POV

2020 / 2021

MINDSHARE

MINDSHARE POV
2020 / 2021

2020 was an unprecedented year with the global pandemic changing the way we live our lives. Ecommerce boomed as people adapted to nationwide lockdowns and a ‘new normal’ and many platforms introduced new ecommerce capabilities. We saw Instagram Shop, Facebook Shops, Pinterest Shop Tab and Google Shoploop all enter the scene, giving brands opportunities to sell to consumers via alternative platforms. Virtual live events took off as in-person events were cancelled and streaming platforms expanded; new streaming platforms such as HBO Max were launched and Twitch expanded away from its gaming heartland into more mainstream content, including Twitch Watch Parties. We also saw the rise in short-form video across major social media platforms as they all raced to compete with the increasingly popular TikTok, resulting in Instagram’s launch of Reels, YouTube Shorts and Snapchat’s Spotlight feed.

We’ve collected together a whole year of Mindshare ‘Point of View’ articles to give a complete picture of how the industry adapted and changed in 2020.

All POVs are written ‘in the moment’ and were correct at the time of writing. Things change fast in this industry, so we’ve also given you some trends to look out for in 2021 that we think will matter to your business as we continue to live a ‘new normal’.

2021 TRENDS

THE RETURN (AND IMPORTANCE) OF LIVE EVENTS

It seems like an age since we were all together in one place enjoying a gig or sporting event. However, lockdown has shown us the importance of these moments of togetherness – with elite sport on TV and virtual events proving vital to our mental wellbeing and keeping us all connected. The human truth is that we want to have shared experiences and in a post vaccine world there will be a global moment of joy as we all return to these moments of togetherness, albeit all at different speeds and maybe in different and exciting ways.

DIGITAL COMMERCE / DTC (DIRECT-TO-CONSUMER)

Whilst Amazon revenue figures or Alibaba GMV stats have grabbed headlines, it is the frequency with which we all shop online that is the big change. The mix between physical and digital retail has changed and we are prepared to buy much more online than we ever were before and more often. Many fears about the technology, the quality of goods and the overall experience have been overcome and not just by elder generations. Our latest data shows that: 49% of people spend more time online research products than pre-lockdown; 50% plan more of their purchases online than pre-lockdown and 52% wish they had more opportunity to buy direct from brands – it would be impossible to have come up with a more effective growth strategy for digital commerce than COVID.

THE RISE AND RISE OF GAMING

For years sitting in the periphery of marketing plans, seen as the cool thing but not the mainstream thing, 2020 has been gaming's year. Whether it is the streaming platforms like Twitch (Amazon), YouTube Gaming, Facebook Gaming or Mixer (Microsoft) or Xbox and PlayStation (both with new consoles out) or the VR platforms from Oculus to HTC Vive... gaming is the new sport. Data clearly shows we are spending more time gaming and with gaming content – we've been indoors for most of 2020 so maybe that is no surprise. Expect 2021 to continue this trend with gaming establishing itself as a major content player on the media plan and demanding a bigger share of dollars.

FROM CHANGING BEHAVIOURS TO ESTABLISHED HABITS

According to a 2009 study in the European Journal of Social Psychology, it takes 18 to 254 days for a person to form a new habit and 66 days for a new behaviour to become automatic. The massive question going into 2021 is what is going to stick as a new habit and what is going to return to pre-COVID 'normality' when the external forces of lockdown are removed? Here's a few we think will stick and their implications: people will buy more online than they did before and so if you are not already an omnichannel retailer you really need to become one; people will use more video-conferencing solutions than they did before and likely that means less business travel; the work / life balance will be readjusted, which will have a knock-on impact on everything from where people live and the number of people and frequency of commuting journeys to the outdoor media industry that targets those people.

THE AGE OF PLATFORMS / WALLED GARDENS / COOKIE-LESS WORLD

Marketing continues to race towards a narrow landscape and as the major platforms take larger and larger proportions of budgets, they continue their arms race to tie businesses into their ecosystem. Having extended the relationship beyond the marketing budget to include infrastructure, this approach shows little chance of slowing. Accelerated by the death knell sounding for the cookie, the platforms are not just pushing brands to utilise their spend in a more consumer-centric way but to invest in the infrastructure they offer to support it. Whilst the short-term for the industry is heavily focused on point of sale shift and ecommerce, the long-term trend is about broader consumer experience - a significant priority for every major brand as they try to make their digital experience immersive, not just transactional. Consumers expect a value exchange and given 80% of brands do not have a loyalty programme as part of their marketing strategy, expect to see much more effort in that area given the changing nature of the digital landscape.


100X/1.25 OIL
160/0.17

JANUARY

CES 2020

BACKGROUND:

The Consumer Electronics Show (CES) took place in Las Vegas this week, drawing the world's leading consumer technology brands together to show off the latest tech.

IMPLICATIONS:

In 2020, some of key themes from last year are still prominent with Health and Wellness a key focus, as well as 5G and driverless cars also making an appearance. These are some of the key themes from this year:

Bringing Technology to Everyone: There was a focus on the needs of individual groups and making daily activities more accessible. For example, Lexilens – glasses for children with dyslexia to aid their development, a Tactile Pro Tablet computer for the visually impaired and TADs food allergy detection tools. These items bring technology closer to everybody's lives and make activities more inclusive.

Democratising and Quantifying Health: 2019 saw Health and Wellness as a prominent trend, the industry being worth a huge $4.2tr. This year, there were lots of new health and wellbeing tools focusing on digital health. New smart 'wearable tech' like smart belts for the elderly that can predict a fall and FootWARE smart shoes that can track heart rates, blood pressure and even stress levels to monitor health conditions, could help many people.

Improving Mobility and Access to it: CES is almost synonymous with the unveiling of new mobility options. Sony launched its Concept Car the Vision S, that comes with a dashboard aimed at entertaining passengers whilst the car, one day, drives itself. Aside from this, companies are continuously addressing major safety problems caused by human error. They are also addressing the 'last mile' problem amongst commuters – which stipulates that businesses are located further from transport than people are willing to walk, so brands are coming up with solutions in the form of foldable bikes and scooters.

Addressing Climate Change and Resource Scarcity: Greta Thunberg was named person of the year by Time magazine and climate change protests shut down cities across the globe in 2019. Due to the prominence of the climate change crisis, tech solutions such as sustainable food options, fuel alternatives and more efficient tools were presented. Brands will continue to focus on sustainability solutions.

Bettering Everyday Lives: 5G was introduced last year and remains popular. Connectivity is more important than ever and devices will work more seamlessly with more speed and power. The 'smart' home will include more everyday objects from saucepans to kitchen bins as tech companies are expanding 'smart' devices. Brands like Samsung have designed induction stoves for small spaces and bots to improve air quality.

SUMMARY:

These themes are underpinned by four technologies: audio and vision, IOT sensors, 5G and AI. Whilst driverless cars are not quite here yet, companies are creating more auto safety features and next year we could see our frying pans connected to the internet. CES is where the future is brought to life. We can expect to be even more connected and see technology to help keep us safe.

GOOGLE THIRD-PARTY COOKIE REMOVAL

BACKGROUND:

This week Google announced the company would be looking to make third-party cookies obsolete on its Chrome browser within 2 years. This announcement was not a huge surprise as back in August 2019 Google launched an initiative called Privacy Sandbox - a secure environment for personalisation that also protects user privacy.

Whilst Firefox and Safari both already block third-party cookies on their browsers, it will have wider implications for the digital media industry due to Chrome's market share which as of December 2019 stood at 63.62%.

IMPLICATIONS:

Potentially, blocking all third-party cookies could impact planning, profiling, retargeting, analytics and attribution, including the Google suite of advertising tools and independent technologies.

This has the potential to fundamentally shift how ad-tech vendors support the digital ecosystem. However, many platforms have been preparing for the eventual industry-wide decommissioning of third-party cookies since Apple's ITP initiative went into effect in 2017 – so this has been coming.

At this time, mobile advertising IDs are not expected to be impacted; however, we will continue to closely monitor the plans of Google and Apple as each further progresses their privacy controls.

Google stated that other browsers have reacted to privacy concerns by (aggressively) blocking third-party cookies but it believes that this has unintended consequences that can negatively impact both users and the web ecosystem. For example, without a way to track advertising, workarounds such as the opaque practice of digital fingerprinting which can be seen as subversive and ultimately damaging to a user's web experience may gain traction.

Google has further been quoted that by the end of this year the Google Chrome team will begin trials that allow for click-based conversion measurement without third-party cookies. "Conversions will be tracked within the browser, not a third-party cookie", according to a Google spokesperson.

The way this works is that when an advertiser needs to track a conversion, they'll call an API that will send the conversion value from the browser but individual user data will not be passed back.

SUMMARY:

Consumers are demanding greater privacy, transparency and choice over who is capturing their data and what they are using it for. Google may be seen as coming late to the privacy party but it has a big hand to play that could have both positive and negative impacts depending on your standpoint.

It will likely mean that advertisers will, over time, need to work with their agencies to develop separate approaches to targeting and measurement between different browsers, which could become highly complex.

GOOGLE DESKTOP SEARCH RESULTS REDESIGN

BACKGROUND:

Google has rolled out changes to the way that search results are displayed on desktop. These changes were launched on mobile in May last year but are now visible on desktop search results.

IMPLICATIONS:

It's a well-known fact that Google often tweaks and changes how the paid and organic results look on a SERP, as part of an ongoing test and learn program. However, the latest change rolled out could possibly be described as the most radical change yet and a departure from the usual direction of making paid ads as prominent and attractive as possible.

Search ads used to be marked with an 'Ad' label in green, inside a green box, next to the URL, also in green. They are now marked by a small, grey/black bolded 'Ad' next to the URL, which is also grey/black. The position has also been changed, with the 'Ad' label and URL previously under the headline text, whereas now it is found above the headline text.

Organic search results have also changed, a 'favicon' (a small logo/icon) has been added - it sits where the 'Ad' label sits for paid results. Crucially, it's clear that Paid and Organic results are becoming more difficult to distinguish by the non-trained eye.

Initial reaction has not been entirely favourable, with many industry watchers pointing out that ads are now harder to identify. This, however, seems to be precisely the point. According to Google, the design is intended to present 'domain names and brand icons prominently' to put branding 'front and center, helping you better understand where the information is coming from'. The new design was launched for mobile in 2019 but has been spotted on desktop over the last week and Google announced the desktop roll out on Twitter on the 13th January.

Site owners can define a brand logo as the 'favicon' to be shown in search results but it must follow particular guidelines to qualify. This will give marketers another element to consider when optimising sites for organic search. Whether it will affect CTRs and site rankings without 'favicons' is unclear. Based on early data it appears that CTRs on ads have already increased, according to a report in Digiday. This could be due to consumers finding it harder to tell the difference between paid and organic results now that the favicon and ad icons are a similar size.

SUMMARY:

It seems that Google has shifted direction on how Paid and Organic results are shown on a results page. Whilst these changes have sparked a reaction amongst marketers and consumers, only time will tell whether it really affects CTRs and website traffic for many advertisers and brands.

OFF-FACEBOOK ACTIVITY TOOL

BACKGROUND:

Facebook has fully rolled out its 'Off-Facebook Activity' tool designed to give users more control over the data that third-party websites and apps share with Facebook about them.

IMPLICATIONS:

Facebook announced plans for the 'Clear History' tool at its F8 conference in 2018. However, the plans were delayed due to technical issues caused by how the data is stored.

This week on Tuesday 28th January Facebook announced that the tool, with a new name - 'Off-Facebook Activity' - would now be available worldwide to all Facebook users.

'Off-Facebook Activity' allows any Facebook user to see a summary of which third-parties (other websites and apps) have shared their data and information with Facebook – information that is gathered even when they aren't using Facebook. Crucially, it will only allow you to 'disconnect off-Facebook activity from your account'.

This means that Facebook will continue to receive your activity as a user of the third-party but it will not connect the information to your Facebook profile. If you want to completely break the connection, then you would have to go via the privacy settings of the third party app or website to ensure that no data is sent to Facebook and go into deeper privacy settings in the Off-Facebook Activity tool to ensure Facebook does not save future off-Facebook activity to your Facebook account. You can view and manage the apps and websites whose activity you have turned off.

Facebook uses data that it collects from other sources about users' activities to show more relevant ads to consumers. The result of users removing third-party data will not result in 'less ads' for users but rather, as Facebook warns, make the advertising less targeted as less relevant ads will therefore be shown to users.

The social network has also suggested that it will prompt users to review their privacy settings – but how Facebook will advertise this tool to users is unclear. We expect to see an initial uptake of the tool with continued usage tapering off, however there are considerations for potential reductions in custom audience sizes which could bring a negative impact on media performance.

This feature means that targeting options powered by Facebook's business tools, such as the Facebook pixel, can't be used to target ads to a Facebook user. This includes Custom Audiences built from visitors to websites or apps. Advertisers will need to bear this in mind when developing strategies for these campaigns going forward.
The feature will not impact Facebook's measurement and analytics tools which are designed to protect people's identity.

SUMMARY:

The 'Off-Facebook Activity' tool is another step in the right direction to give users greater transparency and more control over how their data is used and protected. Crucially however, the 'clear history' button in the 'Off-Facebook Activity' tool doesn't stop third-parties from sharing user data completely. In addition, warnings that 'clearing history' will log the user out of apps and won't prevent you from seeing ads are to ensure users are clear on the implications.

FEBRUARY

Q4 2019 EARNINGS

BACKGROUND:

Facebook, Alphabet, Snap, Amazon and Twitter released their Q4 earnings this week. Alphabet and Amazon dramatically outperformed expectations, whilst Facebook, Snap and Twitter results were less well received.

IMPLICATIONS:

Facebook: Facebook had a solid Q4, beating analyst's revenue expectations ($21bn), Daily Active Users 1.66 billion (+9% YoY), and earnings ($2.56/share). However, the market reacted quite negatively to a +51% increase in expenses, which was as a result of salaries and headcount (a large portion of which was devoted to solving Facebook's privacy issues) and the associated drop in margin. However, despite several public announcements about increasing users' control over privacy (and hence, limiting of their data), the targeting capabilities on the platform remain popular among advertisers.

Alphabet: Despite a miss on revenue ($46bn vs. $47bn), Alphabet still had a successful Q4, exceeding earnings expectations by almost $3 a share ($15.35/share vs. $12.50/share). While advertising is the undisputed driver of Alphabet revenue, it showed once again the importance of a diversified business model. Google Cloud alone pulled in $10bn of revenue in 2019, roughly two thirds that of YouTube ($15bn/year). This is the first time Alphabet has singled out YouTube revenue which may put pressure on rivals (e.g. Facebook) to do the same. Moving forward, it'll be interesting to see how Google navigates a world with fewer screens (as things like voice become more popular).

Twitter: Twitter didn't have a bad quarter but not an amazing one either. Although it missed expectations on earnings per share, it beat revenue and user growth expectations. It seems Twitter's ad targeting problems, relatively tepid product innovation and increased competition for performance marketing dollars (a historic strength for the platform) didn't hold advertisers back.

Amazon: Amazon also hit it out of the park this quarter: net sales rose 21% and earnings per share beat expectations by over $2/share ($6.47 vs. $4.03). Whilst advertising is still a relatively small portion of the company's revenue, it is becoming increasingly important as it helps to subsidise things like free shipping. As such, Amazon has started putting much more emphasis on its offering. Last year's acquisition of Sizmek suggests the company has big plans for its tech stack whilst new ad-supported video options are also being created.

Snap Inc.: Unlike its rivals, financial markets pummeled Snap for its stumbles this past quarter which followed several quarters of positive results for the platform. Despite additional users (+17%), increased revenue (+44% vs YAGO), and greater profitability ($0.03/share versus $0.01), the company failed to meet financial markets' expectations. Snap remains under some pressure as rivals like Instagram and TikTok innovate and try to eat into Snap's core user base of young consumers.

SUMMARY:

No disasters in the earnings reports, but some more notably successful than others. Google continued its dominance in advertising but Amazon seems poised to come on strong. Facebook had a solid quarter but got penalised for increased expenses from salary and headcount. Meanwhile, Twitter and Snap keep slugging it out for advertiser investment.

SAMSUNG UNPACKED 2020

BACKGROUND:

It's been a big week for Samsung with plenty of announcements from its Unpacked 2020 event. Samsung launched four new phones and announced partnerships with Netflix for exclusive content and Microsoft for cloud gaming.

IMPLICATIONS:

Galaxy S20: Three variables of the same handset were launched by Samsung – the Galaxy S20, the S20+ and the S20 Ultra. The Ultra is the largest of the handsets and comes with a huge 6.9inch screen. The hooks are the camera, which can shoot at a full 108 megapixels and the 48-megapixel telephoto lens which offers 4x optical zoom. The camera can record 8K videos which can be edited in the included editing tool so that users can share the footage on the compatible 8K QLED TV. Through a deep integration with Google Duo, device owners can tap Duo to start a video call and experience FHD quality. Lastly, worth noting is the Galaxy S20's Space Zoom technology that uses Hybrid Optic Zoom and Super Resolution Zoom, which includes AI-powered digital zoom. All three of the handsets support 5G which promises to bring more and better streaming content.

