comes to shove, he blows 70 per cent of the budget on the stag do, a free bar and a DJ only he likes. The poor bride gets to the church in the back of her dad's Toyota, there's no budget for dress alterations and the wedding breakfast is courtesy of her future husband's cousin's take-away business.

A wedding. But it's not an experience anyone wants to relive any time soon. But then this style of planning was never going to be a rip-roaring success.

This is exactly what happens with ad networks. Despite marketers paying for a coherent network approach, they often end up with campaigns that reflect the network's priorities.

Instead of the network's creative agencies telling the brand's story in the right way, at the right time, in the right place, to the right people, the poor souls end up shoe-horning their creativity into whichever inventory their sister media agency bought two years previously.

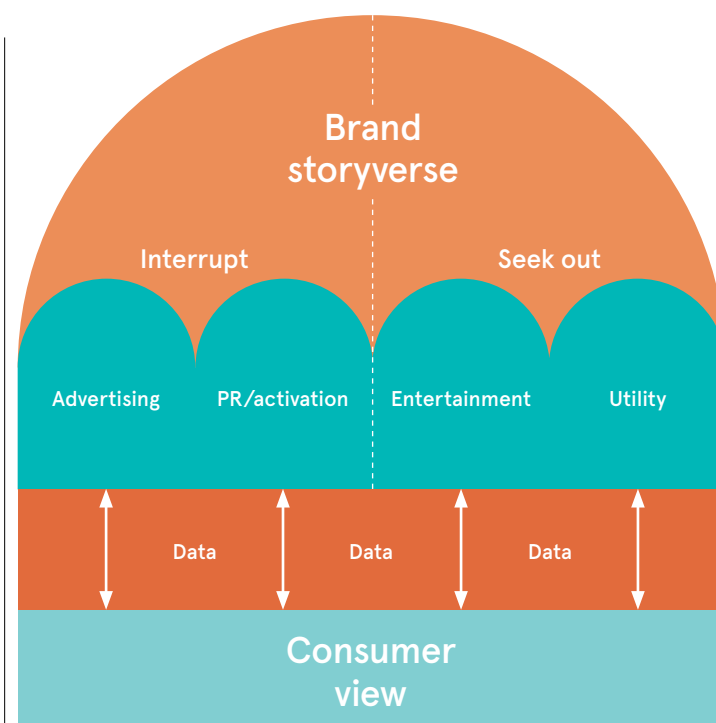
In what is a very common practice among network agencies, deals are struck with media owners months, even years, in advance with a promise to put as much as 50 per cent of their clients' collective ad spend through their business. This of course makes any detailed consumer insight, creative considerations or tailored targeting irrelevant. The absence of any joined-up thinking is staggering and, ultimately, destructive.

## Start with story

The answer to this incoherence is to start with story. To fail in this is to plan a wedding with only one side's priorities



The answer to this incoherence is to start with story



Create a narrative with a distinct mental world that is loose enough to hold everything together, but tight enough to inform the telling of the story in the right way to the right person at the right time

in mind. Without a common thread to tie all the elements together, all coherence is lost.

Conversely, if every stakeholder understands a brand's storyverse – a core narrative and the distinct mental world that goes with it – from the beginning, they will work together effectively to ensure the client gets the best results for their investment.

This is especially relevant now that consumers are hyper-connected and in charge. They are more elusive and less biddable than ever, which makes an efficient, coherent and highly targeted approach more crucial. But a joined-up approach that is needed to deliver this is not a natural arrangement for network agencies.

## Go independent

Employ independents who can work from the same script and the benefits are multi-faceted. Independent agencies have independence of thought. They can use their independence to put your interests first. Just like a wedding is entirely bespoke and should tell you everything it can about the happy couple, so a media plan should be completely unique to

the brand in question and reflect the story it wants to tell.

Whether you opt for a TV ad, create a useful app or provide a piece of entertainment, there is not a single aspect of your plan that should be approached with a one-size-fits-all attitude.

Working in this way does not need to be complex. The problem with networks is a lot of people have a vested interest in making it appear complicated. Storyverse planning is an intuitive way to bring client, creative and media agencies together. It's an approach that's tight enough to ensure everything is aligned, but loose enough for each medium to play to its own strengths, so the exact story you want to tell gets told in the right way.

Otherwise you are simply being sold someone else's wedding.

For more information please visit [aesopagency.com](http://aesopagency.com)

**Aesop. mc &c**

## ADTECH

# How to marry adtech with creativity

Advertising agencies are under pressure to evolve to keep up with the exponential rise of adtech and marketing technologies

Magda Ibrahim

**F**ast forward five years to a world with expansive 5G coverage, virtual reality's shift to the mainstream and machine-learning embedded in the vernacular. As adtech's parallel expansion brings a new wave of digital tools, channels, data capture and analysis, are advertisers fully prepared to harness them to amplify emotional connection with consumers?

