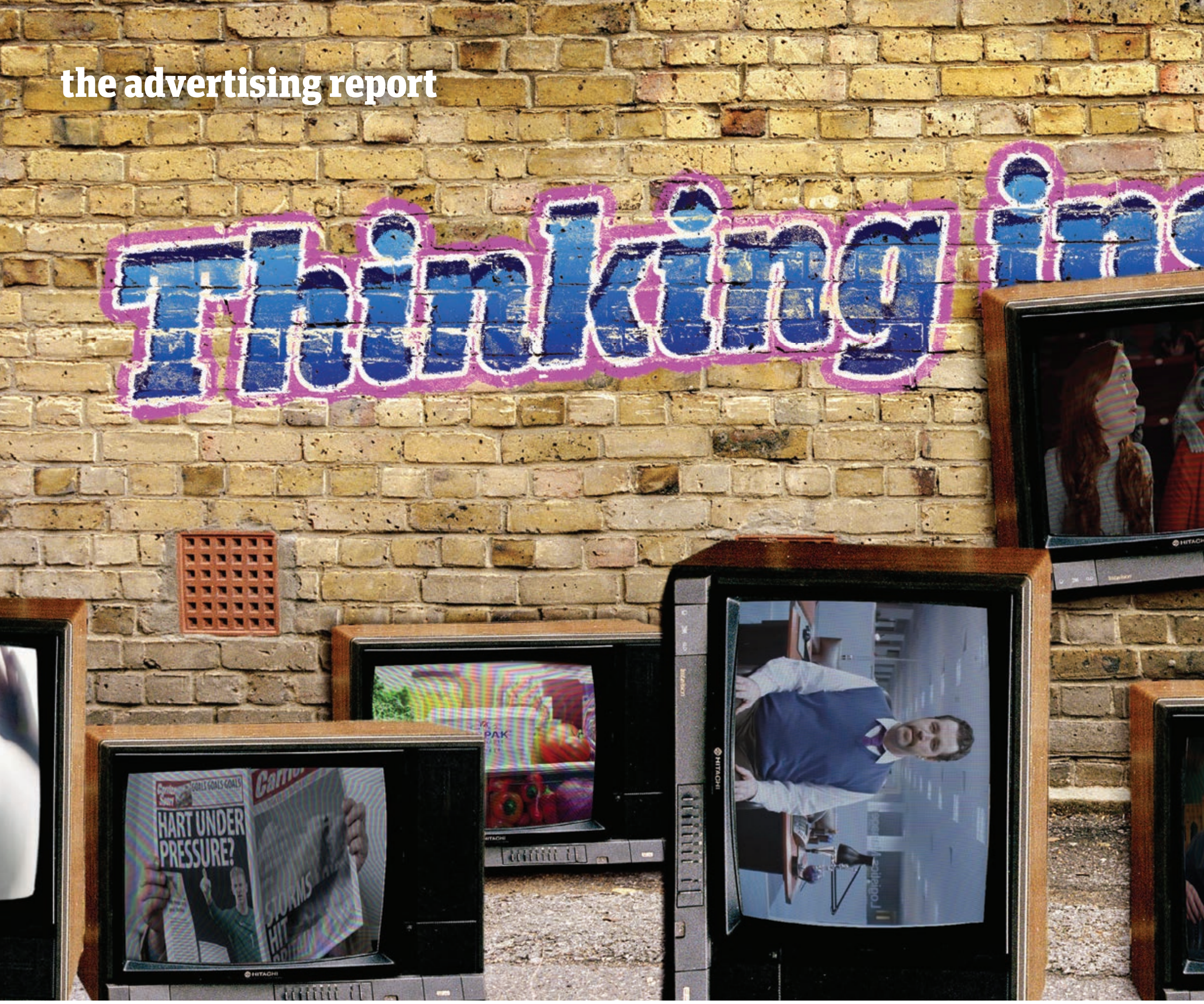

You might expect fmcg to be at the forefront of digital advertising, but marketers have been playing it safe, spending big on TV and billboard campaigns. So what's stalling the digital revolution?

Megan Tatum

Bamboozled online by fake news, YouTube terrorists and figure-skewing digital bots, food and drink CEOs stuck with the devil they know when it came to dishing out marketing budgets in 2016, opting to spend millions more pounds on tried and tested media instead.

The 10 biggest spending food and drink brands collectively upped budgets by £11.7m, according to Ebiquity, a 16% year-on-year rise on their 2015 spending, with some more than doubling their investment. And among non-food brands, it increased even more, up 21%, or £19.7m, compared with last year, with the charge led by Christian Dior (+16%), Head & Shoulders (+61%) and Boots No.7 (+37.2%).

Overall, spend by fmcg on TV, print, outdoor, radio and cinema crept up by 1.9% to £1.52bn – the second consecutive year in which the sector defied the digital direction of travel. So is grocery smart to shy away from digital? And what makes traditional channels a safer bet anyway?

Data provided by Ebiquity

Relentless

For Dan Hagen, chief strategy officer at media agency Carat, these figures are merely a short-term blip in a longer term trend. "You're going to see lots of fluctuations over a short period of time but there is a relatively relentless swing toward digital and we've seen that over 10-plus years," he says.

He's right. Spend on traditional channels by fmcg brands has declined 13.5% in the past decade to a low of £1.4bn in 2014, according to Ebiquity, but in the short term many brands have grown cautious. And not only did fmcg buck the trend – investing £28.9m more in traditional channels last year – retailers hiked spend by £1.9bn, or 2.5% too.

"At the moment we're probably going through the slowest swing," Hagen accepts. "A lot of high-profile

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questions are asked of digital marketing and we're seeing a fair amount of effort from the traditional players defending the reasons to invest in their channels."

