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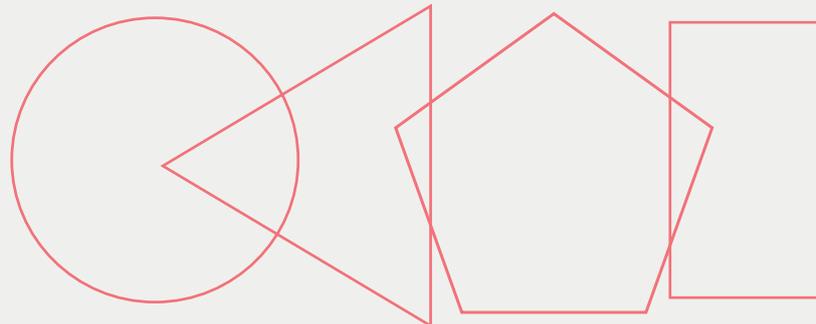
Capital City Media

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Forward Look

April 2020



“Events my dear boy, events”

Prediction is a tortuously difficult thing. Who would have thought I would write this from lockdown at my dinner table in south London?

It's hard not to feel immediately glib in times like this, and honestly I have never had to write anything quite like it. But the turnaround in global events between my last column and this has been simply breathtaking.

And without wishing to be hackneyed, this moment in time seems appropriate to quote a former Prime Minister, Harold Macmillan. Asked one day by a journalist what could possibly derail his government, he replied, “events my dear boy, events.”

I won't bore you with a rundown of what has happened in the last few weeks, you already know. Responding to those events quickly and intelligently is what sets the tone, and we have seen numerous examples of this from our clients – and others – since this crisis escalated so emphatically.

What comes next is hard to judge. As per usual we have compiled dates to keep in mind for the month ahead, but I must offer caution as we all now know these events are very much subject to change at present.

Notably, the new overdraft rules for consumer banking are due to come into force on the 6th April, but are now in significant doubt as banks make emergency changes to their credit arrangements to help households dealing with the crisis.

Perhaps the most explosive of statistical releases in decades, the UK employment figures are also due out on the 21st April, and inflation is due the day after. This will be some of the first government-approved intelligence on just how bad things are out there. It'll likely coincide with the government's projected peak of the outbreak too. Let us hope it is less severe than anticipated.

Mortgage Report and MRM on the airwaves

Our mortgage roundtable report is now ready and published [on our website here](#). In it you will find an all-encompassing review on what the next decade holds for the mortgage market from a panel of experts. If you would like to discuss its content, any possible future events you'd like to be a part of, or ideas for other topics, please do get in touch.

Unfortunately we're unable to run our typical 10 Minutes With events, for understandable reasons, but we are adapting. We've already heard from behavioural finance guru Neil Bage, and the excellent and insightful David Butcher last week, who runs his own marketing and PR firm. A homeworking expert, he was able to share some insights with us about how to get the most out of working from your own abode. We are always open to ideas for digital meetups or sessions so please do get in touch.

Finally, I'm still making regular radio appearances in talkRADIO. Albeit with some of the most serious stories I've ever covered.

Stay safe and all the best from MRM and Capital City Media.



Edmund Greaves
News & Content Consultant at MRM

Goodwill will only go so far



Paul Montague-Smith
Senior Counsel - Public Affairs at MRM

Paul Montague-Smith - Senior Counsel - Public Affairs at MRM – looks at the grave implications of the coronavirus crisis for the public and government alike

Four weeks ago we were looking ahead to a Budget that was going to signal the direction of travel for Boris Johnson's new government. Today we're amidst the biggest peacetime crisis people living today can remember, with severe restrictions on businesses and individuals, and unprecedented emergency peacetime powers rushed through Parliament.

The economy and markets have had a battering, leading to a huge government package to support businesses and individuals, blowing apart any plans for the public finances. The Conservative government is standing behind, or effectively nationalising, large parts of our economy to protect capacity for when we eventually emerge on the other side. Given the last few weeks, trying to predict what might happen over the next month seems like an exercise in futility.

