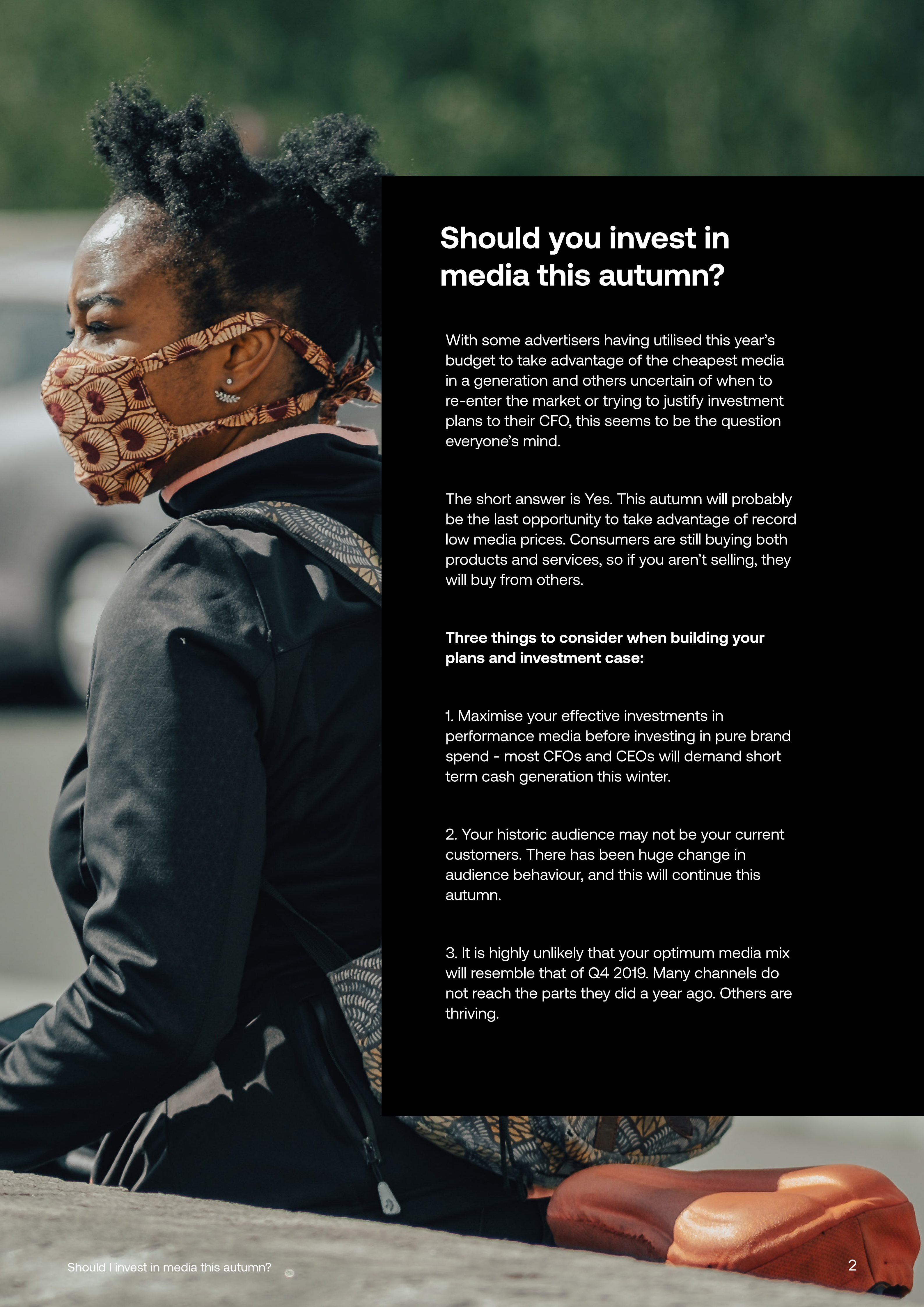
THE KITE FACTORY

Should you invest in media this autumn?

Market overview & recommendation



Should you invest in media this autumn?

With some advertisers having utilised this year's budget to take advantage of the cheapest media in a generation and others uncertain of when to re-enter the market or trying to justify investment plans to their CFO, this seems to be the question everyone's mind.

The short answer is Yes. This autumn will probably be the last opportunity to take advantage of record low media prices. Consumers are still buying both products and services, so if you aren't selling, they will buy from others.

Three things to consider when building your plans and investment case:

1. Maximise your effective investments in performance media before investing in pure brand spend - most CFOs and CEOs will demand short term cash generation this winter.

2. Your historic audience may not be your current customers. There has been huge change in audience behaviour, and this will continue this autumn.

3. It is highly unlikely that your optimum media mix will resemble that of Q4 2019. Many channels do not reach the parts they did a year ago. Others are thriving.

1. Market Overview

This autumn will offer historically low media rates, but they won't last forever.

We have seen revenues that fell by up to 50% in Q2 recover to c-20% in Q3 and expect the shortfall to be less than 10% in Q4. WARC are forecasting growth of c17% for 2021, so the "sales" may soon be over

Chart one below shows the latest forecast from the Advertising Association and WARC published back in July. While it lacks the detail that shows the recovery building by quarter, is useful for three things:

1. The relative performance of channels, with print and media consumed out of home (cinema, OOH & radio) hit hardest.

2. The variance between this forecast and their first pandemic forecast issued in April. Online media and TV are doing better than initially forecast. The weak are getting weaker.

3. The scale of revenue growth forecast for 2021. Once again, this autumn will not be as cheap as Q2, but it will be the last opportunity for historically silly prices.

Chart 1

Media	Q1 2020 year-on-year % change	2020 forecast year-on-year % change	Percentage point (pp) change in 2020 forecast vs April	2021 forecast year-on-year % change
Search	10.1%	-12.3%	-0.2pp	19.4%
Online display*	11.8%	-7.9%	+4.8pp	15.7%
TV	-1.7%	-14.5%	+5.3pp	13.2%
of which VOD	11.3%	-1.2%	+5.1pp	21.1%
Online classified*	-5.0%	-26.8%	-2.5pp	10.6%
Direct mail	-18.0%	-26.2%	-5.0pp	3.5%
Out of home	-3.1%	-25.4%	-6.7pp	34.7%
of which digital	5.2%	-20.9%	-6.2pp	38.7%
National newsbrands	-6.3%	-21.2%	-0.7pp	12.5%
of which online	14.2%	-11.4%	+3.1pp	17.0%
Regional newsbrands	-15.5%	-27.5%	-3.4pp	12.6%
of which online	0.9%	-21.0%	-2.2pp	19.7%
Magazine brands	-11.9%	-24.2%	+0.8pp	15.4%
of which online	-18.7%	-23.3%	-1.5pp	21.1%
Radio	-5.2%	-21.0%	=	16.9%
of which online	-7.1%	-18.4%	-7.5pp	23.1%
Cinema	-10.4%	-44.2%	-10.6pp	79.6%
TOTAL UK ADSPEND	**2.9%**	**-15.6%**	**+1.1pp**	**16.6%**

Note: Broadcaster VOD, digital revenues for newsbrands, magazine brands, and radio station websites are also included within online display and classified totals, so care should be taken to avoid double counting. Online radio is display advertising on broadcasters' websites.
Source: AA/WARC Expenditure Report, July 2020

Consumers are continuing to respond and to buy or subscribe

UK retail sales may have taken until July to recover but the growth of e-commerce has been well documented. That has been reflected in response to our clients who have invested from March until now. We have commercial clients whose sales have doubled year on year; charities whose new donor numbers have done the same; and subscription services whose cost per enquiry has halved.

We have built a tool to help us understand macro response trends

Using our proprietary Response Index, we monitor response on a weekly basis and have taken a base line response across all clients in the first eight weeks of the year. We then compare response from clients live each week against that baseline across a range of response channels.