Digital "still hasn't made a great argument for effectiveness," says David Carr, strategy director at marketing and technology agency DigitasLBi. "It has often struggled to show the cost effectiveness that big TV can, and if you are under pressure to cut budgets you'll concentrate your money into channels you can see are giving you the biggest return."

In fact, when Pepsi Max (38) owner Britvic analysed its own ROI, after switching almost all its marketing budget across to digital channels, the "big learning was that this worked with existing users but did not build on some of the principles of building mental availability, so we needed to re-balance which channels we invested in," says marketing director Kevin McNair.

"The past few years have seen an over-reliance on digital. Now we are getting data on not only mental availability but also ROI. It is all about the balance based on who you are targeting and what message you are trying to deliver."

In other words, nearly a quarter of a century after the first banner ad went live on a UK website (and was clicked on by 44% of those who saw it) there remains a "simmering anxiety in marketing teams in fmcg, retail and indeed across many other sectors about where to place marketing investment for the greatest return," says Trevor Hardy, CEO of trend forecasting consultancy The Future Laboratory.

"Have you tried ad blocking a billboard? Traditional out of home still does what it's always done – allowed advertisers to reach big audiences"

And that anxiety has only grown more acute following the emergence of significant risks from digital platforms.

Banned

Last week, Google's European boss was forced to apologise after high-profile advertisers, including Marks & Spencer, Tesco and L'Oréal, froze ads amid allegations they were appearing alongside extremist content.

A Times investigation revealed content from both Sainsbury's and L'Oréal had appeared next to white nationalists, banned Muslim preachers and fundamentalist Christian pastor Steven Anderson, who has praised the murder of gay people.

Online advertising "needs to smarten up," remonstrated Unilever chief marketing officer Keith Weed in light of the claims.

The controversy followed months of debate around 'fake news' circulating on social media sites too, a concern that even prompted the German government to threaten hefty fines for any alternative facts left lingering on platforms such as Facebook.

ADVERTISING SPEND: RETAILERS

RANK 2017	RANK 2016	RETAILER	SPEND £m	CHANGE YOY %	SHARE %
1	3	McDonald's Restaurants	85.4	26.3	4.6
2	1	Lidl	75.7	–3.9	4.0
3	6	DFS	66.7	7.5	3.6
4	5	Aldi	64.7	3.6	3.5
5	2	Asda	59.1	–23.5	3.2
6	10	Morrisons	52.7	17.5	2.8
7	9	Currys & PC World Megastore	52.3	3.1	2.8
8	7	Sainsbury's	52.1	–6.4	2.8
9	4	Tesco	44.7	–30.2	2.4
10	8	Marks & Spencer	44.6	–17.6	2.4
11	11	Argos	41.7	5.6	2.2
12	NEW	Amazon	37.8	92.6	2.0
13	12	KFC	32.2	–5.2	1.7
14	13	Boots	31.7	3.3	1.7
15	18	Very.co.uk	28.9	23.6	1.5
16	NEW	Ikea	25.8	37.8	1.4
17	16	Co-operative Stores	25.6	–5.6	1.4
18	19	SCS	25.6	26.1	1.4
19	15	Iceland	25.4	–3.2	1.4
20	17	Oak Furniture Land	24.6	0.9	1.3
		Total (top 20)	897.3	1.8	48.0
		Total (all)	1,868.4	2.5	100.0

ADVERTISING SPEND: BRAND OWNERS

RANK 2017	RANK 2016	HOLDING COMPANIES	SPEND £m	CHANGE YOY %	SHARE %
1	1	Procter & Gamble	159.7	25.5	10.5
2	2	Unilever	95.7	–21.2	6.3
3	4	L'Oréal (UK)	77.1	0.4	5.1
4	3	Mars UK	72.3	–10.8	4.8
5	5	Reckitt Benckiser	56.4	–0.4	3.7
6	6	Nestlé	42.0	8.4	2.8
7	7	Coca-Cola	38.7	5.3	2.6
8	NEW	Mondelez International	35.1	33.5	2.3
9	8	Danone	34.0	10.1	2.2
10	10	PepsiCo	31.4	16.6	2.1
		Total (top 10)	642.4	3.2	42.3
		Total (all)	1,519.7	1.9	100.0

ADVERTISING SPEND: FMCG SECTORS

RANK 2017	RANK 2016	FMCG SECTORS	SPEND £m	CHANGE YOY %	SHARE %
1	1	Confectionery	171.3	14.6	11.3
2	3	Household	153.7	18.2	10.1
3	2	Food – dairy	137.0	–2.2	9.0
4	4	Haircare	119.8	4.0	7.9
5	6	Fragrances	100.5	7.5	6.6
6	8	Soft drinks	100.1	13.9	6.6
7	5	Alcoholic drinks	98.4	–8.6	6.5
8	7	Skincare	92.6	0.9	6.1
9	9	Dental	68.5	–0.6	4.5
10	NEW	Cosmetics	54.4	7.9	3.6
		Total (top 10)	1,096.3	5.9	72.0
		Total (all)	1,522.0	2.0	100.0

Ultimately, "some of the recent challenges in digital are causing hesitancy," says Hagen. "The viewability argument. The fraud argument. Those have gained significant amounts of profile."

And more importantly, they've left traditional channels "winning out on the perceived credibility scale," adds Lore Oxford, behavioural analyst at consumer behaviour insights company Canvas8. "There's been a lot of focus on the lack of regulation and accountability of previously trusted online sources, and consumers are more and more aware of fake news.

