KANTAR

MEDIA PREDICTIONS

2019

FOREWORD: A TRANSFORMATIONAL TWELVE MONTHS IN MEDIA

Richard Ingleton

GLOBAL CEO INSIGHTS DIVISION, KANTAR

Andy Brown

CEO & CHAIRMAN, KANTAR MEDIA

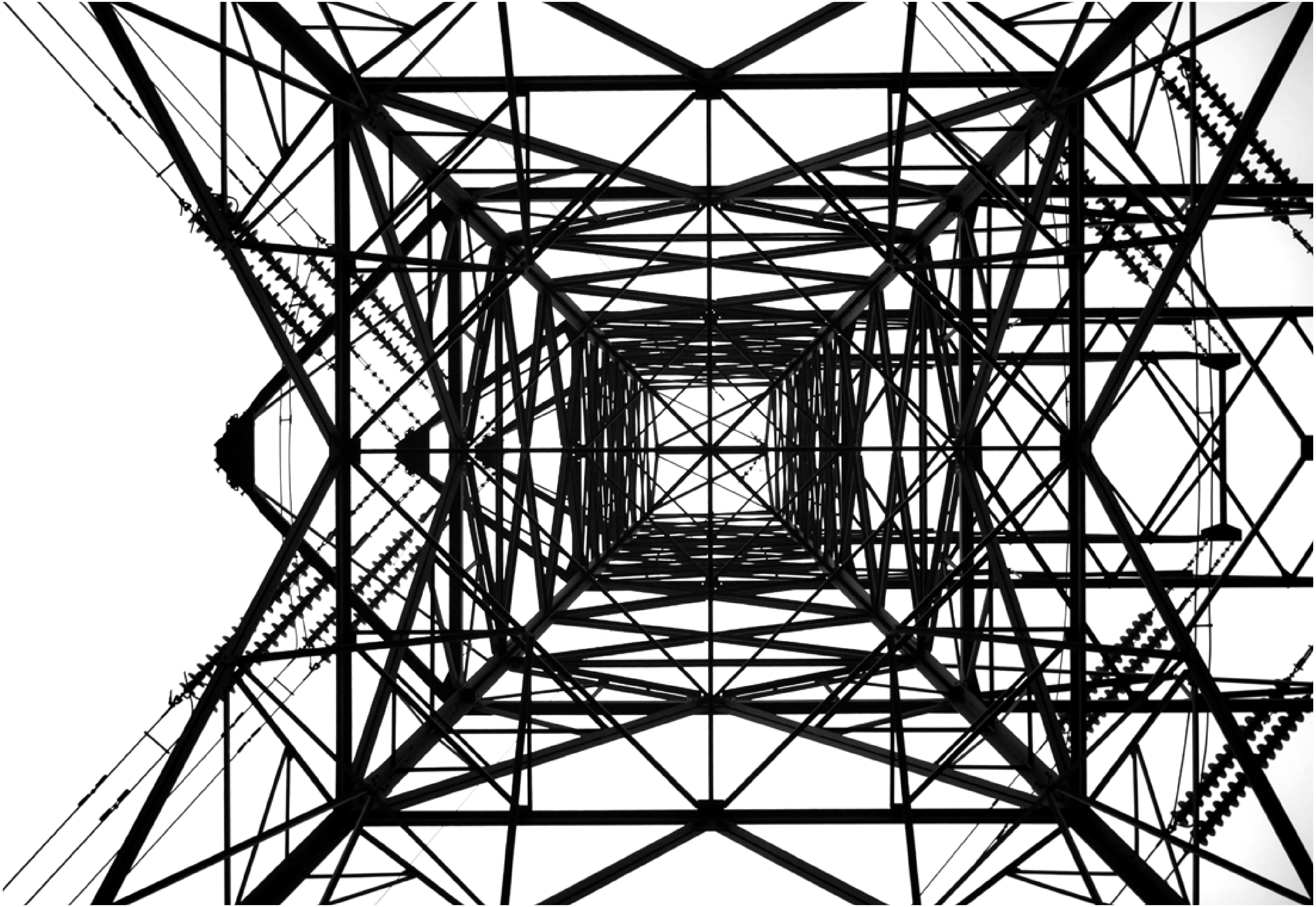
Before we gaze into our crystal ball and make predictions for 2019, we wanted to reflect on 2018 and what has been another year of change in media - and its implications for research organisations like Kantar.

We've seen the continued fragmentation of audiences and the ever-fierce battle for eyeballs with the growth of Netflix and Amazon. Making sense of this changing landscape is challenging and increasingly we're seeing a 'connected intelligence' approach, where syndicated data solutions of all types are being directly integrated with advertisers' first party data.

Away from the screen, we're witnessing a renaissance in audio through the rise of voice activation for consumer applications. As with all new technologies, voice is creating both challenges and opportunities for the research industry. This year, we have started tracking and measuring voice activation and can already see the ways in which it is changing consumer behaviour.

And 2018 will of course be remembered for the introduction of the General Data Protection Regulation across Europe. From the point of view of a market research organisation, GDPR is one of the best things that could have happened. It has not only put clear blue water in between market research and other data solutions, but also placed a greater emphasis on the provenance of data and transparency for consumers, both of which have always sat at the heart of market research.

There has never been a more exciting time in media. We look forward to working together with our clients & partners to better understand this changing landscape throughout 2019 and beyond.



EDITOR'S INTRODUCTION

Jane Ostler, Kantar

Ten years ago, we made our first Media and Digital Predictions. Presented in an earnest-looking 4:3 format, they look old fashioned now, but the content wasn't far off the mark. The growth of online video, mobile marketing and even voice-activated search were all highlighted as things to come. And they still are.

A few trends that will be guaranteed in 2019: further consolidation in the AdTech market, GDPR's impact spreading beyond the EU; the widespread use of Artificial Intelligence in most marketing applications, and maybe a new realisation that there is no Holy Grail in measurement, but you can continue to improve marketing's impact through the intelligent application of insights.

So for 2019 here's a set of 12 lively predictions from our experts around the world. We're not focusing on grand, airy-fairy concepts, but useful, practical ideas that will help marketers and their agencies tackle media and effectiveness measurement challenges head on, without fear. And this year we're renaming them Media Predictions, because most media is now becoming digital.

78.60%
indexes - day, 5
61.81%
indexes - day, 12
50.00%
38.19%
y, 55
es - day, 144
23.88%

ANALYTICS AND ARTIFICIAL INTELLIGENCE WILL FINALLY BRIDGE THE ROI DIVIDE

Gonzalo Fuentes, Kantar

More sophisticated use of data, combined with analytics techniques and Artificial Intelligence (AI), will allow marketers to understand true ROI.

The pressure to understand the ROI of marketing investments is increasing all around us. Measuring/proving ROI is the #1 struggle for advertisers globally, with understanding omnichannel behaviour and optimizing media investment close behind [Source: Kantar's Getting Media Right, 2018]. The appearance of the "Chief Growth Officer" replacing the good old CMO is not just a phonetic curiosity. It signals a clear trend that marketing professionals need to talk the 'money' language for everything they do, or they will lose their seat at the table. As a client of mine put it recently: "if you can't show your dollar contribution, you become a cost - and costs can be cut".

With this pressure, effectiveness measurement will need to up its game. My bet is that 2019 will see significant changes in this area. The biggest dilemma is that there is still a strong divide in the way measurement is done for different investments.

