Global Intelligence

Data & insights for the new age of communication

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Zenith
The ROI agency

Global Intelligence

Global Intelligence is an essential briefing for marketers, brought to you by the world's leading advertising expenditure forecasters. Published quarterly, *Global Intelligence* is a critical mix of data, insight and commentary, fuelled by Publicis Media's proprietary tools and authored by our communications experts. Led with an overview of the latest quarterly *Advertising Expenditure Forecasts*, each issue provides intelligence on key areas of contemporary communication, including digital and mobile, technology and automation, innovation, performance marketing, and branded content.

Contents

Mobile tech is changing the world, but traditional media are still vital

Welcome to the sixth edition of *Global Intelligence*.

The spread of mobile devices and rapid mobile data networks is transforming the way people consume media and interact with brands. People around the world consume nearly a quarter of all their media using mobile devices, and mobile consumption is rising rapidly. Mobile technology is expanding the total amount of time people spend with media, by giving people access to essentially unlimited content almost everywhere, and at any time of the day. But it is also eating into the amount of time spent with practically all of the traditional media.

Advertisers are following consumers and are rapidly shifting budgets into mobile advertising, as we discuss in our summary of global adspend by medium. Mobile advertising is growing even faster than mobile media consumption, and is likely to overtake television advertising in scale within the next three years. However, this shift has implications for customer acquisition: mobile advertising is less

effective at driving recall among people who are not yet customers than many traditional media, particularly television. We look at this issue in more detail in our regular category report, which this time focuses on technology. We show that for technology brands, television, newspapers and outdoor advertising are the most important channels for recruiting new customers.
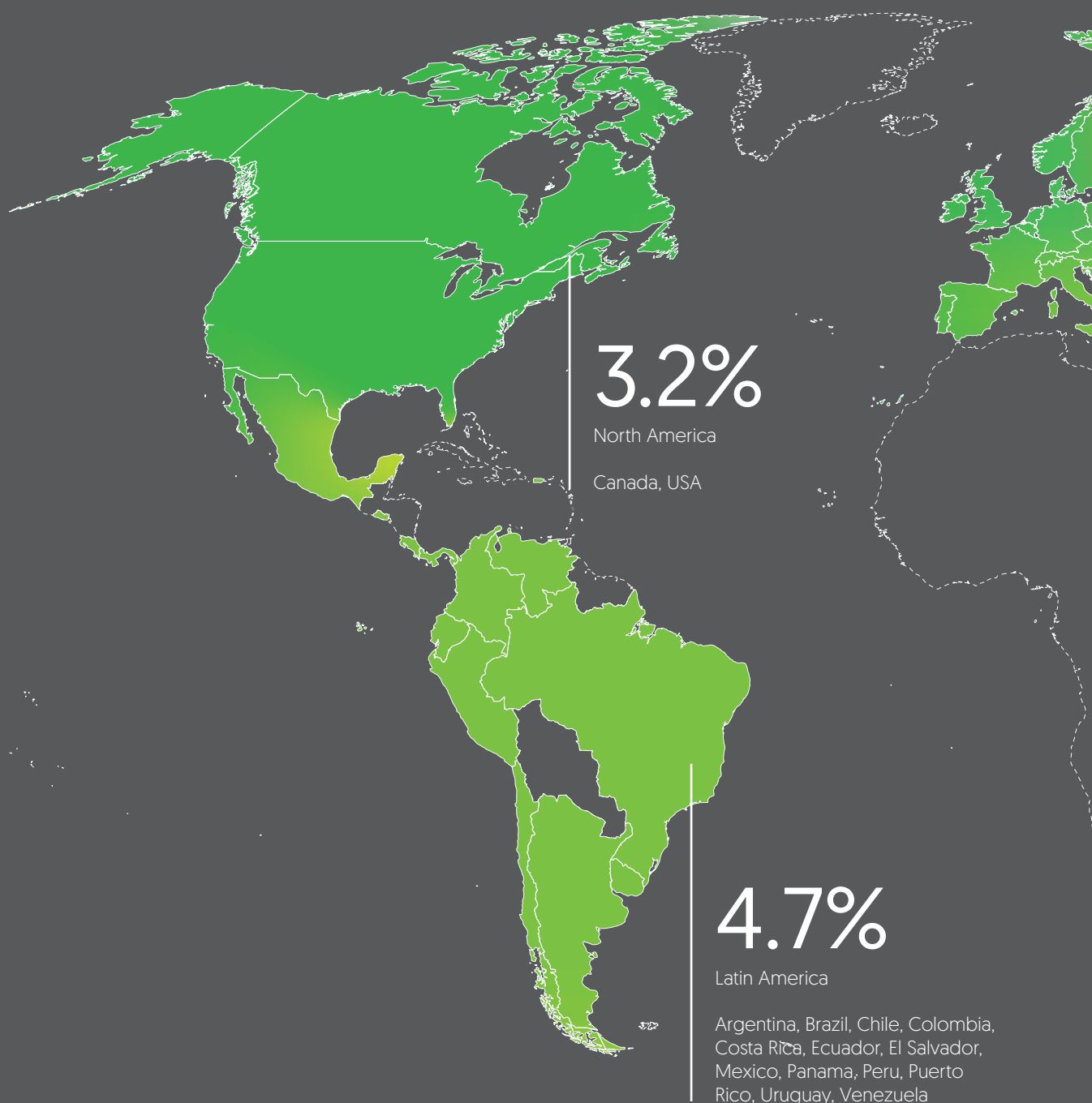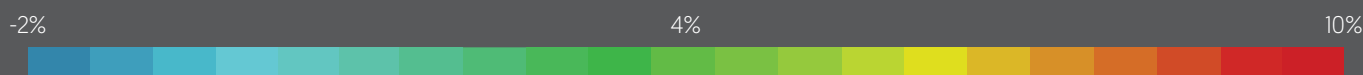
The rise of mobile is transforming search, and smartphones are now responsible for more than half of all paid search clicks worldwide. But the rise of voice assistants promises even more change in the near future, and we discuss why this means that getting the first position in search results is more important than ever. Looking beyond search, we investigate how to build voice content that users will trust and enjoy.

This is just a taster of what we've put together for this edition of *Global Intelligence,* which I hope you enjoy reading. Please get in touch at Jonathan.Barnard@ zenithmedia.com with any comments or suggestions.

The world's advertising hot spots

Average annual growth in adspend by regional bloc 2017-2020

-2%   4%   10%

3.2%
North America

Canada, USA

4.7%
Latin America

Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Mexico, Panama, Peru, Puerto Rico, Uruguay, Venezuela

2.8%

Western & Central Europe

Austria, Belgium, Bosnia & Herzegovina, Croatia, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, UK

8.7%

Eastern Europe
& Central Asia

Armenia, Azerbaijan, Belarus, Bulgaria, Estonia, Georgia, Kazakhstan, Latvia, Lithuania, Moldova, Russia, Turkey, Ukraine, Uzbekistan

1.9%

Japan

7.5%

Fast-track Asia

China, India, Indonesia, Malaysia, Pakistan, Philippines, Taiwan, Thailand, Vietnam

-1.3%

Middle East
& North Africa

Bahrain, Egypt, Israel, Kuwait, Oman, Qatar, Saudi Arabia, UAE

3.4%

Advanced Asia

Australia, Hong Kong,
New Zealand, Singapore, South Korea

Asia Pacific is the main driver of global adspend growth

We forecast global advertising expenditure to grow by US$75bn between 2017 and 2020. US$32bn of that will come from Asia Pacific.

In our latest *Advertising Expenditure Forecasts* report, we forecast 4.5% growth in global adspend this year, followed by 4.2% growth in 2019 and 4.3% growth for 2020. Growth will therefore remain comfortably within the 4%-5% range it has stayed in since 2011. Asia Pacific is by far the biggest contributor to this growth, supplying 43% of all the new ad dollars added to the market between 2017 and 2020.

We divide Asia Pacific into three separate blocs, based on the similarity of the performance of their ad markets as well as their geographical proximity: Fast-track Asia, Japan and Advanced Asia, as shown on the previous page.

Fast-track Asia is characterised by economies that are growing extremely rapidly as they adopt existing technology and practices and innovate new ones, while benefiting from the rapid inflow of funds from investors hoping to tap into this growth. This includes big markets like China, India and Indonesia, as well as Malaysia, Pakistan, Philippines, Taiwan, Thailand and Vietnam. Fast-track Asia has enjoyed high single-digit or double-digit growth since 1996. Growth is slowing now that some of the region's markets, notably China, have achieved substantial scale, but we still expect growth to rise to an average of 7.5% a year to 2020.

Japan behaves differently enough from other markets in Asia to be treated separately. Despite recent measures of economic stimulus, Japan remains stuck in its rut of persistent low growth. We forecast average adspend growth of 1.9% a year between 2017 and 2020, behind the average annual growth rate of 2.5% between 2012 and 2017.

Apart from Japan, there are five countries in Asia with developed economies and advanced ad markets that we have placed in a group called Advanced Asia: Australia, New Zealand, Hong Kong, Singapore and South Korea. These markets have performed erratically over the last few years, but have generally grown faster than Japan and considerably slower than Fast-track Asia. We forecast 3.4% average annual growth to 2020, ahead of the 3.1% average growth rate since 2012.

We expect Asia Pacific to account for 33.8% of global adspend in 2020, up from 32.6% in 2017. North America will remain the largest advertising region, contributing 36.0% of global adspend in 2020, but it is growing at an average rate of 3.2%, and the gap between it and Asia Pacific is narrowing all the time.

