

March 2024

# CPG Advertising Outlook Report

Key insights on marketing trends that will impact the coming year, with data gathered from leading consumer packaged goods (CPG) marketing industry professionals.





# Introduction

Thank you for reading Mediaocean's 2024 CPG Advertising Outlook Report. These insights reflect input from our customers and partners, focused on key consumer and technology trends along with projected media investments. We primarily surveyed marketers and agencies, with the most recent data points used in this research based on surveys conducted in November 2023.





## Macro ad spend trends reflect CPG industry optimism

In the dynamic world of advertising, understanding broader trends that dictate media spend is crucial for informed decision-making. Our research indicates a wave of optimism sweeping across the CPG industry for 2024.

Marketers are gearing up for an active year, with a substantial majority expressing their intent to either maintain or increase their spending in every channel. The only channels with more respondents indicating they are decreasing investment compared to increasing are Print and TV. Clearly this is a commitment among the CPG advertising community to a diverse mix of media channels, and we've seen a focus on omnichannel execution emerge over the past few years across all industries.

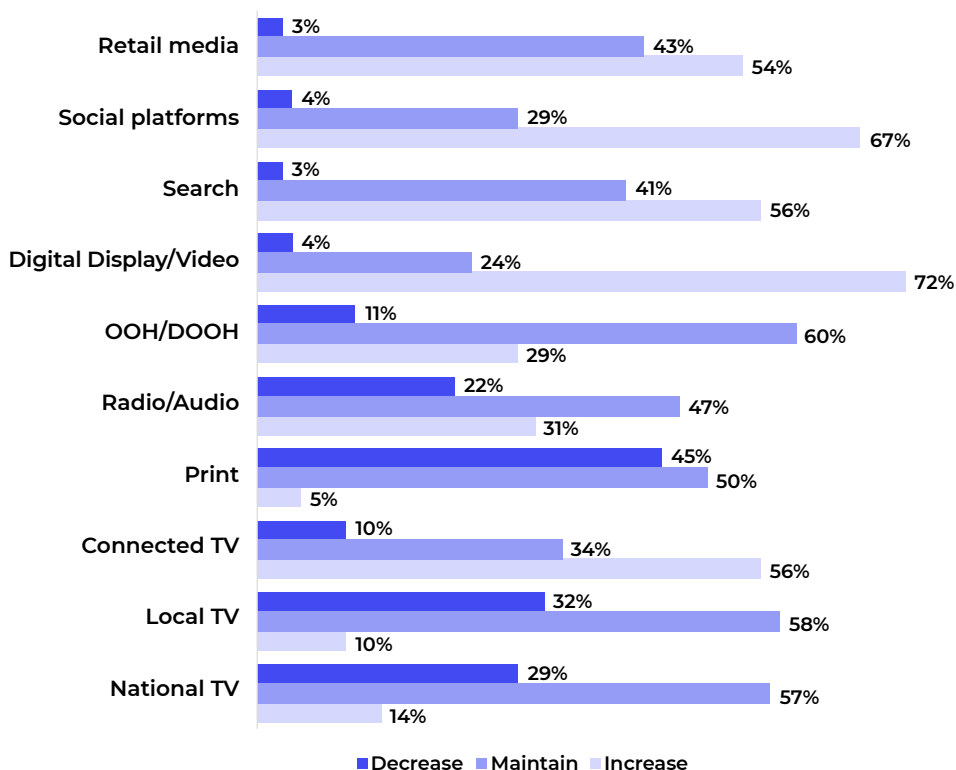
While every channel holds its own significance, certain platforms are poised for exceptional growth. For CPG marketers, digital display/video, social media, and Connected TV (CTV) emerge as the frontrunners, seeing a continued surge in investment that mirrors consumer engagement and time spent.

In 2024, 72% of survey-takers in this sector are planning to increase digital display/video spending, 67% for social media, and 56% for CTV in 2024. Meanwhile, the number of CPG marketers maintaining their investments in these channels are 24%, 29%, and 34%, respectively.



