



Top 12 digital predictions for 2012

Millward Brown's Global Futures Group brings you the hottest trends for the New Year

#01

Gamification Unlocked: Big Brands become even more playful

The idea of gamification is a simple one: to motivate and engage people by applying game design techniques and mechanics to non-game situations. Points, level progression, badges, achievements, power-ups, virtual currency, quests, puzzles, loss aversion – all of these game concepts are involved in this growing trend that spans areas from education and work to keeping fit and green actions to improved brand experience and loyalty schemes.

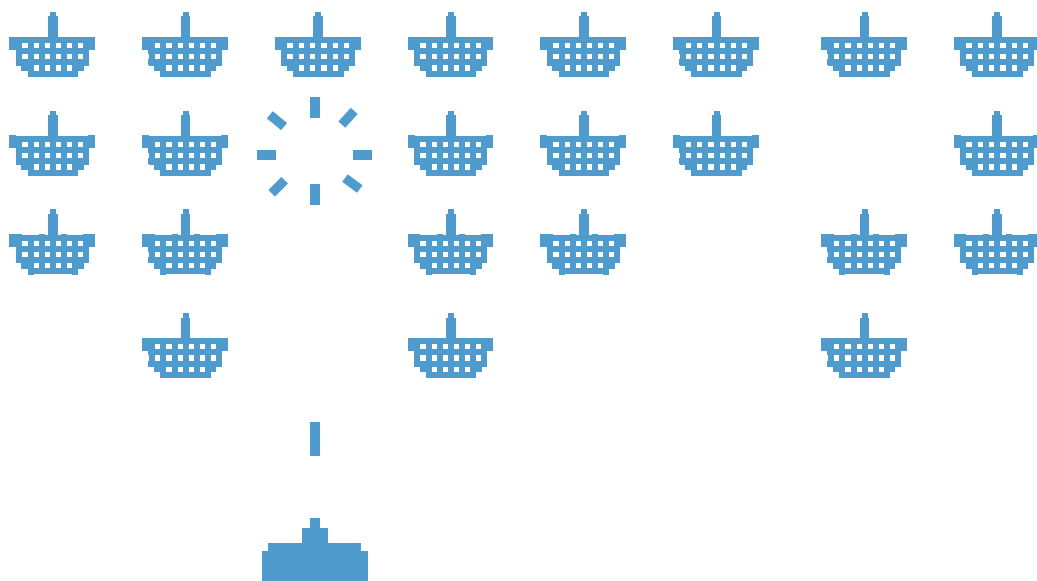
While the principle of gamification may be simple, effective execution is not, as people's motivations and approaches vary so widely. The crudest forms of gamification such as Foursquare-style badges and points-based reward schemes have been subject to an intense backlash from marketers and game designers alike. They tell us that this is not gamification but mere "badgification"—a one-size-fits-all solution to a far more complex problem.

Right now gamification in marketing is uneasily balanced between hype and reality. 2012 will see a lot of great examples but also a broader understanding of its limits.

Brands that create their own closed-badge systems are likely to fail, as gamification is inherently social, either by some element of competition or collaboration between you and your social network friends and contacts. The true winner will be the first massive multi-player multi-brand multi-channel real-life game system, a "World of Purchase-craft" where you and your friends will combine purchasing habits to unlock branded benefits.

