



5G

♥ MINDSHARE FUTURES

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Sophie Harding
Trends & Insights Director
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Welcome to Mindshare's trends for 2020. The backbone to our Futures Programme, these trends aim to get to the heart of those areas in technology, communications and culture we should be watching for the year ahead and beyond. Key areas of exploration include 5G, more human data sources (such as facial recognition and wearables), streaming wars, disruption in the brand landscape and the transformation of advertising.

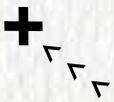
We pride ourselves on approaching trends a little differently, with consumer opinion central to all of our findings, delivering on our audience-first proposition for clients and unlocking growth for them in the year ahead. These trends are the culmination of four months of intensive consumer-facing research, including multiple quantitative surveys spanning 5000 UK consumers aged 16+ and multiple bursts of qualitative research both online and face to face with over 110 people of all ages, from all walks of life and from all over the country. We aim to dig into human thoughts and behaviours, identifying not only what is happening but why – something that's not always easy when talking technology, futures and innovation! As society becomes more polarised (a trend in itself), speaking to such a wide range of people is even more essential. We see massive differences for example between those that live in cities compared to rural areas, or those that are more confident with technology versus those that are not.

If you have read Mindshare's trends in the past, you will notice that our trends are a little different in flavour this year. We are still tracking lots of the trends and tech featured in previous years, everything from voice to visual search, but the trends we have chosen to highlight this year are more all-encompassing in terms of subject matter compared to previous years. With all that is going on in the world, there are much broader cultural points of influence to factor in. People are taking stock and thinking bigger picture. Technology, brands and marketing are being questioned and re-evaluated along with a whole host of other areas of life. This year's findings go right back to fundamentals – how people feel about connectivity and data, their relationship with brands and what they really want from 'advertising' and entertainment. It's anything but basic, and much of this will drive the future of our industry, not just in 2020 but for the next decade ahead.

We hope you enjoy the trends and they give you some food for thought. Our Futures programme will continue to research some of these and other areas in more detail as the year goes on. Do get in touch if you would like any more information. Happy reading!



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AN INFLUENTIAL SETTING

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OM5G?

5G is a huge part of our future and is set to change everything, from the devices we use to the experiences we have, but at present people aren't engaging and it may take longer to have an impact. Great progress in the tech space is in the air but are people on board?

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BODY TALKS

Data points are getting even more personal. We have moved from providing basic contact details to revealing search, purchase and location behaviours, and now into the realms of information about our personal and bodily responses.

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LIVING THE STREAM

A need for instant, on demand, quality content is driving the streaming world. Companies are looking to be the provider of all things entertainment, shrewdly consolidating and adding new devices and subscription offerings into the mix.

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BRAND NEW WORLD

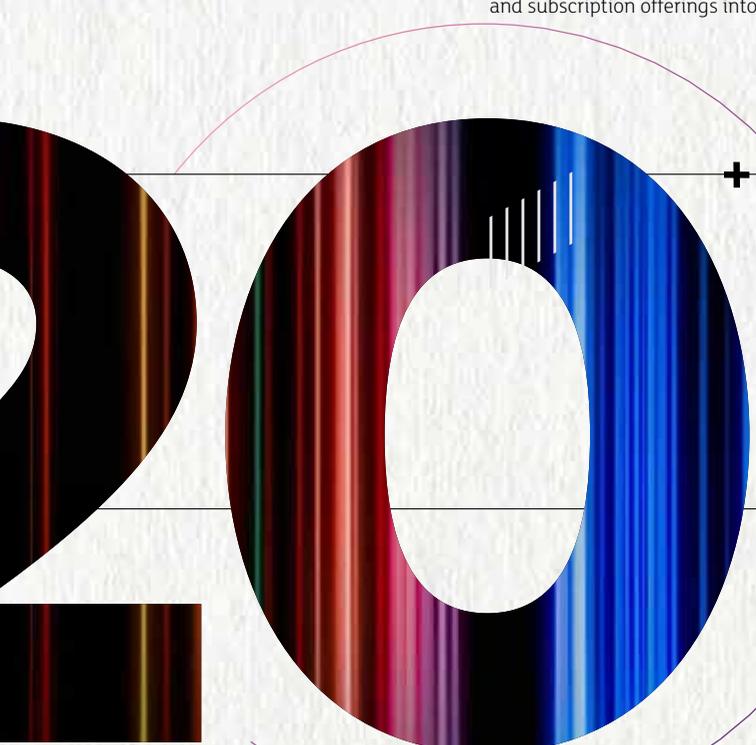
It's now a harsh world for brands, where cynicism is rife, savvy shopping is encouraged and we are faced with more choice across every buying decision we make.

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AD BREAKS?

Less overt forms of advertising will continue to grow, where brand messages are more embedded into the content itself – everything from product placement through to branded partnerships. Context will be absolutely key, more so than ever.

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**AN.INFLUENTIAL.
SETTING**



**WE ARE A
FRAGMENTED
NATION**





AN INFLUENTIAL SETTING

The last few years are unlikely to be remembered in history as a golden period for the UK. Political and economic upheaval, coupled with general uncertainty around the future direction of the country, has resulted in widespread divisions. Across the generations, by regions and within families, differences of opinions, values and behaviours are now the new normal.

Given the levels of turbulence that people are having to contend with, it's unsurprising that our behaviours and values are going through similar challenges and change. Many now feel that the future is a little out of their control. Working out who to trust and how to take action around the things that matter is becoming a priority for some. And all of these human responses are creating raised expectations around the media people spend their time with, the advertising they are exposed to, and the brands they buy into – issues that we explore in more depth throughout Mindshare Futures' five trends for 2020.

But before we get into the Trends themselves, let's step back for a moment.

It will come as little surprise to read that people are worrying about a raft of weighty issues at present, and that advertising, brands and technology are pretty low down on the agenda. Topics such as Brexit, the NHS, the political leadership of our country, the challenges facing the environment are what's concerning many of us. But too often, these big issues are the ones that people feel they are least able to resolve. With the notable exceptions of the environment and the cost of living, less than a quarter of people who are very concerned about an issue actually feel empowered to do anything to address it. The reality these days is that many of us feel powerless to put right the very things that are concerning us the most.

