



September 2022



Shop 'Til You Flop: Has Social Commerce Failed Again?

Tech news outlet 'The Information' has reported that Instagram is planning to 'drastically scale back its shopping features,' with the app's shopping tab set to disappear. This is hot on the heels of Tik Tok abandoning plans to scale its livestream shopping feature into Europe, which was announced in July. Is this another sign that social commerce is set to nosedive?

Social commerce has been a primary area of development for social media platforms over the last year, with platforms keen to launch new shoppable spaces faster than their rivals, to be first to gain traction. Social commerce in China is huge right now and continues to grow. Douyin (TikTok's Chinese counterpart) achieved \$3.15 billion in gross merchandise volume for H1 2022 and in-stream commerce is the platform's biggest revenue stream.

However, toes have been dipped in and out of social commerce for more than a decade and there have been false dawns, but the feeling this time was that consumers and brands were ready.

The pandemic was expected to result in long-term shifts in consumer behaviour towards social commerce. One of the benefits of in-app shopping for advertisers is that media optimisation is somewhat improved due to easier conversion tracking. With IOS sales journeys post-ATT, for example, consent needs to be granted to both the social app (i.e., Instagram) and the advertiser for conversion attribution to happen. Selling directly through the social platforms increases this conversion data stream and reduces acquisition costs as a result, through better optimisation.

The massive downside for advertisers is that they lose control of the shopping experience and their data. The changing data landscape has made the acquisition of first-party data more imperative for brands to understand customers and activate across multiple channels. With social commerce, brands surrender everything to the mercy of the platform owners.

Overall, there are several variables at play that have resulted in reprioritisation for Meta and Tik Tok. A slowing economy means consumers have less to spend. Social platforms are bound to prioritise by protecting investment in their more mature advertising products. Consumer behaviours have returned to pre-pandemic levels, not heralding long-term behavioural changes that were predicted in some areas.

Many brands will also be reassessing budgets, and experimentation with nascent spaces is likely to suffer. The scale just isn't there or worth the investment, yet.

Finally, the features themselves need further development to get better traction. The user experience of the Instagram shopping tab is just not very good, while the lack of traction from advertisers limits the relevance and availability of products.

We can see growth potential in this market already from China and the Instagram announcement certainly doesn't mean an abandonment of development. Their plans are to streamline the shopping process rather than kill it altogether. For now, how quickly things develop will be down to the economy and, once they do develop, challenger brands will find fruitful spaces to build and grow.





Media and Brand Responses to the Queen's Passing

Following the news that the Queen had passed at the age of 96 on Thursday 8th September, media outlets and brands were quick to show respect with changes to their advertising and scheduling. Immeasurable throngs of Brits queued to see the Queen lying in state. Yet the day after Her Majesty's death, our research pulse indicated, the nation turned chiefly to media channels as their main source of staying up to date.

Nearly all media channels pre-prepared their response to Operation London Bridge so moved quickly to action necessary alterations to scheduling. Commercial TV channels, such as ITV and Channel 4, and major radio stations paused all advertising on their primary channels. Out-of-home operators replaced digital commercials with a commemorative still, whilst newspapers dedicated the majority of their content, if not all, to the Queen in the following days, and halted all scheduled adverts. The same approach was also in place for Her Majesty's state funeral.

Whilst this response was swift and clear, we also saw brands aim to pay their respects in similar ways. Our research pulse showed that Brits appreciated tributes posted by brands on their websites and social media and, on balance, they welcomed it. Interestingly, however, most individuals felt that brands should freeze their media only for a short period of time with around 90% indicating that they did not expect a continued blackout until after the funeral. Nevertheless, the vast majority honoured the eleven days of mourning.

Whilst a second wave of research showed that consumers thought brands reacted appropriately in general, some did face backlash for the way in which they aimed to post their respects. Brits showed an overwhelming view that brands should not look to profit from it – whether that was a pause on promotional emails, holding back on paid advertising, or not tying their brand name to the Queen. Examples of brands that tried to personalise or 'over-brand' their commemorative posts were swiftly confronted with a negative response on social media for insensitivity.

It was perhaps the ultimate case study in recognising that not all cultural events should be treated as branding opportunities for advertisers, intentionally or unintentionally. Whilst certain companies with royal warrants or those who had worked with the Queen before (see Paddington Bear) had license to adopt a delicately more creative approach, typically brands should stick to short, appropriate, unbranded messages in scenarios like this.

We saw, both in research and in practice, how Brits want to see media outlets and brands respond to momentous, solemn occurrences of this nature. Hopefully, we're a long way from experiencing something similar again, but there are learnings to be taken by brands going forward. The primary lesson is that brands must plan and adopt a toolkit for their responses, with guidelines on how, when and when not to respond, with pre-authorisation from the required powers for those responses. Brits only ask brands to respond in an appropriate manner, so having a plan of action is the best way of ensuring it is done suitably.





How to Build Long-lasting Relationships with Gen Z Influencers

Collaborations with content creators shouldn't be a one-time thing. If an influencer is the right fit for your brand, and you're a good fit for theirs, there is a lot to be gained from thinking long-term. This is particularly true when it comes to working with Gen Z influencers, a generation that is driven by their values – namely authenticity, transparency and genuine, meaningful connections.

Like their influencers, Gen Z consumers crawled straight into the digital age. They have been exposed to social media, smart technology and digital entertainment since birth and have thus developed a high level of cultural literacy around online interactions. They can spot a disingenuous endorsement a mile off, and nothing says 'I just wanted to make a quick buck' as loudly as a one-off sponsored post on an influencer's channel.

