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A CMO's Guide to Rethinking Digital & Performance Marketing Strategy in 2024

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AUTHOR



Sastry Rachakonda
Founder & CEO, iQuanti



Table of Contents

Challenges faced by CMOs in 2024	04
4 key emerging customer behavior trends	06
1. The fragmentation of search	07
- Key takeaways for CMOs	
2. Expectations of seamless digital experiences	12
- Key takeaways for CMOs	
3. Heightened awareness of privacy	15
- Key takeaways for CMOs	
4. Mainstreaming of AI	18
- Key takeaways for CMOs	
The final word	20

The 2020s have been relentless for marketers – challenging and exciting, all at the same time. Through the compounded crises of a global pandemic, economic uncertainties, geopolitical instabilities, and the many changes swirling around digital marketing, marketers have stayed resilient. Agility and innovation have peaked. We've seen many CMOs and marketing leaders constantly course-correcting throughout 2023 in response to the shifts across the technology and digital ad ecosystems.

As you start planning 2024, you have to acknowledge and account for the unprecedented levels of changes that both customer behaviors and the digital marketing landscape have undergone this past year.

In a recent [webinar](#), we unpacked some of the changing customer expectations, as well as the trends, challenges, and opportunities across channels & platforms, measurement, marketing economics and operations in 2024.

Here is our core learning:

To succeed in 2024, CMOs will need to help their organizations be proactive in leveraging the changes to their advantage and pivot to new performance marketing tactics, technologies, and channel strategies.



In 2024, CMOs are facing increased pressure to grow with fewer resources

According to the B2B Marketing Benchmark Report published by LinkedIn at the beginning of 2023, 6 out of 10 CMOs had seen an increase in their budget in 2023, with more than 2 in 3 anticipating bigger budgets in 2024.

The annual Gartner CMO Spend and Strategy Survey published in May 2023 reported that 75% of CMOs were facing pressure to cut technology spending, and 86% were planning significant changes that would enable them to do more with less.

Things have started looking up as the year has progressed and cautious optimism seems to be the prevalent mood as we start 2024.

Even as CMOs start to regain confidence in their ability to weather macroeconomic uncertainty, they anticipate that their budgets will likely get cut rather than increase in 2024, and even the increases that many see may be offset by the increasing costs of marketing.

This is backed by Forrester's Q3 2023 CMO Pulse Survey, wherein the the research firm identified that **63% of CMOs expect to see their overall marketing budget decrease in 2024 compared to 2023 budget levels.**



40%

of CFOs don't think marketing investments should be protected during a downturn.

McKinsey Survey (2019)

It is a turbulent time to be a CMO.

As has always been the case in times of uncertainty, CMOs have a paradoxical mandate – to grow top-line revenue but reduce marketing and acquisition costs, even as marketing budgets get cut and spending is put on pause.

This misalignment between CMOs and CFOs is nothing new. When faced with a crisis, there is always pressure on CMOs to deliver more with less.

Irrespective of what channels you are buying or how much you are spending, the key to driving better results with conservative budgets is going to be twofold – **efficiency** and **effectiveness**.

Ask yourself these questions:

Are you generating demand efficiently?

Are you capturing demand effectively and relentlessly across all your channels?



iQUANTI INSIGHTS

2023 brought in changes that are transforming digital and performance marketing. iQuanti's quarterly roundup of the trends and updates relevant for performance marketers dives into the data to bring you a snapshot of the latest news as well as insights into what it means for your 2024 strategy.

Access the report here.

DOWNLOAD NOW!

4 key emerging customer behavior trends

(and how they will shape the performance marketing ecosystem in 2024)

A graphic for iQuanti Insights 2024. It features a dark background with a hand holding a coin that has '2023' on one side and '2024' on the other. The text 'iQUANTI INSIGHTS' is on the left, and '2024' is on the right. Below the text, there is a paragraph about Vish Sastry Rachakonda and Nikhil Lai, and a button that says 'ACCESS NOW!'.

iQUANTI
INSIGHTS

2024

Vish Sastry Rachakonda (Founder & CEO, iQuanti) was recently in conversation with guest speaker **Nikhil Lai** (Senior Analyst, Performance Marketing, Forrester) about the changing customer expectations, as well as the trends, challenges and opportunities across channels & platforms, measurement, marketing economics and operations in 2024.

