CREATING ADVANTAGE N 2024



MATTERS THAT MATTER N 2024



RICHARD JUKES Global CEO

Grayling

There are good reasons to suppose that events in 2024 have the potential to shape our world for years, perhaps even decades, to come.

For the first time in history, about half of the world's population will head to the polls across more than 70 countries in the busiest election year on record. Against a backdrop of wars and conflict, geopolitical tension and economic volatility, the outcomes of these elections are likely to be a revealing test of global democracy and will almost certainly have significant implications for economies, international relations, and human rights.

Away from the polls, world leaders will continue to face pressure to accelerate progress in tackling the climate crisis amid concern that 2024 could mark an unwelcome milestone of 1.5°C of warming for a full year.

Meanwhile, technology will continue to evolve rapidly with 2024 expected to be a watershed moment for artificial intelligence (Al). In health, a second vaccine for malaria will be rolled out in 12 African nations with 18 million doses to be distributed. While in the UK, satellites are expected to be sent into orbit for the first time on a rocket launched from the Shetland Islands.

In sport, major events in this year's calendar include the Olympic Games, Paralympics, Euro 2024 and the ICC T20 World Cup.

In summary, the year ahead promises to bring major advances across all sectors and all communications disciplines – perhaps profoundly changing how we work together, solve problems and measure success.

Change can be daunting, it is almost always in some way challenging, but we believe that it also offers opportunities to gain a competitive edge.

Our annual Creating Advantage report looks at a few of the major changes that will dominate our thinking this year. We start to consider how these changes will impact our industry and offer thoughts on ways to create advantage for your organisation in Part I. In Part II, we have complemented the more substantial topics with a series of important issues and developments that can and should be acted on, now.

Whilst necessarily brief, we believe these bite-size insights are equally important for 2024 planning and could be game-changers for your organisation.

Thank you for reading and please get in touch with reflections or indeed suggestions on any related topics from this report and how to prepare for 2024 and beyond.

Part I MAJOR CHANGE AND OPPORTUNITY



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THE YEAR OF ELECTIONS

2024 is the biggest election year in history, and it will shape our future for decades to come.

The coming year will see more than 70 elections take place in countries that together are home to more than 4 billion people. It is the first time in history that this will happen, and the spotlight will be trained on democracy across the globe and the inclusivity of electoral processes.

The results of some will have more international significance, and perhaps none more so than the race to the White House which will be decided in November. Donald Trump's bid to win a second non-consecutive term will continue to dominate headlines and his ability to influence the global narrative is unlikely to diminish in 2024, regardless of whether he is the nominated Republican candidate.

Among the issues that threaten to spill over into non-US political dialogues will be the deprioritisation of decarbonisation and the climate emergency, which could unsettle government and corporate agendas in this arena. And if Trump is elected, the semiconductor cold war involving Europe, the US and China could quickly become hot. Such shifts in the geopolitical landscape will have profound implications for business and industry. Trade and investment patterns will change, regulatory environments will adjust, supply chains and talent pipelines will be affected, and old commitments and targets will be revisited.

EXPERT VIEW

Businesses will need to think carefully about their response to the new political environments they operate in. Will they double down on previously stated commitments? Will they change course? How will this influence public perception and stakeholder relationships?

It is important to understand the evolving political landscape and to factor these changes in carefully considered decisions. Although it may be convenient to go with the current political winds, we know that trust in organisations is key to success and nothing erodes trust like wavering on important commitments.





JOEY JONES Senior Counsel

Grayling UK



HOW TO CREATE ADVANTAGE



→ RETHINK ENGAGEMENT STRATEGIES

More targeted and varied public affairs interventions are in order. The year ahead promises to be one of the busiest ever from a government relations and public affairs perspective, in dozens of countries. The time and attention of stakeholders will be in short supply and those of us who use it carefully will be rewarded.



→ REASSESS SUCCESS

Politics and political issues naturally dominate the news agenda, but we should expect a high-water mark in coverage over the coming year. There may be less opportunity to penetrate on issues that editors consider non-priority topics. Organisations centred on issues that fall outside the political arena will need to work hard to get attention. Performance indicators should be reassessed, internally communicated within organisations, and agreed with leadership.



