Illustration: John Devolle

CONTAGIOUS

CONTAGIOUS radar

Where should marketers be focusing their time and attention?
We quizzed the industry's top leaders about the biggest opportunities and challenges for the year ahead

By Phoebe O'Connell

Contents

Industry Voices 2024

This year we spoke to...

CREATIVE
- Simon Vicars, CCO, Colenso BBDO
- Tiffany Rolfe, global CCO, R/GA
- Tom Beckman, global CCO, Weber Shandwick
- Adrian Botan, CCO Europe, McCann Worldgroup
- Rodrigo Sobral, global CCO, managing partner of strategy and creative, Oliver
- Nick Law, creative chairperson, Accenture Song

STRATEGY
- Richard Huntington, CSO, Saatchi & Saatchi London
- Devika Bulchandani, global CEO, Ogilvy
- Martin Weigel, CSO, AMV BBDO

BRAND
- Benjamin Braun, Europe CMO, Samsung
- Ed Pilkington, chief marketing and innovation officer, Diageo North America
- Nic Taylor, internal agency head, Lego Group
- Firdaous El Honsali, global VP of external communications and sustainability, Dove

C-SUITE SURVEY
In addition to these in-depth interviews, we canvassed more than 100 C-suite level marketers and agency executives, whose answers inform the data and infographics featured.

Ask any business leader what the biggest challenge or opportunity will be in 2024, and they'll probably give you the same answer: AI. Mainstream awareness and interest in machine learning has risen too — Google Search data shows a 3.5x increase in searches for 'artificial intelligence' year-over-year in the UK, while Pew Research Center found that 90% of US adults have heard either a lot (33%) or a little (56%) about AI. So, we know we're not blowing anyone's mind when we tell you that artificial intelligence, specifically generative AI, was top of the agenda in this year's Contagious Radar report.

We wanted to find out what else the ad industry's leading creatives, strategists and CEOs are focused on for the year ahead. Our 2023 interviewees had been preoccupied by macro-trends and economic headwinds; they were bracing for inflation, lingering supply chain issues, a looming cost-of-living crisis, and recessions that, though forecast by many, have yet to materialise. As for the creative industry specifically, they voiced cautious concerns and hopes for artificial intelligence, recruitment and retention, and the future of brand purpose.

This year, all of our interviewees — whether they considered it the most disruptive force since the dawn of the internet, a productivity hack, or a total unknown with unforeseeable implications — acknowledged the potential of AI to transform businesses across every sector. And from these interviews and our survey, we identified five other key themes for 2024: remuneration and the agency crisis; the value and business integration of creativity; recruiting and retaining diverse talent; the evolving function of brand purpose; and adland's relationship with the real world.

AI: The industry's new playground

Last year, reeling from its short-lived infatuation with Web3, the ad industry was divided on AI. Some Radar interviewees suggested its potential to disrupt the industry was overblown, while others were cautiously optimistic about the prospect of automation driving up productivity.

This year, no one claimed we are over-estimating the impact of AI — although Saatchi & Saatchi's Richard Huntington argues that the industry's tendency to 'worship the short-term impact, and be incapable of understanding the long-term impact' would prevent marketers from realising the technology's true potential. AI may fundamentally change our lives, but this industry might have moved onto the next thing before we see or understand its impact on our workforce and organisations.

Those surveyed believe that it's too early to understand the true ramifications of generative AI because the tech is still in its infancy, but 40.8% of respondents said it would be the biggest disruptive force to this industry since the dawn of the internet. Our interviewees likened the state of generative AI to the early days of dotcom — a period for experimentation and 'misuse', as Colenso BBDO's Simon Vicars puts it. 'It's like a brand new playground that we've just been let into,' he says. 'The swing over there is meant to be swung on, but I'm excited to stand on it and do a flip off it.' Accenture Song's Nick Law adds, 'We need to rapidly dignify this technology with true creativity.'

On the more practical side, Radar respondees said that currently the best application of AI is automating and streamlining working processes. 'If AI can take care of the perspiration side of the business and free the human brain to be a playground for the imagination to fly, that's magic,' says Ogilvy's Devika Bulchandani. 'AI is going to usher in the inspiration economy, because it's going to take away the low-value work.'

Vicars is also excited to gain time back lost to admin. '157-page decks are a really inefficient way for a creative person to use their time,' he says. 'AI is potentially going to swing our creative energy back towards idea generation and problem solving, as opposed to formatting and building.' Generative AI has 'totally changed the way we pitch', adds Huntington. 'It's having an immediate impact on being able to realise ideas.'

With this tech in the hands of both marketers and consumers, content is going to be democratised, notes McCann Worldgroup's Adrian Botan. 'With AI, every[one] can become a creative director [with] a team of writers, designers working for them.' But AI is not independently creative; it requires human input, he adds. 'AI cannot replace having a really creative thought at the start of everything.'
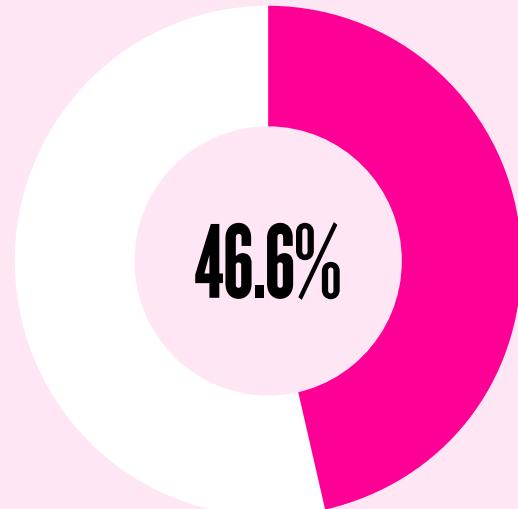
Lazy, tokenistic applications of generative AI are only going to generate more content, not better content, agrees Oliver's Rodrigo Sobral, adding: 'Gen AI in itself is still not coming up with standout work that will connect with people on an emotional level, or build brand loyalty, or help you to launch a new product.'

Investing in creativity in the age of AI will be critical, agrees Dove's Firdaous El Honsali, 'so that we can build proper emotional connections with consumers, make them feel something, and not just make them see something'. We're all talking too much about what AI means for brands and not enough about what it means for customers, argues Tom Beckman. '[It] will put a powerful instrument in the hands of the consumer and they will start doing things that will change business models for brands.'
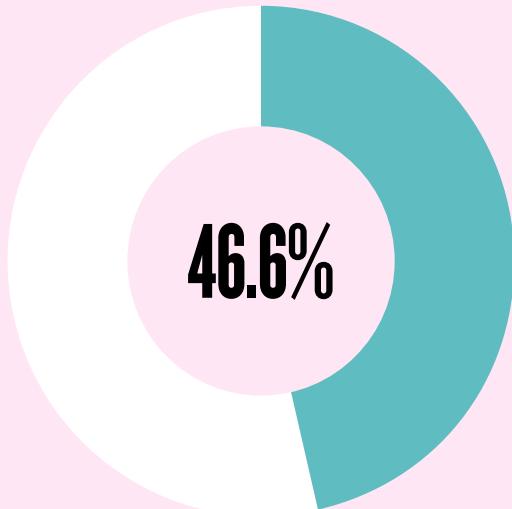
'If AI can take care of the perspiration side of the business and free the human brain to be a playground for the imagination to fly, that's magic'

Devika Bulchandani, Ogilvy
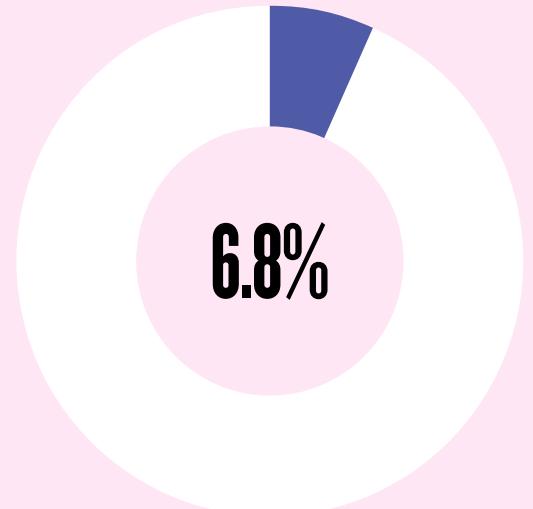
Current experience of generative AI


I'm a tourist
(Used it a couple of times) — 46.6%
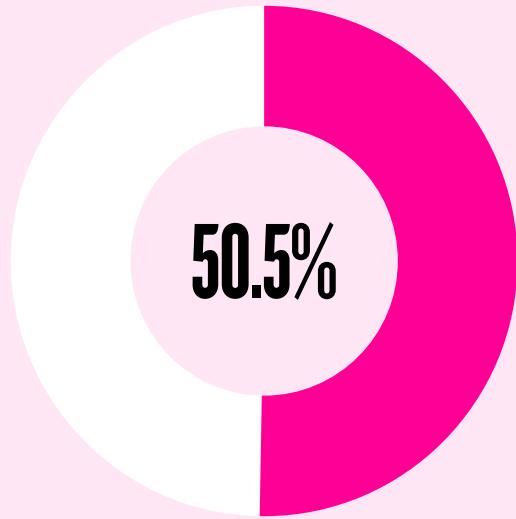
Never touched it — 46.6%
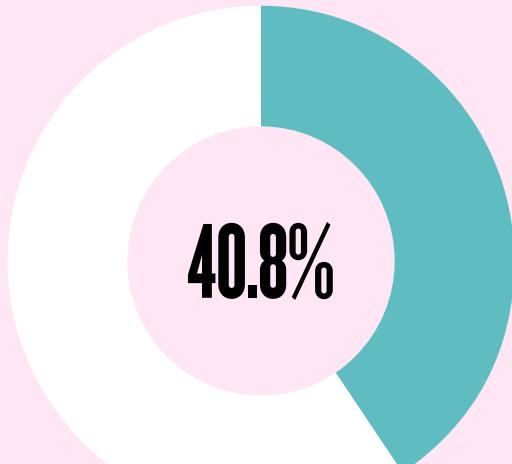
**Use it regularly** — 6.8%
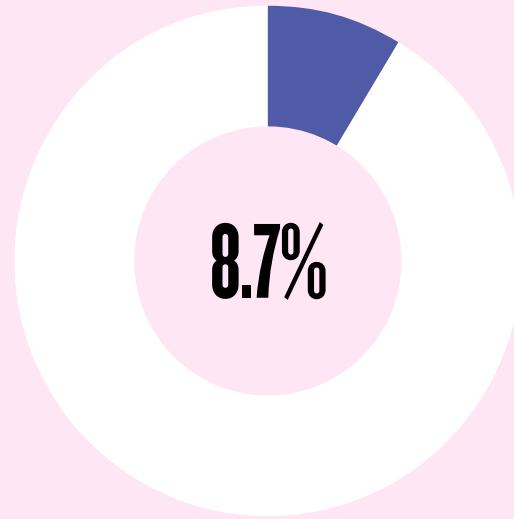
Predictions for generative AI

