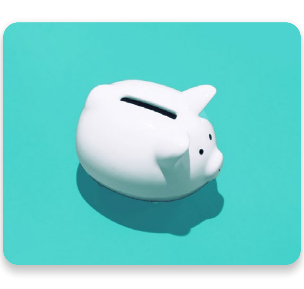
CONSUMER TRENDS 2023

A tightening of financial outgoings, coupled with a heightened desire for convenience, value and distraction set the tone for our 4 key trends for 2023.

Having emerged from a global pandemic into a cost of living crisis, UK consumers are feeling the strain, mentally and financially. Household spending accounts for the biggest portion of the UK economy, but with families cutting costs and looking for cheaper alternatives, a long road of recovery lies ahead. How consumers act and react in 2023 will have an enormous impact on the country's bounce back.



Curated value

For sale

Distracted escapism

The videoscape

CURATED VALUE

Global crises and the rising cost of living are causing budget conscious consumers to rethink what value means to them.

More than ever consumers are searching for tailored ways to get more bang for their buck.

Source: 1. YouGov, Aug 2022; 2. BBC, Nov 2022; 3. Yahoo Search Data, Nov 2022.

According to YouGov, rising costs have meant 66% of Brits have cut back on non-essential spending, more than 4 in 10 have cut back on spending on 'essential household items'[1] and a quarter of UK adults have less than £100 set aside in savings[2].

Yahoo search data reveals searches for 'food banks' have increased by +17% in the past 3 months, and searches for 'warm banks' are up +49%[3].

Naturally as a result consumers have adopted a mindful and price-conscious outlook and while overall value will be a consideration, price, ultimately, is more important than ever.

66% of consumers expect retailers to freeze or offer cheaper prices tailored to their needs

69% of consumers are shopping around for lower priced or own label brands

48% of consumers are shopping around for deals and discounts

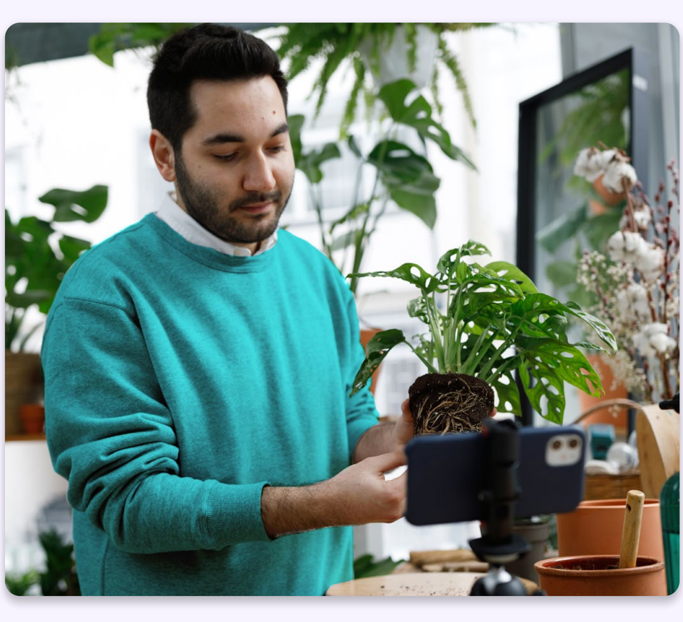
Source: Yahoo/YouGov Study, Oct 2022.

What this means in media

Personalisation
Audiences want to be seen for their individual needs. Use smart data and dynamic creative to reward customers with relevant offers, providing actual utility and avoiding media wastage.

Tangible digital value
Take advantage of real time channels and partner creative capabilities to surface discount codes, live offers and hyper local sales.

Innovation
Capitalize on emerging tech to develop innovative and novel ways to help consumers manage the monetary and emotional impact.



FOR SALE

Ecommerce advances mean that every online touchpoint is now an opportunity to purchase.

Brands should experiment with new platforms and mechanics to simplify and enhance the act of buying.

Source: 1. GWI, Nov 2022.

Consumers no longer follow a traditional path to purchase. A typical shopping journey now involves both bricks and mortar and digital interactions, regardless of where the sale is ultimately 'cashed up'.

In the past, physical stores were much better at prompting impulse buys than virtual ones, they are now, however, more or less equal, with 41% of Gen Z and millennials making an impulse purchase online every 2-3 weeks[1].

The rise in ecommerce capabilities everywhere from social channels and gaming platforms to immersive worlds has meant that shopping opportunities are omnipresent and brands should aim to facilitate both product discovery and purchase by showing up in unexpected places with frictionless point of sale mechanics.

69% of brands have reported investing in new digital channels in the last 2 years to facilitate ecommerce[2]

76% of consumers think shopping online is more convenient than shopping in store[1]

48% of consumers are more inclined to purchase online from a brand that uses immersive tech[1]

Source: 1. Yahoo / YouGov Study, Nov 2022; 2. Salesforce, May 2022.

What this means in media

Overlay
Upgrade traditional assets by overlaying shoppabe touchpoints such as hotspots, QR codes and live APIs to create infomed discovery in a cost effective way.

Do not disturb
Facilitate quick and frictionless purchase that is tailored to that platform and does not disrupt the media experience.

Test new tech
Improve quality of at home shopping using new tech such as AI and AR to familiarize consumers with products that they cannot physically access.

DISTRACTED ESCAPISM

With news, politics and finance leaving brits feeling overwhelmed and with tighter purse strings, home entertainment is on the rise.

