



TRENDS REPORT 2019

ADVERTISING WEEK NEW YORK

PRESENTED BY:  AWLEARN

CONTENTS

3

WELCOME
NOTE

4

EXECUTIVE
SUMMARY

6

THE
QUOTES

8

SECTION 1:
IMPACT MAKERS

16

SECTION 2:
TECH STARS

24

ADOBE REPORT
FINDINGS

26

SECTION 3:
AD SHAPERS

34

SECTION 4:
STORY CRAFTERS

43

THE FUTURE
OF AI

45

SECTION 5:
CULTURE BUILDERS

53

SECTION 6:
INSIGHT DRIVERS

61

SECTION 7:
ENTERTAINERS

WELCOME



RUTH MORTIMER

**MANAGING DIRECTOR OF GLOBAL EDUCATION
AND DEVELOPMENT AT ADVERTISING WEEK**

**‘GREAT MINDS THINK
UNALIKE’ HAS ALWAYS
BEEN ADVERTISING
WEEK’S GUIDING
PHILOSOPHY, AND TODAY
THIS SPIRIT IS MORE
RELEVANT THAN EVER.**

Our first Advertising Week trends report is based on the diverse thought leadership, research, and opinions shared at our New York event this year. We have captured these trends here because we are a learning organization. We learn from the wide variety of people, businesses, opinions, and strategies in our network.

We want to help you learn everyday, too. We want to help you to create organizations that adapt and endure in an incredibly fast-paced marketing and advertising industry.

Let our first trends report be your guide through the thinking, ideas, and tactics used by some of the world’s top companies. We are immensely proud of creating a learning space for the advertising and marketing industry and hosting the conversations that really help change things.

Our report does not offer what is ‘wrong’ or ‘right’. We do not tell you how to do business. Instead we give you the information, opinions, ideas, and space to think and create your own version of what works.

We live in a time of tension. As more marketing services become automated, people value true personalization and human approaches more than ever. As digital and 5G offer more communication channels than ever, we worry that messages are being lost.

We embrace that tension. We embrace conversation, creativity, and the future. We offer an open platform for ideas, theories, and people who can help you change your business. This report sums up that mission. Welcome to our mix of thinkers and learning moments. Great minds think unlike, and long may that continue.

EXECUTIVE SUMMARY

THE RISE OF THE... HUMANS

So it was only natural that for the better part of the last two decades we as an industry have been focused on the possibilities being created by the internet and technology – data, drones and digital in all its glory.

But we got a little preoccupied with the pipes down which we delivered messages, the data points and identifying the best time of day and even optimal temperature at which to serve an ad. Then we got into stalking people across the internet – forcing governments to take out restraining orders.

Fortunately there's been something of an awakening – a realization human beings are the end consumer here. That was my main takeout from Advertising Week New York.

Audiences are now a top priority for most marketers. That means starting to really understand how people are using media and technology, and the opportunities and limitations this affords advertisers to interact with them as human beings, not just abstract data points.

This shouldn't be too hard for us to manage as an industry, should it? After all, the one thing we all have in common is we're all human beings, and consumers to boot. So it shouldn't require too much of a leap to start to understand what customers actually want from brands.

This report is the distillation of more than 300 sessions from Advertising Week New York into seven sections (and a couple of bonus sections). We've captured the heart of some of the most interesting topics and thrown in some practical advice for marketers from leading global experts in each area. There are nuggets here which will make you better at your job today.

It's designed as a thought starter – you can find links to related articles, reports and even videos of sessions in each section, to take a deeper dive and push your own understanding.



ALEX HAYES

AW360 CONTENT/INSIGHTS DIRECTOR

**IT'S HUMAN NATURE
TO BE CURIOUS**

THE SECTIONS



In this section we deal with the conversation and action points around inclusion, diversity and mental health. From the shocking backwards step in female leadership to opening up real conversations about how people really are. And there are real and practical examples of making your marketing more representative.

The Cookie Apocalypse is coming, as is more regulation creating a choke-point on marketers. We discuss how to combat this and why measurement needs to avoid being ensnared in the same trap.



The industry is shifting shape, and in this section we deal with those changes to the marketing department and agency world which are going to have a real impact. From predictions on what agencies and holding groups should look like, to the future of collaboration.

Telling stories in the way people expect for the platforms they are on is non-negotiable for marketers now. Here we dive into issues around creating the volume you will need, using data, and a deep dive on TikTok.



The 2020 Presidential election could change everything. In the past three years we've seen brands become more socially active, and here we look at what that means, where they should draw a line and what the benefits and negatives are.

Technological morality and soloism are some of the topics covered in this diverse section. Former Unilever marketer Keith Weed explains how we can rebuild trust in advertising, while we take a walk through the next brand frontier - taste.



It's not enough for most brands to have consumers, now most are looking to create fans. Here we look at how the likes of Serena Williams are parlaying sporting prowess for boardroom influence, gaming's renaissance, the rise of audio and how TV has gone digital.

THE QUOTES

“We know that 2021 and 2022 will be a game-changer in the media ownership landscape.”

JUAN CARLOS RODRIGUEZ, PRESIDENT, SPORTS UNIVISON

“The number one killer in skateboarding is doubt. If you approach something with any sense of doubt the worst case scenario will come true.

That’s something I carry through to advertising.”

TONY HAWK, FOUNDER D/CAL AND SKATEBOARD LEGEND

“Audiences want to see themselves in the content. They want to feel a part of the content.”

JACK DAVIS, CEO AND CO-FOUNDER, CRYPT TV

“Inside every cannabis and hemp plant is a world of untapped potential.”

DRAKE SUTTON-SHEARER, CEO, FUTURE STATE BRANDS

“No one rocks the boat because the boat is full of money.”

LEAH CASTERLIN, CO-FOUNDER, MEDIA FORTITUDE PARTNERS

“The open internet was based for a cookie-based world... now it’s ‘let’s make it people based.’”

TRAVIS CLANGER, VICE PRESIDENT OF STRATEGIC PARTNERSHIPS, LIVERAMP

“Treating people with dignity cannot be understated. It is everything.”

IMAN, FOUNDER AND CEO OF IMAN COSMETICS, SKINCARE, AND FRAGRANCES

“It’s not time to think verbal, it’s time to think vocal... It’s okay to make your vernacular spectacular.”

RICHARD SUNDERLAND, FOUNDER, HEAVENLY

“Speak your truth at all costs.”

GWYNETH PALTROW, ACTOR AND FOUNDER OF GOOP

“When I have a day off I feel miserable, but if I can keep my mind engaged I feel better.”

JESSE EISENBERG, ACTOR

THE QUOTES

“By being in the adtech space you are in the battlefield whether you like it or not. The adtech industry is building the infrastructure that gets used for informational warfare.”

**BRITTANY KAISER,
CO-FOUNDER OF THE DIGITAL
ASSET TRADE ASSOCIATION**

“I think we’ve hit peak founder. The lines between a vision and then bullshit and fraud have become blurred now.”

**PROFESSOR SCOTT GALLOWAY,
NYU STERN AND FOUNDER OF L2**

“Cut down the crap – we want to use advertising to elevate value in people’s life. If we go to a world of zero targeting and data, life will be hell.”

**NICHOLAS BIDON, GLOBAL CEO
OF XAXIS**

“I was a reactionary person, I thought I was being a superstar for myself, my wife and my team and in fact I was just being a dickhead.”

**LUCIO RIBEIRO, LECTURER IN
MARKETING AND AI, RMIT**

“We’ve made advertising feel incredibly dystopian online – there’s endless retargeting and a lack of empathy in the engineering and we need to make that change.”

**WESLEY TER HAAR, FOUNDER,
MEDIAMONKS**

“I THINK we could have one of the biggest explosions of creativity we’ve ever seen.”

**MARK PRITCHARD, CHIEF
BRAND OFFICER, P&G**

“I’d like agencies to do three other things: Win back more of my trust; Win back more of my admiration; Win back more of my money.”

**IVAN POLLARD, CMO, GENERAL
MILLS**

“I think we should stop using the word digital to describe media channels. They are all digital now.”

**DAN LEVY, CMO, CLEAR
CHANNEL**

“Take risks. The worst that can happen is nothing, and nothing is the outcome of most marketing campaigns anyway, so what have you got to lose?”

**FERNANDO MACHADO, GLOBAL
CMO, BURGER KING**



“OUT OF ANY INDUSTRY THAT NEEDS TO GET THIS [FEMALE LEADERSHIP] RIGHT AND BE THE MODEL, IT BETTER BE THIS INDUSTRY BECAUSE WE CONTROL THE MESSAGES THAT PEOPLE SEE.”

CAROLYN EVERSON, VP GLOBAL MARKETING SOLUTIONS, FACEBOOK

INTRODUCTION

The dominant conversation topics at Advertising Week in 2019 didn't center around technology, creativity or data but were about diversity and inclusion — across the spectrum. It should go without saying by now that these are business critical issues for anyone wanting to create communications to speak to a wide variety of people.

INCLUSION MOVES BEYOND THE PLATITUDES

There were numerous topics around gender, race, sexuality, age, and more — something that even five years ago would have been unheard of. These conversations are garnering more and more attention, showing there is a serious appetite in the industry to understand how to tackle these issues.

The basic fact remains, we are a pretty homogeneous looking mob in an area where it matters most — leadership — and it was a shock to hear a She Runs It report that suggests the number of female leaders has actually gone backwards in the last year.

Clearly, there is fundamental work to be done. Which is why it is time the conversations moved beyond hand-wringing and analysis, and progressed to more practical and granular, looking at real-world initiatives which have worked for the most progressive companies.

Mental health is also something we are taking more seriously. There are very few industries which can put such onerous expectations on people and continually give so little back.

Open and honest conversations are key for furthering the understanding and removing stigmas. The sooner we realize everyone has mental health, the better it will be for us all.

There is an appetite for change in the industry, and with more companies leaning into social impact as it is demanded from their customers, there will be more and more initiatives which make a real difference in these vital areas.

EQUALITY NEEDS TO BE APPROACHED WITH A BUSINESS MINDSET

The number of females at the top of companies in the advertising, media, and tech sectors has gone backwards. A She Runs It survey shows female leaders made up just 29% of the workforce in surveyed companies, down from 30% last year.

Women make up half of the workforce at entry-level, so it's an issue of them not getting promoted to the upper echelons.

One way to address that is with action plans around progression, but it also turns out the industry has a lot of work to do when it comes to creating those too, with stats showing just 7% of businesses already have one, compared to 57% of all businesses in all industries.

“We need to approach it the same way we approach business problems — dissecting the data and analytics the same way our brand marketers do. That has never been done. We've been throwing money at things without the same level of rigor the industry is known for and very proud of,” says Carol Watson (pictured right), Senior Director, Global Advisory Services at Diversity Best Practices.

Droga5's Engagement and Inclusion Director Tiffany Edwards is calling on us all to move beyond the hand-wringing, handing out some concrete advice for companies to just be better at it.

First in her sights were business leaders who, she says, need to get in the trenches on the issue and stop just hiring Diversity Directors and then leaving them to fix the issues. “Writing a check or attending awards shows are not the only actions you can take,” she says.

Diversity is a massive issue — so focus on one area to start the process. Edwards said in most cases this should be race, as rights won in other areas such as LGBTQI and women don't always trickle down to people of color.

And once you have systems in place to attract more diverse talent, put time and effort into keeping them. That means leaders stepping up and changing practices in the workforce, as well as making an effort to mentor people from different backgrounds to them.



Advertising Week New York 2019/Shutterstock

FINDINGS FROM SHE RUNS IT SURVEY

29%
of corporate/ executive positions
at AMT companies are held by women
– down from **30%** last year

Women make
up approx
50%
of AMT workforce
on entry

Only **7%**
of AMT companies
set concrete diversity goals

57%
of companies in all industries, according
to DBP benchmarks set concrete diversity
goals

(Source: 2019 DBP Inclusion Index Data Snapshot)

LEADERS NEED MORE FEMALE TRAITS THAN EVER BEFORE



Advertising Week New York 2019/Shutterstock

One way to encourage mentorship and help women navigate the career ladder is by sharing the stories of those who have been there and done that.

Two of the most prominent female leaders at the moment are Facebook's Carolyn Everson and Boudica founder Joanna Coles (pictured above). The duo shared candid stories and experiences from their time on the frontlines — Coles in the cut-throat publishing industry and Everson in the male-dominated Silicon Valley environment.

Coles noted the fact that the changing consumer landscape means modern leadership traits are more common to women than men. "You're

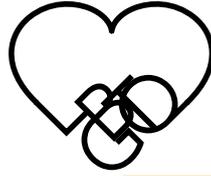
seeing a new kind of humility in the best modern leaders coming out who understand that they are... working on behalf of their consumers and their staff, it's not that they're leading everybody now."

Everson opened up on her personal battles with self-confidence after being fired from her own company Pets.com: "I've had confidence issues for many years. When you look at my resume you would think it's all planned, but it wasn't." It took her a decade to come to terms with that huge knock to her confidence.

Both women agreed on one thing - the advertising industry has an obligation to do better in future.

"You're seeing a new kind of humility in the best modern leaders coming out who understand that they are... working on behalf of their consumers and their staff, it's not that they're leading everybody now."

JOANNA COLES, FOUNDER, BOUDICA

**4.8%**

of the 895 characters on scripted TV shows are openly LGBTQ (GLAAD 2016/17)

46.3%

of Unilever ads show women in positions of power

(Source: Marketing Week)

ADVERTISING MATTERS. TAKE RESPONSIBILITY FOR YOUR BRAND'S IMAGERY

Advertising campaigns are seen more often by consumers than any TV show or other content. That's kind of the point of them. The world's biggest advertiser, P&G, acknowledges that with great ad spend also comes great responsibility.

Which is where 'The Look' comes in. It's a beautifully shot and heartbreaking journey following a black father and son, and the moments of micro-aggression and snap judgment the father experiences everyday, no matter what he is doing.

P&G and Saturday Morning, the agency behind the work, revealed scenes such as the swimming pool and a lunch counter were deliberately chosen to mirror iconic moments from the Civil Rights movement.

There's a reason stories are so popular within the industry, they encode memories and help create habits. It's why advertising is so powerful — we don't just have the ability to sell products, but also perpetuate stereotypes. The more carefully we parse our communications, the more meaningful an impact the work will make.



THE LONG TAKE: LET'S LOSE THE STIGMA — ACKNOWLEDGING OUR MENTAL HEALTH CHALLENGE

Health is something we all have. But while most workplaces can't do much to impact their employees' physical wellbeing, they all have a huge impact on their mental health.

