ANNUAL REPORT

2023

Uncertainty remains, but resiliency grows

Introducing Signals 2023

This report provides an overview of the key consumer signals to help us plan for the year ahead. We believe by identifying cultural, consumer, economic and political tensions that we can create a real point of difference for how we communicate on behalf of brands.

As political, economic and climate pressures take their toll on our daily lives, we find ourselves facing higher prices for necessities: stretching household spending, shifting the brands we buy and the way we buy them, and even putting some of our values under strain.

As the landscape begins to change, we try to unpack what might stay the same, what might be different, and what this might mean for businesses and their customers.

If recessions are an unintended re-structuring of an economy, then some businesses will stand to gain and lose accordingly.

This guide aims to get a closer to understanding how we might navigate this period, all through the lens of consumers. We look at what's changed recently, what might be causing these changes, and how brands can grow when turbulence has become ingrained for consumers.

The aim of this annual report is to create a document for everyone, so if you are pressed for time then you should be able to absorb all of the main headlines in the first few slides, but there is also plenty more detail should you need to dive deeper.

2022 has seen a new crisis on the horizon with inflation and economic uncertainty now a major concern for many

RISING PRICES/ INFLATION

TOP CONCERN OVER
THE LAST THREE MONTHS

59%

THE STATE OF THE ECONOMY

2ND CONCERN OVER
THE LAST THREE MONTHS

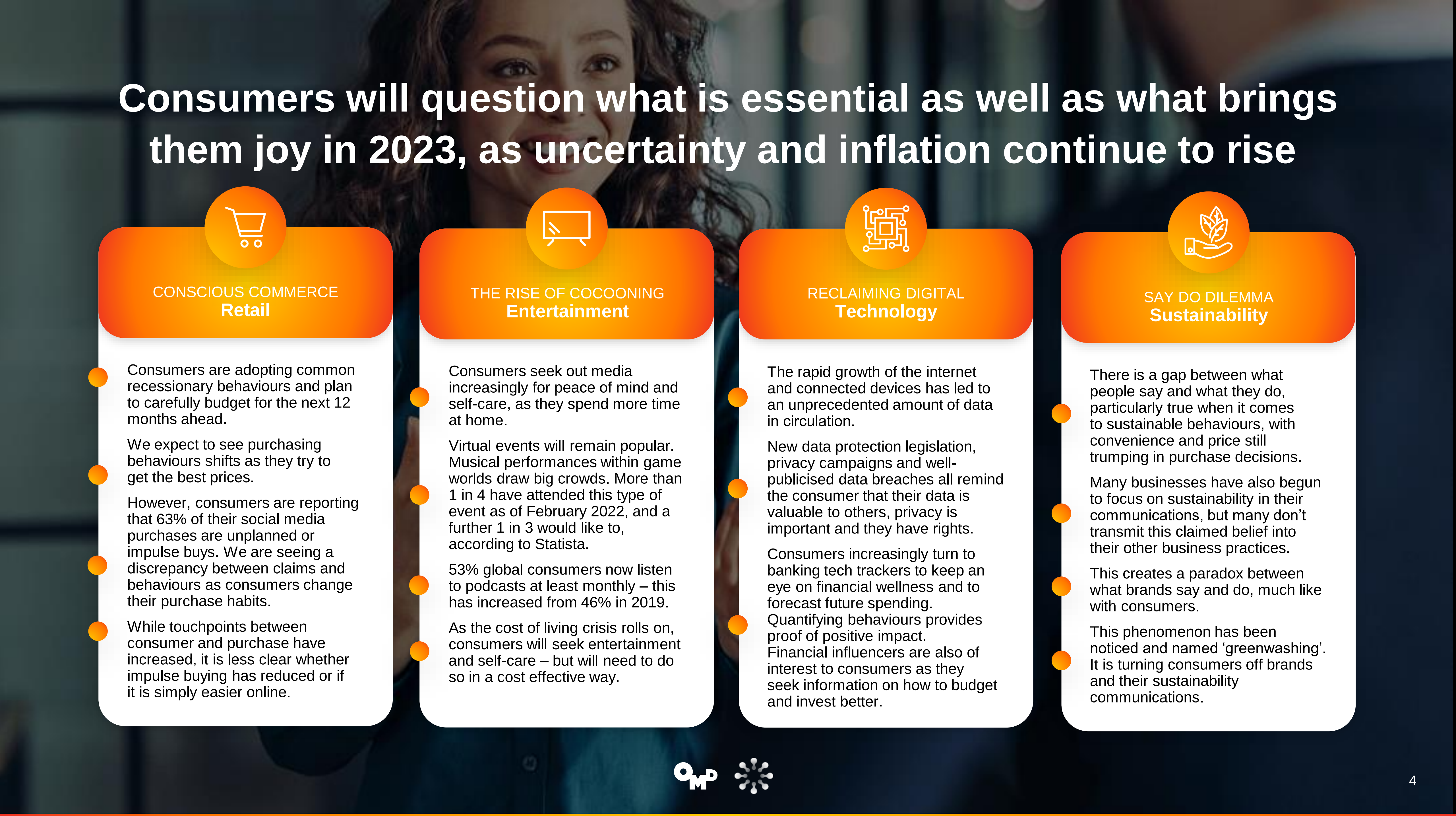
44%

POVERTY AND SOCIAL INEQUALITY

5TH CONCERN OVER
THE LAST THREE MONTHS

25%

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022



Consumers will question what is essential as well as what brings them joy in 2023, as uncertainty and inflation continue to rise

CONSCIOUS COMMERCE
Retail

- Consumers are adopting common recessionary behaviours and plan to carefully budget for the next 12 months ahead.
- We expect to see purchasing behaviours shifts as they try to get the best prices.
- However, consumers are reporting that 63% of their social media purchases are unplanned or impulse buys. We are seeing a discrepancy between claims and behaviours as consumers change their purchase habits.
- While touchpoints between consumer and purchase have increased, it is less clear whether impulse buying has reduced or if it is simply easier online.

THE RISE OF COCOONING
Entertainment

- Consumers seek out media increasingly for peace of mind and self-care, as they spend more time at home.
- Virtual events will remain popular. Musical performances within game worlds draw big crowds. More than 1 in 4 have attended this type of event as of February 2022, and a further 1 in 3 would like to, according to Statista.
- 53% global consumers now listen to podcasts at least monthly – this has increased from 46% in 2019.
- As the cost of living crisis rolls on, consumers will seek entertainment and self-care – but will need to do so in a cost effective way.

RECLAIMING DIGITAL
Technology

- The rapid growth of the internet and connected devices has led to an unprecedented amount of data in circulation.
- New data protection legislation, privacy campaigns and well-publicised data breaches all remind the consumer that their data is valuable to others, privacy is important and they have rights.
- Consumers increasingly turn to banking tech trackers to keep an eye on financial wellness and to forecast future spending. Quantifying behaviours provides proof of positive impact.
- Financial influencers are also of interest to consumers as they seek information on how to budget and invest better.

SAY DO DILEMMA
Sustainability

- There is a gap between what people say and what they do, particularly true when it comes to sustainable behaviours, with convenience and price still trumping in purchase decisions.
- Many businesses have also begun to focus on sustainability in their communications, but many don't transmit this claimed belief into their other business practices.
- This creates a paradox between what brands say and do, much like with consumers.
- This phenomenon has been noticed and named 'greenwashing'. It is turning consumers off brands and their sustainability communications.

The tension between people's personal needs and cultural values will continue to influence how they respond to external pressures

SELF-ACTUALIZATION

ESTEEM

LOVE AND BELONGING

SAFETY

PHYSIOLOGICAL NEEDS

SAY DO DILEMMA
Sustainability

RECLAIMING DIGITAL
Technology

DRIVEN MORE BY CULTURAL VALUES

THE RISE OF COCOONING
Entertainment

CONSCIOUS COMMERCE
Retail

DRIVEN MORE BY PERSONAL NEEDS

Jump in

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06 Reclaiming Digital: Technology

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01

Signals

Context

Keeping our pulse on global Signals

The key for action is providing implications on how these insights can help us design more valued and valuable experiences for our clients.

We believe that identifying cultural, consumer, economic and political **tensions** allow us to create a real point of difference for how we communicate on behalf of brands. The key for action is providing implications on how these insights can help us design more valued and valuable experiences for our clients.

In additional to our annual global Signals report, which delivers evidence-based insight on which perception and behavioural changes are set the accelerate in 2023. There will be a follow-up report that is powered by OMD local market points of view on how these trends are manifesting, as well as capturing new Signals that are emerging.

We cannot stress enough how meaningful our local market input is. It makes our global perspective stronger, and we hope it is more relevant for you too.

OMD EMEA 'Signals' delivers evidence-based insight on perceptions and behaviours which have changed during and beyond 2022

Tensions provide the heat to generate insight and empathy

BY TENSIONS WE MEAN AREAS WHERE…

- business and consumer priorities clash
- reality of experience doesn't meet expectations
- attitudes don't match actual behaviour
- expected cultural norms or generational stereotypes are turned on their heads

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

Context and Caveats

WHAT WE GOT RIGHT AND WHAT WE GOT WRONG

Trends decks and opinions pieces are littered with pitfalls and dead ends. In previous iterations, we may have gotten excited about things - ‘smart changing rooms’, iBeacons and drone delivery – which seem to have largely withered on the vine. Pre-pandemic, who could have predicted the triumphant return of QR codes?

Looking back at Signals 2022, local markets reported the changing perceptions and behaviours of consumers’ physical and digital worlds, as many digital platforms and behaviours scaled during the pandemic. However, with the rise in inflation and the cost-of-living, people have reprioritised their needs and are focusing on getting better value for the money they spend, as well as reducing their financial obligations.

We were also already seeing signals of a growing Say Do dilemma when it came to people’s sustainability values versus their actions, as many experienced hardships as a result of the pandemic. We expect this tension to accelerate in the current climate, with consumers putting increased pressure on brands to offer more affordable options, as well as on the authenticity of their sustainable claims.

As we emerged from lockdowns around the world, there was lots of excitement around being able to socialise, go out again and living life to the fullest. However, in 2023, consumers are expecting to minimise costs and spend more time at home, extending some pandemic behaviours beyond lockdown restraints.

We cannot predict what’s going to happen in 2023, but we will continue to track people’s perceptions, value and behavioural changes over time.

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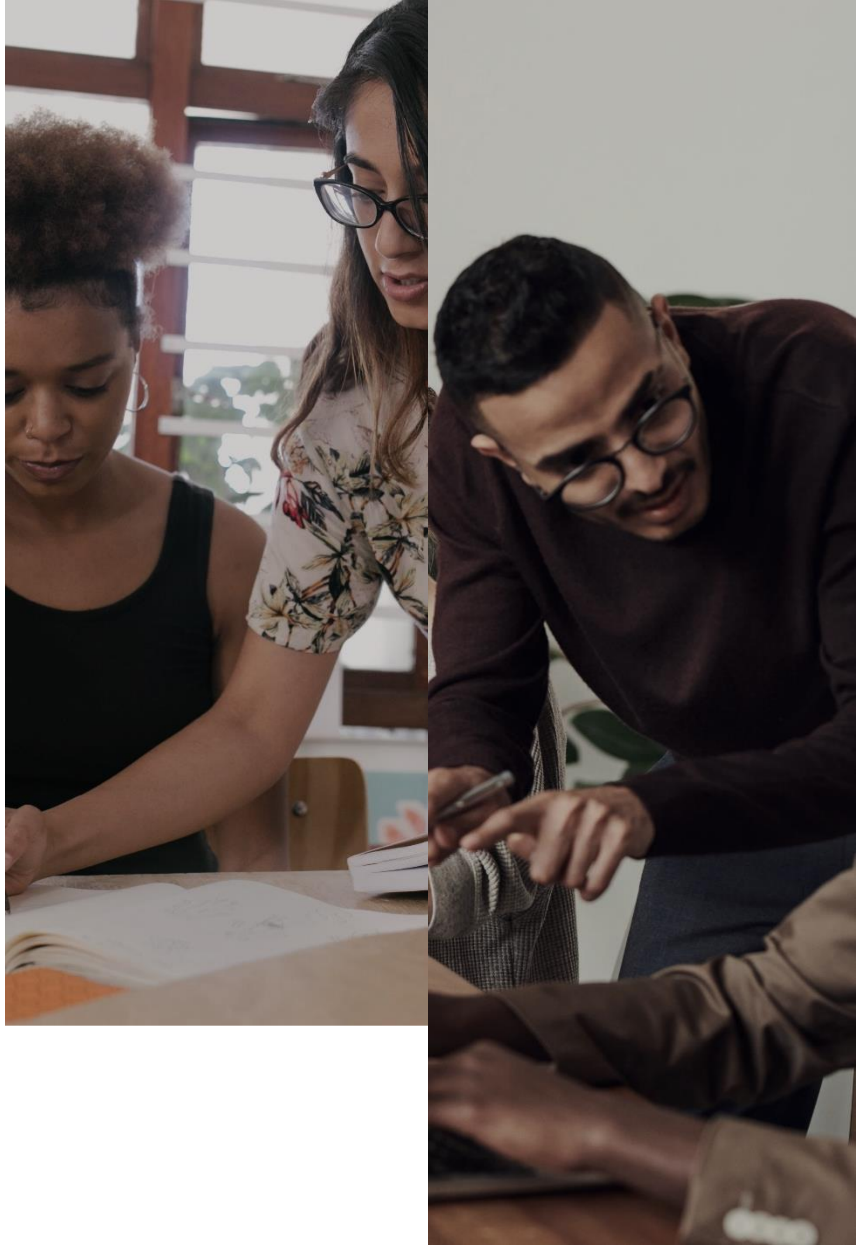
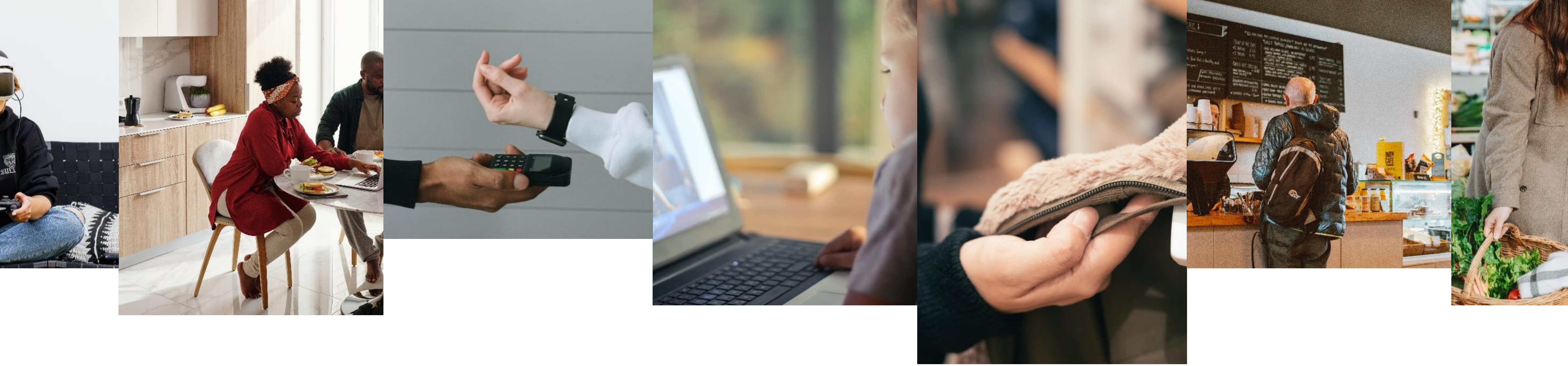




Work-in-progress

This document is designed to evolve as we gather new learnings in 2023 and support your client conversations

TAILOR IT TO START A CLIENT CONVERSATION, SUPPORT A PITCH, MAKE A POINT, ETC.

ADAPT IT TO CREATE A LOCAL POINT-OF-VIEW WITH GLOBAL CONTEXT

SUBMIT A SIGNALS ENTRY FOR OUR NETWORK SIGNALS REPORT

Supporting OMD thought leadership over the coming months

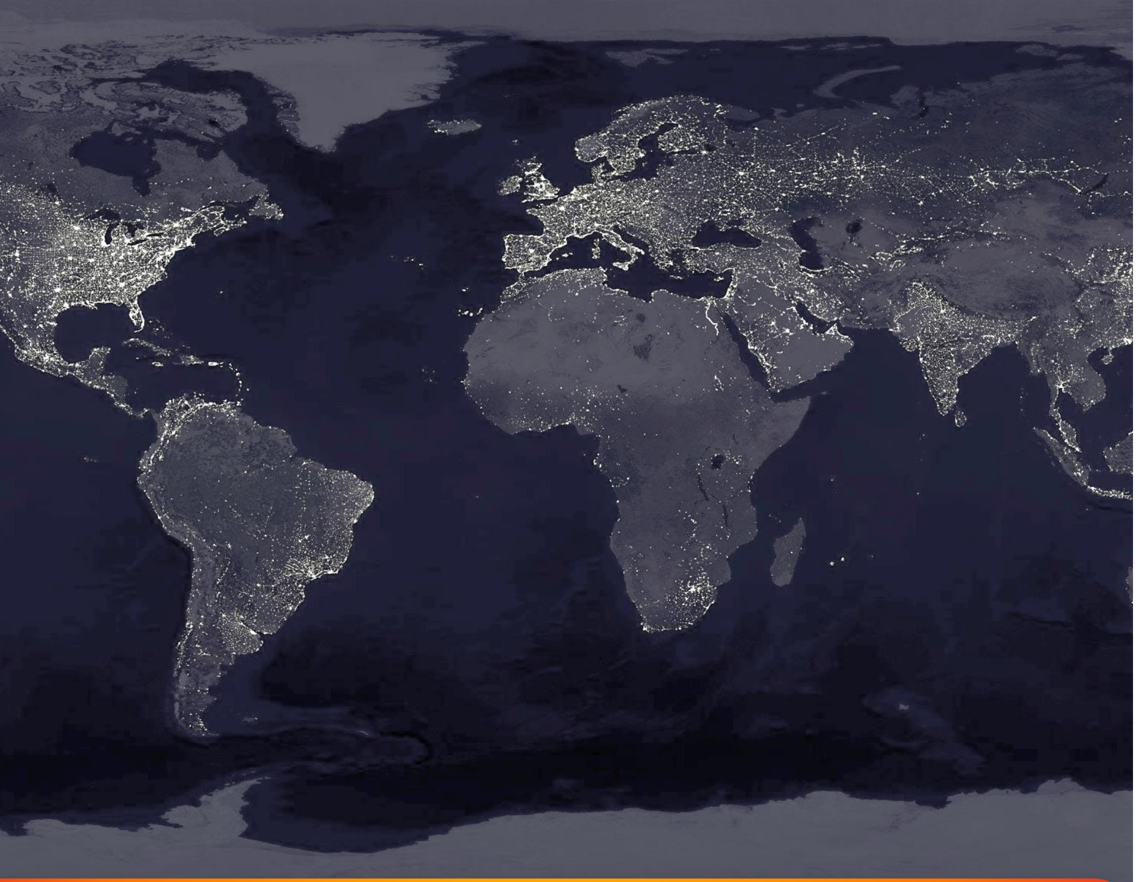
with a summary presentation aimed at introducing the 2023 Signals to clients and teams, followed by Signal theme presentations exploring the conscious consumer, the rise of cocooning, reclaiming digital and the say do dilemma.

Syndicated research tools that inform Signals

TAILOR SIGNALS WITH CATEGORY AND LOCAL MARKET INSIGHTS

Take what's relevant and elevate it with category and local market data and examples using our syndicated tools.

For more information on how to access these tools, visit our Insights Resource Card.



Methodology and data

Building on our Signals partnership with Foresight Factory, we enhanced our understanding with a quantitative survey to capture consumers views and opinions

THE RESEARCH BEHIND SIGNALS

Multi market quantitative survey across five markets (United Kingdom, United States of America, Australia, France and Italy) surveying a nationally representative sample of 2,500 respondents.

The survey explores consumers views and opinion around emerging trends in retail, entertainment, digital media behaviours and sustainability.

Please contact a member of the Signals team if your market would be interested in being included in next Signals survey.

Data can be provided to local teams to help inform media, pitches and client strategies and presentations. Please contact a member of insight team for more information.

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

02

Signals

At a glance

What matters when people shop is changing, as they shift to a more functional mindset

CONSCIOUS COMMERCE
Retail

The top concern for next year is rising prices and inflation, and many are expecting to change their shopping habits

69% will be seeking out special offers and discounts

61% will be switching to cheaper brand alternatives

60% will be tracking or budgeting how much they spend

56% will be undertaking more research before purchasing

56% plan to switch to lower cost retailers

53% plan to reuse, mend or repurpose things they already own

48% plan to reduce the number of products or goods they buy

44% plan to buy second-hand and resale items

Key Considerations

Brand loyalty will be challenged as people put more emphasis on price

Reviews will become increasingly influential as people consider new options

Second-hand retail has grown in popularity – consider ways your brand can lean into this behaviour

Continue engaging consumers beyond functional messaging to maintain willingness to pay

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

SHOPPING

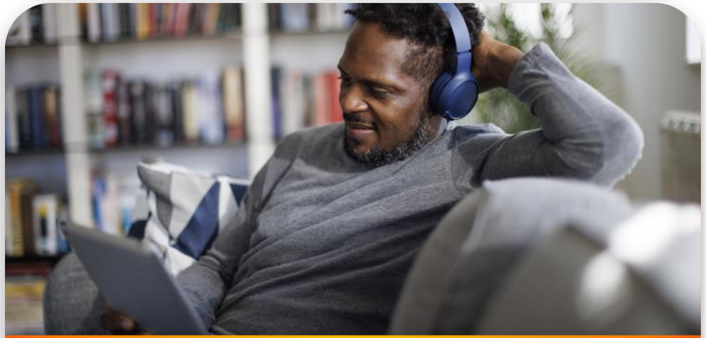
Brand Implications

Include price comparison in comms

Challenge price comparison sites in communications. Price comparison websites have become widespread, and many consumers now instinctively check the price of any purchase through these. Ensure your brand stands out from the crowd and gives consumers a compelling reason to buy – whether that is best price, extra perks or ease of use. You can also be bold and offer price comparisons on your own site to demonstrate that you come out on top.

