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WARC AI image

The GEISTE Report 2024

Discover the driving forces
shaping the world



/imagine

stunning effects on earth of pulling and pushing forces,
cities, countries, globe, textures, waves crashing
-- stylize 550

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In this report

This report is based on the WARC GEISTE framework, which examines the key global trends that will be shaping marketing strategies over the coming year.

The GEISTE framework is macro by design, with an emphasis on social and cultural trends, technological

advancements, economic signals and political events.

It is these different factors that have informed the selection of key trends for the upcoming edition of the WARC Marketer's Toolkit published later this month.



Sian Bateman
Manager, Content Analysis
WARC

WARC's GEISTE framework examines global trends via six key lenses (government, economy, industry, society, technology and environment), identifying the major macro level shifts that will shape the world in 2024.

GEISTE:

Identifying the drivers of global change

The GEISTE framework is unique to WARC, centred on six key lenses that help identify drivers of major global change in the year ahead.

It provides the foundation for the WARC Marketer's Toolkit, which identifies the major trends that will impact marketing strategies over the year ahead.

The extensive research and analysis process for the Toolkit starts with the GEISTE report which consolidates the macro-level trends that build our final selection for the Toolkit.

Our research incorporates a broad set of resources including economic forecasts from institutions such as the IMF, commentary from think tanks and international organisations like the UN, plus a range of reports from consultants and research companies.

You may notice a degree of repetition across trends in the report. This is deliberate, because trends often intersect across the six lenses, and we'd rather overlap analysis than lose any nuances across trends.

Key underlying issues shaping the trends we list in this report include the continuing cost-of-living crisis and supply chain challenges driven by the Russian invasion of Ukraine.

Meanwhile, the increasingly volatile geopolitical landscape has been jeopardised again by the reigniting of conflict in the Middle East.

The climate emergency and the rapid rise of artificial intelligence will also be key issues facing governments, industry leaders and consumers over the year ahead.

We hope you enjoy the report.

Methodology

The GEISTE framework is unique to WARC. GEISTE covers six drivers of change for marketing: Government, Economy, Industry, Society, Technology and Environment.

We use a broad selection of globally respected sources to lay the foundation of our analysis. This gives us the advantage of starting outside the marketing echo chamber.

We review the major macro drivers expected to impact society in 2023 and map them across each of these six pillars to identify the key trends for the GEISTE report.

GEISTE's six macro drivers

G	Government	Major geopolitical shifts, government actions, policy decisions and regulation
E	Economy	Macroeconomic trends affecting the global economy
I	Industry	New strategies, management philosophies and current thinking amongst businesses
S	Society	Evolving values, beliefs, creative ideas and behaviours reimagining society
T	Technology	New technologies, innovations and creative implementations and usage
E	Environment	Environmental impact on business functions, investment and consumer lifestyles

WARC AI image

/imagine

famous political buildings decorated with balloons -- stylize 750



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Government



The race to regulate AI

AI poses a unique challenge for governments. Excessive regulation could constrain economic progress but complacency could risk an explosion of online disinformation and fraud.

The balloting of lies: New thresholds breached in post-truth era

Trust in government and financial institutions is at an all time low as people become increasingly exhausted by conflicting information and an environment of uncertainty.

A new world order

Strained international relations are leading to a reversal of globalisation, with multinational companies shifting their supply chains out of areas of geopolitical sensitivity.

Sportswashing and the takeover of mass audiences

Accusations of 'sportswashing' – using sovereign wealth funds to invest in global sport as a means of creating 'soft' power – being leveled against some entities. How will their investment influence the international sporting landscape?

Trend 1: The race to regulate AI

Governing bodies across the world are struggling to control the rapid evolution of artificial intelligence.

Why this is happening:

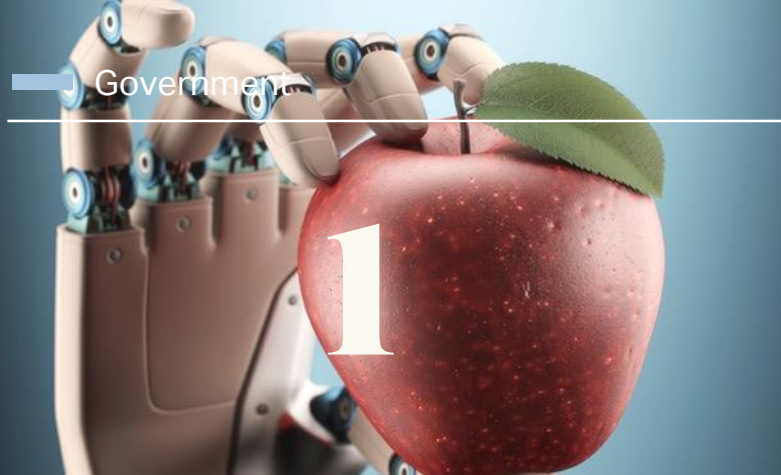
Artificial Intelligence (AI) is appearing in every area of our lives. Bloomberg Intelligence forecast the generative AI market to grow to \$1.3 trillion over the next decade, from a market size of \$40bn in 2022.

Governments across the world are trying to understand the capabilities of AI. Regulators find themselves in a challenging situation. They are hesitant about introducing tough laws that may

inhibit economic progress. At the same time, they want to avoid being passive and allowing the technology to be manipulated by bad actors.

Generative AI is set to transform the industrial landscape by automating standard working processes. The technology is improving at an unprecedented rate through reinforced learning from human feedback. This progress also creates immediate risks. In the worst case scenarios, bad actors could use AI to push online disinformation, reflect discrimination and threaten cybersecurity.





What's driving this trend

Rapid evolution of AI

Since OpenAI launched ChatGPT at the beginning of the year, astonishing improvements have been achieved in Generative AI. McKinsey suggests that the technology could match human performance in many sectors much sooner than anticipated.

Expectation to invest

Business leaders are under mounting pressure to invest in generative AI to keep up with their competitors and improve productivity within their organisations. Many leaders remain cautious and are testing the technology, wary of issues like quality of data, privacy and ethics and recruiting new talent.

Acceptance of AI

There is a growing acceptance of artificial intelligence as the public usage and accessibility of AI tools increases. But it is also driving feelings of anxiety as people fear it will become too integral.

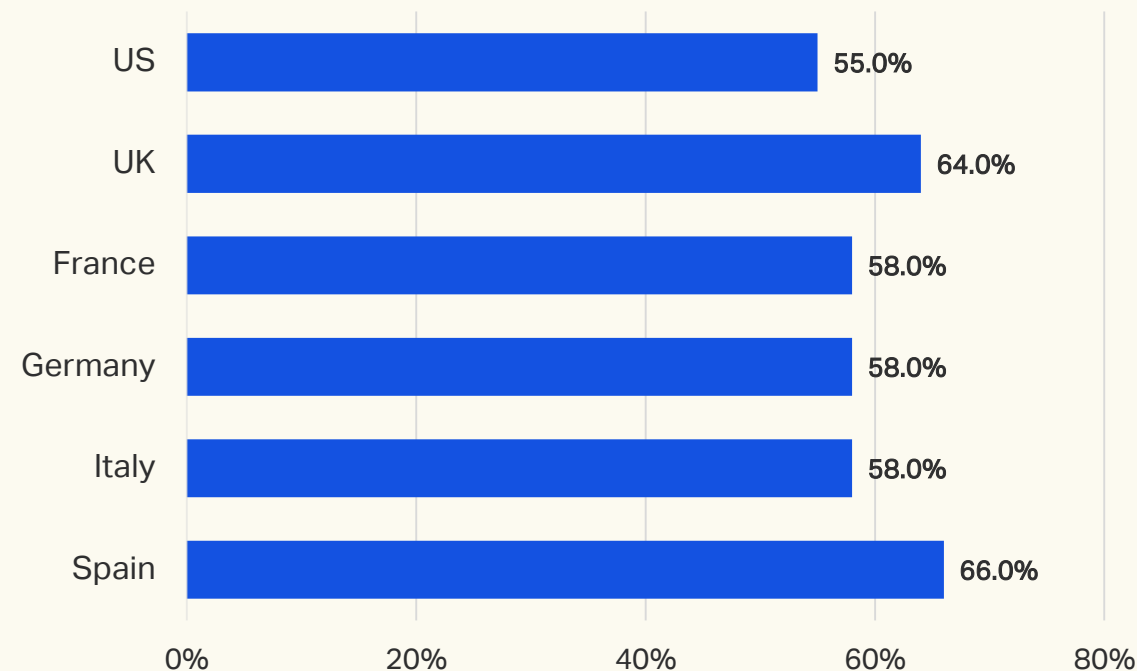
By the numbers: Consumers are cautious when it come to artificial intelligence

People are becoming increasingly wary of the dangers of artificial intelligence and actually support government intervention when it comes to controlling the technology. According to Morning Consult, the majority of adults across six markets in Europe and the United States agree that AI should be heavily regulated by government.

Data protection, bias and online safety will be key issues of concern that regulators will

need to address when it comes to the rapid progression of artificial intelligence. Generative AI learns by data being fed into its system and at present there are no mechanisms in place to detect personal information in the data mining process, especially from sources like social media platforms. A third of UK consumers told Consultancy UK that data privacy was holding them back from using AI.

“AI should be heavily regulated by government”



Source: Morning Consult

Notes: Surveys in the United Kingdom, France, Germany, Italy and Spain conducted June 14-25, 2023, amongst representative samples of roughly 1,000 adults per country, with unweighted margins of error of +/-3 percentage points. Survey in the United States conducted July 6-8, 2023, amongst a representative sample of 2,203 adults, with an unweighted margin of error of +/-2 percentage points.

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How marketers can respond

Be aware of guidance and regulation within any market you work in

- Regulators are keeping a close eye on the progress of Generative AI. Marketers should stay up to date with any current and forthcoming legislation before they conduct work with AI in any country.
- It is better to exercise caution and consider the ethical impact of any investment in AI. Protect your brand reputation and keep your customers safe online.
- Be prepared for countries to follow legislation set in other territories (like the [EU AI Act](#)) as a model of best practice.

Understand potential risks before investing

- The safety and privacy of your customers should be paramount when it comes to using artificial intelligence, especially with younger audiences.
- Copyright laws are still being set and are often difficult to interpret in terms of creative licence, particularly with Generative AI. Be careful working with content, particularly images, video and music.
- Brands must be clear when they have used AI within their creative messaging to avoid any backlash from consumers.



Trend 2: The balloting of lies

In the run up to political elections in 2024, deep fake technologies could be used to publish manipulative videos and stories, causing further damage to public trust.

Why this is happening:

Commentators are warning of a potential surge in disinformation leading up to the various elections taking place in Western democracies next year (see, for example, the [deepfake videos](#) shared on social media before the elections in Slovakia that took place this year).

Axios has called the forthcoming US Election the '[Trust nothing](#)

[election](#)'. Pew Research found 84% of citizens across 19 countries believe access to the internet and social media has made it easier for people to be manipulated with false information and rumours.

Americans are the most negative about social media. Sixty four percent feel social media has been bad for democracy, 79% believe digital access has made people more divided in their political opinions, while 69% believe the internet and social media has made people less civil when it comes to voicing their political opinion.

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What's driving this trend

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Failed policies and government corruption

In many countries around the world, people have lost faith in their government and the concept of democracy. Poverty, war and government failure have led to public uprisings with strikes, protests and military coups all taking place over the past year.

The spread of online disinformation

Personalisation and content recommendation algorithms can serve readers unbalanced news coverage delivering biased content based on the reader's core beliefs, strengthening the power of fake news.

Loss of faith in mainstream media

As the proliferation of content grows, people are finding it harder to distinguish between fact and fiction. Reputable media outlets should promote their accuracy and balanced reporting in order to regain public trust.

By the numbers: Rampant disinformation is challenging perceptions of truth

Younger audiences access their news via social media platforms rather than directly from online news platforms. The [Reuters Institute](#) found 41% of 18-24 year olds in the UK say social media is their main source of news.

Reuters found on sites like TikTok, Instagram, YouTube and Snapchat, people trust news delivered from personalities more than mainstream news sources.

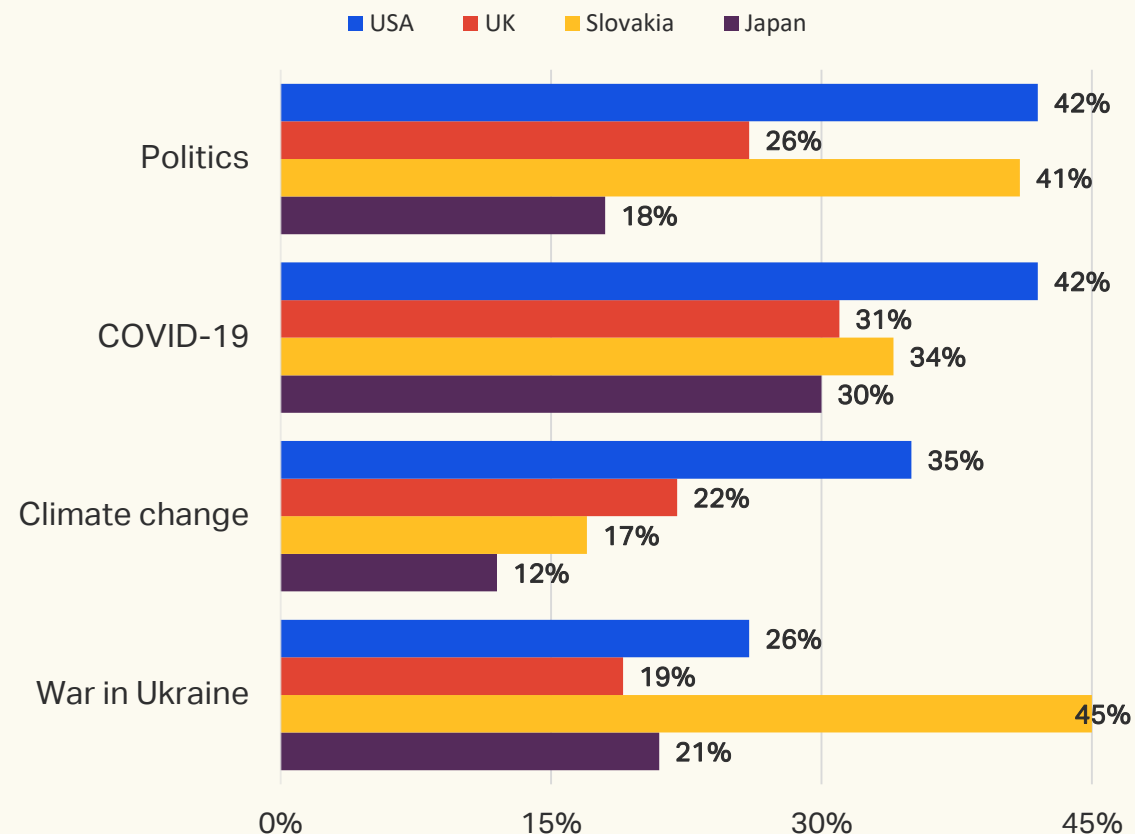
While this may fuel concerns of media bias, online audiences are

becoming more aware that not everything they read is true.

On average, 56% of people are concerned about online misinformation. When asked what fake news they had recently seen, a range of topics was covered including COVID-19 health claims, political news and the war in Ukraine.

Forty two percent of US respondents suggested they had received misleading political news, which is a concern ahead of next year's election.

Have you seen fake or misleading information about any of the following topics in the last week?



Source: [Reuters Institute](#)

Base: Total sample in each country = 2000

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How marketers can respond

Be careful how you handle misinformation

- Brands will have to walk a tightrope when rebutting false information with a carefully planned response. By engaging with misinformation, companies run the risk of exposing a greater number of users to the original content.
- Selecting the right influencers can be valuable here, as consumers may attach more credibility to certain influencers, and trust their judgement over mainstream media outlets.

Trust in institutions is at an all time low

- In a world where government spin is creating cynicism and despondency, authenticity is an important aspect of brand communication.
- In this period of heightened anxiety, brands can connect with their customers by uncovering what matters to them, demonstrating reliability and empathy, and helping people imagine new ways of thinking, living and being.

Trend 3: A new world order

Geopolitical tensions are seriously threatening the global economy. As the war in Ukraine continues, and relations between the US and China are becoming more strained, a new world order is being created where governments are forging bipartisan alliances with less contentious partners.

Why this is happening:

The war in Ukraine has created a gulf between Western democracies and territories who take either a neutral position against Vladimir Putin or support his invasion of Ukraine.