So how can brands build long-term relationships with the latest generation of influencers?

1. Find content creators that align with your brand values. The influencer marketing sphere is awash with platforms and dashboards offering to automate the recruitment process, but long-term relationships require a face-to-face connection. Taking the time to research, talk to and engage your partners on a human level will reap rewards for both sides in the long run.
2. Prioritise engagement over reach. Reach measures how many people have seen your posts, but engagement metrics are indicative of deeper audience connections and perception change. Working with fewer influencers on bigger, better collaborations will foster deeper relationships over time.
3. Allow your partners the creative freedom to deliver your message in their usual tone of voice and favour natural, authentic content over heavily polished shots. It's all about relatability as far as Gen Z are concerned. Putting trust in your partners to be themselves will keep them passionate about your product, and generate fresh, engaging content for your brand.
4. Once established, nurture those relationships. Interact with influencers and their content beyond the brief and in between campaigns. Treat them as friends, rather than transactional business partners, and keep reminding them that you're there to keep the door open for future collaborations.
5. Finally, pay your influencers well. It's a common misconception that influencers are paid exclusively in free samples and experiences, but influencers have bills to pay just like everybody else, and no volume of samples will do that. Show them you value their work through fair remuneration. The payback comes when that influencer develops into a long-term brand ambassador.

While there is a time and a place for short-term activations with influencers, sporadic campaigns lack authenticity and damage trust between Gen Z influencers and their followers. Brands should focus on fostering meaningful relationships with influencers in order to connect with the shopper of today.





The Struggle and Significance of Staying Sustainable

As cost-of-living pressures increase, non-essential spending becomes a more cautious choice. Our proprietary Quarterly Tracker highlighted that intention to spend on small ticket items is at an all-time low.

The report also showed that for 30% of consumers a brand's sustainability efforts are even more important since the pandemic. This contends with a [Kantar study](#) finding recently that some consumers now sacrifice sustainable options for the affordability of less eco-friendly choices.

As Leonardo DiCaprio (amongst others) said; 'We only get one planet'. Along with personal responsibility, businesses and advertisers have a role to play in developing good practices and enabling consumers to make sustainable choices. Embracing the current cost of living challenges, how can brands both remain relevant and do the right thing for our planet?

Intention

Although increased cost pressures offer an easy excuse for brands to bow out, the sustainability conversation needs to remain at the fore. Our August QT also highlights the need for empathetic approaches including assessing and communicating environmental impact. Proactive measures by brands allow consumers to feel part of the solution, even if they've personally stepped back. We run our media plans through the IPA's Carbon Calculator to understand the impact of individual channel activation on the earth, giving clients the opportunity to review or offset the costs, to further demonstrate their commitment to carbon reduction.

Insight

By conducting research, brands can discover which topics on the sustainability agenda matter most to each target audience. These insights can then be used to determine commercial and campaign priorities, shape decisions, and communicate in a way that attracts customers. For example, our video campaign focusing on Nuii ice cream's support of animal conversation projects centred around being contextually relevant. This helped us reach those in the Nuii audience who are most invested in animal welfare topics. The campaign helped boost brand perception across both 'cares about protecting wildlife' and 'is a sustainable brand'.

Integrity

Consumers are savvy and can be quick to call out the tokenistic. Well-considered sustainability messages, rooted in authenticity, can prevent accusations of greenwashing. Continuing to invest in carbon reduction despite economic pressures is key. Even though consumers may be making personal compromises, they still want brands to keep sustainability on the agenda. Doing so now will drive long-term brand love and loyalty. A widely praised, impactful example of brand integrity would be from Yvon Chouinard, the founder of Patagonia, who recently announced that he is giving away the company to groups fighting climate change. While an extremely radical approach, it aligns with a longer-term ethos, which has included advertising for repair and reuse before buying new products.

It's never been more important for brand behaviour to be consistent. Brands need to back up their intent and insight with action. This includes conscious advertising, making choices in channel and message that indicate a wider sustainability ethos.



This month's mini stories

Patagonia has long been championing sustainability values in its brand message, business model and products. However, this time it went as far as donating all its profits to fight the climate change crisis and protect the environment. The company will put 100% of its voting stock into Patagonia Purpose Trust, which is a foundation that protects the company's values. 100% of the non-voting stock will go towards not-for-profit organisations that tackle climate change issues.

The announcement received very positive feedback from the industry and the general public. This bold move by Patagonia set an incredible example of how brands should act on their values and will hopefully motivate other companies to follow their path.



To commemorate Black History Month, The Independent has provided black organisations with free advertising space throughout the month of October. This campaign will run alongside a series of features that explore Black experiences in education, politics, and the press in Britain in an effort to highlight Black achievement, but also address racial inequality in the UK. Organisations advertising in this campaign include UK Black Comms Network, Black Lives in Music, Black Pound Day, Black Equity Organisation and more.

Google has announced their venture into the out-of-home market, making digital out-of-home ads available to users of their advertising marketplace Display & Video 360 (DV360). This venture will allow marketers to buy ads on digital screens in a variety of public spaces such as stadiums, airports, bus stops, taxis and more through the DV360 marketplace. With many excited about the opportunity, some have voiced concerns regarding Google's increased market share in the advertising space (with the company already owning a large portion of the online advertising market).

