

TRENDS 2024

BUILDING

BRAND

DEVOTION



JANUARY 2024



2024 is here. Are you ready?

Like you, we're always aiming to be ready for whatever's next. We stay nimble and adjust to meet the needs of our world-class clients so they can meet the always-changing expectations of their consumers.

Here are the top trends we expect will shape brand loyalty and engagement marketing in the coming year.

- 1 **Leaning into the wow factor pays off**
- 2 **AI accelerates marketing innovation—keep up!**
- 3 **Consumers love brands with a wraparound experience**
- 4 **Brands that really listen earn consumer respect**
- 5 **Cookies are so last year**





TREND 1

Leaning into the wow factor pays off

Today's world is hurtling forward at warp speed, and consumers are looking for diversion, distraction, and thrills.

88%

of buyers say experience matters as much as a company's products or services¹

61.4%

of responders in wow experience research chose to share a positive experience versus a negative one²

- Consumers crave new methods of engagement to bolster traditional communication channels such as direct mail, email, and SMS.
- Brands that find creative—even unusual and surprising—ways to engage will win the constant fight for attention in a landscape saturated with digital messaging.
- Meet the growing appetite for the wow factor with creative promotional strategies—leveraging pop culture and/or offering unique, once-in-a-lifetime rewards for behavior.

¹Salesforce News, "Salesforce Report: Nearly 90% of Buyers Say Experience a Company Provides Matters as Much as Products or Services."

<https://www.salesforce.com/news/stories/customer-engagement-research/>.

²Belding Group of Companies, "The Science of WOW: A Study in Creating Viral Customer Experience." 2018.

<https://beldingtraining.com/wp-content/uploads/The-science-of-wow-package.pdf>.

OUR POV

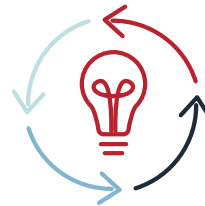
With post-pandemic behaviors settling into routine, brands must adapt their engagement playbooks to prioritize building brand devotion.

While customer data will continue to anchor activations, marketers must push the boundaries to maximize new windows of brand-boosting opportunities.

Consider these thought starters:



Identify critical moments of customer need and then find brand-specific ways to deliver on them.



Get innovative, think differently, design newer and more personalized engagement strategies.



Find new ways to foster brand-led enthusiasm, connecting brand attributes with customer passion points and values.

LEADING THE WAY:



Connect in authentic ways that bring people closer to your brand.

Influencer and comedian Elyse Myers leveraged her viral successes of 2021 into a creator career based on sharing her dating stories and her struggles with mental health.

Audiobook leader Audible initiated a partnership with Myers after her unsolicited raves about how audiobooks helped her mitigate some of the challenges of dyslexia.

Partnering with brand enthusiasts helps organically reach audiences who share their affinities—often through nonmarketing media consumption.



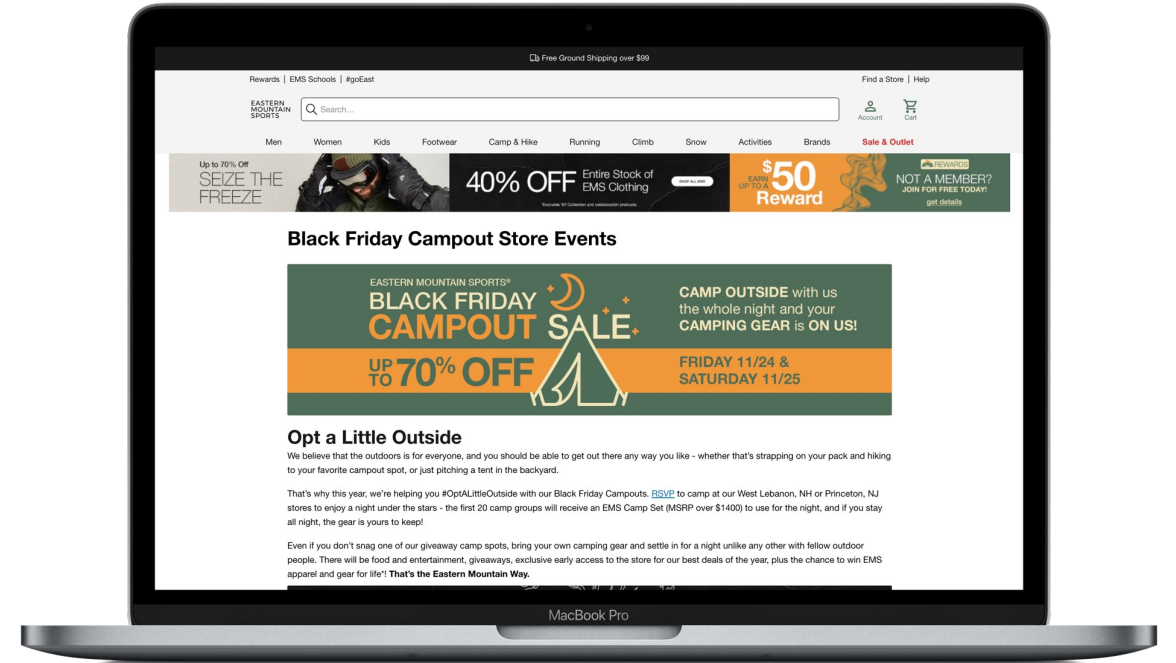
LEADING THE WAY:



Find novel ways to highlight your brand's strengths.

In November, outdoor retailer Eastern Mountain Sports (EMS) launched what it plans will be an annual event: the Black Friday Parking Lot Campout. More than 200 campers showed up to its stores in Princeton, NJ, and West Lebanon, NH. The first 20 groups to arrive and camp there overnight were given a \$1,200 camping package that included a tent, sleeping bags, camp chairs, and other gear.

