





View from our CMO



Hannah Pym
Chief Brand and
Marketing Officer,

As leaders, we are tasked with navigating the exponential rise of artificial intelligence alongside an ever-louder consumer demand for genuine, human connection. The central challenge for every marketer today is to resolve the paradox between the data-driven efficiency promised by AI and the unscalable, nuanced art of building authentic human connections.

Many view those forces as being in opposition. At THG Studios, we believe the true opportunity lies not in choosing between technology and humanity, but in harnessing technology to be more human. AI should not be seen as a replacement for creativity, but as a co-pilot that frees us to focus on what matters most: understanding our audiences, telling resonant stories, and building communities rooted in shared values. This white paper intends to provide a clear, strategic framework for this new era. It moves beyond the hype to offer a practical outlook for 2026, grounded in our direct experience on the front lines of digital commerce. It is designed to equip you and your teams with the insights needed to not only adapt to this change, but to lead it.

The future of marketing will not be less creative or less personal; it will be more so. The brands that win will be those that successfully weave together the power of AI and the timeless principles of authentic connection.

I invite you to explore the findings within and join us in building that future.

EXECUTIVE SUMMARY

Executive Summary

As a marketing leader, the pressure to deliver immediate results while simultaneously future proofing your brand has never been more intense. Yesterday's strategies are obsolete, replaced by a new focus on creating personalised and authentic customer connections. This shift to an "Authenticity Revolution" is not a fleeting trend but a change in how brands must operate to survive and thrive. Fuelled by the exponential growth of AI, success now depends on balancing technological power with genuine human connection.

This white paper provides a strategic outlook for 2026, exploring four key pillars:

- 1. The AI Co-Pilot: AI is no longer a tool for automation; it is a creative partner. It is about augmenting human creativity to deliver hyper-personalised content at a scale previously unimaginable.
- 2. The Video Paradox: Video content reigns supreme, yet it is pulled in two directions. The market demands both momentary. sub-10-second hooks to capture fleeting attention and immersive, long-form narratives to build deep, lasting brand affinity.
- 3. The Rise of Authentic Communities: The era of the celebrity mega-influencer is giving way to the power of authentic voices. Trust is now placed in niche influencers and, most importantly, in user-generated content from everyday consumers. Brand lovalty is no longer bought; it is earned through shared values and co-creation.
- 4. The Seamless Path to Purchase: Discovery and purchase are now a single, fluid moment, occurring within social feeds and hybrid retail environments. Success requires creating "full funnel" content that is both engaging and instantly shoppable.

However, this transformation is not without its challenges. The path to AI integration is paved with practical hurdles, from data governance and the adoption of AI within teams to enhance performance, to the complexities of measuring ROI. Furthermore, the power of AI carries profound ethical



developed using multiple AI & design tools.

responsibilities. Maintaining consumer trust in this new landscape requires an unwavering commitment to transparency, accountability, and human ownership.

For THG Studios, the future is not about choosing between technology and authenticity. It is about harnessing one to amplify the other. By embracing a culture of human-AI collaboration and committing to responsible innovation, we are leading our clients through this revolution, delivering creative work that is not only data-driven and effective but also empathetic, resonant, and, above all, human.



Introduction

As a marketing leader, your mandate is clear: drive growth, provide ROI, and build a brand that lasts. Yet the ground is constantly shifting beneath your feet. The mass-market broadcast strategies that once built empires now fall on deaf ears. Today's consumers, digitally native and perpetually connected, are masters of tuning out any message that feels generic, intrusive, or inauthentic. In fact, research shows that whilst overall trust in advertising is seeing a slight recovery, it remains a fragile commodity, with 81%¹ of consumers stating they need to trust a brand before they even consider buying from it.

The importance of trust has created a vacuum, and a new currency has emerged to fill it: authenticity.

Modern consumers do not just buy products; they buy into brands. They seek relationships with companies that share their values, speak their language, and understand their individual needs. This marks the dawn of the Authenticity Revolution, a new paradigm where success is defined not just by what you sell, but by how you make people feel.

This white paper argues that leading your brand through this revolution is your most critical mission. It requires a radical embrace of authenticity, enabled by a strategic fusion of transformative technology and irreplaceable human creativity. Over the following sections, we will dissect the pillars of this new landscape, from the rise of AI as a creative partner to the dominance of community-driven content and lay out a strategic roadmap for not just surviving but leading in 2026 and beyond.

