What's Hot?!

September 2024

Europe's new influencer marketing alliance addresses raising concerns in the industry

You would have had to be living under a rock to miss the recent growth in the creator economy. The global influencer marketing industry is expected to be worth well over $40bn dollars by 2028, more than doubling the size it was last year. As more brands divert their marketing spends towards creators, there are growing expectations of increased regulations.

The formation of a new alliance of influencer marketing bodies represents the first big move towards improving standards and procedures in Europe. Creator economy trade bodies from the UK, France and Germany have joined forces to form the European Influencer Marketing Alliance (EIMA). Influencer Marketing Trade Body (UK), Union Des Metiers De l'influence et des Createurs de Contenus (France) and Bundesverband Influencer Marketing (Germany) will share local standards and best practices in order to bring together a unified view.

Although there has not been a huge reaction to this news in the market, this alliance has come at a good time, as confusion around current disclosure regulations is rife amongst creators, agencies and brands alike – recent examples being Grace Beverley and Steven Bartlett who have been punished by the ASA for incorrect disclosure within posts for companies they have either founded or invested in.

As a first step, EIMA has performed a sweep of creators across Europe to see how many are properly adhering to advertising disclosure regulations. Although the UK's disclosure regulations have been in place since 2008, the recent example with Steven Bartlett demonstrates that those regulations need to be reviewed.

Although some will be sceptical about how quickly we will see the benefits of the EIMA, there will be some quick wins. The creator economy is rapidly evolving making it very difficult to govern. With the rise of AI influencers, the growth of kidfluencers and most recently the new partnership between TikTok and Amazon (read the next article for more on this) opening up huge opportunities for brands leveraging Tiktok creators to boost Amazon listings, there will be benefits from shared expertise across markets (beyond disclosure regulations). For example, France has advanced kidfluencer practices and regulations in place from which the UK can benefit. It will also make things easier when running campaigns across multiple European markets.

This change demonstrates the economic strength of the influencer marketing industry and the impact it has on the millions of people who choose to follow creator content daily. Although there are still many subjective opinions on many aspects of the industry, such as measurement, EIMA will at the very least crack down on aspects which will ensure it remains a trusted source of influence for brands.

For brands this means that creators will have clearer guidelines and practices for posting without impacting their creativity and the authenticity of content, which remains the most important element of any creator collaboration. And through more transparency with consumers, we should continue to see the industry grow from strength to strength. As a channel built on trust, it can be most enjoyed when brands and creators are acting responsibly.

Subscription Services and the Rise of Unlikely Cross-Partnerships

Earlier this month, Amazon and TikTok announced a new partnership, allowing TikTok users to make Amazon purchases in-platform, without having to access the Amazon website or app. This was the last in a chain of new Amazon platform-native shopping developments, with Amazon having already completed this integration with Meta, and Snapchat. Consumers can integrate their Prime membership into these platforms – viewing live prices, Prime eligibility and delivery – all within the 'rival' app. This is one of many interesting new developments in the subscription service market.

Deliveroo has recently revamped its subscription offering to tempt more customers, including an Amazon Prime tie-in offer. Streaming services have also begun focusing on their 'bundle' offers, with platforms that were previously rivals coming together to offer consumers a cheaper price if they purchase both services together. In the UK, Sky now offers streaming deals that include Netflix, whilst across the pond US consumers can enjoy various combinations of Apple TV, Peacock, Max, Hulu and Netflix, for less than it would cost to buy each service separately.

We have previously written about the rise of subscription services during the pandemic, and how it puts new businesses from different categories into competition with one another. We identified that demonstrating value and convenience would be key to subscription brands that want to stay on top. The rise in cross-partnerships embraces this, as brands are forming unlikely partnerships to help consumers justify maintaining their subscription roster.