The event was one part of a broader marketing effort to position EMS as a foil to what they perceive as elitism in other outdoor brands. The message: Camping is for everyone, and we offer quality, affordable gear that you can use anywhere, anytime.



Novel events that highlight and deliver on your brand ideals can earn attention and respect.

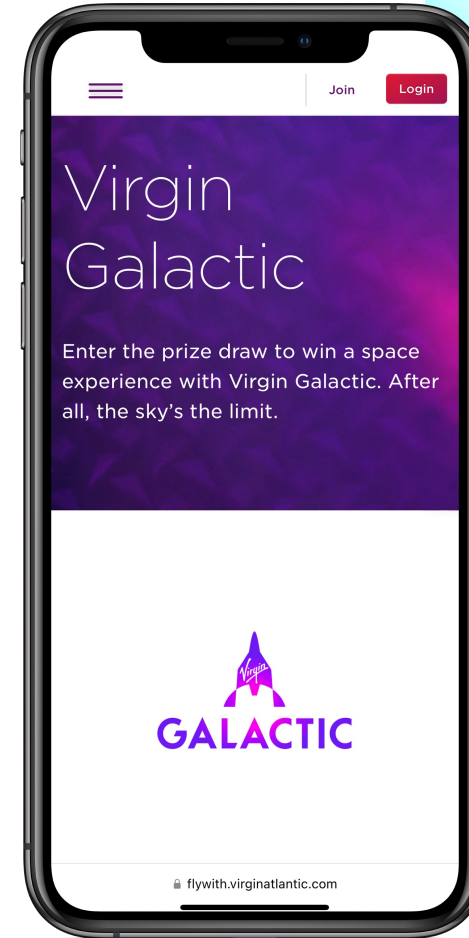


Go over the top to supercharge enthusiasm and attention.

Global airline Virgin Atlantic decided to go big by offering adventure junkies and space fanatics a chance at an extraordinary experience. Members of Flying Club, its loyalty program, who've earned two million miles can use them to enter a drawing to win a trip to space with Virgin Galactic.

The three-day experience includes flight-preparation training and a two-hour space flight, with the promise of at least five minutes of weightlessness.

Most members won't experience an over-the-top reward like space flight, but its highly memorable novelty will build brand affection.



OUR ADVICE

Rise above the sea of sameness in our marketing-saturated world, and find ways to disrupt, or at least embellish, standard marketing practices:

Cultivate brand champions.

Today's marketplace demands brands emphasize influence over advertising. One way to expand beyond owned and paid formats is by building relationships with content creators who hold the attention of your customers. Another is to encourage consumers to go public with their brand love by posting social content and telling family and friends.

Continuously enhance your personalization approach—especially micro moments of engagement—which generate deep customer insights that help deliver that wow moment.

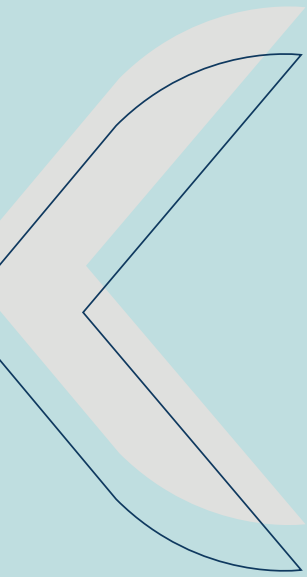
Determine what customer data can be leveraged (e.g., online viewing, purchase behavior, social sharing, and brand community involvement) to innovate and deliver surprise and delight moments like member status or tier bumps in a loyalty program, invitations to relevant, exclusive events, online community recognition, etc.

Expand and redefine the moments that matter.

Find additional triggers (e.g., price drops and product availability) that tempt back formerly engaged members. Look for insights into rational and emotional needs of consumers in those moments.

Start experimenting with additional channels for your addressable ecosystem.

Move beyond traditional CRM-based channels like email; include upper-funnel channels, such as display ads and paid social, to stay in touch with your customers.



TREND 2

AI accelerates marketing innovation—keep up!

Generative artificial intelligence (AI) interfaces like ChatGPT have energized interest in and adoption of generative and predictive AI.

88%

of marketers believe their organization must increase use of predictive AI to stay competitive¹

AI market is projected to reach

\$407B

by 2027—substantial growth from \$86.9B in 2022²

- Predictive AI laid the foundation for AI adoption by brands, and its use will grow exponentially alongside the use of generative AI.
- It's important to keep in mind that a number of legal issues surrounding AI technologies remain unresolved. Tech companies and government agencies agree on the need to establish best practices and AI oversight.

¹Intuit MailChimp, "The Future of Marketing AI Isn't Added On—It's Built In." <https://mailchimp.com/resources/marketing-ai-report/>.

²Katherine Haan, "24 Top AI Statistics and Trends in 2024." <https://www.forbes.com/advisor/business/ai-statistics/>.

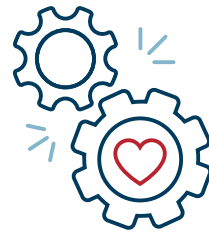
OUR POV

Get involved now. Predictive AI has been around for years, but many marketers haven't fully embraced its potential to assist with tasks like product recommendations or deeper personalization. Everyone is still trying to figure out all the ways to use generative AI, but despite those unknowns, the potential of creating new and original content is driving a lot of excitement.

Consider these thought starters:



Make use of AI to meet your customers' desire for personalized and efficient experiences.



Test the waters. AI is developing rapidly, so stay flexible as you experiment with how to use it.



Commit to using AI responsibly. Develop a framework to ensure fairness, transparency, safety, and privacy in your AI projects.

LEADING THE WAY:



Make tasks easier for your consumers by using AI.