"Likewise, those looking to advertise are increasingly aware of the prevalence of bots and dubious traffic numbers online. Advertisers will waste billions of dollars this year marketing to people who don't even exist. As a result, traditional media is regaining some of its credibility and superiority."

Mental availability

In fact, nearly two-thirds (58%) of fmcg brands increased traditional ad spend by at least a double-digit percentage in 2016, according to Ebiquity, with nine more than doubling their investment.

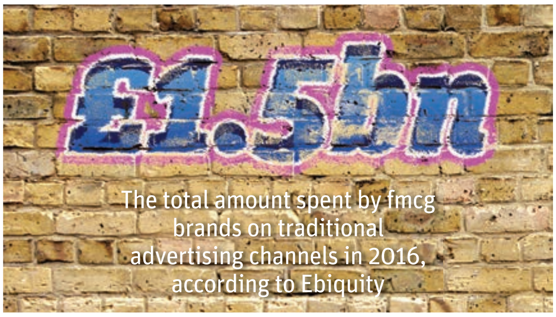
Among the biggest-spending brand owners was Coca-Cola. Although its classic Coca-Cola SKU (10) fell down the table with a 24.7% decline in spend, the company relied heavily on traditional channels to drive home its new sugar-free messaging in 2016 by focusing on its Coke Zero Sugar (13) with a 152% increase in spend. The £10m launch campaign back in July, its biggest marketing investment in a decade, zoned in on big-budget TV ads and outdoor marketing.

"We hear from clients that we have to drive penetration, to drive penetration we need mental availability, and we drive that with reach," says Carr. "TV still gives you that highest reach and with Coca-Cola going through a massive attempt to rebrand and reposition itself in the face of cultural changes, you can understand why they are there."

Global brand owner P&G joined them, increasing traditional ad spend by 25% in the past year after its chief brand officer Marc Pritchard admitted ultra-targeted ads on social media had not boosted sales as much as expected. "We targeted too much and went too narrow," he said, with a readjustment of budget towards both TV and sampling campaigns. In fact, all 14 P&G brands included in Ebiquity's data showed an increase in spend on traditional channels, with Ariel (8) given the biggest push (+96.6%) followed by Olay (28) up 85% and Head & Shoulders (+61%).

Even the likes of pure digital operator Amazon were drawn to the mass media appeal of TV and traditional marketing channels, debuting at 12th on our ranking of the top 20 biggest spending retailers, with an increase in budget of 92.6%.

The online retailer only made its first foray into British TV back in 2014 with a commercial for its Amazon Fire service, but followed up promptly with prime slots marketing its next-day delivery offer too. It makes perfect sense, says Hagen. "To achieve greater and efficient



The total amount spent by fmcg brands on traditional advertising channels in 2016, according to Ebiquity

continued growth to a more mass market they have to enter into more efficient mass media.

"As the digital economy has marched forward, Amazon has become relevant to a lot of people and that breadth means they've moved into more broadcast media [so they can target] not just people they know, but those they don't know and who don't know about them."

Old-fashioned TV screens and outdoor billboards might seem a strange move for a retailer that has made its billions in the online space, but Amazon bosses "are a clever bunch and they know what drives their business," adds Parry Jones, chief operating officer at international performance media agency The Specialist Works. "Offline channels are a key driver of scale for the e-commerce sector. The most ambitious, fast-growth e-commerce brands are investing heavily in this area."

Yet Amazon's bricks-and-mortar rivals don't look so sure. Though retail spend increased overall, among the big four grocers, all but Morrisons scaled back. Are supermarkets less convinced by the credibility of the traditional media?

Arms war

It's more simple than that, thinks Hagen. "On paper, every single one of the big four is overspending, but they're caught in this endless arms war where if any take the first step in reducing that spend they're terrified their share voice will fall," he says. "But I think some of the uncertainty in the market has caused that to shift. I think they've all pulled back a little bit."

Tesco, for example, successfully slashed 30.8% of its marketing budget while recovering sales but that reflects a systemic overspend before.

In fact, Tesco halved proportional spend on traditional marketing from 0.2% of its revenues in 2015, to 0.1% last year, Sainsbury's shaved off £3.6m despite gaining £300m more in annual sales and Asda slashed £18.2m from its budget – nearly 50% of the £40m it added to its pre-tax profits in its latest accounts. "You're almost winning twice as you're not spending that money and you're dropping it straight to your bottom line," says Hagen.

Conversely, discounters Aldi and Lidl continued to splash out, though, significantly outspending their rivals despite a far smaller market share. Highest-spending supermarket Lidl spent 3% less but its

