

LongTerm Digital Q3 2020 Insights

Key Commercial Actions

LongTerm Digital conducts extensive market research across the quarter to identify the latest digital advertising trends, understand market demand and investigate key areas of the industry. Our team of digital specialists combine detailed desk research with qualitative and quantitative insight from interviews with our impressive panel of buy-side experts. The quarterly report increases digital advertising understanding and helps identify commercial opportunities & challenges.

Market Challenges & Actions Required

UNCERTAINTY & SPEED OF CHANGE

Ever-changing local restrictions and pandemic tiers are causing uncertainty surrounding campaign planning. Many advertisers are still spending cautiously and therefore focusing on flexible channels (digital). Some businesses have been forced to accelerate their digital efforts; educating clients and bringing businesses up to speed takes time.

BUSINESS CHALLENGES & BUDGET

Businesses have had to deal with budget cuts, supply issues, new digital point of sale and more. As such, there is pressure on both advertising spend and its ability to drive ROI. Agencies are finding it difficult to meet clients' expectations and KPIs, and to justify ad spend in the first place. They are being asked to do more with less.

MEASUREMENT & DATA

The demise of the third-party cookie and browser privacy changes has currently challenged digital measurement capabilities more than targeting. There is still a digital challenge regarding its ability to measure 'brand' impact beyond 'reach and engagement' metrics. Clients continue to grow and scale their first-party data capabilities where possible and contextual intelligence appears to be replacing behavioural targeting.

STANDING OUT FROM THE CLUTTER

An increase in advertising share for digital environments, especially social, has led to challenges raised around achieving standing out. It is believed to be increasingly hard to grab consumer attention in an authentic way, which can result in an increase in frequency, which risks annoying consumers and exacerbating the problem.

GREATER CAMPAIGN FLEXIBILITY

1 The buy-side is deterred from making substantial spend commitments due to volatile restriction levels and customer mindset shifts. Digital as a channel has taken share due to its flexibility. **To encourage spending, media owners should look to offer flexibility in booking policies and fees as much as possible.**

NEW INNOVATIVE OPPORTUNITIES

2 The buy-side are facing unprecedented challenges in meeting their KPIs, whether brand or DR-led. They need a mixture of innovative solutions in order to access spend and deliver cut-through whilst a certain level of confidence/guaranteed performance to justify the spend. **Media owners can help meet these needs by identifying, creating and packaging new opportunities within their advertising proposition and consider relevant buying mechanics.**

PROACTIVE SHARING OF INSIGHTS & RESEARCH

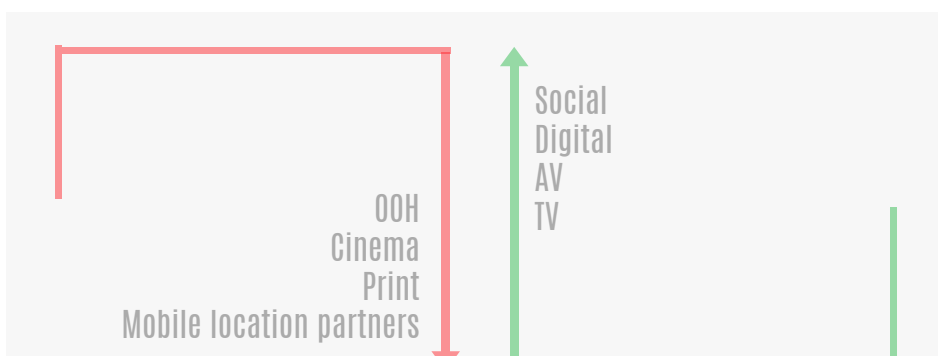
3 The buy-side need to understand how best to reach their audiences, how to stand out from the clutter and what they can learn from their competitors. **Media owners should therefore proactively share relevant insights in order to help guide spending decisions.**

PERFORMANCE & REPORTING

4 Consumer behaviour and shopping habits have shifted further online. As such, there is a greater focus on digital channels and performance across multiple objectives. With campaign spend being scrutinised more than ever, external circumstances impacting strategy and planning constantly, advertisers need to understand performance instantly. **Media owners need to understand what problems their solutions solve and how it can be measured. Real-time optimisations are key.**

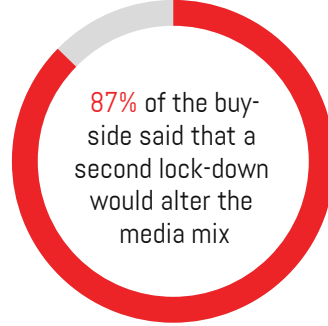
Channel spend movement

Spend is being down-weighted in some channels in favour of those that can offer **greater control/flexibility, cheaper rates and better reach prospects.**

