WARC | Strategy

The Marketer's Toolkit 2025

The *missing piece* in your strategy

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Evolution of Marketing

WARC In this **report**

AI image

Now in its 14th year, the Marketer's Toolkit 2025 is the centrepiece of WARC's Evolution of Marketing programme, the leading source of insight into the changing face of marketing. This year's Toolkit identifies five trends that will disrupt existing global marketing practices, and offers insights to help turn these disruptive areas into opportunities for growth.

Trend identification is based on our proprietary GEISTE methodology along with an in-depth review of the latest insights and industry information. The report further incorporates a global survey of 1,000 plus marketing executives, and one-on-one interviews with leading marketers worldwide, as well as analysis and insight from WARC's global team of experts.

Note: Unless specified otherwise, all survey data in this report is from the 2024 Voice of the Marketer survey, an online survey of 1,000+ marketers worldwide, conducted in Sept.-Oct. 2024. Data from prior years is from equivalent surveys conducted in the years listed. Some questions and answer options displayed have been lightly edited for length and clarity.

Contents

Marketers face an **economic inflection point**

Aditya Kishore,
Insight Director,
WARC

While rapid growth worldwide is unlikely in 2025, there are reasons to expect more stability than we have had in recent years.

The economic headline looking ahead to 2025 is that central banks are regaining control over inflation. Declines in interest rates should follow in late 2024 and 2025, releasing more liquidity and investment. The IMF *predicts* inflation will drift down to 4.5% globally, with faster declines in advanced economies.

Despite flattening inflation, years of price increases will continue to constrain consumer spending, with growth projected to remain below pre-pandemic levels at 3.2%, while significant geopolitical threats remain. In 2025, marketers will need to develop effective strategies across brand investment and optimal pricing. Looking beyond promotion and refocusing on all 4Ps of marketing will be increasingly important. This is where the Marketer's Toolkit can help. Based on WARC's proprietary GEISTE methodology, it evaluates the most significant global shifts marketers will need to adjust to and spotlights new areas of opportunity.

Finding the right strategies for this new phase of economic growth is a major theme for the Toolkit this year, as is expanding perceptions of brand building to encompass the entire customer experience – particularly with sharp declines seen in customer service worldwide.

Other important themes include the tension between the growing importance of social media and the volume of hate speech and disinformation endangering brand safety on leading platforms; the largely undiscovered opportunity to cater to the rapidly growing cohort of 'atomised' consumers; and managing the staggering demands of AI technology on energy use and the environment.

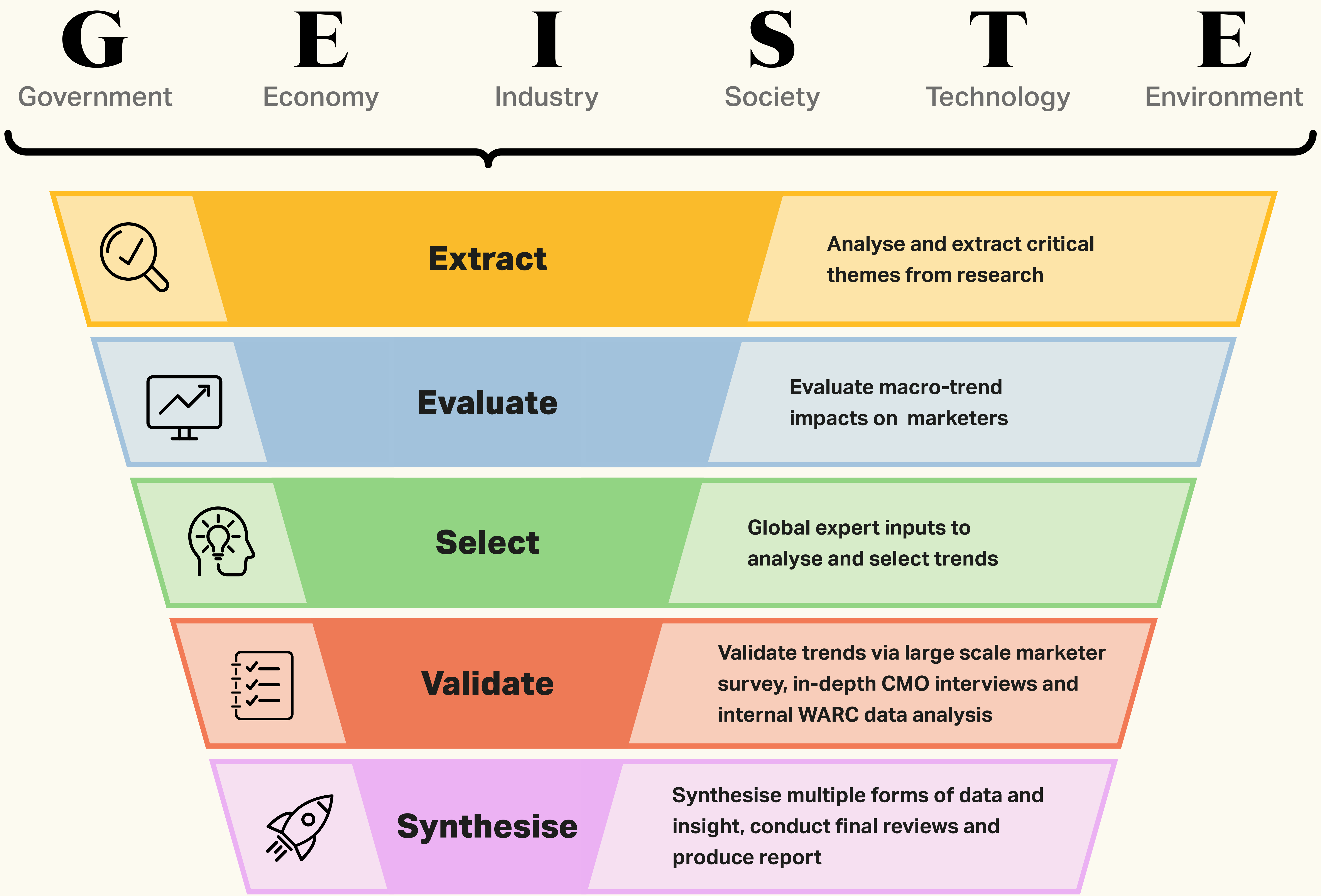
Our data broadly offers encouragement: two-thirds of respondents to WARC's 2024 Voice of the Marketer survey expected business conditions to improve next year, while WARC is ***forecasting*** global ad spend will grow to $1.15 trillion in 2025. However, in this time of uneven growth, marketers will need to carefully identify the areas of opportunity and develop considered strategies to leverage them. We hope this report helps.

The GEISTE methodology

The Marketer's Toolkit is based on WARC's proprietary GEISTE methodology, which focuses on six macro-level drivers of change: Government, Economy, Industry, Society Technology and Environment.

Once this research identifies the disruptive forces shaping the coming year, WARC analysts assess their impact on marketers via a multi-stage process, and then select the trends that have the greatest impact. Subsequent research and analysis, including interviews with marketing leaders worldwide and a global survey, help us define and validate the most effective strategies to manage these changes, and identify new areas of opportunity.

More details are available *here*.



chapter #1

Capitalising on the **economic reset**

Since 2020, brands and consumers have been in reaction mode, starting with the pandemic, and continuing through the inflationary crisis. As these factors ease, businesses may be entering a period of relative stability. Marketers have an opportunity to move from reactive to proactive – and show their value as growth drivers.

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As economic crises fade, **brands can grasp new opportunities**

It may be time for consumers and brands to exhale – just a bit – after years beset by global crises including the pandemic, high inflation and high interest rates.

While caution continues to be warranted, especially with ongoing conflict in the Middle East and Ukraine, economic indicators and forecasts are more positive, suggesting the global economy is in for a period of steady if unspectacular growth, with low inflation.

According to the OECD (Organisation for Economic Co-operation and Development), ***growth globally will be 3.2% for both 2024 and 2025***. Importantly, in the G20, inflation may decline to 2.1% next year from 6.1% in 2023.

While the incoming Trump administration's ***policies*** on immigration, tariffs and taxes could influence further actions, the Federal Reserve in the US has already made ***two interest rate cuts***. Further rate cuts are also expected from central banks in most other developed economies.

Similarly, the Chinese economy is forecast to get a boost following a new ***stimulus package***. While concerns again exist about Chinese exports following the Trump win, the current forecast is almost at the target of 5% set by the government.

Marketers' **optimism is on the rise**

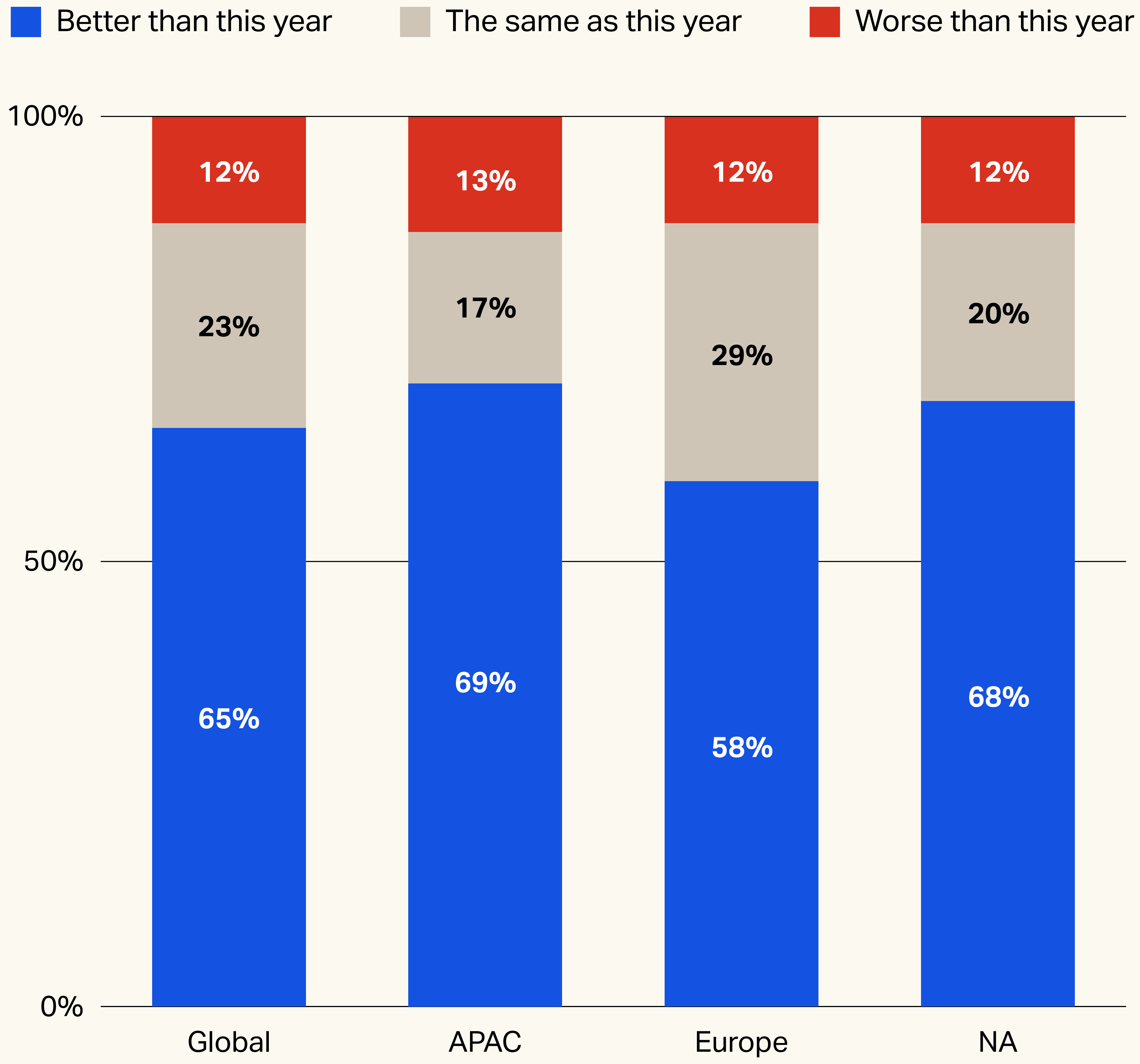
With the global economy hopefully stabilising somewhat, ad spending is also expected to rise, presenting an opportunity for marketers to reassert their power.