Access the webinar recording here.

ACCESS NOW!

Consumer behavior is always evolving. But the past couple of years have seen some tectonic shifts in consumers' needs, behaviors, and expectations from digital experiences. The pace of some of these shifts means that the digital ad ecosystem and performance platforms have also had to adapt and change rapidly in response.

Here are the top four emerging trends that marketing leaders need to know going into 2024.

1

The fragmentation of search and the rise of new channels

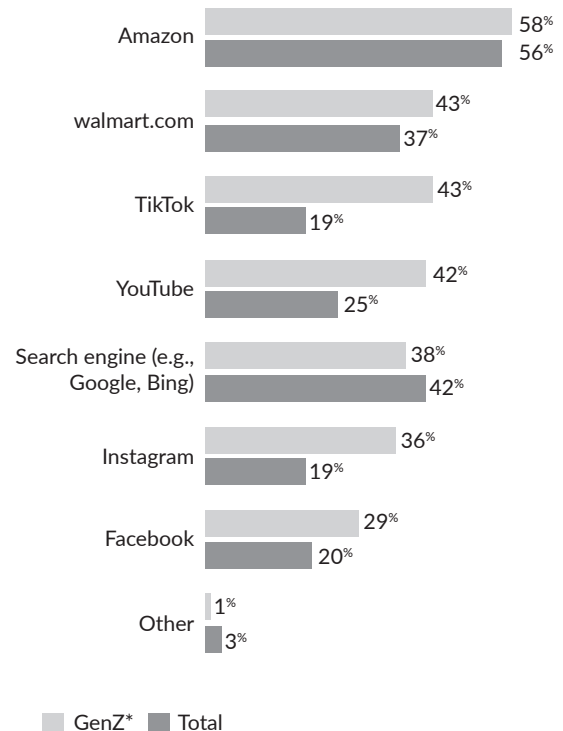
The way people find information is changing.

Google (or search engines in general) used to be the default starting point for information searches. Not anymore.

Over time, some platforms have emerged as specializing in specific types of searches. For example, if you are remodeling your kitchen, you'll probably start by looking at Pinterest or Instagram for ideas. If you are looking to buy a specific product, you may start the search on Amazon. Then there are broader social platforms like TikTok and YouTube where a lot of searches happen, especially with Gen Z.

Latest research shows that over **40%** of 18-24-year-olds **start their searches on TikTok and Instagram** rather than Google for local, and how-to searches. Over **25%** of US adults under 30 now **regularly get news from TikTok**. Decision-making journeys have crumpled in many cases, and users go from research to advice to purchase in a short span on some of these platforms. TikTok creators and “finfluencers” are the new financial advisors, for example. There are over 10 million video views for #Bankingtips on TikTok, with over 1.1 billion video views and conversations around #Investing.

Where users start their online product searches



Source: eMarketer | Insider Intelligence, March 2023

Gen-Z are evolved searchers, leading the pack in trying new, varied ways to search. Insider Intelligence data suggests that Gen Z searches for products across platforms: marketplaces, social media and search engines. They also show the highest voice assistant usage (60+%). Multi-modal search is likely to be more common among this age group as the adoption of voice and visual search increases.



>40%

of 18–24-year-olds go to TikTok and Instagram for local, and how-to searches rather than Google.

per Google spokesperson
Source: NYTimes



>25%

of US adults under 30 now regularly get news from TikTok.

Source: GWI, TikTok App Users
Ages 16-64, North America

Now that searches are beginning on different marketplaces and different platforms, all search is starting to become more social. Google's Search Generative Experience (SGE) may be indicative of the future of search. Google has, for example, added a tab in their new search experience, called Perspectives, aimed at making search more multi-modal. For example, a search for a local restaurant in New Jersey may now include short-form videos, video reviews, and more rich media results in general. Voice search is seeing an uptick as well, with more and more consumers willing to interact with voice assistants.

With consumers warming up to multi-modal searches, including voice and video searches, AI-curated search responses like SGE are being well-received.

Consumers' content consumption preferences are shifting as well

We have also seen some radical shifts in consumers' content consumption preferences. The biggest and most impactful of these is the rise in popularity of short-form videos.

