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MEDIA IMPACT REPORT

Opportunities for Brands

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The New Normal—Opportunities for Brands

By **Dan Gallagher**, EVP, Brand Strategy + Research

In our last edition of the Media Impact Report, we shared [some trends affecting the U.S. consumer](#)—but what do these conditions mean for brands? Consumers are undoubtedly looking for a lifeline to help them through the current chaos, but it must be in alignment with the radically changed and current understanding of the consumer condition. Brands hoping to extend a lifeline by responding to the new normal may consider the following:

Reflect individual reality. Consumers are increasingly expecting highly customized and tailored brand experiences. They want brands to reflect an intimate understanding of their current condition—for better or for worse—at an individual level. Brands need to see their customers as they see themselves: multifaceted, complex and doing their best to adapt to unpredictable circumstances.

Embrace diversity, equity and inclusion. As brands are challenged to reflect individual consumer realities, the fact that U.S. consumer buying power is more diverse than ever cannot be overlooked. Brands must do more to account for the diverse needs and preferences of the consumer base.

Demonstrate price sensitivity. The threshold for consumers to absorb the rising costs of doing business has been reached, if not exceeded. Brands are facing the moment when the majority of consumers no longer blame higher prices on the

pandemic and global conflict but rather the companies themselves. The data suggests demand and customer retention are at risk—particularly for products and services consumers may feel they can do without.

Highlight novelty and innovation. The current consumer is keen to try something different, making innovation an imperative for brands that want to win (or win back) consumers. Combining innovation with the perception of better value could be a particularly attractive offer in the current environment.

Prioritize value and values. Value is increasingly paramount amid massive inflation, but brands can strive to recognize the importance of values in parallel. Especially for younger consumers, issues related to climate change, systemic racism and economic inequality weigh heavily on their decision making.





Consider affordable luxuries. Many brands and consumer-goods companies are banking on what is sometimes called "the lipstick effect"—the idea that during recessions people buy themselves affordable treats such as lipstick or chocolate as they pull back on big-ticket items.

Facilitate trading down. Consumer-goods companies girding for an economic downturn are rolling out different package sizes, launching new affordable products and pushing lower priced items in some stores to lure increasingly cautious shoppers. Brands that give customers more options to trade down while remaining within their brand will likely have an advantage.



Adopt solutions orientation. Brands can be a brighter spot in the fog of negativity by connecting to the issues with solutions-oriented themes. Many news organizations are already embracing approaches such as solutions journalism around subjects like climate change, that aim to give people a sense of hope or personal agency.

Become indispensable. Any brand that can demonstrate to its customers that they are not expendable will fare better through the storm of an economic downturn that is amplified by the revamping of the American consumer.



Netflix with Ads: The Time Has Come

By [Robin Cohen](#), Executive Vice President of Integrated Media Investment and Planning

For years, there have been expectations that Netflix would eventually go with an ad-supported option. I remember listening to my favorite media podcast (shout out to eMarketer) after the first earnings call when Netflix reported flat growth. The declaration was made then that Netflix was going to make the call sooner or later, and as a marketer, I'm very glad that time has come.

On November 3, 2022, Netflix's new Basic Service with Ads will launch in twelve markets – including the U.S. In a somewhat surprising move, Netflix named Microsoft as its exclusive technology partner for this new ad-supported offering.

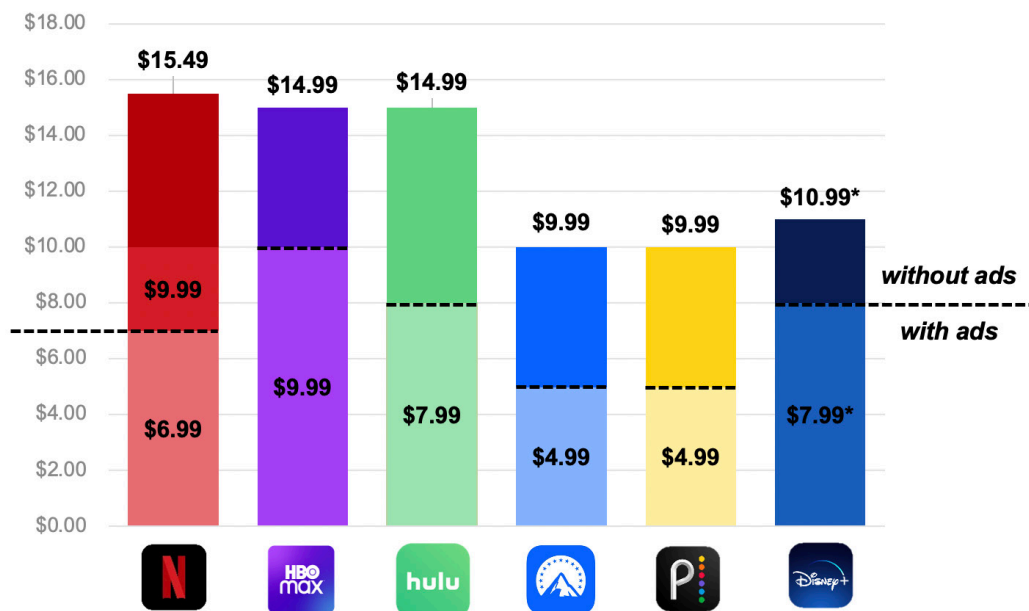
Here is a recap of what we have learned thus far about Netflix's new ad supported tier:

