



Media Tracker

Trust in the UK media

June 2017

kpmg.com/uk/mediatracker



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Media Tracker

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Introduction

When we stand back and reflect on the top media trends of the past year, the most prominent theme that emerges is the 'fake news' phenomenon and its impact on trust in the media. It was therefore a natural choice as our special topic of consideration supplementing this year's Media Tracker.

Our survey, conducted by Markit, polled respondents on their attitudes towards the news they consume. How much do they trust what they read? How much does the method of delivery affect that trust?

As more and more people adopt online sources and social media as their primary source of news, how can media companies adapt their business model to cope with new threats and capitalise on new opportunities?

As in previous years, this 2017 edition of the Media Tracker features Markit survey data from UK media companies, marketing executives and employees.

The Media Sector Tracker Index is a barometer of prevailing conditions across the wider UK media sector and is intended to give an insight into how media budgets are spent and why. Given the lack of reliable business cycle data for the UK media sector, and its importance to the health of the wider creative industries, our intention is that the Tracker can plug a vital information gap for industry participants and policymakers.

“ There is an opportunity for media companies to differentiate their brand by building and ensuring trust at both a consumer and corporate level. ”

David Elms
Head of Media

Special report: Trust in the media

Fake news: The bigger picture of trust in the media

Mistrust of the media is nothing new. But it has recently resurfaced in the form of the 'fake news' issue that dogged the Brexit vote and 2016 US Presidential election.

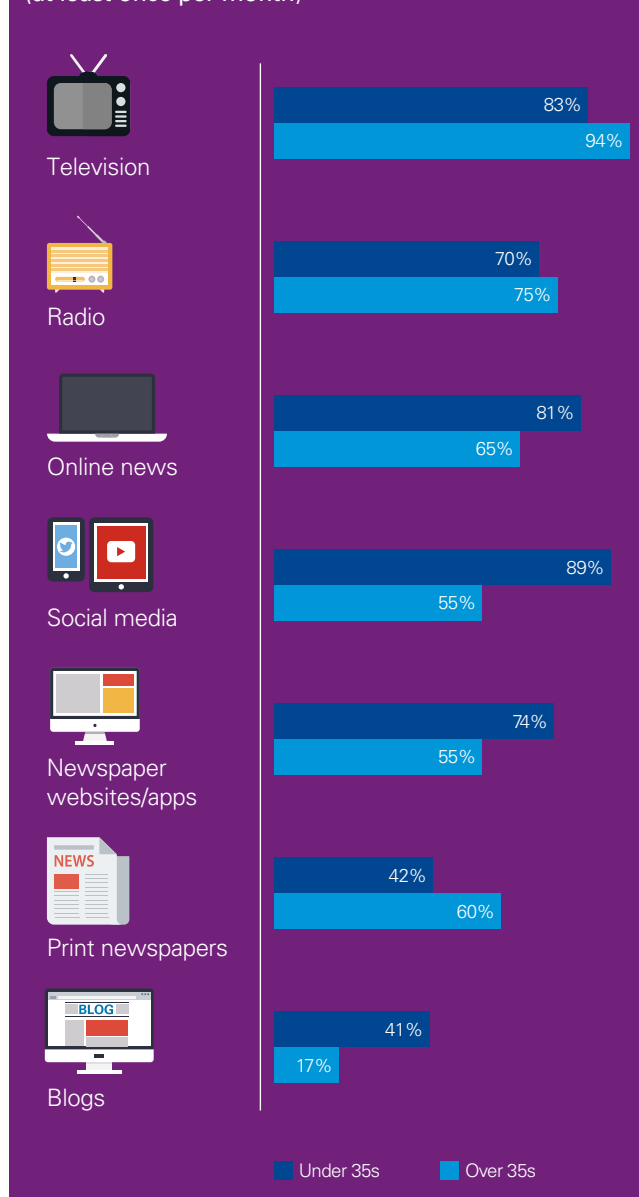
The speed and volume at which information is shared and consumed today makes the lines between news, entertainment, fact and opinion harder to discern. In an online environment, news stories from reputable sources can be displayed side-by-side with opinions and sensationalism. Increasingly it is algorithms, not journalists that decide which content we see first, or at all. For content producers and advertisers, the currency of the internet is engagement, but engagement doesn't necessarily reflect accuracy.

So while fake news and its effect on politics may be the topic du jour, the more pressing concern for businesses is the effect it is having on trust in the media more generally. Edelman's annual Trust Barometer, which surveyed over 3,500 UK individuals between October 2016 and January 2017, revealed the largest-ever drop in trust across media and business organisations. Trust is at an all-time low in 17 countries¹. What's more, trust ratings can be higher for leaked information than they are for traditional news sources, and people may be inclined to trust online algorithms more than human editors, as they are seen to be less susceptible to bias. But algorithms are based on our activity, and reflect our bias back at us, creating the so-called online 'echo chamber'. So even if the news isn't fake – it is skewed.

What is fake news?

Fake news generally refers to news stories that contain false information – either deliberately or otherwise. However, fake news is but one component in the broader issue of flawed news, which encompasses anything from unethical reporting methods to poor fact-checking. Fake news has also been used to denote opinions with which people disagree: calling a story 'fake' to discredit it.

Chart 1: Which sources do you get your news from? (at least once per month)



Sources: KPMG, IHS Markit, Populus

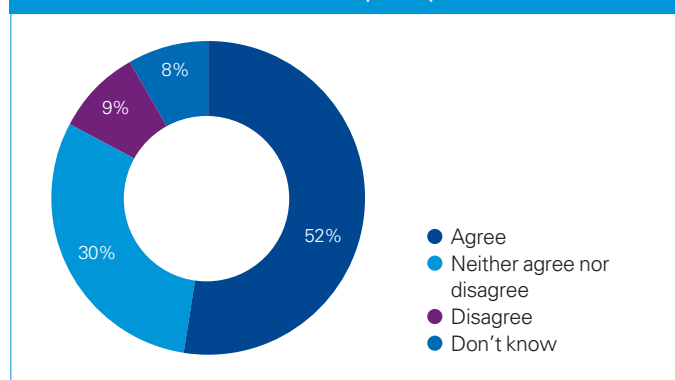
1. <http://www.edelman.com/trust2017/>

This decreased trust in news content has a compounding effect on existing industry trends. Media consumption, especially for young people, is shifting ever further towards digital platforms (see chart 1). Media companies already experiencing financial challenges are re-thinking their business models, and identifying new revenue streams. This is a time of change for media companies, and a lack of trust in their products makes navigating these shifts all the more complex.

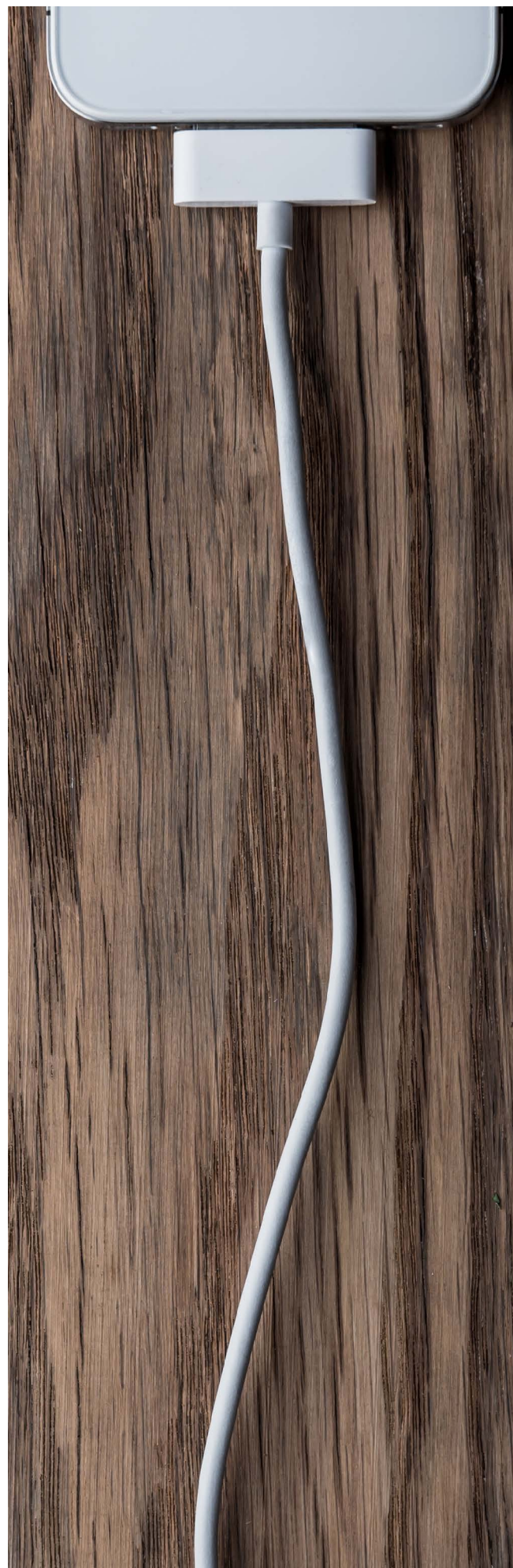
Within this context, there is an opportunity for publishers to establish themselves as the trusted brand. Our research shows that trust in established brands is higher than for individual commentators. The power of brand remains important. Companies that can show their commitment to the integrity of their product, in conjunction with innovation around business models and revenue streams, should reap the benefits.

