

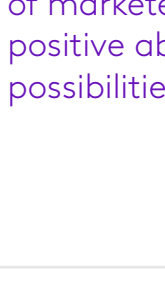
MARKETING TRENDS 2024

1 AI will find a way

According to Kantar's Media Reactions 2023, 67% of marketers feel positive about the possibilities of Gen AI. This optimism indicates a rapid and exciting adoption of the new technology. The industry is exploring opportunities to use Gen AI to create efficiencies in the way we develop and personalise creative and innovate at scale.

We have already seen marketers and agencies experiment with Gen AI by creating more visual concepts to benefit discussions, infusing new impulses into the ideation stage, as well as aiding in crafting storylines. There might even be space for synthetic media planning in our future.

In 2024, as AI brings more opportunities for scale, efficiency and creativity, there will be even more content competing for eyeballs. In this landscape, the need to understand the effectiveness of creative content will grow further, and those who use AI measurement approaches that match the pace and scale will be better prepared.



67%
of marketers feel positive about the possibilities of Gen AI.

How Kantar can help

Kantar has a suite of AI solutions including Link AI to quickly evaluate advertising content based on learnings from our databases. We continue to explore the opportunities AI and generative AI bring to shape the future of market research and brands.

2 Culture comes first

Culture comes first: marketers follow culture to connect with consumers in an accessible language of characters, fashion, music, lingo, norms and aspirations. Success comes when marketing aligns with culture, and is lost when marketing offends it.

Kantar MONITOR tracking in the U.S. finds that nearly two-thirds of people agree that they want brands that "align with" their personal values. Globally, 80% say they "make an effort" to buy from companies that support causes important to them. However, consumers don't always do what they say. This is known as the purchasing value-action gap. But purchasing is not the only way consumers express their cultural preferences.

Consumers are increasingly 'acting out' when brands fall out of alignment with culture. The futures practice of Kantar finds that this new terrain of more demanding consumers is increasingly confrontational, as higher expectations about brands come together with changing norms about conversations and disagreements. As we look ahead to 2024, confrontational risk must be embedded in marketing planning. Not at the expense of product mission, just more in sync with culture.



80%
say they "make an effort" to buy from companies that support causes important to them.

3 Brand control vs cancel culture

There is increasing publicity about brands who take an activist stance. Meanwhile, social media creates a global stage and democratises opinions, which intensifies the risk and scale of consumer backlash.

Alongside this, we have high growth formats where marketers may have less control. Influencer content is consumers' preferred online channel for advertising (Media Reactions 2023). Half of marketers globally say they invested in influencer content in 2023, and 59% say they will increase spend on influencers in 2024.

Like celebrities, influencers' actions have an impact on the brand they are working with, so they need to be given clear parameters, while remaining authentic. So is brand control waning?

If brands decide to take a stand, they need to take care not to be cancelled for being inappropriate (whether or purpose or not). Marketers will need to become more culturally connected and learn how to navigate any possible backlash to their content, or influencer content, on social media. Brands who speak out in a way that's consistent with their DNA and stand up for what they believe, can make their way into consumers' hearts, despite possible short-term controversies.



59%
of marketers globally say they are going to increase spend on influencers in 2024.

How Kantar can help

Kantar has an extensive offer to help you understand how your brand performs in different contexts.

4 Making sense of attention and emotion

The importance of Attention for both creative and media effectiveness is now becoming established among marketers, who can optimise ROI by developing ads and media plans which maximise their attention per dollar spent.

Marketers are now recognising that attention is layered, with audience measurement needs evolving beyond viewability. So it's surprising that behavioural viewing measures (like time viewed) are still the dominant attention measurement approach (62% of marketers prefer this, according to Kantar Media Reactions 2023). Marketers clearly feel these measures are an acceptable proxy for understanding how an ad has worked after launch.

But we also see a trend towards gaining a deeper understanding of the quality of consumers' creative attention, and this is where we see facial coding and eyetracking techniques are gaining prominence. These techniques seem increasingly likely to merge, as some facial coding suppliers now include a gaze measurement component.

