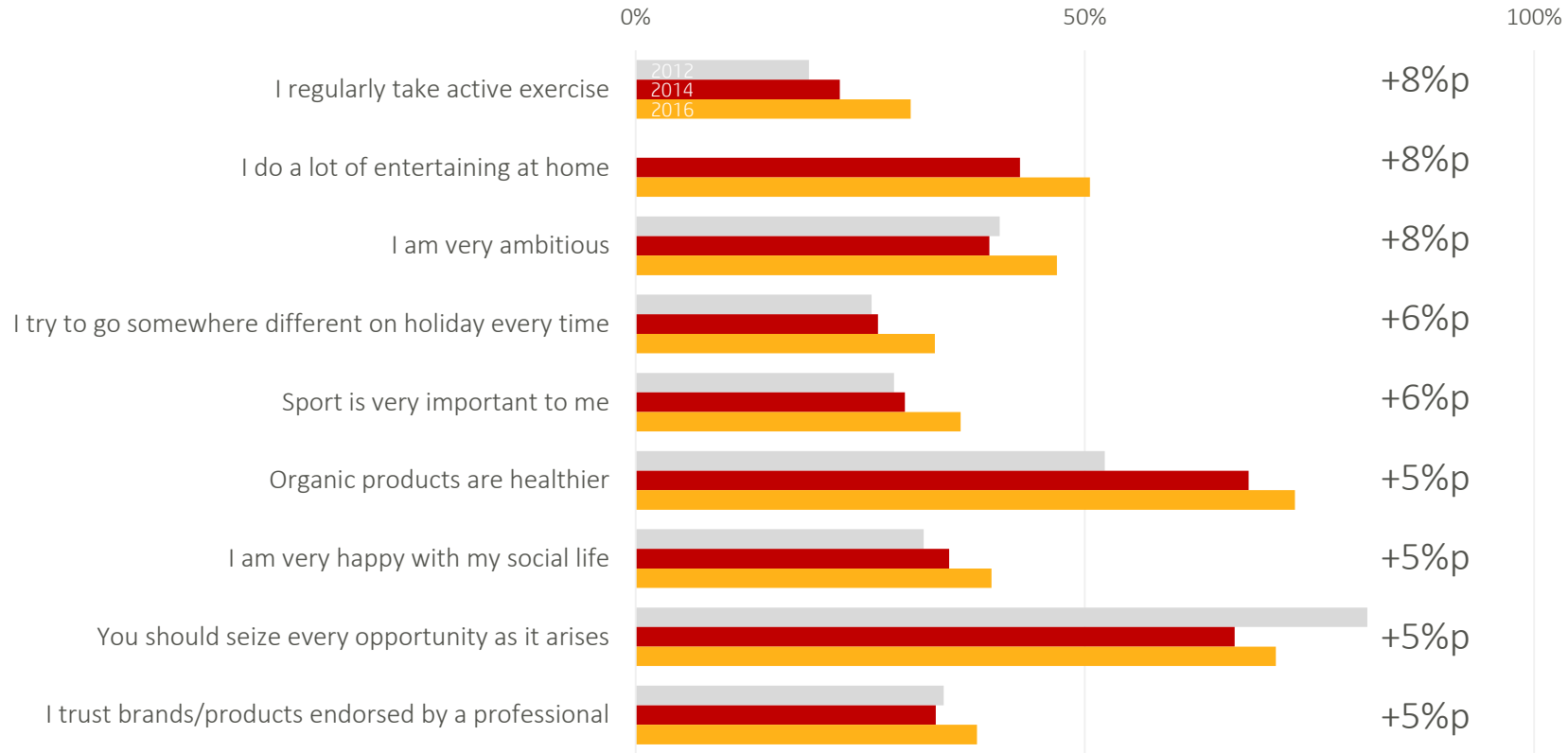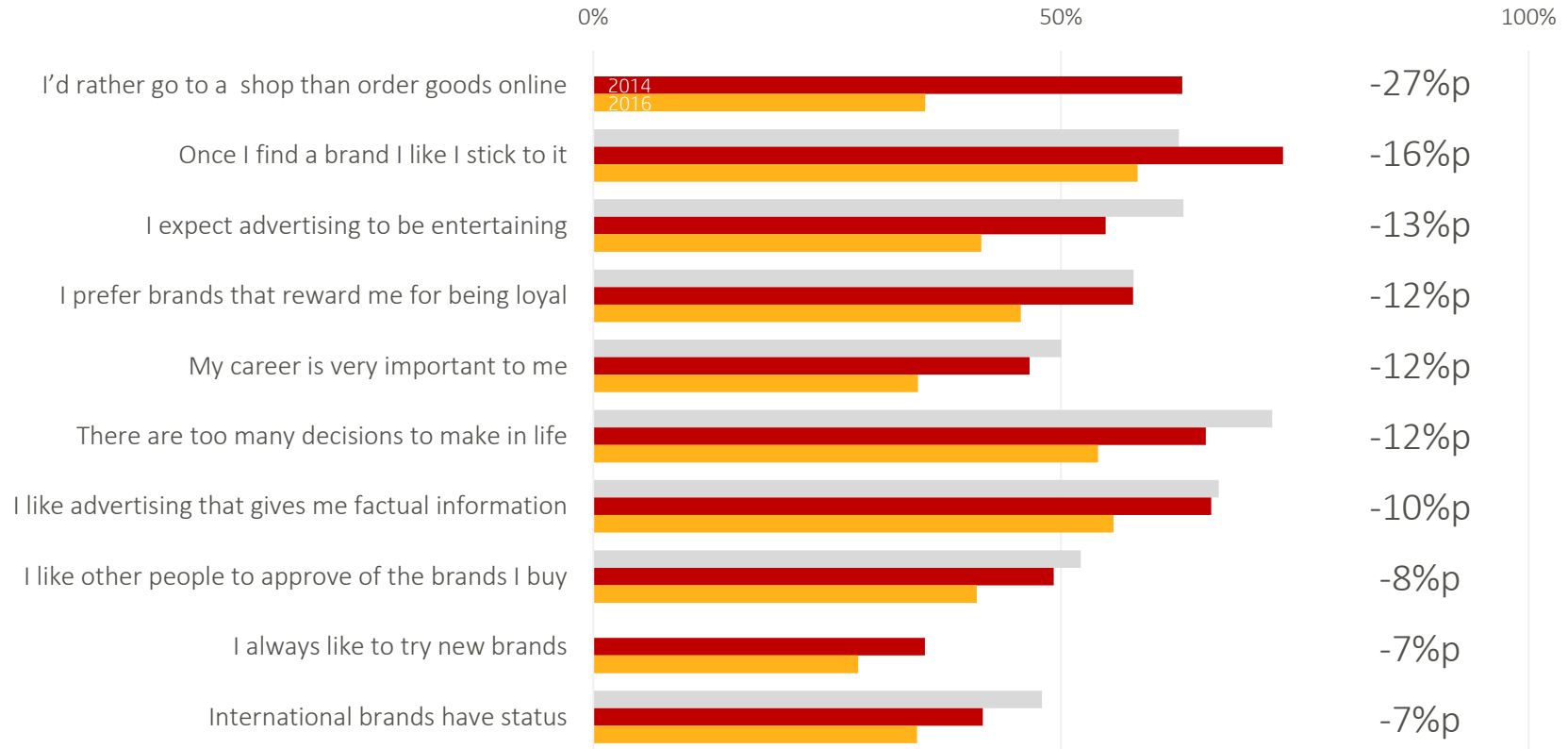# MORE MEDIA
MORE NOISE
LESS SIGNIFICANCE?

