

BOZELL.COM/THINKING

thinking

2016 • Issue 2



THE **WAR** on **ADVERTISING**





THE WAR ON ADVERTISING

- 4 **A LOVE-HATE RELATIONSHIP**
The likes and dislikes of different generations.
- 6 **CONTENT IS MORE THAN KING**
How to better connect with your audience.
- 8 **THE AD BLOCKADE**
How to infiltrate and outsmart ad blockers.
- 10 **BASIC TRAINING**
The secret to winning the war on advertising.

Thinking is a collection of our knowledge, musings, tidbits, pretty drawings and any other information that helps businesses create successful marketing efforts. Thinking is entirely produced by the big-time thinkers at Bozell in Omaha, Neb. You can view these articles as well as more thinking at bozell.com. Questions or suggestions? Email thinking@bozell.com.

DEEP IN THE TRENCHES

★ DAVID MOORE, CREATIVE DIRECTOR ★

SO WHAT'S AN AD AGENCY TO DO?

In case you hadn't noticed, there's a war on advertising. Ad blockers, satellite radio, DVR skipping, ad fraud, and general outrage across the land. Everybody loves to hate advertising.

It's gotten so bad, ad agencies are embarrassed to say they do it. They're now "brand storytellers," "experience engineers," or even a "fan factory." Seems like consumers happily accept "free" content while actively trying to thwart it.

Some of this disdain for our livelihood is, unfortunately, well deserved. Advertising has traditionally been built on a model of repetition and interruption. And boy, has our industry gotten good at repeatedly interrupting. Throw in a little fraud, a dollop of misleading claims, and you've got a hot mess.

Take up the good fight in the war on advertising, that's what. Advertising is a noble business – the grease that lubricates our economy. As an old boss of mine used to say, "nothing happens until somebody buys something." Let's not forget that most of Silicon Valley's accumulation of wealth is built on advertising.

To fuel the fight, this issue of Thinking is dedicated to the war on advertising, giving us some insight into what we can do to win the righteous cause.



Globally, \$21.8 billion in ad revenue was blocked in 2015.

- PageFair



ADVERTISING

A Love-Hate Relationship

| KIM MICKELSEN, CEO |

The myth perpetrated is that people HATE advertising. Fueling it lately is the heavy media coverage on the rise in popularity of ad blockers. But contrary to popular belief, people don't categorically hate advertising. (If they did - enough to make it ineffective - then no one would advertise.)

Some even enjoy ads. Think about all the people you know who watch the Super Bowl or the Oscars just for the advertising. And what about those previews shown before movies, and those signs outside of gas stations announcing fuel prices? Those are ads, but rarely seen as such. That's because people find them informative, helpful and engaging.

People don't hate advertising. They hate being annoyed. They hate being rudely interrupted when they are trying to do something else. And they hate irrelevance. On the flip side, people love being entertained; they love being informed and feeling

"in the know." They also love great stories and interesting characters. And sometimes those are advertisements. Flo the Progressive Girl has more than five million Facebook fans, and Dos Equis' The Most Interesting Man in the World is a popular meme.

Consumers understand that advertising subsidizes the content they enjoy, so they will tolerate and even engage with advertising if it is designed for the context in which it is being viewed, as well as the sensibilities of those viewing it.

But make no mistake, there are things people hate about the way some advertising is implemented. Top of the list is that no one likes to feel manipulated or unduly influenced. There's evidence to suggest that we respond negatively to naked attempts at persuasion. We don't like to feel like our personal information is being misused or abused. We don't like big, bulky ads that interrupt and slow down our online experience. In that vein, the industry has come a long way. But we have a long way to go to get to ad nirvana.

Today, as in the past, the best advertising is ingenious at leaving impressions. Even then, it is not the ad that matters. It's the ideas, impressions and positive feelings about the brand that matter.