Growth of advertising expenditure and GDP 2018-2020 (%)

2018

+ 5.8

+ 4.5

2019

+ 5.8

+ 4.2

2020

+ 5.5

+ 4.3

● GDP

● Adspend
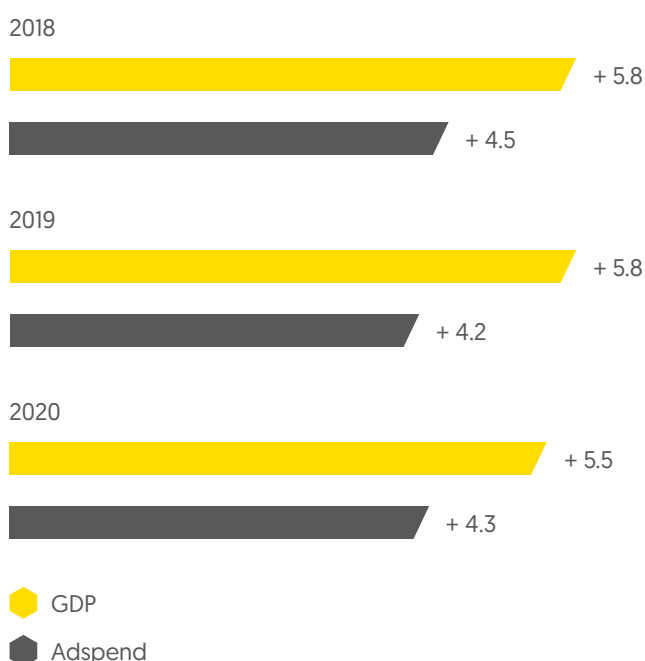
Ten fastest growing markets

The ten biggest ad markets

Ad expenditure (US$m)

	2017			2020	
	USA 197,474	1		USA 217,179	
	China 79,080	2		China 95,598	
	Japan 41,850	3		Japan 44,317	
	UK 24,214	4		UK 25,768	
	Germany 22,744	5		Germany 24,207	
	Brazil 14,892	6		Brazil 17,319	
	South Korea 12,126	7		South Korea 13,705	
	Australia 12,024	8		Australia 13,118	
	France 11,950	9		France 12,952	
	Indonesia 8,712	10		India 12,586	

Source: Zenith/IMF

Growth in ad dollars

(US$m 2017-2020)

19,705 USA

16,518 China

3,932 India

2,997 Indonesia

1,554 UK

2,467 Japan

1,579 South Korea

1,974 Russia

2,427 Brazil

2,179 Philippines

Mobile share of advertising market to exceed 30% in 2020

As brands continue to shift budgets to mobile advertising, they must reassess their approach to customer acquisition to ensure they continue to reach potential customers effectively.

We predict that mobile advertising will account for 30.5% of global advertising expenditure in 2020, up from 19.2% in 2017. Expenditure on mobile advertising will total US$187bn in 2020, more than twice the US$88bn spent on desktop advertising, and just US$5bn behind the US$192bn spent on television advertising. At the current rate of growth, mobile advertising will comfortably overtake television in 2021.

As internet users switch from desktop to mobile devices – and new users go straight to mobile – online advertising is making the same switch. Advertising on mobile devices is rising at a meteoric rate, and is taking market share from most other media. Mobile adspend grew 35% in 2017, and we expect it to grow at an average rate of 21% a year to 2020.

However, brands that are shifting budgets to mobile advertising may be affecting their ability to win new customers and expand their market share. Zenith's Touchpoints ROI Tracker research* shows that traditional mass media are more effective at driving recall among new or light buyers, therefore having a strong understanding of acquisition channels and retention channels is key.

According to Touchpoints ROI Tracker, television ads are most effective at driving recall among potential customers, while mobile ads are least effective. Potential customers are 53% as likely to recall television ads as existing customers, but for mobile ads this falls to 41%. Targeting mobile ads at existing customers can certainly help brands achieve short-term performance targets, especially because mobile is increasingly tying together the whole consumer journey.
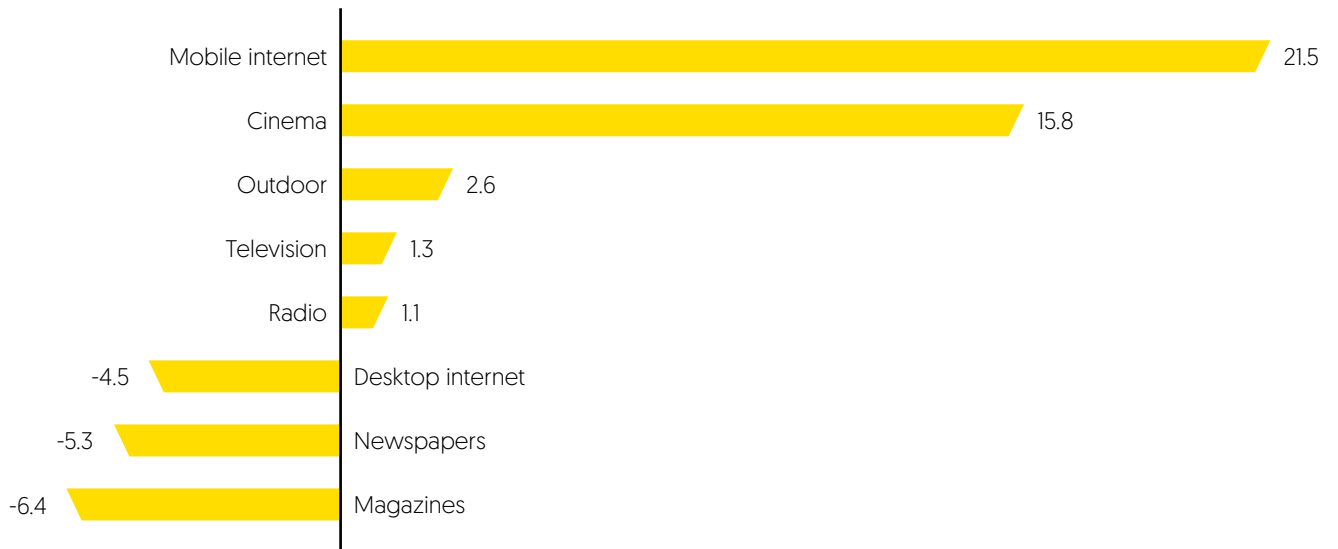
However, mobile is currently less effective at creating long-term awareness among potential customers than traditional media, so brands with a heavy mobile presence should consider investing more in traditional mass media to compensate for this.

Most of the traditional media are still growing despite the inexorable rise of mobile advertising, but generally at very low rates. We forecast television and radio to grow by 1% a year between 2017 and 2020, while out-of-home advertising grows by 3% a year. Cinema, however, is growing at 16% a year, thanks to investment in new screens, successful movie franchises, and better international marketing. The main driver, though, is surging demand in China, where ticket sales increased 22% in 2017. China overtook the US to become the world's biggest cinema advertising market in 2017, worth US$1.2bn, and by 2020 we expect it to reach US$2.8bn.
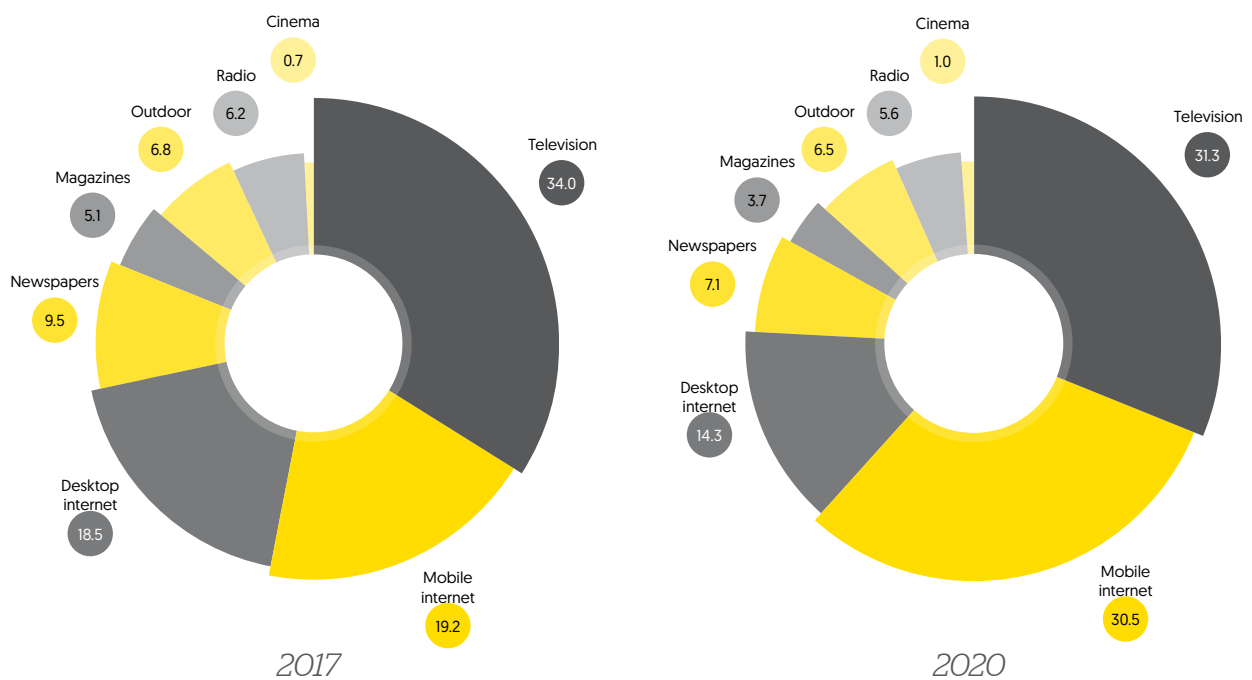
Print advertising continues to shrink together with circulations: between 2017 and 2020 we forecast newspaper adspend to shrink by an average of 5% a year, while magazine adspend shrinks by 6%. This refers only to advertising within print titles, though – publishers' online revenues are counted within the desktop and mobile internet totals, so their overall performance is not as bad as the print figures suggest. Research organisations in some markets provide combined print and digital ad revenue figures for publishers, generally showing that the digital revenues soften but do not reverse the decline in print.