"One of my biggest frustrations is that while the principles of what we, as an industry, want to achieve are straightforward, many people are frightened," says Paul Rowlinson, managing director UK at GroupM Digital.

"The industry has got so wrapped up in adtech jargon, but in its simplest terms it's about using information to make a decision about where to put content that changes the way people think and behave."

With thousands of marketing technologies and an ever-growing digital economy, it can feel overwhelming to keep up.

The danger, says Chris Dobson, former chief executive of The Exchange Lab, is that ad agencies get squeezed as tech businesses develop their own creative teams and management consultancies spot an expertise gap.

"The separation of media agencies from the creative industry, which has fuelled the current landscape, is coming back to bite," warns Mr Dobson.

"Given the complexity in the advertising and marketing world, it's agencies that should be the trusted advisers. But borne of

**“Adtech means we can do all sorts of amazing things with storytelling, but the intelligence comes from the human touch**

frustration, tech companies are starting to bring in creatives. And management consultancies see [tech] not being jumped on by ad agencies as the missing link."

Agencies are under pressure to evolve as management consultancies Accenture, PwC, IBM and Deloitte entered the *Ad Age* ranking of the ten largest agency

companies in the world, for the first time, in 2017.

Meanwhile, the Dentsu Aegis Network *CMO Survey 2018*, covering 1,000 chief marketing officers worldwide, found 29 per cent plan to work more with management consultancies over the next two to three years.

For Lucia Mastromauro, vice president of global agency development at Adform, there's a "massive disconnect between media agencies and creative agencies".

She says: "The big challenge is to come together more closely to exchange knowledge. I genuinely think that agencies are more adtech-minded now, and it's a good time to address challenges in the dynamic between advertisers, media agencies and creatives."

Finding innovative ways to combine adtech with creativity to develop campaigns that engage and change behaviour has been a priority for Institute of Practitioners in Advertising president Sarah Golding during her two-year tenure.

Following a mission to the west coast of America, she says there has been a turbo boost in agencies embracing tech as additional creatives tools in their toolbox.

"We are taking hold of them, learning about them and seeing what we can do with them to tell ever-better, immersive brand stories for our clients," says Ms Golding.

Her own agency, The&Partnership, was involved in last year's launch of a Lexus ad scripted entirely using artificial intelligence (AI) and directed by Oscar winner Kevin Macdonald.

The production process involved training the bespoke AI with data, including 15 years of award-winning luxury adverts, and information about viewer connection and human intuition.



The&Partnership was involved in last year's launch of a Lexus ad scripted entirely using AI and directed by Oscar winner Kevin Macdonald

However, the latest World Economic Forum white paper, in collaboration with McKinsey, on creative disruption, highlights that machine-learning is reliant on the data it receives and algorithms it uses, leaving potential "risks of opacity in decision-making".

GroupM Digital UK's Mr Rowlinson points out: "Ultimately, data is about evidence-based decision-making. Adtech means we can do all sorts of amazing things with storytelling, but the intelligence comes from the human touch."

It is this combination of data, tech and creativity that will garner the most effective campaigns, he argues.

With "platform-agnostic" consumers always looking for the most "preferable way to experience what they want, when they want and where they want", keeping up with the latest adtech is essential to the future of marketers' business, says Mark Hudson, head of business intelligence at TVSquared.

Smart TVs help deliver ads to a more targeted and researched audience, and he notes that viewers might accept commercial messaging on a subscription streaming service, such as Netflix, if it defrays access costs.

"The opportunity also exists for messaging to take different interactive forms instead of being a

one-way communication tool," says Mr Hudson. "For those wanting a more immersive experience, the opportunity is there."

Meanwhile, as use of virtual assistants, such as Amazon's Alexa, becomes more widespread, the need for a creative solution to reach users without alienating them is the Holy Grail.

Voice is still an "extremely immature channel", says Eric Fulwiler, executive director at Vayner Media, but represents a "fundamental shift in consumer behaviour".

He says: "Brands and ad agencies need to start early and move quickly to understand how attention will shift towards voice, and how to make their brand not only surface in results, but also be top of mind so people ask for it by name."

Alexa's "skills" already include the ability to order a pizza from Domino's, with the skill created by agency We Are Social, and the brand challenge is to ensure voice doesn't leave them behind.