Western democracies consider their support for Ukraine as a fight to defend their own democracy and security. Responses outside of the West – from countries including China, India and Turkey – are very different. They consider Russia an “ally” and large numbers of people in these regions (76%, 77% and 73%) feel that Russia is stronger or as strong as they were before the war.

This new world order is influencing international alliances and also increasing tensions between global superpowers China and USA.



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What's driving this trend

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Geopolitical events

Countries are protecting their trade agreements and security as tensions amongst global superpowers increase. Political friction is growing as emerging powers challenge the status quo.

The Ukraine conflict and global supplies

The war in Ukraine has led to dramatic fuel and food inflation, affecting living standards in many countries – particularly those in Europe.

Asia attracts major trade partners

Fast growing Asian economies such as India, Indonesia and Vietnam are becoming major trade hubs for the rest of the world. Asia has become the world's largest economic and trading region.

By the numbers: Fears of geopolitical risks are growing

International relations are filtering through to the industrial world, with political tensions significantly affecting production output, international trade and supply chains.

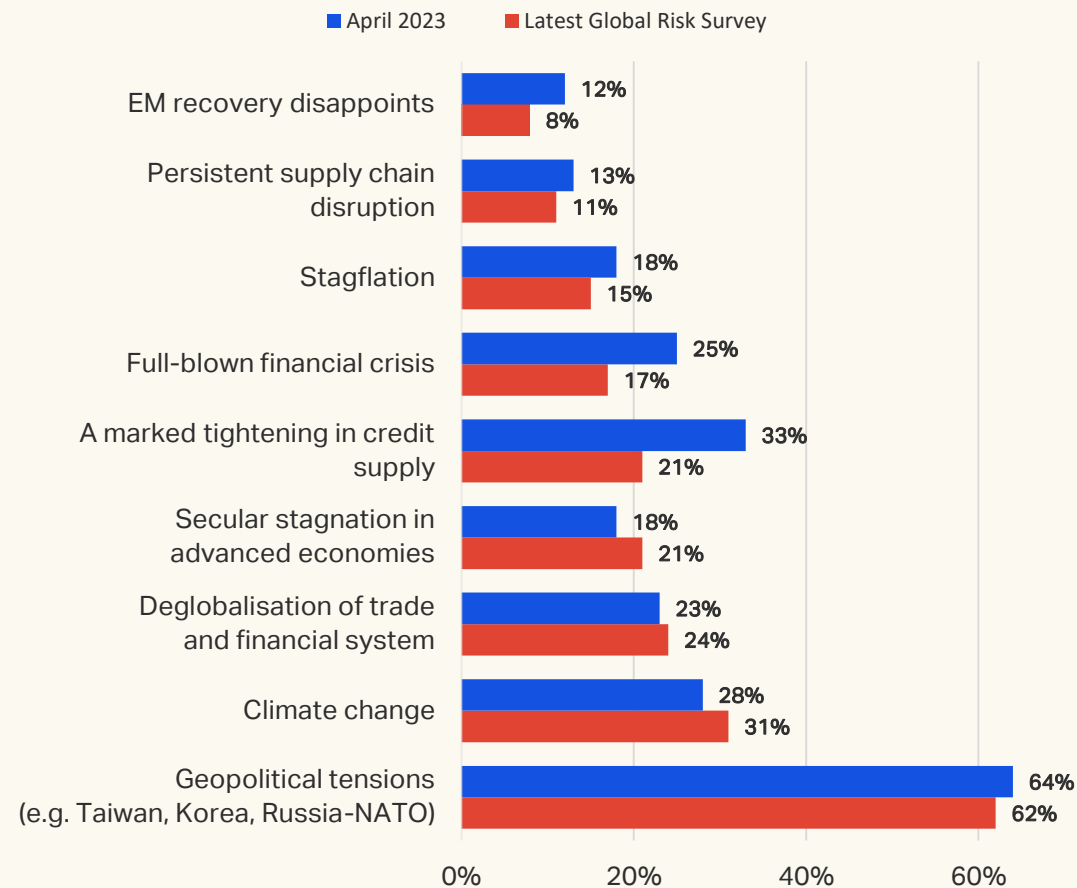
Oxford Economics asked 127 business leaders what they considered to be the key threats to the global economy in the near-term and mid-term. They compared responses from their Q2 survey in April 2023 to their latest survey, conducted three months later. Sixty two percent highlighted geopolitical

tensions as a serious risk in the next five years.

There is evidence that companies are reacting to this new world order with a rise in restructuring plans like 'friend-shoring' where trade is moved to countries where there is less threat to their supply chains or 'near-shoring' where business operations are moved closer to home.

China has already been impacted by deglobalisation. Their exports fell by 14.5% (YOY) in July 2023, while their imports dropped by 12.4%.

What do you see the top three downside global economic risks over the next two/five years?



Source: Oxford Economics



How marketers can respond

Agility is vital in a continuously evolving landscape

- Political alliances can have a knock-on effect on critical areas of business including supply chain, manufacturing and brand reputation.
- Many companies are setting a de-risking strategy, but still investing overseas. Scenario planning and agility are critical to maintain resilience in this era of instability.
- 'Friend-shoring' (with countries that share similar values) or 'near-shoring' (bringing manufacturing closer to home) can help reduce risk for international marketing.

Cultural and social sensitivity is even more critical now

- Businesses must be prepared for all outcomes if they operate in territories where repressive governments, abusive labour practices or human rights issues prevail.
- Brands' political positions can threaten their customer base. Forty-seven percent of respondents in Edelman's Geopolitical Trust Barometer have bought or boycotted brands based on their response to the invasion of Ukraine.



Trend 4: Sportswashing and the takeover of mass audiences

Middle East sovereign funds have invested billions in global sport in recent years. This has resulted in accusations of sportswashing from western media and audiences, who claim they are investing in the global appeal and mass audiences of major sporting events to distract the world from their poor human rights records.

Why this is happening:

When Vision 2030 was created in 2016, Prince Mohammed bin Salman planned to shift the Saudi economy away from oil. Since then

several Middle Eastern entities have invested in global sport, with the biggest investment centred around the UK's Premier League. Saudi Arabia has picked up an 80% stake in Newcastle United and Abu Dhabi continues to invest in the "treble" winning Manchester City.

Top flight players like Cristiano Ronaldo and Karim Benzema have also been signed to build up the domestic league in Saudi Arabia and of course, the 2021 UEFA World Cup in Qatar brought its share of controversial headlines.



What's driving this trend

WARC

Shifts in global power

US relations with Saudi Arabia have weakened of late, and the Ukraine crisis has further challenged traditional US alliances in the Middle East. Some argue that sports offers a way for these countries to develop a degree of 'soft' power on the world stage.

Diversification of oil-based economies

Middle Eastern economies are keen to reduce their dependence on oil. The mass audiences and revenue from sports offers significant economic potential.

Desire for trade and tourism

Sports events are also major branding opportunities for the nations themselves, and a chance to shift the conversation away from the western focus on human rights abuses and corrupt practices.

By the numbers: KSA’s staggering investment in sports

Outside of football, Saudi Arabia has invested state-owned funds in golf with the creation of the LIV Golf tour.

The Middle East has also bought the media rights and staged some of the world’s biggest events for boxing in recent years. Four of Formula 1’s Grand Prix races now take place in the Middle East. The Kingdom of Saudi Arabia has also invested in e-sports, tennis and horse racing amongst many other sports.

Human rights organisation Grant Liberty has shown the massive \$5.5 billion investment in sports made by the Kingdom of Saudi Arabia between 2020 and 2023 through the nation’s sovereign wealth fund (see right).

Critics argue that sport is drifting further away from fans, into the hands of regimes with poor human rights records that want to use sports to polish their public image.

Investment in sports by KSA 2016-2020, versus investments made in 2023

	Money spent up 2020 (\$m)	Money spent up to 2023 (\$m)
Boxing	107	262.2
Golf	20	5060
Football	169	5077.6
Esports	0	37800
Tennis	6	6
UFC	0	0
Horse Racing	60	125
Chess	2	2
Motorsports	664	1420
Wrestling	1000	1000
Snooker	33	33
Total	2061	50786

Source: Grant Liberty 2023

Notes: The analysis presented is grounded in reported data concerning agreements between entities affiliated with the Saudi state and prominent sporting governing bodies or individuals.

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How marketers can respond

Brands need to be wary of a consumer backlash when sponsoring sports

- Western sports brands associated with sportswashing events risk damaging their reputation.
- Brands must also be careful about working with sports stars. Many big-name athletes are being enticed to join teams owned by entities accused of sportswashing, and some have faced a strong backlash.

Young audiences value authenticity and real commitment to causes

- Younger fans predominantly consume sport across social and streaming platforms. They are more likely to call out practices they consider inappropriate.
- Sustainability-conscious consumers are increasingly questioning the credentials of sporting events. Qatar claimed it would be the first carbon neutral FIFA World Cup but its overall carbon footprint was more than double that of the 2018 World Cup.

WARC AI image

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glass cyber punk piggy bank full
of currency bank notes coins
-- stylize 750



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Economy



Summary of trends

Hamstrung governments face mounting poverty

More than a decade of managing global crises has left governments in difficult financial positions, even as inflation and cost-of-living crises require more support for vulnerable citizens.

The cost-of-living crisis is set to continue

While inflation may ease in 2024, the rapid rise in fuel and food prices, coupled with interest rate increases, will put a squeeze on consumer finances over the coming year, and perhaps beyond.

Trend 1: Hamstrung governments face mounting poverty

Governments across the world spent heavily to keep their citizens healthy and stop their economies collapsing during the pandemic. These actions led to a spike in sovereign debt.

Why this is happening:

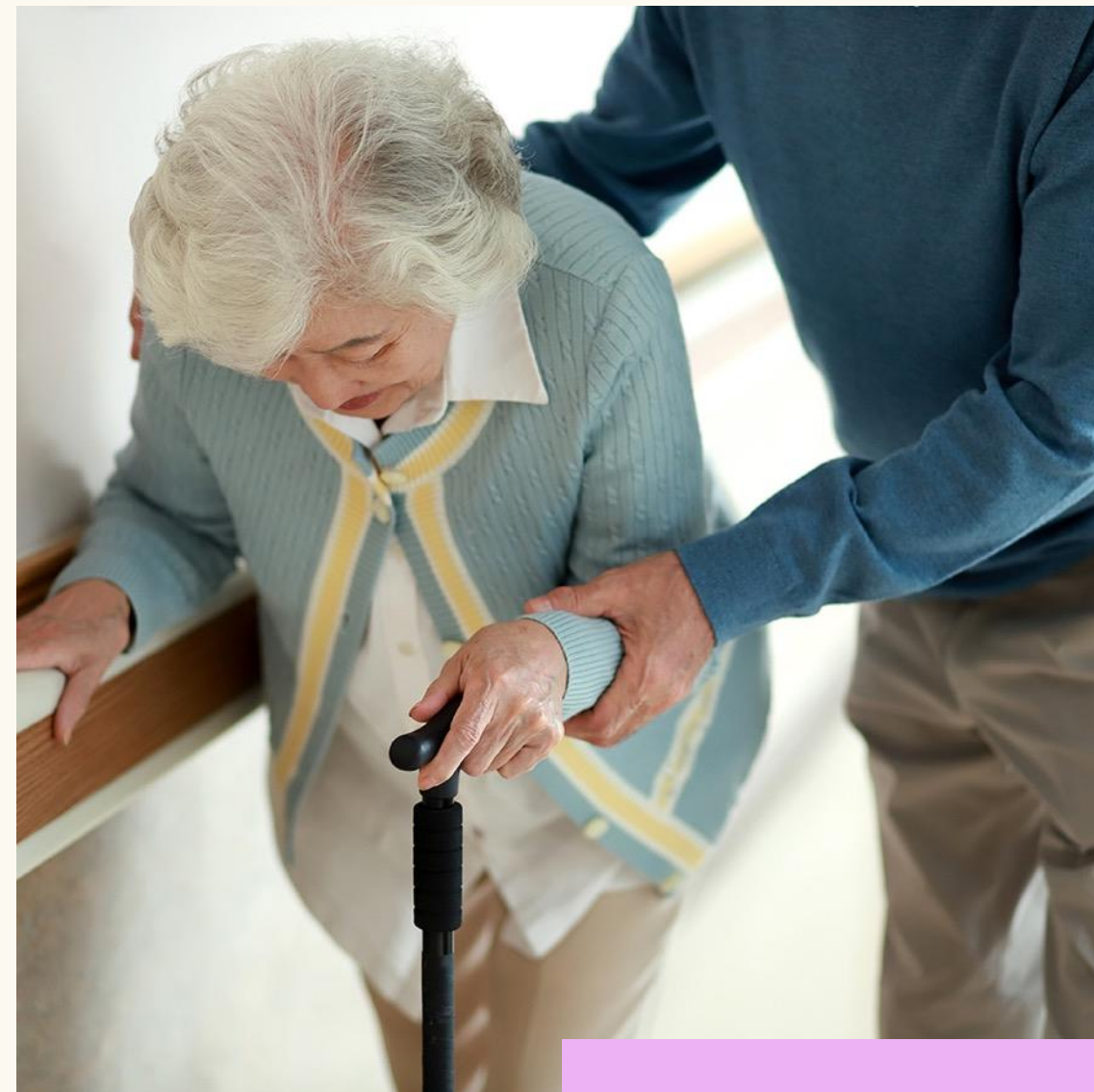
Once lockdowns were lifted international markets experienced a short period of recovery but since then global conflicts and natural disasters hit supply chains, creating a surge in prices.

The Russian invasion of Ukraine hit fuel, energy and food supplies, triggering a cost-of-living crisis across the world.

General living standards have been hit significantly as a consequence.

Global institutions are being forced to keep their countries afloat, balancing social security with keeping up with climate emission targets and building defence in an increasingly polarised world.

Ageing populations – particularly in countries like Hong Kong and Japan – will need more fiscal investment as healthcare and economic security will become critical issues.



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What's driving this trend

WARC

The continuing war in Ukraine

There is no end in sight for the conflict in Ukraine. The fight against inflation will continue to impact the global economy in 2024 as disruptions to supply chains create further shortages and delays.

Ageing populations

The world is getting older, with the number of people aged 65 and over forecast to double in the next three decades. Hong Kong, South Korea and Japan will have the highest share of people in this demographic. Fiscal measures will need to be put in place to meet the healthcare and social demands of rising life expectancy.

Sovereign debt is at an all time high

Fiscal responses to the Pandemic and Ukraine conflict have driven up government debt to record levels. The OECD forecasts global sovereign debt will rise to \$52trillion by the end of 2023. This puts many countries in the developing world under greater refinancing risk.

By the numbers: Consumers worry about the economic state of their country

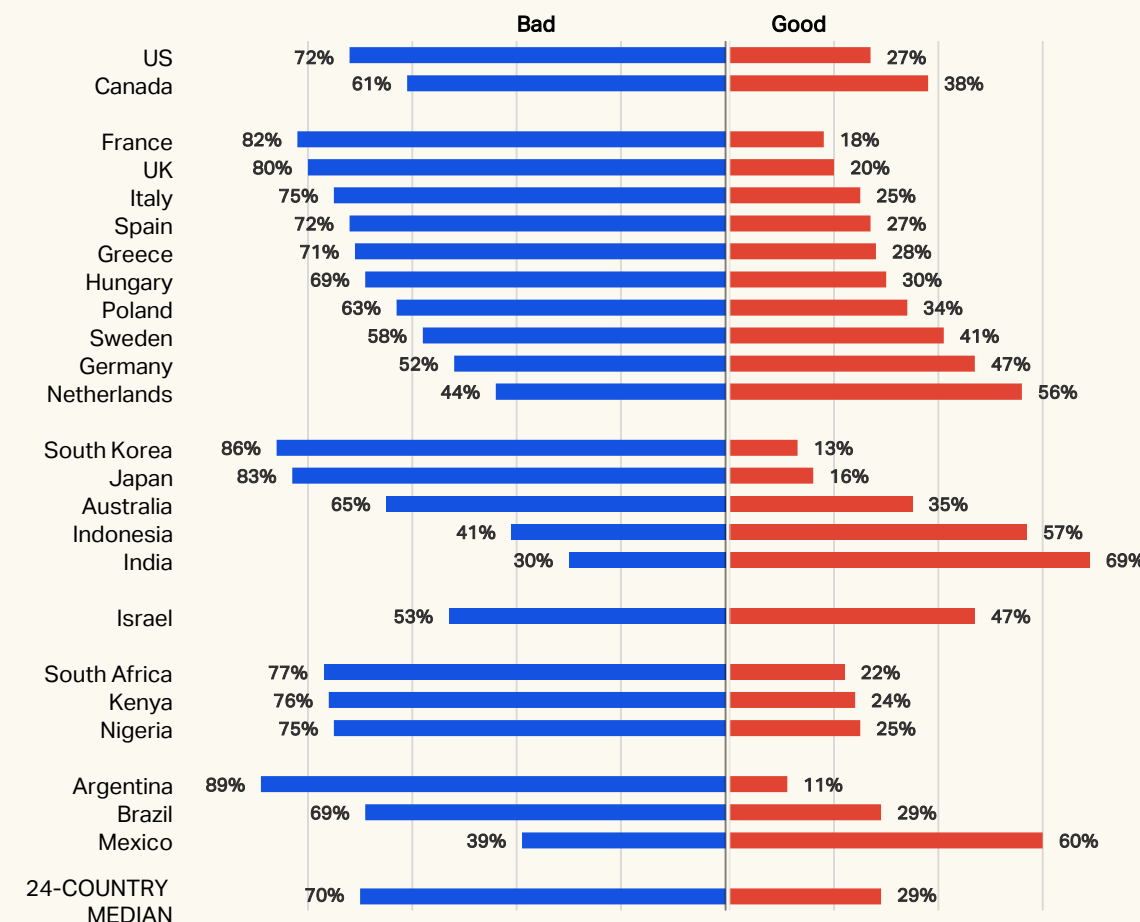
In a survey by Pew Research Center earlier this year, a median of 70% of adults rated their country's economic situation as bad. This rose to 82% in France, and 80% in the UK.