Create a community with membership

Support customers through a membership programme to encourage brand loyalty which has suffered as people put more focus on price. Create a scheme where consumers pay an annual or monthly fee to access products that are discounted or have no mark-up. Ensure that the average savings are greater than the membership fee, and that prices stay low. Create a sense of community by being transparent.



Provide added value throughout the Omni-Channel experience

Add value to capture the audience’s full attention. For instance, make it easier for them to shop by placing shoppable touchpoints on streaming TV platforms. Perhaps you could use Amazon Prime Video’s X-Ray feature that enables second-screening viewers to see info like actor bios and song names to make your brand's on-screen presence shoppable, such as sharing product details and even embedding buy buttons. Think about your omni-channel and how you can make changes to add more value to customers.

Get comfy: the home takes a more central role in people's 2023 lifestyles

THE RISE OF COCOONING
Entertainment

53% **of respondents plan to spend more time at home in the next 12 months**

50% plan to focus more on their mental health and well-being

47% will start or increase how much they cook from scratch

41% will stop or reduce how much they go to paid-for attractions, activities and events

43% will reduce their paid-for subscriptions

35% plan to start or increase how much they entertain at home

36% plan to recreate special experience at home (e.g., movie night, date night, etc.)

32% will be streaming more free music services and 31% will be streaming more free on-demand video services

29% will be using more apps on their phones

Key Considerations

As people plan to become more self-sufficient, there is an opportunity for brands to offer DIY inspiration

At-home entertainment is set to increase in 2023. Without the restriction on gathering, it will be interesting to see if behaviours evolve

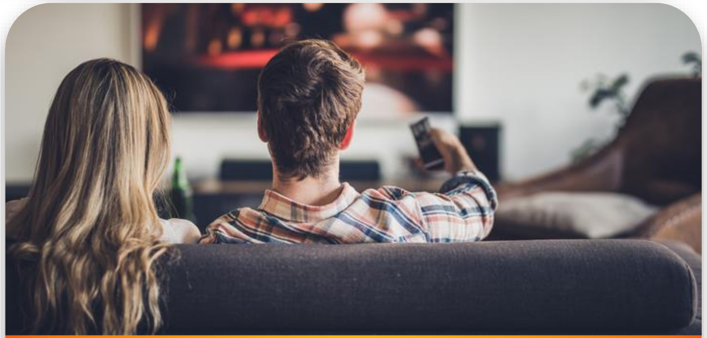
There is an opportunity for brands to offer more flexible and alternative indulgences

Brands can elevate people's at-home experiences with innovative propositions

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

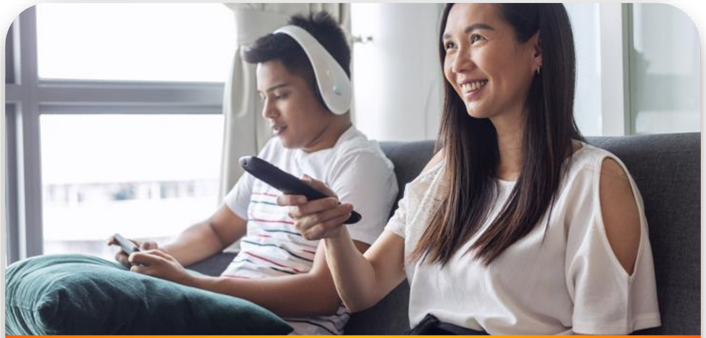
ENTERTAINMENT

Brand Implications



Help consumers create more immersive in-home media experiences

Consider ways in which you can help consumers tailor their home surroundings to match their viewing in a way that is not possible in a cinema. For instance, can you partner with fragrance companies to add an extra sensory layer to a film, as Disney has done with Pura for films such as Moana and Frozen II? Or, on a more basic level, ensure audio mixes of films are tailored for streaming, and give users suggestions on how to fine tune their TV settings – perhaps by turning off motion smoothing to more closely mimic a cinema screen.



Flaunt your local credentials

Adapt your communications to appeal to local audiences, calling attention to the aspects of your brand identity that best represent each region. Be sensitive to each area's unique quirks and characteristics to avoid culture clashes. Demonstrate how your brand benefits the community. Do you create important local jobs or showcase homegrown ingredients? Also, highlight your locally sourced products' low air miles and short supply chain to cater to eco-concerned consumers. Go one step further by regionally tailoring messages.

Lean into small luxuries

Tap into consumer rituals and reward behaviour, and highlight how consumers can include aspects of your brand in this behaviour. Add value by giving consumers support to indulge themselves in small ways, showing empathy to the human need for 'a bit of a break'. Economic downturns typically lead to consumers spending their time and money on fewer, but more premium experiences. By adding value for consumers you can make it further down their consideration set, ensuring that the things they do spend money on in trying times includes your brand's products or services.

Consumers want brands to be accountable for data privacy and to take more control of protecting themselves and their data

RECLAIMING DIGITAL
Technology

79% of respondents believe companies should be more transparent with how they are using customer data

71% would not buy from a brand who had a bad reputation with data privacy

65% are very cautious about sharing their personal information and take all relevant steps to protect themselves

62% claim that a brand's reputation in data privacy plays an important role in their decision-making

57% have become more cautious about content types and how they portray themselves online

48% would be more likely to give their personal data to companies in exchange for rewards (e.g., discount, offers, free gift, etc.)

46% claim they don't know much about data privacy but would like to know more

48% are actively learning about data privacy and how to take control of their personal data online

42% are looking for apps and online platforms that show a truer side of reality

Key Considerations

Consumers want more information and what they can do to protect themselves. Brands have an opportunity to become consumers' data privacy champions.

People are becoming increasingly open to data exchanges. They don't always have to be monetary, but they do have to add value.

Beyond data privacy, people are looking for more authentic online interactions.

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

TECHNOLOGY

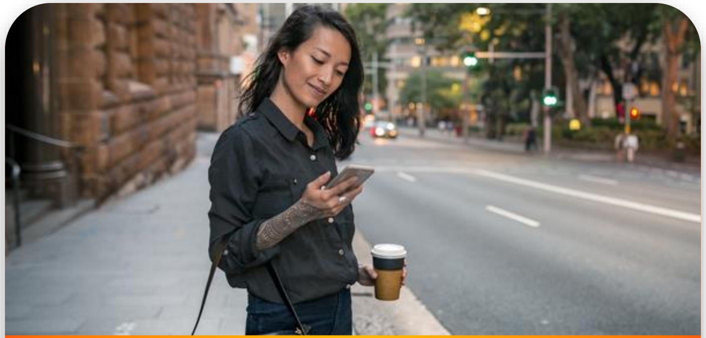
Brand Implications

Give consumers a sense of agency and control over how their data is used

Feed their need for control by giving consumers the option to choose the rewards or benefits they receive in return for their data, offering a range of privacy settings, and being transparent about sharing any information with third parties. It's also important to maintain open communication channels, complying with customers' requests to delete personal or sensitive information in a timely manner. And, remember to always communicate the principle that sharing data is a choice, not something foisted upon them.

Support consumers looking to educate themselves in digital

Provide customers with tips on how to maintain data hygiene and get involved with new technologies. Do not just dwell on the potential risks; instead, also focus on the benefits that data sharing can bring to encourage consumers to engage with their data. For example, helping consumers who are new to digital currencies by providing educational content that will teach them how to navigate the crypto world. The language surrounding digital currencies can often be daunting, so provide insight in simple terms on how consumers can get involved. However, be careful not to overwhelm consumers with too much complex information that could cause confusion.



Adapt creative and tone to sit authentically across media environments

Consider platform purpose and factors, such as scroll speeds, screen coverage, in-feed experience and sound impact, which all affects how an individual experiences an ad and ultimately pays attention to it. For example, platforms like TikTok lend themselves to candid and quirky self-expression where brands need to adapt their image and tone to meet the mass of playful and light-hearted users, matching their energy. This communication style might not suit a premium or luxury proposition, for instance, but consider how you could relax your tone, whether that's just using emojis in copy and avoiding language that's overly formal or finely tuned.

Sustainability has grown in importance – yet, over half of consumers don't believe claims from brands

SAY DO DILEMMA
Sustainability

50% of respondents think sustainability is a status symbol for brands

73% believe each of us has a personal responsibility to act in a sustainable way

67% believe brands should play an active role in solving world issues (e.g., climate change, health crisis, etc.)

59% state they are aware of the negative impact technology has on the environment

59% would like access to more information about how brands make and transport their products

34% claim to always choose the most sustainable option, regardless of price

11% claim they trust what brands say about their environmental policies and carbon footprint

33% claim they will always buy new forms of technology without hesitation, even though they know it's bad for the environment

42% claim they research the best product for the environment before making a purchase

Key Considerations

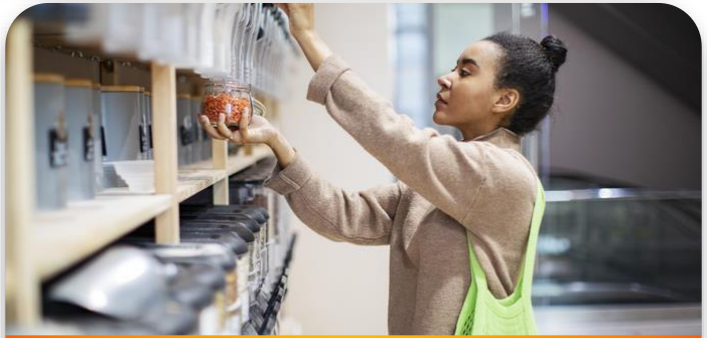
People believe it's a personal responsibility to act sustainability – over brands and governments.

Despite people's sustainability values, the rising cost of living is going to impact how much they can buy sustainable products.

The majority of people don't believe brands' sustainability claims. Consider how your brand can gain people's trust from being more transparent or offering them simple actions.

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

SUSTAINABILITY
Brand Implications



Empower and inform consumers to help them make small changes

Help consumers to understand how they can make a difference in the battle against climate change at an individual level and help them feel empowered to act. This should dispel the notion that environmentally-responsible behaviour is only accessible to the wealthy, and champion a form of sustainable inclusivity that gives everyone a chance to make a difference. Make sure it’s simple for customers to do and understand.

Acknowledge imperfections and promote net improvements

Almost every activity, particularly in business, has a carbon impact. Whilst businesses and consumers will never be able to completely erase their carbon footprint, we can improve our net output. Brands that acknowledge this, that are upfront and honest about their environmental efforts, will avoid the pitfalls of greenwashing as well as having a more positive impact on the planet. This can help position the consumption of your brand as a genuinely positive act rather than one that risks damaging not just the environment but also a customer’s social status.

Demonstrate that caring is cool

Capitalise and reinforce the link between environmentally-friendly behaviour and social status, which is expected to grow stronger in the years to come. Using the behavioural science phenomenon of social proof, brands can embed the idea that environmentally-friendly behaviours are socially acceptable and the norm, which undermines the idea that making changes to help the environment comes at a financial and social cost.

Key events 2023

January
- Martin Luther King Day
- Chinese New Year (Year of the Rabbit)
- World Economic Forum 2023
- Czech Republic Presidential Election
- Australian Open
- Golden Globes
- CES (Las Vegas)

February
- Black History Month USA
- LGBTQ+ History Month
- Nigerian General Election
- 6 Nations
- 12th Feb - SuperBowl LVI
- Cricket World Cup
- BRIT Awards
- The Grammy Awards
- Ant-Man and the Wasp: Quantumania
- BAFTAs
- RampUp (NewYork)
- eCommerce Expo (Berlin)
- eTail (Sydney)
- eCommerce Fair (Tokyo)
- Mobile World Congress (Spain)
- LA eCommerce Summit

March
- International Women's Day
- Cuban Parliamentary Elections
- 6 Nations
- Cricket World Cup
- Oscars
- Dungeons & Dragons: Honor Among Thieves
- SXSW (Austin) The MarTech
- Retail Global (Australia)
- Social Media Marketing World (San Diego)
- Shoptalk (Global)

April
- Easter
- Eid al-Fitr (end of Ramadan)
- Passover
- US Masters
- The Super Mario Bros. Movie
- Coachella Music Festival
- The MarTech Summit (Singapore)
- eTail (London)

May
- Buddha's Birthday
- World Health Organisation Assembly
- Thailand's General Election
- G7 Japan Hiroshima Summit
- PGA Tour
- French Open
- Indie 500
- Cannes Film Festival
- Eurovision Song Contest
- Guardians of the Galaxy Vol. 3
- The Little Mermaid
- Indiana Jones 5
- Shoptalk (Europe)
- Advertising Week (Asia)
- OMR (Germany)
- Advertising Week (Europe)

June
- Juneteenth
- Pride Month
- Turkish General Election
- US Open
- NBA Finals
- UEFA CL Final
- MTV Awards
- Glastonbury Festival
- Spider-Man: Across the Spider-Verse
- Cannes Lions (France)
- E3
- #DMWF Global (UK)

July
- Islamic New Year
- Malaysian General Election
- Wimbledon
- Tour de France
- The Open
- World Aquatics Championship
- Netball World Cup
- Barbie
- The Marvels

August
- IAAF World Championships
- Teen Choice Awards
- Gran Turismo
- Burning Man Festival
- Digital Travel Summit (APAC)

September
- Pakistan General Election
- US Open Tennis
- African Games
- Men's Rugby World Cup
- Invictus Games
- Asian Games
- The Equalizer 3
- Primetime Emmys
- DMEXCO (Germany)
- DigiMarCon (UK)

October
- Black History Month UK
- Yom Kippur
- World Mental Health Day
- Argentinian Presidential Election
- The World Bank & IMF Annual Meeting
- Baseball World Series
- Men's Rugby World Cup
- Pan American Games
- PAW Patrol: The Mighty Movie
- Kraven the Hunter
- eCommerce Expo (Asia)
- SearchLove (London)
- Tech Crunch
- Advertising Week (New York)

November
- Singles Day
- Remembrance Day 11th Nov
- Diwali
- Thanksgiving
- Black Friday
- Cyber Monday
- COP28
- Pacific Games
- Dune: Part Two
- Marketing Technology Expo (UK)
- #MarTechFest (APAC)
- AdNet Zero (UK)
- Advertising Week (LATAM)
- AdColor (LA)

December
- Hanukkah
- Christmas
- New Years Eve
- Ghostbusters: Afterlife 2
- Aquaman and the Lost Kingdom

General | Political/ Economic | Sports | Movies/ Entertainment | Media/ Marketing

03

Signals

Audience & Media Overview

The top two concerns for 2023 are consistent across generations – however their concerns become varied when looking at the top five

	Gen Z	Millennial	Gen X	Baby Boomer
1	Rising prices/ Inflation	Rising prices/ Inflation	Rising prices/ Inflation	Rising prices/ Inflation
2	The state of the economy	The state of the economy	The state of the economy	The state of the economy
3	Unemployment/ job security	Unemployment/ job security	The cost of healthcare	War/ military interventions
4	War/ military interventions	Sustainability/ climate change	Sustainability/ climate change	Immigration
5	Women's Safety	War/ military interventions	Poverty and social inequality	Natural disasters

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

Each generation has different references, expectations and values

	Gen Z 1997-2015 30% of total pop.	Millennials 1981-1996 23% of total pop.	Gen X 1965-1980 15% of total pop.	Baby Boomers 1946-1964 15% of total pop.
Context	Grew up with technology. More racially and ethnically diverse. Have experienced multiple recessions. New to workforce.	Grew up as technology became widely available. More women attended college. First-time homeowners / starting families.	Not born immediately after the war and not exposed to modern technology in childhood. Empty nesters or nearing.	Born after the second world war. More men attended college. Retired or nearing retirement.
Age when Internet, Mobiles and Social lunched	They don't know a life prior to modern day technology and social media.	Modern day technology started to become more integrated into daily life.	They grew up with modern technologies launching.	They grew up without the existence of technology and social media.
	Already available / Already available / Already available	Already available / Already available / 1 to 17 years old	Already available / 3 to 18 years old / Late teens to early 30s	Pre-teen to late 20s / Teens to late 30s / Early 30s to early 50s
Purchasing Power*	Low Income – 37% Medium Income – 30% High Income – 21%	High Income – 40% Medium Income – 32% Low Income – 24%	High Income – 40% Medium Income – 29% Low Income – 25%	Low Income – 37% Medium Income – 30% High Income – 21%
Children in household	92% don't have children in the household	44% do have children in the household	61% do have children in the household	69% don't have children in the household
Main media types (based on average time spent)	They do not use traditional forms of media often and spend a large amount of time on social media, music streaming, and other digital platforms, compared to other generations.	Millennials view linear tv at a shorter time than boomers and Gen X, and consume digital media more – spending more time online on mobile, PC and social media. They also prefer music streaming over the radio.	Gen X consume more digital media compared to baby boomers, reiterating the generational technological shift. While they still consume a high daily average of linear tv, they also spend time watching online tv and on social.	Baby Boomers consume a mix of both offline and online media. They spend a considerable amount of time online, frequently browsing via PC and mobile. They also have a high consumption daily average for watching linear tv.
Online behaviours (reasons for using internet and % of users who visit social platforms daily	They are more likely to go online for gaming and meeting new people. They are over 50% more likely to use Snapchat, Reddit, Tumblr and TikTok compared to the general population, with the majority of Gen Z still using Instagram.	Over 50% of millennials use the internet to stay in touch with friends. They are more likely to use Tumblr, Snapchat, Reddit and TikTok on a daily basis compared to the general public, with Facebook ranking first in terms of percentage of daily users.	Gen X tend to use the internet like baby boomers – with the addition of online tv and videos. Looking at social media used daily, Facebook wins; however they are more likely to use Facebook Messenger compared to the general public.	Boomers tend to use the internet primarily for research, connectivity, and news. They are more likely to use Facebook on a daily basis compared to other social platforms, and have the highest percentage of daily users versus other generations.

Source: GWI 2022, World Economic Forum, OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022; Purchasing Power* will not add up to 100% as some respondents preferred not to disclose this information

These generational difference create nuances in how each generation responses to the themes identified in Signals 2023

		Gen Z 1997-2015	Millennials 1981-1996	Gen X 1965-1980	Baby Boomers 1946-1964
Sustainability	Highest percentage	64% believe each of us has a personal responsibility to act in a sustainable way	72% believe each of us has a personal responsibility to act in a sustainable way	73% believe each of us has a personal responsibility to act in a sustainable way	78% believe each of us has a personal responsibility to act in a sustainable way
	Highest percentage based on significance	50% research the best product for the environment before I make a purchase	61% are more likely to buy from brands that are ethical and care about the environment	36% don't research the supply chain and production of products before they buy them	
Shopping	Highest percentage	47% have an online marketplace to buy a product	51% have an online marketplace to buy a product	59% have an online marketplace to buy a product	55% have an online marketplace to buy a product
	Highest percentage based on significance	23% have used on-demand or quick commerce to buy a product	22% have used on-demand or quick commerce to buy a product		19% don't use online touchpoints to buy products
Media	Highest percentage	60% have become more cautious about the types of content and how they portray themselves online	63% don't really believe what influencers post about their lifestyles online	66% don't really believe what influencers post about their lifestyles online	73% don't believe what influencers post about their lifestyles online
	Highest percentage based on significance	58% enjoy shorter forms of media content	61% have become more cautious about the types of content and how they portray themselves online	60% don't often look to influencers for inspiration and advice on brands and products to buy	
Leisure	Highest percentage	56% plan to experiment with low-cost recipes	62% plan to limit their energy use more to reduce their bills	65% plan to limit their energy use more to reduce their bills	66% plan to limit their energy use more to reduce their bills
	Highest percentage based on significance	51% plan to spend more time at free events and outdoor spaces	58% plan to experiment with low-cost recipes	53% plan to go to less restaurants and bars	54% plan to go to less restaurants and bars

Source: GWI 2022 and To add

New behaviours and values developed during the pandemic are accelerating with rising costs and are set to cause Media Disruption

Digitisation is now the norm

Digitisation is now the norm and we are facing new frontiers as a society.

With even the Bank of England exploring the idea of creating a central bank digital currency, we have reached a point where even traditional institutions have embraced digitisation and it is allowing for new frontiers to be explored as a society rather than a tech enabled few.

We are also seeing a generational shift in how people interact with news. Those typically aged 18-24, who have grown up with social media, differ greatly from those who didn't.
For example, TikTok is increasingly being seen as a news source for 18-24 year olds, rising from 3% in 2020 to 15% in 2022.

Tech natives are changing how they use platforms

Generations who have 'grown up' with technology are changing how they use platforms, creating unanticipated disruption. Platforms must respond to these disruptions or face becoming irrelevant.

As tech natives adapt the way they use technology, new behaviours and values have emerged and many are using them in a different way than what was originally intend.

For example, Snapchat is now regularly being used as the main communication method between younger cohorts. While social media is becoming more influential in the dating scene, with 22% claiming to have used social media for flirting or dating according to YouGov Global Profiles.

Changing needs and values are driving new propositions

Technologies continue to advance and new formats arise as a result, from livestream shopping and retail media to the Metaverse and AI. We have heard a lot about how they are set to completely change the game, with McKinsey & Company predicting the Metaverse to generate up to $5 trillion in value by 2030 alone.

However, 51% of respondents don't care about new and emerging technologies. This summarises our role as marketeers – we have to make the case for new technologies, we have to make people care. It is not enough that people hear about these technologies, they need to what problems they solve and how they add value.