Traditional Market Mix Modelling and econometric models have the advantage of being able to give an overall perspective of marketing investment's impact on sales. They were perfect when the media plans and marketing investments followed a fairly standard approach. In today's ever-changing marketing environment, these models lack granularity and are not very sensitive to digital investments, so they are increasingly seen as non-actionable tools for optimisation.

Multi-touch attribution approaches are detailed and provide great platforms for optimisation of digital spend, but are too campaign-specific and limited to digital conversion. What use is this for companies that still have 90% of their sales happening offline?

What will make a difference? Firstly, advancements in data management systems and analytics will help to solve the offline/online conversion dilemma, and also navigate the online and offline investments ecosystem. And all this in an always-on data ingestion environment.

Secondly, the increased use of AI/Machine Learning during the modelling process will expedite the process and allow greater sophistication in the number of modelling solutions used as well as real-time validation (i.e. what is actually happening in the market).

Getting this right is important for demonstrating the ROI of marketing investments and will be a massive competitive advantage to help forecast ROI for our clients' strategies.

BRANDS RAISE THEIR VOICE

Jane Ostler, Kantar

Marketers will start to explore voice technologies in creative ways.

We predict a veritable outburst in voice/audio activity undertaken by brands in 2019. Far removed from the traditional 30” broadcast radio spot, the growth in connected audio devices (smart speakers, connected in-car entertainment) and formats (podcasts, voice search, voice assistants), gives rise to new creative opportunities for brands to use audio in their communications.

This raises some interesting questions for marketers: how to integrate voice activity with the rest of the campaign and how they find their own voice. This will include decisions about what voice (or voices) to choose, and means they need to develop an approach for sonic logos/taglines/mnemonics.

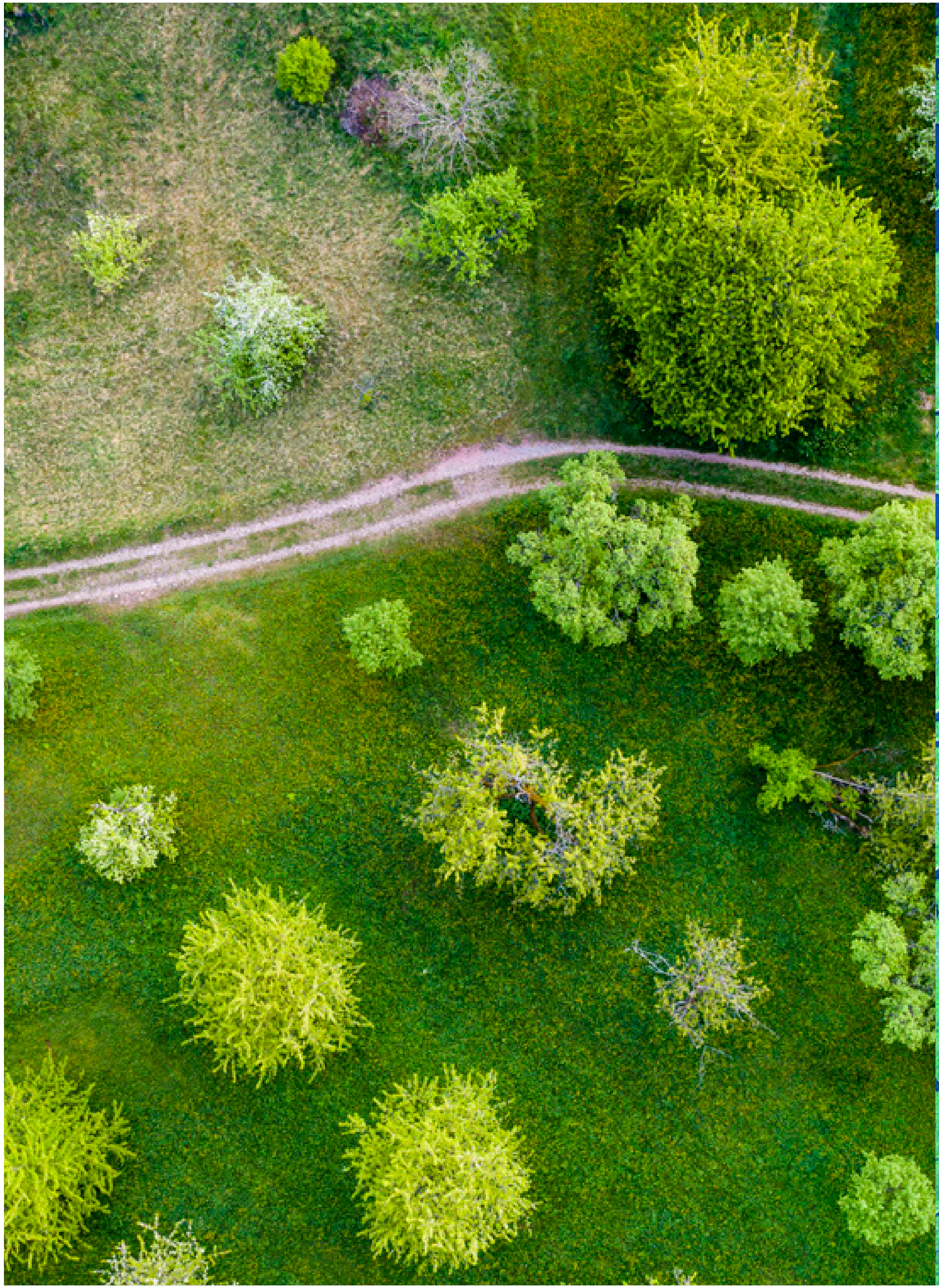
With around 24% of US households owning a smart speaker, voice retail gives rise to new branded search opportunities, the equivalent of being at the top of a paid search, or on an eye level shelf instore. It means a whole new landscape for branded content too. How about sponsored audio recipes from manufacturers which link to a basket of ingredients?

There’s also more potential for brands to target their advertising, based on audiences’ demographic and voice search behaviour. The use of AI in deciding the optimal target audience in real time will be based on other consumers’ past behaviour, and will determine what results you hear.

Voice means some tricky challenges in company structure: voice content means tmerging the traditional silos of marketing and customer service. Trust in brands will become even more important in determining who moves to the top of the list.

Alexa and others will start to be integrated into in-car entertainment, overcoming the horrendous in-car UX experience. Voice capability will expand to other currently dumb objects – ask your microwave how long to defrost that fish!

And finally, we’ll see voice used more as a market research tool; you’ll be in your kitchen, answering questions, reviewing experiences, or submitting product reviews. This means connection and integration with other brand channels will become crucial - any innovation is pointless if you don’t test and learn. And a host of new exciting jobs will be established: who wants to be an audio influencer, a sponsored voice assistant, or the voice of branded audio content? Sounds great to me.



BUILDING TRUST AND INTERACTIVE EXPERIENCES ON SOCIAL MEDIA

Coolio Yang, Kantar China

Marketers will turn to China to understand how social media can use new technologies to develop trusted and richer experiences.

Paid and earned use of social media by brands in China is thriving; Tik Tok, the short video sharing platform, reaches more than 100,000 users with social ads. Meanwhile there are more than 500,000 product-related posts every minute on Red, the social media site [Source: Kantar Media CIC]. Given the vastness of social media in China, with more than 700 million regular users, the importance of influencers continues to grow. Marketers in China are increasing investment in influencer and celebrity partnerships on social media. However, brands are finding it challenging to measure the real ROI among the many walled garden platforms.