Below, we will discuss further the challenges posed to media companies from the fake news phenomenon, and examine what our survey reveals about what it means for wider trust in the media.

Chart 2 : The news in my social media feed generally has some truth to it, but is not completely accurate



Sources: KPMG, IHS Markit, Populus
Percentages may not add to 100 due to rounding



Challenge 1: Plurality of truths on social media

Consumers have access to more sources of information than ever before and this means more interpretations of events, facts, and statistics. There are two key effects of this: confirmation bias and lack of challenge.

Social media networks are made up of sub-groups of individuals with similar views to one another. As a group, these individuals like and share information that supports their existing views, which strengthen and intensify (see charts 3 and 4). All the while, these groups encounter less information that challenges or contradicts their beliefs. They may become less aware that different viewpoints exist or are equally valid. This results in different groups of individuals working with completely different and separate sets of information.

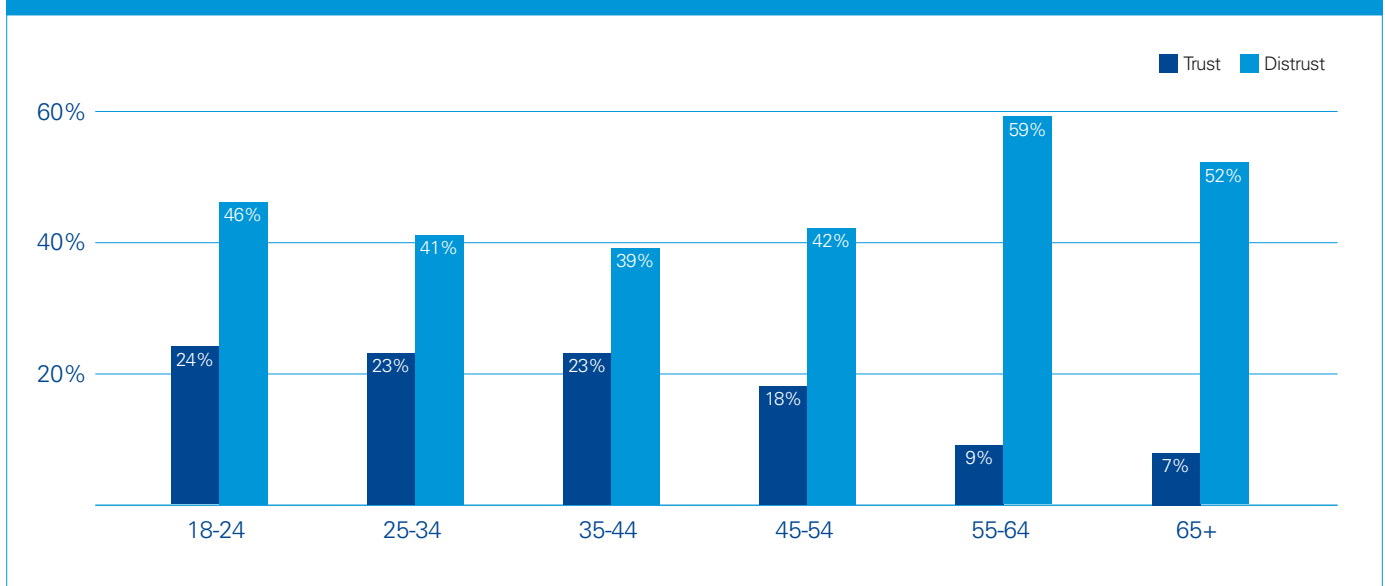
This is in part because of a psychological phenomenon called confirmation bias. Studies have shown that individuals seek out and pay more attention to information that supports their existing beliefs than to information that contradicts them.

It has also been found that discussing ideas with like-minded individuals intensifies these ideas because they are validated socially. The algorithms used by the social media giants are set up with this preference in mind, identifying the content a user is most likely to engage with and prioritising it.

Ultimately this results in a paradox of a plurality of personalised news feeds, whereby different groups of people deal in entirely different and separate 'facts'. Experiencing unanimity within one's world, and one's online world, implies that this is the view of the majority. The problem is, people are increasingly unlikely to be aware that different viewpoints even exist.

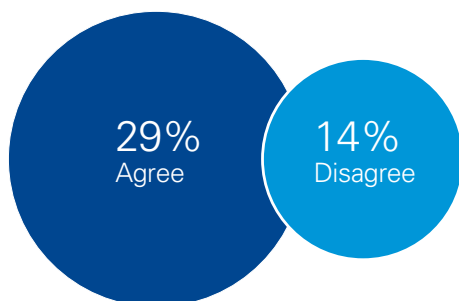
Echo-chambers and associating with like-minded individuals is not a novel concept. However, the abundance of online voices amplifies the issue, and consumers are increasingly likely to use them as a source of news as well as entertainment.

Chart 3: Do you generally trust or distrust social media as a news source?



Sources: KPMG, IHS Markit, Populus

Chart 4 : The news in my feed supports my views



Sources: KPMG, IHS Markit, Populus

Challenge 2: A sinking tide lowers all boats

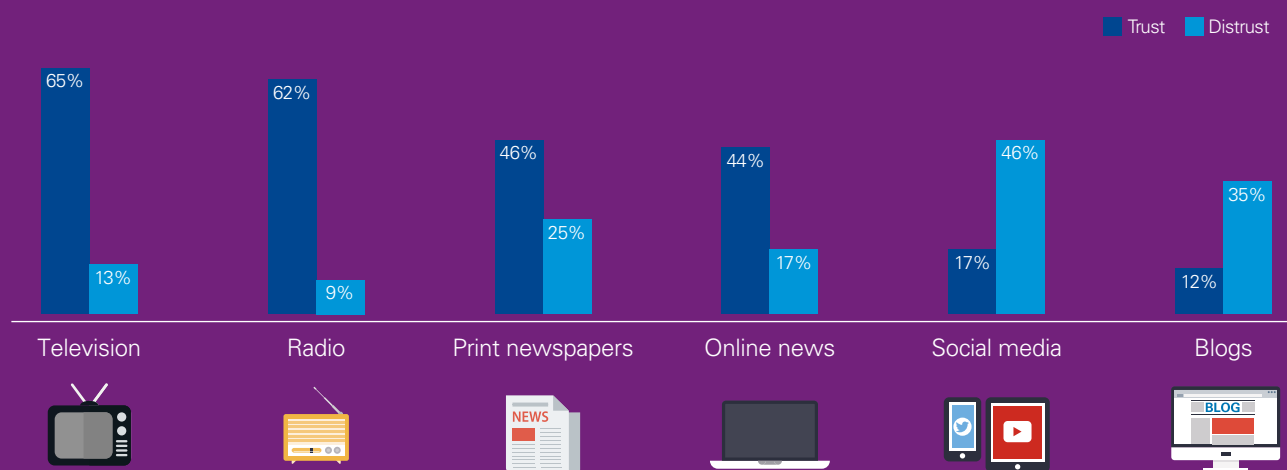
Our survey drew out the accepted trend that news is increasingly consumed online, especially by younger demographics, but it also showed that this trend continues despite lowering levels of trust in the content on online platforms (see chart 6). From a consumer perspective, media is often consumed in the same way – serious geopolitical news is positioned side-by-side with celebrity gossip and unsubstantiated opinion on aggregator platforms.

