KANTAR

MEDIA TRENDS & PREDICTIONS

2020

FOREWORD

ANDY BROWN
GLOBAL CEO
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As we enter 2020, change in the media landscape is accelerating at an unrelenting pace with new technologies, platforms and business models continuing to re-shape our industry.

The boundaries between paid, owned and earned media are blurring, providing new opportunities for marketing and communications professionals to reach their audiences and new challenges for those seeking to measure and evaluate the effectiveness of media.

Forecasting what comes next is never easy, but I am proud to introduce our 2020 Media Trends & Predictions Report. The pages that follow are a window into this transformation and the forces and drivers behind them.

As the world's leading marketing data, insights and consultancy company, Kantar knows more about how people live, feel, shop, vote, watch and post than anyone else worldwide. This collection of trends and predictions features some of Kantar's leading experts and most trusted data sources to explore the dynamics at the intersection of media and consumer behaviour.

There has never been a more exciting time in media – we look forward to working together with our clients and partners to better understand this changing landscape throughout 2020 and beyond.

Andy Brown

EDITOR'S NOTE

JANE OSTLER
GLOBAL HEAD OF MEDIA EFFECTIVENESS, INSIGHTS DIVISION, KANTAR

'Media' is a very nebulous word. Depending on your worldview, it can be defined as editorial content, tech platforms, paid advertising, PR, online and well-established channels, as well as new ones that are purely in the experimental phase.

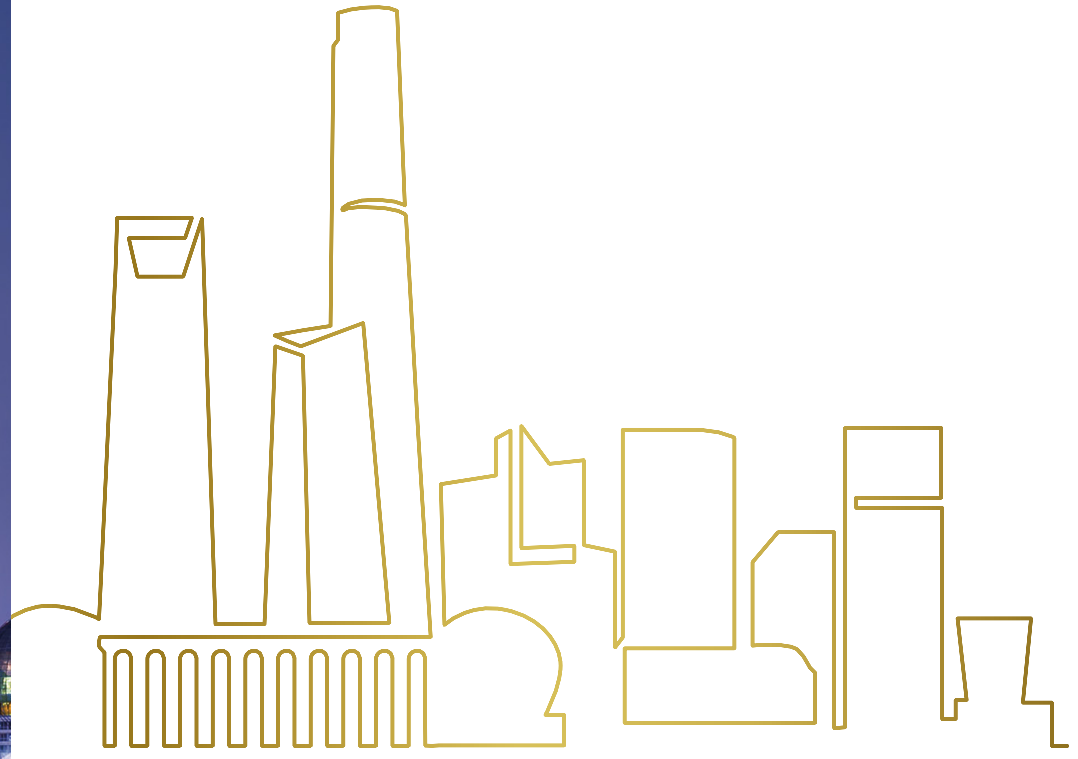
Our 2020 Media Trends & Predictions cover a broad range of topics, and are borne out of the insights we generate at Kantar. We bring to life how they might manifest themselves in the coming year, based on our conversations with media owners and publishers, advertiser brands and agencies, spanning almost all industry categories and markets around the globe.

This year our experts have identified 12 trends and predictions that are poised to impact the media industry landscape in the coming year. They fall into three main themes: the technology trends transforming the media landscape; the spaces that brands can credibly occupy; and the context and catalysts for change. In each, we offer an overview of the implications for media measurement and effectiveness. As ever, these are intended to be practical and useful, designed to support your thinking and activity in 2020.

These trends and predictions affect us at Kantar too: they guide the development of the services we offer our clients, the narratives we can deploy, and show how we can continue to help bring the industry together in our quest to use data to generate insights.

Please get in touch if you have any questions.

