

The Marketer's Toolkit 2021

Navigate through uncertainty

WARC[^]
BY ASCENTIAL

10 YEARS OF
MARKETER'S
TOOLKIT

The Marketer’s Toolkit 2021 is a guide to six major challenges facing brands in the year ahead. For each, it lists out the major implications and suggests some practical steps marketers can take in response.

The report is based on three inputs:

- A global survey of 1000+ marketing executives;
- One-on-one interviews with more than 20 CMOs and marketing leaders;
- A review of the latest best practice, research and examples on WARC.

The report is built around the STEPIC methodology developed by WARC’s parent company Ascential – see page 6 for details.

SIX CHALLENGES FOR 2021

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2021 is the year to recover, rebuild and renew



David Tiltman
VP Content, WARC

At some point in the next year, the focus will turn to the rebuild. How can marketers help their businesses, and society, come back stronger?

This is the tenth time WARC has released a Marketer's Toolkit – an annual guide to the trends and challenges of the coming year. It's fair to say that the questions facing marketers as we approach 2021 are more profound than any previous year – from navigating the rest of the pandemic to plotting the rebuild; from planning across a tech oligopoly to responding meaningfully to the need for greater diversity.

In many markets we are still in – to borrow a phrase from the writer Elizabeth Bowen – the 'lightless middle of the tunnel'. Hopes of an effective vaccine are growing, but mass roll-out remains several months away.

The pandemic of 2020 is a tragedy in itself, but as we look ahead it is the after-effects that will come to dominate marketers' lives. The impact of recession changed consumer buying habits (both temporary and permanent), and acceleration of trends in tech

and media all feature prominently in the feedback we received for this report.

Marketing strategy increasingly requires scenario planning. And the base scenario (between best and worst case) for the Marketer's Toolkit 2021 is as follows:

- 1. A vaccine (or multiple vaccines) will be available for mass distribution in major markets by end of H1 2021.** Until that time, consumers in many markets, notably in Europe and the US, will be subject to restrictions – these may wax and wane over many months.
- 2. As the pandemic recedes, the economic consequences of prolonged disruption start to become clear.** A significant increase in unemployment compared with pre-pandemic levels will act as a drag on recovery. The supply-side shock of the initial pandemic period is replaced by a demand-side squeeze on consumers' disposable incomes.
- 3. The economic pain will be unevenly distributed,** with markets that have contained the pandemic recovering more quickly (WARC is producing a separate

Marketer's Toolkit report on China for this reason). However, economic activity in most markets will not have returned to 2019 levels at the end of 2021 – this is in line with IMF forecasts.

For marketers, there are opportunities here as well as challenges, as consumers look to governments and businesses (to steal an oft-used slogan) to 'build back better'.

If one of marketing's key contributions is to be the voice of the consumer, then those who can help align their business to the changing consumer contexts of 2021 are well placed to prosper.

And if, as behavioural scientists argue, times of change are when we form new habits, then there has arguably never been a better time to identify new consumption opportunities and disrupt established brand relationships.

The lessons in this report, drawn from content across WARC, are a first step for marketers who want to seize these opportunities.

Executive summary

1. Responding to recession

Marketers are planning for a tough economic climate. Marketing budgets are expected to be up on 2020, but not always up on 2019. There is pressure on brand investment, agency and vendor fees, and sponsorship. There is a shift towards investment in performance marketing, which in turn accelerates the trend towards digital channels, with Amazon and TikTok among the growth stories.

Implications:

- Marketers in a position of strength can double down on brand-building
- Shoppability becomes a key consideration for media spend
- Brands are flexing their offerings to meet consumer demand for value
- Distinctiveness is the challenge for post-pandemic creativity

2. Staying effective in the age of e-commerce

The COVID-19 pandemic has accelerated e-commerce growth globally, and most marketers believe this shift is permanent. Responding to this trend is a top priority for 2021. Some are exploring direct-to-consumer options, looking for ways to make it easier for consumers to repeat purchase. This shift in distribution will have a knock-on effect on brand strategy and media investment.

Implications:

- Better marketplace expertise is needed to build 'digital availability'
- Delivery and packaging become key touchpoints for brands
- Legacy brands and DTC are converging in strategy
- Livestreaming is moving from China to the West

3. Engaging at-home consumers

With restrictions on consumers in many major markets expected to last well into 2021, the 'at-home' lifestyle will remain a driver of change, and potentially new opportunity. For brands, this means discovering where and how to become a welcome part of consumers' at-home lives.

Implications:

- There are still opportunities in at-home media, including gaming and various forms of TV
- Enhancing the home lifestyle is a priority for consumers
- Brands have an opportunity to make 'COVID socialising' a better experience
- 'Local' is a key consideration for travel, retail and beyond

Executive summary

4. Succeeding in the closed web

The third-party cookie is on the verge of obsolescence, as a consequence of regulatory pressures and the unilateral actions of companies including Apple and Google. This hands even more power to the major ‘walled gardens’ – at the same time as their share of ad investment surges. With digital advertising dominated by a small number of media platforms, marketers face the daunting task of managing their activity across those garden walls.

Implications:

- Context becomes key as marketers lose access to audience information
- Interest in ‘attention’ grows as marketers look for new metrics
- Brands explore new strategies for personalisation
- Advertisers become more conscious about what their media investment supports

5. Structuring for volatility

Businesses will continue to feel disruption into 2021, and most are investing in some form of ‘digital transformation’ as they try to keep up with the market. For some marketers, this will be an opportunity, as they help their businesses navigate a volatile market and ‘build back better’.

Implications:

- Marketers revisit strategy – and purpose – from the ground up
- Marketing can grow its influence by being the link to the consumer
- In-housing will keep growing as brands look for high speed and low cost
- Diversity and inclusion still lag behind

6. Finding the white space in wellness

Health and wellness will remain centre-stage as the rebuild begins. A growing range of brands are moving into this space, adapting to cater to emerging consumer priorities around both physical and mental wellbeing. As healthcare becomes more digital, brands need to consider their offerings to ensure inclusivity and trust.

Implications:

- Health and wellness create opportunities across categories
- Brands can help consumers take preventative measures
- Digital health innovation is booming
- Fitness, health and beauty go digital

The STEPIC methodology

This is the 10th annual Marketer’s Toolkit report from WARC, and this year we extend the methodology used last year to introduce a further pillar – creativity.

The resulting STEPIC methodology has been developed alongside WARC’s sister brands within the Ascential group of companies.

STEPIC covers six drivers of change for marketing: Society, Technology, Economy, Policy, Industry and Creativity. By combining these six focus areas, the report provides a bottom-up assessment of the influences on 2021 marketing strategy.

The basis for the report is the Marketer’s Toolkit survey, structured around the six STEPIC drivers, of more than 1,000 client and agency-side practitioners around the world.

WARC subscribers can access the full data from the Marketer’s Toolkit survey, plus CMO interviews and a deck of brand examples at warc.com/toolkit

In association with:

EDGE[^] **flywheel**[^] **MEDIALINK**[^]
BY ASCENTIAL

LIONS[^] **& YIMIAN**[^] **WGSN**[^]

S	SOCIETY The drivers altering consumer behaviour and preferences
T	TECHNOLOGY The drivers enabling new models, processes and possibilities
E	ECONOMY The drivers of marketing investment
P	POLICY The regulatory drivers affecting marketing activity
I	INDUSTRY The drivers dictating the competitive environment
C	CREATIVITY The drivers shaping creative output

Marketing leaders interviewed for this report



DHIREN AMIN

CMO APAC, Kraft Heinz



EDWARD BELL

General Manager Brand, Insights and Marketing Communications, Cathay Pacific



LYNNE BIGGAR

Chief Marketing and Communications Officer, VISA



CONNY BRAAMS

Chief Digital and Marketing Officer, Unilever



MATT BUSHBY

UK Marketing Director, Just Eat



CHENG GONG

Deputy Director of Brand and Public Relations, Wahaha



ANNA HENWOOD

CMO, Les Mills International



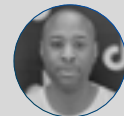
MELISSA HOPKINS

Head of Consumer Marketing, Optus



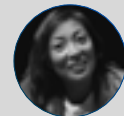
RUCHIRA JAITLY

CMO India and APAC, HMD Global



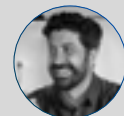
TREVOR JOHNSON

Head of Marketing, Global Business Solutions, Europe, TikTok



KUO-HI LEE

Head of Brand Project House, Volkswagen Passenger Cars China



MARCEL MARCONDES

US CMO, Anheuser-Busch InBev



SIMON PEEL

Senior Director, Global Media, adidas



CARA PRATT

SVP, Kroger Precision Marketing, 84.51



MARC PRITCHARD

Chief Brand Officer, Procter & Gamble



ERICA PROBST

Head of Sales for UK and Ireland, YouTube



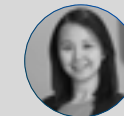
BRENT SMART

Group CMO, Insurance Australia Group (IAG)



DR. R S SODHI

Managing Director, Gujarat Co-operative Milk Marketing Federation (Amul)



AGATHA SOH

Regional Head of Marketing, Shopee



ALEX WELLER

Marketing Director – Europe, Patagonia



JASON WHITE

CMO, Curaleaf



GILL ZHOU

Chief Marketing Officer - APAC, IBM

1.

Responding to recession

The seismic events of 2020 will echo long into the coming year. Media budgets have been slashed. Brand-building activity is on hold, while performance channels receive greater spend. At the same time, brands must find new creative solutions to achieve distinctiveness in the post-pandemic marketplace.





Economic concerns dominate 2021 outlook

Respondents to WARC's Marketer's Toolkit survey are in firm agreement that 2021 will be defined by what came before: the impact of recession, and post-pandemic changes in consumer behaviour.

Uncertainty prevails. A COVID-19 vaccine may not be widely available for some months to come, delaying a full economic recovery in many major markets until the second half of 2021 – at best. Marketers must brace for the consequences of a rise in unemployment.

With consumer demand in many sectors squeezed, marketing budgets will suffer. But the pain will not be spread equally – advertisers plan to increase spending in the 'walled gardens', with Facebook and Google the prime beneficiaries. Amazon and TikTok are also winning share of budgets, as marketers prioritise younger audiences closer to the point of transaction. Conversely, 2021 will be another miserable year for print, OOH, cinema

and sponsorship media, and an unhappy one for some agencies, with clients trimming fees.

For growth and marketing innovation, all eyes remain fixed on China, which is expected to avoid the worst of the economic fall-out from the pandemic.

The forecast for adspend in 2021 varies significantly by market, by category and by channel. Read WARC Data's latest forecasts on where money is going in the year ahead.

STEPIC drivers of change

- Cuts to marketing budgets
- Shift to performance and shoppable ads
- Consumer demand for value
- Fragmentation of the video market
- Decline of distinctiveness

The CMO View



“The pandemic has highlighted the need for both businesses and consumers to be more prudent in spending. The biggest challenge for marketers will be to continue delivering value despite the economic outlook and engage consumers in preparation for the recovery.”

AGATHA SOH

Regional Head of Marketing, Shopee

“When performance drives choice, then we have to make sure we have a superior offering. That means the product and packaging has to be that way, but also how we communicate, the in-store or purchase experience and the value.”

MARC PRITCHARD

Chief Brand Officer, Procter & Gamble



“For our industry, [COVID-19] was a big hit. Restaurants closing, bars closing, sports and any kind of cultural or musical event getting cancelled. Those are big, big consumption occasions. For us, it had a massive impact.”

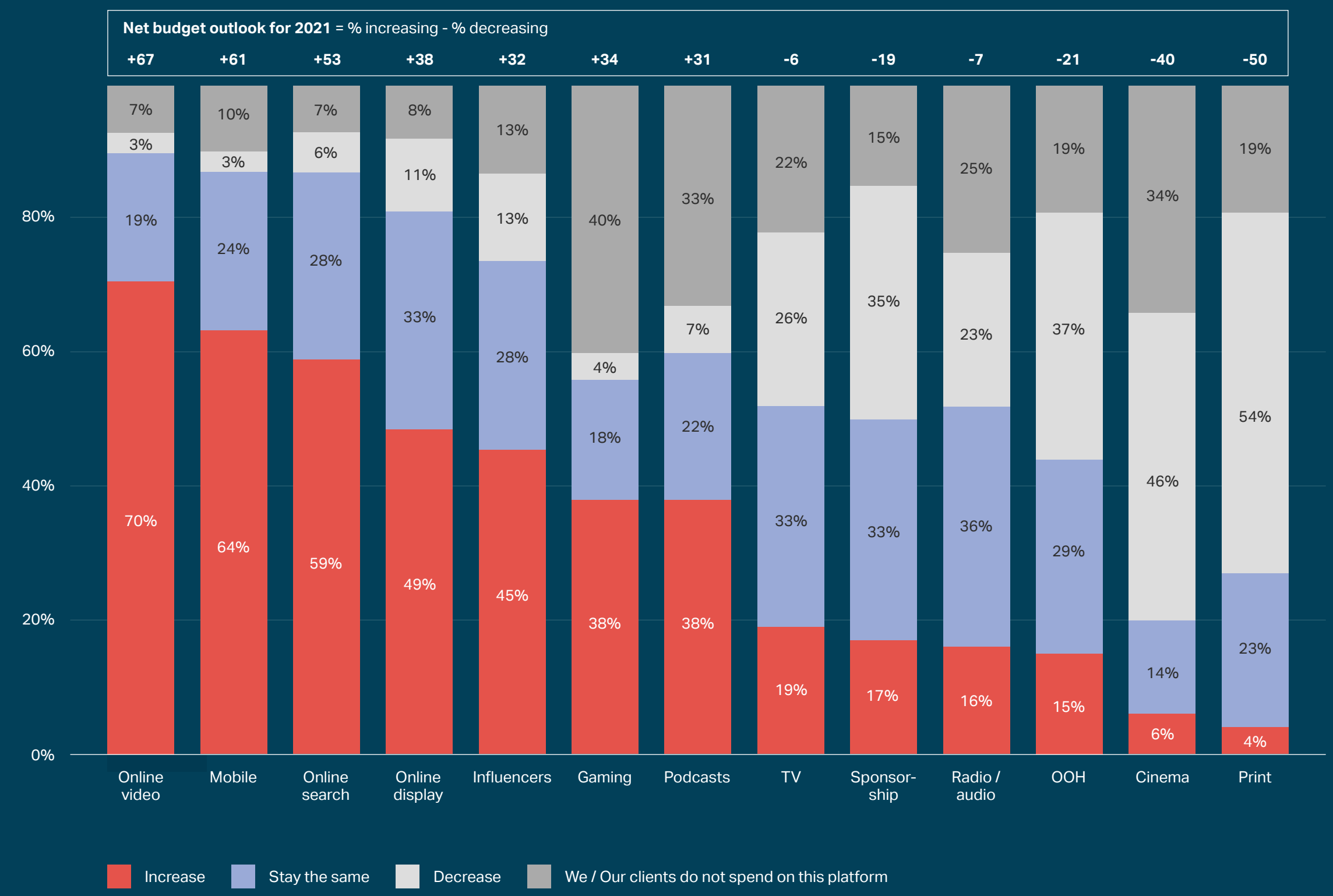
MARCEL MARCONDES

US CMO, Anheuser-Busch InBev

Performance channels in the ascendancy

Marketers are overwhelmingly upping investment in online video, with 5G mobile network roll-out expected to reinforce video consumption globally. Nearly three-quarters of advertisers (73%) expect to allocate budget to influencer marketing in 2021, a clear sign that influencers are becoming more central to brand-building on social platforms. Nascent channels including gaming and podcasts can be optimistic of growing ad revenues over the coming 12 months, while print and cinema media will be bracing for a tough year.

How do you expect investment in media channels to change in 2021?

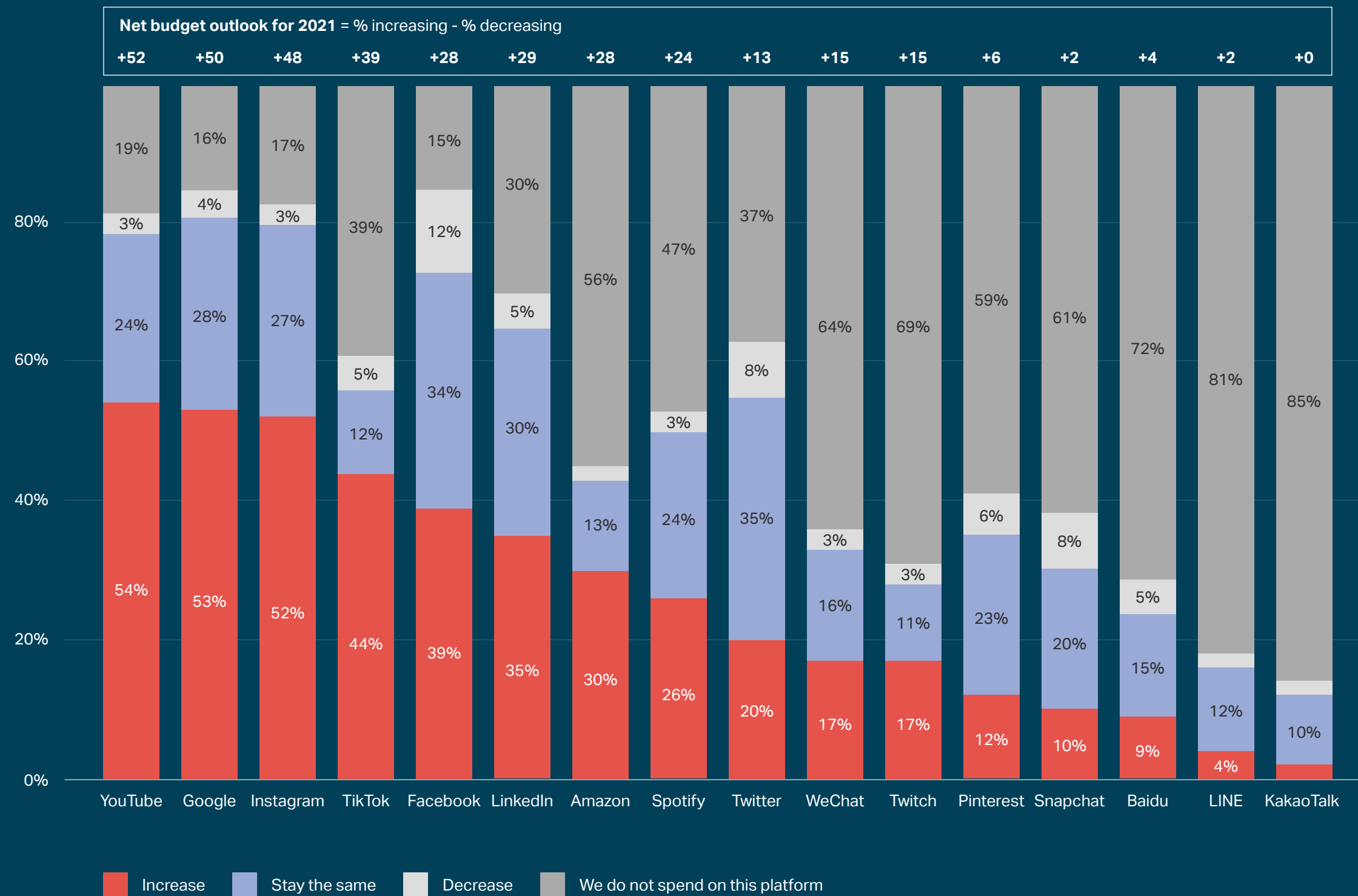


Source: WARC Marketer's Toolkit 2021

Amazon and TikTok move up the agenda

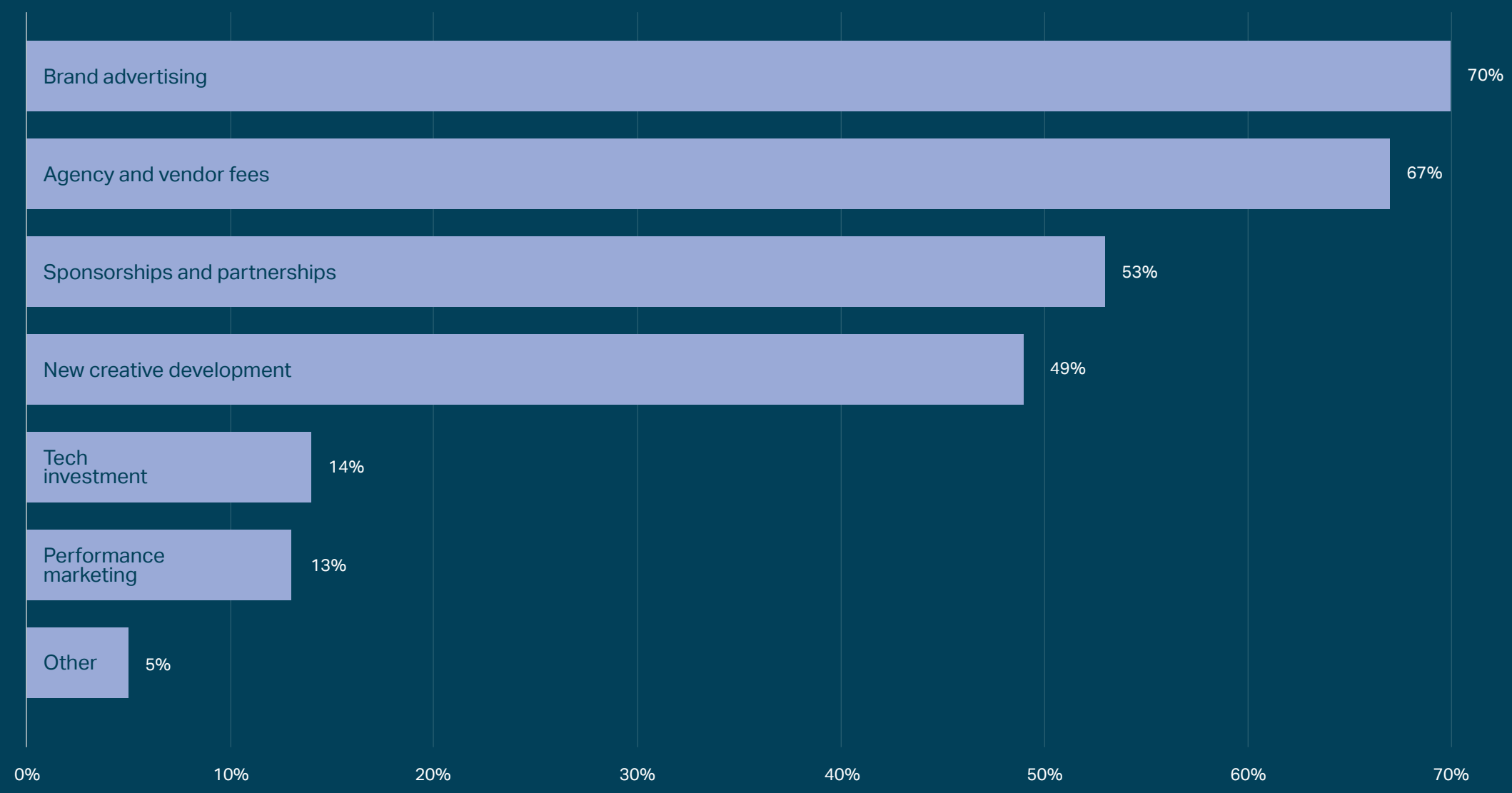
COVID-19 will see the 'duopoly' tighten its grip on the digital advertising market. Four of the five platforms most likely to receive increased investment in 2021 belong to Facebook and Google-owner Alphabet, according to the Toolkit survey. As brands seek to reach consumers in shoppable moments, Amazon and TikTok are both rising up the agenda – with 44% of advertisers planning to spend more on the social video app next year, for instance. For other social platforms, including Snapchat and Pinterest, any gains will be more incremental.

How do you expect investment in digital platforms to change in 2021?



Source: WARC Marketer's Toolkit 2021

Where are budget cuts being made?



Source: WARC Marketer's Toolkit 2021

Brand-building cuts on the way

As advertisers reel from the twin impact of global recession and unprecedented consumer behaviour change, brand-building is expected to suffer most keenly. Of those expecting budget cuts in 2021, 70% predict the axe will fall on brand advertising spend. Meanwhile, with consumers restricted from attending events for the foreseeable future, over half (53%) forecast a decrease in sponsorship spend. In comparison, performance marketing and tech investment will be ringfenced by most advertisers in the coming year.



Implication 1

Marketers in a position of strength can double down on brand-building

Marketers are bracing themselves for a challenging year. While a clear majority (62%) of Toolkit survey respondents expect 2021 to be “better than 2020”, this should not be mistaken for unbridled optimism. For most advertisers, budgets will remain lower than pre-pandemic levels – although nearly six-in-ten (58%) anticipate some sort of budgetary improvement on the previous year.

However, the pandemic has provided some unexpected opportunities for advertisers, including a marked reduction in media costs. A sharp decline in global ad spend coincided with a sizeable uptick in media consumption, offering a chance for those marketers able to maintain investments in brand-building activity to get more bang for their buck.

Conventional wisdom dictates that brands increasing marketing budget during a recession will recover considerably faster in ‘normal’ times, as consumer confidence returns. Reducing a brand’s share of voice below its share of market, on the other hand, can undermine its position – and the level of risk is even greater in price-driven, low-interest categories.

With a full economic recovery on hold until the mass roll-out of a viable COVID-19 vaccine, 2021 may provide some brands in a position of strength with an unprecedented opportunity for share of market growth.

Takeaways

- 1. Fortune favours the brave.** A notable percentage (38%) of respondents claim they are focusing on customer retention over acquisition, meaning those brands taking a bolder approach have an even greater chance of winning market share.
- 2. Opportunity to win new customers.** Studies show that consumers are significantly more likely to try new brands when they go through a major life event. Further disruption as markets exit the pandemic may provide additional opportunities to win share.
- 3. Monitor share of search.** Any brands required to make deep cuts to their marketing budgets might benefit from closely monitoring share of search, as this will give them an early indication of any potential losses of market share, according to new research by Les Binet.

The CMO View



“There was a little bit less spending in the beginning of Q2, but I think quite quickly we’ve come to the conclusion that if we are going to enter a recession then normally the brands that continue to spend come out much stronger.”

CONNY BRAAMS

Chief Digital and Marketing Officer, Unilever

“We continued to advertise because we realise that branding is not a sales pitch, it is long-term asset building. It’s how we communicate with our consumers, who are our family, and when your consumers are under stress and difficulty, you don’t stop communications.”

DR. R S SODHI

Managing Director, Gujarat Co-operative Milk Marketing Federation (Amul)



Case study

Myntra targets greater brand prominence

Indian online fashion retailer Myntra is betting on the pandemic being a “gamechanger” in its quest to grow its mobile commerce proposition.

The platform – part of Walmart’s Flipkart Group – used India’s festival season as an opportunity to become one of the “most recognisable and salient brands” in the market.

According to Harish Narayanan, Myntra’s head of marketing, rather than paring back its advertising budget in response to COVID-19, the brand targeted “prominent visibility” across media channels throughout 2020 and beyond.

“Our marketing strategy for this year has been quite different,” said Narayanan. Myntra is looking beyond India’s key metropolitan markets for growth, and believes it can recruit new customers in “untapped” Tier II, Tier III and southern markets.

The e-commerce brand also used its IPL sponsorship programme to drive deeper penetration among younger consumers, as it aims to become India’s “go-to” online fashion destination.



Source: Myntra

Implication 2

Shoppability becomes a key consideration for media spend

The increasing focus on short-term KPIs means marketers will prioritise media channels that shorten the purchase funnel, and reduce the number of steps a consumer must take from ad exposure to final conversion. Likely recipients of additional ad spend include Amazon and omnichannel retailers like Walmart and Kroger, which continue to build out their media businesses, as well as Chinese platforms like Tmall and WeChat.

Social commerce is also rising to the fore. Established platforms such as Instagram, YouTube, Snapchat and Facebook – which launched its Shops storefront concept last year – are vying for a slice of a burgeoning market. Growing numbers of brands are also testing TikTok's tools, and the ability to monetise content via its branded Hashtag Challenge tool.

Takeaways

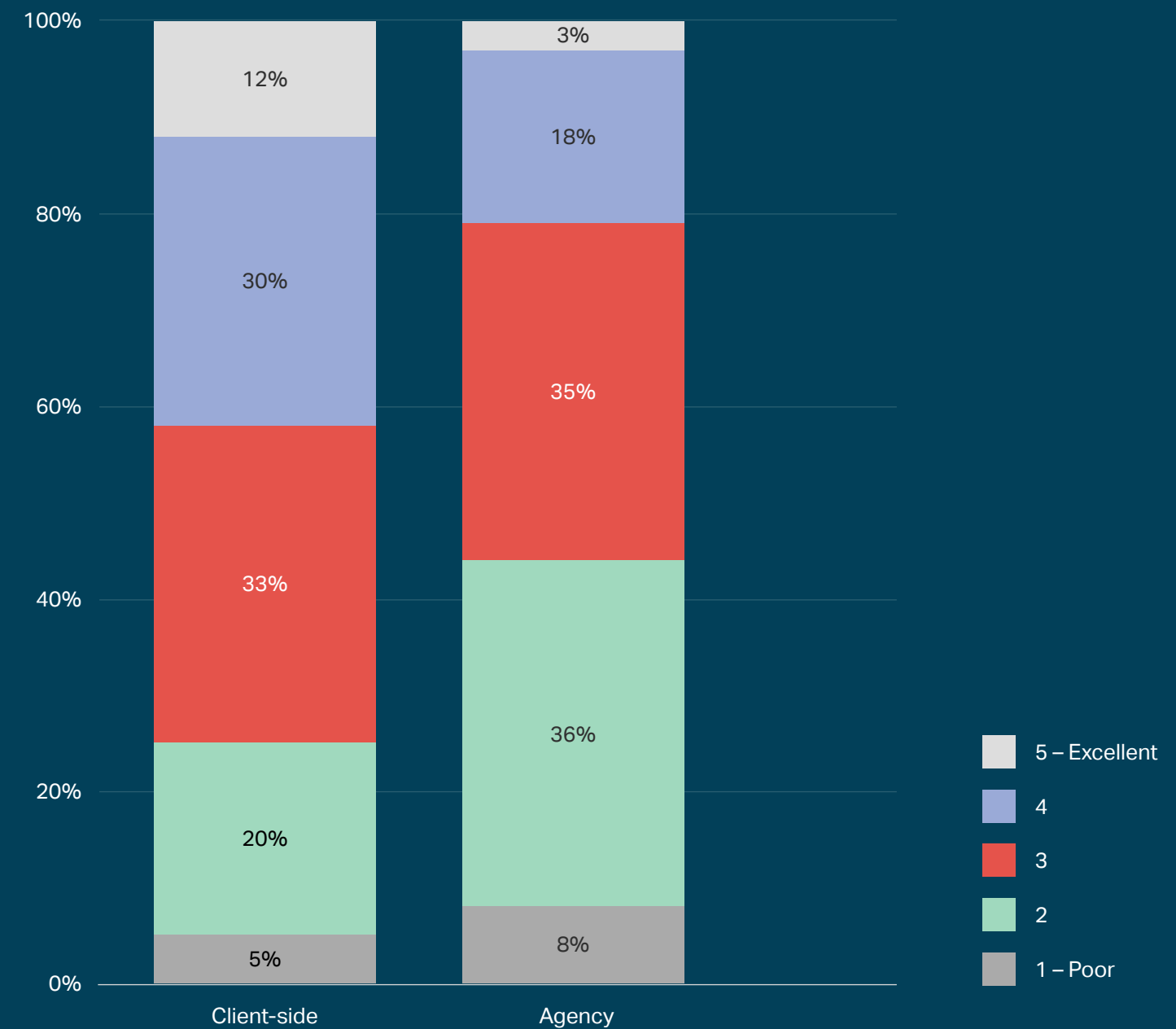
1. **Explore shoppable video content.** This space is a growing opportunity for marketers, from unboxing videos and product catalogue listings under videos, to the nascent live-stream commerce space.
2. **Maintain purchase momentum.** Avoiding dead-ends is key to a frictionless and shoppable journey. 'Add to basket'-style ad formats ensure that there is always a means through which a click can turn into a purchase.
3. **Focus on iterative improvements.** Retail media can offer real-time feedback to help continuously improve traffic and conversion tactics, and ensure a company's supply chain can meet e-commerce demand.