50.5%

40.8%

8.7%

It will cut out the grunt work and leave more time for creativity
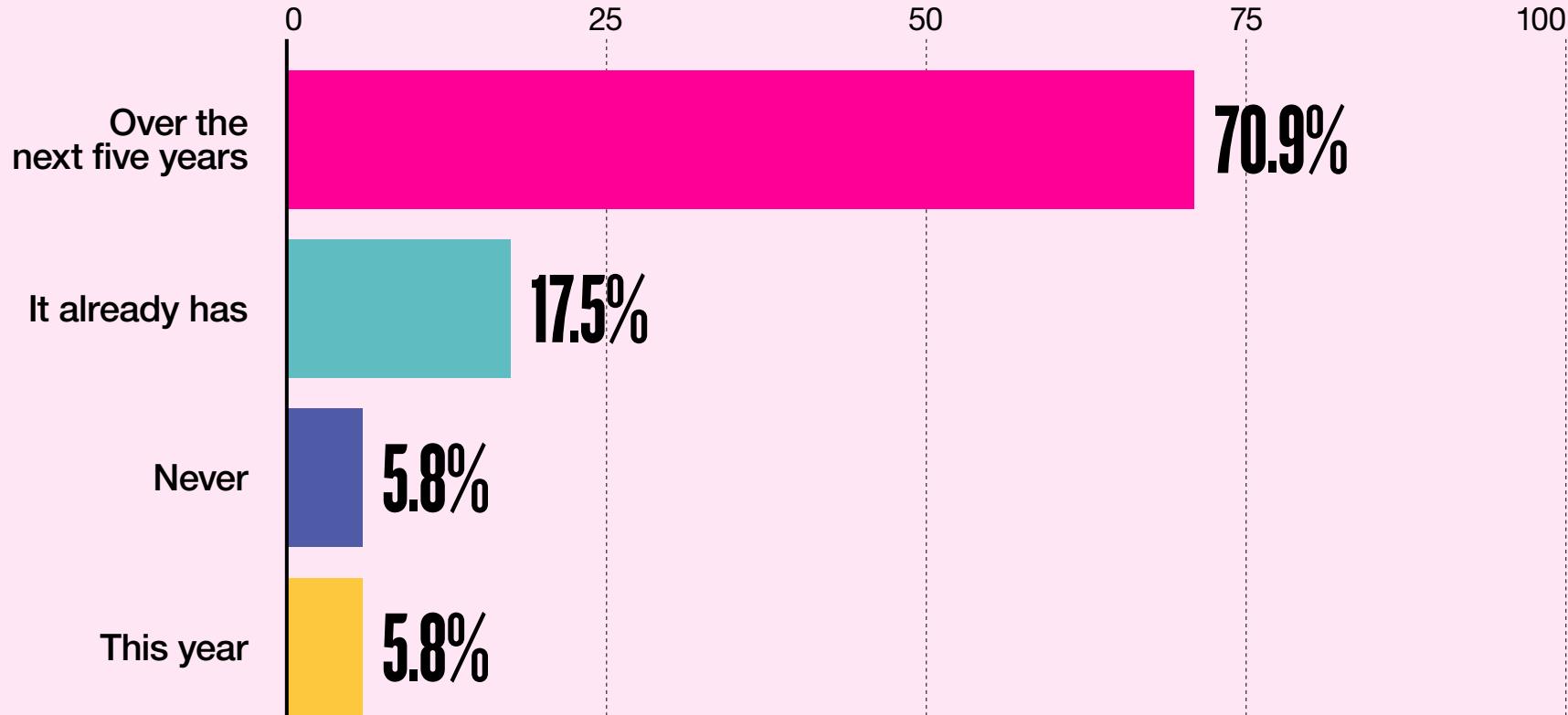
It will be the biggest disruptive force to this industry since the dawn of the internet
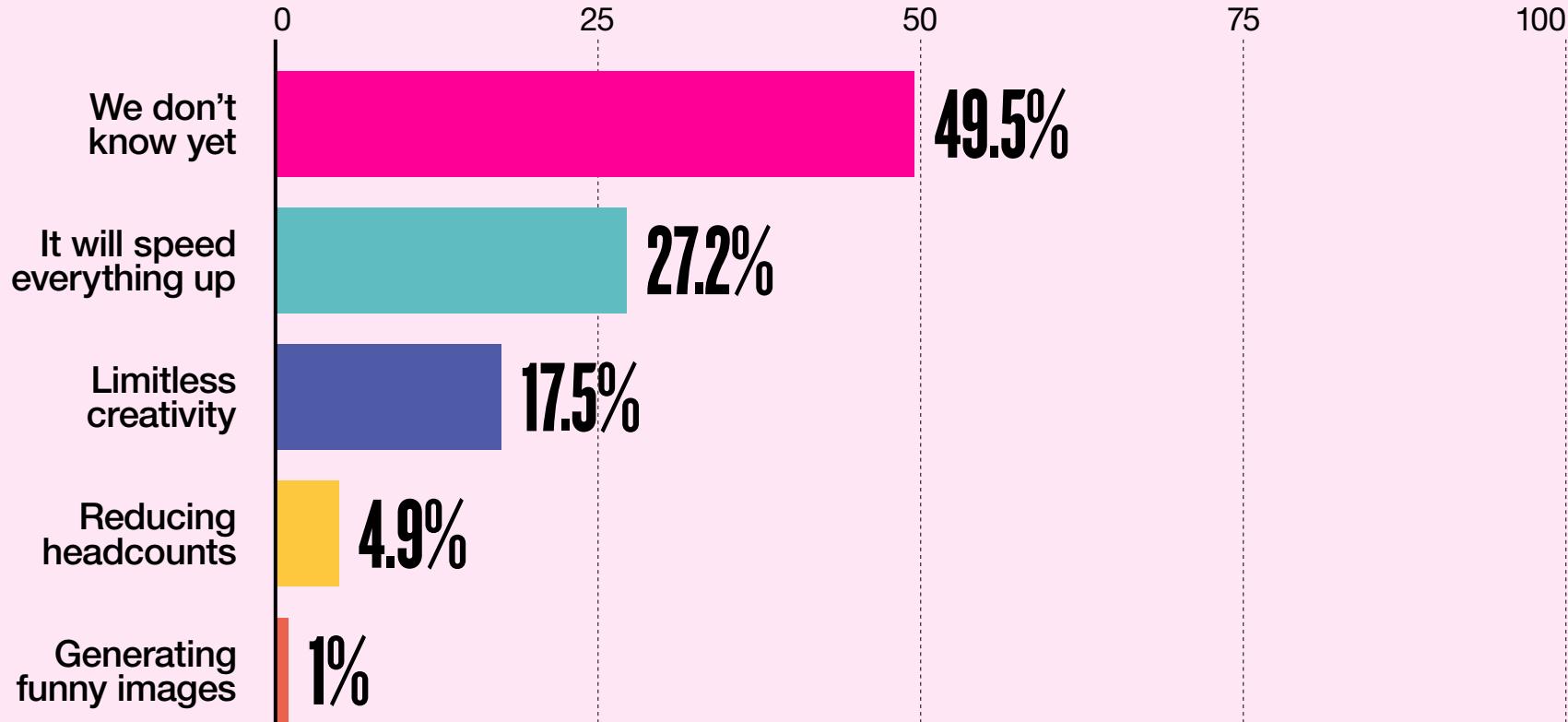
It's just another distraction; this year's Web3

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Generative AI will radically disrupt advertising and marketing...

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The greatest opportunity presented by generative AI

We don't know yet	**49.5%**
It will speed everything up	**27.2%**
Limitless creativity	**17.5%**
Reducing headcounts	**4.9%**
Generating funny images	**1%**

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Remuneration and the agency crisis

Why does the industry still struggle to make money out of what is supposed to be its core competence? 'The eternal question is how we are paid fairly for the value we create,' says Huntington. 'Here are all these phenomenally competent people who are capable of turning a business around, and we ought to be remunerated for that as an industry.'

Agencies often point the finger at the fragmentation of media and creative, and the move from commission-based fees to timesheets, says Bulchandani. 'We get paid by the hour, not by our product. You can create a not-so-good product, or you can create a hit, and the likelihood is you're getting paid the same.'

Moreover, the mercurial nature of creativity makes it hard for creative agencies to offer the same transactional experience as consultancies, where a return on investment is guaranteed. 'We just have to contend with the fact that creativity isn't predictable,' says Huntington. But that's also what makes creativity amazing, adds R/GA's

Tiffany Rolfe. 'There's an intangibility to creativity; that is why people are drawn to great ideas.'

Law attributes the crisis to 'a steady erosion of trust between agencies and clients' and says the response of agencies is too soft. '"Oh, we just need to try harder" or "They just need to understand the value of creativity" — I agree with those things, but none of it matters without a rethink of the structure.' It's all in the balance, says Lego Group's Nic Taylor, 'A good idea is only a good idea if you execute it well. When your own agency starts to obsess more over the efficiency than the impact, you've probably got an issue.'