Only the economic situations in India, Indonesia, Mexico and the Netherlands were rated as good. India and Mexico are amongst a group of countries who have benefitted from overseas trade investment, driven by the decoupling of China and the US.

Ipsos has found that over a third (37%) of global citizens are most concerned about inflation. This is followed by poverty and social inequality (31%). People don't have faith in their government's ability to fix these problems, with 67% of them believing their countries are on the wrong track to achieving stability.

Many consumers are looking to companies to step up and help with mounting social and economic issues.

Percentage who say the current economic situation in their country is....



Source: Pew Research Center Global Attitudes Survey 2023

Base: 1,060, Adult population 18+, February - April 2023

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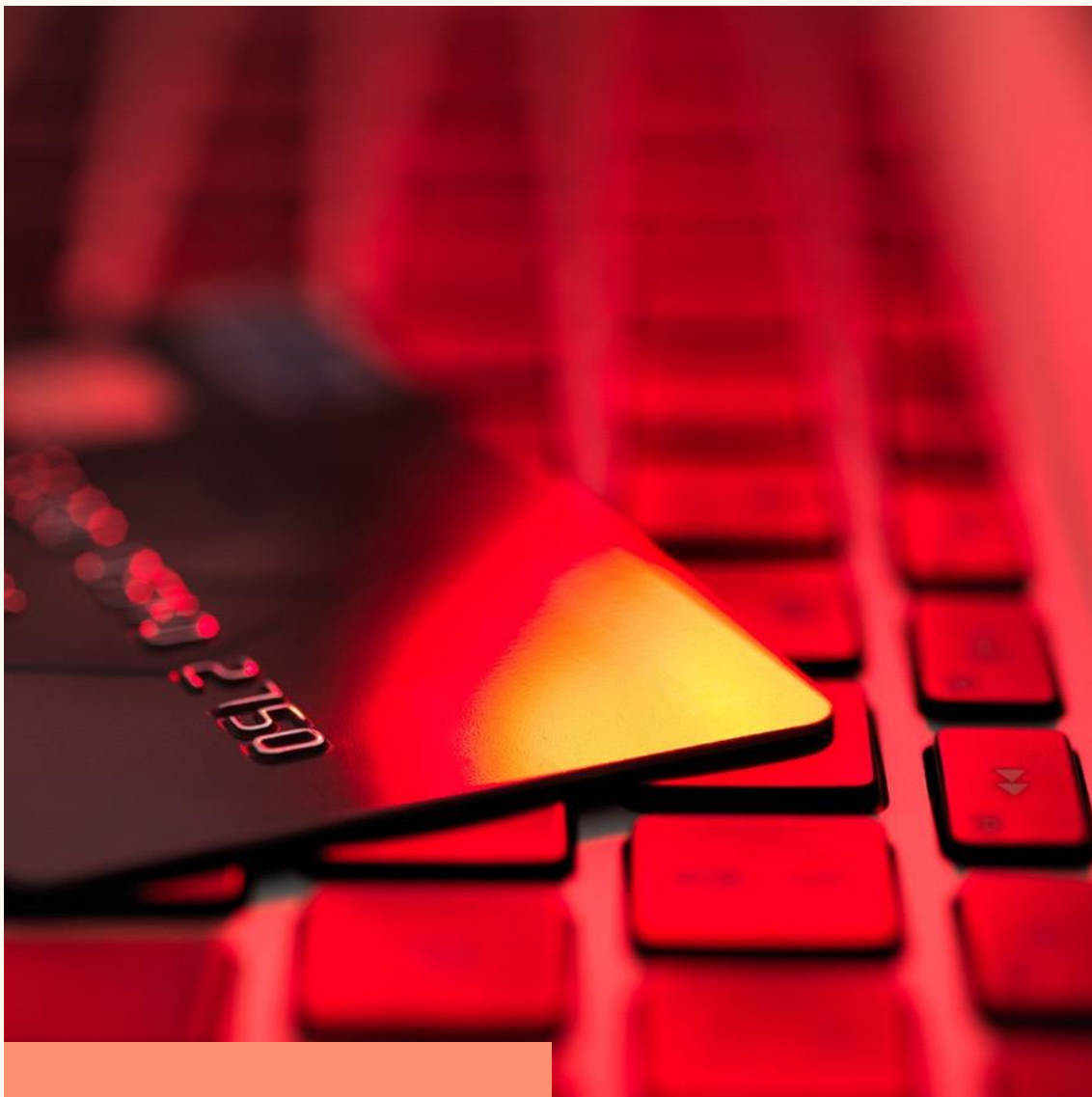
How marketers can respond

Align with social causes to help struggling consumers

- Authenticity is the key for any brands wanting to align with social causes. If consumers see the activity as a stunt, then companies risk being publicly shamed.
- Partnering with NGOs or experts can often be the most reliable path to brand activism. For example, Virgin Media O2 partnered with the Big Issue charity to offer mobile data to struggling consumers in the UK via a redeemable Christmas card.

Understand customers to drive loyalty

- Consumers crave stability in times of uncertainty. Brands that associate themselves with stability via an effective positioning strategy and/or pricing strategy may enhance their brand equity and customer loyalty.
- Marketers must find the right tone in their messaging in these challenging times, recognising when they can provide a tangible benefit and when they sound inauthentic. Humour can be a particularly effective creative strategy for connecting with worried consumers.



Trend 2: The cost of living crisis set to continue

Even though inflation is slowly beginning to decline, many of the factors that hindered economic growth in 2022 are showing no signs of dissipating. The cost of essential goods like food and fuel continues to sap household incomes.

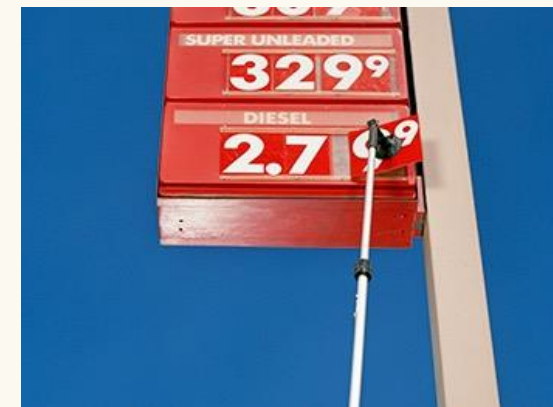
Why this is happening:

A recent survey by the Economist Intelligence Unit shows that prices have risen by an average of 8.1% in local currency terms, the fastest rate in 20 years.

Petrol prices rose across cities by 22% on average. These prices

vary dramatically depending on local currency and subsidies provided by governments.

The continuing war in Ukraine has hit gas and electricity prices across the world, with a global average price rise of 11%. This has soared to 29% in Western Europe.



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What's driving this trend

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Wages are failing to match rising costs

Although wages increased this year across many global regions, they have still remained below inflation in many markets. This has caused people to cut down on essential items.

The mental health crisis amongst young people

The economic climate is causing anxiety amongst younger people who are worried about their long-term employment and financial security. Mental health has become an even greater concern for this generation so soon after the pandemic.

Poverty rates have surged across the world

The United Nations estimate the number of people living on less than \$3.65 a day across the world rose by 165 million between 2020 and 2023. The cost-of-living crisis, global conflict and natural disasters have exacerbated these extreme levels of poverty.

By the numbers: Economic growth projections are weak for 2024

The IMF indicates that the forecast for global economic recovery in 2024 is weak, citing several central banks' rate rises in the fight against inflation as a key hurdle to economic growth.

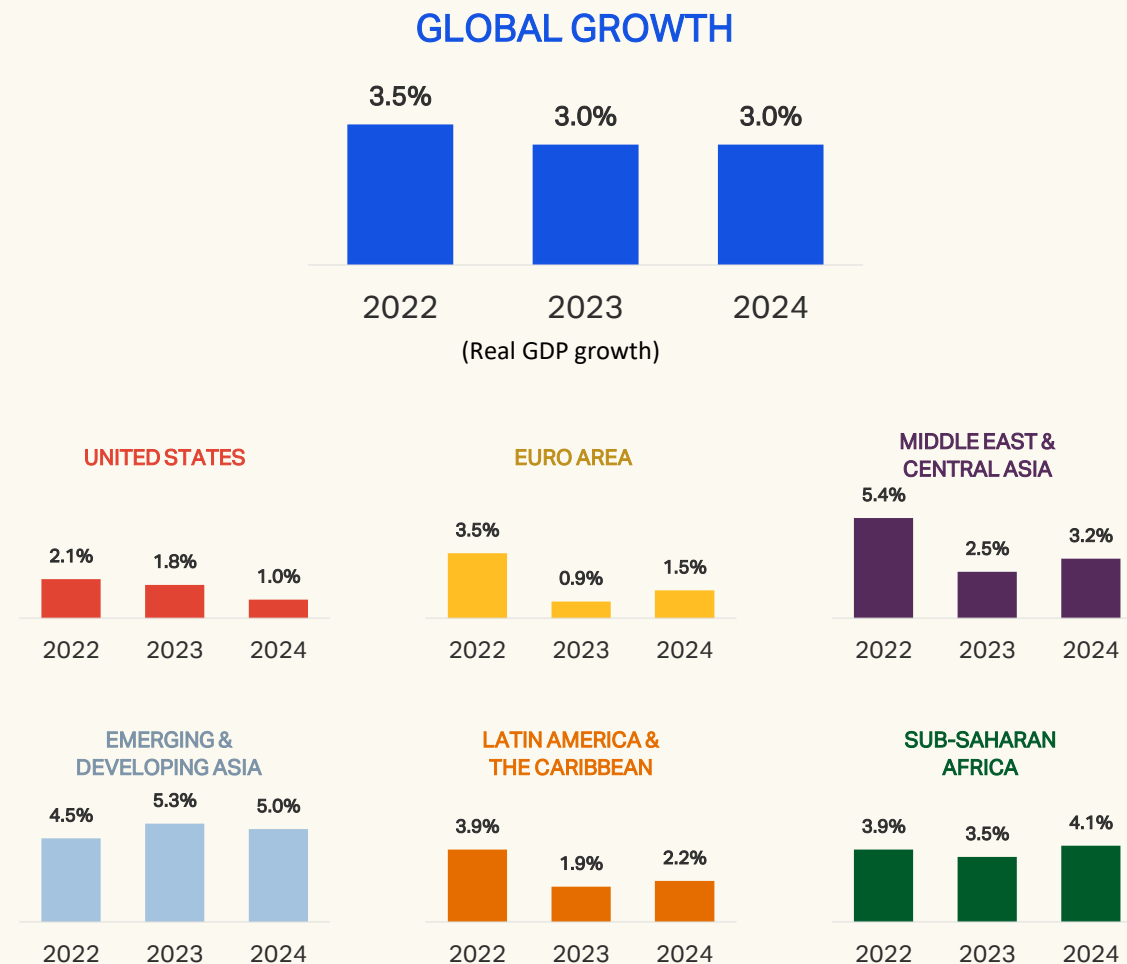
As the charts (right) show, growth forecasts vary significantly by region, with global growth averaging 3% for 2024.

Growth projections look particularly bleak for the US and Euro area, at 1% and 1.5%, respectively.

Even though monetary tightening could end this year, rates will remain high, despite consumers already struggling with rising prices and spiralling debt repayment costs.

Forecasts are more optimistic for Sub-Saharan Africa, at 4.1% and Emerging & Developing Asia, at 5%. Africa could become a key focus for international energy companies looking to invest in its oil and gas reserves.

Growth projections by region



Source: IMF, World Economic Outlook, July 2023

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How marketers can respond

Brands must remain resilient as economic uncertainty continues

- Companies must be ready to alter their product portfolios and overall business strategies in response to the evolving financial landscape.
- Dramatic discounts, reducing quality ingredients and adopting pricing strategies like shrinkflation can undermine consumer trust and damage a brand in the long term.
- Loyalty schemes with the right promotional incentives and rewards can be effective tools for brands to keep their customers from switching brands.

Brands must focus on changing customer priorities

- Brands who help to steer consumers through this uncertainty, by helping with payments or offering financial education, can build long-term trust.
- Marketers should understand how their customers perceive value and factor in product quality, durability and customer service into their communications, not just price.
- Facing a bleak future, some consumers are prioritising experiences, holidays etc. as they try to live in the moment. Brands have an opportunity to cater to this 'present bias'.

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Industry

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/imagine

*metal shipping containers stacked in
the style of the game jenga
--stylize 750*



Risk modelling: Preparing for chaos

Companies need to build resilience and plan for the unexpected in this volatile climate affected by international conflicts, environmental disasters and geopolitical tension.

Labour supply: Filling key talent gaps

Sustainability and technological innovation have become key areas of focus for industries. The challenge for business leaders is finding suitable talent to help them accomplish their objectives.

The drive for new sustainability metrics

Investors are calling for a radical change in how companies report on their ESG performance.

Trend 1: Preparing for chaos

Risk modelling and scenario planning have become increasingly critical in the corporate world as geopolitics and global disasters continue to reshape the broader landscape.