As such, the market is no longer segmented between different types of publications. The cost of entry to online publishing is low: anyone can start a blog or a social media account. Newcomers are often unencumbered by internal quality control and its associated costs; meaning they are able to publish irresistibly clickable headlines at an astonishing pace. Moreover, the aim of those that are unscrupulous is to publish misleading information and even intentionally false stories without the constraints of internal checks.

This means that as traditional media outlets strive to have visibility online and on social media sites where target demographics reside, they are placing themselves in a lower trust environment, where legitimate publications can be dragged into fake news debates. The presence of fake news lowers the tide of trust for all providers (see chart 5).

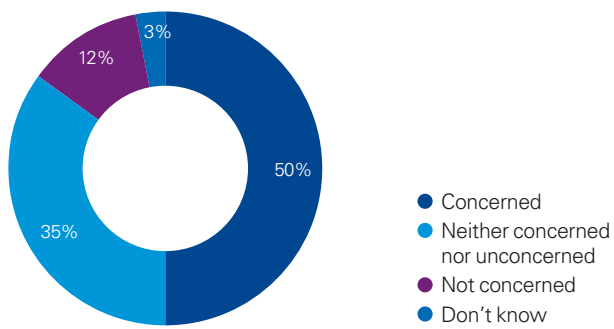
The challenge for established media providers is to find a way of distinguishing themselves from the other players on social media, not just by continuing to produce high-quality content, but by diversifying both in product and platform. Instead of trying to beat new entrants at their own game, they need to consider changing the game, creating pan-format content that focuses on brand building rather than quantity of share and clicks. However, as a result they may not be able to produce content with the speed of smaller, newer outlets, leading to the third challenge: short-term advertising metrics.

Chart 5: Which of the following news sources do you generally trust or distrust?



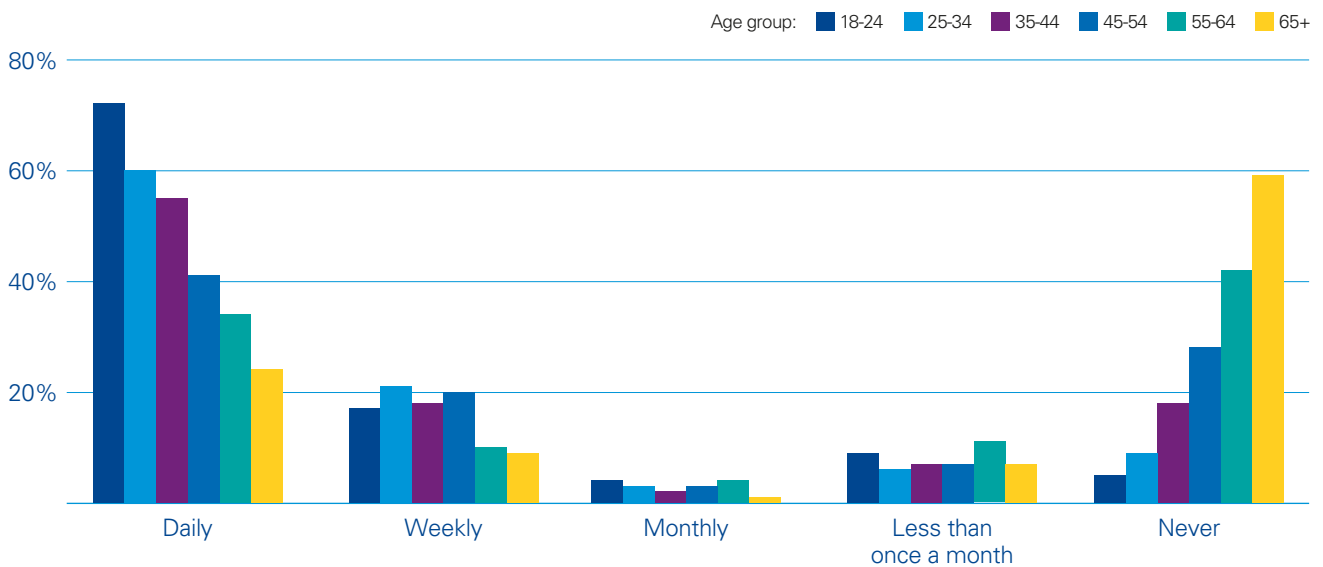
Sources: KPMG, IHS Markit, Populus

Chart 6: Are you generally concerned or unconcerned about the accuracy of online news?



Sources: KPMG, IHS Markit, Populus

Chart 7: How often do you get your news from social media sources



Sources: KPMG, IHS Markit, Populus

Challenge 3: Short-termism in advertising

So if trust in online platforms is low, what is driving both advertisers and publishers online?

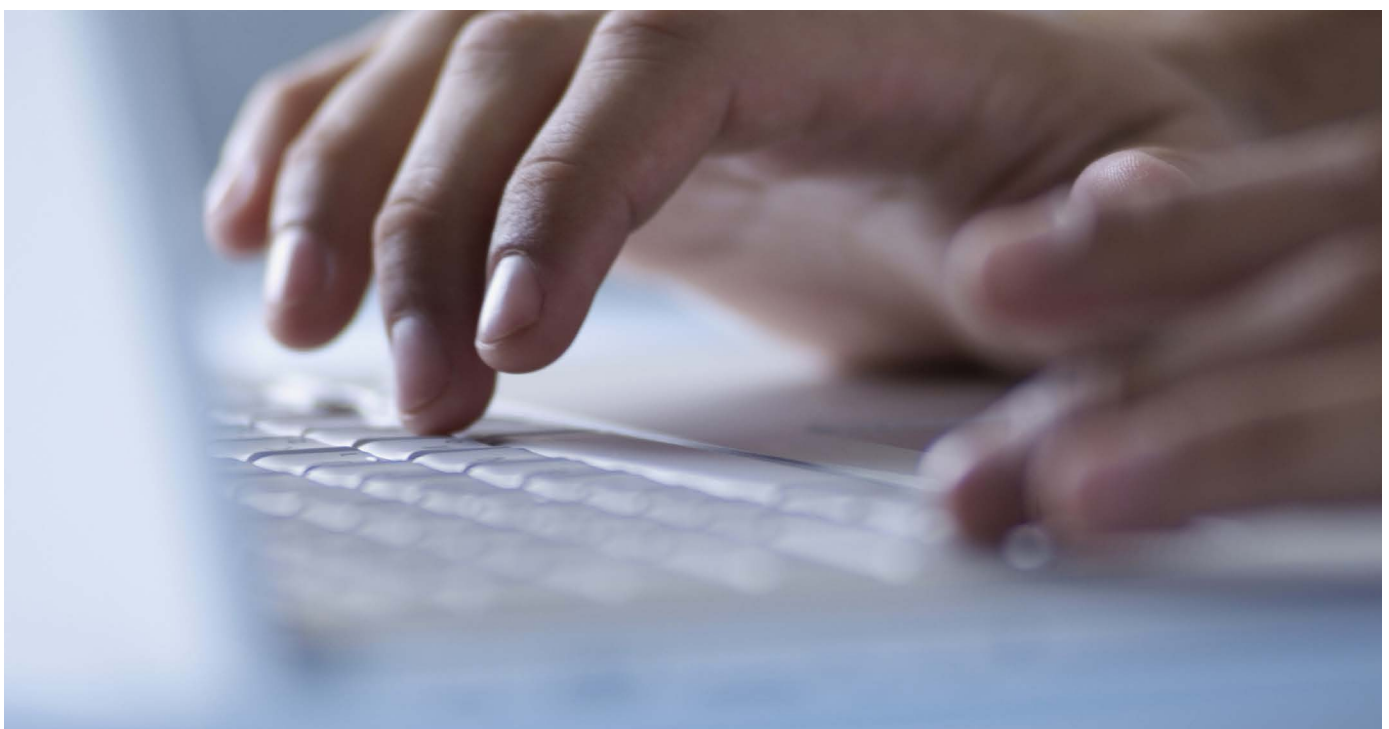
The shift from a print-led to digital-led world has made online ad revenue a key income stream for publishers. To attract this online adspend, publishers must have high enough traffic or engagement statistics. This means the industry is increasingly being driven by short-term metrics and quick wins, such as the number of interactions (e.g. clicks, likes, shares) resulting from a particular item. But these metrics don't assess long-term brand value, trust, or respect.