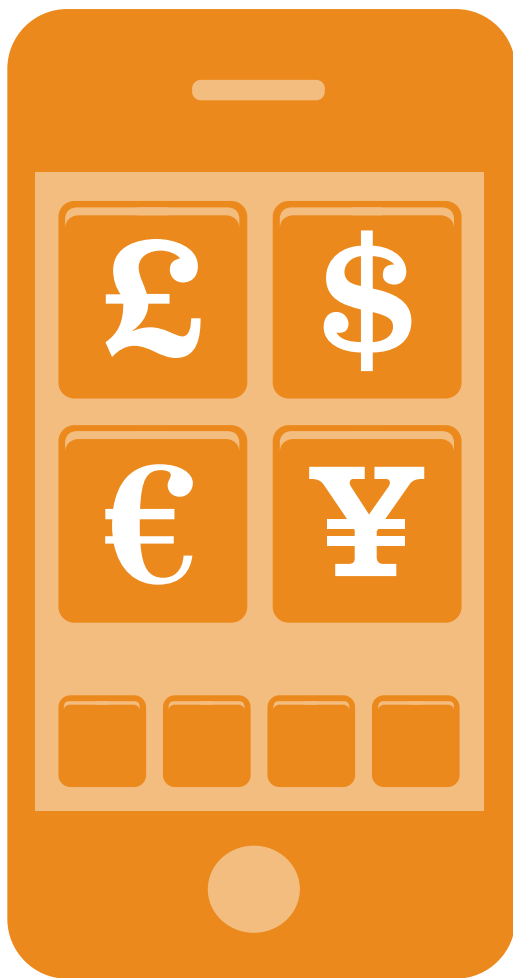
Perhaps a program like Nectar, in the UK, will be the pioneer? Soon enough I would unlock my Super Dad achievement for purchasing Pampers five weeks in a row (earning me a 10% discount for life), get 50 bonus points each time my friends and I buy Special K in the same week (worth 50 pence), and level to Master Environmentalist (giving me access to special green offers from selected partners) for reducing my car's weekly mileage while refuelling at BP.

Jorge Alagon & Maarten Peschier



#02

Just Tap It! Wide spread adoption of the mobile wallet



Many of us take our cell phone everywhere; it never leaves our side. It goes where we go – to the cinema, a friend’s place, out to dinner, to the local gym. It’s become a necessity that we carry with us, just like our wallets. So what if we combined the two?

Over the years, the way we pay has changed from coins to paper money to plastic cards. We’re now on the brink of the next era—mobile payment systems. In 2012, we will see the rise of the “Mobile Wallet”

There are currently several ways to pay on a mobile phone, but one of the most exciting technology developments is Near Field Communication (NFC). NFC enables the transfer of data between two devices in very close proximity.

Imagine a simple trip to the grocery store. After rummaging the aisles and filling your basket, you want to check out, fast. Rather than fumbling with cash or trying to get the machine to read your damaged magnetic-card-strip, you simply pull out your phone, tap it on to the payment reader and you’re ready to go.

What does this mean for brands and marketers? The rise of mobile payment systems is one of many indications the mobile phone will become “the hub and center” of our busy lives. Not only is it a social enabler – bringing us text, calls, email, and Facebook – it enables practicality. Payment systems are just the beginning. In a couple of years we’ll be using phones as identification – license, passport, office pass – as keys to unlock our car and apartment, as boarding passes and subway tickets – all from a simple tap.

For this reason, brands and marketers need to pay more attention to mobile and continue to leverage the medium to connect with consumers in a compelling and meaningful way.

Marie Ng

#03

“Virtual Togetherness”

TV and Social Media will fuel an explosion in tools, technologies & platforms for interaction and research



Social tools, technologies and platforms that enable people to interact with TV programs will explode in 2012. We will see innovations that allow people to engage with shows in ways we haven't even thought of yet.

To some degree, TV has always been a sociable activity, whether it's family and friends gathering to watch a program or colleagues gathering around the water cooler at work to discuss last night's episode. However, with the explosion of social media, TV will become an even bigger echo-chamber for interaction and engagement for both viewers and TV networks.

Throw in a bit of Twitter, a backstage blog, a handful of hash-tags and an interactive app or two, and you have

all the ingredients to put TV on social steroids. Not only will social media allow users to interact with TV shows as they never have before, but TV producers and networks will use this data for ideas and inspiration.

Will our TV viewing and discovery habits increasingly be influenced by what our friends are watching, leading to the rise of the "social program guide"? And with the emergence of services such as Bluefin Labs/GetGlue, will traditional TV ratings start to be complemented by "social ratings"? They could well be, since advertisers will no doubt be keen to understand how well a show is travelling beyond the TV viewing audience itself.

David Barrowcliff

#04

Online Video invades the living room

Barring global Armageddon, technological change will continue. Gadgetry such as smart phones and tablets have brought about a major shift in media consumption; as they take advantage of the convergence of enhanced hardware and affordable broadband, these devices give their users a new lane on the Internet highway. Video is surely along for the ride.