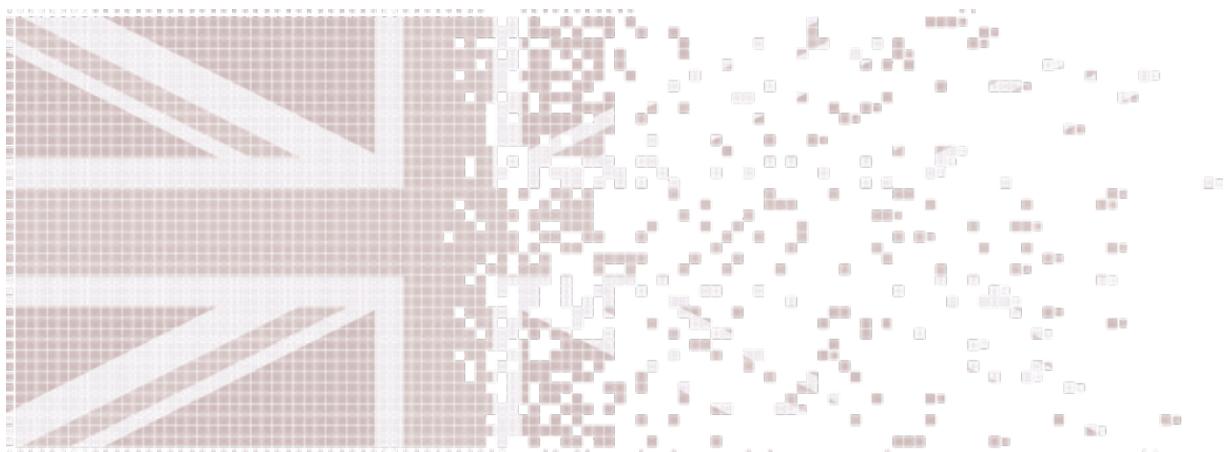


‘We are a fragmented nation’

People feel decisions about the future are happening above them, to them, but not necessarily with them. This lack of control over the future is something that is spilling across many dimensions of our lives. Technology, for example, previously seen by many as having a positive impact on life, is now being increasingly questioned by people, for the way in which it dominates our time, and for our over reliance on it. In 2018, 77% of people claimed technology had a positive impact

on lives; this has dropped by a massive 13% in 2020 to just 64% of the population. These growing concerns around technology have implications for many of the themes we are exploring for 2020 – from whether people will really feel the need to upgrade to 5G, a key theme in the trend OM5G, through to the financial implications of yet another content-related subscription explored in Living the Stream, and then the potentially intrusive nature of new personal data sources in Body Talks. Meanwhile, the heady combination

of declining trust levels on the one hand, with increased access to more information and knowledge on the other, is creating new challenges for brands, advertising and media alike. Less is being taken at face value, with a more cynical viewpoint being adopted instead across many areas, often causing new challenges for advertising, a theme explored in our trend Ad Breaks. A ‘prove it’ culture is emerging where everything will need to not only talk the talk, it will also need to walk the walk.



The many issues facing people today are having a profound impact on our national psyche. People’s beliefs that the UK is a nation of tolerance, warmth and openness have been brought into sharp doubt. Two-thirds of people now feel that the UK as a whole is not currently living up to the values that they believe are central to its national identity, with these concerns rising to even higher levels amongst over 55s and those living in rural locations.

One major concern is the way in which honesty and helpfulness are now felt to be in short supply. The lack of common ground, of unreliable truth and challenged openness, is uncharted territory for many. People now have almost a sixth sense about what subjects are safe to share with different audiences and have become quick to change the subject if they sense the conversation will lead to disagreement. This fear of being called out for words and actions is becoming an issue for brands too, with more than half of people saying they’ve recently

noticed many more brands and companies being called out for behaving badly, and a third now acting on this information, saying they have recently stopped buying from some brands and companies because they don’t agree with their values.

But it’s not all doom and gloom. The British are a resilient lot, and a positive counterbalance is emerging in response to these feelings of paralysis and powerlessness. People are consciously and deliberately seeking out those areas where they can make changes and where they can make a difference instead. We see people trying out new brands and new ways of buying – a topic we explore more in the trend Brand New World. And environmental concerns, in particular, are benefitting from this reaction, with the growing adoption of small everyday changes around both habits and shopping, now well-established as new behaviours.

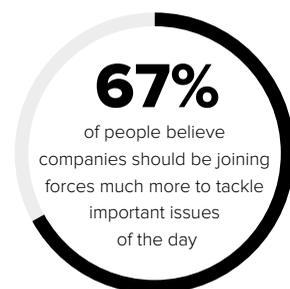


‘WHAT IS MOST IMPORTANT TO ME IS THAT I MAKE THE CHANGES THAT I NEED TO MAKE. I THINK PEOPLE RESPECT YOU MORE, IF YOU LEAD BY EXAMPLE’

These small, everyday positive actions are helping people to feel like they can have some control over their futures. And they offer an additional side benefit too, with their potential to reunite opinion, with the possibility of things coming together again. Whilst Brexit may feel like it has divided the UK, climate change, and looking after the planet better, are starting to bring people back together, offering a tonic to the disharmony that exists around so many other areas. And there are opportunities for brands to help make a difference here too, particularly if

they can find ways to band together – two-thirds of people believe companies should be joining forces much more to tackle the important issues of the day, such as climate change.

So, a time of division, of declining trust, of frustration, of scepticism and concern for the future. Challenging times for both people and brands. Opportunities are still available for the brave, but integrity, and a consistent set of values and behaviours, both in public and private, will be an essential.



OH.MY.FIVE.G?



LIVE DATA

LIVE DATA

LIVE DATA



OM5G?

「5G IS ON ITS WAY,
BUT IS IT
REALLY OMG
AND DO PEOPLE
REALLY CARE?」

WHERE HAS IT COME FROM?_

It's 2020; the year some forecasters predicted 10 million self-driving cars on the road, the year that shipments of VR headsets would hit 64.8 million yearly, outstripping consoles, and the year that the global drone market would near \$127 billion...OK, so perhaps this was over-egged just a little bit. These technologies are still progressing, but they haven't quite taken off as much as some had predicted. But, why? Well, along the way hurdles have presented themselves; the tech has been expensive, the content is still lacking and we simply haven't had the quality and amount of connection required for some of these experiences. However, change is a foot. When 4G came about almost ten years ago, a whole new era for apps, ecommerce, social media and video content was born and our mobiles became ever more central to our lives. 5G is now set to bring about endless possibilities, for doing the things we already do quicker and better and for tech developments

that need a kick start, but also for things we haven't even imagined yet. 5G is a huge part of our future and is set to change everything; the devices we use, the immersive experiences we have and our environments such as smart cities and connected homes. So, what exactly is it? 5G is a 'software defined network', which means it operates on the cloud. By operating through the cloud, 5G is 100x faster, dramatically improving internet speeds and response times. For example, downloading a 2-hour film on 4G takes about 7 minutes. On 5G the film is likely to download in under 5 seconds! But it's not just about speed. It's the answer to all of our buffering prayers and once 5G is in place, the possibilities with new technologies and devices become near endless. The networks are here, it is rolling out in cities, the devices are here....(OK wait, so maybe not en mass, but they will be) and people are feeling...well a little underwhelmed. Houston, do we have a problem? 🌀

HOW IS IT DEVELOPING?

Scream if you want to go faster...or not

Well, according to our research, it appears that not many are screaming to go faster just yet. 5G was 2019's biggest buzzword in marketing and technology. We saw a huge splash about it at CES 2019 and the networks have now launched in major cities. Yet it feels like everyone has forgotten to explain to what the technology is, why it is different to 4G and why it will change our world to those that matter the most. Most people have heard of 5G (95%) but beyond that, their knowledge is minimal and the only message that seems to be getting across is that it will be faster. (See Fig. 01)

'I feel like there was such a big jump between 3G and 4G, and 2G and 3G, but I don't know, it just feels like it will be a bit faster, but nothing to write home about.'

This lack of knowledge means that people are not really seeing it particularly differently at all. It's just 'another G'. Over half (54%) of our respondents felt that 5G is just the next 4G; they just don't know what the big deal is.

'I think 5G seems a bit pointless. I mean, 4G is fine for me, you reach a certain speed where it really doesn't make a difference based on the things that you're doing the majority of the time.'

