THE AD FRAUD ISSUE

Caution:
Contents Inside Are All Genuine

MAR⃥KETING *popculture* *WEEKENDER*™

It was either
more meat
or **more
marketing.**

Beef
Pepperoni

Chicken
Slice

PHYSICA

Fraud is more insulting than a four-letter word and costs billions

As marketers put all budgets under the microscope for 2021, we decided it was a good time to revisit the minefield of digital ad fraud...

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Who is eating your marketing budget?

Well, not all of it has gone into the special Meat Stack sandwich at Subway...

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Department Stores In Crises

On October 30, media reported the closing of Robinsons in Malaysia. Early morning the following day, long queues were seen at the two of their stores as regular customers were trying to buy goods at heavily discounted prices...
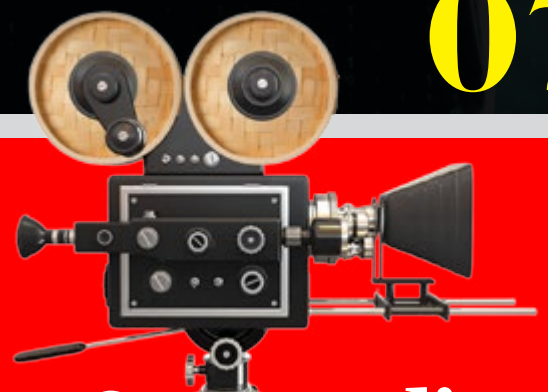
Star Media Group still keeps loss making Dimsum

18 Despite having suffered a massive loss of almost...

Say What

"**PERODUA SOLD 1 CAR EVERY 17 SECONDS ON NOVEMBER 30!**"

Sold 23,119 cars in Nov, including 5,027 units in a single day.

"**IT'S NOT THE DAILY INCREASE BUT DAILY DECREASE. HACK AWAY AT THE UNESSENTIAL.**"
Bruce Lee

"**THE AVERAGE BABY BOOMER HAS ABOUT 12 TIMES THE WEALTH OF THE AVERAGE MILLENNIAL.**"
Report by www.visualcapitalist.com

Who is eating your marketing budget?

Well, not all of it has gone into the special Meat Stack sandwich at Subway.

Half, or if not more, of marketing budgets are now spent on digital, mostly using programmatic tools.

And however much I write about it, marketers have yet to see the truth from the lies when they invest in online media.

They buy into simplistic explanations like ROAS (Return On Advertising Spend) which are not definitive the way they are made out to be. It basically explains how, for example, an airline can calculate how much ticket sales they got due to people who clicked on a Google Search ad. But Google has no clue whether the guy watched a TV ad or saw a Facebook post from his friend before coming to Search to book the ticket.

Another falsehood marketers have been sold on is "last click attribution" which is a huge hogwash and highly debatable.

EDITOR'S NOTE

Recently, The NY Times ran a piece about how since the US elections FB has been struggling with the issue of misinformation vs money. It's a very simple formula: the more lies, hate and misinformation their algorithms promote, the more money they make.

Fear is also a great motivator, galvaniser and is renewable.

Fear feeds off a chain reaction between advertisers, media owners (especially digital media) and media specialists or trading desks. No one wants to upset Google and Facebook as the duopoly reign supreme. We don't talk about it, but fear drives this (sometimes reluctant) triumvirate.

Media specialists live off Facebook and Google and their various other tentacles. The bummer is the digital giants do not give kickbacks to the agencies to cover shortfalls in targets, plus the money is small. So the agencies dangle, rightfully, the fraud issue to keep the relationship on an even keel. I call this feeling as being "fraud with fear".

Google and Facebook fear the agencies but not as much as the agencies fear them. They fear

... Media specialists live off Facebook and Google and their various other tentacles. The bummer is the digital giants do not give kickbacks to the agencies to cover shortfalls in targets, plus the money is too small...

marketers more, as the moolahs are there.

And what do marketers fear? That they are being taken for a ride.

This concern is addressed by racks of data dossiers that aim to justify ROI (to this day I can never imagine anyone going through them). If you can't explain, confuse. If that doesn't not work, then philosophise. Humans assimilate well articulated tales readily.

The final role of fear is to use it as an excuse for everything: "please charge me less" (so I can charge the client that "won't pay" more); "deliver by this Saturday" (or I look for someone else who

... Digital giants have gamed the system (the one they set up) by using money to offset all their faults...

can, as they are knocking on my door daily) and "do not go directly to the client" (or I'll have your head).

In October, Facebook saw a 22% increase in ad revenue, from US$17,383 million in 2019 to US$21,221 million, in the third quarter of 2020. This was despite the ad boycott FB faced earlier in the year, with major brands such as Microsoft, Lego, Danone, Mars, Volkswagen Group, Diageo, and Coca-Cola temporarily pausing their advertising on the platform.

Digital giants have gamed the system (the one they set up) by using money to offset all their faults.

Facebook is reimbursing advertisers after allegedly misreporting one of the measures of ad effectiveness over the course of a year. It said that its conversion lift tool encountered a glitch which impacted "thousands of ads" between August 2019 and 2020. According to the Wall Street Journal, in 2016 FB admitted that for two years, it "vastly overestimated" the average viewing time for video ads on its platform.

