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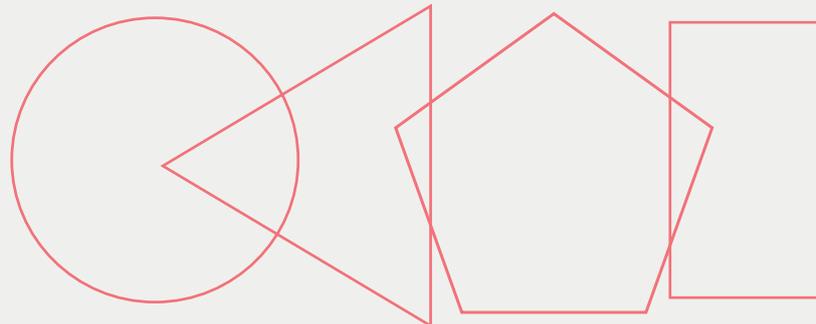
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# Forward Look

May 2020

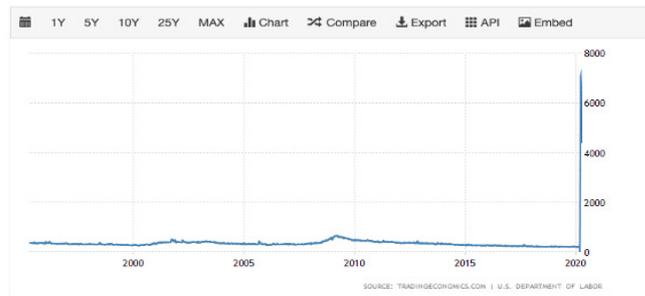


# Normal? It's time to redefine it

Anyone looking for a return to 'normal' won't find it any time soon. Let's think about what what is to come with positive intent. While the consensus is patchy at the moment, most acknowledge that the world we are waking up to now will most likely never go back precisely to the way it was before.

Social distancing and movement restrictions look here to stay. Although at the time of writing the whisperings are that many businesses are looking to get back into the swing of things, the way this will function appears evidently to be changing.

So how do we accept and adjust to the new normal? For many of us moving to working from home en masse was like ripping off a plaster – it hurt. But for those of us fortunate enough to work in industries such as financial services where many jobs, although often a trial to get going, can be done remotely. We have adapted. But now the realisation that there will be no return to day dot per se. Companies will be returning partial workforces to offices. Some may even question, if they are able to function at more or less normal, whether they really need an office at all, or at least a smaller premises.



And it's not just working patterns that have been altered. Many of the events and data that we as an industry rely on have been skewed unfathomably by this crisis. I note in particular the example of the weekly US jobless figures which so surprised us all. So extreme was the increase in unemployed the figure looked

like a statistical aberration (see the graph above). Fortunately however the reporting of such figures hasn't faltered in timing. We did notice the ONS has started reporting its number much earlier in the day, but this has indeed proved to be useful for those quick off the mark in reacting.

As for what is coming in May, it is again somewhat caveated as changing scenarios unfold. We expect the government to review the lockdown on or around 7 May, with a fresh interest rate decision from the Bank of England on the same day. In the middle of the month on 13 May we have the first set of ONS UK GDP figures released for Q1. While this may not capture the worst of the crisis in economic terms, it will perhaps shed some light on what began to take hold as fear spread and consumers stayed home.

On 19 May the OECD publishes its economic outlook. This report from the respected organisation is likely to make for tough reading for all, and will most likely confirm some of the worst assumptions made by the OBR in April for the future of our economy. Finally, the US publishes its Q1 GDP stats on 28 May, a date which will round off a month in which we should start getting some concrete information on how bad it really is out there.

Meanwhile, MRM has continued its diligent work and will go on doing so remote or otherwise for now. April highlights included several Zoom-based pub quizzes, with some fiendish music rounds to boot, and the appointment of myself and fellow News & Content consultant Paul Thomas as co-editors of online money blog Mouthy Money, to go alongside our roles for MRM.

All the best from the team here at MRM and Capital City Media, hoping your lockdowns are going well and a smooth transition back to normal beckons, whatever that may soon be.



Edmund Greaves  
News & Content Consultant at MRM

# At least we now have effective opposition to test government policy



Paul Montague-Smith  
Senior Counsel - Public Affairs at MRM

*With the government now facing effective political opposition, hopefully the balance of power in Westminster will be restored, writes Paul Montague-Smith - Senior Counsel - Public Affairs at MRM*

The impact of the pandemic in human terms is stark. Official figures don't reflect the true loss of life. Double the number of hospital deaths and you're likely to be in the ballpark of the actual number of Covid-19 related mortalities. The economic impact of the lockdown on businesses and individuals is also enormous. The Office for Budget Responsibility estimates a 35% contraction in GDP in Q2 - 13% for 2020 as a whole - with unemployment soaring to over two million. The scale of disruption and the impact on both businesses and the public finances has led to strong differences of view at cabinet level about when to begin lifting restrictions.