Chart two shows response via search which, even in the depths of August, is still at the same level as in the very buoyant first two months of the year. Across our client base as a whole, we are seeing no signs of consumers not prepared to buy, subscribe or donate if they see or engage with a convincing message.

And we have reasonable expectations that this trend will continue into this autumn. As per chart three, consumers are feeling more confident about their finances than before lockdown, and much more confident than during the 2008/9 recession.

Whether this continues into the new year is another matter, but we would expect those for whom the end of furlough will mean the end of employment to have visibility of that by now.

N.B. This doesn't mean that ALL audiences are happy, confident and able to spend. It just means that there are (and we expect there to be) enough for competitive brands to generate net revenues from. More on this in the audience section later.

Chart 2

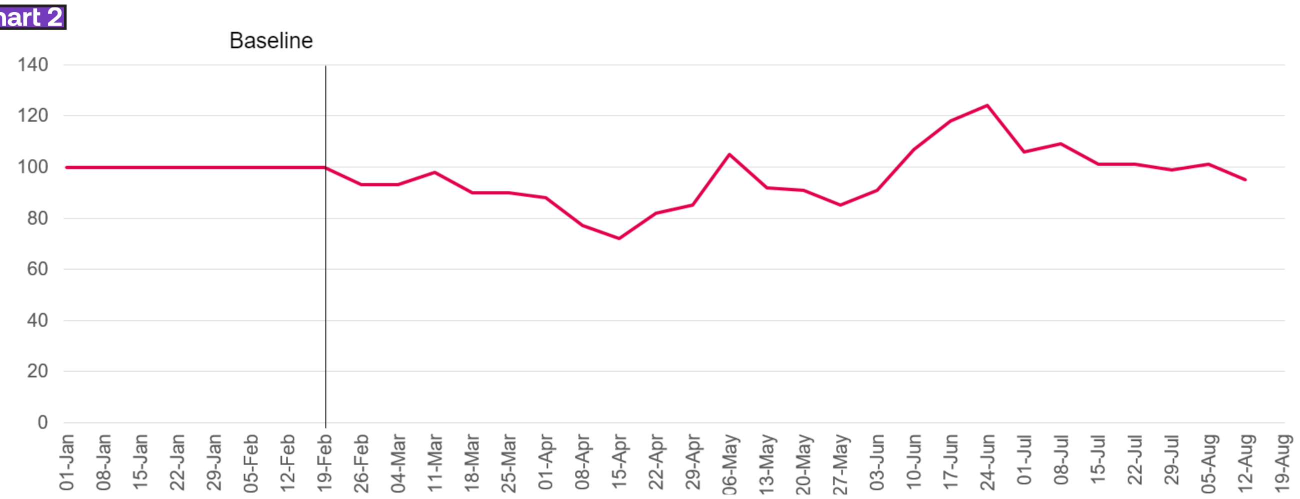
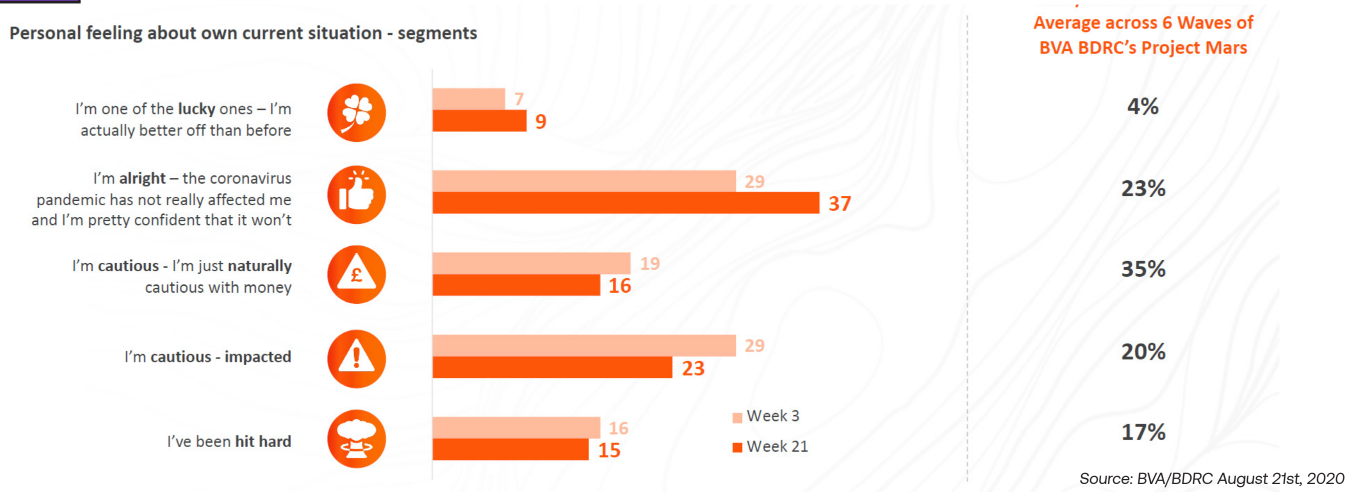


Chart 3



Source: BVA/BDRC August 21st, 2020

2. Brand vs performance?

Again, this is a more nuanced question. The purist answer is that all of your performance investments should also build your brand, and all of your brand investments should be driving performance. However, we know we live in a less than perfect world and as such have answered it as posed.

Investing in performance channels

This year, more than ever, max out your performance investments until you see clear signs of diminishing returns before you invest in brand. For the philosophers amongst you, consider that you will only ever create long term growth by creating short term growth.

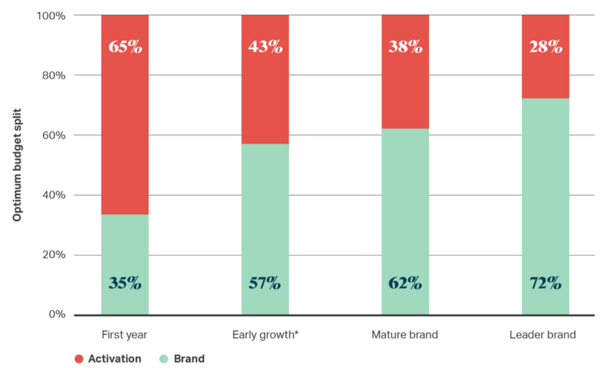
For the more practically minded, consider that the marketing budget is the easiest and least painful to cut. If you can demonstrate to your CEO and CFO that there is revenue from your media investments today, then they will view your budget and your team as an investment and not a cost. Several of our clients are finding their C-suite adding to, rather than reducing their budgets as they demonstrate that the direct channel can drive much needed immediate cash flow.

The final reason to invest in performance is to drive behaviour change. All of our behaviours have changed dramatically these last five months - going back to e-commerce, we have seen the same adoption rate in a quarter as in the last ten years.

Chart four below shows the % of total UK commerce that e-commerce represents by year for the last decade. Note the dip in share in July, which is the impact of the high street growing rather than e-commerce levels returning to normal. This is an inflexion point for driving and solidifying behaviour change in many sectors.

For the cynical amongst you who might think 'you would say that', perhaps the IPA and Les Binet will reassure you. Analysis of the IPA effectiveness databank (chart 5) has shown that new brands are unusually responsive to advertising, and benefit from a higher proportion of activation or performance spend.