*Touchpoints ROI Tracker is Publicis Media's brand contact measurement and planning tool, based on more than 1,000,000 consumer interviews since 2004. All rights to the MCA® measurement system including CCF™, BEP™ and BES™ are owned by Integration (Marketing and Communications) Limited and licensed to Publicis Media Limited and its affiliates.

Average annual growth rate by medium 2017-2020 (%)

Medium	Value
Mobile internet	21.5
Cinema	15.8
Outdoor	2.6
Television	1.3
Radio	1.1
Desktop internet	-4.5
Newspapers	-5.3
Magazines	-6.4

Share of global adspend by medium (%)

2017

- Cinema 0.7
- Radio 6.2
- Outdoor 6.8
- Magazines 5.1
- Newspapers 9.5
- Desktop internet 18.5
- Mobile internet 19.2
- Television 34.0

2020

- Cinema 1.0
- Radio 5.6
- Outdoor 6.5
- Magazines 3.7
- Newspapers 7.1
- Desktop internet 14.3
- Mobile internet 30.5
- Television 31.3

Adspend in the Czech Republic

The Czech Republic has a relatively well-developed ad market, with per-capita adspend nearly three times higher than the Central & Eastern European average. Television is the biggest medium, but internet advertising is rising quickly, fuelled by fast-growing search and programmatic display advertising.

The Czech Republic's GDP grew by around 4.3% in 2017, up from 2.6% growth in 2016. Government investment increased, as did household consumption and foreign trade. The Czech economy is currently benefiting from favourable internal as well as external conditions, including an extremely low unemployment rate. GDP growth is expected to come in at 3.5% for 2018 as a whole.

Last year the TV ad market grew by 6.5%, and we expect further growth of around 4% a year throughout our forecast period. The Nova Group took over from the CT Group as leading broadcaster in the first half of 2017, attracting 30% of viewing among those aged over 15, compared to 29% for the CT Group. Prima Group was third with 21%.

The biggest advertising sales point is Media Club, which represents the Prima Group and Barrandov Group channels on TV, as well as various websites, radio stations and magazines. Its television channels carry the most ads in prime time, which has contributed to some loss of viewing share in recent years. To compensate for this Media Club has started including channels from Atmedia in its bundles.

Print advertising grew again in 2017, after growing in 2016 for the first time since 2010. Newspaper adspend grew by 2.0% and magazine advertising by 2.5%. However, circulation and readership continue to fall, and have reached their lowest point this decade. The government has placed newspapers and magazines into a lower-band VAT rate (10%) to try to offer some support.

To compensate for their lower circulation revenues and uncertain ad revenues, publishers have diversified their portfolios with supplements and special editions in print, and tablet, smartphone and e-book products. They have also been responsive to advertisers' demand for creative advertising opportunities that help them stand out from the crowd.

Radio adspend has been growing since 2014, despite declines in audience sizes at most of the top stations except čro 1 radiožurnál. A change in measurement methodology meant that culture and leisure became the biggest advertising category in radio in 2014, but retail was the biggest last year.
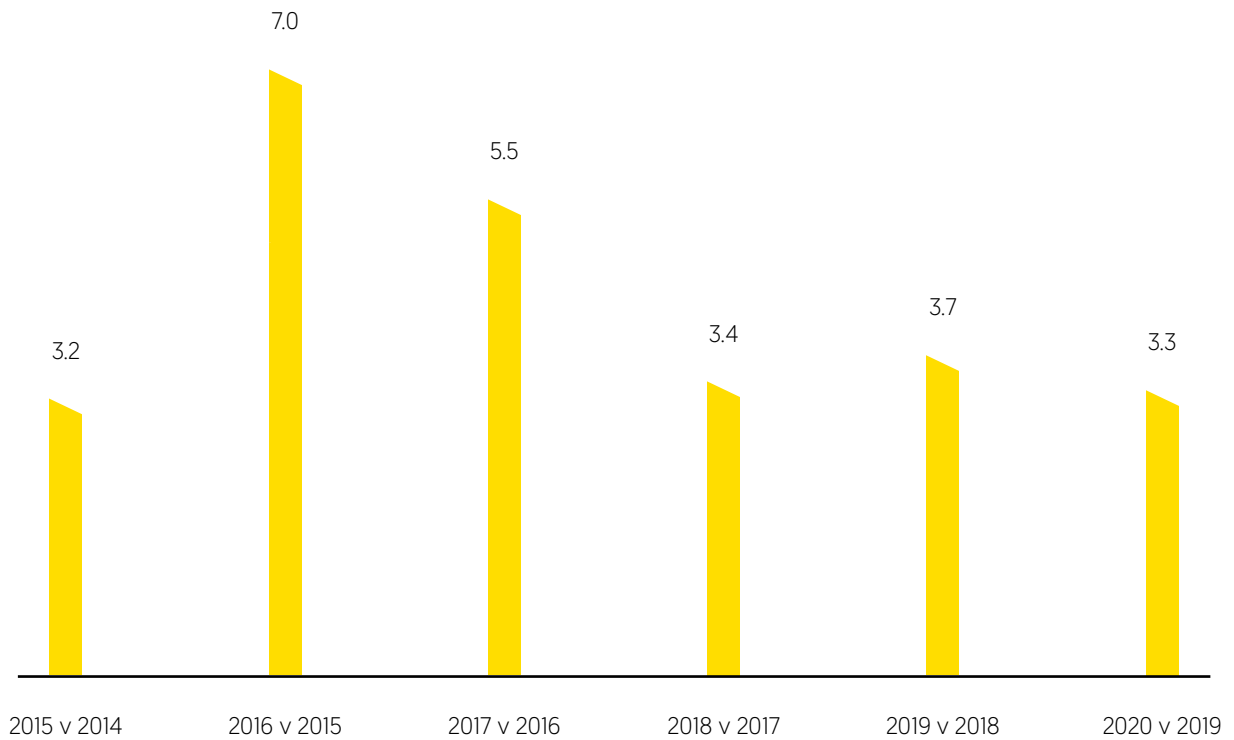
After acquiring several other outdoor companies, Bigboard now dominates the outdoor advertising market, alongside JCDecaux. Competition between the two is fierce, particularly in Prague. Contractors were legally required to remove all advertising sites next to roads and motorways by September 2017. JCDecaux complied, although Bigboard left sites in place, leaving them empty of advertising, while it awaits the results of an appeal. No new sites are being built, but some existing sites are being converted to digital, while poor sites are being removed. Digital sites are not being used to their full potential because agencies have not yet adjusted to the unique nature of digital outdoor, resulting in poor creative executions. We expect outdoor spend to drop by 3.0% in 2018.

Internet penetration in the Czech Republic is one of the highest in Central & Eastern Europe, at 88%. Seznam is still the top supplier of display advertising, with the most users and highest ad revenues. Google leads in performance marketing.
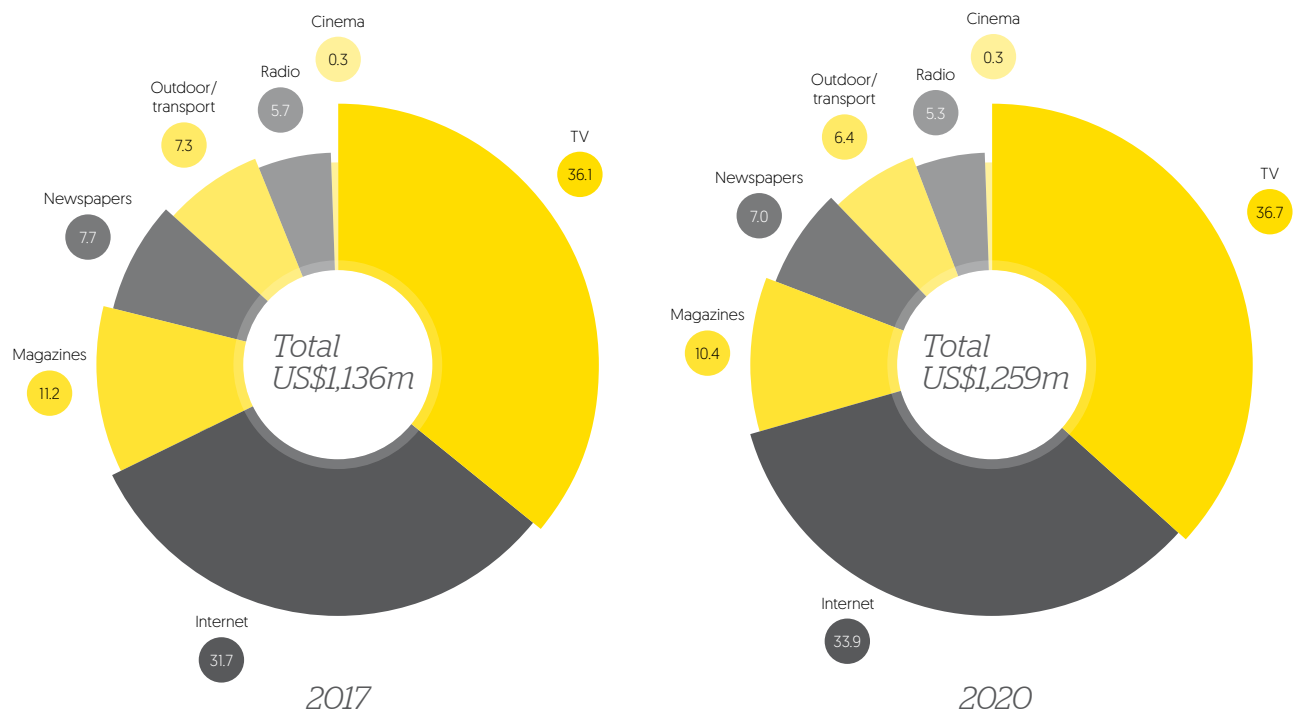
Real-time bidding is becoming more common, and those who have experience with programmatic buying are now focusing on advanced remarketing, and using third-party data for targeting.