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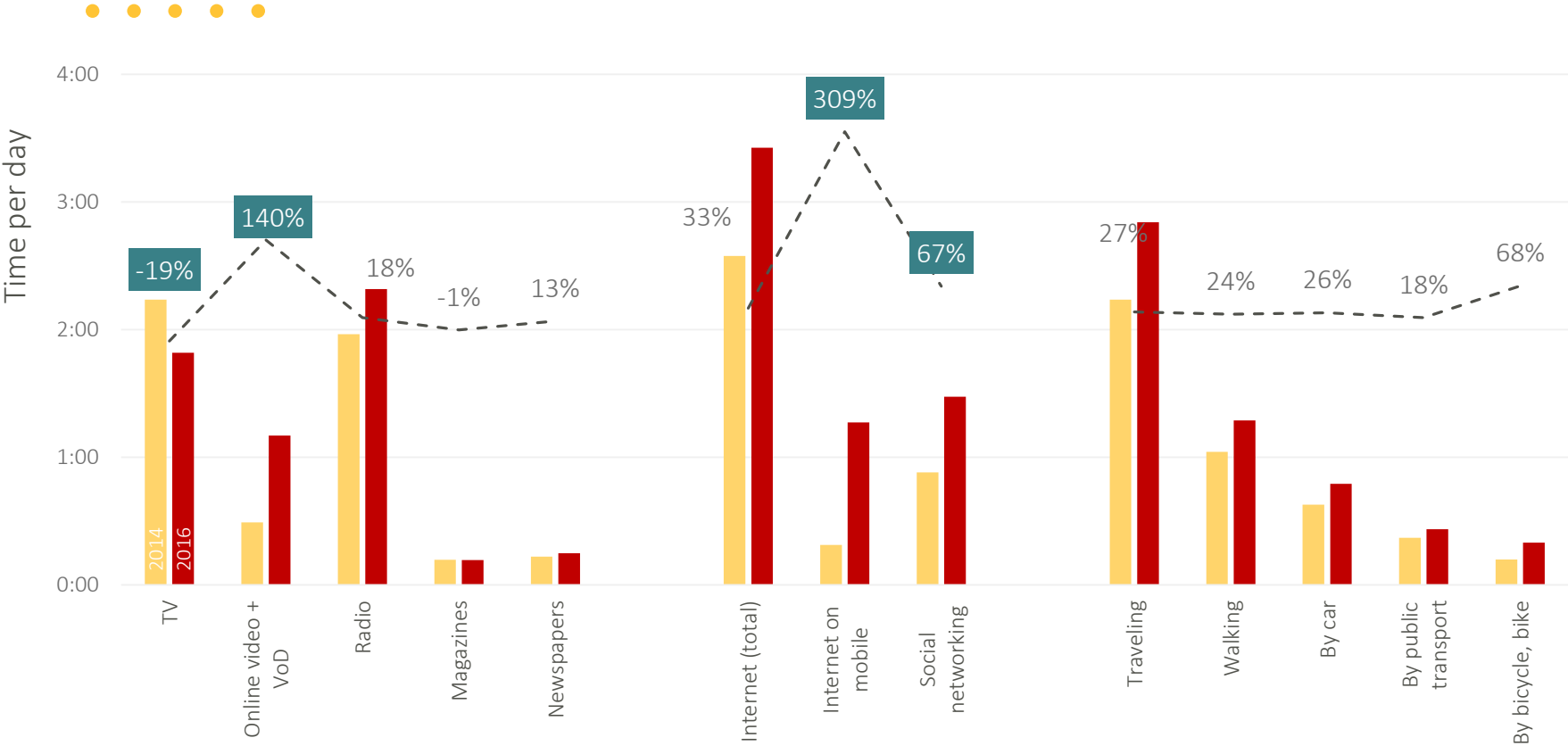
Growth: Healthy lifestyle and interesting leisure time

I regularly take active exercise	+8%p
I do a lot of entertaining at home	+8%p
I am very ambitious	+8%p
I try to go somewhere different on holiday every time	+6%p
Sport is very important to me	+6%p
Organic products are healthier	+5%p
I am very happy with my social life	+5%p
You should seize every opportunity as it arises	+5%p
I trust brands/products endorsed by a professional	+5%p

Legend: 2012, 2014, 2016

Scale: 0% — 50% — 100%

Brands and their advertising become less important

I'd rather go to a shop than order goods online		-27%p
Once I find a brand I like I stick to it		-16%p
I expect advertising to be entertaining		-13%p
I prefer brands that reward me for being loyal		-12%p
My career is very important to me		-12%p
There are too many decisions to make in life		-12%p
I like advertising that gives me factual information		-10%p
I like other people to approve of the brands I buy		-8%p
I always like to try new brands		-7%p
International brands have status		-7%p

0%   50%   100%

2014
2016

Source: CCS 2016 Latvia

Usage of all digital channels increasing

Time per day

	2014	2016	% change
TV			-19%
Online video + VoD			140%
Radio			18%
Magazines			-1%
Newspapers			13%
Internet (total)			33%
Internet on mobile			309%
Social networking			67%
Traveling			27%
Walking			24%
By car			26%
By public transport			18%
By bicycle, bike			68%