YouTube Shorts receive an estimated 15 billion views per day across the globe.

By the end of next year, TikTok will reach an estimated 107.8 million users in the US. What is more impressive is the fact that the average TikTok user spends 1 hour and 27 minutes a day watching content.



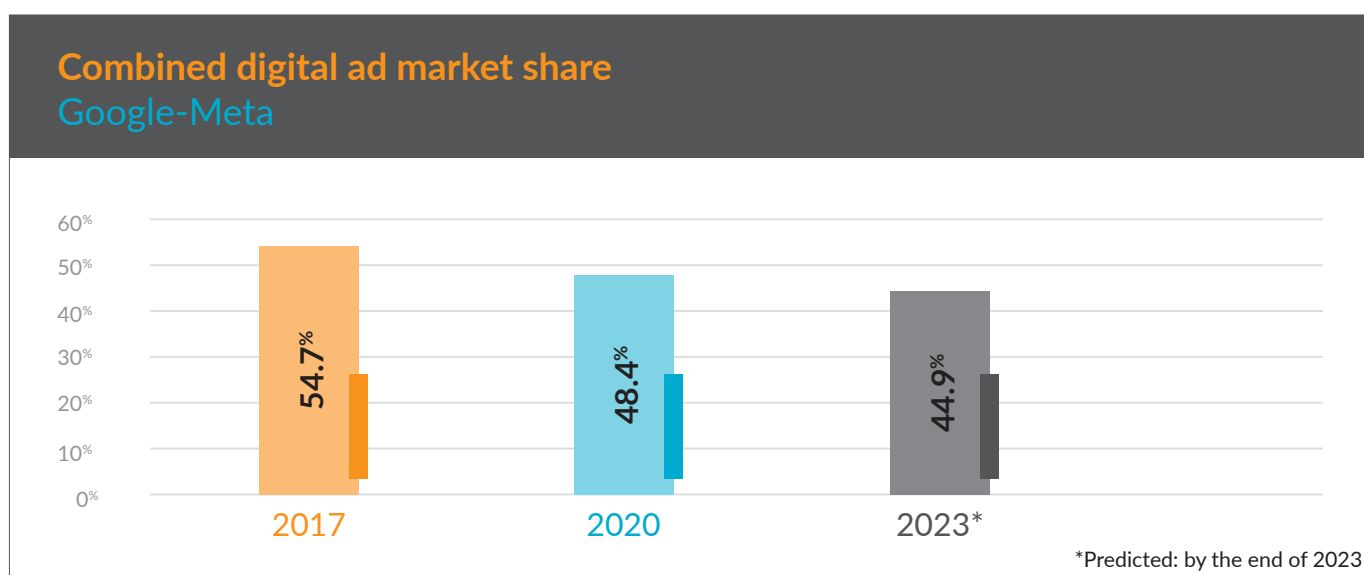
Need help assessing your 2024 digital marketing & performance strategy?
Reach out to our expert digital solutions team today!

[CONTACT US](#)

The way advertisers are spending money is changing as well

The Google-Meta duopoly is ending. For the first time in over a decade, the ad market share of Google and Meta combined fell below 50% in late 2022 with platforms like Amazon, TikTok, and Microsoft take a bite out of the pie.

Newer channels like Reddit are actively bolstering their ad capabilities and becoming more impactful within niche audience segments.



Let's look at a few more stats to understand this trend further:

- In 2021, TikTok accounted for 1% of digital ad spending in the US. By 2024, the share is expected to increase to 3.5%, making it the 5th largest digital ad publisher in the US. TikTok is also projected to be the second-largest influencer marketing platform in the U.S. by that time.
- Amazon's share of U.S. digital ad spending is poised to reach 12.8% by the end of 2023, compared to the 7.8% market share it garnered in 2019.
- Social video currently accounts for >50% of all social network ad revenues.
- CTV is projected to see a significant growth of 27.2%, with subscription-based OTT + CTV ad spending projected to increase by 49.6% in 2023.

What does this mean for your 2024 digital and performance marketing strategy?

The key takeaway for CMOs here is to meet the consumers where they are.