On the client side, Samsung's Benjamin Braun says there are benefits to both approaches: the consultancies are ruthlessly efficient, focused on a robust return on investment — and the agencies are driven by lateral thinking and creative solutions. 'The CFO and CEO will listen with both ears [to] someone saying your marketing team are wasting money,'

'There's huge power in creativity, and in the CMO role you've got to prove that to people'

Ed Pilkington, Diageo North America

he says. 'But marketing is also about creating an emotional connection with your customer. And it's often hard for those more numerically driven people to do that lateral jump to a creative solution.'
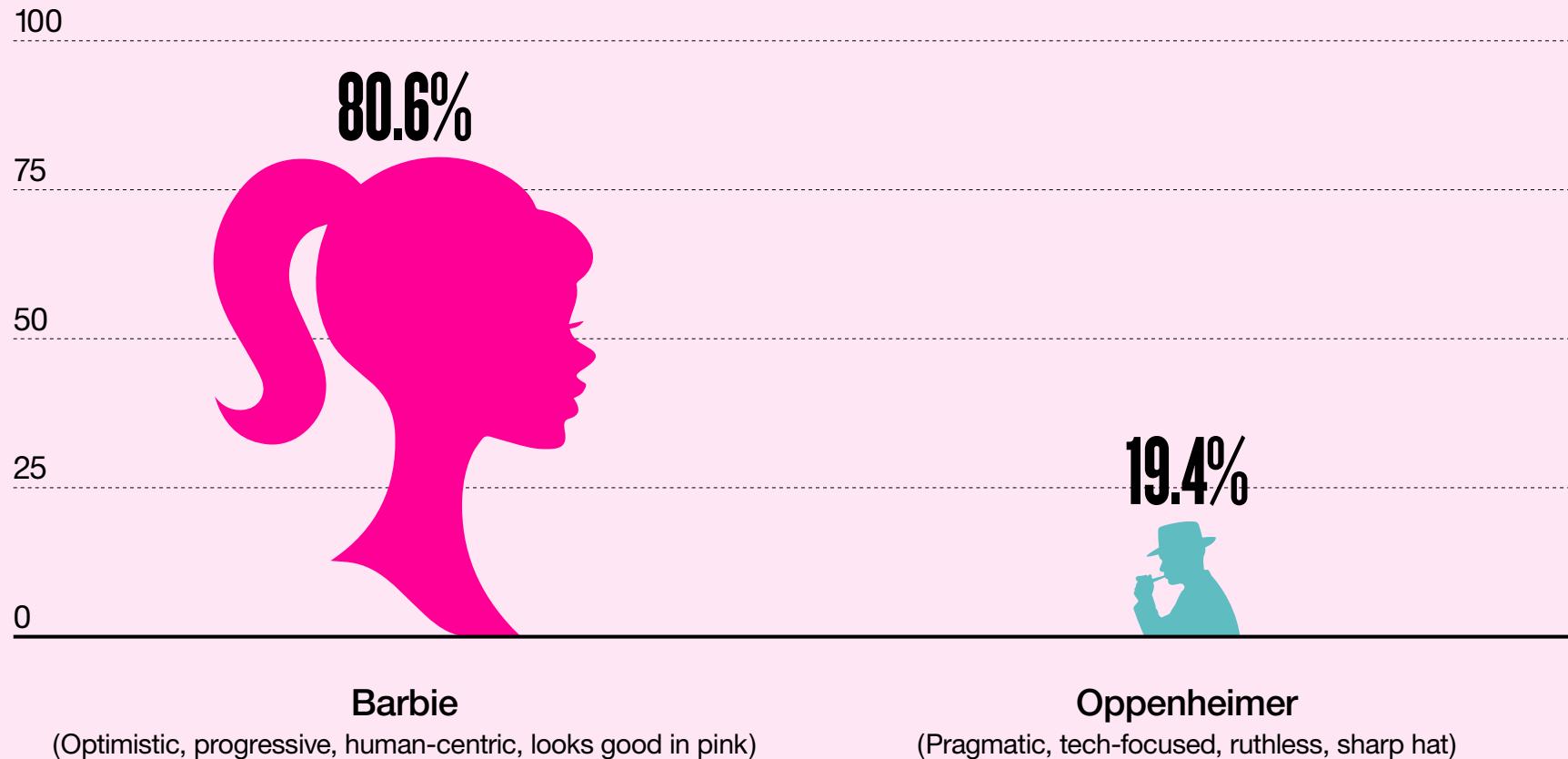
Diageo's Ed Pilkington puts a similar emphasis on ROI. 'There's huge power in creativity, and in the CMO role you've got to prove that to people,' he says. 'I don't mind paying agencies good money if I know I'm paying for amazing talent who bring value to our business.'

On top of existing remuneration issues, the economic environment means 'clients want more for less, more than ever,' says Vicars. While the majority of survey respondents from agencies (80.8%) said that agencies are underpaid, just 34.5% of client
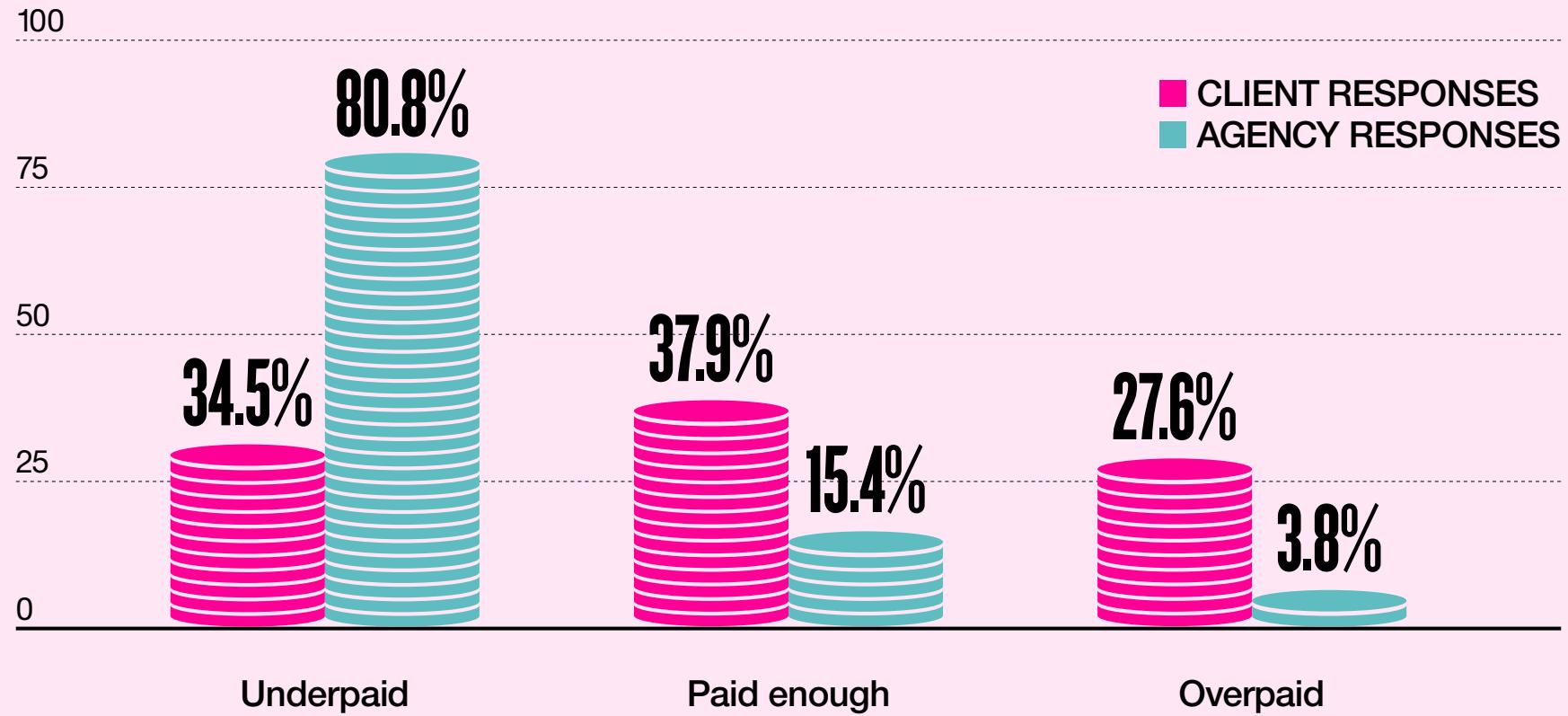
respondents said the same. 'There's a famous saying, which is "Good, fast, cheap — you can only have two,"' says Bulchandani. Yet 'doing more with less, faster' is the theme of practically every talk at industry conferences, says Rolfe.

Asked how to fix the creative agency business model crisis, 42.3% of all respondents said there wasn't an obvious solution, but it boils down to how we value creativity as an industry. 'I don't think there's an issue with the value that creativity is bringing,' says Botan. 'It's capturing that value for the agencies.' AMV BBDO's Martin Weigel puts it bluntly, 'If we want to be taken seriously, we have no choice but to continue to prove that our outputs create lasting outcomes of value.'
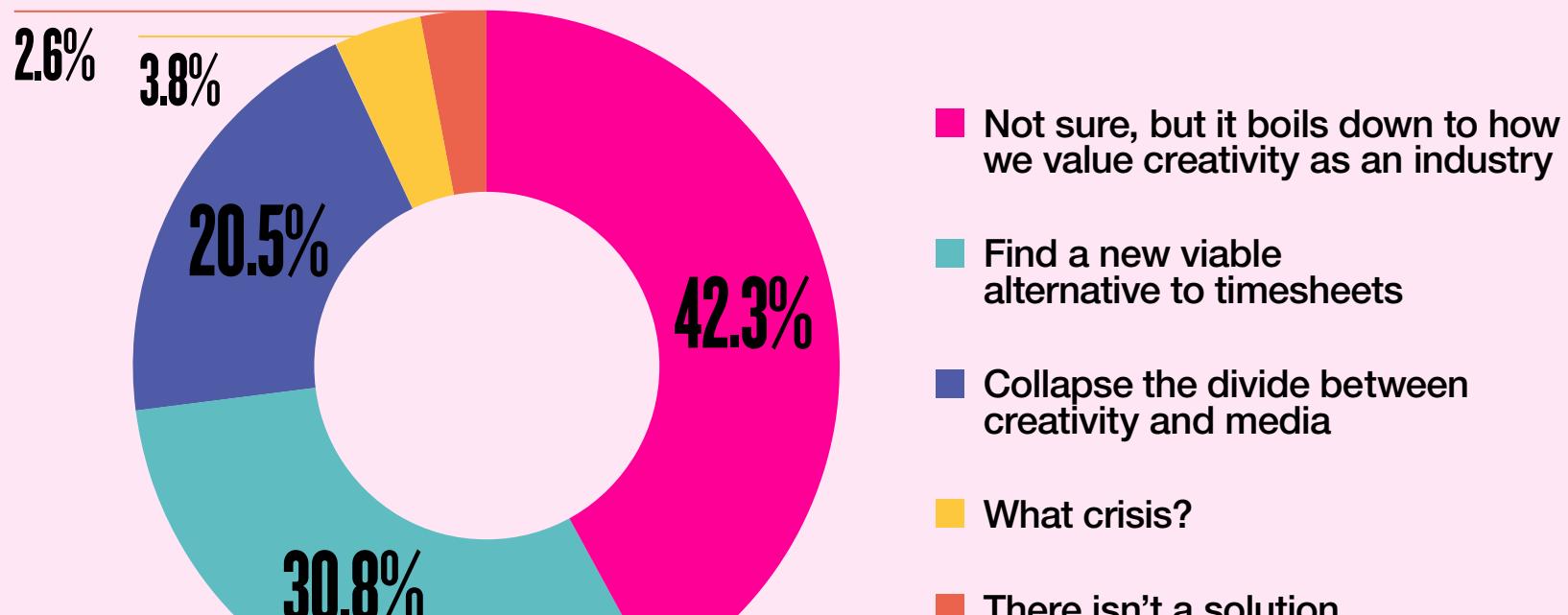
In 2024, we should all be more:

Barbie
(Optimistic, progressive, human-centric, looks good in pink)

Oppenheimer
(Pragmatic, tech-focused, ruthless, sharp hat)

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Are agencies paid enough?