The benefits of online advertising are attractive, including return on investment statistics, easy demographic targeting, and low upfront costs. But online metrics can drive publishers to chase volume, not quality; to create and share content with shallow, short-term metrics in mind. The number of superficial interactions a shared item gains does little to build up loyalty or quality relationships over the long term. The vicious cycle of advertising short-termism and its impact on publishers can encourage the use of catchy, clickable headlines at the expense of accuracy.

It can also be at the expense of wider considerations around ad placement and the use of programmatic advertising. Focusing on ad placement based on where will generate the highest traffic, rather than the overall placement, context, and associations around the ad, is also a symptom of short term thinking. For example, the recent issue of ad placements next to graphic, violent, and inappropriate content on video sharing platforms resulted in major corporations pulling their advertising from the platforms entirely.

The media industry has already seen challenges to its business model throughout the transition from a print-led to digital-led industry. The challenge now faced by media outlets is finding a balance between attracting advertisers online while also maintaining credibility.

For more on adspend trends, see the Media Tracker section from Page 15.



Challenge 4: Lack of diversification of revenue streams

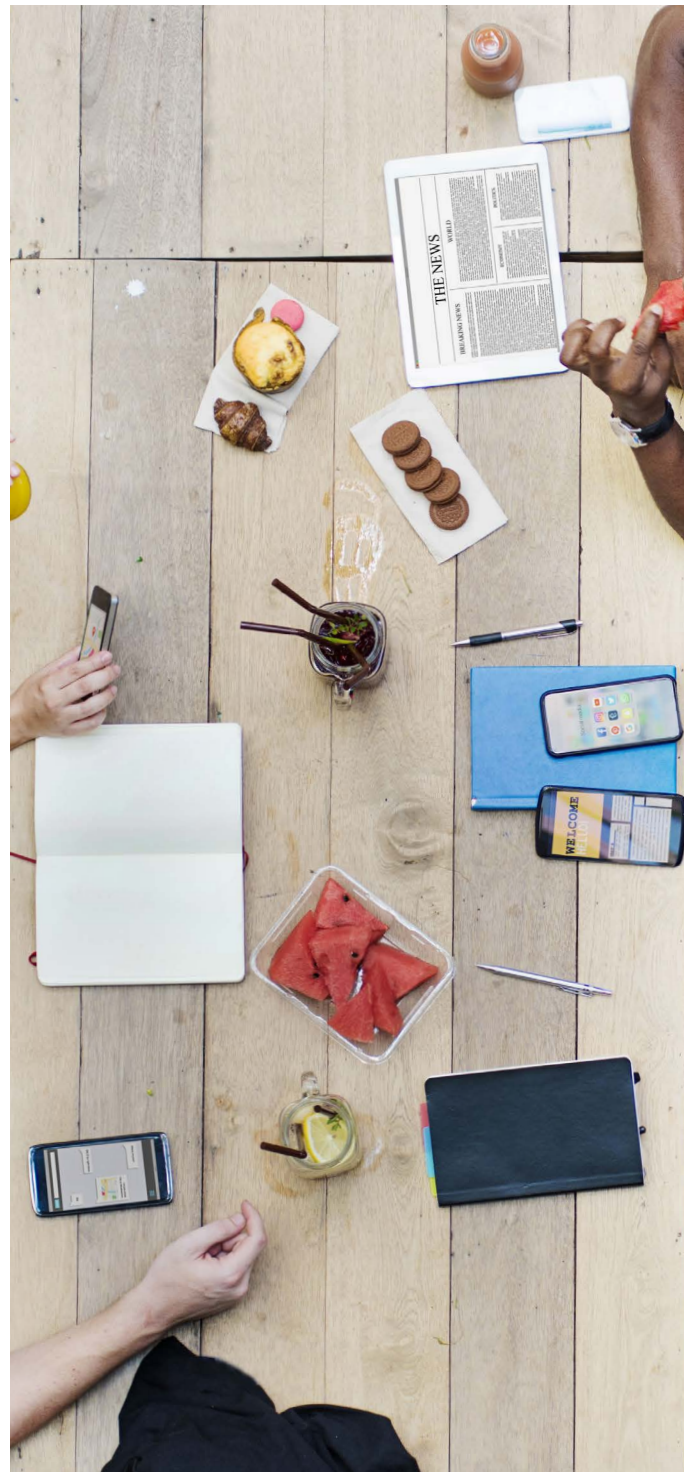
If organisations decide to move away from short-term advertising metrics, their online revenue streams slow, and the financial challenge is exacerbated. A key way to reduce this is to diversify into different types of content, as well as different revenue models.

Alternative revenue models to online advertising often involve subscription services. However, consumers are unlikely to pay to subscribe to a product if they do not trust that product (and especially when they can get the same quality of content elsewhere, for free). So a commitment to a strong brand voice is essential as this drives up the value of the outlet's commentary and gives consumers an incentive to pay for it. Some publications are turning to donation-based models. But it's not clear yet if this is a sustainable solution. It also raises the question of whether pure news outlets will become not-for-profit organisations. If they cannot monetise their product, it's unclear how they can remain in business.

Diversifying into different content forms can insulate brands from the harmful connotations of fake news. Products such as Guardian Media Group's Talks programme, and the New York Times food app allow brand building away from aggregator platforms that cannot be closely monitored.

“ Commitment to a strong brand voice is essential. ”

David Elms
Head of Media



Challenge 5: Regulation

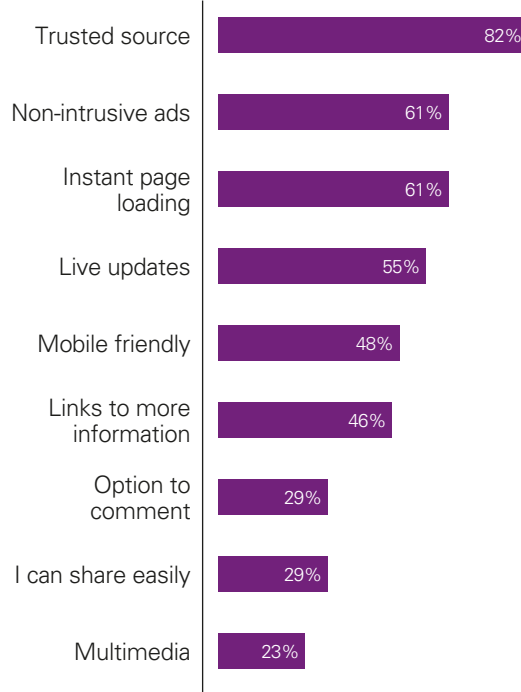
The role of social media sites, which act as news aggregators as well as news creators, has not yet been clearly defined. Rightly, they are increasingly focused on monitoring content but it still remains unclear the extent to which they should control what information propagates within their domains. This is leading to further scrutiny and natural demands for formal regulation.

In the past, ethical standards for journalists helped ensure that falsehoods rarely found their way into mainstream newspapers. But change has been swift within the industry and continues at speed. Can regulation keep up and, if not, how can the industry ensure it upholds the ethical and quality standards that regulations are intended to enforce?

Innovation hub Nesta states that stable regulation, which has been the status quo since the 1970s, works well in steady markets but struggles to cope with dynamic and uncertain fields². This is particularly the case where the distinctions between previously separate industries are constantly blurring and changing – like technology and media.

The reality is that regulation will be difficult to enforce in a fast changing and fast evolving online environment, and may need to focus on a principles based regime which would give the regulator considerable power. It may be easier for self-regulation to uphold ethical and quality standards but there are doubts whether this will work. There is no easy solution.

Chart 8: How important are each of the following factors when you get news online?



Sources: KPMG, IHS Markit, Populus

2. <http://www.nesta.org.uk/blog/anticipatory-regulation-how-can-regulators-keep-fast-changing-industries>

What's the opportunity?

We believe there is an opportunity for media companies to differentiate their brand by building and ensuring trust at both a consumer and corporate level. Quality, and trust in that quality, is a value differentiator for many established media companies. Trusted publishers have seen circulation increase following political events over the last year and widespread coverage of reported falsehoods. The appetite for quality news is strong, but the right balance of quality and a price point that's attractive (see chart 8) to consumers hasn't yet been found.