Long-term strategy set to suffer

Unsurprisingly, given the turmoil caused by the pandemic, short-termism remains the leading cause for concern among advertisers in 2021. However, brand marketers believe they are doing a much better job of balancing short-term and long-term brand strategy than their agency partners. Only 3% of agency respondents believe the brands they work on are doing an excellent job, compared to 12% of client-side marketers.

How would you rate your brand's / typical client's ability to balance short-term and long-term brand strategy?



Source: WARC Marketer's Toolkit 2021



Implication 3

Brands are flexing their offerings to meet consumer demand for value

While some consumers will trade down in a recession, others will focus on getting the greatest possible value – in terms of efficacy, quality and reliability – for their outlay.

COVID-19 and the ensuing recession has the potential to reframe the idea of value for buyers. Consumers want products to be delivered quicker than ever, in a way that suits their needs. UK food delivery brand Just Eat is structuring its business around the need to be flexible enough to meet those expectations.

Each household tightens its spending in ways that are specific to its financial vulnerabilities. An upscale shopper does not trade down in the same way as a downscale shopper.

Marketers are recommended to go 'back to basics' and evaluate all elements of their brand proposition, from product offering to price and pack sizes, to find a model that suits the post-pandemic consumer mindset.

Takeaways

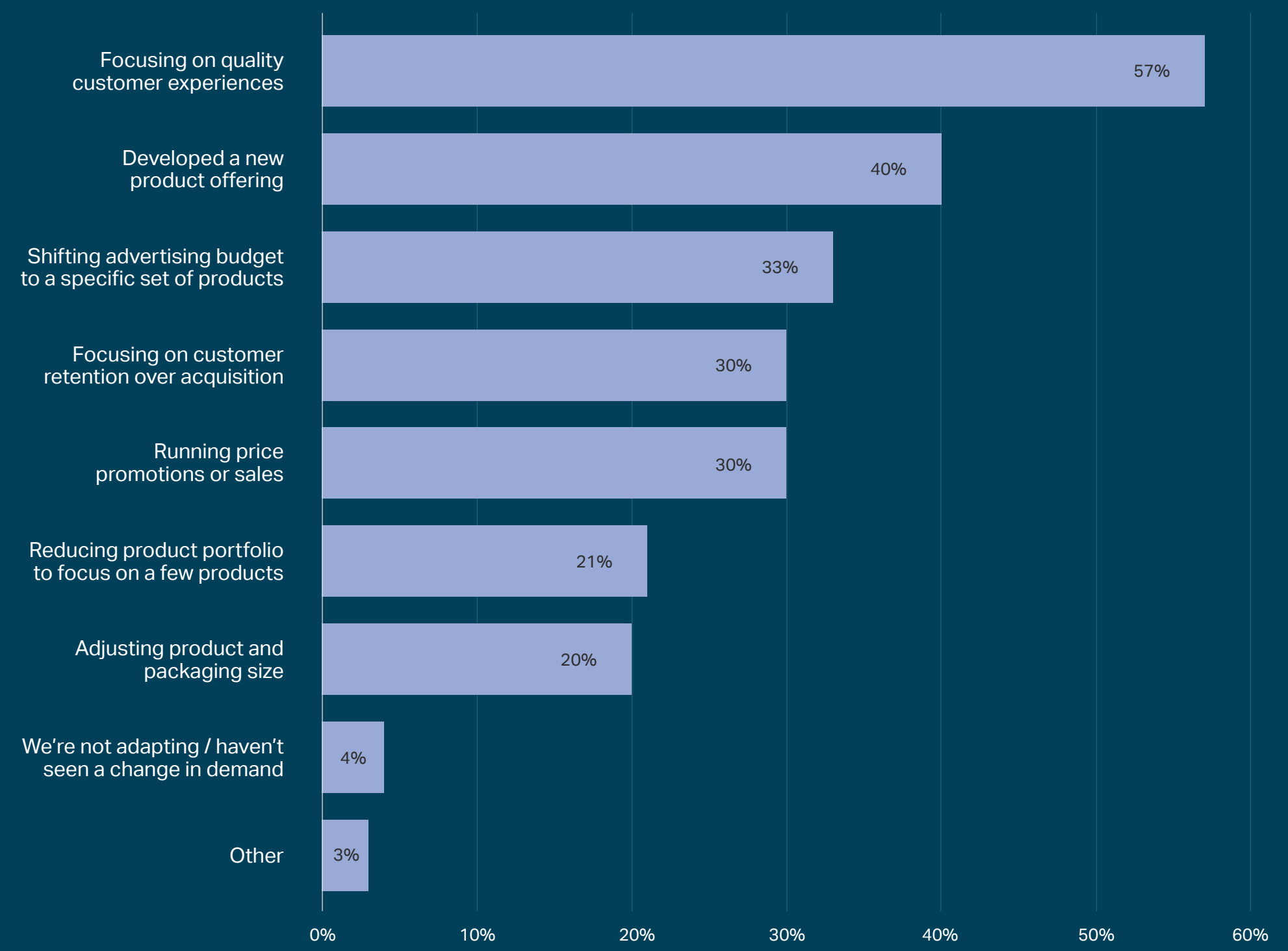
1. **Understand the meaning of value.** It's essential in challenging economic times to meet all income ranges, focusing on consumer needs at the appropriate value level.
2. **Track consumer insights.** This is especially true when you have access to direct behavioural data. This is an essential response to the pandemic, according to Procter & Gamble, and will be vital in the battle to avoid price erosion.
3. **Accommodate consumer risk tolerances.** Understanding the difference between promotion- and prevention-minded shoppers can help marketers to sharpen their strategy across the path to purchase. The former prefer immediate benefits, while the latter lean towards security and rigorous, pre-planned decisions.

New ways of delivering value

Brand marketers are responding to this desire for value in a number of ways, including focusing ad spend on specific product lines (33%), running price promotions and sales (30%), reducing their product portfolio (21%) and altering pack sizes (20%). Four-in-ten respondents to the Toolkit survey say they are developing new product offerings to cater for post-pandemic consumer preferences.

In what areas is your brand adapting to economic recession?

Client-side respondents



Source: WARC Marketer's Toolkit 2021

Case study

Coca-Cola culls ‘zombie’ brands

Coca-Cola, the beverage manufacturer, is streamlining its brand portfolio to focus on strategic priorities and assets with the greatest potential during the pandemic.

Periods of flux are unsettling for marketers and consumers, but can serve as a unique moment to break free from legacy thinking.

While Coca-Cola owns 400 brands across the globe, a significant portion of its portfolio is of limited scale and lagging behind in terms of growth.

Identifying the most-promising “challenger” and “explorer” brands, and culling “zombie” brands that have not performed well over an extended period, is helping the company to redirect funds to priority brands.



Source: Coca-Cola

Implication 4

Distinctiveness is the challenge for post-pandemic creativity

The imposition of lockdown in the first few months of 2020 prompted a sea-change in brand messaging. Intricately-created campaigns were replaced with stock imagery, smartphone footage and messages of reassurance and solidarity. Blandness ruled supreme.

Nearly two-thirds of respondents to the Toolkit survey (64%) agree that advertising suffered from a lack of distinctiveness during quarantine, and there is a danger that this creative shortfall will persist, with half (49%) of respondents anticipating cuts to new creative development.

In the pursuit of distinctiveness, nostalgia offers a rich creative seam for brands with heritage. In the UK, home improvement retailer B&Q revived its 'You can do it' strapline with a modern twist; in the US, AB InBev reinvented Budweiser's famous 'Whassup' commercial in the context of social distancing; and in India, where re-runs of classic TV shows have broken viewing figures, Cadbury revived a classic jingle to thank its customers for "not giving up" during the pandemic.

The best-performing ads during COVID-19 were those that balanced the desire for consumer connection with a need to be 'maximally individual'. The type of work most likely to succeed is that grounded in self-awareness, generosity, human connection and spontaneity, while humour will continue to stand brands in particularly good stead.

Takeaways

1. **Lo-fi is OK.** The pandemic has swept aside expectations of highly-polished content, and popularised user-generated content platforms like TikTok. New evidence from Cannes Lions suggests that brands can achieve strong marketing effectiveness results with 'lo-fi' production.
2. **Make it easier for consumers.** When dealing with the stress and anxiety of a pandemic, audiences will prioritise assets that are easy to process. Brand marketers need to take stock of brand assets and reassess the distinctions that make them stand out.
3. **Mend and make do.** Re-using commercials that were shot before the pandemic is not necessarily problematic, as long as the messaging behind it is still relevant. See KFC's decision to suspend the use of its hygienically-inappropriate strapline, 'Finger lickin' good!'.

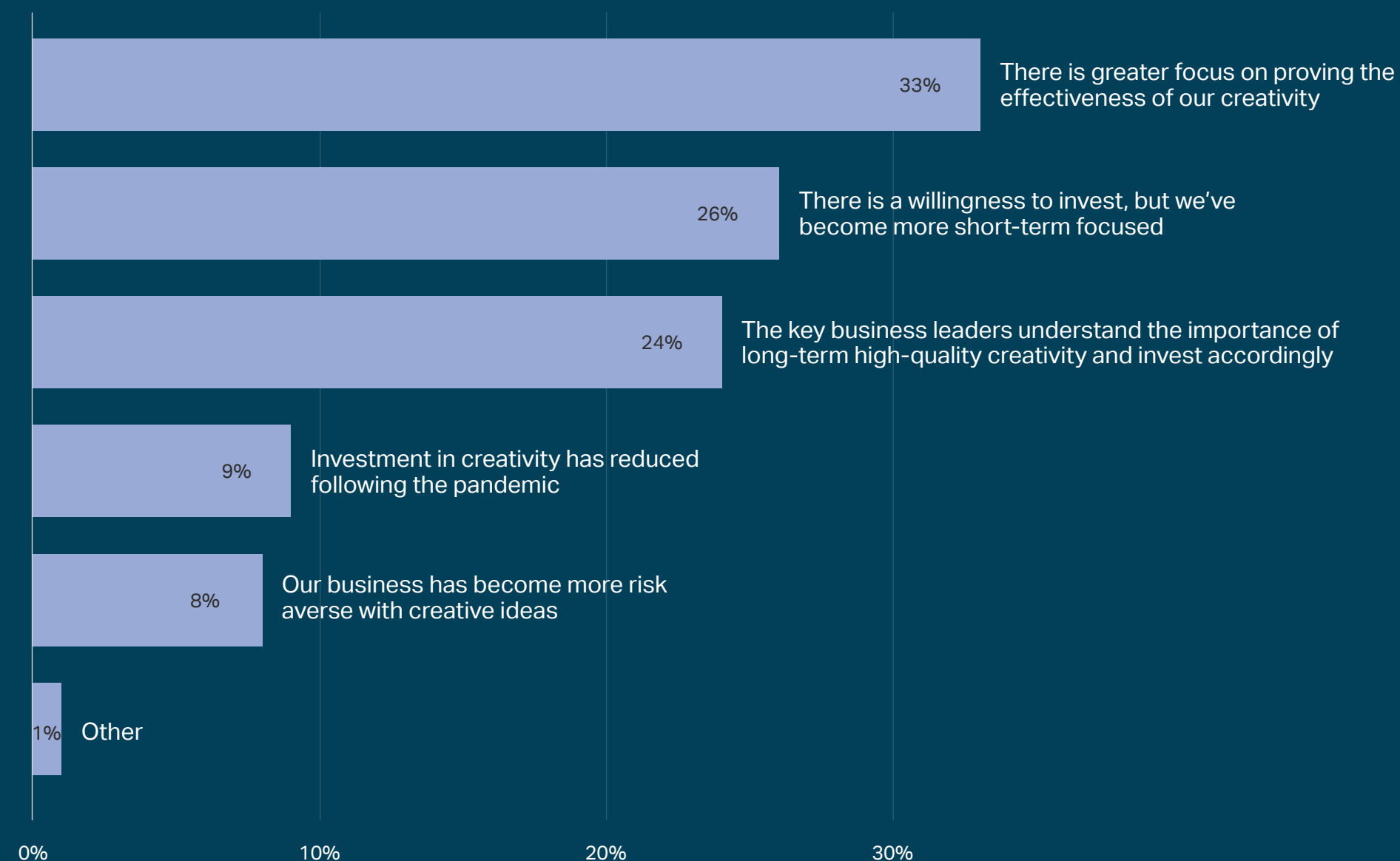


Creativity will need to deliver

A quarter (26%) of brand marketers have experienced a post-COVID focus on short-termism when 'selling in' creativity to key stakeholders within their organisation, a slightly higher percentage than those claiming their senior colleagues understand the long-term importance of "high-quality creative".

As a marketing leader, what has been your experience in "selling in" creativity to key stakeholders following the pandemic?

Client-side respondents



Source: WARC Marketer's Toolkit 2021

Expert commentary

Lo-fi creative in the recession

**Susie Walker**

Head of Awards, Cannes Lions

In lockdown, arguably the first thing to change is the production process. We've seen brand work shot on iPhones, ads created from B-Roll and a surge in user-generated communication. It's not the polish we're used to, but does it matter? In some channels, and for some sectors, lo-fi content is materially outperforming highly-produced, big-budget work.

We dug into the Cannes Lions archives to get a sense of how things are shifting. When looking at the winners across the most content-heavy Lions over the last three festivals, of those 927 entries, just over 10% included lo-fi content. Budget is not always the key determining factor. Only 25% of winning lo-fi work between 2017 and 2019 was tagged as 'low-budget'.

During our research, we spotted five trends for creating effective lo-fi work.

Rethink craft

Lo-fi has forced us to reconsider what we think of as craftsmanship. Success isn't so much about

production; idea, story, performance, character and casting are more important. In this work for Palace and Reebok Classics, the knowingly terrible acting and awful editing enhance the humour – it took home a Film Lion in 2017.

Get nostalgic

Nostalgia is a natural fit for lo-fi work. While nostalgia works to lure old consumers back in, 'fauxstalgia' captivates a new base. Take this Silver Lion winning work for Orange Tunisia, which leveraged the popularity of retro gaming to create a hugely entertaining gaming experience from FP7/TUN.

Customise or adapt to platform

Platform specificity is crucial with lo-fi. Brands should avoid cross-posting – don't use Snapchat filters on Instagram, for instance. We've seen this exemplified in work like FCB Inferno London's for UEFA Women's Football which adapted content into 600 platforms.

Embrace the amateurs

Bona fide UGC feels far more natural in a feed, and comes with the added benefit of active, community connection. Great examples include this five-Lion winning work from J. Walter Thompson Amsterdam,

in which auto brand Opel employed would-be customers as dedicated influencers, significantly increasing the brand's reach.

Personality is everything

Lo-fi work strips everything back. Humility, humanity and humour reign supreme. In some cases, you can make content that reacts to other people's content, just like we saw with this work for CarMax by McKinney, a Bronze Social & Influencer Lion winner.

Many myths have built up around lo-fi: that it's inferior quality; that it only works on social; that it's ineffective. But we have seen plenty of examples of lo-fi work that really works, wins Lions and drives growth – and we expect to see more and more work like this.

[Click here to read Susie's expert commentary in full.](#)



Potential Pitfalls

Losing sight of your brand.

The pressure to deliver immediate results will be relentless in 2021, but that desire for performance should not legitimise activity which damages the long-term health of a brand.

Misunderstanding new platform requirements.

Not all digital marketing practices are portable. Kroger, for instance, does not allow brands to bid on keywords. From a creative standpoint, brands must meet the very specific expectations of TikTok users when advertising on the app.

Confusing value with price.

It's too simplistic to suggest that all consumers will trade down to a cheaper alternative. Brands can provide a service by helping consumers understand how they can meet their needs through the use of their products.

Go Deeper

[The WARC Guide to Marketing in the COVID-19 recession](#)

[General rules on how to balance long-term brand building vs short-term activation](#)

[Best in class: The five rules of digital advertising effectiveness](#)

[Turning brand exposure into e-commerce transactions: Five practical tips](#)

[TikTok: Ten lessons for brands creating Hashtag Challenges](#)

[Procter & Gamble's strategy for COVID-19 – and playbook for the recession](#)

[Advertising during the COVID-19 recession](#)

[What's working in influencer marketing](#)

[Demand Generation: Six factors that determine media budget optimisation](#)



2.

Staying effective in the age of e-commerce

The COVID-19 pandemic has accelerated e-commerce growth globally. Brands in many sectors have had to respond, bringing forward plans to rethink distribution and experimenting with new models, including direct-to-consumer options. This shift will have knock-on effects on brand strategy and media investment.





E-commerce is a pandemic priority

During the height of the COVID-19 pandemic, brands in sectors such as FMCG saw rapid increases in online orders as consumers in markets around the world flocked to online services.

Brands already set up for e-commerce are well placed to weather the change and uncertainty brought about by COVID-19; others have had to adapt fast to meet the needs of at-home consumers, doubling down on e-commerce and digital transformation.

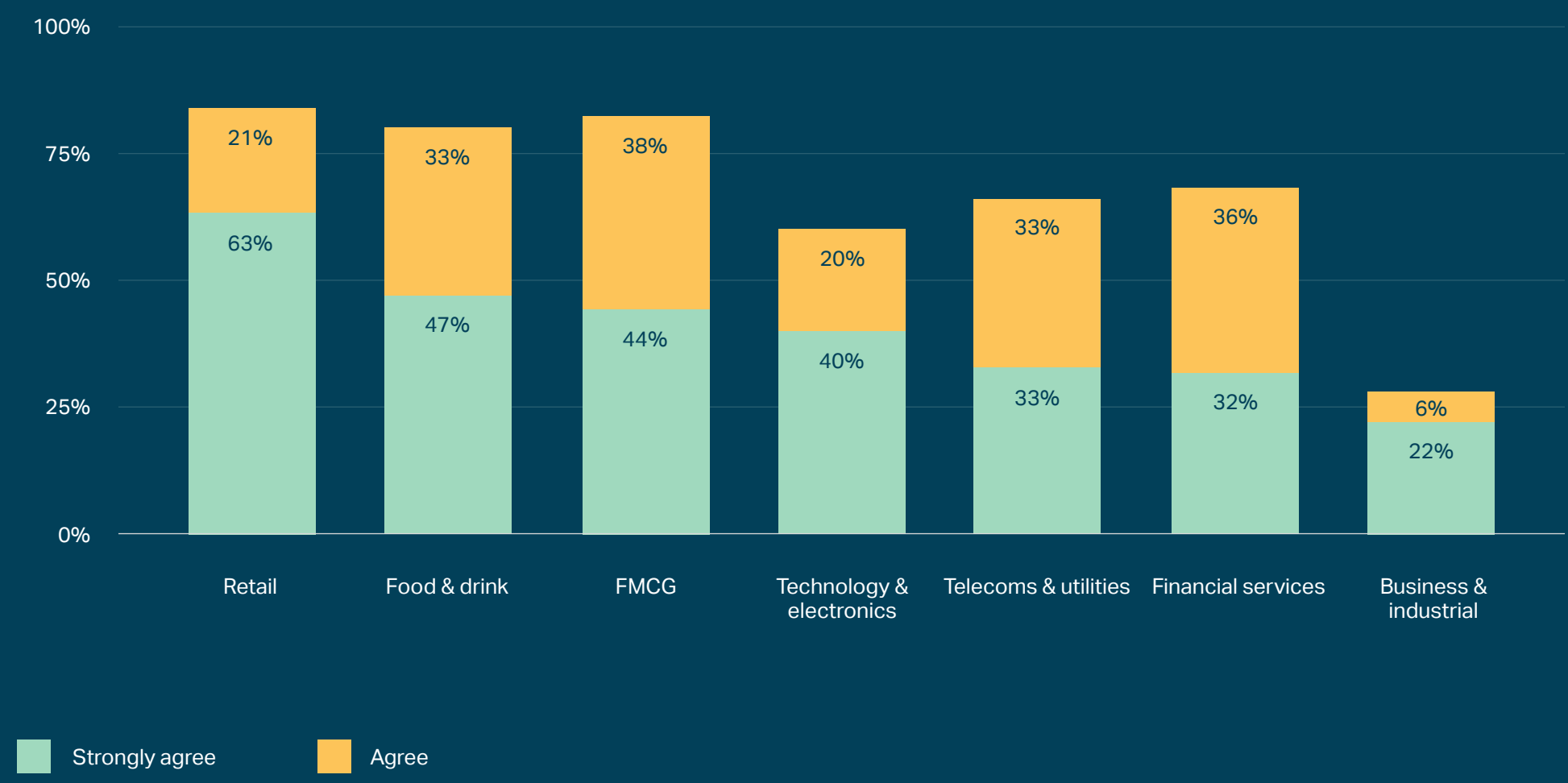
When asked which consumer behaviours are having the biggest impact on marketing strategy, 53% of respondents to the Marketer's Toolkit survey said shopping online and 52% said increased time spent at home. A major challenge and opportunity for marketers is to engage at-home shoppers in meaningful ways, as well as providing an optimum customer and brand experience.

For many brands, physical retail will remain important after the pandemic. But few marketers expect the balance between digital and physical sales to return to pre-pandemic levels. And as they look for new sources of growth, succeeding in e-commerce is now a priority.

STEPIC drivers of change

- E-commerce acceleration
- Homebound consumers
- Livestreaming
- Drive to DTC and first-party data
- Digital transformation

The shift to e-commerce will be permanent in my category



Source: WARC Marketer's Toolkit 2021

New shopping habits are expected to stick

The COVID-19 pandemic has accelerated e-commerce growth globally. In the US it prompted a 10-year e-commerce growth spurt in an eight-week period. Research suggests this behaviour will stick, particularly among certain cohorts. Across 18 markets surveyed, GlobalWebIndex found 51% of Gen Z and 54% of higher income consumers are likely to shop online more frequently post-pandemic. This compares to 43% among lower income consumers.

67% of client-side respondents expect the shift to e-commerce to be permanent. Those in retail (63%), food and drink (47%) and FMCG (44%) agree most strongly with this statement.

Marketers are focusing on improving online CX

When asked in what ways are they addressing the shift to e-commerce, 64% of respondents said they will focus on improving the online customer experience, 47% plan to increase the number of online channels they sell through, 40% will invest in e-commerce technology and 31% are upgrading the supply chain and product availability. Marketers will also need to rethink media plans and advertising strategy to ensure their products and services are noticed by, and engage, at-home consumers.

In what ways are you / your typical client addressing the shift to e-commerce?



Source: WARC Marketer's Toolkit 2021

The CMO View



“We’re only at the early stages of this growth. For brands and marketers, e-commerce, and in particular mobile commerce, is no longer a nice to have, but an essential touchpoint to tap into this opportunity.”

AGATHA SOH

Regional Head of Marketing, Shopee



“Our eco-fills that need to be diluted in water or capsule (products) are really suited for e-commerce, as well as things like gift sets or bundle packs. We used to have a supply chain designed for scale and long runs, now there’s smaller minimum order quantities, more frequent runs, and more bundling happening.”

CONNY BRAAMS

Chief Digital and Marketing Officer, Unilever



“We’re working pretty hard on making sure we can win search in e-commerce, as well as helping people understand how to use the products most effectively. We are (also) increasingly seeing brick-and-mortar retailers like Walmart and Target integrating great and greater degrees of e-commerce as part of their business model.”

MARC PRITCHARD

Chief Brand Officer, Procter & Gamble



Implication 1

Better marketplace expertise is needed to build ‘digital availability’

Professor Byron Sharp famously wrote about the need to build mental and physical availability, which are key factors in driving brand growth. In the e-commerce age, some have argued that physical availability can be extended to “digital availability”, which strategist James Hankins defines as “maximising the breadth and depth of your distribution in time and space online”.

To make this effective, specialist skillsets are required, as marketers consider how their brand “shows up” online. This will include hygiene requirements like visibility in search, as well as factors such as strong online reviews, which can help brands win the ‘digital shelf’.

Effective e-commerce requires deep knowledge of online marketplaces such as Amazon and Alibaba, and platforms like Facebook and YouTube which are extending their reach into e-commerce via shoppable formats. And there are the omnichannel players with media retail capabilities like Walmart and Kroger.

Studies have shown the value of a strong brand in an e-commerce environment, including Google’s recent exploration of the ‘messy middle’ of online purchase behaviour. Advertisers such as adidas have concluded that branding is “fundamental” to e-commerce success.

Although e-commerce has seen rapid growth, it’s also worth remembering the majority of sales are still in physical retail, so having an omnichannel strategy is important.

Takeaways

1. **Consider where and how your brand “shows up” online for major category entry points.** A key challenge and opportunity will be to get on digital shopping lists and “add to cart” formats, which serve as reminders and can drive repeat purchase.
2. **Link e-commerce and central marketing budgets.** Marketers must bring e-commerce and communications strategy much closer – for example, to avoid competing offers running simultaneously. This means rethinking the way budgets are siloed, particularly at companies where e-commerce is handled separately from marketing.
3. **Brand-building remains key.** Strong brands have multiple benefits, including justifying a price premium in online marketplaces.

The CMO View



“It’s the most important challenge for marketers. How do you build your brand for e-commerce and not be a brand within e-commerce? Because by being a brand within e-commerce, you’re always going to be at the mercy of the channel, not the other way around.”

DHIREN AMIN
CMO APAC, Kraft Heinz



“The digital shelf is really important for brands to both show up in, and to create this inspired connection. We do it in a couple of different ways – one through traditional product listing ads, where personalisation science is feeding audience recommendations and placement recommendations, as well as on the display side.”

CARA PRATT
SVP, Kroger Precision Marketing, 84.51°



“If you don’t have a brand, you don’t provide a mental shortcut for consumers, and you become a commodity. So, it’s important to protect and invest in brands to help e-commerce flourish. If anything, the laws and rules of marketing and communications are more important than ever when it comes to e-commerce.”

SIMON PEEL
Senior Director, Global Marketing, adidas

Case study

BIC's five-point plan for e-commerce

BIC, the pen brand, is using a five-point plan to inform its e-commerce strategy. For decades, its mandate was simple: "BIC Seen. BIC Sold." Its goal was to be fully visible to shoppers in-store, and this has extended to online too.

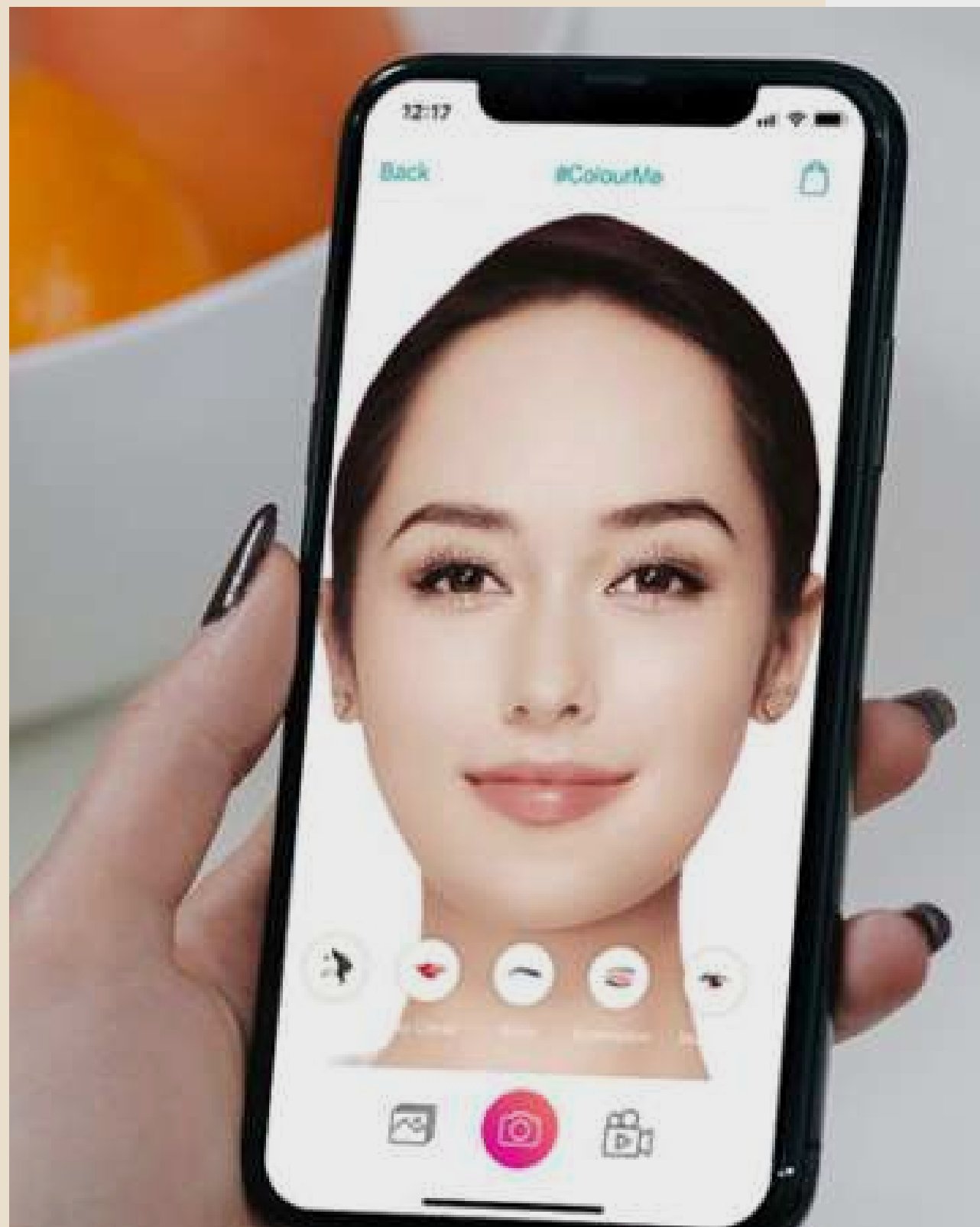
Jennifer Elmashni, BIC's VP/global e-commerce and digital marketing, outlined the five core elements that are informing its strategy in this area, which can be summarised with the acronym "SPARC": Search, Price, Assortment, Ratings/Reviews, Content.