So far the public is supporting the government. They've been willing to cut it significant slack on things that haven't gone smoothly, recognising the huge challenge this crisis poses. Honesty on the part of ministers about shortcomings and what still needs to be done has helped. But as we enter the period where the impact of the crisis will be seen and felt most, sentiment could quickly change. If doctors and nurses start dying from a lack of suitable protective equipment, if vulnerable people can't get the food and medicines they need, and if support for self-employed people isn't swift and effective and they can't support their families, the government will quickly come under widespread attack.

It's not just the government's reputation on the line though. Insurance companies, banks, utility companies and local councils will all be under the spotlight as the effects of this crisis start to properly bite. Some banks are already under pressure for demanding personal collateral for the government-backed SME loans they've been asked to offer.

Chances are we're going to see disruption for the next 12-18 months. Hopefully the 3-week lockdown will be shown to help flatten the curve. But unless its impact is dramatic, we should expect it to be extended. When the restrictions are lifted the number of cases will be seen to start to rise again, particularly as testing is ramped up. While the NHS will have more capacity by then, further lockdowns will probably become necessary to protect lives.

Despite the government's very significant efforts the upshot will be big rises in unemployment, insolvencies and bankruptcies and a collapse in already limited investment. The impact will be felt for years to come. Other likely outcomes include an extension to the Brexit negotiations (despite what the PM has said), even more of focus on public services in the years ahead, and tax rises to pay for the huge debts we are accumulating.

And there we were thinking Brexit posed challenges. Hopefully, in forcing us apart this crisis will ultimately bring us closer together and value each other more. If you're able to and haven't already, please consider registering as a volunteer to help the 1.5m vulnerable people who have been asked to shield themselves for 12 weeks here: <https://www.goodsamapp.org/NHS>

Keep well. Stay at home. Protect the NHS. Save lives.

No time for an advertising lockdown



Mike Richards
Director of Capital City Media

Advertising is important in times of crisis and with that making sure it is seen in trusted environments.

Customers are almost expecting their chosen brands to step up - not only in advertising, but also giving money or donating supplies.

Boris Johnson's restrictions announcement, given on 23rd March, was watched by 27 million adults in the UK. To put that into a 'ratings war' perspective, this is double what you'd expect for the finals of Strictly Come Dancing or X-Factor. Boris Johnson more popular than Simon Cowell and Craig Revel Horwood, perhaps?

Dow Jones (publishers of the Wall Street Journal, Marketwatch and Barrons) commissioned research during the last recession showing that the 600 B2B companies who advertised during the period demonstrated 256% year-on-year web traffic growth four years later. The research highlights that an increase in share of voice invariably leads to an increase in market share.

In our current crisis, news sites are where people are increasingly gravitating towards. This is at the expense of social media. For instance, the WSJ's traffic was up 142% week on week. The FT have also added 25,000 new subscribers in 2020 and the traffic on ft.com shows rises every day since the virus took hold.

In this country, research company IPSOS has produced information on people's new enforced behaviours. It would suggest brands need to think how they can be supportive in light of this new reality, without appearing like a crisis profiteer.

Brands should present themselves as a source of truth and positive impact. The brands that respond well will be rewarded with more committed and loyal fan bases.

Time Inc, another major publisher of magazines and websites, has also procured information for advertisers about its readers. Only 4% of Time Inc's sales come through travel outlets (think WH Smiths in the airport) and, because the post is still working, subscribers to magazines like Country Life, The Field and Ideal Home will still be receiving their copies. Other outlets are open too - garages, grocers etc.

The demise of print media has long been predicted, but this crisis helps kick against that trend. Subscriptions for magazines are increasing.

Year-on-year they are double with the most popular titles being Woman & Home, Woman's Weekly (famed for its knitting and proud to say I've had ads in that, although not for any asset management clients), Country Life and TV Times. Many of these are presents for Mother's Day but the same uplift is expected for Easter.