Grocery retailer Whole Foods launched its first Just Walk Out stores in 2022 and expanded the initiative in 2023. The cashier-less shopping experience uses AI technology to scan items added in the cart and processes payment on departure.

Then individual shopping preferences are translated into actionable data points to optimize future shopping experiences. AI data modeling fuels personalization of in-app messaging and promotional offers for each shopper with recommendations for upcoming shopping trips.



AI can take personalization to new heights, allowing brands to build emotional connections with customers by streamlining a regular chore.

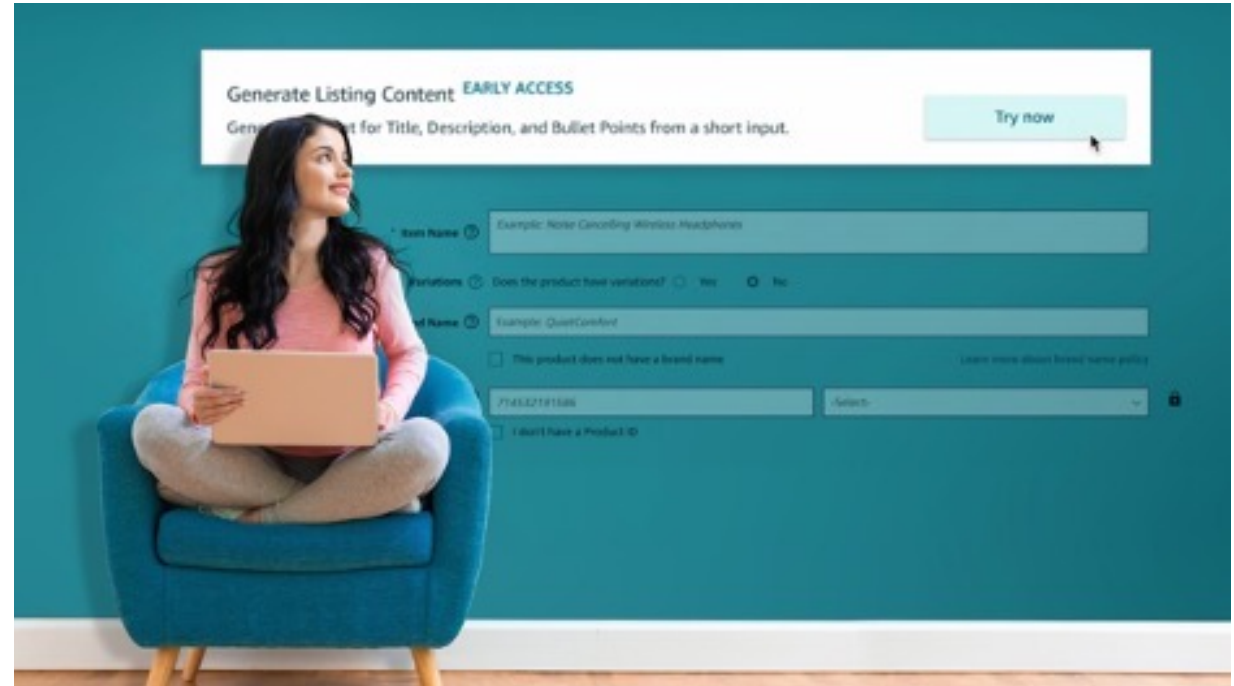
LEADING THE WAY:



Accelerate personalization by harnessing the potential of AI.

Amazon recently launched an image-generation tool that uses generative AI to create a set of lifestyle images for advertisers to use with their products.

The tool allows advertisers to quickly create new images for specific campaigns or test a variety of images to determine their effectiveness.*



New use cases for generative AI are coming every day. Marketers that get on board early could gain a competitive advantage.

*Amazon Ads, "Amazon Ads introduces AI-powered image generation to help brands produce richer creative." <https://advertising.amazon.com/blog/ai-image-generation>.

OUR ADVICE

Excitement generated by tools like ChatGPT is driving interest and adoption in all aspects of AI. If you aren't already implementing AI solutions, now is the time to start:

Get your teams up to speed on AI.

Ensure your people understand the basics of how AI can improve your business. Most have had some exposure to AI, but many people still don't know how to apply it to common business challenges. Building your teams' AI knowledge will open opportunities for practical applications of AI.

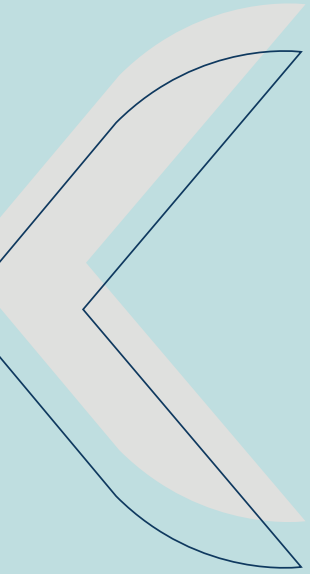
Start experimenting to gain experience with AI.

Identify some key business challenges your team feels can be addressed through AI and try them out. Starting small will give your teams the experience they need to consider larger AI initiatives and will help identify true business value.

Prioritize responsible use of AI.

Invest resources to build a team to define your organization's compliance process for the use of AI. This goes beyond the copyright issues we see in the headlines to address important topics such as fairness, transparency, safety, and security.





TREND 3

Consumers love brands with a wraparound experience

Brand partnership ecosystems create a synergy that strengthens brand loyalty.

71%

of consumers enjoy when multiple brands come together to offer a unique product¹

81%

say they are more likely to buy from brands whose values align with their own²

- **Savvy brands are teaming up to create an ecosystem**—i.e., a comprehensive, connected group of products, services, and experiences—that reflects what they stand for, e.g., wellness, adventure travel, mobility, or empowerment.
- **When thoughtfully curated and well executed**, these ecosystems have the potential to expand brand reach, acquire like-minded new audiences, and help consumers have a streamlined yet comprehensive experience.
- **Brand partnerships can foster exclusive, in-demand products and services**—and even offer loyalty benefit multipliers—that deliver a uniquely positioned value proposition.