Adspend in Czech Republic
Year-on-year change at current prices [%]

2015 v 2014	2016 v 2015	2017 v 2016	2018 v 2017	2019 v 2018	2020 v 2019
3.2	7.0	5.5	3.4	3.7	3.3

Share of adspend by medium [%]

2017 — Total US$1,136m

- TV 36.1
- Cinema 0.3
- Radio 5.7
- Outdoor/transport 7.3
- Newspapers 7.7
- Magazines 11.2
- Internet 31.7

2020 — Total US$1,259m

- TV 36.7
- Cinema 0.3
- Radio 5.3
- Outdoor/transport 6.4
- Newspapers 7.0
- Magazines 10.4
- Internet 33.9

Start-up watch

In this quarter's Start-up watch, we look at four start-ups that help brands personalise their products for individual consumers.

Scentbird

SCENTBIRD
• NEW YORK •

Scentbird is a subscription service that delivers luxury and hard-to-find fragrances to its subscribers each month. It uses artificial intelligence techniques to match individual subscribers to their ideal scent, using aggregated data on the preferences of its customers over time.

Savitude

SAVITUDE

Savitude allows online fashion sites to offer a select range of clothing to its customers based on their shape and proportion. It uses simple tools to allow customers to describe their body type then matches the results with available inventory, giving them the confidence to shop online without trying out the clothes in person.

FINDMINE

FINDMINE

FINDMINE's 'complete the look' technology recommends new fashion products based on products that the customer has already chosen, style and clothing size. This works both online and offline, in the latter case using digital displays to allow customers to try on the recommendations virtually.

Nudest

NUDEST

Based on the recognition that the colour known as 'nude' does not match the skin tone of 84% of the world's population, Nudest's NUDEMETER technology determines a user's true skin tone and uses AI to find beauty and fashion items that match or complement that tone. Nudest was the grand prize winner in the Digital Accelerator Program that we ran with Coty in June.

Scentbird matches subscribers to scents by using artificial intelligence techniques.

VivaTech showcases tomorrow's technology

VivaTech is one of the world's largest technology events that celebrates today's innovations and tomorrow's possibilities. It's for everyone who believes in the power of technology to transform business and society. Here are four critical observations from the 2018 show.

Advancements in natural-language processing
A number of companies are working to improve the way we communicate with devices powered by AI. Cochlear.AI, for example, aims to 'create ears for artificial intelligence' by analysing differences in verbal utterances to understand user demographics and the emotional states behind any verbal instruction. This could change the way that voice assistants respond to stern commands in contrast to softly spoken ones, for instance, or to children in contrast to adults.

Immersive displays abound
Several high-tech displays stood out at the show, including those from VisioPM, which offers large-format lenticular 3D screens at the point of sale, Orbis, with its impressive suspended LED holograms, and Holusion, with 3D display cabinets inspired by the 'Pepper's Ghost' illusion. For certain brands and launches, we'd encourage experimentation with novel display formats such as these – many were genuinely eye-popping, drawing large crowds through their novelty value.

Augmented Reality retail
A host of excellent AR experiences were on display at the show, arguably the best of which was L'Oréal's Modiface technology, which enables users to try on various hair colours virtually, using a 'magic mirror' with an impressively low error rate. Holooh's green-screen photography studio also stood out. It captures photorealistic models in 360° for use in highly dynamic AR applications – perfect for fashion. It is best for brands to partner with technologies like these, rather than build them in-house, so they can access the latest advancements instead of tying themselves to a single AR technology.

End-to-end journey optimisation
Several exhibitors showed how technology can help automate pre-sale and post-sale support for online shoppers. Beyable, for instance, applies attribution-modelling techniques to understand which website content drives sales and to what effect, which is very useful for eCommerce teams. Kronos Care, on the other hand, offers each shopper a personalised order fulfilment microsite, which dynamically displays when their package will arrive, aggregating a host of branded content and customer-service elements to their post-purchase experience to deliver an end-to-end experience.

Digital Giants *Q2 2018*

Our round-up of the latest results from the digital media giants that are transforming global media and communication

facebook

+50%	**91%**
ad revenues year on year	*of ad revenues from mobile devices*
52.4%	**US$570bn**
Global reach (all internet users)	*Market cap*

Facebook now has 1.5 billion daily users, almost all of whom access it using mobile devices for some or all the time. It has 2.2 billion monthly users around the world. Both figures increased 13% year on year in Q1 2018 as Facebook continued to recruit new users across the world, with particularly strong growth from India, Indonesia and Vietnam.

The 50% growth in ad revenues in Q1 was driven largely by price, not volume. The average price of a Facebook ad increased 39%, while the number of impressions rose 8%.

Facebook continues to develop and extend its ad formats. It has started to sell carousel ads within Instagram Stories, which can include up to three videos or images, instead of just one. Collection ads, which appear within the main Facebook news feed, now show personalised shopping catalogues to users who click on them.

Facebook has also started to exploit the opportunities for advertising on its Messenger platform, with ads in the Messenger inbox, and ads in the news feed that connect users to advertisers on Messenger when clicked on.

Google

+59%	**-19%**
paid clicks year on year	*cost per click year on year*
74.0%	**US$805bn**
Global reach (all internet users)	*Market cap*

Mobile search and YouTube, along with strong growth in programmatic sales, continue to fuel most of the growth in Google's revenues (as reported by Google's holding company, Alphabet). Unlike Facebook, Google's revenue growth is driven by volumes rather than prices, with consistently large increases in clicks offset by lower prices.

Google continues to refine its e-commerce offering, introducing Shopping Actions, which allow users to buy directly from advertisers on Google Search and Google Assistant with a universal shopping cart. This works across desktop, mobile and voice. On YouTube it has introduced TrueView for Reach, a product that optimises video ads for reach and recall. Google now also offers the YouTube Director Onsite programme, which gives small businesses access to professional filmmakers to help them create their ads.

+21%
*ad revenues
year on year*

+10%
*active daily users
year on year*

8.1%
*Global reach
(all internet users)*

US$3bn
*Market
cap*

Twitter now has 336 million monthly users, up 2% quarter on quarter and 3% year on year. The number of daily active users increased by 10% year on year, so existing users are accessing Twitter more frequently. Advertising growth was very strong after a long period of disappointing performance, thanks to very rapid growth outside the US, of 53% year on year. Twitter identifies Asia Pacific, and Japan in particular, as the main driver of international growth.

Video ads now account for more than half of Twitter's ad revenue, thanks partly to the introduction of new ad formats like Video Website Card and Video App Card, and partly to the popularity of Twitter's live video content. Twitter broadcast 1,300 live events in Q1, and signed 30 new video partnerships, including for highlights and recaps of the FIFA World Cup.

Oath:
A Verizon company

US$1.9bn
*quartery
revenue*

1bn
*monthly unique
users*

Yahoo
30.1%

AOL
4.1%

*Global reach
(all internet users)*

Oath is the media subsidiary of Verizon, which bought AOL in 2015 and Yahoo in 2017, then merged the two under the new name Oath. Oath now consists of more than 50 online media and tech brands, including Yahoo, Tumblr, AOL.com, The Huffington Post, TechCrunch and Engadget. Verizon began integrating the businesses as soon as the acquisition was complete and expects to make substantial cost savings over the next few years.

Verizon does not release much detail about Oath's financial performance, but it does state that its revenues totalled US$1.9bn in Q1, down from US$2.2bn in Q4, pretty much as expected given the heavy seasonal weighting of adspend towards the end of the year. Oath is dwarfed by the rest of Verizon's businesses, which generated a total of US$32bn in Q1, mostly from US telecoms.

Closing the sales and marketing gap to maximise eCommerce opportunities

Marketing imperatives

- Give sales teams the expertise or access to specialists that allows them to properly assess any digital media plans they negotiate with retailers.
- Give marketers access to granular sales data or proxies that allows them to assess the short-term and long-term effect that awareness activity has on sales.
- Challenge retailers to provide media investment services and real-time data on sales.

With rapid advances in digital marketing, data and technology, the journey from awareness to sale can now be very short, thanks to eCommerce. You can learn about a product, consider a brand and buy all in one go from a shoppable Instagram post. eCommerce is driving the majority of retail growth and presents a valuable opportunity for brands. However, as customer behaviour changes, brands need to ensure they don't get left behind with legacy sales and marketing models.