However, media businesses do need to continue innovating. They need to develop different metrics, looking at quality of interactions rather than volume. They need to streamline their operations so they can cope with the revenue squeeze. They also need to find ways to better distinguish their brands and value propositions. This could improve their attractiveness to advertisers for reasons other than engagement volume. They also need to find alternative revenue models, diversifying revenue streams over multiple sources.

Some brands have seen success on social media despite decreasing trust in the media. Others have intentionally withdrawn all their content from social media platforms. Social media is still a relatively new area with significant opportunity for innovation, and represents a chance to get ahead in the market.

“ High quality and trusted journalism is more in demand, and more needed, than ever before. However, there is currently a significant imbalance in the digital marketplace which means that the producers of quality journalism are not being fairly rewarded for their investment. ”

Ashley Highfield
Chairman, News Media Association



UK Media Tracker

UK media sector insight

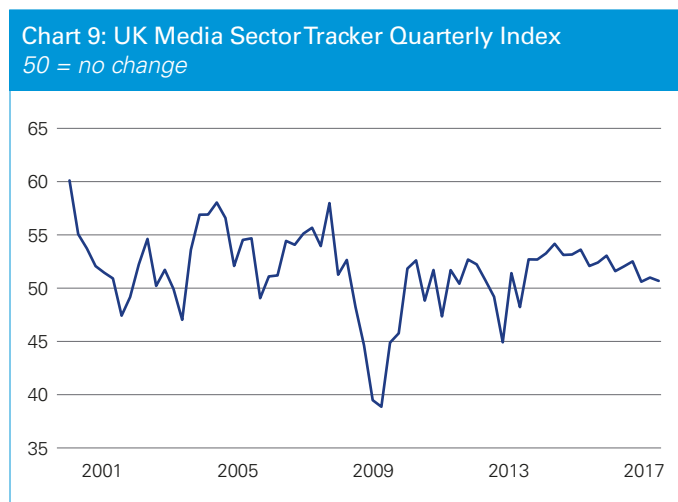
UK media sector experiences subdued start to 2017, but sharp uplift in adspend budgets provides optimism

This section presents our *UK Media Sector Tracker Index*, which provides fresh media sector insight from the perspective of UK marketing executives and private sector media companies. A specially developed composite index, the headline Tracker is a unique barometer of prevailing conditions across the wider UK media sector.

This year's Tracker signals a relatively subdued start to the year for the media sector, and although there are signs that an adspend uplift may help drive growth later in 2017, recent reports have cast doubt on this, citing political uncertainty ahead of Brexit.³

Q1 2017 data reveals that overall UK media sector business conditions improved at one of the slowest rates seen over the past four years, which continued the soft patch seen since the summer of 2016.

The headline Tracker was held back by a sustained loss of momentum in core business activity at media sector companies, with this index component easing to its weakest seen since autumn 2013.



Source: KPMG, IHS Markit

Index numbers vary between 0 and 100, with levels of 50 signalling no-change from the previous month. Readings above 50 signal an increase since the previous month, whilst postings below 50 indicate a decrease. The greater the divergence from 50, the greater the rate of change signalled by the reading.

A number of UK media sector companies cited pressures on consumer spending from rising inflation, alongside subdued investment spending in response to Brexit-related uncertainties, and squeezed margins.

By contrast, a sharp uplift in adspend plans among UK marketing executives had a positive impact on the Tracker in Q1 2017. This component of the headline index provided its strongest contribution since Q2 2014.

Around 23% of UK marketing executives reported an uplift to their adspend budgets in the first three months of this year, while only 11% indicated a decline. This was one of the sharpest rises in adspend budgets since the summer of 2007.

Survey respondents noted that a rebound in their spending plans was partly driven by efforts to target new markets via online and social media.

Marketing executives again commented on a shift from print to digital advertising, driven by changing buying preferences among consumers.

Although the transition to digital marketing channels continued apace in early 2017, there were positive signs for traditional media companies in terms of intended adspend platforms. Some marketing executives cited new plans to rebalance towards established media brands for online adspend. Anecdotal evidence suggested that this was linked to greater transparency and hopes for increased return on investment.

Meanwhile, marketing executives reported a range of potential headwinds to adspend growth in 2017. These included challenging business conditions in the UK retail sector, stretched household budgets, delays in client investment decisions and more subdued demand for big-ticket consumer goods.

3. <http://www.thedrum.com/news/2017/06/19/uk-ad-spend-growth-forecast-suffer-sharp-dip-amid-brexite-and-general-election>

A single figure snapshot of media sector conditions

UK media sector records modest improvement in business conditions

Q1 growth remains in the slow lane

The first three months of 2017 saw an upturn in UK media sector business conditions, according to survey findings compiled by Markit for KPMG. This continued the recovery seen since mid-2013, but the rate of growth was only marginal and subdued in comparison to the trend seen over the past four years.

At 50.8 in Q1 2017, the headline UK media sector tracker was little-changed from 51.1 in Q4 2016 and above the crucial 50.0 mark that separates expansion from contraction. The latest reading signalled that growth was broadly in line with the trend since the index began in 2000.

Business activity

The latest survey reveals a clear loss of momentum for business activity growth reported by UK media sector companies. At 45.2 in Q1 2017, the index was down from 48.5 in Q4 2016 and below the 50.0 no-change threshold.

Adspend trends

However, a rebound in adspend budget setting by marketing executives helped to boost the headline *UK media sector tracker* in Q1 2017. At 56.3, up from 53.6 in Q4, the index measuring budgets was the strongest since Q2 2014. Moreover, some marketing executives highlighted intentions to rebalance digital adspend towards traditional media companies.

