December 2023

FOURCAST

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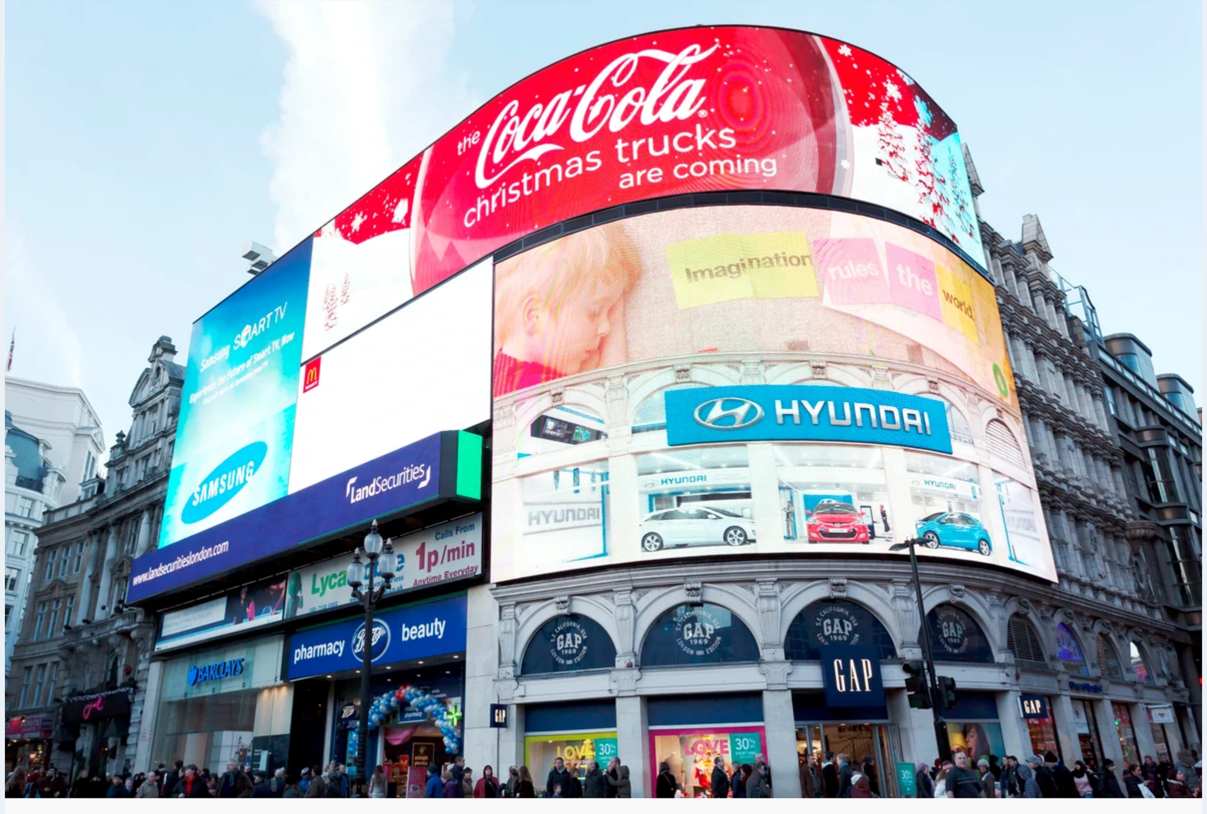
Insights from Four's media & strategy teams



RECORD-BREAKING FESTIVE AD SPEND PREDICTED

Advertisers are gearing up for a historic Q4 Christmas season in the UK, with a projected £9.5bn spend, marking a 4.8% increase from the previous year, as reported by the Advertising Association (AA) and WARC. This surge underscores the enduring significance of advertising for the economy during the festive period.

Key findings reveal a dynamic landscape, with broadcast video on demand (BVOD) leading the charge with a 20.2% spending increase, closely trailed by out-of-home advertising and online display at 10.3% and 9.1%, respectively. The internet remains a pivotal platform, capturing four out of five advertising pounds. Television advertising retains its prominence, with an anticipated £1.5bn spend in the quarter.

Additionally, further research by the AA unveils the impact of Christmas ads, with 48% of adults crediting them for sparking gift ideas, while 70% of young adults (25-34) find these ads to be a festive mood booster.