Whether discussing consumers who are new to e-commerce or veteran digital shoppers, Elmashni highlighted a common trend: "Eighty percent of clicks happen on that first landing page, no matter what the type of retailer site might be – whether it's Amazon, Walmart.com, Target.com or Kroger.com," she said.

What first pops up in front of the consumer, she explained, is what drives the highest consideration. But "the further you have to scroll down the page to explore, the more you lose your opportunity to engage with the shopper at that point in time," Elmashni said.



Source: BIC



Source: L'Oréal

Case study

L'Oréal Vietnam uses multiple platforms to boost digital availability

L'Oréal Vietnam is doubling down on social commerce across all its brands, and this means looking beyond the marketplaces.

In some markets, consumers are wary of using pure-play e-commerce platforms. "There is still a lack of trust, which limits purchases. We cannot limit ourselves to Lazada and Shopee," said L'Oréal Vietnam's chief digital officer Pierre-Olivier Guy. "Those pure players are natural partners for brands, but not naturally for consumers."

Working across more platforms is increasing the cosmetics company's digital availability.

And conversational commerce, or c-commerce, is emerging as a key

opportunity for brands to engage and connect with consumers in APAC. L'Oréal has been using c-commerce in Vietnam, for over two years.

Its Kiehl's brand initially started using messaging to ensure fast responses to customer enquiries but quickly saw the potential for sales through chat. It ran an end-to-end c-commerce campaign on Facebook, collecting orders via Messenger and directing them to its logistics and inventory management department. The campaign increased sales by 22% and increased weekly conversations four-fold.

For c-commerce, it is all about the experience, the quality of the story, and meaningful conversations.

Implication 2

Delivery and packaging become key touchpoints for brands

Brands are offering bigger packs and bulk-buy options, at different price points, as they look to boost profitability out of online retail. Fragile and unwieldy products must be optimised for home delivery.

62% of client-side respondents to the Marketer's Toolkit agreed or strongly agreed that they actively consider the impact of packaging and delivery on customer experience.

Online shoppers are unable to feel or touch a product before they buy which makes the wider customer experience vital. The delivery of products represents a new "moment of truth" for brands with the potential to either delight or disappoint consumers, says Patrick Miller of Flywheel Digital, a sister brand of WARC.

The unboxing moment is a key opportunity to stand out and showcase a brand's creativity, and enhance the brand experience.

Trust is vital in e-commerce, not just in the brand but in the end-to-end experience, notes David Carr, Director, Marketing Strategy & Analysis, Publicis Sapient: "Reassure the public on products' availability and the robustness and safety of your manufacturing capabilities". A "Track my order" feature can help reassure consumers.

The coronavirus has promoted the widespread adoption of contactless payments. Euromonitor states this "low touch economy" will also spur innovation in the packaging spheres.

Takeaways

1. **Excellent customer experience is critical.** Free delivery, free returns and extended satisfaction guarantees should be considered. Use packaging and delivery in creative ways to delight at-home consumers.
2. **Ensure marketing and supply chains work together.** If your marketing drives demand, it's crucial that your supply chain can meet it. This means breaking down pre-existing silos so that marketing and supply chains work together. This might also mean reprioritising brand portfolios and focusing on the most in-demand items or range.
3. **Pack innovation must meet online shoppers' needs.** Consumers expect pack innovations which protect contents from spillage or breakage. Promote safety and hygiene by offering contactless delivery options.



The CMO View



“We’re only seeing expectations rising – people are expecting things quicker... It’s about building a business and building a structure that allows us to do that and allows us to be flexible enough to meet all of those different needs.”

MATT BUSHBY

UK Marketing Director, Just Eat



“Shoppers increasingly want online shopping to be more than just transactional, especially as it replaces the in-store experience where there is immediate feedback.”

AGATHA SOH

Head of Regional Marketing, Shopee



“On e-commerce, you need to really think about it end-to-end: what does it mean for your portfolio, but also for your price, product, promotion, or place? But also for your content creation, media strategy, analytics and supply chain? It is an end-to-end opportunity, I would say, but it really requires something of an organisation.”

CONNY BRAAMS

Chief Digital and Marketing Officer, Unilever

Case study

P&G aligns marketing and supply chain for e-commerce success

FMCG giant Procter & Gamble's marketing and supply-chain departments are more linked than ever in the online purchase funnel – be it for click-and-collect, curbside pick-up, or true direct-to-consumer sales.

Marketers will have to foster close relationships with their colleagues who manage supply chains, with the following considerations in mind:

- Marketing drives demand – the supply chain meets it
- Packaging becomes a critical brand touchpoint
- Tapping the power of machine learning to forecast demand

The role of marketers is to “drive demand” on e-commerce platforms, whether that is a digital pure-play like Amazon.com, or the online arms of omnichannel chains like Walmart and Target.

“But if that product is not available in the right spot at the right time to ship to the consumer, then we have definitely failed together as a unit,” said Tiffany Lilze, Senior director, e-commerce supply chain & innovation, P&G.

Such an objective is epitomised during major online-shopping occasions, a list that includes Black Friday, Cyber Monday, Amazon's Prime Day (when the Seattle, Washington-based retailer offers discounts on a huge slate of goods), and the December holiday period.

P&G adapted its packaging, a critical touchpoint for e-commerce. It developed leak-proof packaging, branded postage, and minimal contact boxes. Tide's leak-proof Eco-Box meets both consumer and retailer needs.





Implication 3

Legacy brands and DTC are converging in strategy

Direct-to-consumer (DTC) brands have provided a fundamental challenge to legacy brands selling online. The COVID-19 pandemic prompted several FMCG brands to fast-track their own DTC offers. For example, the new Heinz to Home service delivers 'bundles' of its staple products, from soups to baked beans to sauces, to people's doors.

Arguably, there has never been a better time to go DTC – consumers are spending more time at home and seeking safety, comfort and convenience.

Many DTC and digital-native brands have turned to traditional media to scale beyond their existing audiences. Meanwhile, legacy brands are adopting DTC tactics to find new routes to growth. In some ways, the disruptors are pivoting to brand-building, while the legacy brands are applying new thinking in the performance space.

One of the key benefits of DTC is access to rich first-party data, enabling brands to nurture direct relationships with their online consumers. 59% of client-side respondents said they have a strategy for actively collecting first-party customer data. DTC marketers also have greater control over the brand experience. Ideally, companies will foster repeat purchases – and begin to drive customer lifetime value (CLV), defined as the value of a given buyer during their entire relationship with a brand. DTC marketers can also cross sell products to increase basket size.

Takeaways

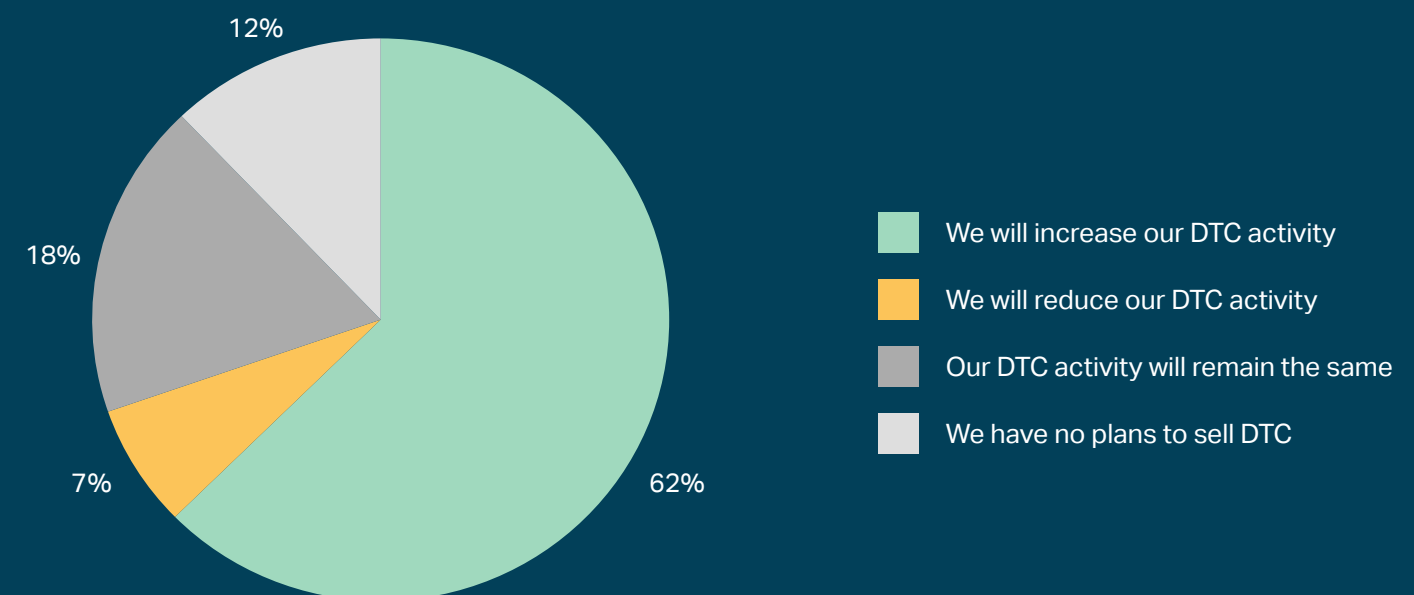
1. **Where possible, model customer lifetime value (CLV).** Direct relationships with customers give brands more in-depth knowledge of their habits, preferences and needs. Knowing which customers buy a product, and if they are a repeat buyer, means companies are better able to predict CLV and identify profitable targets for acquisition.
2. **Experiment with membership models to deepen relationships.** First-party data enables brands to foster new types of engagement. Nike's membership program – a free service with perks like exclusive products, athlete stories, and training programmes – is deepening customer relationships.
3. **Use small-scale experiments to see what's possible.** Lindt, the Swiss chocolatier, partnered with Shopify to launch its DTC platform in five days. Lindt is gleaning valuable insights into its audience which will strengthen its DTC offer going forwards.



80% of respondents plan to increase or maintain DTC activity in 2021

Les Mills International, the global fitness brand, has fast tracked its DTC business. “We have been implementing a data lake and a data warehouse for a while, but we accelerated that work around Les Mills On Demand and the direct-to-consumer business. That data that we get on a daily basis about subscribers, acquisition, attribution etc. and how that’s all going is new, and something that we want to bring into our B2B business so we can make some smarter decisions,” explained Anna Henwood, CMO.

Do you / your typical clients anticipate your DTC (direct-to-consumer) strategy changing in 2021?



Source: WARC Marketer's Toolkit 2021



Source: M.A.C

Case study

M.A.C Cosmetics ramps up its DTC business

When its bricks and mortar stores went on temporary pause during the height of the pandemic, M.A.C Cosmetics was quickly able to dial up its direct-to-consumer propositions with a focus on digital brand experience and new customer behaviours, said the then-Chief Marketing Officer, Ukonwa Ojo.

“We’re very fortunate to be a direct-to-consumer brand – a big chunk of our business is direct-to-consumer. That means we’re able to continue communication with our consumer even in the middle of the pandemic because we’ve always had a direct relationship with them,” said Ojo.

“Whether it’s on our site, or on social, or via email – it gives us a lot of different ways to continue to be engaged with our

consumer... we have the opportunity to continue to sample different products with our consumer as well. We’ve been able to leverage the scale of our online direct-to-consumer business to continue to get our products in consumers’ hands so they can try new things and experiment,” she said.

Increased time spent on social media during quarantine is an opportunity for the brand to tap into its community in helpful and relevant ways: “We have one of the largest online communities on the planet, so it’s been great to leverage that platform to inspire consumers (and) to help them solve different problems,” said Ojo.

Implication 4

Livestreaming is moving from China to the West

Livestreaming is a powerful combination of video, influencer, social and e-commerce, and is already hugely popular in China.

According to the China Internet Network Information Center, the number of livestreaming users reached 562m in June 2020. In terms of e-commerce livestreaming users in China, the number reached 309m.

Livestreaming has been particularly suited to products that have a short decision cycle, such as food, fashion and beauty. However, brands in sectors like automotive and luxury are starting to livestream, to drive awareness and engagement.

While Chinese consumers say the main reasons for attending livestreams are instant coupons and discounts, research by Havas China found helpful content is appreciated.

Key opinion leaders have played an important role in helping brands shift products, but the latest phase puts business leaders front and centre, generating sales for their businesses.

Brands in western markets are starting to livestream too. Customers are offered advice and can interact with presenters by asking questions, and, of course, they can buy the items. Coresight Research forecasts that e-commerce livestreaming will generate \$25bn in sales in the US by 2023.

Takeaways

- 1. Make it shoppable, make it fun.**
Livestreaming works well when it is hosted on platforms that allow video, audience interaction and a direct link to sale. Time-limited promotions help drive interest.
- 2. Combine short-term activation with brand building content.**
Livestreaming is focused on driving short-term sales. Consider ways to combine brand marketing and performance marketing. This could be through giving access to experts or delivering inspiring, educational and helpful content.
- 3. 30 minutes is a good duration.** 25 to 30 minutes is considered a good duration. Running on too long can cause fatigue for the shopper and celebrity, says Pete Lin, Managing Director, North Asia, We Are Social. Around half an hour means there's still something to see if a shopper misses the start.



Livestreaming and live video are important emerging technologies

Livestreaming or live video is expected to be important in all regions – 35% of respondents in Asia cited it as a vital emerging technology, alongside 37% in Europe and 38% in North America. It ranked top in China (48%).

Which of the following emerging technologies do you expect to be most important to you in 2021?

Live video / Livestreaming selected



Source: WARC Marketer's Toolkit 2021

The CMO View



“We frequently made livestreaming a sales channel on Taobao Live and other e-commerce platforms. Chairman Zong Qinghou [Chairman and CEO of the Hangzhou Wahaha Group] has even made his livestreaming debut in a three-hour live broadcast that attracted over a million viewers.”

CHENG GONG

Deputy Director of Brand and Public Relations, Wahaha

“Livestreams need to be entertaining, informative and rewarding: Consumers today have a short attention span and no shortage of media options, so a stream needs to be able to value-add and grab their attention. This can be done through subject matter experts, KOLs and having giveaways or exclusive discounts throughout the stream.”

AGATHA SOH

Head of Regional Marketing, Shopee



“After the first few weeks into the pandemic, online content became important, from entertainment to information. We, accordingly, shifted to online events and livestreaming formats.”

KUO-HI LEE

Head of Brand Project House, Volkswagen Passenger Cars China

Expert commentary

Livestreaming e-commerce in China



Tony Ren
CEO, Yimian Data

Livestreaming is an e-commerce format and marketing and sales method. It integrates live product demonstrations, live Q&As, time-limited pricing promotions, live negotiations, and instant ordering through online streaming services hosted either by an influencer studio, or online store.

Livestreaming removes barriers between brands and consumers. While it is focused on driving short-term sales, livestreaming can enable firms to improve marketing efficiency by combining brand marketing and performance marketing. There are certain factors that will increase the chance of success. While this approach is incredibly successful in China, it may not work in other markets.

Livestreaming e-commerce is an unstoppable trend in China's consumer goods industry; it's turning the entire country into a market where "face-to-text" interactions happen at an unprecedented scale.

Brands could leverage livestreaming not as a short-term sales booster but as a long-term avenue to remove barriers between brands and consumers. Specifically, brands could demonstrate their products in a better way, tell fuller brand stories, introduce emotional and cultural elements to their products, obtain instant feedback, conduct product trials, create buzz around new product launches, improve marketing efficiency by combining brand marketing and performance marketing, use different livestream hosts to fine-tune segmentation and targeting, and build a captive 'private domain' of consumers to cultivate brand loyalty.

Livestreaming is not without drawbacks, however.

Regulations: For ads on TV, China has clear rules to forbid brands parading the before-and-after effects of health products. The restrictions are not clear yet for internet-based livestreaming, and health products are frequently promoted by livestreamers. We need to continue to monitor regulatory updates carefully.

Fake orders: Some brands use livestreamed sessions as a cover for self-seeking bogus

conversions. Sometimes these fake orders are placed by a brand's legitimate distributors, who purchase these items by bulk and later dump them at a price violating minimum price contracts, distribution zone or category agreements. These behaviours may make a livestreamed session look like a success but create future complications if there is no governance or robust measurement structure.

[Click here to read Tony's expert commentary in full.](#)





Potential Pitfalls

Over-optimising performance tactics based on attribution models.

This can underestimate the importance of the brand in online environments.

Not meeting consumer expectations in the newly important areas of delivery, unboxing and returns.

For premium brands in particular, there is significant risk of a gap between brand image and the actual experience of buying.

Siloing e-commerce activity.

Marketing activity for e-commerce sites has often worked in a silo, but a more integrated approach is now essential to generate the maximum return on investment.

Go Deeper

[The WARC Guide to e-commerce and the future of effectiveness](#)

[What we know about e-commerce and social commerce](#)

[Effectiveness in the e-commerce age](#)

[Brand experiences in e-commerce](#)

['How brands grow' in the e-commerce era](#)

[Three-way points for navigating e-commerce in a post-pandemic world](#)

[Explainer: 12 facts about livestreaming e-commerce in China](#)

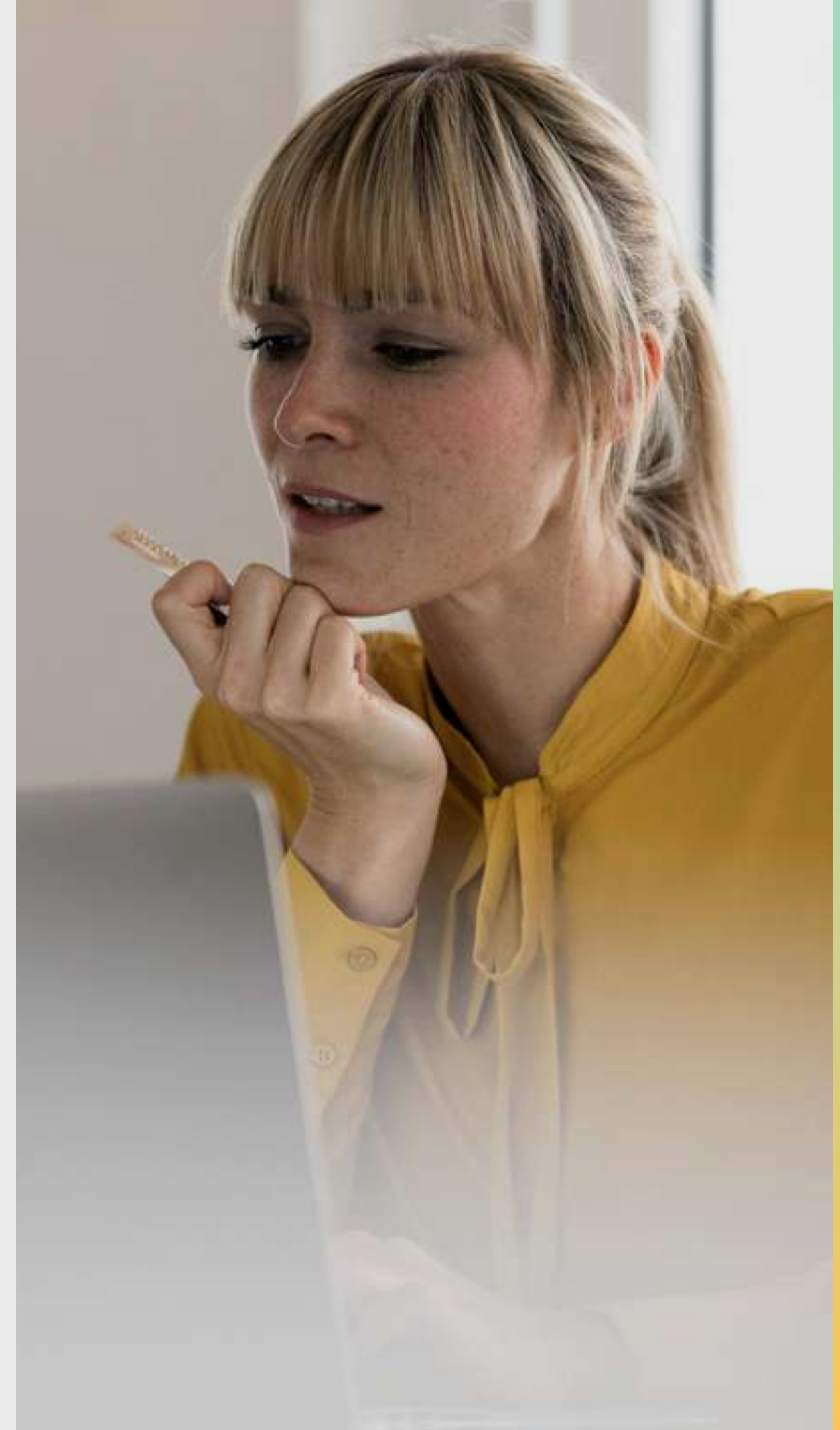
[How FMCG brands can respond to change after COVID-19](#)

[Delight at the doorstep: letterbox packaging – the new moment of truth](#)

[Facebook Shops and the future of social commerce](#)

[China may be a forerunner in e-commerce, but is letting us down in content](#)

[The WARC Guide to Marketing in the COVID-19 recession](#)



3.

Engaging at-home consumers

With mass distribution of a vaccine still several months away, the home-based lives of 2020 will continue well into 2021. And home working is likely to remain a fixture for white-collar workers post-pandemic. For brands, there remain opportunities to respond to this phase of the crisis, while preparing for further changes post-vaccine.





Home, for the long haul

With the coming of autumn – and on-going concern about the virus spreading – there is caution about how to pursue familiar holidays, like Thanksgiving, Diwali, Christmas and Chinese New Year. Even as vaccine trials provide some hope, for consumers in many markets, the COVID at-home lifestyle will be with them for some time.

Research from McKinney shows the heavy emotional toll this is taking. More than half of the Americans surveyed in its recent study have concerns about infecting loved ones, and yet 44% said they were planning to visit family during the holiday season – and to hug them! That's a sign of the weariness consumers are feeling about continued isolation.

To be clear, this phase may only be temporary, but it will dominate much of 2021 in many major markets. And the longer it continues the more profound the impact on consumers' lives and attitudes will be.

As consumers navigate the COVID-induced recession, use e-commerce tools to buy things safely, try to support local businesses and wait on government action to approve and deploy vaccines, brands also need to be aware of the pandemic's emotional cost, and how they can make consumers' lives just a little bit better.

STEPIC drivers of change

- Home-bound consumers
- Localism
- Fragmentation of the video market
- Gaming as a media platform
- 5G networks

The CMO View



“The research we did showed that you worked out harder and had higher satisfaction with your workout when you worked as a group. That was missing for people at home, but what livestreaming gave you was that connection to your instructor, and a connection to those people who you work out with.”

ANNA HENWOOD

CMO, Les Mills International



“In our industry, there were a lot of changes in interactions with beverages... There was a big shift in the way consumers were buying: larger packs, and also buying much more online. New occasions started to arise, like gaming is starting to become a relevant occasion for people to drink beer.”

MARCEL MARCONDES

US CMO, Anheuser-Busch InBev

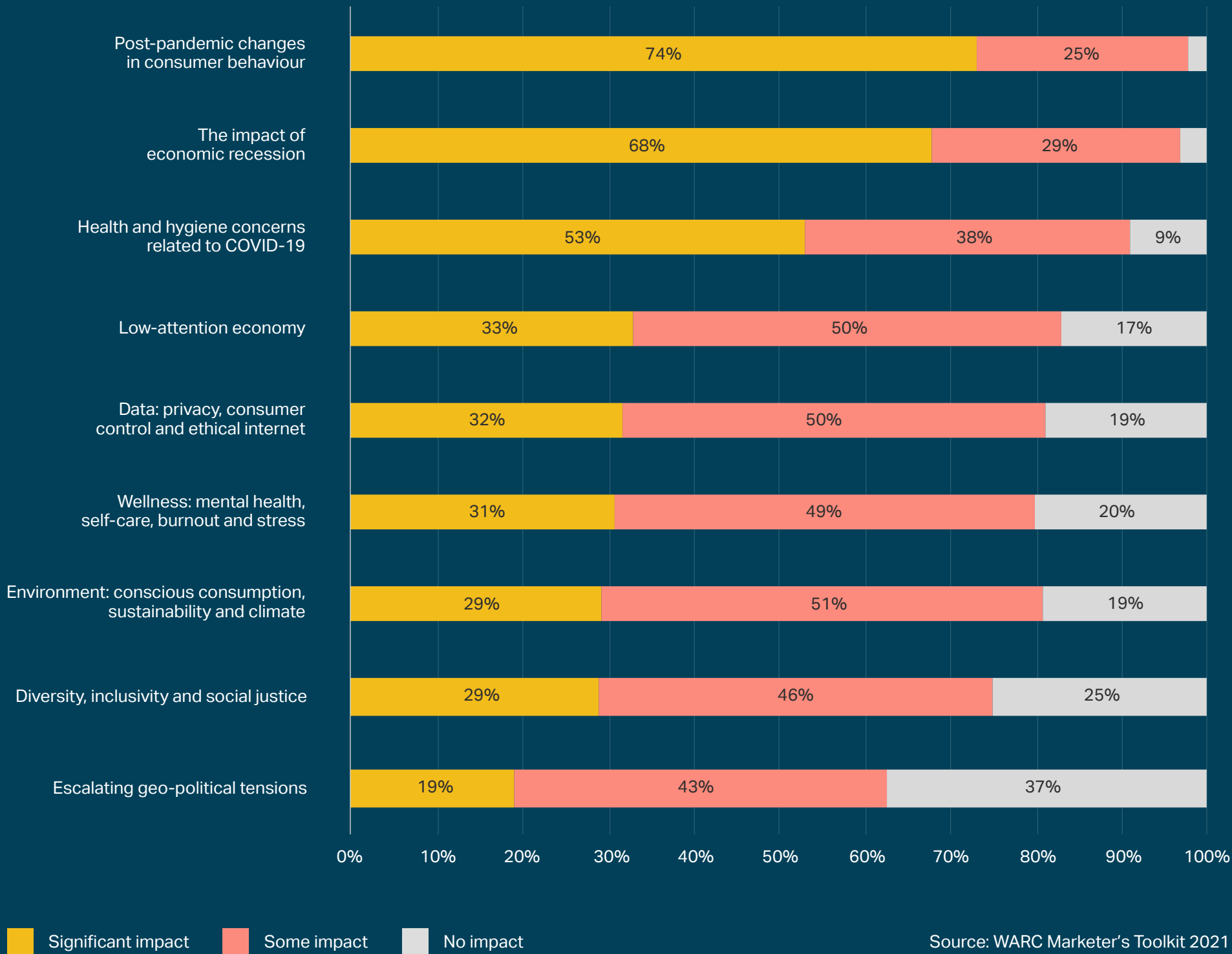


“We’ve definitely seen a change in the usage and the perception of the platform. When we talked about deriving joy pre-lockdown, it probably meant lip-synching and dancing. That was all great and it’s still a really important part of the fabric of our app. But we’ve definitely seen this humanity, authenticity and relatability in our content that has changed over the course of lockdown.”

TREVOR JOHNSON

Head of Marketing, Global Business Solutions, Europe, TikTok

How important are each of the following societal topics and consumer concerns to the development of your / your typical client's 2021 marketing strategy?