More time spent with media in total: more noise and multitasking
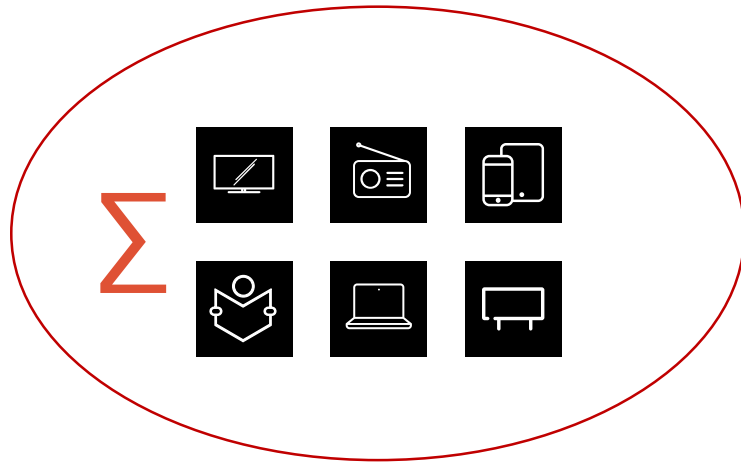
	2014	2016
Σ	9:55	12:01

Millennials and Generation Z are changing the face of marketing

Older audience follow the pattern of digitalisation

Legend: TV — Internet on PC — Mobile — Social — YouTube
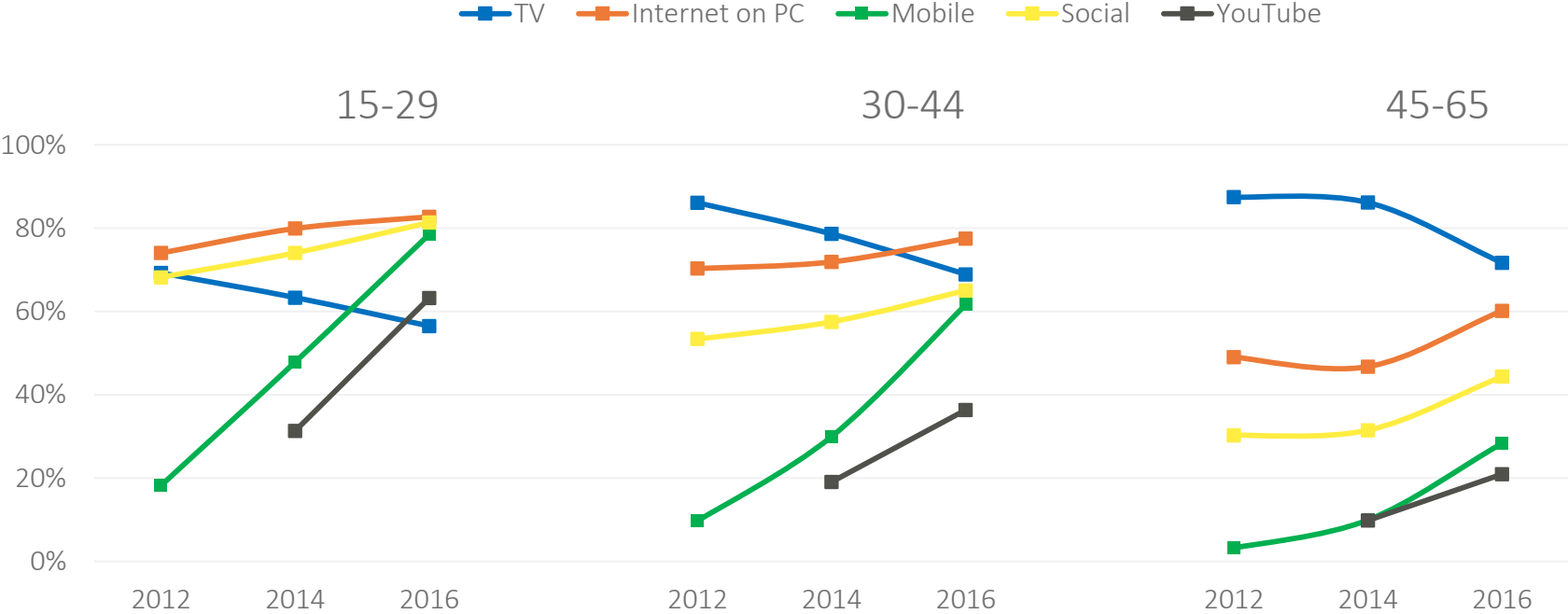
3 ways of disruptions in media

Digital consumption

Platforms

People will start not loving digital display ads
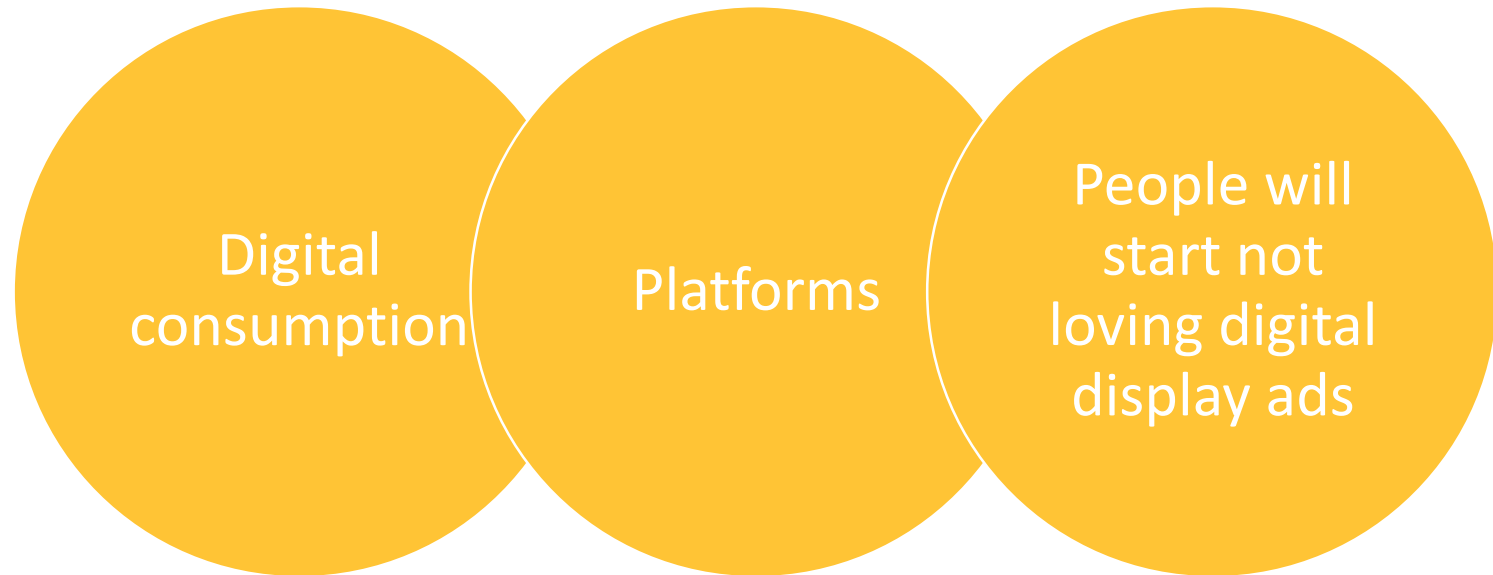
Is there a future audience for local media brands?