Rising costs challenge leading tech companies

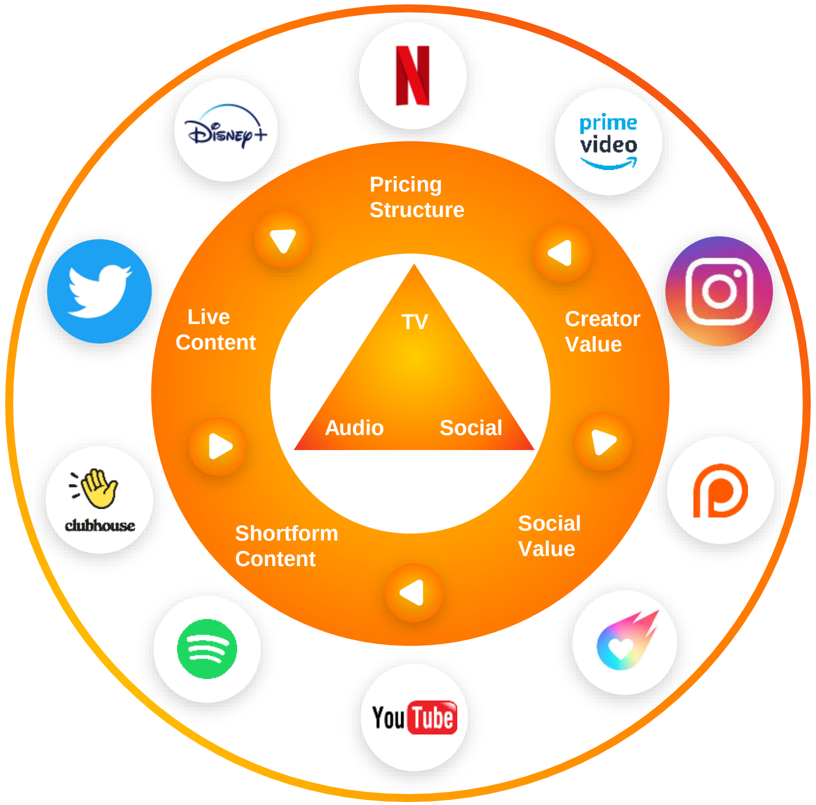
Like the rest of us, technology companies are also feeling the strain. They too face increasing costs and raised interest rates. However, they were already stretched after huge increases in workforces during the pandemic in hopes that post-pandemic consumers would retain their high virtual reliance, which hasn't transpired as planned.

For Meta, huge investment in Metaverse projects will take time to recoup. While for Twitter, the change in leadership has led to instability and brands questioning brand safety on the Platform.

Platforms also face new regulations which can be costly to address during so much other upheaval.

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

Traditional media channels continue to fragment as new formats, behaviours and entrants emerge



TV and Traditional streaming services are diversifying their price offering, with both Disney+ and Netflix introducing a lower cost subscription supported by ads. Prime video has also made moves into the live TV space, with its purchase of Thursday Night Football.

Audio is becoming increasingly important with audio social media app Clubhouse launching in 2020. Spotify Greenroom and Twitter Spaces launched shortly thereafter providing a platform for live audio conversations.

Content creation is being disrupted by platforms such as Patreon, a membership platform that provides business tools for content creators to run a subscription service, and Instagram, who launched creator marketplace which connects creators and brands and provides a suite of tools for collaboration and Instagram Subscriptions which is a paywall service giving subscribers access to exclusive content from creators they follow.

New value propositions have also entered the market, with platforms such a BeReal providing a more authentic means of sharing content. Supernova is another addition to this 'content with a conscience' sphere, pledging 60% of ad revenue to charities nominated by its users.

While, YouTube has diversified its offering with the introduction of YouTube shorts, presenting users with a queue of user-generated shortform videos.

Social media fragments, as new entrants focus on emerging media values that challenge the status quo

57%	51%	45%	44%	42%	28%
BECOME MORE CAUTIOUS ABOUT THE TYPES OF CONTENT & HOW I PORTRAY MYSELF ONLINE	ENJOY SHORTER FORMS OF MEDIA CONTENT	LOOK FOR MORE SUSTAINABLE AND ENVIRONMENTALLY FRIENDLY PLATFORMS	STRIVE TO MINIMISE THE TIME THEY SPEND ON SCREEN	LOOK FOR APPS AND ONLINE PLATFORMS THAT SHOW A TRUER SIDE OF REALITY	REALLY ENJOY MAKING CONTENT ABOUT MY LIFE TO POST ONLINE / ON SOCIAL MEDIA
Discord	TikTok	Weare8	Zebra Labs	BeReal	Yubo
Locket	Likee	Supernova	Clubhouse		Poparazzi
Nextdoor					Twitch

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022; Hootsuite, The Drum, HubSpot

Disrupting how we build communities online

Whilst Social media was previously seen as disruptive to traditional advertising, some social media platforms such as Facebook are now considered to be ‘old’. Instead we are seeing people find different ways of building communities online.

For example, Discord, which was typically aimed at gamers announced an extension in 2020 after receiving $100 million in funding. Discord is now seen as a platform for all, where people are able to create spaces which build and grow likeminded communities.

Similarly, Roblox have described themselves as “building a metaverse” and a “global community”. With 58.8 million daily active users, advertising opportunities have grown on Roblox including creating experiences, placing in-game billboards and releasing sponsored objects. They have also announced plans to launch 3D ‘immersive’ ads on the platform in 2023.

It is important to note that people are not using ‘new’ platforms but using existing platforms in different ways. Roblox was created in 2006 and Discord in 2015.

Disrupting our news habits and definitions

As people’s trust in news falls by almost half across the 46 markets included in Reuters Institute’s 2022 Global Digital News survey, it’s no surprise that the number of people avoiding the news has increased (doubling in the UK over the last five years).
As a result, what people define as news has undergone a transformation which can be defined into three categories: ‘Need to know’, ‘Personal interest’ and ‘Fun’. Need to know news is typically thought of as serious news. While personal interest news is less defined, but is often linked to hobbies. Fun news often refers to news which is purely entertainment.
Moreover, it has transformed the way news is broadcasted. While we still have traditional ‘Mainstream’ news, such as newspapers reporting on the stock market, there has been a rise in Alternative and Unser-Generated news as well. ‘Alternative’ news is the broader coverage of a mainstream topic appearing on platforms like Reddit or podcasts. For example, Reddit being instrumental in the buying of GameStop stock in 2021. Whereas ‘User-Generated’ news is more commonly social content created based on news, such as content aimed at helping people financially.

Disrupting the way we spend money

The pandemic forced people to find new ways to shop, this has resulted in a rise in eCommerce. However, social commerce has also seen an sharp increase and this is not expected to slow with forecasts predicting that social commerce will be worth $1.2 trillion globally by 2025, up from $492 billion in 2021.
It is not just digital touchpoints that are disrupting how we spend money, but the increased acceptance of second-hand is supporting the rise of new shopping platforms as well as challenging what traditional retailers sell.
For example, in the US the second-hand fashion market is expected to triple to $80 billion in 2029. eBay, who was considered to be the main online marketplace for selling second-hand items, is now being challenged by new entrants, such as Depop that have seen revenue and gross merchandise sales more than double in 2020, to $70 and $650 million respectively.
Traditional propositions are also being reconsidered, for example Primark adding a ‘vintage’ section of second-hand clothes into their flagship stores in the UK.

04

RETAIL

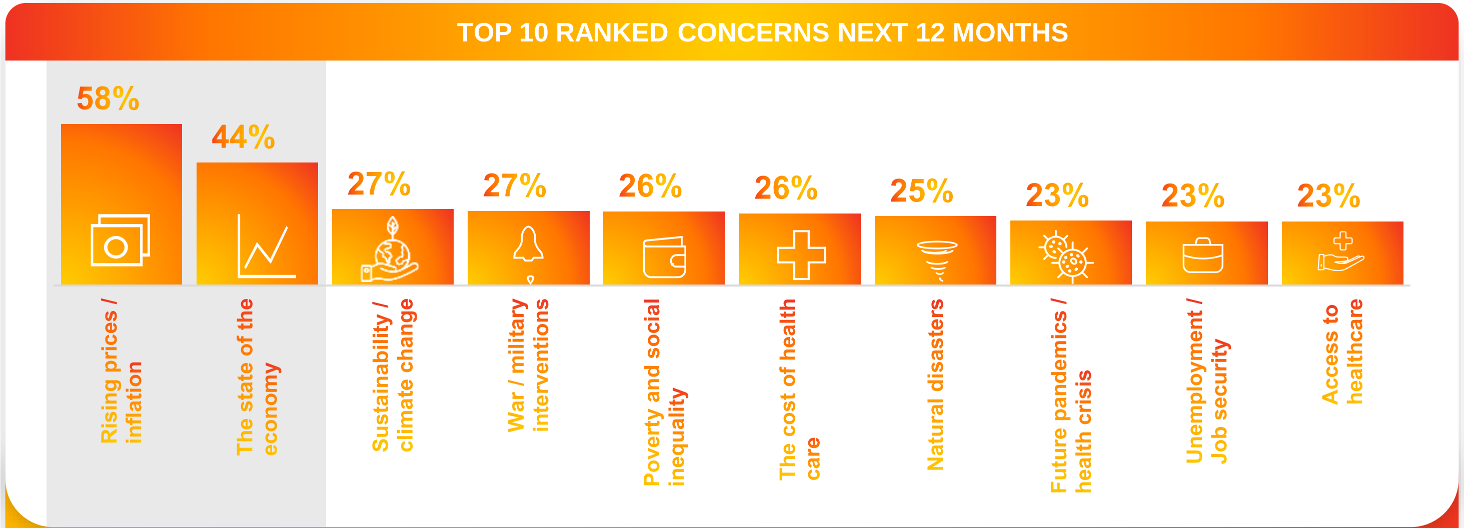
Conscious Commerce

CONSCIOUS COMMERCE
Retail

- Consumers are adopting common recessionary behaviours and plan to carefully budget for the next 12 months ahead.
- We expect to see purchasing behaviours shifts as they try to get the best prices.
- However, consumers are reporting that 63% of their social media purchases are unplanned or impulse buys. We are seeing a discrepancy between claims and behaviours as consumers change their purchase habits.
- While touchpoints between consumer and purchase have increased, it is less clear whether impulse buying has reduced or if it is simply easier online.

What matters when people shop is changing, as they shift to a more functional mindset

Rising prices and inflation rank as the top concerns for consumers which are expected to radically impact their financial behaviours and spending power over the next 12 months



As concerns around rising prices and inflation become top of mind, consumers are investing more effort in getting the best value for their money. They have increased their attention and effort in making sure that every purchase delivers the best overall value for money. Consumers have begun getting the best value through a range of techniques, from cutting back on certain expenditure to downtrading to cheaper brands and switching suppliers.

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

RETAIL

Disruptions to media & brand implications

Disruption to Media

- All types of visual digital media are becoming directly shoppable. TV shows, YouTube clips and social media posts represent direct purchase points, and content will need to be adapted accordingly to go beyond product placement and facilitate immediate purchase. Livestreaming services are also becoming shoppable, providing a more authentic, intimate buying experience.
- Default search behaviours are shifting to prioritise AV and image based tools over text. TikTok will continue to grow as consumers seek out entertaining content for light relief.
- In the future, more media networks will form partnerships with social apps to cross-post or cross-host new content. Second-screeners will continue interacting with one another via their personal devices while viewing, which won't yet affect their on-screen content.

Disruption because of the cost-of-living

- Ecommerce becomes a core channel to help consumers maximise value – from price comparison sites to searching for online discount codes.
- Maximising behaviour is accelerated as consumers seek out high value propositions. This can range from competitive price to seeking out brands with high after-care services or longer time spent in the research phase seeking out well reviewed items or services.
- Buy-now-pay-later options allow consumers to manage cash flow in difficult times, however experts warn this may negatively impact consumers long-term if they can't afford instalments.

Many consumers are scaling back spending or adopting financially savvy behaviours to save money

% WILL BE DOING LESS / NO LONGER DOING

- Buying luxury items: 60%
- Buying premium brands: 52%
- Indulging in treats: 50%
- Buying clothes/ footwear: 47%
- Buying new technology: 43%
- Buying gifts: 42%
- Booking holiday/ travel: 41%
- Buying a car: 41%
- Buying big purchase for home: 40%

% DOING MORE / NOW DOING AS A RESULT

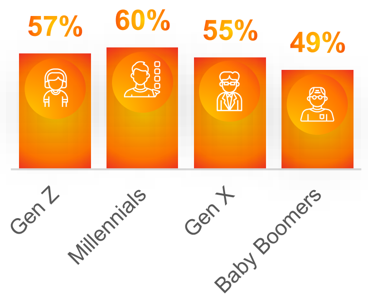
- Seeking out special offers: 69%
- Switching to cheaper brand alternatives: 61%
- Budgeting what I spend: 60%
- Switching to low cost retailers: 56%
- Couponing: 55%
- Saving up for emergency: 53%
- Being flexible with brands I buy: 48%
- Reducing financial obligations: 47%
- Buying second hand/ resale items: 44%

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

Shopping behaviours are shifting as people take longer to research products and turn to online for more variety and offers

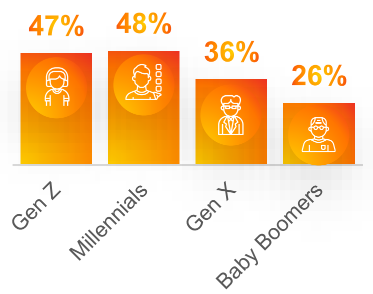
56%

UNDERTAKE MORE RESEARCH BEFORE PURCHASE



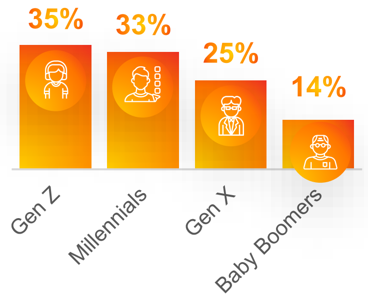
39%

TAKE MORE NOTICE OF REVIEWS



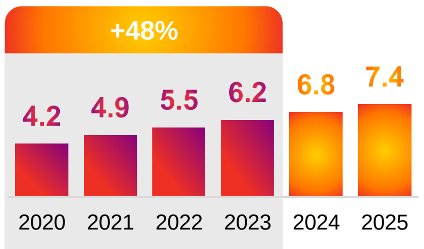
26%

PLAN TO SHOP MORE ONLINE IN NEXT 12 MONTHS



WORLDWIDE ECOMMERCE SALES HAVE INCREASED BY NEARLY 50% OVER THE LAST 3 YEARS

ECOMMERCE SALES WORLDWIDE, 2022-25 (TRILLION $)



Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022; eMarketer – Global Ecommerce Forecast 2022

The role of digital touchpoints continues to grow in importance and influence, becoming central to how consumers navigate the purchase journey

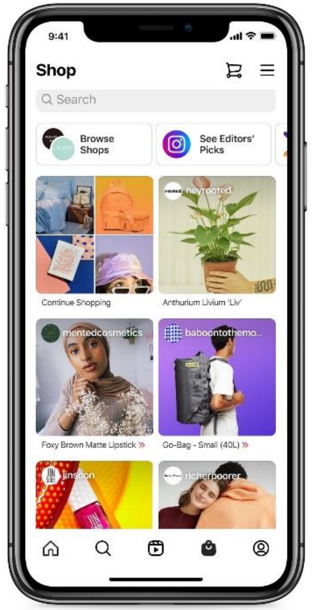
	AWARENESS	PRODUCT RESEARCH	FINAL COMPARISON	POINT OF PURCHASE	AFTER SALES	ADVOCACY
PHYSICAL TOUCHPOINTS	SEEN PRODUCT IN REAL LIFE ADVERTISING – OOH / CINEMA / PRINT / TV WORD OF MOUTH – FRIENDS / FAMILY INSTORE SALES PERSON PRINT ARTICLES FREE SAMPLES	WORD OF MOUTH – FRIENDS / FAMILY / PEERS INSTORE SALES PERSON PRINT ARTICLES	WORD OF MOUTH – FRIENDS / FAMILY / PEERS INSTORE SALES PERSON	INSTORE	INSTORE PHONE	WORD OF MOUTH – FRIENDS / FAMILY / PEERS
DIGITAL TOUCHPOINTS	ONLINE SEARCH BRAND WEBSITES RETAILER WEBSITES SPECIALIST WEBSITES SOCIAL MEDIA ONLINE VIDEO E.G. YOUTUBE ADVERTISING - DIGITAL/SOCIAL/SEO/ VOD/ AUDIO ONLINE BLOGS/FORUMS	ONLINE SEARCH BRAND WEBSITES RETAILER WEBSITES SPECIALIST WEBSITES SOCIAL MEDIA ONLINE VIDEO E.G. YOUTUBE ONLINE BLOGS/ FORUMS USER/REVIEWS COMPARISON SITES	ONLINE SEARCH BRAND WEBSITES RETAILER WEBSITES SPECIALIST WEBSITES SOCIAL MEDIA ONLINE BLOGS/ FORUMS USER/REVIEWS COMPARISON SITESV	WEBSITE APPLICATIONS SOCIAL MEDIA PLATFORM CLICK & COLLECT	WEBSITE SOCIAL EMAIL CHATBOT	SOCIAL MEDIA USER REVIEWS/ RATINGS ONLINE BLOGS/ FORUMS COMPARISON SITES ONLINE MESSENGER

Gen Z and Millennials navigate more digital touchpoints, with social and content-led platforms growing in importance

While Google, retailer and brand websites are universal touchpoints used by consumers of all ages, younger generations are more likely to engage with digital sources, with greater usage of social and content-led platforms

GENERATION	Gen Z	Millennial	Gen X	Baby Boomer
TOP 3 RANKED DIGITAL SOURCES USED BY ALL	GOOGLE, RETAILER WEBSITES, BRAND WEBSITES	GOOGLE, RETAILER WEBSITES, BRAND WEBSITES	GOOGLE, RETAILER WEBSITES, BRAND WEBSITES	GOOGLE, RETAILER WEBSITES, BRAND WEBSITES
SOURCES MORE LIKELY USED BY THE AUDIENCE VS POPULATION (RANKED INDEX (100+))	SOCIAL MEDIA YOUTUBE VIDEO ANOTHER SEARCH ENGINE ONLINE BLOGS & FORUMS ONLINE MARKETPLACE USER REVIEWS WEBSITES PRICE/PRODUCT COMPARISON	SOCIAL MEDIA ONLINE BLOGS & FORUMS YOUTUBE VIDEO ANOTHER SEARCH ENGINE USER REVIEWS WEBSITES PRICE/PRODUCT COMPARISON GOOGLE	GOOGLE RETAILER WEBSITE ONLINE MARKETPLACE	RETAILER WEBSITE SPECIALIST WEBSITE BRAND WEBSITE
AV. NUMBER OF DIGITAL SOURCES USED	AV 7	AV 7	AV 5	AV 4

Exciting opportunity for brands to create new and innovative shopping experiences for consumers, as digital touchpoints continue to scale and new points of purchase become available



Social Commerce

Shoppable Video Commerce

AR/ VR Experiences

Voice Commerce

Live Stream Commerce

We have identified three emerging retail focused trends

Conscious Consumerism

In the face of rising inflation and economic hardship, consumers are becoming more cautious with their finances and adopting behaviours to reduce their outgoings and conserve money.

Evaluating the importance of their financial obligations, consumers are cutting back on non-essential spending and putting off big financial decisions, such as buying a new home or car, until the economy recovers.

Gen Z and Millennials are set to be the hardest hit by the crisis and are most active in seeking out financial information and guidance, with a growing opportunity for brands to play a key role in educating and reassuring these audiences through well planned and thoughtful comms.

Changing Digital Journeys

Online shopping adoption has continued to rise steadily since the pandemic, and worldwide ecommerce sales are expected to exceed 6 trillion dollars in 2023, an increase of 50% from 2020.

The role of digital continues to grow in importance and influence, becoming central to how consumers navigate the purchase journey. Gen Z and Millennials in particular, place greater emphasis on digital sources than any other age groups, with social and content-led becoming more prominent and key to their decision making.

The ecommerce landscape is expected to continue to rapidly evolve, with new and emerging methods of fulfilment, such a social and quick commerce.

New Shopping Experiences

Consumer expectations of the online shopping experience is heightened, with retailers required to deliver more immersive and entertaining experiences.

Advancements in technology and the emergence of new forms of ecommerce fulfilment pave the way for brands to create more interactive and engaging ways to reach their customers and drive sales.

In 2023, livestreaming, shoppable video and AR experiences are set to continue to increase, as more brand applications become available and their reach expand across audiences, with Gen Z and Millennials being the driving force in their widespread adoption.

What people are saying and engaging with online?

Consumers turned to social media channels for quick information on budgeting and financial planning. Content around fancy meals on a budget and staycation inspirations were some of the most popular themes last year. Gen Z and Millennials are engaging the most, signalling their concern and impact of the current economic crisis.

Hashtag	Volume
#FinancialPlanning	54.9K
#FinancialEducation	20.6K
#Budgeting	18.7K
#Staycation	12.7K
#FinancialFreedom	9.4K
#Investing	7.7K
#FinancialLiteracy	6.5K

FORTUNE
@FortuneMagazine

China's millennials and Gen Z are falling out of love with consumerism.

Instead, they're fueling a new "frugal living" social media movement as reality bites. bit.ly/3ybNbtq

9:55 PM · Oct 3, 2022

The New York Times
@nytimes

2022 was supposed to be the year of Big Travel, when trips were checked off bucket lists and the word "staycation" was retired forever. But inflation, global instability and Covid-19 are still keeping travelers close to home.

nytimes.com
Staycation, Again?
Wasn't this supposed to be the summer of big plans? Inflation, Covid-19 and instability have some travelers putti...

9:25 AM · May 29, 2022

Jack Monroe
@BootstrapCook

All the white wingers saying cooking on a budget is easy, let's see it. I want your shopping list & 7 day meal plans, to include all 3 meals drink & snacks. Has to meet 5 a day fruit & veg, daily vitamin RDAs, protein targets & fibre. Off you pop, I could do with the competition.