We live in an age of manipulation.

I can't take beef in my Meat Stack sandwich so does that mean I double up on other meat I do not want?

Or do I ask Subway to put the money they saved from me back into their marketing budget?

FRAUD IS MORE INSULTING THAN A FOUR-LETTER WORD AND COSTS BILLIONS

As marketers put all budgets under the microscope for 2021, we decided it was a good time to revisit the minefield of digital ad fraud.

"Ad fraud and other forms of invalid advertising traffic can waste up to 30% of a marketer's advertising budget. CMOs have become lax with this aggressive loss to their ad campaigns, considering it just a part in doing business, and have resigned to this new 'tax'." The vast majority of businesses have no clue that 30% of their advertising budget is taxed away. From fake mobile display traffic to bots, ad fraudsters are undercutting businesses' marketing and customer acquisition efforts.

In the US, ad fraud is predicted to see advertisers lose $100 million a day by 2023. Creating a solution to protect against ad fraud is no longer an

option for digital marketers, it is mandatory.

According to the World Federation of Advertisers (WFA), it is estimated that by 2025, over USD50 billion will be wasted annually on ad fraud.

Are you actually doing this?

One example of ad fraud as a form of sabotage is when businesses intentionally click their competitors' advertising, using scripts to programmatically click, or commissioning click farms to do it. The objective is to drain their competitors' ad budgets so that less ads are shown to real users, making it harder for those businesses to attract new clients. When the target's budget is drained completely, it is then easier/cheaper for the perpetrator to get their ad placed.

The menace fights back

Since the introduction of ads. txt by the IAB Tech Lab two years ago, bad actors have invented ways to exploit and subvert a tool that was heralded as a vital way to snuff out ad fraud. But in a report early this year, ads.txt itself been exploited as a vehicle

... The objective is to drain their competitors' ad budgets so that less ads are shown to real users, making it harder for those businesses to attract new clients...

to cover up fraud in over 1.5 billion online ads!

"The global village that was once the internet was has been replaced by digital islands of isolation that are drifting further apart each day." says Mostafa M. El-Bermawy

Ad Stacking

Ad stacking is a practice where multiple ads are stacked on top of one another, with only the top ad visible to the viewer. While only one ad is visible, the impression counts for each served ad, even the hidden ads underneath the stack. Another trick to defraud advertisers.

"Bots can do almost anything a human can."

... They hire botnets to go to the site, which in turn generates ad impressions that enter the auction environment, and are then purchased by advertisers...
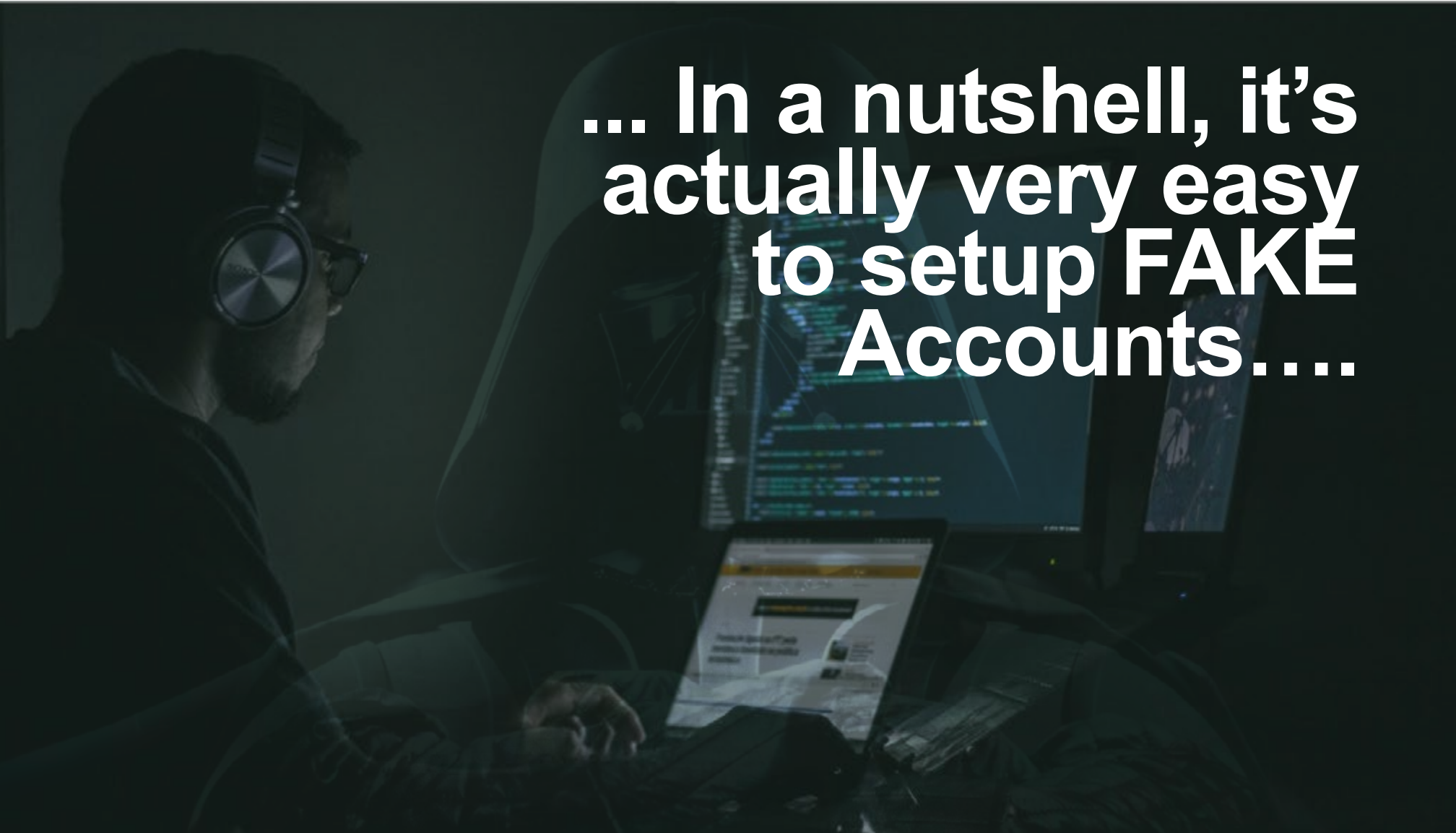
iFrame/1x1 Pixels

