CUKER

2023-2024 Digital Trends Report
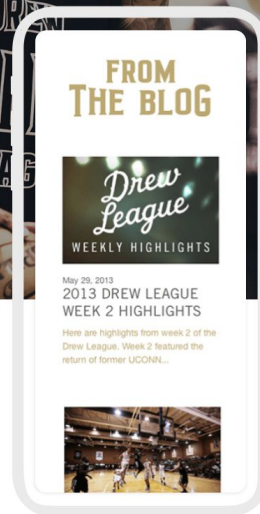
Contents

Always Looking Forward

As digital experts, we pride ourselves on always being up to date on the most recent marketing and advertising progressions.
In this report you'll find industry trends, new technology, consumer behavior analysis, and other insights on the current and future state of the digital landscape.

Cruise Boardshort
$74

ADD TO CART

FROM THE BLOG

Drew League
WEEKLY HIGHLIGHTS

May 29, 2013
2013 DREW LEAGUE
WEEK 2 HIGHLIGHTS

Here are highlights from week 2 of the
Drew League. Week 2 featured the
return of former UCONN...

gomacro Last day to grab some of our Give
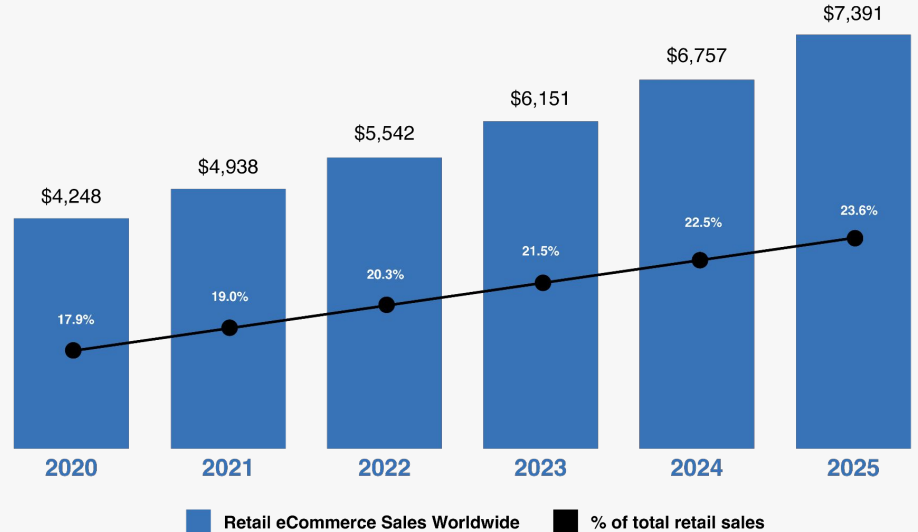Back Bars before they're gone!

The Market

Emerging Digital Trends and Insights

CUKER

eCommerce Growth

COVID forced digital adoption and eCommerce is expected to continue growing post pandemic.

eCommerce Sales Growth

($ in billions)

	2020	2021	2022	2023	2024	2025
Retail eCommerce Sales Worldwide	$4,248	$4,938	$5,542	$6,151	$6,757	$7,391
% of total retail sales	17.9%	19.0%	20.3%	21.5%	22.5%	23.6%

■ Retail eCommerce Sales Worldwide   ■ % of total retail sales

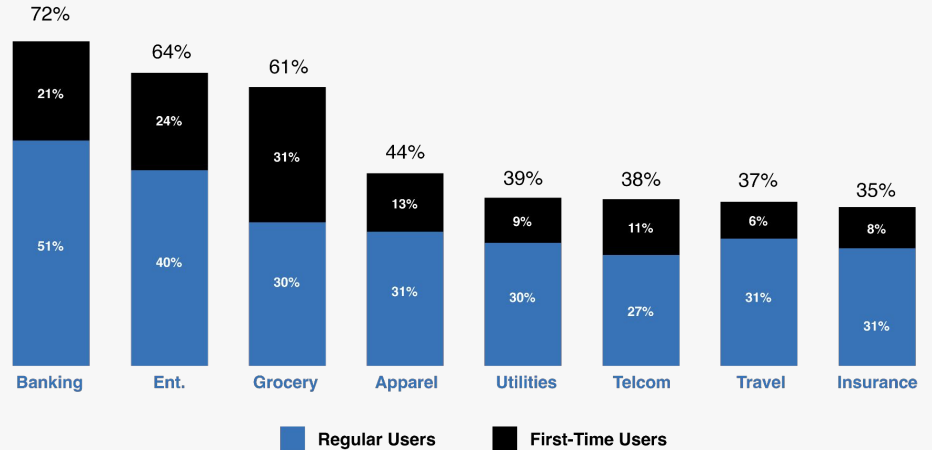Source: **Sales/Marketing Tech Industry Report**

Digital Adoption Increase

—

50% of internet users **ages 16-24 use social** for brand research over search.
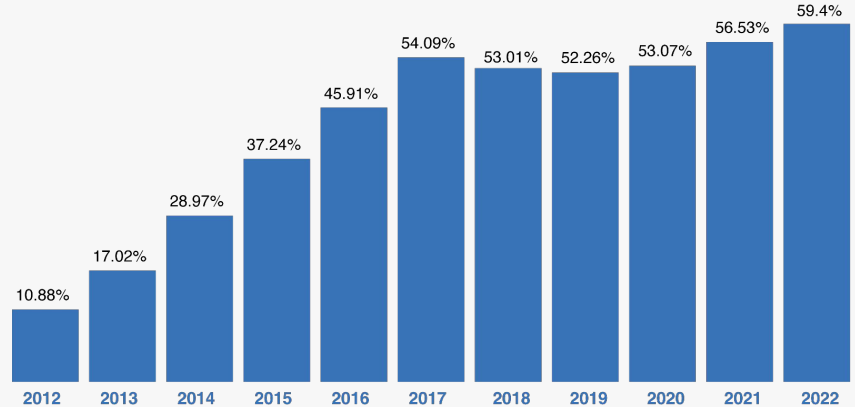
Digital Adoption Rising Across Industries

With consumers accelerating the adoption of digital channels, businesses can no longer treat digital channels as a luxury and must invest in their digital footprint in order to compete.

	Banking	Ent.	Grocery	Apparel	Utilities	Telcom	Travel	Insurance
Total	72%	64%	61%	44%	39%	38%	37%	35%
First-Time Users	21%	24%	31%	13%	9%	11%	6%	8%
Regular Users	51%	40%	30%	31%	30%	27%	31%	31%

■ Regular Users   ■ First-Time Users

Mobile Browsing Increase

In 2022, mobile phones drove **61% of website traffic**, while desktops and tablets accounted for 39%.