Fredrik Borestrom, International Advertising Association UK president, concludes: "The landscape of the industry has changed significantly when you look at the amount of martech and adtech that has come into the field. For ad agencies, it is business critical to have an always-on learning mentality." ●

## Biggest opportunities for CMOs

Chief marketing officers ranked their biggest strategic opportunity over the next two to three years\*

Dentsu Aegis 2018

# 29%

The ability to use data to reach real people, rather than proxies or customer segments



# 26%

The potential of artificial intelligence, machine learning and blockchain to drive more efficient marketing spend

# 18%

The potential for emerging digital technologies to deliver better consumer experiences

# 16%

Access to new geographic markets and consumer segments

# 10%

Direct relationships with the ad tech platforms

\*Percentages do not equal 100 due to rounding



# ‘Our industry – the keepers of brands and imagery, the content makers and human connectors – has an incredible opportunity to carve a path forward’

**I**t is hard to imagine a more turbulent time. Truth is often redefined and reimaged before our very eyes, challenging our senses and sensibilities. Metaphorically, the editorial page has morphed on to the front page. Information and misinformation race across our handheld and wall-mounted screens like Seabiscuit chasing down War Admiral. All too often it's hard for business and broader society to find the silver lining among grey clouds.

Indeed, I believe Advertising Week Europe has come at an appropriate time. For when the curtain comes down at Picturehouse Central the countdown will well and truly be in the single digits. Just a week or so before the biggest political event that will, maybe, perhaps, happen in the UK for decades.

Spending time with the wider advertising community – to learn about their plans for the future, their fears, concerns and optimism through a myriad of brilliant speakers, world-class thought leaders and special events – doesn't just feel timely, but necessary. That's because our industry – the keepers of brands and imagery, the content makers and human connectors – has an incredible opportunity to carve a path forward. In these turbulent times it's imperative for our industry to lend their talents to help us better understand each other, the world around us, and the differences that make us unique. Globalism is not going away; we are on one planet with a shared responsibility to each other and the generations that follow.

Twain once said: “Many a small thing has been made large by the right kind of advertising.” All around us are manifestations of Twain's proverb: NABS and The Marketing Society, and their year-round work to elevate the conversation around mental health; brilliant campaigns such as Veg Power paving the way for healthier kids and adults alike; ever-greens such as the Childline Ball, One Young World and Media Fight Night punch with enormous impact; Channel 4's “celebration of ability beyond disability” has shifted attitudes and forever changed the landscape; and #timeTo's “endorse the code” is contributing mightily to the fight against sexual harassment.

Dynamic leaders like Paul Polman have shown us that building brands around sustainability not only helps save our planet but also drives profitability. And the GREAT campaign trumpets the unique and compelling assets of the UK's DNA, which will carry the nation forward as the geopolitical landscape changes.

Our unique position of being able to influence public opinion presents an incredibly compelling opportunity to shape destiny. So as an industry, let's leave what we cannot control behind. Let's shout from the treetops about success in exports – as the Advertising Association, Department for International Trade and Institute of Practitioners in Advertising will do as part of our Ronnie Scott's Leadership Breakfast Series at Advertising Week Europe next week. Let's showcase bright young talent, manifested so brilliantly by the Duke of York's global Pitch@Palace initiative where young entrepreneurs are given the opportunity to bring new ideas to life.

While writing about my home of New York City, Lin-Manuel Miranda's words crafted for *Hamilton* could easily be said for London: “Look around at how lucky we are to be alive right now. History is happening... And we just happen to be in the greatest city in the world!”

Without question, London will continue to be the hub of the creative and economic wheel of the UK, Europe and, indeed, for much of the world. So at this unique moment in time, let's tackle the challenges, and do so with the same relentless optimism and spirit which fuel Advertising Week across the globe... From London to Sydney, New York City to Mexico City, Tokyo and Johannesburg.



**Matt Scheckner**  
Chief executive  
Advertising Week Global

# Ad industry calls for single source of truth

Advertisers need accurate analysis of campaign spending with an effective ad delivery and management platform for creative content

**T**he world of advertising is changing rapidly. Over the last few years we've seen digital advertising overtake traditional channels, such as TV and print. This shift has led to an explosion in content across all platforms as advertisers fight to gain the attention of consumers wherever they are. As a result, the role of the creative, media-planning and buying processes have evolved too.

“There are now many more touch-points for consumers globally, you need many more messages, many more ads and to manage all your assets in the process. The complexity is daunting,” says Christian Massmann, chief sales and marketing officer, Europe, Middle East and Africa, at Adstream, a global digital asset management and ad distribution company.

At the same time, the engine of the global advertising industry is increasingly powered by a new oil: data. Brands want to not only track advertising from start to finish, but analyse an ad's effectiveness from peaks in sales, levels of awareness and conversion rates. Data on all business functions is now providing greater transparency and greater expectations. But when data is not linked to the assets, brands lose visibility.

“Advertising investment can lead to wasted spend, but knowing what is waste and what isn't is still the million-dollar question. That's why there's more pressure in the industry to account for every amount spent and generate a return on that investment. Clients now want to understand what happens at every step of a campaign's life cycle. Visibility is the new imperative and the future of advertising involves seeing the whole story,” says Mr Massmann, whose company works with more than 9,000 brands, agencies and production companies in over 120 markets worldwide.

