What's HOT

April 2021

THE VALUE OF COMPLAINING: WHAT ADVERTISERS CAN LEARN FROM 'CALLOUT CULTURE'

This month, OFCOM received a record 110,000 complaints about the wall-to-wall TV coverage of the death of Prince Phillip, Duke of Edinburgh – a colossal response to a seemingly short-term disruption. But the psychology of complaining is complex. Advertisers can learn a lot about the idiosyncrasies of consumer behaviour from observing the most complained about content.

Rewind back to October 2020 when 24,500 complaints were registered in response to Diversity's Britain's Got Talent performance for being too political in their depiction of the Black Lives Matter movement. Yet only 4% of complaints were from people who had actually watched the show. People had predominantly reacted to news coverage of the small pool of complaints, which had spiralled into a cycle of outrage.

It's therefore no wonder that 'callout culture' makes brands fearful of pushing the boundaries in their advertising. After all, driving brand growth is challenging enough without getting embroiled in culture wars and attracting negative press.

But our industry also flourishes when we connect brands with issues that people care about. It's not just about understanding their passions but also their grievances. Callout culture can actually be a force for good in advertising in a number of ways.

Understanding authentic pain points. When monitoring consumer sentiment, we know that there's often a discrepancy between claimed behaviour and real-world action. Complaints can be one of the most effective ways to gauge emotional engagement with your brand so don't ignore the complainers. You shouldn't always take it personally; it's human nature to misdirect our concerns in a bid to be heard. The issue might actually be a wider category problem that you can solve.

Accountability drives change. With the proliferation of social media platforms, it's never been easier to complain. If you're doing something wrong, you'll know about it pretty quickly and that's a good thing. Many brands have come back stronger from making faux pas while some even use volume of complaints as a positive sign that their content has hit a nerve. Channel 4's Director of Programmes recently stated, "When there isn't someone complaining about one of our shows, we should be worried."

Advertising that matters. Amazing ideas can manifest in the face of controversy. The negative response to Sainsbury's Christmas ad that featured an ethnically diverse cast prompted the nine major supermarkets to come together under the banner of #StandAgainstRacism – an unprecedented move by the category. Brands increasingly have a responsibility to portray a representative and equal society. Those that put their heads above the parapet are at more risk of criticism but also of having meaningful impact.

True progress is often the most complained about. In the wise words of Taylor Swift, 'haters gonna hate'.

TURNING CONSUMERS' CLIMATE CHANGE GOALS INTO REALITY

The United Nations describes climate change as the 'defining issue of our time', with an impact that is global in scope and unprecedented in scale. People in the UK now consider its importance to be second only to the pandemic. Yet, action has failed to keep pace with increased awareness. the7stars joined forces with Global to identify three key areas where brands can help bridge the intention-to-action gap.

Creating urgency. Sustainability is too broad an issue; we must break it down to make it accessible and relevant to consumers. Communication, channels, and content each contribute differently to engaging consumers with more digestible material.

Brands need to understand the exact commitments to sustainability within their own business in order to identify a clear role to play in creating urgency. Whilst brands must consider the consumer experience of their conversation, viewing it through the lens of sustainability.

Bringing it home. Climate change tends to slip down the national agenda in the event of other global crises. However, Covid has had the opposite effect and put climate change in front of people's minds by highlighting the impact consumers are having on the world around us.

Thus, brands need to maintain this momentum, such as visible commitments across packaging, owned touchpoints and activities within paid advertising. Brands must also think through the lens of the consumer**.** Nearly half the day is driven by habit, so focus on micro-moments of routine to unlock new opportunities to shift behavioural change. Finally, with people giving more time and attention to their local area, they must harness the power of local for brand interaction in emotive community spaces.

Making it easy. Research suggested that the onus for environmental issues previously fell upon major groups like the government, however, 80% now agree that sustainability is everyone's responsibility. Yet, for many consumers barriers still exist - the top three being lack of resources, education and not knowing how to start.

There's an appetite to make change, but the scale of the challenge, the abundance of information and the multiplicity of choice have bewildered people into inertia. With sustainability an unexpected by-product of lockdown, it's up to brands to simplify the challenge and reframe their message for good.