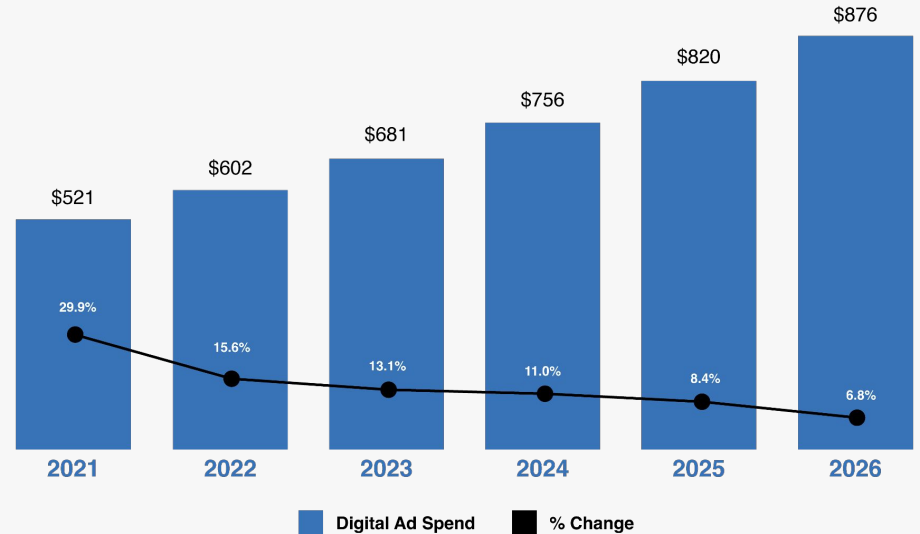**Global Mobile Phone Website Traffic Share From 2012-2022**

Year	Share
2012	10.88%
2013	17.02%
2014	28.97%
2015	37.24%
2016	45.91%
2017	54.09%
2018	53.01%
2019	52.26%
2020	53.07%
2021	56.53%
2022	59.4%

Source: **Cascadia Capital LLC**

Digital Ad Spend Will Continue to Trend Upward

With more internet users each year, brands have **increased their digital marketing spend** to reach more consumers.

Digital Ad Spending Rides the Digital Migration Wave

Total digital ad spending is expected to increase the coming years driven primarily by the continued migration to eCommerce.

$876

$820

$756

$681

$602

$521

29.9%

15.6%

13.1%

11.0%

8.4%

6.8%

2021   2022   2023   2024   2025   2026

■ Digital Ad Spend   ■ % Change
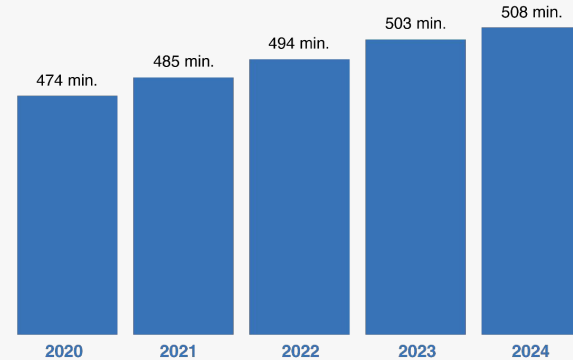
Source: **Digital Commerce**

8   CUKER

Consumer

Behaviors and Preferences Shaping the Digital Age

CUKER

Media Consumption

The primary source of media consumption now is **social media**.

Digital Media Consumption 2020-2024

Year	Minutes
2020	474 min.
2021	485 min.
2022	494 min.
2023	503 min.
2024	508 min.

Consumer Media Consumption Has Gone Digital.

Daily Media Consumption in US

Based on Total U.S. Population (Age 16-64, 2023)

Streaming TV has surpassed broadcast

6H 37M
Time spent using the internet

3H 23M
Time spent watching TV (broadcast & streaming)

2H 31M
Time spent using social media

2H 10M
Time spent reading press media (online & physical print)

1H 38M
Time spent listening to music streaming services

0H 59M
Time spent listening to broadcast radio

1H 02M
Time spent listening to podcasts

1H 14M
Time spent using a games console

Source: **We Are Social & Hootsuite**

Personalization

Consumers **spend 48% more** when their experience is personalized.

The Benefits of Personalization

20%
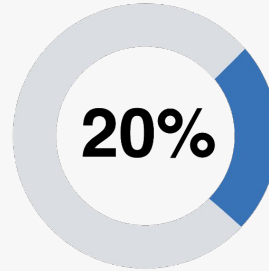
Marketers see an average increase of 20% in sales when using personalized experiences.

80%
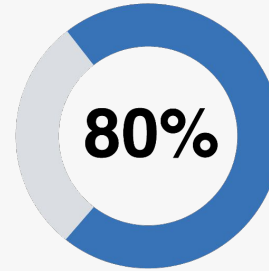
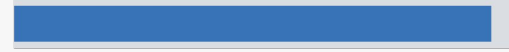80% of shoppers are more likely to buy from a company that offers personalized experiences.

77%
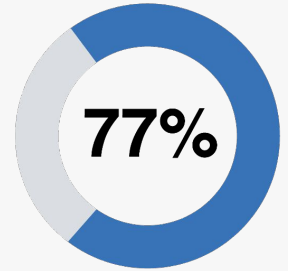
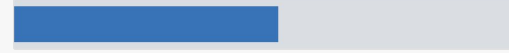77% of consumers have chosen, recommended, or paid more for a brand that provides a personalized experience.

Source: **Accenture**

Subscription Services

In the past year, eCommerce subscriptions have grown by an enormous **65%**.
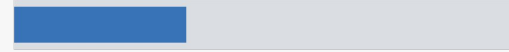
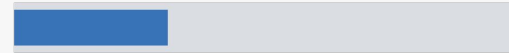**98%** **Streaming Media**

53% **Mobile App Subscription**

39% **News**
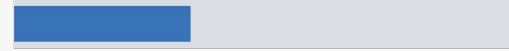
37% **Box Subscription**

34% **Health & Fitness**
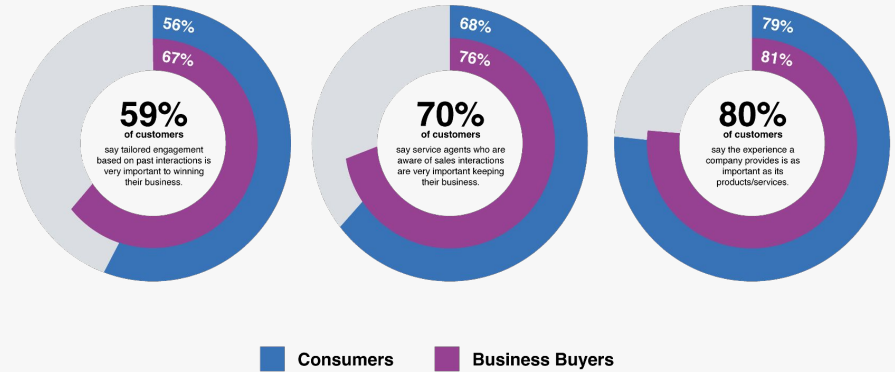
33% **Other/Misc**
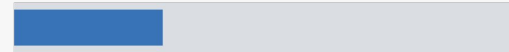
31% **Food Subscription**

Focus On Post-Sale Customer Engagement

——

80% of customers say the experience a company provides is as important as its products or services.

