

Digital in 2016:

The year of consumer-led
communications marketing

Trends Forecast

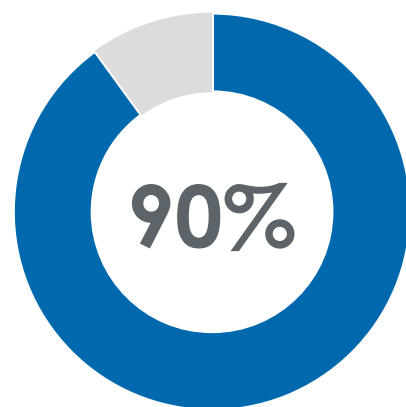
JANUARY 2016

This time each year, countless marketing trend predictions pop up in newsfeeds and inboxes around the world. Some trends will catch on, and some will fizzle out. Many of the digital predictions of past years—the rise of ephemeral platforms and the imperative of paid social media—showed staying power. Others, like relentless culture-jacking, have become overplayed. So, what's next?

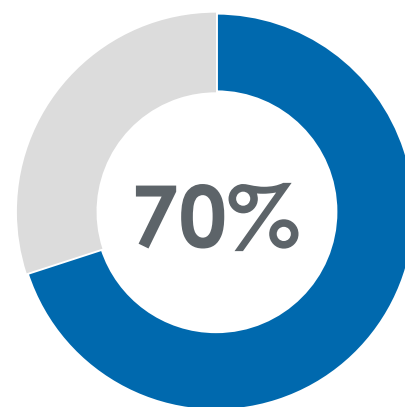
To make predictions, we have to look at the digital marketing landscape. News to no one: It's still evolving and always will. But here's what *is* different: Marketers and technologies are no longer the sole driving forces behind the rapid and constant digital marketing evolution.

Today's consumers are more powerful than ever. Implicitly through behavior and data—and explicitly through direct communication—consumers are telling us what they want.

They expect and demand more. They maintain high expectations and vocalize their opinions.



of consumers expect brands to innovate with societal impact in mind¹



70% want brands to communicate openly about their products²

Consumers turn to social media as a forum to connect, converse and change the course of things that matter most to them, including brands. And they're creating more content than ever before.

Brands will need to approach digital and social media marketing more strategically and creatively to appeal to the evolving consumer while meeting their own business needs. We're reaching an equilibrium where the consumer will play an increasingly important role in a brand's direction.

Staying relevant means elevating the role of consumers in your marketing strategy. That's why 2016 will be the Year of the Consumer Marketing Director.

The empowered consumer plays a priority central marketing function, directly and indirectly driving the most important brand marketing decisions. Brands will need to respond by soliciting and accepting input from the consumer to direct their brand from a product, marketing and experience standpoint. The key to success is to adopt a contextual approach—delivering real value when and where consumers demand it most.

The emerging digital trends with the most staying power all have one thing in common: focus on the consumer. We've identified five major digital marketing trends to embrace in 2016 and three more to keep an eye on. To inform our predictions, we looked at consumer insights and behaviors in the following areas: content, influencer engagement, paid media, analytics and emerging technology. Here is our perspective on what digital marketing trends will surface in 2016, with actionable advice for how brands can keep up with the *Consumer Marketing Director*.

Video, Video, Video

Video engagement is dominating digital platforms, and the marketing opportunities are endless.

Influencers as Creatives

The key to successful influencer marketing is authentic, collaborative creativity.

The “Buy Now” Revolution

Increased “buy now” functionality across digital platforms opens the door to increased social ROI and smart targeting opportunities.

Social Listening Becomes Social Intelligence

It's imperative to leverage the latest social listening technologies to inform brands' most important decisions, from product updates to social purpose.

Cross-Device Consumer Journey Mapping

The increased ability to track consumer behavior from research through purchase will change targeted marketing as we know it.

Watch this Space: VR & AR; Beacons; eSports

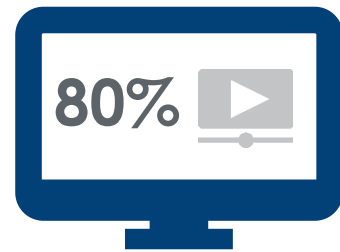
Several cutting-edge trends are growing quickly, and early adopter brands are already on board.



**1 VIDEO, VIDEO,
1 VIDEO**



Video content is everywhere. On websites, social platforms, online ads—video is dominating digital platforms as the content format of choice.