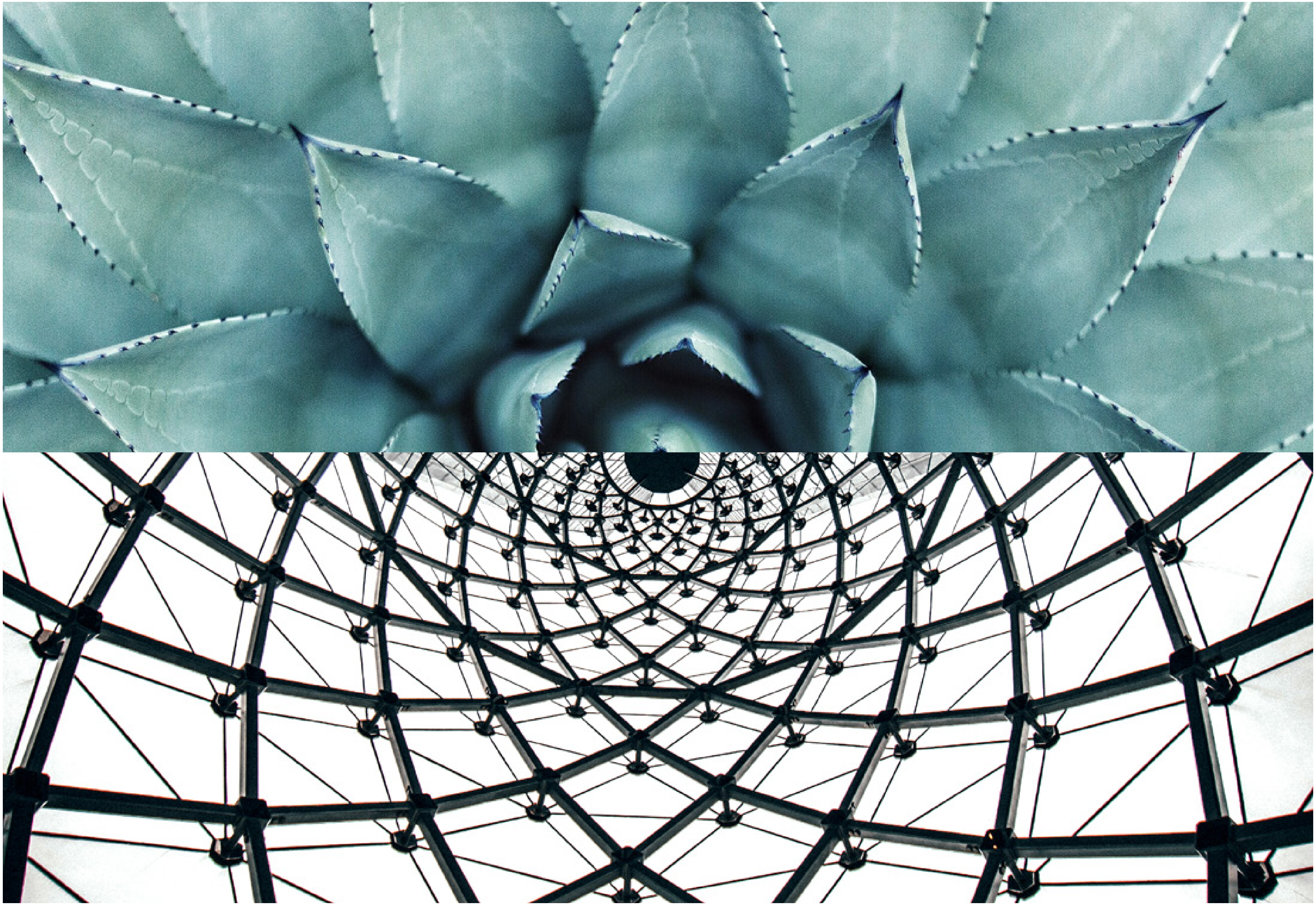
New solutions are emerging to quantify the influence of key opinion leaders, including a Kantar Media CIC partnership using blockchain. The concept is simple: the influencer sets up an account on the platform with an opt-in profile to their digital influencing power data, e.g. number of fans, average reads per posts, etc. The data is then verified by other users on the blockchain, providing an accurate indication of the influencers' reach.

In effect users become the quality controllers, building trust when it comes to how many fans an influencer has, and how many of them read, engage and interact with them.

The use of social media by brands is becoming even more sophisticated with a third generation of social media user - artificial intelligence. AI is an emerging "user" in social media who can learn cognitive functions to develop a human personality and interacting with other social media users. These AI users are gaining popularity and even becoming influencers. One such example is Microsoft's Xiaobing, a popular virtual social media character, and is able to interact with users on Weibo, WeChat and Meipai and even write poetry, children's books and songs.

In 2019 we'll see the continued evolution of social media in China as a channel for rich brand experiences with consumers.

ADAPTED FROM KANTAR MEDIA'S 'CHINESE SOCIAL MEDIA LANDSCAPE' REPORT



BRANDS BUILD EXPONENTIAL EXPERIENCES

Niels Neudecker, Kantar

Maura Coracini, Kantar Brazil

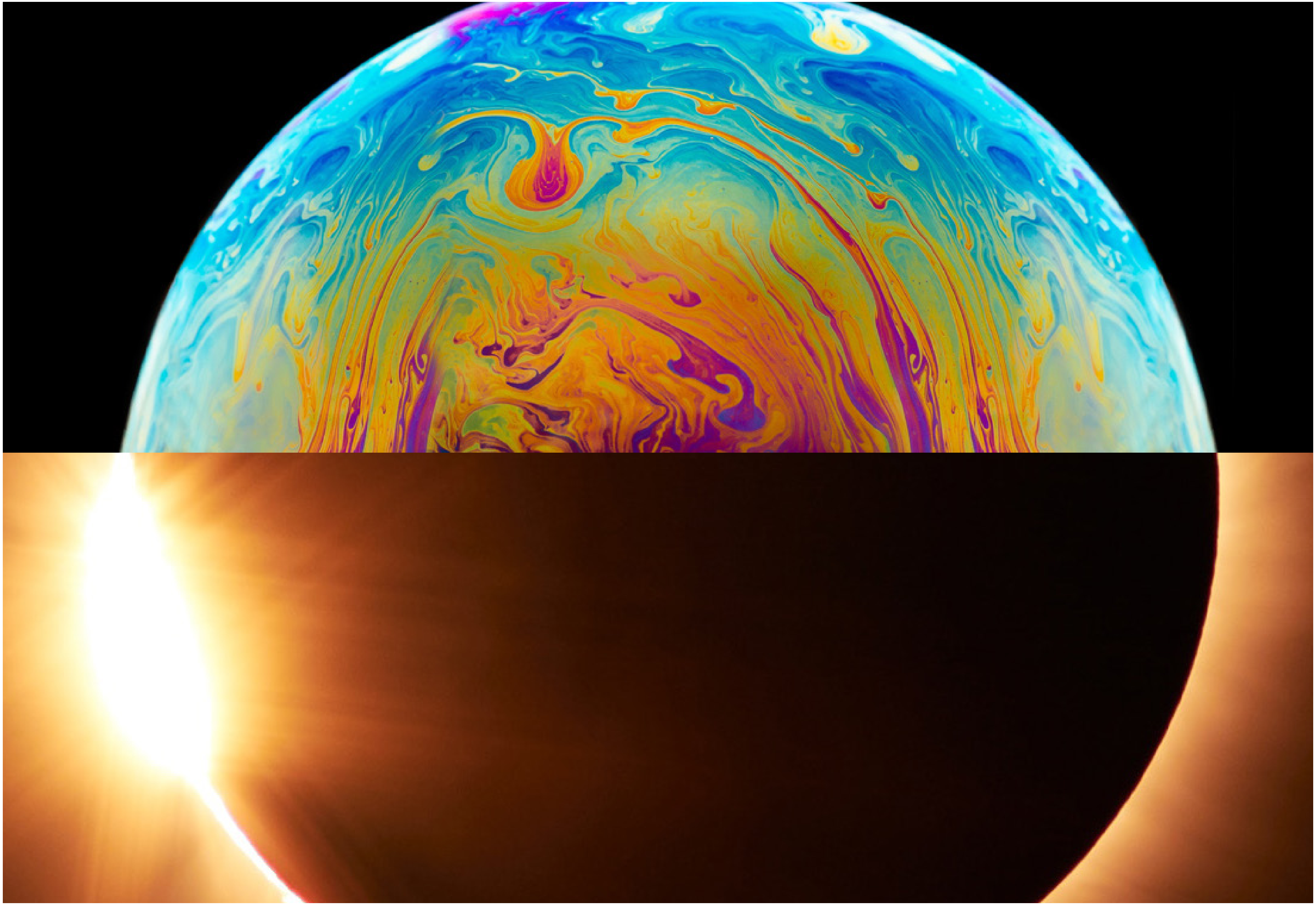
Brands will create new kinds of experiences for consumers, and learn how to integrate and evaluate them.