59% of customers
say tailored engagement based on past interactions is very important to winning their business.
56%
67%

70% of customers
say service agents who are aware of sales interactions are very important keeping their business.
68%
76%

80% of customers
say the experience a company provides is as important as its products/services.
79%
81%

■ Consumers   ■ Business Buyers
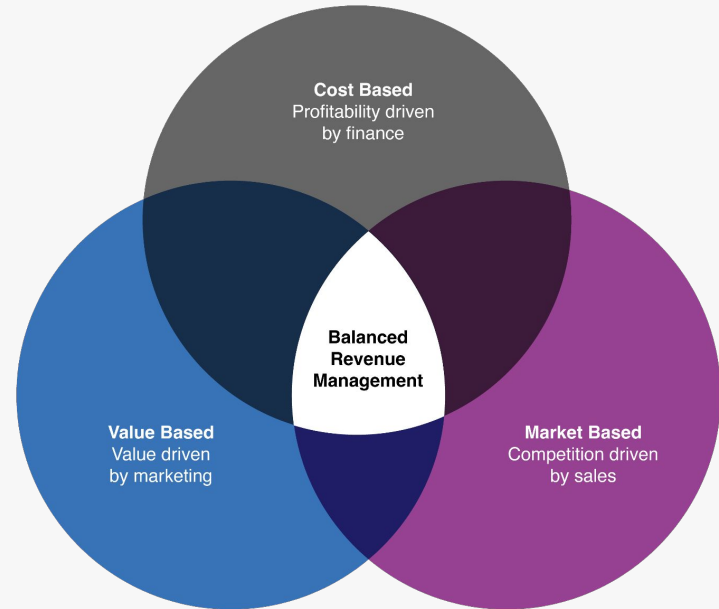
Conscious Consumers

Half of consumers say they've paid **59% more** for products branded as **"sustainable"** in the last 12 months.

The Multiplier effect: A combination of better quality, greater value, and more information would help more than 4 in 5 consumers buy more sustainable products.

58% Better product quality

57% More affordable prices, better value for my money

41% Better understanding of how my purchase can make an impact

3 factors combined would help
83%
of consumers to shop more sustainably
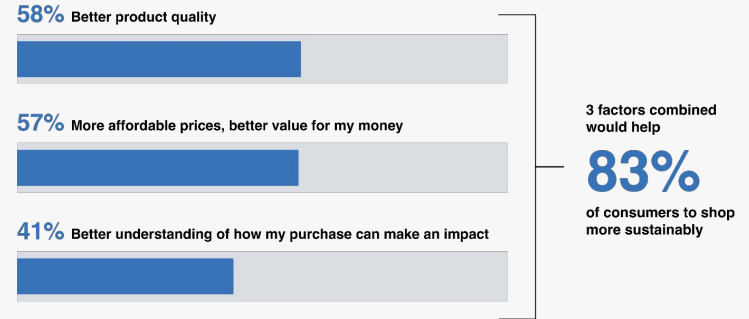
Value Driven

Macroeconomic uncertainty & rate increases are causing a **short-term flight to value & quality** and a slowdown in market activity.
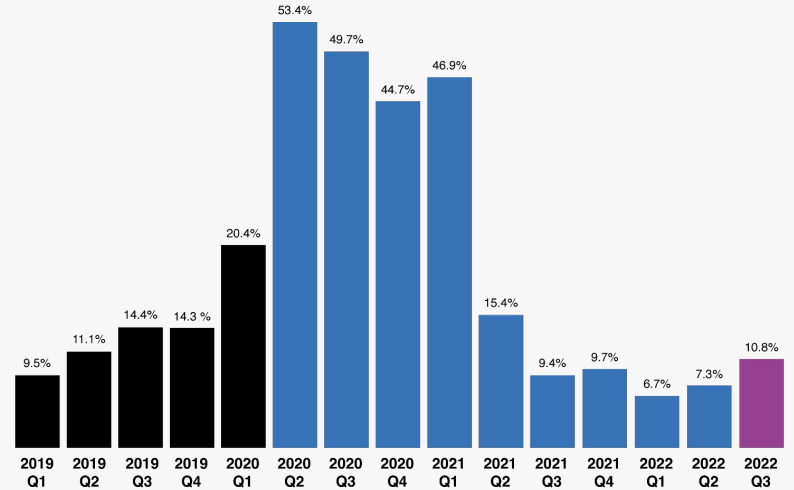

Cost Based
Profitability driven
by finance

Balanced
Revenue
Management

Value Based
Value driven
by marketing

Market Based
Competition driven
by sales

Source: **Cascadia Capital LLC**

Retail Media

Driving Sales in the Era of Connectivity and Innovation

CUKER

U.S. Retail eCommerce Growth Rate

—

U.S. retail eCommerce sales saw explosive growth during the pandemic followed by a slowing in growth in 2022. Growth is rebounding in 2023.

Online Sales Growth Rate
Q1 2019-Q3 2022

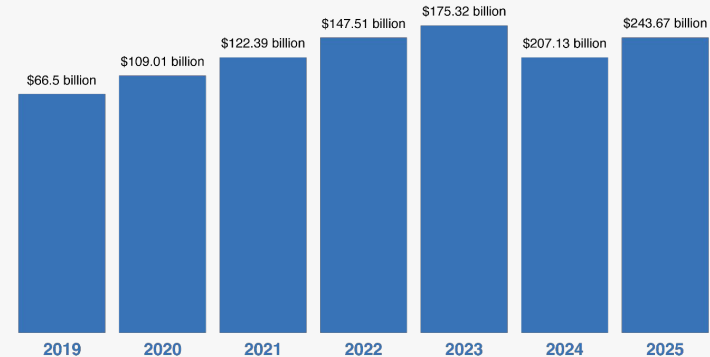| Quarter	Rate
2019 Q1	9.5%
2019 Q2	11.1%
2019 Q3	14.4%
2019 Q4	14.3%
2020 Q1	20.4%
2020 Q2	53.4%
2020 Q3	49.7%
2020 Q4	44.7%
2021 Q1	46.9%
2021 Q2	15.4%
2021 Q3	9.4%
2021 Q4	9.7%
2022 Q1	6.7%
2022 Q2	7.3%
2022 Q3	10.8%

Source: **U.S. Department of Commerce**

Online Grocery Ordering

In the United States, food and beverage retail eCommerce revenue is expected to **surpass the 24 billion threshold** by 2023.

Online Grocery Market 2019-2025

A trend boosted by COVID-19 but that will endure

$66.5 billion	$109.01 billion	$122.39 billion	$147.51 billion	$175.32 billion	$207.13 billion	$243.67 billion
2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**

Source: **Statista & Oberlo**

Retail Media Advertising

—

Retail media advertising will reach $160 billion in the U.S. by 2027.