1:16 PM · May 12, 2022

8,506 Retweets 828 Quote Tweets 61.4K Likes

Source: BRANDWATCH DATA across Australia, United Kingdom, United States, France and Italy

Consumers are feeling the pinch and taking steps to be more mindful with their spending and financial behaviour

CONSCIOUS CONSUMERISM

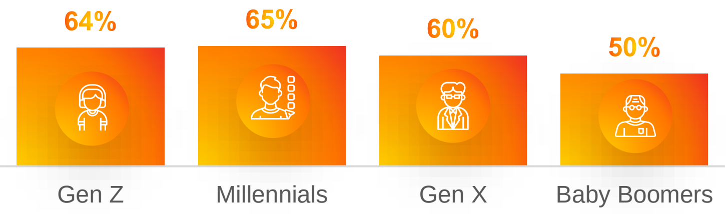
47%
Are reducing their financial obligations

38%
Are planning to reduce or put off big financial decisions

Gen Z and Millennials are more financially conscious and likely to seek financial content for advice and information to weather the storm

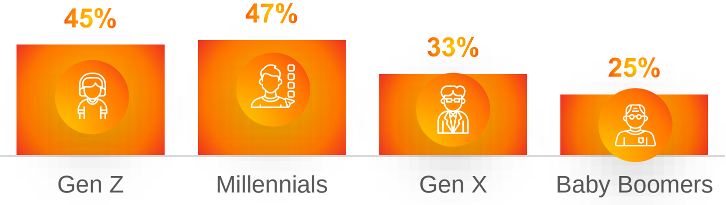
60%

PLAN TO TRACK / BUGET THEIR SPENDING NEXT 12 MONTHS



38%

PLAN TO LOOK UP FINANCIAL CONTENT FOR ADVICE & INFORMATION IN THE NEXT 12M



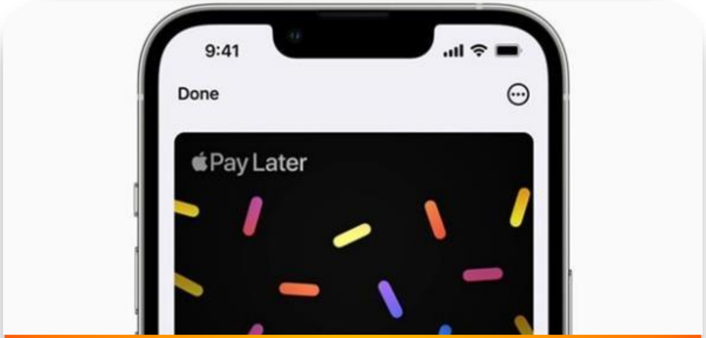
Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022; Foresight Factory | Base: 611-3885 online respondents per country aged 16-64, [Indonesia 16-54], 2022 March

CONSCIOUS CONSUMERISM

What's being done

Tips to reduce cooking energy costs

In October 2022, Italian pasta brand Barilla launched a campaign on the concept of passive cooking – a way of cooking pasta that saves energy and reduces CO2 emissions. The method involves bringing water in a pot to the boiling point, adding pasta and placing a lid or cover on the pot and then turning off the heat and allowing the pasta to cook. It takes about 2 minutes longer than the traditional method but can reportedly save up to 80% of CO2 emissions, as well as saving energy or gas.



Buy-Now-Pay-Later (BNPL) on digital wallet

In June 2022, at its annual WWDC developer event, Apple announced that it would be adding BNPL functionality to its Apple Wallet in the form of Apple Pay Later. This will allow users to split the cost of an Apple Pay purchase into four equal payments spread over six weeks, with zero interest and no fees of any kind. Initially only available in the US, the service will use the Mastercard network.

Grocer launches educational concept store

In September 2022, supermarket chain Sainsbury's launched Sainsfreeze, a walk-in freezer concept store, in London. The aim of the two-day pop-up was to show consumers how best to freeze food, particularly unexpected items like eggs and fruit, to cut down on waste and help save money. The store housed groceries that would typically be bought fresh – but everything was frozen. The items available were chosen based on those most commonly thrown away by consumers in Britain.

Source: Foresight Factory | Base: 611-3885 online respondents per country aged 16-64, [Indonesia 16-54], 2022 March

Ecommerce is continuing to rapidly evolve with new and emerging methods of fulfilment

CHANGING DIGITAL JOURNEYS

Worldwide ecommerce sales are expected to grow to more than

$7 trillion by 2025

With key drivers being developments in social and quick commerce

QUICK COMMERCE	SOCIAL COMMERCE	VOICE COMMERCE
49%	38%	31%
	29% IN 2017	

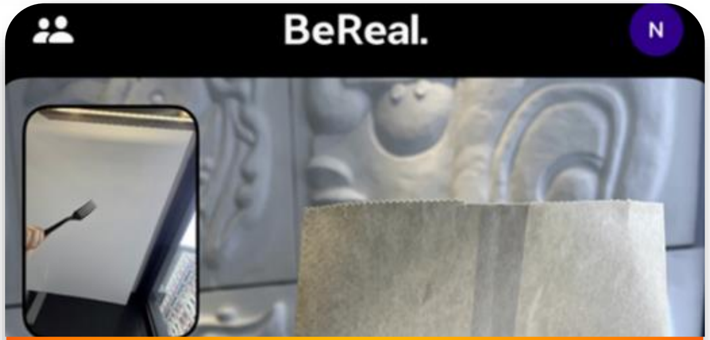
BUYING COMPLETELY ONLINE?

CATEGORIES OF COMFORT	BOOKS & STATIONARY TRAVEL TOYS & HOBBIES HOUSEHOLD / CLEANING PERSONAL CARE CONSUMER ELECTRONICS HOME APPLIANCES CLOTHING & FOOTWEAR
CATEGORIES STILL REQUIRE DEVELOPMENT	CARS LUXURY ITEMS JEWELLERY FURNITURE HEALTHCARE/ PHARMACEUTICALS PERFUME/FRAGRANCE

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022; Foresight Factory | Base: 611-3885 online respondents per country aged 16-64, [Indonesia 16-54], 2022 March

CHANGING DIGITAL JOURNEYS

What's being done



BeReal Chipotle Campaign

In April 2022, fast casual chain Chipotle launched its first campaign on social app, BeReal. The campaign was aimed at boosting the chain's profile on the app. It posted a reusable promo code in its photos that gave the first 100 people a free starter. For the brand, it was a low-risk opportunity to test out the platform and get in early. Chipotle says that half of its customers are Gen Z and Millennials – the same demographics primarily found on BeReal.

Scrollable content hub for personalised discovery

In December 2022, Amazon announced the addition of a scrollable shopping hub called Inspire to its mobile app, initial being rolled out in the US. The social media-like feature is a discovery destination where brands, influencers and customers can post, like and shop photo and video content. This shift to social commerce comes from Amazon's desire to expand its app functionality from a mere shopping destination to a holistic shopping experience.

Today show and Walmart launch shoppable recipes

In January 2022, the Today show launched Today Table, shoppable recipes in a segment featuring three healthy dishes for winter. Viewers can scan an on-screen QR code or text a number for a link to be taken directly to the recipe they want. They can then order the ingredients from Walmart for collection or delivery. NBC earns a commission on every purchase. By March 2022, the feature will be rolled out to the show's streaming channel, Today All Day too.

Source: Foresight Factory | Base: 611-3885 online respondents per country aged 16-64, [Indonesia 16-54], 2022 March

Advancements in technology and ecommerce fulfilment are creating new ways to reach and engage consumers

NEW SHOPPING EXPERIENCES

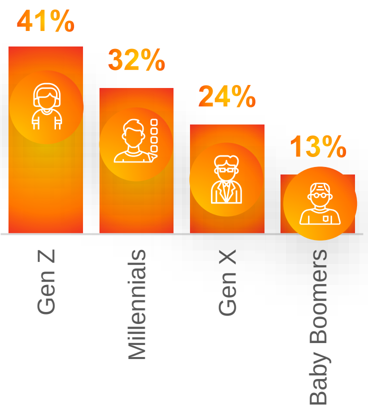
Global interest in image search is slowly increasing. The EU saw the biggest increase with

65%

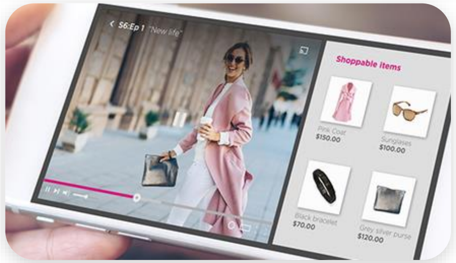
claiming to be interested in a shopping app that enables image search instead of just type search

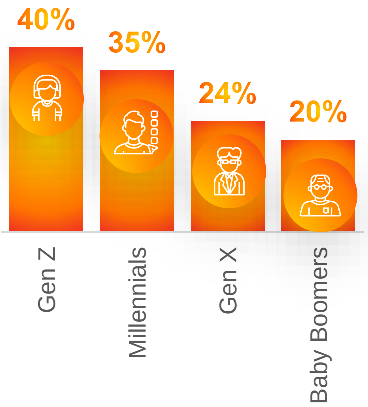
ADOPTION OF NEW SHOPPING EXPERIENCES IS HIGHEST AMONG YOUNGER DEMOGRAPHICS

LIVE STREAMING

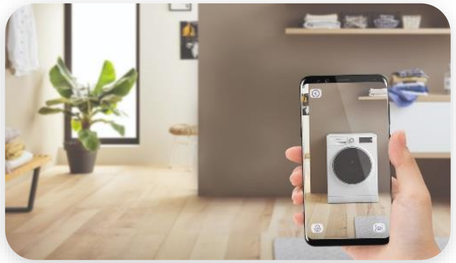


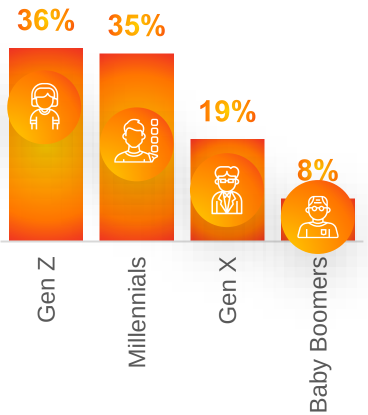
SHOPPABLE VIDEO





AR EXPERIENCES

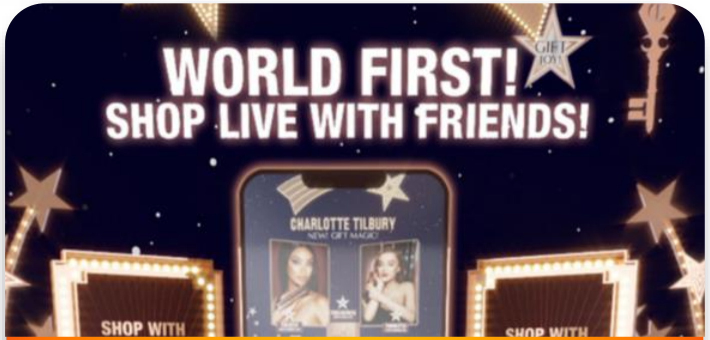




Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022; Foresight Factory | Base: 611-3885 online respondents per country aged 16-64, [Indonesia 16-54], 2022 March

NEW SHOPPING EXPERIENCES

What's being done

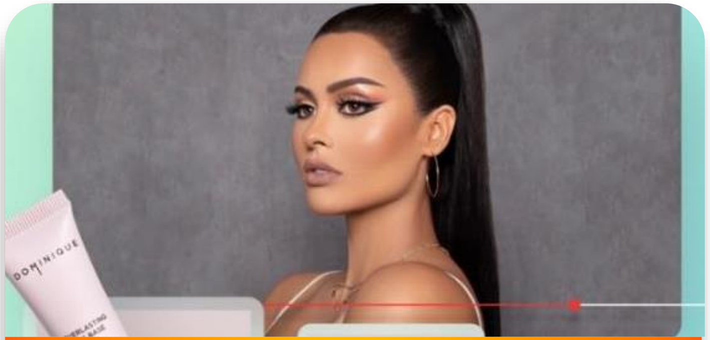


Shopping with friends in the Metaverse

In November 2021, Charlotte Tilbury added the Shop With Friends feature to its virtual online store, which is a 3D digital experience that launched in November 2020. The functionality allows shoppers to invite up to four friends to join a live video stream to virtually shop together on desktop or mobile via a shared link. The feature was introduced in response to feedback from customers that they would often video call friends on Zoom while browsing the virtual store.

Platform Seek enables purchasing in TV and film

Seek is a social shopping platform for viewers of particularly fashion-forward TV and movies to buy products depicted in video content. It was launched in closed beta in late 2021 and opened access to a wider audience in early 2022. Created by former Vogue editor Sara Klausing, Seek allows fans of programmes such as Bridgerton and Euphoria to connect with one another and discuss the styles they've seen, often identifying them for personal recreation or purchase.



Buying through social

In July 2022, YouTube and Shopify announced a new partnership that will allow YouTube creators to link their videos with their Shopify stores, thus allowing viewers to buy products they see on screen. At launch, US users can complete their purchase without ever leaving YouTube.

Source: Foresight Factory | Base: 611-3885 online respondents per country aged 16-64, [Indonesia 16-54], 2022 March

How to support consumers around retail

Anticipate and embrace that comparison sites will part of the purchase journey.

Expand your digital presence to support both text and image searches.

Consider new formats that can close the gap between discovery and frictionless purchase.

Use value to stands out, giving consumers a compelling reason to buy.

Offer tools to consumers to feel more confident about making purchases completely online.

Ensure virtual merchandising is both aesthetically interesting and functional.

Rewarding loyalty is more important than ever, with immediacy becoming an enticing factor.

Optimise the shopping experience so consumers feel they are getting the best of both worlds.

Think outside the box to make the shopping experience more magical and immersive.

As convenience leans into digital solutions to expedite commerce experiences, brands that can pivot and flex purchase solutions will have an advantage

- The megatrend of convenience
- New shopper journeys
- Expansion of the retail ecosystem
- Transformation, not optimization
- Foundational years: Sustainable eCommerce
- Expectations of phygital experiences
- Enter the new generation: Gen Alpha
- 1st party data to scale eCommerce
- Retail innovation continues
- Sustainable eCommerce is the new normal

Responding Rapidly 22-23

The global cost of living crisis provides the most prominent and immediate need for proactive, positive brand action to support customers struggling to make ends meet. Brands are shifting merchandising approaches, for example, UK retailer Iceland has enabled pre-paid credit cards connected to micro-loans to help spread payments over four weeks on food purchases.

During the Cannes Lions International Festival of Creativity, Omnicom announced four first-mover strategic partnerships with retail media networks, Walmart, Instacart, Amazon, and Kroger, to allow Omnicom's agencies to deliver connected experiences across media and commerce platforms within owned, earned, and paid environments.

05

ENTERTAINMENT

The Rise of Cocooning

THE RISE OF COCOONING
Entertainment

- Consumers seek out media increasingly for peace of mind and self-care, as they spend more time at home.
- Virtual events will remain popular. Musical performances within game worlds draw big crowds. More than 1 in 4 have attended this type of event as of February 2022, and a further 1 in 3 would like to, according to Statista.
- 53% global consumers now listen to podcasts at least monthly – this has increased from 46% in 2019.
- As the cost of living crisis rolls on, consumers will seek entertainment and self-care – but will need to do so in a cost effective way.

Get comfy: the home takes a more central role in people’s 2023 lifestyles

As uncertainty continues globally, people have become more conscious consumers and are redefining what leisure is. They are turning inwards to feel safe which has been coined ‘cocooning’, a behaviour consumers expect to engage in over the next 12 months.

Consumers have become more aware of self-care and wellbeing practices, finding their home as a refuge when they feel the need for protection or support

CONSUMERS ARE MAKING ACTIVE CHOICES TO PROTECT FINANCES AND ALLEVIATE COST PRESSURES OVER THE NEXT 12 MONTHS

53%

PLAN TO SPEND MORE TIME AT HOME IN THE NEXT 12 MONTHS

44%

PLAN TO GO TO LESS OR NO ATTRACTIONS, PAID-FOR ACTIVITIES AND EVENTS IN THE NEXT 12 MONTHS

	US	UK	Australia	France	Italy
Plan to spend more time at home	51%	52%	55%	48%	59%
Plan to go to less or no attractions	35%	45%	46%	45%	50%

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

ENTERTAINMENT

Disruptions to media & brand implications

Disruption to Media

- Streaming's threat to cinema attendance is strong. 47% of global consumers, rising to 58% in the US, agree that they "prefer to watch brand new film releases on streaming services than to see them in the cinema", even if I must wait for them to be available online. Cinema's are having to come up with creative ways to maintain viewer numbers, such as through subscription and monthly fees.
- Social media remains influential for media outlets with consumers often turning to their personal networks for content recommendations.
- However, consumers are also reassessing current social media platforms and the negative impact they have on consumers. We expect continued focus on the damaging effects of traditional platforms and a greater desire for community, wellbeing and sustainably focussed platforms.

Disruption because of the cost-of-living

- If local items do not cost more consumers will look to support local businesses during times of economic uncertainty, as boosting local economy is seen as a positive. However, cost pressures will be prioritised over local production if these items come at a premium.
- Small luxuries which boost wellbeing will continue to be prioritised by those who can afford them. In markets where luxury is most associated with physical items (Brazil, France, China), second hand platforms and verified resell will accelerate.

Post-Pandemic our homes operate as more than just four walls and will continue to be an important place to feel protected, connected and entertained

When asked how they view their home by choosing from a list of 11 separate statements, global consumers each select on average 3.7 different attributes. What's more, over 1 in 10 globally mention seven or more attributes that they associate with their home.

THINKING ABOUT YOUR HOME, WHICH OF THE FOLLOWING APPLY TO YOU?" GLOBAL AVERAGE

65%	My Home is where I feel safe and protected
45%	My home is where I have fun and entertain myself
43%	My home is a family hub where we come together and connect
41%	My Home is my most important asset
35%	I enjoy socialising in my home
34%	My home is an expression of myself
32%	I enjoy styling my home with nice things e.g. pictures, decorations
27%	I enjoy carrying out D.I.Y at home
18%	I like to keep my home up to date with the latest technology
16%	My home is a place I work from / do my job
9%	My home is just four walls - a place to sleep
2%	None of these

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022; Foresight Factory | Base: 611-3885 online respondents per country aged 16-64, [Indonesia 16-54], 2022 March

People expect the cost of living crisis to impact their lifestyles over the next 12 months forcing them to rethink their leisure activities

% WILL BE DOING LESS / NO LONGER DOING

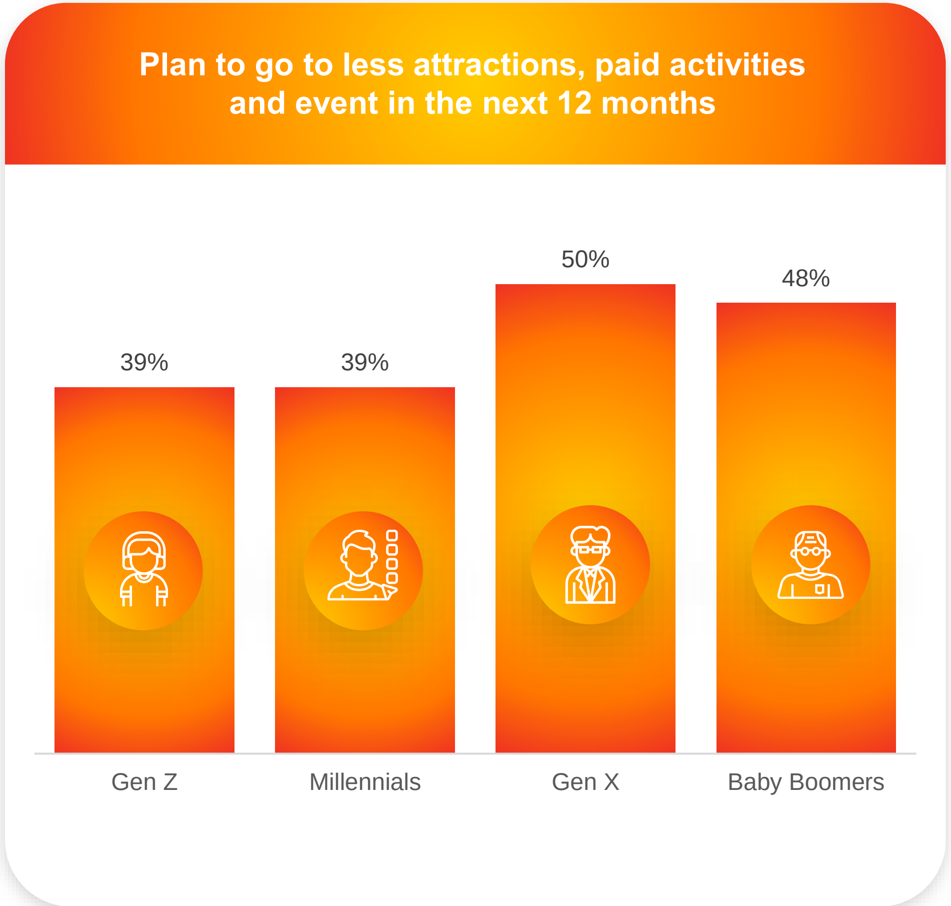
- Going to restaurants & bars – 49%
- Getting food delivery – 48%
- Visiting paid for events/ attractions – 44%
- Signing up to more subscriptions – 43%
- Going to gym/ doing sporting activities – 32%
- Giving to charity – 32%
- Using your car – 31%
- Having family days out – 27%
- Going into the office – 18%

% DOING MORE / NOW DOING AS A RESULT

- Limiting energy use to reduce bills – 63%
- Reusing, mending or repurposing – 53%
- Spending time at home – 53%
- Doing things myself, instead of paying – 53%
- Experimenting with low cost recipes – 52%
- Focusing on mental health/ wellbeing – 50%
- Reducing the goods I buy – 48%
- Cooking from scratch – 47%
- Using public transport/ walking more – 44%

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

Consumers are reducing a mixture of behaviours that feel easy to control, including the media they turn to



