KIDSCORP
THE U18 MARKETING PLATFORM

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TRENDS 2024

U18 & Families

Context and situation analysis

Welcome to the 10 key trends that will shape the course of the U18 & families industry in America during 2024!

This document aims to be a source of inspiration for decision-making and empowerment for all professionals working with kids & teens audiences, as we not only identify trends but also offer practical solutions to leverage technology and data in campaigns targeting U18.

Throughout this exciting journey, we will delve into data and insights revealing the growing importance of gamification and the integration of mixed realities as essential elements for brands. Additionally, we will explore the still fascinating universe of the Metaverse, which is emerging as the future of e-commerce, in a context where the Gaming industry continues to experience an impressive increase in subscribers, but where Cinema and SVOD also play key roles in family entertainment.

Finally, we will address the consolidation of GenAI and the new era of digital personalization, a revolution experiencing growing adoption in the technology and advertising industries.

In a year where data privacy takes on increasing prominence and a significant update to the COPPA Law is expected, we will highlight how to adapt and thrive in this dynamic scenario.

From the purpose we have at Kids Corp, to contribute to a safer internet for children and more efficient for brands, we trust that this information will provide valuable tools to successfully tackle the challenges of the prosperous year 2024.

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de Kids Corp

Technology and data for campaigns targeted at U18 audiences

7 out of every 10 dollars invested in advertising to reach U18s are wasted by using platforms designed for audiences over 18.

Strategies in digital campaigns

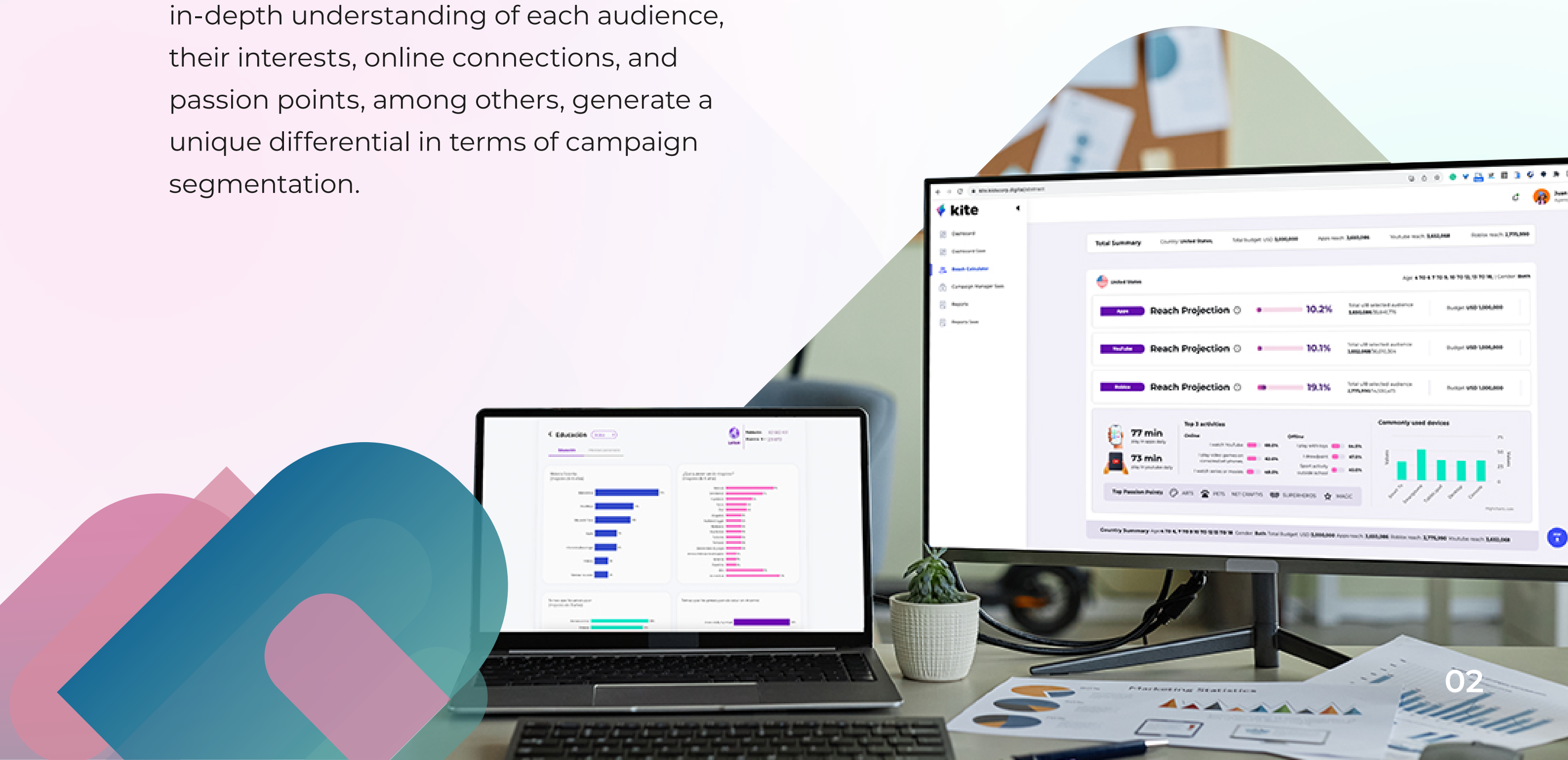
With increasingly strict laws and regulations around the world and the end of third-party data, advertisers and agencies have already shifted their strategies for conducting digital campaigns, and the industry has migrated to a technology and data-based business model.

