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2018 is poised to be another busy year for marketers, complete with continued evolutions in communication approaches, media targeting technology and ROI measurement.

How brands **communicate with people** will continue to evolve rapidly away from just standard paid media. Brands will embrace **new storytelling opportunities**, look to **entertain in innovative ways**, and even start experimenting with **voice-activated marketing**, but this will also raise new measurement challenges.

**Media targeting** continues to advance, thanks to improved validation of **audiences within walled gardens** and the development of **new machine learning technology** that enables smart outcome-based decisions. “**Over-the-top**” (OTT) **streaming content platforms** will also enable brands to target customers where they’re increasingly watching video and will usher in new TV and cross-platform media measurement opportunities.

Following a year where many brands were questioning and rethinking digital **investment**, 2018 will see more focus on **an integrated view of the overall mix**, including digital. At the same time, measurement and optimisation approaches will be modified so that **ROI becomes more of a journey** and less of a destination.
01
ADVERTISERS WILL START WITH THE STORY
Marketers will stop approaching the world from a perspective of ad executions or campaigns and instead find new and inspirational ways to tell their brand story with content. This content will be digitally led, and often long form but created in a way that sparks a multitude of creative assets that can be customised to Facebook, Snapchat, Instagram, etc. and that allows a fragmented audience to decide what they “let in”, share and reject.

For Millennials and Gen Z, the digital ecosystem is becoming an environment where cohesive brand stories are being told. It is unlike anything that older generations who watch TV and read magazines have seen before in that it is synchronised, sequenced, snackable and sharable.

So why brand stories?

According to analysis of Kantar Millward Brown’s Link® database, content that tells stories is proven to achieve better results. Kantar Millward Brown’s analysis found that videos that told a story, versus those with no story, vastly outperformed in terms of expressiveness (the ability of the ad to elicit an emotional response as measured by facial coding) and their ability to elicit the active involvement of the viewer.

The findings of the Link meta-analysis are bolstered by neuroscience. According to research by Dr. Paul Zak, a professor and researcher at Claremont Graduate University, character driven narratives, with the requisite narrative arc, shot on video, can cause the brain to produce oxytocin, the neurochemical also responsible for bonding, kindness and empathy. This emotional response to a well-crafted narrative is then encoded into long-term memory via association.

The potential of content and leveraging it for the purposes of storytelling often gets lost in the quagmire of defining what it is - sponsored content, native content, branded content, user generated, Facebook feeds, etc. - when at its core it is about finding a way to make people care about the brand.

Great storytelling is not a vanity exercise; it must be harnessed for the purpose of the brand. “Branding” in a world of content is different. It is subtle and it can even be stealth. Since content is about telling stories that people want to receive and potentially share, the brand does not have to shout to be heard. Instead, it can be the bearer of this great gift of content.

In 2018, advertisers will start with the story and from there have great content to fit to the format.

Tips for Marketers
Great content development requires a different approach. We need to walk away from legacy decision making and outdated TV-led processes. Content can be king if you invest in the story and then adapt.

Ann Green
Managing Partner,
Creative Development Practice
Kantar Millward Brown
02

BRANDED ENTERTAINMENT TAKES CENTRE STAGE
As audiences become more ad averse, marketers are finding new ways to communicate their brand messages. Kantar Millward Brown’s AdReaction: Engaging Gen X, Y and Z study shows that cinema and TV are among the most positively-received media channels for all audiences, especially for Gen Z (16-19 year olds).

Branded entertainment usually involves a short or long-form film, owned and funded by a brand. It tells an overt or implicit story about the brand’s purpose or values, and can be a documentary or fiction. Distribution is via TV/streaming networks or through theatrical release in cinemas or online. Branded entertainment can also include sponsored content created by publishers (native content), or even product placement.

The Lego Movie was the first mainstream successful example of long-form branded entertainment. It has resulted in spin-off films and The Lego Movie Sequel, planned for 2019. Computer games are also part of this franchise.

So why are brands starting to entertain consumers directly? They can reach new and existing audiences through a more immersive and emotionally engaging experience, and invest more in production rather than buying mass or targeted media. With the rise of platforms like Netflix, Apple TV, Facebook TV and broadcaster VOD, options for distribution continue to expand.

Brands, media owners and agencies are setting up their own branded entertainment divisions. Specialist production companies like LA-based Savile Productions hire star directors and talent to make branded entertainment, such as the 2016 film Lo and Behold, directed by Werner Herzog for NetScout, which premiered at the Sundance Film Festival.