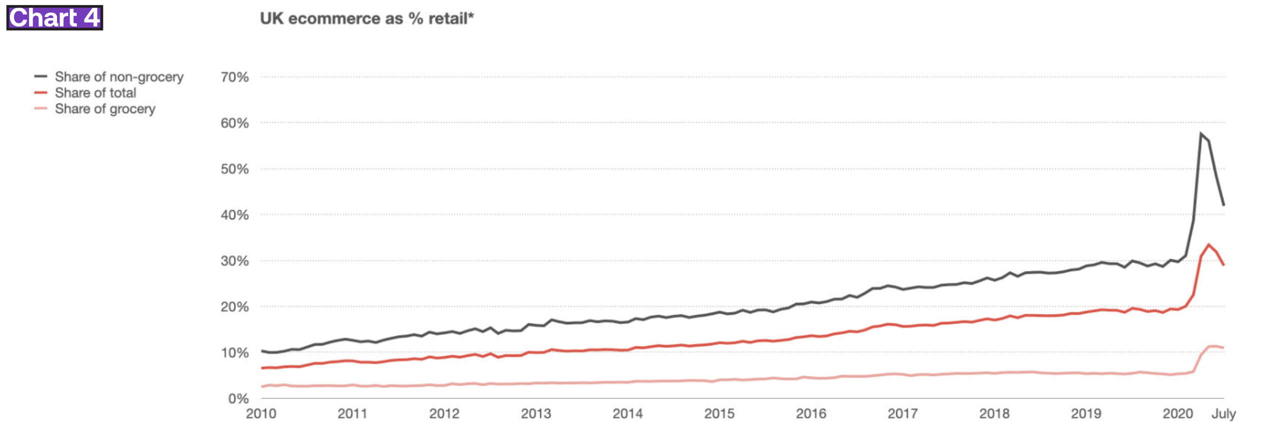
Chart 5



Source: IPA Databank 1998-2018

Les Binet is of the opinion that many brands and services will effectively be "new" this year (WARC April 2020). New audiences will come into the consideration set as they buy direct for the first time, or because the brand has "new news", as it is available in different channels, or formats. 2020 is effectively the year of the start-up brand, no matter how well established you are.

Chart 4



Source: ONS (Thanks to Benedict Evans)

Our advice on investing in performance this autumn

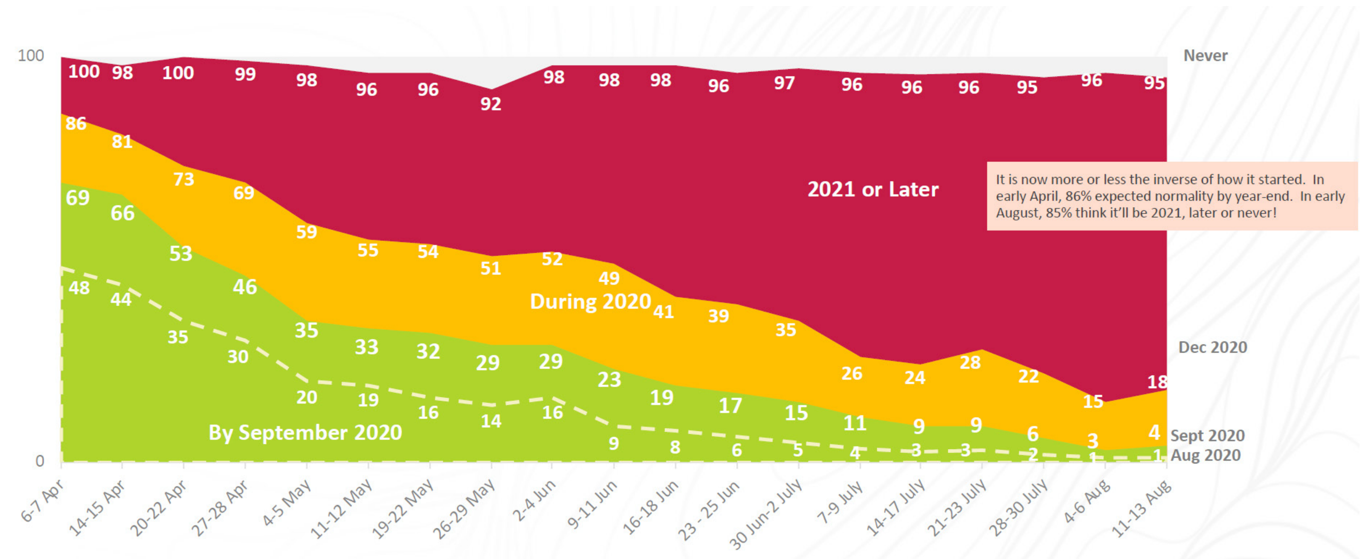
In summary, if you have been spending on performance, then continue to spend to reinforce the changes you have driven from new customers and supporters. Behaviours take an average of 66 days to become habits, so if you haven't been spending on performance, then start quickly. The longer you leave it, the longer your customers have to form habits with competitor brands.

Investing in brand campaigns

If you are in the enviable position of being unable to spend a penny more on profitable pure performance, then there will probably never be a better opportunity to spend on brand.

Firstly, consumers are more receptive to new messages, with audiences adopting new service providers, brands and ways of doing things than ever before – the fact that we've gone from zero to 80% of us wearing masks in five months is testament to this attitude.

Chart 6



Source: BVA/BDRC August 2020 "when do you expect live to return to normal?"

Secondly, we are all seeking our own new normal (see chart six). Many of your potential audience will have had their lives turned upside down, finding Cornwall more desirable than Corfu; prepared to buy a new (to them) car and sit in traffic rather than use their traditional public transport; finding their favourite restaurant closed down. They are re-evaluating what value means to them, and what they are prepared to spend on. This may well prove to be an opportunity to engage with new audiences and tip rejectors into consideration.

Thirdly, there is an opportunity to steal share of voice and share of market. We recognise that this will not be an opportunity for all. Many of you will still be cash constrained and will remain so for the foreseeable future. For those with access to funds this may be a "ram raid" opportunity.

Many of your competitors will have reduced budgets or may not be able to spend at all. Cheaper media prices mean share of voice can be gained at record low investment levels.

As per chart seven, for each 10% Excess Share of Voice (Share of Voice - Share of Market) a brand will, on average, take another 0.5% Share of Market. There is a double bonus in that price sensitivity drops by between 5% and 20% for a 10% ESOV gain, meaning people will pay more for your product or service.

Hard evidence for brands gaining share of market during recession exists as far back as the 1990's. Chart eight below shows that brands that increased their advertising spend by between 20% and 100% during the 1990 recession gained on average nearly 1% of market share.

Our advice on investing in brand this autumn

If you have to, and can afford to, then you should. But be really clear as to exactly why you are investing and what attitudes and behaviours you are seeking to change. If you only need to change awareness, then performance investments will be more efficient. Keep brand investments for tackling issues of rejection; comparison; or price. Ensure that you have enough budget to meet the needs of the objectives you are setting. You would be better saving £500,000 to your bottom line than spending it if the minimum threshold for success requires an investment of £1,000,000.