Young people consume classical media much below average

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■ All 15-64　■ 15-25

- Linear TV: **57%**
- Radio: **46%**
- Newspaper: **9%**
- Magazine: **10%**
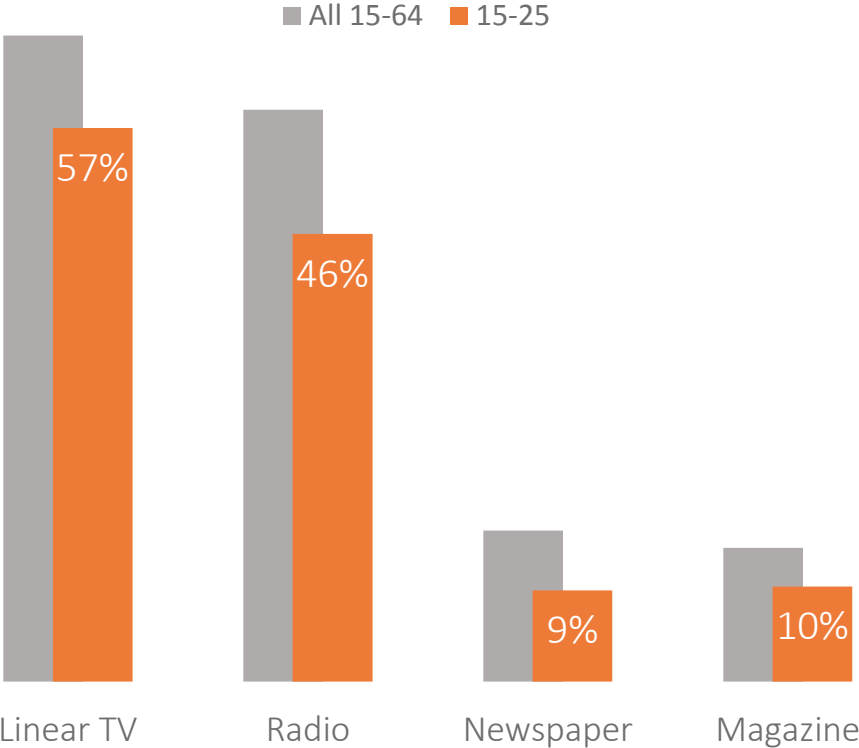
They prefer to access content online

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Legend: ■ All 15-64   ■ 15-25

Category	15-25
Linear TV	57%
TV record online platform	17%
YouTube	67%
Radio	46%
Stream music	36%
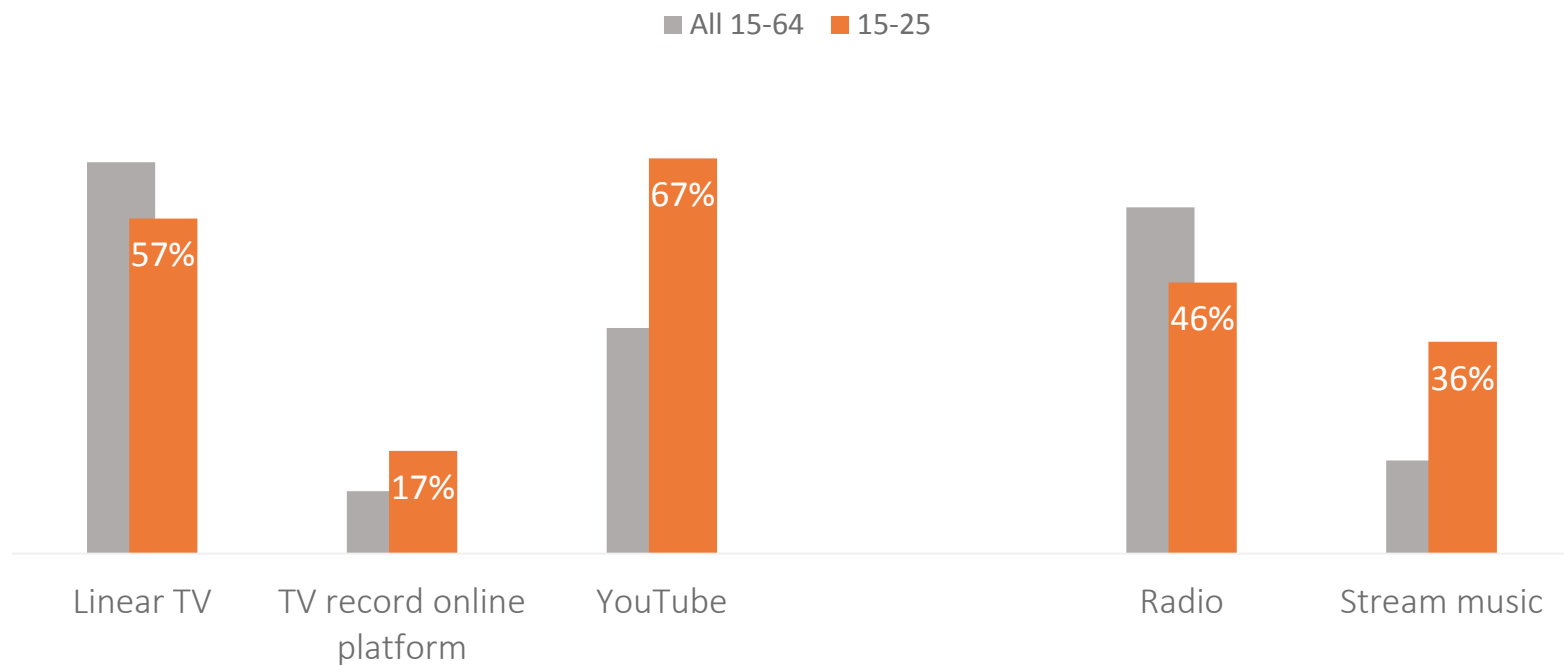
Higher level of activity in social media

Legend: All 15-64 (grey), 15-25 (orange)