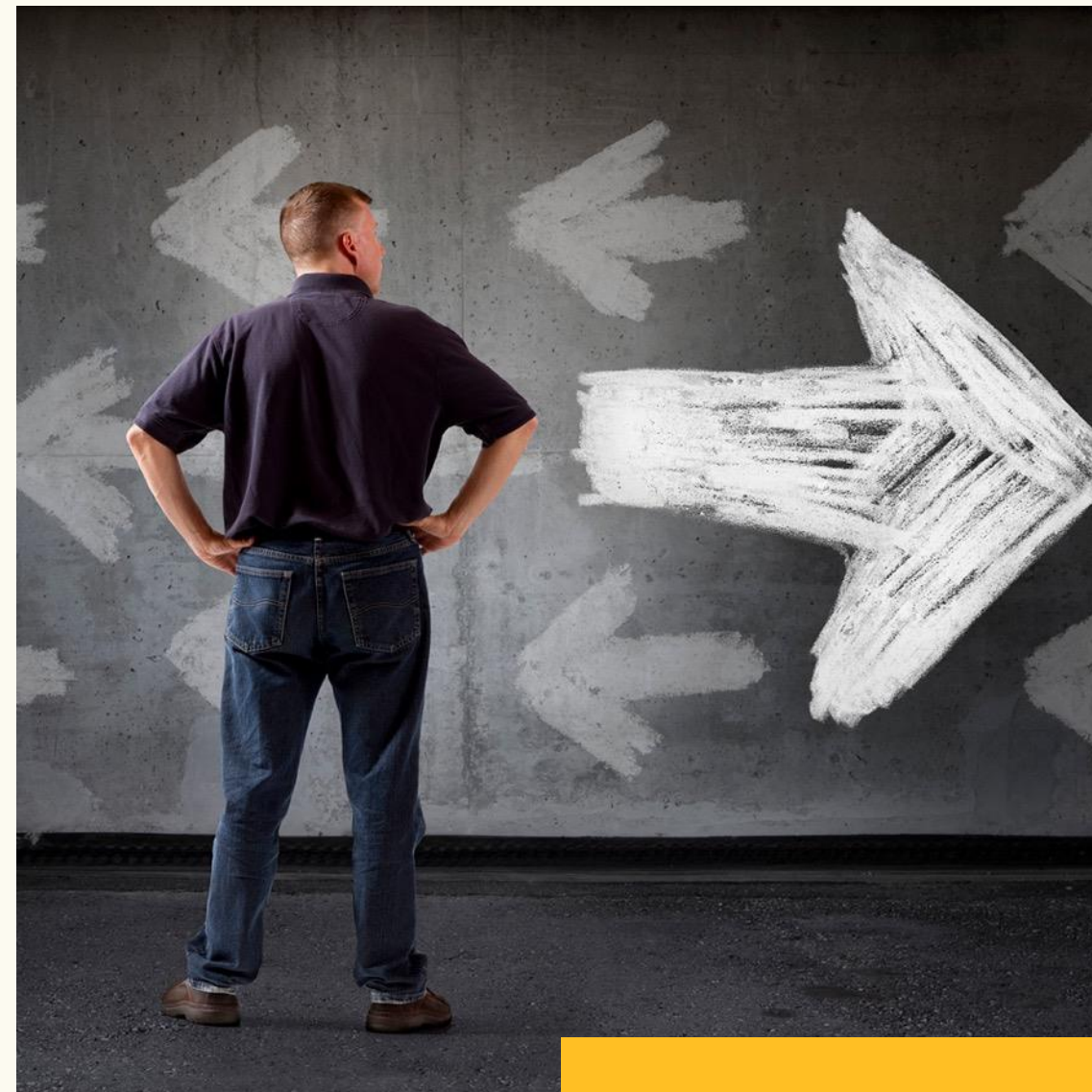
Why this is happening:

Resilience management has been the winning strategy for many CEOs, who have steered their companies through the unprecedented global events and disruptions over the past few years.

Successful businesses have survived by having contingency plans in place to handle unforeseen crises and outmanoeuvre their competitors.

PWC has cited five broad 'megatrends' that will be keeping business leaders awake over the next 12 months: climate change; technological disruption; demographic shifts; a fracturing world; and social instability. All of these events have the potential to overturn any 'business as usual' plans.

Maren Sletz of Analytic Partners suggest business leaders shouldn't just bank on a single outcome, but rather, plan for multiple potential scenarios to help manage uncertainty and minimise risk.





What's driving this trend

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The fragmenting global economy

Strained international relations threaten to divide the world into geopolitical 'blocs' – damaging cross border trade and the global economy. The IMF warned that if groups of countries form alliances and apply sanctions, then 7% of global economic output could be destroyed.

Extreme weather is becoming more frequent

Scientists forecast that extreme weather events will become more frequent as the Earth gets hotter. The UN estimate that 70% of global businesses are exposed to these dangers which could significantly harm their long-term survival.

The looming threat of recession

The instability of the economic climate over the past five years has forced business leaders to build resilience to face the challenges of a downturn.

By the numbers: CEOs are taking measures to defend their companies against global unrest

In PWC's latest Global CEO trends survey, CEOs outline what they are doing to alleviate risks of geopolitical conflict: cybersecurity and trade relationships are their key priorities.

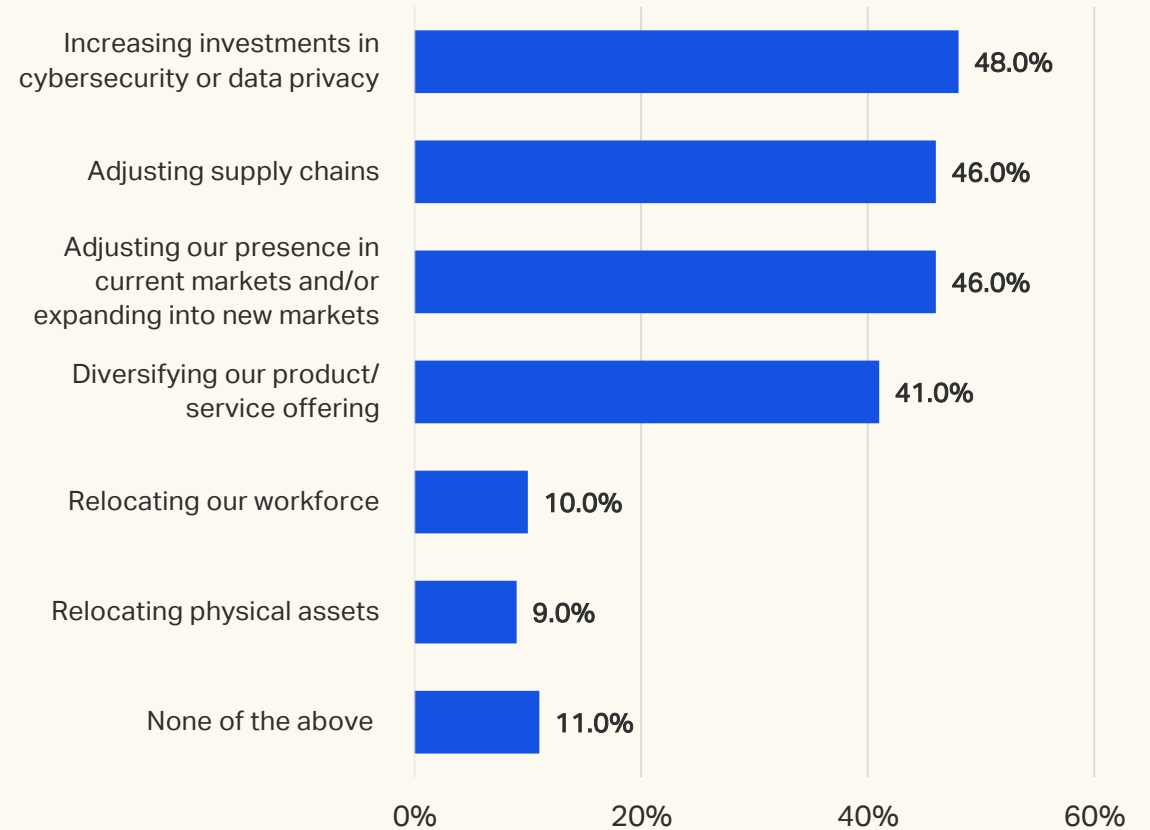
PWC found nearly half (46%) have adjusted their supply chains and presence in their current markets, moving their investment into new territories. This could be closer to home ('nearshoring') or sourcing from countries with shared values and ethics ('friend-shoring').

There has been a significant rise in demand for factory space in

Europe over the past two years, with many companies taking steps to reduce their dependency on China and other remote destinations. As geopolitical tensions rise and threaten current supply chains, manufacturers are exploring new partnerships in less precarious regions.

Technology manufacturer Foxconn – which is a key supplier to Apple – leased a new site in Vietnam in an effort to diversify its production away from China after challenges arising from COVID in 2022.

Which of the following actions, if any, is your company doing to mitigate against exposure to geopolitical conflict in the next 12 months?



Source: PwC's 26th Annual Global CEO survey

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How marketers can respond

Marketers need to consider factors outside of their control

- Scenario planning for future uncertainty is becoming standard practice for business leaders.
- Marketers should consider the question, 'What if?', when accounting for uncontrollable factors like macroeconomic events and the weather.
- Sustainability and the climate emergency should be key areas of consideration when engaged in any activities related to supply chain risk management (SCRM).

Organisational resilience will help manage uncertainty and minimise risk

- The pandemic and economic crisis exposed vulnerabilities that companies had not previously taken into account. Those businesses that have survived through successive periods of instability have taken steps to increase their organisational resilience.
- Having learnt from mistakes made during its initial supply chain transformation, US DIY retailer Lowe's designed a flexible omnichannel delivery model to reach customers regardless of which region they ordered from.



Trend 2: Filling key talent gaps

The labour market has been impacted by a number of disruptions over the past few years. Geopolitical, social and economic events already covered in this report have left multiple industries struggling to replace their repatriated workers.

Why this is happening:

A global survey from recruitment company Manpower revealed that 77% of employers worldwide are struggling to fill vacancies. This is more than double the rate in 2013.

Weak economies are also driving many to embed new processes including digital transformation

and Environmental, Social and Governance (ESG) standards. Both require new knowledge and skills.

LinkedIn highlights the demand for green skills is also growing in the race to meet net zero targets. Vacancies requiring one or more green skills increased by 22.4% on LinkedIn – but only 1 in 8 global workers possesses one or more green skills. In a world where 42% of Gen Z employees have changed or plan to change job due to climate concerns, training in this area would be welcomed by the workforce and could increase employability.

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What's driving this trend

WARC

Shifting demographics

Changing population patterns like migration, ageing societies and declining birth rates are increasing talent shortages by reducing the size of the available workforce.

New developments in technology

Technology experts are in high demand as the growth of the digital economy and adoption of generative artificial intelligence systems continues across the business world.

Diversity, equity and inclusion shaping job decisions

Research by EY found that 63% of global workers prioritise DE&I when choosing one company over another. This is even more important to younger employees.

By the numbers: The talent crisis is affecting business growth

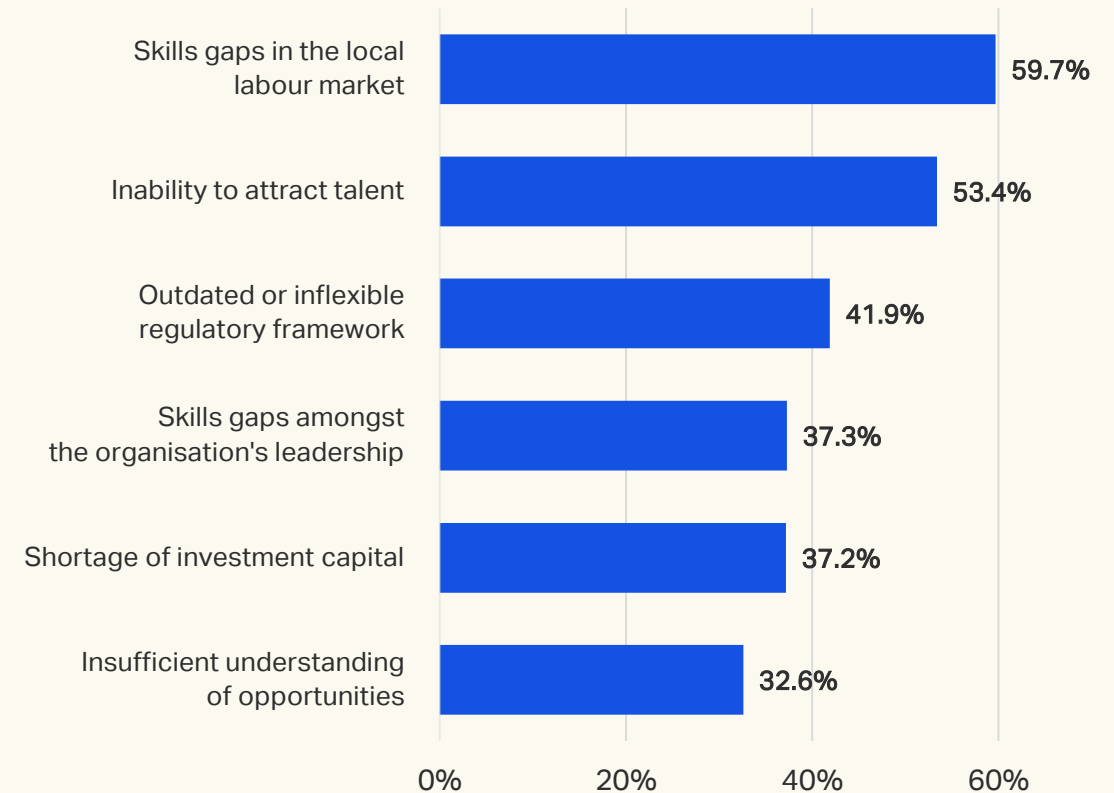
In a recent [World Economic Forum](#) survey, nearly 60% of respondents cited local skill gaps as a key barrier to business transformation over the next five years. More than half said they felt unable to attract the right talent while 37.3% said there was a shortage of skills amongst their leadership.

Faced with economic uncertainty, many companies are choosing to invest in their employees to develop their skills

in new areas. More than 80% of respondents told the [World Economic Forum](#) that they plan to invest in learning and training on the job.

One important area that requires further investment is artificial intelligence (AI). A survey from the [Conference Board](#) found 56% of US workers are using Generative AI, yet only 26% say their organisation has a policy in place related to its use.

Barriers to business transformation 2023-2027



Source: [World Economic Forum, Future of Jobs Survey](#)

Base: 803 companies, across 27 industry clusters and 45 economies from world regions

Information: Share of organisations surveyed expecting these factors will limit the transformation of their business.

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How marketers can respond

Upskilling the workforce encourages retention

- Investment in learning and development can nurture your existing talent pipeline.
- Amongst the top five factors that drive people to seek new jobs are lack of opportunities for career growth and lack of opportunities to learn and develop new skills.
- Forming partnerships or collaborating with experts outside of your organisation can help upskill employees in new areas like artificial intelligence and sustainability.

2

The marketing industry needs to get better at promoting itself

- There is evidence that young people are more attracted to industries like finance and technology that often have more competitive salaries and are more diverse.
- In order to get the best people, marketers need to come together and promote our industry as an inclusive, sustainable place to work with strong career prospects.
- Apprenticeships provide opportunities for marketers to diversify their teams and bring new sets of skills into their companies.

Trend 3: The drive for new sustainability metrics

Stakeholders are calling for an urgent revision in sustainability reporting metrics to avoid companies being accused of greenwashing.

Why this is happening:

Many companies are struggling to track and report on non-financial data. Financial documents like invoices are checked using a standard set of procedures. But environmental and social data can come from multiple sources and be in the form of meters or surveys, both of which are open to subjective interpretation.

The European Union's Corporate Sustainability Reporting Directive is introducing new steps for ESG measurement.

From 2024 onwards it will be mandatory for nearly 50,000 companies – including non-EU companies who have operations within the EU – to disclose hundreds of additional environmental and social performance benchmarks. This will extend to SME's in 2027.

As with any new legislation, companies that make preparations in advance will be most likely to gain competitive advantage.



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What's driving this trend

WARC

The catastrophic impact of climate change

One institution cannot solve this problem. Rather, business, governments, investors and society will have to work together to limit global warming. The World Federation of Advertisers issued a guide this year to help global marketers step up to this challenge.

Tougher environmental regulations

Any claims of environmental commitment or performance must be backed by evidence to avoid falling foul of regulations. Authenticity is key. Marketers must prove their commitment to net zero targets across their entire supply chain and not just in their communications.

The fight against greenwashing

People are becoming more suspicious and sceptical of climate-related claims made by brands. Companies are being accused of greenwashing and being publicly called out by consumers.

