MORE MEDIA
MORE NOISE
LESS SIGNIFICANCE?

Linda Saulīte, Rīga, 05.10.2018
Latvijas Reklāmas Asociācijas Gada konference
Growth: Healthy lifestyle and interesting leisure time

- I regularly take active exercise
- I do a lot of entertaining at home
- I am very ambitious
- I try to go somewhere different on holiday every time
- Sport is very important to me
- Organic products are healthier
- I am very happy with my social life
- You should seize every opportunity as it arises
- I trust brands/products endorsed by a professional

Source: CCS 2016 Latvia
<table>
<thead>
<tr>
<th>Statement</th>
<th>2014</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>I’d rather go to a shop than order goods online</td>
<td></td>
<td></td>
<td>-27%p</td>
</tr>
<tr>
<td>Once I find a brand I like I stick to it</td>
<td></td>
<td></td>
<td>-16%p</td>
</tr>
<tr>
<td>I expect advertising to be entertaining</td>
<td></td>
<td></td>
<td>-13%p</td>
</tr>
<tr>
<td>I prefer brands that reward me for being loyal</td>
<td></td>
<td></td>
<td>-12%p</td>
</tr>
<tr>
<td>My career is very important to me</td>
<td></td>
<td></td>
<td>-12%p</td>
</tr>
<tr>
<td>There are too many decisions to make in life</td>
<td></td>
<td></td>
<td>-12%p</td>
</tr>
<tr>
<td>I like advertising that gives me factual information</td>
<td></td>
<td></td>
<td>-10%p</td>
</tr>
<tr>
<td>I like other people to approve of the brands I buy</td>
<td></td>
<td></td>
<td>-8%p</td>
</tr>
<tr>
<td>I always like to try new brands</td>
<td></td>
<td></td>
<td>-7%p</td>
</tr>
<tr>
<td>International brands have status</td>
<td></td>
<td></td>
<td>-7%p</td>
</tr>
</tbody>
</table>

Source: CCS 2016 Latvia
Usage of all digital channels increasing

Source: CCS 2016 Latvia
More time spent with media in total: more noise and multitasking

Source: CCS 2016 Latvia
Millennials and Generation Z are changing the face of marketing
Older audience follow the pattern of digitalisation

Source: Consumer Connection System Latvia 2012-2016; Daily reach
3 ways of disruptions in media

- Digital consumption
- Platforms
- People will start not loving digital display ads
Is there a future audience for local media brands?
Young people consume classical media much below average

- Linear TV: 57% (All 15-64), 46% (15-25)
- Radio: 9% (15-25)
- Newspaper: 10% (15-25)
- Magazine: 6% (15-25)

Source: Consumer Connection System Latvia 2016; Daily Reach
They prefer to access content online

- Linear TV: 57% (All 15-64), 17% (15-25)
- TV record online platform: 17% (All 15-64), 17% (15-25)
- YouTube: 67% (All 15-64), 46% (15-25)
- Radio: 46% (All 15-64), 46% (15-25)
- Stream music: 36% (All 15-64), 36% (15-25)

Source: Consumer Connection System Latvia 2016; Daily Reach
Higher level of activity in social media

- Like/Share friend's content: 74%
- React to content from a brand: 45%
- Update your status: 31%
- Seek advice, opinions: 31%
- Discuss a brand: 30%
- Use a hashtag (#): 28%
- Make purchases: 28%

Source: Consumer Connection System Latvia 2016; Weekly activities
Growing mobile usage redefines the way we use media content
Younger audience more consume content not in Latvian

Not any more platform experience – it is all about content consumption experience.

Social media and headlines shopping.

/Jenkins, 2008; Barkus 2008, Schmitt 2009/
Content delivery via multiple platforms endanger the brand associations

Care less about media brands

Chan-Olmsted, 2011
Shifted Trust - peers, social media and internet celebrities
Around 40% of digital advertising investment in Latvia goes to global platforms

Source: Bloomberg, Zenith Media
Ad-Spend Development by Media

Source: TNS / Latvian Advertising Association
We need future for local media brands

Tās valodas, kurās netika drukātas grāmatas, ar laiku izmira, un tas var notikt arī ar valodām, kas netiek lietotas digitālajā vidē.