Retail media is now **the third largest digital media channel** in the world.
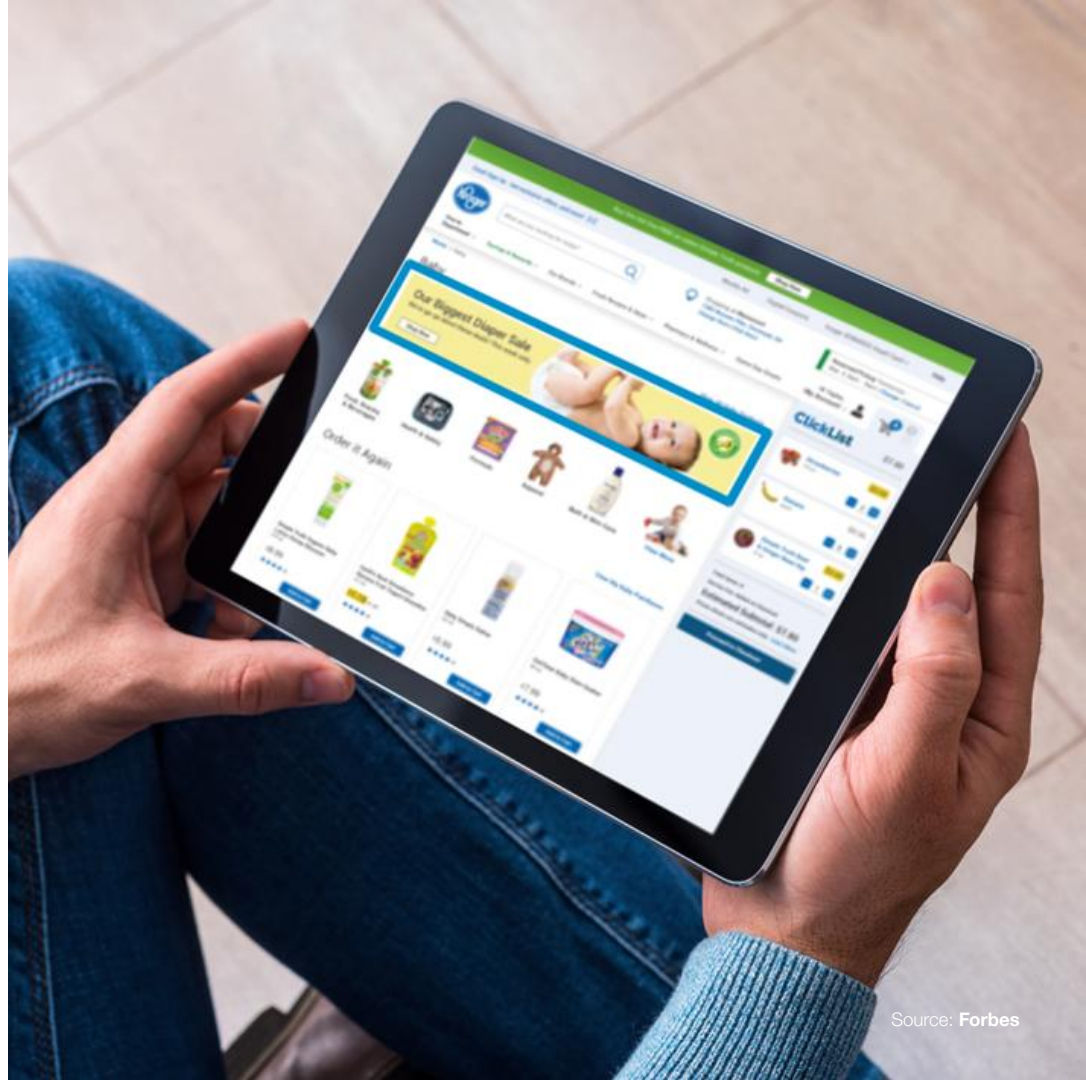
CUKER

Big Company Investment in Digital Transformation

—

Businesses in the U.S. are estimated to spend **$2.16 trillion** on digital transformation in 2023.

Digital Transformation Technology Spend (2017-2026)

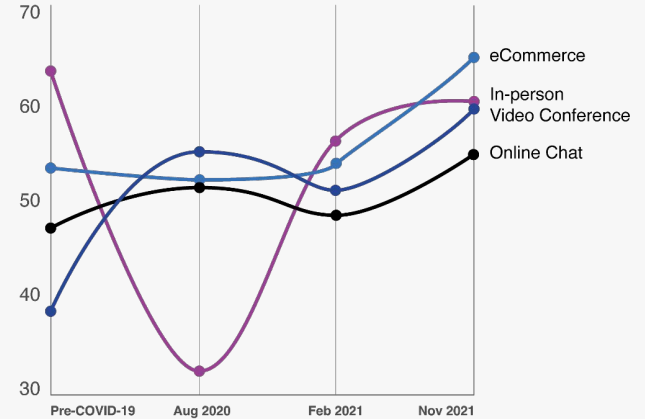By 2026, global digital transformation spending is forecast to reach 3.4 trillion U.S. dollars.

Source: **Digital Commerce**
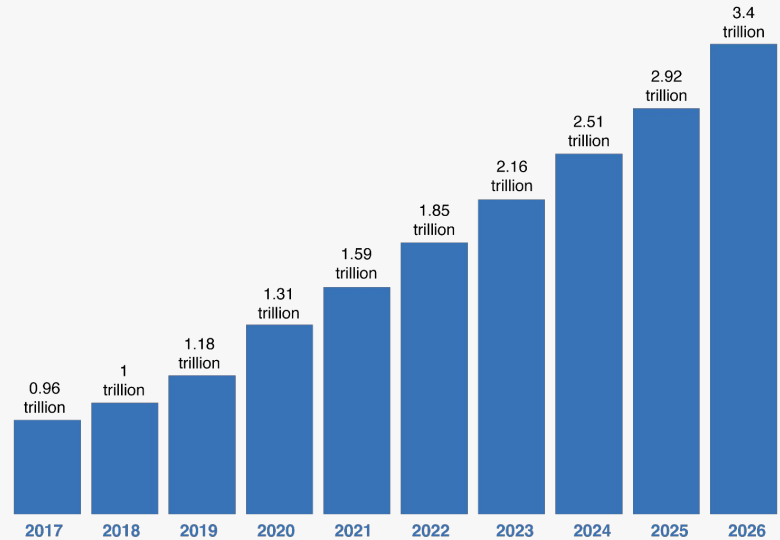
A New Digital Era in B2B Marketing

—

80% of B2B companies are making their online channels as good or better than their offline ones.