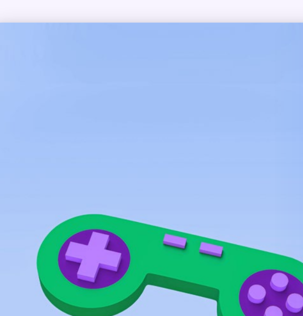
As a result generational differences are emerging in the ways we are seeking an escape from reality.

Source: 1. Yahoo Audience YouGov, October 2022; 2. Samba TV The State of viewership 2022; 3 GWI.

Modern day escapism is underpinned by relaxation, and the need to unwind, however, it can often cost money. Yahoo found that financial constraints have meant that 66% of consumers have recently cut down on at least one external leisure or entertainment activity, choosing instead to stay indoors.

One thing that is clear is that this at home escapism varies by age. Millennials and Gen Z immerse themselves in gaming and podcasts – while more traditional activities such as reading and radio are important among Gen X and Baby Boomers[1].

TV plays a consistent role generationally, but consumption is down 6% YOY[2]. Further to this, it is fastly emerging as background noise to other activities, such as housework and eating[1]. According to GWI 85% of consumers say they often use a mobile / PC or tablet whilst watching the television[3]. Leaving a question over how disconnected we truly are when viewing this type of content.



64% who have used social media in the last 3 months think there is too many negative news stories[1]

51% say their purchasing of in-home entertainment hasn't changed in the past 3 months - the least leisure activity to be cut down on[2]

70% of Millennials enjoy using their leisure time to escape from reality[3]

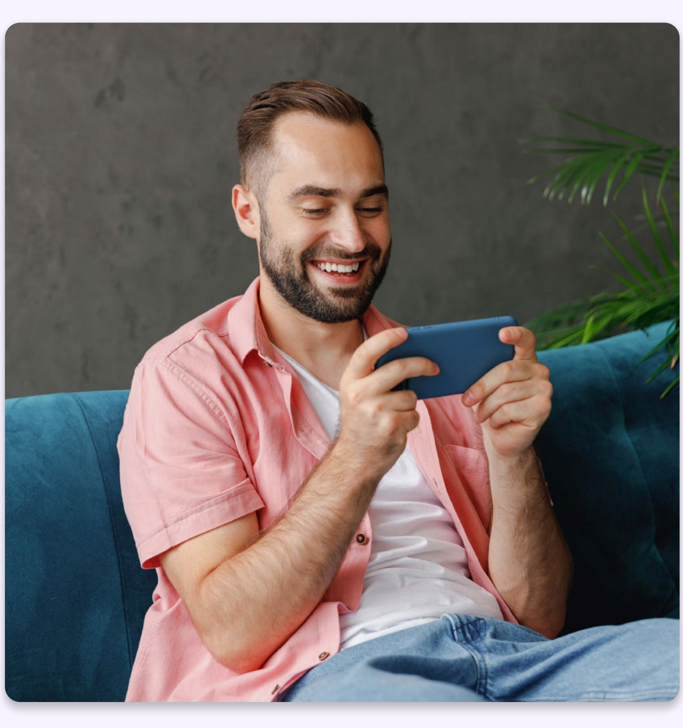
Source: 1.Mintel, Oct 2022; 2. Yahoo / YouGov Study, Oct 2022; 3. Foresight Factory, Oct 2022.

What this means in media

Active connection
Capitalize on active, not passive engagement. For example with gaming and mobile, the nature of the device allows for a one to one connection. With the device in hand distraction in minimal.

Feed the need
Understand how and why your audience is consuming escapism content. Integrate in a way that feels organic – Offering more curation, participation, discovery, build and cultivate fandom, and tap into the need for escapism.

Uplift
Help stressed media consumers escape everyday life and engage the appetite for positivity. Consider designing content that's intended to soothe or amuse rather than inform or provoke.



THE VIDEOSCAPE

With streaming, linear tv, social and gaming all playing a role in our day to day consumptions of video, the viewing landscape has become more fragmented, and as a result brands must lead with an audience first approach.

Source: 1. Statista, Feb 2022; 2. Ofcom Media Nations, Aug 2022.

Fueled by the multiple touchpoints that now exist, video has become a splintered marketplace. The average person has 9.4 devices and connections in their home[1] and time spent watching TV and video content across all devices per day is 5 hours 16 minutes[2]. Almost half the average person's waking hours.

Combine this with the vast number of platforms and channels that exist, and we have a bigger video landscape than ever before for brands to, navigate, create and play in – resulting in opportunities that feel endless.

The challenge will be to seamlessly capture the audience with the right format and message depending on the platform they are viewing on. What is clear is a channel centric planning process needs to be a thing of the past, with an audience first approach being the central focus instead.

2x Video is 2X as effective at shifting lower funnel metrics / purchase intent than non video creatives[1]

83% of UK consumers watch video online each week[2]

67% of advertisers plan to cut linear TV spend in 2023[3]

Source: 1. The Drum, Nov 2022; 2. GWI, Oct 2022; 3. The Drum, Nov 2022.

What this means in media

Audience first
With a large landscape to navigate, an audience first approach is needed. Omnichannel buys can create efficiency in performance.

Keep it punchy
Attention studies show it takes just 2.5 seconds to register an advert, the first few seconds are now the most important to any brand, deliver a punch instantly to reel a user in.

Interact / Engage
When asked, users have said they will engage with content that is entertaining and informative. Ensure video is fit for purpose.

TRUSTED PARTNERS

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