Also referred to as pixel stuffing, this takes place when a 1x1 pixel (invisible to the human eye) is placed on a site, sometimes through an ad unit. Unknown to the user, these pixels can end up loading an entirely different website. The site that loads out of view in a 1x1 iFrame often contains advertising – none of which is ever seen by a user. While this method of fraud can be used to simulate false ad impressions, it's also often used in affiliate marketing scams, where the hidden site 'cookies' the visitor. The hidden site then gets to share the credit on any conversion or purchase with the site the viewer is actually visiting.

"Advertising fraud is done by creating fake ad traffic using content-scraping websites or other environments, launching ads outside of a user's view, or creating other fictitious mechanisms for delivering ads that are not seen by consumers."

Ghost Sites

The most widely reported type of fraud that currently takes place in online advertising is something referred to as Ghost Sites. These are real websites with real content, usually falsely produced or stolen from other legitimate websites. The sites' only purpose is to defraud advertisers. The site owners will create these sites and make them available through ad networks or exchanges that participate in the emergence of new ad formats and channels, like video or mobile, are today's new breeding grounds for fraud.

Time bidding environments hire botnets to go to sites, which in turn generates ad impressions that enter the auction environment, and are then purchased by advertisers.

COVER STORY

... In a nutshell, it's actually very easy to setup FAKE Accounts…..

**THE DARK SIDE
(not recommended)**

In a nutshell, it's actually very easy to setup FAKE Accounts….

1. Purchase a domain and hosting plan. GoDaddy offers plans from as low as RM5 a month.
2. Setup multiple e-mail accounts from this domain. Most plans offer up to 100 mail accounts.
3. Imagine setting up a Gmail account with every 100 of the accounts from above… plus Google only verifies IF the above is valid and active.
4. Now it gets better, create an FB account with each and every Gmail above. Like Google, FB just wants to ensure that the email is active and the details entered for the profile fit within their so called guidelines. For good measure, create accounts with the 100 email accounts from Step 2. This could have you end up with 200 FB accounts to do some really naughty stuff.
5. Spend a weekend doing the above, including putting a stupid profile photo (which Google will be willing to

COVER STORY

provide gratis). Have a few friends for each account since you have almost 200 to play with. Do this with a chilled beer.

6. Now it looks like you have a small community which you have complete control over. All with just RM5 and some time spent.

Now the naughty stuff, depending on what your game plan is. Do you want to

1. Be a cyber trooper?
2. Help your company's marketing campaign?
3. Be a nuisance to decent advertisers?
4. All of the above?

Let's make our own server farm. You have two options for this...

1. Use Amazon Web Services / Microsoft Azure (can be

COVER STORY

expensive)
2. Repurpose any old computers at home (highly recommended).

So let's do this with option 2.
1. Install Linux (it's FREE).
2. Setup VPN or TOR (instructions easily found using Google).
3. Setup virtual machines within this computer. Depending on the configuration, it's possible to have up to four.

Now assuming above is done, you now have 5 machines ready to do more naughty stuff such as:
- Create fake traffic sources to let's say your company's marketing campaign website.
- Create fake ad views on sites.
- Boost your site's visitors etc.

Of course all of the above is done automatically, a simple 5 lines of Bash script running and utilising some free open source tools such as CasperJS and PhantomJS.
Now of course all the tools mentioned here are not actually designed for naughty stuff.

They are actually very useful tools to help design and stress networks and applications. But in the wrong hands, they can be harmful.
But let's just say you are the platform owner itself or at least have access to the site (legally or not). What can you now do?

Well a lot actually…
1. Injecting fake cookies to web pages
2. Injecting fake ads (which do not actually display to the end user but is tracked as shown / viewed)
3. Really mess up your GA stats, etc

... You have achieved messing up your GA with Fake Traffic, which unfortunately (fortunately for you though) some poor advertising agency bloke will believe and hence influence the ad spend...

Now item 3 is interesting. Everyone apparently believes GA and its counterparts like Comscore and all the other expensive website analytics and reporting are the benchmark when it comes to decisions on ad spend.

