

Future Tensions in... Consumer Confidence

DECEMBER 2020



INTRODUCTION: CONFIDENCE BEGETS CONFIDENCE

OUR HYPOTHESIS

The current global pandemic is something of a once-in-a-lifetime phenomenon. Understanding people's reactions, and the impact of those reactions, is therefore of great importance. Perhaps, more than ever, all of us have a duty to try and understand how we can support communities and businesses to stay on track, both during the pandemic and its aftermath.

There are some lessons that we can learn from the past however, to guide our responses, and the previous 2008 recession is a good starting place. When we look at advertising spend alongside GDP, it appears to have a closer connection to Consumer Confidence than the actual state of the economy.

Fig 1: GDP growth vs Adspend growth. Source: ONS, Zenith UK

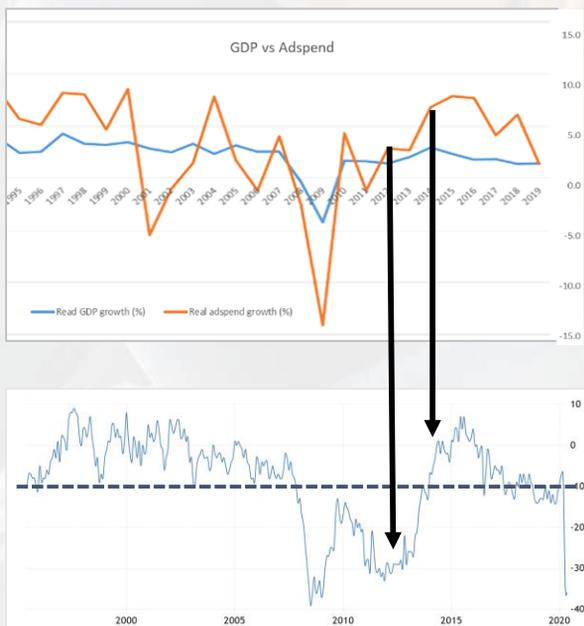


Fig 2: Consumer Confidence Index. Source: GfK

Having done an up to date analysis of GDP versus ad spend, we can see that in 2009, ad spend dropped 14% YOY, massively exceeding the 4.2% drop in GDP growth. What we also see is that in real terms, advertising spend didn't get to true growth versus 2007 until 2014/2015. Interestingly we see that that is when consumer confidence started to finally pick up after a prolonged slump.

Therefore we would like to suggest that the behaviour of brands and advertisers could be leveraged to improve ongoing consumer confidence. Could we go so far as to say even, that the advertising industry is partly responsible for accentuating fluctuations in consumer confidence?

One of the primary roles of advertising is to give out signals about the brand. Signals that the brand understands its consumers and what they need. By focusing on short term promotional led advertising (and doing a lot less of it) we are giving out signals that times are hard and that we are worried.

Fear begets fear. If big brands, (who we see as permanent and stable) are scared, then it suggests that we, as consumers, should be too.

So could the reverse also be true? If we see big brands continuing to invest in advertising and their own brands, does that signal to consumers that they can have confidence that things are going to get better sooner rather than later?

If we refuse to "take part" in a recession like Sam Walton, founder of Walmart, claimed to do, can we actually decrease the impact overall?

"I was asked what I thought about the recession. I thought about it and I decided not to take part."



INTRODUCTION: THE POWER OF ADVERTISING

WHY SHOULD MARKETERS WORRY ABOUT CONSUMER CONFIDENCE?

Consumer Confidence as a metric, is analysed by GfK on behalf of the European Commission, and comprises of several factors. It enquires after an individual's personal financial situation (how optimistic they are about how well they are doing) and also that of the general economic situation (how well they think everyone else is doing). GfK's latest data from November reveals an extremely low Consumer Confidence number of -33. Whilst advertising can do little to alter the perception of one's personal finances, we believe it has enormous power in affecting the perception of how the country at large is doing, for several reasons.

- The first is that advertising is a fundamental means of creating and reflecting our culture in the UK. What we see in advertising has a subtle, but important impact on how we feel.
- Second, we are after all, all in this together. The advertising industry is a community and so by supporting each other - publishers, broadcasters, agencies and the wider creative community – we should be able to ensure that the UK remains a hub of fantastic advertising talent.
- And lastly, people believe in the power of businesses. 65% of Brits believe that CEOs should take the lead on addressing the pandemic rather than simply waiting for government guidelines, according to Edelman's research this year.

CULTURAL
CONNECTION

COLLECTIVE
RESPONSIBILITY

CORPORATE
ACCOUNTABILITY

MARKETERS SHOULD THINK ABOUT CONSUMER CONFIDENCE BECAUSE ULTIMATELY:

CONFIDENCE
(from your
business) begets

TRUST
(in your brand)

CONFIDENCE
(in the economy)



Introduction: OUR APPROACH

OUR QUESTIONS:

From the outset of this study, we asked ourselves four key questions:

- What signals make people feel that all is well with the world?
- What macro and micro factors contribute to confidence?
- What possible dilemmas arise when trying to reflect and encourage a sense of confidence?
- How can brands navigate these dilemmas?