By 2019, video will account for 80% of all consumer internet traffic.³

Why? Technological advancements and social platform functionality updates have increasingly supported the rapid growth of video content. More importantly, video provides real value for consumers. It's an easily digestible visual format in a world of content overload. And, video media is becoming a more mobile experience—seamlessly integrating with our lives on the go, whether we're watching in our social newsfeeds or on demand. Consumer consumption of video is strong and increasing.

Views Per Day



Estimated
10-20 Billion



6 Billion



8 Billion



4 Billion

In 2015, adults spent an average of 1 hour and 16 minutes watching digital video every day.⁴



Emerging technologies are racing to meet consumer demand with exciting new formats, and brands are fueling the fire with creative video approaches.

Livestreaming

Livestreaming is becoming increasingly popular, with YouTube, Periscope, Meerkat, Twitch and Facebook Live inviting consumers to watch and create streams in real time. Periscope even has its own app on the latest generation of Apple TV, supporting its future significance. Innovative brands like Doritos are already testing Periscope's use-cases to appeal to a younger demographic. For the launch of their new "Roulette" chips, Doritos live-streamed a roulette-themed game show on Periscope, with other contest elements simultaneously happening across their Twitter and Vine channels.⁵

360-Video

While livestreaming brings consumers into ephemeral real-time experiences with varying degrees of interactivity, 360-degree video

takes another approach to immersion. Through 360-degree video—an extension of virtual reality—consumers have an individual experience and are empowered to control their exploration of a pre-set space; here, the interactivity is more self-directed and can be enjoyed by consumers in a broader range of contexts. 360-degree videos can also be used in tandem with drones to reveal a new storytelling perspective, bringing viewers into a world that they otherwise might not be able to access—from behind-the-scenes footage to faraway places.

Both YouTube and Facebook natively support 360-degree videos on desktop and mobile. Many brands are exploring the 360-degree video space, like Activision,* which recently created a 360-degree interactive video of its Call of Duty zombies-themed attraction at Six Flags.

*Edelman client

This video allowed Call of Duty fans at home to experience the roller coaster ride in a fully immersive 360-degree experience on YouTube and Facebook, garnering more than 700,000 views organically as fans tested it out for themselves. On the other end of the

spectrum, news outlets are also seeing the value of 360-video content. ABC News' innovative approach to immersive journalism couples written stories with 360-degree videos that bring the stories to life, like a tour of war-torn Damascus, Syria.⁶

Short Form Bits

On social platforms, video storytelling has to be faster and more engaging than ever, from GIFs to 15-second clips. While GIFs have been around for a while, their popularity is steadily increasing as the majority of social platforms now support the format. Disney forged a partnership with Giphy to create a steady stream of delightful branded GIFs, knowing that their fans would share them. For Starz Entertainment,* we leveraged consumer love for this content by releasing show-relevant GIFs in real-time during the first season of *Outlander*, driving 50% more average engagements than other tweet types. This uptick in engagement helped *Outlander* crack the Top 5 of the Nielsen Twitter TV Ratings during all sixteen episodes.



Crowdsourced & User-Generated Video

Consumers are not just watching video. They're making and sharing it. Savvy brands are harnessing the power of user-generated videos to help shape their own brand stories. Pop band One Direction teamed up with action/2015—a global initiative that engages citizens to help set the agenda to end major global issues—to launch the action/1D campaign, inviting social followers to submit creative images or videos that depicted how their ideal world would look.⁷ Nearly 80,000 pieces of content were submitted, proving that a combination of influence and a powerful call-to-action can generate quality content from fans.

Video Influencers

Video is a powerful format of choice for some of today's most influential content creators. Consumers respond to video content from their favorite influencers, even when it includes a branded integration. 63% of millennials (ages 13-24) said they would try a product or brand recommended by a YouTube personality, versus only 48% who said the same about a TV or movie star.⁸ That's why many brands are engaging in video influencer partnerships with the content creators who have direct, emotional and authentic

connections with their fans. Brands are seeing significant ROI from these partnerships; sharing content through industry influencers can increase a brand's conversion rates three-fold to ten-fold.⁹ Recently, we worked with Disney Parks* to develop a video content series to drive park attendance among Hispanic audiences. Through a partnership with video influencer Sonia Gil, we created a seven-part series that has generated 10.5MM views to date. We'll discuss the power of influencers further in the next section.

*Edelman client



How can brands keep up?

Build a Holistic Video Strategy with the Consumer in Mind:

Take a discerning look at your marketing mix to evaluate if and where video content fits in. Stay grounded in your brand story, business objectives and consumer mindset. Think about which storylines lend themselves to the video format. Define your metrics for success; from engagement to lower-funnel conversion, video has the capability to deliver. The best approach for brands starting video production is to test various content types, measure their efficacy and then build on success over time.

