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A MONTH IN MEDIA

June 2017



GOOGLE HIT WITH RECORD EU FINE

Google has been fined €2.4 billion by the European Commission for promoting its own shopping comparison service at the top of the search results, over those of other price-comparison websites. The fine is the largest penalty to date against a company accused of distorting the market and is significantly higher than was expected. However, Google are currently considering appealing the fine.

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Implications

What will be concerning Google most about this ruling, is that if Google is restricted with Google Shopping, similar anti-trust restrictions may follow across its other services like Android and Maps as two other antitrust cases with the EU are under way.

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MARY MEEKER'S 2017 INTERNET TREND REPORT

The most anticipated slideshow in Silicon Valley. This year's report is packed with information and includes a new section on healthcare. You can access the report via the link, but we have listed some highlights below.



- Voice is beginning to replace typing in online queries. Twenty percent of mobile queries were made via voice in 2016.
- While internet growth is slowing globally, that's not the case in India, the fastest growing large economy. The number of internet users in India grew more than 28 percent in 2016. That's only 27 percent online penetration, which means there's lots of room for internet usership to grow.
- Healthcare: Wearables are gaining adoption with about 25 percent of Americans owning one, up 12 percent from 2016. Leading tech brands are well-positioned in the digital health market, with 60 percent of consumers willing to share their health data with the likes of Google in 2016.
- Global interactive gaming is becoming mainstream, with 2.6 billion gamers in 2017 versus 100 million in 1995. Global gaming revenue is estimated to be around \$100 billion in 2016 with China leading the interactive gaming market.

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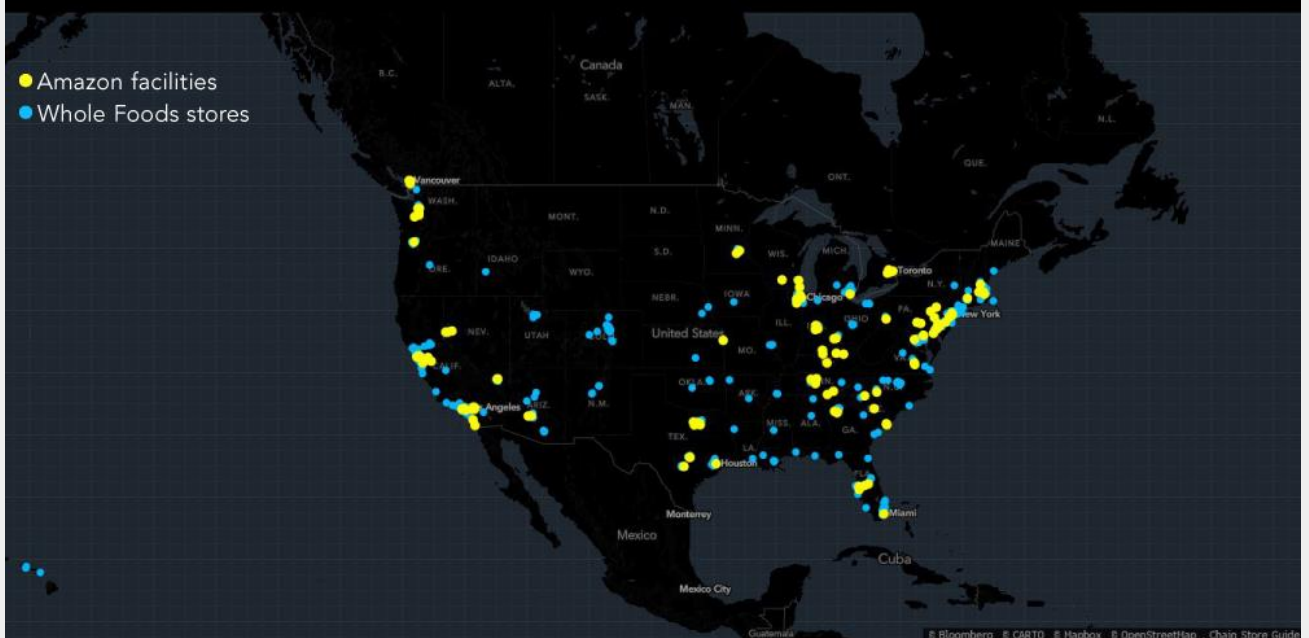