Jane Ostler



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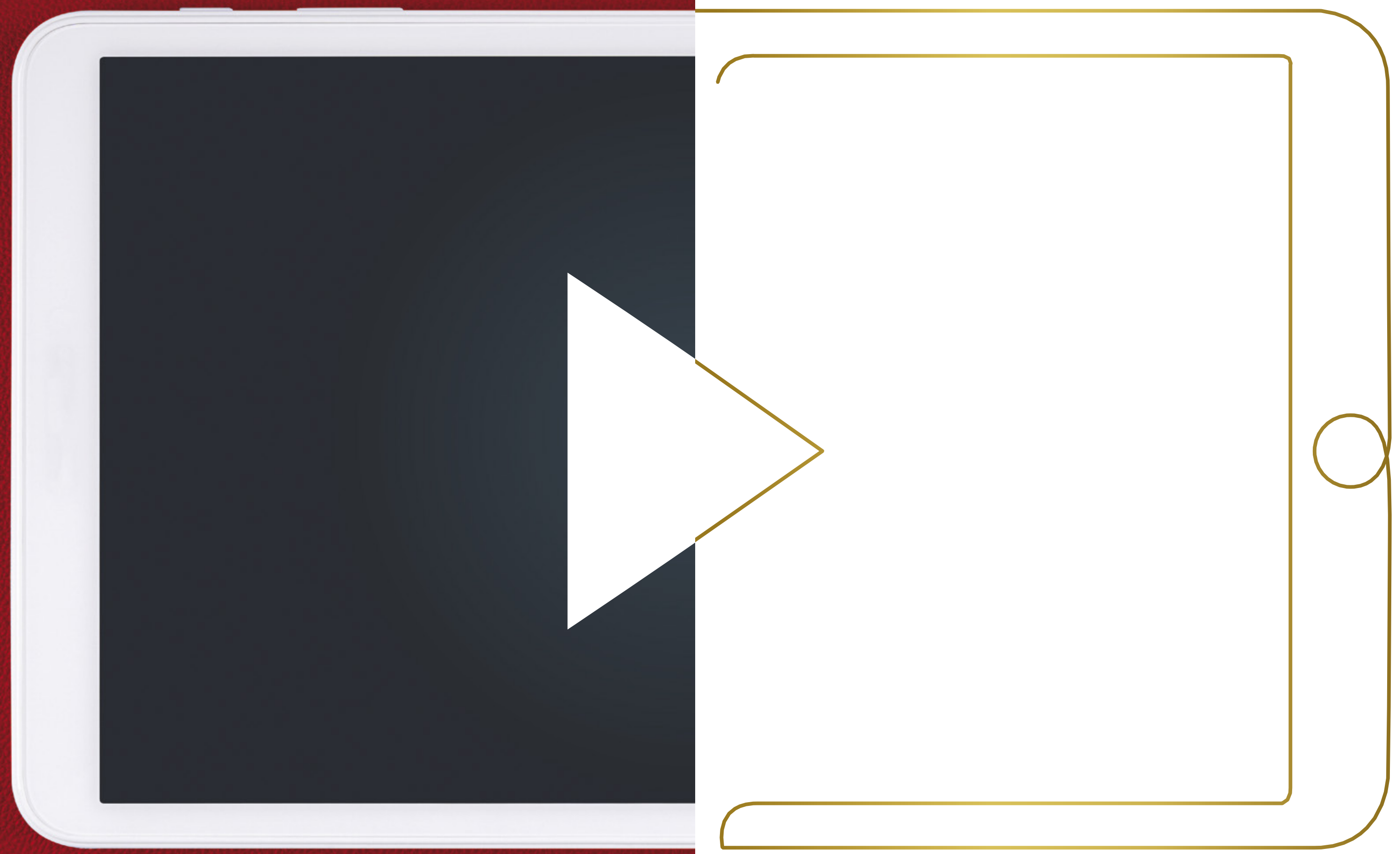


STREAMING WARS

The battle of the streaming platforms heats up

SUSHMITA JAIN
KANTAR, UK

Broadcast still dominates the TV landscape, but streaming (online viewing) is gaining ground. Last year we predicted that the big screen would make a comeback, and we were right: our TV and Audience Measurement data from various European countries confirms that audiences are turning to the TV set for their online TV viewing. In Norway, consumption of online video content on the big screen increased by 25% in June-September 2019, compared with the previous year. This is supported by increased market penetration for Connected TVs.

Subscription Video on Demand (SVOD) has had a strong year for global players including Amazon Prime Video, Netflix, Hulu, and myriad local providers like iQiyi in China and Hotstar in India. There's now even fiercer competition, with major media owners including Disney and HBO Max getting into the action, in addition to Apple and WarnerMedia. Local TV players are also combining forces to develop subscription services, like the recently launched Britbox, a joint venture of BBC Studios and ITV.

This increased competition may seem healthy, but will we see subscription fatigue leading to industry consolidation? Our TGI Global Quick View data shows that 44% of connected consumers in Great Britain who pay for an online streaming service have at least two subscriptions, 18% pay for at least three, and 7% pay for four or more. This suggests that the market could prove difficult for new subscription-based streaming services, as consumer attention, and wallets, only stretch so far. Meanwhile, Netflix is trialling faster playback speeds, which is one way to get people to watch more content.