### CPG/FMCG

For each media channel below, do you expect to increase, decrease, or maintain your spend in 2024?



Source: Mediaocean 2024 Market Outlook Report

Methodology: Survey of 118 marketing professionals in the CPG/FMCG industry conducted through TechValidate in November, 2023.



## E-commerce everywhere is the most critical consumer trend

When we asked CPG marketers to rank the most critical consumer technology and media trends, the most popular answer was e-commerce everywhere with 57%. This trend speaks to the impact online shopping has had on the industry. With the rise of digital platforms and the increasing accessibility of the internet, consumers now have the convenience of purchasing products from anywhere at any time. The dominance of e-commerce everywhere signifies the need for CPG marketers to prioritize online channels, optimize their digital presence, and leverage data-driven insights to effectively engage with consumers.

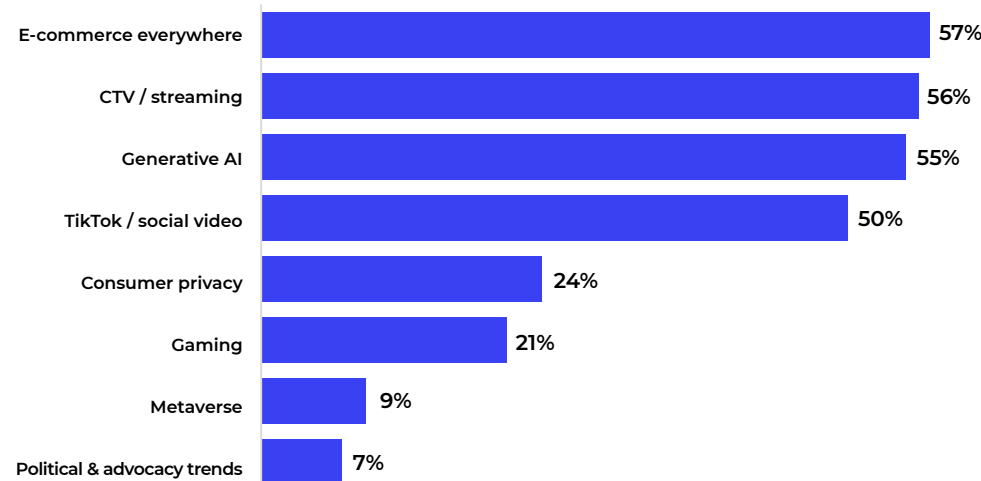
Generative AI wasn't an option in our survey last year as it wasn't on anyone's radar as a top consumer trend. But it was the third-most popular answer in our latest survey, with 55% calling it out. It's clear that the rise of ChatGPT and other apps built on large language models have caught the fancy of marketers and resource allocation has followed. In turn, the focus of companies like Meta that were investing heavily in the Metaverse has shifted to AI.

As we move forward, let's heed the lessons of our survey's journey—a tale of trends, shifts, and the enduring quest for consumer engagement. CTV/streaming is another area of strong growth along with TikTok and social video. The trends portend heavy investment from brands looking to connect with consumers through sight, sound, and motion. And, as for Gen AI, if 2023 was the year it emerged, 2024 will be the year it breaks out.



CPG/FMCG

### What are the most important consumer trends you're watching in 2024?



Source: Mediaocean 2024 Market Outlook Report

Methodology: Survey of 118 marketing professionals in the CPG/FMCG industry conducted through TechValidate in November, 2023.



## Current applications of AI focus on research and analytics over content generation

In our latest survey, data analysis and market research surged to the forefront, claiming 41% and 29% of the responses for AI use cases, while copywriting and image generation landed at 25% and 12% respectively.