Galaxy Z Flip: But what about the fourth phone? The foldable future starts now with Samsung's Galaxy Z Flip. The phone has a Snapdragon 855+ chipset, 8GB of RAM and 256GB of storage plus a hole-punch camera in the front, but the biggest draw is that it flips. It is a glass screen that folds in half to form a square and can be propped up to take selfies or for a hands-free video call. Samsung worked with Google to design the Flex mode user experience, which automatically splits the display into two four-inch screens when the device is free-standing.

Xbox Partnership: Samsung also announced a partnership with Xbox, owned by Microsoft, through which they will provide gaming related content to Samsung device owners, the first game being Forza Street, a racing game from Microsoft. The two tech giants are keeping their cards close to their chests but there is speculation that the partnership could involve bundling Microsoft's xCloud streaming services with Samsung devices. This will let people experience desktop-like graphics and sophistication on their mobile devices.

Netflix Partnership: And last but certainly not least, Samsung announced another partnership with Netflix which appoints the video streaming company as Samsung's exclusive entertainment partner. Netflix will provide exclusive content to Samsung device owners that will have been shot on Samsung S20 phones. The partnership will also give Samsung owners access to bonus content for some Netflix Original series.

SUMMARY:

Samsung is elevating itself beyond hardware to compete with Apple's iOS ecosystem. Unlike Apple, Samsung is steering clear of creating its own content and is instead forming the partnerships that will lead it into the future – content and gaming. The Xbox partnership is another step toward gaming becoming more accessible and seamless on-the-go gaming more ubiquitous. This means it will be more important than ever for brands to look for a meaningful role in the gaming community.

TWITTER UPDATES

BACKGROUND:

Twitter has announced multiple updates this week including the acquisition of Chroma Labs – a social media start-up, the roll-out of a 'Continue thread' feature and tests around misinformation warnings.

IMPLICATIONS:

Chroma Labs acquisition: Twitter has acquired Chroma Labs, the Stories photo and video editing start-up co-founded by ex-Facebook and Instagram employees. It has been seen as a sign that it could be working on its own Stories feature or adding more visual options for users to enhance their tweets. Chroma's app allows users to edit pictures and videos specifically for sharing on Stories features found on Instagram, Snapchat and other platforms. Following the acquisition, Chroma will shut down its current business and future versions of the app will not be available. The company hasn't confirmed it is working on a Stories-like feature for Twitter but rather said the Chroma staff would be joining its "Conversations Division" with Twitter's Head of Product tweeting that the Chroma team will "join our product, design and engineering teams working to give people more creative ways to express themselves on Twitter".

'Continue thread' roll-out: This week Twitter also announced it is rolling out a new feature for mobile users that will make it easier to thread multiple tweets together enabling users to create topic threads and connect new tweets to previous ones. The feature lets you pull down as you're composing a tweet to add to a previously posted tweet and create a thread or continue a thread. The new tweet will then become part of the original thread. This follows on from a 2017 update that allowed users to send out an entire thread of tweets all at once.

Twitter testing misinformation warnings: According to NBC News, Twitter is testing new ways to warn users of misinformation posted by politicians and public figures. The experimental feature would rely on community reporting to monitor content. It will display large, brightly colored labels directly below tweets flagged by fact-checkers, journalists and potentially other users as likely to be "harmfully misleading". In one version of the demo, Twitter users could earn "points" and a "community badge" if they "contribute in good faith and act like a good neighbour" and "provide critical context to help people understand information they see."

A Twitter spokesperson said that the platform was exploring ways to address misinformation and provide more context for tweets on Twitter. "Misinformation is a critical issue and we will be testing many different ways to address it." Last month, Twitter announced a policy to ban tweets that deceptively share synthetic or manipulated media that are likely to cause harm, such as deep fakes.

SUMMARY:

This latest experiment suggests that Twitter is continuing to take cues from Wikipedia, Reddit and other online platforms where users play a significant role in moderating content. These updates also suggest that Twitter is making content more engaging for users, which could impact the way advertisers engage audiences on Twitter in future.

UBER AND LYFT OOH ADVERTISING

BACKGROUND:

Uber has announced a partnership with Adomni, a programmatic out-of-home advertising platform to trial top of car ads on Uber driver's vehicles. A few days prior, Lyft announced that it had bought Halo Cars, a start-up that allows drivers to generate money through digital advertising on top of their cars.

IMPLICATIONS:

In the US, this form of OOH advertising is a space occupied by a few start-ups, the largest of which is Firefly. Using Firefly, Uber drivers can currently earn up to $300 a month if they drive more than 40 hours a week.

The 'Uber OOH' ad platform will offer drivers $300 to install the vehicle-topper and an additional $100 each week that they drive more than 20 hours during the trial. After the trial, if successful, drivers will be paid on an hourly basis. The program will start in a selection of US cities, including Atlanta, Dallas and Phoenix with the view to expand globally. The idea is to provide advertisers with self-service programmatic media-buying options through Adomni's demand-side platform (DSP). During the trial, ad inventory will be available for purchase on Uber and Admoni's websites.

A few days before Uber's announcement, Lyft acquired the start-up Halo Cars. Halo Cars was founded in 2018 and operates in New York and Chicago. It installs LED screens on the top of taxis to serve geo-targeted full-motion video ads. Lyft drivers who install the screens can earn an extra $400 a month. Halo Cars claim to have blanket ad coverage of New York and can emulate the same thing in any city.

Its website also states that its targeting algorithm: 'takes into account the vehicle's exact location, time of day/week, weather and consumer data from the world's top data providers to ensure that your ads are only shown in areas and during times that make sense'.

This advertising format is not new but there are a combined 4.4m Lyft (1.4m) and Uber (3m) drivers in the US that have space for this advertising and the opportunities for targeting and personalisation could be very effective. The digital elements of these screens provide ample opportunity for creativity and the use of Adomni technology by Uber could also see these car ads synced with billboards.

Whilst spend on OOH advertising is only around a tenth of online spend, outdoor advertising is growing faster than the rest of the industry aside from pure play digital media. The outdoor sector generated $39 billion in global ad revenue in 2019 and GroupM estimates this to increase 2.5% in 2020 and 3-4% growth rates in subsequent years. This is largely due to the increasing digital capacities of OOH spaces, the technology available for personalisation and targeting and the reduction in cost.

SUMMARY:

These two announcements demonstrate both the growing diversity of OOH advertising space and the areas in which transport companies are diversifying their revenues. With both companies needing to increase revenue due to losses in 2019 Q4 there may be some big opportunities for advertisers to get creative.

MARCH

TWITTER TESTS 'FLEETS'

BACKGROUND:

Twitter has announced that is it testing ephemeral tweets, named 'Fleets', in Brazil with the view to potentially roll out globally in a few months. Twitter is one of the last major social media platforms to test out a Stories format.

IMPLICATIONS:

'Fleets', Twitter's version of 'Stories', will allow users to post up to 280 characters of text, add photos, videos and GIFS to a post that will disappear after 24 hours – similar to the Stories approach on other social media platforms. Fleets will not be able to receive likes, replies or retweets but users will be able to respond and react using emojis via direct message (if this is enabled), similar to Instagram Stories for example.

In these early testing stages the content offering is limited and reflects Twitter's text-centric nature. However, last month, Twitter bought Chroma Labs, the Stories photo and video editing start-up co-founded by ex-Facebook and Instagram employees, so 'Fleets' could be quickly upgraded.

Since it began in 2006, Twitter has focused on its core product. The testing of Fleets suggest that Twitter is attempting to diversify its product with the new offering encouraging a different kind of sharing and engagement.

The offering will allow users to share thoughts in a less public manner as Fleets won't circulate Twitter's network, show up in search or moments and can't be embedded externally. They will appear, however, as rounded profile icons on the top of users' timelines. To view the multiple Fleets a user has posted, users will have to swipe down instead of horizontally, which is the case on most other Story models. This may be difficult for users to get used to initially.

To determine which Fleets appear first, Twitter will use recency and mutual follows as a basis for now. In comparison to other social media platforms, people often follow thousands of accounts on Twitter, so this element of Fleets is a challenge. It may mean that brands will see less in engagement in Fleets to begin with whilst Twitter determines the best algorithm for the feature.

Despite this, brands with large Twitter followings will have a new way to connect to their audiences. Video will also be a big feature, the standard user will be allowed to upload video content up to 2:20 in length or up to 512MB and whitelisted accounts will be able to post videos that are up to 10 minutes long – giving potential for Twitter to become the latest platform for video.

SUMMARY:

If testing in Brazil is successful, Twitter will decide whether to expand to other global markets or not. As far as brands are concerned, if the platform already works for them and they have available assets, it may be worth a try in order to connect with audiences in a new way.

REDDIT TRENDING TAKEOVERS

BACKGROUND:

Reddit has announced a new ad offering called Trending Takeovers that will allow advertisers to appear in the 'Popular' section of the feed and the Search tab, the two most visited areas of Reddit.

IMPLICATIONS:

'Trending Takeovers' on Reddit will last for a maximum of 24 hours and run in the trends section where users see what is being discussed across the site. They will be visible in the second slot of the Trending Today section on the Popular feed and in the second section of the Trending Today drop-down in the Search tab. Being visible in these two areas could put brands in front of more than a third of daily users according to Reddit. Targeting options include keywords and different communities.

At the moment, Reddit's ad offering includes Promoted Posts that are similar to Facebook News Feed ads. This new ad unit will be similar to Twitter's promoted Trends and is an attempt from Reddit to expand its ad offering for brands. Shariq Rizvi, Reddit's Vice President of Ads Products and Engineering said that Reddit's focus for 2020 was about 'maximizing new and premium opportunities for brands to authentically engage with Reddit users'.

Reddit claims to have 430 million monthly active users which is more than Twitter (330 million). It also has more than 100,000 communities. Communities, known as subreddits on the platform, are streams of user posts and discussions relating to different topics. For example, r/Basketball is a selection of posts from users about Basketball. If used well, Trending Takeovers could be highly valuable to brands. Especially if campaigns are reactive and contextualised to current events.

During the beta testing of Trending Takeovers, which included more than 15 brand partners, the Trending Takeovers resulted in a click-through rate two-times greater than the industry standard for social media platforms. Video completion rates were also four-times greater than Reddit Promoted Posts. As an example, the cleaning brand, Method, made 'plants' a trending topic and created a campaign about how its dish soap can help shine houseplants, putting its products in front of thousands of users.

At the moment, Trending Takeovers is not an automated process so brands will have to go directly to Reddit but this may change in the future. Prices have not yet been confirmed.

There is naturally some concern over how users will react. The communities on Reddit rely on authenticity so it might be harder for Reddit to make this a common feature than it was for Twitter.

SUMMARY:

Trending Takeovers on Reddit could be a great opportunity for advertisers to be part of popular conversations and maximise their brand awareness online, especially if the opportunity is used wisely. This offering is part of Reddit's advertising goal for 2020, so we could see more opportunities like this in the near future.

IGTV ADS

BACKGROUND:

Instagram is launching in-stream ads on IGTV following tests that were held in some markets in February.

IMPLICATIONS:

IGTV launched back in 2018 and is separate from the main Instagram feed. Videos can be up to 10 minutes long for most accounts and up to 1 hour for some with a larger following. One of the problems with attracting popular content curators to use the channel has been the lack of monetisation opportunities. Content curators on YouTube receive a 55% share of the advertising profit. The launch of ads on IGTV means that content curators will now be able to earn money on their long form video content on Instagram. Instagram's new advertising on IGTV will reportedly follow the same profit split as YouTube.

The move to include advertising on IGTV is an attempt by the social media platform to compete for a larger part of the video ad market share and comes at a time when the short-form video sharing platform TikTok is also becoming increasingly popular.

IGTV content sits between short-form videos such as TikTok and Snapchat and long-form videos on YouTube, therefore, it has a challenge to clearly communicate to consumers what is the USP of the platform and in turn, what is the USP for advertisers.

Instagram already has many advertising options available. Brands can advertise on the feed or on stories and in various formats (i.e. shoppable ads). This announcement means that advertising will now be available across the platform's entire offering.

Instagram has over 1 billion users that are often highly engaged with 'influencers' on the platform, meaning that in-stream video ads could potentially achieve high reach and engagement if these influencers create content in the IGTV channel.

Instagram decided to add IGTV previews in the app's main feed last year which means that the content is extremely accessible for users. However, it did remove the IGTV button from the news feed earlier this year, so the jury is still out on how much consumers are interested in this content.

SUMMARY:

It will be interesting to see if the monetisation option drives more high-quality content to the platform and therefore more interest in this video format for Instagram. If successful, brands will be able to reach their audiences in even more ways across the already popular advertising environment. Instagram will then need to make sure that the user experience of these adverts builds on the overall experience without disrupting users from the content they want to access.

TIKTOK PARTNERS WITH THE TRADE DESK

BACKGROUND:

TikTok, the popular short-form video platform is partnering with DSP The Trade Desk to make its inventory directly available to advertisers across Asia-Pacific. Currently the partnership is available in 11 markets including Southeast Asia, India, Australia, Japan and Russia and is limited to PMPs but will expand to Open RTB at a later stage.

IMPLICATIONS:

As the popularity of TikTok grows, so does its ad offering. Globally the app has been downloaded 1.65bn times and 323mn times in India alone. The platform's growing popularity has steadily enticed more brands to launch campaigns on the platform in various forms. This partnership between The Trade Desk and TikTok provides more opportunities for brands to potentially put themselves in front of millions of consumers.

TikTok's VP of monetisation in India said: "the key objective of this is to enable more brands to tap into TikTok's short-form mobile video as part of their omnichannel campaigns." TikTok is the first short-form video platform to integrate its ad inventory with The Trade Desk and it will allow The Trade Desk clients to purchase TikTok inventory alongside their other media buys.

Campaigns that run on the Trade Desk platform will be pseudonymous, not directly identifying users and partners will not be allowed to provide personal data. This stands by TikTok's privacy commitment following scrutiny over privacy concerns for its younger users.

The first company to take advantage of this partnership is PepsiCo with a campaign for the Lays portfolio in Thailand, planned by Mindshare. The 'smart-phone demographic' was 'absolutely critical' for the brand according to Arun Mehra, PepsiCo senior director of marketing services and this partnership made reaching that audience easier and more precise. The brand is now looking to expand the campaign across the whole region.

TikTok offers innovative and creative ways for brands to connect with their audience, including Branded Hashtag Challenges, where users can get involved by jumping on hashtags and creating their own content. A trend that is extremely popular and drives many of the trends on the platform.

Earlier this year TikTok partnered with iflix, a subscription on-demand video service, to bring short-form videos to audiences in 13 countries in Asia. This is one of many ways that the platform has been generating awareness and as the platform grows even bigger, its ad offering will too.

SUMMARY:

TikTok becoming available for programmatic buying through The Trade Desk is a positive development, however the onus will be on having the right brand safety measures in place as it is viewed as a developing platform, which brings with it certain challenges. Mindshare already partners with The Trade Desk so is well placed to help clients understand their programmatic advertising options on TikTok.

APRIL

SNAPCHAT LAUNCHES APP STORIES

BACKGROUND:

Snapchat has launched an App Stories feature which allows users to share their Snapchat Stories to other platforms and apps. Snapchat initially announced the plan for App Stories at its Partner Summit a year ago. Now, developers can sign up to add stories to their apps.

IMPLICATIONS:

Users can share the Stories they create on Snapchat to platforms that have partnered with Snap and also share the content only to those platforms, not just with their friends on Snapchat.

App Stories is part of the growing ‘Snap Kit’ platform that allows developers to use Snapchat’s login, Bitmoji, camera effects and now Stories. Snap said it added more than 150 partner-app integrations via Snap Kit during Q4.

The first partners to use the new product are dating app Hilu, social video app Triller, video-calling app Squad and AR app Octi. One app missing in this launch is Tinder, which was originally featured in the App Stories preview. Tinder uses Snapchat’s Bitmoji stickers but for some reason has decided against App Stories. These apps are using Snapchat Stories in slightly different ways on their platforms. For example, in Squad, users can co-watch Stories along in the screen-sharing option. App developers can choose to keep Stories live for up to seven days rather than the standard 24-hour limit.

App Stories makes it easy for third-party developers to include a Stories feature on their own platforms therefore bringing Snap’s content to more places, in particular to those who don’t already use Snapchat. This will potentially grow Snapchat’s user base and will also allow Snapchat to play a bigger role in Stories, a format that Snapchat created but has been adopted by many social media giants in their own versions since, such as Instagram and Facebook.