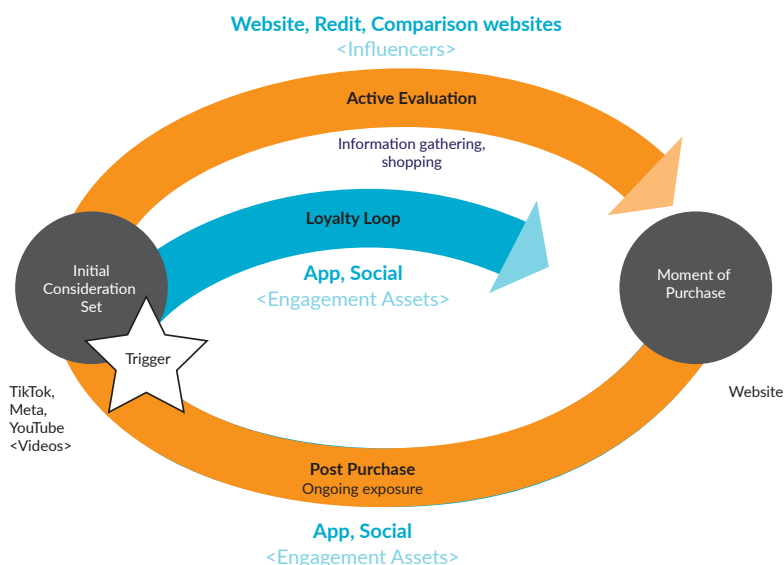
With consumers expecting more from their search experiences, advertisers are already flocking to new platforms that their audience favors. As younger consumers increasingly seek more interactivity, especially in search, brands need to adapt to meet these expectations.

As a CMO, your priority should be looking at your customers' journey more extensively. Figure out where your customers are interacting with you at every stage of their journey. Map the journey stages to channels that they prefer. For example, your customers may be using Search or YouTube for information, relying on Instagram or TikTok influencers (and short-form videos) for comparison and consideration and eventually converting on your app or website.

Now focus on building distinct assets that work for each channel and each stage of their purchase journey. Short-form video platforms are mostly creator-led or individual-lead, and the technology is available today to help you build assets for these channels for a reasonable cost. The recent surge in in-app sales is proof that increased sophistication in targeting existing customers can help brands be more authentic, deliver more human, personalized experiences and deepen relationships.

We foresee a dissolution of silos between different channels in the next 2-3 years, led essentially by how people are consuming information.

For example, from linear TV advertising vs. CTV advertising vs. YouTube/TikTok advertising, premium video advertising will be key across channels.



2

Expectations of seamless digital experiences are much higher

One of the biggest concerns today is the inability of brands to sustain a dialogue with a potential buyer across channels, and across their journey down the funnel. And that challenge is exacerbated by third-party signals dimming across the Internet.

Increasingly, customers expect a certain degree of personalized experiences. Recent research shows that **71%** of consumers expect companies to deliver personalized interactions. More importantly, over **76% get frustrated when this doesn't happen!**

Forrester's Global Marketing Survey 2023 found that out of the top five challenges for CMOs this year, three were related to personalization:

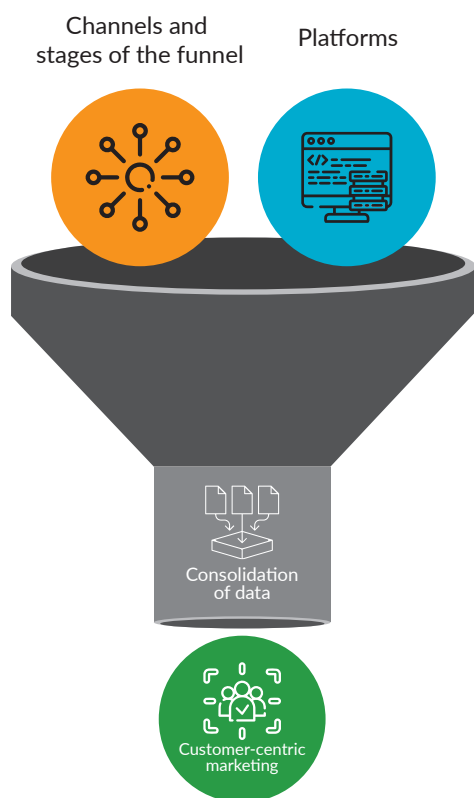
1. Personalizing communications, experiences, and interactions
2. Creating a single view of the customer across channels and interactions
3. Driving decision-making with customer insights.