“Return on investment (RoI) is vital to the industry, and there is a need to be able to react in real time and adapt campaigns based on their performance. Speed to market matters; brands and agencies all demand this. They need to be able to adjust campaigns on the fly and respond rapidly. They also want to co-create their brand messaging with consumers, who now define expectations.”

For brands, the challenge comes when you launch a campaign in multiple countries, in multiple languages and formats. Managing, distributing and controlling content across markets in real time, served to consumers who now demand an omnichannel experience, can be an issue if not managed correctly.



## 25%

increase in workflow and staff efficiency can be achieved by using a digital asset management solution

## 40%

of savings can be achieved on storage and handling fees from reducing wasted assets

“The need to manage content is only going to increase. Brands and agencies are looking for companies like ours to help with this challenge. Automation and streamlined workflows are crucial, so an asset can be managed at every point in its life cycle,” says Mr Massmann.

“We are there when campaigns are started, supporting the creative and production process. We help teams to centralise production workflows with one place to plan, annotate, store and approve content.

“At the push of a button, we connect an asset and a brand with any destination and audience in the world. We can then feedback and run data

analytics such as activity tracking and content usage stats across the life cycle of any asset, and link third-party data with campaigns and assets stored in our platform.”

With up to 40 per cent of ads used only once and in only one market, there are greater efficiencies to be had. There is also a need for more consistency across countries and to connect all the dots between brands, consumers, advertisements, how and when they are delivered, and on which platform.

“Since we work with two thirds of the world's biggest brands, we see the pain points that they and their agencies face, and how innovative technology can help. Our product suite provides total visibility and control of campaigns and related data, reduces cost and wastage, and therefore increases RoI.

“Furthermore, we are soon launching ONE Delivery, the world's most powerful TV and online ad delivery platform. This will give brands greater speed to market and create an even more powerful, single source of truth for the advertising industry,” Mr Massmann concludes.

Find out how Adstream can help your company at [www.adstream.com](http://www.adstream.com)

## adstream



## SEXISM

# How will brands react to new ban on sexist ads?

New rules banning sexist depictions of women cleaning and men struggling to change nappies will force advertising to be more creative, instead of relying on harmful, outdated stereotypes

Nick Easen

June 14 is a date that many in advertising have marked in their diary. After this day, ads depicting harmful gender stereotypes will be banned. No more depictions of a man or a woman failing to achieve a task specifically because of their gender, whether it's parking cars, changing nappies, house cleaning or doing DIY.

"What the Advertising Standards Authority (ASA) has done is very welcome. It's time for us to wake up to the harm that gender stereotypes can do. Limiting girls' horizons and career choices, objectifying women and causing them to self-harm, legitimising violence and aggression in boys and inhibiting dads' caring roles," says Sam Smethers, chief executive of the Fawcett Society.

Gender is a very sensitive topic. This new ruling could challenge brands to rethink ads. The great thing about UK advertising is how subversive it can be; how it holds up a mirror to society. It is not as shiny or as aspirational as American advertising. Poking fun at the real inequalities between the sexes in British life, although outdated, has been used in ads for decades.

Over-simplistic assumptions have allowed past campaigns to hit hard

in seconds. There's been a commercial imperative to doing this, binary imagery works quickly, but by June it's all change.

"New ads should not harm, mislead or offend; widespread offence is the benchmark here. The review and the research we did found that we need to take a tougher position on ads that feature gender stereotypical roles," says Ella Smillie, gender stereotyping project lead at the ASA's Committees of Advertising Practice.

"You have to question why we're laughing at gender depictions in ads. We should be laughing with them, not at them. Come June, yes of course you can still show a woman at home getting kids ready for school and the man getting ready for work. Yet the role of the individual is



**Generation Z is leading the way and redefining gender, making a traditional binary understanding feel outdated and out of touch**



important. The overall context and presentation is crucial too."

The advertising industry still has a way to go. A recent world-wide research study shows that ad portrayals are rarely aspirational or authoritative for either gender, according to Kantar's *AdReaction*. The report insists the "gender zeitgeist has overtaken many brands that are still operating like it's 1999" and that attitudes need to change.

"We need to ensure advertising has a broader appeal. The ban is to be applauded. The initial focus will be on the flagrant fouls. Debates about more subjective grey areas are also likely to be informative, as more people stop to consider what other people may find offensive," says Duncan Southgate, global brand director at Kantar.

The ASA's push is not the only one. There are other campaigns looking to eliminate outdated stereotypes, such as that by Unilever, convened by UN Women and called the Unstereotype

Initiative. The aim is to eradicate diminishing portrayals of all people across advertising. Mars, Diageo, WPP, Ogilvy, Johnson & Johnson and P&G are some of its members.

"The reason our ads are now increasingly full of social justice themes is because that's what people want, that's the emerging cultural conversation now," says Jem Fawcus, chief executive of Firefish. "Advertising reflects the reality of the world we all live in; we get the ads that we deserve. While yes I understand that regulation has its place, here may not be it."