Chart 7

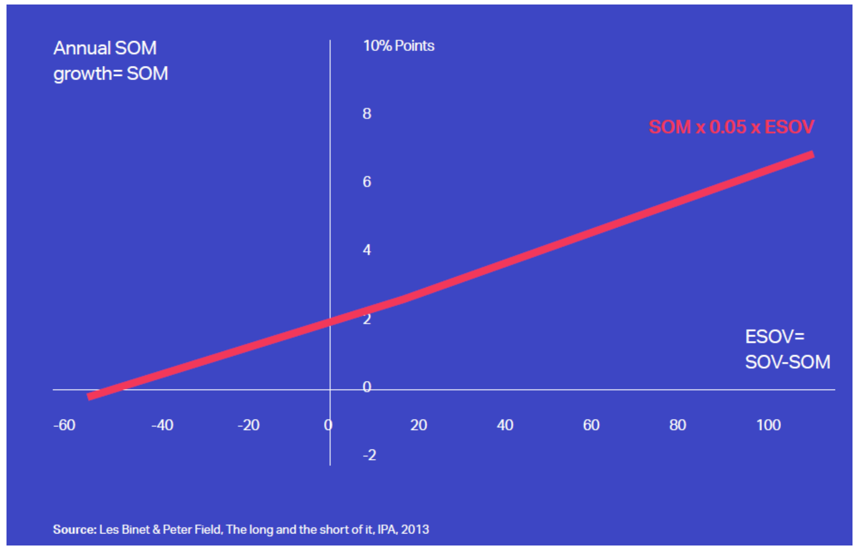
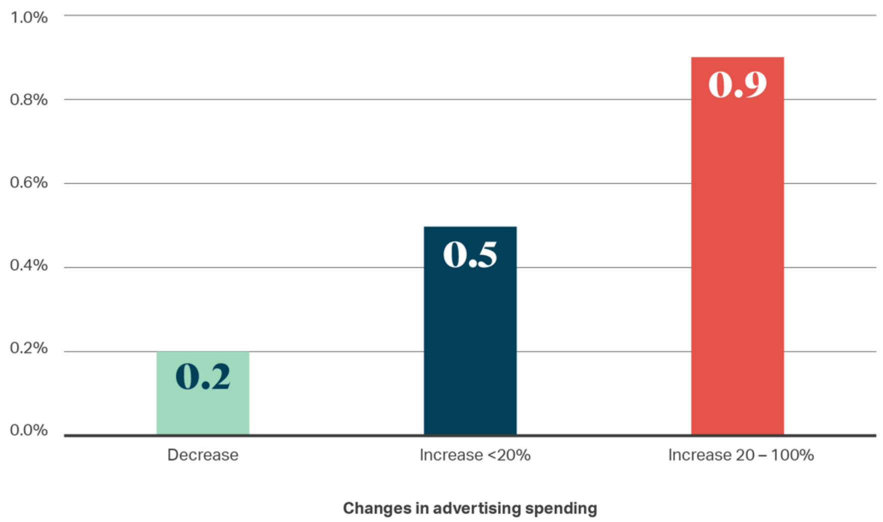


Chart 8



Source: WARC Alexander L Biel 1991

3. Target Audience

Think carefully about who you target as not all audiences will be equal this autumn. You may have sold to the same target audience for decades, but odds are you may have to find some new buyers from new audiences. This has been a truth across most of our clients who are finding they are seeing new customers from groups who have either not, or have been less likely to, respond before.

There are three groups who may be less likely buy:

1. Those who won't be able to afford to
2. Those who think they won't be able to afford to
3. Those who are worried about their health

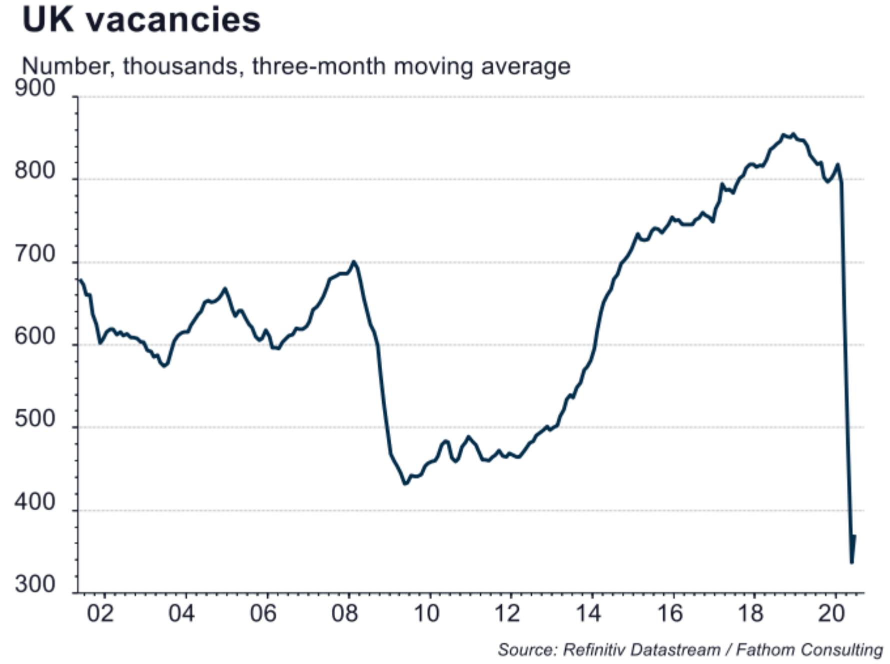
12 million of us are earning less

According to YouGov data, as of 16 August, 700,000 people have been made redundant in the last four weeks; 6.6 million were still on furlough; 885,000 were on unpaid leave; and 3.7 million of us had our working hours reduced.

So far, it's disproportionately the under 35's that have been made redundant or put on unpaid leave, leaving the older and family groups on furlough or with reduced hours. Not surprisingly more than 70% of all of these groups are worried about their finances and have put plans to spend (and donate) on hold. They are happy to be out and about, they are not worried about returning to the office, and would happily go to the gym, but they just can't afford to.

Chart nine below makes grim reading and reminds us why many of this audience are unlikely to be re-entering our prospect groups for the remainder of 2020. New job opportunities are at record lows, unseen for more than a decade. Best estimates are that another three million of the furloughed and under employed will lose their jobs this autumn. This first group may shrink to 9 million from 12 million now, but that's still a lot of consumers who won't be spending heavily in the coming months.

Chart 9



24 million of us are worried about money

Given 12 million of us have every right to be worried about our finances as we are earning less, that leaves another 12 million who are just worrying. The young and old are much more likely to be fine, rather ironically given the real burden on the young. Those worried and still in full time work tend to be the families.

Here is a group that are planning to save more and that's possibly the only plan they have, with 70% of them saying they don't want to plan too far into the future. They don't seem worried about going out, they are happy to go back to the office and would go to the gym, but they are worried they don't have enough set aside for a rainy day.

Half of those very concerned about their finances take into account news about the economy, so unless the media brings us good news stories this autumn, it may take some very specific messages and benefits to persuade this group to spend rather than save.

26 million of us are worried about our personal health

So, 15 million of this group are probably just worriers. They are worried about both their finances and their health and 5 million are worried about their health, their jobs and their finances. That leaves 11 million who have cash and are worried about their health. So, perfectly able to spend, but are going to be "home focussed" these next few months. They are more likely to be older women. Before turning to them we should just emphasise the breadth of concern over health. Its epitomised by a question YouGov asked the week of the bank holiday (see chart 10 below).

Rather ironically, it's the old, the majority of whom don't have to work and go into the office, that are most in favour of returning to a physical place of work. Never has the generation gap been so well summed up!

Our view on selling to this group? It depends on your product or service. Of our clients we suspect that Hyperoptic might have more success than David Lloyd Leisure.

Chart 10

25 million can spend and are spending

Before readers hold their heads in their hands and despair having read the paragraphs above, let us be clear. There are plenty of consumers still spending hard, and many are going out to do things IRL.

Those unhappy (and not spending) are all alike and the happy and spending are doing so in their own ways.

The easiest group to identify are the retired as life has changed a bit, but not much. They didn't gad around a lot before, and their income hasn't changed. If anything, they have tried new products and services as a result of being forced to adopt new behaviours. Much of the growth in e-commerce penetration has come from this cohort.

Also, don't forget the pre-family life stage. Those still in work have the means, and definitely the desire, to compensate for the things they can't do by trying new stuff. Anecdotally clients who have traditionally appealed to (and price pointed at) family audiences, are seeing younger audiences arrive. We know of one UK staycation company who has seen the average age of guests drop by more than a decade this year.

Our advice on audiences this autumn

Take time to review who you are going to target. Don't just assume your historic core audience will still be able to, or want to, buy from you.