Whilst many businesses have turned to the subscription model to gain and retain customers, three main sectors dominate the market: streaming, retail, and digital subscriptions. Consumers reliably list convenience as one of their main drivers of subscriptions, and cross-partnerships make this all the more true. As the subscription market continues to grow, consolidated subscription management becomes increasingly enticing. According to research by Savanta, 45% of 18-24s would consider switching banks if it meant gaining access to a consolidated subscription management tool, as would 20% of 45-64s.

When it comes to subscription services, we know that consumers value convenience, flexibility and choice. With cost-of-living pressures, almost half of Brits have recently cancelled a subscription due to price increases. However, 60% of Brits admit they would sign up for more subscriptions if they could afford it. Brands that lean into consumer needs, and embrace changing consumption habits, are more likely to come out on top.

Commercial Radio Reaches Record Heights in Latest RAJAR Results

The long-awaited RAJAR results for Q2 2024, released last month, show a record number of adults in the UK listening to radio each week – with notable milestones for commercial radio and podcasts.

Some 51 million adults tuned into radio stations in the second quarter, accounting for 88% of the UK population – a figure that has remained remarkably static over the last two years, even as the wider media landscape evolves. Podcasts also reached a record high, with 12.3 million Brits listening every week.

The results were particularly strong for commercial radio. For the first time, over 40 million adults in the UK listened to commercial stations each week. Commercial stations now hold a 55/43 percentage point advantage in share over BBC stations, a gap that has grown in recent years as prominent hosts such as Ken Bruce and Jordan North have migrated to the BBC's commercial rivals. Notwithstanding this shift, BBC Radio 2 continues to be the most popular station in the UK, while also retaining the accolades of having the most listened show and breakfast show. The highest reaching, Vernon Kay's midmorning slot on Radio 2, attracted 6.7m listeners, whilst predecessor Bruce's competing show on Greatest Hits Radio held an audience of 4m.

All of this comes amidst a backdrop of digital dominance in the wider media landscape. Digital channels now account for nearly three-fifths of all commercial media time, rising to four-fifths for 18-34s, according to IPA Touchpoints. In radio, that trend is even more pronounced, with 74% of all weekly listening hours now being consumed digitally. In particular, smart speakers have grown in prominence, now making up over 20% of commercial radio listening, up 3.4%pts year-on-year.

One of the biggest winners in Q2 was Bauer Media Group, longtime partners of the7stars. A record 24 million adults tuned in across Bauer's station portfolio, some 7.5 million of which listened to Greatest Hits Radio each week – a 7.8%pt. increase in the last 12 months. Close behind was Hits Radio, which itself set a record with 7.1 million listeners. The result was a vote of confidence in the station, which earlier in the quarter chose to bring several legacy stations in England and Wales under the Hits banner, supported by its first-ever TV campaign.

Gary Stein, Director of Audio for Bauer Media Audio UK, called the figures 'another stunning set of results for Bauer Media Audio UK.' He added, 'In a quarter where we rebranded 16 stations across England and Wales to Hits Radio, I'm delighted this has resulted in a record reach for Hits Radio and the wider network.'

All We Want for Christmas: Consumer Behaviour Ahead of the Holiday Season

As the holiday season approaches, rising consumer confidence signals a more optimistic outlook for brands. After a few out-of-the-ordinary holiday seasons, shoppers are adapting, blending tradition with new outlooks and habits. To stay relevant, brands must balance value-driven offers with inclusive, relatable experiences, both online and in-store.

A more confident holiday season

Consumer confidence is slowly rising, up point by point over recent months, and considerably versus last year. This is not a sign that households are suddenly feeling better off (unfortunately), but rather that we have adapted. Value-seeking behaviours therefore persist, with more shoppers capitalising on Black Friday deals (up 4 percentage points to 53% in 2023), using "buy now, pay later" options (up 12% in 2023), or trimming down the gift recipient list (Mintel, UK Christmas Gift Buying Market Report 2024).

Research from Mail Metro Media reminds us that economic experiences vary: 20% of households feel financially healthy, 34% are struggling, and 46% fall somewhere in between. Brands must, as always, consider what "value" means to their audience to stay on this year's wish lists.