→ TOOL-UP

Keeping across election developments and the implications for business will be critical but, based on the size of the task, likely to prove challenging without extra support and resources. As a priority, organisations should consider additional investment in political intelligence and strategic guidance for 2024, whether internal or outsourced.



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ALLEYES ON A

Al will be a part of your organisation soon, and your employees will have something to say about it.

There is little doubt that AI is set to become a ubiquitous feature of the workplace and our daily lives. Businesses will, to a greater or lesser extent, have little choice but to embrace the technology.

The narrative to date around AI has often been characterised by controversy and uncertainty. AI is predicted to replace the equivalent of 300 million full-time jobs by 2030 and has fuelled concern across the global workforce. But there is also an expectation that AI can create more employment providing that industry and businesses invest in training and upskilling workers.

We believe that in 2024 organisations that do not support and include employees on the Al journey are likely to come under the microscope and be named and shamed. We predict that this will emerge as a key reputational issue in 2024 and that internal communications and employee engagement should be the strategic starting point for corporate Al strategies.

It's not enough to deploy AI technology for easier and quicker internal communications. Rather, the focus should be on effectively communicating your organisation's overall AI strategy and vision to staff. Corporate reputation and brand health may well hinge not only on how this message is delivered, but also on its implementation.

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In a report from Forbes Advisor, 77 per cent of people said they are concerned that Al will cause job loss in the next year. That is a significant proportion. Clearly, fears remain around Al and as trusted employers we must reassure our people with honesty, transparency and accurate information. As Al begins to factor more into people's roles, we need to give them purpose and enthusiasm for how it can act as a force magnifier. There is also the need to support upskilling and we should coordinate and focus talent to help employees improve their knowledge and reach their full potential. Ultimately, this will help staff to build a better career path for themselves. And we should showcase success stories to inspire confidence.



ALMUDENA RODRIGUEZ Director of Internal Communication

Grayling Spain



HOW TO CREATE ADVANTAGE



-> CONNECT THE CONVERSATIONS

Siloed rollouts of AI projects should be avoided at all costs. There will be reputational risk if communications teams are not briefed on the implementation of important AI plans. Working groups consisting of relevant project leads, drawn from internal and external comms and legal and public affairs can avoid missteps, communications issues and capitalise on innovations.



→ TURN INTERNAL COMMS TEAMS INTO AI AMBASSADORS

Internal communicators can transform uncertainty into empowerment through training and upskilling to help employees make the most of Al. Poor communication can foster unease among employees about the purpose and implications of Al implementation, in turn potentially eroding trust in leadership and harming the overall work culture. Effective and transparent communication will ensure that all stakeholders, including employees and management, are wellinformed, aligned, and engaged throughout the Al implementation process.



→ SUPERCHARGE EMPLOYEE EXPERIENCE WITH AI

Al will play a crucial role in improving the employee experience, thereby helping to build a strong Employer Brand. Integrating Al throughout the employee journey can improve onboarding and boost strategic and creative work by utilising the technology for mundane tasks and processes. It can drive tailored HR policies and inform bespoke training and personal development programs to meet individual needs. Harnessing Al to complement employees' work has the potential to improve job satisfaction and encourage stronger customer engagement.

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REVIVING SUSTAINABILITY

With the issue of climate action at risk of being de-prioritised on multiple fronts, the EU will give sustainability a much-needed shot in the arm.

Despite increased focus in recent years on the global climate crisis, evidence suggests that momentum on sustainable action is waning. According to a survey by <u>FT Longitude</u> of 1,000 chief financial officers from 21 countries and 13 sectors, 37 per cent indicated plans for a near-term cut or pause in spending on ESG initiatives with billions of pounds already withdrawn. Furthermore, data published by <u>CreativeX</u> last year found that only 4 per cent of advertisements contained sustainability messaging in the past three years and adverts that focused on sustainability declined by 47 percent in 2023 alone.

This would appear to be at odds with the public mood. Consumer research proves that sustainability strongly influences spending decisions, with companies and brands very much expected to operate in a manner that prioritises the welfare of our planet.

If, as the evidence suggests, sustainability has slipped as a priority for organisations, the EU's Corporate Sustainability Reporting Directive (CSRD) is set to elevate the issue. The CSRD will require companies to adhere to a single standard of ESG reporting, meaning they can be independently audited, certified, and ultimately compared to one another. The purpose is to ensure fair, transparent, accountable and accessible reporting from all businesses. In 2024, media and public attention will likely be on the complexity of the reporting process, although the EU has put measures in place to support businesses.

