

IS DIGITAL MEDIA 'MURKY'?



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Marc Pritchard, Chief Brand Officer, P&G.

\$US400M

P&G cut \$US400 million from digital advertising spend and nothing changed. Frequency and Reach remained as it was prior to the digital slashing.

\$US50B

Online advertising fraud could hit \$US50 billion by 2025, making it the second largest earner for criminal syndicates after the illicit drug trade. World Federation of Advertisers.

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The world's biggest marketer, Procter & Gamble, who spend \$US7.2 billion (\$AUD10.1 billion) annually on advertising globally, has taken an eye-glass inspection on all advertising spend and calling on digital media credibility.

In the past eighteen months P&G have slashed \$US400 million out of digital advertising spend, removing the number of digital vendors from thousands to hundreds, reducing spend with Google and Facebook, and challenged its approach in digital media investment.

P&G's Chief Brand Officer, Marc Pritchard, has publicly commented that P&G is eradicating digital advertising waste. With Pritchard describing digital advertising as "murky at best, fraudulent at worst".

Pritchard is not alone with his position, the World Federation of Advertisers has warned online advertising fraud could hit \$US50 billion by 2025, making it the second largest earner for criminal syndicates after the illicit drug trade, if left unchecked.

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Unilever's Chief Marketing Officer, Keith Weed, was equally blunt in June when he said advertisers who were buying social media "influencers" to promote their brands and services were being gamed by fake followers. ***"At best it's misleading, at worst it's corrupt,"*** he said.

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Keith Weed, Unilever's Chief Marketing Officer.

Media investment is no longer sitting with the CMOs but also moving to all c-class discussions with P&G's Chief Financial Officer, Jon Moeller taking a hands-on approach to the media cuts, reporting that P&G have cut its marketing spend by 6 per cent in the past year through 'cutting waste' in media and the use of more effective media channels. Despite making these cuts in digital advertising the consumer goods giant has not diluted its market presence or value, rather it's delivered a better quarterly performance in five years.

"Our total (media audience) reach and frequency (from advertising) were probably up in the quarter," Moeller said. "The total marketing spend required to achieve that reach and frequency, and deliver that growth and market share gains was down." In short, removing \$US400 million from digital advertising spend has had zero impact on P&G's reach and market presence, in fact increased Reach.

As more and more brands are reviewing their media investment and the results delivered from that investment we are seeing a correction as the established medias versus new medias debate is becoming more balanced. 2020 should see marketers approach their marketing plans with a tool-box thinking - for each application they'll select the appropriate tool for the task.

Source: 1. 'P&G sorts out 'murky' media', Paul McIntyre, Financial Review, 29/10/18.

2. 'When Procter & Gamble cut \$200 million in digital ad spend, it increased its Reach 10%', AdWeek, 01/03/18

3. 'P&G Cuts Programmatic Ad Spend by 90% Due to Brand Safety Concerns', Paul Dughi, 06/03/18.