And this is it in a nutshell. Most are only thinking about 5G in relation to the things they are familiar with and doing at this point in time, not for it's future possibilities. In their opinion, download times being a bit faster for things they are currently doing

are a nice to have, but not essential and not worth paying more for as a standalone proposition. Other more important benefits that 5G brings are not getting across. Latency, for example, or no 'lag time' in simpler terms if you prefer, is not on the radar. 5G will bring about instant connections – up to 10 times faster than human eye to brain speed to be exact, enabling real-time connections, which will be important for experiences and devices that are yet to come our way. 5G will be a fundamental part of running smart cities, autonomous cars, immersive experiences and tech enabled homes, but this is hard for people to imagine right now. Health scares and fake news around 5G were something people had heard about but concern was not quite as high up people's

**5G WILL BE
10 TIMES FASTER
THAN HUMAN
EYE TO BRAIN
SPEED**

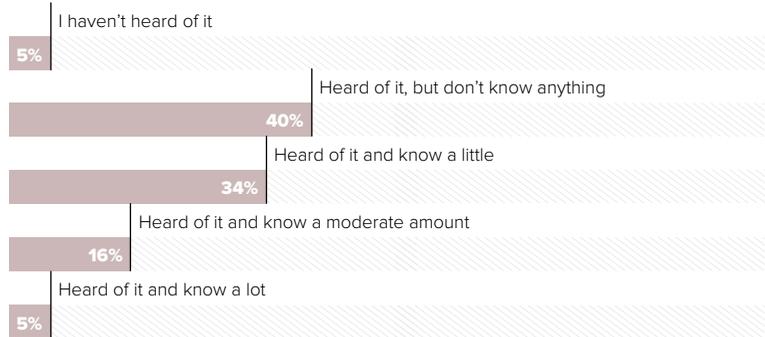
agenda as we expected. Most felt they didn't know enough about the technology to judge whether these things were true or not.

However, this is only a snapshot in time and if there is only one take out, it is this – there is hope! Our research found that once people were given more information and knowledge about 5G and had discussed the huge impact it will likely have on all areas of their lives, they felt more positive and generally more open to it and the technologies it will kick-start. In fact, after more explanation and discussion, perceptions changed entirely with respondents saying things such as 'Wowzers! I didn't know 5G was such a paradigm shift.' More time and education are needed and then 5G will be on its way.



Fig. 01

How much do you know about 5G? (16+)



'I struggle to see any tangible benefit beyond "it's faster"'

Male, 25-34, Non-London

'GENERALLY I DON'T THINK MY DAILY LIFE IS CURRENTLY PLAGUED BY SLOW INTERNET SPEEDS. THINGS WORK QUICK ENOUGH FOR ME ALREADY'

Female, 25-34, Non-London

HOW IS IT DEVELOPING?



The 'Multi device' enabler

It is not just about speed of data or latency, 5G is capable of accommodating a lot more (there are claims of up to a million) devices all in one spot – it has more bandwidth if you like. No more problems at events when everyone is trying to connect all at once. So, in theory, combined with its other benefits, no more connectivity issues. However, reliability and better coverage were not attributes people naturally associated 5G with, but were something they were willing to pay more for. (See Fig. 02)

We also asked people to think beyond the things we already do with our smartphones. Think other devices. A multitude of them. Add this idea of more bandwidth to latency and we have a network of devices that can all connect together, reliably, in real time, with no delay. The IoT suddenly feels more real – voice assistants, cars, packaging, smart appliances, wearables that all seamlessly connect to each other for our benefit.

By connecting all these devices, we open up not only our lives but also our cities to a whole range of advancements. Several countries

have started to explore the possibilities of 5G in their cities and are seeing huge benefits.

Amsterdam have tested an IoT-based infrastructure to manage traffic flow, energy usage and public safety. And Barcelona now has a network of fibre optics that run throughout the city, providing free high-speed Wi-Fi that supports the IoT. So far it has saved the city €75 million of funds and has created 47,000 new jobs in the smart technology sector so far. 5G will eventually be pushed out globally to big cities, having a huge impact on our environment and changing how

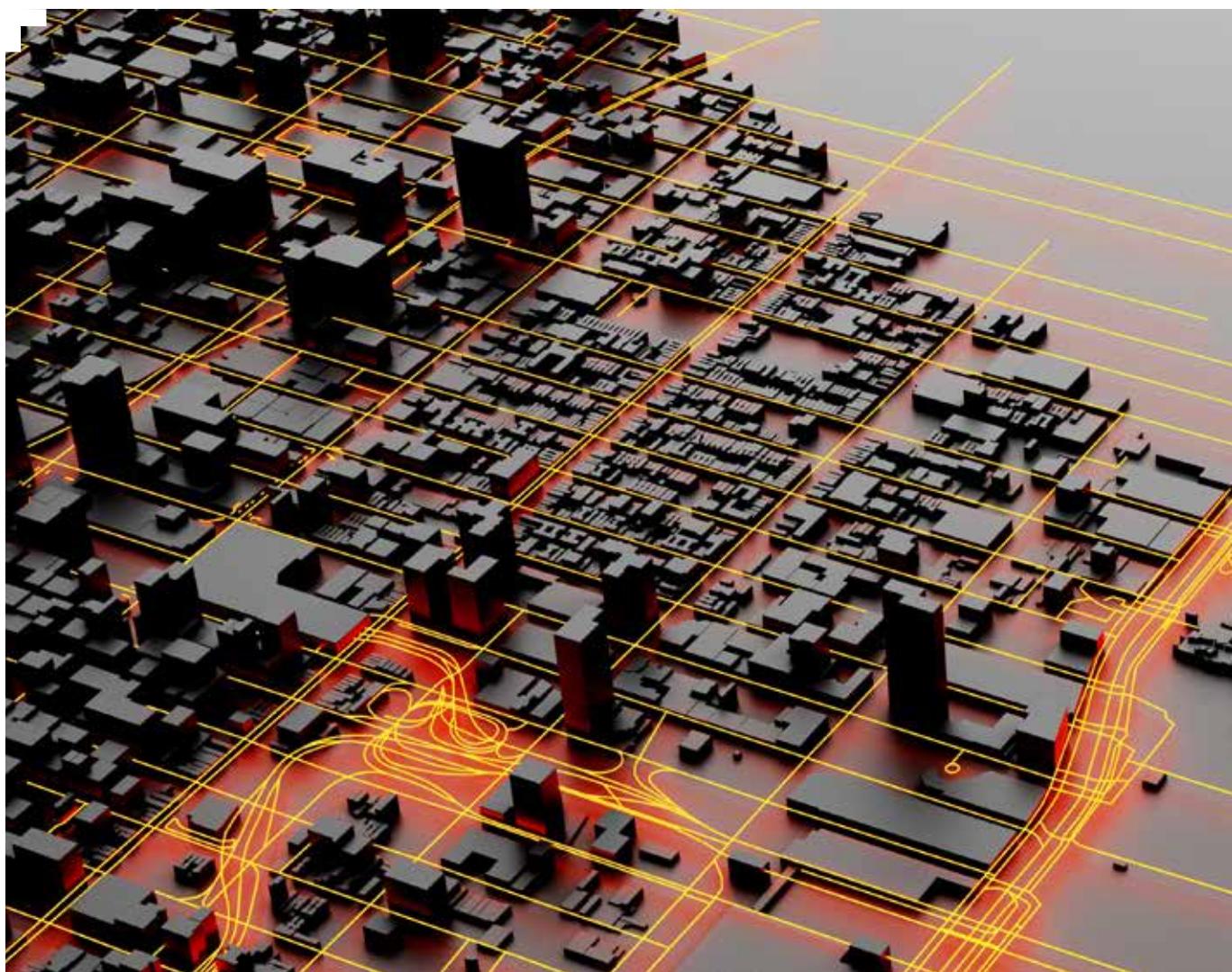
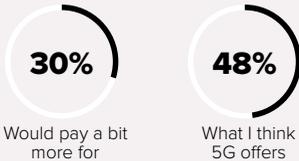