There could be an unintended consequence of the ban, where brands choose to step away from gender references or poking fun at all for fear of falling foul of the law.

"There's a big difference between using humour to cement an existing injustice and using humour to challenge it," says Stephen Frost, chief executive of Frost Included. "You can express a sense of humour and

simultaneously fight systemic injustices such as sexism. These are not mutually exclusive."

Having an advert banned post-June is also unlikely to go down well with the client or agency. For instance, Gillette courted controversy in this arena recently with an advert dealing with toxic masculinity head on with references to the #MeToo movement. It led to indignation from some, others threw away razors in disgust, yet the campaign also garnered praise.

"The ad generated a wave of negative social media response, but when we conducted representative gender portrayal research, we found that very few people thought the male characters were portrayed inappropriately. Key to achieving successful and gender-balanced ads is finding a way through the grey area of subjectivity and interpretation," says Mr Southgate.

With the ban in place, the consensus is the advertising industry will need to work and think harder. Lazy marketing, grounded in any kind of stereotype, however true it might be, is yesterday's marketing. It also belies a lack of current social understanding. Brands will need to be smarter in how they talk to customers and really understand their 21st-century needs.

"The conversation on gender is shifting and it's time that brands started listening. Generation Z is leading the way and redefining gender, making a traditional binary understanding feel outdated and out of touch," says Michelle Du Prat, executive strategy director at Household. "More than a third of generation Z strongly agree that gender does not define a person as much as it used to and brands will need to move on from a reliance on outdated stereotypes to stay relevant."



The ban comes at a time when the advertising industry is already moving in the right direction. Ms Smillie said she expects very few ads to fall foul of the upcoming ASA reform. "Advertising agencies are already opting for more inclusive and subtle campaigns

that resonate with the audience's expectations for a fairer and less damaging view of gender roles. These campaigns are often highly impactful and do incredibly well, gaining traction and going viral," says Majbritt Rijs, managing director of the numbers lab.

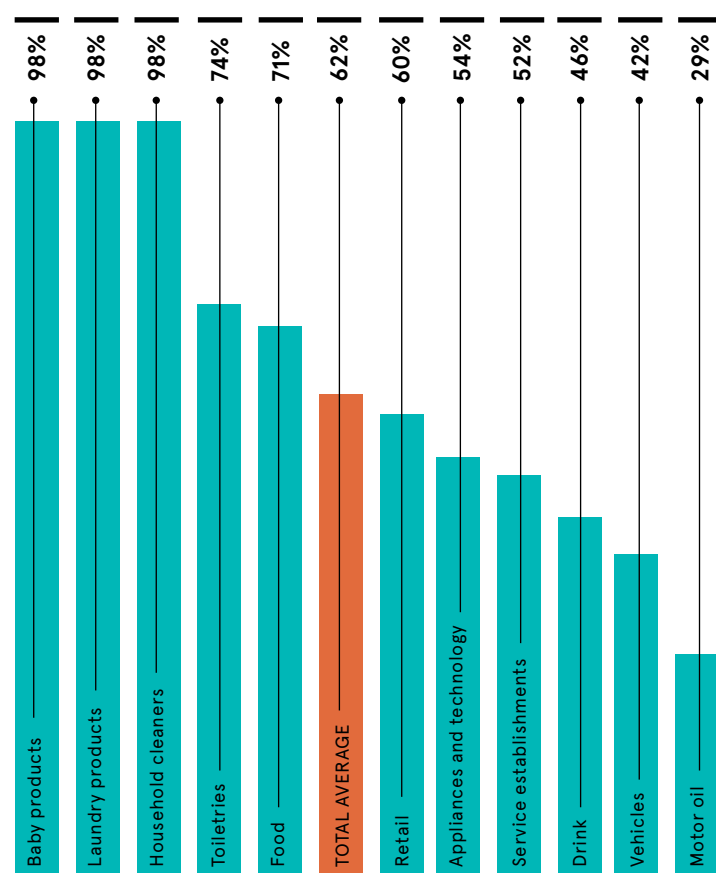
Perhaps this rethink should have come a long time ago; maybe the same could have been said of rules on smoking, alcohol and betting ads. Certainly, it will refocus minds. "When you have restrictions in place, you are forced to think creatively and that often leads to superior work. I think there's a great opportunity for creative agencies to do exactly that, to become even more creative again," says Danielle Bassil, chief executive of Digitas UK.

The battleground over gender isn't the last either as there are new ones emerging, with the lens of inequality focused elsewhere. "It is interesting to note that advertising around age is still trapped in a 70s-time warp. If you look at most ads featuring older people, it would appear that they do no more than tend to their allotments, buy hearing aids and go on cruises in the Mediterranean," says Nick Cooper, global executive director at Landor Associates.