The launch of App Stories also presents Snap with the opportunity to expand its advertising outside of its own app.

Ben Schwerin, VP of partnerships at Snap, said that there is: ‘potential for monetization in App Stories but not yet’. Third-party apps won’t have ads to begin with but Snap is launching Ad Kit which will allow other apps to run Snap’s ads on their own platforms. There is no launch date for Ad Kit but app developers can already request early access to Ad Kit.

SUMMARY:

There is sure to be interesting opportunities for advertisers as Snap continues to develop more partnerships with other apps through App Stories.

Whilst there is no monetization yet, it appears that there may be plans to do this soon which could provide advertisers with another great touchpoint with consumers using this engaging format.

QUIBI

BACKGROUND:

Quibi, a bite sized video streaming app, launched earlier this week on iPhone and Android, initially in the UK, US and Canada.

IMPLICATIONS:

Quibi is a new platform that is hoping to capture the ‘short-form’ corner of the streaming market. It is only available on mobile, not on OTT TV services like other well-known streaming services. Quibi is also not available to use with AirPlay or Chromecast - so viewing is only possible on mobile.

Its content is a series of 7-10 minute videos in three main categories: Movies in Chapters which will tell feature length stories in bite sized videos; Unscripted and Docs which will feature the stories of many well-known celebrities and Daily Essentials which will be news updates from places like the BBC, NBC News, Weather channels and ESPN. The app’s content at launch offers a lot of big names such as Liam Hemsworth, Jennifer Lopez and Chrissy Teigen and there is also the promise that there will be content from celebrities including Steven Spielberg and Guillermo del Toro in the future.

The platform launched with 3 episodes of 50 new programmes but plans are to have 175 new programmes on the service in its first year, which equates to 8500 ‘quibis’. Unlike other streaming services the majority of Quibi’s content will be home-grown.

When opened, the app has a ‘For You’ tab which has recommended shows that will play automatically. There are also Browser and Following tabs and a ‘share’ button embedded into the app to share content with your friends. You can also ‘follow’ your favourite shows and ask for notifications when the latest episodes are available. The app is pitched at users between major streaming services like Netflix and Disney+ and short-form video content like TikTok.

One of the draw factors according to Quibi is the film-making technology used, called Turnstyle, which allows a user to seamlessly shift from portrait to landscape an important element for a mobile-only app.

Quibi is offering a 90-day free trial to new users then its pricing model is $4.99 per month with non-skippable pre-roll ads and $7.99 per month without ads. This means that there will be some opportunity for brands to advertise on the platform, which is not currently possibly for some other major streaming platforms. The platform has initially partnered with 10 companies for exclusive ads in the first year: Progressive, Discover, General Mills, Procter & Gamble, AB InBev, Taco Bell, Pepsi, T-Mobile, Google and Walmart. They will be able to run 6, 10 or 15 second pre-roll ads. Mid-roll ads are not available.

The app hit 300,000 downloads on its first day, which is only 7.5% of Disney+ first-day-downloads. However, as of Tuesday morning, it ranked #3 in the US App Store free apps list, following Zoom and TikTok.

SUMMARY:

The streaming market is extremely saturated as is short-form video content market, whether there is room for another major player will be the key question.

YOUTUBE 'SHORTS'

BACKGROUND:

YouTube is working on a short form video feature called 'Shorts' to be released later this year according to a report by The Information.

IMPLICATIONS:

YouTube, the video streaming platform, is reportedly working on its own bite-sized video feature that will be similar to the popular video-sharing app TikTok. The feature is believed to be called 'Shorts' and will be a feed of short-form videos posted by users inside its app, according to The Information. Its existing catalogue of licensed music and songs will be available for users, as will tools to help users create videos. This is a huge benefit for YouTube as its extensive music licensing arrangements could broaden the options for content on 'Shorts'.

Social media platforms are known for replicating innovations from different services. YouTube previously created a feature that resembled Instagram stories in 2018 which was successful for many creators, increasing their average subscriber count by 8% over those that didn't use the feature.

TikTok, the short-form video platform, operates by letting people choose from a selection of audio and music to create videos. This platform has become increasingly popular with 842 million first time downloads in the last 12 months. TikTok is still relatively small in comparison to YouTube, which has 2 billion users each month. YouTube is currently the leading platform for longer form video content sharing.

YouTube would be able monetise the 'Shorts' feature immediately by using its existing advertising options, one of the reasons that many influencers use the platform for their content.

If the service is easily monetised for content creators, the associated revenue from that advertising could in turn fund a high-quality content boom in short video, which would attract more viewers – an attractive flywheel for all concerned.

Plus, as many people already use YouTube, staying on the same platform to view this short-form type content could be convenient for many users. TikTok is yet to offer a way to monetise videos directly for content creators and its ad offering is still in development.

YouTube is not the only platform to try and enter this space. Facebook has been testing its own version of a short-form video platform called Lasso in markets like Brazil.

SUMMARY:

Whether YouTube 'Shorts' will be popular enough to rival TikTok is yet to be determined. However, the platform's music licensing catalogue and the potential to monetise the feature immediately from launch for content creators may help. It will be interesting to see how it develops and if this results in TikTok accelerating its ad offering and shifting towards monetisation system development.

SAFARI'S FULL THIRD-PARTY COOKIE BLOCKING

BACKGROUND:

Apple recently announced a significant update to its Safari Intelligent Tracking Prevention (ITP) which means that cookies for cross-site resources are now blocked by default on Safari.

IMPLICATIONS:

Safari's Intelligent Tracking Prevention (ITP) is a privacy feature that allows the company's web browser to block cookies. Apple first launched ITP within Safari nearly three years ago and it immediately set a new bar for web privacy standards.

Following the release of Safari 13.1 and through updates to the (ITP) privacy feature, Apple now blocks all third-party cookies in Safari by default. It is only the second browser, after the Tor browser, to block all third-party cookies by default.

However, it's important to note that this doesn't mean that Safari now blocks all user tracking, only tracking methods that rely on planting a cookie file in Safari and (re-) checking that cookie over time to identify the user as they move from site to site. Other user tracking solutions such as user/ browser fingerprinting, will most likely continue to work.

The subtle but significant change is that whilst other browsers have publicly said they now have a mechanism to allow users to block third-party cookies altogether, none of them do it by default apart from Tor and now Safari. Google previously announced that it would start phasing out third-party cookies on Chrome but not implement this fully until 2022 and Microsoft's Edge has also begun gradually blocking third-party cookies but the feature is not enabled by default for all users.

John Wilander, an Apple software engineer said in a blog post that this is a significant improvement for privacy since it removes any sense of exceptions. However, users may not notice much difference: 'it might seem like a bigger change than it is. But we've added so many restrictions to ITP since its initial release in 2017 that we are now at a place where most third-party cookies are already blocked in Safari'.

In addition to blocking third-party cookies by default, the new feature set also ensures that websites and trackers that are deployed across a consumer journey can't use login IDs to digitally fingerprint users who might otherwise be using tracking prevention or other privacy tools.

SUMMARY:

Safari's market share is relatively low (3.62%) compared to Google's Chrome browser (67.72%). However, this is another tightening in privacy levels for users. Advertisers have been aware of 'the death of the cookie' for some time and this has pushed the industry to innovate to protect consumers privacy while also leveraging new technology to be able to deliver the experience brands strive to offer.

SPOTIFY EXPANDS AD STUDIO

BACKGROUND:

Spotify is moving its self-serve Ad Studio out of beta and making it available in new markets across EMEA, LATAM and APAC throughout the year.

IMPLICATIONS:

Spotify's Ad Studio is a self-serve platform for advertisers to easily create audio ads from scratch and manage campaigns on Spotify. The company states that it is low commitment, therefore making it ideal for testing, lower budgets and quick turnarounds.

Initially only available in the US, UK, Canada and Australia, Ad Studio is now being rolled out to New Zealand immediately and testing with select advertisers in a further 17 countries across EMEA, LATAM and APAC. Additional markets include: Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Spain, Argentina, Chile, Colombia, Mexico, Malaysia, Philippines, Singapore and Taiwan. The development of the service follows a 68% increase in monthly active advertisers over the past year.

Whilst the ad platform itself will be in English initially, advertisers will be able to create ads in their local language using Ad Studio's free voiceover tool. According to Spotify, over 37% of its Studio Ads advertisers take advantage of this free service. It is also planning to launch versions of Ad Studio in Mexico and Spain later this year that are fully translated.

As part of this global expansion, Spotify has also updated its interest-based and real-time ad targeting options based on music and podcast streaming and added business podcast listener targeting. It is also increasing the number of targetable geographies from 2,000 to 180,000 globally and has added new call-to-action buttons such as 'share' or 'shop now'.

At the end of December 2019 Spotify had 271 million users and states that currently there are 153 million monthly active ad-supported listeners who use Spotify. In February, Spotify agreed to acquire The Ringer, the publisher focused on podcasts around sports and pop culture, to expand its content offering and grow users.

Data shows that in recent weeks overall music and podcast streams are down during the current pandemic. This is likely because people are not commuting or spending time in the gym (typical use cases). According to analytics company Alpha Data, overall music streams in the US were down nearly 9% during the period 13th March - 20th March and Podtrac reports that podcast streams in the US were down 8% the week ending 22nd March.

Spotify Ad Studio has experienced steady growth since launching. Targeting audiences based on demographics, location, activity and music taste has seen great traction with advertisers. The addition of new markets is a fantastic opportunity for advertisers to reach and engage audiences through music they enjoy listening to on a popular platform that continues to grow.

SUMMARY:

Spotify's extension of its platform is designed to provide a broader group of advertisers the opportunity to reach their audiences. The dip in music and podcast streaming is likely to be temporary, with focus turning to markets that come out of lockdown to see if the behaviour was only short term.

FACEBOOK'S $5.7BN DEAL WITH JIO PLATFORMS

BACKGROUND:

Facebook has taken a 9.99% stake in Jio Platforms, the digital technology arm of Indian conglomerate Reliance Industries and owner of India's largest mobile network operator Reliance Jio, for $5.7bn.

IMPLICATIONS:

The deal sees Facebook take a stake in one of the fastest growing business in India. Jio Platforms, launched four years ago, now boasts 388 million users. Beyond its mobile network, it also operates JioMart, a small business ecommerce platform and various other digital messaging, streaming and payment services.

Jio's growth in the mobile market comes off the back of a $33 billion investment in an India-wide 4G broadband service network. Jio now holds a 32.14% share of the mobile market, with the two main rivals Vodafone Idea and Airtel both with roughly 28% each. However, these investments in Jio have reportedly left Reliance Industries carrying a lot of debt, making a deal with Facebook more attractive.

The main focus of the deal is to fuse JioMart with WhatsApp to: 'enable people to connect with businesses, shop and ultimately purchase products in a seamless mobile experience,' according to Facebook.

Facebook's opportunity is to try and gain a further foothold in a rapidly expanding market where more than 560 million people have come online in the last five years. WhatsApp already has a reported 400 million users in India and it has a payment service that was given regulatory approval.

The official release from Facebook states: 'our goal is to enable new opportunities for businesses of all sizes but especially for the more than 60 million small businesses across India'.

A recent report by Deloitte India and the Retail Association of India estimated the value of the Indian e-commerce market would reach $84bn by 2021.

Arguably Facebook's biggest failure in its rise to global domination came in India in 2016 when its Free Basics service, which was provided via Internet.org and which gave free internet access to users in India within a walled garden, was declared to be against the principles of net neutrality and was therefore banned in India.

As such, there is a lot of interest, with Facebook founder Mark Zuckerberg posting: 'we're making a financial investment and more than that, we're committing to work together on some major projects that will open up commerce opportunities for people across India. India is home to the largest communities on Facebook and WhatsApp and a lot of talented entrepreneurs. The country is in the middle of a major digital transformation and organisations like Jio have played a big part in getting hundreds of millions of Indian people and small businesses online.'

SUMMARY:

There are around 400 million smartphone users in India (source: Statista) but with a population of 1.3 billion there is a huge amount of room for growth and massive opportunity for Facebook. The combination of the world's most popular messaging app, an ecommerce platform with integrated payment services and India's biggest mobile operator, all in an ecommerce market worth $84bn, will be worth watching.


MAY

FACEBOOK UPDATES

BACKGROUND:

Facebook has announced a host of updates to its video products, the most prominent being Messenger Rooms – a new video chat capability. It has also launched Facebook Gaming, a dedicated mobile app to watch and share live gameplaying.

IMPLICATIONS:

Messenger Rooms: Messenger Rooms on Facebook Messenger will allow up to 50 people to 'hang out' on a video call. The feature will be a social twist on video conferencing which has boomed during the pandemic. Mark Zuckerberg said that he wanted to create a place to bring people together. Rooms can be left 'open' and users will receive notifications when their friends open a Room so they can join. Room owners can control who can enter rooms and change the privacy settings.

Video calls were previously available on Facebook Messenger but the Rooms feature adds a new social level. The feature will eventually integrate with all messenger services and AR will be available to create backgrounds. Messenger Rooms will eventually also integrate with Facebook's other properties including Instagram Direct, WhatsApp and Portal.

For advertisers, Facebook's expansion of its video capability could lead to new opportunities. Facebook also announced the expansion of IGTV to desktop, enhancements to Facebook Live and video calls being added to Facebook Dating. Facebook is creating advertising that can fit in these environments, which are tailored towards e-commerce and can help tap into the increase of video usage.

Facebook Gaming: The Facebook Gaming App is a standalone platform to watch and create livestreaming content based around mobile games. The app will help Facebook to reach more than 700 million of its 2.5 billion monthly users who are already engaged with gaming content. It will allow users to follow high-profile gamers, watch live gaming streams and leave comments. To make it a social experience, there is a Connect feature to join existing gaming groups and connect with other users.

Twitch and YouTube still dominate the industry and are seeing their user base increase but they have also seen the competition grow with Microsoft's Mixer and now Facebook Gaming entering the fray. Facebook is attempting to stand out by putting a focus on mobile gaming and by making it easier for gamers to start streaming from their mobiles - the new 'Go Live' function allows users to stream mobile games by just pressing a few buttons. For now, Facebook isn't including ads in the app and monetisation is limited to the 'Star' donation function for its content creators, allowing fans to send a donation to streamers, for which it takes a commission. The company said it wanted to build its gaming audience before adding monetisation.

SUMMARY:

These announcements come as the COVID-19 crisis has changed consumer behaviour and forced hundreds of millions of people to stay indoors and rely on digital tools for work, school and entertainment. Facebook's expanded video offering could lead to new opportunities for advertisers and Facebook Gaming is sure to attract users and establish itself.

Q1 2020 EARNINGS

BACKGROUND:

Snap Inc., Alphabet, Facebook, Twitter and Amazon have all released their Q1 2020 results. Here are the headlines.

IMPLICATIONS:

Snap Inc.: Last week Snap announced strong results for the first quarter, immediately sending its share price up as much as 20% in after-hours trading. The company's revenue came in at $462mn, up more than 44% from the $320mn the company reported in the first quarter of 2019. Daily Active Users grew 20% YoY to 229 million. The company attributes its revenue growth to the growth of its popular Stories feature and its user growth to its ability to privately connect consumers.

Alphabet: The Google parent also posted solid growth, with $41.2bn in revenue in Q1 2020. Revenue was up 13% from $36.34bn versus the same quarter a year ago, with operating income up 3% year on year at $7.98bn. YouTube was a significant driver of revenue growth, up 33% YoY. However, given Google's dependence on smaller and medium sized businesses, the company is forecasting a tough Q2 ahead.

Facebook: In the first three months of the year, Facebook have revenues of $17.74bn, up 18% YoY. User growth also improved significantly, its daily and monthly active user numbers for the core Facebook app grew by double-digits YoY, to 1.73 billion and 2.6 billion respectively. The stock jumped 6% on news of the results. The company saw a big decrease in pricing in the last few weeks of the quarter but has since reported a stabilisation. Facebook's results were supported by investment from gaming and app download companies, with its larger advertisers also contributing to the solid results.

Twitter: Twitter pulled its guidance in early March, so analysts were bracing themselves for the worst but Twitter exceeded expectations reporting earnings of $0.11 per share on $808mn revenue, compared to $0.10 per share on $776mn expected by the market. User growth also exceed expectations with 166 million 'monetizable daily active users' versus an expected 164 million. However, Twitter stock fell as traders sensed a difficult path forward. Whilst competitors have been churning out new ad product solutions, Twitter has laid low. Twitter said Thursday that improving its ad products is now the company's "top priority" and that direct response ads are at the top of the list.

Amazon: Amazon is well positioned to weather and thrive during the pandemic. Revenue was up +26% to $75.5bn, mainly on the strength of its North American operation, online stores, offline stores and third-party sellers. Amazon does not break out advertising but its "Other" category which includes advertising was up +44%. Not all was rosy, however, as COVID-19 related costs were up substantially. In fact, Amazon has warned that the entirety of its expected Q2 profit of $4bn will be used to cover COVID-19 expenses.