Blurring the boundary between advertising and documentary formats, agency AMV BBDO recently produced a short film for Guinness telling the story of the Compton Cowboys. And to showcase examples of branded entertainment, the Brand Film Festival has been set up in London and New York.

The challenge with non-traditional forms of advertising is how to prove effectiveness; whether the objective is to make people more aware, change perceptions, or take action. The impact and return on investment can be compared directly with other brand and behavioural metrics, but brands must be clear about their objectives and consider how to measure effectiveness early in the process.

Tips for Marketers
Marketers should explore the potential for their brands to provide long-form entertainment as a different way to reach audiences, without using paid-for media channels.

Jane Ostler
Managing Director, Media & Digital
Kantar Millward Brown

More brands will start to use film to communicate their messages in an entertaining way, distributed through a proliferating array of channels.
03

VOICE SPURS ADOPTION OF SMART DEVICES
For years we have heard about the huge potential market for connected devices in the home. From lightbulbs to thermostats, security cameras to door locks and smart switches to smart blinds, there are a host of things you can now control remotely. However, consumer enthusiasm for such devices has remained subdued. Enter Amazon with its Echo device and Alexa smart assistant.

Voice control may just prove to be the panacea that smart device manufacturers have been looking for. A recent survey conducted by Kantar Millward Brown found that just over 1 in 5 people online in the US claim to have a voice-enabled system like Echo, Google’s Home or Apple’s HomePod. Big brands have not been slow to recognise the opportunity to engage people in this new channel. From ordering food to cooking dinner and paying bills, there is a skill for that. But marketers need to be wary. A skill must be simple, easy to use and add real value to people’s lives if it is not to end up in the graveyard. Right now people are relatively positive to the idea of advertising being linked to their voice assistant, but to avoid a negative reaction, marketers must allow users to retain control over when and where they interact with brands on smart devices.

The big question, however, is whether voice-enabled systems will provide the frictionless interaction necessary to unite all smart devices in a home under one umbrella. Unfortunately, widespread replacement of existing home infrastructure is likely to remain a dream for the future. For now, expect people to add a few new smart gadgets and use Alexa and the like to keep the kids entertained.

Tips for Marketers
Navigating emerging technology can be a challenge but also an opportunity; experiment with ways to utilise it to your advantage and add value to consumers’ lives.

Nigel Hollis
Chief Global Analyst
Kantar Millward Brown

To date, few households have invested in a connected device. But the advent of voice control may lead to widespread consumer adoption, provided manufacturers can bridge the divide between devices.
04
WE WILL SEE
ACCELERATED GROWTH
OF WALLED GARDENS
In 2017 walled gardens have received a lot of pressure from advertisers and media agencies to guarantee the quality of their delivery. A lot of these discussions have focused on basic hygiene factors like brand safety and viewability. Despite this, the two key players (Google and Facebook) will post strong growth in advertising dollars in 2017 and Amazon has posted 58% growth in the 3rd quarter of 2017 for its advertising business.

In 2018 we will see an even stronger role of walled gardens in global media plans due to three factors:

1. Free services that these companies offer are attractive enough for consumers to happily share their personal data to retain access.
2. Increased demand from advertisers (and agencies) to target specific audiences...and to ensure those audiences are validated. Walled gardens have another advantage here as they have more specific audience data (that they are allowed to use) compared to other publishers.
3. On the other hand, programmatic buys based on data points (cookie-based) are more likely to suffer, and thus smaller publishers/sites are likely to struggle unless they can guarantee a specific audience or a premium quality context.

Additionally, the reach argument and the complementarity of digital media to TV (incremental reach among light TV users) means that it will be easier for agencies and advertisers to work with large publishers/players.

And finally, the work that walled gardens have done in 2017 to give more reassurance to advertisers and media agencies on the basic hygiene will help them to accelerate share.

All this power will further increase demand for greater accountability, and walled gardens will need to demonstrate their value (through third party measurement) around the ROI that these platforms deliver and, most importantly, their contribution/synergies to the overall brand spend.

Tips for Marketers
Marketers should embrace walled gardens as an opportunity to deliver validated audiences, but should also extend demands for accountability beyond basic elements (like viewability or safety) and into true branded impact of these platforms in the context of their total marketing spend.

Gonzalo Fuentes
Global CEO, Media & Digital
Kantar, Insights
05
MARKETING WILL EVOLVE FROM ALGORITHMS TO AI
It used to be that being the best at understanding how an ad auction algorithm worked accrued value for marketers leveraging that technology. While that’ll certainly continue to be true in 2018, we’re starting to get our first glimpse of functional artificial intelligence being applied to marketing challenges in new and interesting ways. These machine learning approaches don’t apply specific algorithms to all campaigns but custom tune campaigns by taking in a myriad of unstructured data, making sense of it, and converting it into programmatic media decisions.