"No one is complaining about this because the voice of older people has not been as loud as that of gender. Yet we live in an ageing society, which is having truly profound effects on the population balance, the workforce, the role and worth of retirees, the funding of pensions, the distribution of wealth between generations, and other fundamental socio-economic topics." So expect more on social injustice, a lot more. ●

## WOMEN OVER-TARGETED IN SOME AREAS

Percentage of women in the target audience for marketing in the following sectors\*

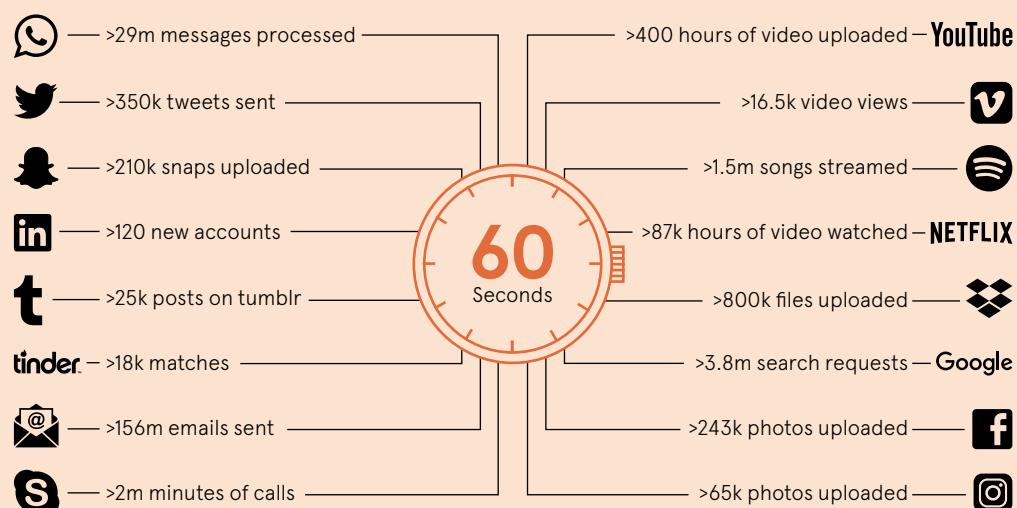


\*Taken from Kantar's Link ad testing database 2010 to 2018

Kantar 2018

## What happened online in 2017 within 60 seconds

Advertisers are having to keep pace



Go-Globe.com/company information/Statista research

# At the forefront of advertising

The face of advertising has changed dramatically over the past 23 years, but few have pioneered innovation within their sector during this time more than Claire Randall Consulting

**E**stablished to manage television production for a leading food and beverage client in Europe, which the company retains to this day, Claire Randall Consulting (CRC) has since expanded and diversified its remit globally. CRC now covers all media channels, as well as complementary strategic services, including marketing process and production reviews, spend audits, decoupling consultancy, digital asset management, benchmarking, training and much more.

"As such we are now one of the world's leading creative production consultancies," says founder Claire Randall. "We work alongside marketing and procurement departments of blue-chip companies across all sectors around the world, managing and optimising their advertising production budgets, while helping them build an efficient content production strategy.

"Across our 30 clients worldwide, our primary goal remains to help them achieve value from their production investments, and develop a more agile and efficient production ecosystem."

CRC's premium, personal and professional service has been instrumental in forming long-term relationships that have subsequently helped clients negotiate a rapidly changing advertising landscape.

Calls for enhanced transparency in the bidding process, a rise in specialist production implementation agencies, more stringent budgetary requirements, ever-increasing demand for content and in-housing of production are all listed by CRC as prominent challenges or modifications within the sector. The focus for

the company has therefore been to meet these demands head on, and to mitigate challenges and leverage opportunity in equal measure.

"More and more brands are using production consultants such as CRC to help them navigate this complex landscape, and to give them the support and confidence to create a content production strategy that is tailored and efficient," says Emma Hartard, managing director at CRC. "Our role is to provide independent third-party advice, not only on specific productions, but also on long-term transformative opportunities to meet our clients' evolving needs."

Investments in a proprietary cloud-based database and internal-collaboration technology are testament to CRC's willingness to adapt and evolve ahead of the curve, while the continuous aim of diversification is epitomised by the company's expanding and highly experienced consultants with first-hand industry knowledge.

"The fact that most of our clients come from referrals is the best indication of our standing in the industry," Ms Randall continues, evidencing her company's successful, client-driven strategy. "Among our extremely loyal client base we have several companies we have been working with for more than 14 years."

Ms Randall and her management team see a natural synergy between long-standing relationships and the opportunities available from a consultancy perspective moving forward, helping brands define and streamline their operations in line with an environment few understand better than CRC.

"The production and agency landscape is changing at such a speed, we need to keep up with the pace and ensure we are best positioned to advise our clients on all the options and approaches that are available to them," says Ms Randall. "At CRC we need to understand the nuances of these various solutions well enough to be able to guide our clients through difficult waters."

