



ADVERTISING SEMINAR

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Agenda setting speech: Adam Singer, Chairman, BSAC

So I open my paper – how quaint – on Saturday morning to read that there are less than a thousand independent book shops; 9 years ago there were over 1,500; now it's 987 and falling.

How we all laughed at those conferences in 2005 when we were told there was no evidence that people wanted to download books, and research said only a few would be buying an e-book reader in the next year, and that Amazon could not compete with the new coffee bars opening in book stores.

When I mentioned this demise of independent book sellers to my wife, Jill, she said, "that's terrible, who will stand up to the taste-dictatorship of big distributors? After all, it was independent booksellers who fought for the Satanic Verses, who will save them?" Then the doorbell rang, it was an Amazon delivery with a box set for me, and a pile of academic tomes for her. She looked guilty and said, "I know, I'm a one click addict," showing that we all sacrifice intangible macro benefits for micro moments of real convenience.

So in need of a 2nd hand lawn mower – obviously a 1960 Ransomes Marquis with the BSA engine and the heavy rollers for those great lawn stripes – I headed for the newsagent to get Exchange and Mart, only to be told it stopped printing 5 years ago. Who would have thought people would renounce the anticipatory pleasure of a weekly ink staining browse for a mess of clickage on Craigslist or eBay?

I know that I am not alone in seeing small ads as frogs – an indicator species – where if they die out it shows the food chain is in trouble. If small ads can't work in print, what's my permission to believe in big ads? How do I know that the whole concept of vaguely targeted mass advertising is not like Wyle E. Coyote: the legs are spinning around, but just hasn't looked down yet?

I watch a lot of television, I love television, I've got a 60 inch 3D screen and am now saving for my 4K set...but I have not watched an ad in a year. I record ITV and Sky drama and play it back so I can spin through the ads; I watch whole seasons from Sky box sets, and don't see an ad. We, like a growing number of families, have two subscription services: Sky and Netflix. I love Netflix; no ads.

None of my friends watch ads; none of my children watch ads; and, I am told that we are an exception, a privileged group who behave differently from the rest of the country.

That is nonsense. The luck of privilege means I can afford to be an early adopter; but early just means you are the first at the party, it doesn't mean there will be no party. Every one of you has the tech, be it assorted PCs, in the guise of a smart phone, laptop or tablet, or a multi-channel telly with access to a PVR or the cloud. You all have it, and if you haven't, then you either don't know how to use it, or you haven't upgraded your subscription package. For we in this room are not special, we are the techno norm. And, as far as advertisers are concerned, if you don't have a TV, mobile phone and connection to the internet, you are economically irrelevant, as – for whatever reason – you are not a spending person, and there is no point in touting for your money.

Like Amazon's one click, and its effect on small bookshops, I happily risk the economics that underpin much of the content I love for the micro convenience of spinning through the ads. It's an interesting thought that, if you recorded Broadchurch on ITV and spun through the ads, then you didn't perform the viewer's side of the bargain, and you stole the programme. Isn't spinning through ads at the soft end of the moral continuum on piracy? You can threaten me that if I don't watch the ads there will be no more The Only Way Is Essex. It might work but I doubt it, and even if you could make us watch the ads, would advertisers care?

Commercial television was an effective way to reach a large number of people quickly, it was so effective that ITV was not allowed to be one company, until there was more competition. Just to remind you how different our TV world is from then: in January 1980, a 7 year old movie, Live and Let Die, got ITV 23 million viewers. You have to work a little harder today to buy that much attention. Since the arrival of multi-channel TV it's been a long slow audience decline for all major commercial broadcasters as minor channels, from Discovery to ITV 2, and later, things like YouTube, arrived and fragmented the audience.

Every major change in distribution technology has changed the dominant commercial players, from the days of film and Rank Studios, to TV and ITV, then satellite and Sky. Does connected television change this again, and will we see the rise of new players, driven by high quality data from their connected audience? Will data driven detail trump lumpen demographics?