Treasury hawks know that unless it is soon very many businesses will fold, not least as the government loan schemes haven't been attractive or quick enough in getting money to firms. The good news is that the recent figures suggest a plateauing of new cases. The bad news is there is, as yet, no clear way out of this mess even with Boris Johnson's return to lead.

But lifting restrictions will probably have to be done, little by little, to keep the public onside. If a third extension of the lockdown is announced, we could easily see protests and demonstrations like in the US. The government has the incredibly difficult task of balancing the range of conflicting interests – economic, social and health. As we move towards the next review of the lockdown, pressure to lift the restrictions will most likely increase. We are beginning to see stories of flipside impacts emerge. Cancer specialists, for example, say there will be more deaths from the drop-off in screening than from Covid-19.

With Keir Starmer and his refreshed shadow cabinet in place, we at least now have the prospect of an effective opposition to test government policy, hold it to account and help drive the best outcomes. Starmer is extremely bright and a details man. Having secured a majority of votes across all constituent groups in the race for the leadership, he has the mandate to try and reshape the party into a credible electoral force.

Don't expect a rush towards Blairism though. Starmer is centre left in the party, a lifelong campaigner for social justice who stood on a ticket confirming much of the party's existing policy platform. His appointment of former leader Ed Miliband (of producers vs predators fame) as shadow business secretary gives an indication of where he sits on the political spectrum.

Like the rest of us, Parliament is also having to adapt to these new times so that it can fulfil its function. MPs can now take part in questions and debates remotely. So far it's gone pretty well - unlike in the Welsh Assembly! This month we should see the implementation of remote voting so the government can get essential legislation through. In last month's note we flagged the likely long-term impact of the crisis on our politics. With Boris Johnson ascribing his survival to the NHS we're even more convinced that we're seeing a fundamental shift that will shape political discourse and priorities for decades to come.

How the government deals with the expected £260bn budget deficit resulting from the impact of coronavirus will almost certainly be different to the approach taken following the global financial crisis. Fingers crossed that when we come to look ahead to June, we can begin to talk about the path towards recovery!

# UK public can't get enough food journalism during the lockdown



Mike Richards  
Director of Capital City Media

As we end week four of the lockdown in the UK, the public's media habits - and attitudes - continue changing. Traffic on the Daily Mail website is up 28%, research from Associated Newspapers shows. Kim Kardashian is successfully surviving the crisis, then. The group owns Metro News and thisismoney.co.uk too. Both are up 40% and 20% respectively. Traffic to articles within these sites on food and cooking is up 400%.

Associated Newspaper's illuminating research panel of Middle England shows us when this crisis is over, what people are looking forward to most: 86% of 55+ adults are looking forward to seeing their family (I'm assuming not the ones they've been locked up with), the UK average is 74%. 65% are looking forward to travelling again. 43% believe travel restrictions will be lifted by September. 55% are looking forward to eating out, rising to 63% in London. 50% are looking forward to out-of-home shopping (probably got too much discarded cardboard building up). 20% are looking forward to going back to work, rising to 38% living in London aged 18-34.

Elsewhere, The Week and Money Week (both owned by Dennis Publishing and both subscription-based) have shown 30% and 40% increases in subscriptions since March 2020. The website equivalents have also seen increases in their unique users by 21% and 30% respectively. Also up are subscriptions to the Junior Week (there are only so many times one can watch Frozen 2).

On a UK financial services front, page views of FE Trustnet by professional advisers are up 66% on this period last year. Private investor traffic is up 80%. Factsheet viewing is up 90% and 94% respectively. Overall page views on FE Trustnet are up 171% for the same time last year.

The FT's adviser print and online channels, Financial Adviser and ftadviser.com, have researched part of their audience about accessing information and work habit changes. Over 90% state they can do everything they normally did or processes just take slightly longer. Advisers say they are working less than normal, but this was down to their inability to travel to see clients. Nearly 80% believe communication from their business partners (financial services companies) is very or extremely important at the moment. When asked who advisers believed were communicating well at the moment, the top companies were: Aviva, Fidelity, Prudential, Quilter, Royal London, Standard Life, True Potential.

Bear in mind though the Financial Adviser audience is very general, so life & pensions providers and platforms are likely to feature more heavily than asset managers. Adviser use of professional media is either the same as usual (41%) or higher (39%). In terms of investment interests with this readership they believe there will be more call for ESG products. Clients will become more risk averse and look closer at their portfolios, but they do believe investment is for the long-term and there are great opportunities for equity investments.

A global research company called System 1 has released data about sentiment and reaction to advertising in different countries, although not necessarily financial services. The messages which are proving more positive during this current crisis are adverts set in, or referencing the past, adverts with connections to local places and those celebrating 'betweenness'. Major advertisers perceived by the public as doing this are: Aldi, Guinness, John Lewis, M&S, Morrisons. Finally, The Institute of Practitioners in Advertising, where I attended lessons about production in 1976 and realised media was more interesting, has released research called 'Stuck at home'.