We predict that the future of TV in 2020 and beyond will be the continued convergence of TV, including online streaming and video, with high-quality content at its heart. Consumers will continue to use advertiser-funded and subscription-based services, but the ever-increasing amount of available content and platforms will lead to a paradox of choice; more is not always better. Overwhelmed consumers will become more discerning and focus their time on services with algorithms that provide the greatest enjoyment.

Among subscription-funded services, the winners will be those with the highest quality original content and understanding of different audiences. Trading currencies can play an important role in helping these services understand and target new subscribers. Broadcasters will retain relevance to viewers and advertisers through appropriate use of data, emulating the strategy of global hits such as ITV's Love Island in the UK. The show used analysis of viewing behaviour and engagement trends to steer the show editorially, creating maximum value and helping advertisers and sponsors reap the benefits. The resulting changes made to their programme strategy continue across the globe.

What does this mean for media measurement and for brand advertisers? With new types of content come new measurement challenges. There will be strategic opportunities for advertisers such as product placement, branded integrations and co-promotions. But the rise of ad-free subscription platforms will also mean restricted opportunities for advertising. Meanwhile, TV content providers of all types will need to pay even closer attention to their customers' demands and interests, to keep them engaged.

5G FINALLY GETS REAL

What does this mean for next-gen connectivity?

PAUL CHA
KANTAR, CHINA

The world is finally entering the much anticipated 5G era, and China is leading the charge. The superfast mobile internet began its early stages of rollout across many major economies in 2019, including the UK, US and South Korea. But China is at the forefront, with 5G subscribers already exceeding 10m people – though this is still a drop in the ocean compared to the 847m mobile users in China. With mobile carriers planning extensive infrastructure investment and many 5G devices soon to be launched, global industry body GSMA is predicting 600m 5G connections in China by 2025, if not sooner.

There is no question about the immense opportunities that 5G will provide. It is expected to impact most business sectors, from manufacturing to services, and could bring unprecedented change to consumers' lives. The China Academy of Information and Communications Technology (CAICT) estimates that by 2030, 5G will add 2.9tn Yuan in value to China's economy.

The marketing and communications industry will be one of the key beneficiaries of the 5G era, enabling far greater capabilities to reach and engage with consumers – but this will require a significant transformation from marketers.

5G has three key benefits over the current 4G. Increased connectivity means the network can handle far more devices, providing the opportunity for anything and everything to be connected to the internet. Lower latency - the speed with which devices can communicate with one another - indicates that data transfers will be almost instantaneous, a critical factor in the development of advanced technologies such as autonomous vehicles. And finally, download speeds up to 20x higher will facilitate advancements in data-heavy technologies such as virtual reality.

What will migration to 5G mean for marketers, media owners and agencies? For one thing, it will allow people to stream TV and video content reliably without a wi-fi connection, so will have major implications for 'on the go' media consumption. It could also support IoT devices such as smart product packaging, as well as connected technologies like sportswear, and facilitate hyper-personalised brand experiences. Brands will be able to connect with customers at any time, in any location, using richer, immersive content.

However, there are also challenges. More devices mean there will be even more fragmented datasets to be integrated and consolidated, in order to gain a holistic consumer view for marketers. Additionally, walled gardens will need to connect with other platforms to achieve a complete picture of the consumer, and this is no small task. Beyond the logistics, the privacy concerns of consumers and the data protection regulations, such as Europe's GDPR, must be considered. There will be a fine line between providing a better experience and overstepping the mark.

While 5G brings many more opportunities for marketers, it also means significant transformation, which isn't going to be easy. The good news is that it's a few years before 5G will be fully functional, giving the industry time to prepare.

TURNING UP THE VOLUME

Will newer audio channels go mainstream in 2020?

HEATHER O'SHEA
KANTAR,
NORTH AMERICA

My 12-month-old son knows four words: banana, daddy, wiggle and... guggle. We have a smart speaker in every room and we depend on these speakers to guide us through our days, especially when we need to calm his cries. Now he walks to the speaker, points at it and says "guggle, wiggle" to cue his favourite band, The Wiggles.

When it comes to audio technologies, smart speakers and voice are generating the most buzz. But voice is by no means ubiquitous yet, as our ComTech panel shows that only a quarter of US adults own a smart speaker. Nevertheless, newer generations will grow up with audio seamlessly embedded into their lives; they will voice their commands, questions and desires and expect speedy responses from a variety of voice-enabled devices.

Despite the potential, the main tasks that people use their smart speakers for currently are streaming music and checking the weather – hardly ground-breaking. The number one issue preventing smart speakers from reaching their tipping point is lack of confidence in their ability to answer questions correctly. So, although our research shows that half of voice assistant users have had commerce interactions, such as adding products to a cart, or checking retail opening times, fear of buying the wrong thing is holding people back from completing a purchase. Manufacturers will need to improve the technical capabilities of voice devices to increase consumer confidence and usage.

But audio is far broader than smart speakers, and we predict that 2020 could herald a new age of audio advertising.

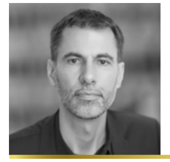
We expect podcasts to be one of the fastest growing channels for ad spend: according to our Getting Media Right 2019 study, 63% of marketers say they plan to increase spend in podcast advertising over the next 12 months. The intimate and highly personal nature of podcasts offers advertisers a highly receptive audience. And being one of the least cluttered channels, they are also one of the most engaging - our measurement of podcast advertising shows above average lifts on metrics such as purchase intent when compared to our norms data.

