

The Lowdown

M.i. Media's round-up of the latest market, industry and media trends

In this month's Lowdown, we reveal which brands are most at risk from wallet-pinching inflation, CFlight finally gives us some total TV viewing measurement and subscription fallout is encouraging Netflix to become advertising tolerant....read on!



Don't get left on the cutting room floor

Marketing week's article '[Consumers are cutting back - is your brand next for the chop?](#)' outlines how the harsh reality of wallet-pinching inflation facing UK consumers will cause them to edit many brands out of their lives.

Marketers whose brands are perceived as 'must haves' (eg essentials) or 'joy-spreaders' (eg discretionary but a bit special and worth it) may be more insulated than others. But in a hard economic climate, "me too" brands, those with only weak proof points bought more out of habit than conviction, are at increased risk of the chop.

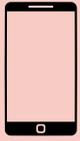
"Consumers will be looking at the brands that feature in the movies of their lives, and they will cut, cut, cut!"

New measurement solution for linear TV and BVOD

As reported by [Thinkbox](#), the launch of CFlight enhances the media industry's ability to more accurately measure total TV viewing. Thinkbox summarises it as:

"...the UK's first unified TV advertising metric that captures the vast majority of live, on-demand and time-shifted commercial impacts and impressions across all viewing platforms... It produces campaign reports that provide de-duplicated total reach and frequency across linear TV and broadcaster VOD (BVOD)."





CFlight captures over 98% of UK broadcaster advertising. Specifically including:

- ITV, Channel 4 and Sky's channels, apps and portals
- STV, UKTV and Channel 5 channels and their respective BVOD players
- Tracking impressions across devices incl. Connected TVs, set top boxes, PCs, Macs, laptops, tablets, smartphones, games consoles and their browsers

CFlight combines linear TV advertising impacts with BVOD impressions to provide total numbers at a broad audience level and its impression data inputs from broadcasters' adservers are audited by ABC to reinforce validity.

This complex but much needed research has been a long time coming, but now at last media planners and their clients have visibility of the true reach and frequency of their linear TV and BVOD activities combined.



Source: [Thinkbox: CFlight: measuring reach and frequency across linear TV and BVOD](#)

Is Netflix introducing advertising?

A recent report from Kantar market research (quoted in [City A.M.](#)) found that in the first couple of months of 2022, more than 1.5 million people cancelled their streaming platform memberships - with 'wanting to save money' cited as the main reason. These services had enjoyed record subscriber numbers as people upgraded their entertainment options during the pandemic lockdown. Now however, providers are experiencing subscription fallout as "normal" life resumes, coupled with the impact of the cost of living crisis.

NETFLIX

Netflix now appears to be seriously considering advertising on its platform. Back in 2015, Reed Hastings (Netflix co-founder) stated boldly (as quoted in [Campaign](#)):

"No advertising (was) coming onto Netflix. Period."

But fast forward to 2022 and Hastings has now announced (via [Contagious](#)):

"Those who have followed Netflix know that I've been against the complexity of advertising and a big fan of the simplicity of subscription...but as much as I'm a fan of that, I'm a bigger fan of consumer choice, and allowing consumers who would like to have a lower price and are advertising tolerant [to] get what they want makes a lot of sense."

Following the likes of Hulu, Netflix is considering adding a new cheaper service plan subsidised by advertising, while ad-free plans will still exist for current subscribers. This is an interesting prospect for advertisers who have been hitherto unable to reach viewers amongst Netflix's premium streaming content. Given the likes of Spotify has a c.50:50 split between premium subscribers and ad supported streaming, we'll be keeping a close eye on Netflix's evolving proposition.

Contextual versus Premiumisation

WARC's recent article, '[TikTok bets on context, Twitter looks to premium](#)', focuses on new products unveiled at the IAB's NewsFronts conference. It suggests that with its new product, Pulse, TikTok is:

"...gunning for Meta: offering placement next to top-performing, safe content, while measuring all sorts of intent."

In order to lure brands to the platform, Pulse is promising to put brands next to the top 4% of content in users 'For You' feed (starting in the US) and the solution will also involve a revenue share with video creators ([TechCrunch](#)).

Twitter is instead opting to unite brands with premium video and has forged partnership opportunities with Conde Nast, E! News, Essence, Revolt and WNBA. Twitter announced at 2022 Digital Content NewFronts:



"These deals bring fresh content to the timeline for the world's most engaged audiences, as well as to Twitter's advertisers via Twitter Amplify, which gives brands a chance to put their ads right next to video content from Twitter's content partners."



As always, these platforms are having to evolve and create new opportunities to keep advertisers engaged and money flowing in. Meanwhile, what impact Elon Musk's proposed takeover of Twitter will have on that platform's revenues is yet to be seen...

'Back but different'

To finish on a more positive note, as reported in [The Media Leader](#), March saw one of the biggest ever trading months for the OOH sector. As restrictions loosened, people started to return to the local high street, offices and city centres and advertisers have subsequently jumped at the opportunities. Richard Bon, UK M.D. and commercial lead at Clear Channel Europe, said:

"Out-of-home is really benefiting this from this blended working from home and working from the office...we are seeing different patterns, people travelling at different times in different ways, spending more time on their local high street, but also as a result going into larger city centres more at weekends, especially if you elevate your view beyond London."



The opportunities presented by digital OOH in particular mean that advertisers can capitalise on these new behaviours with dynamic targeting (time of day, day of week, creative message) and do so more reactively in much shorter time frames.

The long awaited launch of the Elizabeth line (Crossrail) meanwhile may help drive up London's passenger numbers which have been lagging slightly behind other regional cities. Overall, however, it's a positive time for the OOH industry with advertisers looking to take full advantage of increased audience mobility.

Mi. media

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