Technology solutions

Technological data solutions that comply with current regulations, allowing for in-depth understanding of each audience, their interests, online connections, and passion points, among others, generate a unique differential in terms of campaign segmentation.

Targeted campaigns to U18 audiences

Additionally, in a zero-data context, advertising platforms that enable efficient planning, delivery, optimization, and measurement of campaigns ensure the highest privacy standards. Utilizing behavioral data, contextual data, and historical campaign records is essential for developing campaigns targeting U18 audiences.



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Data privacy, restrictions and COPPA update

57% of U18s in Latin America are concerned about their privacy when connecting to the Internet*.

Misuse of data

Global awareness regarding the misuse of personal data is growing, particularly among U18 audiences. This concern is not limited to adults worried about their children; children themselves are increasingly conscious of the risks associated with online connections, with 46% expressing apprehension about third-party data usage.

Advertising campaigns

Previous reports from Kids Corp have underscored instances of fines imposed on advertisers and content creators, signaling stricter enforcement expected for the industry in 2024. In this evolving landscape, advertisers and content creators can no longer ignore the implications and continue relying on third-party data for advertising campaigns, especially when targeting audiences under 18. This decision is pivotal, firstly, to safeguard children's privacy and also to mitigate potential penalties stemming from non-compliance with existing regulations.

COPPA

The U.S. FTC (Federal Trade Commission) is currently considering the first update to COPPA (Children's Online Privacy Protection Act) since 2013, introducing more stringent rules aligned with technological advancements in recent years. "Children should be able to play and learn online without companies seeking to collect and monetize their personal data," stated Lina Khan, Chairwoman of the FTC. Key updates include categorizing biometric identifiers as "personal information," mandating parental consent before sharing any child information with third parties, and prohibiting apps from coercing children into providing personal data for usage.

*Source: Askids Insights Portal

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Metaverse, the future of e-commerce

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42% of Latin American kids & teens between the ages of 6 and 18 years old use money on Fortnite and 33% on Roblox*.

Audience

With over 216 million monthly active users on Roblox and 213 million on Fortnite, metaverses have demonstrated their ability to engage audiences who appreciate and embrace the dynamics and interactions of these immersive virtual worlds. As platforms like Roblox advance, there's an expectation of significant enhancements in integrating transactional and e-commerce functionalities within these environments, enabling brands to focus on downstream strategies to drive purchases directly from the metaverse.

E-commerce and video games

In recent years, avatar and skin customization, along with the increasing emphasis on saving with Robux, have solidified their popularity among the U18 demographic on Roblox.

This trend continues into 2024, leading to the emergence of new financial avenues that further intertwine e-commerce with video games.

Opportunities for brands

This presents a significant opportunity for brands to lead the exploration and utilization of these evolving dynamics and opportunities, thus solidifying the metaverse as a pivotal platform for e-commerce in the foreseeable future.