METHODOLOGY:

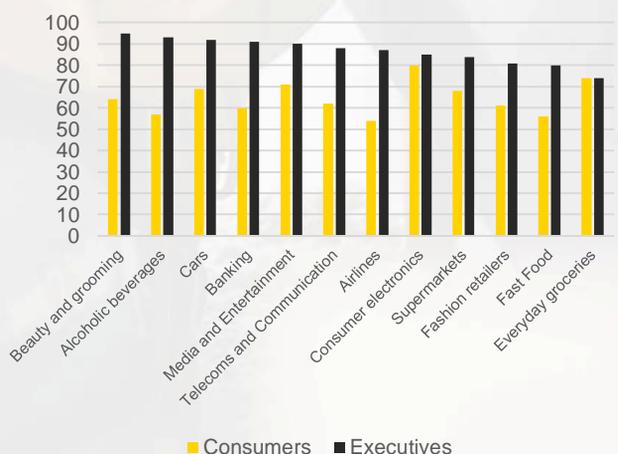
- Forum discussions with members of Starcom's bespoke online community 'The Street', made up of 100 people reflective of the UK
- Desk research via reports and research from institutions including; Foresight Factory, GfK, Global Web Index, Ipsos Mori, McKinsey & Company, Kantar, Mintel, Newsworks, Thinkbox
- Expert interviews and round table discussions with
 - Joe Staton, Client Strategy Director, GfK,
 - Stephen Woodford, CEO, Advertising Association
 - Sharon Hegarty, Marketing Director, Samsung Electronics
 - Shazia Ginai, UK CEO, Neuro-Insight
 - Pranay Bhimjiani, Senior Strategist, Global The Media & Entertainment Group

CONSUMER TENSIONS:

As the human experience company, we at Starcom have looked at consumer confidence through the lens of consumer tensions. For when we consider the future, we are not just looking at what is going to be different, but what new tensions will arise from macro, societal changes. Only by identifying new conflicting needs can we start to anticipate new behaviours and define new solutions. Where do people simultaneously want oppositional things? We may want indulgence but also frugality. We may want our independence but need company.

Our bespoke research in 2017 found a disconnect when considering executive and consumer expectations. So our aim is to identify the tensions in what people want, as it will allow us to uncover the marketing dilemmas advertisers are wrestling with, and help us to innovate and find resolutions.

Executive and Consumer discrepancy in believing they meet expectations



Business Transformation Predictor, Publicis Media, 2017

Executive Question: To what extent do you feel that your business is currently meeting your customer's expectations? % Agree

Consumer Question: To what extent do you feel that companies and brands are innovative to meet customer expectations? % Agree



OUR RESEARCH HAS UNCOVERED THREE CONSUMER TENSIONS THAT IMPACT CONSUMER CONFIDENCE

NORMALITY VS. PROGRESSION

People want to get back to normal as quickly as possible, but they also want things to be better than they were before

SURVIVAL VS. ASPIRATION

People need a helping hand but also want to plan for aspirational luxuries

SCALE VS. SALES

People take cues from expensive scaled advertising that signal a brand is fit and confident, but natural business instincts lean towards protecting short term profits



1. NORMALITY VS. PROGRESSION

People want to get back to normal as quickly as possible, but they also want things to be better than they were before

NORMALITY: PEOPLE NEED STABILITY



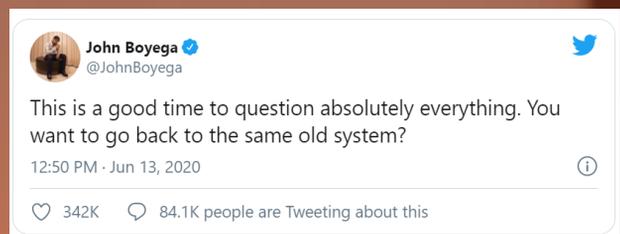
"During the second world war, the government encouraged brands to keep advertising, even though, due to rationing, their products weren't available. It was to give people a sense of normality. A reminder that we will get through this, we would win the war and eat Cadbury's chocolate again. Brands are part of the fabric of our lives and their messages are important."

Stephen Woodford, CEO Advertising Association

TRANSFORMATION: ADAPTING TO CHANGE

"In general, I don't want things to go back to "normal", I want to learn and grow from this so that we can all make changes for the greater good."

The Street Panellist



NORMALITY VS. PROGRESSION

People want to get back to normal...

GETTING BACK ON TRACK

"I'm looking forward to just being in crowded places again, especially the cinema. I just want to celebrate getting through this turmoil safely with my loved ones." [Street Member](#)

The impact of lockdown on individuals has been perhaps most keenly felt on the curtailment of our daily routines and interactions. Many aspects of life have been halted whether that is socialising, travelling or activities in public spaces such as gyms, stores and museums. Much of the desire to get 'back to normal' as quickly as possible, is driven by our frustration that we can't do the things we enjoy.