Source: WARC Marketer's Toolkit 2021

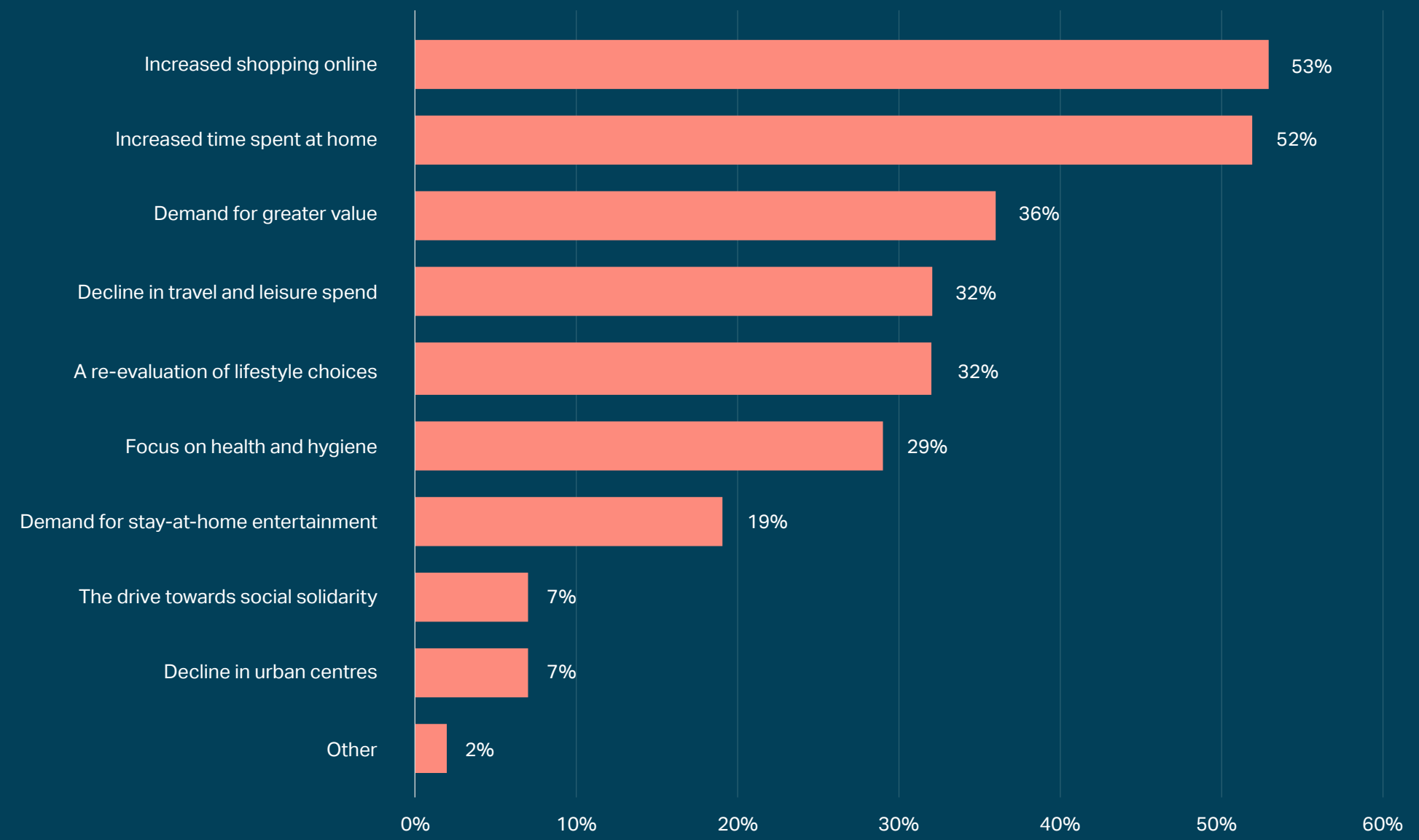
Marketers focus on new consumer habits

74% of the brands and agencies surveyed for the Marketer's Toolkit said post-pandemic changes in behaviour were having a significant impact on strategy for 2021; another 25% said it has some impact. Only one percent said it was having no effect at all. Other major concerns fall under the umbrella of behaviour as well, with 91% saying health and hygiene was affecting strategy and 80% citing mental health issues.

Consumer behaviour changes beyond e-commerce

The shift to consumers using ever more e-commerce has rightfully taken centre stage during the pandemic, but it is the tip of the iceberg when it comes to behaviour change. The shift to increased time at home is almost as significant for marketers, with 52% saying it has impacted strategy. The decline in travel and leisure spend, a re-evaluation of lifestyle choices and the demand for stay-at-home entertainment are also factors marketers are weighing as they look to 2021.

Which of the following changes in consumer behaviour have had the biggest impact on your / your typical client's marketing strategy?



Source: WARC Marketer's Toolkit 2021



Implication 1

There are still opportunities in at-home media, including gaming and various forms of TV

As screen time, in particular, has ratcheted up during the pandemic, be mindful of how it has changed too. According to September 2020 research in Europe and the US from DoubleVerify, 44% of consumers report using their connected TV devices more and 48% noted increased use of social media platforms.

Platforms including YouTube, TikTok and the gaming platform Twitch have all experienced major growth; according to data from TwitchTracker, the number of hours watched on the platform rose by almost 50% between March and April to almost 1.8bn. While figures fell a bit during the summer months, it has settled in at above 1.5bn.

More time at home has also meant hobbies have taken on renewed importance. The guitar-maker Fender reported in September it would have its biggest year of sales ever, and also saw its guitar-instruction app surge from 150,000 to 930,000 between late March to late June. That illustrates that for many hobbies, screens still play a role.

Takeaways

1. **When planning media strategy, factor in new viewer behaviours.** The surge in use of gaming platforms, for instance, calls for new marketing approaches. Gamers take a dim view of advertising that interrupts game play – but on the other hand, they are amenable to brands hosting customer communities.
2. **Rethink how “old” platforms can be used for new purposes.** The increase in connected TV, for instance, presents opportunities beyond reaching consumers in new places. Enhanced targeting can improve TV from an awareness medium to one that can track behaviour further down the funnel.
3. **Take note that at-home media isn’t necessarily passive.** As the example of guitar sales and lessons illustrates, the pandemic is a time when people are picking up old hobbies and establishing new ones. Brands can use digital platforms to nurture these pursuits, from bird-watching to baking.



Source: Sentosa

Case study

Brands flock to Animal Crossing

Animal Crossing becomes a pandemic playground for brands.

The increased time and interest spent on gaming is a consumer trend that has accelerated during the pandemic – and this accentuates the gaming opportunity for marketers, so long as they integrate themselves successfully into the experience.

Animal Crossing, the hugely popular social game series in which players build customisable characters that “live” on simulated islands, has become centre stage for brand efforts during the pandemic, partly because it allows people to do some things virtually they might normally do in real life, like throw parties.

The US restaurant chain Chuck E. Cheese, known mostly for its children’s birthday parties, has offered virtual birthday celebrations during COVID-19 on its own

customised island giving it a branding opportunity in the game Animal Crossing: New Horizons. The Singaporean resort Sentosa Island has also offered players a virtual escape on Animal Crossing – users can also host birthday parties, and attend yoga sessions and even weddings.

In China, where the game is also popular, luxury fashion retailer Net-A-Porter partnered with several Chinese fashion designers, offering virtual avatar skins based on their spring-summer collection, so that game players who love fashion could be outfitted with a trendy wardrobe.

The attractiveness of gaming integrations aside, many marketers may be missing the gaming opportunity. The Toolkit data showed that only 38% of those surveyed plan to increase spend in gaming in the coming year, and only 17% specifically on Twitch.

Implication 2

Enhancing the home lifestyle is a priority for consumers

With home becoming the centre of everything, people are also looking at how they can enhance it, from upgrading home offices to building home gyms.

Additionally, in the US and other markets, there has been flight; a review of US Postal Service data showed that almost 16 million people filed for a change of address between February and July. Why did they move? Some fled from crowded city apartments yearning for houses, land and perceived safety from COVID, some moved temporarily to be closer to family, and others for financial reasons.

But, whether consumers have been improving their existing home or outfitting a new one, the ramifications for brands with a heavy focus in and around the home have been huge. The North American home improvement retailer Home Depot saw a 23% increase in sales between August 2019 and August 2020. (Between 2018 and 2019 – even in a booming economy – the increase was 1%.) This focus on the home isn't just about painting a room, or buying a new appliance, but about having one's physical surroundings mostly in one place.

Takeaways

1. **Improve the utility and enjoyment of the home.** Consumers are likely to focus on their immediate surroundings for the foreseeable future. The increase in interest and dollars in home improvement has implications for dozens of categories, from home improvement tools to telecommunications.
2. **Recognise home is an unwanted replacement location for many activities.** Even as consumers feather their nests, home is now a replacement location for many activities – like going to the salon, or working out – that are a matter of necessity and safety, not choice. This ups the ante for brands to make these at-home experiences more pleasurable, despite the drawbacks.
3. **Look deeply at the broader ramifications of being at home.** Few would have predicted an increase in pet adoption during the pandemic, but more time being spent at home made this the perfect time for many. This is just one example of how being home changes how consumers choose to spend their time.



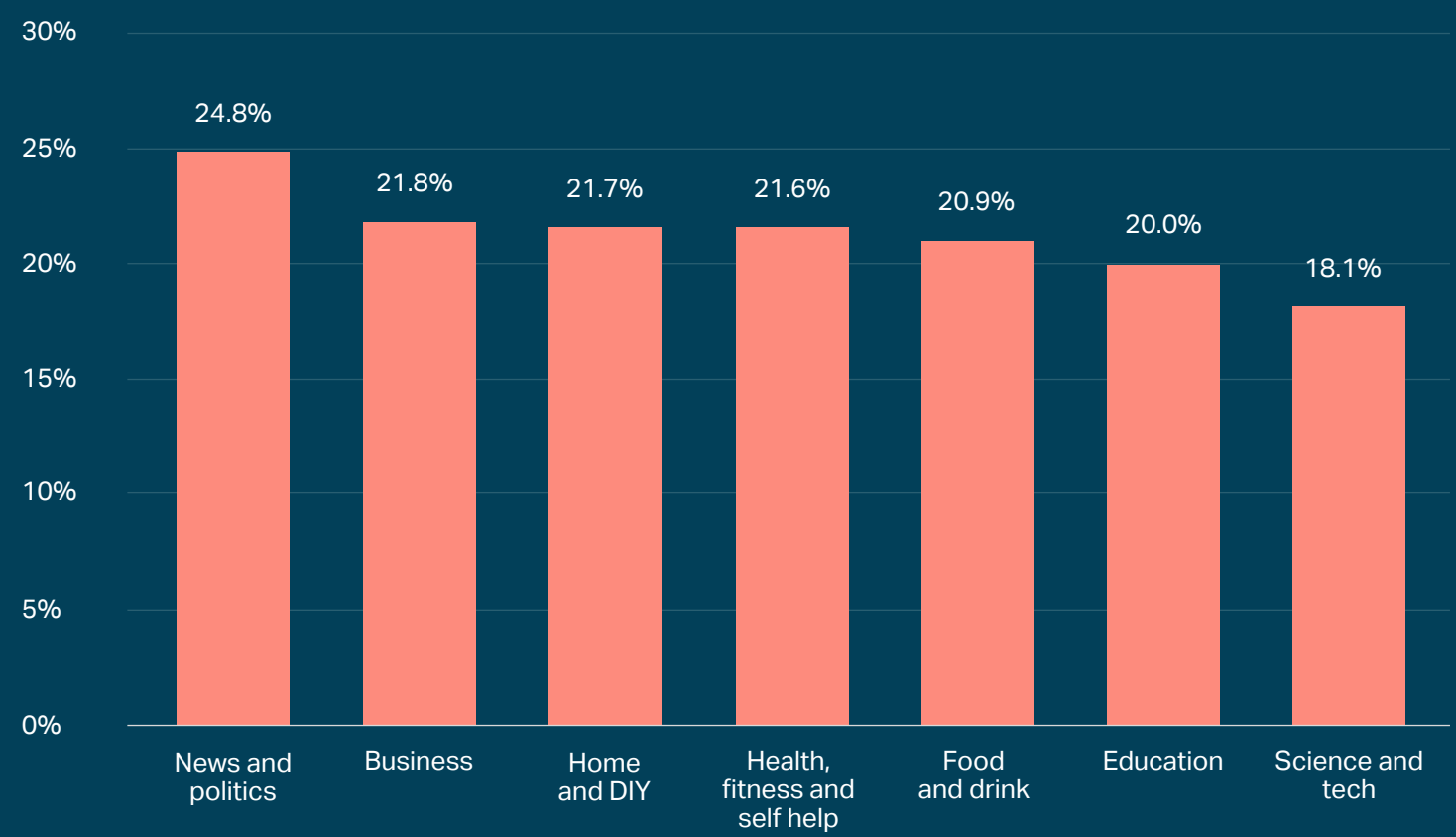
YouTube viewership spikes for at-home verticals

Global YouTube data from Digital Voices demonstrates strong growth in video views of a variety of homebound pursuits, with content involving food and drink, home and DIY, and health, fitness and self-help all seeing growth in excess of 20% between February and March.

By June, the data became even further stacked in favour of at-home activities, with gaming seeing the biggest growth of all, at 30.8%, followed by animals and pets (21.6%), food and drink (17.9%), and home and DIY (17.4%).

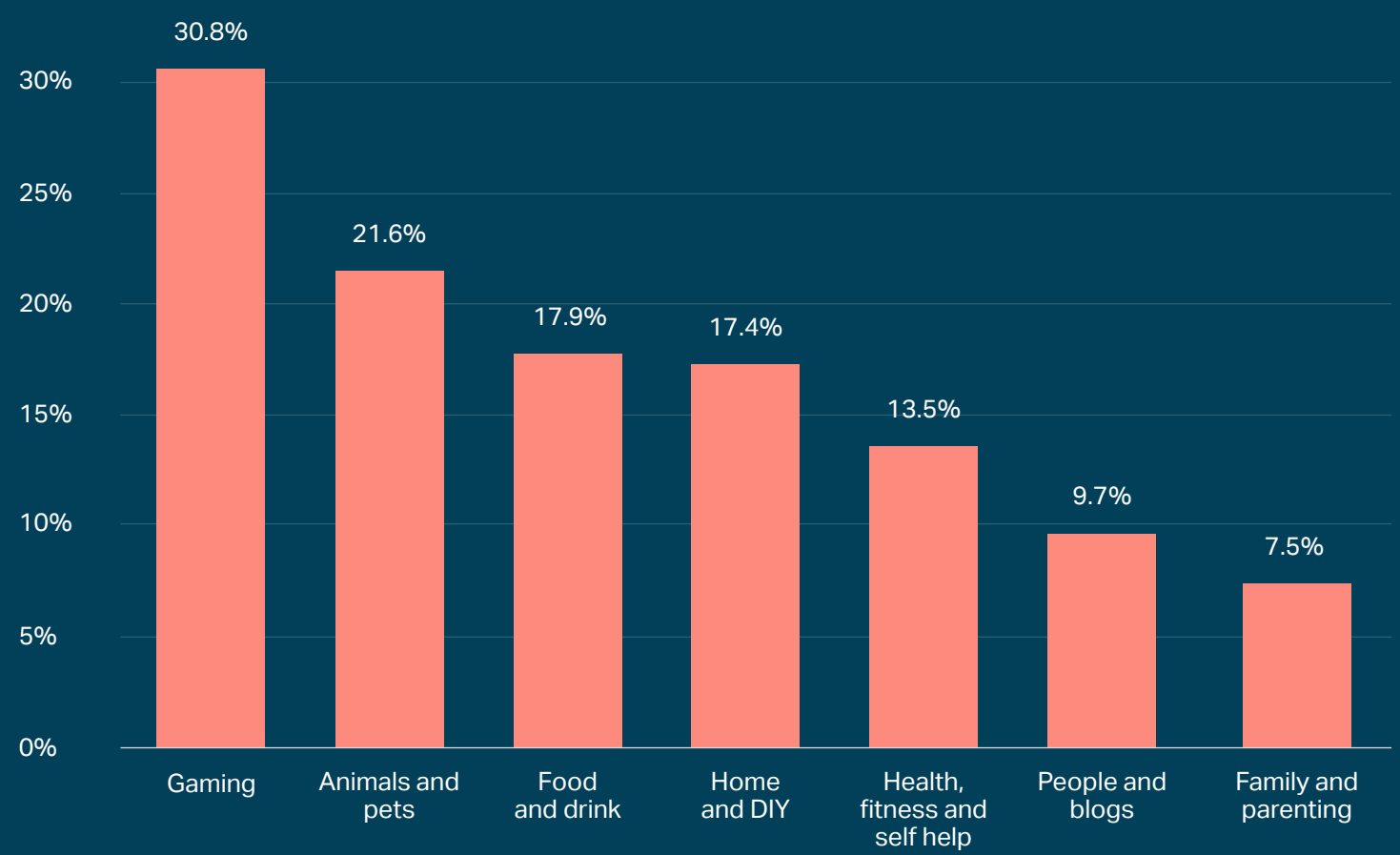
Which verticals won in the short term? Highest % increase in YouTube views

February – March, 2020



Which verticals are winning long term? Highest % increase in YouTube views

February – June, 2020



Source: [Digital Voices, Life After Lockdown](#)

Case study

L'Oréal Paris highlights at-home colouring

The actress Eva Longoria, a long-time spokeswoman for L'Oréal Paris, has done several casual at-home videos for L'Oréal's hair colouring brands during the pandemic that showcase how to get rid of grey roots.

Wariness of going to the hair salon has been an issue during the pandemic, but it provided opportunity for L'Oréal. In 2016, the brand had launched Magic Retouch Instant Root Concealer, a spray-on, temporary treatment, to help solve a major business problem; for some years, women had been souring on colouring their hair at home. In March, L'Oréal promoted its use in an at-home

setting: Longoria's house. An organic Instagram post garnered 272 million impressions, more than posts Longoria had made in the context of the Emmys and Golden Globes.

She has subsequently done an at-home video for Excellence Creme, a longer-lasting colouring product that affirms the need to take care of yourself. She ends the video with a twist on the familiar "Because you're worth it" tagline: "There's no place like home, plus it's always nice to take a lot of me-time. Self-care is self-worth because now more than ever, we're all worth it."



Source: L'Oréal



Implication 3

Brands have an opportunity to make ‘COVID socialising’ a better experience

One of the biggest ramifications of lockdowns and social distancing has been the curtailment of in-person social life. August data from Accenture shows that consumers are showing very little comfort level in socialising outside the home, and it’s not going to improve much any time soon.

This puts the onus on brands to provide creative solutions to social experiences, and this may be especially true during the emotionally freighted upcoming holidays; brands can and should look for ways to help consumers enjoy them, even when they are being celebrated differently from normal.

Brands can also play a role in improving daily life, as tasks such as cooking have taken on more meaning. Consumers are craving a sense of normalcy, so advertising themes that promote enjoyment, togetherness and nostalgia resonate more deeply than they did before the pandemic. The Toolkit research indicates that 61% of brands are prioritising quality customer experience, so especially for categories deeply intertwined with home life, this would be one place to focus.

Takeaways

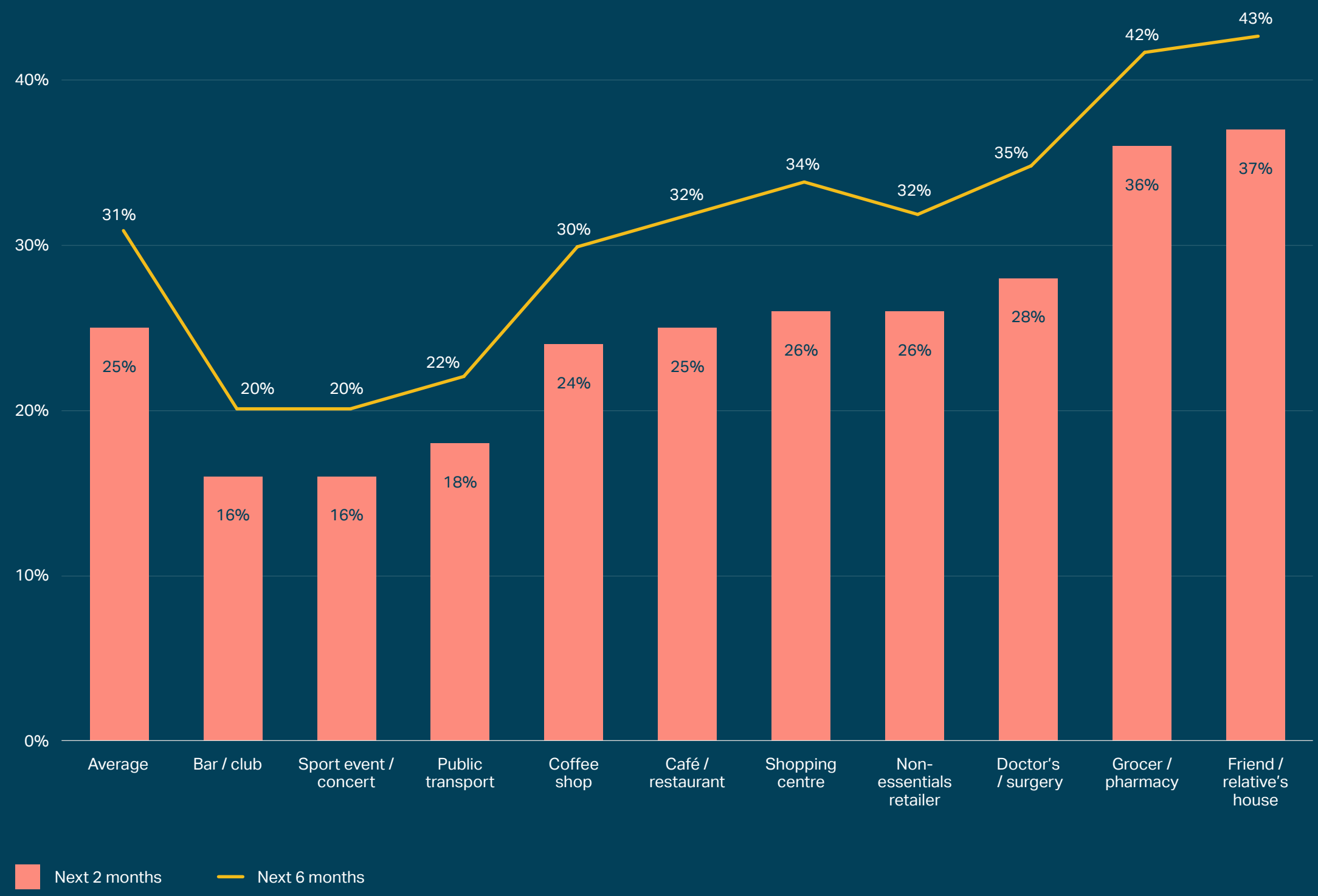
1. **Help consumers find ways to normalise abnormally-celebrated occasions.** Bridging the gap between the ways consumers traditionally socialise, and how they function during COVID, can help take some pain out of continued social distancing; it doesn’t have to be elaborate. With traditional trick-or-treating being discouraged by health officials, [Hershey offered crafts such as a DIY Halloween door hanger](#) that could dispense candy without human interaction.
2. **Innovate around bars, clubs and the concert experience.** Alcohol brands are well-positioned to help assuage the fact that people aren’t just missing hanging out with friends; they are also missing the serendipity of going out for a night on the town. Look beyond the baseline connectivity of the ZoomZone to deliver something special.
3. **Help consumers make at-home dining special, even outside of occasions.** Speaking at August’s Food Industry Summit, [Ipsos VP Megan Tiedt](#) noted that food brands can link the desire for security and positivity to strategy. As consumers form “new rituals” around cooking, centred on family togetherness, brands can play a key role and inspire consumers to try them.

Ongoing hesitancy about public places

Accenture polled consumers globally in August, asking whether they would be comfortable going to a variety of public places within a two-month period – and how comfortable they would be venturing out to those same types of places in the next six months. The research showed only slight to moderate increases in comfort level between the two-month gauge and the six-month gauge.

Respondents said they were most comfortable going to a friend or relative’s house (37%) and a grocer or pharmacy (36%) within the next two months, and were least comfortable visiting a bar / club (16%) or sport event / concert (16%). The data illustrates that even as waves of lockdowns can make going to many public places moot, most consumers aren’t willing to go out anyway.

Level of comfort around going to public places in the near future



Source: [Accenture, COVID-19 Consumer Pulse Research – Wave 7, August 2020](#)



Source: Jägermeister

Case study

Jägermeister shifted from going out to staying in

The pandemic has been devastating for many liquor brands, and the bars and clubs where much of their business comes from. Jägermeister, a brand that is extremely reliant on out-of-home consumption, launched a virtual community in April. Called #SaveTheNight, the initiative is bringing entertainment and togetherness to consumers, supporting hospitality and entertainment workers, and in so doing, helping its own fortunes.

The platform allows people to create their own personalised virtual experiences with friends free of charge, booking DJs, drag artists and musicians for online parties. Customers can also take part in mixology and DJing lessons, and a PayPal function enables people to tip or donate to the cost of performances. The #SaveTheNight project is so popular it is now running in 50 countries; the brand has even launched a limited edition #SaveTheNight bottle.

Implication 4

‘Local’ is a key consideration for travel, retail and beyond

In some parts of the world, like China, the travel sector is making a comeback, but most of the sector isn’t expected to rebound any time soon. From tourism to business conferences, the decline in travel and leisure is a concern for a significant number of marketers; 32% of those surveyed for the Marketer’s Toolkit said consumer cutbacks in this type of spending was having a big impact on their planning.

Consumers – wary of leaving home, and certainly of getting on planes – have to search for alternatives to far-flung vacations, and have also focused concern and awareness on their local communities. Staycations, day trips – or at least vacations close to home – have been heavily touted by some tourism boards.

And as they look at their local communities, many consumers feel a need to support them. The research from McKinney showed that 63% of consumers said they were trying to shop locally to support small businesses. Statistics from the National Restaurant Association in the US estimate 15% of U.S. restaurants have permanently closed during the pandemic. One necessity for brands – particularly in retail – is to continually communicate as circumstances change. As Jason White, CMO of cannabis company Curaleaf notes: “[Customers] want to know, what do you have in stock? Am I gonna walk out of my house to show up to an empty store?”

Takeaways

1. **Help consumers support small businesses, by leveraging your brand capital to help at the local level.** Not only will consumers appreciate brand efforts, but in keeping local businesses viable, brands can ensure the stability of important distribution channels.
2. **Build on support and interest in local attractions.** A study in the UK from the location and OOH company Posterscope showed that 65% of UK consumers are paying more attention to what is going on in their local areas since the pandemic, and they are also valuing the outdoor space around them more.
3. **Keep customers informed.** Retailers, in particular, need to stay in touch and should reach out concerning things like new safety protocols, delivery and pick-up procedures, and contactless payment options.



Case study

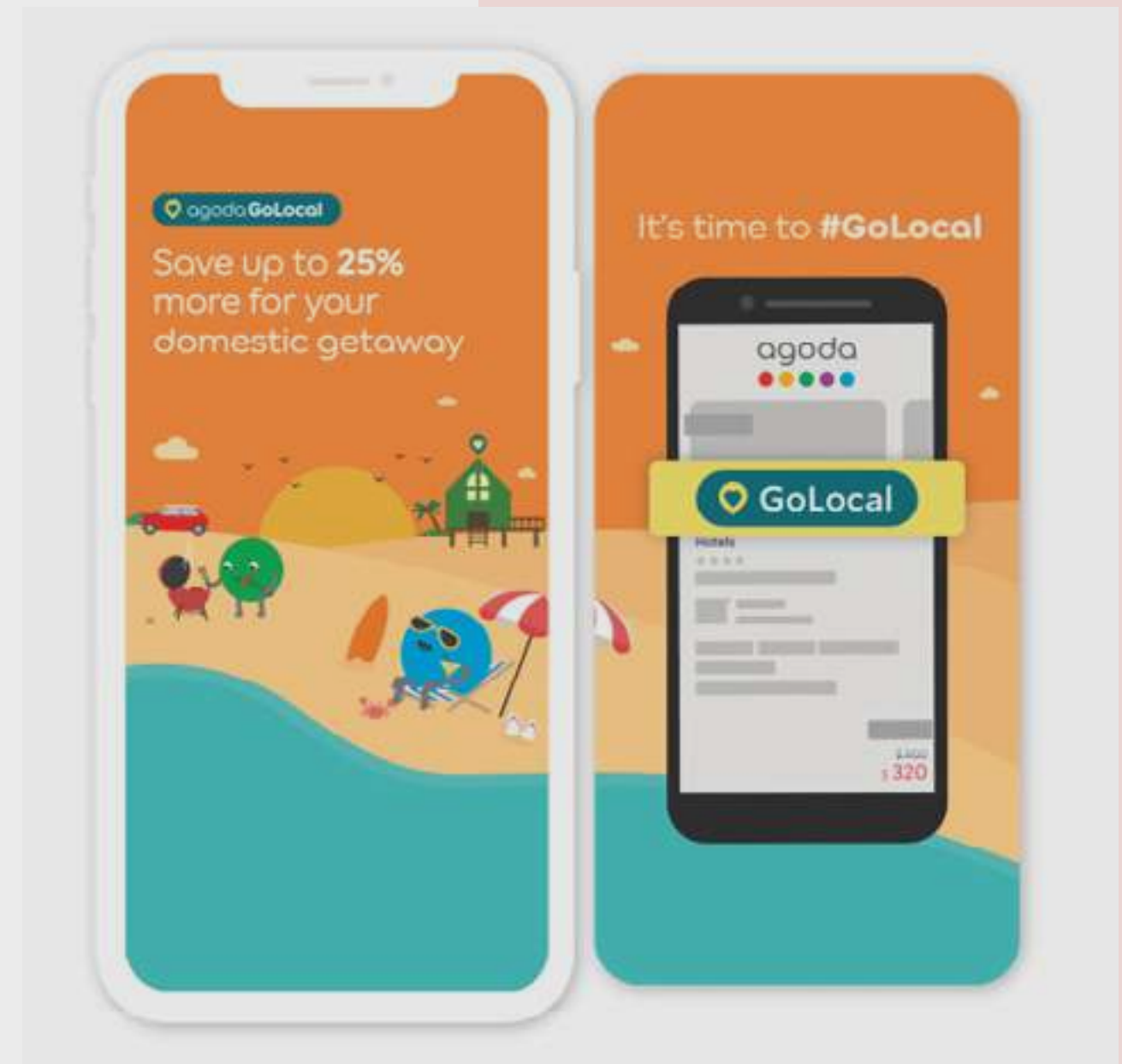
Agoda focuses on domestic travel

For now, in many places in the world, it looks like local travel will be the first step on a long road back to normalcy for the category.

The online travel service Agoda has rethought strategy as people in Asia slowly begin to travel again. A multi-market survey the company conducted showed that 35- to 44-year-olds were the age group most likely to be first in line. Two-thirds said they were most interested in domestic travel and one-third said they favoured four- and five-star hotels because of pandemic-induced bargains. The survey also found that in the near-term, beach and nature destinations were more attractive than city destinations.

Working with its hotel partners, the company rolled out a GoLocal campaign, highlighting destinations in Asia, which are discounting to the tune of 20–30%.

Additionally, the company is working with the Tourism Authority of Thailand to promote domestic destinations that aren't as top of mind as the most popular ones: Phuket, Bangkok and Pattaya. With 76 provinces in Thailand, there are a lot of places to go, and the company is using its data on millions of travelers over time to help these new domestic travelers figure out new travel destinations.