Now truthfully how many actually have TOTAL access to the data besides the owner? Everyone actually only sees the summary which does not actually reflect the total truth.

A naughty owner could actually setup a dummy page with zero content but just have all the tags required and then get his server farm to keep visiting that 1 page every minute.

Now think what this does to GA. It will record each visit and because of the TOR/VPN configuration the IP is different each time and hence Google will dutifully record it as unique!

You have achieved messing up your GA with fake traffic, which unfortunately (fortunately for you though) some poor advertising agency bloke will believe and hence influence the ad spend.

Back to reality

As we dwell in our online echo chambers, the time has come to stop playing victim and make 2021 as profitable as you can by policing ad fraud like never before.

This article has been widely researched and curated off the internet but the editor can guarantee no fraud was intended in the process. I'd like to credit all sources. The publisher also wants to declare that we don't practice any of the tricks mentioned under THE DARK SIDE in this article.

COVER STORY

BRIEF GLOSSARY
(do not panic)

App install fraud: If advertisers pay per install, fraudsters will find a way to falsify the number of installations.

App name spoofing: Apps can submit a false app identifier to the bidding platform, interfering with detection of apps utilizing background services to load ads as well as brand safety and contextual targeting.

Banner stuffing: A form of pixel stuffing; multiple ads are stuffed in the same ad slot, but only one is visible.

Bot traffic: Invalid traffic designed to mimic users and inflate audience numbers.

Cookie stuffing: Process in which fraudsters add cookies from a different site than the one the consumer is actually visiting, in order to profit from the false action

General Invalid Traffic (GIVT): Traffic that comes from known, non-human sources on publicly available IP lists. This fraud can be identified through routine means of filtration.

Location fraud: Process in which fraudsters send false location information so the ads are served in locations other than where initially intended

Proxy traffic: Traffic is routed through an intermediary proxy device or network where the ad is rendered in a user's device where there is a real human user.

Retargeting fraud: Bots mimic a human's intentions, such as an interest in a specific brand, in order to warrant the higher CPM typically associated with retargeting. Advertisers are deceived into believing they are receiving valuable, targeted audiences.

SDK spoofing: The act of hacking software development kits (SDK) and manipulating ad impressions by mimicking real user behaviour.

Volunteer botnets: A distributed network of computers whose processing power is harnessed to steal data or carry out a political or socially-motivated denial of service (DoS) attack.

Source: Integral Ad Science

MARKET SHARE OF ONLINE RETAILERS

Department Stores
In Crises

by Tan Hai Hsin
MD of Retail Group Malaysia

On October 30, media reported the closing of Robinsons in Malaysia. Early morning the following day, long queues were seen at the two of their stores as regular customers were trying to buy goods at heavily discounted prices.

Subsequently, Robinsons in The Gardens Mall and The Shoppes @ Four Seasons Place shut down last month.

Robinsons is not the only Singapore department store operator that exited Malaysia this year. The iconic Tangs department store exited earlier this year.

The department store sector has been facing intense competition from specialty stores over the last two decades. The rapid growth of specialty stores over the years led to more choices for Malaysian consumers to shop for similar retail goods found in traditional department stores.

Online shopping has played a very important role with Malaysian consumers during this COVID-19 pandemic. However, it is not the main reason for the poor performance of department store operators in Malaysia. Because online retail data does not only affect department stores, but also all other types of retail stores. Online retail sales account for less than 1% of total retail turnover in Malaysia.

Department stores are

MARKET SHARE OF ONLINE RETAILERS

RETAIL INDUSTRY GROWTH RATE 2010-2019

Sub-Sector	Annual Growth Rate (%)									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Retail Market	8.4	8.1	5.5	4.5	3.4	1.4	1.7	2.0	3.9	3.7
Department store cum supermarket	10.5	9.2	8.6	6.4	8.1	-1.3	-3.4	-0.2	4.5	5.5
Department store	11.7	6.3	7.2	2.0	-1.0	-7.6	-1.4	3.4	0.5	0.6
Fashion & fashion acc.	10.3	10.1	5.8	5.1	4.0	5.6	5.8	3.9	3.3	1.8
Other specialty stores	10.6	12.7	6.3	9.9	-5.9	3.5	-2.2	5.6	11.0	6.5

Other specialty stores include retailers in toys, household goods, optical, photo equipment, fitness equipment, computer gadgets, home furnishing and children goods. Source: Retail Group Malaysia

QUARTERLY GROWTH RATE 2020

Sub-Sector	Growth Rate (%)			
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr (e)
Retail Industry	-11.4	-30.9	-9.7	-18.2
Department Store cum Supermarket	-8.5	-34.6	-6.2	-14.3
Department Store	-17.5	-62.3	-17.7	-13.0
Fashion & fashion accessories	-30.5	-44.2	-12.5	-24.2
Other specialty stores	-17.9	-40.9	1.5	-24.2

still relevant in today's market environment but its merchandising mix is critical to its future success. They are doing well in smaller towns in Malaysia. There are not many modern large shopping centres in small towns. Thus, department store is still the 'shopping centre' for locals.

MARKET SHARE OF ONLINE RETAILERS

... Department stores are no longer an all-under-one-roof general merchandise retail store. They have become large Lifestyle stores...