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*Source: Askids Insights Portal

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Gaming industry with more and more subscriptions

In the U.S. 68% oaf U18s have at least one video game subscription*.

Gaming

The subscription model has been steadily growing across various industries for years, presenting challenges and opportunities alike. However, subscription to gaming platforms among U18s is not just growing annually but also projecting even greater development.

This growth trend poses a significant challenge to the SVOD (subscription video on demand) industry, as subscriptions to gaming platforms like PlayStation and XBOX offer additional streaming benefits.

Increase by country

In Mexico in 2023, the percentage of U18s owning gaming subscriptions rose from 35% to 42% (a 20% increase from 2022). This trend is also evident in other countries across the region such as Argentina, Colombia, Peru, and Chile. Undoubtedly, this type of gaming subscription offers numerous benefits that are increasingly attractive to the target audience: online gaming, a wide range of catalogs, free trial access to games, and exclusive promotions.

Entertainment center

Moreover, this increase is mirrored in the rise of console gaming: 3 out of every 10 kids & teens in Mexico use consoles as their primary gaming device, serving as the "entertainment center" of the segment and also utilized for watching series and movies on VOD platforms.

*Source: Askids Insights Portal

5 Gamification and integration of mixed realities keys for brands

The use of virtual reality devices grew 23% in the United States in the last year*.

Metaverse

With over 1.8 million visits to brand experiences on platforms like Roblox in 2023, the metaverse is increasingly becoming an attractive landscape for brands to establish and maintain new points of contact with their audience. However, this shift presents significant challenges in terms of player retention and engagement within virtual experiences. Integrating concepts like gamification and mixed realities will represent a fundamental shift in brands' strategies towards the metaverse and gaming platforms, revolutionizing how they interact with users.

Technology opportunities

Utilizing dynamics inherent to the gaming universe, such as reward systems, engagement-driven actions, and community-building elements, emerges as an essential strategy for brands to expand their reach and enhance retention in this environment.

The adoption of extended reality technologies (VR, AR, MR) will enable deeper immersion in 3D worlds, creating more immersive experiences that enhance retention and engagement. This trend is further fueled by the increased accessibility of augmented reality devices like Meta's Quest or Apple's latest innovation, Vision Pro.

These technologies will unlock a plethora of creative and narrative possibilities, enabling brands to effectively convey their messages to players and inhabitants of these virtual universes.

*Source: Askids Insights Portal

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Streaming, the only medium with sustained growth at the same pace as age

4 out of 10 parents confirm that their children influence their decision to subscribe to SVOD platforms (+ even teens)*.

Digital entertainment

In LATAM, VOD consumption, including YouTube (78%) and streaming services (56%), along with video games (62%), are the primary entertainment activities for children and adolescents during their leisure time, while traditional TV (34%) holds less sway. These statistics gain further significance as 95% of U18s engage with at least one of these four media on a weekly basis.

Behavioral patterns

As children mature, their preferences in these activities evolve, revealing distinct behavioral patterns. For instance, YouTube maintains dominance in online consumption up to age 15, with over 80% engagement across all age groups.

Streaming

Streaming platforms exhibit consistent and steady growth throughout the ages of 3 to 18, ultimately becoming the favored entertainment choice by the latter stage, with a preference rate of 78%.

Entertainment opportunity

Streaming services like Netflix, Disney+, HBO Max, and Prime Video possess a substantial opportunity to accompany customers through their growth and development, fostering loyalty that may endure into adulthood. Each platform is selected for distinct reasons; Netflix and Prime Video are valued for their diverse content offerings, HBO Max for its high-quality content, and Disney+ for the relevance of its iconic IPs.

*Source: Askids Insights Portal

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Revenge of Cinema

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In Mexico, 84% of U18s went to the movies in 2023, while the LATAM average is 78%*.

Cinema

Post-pandemic, movie theater attendance has seen a significant rebound, maintaining consistent growth and reaching nearly monthly visits among U18 audiences in LATAM in 2023. Last year, children and teenagers visited theaters an average of 11 times, compared to 9 times in 2022 and 8 times in 2021.