- **Cost:** \$6.99/month (which prices it slightly below Disney+, which is \$7.99/month)
- **What happens to current plans:** No changes. Current plans and members will not be impacted, and the new "Basic with Ads" plan will complement the other existing subscription plans

- **What ad formats will be accepted:** :15 and :30
- **How many ad minutes will be available:** 4-5 minutes/hour
- **Targeting:** the company has stated that targeting will be broad at launch – by country/genre
- **Content:** advertisers will be able to ensure their ads do not appear in content that is inconsistent with brand guidelines
- **Ratings:** Netflix announced a partnership with Nielsen that will launch in 2023
- **Can I download my content in this tier?** That functionality will not be available within this tier

Given the Microsoft partnership, sales of this inventory will be run through Xandr. We are in active discussions with Xandr, and will continue to update our clients on this opportunity.

The Price of Streaming
(monthly subscription costs)





/UPDATES

Advertising Week New York 2022

By [Beatrice Livioco](#), Director of Marketing

Advertising Week New York was abuzz this year with more than 10,000 in-person attendees and nearly 10,000 more streaming online at the hybrid event. Many themes emerged from the variety of sessions in tracks including Advances in AdTech, Audio & Podcasting, Creator Economy, Data & Decisions, Future is Female, The Experience Economy and more.

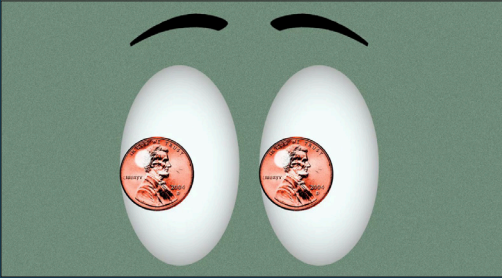
A few key trends from this year's event:

There is still a lot of progress to be made in inclusive marketing. Numerous panels discussed the role of brands in partnering with inclusive influencers across industries. In a panel discussing The Importance of Accurate Asian and Pacific Islander Female Representation, a survey from SeeHer revealed that three quarters of Asian and Pacific Islander (API) women were dissatisfied with the current portrayal of API women in the media landscape today. Another example is that more than 50% of people with disabilities say they are frustrated by brands that treat "people like me" as an afterthought. And 67% of consumers believe that it is important to purchase from companies that celebrate diversity of all kinds. Organizations like Getty Images and Citi are partnering to push for positive progressive portrayals of all people in media and advertising. AMC Networks is partnering with Black creators to highlight art, culture and music as part of the Harlem Festival of Culture. Panels and activations also drove home that women are helping drive meaningful engagement for brands in podcasting.

Strategic partnerships can help amplify brand messages and creative. OOFOS, the global leader in Active Recovery, saw immense growth in brand awareness and sales after strategically pivoting creative to focus on their mOOvers' (their influencers) stories versus just the products' benefits. mOOvers shared their recovery stories featuring OOFOS footwear and the brand sought out partnerships with related sports and events to extend the reach of their mOOvers partnerships. For example, NFL quarterback Derek Carr, who in 2016 suffered from a broken fibula, recently signed on as a mOOvers to share his recovery story after the team's head trainer, Chris Cortez, gave him a pair of OOFOS slides. OOFOS also partnered with his now team, the Oakland Raiders, to continue to grow awareness of the products for their target audiences.

We've officially entered the experience economy. From hybrid and virtual workspaces to the ever-evolving Metaverse, it's clear our version of "real life" is now also happening online. Purchasing decisions are being driven in places like Reddit. Brand engagement is happening across more channels than ever before. A panel on Measuring the Metaverse discussed how brands can engage with consumers in more fun and interactive ways. However, measuring the impact of Metaverse interactions, just like any other marketing channel, will boil down to data and testing. Building a successful Metaverse experience will require clear goal setting and ability to access specific metrics for holistic measurement.

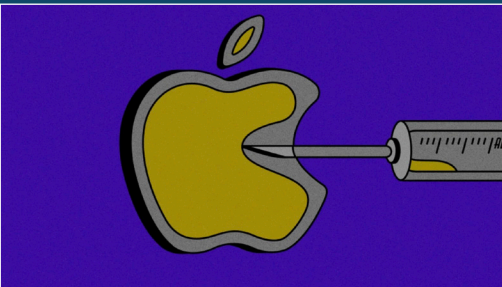
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Need More Guidance?



Steve Miller

Client Development Director

steve.miller@rainforgrowth.com



Robin Cohen

EVP, Integrated Media Investment & Planning

robin.cohen@rainforgrowth.com

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