Reference

 https://www.newmediaandmarketing.com/how-doconsumers-really-feel-about-advertising-in-2025 01. THE AI CO-PILOT

The Al Co-Pilot

Augmenting, Not Replacing, Creativity

Artificial Intelligence has moved from a futuristic concept to the core of the modern marketing stack. The narrative, however, must move beyond the simplistic fear of AI replacing creatives. The true power of AI lies not in its ability to supplant human ingenuity, but to augment it. AI should be the indispensable "co-pilot", handling the computational heavy lifting so that human talent can focus on what it does best: groundbreaking ideas, emotional storytelling, and strategic direction.

From Automation to Creative Partnership

The journey of AI in marketing has been one of increasing sophistication, culminating in the generative systems revolutionising the creative process today. Generative AI is reshaping the content creation landscape, with the ability to generate novel text, images, and video from simple prompts. Repetitive, labour-intensive tasks can now be accomplished in minutes. According to a report from Co-Schedule, 83%² of marketers using AI report increased productivity, with many saving over five hours per week. This frees human creators to operate at a higher strategic level, shifting the creative process from solitary ideation to a dynamic human-AI collaboration.

At THG Studios, this future is already taking shape. Our strategic partnership with Google Cloud places us at the forefront of AI-enhanced creative production and strategy. This collaboration gives us direct access to Google's most advanced foundation models on Vertex AI, a leading machine learning platform that allows businesses to build, deploy, and scale AI applications.



Two of the most transformative tools in this suite are Imagen and Veo:

- Imagen is Google's state-of-the-art text-to-image model, renowned for its ability to generate photorealistic, high-resolution images from natural language prompts.
- Veo is Google's flagship text-tovideo model, capable of producing high-definition video content that understands cinematic language, ensuring creative control over the final output.

THG Studios utilises these models to create distinctive, high-impact visual assets. This includes blending existing product photography with unique AIgenerated backgrounds, producing entirely original, high-quality images and video content at an unprecedented speed. Beyond asset creation, we will leverage Google's AI to analyse market trends and consumer behaviour. This enables our strategists to create detailed target audience profiles and continuously optimise creative content for maximum engagement and performance, ensuring every campaign is built on a foundation of deep, data-driven insight.

ference: 2. https://coschedule.com/ai-marketing-statistics

THG STUDIOS 2025 PAGE 9

01. THE AI CO-PILOT

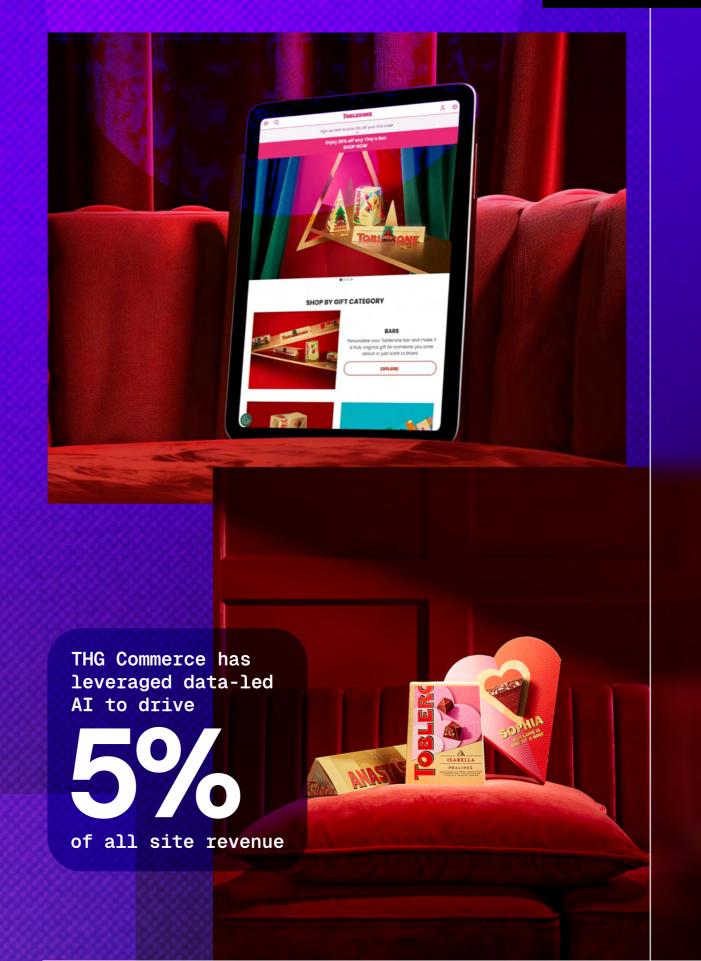
Hyper Personalisation at an Enterprise Scale

The ultimate promise of AI in marketing is true one-to-one communication. This is no longer a luxury but an expectation. 71% of consumers expect personalised interactions from the companies they do business with. Brands that master this see dramatic returns. 81% of customers prefer companies that offer personalised experience, while 76% of consumers are more likely to purchase from brands that personalise.