One such wave hitting the advertising industry in the coming years will be blockchain, which client services director Julia Rodino Higgins predicts will be a necessary disruptive shock to the sector.

"The digital advertising ecosystem is vague and inefficient," she says, "and there is little transparency for advertisers about who is exactly watching the ads, thus making measurement of return on investment extremely difficult. Digital advertising is ripe for blockchain solutions that increase transparency with ad buys, improve trust among the ad supply chain and remove the middleman."

Ms Randall concludes: "At CRC we intend to be at the forefront of these industry developments, broadening and extending our consultant base to one that has deep experience in all these areas, enabling us to advise and guide our clients through all the production solutions available to them."

For further information please visit [www.claire-randall.co.uk](http://www.claire-randall.co.uk)

EST. 1996  
**CLAIRE RANDALL**  
CONSULTING

# LEARN ABOUT THE FUTURE ... OF ... ADVERTISING WITH A COUPON



**FREE  
COFFEE**  
WITH EVERY CHAT



WWW.RECI.PE

## OPINION

# Five mistakes marketers should avoid in 2019

The modern internet has provided the worlds of advertising and marketing with abundance, in terms of tools, techniques, data and possibilities. But while everything that's new has been embraced, time-tested strategies of the past are viewed as ineffective and boring. Marketing thought leader **Tom Goodwin** explores the need for balance, and what marketers should avoid this year and beyond

Tom Goodwin

### Measuring precisely the wrong thing

Inboxes today, even after a short trip, look like a paranoid mess: "How did we do? Was your trip OK? Tell us how to improve. We want to hear back!" I'm sure I could take a dump in a petrol station forecourt and I'd soon be asked to rate it (the location that is) by text. The thing is, requests for feedback are rarely exactly that. "Please tell us how you feel" comes from a nore-

**1** ply@ email address and what's really been sought is one thing – the net promoter score. What's happening is that marketers' bonuses are being

calculated about the rise and fall of a very precise, but entirely pointless, score. To make matters worse, the actual labour is done by the most valuable customers there are – frequent users.

The digital age has created endless, abundant, fast, free-of-charge data that is both easy to measure and absolutely and entirely useless. Reviews tell you only how people are, not what they experienced. Scores are barbell shaped to represent delight and anger.

The only scores that matter are soft, qualitative, emotional, anecdotal and slow to change; they are hard to measure, hard to attribute, and there are many unknowns. We must thrive to embrace the wonder of feeling our way to success.

### Being distracted by the 'new' thing

We are obsessed as an industry with the idea that everything that has been done for years is to pejoratively be labelled "traditional" rather than "proven", and that anything new that we've not found a way to work especially effectively is "innovation".

**2** Ironically one of the slowest changing industries in the world is marketing. For years we spoke of the year of mobile, while effectively ignoring it; we talked of its power, while bolting it on to the sides of what we did and starving of it money. This created a huge vacuum. Agencies and marketers, who now decide to fund things that work well and are not widely noticed, fear that others in the industry won't just think they've decided to not do virtual or augmented reality, or create a decent customer service on an app – they will assume these naive teams are just slow to embrace the wonder of the new.

As Picasso said, you have to learn how to paint before you learn how to un-paint. Sophisticated, confident, bold practitioners need the balls to say no to the myriad of distractions our industry risks being sidetracked by. Blockchain may one day be interesting, but why not make a mobile site that works now. iBeacons can offer hope, but how about serving a decent mobile ad. What matters in our world now is mostly the same as always: great ideas, a reductive powerful strategy and stories told well.

The pace of change is largely not as fast as everybody makes out. The really big changes and huge possibilities are not as immediately exciting as we think.







### Ignoring the past as a starting point

Have you ever noticed how qwerty keyboards today are designed around the limitations of the mechanical arms of typewriters, or how self-driving cars are not vehicles rethought around new behaviours, use-cases and ownership, but some boring Toyota with a spinny thing on the top. We enter new eras in any world by taking what we've done before and adding technology: video ads are essentially TV ads; banner ads are classified ads; native content is advertorials; social media ads are print ads. We've made nothing new, just augmented.

### Forgetting empathy

The more time we spend on devices, the more we check them, the more advertising inventory we create. Abundance means the value of ads is largely suppressed, and to keep afloat publishers need to create ever-more inventory, and the vicious deflationary spiral continues to the detriment of our attention.

We are now bombarded with advertising like never before. The only way to survive is to literally

When internet advertising first appeared, we called it "interactive", alluding to the channel's potential future possibilities. Digital is unlike any other medium: It is not a delivery mechanism. It is not a device. It's a whole new transformation in what is possible – a creative canvas the like of which we've never seen before.

We must work around the power of what is made possible by the digital age. We can now make ads where we can measure how people respond, and optimise in real time. We can now make ads that are dynamically created with real-time data. We can now buy against contexts, not against audiences or

content. We can now serve ads sequentially. We can make ads that come to life in 3D on the most intimate screens we've ever known.