Traditionally, many brands have had separate marketing and sales teams, and often each of these have very different objectives. Marketing teams need to reach the right customer at the right moment and are measured by brand awareness and reach metrics. Sales teams need to meet sell-through targets and are assessed on percentage of added value acquired in a deal, or incremental sales driven in a short time period.
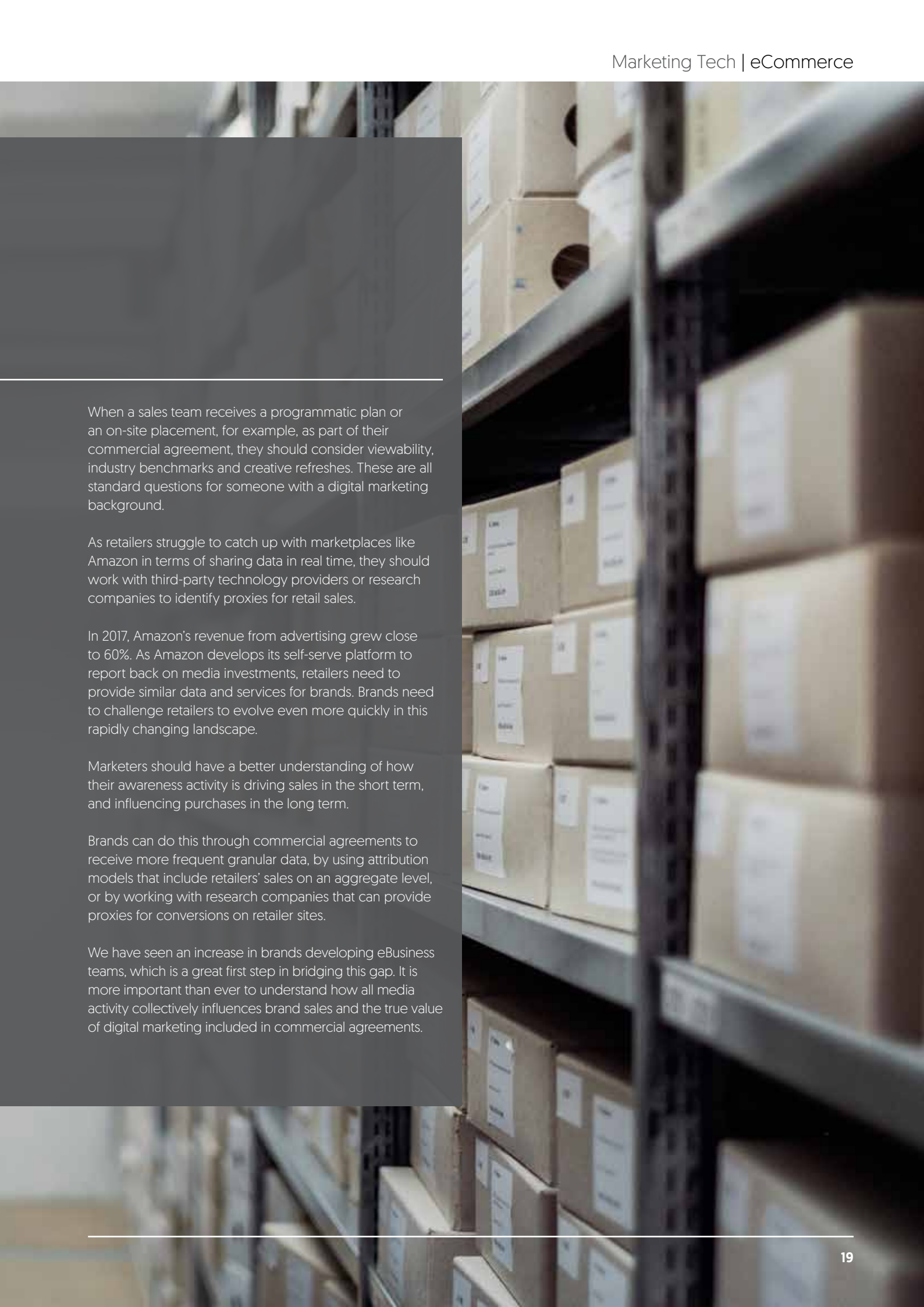
Commercial agreements made by the sales teams are often held to aggregate sales targets that drive efficient short-term sales. This is not always the case for marketing activity, because data on sales driven on a granular level across retailers is generally not available. Brands really shouldn't be allocating digital budgets without visibility of the impact on total sales, both direct and from eRetail sites.

Unless a brand is managing eCommerce directly, there will be a gap in transactional data when trying to understand the true commercial return on marketing investment, and a major disconnect from the sales being driven through retailers.

On the other side, you have sales teams agreeing to digital media plans with retailers when they are rarely experts in digital media. While the formats being offered by retailers are not unfamiliar (i.e. priority shelf positioning), most brands have digital specialists within their organisation or at their media agency who can expertly scrutinise these media plans and ensure that commercial agreements meet the brands' marketing requirements.

Brands that can close this gap between sales and marketing are able to maximise the revenue opportunities from eCommerce. There are some clear steps that brands – and their retail partners – can take to capitalise on these eCommerce opportunities.

Brands can upskill their sales teams to ensure they are asking the right questions when agreeing digital media plans with a retailer, or they can involve digital specialists.

When a sales team receives a programmatic plan or an on-site placement, for example, as part of their commercial agreement, they should consider viewability, industry benchmarks and creative refreshes. These are all standard questions for someone with a digital marketing background.

As retailers struggle to catch up with marketplaces like Amazon in terms of sharing data in real time, they should work with third-party technology providers or research companies to identify proxies for retail sales.

In 2017, Amazon's revenue from advertising grew close to 60%. As Amazon develops its self-serve platform to report back on media investments, retailers need to provide similar data and services for brands. Brands need to challenge retailers to evolve even more quickly in this rapidly changing landscape.

Marketers should have a better understanding of how their awareness activity is driving sales in the short term, and influencing purchases in the long term.

Brands can do this through commercial agreements to receive more frequent granular data, by using attribution models that include retailers' sales on an aggregate level, or by working with research companies that can provide proxies for conversions on retailer sites.

We have seen an increase in brands developing eBusiness teams, which is a great first step in bridging this gap. It is more important than ever to understand how all media activity collectively influences brand sales and the true value of digital marketing included in commercial agreements.

In focus: Technology

Technology is reshaping the world, and fundamentally changing the relationship between brands and consumers. With constant development of new products and services, technology companies need to create rapid and wide awareness of new brands all the time. Ironically, this is best achieved by traditional rather than digital media.

The technology industry generates about US$3 trillion in annual revenue, and is growing at about 4% a year. Six of the world's 100 biggest advertisers are technology companies, with Samsung – the second biggest advertiser – spending about US$10bn a year on advertising. Thanks to their constant cycles of developing, upgrading and replacing new products, technology companies need to inform and educate customers about new brands all the time, while start-ups need to build all their brands from scratch. This is primarily done through advertising in paid media, which is the main way consumers experience technology brands.

We use our Touchpoints ROI Tracker tool to monitor trends in brand communication over the full range of paid, owned and earned touchpoints. One of its outputs is 'brand experience', which measures the reported importance of each touchpoint in shaping consumer attitudes and influencing consumer behaviour. As the chart below shows, half of all brand experience in the technology category comes from paid media. Owned media is very important too, providing 40% of brand experience, but getting consumers interested in owned media generally means attracting their attention through paid media in the first place. For new technology brands, then, paid media is absolutely central.

Share of tech brand experience by type of touchpoint (%)

Earned
10.2

Paid
50.1

Owned
39.7
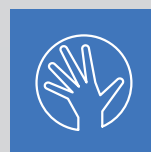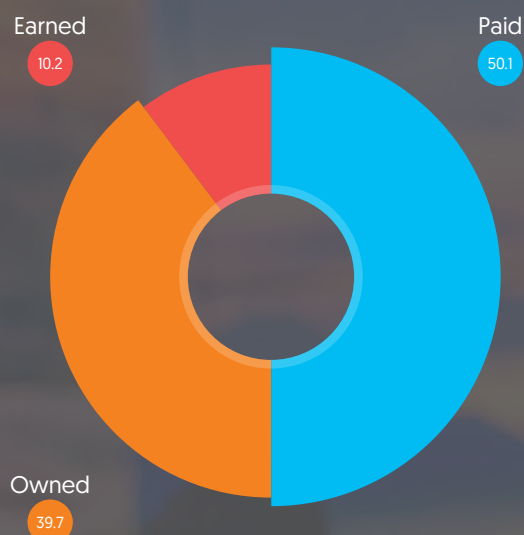
TOUCHPOINTS ROI TRACKER

Based on consumer research, Touchpoints ROI Tracker is Publicis Media's brand contact measurement and planning tool. Since 2004 a total of 1,145 Touchpoints projects have been completed across 67 countries, comprising 1,011,565 consumer interviews that provide contact point metrics for 15,280 brands in 333 product and service categories. The data for all projects are stored in a single internet-accessible database. This database provides normative and trend data for 293 touchpoints.

All rights to the MCA® measurement system including CCF™, BEP™ and BES™ are owned by Integration [Marketing and Communications] Limited and licensed to Publicis Media Limited and its affiliates.
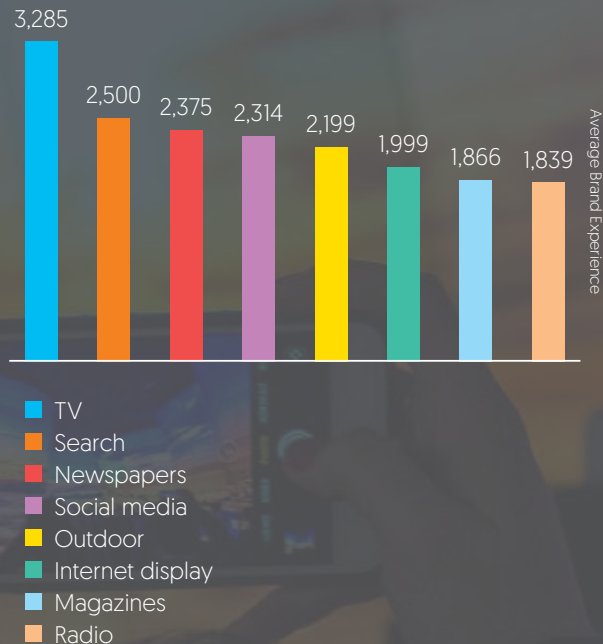
Television is by some distance the biggest contributor to paid-media brand experience in the technology sector – television ads are the most likely to be seen and remembered, and to influence consumer opinions and behaviour. Search comes next, followed by newspapers and social media. However, these are the results across all consumers. Our results show that paid media have very different effects among existing customers than among non-customers – and of course for new brands, just about all potential customers are non-customers.