¹Visual Objects, “4 Essentials for Co-Branding.” <https://visualobjects.com/digital-marketing/blog/cobranding>.

²Amazon Ads, “2023 Higher Impact: The Power of Purpose-Driven Brands.” <https://advertising.amazon.com/library/guides/2023-higher-impact-power-of-purpose-driven-brands>.

OUR POV

Brands that leverage the power of partnership ecosystems create more shared value for consumers—and their shareholders.

Don't let the idea of creating a consortium of partners overwhelm you.

Here are some thought starters to help you explore a partnership ecosystem for your brand:



Start by creating a foundational framework that maps out your vision and guides future work. All successful ecosystems begin with this simple step.



Identify brands with products, services, and values that resonate with your brand offerings.



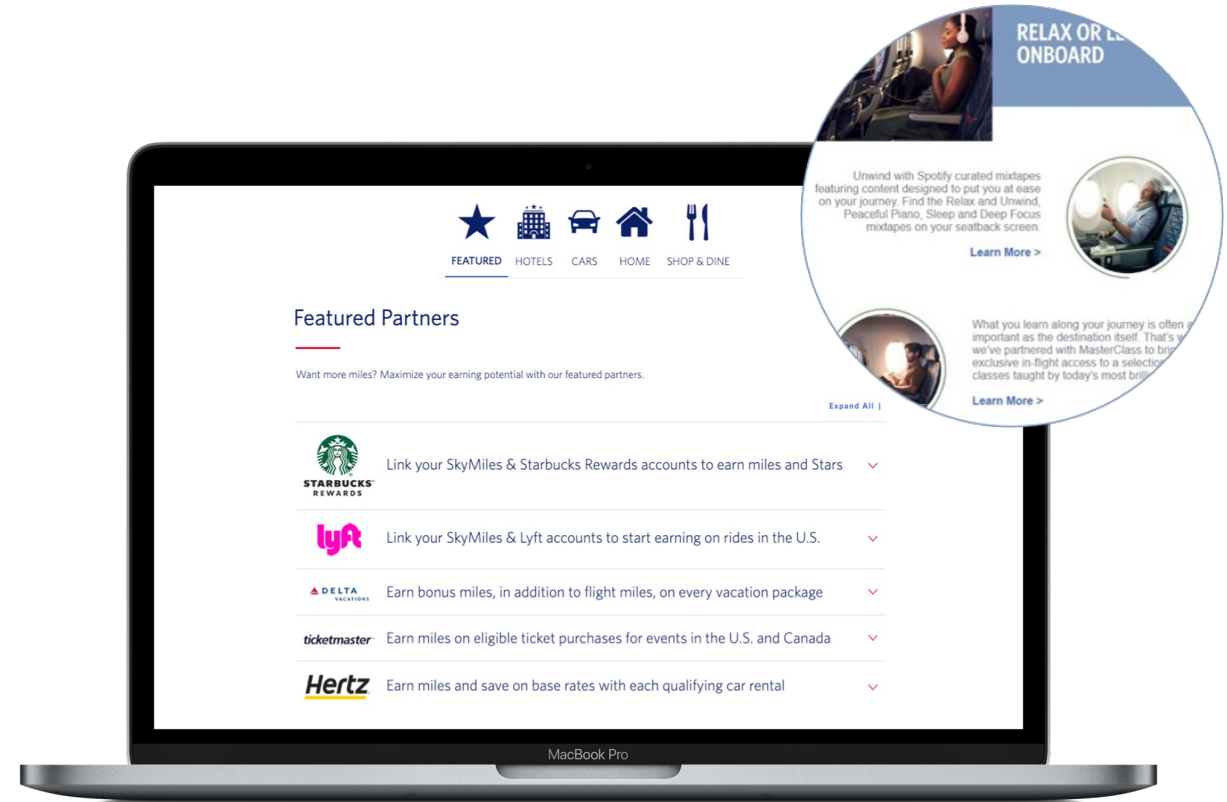
Consider the value proposition for your brand and your potential partners. Successful partnerships are a win-win.



Curate the ultimate customer experience by creating a group of partners.

Delta’s partnership ecosystem includes integrated loyalty partners along the travel journey—i.e., partners in lodging, mobility, and other areas—that include Lyft, Hertz, Airbnb, Turo, and even lifestyle brands such as Starbucks and Ticketmaster.

Promising to “elevate the travel journey like never before,” its newest partner ecosystem, Delta Sync, delivers a personalized in-flight experience. SkyMiles members can access fast and free Wi-Fi, courtesy of T-Mobile—plus a highly anticipated customizable in-flight seatback screen interface. Delta Studio further enhances the offerings with entertainment from Paramount+, HBO, Spotify, MasterClass, New York Times Games, and more.



A well-designed, multilayered partnership can help your brand keep consumers coming back and set new industry standards.

LEADING THE WAY:



Build brand devotion through strategic partnerships that advance your brand's holistic purpose.

Brand legend Nike partners with Strava, an online fitness tracking and social platform, to offer Nike Run Club and Nike Training Club members features that help them track their progress, remain committed to their fitness goals, and unlock exclusive Nike offers.

In a breakout move that extends Nike's brand reach into entertainment, Nike Training Club content is now available to stream on Netflix, catering to all fitness levels with minimal to no equipment required.

Nike Studios, the brand's new in-person concept, will complement these successful virtual offerings. Some Nike sites in California will offer physical training studios and host fitness-connected events.

Also, Nike is strategically growing its distribution channels with loyalty partners—so far Dick's Sporting Goods and Hibbett. After linking accounts, members receive personalized content, exclusive benefits, first access to new products, and more.