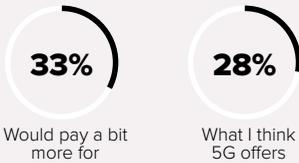
Fig. 02

Attributes I would pay a bit more for versus what I think 5G offers

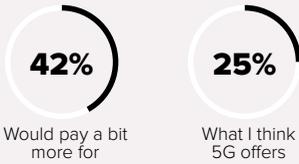
CONSIDERABLY FASTER DATA SPEED



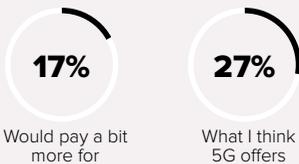
COVERAGE EVERYWHERE I GO



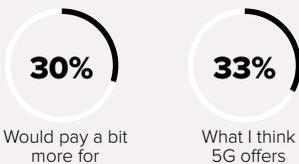
A 100% RELIABLE SERVICE



BETTER VIDEO QUALITY



INSTANT CONNECTION



‘When it’s reliable I’ll be excited about it. You know, when something really is working, because this country, the UK, is awful in terms of broadband and Wi-Fi. It’s ridiculous.’

Who’s this quote from??

we fundamentally think about cities. But ‘smart cities’ were a concept that felt far away for people. 42% of people thought we were nowhere near achieving smart cities, whilst another 40% thought we were in the process but were still a while away from achieving them.

So, let’s think closer to home and talk about content. There will be less need to store or run everything on our devices, as much more of our content will become cloud based. Good news for anything that involves lots of data and requires instant speeds of connection. The possibilities for

immersive technologies such as augmented and virtual reality just shifted up a gear. And in gaming, for example, in the last year Google, PlayStation, Xbox, and others have announced cloud-based gaming platforms which will allow gamers to play games on their smartphones on-the-go. Of course, we can already play games on our mobiles through apps, but these new cloud-based platforms combined with 5G will allow gamers to play games that were previously only playable on console due to issues with processing power, bandwidth and lag, on mobile.

42% OF PEOPLE THOUGHT WE WERE NOWHERE NEAR ACHIEVING SMART CITIES

Time sweet time

Across Europe and the US, 5G networks only started rolling out in densely populated areas in 2019, whereas in some countries like South Korea, 5G networks are already more established. We still have a way to go with 5G devices themselves too. Devices people currently own are not 5G enabled – most people are not aware of this at the moment. Smaller numbers of 5G enabled phones do exist from the likes of Samsung, Motorola and the Chinese tech giants, but it is not until this year we will see 5G phones from Apple and Google – watch out for the Pixel 5 and the iPhone 12 Pro. The Samsung Galaxy S11 is also coming. But the majority of people say they won't be rushing

out to upgrade their phones as soon as they are available. Only 16% say that 'when 5G becomes available, I'd buy a new device even if I wasn't eligible for an upgrade', although this does differ by audience. It is going to take time for these devices to filter through.

The networks are still small in scale and it may take some time for the speeds and promises to be delivered outside of built-up areas. But, big investments are going in and 5G deployments will continue with vigour across Europe. We expect the uptake of 5G enabled smartphones and technology to be slow at first whilst consumers get to grips with

the benefits they bring and whilst the providers get the tech in place, but then uptake will increase relatively quickly. 45% of people feel like 5G will take years to go mainstream and this is true to a point. In real terms, it will take another 4 to 5 years for us to really feel the effects of the technology. Forecasts from Cisco predict that 5G will triple mobile speeds by 2022 and command a 42% share of all global mobile connections by 2024. Ericsson suggest 2025 for 5G to overtake 4G in all aspects, by which point they predict 2.6 billion subscriptions worldwide. 4G is not going anywhere soon and we will be living in a world with a mix of 4G and 5G for a good few years to come.

Thinking beyond the smartphone, for years now we have been excited about augmented reality (AR), virtual reality (VR) and mixed reality (MR) and the devices these technologies are available on, yet we are still waiting for something to really stick and be adopted by the masses. 5G

could be the catalyst that we have been waiting for, but even Apple, who have been driving the conversation around AR and VR, have pushed back the launch of their VR and AR headset – with a focus on gaming,

watching video and virtual meetings – to 2022, and that of their smart glasses to 2023. However, these devices are coming and we need to get ready for a paradigm shift!



IN THIS SPACE

01

VIRGIN TRAINS

Trial on-board 5G.

02

QUALCOMM AND LENOVO

Launch the world's first 5G windows 10 PC.

03

KT AND SAMSUNG SMART HOSPITAL

Fuelled by 5G, designed to power rapid connectivity between departments and the monitoring of surgery remotely.

04

VODAFONE'S 5G HAPTIC TACKLE

Haptic 'Teslasuit' and 5G connectivity to enable two Wasps rugby players to feel the force of a tackle despite being 100 miles apart.

05

CONNECTED AMBULANCES

O2 and Samsung are working on 5G connected ambulances for the NHS.

06

O2 5G POWERED LIVE AD

O2 captured live footage of the crowd at the 2019 Rugby World Cup, which was then broadcast instantly during a commercial break.

07

MEETIN VR

Enables businesses to have meetings, presentations and workshops virtually and remotely.

08

PIRELLI CYBER TYRE

Tyre with inbuilt sensors can track and share road conditions and other driving data with your vehicle and other vehicles nearby.

09

M-BYTE

By Byton. 5G supported car, including autonomous driving options, other 5G features and Alexa built-in.

10

5G MUSIC LESSON

Musicians in different locations were brought together for the worlds first live streamed music lesson.

01



09



04



03



02



05





WHERE NEXT?



Uptake of devices dependant on audiences and cost

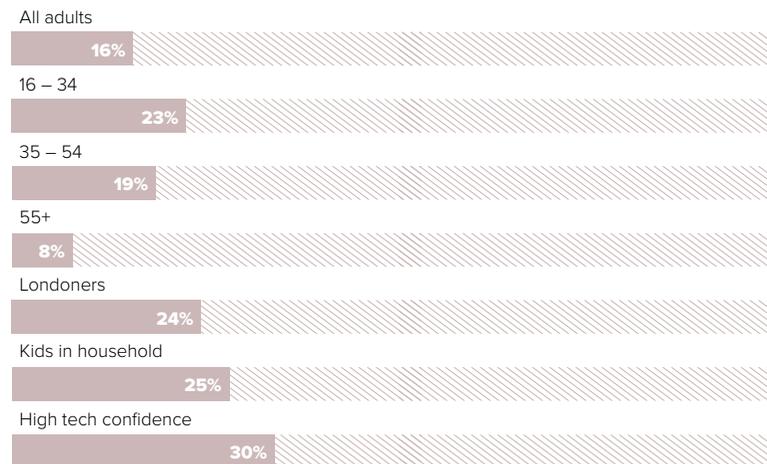
The purchase of 5G enabled devices will be driven by particular audiences, namely younger people (and their parents!), those with high tech confidence and those living in urban areas that will see more immediate benefits (See Fig. 03). If devices and tariffs are made more affordable, this will do much to accelerate the growth of 5G. Ericson's latest report suggests that most services providers are pricing their 5G packages around 20% higher than the closest 4G offering. There is concern from people that Apple's new 5G enabled phone will be, in their words, 'basically, their most expensive phone yet'.