According to the latest WARC Media forecast, global ad spend will rise robustly over the next three years – a number that's been adjusted upward since a mid-2023 forecast. By the end of 2024, global ad spend is expected to top $1 trillion for the first time, at a 10.5% growth rate. This will be followed by slower, but still healthy, growth in 2025 (+7.2%) and 2026 (+7.0%).

The marketing industry sees more reason for optimism as well, with 65% of those surveyed in WARC's 2024 Voice of the Marketer survey believing the business environment in 2025 will be better than it was this year. This was the highest response for this question since the COVID bounceback of 2021. Optimism among European marketers is notably lower (58%) compared with NA and APAC at 68% and 69% respectively.

Still, brands realise that consumer worries over economic conditions persist. Even though fears of a recession have largely faded, 72% of those surveyed cited economic conditions as having an impact on their marketing strategies.

Q: Which of the below best describes your business expectations for next year?



Consumers are **spending... at times**

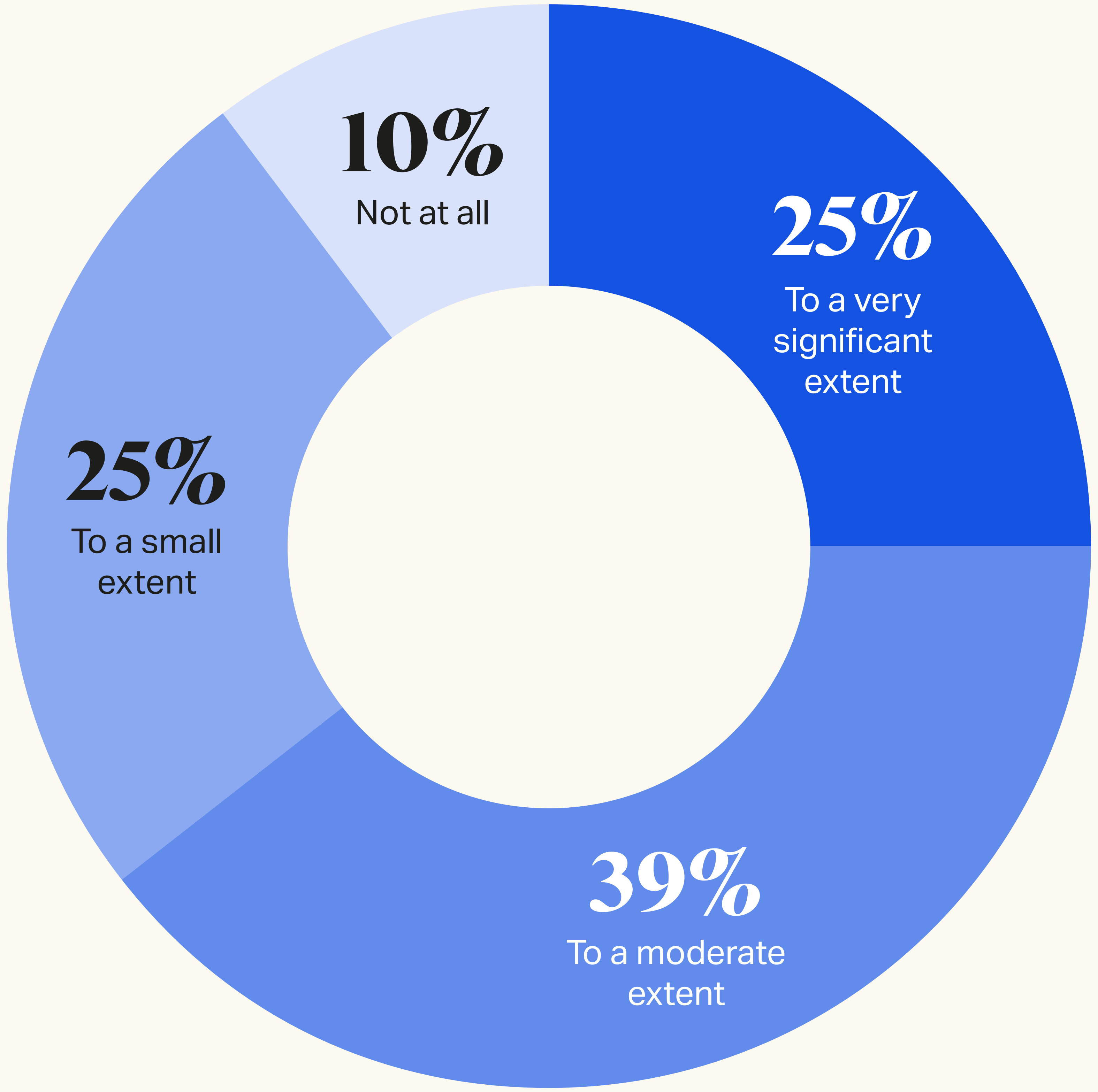
For consumers, the last few years have showcased the need to navigate an inhospitable economy, while still investing in diversions that offer joy, like entertainment and travel. Both have seen marked upticks since the pandemic.

But, even as inflation ebbs, consumers continue to emphasise saving money on everyday needs. New data from 84.51°, the insights unit of supermarket giant Kroger, found US consumers have more interest in preparing food at home now than during the pandemic, with 46% prioritising this. Consumers aren't using coupons and vouchers like they were at the height of inflation, but ***are still attuned to pricing and special promotions***.

Marketers are aware that consumers are being picky about where they spend. According to our survey, almost two-thirds of respondents expressed some degree of worry over white-label and low-priced products making market share gains in their categories.

In this new post-inflationary economic phase, it's clear consumers will only pay for what they value, so the job of marketers is to show why the value of their brands is worth a premium price.

Q: How concerned are you about white-labelled and low-priced options gaining market share in your category?



Percentages may not total 100 due to rounding

For a business, being able to maintain its price premium when others are forced to discount is a compelling reason to invest in brand building.

Price has been a constant issue for brands recently because of inflation. Now, the challenge is to shift from communicating price rises and discounting, to building or maintaining pricing power as consumer confidence rebuilds.

Leveraging the current environment centres around two important priorities.

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Priority 1: Making price a marketing KPI

Price, of course, is one of the 4Ps – alongside product, promotion and place – and, increasingly, it's connected to a fifth 'P' – profit. Price effects – and their tie to profit – were a key theme at the recent IPA Effectiveness conference, where it was argued that pricing power *may be the key argument in support of long-term brand investment*.

IPA Effectiveness Grand Prix Award winner McCain (see case study at this chapter's end) has done a masterful job of this in the UK. It took ten years of commitment for McCain to get where it is today – capable of charging a premium even as events, ranging from a surge in sunflower oil prices to inflation, roiled around it.

One way brands can sustain price is by committing to campaigns and brand assets for an extensive period. A new metric from System 1 evaluates ads based on their *consistency* in areas including positioning and distinctive assets. It found the top-fifth showed pronounced gains in producing sales value, profit and market share.

However, for brand marketers to succeed at sustaining price, noticeable gaps in involvement and expertise need fixing. WARC research shows their involvement in setting price is spotty, with 25% saying they have no involvement, and only 20% having primary responsibility for it.

AI image

> **"Our jobs are to deeply understand who we serve and what matters to them in their everyday lives[...] so we can serve them with our brands by finding those everyday moments that matter."**
>
> **Marc Pritchard**, Chief Brand Officer, P&G

Priority 2: Using customer insight to reclaim the 4Ps

One major theme at Cannes Lions 2024 was the need to rebuild marketers' role as the voice of the consumer. This should be Marketing 101, of course. But growing industry consensus is that in the upheaval of the past five years, the quality and breadth of insight delivered by marketing teams has suffered, with negative consequences for the influence of marketing at a C-suite level.

Educator and columnist ***Mark Ritson argued*** that marketers had an opportunity to reclaim the 4Ps – and, in particular, to gain greater input into pricing decisions and product development. But only if they raise their game in terms of consumer understanding.

"Marketers don't start with tactics; they don't start with strategy. They start with understanding the one thing no one else in the company understands, the consumer."

Industry leader Marc Pritchard of Procter & Gamble said ***much the same*** at the Association of National Advertisers' 2024 Masters of Marketing conference, as did the Chief Financial Officer of McDonald's, Ian Borden, at Cannes. What he wanted from his marketing team, he said, was a strategy ***rooted in rock-solid consumer insight***. Only then would he sign off on risk-taking creative work.

In the quest for better insight, there are two areas to explore in 2025:

1. The rise of AI-driven '***synthetic data***'. The argument of synthetic data providers is that using 'digital twins' to conduct research helps raise the levels of customer understanding in niche or hard-to-survey categories, particularly B2B. This area is potentially controversial, but worth exploring in those categories.
2. A renewed interest in qual or behavioural research. One argument put forward at Cannes Lions is that marketers have become too reliant on attitudinal data. That is, what consumers say. The opportunity for businesses – not just marketers – lies in the '***aspiration gap***' – the variance between what customers say they want, and what they actually do. To get there requires a greater focus on behavioural data and deeper understanding of consumers' lives.

AI image

In their **own words**

Rifah Qadri

**Executive Director,
Marketing & Corporate Communication, easypaisa**

> **In the wake of rising inflation, we've observed a significant shift in consumer behaviour. As the cost of living increases, people are becoming more cautious and deliberate with their spending. This has led to a demand for financial solutions that provide better value and are more cost-effective.**

Dylan Yu

**Head of Marketing,
Singapore Oppo**

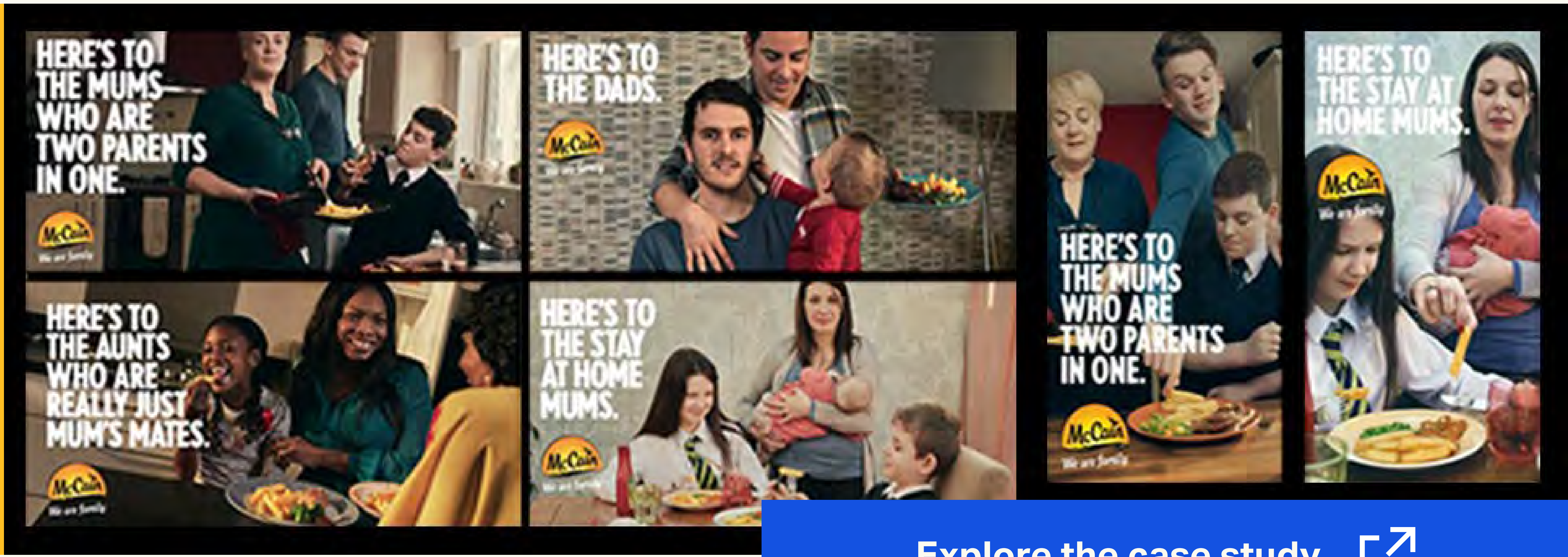
> **Consumer insight drives Oppo's strategic innovation. For example, our research found customers were missing out on photos when something memorable happened unexpectedly, so we created a quick capture button that can activate in 0.4 seconds.**

Case Study

IPA Effectiveness Awards, Grand Prix, 2024

McCain sees results by building brand consistently over time

Brand: McCain **Agency:** adam&eveDDB **Region:** United Kingdom



Explore the case study

McCain, the UK market leader in frozen chips (french fries), *has invested in the same brand campaign since 2014*, which focuses on "the joyful reality of family teatimes". The effort was originally created in response to a consumer shift towards "discretionary thrift".