ADVERTISING SPEND: FMCG BRANDS

RANK 2017	RANK 2016	BRANDS Parent Company	SPEND £M 2016	SPEND £M 2015	CHANGE YOY %
1	5	**Christian Dior** Groupe LVMH	**16.0**	13.8	16.0
2	11	**Head & Shoulders** Procter & Gamble	**15.7**	9.8	61.0
3	74	**Boots No.7** Walgreens Boots Alliance	**14.6**	10.6	37.2
4	4	**Dettol** Reckitt Benckiser	**14.5**	11.8	22.3
5	3	**Vanish** Reckitt Benckiser	**14.0**	13.5	3.6
6	2	**Chanel** Chanel	**12.4**	15.9	–21.6
7	17	**Cadbury Dairy Milk** Mondelez International	**12.3**	9.9	24.2
8	43	**Ariel** Procter & Gamble	**11.6**	5.9	96.6
9	37	**Pantene Pro-V** Procter & Gamble	**11.2**	8.6	30.2
10	1	**Coca-Cola** Coca-Cola	**11.1**	14.7	–24.7
11	8	**Müller Corner** Müller Dairy UK	**10.8**	10.5	3.4
12	68	**Fairy** Procter & Gamble	**10.7**	8.1	32.0
13	88	**Coca-Cola Zero Sugar** Coca-Cola	**10.7**	4.2	152.4
14	6	**Galaxy** Mars UK	**10.5**	10.9	–3.0
15	18	**Cadbury** Mondelez International	**10.4**	9.0	16.1
16	15	**McCain** McCain Foods	**9.9**	9.2	8.2
17	12	**L'Oréal Paris Elvive** L'Oréal (UK)	**9.8**	9.5	2.5
18	72	**Maltesers** Mars UK	**9.4**	4.9	92.8
19	97	**Flora** Unilever	**9.2**	11.8	–21.8
20	62	**Gillette** Procter & Gamble	**9.1**	7.2	26.8
21	39	**Lenor** Procter & Gamble	**9.1**	6.1	48.4
22	90	**Lynx** Unilever	**8.8**	7.5	16.7
23	NEW	**Maybelline New York** L'Oréal (UK)	**8.7**	8.0	8.6
24	36	**Lucozade Energy** Suntory	**8.7**	6.5	33.2
25	10	**Müller Light** Müller Dairy UK	**8.6**	9.8	–12.4
26	NEW	**Persil** Unilever	**8.6**	4.2	104.9
27	82	**Walkers Crisps** PepsiCo	**8.5**	6.4	32.2
28	80	**Olay Total Effects** Procter & Gamble	**8.4**	4.5	85.0
29	20	**Sensodyne** GlaxoSmithKline	**8.3**	7.7	7.6
30	NEW	**Revlon** MacAndrews & Forbes	**8.3**	1.8	353.7
31	38	**Quorn** Monde Nissin Corporation	**8.3**	6.2	33.1
32	16	**Kinder** Ferrero UK	**8.1**	9.1	–11.5
33	NEW	**Garnier Ultimate Blends** L'Oréal (UK)	**8.0**	5.6	42.9
34	22	**Guinness** Diageo	**8.0**	8.1	–1.5
35	31	**Oral-B Pro** Procter & Gamble	**7.8**	4.5	74.9
36	41	**Pedigree** Mars UK	**7.7**	6.1	27.3
37	27	**Nescafé** Nestlé	**7.5**	8.5	–11.7
38	NEW	**Pepsi** Britvic	**7.5**	2.7	180.2
39	24	**Haribo** Haribo Dunhills	**7.3**	7.5	–1.9
40	48	**Jacobs** Yildiz	**7.2**	4.0	81.8
41	25	**Clairol Nice 'n Easy** Procter & Gamble	**7.2**	6.4	11.8
42	85	**Air Wick** Reckitt Benckiser	**7.0**	4.3	64.3
43	13	**Danone Activia** Groupe Danone	**7.0**	9.3	–24.9
44	19	**Listerine** Johnson & Johnson	**6.9**	8.0	–13.4
45	44	**Corsodyl** GlaxoSmithKline	**6.9**	5.9	17.7
46	58	**Hugo Boss** Hugo Boss	**6.9**	5.3	30.1
47	32	**Stella Artois** Anheuser-Busch InBev	**6.8**	6.7	0.4
48	70	**Kit Kat** Nestlé	**6.7**	4.9	37.0
49	76	**Max Factor** Procter & Gamble	**6.7**	6.6	1.7
50	40	**Paco Rabanne** Paco Rabanne	**6.6**	6.1	8.2
		Total (top 50)	**466.1**	**388.2**	**21.0**

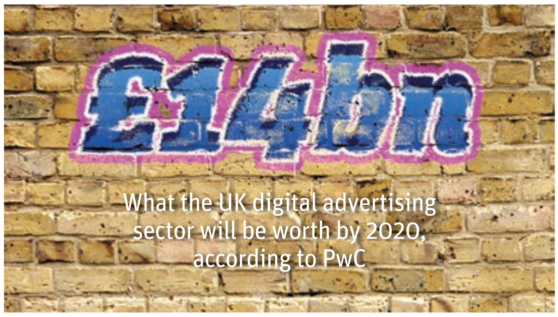
Source: The Advertising Report was supplied to The Grocer by Ebiquity. Notes: 1. Figures relate to spend on TV, press, cinema, radio, and outdoor media for the 52 w/e 31 December 2015. It excludes door drops, direct mail and online advertising. 2. All figures are estimates based on advertising rates in 2015, including discounted rates. 3. Figures relate to spend on advertising space only and do not include production costs, etc. (Ebiquity estimates that spend on space is on average 10 times that spent on production, save a few notable exceptions). * like-for-like total does not include Vidal Sassoon