This is where the unique structure of THG Studios provides a decisive advantage. As the creative marketing division of THG Ingenuity, our work is seamlessly integrated with our end-to-end digital commerce platform, THG Commerce. This integration allows us to create powerful, personalised experiences designed to drive engagement and build long-term loyalty through tailored digital marketing, and our creative is the fuel that powers it.

This is hyper-personalisation in action, powered by a platform built for data-driven decisions. This approach has yielded significant results that extend beyond marketing messaging. By analysing order data, THG Fulfil was able to strategically extend its next-day delivery cut-off time, a move that directly drove customer acquisition and higher order values. Furthermore, proactively upgrading select standard delivery orders to a next-day service resulted in a 4-6% increase in customer retention. This is hyperpersonalisation in action. Similarly, THG Commerce has leveraged data-led AI to drive 5% of all site revenue for its clients through intelligently personalised product recommendations.

Looking to 2026, this trend will only accelerate. The future lies in what can be termed "Vector Intelligence Powered" (VIP) audiences. AI will move beyond basic segmentation to build complex, dynamic audience profiles based on countless data points, allowing for a level of individualised marketing that will become the new industry standard.



Referenc

https://www.demandsage.com/ personalization-statistics/ https://www.demandsage.com/ personalization-statistics/ https://www.shopify.com/enterprise/blog/personalization-trends

THG STUDIOS 2025 PAGE 11

02. THE VIDEO PARADOX 02. THE VIDEO PARADOX

The Video Paradox

Shorter, Faster, But Still Deeply Engaging

Video is the undisputed king of modern content. It is the language of social media, the primary driver of online engagement, and the most powerful medium for emotional storytelling. Its dominance is only set to grow. with video consistently making up over 82% of all consumer internet traffic. However, as its dominance grows, a fascinating paradox has emerged. The market is being pulled in two opposing directions: the demand for fleeting, instantly gratifying short-form content and the continued relevance of deep. immersive long-form narratives.

The Attention Economy & the Art of the Sub-10-Second Hook

We live in an age of infinite scroll and finite attention. On platforms like TikTok, Instagram Reels, and YouTube Shorts, brands have mere seconds to make an impact. This has made the "instant hook" the single most important element of short-form video. The content must be visually arresting or emotionally resonant from the very first frame. The narrative arc has been compressed, rewarding brevity and creativity. For brands, this means shifting from interruption to entertainment. The goal is to create content that feels native to the platform and worthy of a user's time.

Video makes up over

82%

of all consumer internet traffic



Reference:

https://www.demandsage.com/ video-marketing-statistics/



Earning Attention: The Resurgence of Long-Form Storytelling

While short-form video is essential for capturing initial interest, long-form content remains a powerful tool for building deep brand affinity. This may seem counterintuitive, but data shows that when content is compelling, audiences are willing to invest their time.

This is particularly true for younger demographics, 59%7 of Gen Z use short-form video apps specifically to discover new, long-form content to dive into. Gen Z's desire for "entertaining content" is a primary driver for their social media use, leading them to longer-form platforms like YouTube for in-depth tutorials, documentaries, and candid conversations with creators they trust. For these

engaged audiences, long-form video provides a platform for the deeper storytelling that is impossible in a 10-second clip.

The challenge is earning that attention. Unlike short-form content, which can capture a passive scroller, long-form video requires a committed decision from the viewer. Brands must create content that is not only high-quality but also substantively rewarding.

THG Studios is uniquely positioned to help brands navigate this paradox. As one of Europe's largest creative hubs, we have the capability to produce high-volume, multi-format video content at scale, from the agile production required for viral social content to the cinematic, narrative-driven filmmaking that builds enduring brand legacies.

Reference:

At THG Studios, we understand that modern marketing is about facilitating authentic connections.

The End of the Mega-Influencer Era

The Rise of Authentic Communities

The effectiveness of celebrity-driven influencer marketing is waning. Today's consumers, particularly millennials and Gen Z, are increasingly sceptical of transactional endorsements. They crave authenticity and are finding it in the genuine enthusiasm of niche creators and everyday consumers. This shift marks the decline of the traditional influencer model and the ascent of true brand communities.