In the US, one in five adults is struggling with mental health problems right now, and nearly half will experience mental health problems in their lifetime. Those numbers will almost certainly be higher amongst people in this industry.

There's never been more demanded of people from their time — while technology promises to take a lot of the technical grunt work away from humans, we've not reached that inflection point yet and are currently relying on individuals to churn out more than ever before. That work has also never been so open to scrutiny and direct feedback from consumers.

No wonder there are a lot of people feeling anxious.

That's evidenced by a recent industry-wide study in Australia, which shows more than half of respondents (56%) showed signs of mild to severe depression — 20% above the national average, and 29% more showed signs of anxiety compared to the national average. In short, the industry is highly strung, stressed out, and in need of change.

Fortunately, times are changing, and more people are acknowledging the need to share stories to help break down stigmas. Actor Jesse Eisenberg opened up about his lifelong battle with anxiety (he doesn't even go to the cinema, so anxious is he to avoid people).

Mike Caguin, chief creative officer of Colle McVoy, opened up about his daughter's struggles with her own mental health and the impact that had on him and his wife as they struggled to support and understand what she was going through. It led to him encouraging his whole company to open up to him about their experiences, leading to some remarkable stories being shared.

“As a marketing industry, we're experts at understanding audiences and how to compel and motivate them. Yet when it comes to the workforce, there isn't a whole lot of insight and understanding there as to what are their struggles and how can we help them.”

MIKE CAGUIN, CHIEF CREATIVE OFFICER, COLLE MCVOY

He explains: “As a marketing industry, we're experts at understanding audiences and how to compel and motivate them. Yet when it comes to the workforce, there isn't a whole lot of insight and understanding there as to what are their struggles and how can we help them. To me communication is critical, get that right and we reduce the stigma and everyone feels comfortable being vulnerable and sharing their stories.”



He urges workmates to look out for colleagues who seem low, employ listening techniques, and give them a safe place to share their thoughts. For companies, he says they need to promote their existing benefits and offer up spaces for people to decompress and escape their sense of being overwhelmed, which can be a major sign of anxiety.

Examples are set from the top down. Former agency boss Lucio Ribeiro gave a candid insight into his own struggles: “I was a reactionary person, I thought I was being a superstar for myself, my wife and my team, and in fact, I was just being a dickhead.”

He shows a picture of a suburban railway station, then tells the story of a day in September 2018 when he went there intending to take his own life. Something happened that made him stop, but in that moment, he realized he needed to recalibrate his life and let go of all the trappings of success he had been clinging onto which were in fact weighing down on him.

He sold his agency, forgoing a premium for an earnout in order to be able to walk away from the business knowing his team would be taken care of, and started a journey to understand how to be happy again.

Ribeiro sets out seven steps he has embraced to help come to terms with himself and his mental health, one being around having empathy, both for yourself and for others, because you will have struggles and need to understand others do to, and ultimately, “we all tell stories in our minds to justify things, we are many different personalities living under one roof”.

We all struggle in some ways, and the nature of this industry means there will always be deadlines and high-stress moments. But it’s finding the moments to balance that out with a more mindful approach to what we are asking from each other which will put just a little more humanity back into the process.

If you have been affected by any issues raised in this section, you can find help from the SAMHSA Disaster Distress Helpline by calling 1-800-985-5990 or text “TalkWithUs” to 66746.

METRICS FROM THE MENTALLY HEALTHY REPORT 2018

56% showed signs of depression

This is **20%** above the national average

89% will work closely with someone with depression



29% would share that they had been diagnosed with depression



57% of employees show symptoms of stress

26% of 17 - 24 y/o felt those with mental illness would be treated differently compared to

48% of 45 - 54 y/o

57% of employees show symptoms of stress



18% show signs of severe or extremely severe stress

[Source - Never Not Creative, UnLtd and Everymind]



3 THINGS FOR MARKETERS: MAKING YOUR MARKETING MORE REPRESENTATIVE

As marketers realize the importance of making their messages represent their actual customer base, we spoke to Dr. Tyrha M. Lindsey-Warren, Clinical Assistant Professor of Marketing at Baylor University, who has done extensive work in this field, to understand where to start

'BE ABOUT IT' AND ADDRESS MARKET RESEARCH ISSUES

Many marketers say they want to achieve equal representation in their marketing efforts. However, it is another thing to actually do the work. To support your business case for it, extend beyond your comfort zone to be more inclusive. Expand your research tools and teams to be more representative of your consumers. Consider hiring marketing researchers of color and expand your participant pool to include more diversity. Researching consumer behavior of diverse audiences can lead to powerful insights. For example, Dr. Lauren Rhue from Wake Forest University and Drs. Nils Olsen and Vanessa Perry from George Washington University are doing groundbreaking work on the impact of AI on gender and race. The Marketing Ethnic Faculty Association and the Race in the Marketplace conference are other great resources to explore.

EMBRACE 'EMPOWERED STORYTELLING'

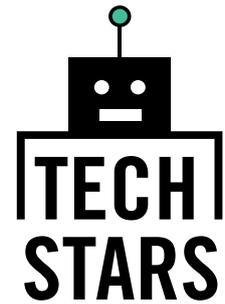
Storytelling that exudes the emotion of empowerment helps marketers make an emotional and genuine connection with consumers. Research shows empowered storytelling evokes optimism, inner power, and confidence with a call to action that encourages consumers to look beyond themselves. It improves message recall and enhances purchase intentions. Empowered storytelling is a wonderful marketing and communications strategy for digital — especially for Millennial, Gen Z, and Alpha consumers. For brands, these consumers want to know what you are about, what you stand for, and how you are going to show up in their lives. Empowered storytelling can assist marketers in achieving these outcomes. Ultimately, the key to making a difference in the lives of consumers may be achieving a balance of entertaining, educating, and empowering them.

MARKET (AND LIVE) BY 'THE GOLDEN RULE'

“Do unto others as you would have them do unto you.” For marketers, this means treat your consumers of color, and more, with respect in all aspects of your marketing efforts. From your customer service and how you develop campaigns or how you actually frame them during a commercial shoot to the development of algorithms and apps, it is imperative to make sure that the decision makers reflect equity, are at the table and feel empowered to participate. For example, ask yourself, would you want your son or daughter looking an unflattering way in a photo shoot? If the answer is “no,” then you need to make a change. If you can't tell, then you need to ask someone.

“CUT DOWN THE CRAP — WE WANT TO USE ADVERTISING TO ELEVATE VALUE IN PEOPLE’S LIVES. IF WE GO TO A WORLD OF ZERO TARGETING AND DATA, LIFE WILL BE HELL.”

NICOLAS BIDON, GLOBAL CEO OF XAXIS



INTRODUCTION

Undoubtedly, one of the biggest immediate issues facing every marketer and brand are the new rules coming in around data, privacy and the customer. Gone are the days of the Wild West approach to people's data, as the effects of GDPR resonate around the industry and we brace for more localized initiatives like California's CCPA legislation.

IT'S THE END OF THE WORLD (AS WE KNOW IT)

Adding to this heady mix is the imminent 'Cookie Apocalypse,' as internet companies take matters into their own hands and start to eradicate those tracking tools which drove so much digital marketing as the internet evolved.

These changes were inevitable, as the fallout from various data breaches from a myriad of companies fueled the calls for action from an increasingly awakened consumer-base.

Adobe's research in this area shows how there has been a real erosion of trust around digital advertising, and the expectations are growing amongst consumers that there will be more controls put in place and brands, platforms, and publishers will take increased responsibility (see special section on page 24 for more).

One upside from these changes may just be that we start to see brands become more creative and interesting across digital channels as the need to engage customers becomes ever more apparent.

These overarching issues are the backdrop for the micro-trends detailed below, all of which take a more people-first approach to online advertising.

BETTER ADS ARE OVERCOMING THE SCOURGE OF THE AD BLOCKER



Advertising Week New York 2019/Shutterstock

For a while ad blockers — tools people used to eradicate ads from the online experience — looked set to pose a major threat to marketers and publishers alike. Adoption seemed rapid and was claimed at around 30% of the population at one point. People were frustrated at the drain on battery, data, and load times, as well as the layers of adtech causing latency on the experience.

According to Ben Williams of eyeo GmbH (pictured), some sites — mainly gaming websites — have ad blocking rates above 75%, suggesting these are the types of tech savvy audiences who are employing this technology. Attempts by publishers to block the ad blockers or persuade them to turn them off to get access to sites merely peeved them further still.

Fast forward to 2019 and things have settled down. Ad blocking is prevalent, but according to eyeo GmbH, blanket blocking has been replaced by ad filtering — users accepting ads on certain sites. Largely, this has been fueled by an understanding that the industry had to up its game — part of which was addressed by the Acceptable Ads initiative.

But now thousands of publishers have moved towards deploying ads that meet certain standards, do not cause irritation for users, and are generating positive results for marketers.

Ad blocking then was really a form of consumer protest — showing the industry that we need to put people first when designing ad experiences, even for a seemingly simple banner ad.

ADBLOCKING BY THE NUMBERS OVER TIME

30%

of all internet users now use ad blockers (Source: Business Insider)

Motivations:

- 48%** say too many ads
- 44%** say ads are too intrusive
- 47%** say ads are annoying or irrelevant
- 38%** say ads contain viruses or bugs

(Source: Global Web Index infographic)

Ad blocking user rate in US is forecast to grow to **27% in 2021**

(Source: Statista)

IF YOU DON'T HAVE CONSUMER DATA, LOOK AT THE CONTEXT OF THE CONTENT

As the Cookie Apocalypse and GDPR continue to bite and erode our ability to pinpoint consumers in the precise ways we have been using in the past, it's not surprising enterprising brands are thinking about ways to continue to make ads better online.

Cue the rise of contextual ads. These aren't a new thing — ads which mirror the content of a particular website or experience have been around for a while. The problem has always been they are labor intensive, limited in scope, and prone to basic errors around misattribution of content.

But as Google revealed in a keynote session, it has been experimenting with new forms of smarter contextual advertising via its own brand ads. As part of its Google Home Mini push, Google worked with The Guardian to place ads on the recipe section of the website — cooking being a time they identified as a good use-case for people using voice-activated technology.

They realized they couldn't rely on using the words on the page to identify whether recipes were sweet or savory — many feature things like sugar or honey, for example — so instead they trained machine learning tools to recognize from the images used whether the recipes were sweet or savory. They then served ads based on that content, built in real-time as the site loaded.

According to Marvin Chow, Google's VP of Global Marketing (pictured right), the ads performed fine and had been delivered "at much cheaper costs" than they could have been previously.

As personal data becomes more premium with regulations creeping in across the world, moving from what we know about people to what might trigger an action based on the content they are actually using seems like a sensible workaround. And for companies such as Google, owning the tools to be able to deliver that context in a deeper way is also a way to shore up a business model which may be adversely affected by data restrictions in the future.



Advertising Week New York 2019/Shutterstock

THE IMPACT OF THE GDPR: challenges that may impede ability to derive value from data-driven marketing

- 53%** said government regulation
- 34%** said siloed organizational structure
- 33.3%** said difficulty in proving ROI in data-driven programs
- 29.2%** said lack of internal experience
- 25%** said lack of direction or resources from organisation's leadership
- 22.2%** said insufficient availability of supporting technology

(Source: eMarketer)

MORE WORK IS NEEDED ON BRAND SAFETY AND DEEP FAKES



Advertising Week New York 2019/Shutterstock

It's the ultimate nightmare for most marketers — your ad for airfares appearing on a story about an air crash, or your pre-roll popping up on a piece of terrorist propaganda. In an incredibly complex world there's no simple solution to this perennial issue which, while an issue in almost every media channel, is exacerbated online by a few bad actors duping the system.

So what's the answer? In short, there is no silver bullet. Black and whitelisting — selecting which sites your ads can appear on — is one method. The problem is that in a competitive world, it leaves untapped audiences and, according to Publicis Media Group's Yale Cohen, 89% of ads

being blocked are miscategorized. Put simply, the technology is nowhere near good enough.

Combining certain keywords is starting to combat this problem — as GroupM's brand safety lead Joe Barone (pictured) explains: "We have no clients that block the keyword 'Muslim'. We have clients that block the keyword Muslim in combination with the keyword hate, or the keyword crime, because we don't want to be in articles about Muslim hate crimes."

Then there's the emerging world of deep fakes. Imagine having spent time and effort blocking a term like 'hate crime' only for a video of your CEO to pop up talking about it — and all entirely faked and created by the emerging area of AI technology.

This technology is still in its infancy and relatively rare, but NewsGuard's Gordon Crovitz spoke of the need to educate journalists about the technology, as they are often the gatekeepers for these videos spreading to mass audiences rapidly. We've seen chatbots being persuaded to go rogue before, and crisis PR expert Marc Minardo said these new technologies were in a similar vein, requiring a human intelligence element to run the rule over things which look decidedly suspicious.

A cautious but measured approach is needed from marketers when understanding where their advertising is showing up, but they also need to be savvy to not punitively punish legitimate news publishers for doing their jobs, in a way they never would have in the print era.

BRAND SAFETY NUMBERS FOR THE US

60% 
of US ad industry professionals said brand safety is a serious concern


Global Survey of **1,118 marketers** found that **41.1%** of US respondents said brand safety is a major threat to their marketing
(Source: eMarketer)

33% 
of people said digital ad spend will decline if problems persist



THE LONG TAKE: MEASUREMENT IS A TEAM SPORT — WE ALL NEED TO WORK FOR IT

Just because we can measure something, does it mean that we should? As more and more of our content is delivered digitally, the perennial issue of measurement — attributing sales to specific platforms and audiences — may be getting closer to being solved.

Cross-platform comparison has long been the sticking point for most marketers, with every medium choosing to measure its success via different metrics — from audience size to engagement and even opportunity to view. Without the ability to compare directly, it's darned hard to understand what actually works. It also promises to allow marketers to understand how frequently customers are seeing their messages.



Advertising Week New York 2019/Shutterstock

But a new initiative from the Media Ratings Council (MRC) looks set to crack one of the biggest categories — video. With more revenue (an estimated \$36B in the US in 2019) being poured into digital video and \$70B being spent on linear TV advertising, this is a vital area to understand.

While we have a 70-page document detailing how it should be measured, there is a slight sticking point, we don't actually have the technology to do it as yet. As the MRC's Executive

“Don't screw measurement. Measurement is inherently a safe thing. It's actually a good thing. Targeting is the problem. Measurement is part of the solution there.”