Consumers had become more likely to buy white-label brands, and shop at discount grocers such as Lidl and Aldi, where McCain wasn't available. Another symptom: Google searches for "oven chips" surged, while those for "McCain" dropped precipitously.

McCain could have ramped up price discounts in the short term to drive volume, but instead chose to focus on brand advertising, hoping a potential increase in demand would allow it to defend a price premium, while also making it more resilient in future economic downturns.

McCain devoted 60% of spending to brand, using video and highly emotive channel choices to make the full spectrum of British families "feel seen, heard, and celebrated".

Results

- By October 2023, there were more searches for "McCain" than "oven chips", signalling that category commoditisation had ended.
- Price elasticity – or how likely a brand is impacted by price increases – fell by 47%, and base sales increased by 44%.
- The price elasticity drop let McCain maintain margins, despite a potato shortage, inflation and a sunflower oil price surge.

What they learned

- Focus on years, not quarters. This became an internal mantra, and was used to set strategies and KPIs.
- Leverage emotion in creative. McCain consistently uses its advertising to build bonds between consumers and the brand.
- Make hay while the sun shines. McCain used a time with less economic tumult to reset its marketing, making it resilient when adverse events arrived.

Takeaways

Focus on measuring price sensitivity and bolstering what people will pay

Perhaps the best protection marketers can have is to innoculate their brands from the impact of adverse events, including inflationary spirals and economic downturns. By making consumers less sensitive to price – using ongoing brand building that is steeped in consumer insight – brands can better weather storms.

Stick with it – frequent changes in advertising can confuse consumers and devalue a brand

As System 1's creative consistency analysis shows, often, what brands most need is to commit to messaging, instead of flitting from one idea to the next. Remember, consumers are bombarded with thousands of ads daily, so one way to fight back is to stay with a consistent, resonant message over time.

Influence all 4Ps by becoming the customer's voice in the boardroom

Marketers sit on a treasure trove of customer data. Detailed analysis linking it to business outcomes will help gain board-level credibility. This credibility is important if marketers want to grow their involvement with pricing, product development, etc. and reclaim the 4Ps – an increasingly important requirement for effective marketing in this next economic phase.

chapter #2

Closing the **experience gap**

The decline in customer service quality is now a critical issue for marketers. In the race for efficiency, there's a risk of widening the gap between the brand's promise and the actual customer experience.

WARC AI image

The collapse of **customer service**

Brand experience is more critical than ever, fueled by word-of-mouth reviews and a growing number of channels to deliver a brand's message. But delivering it is no easy task. Growing global dissatisfaction shows brands are struggling, driven by complex customer journeys, cost-cutting, and margin pressures.

In the US, customer experience quality has hit an ***all-time low***, while 45% of British consumers say service has worsened in the last three years. The business impact? A staggering ***$3.7 trillion*** is at risk as customers cut spending or switch brands after poor experiences.

AI seemingly offers a fix – streamlining operations and reducing friction, but it's a double-edged sword. Over-relying on it risks losing the human connection. While efficient, AI lacks the emotional touch that ***excites*** customers and creates lasting brand memories.

It's not an either or strategy. For example, Southeast Asian shoppers ***enjoy*** the ease and 24/7 availability of AI-powered chatbots. Rather, it's about designing a multichannel brand experience that is both seamless and memorable. And knowing when to transition from an automated to human interaction within the customer lifecycle.

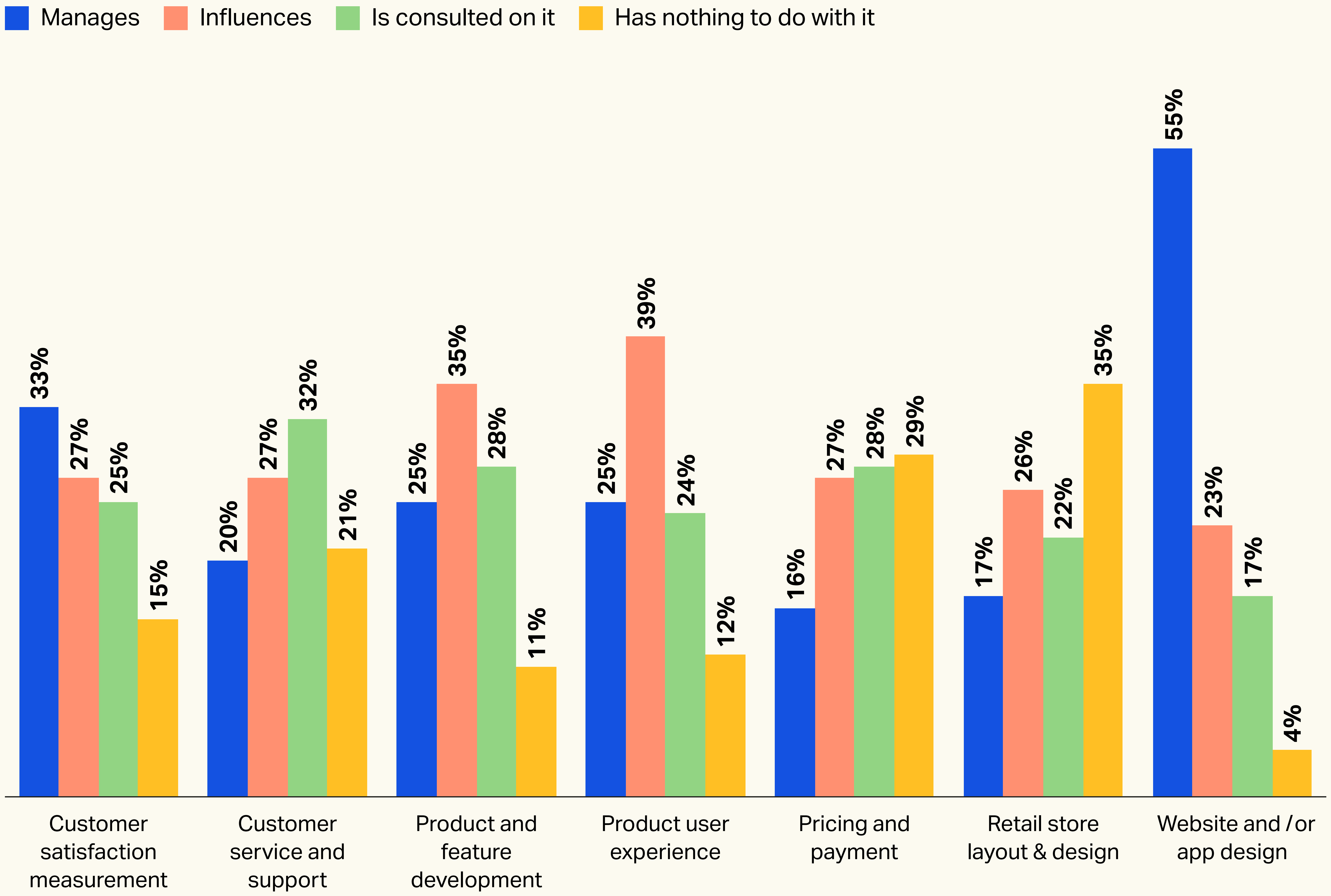
Marketing is still **disconnected from broader CX strategy**

According to WARC's 2024 Voice of the Marketer survey, few brand marketers directly manage more than two elements of customer experience – website and / or app design and measuring customer satisfaction.

If measuring customer success is clearly within the remit of marketing, then arguably marketers should have greater influence in more customer-facing aspects of the business to ensure that a consistent brand experience is delivered across the customer journey.

After all, an often cited marketing superpower is being the business' "*window to the world*" as discussed in the previous chapter.

Q: What is the role of the marketing team in managing the following elements of the customer experience?



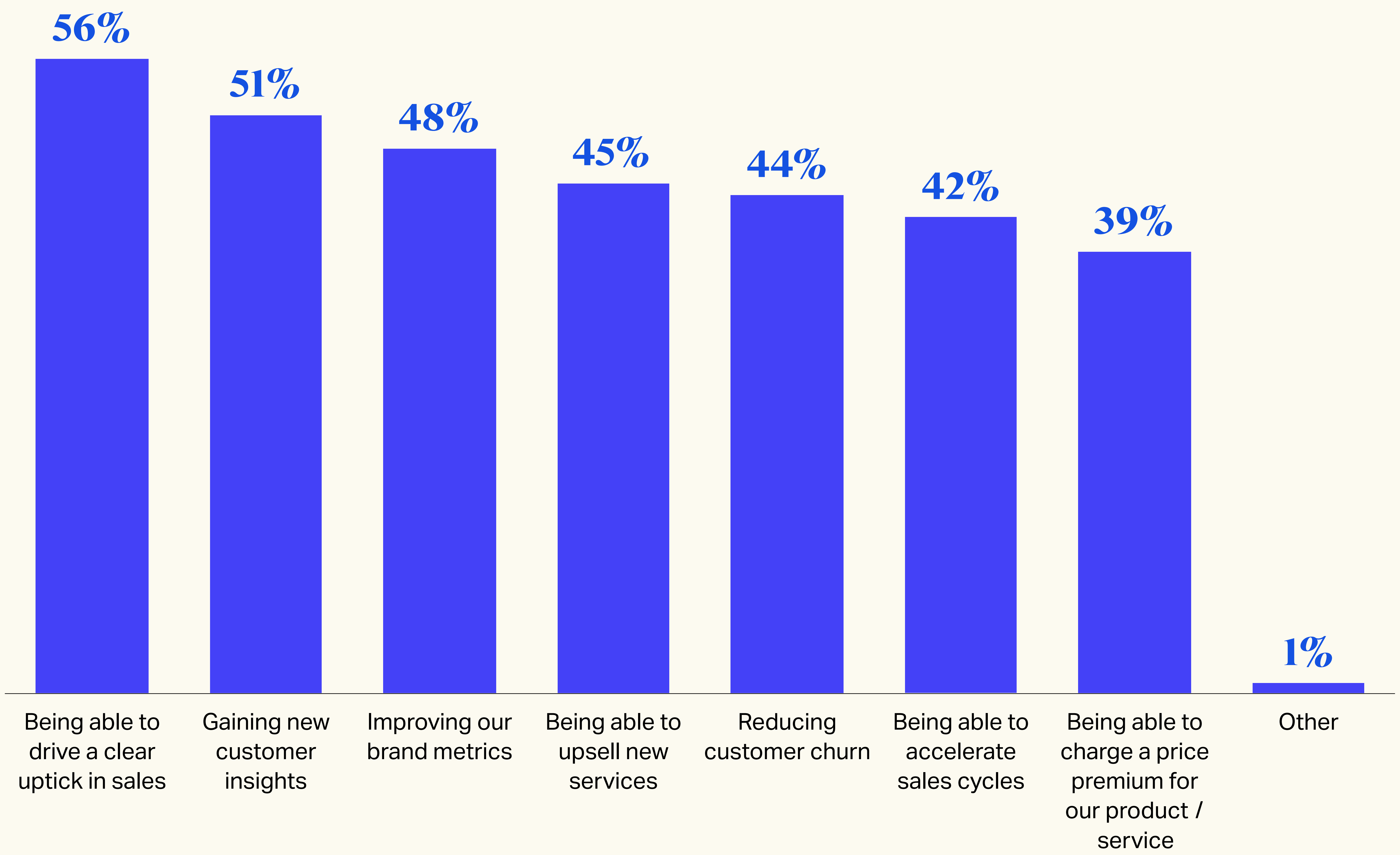
CX is not always a **'brand' investment**

In the Voice of the Marketer survey, we asked what it would take to unlock more investment in service. While there were no standout answers, it was notable that the impact of CX on brand metrics, or brand-driven benefits like reduced churn or pricing power, were not at the top of the list.

This suggests there is work to do to make the case for 'experience' being a major contributor to brand equity.

Kantar found that 58% of brand disposition in financial services is associated with experiences (customer care, recommendations, apps/websites, etc.), while 42% is linked to exposures (advertising, social media, etc.).

Q: Which of the following benefits could convince management to invest more in customer service?



How to **join the dots**

Investment in customer service requires a clear business case, and is often driven by different departments. When a gap between the brand promise and the actual experience exists, marketers need to examine this in a number of ways:

- The touchpoints or moments on the purchase journey where the problems are most acute, or where there is the biggest potential upside.
- The importance of service to the brand and to the category (versus price, for example).
- Comparison with competitors, and whether there is a risk of losing customers due to more compelling offers elsewhere.

