SLIPSTREAM

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ABC-what? Misunderstood social class

There's been huge progress on diversity and inclusion across the industry and rightly so. Representation creates better work and generates response from the broad patchwork of the general population in the UK today. Perhaps the last, most ingrained and least addressed area for inclusion is social class. Class is a historical hangover in the UK and something that we broadly accept in our day to day lives, as well as how we craft our communications.

Channel 4 recently published a report on the modern view of class, how social economic group classification (ABC1, C2DE etc) for targeting is broken and how its flaws may affect the way we communicate on behalf of our advertisers. With something currently so integrated into how we plan and buy media for our clients, this deserves proper attention. Let's take a look at where the existing segmentation falls short:

Classification of social economic groups (SEG) is based on the main income earner's job title and classifies the whole household as so. When a doctor has a student living under their roof, only one may effectively be targeted. The methodology is more problematic now than when the system was developed, when it was far more commonplace for women within households to have either no or "immaterial" income. It also doesn't reflect the ever-increasing numbers of adult, working children staying in the family home for longer, or groups of professionals house sharing.

It ignores social progress, stemming from a time when students, retired people and tradespeople were generally "poorer" and people with "professions" more often than not had the cash to burn. All it takes is a brief look backward, to appreciate that many tradespeople with highly valuable skills are raking in the disposable income of a society desperate to improve their existing housing rather than selling up.

It negates the buying power of individuals of a specific category, painting everyone with the same brush. A highly successful plumber who's into upmarket trainers would be deemed C2DE. An HR Manager balancing kids, an impending mortgage renewal and elderly parents may have no disposable income for premium goods whatsoever, but be deemed ABC1. A young student may be a loyal luxury beauty brand fan, but count the pennies in every other consumer category. A CEO may free up extra dosh for skiing trips, a Zone 2 mortgage and charity donations via their homemade supermarket lunches and a Vinted habit. I enjoy long haul holidays and regular meals out, but spend the bare minimum on clothes and tech. Ultimately - everyone has their priorities and passions in life, and will shell out accordingly.

Essentially this is similar to adland's lazy grouping of Millennials - industry thought pieces would often have you believe that everyone aged 28 to 43 has the same traits, preferences and consumption habits.

The social grade view of the world is too superficial for planning, where we know that the best work comes from the fringes. It takes digging to find a reference point that answers the problems of our clients and tie their respective target audiences together in a meaningful way. The answers are not within broad generalisation. Ultimately, at least half of all individuals aged 16-64 now fall into ABC1 definitions. So using this as a proxy for people who have the highest propensity to buy upmarket products, especially with recent cost of living developments, is flawed.

The days of out of context, irrelevant ads on our screens are passing.

Now, there's only so much a broadcast media buyer can do, given demographic-focused BARB, Route and RAJAR. These simplistic media audience classifications are understandable - segmenting everyone into category spending power is often too complex and would result in statistically insignificant samples. Linear TV specifically, still has to be bought in this way (hence the C4 report). However, the advancement of targeting on connected TV means that we can delve deeper into more suitable audiences with greater targeting efficiency. As Matthew Sharkey, Head Of Activation states: *'The days of out of context, irrelevant ads on our screens are passing. Consumers now expect more personalised content and we as planners/buyers can give it to them.'* Of course, each form of AV has it's role to play in mass reach of targeted scale.

So, it's the job of planning teams to get the audience definition right in the first place - stemming from actual behaviour - and then with buyers conduct careful translation into genuinely representative trading audiences. But not rely on these alone - there are a wealth of tools available to optimise TV, radio and OOH media tactics to specific "sweet spot" audiences, whilst not sacrificing ever-valuable "positive wastage" amongst a mass reach group who should pay back in the longer term.

Alex Wood, MX Business Director

Reach driving sales; the leap of faith

Magic Numbers recently shared an interesting thought on the effectiveness of Meta campaigns. In their study, campaigns that were bought on maximising to reach as a strategy and then optimised as so, were more likely to drive conversion than those that were set to a singular focus on a sales optimisation strategy. Seems counter intuitive, right?

Their conclusion confirms that aiming for reach is a route to effective business growth (as shown by Binet & Field) even within the digital realm. This is all excellent news to advertisers, because setting campaigns up for reach is a cheaper pursuit than sales campaigns in the cost-per-thousand to impressions. This is because the tight targeting that is applied from sales strategies is commonly a more expensive option.

Before we get excited about this finding, it is worth highlighting some challenges this study/ information poses.

The two buying strategies - reach and sales - work in opposite directions. Firstly and as the name may suggest, reach aims to broaden the net to the most available targets as possible at a low frequency. So a greater number will see the ads a few times. Sales on the other hand reaches a typically smaller group with a high frequency, showing the ad many times to the same audience. To see notable effects on sales from a reach strategy would require running for longer and with more investment - as there would be more opportunity to reach those with a potential to buy. This investment may not be available to all.

Secondly, we must consider how the objectives for the campaign is measured. From the campaigns that we run on behalf of Bicycle clients, we still see (contradicting) data that suggests that sales strategies are much more efficient at driving return on advertising spend. This contradiction stems from in-platform vs the best practice out-of-platform measurement that isn't clear when looking at the Magic Numbers chart alone.