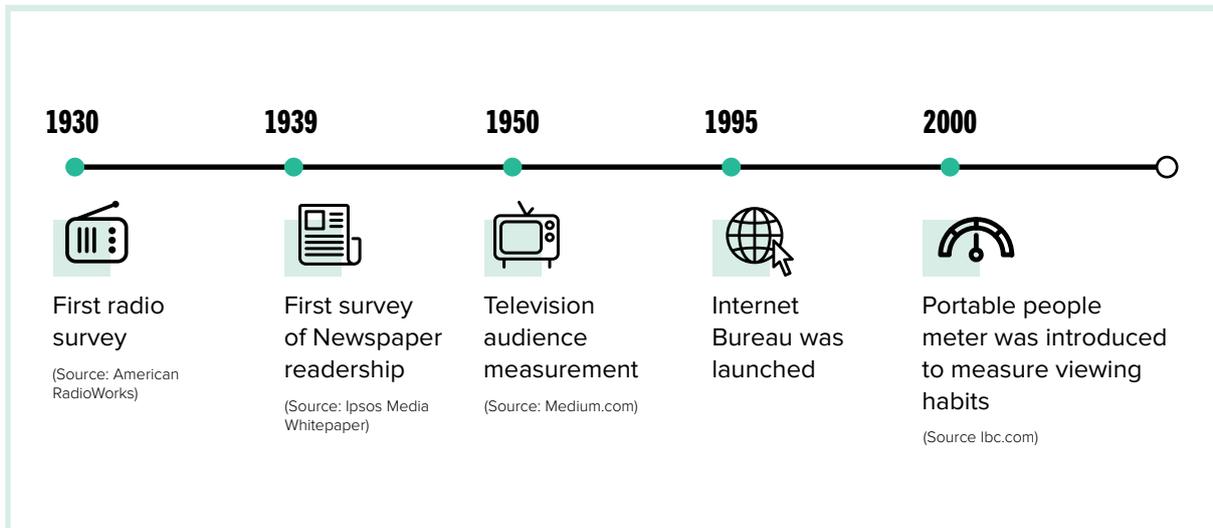
ED GAFFNEY, MANAGING PARTNER, GROUPM

Director George Ivie (pictured) points out, the same thing happened when they released viewability standards seven years ago. Technology only allowed them to measure around 50% of the impressions being delivered for that. Fast forward to today and Ivie says they now measure

99% of impressions, because the tech has come forward as it has had to evolve.

Another challenge to measurement utopia is regulation, with current and future laws potential barriers to measurement, by virtue of the limits they place on data use to stop intrusive targeting.

As GroupM managing partner Ed Gaffney explains: “Don't screw measurement. Measurement is inherently a safe thing. It's actually a good thing. Targeting is the problem. Measurement is part of the solution there. So we've just got to keep measurement pure, safe, responsible.”



So how do we reach measurement nirvana? Well, it's "a team sport" according to Jonathan Steuer, Omnicom's Chief Research Officer. The need for a collaborative approach is supported by much of the industry, but a stumbling block is finding a way of aggregating data that is privacy compliant, works across digital and traditional, and is future-proofed against further regulation.

A major hurdle is the reluctance of some players, particularly in the television sector, to share competitive data, according to CIMM CEO and Managing Director Jane Clarke (pictured). She believes this will change when they realize "there's a competitive advantage to being able to see what everyone else in the industry is doing".

With a framework for a currency in place, the race is now on for the industry to find the technical solution to solve an increasing bugbear for marketers. And as CBS's research lead Radha Subramanyam points out: "The content experience for consumers today in premium video is awesome, let's make the ad experience as awesome as well."

The industry has an opportunity to now move ahead and show regulators that it can be responsible with user data and utilize it to actually enhance the experiences of consumers — but it will require a parking of ego and self-interest to get to that point.



Advertising Week New York 2019/Shutterstock



3 THINGS FOR MARKETERS: RESTORING TRUST IN USER DATA

With regulations tightening and customers getting more savvy to what their personal data is being used for, we spoke to Brittany Kaiser, co-founder of Digital Asset Trade Association, to understand what marketers can do to get on the front-foot with consumers

PEOPLE ARE TRUSTING YOU WITH THEIR DATA, YOU NEED TO LOOK AFTER IT

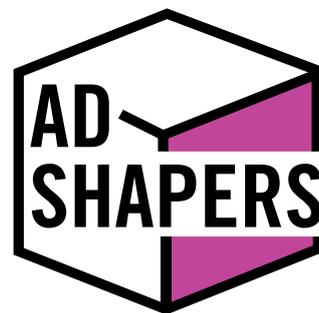
Too many companies think just having antivirus and some cybersecurity software is good enough. It's not. Understanding who has access to ensure what you're holding remains safe is definitely one of the first places to start — think about who actually needs access to it. Most data leaks come from within. Everybody already has something going on with security, but nearly everybody I meet with could make easy improvements that do not cost a lot of money or need a lot of logistics just to pay attention to.

ASK YOUR CUSTOMERS FOR HELP

Think about what data you hold on your customers and find a way to open that up in a dialogue. Telling people what type of data you're holding on them and giving them access to it is an opportunity for you to significantly change your business model on the way that you handle data. Instead of paying data scientists to purchase and license data about your customer, then spending time and money hygiening and matching it, you could ask the consumer what data you hold on them is still true and ask them to update it. It's so much cheaper than large amounts of data science for matching and market research. Just be honest with your customers and see how that works.

REWARD CUSTOMERS FOR THEIR DATA AND TIME

Incentivize your customers to share more data and to engage with your brand more. A lot of brands and marketers already do this well with loyalty programs. This recognizes their data is valuable to you, and if you want them to share more data and more of their time with you, you should compensate your consumers for it. Not everyone cares about your brand, but this kind of step makes a big difference to those that do — you show you're thinking about them as more than a data point.



“AGENCIES ARE EXTREMELY IMPORTANT. I REALIZED HOW IMPORTANT IT IS TO HAVE THAT CREATIVE RESOURCE.”

DAVID VANDERWAAL, SENIOR VP OF MARKETING, LG ELECTRONICS

INTRODUCTION

Agencies are broken. Holding companies will be broken up. In-housing has failed. These are some of the terrifying narratives being discussed at the moment. Terrifying if you're invested as an owner of a 'traditional' agency or a shareholder of a major holding company anyway.

BRUISED, BUT NOT BROKEN, THE INDUSTRY MUST EVOLVE

In truth, it's not as bad as it seems, and certainly never as simple. Over the last decade, the world has changed tremendously. Digital isn't a channel anymore, it's the predominant medium for the majority of Western consumers. But if we're really honest with ourselves, large swathes of the industry aren't equipped to cater to this.

There are some very outspoken agitators to this debate. Some (Gary Vaynerchuk and Sir Martin Sorrell) predict the demise of the agency and holding group model as we know it.

These are major predictions from two very loud voices, and of course, they are going to garner attention. But it underestimates the ability of the rest of the industry to adapt to these changed times. What it will require is something to stimulate the change – primarily marketers demanding it, and the movement of dollars to those that do cater to those needs.

The signs are there this is starting to happen. It seems among marketers there is a rising feeling of something new – and it may not be in-housing, although hybrid agency/in-house departments are the current flavor du jour for many large brands.

But as General Mills' Ivan Pollard said, there is a need to streamline the number of throats to choke and it may be a centralized strategy hub connecting to a distributed network of freelancers and smaller suppliers.

Agencies are more vital than ever. There's more need for expert outside counsel and independent advice to help companies move forward. But the questions which need to be resolved are around the nature of their client relationships, how they are owned, and how they can build in agility to adapt to the increasingly complex media landscape.

MARKETING PLANNED TO ROI, NOT BUDGET

The changes in marketing departments are well documented. Over the past few years, new job roles (data analyst, chief media officer, etc) have emerged as essential for any company at scale.

One lingering question centers on how marketers budget their media spend. Zero-based budgeting (resetting spend yearly and allocating it according to need) has been the default for many, but that has led to claims from established and emerging channels that they don't get a fair share of pocket.

Wayfair's Chief Product and Marketing Officer Ed Macri gave an interesting insight into the mentality of the rapidly scaling online retailer, which views marketing as the growth engine for the company.

He explains: "We've really invested in getting everyone onboard with our philosophy with marketing spend. We don't have budgets, and what we've agreed on with our CFO and CEO is a set of ROI targets for each channel. That's a function of things like the consumers they're reaching, where are they in the funnel, and how confident we are in the accuracy of the measurement of the channel. We tell the marketing team: here's an ROI target,

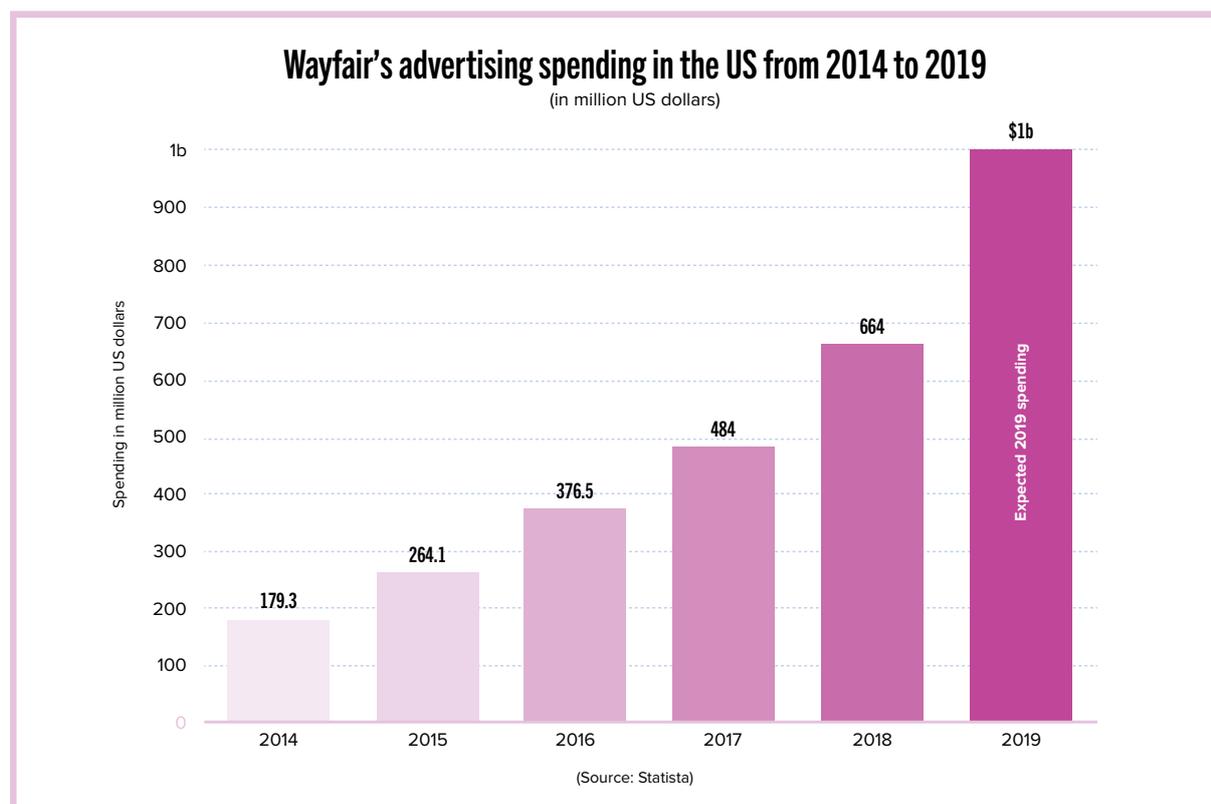
if you're hitting this you can effectively spend an infinite amount of money. It's incredibly empowering for folks as there's not someone moving money around from this channel to that channel."

They then work with new partners and look to innovate to create more impact and keep the ROI up on their channels.

That kind of approach could have a big cultural effect on marketing departments, competing to wring the most from their channels while creating innovative solutions to keep driving forward.

"We tell the marketing team: here's an ROI target, if you're hitting this you can effectively spend an infinite amount of money."

ED MACRI, CHIEF PRODUCT & MARKETING OFFICER, WAYFAIR



HOLDING COMPANIES NEED TO CHANGE, BUT IT'S NOT THE END OF THE WORLD



Advertising Week New York 2019/Shutterstock

Arguably the best-known figure in the marketing industry today is Sir Martin Sorrell. It's in large part because he's not afraid to throw an opinion or two around. Now out of WPP (although still a major shareholder) and in charge of another holding company, S4 Capital, Sorrell is predicting the demise of the exact model he helped create.

Effectively, he's calling the end of the advertising industrial complex he was a major architect of.

His argument runs that these entities are too large and diverse to succeed, because they are not set up to work for today's marketing needs. He pointed to the mergers at WPP, as well as the recent divestment of data unit Kantar, as the proof of this.

But he also said one of the major holding groups showed the way forward for the others: "The proof of that is IPG, which appears to be the best performer. Inside IPG, McCann is 75%, or whatever it is, of the business, and it's one integrated business. That's the key."

Obviously Sir Martin has his own barrow to push with S4's alternative and more tech-focused model, but it seems inevitable we will see slimmed down holding companies in the coming years, and opportunities for independent agencies to spin out of them with entrepreneurial leaders seeing the opportunity to work in a different manner.

But holding companies are not standing still, as was evidenced by Publicis' acquisition of data powerhouse Epsilon for \$4B in early 2019. Publicis CEO Arthur Sadoun says while "change is hard", as a public listed company they are moving away from the traditional advertising model, into supplying data and intelligence for their clients, adding that strategy is the "essence of everything" for the group now.

There's also an established trend from holding companies to create bespoke cross-disciplinary units for their larger clients, marrying up the creative and media with digital nous, while tapping into other areas of the group as needed. It certainly plays to the strengths of scale, but spinning off new agencies for every client is not going to be a cost-effective or long-term solution, and might not satisfy the needs of staff who hunger for more diversity at work.

"The proof of that is IPG, which appears to be the best performer. Inside IPG, McCann is 75%, or whatever it is, of the business, and it's one integrated business. That's the key."

**SIR MARTIN SORRELL, EXECUTIVE CHAIRMAN,
S4 CAPITAL**

WHAT DOES THE AGENCY OF THE FUTURE LOOK LIKE?

Naked Communications was one of the success stories of the last 15 years for the industry. An agency borne out of the idea of an agnostic approach to media and creative planning, it created a headache for incumbent agencies big enough to create a more strategic approach to marketing.

While Naked is no more, two of its leading lights, Jon Wilkins (pictured right), now of London's Karmarama, and Ivan Pollard, CMO of General Mills (pictured below right), undertook a thought experiment, designing what the agency of the future should look like.