Welcome to disruption: Social platforms becoming marketplaces, ecommerce businesses becoming publishers, publishers becoming content creators, data scientists becoming advertisers, ad agencies becoming technology businesses. Within just three months of 2018, Amazon launched their first voice-controlled microwave, Apple introduced their fourth generation of smart watches, and 6 million new smart speakers were sold into our homes.

The consumer is at the centre of this development and is turning the marketing world upside down. The conversation now goes beyond selling products: we now have the mission to create experiences, more than converting leads and driving consumers in one single journey. But what does that all mean for media managers? Media channels like TV, radio and social media, will evolve into the internet of everything – a vast experience network. Our Connect database, with over 350,000 touchpoint evaluations, reveals that experiential brand moments contribute up to nearly 50% of brand desirability, and paid media contribute around 25% of the overall success in building long-term brand equity. Media managers will turn into network managers and will be forced to create an integrated experience across all touchpoints consumers interact with.

How can a brand message create value in this new infrastructure? To answer this question, media managers will need to move from thinking about media channels to thinking about consumers. How will consumers make use of the internet of everything in the various categories? For automotive brands, the connected car is becoming a standard infrastructure, but nearly half of connected car owners don't understand the features they have [Source: Kantar TNS Connected Car study]. For consumer products like food, the smart fridge or microwave might be a relevant touchpoint.

This development has just started, and it's more than a trend - it's a fundamental change. Those that rethink media management will lead this development and create exciting use cases in 2019.



GENDER TARGETING GETS REAL

Duncan Southgate, Kantar

Brands will start to take the portrayal of women in advertising seriously.

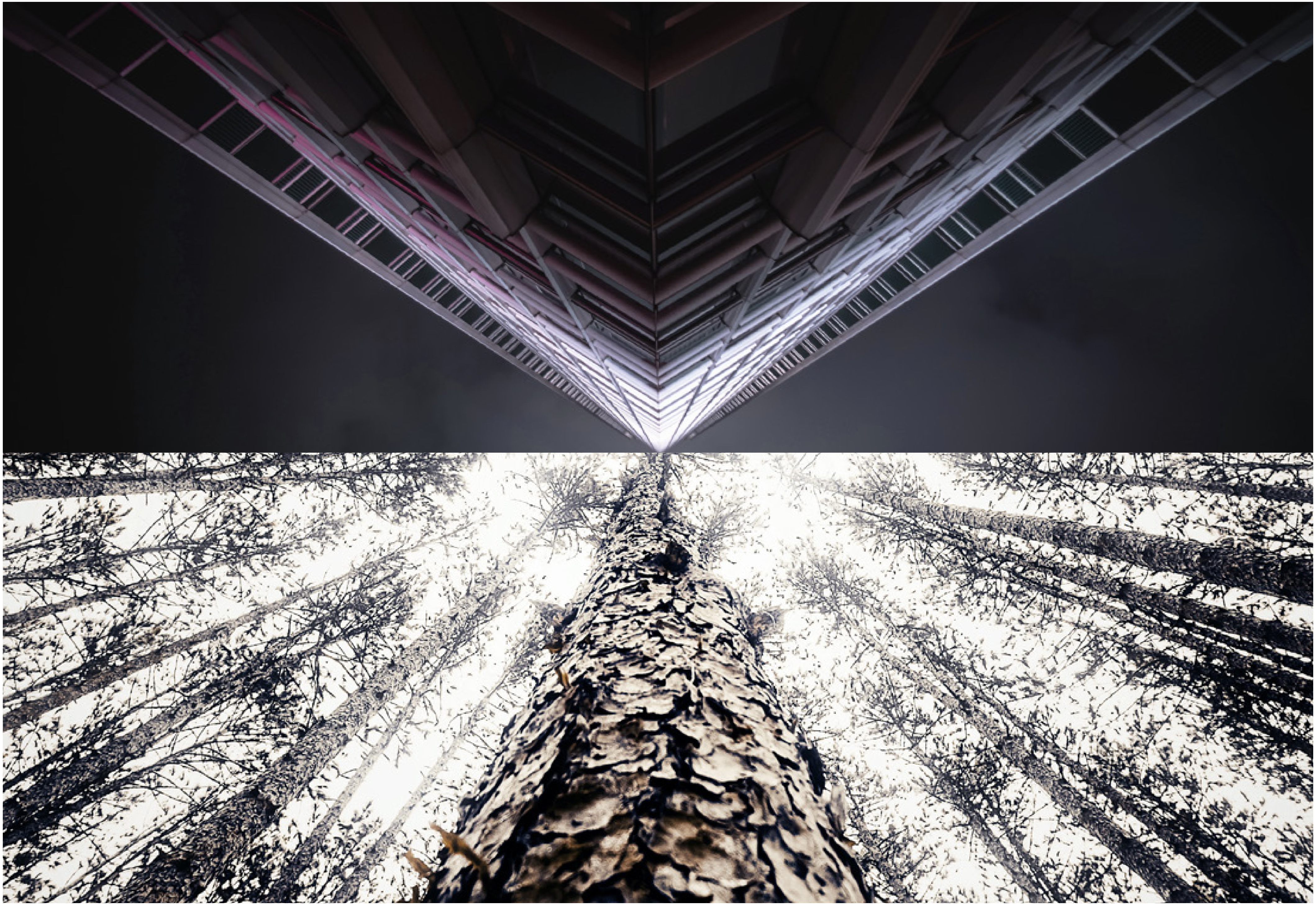
We predict that in 2019 advertisers will start getting to grips with societal issues, and use their power and leverage to promote progressive gender portrayals in advertising. Not being gender progressive would be to “reinforce rather than help eradicate harmful gender-based stereotypes” [Source: Unstereotype Alliance]. When it comes to gender targeting, the marketing industry is going back to school. As with any new skill, there are four stages of learning, commonly known as the Hierarchy of Competence.