/Meta-net.eu. Latviešu valoda digitālajā laikmetā/
Media consumption challenge – build brand outside platform

Continuous experience with media brand content

Branded content vs branded platform

Market intelligence and data

Consumer – centric experience. Speak with audience - place, format, tone of voice
Fast food is not junk food anymore
Facebook and Google – duo play. Technology and social opportunities for media brands

Facebook Instant Articles
Facebook Live

**Flexibility and Control**

Flexible monetization options support the way you grow your publishing business and you choose what works best for your business.

- Audience Network
- Direct Sold Ads
- Branded Content
Facebook and Google – duo play. Technology and social opportunities for media brands

Google Digital News Initiative

The Digital News Initiative (DNI) is a partnership between Google and publishers in Europe to support high-quality journalism through technology and innovation.
Opportunities for local media brands

Context is back

The golden moment – situational or contextual fact is stronger than personality
The most used word is advertising in 2017 – BRAND SAFETY
SMALL SCREENS    SHORT ATTENTION SPANS    LESS EFFECTIVENESS
Advertising effectiveness has fallen as we fell in love with digital metrics – very seductive and very short-term

- Financial crises + digital metrics = we fell in love with wrong success metric for long-term growth
- Now and short-term thinking or digital mind set and obsession with ROI
- Digital mind –set could damage long-term brand effectiveness
- Decrease of creativity

Les Binet, Peter Field «How media choices impact effectiveness», EFF week, November 2016, WARC
Digital advertising – let’s turn a passionate fling into responsible relationships
What was once an art now is a science – we need balance

Invest in brand-building channels. We are overinvesting in activation

Reach vs. Targeting – intellectual battle

Mass reach essential to long-term effectiveness. Penetration – brand growth 1.2% loyalty, 1.8% penetration

Short-termism has undermined the link between creativity and effectiveness

Video is more powerful for long-term success

IPA Databank (1980 – 2016), Tom Goodwin Why digital isn’t working, October 2017
ESOV – the most important individual metrics for brand – long term growth

Excess Share of voice = difference between Share of Voice and Share pf Market

High ESOV = long –term effectiveness

1998 – 2006 6% of growth explained by ESOV

2008 – 2016 12% by ESOV

We sacrificed MS growth in pursuit of ROI

FB = more business metrics not shinny ones. What about like?

Les Binet, Peter Field «How media choices impact effectiveness», EFF week, November 2016, WARC
ROI in 2017: Effectiveness in the digital age. WARC Trends, Toolkit 2017
CONTEXT IS BACK. 2017 – thanks for wake up call!

- Trust decreased because of bad digital behaviour
- Respectful advertising = contextual advertising
- Do not ignore context in favour of targeting
- Desired behaviour – target context + target audiences
- Situational or contextual fact is more than personality on behaviour

The Guardian, 2017
Don’t give up programmatic – just don’t do it cheap.

Less reliance on algorithm more on insight

Be authentic
Engagement
Context
DIGITAL IS NOT MEDIA

Internet is making all mass media more effective
But it is different for young 21st century brands

- Shorter life spans and shorter consumer memories
- Can go digital only
- Today about product experience not emotional appeal
- Start with narrow sector not broad audience
- Postpone media investments as long as possible
Agencies challenges and new role – it is not about communication/social or mobile strategies

Strategic and business approach

Data-literacy

Knowledge up skilling
2018

- Brand Safety
- Voice Strategy
- Dark Social
- AR, VR, AI, Apple ARKit
- Viewability Standards
- Transparency
MEDIA OPPORTUNITIES

- VOICE AND EXPERTISE
- BUILD BRANDS – BRANDED CONTENT
- EXPLORE TECHNOLOGIES AND BUSINESS MODELS
- POLISH CONTENT AND CONTEXT
- KEEP GOING – WE NEED YOU!
FOR ADVERTISERS

LONG-TERM GROWTH

BE AUTHENTIC ENGAGE AND BE IN CONTEXT

WELCOME BACK CREATIVITY

DATA IS ABOUT HUMANS
SUSTAINABILITY AND LONG-TERM APPROACH

DIGITAL LEADERSHIP
The most underestimated and forgotten generation – real influencers

Balance Diversity Highly Educated Independent Angry but don't know why Ethical Independent Work to live The first «day care» generation Time 40% Task Productivity Impatient Don’t understand the optimism of Boomer and Gen Y Ask why Boss Cell phones Call me only at work Direct email

35-54
FUTURE IS ABOUT EMPATHY
NOT CODING!