Category	15-25
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%
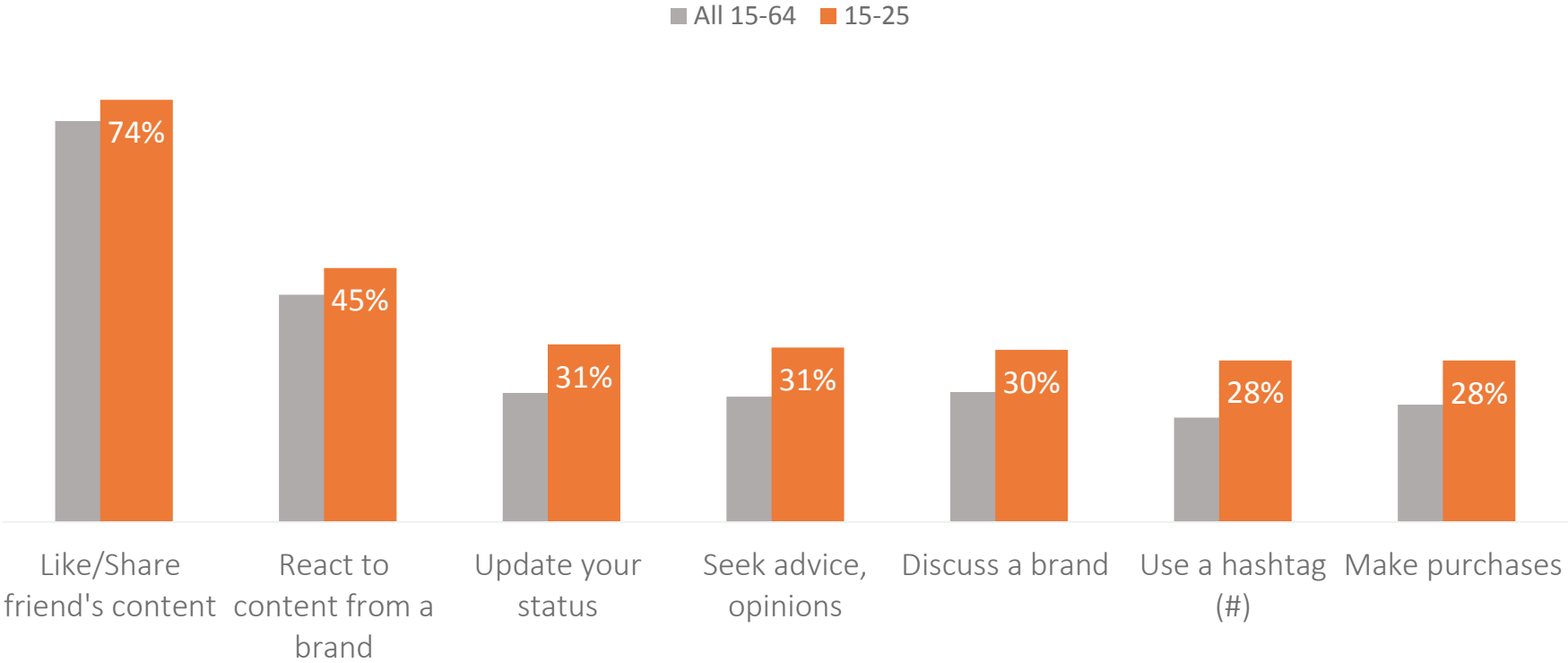
Growing mobile usage redefines the way we use media content

Younger audience more consume content not in Latvian

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

Social media and headlines shopping.

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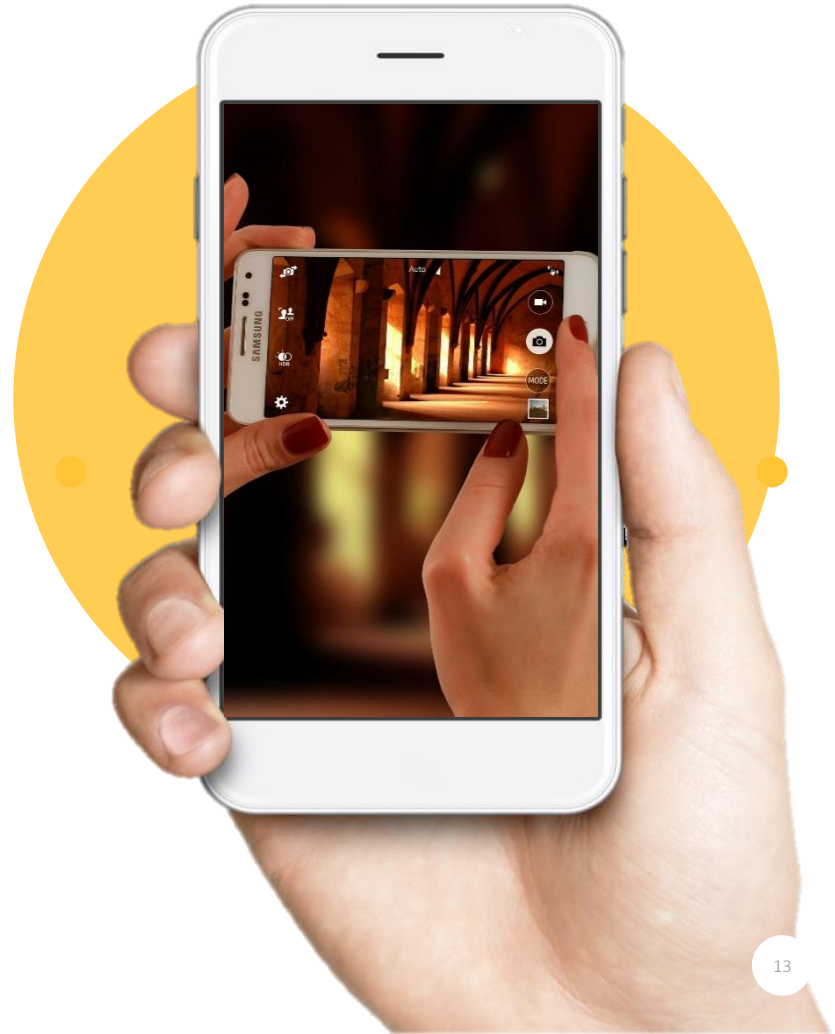
Content delivery via multiple platforms endanger the brand associations