Source: Agoda

Expert commentary

During the pandemic, there's no place like home – including local surroundings



Joe McDonnell
Head of Insight, WGSN

As we log on to yet another Zoom meeting from our home offices, in between baking bread and buying a fire pit on Amazon so we can socialise outside during the winter months, it's become obvious how much home has come to mean during the pandemic.

What may not be as obvious is how this idea is extending to the world right around us, into how we are frequenting local businesses, restaurants and the outdoors in the form of parks, hiking trails, and other diversions that make up this broader definition of home. The reasons why this is happening intersect with a variety of pandemic-related issues, which I'll detail below, but as brands wrestle with how best to aid consumers during an uncertain time, they would do well to look at how their brand might intersect with what people are doing locally. Consumers are finding health, mental, financial and community benefits around staying local, and each of those areas provides an opportunity for marketers to support consumers at a time when they most need it.

Thus far, these trends favour the well-prepared brand, so when it comes to supporting locally, the brands who have seemed most active are the ones which had already laid groundwork that positioned themselves well for this moment. Some examples:

The North Face has filled its site with content for newly-minted explorers, tapping into people's increasing appreciation for discovering the outdoors.

In a partnership with the National Park Foundation, US beer brand Michelob Ultra is highlighting the trend towards virtual travel, hiring a chief exploration officer to travel to the country's major national parks and share his or her experiences on social channels.

The U.S. home improvement retailer Lowe's held curbside trick or treat, so that local families could drive to a store to experience Halloween.

Nike just opened its eighth community store in the Watts neighbourhood in LA. Though the program isn't directly related to the pandemic, it's an example of how a major retailer can help a community on a much more focused level, as 85% of staff live within a three-mile radius, and

employees are allocated volunteer hours to support local organisations.

Look to these trailblazing brands as inspiration for what can be done at the local level to raise up businesses and communities – and the consumers that are staying close to them.

[Click here to read Joe's expert commentary in full.](#)





Potential Pitfalls

Tipping into communications overload.

The focus on localisation and customer retention is causing a surge in emails, texts and push notifications from brands, according to [Forrester Research](#). While these channels are important for helping keep customers in the loop during a tumultuous time, take care not to overdo it.

Not being able to deliver on support for local initiatives.

Supporting local businesses and communities during COVID can be a big win all around, for consumers, businesses and the brands that help. That said, plans at the local level can go awry if there isn't infrastructure to support at scale. Pick your spots and your initiatives carefully.

Getting too elaborate in trying to provide consumers fun and respite during a difficult time.

Evidence supports that life during the pandemic is about simple pleasures, so brands should tap into what's celebratory, and simple, and not over-insert themselves where they are not wanted.

Go Deeper

[McKinney report on Q4 2020: How to help consumers during a highly unusual holiday season](#)

[Global online content consumption doubles in wake of COVID](#)

[Twitch audiences have stayed above two million since April](#)

[Guitar sales soar as lockdown triggers a need for calm](#)

[What we know about marketing via gaming](#)

[China pride and cloud lives: Seven trends emerging from COVID-19](#)

[How should brands advertise during COVID-19?](#)

[Marketing in the gaming ecosystem](#)

[L'Oréal Paris: Magic Retouch](#)

[How to make effective food advertising in the COVID-19 era: insights from Ipsos](#)

[Tourism rebounds during China's Golden Week holiday](#)

[How AB InBev worked through the pandemic to support consumers, bars and restaurants in Brazil](#)

[UK consumers grow fond of their local areas and OOH ads](#)

[Reframing lifestyle marketing for three post-pandemic 'new normal' scenarios](#)

[Five Google Search trends shaping post-COVID-19 life](#)



4.

Succeeding in the closed web

The third-party cookie is on the verge of obsolescence, as a consequence of regulatory pressures and the unilateral actions of companies including Apple and Google. This hands even more power to ecosystems like Amazon and Alibaba. With digital advertising dominated by a small number of media platforms, marketers face the daunting task of figuring out a way of managing their activity across those garden walls.





The land of the data giants

The death of the third-party cookie – confirmed by [Google's decision](#) to phase out such cross-website tracking on its Chrome browser – is a watershed moment in digital advertising.

While initiatives such as the IAB's 'Project React' may one day usher in a data privacy-compliant universal ID to replace the cookie, such technology is unlikely to come into play in 2021. This leaves advertisers even more dependent on 'walled garden' platforms for customer data and insights.

A combination of data privacy regulation and the pandemic has concentrated power and wealth in the hands of the 'duopoly' of Google and Facebook, as well as e-commerce platforms like Amazon and Alibaba. A battle is on for ownership of a 'safe door' to user data. However, this dominance may lead to growing calls for the big tech players to be broken up.

Some brands will double-down on the collection and analysis of first-party data, though [research suggests](#) many will fail to drive positive ROI from data-driven personalisation. Another option is to execute personalisation within the digital marketplaces, and support that strategy with investments in retail media.

STEPIC drivers of change

- Death of the cookie
- Focus on first-party data
- Data privacy concerns
- Power of the walled gardens
- Backlash against big tech

The CMO View



“We no longer spend money with Facebook and Instagram. By making that decision ourselves to stop doing that, it absolutely forced us to look at a much broader, more complex suite of tools within social media but also beyond.”

ALEX WELLER

Marketing Director – Europe, Patagonia



“[In] the cookie-less world, I think we will see a bit of a change happening. We would still be trying to target consumers with the messaging that we see most fit and relevant for them, but, then again, it might be more context-related.”

CONNY BRAAMS

Chief Digital and Marketing Officer, Unilever



“VISA is really a mass brand. While we are, and have been, very focused on targeting some of our messages, there’s other broader messages that we still can get out to much larger audiences.”

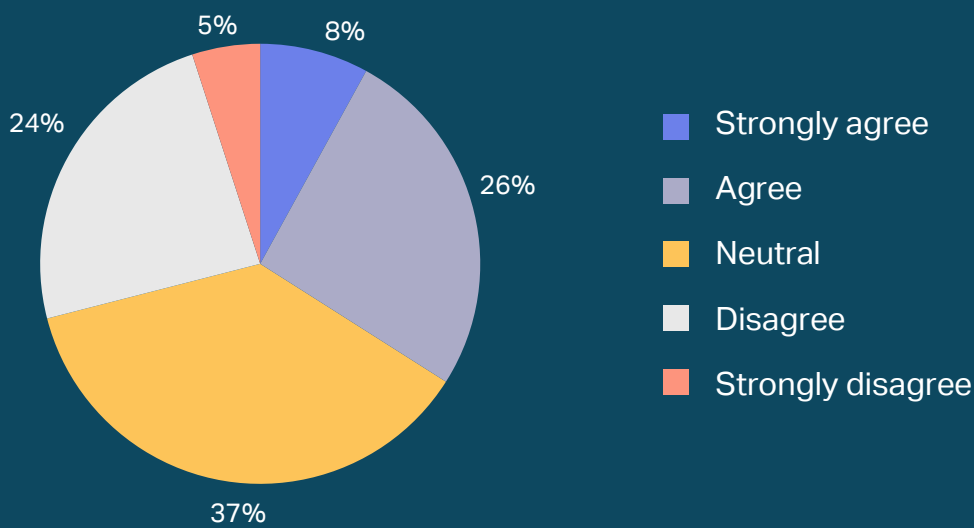
LYNNE BIGGAR

Chief Marketing and Communications Officer, VISA

Brands not ready for the cookie's crumble

Only a third (34%) of respondents to the Toolkit survey agree or strongly agree that the brands they serve are prepared for life after the cookie. Nearly as many advertisers (29%) claim they have no plan in place to collect and manage customer data. Expect this to be a priority for brands of all kinds over the coming 12 months.

My brand / typical client has a plan in place to reach consumers in a post-cookie environment

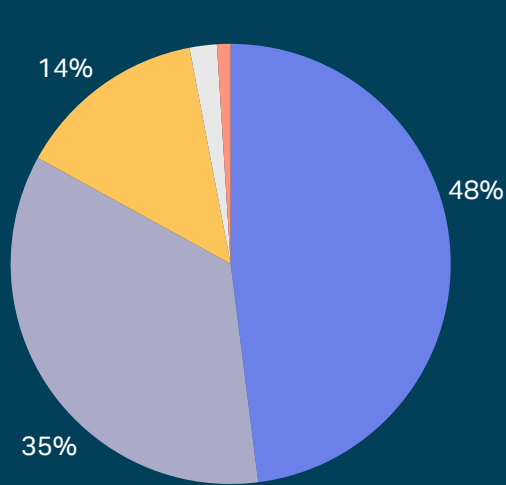


Source: WARC Marketer's Toolkit 2021

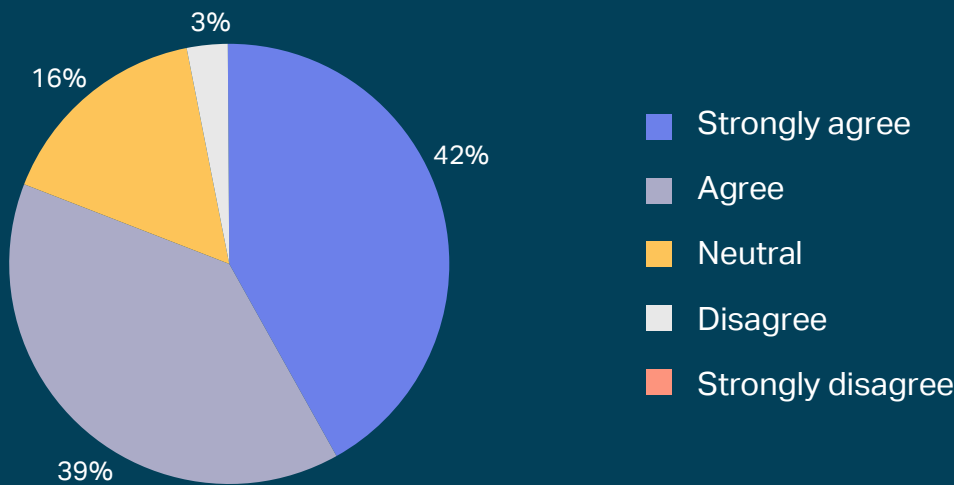
Calls growing for big tech regulation

As Google, Facebook and Amazon carve out an ever-greater share of the advertising market, concerns are growing that they have become too dominant over the industry. Over four-fifths (81%) of those surveyed by WARC agree that COVID-19 has only served to concentrate power in the hands of 'big tech', while 83% of respondents agree or strongly agree that those firms should be subject to "greater regulation" to help level the playing field.

Big tech firms should be subject to greater regulation



COVID-19 has made big tech platforms more powerful





Implication 1

Context becomes key as marketers lose access to audience information

Data-led marketing is becoming more sophisticated, and no longer depends on following consumers around the internet – not least because such tactics will become harder to implement in a post-cookie world.

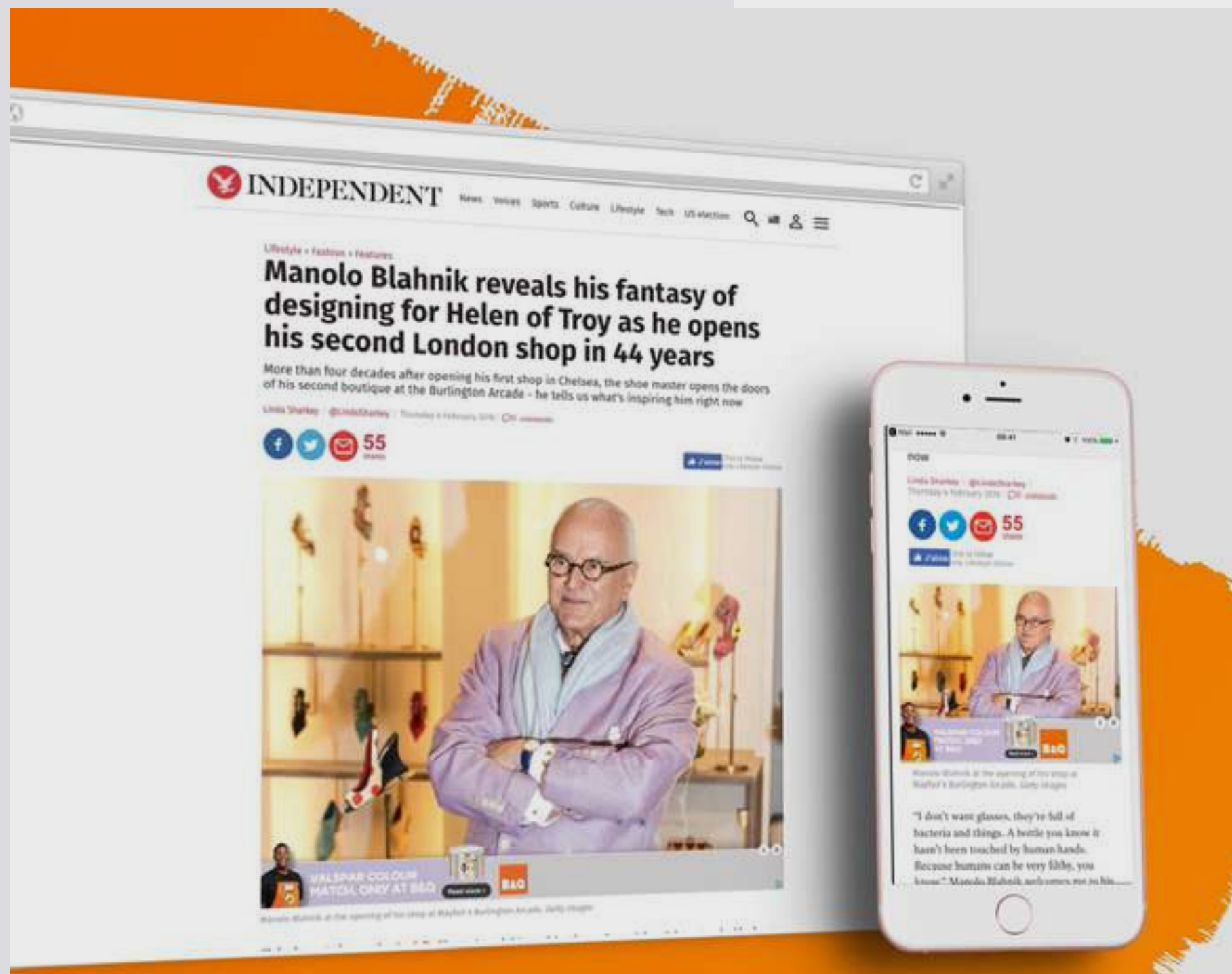
Marketers at Unilever are developing advanced contextual targeting capabilities to reach audiences more effectively online in situations where personally identifiable information cannot be used. YouTube recently launched Selects, enabling brands to align themselves more closely with content genres and styles to suit the audiences they are trying to reach.

With [ISBA/PwC research](#) showing publishers receive only half of online ad spend, media owners like The New York Times are increasingly shunning open marketplace programmatic advertising, particularly in the mobile app arena. Deeper, more selective publisher partnerships offering access to audience data will become more valuable.

However, Procter & Gamble chief brand officer Marc Pritchard believes that programmatic technology still has a vital role to play in maximising reach and eliminating excess frequency – as long as brand safety checks are in place.

Takeaways

- 1. Keep up with the platforms.** Marketers should keep a close eye on [Google's 'Privacy Sandbox' initiative](#), by which it aims to replace third-party cookies on Chrome with a new set of open standards.
- 2. Brands should understand how they fit into ad-free environments.** Buoyed by the success of SVOD services like Netflix and Disney+, media owners are exploring a [multitude of business models](#) to lessen their dependence on advertising revenue. Brands should understand how they fit into these ad-free environments.
- 3. Simplify tech stacks.** Almost 90% of digital display ads are traded programmatically. To ensure those investments are not wasted, [marketers ought to simplify tech stacks](#) and ensure each cog in the machine is making a genuine contribution.



Source: B&Q

Case study

B&Q's AI-powered contextual campaign

UK home improvement retailer [B&Q](#) wanted to raise awareness of paint brand Valspar's colour match service.

It helps users to create perfect living spaces by mixing paint to accurately match the colour of items that customers bring to the in-store B&Q Pro Paint team – a swatch of fabric, for example, or a child's toy.

To reach potential customers, contextual analysis AI and keyword/metadata search identified home and lifestyle content across a selection of premium publishers. Image recognition technology was then used to scan images within that relevant content to discern key objects and pinpoint their colour. With that information, in-image ads were served featuring custom animated creative that dynamically changed colour to match the content of the images.

The campaign grew purchase intent by 15.1%, drove a 35.2% lift in online ad awareness, and had an engagement rate of 7.68%, three times the industry benchmark.

Implication 2

Interest in ‘attention’ grows as marketers look for new metrics

Attribution models built on the back of third-party cookie tracking will soon be defunct. A little under a third (29%) of respondents to WARC’s Toolkit survey reveal they have no modelling whatsoever in place to measure the impact of marketing investments across walled garden platforms.

Advertisers are still paying for an opportunity to see, rather than an actual human view. Planning around viewability is pointless if those target audiences are not paying attention – a realisation which may shake up measurement for good.

A growing body of research shows that attention metrics are a better predictor of actual sales outcomes than viewability alone, and those attention metrics can be fused with other data for deeper and more balanced analysis.

In 2021, marketers can expect attention measurement to begin to shake up existing media planning processes – for example, by giving new ways of comparing channels and formats, allowing brands to optimise investment.

Takeaways

1. **Demand more clarity on campaign outcomes.** P&G is leading calls for a system of “transparent and level” cross-platform measurement. The global effort led by the World Federation of Advertisers shows promise. The more brands pressure media partners for meaningful measurement, the more likely it is such a breakthrough will occur.
2. **Adopt a longer-term view.** Post-cookie, brands are likely to step up their use of marketing mix modelling when devising media plans. Attribution modelling will continue to have a role, however, as a means of helping advertisers to optimise their tactics within a single platform.
3. **Optimise content for attention.** By doing so, brands can achieve a higher share of attention relative to spend. In the case of retailer Co-op, this translated into a 7% improvement in digital ROI.

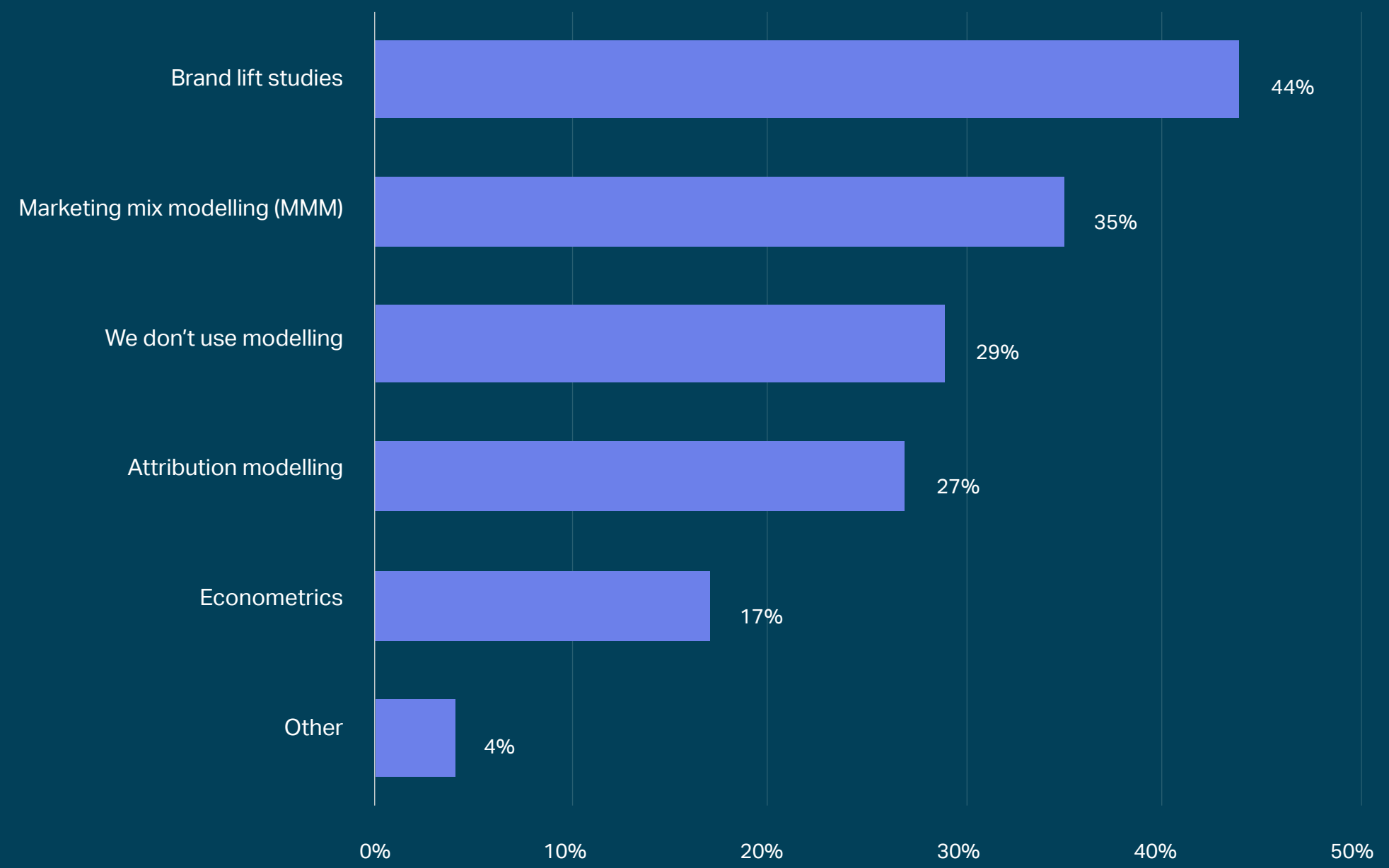


Marketers split on measurement strategy

Client-side marketers surveyed by WARC for the Toolkit use a variety of measurement systems to isolate the impact of their marketing investment. The most popular are brand lift studies, selected by 44% of brands, followed by marketing mix modelling (35%), attribution modelling (27%) and econometrics (17%). Nearly three-in-ten implement no measurement model at all.

Which types of measurement do you use for isolating the impact of your marketing investment?

Client-side respondents



Source: WARC Marketer's Toolkit 2021

Case study

Mars trials attention tracking

In 2019, Mars completed a major neuromarketing study with Nielsen Neurosciences. It included over 300 creatives and ran across seven markets for over six months.

It was through this piece of research that the confectionery and pet care firm came to understand how attention, emotion and memory encoding works for its consumers. Measuring attention was a key element of the study, and helped Mars to improve on its creative hit rate.

The company claims it can identify the attention KPIs that correlate best with sale. It has developed a set of deep behaviourally-generated creative guidelines to help it make better ads.

Mars currently uses attention as a pre-testing tool, to inform creative choices in digital, and also as a proxy in TV, and is exploring how in the future it may be able to buy 'attentive reach'.



Source: Mars Pedigree



Implication 3

Brands explore new strategies for personalisation

For many advertisers – particularly those that have responded to the pandemic by selling directly to consumers – the demise of third-party cookies means a renewed focus on the collection of first-party data.

Others, especially those selling consumer packaged goods, may conclude it is not worth the effort to try to better the digital platforms in the costly science of data-led personalisation. For those marketers, the goal will be to develop a strategy for winning within marketplace ecosystems like Amazon and Alibaba.

Marketers will likely need to reappraise their ad tech stacks. A data management platform (DMP) may not be as useful in a post-cookie landscape. New opportunities to manage and benefit from customer data present themselves in the form of Consent Management Platforms, Tag Management Solutions and data ‘clean rooms’.

The latter may prove vital in the growth of addressable TV advertising in 2021, a channel which appeals to marketers but has been hindered by the practicalities of customer data sharing.

Takeaways

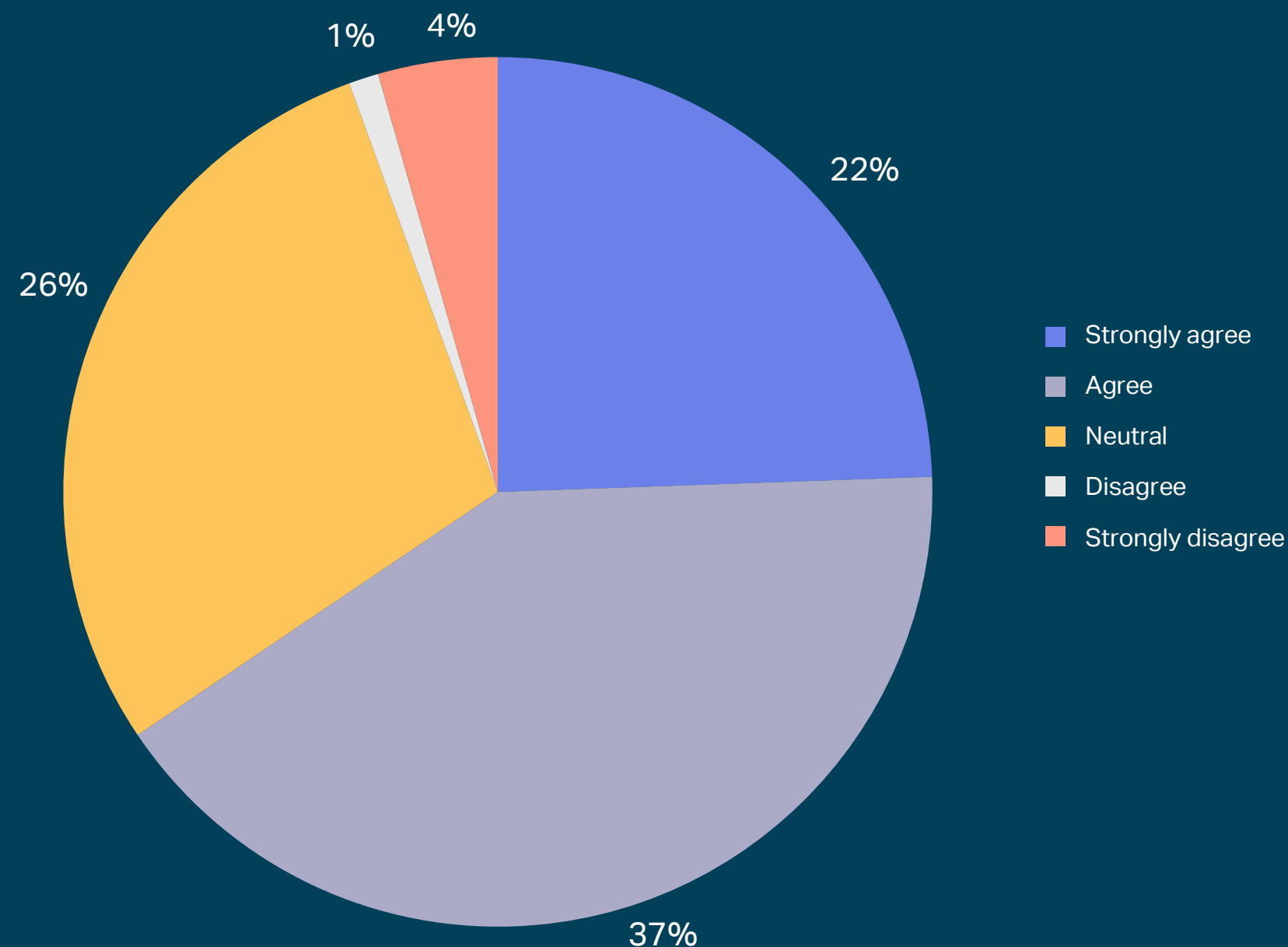
1. **Comply with data regulations.** Any collection and use of first-party data must comply with local regulation, including the forthcoming California Privacy Rights Act.
2. **Partner with publishers.** Brands can explore deeper partnerships with content publishers, whose audience data and consumer relationships become more valuable in a post-cookie media market.
3. **Avoid dependence on tech giants.** Marketers should audit their reliance on the digital platforms. Some, like Patagonia, have decided that they were too dependent and opted to move investment elsewhere.

Customer data collection on the rise

Over half (59%) of client-side Toolkit survey participants agree or strongly agree that their brand has a strategy to actively gather first-party data. Only 5% disagree or strongly disagree with this statement, suggesting that growing numbers of advertisers believe they must gain a stronger grip on customer information to maintain content relevancy in the post-cookie media landscape.

My brand has a strategy for actively collecting first-party data from our customers

Client-side respondents



Source: WARC Marketer's Toolkit 2021

The CMO View

“Too many marketers, in my mind, spend too much money on martech, data and analytics. I think the important thing is to spend your money on what touches the customer, that’s what builds your brand and that’s what will drive sales.”

BRENT SMART

Group CMO, Insurance Australia Group (IAG)



Implication 4

Advertisers become more conscious about what their media investment supports

Spurred on by controversies around hateful content and wilful misinformation, brand owners are becoming more careful where they invest ad dollars. Facebook recently found itself subject to a protest by advertisers in the US – although the majority (67%) of those surveyed for the Toolkit believe the boycott failed to drive impactful change.

Organisations like Stop Funding Hate in the UK and the Conscious Advertising Network, a coalition of more than 70 brands and agencies globally, are encouraging marketers to match well-intended brand purpose statements with action, and to prevent media owners profiting from deliberately divisive content.

Media investment and diversity are connected. For example, Procter & Gamble has set its sights on “equitable investment” in publishers owned by and serving diverse ethnicities in the US and beyond.

Takeaways

1. **PMPs offer more programmatic control.** The use of programmatic technology as ‘dumb pipes’ is in decline, with an increased uptake in spend on publishers’ private marketplaces (PMPs), particularly in the wake of COVID-19.
2. **Brands are re-evaluating keyword blacklists.** While intended as a brand safety measure, these lists have been proven to disadvantage groups including the LGBTQ community.
3. **Strong brands thrive in walled gardens.** Advertisers increasing investment in the big technology platforms must be careful to maintain brand-building activity, as research has found that brand awareness and preference can make a big difference in e-commerce environments.