Make the Most of Your Investment with a Multi-platform Approach:

Video production requires time, money and resources. But it's imperative to develop a multi-platform strategy in order to avoid a "one-size-fits-all" approach. Optimize the content you create from the very beginning of the production cycle for a variety of platforms, planning for content ranging from 6-second Vine videos to 15-second clips on Instagram. Get to know your audiences to understand how, when and where they consume video. Then, look at audience content consumption habits on each platform, and leverage your assets

accordingly for a more sustainable approach to video content creation. There are a variety of strategies brands can deploy to make the most of their investment:

- Turn videos into sharable GIFs
- Shoot unique behind-the-scenes footage on your commercial shoots
- Build a Vine video studio at your office
- Test influencer-created content

Drive Discoverability Through Organic Optimization and Paid Media:

If you're going to create video content, you want eyes on it. First, create highly viewable content and select the smartest channels on which to distribute it. Once you've created videos, organic optimization is key. Strategically naming and tagging YouTube videos is a must, not a nice-to-have. Leverage trending hashtags on social channels to ensure that your content appears in searches. To drive significant reach and engagement, activate highly targeted social paid media. The recent introduction of Google's 360-degree video ads and Facebook's video ad creative spotlight are just a few examples of innovative opportunities to capture and retain attention through paid media.

2 INFLUENCERS AS CREATIVES



Influencer marketing is more important than ever. Year after year, the Edelman Trust Barometer reinforces that consumers consistently trust the credibility of “people like themselves.”

In fact, marketers are seeing up to a 5X return on their influencer marketing investment.¹⁰ 93% of marketers believe that influencer marketing is effective in raising brand awareness; another 75% believe it generates sales leads.

There are three key reasons why influencer engagement is so effective—one, consumption habits are largely shifting online; two, media dollars are following this behavior change, with recent reports stating the digital video media dollar investment will grow by another 30% over the next year; three, we are living in a world where consumers are more skeptical than ever—to the point where they are simply tuning out brand-direct messaging.

Emerging stats and studies further underscore the power of the influencer; last year, *Variety*

published a widely-shared article claiming that YouTube stars are more popular than mainstream celebrities among U.S. teens.¹¹ As the content landscape becomes more and more saturated, influencer amplification continues to be an increasingly impactful mechanism to deliver brand messages creatively and credibly to key audiences where they’re already engaged.

Influencer marketing is much more sophisticated today than it was even a few years ago. Prescriptive blogger programs—where marketers provide free product and a list of messages in exchange for coverage—are largely a thing of the past. The modern influencer offers more than just reach and credibility. They are not just celebrity spokespeople; they are creators and makers.



Halloween tips

Pet Code

petco

Edelman expanded Petco’s* YouTube programming beyond informational How-To content to connect with future consumers on a more emotional level. We created a 10-episode comedy series—featuring YouTube star Toby Turner—modeled after a “pet talk show” that features his talking dog. The series, “Pet Code,” drove 2.2 million views with 98% positive sentiment. This execution, in addition to a refreshed YouTube strategy, grew the Petco channel’s subscriber base by 65% and resulted in a 300% increase in views of catalog content.

In the best cases, brands grant their influencer partners creative license to interpret brand messages into content that will resonate with their own followers. In this way, the influencer becomes an extension of the brand’s creative team.

In an example of a strong creative collaboration, Lionsgate tapped five YouTube stars for its “District Voices” campaign, part of the larger marketing plan around *The Hunger Games*. Each influencer was given a district, props and costumes to produce faux news stories based on the events of the film.¹²

*Edelman client

From Vine filmmakers to Instagram photographers, Snapchat doodlers to YouTube stars, nearly every social platform has its unique bench of talent. Today’s most powerful brand-influencer partnerships are creative collaborations.

With the rise of video as a priority platform, YouTube influencers are in their heyday. The emergence of MCNs—or multi-channel networks of creative video makers—has established more formalized processes for branded partnerships with influential content creators. Plus, brands and media companies are making significant investments—Disney purchased Maker Studios, Hearst acquired DreamWorks’ AwesomenessTV, Fullscreen was acquired by AT&T, and smaller-scale investments have been made in creator networks like Defy Media and Machinima by Viacom and Warner Bros., respectively—a strong indicator that this trend is here to stay.