TABLE: MARKET SHARE OF ONLINE RETAILERS IN MALAYSIA

Type	No. of Outlet (%)	Sale Value (%)
Essential Retailers	36.6	35.4
Non-Essential Retailers	58.1	63.3
Stalls and markets	3.3	0.2
Non-store retailers	2.0	1.0

Source: Department of Statistics Malaysia/ Retail Group Malaysia

Similar to department store operators in United States, the concept of department store is evolving in South-East Asian countries. Department stores are no longer an all-under-one-roof general merchandise retail store. They have become large Lifestyle stores.

Muji is a lifestyle store. IKEA is a lifestyle store. Even Mr. DIY can be classified as a lifestyle store now. Consumers enjoy shopping in these places where they find a wide variety of interesting products, and for ideas and inspiration.

The future of department stores will offer retail brands that cannot be found in specialty stores and will include cafes, restaurants, salons, event spaces and community halls.

Star Media Group still keeps loss making Dimsum

SMG position worsens with sagging morale, retrenchments and resignations….

By The Hammer

I told myself I'll stop writing about SMG, but they keep popping on my radar….

Despite having suffered a massive loss of almost RM100 million, Star Media Group (SMG) is still persistent in keeping its video platform dimsum.

STREAMING LOSSES

It is reliably learnt that at its recent board of directors meeting, chairman Datuk Fu Ah Kiow was adamant in keeping the Over The Top (OTT) platform which has continued to be a source of discontent among the staff.

The decision to keep dimsum comes just after the SMG had issued retrenchment letters to about 200 staff including 50 long serving journalists.

"Fu is now trying to resurrect dimsum, which deserves a burial, into Asean TV.

He has proposed packaging the entertainment content with news content from Asia News Network (ANN) members.

"But he doesn't seem to understand that except for Singapore, the rest of the Asean members do not use English.

Most of the news content us very local in nature and of little interest to Malaysians," said a source.

The now Singapore based ANN is an alliance of 23 media groups.

The source said the plan had been pushed by Fu, who has increasingly become a figure of frustration among the staff of SMG for his allegedly brash style and interference in operations.

> "He has proposed packaging the entertainment content with news content from Asia News Network members. But he doesn't seem to understand that except for Singapore, the rest of the Asean members do not use English."

The SMG still has no chief executive officer since Andreas Vogiatzakis quit in May after only eight months on the job.

It is now run by a three-men panel of directors headed by Fu, 73, Datuk Dr Mohd Amiruddin Rouse, 76, and Chan Seng Fatt, 58.

Chan, an accountant, is a director at Fitters Diversified Berhad, of which Fu was the chairman.

The present chief financial officer Sam Au, who is actively involved in operations, was from

STREAMING LOSSES

"It looks more like a desperate attempt to keep dimsum alive. Let's face it, enough is enough after a loss of RM100million."

Parkson Retail Group Ltd, of which Fu was a director.

None of the board members are from any media background after Datin Linda Ngiam, the former SMG managing director, resigned from the board.

The SMG deputy chairman Tan Sri Kuan Peng Soon, 76, is a trained engineer and prominent businessman.

SMG sources said the Asean TV idea has been pushed by Fu with no proper surveys and focus groups carried out on its feasibility.

"It looks more like a desperate attempt to keep dimsum alive.

Let's face it, enough is enough after a loss of RM100million. "

A revenue department source said there was no business strategy behind Asean TV and that Fu's idea of getting hotels to sign up was unconvincing.

He also said the content for Asean TV had been pushed to the newsroom.

Another source said while most SMG staff had been involved in the recent retrenchment exercise, most of the 60 dimsum staff had been relatively spared.

The National Union of Newspaper Workers (NUNW) and Malaysian Trades Union Congress (MTUC) have written to SMG and its majority shareholders, the MCA, to complain about Fu and the retrenchments.

The MTUC has described it as "inhumane" while NUNW is seeking a meeting with MCA president Datuk Seri Dr Wee Ka Siong.

Senior staff, who spoke on condition of anonymity, said anger was mounting in the office "with each passing day and we fear that SMG cannot be rescued if this present state of affairs remains."

It is learnt that many candidates had asked openly at

STREAMING LOSSES

interviews if they were free to carry out their work without the board meddling in their work.

"The interference of Fu has become the talk in the media and advertising fraternity.

"At the moment, The Star isn't loved because of one man," said an agency CEO, who said he was supporting the "suffering staff at Menara Star."

The Star's move to impose a paywall for its hugely popular The Star Online has also taken a huge beating.

It is understood that about 50,000 readers have signed up as subscribers. It used to boast it had 11 million readers before the subscription was introduced.

A source said it was difficult for The Star to impose a paywall unlike Singapore's Straits Times where no news portal exists or in Hong Kong where the South China Morning Post is the only English news platform with the rest in Chinese.

Star staff said the biggest loser was MCA as it would lose a substantial number of its targetted audience.

The number of Malay readership has passed 60 per cent, surpassing SMG Chinese based readers.

> # "The interference of Fu has become the talk in the media and advertising fraternity. At the moment, The Star isn't loved because of one man,"

Meanwhile, Datuk Seri Wong Chun Wai is already on leave ahead of January 1, 2021, when his contract as Group Adviser ends.