CLIENT RESPONSES
AGENCY RESPONSES

Underpaid: 34.5% / 80.8%
Paid enough: 37.9% / 15.4%
Overpaid: 27.6% / 3.8%

What is the solution to the creative agency model crisis?

42.3% — Not sure, but it boils down to how we value creativity as an industry

30.8% — Find a new viable alternative to timesheets

20.5% — Collapse the divide between creativity and media

3.8% — What crisis?

2.6% — There isn't a solution

Join us in person in London or New York as we bring the Contagious Radar to life with some special guests.

These events will break down the key findings from this report and provide expert analysis and advice on what they mean for you and the year ahead.

CONTAGIOUS LIVE

CONTAGIOUS radar
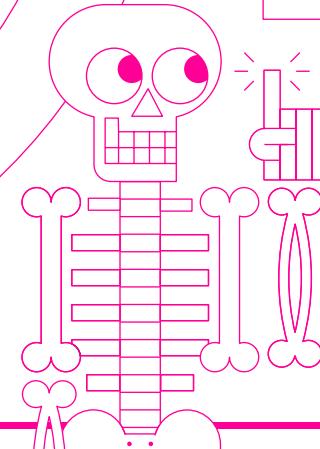
LONDON /
13 March

NEW YORK /
21 March

Tickets: £35 / $40

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Better business integration

'‘Consultancies don’t have the creativity and imagination — they cannot imagine a new future for a business’

Richard Huntington, Saatchi & Saatchi London

The broken agency model isn’t evidence of the diminished value of creativity, says Huntington. ‘It’s undoubted that we’re brilliant at what we do. It would be great if more people across the business landscape understood.’ There were calls for fewer divides within both agencies and businesses. ‘It’s long due that we collapse the strategy and the creative department into one,’ says Beckman.

Taylor suggests that more in-house and client-centred agency models are being created as ‘orchestrating across channels’ becomes a business imperative. But even in-house teams struggle to achieve full integration, she says. ‘We’re in all the conversations. It’s still never straightforward. Something I’m looking for is [an understanding of] the ecosystem, how an idea will travel all the way through to retail, in a really impactful way.’

Some see a trend of greater business integration in motion already. ‘It feels like creativity is breaking out of the marketing department and infecting organisations — the way they behave, the products they create, how they interact with their fans and customers — because there are more and more case studies of creativity informing a product and service, and [shrinking] the time between founding a brand and then selling it for a hideous amount of money,’ says Vicars. The understanding that marketing and creativity can be a growth accelerator has led to ‘the boardroom showing up in marketing conversations’, agrees Bulchandani.

Others aren’t so sure. ‘Our industry [is] very driven by the margins and the money and the businesspeople,’ says Sobral. ‘You end up not using the people whose craft is to use creativity to solve problems.’ Offering a client perspective, Braun says, ‘There’s still a risk of marketeers walking around not realising that their job is to drive incremental revenue or improve profit margins. The role of marketing in 2024 is to create a positive differentiation between our brand or our products, and the competitors.’

Huntington is hopeful. ‘I have gained a renewed optimism and excitement about the application of creativity to commercial problems,’ he says. ‘Brand is the “unlock” for growth, rather than a way of making sense of a business or an organisation. We’re pretty much the only people that can do that. Organisations can’t imagine their way out of a paper bag, and the consultancies don’t have the creativity and imagination — they cannot imagine a new future for a business. We can. People [for whom] creativity is second nature are the only people that can do this. If we’re going to drive growth for our clients, we have to help get them out of “share of market” into a “share of life”. That act is a profoundly creative one.’

A dead-end for diversity?

Will the ad industry ever be truly representative? Diverse organisations do better creative work and achieve stronger business results, but the industry continues to fail to recruit — and arguably more importantly, retain — diverse talent, to its own detriment.

'When we don't have diversity of talent coming through, we don't have diversity of thinking,' says Vicars. 'New thinking is so important to push this industry forward.' He suggests that advertising and the creative industry has slipped to the bottom of the list of viable careers for school-leavers. The second part of the problem, he adds, is that we lose those 'who don't have the support network or the privilege around them to endure two years working their ass off on a lousy salary'.

That gets to the heart of the retention problem, agrees Huntington. 'There are so many initiatives to get people in, but the churn rate is embarrassingly high.' It's not just a moral imperative to retain diverse talent, it's business critical, he adds. 'It's about our ability to do our jobs properly by sufficiently connecting with the people we serve. We desperately need to connect with people and unless we can think authentically and write authentically and create authentically, we're doing cosplay.'

We need to make cultural, as well as structural changes, to create a more inclusive environment, adds Law. 'I don't think we think enough about how to make [this industry] comfortable and productive for people to come in.' It's hard to break into this world that has established 'a

'We desperately need to connect with people and unless we can think authentically and write authentically and create authentically, we're doing cosplay'
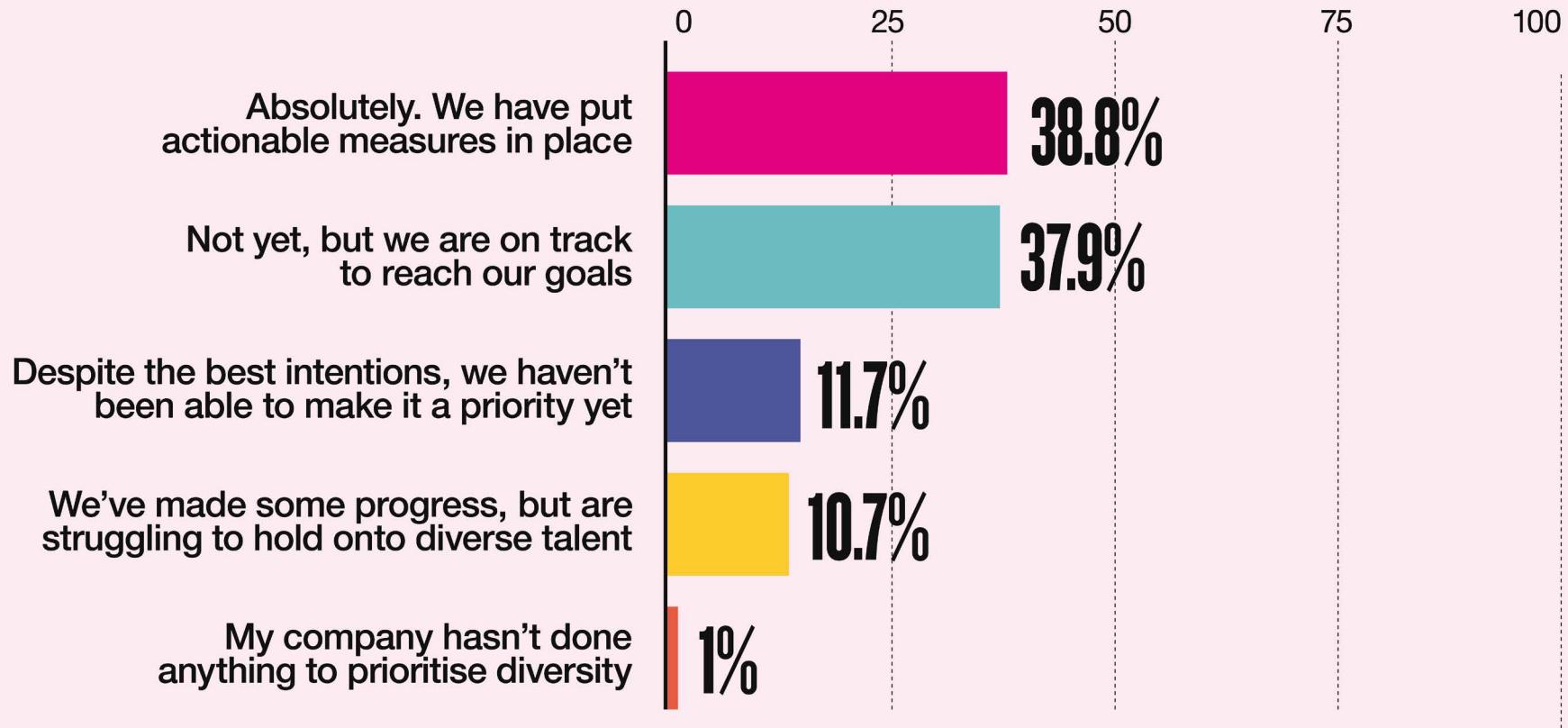
Richard Huntington, Saatchi & Saatchi London
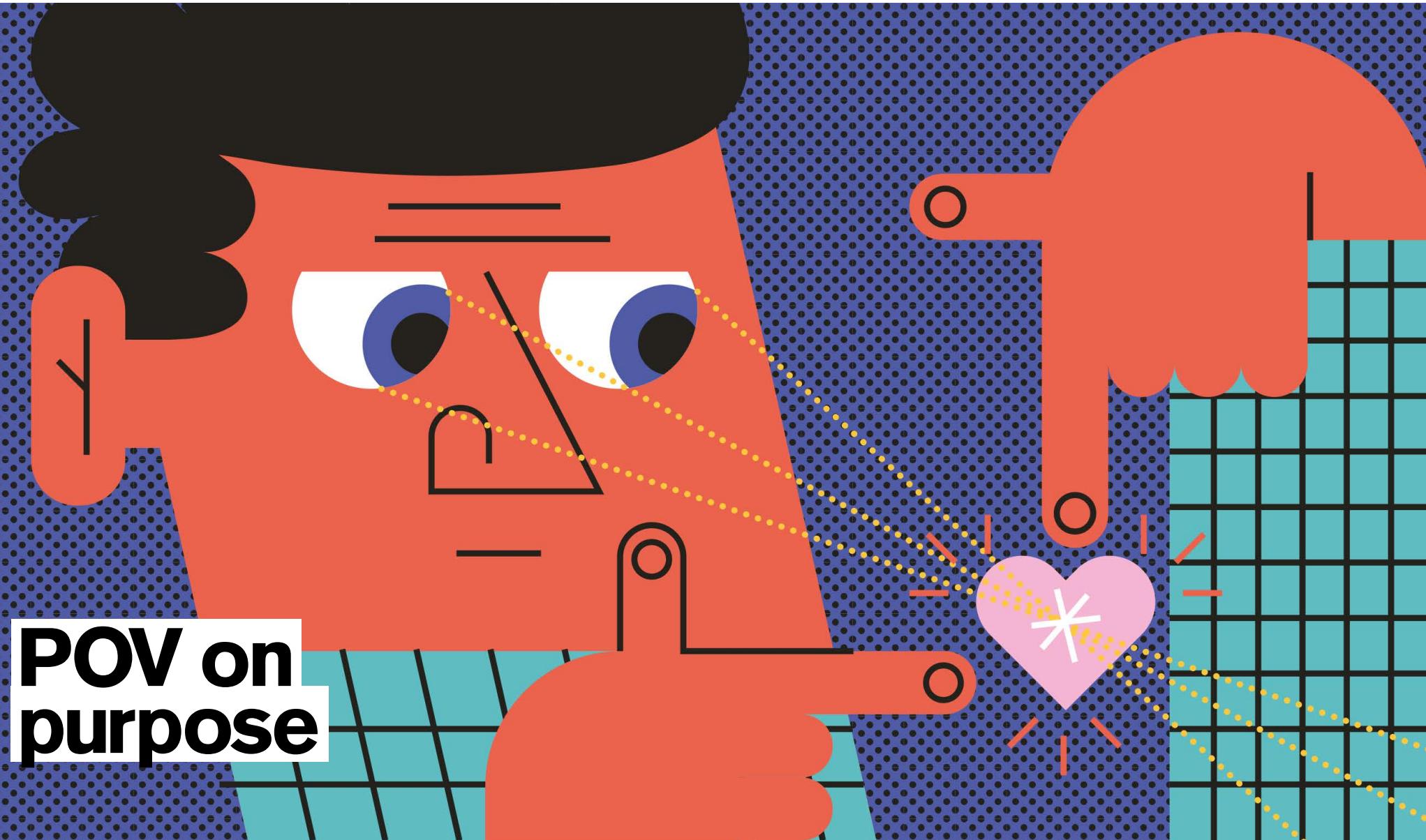
language and dynamic that's particular to a lot of white guys high fiving in the hallway with baseball caps on', he says.