In 2012, the consumption of video will begin to take on evolved forms in new contexts. As the adoption of increasingly consumer-centric, multi-faceted home entertainment technology catches on, video that had previously been consumed online, including YouTube videos, webisodes, and even professionally curated content by established media companies will begin to “reverse-migrate” to the living room.

The underlying concept is not exactly new: Slingbox, Roku, Boxee, Apple TV, and Google TV are all attempting to bridge the capabilities of the Internet and the sacred living room experience. However, only a few of these have begun to scratch the surface of a truly dynamic and immersive multimedia experience. Major barriers to widespread adoption remain, including lackluster consumer demand, powerful incumbent interests, technology compatibilities, and licensing/content agreements.

It will take a formidable company to shift the massive inertia that exists, but the convergent forces that are reshaping personal computing in recent years have already begun to change the landscape for video too. Apple has succeeded in changing consumer behavior before and it may just have the vision, consumer insight, resources, and reputation needed to complete the push into the living room. Amazon, with its eye on the future and its massive clout, powering its new media tablet, also has the potential to grab market share.

As companies like these continue to pursue innovation toward creating the quintessential multimedia hub, you can bet that content agreements, distribution channels, and strategic partnerships are being created behind the scenes to supply the hardware and software that consumers will find appealing. 2012 is just the beginning.

Christopher Bian



#05

Mobile Marketing will become more social & local than ever before

The future of mobile marketing will be intertwined with social and location-based marketing (SoLoMo: Social Local Mobile). The most successful marketing messages will combine relevance and location with the right timing. Today, 28 percent of U.S. mobile phone owners (55 percent of smartphone owners) rely on their phones for directions or recommendations that are based on their current location. These numbers will grow rapidly. It's obvious that mobile, by nature, allows brands to talk to the right people at the right times in the right places, and brands will start to use the platform more effectively in the next year.

We will see increased SoLoMo marketing prevail in existing geo-social apps like Foursquare, Shopkick and Yelp. Retailers will experiment more with geo-fenced mobile

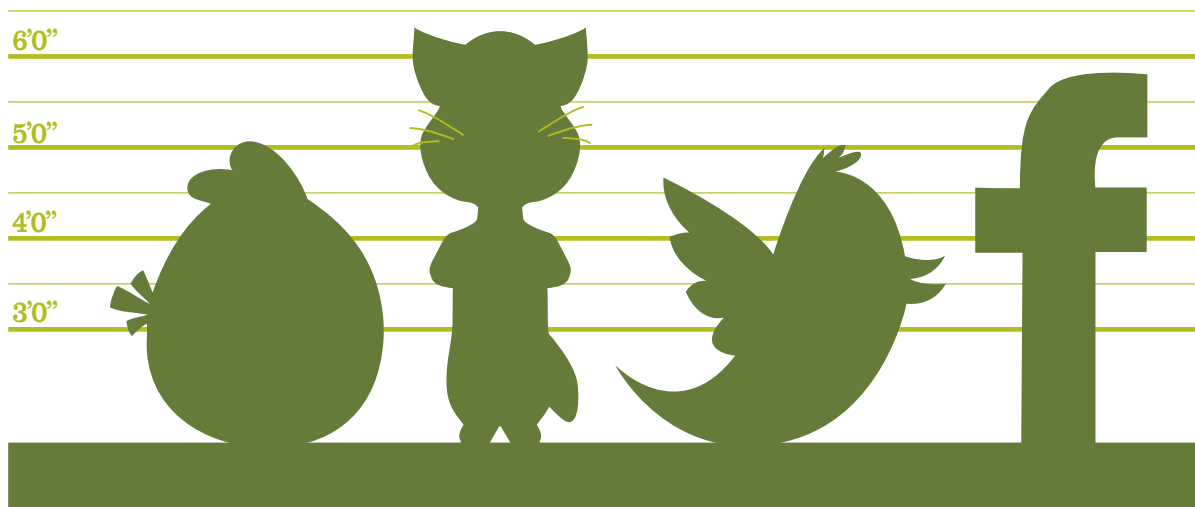
marketing with companies like Placecast. Social buying companies like Groupon and Living Social will become more app-focused and provide push content and alerts on real-time local deals. Brands will create more of their own apps that tap into both geo-location services and social networking. Brands will also continue to increase the relevance of their messaging in traditional mobile ads by using more location targeting and embedding social content and shareability. Improvements in technology and richer mobile ads will help facilitate these approaches. We'll start to see less purely mobile marketing in exchange for more SoLoMo strategies.