Super Bowl Ads
★ BFFs 4EVR ★

LIKES AND DISLIKES BY GENERATION

GENERATION Z 14-18 years of age
Population: 23 million

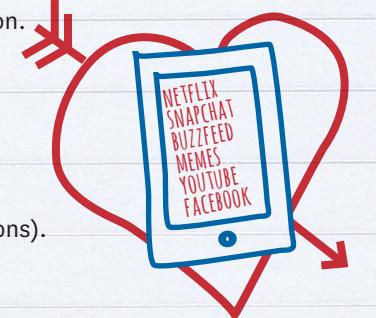
PRE-ROLL SUX!!!

- Engage most with high-energy/action, aspirational themes and celebrity endorsements, as these resonate more strongly with them.
- Loath intrusive, repetitive and stale ads.
- Don't like unskippable pre-roll, especially on mobile.
- 28% of this demo uses ad blockers.

Millennials 19-32 years of age
Population: 71 million



- Consume media differently than their older counterparts, exercising greater control over when and where they watch, listen and read content - and on which device.
- Show the highest levels of trust in advertising formats/channels, including TV, newspapers and magazines, and they're also the most willing to take action.
- Because they came of age with the Internet, they have the highest levels of trust in online and mobile formats.
- Love good, original content and stories.
- Don't like pop-ups ads, especially unskippable mobile app video pop-ups.
- Most receptive to sponsored content.
- 37% of this demo uses ad blockers (the highest percentage of all generations).



Generation X 33-49 years of age
Population: 81 million

HEY, LOOK AT ME.

- Among the most influential generation, but it's also somewhat forgotten (aka: America's "middle child").
- Avid consumers of content online. Three-quarters do so when on social media, and almost one in three consume content posted by brands or companies.
- Many feel like their generation is often forgotten about by advertisers.
- More likely than Millennials or Boomers to purchase a product from a brand whose advertising is specifically targeted at their generation.
- Respond well to messages around kid/tech dilemmas and bonding moments, as well as nostalgia with a deeper purpose and chin-up inspiration.
- Not fans of unskippable pre-roll.
- 24% of this demo uses ad blockers.

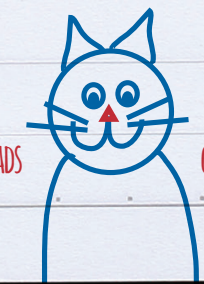


Baby Boomers 50-68 years of age
Population: 65 million



- Not big fans of online banner ads, but they are the most likely demo to click on an online ad by accident.
- Least likely generation to feel that advertisers have overlooked them.
- Facebook is their main platform for video consumption.
- Least receptive to sponsored content.
- Pet-centered ads have greater appeal for older consumers.
- Dislike mobile ads.
- 22% of this demo uses ad blockers.

CAT VIDEOS vs. MOBILE ADS



CATS WIN EVERY TIME



HOW TO BETTER CONNECT WITH YOUR AUDIENCE.
 | BY JACKIE MILLER, CMO |

No matter their age, no matter where they go to do it, before consumers purchase or engage, they do their research to better understand a product or brand.

People don't simply believe what a brand says. They hunt for information. They gather, consider and develop relationships. Most of us have heard the Bill Gates quote, "content is king," but it isn't just content anymore. It is quality content in the right place at the right time.

Everything is a channel now.

Communication has shifted fundamentally. Brands used to control the message. Now there are full-on conversations and community development. Because of this, consumer expectations have changed, too. They expect more than just disruptive sales messages. They expect value beyond the product or service.

HOW DO YOU MAKE SURE YOU'RE PROVIDING THE BEST CONTENT POSSIBLE?

The first step is understanding that there are three popular areas of content consumed by all audiences:

UTILITY. Provides tangible value for a consumer's life. This can be calculators, calendars, weather, FAQs, etc.

ENTERTAINMENT. Provides a brain break, a good laugh, a good cry or an emotional connection. This could be a video, a song, a meme or an image.

EDUCATIONAL. Provides details, explanations and real-time, relevant alerts. This could be news, statistics, scores, tips, or how-to videos.



KNOW WHAT KIND OF INFORMATION YOUR DEMOGRAPHIC IS GATHERING.