There are still many people in the marketing industry who don’t realise there is a problem – ‘unconsciously incompetent’, if you like. But in 2019 evidence will continue to emerge showing that gender targeting is not sufficiently progressive. Women cannot relate to many of the ads they see, and progressive male role models are also a rare sight. For example, while 75% of ads tested by Kantar feature women, just 6% portray women in authoritative roles [Source: Link global database, 2018]. Major brands such as Sofitel are still unwittingly causing offence, and needing to pull their ads.

As more marketers accept they are ‘consciously incompetent’, we will see a thirst for knowledge about how to address these media and creative challenges. People will pore over the insights and case studies being shared via platforms such as the Unstereotype Alliance, as well as enhancing their copy testing with gender equality metrics, and ensuring suitable checks and balances are in place prior to launch. This will lead to proactive action, and the gradual eradication of the worst offending ads (hopefully).

By the end of 2019 many more advertisers will be ‘consciously competent’. The transition will not be without some missteps. It will be typified by more statement campaigns which turn gender stereotypes on their head, such as Always #LikeAGirl and Axe #isitokforguys, as well as many less heralded but equally important steps, such as toy manufacturers adjusting stereotypical gender assumptions in how they target children.

It may not be until 2020 before we see many advertisers making progressive targeting seem like second nature – ‘unconscious competence’. The ones who will get there first will be marketers who establish progressiveness measurement systems to benchmark themselves and drive institutional change, like Diageo and Unilever. Gender targeting is obviously just one aspect; other factors such as race, sexual orientation and age are also vital considerations. Best in class marketers will embrace gender as part of a wider inclusion and diversity programme, and will expect the same of the agencies that work with them.



HERE COMES AMAZON!

Andy Gallagher, Kantar Germany

Amazon becomes a fast mover in the digital advertising race across all its platforms.

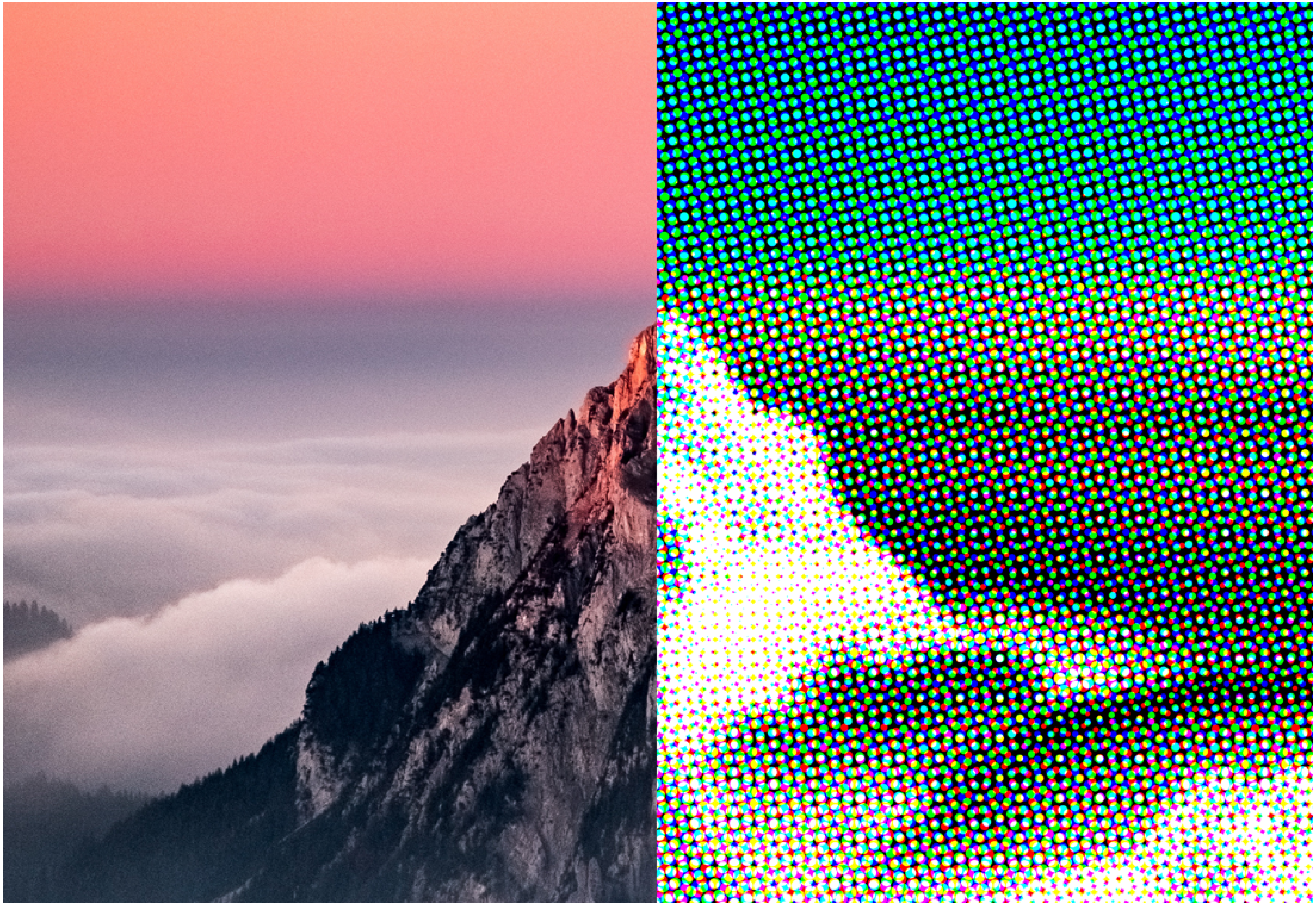
Unless you've been living under a rock for the past few years, you're aware of the rapid rise of Amazon in the marketplace. Amazon is the archetypal disruptive brand. By making people's lives simpler, less expensive, and more convenient, Amazon has grown its brand value by 2,228%, far outdistancing the 2018 BrandZ™ Top 100 Most Valuable Global Brands (which grew by a creditable 152% overall).

While the Amazon brand is embedded in many different pieces of everyday life, they have recently expanded their presence into the advertising platform space. And, like every other market they enter, they squarely have their eye on being a big dominant player. Google and Facebook: the duopoly of digital ad revenue is now over, you now have a third member knocking on the door - the much heralded 'triopoly'. Oh, and advertising revenue is Amazon's fastest growing sector, now totaling $2.2bn.

How has Amazon been able to grow so quickly? While consumers have historically viewed Amazon mainly as an ecommerce channel, their ecosystem has been rapidly evolving. Amazon has become a powerful medium for content consumption for millions of new consumers across multiple platforms like Amazon Prime Video, Kindle, and Fire TV.

With evolution like this, marketers are never far behind. Advertisers are now embracing the Amazon platform as a marketing vehicle for branding, given these large engaged audiences.

Amazon recently leapfrogged Microsoft into the #3 position for digital advertising share [source: eMarketer] with lots of wind in their sail to get closer to the big 2 in the coming year. Amazon's advantage over Google and Facebook is the ability to link on-platform behaviours (like purchases, search, and content consumption) back to the advertising campaign. We'll certainly be watching the battle to grab the most digital dollars next year. Clearly there is a new contender in the race.



THE VIDEO SAGA MOVES ON

Nicole Jones, Kantar North America

Video ads will start to develop their own personality, rather than being an edit of the TV ad.