Television is still the most important channel for recruiting new customers, but online media are notably less effective. Newspapers are in second place, with outdoor advertising in third. Social media is the highest-ranked online channel,

in fourth place. Search is relegated from second place across all customers to fifth among non-customers.
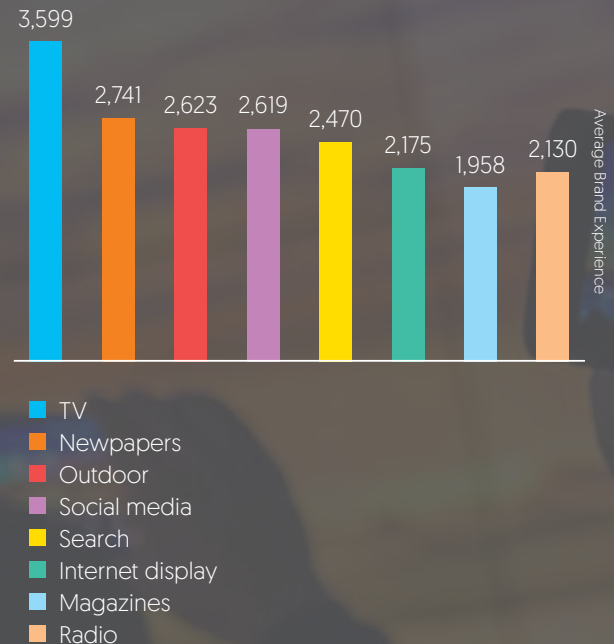
Technology companies are clearly aware of the brand-building powers of traditional media. Online businesses are now the biggest-spending category on UK television, for example, and spent US$6bn on television advertising in the US last year. If you watched the FIFA World Cup this year you'll have seen plenty of tech brands in the ad breaks. But having a quantitative measurement of brand experience in the category, and how that changes across the consumer journey, allows technology brands to optimise their budgets across paid media to target potential customers and retain existing customers most effectively.

The biggest paid contributors to tech brand experience

3,285
2,500
2,375
2,314
2,199
1,999
1,866
1,839

Average Brand Experience

- ■ TV
- ■ Search
- ■ Newspapers
- ■ Social media
- ■ Outdoor
- ■ Internet display
- ■ Magazines
- ■ Radio

Source: Touchpoints ROI Tracker Global Norms

Brand experience among non-customers

3,599
2,741
2,623
2,619
2,470
2,175
1,958
2,130

Average Brand Experience

- ■ TV
- ■ Newpapers
- ■ Outdoor
- ■ Social media
- ■ Search
- ■ Internet display
- ■ Magazines
- ■ Radio

Source: Touchpoints ROI Tracker Global Norms

In focus: Technology

Marketing imperatives

- Tech brands should decide whether they want to use YouTube as a simple platform for owned videos, or as a community of users who engage regularly and positively with the content.
- Recognise that there is a trade-off between these two options: actively seeking new viewers reduces engagement and positivity.

YouTube is a valuable platform for many technology brands. It allows them to showcase their latest products and services in a visually arresting way, highlighting their most appealing characteristics for potential customers, and supporting existing customers with guides and advice.

The chart below shows some of the biggest technology brands on YouTube, as measured by the number of their subscribers, together with the number of video views they

attracted in June 2018. (We have excluded some brands that come under the same corporate ownership as brands that do appear on this list). YouTube is unusual in providing a direct measure of the number of times a piece of content is actually seen – other social platforms report the number of fans a particular page has, but not how many of them get to see any given piece of content, which is determined by opaque algorithms.

As the chart demonstrates, some brands are much more successful getting their subscribers to view their videos, as well as attracting views from non-subscribers. In June, Intel attracted 11.1 video views for every subscriber, while Adobe Photoshop attracted just 0.03. That's not because Intel pumped out a huge number of videos – it added three, slightly more than Adobe Photoshop's two, but much less than the most prolific brand, Ubisoft, which added 74. There is almost no correlation between the number of videos produced and the number of views per subscriber. Instead, it's likely that brands with a high ratio of views to subscribers are actively promoting their videos to non-subscribers through owned platforms or paid media, while brands with a low ratio largely rely on organic views.

Top international spirits brands on Facebook
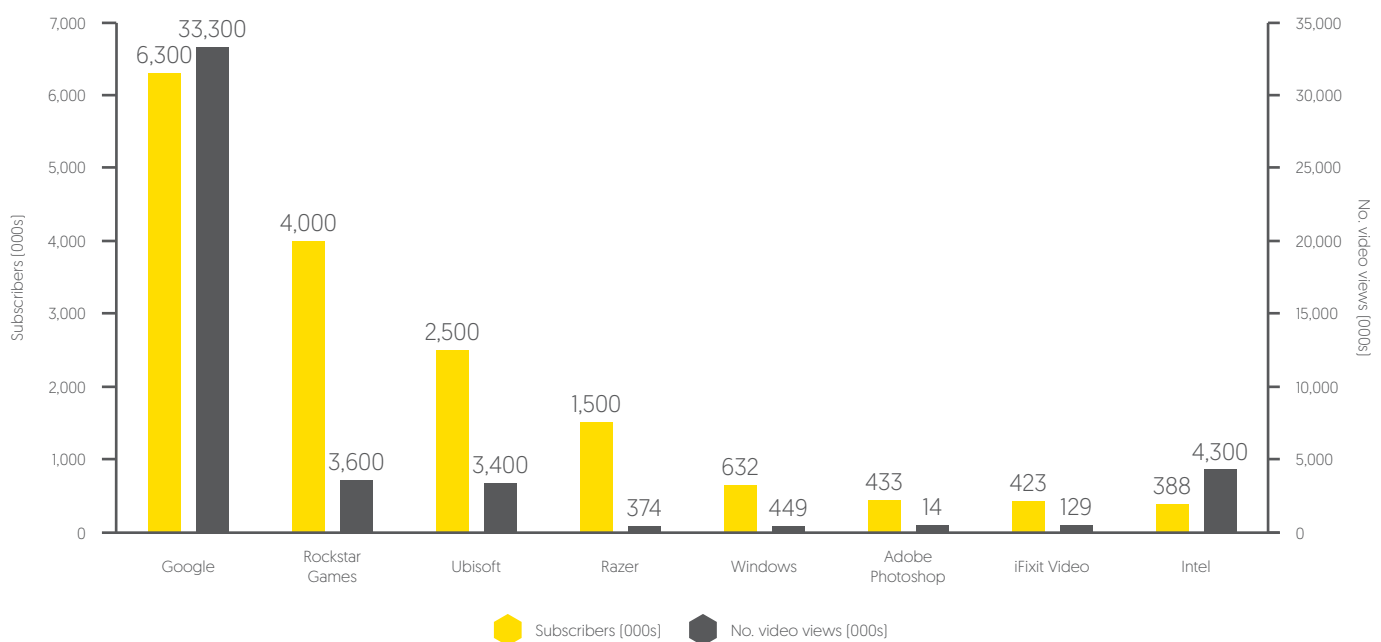
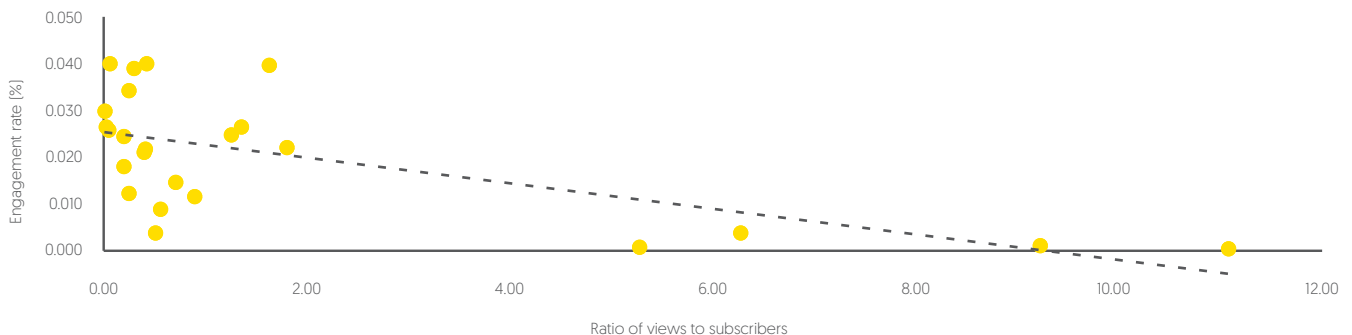*Source: Socialtools June 2018*

If gaining YouTube views is a key campaign objective, then marketing to non-subscribers is clearly an effective tactic. But brands with wider objectives should be cautious in taking this approach, since it can have a downside. Brands with a high ratio of views to subscribers are likely to have a much less active community – viewers are less likely to comment, like or dislike the videos, as the chart below illustrates. This may or may not be a problem, depending on the brand strategy. But more damagingly, viewers are likely to react more negatively to brands with a high view to subscriber ratio, as seen in the other chart. Viewers of an Adobe Photoshop video, for example, are 70 times more likely to like than dislike the video, while viewers of an Intel video are only four times more likely to like it. The price of higher views is a less positive community. Before seeking to win as many possible viewers for their videos, brands should understand that these extra viewers can significantly dilute the positive reaction from existing subscribers.
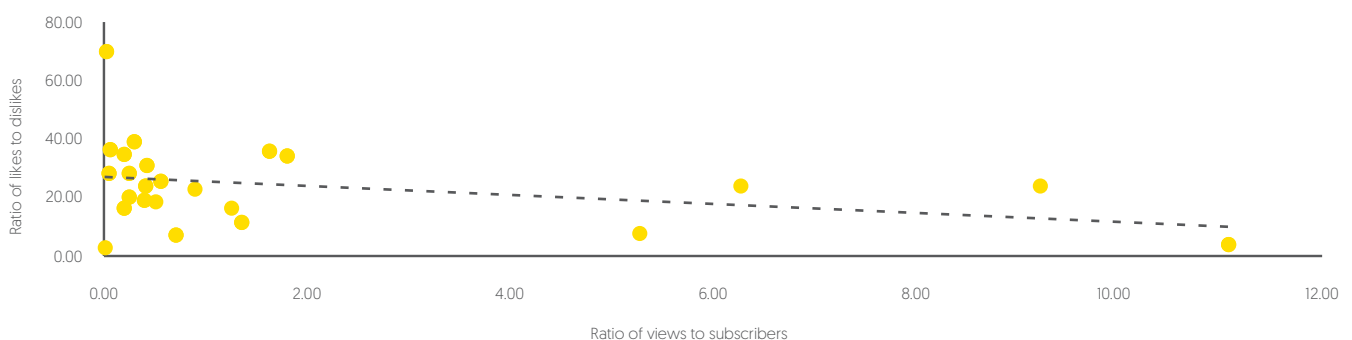
SOCIALTOOLS

Socialtools is Zenith's proprietary social content performance tracking tool. Socialtools is currently tracking the daily performance of 171,000 pages across six social platforms (Facebook, Twitter, YouTube, Instagram, LinkedIn and VKontakte), providing evaluation of the effectiveness of social content for brands and their competitors in 185 countries. Socialtools charts show performance trends across a wide variety of social engagement metrics. The brand performance data, norms and rankings provide insights into social media best practices for brands in 21 macro categories and 130 categories.