Magic Numbers are particularly thorough with their studies but the reality is that precise attribution of marketing (out of platform) is costly to implement and is not at the disposal of all advertisers, especially those that are smaller or scaling brands. For the most part, causal effects from reach strategies may take some time to show in broader sales figures and will be difficult to fully attribute to the advertising spend. Brands without attribution will have to place faith in evidence shown and ignore the temptation of immediate data in lieu of longer term measurement.

As exciting as this finding is for the practice of digital advertising, it is always worth a step back to ensure that expectations are managed for advertisers. We are fully on board with the proof shown, but often the main challenge is bringing brands along on the journey with us. Beyond the data, this is where strong relationships need to take over because at our small size, success for our clients often spells success for Bicycle.

Abi Bateman, Social Manager

Mr Bates rides the cultural wave

You may be forgiven for not knowing much about the Post Office Horizon IT scandal prior to this year, even after it broke to the press in 2009 and a public inquiry ongoing since 2022. A four-part ITV drama has highlighted those who suffered in a dramatised and encapsulating way to pressure the government to speed up the justice process for the postal staff wrongly accused. The enquiry led the chief executive of the Post Office (at the time) to hand back her CBE, the technology company responsible admitted their wrongdoing and the employees gained some compensation. We will explore how the TV helped to magnify the conversation and push for change.

The emotional connection that television can create is unsurpassed. Audio-visual remains the most captivating and immersive form of media. The characters and their stories in dramas like Mr. Bates vs The Post Office allow viewers to empathise with the challenges faced by individuals in real-life situations.

ITV are a dab hand at household dramas and the way the cast represented a variety of sub-post masters from all around the country led to an enhancement of viewer connection with the characters.

TV is also one of the most effective mediums for reaching a mass audience. Brands can benefit from the extensive reach of TV, ensuring that their message reaches a diverse demographic. The drama reached over 17m viewers and viewing peaked during the linear broadcast, however social chatter remained stable even after broadcast, with news coverage increasing post - broadcast, driving an uptick in social media activity. Averaging 12.3m viewers across its four episodes, including seven-day viewing across all devices plus pre-TX viewing. Making it ITV's biggest drama since Broadchurch. Showing its power to shift the masses, even in today's fragmented landscape.

Finally, cultural influence. Television dramas often become cultural touchstones, influencing societal conversations and shaping public opinion.

The Mr. Bates vs The Post Office drama has sparked discussions about the importance of holding corporations accountable and the need for justice in the face of systemic failures. Since broadcast of the drama, over 130 new potential victims have come forward and the Metropolitan Police have gone public with their criminal investigation into the scandal, with the government putting forward a new law to exonerate and compensate the sub-postmasters. TV can create a wave of change.

People still thrive for high quality programming; especially one-off sporting events and unmissable cultural series or specials. We still yearn to follow popular culture, for the fear of missing out and a wanting to be included amongst our social circles. There will be no slowing of these moments in the coming months and years, the question for advertisers is; which cultural waves can you ride?

Will Ridley, Senior MX Manager

Is buying better worth the cost?

Last month YouGov released a report called Conscious Consumerism: A Balancing Act, which provided a view of how different factors are impacting attitudes and purchase choices of the UK right now - from sustainability and ethics, to cost of living.

According to their survey of over 2,000 UK adults, a massive 76% of them consider themselves to be conscious consumers and 60% indicate that they're willing to pay a premium for brands that are more ethical, healthier, or responsibly sourced. Although promising statistics as we strive to move towards a sustainable future, we think these should be taken with some caution.

Whilst this is great news for many brands in this space and is aligned to observed sales data and wider trends and research, the study (and claimed data generally) insinuates that purchase decision making is purely rational. It assumes that a consumer's choice criteria is efficiently and effectively evaluated for every purchase and exclusively uses our right hand side brain.

Firstly we also know that the population is currently very price sensitive. As we continue to feel the effects of cost of living and officially moving into a recession (sigh!) 61% of people say they are trying to get the best value for their money compared to 12 months ago (YouGov). Therefore in many purchasers' rational minds, price will negate what YouGov are indicating as conscious choices around sustainability and ethics.

People would pay 12% more on products that minimise environmental impact, yet they are priced 28% higher on average

One route around this can be found in the long-term usability of products. YouGov also reports that over 65% of conscious consumers are actually looking for product reusability, durability and waste minimisation (again, likely driven by cost of living). Those looking for these attributes may be swayed by quality messaging from brands.

Secondly, we know that emotion plays a huge role in decision making. In fact, emotional campaigns have a much larger impact on profit when compared to rational campaigns and drive long term price elasticity. Research (from ESG) in November indicated that people would pay a 12% premium on average for products that minimise environmental impact, but on average sustainable products cost 28% more than their non-sustainable counterparts - which is above what people are willing to pay. There needs to be a significant driver for people to make that jump. Emotional brand building can help to alleviate some of that price pressure, meaning more people will pay higher for conscious brands than they state they would.

As always, claimed data (like YouGov) is only one source of the truth. At Bicycle we work on the 'power of and', so any claimed data always should be partnered with actual observed data (real life actions, purchase data) to build a more 'human' understanding of our audiences and create actionable insights. In lieu of the prices of more ethical or sustainable products coming down, it takes compelling emotional arguments for consumers to buy into the 'right' products - especially when cheaper, less sustainable options are so easily available.

Hannah Saunders, MX Business Director