the advertising report

ADVERTISING SPEND: FMCG BRANDS

RANK 2017	RANK 2016	BRANDS Parent Company	SPEND £M 2016	SPEND £M 2015	CHANGE YOY %
51	79	**M&M's** Mars UK	**6.6**	4.5	45.0
52	59	**Danone Actimel** Groupe Danone	**6.6**	5.3	24.3
53	7	**Dove** Unilever	**6.5**	13.5	–51.7
54	NEW	**Lurpak** Arla Foods	**6.5**	3.2	103.2
55	9	**Warburtons** Warburtons	**6.3**	10.1	–38.1
56	53	**Flash** Procter & Gamble	**6.2**	5.5	12.4
57	NEW	**Hellmann's** Unilever	**6.2**	3.7	67.1
58	NEW	**Ferrero** Ferrero UK	**6.2**	3.7	64.5
59	NEW	**Gucci Fragrances** Pinault Printemps-Redoute	**6.0**	3.7	62.4
60	21	**Finish** Reckitt Benckiser	**6.0**	7.7	–21.6
61	NEW	**Yves Saint Laurent** Saint Laurent Paris	**6.0**	3.2	83.8
62	46	**Aptamil** Groupe Danone	**6.0**	5.7	3.8
63	NEW	**Red Bull** Red Bull	**5.7**	3.8	49.8
64	NEW	**Strongbow** Heineken UK	**5.6**	3.8	50.2
65	51	**PG Tips** Unilever	**5.6**	5.6	1.1
66	69	**Cow & Gate** Groupe Danone	**5.5**	4.9	11.5
67	54	**L'Oréal Paris Revitalift** L'Oréal (UK)	**5.5**	5.5	0.1
68	23	**Wrigley's Extra** Mars UK	**5.5**	7.5	–27.7
69	47	**Dolmio** Mars UK	**5.5**	5.7	–4.7
70	34	**Rimmel London** Coty	**5.4**	6.6	–18.1
71	92	**Cravendale** Arla Foods	**5.4**	4.1	32.7
72	63	**Febreze** Procter & Gamble	**5.4**	5.1	5.8
73	NEW	**Tresemmé Expert Selection** Unilever	**5.4**	0.4	1,156.3
74	NEW	**Arla Skyr** Arla Foods	**5.3**	2.9	80.0
75	61	**Lindt Lindor** Lindt & Sprüngli	**5.2**	5.2	0.4
76	NEW	**Werther's Original** August Storck	**5.2**	3.7	41.9
77	91	**Mars Confectionery** Mars UK	**5.1**	5.2	–2.0
78	NEW	**Nivea Daily Essentials** Beiersdorf	**5.1**	2.7	87.9
79	NEW	**Gillette Venus** Procter & Gamble	**5.1**	3.6	41.2
80	NEW	**Marc Jacobs** Groupe LVMH	**5.1**	3.1	66.7
81	NEW	**Felix** Nestlé	**5.0**	3.0	68.9
82	NEW	**Estee Lauder** Estee Lauder	**4.9**	6.9	–29.0
83	NEW	**McVitie's Digestives** Yildiz	**4.9**	1.3	279.8
84	NEW	**Colgate Total** Colgate-Palmolive	**4.9**	3.7	32.2
85	35	**Doritos** PepsiCo	**4.8**	6.6	–27.0
86	NEW	**Tropicana Pure Premium** PepsiCo	**4.7**	1.5	216.9
87	NEW	**Tetley** Tata Group	**4.7**	3.9	19.6
88	NEW	**Lindt Excellence** Lindt & Sprüngli	**4.7**	3.1	52.5
89	NEW	**Aussie Hair Care** Procter & Gamble	**4.6**	3.1	47.6
90	NEW	**Schwarzkopf** Henkel	**4.6**	0.6	627.7
91	NEW	**Sure** Unilever	**4.6**	6.7	–31.4
92	14	**Kellogg's Special K** Kellogg's	**4.6**	9.2	–50.1
93	55	**Nivea Q10** Beiersdorf	**4.6**	6.8	–33.3
94	87	**Thatchers** Thatchers	**4.5**	4.3	5.2
95	NEW	**Lavazza** Lavazza	**4.4**	3.4	28.3
96	66	**SMA** Wyeth & Brother	**4.3**	5.0	–12.5
97	65	**Andrex** Kimberly-Clark	**4.3**	5.0	–13.3
98	49	**Diet Coke** Coca-Cola	**4.3**	5.6	–24.5
99	NEW	**Total Yoghurt** Fage	**4.3**	2.8	50.5
100	75	**Yorkshire Tea** Bettys & Taylors Group	**4.2**	4.8	–12.1
		Total (top 100)	**466.1**	**1,013.0**	**16.7**
		Total (all)	**1,522.0**	**1,490.7**	**1.9**

Source: The Advertising Report was supplied to The Grocer by Ebiquity. Notes: 1. Figures relate to spend on TV, press, cinema, radio, and outdoor media for the 52 w/e 31 December 2015. It excludes door drops, direct mail and online advertising. 2. All figures are estimates based on advertising rates in 2015, including discounted rates. 3. Figures relate to spend on advertising space only and do not include production costs, etc. (Ebiquity estimates that spend on space is on average 10 times that spent on production, save a few notable exceptions). * like-for-like total does not include Vidal Sassoon



What the UK digital advertising sector will be worth by 2020, according to PwC

£75.7m investment still accounted for 17% of overall spend by the grocers, despite its market share of 4.6%.

And its TV they're using most. The fact is retail brands looking to achieve mass media reach still have a lot to gain from TV, says Hagen. "Press has taken a disproportionate beating," he says, but "TV works, there is no way we can make a case that it doesn't".

"We'd probably all agree that the quality of programming available on TV is the best it's been for many years, which is providing a really fertile ground for advertising to then go into," he adds.

Brands and retailers recognise that "broadcast, print and outdoor offers advertisers longer dwell times and more opportunity to tell a story," says Jones. "We have to be careful in our industry. We are early adopters and lovers of new toys. But that doesn't mean the new toys are more effective than the old.

"Plus, when we talk about traditional channels we are in danger of ignoring the huge advancements in each of these areas. Print, broadcast and outdoor are all hugely different beasts to what they were 10 years ago," he adds.

Effectiveness

Companies can now use data to pinpoint with precision accuracy where and when they should buy TV slots for maximum impact, for instance. "We're showing empirically the value a particular TV ad has and so that gives someone the impetus to change the way they're using them," explains Blair Robertson, chief analytics officer at TVSquared, which tracks more than five billion website hits per month to trace the effectiveness of fmcg TV campaigns.