5G fuels the fire for a whole new world

5G, with its ability to support a multitude of connected devices in the same space, will provide the fuel for devices that have remained on the periphery or maybe that we haven't even thought of yet. Self-driving cars, smart cities, connected homes, connected everything, will start to feel more real for people. Sensors will be embedded in almost anything, with the cost of this connectivity built into the products themselves. Perhaps it will be the carriers who will now have the data advantage. And think beyond just devices, 5G could bring about ways of interacting that aren't even on our radar just yet, as 4G did before it. Haptics is an area 5G could invigorate, using tech to simulate touch, feel and movement. Whatever emerges, we will inevitably see a shift away from viewing information on a screen.

Fig. 03

When 5G becomes available, I'd buy a new device even if I wasn't eligible for an upgrade



Our cities and infrastructure are set for big changes

Imagine not being stuck in that traffic jam on your way to work every morning, imagine quieter roads in London, imagine a smart energy grid that uses the most environmentally friendly option whilst keeping costs down by switching between partners in real time. Imagine smart homes that

know the routine of its occupants and can respond to the upcoming challenges that day. We can expect to see cars running on a 5G network, talking to the city's systems and informing them of accidents, traffic jams and breakdowns, which will vastly improve road conditions; hospitals and ambulances that

are 5G connected. Most people are not thinking about these kinds of efficiencies, but the UK has plans to use huge data sets and smart technology to improve this country's infrastructure, ultimately benefiting the economy, but it can only become a reality once 5G has been fully rolled out.



A new role for mobile

At present, 65% of people hate the idea that mobile phones won't exist in the future. But they need not worry for the next 5 years at least! Our smart world will need to be controlled by something initially. Smartphones will house the keys for our cars, and act as our personal

voice assistant, the remote for devices in our homes and even our homes themselves. Fuelled by 5G and artificial intelligence in the cloud, our phone will also become the gateway to more immersive experiences using technology such as AR. And the business model around phones will

likely change too, taking it beyond people simply paying for data access. The role of our phones will change massively over the coming years. We are set to become even more reliant on them, before eventually moving away from them to more wearable and invisible devices.



WHERE NEXT?



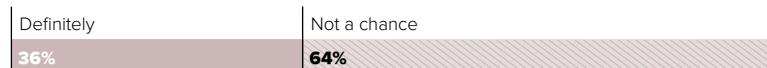
VR/AR/MR... the next frontier

Prepare for a resurgence of virtual, augmented and mixed reality technologies, bringing amazing new virtual experiences that move beyond gimmicks to add real value. Think big and further ahead to what this could be the start of...virtual work spaces, shopping in virtual reality, the ability to experience products virtually before you buy them. ObEN is a virtual avatar company that makes your avatar look like you in real life. We could even see holograms acting as store assistants, in place of people that can't be there in person. Perhaps our virtual avatars become as important as our real selves as we spend more and more time in these 5G enabled virtual worlds surrounded by virtual entities (See Fig. 04).



Fig. 04

Virtual entities and holograms will be all around us



Content gets supercharged

5G is set to bring new levels of engagement with content. Storytelling will be enhanced via more immersive experiences. Live events, for example could include real-time commentary on sports players or instant goal replays. Content will also become more reactive and personalised, with different storylines or focuses evolving based on people's moods, wants and needs. Thanks to streaming in the cloud, content production, e.g. news, could be broadcast instantly from any location, even remote ones, without the need for huge production budgets and infrastructure.



THE PEOPLE'S POV



1

Almost all have heard of 5G, but lack of knowledge is acting as a barrier. 4 in 10 say that they have heard of it but don't know anything about it, for example.

2

The message getting across about 5G is predominantly that it will be faster and many people are doubting whether they need this. Other benefits are not being recognised.

3

Two-thirds of people would not be willing to pay more for 5G, however, are prepared to pay for lots of the individual services that 5G delivers. There is a clear mismatch, and 5G is clearly meeting a lot more demands than people think it is...

4

There is a lack of awareness around how 5G essentially provides a lot of the things that people want – such as a 100% reliable service and coverage everywhere they go. Latency and ability to support multiple devices had not really been considered either.

5

At this point in time, only 38% of people state they would like access to a 5G network, with this decreasing significantly amongst older audiences.

6

Female audiences in particular are unimpressed, not really understanding the 'big deal' around the tech, believing that 5G is just the next 4G.

7

Younger audiences are more aware of the impact 5G is going to have. Under 35s are over 50% more likely to think 5G will impact their lives.

8

Publicity around the health risks of 5G is not impacting as much as you would think. Only 26% say they have heard about health risks with 5G, rising to a third for parents and under 35s.

9

People are not naturally imagining the possibilities that 5G could bring for the future. Most are thinking about the impact of 5G on the things they already do with their devices and are finding it hard to think beyond this.

10

Once people were given more information to understand 5G more fully, their opinions turned around. All audiences were much more open to it and the technologies it will kick start. More education and time is needed.





01

WIDER BRAND EVOLUTION

How will your brands themselves evolve to fit into this new 5G enabled world?

02

5G PLANNING ESSENTIAL

Marketing will need to be a key part of your business's wider implementation plan for 5G.

03

OPPORTUNITY TO CAPTURE RICH AUDIENCE DATA

A multitude of new devices, capturing new data points, will offer opportunities to capture rich audience data.

04

LOCATION INSIGHTS MOVE UP A GEAR

A whole host of newly connected devices used in more places will drive a new wave and depth of location-based audience insights.

05

EDUCATING THE NATION

Education about 5G will be imperative across both your business and your customers.

06

DATA ORGANISATION ESSENTIAL

Data will continue to grow at an accelerated pace. Evaluate how your data is organised and linked as this will be the foundation for all insights.



07

NEW ROUTES FOR PRODUCT DISCOVERY AND EXPLORATION

5G will offer new and immersive ways for people to discover, explore and buy your products.

08

CONTENT, CONTENT AND MORE CONTENT

5G will encourage greater consumption of content with more opportunities to get your brand message across.

09

SUPER-CHARGED CONTENT ENGAGEMENT

Content engagement is due to shift up a gear. How can you use 5G to make your content more engaging?

10

CONTINUED EXPERIMENTATION ESSENTIAL

Continued experimentation in areas of innovation such as voice and augmented reality will be key, providing valuable insights into your audience's interactions with these new technologies.