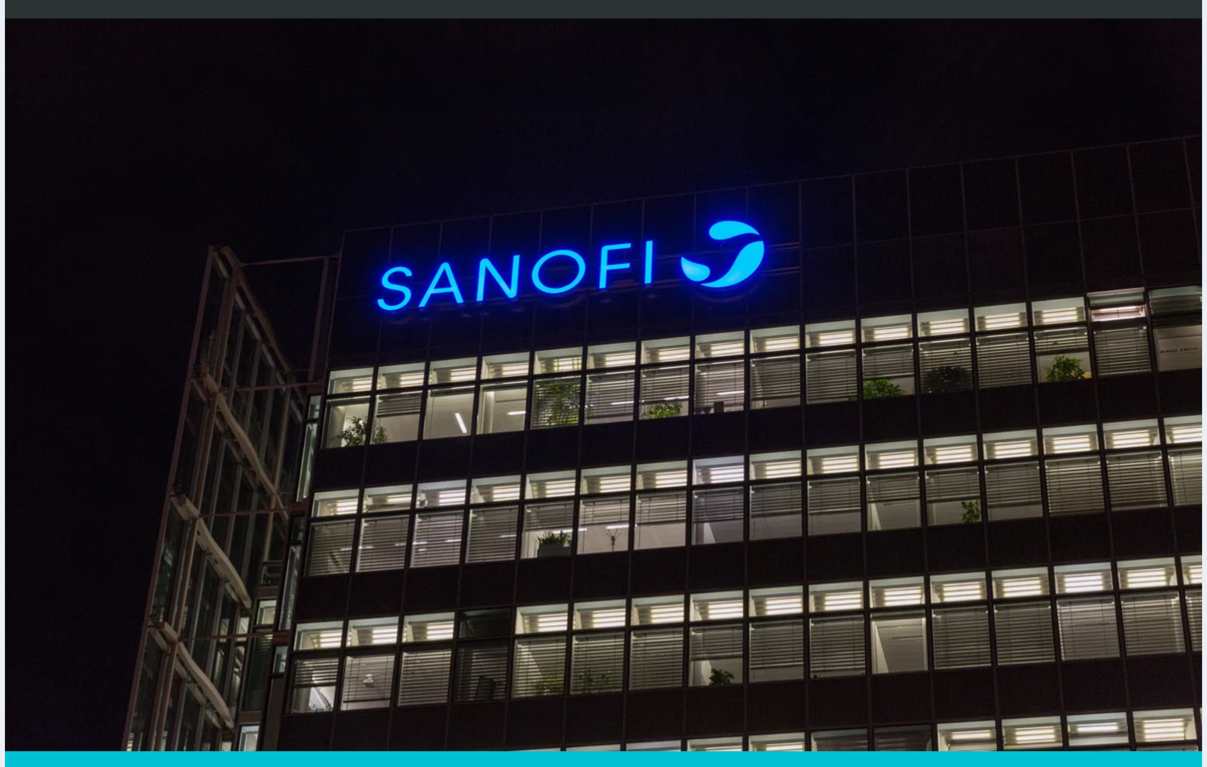
In the context of the YOLO (“you only live once”) economy, where spending persists despite economic uncertainties, the festive season is poised to be a significant advertising moment. The GfK consumer confidence index suggests a positive shift, with a 10-point jump in major purchase confidence, benefitting Black Friday and Christmas sales. Online shopping will be a key driver, according to a survey by Criteo, 74% intend to spend more online. Additionally, as many as 79% are prepared to explore new brands and retailers during this festive season.
The battleground for consumer spending is heating up, making the £9.5 billion ad spend projection a critical indicator of economic optimism in the face of challenges.

TOP 2024 RECOMMENDATIONS FOR B2B BRANDS

The B2B landscape is undergoing significant shifts, driven by digitisation and emerging technologies. However, ingrained cultures and resistance to change have caused many B2B organisations to focus on short-term results and lead generation, at the expense of crucial brand investment. According to WARC, B2B brands significantly lag behind B2C counterparts in contributing to business value, with a potential $1 trillion in untapped value.

In 2024, successful B2B marketers are expected to drive key trends:

1. **Bridging the CMO/CFO gap:** Demonstrating the commercial value of brand investment through sophisticated metrics beyond basic digital attribution is crucial. Metrics like share of search and econometric modelling will gain importance.
2. **Going beyond ABM:** While account-based marketing (ABM) will continue to play a role, B2B marketers must balance it with brand-building activities to achieve long-term growth, considering the extended buying cycles.
3. **Bridging the generational gap in media consumption:** With changing demographics, B2B marketers must adapt to the media consumption habits of millennials and Gen Z by utilising diverse channels and higher attention media for effective campaigns.
4. **Harnessing AI and ML for data analytics:** AI and machine learning (ML) will be crucial in addressing data management challenges, providing better content recognition, unified performance insights, and powering first-party data infrastructures in a cookie-less ecosystem. B2B marketers need to leverage these technologies for optimal results and stay ahead in their categories.



PHARMA LEADS ON MEDIA DECARBONISATION

Sanofi has recently shared the success of its own media decarbonisation strategy, built on the principle that one does not need to cut down media to achieve carbon goals. Sanofi’s global head of media/digital declared to a DMEXCO audience in Cologne last September: “We will create the right balance of reaching our consumers and keeping in mind the environmental and societal impacts of our media choices.”

More specifically, Sanofi’s strategy builds on three different pillars: measure, reduce and offset.

1. Measure. Sanofi started by measuring the carbon footprint across their campaigns, as a first step to understand where carbon emissions come from and how to reduce them.

2. Reduce. Sanofi worked through a four-quadrant decision matrix, built around two dimensions: carbon-heavy/carbon-light websites and their advertising performance (high/low) to optimise towards high performance/low carbon emissions platforms. Additionally, Sanofi also reviewed its creative production and optimised its supply path.

3. Offset. Unavoidable emissions are offset with green projects.

Sanofi has exceeded expectations in rapidly reducing its carbon footprint while enhancing efficiency, setting a very useful precedent for successful media decarbonisation. Whilst the impact a single advertiser can have will be limited, Sanofi’s success demonstrates there is an opportunity for the advertising community to unite in addressing carbon reduction, a non-competing common goal that could drive broader positive change.

FOURCAST LIVE

2024 MEDIA & CONSUMER TRENDS EVENT

FOURCAST LIVE

And finally, November saw the launch of our **Fourcast Live** events series. We gave an overview of 2023 from both a consumer and business point of view, before handing over to Mintel and StackAdapt to talk sustainability and AI & tech respectively. We see these two trends dominating the marketing landscape in the next 3 – 5 years, as consumers make greater demands on brands to be truly sustainable and with technology allowing budgets to work harder in terms of attention and effectiveness. The information presented is available on request with further live events scheduled across 2024.

ChatGPT has been used to summarise online information and produce some of the content throughout this issue, which has been edited and approved by a team of humans.