AI-based creative and media predictions of attention are being used less than observational techniques. However, it is no surprise that the use of AI-based attention predictions is now rising. They are destined to play a greater role in 2024, allowing marketers to measure attention at scale for digital ads.

60% of marketers say attention has an important influence on media effectiveness.

66% of marketers say attention has an important influence on creative effectiveness.

How Kantar can help

Kantar holds the largest ad testing database that generates actionable insights to help you create strong ads that will increase sales impact and build brand value at speed.

5 Holistic measurements of success

Corporate metrics increasingly highlight the importance of long-term value creation, inclusivity, positive community, and environmental impact.

According to the WFA and Kantar's Sustainable Marketing 2030 report, the presence of sustainability metrics on marketing dashboards has surged. In 2023, 42% of companies incorporate these metrics, compared to just 26% in 2021. Where companies are further advanced in it translating their sustainability agenda into their marketing function, the number rises to 62%. When integrating sustainability into P&L incentives, this adoption drops (44% advanced, 10% starters).

In 2024, we see a shift towards sustainable innovation, inclusive communication, and strategic PR to foster trust. It involves balancing long-term brand development with product marketing and short-term metrics. Consumers increasingly seek companies that contribute to environmental and social solutions, as reflected in the 31% growth of Kantar BrandZ top-rated Sustainability brands in 2021-compared to 23% for the top 100 brands. So balancing profit, planet, and people need not be a compromise, but can be a valid business strategy.

26% of companies that incorporate sustainability metrics in their marketing dashboard

42% of companies that incorporate sustainability metrics in their marketing dashboard

How Kantar can help

We work with organisations across their spectrum of sustainability challenges through: strategic framing, sustainable innovation, measuring impact and engaging activation, to help them meaningfully define and powerfully activate a sustainability strategy for their brands.

6 Radical innovation to boost sustainable brand growth

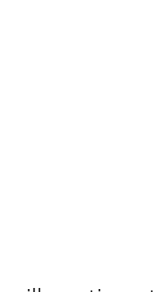
Brands perceived as innovative afford 3x more growth than brands that aren't, according to Kantar's BrandZ 2023 data.

So why do we see such low levels of innovation in post-Covid times? In the UK, new launches are at their lowest for a decade, according to Kantar's Worldpanel division. The innovation we are seeing is, at best, just small renovations (Europanel B202, 2023).

The good news is marketers recognise the need to step up to do more in innovation, in particular sustainable innovation. Over half of marketers (57%) agree that they need to innovate for competitive advantage in this space (Kantar Sustainable Marketing 2030).

At the Kantar Outstanding Innovation Awards 2023, we identified five characteristics in common in brands that achieved a competitive advantage through innovation: they are consumer-centric; they build their innovations from strong brand foundations; they shape the future of their category, and are typically ahead on sustainability. They do this by being brave and via testing and learning.

Innovation, particularly radical innovation, should and will be a strong trend in 2024 for brands who want to find the best path to incremental growth.



Brands perceived as innovative afford **3x** more growth than brands that aren't.

How Kantar can help

Kantar can help you discover why brands choose insights from Kantar Marketplace to bring new products and solutions to market faster. Accelerate consumer feedback and benefit from proven method with purpose-built innovation testing solutions.

7 Challenger brands break through

The CPG industry has experienced a shift in recent years, with small explorer and challenger brands outpacing many large legacy brands. Kantar Worldpanel 2023 data shows that brands with less than 10% penetration are gaining ground globally. Kantar Brand Footprint 2023 shows that 1 in 2 shoppers prefer, whenever possible, to buy from smaller companies rather than large global brands.

Micro brands are driving disproportionate CPG growth as they seek to challenge established concepts, ideas, consumer needs, and minds. For large CPG brands to win, they must build marketing capabilities across six critical areas including: agility and speed to market, consumer-centric approach, innovation and disruption, data-driven decision-making, direct-to-consumer expertise along with storytelling that focuses on meaningful difference.

In 2024, challenger brands will continue to have success globally by focusing on three areas:

- Niche markets and unique products.
- Embracing social platforms and influencers to grow.
- Leading with purpose and sustainability innovations.

1 in 2 shoppers prefer, whenever possible, rather than large global brands.