FINAL MINDSHARE THOUGHTS ▼

5G is on its way and there is much to get excited about from a tech and marketing perspective, but the effects won't be immediate, as we can already see from the public's reaction. It will be imperative to use these years of transition wisely. Get 5G ready now. Make a plan. Invest. Innovative brands and companies are already starting to explore the possibilities for both their company and their marketing. As people realise the potential of 5G, other tech concepts will become more possible and who knows what 5G will bring with it in the longer term. Possibly a total transformation of marketing itself. Hold onto your hats, we are in for an exciting rollercoaster of a ride.



Anna Watkins

UK Managing Director, Verizon Media

What impact do you think 5G will have on our world?

We are calling it the fourth industrial revolution. When you look at all the parts of life that 5G connectivity and mobile edge computing (i.e. having instant, low-latency, huge throughput, cloud-based computer processing that will be available at the 'edge' of the cellular network – hence the name – enabled by that 5G connection) will impact, you start to see why. Everything we do as humans

can change; from the speed of technology and connected devices, to how technology like AI revolutionises business from supply chains to communications and everything in between; healthcare, gaming and entertainment, even driverless cars, smart cities and transport networks. There will be very few parts of life in a 5G connected society that won't be impacted in a big way.

How do you predict people's behaviour will change as an impact of these new technologies?

When you look at media and advertising, content providers and brands need to be thinking and planning now for how consumption will change. Device form factors are likely to change drastically, as processing power will not be as important in the device itself, given all the big computing power will happen at the 'edge' of the cloud. So think smart glasses: highly engaging, beautifully produced AR experiences can happen in real

time on glasses that will look like your typical pair of Ray-Bans, rather than clunky, chunky forms of previous incarnations. In everyday lives, people will expect ever more instant actions and reactions to their demands with brands. They will always want a combination of written, audio visual and interactive experiences but the ways in which those will be produced, delivered and consumed will be hugely disrupted from the current status quo.

Do you think people know what 5G is set to bring about?

Our own research showed that consumers were most excited about data speeds, higher definition content, consistent and quality video, improved connectivity, faster and smarter wearables, and fewer or no dropped calls. But in a similar vein to the findings from your research, this really tells us that people are only really thinking about the stuff they know about. They know and understand that their phone is likely going to get faster and the biggest short-term winner will be video, with Ultra High Definition (UHD) 4K and 8K video becoming mainstream and mobile. AR/VR entertainment will also benefit and research by IBM, looking at how consumers

view 5G changing the entertainment and media industry, also suggests people are really excited about what it means for live events, like concerts and sports, as well as eSports. 5G has the power to increase the speed and efficiency in the production of content, and of course the ability to create amazing interactive content experiences, like those being tested at football stadiums and eSports events. But 5G will also enable the mass distribution and interaction of those experiences, personalised and in real time. There is so much more that will happen that people will see and feel in their everyday lives, and much that they won't (or don't) understand yet.

How will all these changes impact advertising and how should we be preparing for it?

We already know how timely advertising and brand experiences can provoke high levels of engagement. Just look at the Oreo Superbowl social activity. Now imagine technology can allow you to adapt creative outputs, deliver tailored content experiences based on location, or AR and VR interactions streamed live to mass audiences, with voice control activation on those smart glasses through AI and real-time rendering, and much more. High quality content production will be able to happen and be broadcast from remote locations, as 8K and 360° cameras will be able to stream content to the edge/cloud

through 5G connectivity – no more need for satellite trucks and miles of cabling to get the best quality output, for instance. Some of this is happening now using private 5G networks like Verizon’s innovation partnership with the NFL in the US. Our RYOT LA team also used its 5G content lab as an opportunity to deliver an animated music video for rapper, Lil Dicky, in less than 4 months. The charity single and video has now had over 200 million views and 100 million streams, and is a great example of how 5G can improve production efficiencies using real-time rendering.

What is the one thing about 5G that is most important for brands to take away?

Just because 5G isn’t mainstream yet, doesn’t mean brands shouldn’t begin their ‘road to 5G’ strategy. There are core technologies that will be supercharged by 5G, such as GeoLocationAR, shared VR/AR activations and Volumetric Video as just some examples. Campaigns involving mixed reality, AR and/or VR that are considered

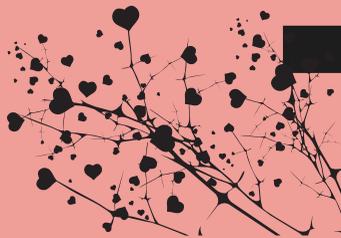
‘niche’ right now will become mainstream and commonplace, and very soon. Brands that are ahead of the game and understand how to get involved will own these spaces, and that will be invaluable to building lasting relationships with consumers in a 5G world.



Walking + Running
Calories Burnt

215.45 kcal

Today, 11:25 AM



BODY TALKS



WHERE HAS IT COME FROM? ✓

As technology has evolved, we have moved from providing our data in the form of basic contact details, to revealing search, purchase and location behaviours and now into the realms of providing information about our bodies and its responses. We are now using voice assistants that can recognise our tone of voice, wearables that record our health data, facial recognition technology that can determine our mood and technology that analyses our fingerprints and DNA. These technologies have not only improved in their accuracy and sophistication in the last 5 years, but they have also become more widely available as they have come down in cost and are integrated more seamlessly into the devices we use. Gartner predicts that in 2020, global spending on wearables will be up 27% to \$51.5 billion, driven in part by decreasing smart watch prices. Our smartphones already come equipped with cameras, GPS, gyroscopes, accelerometers and microphones, but also in 2020,

Counterpoint Technology Market Research estimate that 64% of smartphones worldwide will ship with facial recognition technology. People are now using these devices and features more frequently, revealing more intimate data sources than they ever have before. As the number of connected devices we have about our person grows too, companies will be provided with an even more complete picture of our lives. AI, machine learning and deep neural networks have already improved these technologies tenfold, but more is yet to come, along with the possibilities for what companies can do with these data sets. But how do people feel about providing this kind of data and how do they feel about companies using it? It is early days and very much depends on the data source. Not all data sources and use cases are equal and it is an area that needs careful consideration. However, although growth estimates in this space vary widely, forecasts are all in agreement that it is an area set for huge growth and something to factor into the equation.

HOW IS IT DEVELOPING?

'Data that my body generates'

Some data sources are viewed more as 'data that my body generates' and are more behavioural in nature. They reveal changeable information such as how we are feeling, where we are looking, how we are interacting with our keyboards or our tone of voice. As a broad comparison, people currently think about these types of data in the same way they do location and social data – they define me at a moment in time but don't define me as a person.

