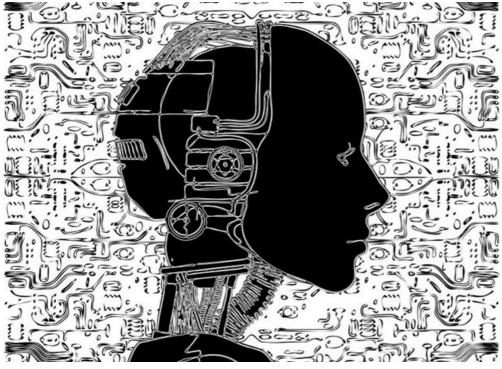


16 trends for 2016

By Louise Marsland

Being cognisant of the trends dominating consumer culture and industry in the next five to 10 years is the key to strategic planning and being prepared for challenges such as the current economic slowdown globally, particularly in the developing world.

It is as important as distinguishing between fads (fashionable interludes, pop culture moments), to annual trend predictions that will impact on business in any given year, and the mega-trends that span years and even decades.



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Being prepared and being able to peek into the future allows innovation to surface, new product development, and most importantly, provides hope and definition to a future yet to be shaped.

Bizcommunity.com polled 100 influencers across 20 industries for this year's BizTrends 2016 report on trends to come, as well as monitored local and international research. These are the 16 trends that stood out for us and our expert contributors for the next year and beyond:

1. THE ATTENTION ECONOMY: Goldfish Syndrome

One of the biggest indicators of how hard it is to capture the attention of consumers today, was a stat bandied about last year: the fact that humans now only have an attention span of eight seconds – less than that of a Goldfish. Human attention is now a "scarce commodity".

We are consuming more information than ever before because of this digital-led revolution we find ourselves in and the increasing power of computing and related devices. The good news is that our brains have adapted; the bad news is that marketers have to work harder to capture our attention and keep it.

Technology has brought us to this point and technology is now enabling marketers to reach us through our devices which we are now plugged into 24/7. And in this world where we are "inundated with information and big data, the task at hand for marketers is not to create more information, but to make sense of what's already out there", through collaborative, real, visual storytelling, advises <u>David Smythe</u>, strategy director of FCB Cape Town. The key, is an authentic narrative, says <u>Samantha Page</u>, media consultant and former *Oprah* magazine editor.

2. MeMARKETING: The cult of the individual

The personalised culture of relating to each consumer as an individual is a mega-trend that has been growing over the past few years as technology enables the collection of the data that allows the marketer to personalise the message to the consumer. "There can be no more powerful way for a brand to capture attention by speaking to the consumer as if they were an individual with their own unique wants and needs," reports Smythe.

Data feeds into this, but it is important for marketers to remember that the power of data is what you do with it, says <u>Pete</u> <u>Case</u>, chief creative officer of O&M South Africa. "I don't see many people creating actionable insights from data. Data is not an added value. It is core to value. The ability to create actionable insights will be the future success of any brand. We will see a large amount of spend in that."



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3. VISUAL REALITY: Augmenting Reality

This is the year that VR (visual reality) and AR (augmented reality) gets serious, says <u>Dave Nemeth</u>, trend analyst, Trend-Forward: "The internet of things will continue to link our cars, clothes and appliances to our mobile devices and wearable's. The biggest developments will however be in VR and AR, which will be used for business, design and advertising."

4. PROGRAMMATIC MEDIA BUYING: Programmatic Video

The game changer trend for 2016 is programmatic video, says <u>Stjin Smoulders</u>, CEO of Sprout, whereby "adding quality and high impact awareness ads to the programmatic mix will change the perception (and explain the role) of this channel and accelerate the uptake thereof (both on buy side and sell side)."

Case believes digital TV will change the landscape of programmatic again. He recounts how Sky UK is starting to put programmatic buying of ads on TV with Sky Adsmart. They can get data about you as a user and marry that to your usage on TV and start delivering personalised ads to you via what they know about you through your phone, internet and TV usage. It will be a very interesting trend to come, with digitally connected TVs.

5. CONTENT: Curation and Creation

While content marketing has dominated for the past year, collaboration on user-generated content and an increase in video content is the next big trend. Director of content strategy for O&M Cape Town, <u>Melissa Attree</u>, says what is new is the amount of ways we're able to create and distribute words, images, sound and video; and that the distribution and targeting of content is what will set certain brands apart in 2016.