TYPES OF DIGITAL CONTENT CONSUMED BY U.S. INTERNET USERS, BY GENERATION, NOV 2015

	MILLENIALS (18-34)	GEN X (35-54)	BABY BOOMERS (55+)
Music	57%	39%	19%
News	42%	52%	55%
Weather	41%	51%	54%
Food and Cooking	39%	34%	26%
Technology	29%	22%	11%
Sports	28%	30%	26%
Health and Wellness	26%	25%	20%
Travel	19%	21%	19%

NOTE: VIA ANY DEVICE IN THE PAST MONTH. SOURCE: YAHOO, AUDIENCE THEORY AND IPSOS. "GEN X: AMERICA'S MOST INFLUENTIAL GENERATION," FEB 26, 2016

YOU NEED TO GENERATE CONTENT THAT IS USEFUL AND RELEVANT.

Content provides marketers with unique ways to connect and prove we value more than just sales. The content we create can (and should) show that we value our customers.

Consumers expect value beyond product or service.



When approaching any and all communications with a consumer, everything is a channel now. Rather than just mass media, it's people and reviews and videos and images and memes. Keep in mind a user's purpose and provide content in various forms to allow him or her to connect and appreciate the role you play in providing them with what they care about most.

Ask yourself 10 questions when creating content:

- What is the consumer's purpose for seeking out the content?
- What will this content DO for them, not you?
- How will they experience it?
- What will bring them to it?
- When is it relevant?
- Why should they share it?
- Who are the people who would value it the most?
- Is it as concise and authentic as it could be?
- Where does it live and why?
- Would you choose to spend time reading, watching or engaging with it?

Consumers expect more, just as you expect more from them. If you want them to engage, communicate, recommend and advocate for you, provide them with content that is not only worthy of their time but demonstrates you are willing to put in the effort to create a relationship, not just a sale.

| ROBIN DONOVAN, PRESIDENT |

The Ad Blockers

How to infiltrate and outsmart the ad blockers of the world.

If you've ever searched the Web for a specific item, only to be intercepted by an ad that threatens to move you to another page before you've even started to read, you can understand the growing adoption of ad blocking.

But what exactly is ad blocking?

Ad blocking removes different kinds of advertising from a Web user's online experience. These programs target ads such as pop-ups, banner ads and other common forms of online advertisement, allowing a user to surf the Web without annoying distractions or interruptions. Great for surfers. Not so great for advertisers.

How big of a deal is it?

Ad blocking is having a significant impact on ad revenue. PageFair and Adobe's 2015 Ad Blocking study tells us that globally \$21.8 billion in ad revenue was blocked in 2015, representing 14 percent of the global

ad spend. The projected number for 2016 is \$41.4 billion. We also know from the study that 16 percent of the U.S. online population blocked ads during the second quarter alone in 2015. That's a lot of lost eyeballs!

To really put the volume into perspective, a staggering combined total (between Chrome, Firefox and Safari) of 198 million average monthly active users are availing themselves of ad blocking. And, as per usual with the Web, youth is leading the way with 37 percent of millennials already using ad blockers.

All of this combined proves that there is a definite hurdle facing digital marketing, and it will only continue to become more challenging. It almost leads to the question:

37 percent of millennials use ad blockers.



Will digital advertising cease to exist?

Not likely. Though ad blocking may make surfing the Web less annoying, it has prompted publishers to open dialogues on what they're calling the "value exchange" – which, simply put, means content has value and that value has to be bought or earned (for example, the idea of enjoying free content in return for viewing ads).

Unfortunately, infrastructure and Web content, which we've come to rely on so heavily, don't just create themselves. That takes time. And time, as we know, is money. Consumers don't want to pay for their Web content, nor do publishers. So who's going to pay for the content? Marketers are happy to, but they want value in return. And when ad blockers take away that return, it becomes a problem.

So now the big question is, what can marketers do to combat the challenge of ad blocking?