Towards the end of this year and into next, however, be prepared for the narrative to shift when the ESG efforts of individual companies start to come under public scrutiny. Regardless of your view on the merits of the initiative, businesses must be prepared for increased media attention and the potential for negative coverage.

EXPERT VEV

CSRD compliance will be a complex and onerous task to begin with, on top of several other new non-financial reporting tasks. There may be a need for additional investment to ensure compliance and reporting becomes 'business as usual'. However, the directive is a huge leap forward for the sustainability agenda and the European Green Deal.

Businesses that have made sustainability central to their operations will be in a strong place and may even have compelling and positive stories to tell. The key will be getting in front of any issues and opportunities, building that 2025 comms plan well in advance, and making sure your organisation is acting in the spirit of the directive which is an incredible moment of progress for us all.





CHARLES FELD Director

Grayling Brussels



HOW TO CREATE ADVANTAGE



→ GET AHEAD

2024 is the year to invest, to understand the data and the story behind the statistics. Ensure line of sight to the CSRD process and its outcomes for Comms teams and allow them to contribute along the way. Leading organisations will discover they have a positive story and may uncover comms opportunities as a result of the data-capture process.



→ CREATE A HEALTHY VALUE CHAIN

This will be an intensive task and will require resources, time and investment. Larger organisations will have the advantage of wellestablished reporting functions and should consider how they can contribute to the ecosystem by supporting smaller businesses within their value chain as they get to grips with this new requirement.



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→ JOINED-UP THINKING

With several other non-financial reporting tasks to implement, as well as the external and internal comms implications of the CSRD, it is worth creating a CSRD-specific working group comprised of PA, legal, and communication experts to understand the macro view, and the full spectrum of implications and responses.

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LESS NOISE, MORE HELP, MORE HOPE

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LESS NOISE, MORE HELP, MORE HOPE

New platforms, new formats, new trends – it's easy to get distracted, but to resonate brands and businesses must remember what moves people.

From the launch of Meta's Threads platform in 2023 to a proliferation of Al filters on TikTok – the digital hyperloop can distract brands and businesses.

As the digital realm continues to evolve at a breakneck pace, strategic and creative teams will be keen to harness new tools – but it's imperative to maintain focus on the people at the receiving end. Across the PR, marketing, and advertising industries, there's concern that allowing technology to do the "heavy lifting" could come at the expense of original, insight-based ideas that truly resonate and move people. In fact, an over reliance on digital communications and activations is driving users to private or gated communities that are free from the ubiquity and, in some cases, monotony of brand activations. A recent report by GWI, a leading audience targeting company, suggested 'time spent on social media has reached a ceiling'.

Theresa Santos, Associate Digital Director, Grayling UK, said that while PR agencies are adept at using social media, a focus on what's important to the people on them is critical: "A recent report from Canvas8 said that consumers want stability and grounding in their lives this year and they advised that brands and businesses help deliver this. This reinforces our approach to delivering big picture thinking that resonates with people's lived experience in a consolidated set of platforms rather than trying to do lots of things, in lots of places, lots of the time."

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EXPERT VIEW

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It's quite simple. This year, people won't have the emotional or mental bandwidth to do much 'brand engagement' unless there is something tangible in it for them. So, brand communications should avoid adding to the cacophony of unnecessary content.

Even more importantly, the role of brand communications should be to give people help, hope, or both. 2024 is all about fewer activations, thinking big, and staying focused.



LUKASZ NAPORA Creative Director

Grayling Poland



HOW TO CREATE ADVANTAGE



→ ACTIVATE HELP AND HOPE

Based on your audience insights (and budget), define the creative brief around giving help or hope in 2024 alongside standard metrics. Judge ideas against their ability to deliver these metrics and introduce KPIs around help and hope to force accountability.



→ A DEEP RE-SET FOR SOCIAL

2024 is the time to dig into your social strategy and qualify every element. Organisations should rationalise their platforms and double down on those that deliver the highest ROI. Once the platform mix is clear, ongoing detailed audience research, measurement and testing must inform new creative thinking.