8 The rise of premiumisation

How should brands respond to inflation hitting consumers' pockets and own label products gaining share? The approaches include price promotion, shrinkflation and discounting. Kantar's Brand Footprint study documents the shift in consumer buying habits due to global inflation and the cost-of-living crisis, with households increasingly switching to private labels (+6.3%), cheaper retailers (+10.2%) and smaller, more local brands.

Great Value	Margin Opportunity	Justified Premium
Value	Average	High Priced
Commoditised	Margin Risk	Over-priced

However, 2024 will also see more sophisticated price management, such as partitioning the "messy middle" of a brand's customer journey. Answering three fundamental questions will help.

Top brands are increasing their pricing power: in the 2023 Kantar BrandZ rankings, 52% of brands achieved top tier in our strategic pricing model, up from 42% in 2020. This model combines brands' relative price perception with the pricing power in their brand equity.

1. Do consumer expectations of your relative price match the reality in the market?
2. Do you have enough equity to justify your relative price?
3. Are you fortunate enough to have 'extra' equity? It's the brands in the green boxes in our model that can optimise their overall margins and extend their brand.

So successful brands are becoming more premium – and we don't expect this trend to stop in 2024, as it increases the brand portfolio's margins and maximises share across all customer segments.

9 In search of... life beyond the search bar?

As of 2023, an estimated 6.3 million Google searches happen every minute, and Kantar's Connect database shows the rising importance of online search engines as the fifth strongest touchpoint that delivers on brand impact, in comparison to 2018 when it was only 11th.

Moving on from earlier stages of keyword-based search and matching, and algorithmic ranking and relevance, search is now going through a disruption period from AI, large language models etc.

In 2024, this means that search is crucial to understand the "messy middle" of a brand's customer journey. Analysing the intent of keywords and how they are used, regardless of the digital touchpoint, is key, alongside tapping into emerging trends in the category. This is the time for brands to review their digital strategy and content to ensure that it shows up where consumers are, with authority and an intention to stay ahead of the curve.

Touchpoint brand impact rankings: online search engine

2022 #5
2021 #6
2020 #6
2019 #6
2018 #11

How Kantar can help

Kantar helps you syncing with your marketing effectiveness journey and decision needs to put you in control of your marketing ROI through a unified marketing measurement.

10 Retail gets into the ad business

Given new consumer behaviours, for many brands, retail media is now essential for engaging shoppers. It seems that nearly every week, there is a new retail media network launch. And per Kantar's recent B2B Industry Benchmarking Study, investment dollars are following: 56% of retail media professionals in North America will increase investment in the channel with 46% of global marketers saying they will increase their budget in retail media (Kantar Media Reactions 2023).

A retail media network is an advertising business that a retailer sets up to sell advertising space across the retailer's owned properties and paid media. The ability of retail media to leverage rich, first-party consumer purchase data helps to fill the void left by cookie deprecation and removing third-party identifiers.

Marketers are anxious about shifting dollars away from established channels. They want an independent, third-party source to validate "am I getting what I paid for?" in terms of audience, delivery, etc. For sellers, retail media networks unlock an additional source of revenue in uncertain economic times.

Looking forward to 2024, buyers and sellers need media-agnostic, independent measurement to support proof of channel performance and to create better advertising experiences. Third-party measurement will play a key part in the development of retail media.

56% of retail media professionals in the U.S. and Canada will invest more in retail media in the future.

How Kantar can help

At Kantar, we bring together expertise across retail, media and brand, to help companies navigate opportunities and maximise your ROI with Retail Media Networks.

About Kantar

Kantar is the world's leading marketing data and analytics business and an indispensable brand partner to the world's top companies, including 96 of the world's 100 biggest advertisers. We combine the most meaningful attitudinal and behavioural data with deep expertise and technology platforms to track how people think and act. We help clients develop the marketing strategies that shape their future and deliver sustainable growth.

Authors and collaborators: Gonca Bubani, Kerry Benson, Winnie Cheng, Carol Horsley, Jed Meyer, Nicki Morley, Cristina Norega, Jane Ostler, Graham Staplehurst, Duncan Southgate, Vera Sidlova, Barry Thomas, J. Walker Smith.