Facebook boycott fails to force change

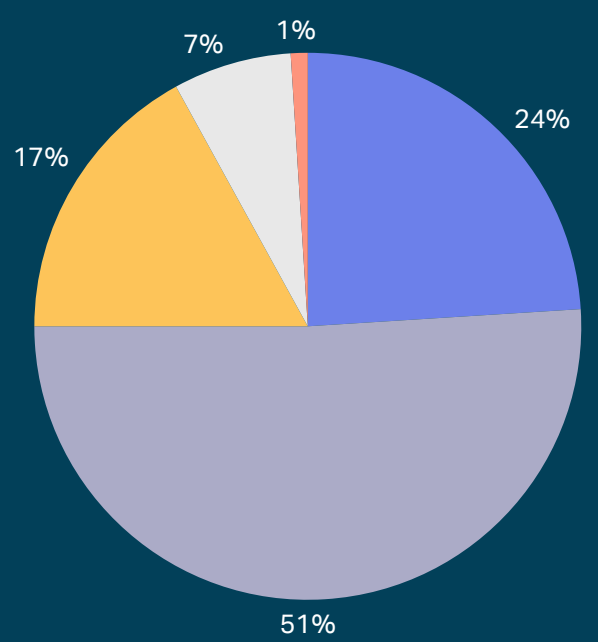
In June, Facebook and other platforms were hit with a boycott by advertisers including Starbucks, Unilever and Disney under the banner of #StopHateforProfit, a movement to encourage media owners to do

more to prevent the spread of hateful content. However, Toolkit survey respondents – especially those based in North America – question whether the protest had any lasting impact.

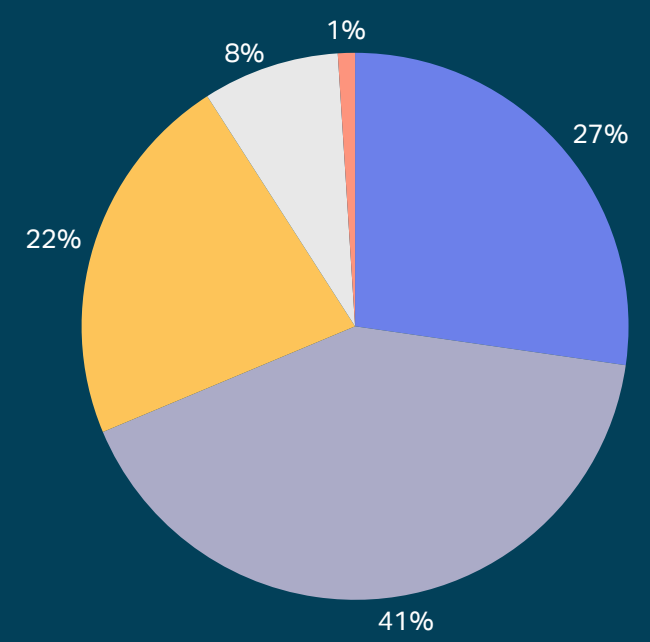
The advertiser boycott of sites like Facebook has failed to drive impactful change

Strongly agree Agree Neutral Disagree Strongly disagree

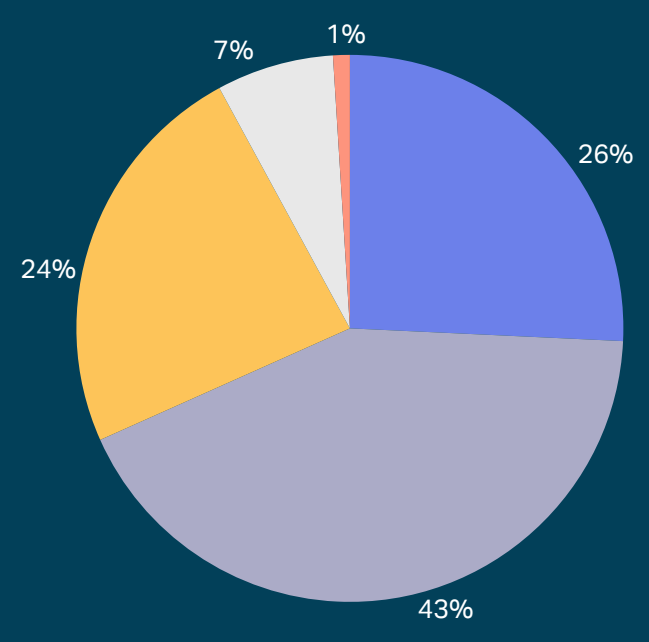
North America



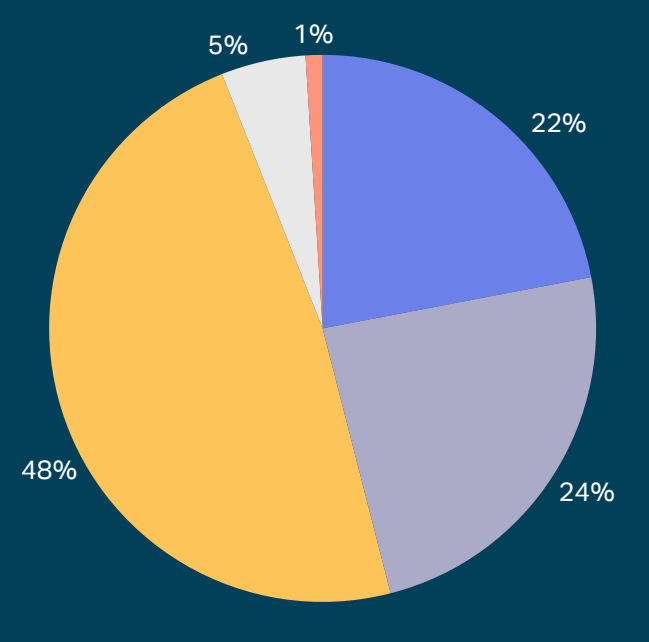
Europe



Asia (excluding China)



China



Source: WARC Marketer's Toolkit 2021

Case study

Verizon's zero-tolerance view on brand safety

Verizon halted its advertising spend on Facebook, the social network, in relation to a concern about brand safety.

The telecoms brand has taken a zero-tolerance approach to breaches of its guidelines with media partners, and acted swiftly in response to an obvious failure in this regard.

Verizon is pushing media platforms to adopt a more discerning approach to monetisation, allowing advertising to only appear against a narrower range of content – and “de-monetising” content that spreads hate and misinformation.

Diego Scotti, the brand's chief marketing officer, is also campaigning for greater third-party verification on platforms like Facebook. “We have a very clear set of brand-safety guidelines and policies that all of our media partners know – and that all of our media partners must enforce,” he said.



Source: Verizon

Expert commentary

Stop chasing cookies and start creating customers



Mark Wagman

Managing Director, MediaLink

When Google announced in January that it was planning to phase out third-party cookies in two years, let's be honest. Many of us had the same thought: that is really far away, and somebody is surely going to figure out a solution between now and then, right?

The thing is, things won't be fine for everybody. I'm not trying to say the sky is falling, but I'm worried that much of the marketing world hasn't fully come to grips with the tectonic changes headed their way. Yes, there may be delays, short-term "reprieves", but this is happening. Guys, this is not a drill.

The way we planned, executed and measured digital media is changing – all at once, all right now. In a new world, some of our models and processes won't change dramatically, while other frameworks or attribution techniques are turned for a loop.

Guess what? While this won't be easy, this cookie-free, mobile ID-light shift has the potential to be better for brands, better for publishers and best of all, better for consumers. But we can't just hope it all works out. We need to know what we're up against.

It's time to rethink your relationship with publishers and people.

Let's face it. We were addicted to cookies – jaded by what data and technology advancements made possible and ignored what the consumers wanted. We spent too much time chasing 1s and 0s across the web without paying attention to content and context.

The buy-side relationship with their sell-side colleagues has been very transactional to date. But the times, they are a-changing. As third-party identifiers like the cookie and mobile identifiers like the IDFA become less useful on the buy side, marketers will be forced to befriend publishers who have been able to create the audience insights they lack.

As the pendulum in the power dynamic swings towards publishers, marketers must lean in and more collaboratively engage with the content their consumers are in fact consuming.

The changes are good – the path there is rocky.

Publishers should be able to better monetise their inventory and create engaging brand and content experiences for marketers. Brands will focus less effort on moving sheer tonnage of media and focus more on driving the business results that move their respective businesses forward. And consumers – oh yeah, you and I – we are now delivered the promise of a relevant, yet unobtrusive, open web advertising experience.

If we can all have that, who needs cookies?

[Click here to read Mark's expert commentary in full.](#)



Potential Pitfalls

Failing to re-evaluate tech investments.

In a fast-changing market, brands and agencies must ensure that ad tech partners – from DMPs to DSPs – continue to deliver value.

Falling behind on privacy.

Brands must ensure they keep on top of regular changes to data privacy, as variously implemented by technology giants (for instance Google's Privacy Sandbox) and regulators (see California's move to replace CCPA).

Over-dependence on a single tech provider.

As the open web declines, and the internet becomes more Balkanised, marketers will have to work harder to maintain an objective, platform-agnostic view of the market.

Go Deeper

[The WARC Guide to Planning for Attention](#)

[The WARC Guide to Making Segmentation Work](#)

[What we know about post-cookie audience tracking](#)

[The nine golden rules of measurement](#)

[Cookies, consent, identity: What advertisers need to do to navigate the changing landscape](#)

[IAB Europe unveils guidance for the post-cookie ecosystem](#)

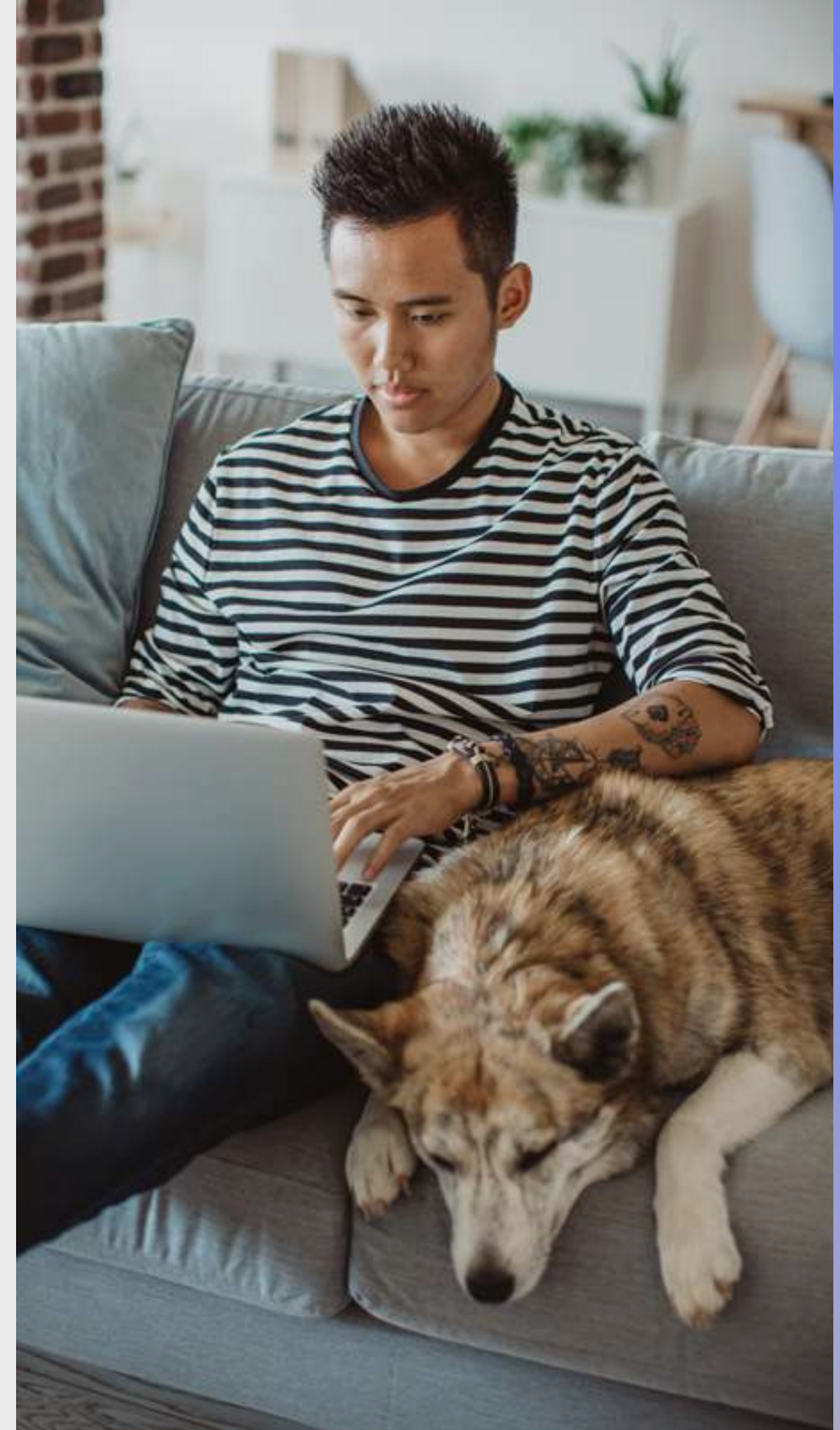
[How to deliver compelling shopper experiences without chasing people around the internet](#)

[How identity is evolving in a privacy-first, post-cookie market](#)

[Audience targeting: Why losing cookies may not matter](#)

[Back to the future: How AI-enhanced contextual targeting may help marketers in the post-cookie era](#)

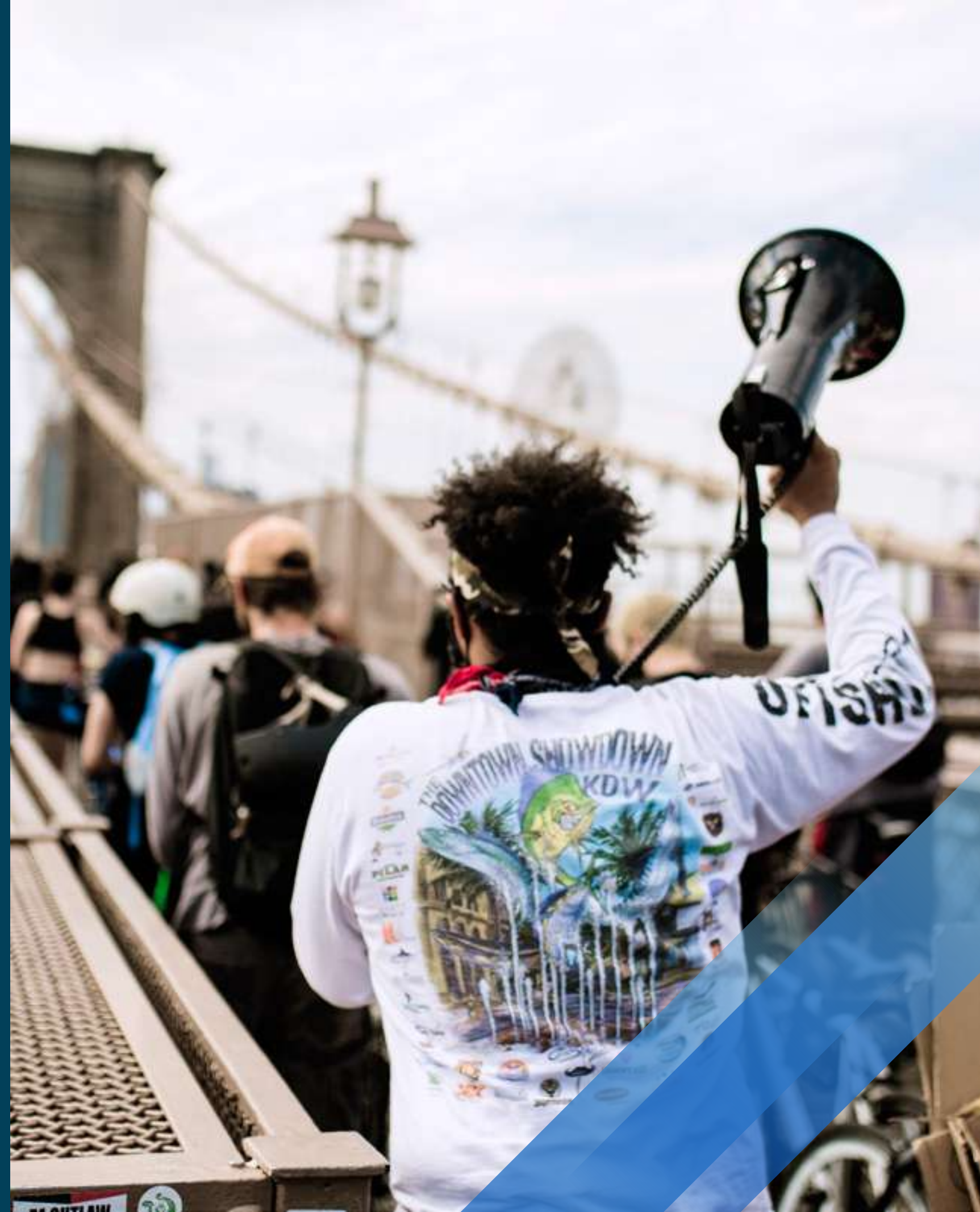
[Using data and analytics to maximise effectiveness](#)



5.

Structuring for volatility

Businesses will continue to feel disruption into 2021, with the upheaval of COVID-19, a severe economic recession, and in some markets ongoing protests ranging from Black Lives Matter to anti-vaxxers. For some marketers, this will be an opportunity, as they lead the response to a volatile market and help their businesses transform.





Structuring for volatility

Marketers spent much of 2020 in crisis response mode. There were the internal challenges of lockdown, and the business impact of changed consumer circumstances. There was the social upheaval around Black Lives Matter, and the intensity of so-called 'culture wars'. Unfortunately, 2021 promises more of the same.

Looking towards a VUCA (volatile, uncertain, complex, ambiguous) future, brands are transforming their processes to prioritise speed, flexibility and impact. The goal here is to be what some call 'antifragile'. Marketers are doubling down on fast consumer insights, looking to determine which new trends are here to stay and which are just a flash in the pan.

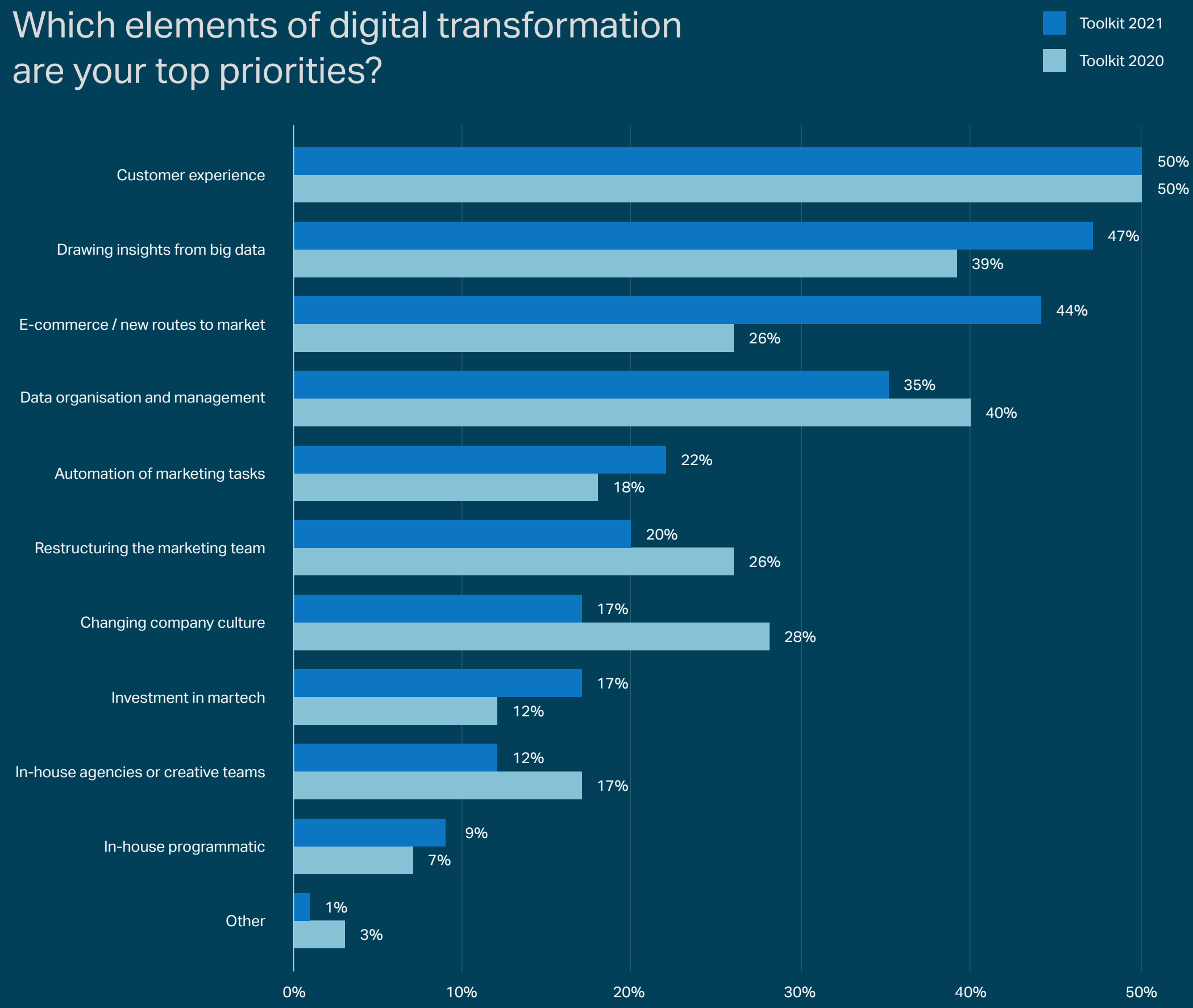
Creative processes are evolving. In-housing creative or media has also become a priority for some as they seek more control at a lower cost. Diversity and inclusion have never been more important.

It's an opportunity as well as a challenge: the marketers able to lead this agenda and help their businesses navigate the next 12 months will gain influence.

STEPIC drivers of change

- Pressure for quick-turnaround creative
- Short-termism
- Digital transformation
- Drive to DTC and first-party data
- Data-driven CX
- Purpose: 'acts, not ads'

Which elements of digital transformation are your top priorities?



Source: WARC Marketer's Toolkit 2021

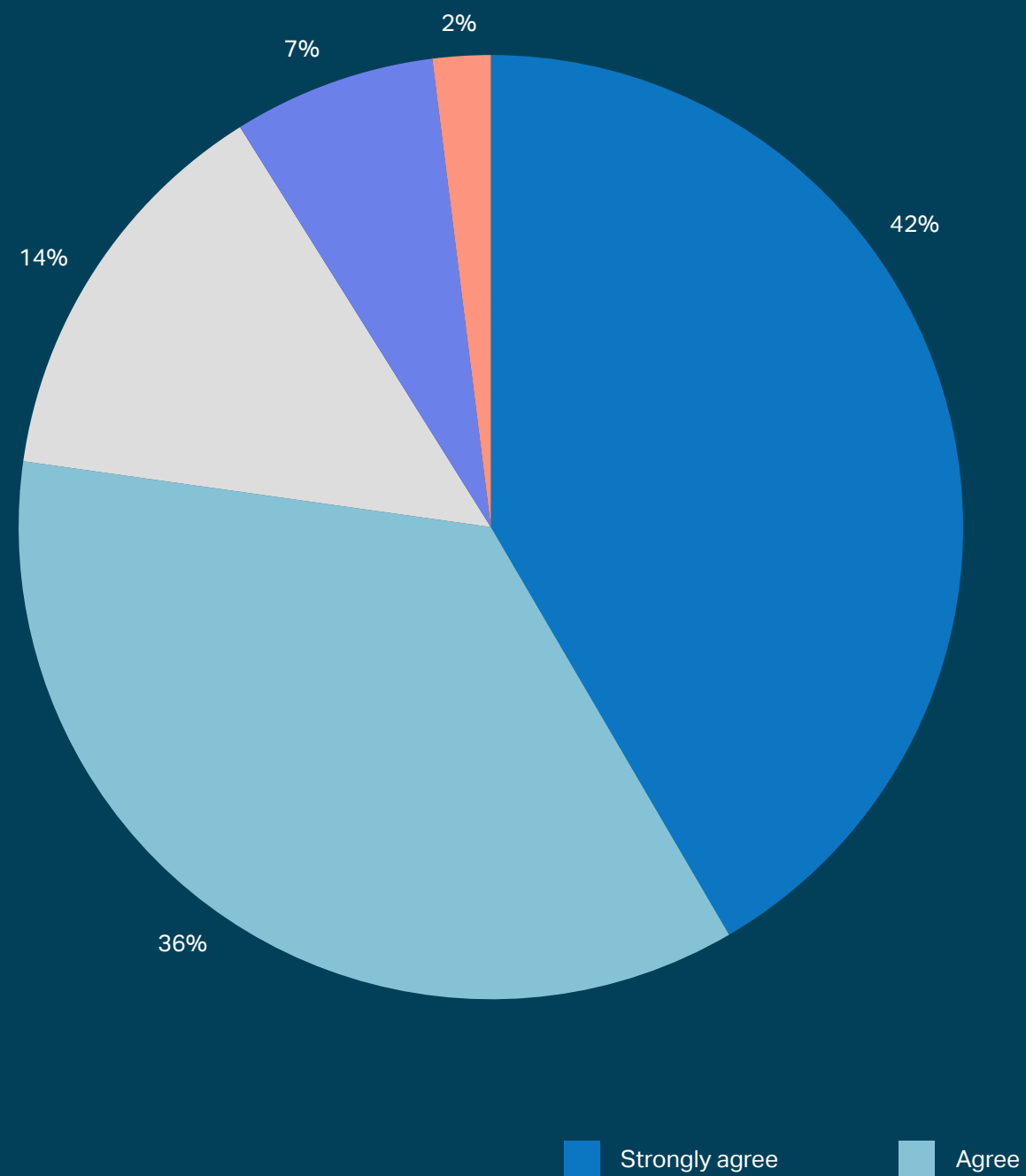
Customer experience, data lead digital transformation priorities

93% of respondents to WARC's Marketer's Toolkit survey agreed that the pace of digital transformation has been hastened by COVID-19.

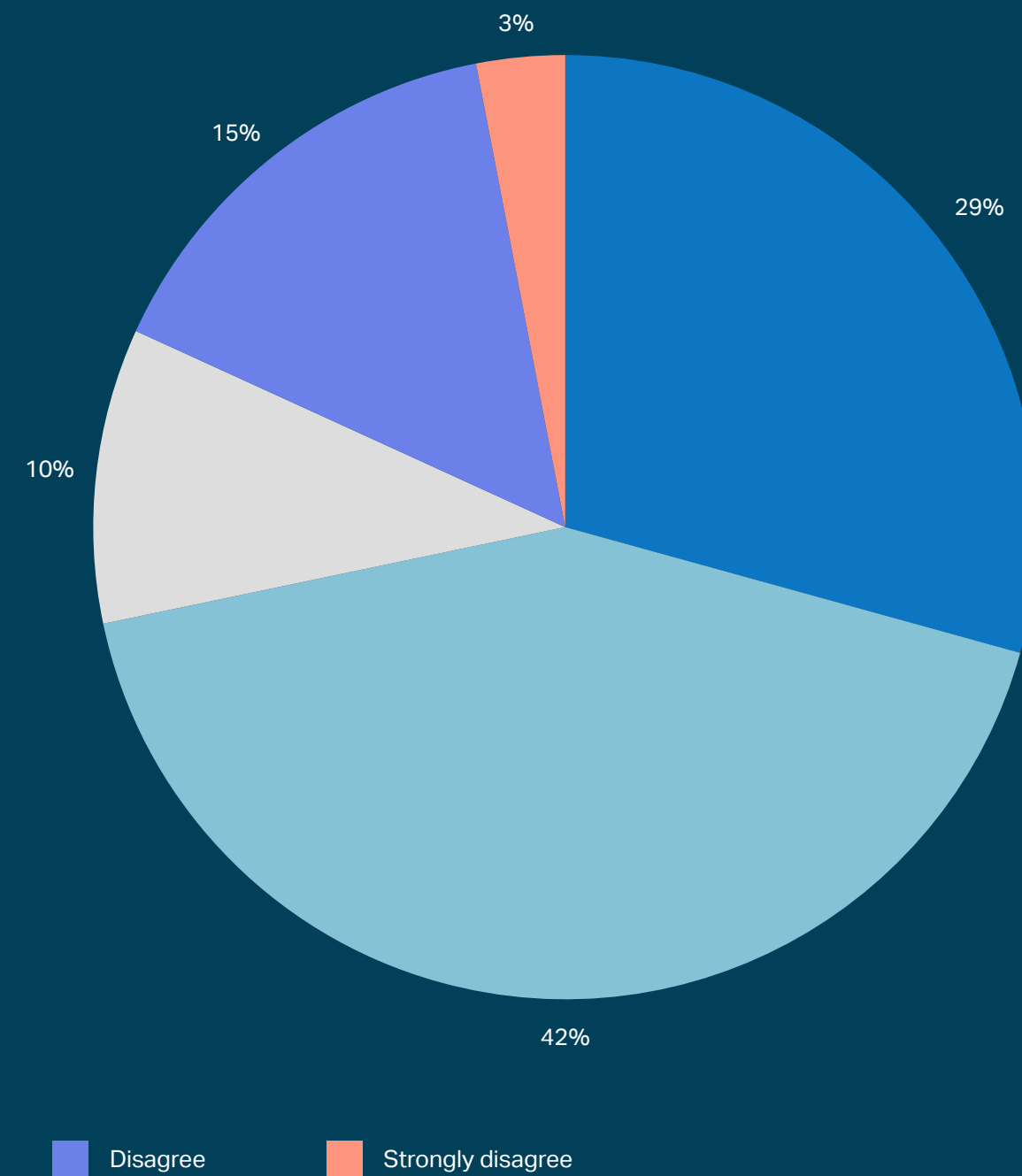
With e-commerce booming and consumers developing new shopping behaviours, it's no surprise that the top priority for digital transformation is customer experience.

Drawing insights from big data is also a priority for 47% of respondents, up from 39% in Marketer's Toolkit 2020. Data organisation and management is also top of mind, especially as marketers seek to generate faster insights in a period of uncertainty.

Brand purpose is now more important as a result of the disruption to society in 2020



At a time of volatility, it is harder for brands to plan for the long term



Implication 1

Marketers revisit strategy – and purpose – from the ground up

Brand strategy was recently named the top CMO priority for 2021 in a survey by Gartner, ahead of market analytics and marketing operations – a significant leap from its position near the bottom of the list in Gartner’s 2019 survey. It’s not hard to understand why – at a time of uncertainty, and with some categories near-collapse – the C-suite is ripping up its three-year plans and starting again.

