WHAT'S NEXT?

Everything you need to know.

WHAT WILL BE IMPORTANT IN 2024?

As we approach 2024, it is vital to understand the significant factors shaping next year's marketing industry. While megatrends have a relevance lasting much longer than just one year (such as AI), hypes might not even be relevant a year from now. In this issue, we focus on developments that we – from an industry point of view – can assess and predict to be relevant for marketing in 2024. Rather than asking, "What will be the trends in 2024?" we are asking: "What will be important in 2024?"

Join us as we explore the development that will define digital marketing in 2024 and help you prepare for the future.

THE SHIFT IN THE PLATFORM ECOSYSTEM.

The Big Tech players will certainly continue to hold and centralize a lot of power, but several factors are influencing the ecosystem currently and will do so in 2024.

AI is causing shifts already:
- While deploying AI is not new for many platforms, AI is finally resulting in real growth for Big Tech (TechCrunch)
- Microsoft is especially profiting from the AI boom and their partnership with OpenAI, outpacing Google and Amazon – AI might be their ticket back to the table (NBCU)
- It shows that AI has a market demand, which is also good news for many smaller companies and start-ups that can challenge the big players

Non-US corporations are increasingly challenging the US giants:
- Big Tech has traditionally been entirely US-centered, but especially China is fighting for a piece of the cake
- TikTok is growing further worldwide and leading the way when it comes to short-form content, but also challenging YouTube when it comes to long-form video by testing uploads of up to 15 minutes (TechCrunch)
- Chinese tech giant Alibaba is challenging Microsoft and Amazon by launching an upgraded AI model (NBCU)
- New online marketplaces like Temu are challenging Amazon & Co. with low prices, high ad spend, and their own apps (Guardian)
- The US giants are already reacting: Amazon announced cooperations with Meta and Snapchat to integrate their shopping ecosystem with the platforms (Internet World)

EU regulations might reduce the power of GAFAs*:
- The Cambridge Analytica scandal caused European privacy regulators to enforce stricter rules
- With the introduction of the Digital Services Act (DSA) in 2023, big platforms are under high scrutiny in the EU and bans as well as fines have already been implemented
- In response to stricter EU regulations, Meta is now offering an ad-free subscription alternative in Europe in an attempt to keep tracking other users, causing a historic shift (TechCrunch)
- Other platforms might also need to implement changes, and it's becoming more clear that diversification of ad spend across platforms is needed to adapt to the changing landscape (Digiday)

*The acronym GAFA is composed of four companies: Google, Apple, Facebook and Amazon.

ESOME'S TAKE

Monitor Developments Closely:
- A lot is happening and it's crucial for clients – with the help of trusted partners – to stay abreast of developments in order to make informed decisions about their own marketing strategies

Diversification of Ad Spend:
- Diversification of ad spend across platforms is important for advertisers as global market shifts, new players, and regulatory changes emphasize the need for adaptability

Test New Partners and Possibilities:
- For a more diverse approach, clients should be open to testing new platforms – to reduce the possible risk this might bring, it can also be done within inventory bundles that guarantee outcome KPIs across platforms

What's Next 2024

THE BOY WHO CRIED COOKIELESS.