Video ads have gone through many iterations; from simply putting the TV ad online, to developing customised ads for each device. Brands can no longer get away with a 30s TV ad, or a 6s cutdown to convey their message. Consumers expect an authenticity in video, rather than simple versioning for each platform. The proliferation of Snap and Instagram story ads allow brands to entertain consumers in a more personal way.

In the past online videos talked more to consumers, while now technology has allowed consumers to be involved in that conversation and interact with the video. AdReaction 2017 shows us that 27% of GenZ like to take decisions about the ending or the characters in ads. Involvement allows the consumer to be in control of what they see next or even allows them to make a purchase within the ad unit.

Vertical video is a great example of mobile first advertising which takes advantage of the full screen and consumers attention. Advances in technology have also allowed augmented reality to be available from testing paint colors to seeing how furniture will look in your home to even news.

While video ads have continued to evolve, we need to keep in mind that consumption habits have changed, with younger audiences consuming more mobile and distractions vying for our attention. We need to understand how content can be created that consumers will remember. Consumers are 32% more likely to enjoy an ad on a TV set than via online platforms [Source: Kantar Media DIMENSION study].

We know that integrated and customised campaigns are 57% more effective than non-integrated campaigns [Source: Kantar Millward Brown AdReaction 2018]. With the rise of ad-free platforms such as Netflix and ad-free Hulu, it is even more important for advertisers to diversify how they reach consumers. Brand integrations and sponsorships are the lifeline to consumers, but only if they connect on an emotional level. In 2019 marketers will use video to capture consumers' attention and generate an emotional journey, leading to better short-term and long-term response.

BACK TO THE...BIG SCREEN

Hanne Teigum, Kantar Norway

The big screen is making a comeback, bigger and better than before.

TV is the proven brand-building medium: the dominant cultural and advertising channel of choice. Far from killing television, the internet is now part of the TV and video ecosystem in its scramble to launch OTT services and commission the next series.

When we started measuring television beyond the TV set in 2010, smart TVs had low penetration and tablets were new. The latest UK data now shows that smartphone purchases may be reaching a plateau. Tablet sales grew steeply at first but may now be on the wane, and smart TV penetration has grown from under 10% to nearly 40% in four years [Source: Ofcom Technology Tracker]. So what does 2019 hold?

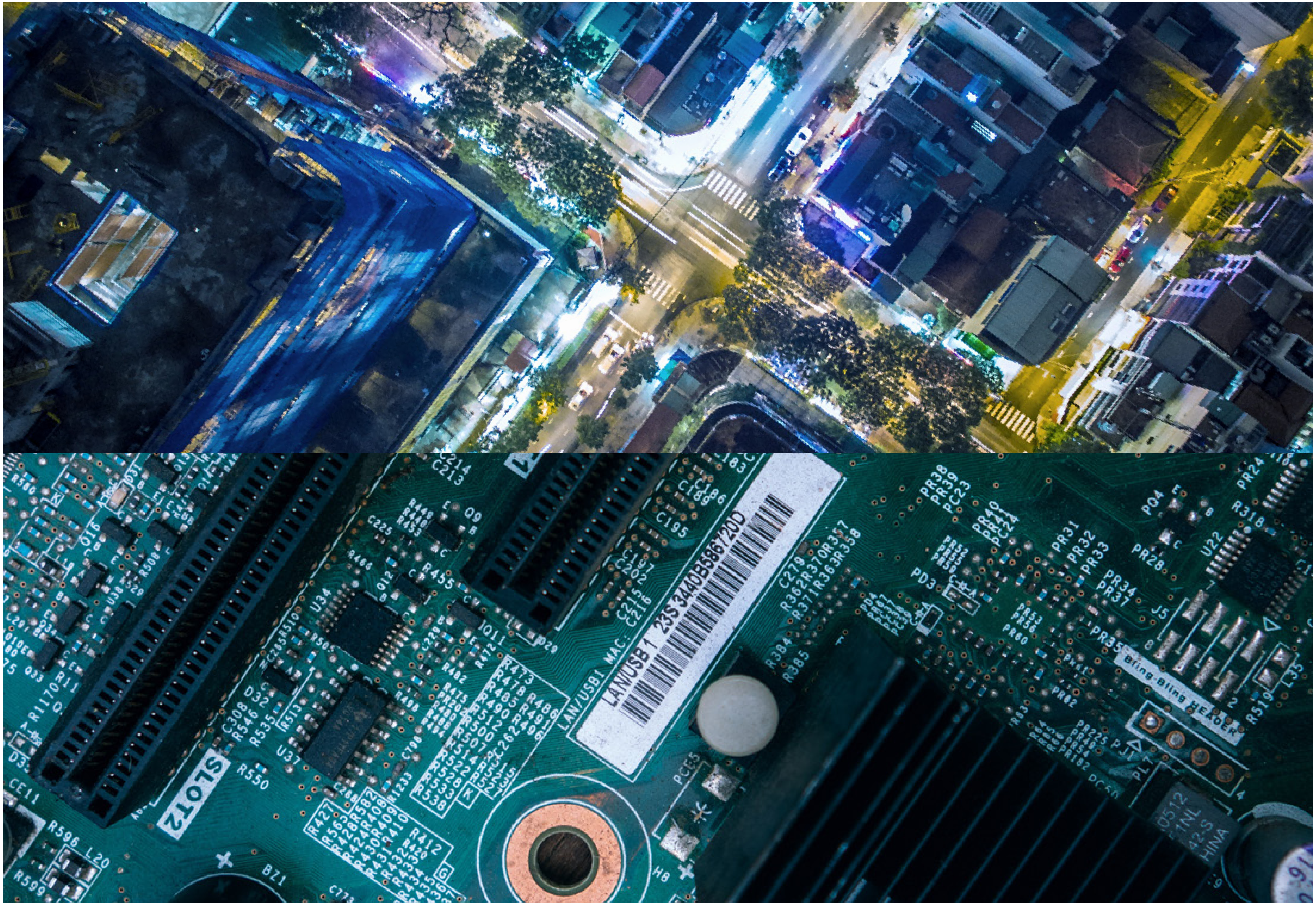
Consumers turn to the best available screen for their TV and video viewing.

In Norway we measure all TV and video content, in-home and out of home, where the TV set continues to dominate 96% of all viewing across the population [Source: Norway data Aug-Oct 2018]. Our figures reveal that 56% of on-demand broadcaster content takes place on a TV set, 20% on PC and Macs, 13 % on a tablet and 10% on a smartphone. Audiences aged 40+ still watch more than 95% of their overall viewing on a TV set.

However, this isn't a trend seen within the younger population. Total TV and video viewing on tablets represents 7% of the viewing for children 2-9 years old, compared to 1% for the total population. For 20-29 year olds, 9% of viewing takes place on a PC or Mac compared to 2% of the total population. Netflix content is predominantly watched on the big screen, with 61% of all Netflix viewing in-home happening on a connected TV set. YouTube content watched in the home is predominantly watched on PCs, tablets and smartphones whilst the TV set accounts for only 12% of in-home viewing.

These figures from Norway reinforce why brands need to measure the effectiveness of their marketing campaigns and exposure across screens, as we make the move from TV Audience Measurement to Total Video Audience Measurement in 2019.

Yes, we are still watching television, but it's TV in all of its forms.