The strength of our desire to get out and about again can be reflected in people's behaviour during any period where restrictions have been eased. Three-hour queues formed on the last day of the Eat Out to Help Out scheme during August 2020, with more than 100 million meals eaten by 46% of Brits who claimed to use the scheme. 19% used the scheme three times or more, according to YouGov analysis.

Whilst GfK's Consumer Confidence Barometer recorded low consumer confidence figures throughout the entire pandemic period, the numbers rose in September, following this easing period of a rating of -25 (albeit still low!), before falling steeply again as lockdown measures were resumed.

NORMALITY PROMOTES NORMALITY

Beyond our own personal situation, confidence is influenced by the reaction of others around us. Whilst optimism alone cannot prevent a recession, if people sense that others are in a panic, or conversely adapting positively to new situations, this has a big impact on our own confidence levels. The media therefore plays a vital role in our perception of the country's wellbeing. Brands and ads too, are a daily part of our lives and it feels strange if they are absent or behave abnormally.

"For me I really appreciate the reminder of normality (or at least what used to be normal!) that advertising gives us when it's not talking about the current situation." [Street Member](#)

Twitter's research found that 51% of those interviewed claimed that seeing and hearing adverts gives them a sense of normality.

THE COMFORT OF NOSTALGIA

Whilst people might be in a hurry to go back to how things were... we might not specifically mean February 2020. Instead, we may feel more sentimental towards the most stable, safer moments in the past. Certainly, many of the new hobbies that have been adopted during lockdown are known for being therapeutic activities that ground us, and give us a sense of realness, tangibility and authenticity, whether it is crafting, gardening or making bread.

Many media outlets have had to turn to their back catalogues in order to pad out schedules, but perhaps have had the added benefit of providing a note of nostalgic comfort as viewers are able to revisit programmes that remind them of good times past. Notably, the streaming service BritBox, with the largest collection of British TV, claims to be well ahead of their target regarding subscriber numbers, citing lockdown as a positive factor.

Research from Ipsos Mori from spring 2020, noted that key emotions people wanted from advertising were positivity and security. This is unsurprising when studies including that of Reuters Institute and Oxford University, found that after the initial surge in news consumption at the start of the pandemic, was quickly followed by a significant increase in news avoidance with 59% actively avoiding the news' doom and gloom reports. Instead, according to System1 research, households are escaping into film (65%) comedy (62%) and drama (52%).

Today's current pandemic offers us unprecedented levels of uncertainty, so it is unsurprising that positivity, comfort and the well-known are desired from both brands and advertising alike.



NORMALITY VS. PROGRESSION

...but they want to make things better than they were before.

THE RESET BUTTON

For many people, the pandemic has sparked the demand to see 2020 as a moment of transition. Many social and consumer trends have been turbo-charged in the past few months, whether it is the trend towards greater wellbeing, online shopping, dog ownership or a desire to consume more sustainably.

Our online community The Street, have discussed at length about how the lockdown period has allowed them to reflect on what makes them feel good, and to strip out all that is invaluable in their lives; whether it be people, activities, and even their media channels.

We are experiencing the delight of JOMO (the joy of missing out) and of being able to say no to the things that we simply don't enjoy. And of course, whilst it would be naïve to suggest that all consumers will behave in perfect accordance with their new goals once vaccinated, we should expect to see most people change their behaviour a little bit.

DEMANDING CHANGE

More pertinently for businesses, these heightened expectations extend to brand behaviour too.

"This pandemic has given [companies] the opportunity to spend time mapping out how they can do more to save the planet. They need to look to use less packaging, as there's currently too many boxes and plastic wrapping. This is a big ask but go back to producing quality, long lasting products. Products are made too cheaply these days, that only last for 3-4 years before you have to buy another one. Use the best materials so they go back to lasting for 15-20 years. Again, we need to reduce what we are putting into landfills. [Street Member](#)

Marketers also seem to be aware that the pandemic marks a turning point in how business is done. McKinsey & Company have found that 90% of marketers believe that the

COVID-19 crisis will fundamentally change the way they do business over the next five years. And 85% are concerned that the crisis will have a lasting impact on customers' needs and wants over the next five years. From reassessing supply chains, to improving the ways we interact with customers, brands are being forced to swiftly adapt to new ways of working.

A ONCE IN A LIFETIME OPPORTUNITY

The pandemic has highlighted many of the inequalities in our culture, including the poverty divide and its impact on access to opportunities. The demand for these inequalities to be addressed are therefore mounting. YouGov found in June 2020, only 6% of the UK public want a return to pre-pandemic economy, whilst 31% of people want to see big changes in the way the economy is run coming out of the crisis.

