

# FOURCAST

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Insights from Four's media & strategy teams



## IS THE "NEW NORMAL" STILL A THING?

During the Covid-19 pandemic, the term "new normal" was coined to describe changes like increased remote working, heightened health and hygiene concerns and super reliance on technology.

But is this term still applicable? Data released by the UK Office of National Statistics suggests that some of these shifts have indeed, endured.

- **Remote working remains at around 44% of the working population** between Sep 2022 and Jan 2023, which is lower than when it was at its peak during the pandemic but higher than pre-pandemic levels. It is worth noting, however, that this shift shows significant differences across different demographics and economic sectors.
- Similarly, **online shopping for groceries, household goods, and clothing**, though decreased from peak pandemic levels, has been consistently above pre-pandemic levels since Oct 2020. After the ease of the restrictions, spend across travel and "going out" categories has increased but this data indicates that some of our shopping habits brought about by the pandemic seem to have stuck.

These shifts in behaviour have resulted in important changes in media consumption, advertising spend and the overall shape of the media landscape – like the rapid rise of retail media networks and ad supported VOD subscription models and the relaunch of the metaverse by Meta. As always, we recommend looking at consumer behaviour trends in detail, to continue planning effective marketing and communication campaigns that resonate with consumers.



## THE RISE OF RETAIL MEDIA NETWORKS

Retail media networks (RMNs) are ad platforms developed by retailers to sell their online and offline inventory to advertisers and monetise their data and inventory.

With the anticipated deprecation of third-party cookies by the end of 2024, RMNs are in a unique position to leverage their first-party customer data to target consumers in a shopper mind-set. RMNs have access to vast amounts of first-party data obtained from their loyalty programmes in a privacy compliant manner. In the last few years, they have been developing programmatic platforms to leverage this data for efficient targeting. A survey conducted by IAB Europe and Xandr revealed that **91% of brands consider retail media** as a crucial element of their advertising strategies in 2023.

In the US, RMNs are projected to have the fastest ad spend growth in 2023, surpassing social media and other big tech platforms. **European retailers** are also recognising the high profitability of retail media, with the market estimated to go from €7.9 billion in 2021 to €25 billion by 2026.

A few months ago, **Tesco** announced initiatives to accelerate the growth of its retail media operation in the UK, including new inventory partnerships, sponsored inventory on its website and app and market-first scan-as-you-shop media placements. With Tesco's retail media network being the largest in the UK, boasting access to a vast customer base and digital assets, industry experts predict that these initiatives will contribute to the projected growth of retail media spend in the UK in 2023, making it a go-to channel for marketers looking to leverage first-party data and reach consumers effectively.

**Coca-Cola** has used retail media to optimise its advertising strategy and achieve impressive results. By partnering with over 25 retail media networks such as Kroger, Target, Walmart, Amazon, DoorDash, and Instacart, Coca-Cola has been able to access valuable consumer data to enhance ad targeting and efficiency. This data-driven approach has resulted in improved return on ad spend, increased reach and more accurate audience identification.



## THE UNTAPPED POTENTIAL OF INFLUENCER MARKETING

According to a **new report on influencer marketing**, collaborating with influencers can expand the reach of global healthcare brands by up to 18 times and achieve five times more engagement than healthcare brands posts. This presents a significant untapped opportunity for healthcare brands to reach and engage with audiences.

In addition to reach and engagement, influencers are a valuable channel for building trust and credibility, educating and raising awareness of diseases and health conditions amongst audiences. To ensure compliance with regulatory requirements, it is crucial to work with influencers and partners, who understand the complex regulatory landscape in order to ensure all content is compliant.

The selection of the right influencer is pivotal for success. Consumers seek authentic content from influencers and brands, making it important to choose influencers who have developed trust with their audience. Additionally, aligning influencers with shared values and vision is essential for brand partnerships. Instagram is the preferred social media platform for influencers, followed by TikTok, with 90% of surveyed influencers using Instagram and 66% using TikTok.



## TIKTOK REMAINS STRONG

TikTok is facing bans across countries over data privacy and national security concerns. The US government has demanded a sale to a US buyer or risk a nationwide ban. In the UK, the use of TikTok has been banned for **local councils** or **public services**, have applied similar bans. **France** has issued a ban on all entertainment apps on government issued devices, including TikTok. The issue arises from TikTok's Chinese-owned parent company, ByteDance, raising concerns about user data access and compliance with national security laws.

To date the majority of these bans have been limited to government and public sector devices only. However, the **US state of Montana** has recently issued an universal ban on all devices. For now it seems unlikely that we will see similar universal bans, due to lack of verifiable proof, huge technical challenges and the potential of political damage. Additionally, TikTok has taken **steps to address concerns**, such as making its code available for inspection and announcing plans for data centres in Europe, with external oversight.

Despite the mounting pressure from governments, audiences are not going away. In the UK, 18% of the overall population reports having used the platform in the last 30 days, a number that has been steady across Q1 2023. In the case of Gen Z, the youngest generation, recent usage rises to 46%, the same as Facebook and well ahead of Twitter.

TikTok's popularity remains strong amongst users and viral content from the platform continues to hit the headlines and in some cases, even make a difference, as demonstrated by the story of **charity gardener Carlie Burd**. As a result, commentators have noted that, **regardless** of these events, the short form video format started by TikTok is here to stay.

\*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.