Nike's singular focus on its fitness community powers a diverse partnership ecosystem that increases consumer engagement between brand transactions.

OUR ADVICE

Brands that leverage the power of partnership ecosystems naturally create more shared value for both consumers and their shareholders. Don't let the idea of creating one overwhelm and stop you from making progress. Start by creating a foundational framework that maps out your vision and guides future work. All successful ecosystems begin with this simple step.

Identify the gaps.

Locate where your brand could improve—customer pain points—and identify customer aspirations that will deliver unique and surprising thrills. The right partners can support digital engagement, customer experience, targeted acquisition, and other important objectives. Clearly articulating your goals will help define a strong partnership strategy.

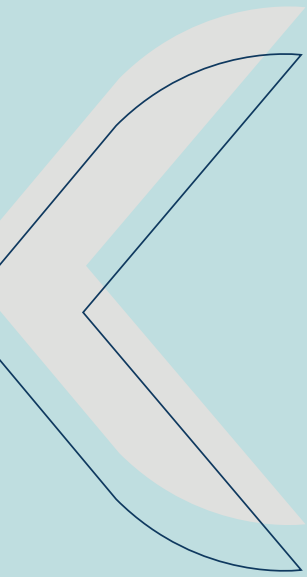
Leverage data and prioritize innovation.

Do your research—access customer, demographic, psychographic, and industry data to test your partnership ecosystem ideas. Seek inspiration from outside your industry and strategize innovative approaches that might meet your customer needs in new ways. Collaborating with leaders in related industries can bring added value and net measurable results.

Align to values.

Consumers will celebrate, share, and even evangelize when two or more respected brands join in a shared purpose. Where are your brand's natural opportunities to facilitate authentic, synergistic connections?





TREND 4

Brands that really listen earn
consumer respect

Consumers expect companies to live up to their brand promise—and authentically own their missteps when they don't.

70%

of consumers believe it's important for brands to take a public stand on social and political issues¹

87%

of Gen Z and millennial consumers agree that if a brand does something offensive, they should be held accountable²

- More than ever, brands deeply fear being canceled because of strategic or tactical errors. And deeply engaged consumers are ready and willing to hold brands accountable for their actions. However, in a recent survey, 70% of younger consumers believe their collective backlash is to improve a brand, not cancel it forever. And our 2022 survey, which showed that half of respondents—global, brand-engaged consumers—report that brand values, reputation, and actions influence their purchasing decisions.³
- Authentic, public apology statements or interviews are the most successful ways to reach younger generations in a brand's effort to mitigate the impact, followed by an explanation of why and how the brand will never allow the offensive actions to happen again.

¹Sprout Social, "#BrandsGetReal: Brands Creating Change in the Conscious Consumer Era." <https://sproutsocial.com/insights/data/brands-creating-change/>.

²YPulse, "Will Young Consumers Forgive a Canceled Brand?" <https://www.linkedin.com/pulse/young-consumers-forgive-canceled-brand-ypulse/>.

³The Lacek Group and Sitecore, "The Changing Look of Loyalty." <https://thinking.lacek.com/blog/2022/4/7/changing-look-of-loyalty>.

OUR POV

In today's market, adhering to brand commitments isn't optional. Companies need to operate transparently and communicate effectively. When missteps create misalignment to those commitments, brands should lead with authenticity and empathy to remedy the situation.

Otherwise, they run the risk of alienating consumers, particularly influential Gen Z consumers, who account for 40% of global consumers. Gen Zers want to transact with brands working to improve the planet, eradicate bias and social stigmas, and celebrate individuality and diversity.¹



Make sure your brand clearly articulates its values, and that its practices and actions align with them.



Safeguard your brand's perception among consumers if a misstep occurs by acting quickly to take responsibility, offering an authentic apology, and creating a plan to address the problem.



Prioritize relationships over transactions. Keep finding ways to build and maintain trust, amplify shared values, and encourage advocacy.²

¹Montanna Cervenka, "Gen Z Transforms Loyalty." <https://thinking.lacek.com/blog/2022/10/25/generationally-speaking-gen-z-transforms-loyalty>.

²Amy Farshat and Jasmin King, "For Brands, Perception Is Reality." <https://thinking.lacek.com/blog/2023/9/26/for-brands-perception-is-reality>.



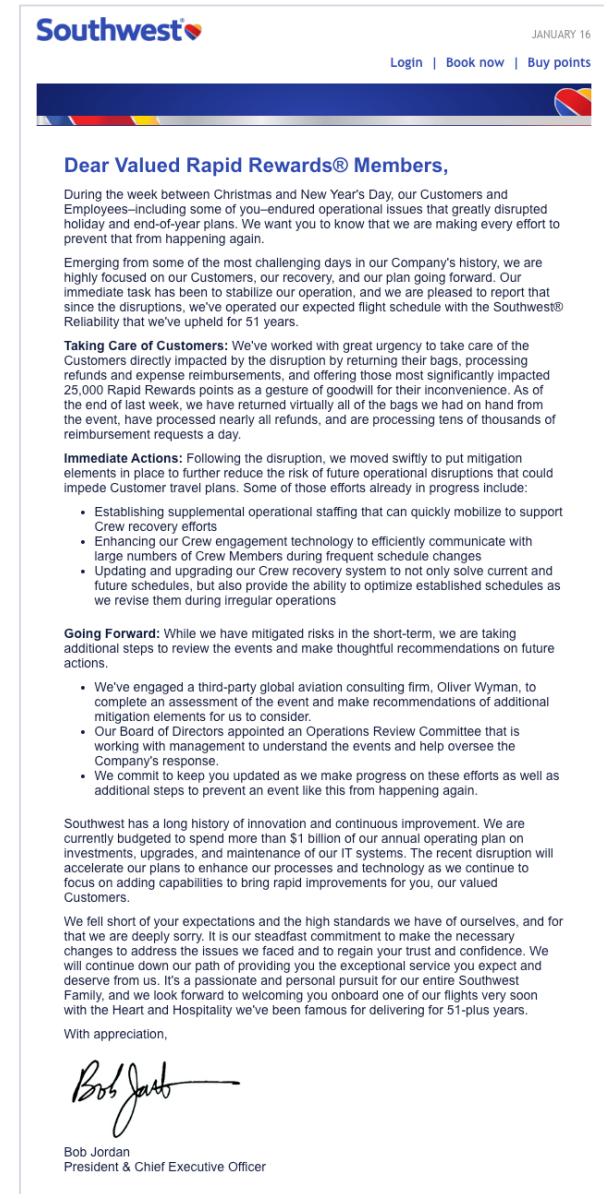
Own up to your brand's missteps quickly and authentically.