In short then, should advertising be in lockdown? No. Although, to paraphrase Mandy Rice-Davies, I would say that, wouldn't I?

Rather than self-isolate, get your Grandma a sub to Trout & Salmon magazine - you know it makes sense.



Dates for your diary...

KEY

- Economy, Insurance & Investing
- Mortgages & Housing
- Public Policy & Regulation
- Pensions & Benefits
- Other

01/04/20 Digital Services Tax is introduced

01/04/20 National Living Wage and National Minimum Wage rises take effect

01/04/20 New UK company tax year

01/04/20 Energy price cap levels update comes into effect

01/04/20 Shop Price Index (British Retail Consortium)

01/04/20 Estimated effect of the budget on consumer price inflation: Spring 2020 (ONS)

02/04/20 British Chambers of Commerce Economic Survey

06/04/20 Start of new tax year 2020-21

06/04/20 New overdraft rules come into force

06/04/20 Business Finance Review (UK Finance)

07/04/20 Halifax House Price Index

07/04/20 UK productivity statistics (ONS)



Dates for your diary...

09/04/20 Corporate Adviser Awards - provider categories entry deadline

09/04/20 Monthly GDP estimates (ONS)

09/04/20 NIESR Monthly GDP Tracker

10/04/20 Long term interest rates statistics (ECB)

14/04/20 UK Regional PMI

14/04/20 Halifax House Price Index: UK Regional Breakdown

15/04/20 Visa's UK Consumer Spending Index

15/04/20 Forecasts for the UK economy statistical release (HM Treasury)

15/04/20 Card Spending statistics (UK Finance)

16/04/20 Barclaycard Consumer Spending Data monthly figures

16/04/20 Bank of England Credit Conditions Survey

KEY

Economy, Insurance & Investing

Mortgages & Housing

Public Policy & Regulation

Pensions & Benefits

Other



Dates for your diary...

16/04/20 Economic Review (ONS)

16/04/20 ONS Economic Forum

17/04/20 Investment Life & Pensions Moneyfacts Awards voting deadline

17/04/20 UK government debt and deficit (ONS)

20/04/20 Markit Household Finances Index

21/04/20 BP Energy Outlook launch

21/04/20 UK monthly unemployment figures (ONS)

21/04/20 Earnings and Employment Statistics from Pay As You Earn

22/04/20 UK monthly inflation figures (ONS)

22/04/20 UK House Price Index (ONS)

22/04/20 Deloitte Consumer Tracker

23/04/20 Asset Management Awards (MoneyAge - virtual event)

KEY

Economy, Insurance & Investing

Mortgages & Housing

Public Policy & Regulation

Pensions & Benefits

Other



Dates for your diary...

23/04/20 WealthBriefing European Awards

23/04/20 UK monthly retail sales figures (ONS)

23/04/20 Public sector finances (ONS)

23/04/20 Zoopla UK Cities House Price Index

24/04/20 Investment Week Women in Investment Awards nomination deadline

26/04/20 CBI Growth Indicator Survey

28/04/20 Profitability of UK companies (ONS)

28/04/20 Help to Buy: Mortgage Guarantee and ISA statistics (HM Treasury)

28/04/20 Flexible Payments from Pensions (HM Revenue & Customs)

28/04/20 Individual Savings Accounts (ISAs) statistics (HM Revenue & Customs)

29/04/20 Nationwide House Price Index

KEY

Economy, Insurance & Investing

Mortgages & Housing

Public Policy & Regulation

Pensions & Benefits

Other



Dates for your diary...

30/03/20 ECB interest rate announcement

30/03/20 Personal and economic well-being in the UK: April 2020 (ONS)

30/03/20 UK Consumer Confidence Survey (GfK)

30/03/20 EU reveals latest growth figures

30/03/20 Lloyds Bank Business Barometer

30/03/20 Public Spending Statistics - April Update (HM Treasury)

30/03/20 International Investment London Forum

KEY

Economy, Insurance & Investing

Mortgages & Housing

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