Jennifer Okula



#06

Growth: The only App trend that really matters



The usual suspects have already booked their slots at the top of the app charts and they're likely to be difficult to depose. Developers and marketers should look beyond Apple's app store if they want to ride the next Angry Bird. Expect to see cross-media app promotion and clever use of the social echo chamber to create the next blockbuster.

Sales of the iPhone continue to break records whilst Android activations accelerate. Every new device sold either creates a new app or frees up a second hand smart phone that could be re-cycled into an emerging market. So even though app usage will consolidate around those at the top of the charts, there will be a tsunami of demand from first-time smart phone users exploring their new device. A rising tide lifts all ships, and in-app ad spend will continue to explode with the key beneficiaries being the mobile ad exchanges and enabling platforms.

'In-App' ads will also be richer, with increasing opportunities for video, and a blurring of the boundaries between mobile, online and TV. At the same time HTML5 will continue to drive down the cost of cross platform development as well as allowing apps to be downloaded directly from publishers, freeing them from the restrictions of iTunes.

Expect to see apps used more consistently across devices; not just mobiles and tablets but desktops and TVs too. The app story is by no means over - it is simply moving up to the next level.

Andy Lees

#07

Social CPG e-commerce: Tiptoeing between engagement and marketing leads us back to traditional marketing vehicles

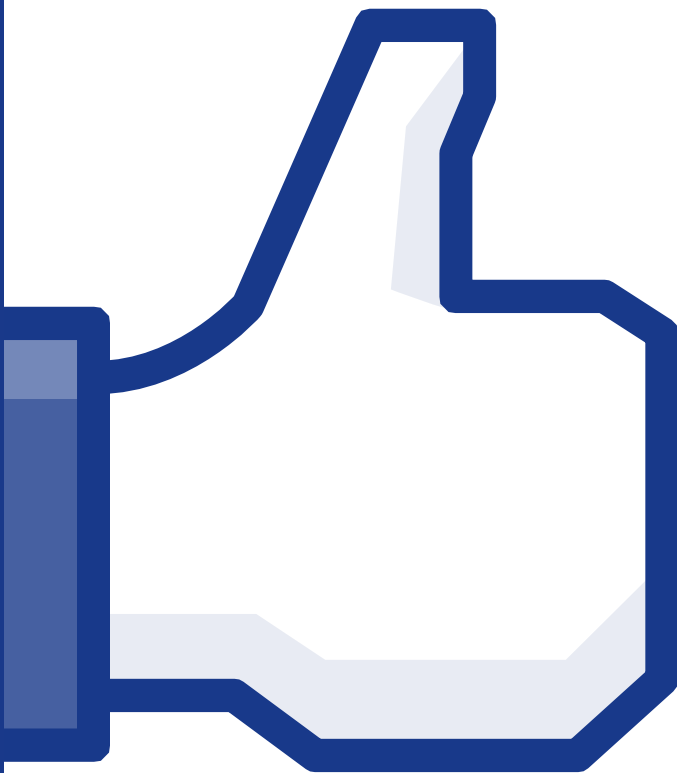
Currently contributing to less than 5% of all consumer packaged goods (CPG) sales, CPG eCommerce is poised for continued growth as online grocery shopping becomes more main stream.

Firstly we are likely to see an increase in paid media which raises awareness and knowledge about the benefits of CPG ecommerce, and more CPG ads on shopping sites such as walmart.com. In addition, CPG brands will cautiously experiment with using social media to drum up ecommerce.

“Social commerce” needs to be approached with caution because fans primarily want to enjoy a genuine relationship and a sense of community with others like them. Marketers therefore need to be careful not to tip the balance of engagement toward marketing. There is no “dislike” button but if there is too much focus on selling instead of delivering an experience with the brand, consumers can vote with their wallets or even worse negatively influence others in a very fast and powerful way. We have all seen how quickly bad experiences can morph into a bad situation for a company, quickly eroding the equity that has been carefully built up over time.