FANS & BROADCASTERS vs THE EUROPEAN SUPER LEAGUE

In the most rollercoaster period in recent football history, this month saw 12 "founder clubs" launch a European Super League only for it to collapse a mere 56 hours later. It showcased the power that fans still have over the sport they love, but also brings the question of 'what would have happened' to broadcasters and advertisers alike, who rely on the Champions League and Premier League for the vast majority of their reach.

Led by the owners of Real Madrid, Manchester United, Juventus, and Liverpool, the 12 founder clubs attempted to break away from the existing UEFA Champions League into a new 'European Super League', guaranteeing them a spot year-after-year, and an opportunity to own the commercialisation of the tournament. Fan backlash, 79% of whom opposed, alongside condemnation from Sky Sports, BT Sport, Amazon, and even Boris Johnson, ultimately led to its downfall – but this process showed us the potential fragility of the existing product of football that so many advertisers rely upon.

Criticism from the lead broadcasters, Sky and BT, was partly born from a concern over their investment in the existing football pyramid. BT Sport secured the TV rights to the Champions League until 2024 in a £1.2bn tender. However, if 12 of the biggest and most marketable clubs in that tournament were to leave then that could have a major impact on where advertisers decide to place their TV budgets. Similarly, with Sky Sports, if the six English teams were expelled from the Premier League, where would that leave the value of the product they'd invested so much in? Industries such as Gambling who invest significant budgets to be front and centre in the big matches on these channels could have shifted large amounts of money easily into the commercialisation of the European Super League if it did indeed reach the global scale of viewership that the founding owners expected.

Advertisers are most likely breathing a sigh of relief this week too. The decision on whether to jump on board with the potential scale of the European Super League is one that some would simply have to do, but that would have come at even more of a premium. Plus, the toxicity of fans, particularly in the UK, would open up a real discussion over the value of global association with the tournament vs the risk of alienating existing customers within this country.

The uprising against the European Super League united fans, clubs, brands, and broadcasters in a way that hasn't happened before. It remains to be seen whether the ESL comes back under a new guise in a few years' time and whether the pull of a global platform of elite football clubs proves too tempting for brands and broadcasters alike. However, and most importantly, this month fans proved that whilst their support elevated football to the commercial powerhouse that it is, if you try and take the fundamental nature of competition out the game that they love, then they will stop you.

READY, STEADY, SPEND!

The doors of non-essential retail opened again on the 12th April and, with them, crowds of UK consumers queuing up to get back into their favourite stores; an insight into consumer sentiment towards spending money again. With optimism and confidence returning due to the vaccine roll out, consumers are ready to start spending more, the switch in sentiment being immediate, like 'a light being flicked (on)'.

After being bottled in for over a year, the new taste of freedom that comes with restrictions being lifted could see a spending surge in Q2; a euphoric post-lockdown impact on purchase intentions. Unlike previous recessions, many Brits strengthened their finances and managed to save during lockdown; amassing over £245bn, demonstrating a noteworthy potential for spending power and a likely significant bounce back in the UK post lockdown. A survey from *Future* illustrated that 45% of respondents had already started to plan their 'splurge' purchases, anticipating more than half will be spent as we enter fewer restrictions over April – June.

Britain's 'coiled spring' economy was supported by Radiocentre's research 'bounce back and beyond' where listeners were asked about their spend intentions once restrictions started to lift. Respondents illustrated their strong intent to increase spending across a variety of categories, most significantly against the entertainment and beauty industries. The inverse is also true with decreased spend anticipated against takeaways and online shopping, opting for real life moments and experiences instead. This trend is emerging within fast fashion with searches for online brands starting to soften since non-essential retail returned (Google Trends, 2021).

It's interesting to note that consumers' spending habits will likely shift compared with their pre-pandemic behaviours. A study from Bauer showed that consumers want their newfound 'financial fire power to be a part of positive change', particularly across sustainability and supporting local. We witnessed a huge increase in local shopping during the pandemic, and despite the return of the city highstreets, experts anticipate the focus on local to continue.

