

The Lowdown

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


In this month's Lowdown, the topic of supply and demand is dominating the headlines. As we hit the final quarter of 2021, this issue has real implications for media and marketing, so read on to see what you need to do to stay ahead!

A white silhouette of a reindeer jumping, enclosed in a white circle.

What's a 'proper' Christmas going to look like this year?

In Campaign's article, '[Why brands should write their performance Christmas lists early this year](#)' they suggest that there is an overwhelming sentiment that consumers are going to 'want a proper Christmas this year'. But what does that mean and how should advertisers capitalise on it? They have come up with 6 pointers:

1. Track search behaviour for early insights and use social listening in your sector
2. Understand your audience and their likely spending behaviour - are they sitting on savings or fearful of furlough ending and unemployment?
3. Ecommerce is continuing to dominate for retail purchases, versus visiting the high street.
4. Christmas gift buying is starting early (to ensure that perfect Christmas) - go early and take advantage of the 'deposit' effect (second wind).
5. There won't be many bargains in the media market as demand will be intense - commit early.
6. Lack of media supply (e.g. lower impacts on the Underground, cinema) means that the remaining media are experiencing heightened demand and the best opportunities will go (so again, book early!).

A white silhouette of a Christmas bauble with a zigzag pattern, enclosed in a white circle.

We also think another factor worth bearing in mind is that threats of product shortages could make consumers bring purchases forward if they think that supply won't be there later (John Lewis has even chartered a fleet of extra ships to ensure it has enough Christmas stock, as reported on [BBC News!](#)). Early Christmas purchases could be on the agenda and brands and their retailers will need to be ready.




A winter of discontent?

As reported in [City A.M.](#), the Centre for Economics and Business Research (CEBR) has suggested that energy bills are likely to go up by more than £300 over the next year in reaction to the current energy crisis. Based on the research:

"The poorest households will experience a £258 uptick in their energy bills, representing 16 per cent of their disposable income, while the richest 20 per cent of the UK's costs will rise £368, equating to one per cent of their disposable income..."


The Bank of England has increased its inflation forecast to over 4%, double its original forecast, which will erode disposable income further. Unsurprisingly, consumer confidence data from Gfk shows that consumer concerns over tax hikes, higher inflation and shortages in shops has caused previously recovering confidence ratings to dip by 5 points.



Consumer confidence, which has a bearing on discretionary expenditure, is unlikely to be helped by news / experience of supply shortages across multiple sectors of the economy (as reported on [BBC News](#)):

- Not enough microchips to put in new cars
- Not enough heavy goods drivers to deliver fuel to petrol stations
- Not enough lorry drivers to make deliveries to supermarkets
- Not enough workers to work in food manufacturing
- Not enough shipping containers, meaning that toys from China might not arrive in time for Christmas
- And even fears of a shortage of Christmas trees!

As marketers, we need to be mindful that consumers are feeling the pinch and increased stress from the threat of shortages is causing confusion and delay.



October TV market could be up by 10% - don't get caught out!

As reported in [Campaign](#), the UK TV market is on track to finish 2021 well ahead of 2019. September has seen very strong demand and last minute bookings, with Channel 4 one of the biggest beneficiaries, seeing revenue up by almost 40% year on year!

The market is also estimated to be up as much as 10% in October versus being flat a year ago, so TV revenue's upward trajectory is likely to continue through Q4.

Campaign's article suggests that TV ad sales across broadcast and on-demand in 2021 could be up by as much as 18% YOY. With some channels such as commuter print, OOH and cinemas still finding their feet, one TV executive suggested that:

“Marketers’ choices are more limited than they were [in terms of audience reach] and advertisers have got to make up lost ground”

Increased advertising revenue is great news for the broadcasters but when it is not matched by similar increases in viewing, then the resulting media cost inflation can erode marketer's media value. To get an informed view on the TV market and how to circumnavigate the still volatile media landscape, just get in touch.

Marketers' perceptions of social media platforms diverging from those of consumers

In Kantar's global ad equity rankings across branded digital platforms (reported on [WARC](#)), TikTok reigns supreme with consumers, while YouTube and Instagram win out with marketers:

TikTok's consumer appeal is underlined by data from app monitoring firm App Annie (as reported on the [BBC News](#)) which shows that TikTok has the greatest time per user and is ranked as the most downloadable worldwide amongst social, communication, photo, video and entertainment apps. YouTube continues to keep the 'overall time spent' top spot however, due to its sheer volume of users (2 billion monthly users globally vs TikTok "only" approaching 1 billion!).