Chart 10: UK Media Sector Tracker
50 = no change

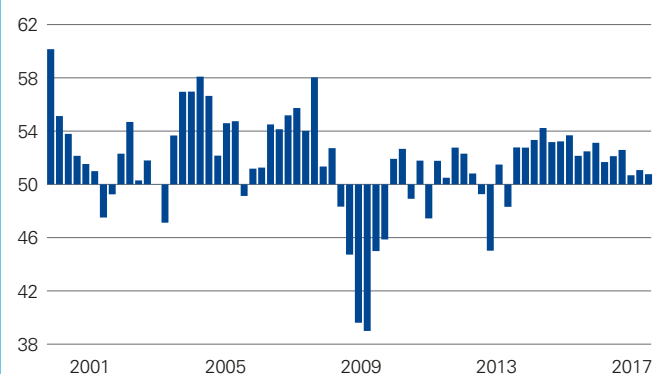
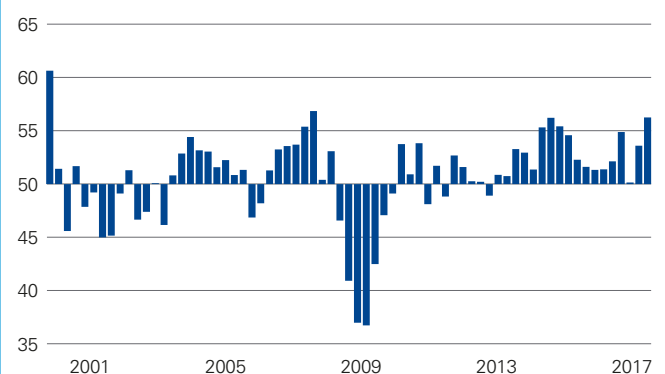
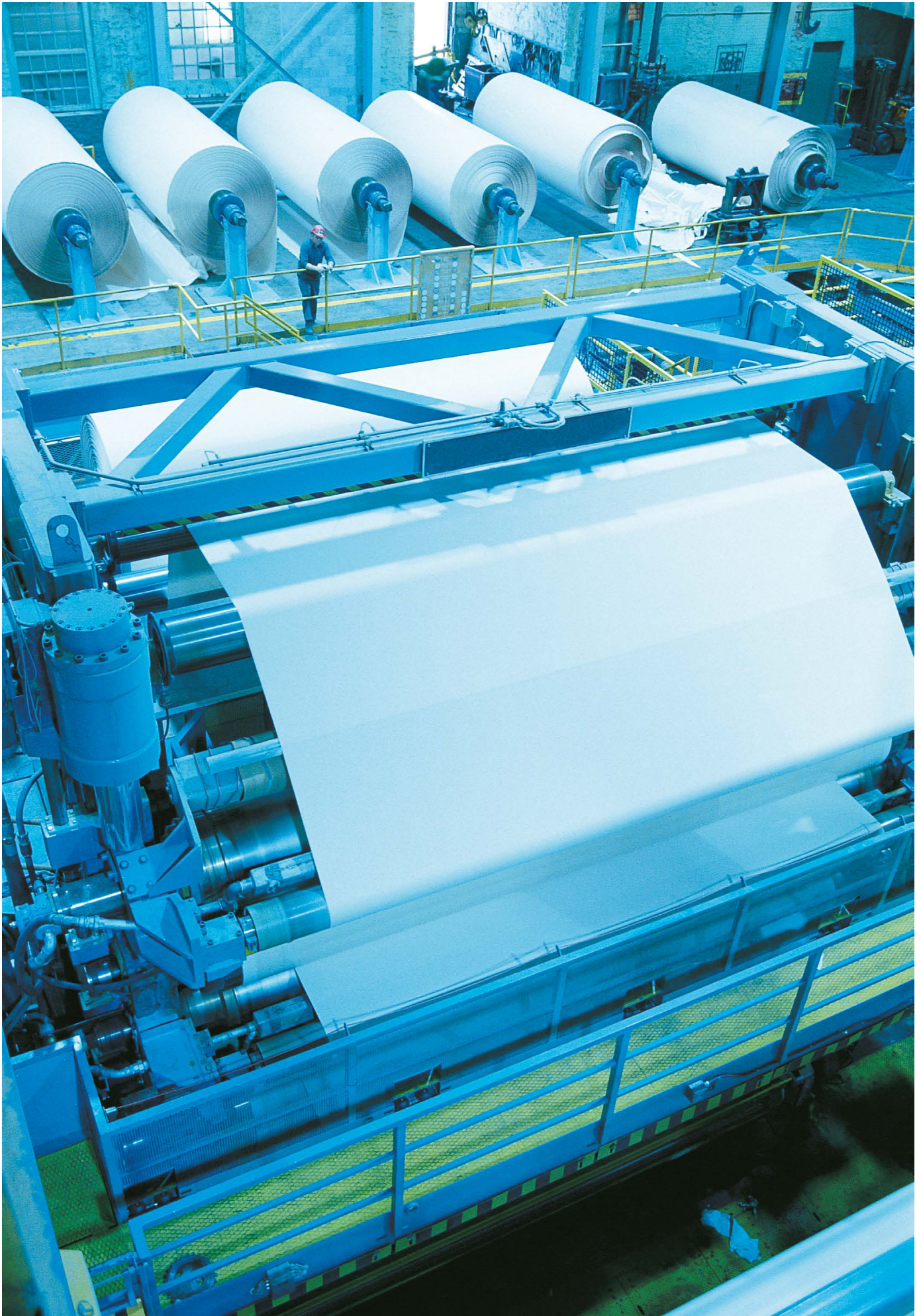


Chart 11: UK Media AdSpend
50 = no change



Sources: KPMG, IHS Markit, IPA

Index numbers vary between 0 and 100, with levels of 50 signalling no-change from the previous month. Readings above 50 signal an increase since the previous month, whilst postings below 50 indicate a decrease. The greater the divergence from 50, the greater the rate of change signalled by the reading.



Business activity trends

Rising costs, subdued investment and heightened uncertainty

This section looks at business activity trends across the UK media sector. These figures are drawn from Markit's widely-watched *UK Purchasing Managers' Index*® (*PMI*®) monthly business survey, and we compare the media sector findings to those recorded for the service economy as a whole.

Q1 2017 media sector business activity

UK media sector businesses registered lower business activity in the opening quarter of 2017. Survey respondents linked this to rising costs, subdued investment spending and heightened uncertainty towards the economic outlook.

At 45.2 at the end of Q1 2017, the **UK Media Sector Business Activity Index** posted well below the 50.0 no-change level and signalled a marked reduction in core business activity.

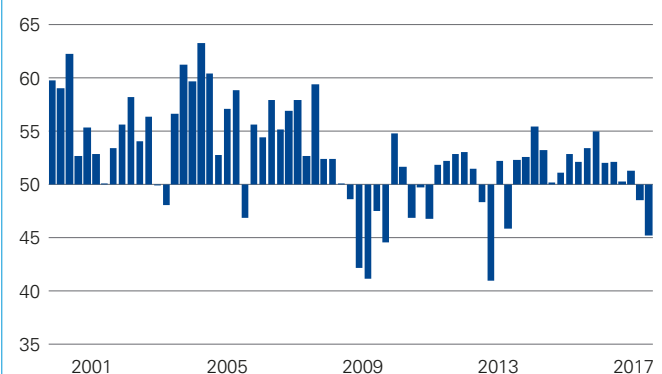
Media sector firms have now reported lower business activity for two successive quarters, which is the longest period of contraction since 2012. A renewed fall in business activity among media sector firms contrasted with a prolonged recovery from mid-2013 to the summer of 2016.

Furthermore, the latest reading was down from 48.5 at the end of 2016 and pointed to the fastest rate of contraction since Q3 2012 (which primarily reflected a post-Olympics dip in business activity).

Subdued business activity trends across the media sector in 2017 so far comes at a time when the overall UK economy has experienced a growth slowdown since the end of 2016.

Weaker consumer spending patterns appeared to have weighed on the wider service sector economy in the first quarter of the year. At 54.3 in Q1 2017, the Markit UK Service Sector Business Activity Index was down from 55.3 in Q4, but nonetheless still comfortably above the 50.0 no-change threshold.

Chart 12: UK Media Sector Business Activity Quarterly Index, 50 = no change



Sources: KPMG, IHS Markit

Index numbers vary between 0 and 100, with levels of 50 signalling no-change from the previous month. Readings above 50 signal an increase since the previous month, whilst postings below 50 indicate a decrease. The greater the divergence from 50, the greater the rate of change signalled by the reading.



Adspend trends

A wait-and-see approach?

The following section looks at UK marketing executives' main media and internet budget revisions, which is derived from the IPA *Bellwether* survey by the Institute of Practitioners in Advertising.

Q1 2017 adspend budgets

The upturn in overall business conditions across the UK's media sector was driven by the adspend component of the tracker in the opening quarter of 2017.

Upward revisions to adspend budgets have now been recorded throughout the past four-and-a-half years.

At 56.3 in Q1 2017, the index measuring adspend budget revisions posted well above the neutral 50.0 mark, to signal a steep uplift over the first three months of the year.

Just over twice as many UK marketing executives (23%) recorded an increase in their adspend budgets in the opening quarter of 2017 as those that reported a downward revision (11%).

On a quarterly basis, the increase in budgets was the steepest seen since Q2 2014. Furthermore, this was well above the average index reading for 2016 (52.7), and indicated that upward momentum has been sustained since the near-stagnation seen last summer.

Marketing executives indicated that economic conditions had been more resilient than expected, while some noted that perceptions of new business opportunities and efforts to boost digital advertising had also contributed to an uplift in adspend budgets.

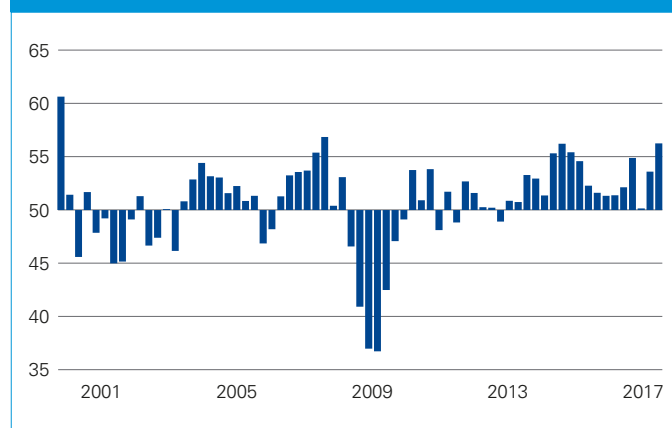
Looking ahead, survey respondents suggested that further increases to adspend were linked to plans to expand into overseas markets, partly in response to the weaker sterling exchange rate.