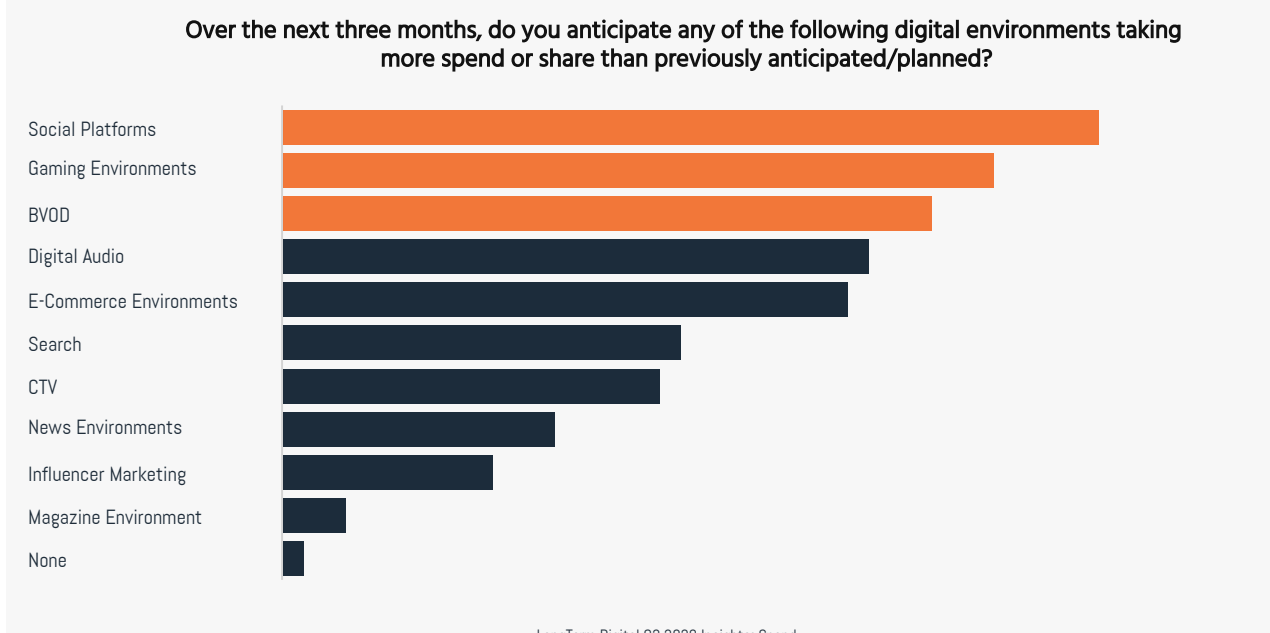


“ Covid is the biggest problem as we are trying to plan for next year; OOH is the channel we should be going for but we are nervous about planning it. We are making recommendations based on what are the most flexible channels are, even though it isn't on strategy ”

Comms Planner



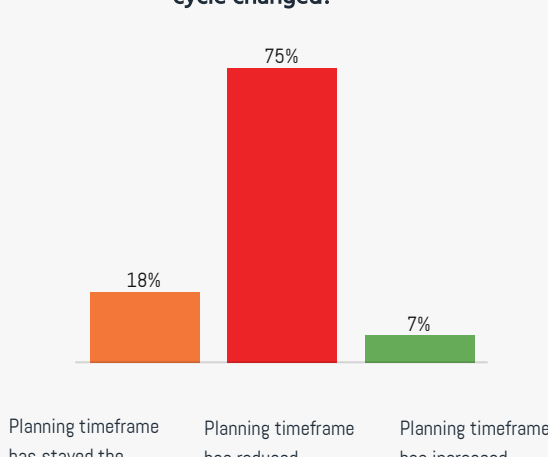
In digital specifically, panelists anticipate spend going towards **social platforms, gaming and BVOD more over the next three months:**



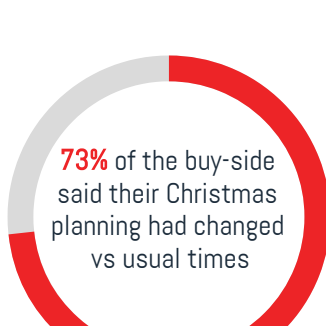
Changes to planning schedules

Agencies are under a lot of pressure at present. **75%** of panelists said their planning timeframes had reduced vs pre-pandemic timeframes.

Compared to pre-pandemic times, how have your planning cycle changed?