Users today demand an integrated, seamless digital experience across platforms, apps, channels, and stages of the funnel. They expect a human touch in high-trust areas like financial advice or complex customer support and expect quick acknowledgement of requests, accurate communication of turnaround times, and proactive resolution.



What does this mean for your 2024 digital & performance marketing strategy?

With the impending demise of third-party cookies, solving for seamless integration of data across channels and journey stages and harnessing first-party data need to be the top priorities for CMOs in 2024.



The key takeaway for CMOs here is to use convergence efficiencies and to break siloes to transform performance marketing strategy in 2024.

Marketers need to think about what micro-experiences they can build to collect more data about existing and new customers. Next, they must consider how to use this data to focus on high lifetime-value, low-cancellation-rate customers by leveraging insights on who these people are, how they want to be addressed, and what creatives they want to see.

It is time to realize that perhaps only one-third of all marketing is really marketing. A third is data and analytics. The other third is technology that helps you deliver seamless experiences.

When you think about delivering seamless experiences, it is critical to remember that expectations are two-fold:

How do you connect the dots across the customer journey? If your brand and performance teams are using different agencies and/or platforms to run their campaigns, how can you seamlessly connect the data?

How do you get a holistic 360-degree view of your customer across various channels? With almost every channel witnessing funnels collapsing and users moving from brand impression to purchase within minutes, it becomes more important to have a clear perspective of who your customers are and what their typical journeys look like. In short, the unique challenges of today call for digital marketers to build omnichannel measurement metrics and a channel-centric optimization of budgets.



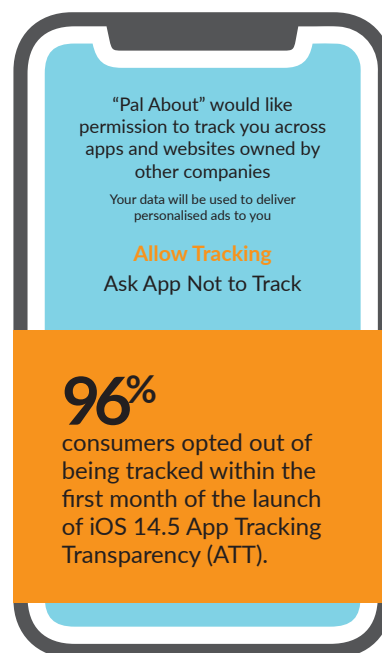
3

There is a heightened awareness of privacy and security

While consumers expect a highly personalized digital experience, paradoxically, they're also increasingly unwilling to part with personal information.

When Apple first launched its App Tracking Transparency (ATT) with iOS 14.5, a whopping 96% of consumers had opted out of being tracked within the first month. Though Gartner has found that this opt-out rate for mobile app tracking will decline to 60% by 2023 as consumers gain experience with untargeted ads, this still points to an increasing awareness and expectation of privacy.

In fact, according to recent research co-published by Google and Ipsos, **43%** of consumers say they would switch from their preferred brand to a second-choice brand if the latter provided **a good privacy experience**.



Regulators too are tightening data security and privacy laws, limiting how platforms collect, store, and use consumer data. Across the globe, and across different states in the US, many state and federal laws have gone into effect over the past decade to protect internet users. In 2023 in the US, we've seen attempts to ban TikTok at a state level, such as in Montana, the FTC suing Amazon for enrolling customers to Prime without consent, and the Department of Justice launching an antitrust trial against Google.

What does this mean for your 2024 digital and performance marketing strategy?

The key takeaway for CMOs here is that the customers are now in control of their relationship with a brand. Their expectations are high, they demand privacy and security. While they may expect personalization, if your customer experiences fail to reflect the users' desire for privacy, your customers may get disillusioned, or even spooked, and move on to another brand.

Marketers need to understand their customers and their privacy attitudes.