As the Labour peer Lord Kerslake, reflected, these national reset moments are few and far between. Perhaps this is the opportunity of, not just our generation, but our lifetime. *"As with big crises in the past – from wars to the Great Depression – it was universally agreed that there was no going back."*

Edelman's trust research found in the spring that 64% of people believe this pandemic will lead to valuable innovations and changes for the better in how we live, work and treat each other as people. They also found that people put the role of brands to solve societies problems (80%) ahead of enriching their personal lives (73%).

As Sharon Hegarty, Marketing Director at Samsung Electronics told us;

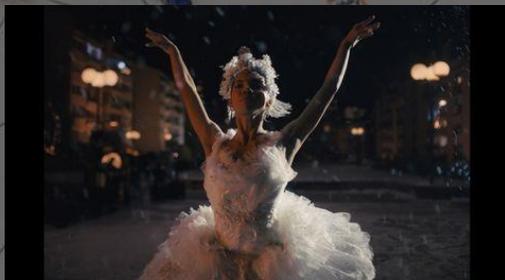
"This year more than ever, people are looking beyond the product, to a brand's purpose. What are they doing during this pandemic? How are they are empowering and supporting their customers as we attempt to stay connected and keep our lives on track."



Resolving the Tension: **NORMALITY** *Recommendations and examples*

EMPOWER

Help people overcome day-to-day barriers and continue life as they knew it, in both emotional and functional ways



Some little helps for safer shopping.

TESCO
Every little helps

AMAZON's 'The Show must go on' Christmas campaign tells the story of following through on our ambitions, despite setbacks

TESCO's promise that 'Every Little Helps' cites the ways they are making stores safer and cleaner for shoppers during the pandemic

INSPIRE

Campaign for better, and bring about positive change



DUREX asks if we can do better after lockdown to drive down sexually transmitted infections permanently

Resolving the Tension: **PROGRESSION** *Recommendations and examples*

CHAMPION

Champion the industries and causes that matter to you and your audience



VIAS's annual Christmas campaign encourages people to 'Shop Local' and support small independent retailers



ICELAND's Christmas '18 ad highlighted the impact of palm oil on the environment



LYNX overhauled its representation of men, in recognition of 'lad culture' being a thing of the past

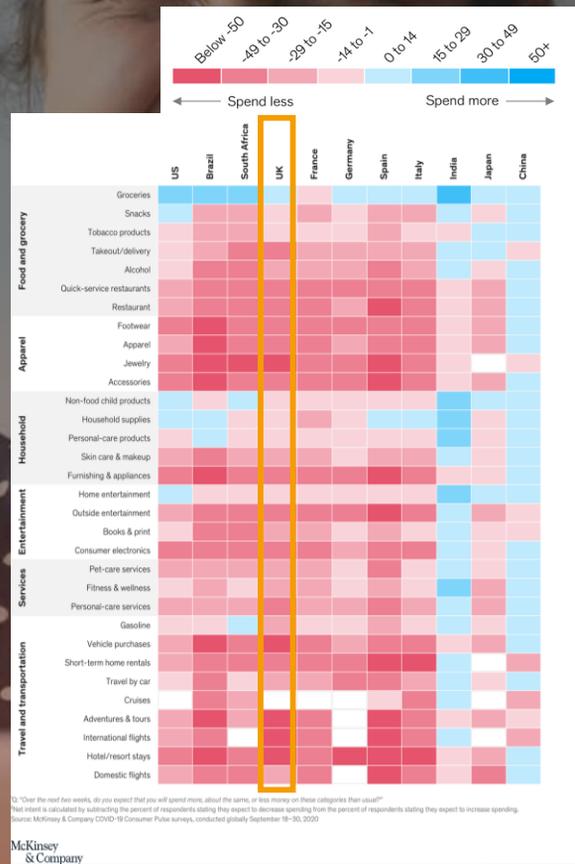
2. SURVIVAL VS. ASPIRATION

People need a helping hand but also want to plan for aspirational luxuries

SURVIVAL: A HELPING HAND

“We track how people feel about their personal finance and how much money they feel they will have going forward i.e. their future wallet. When this number drops the red flags goes up. And what we have seen happen this year is very worrying.”

Joe Staton
Client Strategy Director GfK



ASPIRATION: READY TO SPLURGE

“I will loosen up and spend more money on things that create happiness.”

Street member

29%
ONS Savings Ration
index 2020

SURVIVAL VS. ASPIRATION PEOPLE NEED A HELPING HAND...

SURVIVAL MODE

With rising unemployment, greater job insecurity, and for many, a decrease in income, a large portion of the country is leaning into financial survival mode.

The Financial Conduct Authority noted in October 2020 that 31% of UK households expect to experience a decrease in income. This mirrors GfK's November consumer confidence metrics which saw a further decrease in how people ranked their personal finance situation over the past 12 months (to minus -16), which is a worrying trend.

When people are in survival mode, they are focused only on the essentials. In McKinsey & Company's analysis on spending, the only category in the UK that people believe they will spend more on, was groceries. Across all other categories, from entertainment, travel to apparel, consumers expect to spend less.