Top 5 global digital platforms ad equity ranking (consumers vs marketers)

Consumers	Marketers
1) TikTok (-)	1) YouTube
2) Amazon (new!)	2) Instagram
3) Instagram (-1)	3) Google
4) Google (-)	4) Facebook
5) Twitter (-)	5) Spotify

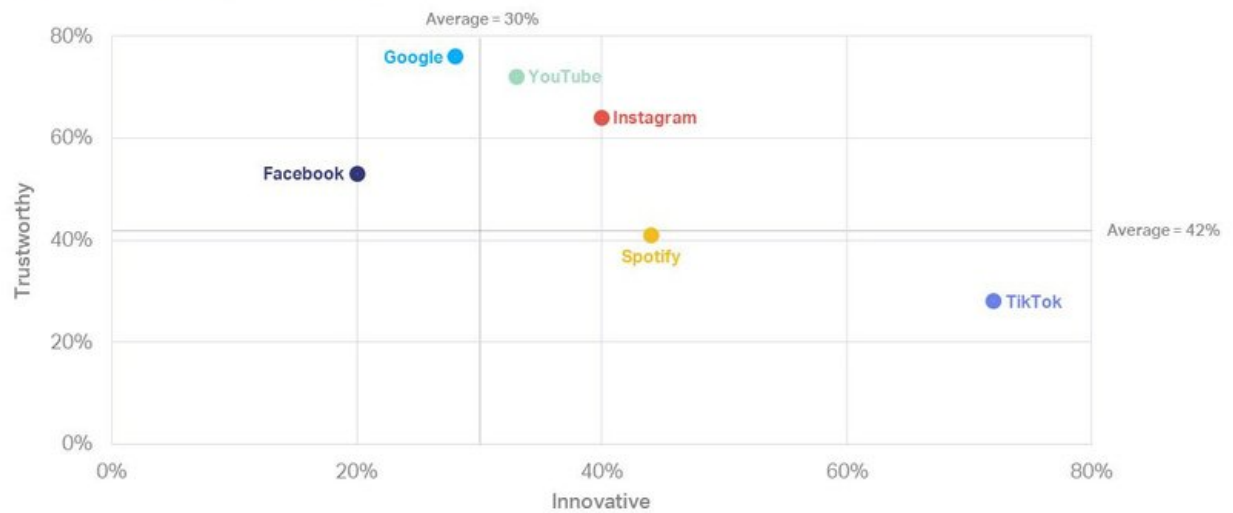
Source: [WARC](#) using Kantar Report (insights from over 14,500 consumer interviews).

[WARC's](#) look (based on Kantar data) at how social media brands are perceived by senior marketers in terms of innovation and trustworthiness provides an interesting counterpoint however. TikTok is deemed to be the most innovative place to advertise (72%) but also distinctly trailing in terms of trust (28%). The article suggested that half of major brands have no presence on the platform, indicating that TikTok still has issues to address before it can fully monetise all of its short form video views.

Global, Advertising on digital media brands

Marketer perceptions, % of marketers

WARC
DATA



Note: Based on a survey of over 900 senior marketers from advertisers, agencies and media companies worldwide.

SOURCE: Kantar

Source: [WARC Data](#) using Kantar survey data of 900 senior marketers from advertisers, agencies and media companies worldwide.



Guardian opt out of making ABC data public

As reported in the [PressGazette](#), following in the footsteps of the Telegraph and News UK, the Guardian will also now keep their audited circulation data private. ABC allowed publishers to make their figures private in May 2020 in reaction to:

“publisher concerns that monthly ABC circulation reports provide a stimulus to write a negative narrative of circulation decline”.

There is no question that print volumes are down - in July this year, The Guardian sold an average of 105,134 copies each day, less than half the figure 10 years ago. However, The Guardian online is a different story, as it is the third most popular news website amongst UK news brands. Hence the publisher justifying their decision to...:

“...focus on metrics which more accurately reflect our diversity of journalism, readership and business strategy”.



Will Channel 4 be sold to ITV?

A circular icon containing a black sign with the words "FOR SALE" in white capital letters.

It's a topic that has fired up debate in the industry - would and should the government sell Channel 4 to ITV? Channel 4 works on a not-for-profit model and all ad revenues are channelled back into content "*that's innovative, alternative that challenges the status quo*" - [official remit](#)) but the government is considering a sale due to the changing media landscape (and their enthusiasm for privatisation) and a possible buyer could be ITV.

In a widely publicised '4 The People' campaign, [Campaign](#) has been petitioning for it to remain as it is, with an open letter to the government which over 50 industry leaders have backed and signed.

The letter suggests that because Channel 4 isn't constrained by shareholders or a parent company it can confidently deliver a range of programming suited to a wide spectrum of brands. The open letter ends:

"You have both stated the government's preferred option is to facilitate a change in ownership of Channel 4 but we, the undersigned, ask you to think again. The broadcaster's current structure allows it to offer advertisers a brilliant platform to build their brands and drive the UK economy."



As quoted on [BBC News](#), Channel 4's Programming Director Ian Katz indicated what a buyout could mean and cited "the level of depth" of the news as one part of the schedule that may come under pressure. He believes that shows like Sandi Toksvig's *The Write Offs*, about adult literacy; *We Are Lady Parts*, a sitcom about a female Muslim punk band; and *Steph's Packed Lunch* feature under-represented voices which are properly represented by Channel 4 and would possibly be lost with a commercial buyout.

We're with Channel 4 on this one. We value diversity in TV output and many of our advertisers capitalise on the unique programming environments that Channel 4 broadcasts. Selling it to a commercial rival, ITV or otherwise, could see less choice, for viewers and advertisers alike, and it's hard to see the benefits of that.



It's time to trust again

M.i.'s MD, Richard Slater, discussed the issue of trust in our industry (or the lack of it) in [Mediate](#) and the potential benefits of being a bit more trusting. As he points out there are times to be sceptical, to question data rather than necessarily accept it at face value, but after a hard 18 months and lots of instances of goodwill, there's plenty to be gained by granting a bit more trust.



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