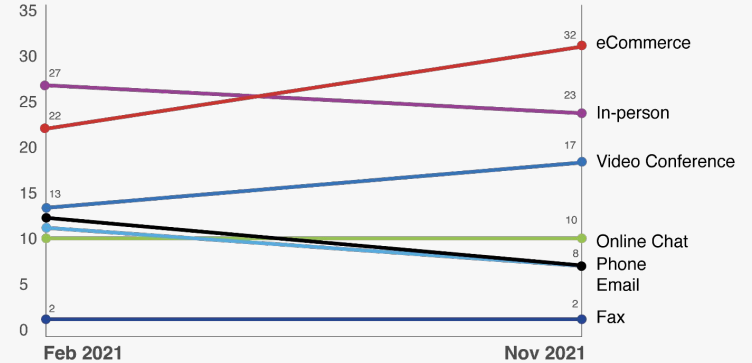**For the first time B2B sellers are more likely to offer e-commerce channels than in-person selling.**

Channels offered by B2B sellers, % of respondents, US only

eCommerce

In-person
Video Conference

Online Chat

70
60
50
40
30

Pre-COVID-19   Aug 2020   Feb 2021   Nov 2021

Source: **McKinsey & Company**

B2B eCommerce Is Thriving

Driven by a massive wave in digital adoption, **65%** of B2B companies across industries are fully transacting online in 2022.
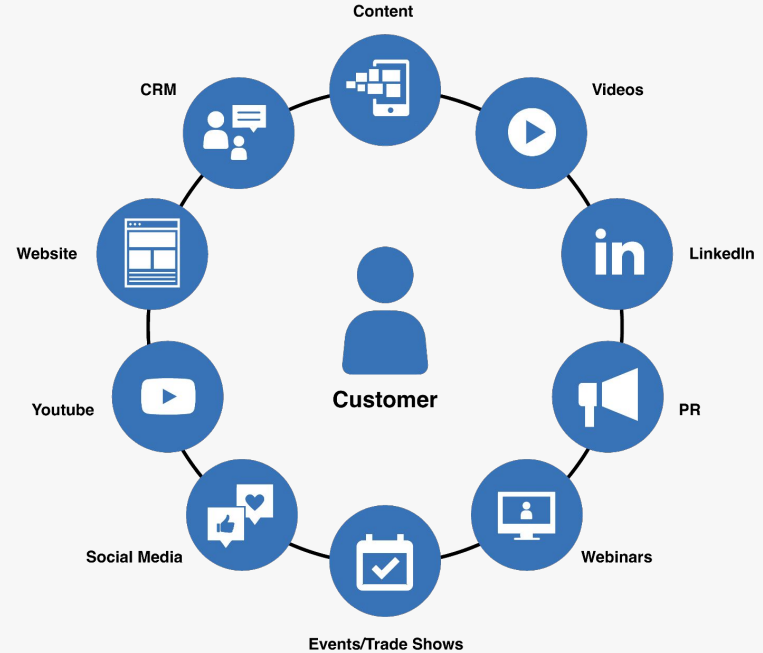
eCommerce is the most effective sales channel for a plurality of B2Bs

	Feb 2021	Nov 2021	
eCommerce	22	32	
In-person	27	23	
Video Conference	13	17	
Online Chat	10	10	
Phone / Email	13	8	
Fax	2	2	

eCommerce has now surpassed in-person as the single most effective channel.

Source: **McKinsey & Company**

24   CUKER

Omnichannel Approach is Growing

—

68% of businesses say brand consistency has contributed to revenue growths of **10% or more.**

Content

Videos

CRM

LinkedIn

Website

Customer

Youtube

PR

Social Media

Webinars

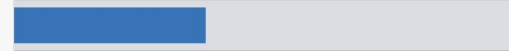Events/Trade Shows

Elevated Webinar Experiences

——

The global webinar and webcast market is expected to **expand 7.6%** from 2016 to 2023.
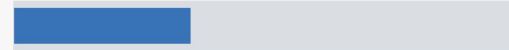
Webinars for Businesses

60% of businesses use webinars for the purpose of moving through the whole customer lifecycle.

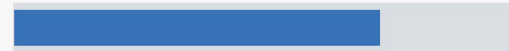**31%** of businesses use webinars for customer training and onboarding.

29% of businesses use webinars for demand generation and digital marketing.

41% of marketing professionals either participate or attend webinars.

73% of B2B marketers say that webinars produce high-quality leads.

Source: **Webex**

Technology

Exploring the Impact of Technology, Leaders, and Trends

CUKER

Brand Discovery

Amazon is a dominant force among retail networks commanding 37% market share. The company's roots and scale in digital provide it with an advantage over legacy brick and mortar stores. Amazon Advertising continues to expand with OTT video ads and influencer partnerships for Amazon Live. Podcast ads just launched through Amazon DSP in the UK, allowing advertisers to buy podcast supply across thousands of shows, including Amazon's owned and operated podcasts.

Apple remains committed to privacy with innovative technologies designed to minimize how much user data is shared. While measurement and attribution features are receiving continued investment from Apple, these privacy updates are making it increasingly more difficult for advertisers trying to leverage specific audience targeting through Meta, Google, and other ad networks. However, Apple's ad network is benefiting from the first-party data with its Apple Search Ads.

Search & Social

Google is focused on AI-powered solutions that will help drive next-level growth and profitability. New features include Search and Performance Max campaigns powered by generative AI, YouTube campaign enhancements with Google AI, and Display and Video 360 campaigns with AI-powered audience solutions. Other innovations for CTV, Google Analytics 4, and Google's chatbot, Bard, have also rolled out.

Meta continues to navigate Apple's privacy changes. Over the last year, Meta has focused on building better tools to make advertising decisions without tracking users. The newest suite of tools, Meta Advantage, uses AI and machine learning to help optimize campaign results, personalize ads, and unlock greater efficiencies. As Meta enters a new era of advertising, it remains a dominant channel.

Lifecycle Marketing

**SMS marketing is on the rise as an effective way
for businesses to connect with a receptive audience in real time.**

attentive®

klaviyo

Attentive has added an email marketing solution to their platform and has been rolling out new AI capabilities. Attentive AI brings together the next generation of tools: Magic Message, which leverages generative AI for message creation, Concierge, which help brands deliver personalized, 1:1 conversations, and Automated Campaigns, which helps take the manual work out of planning, testing, and sending high-performing campaigns.

Klaviyo has repositioned themselves as an Intelligent Marketing Automation Platform. More than just an email provider, Klaviyo aims to consolidate all customer data, email, SMS, mobile push, and reviews within their platform. New and exciting integrations include Buy with Prime, Mindbody, Square Online, and Toast.

Salesforce & Spotify

Salesforce Hyperforce is a complete re-architecture of Salesforce designed to empower Salesforce customers to securely deploy Salesforce apps and services from anywhere, while using the scale and agility of the public cloud. Additionally, Salesforce Lightning is a completely re-imagined Salesforce platform designed to take sales productivity to the next level. The Lightning Experience can increase efficiency, optimize operations, and empower everyone to build apps.