Radio is also reinventing itself, tapping into the broader resurgence of audio as a marketing channel. Beyond the traditional mass-reach FM channels, the digitisation of radio is fuelling greater diversification within the industry, enabling the rise of more niche stations. Our audience analysis in Sweden shows the way in which people are consuming broadcast content is shifting to online. Online listening reaches 9.8% of 12-79 year olds overall in Sweden according to the official radio currency (measured by Kantar), but reach becomes much higher when looking only at younger age groups.

2020 could be the make-or-break moment for newer audio channels. Brands could lose interest in voice commerce if smart speaker manufacturers fail to improve their functionality. Podcasts need to become more measurable to help advertisers and brands understand the ROI from their investments. Radio will continue to modernise in a way that helps brands reach new audiences, to reinforce its position as a relevant and reliable advertising medium. Over the next 12 months, aligning brands with these audio moments will need to evolve to a new level for marketers.

CONTENT MEETS COMMERCE

The new world of shopvertising



FRANÇOIS NICOLON
KANTAR

China is the most dynamic eCommerce market in the world. With US$1.94tn spent online in 2019, this is double the value of online sales in the US, the second largest global market. Mobile shopping is a key driver of this growth: our TGI Global Quick View data shows that 70% of Chinese adults who use the internet shop with their mobile phone, compared with the global average of 47%.

Chinese mobile shopping has been driven by the major social media ecosystems, which have had their own integrated native eCommerce and digital payment platforms for years, making it easier to buy. For example, WeChat offers brands video ads which link to WeChat-hosted storefronts. This allows consumers to chat and shop at the same time, and complete their purchase without leaving the app.

Content also meets commerce in Western markets with shoppable ads on Snap and Amazon, Google, Pinterest 'shop the look' ads, and Facebook's dynamic ads. Online-first brands like Glossier, or Bergamotte in France, as well as influencers and creators, are naturally flocking to formats like Instagram's shoppable posts. Even on TikTok, the ByteDance-owned short-form video platform popular for lip-syncing clips and user-generated challenges, video ads redirect to microsites where people can shop.

Beyond mobile, a new frontier of shoppable TV is emerging. South Korea's LG is enhancing TV sets with shoppable Augmented Reality (AR) in home shopping shows. Using an app, TV viewers can use their smartphone cameras, and the TV footage triggers the smartphone to present the item in the home via AR, allowing the user to rotate it, place it, and buy it.

While QR codes may not have taken off in many parts of the world, they are commonplace in China on digital Out-Of-Home (OOH) formats: scanning the QR Code with your phone has become a natural behaviour for Chinese brands and consumers. They may make a comeback in other markets too: in the US, NBC Universal is trying out shoppable ads on TV, featuring a QR code which you point your mobile at, to buy.

So what's next? Generally, in these formats, a percentage of revenue passes back to the platform. Thanks to the rise of social commerce, direct commerce revenues could boost ad revenues for online media owners, and we will see more media channels experimenting with their versions of shoppable ads.

Platforms will also invest further in live commerce in 2020. We've already seen Amazon introduce Amazon Live in 2019, following in the footsteps of platforms like Alibaba's Taobao, which showed a livestream conversion rate of 32%. Tencent has also integrated live streaming into WeChat, potentially opening up eCommerce options.

We predict that experimentation with shoppable formats will speed up this year. It remains to be seen whether cryptocurrency innovations to support this, like Facebook's Libra, will launch. What is certain is that many eCommerce and social media platforms, online and mobile video channels, and even TV and OOH, will race to keep pace with this changing eCommerce landscape.

GET READY TO PLAY

Esports goes mainstream

JOSE COLAGROSSI
KANTAR

Chances are that you will have heard about the esports phenomenon at some point in 2019. Esports are global multiplayer video game competitions, organised in teams. Played live or remotely, the most popular team games like League of Legends, Counter Strike and Dota2 pack out real stadiums with thousands of spectators, while millions more watch online. And if you thought video games were just a bit of fun, think again; esports is a lucrative business for the top players, with the prize pool at 'The International 9' tournament exceeding US$30m in 2019.

Clearly, esports is huge. Over 1.2m people from different backgrounds claim to watch esports in Great Britain alone, according to our TGI survey. In Brazil nearly one third (32%) of internet users, around 30m people, say they are active esports fans. This growth is clearly reflected in the increase in the number of minutes streamed on Twitch, the leading esports platform. Twitch usage totalled 292bn minutes in 2016 and is expected to reach 600bn by the end of 2019.

Originally a hobby for teenagers, esports has now gone mainstream. Our social listening reveals that the followers of the winner of this year's Fortnite World Cup are primarily professionals (54%). This audience is attracting new types of sponsors, as traditional advertisers have realised that esports is an exciting opportunity to engage with potential customers. Several mainstream brands have already sponsored esports, including Gillette, Mastercard, Dell, Coca Cola, Toyota, Intel, Nike and ABInbev - quite a shift from an industry originally sponsored by game manufacturers.