SLOT2
LAN/USB1 MAC
LAN/USB 1 23S 3440B5867/20D
Bling-Bling HEADER

ARTIFICIAL INTELLIGENCE WILL DRIVE MEDIA TARGETING

Chris Borchert, Kantar North America

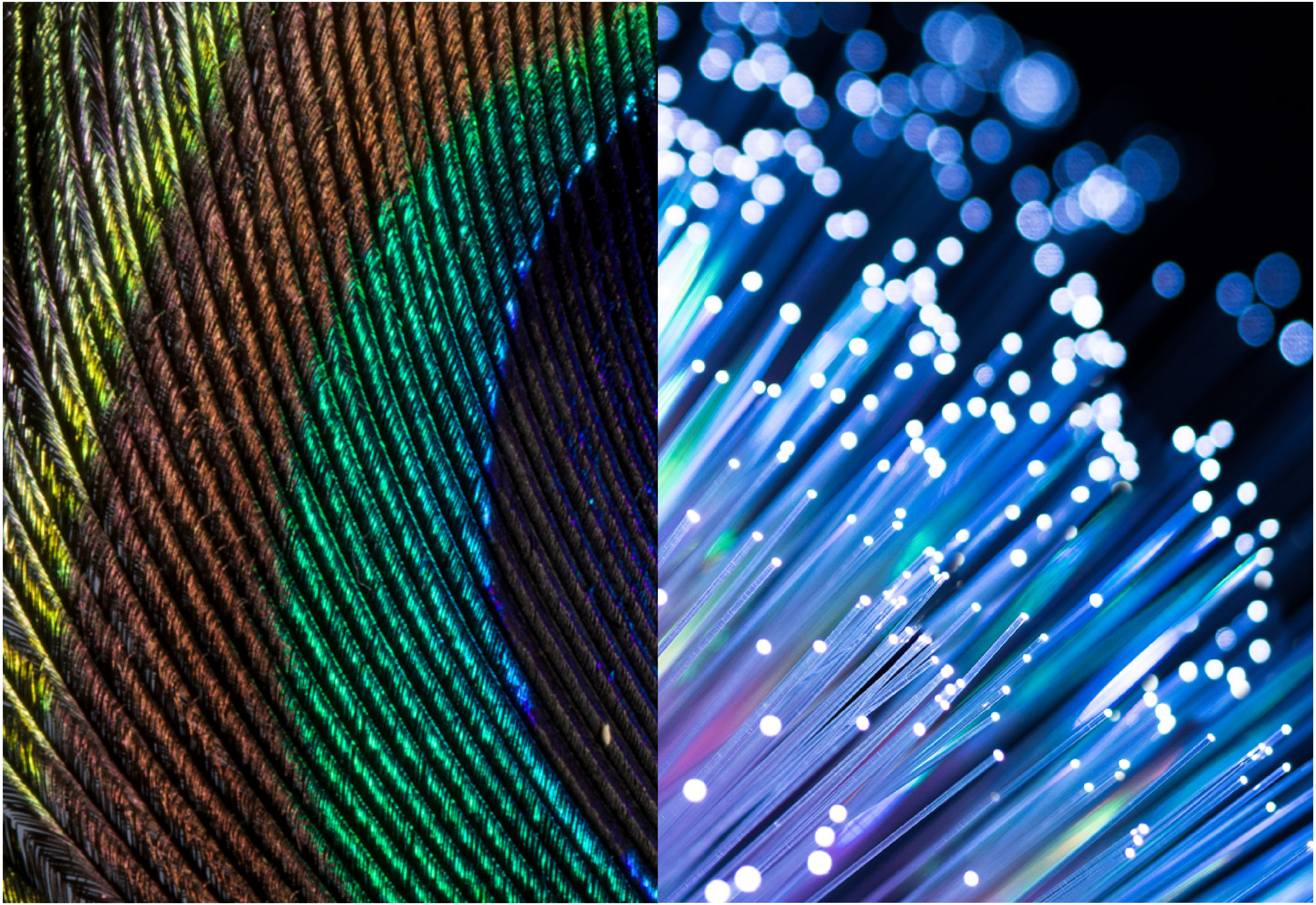
New developments in marketing automation will be helped by AI, using attitudinal and behavioural data.

Artificial Intelligence (AI) is one of the greatest developments of our time. In 2019, the application of AI within the media and marketing industry will increase beyond a 50% adoption rate and significantly affect the following areas: predictive analytics, advanced marketing automation, and ad targeting. These three areas will accelerate the media decision-making process for marketers and agencies.

With AI, the accuracy of predictive modelling and the amount of data that can be processed will increase exponentially. It’s with this increased computing capability that AI will allow us to design highly tailored marketing campaigns that will be driven by the probability of an individual to convert, at a specific price point, through determined channels. When building any kind of model, not just propensity models, the effectiveness and accuracy of the model is dependent on the quality of the data going into it. AI will further help improve the modelling process by identifying errors within the datasets that feed these predictive models. All of this will lead to further marketing automation, which will establish the most effective time and place for delivering a specific type of message to the right consumer.

In 2019 we will also continue to see major developments within the ad targeting space, due to the application of AI. Programmatic systems (DMPs) will be able to quickly run through historical attitudinal and behavioral data to determine which ads perform best for different types of people throughout the consumer journey.

Today we bucket individuals into predefined segments, but with the future use of AI, we will be able to continually optimise targeting. This will enable the real-time reassignment of individuals into new segments, based upon both their thoughts and feelings about a brand or product, as well as the behaviours they exhibit both online and offline. We have seen this type of positive AI impact help clients to deliver marketing messages to the most receptive audiences. However, with the implementation of GDPR protecting personal data in Europe, advertisers need to be careful that they are not compromising themselves to achieve the most effective targeting.



INFLUENCE WITH CONFIDENCE

Agustina Servente, Kantar Argentina **Karina Kuczynski, Kantar Argentina**

Brands will seek to gain trust by using micro-influencers, and its evaluation will start to include brand performance.