Pollard issues the challenge, saying as a marketer: "I'd like agencies to do three other things: win back more of my trust; win back more of my admiration; win back more of my money."

Pollard explains clients need agencies to create "breakthrough ideas" which can "change the trajectory of our business". No small feat.

Unsurprisingly, a focus on strategy rather than executional capabilities sat at the core of their thoughts, with the ability to scale with a network of freelancers and contributors an essential element for its continued success.

In terms of leadership, people with experience in the old way of doing things but a modern outlook are vital, "the most important thing is being able to lay down the things that are no longer relevant or useful". Both predicted that a creative core would be essential as technology and machines automate more of the other parts of marketing.

"I still think the final piece is going to be very, very human in dimension but I also like adding a subjectivity to the way ideas are judged, and technology can help us to understand what's going to really work," Wilkins says.

This ability to scale creativity through business was a theme which was returned to on a number of occasions across different tracks, with marketers increasingly looking for problem solving and impact across bigger business outcomes than just advertising its wares. A more holistic view of the marketing function, it seems, is an inevitable prerequisite for success tomorrow.



Advertising Week New York 2019/Shutterstock



Advertising Week New York 2019/Shutterstock

"I still think the final piece is going to be very, very human in dimension but I also like adding a subjectivity to the way ideas are judged, and technology can help us to understand what's going to really work,"

JON WILKINS, CHAIRMAN, KARMARAMA



THE LONG TAKE: COLLABORATION IS THE KEY TO SUCCESS FOR BRANDS

Collaboration has never been the industry's strong suit, especially when it comes to agencies from different groups working on the same client. But that is all coming to an end, as we usher in a new and more open way of doing business

While the word partnership has been bandied around a lot in recent years to describe the relationships between agencies and brands in public, privately many would acknowledge it was still the same servant and master relationship it had always been.

But now there is genuine evidence of change emerging, as marketers grapple with the increasing complexity of the landscape on both the media and creative side. They need more, and the old models won't cut it.

While in-housing was all the rage just a year ago, with marketers looking to take control of primarily their programmatic and media executions, it seems to have eased off with statistics from a European IAB study this year showing the number of brands in-housing has plateaued. Instead, there has been a rise of what has been described as a "hybrid" model – where brands upskill in some areas around programmatic, but partner with agencies and other vendors to execute.

The requirements to produce copious amounts of content (see Section 4: Storycrafters) are also reframing relationships between creative agencies and brands. MediaMonks founder Wesley Ter Haar shared an example of a recent shoot for Starbucks where the agency coordinated two different locations globally to create hundreds of pieces of content for different platforms, creating

While in-housing was all the rage just a year ago, with marketers looking to take control of primarily their programmatic and media executions, it seems to have eased off with stats from a European IAB study this year showing the number of brands in-housing has plateaued.

AVERAGE TENURE OF CMO, AVERAGE LENGTH OF CLIENT-AGENCY RELATIONSHIP



Average length of top 40 client-agency relationships is **22 years**



Industry average for client-agency relationship is just **3.2 years**



Average tenure of CMO is **43 mths**



Average tenure of CEO is **7.5 years**

(Source: The Drum)



127 different assets and saving a lot of money for the brand, with assets typically costing between \$30,000 to \$300,000 each.

And agencies are also becoming more comfortable in co-creating with other creative people, whether they be athletes, celebrities or, increasingly, influencers – both human and AI created.

Beyond influencers, there are platforms like Joseph Gordon-Levitt's (pictured below) HitRecord opening up brand campaigns to members of the public, with Amazon-owned online retailer Zappos recruiting the community to tell their stories for its Christmas campaign, and creating other elements for the company, including redesigned boxes.

Cirque du Soleil and its agency Sid Lee are a good example of a symbiotic relationship which thrives on taking the uncertainty of the early stages of show development and actually using the marketing to help shape the blockbuster events. As Cirque's marketing boss Sheila Morin describes it, this means the creative process for them is not going from A to B, but from "A to not A".

We now live in an age where no-one owns an idea, and successful marketing can come from anywhere. With social media and other platforms democratizing creativity, it's more important than ever for agencies and marketers to work together in a new way, which often means spending a lot more time together and being more agile.

Similarly, when it comes to media there is no silver bullet, especially in the programmatic space, with ever-evolving technology meaning even the biggest brands will need external help to stay at the bleeding edge of progress.



Advertising Week New York 2019/Shutterstock



3 THINGS FOR MARKETERS: RESHAPING THE AGENCY AND CLIENT RELATIONSHIP

We caught up with MediaMonks founder Wesley Ter Haar to discuss the barriers most agencies and clients face in doing good work

THE WRONG SPEED

The key complaint we hear from potential clients is speed, this idea of not being able to act quickly. So how can an agency and client work together to shorten the process of briefing and coming back with a proposal? What we've been doing a lot is having one or two people integrate with the client's team, a very mild version of in-housing, which is less about replacement and more about team integration. This means we move quicker and have less of an onboarding process. There's also an element that with speed comes some cost efficiencies, which are also good for clients.

THE WRONG IDEA

Too many agencies are going in with the big hero idea which, more often than not, doesn't line up with the client's media plan. Many agencies still go in first with an idea for a TV spot or a tagline – the rabbit out of the hat moments with digital as an afterthought. I think clients can get around this by having fewer agency partners. The more connected the vendor ecosystem the more connected you can get the work to be. I think that's going to be more and more important because it's going to be how you get data to work in a smart way and get to actual attribution. Fragmentation makes all of those things more difficult. So from a client perspective how you can simplify and de-silo are the key things.

THE WRONG MEDIA PLAN

Those big ideas are creating this weird gap between an idea and a media plan. I think in today's landscape there's just so much you can think about when it comes to the ecosystem of the brand and in digital and physical spaces, and it's more about the experience you're creating across that ecosystem. I think less about 'hey, we have a big idea' on the one hand and 'we have a bunch of media that we push it with' on the other hand, there's a space between those things which is a really rich area. From a client perspective they can help by becoming less siloed. It doesn't make a lot of sense from a cost and speed perspective but also from a quality perspective. But often it is attached to the client's internal model. We tell clients you're showing your P&Ls because they think about these things in a siloed manner, which causes fragmentation and causes a lot of operational overhead.



“AT THE END OF THE DAY, CREATIVE IS EVERYTHING, THAT’S WHAT’S GOING TO MAKE THE DIFFERENCE. YOU CAN’T REPURPOSE THE SAME AD OVER AND OVER AGAIN TO THESE DIFFERENT AUDIENCES.”

LEAH CASTERLIN, CO-FOUNDER, MEDIA FORTITUDE PARTNERS

INTRODUCTION

If the topline theme of this report is the return of humanity to the industry's thinking, then there was one place the need for a better understanding of people was writ large, the creative industry.

WE'RE ENTERING THE AGE OF THE PERSONALIZED STORY

Gone are the days when agencies could spend months crafting pretty campaigns they had a hunch were a good idea, and then pump money into mass-reach channels to get the message out. Advertising has never been more ignorable, and (as explored in the Tech Stars section), there needs to be sensitivity around putting it in front of consumers.

And with the changes in the delivery mechanisms comes the need to change what is actually being delivered. There's nothing new to talking about social, mobile-first and video-led approaches for brands, these are table-stakes today.

Stories are still the lifeblood of the industry's messaging – they connect with people and create neural pathways which encode product messages and lead to customers making the 'right' decision when faced with their choice at the point of purchase.

Brands need to be able to tell many different stories at once, tailored to the customer, and be able to communicate them not in 30 seconds but, six, three and now 1.7 seconds. For the ambitious with bigger stories to tell, they can be scaled to documentary-length pieces.

This can't come at the expense of brand – today's consumer is less inclined to sit through a lengthy product sell. The balance of art and science has never been more precarious.

Then there's tailoring for the medium. What works on Instagram won't do the job on TikTok, and even linear and connected TV audiences need to be treated differently.

Data tells us what people are willing to engage with on each platform, but no machine is yet capable of creating meaningful human stories. Nuance and context – the tummy compass – are still vital, and very human, elements to making this all work.

Storytelling is an integral skill – but in today's world a good message needs to be delivered on the right platform, at the right time, and in the right format.

VOLUME OF CONTENT IS AS IMPORTANT AS QUALITY

Gary Vaynerchuk. Love him or loathe him, you have to have an opinion on him. And that is exactly what he wants. He's not backwards in coming forwards, and his current prediction is the industry has set a course for its own destruction because it's unwilling to adapt.

He criticizes the traditional model of creating from the top-down, making big ideas fronted by large TV commercials with digital assets bolted on as "matching luggage".

For Vaynerchuk, this entrenchment creates an inability for brands to experiment with emerging platforms, leaving customer dollars on the table. The marketers moving into these new platforms and formats are first to reap the rewards, he says.

His method requires a sea-change in approach, creating dozens of pieces of content per day for these formats to hit the target market. To do this, he runs a "bottom up" creative department, where he says ideas are the currency and agility is the prized factor.

The logic is appealing – find places where people are spending their time (including new platforms where media is cheap), and put out enough content to game the algorithms to get maximum exposure among your audience. Whether this model will satisfy the brand builders amongst the marketing audience remains to be seen – is it possible to create something genuinely coherent based on this volume of content?



Advertising Week New York 2019/Shutterstock

GARY VAYNERCHUK BY THE NUMBERS



Worth:
\$160m USD

(Source: Entrepreneur Magazine)

Social
following
7.1m
on Instagram



(Source: Instagram)

VaynerMedia grossed
\$100m
in revenue
in 2017



(Source: CNBC)



His team produce
80–100 pieces
of content everyday



YouTube
channel had
2.39 followers

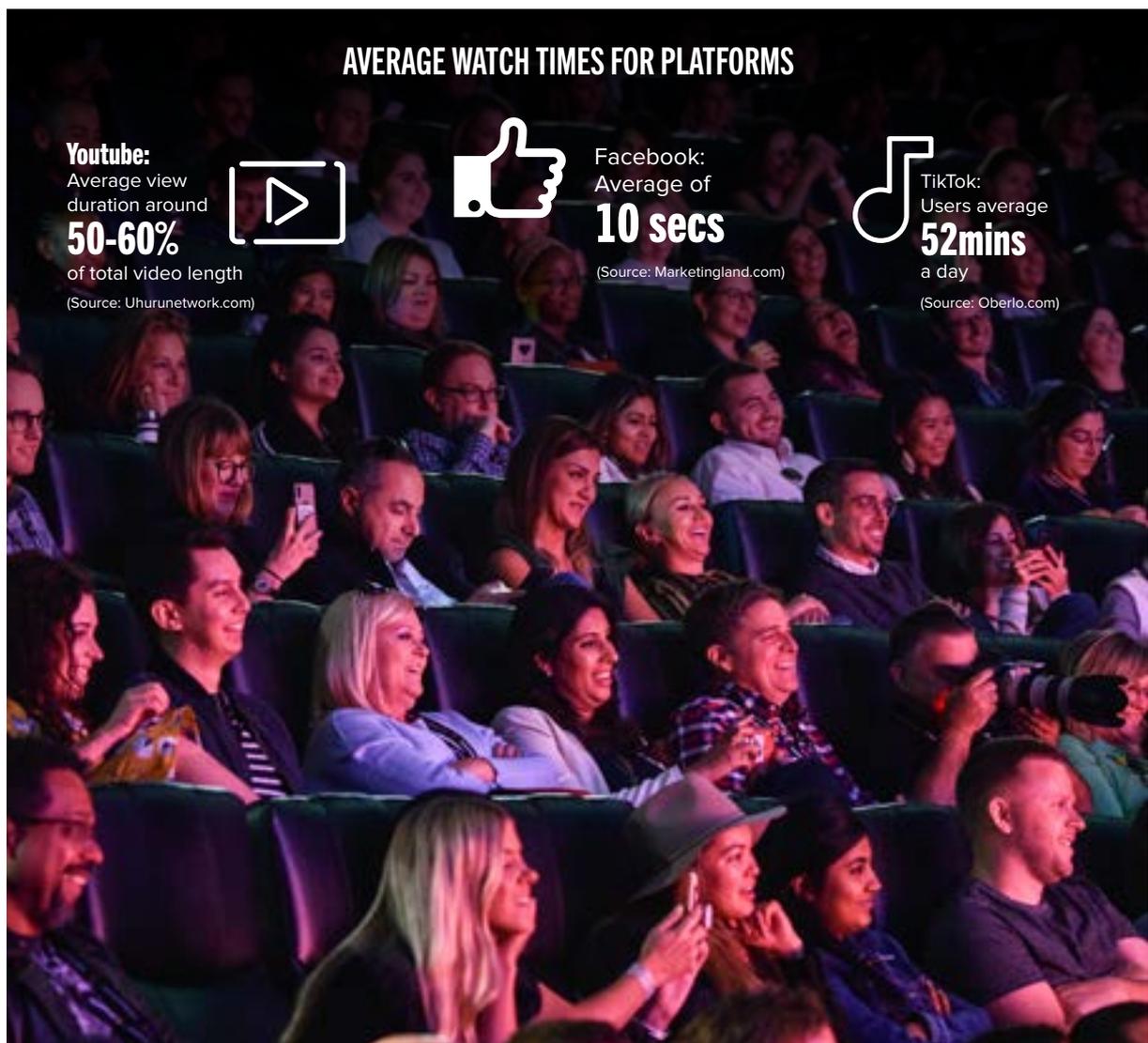
(Source: YouTube)

CREATING FOR THE PLATFORM IS AS IMPORTANT AS QUALITY

All research points to the need to create bespoke formats and content for every different platform. TikTok, Facebook, TV, YouTube. You might have an overarching narrative, but the executions all need to look and feel different. Within this oeuvre there is scope for 30-minute documentaries (if you have something that can really capture an audience's attention), as well as three-second iterations.

Geico is the hackneyed example of a brand which gamed the skippable pre-roll ads on YouTube by jamming a message into the six seconds of guaranteed attention they had.

Other formats don't necessarily guarantee you unskipability, but a clever example of marrying data and storytelling was shared by Wesley Ter Haar, founder of MediaMonks, which now creates 1.7-second Facebook ads for brands. Why that duration? According to Facebook research, the average time spent looking at a post is 1.7 seconds. By creating something which communicates a message in that timeframe, the agency is maximizing efficiency for the brand.