More evidence of the esports opportunity comes from Brazil. Latin America's leading TV network Globo operates SporTV, a pay channel network. They have been broadcasting live esports tournaments on SporTV2 for six hours on Saturday afternoons since 2017. Our local TV audience data shows that the Brazilian League of Legends Championship (CBLoL) accounted for 45% of the channel's total audience on a single day in September 2019.

We predict that as esports tournaments gain more mainstream prominence in 2020, they will present lucrative opportunities for the media owners and advertisers who are ready to capitalise on them. Offering a seamless blend of online and real life, esports present a wide array of innovative media opportunities. It will be critical to understand the new rules; the huge and highly-engaged audience will spot inauthentic attempts to encroach on their community from a mile off. But for those who take time to understand how to fit in to the esports world, there are valuable opportunities for content, advertising and sponsorship.

But the opportunities won't stop there. 2020 will also see more traditional sports move into esports: for example, football clubs establishing their own esports teams, and Formula One streamed over Twitch with gamification. And as coverage of esports expands into traditional media, we predict that esports players will become well-known celebrities and influencers in their own right. With such a wide array of options, it will be important for advertisers to properly evaluate the ROI potential and brand fit. Esports has arrived; it's now time for media owners and advertisers to learn the rules and get ready to play the game.

BACK TO REALITY

The search for authentic impact in a post-digital world

DUNCAN SOUTHGATE
KANTAR

"Back to life, back to reality..." sang Soul II Soul thirty years ago, in their chart-topping and Grammy award-winning single. Few of us knew then how dramatically digital media would subsequently transform our lives and the marketing landscape. Digital is set to consolidate its dominance in 2020, with 84% of marketers planning to increase spend in online video, and 70% planning to increase spend in social media, according to our recent Getting Media Right report.

However, in parallel, we will see many examples of more online-first and disruptor brands trying to get back to reality in 2020, as they seek to redress the balance between short-term performance marketing and long-term brand building. This rebalancing will take many forms across the marketing landscape, so let's consider a few different perspectives.

For online players this will mean more attempts to bring their brands to life in the real world and build closer connections with consumers. For example, Mozilla, who owns the Firefox browser, recently revealed it had reduced digital marketing spend by 10% and shifted more dollars to offline marketing efforts including events and content marketing. Brands like eBay are rebalancing their media spend in favour of brand-building traditional channels. This makes sense, as we know from our CrossMedia database that digital media spend is far less likely to be cost-effective for brands where digital exceeds over half of the budget.

For Direct to Consumer (DTC) brands, a return to reality means more real-world experiences. Many DTC brands have been built exclusively online, but the route from online-only start-up to retail phenomenon is now becoming common. Examples include Warby Parker, the US eyewear retailer that now has over 100 stores, and mymuesli, German organic cereal manufacturer, which is now present in seven countries with their own network of stores, and available in retail outlets.

However, not all DTC brands will be able to achieve that scale. So many more companies will experiment with pop-up stores. For example, AiNSEL cosmetics wanted to spread their message of minimal waste, therefore they launched the Lip Lab pop-up shop in London where customers could choose their own lipstick shade and have it made in just 15 minutes.

Multimedia advertisers will also be looking for ways to better integrate their digital marketing efforts with offline experiences. For example, cosmetics brand NARS has created immersive experiences in major cities around the world. The sensorial experiences, promoting new product launches, are specifically designed to be shared on social media. Our Connect database has shown that usage experience is the third most powerful touchpoint for generating brand impact across all categories, so it's right that marketers should focus more on enhancing these moments.

Where will all these diverse developments take marketers in 2020? Brands will step up attempts to balance their dependence on digital with real-world experiences, which means we could see a slowdown in the growth of digital advertising. But with almost a third of marketers (31%) still struggling to integrate their media and non-media touchpoints, they will also need to break down those silos to achieve growth in both the short and long-term.

JUST GROW UP!

Influencer marketing must measure what matters

COOLIO YANG
KANTAR, CHINA

With influencers increasingly becoming business as usual for brand communications, the risks that come with influencer marketing are now becoming apparent: inappropriate endorsements, lack of transparency and fake followers all damage the credibility of the influencers and the brands that use them, not to mention the trust of their followers. There may be risks, but there are also big opportunities for influencer marketing to prove its worth in 2020.

Our DIMENSION 2019 study shows that people's opinion of brands is particularly influenced by user-generated content and other consumer or expert content found on the internet. Meanwhile traditional celebrity endorsement has become one of the less trusted media forms, at 44%.

Marketers will, therefore, seek to work with talented content creators, who know how to bring brands into their community in a genuine and authentic manner. Our latest BrandZ report says that what matters is depth of engagement with an online influencer, not just the size of the fan base.

The creative opportunities in influencer marketing explain the popularity of platforms like Instagram, Pinterest, Amazon's Twitch, and TikTok. The TikTok phenomenon can drive great reach for the right content: the most prominent example of this is Lil Nas X, whose Old Town Road became a meme on TikTok and then spent 19 consecutive weeks at the top of the USA charts. Just as companies are actively collaborating with influencers on YouTube or Instagram, we can expect to see more and more brands partnering with influencers on TikTok, like Lancôme in China, or Uniqlo and Flipkart in the US.