As a shortcut, think about three groups:

1. Young and hedonistic but relatively broke
2. Middle aged worried families
3. Old affluent and guilty

Failure to focus on this could cost you dearly. Many audiences are still living in a cycle of virtual fantasy, planning trips or purchases that will never come to fruition. Including the wrong segments could generate response and cost, but not conversions and revenue.

4. Channel mix

The channels that were effective in 2019 may not be so in 2020

Media channels, like audiences, were never equal. Back in 2018, Ebiquity and Gain Theory took more than 2,000 client econometric models and built a meta-analysis of the short and long term returns from advertising investment in each of the major media channels.

As chart 11 below shows, they found that, pound for pound, investment in TV delivered the best returns, both in the immediate short term, and over a longer three-year period. Of the traditional analogue media, OOH delivered the poorest returns. The changes we have seen in 2020 exacerbate these differences.

Think in-home, rather than out of home

For the last six months, media that are consumed in-home have thrived. Those that rely, even in part, on a journey out of home have suffered. As we emerge from the chrysalis of lockdown some of the worst gaps are beginning to close, but just as a butterfly is not a caterpillar, some media channels will never be the same.

TV, VOD, search, online display and Mail are all doing well...

TV has had a good lockdown and continues to perform well as we emerge back into the world beyond our living rooms. At the height of lockdown, we were watching about 20% more hours of TV each week than at the same time last year. The biggest gains came from those who didn't usually watch TV, with the lightest viewers watching over 50% more. Nowhere was this more obvious than in daytime. With no commute for all, and no work for many, this freed up time for the well off and the young to watch up to 80% more before 5.30.

At the end of August these gains have subsided a little. We are now watching slightly less TV than last year - a matter of 9 minutes per day, but more of us are watching. It seems that the light viewers brought in by lockdown have kept their habits formed over the more than 66 days it takes to engrain them.

The young have been the first to desert TV, mostly for the real life of restaurants and bars. Chart 12 shows year on year changes in viewing comparing early lockdown to the recent post lockdown period. In lockdown, we all watched more. Now, the 16-34's and marginally children and parents have lost those gains.

TV viewing patterns still resemble those of the 1970's more than of 2019, with more of us watching in groups again, and fewer on our own on separate screens. The schedules for autumn may also resemble the 70's, with more game shows and light entertainment and less drama.

Weekly reach has grown for all of the major channels, helping performance advertisers for whom 1+ reach is a key metric drive effectiveness. Another big help for performance advertisers is the continuing high levels of viewing in daytime. Each week is like Christmas- delivering near peak reach levels even during the day (see chart 13).

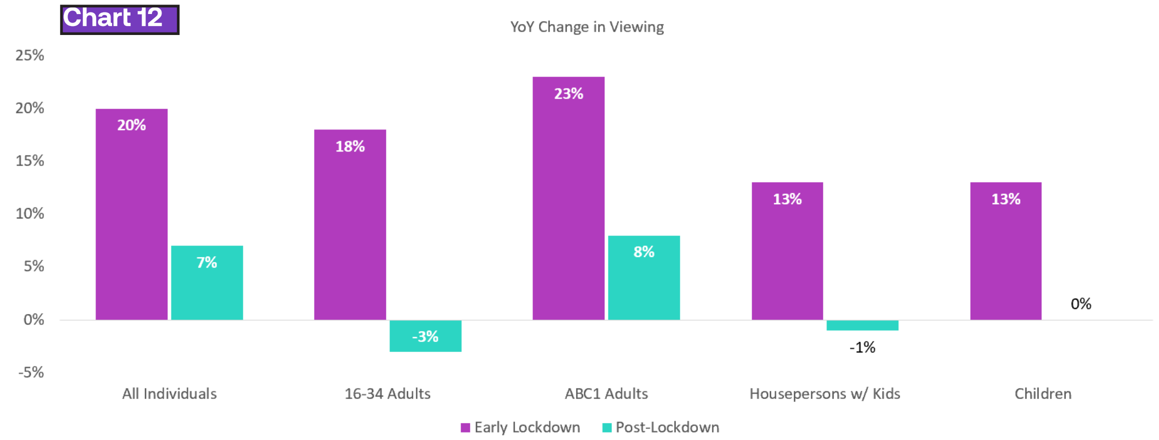
TV has been the big volume driver of effective growth for the majority of our clients this last six months, and we expect it to continue this autumn. There is a double bonus in that costs of production and lead times to air have both fallen. The revenue shock has been a wake-up call for the media owners, and they are far more supportive of new or returning advertisers, and keen to ensure that barriers to any spend are removed.

Chart 11

		Total Ad-Generated Profit (Within 3 years)			Short-term Ad-Generated Profit (Within 3 – 6 Months)			
	% of Budget	% of Profit	Av. Profit ROI	Profit Likelihood	% of Profit	Av. Profit ROI	Profit Likelihood	Campaigns
TV	54%	71%	£4.20	86%	62%	£1.73	70%	1,280
Print	23%	18%	£2.43	78%	22%	£1.44	61%	980
Out of Home	8%	3%	£1.15	48%	3%	£0.57	19%	580
Online Video	6%	4%	£2.35	67%	5%	£1.21	52%	158
Radio	5%	3%	£2.09	75%	5%	£1.61	62%	540
Online Display	4%	1%	£0.84	40%	2%	£0.82	37%	330
All Media	100%	100%	£3.24	72%	100%	£1.51	58%	1,954

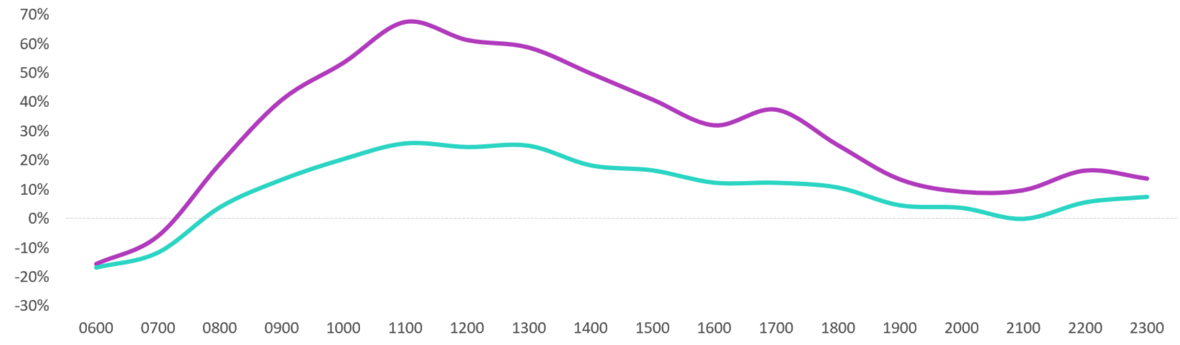
Source: Challier et al., Profit ability: The business case for advertising, 2018

Chart 12



Source: BARB, %age change in time spent viewing Live & VOSDAL TV, *Early Lockdown* refers to 23rd March to 10th May, and *Post-Lockdown* refers to 15th June to 16th August