Advertising Week New York 2019/Shutterstock

GOOD DATA CAN RESHAPE YOUR STORY TO YOUR AUDIENCE

The nature of content consumption is evolving at an astonishing pace – binge watching proves people still have decent attention spans, although those more solitary viewing experiences have some proclaiming the end of the water cooler moment. And Netflix's ambitious Bandersnatch show, where users got to choose their own journey, also demonstrates there is a taste for personalization amongst audiences.

Social networks are looking to bring back the water cooler, or social viewing experience. Facebook have championed 'Watch Parties' on its platform – the ability for people to invite others to consume content simultaneously and interact about it then and there.

While the idea has yet to capture the mainstream, savvy creators are using the data available from these platforms to shape their content and make it more reflective of their audiences.



Advertising Week New York 2019/Shutterstock

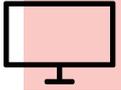
Crypt TV is one such creation unit, producing horror show The Birch for Facebook Watch. Founder Jack Davis (pictured) explains the company creates monsters which its audience can identify with because they are the “external manifestation of the characters’ internal struggles” – in the case of The Birch, it’s about bullying. This encourages viewers (especially those 35 and under) to comment and share the content with their peers.

Data analysis also informs technical elements in the shows, such as where to bring a monster in during an episode and how long to put it on screen for. Rather than rely on gut instinct, this approach allows content creators to tailor to their audiences. In the future, this could see content cut by machines to people’s specific preferences – tailoring mass storytelling experiences for individuals for an even more impactful experience.

CRYPT TV AUDIENCES & SHOWS

Youtube: 
2.6 million subscribers
and has netted more than
316m views
(Source: Youtube)

Has
5 million
likes on Facebook
(Source: Facebook) 


Notable shows:
The Look-See,
Afterlife, and Netflix's
Don't Watch This
(Source: Tubefilter.com)



Advertising Week New York 2019/Shutterstock

“KIDS AREN’T BEING ASSHOLES, THEY’RE JUST LIVING IN THE FUTURE”

It’s common for TV content creators to bemoan the loss of audiences from broadcast channels. It’s far less common to find someone doing something proactive about it and pursuing these people where they are actually spending their time.

The Daily Show is one such example, and host Trevor Noah held forth on the need for creators to understand where their potential audiences actually were, and tailor content accordingly.

As Noah explained, it’s not that young people don’t want your content: “Kids aren’t being assholes, they’re just living in the future.”

Noah’s team has taken matters into their own hands and now creates bespoke content around the show for Snapchat, hitting five million subscribers for the channel since the launch in July 2019.

“People have been telling stories from the beginning of time, so how to tell it in the right format, on the right platform, is what will determine the success or any failure in the brand,” explains Noah.

So what is the secret to content success for The Daily Show? Recreating the content from the TV show and re-cutting it to tell the story upfront is a massive part of it, according to Noah. He says humor is always a connective tissue for audiences of any age, and a means to make what could be quite heavy content (politics) accessible and important.

“People have been telling stories from the beginning of time, so how to tell it in the right format, on the right platform, is what will determine the success or failure of the brand.”

TREVOR NOAH, HOST, THE DAILY SHOW



THE LONG TAKE: IS IT THE TIKTOKALYPSE?

No trends report would be complete without an extensive exposition about the latest and greatest technology and platforms. Which brings us to TikTok.

If you're over 25, there's a question you'll probably be asking – WTF is TikTok? “America's Home Video for the next generation,” is the answer according to Blake Chandler, TikTok's VP of global business solutions. He kinda has a point.

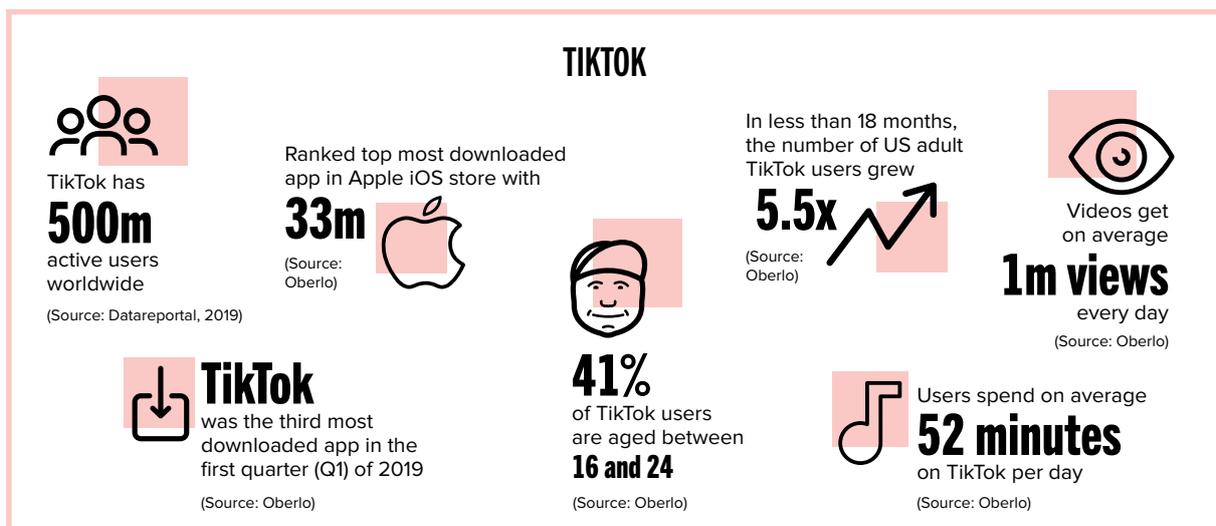
In a nutshell, TikTok is a social network built around short-form video, which was the most downloaded app of 2018 across the Apple and Google Play stores (with over 1B global downloads). It's owned by a Chinese company and last year bought burgeoning pre-teen platform Musical.ly to integrate into its platform. It's weird and wonderful, with content from across the world surfaced into people's feeds encouraging organic interactions. It's built a big following, especially amongst the Gen Z's aged 15-25.

A platform for ultra short-form and snackable video content. Hang on, haven't we been here before with Vine?

Yes, and no. It's not a million miles away from Twitter's now defunct six-second video platform, but there are a few key differences. The key for longevity and success for TikTok will be following the roadmap of platforms like Facebook and Twitter – evolving to meet audience needs and expectations. And also allowing its best creators to make cash through the platform to keep them interested.

So are marketers on there? Some, but not as many as TikTok would like. Gary Vaynerchuk is a big fan of the brand, extolling the virtues of taking a first-mover advantage on the platform, despite wariness from some marketers to adopt new platforms.

He explains: “We have to start looking at these platforms like shows, not channels. When it's relevant, you market on it.”





Some major brands are already on there. Cosmetics giant Mac managed to get over 1B views for transformation videos backstage at New York Fashion Week. For brands, the key is getting the message across quickly but not making it look like an ad.

Media brands are also playing with the format. Both the NBA and NFL have tapped the platform to extend their reach into those harder-to-access teenage markets, using highlights, sideline clips, and behind-the-scenes footage to grab engagement in the short-form videos.

“I think brands have to be careful of becoming overly enamored with the idea of jumping into trends if it doesn’t fit what they stand for or what they’ve already established.”

TRISTAN ROY, EDELMAN

Of course it’s a social network, so inevitably there’s a burgeoning influencer community on the platform as well. On TikTok, users are known as Creators, and top Creators have the chance to get involved in the Creator Level Up program where they get specific support from the company, analytics, and connections to other users. And this is what could help the platform scale quickly.

One such creator is Cosette Rinab (pictured below), who appeared on a panel at Advertising Week to talk about the platform. She downloaded the app in December 2018, and is now creating influencer-style content for companies like eos and Kroger. The key to her success, she says, is to integrate brands authentically through her content – pretty standard influencer stuff.

Following trends seems to be the secret sauce for success on TikTok, although it was cautioned more than once that brands need to think about their individualism and personality to succeed.

Edelman’s Tristan Roy said he has mixed feelings about brands jumping on trends: “I think brands have to be careful of becoming overly enamored with the idea of jumping into trends if it doesn’t fit what they stand for or what they’ve already established.”

Whether TikTok is here for the long-haul remains to be seen. Regardless, there’s an opportunity for marketers to experiment with content and engage a new audience of Gen Zs, and for the moment at least, capitalize on some cheap media impressions.



Advertising Week New York 2019/Shutterstock



3 THINGS FOR MARKETERS: YOUR CONTENT STRATEGY NEEDS CONSTANT ATTENTION

The need to get your content marketing strategy right cannot be underestimated. We spoke to Candice Jones, Principal Brand Content Specialist at Amtrak, to gain an insight into what industry best practice looks like

DON'T MISS THE LOW HANGING FRUIT

Content begins with a message. What do you want to say about your brand? And who would this matter to? The foundation of any great content plan starts there. So, start by creating a messaging architecture that works for your brand and industry. If there are common themes that are brand centric and would resonate with your target consumer, frame your messaging around those. Use customer data to inform your timing.

CONNECTING THE DOTS IS KEY

If content marketing is new to your organization, the biggest task at hand will be to get all of the relevant teams on the same page. Many things will help with this but you have to find what works for your organization. That could be regular meetings, a great content calendar (which I recommend), or both. This will help you to not duplicate efforts in content development and keep the brand messaging consistent across all consumer touchpoints for your brand from email, to social, to web, to app, and so on.

USE CONTENT AS CULTURAL CURRENCY

Once the foundation of your content strategy is in place, you can drill down further and create for specific segments within your audience. One of the most effective ways to acquire a new customer is to align your brand with them. Their culture and way of life are not only things that define them but help inform their purchasing choices as well. When you create brand content centered around cultural moments or key cultural conversations, it builds a bridge between you and the consumer which in turn will boost brand awareness, consideration, and revenue.

**“LET ME EXPLAIN
SOMETHING AS
A RECOVERING
POLITICIAN,
IF WE DON’T
ANSWER A
QUESTION, IT’S
BECAUSE WE
KNOW THE
ANSWER IS
SOMETHING YOU
WON’T LIKE.”**

CHRIS CHRISTIE, FORMER NEW JERSEY GOVERNOR



INTRODUCTION

The year 2020 will be shaped by one thing: the US presidential elections. Never before has politics, the media, and advertising been so intimately intertwined. It's a multi-billion dollar (perhaps anywhere between \$6B and \$10B) game of claim and counterclaim which will be reported in minute detail.

SHOULD BRANDS HAVE A ROLE TO PLAY IN SHAPING THE PRESIDENTIAL ELECTIONS?

The recriminations and claims of false advertising are already well underway, fuelling the debate around the role of the media, social platforms, and politicians themselves in communications. Whatever the outcome, it's likely rules will change beyond 2020. This cycle is still the status quo.

Brands won't be immune from this. As we've seen many times recently, there's a fine line for businesses — whose primary mission is to make money — to tread in terms of appeasing sentiment in one segment of their market while trying not to offend another potential audience.

It's a tricky and unprecedented time for marketers, but as we'll explore below, there are risks and rewards for brands sticking heads above the parapet and making views heard, especially around areas like immigration and the environment. Younger voters are a major target for candidates in this campaign, and the issues which matter to Gen Z and their expectations for brands are interesting territories.

Aside from politics, there's a burgeoning business around cannabis offering up opportunities many brands are starting to explore (even Coca-Cola wouldn't rule out creating a product in the future), although there is work to be done to shift entrenched attitudes in some demographics around the products.

So 2020 will be a year of change, and hopefully these insights will help you plot your path forward.

May we live in interesting times.

MILLENNIALS AND GEN ZS ARE DIFFERENT, HERE'S HOW

Marketing has been obsessed with Millennials for the last decade, but it's time to start obsessing with their successors who are now entering the workforce — Gen Z.

Ziad Ahmed, a 20-year-old who started JUV Consulting, explains the differences between the generations by how they approach social media. Millennials use it to broadcast what they are doing, Gen Z see it as a fundamental part of their makeup.

Gen Z at the moment controls more than \$44B of spending power in the US, and they approach brands very differently. They expect a more human-focused approach to business, they look beyond their own zip code to get global perspectives from their online connections.

Technology has shaped them, and now they are using it to become activists and take on the social causes they want.

For marketers looking to engage them, Ahmed has a message based on research showing the average attention span is eight seconds: “We

have so much content and choice to choose from, you have to give us a reason in eight seconds to opt in.”

They also have their own vernacular — do you know what capping or stan culture are?

These factors make this group harder to communicate with from a brand perspective, especially if you don't have credibility with them in the first place. But, it's not an option to not engage, because when the worst happens, they'll find you.

“We have so much content and choice to choose from, you have to give us a reason in eight seconds to opt in.”

ZIAD AHMED, FOUNDER & CEO, JUV CONSULTING



Advertising Week New York 2019/Shutterstock



Advertising Week New York 2019/Shutterstock

DON'T UNDERESTIMATE THE ABILITY OF ATHLETES TO SHAPE YOUR BUSINESS

Athletes are no longer defined by their athletic performance. They are transcending the sports arena and having a real impact in business.

Houston Rockets star P.J. Tucker commands 550,000 Instagram followers, using that reach to show off his passion for fashion. Designer brands are cottoning on to his ability to drive sales and impact on culture in markets they previously couldn't reach.

Serena Williams (pictured above centre) thinks of herself as a brand. That means being a tennis champion, mom, daughter, business investor, and fashion designer.

Her fashion brand has allowed her to express her philosophy of breaking down barriers:

“With the S by Serena brand, we want to get rid of the word exclusive and bring in the word inclusive.”

She's investing in a portfolio of companies (looking to back female entrepreneurs where she can) and has a board seat at Verizon Media, owner of Yahoo and HuffPost, which has more than a billion global users. Why? “For me, why wouldn't I want to be part of something so huge? What a great platform for me to speak about things I believe in and things that just shape the world in a better way,” Williams said.

Athletes are influencers, activist investors, and high-performance coaches in today's entrepreneurial ecosystem. Sometimes they play sports, too.

Net worth:

\$180m

Instagram following:

11.7m



Brand:
Owns Serena
fashion label

SERENA WILLIAMS
IN PROFILE

Ascended to the
No. 1
ranking on
July 8, 2002



Won:
23 Grand Slam
Single Titles
39 Grand
Slam Titles



(Source: WTA Tennis)

BIG BRANDS ARE ESSENTIAL IF CANNABUSINESS IS TO GO MAINSTREAM

“Inside every cannabis and hemp plant is a world of untapped potential.”

DRAKE SUTTON-SHEARER, FOUNDER & CEO, PRØHBTD



Advertising Week New York 2019/Shutterstock

The marijuana leaf has long been the symbol of counter-culture movements across the world. But as more states move to legalize cannabis and its related products, an underground product has a new market. One that's expected to be worth \$66B by 2025.