In China, the lines are blurring: creators are becoming sellers. Influencer-led creative studios have started to disrupt the ad market by developing their own content projects. And brands now collaborate with influencers, such as Mr Bags in China, to develop custom products that sell. Meanwhile, TikTok's and Instagram's eCommerce functionalities are now also available for influencers, so they can sell their own ranges and partner brands directly from their social profiles. Adidas has even started allowing their Creators Club members to sell sneakers themselves; they can open a mini-store, and receive a small commission on their sales.

But how do brands know if influencer marketing is effective? We predict that influencer marketing will reach maturity in 2020. Brands will start to take measurement more seriously, and move on from simply looking at likes, to more strategic metrics such as brand and sales impact. We will also see new ways to calculate the reach and frequency of influencer campaigns, with the advent of a 'social GRP', which we are already seeing in China.

As a result, we may see influencer investment decisions move from the PR domain towards marketing and insights, as the need to compare with other media channels and touchpoints gains traction.

BRANDS TAKE A STAND

Fighting for the right to attention

PABLO GOMEZ
KANTAR

Brand activism can be defined as a radical reformist stance taken by brands to create change or improvements in society. Over the last year or so we've seen Nike take a stand on racial injustice, Burger King on bullying, and Gillette on masculinity. While there are risks, there can be a positive business impact; Nike recorded a sales increase of more than US$6bn after launching its Dream Crazy ad, showing that consumers are willing to reward brands that share their values.

But brands can get it wrong. The social activist stance of the multi-award-winning 'Fearless Girl' statue on Wall Street has been proved to be just a thin veneer, with State Street Capital voting against many gender equality initiatives within their own company. Making a statement is no longer enough; consumers want to see meaningful action.

As more people lose faith in governments, the trend is for individuals to lead the way in activism, meaning that brands need to consider their role. Our Purpose in Asia research shows that 90% of consumers think brands should be getting involved in social issues.

We're certainly starting to see more brands taking their lead from consumers. Ben & Jerry's, Patagonia and Lush closed many of their stores in support of the Global Climate Strike day, with the intent of affirming their values with their customer base. This is further supported by the creation of new job roles; for example, Ben & Jerry's now has an Activism Manager.

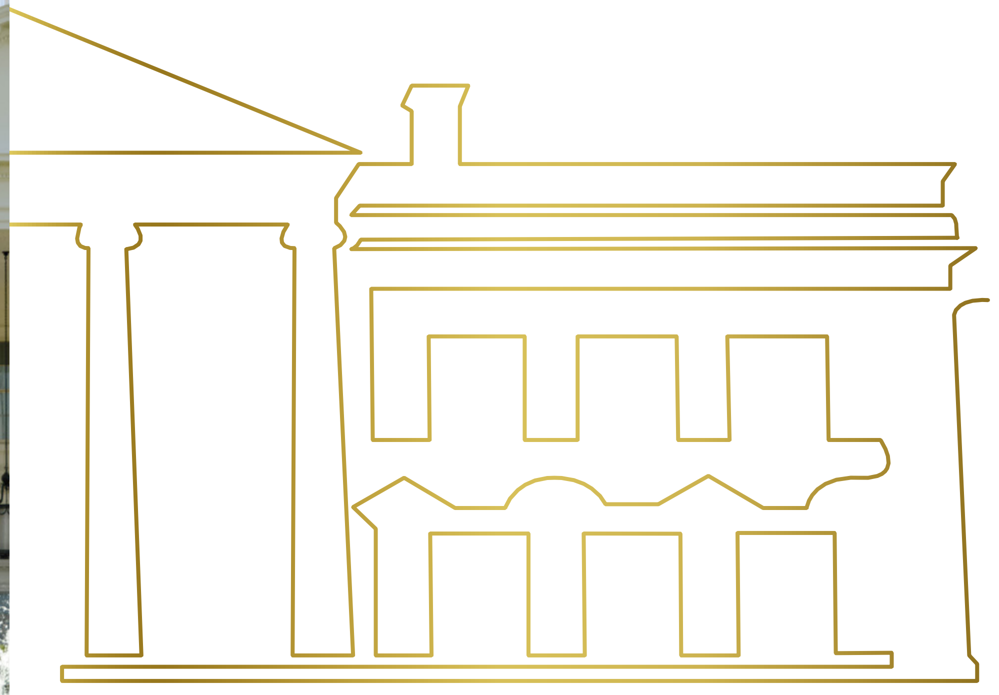
There is also still plenty of room for brands and agencies to become more vocal on social and ecological issues.

When it comes to gender, for example, younger marketers recognise there's still work to do, with 29% of millennial marketers not confident that they are creating advertising that avoids gender stereotypes.

However, when taking a stand, brands need to be transparent, or they risk opening themselves up to backlash: any communications around brand activism are still advertising, so brands shouldn't try to mask it as something else. Our DIMENSION 2019 study finds that 60% of consumers consider messages from a brand on social media as advertising, for example.

Context is also a key consideration. Our Context Lab research shows that the platform we use makes a strong impact on how the message is perceived, and this is also true for any purpose-led campaigns. For example, should a brand advertise in an alt-right publication, just because their consumers read it? This is where creative and media agencies need to work more closely, to ensure greater consistency between what the brand stands for, and how they are communicating that message.