SUMMARY:

Despite the negative effects of COVID-19 toward the end of the quarter, most of these companies met or exceeded expectations in Q1. However, the bigger test will come in Q2.

TIKTOK'S CTA CREATOR ADS

BACKGROUND:

TikTok is testing a new advertising format that will allow advertisers to use call-to-action buttons such as 'shop now' within influencer content.

IMPLICATIONS:

TikTok's new call-to-action (CTA) creator ads will place 'shop now' buttons among influencer content. There is currently a 'shop now' button available to all advertisers, however, the new CTA button differs as it will be available within influencer feeds, not just in the ads that appear in the 'For You' feed and 'Follower' feed. The format is currently only in early testing stages and only available to a select number of advertisers.

The partnership between influencers and TikTok take the form of a revenue-sharing model, although it is not yet clear what the revenue split will be – reports suggest a 20/80 split in TikTok's favour.

The innovation allows TikTok to tap into revenue that would normally be shared directly between the advertiser and the influencer and provides a platform model for this to happen. How TikTok rolls out this new format will determine how content curators react to the change. At the moment, influencers earn money through brand partnerships in the same way they do on Instagram but this will allow TikTok to capitalise on that and move towards a revenue model that is similar to YouTube, where ad revenue from the advertisers is split between the platform and the channel operator.

This new ad format is the latest innovation from TikTok as it strives to develop more revenue streams and retain its popularity with users. In order to keep creators on its app, TikTok needs to give them monetisation incentives. Also, by giving influencers/creators more ways to monetise through a revenue sharing scheme like this, TikTok encourages creators to develop high-quality content which then drives more audience engagement. The key is the balance between the ease of use of the platform approach and the revenue it brings to influencers, in comparison with the direct deals they previously held with brands.

The new ad format means that TikTokers will be able to directly shop for brand's products through influencer content, which is great for those brands and brings TikTok into line with similar click to shop offers on other short form content platforms like Snap and Instagram. It will blend social influencer content with commerce as more and more consumers become comfortable with purchasing on their phones.

TikTok has become increasingly popular over the last year but it is still early days for its monetisation and advertising options. Last year, TikTok rolled out the option for users to link shops in their bios and launched a Creator Marketplace which helps brands find influencers to work with.

SUMMARY:

TikTok's new CTA ad format is in the early stages of testing but could be a big step forward for the platform's monetisation efforts. For advertisers it opens up the fast-growing platform's users and for content creators provides a platform-based approach to monetising their content.

APPLE BUYS NEXTVR

BACKGROUND:

Apple has confirmed that it has bought virtual reality company NextVR, which it was rumoured to have acquired last month by industry source 9to5Mac, valuing the deal at $100m.

IMPLICATIONS:

Worldwide shipments of augmented reality and virtual reality (AR/VR) headsets were forecast to reach 8.9 million units in 2019, up 54.1% from the prior year, according to a report from the International Data Corporation that was released in March 2019. It predicted strong growth to continue, with global shipments to climb to 68.6 million in 2023 with a compound annual growth rate (CAGR) of 66.7% over the 2019-2023 forecast period.

Apple is being tight lipped about the acquisition, only issuing the statement: “Apple buys smaller technology companies from time to time and we generally do not discuss our purpose or plans.”

NextVR has updated its website with the statement: “NextVR is heading in a new direction. Thank you to our partners and fans around the world for the role you played in building this awesome platform for sports, music and entertainment experiences in Virtual Reality.”

So, the $100m question is why has Apple bought NextVR and what will it use the technology for?

To understand this, you have to look at the history of NextVR. First, it is quite old for a VR company – founded in 2009, long before the latest VR frenzy and before companies such as Facebook-owned Oculus. Therefore, you would expect its technology to be well developed. Second, it is not a hardware VR company, its focus is on capture and conversion of video content for the virtual world. So, filming events and then making them viewable inside a VR experience.

Next you have to look at Apple’s plans for VR. Back in 2018 it was being reported that Apple was working on its own VR headset technology (codenamed T288), which was slated for launch in 2020. With Apple under increasing pressure to deliver upgraded and iterated versions of its core consumer products to drive its revenue – iPhone, iPad and Watch – the addition of an entirely new device that compliments these would be attractive, but it would need people to have the reason to buy.

Which brings us to the world around us right now. Live sports and entertainment attendance are some way off in most countries. The ability to capture live sports or gigs being played behind closed doors and to deliver fans the stadium experience, from the safety of their own home, could be an amazingly popular service.

SUMMARY:

The combination of millions of people being deprived of their favourite entertainment experience, a general upskilling in digital technology due to new ways of communicating in lockdown, an advancement in technology – not least the roll out of next generation mobile networks and Apple’s usual approach of not being first into a market but being the best - means that this may turn out to be a significant acquisition.

FACEBOOK SHOPS

BACKGROUND:

Facebook has launched a new shopping experience on Facebook and Instagram, enabling businesses to create a storefront and providing new ways for consumers to discover products and shop.

IMPLICATIONS:

Facebook has accelerated the development of Facebook Shops, given the increasing shift to online shopping during the COVID-19 pandemic. Facebook Shop is designed to make it easier for businesses on the platforms to connect with their customers. For businesses that have been struggling recently it's an opportunity to adapt and build an online presence for free.

Facebook Shops is a solution primarily for businesses, as opposed to the peer-to-peer selling service offered through Facebook Marketplace. Given Facebook's userbase it has the potential to quickly develop into a threat to popular online commerce platforms such as Amazon and eBay, both of which charge a fee for their services. Mark Zuckerberg said that Facebook won't charge for Shops because Facebook's business model is ads and the uptake in Shops will result in more advertising.

The aim is to provide a seamless experience for the consumer, including customer service via WhatsApp, Messenger or Instagram Direct. In future, browsing and purchasing will even be possible directly within a chat.

In the near future 'live shopping' will be possible with products tagged from a Facebook Shop or catalogue showing at the bottom of the live-video for consumers to click, explore and buy. This feature could well have high potential as live-streaming is an increasing consumption trend and live-commerce has taken off in countries like China that have integrated social and commerce platforms that are more mature than in the West.

As the volume of shopping behaviour on Facebook's platforms increases, the number signals and quality of data available to further optimise Facebook's advertising algorithm will increase, resulting in better performance for advertisers using both. There is also the potential to generate more relevant audience lookalike models and offer more sophisticated targeting options over time with the increased data available.

SUMMARY:

Facebook Shops has potential to shake-up this space and provide real competition with the online commerce giants with integrations with commerce partners like Shopify providing the necessary tools for any business to set up on the platform quickly and easily. This launch has the potential to significantly shift user behaviour on the platform and impact the advertising landscape. We can expect rapid innovation, with Facebook looking to replicate much of the success of WeChat in China, as an end-to-end commerce solution.

YOUTUBE SELECT

BACKGROUND:

YouTube is relaunching its premium ad offering, renaming it YouTube Select and saying it will give advertisers the opportunity to reach TV audiences and target top quality content that is guaranteed to be brand-safe.

IMPLICATIONS:

YouTube Select is a ‘reimagination and unification’ of existing products for premium advertisers, according to Vishal Sharma, VP of Product Management at YouTube Advertising.

The new offering incorporates both Google Preferred and also Prime pack ads. Google Preferred allows advertisers to target the top 5% of video content and is available in the US, UK, Canada and Australia, whilst ‘Prime packs’ are collections of channels curated around a popular theme, against which Google offers ads sold to premium advertisers who want to target a specific audience.

YouTube Select packages these two offerings together by putting content into ‘lineups’ which are tailored to both globally and locally for different topics like technology, sports and beauty and fashion. Lineups will only contain YouTube-approved, brand-safe creators and videos.

‘Emerging lineups’ will also be available featuring content from up-and-coming and niche creators. This will only be available in the US to begin with and there will also be options for custom sponsorships and programmes - to help brands target across different YouTube apps such as YouTube Kids.

A dedicated Streaming TV lineup will capitalize on YouTube’s 100 million per month US viewership on TV screens, helping advertisers in the US to reach this audience through a dedicated lineup, combining the best of YouTube TV and popular creators, YouTube Originals, live sports, feature length movies, timely news and more. It is designed to give advertisers the opportunity to reach TV audiences but also give them the flexibility to quickly end their campaigns.

The new service ties in with the recently announced Brand Lift measurement on TV screens, which Google will make available globally for the YouTube app and soon for YouTube TV, to better help brands measure their results.

Whilst YouTube Select is a global offering, the ad buying options for YouTube Select will vary depending on region. Most countries in Europe and Asia-Pacific will be able to buy into some YouTube Select lineups via Google Ads, Display & Video 360 and reservation.

SUMMARY:

YouTube Select is the new premium ad offering for brands and will allow advertisers to reach audience who view YouTube on the TV as well as targeting audiences through ‘lineups’ based on popular topics and high-quality content. The service both acknowledges the desire for more brand safe inventory from advertisers and also the continuing trend of TV budgets transitioning to other forms of video content.

HBO MAX

BACKGROUND:

HBO has launched its highly anticipated OTT service HBO Max in the US, giving on demand access to HBO and WarnerMedia's catalogue of award-winning shows for $14.99 per month.

IMPLICATIONS:

Ever since AT&T moved into the entertainment arena through the acquisition of Time Warner in 2018 (renaming it WarnerMedia), it has been on the cards that a significant streaming player could be heading into the US and international markets.

WarnerMedia-owned HBO is world renowned for its creation of premium TV content, from The Sopranos to Game of Thrones to Westworld. Now those shows and many more have been wrapped up in to an on-demand streaming service priced at the same level as the subscription to the HBO cable service - $14.99 per month. The launch price is above that of streaming competitors Netflix ($9 for cheapest tier) or Disney+ ($7 per month) but HBO couldn't go below the launch price without violating contracts that it holds with cable providers.

The global pandemic has forced the launch to take a different shape than it otherwise would have, not least the lack of the big Friends reunion show that millions of fans had been hoping for and also a delayed and reduced slate of new programming caused by the difficulties of production.

Despite this, HBO Max has a significant catalogue of shows on launch and also the backing of AT&T, which has pledged to invest $4bn over the next three years. That investment will be both for new original content programming and also the revenues that would have been made from licensing WarnerMedia TV shows and movies to outside players that will now be channelled through HBO Max.

There is no ad-supported element in the service offering upon launch, but with the service costing almost double some of its rivals it is not unreasonable to expect some kind of tiered pricing model or an ad supported service could be in the pipeline as HBO Max looks to expand it viewership base.

There are 10,000 hours of shows on launch including Premium Max Originals such as scripted comedy Love Life, starring Anna Kendrick; Sundance 2020 Official Selection feature documentary On the Record; underground ballroom dance competition series Legendary; Craftopia, hosted by YouTuber LaurDIY; the all-new Looney Tunes Cartoons, from Warner Bros. Animation and Sesame Workshop's The Not Too Late Show with Elmo.

In addition, HBO Max will feature the extensive WarnerMedia back catalogue portfolio of programming and acquisitions that includes Friends; The Big Bang Theory; (new) Doctor Who; Rick and Morty; The Bachelor; Sesame Street; The Fresh Prince of Bel-Air; South Park, Gossip Girl, The West Wing and many more.

SUMMARY:

More expensive than competitors but with a huge back catalogue and a strong track record in original content production, HBO Max is set to be a big player in the streaming wars. However, with Netflix, Disney+ and Amazon's Prime Video already in global markets, there is a big battle ahead for share of consumers' subscription wallet.

INSTAGRAM UPDATES

BACKGROUND:

Instagram has announced plans for the next stage of monetisation for IGTV and the introduction of more dynamic AR filters.

IMPLICATIONS:

IGTV: Instagram will soon start sharing revenue with creators through ads in IGTV and via badges that viewers can purchase on Instagram Live.

Ads will start appearing on IGTV from next week for a small group of creators including Adam Waheed and Lele Pons and the first advertisers include Ikea, Puma and Sephora in the US. The ads will initially appear when people click to watch IGTV videos from the previews in their feed and will be vertical videos up to 15 seconds long. The company will test various experiences within IGTV Ads, such as being able to skip ads, to ensure the best experience for people, creators and advertisers.

Instagram will share 55% of revenue from the ads with creators, the same rate that YouTube offers. To ensure that ads are only shown with brand-friendly content, creators must adhere to an Instagram monetisation policy, which differs from the usual content policies on the platform.

In addition to IGTV monetisation, Instagram is also adding the ability for live-stream viewers to donate to their favourite broadcasters during Instagram Live videos in the form of ‘badges’ - a feature available on other platforms such as Twitch. Once purchased, the badges will appear next to the viewer’s name throughout the live video as they comment, helping them to stand out and helping creators to see more easily which fans are supporting their efforts.

The badges will start to roll out in the U.S. in June with a small group of creators and businesses but there are plans to expand the badges feature to other markets including Brazil, UK, Germany, France, Italy, Turkey, Spain and Mexico.

Instagram AR filters: Instagram is enabling creators to build effects that react to music through Spark AR, its AR-creation tool. Creators can use tunes they upload directly (as long as they have rights) or they can select from Instagram’s music library. Instagram is also allowing “media library” effects that means people can apply new AR effects to existing photos or videos from their phone’s library.

Matt Roberts, Spark AR product manager said: ‘The company wants to give creators as much opportunity as possible to be creative with their effects and then let them find an audience’. For now, there are no monetisation options for AR effects makers.

SUMMARY:

Instagram says that it saw a 70% increase in live-stream viewership from February to March, so it is clearly looking to capitalise on this growth. The monetisation of IGTV could give top creators more reason to post more content, more regularly and attract much larger audiences. The new more complex AR effects available to creators is yet another way to entice users to the platform. All of these updates will help Instagram to build its offering.

JUNE

PINTEREST ADDS SHOP TAB TO LENS SEARCH RESULTS

BACKGROUND:

This week Pinterest announced the addition of a new 'Shop' tab within its Lens visual search results, which will make it easier for users to purchase products based on an image. The move is another signal that Pinterest is aiming to become a full eCommerce platform.

IMPLICATIONS:

Pinterest is enabling users to shop for products they find with its Lens visual search tool, which uses image-recognition technology to identify objects with a smartphone camera.

The new ‘Shop’ tab in the Lens will show shoppable product pins for in-stock products that match or are similar to photos you take or upload.

According to Pinterest, users can: "just click the camera in the search bar, snap or upload a photo and see a ‘Shop’ tab with a feed of shoppable Pins based on the in-stock products we've identified in that image. Every Product Pin links directly to the checkout page on the retailer's site."

Whilst the Lens camera was initially created for people to use while out and about shopping, the feature can also be used to find matches to products while at home.

According to Pinterest it has seen three times more visual searches using the Pinterest camera than this time last year and in the last few months since the onset of the Coronavirus pandemic there has been considerable growth in searches for ‘at home beauty products’, ‘home office’ and ‘backyard furniture’. Also searches for ‘grocery shopping list’ have seen record highs in April – double the figure for February.

The new feature follows a slew of other additions to the platform over the last few months to make shopping on Pinterest easier. In February it introduced a verified merchant programme to help people find and buy from trustworthy brands. In April, it introduced the Shop tab to help people find in-stock items from text searches. In May, Pinterest announced a Shopify partnership making it easier for small businesses to upload their product catalogues to Pinterest to reach its 350 million users and also introduced a curated shopping spotlights to feature expert recommendations from influencers and publishers.

Pinterest is one of many social media platforms to have expanded its ecommerce capabilities in recent months. Snap’s dynamic ads launched worldwide this week, allowing users to shop directly through ads and Facebook announced the launch of Facebook Shops which enables businesses to create a storefront and provides new ways for consumers to shop. For brands, these ecommerce developments increase the scope for social media in their ecommerce strategy, which is particularly important as more and more consumers are turning to ecommerce during various ‘lockdowns’ across the world.

SUMMARY:

The latest changes offering more shopping features will help Pinterest better compete with Instagram and Google, which has its own Google Lens camera and they build its ecommerce capabilities to tap into the changing ways people want to shop helping to monetise its user base.

SNAP PARTNER SUMMIT 2020

BACKGROUND:

Snap held its 2020 Snap Partner Summit yesterday and announced a number of updates including new AR features, third-party app integrations and real-time information sources.

IMPLICATIONS:

AR: Snap has announced that it is expanding its scan options. It already partners with Shazam and Amazon but it is now looking to facilitate various options such as PlantSnap to identify plants and trees and Dog Scanner to identify dog breeds. It is also partnering with brands such as Louis Vuitton to enable logo scanning that links to AR experiences. Logo scanning will replace QR code scanning that currently exists in the app. Snapchat is also entering the world of Voice with new Voice Scan options which will provide Lens results based on the voice commands.