By the numbers: Finance directors and investors question value of ESG reporting

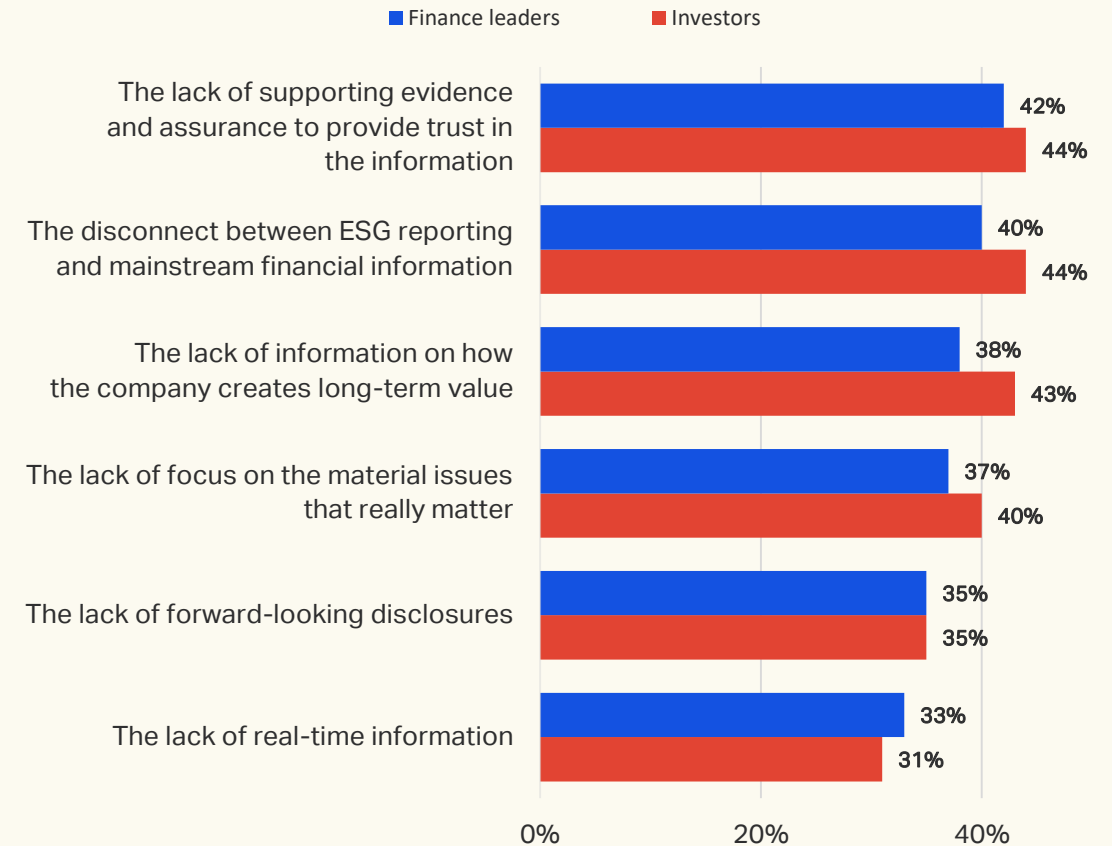
Global consultancy EY found a significant difference of opinion between financial directors and their investors with regards to ESG (Environmental, Social and Governance) reporting. Their survey found more than half (53%) of finance leaders of large companies face short-term earnings pressure from investors which inhibits their long-term investment in sustainability.

Investors highlight a problem with communication, with 80% saying companies fail to articulate these long-term investments, making them difficult to evaluate.

Both parties recognise there are multiple challenges that affect the current usefulness of ESG reporting.

The most significant hindrance is a lack of supporting evidence and trustworthy information. Investors also highlight the disconnect between the quality of ESG reporting and mainstream financial information. Finance leaders need more information on how the corporate ESG strategy is driving long-term value for the company in question.

Challenges to the usefulness of today's corporate ESG reporting



Source: EY Global Corporate Reporting and Institutional Investor Survey, November 2022

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How marketers can respond

Sustainability should be embedded across your entire business

- Sustainability should be a board-led responsibility across the entire business and not just the marketing department.
- ESG performance covers all business processes including innovation and production, supply chain procedures and distribution.
- Brands should work with sustainability partners and measurement experts to drive change within their marketing organisations.

Measurement is key to understanding performance

- Marketing mix modelling can be used to map out long-term sustainability objectives. Scenario planning can help to bridge environmental and marketing constraints.
- Greenhushing or keeping quiet about sustainably goals will likely be called out by investors and should be avoided.
- African telco Vodacom produced a series of reports to quantify the impact of its ESG efforts. The campaign received mass press coverage leading to new partnerships and ESG initiatives.

WARC AI image

WARC

Society



/imagine

snapshot of humans living inside
toy packaging isometric angle realistic
--stylize 450

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Summary of trends

Masculinity in crisis

Social changes have left young men, particularly those from low income backgrounds, feeling lost and inadequate. Some are turning to 'manfluencers' who are pushing them towards more extreme, even violent, versions of masculinity.

The rise of crowdtrusting

People are leaning on the shoulders of their online community and seeking advice on a range of issues from relationship dilemmas to finance management.

Culture Clash: The war on woke

'Woke-ism' has come under fire from right wing traditionalists who are challenging many of the changes made in civil rights and diversity over the past decade. This polarisation could get worse as political parties go into 2024 elections.

Trend 1: Masculinity in crisis

While equal rights advocates have helped change the gender equation, this has left young men, particularly those facing financial challenges, desperately searching for a secure place in a new world.

Why this is happening:

Young men are feeling under pressure to live up to society's expectations of them.

Research from UK charity Future Men, found that 40% of men believe they are still expected to be the breadwinner. In terms of sharing their emotions, 51% of young men believe society expects them to keep their feelings to themselves and 'man up'.

A clear gender divide has also opened up in terms of education, with boys falling behind academically, and less likely to study at university. And men are five times more likely to commit suicide than women.

Masculinity is also becoming highly politicised in the US. Republicans accuse the Democrats of being hostile to male values. Some argue the #MeToo movement has made it hard for men to express themselves. Data shows that voters who feel men have had it tough are more likely to vote for Donald Trump next year.



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What's driving this trend

WARC

Societal pressures

The traditional male stereotype expects men to be assertive, successful and ambitious. Young men, struggling to find jobs and caught in a cost-of-living crisis, are struggling with self-esteem and identity issues.

Lack of role models on social platforms

Top influencers like KSI do not represent effective role models for young men. In the worst case scenarios, boys are seeking guidance from men like Andrew Tate at a critical point in their lives.

Younger generations trust influencers

Younger people pay more attention to news posted by celebrities and influencers on platforms like YouTube, TikTok and Instagram. This is a particular concern when it comes to the spread of misinformation or extreme views.

By the numbers: The “manosphere” is trusted by nearly half of men 18–23

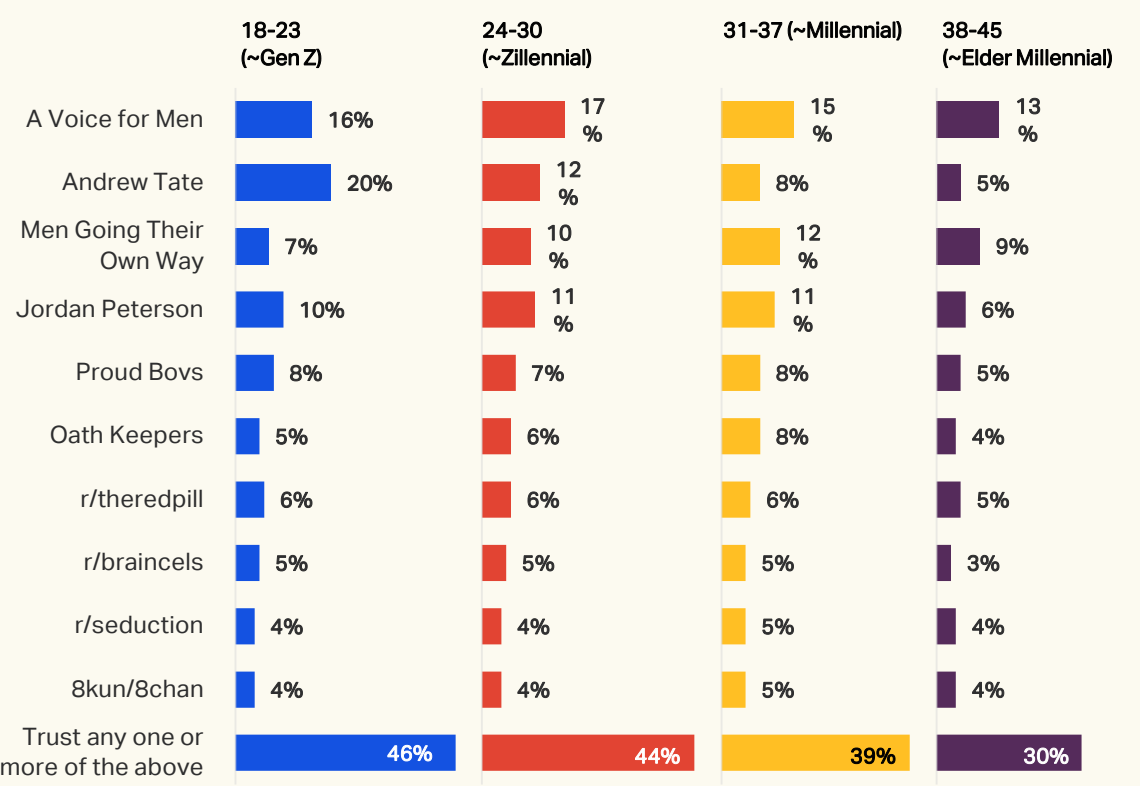
Gen Z males spend the majority of their time online; on platforms like YouTube. This makes them highly susceptible to the opinions of influencers.

Influencers tend to fall into two groups. The first is pranksters and stunt-pullers like Mr Beast, whose 198m subscribers are entertained by the giveaways he orchestrates. While praised for his philanthropy and far from being an advocate of toxic masculinity, many question if a prankster makes a great role model for young men.

But the real concern is the ‘manosphere’; a collection of online communities fixated on male dominance and misogyny, featuring influencers like Andrew Tate. Young men are drawn into these communities as they target those experiencing alienation, failed relationships and depression, blaming these issues on the rise of feminism.

Research by Equimindo found nearly half (46%) of Gen Z men in America trusted an influencer associated with the ‘manosphere’.

Proportion of men in each age group who say they trust each figure, site or group associated with the manosphere



Source: State of American Men, Equimondo 2023

Base: 2,022 respondents

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How marketers can respond

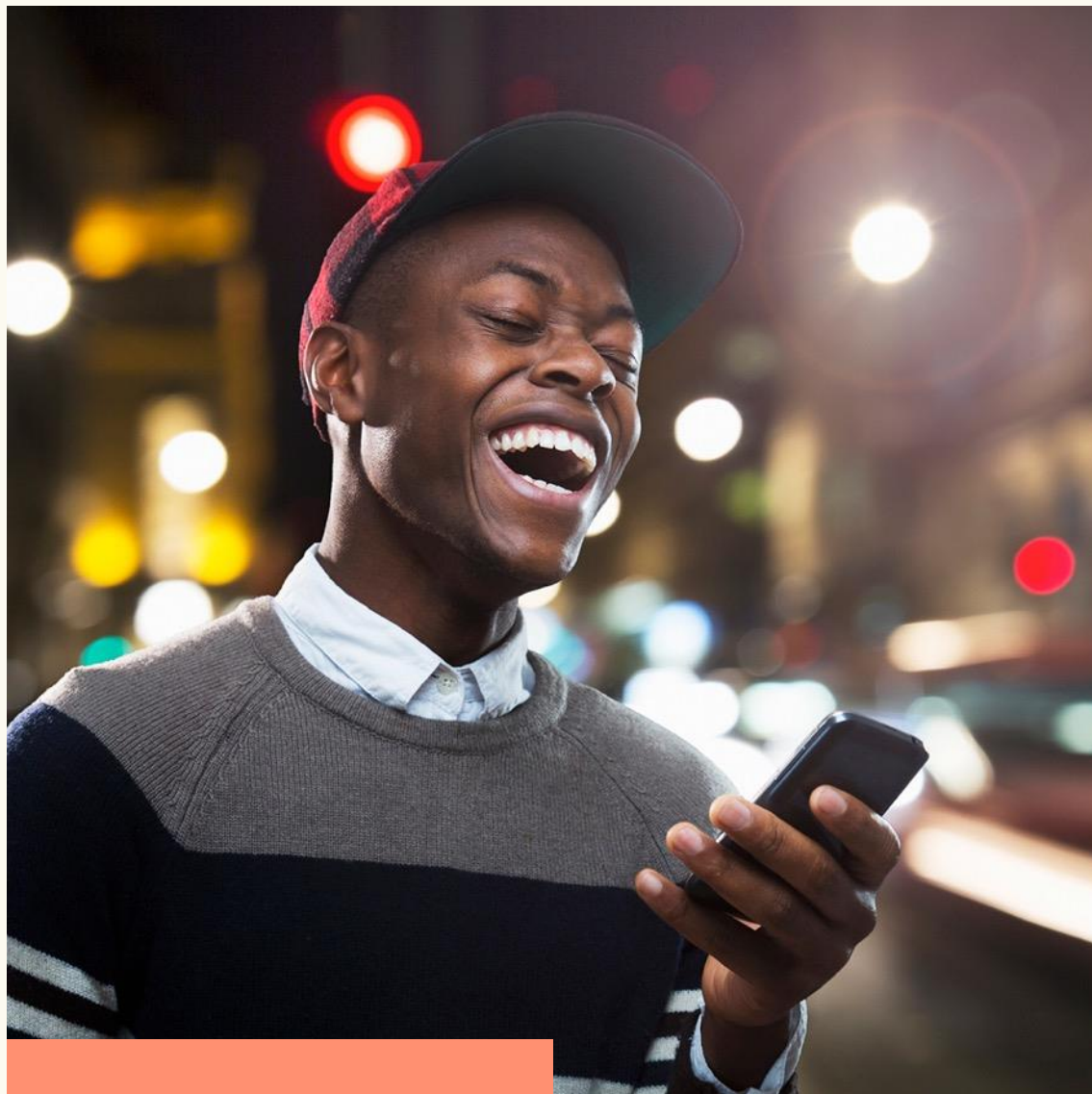
Work with influencers that are seen as positive role models

- When marketing to male audiences, brands can leverage 'positive masculinity' influencers that align with their core values.
- Marketing can play a central role in celebrating 'positive masculinity' rather than highlighting 'toxic masculinity'. Dove encourages healthy masculinity as part of their Self-Esteem Project.
- Brands can also support on-the-ground initiatives that aim to make a positive difference to the lives of young men.

2

Marketers need to build a new narrative around masculinity

- The portrayal of men in advertising and wider media needs to move away from ideas of materialism and success and focus on emotional intelligence. The use of counter-stereotypical creative narratives can significantly reduce unconscious bias
- Brands would be well-advised to seek feedback from diverse audiences, even if their ad is targeted at men, to ensure inclusive messaging.



Trend 2: The rise of crowdtrusting

Younger people are seeking advice on their personal development in areas like financial literacy and wellbeing from their social communities. They also use these forums as a temperature check for relationship advice and lifestyle choices.

Why this is happening:

Online communities like Reddit, Discord and Twitch bring communities together through shared passions and interests. Many young adults are shifting their focus towards more meaningful interactions on these platforms, and away from one-way posts on Facebook and X.

These community-oriented platforms can facilitate deeper connections with like minded people. Gen Z audiences are the driving force behind collectivism, leveraging the power of community actions to drive social change.

Members of the community platform, Reddit, are using the platform to help them reflect on their own actions and behaviours. r/AmItheAsshole is a community where users post real life dilemmas and ask the community to judge their actions. In 2022, this was the number one most viewed subreddit, globally.

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What's driving this trend

WARC

People lean on communities during times of conflict

Online communities have become popular over the last few years as people have turned to online groups for comfort and connection, as well as to help them understand events like the climate crisis and the global conflicts.

Online communities unite people with similar passions

Social platforms like Reddit and Discord bring like-minded people together to discuss their shared interests and beliefs and can facilitate knowledge growth as well as sharing. They can also be effective resources to map cultural trends.

The growth of online self-help groups

Self-care grew significantly during the pandemic when the public were forced to find new ways to look after their wellbeing during periods of lockdown. McKinsey estimates the global wellness market is worth \$1.5 trillion.