According to Malaysiakini, the former managing director and CEO of The Star has decided to leave SMG .

It has also been reported that executive editor Rozaid Rahman is joining Sinar Harian as its group chief editor.

STREAMING LOSSES
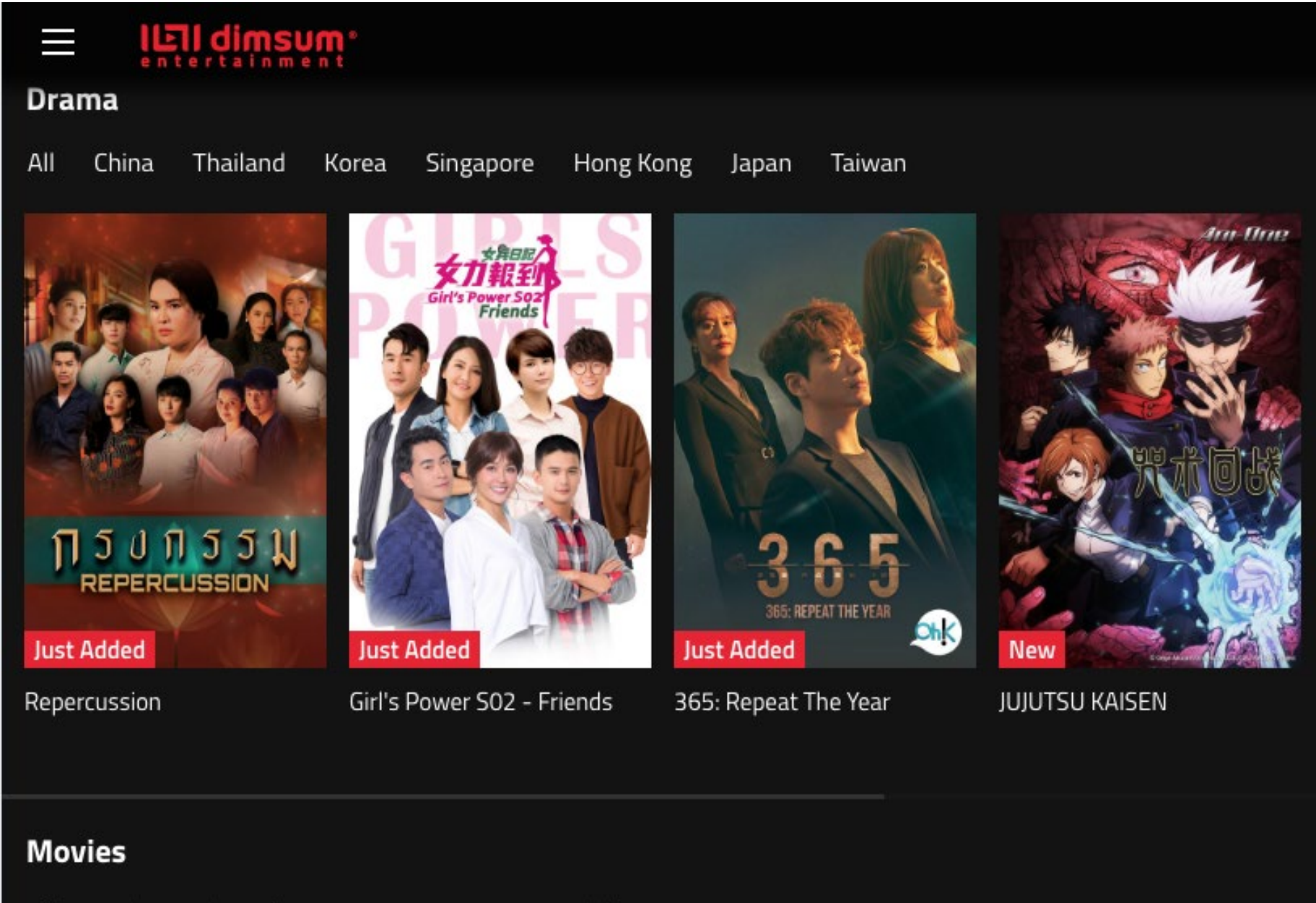
"**A senior journalist said his room has been completely "cleared and it looks like he has walked out of the building.**"

Staff has described this as a loss to the Star.

It is unclear what is Wong's next move but he has recently appeared in an online programme hosted by the powerful China Daily as the editorial adviser of the China Daily Roundtable Conference.

The well-connnected he has refused to tell his staff what were his plans after spending 36 years in the company.

A senior journalist said his room has been completely "cleared and it looks like he has walked out of the building."

She said the morale in the newsroom had hit the "lowest ebb ever."

The Other Pandemic

Online ad fraud is apparently out of control.

A white paper released this week by AdAge and co-sponsored by anti-fraud company Spider Labs, estimates that ad fraud is stealing 20% (which comes to USD66 billion) in global online ad spending.

The report states, "the digital domain overall has seen a marked increase in fraud since the coronavirus first emerged…. Along with the rise in scams like ransom-ware, trojan viruses and malware, ad fraud has also spiked dramatically."