As for Snap Lenses, Local Lenses will enable users to build a shared AR world, they will be able to virtually paint buildings and monuments which will then be visible to others in the area. Snap is also launching Dynamic Lenses, via SnapKit, which will allow developers to include real-time info in their lenses. It is also rolling out a new SnapML process enabling developers to integrate their own machine learning models into the Lens Studio.

Happening Now: Dynamic Lenses is not the only way Snap is looking to produce real-time info for its users. It has created a dedicated news product called Happening Now, launching in the US this week, that will provide information about breaking news and trending topics. For this feature, Snap has partnered with media outlets including BuzzFeed News, ESPN, NBC news, The Washington Post, NowThis, Reuters, E! News and Bloomberg. Users' publicly posted snaps will also feature. Snap has also said that it will provide up-to-the minute highlights of key entertainment and sports moments.

Additionally, Snap has made it easier for users to browse topics that they care about with the launch of Topic Stickers allowing users to tag videos with topics. This is similar to the notion of 'trends' on other social media apps.

App Integrations: Snap Minis, bite-sized versions of third-party apps built within Snapchat, were also a big feature at the Partner Summit. These will be part of the SnapKit, giving developers a new way to bring their services inside Snapchat, further expanding Snap's tech outside of its own ecosystem.

Other updates: A number of new Snap Originals were announced and the expansion of Snap's Mental Health Resource in-app platform Here For You. Bitmoji, which are personal emojis similar to avatars, will now be available within games adding more personalisation to in-app gaming. There will also be business listings on SnapMap with additional information about popular places such as the address, reviews and opening hours meaning users will be able to find businesses nearby whilst on the app.

SUMMARY:

These announcements show how Snap is attempting to diversify its platform and introduce popular features on other social media platforms. The new AR features and App Integrations provide many creative opportunities to reach your audience on Snapchat.

WHATSAPP PAYMENTS

BACKGROUND:

Facebook has launched its WhatsApp digital payment service in Brazil. Users will now be able to send payments to one another and make purchases from within the app.

IMPLICATIONS:

After testing in three markets: India, Indonesia and Brazil, Facebook has now officially launched WhatsApp payments in Brazil its second largest market with 120 million monthly active users.

The service will allow users to send money to other users at no cost and make purchases without leaving the app. Businesses will have to pay a 3.99% fee for processing the payments for these purchases. Payments will be secured with a six-digit pin or fingerprint technology, ensuring the security of payment information.

Previously WhatsApp Business, an app aimed at small business owners to showcase their products, enabled businesses to create 'catalogues' on WhatsApp helping SMBs to reach their customers easily. Now, in Brazil, they will be able to purchase directly from these catalogues.

WhatsApp payments will be facilitated through Facebook Pay that was launched in November 2019 and enables payments on Facebook in a number of markets. This is the first time that it will be available on another app in the wider Facebook portfolio (with the exception of Messenger Payments in the U.S. which was introduced last year to enable users in the U.S. to send payments to one another via the Facebook Messenger app, but isn't available in other markets yet). Facebook expects to expand Facebook Pay's capabilities in its family of apps in other markets in the future.

The process of payment is similar to Chinese messaging apps such as WeChat, which integrate payment and other services into messaging apps. Many citizens in China do everything via messaging apps including many payment tasks like banking, bill payments and day to day shopping. Not only does this new payment service increase the functionality of the WhatsApp for users but it is also a move towards increasing Facebook's revenue stream from WhatsApp.

This launch comes as Facebook is also expanding its ecommerce options across its family of apps with Shops on Facebook and Instagram where users can purchase directly from a virtual store front on business pages. The expansion of Facebook Pay into WhatsApp payments could be a step towards the integration of seamless payment options and ecommerce in Facebook's family of apps.

SUMMARY:

Expanding Facebook Pay's capabilities into WhatsApp is one of the many ways that Facebook is expanding its ecommerce capabilities. It could be an interesting development for brands as WhatsApp potentially develops into a multi-functioning app away from a traditional messaging app.

MICROSOFT SHUTS DOWN MIXER

BACKGROUND:

Microsoft announced this week that it would be shutting down its Mixer video game streaming platform on the 22nd July and is planning to partner with Facebook Gaming for its future streaming ambitions. Video game streaming platforms allow users to watch live streams of gamers playing their favourite games and have been growing in popularity.

IMPLICATIONS:

Microsoft acquired gaming start-up Beam in 2016 and relaunched it as Mixer in 2017, entering the video game streaming market that is largely dominated by Amazon's Twitch and YouTube. Microsoft invested heavily in its game streaming service, securing streaming rights to big esports personalities like Ninja and Shroud (who both previously used Twitch) but hasn't ultimately been able to make it work.

Mixer will be discontinued and Microsoft is partnering with Facebook to redirect all Mixer sites and apps to Facebook Gaming once it closes at the end of July. Users will be pointed towards using Facebook Gaming and streamers using the Mixer monetisation programme will be granted eligibility for Facebook's level up programme, which is designed to give creators access to tools and features to help them create high quality content and monetise it. However, popular streamers who had deals on Mixer are now free to re-join Twitch or Facebook Gaming should they wish. Any existing Mixer streaming partners will also be granted partner status with Facebook Gaming as well.

The deal with Facebook could benefit Microsoft's xCloud games service when it launches. xCloud will allow users to play over 50 Xbox games on their phones or tablets, streaming directly from the Cloud and Microsoft hopes that the deal with Facebook Gaming will provide a bigger platform to promote xCloud, as Mixer lacked the scale and viewership to deliver this. Microsoft plans to work closely with Facebook to ensure that its xCloud games reach Facebook Gaming's user base of over 700 million people. To do this, Facebook Gaming will allow viewers to click and immediately play games that people are streaming

Phil Spencer, Microsoft's Head of Gaming said that the end of Mixer and the partnership with Facebook was: "about finding a partnership that was the best things for the community and streamers. We think this is it and it gives us a great place to launch more xCloud content and give gamers the ability to play from there." Project xCloud is currently in a preview stage, where members can sign up to participate but is not widely available.

SUMMARY:

The leading streamers make millions of dollars from their content and associated deals with many brands becoming more interested in using gaming for advertising to connect with a highly engaged audience. Microsoft's decision to drop Mixer is a big step - an established player in the gaming industry but the partnership with Facebook may help with the coming xCloud service and in turn help Facebook Gaming better compete with Twitch and YouTube.


JULY

APPLE IOS TRACKING UPDATE – IDFA

BACKGROUND:

The Identifier for Advertisers (IDFA) is Apple's way to identify each iOS device allowing developers and advertisers to link specific ad impressions to app and browser actions. With the launch of iOS14, Apple will introduce the App Tracking Transparency framework providing users with the explicit option to disable IDFA tracking.

IMPLICATIONS:

Previously IDFA was the default and users could not disable sharing IDFA. With iOS14, if the user opts to limit tracking it removes the ability for that device and/or app to recognize the IDFA and track the user. Apple will also give the user new tools to help them understand the data used by apps to track them. Lastly, Apple is simultaneously revising its app measurement API, SKAdNetwork, which would improve app attribution capabilities.

Taken together, this further weakens the proposition of 3rd party measurement providers and positions Apple to provide a preferred end-to-end solution around app install campaigns. Advertisers can continue to track users through measurement partners like Kochava, Appsflyer and Adjust, as a third party is needed to validate and connect all sources of data - even if less data points are available for analysis. Tracking is likely to move towards more aggregated results, following a trend set by Google which stopped sharing of data on individual click-streams following GDPR.

The main casualty is potentially mobile re-targeting. Aggregate measurement of media impact is still valuable and accurate to make marketing decisions, so advertisers will still know what touchpoint, tactic or copy works best but they won't be able to retarget a particular user - unless the user has willingly provided their contact information through another means. These changes could have a significant impact for advertisers, with the size dependent on the percentage of Apple users who opt out of tracking and whether Alphabet's Android will follow suit.

If all users decided to end tracking there would be a clear loser: companies whose business relies solely or mainly on acquiring, maintaining or dealing with such data. However, overall the industry will adapt and we could expect a few trends including: 1) Taller/stronger walls around walled gardens that own their own ability to connect users, apps and site visits without a need for a device ID, 2) Measurement partners having to adjust quickly leading to severe disruption and 3) Brands finding their advertising still brings results, even if they cannot track who clicked on which ad.

SUMMARY:

There is only long-term risk if there is un-even competition. If no player can track consumers' online behaviour the advertising industry will adjust. This could be a game-changing move that other leading tech companies may follow. Should this happen, there will be changes in how to measure media impact. The speed and extent of change will depend on consumer reaction and adoption by competitors. With ITP coming first, followed by the deprecation of 3P cookies in Chrome announced in January and now the IDFA move, the industry is focused on giving more control to users over their data.

TIKTOK'S SELF-SERVE AD PLATFORM

BACKGROUND:

TikTok's self-serve advertising platform is now available to all businesses globally as part of the TikTok for Business platform which launched in June. The platform has been tested over several months with an unknown number of select brand partners.

IMPLICATIONS:

Previously, the self-serve options were only available to select customers and only available in a select number of markets and other advertisers needed access to a rep. Now, all advertisers will be able to access the self-serve platform giving TikTok another opportunity to attract more advertising dollars.

The self-serve ad platform will provide advertisers with a number of options for targeting specific demographics including gender, location, device, age, language and interests, which is similar to the offering from other major social media platforms. These options are not new for TikTok but by rolling out the platform to everybody it means they are now widely available to use.

The self-serve ad platform will also allow for any budget with its flexible budgeting capabilities, opening up the platform to many SMBs as well as bigger brands. As an incentive for SMBs to use this new platform, the launch comes with an offering of $100 million in ad credits for small to mid-sized businesses globally to use on TikTok, with eligible SMBs able to claim a one-time ad credit worth US$300 to be used by the end of the year.

The new approach also means advertisers can measure performance on the platform in real time. Previously campaigns on TikTok often took a brand partnership approach utilising TikTok influencers. Now, the social media platform will open itself up to a much wider range of advertising and will also give advertisers access to tools to develop their creative.

TikTok is a relatively young social media platform at only two years old, however it has reached the mark of 1 billion users faster than any other social media platform to date. Since the start of the pandemic, TikTok has seen a sharp rise in its number of users across age groups, whilst pre-lockdowns it was mostly popular with Gen Z. As people are spending more time at home, older generations have also gained an interest in the app meaning that the reach for advertisers is much broader.

SUMMARY:

The latest announcement comes in the midst of a turbulent time for TikTok and other social media platforms. India has banned TikTok and other Chinese applications and there has been rumours of the U.S. following suit, banning TikTok and other Chinese social media apps amid rising tensions between the U.S. and China over trade issues. Away from these geo-political issues, its new self-serve offer could see TikTok take dollars from other social media platforms and will make it easier to entice more advertisers to move to its platform and provide more competition in the social ad space.

SNAPCHAT BRAND PROFILES

BACKGROUND:

Snapchat has launched Brand Profiles this week giving brands a permanent home to consolidate their Lenses, Story posts and highlights and providing native ecommerce opportunities.

IMPLICATIONS:

Brand Profiles have been launched in a new, closed beta test with 30 advertisers including Ben & Jerry's, Dior, L'Oréal Paris, Target and Universal amongst others with plans to expand to other advertisers after the beta test later this year. Brand Profiles are an extension of Public Profiles, which were launched last year and give media networks such as NBC and ESPN a platform to build a following on Snapchat. Brands will now have a similar opportunity.

Brands will be able to edit, manage and analyse their profile and insights within the Snapchat app or through Snapchat's Business Manager on a web browser. In Business Manager they will be able to see audience demographics and interests for those users that have viewed their Stories. However, the main focus of Brand Profiles is to give brands a place to house various brand elements available within the Snapchat app into a consolidated, permanent home. Users will be able to visit this profile at any time and see the selection including:

Highlights: Highlights is a place for brands to group their best public Snaps, Stories, photos and videos on their profile permanently. It will allow users to get to know brands they are unfamiliar with without waiting for daily content to be published.

Story Posts: Brands' public stories will also live on their Brand Profiles. Snap refers to a Story as a 'daily point of view' giving consumers an insight into the brand's daily activities.

Branded AR Lenses: Lenses that brands have created or commissioned can be saved onto Brand Profiles. This gives brands the opportunity to maximize the value of their promotional AR experiences beyond one-off campaigns. This will make it easier for users to stay connected to a brand's messaging.

Native Store: Brands will also have the option to include a Store experience on their Brand Profiles, enabling users to buy items without leaving the app.

Combined, these features are intended to give brands a new home on the app to share their story to Snapchat users. With 229 million daily users, many of whom are millennials and Generation Zs, this new feature gives brands an opportunity to reach that audience natively and build brand perceptions and loyalty. The ecommerce feature also paves the way for further ecommerce integration and other potential advertising opportunities.

SUMMARY:

Snapchat, which made its name through its ephemeral content, is now giving brands a place to permanently house their content and tell their brand story. The launch of Brand Profiles, along with some updated navigation tools also launching this week, is an example of how Snapchat is becoming more accessible and open to a broader range of users and it opens more opportunities for brands to reach audiences on the app.

PLATFORM COMMERCE UPDATES

BACKGROUND:

Since the start of the global pandemic, there has been a rise in online shopping. Mindshare's New Normal Tracker shows that despite being able to go to physical stores across most markets, only 14% of consumers are doing so and that there has been a huge rise in online shopping amongst the 65+ demographic, moving from 55% in March saying they were shopping online 'more' or 'roughly the same as before' to 81% in July. In response, many platforms have been expanding their ecommerce capabilities.

IMPLICATIONS:

Google Shoploop: This week, Google's R&D division, Area 120, announced the launch of its new app, Shoploop. The app will consist of a feed of short videos (up to 90 seconds) from creators reviewing about products. The videos will link directly to products and the app will function like other social media platforms, in that users can like, save and share posts and even follow creators. Creators will benefit from affiliate links.

The goal of the app is to bring the shopping experience together – discovering, evaluating and buying products all in one place. Google says that the idea for Shoploop came from research in the buyers' ecommerce journey which suggests that people will seek reviews from others once they have discovered a product and then eventually end up on an online shop to buy the item. The app is available in a number of markets but houses mostly US brands and products currently.

Instagram Shop: Instagram is launching a new Shop section in the explore page; 'a new destination…that makes it easier to shop from brands and creators' according to Instagram. The updated page includes personalised recommendations and collections from the Instagram @shop team. Instagram checkout arrows will show which products you can buy directly on Instagram. The new page is rolling out in the US and will expand globally soon.

In addition, Facebook Pay will be available in Instagram checkout, initially in the US, which will enable in-app payment. Instagram has also said that later this year it will be adding a new Shop tab in the navigation bar, to enable users to get to Instagram Shop in just one tap.

YouTube's Direct Response: At the end of June, YouTube announced the launch of a new ad format called 'Direct Response'. This format aims to make YouTube ads more 'shoppable' by adding browsable product images below the ad to drive traffic to product pages. Brands will be able to use the shoppable format by synching their Google Merchant Center Feed with their video ads. YouTube believes its platform can fulfil the growing interest in online shopping.

SUMMARY:

These three developments are characteristic of a continuing shift towards expanding ecommerce capabilities across digital platforms. Completing purchase journeys within the same app and allowing consumers to easily discover information about products makes it easier for brands to reach consumers online, which, if the rise in online commerce usage continues, will be increasingly important for brands wishing to stay connected with their consumers.

Q2 2020 EARNINGS

BACKGROUND:

Facebook, Alphabet, Amazon, Snap Inc. and Twitter have all now released their Q2 earnings. Here are the headlines.

IMPLICATIONS:

Amazon: Amazon's results blew away analyst expectations with Q2 revenues of $88.9bn, up 40% YoY. North American sales were up 43% to $55.4bn and international sales reached $22.7bn. Growth was largely due to COVID-19 related demands. The company spent over $4bn on COVID-19 related costs to keep employees safe. Amazon's 'other' category, which mostly covers the company's advertising, was up 41% YoY to $4.22bn in revenue and subscription services were up 29% to $6.02bn. AWS (Amazon Web Services) accounted for 12.1% of Amazon's total revenue for Q2, breaking the $10bn milestone of quarterly revenue again and up 29% from last year's Q2.

Facebook: Facebook also did better than expected with revenue of $18.69bn, up 11% YoY vs. the market's $17.4bn estimate. Daily Active Users (DAUs) stood at 1.79 billion, up 12% YoY also exceeding expectations of 1.74 billion. MAUs (monthly active users) stood at 2.7 billion also a 12% increase YoY. Facebook said that its user growth reflects an increase in user engagement as consumers have been spending more time at home. Additionally, the company now has more than 9 million active advertisers across its services.