→ USE TECH TO DRIVE INCLUSION

If offering help or hope is a goal, budgets can admittedly be a constraint. That said, tech innovations can be used to democratise access to experiences and services that people may otherwise not have had. Can't afford a holiday to Seoul? The government launched a virtual version of the city in the Metaverse where you can visit Gyeongbokgung Palace or even the mayor's office. Phase 2 launches in 2024 with a focus on connecting local businesses with foreign investors.

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EMBRACING DE-GROWTH

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EMBRACING DE-GROWTH

Once an economic term, de-growth has become vernacular for a general mindset and approach to life, and it's here to stay.

In 2023, the social media trend of de-influencing gained traction. Contrary to traditional influencers who encourage their followers to buy the latest kit, de-influencers discourage their followers from buying overpriced or ineffective products.

Similarly, de-growth advocates against mass consumption and encourages owning the "less is more" mindset. The concept embraces pre-loved shopping and the conscious decision to shun new products in favour of second-hand goods. In 2023, eBay and Amazon reported increased sales of second-hand items such as clothing, books and furniture, while Vinted – an online second-hand fashion marketplace – rapidly expanded its footprint and increased revenue 51 per cent.

In line with the de-growth ethos, governments are promoting product longevity under right to repair regulations. The EU has backed a law, due to come into force later this year, that seeks to make spare parts more affordable by promoting fair competition and obliging producers to make them available to independent repairers at a reasonable price.

Meanwhile, influencer 'haul' content appears to be declining in popularity. In December 2023, Deutsche Bank predicted a downturn in the fast fashion market as consumer habits shift in favour of brands that have strong and demonstrable ESG values. All in all, the de-growth movement demonstrates that sustainability remains very much at the forefront of many consumers' minds.

"Our research suggests we're on the brink of a major shift in consumption patterns, where truly sustainable brands – those that make good on their promises to people and the planet – will seize the advantage from brands that make flimsy claims or that have not invested sufficiently in sustainability. We're fast approaching this tipping point where sustainability will be considered a baseline requirement for purchase, and companies should prepare now." (Consumers' sustainability demands are rising, HBR, 2023).

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EXPERT VIEW

Admittedly, research shows a discrepancy between what people say and what they do. We know that some consumers' purchasing behaviour doesn't fully match up to their degrowth principles and ethics, so they may still be buying more than they need while aspiring to one day have a smaller 'planetary footprint'.

That said, brands would be wise not to advocate over-purchasing or over-consuming. The days of selfish excess to the detriment of the planet are over and companies should internalise this. The de-growth vibe is here to stay and whatever we do in our internal and external communications needs to be considered through this filter.



DANNY TAN Managing Director

Grayling Singapore



HOW TO CREATE ADVANTAGE



-> UN-LEARN 'ASPIRATION'

As communicators, we ask ourselves what our audiences' aspirations are, and we use those aspirations to connect with and motivate them. But as the digital and socioeconomic realms further fragment and divide audiences in 2024, aspiration means something different to everyone. It's important not to lean into demographic based stereotypes to identify what aspiration is for your target. Instead, use primary research to understand the why of audience behaviours to insure relevance, resonance and results.



→ TURN COMMS INTO A DE-GROWTH TOOL

Consider designing campaigns, communications and activations to help people reduce consumption footprints. Think community flea markets, resell platforms, or repair services.



→ ACT LIKE IT'S 2030, NOW

Transparency is table stakes, and being 'on the journey to net zero' is wearing thin. As Gen Alpha continues to influence their parents' purchasing habits (pester power, but used for good), organisations cannot afford to delay or dilute their commitments any longer.

Part II DEVELOPMENTS TO ACT ON, NOW

WHAT'S YOUR CUSTOMER EXPERIENCE (CX) COMMS STRATEGY?

Forrester, the research and advisory company, predicts that for the first time in three years, the global average customer experience will improve, thanks to Al. Conversely, according to Accenture's Life Trends report, 37 per cent of us think companies prioritise profits over customer experience. This is a huge communications opportunity. The customer need is clearly there, and companies will be bringing the solution this year. Improved CX is a positive story to tell and one that can be brought to life vividly through communications.