WARC’s CMO interviews also reveal a desire to move away from tactical responses to events. The review of strategy is an attempt to regain some level of control. This may present an opportunity for strategy teams within agencies – WARC’s Future of Strategy survey earlier in 2020 revealed that a minority of clients were working more closely with agency-side strategists to plot a course ahead.

One area that seems likely to be rethought is brand purpose. Purpose has in recent years gained a mixed reputation – marketers are keen to identify a reason beyond profit for their brands to exist; but at the same time many in the industry feel the result has been little more than lofty talk and pious advertising. Arguably, purpose has been reclaimed in 2020. Instead of grand gestures aimed at saving the world, many brands during the pandemic looked for tangible ways to help, even if just at a local level. This theme of ‘acts, not ads’ will continue in 2021 as the pandemic rages on and recession begins to bite.

The upheaval of 2020 has seen brand purpose gain new relevance in the marketing industry. More than three-quarters – 78% – of respondents to WARC’s Marketer’s Toolkit survey believe that purpose is now more important.

Takeaways

- 1. Be flexible, but think long-term.** Build flexibility into brand strategies to adapt to short-term volatility, but keep core strategic objectives and long-term growth in mind.
- 2. Think acts, not ads.** If considering purpose-driven initiatives, ensure that the work is authentic to the brand and makes a tangible, measurable impact.
- 3. Use partners wisely.** Agency-side strategists often complain they are an untapped resource for brands needing business, not just communications, advice. Marketers may benefit from taking them up on the idea.

The CMO View



“When it’s going great, you can’t change anything. You need these times to act as an interval, as a punctuation in the sentence so that you can pause and regroup, pivot and go again. Without that there’s no reform.”

EDWARD BELL

General Manager, Brand, Insights and Marketing Communications, Cathay Pacific

“Every aspect of our business was challenged this year. ... I think we pivoted in really strong ways. This company knows how to pivot... And if we didn’t learn that this year, then we didn’t learn anything.”

JASON WHITE

CMO, Curaleaf



“We’ve got to stop thinking of ourselves as marketers first and think of ourselves as growth, revenue, and business drivers. The day we become just marketers, we limit ourselves.”

RUCHIRA JAITLEY

CMO India and APAC
HMD Global



Source: Nike

Case study

Nike adjusts brand strategy for new behaviours

Nike's digital strategy is sprinting ahead as consumer habits continue to evolve during the COVID-19 pandemic. Nike's fitness tools and apps have gained significant traction during the pandemic, as established fitness regimes are disrupted by social-distancing rules and gym closures.

A core aspect of Nike's recent marketing strategy has been creating fewer but significantly more impactful brand campaigns, according to Matthew Friend, Nike's chief financial officer. Coupled with such tentpole efforts, Nike has boosted the return from its performance marketing,

both in terms of consumer engagement and demand. A central element of its strategy involves a heightened emphasis on customer retention.

On the e-commerce side, the brand's OneNike program has delivered a streamlined consumer proposition. This effort took more than 70 digital properties that were operated by the brand and pulled them together under the Nike.com banner, yielding a clearer and more consistent approach to branding, social media, and commerce.

Implication 2

Marketing can grow its influence by being the link to the consumer

In the past, marketers have been concerned about the discipline's lack of influence at a C-suite level – indeed, in a downturn, marketing budgets are often the first to be cut. But a volatile market presents an opportunity for a discipline that styles itself as the voice of the consumer. Data from WARC's Marketer's Toolkit survey indicates that 41% of client-side respondents believe the marketing team have more influence now than a year ago, as their organisations look for routes to recovery.

The challenges of 2020 have highlighted the crucial role of the marketing function as the intersection of data, insights, communications and brand-building activity – all of which will be key to connect with consumers and drive growth in the COVID-19 recovery. It has been argued that the role of the Chief Marketing Officer – which has traditionally struggled to share the influence of other C-suite colleagues and suffered shorter average tenures – could be revitalised as they position the marketing function as the intelligence source at the heart of a brand's recovery.

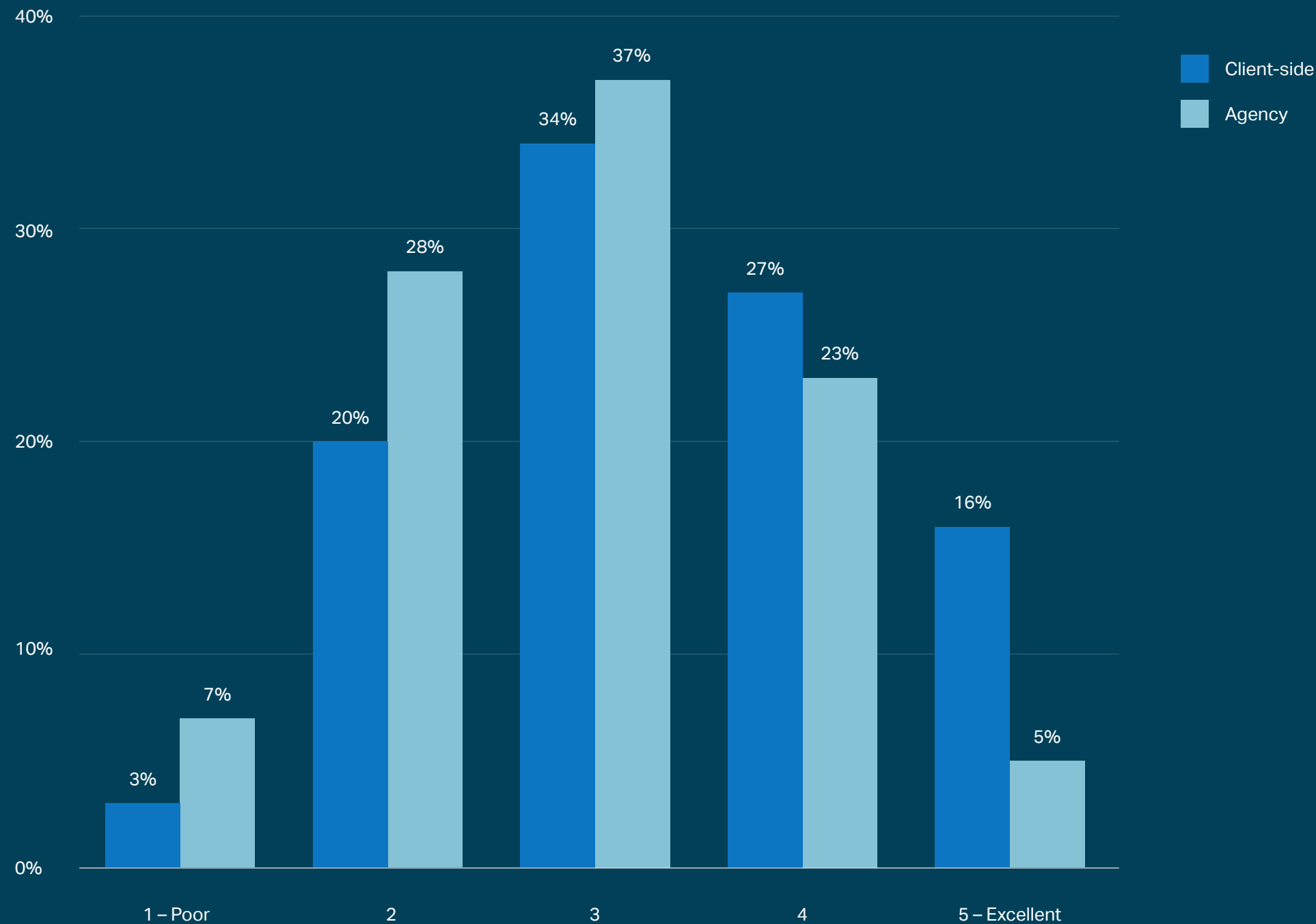
There is work to do here. According to WARC's Marketer's Toolkit survey, brands are not confident in their ability to unearth consumer insights. Many believe that their company is not up to scratch in this area: 57% of respondents from brands rated their ability to collect and gather consumer insights as less than a three out of five (with one being the lowest). Agencies have an even harsher view: 72% rated their clients' ability in this area as under a three out of five.

Anticipating permanent changes to consumer behaviours, brands are prioritising consumer insights looking to determine which new trends will be permanent to leverage new connection opportunities and innovate new products. Social listening, focus groups and astute analysis of data will be priorities. Gathering together research from various countries and categories avoids duplication, and can also provide for unexpected transferable insights.

Takeaways

- 1. Focus on intelligence gathering.** Marketing should play up its role as an 'intelligence gatherer' – not only communicating the brand to the market but the market to the brand, and bringing together data, insights and brand communications.
- 2. Invest in real-time insights to stay close to emerging trends.** Real-time insights are more important than ever to stay on top of changing consumer sentiment, develop new products or services and navigate ongoing volatility. This means investing in both talent and technology.
- 3. Learn lessons from other categories and markets.** Don't be afraid to learn from the examples of other companies, categories, or markets to discover unexpected insights.

How would you rate your brand's / typical client's ability to collect and analyse valuable consumer insights



Source: WARC Marketer's Toolkit 2021

Consumer insight is a weak spot for brands

In a constantly changing environment, fast and accurate consumer insights will be crucial for brands looking to get ahead in 2021. But according to WARC's Marketer's Toolkit survey data, marketers feel their company has a weakness in this area. Over half – 57% of client-side marketers rated their businesses as a three out of five or below, while 72% of agencies felt their clients were three or below.

The CMO View



“I am a big believer that this whole situation is going to make marketing, as a function, exponentially more relevant.”

MARCEL MARCONDES

US Chief Marketing Officer, Anheuser-Busch InBev

“One of the things that we quickly learned was that consumer sentiment changes by the day. We have been doing a lot of simple, daily, ongoing polling of specific audiences just to make sure our messages are resonating... because the world is reacting to this ever-changing world in which we live.”

LYNNE BIGGAR

Chief Marketing and Communications Officer, VISA



“The executive team are desperate to hear insights of what’s going on with consumers. We should look at that as a huge opportunity to reset the value that marketers play in the boardroom.”

MELISSA HOPKINS

Head of Consumer Marketing, Optus



Case study

PepsiCo prioritises knowledge sharing for fast insights

PepsiCo, the food and beverage giant, saw the true impact of building out a holistic insights platform as COVID-19 upended nearly every category in which it operates.

The company developed Clevr, a sophisticated, cutting-edge insights platform before the pandemic arose. By democratising access to its research, the organisation has been able to increase the visibility and value of its insights work. By building a centralised knowledge source, PepsiCo significantly reduced the amount of time it takes to find existing data, respond to business questions, and develop new insights to respond to changing consumer trends.



Source: PepsiCo



Implication 3

In-housing will keep growing as brands look for high speed and low cost

In-housing has been a trend for the last few years, but the pressures of 2021 are likely to increase it: reduced budgets, the need for work across multiple online platforms, and a requirement to move quickly in the face of volatility. Nearly half – 46% – of respondents agree that COVID-19 has accelerated the in-housing trend, and more than a third – 38% – of respondents reported that their company would be increasing in-housing in 2021. A recent study carried out by the In-House Agency Forum (IHAF) and Forrester Research showed that over 72% of corporations now have an in-house agency (a 12.5% increase year-on-year), however 54% of marketers surveyed admitted to applying less rigour when working on projects with internal resources compared with external agencies.

In-housing digital media buying is a popular trend, but it isn't right for every brand and requires careful strategy, according to MediaSense's Ryan Kangisser. In-housing can help a brand save money while driving more effective marketing, but poorly executed in-housing strategies can have the opposite effect, deepening silos within an organisation at a time when alignment is more necessary.

Before embarking on an in-housing mission, brands need to ask key questions around strategy, execution and agency measurement focused on effectiveness. Rob Foster, of The Observatory International, recommends that undertaking a process of analysis and diagnosis across the agency roster structure, processes and measurement will bring improved clarity and organisation.

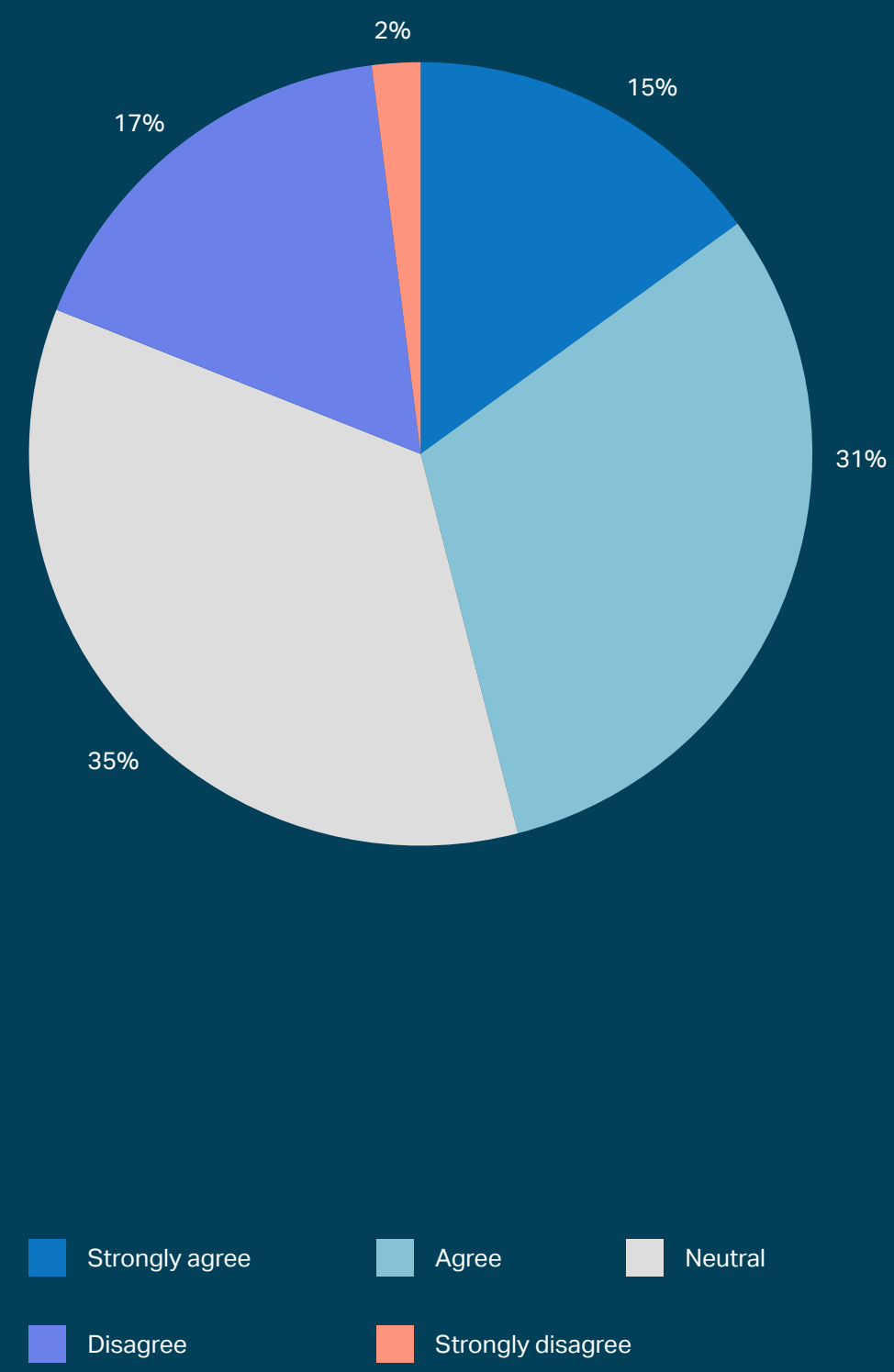
Takeaways

1. **Do the homework.** Ask key questions around what an in-housing project aims to achieve before embarking on permanent change, especially in a highly volatile business climate.
2. **Be consistent to speed up decision making.** To move faster, insist all markets and agencies use the same terminology and language structures when talking about the business, products and campaigns to better align objectives and outcomes.
3. **Consider the implications for recruitment.** Brands that are in-housing creative or media services will need to think carefully about the skillsets they are recruiting to optimise output and avoid knowledge gaps.

Client-agency relationships evolve for a new reality

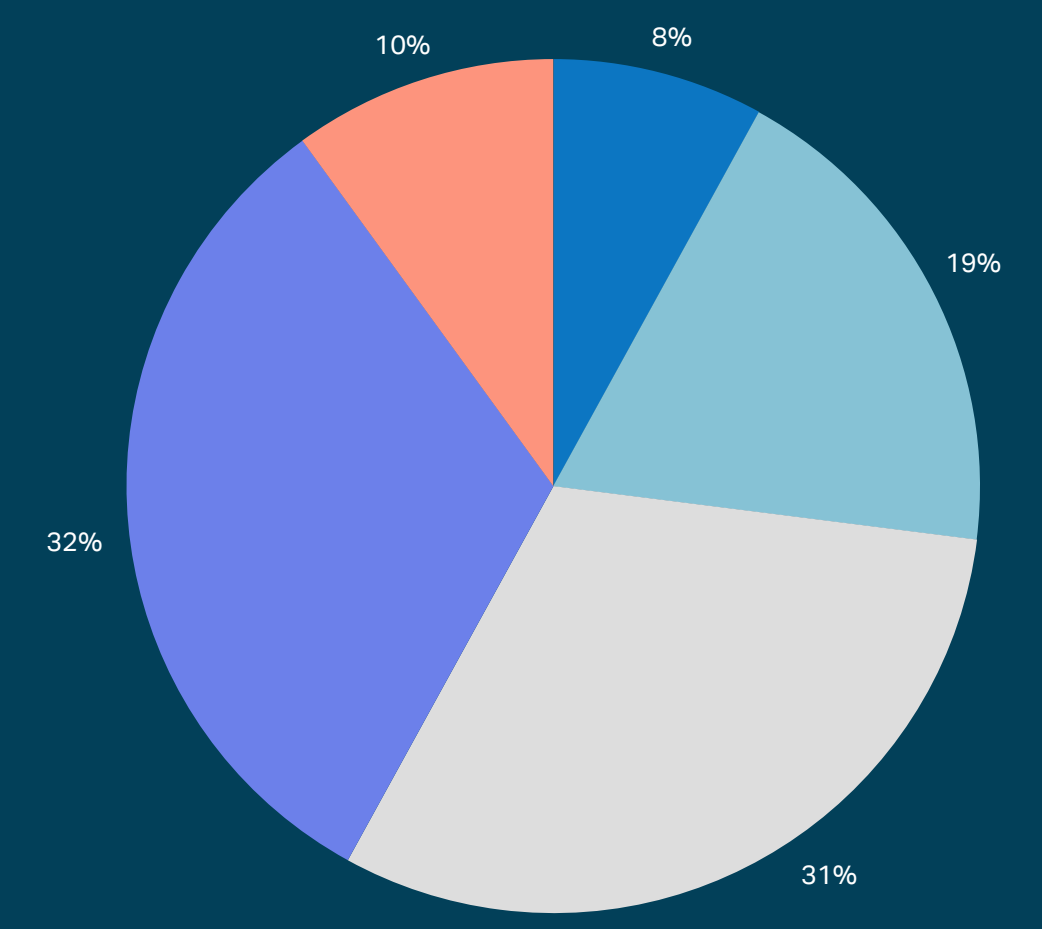
Client-agency relationships will quickly evolve in 2021 as the twin pressures of recession and the ongoing pandemic require new ways of working. 46% of respondents believe in-housing trends are accelerating as a result of COVID-19, but 42% maintain that their client-agency relationship has been resilient through this time.

COVID-19 is accelerating the in-housing of agency services



Source: WARC Marketer's Toolkit 2021

Client-agency relationships have deteriorated over the period of the crisis





Source: Coca-Cola

Case study

Coca-Cola prioritises collaboration

No brand was left untouched from the impact of COVID-19. In South East Asia, Coca-Cola's own efforts to adapt echo the same journey faced by many brands. Exercising agility in content, as well as the process of developing it were two key challenges it had to overcome.

One silver lining from the pandemic has come in the form of the collaborative approach with its specialist agency partners. As project timelines have now shrunk to a third of what they used to be, the team no longer has the luxury to work on one thing after the other. Many streams must now be executed simultaneously, with the brief going out to everyone in the room at the same time.

The challenges of COVID-19 enabled Coca-Cola to see how it can work with agency partners in a more collaborative manner across multiple areas of the marketing team. According to Sadaf Zarrar, Coca-Cola's ASEAN director of integrated content and creative excellence: "It's not a case of just working with one or the other; every touch point has to be optimised according to the new normal. The speed of change helped us come to that destination sooner than we had anticipated."

Implication 4

Diversity and inclusion still lag behind

Despite a deluge of good intentions, WARC's Marketer's Toolkit survey indicates that the marketing and advertising industry still has a way to go on equality and getting its own house in order. Changing corporate processes, evolving marketing messaging and boosting representation in advertising will be the biggest areas of focus in 2021.

However, just 33% of brand respondents and 32% of agency respondents believe they have a clear, documented and fully implemented approach to diversity and inclusion within their own business. Almost half – 49% of brand and 44% of agency respondents – admit that their company either doesn't have a diversity and inclusion policy at all, or that it is simply not a focus.

There is clear evidence to support hiring diverse teams: companies with inclusive talent practices in hiring, promotion, development, leadership, and team management generate up to 30% higher revenue per employee,

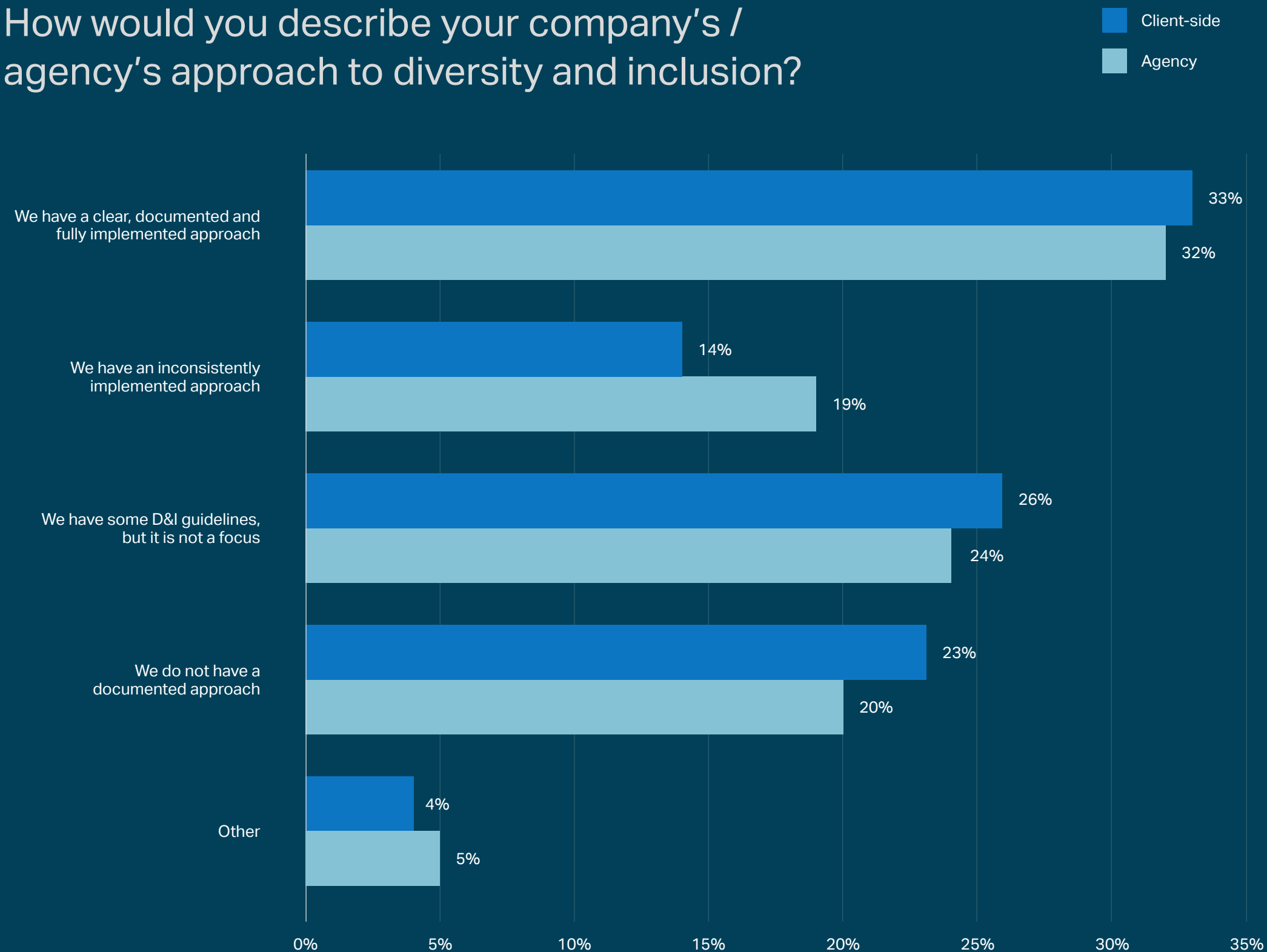
according to research by Deloitte. But attempts to foster inclusivity can often take a back step during periods of disruption like COVID-19 and a recession, so it is vital that marketers commit to longer-term change.

As well as getting their own house in order, there is a job to be done with regard to diversity and inclusion in advertising – both in front of the camera and behind it in the creative supply chain. A lack of diversity also means missed economic opportunity, as brands don't pick up on products and services that could expand their markets. The need to portray people in all their diversity isn't just window dressing that brands need to embrace – it has an effect on brand perception and share price, too. But this work won't do itself: the industry needs to commit to actionable change and put a plan in place to achieve it.

Takeaways

1. **Diversity has commercial benefits.** Diverse teams can identify new business opportunities which may otherwise be missed, and ensure that a brand's messaging doesn't make embarrassing or offensive missteps.
2. **The work doesn't happen by itself.** Create an actionable, measurable plan to ensure that internal teams reflect the ethnic and gender make up of the local market. Commit to finding and hiring diverse talent, strategy, creative and production in order to develop three-dimensional diversity.
3. **Consider the creative supply chain.** Prioritise diversification of the creative supply chain by supporting businesses by underrepresented demographics, creating benchmarks and prioritising accountability.

How would you describe your company's / agency's approach to diversity and inclusion?



Source: WARC Marketer's Toolkit 2021

Diversity needs industry action

When it comes to diversity and inclusion, both agencies and brands are struggling to make an impact. Just a third of client-side respondents have an implemented plan in place, while over a fifth have no plan at all.

The CMO View



“The scourge of racism has literally been around for centuries; it’s not like it’s brand new. I think many have just not faced it and dealt with it because it is hard. But it is inescapable this time, and people need to step up.”

MARC PRITCHARD

Chief Brand Officer, Procter & Gamble



“You can’t talk about what you don’t understand. We worked out as a company, how do we chart a path forward that is truly equitable for all people? Whose voices are missing in this conversation? That has been an incredibly important lesson.”

ALEX WELLER

Marketing Director – Europe, Patagonia



“We believe that TikTok is becoming one of the leading destinations with a window into the Black Lives Matter movement. People are leveraging the platform to tell their stories, to encourage people to protest, and really provide the support for users being impacted by what’s happened in the Black Lives Matter movement.”

TREVOR JOHNSON

Head of Marketing, Global Business Solutions, Europe, TikTok

How brands can structure for volatility in 2021: fast, furious and up front



Kathleen Saxton

Executive Vice President and Managing Director, EMEA at MediaLink

For years, many marketers have bemoaned their lack of influence – or indeed, presence – in the boardroom. Thankfully, over the last decade, the enlightened CMO and their partner CEOs have proven their impact when it comes to embracing smart strategies, assimilating consumer insights and creating efficient, beautiful ways of engaging their audience.

COVID-19 may have derailed so much in 2020, but marketing is in the spotlight as we look towards 2021 – and with it, a whole new world. Facing into the fast and furious landscape of 2021 means pedal-to-the-metal for marketers, especially for those embracing real-time analytics as brands navigate urgent threats and immediate opportunities.

Indeed, this could be the moment marketers are able to show their ultimate value as business leaders.

The constant tension

Yet, we have a contradiction. Research suggests that in uncertain times, consumers reach for the certain and familiar. Witness how market leading brands are growing market share right now – such as Persil or Lego. Brand equity has never been so valuable. Yet,

as marketers ourselves, we need to be embracing the uncertain and unfamiliar to ensure we can deal with the volatility and pace at which the world is changing.

Volatility and uncertainty have never been as confronting as now. Effective marketing can champion the opportunity over the threat. So, where to start?

What worked yesterday won't work tomorrow, we need to speed up.

In 2020, consumer priorities shifted as disposable incomes have fallen and purchase behaviours have changed forever. E-commerce uptake and direct-to-consumer has accelerated five years in just six months. Brands embracing this shift are profiting, while those that haven't are suffering.

Marketers will have to try new things: product innovations, pricing models, media innovations. Many of those will fail. It's okay to fail, as long as you know when and how, and course-correct quickly. Real-time analytics and measurement are crucial to gauge performance and act accordingly. Test-and-learn remains critical, and seeking advice on which tech partners to develop with is essential to move with the possibilities of AI and predictability.

Unmovable annual plans, long creative lead times and protracted media deadlines must be consigned to history. Speed will champion perfection, and a

willingness to be iterative versus couturial will help at this time. Bravery is required from the marketing leader, and that bravery must be championed by the board.

Talent, talent, talent

Exhaustion, social isolation, work creep and health concerns are depleting employees' ability to cope with stress. Looking after our marketing teams is a critical foundation in managing through the volatile months ahead. Empathy and understanding have never been so important.

Ensuring the brand attracts and retains the specific, specialist marketing talent now required is equally essential. Holding diverse abilities – from data compliance specialists to CX/UX architects – finding the individuals who bring new learning and capability to a team, and educating colleagues is all part of the solution.

So, left and right brain engagement is required – and marketing's time is now.

[Click here to read Kathleen's expert commentary in full.](#)



Potential Pitfalls

Selling yourself as the 'brand person'.

Frame marketing as the business's connection with the customer – a blend of data, insights and brand. Identifying routes to recovery is a way for marketers to gain influence.

Imposing in-housed models over legacy structures.