There's a lot of work that can be done on diversity argues Sobral. 'A lot of the time I think we don't do it because it costs money.' Bulchandani is more optimistic — her position as a female CEO of colour is in itself evidence of progress, she says, adding, 'The only way change happens is if we believe change can happen.' El Honsali hopes that certain events last year, such as the Bud Light fallout, don't deter the industry from pushing for more diversity. 'I saw people getting scared,' she says, 'and we should not be. It needs to become a table stake, not an option.'

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Has your company done enough to prioritise diversity?

	0	25	50	75	100

Absolutely. We have put actionable measures in place — 38.8%

Not yet, but we are on track to reach our goals — 37.9%

Despite the best intentions, we haven't been able to make it a priority yet — 11.7%

We've made some progress, but are struggling to hold onto diverse talent — 10.7%

My company hasn't done anything to prioritise diversity — 1%

POV on purpose

Last year's Bud Light boycott and Unilever's U-turn on purpose marked an inflection point around brand purpose. In our 2024 survey, 68.9% said that purpose was 'Sometimes appropriate', 30.1% said they were 'All in'. Only 1% said it was 'Pointless'.

'We got drunk on purpose,' says Vicars. 'And now the industry is sobering up and looking at what we've done with a little bit of remorse and regret the next day.' When purpose becomes the default, it loses all meaning, agrees Huntington. 'It became an orthodoxy and creativity exists to overturn orthodoxy. So it was inevitably going to be found wanting.'

But recalibrating our relationship with purpose doesn't mean abandoning it all together, says Huntington. Vicars adds, 'We shouldn't confuse purpose with point of view. A point of view should be something that every brand has at their core, so that they can understand what they say, who they advocate for.'
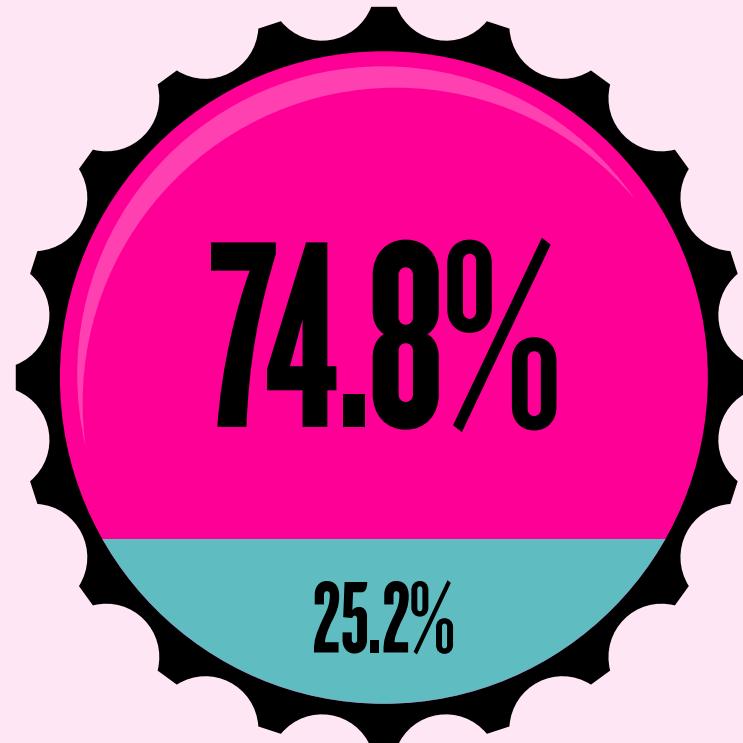
Point of view is especially important today, says Rolfe. 'Customers demand that businesses have a point of view. But that has to be authentic. It can't just be in service of growth, to try to get a new audience.' Brands need to do what they believe in, agrees Beckman. He quotes Groucho Marx: '"I have my principles. If you don't like them I have others." That's kind of how brands have been operating. You have these focus groups and ask them, are we cool? Are we good? That's not how it works.'

Bulchandani is clear why purpose works for Dove. 'It's not just that they decided to get on the purpose train. It's been core to who they are.' It's easy to 'create a link for any social issue to most big brands', she says. 'It's become much more important that your purpose drives your business, your products, your entire business value chain, as opposed to just being a marketing pillar.'

> ‘We got drunk on purpose. And now the industry is sobering up and looking at what we've done’
>
> Simon Vicars, Colenso BBDO
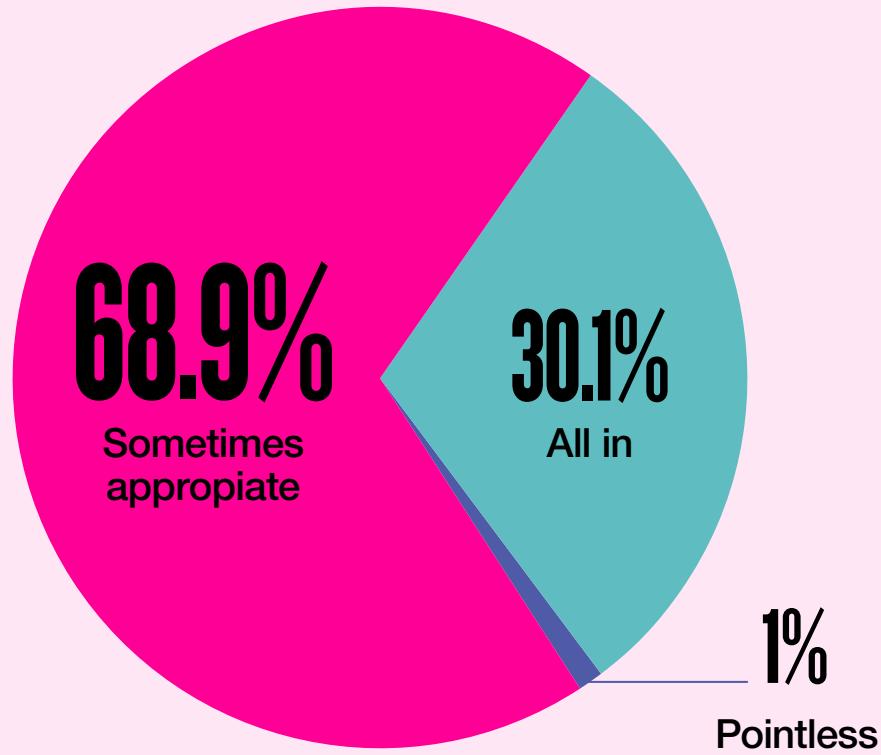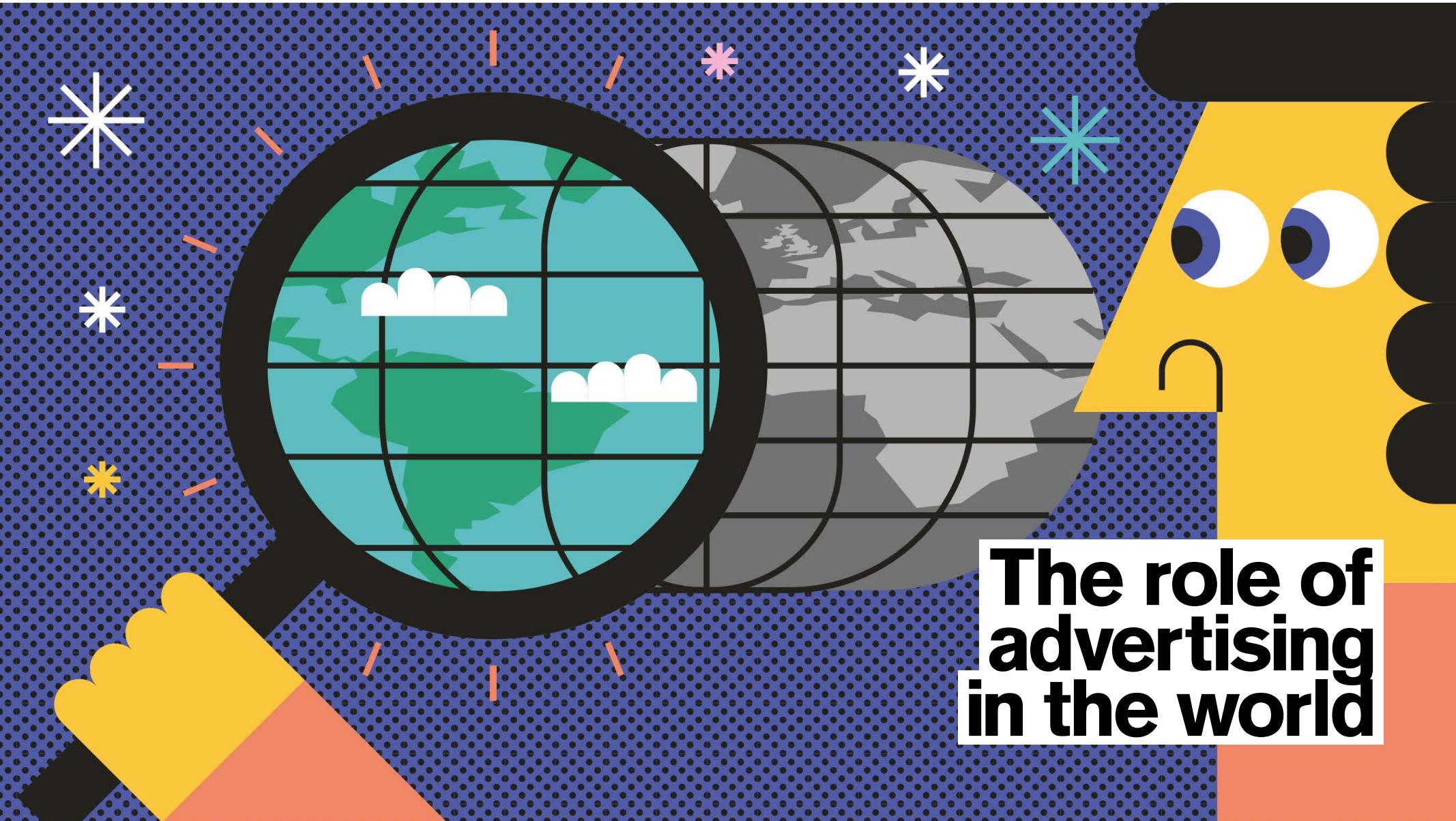
How did the Bud Light fallout make you feel about purpose?