It's almost „The Boy Who Cried Cookieless", but 2024 will most likely be the year where the third-party cookie really hits the deadline. After several delays, Google will phase out third-party cookies in their market-leading Chrome browser in the second half of 2024.
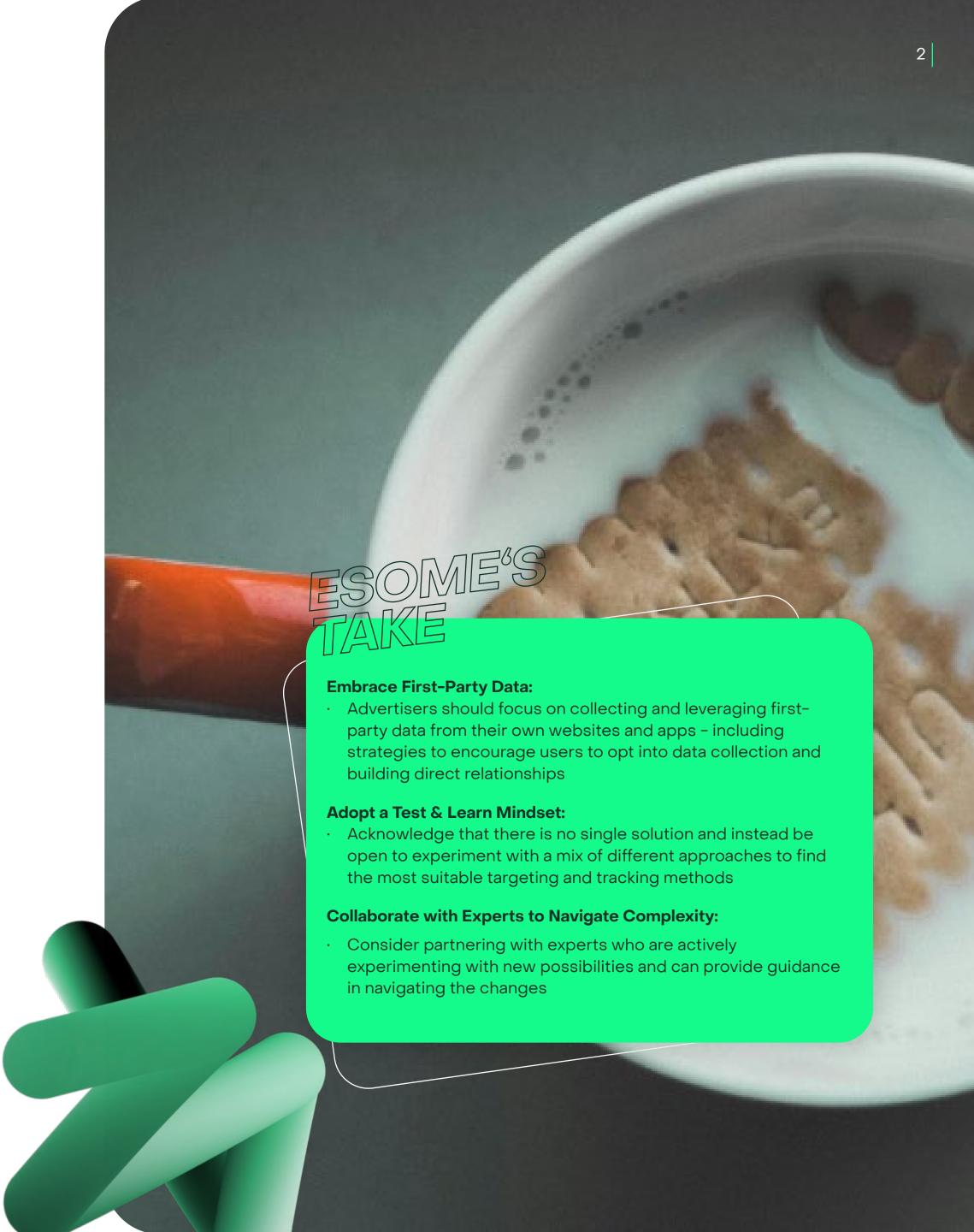
Traditionally, the programmatic ecosystem has largely depended upon third-party cookies to target specific audiences. However, with the rise of mobile devices, apps, the walled gardens, and CTV, third-party cookies have already lost some of their significance anyway – it is estimated that 50% of the internet is already cookieless (LiveRamp).

2024 will nevertheless be shaped by testing and innovation, as advertisers are looking for new ways to target and track audiences (WARC)**:**

· First-party data, identity solutions, contextual targeting, enriched post-code data, as well as the proposed Google Topics solution will be on the forefront of discussions and testing

· There's no single solution to replace cookies – advertisers need to be open to experiment in a „mix-and-test" approach

· First-party data will be of significant value, but scalability an issue - and browsers like Firefox will make it increasingly easy for users to opt-out of first-party cookies universally (MediaPost)

Other factors might also be influenced by the „Cookieless Present":

· Advertisers might turn to the walled gardens even more, but at the same time, possibly diversify their ad spend beyond Meta (Digiday)

· Other players in the open web will increase their cooperation to build cookieless alliances that can offer scalable alternatives to the walled gardens (Adzine)

· AI will also play a part in analyzing first-party and publisher data and enabling a cookieless future (Digiday)

· Not only targeting itself is affected, but also frequency capping and measurement, which will probably see new approaches

ESOME'S TAKE

Embrace First-Party Data:
· Advertisers should focus on collecting and leveraging first-party data from their own websites and apps – including strategies to encourage users to opt into data collection and building direct relationships

Adopt a Test & Learn Mindset:
· Acknowledge that there is no single solution and instead be open to experiment with a mix of different approaches to find the most suitable targeting and tracking methods

Collaborate with Experts to Navigate Complexity:
· Consider partnering with experts who are actively experimenting with new possibilities and can provide guidance in navigating the changes

What's Next 2024

RETAIL BOOM AND SEARCH REVOLUTION.