Case in point – Starbucks

An example of a brand trying to resolve its experience gap is Starbucks. Over many years it tried to woo inflation-weary customers by discounting, and seems to have overcorrected on price and under-delivered on service. Its new CEO, Brian Niccol, is stopping discounting and pivoting back to investment in customer experience and brand. Its new ads are a paean to the quality of Starbucks, and it is focusing on reducing menu complexity and wait times in its stores, and even small things like letting baristas use Sharpies to write names on coffees again.


AI image


AI image

Getting to **a solution**

If the conclusion is that action is required, there are a couple of frameworks that can help marketers make progress.

Promise to the customer

This concept, introduced by LinkedIn and strategy consultant Roger Martin in 2023, argues that the best way to sell 'brand' into the broader organisation is to think of it as a 'promise to the customer'. Brands that make promises that are valuable, that are memorable, and – crucially – that are deliverable have a competitive advantage.

Using WARC case study data, ***two studies*** have shown the power of a strong customer promise in both B2B and B2C marketing. There is, therefore, a growing evidence base that aligning marketing communications and CX under this framework can have real business impact.

'Good friction'

Customers expect seamless experiences, but if a brand becomes too efficiency-focused, it can suffer from the '***Doorman Fallacy***'. CX no longer becomes a distinctive asset that a brand can wield to win over competitors. Doing so requires distinguishing between "good" and "bad" friction. The IPA ***defines*** this as "purposely slowing down the experience to accentuate the brand so it positively impacts the experience without making it harder for the customer".

In their **own words**

Ajay Dang

President & Head – Marketing,
Ultratech Cement

Traditional advertising lets consumers know the promise of a brand. Fulfilment of that promise is only possible via consumer interaction – whether in-person, online, or offline.

Andrea Sengara

Head of Marketing,
US, Campari Group

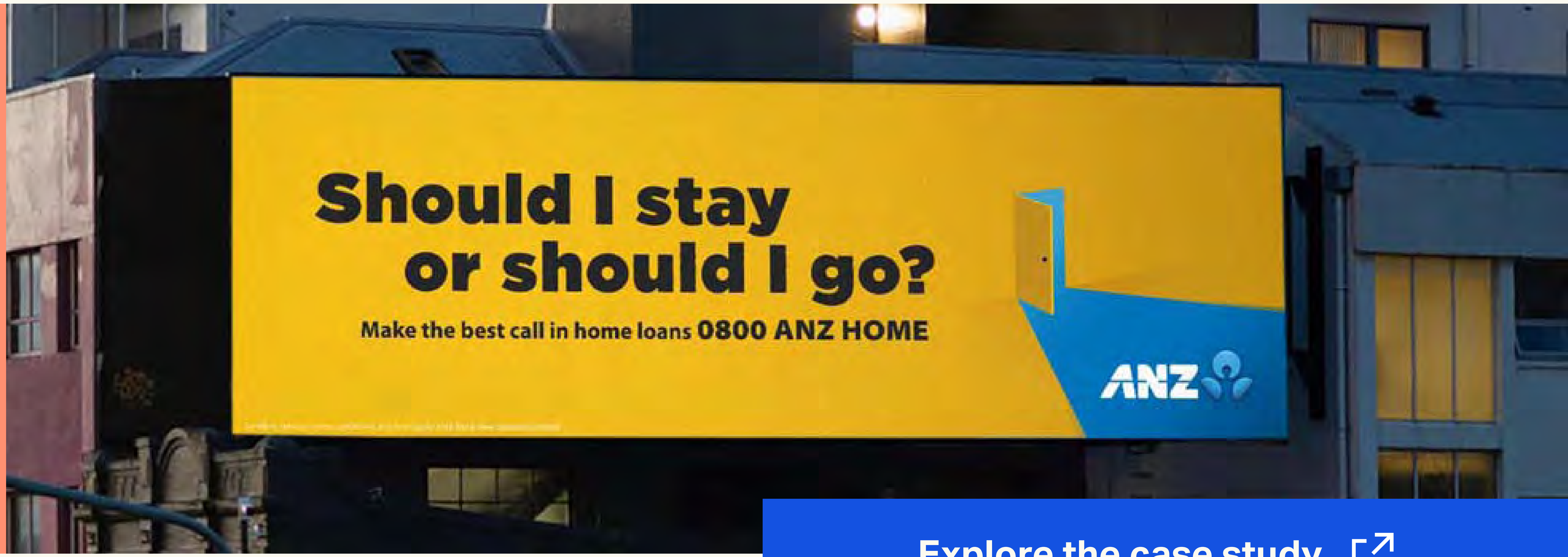
A key part for me is getting input and feedback from everyone across the organisation [...] From people's experiences in-store and at bars and restaurants to customer experiences trying the product, this can all help us improve how we are building the brand.

Case Study

WARC Awards for Effectiveness, Silver, APAC Instant Impact, 2024

ANZ: Making the best call in home loans

Agency: TBWA \ NEW ZEALAND, New Zealand **Market:** Australia



Explore the case study

New Zealand's largest bank ANZ reversed share decline in the mortgage market through a multichannel campaign with a soundtrack by The Clash that showcased a new personalised advice offering.

Soaring interest rates meant more homeowners were switching banks to get the best mortgage deals and this, combined with a tumbling housing market, saw ANZ's share of the home loans market plummeting.

Research revealed that there was a service void being left by all the banks and the reason that many refinancers were turning to mortgage brokers was because what they essentially wanted was advice.

ANZ turned its 1,000 home loan experts into Home Loan Coaches and created the Home Loan Check In, whereby homeowners could phone in for free advice, and launched the service via TV, online, OOH, radio and digital audio.

Results

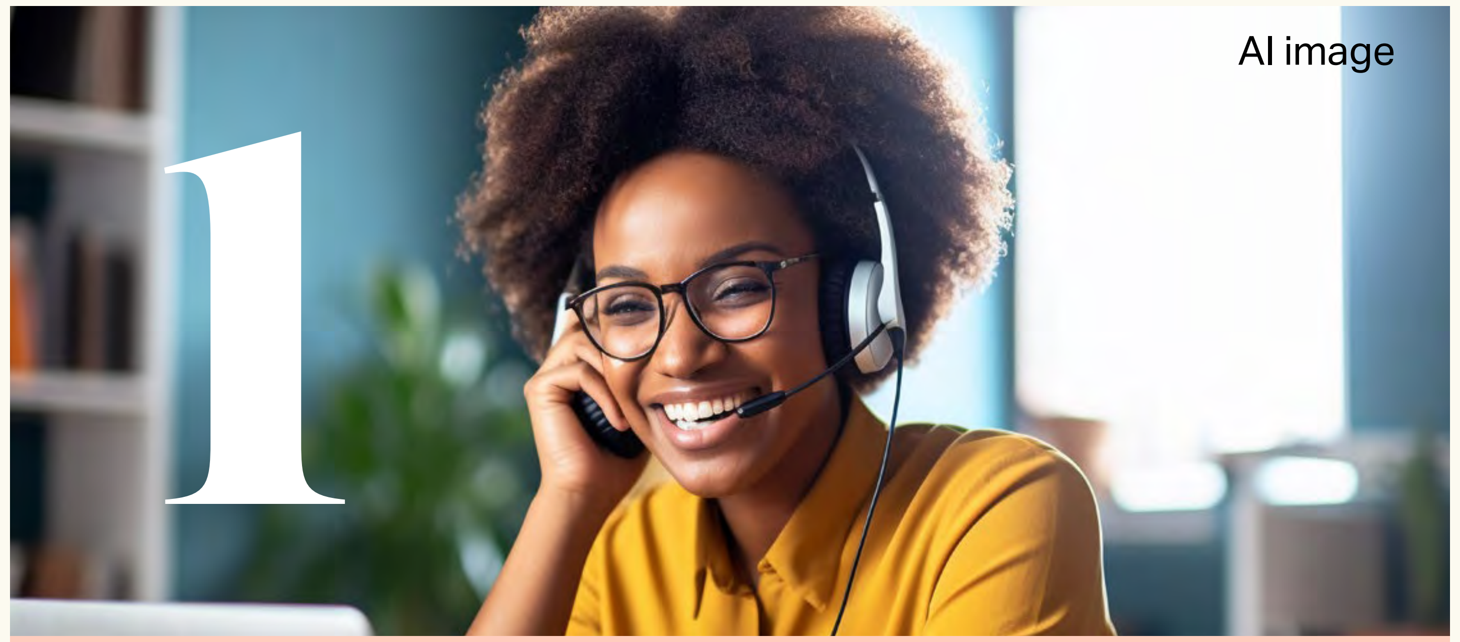
The bank was able to reverse a year-long market share decline within just one month after the campaign.

- ANZ increased its share of customers switching-in to the bank by 28%, almost three times the objective of 10%.
- ANZ's reputation score improved by 2.0, rising to the highest point of relative difference since 2017.

What they learned

- Instead of offering customers more of the same, ANZ chose to develop a strategy that started with what they were missing.
- Align product and marketing teams to deliver an entire customer experience across the business.

Takeaways



Align customer promise and experience

Track and analyse customer sentiment across various departments to identify the gaps between a brand's promise and its experience. Use these inputs to adapt strategies that address satisfaction, ensuring that real-time customer experience continues to strengthen a brand's equity compared to competitors.

Boost memorability at critical touchpoints

Identify the experience-related touchpoints – such as brand apps, websites, retail outlets – that have the most disproportionate influence over a customer's propensity to consider and purchase from the brand. Then determine how to make these touchpoints more memorable and distinctive in order to turn ***"moments that matter" into "moments to consider"***.

Understand the brand's friction quotient

Customer journeys are complex, highly nuanced and vary per category and brand. Determining the right amount of "good" friction that builds trust while not leaving a negative customer impression requires constantly testing, learning and ultimately always listening to feedback.

chapter #3

The digital **dilemma**

Big Tech platforms are perceived as indispensable to many brands' marketing plans, despite enduring concerns about the prevalence of hate speech and misinformation. Marketers can lessen this dependence by leaning in to media's coming age of abundance, and harness new opportunities through innovative, data-driven media planning.

WARC AI image

Brand safety consensus **breaks down**

The relationship between brands and platforms is increasingly tilted in favour of Big Tech. The collective power of advertisers to police media owners has been challenged. Marketers must plot their own route to keep clear of damaging content and misinformation.