93%

of marketers believe that influencer marketing is effective or very effective in raising brand awareness

75%

believe that it generates sales leads

Source: Augure. State of Influencer Engagement 2015, conducted by Schlesinger Associates, June 18, 2015. [Via eMarketer, Inc.](#)

There are a number of ways brands can work with influencers. Here are our top 5:

- **Custom content** - Influencer creates a piece of content centered around a brand or product
- **Talent integration** - Influencer appears in brand-owned content
- **Product integration** - Influencer shows a specific product in their content
- **Multi-platform campaign** - Influencer integrates the brand/product across all of their platforms
- **Influencer appearance** - Influencer appears and participates in a branded event and vlogs about the experience

Branded influencer partnerships are becoming more diverse and more popular. As we move into 2016, we'll see brands collaborating with influencers to create original content—from small partnerships to branded sitcoms.

While the clout of social influencers and YouTube stars is rivaling that of mainstream celebrities, we also see an opportunity for brands to find and shape the next era of celebrities. Savvy brands will match data about their key audiences with attributes of potential stars, then cultivate their potential to shape their own influencers.

How can brands keep up?

Choose the Right Influencers:

Use consumer databases to create profiles that mimic your key audiences, and use that data to understand which influencers will be the most effective. Similarly, evaluate the “soft power,” or cultural currency, your brand offers in order to find influencers that reflect your values and lend credibility to your messages. Use an influencer identification tool like Tubular Intelligence to evaluate potential partners based on reach and audience demographics.

Put Storytelling at the Heart of It:

As you bring external talent into the mix of content creators working on behalf of your brand, keep in mind the story you want to tell. Look not only at the influencers, but also at the platform and the format of the content to determine the best approach to help achieve your goals.

Grant Creative License:

Remember—these influencers are creators, and they know what their audiences like. As more brands partner with influencers, authenticity will become increasingly crucial. The content that influencers create on behalf of a brand will need to be innovative enough to stand out, while seamless enough to avoid disrupting loyal followers. As such, you'll need to grant creative license to the influencers who know their audiences best.

Get a Good Deal:

It's important to remember this is a relatively new space. In order to maximize your partnership with an influencer, consult an expert in this space to ensure you get the most from your investment.



3 THE BUY NOW REVOLUTION



Instant gratification has never been easier for the online shopper. With the increased prevalence of social commerce—or the ability to instantly purchase products through social media—the “Buy Now” Revolution is upon us.

The increase of “buy now” buttons on various social media platforms allows consumers to make purchases within the app or social site they are browsing, often without being redirected to another site.

2014 forecasts predicted that social commerce would bring in \$30 billion worldwide in 2015, which is 50% more than projected numbers for the previous year.¹³ Now, nearly every major platform has announced or rolled out some form of “buy now” functionality.

Many of these offerings are being rolled out via beta testing with select brands, but they are expected to expand broadly this year.

Let’s look at current social commerce technologies across platforms: Facebook and Twitter were the first to market with “buy now” buttons and are continuing to test and refine their offerings. Facebook is testing mini eCommerce pages and full-screen shoppable ads, and Twitter recently rolled out “buy now” functionality via partners system-wide. In partnership with eCommerce platforms like Shopify and Magento, Pinterest offers “buyable pins,” inviting pinners to shop their favorite items directly from the platform. Instagram is jumping on the bandwagon, too. Until recently, retailers had to turn to third-party workarounds to make their Instagram feeds shoppable. But in June 2015, the platform announced a “shop now” button as part of its new, highly targetable advertising offering. Tumblr offers a buy button for post links that lead to select websites. Google, too, is rolling out more and more retail-friendly ads, from expandable shopping units that provide product information and buy buttons in mobile ads that invite instant shopping.

Social video is also on board, as YouTube announced “TrueView for Shopping,” enabling brands to promote products contextually to viewers through in-video ads. Brands are jumping on the opportunity. Through Sephora’s innovative digital marketing strategy, the brand activated a shoppable YouTube video campaign that drove +80% lift in consideration, +54% lift in ad recall and an average view time of nearly two minutes.¹⁴

The rise of the “Buy Now” Revolution has increased another trend in online retail marketing: limited time exclusive offers and flash sales. Hootsuite CEO Ryan Holmes writes, “The fleeting nature of the news feed...lends a sense of urgency to the social retail experience.”¹⁵ As online shoppers expect more and more instant gratification, the imperative for brands to provide value in the right moment is more important than ever. Consumers report that free shipping, exclusive discounts and daily deals are top motivators for social shopping. This sense of false scarcity seems to be working, as eCommerce and social eCommerce continue to drive increased revenue.¹⁶

Factors that Would Encourage US Digital Buyers to Make a Purchase via Social Media When Holiday Shopping, Sept 2015 (% of Respondents)