Care less about media brands

Chan-Olmsted , 2011

15

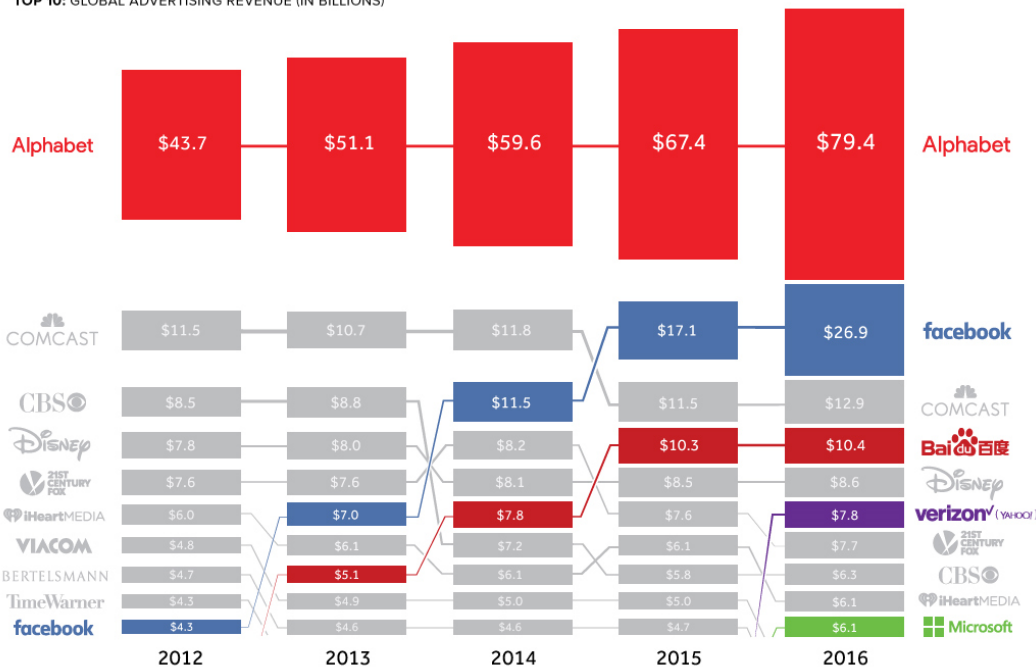Shifted Trust - peers, social media and internet celebrities

Around 40% of digital advertising investment in Latvia goes to global platforms
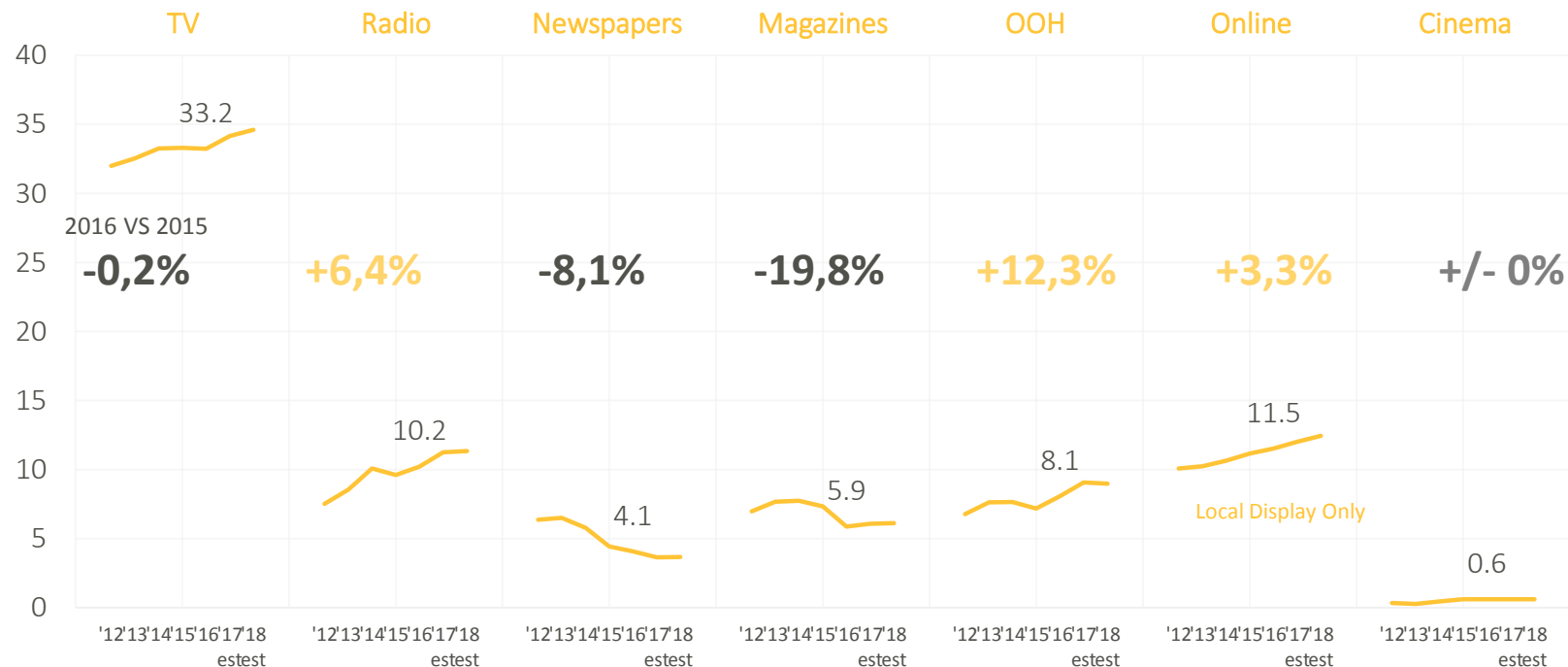
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THE TECH TAKEOVER OF ADVERTISING
Legacy media brands are falling hard and fast

TOP 10: GLOBAL ADVERTISING REVENUE (IN BILLIONS)

	2012	2013	2014	2015	2016	
Alphabet	$43.7	$51.1	$59.6	$67.4	$79.4	Alphabet
COMCAST	$11.5	$10.7	$11.8	$17.1	$26.9	facebook
CBS	$8.5	$8.8	$11.5	$11.5	$12.9	COMCAST
Disney	$7.8	$8.0	$8.2	$10.3	$10.4	Baidu 百度
21ST CENTURY FOX	$7.6	$7.6	$8.1	$8.5	$8.6	Disney
iHeartMEDIA	$6.0	$7.0	$7.8	$7.6	$7.8	verizon (YAHOO!)
VIACOM	$4.8	$6.1	$7.2	$6.1	$7.7	21ST CENTURY FOX
BERTELSMANN	$4.7	$5.1	$6.1	$5.8	$6.3	CBS
TimeWarner	$4.3	$4.9	$5.0	$5.0	$6.1	iHeartMEDIA
facebook	$4.3	$4.6	$4.6	$4.7	$6.1	Microsoft

Monetization of the audience?