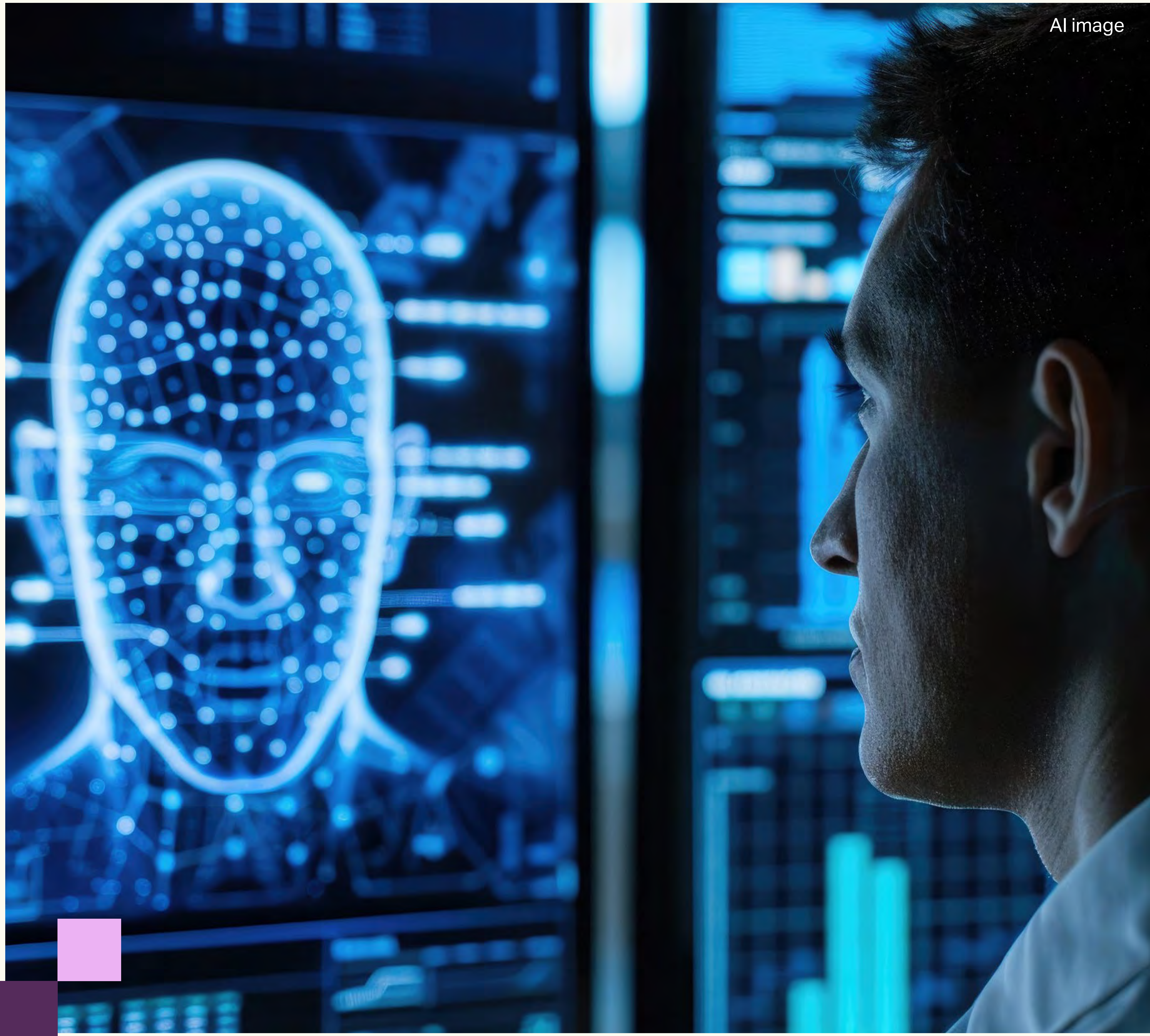
The Global Alliance for Responsible Media, created in 2019 to "improve the safety of online environments", was forced to shutter after X brought a lawsuit alleging it amounted to an "illegal boycott" of its platform by advertisers. Another defendant in that lawsuit, Unilever, settled out of court and claimed X had committed to ensuring the "safety and performance" of its brands – despite reports of growing issues with ***AI deepfake ads*** and ***pornographic content*** on the platform.

It's not just X taking a lighter-touch approach to content moderation. In August, Meta CEO Mark Zuckerberg told the US House of Representatives that he ***regretted the decision to "censor" COVID-19 misinformation*** during the pandemic.

Some 40% of advertisers in WARC's 2024 Voice of the Marketer survey expect brand safety issues to have a "significant impact" on their marketing strategy in the coming 12 months, up 10 percentage points in three years.

Yet ad investment in Big Tech continues unabated, in light of continued concerns about the open web, the rise of AI-generated made-for-advertising (MFA) websites and the more than $80bn in global spend lost annually to ad fraud, per Jupiter Research.

WARC Media forecasts 14.2% year-on-year growth in social media ad spend in 2024, driven by take-up of AI-powered campaign management tools.


AI image

Brands struggle to **balance safety and performance**

Many advertisers feel unable to step back from spending with social and online video platforms for fear of missing their performance targets.

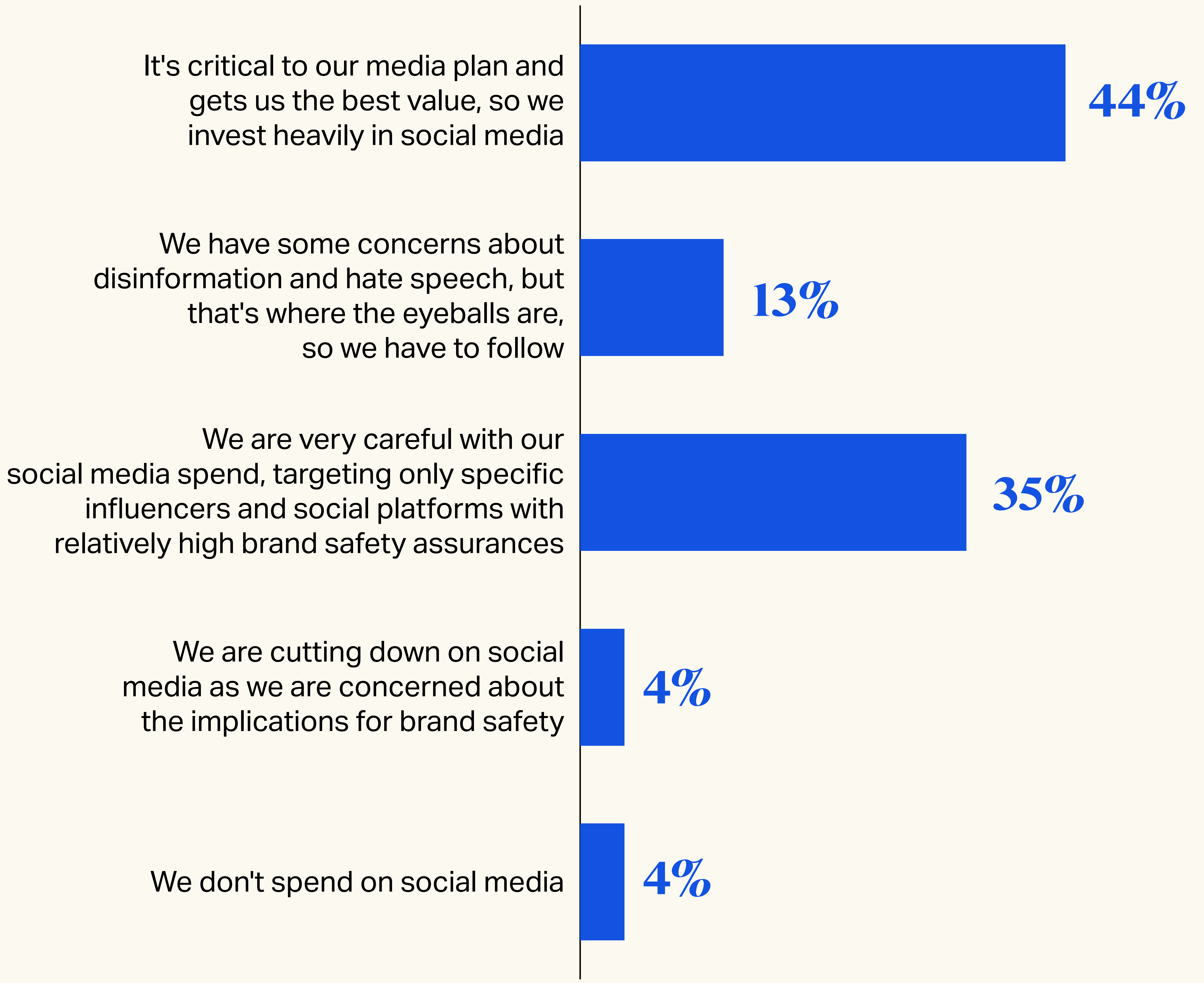
Big Tech is claiming a greater share of ad budgets: between them, Alphabet, Amazon and Meta are forecast by WARC Media to account for 44% of all global ad spend in 2024, and more than half of all investment outside of China.

The Big Tech platforms combine vast quantities of first-party customer data – often increasingly close to the point of purchase – with high-spec campaign management and measurement tools.

This combination of characteristics appears sufficient to overcome concerns over the risk of ads running against content that spreads hate and misinformation – as demonstrated by the findings in the Voice of the Marketer survey:

- Nearly half of advertisers (44%) say they plan to invest "heavily" in social media next year as it is "critical" to their media plans.
- Only a third (35%) are taking a more "careful" approach to brand safety and creator partnerships on social platforms.
- Other questions found that less than half (44%) of brand-side marketers report feeling somewhat or very "satisfied" by their brand safety processes, while only 11% of agency respondents believed their clients have "complete confidence" in their measures.

Q: Which of the following statements best describes your brand's thinking on ad spend on social media?



Marketers can lessen their dependence on Big Tech platforms – while at the same time addressing their concerns around brand safety – by leaning in to media's age of abundance.

The breadth of sellers of advertising continues to increase, from new entrants to commerce media in banking (Chase) and aviation (United) to start-up generative AI search platforms ***such as Perplexity***.

Existing platforms are also evolving their ad proposition: TikTok is now a seller of search ads, while Google is poised to monetise its AI Overviews feature through advertising. Marketers can explore new formats in familiar places – ***such as shoppable ads in TV*** – and engage communities through niche media and creators.

Rather than bemoaning this fragmentation, Billy Ryan, Head of Marketing Analytics and Effectiveness at the7stars argues that brands should ***embrace media's new "era of abundance"***, and explore how this broadening range of platforms and formats can assist them in achieving their campaign goals

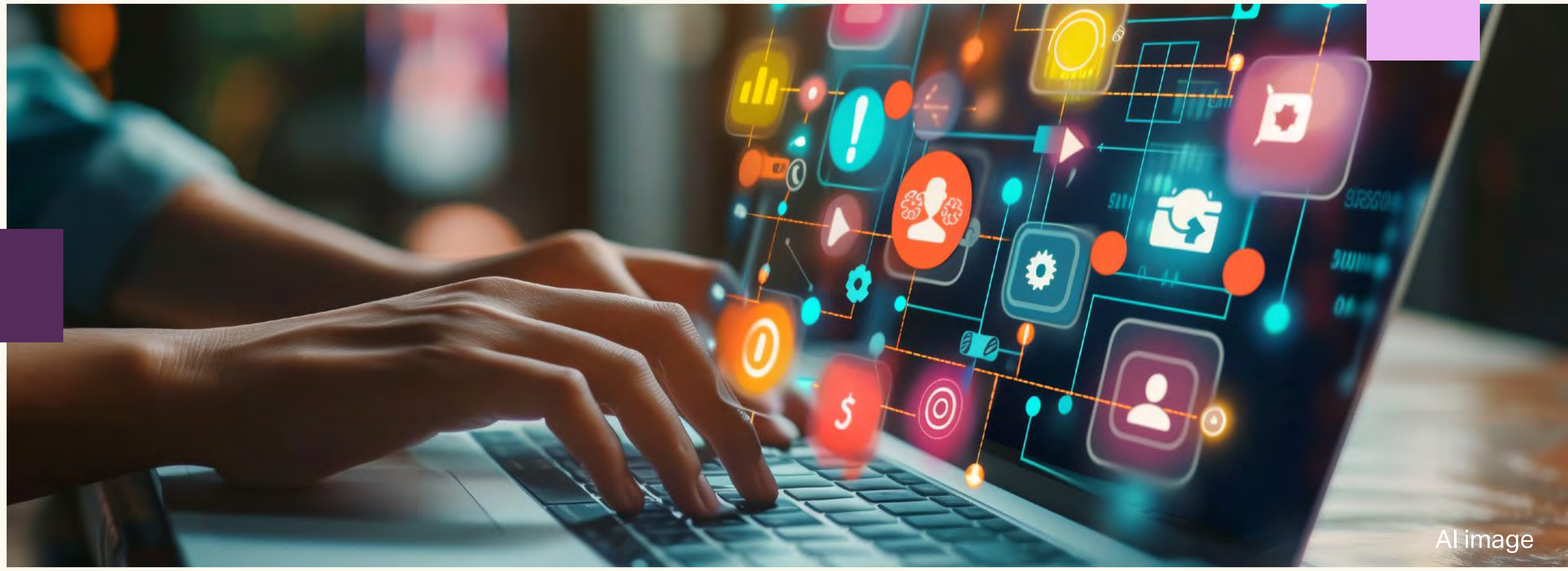
Media planning returns to the fore

Ryan argues media planners – equipped with a "Swiss Army knife" of skills – will become vital in helping marketers navigate this emerging complexity.

The next wave of innovation in media effectiveness will focus on AI-driven performance marketing tools. Where Alphabet (Performance Max) and Meta (Advantage+) led, others followed in 2024, including TikTok (Smart+) and Pinterest (Performance+). Each platform encourages marketers to trust their AI tools to make real-time creative and audience targeting decisions on their behalf.

We will see a fresh wave of more algorithmically orientated media planners able to navigate this age of abundance. The opacity of such tools is driving the rise of what Dentsu terms 'algorithm planners', whose job it is to decode AI campaign tools, and design outcome-based strategies with the aim of driving impact along the funnel.