Blending Old and New Traditions

Festive cues rooted in nostalgia, like decorating trees and watching Christmas movies, remain important, topping the IPA's list of ways to get into the festive spirit. Yet, with 3 in 4 noting that their Christmas has changed dramatically over the last five years (Mumsnet, Let's Talk Christmas), there's room to deviate from tradition. This might mean reflecting a more down-to-earth view of the season, mirroring how many are looking to relieve the pressure of perfection, or making efforts to present a more inclusive holiday experience.

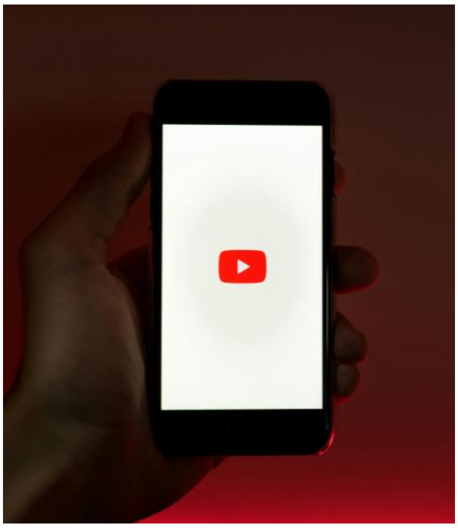
Brands would benefit from aligning with traditional cues, while making efforts to connect more broadly, finding the relatable and universal themes in diverse holiday experiences.

SantaGPT vs. the High Street

In 2023, 18% used AI for gift ideas (Mintel), and research suggests that this year more may follow suit. Rather than marking a fundamental shift in how we shop, this represents a streamlining of the more tedious elements, leaving more time for the bits we enjoy. So while more of us are shopping online than ever before, and brands will be scrutinising every element of their e-commerce performance, they should not lose sight of the in-store experience. 71% of shoppers even see the shopping trip itself as the key to getting into the festive spirit. Whether purchases are made from shop windows or browser windows, creating a memorable connection remains crucial during the holiday season.

Apple TV+ and Disney+ Subscription Prices Double in the Last 5 Years

Apple TV+ and Disney+ have experienced the most significant price increases among major streaming platforms since their respective launches, with an average annual rise of 18%. According to a recent study, both services have seen their subscription costs double over five years. Apple TV+ has increased its price from $4.99 to $9.99, following adjustments in June 2021 and October 2023. Disney+ raised its subscription fees three times, from $6.99 to $13.99. The analysis reveals that Apple TV+ typically adjusts its prices every 17 months, while Disney+ implements changes annually. These price hikes reflect the evolving strategies of streaming giants as they navigate a competitive and maturing market.



YouTube Becomes First Streaming Platform to Reach 10% of TV Viewing

YouTube has become the first streaming platform to account for over 10% of TV viewing in the U.S., reaching 10.4%, according to the latest Nielsen report. This milestone highlights YouTube's dominance in the evolving entertainment landscape, where streaming has become the leading content source. Nielsen's data indicates that in July, streaming represented 41.4% of all TV viewing, marking the highest share ever recorded for a single viewing category. Despite the impact of the Olympics on TV viewership, YouTube's influence continues to grow, particularly among younger audiences, suggesting its share will likely increase further.

Channel 5 to Rebrand to ‘5’

Paramount is set to rebrand Channel 5 as simply ‘5,’ creating the UK’s first unified public-service broadcaster across linear, streaming, and digital platforms. This rebranding, scheduled for completion by April next year, marks a strategic shift from merging Channel 5's VOD service My5 with the FAST platform Pluto TV. Instead, My5 will relaunch under the unified 5 brand, offering audiences seamless access to its diverse content portfolio. The revamped free streaming service will feature an enhanced user interface and an expanded content library, including UK drama originals, unscripted programming, and offerings from Paramount’s broader portfolio such as MTV, CBS, and Comedy Central.