Relevant cases

The availability of films tailored to this demographic has been pivotal in consolidating the industry's recovery. Notably, blockbusters like Barbie and Mario Bros each grossed over $1.3 billion at the box office, marking a phenomenal resurgence for these brands. Additionally, four other movies targeted at U18 audiences made it to the top 10 of 2023: Guardians of the Galaxy, Spider-Man, The Little Mermaid, and Elementary.

Opportunities

These achievements underscore the segment's passion for movies, a trend poised for continued growth. Major releases expected in 2024, including Wish, Luca, Kung Fu Panda 4, My Favorite Villain 4, Avatar, and Lord of the Rings, will further fuel this enthusiasm. The current industry landscape presents ample opportunities for brands through character licensing, seamlessly bridging the online and offline realms, particularly in the film and toy sectors.

*Source: Askids Insights Portal

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The consolidation of GenAI and the new era of digital personalization

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12% of U18s in Latin America choose technology/computer science as their favorite school subject*.

Democratization of GenAI

The synergy between Generative Artificial Intelligences (GenAI) and the new era of digital personalization is now firmly established. Following a remarkable year in the evolution of artificial intelligence, technologies once reserved for large companies with extensive budgets are now accessible to virtually anyone connected to the internet.

Personalization

Digital environment users increasingly seek personalized experiences, with 3 out of 5 stating they could cease consuming content if it lacks sufficient personalization. In this context, GenAI emerges as a crucial element in the development of multimedia digital assets and experiences capable of meeting the demands of this new era of personalization.

Moreover, these technologies facilitate the creation of dynamic content that can adapt almost in real-time as it is consumed.

Adoption in advertising

Following the impact generated in 2023, the importance of best practices and knowledge in the field of GenAI becomes evident, and 2024 promises to continue witnessing the growing importance of adopting GenAI in the technology and advertising industries. This knowledge will be fundamental for redefining business models, products, services, and even companies' revenue streams.

*Source: Askids Insights Portal

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From script to improvisation

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55% of teenagers in Mexico watch funny videos on YouTube*.

Digital content and interests

Digital content creation has shifted from elaborate production to a more casual and effortless approach, sparking increased interest within the segment. In 2024, audiences will gravitate towards organic personifications, favoring scrappy content characterized by a less polished and more natural format.

Multimedia

This shift is evident on platforms like YouTube, where the Shorts tool for short and amateur-style formats has been introduced. Furthermore, 49.5% of U18 individuals in LATAM prefer bloopers on the platform, indicating a preference for less polished videos. This trend is also noticeable in gaming, where avatars chosen tend to be unconventional and unique.

Communicational code

This transition heralds a new communicational code, presenting a challenge for brands. However, embracing deliberately random or "lower quality" videos can enable brands to establish a connection and familiarity with young people, if approached correctly.

*Source: Askids Insights Portal

Reinterpretation of sports consumption on screens

57% of teenagers in Brazil consume football content on their screens*.

Sports on screen

Sports viewing across various screens has surged with the introduction of new styles and formats tailored for younger audiences. A prime example is The Kings League, an innovative concept that leverages social media and streaming platforms to showcase the power of football.
Broadcasting league matches worldwide via streaming, The Kings League has garnered recognition among 27%* of kids & teens aged 10 to 18 in LATAM. In 2023, the league witnessed audience peaks exceeding 2 million viewers, with an average audience of half a million viewers on platforms like Twitch, YouTube, and TikTok.

Unified platform

Major players such as ESPN (Disney), Fox, and Warner Bros. are collaborating on an app slated for launch in 2024, offering comprehensive sports coverage on a single streaming platform. This new platform promises a unique sports viewing experience by consolidating content from major professional sports leagues and promoting college sports.

Opportunity for sports

While this trend initially gained traction in football due to its global appeal, it's poised to impact other sports such as tennis, rugby, and basketball. Furthermore, the opportunities extend beyond traditional sports to Esports, encompassing games like League of Legends, F1 Fantasy, Counter-Strike, and Fortnite, among others. In this dynamic landscape, brands have a significant opportunity to explore formats and innovations in these emerging spaces, which are poised for continued growth and the attraction of new audiences.

*Source: Askids Insights Portal

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