"Brands will start to produce, and post, less content but better content that strives for deeper engagement and a genuine understanding of the market. After the 'snacking' frenzy of 2015 we'll see a move towards more meaty content production in 2016 - longer form, well-researched editorial pieces.

"In 2015 we saw the rise of new video driven platforms like Periscope and Snapchat. In 2016 video needs to be a critical delivery method for content in both the B2C and B2B space. Budget is always a consideration here, but if the story is relevant and well-targeted then sometimes the method of delivery or quality can be forgiven," Attree emphasises.

As <u>Ben Evans</u>, managing director of O&M digital portfolio, says: "The creation and distribution of content is a defining characteristic of the connected age. The creation and sharing of content will continue to disrupt traditional brand building strategies. The role of the agency as brand custodian has to embrace this exploding content landscape, as well as the array of continually evolving distribution channels."

6. STORYTELLING: Authentic Narrative

Why aren't brands using experienced editors and writers/journalists to tell their stories? Far-thinking advertising agencies and public relations agencies are establishing newsrooms staffed by journalists and content producers (including film makers) within their agencies, so why not more brands?

"We've all heard the phrase "brands are becoming publishers" but I still ask how many brands currently employ an editor or skilled storyteller to run their communications on owned platforms?" says <u>Graham Deneys</u>, strategy director: sub-Saharan Africa, Carat.

And leave the hype, says <u>Sizakele Marutlulle</u>, CEO at Moonchild, we need ideas that generate substance, not noise.

<u>Samantha Page</u>, media consultant and former editor of *Oprah* magazine, adds that brands need to create "content moments" which are shareable.

"In the 21st century the biggest business opportunities are no longer in the brand alone, but in everything around the brand. The narratives we craft must sell the brand experience, the brand's mission and values."

As Deneys also points out, "great storytelling can also greatly reduce the impact of the mighty adblocker".

7. MOBILE SUPREMACY: The Mobile Moment

Video on mobile is a game changer trend for <u>Jacques du Bruyn</u>, MD of Flume. "With Facebook's auto-play on video, consumption has increased by over 60%. Facebook is also now the largest platform in the world for video viewing. What this means for dynamic content and Facebook/Instagram adverts is going to be interesting. Static imagery alone isn't going to cut it in 2016."

Mobile first means instant and real time, says <u>Walter Pike</u>, of Pike New Marketing. "In countries with a reasonably high smartphone penetration - and South Africa does have one of those and the rest of the continent is on its way - the mobile phone and wearable devices are becoming the interaction point between the brand or the idea and the individual. The Google algorithm which emphasises mobile will force the way to mobile first.

"Social media becomes more and more 'in the moment'. Users of Periscope, the live streaming video tool recently acquired by Twitter, already watch 40 years of live video daily. This, combined with tools such as Instagram and Snapchat, means that the brand interaction with the customer needs to constantly adapt as things change. The days of content plans deep into the future are gone - real time participation is what counts now."

8. RESOURCEFUL AFRICA: The Afropolitan Revolution

According to <u>Ailsa Wingfield</u>, executive director, Africa marketing for Nielsen, Africa's burgeoning middle class, currently at 300-500 million people, depending on income definitions, is set to double by 2030. <u>Lebo Motshegoa</u>, managing director of Foshizi, terms this the 'Afropolitan Revolution'.

"Young black people in particular are defining a new urban culture that is both cosmopolitan and uniquely African. There is a strong emphasis on 'going back to black' and, with that, a trend towards a fusion of local and international cultural influences. The spinoff is language and idiom that is unique to the urban black market and - now more than ever marketers need to know the people they want to communicate with in order to be effective."



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9. YOUTH CULTURE: Youth Power

Our first truly digital generation, born and assimilated into digital culture, are also sophisticated consumers and socially responsible individuals who communicate largely via social media and are informed consumers who have no hesitation in demanding what is their due. Marketers need to work hard to understand the values of this generation and their need to 'fix the world' and create positive change.

"Understanding the millennial converged consumer in this digitally forward environment is taking centre stage.

Understanding how he or she is juggling their multitude of devices and touch-points in order to make decisions is a key challenge and an opportunity at the same time," adds Deneys.