Looking at the evolving market, single aspects of commerce media are developing faster and will get more attention and scalability in 2024.

First, retail media is a fast growing market. 92% of advertisers and 74% of agencies already partner with retailers to reach consumers: (IAB Europe)

· Shopping data from large-scale companies gain more and more relevance to reach a high-intent and ready-to-buy audience

· First-party data collaborations and entering the Walled Gardens bring a lot of cookieless opportunities

· In-Store experience and the blend of online and offline has a growing relevance

Second, Commerce media always starts with the search process, this is where a huge potential in next year's media strategies lies:

· Search as a main touchpoint in the commercialization of a consumer journey

· The use of social media has changed, as content is not only being pushed to users, but they pull relevant information

· Platforms like Instagram and TikTok are being used for purchase intended search and AI shortens transactions time through efficient search journeys (Adzine)

· Additionally, voice search changes the way of pulling information: SEO strategies and social media approaches have to be adapted to react to more context based search, natural language patterns or local search (LinkedIn)

· Livestream shopping is not fully developed in western markets yet, but with rising technological features and search opportunities, a young and impulsive audience of GenZ might bring new speed to this commerce stream in 2024 (W&V)

ESOME'S TAKE

Leverage First-Party Data and Cookieless Opportunities:

· The market already offers a wide range of high-intent data for data-driven commercialization and shopping approaches. Now is the right time to connect with the right partners and establish a suitable commerce strategy with the best mix of data sources.

Commercialization Along The Whole Customer Journey:

· A sustainable commerce strategy requires considering every relevant touchpoint along the whole customer journey. Knowing shopping habits of powerful target groups like GenZ and integrating effective points of contact will be crucial: from new spaces for purchase-intent searches, altered information retrieval via voice to a blended online and offline shopping experience

What's Next 2024

AI IS EVERYWHERE. IN MARKETING AND BEYOND.

Looking into 2024, there is no way around the impact of AI - and in contrast to last year's trend of the Metaverse, it is already well used. As it is a megatrend with impact of several years, its influence is already visible in all areas such as marketing automation, media buying and creative work. It's not about „if" but „how" we can best integrate it and leverage AI potentials in the advertising industry. All social media platforms have been using AI for their algorithms for user experience and ad placement optimization

Not only social platforms but other providers from measurement to visual-based content tools will continue moving faster in bringing new AI features for users and advertisers: (MarTech)

- One of the fastest developments with impact on the digital media industry will be personal content experience
- A combination of data, AI and trend forecast for predictable user patterns can tailor advertising to a nearly hyper-personalized user approach. (LinkedIn)
- With gen AI, personalization and also campaign performance will be more scalable (Martech) due to the most efficient way of target group design (Adzine)
- Platforms further develop their generative AI features such as Meta, LinkedIn Accelerate and TikTok Creative Assistant

Additionally direct-to-consumer possibilities rise with the influence of generati-ve AI on automatization, Chatbots, AI-Search and Private Messaging. Especially relevant on Social Media platforms to find the right content at the right place and time, e.g. MyAI by Snapchat.

This trend will also bring focus to more brand safety measures:
- Advertisers and publishers will have to think of ways to prevent from ad fraud and click-baiting environments influencing their performances (Horizont)
- Prompt engineering will get more attention when it comes to data privacy and sensitive data that is being used in external AI tools (W&V)

ESOME'S TAKE

Scalable Personalization with Gen AI:
- Personalization is key, and the usage of gen AI enables it. It is crucial for clients and advertisers to get familiar with these tools and use them to increase campaign performance in a more efficient way

Direct-to-consumer Advancements with Gen AI:
- Platforms are innovating with generative AI and developing new direct-to-consumer approaches. Testing advertising placements such as AI-Search will be beneficial for brands because they can appear in the right content and time

Brand Safety Prioritization:
- The help of trusted partners is relevant to assure clients that their brand is shown purely in Brand Safe content

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