Our prediction for 2020 is that brands will continue to become more radical and take action to support big causes. But as they come under increasing scrutiny from consumers, businesses will also need to wrestle with some tough questions, such as how they are putting their own values into practice, and what media context says about them. To be seen as authentic in its activism, a brand must ensure it is living and breathing its purpose throughout the value chain.



CAMPAIGN 2020: CROWDING AND CLUTTER

What will the Presidential election mean for brand advertisers?

STEVE PASSWAITER
KANTAR,
NORTH AMERICA

With the ever more divided US political climate and a contentious Presidential election ahead, political advertising will be a major factor shaping the US media landscape next year. Kantar predicts that political ad spending will reach US$6bn in 2020 across Federal, state and local campaigns, meaning a windfall for media companies, and lots of clutter for marketers.

Digital is poised to grab an increased share of political spend during the 2020 election cycle: Democrats are fired up, President Trump is aiming to bank US$1bn for his re-election campaign, and digital native campaign managers will be running the show. We estimate that around 20% of spend will go to digital channels. Facebook will be a key platform for political advertising, already attracting nearly US$49m in spend from the top candidates between January-October 2019. Twitter, on the other hand, has announced a ban on all sponsored advertising for political campaigns.

Crowding will be particularly acute on local TV, as candidates look to target ads to specific voters in key battleground locations. Regulations restrict prices paid by campaigns to the lowest unit rate within 45 days of a primary and 60 days of a general election. However, no such restrictions apply to Political Action Committees (PACs) or outside groups. Meanwhile, various political players often buy ads heavily at the last minute, and pay the price.

So advertisers who rely on local TV may have fewer options in key battleground states. During the last three weeks of the last 2016 election campaign, political advertising accounted for nearly one third (32%) of local ad time in battleground markets, an increase of 10 percentage points compared to the previous four weeks. All other advertisers saw their share fall from 77% to 51%.

Which US TV markets should advertisers be concerned about getting crowded out of in 2020? It is expected that 10 states, including Florida and Wisconsin, will be marginal, making heavy spending likely. By October 2019, political advertisers had already spent US$233m on TV, with 96% (US$223m) placed on local stations, according to our data. Several areas in potential marginal states have been among the most saturated with political ad dollars, including Des Moines-Ames for broadcast TV, Miami-Ft. Lauderdale and Tampa-St. Petersburg for Hispanic broadcast TV, and Raleigh-Durham for cable TV.

How can brands hope to hold their own during the 2020 campaign season? For some, simply doing less advertising during the final months of the election season may be the best strategy, particularly if they are in a sector that has been targeted by political ads, such as pharmaceuticals, energy, and finance. Another option would be to select less-cluttered channels such as radio and print. And consider the consumer perspective: the political ad load can be so intense that voters may even go out of their way to avoid ads. Taking a pause may not be a bad strategy – particularly during what will surely be a charged and busy election.

COOKIES START TO CRUMBLE

Changing the recipe

JANE OSTLER
KANTAR

Since the mid-1990s, the cookie has been used to track online behaviour. Websites use their own first-party cookies to improve the site visitation experience, for example by storing your log-in data or saving items in your shopping cart. While third-party cookies are used across the industry for tracking purposes: to deliver targeted digital marketing, ad frequency capping, and to assess ad exposure and marketing performance.

The advertising industry has become heavily reliant on cookies to activate and assess online campaigns. But in a world where data privacy and transparency concerns continue to intensify, and the General Data Protection Regulation's (GDPR) influence spreads outside of Europe, technology providers like Apple, Google and Mozilla Firefox are moving to allow users to block third-party cookies in their browsers.

Our Getting Media Right 2019 study shows that nearly 65% of marketers are concerned about providing impactful measurement in a post-cookie world. However, large portions of the industry – nearly half of agencies and three-quarters of brands – have not begun to prepare for any changes.

Looking ahead to 2020, our prediction is that although cookies will start to crumble, they will not disappear completely for some time. Advertisers will be faced with a new "mixed economy" – although those that do not start to prepare for such changes could be left in the dark.

As advertisers seek alternatives to traditional tracking cookies, we may see some publishers using alternative measurement solutions based around deterministic IDs and panels.

Many of the major social media platforms already operate a 'walled garden', keeping their data and measurement within a closed ecosystem. But at the same time, advertisers are crying out for more integrated campaign measurement. According to Getting Media Right 2019, 76% of marketers say they are struggling with cross-channel performance, while 81% call out digital channels specifically, given blind spots in measurement.

Responding to the need for a more transparent digital ecosystem, in 2020 we expect to see more direct integrations between publishers and measurement partners, which will enable true cross-publisher measurement for the first time. This is not without its challenges for publishers of all sizes, but should work for marketers, 80% of whom say they trust third-party research compared to just 41% who trust data from publishers and media platforms.

What is certain is that campaign measurement will become ever more complex. Marketers will need to future-proof their measurement frameworks and reduce their reliance on cookies for tracking. And many will turn to third-party measurement providers like Kantar to help them navigate the evolving media landscape.

As we enter a new cookieless era, third-party research will become increasingly important for marketers to maintain accurate measurement of digital media and campaign effectiveness, and to drive growth in the short and the long term.