While machine learning will dominate in the foreseeable future, we’ll start to see applications of all kinds of AI-driven tech such as natural language processing, computer vision and autonomous virtual agents and chatbots. While marketing might not necessarily be the first application of AI tech, it’ll be an easy opportunity many will seek to exploit.

This isn’t the omniscient AI from science fiction but the impact it has will be substantial. This kind of functional AI will put a marketer’s advertising campaign on autopilot. We will likely be less reliant on marketing “wizards” to drive results; instead the edge in AI-driven marketing will go to those who invest in creating, curating and acquiring the data to feed their AI solutions.

While true application-specific AI will make its way into the mainstream, as with any buzzword, companies across the spectrum will add AI to their sales pitches and lexicons. It’ll be difficult to separate the true winners from those that are climbing on the bandwagon with subpar technology.

The question that remains to be answered in the field of marketing AI will be one of privacy and control. Will consumers be happier that an anonymous AI is making decisions from their data or will this deepen the concerns over personal data privacy? With GDPR on the horizon, we’re sure to find out sooner rather than later.

**Tips for Marketers**

Start playing with machine learning tools in the marketing space; they’re more abundant than you may be aware. However, due diligence is more important than ever and you should be cautious of companies AI-washing their solutions.

**Marc Ryan**
Chief Product & Innovation Officer
Kantar Millward Brown
MEASUREMENT FOLLOWS MEDIA “OVER-THE-TOP”
Predictions of fragmentation and cord-cutting that were waiting in the wings just a few years ago now seem well-worn standards on the modern media stage. As anticipated, consumers are gravitating to digital platforms that offer a great user experience and increasingly robust premium on demand content libraries – delivered in high-definition on the main screen in the home. It’s old news that some (not all) of this behaviour is at the expense of legacy distribution platforms and content production models. What is new is the ability to harness the mainstream scale of these platforms and consumer behaviours to shed a spotlight on the effectiveness of brands’ video strategies and tactics across all screens and platforms.

The stage has been set: stats abound of increased global Smart/Connected TV penetration, Netflix/SVOD subscriber growth, time spent viewing streaming/OTT premium content, proliferation of connected devices, and so on. New actors, such as Automated Content Recognition embedded in devices, TVs, smartphone apps and voice assistants/IoT devices are on the scene, and the same OTT paradigm-shift roiling the ‘old Hollywood’ model are poised to similarly impact measurement frameworks, as well.

As evidenced by the moves of currency TV ratings players Nielsen and comScore to incorporate large-scale “census” set-top-box datasets into their panel-based national and local TV audience ratings estimates, scale is the new imperative for measuring consumer behaviour and ad delivery/effectiveness in the modern consumer media ecosystem. “Innovative” and controversial as these early “hybrid” methods may be, ultimately, multichannel video programming distributor (MVPD)-derived set-top-box data is merely a half-step towards the future of cross-platform media and advertising measurement. To achieve truly scalable cross-platform video viewing and ad effectiveness measurement, the measurement systems themselves have to break the confines of siloed set-top and panel-based paradigms and embrace OTT platforms and concepts.

Taking measurement over-the-top is arguably the only viable path toward the grand finale – an ideal world of perfect information gathered across all screens and touchpoints, delivered in real-time. While that’s likely to remain just the treatment of an as-yet unwritten script for the future of media research, 2018 will prove a break-out year in the integration of various forms of passive OTT media and advertising data into the measurement frameworks of tomorrow. Scale and technology will enable and hasten it – the inexorable tide of consumer behaviour will demand it.

Tips for Marketers
Marketers should explore the potential for their brands to leverage OTT platforms not only to meet their customers where they’re increasingly spending time with premium video content, but also to explore what a digitally-powered “over-the-top” paradigm means for new forms of TV and cross-platform media measurement.

Corey Jeffery
SVP, Media & Digital Product Leadership
Kantar Millward Brown
07
CROSS MEDIA - THE $100 MILLION DILEMMA
In 2017, most advertisers started to reconsider their digital investment and scrutinise its impact. In 2018 they will go one step further and start to question the role digital plays within the entire media ecosystem; media agencies, publisher and research partners will have to be ready to give an answer.

2017 has been the year of rethinking digital, with most of the big advertisers reconsidering their approach to investing online. After news that P&G cut its digital spend by over $100 million dollars and saw no immediate impact on sales, marketers are now keenly focused on ensuring that they understand the impact of their investment, particularly given that digital now accounts for more than 30% of global share of investment.