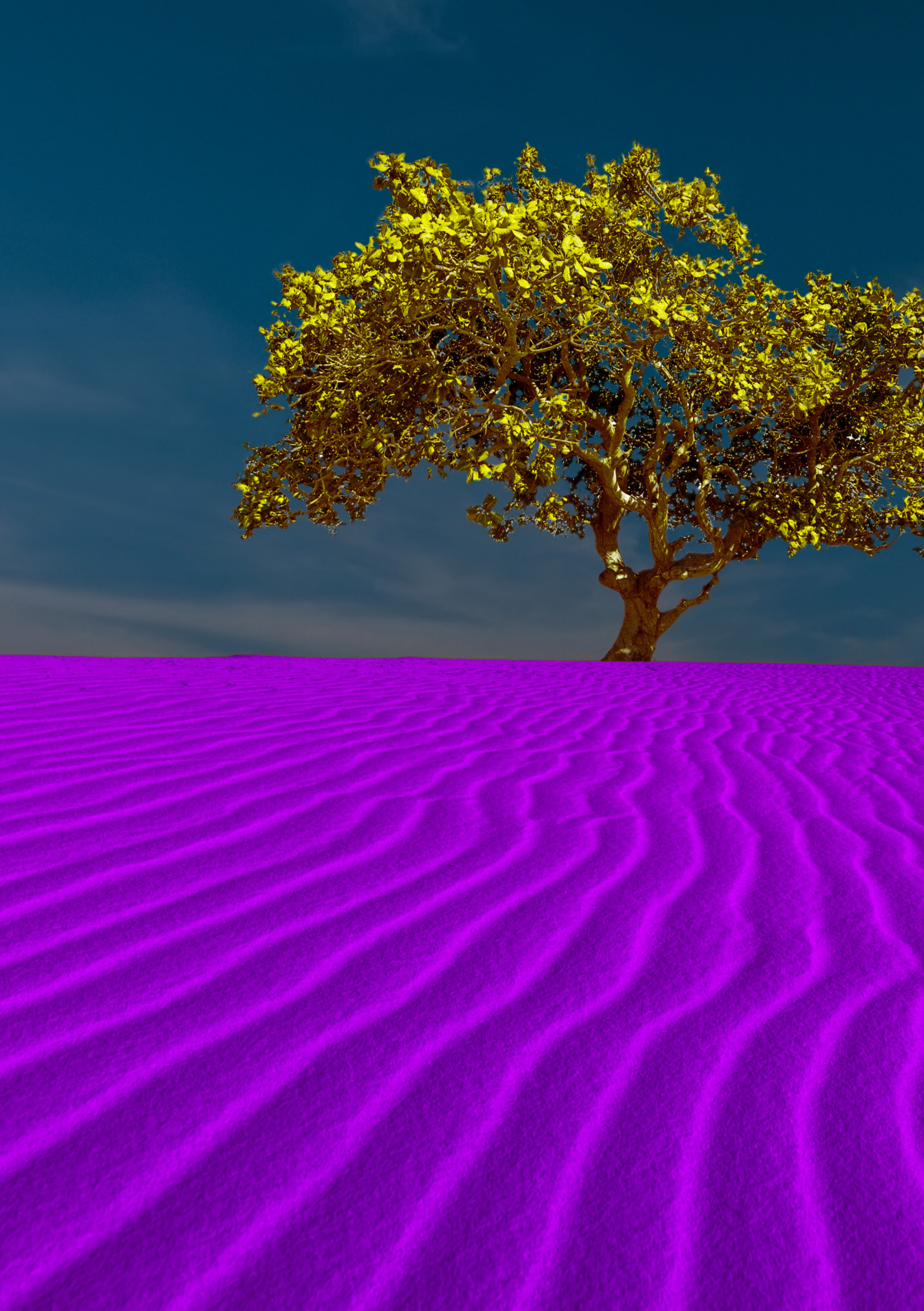
Alphabet: Alphabet reported its first ever revenue decline, down 2% at $38.3bn from $38.94bn in Q2 2019. Google's core search and ad revenue was down 9.8% YoY but YouTube's ad revenue was slightly up. Google Cloud showed a 43.19% YoY increased in revenue at $3.01bn – quite possibly driven by increased home working, rapid development of online shops by small business and home schoolers. Google's 'other' revenues which include Google Play were up 25.6% YoY at $5.12bn.

Snap Inc: Snap reported revenues of $454.2mn vs. $441.6mn expected, a 17% YoY increase. Snap's daily active users (DAUs) almost matched expectations, with 17% growth to 238 million. The company also saw increased engagement, stating that 'on average, Snapchatters opened Snapchat over 30 times every day in Q2 2020'. However net loss increased by 28% YoY to $326mn due to its long-term investments.

Twitter: Twitter reported better than expected user growth, but revenues were down. Q2 revenues were down 19% YoY to $683mn vs. $707mn expected. Monetisable daily active users (mDAUs) grew to 186 million a 34% YoY increase. This growth was driven in part by lockdowns and increased discussions about the pandemic and major events. In terms of its ad business, Twitter said it saw "moderate recovery" compared with March, but its $562mn ad revenue was still down 23% YoY.

SUMMARY:

Facebook, Alphabet, Amazon, Apple and Microsoft now account for about 20% of the total value of the S&P500 index. Amazon's results were incredible – its Q2 revenues alone would make it the 65th biggest country in the world by nominal GDP. 'Services', everything that isn't a product and including AWS, saw a 40% YoY increase. Whilst other platforms were looking to see how advertising held up during national lockdowns, Amazon has massively increased its lead in commerce.



AUGUST

INSTAGRAM REELS AND SNAPCHAT LICENSED MUSIC FEATURE

BACKGROUND:

Facebook has launched Instagram Reels in 50+ countries and Snap has been testing a feature that will allow Snapchat users to add licensed music to videos, both services responding to the popularity of TikTok.

IMPLICATIONS:

Instagram Reels: Instagram Reels is rolling out in 50+ countries. The feature was initially tested in Brazil last year. Instagram describes Reels as: '15-second multi-clip videos with audio, effects and new creative tools.' The feature has a new set of editing tools that include AR effects, a countdown timer and an editing tool.

Users will be able to share Reels with their followers in their Feeds or Stories. If users share on Stories the Reels will disappear after 24 hours like a regular Story. If users choose to share Reels to their Feeds, it will live on a separate Reels tab on their profile. Users with public accounts will also have the option to share their reels to the Explore section.

Facebook previously created a short-form video app similar to Reels in 2018 called Lasso but it was shut down after a year. By integrating Reels into the already-popular Instagram app, Facebook hopes to engage its existing 1 billion users to capture some of the short-form video market and appeal to a Gen Z audience that makes up a lot of the TikTok user base.

Reels will not have any paid advertising opportunities on launch. In the meantime, brands have an opportunity to build out organically on the platform and reach new audiences, as creators on Instagram Reels in their own right or by partnering with Instagram creators.

Snapchat licensed music feature: Snap announced plans to let users add licensed music to videos they share. Snap has been testing the feature in Australia and New Zealand with plans to launch in other English-speaking markets this year.

Users will be able to add music to their videos pre or post capture. When users play Snaps with added licensed music, they will be able to swipe up to view the album artwork and click through to a Linkfire (a smart link to music platforms) allowing them to play the full song on their chosen streaming service. This approach differentiates the feature from TikTok as it connects users with the music rather than other videos using the same songs. Whilst users can add Snaps to their profiles now, there seems less scope for a feed-type approach with this feature to see other videos featuring the same song, meaning there may be less opportunity for viral trends to develop like on TikTok. Snapchat hopes that this new feature will boost user engagement. If so, it will make it easier for advertisers to reach Snapchat's audience, made up largely of 18-24-year olds.

SUMMARY:

Snap and Facebook are both trying to hold on to their share of the short-form video market as TikTok's popularity increases. The quick development of similar services across social platforms is a well-worn route – with popular features added to platforms as they appear.

GOOGLE EXPANDS AUDIO ADVERTISING OPTIONS

BACKGROUND:

Google is expanding its Ad Manager tool for programmatic audio placements, with several new features as well as new audio forecasting capabilities.

IMPLICATIONS:

Google has started testing several offerings for programmatic audio buyers and sellers, suggesting that demand for programmatic audio inventory is growing and more brands and publishers are showing interest.

Whilst overall music and podcast streams took a slight downturn at the height of lockdowns around the world – Mindshare's New Normal Tracker revealed that 32% of people were listening to podcasts less during lockdown - this was likely due to the fact that people were not commuting or spending time in the gym. The latest data from Statista now projects global advertising spend on digital audio to reach $4.5bn this year and the number of listeners to exceed 976 million.

Google Ad Manager is expanding support for audio ads with new features including Dynamic Ad Insertion for audio, programmatic monetisation and new audio forecasting capabilities.

Dynamic Ad Insertion for audio will allow ads to be dynamically inserted in between songs based on who is listening and adjust ad delivery based on how users are engaging with content. For example, if someone is interacting with a music streaming app, Ad Manager can deliver a video ad but if the streaming service is running in the background, an audio only ad can be served.

The new programmatic monetisation options for audio in Ad Manager will mean publishers can offer audio ad inventory through private marketplaces, programmatic guaranteed deals or on the open exchange. The inventory can be accessed by buyers through Google's Display & Video 360 (DV360) platform. Spotify and TuneIn are already using Ad Manager to sell programmatic audio ad inventory.

New audio forecasting capabilities will break out audio from other formats, giving publishers insight into audio inventory availability and how audio ads are performing.

Google is also launching a new audio ad creation tool called Audio Mixer which will make it easier for marketers to create audio ad content and also enable them to add the companion display creative that will be shown with the audio tracks.

A Google spokesperson said: "With these new audio features, publishers gain opportunities to monetize their digital audio content, advertisers are able to reach more relevant audio audiences, and listeners can experience better quality ads."

SUMMARY:

The new offerings by Google will give a wider group of advertisers and publishers the opportunity to tap into the rising consumption of digital audio content.

INSTAGRAM SUGGESTED POSTS & QR CODES

BACKGROUND:

This week Instagram announced some new features including ‘Suggested Posts’ and the global roll out of QR codes, which follow a number of other recent updates including ‘Reels’ and ‘Instagram Shops’.

IMPLICATIONS:

Instagram Suggested Posts: The new ‘Suggested Posts’ feature is rolling out globally this week and will display a collection of additional content to users from people they don’t follow. This feature comes after the notification to say ‘you’re all caught up’ when users have seen all the posts over the past two days from the accounts they follow.

The posts suggested to users will be curated content similar to posts from the accounts they already follow, or posts they like or save. This differentiates from the Explore feed which suggests slightly broader posts and topics based on the user’s activities. If users aren’t interested in a particular ‘Suggested Post’, they can send feedback to Instagram by clicking the three-dot icon at the top of the post to select ‘not interested’ and the feedback will be reflected in future suggestions.

The introduction of the ‘Suggested Post’ feature encourages users to spend more time on the app discovering additional content once they’re up to date with their feed. It also gives brands new opportunities to reach their audience as the ‘Suggested Posts’ will create more space for advertising opportunities. The posts shown to users will be a combination of organic and paid posts and the organic content will be limited to photos and videos only.

Along with Reels, 15-second multi-clip videos with audio and effects, it is one of the ways that Instagram is taking inspiration from the increasingly popular social media app TikTok. A user’s Instagram feed is now never-ending with many opportunities to discover new and relevant accounts and brands.

Instagram QR Codes: Users can now generate QR codes on the Instagram app that are scannable from any supporting third-party camera apps. The feature replaces ‘Nametags’ that allowed users to find each other’s’ accounts easily. The main difference is that users and businesses can use the QR codes externally to drive people to their Instagram accounts. Businesses will be able to use the feature to allow customers to easily reach their accounts and see opening hours, key items of their ‘Shops’ or just follow them.

Having rolled out in Japan last year, the feature is now available globally. QR codes were already popular in markets such as Japan, but in some other markets where the use of QR codes is less frequent, popularity is now increasing due to the global pandemic. Businesses are using QR codes to avoid contact with customers in many situations such as viewing menus at restaurants, so the launch of the feature is very timely for many businesses who may benefit from using their Instagram accounts to drive more business.

SUMMARY:

These Instagram updates make it easier for brands to reach their consumers in different ways, both on and off the app.

FACEBOOK ECOMMERCE UPDATES

BACKGROUND:

Facebook has announced another ecommerce update, launching a Shop tab in the main Facebook app and is also expanding its Shop products on both Facebook and Instagram.

IMPLICATIONS:

Facebook Shop Tab: Facebook is launching a Shop tab test on its main Facebook app. The feature is similar to the Instagram Shop tab that was launched earlier this year, both are in testing in the US with a global launch expected to follow.

In May, Facebook updated its ecommerce features and announced the launch of Facebook Shops across its family of apps, which essentially allowed brands to turn their pages into storefronts and since the launch, 1 million businesses have created Shops. Now this new Shop tab update will allow people to search for products and explore brands and categories in a dedicated tab on the Facebook app. The use of AI will make it easy for users to find relevant products. For brands, Facebook Shop will provide opportunities for them to be discovered by new customers.

The update will also include an expansion in the tools available to businesses, including: new design tools for single products and groups of products, which will be available within the 'Customize Your Shop' tool in the Commerce Manager; real-time collection previews; new data and insights to measure results; new automation options and messaging options. Businesses will be able to communicate with their customers over Messenger and Instagram Direct and in the future, WhatsApp too.

Other commerce updates: Along with these Shop updates, Facebook will also be launching Checkout on Instagram in the coming weeks which allows people to buy products without leaving the app. The feature stores payment information for future purchases, making it really easy for consumers to buy items. It is only available for businesses that use Facebook Commerce Manager or their partners Shopify and Big Commerce and it is currently only available in the US.

Facebook is also testing a live shopping experience to make it easier to shop in real time. This was announced back in May with the launch of Shops but is now being tested in the US on both Facebook and Instagram and will help businesses set up a live experience featuring products from their shop and sell directly from the video.

SUMMARY:

Mindshare's New Normal Tracker shows that more and more people are shopping online, 44% of global consumers are shopping online more than before the pandemic and of these, 75% say they will continue to do so in the future. Therefore, Facebook Shop will provide even more ecommerce opportunities for brands as the latest developments make it easier to shop and sell within the app.


SEPTEMBER

TWITCH WATCH PARTIES

BACKGROUND:

Amazon owned Twitch has launched Watch Parties to all users globally this week, allowing users to watch Amazon Prime content together online.

IMPLICATIONS:

As of this week, anybody can host an online 'watch party' with the Amazon Prime video library on their Twitch accounts. The feature is similar to the Chrome Extension 'Netflix Party' which allows people to watch Netflix titles together whilst participating in a chat and also apps like 'Scener', which allows people to stream Disney Plus, Netflix and HBO titles together in the US.

The Watch Parties feature was previously tested in the US in October last year. For now, the feature is only available on desktop and not on mobile devices but Twitch is looking to make the feature more widely available soon. To use the new feature, streamers will need to add the Watch Party Quick Action to Stream Manager and then connect the feature with their own Prime account.

Streamers will be able to hold public Watch Parties with any audience, providing they all have an Amazon Prime account. While the content is being streamed, viewers will also be able to see the Twitch streamer's video. Viewers can also subscribe to the streamer's channel while watching and use features on Twitch such as Bits, mini-donations you can buy on Twitch to show support for streamers. Streamers with international followings can stream videos with their fans across the world. Titles that are available in multiple countries will be labelled as 'broadly available'.

This global launch of Watch Parties comes as people have been spending more and more time at home and co-viewing experiences are becoming increasingly popular. The new feature is another example of how Twitch has been expanding beyond its core as a gaming platform. It has also seen a rise in the popularity of 'Just Chatting' channels, where streamers can interact with fans without streaming gaming. Twitch also signed a deal in June to stream Premier League football matches in the UK. Since the pandemic, there has been a rise in musicians and other performers using the platform to continue performing for their fans.

Most of the advertising opportunities on Twitch lie with influencer marketing. By expanding the platform's capabilities beyond purely gaming, it opens the platform up to different types of influencers and consequently raises potential opportunities for more brands to the use the platform, which also brings it into more direct competition with other social platforms such as Instagram and video platforms such as YouTube.

SUMMARY:

The launch of Twitch Watch Parties expands the capabilities of the platform and keeps users within the Amazon ecosystem of services and products. The continuing expansion of Twitch into more genres beyond gaming will help encourage more advertisers to consider it within their plans and with the power of Amazon behind it, there is great potential for the platform to become one of the big social players.

FACEBOOK AD LIMIT

BACKGROUND:

Facebook has now provided details around its previous announcement that it is capping the number of ads a page is permitted to run concurrently, rolling out from February 2021. Having announced the impending restrictions in November of last year, it has now revealed that there will be several 'tiers' of restrictions based on the size of the advertiser in terms of spend.

IMPLICATIONS:

Traditionally advertisers have sought to personalise campaigns by manually creating high volumes of ads in the hopes that the right creative would ultimately find the right person. Each ad needs to deliver a certain amount of impressions for Facebook to glean the necessary learnings for campaign optimisation. The more ads there are to deliver, the less each delivers and therefore the longer it takes to fully optimise campaigns. Facebook claims that 4 in 10 ads that are running fail to gather enough data to exit the 'learning phase' - meaning they are not optimised to their full potential.