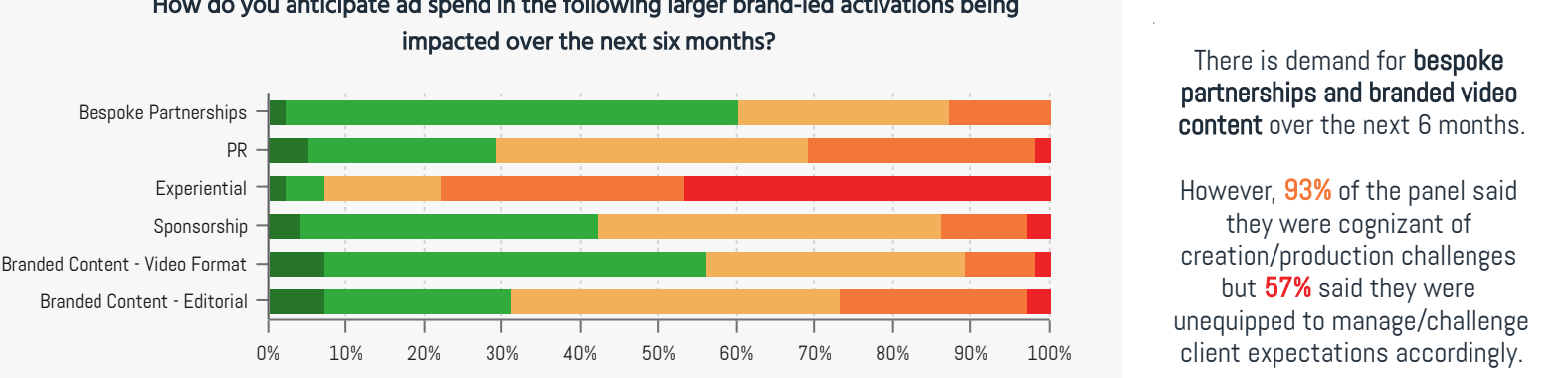


With uncertainty around lock-down restrictions, nearly two-thirds of the buy-side expect late Christmas advertising spend



Creative solutions

How do you anticipate ad spend in the following larger brand-led activations being impacted over the next six months?



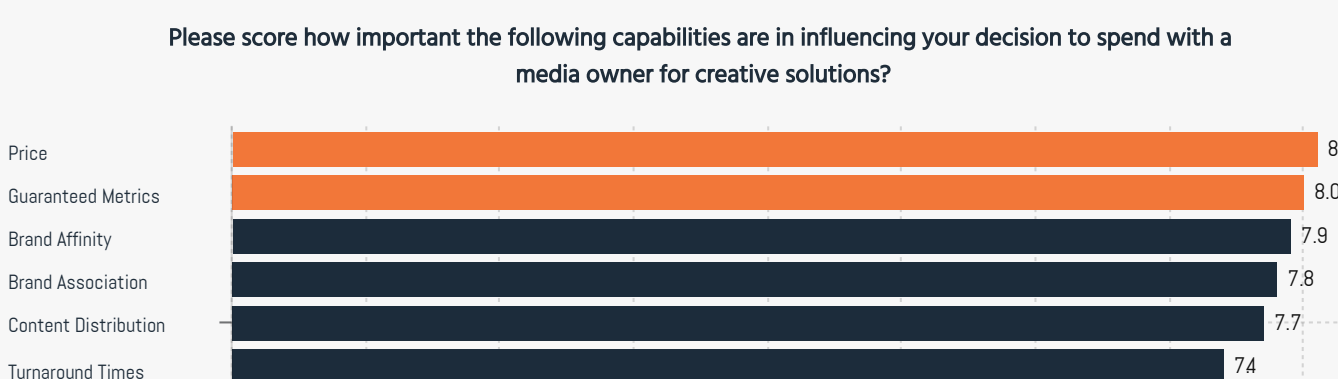
There is demand for **bespoke partnerships and branded video content** over the next 6 months.

However, **93%** of the panel said they were cognizant of creation/production challenges but **57%** said they were unequipped to manage/challenge client expectations accordingly.

There is therefore an **opportunity for media owners** to educate and provide support here - especially around content ownership.

Price and Guaranteed Metrics are now deemed to be the most important capabilities when thinking about spending on creative solutions. In Q1 2019, Price was the least important, reiterating budget restrictions and increased scrutiny due to the current pandemic. Media owners that can offer video-based, cost-efficient creative solutions will be in demand.

Please score how important the following capabilities are in influencing your decision to spend with a media owner for creative solutions?



LongTerm Digital's Q3 buy-side panel helped raise over £2,500 for The Trussell Trust

The above is a snapshot of our analysis and market findings. To find out more about our services please visit www.longtermdigital.com or get in touch via team@longtermdigital.com