Note: ages 18+; among respondents selecting “likely” for each factor.
 Source: MarketLive. 7th Annual Holiday Research Study, conducted by the e-tailing group, Oct 14, 2015. [Via eMarketer, Inc.](#)



As with any new marketing technology, brands need to be strategic in how they leverage “buy now” tools. The importance of reaching and adding value to the consumer’s life in context cannot be overstated. Because many of the “buy now” technologies are tied to ads, brands will need to be selective to avoid appearing overly promotional or hard-sell. One way to avoid this misstep is through smart targeting. Google’s new Shopping Insights tool shines light into location-specific

shopping search terms; these insights can inform effective targeting strategies. Also, because social commerce starts to close the gap between content distribution and eCommerce, it is imperative for both branded social content and the presence of “buy now” buttons to work together to provide a seamless and convenient consumer experience. The “buy now” phenomenon is still relatively new, but we expect more and more brands to jump on the opportunity in 2016.

How can brands keep up?

Understand Consumer Behavior Before Diving In:

Shopping behaviors vary from industry to industry, so do your research to understand how your consumers behave before launching full force into the “Buy Now” Revolution. For example, millennials tend to use social media as a research tool when shopping; while many would consider social shopping, only one in ten have actually made a social purchase.¹⁷ Stay on top of industry trends by keeping an eye on marketing publications, and talk with social platform representatives to understand the social shopping behaviors in your industry. Continue to closely monitor the shopping behavior of your customers so you can tailor their shopping experiences accordingly.

Improve the Shopping Experience with “Buy Now” Functionality:

As with any marketing tactic, the presence of “buy now” functionality should augment and streamline the shopping experience, not detract from it. “Buy now” should be placed strategically when the consumer wants it most, not when the brand wants to push the consumer closer to the point of sale. Adopt a testing and optimizing approach to gauge consumer response to “buy now” efforts.

Create a Seamless Omnichannel Experience:

For many retailers, social and online commerce are just a few touchpoints for the consumer. 70% of shoppers 16-21 in the US prefer online shops with a physical presence.¹⁸ As such, the experience you create on social, on your website and in-store should feel like one branded omnichannel experience.

A person is seen from behind, holding up a smartphone to take a photo of a crowd at night. The background is filled with out-of-focus lights, creating a bokeh effect. The scene is dimly lit, with the primary light source being the phone's flash and the ambient night lights.

4 SOCIAL LISTENING BECOMES SOCIAL INTELLIGENCE



As one of the most immediate and direct lines of communication between consumers and brands, social media has become a valuable feedback loop for the Consumer Marketing Director.

At its most basic level, social media provides rich insights into the tastes and behaviors of individuals engaging with specific content. These insights can be used to shape social content that consistently captures consumer attention. At a higher level, social listening can also uncover deeply valuable insights around consumers' wants, needs and pain points. As social listening technology continues to improve, the available insights become more and more powerful. Companies like Ditto offer "visual listening"—using computer vision to detect brands, products and scenes in photos. Leveraged in conjunction with traditional market research, these insights can become an important tool to inform targeted engagement and

marketing, ultimately increasing loyalty and LTCV (lifetime customer value).

From a big picture perspective, social listening and analytics provide a window into the causes that brand fans care about most. We predict that brands will increasingly leverage social listening to understand how they can display true social concern and action in meaningful ways that resonate with their key audiences.

In day-to-day interactions, brands can make their fans feel valued and heard by implementing real changes in response to their feedback. Consumers want and expect brand responsiveness.



While 78% of consumers surveyed in a recent Edelman research study think it's important for brands to listen and respond thoughtfully to their customers, only 17% feel that this is the reality.¹⁹

And brands are stepping up; over the next 12 to 18 months, customer service teams' implementation of social media monitoring technologies is expected to double.²⁰ Recognizing the importance of brand responsiveness, Facebook is rolling out several tools to help manage and streamline social customer service. Business page admins can now manage consumer expectations by indicating the average time it takes to reply to messages. And Facebook is rewarding responsiveness by labeling pages with a "Very responsive to messages" indicator, awarded only to Pages that respond to 90% of messages within five minutes.

Consumers expect more than customer service though; nine in ten consumers want opportunities to be involved in product development.²¹ Who's doing this well: Several CPG brands have led the charge in adopting a responsive stance to product development—from General Mills' Betty Crocker releasing a gluten-free line to Yoplait introducing lower-sugar yogurt options in response to social requests.²² '90s darling Crystal Pepsi is making a comeback after YouTube celebrity Kevin Strahle, aka L.A. Beast, launched a campaign for Pepsi to #BringBackCrystalPEPSI and rallied 33,000 of his fans to sign a petition.²³

Social listening should also be applied to identify and improve issues on a product level. For example, video game publisher Activision* utilized social listening to gauge community sentiment surrounding its public beta tests for Destiny and Call of Duty. With real-time monitoring of conversation on social media platforms and gaming forums, we were able to identify and respond to any concerns gamers were having as they happened, as well as gain valuable insights into what fans were liking and disliking about the test experience. Activision then used this data to work with the game developers to prioritize game enhancements. Using social listening in a cycle such as this not only improves products, but also validates and rewards social fans for their feedback and loyalty.