With the platform beginning to instead favour dynamic formats that leverage machine learning to deliver highly personalised ads, limiting the number of ads an advertiser can run is designed to create a movement towards simpler and more effective Facebook ad campaigns.

Facebook is bucketing advertisers into four groups, determined by the page's highest spending month in the past year. The tiers of restrictions will range from 250 ads per page (for small to medium-sized pages with less than $100k in their highest spending month in the last 12 months) to 20,000 ads (for the platform's largest spenders with more than $10m in their highest spending month in the last 12 months).

Advertisers will be able to see their assigned ad limit via the Ad Limits per Page tool in Ad Manager. If a page has multiple ad accounts, limits can be set per account to prevent ad accounts over-using inventory. The ad limits consist of the total number of ads running at any time, including those under review and not yet live. Advertisers can remove or pause live versions of ads to free up slots.

Facebook is making the announcement now so that advertisers have the time to prepare for any potential changes they may need to make. According to Facebook, the changes are set to improve the performance of ads on its platform.

SUMMARY:

The limit is another move in Facebook's drive towards a simpler platform. Favouring dynamic formats and encouraging larger data-sets for better optimisation are a couple of ways Facebook is trying to make its platform simpler and more effective for advertisers.

GOOGLE ADS REDUCING VISIBILITY ON THE SEARCH TERMS REPORT

BACKGROUND:

Google has announced that it has started reducing visibility on search terms data for all advertisers. The Search Terms report in Google Ads will only include terms that were searched by a "significant number" of users. As a result, advertisers will see fewer search terms in their reports.

IMPLICATIONS:

From September 2020, new thresholds will be in place for exposing search terms data to advertisers. In a statement Google explained that this change was a result of a data privacy enhancement: "In order to maintain our standards of privacy and strengthen our protections around user data, we have made changes to our Search Terms Report to only include terms that a significant number of users searched for. We're continuing to invest in new and efficient ways to share insights that enable advertisers to make critical business decisions."

What this means in practice is that advertisers will no longer be able to use this report to see all of the user queries triggering their ads. In particular, it will no longer be possible to see the search terms that have lower volume.

Google hasn't released any information on how it defines "significant number of users", therefore, it's currently difficult for advertisers to understand how this change will impact their optimisation or reporting processes.

However, looking at a Search Terms report in Google Ads, it is possible for advertisers to get a rough understanding of how much visibility they are potentially losing on their total investment by looking at the Search Term Visibility Ratio (calculated with the spend metrics report) divided by the total spend reported in the Google Ads platform.

In the EMEA region, at present, this seems to be resulting in an average decrease of around 11% of reported investment since implementation, compared to the previous period. Whilst the decrease observed is relatively low and wouldn't have a noticeable impact on the performance, many advertisers who rely on the Search Term reports may find it challenging as it ultimately impacts their control over the return on their ad spend.

This can also potentially create another challenge around brand safety, with advertisers not being able to identify and exclude potential harmful queries – despite volumes being minimal.

SUMMARY:

Whilst the change is happening globally, we expect to see different levels of impact on each advertiser based on the industry, type of activity and investment level. The "significant number of users" as defined by Google will be the key element that will define how many search terms will be hidden by the platform.

Advertisers that rely on long tailed keywords/searches to drive traffic to their website will see a significant impact with a larger volume of queries no longer visible. Additionally, not having access to this data means advertisers won't be able to determine if those queries should be added to negative keyword lists to make their campaigns more efficient.

While negating a single, low-volume keyword might have limited impact across most verticals, in aggregate the costs of these low-volume keywords adds up.

FACEBOOK REMOVES TEXT RESTRICTIONS ON IMAGE ADS

BACKGROUND:

According to reports, Facebook has removed restrictions on image ads that include more than 20% text in the main image.

IMPLICATIONS:

Historically, ads with ‘too much’ text in the image would not be approved by Facebook and were therefore ineligible to serve, causing problems for many advertisers having to reformat ads to align with the rules.

This rule was an attempt to reduce the amount of text noise in the news feed and to improve the general user experience as prior to the multiple ad units and media options that are now available, the Feed was mostly text and images. Therefore, ads with lots of text on them would create a more chaotic and cluttered experience for the user.

A Text Overlay tool was available for advertisers to check whether static creative met the guidelines before submitting their ad. It included detailed Image Text Ratings based on the proportion of text in the static image (ok/low/medium/high) and feedback on how performance may be affected by the text or if it may not run. That tool is no longer available.

At the time of writing, Facebook had not released a formal statement on the change, however the wording has been updated on the Facebook Help page with regards to text in ad images. It now references the 20% metric as a creative best practice rather than a rule to adhere to that would prevent the ad from being served.

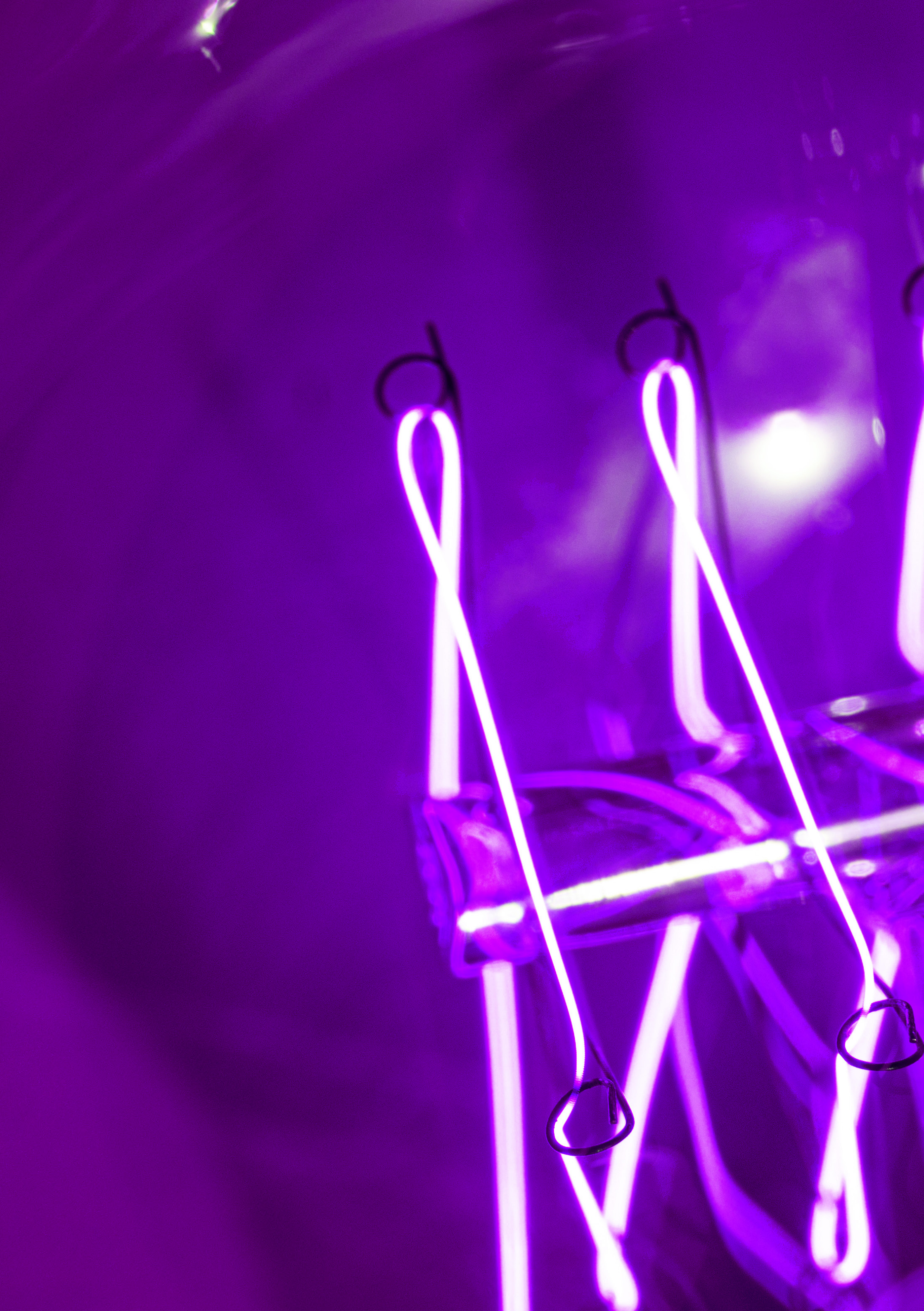
The update prevents any reach restriction for image ads with high amounts of text. Facebook has explained that: "...we will no longer penalize ads with higher amounts of image text in auctions and delivery”.

Advertisers are still encouraged to run ads with reduced text as Facebook has found that “images with less than 20% text generally perform better.” This means there are unlikely to be any significant changes to campaign performance, as the recommendation for low text remains unchanged – however it will open up new avenues for advertisers to include more informative messaging where necessary.

The 20% rule was created when Facebook was a very different experience and this change has been rumoured for some time, especially with the plethora of different ad formats now at an advertiser’s disposal.

SUMMARY:

This is a significant update and will come as good news for advertisers as it means there is no possibility that an image ad will be rejected in Ads Manager for too much text and image ads with large amounts of text will not have restrictions imposed on their reach.



OCTOBER

SAMSUNG LAUNCHES SELF-SERVE AD PLATFORM

BACKGROUND:

Samsung has announced the launch of a self-serve advertising platform that offers advertisers the opportunity to place ads into its growing Samsung TV Plus ad supported streaming TV offering.

IMPLICATIONS:

Samsung has said that the new DSP will give access to Samsung Ads proprietary inventory along with customizable audiences and data from across 45 million households and will include video campaigns on Samsung TV Plus, the Samsung Content Network and more connected TV inventory available from publishers.

Samsung began serving ads to connected TVs five years ago, albeit with custom made campaigns. That offering developed into a programmatic one over time, but this new announcement takes it into self-serve territory.

The new service will allow advertisers to: target households that were exposed or unexposed to linear ad creative (cable/satellite/antenna); incorporate linear ad exposure into household frequency cap to manage frequency across all ad formats; understand which audiences are being reached by device or platform, like linear TV, OTT or mobile/desktop and will leverage Samsung Ads proprietary data to find and segment audiences across the Samsung household universe.

The Samsung DSP launch follows the extension of the reach of the Samsung TV Plus, which since September 23rd has been available in the Galaxy Store and Google Play for select Galaxy smartphones including the Galaxy Note20, Galaxy S20, Galaxy Note10 or Galaxy S10 series.

Whilst Samsung is nowhere near comparable in size to the larger reach of other advertising platforms, the launch of a self-serve platform for a connected TV hardware manufacturer is an interesting dynamic for the market.

Increasingly, connected TVs are becoming the place where people are accessing their streaming services, as well as via mobile devices or through OTT services such as Apple TV, Amazon Fire Sticks or Roku devices. This gives Samsung a unique opportunity to develop its own streaming content services and also advertising proposition alongside this trend.

Samsung doesn’t break out ad revenue in its quarterly results, but beyond inventory in its own content service it generates ad dollars through ad deals for inventory inside the apps with which it has shared inventory agreements.

SUMMARY:

Samsung won’t be challenging the major digital advertising platforms like Google and Facebook anytime soon, but the concept of the platform-based approach to the advertising world, powered by data collected inside that ecosystem and enhanced by other data sources from outside it, continues to grow apace. Samsung’s challenge will be to prove that its platform has the ability to deliver the scale and value that advertisers demand.

INSTAGRAM EXPANDS SHOPPING TO IGTV AND REELS

BACKGROUND:

This week Instagram announced an expansion of its in-app shopping, with a global roll out of its Instagram Shopping service across IGTV and a soon to start test of shopping within its recently launched short form video platform Reels.

IMPLICATIONS:

Shopping will be now available on Instagram's long form video platform IGTV, globally. The function will allow brands and influencers to add shopping tags to their IGTV posts so users can tap items they see in videos and complete their purchase via the in-app checkout (in the US) or on the seller's website.

Instagram says its shoppable IGTV videos will also be made discoverable on Instagram Shop in the future but hasn't provided any date for this service being enabled.

In addition, Instagram Reels, which is Facebook's rival to TikTok, will also become shoppable. Shopping in Reels will be tested later this year before launching and the move could help make it more competitive and attract talent from TikTok, which has also been testing shopping tools for its creators.

Shopping has been a big focus for Instagram and is becoming a core part of the platform, even before the increase in digital commerce that has been driven by the COVID-19 pandemic. With this rollout, Shopping is now available on almost every feature of the Instagram platform, including Stories, livestreams and in the main feed. Earlier this year Instagram made in-app checkout available to all US businesses and in the summer launched Instagram Shop, a new destination in the Explore page that includes personalised recommendations and collections from the Instagram @shop team.

The new shopping features will attract even more brands and creators to use the platform as it becomes easier to sell directly to consumers and provides a more direct return on investment metric for the content created for the platform.

Instagram said: "people come to Instagram to shop and we're making it easier to learn about products and make a purchase right within video content across IGTV, Live, Stories and soon Reels".

SUMMARY:

Facebook has worked hard to make e-commerce ubiquitous across its platform. This latest move to expand shopping capabilities on Reels and IGTV and make it even easier for brands and creators to sell direct to consumers, shows how e-commerce is becoming central to Instagram's growth strategy. The launch ahead of the holiday season shopping period should see it take advantage of the shift seen this year towards e-commerce – with not only sales shifting from retailers' physical stores to their online presence but also the increased interest and appetite amongst consumers for buying online and across social video.

PRIME DAY 2020 PREVIEW

BACKGROUND:

Amazon's 6th annual Prime Day will take place on 13-14 October. Prime Day is Amazon's biggest shopping event exclusive to its 150 million Prime members and delivers more than one million deals globally across all categories. Replicating last year's format, the event will run over two days and has been extended to 19 markets, with Turkey and Brazil participating for the first time. It will hope to beat its 2019 sales target of $7.16bn, despite the impact of COVID-19.

IMPLICATIONS:

Prime Day 2020 is set to benefit from significant tailwinds: according to Mindshare's New Normal Tracker, more people are shopping online than ever before, with 49% of consumers saying new rules in physical shops such as wearing face masks have further increased their use of online shopping. These fundamental shifts in consumer behaviour have already propelled Amazon's business to new heights, with Q2 reported revenue $88.9bn, up 40%YoY.

Amazon states that Prime membership has accelerated globally since March, so we can expect more people than ever to use the shopping fest to make the most of their membership fee.

Consumer sentiment in the wake of the pandemic is likely to play out in Amazon's favour too: as people face financial uncertainties, value conscious shoppers will look to Prime Day to make big savings, whilst families that remain financially well, will redirect budget from holiday savings and shop to keep up their spirits in what has been a difficult year.

Historically held in July, COVID-19 forced Amazon to shift Prime Day into Autumn as logistics in many markets struggled to maintain the supply chain and acknowledging concerns over warehouse hygiene and staff safety. With Prime Day moving to October, Amazon has caused a seismic shift to the 2020 shopping calendar. One of the big questions is what knock-on effect this will create on Black Friday and Cyber Monday, just six weeks later. Despite the broader appeal of BF/CM, brands may still see sales pulled forward, particularly in higher price point categories with attractive Prime Day deals. As such, 2020 could be the first year we see Prime Day overtake BF/CM to become the second biggest shopping event of the year, second only to Alibaba's Single's Day.

As traditional retailers and high street brands grapple with subdued demand and unsold inventory, many will be forced into more aggressive and savvy sales strategies to shift stock and retain relevance. US retailers Target, Best Buy and Kohl's have already announced plans to start discounting in October. Competition is also likely to be fierce across Amazon's advertising products, as brands are increasingly forced to invest to ensure visibility during the event. As supply chains stabilise, brands are likely to double down on advertising to maximise Prime Day's potential to recruit new shoppers.

SUMMARY:

With eCommerce adoption at a historic high, Prime Day is positioned to bring Amazon its biggest Q4 ever in what is likely to be the biggest Q4 in the history of online shopping.

APPLE HI SPEED EVENT

BACKGROUND:

Just a month after its last event, Apple held another this week called 'Hi Speed', during which it announced the new iPhone models and the new HomePod Mini device.

IMPLICATIONS:

Apple unveiled four new iPhones; iPhone 12 mini, iPhone 12, iPhone 12 Pro and iPhone 12 Pro Max. In addition to upgraded cameras and new A14 Bionic chips, which were announced in the previous Apple event and will also power the iPad Air, all four phones will support 5G – the first iPhone model to do so. The iPhone 12 Pro, for example, will support sub-6GHz and mmWave 5G, which means that it will support the different types of 5G networks from all three major US carriers and Apple promised to support a large number of cellular carriers and their 5G networks across the world - claiming to have tested 5G performance with 100 carriers in 30 countries.