Chart 13



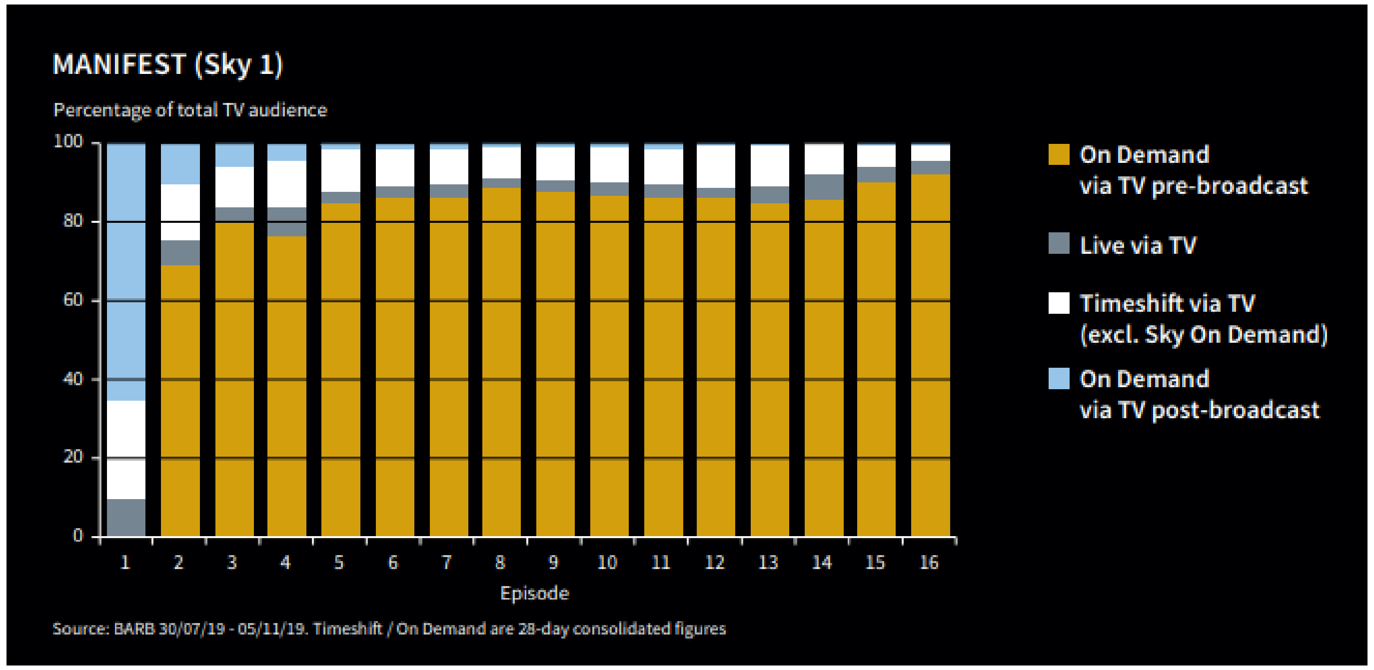
VOD

Broadcaster VOD and Subscription video on demand have been two of the really big winners in lockdown. Disney+ could not have picked a better day to launch in the UK - the day after Boris told us all to stay at home. By June, they had signed up 4.3 million subscribers and withdrawn their free trial offer.

12 million UK adults subscribed to a new SVOD service during lockdown. We are now used to having hyper-premium content at our fingertips and have become a nation of bingers, gorging ourselves on the very best TV whenever it suits. And this phenomenon has affected BVOD too - Sky reported that general TV set viewing was up 17% YoY in July but viewing of their on-demand content was up by a whopping 42%. This confirms that the growth in BVOD viewing has outstripped the growth in linear TV viewing, and it appears this behaviour change is here to stay – in part driven by the increased penetration of smart/connected TVs. Broadcasters have successfully experimented with making entire series available to view their BVOD platform as soon as the first episode has aired.

Chart 14 below shows the viewing patterns to Sky One's Manifest. It averaged over 90% of its viewing 'pre-broadcast' once it was made available on demand.

Chart 14



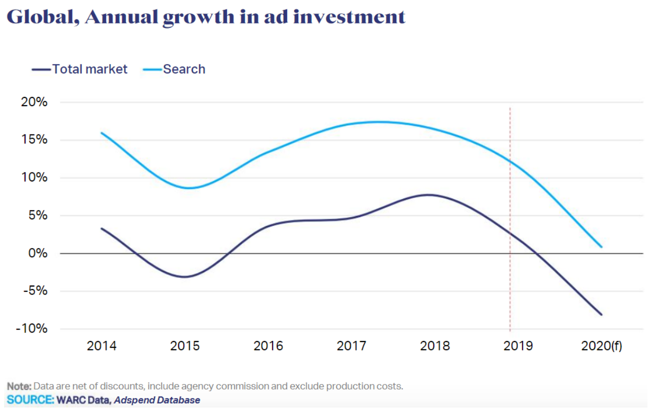
It seems that when viewers are given the option of viewing ahead of the traditional live broadcast, they choose to do so, and it's therefore likely that broadcasters will continue harnessing this trend to avoid falling foul of our ever-shrinking attention span.

Discount levels this autumn will not match those offered on broadcast TV, but the incremental reach that BVOD offers means it deserves a place on most major DRTV schedules.

Search

Search has been hit but hit less hard than other channels. As of June, UK search revenues were back up year on year, proving that it will continue to grow its share of all media spend, if not of all digital media spend this year (see chart 15).

Chart 15



Search patterns have always been leading indicators of real-world behaviour patterns. Not surprisingly, they have changed dramatically this year. We see fewer searches for travel and for luxury goods, more for personal health, and many more for local or neighbourhood services, reflecting the reality that our local community has become more important for all of us (see chart 16 below).

The last thing we would draw attention to in search is the relatively new discussion around Share of Search. The relationship between Share of Voice and Share of Market has long been well established (for every 10% gain in SOV/SOM a brand typically gains 0.5% market share), it transpires that there is a similar relationship between Share of Search and Share of Market.

Chart 16

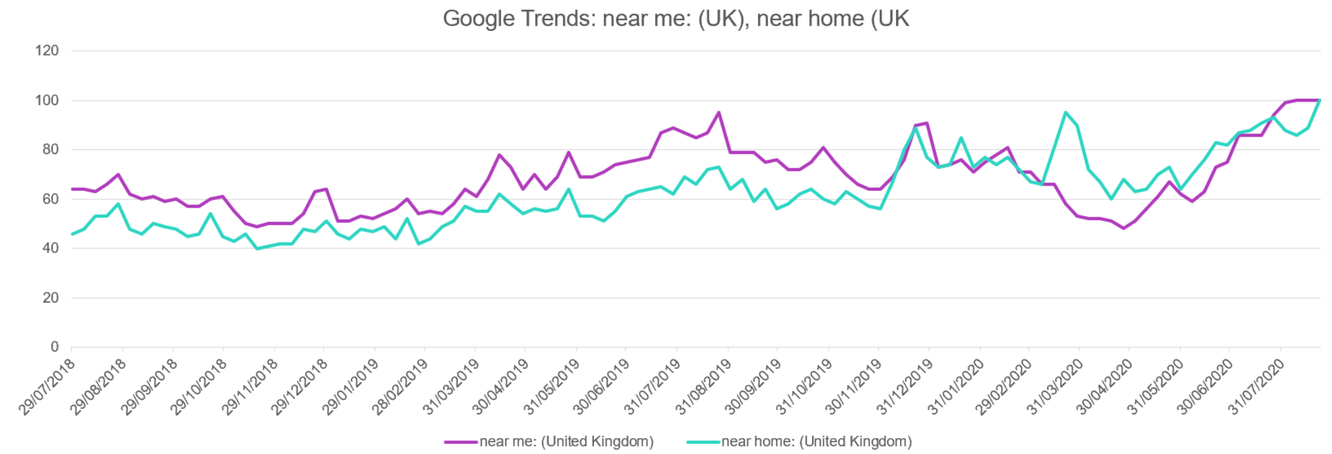
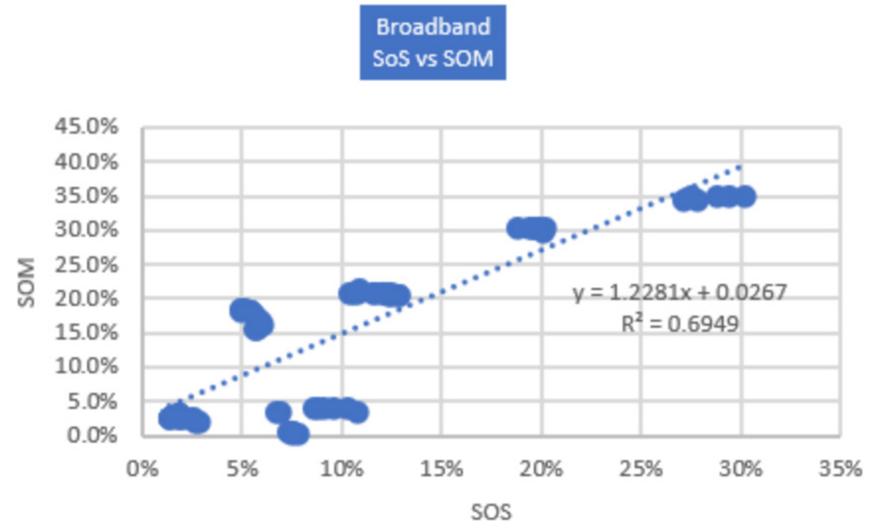