- Are your customers digitally savvy and aware of their privacy rights?
- Which of your customers are willing to share personal information in exchange for customized and relevant experiences? Would they be comfortable sharing information in exchange for perks or benefits from your brand?
- Are your customers protective of their privacy and use tools to protect their data? Would they still be willing to share personal information if it is required for a product/service purchase?
- Do you have customers who are unaware of privacy rights and issues? Would you want to empower them with relevant information to help them protect themselves better?

To succeed in privacy-first times, keep up with the latest developments, feed rich signals to ML, and measure right. Know your customer better by leveraging:

1. First-party data: Model audiences based on your most valuable customers and leverage predictive audiences based on conversions.
2. Second-party data: Access custom data via private deals on DSPs or direct integrations.
3. Third-party data: Access data marketplaces at DMPs.

The golden rule is to always treat your customers how you would like to be treated. And always start conservatively. Do not personalize because you can. Understand the boundaries and aim to get better as you go through the journey.



4

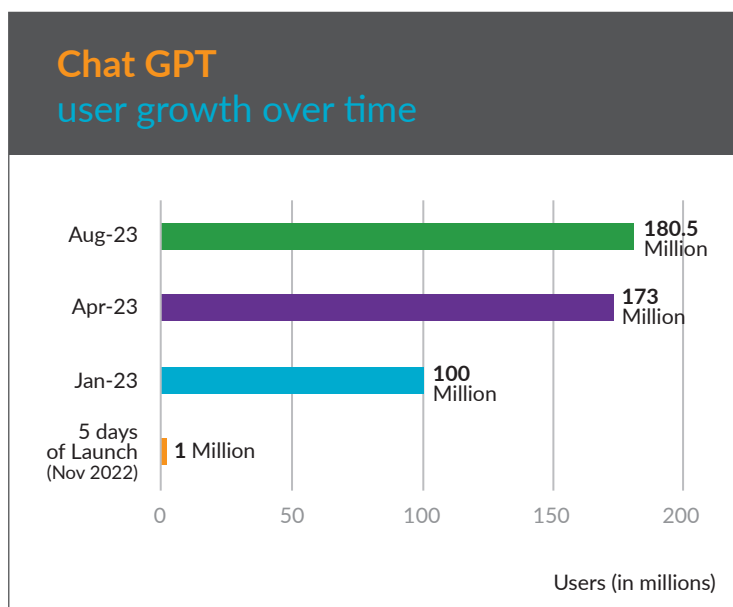
Mainstreaming of AI

AI is revolutionizing digital marketing. Period.

AI technologies are dramatically changing how marketers are looking at data, automating campaigns, generating insights, and engaging with customers. And they are becoming a part of our everyday lives. Research shows that over **73%** of customers believe that AI can have a positive impact on their customer experience, particularly in digital settings.

According to OpenAI, ChatGPT acquired 1 million users just 5 days after launching in November 2022. The website got over 1.7 billion visits in October 2023.

In a recent CNBC survey, nearly 50% of top tech execs named AI as the biggest spend in the coming year, with AI budgets being more than double the second-biggest spending area in tech.



Google's SGE and AI-integrated Bing have boosted the fortunes of both platforms, while social media platforms such as Instagram, Facebook, TikTok, and YouTube have all invested heavily in AI.

What does this mean for your 2024 digital and performance marketing strategy?

The key takeaway for CMOs here is to take an AI-first approach to drive results in 2024.

We recommend taking a three-pronged approach – driving efficiencies, driving effectiveness, and building transformative experiences.

1. Driving efficiencies:

Look for opportunities to use the technology to do things faster and easier and see immediate savings. See how you can use first-party data better for paid media efficiencies or look for opportunities for operational efficiencies, for example, content brief automation.

2. Driving effectiveness:

Identify opportunities to not only do things faster, but better. We are moving to a world of maximal automation. Bid management, anomaly detections, content creation, campaign automation – the possibilities for marketers are endless. But to be more effective overall, it's critical to remember that the machines are going to get smarter no matter what, but the results you generate would only be as good as the inputs you are providing. Data quality, data structure, and data cleanliness will become paramount to be successful.

3. Build transformational experiences:

Look at your organization and ask yourself, what would be truly transformative for my business? What would be a game-changer for my customers in terms of their experience with my brand? Then look at how AI technologies can assist in realizing that potential. For example, you could start by testing chat-based interactions and browsing.