As Drake Sutton-Shearer (pictured left), CEO and founder of PRØHBTD, describes it: “Inside every cannabis and hemp plant is a world of untapped potential.”

That's evidenced from the range of CBD products containing cannabinoids being sold — everything from chocolate to pain relievers, dog treats and suppositories.

A diverse list of celebrities is cashing in on this phenomenon, including Whoopi Goldberg, Snoop Dogg, Willie Nelson, and Seth Rogen. However, there are as yet no major consumer brands playing in the arena, which Beanstalk co-founder Michael Stone describes as “a blank canvas”.

Established Cannabusiness can see the benefits of major corporations entering the market: they will legitimize the industry for consumers; put substantial marketing dollars behind it, further raising the category; spend money on product innovation; and bring lobbying power in the push for federal legalization.

There is clearly a major opportunity for brands to play in this area, but the risks as always come around perceptions of established customer bases and finding an authentic place in the community. It's rare for big brands to be invited in at the start of a new category's emergence, and it will be interesting to see who steps forward to take on the new market and help to shape it. Ultimately, the decision for any brand is whether the risk is worth the reward.



The global cannabis market will be worth **\$66b by 2025**
(Source: Grand View Research)

55m

Americans are cannabis users
(Source: Fit Small Business)



U.S. legal cannabis market was valued **\$11.9b in 2018**
(Source: Grand View Research)



\$2.75b of sales came from California making it the biggest marijuana market
(Source: Arcview and BDS Analytics)



Medical marijuana is now legal in **33 US States**
(Source: Flow Hub)

62%

of Americans favor legalizing marijuana
(Source: Fit Small Business)



THE LONG TAKE: POLITICS IS BECOMING AN UNAVOIDABLE ARENA FOR BRANDS TO PLAY IN, BUT AT WHAT COST?

Politics is massive business — and the 2020 US presidential race will dominate news agendas and potentially squeeze the life (and lift ad rates) out of brands, especially around broadcast TV and digital video.

But the political campaigns will also spark debate across the country about hot-button issues, with the environment, the economy, and foreign policy towards China, Russia, and the Middle East all likely to be front and center.

Research shows people, especially younger generations, are becoming more politically engaged, with some major pushes afoot to get people out to vote. Patagonia spearheaded the Time to Vote campaign for the 2018 midterm elections, which ended up involving 400 organizations. Those midterms saw the highest voter turnout in a century.

The movement was designed to inspire people to exercise their civil rights, and as Patagonia's Corley Kenna explains: "It is important to stay above politics. It's not bipartisan, it's nonpartisan."

But should brands get involved in politics and make political statements? Research firm Morning Consult and Advertising Week teamed up to conduct research into consumer sentiment around brand activism — does it pay off or not?

The overarching data would suggest it's a risk to take a stand — 29% of people said they'd stopped buying because of a political stance compared to 15% who had switched to a brand because of that stance. That is fairly stable across the age groups.

But there's a generational divide when it comes to perceptions of whether brands should make political statements, 31% of Gen Z and 27% of Millennials agree they should compared to just 16% of Gen X and 13% of Boomers.

43%

of **Gen Z** think corporations should stay out of politics, compared to nearly three quarters of **Boomers**

15%

spend money to **support a brand** because of a **political stance**



The issue which divides the generations the most is immigration — unsurprisingly, Boomers are in favor of tougher immigration controls, and Millennials and Gen Zs favor more lenient controls.

When the data is cut across party lines there are also some interesting breakdowns, with 30% of Republicans saying brands are becoming “much more” political compared to 21% of Democrats.

26% of Millennials

31% of Gen X

30% of Boomers

stopped buying products or services because of a company's political stance

53%

of adults say **corporations** have become **more political** in recent years

Nike is the poster-company for brand advocacy following the success, after an initial backlash, of its Colin Kaepernick campaign and subsequent rise in share price and earnings. Gillette, on the other hand, is the cautionary tale with its parent company writing down the value of that business by \$8B this year, despite its attempt to boost sales with an ad taking on toxic masculinity.

What this shows is there is not a one size fits all approach, every brand is different and not everyone wants their deodorant to have a view on parental leave policy, unless it has a genuine dog in the fight.

Understanding where your brand fits into the mix takes careful understanding of your business, community, and external perceptions. It's an area marketers should think long and hard about before taking a stand, and make sure they don't have an overt sales agenda with whatever they do.

[Download the Morning Consult and Advertising Week “2020 Survival Guide for Brands” here.](#)

Just

24%

of Americans say **companies** are more **in touch** with the public



When Donald Trump criticizes a brand,

9% of Americans say they would **definitely boycott it**, and

7% say the same about Bernie Sanders



3 THINGS FOR MARKETERS: AVOIDING POLITICAL PITFALLS

Brands engaging around social issues are often accused of becoming political, alienating potential customers. We spoke to Patagonia's Global Communications Director Corley Kenna to understand what brands should consider when entering this potentially fraught arena

PREPARE YOUR COMMUNITY FOR WHAT YOU ARE DOING

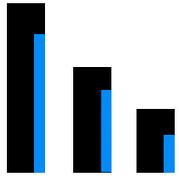
Don't try to surprise your community with what you're doing, bring them along on a journey and make sure they're prepared. It's not to say that surprise and delight doesn't work. It does. And you can have surprise and delight elements in a campaign. But you shouldn't surprise your community with the big reason for why you're doing it. That should be very apparent and probably communicated in every different way, before you go down this path.

CONSIDER YOUR HISTORY, COMMUNITY, AND RELEVANCE

It's really important to consider your own standing before you engage in this kind of work. If you're a company considering how to speak to immigration, for instance, think about what kind of community you have that's relevant to that issue, what kind of history you might have as a brand on that issue, and how relevant it is to your brand as an issue. Make sure you're bringing your employees and your community along with you. Customers, especially young ones, can see through things when it's just a marketing campaign. I would encourage people not to do this for marketing reasons, because chances are if you do it for that reason, people will see through it and you might even hurt the sales or the cause that you're trying to promote.

AVOID BEING POLITICAL

It's not about brands getting into politics, it's about taking action on issues because it affects your employees or your community. There's a way to engage responsibly and elevate these conversations in a way that could be productive for our lawmakers. Time to Vote is a nonpartisan movement. It might be inherently political in that it has to do with elections, but it's not about one party's politics over another. Patagonia gets accused of getting involved in politics a lot, but I don't see a lot of the work we do as overly political. We do advocate for people who we think are champions of our issues, but part of the responsibility of business is to elevate issues that have become political and try to take some of that partisanship out.



**INSIGHT
DRIVERS**



**“WITHOUT TRUST
ADVERTISING
DOESN'T HAVE
A FUTURE. A
BRAND WITHOUT
TRUST IS JUST A
PRODUCT, AND
ADVERTISING
WITHOUT TRUST
IS JUST NOISE.”**

KEITH WEED, PRESIDENT, UK ADVERTISING
ASSOCIATION

INTRODUCTION

We're in the midst of a crisis in the industry. It's something profoundly fundamental, and incredibly human.

TRUST ME, I'M A MARKETER

Former Unilever CMO and now President of the UK Advertising Association Keith Weed is on a mission to change it though. What 'it' is, is trust.

Weed's endeavours comes off the back of UK research which showed 37% of people trust advertising less than they did, and the advertising industry ranked bottom of a list of professions in terms of trust amongst the public. That's dire straits - and not in a money for nothing sense.

This lack of trust is also permeating the industry as a whole. Many brand and agency relationships are at breaking point because of difficult remuneration models and unrealistic expectations, media owners are under scrutiny for the quality of content they are putting out while tech vendors have a job to do to make their fiefdoms become more transparent.

It's not all doom and gloom, as the old saying goes. Trust takes a lifetime to build, but it can be built. At the end of this section, Weed gives us his insights on how the industry as a whole can start to get on the front foot with consumers.

And in the meantime we look at some examples of people taking different approaches to their thinking and marketing, understanding how they are building on the 'quality' tenet Weed expounds, and making brands bigger and more human for consumers.

SURPRISE, DELIGHT AND A LITTLE RISK CREATE GENUINE CONNECTIONS

It's actually impossible to watch Burger King's CMO Fernando Machado (pictured) speak without feeling two things: admiration for the disruptive and high-quality work the brand is creating globally; and a hankering for a flame-grilled treat.

This year Burger King was named Advertiser of the Year at the Cannes Lions, an accolade handed to only the smartest marketing organizations. They also picked up a massive swag of awards. It is clear to see why. The brand is building on moments of real human connection, and creating conversations and cultural moments its customers want to connect with.

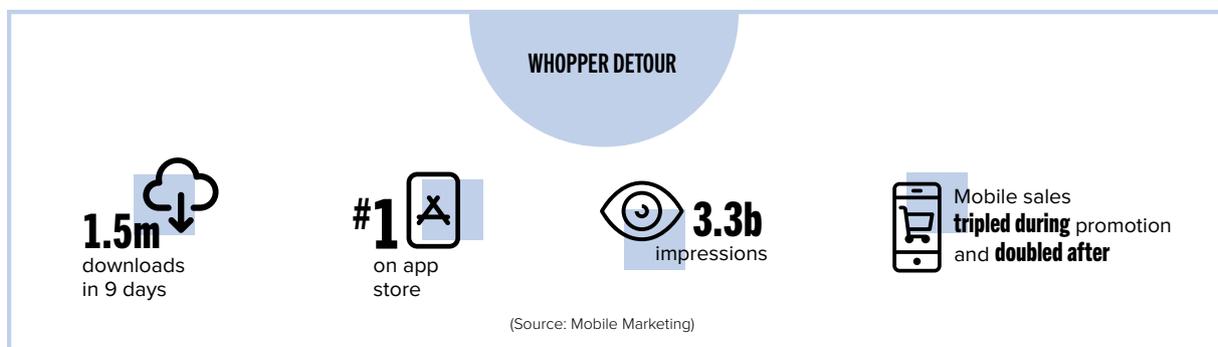
One way to get customers to trust you is to be more human, something Burger King does in spades. And no campaign typifies that better than arguably the smartest campaign from 2019 – the Whopper Detour.

The brief was to make people download BK's app, but the execution meant finding that moment that would stop people, make them do something unusual and then give them a reward for that crazy action. That mechanic was: get them to download the app; go to within 200 feet of a McDonald's; order a Whopper for 1 cent through the app and collect it.

Why does this build connections and trust? People were willing to allow themselves to be manipulated by Burger King to get a reward. Tens of thousands of people took an action which seems illogical – go to one restaurant chain to order from another one. Machado talks of “self deprecating humor” as a key weapon for the chain, and it works because it engages people on their terms – it's marketing they can enjoy in all its seditious glory. As with all smart ideas it also saved BK a heap of cash as it took on a life of its own.



Advertising Week New York 2019/Shutterstock



JUST BECAUSE WE CAN, DOESN'T MEAN WE SHOULD. IT'S TIME TO TAKE RESPONSIBILITY FOR OUR TECH



Advertising Week New York 2019/Shutterstock

The Netflix documentary *The Great Hack*, which looked under the hood of the Cambridge Analytica scandal, has got a lot of consumers thinking about their data and privacy (see Section 2: Tech Stars).

During a session looking at the fallout from *The Great Hack* one of its directors, Karim Amer (pictured), described the adtech industry as creating “the infrastructure that will be used for information warfare”. He then posed the question: “How many people are there in companies who feel like questionable things have happened that weren’t illegal, but just because they weren’t illegal doesn’t make them OK?”

It’s a pertinent question, and I suspect one more people across the industry have been asking themselves in recent months. The era of doing something because we are able to is over, and the era of the industry understanding the impact of what we do is upon us.

It’s a necessary shift to rebuild consumer trust – any government regulation will only go so far, and it’s up to the industry to show it is taking proactive steps by itself, and communicating that message clearly.

“How many people are there in companies who feel like questionable things have happened that weren’t illegal, but just because they weren’t illegal doesn’t make them OK?”

KARIM AMER, DIRECTOR, THE GREAT HACK



Advertising Week New York 2019/Shutterstock

PEOPLE ARE SPENDING MORE TIME ON THEIR OWN, BUT BRANDS AREN'T CATERING FOR THIS

What do you think of when you see someone dining alone in a restaurant, or hear someone is moving into a place on their own? You probably assume they are lonely, and are probably not thinking, 'there's a great business opportunity'.

Yet Soloism – the act of consciously separating ourselves from others – is on the rise. Single person households are the fastest growing type in the world, and in the UK reservations for these dwellings have gone up 160% since 2014.

Being alone is no longer about loneliness, but a conscious choice for many as an offshoot of

the Awareness Economy, according to TBWA's Sarah Rabia (pictured). She points to Japan as a culture which has embraced the idea of spending time alone, where there's even a new trend of people renting cars simply to find a quiet space to be alone with their thoughts.

And as she points out, there is a burgeoning, and very human, business opportunity here that could provide things like more meal options for one at the supermarket.

If you haven't done so already, you need to establish if there is a version of your product that can be tailored for an audience of one.