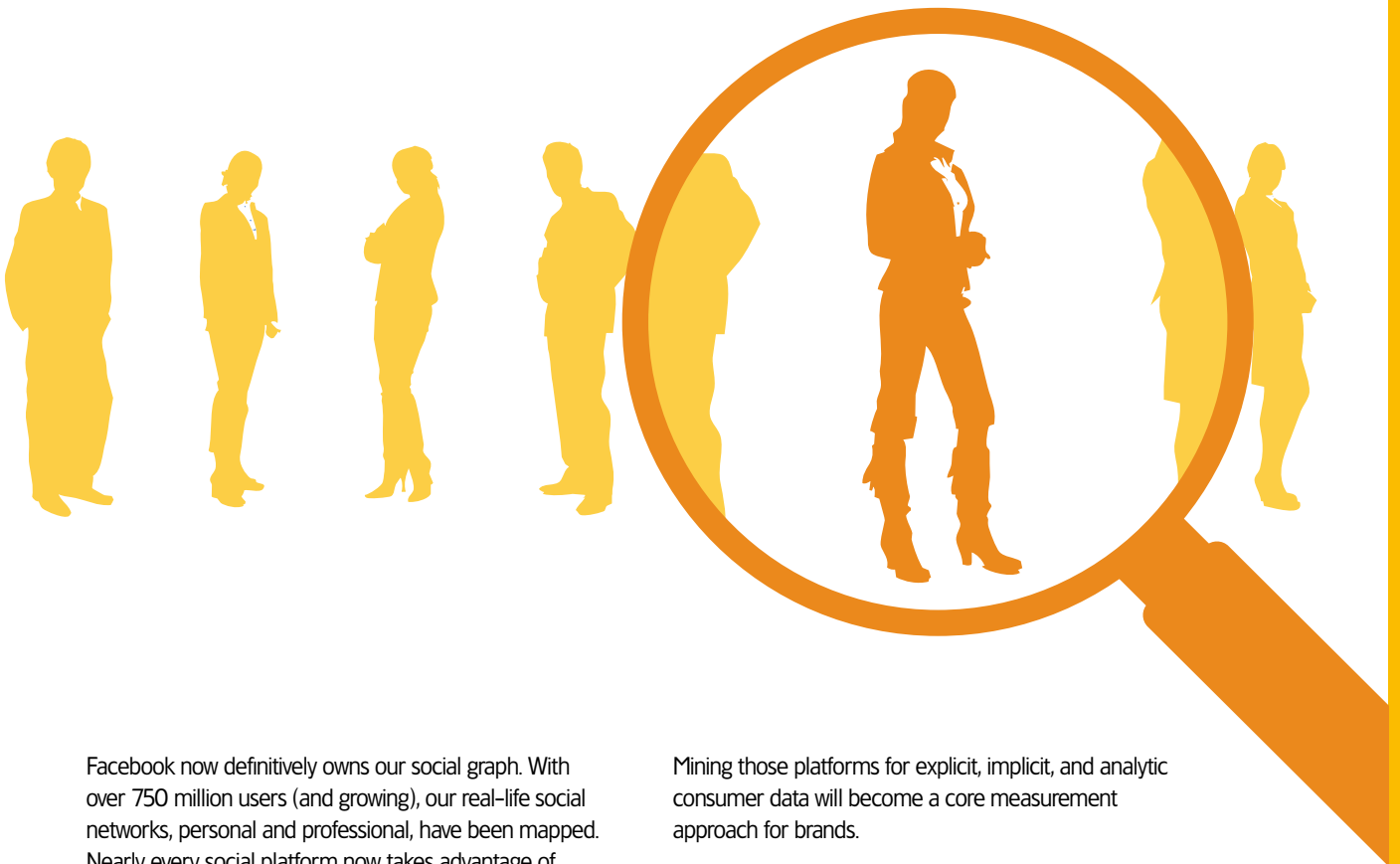
That said, CPG marketers can and should push the technological boundaries to deliver the least obtrusive but most e-commerce vehicles. Social media can be used to kick start conversations, build awareness and trial; sampling and couponing have tremendous popularity within fan pages while sneak previews/special offers can spur sales for new products online before they even reach traditional shelves.