FRUGAL SPENDING

But it isn't just people who are experiencing a fall in disposable income who are behaving differently. Even those with a steady income are nervous about future spending due to the uncertainty of what the next few months will hold. As one of our [Street Members](#) noted:

"I think I'll be much more cautious with spending in future... I feel times have changed and what was once considered a secure job could so easily become a redundancy. I'm going to ensure I have a good financial safety net to fall back on should the worst happen."

Mintel have noted that many of the savvy shopping skills developed during 2009-12 have now become ingrained habits, meaning that there should be a less dramatic shift in consumer behaviour. For many of the coping strategies that were adopted during the last recession have put people in good stead throughout this year, with frugal and calculated

switching of products, the second-hand economy and online searching etc. Global Web Index's found in April 2020 that 83% of respondents had delayed a purchase due to the pandemic.

DEMANDING SUPPORT

But unlike recent recessions sparked by financial crashes, consumers are aware that there is money somewhere in the system, and also, that some companies are doing exceedingly well out of the pandemic. Expectations are then; those who can help, should help.

The concept of 'helpfulness' itself is a vital trait for consumers. GfK's 2020 data on value attributes has noted how strong the idea of 'helpfulness' is for Brits compared to other nations, noting a +12 points difference. In what practical ways can brands aid and facilitate the lives we want to lead? Being helpful means not only voicing solidarity in times of crisis, but of being useful to people, of taking action.

Our online community voiced the need for understanding and support towards customers during difficult, abnormal times. For when the going gets tough after all, we remember those that helped us.

"I think brands could support us to see each other more, perhaps Uber to offer a free ride to see a friend or Just Eat could offer a free takeaway to encourage us to see friends, big healthcare brands like Bupa could also support us with our mental health and mental health awareness". [Street Member](#)

Therefore, more than ever, people want to see brands providing low prices and practical support as they spend more cautiously. This includes all the perks, welcoming low prices, discounts and free extras, free delivery, expert customer service.



SURVIVAL VS. ASPIRATION ...THEY ALSO WANT TO START PLANNING A SPLURGE.

FLUSH WITH CASH

Yet, not everyone has struggled financially this year. YouGov polling in October 2020 found that one in five people have done well during the pandemic (a further 20% said they had suffered no impact), and noted that this was broadly true across all social groups.

The UK households savings ratio, tracked by the ONS, has soared from 6% in 2019 to over 29% this year. ONS retail figures show steady growth after the summer, and growth across all retail sectors online. And whilst financial commentators aren't dismissing doom and gloom from government figures, they are also pointing out that many predictions of unemployment, fiscal borrowing and recovery, aren't as bad as initially suspected.

We can summarise then, that many people are consciously lying low during a time where they aren't able to entertain, socialise and participate and are planning a splurge as soon as they are able.

FOCUS ON THE FUTURE

But when people are depressed and emotionally exhausted, we cannot see a future worth spending in. People need to positively look forward to the experiences they will be able to enjoy again once the pandemic is a distant memory. So brands play an important role in helping us, not just get by day-to-day, but to help us navigate the future.

Pranay Bhimjiani, Senior Strategist at Global The Media & Entertainment Group told us; *"We regularly speak to our audiences and found out very early on that the crisis had triggered increased need for: (1) Credible simplified information, (2) Reassurance that we are actually going to get through this. (3) This was an unknown, anxious experience for people and they needed escapism. That became our framework to speak to our audiences and our clients."*

Through credible information, inspiration and optimism about the experiences and purchases that are waiting for us on the 'other side', brands will be able to present a future worth spending in.

But with competition ever fierce and the desire to encourage spending, brands should beware of over-delivering in the short term. When brands are considering their pricing strategies, planning ahead is key. As Les Binet, Group Head of Effectiveness, adam&eveDDB has noted:

"Firms should remember that pricing decisions affect brand perception. Price gouging makes you look bad. Discounts for healthcare staff make you look good. There's more to price than maximising short term profit."

TREAT YOURSELF

Even for those who have suffered financially, the need to treat ourselves after a terrible year is strong.

"I will probably spend more money going out for dinners, travel and socialising because we haven't been able to do much of any of that for most of this year." Street member

The Foresight Factory's 'Pretainment' trend, which includes wish-listing items into your online basket but not ever making it through to checkout, have noted the growth of such behaviour during lockdown, due to delayed shopping. Their data reveals that 17% of Brits, (25% of 16-34s) consider shopping (but not buying) in this way as valuable entertainment.

So then, until both accessibility and confidence to buy fully returns, brands must help people to edit, browse and plan in order to sustain interest and consideration and encourage a sale when possible.