Chart 17



The formula in this case is:

$$\text{Share of Search (SoS \%)} = \frac{\text{12 Month rolling average search index (against a constant base)}}{\text{Total competitor set 12 Month rolling average}}$$

The example on chart 17 is for the Broadband market, and shows a correlation of 0.69.

The outcome here is clearly not a reflection of investment in search, but the efficacy of (normally) offline investments that drive the search volumes - a new and useful metric to aid effective returns this autumn.

Online display

The good news for advertisers is that since lockdown, we are spending c.18% more hours per day online (ComScore MMX April 2020) which means more digital display advertising inventory is available.

Most display is sold programmatically now and faces a threat to effectiveness from withdrawal of third-party data from the market as GDPR is implemented across the online ecosystem. We have a range of solutions to ensure this very effective channel continues to drive growth for clients. These include building first party datasets; making greater use of contextual opportunities; and geo targeting.

We were led to this latter opportunity by a global report from WARC in 2019 which highlighted the effectiveness of geo-targeted programmatic display. Tight geo-targeting, ideally combined with dynamic creative drove increased effectiveness for advertisers in Russia, USA and Germany.

We tested this strategy, setting up a geo-targeted programmatic display test for each location of our clients' 100+ local physical stores, and quickly found very effective results which has led to scaled investment. It produces new customers at c.50% of the CPA of other media, and at three times the response rate of an equivalent national campaign.

So, our advice? If you are returning to local advertising as lockdown eases, or if you want to accentuate local messaging within your media mix, don't just default to historically effective channels like OOH, local press and radio. Do consider testing programmatic display, with tight geo-targeting and dynamic creative as part of the media mix. It may reach audiences and generate growth that is not available elsewhere in this new changed world we live in.

Mail

One of the biggest winners has been the medium Boris chose to use to tell us to stay at home, all those weeks ago. Data just released by JICMail (the Barb for Mail) has shown just how important mail has been to us these last few months. Addressed mail and door drops have always provided a small moment of calm to speak to consumers in these rushed days of swiping left or flicking through channels and that is even more true now.

In the last quarter, we have shared our mail more; re-read it more often and kept it for longer. So much so that the letter Boris sent to 27.8 million households was read 117 million times. That's 45% more impressions than a typical government letter would have generated in Q2 2019.

It's not just government gaining. Interaction rates with mail from sectors as diverse as Telecoms and broadband providers; travel companies, and utility providers all grew by between 14% and 23% year on year, proving we've all become much more engaged with what's coming through our letterbox.

80% of us now open all of our mail, including all the door drops and pure advertising mail, compared to 69% in the same quarter last year. We're also sharing and discussing the mail we receive with others more often (up by 13% vs last year), resulting in many more commercially valuable outcomes (likeliness of purchase or donation is up by 20% and website visits up 60%) as a result of receiving a piece of mail. As a result, we are keeping mail for longer- up to 68% longer, giving us the opportunity to return to it again and again over a typical 9 ½ days.

This autumn we would recommend looking again at door drops, and possibly partially addressed mail as a means to drive effective outcomes and not merely efficient outputs.

Newspapers, magazines, OOH, radio & social are faring less well...

Newspapers and magazines

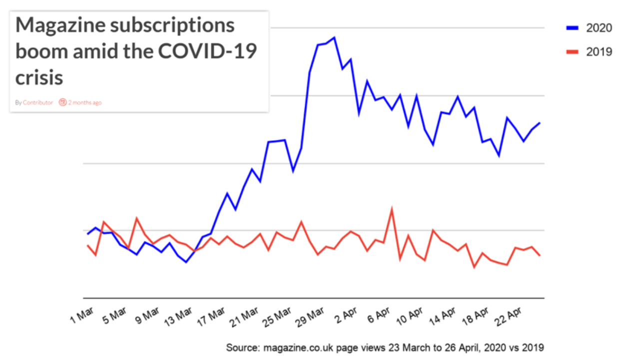
Circulation and readership of printed copies of newspapers and magazines have suffered very badly in lockdown, and just how badly is not being conventionally revealed. The ABC data (Audit Bureau of Circulation) that the industry has relied on for circulation data since 1931 has seen many titles withdraw their data. That in itself tells us something.

YouGov gives us some sense of scale - 46% of us read a daily newspaper in a typical week last August. This August that's down to 38%, a fall of 15%. Sunday papers and printed magazines tell a similar story - some audiences have moved online, but typical reach has only grown by 1-2% in the same period.

Where we have seen growth is in volumes of subscribers. Chart 18 below shows traffic to Magazine.co.uk in March & April this year. Anecdotally subscriber volumes have continued to climb.

We see a very bleak future for newsstand print copies of newspapers and magazines. We are almost at a tipping point where it's not profitable for supermarkets and CTN's to give shelf space to them, and it's not cost effective for titles to continue to print on a sale or return basis. We strongly advise, if you have print advertising as a core revenue driver, testing away from this dependency this autumn.

Chart 18



Source: Whats new in publishing/Jellyfish

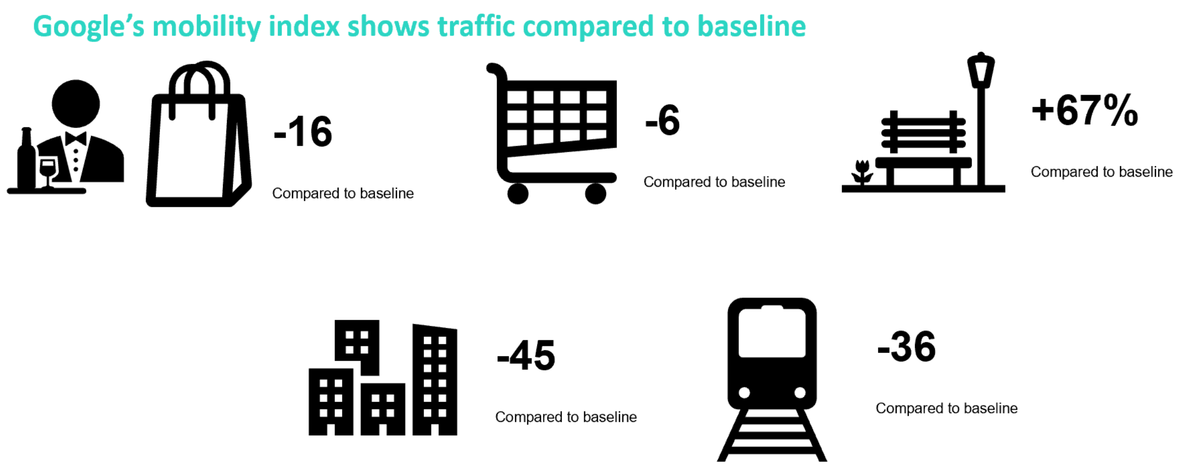
OOH

The OOH market may not be totally dead, but it is badly wounded. The clue is in 'Out of Home', which many of us still are not, or if we are, it's in a different way. Essentially, think local.