In-housing creative or media services seems like an easy solution to cut costs, but marketers need to develop an internal ecosystem that reflects the new model, rather than putting new processes in old structures.

Talking about diversity without doing the internal work first.

In recessions, and especially if layoffs or restructuring is required, companies may find it difficult to prioritise diversity and source talent from under-represented demographics. But failing to take the internal steps leaves brands open to charges of hypocrisy if they look to talk externally about diversity.

Go Deeper

The long-term impact of COVID-19 on consumer behaviour

A majority of multinationals have in-housed creative

How should brands advertise during COVID-19?

During the COVID-19 crisis, CMOs are looking inside to help outside

Scott Galloway: There are two kinds of CMO but only one survives

Why the CMO's future role is 'growth partner', not marketer

Domino's keeps faith in advertising despite "existential crisis" for restaurant industry

How PepsiCo's new knowledge platform became a crisis-management tool during COVID-19

In-housing: How to overcome common pitfalls

Re-aligning the marketing industry: The in-housing trend in 2020 and beyond

AB InBev in-house agency delivers alignment legacy shops can't match

Four in five want brands to act in support of Black Lives Matter

Racial representation in advertising: A snapshot

Lessons from failure: The ethical, and economic, opportunities in pursuing diversity

Diversity in advertising is common, but here's how to make it actually have impact

Procter & Gamble steps up to tackle systemic racism with marketing action

The WARC Guide to Structuring for Effectiveness



6.

Finding the white space in wellness

Health and wellness have taken centre stage in 2020 and their importance will grow in 2021 as the pandemic endures and the rebuild begins. A growing range of brands are moving into this space, adapting to cater to emerging consumer priorities around both physical and mental wellbeing. As healthcare becomes more digital, brands need to consider their offerings to ensure inclusivity and trust.





Wellness as the new purpose

In a [report by Ogilvy](#), wellness is described as “the new purpose”, with a place for wellness in every brand. Even before COVID-19 hit around the world, [wellness was booming as a \\$4.5 trillion industry and growing twice as fast as the rest of the global economy](#). The COVID-19 pandemic means that wellness is vitally important in all sectors, and [consumer expectations are high](#).

The risks of COVID-19 infection have transformed not only how medical care is administered, but also meant beauty, haircare and self-care are, more often than not, now at-home activities. The pandemic has prompted consumers to seek out more information on health and wellness and many are changing behaviours to protect themselves. As consumers prioritise their health, brands are expected to cater to this important need.

Preventative health has increased in importance with a focus on healthy eating, along with immune-boosting products and

ingredients growing in popularity. Meanwhile, mental health has become a priority as the stress of the pandemic continues, with many facing loneliness, financial hardship and depression. The COVID-19 pandemic has [disrupted or halted critical mental health services in 93% of countries worldwide](#) – just as demand for mental health services is skyrocketing.

As brands ramp up their health and wellbeing offer, it's important that health and wellness communications and products are inclusive for all, particularly as older consumers and many who are new to health and fitness are entering the market for the first time.

STEPIC drivers of change

- Home-bound consumers
- Physical & mental wellness
- Data privacy concerns
- Digital transformation
- Purpose: ‘acts not ads’

The CMO View



“We really focused during COVID-19 on stepping up to make sure that our products – which are cleaning, health and hygiene products – are doing their job, being useful and communicating to people about how to use these products.”

MARC PRITCHARD

Chief Brand Officer, Procter & Gamble

“The need for health has a direct impact on the expectation for brands, as consumers will start looking at even brands that are not expected to deliver that value. So how do you do that?”

DHIREN AMIN

Chief Marketing Officer, Kraft Heinz



“What we try to do is to communicate to those different needs that people have. It starts with understanding that people have hygiene worries, but those needs were broader than just those worries.”

EDWARD BELL

General Manager, Brand, Insights and Marketing Communications, Cathay Pacific





Implication 1

Health and wellness create opportunities across categories

“Wellness is no longer the preserve of wellness brands” was the conclusion of Ogilvy research, where 52% of people surveyed expected categories like cars, banks and airlines to offer wellness options. Similarly, [Accenture](#) has described “white space” opportunities for brands in the evolving health economy.

Companies such as hotels and airlines, as well as bars and restaurants have had to reconfigure their customer experience to be COVID-secure. After the pandemic took hold, [Ipsos](#) found that a healthy configuration was the top consideration for customers looking to buy a new car in China.

Addressing financial wellbeing is also an opportunity for marketers in 2021. [A Forrester survey](#) of consumers in several Asian markets found that 31% of Chinese adults had delayed major purchases due to the COVID-19 outbreak, while 16% had fallen behind on bills and loans, and 11% could not afford to keep up with their basic living expenses.

The focus on wellness may be a way for brands to weather the economic recession, with a host of new product launches catering to consumers’ wellbeing needs. Brands on the periphery of wellness have also pivoted and grown. While consumer demand for hygiene products has soared, skincare brands have created ‘elevated’ versions of antibacterial wipes, and other cleaning essentials.

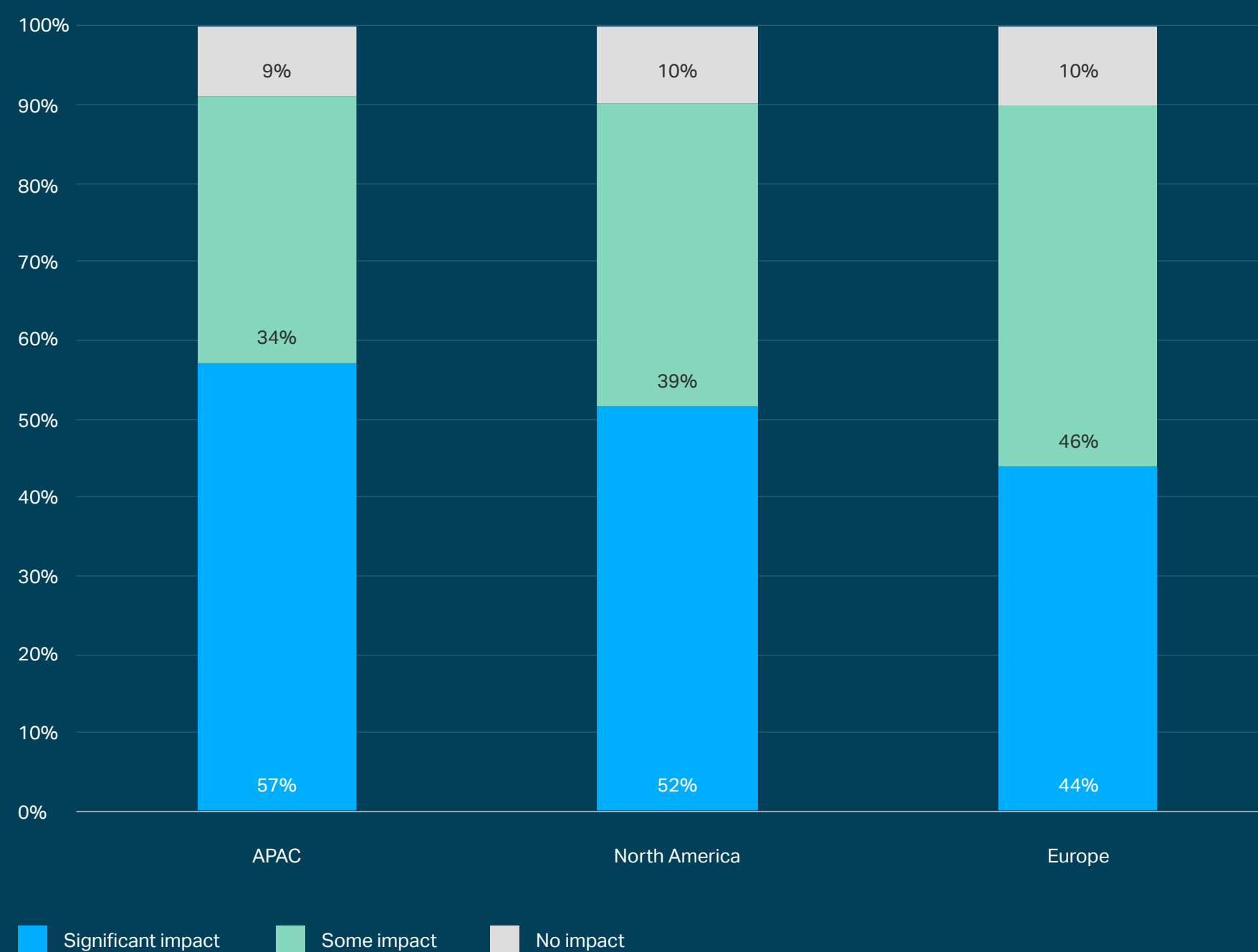
Takeaways

- 1. Approach wellness as broader than health.** In addition to hygiene measures, consider how to support consumers’ mental health. [Analysis by McKinney](#) recommended that brands should concentrate on making consumers feel “just a little better” – that is, “more in control, more resolved and less burdened”.
- 2. Consider partnering for credibility and clout.** For brands with no obvious connection or history in wellness, a partnership can be a successful strategy.
- 3. Support recession-hit consumers.** Brands are embracing the interest in health and wellness with a host of new products and new wellness-focused messaging to help weather the downturn. In the WARC survey 40% of clients said they were developing a new product offering in response to the recession.

Health and hygiene is an essential focus for brands

91% of client-side respondents in WARC's Marketer's Toolkit survey agreed that health and hygiene concerns will have an impact on their 2021 marketing plans, including for 74% of clients. Beyond brands that typically fall in the health and wellness sector, the COVID-19 pandemic has made consideration of health and hygiene a necessity for everyone. These sweeping changes range from COVID-secure retail and travel, to financial brands flexing to meet the needs of stressed customers unable to work through lockdown and recession.

How important are COVID-19-related health and hygiene concerns to the development of your / your typical client's 2021 marketing strategy?



Source: WARC Marketer's Toolkit 2021



Source: Hilton Hotels

Case study

Hilton Hotels partners with Reckitt-Benckiser to enhance cleanliness credentials

In May 2020 Hilton Hotels announced a long-term collaboration with Reckitt Benckiser, maker of Lysol and Dettol, and consulted with the Mayo Clinic to develop elevated processes and staff training to help Hilton guests enjoy a cleaner and safer stay from check-in to check-out.

Hilton CleanStay with Lysol protection provides guests with assurance and peace of mind and creates a focus on cleanliness visible to guests throughout their entire stay – in their guest rooms, restaurants, fitness rooms and in other public spaces.

Hilton CleanStay was developed to meet evolving consumer expectations during the COVID-19 pandemic. Research indicated that consumers have heightened concerns regarding hygiene on their journey, and trust in cleanliness standards was critical to restarting travel.

The partnership with a trusted hygiene brand leveraged Lysol's credibility and proved a strong message to consumers at a time when marketing could have been halted by the hotel chain due to COVID-19 restrictions.

Implication 2

Brands can help consumers take preventative measures

As people try to be healthier to avoid negative outcomes from COVID-19, products that promote immunity or other health benefits are of great interest.

In a [Euromonitor survey](#), 90% of global consumers agreed that COVID-19 has made people more aware of the importance of immunity. And in China, usage penetration of vitamins and supplements increased from 48% to 57% from late February to early May 2020.

Functional foods promise to improve mental wellbeing. New products are using adaptogens, healing roots and herbs known for promoting wellbeing, and nootropic ingredients that straddle the space between medicine and food to induce relaxation, or promote mental alertness. As the pandemic continues, mental health is a key area for brands to offer support and help break down stigmas.

Immune-boosting products are not solely the preserve of food and supplements. The blurring line between beauty and wellness is a trend accelerated by COVID-19. Immunity boosters marketed in beauty and skincare products include superfood ingredients, electrolytes, cannabinoids and multibiotics.

Takeaways

1. **Brands have a role to play in supporting healthy lifestyles.** One research study showed three-quarters of global consumers are trying to eat more healthily as a result of the pandemic. From mental health to tackling obesity, becoming and staying healthy are consumer priorities for 2021.
2. **Mental health is important for both people and brands.** By offering online resources, partnering with mental health charities and centring important conversations about mental wellbeing, brands can play an important role in helping consumers through the pandemic.
3. **Many beauty brands have moved to a broader appeal in lifestyle and wellness categories.** Beauty products containing immunity-supporting ingredients and adaptogens are increasing in popularity, and medical credentials are also becoming more important in beauty branding.



The CMO View



“We saw the rising demand for immunity-boosting products from consumers and we have launched 11 new products in the last five months to meet that, from immunity boosting beverages like turmeric milk to Haldi ice cream with immunity boosting elements.”

DR R S SODHI

Managing Director, Gujarat Co-operative
Milk Marketing Federation (Amul)



“Over the past two years, in response to youngsters’ growing concerns about health and dietary trends both in and outside China, we developed a brand new Quinoa and Milk Congee product. These new products and new market segments complement our traditional products, helping Wahaha woo a wider audience, answer calls for diverse flavours, and draw attention to our brand.”

CHENG GONG

Deputy Director of Branding and Public Relations, Wahaha

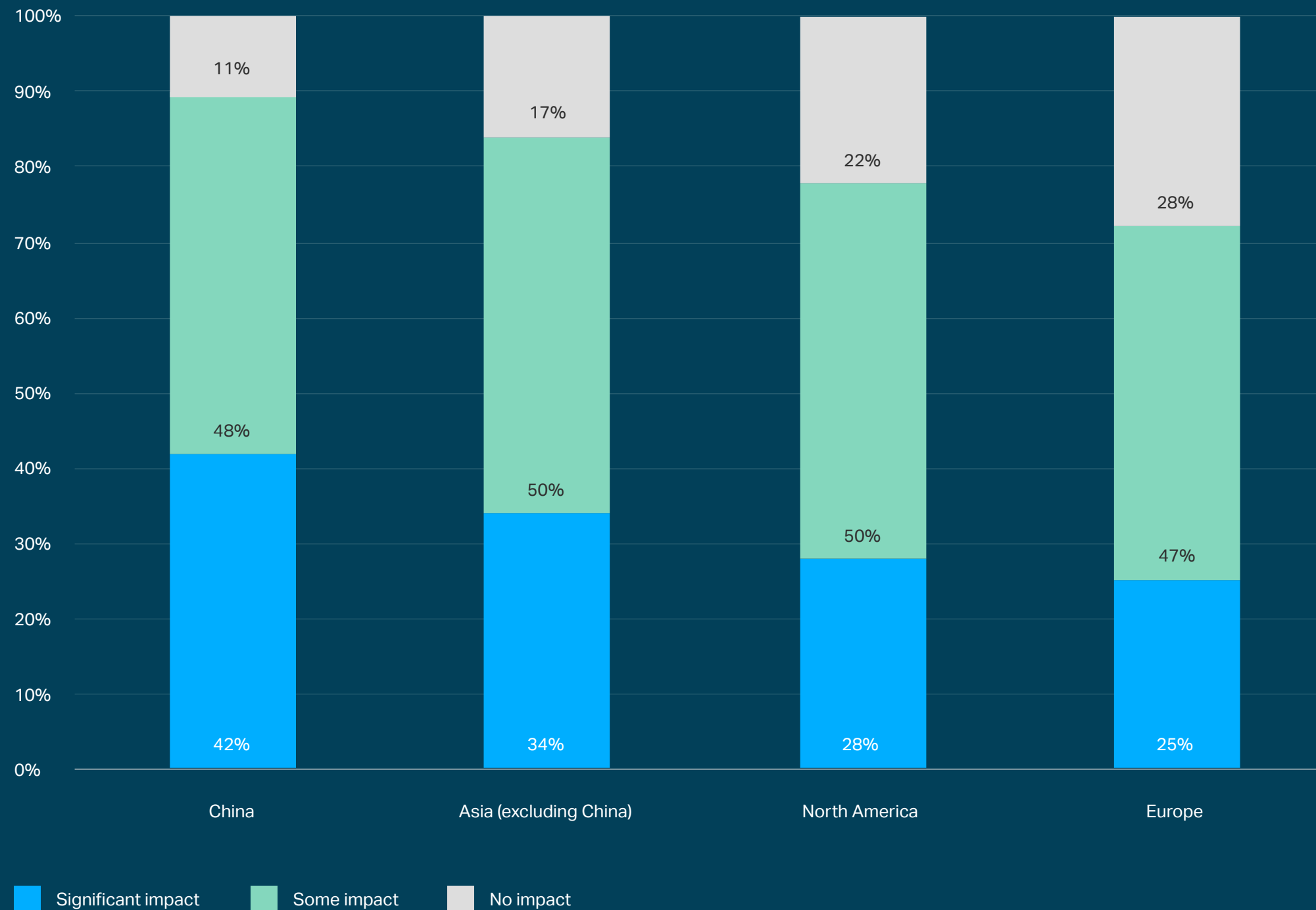


“I think mental health is a very big deal. And I think there’s pieces we can affect, but most importantly, for doctors who are prescribing all different types of treatment and medication, for people’s personal wellness, and for their mental wellness, we want to make sure that those who this is an option for have access to it. That’s why we work so hard and fight so hard for access to the plant, whether that’s veterans who have PTSD, or whether that’s folks who have just gone through a global pandemic.”

JASON WHITE

Chief Marketing Officer, Curaleaf

How important are wellness concerns including mental health, self-care, burnout and stress, to the development of your / your typical client's 2021 marketing strategy?



Source: WARC Marketer's Toolkit 2021

Stress and burnout are issues for consumers and employees

Wellness, self-care, burnout and stress will have some or significant impact in the development of 2021 marketing strategy for 80% of respondents to the survey (including 82% of clients).

These issues affect not only consumers but employees of brands. Jason White, CMO of cannabis company Curaleaf, described how they have supported staff, "We did a lot to support 'budtenders' who became essential workers overnight. We wanted them to know we really appreciated them and the work they did every day, so we immediately started making masks and sending meals to dispensaries to say thank you."

Case study

Headspace offers respite and health resources during COVID-19

With mental wellbeing a renewed focus during COVID-19, [meditation app Headspace](#) looked to help professionals in heavily-affected industries during a stressful time.

Depression and anxiety have spiked during lockdown, and embracing a wider social purpose has always been at the heart of the Headspace brand.

As COVID-19 worsened and healthcare workers battled the pandemic on the frontlines, Headspace offered free subscriptions to healthcare professionals. With unemployment rising as a result of the pandemic, Headspace offered the same package

to unemployed people through to the end of 2020. The brand also created a pool of mental wellness resources specifically targeted at educators and workplace managers to use for free during COVID-19.

COVID-19 offered the brand the opportunity to make a tangible difference in the lives of users and grow brand affinity. For its wider user base, Headspace launched a free content series called 'Weathering The Storm' in partnership with Hyatt Hotels, which includes guided meditations, sleep, and movement exercises aimed at relaxation and mental wellbeing.



Source: Headspace



Implication 3

Digital health innovation is booming

The business of healthcare grew rapidly during 2020. Healthcare was the largest category for global ad spend in Q1 2020, accounting for 10.6% of all media investment during the period.

During 2020 people have had to adapt quickly to telemedicine and smart digital and app-based solutions for healthcare. While the technology has been possible for some time, medical practitioners and patients have a steep learning curve in interacting through email, video and other media.

Rather than a focus on video, a significant development has been “asynchronous” medicine – such as messaging, sending in a photo, and collecting data. The key is to meet individual patient needs on an “effortless journey”, which blends physical and digital communication as appropriate.

It's important to take time to get technology right in an area where trust is critical. Dr Harpreet Sood, an NHS doctor and a digital health consultant, cautioned on a recent webinar, “Trust, privacy, security, governance, accountability, all these things matter... We're still in a very, very early stage in the digital healthcare world.” As the changes to healthcare set in for the long term, actively building and maintaining trust will be essential in an area with increasing amounts of sensitive, personal data.

Takeaways

1. **Ensure the technology is accessible for all.** Product design for healthcare should be democratic, so that it can serve the least technical members of a population. Users should be able to access, understand and act on health information or navigate the digital platform smoothly.
2. **Flexibility for individual user needs is key to success.** Healthcare offers lessons for digital strategy in other industries. It is not about the technology's potential, but about meeting users where and how they need it.
3. **Healthcare brands need to focus on privacy and trust.** As healthcare moves online the issue of data privacy will be extremely important. Brand trust is essential to encourage and support users of new apps and systems, and can be achieved by open and authentic communication.

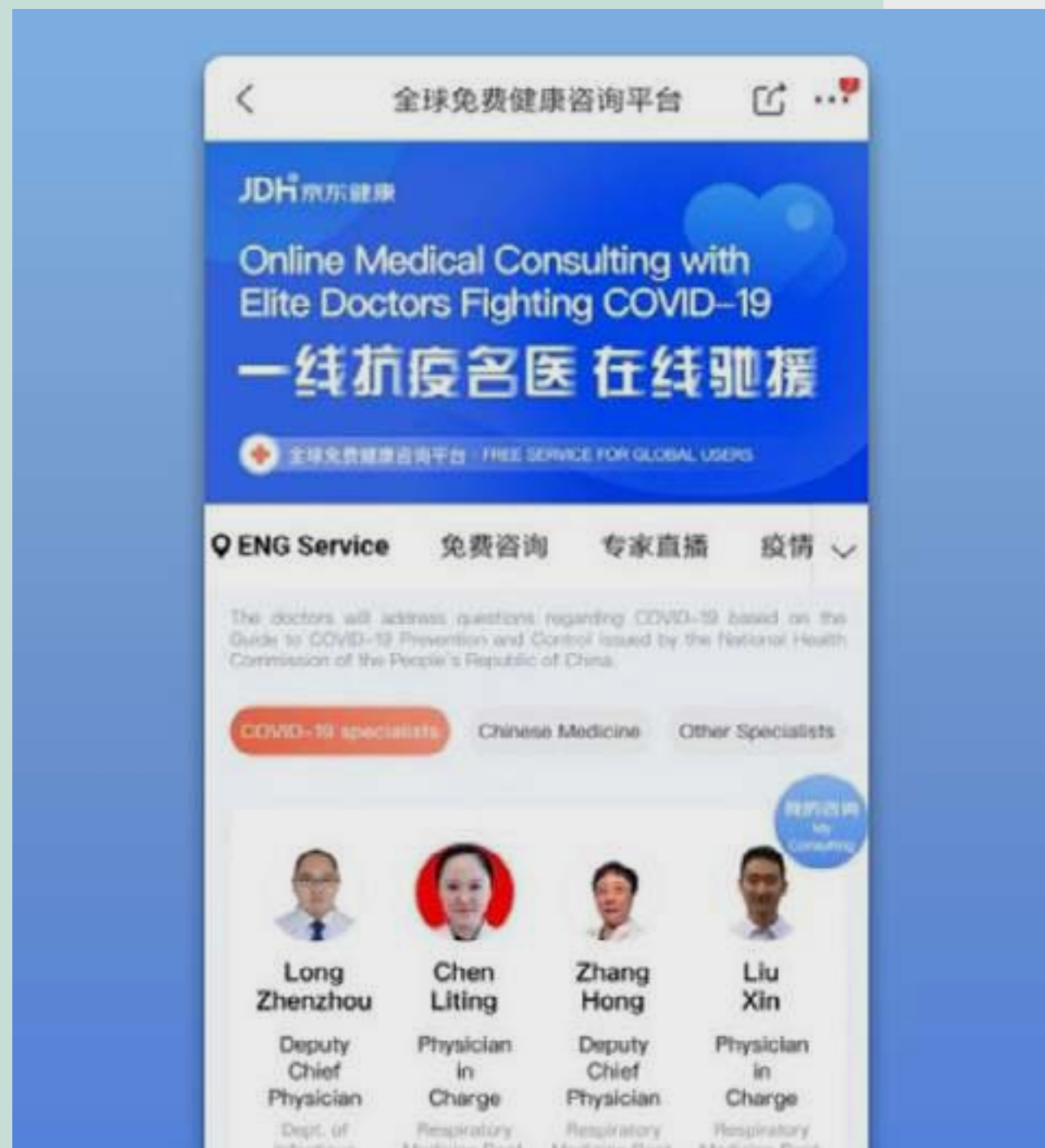
The CMO View

“Chinese companies and consumers have accelerated their use of digital services since COVID started, for example, the number of registered doctors on WeDoctor grew 35x in less than three months since the outbreak at the end of January.”

GILL ZHOU

Chief Marketing Officer – APAC, IBM





Source: JD Health

Case study

JD Health used digital healthcare to promote psychological support

As COVID-19 swept through China, JD Health – which largely focuses on online prescriptions – innovated digital care models and challenged cultural norms around mental health.

JD Health has built a successful digital health business in China, serving more than 5 million consumers. During the pandemic, it launched an online hotline providing free consultation for consumers from qualified healthcare professionals. It created an online manual of key COVID-19 medical information so users felt more safe, and crucially, psychological support.

This psychological support was groundbreaking: Chinese consumers don't tend to 'spill their hearts' to strangers. JD Health then expanded its app-based offering, launching a bilingual global consultation platform in response to the rise of COVID-19 around the world.

The platform is an upgrade of its Chinese-only overseas medical consultation platform, which targets over 60 million Chinese living overseas. During the pandemic period, JD Health's online hospital received over 10 million medical consultations and financial results from the second quarter of 2020 showed 400% YOY growth in online medical consultations.

Implication 4

Fitness, health and beauty go digital

New technology is also reflected in other areas of health and wellness that typically have face-to-face interaction. Downloads of health and wellness apps have exploded during 2020 as people recreate activities they might have done at the gym or spa at home.

WW has pivoted to provide a more comprehensive virtual service during lockdown as in-person meetings were impossible. The WW app includes trainer-led workouts, audio workouts and meditations, and new modules to track water intake and sleep patterns. Brands entering this space need to be mindful that many consumers are downloading fitness apps and buying new fitness equipment for the first time – particularly older consumers who may be less tech and fitness savvy.

Influencers have been a powerful tool for brands during the pandemic, refocusing content to be relevant to consumers stuck at home. Smart brands will choose to partner with authoritative and trusted influencers who can offer insight and guidance to followers.

Technology has also been a path to growth for beauty brands, which are creating apps for consumers to digitally 'test' and buy products from the comfort of home.

Takeaways

1. **Behavioural wellness tech is a huge area of growth.** Interest in and adoption of technology for healthy lifestyles accelerated in 2020, particularly among products specifically designed for women. Although related to the impact of COVID-19 it is anticipated this trend is here to stay.
2. **Apps can foster long-term engagement with customers.** As digital tools enable brands to foster new types of engagement, such as membership programmes, they can be used for building relationships as well as driving commerce.



The CMO View



“Those [fitness brands] that were positioned well before COVID-19 happened have done well – brands that have been on that digital transformation journey, looking into apps or memberships that include (options) outside of their four walls. For players like Les Mills and others in the space who had a digital offering already, it really accelerated that growth.”

ANNA HENWOOD

Chief Marketing Officer, Les Mills

“People are more health conscious or appearing to be more health conscious. I think initially, with COVID, there was kind of an alarm that went off with people: suddenly, health and wellbeing were probably more important than they were previously. The sporting goods industry definitely benefited from that increased focus.”

SIMON PEEL

Senior Director, Global Media, adidas



Expert commentary

How to deliver wellness in 2021


Sarah Owen

Senior Strategist, WGSN Insight

While wellbeing has been a top consumer priority for the last couple of years, the conflation of mental and physical health is emerging as a new focal point. People aren't just trying to cope with the mental toll of the pandemic (stress, anxiety, isolation), they are also deeply concerned about their physical wellbeing. Add in the fear of physical and mental safety concerns for friends, family and colleagues and it's little surprise that wellbeing is a critical consumer sentiment.

This shift is also underscored by the rise of self-care (an \$11bn industry, according to Harvard Business Review), the mood market (products and services designed around emotions) and the continued meteoric success of the wellness market. Brands helping to improve physical and mental wellbeing will have a stronger resonance with consumers in 2021.

1. Immune supporting

With uncertainties over when a coronavirus vaccine might materialise, people are prioritising nutritious food and drink to maintain their immune system. As a result, food companies are rapidly launching or repositioning products with potential immune-support benefits.

2. Hi-tech self-care

With consumers unable to afford visits to doctors, dermatologists and trichologists, and wanting to avoid the perceived risks of hairdressers and salons, many are managing their own wellness and beauty at home. Pinterest reported that searches for "self-care at-home" increased by 332% in April 2020, and brands are innovating with technology to support these new service needs.

3. Active investments

Another beneficiary of the self-care and wellbeing mindset is the home-workout category. As more people focus on improving their overall health, there will be more opportunities to recruit a new wave of customers for active apparel and outdoor-wear, especially via e-commerce.

Brand action points:

- Create products that contain immune-supporting natural ingredients and adaptogens, geared for regular use to maximise benefits
- Develop self-cleaning materials and technologies for the home – these can be applied to products such as cat litter trays or rubbish bins
- Incorporate UV light in products and appliances to disinfect homewares
- Develop apps that provide a more holistic view of health and the ability to fight infection. Apps that give points for wellness-boosting regimes and create an overall immunity score will have a strong appeal
- Create a simplified entry-level active and outdoor-wear offer that is age- and size-inclusive. Those at the older end of Gen X and young Boomers are looking to shed weight and reduce vulnerability to viruses

[Click here to read Sarah's expert commentary in full.](#)



Potential Pitfalls

Paying lip service to wellness.

Brands need to communicate wellness messaging with relevance and authenticity or a similar backlash to purpose-washing could occur.

Taking advantage of increased demand.

Trust is lost if people consider brands are being opportunistic in the face of increased demand and scarcity of health and hygiene products.

Making assumptions about your audience.

Be inclusive for all ages and sizes and appeal to novices. Consumers are increasingly buying with sport or exercise in mind, with the biggest rise being among 55–74 year olds.

Go Deeper

Adapting to the new rules of engagement with consumers is a must to survive COVID-19

COVID-19 highlights a role for functional foods in combatting anxiety

Digital health platforms boom but the pandemic reveals their drawbacks

Digital strategy in healthcare marketing: Admap summary deck

Healthy eating in a post-coronavirus world: A holistic view

How banks can rebuild trust by focusing on consumer financial wellbeing

How WW pivoted to virtual wellness

Investment in health management categories rises in post-pandemic China

Welcome to the “shit show”, or how brands can navigate Q4 2020

What’s working in health and wellness

What we know about health and wellness marketing



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