Resolving the tension: **SURVIVAL** *Recommendation and examples*

HELPLESSNESS

Consider what you can offer to serve people's immediate functional needs



VODAFONE provided customers with free access to NHS UK online so they can get latest health information at no additional cost

SUPPORT

Provide awareness and tools that bring emotional aid for your audience



ITV's 'Get Britain Talking' 5 year campaign encouraged people to stay connected, marking the beginning of Mental Health Awareness Week

Resolving the tension: **ASPIRATION** *Recommendation and examples*

REACTIVNESS

Ride the wave of positive news to capitalise on the hope and response it creates



SPECSAVER'S 'Something to Smile about' campaign aimed to sensitively lift the nations mood

REWARD

Find new ways of presenting a product in order to speak to people's aspirational desires

A graphic for the M&S 'Dine In' campaign. The words 'DINE IN.' are written in large, white, distressed font on a dark, textured background. A small yellow smiley face is positioned at the end of the word 'IN.'

DINE
IN. 😊

M&S's Dine In offers heighten their ready meals as an alternative to a restaurant meal

HOPEFULNESS

Help people plan for the future, despite the uncertainty around future rules and regulations

A blue graphic for the British Airways 'Book with Confidence' campaign. It features the British Airways logo at the top right, the text 'BOOK WITH CONFIDENCE' in large white letters, and a sub-headline below.

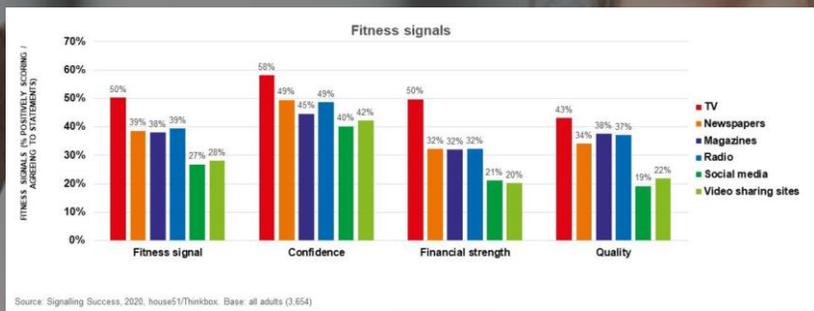
BRITISH AIRWAYS
BOOK WITH CONFIDENCE
We've introduced a flexible change policy for all new flight and holiday bookings.

BRITISH AIRWAYS have dropped fees for changing travel dates and destinations to encourage people to book future flights

3. SCALE vs. SALES

People take cues from expensive scaled advertising that signal a brand is fit and confident, but natural business instincts tend towards protecting short term profits.

SCALE: BRAND BUILDING AT LARGE

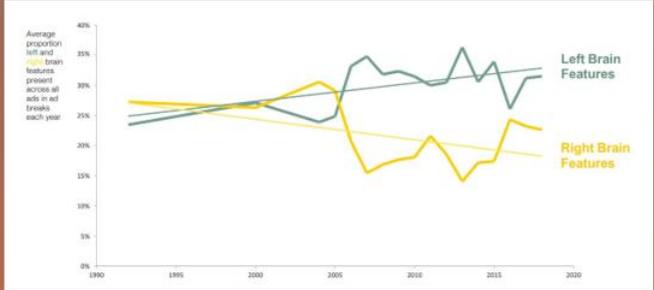


Fitness signals - positively agreeing to statements”
Source: Thinkbox: Signally Success

“Our brains aren’t that interested in brands, they’re interested in stories. And right now, in lockdown, people are sitting still and paying attention. Brands are contributing to the stories that create our current context outside of just the products or services they sell, so they have a lot more power than they themselves realise.”

Shazia Ginai
UK CEO, Neuro-Insight

SALES: PROTECTING THE BOTTOM LINE



Average proportion of left and right brain features present across all ads in ad breaks each year
Source: Lemon by Orlando Woods

“As more people have stayed at home and have moved online, we at Samsung, have looked to adapt our advertising rather than pull back.”

Sharon Hegarty
UK Marketing Director, Samsung Electronics

SCALE VS. SALES PEOPLE TAKE CUES FROM EXPENSIVE SCALED ADVERTISING THAT SIGNAL A BRAND IS FIT AND CONFIDENT...

FITNESS SIGNALS

Consider the high street as an analogy of the ad break. When the advertising content that fills the screen is creative, fresh and original it suggests signals that the business landscape is fit, available and ready for interaction. In turn, this suggests wider confidence in the economy. Consumers take subconscious cues from large scale, expensive advertising that signal a brand is fit, available and confident in their product and business. However, like the high street, once these cues are eroded, with too often repeated ads, discounts and closing-down sales suggesting tough times for businesses, it is difficult to build up again.

Recent Thinkbox research has considered the role of different media channels in creating 'fitness' signals, i.e., signs of financial robustness and overall quality. They suggest that advertising at scale on broadcast channels such as TV and Radio signal confidence due to "the perceived cost and scale of an advertising channel can enhance brand attributes in the eyes of the consumer."