Wearable/health data falls into this category and is the most accepted form of 'body talks' data. Whether it's a smart watch, smart scale or a phone integrated fitness tracker, people actively chose to use them and are clear about the data exchange. There is an obvious and tangible benefit – improved health. And this benefit usually outweighs any concerns they might have of brands (e.g. Nike, Apple and even now Google) having access to their data. Often these brands are

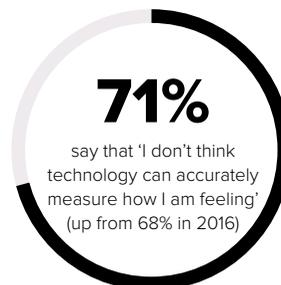
providing people with things they not only find useful but also enjoy using. Take Nike+, for example, and more developments are on the way with Adapt BB, Nike's new smart shoe that offers customers real-time and personalised advice that adapts as performance improves. Google's recent acquisition of Fitbit is worthy of note, providing Google with a whole new type of user data to add to their existing data sets. Most wearable owners had not really considered the implications of this acquisition or it did not bother them. Google are viewed as a 'useful' company and there is a general feeling that they (or any company) would be held to account if they did anything bad with this type of data. (See Fig. 01)

And Google are not the only big tech company vying for our heart rate, steps and sleep data. Add Amazon, IBM, Microsoft, Facebook and Apple into the mix alongside others (mainly Chinese companies). Amongst other

Fig. 01



Fig. 02

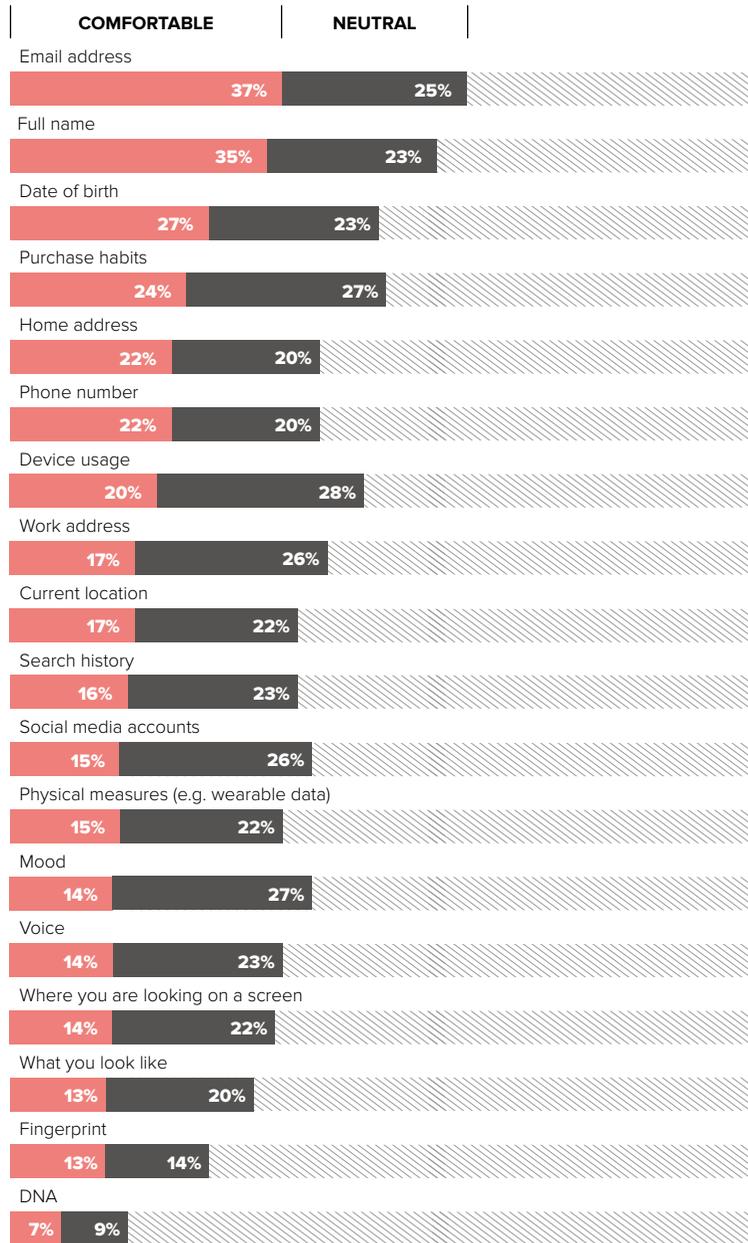


things, many are using this type of data to lead various health initiatives. And this form of data collection is now not just about what people are doing. We can start to understand things about people’s frames of minds too – even if they are not actively projecting it. Bring on ‘mood’ data as a concept. This could be determined by a variety of signals, including language or content engagement analysis, but also by more reactive ‘body talks’ data sources, such as heart rate, expressions, tone of voice or how people are typing. Eventually, mood will be determined by a combination of these things, enabling richer and more accurate predictions and insights. More people struggled with the concept of mood data, not only with the sources that would define their mood but also the thought that tech might not necessarily be making the right assumptions. (See Fig. 02)

Overall it was not really something they had considered to any degree and they questioned both the point of it and how the information would be useful. The concept of someone trying to influence their mood was uncomfortable (See Fig. 03) but, less obviously intrusive, more useful applications of the data that had mental health benefits or practical uses felt more acceptable – in car biometrics, for example, using facial expressions to determine if drivers look sleepy. We may also see this type of behavioural data improve customer service, as stores or call centres take more notice of our behavioural cues, such as tone of voice, posture, expressions and gestures, and adjust their offering accordingly.

Fig. 03

Comfort with brands knowing the following...





‘Data that defines me’

Other data types were viewed more as ‘data that defines me’. These were more physiological types of data – something that could uniquely identify people, such as facial recognition, fingerprint analysis, accents, gait or DNA. These were viewed as fixed and unchangeable and naturally most concerns around this data type were about misuse and security. The risks of using this data were seen as greater, so the trade-off for handing it over to companies needed to be something particularly appealing.

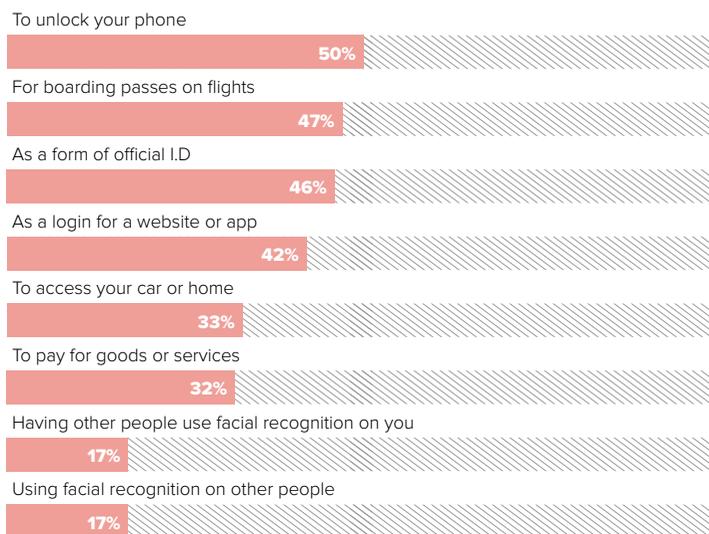
Facial recognition for identification purposes was the area that most had actively thought about. It is high on the news agenda currently and people are also seeing more use of the technology around them, increasing awareness and comfort levels (See Fig. 04). Using your face to unlock your phone, improve airport experiences and help categorise photos, felt the most obvious and useful applications. Other use cases were also appealing, such as beauty brands like Sephora using facial recognition enabled apps to let you virtually try on make-up. Use cases will be even more varied across a whole range of sectors, from automotive to retail. That said, there will still of course be objections to facial recognition. Groups are loudly voicing their opinions and regulation is stacking up. In the meantime, companies are trying to publicise and improve the security of facial recognition and make it easier for people to opt

**AT THE END OF THE DAY,
WHO IS KEEPING HOLD
OF MY DATA?
WHERE IS IT STORED?
FACIAL RECOGNITION
FEELS FAR MORE
IMPORTANT THAN
A PHONE NUMBER
THAT I’VE MADE UP.**

Male, 25–34, Non-London

Fig. 04

Facial recognition uses (% comfortable)



out or turn facial recognition features off – Facebook, for example. Despite all this complication, the market for facial recognition software alone is predicted by Pew Research to reach \$9 billion by 2022 and realistically, at this moment in time we are barely touching the surface with the possibilities of the tech, especially in the West. The East...well that's a different report altogether! And facial recognition will continue to be on the agenda as a hot topic in 2020. Intel are even using it at the Tokyo Olympics to speed up event security – the first time it has been used at a high-profile sporting event.