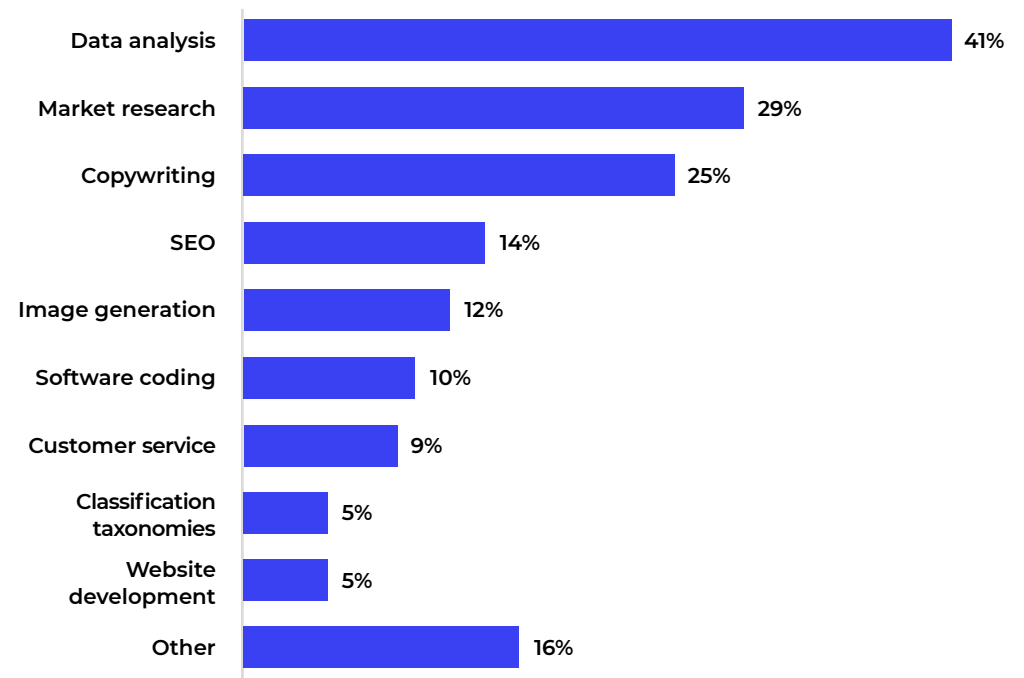
AI, despite its prowess, struggles with understanding context and tone, impacting the quality of generated content. Instances of misinterpreted context, inappropriate tone, or cultural insensitivity underscore the limitations for advertising. Further, the output of AI-generated content also lacks the nuanced creativity and emotional depth characteristic of human-created content.

The journey to bridge the AI divide has begun, and the destination holds the promise of more accurate, context-aware, and creatively rich AI-generated content. Meanwhile, use cases for research and analytics have emerged as critical components of brand playbooks, enabling marketers to quickly synthesize information and ascertain insights.



CPG/FMCG

### How are you currently using Generative AI in your marketing?



Source: MediaOcean 2024 Market Outlook Report

Methodology: Survey of 118 marketing professionals in the CPG/FMCG industry conducted through TechValidate in November, 2023.



## Performance marketing, measurement, and attribution take priority as concerns grow over a cookieless future

Performance-driven paid media continues to hold its ground as the most critical investment for all industries, and 62% of CPG respondents cited it here. However, brand advertising remains a core function with 45% citing it. It's clear that a full-funnel approach to marketing is the path forward for CPG brands.