Currently, the reach of 5G is limited around the world but it's expanding and is expected to have a big impact on mobile media through virtual and augmented reality opportunities. The possibilities of 5G are vast, including many AR and VR applications.

The iPhone 12 Pro models will also have a LIDAR sensor in their cameras, which can be used for additional AR effects and helps in low-light situations. The new video and 5G capabilities open up opportunities for brands to create new experiences using the devices. The new tech also opens the door to new creative options which could positively benefit many brands if they choose to enter the AR / VR space, which with greater capability in the handsets and penetration in market could become more important to marketers as part of their arsenal.

The HomePod Mini was also announced in the same event. The HomePod series is Apple's play in the smart speaker market. As well as Siri's standard smart home capabilities, the new gadget will have a feature called 'Intercom' which lets consumers broadcast a message to all of their HomePods from their other apple devices. The aim is to get consumers to buy multiple units and put them around the house – a similar strategy that Amazon and Google have pursued through Alexa and Google Home.

Additionally, Apple announced its MagSafe technology which allows its devices to automatically snap into place on chargers and also allows for snap-on accessories – opening up another lucrative Apple add-on market. The new iPhones also won't be shipped with a power adapter or headphones, which Apple claims to be an attempt to reduce its environmental impact.

SUMMARY:

The impact of 5G on mobile media is yet to be seen but Apple's new iPhone 12 range means that there will be significantly more handsets ready to take advantage of the technology. The increased speed of 5G networks will mean less latency, which could make a huge impact on the use of AR in media and therefore much better experiences for consumers and better opportunities for brands.

AMONG US

BACKGROUND:

Twitch welcomed a new star to the platform this week with US Congresswoman Alexandria Ocasio-Cortez (A.K.A. 'AOC') making her debut. She streamed the wildly popular game Among Us attracting 4.8M views in 15 hours, with 426,000 concurrent viewers. This places her in the top 10 individual broadcasts on the platform.

IMPLICATIONS:

AOC's broadcast is further evidence that gaming has evolved into mass entertainment. To understand why, we should pay close attention to the game she chose to play.

At first glance, Among Us is an unlikely candidate for the biggest game of 2020. Fortnite broke new ground for entertainment with immersive, interactive experiences that offered personalised skins, Hollywood premieres and hip-hop stars – Among Us has just 3 maps with bargain basement graphics. In the game players are randomly assigned roles as 'crewmates' or 'imposters' during a space mission and tasked with completing the mission or sabotaging it. The thrill comes through identifying who is playing which role, with imposters often resorting to murder in order to win.

Yet Among Us has enjoyed explosive growth. The free-to-play mobile version recorded 100 million downloads in Q3, the paid version on PC has now racked up over 145 million hours of playtime and it's currently the 3rd most popular game on Twitch.

These statistics would be stunning for any title but are particularly impressive considering Among Us was released in 2018 and struggled to find more than 30 simultaneous players. The sudden reversal in fortune is all thanks to lockdown. Social distancing accelerated the trend towards using a game as a medium to meet friends, catch up and spend time together.

Platforms such as Minecraft or Roblox were already competing with social networks as spaces for younger audiences to spend time. The game became context for the conversation and as COVID stripped out opportunities to meet in person, social gaming was perfectly positioned to grow.

Among Us is a perfect example of social gaming. There are 3 key characteristics:

Simplicity: with no expensive hardware required and a very forgiving difficulty curve you can play instantly. The lack of plot and player development is a feature, as it focuses attention on the players rather than the game.

Spontaneity: roles are assigned at random and the action relies on people lying. This provides a near-infinite combination of potential outcomes that ensures every round feels fresh. The ability to play strangers simply adds to the novelty.

Scale: players can invite friends to join them, with a maximum of 10 at any time. Rather than sprawling multiplayer games that dominated the 2010's we see a shift towards more intimate, curated social gaming between smaller groups.

SUMMARY:

'There is An Imposter Among Us' is the unsettling truth revealed at the start of each game of Among Us. Perhaps it shouldn't surprise us that a game based on duplicity has become the breakout hit of lockdown in the era of fake news, but marketers should pay attention to social gaming as part of the new normal.

Q3 2020 EARNINGS

BACKGROUND:

Alphabet, Amazon, Facebook, Twitter and Snap have released their Q3 earnings. Here are the headlines.

IMPLICATIONS:

Alphabet: Google's parent Alphabet reported a 14% YoY increase in revenue to $46.2bn, far more than analysts expected and a reversal of its first ever revenue decline in Q2. Google's total Q3 advertising revenue was $37.1bn, of that, YouTube ad growth was particularly strong at $5.04bn up 32% YoY and the company's "Search and Other" advertising category also showed growth of 6% YoY. Google Cloud revenue was $3.44bn vs expected $3.31bn and "Google other revenues" reported $5.48bn vs $4.05bn in the same quarter last year.

Amazon: The company reported a 37% jump in revenue YoY to $96.1bn and profits hit a record $6.3bn, nearly three times last year's total. The rise was driven by its e-commerce business, as people increasingly turned to online shopping. This demand is expected to continue through the holiday season, as Amazon gave revenue guidance in the range of $112bn to $121bn, above analyst expectations of $112.7bn. The company's 'other' segment which is mostly advertising business reported $5.4bn in sales, a 51% YoY increase and its cloud computing business (AWS) also saw significant gains, up 29% to $11.6bn. The growth has not come without cost as Amazon said it had $2.5bn in Covid-related expenses in Q3 and expects to spend another $4bn in Q4.

Facebook: Facebook also exceeded expectations with its Q3 earnings, with revenue of $21.5bn (vs $19.8bn expected), up 22% YoY. Facebook notes that the pandemic has accelerated the shift of commerce to online which led to an increase in demand for its advertising services. Its Daily Active Users (DAUs) were also up 12% YoY to 1.82 billion. For Q4, YoY ad revenue is expected to grow further and Oculus Quest 2 orders are expected to benefit other revenue earnings.

Snap Inc.: Snap's Q3 revenue smashed analysts' expectations. Revenue increased 52% YoY to $679mn beating estimates by more than $100mn. Daily Active Users (DAUs) increased 18% YoY to 249 million which was also up nearly 4% from the 238 million the company reported in July. Much of the growth in DAUs came from Snap's international presence outside of North America and Europe as Snap saw 43% year-over-year growth in 'rest of world'.

Twitter: Twitter's revenue also beat expectations, reaching $936mn in its Q3 earnings, almost $150mn more than expected and up 14% YoY. The increase in revenue is due to increased ad revenue which grew 15% despite a decline in ad spending earlier this year. Average mDAUs (monetizable daily active users) was at 187 million for Q3, up significantly compared to 145 million in the same period last year, however this fell short of the 195 million mDAUs analysts predicted.

SUMMARY:

Q3 earnings from all of these companies have exceeded many analysts' predictions, with results that reflect how people around the world have increased their usage of these platforms and services during the pandemic and how the shift of commerce from offline to online has accelerated.

NOVEMBER

TIKTOK PARTNERS WITH SHOPIFY AND FINALISES LICENSING DEAL WITH SONY

BACKGROUND:

TikTok has announced two new partnerships in the last week. The first is a global partnership with e-commerce platform Shopify to help further its social commerce offering. The second is a new music licensing agreement with Sony Music Entertainment.

IMPLICATIONS:

TikTok is continuing its social commerce push by partnering with ecommerce platform Shopify to make it easier for merchants to reach the TikTok audience and drive sales. The agreement will allow merchants to create, run and optimise their campaigns and access the TikTok for Business Ads Manager directly from the Shopify dashboard by installing the new TikTok channel from the Shopify App Store.

The ad tools are designed to enable merchants to create shareable content that turns their products into in-feed video ads and they will be able to target audiences across gender, age, behaviour and category and track campaign performance. TikTok is offering merchants $300 in ad credits to get started with their first campaign.

The deal is also set to expand to include other in-app shopping features in the future as TikTok said it plans to start testing new in-app features that will make it easier for users to discover Shopify merchants and their products. The partnership is a key strategic move from TikTok as it ramps up its social commerce capabilities and capitalizes on the huge consumer shift to digital shopping.

The TikTok channel for Shopify merchants is available in the US now and is planned to roll out to elsewhere in North America, Europe and Southeast Asia next year.

This week TikTok also confirmed that it had reached a licensing deal with Sony Music Entertainment to allow it to continue to offer songs from Sony artists for use by creators on the platform. TikTok has been working on new deals with the major record groups since its popularity exploded to ensure that it doesn't lose some of the world's top songs and this appears to be the first deal that it has locked down.

TikTok hasn't provided any further details but said it would work with Sony to support "greater levels of TikTok user personalization and creativity" and "drive new and forward-looking opportunities for fan engagement with SME's artists and music."

The deal will be beneficial for both parties as TikTok has a proven ability to push tracks up the charts and break newer artists. Nielson said that last year no other emerging app had helped break more songs than TikTok.

SUMMARY:

As more focus is put onto commerce in social media, the TikTok-Shopify partnership timing is key for a successful upcoming holiday shopping season. Competition for ad dollars is fierce and the more that a social platform can prove that it drives sales, the more brands will be willing to spend. Directly connecting the buy to the platform is the most direct way of showing its efficacy in this respect. The platform's deal to retain access to Sony music is sure to help keep users engaged on the platform.

11.11 SHOPPING FESTIVAL 2020

BACKGROUND:

The Singles' Day shopping festival in China, also known as Double 11 (because it is held on 11th November – 11/11), broke all previous sales records with Alibaba reporting sales totalling more than US$74bn (498.2bn RMB), nearly double its previous record. In addition, more than 250,000 brands and 800 million consumers participated in the shopping frenzy.

IMPLICATIONS:

Double 11 is the world's largest shopping event, with sales each year surpassing those of Black Friday and Cyber Monday combined. For the first time this year, instead of the usual one-day shopping spree, the sale was spread over 4 days with two shopping windows: the first from 1st - 3rd November with the second one the final frantic 24-hour shopping frenzy on the 11th November.

2020 saw JD.com's total 11-day sales grow by 32% YoY, reaching 271.5 billion RMB ($41bn) in Gross Merchandise Volume (GMV), while Alibaba owned Tmall's 11-day sales reached 498.2 billion RMB ($74.1bn) increasing 26% YoY. Additionally, from November 1st to November 11th, online orders on Suning.cn (a local supermarket brand that has also become an eCommerce giant) increased by 75%.

At 26 seconds past midnight on November 11th, orders on Tmall were coming in at 583,000 orders per second and by 30 minutes past midnight its total sales had reached 372.3 billion RMB ($56.3bn). A massive 250,000 brands and 5 million shops joined this festival and almost 800 million consumers participated. The number of discounted products reached 16 million and eSports and hotel category sales grew by 147.75%.

For JD.com, it took only 6 minutes for the first order to arrive in the hands of the first consumer post-delivery, with 93% of the self-operated orders delivered within 24 hours. More than 20,000 brands doubled their sales on JD.com YoY and 13,173 Chinese domestic brands increased their sales more than twice as fast, with a further 205 Chinese heritage brands doubling their sales. There were 300 million new products sold on JD.com.

The Singles' Day shopping festival not only benefited China's eCommerce giants but also China's entire supply chain network. Over 2,000 industrial areas and 1,200,000 shop owners joined nation-wide. Of the 2,000 industrial area partners, 105 generated more than 100m RMB in sales. As an example, 410,000 agricultural products from 1,406 counties were sold on Tmall, driving sales from smaller county sellers by 74% YoY.

The shopping event continues to gain traction outside of China. International brands were a big focus for Alibaba and JD.com. More than 31,000 international brands participated in the event, with US brands generating over $5bn in sales during the period, making it the top country selling to China.

SUMMARY:

The strong numbers show that the Chinese economy continues to show signs of recovery. According to Alibaba's Vice President Liu Bo, the dramatic sales increases can be attributed to COVID-19 causing overseas travel restrictions, resulting in stimulated online domestic consumption. The extra days of discounts also helped brands recoup lost sales from during lockdown.

YOUTUBE AUDIO ADS

BACKGROUND:

YouTube has launched audio ads, the platform's first ad format without a video component and designed to reach the increasing number of people who are using the platform for ambient listening.

IMPLICATIONS:

YouTube's audio ads will take the form of a voiceover to deliver the message of the ad with a static image or simple animation viewable on the screen. Audio ads are now in beta and can be bought via auction with Google Ads and Display & Video 360 on a cost-per-thousand basis.

As people have been spending more time at home, YouTube has suggested that these ads are aimed at the increasing number of users who might have content playing in the background and only glance at the screen occasionally. Whether this is music, podcasts or other audio-focused content.

YouTube has said that music streaming on the platform is at an all-time high, with 50% of its logged-in users who consume music doing so for at least 10 minutes a day and 2 billion of its logged-in users watching at least one music video each month. Comparatively, YouTube premium subscriber numbers are relatively small, sitting at just 30 million (and rising to 35 million with users taking advantage of free trials).

YouTube has also announced the launch of dynamic music line ups – the ability to contextually target on the platform by finding the ideal mix of content for your audience and brand sentiment. These lineups can be focused on genres such as K-pop, Latin music or top 100 charts or they can focus on an interest such as fitness. The same target audience options, bidding strategies and brand safety features that are currently available for video ads will be available for the audio ads.

According to YouTube, during testing of this new ad format 75% of measured audio ad campaigns drove a significant lift in brand awareness. It will give advertisers a new opportunity to use audio as the primary means to communicate their message and reach and engage consumers at moments where they are taking a more passive approach to content. The company also says the benefits of audio ads are efficient reach at a low cost, simplified media buying process, enhanced targeting and measurement features and lower production costs.

SUMMARY:

YouTube is a video content platform so it is interesting to see how this new ad format will take shape. It will hope that its lineups update and its free trial push for users will see more consumers consider YouTube as a music platform. At the moment it is still a video platform with an audio capability, so It will be interesting to see how much it can rival pure music players such as Spotify in the future. At the very least, this adds another option for marketers using the platform and opens up the possibility of easily porting audio ads used elsewhere to YouTube.

SNAPCHAT SPOTLIGHT AND INSTAGRAM BRANDED CONTENT

BACKGROUND:

Both Snap and Instagram have launched new features. Snapchat has a new scrollable short video feed called Spotlight and Instagram has updates to its approach to branded content across the platform.

MPLICATIONS:

Snapchat Spotlight: Snapchat is launching a scrollable feed, called Spotlight, where users can watch short videos, similar to the 'For You' page on TikTok. The feature aims to showcase the community's creative efforts and will include videos backed by Snapchat's licensed music and other Snaps. It will appear on a prominent tab on the app and will use an algorithm based on users' preferences to determine which videos are shown – essentially a response to TikTok's popularity.

The 'Spotlight Guidelines' specify content should be vertical videos with sound up to 60 seconds long and they should include a topic hashtag. Content creators will be able to make use of Snapchat's tools such as Lenses, Sounds and Captions (a new feature designed for Spotlight). Content cannot be repurposed from elsewhere - it must be original and can only use licensed music from Snapchat's own Sounds library. At launch, the Spotlight feature will not show ads but like most new features on social media, this is likely to come later on.

Snapchat's development expands the ways users can post content publicly and reduces the platform's focus on ephemeral content, whilst encouraging creators to stay on the platform. In an effort to entice creators to use the feature and compete with the increasingly popular TikTok platform, Snapchat is funding the services with $1 million a day going to users who create the top performing content until the end of the year.

Instagram Branded Content Ads changes: Instagram has made changes to how much control brands have over influencer branded content. Advertisers will now have the ability to publish posts from users' accounts. Last year, Instagram released branded content ads to make it clear which posts ere sponsored by brands. The posts look like organic posts but have 'paid partnership with [brand name]' at the top. Brands could then launch an ad using this content, but only after the influencer had published it as an organic post.

This is now changing, with a new three-step process in place. First, an advertiser sends a request to an influencer / creator, this can be done via Instagram or through Facebook's Brand Collabs Manager. Secondly, the influencer / creator accepts and the advertiser and influencer / creator work together to create the post. Lastly, the two parties approve the post and the advertiser can then post it direct from the creator's account - but will not appear on the influencer / creators' main profile.

Branded content ads are also being extended to Reels and are being testing in Live. Additionally, branded content ads in Stories can now include mentions, location and hashtags, features that were previously only available in organic content and can also use product tags to send users directly to a product.

SUMMARY:

TikTok's meteoric rise is forcing more innovation from the leading social platforms and the rising importance of creators / influencers is behind it all. Snapchat is seeking to build its own TikTok style content – no doubt then moving to monetise it once established. Instagram's approach is about finding new ways to connect brands and influencers / creators and giving the brands more control in this process. Both developments speak to the power of influence in the platform age and the digital acceleration that we have seen this year with more time spent on these platforms.

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