THE DATA DILEMMA

Doing the right thing with data

THOMAS ZARUBA
KANTAR, FRANCE

The rise of sophisticated technologies and access to new data sets have made it easier than ever for marketers to deliver personalised content, editorial and advertising at scale. However, our DIMENSION study shows that the concept of personalisation is polarising. While 45% of people agree that ads tailored to them are more interesting than other ads, over half (54%) object to being targeted based on their past online activity.

Thanks to new devices, online and social media, behavioural and voice data can now be combined with first-party and effectiveness data, allowing brands to target consumers more effectively. Using advanced analytics techniques, marketers can gain access to better signals than ever before, to target and deliver customised creative content. Technology helps marketers to get to know people beyond their transaction habits, and understand them as citizens, activists, parents, individuals – arguably sometimes even better than they know themselves.

The advent of artificial intelligence means that advertising can dynamically change to be more relevant to users, with ads adapting to factors like location, device, weather, time and demographics. But according to our Getting Media Right 2019 study, 32% are still not confident that they are successfully targeting the right audiences.

As data becomes more granular, the risks of mis-targeting rise. And marketers are faced with an ethical dilemma: this increased use of personal data, even when anonymised, requires trust and accuracy. Brands need to tread the line between relevance and intrusion very carefully. An individual's control over their data is foundational to data privacy laws like General Data Protection Regulation (GDPR) and California Consumer Privacy Act (CCPA). Without explicit consents, using personal data for targeting is a risk.

We predict that in 2020 brands will continue to develop new ways to target consumers based on data, but data ethics will come to the fore – companies may even employ specialists in this area. Through understanding holistic campaign effectiveness, advertisers will need to strike the right balance between broad reach channels, and choosing which audiences to target more precisely with relevant messages. Personalisation should be seen not only as a quick route to a sale, but as a long-term strategy - a way to increase brand loyalty and earn consumer trust. A good recent example is from fashion retailer H&M, who introduced a data-powered personal virtual stylist on WeChat.

How businesses implement technology capabilities in 2020 will be under increased focus, and personalisation initiatives should be designed and implemented in an ethical and trustworthy way; this means designing with a people-first mentality, rather than tech-first.

TURN AND FACE THE CHANGE

The trend towards media in-housing

LOUISE AINSWORTH
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It's time to listen to Bowie's advice and face the change. Our media environment is changing quickly, and will continue to do so. Consumers are harder to reach, and a deluge of data and online touchpoints provides more options for media planning than ever before. Meanwhile metrics, processes and transparency remain a challenge for the whole industry to address.

As advertisers grapple with the implications of the digital and programmatic worlds, many of them are taking in-house control of some aspects of media decision-making and execution. A report from the US Association of National Advertisers (ANA) in July 2019 showed that 78% of advertisers were in-housing in some way. And the trend continues; recent examples include Vodafone who have in-housed planning and buying for all digital biddable media in 11 markets across EMEA.

There is no single driver of media in-housing: the need to get closer to audiences and manage data more tightly are cited by many, as well as the desire to build expertise and knowledge internally. Advertisers also desire approaches that are more tailored to the brand, improved processes to reduce handoffs, faster response times, and to cut across organisational silos to provide a more joined up customer experience.

Cost, efficiency and value are fundamental drivers - many advertisers believe that they are better equipped themselves to find new sources of value in inventory that is not as valuable to others, to negotiate effectively directly with media owners, and to save costs by leveraging technology.

The move toward in-housing threatens, but also creates opportunities for agencies. The ever-changing technological and regulatory environment indicates that in-house teams need cutting-edge agency expertise more than ever. In-housing means that agencies need to evolve the way they work with clients, collaborating with in-house teams, or even seconding their own staff, and focusing on the strategic expertise they can provide to reach the best outcome.

As the industry evolves, we predict that agencies and advertisers will need to ensure they fully understand both media consumption and consumer attitudes for in-housing to succeed. For example, this means that in-house teams will increasingly need access to trusted currency data and planning tools when building and validating their media plans. Understanding audience profiles and behaviour, and connecting these profiles to the advertiser's first-party data, will become even more important to find new ways of reaching targets.

With in-housing, insights need to be even more accessible and capable of driving activation and effectiveness. Facing the change is as much about transforming the way the industry works together to create value for advertisers, audiences and media owners in new and exciting ways.

THESE TRENDS AND PREDICTIONS GUIDE THE DEVELOPMENT OF THE SERVICES WE OFFER OUR CLIENTS, THE NARRATIVES WE CAN DEPLOY, AND SHOW HOW WE CAN HELP BRING THE INDUSTRY TOGETHER.

OUR APPROACH TO CONNECTED MEDIA INTELLIGENCE

At Kantar, we offer a full suite of services across all aspects of connected media intelligence to address your specific business needs – whether it's about planning your media strategy, measuring audiences, or evaluating the effectiveness of your campaign activities and their overall impact on your brand.

CONTACT US

Wondering what the future of media looks like for your business in 2020 and beyond? Don't hesitate to get in touch: we'd love to discuss the implications of our trends and predictions for your media and marketing strategies.

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ABOUT KANTAR

Kantar is the world's leading data, insights and consulting company. We understand more about how people think, feel, shop, share, vote and view than anyone else. Combining our expertise in human understanding with advanced technologies, Kantar's 30,000 people help the world's leading organisations succeed and grow.

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