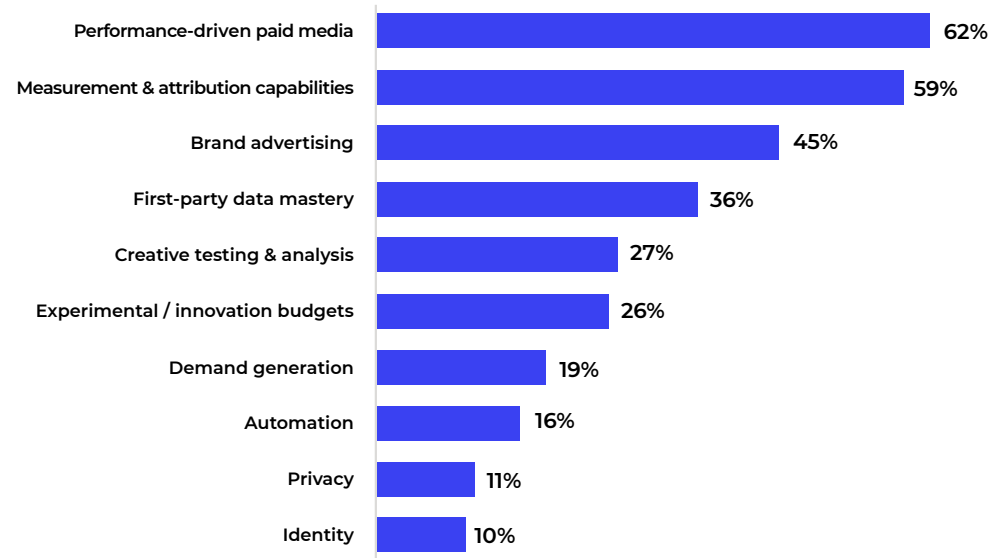
In October 2022, our research showed that 41% of all respondents considered measurement & attribution a critical area of investment. By May 2023, this figure had risen to 52%, and in our most recent survey, 59% of CPG marketers now view measurement & attribution as an indispensable component of their advertising capabilities and media investments.

This is of particular concern in the world of cookie deprecation. Cookies have long been the source of truth for data-driven advertising. They've been what's made addressable digital media a reality. But without access to them, entire population segments become invisible to publishers and advertisers alike. As marketers plan for this change, it's critical to evaluate and test new measurement methodologies and be prepared to implement alternative solutions.



CPG/FMCG

Given current macroeconomic conditions, which advertising capabilities and media investments are most critical?



Source: MediaOcean 2024 Market Outlook Report

Methodology: Survey of 118 marketing professionals in the CPG/FMCG industry conducted through TechValidate in November, 2023.





## The creative-media gap persists for CPG marketers

In our research, 94% of CPG respondents said they did not have fully synchronized media and creative processes and technologies. This aligns with a separate September 2023 survey in which 85% reported a gap between creative and media execution.

This “creative-media” gap is caused by our industry over-indexing on media at the expense of creative, and its impact is enormous—especially in a world where consumers respond to and reward customized experiences. Solving this gap represents the largest growth opportunity for brands.

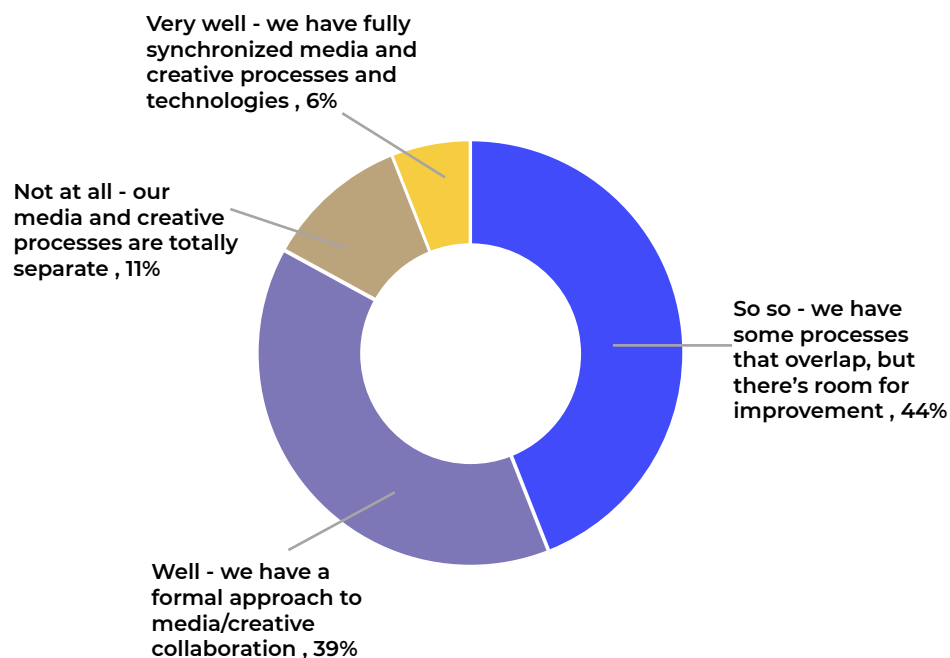
Today’s creative-media gap manifests itself in three distinct ways. First, siloed teams, process, and technology, creating inefficiencies with escalating costs and slow go-to-market. Second, repetitive and irrelevant messaging, numbing consumers and reducing their responsiveness. Third, the lack of creative intelligence, creating hurdles in learning what content resonates.