Southwest Airlines canceled thousands of flights over an 11-day period during the 2022 holiday season. Frustrated and disappointed passengers were left stranded (some for days) in airports across the country.

Southwest's CEO Robert Jordan issued a timely apology and offered various types of recompense. Ticketed passengers whose flights were canceled in that period were eligible to receive 25,000 frequent-flyer miles (without an expiration or blackout dates). Southwest also offered refunds, reimbursements, and travel vouchers to many.

Your brand's reputation is vital currency, so make sure to safeguard it by responding to challenges in transparent and empathetic ways.

TREND 4: Brands that really listen earn consumer respect





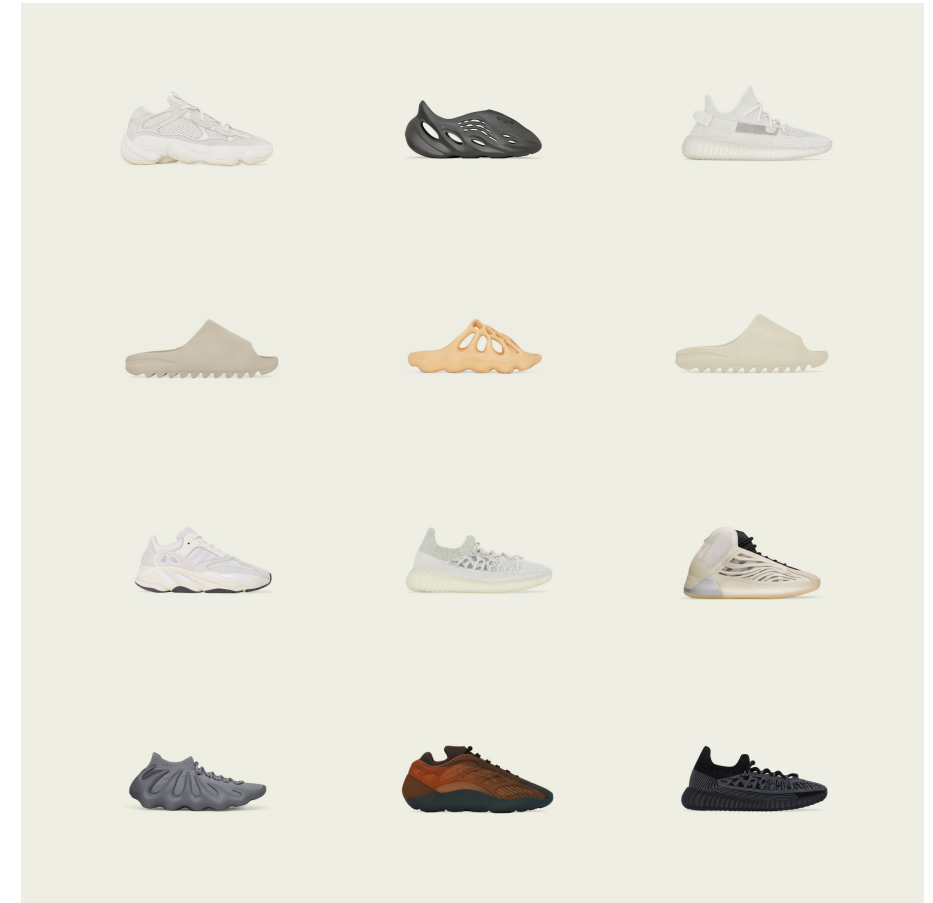
Repairing a brand's reputation can be painful, but it's worth the effort.

In Q4 2022, Adidas severed its partnership with Ye, formerly known as Kanye West, amid public outcry after a slew of anti-Semitic comments in his social media posts. The company issued a public statement decrying the posts and announcing its separation from the celebrity, a move many consumers and shareholders felt was overdue.

The brand took several months to reach a decision about the unsold partner-branded inventory. In consultation with key stakeholders in the Jewish community, they sold the remaining inventory and donated the proceeds to charity in 2023.

Adidas faced significant financial loss at the end of 2022 and is currently rebuilding. Its concerted efforts are showing positive signs for 2024–25.

Recovering from large-scale errors in the marketplace takes time and patience, but doing the right thing at the right time will pay off in the long run.



OUR ADVICE

Today, transparency and authenticity are necessities, not embellishments. They're crucial to winning and keeping loyal customers.

Articulate and live up to your brand promise.

Establish a set of values and share them with your customers. Consumers can spot a brand that touts high-minded ideals but fails to deliver. Use your brand values as a guiding force when making decisions, setting priorities, and establishing policies.

Take a stand on critical issues.

Gone are the days when brands could remain silent on political and social issues. Consumers now expect brands to respond to major events, and they notice the ones that don't.

Build trust by remaining steadfast to your commitments.

Devoted customers want to participate in a two-way relationship with their favorite brands. Deepen loyalty by operating in a transparent fashion, own your mistakes when you've made them, and lead with authenticity when implementing mitigation strategies.