	Gen Z	Millennials	Gen X	Baby Boomer
Top Increase	Social Media 42%	Streaming free music services 40%	Reading reviews or ratings about products 31%	Reading reviews or ratings about products 21%
Top Decrease	Reading physical newspapers or magazines 26%	Going to the cinema 28%	Going to the cinema 33%	Going to a music event 33%

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022; Foresight Factory | Base: 611-3885 online respondents per country aged 16-64, [Indonesia 16-54], 2022 March

Consumers may cut out small indulgences and treats if necessary, important life responsibilities, such as pension contributions and mortgage / debt repayments, are unlikely to be cutback on

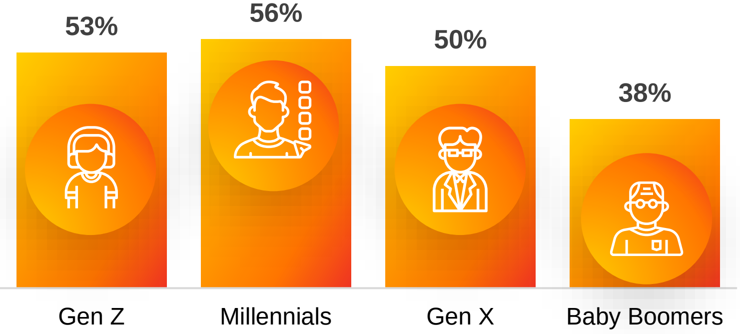
"Over the next 12 months, in which three areas would you cut back spending first, if you had to? And which three areas would you put off making cutbacks for as long as possible? Please select, in order, the three areas in which you would be most and least likely to make cutbacks if you had to." | % selecting likely cutback

27% Takeaways	**25%** Out-of-home entertainment (including eating out, cinema etc)	**23%** Home energy usage (e.g. gas or electricity)	**22%** Clothes	**20%** Holidays	**18%** Pay TV subscriptions	**18%** Treats (snacks, coffee, confectionery etc)
17% Major purchases (e.g. car, fridge, furniture)	**12%** Alcohol	**11%** Paying into savings/investments	**11%** Non-food groceries	**11%** Food groceries	**11%** Fuel for car travel	**9%** Gambling
8% Electronics and home technology	**8%** Charity donations	**8%** Hair and beauty products/treatments	**8%** Personal memberships (e.g. gym, sports club, cultural organisation)	**6%** Cigarettes	**5%** Mobile phone bill/contract	**4%** Homeware
4% Telephone landline or broadband bills	**4%** Newspapers or magazines	**3%** Domestic help	**2%** Insurance	**2%** Mortgage repayments/Rent	**2%** Pension contributions	**1%** Debt repayments excluding mortgage

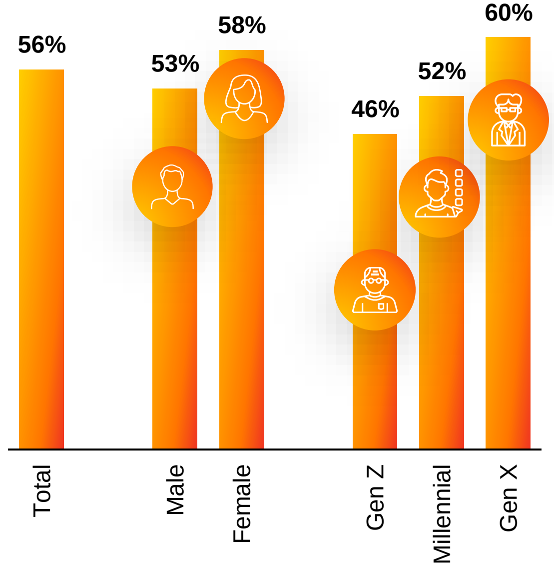
Source: Foresight Factory | Base: 611-3885 online respondents per country aged 16-64, [Indonesia 16-54], 2022 March

As consumers continue to feel overstretched, a focus on wellbeing and escapism is emerging, with generations unwinding differently

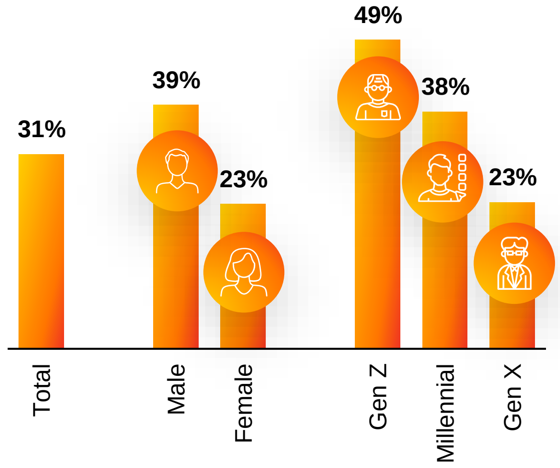
50% PLAN TO FOCUS ON THEIR MENTAL HEALTH AND WELL-BEING



"What do you regularly do to maintain your general wellbeing?" Watch favourite tv | global average

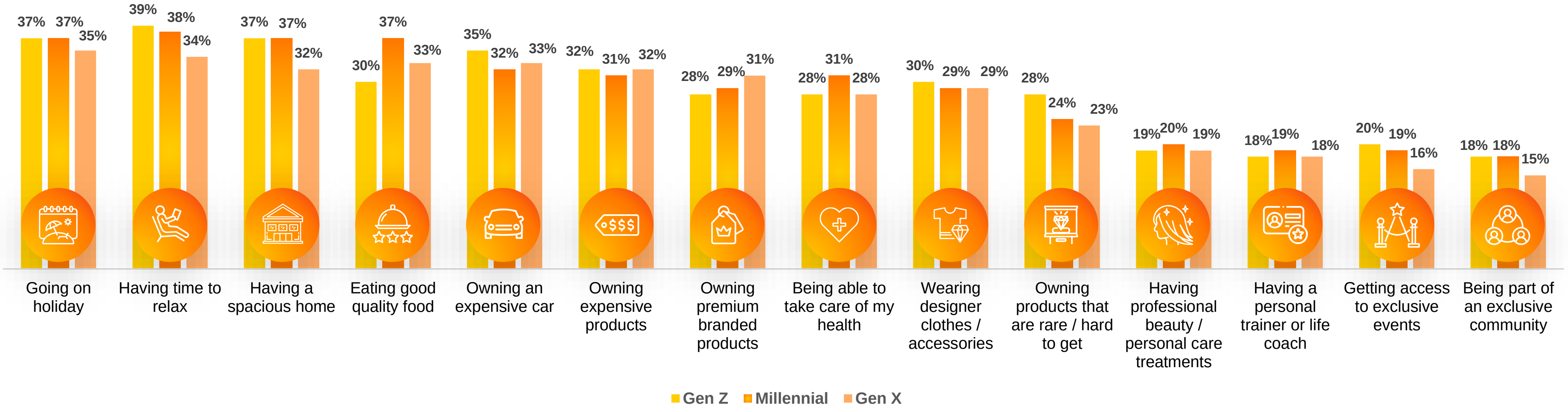


"What do you regularly do to maintain your general wellbeing?" Gaming | global average



The meaning of luxury is broadening as people cut-back, with one in three people globally describing luxury as going on holiday, eating good quality food and having time to relax

MEANING OF LUXURY BY GENERATION



Source: Foresight Factory | Base: 611-3885 online respondents per country aged 16-64, [Indonesia 16-54], 2022 March

We have identified three emerging trends around leisure

At home versus in real life

Post-pandemic we can certainly feel a tension between home and in-real-life (IRL) activities.

Consumers have gained skills over the course of the pandemic for how to manage self care and well being at home and the increase in home entertainments (e.g., podcasts, streaming services, etc.) has supported the home to become both a safe, protected space and entertainment hub.

IRL consumers have prioritised what they believe is worth spending on in difficult financial times. This means exclusive events, holidays and quality food are all things consumers still have an appetite for IRL, but are more selective about when or how they can still fit this into their lifestyle.

Changing media tastes

The pandemic brought about changes in media consumption habits which have largely stuck with consumers.

Consumers in all generations are more comfortable with streamed or on demand content and digital audio and gaming have also seen increased engagement. The range of ways to engage with these services is also helpful for consumers to maintain usage.

Whether free apps/sites, lower cost ad inclusive subscriptions or multi device access this means consumers are able to access content but prioritise and control costs.

Looking local

Initially born out of travel restrictions or supply chain issues, and exacerbated by a desire to support the economy, consumers have a renewed desire to shop locally.

For some this is a symbol of status and success, affording the highest quality from independent stores and small businesses, while for others this is a more noble attempt at purchasing within their local community as they are able to.

This search for engagement with neighbourhood and community IRL seems to mirror media behaviours as consumers are able to be more hyper engaged with genres/trends or things they really like online and find a stronger sense of connection within these groups.

There seems to be and intrinsic desire to do this externally as well with those who share local geography.

Source: Foresight Factory | Base: 611-3885 online respondents per country aged 16-64, [Indonesia 16-54], 2022 March

What people are saying and engaging with online?

Most commonly associated with Home Leisure

Super Apps 7.7%

Consumers are choosing to be members of singular ecosystems that can address all of their varying needs such as community, commerce, media, entertainment and financial services in one place.

Polarisation 6.9%

People are becoming more polarised, embracing more extreme opinions upon which they are basing a greater amount of their identity and feeling the need to defend.

Frictionless 6.5%

Consumers are experiencing radical improvements in the delivery of seamless experiences, resulting in a dramatic increase in convenience expectations such as same-hour grocery delivery.

Crowd economy 6.5%

People are leveraging specialised platforms to share skills, spaces and resources, resulting in new sources of income, more human connection, and the upending of worker protection practices.

Predicted growth in importance next year

Design ethics

Consumers, academics and governments are romanticising new virtual worlds as fresh opportunities to "get it right," asking builders of these spaces to address societal issues such as equality in their design.

Moral imperative

Consumers (mainly Millennials and Gen Z) are wielding their spending power to hold brands and industries accountable to corporate responsibility pledges from sustainability to DE&I.

Human longevity

The global population is getting older, driving a re-evaluation of the "third act" of life, placing strains on the global economy and driving demand for products aimed at staying productive longer.

Kidult

Generations are role reversing with the young acting more seriously, while older generations are releasing tension and stress by reengaging in childhood pursuits they may have given up years ago.

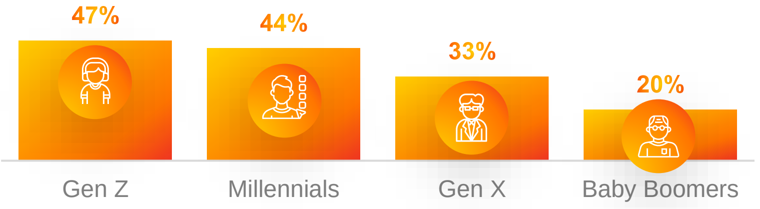
Despite intentions to be home more, consumers still want unique experiences and are willing to recreate them at home

AT HOME VERSUS
IN REAL LIFE

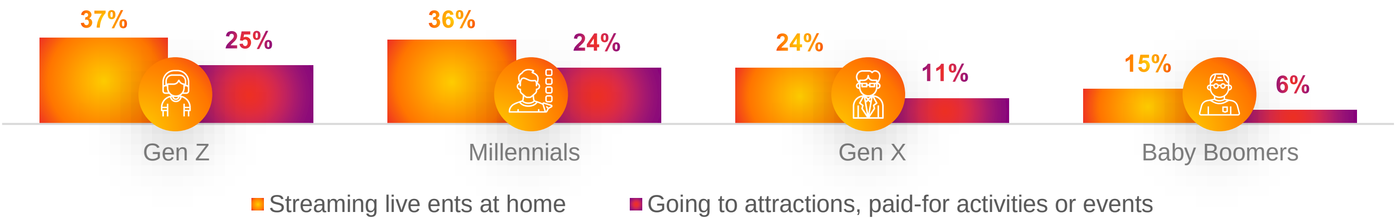
OVER
1 in 2
People plan to spend more time at home in the next 12 months

36%

RECREATING SPECIAL EXPERIENCES AT HOME



INTERACTING WITH EVENTS
PLANNING TO START OR DO MORE OF IN THE NEXT 12 MONTHS



Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022; Foresight Factory | Base: 9012 online respondents aged 16-64, Global Average, 2022 January

AT HOME VERSUS IN REAL LIFE (IRL)

What's being done

House of Fibre townhouse demonstrates broadband

In February 2022, internet service provider EE opened the doors to its House of Fibre townhouse: an immersive experience designed to demonstrate the power of its Full Fibre Max broadband. Visitors to the home, temporarily set up in Liverpool, could explore rooms including an interactive kitchen featuring smart cooking devices, a gaming room with multiple screens and consoles, a wellness gym with VR headsets, and an infinity bathroom complete with connected selfie mirror.

Podcast sound bath created by Lush

In May 2022, cosmetics retailer Lush launched a podcast called The Sound Bath, featuring the tagline "conversations that cleanse". The episodes are designed to be enjoyed while in the bath, and the series is hosted by Blues poet, storyteller and organiser Aja Monet. She speaks with different authors, activists and artists each episode, and each ends with a bespoke music meditation inspired by the guest to help listeners relax.

Disney streaming bundle to maximise value for users

In January 2022, Disney announced the limited-time return of The Disney Bundle, a single fee for access to Disney+, ESPN+, and Hulu (with ads) for $13.99 per month, or the three with ad-free Hulu at $19.99 per month, aimed to entice new users and expand current subscribers who only had one or two services. Following up in March, Disney also announced that it would offer an ad-supported version of Disney+ for the first time, costing less than the current ad-free price of $8 per month.

Source: Foresight Factory | Base: 611-3885 online respondents per country aged 16-64, [Indonesia 16-54], 2022 March

Small treats and indulgences are important to see consumers through difficult times

CHANGING MEDIA TASTES

37%

Of consumers claim they buy something they want to maintain their general wellbeing

GLOBALLY, 47% OF CONSUMERS REGULARLY INDULGE IN TREAT FOOD AND DRINK AS AN ACT OF SELF-CARE, RISING TO 53% FOR FEMALE CONSUMERS

56% Watch favourite TV	**53%** Get enough sleep	**50%** Exercise	**47%** Indulge in treat food and drinks	**46%** Spend time with or talk to friends
45% Spend time in nature (e.g. walks, gardening)	**45%** Spend time on hobbies	**37%** Buy something I want	**35%** Pay attention to my emotions/feelings	**31%** Plan a future activity to look forward to
31% Gaming	**31%** Have sex	**29%** Pampering (e.g. taking a bath, skin or hair treatments)	**24%** Take a break from social media	**19%** Drink alcohol
31% Meditate/ Mindfulness	**31%** Spiritual practice/ praying	**2%** Other (please type in)	**1%** None of these	

Source: Foresight Factory | Base: 9012 online respondents aged 16-64, Global Average, 2022 January

SMALL LUXURY

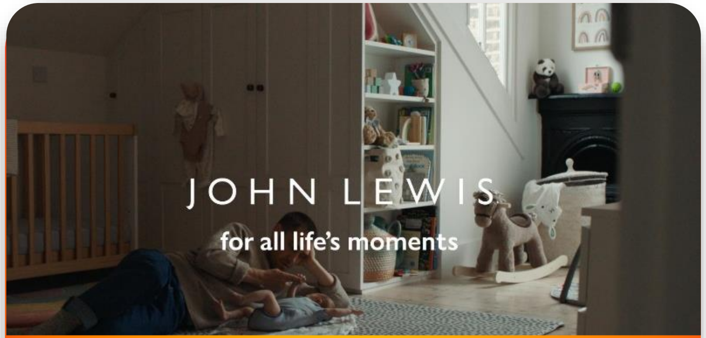
What’s being done

Bailey’s brings on trend treats into homes

After years of decline, Bailey’s launched a brand refresh focusing on finding more treat occasions. With the campaign successfully driving increased demand and sales in 153 countries, Baileys continue to embed themselves in ‘treat culture’ releasing their annual treat report, identifying ways consumers can treat themselves to small on trend luxuries at home. Partnering with Pinterest, the brand is able to look back at previous treat trends and see how consumers engaged.

The Four Seasons re-brands luxury

In August 2022, Four Seasons launched a brand refresh to highlight the thoughtfulness that sets it apart from others in the industry, avoiding the traditional tropes of luxury. The campaign, Luxury Is Our Love Language, is inspired by real guests. Four Seasons used true stories of actual guest experiences, reflected in feedback surveys, comments and in conversations with hotel teams, to create spots that are "based on a true stay".



Retailer’s adopts new slogan "for all life's moments"

In September 2022, John Lewis unveiled its new slogan and brand promise, marking the departure from its decades-long pledge to be "never knowingly undersold“. The UK retailer also released an ad campaign tapping into the "moments economy", marking a shift in consumer spending and attitudes. According to its research, there is a growing desire to live for the moment, with over half saying they prefer spending on things that make them happy day to day, rather than one-off experiences.

Source: Foresight Factory | Base: 611-3885 online respondents per country aged 16-64, [Indonesia 16-54], 2022 March

All generations intend to Look Local more in the next 12 months, but younger generations in particular are keen to engage

LOOKING LOCAL

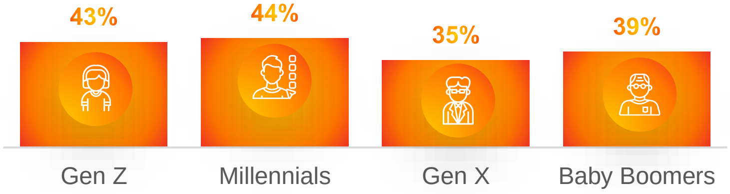
1 in 2

Consumers claim they need to be involved in the life of the neighbourhood or community

40%

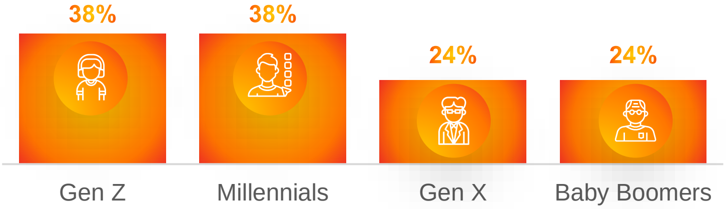
SHOPPING LOCAL –

PLANNING TO START OR DO MORE OF IN THE NEXT 12 MONTHS



31%

SUPPORTING MY LOCAL COMMUNITY / BUSINESSES – PLANNING TO START OR DO MORE OF IN THE NEXT 12 MONTHS



Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022; Foresight Factory | Base: 9012 online respondents aged 16-64, Global Average, 2022 January

LOOK LOCAL

What's being done

Community focused Google store

In June 2022, Google opened its second ever physical retail store. The Google Store Williamsburg in Brooklyn, New York, is billed as a "neighbourhood store" that's closely tied to the local community. The store space will be home to installations from local artists, interactive displays demonstrating how the brand's hardware and services work together, and a lounge area where events and workshops will take place.

Creating more than just a cinema outing

Alamo Drafthouse, which has 38 locations across the US, demonstrates how local cinemas can differentiate from larger chains. Its showings are dining experiences featuring chef-created dishes and local beers, and there is a strict no-talking and no-phone use policy. Its film distribution company, Drafthouse Films, even reissues DVDs and Blu-rays of forgotten B-movies and independent films to engage moviegoers beyond the walls of its cinemas.

Dott partners with Citymapper for micromobility

In May 2022, it was reported that micromobility provider Dott is expanding its partnership with Citymapper. Dott e-bikes will now be included in the travel planning app in London and other locations around Europe, allowing users to plan journeys that combine micromobility with other public transport options for longer journeys.

How to support consumers around entertainment

Support consumers to have a frictionless experience in their multifunctional home.	Help consumers create more immersive in-home media experiences.	Demonstrate how your brand benefits or considers the local community.
Ensure your offering considers the user in terms of digital experience or home functionality.	Use audio to reinforce your brand values related to inclusion and accessibility.	Highlight locally sourced products and short supply chains to cater to eco-concerned consumers.
Show how your product will be used and loved as part of people’s lived experiences.	Develop new technology experiences that elevate at-home occasions.	Adapt your communications to appeal to local communities and audiences.

Plan around consumer moments to help them connect and meet their expectations

Notable Events

SWSW in the US
March

Coachella in the US
April

Eurovision in the UK
May

The live return of E3 in the US
June

Glastonbury in the UK
June

2023 FIFA Women's World Cup in Australia
July - August

2023 Rugby World Cup in France
September - October

Cricket World Cup in India
Oct - November

The first SXSW in Australia
October

Responding Rapidly 22-23

People will continue to reassess their behaviours as they strive to find the right balance post-pandemic; however, with the cost of living, we are seeing some resurgence of behaviours we thought would stay in 2021. With so much uncertainty forecasted again for 2023, let's help consumers connect and find joy in their everyday.

Planning for 2023 should focus on the brand's relationship with the wider world through multiple lenses, such as climate change, Covid recovery, various forms of conflict worldwide, and the ongoing cost of living. To be successful, brands will need to adapt to a changing environment, meet increased expectations, innovate with meaning and constantly iterate, all of which will require access to a depth and diversity of talent and ideas.

06

TECHNOLOGY

Reclaiming Digital

RECLAIMING DIGITAL
Technology

- The rapid growth of the internet and connected devices has led to an unprecedented amount of data in circulation.
- New data protection legislation, privacy campaigns and well-publicised data breaches all remind the consumer that their data is valuable to others, privacy is important and they have rights.
- Consumers increasingly turn to banking tech trackers to keep an eye on financial wellness and to forecast future spending. Quantifying behaviours provides proof of positive impact. Financial influencers are also of interest to consumers as they seek information on how to budget and invest better.

Consumers want brands to be accountable for data privacy and to take more control of protecting themselves and their data

As the digital landscape continues to evolve, the role for brands to help consumers navigate new technologies and create valued experiences becomes increasingly important

The digital landscape is continually evolving and playing a more integral role within our lives. The next iteration of technologies support increasingly connected, immersive and collaborative experiences. However, the advancements of digital technology have also unearthed a series of new problems from concerns around privacy and security to ethics and environmental impact. There is a role for brands to both help consumers navigate these new technologies, as well as to try new experiences.