By the numbers: Gen Z and millennials turn to social media for financial advice

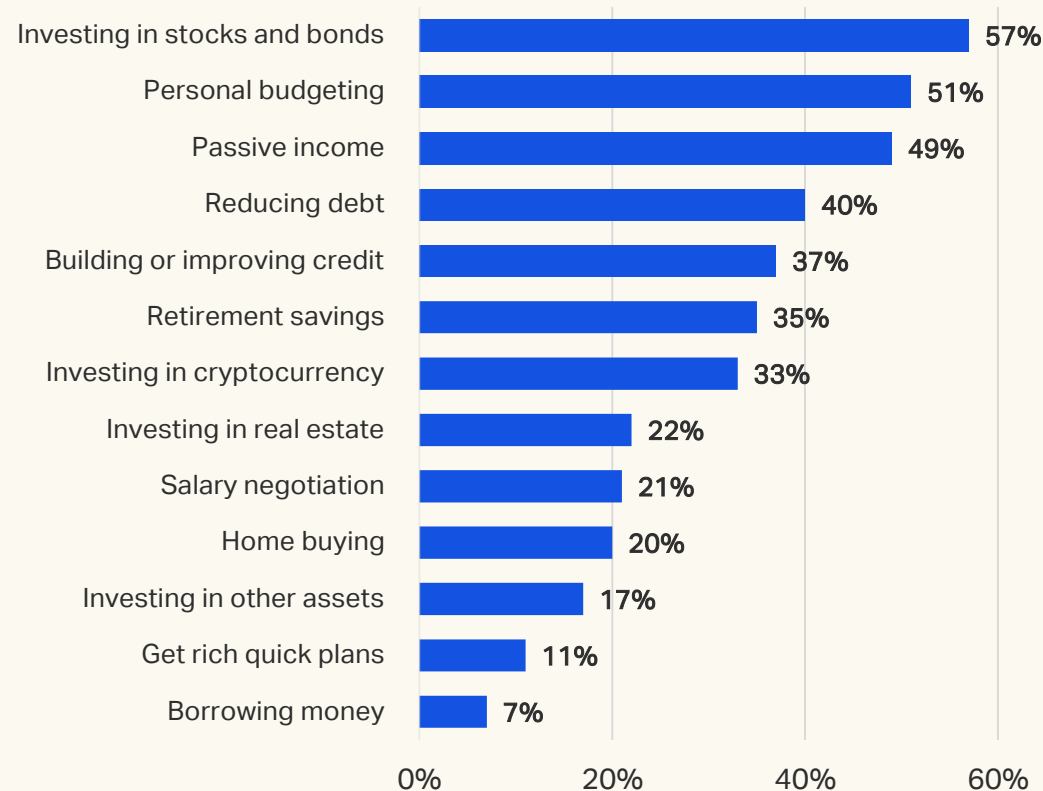
Young adults in America are turning to online communities for financial advice, ranging from investment to budgeting to financial literacy. A survey by [Forbes Advisor](#) found that nearly eight out of ten (79%) adults of the millennial and Gen Z generations had used social media for monetary guidance.

The most popular platforms they use are Reddit and YouTube.

Financial literacy and debt management are also a priority for young adults struggling with the cost of living.

Although the reliability of the advice they receive on these platforms could be questionable, there is evidence that young people are losing trust in traditional financial institutions to manage their money, which is why they may seek advice from their peers. This sentiment has also fuelled interest in cryptocurrency and digital payment platforms.

Types of advice young adults receive on social media



Source: [Forbes Advisor](#)

Base: 1,009 US adults of the millennial and Gen Z generations, January 2023



How marketers can respond

Understanding communities is key to working effectively with them

- Brands are better served by acting as bystanders in online communities, rather than trying to control them. They can monitor online communities to keep up-to-date with the conversation and key issues being discussed, without actively selling to people.
- Ethnography and social listening can be effective research techniques to understand online communities.

Brands must respect members of online communities to win their trust

- Data ethics should be central to any work with online communities, as this will help protect the safety and privacy of members.
- Groups are sometimes based around personal development or sensitive issues. Brands may have resources they can contribute on these subjects, to aid community members.
- Online communities can be used to test products and provide feedback – if the right incentives are in place.

Trend 3: The war on woke

As political parties prepare for the election cycle in 2024, culture wars are at the centre of many partisan divisions. Both the media and politicians are likely to fuel this further.

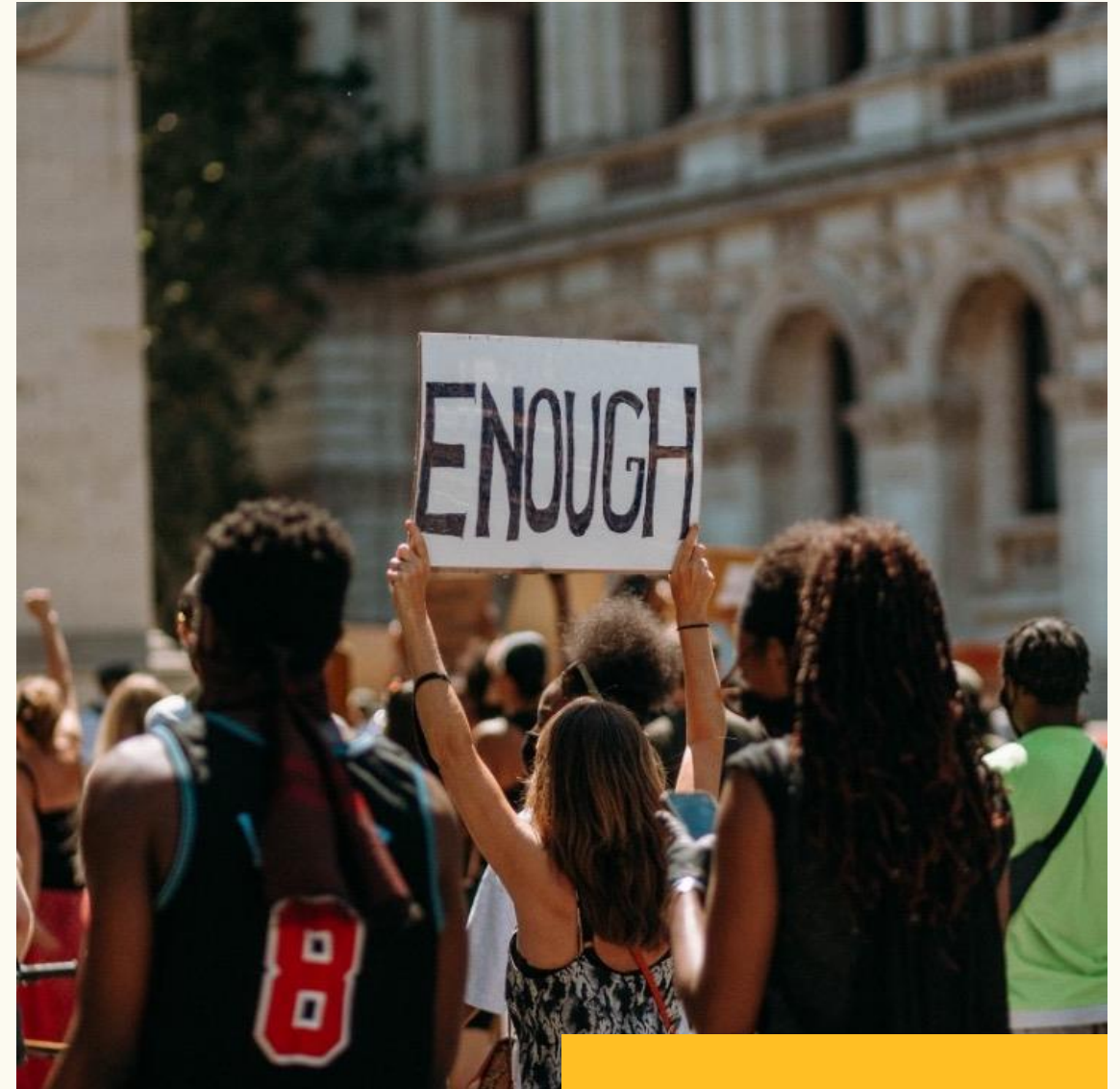
Why this is happening:

The divide between liberals and conservatives has widened in recent times, driven by an explosion of partisan digital media outlets.

UK citizens believe their society is divided by “culture wars” and a third (36%) of citizens term the word ‘woke’ as an insult.

However, some argue that so-called ‘anti-woke’ culture is restricted to a niche group and has been exaggerated by the media and certain members of government. In fact, research by Kings College London found the UK to be amongst the most socially liberal countries in the world.

The situation is probably the most marked in the United States, where politics has divided society on social issues including abortion rights and gun ownership.



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What's driving this trend

WARC

Liberalisation of society drives resentment amongst some

The liberalisation of social mores over the past few decades has led to growing resentment amongst some sections of society, who do not feel that modern society reflects their values.

Inequality and social disparities can fuel division

Divisions along economic lines can cause resentment and fuel extreme opinions. In one survey conducted by Ipsos, 74% of respondents said the gap between the rich and poor was creating the most tension within their respective countries.

Filter bubbles drive polarisation

Algorithms create echo chambers of content tailored to a user's core beliefs, including their political bias. Continuous feeds of tailored information can isolate audiences from opposing views and enhance polarisation.

By the numbers: Global citizens believe their country is more divided today

While the US may be the most extreme example of a divided nation, ideological divisions are evident in countries around the world.

In [Edelman's latest Trust Barometer](#), 53% of global citizens feel their countries are more divided than in the past. People blame certain factions and institutions for creating these differences.

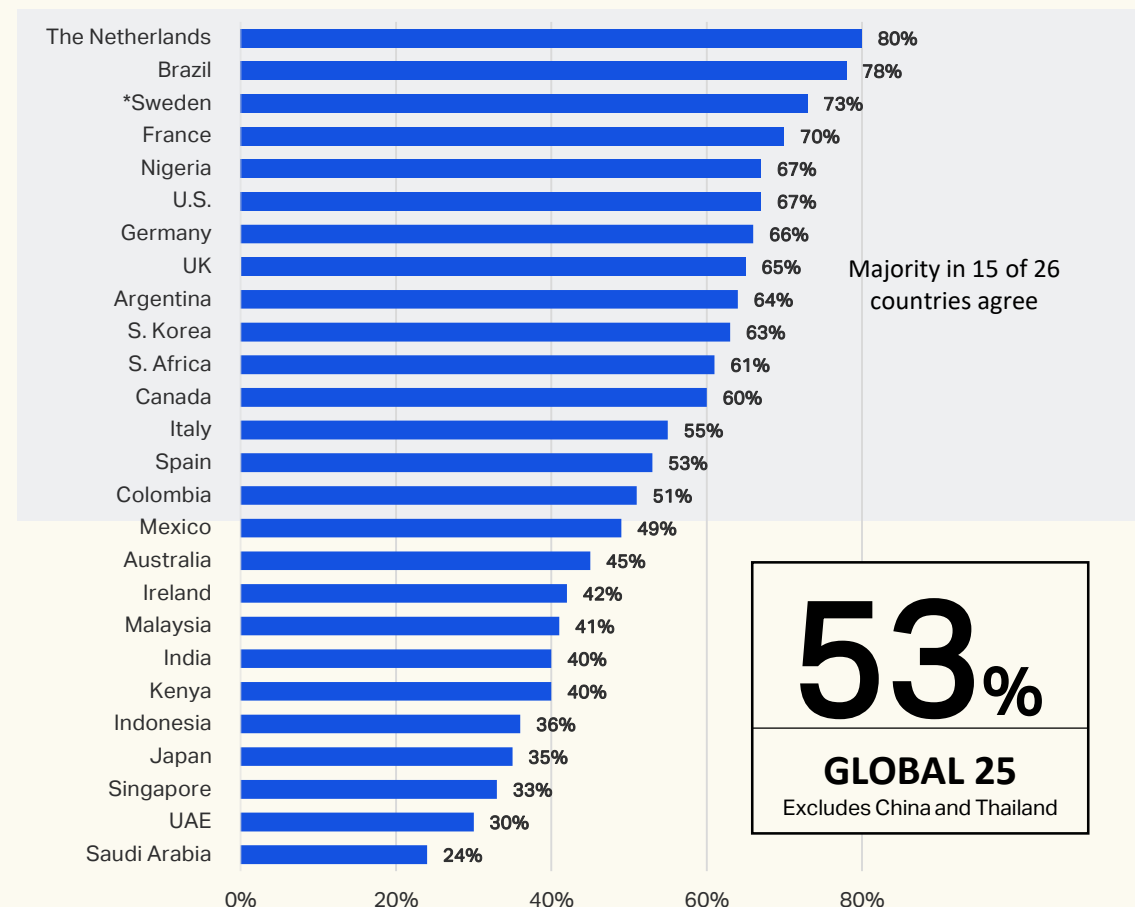
Sixty-two percent see the rich and powerful as the main driving force behind these divisions, followed by foreign governments and political leaders.

Just under half (43%) believe journalists are causing further polarisation.

On a more positive note, teachers were recognised as a potential unifying force that could bring people together.

As we go into a year of major elections in many parts of the world, this disharmony may cause trust levels to sink lower, creating even wider divisions between different groups in society.

Our country is more divided today than in the past



Source: [Edelman Trust Barometer 2023](#)

Base: General population, 25-mkt avg. Data not collected in China and Thailand.
*Sweden is not included in the global average.



How marketers can respond

Cultural competence is critical for brands in a polarised society

- Brands must understand cultural nuances between countries before they openly express their support for any social causes. For instance, LGBTQ+advocacy varies significantly across countries in Asia.
- Brands need to be prepared for a backlash against any political position they take. The aftermath of the Bud Light campaign featuring Dylan Mulvaney shows what can happen from even the smallest of marketing initiatives.

Progressive ads generate positive engagement

- Gen Z audiences expect brands to be progressive and are more likely to buy from companies who commit to issues like tackling racism and promoting gender equality.
- Humour can be an effective way to build a connection in an polarised world. Companies like Aeroméxico used humour as a strategy to highlight issues of polarisation around the Mexican border.

WARC

Technology

WARC AI image

/imagine

AI and the virtualisation of marketing
in the future, digital headset, digital devices
q2 ar 16:9 --stylize 450

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Summary of trends

Streaming games shake up the media equation

Microsoft and Netflix could shake up the world of gaming next year with players having open access to a wealth of gaming titles through subscription and steaming services and being less dependent on consoles.

AI – the good, the bad and the Big Tech

Artificial intelligence has grown at an unprecedented rate over the last year with big tech companies fighting to lead the race in AI innovation. Collaboration and education will be critical to prevent corruption and unethical behaviour.

Trend 1: Streaming games shake up the media equation

Microsoft and Netflix could transform the gaming world through the expansion of their subscription based service offerings in 2024.

Why this is happening:

The global gaming market will be worth about \$187.7bn by the end of this year. Its current value is bigger than the music and film industries combined and could soon compete with TV as a mass media.

Mobile gaming has been one of the key drivers of gaming, with global spending reaching \$41bn in the first

half of 2023, suggesting significant potential for casual gaming.

Investment from Microsoft and Netflix could make the most popular games more accessible by moving them from single unit titles to their subscription services.

Microsoft 's recently closed, \$69bn acquisition of [Activision Blizzard](#) , means the technology giant could add Sony's 'AAA' or blockbuster titles like [Call of Duty](#) to its subscription platform [Games Pass](#) in 2024.



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What's driving this trend

WARC

The epic rise of gaming

After its boom during the pandemic, the gaming industry has continued its rapid growth. Gaming is now expanding into many different sectors including: live events with the growing popularity of esports; livestreaming on online video platforms like Twitch; and cinema, with gaming franchises delivering strong box office performance.

The appeal of mobility

Cloud-based gaming will make the gaming experience even more portable and accessible. For example, users could start playing a game on their console and continue the experience on their phone, while on the move.

Cloud services offer more choice to gamers

Cloud services will allow players to trial new titles and play multiple games at the same time. In this current economic climate, paying a one-off fee for more choice may be more appealing than investing a lot of money on a single title.

By the numbers: Gamers keen on cloud-based subscription services

Netflix plans to build up their cloud-based gaming library. The download service was initially launched through its mobile app but the company plans to extend this to connected TV and laptops next year. Netflix recently launched an app that enables players to use their mobile as a controller to play games on TV – a potential taste of what’s to come.

Game Pass and Netflix will enable players to access their game from any internet devices from any location. Although gamers are unlikely to access multiple games

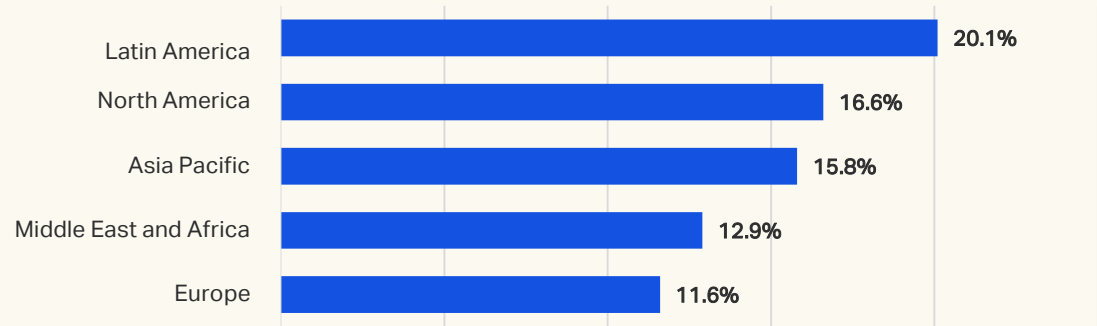
at the same time in the way they would with TV or music streaming, a monthly subscription would allow them to trial a range of new games without needing to make a large investment in just one title.

Interest in both cloud-based streaming services and in subscription based services has been growing, suggesting that new services would appeal to gamers. GWI data shows that the Americas are the leading markets, with Europe lagging particularly when it comes to cloud-based streaming.