An ongoing transition away from print media towards digital platforms was also mentioned in Q1 2017. However, some UK marketing executives commented on plans to rebalance digital spend towards traditional media platforms in the expectation of greater return on investment.

Rising costs had a mixed impact in Q1 2017, with some respondents attributing this to the uplift in budget setting, but others noted that this had weighed on cash available to spend.

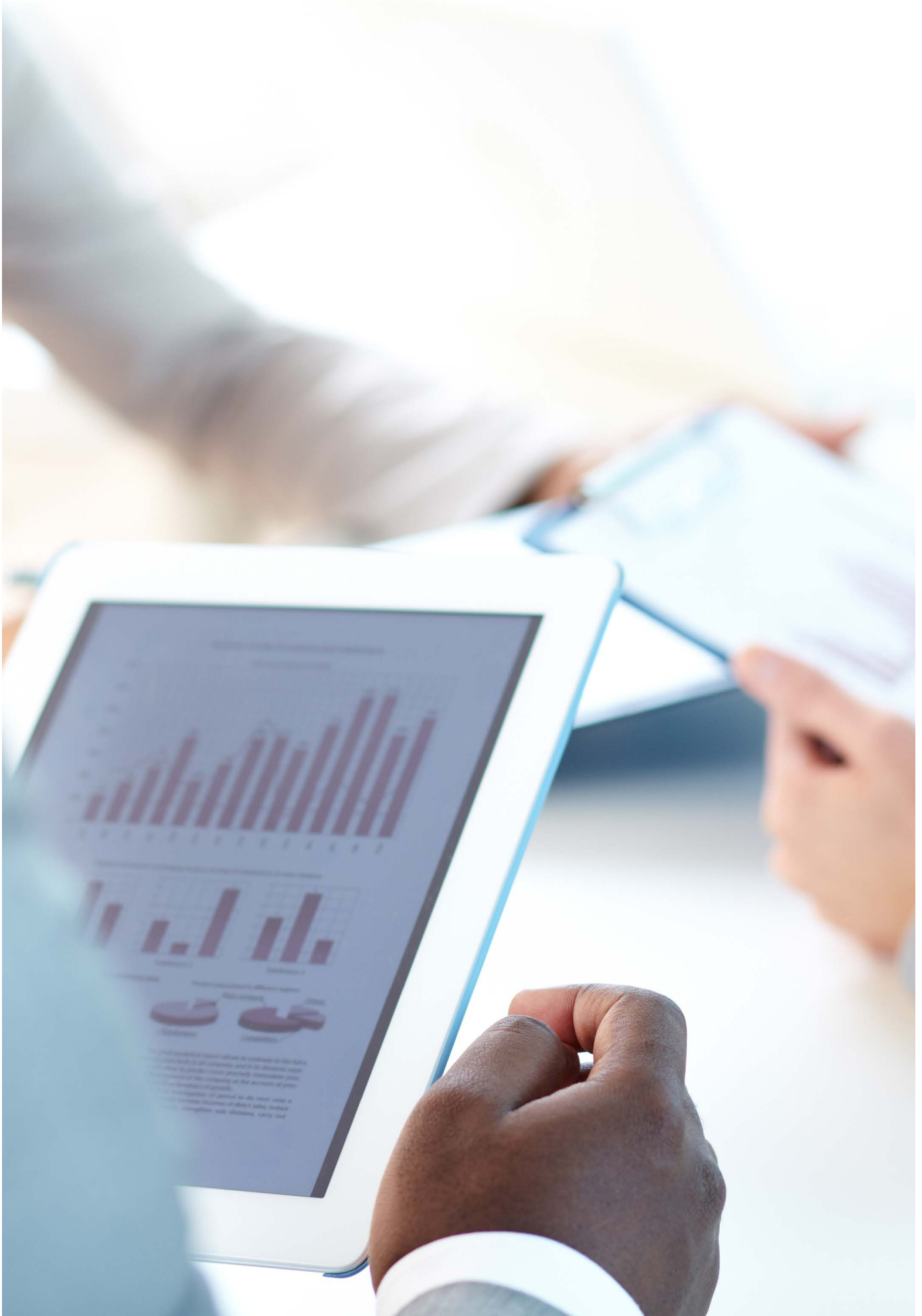
Meanwhile, threats to the outlook included heightened uncertainty around the UK economic outlook and the unknown implications of the ongoing Brexit negotiations. Some noted that uncertainty had encouraged a wait-and-see approach to adspend within their business units.

Chart 13: UK Media AdSpend
50 = no change



Sources: KPMG, IHS Markit, IPA

Index numbers vary between 0 and 100, with levels of 50 signalling no-change from the previous month. Readings above 50 signal an increase since the previous month, whilst postings below 50 indicate a decrease. The greater the divergence from 50, the greater the rate of change signalled by the reading.



Consumer trends

UK household budgets under pressure from rising living costs

Weak pay growth in 2017 so far

UK households signalled only a marginal rise in income from employment during the opening quarter of the year, to suggest that lacklustre pay trends have extended into 2017.

At 50.6 in Q1, the index measuring income from employment among all UK employees was only slightly above the crucial 50.0 no-change mark. However, those working in the media/culture / entertainment sector reported the first reduction in income from employment for three years in Q1 2017. Renewed pressures on pay rates chimed with the subdued trend seen for business activity in the headline Tracker.

The disappointing figures for employee earnings come at a time when UK households are experiencing a larger squeeze from rising living costs. Reflecting this, the Consumer Price Index increased by 2.3% at the end of Q1, comfortably above the target of 2.0%.

Policymakers expect inflation to accelerate further through 2017, which sets the scene for a sustained weakening of household finances and downward pressure on consumer demand.

At the same time, cash available to spend declined sharply at the end of Q1. The latest survey data also revealed that media sector employees recorded a slightly steeper rate of decline than the UK-wide trend, which was likely driven by subdued pay trends.

Chart 14: HFI Job Security
50 = no change

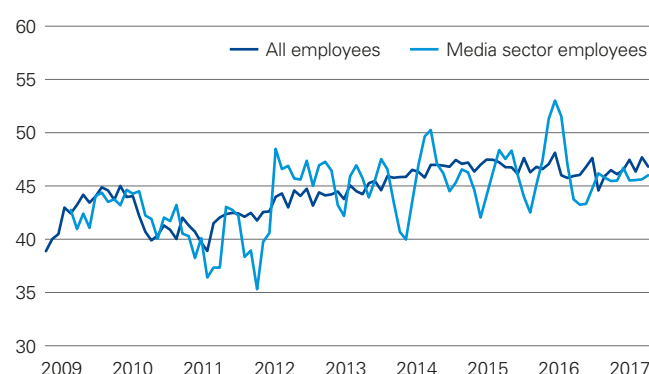
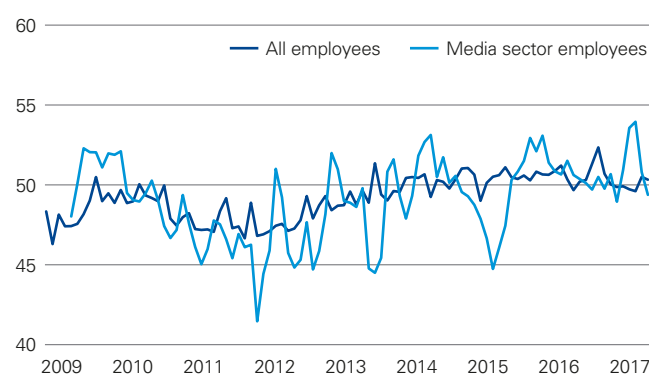


Chart 15: HFI Income From Employment
50 = no change



Sources: KPMG, IHS Markit

Index numbers vary between 0 and 100, with levels of 50 signalling no-change from the previous month. Readings above 50 signal an increase since the previous month, whilst postings below 50 indicate a decrease. The greater the divergence from 50, the greater the rate of change signalled by the reading.



Consumer trends (continued)

Subdued consumer spending may hold back media sector growth

Outlook for UK household finances

Media sector staff generally expect an improvement in their household finances over the next 12 months, but confidence has moderated since the end of 2016. At 51.6 in Q1, the Future Household Finances Index was below that seen in Q4 2016 (55.6) and among the weakest seen since mid-2013.