This practice can (and should) apply to brands across any vertical; for example, Best Buy now uses online reviews to inform business decisions, products and process changes at the vendor level, and has started to reward loyal customers who leave reviews with points that can be used for future purchases.²⁴

The fact that brands continue to respond to the requests and demands of their consumers is a testament to the power of the Consumer Marketing Director.

*Edelman client

In 2016, more brands will embrace customer-driven innovation to inform many aspects of their businesses—from social purpose and brand experience to product development and improvement.

How can brands keep up?

Operationalize Social Listening with the Right Technology:

Finding the right tool includes evaluating a number of variables including: volume of customers, size of the vertical and competitive set, number of queries needed, types of business intelligence desired, product roadmap and price. Brandwatch, NetBase, Crimson Hexagon and Sysomos are great options. The right tools also need to be able to scale across business units to support objectives. Ultimately, the wealth of information from social listening data requires a framework for distributing learnings across your organization as a means to allow the consumer's voice to be heard and understood by the whole organization. As social listening tools become more sophisticated, human analysis is an even more crucial component of the process. You can automate the scraping of comments, reviews and pain points, but leverage the business savvy of your company's talent to interpret and implement smart changes.

Pair Social Listening with Traditional Market Research:

Social listening often yields great insights, but it should not exist as the sole source of customer feedback. Use traditional market research to bolster social feedback. Activate a working integrated team across insights, marketing, social and product teams to respond to consumers thoughtfully and strategically.

Be Open to Disruption:

Consumers will always have a lot to say about brands' products, services and actions. Be willing to listen and act, changing your brand from the inside out to maintain relevance and favorability. Deploy an internal feedback system to drive change more rapidly through your organization.



5 CROSS-DEVICE CONSUMER JOURNEY MAPPING



“Customer journey mapping” has become a popular, buzzword-worthy marketing approach over the last several years. The concept is straightforward: understand the motivations, emotions and behaviors of the consumer at every touchpoint in their journey from initial contact with a brand to final purchase decision.

It would seem that this exercise would prove extremely valuable in understanding the consumer. But until recently, technological limitations have impeded a full understanding of this journey.

Marketers used to be able to track only cookies, not people. They could glean behavioral trends at a macro-level, but they were left with questions about a single customer’s activity as they move from device to device along the path to purchase. How does a consumer find out about a product? Do they conduct research about that product on their phones or tablets? What ads do they see? What motivates them to make that final purchase? Do they purchase on a desktop or in-store?

Now, marketers are getting closer to seeing the full picture. And the *Consumer Marketing Director* is sending clear messages through data and direct communication that brands cannot and should not ignore.

Technological advancements in the last year have enabled cross-device tracking that allows marketers to get closer to understanding the customer journey and to target them accordingly. Leading edge innovators like Facebook and Google have changed the game. Thanks to multiple-device logins, these technologies understand how unique individuals behave as they move from their desktop to tablet to phone and, in some cases, at the point of sale. Facebook has demonstrated the ability to link mobile ads to sales across devices and in-store with Facebook Atlas.²⁵ Google’s advertising platform DoubleClick provides marketers with cross-device measurement and reports that marketers who use cross-device insights have seen a 16% uptick in conversions.²⁶ Twitter offers cross-device tracking, as will LinkedIn in the near future. Experts hypothesize that Verizon’s \$4.4 billion acquisition of AOL—combining Verizon’s deep user data and AOL’s reach, advertising and content capabilities—was a move to create a superpower competitor in cross-device tracking and targeting.

Brands and marketers are about to understand the consumer journey like never before. Proof:

- While cross-device data is just a piece of the puzzle, when coupled with beacon technology, these tools can be used to track consumer shopping behaviors in-store, including how they act, where they spend time and what they end up buying.
- Wearable technology—like smartwatches—will collect consumer behavior data. These technologies will add a layer of measurability to in-person activities, from shopping to experiential events. Imagine the power of combining cross-device tracking with CRM data, credit card data and in-person behavior to truly understand how a consumer behaves in context.