The evolution
How has Digital Lives developed?

- Mass connectivity
- Emerging technologies
- The automation era

1980

THE FIRST EMAIL
1965 – The first email is sent at MIT as part of its Compatible Time-Sharing System

THE DAWN OF THE INTERNET
1983 – ARPENET (an experimental computer network) implements TCP/IP (a suite of communication protocols), laying the foundations for the modern Internet

2000

ROBOTIC TOYS
1998 – The launch of Furbies, robotic furry toys that speak their own language and are programmed to learn English over time. 1.8 million are sold in the first year.

FACEBOOK LAUNCHES
2004 – Facebook is launched, initially exclusive to Harvard students before opening to the general public.

THE FIRST IPHONE
2007 – Apple releases the first iPhone, which receives significant consumer attention

INTERNET OF THINGS
2008/9 – The Internet of things becomes mainstream, with the number of connected machines surpassing the number of humans on the planet.

DRONE DELIVERY
2004 – Facebook is launched, initially exclusive to Harvard students before opening to the general public.

2022

SELF-DRIVING CARS
2022 – Shenzhen becomes the first city in China to issue regulations legalising the use of self-driving cars

GENERATIVE AI
2022 – AI text-to-image generators DALL-E 2 and Midjourney gain widespread attention, as does hyper-realistic chatbot ChatGPT, by Open AI

Key Predictions
What is next for Digital Lives under the Central Scenario?

2025

PAYMENT BY FINGERPRINT
2025 – 2 in 5 consumers will have used their fingerprint as a form of ID to make a purchase, and a further 29% will be interested in doing so.

5G EXPANSION
2028 – The number of 5G mobile subscriptions is projected to reach 5 billion, accounting for 55% of all mobile subscriptions

2030

MAJORITY INTERNET PENETRATION
2032 – All global markets will have at least 70% internet penetration, with 10 countries forecasted to reach 100% penetration

POSSIBLE SINGULARITY
2045 – Futurist Ray Kurzwell predict that the technological singularity will happen, i.e. artificial intelligence will surpass human intelligence.

2050

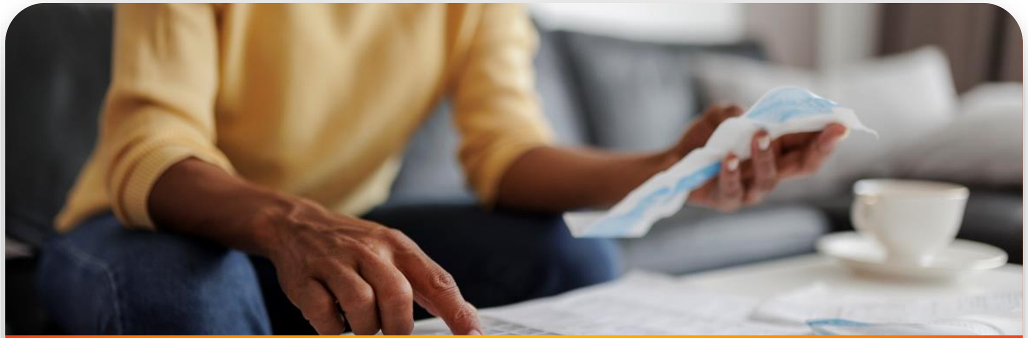
A DRIVERLESS FUTURE
2050 – Autonomous vehicles are projected to be available for a minimal price premium and account for 40-60% of new car sales

TECHNOLOGY

Disruption to media & brand implications

Disruption to Media

- Social media platforms which encourage consumers to be their authentic self and prevent over-edited images are growing and will continue to grow.
- Media and gamification has a new role in financial wellbeing and education, as consumers turn to technology to help manage and optimise their finances.
- As brands begin to experiment with metaverse offerings, the notion of anonymity and its impact on virtual interactions will be an important one to consider.



Disruption because of the cost-of-living

- Consumers will increasingly rely on tech trackers to keep an eye on financial wellness and to forecast future spending. Quantifying behaviours provide proof of positive impact and allow consumers to feel in control in times of uncertainty.
- Cost of living accelerates the growth of financial influencers, as consumers turn to new channels to improve their financial wellbeing.
- During the cost of living crisis, discounts will be a key motivator for consumers to willingly exchange data.
- As we enter into economic uncertainty, digital assets will become polarised with those with disposable income continuing to invest and show interest and those without focussing on survival.

Growing concerns around cyber security, data leaks and online privacy are now prominent for brands and consumers alike

65% ARE WORRIED ABOUT DATA LEAKS FROM BRANDS

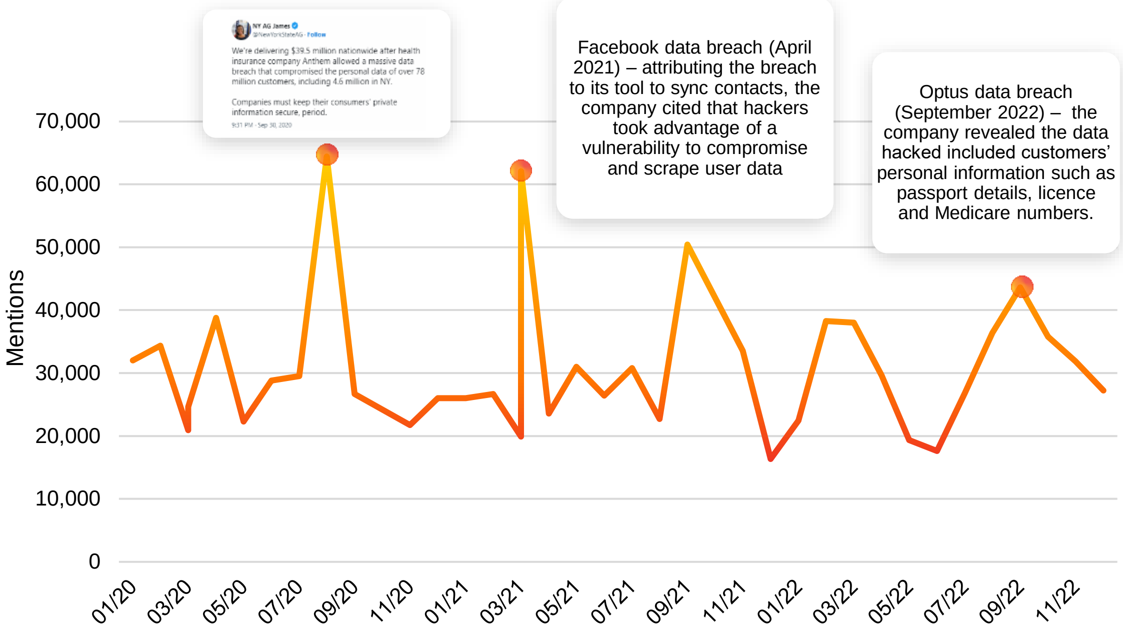
NOTABLE BRAND DATA BREACHES

LinkedIn
facebook
yahoo!
ebay

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022
Source: Statista https://www.statista.com/outlook/tmo/cybersecurity/worldwide#revenue
Source: Google Trends

Despite increased media attention and consumer interest, knowledge and understanding of data privacy remains mixed

Twitter research indicates that there is consistent conversations around cyber security threats, with various peaks highlighting increased concern around incidents.



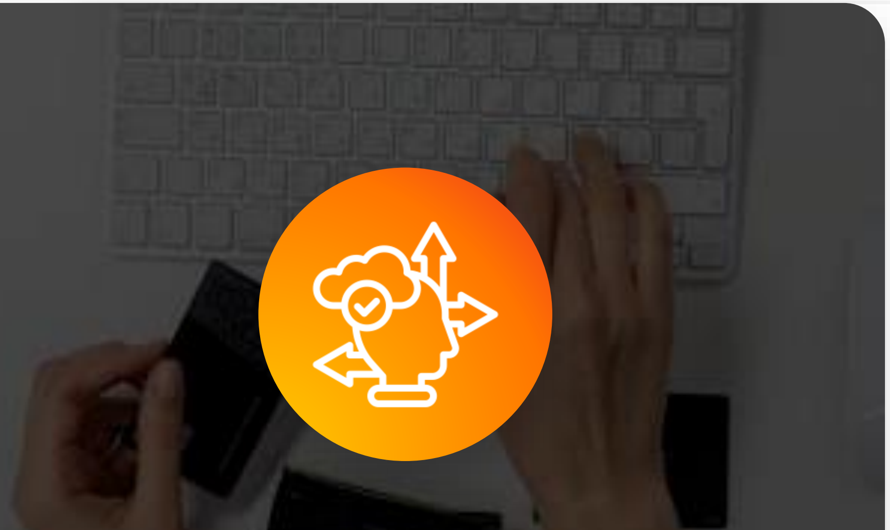
47% WOULD SAY THEY HAVE GOOD KNOWLEDGE OF DATA PRIVACY (E.G., HOW TO PROTECT MYSELF, HOW MY DATA IS USED, ETC.)

46% DON'T KNOW MUCH ABOUT DATA PRIVACY BUT WOULD LIKE TO KNOW MORE, THEY JUST DON'T KNOW WHERE TO START

48% OF CONSUMERS ARE ACTIVELY LEARNING ABOUT DATA PRIVACY & HOW TO TAKE CONTROL OF THEIR PERSONAL DATA

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022; Foresight Factory | Base: 611-3885 online respondents per country aged 16-64, [Indonesia 16-54], 2022 March

Data privacy is increasingly becoming an important consideration for consumers when navigating brand choice



A BRAND'S REPUTATION IN DATA PRIVACY PLAYS AN IMPORTANT ROLE IN MY DECISION-MAKING

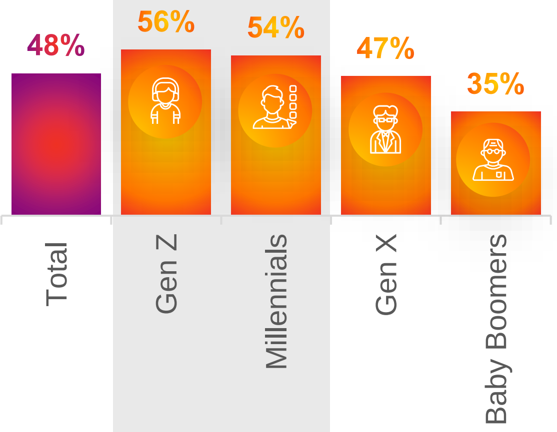
62%

71%

Of consumers would not buy from a brand who had a bad reputation with data privacy/ management

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

Despite concerns around data security, nearly half of consumers expect to share data with the brands they engage with



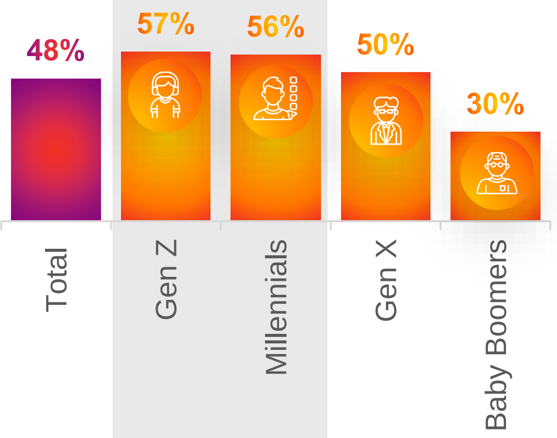
I JUST EXPECT TO SHARE MY PERSONAL DATA WITH COMPANIES THESE DAYS

DATA PEOPLE ARE COMFORTABLE SHARING WITH BRANDS

LISTENING DATA FROM MUSIC PLATFORMS
VIEWING DATA FROM ON DEMAND SERVICES
VIEWING DATA FROM ONLINE VIDEO SITES
SOCIAL POSTS

DATA PEOPLE ARE UNCOMFORTABLE SHARING WITH BRANDS

FINANCIAL INFORMATION
HEALTH RECORDS
PERSONAL INFORMATION
LOCATION DATA
INTERNET DATA

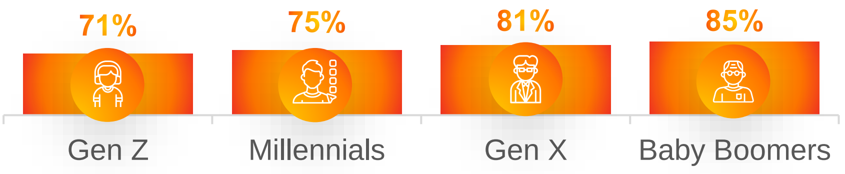


I AM MORE LIKELY TO GIVE MY PERSONAL DATA IN EXCHANGE FOR REWARDS

People seek more transparency over how their data is being used and want more control over how companies use their personal data

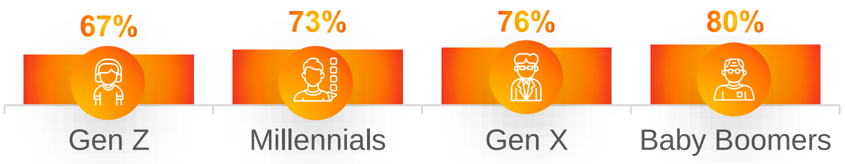
COMPANIES SHOULD BE MORE TRANSPARENT WITH HOW THEY ARE USING CUSTOMERS DATA

79%



I WOULD LIKE MORE CONTROL OVER WHAT BRANDS DO WITH MY DATA

75%



Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

As consumers become more mindful of their digital presence, they are increasingly managing their personal image and questioning what to believe online – especially around influencer content

40%

of Millennials and Gen Z say their online image is very different to how they are in real life

60%

of Millennials and Gen Z are becoming more cautious about the types of content and how they portray themselves online

PERCEPTION OF INFLUENCERS

65% DON'T REALLY BELIEVE WHAT INFLUENCERS POST ABOUT THEIR LIFESTYLES ONLINE

63% DON'T REALLY TRUST INFLUENCER BRAND PROMOTIONS

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

We have identified three emerging trends around technology

Innovation & New Technologies

Levels of understanding and interest in technological developments are varied and fragmented, which may help in understanding which trends may be long-lasting and which may be undergoing the boom of early adoption.

There is a clear correlation between understanding of new technologies and everyday usefulness of those technologies, which may help shed light on this.

If brands want to make use of technology, particularly within marketing, then ensuring that there is a clear, tangible benefit for consumers is vital for usage and understanding.

Privacy & Data

Consumers continue to scrutinise the data practices of the businesses they interact with.

As knowledge grows, there is increasingly different levels of understanding that need to be addressed. With a general desire to learn more about how they can stay safe online.

This anxiety creates a greater desire for control, over what brands are doing with their data and what data they have in the first place.

Brands can play a key role in educating audiences about their data and how they use personal data, as well as providing consumers with simple ways they can take control over the process, focusing on the benefits.

Personal Image

Many consumers are aware, and wary of, their online presence and identity. There is a general acknowledgement that online personas tend to only show an idealised version of ourselves, and that there can be conflicts between our online personas and real life.

There is growing shift for people to post more authentic online content that shows a more unfiltered version of their life.

Consumers are also becoming more receptive to brand communications which portray life in a more authentic way.

Brands also need to mindful how this cultural shift translates to their influencer partnerships..

What people are saying and engaging with online?

Conversations around crypto currency range from people being disinterested all together, others wanting to learn more, and some who are proficient in the digital currency. Sentiment is 66% neutral and pertains to general conversation and news surrounding the topic. 29% of sentiment is negative, with people stating their distrust or dislike of crypto currencies.

Jeff Pearlman
@jeffpearlman

Am I alone in having 0 interest in Crypto currency?

2:06 am · 14 Feb 2022

Lee Harris
@addicted2newz

Right, I can't ignore this any longer. I'm going to buy some crypto currency as soon as I have done my research on how it all works.

Anyone got any tips for a beginner?

11:36 am · 28 Aug 2021

Kai Greene
@KaiGreene

You know crypto currency is going 🚀 when I'm at the gym and people asking me what my target price for $shiba is and top 5 #crypto's are instead of asking me for gym tips 🤯

6:29 pm · 24 May 2021

There tends to be a growing contrast in opinions related to data privacy over the last two years. People are either unbothered about how their data is being used by brands and seem to enjoy targeted ads, while others are extremely untrusting of smartphone apps and companies expressing their desire for companies to be more transparent on how they use their data.

Krista
@KristaStreams · Follow

Idgaf if my data is sold to companies. How else would I get ads for clothes like these🤠
instagram.com/p/CjJOPqZpDKM/

soshim (소심)
@soshimshi · Follow

Roe was overturned Friday. Today is Wednesday. I deleted my period tracking app this morning. Two hours later I got an email from the company **now** promising that my data would be secure.

I was born on a day, but it wasn't yesterday.

5:42 PM · Jun 29, 2022 from St Louis, MO

Jonathan Barouch
@jbarouch · Follow

I'm all for personalisation and reducing noise but in return the brands needs to be transparent with customers explaining how data is used - massively undermines my trust in being a @woolworths customer if they did indeed sell my data to an alcohol company!

9:57 AM · Jan 7, 2021

While many people want social media influencers to be more authentic when uploading content and promoting products, other people believe disingenuity online isn't a bad thing going as far as wanting the app "BeReal", which promotes authenticity, to introduce beauty filters.

Abigayl
@abigayl_19

Why can't BeReal have filters?!?!!!

9:58 pm · 12 Oct 2022

← Thread

🍓
@xOgmdx0

about to start my own account where i actually try the products, nothing sponsored, no payment, no filters. i wanna see how shit performs with skin texture, fine lines, dry skin, acne, wrinkles, oily skin, blackheads, big pores, all of it. fake ass influencers

Hannah Berner
@beingbernz

I'm sick of random "influencers" telling me their skin care routine when they edit all their photos to have no pores and they are only 25 years old. Give me Paul Rudd's skincare routine or I'm not interested.

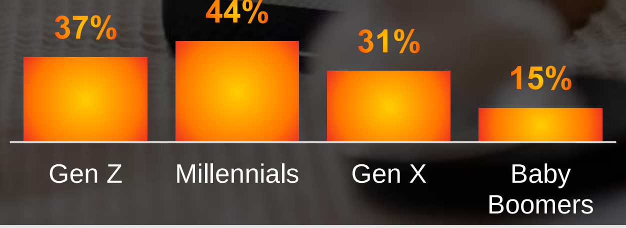
Source: BRANDWATCH looking at 'my data' across Australia, United Kingdom, United States, France and Italy

Despite positive awareness, levels of interest and understanding of new forms of technology are varied and fragmented

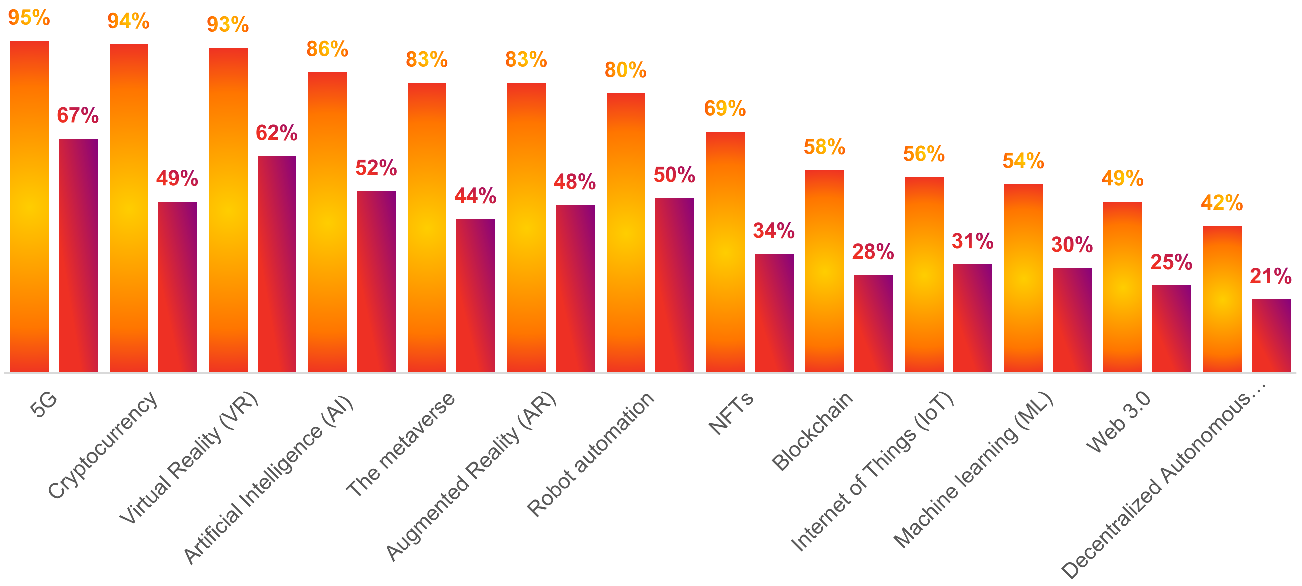
INNOVATION & NEW TECHNOLOGIES

32%

Of consumers say they are really interested in new and emerging technology



Communications which provide clear, tangible information around the benefit for consumers are vital to increase understanding, adoption and continued usage

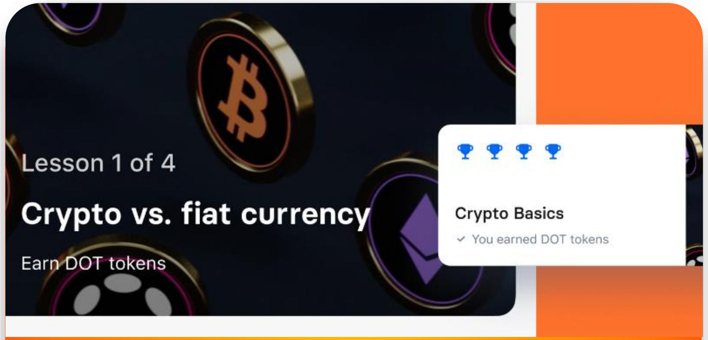


Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

INNOVATION & TECHNOLOGIES
What's being done

EV Live offers one-on-one virtual tours for buyers

July 2022 saw the launch of GM's EV Live service, which gives those interested in buying an electric vehicle the opportunity to take a live, one-on-one tour with EV specialists who will answer questions in real time. Participants were also given the option to take virtual tours of the EV Live studio, which houses real EVs and dynamic displays of home charging, public charging, battery technology and more.