SOLOISM BY THE NUMBERS



3.5b

people use social media
(Source: Statista Worldwide, 2019)

1 in 3 people describe themselves as "**socially isolated**"
40% of 16 - 24 yr olds **feel lonely** often or very often
(BBC Worldwide, 2018)



(Source: Backslash)

Teens meeting up

with their friends 'almost every day' has **declined** between 1990 and 2015 by approx 50% for 8th and 10th graders, and 40% for 12 graders

(Source: Monitoring the Future, US, 2019)





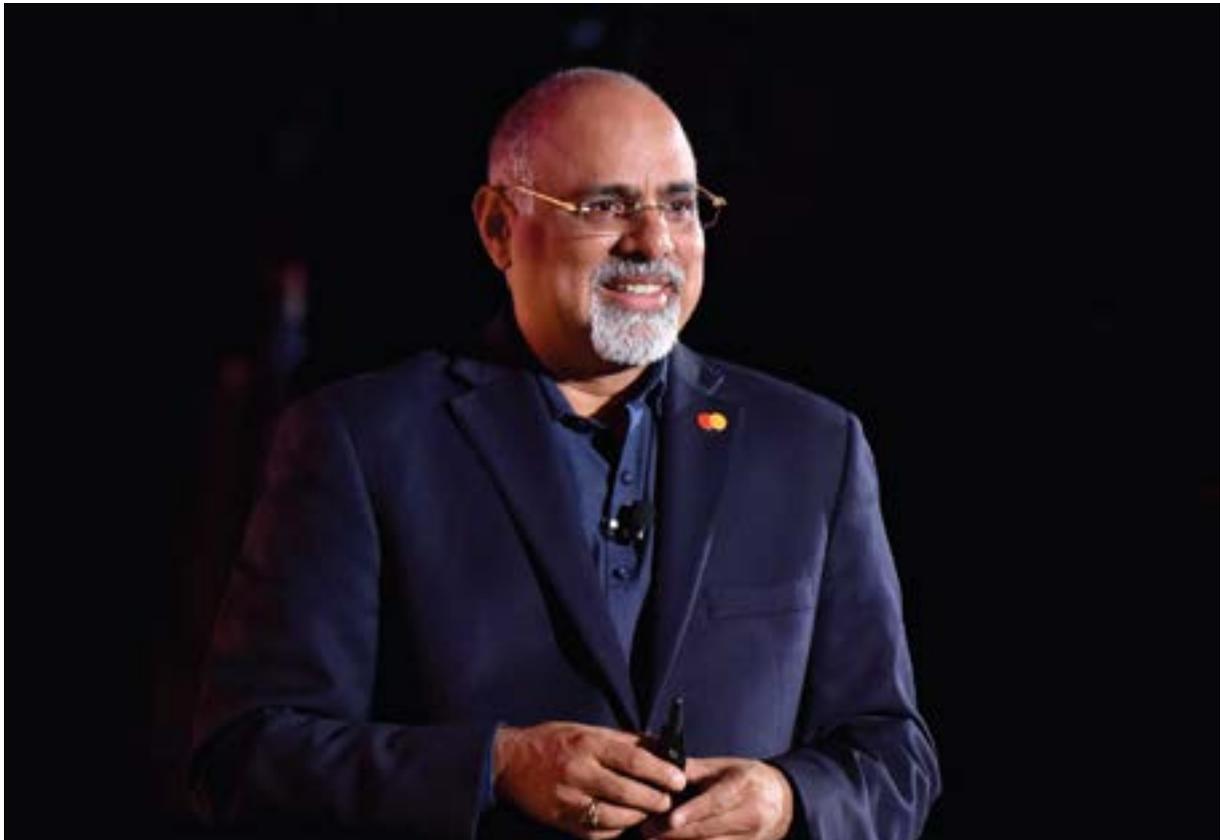
THE LONG TAKE: WELCOME TO MARKETING 5.0: IT'S ALL ABOUT MAKING PEOPLE MORE HUMAN

What does your brand look like? What does it sound like? What does it taste like? What does it feel like? Most brands today might tick two of these boxes, but there's a school of thought emerging that if you want to bring people back to your brand, you need to address all of these elements.

At least that's the contention of Mastercard's Chief Marketing and Communications Officer Raja Rajamannar (pictured), who describes the next era of marketing we are moving into as the era of "Sense and Sensibility", giving a nod to the Jane Austen fans out there.

According to Rajamannar: "There's something subtle and ethereal that's happening right now. With the manifestation of technologies there's a lot of dehumanization that's going to happen. There's a lot of dislocation and displacement of human actions, even more than we have witnessed in the last five years, and the next phase is all about bringing the human back into the human being."

Reconnecting with people through their senses seems like a lofty ambition for any brand, especially one in the financial services sector. So how has Mastercard gone about it?



Advertising Week New York 2019/Shutterstock



Sight: The first is the most obvious, the logo. It's the visual shortcut for consumers, but Mastercard wanted to move away from the card element of their brand image as they move into other areas of financial services, so took the bold move to drop the name from the logo and keep the distinctive red and yellow balls.



People remember **35%** of what they smell, only **5%** of what they see – memory can perceive up to **10k aromas**, but only recognize **200 smells**

(Source: Online Marketing Institute)



83% of participants said certain smells brought back happy moments
46.3% said enjoying a familiar scent again influences them more than seeing an object that brought them memories
75% of our emotions are generated by the smell

(Source: Online Marketing Institute)

Sound: Lots of brands have created audio logos in recent years, and the rise of voice assistants will make this more important. But Rajamannar wanted to get beyond that, and create a “full sonic architecture” in the same way they have a visual architecture, which would work for the brand across any situation. The resulting sonic signature is made up of accompanying melodies that are memorable, adaptable and appropriate in any context. The signature can then be manipulated to fit the needs of any situation – from opera to EDM. Look out for the Mastercard album landing in March 2020 (seriously).



99% of advertising is focused on what we see and hear
92.6% of population puts most importance on visual factors like color and shape when buying products

(Source: Online Marketing Institute)



Research by brand consultant **Martin Lindstrom** found that media or content which appealed to **more than three senses** at once **increased brand impact** by more than **70%**

(Source: Online Marketing Institute)

Taste: This is where most brands (outside of the food industry) wouldn't think of playing. But Rajamannar says food is the number one passion point amongst female consumers, and an area they are looking to tap into and unlock. The first way is with Priceless Restaurants – the company actually already owns restaurants across the globe and is recreating some of the world's best epicurean experiences in New York. He says the company wants to own a chain of restaurants across the globe. But the company has also teamed up with Ladurée to personalize two macaron flavors named “passion” and “optimism”.



3 THINGS FOR MARKETERS: REBUILDING TRUST IN THE INDUSTRY

The biggest single issue facing every part of the industry is trust, especially with the customers it is trying to influence. We caught up with Keith Weed, President of the UK's Advertising Association and former Unilever CMO, who shared his first steps for rebuilding these bridges

QUALITY CONTROL

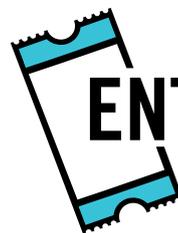
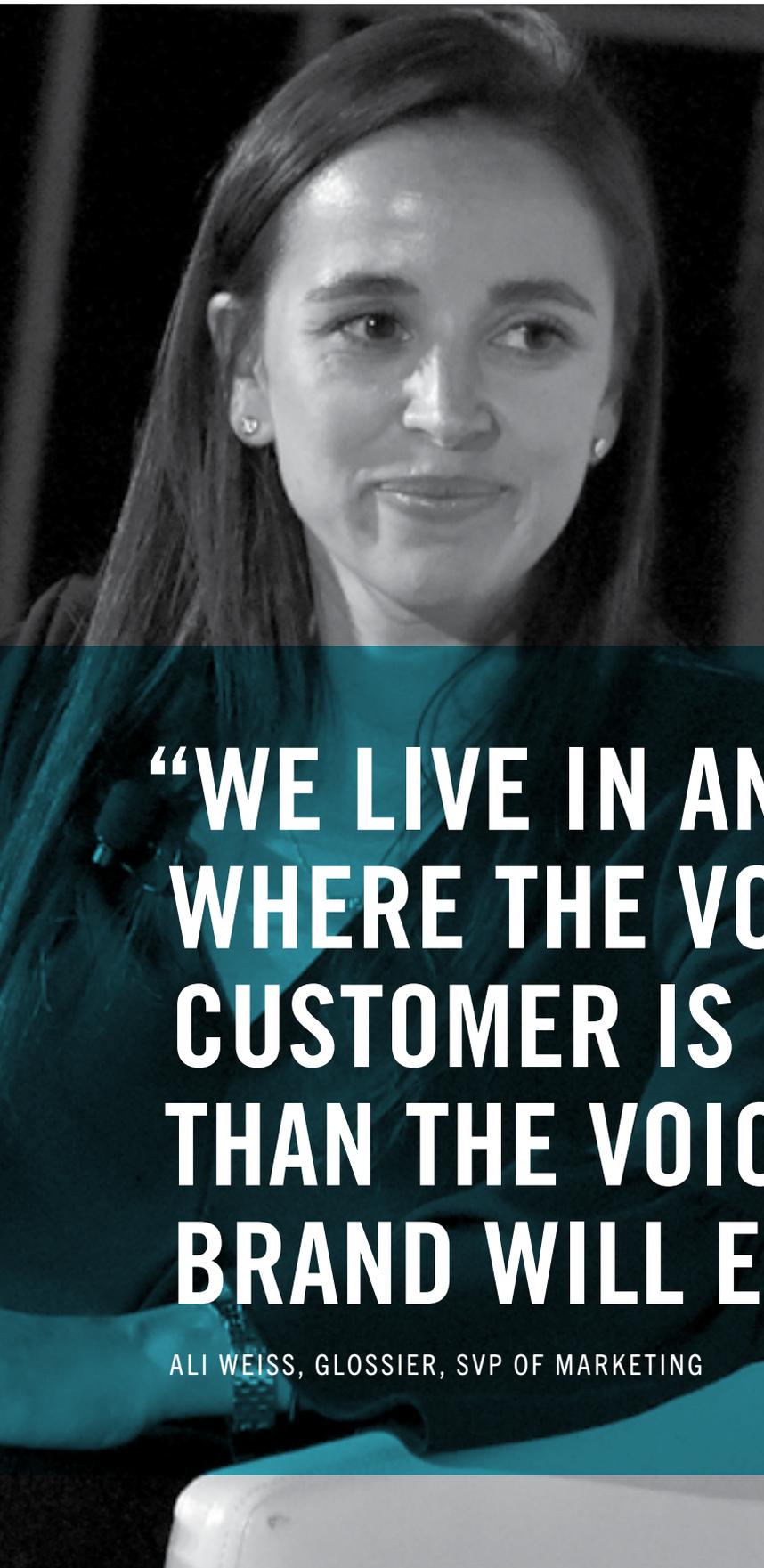
You've got to start with the people you're serving. There are huge benefits of advertising to consumers in helping them identify new products and services they want. But, one of the criticisms we hear back is we've got a little bit lazy in the area of creativity. Advertising used to be entertaining and engaging in its own right. If you haven't got particularly engaging advertising you have to have high frequency to drive the message through. Everyone is telling us 'stop, we don't want that volume'. Brands can even save money in this situation as we are advertising too much, and what we need to do is focus on better quality advertising.

INDIVIDUAL ACTION

There's a responsibility for each and every one of the players from the media side, platforms as well as advertisers. This needs a system change. No one player can impact this long-term decline. It's going to have to be the advertisers, the agencies, the media platforms, and the publishers – the whole lot who make the changes necessary, and stop accepting poor advertising as acceptable.

COLLECTIVE ACTION

We need to recognize this is a collective issue and it is an industry challenge. Engage with your industry body if you have the bandwidth to work with them yourselves to help establish best practices and then help communicate them. There's a lot of stuff going on because people actually just don't know. Certainly when you look at the long tail of advertising from very small players, often a lot of the poor work we're seeing on social media is because they are not aware of what great looks like because they haven't got the capabilities and the resources to establish that. As industry bodies we need to establish those that are great and communicate them broadly.



ENTERTAINERS

**“WE LIVE IN AN AGE
WHERE THE VOICE OF THE
CUSTOMER IS LOUDER
THAN THE VOICE OF THE
BRAND WILL EVER BE.”**

ALI WEISS, GLOSSIER, SVP OF MARKETING

INTRODUCTION

It's not a new thing to say that people have never had more power when it comes to making their voices heard and getting what they want from companies, or more ability to step in to defend their favorite brands.

THE POWER OF FANDOM

The difference comes down to one basic factor — how well do you know your audience?

Today's advanced brands understand how to build those communities and encourage their passionate fans to amplify their messages to their own communities. In some senses it's a micro-influencer strategy — tapping into goodwill you've spent time creating with fans and getting them to spread your gospel to their nearest and dearest.

Direct to Consumer brands have been quick to tap into the area, creating retail brands which are rewriting the category rules by incentivizing customers with a sense of passion driven from ease of experience, not loyalty schemes.

Platforms like Twitch, which has built an enormous audience by dominating an area most people think of as a small niche — esports and gaming — but includes a disproportionate amount of Gen Zs. The platform allows people to watch other people playing games, which isn't necessarily something understood by older people, usually those who control budgets. Video platform TikTok is following a similar trajectory.

More traditional mediums are also learning from these lessons too. TV has been the epitome of a fan-driven medium for decades. The power of that fandom and its ability to permeate culture is evidenced by referencing three TV events: Who shot JR?, The Red Wedding, and Who will he give the Rose to? You can probably name those shows, even if you've never watched them.

The TV industry has been under the pump for the past few years, but is turning a corner with digital delivery offering new opportunities and opening the medium up to smaller brands and creating the ability to target fan communities.

We'll explore how fans and brands are coming together over the coming pages. If you enjoy this, give us a like.

DIRECT TO CONSUMER IS AS MUCH ABOUT THE EXPERIENCE AS THE PRODUCT

Brands are no longer comfortable being intermediated from their customers — hence the rise of the direct to consumer category. But in order to engage these communities, they're having to understand what makes them tick.

This means maintaining relevance, staying on top of cultural and community trends across their audiences, and reacting to changing sentiments in an agile manner.

Beauty and skincare startup Glossier is on the frontline of this consumer revolution. As marketing boss Ali Weiss explains: “We live in an age where the voice of the customer is louder than the voice of the brand will ever be.”

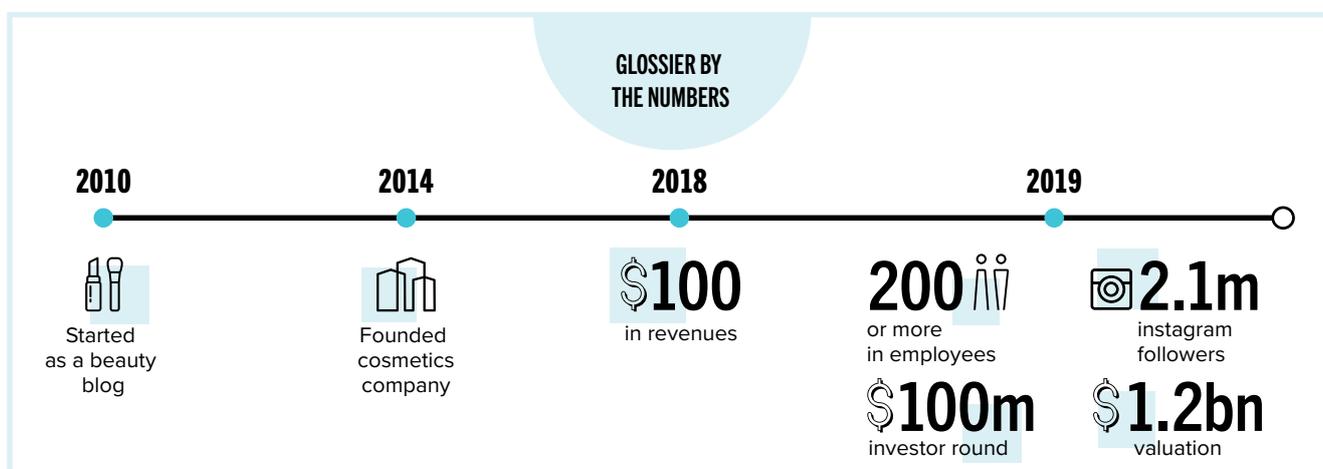
That means the brand has to pursue customer-centricity and maintain its relevance.