ALEXA “BUY ME SOMETHING FROM WHOLE FOODS”

Amazon announced it would buy Whole Foods Market Inc for \$13.7 billion, in an embrace of brick-and-mortar stores that looks set to shake up the US retail industry. Amazon has offered food delivery through its Fresh service for more than a decade but to date has not made a major dent in the US \$700 billion grocery market. As the news was announced shares in dozens of supermarkets, food producers, payment processors and malls lost at least \$35 billion in value, with Wal-Mart falling 4.7%.

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Amazon's New Footprint



Implications

Supermarkets will not only have to compete with each other but also with Amazon which is not afraid of pricing aggressively. The Whole Foods deal is an acknowledgment that Amazon can't build its own physical footprint quickly enough on its own. CEO Jeff Bezos will try to recast Whole Foods' ailing business, likely starting with upgraded technology, in much the same way the company has upended book selling, retailing, newspapers and other industries.

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MEC @ CANNES

June saw the advertising industry descend on Cannes for the 64th Festival of Creativity. Reflecting current trends in the industry, this year saw an influx of consultants and tech companies. There was a more subdued atmosphere around Cannes this year, with Publicis Groupe announcing beforehand it would pull out of 2018's festival and all other awards for 12 months, and Sir Martin Sorrell saying that Cannes Lions "has lost its focus." However, the core reason for the festival continued to resonate: great ideas that make a difference. Read below for some of MEC's highlights.



MEC'S KEY TAKEAWAYS

1. For brands, data is moving from niche programmes to business as usual, and being used more consistently to help identify the insight, augment the creative process and deploy the work in a personalised way.
2. There have been plenty of papers written on the benefits of a diverse culture in the workforce, but remember the benefits diversity brings to the innovation and creative process.
3. While we test and learn new opportunities, don't forget the fundamentals and as Keith Weed said, whatever you're doing check it passes "the mum and dad test". It has to make sense.
4. Much of the work that won this year is purpose-driven however, the bullet proof evidence for the value of purpose driven marketing still eludes us. Though, one thing is certain, that brands should only embrace a purpose-led approach if they are willing to jump in with both feet.

For a fuller write up, take a look at [MEC@CANNES KEY TAKEAWAYS](#)

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WHATSAPP BECOMING SERIOUS NEWS FORCE

WhatsApp is increasingly becoming one of the dominant ways in which people discover and discuss news. In some Asian markets such as Malaysia more than 50% of those surveyed said that they used WhatsApp to discover news. Western markets like the UK and US reported lower figures (between 5-10%) however this are continuing to grow YoY.

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Implications

With an increasing mistrust in traditional western media outlets (the digital news report also indicated that the Brexit debate and Trump election has led to growing mistrust of the UK's media). In 2016 it was reported that in leading western markets that only 50% of people believed that news could be trusted, this figure is down a further 7% to 43% this year. The increasing scepticism around news means WhatsApp and other 'word of mouth' sharing channels have a great opportunity to deliver the news whilst providing their platform for continued discussion.

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SKY AND VIRGIN MEDIA JOIN FORCES IN TV DEAL

Sky and Virgin Media have finalised a deal that will give them access to more than 30 million “targetable” TV viewers across the UK and Ireland. The deal will see Virgin Media’s customer base added to Sky’s addressable TV offering, Sky AdSmart, and will cover both broadcast and VOD. The agreement significantly expands the reach of AdSmart from the 11m homes it had access to before the Virgin tie-up to now include 15m homes across the UK.

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Implications

The scale of this deal should challenge digital platforms and help convince advertisers to invest in addressable TV in the UK. With the ability to reach just under half the UK population, the two companies claim the offering is “on par with leading social networks”, forming part of the ongoing fight between traditional media and the might of the digital duopoly.