TREND 5

Cookies are so last year

Zero- and first-party data will become increasingly important in 2024 as third-party cookies fade into the sunset and as customers manage data-privacy anxieties.

By the end of

2024

Google will remove third-party cookies (for real this time)

The personal data of

75%

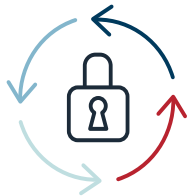
of the world's population will be covered under modern privacy regulations by 2024

- More consumers are opting out of site tracking and employing ad blocking. These trends, combined with tightening data-privacy regulations, are barriers to identity-focused marketing.
- Consumer demand for corporate transparency in data usage will continue to grow.
- Brands must follow through on their promise to deliver value in exchange for customers' personal data.

OUR POV

Get ready for the retirement of third-party internet cookies as global regulations take effect and technology companies (e.g., Google) are phasing out that capability from their browsers. Without third-party tracking data, marketers will rely heavily on zero- and first-party data—i.e., data voluntarily shared by consumers and data gleaned through direct consumer transactions.

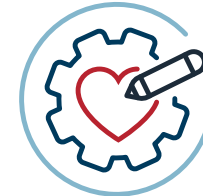
Consider these thought starters:



Ensure data transparency by examining, redefining, and sharing updated data practices with consumers. Then deliver on your promises.



Leverage other ways to gather relevant, timely, accurate data for personalization. Engagement marketing and loyalty strategies can go a long way to fill the gap.



Structure customer experiences with an eye toward data. Collecting freely given information about behaviors, interests, and preferences provides insights—and, when deployed as promised, can strengthen emotional ties to your brand.

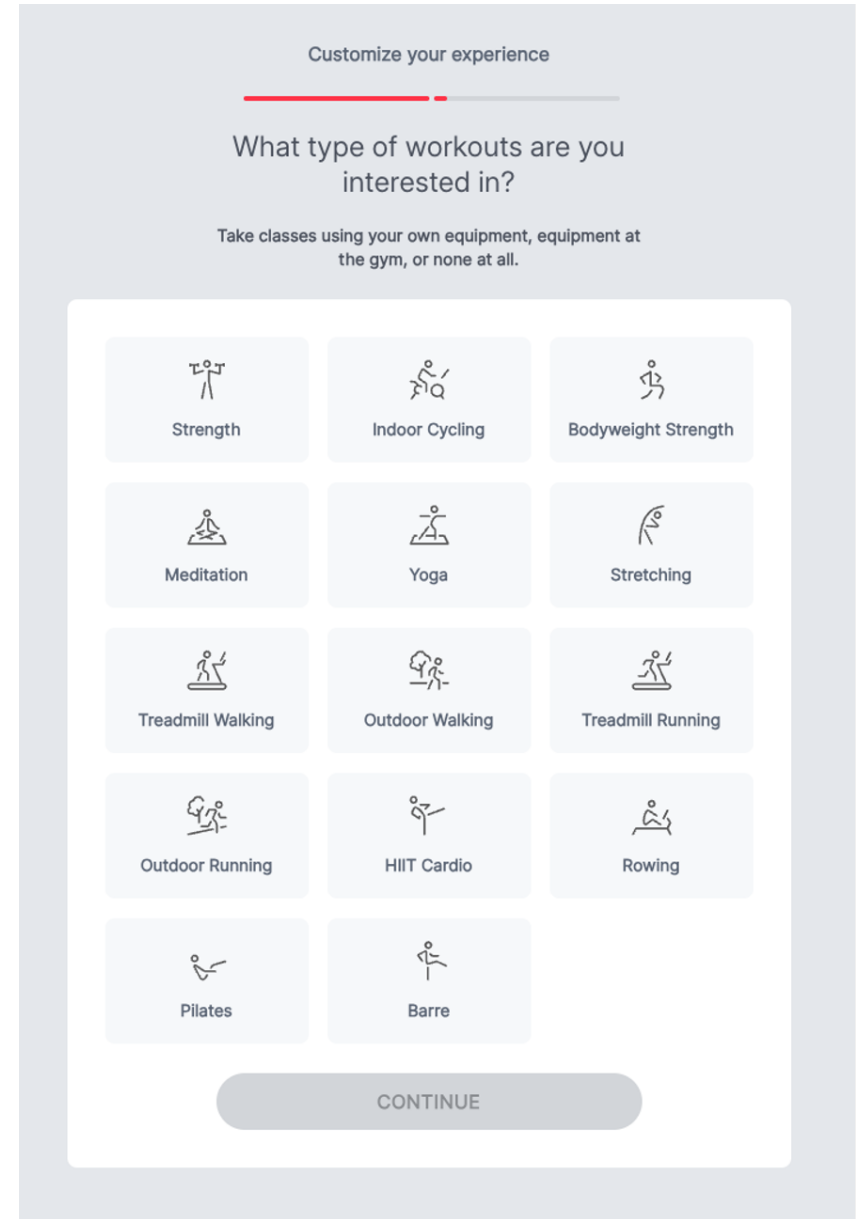
LEADING THE WAY:



Find ways to gather useful, voluntary data from your target audience.

Peloton collects fitness interests as part of its account setup, which helps the wellness juggernaut tailor content and classes to support a personalized experience with its high-end, interactive equipment and streaming classes. The zero-party data (i.e., freely given personal preferences) helps tailor workouts and fitness content, and it lets marketers more precisely target messaging and offers.

Designing data requests that are transparent about why you're asking for information and how you'll use it instills confidence and builds trust with your customers.