An educational campaign that rewards users with crypto

In the summer, the financial app Revolut launched a Crypto Learn and Earn feature, which allows customers to learn about crypto assets by completing short lessons, earning crypto rewards in return.

The programme uses the blockchain network Polkadot and users who successfully complete the course receive up to $15 worth of the network's native token, DOT.

Lincoln Center debuts opera blending music and science

In October 2022, New York City performing arts venue Lincoln Center premiered Song of the Ambassadors, billed as an AI opera.

The opera combines music, science and technology. Artist, author and speaker, K Allado-McDowell conceptualised the piece, which was composed in collaboration with artificial intelligence language model GPT-3. The performance also features AI-generated images designed by Refik Anadol.

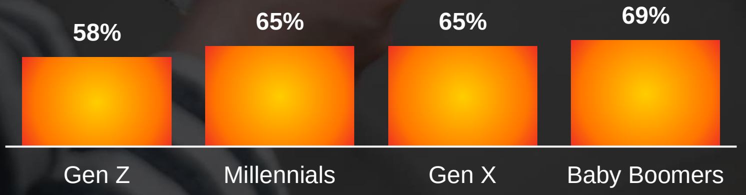
Source: Foresight Factory | Base: 611-3885 online respondents per country aged 16-64, [Indonesia 16-54], 2022 March

Increased concern and interest around data privacy, provides a platform for brands to inform and build relationships with consumers

PRIVACY & DATA

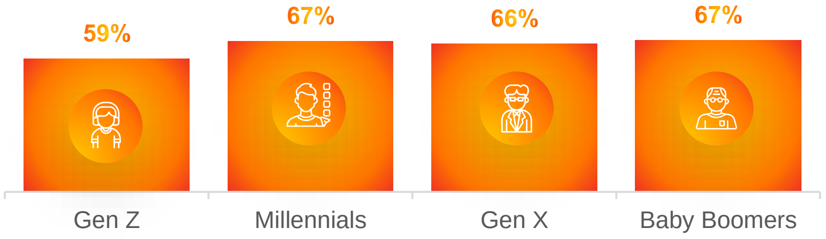
65%

Of consumers are very cautious about sharing personal information and take all relevant steps to protect themselves online



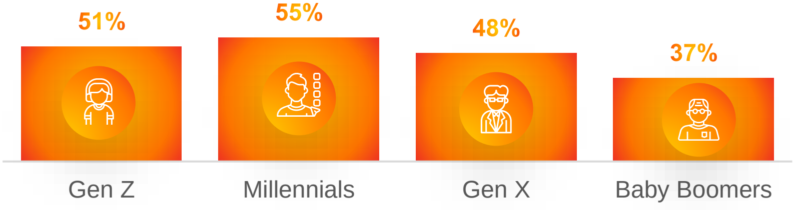
66%

FEEL LIKE THEY SHOULD BE DOING MORE TO CONTROL THEIR DATA ONLINE



48%

ARE ACTIVELY LEARNING ABOUT DATA PRIVACY AND HOW TO TAKE CONTROL OF THEIR PERSONAL DATA ONLINE



Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

PRIVACY & DATA

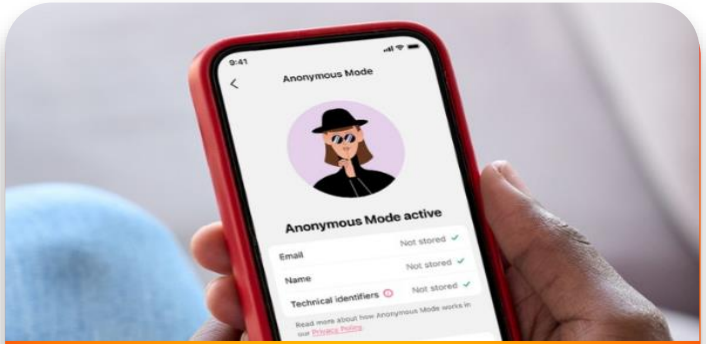
What's being done

Privacy-first search engine

Privacy-focused Brave Search has grown by almost 5,000% since launching in June 2021. Brave Software was co-founded by Brendan Eich, one of the founders of Mozilla Firefox. Its flagship product is the Brave web browser, which blocks ads, trackers and third-party data storage by default. Brave is not only more secure but also speedier than rivals, claiming to load pages three times faster than Google Chrome. Brave Search was created with the same principles in mind.

Search engine launches internet literacy campaign

July 2022 saw the launch of Google's 'Let's Internet Better' campaign targeted at Gen Z who are digitally native.
The campaign aims to help internet users critically evaluate the truthfulness of information they find in online searches. A series of videos on YouTube and TikTok highlights the range of tools and tips offered by Google to make it easier to avoid fake news.



Private mode for period tracker app

In September 2022, women's health app Flo announced the launch of Anonymous Mode, an effort to further protect sensitive reproductive health information following the US Supreme Court's decision to overturn Roe v. Wade. With this mode activated, users can access the app and its features while preventing their name, email address and technical identifiers from being associated with their health data.

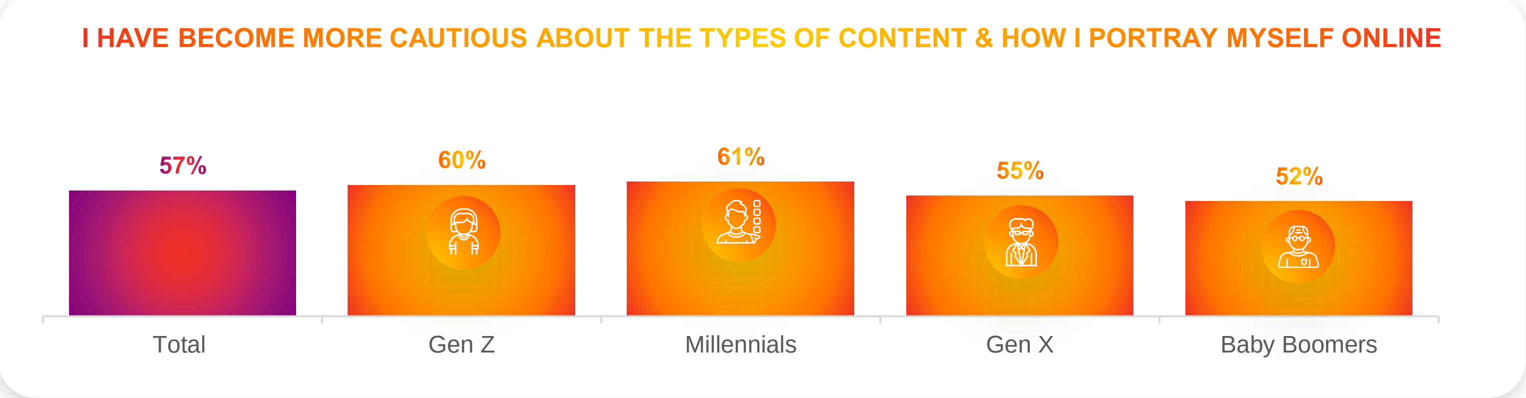
Source: Foresight Factory | Base: 611-3885 online respondents per country aged 16-64, [Indonesia 16-54], 2022 March

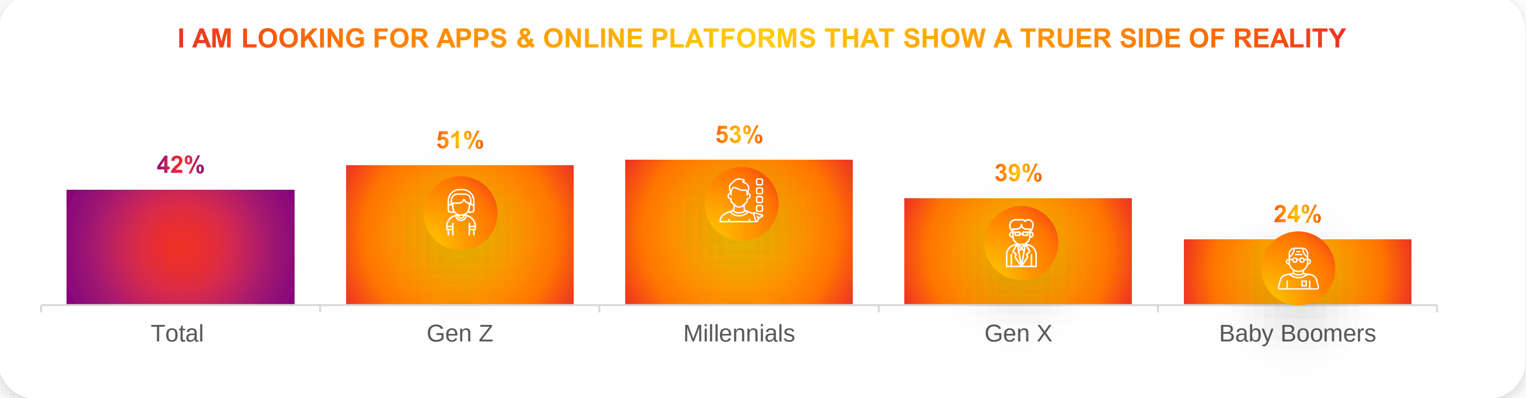
Personal image is a growing consideration online with a desire for more authentic content and apps

PERSONAL IMAGE

68%

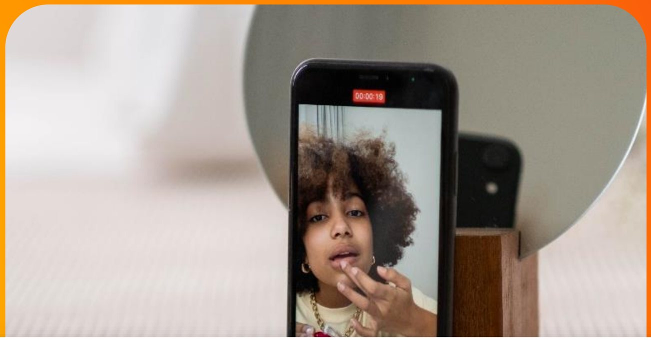
Of global consumers say they like it when companies use real customers in their advertising





Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022; Foresight Factory | Base: 9012 online respondents aged 16-64, Global Average, 2022 January

How to support consumers around technology



Consider the functional value of new technology for consumers.	Clearly highlight any value to the consumer journey or experience from sharing their information.	Be aware of the unique attributes of each social channel and adapt accordingly.
Education is key to encouraging usage, and demonstrating utility to help build understanding.	Give customers simple tips on how to maintain data hygiene – focus on the benefit.	Put users in control of their social media experience, allowing them to personalise the experience.
Gain visibility in new digital channels to access new audiences, ensuring consumers feel comfortable.	Consider giving rewards or benefits to consumers in return for their data.	Let creators and brand advocates do the promoting in their own authentic tone.

Stay at the forefront of data privacy and security, empowering consumers with more information and giving them more control

Three Key takeaways of 2023: Shifting Privacy Signals

01

Ensure you include new cookieless solutions in your test & learn agendas in 2023 to continue to prepare for the evolution of signals.

02

Embrace Omni solutions and clean rooms to leverage durable signals for planning, activation and measurement.

03

Monitor regulatory and technological evolutions to stay ahead of the advances of privacy changes impacting the digital ecosystem.

Responding Rapidly 22-23

The transformation of signals will continue to drive significant changes across digital marketing far beyond 2023. As cookies and mobile IDs continue to crumble, inventory monetisation is directly impacted for publishers. Authenticated and addressable inventory costs are trending higher, while untrackable inventory (such as Safari or iOS site visits) is becoming cheaper. This opens up new opportunities for advertisers to reach broad audiences more efficiently.

Neutral clean rooms remain in their infancy in much of the world but have been tipped to become one of the leading data management solutions moving forwards, and we'll likely see clean rooms feature more and more in the adtech stack of advertisers. Omnicom is a proud advocate of clean room capability and an early adopter, being the first group to launch a global partnership with InfoSum to empower our clients with the necessary tools to effectively leverage first-party data assets.

07

SUSTAINABILITY

Say , Do Dilemma

SAY DO DILEMMA
Sustainability

- There is a gap between what people say and what they do, particularly true when it comes to sustainable behaviours, with convenience and price still trumping in purchase decisions.
- Many businesses have also begun to focus on sustainability in their communications, but many don’t transmit this claimed belief into their other business practices.
- This creates a paradox between what brands say and do, much like with consumers.
- This phenomenon has been noticed and named ‘greenwashing’. It is turning consumers off brands and their sustainability communications.

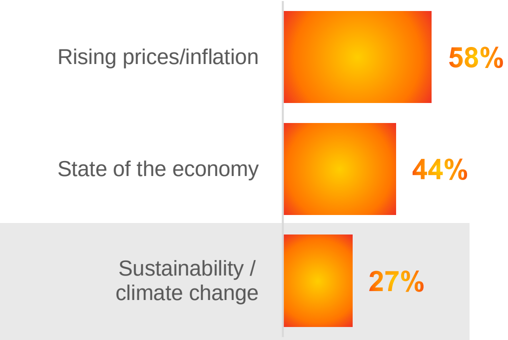
Sustainability has grown in importance – yet, over half of consumers don’t believe claims from brands

Sustainability has been covered more in the media and has increasingly become a central focus for brands and consumers

As environmentalism and sustainability gain traction, consumer knowledge has grown over the last few years. There are now more knowledge levels to address, complicating messaging for brands. Another tension at play challenges what people expect from brands, products and themselves, as their sustainability values grow and their disposable income decreases.

Sustainability / climate change ranks third as the top concern for consumers over the next year

MOST CONCERNED ABOUT IN THE NEXT 12 MONTHS



20% 24% 26% 28% 38%

61%

OVER THE LAST 2 YEARS, MY KNOWLEDGE AND UNDERSTANDING OF SUSTAINABILITY AND ENVIRONMENTAL ISSUES HAS IMPROVED

57% 61% 59% 59% 67%

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

Disruptions to media & brand implications

Disruption to Media

- Increased pressure on digital-first companies is forcing media brands to reflect on their own sustainability values. Better understanding of the impact of digital leads to additional scrutiny of supply chains, office buildings and behaviours, as well as more efficient data centres and server storage, etc.
- Consumers increasingly expect media with environmental filtering to help them achieve personal sustainability goals. ‘Green production filters’ or carbon ratings will be increasingly common across media and social platforms.
- Increased guidance will help shape how climate change is depicted in media, with media giants becoming key educators through cultural content.

Disruption because of the cost-of-living

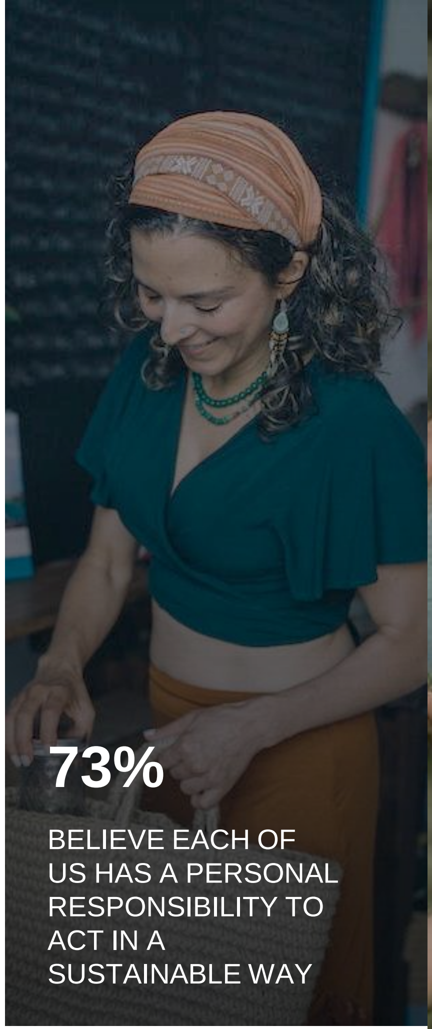
- Typically in times of economic recession, sustainable principles are de-prioritised in favour of price. However, due to extreme weather experienced throughout the world by consumers in 2022, sustainability will likely remain prioritised however consumers will not be willing to pay sustainability premiums. Brands will face increased pressure to deliver sustainable products and services at no increased cost to the consumer.
- Sustainable behaviours which also have economic benefits, such as purchasing second hand, reselling, repairing and upcycling, will be energised as the result of the cost of living crisis.

Consumers are trying to live more sustainably and are seeking out brands who are aligned to their values

61% I TRY HARD TO LIVE SUSTAINABLY AND REDUCE MY CARBON FOOTPRINT

56% I AM MORE LIKELY TO BUY FROM BRANDS THAT ARE ETHICAL AND CARE ABOUT THE ENVIRONMENT

36% I RESEARCH THE SUPPLY CHAIN AND PRODUCTION OF PRODUCTS BEFORE I BUY THEM



73%

BELIEVE EACH OF US HAS A PERSONAL RESPONSIBILITY TO ACT IN A SUSTAINABLE WAY

67%

BELIEVE BRANDS SHOULD PLAY AN ACTIVE ROLE IN SOLVING WORLD ISSUES

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

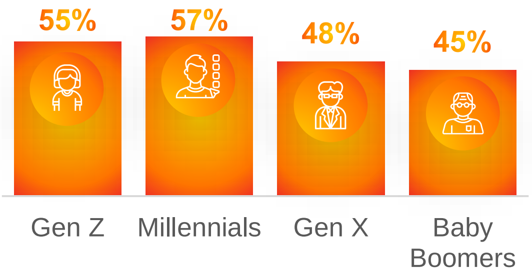
There is a paradox between what people say is important to them versus the sustainability actions they take

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

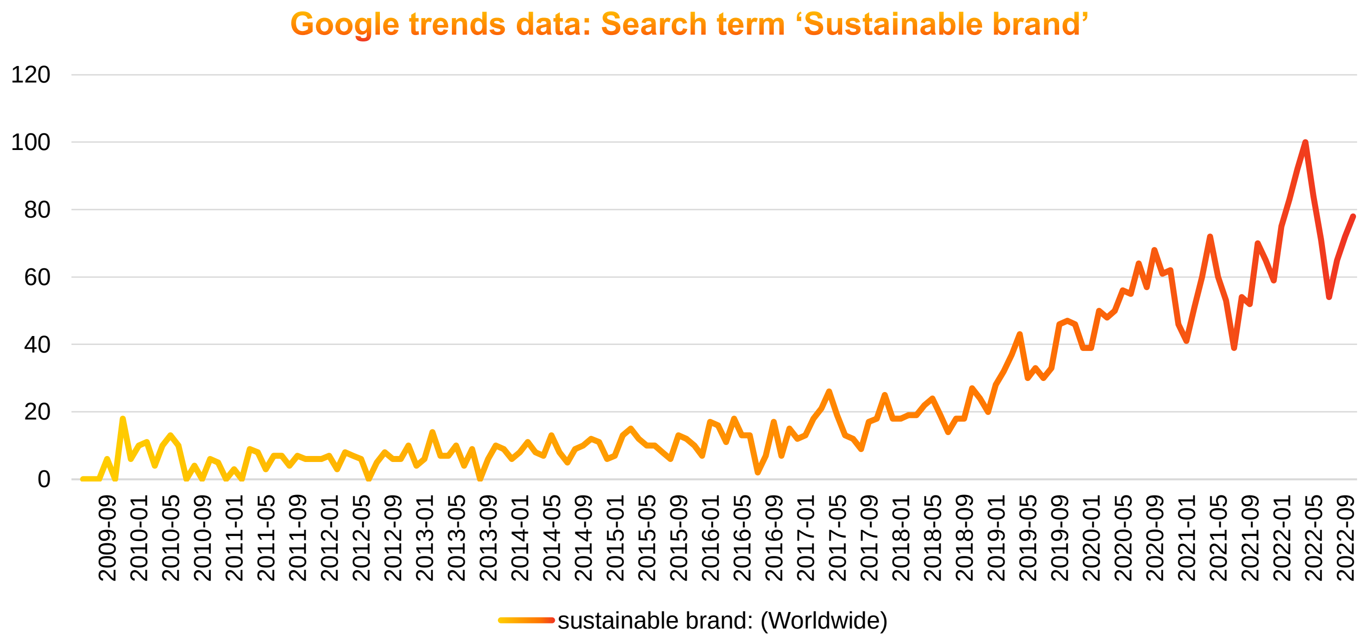
What consumers expect from brands has radically evolved, with sustainability playing an important role in decision-making and brand choice

51%

SUSTAINABILITY IS A IMPORTANT CONSIDERATION FOR ME WHEN BUYING NEW PRODUCTS AND BRANDS



CONSUMERS ARE INCREASINGLY TURNING TO SEARCH TO DISCOVER, RESEARCH AND COMPARE SUSTAINABLE BRANDS

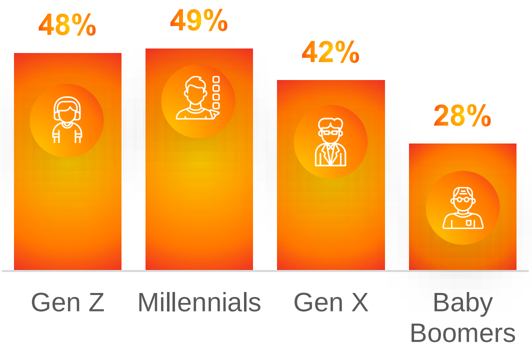


Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

However, rising prices will see further changes in what consumers do in terms of sustainable action

42%

I AM LESS LIKELY TO BUY ENVIRONMENTALLY FRIENDLY/ SUSTAINABLE PRODUCTS IN TIMES OF FINANCIAL UNCERTAINTY



WITH SOME CUTTING BACK ON PURCHASING HIGHER COST ENVIRONMENTAL PRODUCTS, WHILE OTHERS ARE BECOMING MORE SUSTAINABLY SAVVY TO REDUCE COSTS

% Doing More

63%

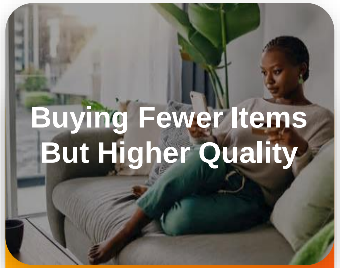
53%

48%

44%

40%

32%



32%

26%

Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

While cost is seen as the main barrier to sustainable action, other key challenges surround availability, mistrust of brand environmental claims and a lack of consumer understanding

TOP 5 BARRIERS TO MAKING MORE SUSTAINABLE CHOICES

ITS EXPENSIVE

49%

LACK OF AVAILABILITY

26%

HARD TO CHANGE BEHAVIOURS

26%

DO NOT TRUST BRAND SUSTAINABILITY CLAIMS

20%

IT'S COMPLICATED / LACK OF UNDERSTANDING

18%

Source: Foresight Factory

We have identified three emerging trends around sustainability

Green washing

People believe they need to personal act in a sustainable way, and want brands to support their environmentalism and sustainability ambitions at scale.