A NEW WAVE OF JOURNALISM, A NEW MEDIA LANDSCAPE

Traditional media companies continue to battle rising costs and dwindling circulation in the digital age. At the same time, citizen journalism gathers strength with a proliferation of individuals delivering news via their channels to substantial own audiences. From traditionally-trained journalists to social influencers, commentators and pundits, their output is part of an evolving media landscape that naturally includes media relations. Although some predict a correction in this market as creators struggle to keep pace with the demands of operating solo, the news creator economy still appears to be going strong.



→ A RETURN OF LONGER FORM CONTENT (MAYBE)

Watch out YouTube – TikTok's coming for you. Again. TikTok recently reported that users spend over half their time watching videos that are more than a minute long, and so they've been guiding their biggest creators to make longer videos. Longer videos also make longer adverts more acceptable to users, which generates more revenue. If Instagram follows suit, we might start to see the return of longer form content everywhere. Something for content



-----> SEARCH GOES SOCIAL

Younger generations are using social platforms such as TikTok, Instagram and YouTube to search for information and products, instead of traditional search engines (Insider Intelligence, 2023). The appeal is in quick, authentic, visual results across virtually any topic, tailored to the individual without the need to leave their favourite platform. It's time to marry your SEO and social strategies.



\longrightarrow EVENTS ARE BACK!

Paused in the pandemic, the return of in-person events, conferences and experiential was patchy across different markets. But we're pleased to report they're truly back in 2024. AMEX's Global Meeting and Events Forecast shows a continued rebound with most major meetings taking place in-person. We are seeing full calendars of industry and trade events across all of our markets. And consumer experiences are also in for a treat this year with so much new tech offering a vast array of exciting creative opportunities.

UNLEASHING THE POWER OF EMPLOYEE INFLUENCERS

Employee-centric and employee-generated content is a powerful and cost-effective way for businesses to enhance brand reputation and drive business growth. Arguably, placing people at the centre of a company's employee communications has always been important, but in an Al and automation world, it's even more crucial. By centre-staging faces not logos, companies can tap into a wealth of fresh, authentic, and human content that is far more compelling. Research has shown that messages shared by employees have 561 per cent more reach than the same messages shared on a company's channels (Sociabble).



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\longrightarrow DO YOU HAVE A SPORTS STRATEGY?

2024 is a huge sporting year. The Olympic Games, Euros and ICC T20 World Cup will all take place. You may not be a sponsor, or a sports brand, or even sports-adjacent, but everyone is operating within the cultural context of a much-needed dose of global unity and entertainment. How can we as communicators help to make these special moments even more special and punctuate some of the turbulence with joy?

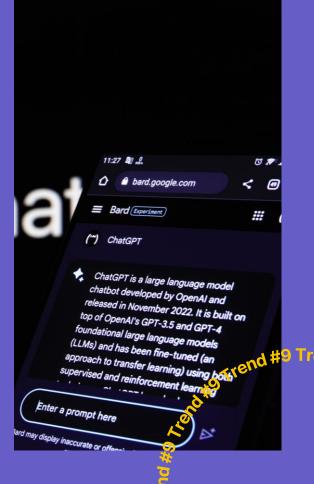




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TARGETING NON-HUMAN AUDIENCES

As more people use tools like ChatGPT as a portal to the internet, we need to tailor messages to appeal to sophisticated machines which decide if they should put those messages in front of users or not. Understanding how to work around the predictive AI behind algorithms, using tactics such as keyword curation and back-end tagging, is now critical to successful communications planning and execution.



CURATING THE RIGHT AI TOOL STACK

Productivity expectations will rise this year as many useful AI-powered tools targeted at the PR, PA and communications industries continue to reach the market. Kick off 2024 with a review of the available tools and consider reliability, value-for-money and the benefits to you as a business. Most importantly, ensure they are safe, indemnified and private.



Just when you got your head around Gen Z (sort of), it's time to get to grips with Gen Alpha who are now entering their teens. By 2025, their number is expected to reach two billion people, which will be the largest generation in history. A recent study from global consulting agency Bain & Co. found that an astounding 90% of children and teenagers in the UK and the US identify as gamers making it critical for brands, businesses and policymakers to understand gaming spaces. Young consumers spend about 12.5 hours per week in gaming worlds, more time than they spend on any other form of media.





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