59%

of consumers are more likely to trust an influencers sponsored post

From Paid Spokespeople to Trusted Peers

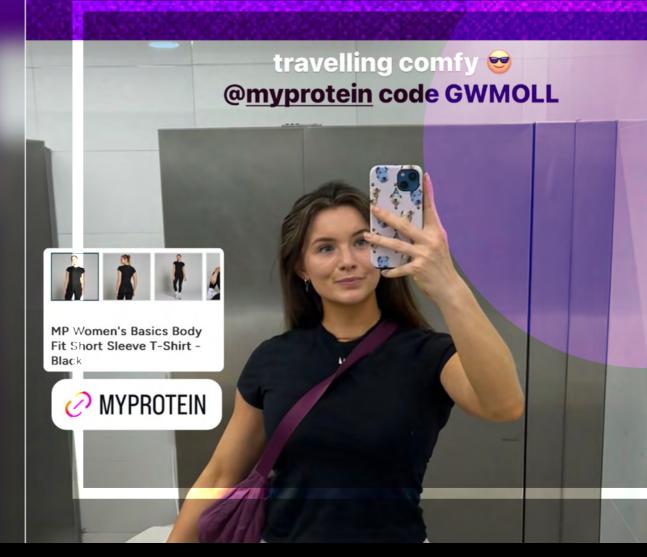
Trust is the bedrock of this new era. 59% of consumers are more likely to trust an influencer's sponsored post over one from an A-list celebrity. This has fuelled the rise of the micro-influencer. These creators may not have the reach of a mega-influencer, but they offer a deeply engaged and trusting community. Their recommendations are seen as authentic, and data consistently shows that micro-influencers boast higher engagement rates than their celebrity counterparts. In fact, research shows that nearly 70% of consumers trust product recommendations from influencers.

Furthermore, the most powerful marketing asset a brand can have is user-generated content (UGC). A photo or video from a real customer is now more persuasive than the most expensive ad campaign. It is authentic social proof, which is critical in a landscape where 77%¹⁰ of consumers view sustainability and environmental responsibility as important brand values.

Building Brand Tribes: From Transaction to Co-Creation

The most forward-thinking brands are no longer focused solely on acquiring customers; they are focused on building tribes. They are cultivating communities where customers are not just passive consumers but active participants in the brand's story. In these communities, the relationship shifts from transactional to collaborative. Brands can engage in dialogue, solicit feedback, and even co-create products with their most passionate fans, fostering an unshakable level of loyalty.

At THG Studios, we understand that modern marketing is about facilitating these authentic connections. Our work with much-loved brands like Swizzels and Gary Neville's, The Overlap is rooted in developing campaigns that are not just creative, but culturally resonant. We help brands identify the right voices to partner with and empower them to build the authentic communities that will define their future success.



teference: 8. https://hoozu.com/resources/2024/ trust-in-influencer-marketing/ https://digitalmarketinginstitute com/blog/20-influencer-marketingstatistics-that-will-surprise-you https://www.wgentech.com/newsupdate/consumer-behavior-trends/

The Seamless Path to Purchase

Social Commerce and Hybrid Experiences

The traditional, linear customer journey is obsolete. In the world of social commerce and interconnected digital ecosystems, the entire funnel has collapsed into a single, fluid moment. Discovery and purchase are now a unified experience.

The Convergence of Content and Commerce

Social media platforms have evolved into powerful, integrated commerce engines where a user can discover, evaluate, and purchase a product without ever leaving the app. The global social commerce market is expanding at a staggering rate.

According to the latest market analyses, the industry is expected to reach over US\$9 trillion by 2030¹¹, fuelled by a compound annual growth rate (CAGR) of more than 30%¹². For marketers, this means that content can no longer be created solely for awareness; every piece of creative must be viewed as a potential point of sale. This requires a new king of creativity, one that is not only engaging but also strategically designed to drive action.

Blurring the Lines: The Power of Hybrid Experiences

While ecommerce continues its growth, the physical world is evolving. The future lies in the creative integration of online and offline touchpoints, creating what is known as a "phygital" experience. Consumers increasingly reward brands that offer these hybrid experiences. 49%13 of shoppers want a perfect mixture of online and in-store shopping, while 63%14 of shoppers research online before buying in-store. The goal is to create a cohesive brand ecosystem where the digital and physical realms complement and enhance one another, offering customers convenience combined with sensory engagement.

THG Studios is built to thrive in this new environment. We position ourselves as a full-funnel creative content partner, equipped to develop strategies and assets that perform at every stage of the journey. We create content that not only builds brand love, but also drives immediate, measurable conversions.