Newsworks have also conducted studies into the impact of image vs. price led messaging and have found that readers:

- are more likely to pay attention to image-based ads (33% vs 28% for price-based ads)
- find they make a better impression (like ad: 35% vs 29% for price-based ads)
- are more appealing (34% vs 29% for price-based ads)

COVID-19 PROXIMITY

And whilst many advertisers have actively avoided being seen alongside any COVID-19 related news, Lumen Research has found that 41% of readers, claimed that brands appearing around COVID-19 stories made

them feel better about the advertiser. Lumen went further to suggest that they would assume that this feeling would be stronger if the advertisers adapted their creative to respond sympathetically to the crisis.

CREATIVE INDUSTRIES

A report published by Oxford Economics in June 2020, noted the creative industries, which have been estimated to contribute £111.7 billion to the economy, would be hit twice as hard as the wider economy during this year. This analysis was instrumental in securing support from the government with a £1.57 billion support package for arts and culture.

Advertising is certainly part of the wider creative industries and spirit in the UK, and that a truly compelling and unique ad needs creativity. Research from the Advertising Association found that the number one driver of public trust and favorability in advertising was 'creativity.' The second positive drive was 'advertising's social contribution'. So, creativity not only helps make great content, but it is also fundamental to building trust, and thus confidence in brands and the wider UK business landscape.

The Advertising Associations has further noted in their Advertising Pays report that: "the UK's creative industries are rightly world-renowned, but without advertising, many firms in these industries would simply cease to exist." Investing in our publishers, broadcasters and creative industries now, will ensure the survival of our thriving and respected creative industries, particularly when advertisers need the most innovative and creative thinkers on their work and messaging post-pandemic.



SCALE VS. SALES ...BUT NATURAL BUSINESS INSTINCTS TEND TOWARDS PROTECTING SHORT TERM PROFITS

SHORT TERM ACTIVITY

The tension here, however, is what makes brands and businesses confident. Consumers might get confidence from big brand behaviour, but big brands naturally get confidence from money in the bank.

Not all advertisers are able to spend on campaigns like they did pre-pandemic if the business is struggling to either meet unprecedented demand, or to compensate against reduced or delayed spending.

The unstable landscape has then resulted in the natural business instincts to tend towards protecting short term revenues by pulling longer term emotional brand building and to focus on activation and performance activity, which is attributed to bottom line sales. 62% of advertisers are cutting back brand building investment according to WARC.

Kantar have noted that 96% of marketers believe the pandemic will have long term strategic implications, increasing the focus on campaign effectiveness and more investment in digital media for greater agility.

INNOVATION

However, in the face of any crisis, with change in consumer behaviour comes great innovation, as companies are forced to quickly adapt and make changes to how their business functions. Microsoft CEO Satya Nadella has said, "We have seen two years' worth of digital transformation in two months" during the pandemic.

Kantar's study further noted that 53% of marketers are willing to try something new. Innovation, like scale, offers customers the signal that the brand is worth investing in. Evidence collected over past recessions certainly suggest that the companies that

invest in innovation through a crisis, outperform peers during the following recovery.

The concern is however, that whilst two out of three marketers believe that this year will be the most challenging moment in their executive career, according to McKinsey & Company, only 21% have the expertise, resources, and commitment to pursue new growth successfully. Therefore, collaboration and connecting with new partners, investing in research are all crucial parts of the innovation process to provide marketers confidence in taking the next step.

NEW BRAND SPACES

For those that are willing to pursue new growth and pivot their business, now, more than ever, is perhaps the moment to try something different. Consumers are interacting with brands through media in new ways due to lockdown restrictions and are thus giving brands permission to enter new spaces and conversations that may have felt irrelevant or incompatible before. This is a powerful licence to brands! As Joe Staton, Client Strategy Director GfK, told us;

"This years' crisis has provided an excuse for many brands to rewrite the agenda. It is a great opportunity for brands to reposition themselves to do something they perhaps thought they couldn't do. It is a chance to be brave. People are willing to listen to new ideas. A lot of preconceptions have been challenged. The book is open."

The pandemic has challenged us all this year. But we believe the future is built for the brave. And in order for businesses to thrive in a post pandemic world, experimentation, tough decisions and new ideas need to be embraced.



Resolving the Tension: **GIVING OUT CONFIDENT SIGNALS REGARDLESS OF SCALE**

Recommendations and examples

COLLABORATE

Partner with like-minded companies to make your budget go further



Starcom collaborated with brands and agencies to encourage UK shoppers to shop responsibly



Major UK grocers partnered to stand against racism, following the trolling of a Sainsbury's Christmas ad



Burger King told people to order from McDonalds, and other well known high street chains, in a bid to save jobs



Papa Johns donated a proportion of their Christmas campaign budget to two charities in support of homelessness and hunger

Resolving the Tension: **GIVING OUT CONFIDENT SIGNALS REGARDLESS OF SCALE**

Recommendations and examples

ENTERTAIN

Big, bold, high-quality production creative, provides enjoyment



In the midst of the doom and gloom, Just Eat's campaign with Snoop Dogg aimed to deliver pure entertainment