In another recent report, Prof. Roberto Cavazos, economist at the University of Baltimore, said "the level of ad fraud is now staggering. The digital advertising sector has … higher fraud rates than multi-trillion-dollar sectors…"

Prof. Cavazos' comments came in a report issued by cybersecurity firm CHEQ which Cavazos participated in. The report estimates that ad fraud will create direct worldwide marketing losses of $35 billion in 2020. This is about a 50% increase over their estimate of $23 billion in direct losses in 2019.

Cavazos has spent over 30 years studying fraud across many business sectors. Last year he said, "I have studied the economic costs of fraud in many sectors for decades, and I was left stunned by the scale of fraud in online advertising."

But, please, don't tell that to our illustrious industry "leaders." The crackpots at the ANA (Association of National Advertisers, US) last year foreshadowed the "we've turned the corner" cluelessness of the White House with this gem: "*Report From ANA And White Ops Shows War On Ad Fraud Is Succeeding.*" If you need a good laugh, read it.

Some highlights from the CHEQ study:

1. Online ad fraud has overtaken credit card fraud despite the fact that the credit card business is ten times the size of online advertising.

"I have studied the economic costs of fraud in many sectors for decades, and I was left stunned by the scale of fraud in online advertising."

2. While the direct cost of fraud will be about $35 billion, the total cost (direct plus indirect) could reach $40 billion.
3. The report says, "*Online advertising is uniquely susceptible to frauds...*"
4. Between 10% and 30% of the $1.3 billion digital ad spending in the U.S. Presidential election was lost to ad fraud.

According to the CEO of CHEQ, "*...fraudsters have ready access to the most advanced tools ever available to commit fraud at scale.*"

Generation Z

# Consumers and the Future of Branding

By Dr. Karling Lee

A brand is often seen as the idea or image that customers or consumers have in mind when thinking about specific products, services of a company, in a practical (the dress design is trendy and functional) as well as emotional manner (the dress makes me feel beautiful). Therefore, having a strong brand has become a crucial differentiation point to stand out from the competitors and be the purple cow.

However, will the current branding strategies and focus be able to weather the storm of the new onslaught of Generation Z (Gen Z)? This is a critical question for many companies and organizations as so many have got it wrong when it comes to Gen Z.

Referring to previous articles on who are the Gen Zs (born between 1998-2000 onwards, with 1998-200 being cuspers Gen Zs), it is predicted that in the next 3-5 years for Asia, Gen Z is likely to have the highest purchasing power parity as compared to previous generations although

BRANDING LESSONS FOR GEN Z
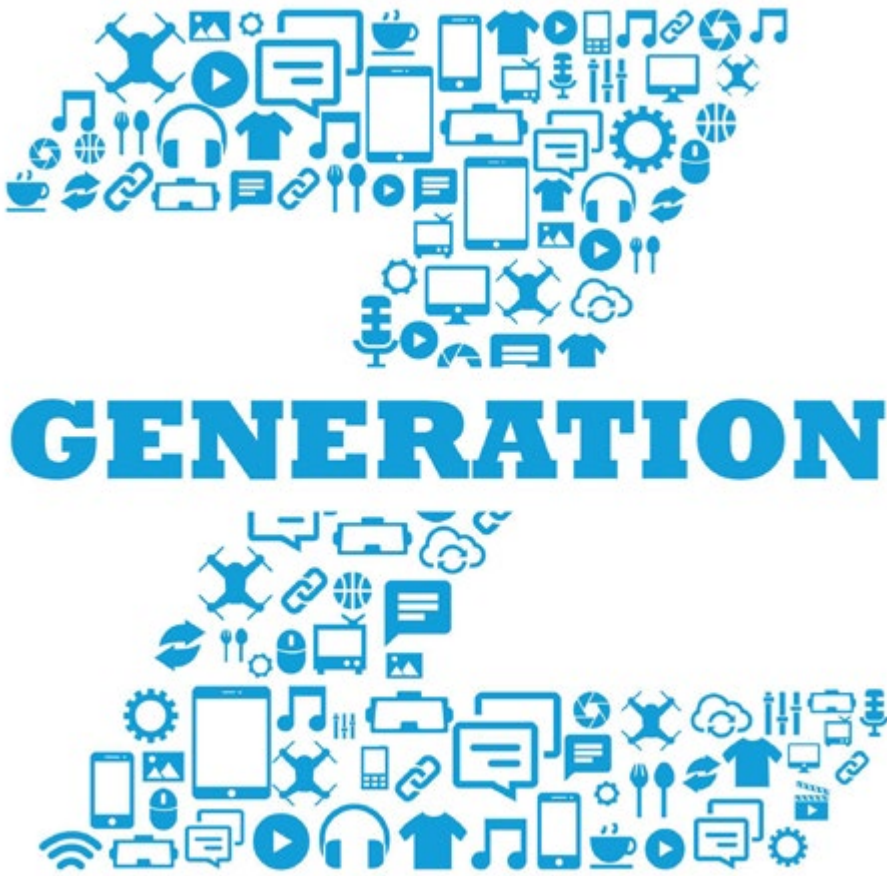
... it is predicted that in the next 3-5 years for Asia, Gen Z is likely to have the highest purchasing power parity as compared to previous generations although the largest population remains the Generation Y...

the largest population remains the Generation Y (Gen Y).

However, population size does not always equate purchasing power parity.