TREND 5: Cookies are so last year

SEPHORA

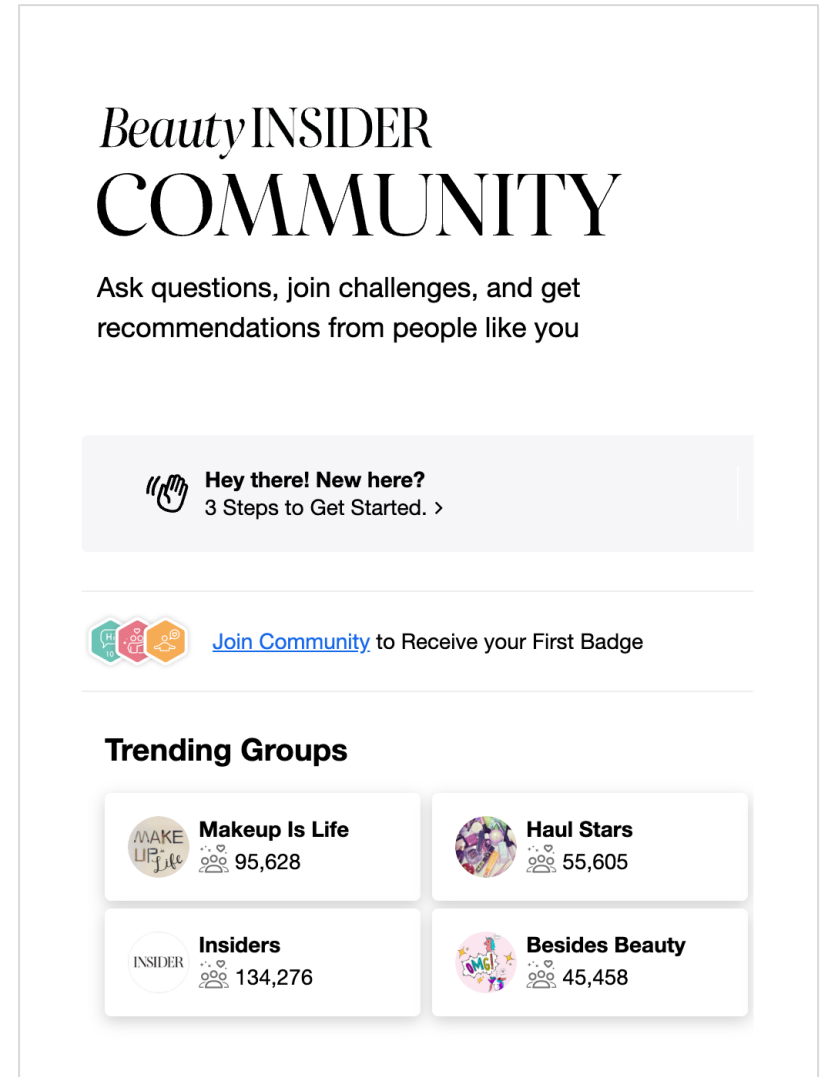
Personalization done right can deliver memorably valuable purchasing experiences.

Sephora continuously collects zero-party data through its popular loyalty program, Beauty Insider, which boasts an exceptionally engaged membership. In exchange, the member community receives a highly personalized experience and increased value.

Sephora leverages personal insights to make product recommendations specifically for each customer—e.g., to match skin tone, eye color, and skin type—and to share why recommended products are a good fit for that specific customer. In addition, members are invited to special events, given early access to new products, etc., in ways that resonate with their profile info.

Loyalty programs are powerful engines through which personalized engagement occurs. Make sure your brand is leveraging loyalty strategies to its advantage.

TREND 5: Cookies are so last year



OUR ADVICE

Moving forward, adopting a privacy-first strategy by obtaining clear and informed consent for data collection and use will become standard practice, especially as more privacy laws go into effect. But customers will still reward brands that provide personalized experiences, tailored offerings, and exclusive access to products and events based on personal preferences.

Be ready for regulatory and browser changes as third-party cookies go stale.

Get proficient with tools that unify online and offline data to build a comprehensive view of the consumer. That enables effective identification of audiences for testing and measurement. A test-and-learn approach will help your brand adapt and thrive despite change.

Keep building relationships to help boost incoming zero- and first-party data.

Freely shared data is a rich resource that will only gain traction. The exchange helps build consumer goodwill, while the insights can shape customized, relevant offers and experiences.

Consider forging new partnerships to create new privacy-compliant sources of data.

Second-party relationships with advertising platforms and brand partners can extend your brand's reach, targeting, and measurement—and increase channel opportunities outside of your current capabilities. Privacy-compliant IDs—i.e., a unique number assigned to individuals that enables activity to be tracked without personal identifiable information (PII)—can help companies be ready for future partnerships privacy legislation.



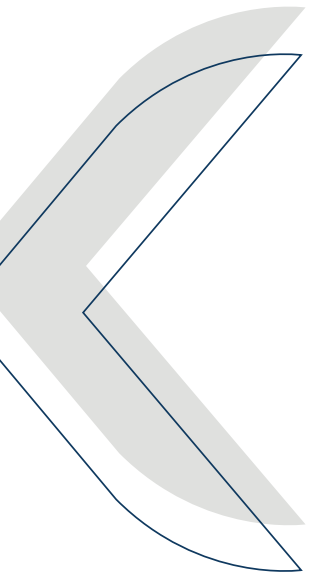


These five trends reveal timely opportunities to nurture brand devotion.

Creating deep, lasting, and trusted relationships with your most valuable customers is an art. And a science.

It's driven by a holistic approach that involves and inspires customers at every step of their brand journey. It's about integrating engagement marketing and brand loyalty strategies, data-driven insights, human design thinking, and more.

Working together, these devotion drivers are designed to meet your customers in the moment, at every moment.



Our thinking is always evolving.

Check thinking.lacek.com for insights on these topics and more.

[Sign up](#) for our *Thinking Out Loud* newsletter.

Wishing you a prosperous 2024!

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