Media owners in this space point to Google mobility data (chart 19) that says we are all out and about again, however we point to data that says very few of us are using public transport, and are not going into cities, especially into London (chart 20-21 overleaf).

Our strong recommendation on OOH this autumn would be to use it only for tactical local campaigns, or in suburbs.

Chart 19



Source: Google Mobility Index August 2020

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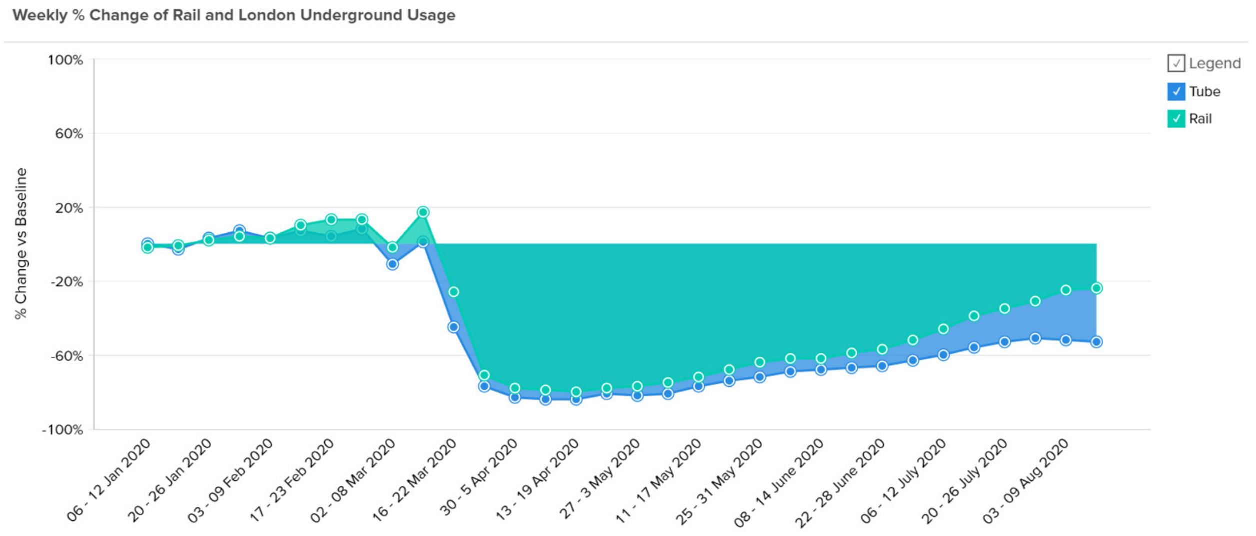
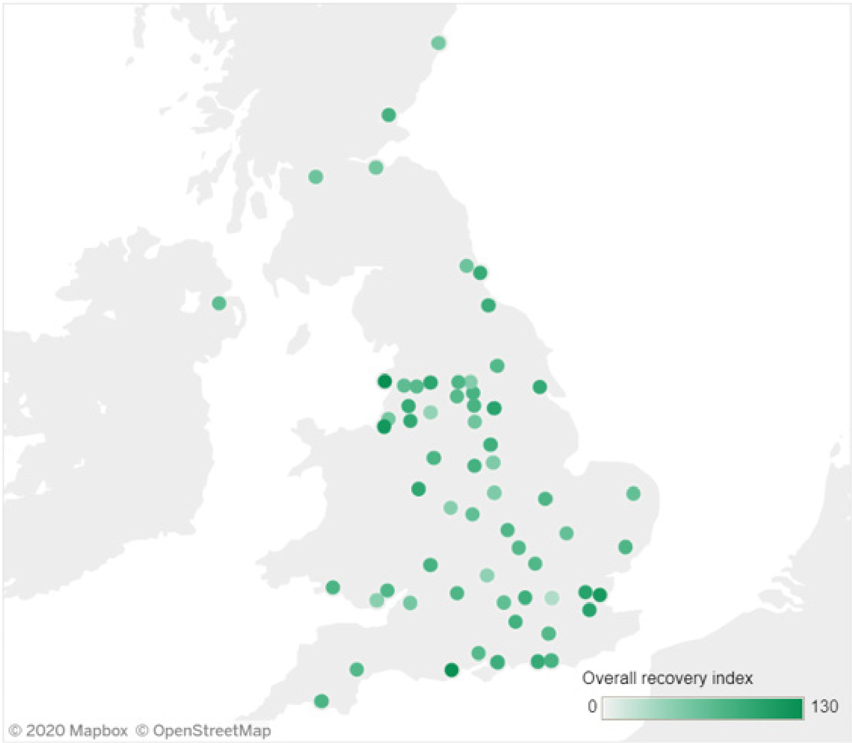
Chart 20



Source Talon ADA - https://talonoutdoor.com/ada

Chart 21

Mapping city centre recovery



Footfall

Top 10

Blackpool	130
Bournemouth	128
Birkenhead	118
Southend	115
Basildon	103
Chatham	103
Doncaster	102
Burnley	100
Telford	98
Warrington	97

Bottom 10

Bristol	56
Aberdeen	55
Leicester	51
Nottingham	51
Leeds	49
Birmingham	47
Cardiff	46
Oxford	43
Manchester	41
London	28

Spend

Top 10

Bournemouth	117
Southend	101
Burnley	110
Middlesbrough	129
Aldershot	113
Brighton	107
Gloucester	103
Wakefield	105
Barnsley	105
Blackburn	102

Bottom 10

Milton Keynes	68
Cambridge	69
Newcastle	65
Sheffield	66
Edinburgh	63
Bristol	72
Leicester	43
Oxford	49
Manchester	64
London	50

Social

The last channel we comment on is in many ways the oddest. Social media and especially Facebook are a mass of contradictions. We have shifted our time spent on social on small screens out of home when travelling to time spent on the same small screens at home. Over the last while we have, on average, spent another 20% more time with social media.

However, just because people are spending more time in the Facebook ecosystem including Instagram and messenger doesn't mean pricing has dropped significantly. Whilst there was an initial drop in CPMs, this quickly bounced back as e-commerce accelerated and marketing teams redeployed experiential budgets. The number of advertisers in fact increased and some sectors became more competitive than ever making optimal creative execution vital.

Using our creative versioning offering we have helped several clients increase their engagement rates and ultimately lower their CPAs by creating content that was ideally suited to different platforms and tailored to target audiences with imagery and videos that maximised resonance.

However, even with optimal content and campaign setups, Facebook like other channels does reach a point of diminishing returns and this is when we help clients reach new audiences and diversify their marketing mix to include Pinterest, Twitter and TikTok. These platforms have been especially strong at delivering mid funnel KPIs for younger demographics.

Our recommendation for Social is not to fall into the trap of thinking that because something is potentially simple to setup that it doesn't require the same level of thought and attention to gain cut-through and deliver the best performance. Thinking about user centric execution and adding motion to imagery to boost dwell times in newsfeeds will optimise your mobile site usability.

If you remember and act on just three things...

1. Around 75% of you should be investing in media to drive short term performance and cash flow this autumn. Consumers are adopting new behaviours, products and services in numbers that have brought ten years of change to many markets this year. If you aren't acquiring new customers, who is acquiring yours?

2. Think very carefully about who can afford to; is prepared to; and in the case of physical products and services IRL, is brave enough to buy from you this autumn. It may not be the audience you have sold to these last ten years.

3. Think equally carefully about where you invest. Like everything else in this strange world, the dynamics of all the media channels have changed. Some offer new opportunities; some fewer opportunities; and some are burning platforms. There will not be a cheaper, and more flexible time to test than now. Prevaricating will leave you with the same problems to solve come the spring, but the answers will be more expensive.