74.8%

25.2%

■ It didn't change my attitude
■ It was a real wake-up call to dial it down

How does the industry feel about brand purpose?

68.9%
Sometimes
appropiate

30.1%
All in

1%
Pointless

The role of advertising in the world

When asked about marketing trends in the year ahead, several hailed a return to reality. Huntington hopes to see more work rooted in real insights. 'Telling stories about individuals, not groups of people, not segments, not cohorts, not personas, not made-up stuff, but real people, that's how you touch reality,' he says. 'It's about getting your nose pressed close up to the glass, so you can see inside people's lives.'

Beckman says that the 'inconvenient answer' to the disconnect between brands and consumers is to 'be more candid about the world and brands'. 'We need to focus on outcome rather than income,' he says, 'not just with how we partner among agencies and networks, but also partnering with the real world, and making sure that we connect to citizens and consumers in a way that makes sense to them.'

It's not just agencies pushing for this, says Vicars. 'The biggest shift, from what I've seen over the past 15 years, is that clients are asking us to put their brands into culture, as opposed to standing outside culture and yelling back into the world.' It's less clear whether advertising should be reflecting the messiness of the real world, he says. 'Do we double down as an industry on filling the world with heaviness? Or is our role to be that offset, and to bring some lightness and entertainment to the world? I would probably see us as [the latter].'

On entertainment, Vicars says it's easy to evoke a reaction with emotional work, what's harder is making people laugh. 'We need to get back to entertainment, and helping brands turn up in people's lives, and for people to be excited about them being there because they are bringing entertainment.'

'Clients are asking us to put their brands into culture, as opposed to standing outside culture and yelling back into the world'

Simon Vicars, Colenso BBDO

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Does adland understand real people?

52.4% No, but they think they do

36.9% Yes

10.7% I do, but no one else does

# Are ads today reflective enough of the real world?
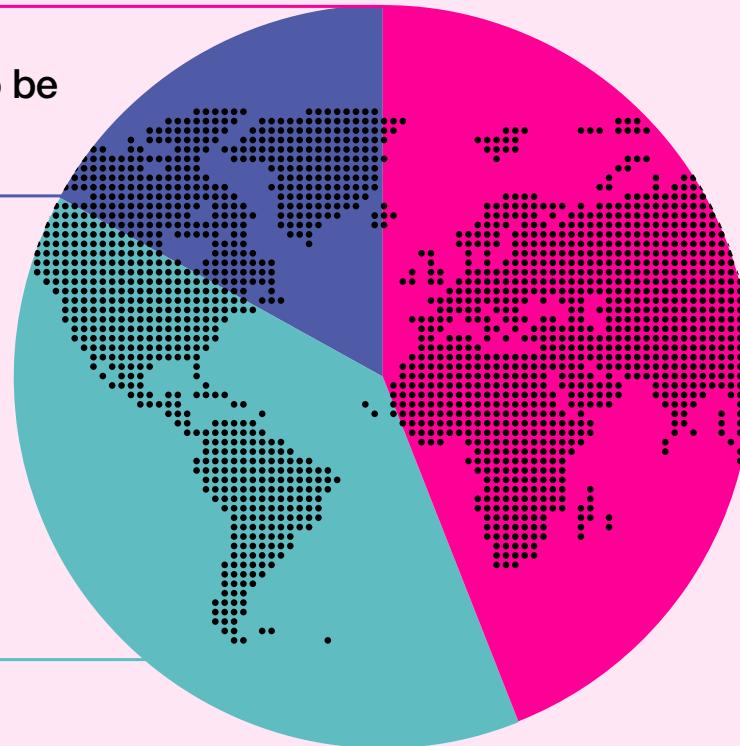
43.7% They don't need to be

17.5% No
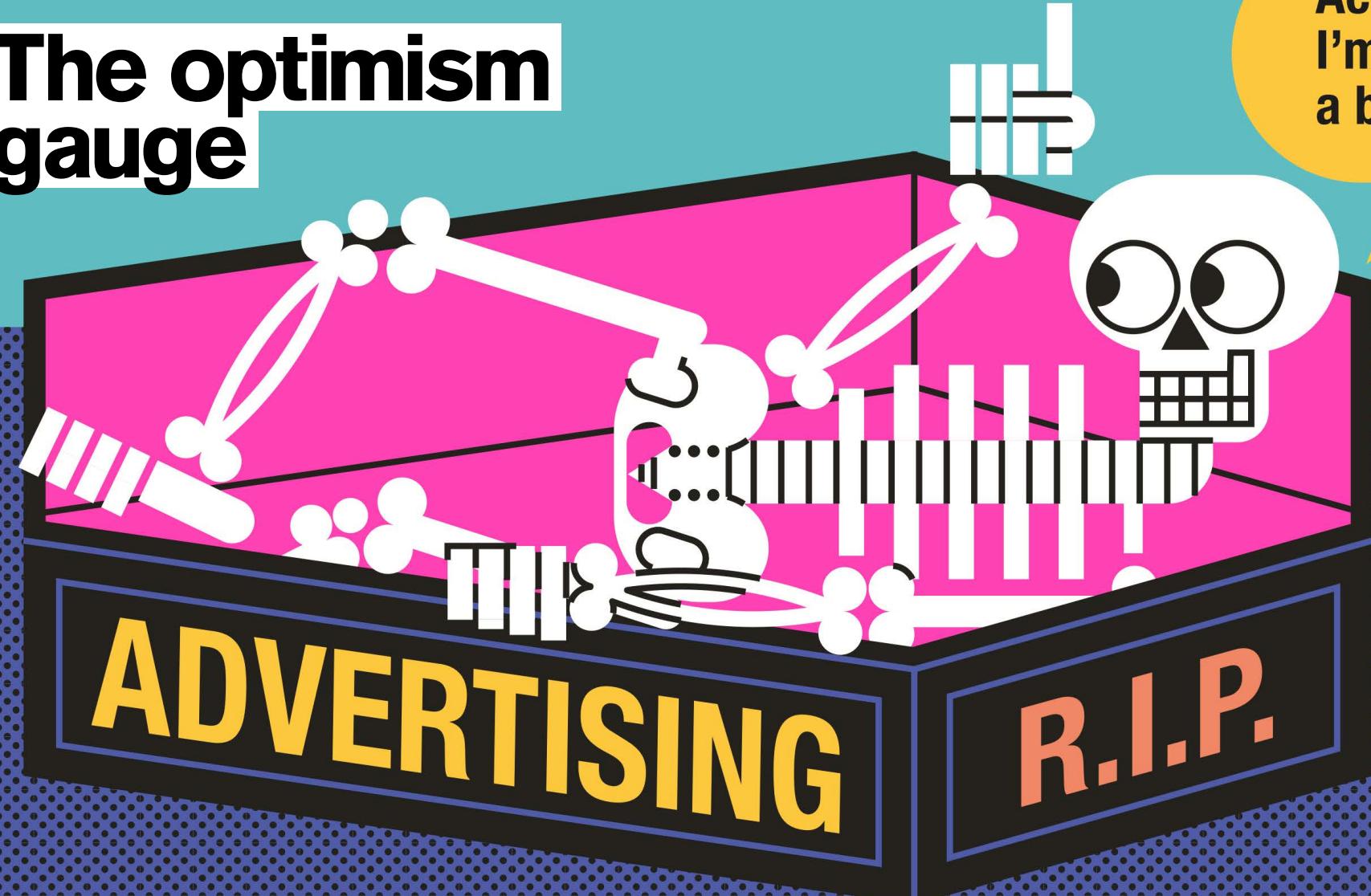
38.8% Yes

Despite the array of challenges and calls for change, one thing is constant: creativity is the ultimate distinguisher. And that is something to be optimistic about in a period of flux. Although 85.4% of marketers surveyed said that the output of the industry is 'Totally average' (up from 80.6% last year), 88.3% said they felt proud to work in this industry (up from 85.7%) and 72.8% of people said they felt more about the state of advertising/marketing in 2024 than they did for 2023. Our interviewees shared this mixture of relentless positivity and cautious optimism — Simon Vicars says he is 'psychotically optimistic about everything' and that he hates the saying 'it's only advertising' because 'it makes it okay to not care about what you do. I reckon giving a shit is the only way you get to great work.'