Despite reporting a more cautious outlook, optimism across the media sector stood in contrast with a downbeat assessment of future finances for the average UK employee (respective index at 45.5 in Q1). UK households have generally expressed a negative view on future finances throughout the past year.

A key factor weighing on households' financial expectations has been worries about future increases in living costs. Reflecting this, around 81 % of all UK households forecast an increase in their cost of living over the next year.

Inflation expectations have also picked up among media sector employees, with around 83% of those working in the media/culture/entertainment expecting higher living costs during the next 12 months.

The latest survey data also suggested that job insecurities persisted across the media sector. Moreover, the index measuring perceptions of job security among media employees has remained below the 50.0 no-change threshold since the start of 2016, which mirrors the UK-wide pattern over this period.

Outlook for UK media companies

The latest consumer survey data highlight several key themes to watch over the course of 2017. Firstly, price rises for goods and services are likely intensify over the months ahead, meaning that UK households are facing the greatest squeeze on their financial well-being for at least three years.

Higher inflation is likely to translate into subdued spending patterns among UK consumers, particularly for non-essentials and big-ticket items. There are already signs that households have responded to lower cash availability by reducing their appetite for major purchases. This in turn is likely to intensify competition across the retail sector and may act as a brake on investment spending.

Much will depend on the resilience of the wider UK economy over the next 12 months. While policymakers generally anticipate a growth slowdown this year, any positive surprises are likely to spur consumer sentiment and risk appetite among private sector businesses.

Finally, relatively stagnant pay trends remain a key factor likely to constrain growth of household spending, particularly against a backdrop of sharply rising living costs.

Chart 16: HFI Future HFI
50 = no change

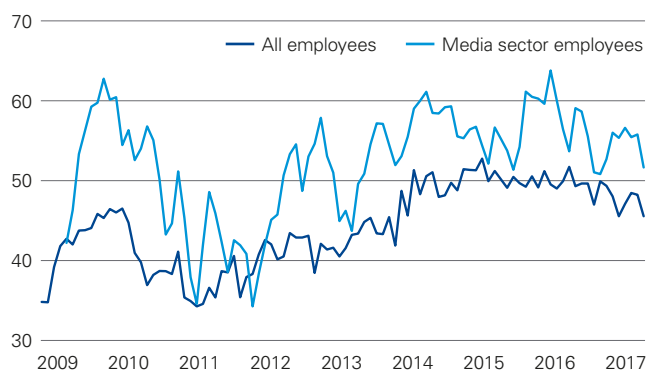
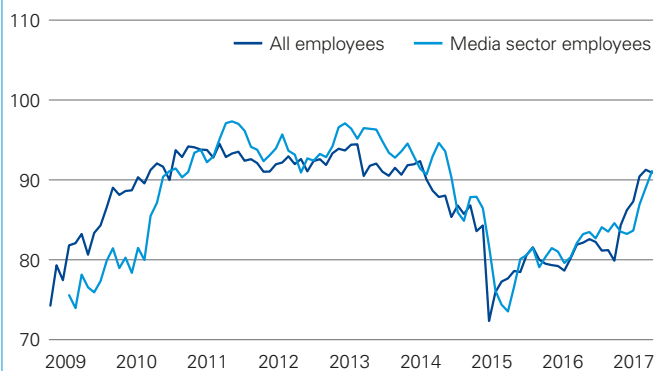
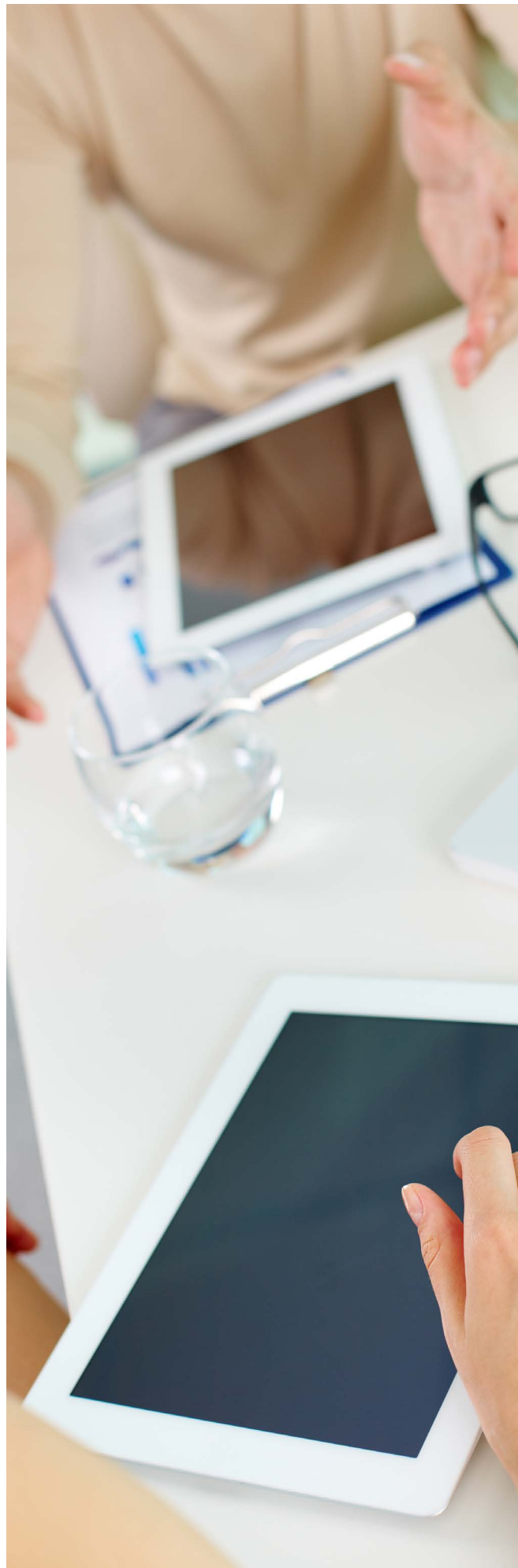


Chart 17: HFI Future Price Expectations
50 = no change



Sources: KPMG, IHS Markit

Index numbers vary between 0 and 100, with levels of 50 signalling no-change from the previous month. Readings above 50 signal an increase since the previous month, whilst postings below 50 indicate a decrease. The greater the divergence from 50, the greater the rate of change signalled by the reading.





Methodology

UK media sector *Purchasing Managers' Index*® (PMI®) survey data

UK media sector PMI data has been derived from a sub-category of companies within Markit's regular surveys of UK service providers and manufacturers. The media sector is defined in this report as advertising & marketing, programming and broadcasting activities, motion picture, video and other media production activities, publishing activities. All figures are seasonally adjusted and smoothed using a three-month moving average, to better highlight underlying trends in the data.

UK media sector; marketing budgets data

The Bellwether survey is researched and published by Markit Economics on behalf of the Institute of Practitioners in Advertising. Data are drawn from a panel of around 300 UK marketing professionals and provides a key indicator of the health of the economy. The survey panel has been carefully selected to represent all key business sectors, drawn primarily from the nation's top 1000 companies. The indicator derived in the Media Barometer is based on the following questions within the IPA Bellwether survey (this index is a moving weighted average of main media and internet budget revisions):

- i) In the last three months, has your main media advertising budget for the current financial year been revised up or down, or is it unchanged? (Largest adspend weight in the *UK media tracker*).
- ii) In the last three months, has your internet marketing budget and your internet search/search engine optimisation (SEO) budget for the current financial year been revised up or down, or is it unchanged? (Smallest adspend weight in *UK media tracker*).

About the Institute of Practitioners in Advertising

The IPA is the industry body and professional institute for leading UK advertising, media planning and buying, and marketing communication agencies. It provides a full range of services to its members: from advice (legal, sector and management), awards and events, best practice, information, research studies and training as part of an extensive CPD programme. It is also the agency industry spokesman.

UK media sector labour market sentiment section; technical details

Ipsos MORI interviewed 1,500 adults aged 18-64 across Great Britain from its online panel of respondents. Interviews were conducted online during March 2017. A representative sample of adults was interviewed with quota controls set by gender, age and region and the resultant survey data weighted to the known GB profile of this audience by gender, age, region and household income. Ipsos MORI was responsible for the fieldwork and data collection only and not responsible for the analysis, reporting or interpretation of the survey results.

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