For now, we are carefully studying this emerging technology and we are cautiously optimistic that we are moving to a stage of maturity in which language translation, personalization, search engines, code generation, and everything that we're doing as marketers can be impacted and will be impacted by this technology.

The final word

As we race toward the end of the year and start planning for 2024, marketing leaders must acknowledge that digital marketing is on the brink of unprecedented change. The evolving consumer behaviors and technological advancements will continue to shape the performance marketing ecosystem in 2024.

The magnitude of this shift has marketers across the globe on edge. In 2024, successful CMOs will be those who help their organizations stay agile, embrace new technologies, prioritize ethical and responsible practices, and keep a keen eye on emerging trends.

At iQuanti, we will continue to keep a close eye on the emerging trends in this space. We'll keep you updated and help you remain competitive and relevant in a changing ecosystem, and stay ahead of the curve.

If you have any questions or comments or need help assessing your 2024 digital marketing strategy, please feel free to reach out to our performance marketing experts today.

Have questions?

Reach out to us at marketing@iquanti.com

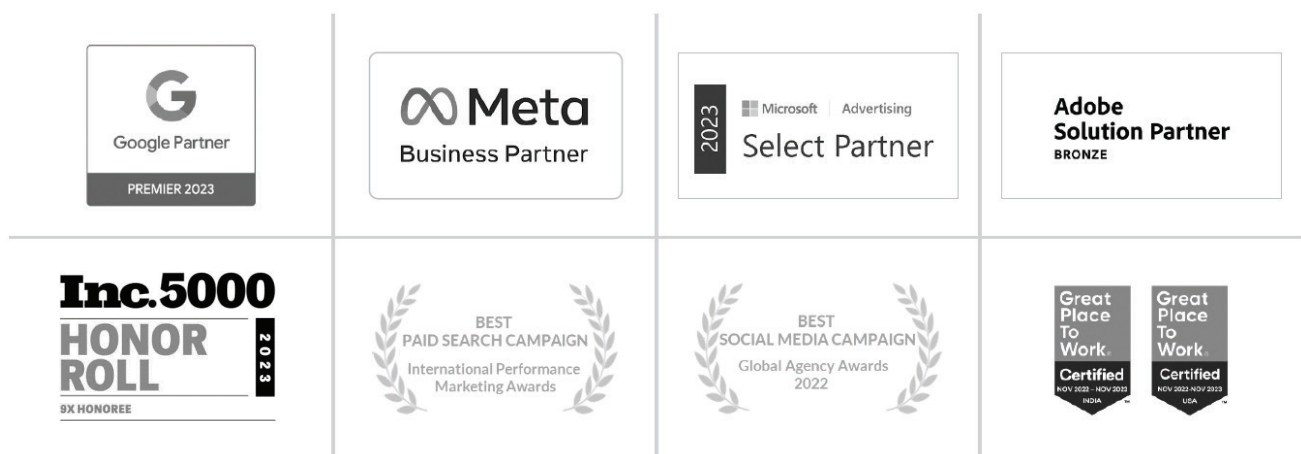
About iQuanti

iQuanti ignites powerful and predictable digital marketing performance for global brands with an approach rooted in data science and deep vertical knowledge.

iQuanti offers a unique blend of channel management services, strategic consulting expertise, and proprietary product offerings to empower brands to exceed their customer acquisition, engagement, and conversion goals.

iQuanti's award-winning and patented enterprise SEO platform ALPS™ uses proprietary data science and machine learning to build predictive enterprise level SEO roadmaps that deliver stronger ROI.

Founded in 2008, iQuanti now has 600+ employees across New York, Chicago, Dallas, and San Francisco, as well as Bangalore, London, Singapore, Mexico City and Toronto. In 2022, iQuanti's top performance marketing results were recognized on multiple global platforms including the Global Agency Awards, UK Search Awards, and International Performance Marketing Awards. iQuanti was named to the Inc.5000 list of fastest growing private companies in the U.S. for the ninth time in 2022.





marketing@iquanti.com



Headquartered at:

111 Town Square
Place, #510, Jersey City,
NJ 07310

iQUANTI

www.iquanti.com