Source: Bloomberg. Zenith Media

Ad-Spend Development by Media

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	TV	Radio	Newspapers	Magazines	OOH	Online	Cinema

40

35   33.2

30

25   **2016 VS 2015**
     -0,2%   **+6,4%**   **-8,1%**   **-19,8%**   **+12,3%**   **+3,3%**   **+/- 0%**

20

15   11.5

10   10.2   8.1
                                        5.9   Local Display Only

5   4.1

0   0.6

'12'13'14'15'16'17'18   '12'13'14'15'16'17'18   '12'13'14'15'16'17'18   '12'13'14'15'16'17'18   '12'13'14'15'16'17'18   '12'13'14'15'16'17'18   '12'13'14'15'16'17'18
estest   estest   estest   estest   estest   estest   estest

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

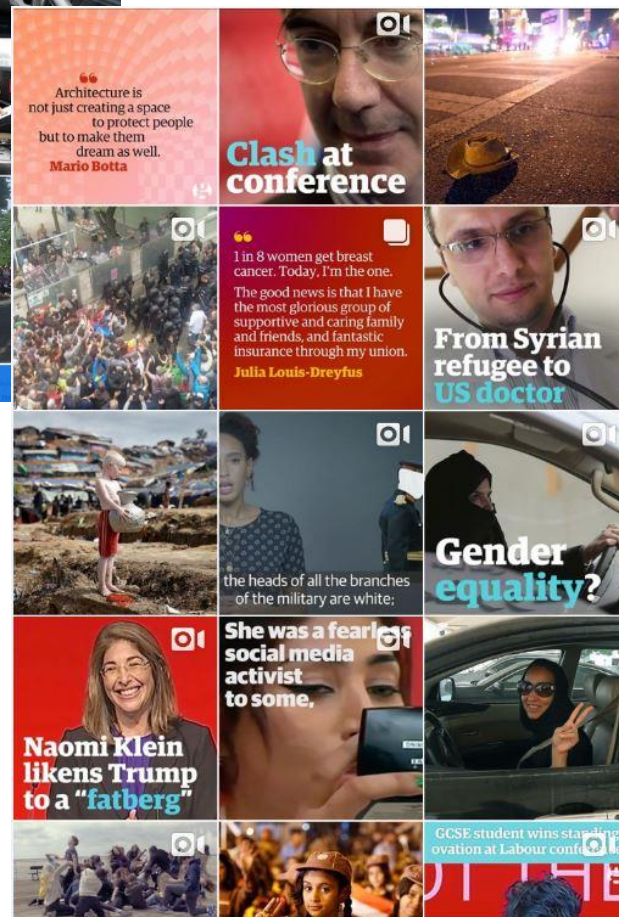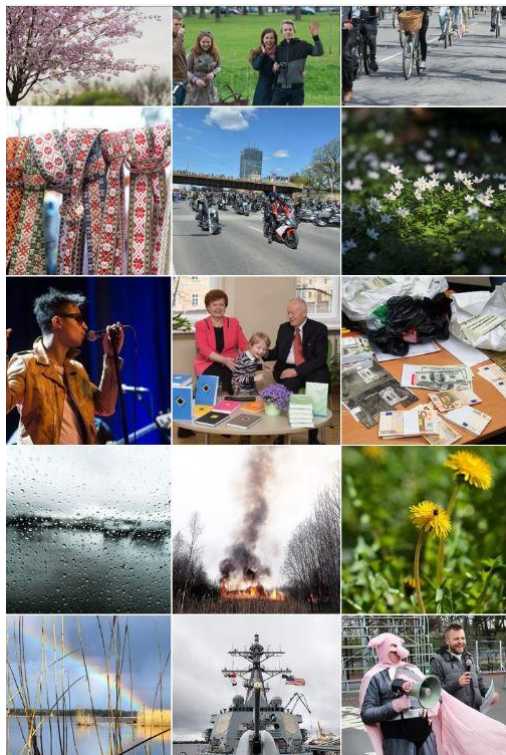Branded content vs branded platform

Market intelligence and data

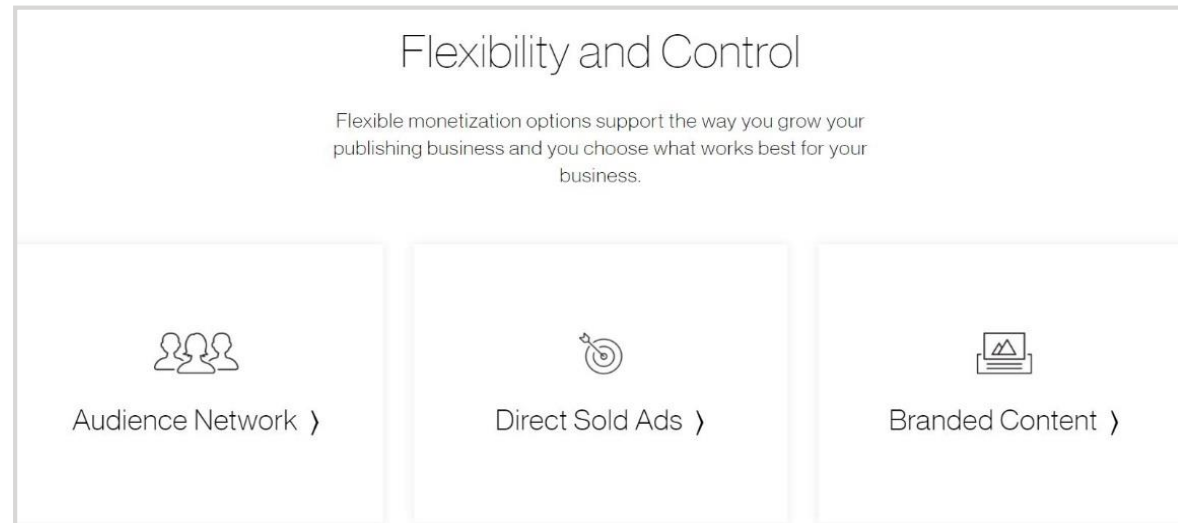Consumer − centric experience. Speak with audience - place, format, tone of voice

Fast food
is not
junk food
anymore

Facebook and Google – duo play. Technology and social opportunities for media brands

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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

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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

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Context is back

The golden moment – situational or contextual fact is stronger than personality

+23%
EFFECTIVENESS

18%
MORE POSITIVE

The most used word is advertising in 2017 – BRAND SAFETY

With A Single Speech, P&G's Pritchard Signals New Rules For Digital Advertising

Marc Pritchard, chief brand officer of Procter & Gamble Co. Photographer: Michael Nagle/Bloomberg

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

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Short-termism and obsession with ROI

- 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

Digital advertising – let's turn a passionate fling into responsible relationships

What was once an art now is a science – we need balance

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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

60/40

1.2%
LOYALTY

1.8%
PENETRATION

40%
TV/VIDEO

ESOV – the most important individual metrics for brand – long term growth

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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?

14%
1998-2006

4%
2008-2016

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!

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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

+23%
communication
effectiveness

+18%
more positive
towards brand

Brand recognition – Brand sentiment

The Guardian, 2017

Don't give up programmatic – just don't do it cheap.