Viewers engage less with brands with more views per subscriber

Source: Socialtools June 2018

Viewers react more negatively to brands with more views per subscriber

Source: Socialtools June 2018

Building trust in an age of zero interface

Marketing imperatives

- Focus on how you can use voice to genuinely help users.
- Respect users' privacy and foster their trust.
- Make your voice experiences friendly and fun, but above all smoothly functioning.
- The more human you can make your voice actions, the more warmly users will respond to them.

Voice represents the logical next step in the evolution of how we interact with information. It's more natural than using a touchpad or keyboard, takes less brain power, and creates even more opportunity for tech to move further into the background and reduce our reliance on screens.

This shift to zero interface computing will change the way people do things, the way they think about brands and how they make purchasing decisions – expanding and shrinking marketing touchpoints along the way.

According to eMarketer, 14% of internet users in the UK own a smart speaker. In 2017 global shipments hit 56 million. Our proprietary research has also shown us that smart speakers – despite only being on market for two years – boost unaided recall at a rate that is two times greater than TV.

The effect that the growing popularity of voice has on the marketplace is far-reaching, but how can marketers seamlessly integrate their brand stories and reach people on this new platform at a time where consumer privacy is top of mind?

Be authentic, provide purpose

Smart speakers are an intimate part of people's lives. When it comes to brand experiences, they are looking for utility, discovery, entertainment and enjoyment. Don't just use voice for the sake of it, determine how your brand can authentically and purposefully help people. Finally, be sure to match your language and tone to what people expect and trust.

Personalise, but respect privacy

People expect that voice assistants will anticipate their needs and tailor responses based on preferences, but are reluctant to provide data that would enable that level of personalisation. Users are clear: they want an opt-in approach that doesn't invade their privacy but is highly personalised, anticipating needs and – again – providing utility. Brands that want to be successful must avoid the hard sell and instead focus on establishing trust and inspiring more brand-use occasions.

Put the fun in function

The best-loved smart speaker skills are the ones that help make everyday tasks easier. Smart speakers are putting the fun in function by letting you clean dishes to a favourite song or allowing you to voice your grocery shopping list and have Alexa repeat it back. Being able to personalise your daily routine and add levity to mundane tasks increases productivity, efficiency and organisation of daily routines.

Emphasise humanity

People become disappointed when voice assistants don't properly anticipate their needs, but users are extremely forgiving – often recasting these disappointments as temporary glitches bound to be fixed with the next iteration of the technology or that 'he or she' will get smarter with time. Where possible, emphasise the humanity in voice experiences by investing in cues that support relationship building, but above all make sure that the technology 'just works'. Don't assume that users' forgiveness of device glitches will transfer to brand interactions.

Hopefully, you're starting to see a trend here. While smart speakers and voice assistants are today's hottest tech, consumers still require a human touch. Brands that want to get started in voice need to think about how they can create connections that are authentic and provide value exchange. How can your brand make life easier for the consumer?

PUBLICIS MEDIA CONTENT

Search is a goldmine of behavioural insights

Marketing imperatives

- Assess all the keywords in your search portfolio and score them by how concrete or abstract their language is.
- Respond to abstract keywords with ads that are relevant to those who are early in the consumer journey, and respond to concrete keywords with ads that lead more directly to purchase or other actions.
- Use insights from search to personalise communications across all channels.

You can tell a lot about someone from their search history. We turn to search engines for simple directions, suggestions for what to buy, and answers to burning personal questions. What we search for online – and the language we use to do so – produces a web of data that is a behavioural insights goldmine for marketers.

Brands are not making the most of the hidden signals of digital behaviour to understand the human being behind the click. We recently conducted research with Northwestern University and Microsoft to look at what search language tells us about consumer behaviour and how it correlates to consumer intent.

This research shows that the specific words people choose to use in online search tell us how far away they are from clicking that 'purchase' button. There were three main results.

1. Consumers search in abstract language when they are further away from taking action and more concrete when they get close to action
Participants in our study who were actively seeking to buy used language that was 15% more concrete than participants who were simply browsing.

2. When consumers search in abstract language, they are more likely to click on ads and landing page experiences that are also abstract
When participants who used an abstract search term (e.g. "best") were shown both an abstract and a concrete ad, they were 17% more likely to click on the abstract ad. This is a close match to the behaviour of those who identified themselves as browsing with no purchase intent, who were 20% more likely to click on abstract ads.

3. When consumers search in concrete language, they are more likely to click on retailer or brand sites
Participants who used concrete queries (e.g. "shop") were 135% more likely to click on retailer search results. Again, this is close to the behaviour of self-identified active shoppers, who were 180% more likely to click on a result emphasising the word "shop".

So search query language uncovers consumer signals that can inform media planning and optimization in search marketing and beyond. To engage consumers, brands must provide highly relevant experiences that stand out in the crowd. Understanding psychological distance to action empowers brands to meet consumers where they are in the consumer journey.

We used the results of this research to create our Intent Scoring Algorithm, which codes every single search query in an advertiser's account based on the level of its concreteness, mapping consumer mind-sets and recommended media experiences. We have applied this to live campaigns, and the subsequent increase in click-through rates has proved that consumers respond to relevance.

Consumers will continue to search for their needs and wants across a variety of platforms, including search channels (like Bing), commerce sites (like Amazon) and social platforms (like YouTube). Brands that listen to consumers' hidden digital signals will be able to personalise their communications more effectively, and therefore convert intent into revenue.

Performics

Voice and smartphones are changing the search experience

New technologies are changing the ways brands should approach search. The growing use of voice assistants means brands should place greater priority on being ranked first for the most important keywords. Brands also need to adjust to the fact that search is now mostly a smartphone-based activity.
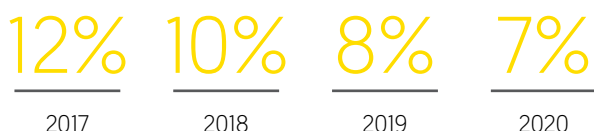
Global paid search advertising was slightly stronger than we expected in 2017, growing by 12% compared to our previous estimate of 11%. We continue to expect spend to decelerate as search matures, reaching US$95bn this year, but new search opportunities from voice assistants and commerce marketplaces are attracting interest from marketers.

The rise of voice search

21.2% of marketers worldwide say that voice search is the next big marketing trend, behind only consumer personalization and artificial intelligence.
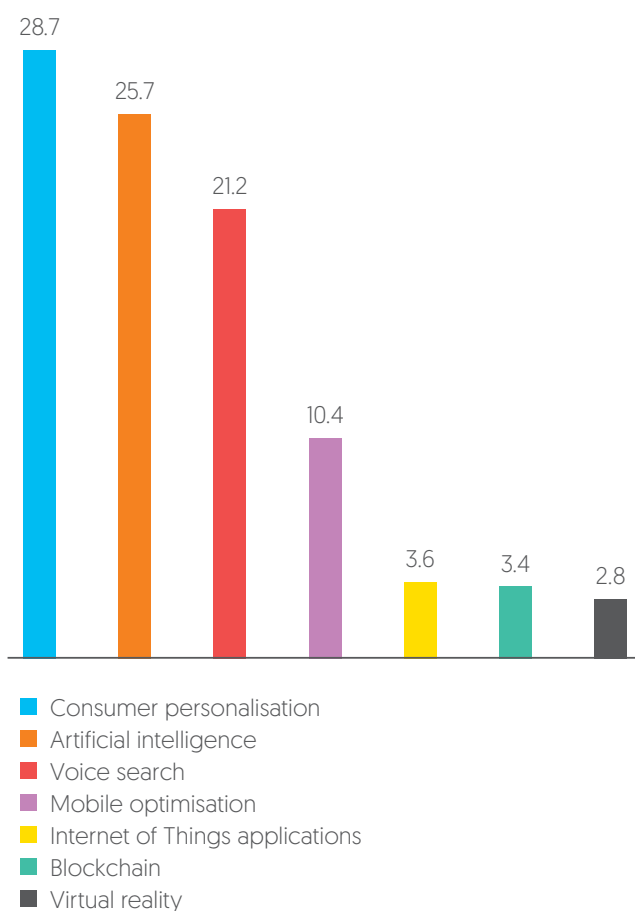
Voice and home assistants are poised to become part of everyday shopping, and this has huge implications for brands. Search rank is even more important in voice search than traditional search, as the first listing is the listing most voice assistants will suggest. If your brand isn't appearing as the first result, the chances of being seen are minimal. Start with a discoverability audit: the first step in succeeding in voice is to test on different voice-activated devices to see how visible your brand is. Then decide which keywords are most important for your brand, and invest to appear as the first result.