If anything, the fact consumers sit staring into their smartphones while the TV blares in front of them only makes this easier. "Now someone sees something interesting via a TV placement or advert and in half a second they can type in the URL and do some research on the product," adds Robertson.

Moreover, the way brands approach the content of their TV campaigns has changed. "The call to action now is so minimal," adds Robertson, with a far subtler, brand-building narrative in place of the hard sell.

Amazon recognised this shift with its pre-Black Friday ad in 2016, which depicted the inter-faith friendship between a vicar and an imam. The "authentic and charming" story was all about "selflessness and

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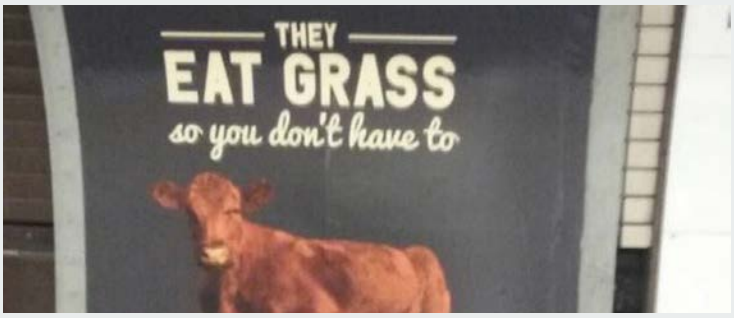
Most complained-about ads

Source: Advertising Standards Authority

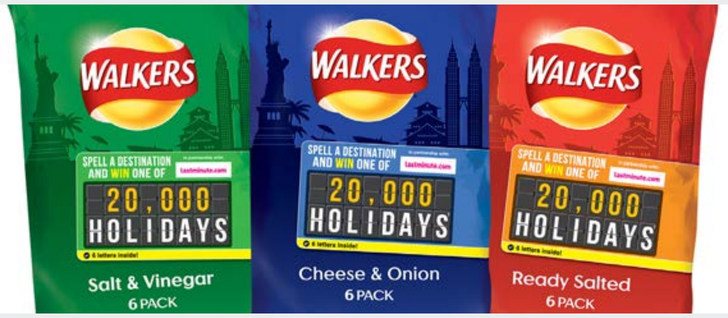


1. Gourmet Burger Kitchen 195 complaints

The burger joint ran a series of ads aimed at converting vegetarians to flesh. Big pictures of burgers sat alongside straplines saying things like 'Burger is the new quinoa'. Almost 200 vegetarians and vegans complained to the ASA, which let GBK know. GBK voluntarily withdrew three ads and the ASA took no further action.
Verdict: Not guilty!

2. Maltesers 151 complaints

More than 150 people took offence at this ad, where a woman in a wheelchair fills her friends in on what she got up to the night before. She explains how her boyfriend 'misinterpreted' (represented by Maltesers spilling out of the pack) a spasm. Complainants called it "overly sexual and offensive to disabled people". The ASA disagreed.
Verdict: Not guilty!



3. Walkers 'Spell & Go' competition 12 complaints

The crisp giant's holiday contest involved using pack codes to generate letters to spell out a destination. But some complained the site didn't generate some letters. In truth, it was only rare for them to appear, but players could also 'swap' letters. And these were restricted. Walkers fixed it but the ASA partly upheld the complaint and banned the ad.
Verdict: Guilty! (in part)

thinking of other people," according to Amazon's director of advertising Simon Morris, in a strategic attempt to soften the cut-throat commercial image it has been labelled with.

Brands have cottoned on, too. Ariel (8) won acclaim for its Share the Load campaign in 2016 with a traditional advert that went viral in 22 countries and 16 languages, after tackling the inequality in housework between men and women, even winning praise from Facebook COO and high-profile feminist Sheryl Sandberg.

And this shift explains in part the rise up the ranks of luxury brands such as Dior (1) and Chanel (6), which are ultimately "non-product brands" explains Carr, that rely far more heavily on a brand halo effect from big-budget adverts than direct selling.

Not to be outdone, outdoor advertising is also undergoing an upgrade thanks to new technology, prompting a 10% increase in spend from food and drink brands every year since 2013, says Matt Walker, head of brand strategy at out-of-home specialist Clear Channel.

"Have you tried ad blocking a billboard? Traditional out of home still does what it's always done – allowed advertisers to reach big audiences with a clear consistent message," he says. But "investment in digital means brands can reach consumers in more creative and impactful ways".

"We can update on-screen content immediately to reflect offers and deals, or based on any number of factors such as weather and time – for example advertising ice cream when it's sunny, or breakfast cereal in the morning." Outdoor screens planted outside supermarkets in particular "reach shoppers when they are receptive to advertising and in the mood to spend."

Flagging

Even in print, where global spending on ads declined by more than $50bn or 8.7% in 2016, there are efforts to revive the flagging proposition with "branded partnerships using all their assets," points out Hagen. An example is the tie-up between Lidl and DMG Media, which owns both the Mail and the Metro newspapers.

The 12-month partnership includes a mix of advertorial and high-profile ad placements, with Lidl using the deal to highlight its range, in particular its wines. Ultimately though "that's not quite as scaled a proposition as display ads and so their revenues are still taking a tumble," says Hagen.

And many more brands are now playing with the experiential too (see box, right). "Often experiential is reserved for new products, which works brilliantly, but it can also work as well for established brands that are being taken for granted and have fallen out of a person's repertoire," says Bruce Burnett, CEO and founder of experiential agency I2I Marketing.