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Less reliance on algorithm more on insight

Be authentic
Engagement
Context

Digital marketing is a marketing

DIGITAL IS NOT MEDIA

Internet is making all mass media more effective

But it is different for young 21th centuary brands
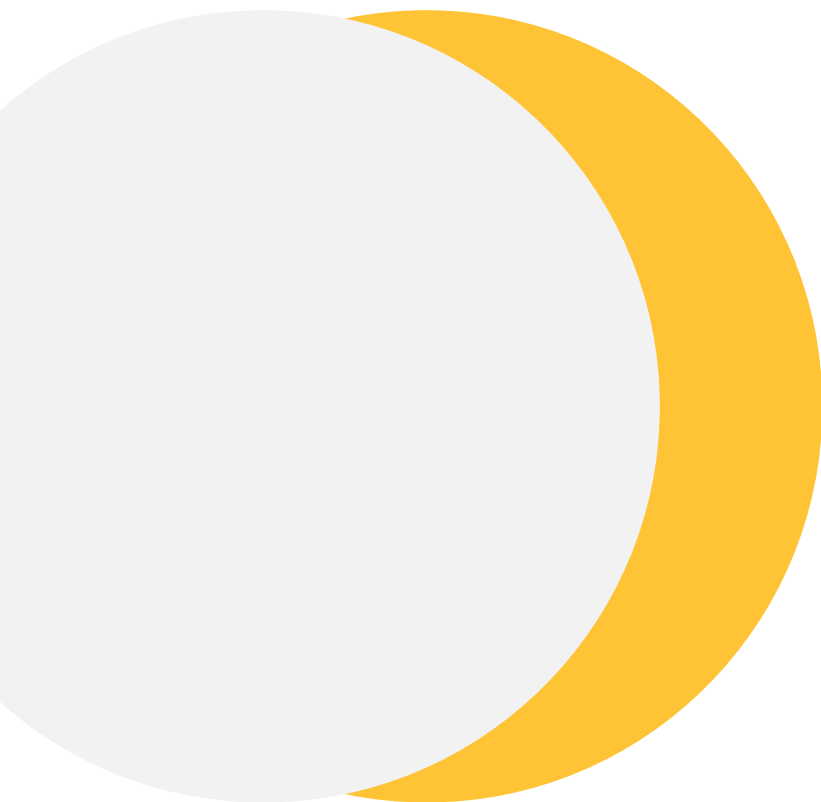
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Shorter life spans and shorter
consumer memories

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

36

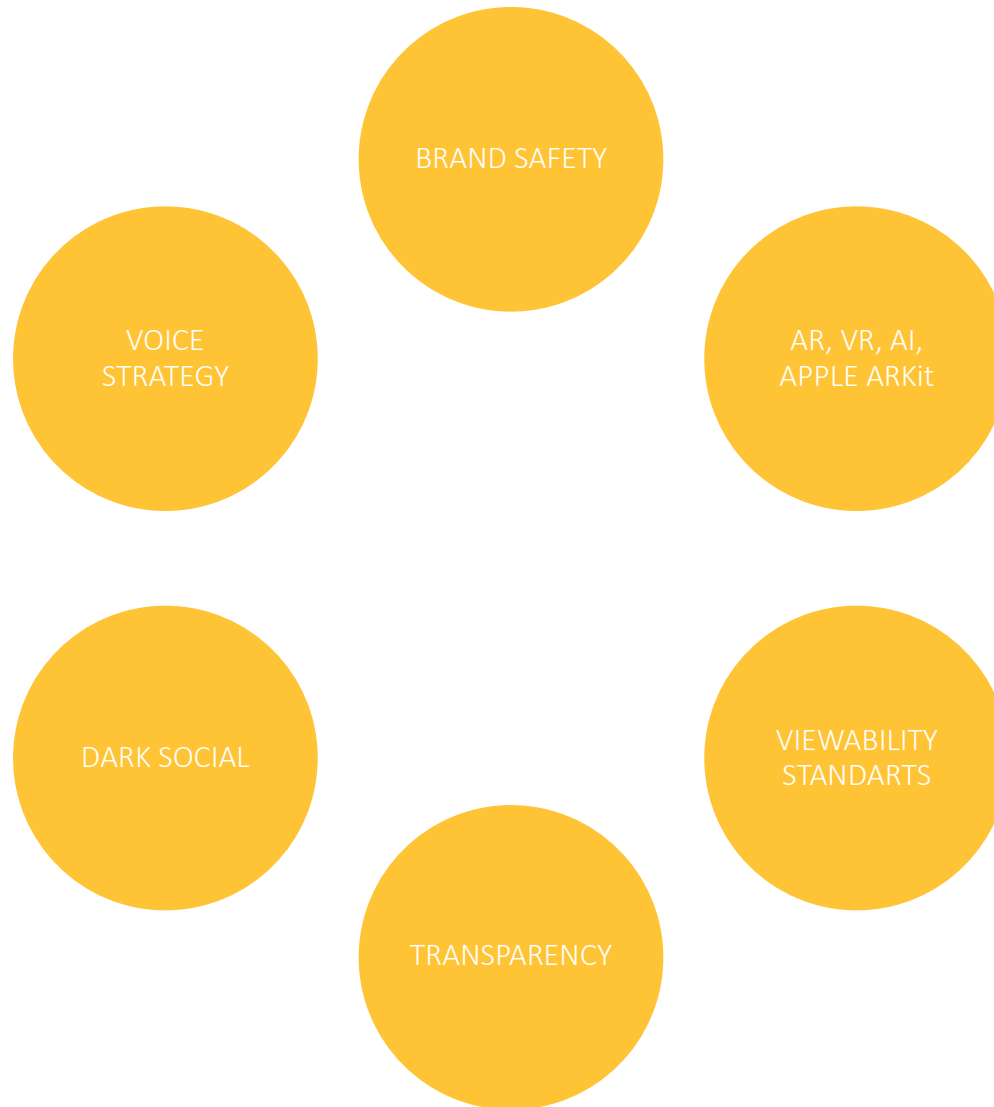# Agencies challenges and new role – it is not about communication/social or mobile strategies

Strategic and business approach

Data-literacy

Knowledge up skilling

2018

BRAND SAFETY

AR, VR, AI, APPLE ARKit

VOICE STRATEGY

DARK SOCIAL

VIEWABILITY STANDARTS

TRANSPARENCY

MEDIA OPPORTUNITIES

VOICE AND EXPERTISE

BUILD BRANDS – BRANDED CONTENT

EXPLORE TECHOLOGIES AND BUSINESS MODELS

POLISH CONTENT AND CONTEXT

KEEP GOING – WE NEED YOU!

FOR ADVERTISIERS

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 emai#1l

35-54

FUTURE IS ABOUT EMPATHY
NOT CODING!