There's a lot on the horizon for Spotify including their latest feature "Playlist in a Bottle" which allows users to buy music and save it for their future selves (time capsule concept). Ad Studio updates include automated placements that will allow ads to reach both music and podcast listeners, leveraging machine learning to determine where ads appear based on delivery goals.

Over-The-Top Advertising & Connected TV

On average, **45%** of ad budgets are shifting to CTV globally.

Brand engagement increases **24%** after advertising a product on OTT platforms.
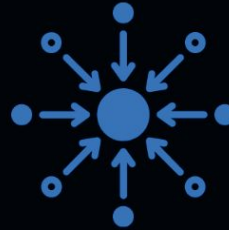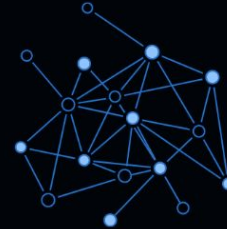
CUKER

Web 3

Web 3.0 is the next break in the evolution of the Internet, allowing it to understand data in a human-like manner.

Web 3.0 will use AI technology, Machine Learning, and Blockchain to provide users with smart applications. This will enable the intelligent creation and distribution of highly tailored content to every internet user.

Web 1.0   **Web 2.0**   **Web 3.0**

Advanced Tools & Plugins

WP Forms: the most user-friendly contact form plugin for WordPress.

AIOSEO: helps you properly add an SEO title, meta description, keywords, generate XML sitemaps, connect your site to Google Search Console, optimize for social media, and more.

AddSearch: offers lightning-fast site search that allows visitors to get instant results.

Doozy UI Manager: is a set of systems that make it easy for anyone to design, manage, and animate modern User Interfaces.
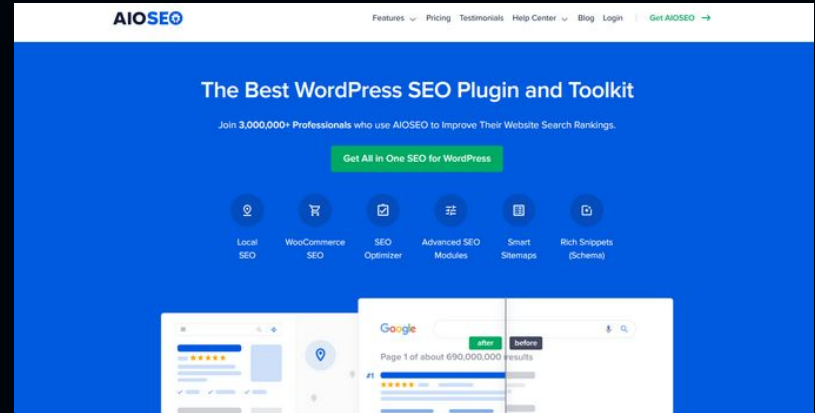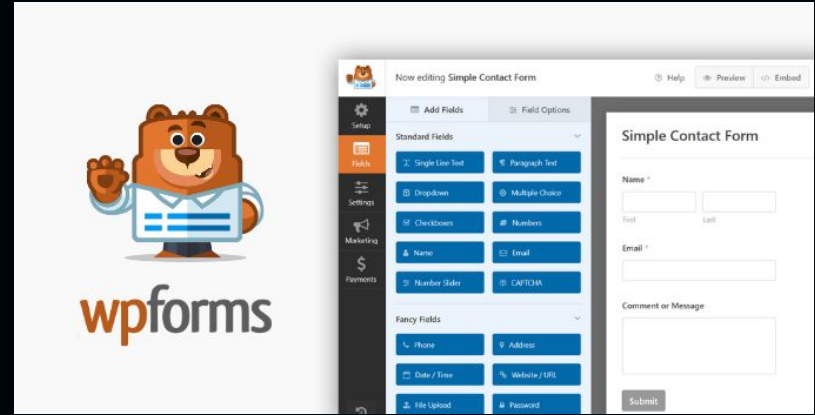
Matter

Matter is a new **smart home interoperability standard** that provides a common language for smart home devices to communicate locally in your home without relying on a cloud connection.

Amazon Alexa, Google Home, Samsung SmartThings, and Apple Home are some of the big smart home platforms signed on to support Matter. Apple, Samsung, Amazon, and Google have updated their compatible hubs to be Matter controllers, and we expect to see updates arriving on other platforms shortly.
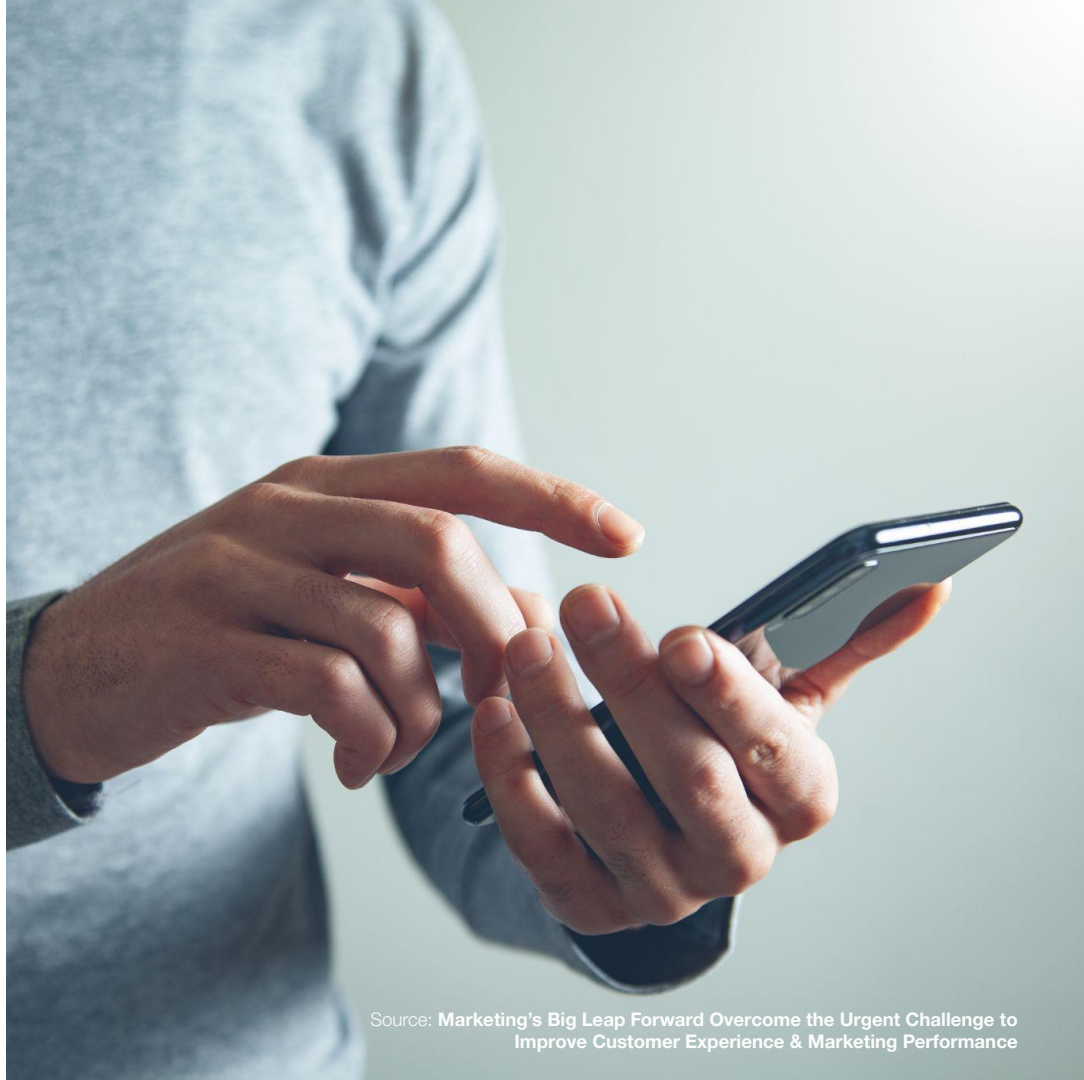
Big Data