Christophe Moerman



#08

The Social Graph will generate meaningful data for brand measurement



Facebook now definitively owns our social graph. With over 750 million users (and growing), our real-life social networks, personal and professional, have been mapped. Nearly every social platform now takes advantage of Facebook Connect, to bolster user experience and adoption and to create more value for the service and its users. And users constantly generate a stream of data that gives us a higher level of insight into their habits and attitudes than we've ever had before. This is the age of Big Data, and brands will grow even more eager to capitalize on it.

With the Facebook identity so thoroughly enmeshed in the development of new applications and platforms, it facilitates aggregation of that data, while Twitter's functionality as an information-sharing platform means it also captures a wide variety of additional data.

This unified social graph will give rise to new brand value generation across many categories and many platforms.

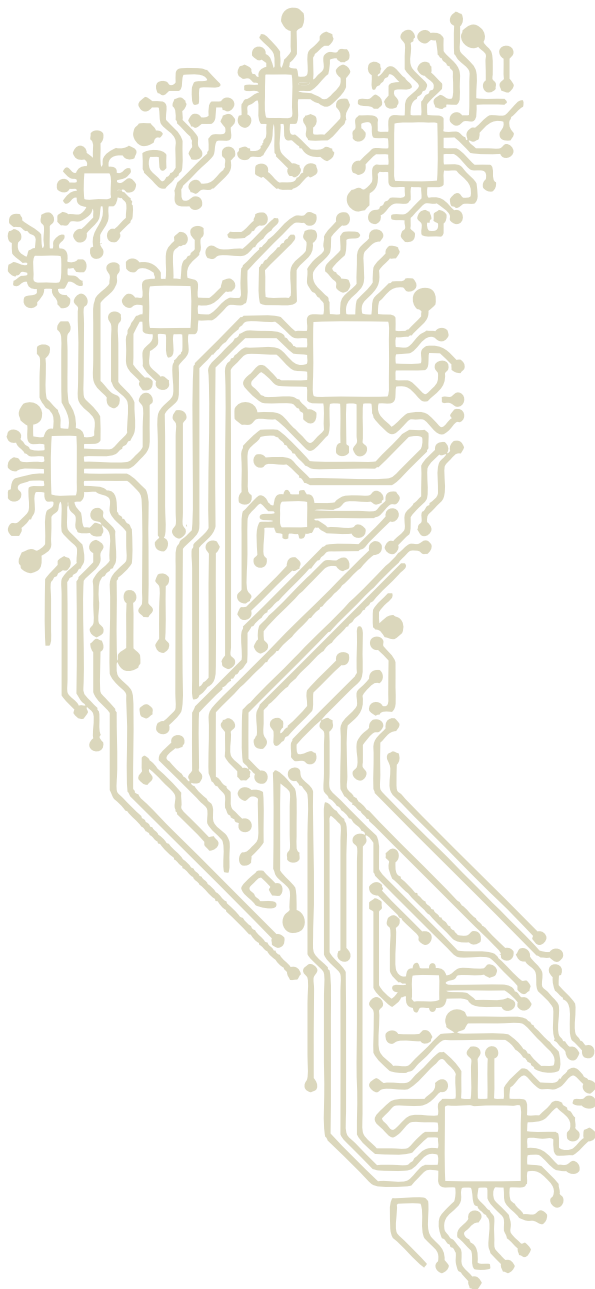
Mining those platforms for explicit, implicit, and analytic consumer data will become a core measurement approach for brands.

As adoption of social media becomes more widespread in the general population, marketers will also simultaneously increase the role of social media in their broader media mix. Social media will function as a more accurate barometer of consumer opinion. As consumers react to the mix of messages in the marketplace, it will become even more necessary for us, as researchers, to be able to identify key points of significance within social data that can serve as surrogates for the larger survey data set. From there, we will be able to extrapolate more broadly to measure the impact of that media on a brand.

Anne Czernek

#09

Regulators narrow their focus as consumers pay the real price for 'free' access



With mobile and digital out-of-home allowing for ubiquitous media engagement and interactions, consumers will be confronted with the prospect of paying to manage the way data about their online activities is shared. Their options might include paying for applications that will manage their identity information, paying to access content that would otherwise be free of charge, or they might simply have to disconnect from networks where information sharing is the cost of entry.