PROMINENCE

Context and positioning have a positive influence on the success of advertising



Emily Crisps continued with their OOH campaign despite lockdown, adapting the copy to reflect their marketing misfortune

INNOVATION

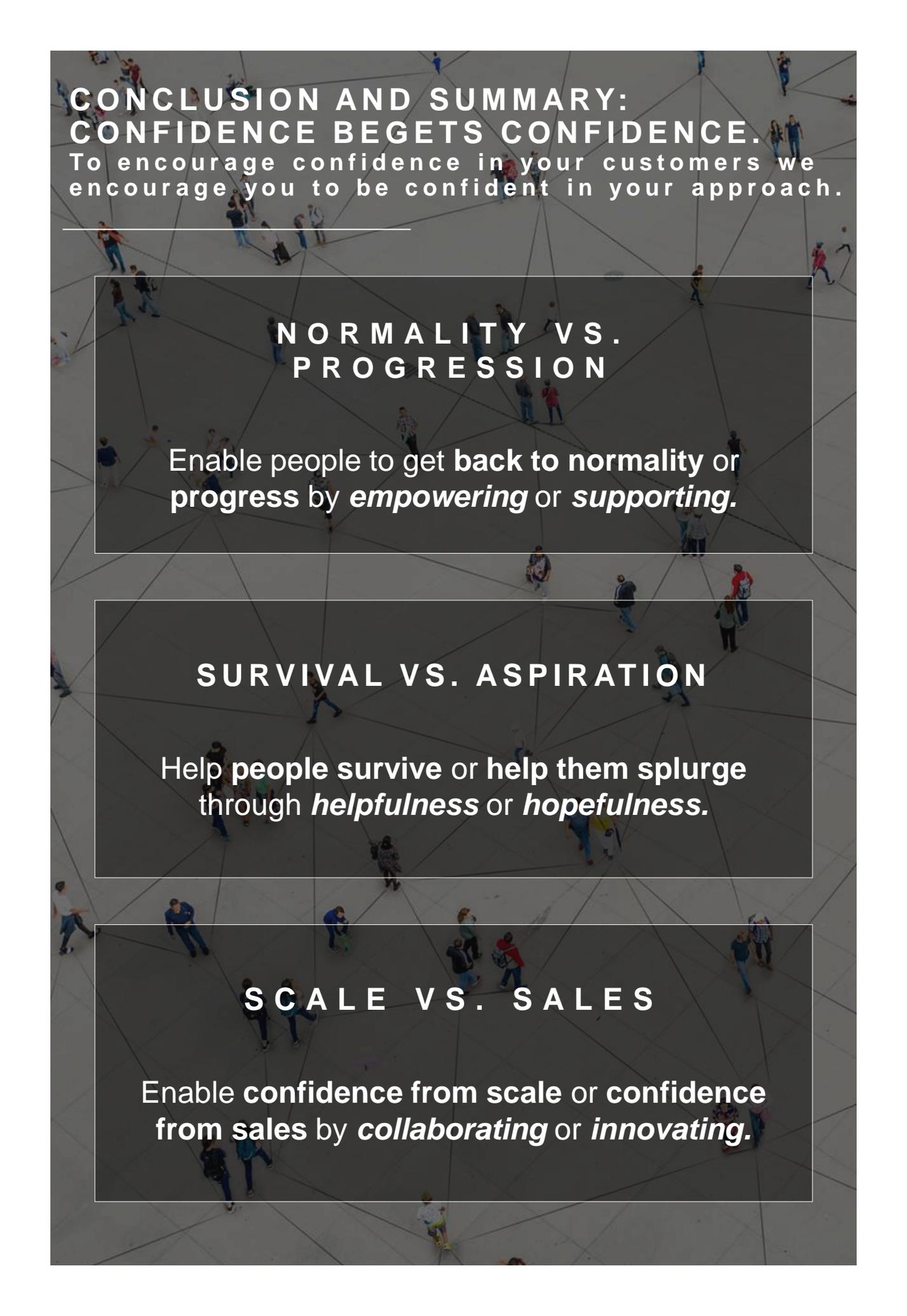
Create new ways for people to enjoy your brand through product extensions, technology and advertising



Finnair made in-flight meals available in supermarkets and sold 1,600 meals within a few days



Beavertown Brewery created an experience to accompany a consumption moment



**CONCLUSION AND SUMMARY:
CONFIDENCE BEGETS CONFIDENCE.**

To encourage confidence in your customers we encourage you to be confident in your approach.

**NORMALITY VS.
PROGRESSION**

Enable people to get back to normality or progress by *empowering* or *supporting*.

SURVIVAL VS. ASPIRATION

Help people survive or help them splurge through *helpfulness* or *hopefulness*.

SCALE VS. SALES

Enable confidence from scale or confidence from sales by *collaborating* or *innovating*.

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Future Tensions in... Consumer Confidence