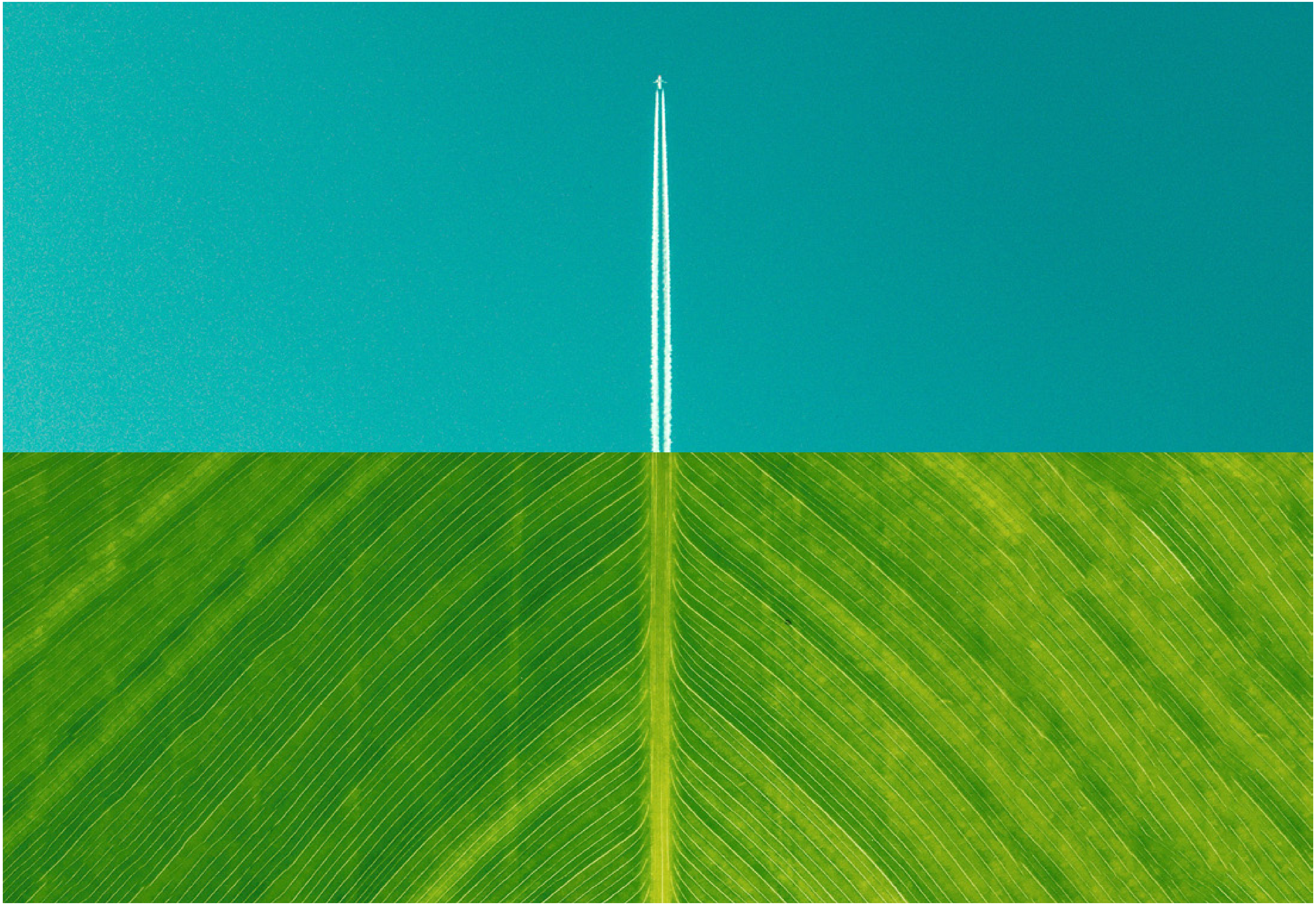
Two-thirds of multinational brands (65%) are planning to increase their spending on influencer marketing in the next year [Source: WFA]. But as influencers gain importance as a brand marketing platform rather than just for PR, they need to watch out.

Influencers continue to gain followers and so maintain a lively business recommending brands and products, from shampoo to telephones. They've turned into celebrities, but as a result their credibility has been compromised, and transparency hasn't always been obvious, generating Branded Influencer Fatigue (BIF). This can put the brands they endorse at risk.

In 2019 brands will use influencers in a more intelligent way by increasing their share of investment in micro-influencers: experts in a niche topic in a world of diversity, with lower individual reach but with higher credibility. The successful micro-influencers will be the ones who offer relevant content, with high quality aesthetics and meet their followers' needs: entertainment or new information. These influencers won´t change because of the brands. As micro-influencers tend to have a genuine and specific profile, it will be easier for brands to associate with them - and the other way around.

Brands will want to measure effectiveness and efficiency of micro-influencers and compare with other touchpoints and media channels. They will need to justify the higher investment on this touchpoint. We see, via Brand Lift Insights studies, the great effectiveness micro-influencers can achieve when they are appropriate and in line with brand values. The brand performance of micro-influencers could be similar to social networks or online video.

To gain trust and brand credibility, micro-influencers could be a good option in 2019. However, they will need managing, and strategies need to be constantly refreshed and adapted to the audience's needs.



TARGETING WITH PURPOSE IS THE KEY TO BUILDING STRONG BRANDS

Mark Henning, Kantar Australia

Brands will embrace more sophisticated data sources for smarter targeting, combined with digital creativity.

Over the last decade, data collection and targeting has been marketing's hot property. The ready availability of data promises to only speak to the seemingly most interested consumers, leading to a trend of hyper-targeting. In 2019 however, targeting will find a new purpose.

Hyper-targeting focuses only on purchase decisions and neglects to speak to a broader range of people to build interest in a product or service. There have been large variances in data quality, leading to under delivery on results and poor user experience. Treatment of consumers simply as 'targeted eyeballs' ignores the human context.

In 2019, trust and privacy will be an even bigger challenge in media. Highly publicised data breaches and flaws in privacy mean consumers are more distrustful than ever, and the introduction of GDPR (with big penalties for misuse of data) means that data is no longer as freely available. So as marketers get to grips with GDPR, a pull-back in hyper-targeting practices will continue in 2019.

There will be more emphasis on attitudinal and contextual targeting. With soup sales declining in Australia, Campbell's created 1,700 variations of a single video for YouTube, targeting audiences based on keyword searches. Users searching for Beyoncé's 'Single Ladies' were asked if they needed 'dinner for one'. Here, targeting maximised the impact and relevance of the message.

Get intimate with data by using your own: third party data can be a commodity, not unique and ripe with privacy issues. Data from a trusted partner or your own client/customer data should be of higher quality, but the data sets will be smaller, and if you're only using customer databases you're not expanding your market, so this will need to be accompanied by a broader communications strategy. Every piece of content counts. In 2019 marketers will focus on measuring its effectiveness to ensure it delivers on the targeting promise.

A NEW REALITY FOR MARKETERS

Leonie Gates-Sumner, Kantar UK

Brands will start to explore and understand Augmented Reality's role in brand building.

One day in the future, screens and headsets will become defunct, replaced by contact lenses which deliver a merged version of the digital and real world, moderated by AI, ensuring we receive the most relevant experiences for us. But we're not there yet.

First, a quick definition: Augmented Reality (AR) is a digital overlay onto a real-world view and is accessible via most screens (think Pokémon Go), while Virtual Reality is currently an immersive computer-generated experience with no real-world view, accessed through a headset.

While VR may play a role in B2B applications, 2019 will not be the year of VR for consumers, as demand is still not great enough. But it may be the year of AR; enabled by the availability of AR on mobile web, consumers will become increasingly familiar with immersive experiences.

Both AR and VR open new opportunities for consumers and marketers. Ikea use both to allow customers to visualise furniture in their home, and by linking this to ecommerce they offer a truly end-to-end experience. Travel companies like Thomas Cook are using in-store headsets to allow customers to experience destinations before they buy, and even including Google cardboard headsets with their brochures. And many fashion, beauty and home brands are using AR, allowing consumers to 'try' their products anywhere.

Most of these experiences are product-focused, but what about using these new realities for brand building? The best examples of AR are where it addresses a real consumer need, like an app from US retailer Lowe which uses your smartphone camera to measure a room or object – much easier than a tape measure! This kind of application may not lead to a direct sale, but is a great way to build meaningful difference for a brand. For VR, the power is in its ability to tell a story. Storytelling will always be at the heart of every great ad, and VR could be our greatest opportunity yet to immerse consumers in a brand story and create engaging experiences, moving from solitary to multi-user.

Recent research by Kantar shows that only 24% of marketers see AR as a must-have for brands, with VR even lower at 18%. But as with all new marketing channels, impact will be greatest at the start, and brands which experiment now will reap the benefits when immersive experiences become the norm.

CONTACTS

Jane Ostler
Jane.Ostler@kantar.com

Heather Parke
Heather.Parke@kantar.com

KANTAR