Most consumers will not accept these options. Therefore, regulators will need to take a closer look at the actual conflicts in the marketplace as they continue to define the permissions paradigm for digital data sharing. While the model of ad-supported content promotes ever-increasing data flows worldwide, the detailed digital dossiers on consumers generated in the process will be a concern.

Chief among monitored practices will be the ability to use an individual's digital footprints to assign a commercial score that can be used to evaluate that individual's eligibility for certain products and services. Most developed markets have rules that either prohibit or control such trading practices generally; however, framing online data-sharing practices under traditional terms will prove difficult to do. This may strain consumers' trust of brands that are seen as having used data in a way that consumers would not have expected or approved.

George Pappachen

#10

The arrival of Seamless Sharing

Social networks have established themselves as an integral part of today's online experience. Tomorrow's successful social networks will be those that allow users to overcome barriers that separate them from others; online traffic will be content-driven, not platform-defined.

We see the beginnings of this trend in the "sharing" buttons that are on many web pages. It is estimated that 50% of the world's 10,000 largest websites now include such links, leaving the other half to realize that the real power of the web is in sharing. While "shareability" is a relatively new concept, ideas like virality - a natural consequence of sharing - have been an established measure of online success for some time.

Providing the necessary conditions for shareability will become a basic prerequisite for any successful online outlet; it is in everyone's interest that sharing is made easy. The ability to measure shareability will establish itself as a useful way to determine levels of influence and to

better understand how information travels. Views of certain content will eventually be measured alongside its shareable power to determine its impact.

While Google+ will not merge with Facebook anytime soon, sharing seamlessly to either network (and from one to the other) is starting and will establish itself sooner rather than later. Shareability will open up an interesting opportunity for brands: those that create the most innovative and engaging pieces of content will ride the shareable wave and reap the benefits above competition.

Juan Manuel Hernandez



#11

China will see ‘One Stop Shop’ convergence of micro-blogging, social networks & information portals



The explosive growth in social media has had undoubted world-wide repercussions, least not in the world's most populous country, China. Though Facebook is officially delisted, social media thrives under the umbrella of local alternatives like Ren Ren and Kaixin, both overwhelmingly used by locals. With a keen desire to broadcast and share opinions, bloggers (over half of Internet users were purportedly active bloggers according to the China Network Information Center (CNNIC) in 2009) migrated towards the user-friendly environment of the Social Network Sites in which to provide personal musings.

That tide, however, is turning fast- as is ever the case in China- with the advent of micro-blogging (the most popular being Sina.com's Weibo). Weibo is fundamentally different from Twitter and offers multi-functions that essentially make it a simplified version of a Social Network Sites. In China, where recreational time is a premium, this is critical. Weibo, for instance, offers visual, audio