The latest IPTV services can be logged into through Facebook or Twitter. The service knows: who I am; what my age and gender are; what I watch; when I watch; and who my favourite actor, writer director and make-up artist are... And at some point it will iterate and integrate to know everything I am watching, browsing and purchasing.

Google lets me stumble across banner ads for products related to my most recent and frequent searches, something that have more relevance to my life than the random products on broadcast television. It's a funny thought that it might become easy to know my predilections: no matter how much I delete my browsing history, you can just wander around my computer and see what banner ads pop up. This is where advertising meets Edward Snowden as it's all about Bayes' theorem and the statistical ability to use data to build ever more accurate predictions about your consuming life.

If I were an advertiser I would value the viewer on the cusp of a purchase decision more than just another grazer, no matter how ABC1 they were. It's in this theory, that data laden viewers are worth more than grazing ones, that you can understand Channel 4's strategy of trying to get a deeper knowledge about their audience so they can say, 'take that!' to Group M. If I were a mainstream commercial broadcaster I would ask, 'does there come a

point where there are enough connected smart sets that I can say to my viewing constituency, “You can only have my free programmes if you log in, as I need your data”?”

ITV is launching its first new services in a decade, in what has been described by one agency as its ‘Puffer Fish strategy, where you make yourself look bigger than your competitors.’

As an aside I note that Puffer fish is called Fugu in Japan, or ‘river pig’, and it is deadly poisonous, you have to be a licensed chef to remove the toxic parts and avoid killing your clientele. I have had puffer fish – it makes your lips tingle, make of this what you will. But the question must be, ‘do these new ITV services just fight for more viewers, or for data-rich, lip tingling viewers.’

At some point ‘we’ the viewer should ask, ‘are we charging enough for access to us?’ Perhaps the next big thing is a data union to represent ‘us,’ to those that monetize our data.

All that said, there is a lot of life in the old model yet: mass advertising supports mass broadcasting – that’s a global \$200 billion business. However, it rests on a few people in random homes pressing a button and filling in a diary. So, when will the trebuchet of mass advertising be eclipsed by the precision munitions of data guided ads?

I realise that the traditional measurement firms are also evolving, and getting more accurate, and that panels can now do hybrid measurements to include programming seen on other devices. Still, I would venture there comes a post ‘panel’ future, where iterations of Google Analytics, or the data from IPTV, or from sophisticated set top boxes like the Xbox One – which knows if you are looking at the TV set, how many of you there are on the sofa, and what size you all are? So if traditional measurement systems enabled traditional broadcasting, what are the measurement systems that will drive advertising in a post broadcast world?

This is a tough question for Agencies as it’s rare for the major players of one era to be the major players of the next. Martin Sorrell describes his business when it comes to the data world as being in a state of anarchy; and in a recent survey, 320 US agency leaders painted a bleak portrait of 2019, where marketers predicted the agency world will become niche, nonexistent or extinct. As one agency honcho put it, ‘For the few left standing, it’s an online world.’ Said another, ‘Survivors – and there will be few that make the transition – but it will all be digital shops.’ If so how will those digital shops intersect with broadcasters?

This is a new world, where once it was just the broadcaster and you, now there are many snacking at the revenue stream – Shazam, to name one, with its ability to provide a back door, so you can sneak away from your programme to another world; or second screen Zeebox, which lets you see advertising against a rival channel’s programmes – all of them are fragmenting this world. If the agencies believe that the high quality audiences have moved to subscription services, how do they respond? Is it all mobile? Games? Zeebox? Or some new twist to social media? And if so, what does that do to television and the making of programmes?

It seems to me the key data question is, ‘where is the audience?’ And I don’t believe that BARB can you tell that as the audience increasingly goes off-piste.

Now, all I have done is pose questions – and I am sure some of them may be the wrong questions – but today we have agencies, broadcasters and data, from both the old and new worlds, so there should be some indicators coming out of this.

So, Lyndon Baines Johnson used to have on a sign on his Senate office wall ‘If you are talking, you aren’t learning.’ In that spirit time to hand over to...