Big data is revolutionizing how companies attain greater customer responsiveness and gain greater customer insights.

44% of B2C marketers are using big data and analytics to improve customer responsiveness.

36% are actively using analytics and data mining to gain greater insights to plan more relationship-driven strategies.

Source: **Marketing's Big Leap Forward Overcome the Urgent Challenge to Improve Customer Experience & Marketing Performance**

Autonomous & AI

Advanced artificial intelligence systems are starting to achieve cognitive abilities such as language, attention, and creativity, **promising to improve the safety and efficiency** of our systems for health care, transportation, manufacturing, innovation, the food pipeline, and urban life.

Marketing AI

AI has shown us the potential to enhance how we work, helping marketers—not replacing them.

In the next five years, **74%** of marketers will be using AI automation in more than a quarter of their tasks**.**

Creative

Enhancing Brand Presence With New Creative Trends

CUKER

AI in Art & Design (2D, 3D)

—

Generative Design will thrive and **intelligent software** will be used to enhance the work of human designers & engineers.

CUKER

AI Driven UX

62% of designers are interested in artificial intelligence and the benefits it can add to the creative process.

CUKER

Source: **Adobe**

Immersive Campaigns Through Rich Brand Photography & Video

—

The 360-degree camera market valued at 1.08MM is **projected to grow 21%** from 2023-2030, reaching **4.96MM.**

CUKER

Designing for Hyper Reality

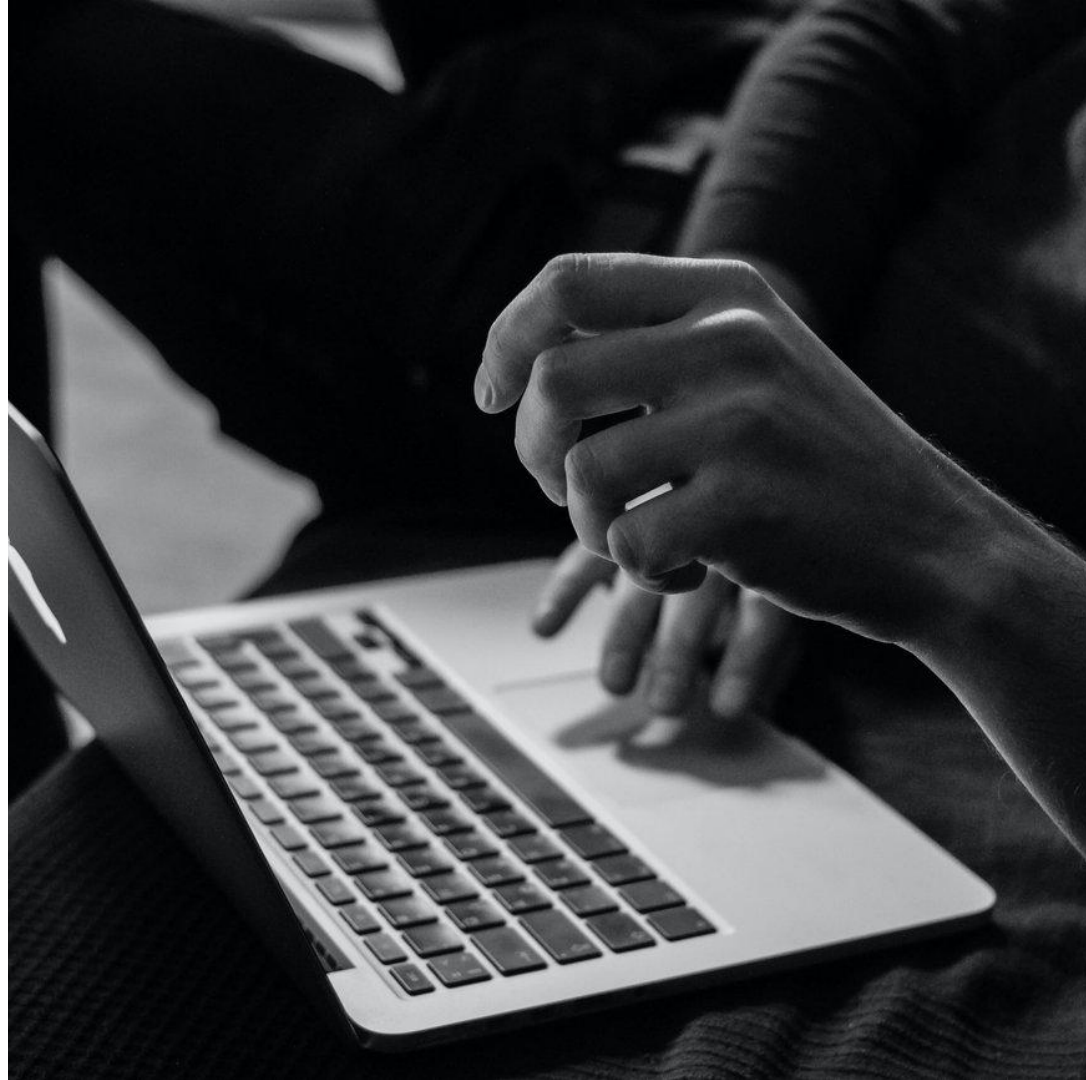**(Multi-verses/digital spaces; blend between AI, AR, VR, MR, IRL)**

—

Digitally immersive platforms are still on the rise making **experiential marketing** a key player in 2023.

CUKER

UX & Software

Strong website design simplifies the user journey and site navigation.

Simplicity in design and clear communication are important factors for a successful user experience.

CUKER

Traditional Design vs. Gen-Z Apps

When it comes to design, simplicity, bright graphics, and minimalistic typography take the cake.

Gen Zers like sending a message, so consider including statements that advocate for social causes
in designs.