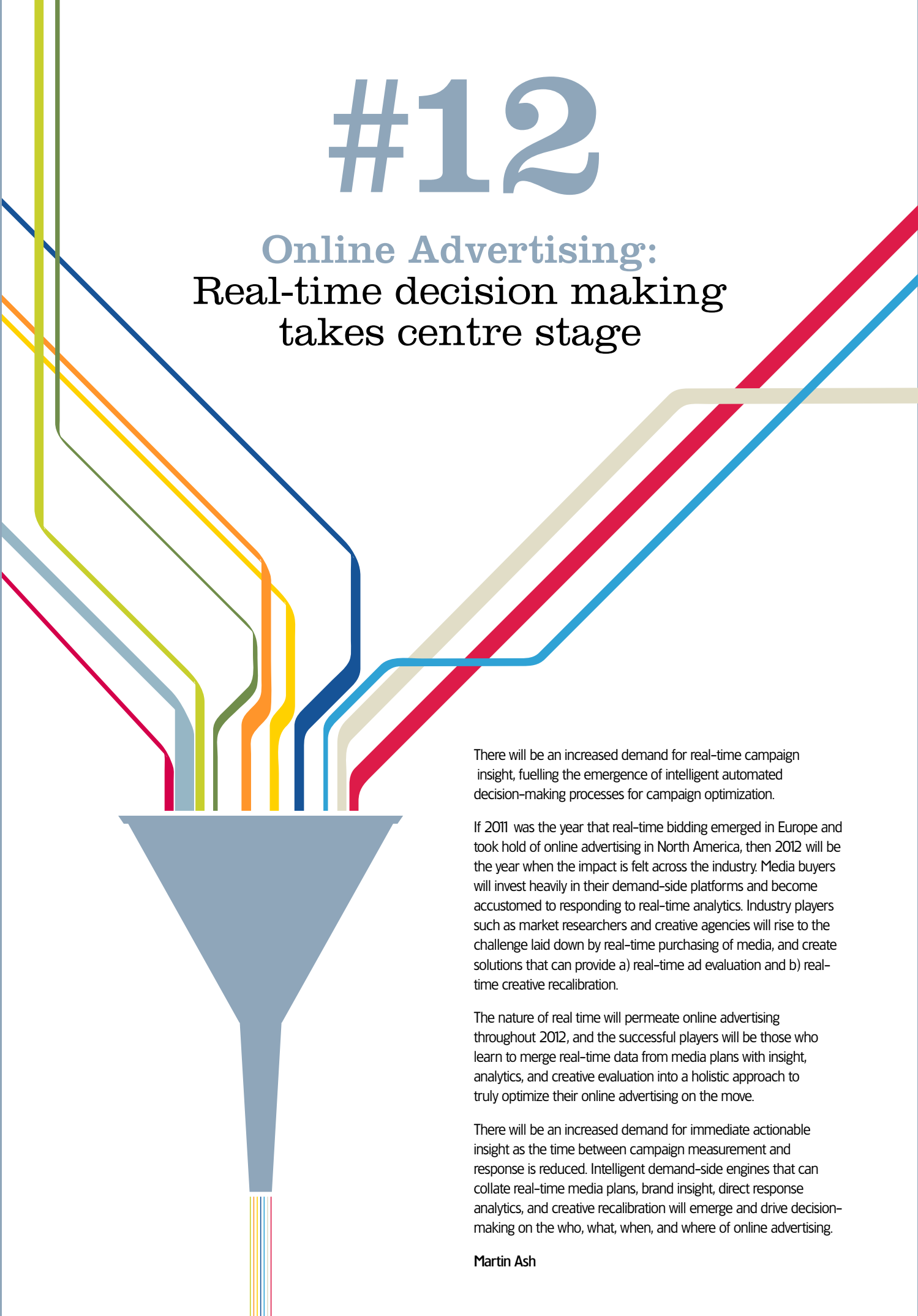
and video facilities and enough character spaces (140) to give substantive feedback. Layouts are basic, easy to follow and users can split interfaces into different categories, themes and threads.

The allure of Social Network Sites is now, from this angle, statistically on the wane. According to CNNIC, in 2010 the penetration rate of Social Network Sites amongst Chinese Internet-goers was 51 % and in 2011 this has fallen to 47%. From December 2010 to the end of June 2011, Weibo usage has grown 200%. Weibo is fast usurping other Social Network Sites as the place to broadcast. 2012 will bring about the effects of integration and how to manage consumer expectations on news, communication and information sharing. Portals (who want a piece of the action), micro-blogs and Social Network Sites will converge under one umbrella to offer users an integrated one-stop shop.

Chris Maier

#12

Online Advertising: Real-time decision making takes centre stage



There will be an increased demand for real-time campaign insight, fuelling the emergence of intelligent automated decision-making processes for campaign optimization.

If 2011 was the year that real-time bidding emerged in Europe and took hold of online advertising in North America, then 2012 will be the year when the impact is felt across the industry. Media buyers will invest heavily in their demand-side platforms and become accustomed to responding to real-time analytics. Industry players such as market researchers and creative agencies will rise to the challenge laid down by real-time purchasing of media, and create solutions that can provide a) real-time ad evaluation and b) real-time creative recalibration.

The nature of real time will permeate online advertising throughout 2012, and the successful players will be those who learn to merge real-time data from media plans with insight, analytics, and creative evaluation into a holistic approach to truly optimize their online advertising on the move.

There will be an increased demand for immediate actionable insight as the time between campaign measurement and response is reduced. Intelligent demand-side engines that can collate real-time media plans, brand insight, direct response analytics, and creative recalibration will emerge and drive decision-making on the who, what, when, and where of online advertising.

Martin Ash