10. PURPOSE-DRIVEN MARKETING: A Sustainable Future

From brand campaigns to homegrown veggie gardens, social responsibility and an increased awareness of the need to put back more than we take - into the environment, into our communities, into the world - isn't a fad or only part of the triple bottomline requirements of business. Particularly in this current recessionary climate, consumers need brands to help them get through the tough times, provide solutions to problems, act with the right values. Consumers, in turn, are coming to grips with diminishing resources in terms of electricity, water and food shortages and turning to alternative solutions, such as solar power, using grey water, recycling, 'foodscaping' – a town in Switzerland has turned all its home gardens and parks into food producing plots. This more conscientised consumer will also expect brands to be more involved in providing solutions to problems and not adding to them.

<u>Alistair Mokoena</u>, MD of Ogilvy & Mather Johannesburg, highlights 'goodvertising meets technology' as a major trend for 2016. "Campaigns that use purpose-driven, technology-enabled ideas to make a difference in society."

11. MAKER MOVEMENT: Maker Culture

The Maker Movement continues to be a mega-trend and it will impact on education and training in particular, says Nemeth, who believes that we need to look beyond formal education and at 'maker groups' and other creative outlets to design innovative new products and technology. "Forward thinking retailers could and should capitalise on this as we have recently seen with West Elm in the USA, where they opened maker spaces to the public to view the design and prototyping of their unique designs, which are created by both their in-house designers and collaborators. This empowers and educates and creates a story that really is authentic."



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12. INTERNET OF THINGS: Wearable data

The Internet of Things is becoming a wearable reality as the stuff we wear and use – our devices, our homes, at work - is connected to the internet, providing data, creating customer analytics... "We live in a world right now that has the internet of things, all gadgets, platforms, to engage the internet on, from fridges to mobile tech. On the other side, we have people who are becoming more digitised," says <u>Abey Mokgwatsane</u>, CEO of Ogilvy & Mather South Africa.

"There will be huge investments in customer data from agencies this year. We are in this 'hyper-internet of things' world. And we need the ability to read that data and act on it."

Technology continues to be the thread that ties emerging consumer trends together, according to JWT. "Even outside the technology sector, many trends are driven changing attitudes as people adapt to our increasingly digital culture. We're increasingly comfortable with technology that knows us; that is cognitive, intuitive and adaptive to our needs," states the <u>JWT Innovation Group 'Future 100' report</u> into consumer culture trends for 2016.

"The majority of US retailers strongly believe that IoT (Internet of Things) will drastically change the way companies do business in the next three years. According to McKinsey Global Analysis Institute research, IoT in the retail environment - where consumers engage in commerce – has the potential to be the 4th largest 'setting' – despite significant uncertainty about the rate of adoption by consumers," reports <u>Jessica Knight</u>, senior executive, business solutions, UCS Solutions.

"Another recent study reveals that consumers appear to be ready with adoption of IoT devices expected to rise quickly, with nearly two thirds of consumers intending to purchase a connected home device by 2019, while ownership of wearable technology is expected to double year-on-year in 2016, with an estimated \$2bn being spent on IoT in the next few years."

Says Smythe: "Wearables will usher in a new level of hyper-interconnected retail in which retailers can 'join the dots' between an individual's pre-store and in-store behaviours to deliver faster more focused customer shopping experience."

13. ARTIFICIAL INTELLIGENCE: Authentic Connections

"Forward-thinking brands are starting to harness the power of artificial intelligence (AI) to enhance and simplify the customer decision making process. AI is already being used by major brands – BMW employed the technology two years ago in an ad campaign for its first electric car. Its iGenius technology was able to answer customers' questions about the new model via text, reducing the need for BMW to invest in training dealers or customer-service staff to handle queries," adds Smythe.