'I want to be scared. When there is disruption and a state of change, I tend to feel my most comfortable'

Tiffany Rolfe, R/GA

Devika Bulchandani is also unabashedly positive. 'For 10 years, we've been talking about the death of advertising, but it hasn't died,' she says. 'I think it's going to be really tough. But if you ask 20 different industries, they'll tell you 2024 is going to be tough. I don't know if that's anything to do with our industry, I think we're just going through tough times as a world.' Like Vicars, she is keen to do away with the 'doomsday prognostication'.
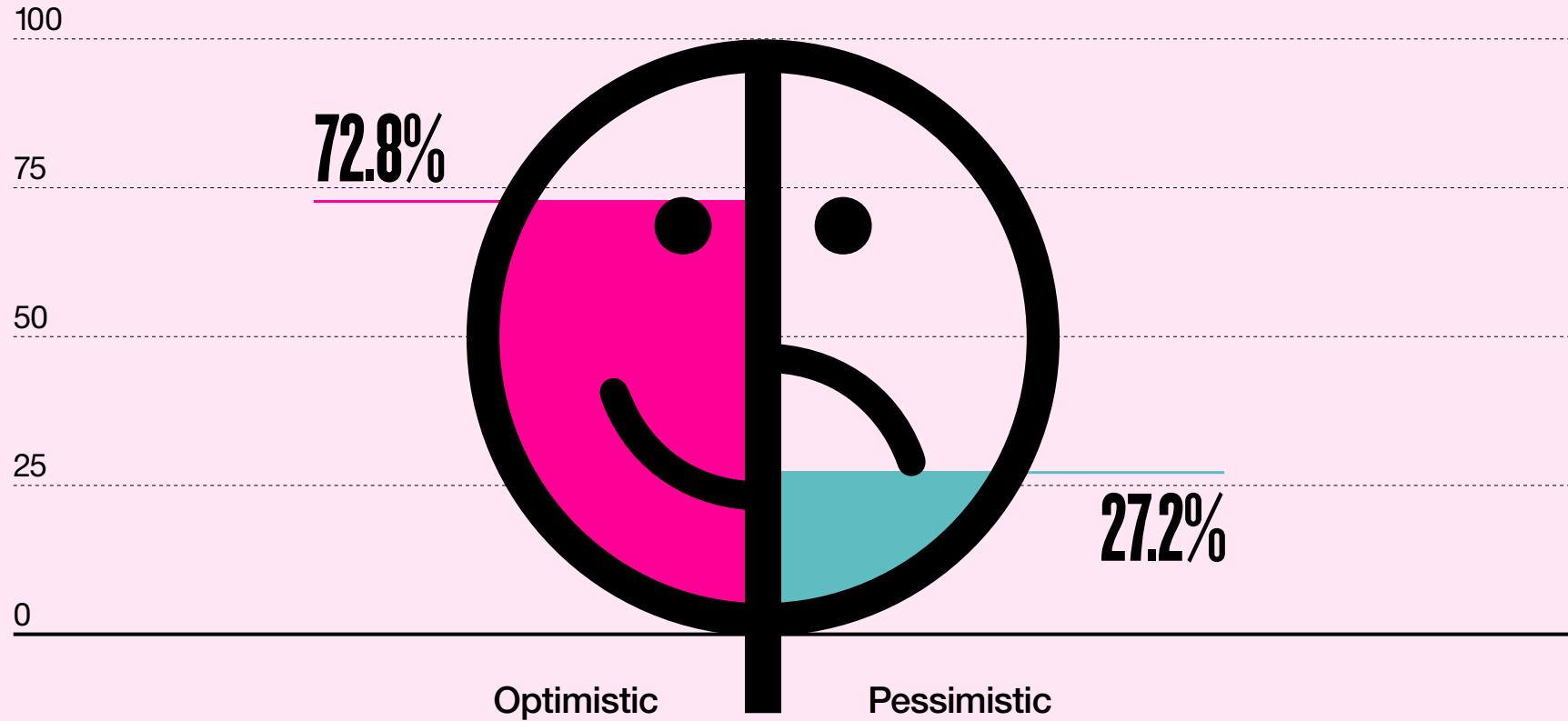
'I would change the narrative,' she says. 'Creativity is a powerful force in the world. The industry is made up of artists and scientists, where else does an industry like this exist? And I'm sorry, for all the doomsday people, the industry is growing.'

In the opposite camp, Tom Beckman calls for humility. 'Most people hate advertising. That's just a fact. And the only way that you can survive in this industry, is either you hate it, just like
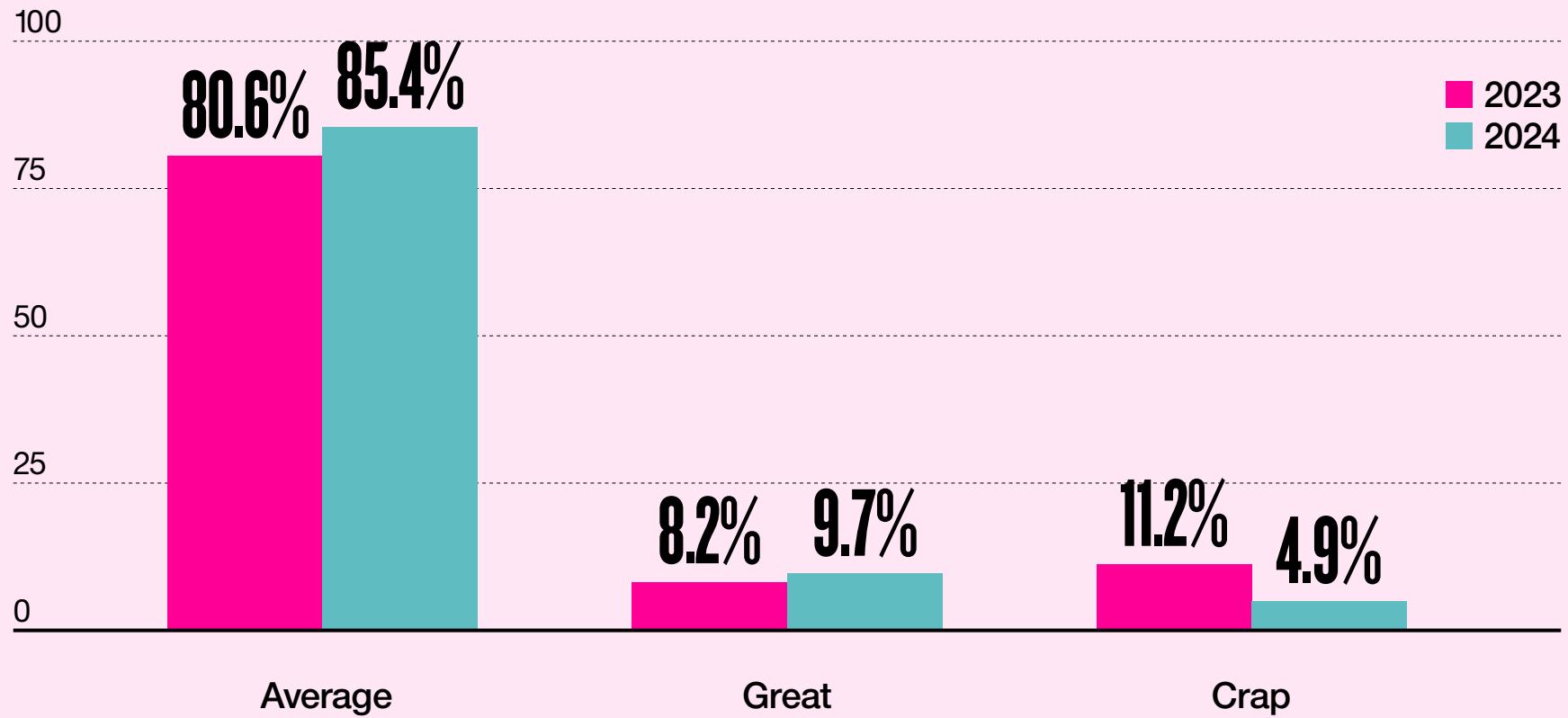
most people, and you want to change it or do something interesting with it. Or you love it and you want to perfect it.'

Tiffany Rolfe also identifies an opportunity for improvement. 'What I'm optimistic about is that there is so much that we can do,' she says. The most pressing concerns of the day — the threat of AI taking jobs, the industry's struggle to nurture diverse talent, the political turmoil unfolding across the world — are vast and complex challenges that won't be solved overnight. But they are also opportunities to learn and experiment. She concludes, 'I am not a creative type that wants to just keep sharpening one skill over time. I want to be scared. When there is disruption and a state of change, I tend to feel my most comfortable. So I'm optimistic about where we're going.'
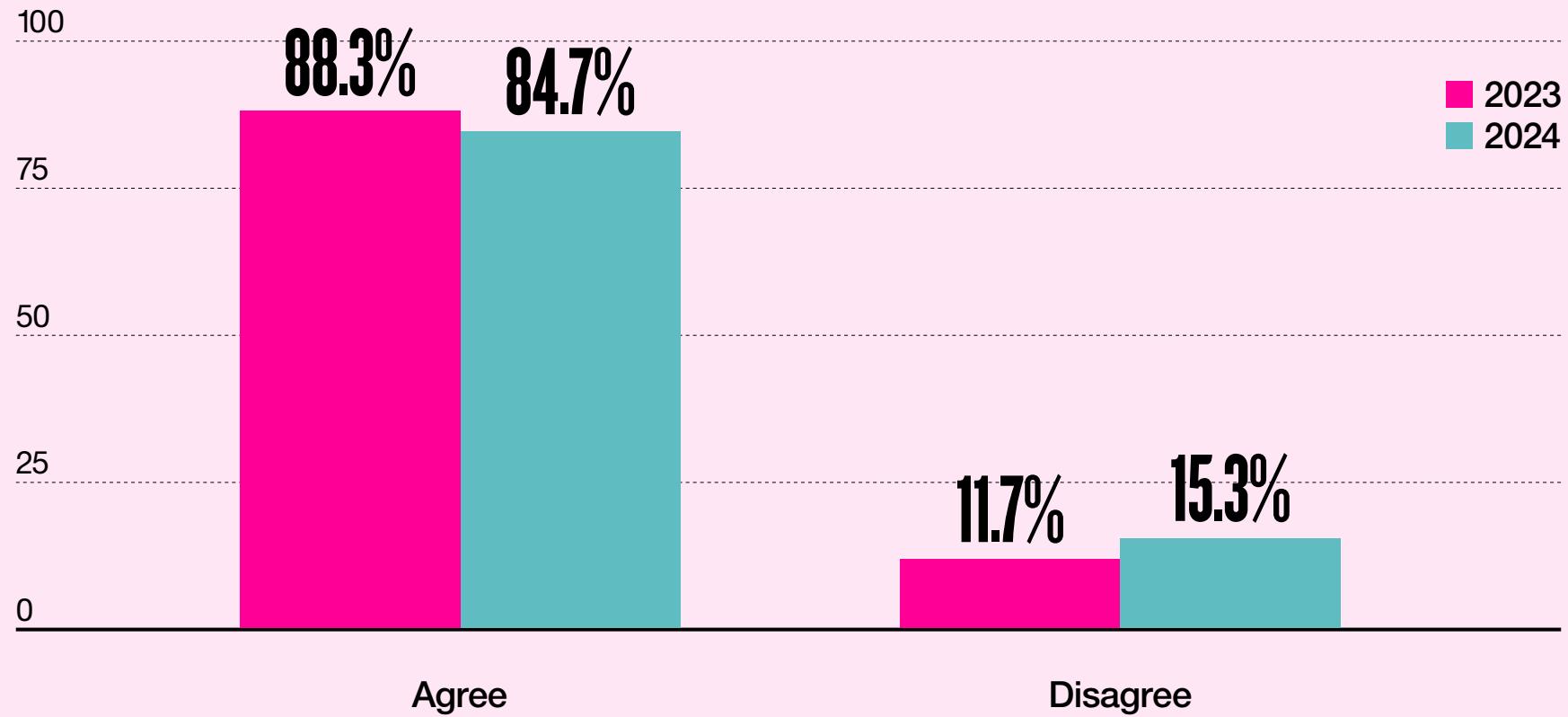
How the industry feels about the state of advertising in 2024