But that concentration on experience is paying off for the brand, as Weiss explains: “People are buying our product as a souvenir of their experience. This paradigm shift is requiring brands to think differently about driving experiences with a brand — a difference between a good product and a good brand is emotion.”

Connecting deeply with your audience and giving them a meaningful experience pays off.

“People are buying our product as a souvenir of their experience.”

ALI WEISS, GLOSSIER
SVP OF MARKETING



IF YOU DON'T HAVE AN AUDIO STRATEGY YOU'RE MISSING OUT ON EASY WINS



Advertising Week New York 2019/Shutterstock

Smart speakers are changing the ability for consumers to connect to content. According to Edison research, a third of U.S. households now has a device like the Amazon Alexa and Google Home, and 69% of these are used every single day.

While consumers today have a genuine choice with access to global radio stations, music streaming and of course, podcasts, many brands are struggling to get to grips with the audio sector, which captures consumers' attention when they often have no other media distractions.

Hip hop legend and The Tonight Show musical director Questlove (pictured left) is a big advocate of podcasting: "The podcast platform offers a human touch that has never been felt before." He describes how the medium offers the chance to find highly-engaged niche communities, who are actively seeking out that content.

Podcasts are also the next frontier for fan-based media, a phenomenon iHeartMedia CCO Rahul Sabnis described as the "meta nature" of the medium, coming together to create content about other content, like the latest goings on in popular TV shows.

Hard-to-reach communities, low-cost and low-distraction environments. Sounds like a rare marketing opportunity.

THE RISE OF PODCASTS

Over **700k** active podcasts

51% in the U.S have listened to a podcast

69% of people agreed that podcast ads made them aware of new products or services

Podcast ad revenue is forecast to hit **\$659m** in 2020

More than **29m** episodes

32% listening at least once per month

22% listening weekly

(Sources: Musicoomph.com)



Advertising Week New York 2019/Shutterstock

GAMING MAY SEEM ALIEN, BUT IT'S A MASSIVE MISSED MARKET

If your brand struggles to engage communities authentically, it's probably best you avoid the gaming environment. No-one smells BS quicker than a gamer. Fandom meets fanaticism when it comes to this oeuvre.

If you question the scale of the opportunity then look at Twitch, which has “at any given moment more than a million people participating” either as players or, for most, viewers, according to Twitch’s head of sales Sarah Looss (pictured).

It's important to think about this growing, affluent and surprisingly much-older (on average) than you might think demographic very, very carefully.

This is an opportunity of partnerships and integrations — Twitch provided multiple examples of brands making smart moves in terms of engaging communities around games like Fortnite and League of Legends.

Twitch’s Nathan Lindberg explains: “It’s not just about sponsoring something or buying an asset, it’s about creating a holistic package that creates that really deep connection point

and then amplifies it by utilising media to tell everyone about it.”

What’s the opportunity for brands? The statistics show that 45% of League of Legends players don’t have a TV subscription, so there’s a hard to reach audience right there. But it’s perhaps best explained by Mastercard’s Business Leader of Global Sponsorships, Brian Lancey: “There’s this opportunity with esports where you can find your own path and you don’t have to get saddled with huge media rights.” It’s a large and often hard-to-reach audience, with a heap of untapped potential.



GAMING'S SURGING GROWTH

 **\$151B** spent on games in 2019

 **2.34B** gamers in 2018

The US has the second largest gaming revenue in the world (behind China) with \$25.43 billion

(Sources: Wepc.com)

EMBRACING FEAR TO BE MORE CREATIVE

There are few figures in the action sports realm who manage to achieve cut-through in the mainstream, which goes some way to explaining the cult appeal of skateboarding legend Tony Hawk (pictured below, second from right).

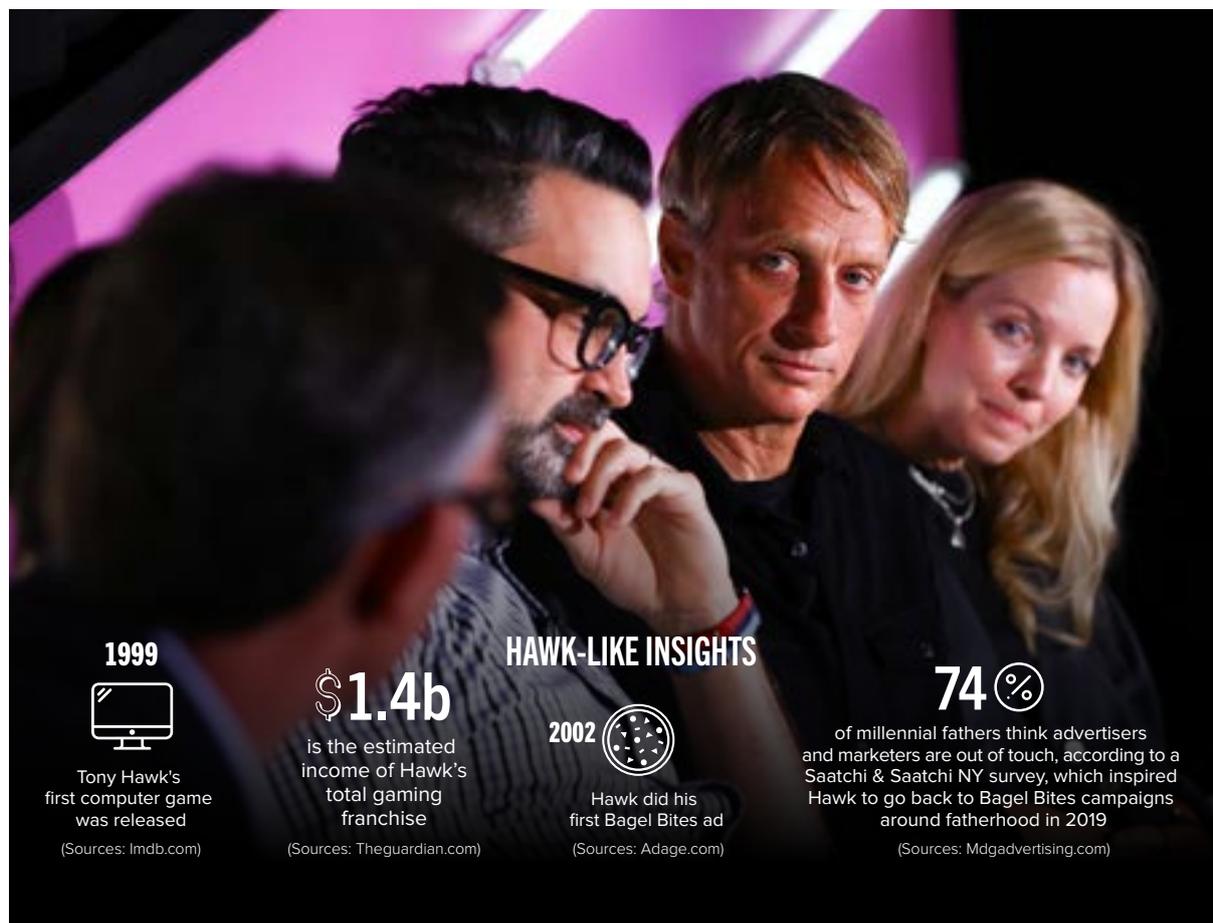
He takes lessons from the halfpipe into his agency D/CAL: “The number one killer in skateboarding is doubt,” he explains. “If you approach something with any sense of doubt the worst case scenario will come true. That’s something I carry through to advertising.”

Having turned 50, the man known to a generation of people for his eponymously titled video game series is now entering the advertising game, but his skater journey wasn’t plain sailing, with people mocking his “different” skating style. That wasn’t helped when he did an advertising campaign for, of all

things, Bagel Bites, becoming one of the first skateboarders to cross into the mainstream. Some fans branded him a sellout because of it. The thing was, he ate them at the time, so for him the collaboration was authentic.

So what happens 17 years later when they come knocking again? He goes meta, and stars in the ad talking about the experience. And no one bats an eyelid, because as he explains: “This new generation of skaters have no idea what selling out means because their favorite skaters are sponsored by Red Bull and Nike, it’s just a thing that happens now. I’ve definitely overcome those fears having been the brunt of the backlash for it.”

The lesson? What we find brave today may well become completely normal in the future, so don’t let fear of judgement from your peers hold you back.



Advertising Week New York 2019/Shutterstock



THE LONG TAKE: TV CUTS THE CORD

TV has been the ultimate mass-market medium for the last 60 years — the best way to get your brand in front of the biggest possible audience. But, in the last decade the once-dominant cable and terrestrial networks have seen the rise of new streaming challengers and a new category — cord cutters, and now, cord nevers. It's created an inflection point for the industry to address.

Of course this doesn't mean the end of TV, far from it. How many people do you know who say they don't watch TV, yet are still watching the same shows you are, and have a big screen hanging on their family room wall? Definitions have changed. But one reason for people migrating away from TV to other services is, sadly, advertising. That's a big problem for the networks and for brand marketers.

The TV industry is now rising to the challenge, leading to a better TV experience for everyone, a rare win-win-win.

Whilst the promise of addressable TV advertising has been around for a while there have been a few developments in the last two years in terms of technology and some major players getting serious about the problem (as evidenced by the more than 20 sessions on the space at Advertising Week New York this year). So what does it all mean for marketers?

As of last year in the United States, **60% of households**

own a CTV and more than **164m** U.S. internet users access video content via connected TV devices

(Sources: 10thdegree.com)



31%



of US adults watch via a Connected TV daily

(Sources: Multichannel.com)



74%

of US TV households have at least one internet-connected TV device

(Sources: Multichannel.com)



49%

of TV households have at least one stand-alone streaming device

(Sources: Multichannel.com)

CTV ad impressions increased by **340%** between Q2'17 and Q2'18, with **66%** of ads shared on CTV

(Sources: Multichannel.com)



38%

of video ad impressions were served on connected TVs compared to 31% that were served on smartphones

(Sources: Digiday.com)



TARGETING

We're entering a post-ratings world, and with it the end of the spray and pray mentality. Increasingly it won't matter how many people watched a program, so long as the right kinds of people are watching. The TV networks are now creating programming which attracts the people marketers want to target as advertisers.

Demographics are also out of the window, the talk now is much more around interest and household-specific data, understanding who the person watching really is. It's moving from 'probabilistic' (we think we know the audience) techniques to 'deterministic' (we know who we are targeting) methods. These data sets are also being used across platforms to follow audiences — creating the chance for marketers to execute cross-screen media buys targeting the same people to achieve greater accuracy.



Advertising Week New York 2019/Shutterstock

MEASUREMENT

With new technology comes new measurement opportunities: impressions delivered, completion rate, view-throughs, conversions and more. This provides new opportunities for test-and-learn creative from brands, understanding the performance your TV ads are delivering in real-time.

Increasingly digitised TV delivery will allow for better cross-platform attribution, and move marketers towards the holy grail of understanding what role each channel is playing in their marketing mix.

To do this we need attribution, and that's already being worked on by several parties, including iSpot.TV, which has been working with Target's Roundel division for the last 18-months on attribution solutions, using real-time TV data to understand audience behaviour.

FIGHTING FRAUD

Ad fraud is an issue in this space, with a report suggesting as many as 19% of connected TV impressions were served fraudulently in Q3 of 2018. But those issues can be avoided as more inventory becomes available and by buying direct from trusted vendors, according to MediaMath's VP & Head of Advanced TV & Video, Mike Fisher (pictured).

Integral Ad Science is also opening up a fraud detection tool in 2020 for TV buyers, enabling them to understand where their money is going and how to avoid wastage. It's not a reason not to get involved in the burgeoning opportunity, but it is a buyer beware notice to deal with reputable companies and be careful, especially when buying through programmatic channels.

To find out more about Connected TV and what lies in the future, see this [Learning Path on the AWLearn platform](#).



3 THINGS FOR MARKETERS: GETTING INTO CONNECTED TV

We spoke to Kyle Johnson, advanced TV measurement lead at Adobe, to find out how marketers should be approaching the connected TV market

UTILIZING FIRST-PARTY DATA ACROSS ALL OF YOUR TV BUY

Don't just think about using data in digital video — advertisers now have the ability to use it in connected and linear television too. When doing so, marketers need to ensure that their first-party data is representative of their intended target audience and that third-party data is high quality. It's a good idea to run tests with different types of data, such as taking third-party and first-party data head-to-head with different tactics and measuring the outcomes. Services like Adobe's segment validation can help advertisers understand the composition of their digital segments — from an overall quality, viewership, and demographic perspective — and determine if the segment should be used in data-driven TV. It's not enough to just slap on segments to a TV campaign and call it a day. Ensure the data you're using is high quality, differentiated, and that you're actually purchasing inventory in a new, more accurate way.

DEFINE AND ALIGN YOUR MEASUREMENT ACROSS ALL SCREENS — INCLUDING LINEAR TV

Don't put TV in a silo — it's the biggest and best part of your buy. Keep it front and center and measure it on the same measurement footing as your digital buy. You want to make sure that if, for example, store traffic and tracking purchases is your number one goal that you're measuring that across your entire buy. TV measurement has evolved to the point where marketers don't need to use directional insights for TV anymore, you can actually include deterministic TV exposures in conjunction with the rest of your digital buy. This allows you to ensure you're looking at the biggest part of your buy with the same set of eyes and thoughts that you would with digital. The insights can be truly eye opening.

BECOME MORE FLUID IN YOUR PLANNING AND OPTIMIZATION

As viewers become increasingly comfortable with digital TV and slowly move away from linear, it's important to figure out where your audience lies and then make better allocations. Don't just broadly place things on the TV, but be a little more fluid depending on where your target lives. If you're Diet Coke for example, and you're trying to reach everyone from 18 to 75, don't just buy 18-75 on TV, turn it into two campaigns, across multiple formats, and measure them concurrently. Use connected TV to focus on the younger audience, and linear TV to focus on your older audience. Afterwards, you should review the two campaigns both individually and combined, with the help of a partner that can put them on the same currency to understand total reach and frequency across all screens and the halo effect one campaign may have on the other.



ADVERTISINGWEEK

advertisingweek.com



AWLEARN

advertisingweek.com/learn