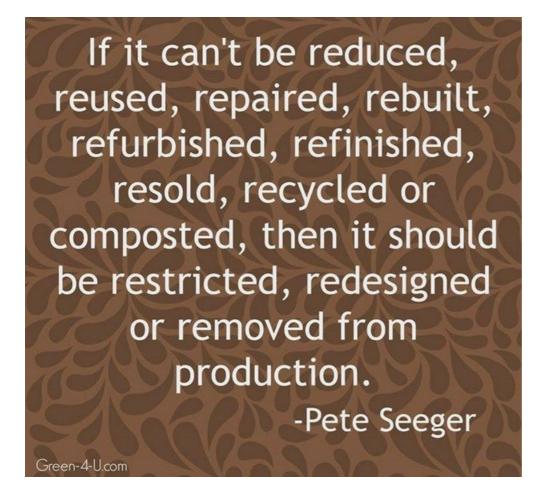
14. INTEGRATION: The Ultimate Agency Model

Integration and collaboration are the buzzwords of the new advertising agency model that has been crafted over the past few years to reach final ignition in 2016. The challenge to agencies over the past few years has been to find "the best medium to engage consumers on multiple mixed platforms" as <u>Gareth Lessing</u>, creative partner at Pangea Ultima, outlines. Most advertising agencies, certainly in South Africa, have been redefining business models and moving from creative shops to business solutions partners.

"Collaboration is now an inevitable part of the marketing ecosystem and those agencies who manage it better than others will derive the best results with their clients. Systems designed to reinforce collaboration will become the norm within the industry," predicts Johanna McDowell, managing director of IAS.

Nemeth goes a step further, suggesting that new business strategy and company structure is needed across organisations: "Executives will be forced to explore new approaches such as design thinking and holacracy, which not only define new business strategy but also company structure and operations. Collaborative teams will be the order of the day instead of specialised roles and responsibilities. This will assist in eradicating the silo culture of many marketing departments which continues to mislead consumers instead of gaining loyalty."

<u>Gillian Rightford</u>, managing director of AdTherapy, says the pressure on integration is also to improve efficiencies in terms of agency fees.



15. CONSUMER ACTIVISM: The Hashtag Revolution

Consumers hold all the cards, unafraid to call out companies and individuals who flout the law, mistreat their workers, buy products created unethically, pay lip service to customer service, march for various causes, bring down governments... you name it, it's been hashtagged. This new social activism has been gaining momentum since the dawn of the social media age and will only increase. Companies need to be compliant. Trends contributors <u>Patrick Bracher and Dale Cridlan</u> from Norton Rose Fulbright South Africa, emphasise that company directors need to practise compliance with the Bill of

Rights and take more seriously their obligation to social and economic transformation; "A concern for job creation and skills training is so important to national stability that it should form an active part of any business plan," they state.

Social activism plays into this and brands will be drawn into the wider debate, says <u>Lebo Madiba</u>, MD at PR Powerhouse. "While it has always been the norm for brands to put distance between themselves and social, political and religious issues, the fact is that audiences are drawing them into the wider debate. It will therefore be essential for brands to carefully define their position on such issues so that they are not caught off-guard. Those that are slow to respond to rapidly trending matters will find themselves in the line of fire with little or no protection."

16. AD BLOCKERS: A New Digital Wilderness

It seems that something is always around the corner to disrupt industry and ad blockers have done significant damage to the advertising industry and publishers in the past year.

As <u>Shireen Jaftha</u>, senior channel strategist, OMD Fuse, explains: "By June 2015 a staggering 198 million people worldwide had downloaded ad blockers. Rapid and unexpected change in the digital media environment is a trend that is expected to intensify in 2016, and marketers need to be alert to the effect that this will have on reach, recall, effectiveness and likeability. And, importantly, they need to find creative new ways in which to maintain a seamless experience of their brands across all media platforms."

*For more on these and all the trends for 2016 predicted by contributors to <u>BizTrends 2016</u>, go to Bizcommunity.com or <u>download the free Digital Magazine</u>.

ABOUT LOUISE MARSLAND

Louise Burgers (previously Marsland) is Founder/Content Director: SOURCE Content Marketing Agency. Louise is a Writer, Publisher, Editor, Content Strategist, Content/Media Trainer. She has written about consumer trends, branding, media, marketing and the advertising communications industry in SA and across Africa, for over 20 years, notably, as previous Africa Editor: Bizcommunity.com, Editor: Bizcommunity Media/Marketing SA; Editor-in-Chief: AdVantage magazine; Editor: Marketing Mx magazine; Editor: Progressive Retailing magazine; Editor: Bizcommunity.com, Editor: FMOG Files newsletter. Web: www.sourceagency.co.za. Teaching trade: the importance of empowering the female entrepreneur - 17 Dec 2019

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