The planner of the future will also use media quality signals to help brands keep clear of offensive content and misinformation. Optimising campaigns to run in high-attention environments has been shown to drive both brand and ***performance metrics***, while the blending of commerce and content will help planners to better understand the impact of media choices on consumer purchase behaviour.



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In their **own words**

David Sandstrom

CMO,
Klarna

> When it comes to specific media choices [...] I'm concerned on a macro level because the tone of voice within some spaces isn't really where we need it to be as a society.

George Hammer

Global Head of Luxury Marketing,
Marriott International

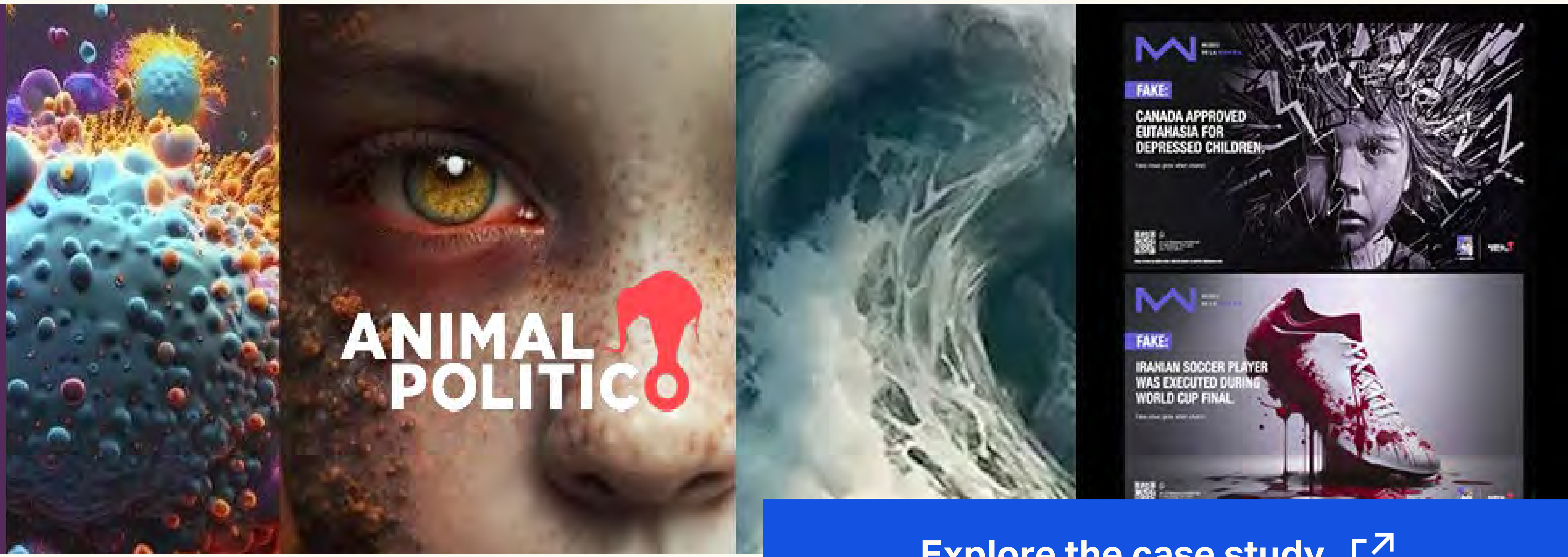
> For people who really value privacy and are harder to reach through traditional channels, we're thinking more about adding value through experiences to give them a reason to want to engage.

Case Study

SABRE Awards, LATAM, Gold

Animal Político: Gallery of Lies

Brand: Animal Político **Agency:** Animal Político **Region:** Mexico



Explore the case study

Mexican media outlet Animal Político developed what it claimed to be the first digital ecosystem capable of authenticating news and combating misinformation.

Called 'Gallery of Lies', the initiative focused on the critical demographic of internet users aged between 20-50 years, who it found to be regularly overwhelmed by the volume of information available to them, which often includes fake news. This cohort actively engages with various communication channels, demonstrating a keen interest in daily news and socially relevant topics.

The necessity to combat misinformation was heightened in the context of an increase in crime and political instability in Mexico, in particular in the build-up to elections in 2024, potentially increasing people's susceptibility to fake news.

Gallery of Lies transformed misinformation into art. It converted fake news into visually captivating works of art, which were then displayed across Mexico City. Consumers could use accompanying QR codes to subscribe to a verification chat in WhatsApp.

Results

- By capitalising on Animal Político's owned platforms, the media owner sparked meaningful conversations about the risks of false information.
- The campaign reached 192 million digital users, generated $2m in free press and attained 85 million impressions.
- Animal Político saw a 400% increase in subscribers, generated 98% positive conversation, and increased the brand's social relevance by 27%.

What they learned

- By integrating technology, art and fact-checking, Animal Político was able to not only expose falsehoods but also transform them into visually engaging experiences.
- It demonstrates that brands and media owners can find success with more creative approaches in the fight against fake news and misinformation.

Takeaways

Assume you're on your own when it comes to brand safety

Some Big Tech platforms are watering down pledges to moderate misinformation and offensive content, and industry initiatives to use the collective bargaining power of brands to improve conditions have proven unsuccessful. It falls on brands to take a more active role in managing the places in which their ads are showing up.

Lean into the opportunities presented by media abundance

The range of platforms, formats and potential data partners available to advertisers is constantly increasing. This growing abundance of media choice may enable a means by which brands can loosen their dependence on the triopoly, and enhance the quality of media that ads run against.

Look for a new style of media planning

Media planning has evolved to become more performance-orientated. It will now undergo another transformation, this time to help marketers to capitalise on – and to mitigate the risk of – digital platforms' AI-powered campaign management tools. A new form of 'algorithm planner' will understand how to harness the AI to drive the best outcomes for brands, while avoiding the most dangerous content on those platforms.

chapter #4

AI meets **sustainability**

Artificial intelligence (AI) is revolutionising the ad industry. But the exponential promise of this technology is matched by its insatiable energy use. Advertisers that are committed to sustainability goals will need to understand how to balance those objectives with their AI investments.

WARC AI image

Two advertising **megatrends collide**

Artificial intelligence (AI) has the potential to transform every aspect of the advertising lifecycle. Burgeoning AI usage, however, also seems to pull marketers in the *opposite direction* from a truly existential problem: the need to *prioritise sustainability* in the wake of *accelerating* climate change effects.

Respondents to WARC's 2024 Voice of the Marketer survey left no doubt about AI's rising importance: a majority agreed that, in the next 12 months, this technology would play a greater role in content creation (75%), audience tracking (63%), personalisation (60%), generating insights with synthetic data (59%) and measurement (55%).

The issue? AI is resource-hungry. One ChatGPT request, for instance, *takes up to 10x more* energy than a query on Google's search engine. On its part, Alphabet, Google's owner, has *said* AI was central to its emissions increasing by 48% from 2019-23 – and will make cutting its future emissions hard. Meta, another titan in the advertising space, has *voiced similar concerns*.

Marketers, therefore, face a balancing act: as growth drivers, they must tap into the vast opportunities AI provides to enhance their advertising. But, as brand custodians, they have to ensure they are not going all-in on AI without understanding how it could jeopardise their organisation's sustainability goal.

Sustainability is **not driving media buying**

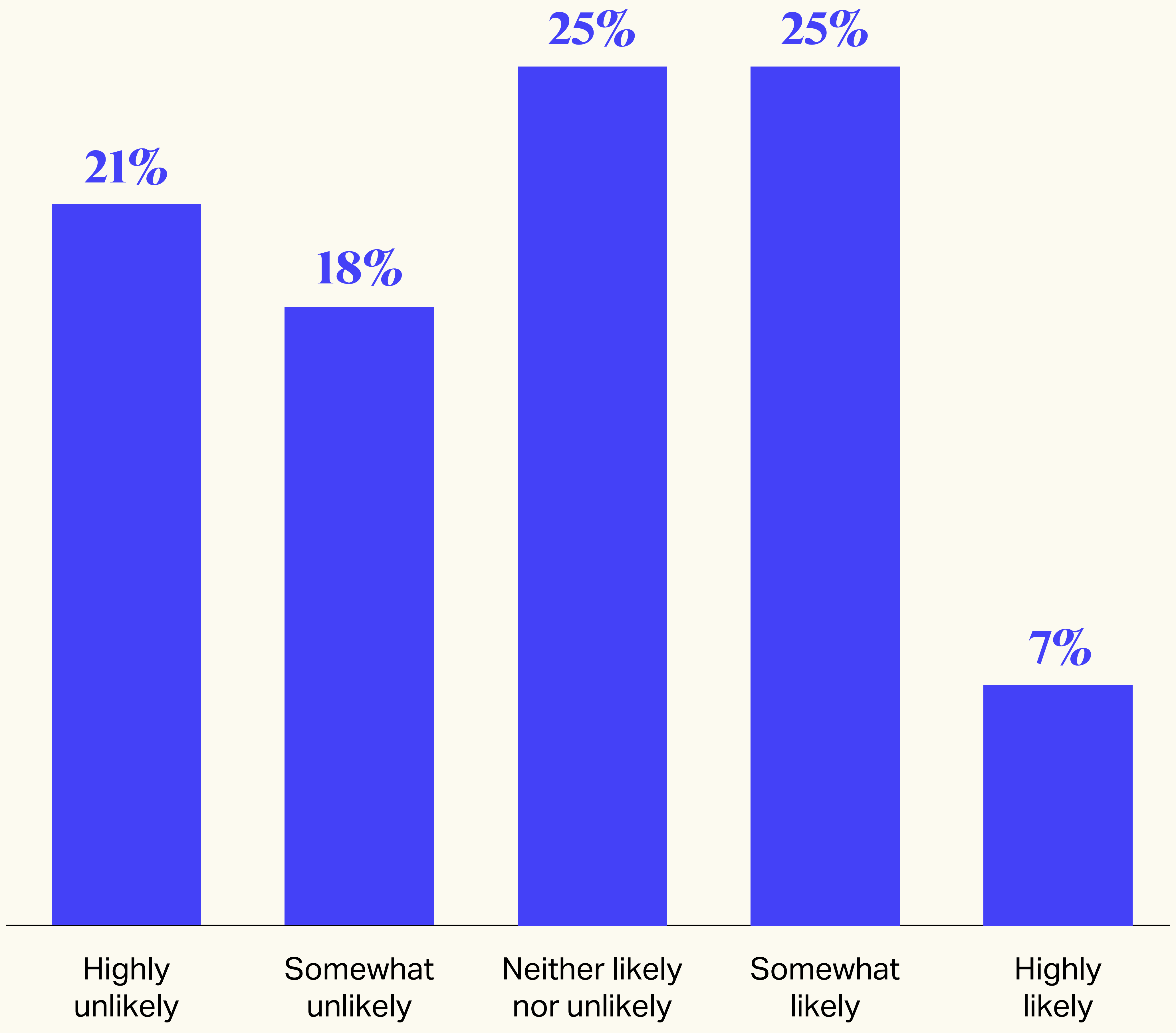
AI is the latest technology to influence media buying. Programmatic advertising, for instance, has long used algorithms and machine learning to target granular online audiences, with similar technologies increasingly employed for digital outdoor, audio and TV ads.

Sixty percent of carbon emissions related to programmatic, it ***has been found***, come from ad selection – matching advertisers with placements, where AI can play a major role. When looking at the intersection of AI, media buying and sustainability, however, ***few marketers*** are engaged with this issue. Less than a third of respondents in our survey saw AI sustainability concerns influencing media buying in 2025.

Research has shown ***generating one image*** with a powerful AI model uses as much energy as charging a smartphone – between 5g and 10g of CO2 emissions. Generating text 1,000 times, by contrast, takes 16% of the energy needed for a full smartphone charge. The ***emissions*** for a single display or video ad comes in at 1g when considering the whole supply chain. And a ***typical campaign*** generates the same emissions as seven people do per year.

Extending this energy consumption, across the entire industry will have deleterious sustainability effects. Ignoring this issue may ultimately invite criticism from ***eco-conscious consumers*** and ***unwanted regulatory scrutiny***, too.

Q: In the coming year, how likely is it that the environmental impact of AI (including generative AI) will factor into your company's media buying practices?



There is significant potential for using AI in ways that can improve sustainability outcomes, but it will require concerted leadership within marketing organisations and across the whole industry.

All the digital giants are integrating AI into their ad products. A telling example involves Meta's Advantage+ ad platform, where AI can be used for creative, audience targeting, placement, destination selection and budgeting. It also promises strong results with "*fewer, more efficient campaigns*" – suggesting sustainability dividends if non-impactful impressions are reduced.