Addressing these gaps requires the implementation of independent ad tech platforms specifically designed for enhancing creative relevance and activation across diverse digital marketing channels. Essential to this solution are tools dedicated to providing a unified, omnichannel workflow supported by a consistent toolkit.



CPG/FMCG

### How well synchronized are your media and creative efforts?



Source: Mediaocean 2024 Market Outlook Report

Methodology: Survey of 118 marketing professionals in the CPG/FMCG industry conducted through TechValidate in November, 2023.

# Conclusion

2024 is shaping up to be a year of innovation and creativity for CPG marketers.

Despite macroeconomic headwinds holding over from 2023, optimism pervades the advertising industry. Marketers are gearing up for an active year, expressing their intent to maintain or increase spending in nearly every media channel.

E-commerce everywhere was ranked the most critical consumer trend, a reminder for the CPG industry to focus on omnichannel solutions. Generative AI, particularly ChatGPT, has captured everyone's attention, leading to a shift in focus and resource allocation. 2024 promises to be the year that AI moves from speculative use cases to practical, day-to-day applications—particularly in the areas of data analysis and market research.

The importance of measurement and attribution capabilities in advertising investments has steadily increased, with CPG marketers considering it indispensable as part of a full-funnel approach to advertising. Concerns arise regarding the decline in measuring campaign effectiveness on tech platforms and the open web, highlighting the need for innovative solutions and advanced analytics. As the industry prepares for a cookieless future, marketers are urged to evaluate and test available measurement solutions to adapt before market forces dictate their actions.

From an operational standpoint, a prevalent gap between creative and media execution persists, negatively impacting team workflow, messaging relevance, and market intelligence. Solving this gap emerges as the largest growth opportunity for brands in a year that will be marked by data deprecation, antitrust regulation, and privacy protection. This sets the stage for adoption of Creative Ad Tech, benefiting all stakeholders in the upcoming year.

## Methodology

This survey was conducted via TechValidate in November 2023 and contains data gathered from 118 leading CPG marketing industry professionals.





## About Mediaocean

Mediaocean is powering the future of the advertising ecosystem with technology that empowers brands and agencies to deliver impactful omnichannel marketing experiences. With over \$200 billion in annualized ad spend running through its software products, Mediaocean deploys AI and automation to optimize investments and outcomes. The company's advertising infrastructure and ad tech tools are used by more than 100,000 people across the globe. Mediaocean owns and operates Prisma, the industry's trusted system of record for media management and finance, Flashtalking, the world's largest independent ad server and creative personalization platform, as well as Protected Media, the MRC-accredited ad verification solution for brand safety and fraud detection. Visit [www.mediaocean.com](http://www.mediaocean.com) for more information.



## About Flashtalking

Flashtalking unleashes the power of creative to make media work better. As the leading independent ad tech platform for personalization and intelligence across marketing channels, Flashtalking bridges the gap between creative and media. Flashtalking's solutions operate at scale across CTV, Video, Display, Social, Native, Audio, and Retail Media, and integrate with existing technology stacks to optimize campaigns through DSPs, DAMs, ad servers, verification providers, measurement tools, and more. As part of Mediaocean, Flashtalking is tied into the ad industry's core system of record for planning, buying, and billing. Visit [www.flashtalking.com](http://www.flashtalking.com) for more information.