Only last week, Pepsi senior vice-president Kristin Patrick said it would look to replicate the success of its Pepsi eatery in New York, where it served up drinks infused with kola nut. "We're looking at this for every brand across our portfolio so maybe a Quaker oatery,"

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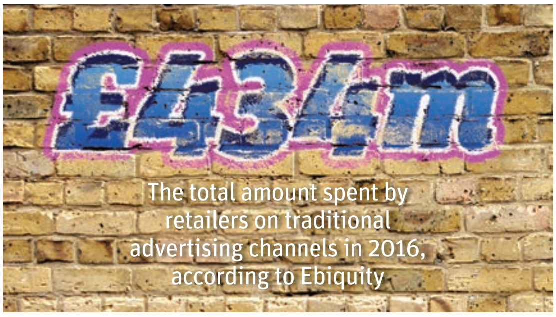


The total amount spent by retailers on traditional advertising channels in 2016, according to Ebiquity

she told attendees at a conference in Las Vegas.

Of course, no TV, press, outdoor nor experiential campaign is launched in a vacuum. TV ads were shared on YouTube, print ads were linked to a hashtag and billboards were made interactive using QR codes.

Ultimately "we are seeing food and drink brands adopt more of a multichannel approach rather than a seismic shift in budgets from more traditional channels to digital," says Charlotte Summers, media planning group head at Equinmedia. "Media consumption is more fragmented than ever before, and brands have to follow an audience-led strategy and make sure they don't miss opportunities to connect with their customers, whether online or through more traditional methods."

"Take Coca-Cola and its 2016 Super Bowl ad, which was designed to point people online," says Oxford. "The big hook was that Coke had printed 30,000 superhero cans that were only purchasable online by following hidden clues through an online treasure hunt."

Or Maltesers' lauded series of TV ads championing diversity, which included audio description versions aired across its social media platforms and a trending #Lightersideoflife hashtag.

In other words, any divide between traditional and digital is blurred at best. But despite all the controversies, should digital be getting a bigger slice of the fmcg pie?

Comfortable bedfellows

After all, digital advertising revenues remain in double-digit growth across UK business as a whole, according to PwC, and are expected to reach the dizzying heights of £14.4bn by 2020.

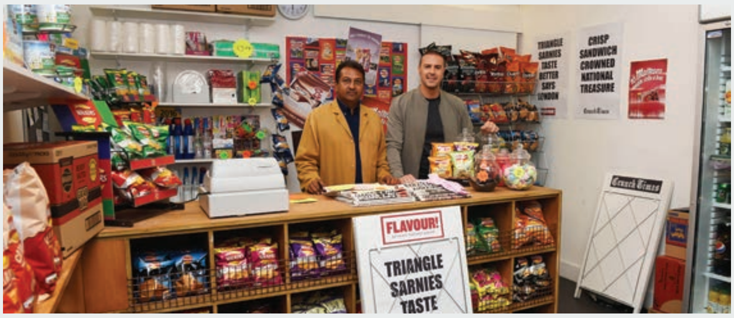
Not to mention the fact that 18 million Brits now have a digital TV subscription, 16 million households have signed up for high-speed wi-fi, our smartphones, tablets and desktop computers ate their way through 21 trillion megabytes of data last year, and we downloaded apps no fewer than 20 billion times.

And in among that sea of mind-boggling stats is the fact that "food and the internet have become extremely comfortable bedfellows," says Oxford, with more than 178 million photos tagged #food on Instagram and foodie videos watched more than 23 billion times last year.

For many in fmcg, this argument has been

Top experiential campaigns

Bruce Burnett, CEO of I2I Marketing

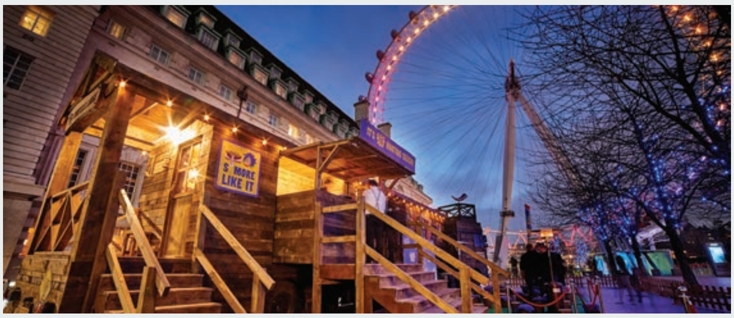


1. Walker's crisp sarnie pop-up

As part of its 'Go Barmy for a Sarnie campaign', Walkers launched a crisp-inspired pop-up in London. Participants could enter through a secret door and build their own crisp sandwich. Guests were prompted to say a password to access the café, with its bespoke themed menu. Walkers was able to build brand interaction, allowing passers-by to sample the unusual flavours.