Brand

Tactics Successful Brands Are Implementing in 2023

CUKER

D2C & B2B
In Harmony

—

64% of companies expect
wholesalers, suppliers and
producers will sell D2C,
if they haven't already.

**Do you expect to see manufacturers,
distributors and wholesalers in your
supply chain starting to sell direct
to consumers in the future?**

64%   22%   14%

■ Yes   ■ No   ■ Not Sure

Source: **Sana**
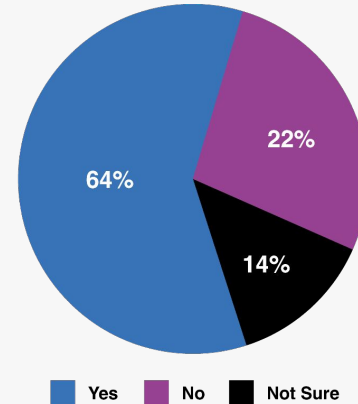
Mission-Driven Brand Marketing

—

79% of consumers said they're more loyal to purpose brands, and **73%** said they would defend them.

Find Purpose

Set ESG Strategy

Align goals & targets

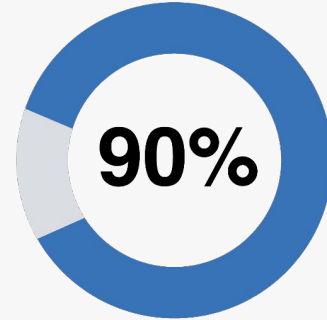Be value driven

Micro-Influencer Partnerships

—

More than **56%** of marketers who invest in influencer marketing work with micro-influencers.

Micro-influencers generate up to **60%** more engagement than macro influencers.

Effective Videos

Short-form videos aligns well with the fast-paced attention spans of online audiences in a variety of demographics.

90%

Of marketers using short form video will **increase or maintain their investment** in 2023.

CUKER

Cause Marketing

—

The amount of marketers planning to invest in social responsibility content **grew 97%** in the last year.

Investing in Social Responsibility

2022 vs **2023**

45% of marketers plan to invest in social responsibility content.

89% of marketers plan to invest in social responsibility content.

Source: **HubSpot**

Scarcity

Consumers seen as 'high procrastinators' had a **73%** chance of not making a purchase decision immediately.

Consumers determined to be low procrastinators still had a **26%** chance.

By introducing a product or time shortage, your customers will be less likely to delay their buying decision.

About Cuker

Need Help Navigating Digital Growth?

We are a progressive full-service digital marketing, design, and eCommerce agency growing brands in today's connected world. We are obsessed with finding opportunities to connect brands with customers, creating gold-standard digital experiences and driving revenue growth.

We partner with forward-thinking brands to adapt and thrive. We turn brand culture into brand advocacy, using digital to build a community of loyal customers.
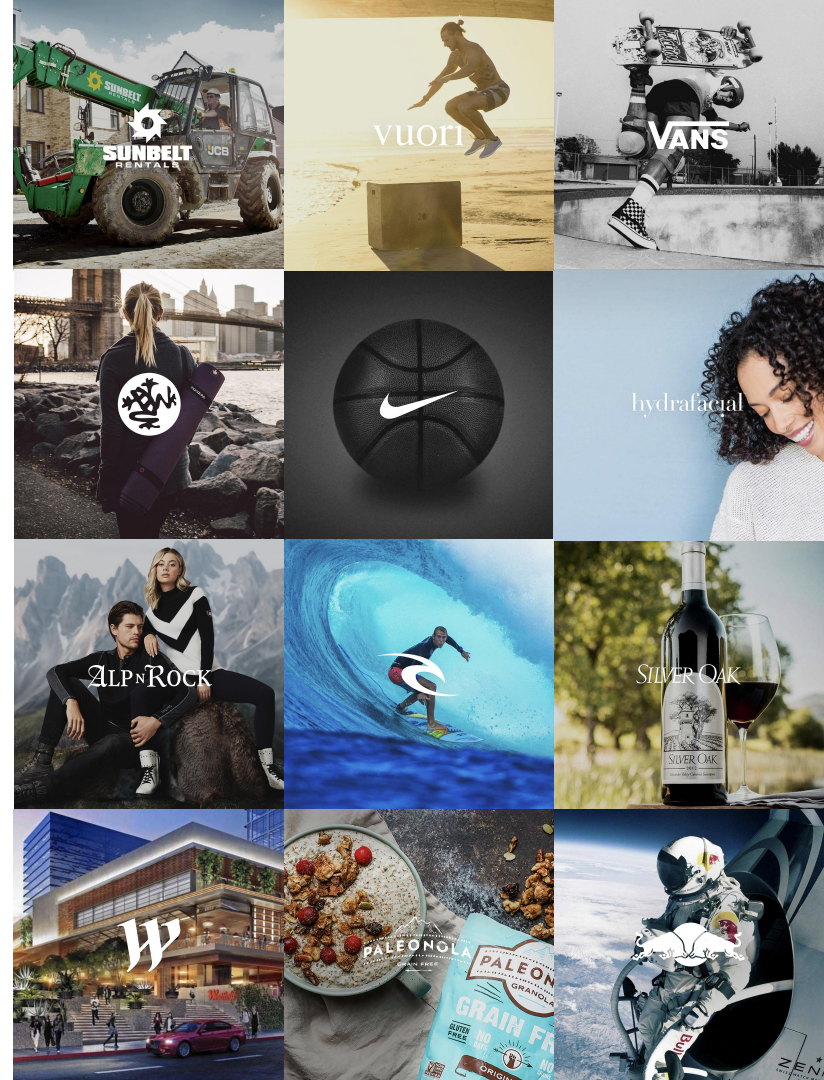
Think Bigger. Grow Faster.

- Unmatched Digital Expertise
- 16 Years of Success
- 12 Brands Grown to Acquisition
- Digital Growth Playbook for CPG Brands
- Annual Planning & Ongoing Strategy
- Award Winning Creative (Over 180 Awards)
- Certified Team of Channel Experts

- The Power of Enterprise Marketing for Mid Market Growing Brands
- 1 Brand per category
- 400% Average Growth
- 7x Average ROI
- Full-Service (One Partner) for Digital Growth
- Independent Agency with a bias toward Action

Ready to Grow?

Let's connect.

@cukeragency
cukeragency.com

CUKER

Confidentiality Agreement

Duplication or redistribution of this proposal is strictly prohibited without prior written authorization. Each Party agrees and covenants that it shall: (i) hold the Confidential Information in strict confidence and not disclose any Confidential Information to any third party without the prior written approval of the other Party; (ii) use the Confidential Information solely in accordance with the terms of this Agreement in order to carry out its obligations or exercise its rights under this Agreement; and (iii) notify the other Party promptly of any unauthorized use or disclosure of the Confidential Information and reasonably cooperate with and assist the other Party in stopping or minimizing any unauthorized use or disclosure.