However, as consumer knowledge has increased, there is growing scepticism around brand sustainability, with one in five consumers currently mistrusting claims or misunderstanding labels.

This mistrust in what brands claim versus what they actual do has been coined ‘greenwashing’. A term that is growing in awareness and engagement. Consumers are starting to hold brands more accountable for this misleading information.

There are many ways brands can support people’s sustainability ambitions – some as simple as offering more affordable and easy ways they can act.

Sustainability x Status

Sustainability has increasingly being valued by consumers over the years. However, the cost of living crisis has limited the number of people who are choosing to buy sustainably mainly because of its high price tag.

The aspirational values and higher price point of sustainable products have started to be seen as status symbol for both brands and consumers. With the increase focus on environmentalism in addition to the rise in extreme global weather, sustainability will continue to be prioritised by consumers, with a growing demand for mass market solutions.

We expect to see increased consumer demand for brands to shoulder the financial burden, as well as to support smaller personal changes that make bigger impacts, such as easier repairs to extend the life of products or prioritising second-hand marketplaces.

Sustainability Paradox & New Media

There is a hidden environmental cost with digital media. The energy consumption required to facilitate the data centres or technological advances, such as the metaverse, are staggering.

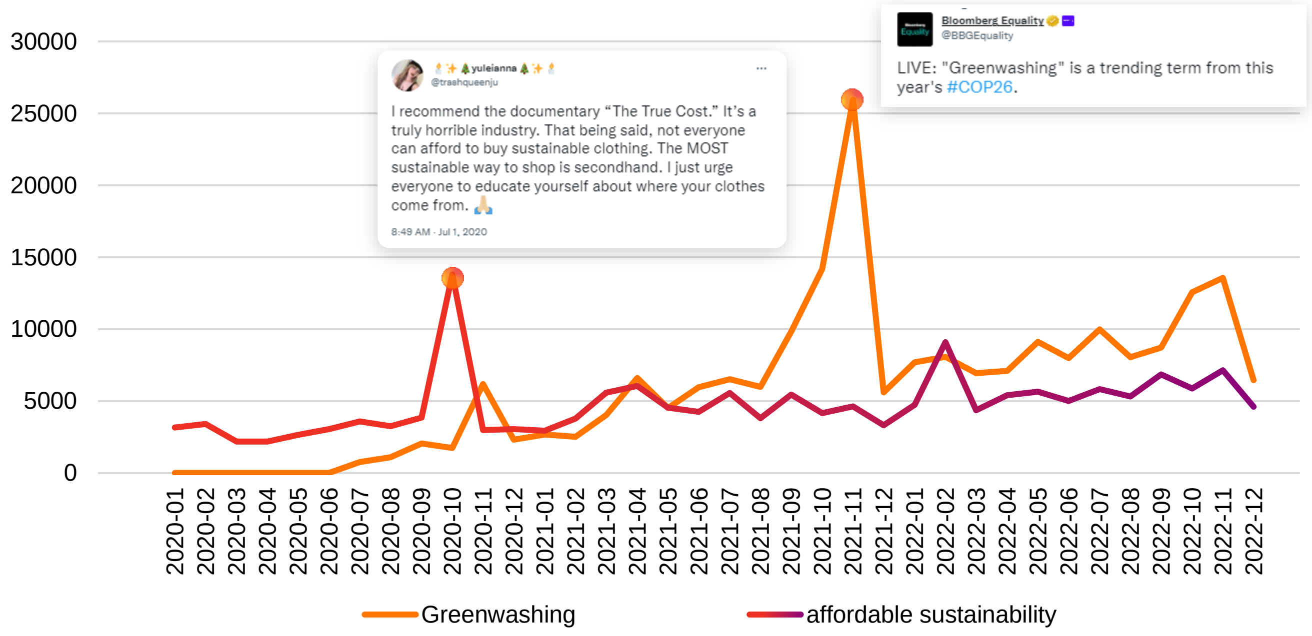
But even today the energy consumed by data centres, streaming and other digitised consumption isn’t being fully addressed and it has huge implications for the world ahead. For example, the internet is responsible for emissions equivalent to Germany every year, and is more polluting than the civil aviation sector.

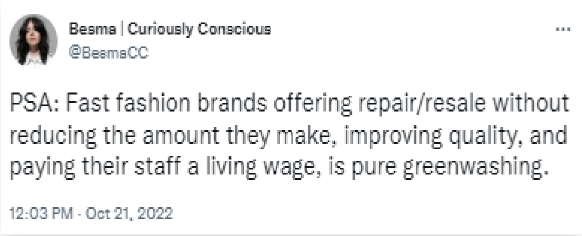
Although nascent, consumer awareness of carbon footprints and resource issues around digital alternatives are growing. There is rising interest from consumers to easily compare and understand the environmental impact of the whole production cycle of different products and services.

What people are saying and engaging with online?

Greenwashing has steadily been gaining prevalence since June 2020, with people and media sharing their thoughts on the subject – mainly in relation to brands. We are also seeing an increase in tags such as #TacklingPoverty and #CostOfLiving being used in recent sustainability conversations as a result of the cost of living crisis, emphasising the say do dilemma many are experiencing.

AFFORDABLE SUSTAINABILITY OUTDATES GREENWASHING, DESPITE GREENWASHING OVERTAKING MENTIONS IN APRIL 2021. BOTH FOLLOW SIMILAR TRENDLINES.





The European Commission and the National Consumer Authorities found that 42% of environmental claims are exaggerated, false or deceptive

GREENWASHING

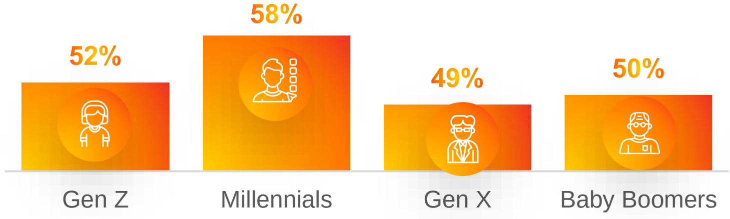
Awareness of "greenwashing" is at an all time high with

50%

of consumers questioning brand environmental claims

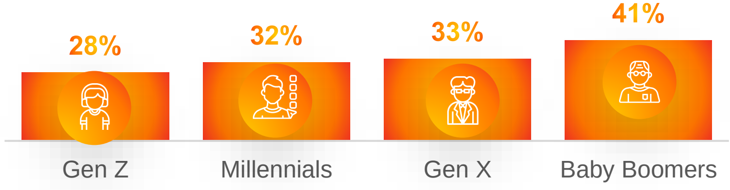
53%

I WOULD STOP BUYING FROM A BRAND IF THEY ARE UNETHICAL OR HAD A POOR REPUTATION FOR SUSTAINABILITY/ENVIRONMENTALISM



34%

I WOULD STOP BUYING FROM A BRAND IF THEY LIED ABOUT THEIR ENVIRONMENTAL POLICIES INITIATIVE



Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022; Foresight Factory | Base: 611-3885 online respondents per country aged 16-64, [Indonesia 16-54], 2022 March

GREENWASHING

What’s being done

Helping consumers shop for responsible tech

In July 2022, green fintech company Fairown announced the launch of its platform in Poland, the first step of its expansion from the Baltics and Nordics into Central Europe. Fairown’s products-as-a-service platform allows banks, brands and retailers to participate in the circular economy. Consumers can subscribe to the service to access tech products such as smartphones, which are responsibly renewed, repurposed and recycled as required throughout their lifecycle.

Ecolabelling to increase transparency for food

Foundation Earth has been established to issue front-of-packaging environmental scores on food products which are more transparent. In 2021, they launched eco-score labels developed by scientists at Oxford University, which use colour-coded tiers to show how eco-friendly a product is – with A+/green denoting the most environmentally friendly and F/red as the least. Scores are calculated using four criteria: water usage, water pollution, biodiversity and carbon.

THE IMPACT INDEX

CREATED BY FORDHAM RBC, ACCENTURE, & VOGUE

Digital sustainability identification for fashion

Vogue, the Responsible Business Coalition and Accenture have created the Impact Index – a logo designed to clearly inform consumers about the sustainability credentials of fashion products such as animal welfare, chemical usage and use of raw materials. The Impact Index launched late 2022 with a digital logo appearing on websites, where consumers can click to find out more about the environmental and ethical criteria. There are plans to expand it to physical products too.

Source: Foresight Factory | Base: 611-3885 online respondents per country aged 16-64, [Indonesia 16-54], 2022 March

Sustainability is perceived as a status symbol for brands and a sign of wealth among consumers

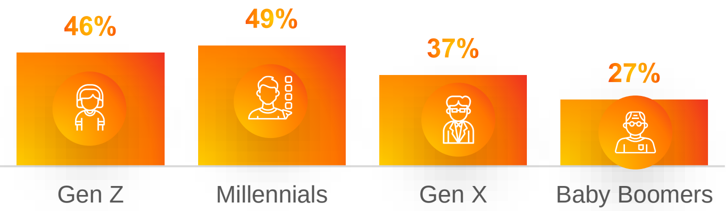
SUSTAINABILITY X STATUS

56%

of Gen Z / Millennials think sustainability is a status symbol for brands

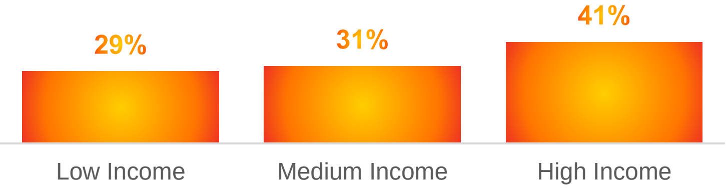
40%

I THINK SUSTAINABILITY IS A STATUS SYMBOL / SIGN OF WEALTH FOR CONSUMERS



34%

I ALWAYS CHOOSE THE MOST SUSTAINABLE OPTION, REGARDLESS OF PRICE



Source: OMD SIGNALS | Base: 2,500 online respondents aged 18-76 across Australia, United Kingdom, United States, France and Italy completed December 2022

SUSTAINABILITY X STATUS

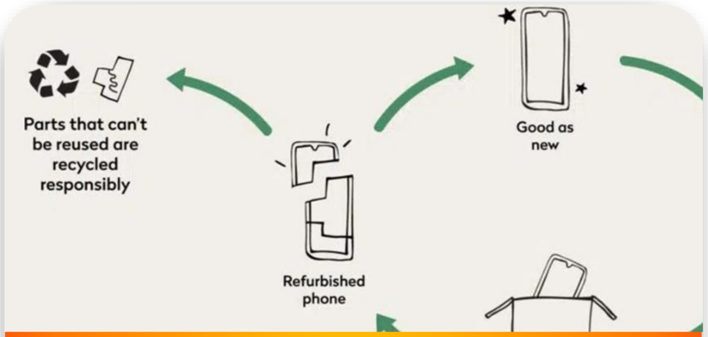
What's being done

Resale made easy

In October 2022, resale company Mökki opened its newest location in Paris. The French start-up invites shoppers to drop off at any of its storefront locations clean clothing that they no longer want. The company then categorises the items into resale, donation or recycling. The company tracks and communicates to shoppers where their items end up, as well as how much CO_2 was saved because of their donated items rather than disposing them.

Longevity lab cleans and refurbishes customer's shoes

During September 2022, Nike Town London piloted a robot-powered system that cleaned and repaired shoes in-store. Dubbed B.I.L.L. (Bot Initiated Longevity Lab), the system aims to extend the lifecycle of Nike products in order to pave the way towards a more circular future. After loading a shoe into the robot, a 3D digital model of the shoe is generated, identifying areas to clean and repair. During the trial, the service was free of charge.



Rewarding careful consumers with discounts

In June 2022, Fairphone announced the launch of the Fairphone Easy subscription programme. Consumers pay a fixed monthly subscription fee rather than buying the phone outright, covering any maintenance or upgrades needed. When a user is done with the phone, Fairphone recycles or refurbishes the phone's parts to extend its life cycle. Subscribers use their own choice of SIM card and provider. Subscribers are also rewarded with lower fees if they keep and take care of their phone over time.

Source: Foresight Factory | Base: 611-3885 online respondents per country aged 16-64, [Indonesia 16-54], 2022 March

Consumers are aware of the impact, with a growing need for new technology / media options

SUSTAINABILITY PARADOX & NEW MEDIA

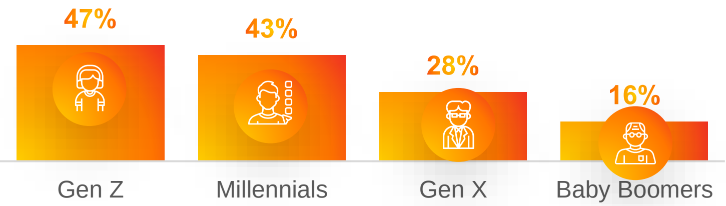
Nearly

6 in 10

Consumers are aware of the negative impact that it has upon the environment

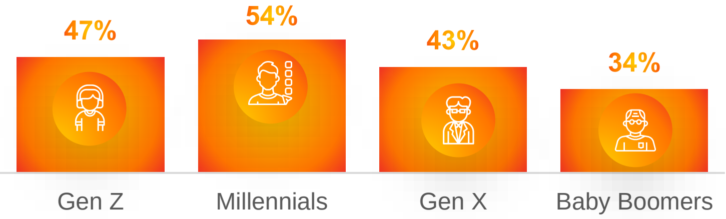
33%

EVEN THOUGH I KNOW IT'S BAD FOR THE ENVIRONMENT, I WILL ALWAYS BUY NEW FORMS OF TECHNOLOGY WITHOUT HESITATION



45%

I AM LOOKING FOR MORE SUSTAINABLE AND ENVIRONMENTALLY-FRIENDLY PLATFORMS



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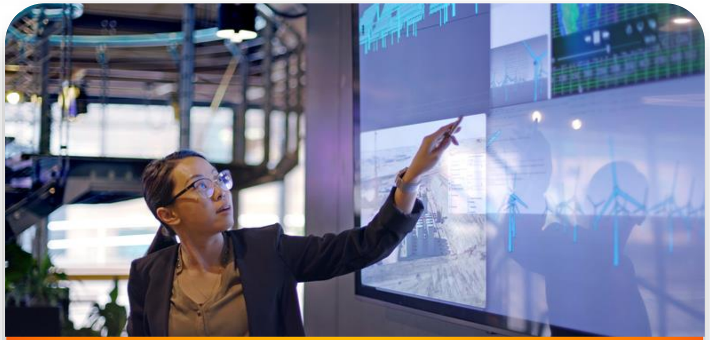
What's being done



Carbon neutral tech giant goals

Netflix aims to be carbon neutral by the end of 2022. Chief Sustainability Officer, Emma Stewart explained in a blog post that the company is on track to meet this target, primarily by decarbonising its film and TV production. For example, it cut 27,380 gallons of fuel from productions in 2021 by adding more EVs on sets and replacing some diesel generators with either mobile electric batteries or green hydrogen power units.

Energy efficient blockchain updates

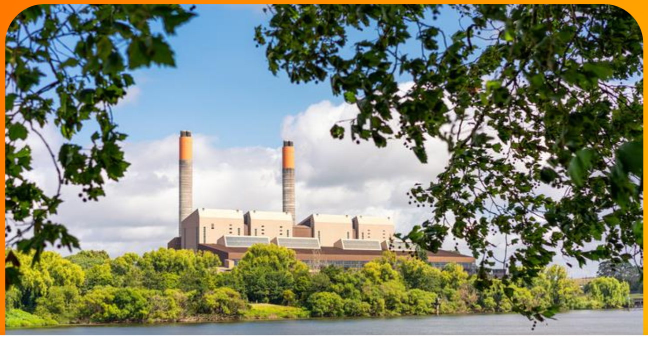
In September 2022, the Ethereum blockchain completed a massive software upgrade called the Merge, which reportedly reduced overall energy consumption by around 99.95%. Ethereum switched its core mechanism for validating blockchain changes from proof-of-work, which requires the energy-intensive mining of new blocks to add to the blockchain, to proof-of-stake, which relies on existing holdings of tokens.

Google and Apple support smartphone self-repair

Consumer electronic companies are starting to differentiate themselves from competitors with parts and self-repair options. Google has recently partnered with iFixit to make genuine parts available for Pixel 6 and Pixel 6 Pro in the US, UK, Canada, Australia and the EU. While Apple has also launched a similar self-service repair program in the US last April covering the iPhone 12, iPhone 13, and the third-generation iPhone SE.

Source: eMarketer 2022, Foresight Factory | Base: 611-3885 online respondents per country aged 16-64, [Indonesia 16-54], 2022 March

How to support consumers around sustainability



Don’t over claim and be clear about your supply chain.

Help build awareness and transparency for emissions and environmental impact.

Empower users with an ongoing care model to extend product life.

Adopt a holistic approach to sustainability that takes into account the planet, community and people.

Consider how you can support people to engage more sustainable products or behaviours.

Think about rental, recommence and resale propositions that could be adopted.

Ecolabels can provide a more evidence-based and standard approach for product comparison.

Adopt zero-waste initiatives that support the circular economy.

Stay at the forefront of innovations that decarbonise and reduce emissions.

Expand your brand's sustainability focus – taking a holistic view of its environmental impact

Devastating floods in Pakistan and heatwaves in China and Europe illustrated that climate change is becoming an ever more urgent crisis. Brands have been supporting relief efforts by donating proportions of sales and providing direct donations.

Minimising scope three emissions of media investments is a tiny part of the challenge. Ad Net Zero expanded to a global ambition in 2022, built on success in the UK in recent years.

OMD built a global channel-specific carbon emission data set into channel planning capabilities so that brands can quantify and minimise the impact of their media investment and work to become ad net zero.

This data partnership is housed under OMG's new commitment to further support our clients, under the positioning of OMG Momentum. This newly developed ambition includes new data partnerships, planning process, investment products, tools that allow data-led solutions to our clients and consultancy.

Brands are also shifting their communications imperatives. Clients in different sectors expanded sustainability focus, such as minimising production emissions, extending products' lifetime value, and empowering consumers to make more conscious choices.

OMD and Levi's won an Ad Net Zero award for work on the 'Buy Better, Wear Longer' campaign.

The campaign saw Levi's work to educate consumers on how to treat denim to enhance longevity and ultimately change their buying behaviour.

Responding Rapidly 22-23

Sustainability-driven consumers are open and willing to change their shopping habits to have a positive impact, be it on their immediate surroundings or their contribution to global causes. This could be in the form of reducing environmental impact, sustainability, supply chain, gender equality and wellness. What they are looking for is authenticity from brands and retailers.

Brand sustainability is becoming a more strategic priority, as evidenced by recent OMD Attention research with Snap Inc, which illustrates that brand purpose ads gain significantly more attention, especially from younger audiences. A clear position on how the brand can positively contribute to environmental, social, and governance (ESG) challenges is required and should be deeply connected to annual ad campaign planning.

What's Next?

Customise it

Start a conversation

Look out for the summary presentation

Enter a Signals entry in April

Reach out to the Signals team

About OMD

No1

#1 NETWORK QUALITY & PERFORMANCE
RECMA Agency Diagnostics 2022

#1 NEW BUSINESS
RECMA Compitches 2021

#1 EFFECTIVENESS
Most Effective Media Network, Effie Effectiveness Index 2021

#1 DIGITAL & COMMERCE
Global Digital Billings COMvergence 2021

#1 GLOBAL DATA CAPABILITIES
Market Leader Forrester Media Wave 2022

#1 CREATIVITY
Cannes Lions Media Network of the Year 2022

#1 GLOBAL BILLINGS
Global Billings COMvergence 2021

INNOVATION & FUTURES

SYSTEMATIC INNOVATION

STRATEGY & ACTIVATION
Full funnel audience strategy & activation

ATTENTION
Shift from to consumer engagement brand visibility

TECH & TOOL AGNOSTIC

100% TRANSPARENT

120 MARKETS

+1Bn CONSUMER IDS

Design

omni

PLATFORM

ESG

OMD FUTURE SIGNALS

OMD FUTURES

Rapid Response

2.0 People Engagement Network

ACCELERATE @OMG inc. DE&I Development

SUSTAINABLE SUPPLIER INDEX

CARBON CALCULATOR

DIVERSE CREATORS NETWORK

AD NET ZERO

CLIENTS

L'ORÉAL

BRITISH AIRWAYS

The Clorox Company

WELLS FARGO

Canva

Disney

StateFarm

SONY PICTURES

THE HOME DEPOT

PEPSICO

SCALE WHERE IT MATTERS

100%
Owned and operated offshore model

13,000
Experts

7,000
Digital Experts

60+
Inhouse Collaboration Models

120
Markets

OMD | Signals

ANNUAL REPORT

2023