72.8% Optimistic

27.2% Pessimistic
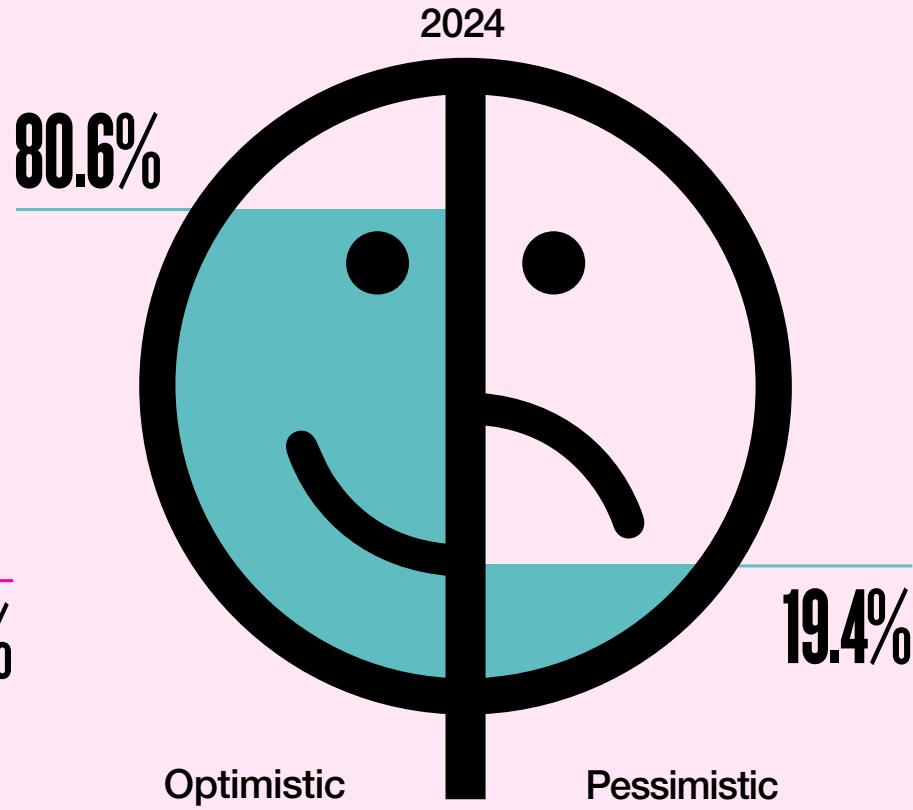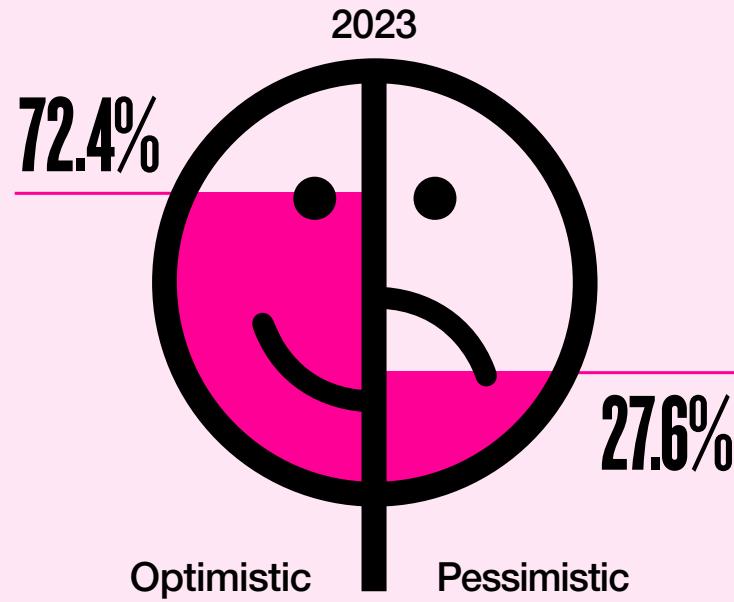
Right now, the output of the industry is...

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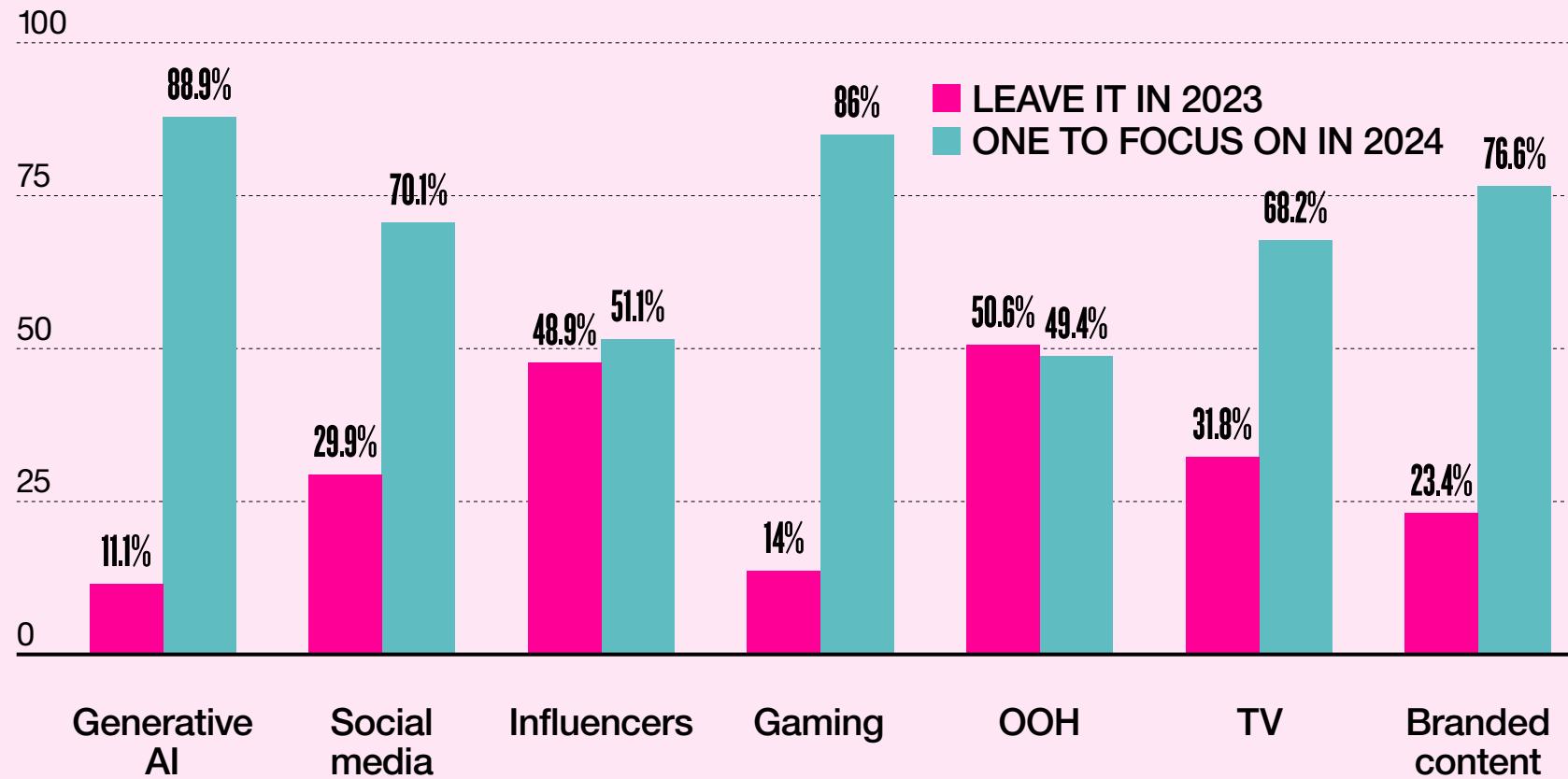
'I feel proud to work in this industry'

How the industry feels about the impact of advertising

2023

72.4%

27.6%

Optimistic   Pessimistic

2024

80.6%

19.4%

Optimistic   Pessimistic

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The most exciting opportunities for creativity

Legend:
- LEAVE IT IN 2023 (pink)
- ONE TO FOCUS ON IN 2024 (teal)

Category	LEAVE IT IN 2023	ONE TO FOCUS ON IN 2024
Generative AI	11.1%	88.9%
Social media	29.9%	70.1%
Influencers	48.9%	51.1%
Gaming	14%	86%
OOH	50.6%	49.4%
TV	31.8%	68.2%
Branded content	23.4%	76.6%

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The biggest challenge facing the industry in 2024 is...

Ranked in order of priority...

1	Budget constraints / Economic conditions
2	Clients devaluing creativity
3	Remuneration of agencies
4	Hiring and retaining talent
5	Technology devaluing (human) creativity
6	Lack of representation / Diverse talent
7	Lack of business integration

CONTAGIOUS

We help agencies and brands supercharge their marketing by learning from the world's most creative and effective companies and campaigns.

We do this via our IQ intelligence platform, consulting services, training and events. The company's mission is to inspire and enable contagious creativity by championing excellence and innovation in marketing.

Find out more at contagious.com