Both cloud streaming and subscription services are gaining adoption with gamers

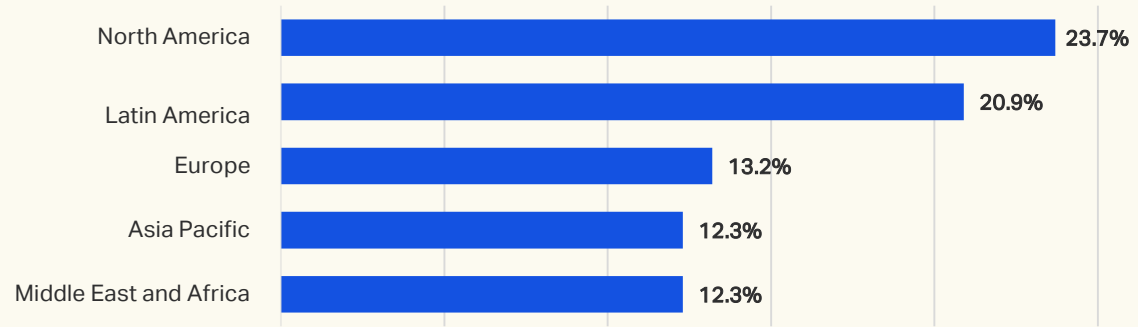
Played a game using cloud gaming platform/streaming service (i.e. Steam/PlayStation Now/Google Stadia)

In the Last Month, In the Last Year



Used a subscription service such as XBOX LIVE, PlayStation Plus or Steam

In the Last Month, In the Last Year



Source: [gwi.com](https://www.gwi.com): Gaming attitudes by Generation

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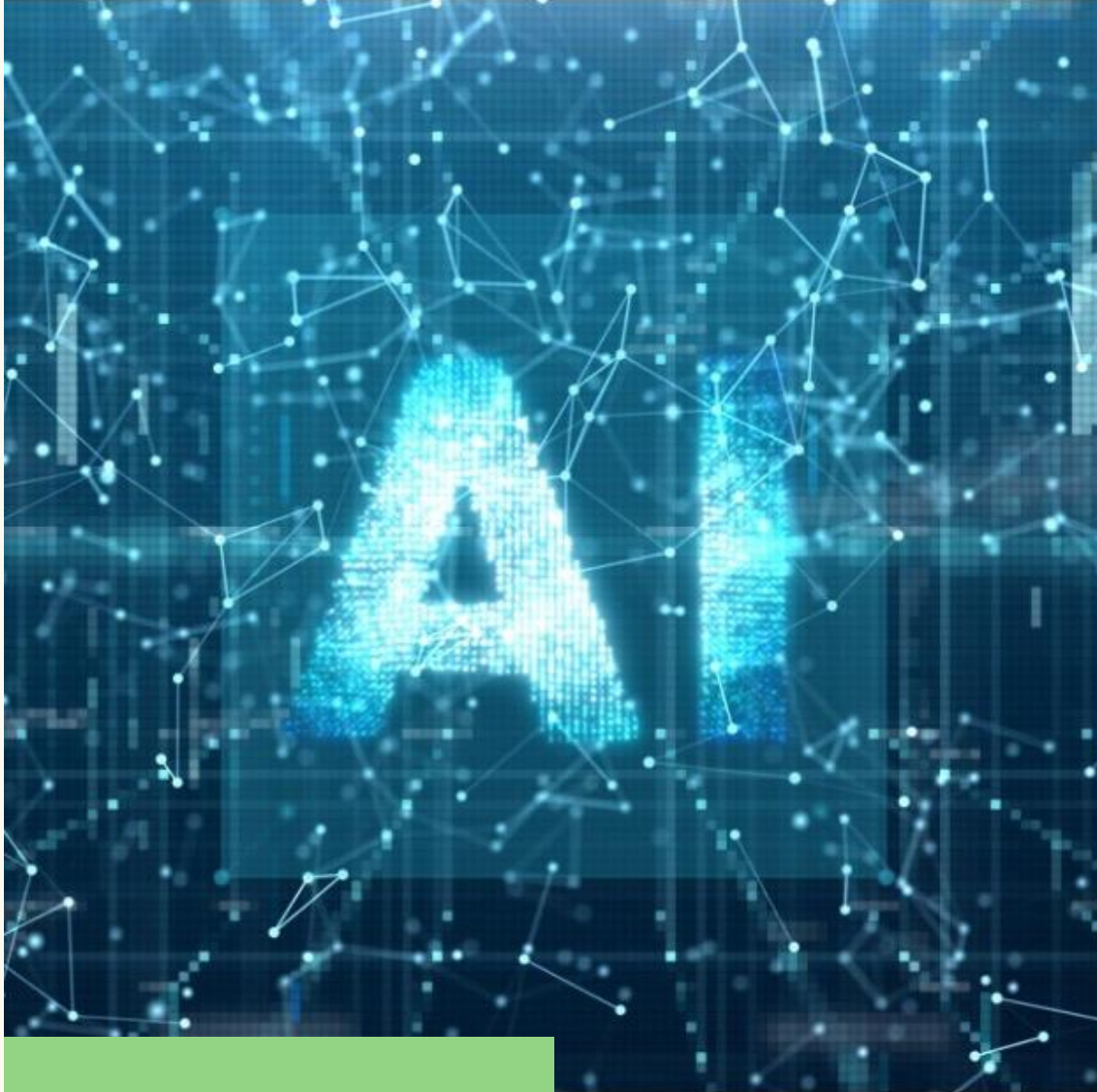
How marketers can respond

Target growing investment in gaming

- Sixty three percent of marketers expect to increase their investment in gaming in 2023. PWC forecast advertising revenue to reach US\$100 billion by 2025.
- Gaming commands high media engagement and attention levels. Newzoo data reveals that people spend nearly 12 hours a week on video games and in virtual worlds.
- Marketers must consider the diversity of the gaming audience. Women represent half of gamers in the ten largest gaming markets and older adults also enjoy playing.

Use the growing reach of gaming to connect with hard-to-reach segments

- Brands need their advertising to provide an immersive experience that resonates with the gaming community. Pringles' Meet Frank campaign featured a real world marketing stunt that made a truly cultural impact with the audience.
- The gaming universe offers plenty of opportunities outside of the game itself for paid and owned engagement. These range from livestreaming platforms like Twitch, engaging with gamefluencers like Pokimane and Ninja, or gaming community sites including Discord and Reddit.



Trend 2: AI – the good, the bad and Big Tech

Although artificial intelligence (AI) has been used for a long time, generative AI has created a frenzy of new attention.

Now business leaders are making AI applications a top investment priority but remain cautious of the potential risks if they embed the technology without meticulous planning.

Why this is happening:

ChatGPT, OpenAI's generative chatbot became the fastest growing consumer application in history when 100 million active users signed up within 2 months of

its launch. The democratisation of AI is gaining attention from governments, consumers and the business world.

CEOs are busy weighing up the benefits and pitfalls of generative AI as the technology continues to advance at record speed. AI can be transformative within the workplace in terms of workflow efficiency, customer service and data management. However, business leaders need to be aware of the upfront risks in order to keep up with regulation and maintain trust with their customers.

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AI 2

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What's driving this trend

WARC

Driving efficiency within organisations

Generative AI can perform many in-house tasks, leaving employees to concentrate on more strategic projects. These jobs can include answering customer questions, data cleansing, summarisation and creative asset sourcing.

The democratisation of AI

People are becoming more familiar with AI through platforms like ChatGPT. As usage increases, users may require further education on issues like bias and hallucinations so they can make informed choices online.

AI and creativity

Generative AI allows anybody to create creative content including art, film and copy. While this opens a world of opportunity for online audiences, it also presents a significant problem in terms of intellectual property, deep fake technology and online privacy.

By the numbers: Business leaders are more optimistic about AI than employees

To encourage usage of AI within business, leaders recognise the need to upskill and train their teams. Although there is much more acceptance that AI is here to stay, employees may be concerned by the threat of the technology replacing their role in the organisation.

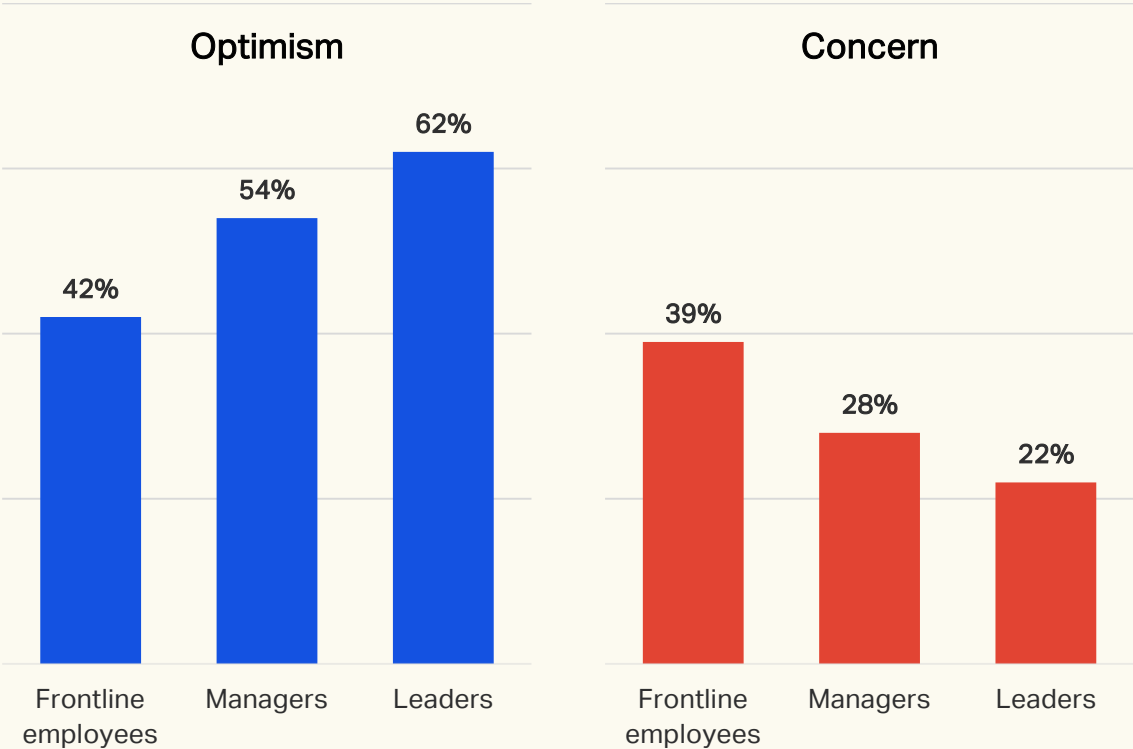
Collaboration and investment in upskilling can help to dispel these fears.

A survey by BCG across global organisations found organisations feel more

optimistic than concerned about using AI in their workplace but there was a significant gap in sentiment between business leaders and employees (see right).

Lack of knowledge and confidence in using AI may explain this disparity. Eighty percent of business leaders said they were using AI regularly as opposed to 20% of employees. Nearly half (44%) of leaders had received training on AI platforms compared to only 14% of employees.

Are you optimistic or concerned about AI in the workplace?



Source: BCG: AI at work survey (2023)

Base: n=12,898 in 18 countries

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How marketers can respond

Marketers must promote an AI friendly culture within their organisations

- Marketing leaders need to be transparent with employees about how they are embedding AI into their organisation to avoid any potential anxiety.
- Marketing leaders should embed a test and learn culture in their companies to encourage teams to upskill through embracing AI.
- AI learns from human intervention; people should not consider it as a 'miracle cure' but continually prompt and work with the technology to drive the best outcomes.

Marketers need to consider online ethics throughout their AI development plans

- Data privacy and online safety should be at the centre of any Generative AI or machine learning design. Marketers should evaluate the ethical behaviour and standards of any partner they work with.
- Algorithmic biases can put companies at risk. Inclusivity and accessibility should be intrinsic to the company's marketing output.
- Transparency is crucial when brands use AI to maintain trust, including fully disclosing customer data usage.

WARC AI image

WARC

Environment



/imagine

Natural environment in a plastic bottle,
plastic snow globe base, soft clouds, realistic
q2 ar 16:9 --stylize 650

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Summary of trends

While we boil: The fallout from El Niño & COP28

Recent research shows that the world is failing to meet climate targets set in the 2015 Paris Agreement. This will be the key focus of the forthcoming COP28 conference in Dubai. Meanwhile El Niño is driving warmer temperatures and unpredictable weather across the world.

2

WARC

Sustainability begins at the doorstep

People commit to sustainable practices when the results of their actions are more tangible, or they make an emotional connection to the climate emergency. Social bias can be used to encourage sustainable behaviour when local communities work together to fight climate change.

Trend 1: The fallout from El Niño and COP28

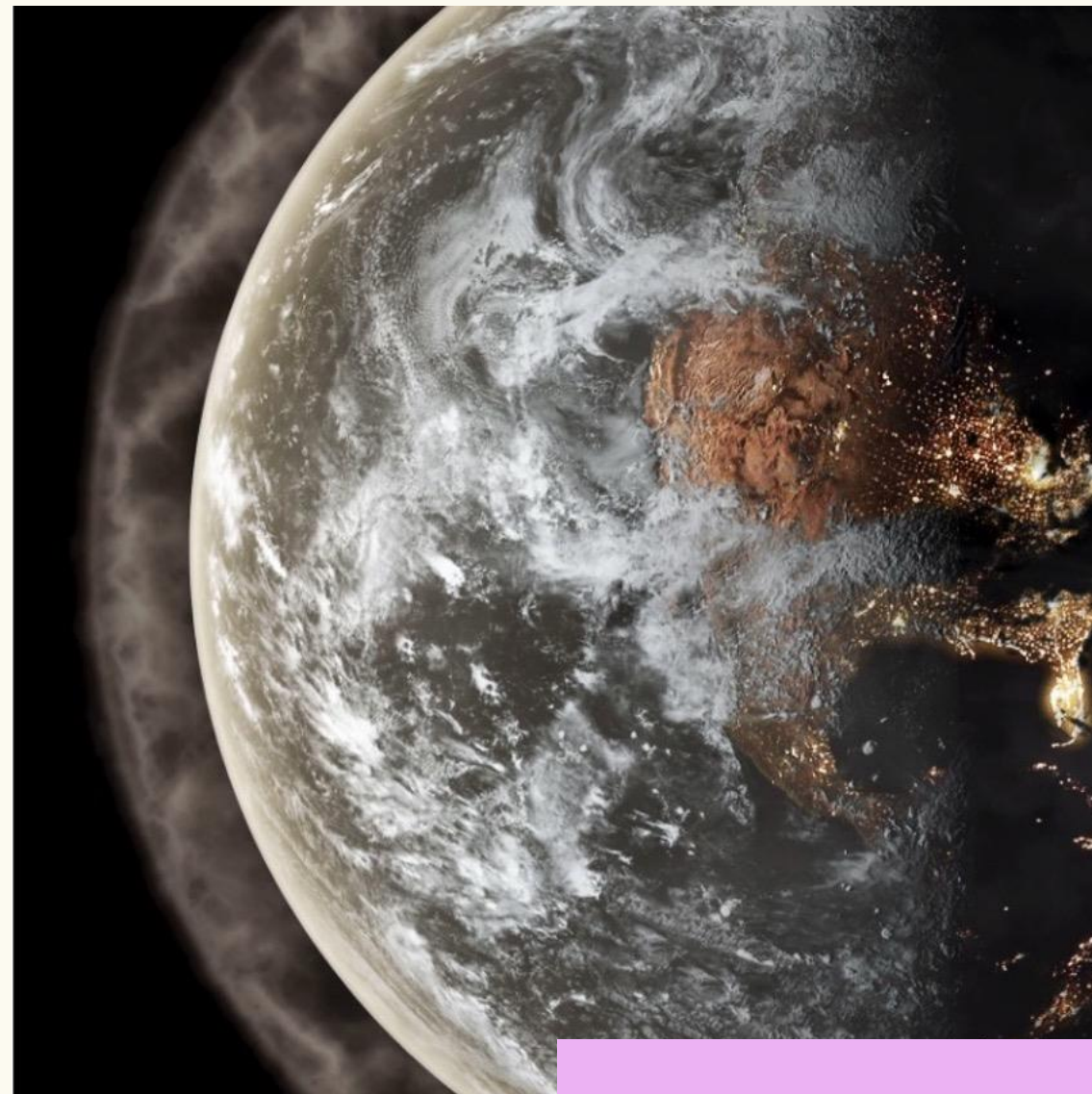
July 2023 was confirmed as the world's hottest month on record. UN Secretary General António Guterres described this milestone as a signal that the "era of global boiling had arrived".