13:55 LOOKFANTAS... 107 Popular LIVE Explore > 11 99+ | Creators-LIVE C -beauty LAUNCH c-beauty LAUNCH k-beauty LAUNGH SKINCARE SCHOOL IS IN SESSION **PURITO Dermide Relief Barrier** Moisturiser 100ml Free shipping £27.80

Reference

11. https://www. grandviewresearch.com/ industry-analysis/socia commerce-market c. https://www. grandviewresearch.com/ industry-analysis/social

 https://www.salsify.com/ blog/2024-consumer-research reveals-valuable-insights https://www.salsify.com/ blog/2024-consumer-research reveals-valuable-insights

Practical Challenges and Ethical Responsibilities

The promise of an AI-driven, hyper-personalised marketing future is immense, but the path to achieving it is fraught with practical challenges and profound ethical responsibilities. Acknowledging and strategically navigating these hurdles is just as crucial as adopting the technology itself.

Practical Hurdles to Implementation

The transition to an AI-first marketing model is a significant undertaking with several key operational challenges:

- Data Quality and Management: The effectiveness of any
 AI system is entirely dependent on the quality, accuracy,
 and security of the data it is trained on. Building
 a robust data infrastructure with strong governance
 is a foundational pre-requisite for any successful AI
 implementation.
- The Talent and Skills Gap:w The rapid evolution of AI has created a significant talent gap. The challenge here is twofold: competing for top-tier talent and committing to the continuous upskilling of the current workforce.
- Cost and Integration Complexity: While AI promises long-term efficiency gains, the initial investment can be substantial. Furthermore, integrating new AI tools with existing CRMs, CDPs, and automation systems can be a significant technical hurdle.
- Measuring Return on Investment (ROI): Justifying the significant investment in AI requires a clear demonstration of its return. Accurately attributing success to specific AI initiatives is notoriously difficult and requires sophisticated attribution models.

The Ethical Imperative: Navigating with Responsibility

As AI's capabilities grow, so does the responsibility to wield them ethically. Consumer trust is a fragile asset, and a single ethical misstep can cause irreparable brand damage. The key ethical challenges revolve around three key areas:

- Data Privacy: AI's thirst for data creates inherent tension with the growing consumer and regulatory demand for privacy. Navigating the complex patchwork of global regulations like GDPR and CCPA, while bring transparent with consumers, is a critical challenge.
- Algorithmic Bias: AI models trained on historical data can learn and amplify existing societal biases. This can lead to discriminatory ad targeting, the reinforcement of harmful stereotypes, and the exclusion of certain demographics.
- Consumer Manipulation: The line between ethical persuasion and unethical manipulation is a fine one. AI's ability to identify and target psychological vulnerabilities could be used to drive purchasing decisions that are not in a consumer's best interest.

To navigate these risks, a strong ethical framework is non-negotiable. Best practices revolve around three core principles: Transparency, Accountability, and Human ownership.



06. CONCLUSION

Leading the Authenticity Revolution

The state of marketing in 2026 will be defined by the Authenticity Revolution. The forces of AI-driven personalisation, the video paradox, community-led influence, and seamless social commerce are convergent waves reshaping the industry. For brands, the mandate is clear: adapt or become irrelevant.

As AI automates routine tasks, human talent is freed to focus on what truly matters: understanding the customer on a deep, emotional level, crafting resonant narratives, and building genuine brand communities.

For THG Studios, this future is our greatest opportunity. Our strategic initiatives are designed to place us at the vanguard of this revolution:

- Our AI innovation lab iLab, and our partnership with Google Cloud position us to forge a future underpinned by the ethical and creative application of AI.
- Our state-of-the-art production facilities give us the unparalleled ability to master the video paradox, delivering both viral short-form content and cinematic long-form stories at scale.
- Our deep expertise working with world-leading brands has taught us how to build the values-driven campaigns that foster authentic communities.
- Our full-funnel creative approach ensures we can deliver content that not only captivates audiences but also converts them within the new customer journey.

The path forward involves a commitment to a culture of human-AI collaboration and an unwavering dedication to responsible innovation. By embracing this balanced approach, THG Studios will not only navigate the Authenticity Revolution, but lead it, delivering superior results for our clients and solidifying our position as the defining creative partner for the brands of 2026 and beyond.



Ready to Embrace the Authenticity Revolution?

Contact us today to schedule your strategic consultation.

https://www.thgstudios.com/contact