Gen Z as a generation is the most likely to "cancel" or "boycott" a brand as compared to Gen Ys (approximately 40% vs 16% and rising for Gen Z). What causes a Gen Z to stop buying from a specific brand? Below are some of the reasons.

1)   Meaningless and unsubstantiated claims by the brand – Gen Z expects brands to live up to expectations and adhere to its values, beliefs and convictions. Brands that tell the truth are preferred.

2)   Gen Z needs to trust a brand before considering the brand. It is becoming increasingly important to focus on the VALUE proposition for the Brand instead of merely the USP (unique selling point). Gen Zs are big on value that a brand brings to them in order to relate.

3)   Avoid using "Tokenism" as a promotional campaign. For the Gen Zs, if the Brand is championing a cause, it must show that it is genuinely and positively taking actions to advance the cause it purports to champion. Putting up a "façade" attracts Gen Ys, but not the Gen Zs.

4)   Using more visual cues and designs that are creative and out-of-the box often attract the Gen Zs more than re-used, clichéd and unimaginative ads.

BRANDING LESSONS FOR GEN Z
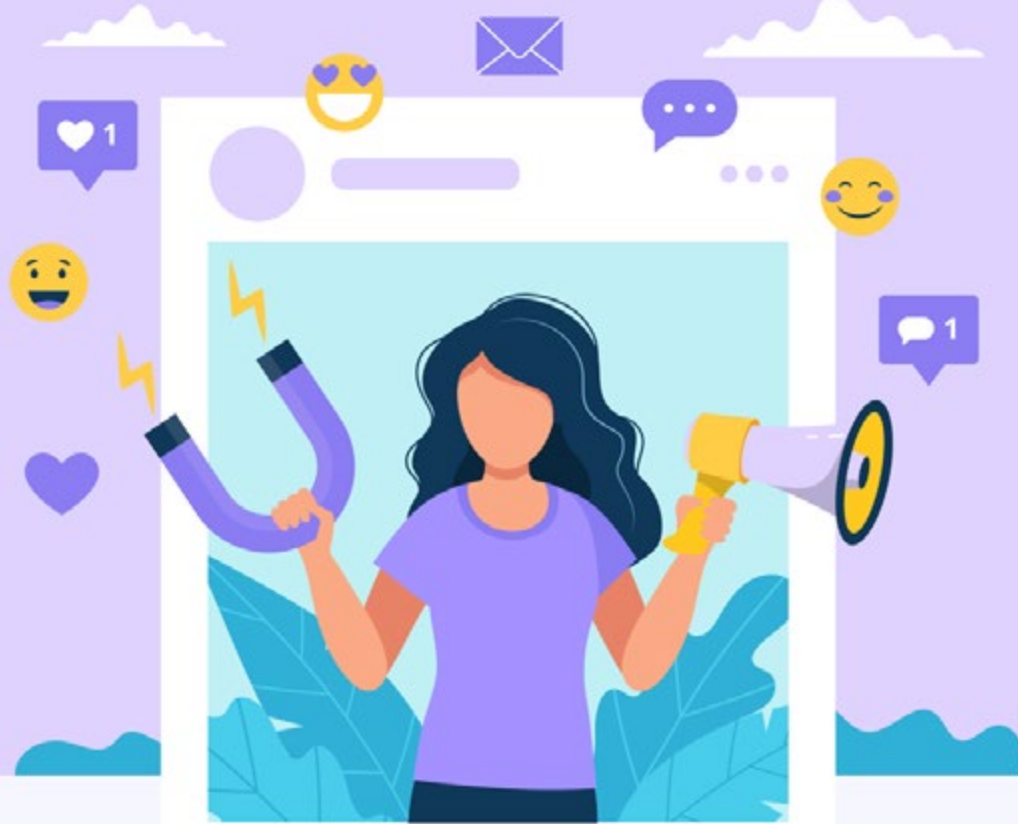
For some Asian Gen Zs, being creative and imaginative with out-of-the world ads speaks out louder as these Gen Zs read novels and watch animations that spew out such content.

5) Positivism works better with Gen Zs too in terms of framing messages, reaching out, empowering and creating celebrations.

6) Creating a brand to allow for something for everyone is passe Gen Zs seek customization where the brand speaks to them in a personalised manner. Sounds easy, but it is the most challenging as the message needs to reach the Gen Zs in less than 30 seconds, or you have lost them!

The above are not the only reasons for companies and organizations to re-think the future of branding as the Gen Zs become a force to reckon with.

Remember too: Research has shown that Gen Zs are great influencers of respective parents who are mostly from Generation X (Gen X), though some are from the older Boomer generation or the younger early cusper Gen Ys.

Dr. Karling Lee is an annual favourite at the Malaysian CMO Conference, her groundbreaking studies are highly-sought out by marketers who know what works best for their brands. Her expertise in deciphering the digital generation is based on real time surveys and reporting.

SHOWCASE

The lack of diversity in ad agencies, results in the misrepresentation of the Black community in media and ads. The most recent example is an ad in South Africa for a hair product. The ad showed black hair with the headline "Frizzy & Dull hair". And next to it, blonde hair with the headline: "Normal hair". The Blackboard ad is a response to it. And a reminder why the #BlackLivesMatter movement exists.

Client: **blackboardcommunity.co.za**
Agency: **King James, South Africa**

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