2. Aldi's pop-up wine shop

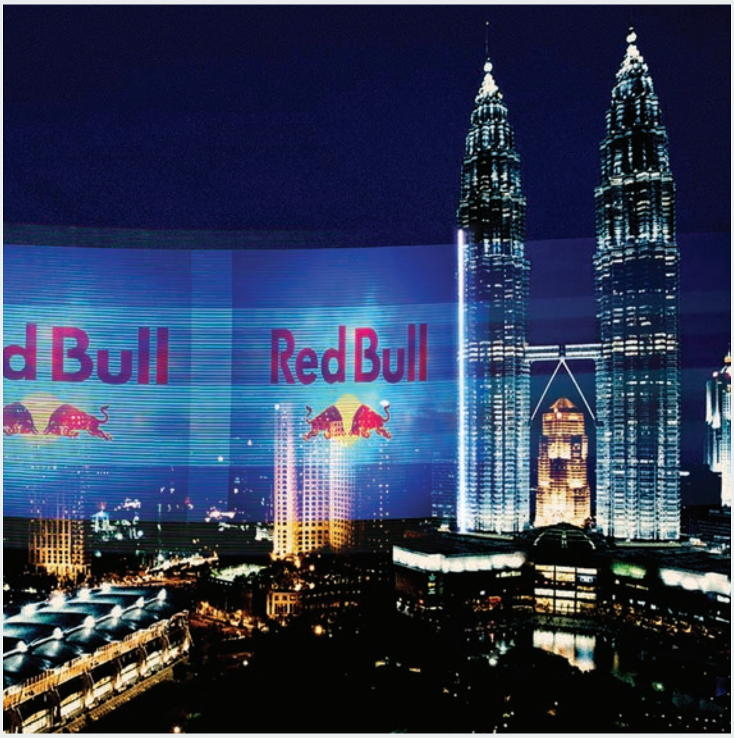
Aldi's dedicated wine pop-up shop was launched in Shoreditch's Boxpark, in spring 2016. The store had modern glass wine displays and stations lined with tablets where customers could purchase their favourite bottles. The campaign helped challenge consumer preconceptions of Aldi, while communicating the range to a hipster new audience.



3. Cadbury Creme Egg Hunters' Lodge roadshow

Following the success of its Creme Egg Café, Cadbury launched a travelling Hunters' Lodge styled to reflect the brand's 'Its Creme Egg Hunting Season' TV ad, offering an immersive experience. The experience was further enhanced by its 'Ultimate Egg Hunt', which encouraged visitors to solve clues and crack the safe.

Sky-high laser billboards: the new disrupter in advertising?



Forget peeling billboards propped up on railway lines or the blinding array of flashing logos alight on Leicester Square, one startup says it has developed a way to offer brands unrivalled outdoor spots for their ads.

Using lasers, Lightvert says its ECHO technology can project images up to 200m tall from the UK's highest buildings to create virtual billboards in the sky. Only spotted by passers-by for a tenth of a second, as their eye catches the light from certain angles, consumers will hardly realise they've spotted that giant can of Red Bull or Tesco logo.

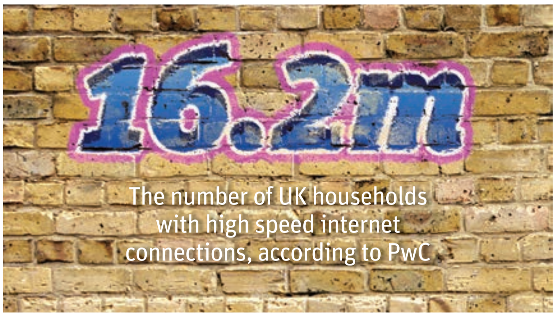
"With a single small reflective strip down the side of a building, we can create a fleeting but striking image in the eye of a viewer," they say. From "a relatively small footprint, ECHO can produce images up to 200m tall, making them some of the largest ads in the world.

What's more "through its unique form factor and reduced planning permission barriers" the technology "can be installed in new, high-value locations where traditional screen media cannot go" putting it, quite literally, above and beyond the competition.

For some critics though the tech ventures into the controversial area of subliminal messaging influencing consumers on a subconscious level.

But that simply isn't the case, insist its creators. "It has no technical relation to subliminal messaging" as "ECHO communications creates imagery that registers on the conscious level of brain cognition." The content can even be captured on a smartphone, it adds, by shaking the camera while taking a picture.

Having already secured £250,000 of grant funding through Innovate UK, the company is now aiming to raise an extra £670,000 via Crowdcube by the end of this week. As The Grocer went to press it was more than 57% there. If successful the team say they'll be able "to produce the first commercial ECHO unit, so we can disrupt a market we believe has seen little innovation in decades."



compelling enough to make the switch. Galaxy (14) dropped out of the top 10 in our data after ditching 3% of its traditional marketing budget to focus on more digital led campaigns.

In January, its #LifesLittlePleasures car karaoke campaign went viral across social media, with as many as three millions video views on YouTube. "It was a massive hit," says Oxford. "The point being that fmcg brands are waking up to the cost-effectiveness of reaching millions of consumers via digital channels."

The "blind rush to be seen on digital" may have disappeared, and rightly so, but nervous brands and retailers shouldn't forget that "the use of digital has become more strategic, precise and therefore cost effective," says Peter Brady, CEO of digital agency Orbital Media.

"When you consider that ads can be bought in real time through programmatical platforms, that social media advertising was deployed with granular precision to help swing the Brexit vote or that artificial intelligence is poised to increasingly determine how campaigns should be configured, you begin to appreciate that the use of digital is evolving into a precision marketing tool."

Engagement

And while TV has its place, it lacks the viral engagement digital can offer for relatively little investment, adds Shaun McIlrath, chief creative officer at Iris, who has heard of companies reaching three million of their consumers for as little as £40,000 on digital platforms.

"Advertising is like gatecrashing a party. You have to bring a bottle or tell a good joke," he says. "You've got to have something valuable or be entertaining." While TV acts as a "very eloquent and polished monologue, there isn't that sense of engagement".

"When you can tap into something culturally relevant or emotionally engaging it is incredibly powerful, and you rarely get that on TV". Whereas online there is the opportunity to "do something more meaningful, more interesting."

Faced with fraudulent bots and jihadi terrorists preaching next to their logo, it's "not surprising and completely understandable" for marketing managers to take the safe route and keep budgets with traditional media, adds Brady.

But failing to move with the unstoppable digital times could ultimately prove the biggest risk of all.

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