More than anything else, ads are now interactive. Let's stop lazily assuming the call to action from an ad is "click to find out more", and instead think of every ad as being in the fast moment of truth – the chance to buy anything, anywhere, with one touch. Let's explore new formats like high-resolution GIFs, or luxuriously produced high-res images that shimmer.

3

block out what you don't want to notice. We have to be much more considerate about our audience. We have to learn how to seduce, not interrupt. We have to be far more mindful of the power and value of the customer's attention spreadsheets have failed to measure this opportunity. We need to think much more imaginatively about the way in which ads are served, for a blend of context, creativity, ideas and (a little bit of) technology together.

As marketers, what do we really notice? It's always big ads served on a big scale that create shared cultural moments; never automated or programmatically served text-based banner ads. Let's be more ambitious. Our goal should be to dazzle, not interrupt; to connect, not interfere; to be considerate of what the person is feeling and hoping to do in that moment.

4

### Attributing success to short-term metrics

We've all typed in the name of an airline and clicked on the top link served to us by Google, and to many in advertising this appears like success, rather than wish-

ing the user clicked the one below that the brand didn't pay for. This is a shift towards short-termism a movement away from gut-based

decisions and moves more and more money closer to the point of purchase. This doesn't create more success, but ties more closely with your actions and reactions.

On the surface, this all looks like success, but it means brands slowly wither. We need to balance both the long term and the short term. While keeping an eye on the understandable quarterly goals that management set, brand building needs to be a long-term target, reaching potential audiences that may

not come on stream for a while, broadening the ability of a brand to charge a premium.

### Lastly... ignore all generic advice

Your job is to be exceptional, not one rulebook leads to success. Some people need TV, some people need influencers, for some press about the latest AR initiative gets you promoted. We all have to find our own way. ●

#### OPINION

## 'We will remain a destination for the best creative minds to come and transform global businesses'

**T**imes are tough in the UK and times are tough for UK advertising. Once the envy of the world, our industry is in a period of significant flux, as we struggle to find our place in a new marketing landscape dominated by social media giants and management consultants, both of which are working to disintermediate advertising agencies and deal direct with marketing clients.

There's no doubt that we need to find new ways to stay important and relevant, and keep being a hugely vital industry to the UK economy. It's worth noting that advertising adds £120 billion to UK GDP each year and employs almost 500 thousand diverse and highly creative people.

In fact, advertising employs exactly the sort of people who will ensure its future looks far more rosie than the current reality suggests. From the very top down, advertising is under new management. The UK's biggest advertising holding company is now led by the smart and digitally savvy Mark Read, who is a generation or two younger than his recent predecessor.

The energy that flows through the rest of the industry is more dynamic than I have known it to be in a decade or more. We are seeing new types of agencies springing up, serving clients in fresh and commercially exciting ways. We have the in-house specialists putting creative people into client organisations and offices. We have agencies linked with broadcasters, such as Sky and Channel 4. We have new agencies with their own broadcast studios that offer high-quality programming as well as the more regular ads. We are undoubtedly a new model industry these days.

And we are a far smarter industry too. We all know about the dark side of data analytics from headlines about Cambridge Analytica and AggregateIQ. But there's a brighter side, where brilliant data-driven marketing is being put to use by leading brands, for commercial and positive reasons, and the UK is a world leader in this whole area.

For my part, in my role as industry cheerleader as president of the Institute of Practitioners in Advertising, I have put technology

and machine-learning at the heart of my agenda. I have been driven to raise the standard of knowledge and confidence in the industry to make marketing magic with the machines.

So we are world leaders in using marketing data and artificial intelligence, and in driving new entrepreneurial models for our businesses. But we are still the envy of the world for the quality of our overall creativity. The top two agencies at last year's Cannes Lions, the global marketing world's Oscars, were from the UK.

Advertising at its best can transform businesses like no other investment. Just think what the Meerkat has brought to Compare the Market, what the Christmas ads have done for John Lewis, and what Marmite and Dove's marketing has delivered to Unilever. No other business partners can have anything like that game-changing impact, and clients will always need and value it.

But increasingly we are able to bring our skills at making brands famous to bear on so many other parts of the customer experience, from omnichannel retailing through to after-sales chatbot-based support services. We ensure every customer touchpoint delivers a useful branded experience.

I have never been more excited about the future of advertising. We are the best in the world and we are leading the world, and no matter whether we are increasingly an island nation, we will remain a destination for the best creative minds to come and transform global businesses. The future is bright for advertising. ●



**Sarah Golding**  
President  
Institute of Practitioners in Advertising

**Stop  
throwing  
good  
money  
after bad  
data.**

**See why data activation is  
the new baseline in 2019.**

**[dataxu.com/future](https://dataxu.com/future)**