Annual growth in paid-search adspend

12%	10%	8%	7%
2017	2018	2019	2020

New big marketing trend in 2018 according to marketers worldwide
% of respondents

- Consumer personalisation — 28.7
- Artificial intelligence — 25.7
- Voice search — 21.2
- Mobile optimisation — 10.4
- Internet of Things applications — 3.6
- Blockchain — 3.4
- Virtual reality — 2.8

Source: BrightEdge research
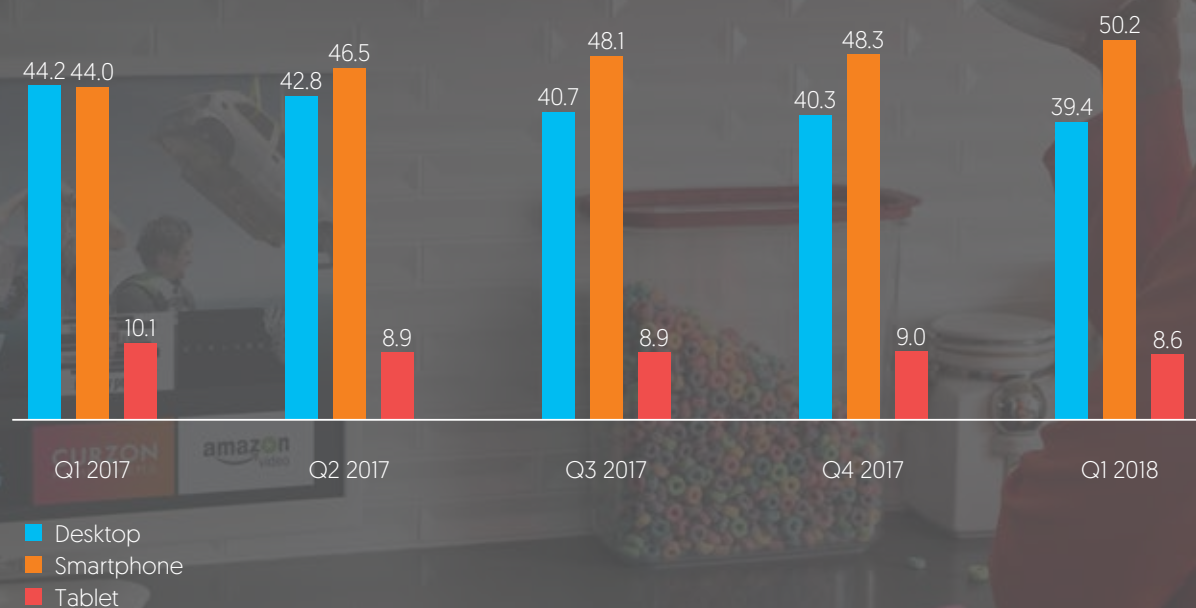
Smartphones exceed 50% of paid search clicks

Over the past few years, search activity has moved rapidly away from desktop PCs to smartphones, and more recently from tablets to smartphones. This is hardly surprising, since most consumers have their smartphones available and ready to use throughout the day, while desktop PCs and tablets are only to hand at particular times. Smartphones became the leading device for clicking on search ads in Q2 2017, and then in Q1 2018 they accounted for more than half of all clicks for the first time, with a 50.2% share. Search is now primarily a smartphone experience.

Google retires DoubleClick and AdWords names

Google is rebranding its ad business, retiring the DoubleClick and AdWords names. From 24 July 2018, AdWords will be called Google Ads, and DoubleClick will be called the Google Marketing Platform and Google Ads Manager. However, this is a purely cosmetic makeover – the underlying products aren't changing.

Share of paid search clicks by device worldwide
% of total clicks

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Desktop	44.2	42.8	40.7	40.3	39.4
Smartphone	44.0	46.5	48.1	48.3	50.2
Tablet	10.1	8.9	8.9	9.0	8.6

■ Desktop
■ Smartphone
■ Tablet

Source: Marin Software

Programmatic opens up new paths to growth

Marketing imperatives

- Define a range of audience segments, each of which has some potential for conversion to active customers.
- Attach a commercial value to each of these segments.
- Allocate investment to targeting each consumer segment to maximise the achievement of brand objectives.

Over two thirds of online display advertising across the globe will be traded programmatically within 12 months. In the most advanced markets, that figure will rise to 90%. The growth of precision marketing has largely been couched in the language of efficiency, with many marketers deploying it to reduce wastage, to suppress audiences, and to save money.

However, the rise of programmatic has gone hand-in-hand with two other trends. Firstly, the oversupply of digital inventory has driven down the cost of reach in many markets. Secondly, advances in production technology have driven down the cost of creating content.

Together, these factors should reframe how brands use programmatic away from pure efficiency, and towards top-line growth. The ability to use new data sources in audience creation means that almost any segment can be addressable in some way, at low cost. This means that, once a master creative format is produced, the marginal cost of reaching a new audience segment with the relevant content experience is low.

Programmatic maximises the demand opportunity for brands, by allowing them to direct relevant communications at their total addressable market.

This gives rise to interesting new questions at the heart of the planning process, and adds a new spirit of creativity into the audience definition process. Are there specific segments of a competitor customer base we want to steal? How might we build a specific, targeted plan to convert them? Can we identify people who are 6-12 months away from entering the category, and nurture a relationship with them? Should we target outright rejecters, systematically addressing known barriers over time?
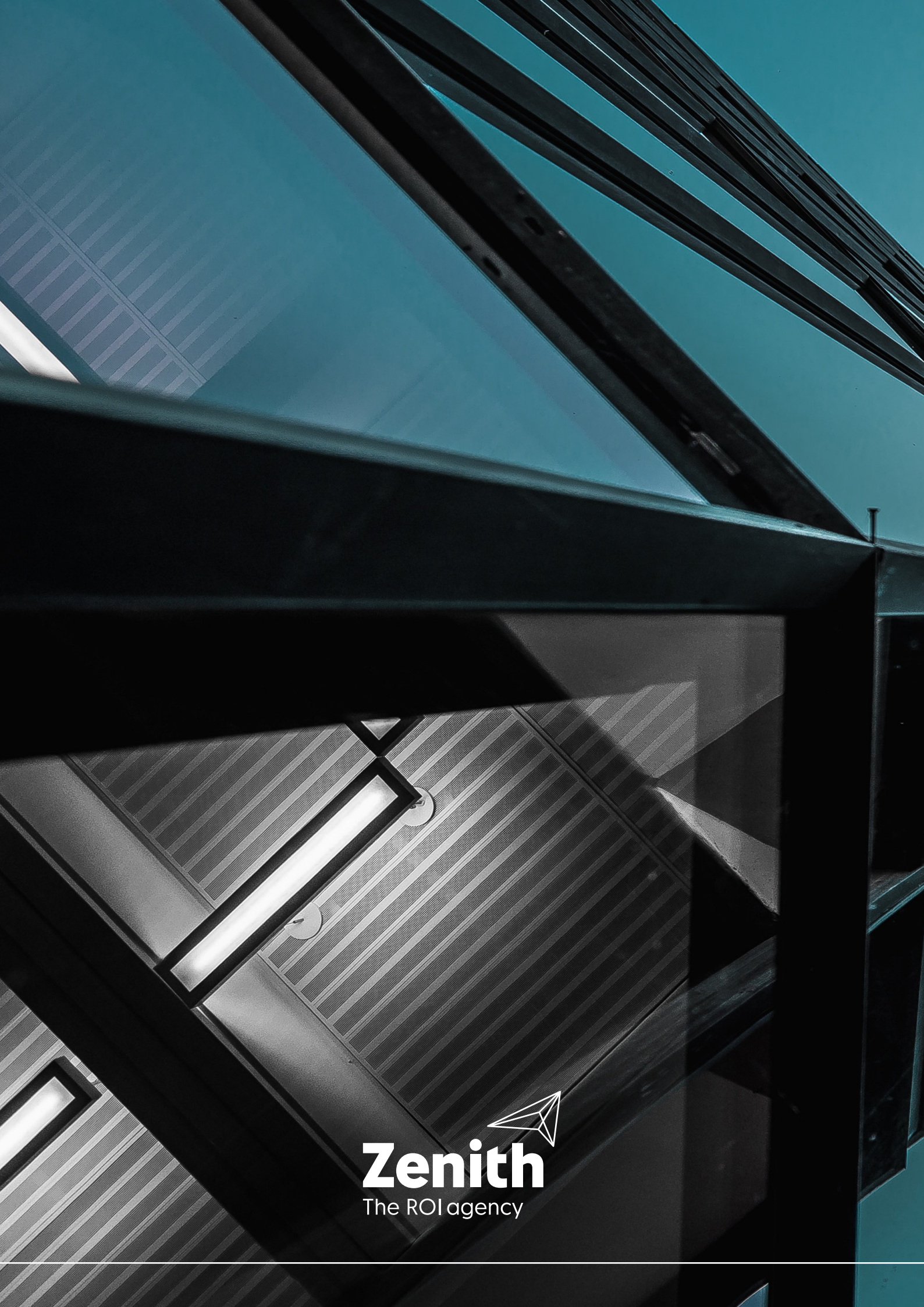
Reframing programmatic to be about maximising the demand opportunity can create a new role for planning to drive growth. Firstly, brands must attach commercial value to audience segments with known needs, barriers, and drivers. Secondly, they must define, design, and deliver the appropriate experience for each of those segments. Finally, they must treat those audiences as a fund manager treats their portfolio of assets – allocating investment behind audiences to drive short-term cash flow, or long-term value, based on the brand's objectives.

"Reframing programmatic to be about maximising the demand opportunity can create a new role for planning to drive growth."

About Zenith

Zenith is The ROI agency. We blend data, technology and brilliant specialists to scout out new opportunities, solve complex challenges and grow our client's businesses. Zenith is part of Publicis Media, one of four solution hubs within Publicis Groupe [Euronext Paris FR0000130577, CAC40], and has offices within Publicis One. We have over 6,000 brilliants specialist across 95 markets. We are experts in communications & media planning, content, performance marketing, value optimisation and data analytics. Zenith works with some of the world's leading brands including Aviva, Coty, Daimler, Electrolux, Essity, Kering, Lactalis, Nestlé, Nomad Foods, Oracle, Perrigo, RB, and 21st Century Fox.

Zenith
The ROI agency