It shows how brand trust is hard to grow, but emotive adverts are more likely to succeed and cites many examples such as Nationwide, which years ago was struggling. With careful campaigns to create brand awareness and gain customer loyalty Nationwide has moved to being the number one company in its sector. Customers are unlikely to leave a brand if they believe in it. This suggests that the benefits of nurturing a trusted brand through good times and bad should never be under-estimated, even when markets are falling (or being volatile) and internal pressure for short-term decision-making is at its greatest.



# Dates for your diary...

## KEY

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

|            |   |
|------------|---|
| 01/05/2020 | RBS Q1 results  |
| 01/05/2020 | CBI Growth Indicator Survey                                   |
| 01/05/2020 | CIPS / Markit Manufacturing PMI                               |
| 01/05/2020 | Bank of England effective interest rates                      |
| 01/05/2020 | Monetary & Financial Statistics                               |
| 01/05/2020 | Ombudsman Services' Consumer Action Monitor launch this month |
| 01/05/2020 | OPEC and non-OPEC oil producing countries cut oil production  |
| 03/05/2020 | EY Profit Warnings report                                     |
| 03/05/2020 | Morningstar Investment Conference                             |
| 03/05/2020 | Belgium scheduled to review coronavirus lockdown              |
| 04/05/2020 | Deloitte CFO Survey   |
| 04/05/2020 | CBI SME Trends Survey   |



# Dates for your diary...

## KEY

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

|            |   |
|------------|---|
| 05/05/2020 | CIPS / Markit Services PMI                  |
| 05/05/2020 | EU Spring Economic Forecast                 |
| 05/05/2020 | ICAEW Business Confidence Monitor           |
| 05/05/2020 | Customer Behaviours Conference              |
| 06/05/2020 | CIPS / Markit Construction PMI              |
| 07/05/2020 | Help to Buy (equity loan scheme) statistics |
| 07/05/2020 | Bank of England Monetary Policy Report      |
| 07/05/2020 | UK interest rate decision                   |
| 07/05/2020 | Halifax House Price Index                   |
| 07/05/2020 | KPMG and REC UK Report on Jobs              |
| 07/05/2020 | UK coronavirus lockdown review              |



# Dates for your diary...

07/05/2020 News consumption in the UK statistics

07/05/2020 Overseas travel and tourism: January 2020 provisional results

07/05/2020 Bank of England's interim Financial Stability Report

08/05/2020 U.S. Employment Report

08/05/2020 GfK interim COVID-19 flash report on UK's consumer confidence

08/05/2020 VE Day 75th anniversary (UK bank holiday)

11/05/2020 UK Regional PMI

12/05/2020 Arrangements for virtual parliamentary proceedings to be lifted or extended

12/05/2020 UK overseas trade in goods statistics

13/05/2020 BRC-KPMG Retail Sales Monitor

13/05/2020 Barclaycard Consumer Spending Data monthly

13/05/2020 Monthly GDP estimates

## KEY

Economy, Insurance & Investing

Mortgages & Housing

Public Policy & Regulation

Pensions & Benefits

Other



# Dates for your diary...

13/05/2020 ONS First quarterly estimate of GDP

13/05/2020 NIESR Monthly GDP Tracker

13/05/2020 Visa's UK Consumer Spending Index

13/05/2020 Economist Intelligence Unit releases its monthly Global Forecasting Service

13/05/2020 Forbes Global 2000

14/05/2020 Mortgage Arrears and Possessions data

14/05/2020 Insurance Times Awards open for entries

14/05/2020 Pension and Investment Provider Awards (PIPA)

14/05/2020 IEA Oil Market Report

14/05/2020 ESG & Impact Investing for Pension Funds conference

15/05/2020 EU reveals latest growth figures

18/05/2020 Rightmove Monthly House Price Index

## KEY

Economy, Insurance & Investing

Mortgages & Housing

Public Policy & Regulation

Pensions & Benefits

Other



# Dates for your diary...

## KEY

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

|            |  |
|------------|--|
| 19/05/2020 | UK monthly unemployment figures                      |
| 19/05/2020 | OECD Economic Outlook                                |
| 20/05/2020 | EU flash consumer confidence indicator               |
| 20/05/2020 | UK House Price Index                                 |
| 20/05/2020 | Forbes Most Valuable Brands list                     |
| 20/05/2020 | UK monthly inflation figures                         |
| 21/05/2020 | ECB accounts of its last monetary policy discussions |
| 22/05/2020 | UK monthly retail sales figures                      |
| 25/04/20   | UK bank holiday                                      |
| 28/05/2020 | U.S. revised growth figures for Q1                   |
| 29/05/2020 | UK Consumer Confidence Survey                        |
| 29/05/2020 | Lloyds Bank Business Barometer                       |
| 31/05/2020 | CBI Growth Indicator Survey                          |
| 31/05/2020 | Free TV licences for over-75s ends                   |



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