The next couple of months will be imperative for Britain's returning economy, whilst some are cautious in the immediacy of the bounce back, if the overflowing stores and queues are anything to go by, we can expect a frivolous Q2 and beyond.

WILL THE EXPERIENCE ECONOMY REBOUND IN 2021?

The7stars' latest white paper, *The Experience Economy Rebound*, details the road to recovery for the travel, hospitality and leisure sectors; industries which were placed on life support in 2020 as restaurants closed their doors and events were cancelled, rescheduled, and cancelled again. The past year has told a tale of two halves when it comes to financial stability. While millions were placed on furlough and faced uncertain job prospects, others built up savings. According to ONS data, between April and June 2020, households saved an average of 29.1% of their income – smashing the record set three decades ago.

However, personal finances are not the only factor likely to impact the rebound of the experience economy. Even as the vaccine rollout progresses, many remain reluctant to indulge in experiences until they are assured of their safety. Following the government's announcement of the roadmap for de-escalating lockdown, Lightbox Pulse research found the emergence of three distinct groups, each of which will be crucial to an economic rebound in 2021.

The most lucrative of these groups is the **Experience Enthusiasts**, comprising 28% of the population. This group is desperate for a big summer and is willing to splash savings to achieve that. Experience Enthusiasts worry less about coronavirus and are comfortable with visiting virtually every location as soon as they reopen, including airports; making it a matter of when, not if, they book their next holiday. With this group so willing to engage in experiences, the time for brands to convert their enthusiasm into sales is now.

Around half (49%) of Brits are **Pragmatic Participators**. While they are cautiously optimistic of a return to normality, members remain to be convinced. Their summer will initially revolve around domestic trips – though they could be swayed if vaccine passports become the norm. Negotiating with this group will undoubtedly prove challenging for brands; however, they are there for the taking. By boosting confidence through cancellation guarantees and flexible rebooking, this group's long-term potential can be unlocked.

The **Social Sceptics** will be the toughest for brands to convert. Social Sceptics are unconvinced of the safety of travel and are nervous about booking until they are assured their plans will go ahead. This group is keeping it local in 2021 through smaller, family-oriented experiences. This does not mean, however, that brands should simply ignore them: rather, through targeted messaging in trusted sources, they will be persuaded to eventually return to the experience economy. And with many in this group potentially saving up disposable income two years running, the onus is on brands to be at the forefront of their future plans.

Come the end of 2021, the 'winners' of the experience economy will be those brands that not only recognise the varying financial challenges facing the nation, but also react to the nuances in how each of these groups is willing to participate in travel and experiences.

Positive News

'Deepfakes' use AI to create highly realistic images and audio. The technology may appear sinister, and there's no doubt that it has serious implications in issues of fake news and consent, but it can also be used to stretch creativity. In 2021, deepfakes could transform how media outlets work with celebrity brand ambassadors.

Digital people and their voices can be created with greater cost-efficiency and, once the technology is created, the possibilities are endless. In the past, celebrity-faced media campaigns needed to negotiate their hectic schedules, but deepfakes would cut the process down to minutes. What's more, the tech would allow for personalization, which consumers increasingly value.

There's reason to be positive in Adland. An IPA report has found that budget cuts are easing and optimism growing.

IHS Markit (authors of the IPA's Q1 2021 Bellwether Report) predict a +3.7% expansion of GDP in 2021, and further growth in 2022 of +5.8%.

One key takeaway is that marketers have renewed optimism for the first time since early 2015; companies feeling more confident than Q4 is at +26.2%, up from -5.8%.

With the vaccine rollout speeding ahead, we can hope to see this positivity continue.

We all need some glitz and glamour at the moment – and the BAFTAs certainly provided it. The zoom format is nothing new at this point, but it was great fun to see the stars dressed up for their living rooms.

Nomadland took top honours with Best Film. The narrative centres around a woman who lives in a van following the financial crash, and Frances McDormand won Best Actress for her performance. *Nomadland*'s director Chloé Zhao became the second woman in the Award's history to win Best Director.

It was also a big night for those behind *Promising Young Women*, which was awarded Best British Film.