Cross-device tracking is still too new for illustrative case studies, but we anticipate seeing lots of smart uses of big data by major brands in the coming year.

The biggest implication of this data for brands is the ability to create personalized and contextualized content, ads and experiences targeted to the individual consumer. Consumers want and value personalized experiences from brands, even if it means giving up some sense of digital privacy. 56% of shoppers want brands to deliver them information that is relevant to their interests and tastes.²⁷

Lastly, understanding the consumer’s cross-device journey will have significant implications in how brands approach customer service, delivering tailored assistance where and when customers need it most. This increased consumer understanding will yield more powerful, effective and valuable campaigns.



How can brands keep up?

Keep an Eye on Emerging Tracking Technologies:

As single-user data mapping becomes more sophisticated, platform-agnostic technologies will allow you to track like never before. Look into different tools—like Google DoubleClick, Facebook Atlas and the AOL/Verizon “super cookies”²⁸—to understand the breadth and limitations of pixel tracking. Technologies from Adobe, Salesforce, Oracle and IBM are starting to enable marketers to stitch together data from multiple devices. MediaMath’s ConnectedID enables targeting, attribution and analytics at scale. No matter the technology you choose, you’ll need to leverage smart data analysis to piece together consumer behaviors that begin to shape an attribution model.

Build a Strong Measurement Framework:

To start, you will need to manage and analyze multiple data sources across devices, understanding that each source will yield different and impactful insights. Build a measurement framework that forces you to look at targets, segmentation, metrics, frequency of reporting and process for implementation of tagging across devices. Work towards aggregating and automating your reporting so you can focus on leveraging the insights that come from the reports. Lastly, stop and think about what questions matter to you. The data you collect is only as good as the questions you’re trying to answer.

Test and Learn:

Activate a pilot program for a campaign that reaches consumers with valuable information and targeted paid media, meeting their distinct needs wherever they are in the purchase cycle. Track consumer behavior every step of the way so that you can optimize accordingly.

Be Authentic and Transparent:

Cross-device tracking is a hot topic for the FTC, and privacy is a legitimate concern of internet users today. Provide your consumers with the ability to opt-out of data collection. Listen to consumers, respect their concerns and shift strategy as needed.

Virtual & Augmented Reality

After years of speculation and iterations of bulky, low-quality technologies, the era of consumer-ready virtual reality is nearly upon us, with augmented reality following closely behind. These fields combined are expected to generate \$150 billion in revenue by 2020.²⁹ Virtual reality uses computer-generated simulations to create 3D environments that consumers interact with in seemingly real, physical ways. What does the advent of VR mean for the consumer? It takes them completely out of their real-world context and puts them in another world entirely—which is exciting to consumers, with 70% indicating that they are “interested” or “very interested” in virtual reality.³⁰

Oculus VR, founded in 2012, now has widespread name recognition thanks to its \$2 billion acquisition by Facebook in 2014, and the first Oculus VR headsets are planned for consumer release in early 2016. Oculus is just one of many companies enabling virtual reality experiences. Brands are using VR technology to showcase products, simulate environments or provide access to otherwise inaccessible perspectives (such as behind-the-scenes or faraway places). For example, outdoor gear company Merrell leveraged Oculus for their Trailscape campaign, in which consumers put on the VR headset along with a pair of newly-launched Merrell boots to hike in a simulated world full of rocky terrain.³¹ Nike recently leveraged VR

to show fans what it’s like to play on the field as the Brazilian soccer star Neymar Jr.³²

However, there are still major limitations for brands interested in exploring the VR space. High-caliber headsets like Oculus Rift come with a hefty price tag. While there are cheaper alternatives such as Google Cardboard, the cost of producing quality VR content can be high, and the number of consumers equipped with quality VR headsets is low. However, tech companies are starting to create VR headsets at an attainable price point because they understand that consumers will need an affordable device once these types of videos and experiences become more ubiquitous.

Augmented reality is just a few steps behind VR, with leading products such as Microsoft’s developer-edition HoloLens still in its production phase. However, AR overcomes some of VR’s contextual shortcomings as it relies on a more minimal pair of glasses as opposed to a full headset. AR is intended to add virtual interactive elements to a consumer’s existing world without taking them out of their physical environment. AR also adds promise to this space as it is an inherently more social experience than VR, but it still faces an uphill battle when it comes to cost. Finally, brands need to be highly discerning when using either VR or AR as storytelling mediums; while these technologies may seem like exciting shiny new toys, not all stories are meant to be told through enhanced reality.