Digital is not only an area of growing investment, it is also transforming the entire media landscape. In countries with mature advertising ecosystems like the US, UK and Australia, traditional offline media such as TV and OOH are “digitalising”, meaning that, among other things, advertisers are starting to buy these media programatically. Digital is no longer a channel, it is the layer that connects all marketing activities and should therefore not be treated as a silo.

In 2018 marketers will focus on measuring online and offline advertising as a whole to understand how digital is contributing to the entire media ecosystem; however, agencies and advertisers will increasingly face multiple challenges when trying to achieve this holistic measurement.

Cookies, the universal way of tracking consumers’ online behaviours, will disappear over the next few years. Media investment in mobile - currently 50% of digital spend - will increase exponentially. More mobile investment will lead to more “walled gardens” of data and different systems that agencies and advertisers will have to navigate.

Technology such as mobile ID matching, geolocation and passive metering will facilitate new ways to measure behaviour, but not without collaboration across publishers, media agencies and research agencies. As an industry, we need to work together more cohesively if we are going to facilitate ways to effectively measure advertising ROI.

Our latest Getting Media Right report shows that 77% of marketers would increase their investment if they could better measure cross-channel ROI. It’s up to industry players to answer the $100 million dilemma: how could that money be invested better – and not cut – so that it achieves the desired impact?

Tips for Marketers

Marketers should focus on cross-media measurement to understand their ROI. A collaborative effort between brand, agency, publisher and research partners is required to develop and improve solutions to understand cross-channel effects.

Pablo Gomez
Media & Digital Director
Kantar Millward Brown
MEDIA ROI WILL BE ABOUT THE JOURNEY
We live in competitive markets, so there is a tremendous amount of pressure on brand marketers – and their agency and media partners – to demonstrate that their media investments are moving the needle. That said, proving impact needs to go beyond simply demonstrating a lift in sales attributed to consumer exposure to an ad campaign. Relying on short-term sales lift is too myopic to unleash real, sustainable, increasing media ROI.

In 2018, real media ROI will become a fast-paced iterative journey which combines creative (content, not just ads) more closely with media (partnerships, not just insertion orders and exchanges), with the express goal of achieving continuous improvement in sales and brand outcomes.

A bold proclamation to be sure. Particularly when we are still stuck in a state of taking successive half-steps toward the end goal of predictive, deterministic, and multi-touch marketing attribution (MTA).

So what will change over the next twelve months to push our marketing industry beyond remaining ensnared in perpetual half-steps to accomplishing game-changing leaps?

1. **Marketers adjust their approaches:** in our latest Getting Media Right study, marketers cited “proving ROI with the right audiences at scale” as their most acute challenge. It’s a utopian goal, yet their measurement systems remain a patchwork of priorities and techniques. Recognising this, marketers will shift their efforts from designing the perfect cross-platform ROI measurement system to executing content and media tactics that prove to increase sales and brand outcomes (aka MTA).

2. **Media companies share more data:** the topic of the big walled media gardens is well-understood, but the full impact of mobile apps with closed-data approaches is not. Facebook and Google are ahead of the pack on providing access to data that are essential to measure and optimise. The next tier of mobile apps will follow suit, connecting device and ad IDs for more universal measurement.

3. **Agencies crack the code for their brand clients:** bold planning, breakthrough content, continuously optimised across platforms to achieve ever-increasing levels of sales and brand outcomes. This will become table stakes for agencies looking to win and retain client relationships. As the linchpins between brands and media companies, agencies are the critical connector to increasing real media ROI.

This is the year where we put our resources where our ROI mouths are, so to speak. Unless we’re happy continuing to check separate brand safety, viewability, CTR, brand lift and sales lift boxes. We can (and should) aim to do better and realistically, this shift is necessary for the future of the industry.

### Tips for Marketers

Brand marketers, it starts with you; put aside hoping for the arrival of the perfect media measurement platform and instead embrace the tools and partnerships we have now to get progressively better at generating real media ROI. It’s a journey, not a destination.

**Stephen DiMarco**  
President, Media & Digital  
Kantar Millward Brown
Kantar Millward Brown is a leading global advisory agency specialising in advertising effectiveness, strategic communication, media and digital, and brand equity research. The company helps clients grow great brands through comprehensive research-based qualitative and quantitative solutions. Kantar Millward Brown operates in more than 60 countries and is part of WPP’s Kantar group, one of the world’s leading data, insight and consultancy companies.