The first thing to remember is that, while a lot of people are using ad blockers, a lot of people aren't. Those are the people we, as marketers, need to focus on.

It's imperative we refine and target our audience as much as possible. And the good news is that the digital arena is the perfect place to do that. Between SEO and social platforms, we have the ability to focus in on our ideal audience – based on demographic, geographic and even psychographic triggers. By narrowing in on this preferred audience, even if some have ad blockers, at least the people who do receive our message will be the people we want to reach. You'll be spending your money as wisely as possible.

To take that one step further, because ad blocking has made

honing in on your target audience so important, another great strategy is remarketing (aka: retargeting). Remarketing is basically positioning ads in front of people who have recently visited your site. They see these ads on other sites as they surf the Web. These campaigns tend to be much more successful because the audience has already shown interest in your company. Again, more bang for you buck.

So, the moral of the story is, there's really not much you can do to stop ad blocking, but you can be smarter with your dollars. As diligent and dedicated marketers, it is our responsibility to stay informed and monitor our campaigns closely. We must be knowledgeable about alternate means of building effective digital marketing campaigns, and we must be ready to turn on a dime when ad blocking threatens to turn our targeted, niche buys into the wasteful mass market campaigns of days gone by.



HOW CREATIVE CAN WIN THE WAR ON ADVERTISING

| BY DAVID MOORE, CREATIVE DIRECTOR |

So, surprise. People (your customers) hate ads, and actively seek to avoid them. And this is supposed to be news?

True, the drumbeats have been getting louder, and the tools to avoid ads are smarter every day.

So how can those of us who create advertising (or as some now call it, "content") reach an audience that doesn't want to be reached, and is telling us so in no uncertain terms?

Rather than look for the latest technological sleight of hand to fool consumers (branded content, clickbait, surveys, interruptive stunts, product placement, etc.), let's look back at the basics – and take a lesson from Howard Gossage who sagely said **"PEOPLE DON'T READ ADS. THEY READ WHAT INTERESTS THEM, AND SOMETIMES THAT'S AN AD."** It's our job as advertising creative to interest them.

1. Start with the audience. There's a very simple way to do this, although it can be counterintuitive to many clients. Start at the end. Rather than begin with what you as a marketer want to say and what you have to sell, start with what your audience wants or needs to know. Remember, demographics can be deceiving. "College educated females age 55+" includes both Hillary Clinton and Caitlyn Jenner. Only when you really know who you are talking to can you craft a message that is relevant. And relevancy is currency.

2. Understand the context. Where and how will the audience engage with your message? If you try to push the same lame catchphrase and graphic across every medium, you're going to announce loudly and clearly "I'm an ad! Avoid me!" Campaign continuity comes from having a consistent tone and message, not the same trademarked tagline and color combination. If the ad is designed to appear on mobile devices, it's going to be very different than an ad on a Web page. If it's on the side of a bus, speak to the driver of the car passing by (or stuck behind it). Context is everything.

3. Have an insight. Don't leave it up to the client, the account team or your agency strategist (if you're lucky enough to have a good one) to spoon feed you everything. There's a chance they could be misguided or just plain wrong. Everybody has their own agendas – yours should be to make work that resonates with the audience. So study them. Know their behaviors, desires, actions. Watch for purchase triggers and body language. Are they bold and decisive? Hesitant? Do they look pleased when they buy? Or resigned? **DON'T JUST DO INTERNET RESEARCH; GO WATCH YOUR CUSTOMER IN ACTION.** You will learn more in 30 minutes of observation than you will in three days of Google searches.

So what's the key to winning the war on advertising? Mad Men's Don Draper said it well: "If you don't like what's being said, change the conversation." Stop making ads people hate and start making communications they want to hear.

"IF YOU DON'T LIKE WHAT'S BEING SAID, CHANGE THE CONVERSATION."

LOVEABLE ADS

80% TO 85%
OF SKIPPABLE ONLINE VIDEO
ADS ARE SKIPPED.

- Brett Wilson, TubeMogul

SINK SKIPS

BOZ
ELL