Morning business news - February 16

Updated / Thursday, 16 Feb 2017 10:01









Morning business news with Adam Maguire

Ireland's young marketers are being encouraged to pitch for a chance to represent the country at this year's Cannes Lions festival. The Young Marketers competition is part of the Young Lions awards held by the Institute of Advertising Practitioners in Ireland and is open to anyone aged 30 or under who works in marketing.

"The competition is to give young marketers a brief to work on to effectively showcase their talent," said Shane Doyle, who is Group Strategy Director with Core Media, which is sponsoring the prize. He said this was the first year that the competition will be open to agency staff and marketers working directly for companies - meaning it will better reflect the marketing talent working in Ireland at the moment. "For us, it's so important that clients are encouraged to be brave and creative and collaborative, because really advertisers can do nothing without a brave and imaginative client," he said.

Of course there are already plenty of young people working in marketing here, but the aim of the competition is to give them a chance to take direct control of a brief and show what they can bring to clients. "It's about providing support and opportunity for the young talent that is here," Mr Doyle said. "Encouraging that creative and strategic thinking younger and earlier in their careers and giving opportunities is massive in growing the industry and supporting it here."

One thing that young and up-coming marketers might be happy to hear is that the advertising industry is continuing to grow - with Core Media's upcoming Outlook report predicting a 3.3% increase in ad spend this year, bringing the figure to €915m. That would mark the fourth consecutive year of rising spend in advertising, though Mr Doyle says the bare numbers mask the increasingly complicated nature of the industry. "There's greater complexity, if you look at greater spend that means there's greater clutter," he said. "We'd be encouraging clients to invest in and embrace data science to know where best to optimise and invest in their advertising."

While online advertising s set to be the big winner again this year, Core is also predicting a 2.5% rise in TV ad spend in 2017 - which might go against the assumption that streaming services are damaging that market. "The overall amount of content is increasing, so while streaming is taking off so far it is not completely at the expense of TV," he said. "Also because the economy is growing and people are advertising again, that increases the cost and therefore the spend that's put into TV."

MORNING BRIEFS - The company behind popular messaging app Snapchat has set a valuation range of \$19.5-22.2 billion ahead of its stock market flotation, according to reports in The Wall Street Journal. This is at the lower end of the expected valuation range. Snap Inc filed its IPO registration statement in early February and is expected to be one of the biggest initial public offerings by a US technology firm since Facebook.

*** Profits at the world's largest PC-maker Lenovo plummeted in its third quarter, with the Chinese firm saying it faced 'sizeable challenges'. Lenovo made a net profit of €98m in the three months to December, down 67% year on year and well behind analyst expectations. The company remains the world's biggest computer maker - having acquired IBM's PC business in 2005 and Germany's Medion in 2011 - but that continues to be a shrinking market as consumers move to smartphone and tablet devices. Lenovo acquired Motorola Mobility from Google in three years ago in order to boost its smartphone business, but sales there fell 23% in the quarter when compared to the same time in 2015.

*** US communications giant Verizon is on the verge of securing a \$250-350m discount on its acquisition of Yahoo, according to reports. Verizon had agreed to buy Yahoo's core internet business for just over \$4.8 billion last year, before it was revealed that more than one billion Yahoo accounts had been targeted in two separate cyber attacks. Those breaches had cast doubt on the deal, but it is now believed that Verizon will go ahead with the takeover having secured a lower price for the assets. It is reported that the new deal will also see Verizon and Yahoo share liability from any potential lawsuits related to the breaches.