Such initiatives hint at the sustainability benefits that may emerge from the intelligent use of AI. Creatively, for example, AI might cut the planetary *impact* of physical ad production. At the same time, it could yield executions that consistently hit messaging best practices, and thus require a lower frequency of exposure to be impactful.

On advertising's back end, AI-fueled audience *targeting* could similarly reduce ad waste; *dynamic pricing* could achieve that aim by redirecting funds to the most-impactful media properties; and real-time messaging could *nudge* shoppers towards *eco-friendly products*, sustainable delivery options, and so on.

Eco-conscious media investment decisions will be essential, too. That includes supporting *platforms* and *ad formats* with lower emissions, alongside rewarding ad-tech providers and publishers which build AI offerings with sustainability *baked in* from the very start.

AI image

Marketers should also champion *the right choices* within their teams and wider organisations. That may begin with something small, like picking *the right LLM*, not just the most powerful option, for each advertising task. Ultimately, AI's usage in marketing will need to be incorporated in *ESG frameworks* – and, given the complexity of that task, a budget set aside to measure it.

A further objective should be engaging in broader efforts to address AI's negatives, like fueling *ad fraud and made-for-advertising (MFA) platforms*. Proactive involvement in the construction of cross-industry frameworks to systematically track the environmental impact of advertising's AI use – perhaps beginning with paid-media effects – ought to be another goal.

In their **own words**

Pete Markey

CMO,
Boots UK and ROI

We are doing ongoing work with our lead agency on how using AI and other tools like virtual production can help us not only in our business goals and ambitions but also in our sustainability goals.

Allen Ebenezer Eric

Director – Marketing,
Marico Bangladesh

As part of experimentation, we have begun leveraging AI in making day-to-day processes more efficient and agile. Quick concept creation and testing, idea creation, stimulus creation for research are making the internal processes faster.

Case Study

UOB tackles advertising emissions with AI

Agency: GroupM **Advertiser:** UOB **Market:** Asia Pacific

Explore the case study

UOB, the financial services provider, launched its Progress in Harmony campaign to advance the idea that, despite the complexity and uncertainty inherent in responding to climate change, a better future for people and the planet is still possible.

Coupled with its eco-led creative focus, behind the scenes, the brand employed an AI-driven technology solution from GroupM, the media investment unit of WPP Group, and SeenThis, an ad-tech provider.

Their approach combined precision targeting and performance optimisation with adaptive streaming to ensure ads loaded at the highest quality while reducing data transfer needs, such as by only transferring the creative assets that would be visible on a given platform. Together, this promised to cut wasted impressions, data use and carbon impacts in measurable ways.

Attribution modelling was also utilised to assess the impact on different touchpoints, like app downloads and website visits, in determining the campaign's business outcomes.

Results

- The data consumption from advertising in this campaign fell by 25% thanks to this AI-powered strategy, thus helping reduce emissions.
- At the same time, the view-through rate, a metric tracking how many people watch an entire ad compared to the exposed audience, increased by 245%.
- In sum, these results demonstrate that AI can be used to achieve business and sustainability goals.

What they learned

- Reducing the carbon impact of advertising will require marketers to have a granular understanding of the technologies that deliver their messages to consumers.
- AI will be useful both in crunching vast amounts of emissions data at high speed and in quickly presenting recommendations for change.
- Creatively, AI can generate visions of the future, which will be important as brands aim to show the positives that can emerge from tackling the ecological crisis.

Takeaways

Build sustainability into AI plans now

If adopted with the requisite degree of rigour and forethought, AI could increase ad effectiveness, cut wasted exposures and, in turn, reduce carbon emissions. It is critical for brands and agencies to build sustainability into their AI plans, rather than attempting to retrofit them when habits and behaviours are entrenched.

Use media to set the standards for the future

The kind of issues faced by media buyers as they grapple with this transformation will not be replicated exactly across the industry. But they are indicative of a need to get out ahead of the underlying questions around AI and sustainability. Media buyers can set the template for others to follow through building thorough sustainability frameworks to guide their work.

Contribute to cross-industry solutions

Industry-wide collaboration will be vital to making sure the planetary impact of AI's use in advertising can be monitored in consistent, scalable ways. This outcome stands to benefit the industry as a whole, even as it leaves invaluable space for the smartest marketers to leverage AI in differentiated ways.

chapter #5

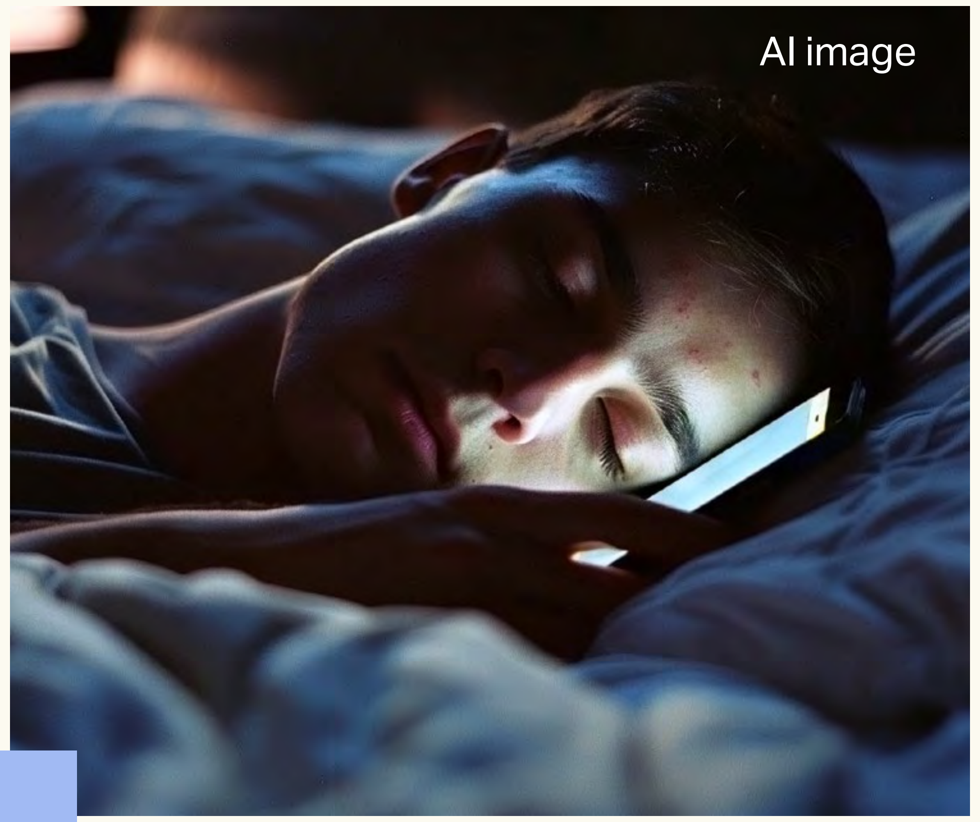
The age of **atomisation**

Single-person households worldwide rose 22% from 1985 to 2018, and are forecast to grow another 25% by 2050. Consumers are living increasingly solo lives, creating new opportunities for brands to develop products, services and forms of engagement tailored to these 'socially atomised' consumers.

WARC AI image

The spread of **social atomisation**

The number of people living alone has grown steadily over the past few decades. In 2023, there were an *estimated 484 million single-person households globally*, accounting for one-fifth of all households worldwide. They are expected to grow by 48% by 2040, outpacing the growth rate of all other household types. Penetration is greatest in the US, Europe and some African countries, but the fastest growth is being seen in Asia.


AI image

It's not just that people are living alone, it is that their lifestyles are becoming increasingly 'atomised'. Driven by changing attitudes, the experience of lockdowns, digital connectivity and the delivery economy, more consumers are living solitary lives: shopping, dining and entertaining themselves on their own (It is important to note that loneliness and social atomisation are ***not the same***, though they are correlated).

This is a rapidly expanding segment worldwide, with ***specific preferences and needs***, such as smaller product sizes, efficient and reliable delivery services and experiences aimed at solo participants. However, relatively few marketers appear to be targeting products or services to this segment, or even communications with the right ***emotional resonance*** to help connect with this audience.


AI image

What most **marketers are missing**

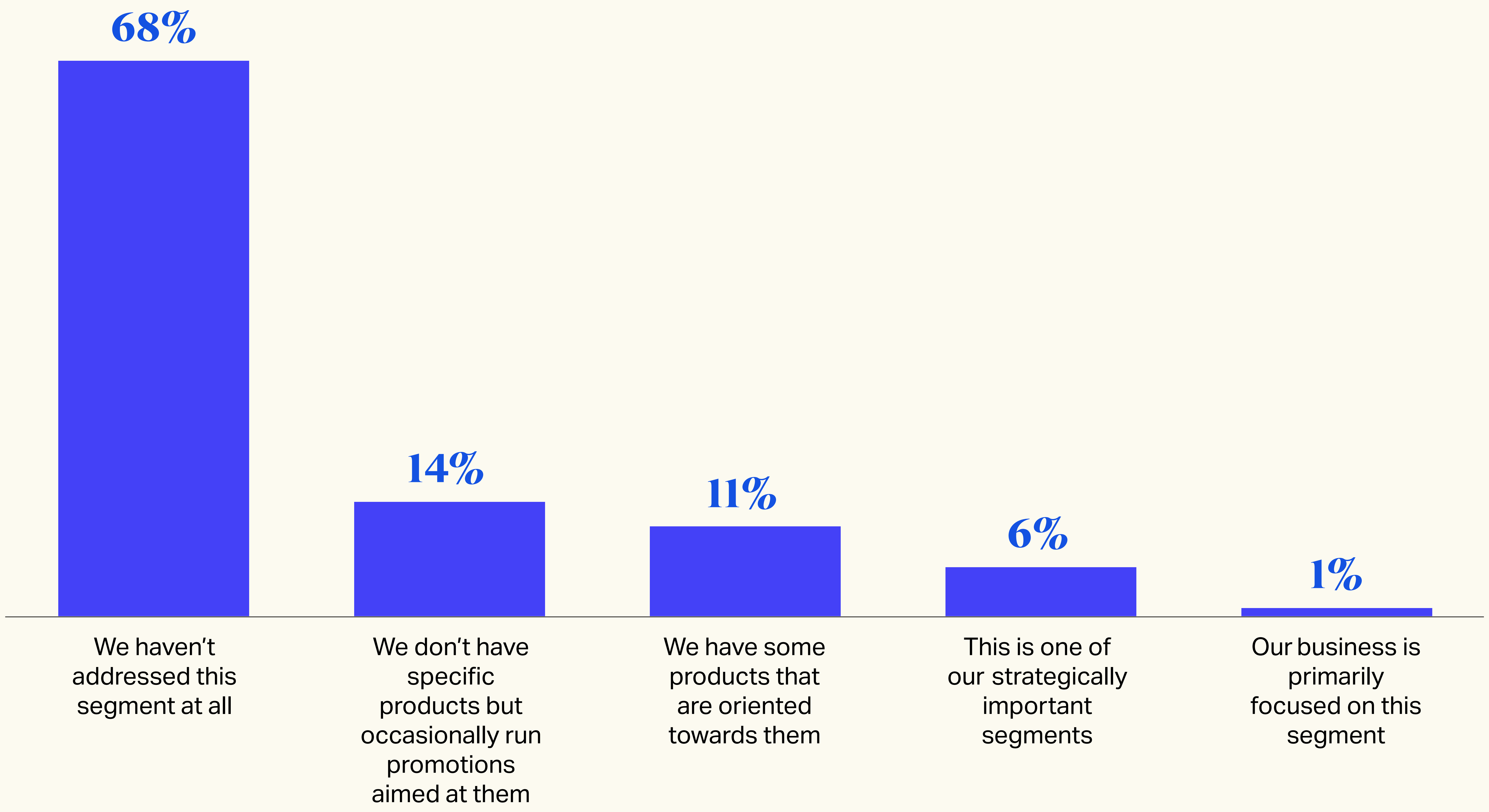
WARC's 2024 Voice of the Marketer survey found that 68% of marketers worldwide have yet to focus on this opportunity, even though it appears to offer a *sizeable opportunity* for savvy brands.