Beacons

Although the Apple Store pioneered using beacons on a large scale in late 2013, only recently have more retailers begun to test them as a marketing technology. Beacons broadcast and communicate with nearby portable electronic devices. They allow smartphones and tablets to perform actions, such as sending push notifications to the consumer based on their location or transmitting data to the brand. With the advent of beacons, brands are able to collect more contextual data than ever before and target consumers more precisely. Through behavioral data, the *Consumer Marketing Director* is shaping the way they receive brand communications that add value to their lives.

Brands are currently using beacon technology in two main ways: to push content to consumers and to pull data from consumers. From a “push” perspective, beacons are used primarily by brick-and-mortar retailers. For example, the Miami Dolphins stadium used beacons in conjunction with their app to direct fans to the concession stands with the shortest lines, or to offer them special discounts when nearing merchandise stores.³³ This approach typically requires the consumer to opt-in and most frequently works alongside an app. Target has already begun testing beacon use in 50 stores, using them to serve shoppers customized messages and offers through their app.³⁴ From a “pull”

perspective, beacons are used in the background to gather data about consumer actions, answering questions like, “How do consumers move about the store?” or, “Where do we see the most foot traffic?” They are increasingly being used to connect the consumer’s retail journey across devices, bridging the physical with the digital and targeting communications based on the resulting analytics.

However, there are still potential use-cases of beacons that have yet to be embraced by brands. We anticipate that advertisers will use beacons to push highly-targeted ads within a geo-fenced area based on existing data about the consumer. There is also the inevitable interaction of beacons with paid social media, as Facebook already offers free beacons to their brick-and-mortar retail partners. Perhaps one day, beacons will even alter the organic content seen in social feeds. Beacons also could add real value to loyalty programs with personalized, location-specific offers. Finally, beacons have immense potential to add greater ROI to the experiential marketing world by tracking event attendees’ actions, gathering their data and then re-targeting them after the event on other digital platforms. When it comes to the limitations of beacons, it’s simple: Consumers may be uncomfortable with the idea that brands are aware of their exact location and can opt-out when the option is available.

eSports

Faker. Dendi. SingSing. Sumail. Aui_2000. To a large number of millennials, these names are bigger and matter more than LeBron, Kobe, Mayweather and Rousey. But whose names are these, and why do they matter? They are the self-appointed handles owned by some of the biggest eSports athletes in the world. While some may wonder whether people who play competitive videogames can be considered “athletes,” or if digital battlegrounds can be considered “sports,” it doesn’t matter. eSports athletes are making millions, and the games themselves are attracting audiences that eclipse some of the world’s biggest sporting events.³⁵

As a quick crash course, eSports refers to competitive video game tournaments, often played among professional gamers. These competitions—once relegated to backroom tournaments in gaming stores and basements—are taking over the world’s biggest venues and are now predicted to become a \$3.0 billion industry by 2020.³⁶ And some say that’s conservative.

These numbers are attracting massive interest. Noted investors such as Mark Cuban and Ashton Kutcher have already made commitments in the space, a Hollywood exec group just bought a team,

and it seems like every other day a new investor makes a move to get in on the ground floor. This is the start of something new, just as the NFL, PGA, MLB and others began so many years ago. Only this time, with eSports, anyone can play any time, any place. Anyone can be a star. Accessibility is key to eSports’ ubiquity, interactivity and growth.³⁷

Brands, of course, see huge opportunity in the space. Activision* has launched the Call of Duty World League. TBS* announced a televised tournament series,³⁸ and Duracell boldly entered the space with the “Longest Lasting” tournament, a 26-hour non-stop competition hosted on livestreaming video platform Twitch.³⁹

Esports is finally maturing into a full-fledged industry, and it already has massive reach and influence potential for brands aiming to reach young, male consumers where they are highly engaged. It will be imperative to watch the gaming community’s reaction to brand engagement in the space and to tailor approaches accordingly. Nevertheless, in the next year, we predict that leading edge brands with an eye to reach the gaming crowd will enter the eSports space sooner than later.

*Edelman client



Conclusion

This year, the *Consumer Marketing Director* will be more powerful than ever, and brands will listen and respond.

As marketers, we'll shape consumer-centric videos with impact, leverage influencers creatively, drive purchases when and where consumers are ready to buy, leverage social listening more strategically and test technology that tracks consumer behavior across devices. This year will bring customized experiences that transcend device and geography, seamlessly fitting into consumers' multi-screen world in a way that's authentically integrated, always-on and engaging. We look forward to watching the year unfold.

Authored by: Laura Goldsmith

Contributions from: David Armano, Jess Clifton, Adam Hirsch, Rob Jones, Kevin King, Allie Prater, Amanda Sklad and Kyle Stallock



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