Why this is happening:

Two main factors are driving up global temperatures. First, greenhouse emissions are at an all time high. Second, we are currently in an El Niño phase; a natural climate phenomenon that causes the abnormal warming of surface waters in the eastern equatorial Pacific Ocean. Prior El Niño events have led to flooding, droughts and forest fires.

Extreme temperatures have already caused unprecedented disasters across the world this year. The US has set a record for the number of climate disasters in a single year, costing over \$1 billion. Up to the end of August this year, there have been 23 events in the country which have so far cost \$57.6 billion and killed 253 people.

Devastating floods have also hit countries including Libya, India, Pakistan, Greece, Hong Kong, South Korea and Taiwan. Many of these disasters have affected the countries that produce the least emissions.



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What's driving this trend

WARC

El Niño will continue into 2024

Scientists forecast that 2024 will be hotter still, because of the influence of El Niño, which is expected to peak at the end of 2023. Temperatures could push the world above the 1.5C threshold set as part of the Paris climate agreement.

Rising costs have changed sustainable living

Consumers are focusing on 'practical sustainability' as the cost of living continues to squeeze budgets for products that are more durable and energy efficient.

Government u-turns worry investors

Businesses rely on the net zero commitments of their governments to support new investment. Industry leaders have criticised the UK's recent U-turn, saying it fuels uncertainty and damages the UK's reputation.

By the numbers: Less than 60% of companies on track for net zero

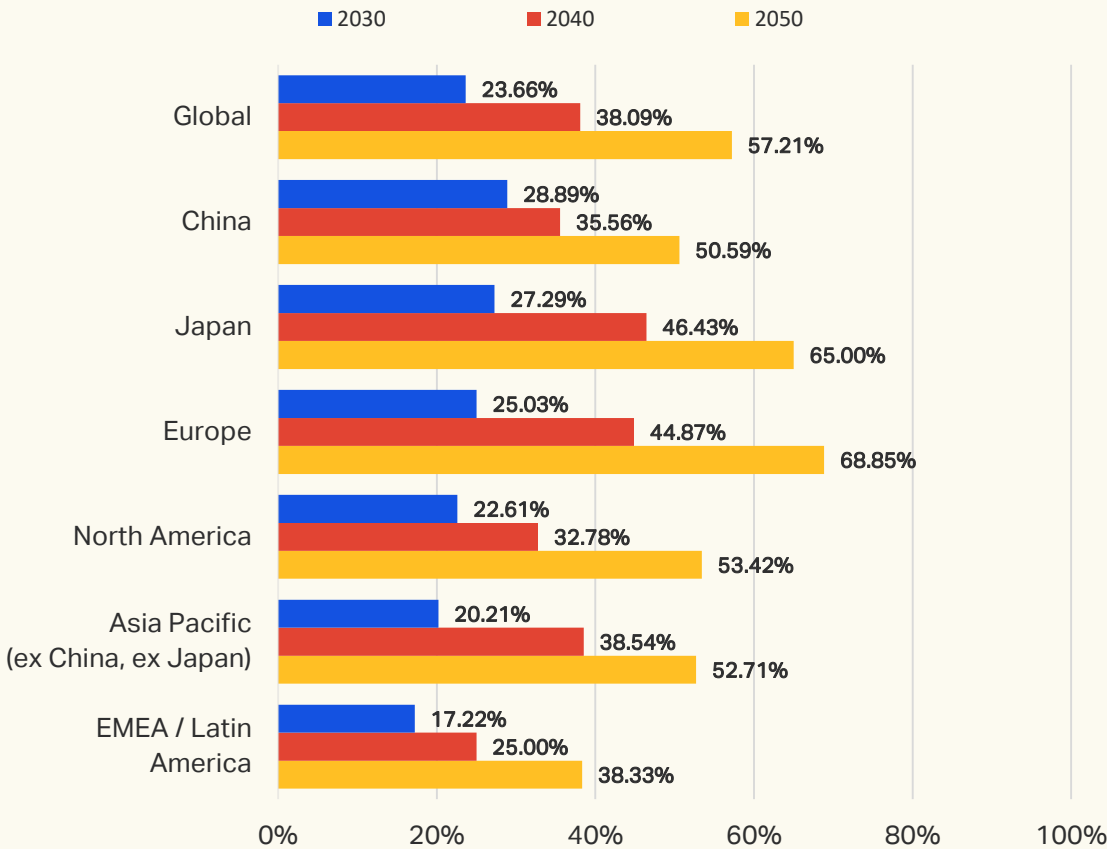
The recent [Global Stocktake synthesis report](#) by the [United Nations Climate Change Committee](#) tracks the world’s contribution in the fight against climate change. The results provide solid evidence that countries are failing to meet their climate targets.

Government support for poorer nations to withstand climate disasters is also woefully insufficient.

The key findings from the report will be the focus of the forthcoming [Cop28 conference](#), where global leaders, international NGOs, as well as representatives from the private sector and media, will gather to decide how to accelerate climate action.

[Fidelity International](#) surveyed its global analysts on the net zero plans of the companies they follow. Less than 60% were on track to cut their carbon emissions by the UN deadline of 2050.

What proportion of your companies are spending enough to hit net zero?



Source: [Fidelity International ESG Analyst Survey 2023](#)

Base : 123 analysts from across Fidelity’s Equities, Fixed Income, Private Credit, and Sustainable Investing teams



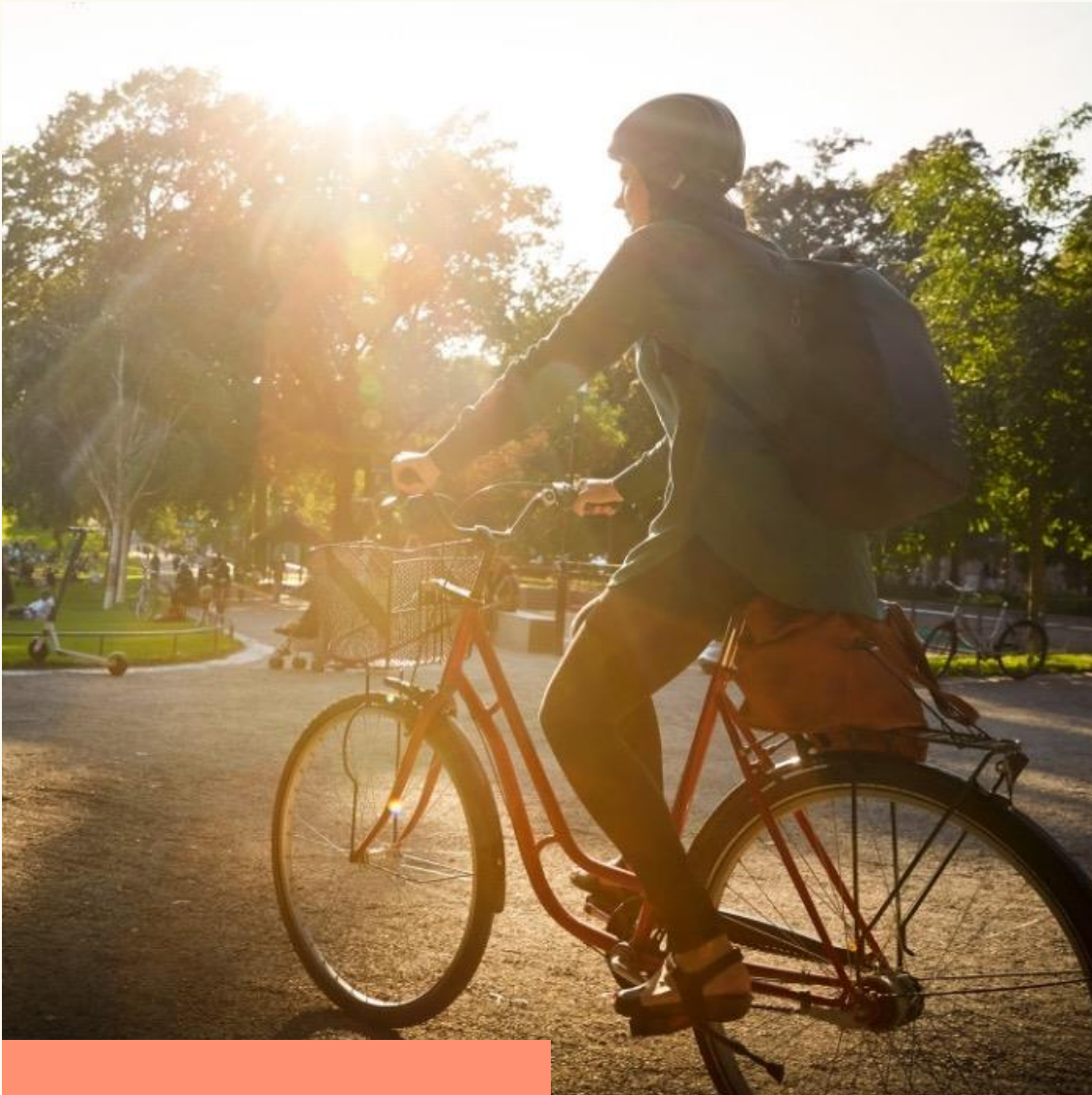
How marketers can respond

Business leaders must step up in the fight against climate change

- Sustainable behaviour must be encouraged from the top down, throughout the entire organisation. Marketing is ideally placed within an organisation to drive that change.
- Brands should track their Scope 3 emissions across the value chain. It is important to evaluate the green credentials of any current or prospective suppliers or partners. It is also worthwhile examining the emissions generated by the consumption of products by consumers.

Avoid greenwashing, focus on where brands can make a genuine difference

- There are many different areas that brands can contribute to, to support their ESG commitment. Finding the project that connects directly with the company's mission will make a real impact. A good example of this is the Billion Dollar Collection from the H&M Foundation.
- Marketers should be explicit about how their sustainable products or commitments provide value to the consumer or enable them to act more sustainably.



Trend 2: Sustainability begins at the doorstep

People are sometimes intimidated by global sustainability issues, with the scale of the problem leaving them feeling powerless. If consumers are set actions that they can commit to locally, they are more likely to get involved and take action to cut greenhouse gases.

Why this is happening:

Weather events and natural disasters show us how much more needs to be done to stop the climate emergency but we are often confused by scientific terminology and feel disconnected from events we see in the media.

Behavioural science draws on the power of 'social norms' to accelerate behaviour change. If we see our peers adopt sustainable actions it encourages us to follow suit. This is particularly effective in terms of local communities. Behavioural Architects call this 'spatial peer effects'.

Grassroots organisations unite local communities and make a real contribution to sustainability. This presents an opportunity for brands: for example, Patagonia funds local environmental groups as part of its commitment to long-term sustainable action.

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What's driving this trend

WARC

Pride in local community

People are motivated by visible results so sustainable action that is tied to local community encourages more people to commit and take action.

Citizen science helps demonstrate the impact of climate change

Many conservation projects rely on data collected by the public on their doorsteps to help them protect the environment. This is especially true in terms of monitoring wildlife and biodiversity, and helps drive consumer engagement with local sustainability issues.

Consumers are prepared to pay more for local goods

Local sourcing can be an effective means of cutting carbon emissions: 80% of global consumers are willing to pay up to 5% more for products that are made or sourced locally.

Sustainability begins at the doorstep

Research shows that people still believe global warming is within our control. Seventy percent feel that small individual actions can help to tackle climate change but only 14% said they are doing everything they can.

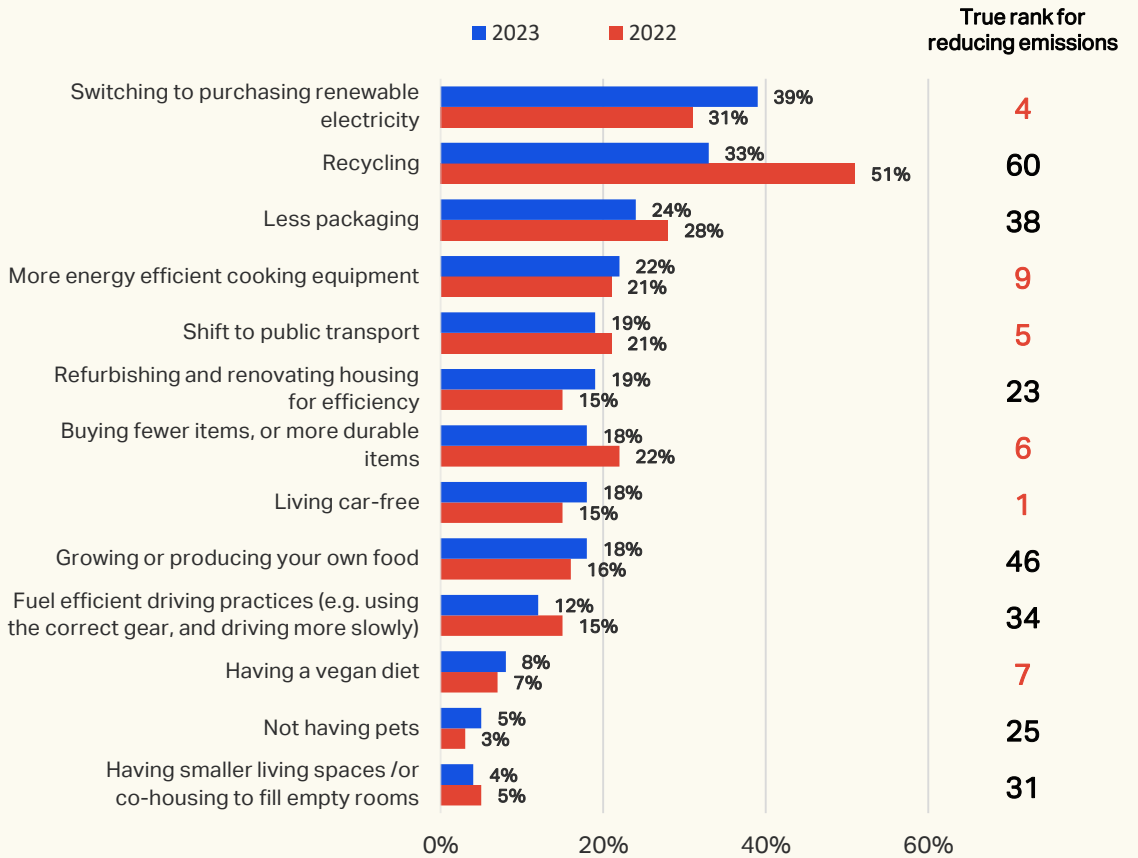
More than half of global citizens are wrong about the impact of key sustainability actions. Recycling is seen as the most effective way of reducing carbon emissions. In reality, scientists rank it in 60th place. In fact, living car-free is the best thing we can do to help the environment, but only 15% of respondents are aware of this.

Governments need to find ways to encourage citizens to use more sustainable transport options, like taking the bus or train to work.

The same applies to businesses, where many consumers are struggling to act sustainably amidst a cost of living crisis.

IKEA has adopted strategies increasing its second-hand sales models, giving people access to cheaper furniture and launching a peer-to-peer furniture platform.

Which three of the following actions do you think have the most impact on reducing greenhouse gas emissions?



Source: Ipsos Public opinion on Climate Change – April 2023

Base : 2023: 21,231 online adults under the age of 75, interviewed 20 Jan – 3 March 2023; 2022: 22,033 online adults under the age of 75, interviewed 18 Feb – 4 Mar 2022

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How marketers can respond

Consumers feel more connected to local initiatives

- People are more responsive to issues that affect their local community. From an environmental point of view, this can cover factors like purchase behaviour, sourcing local produce and recycling initiatives.
- The 'Keeping up with the Joneses' concept can be leveraged to drive environmental initiatives. Brands can bring communities together and leverage the power of localism but must be authentic and committed in the long term to maintain trust with their customers.

Participation rises when consumers feel they are making a difference

- Provide consumers with clear information on the actions they can take to help reduce their greenhouse emissions. Tapping into emotions can have a powerful impact and encourage people to change their behaviours.
- In a cost-of-living crisis, it is small achievable steps that can encourage consumers live more sustainably. Recycling, repairing and reusing products can make customers feel like they are making a real difference.

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[STEPIC 2022: The macro forces shaping marketing's future](#)

[The 2023 Consumer Trends Report](#)

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