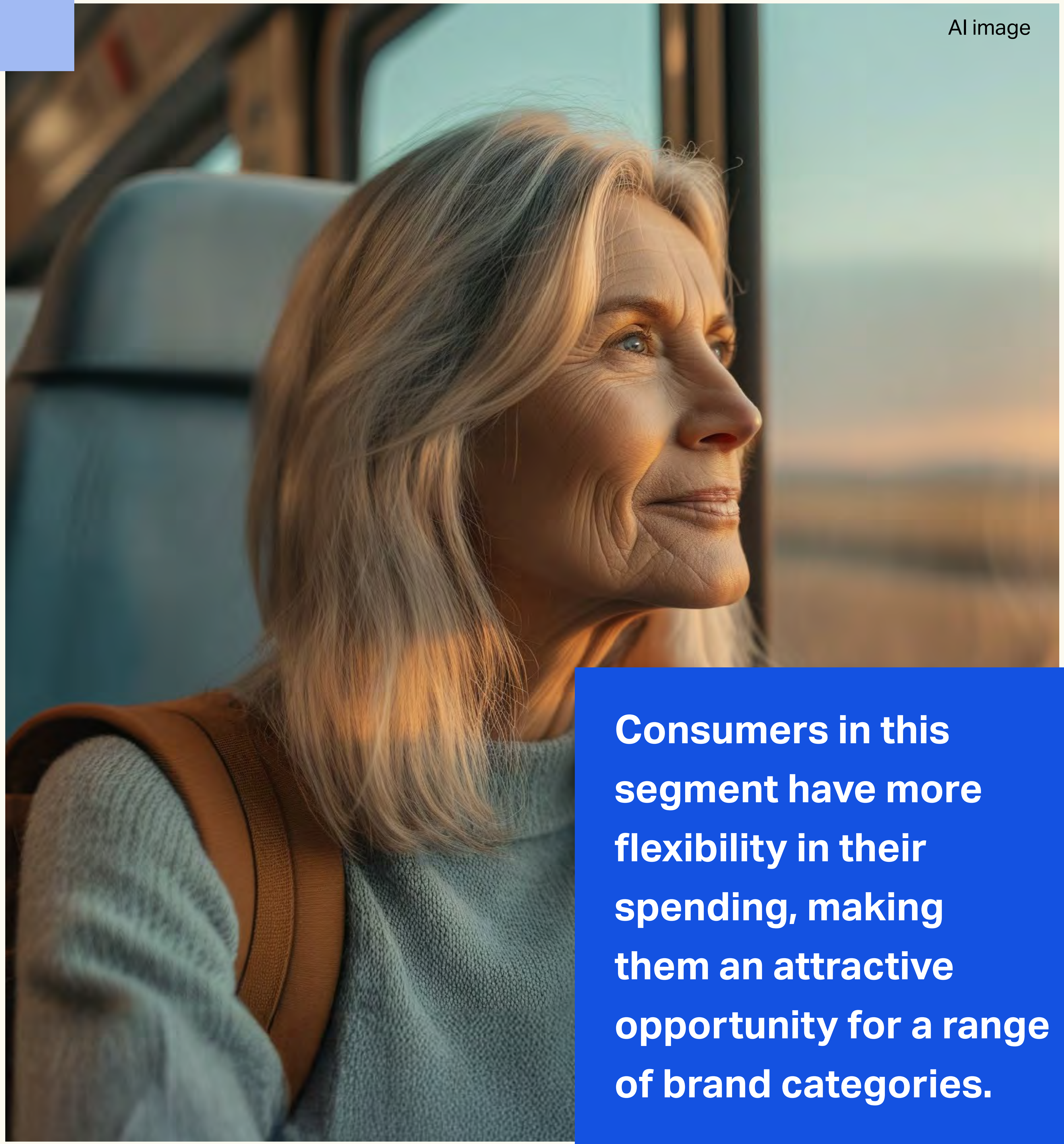
Two-thirds of APAC marketers are not targeting this segment, despite it being a *major driver* for the predicted $10 trillion in consumer spending in Asia. However, about a third are running occasional promotions or have some products oriented towards this segment.

By contrast, nearly three out of every four North American marketers have not addressed this consumer segment at all, even though at $19.6 trillion, consumer spending *drives two-thirds* of the US economy.

Q: Socially isolated people typically shop, eat and consume entertainment on their own and don't spend much time as part of groups and communities.

Which of the following statements best represents your brand's thinking on this segment of consumers?





Consumers in this segment have more flexibility in their spending, making them an attractive opportunity for a range of brand categories.

A valuable target audience

By orienting their budgets to their own individual needs, consumers living on their own are able to engineer ***higher discretionary incomes***. They are more likely to eat out and take holidays, particularly active ones, such as hiking or skiing. They are also more likely to live in smaller apartments in urban areas where there are a number of activities available around them. This makes them attractive to a range of sectors, including retail, entertainment, dining, and travel.

Brands have an opportunity to create products and services aimed at this segment, which ***increasingly feels penalised***. Research from ***UK Debt Experts*** found that living on your own costs on average £10,000 per year more, while home loans firm ***Mojo Mortgages*** found solo renters spend an extra £498 a month on essentials such as rent, bills and groceries. This 'penalty' applies across costs from housing and insurance to utilities, rail travel and hotel rooms.

Marketers in key consumer sectors would be well advised to explore ways to target and cater to this segment, especially given that it is expected to keep growing well into the future.

Brand communities can be a useful tool to engage these consumers, but marketers need to be careful navigating the overlaps between social atomisation and loneliness.

The power of warmth and community

Brands that ***emphasise warmth*** in their messaging, and develop brand communities that are ***more socially oriented*** can hold appeal for consumers with more solitary lifestyles.

In fact, even advertising in a communal environment can be beneficial, with 71% of ***survey*** respondents agreeing that being part of a group in movie theatres "enhances the experience". And in ***retail environments***, positive and friendly interactions are ***particularly effective*** in fostering brand relationships for this segment.

In addition, cultural and technological ***developments in recent years*** have made community engagement increasingly important, beyond just a marketer's own brand community. Most leading brands are increasingly active across a wide range of online platforms and communities.

Recognising the opportunity

Marketers are starting to cater to the community aspect of this segment's needs. Thirty-eight percent of marketers in WARC's survey are developing online brand communities, while the same number bring customers together at product launches. Thirty-four percent are also linking their online communities to real-world events, connecting broader digital brand connections to physical interactions and channels – an important opportunity for more brands to consider if they are developing this space.

AI image

Careful and authentic initiatives

While loneliness and atomisation are not the same, there is significant overlap between the two groups. Marketers must find a careful balance in communicating with them. The ***loneliness epidemic*** is a ***serious issue***, more damaging than smoking 15 cigarettes a day according to the US Surgeon General. Being seen to exploit loneliness for commercial gain could be very damaging to a brand. Instead, brands can focus on facilitating authentic ***social interactions*** and building brand communities, which will help both the brand and the consumer.

In their **own words**

Nthabi Motsoeneng

**CMO,
Africa and Middle East, Pernod Ricard**

> **If the passion point is around community collectibles, [we can engage with that community using] rare, unique, collectible versions of what we have to offer. It's definitely something that we are seeing, and brands are taking advantage of that to be at the centre of it.**

Kate Yu

**CMO,
Philippines, Jollibee Food Corporation**

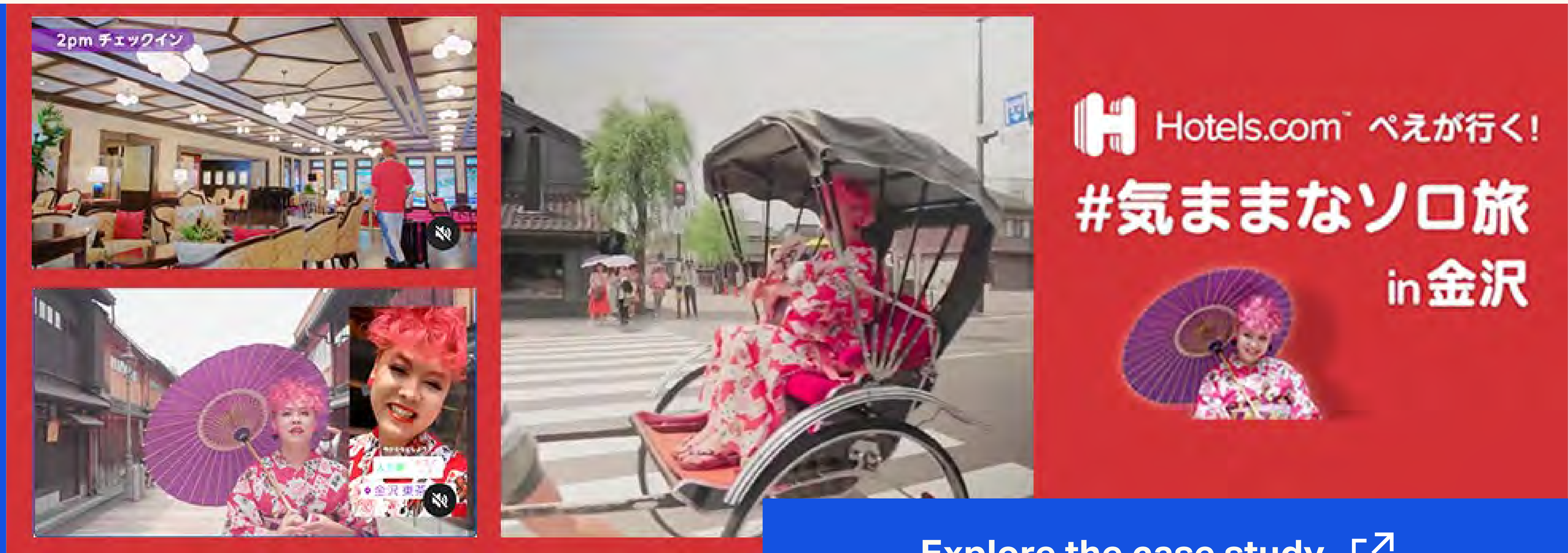
> **Our consumer's definition of value has now expanded to include emotional resonance like fostering belonging. The way we deliver value now includes elements of community building, and finding ways to bring more people together to enjoy our food, across more moments, and channels.**

Case Study

SABRE Awards, APAC, Travel & Tourism, Gold, 2020

Hotels.com: The 'Solosophy' of travel

Agency: Weber Shandwick **Advertiser:** Hotels.com **Market:** Japan



Explore the case study

Finding that 61% of Japanese consumers travel alone, Hotels.com saw an opportunity to target digitally savvy female travellers between 18-35 years. Research showed that they often felt self-conscious and insecure travelling alone. To convince this segment that travelling solo is 'enviably cool,' they introduced a new approach termed 'Solosophy', a new philosophy for solo travel.

Hotels.com shared research proving that 80% of Japanese travellers secretly want to be alone while they are on trips with others, using earned media.

This generated press coverage in both consumer and trade press, and led others in the industry to recognise that hotels need to cater to the preferences of solo travellers.

They then worked with Peey, a popular TV personality, who had never travelled on her own before. Hotels.com designed her itinerary by polling her followers before the trip, to more effectively engage with the target audience.

Results

- Peey produced 32 stories, garnering an average of 198,000 views per story and 6 million+ views in total.
- Hotels.com engaged with 280,000 travellers, more than half of Peey's following, with an engagement rate of 53%.
- The campaign delivered approximately 50 pieces of coverage and the highest Kantar IMPACT1 score among all Hotels.com campaigns in APAC that year.

What they learned

- Hotels.com recognised the atomisation of consumer lifestyles was creating an important and rapidly growing opportunity within their market, and developed a strategy and a product to cater to this trend.
- Engineering an engaged community was an important element of their strategy, from partnering with the right influencer to involving her followers in developing her itinerary.

Takeaways

Identify and cater to a fast-growing segment of consumers

Many consumers living more solitary lifestyles have higher discretionary spend levels, yet only a handful of marketers appear to have identified the opportunity to target this audience. Marketers across a range of sectors would be well-advised to evaluate the opportunity from such customers and cater to their specific needs.

Reduce or eliminate the single-person penalty

This segment is frustrated by the belief that most brands' definition of households excludes them. Creating products and packages that reduce the single-person 'penalty' for them will hold immediate appeal. Even just a recognition in product positioning, pricing and communications that they are valued by a brand would be helpful.

Take care not be seen as capitalising on the loneliness epidemic

Social atomisation is not the same as loneliness, though there are connections between the two. Marketers must be very careful in their communications and positioning to avoid accusations of exploiting the loneliness epidemic, an increasingly important area of concern for public planning and healthcare.

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