Facial recognition is a big part of Amazon's frictionless 'Amazon Go' store proposition but recent reports suggest that they are planning to introduce hand-based payments for their Whole Foods stores. Fingerprint recognition falls into a similar category of 'data that defines me' but people feel slightly more comfortable with it as it feels like a more established data source, with the introduction of the

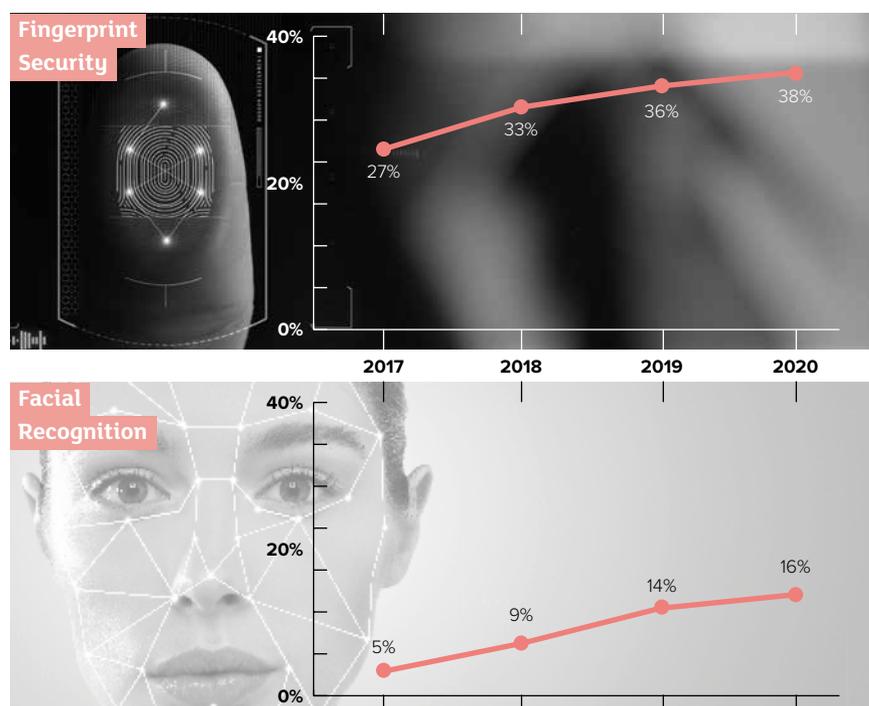
fingerprint sensor on the iPhone in 2013 and its use being more widespread. (See Fig. 05)

In terms of perception, voice data sits across both types of data categorisation in people's minds. It is both a form of behavioural data, when tone of voice, and more about identity when accents or any other unique characteristics are involved. Comfort with its applications adjusts according to the type of data being used and the situation.

DNA was the data source people felt most uncomfortable about. It is viewed as the most intrusive of the types of data discussed and unnecessary for anyone but themselves to have, except in exceptional circumstances. Yet, we do see companies moving into this space creating everything from DNA-based dating to food advice services from the likes of YoSushi and Waitrose. Perhaps if the offering genuinely meets people's needs, it will become more of a consideration.

Fig. 05

Use now for ID purposes



HOW IS IT DEVELOPING?

Opportunities for brands and advertising

For marketers, this type of data provides valuable audience context and used well can result in more relevant, personalised or emotionally engaging ads that appear at the right time and in the right context. But, there are limits, and expectations of what brands should and shouldn't do with this type of data, which are even more apparent when it comes to marketing. It is early days and for good reason.

Probably the most established use of this data is for market research and testing. The monitoring of brain responses, eye and facial reactions and other bodily responses has allowed us to consider more in-the-moment, instinctive and subconscious cues for audience insights. AI is also taking this data a step further in a bid to predict possible outcomes for brands. From

other marketing perspectives, we see fewer but increasing uses of this type of data, which doesn't personally identify anyone – a big no for compliance with GDPR. More are starting to use 'body talks' signals as an integrated part of an ad campaign's creative idea. For example, Mindshare and Jaguar's 'Feel Wimbledon' campaign that works where there are smaller numbers of people actively agreeing that their data be anonymously aggregated and publicised.

But, mood and the prediction of emotion, is the space we will see brands experiment with the most in the immediate term. We are already starting to see brands using other less direct indicators, such as past behaviours to determine people's mood – Spotify creating playlists around your mood dependent on

past music choices (and Snickers attaching 'You are not you when you are hungry' messaging to more off-piste music choices!). In addition, the New York Times have launched 'Project Feels' where ads are shown based on mood, determined by content read previously. There are not many examples using actual 'body talks' data yet but it is a nod to where this type of psychographic targeting could go next, with more data sources at our disposal. Younger audiences were more open to this type of personalised offering and ad targeting versus other age groups.

And the payoff for getting this right could be big. Yahoo's Receptivity of Emotions study suggests the impact of digital advertising could be improved by up to 40% if consumers are in the right mood.

Fig. 06

Top 3 reasons

For those that were **uncomfortable** with brands using mood data...

- 01 Seems unnecessary
- 02 Too intrusive
- 03 It's private information

Top 3 reasons

For those that were **comfortable** with brands using mood data...

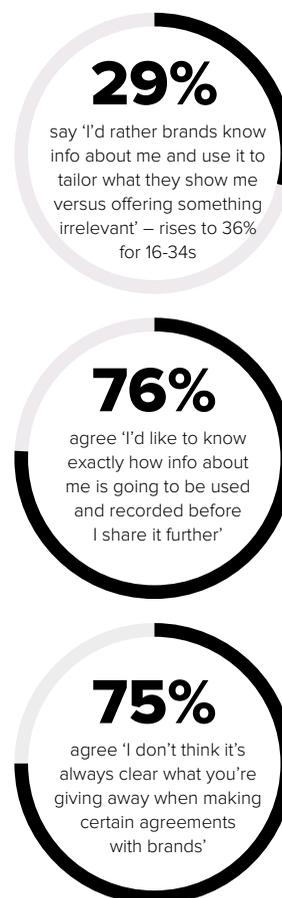
- 01 It's not something that is permanent
- 02 I can't see it affecting me negatively
- 03 Just not bothered about companies knowing this

38% AGREE
'I TRUST BRANDS TO KEEP MY INFO SECURE AND NOT ABUSE IT'

Beyond mood, examples of other types of 'body talks' data being used to market to people directly are even fewer as brands experiment in this area but tread carefully and keep their cards (and their data, quite rightly) close to their chest. Broadly people feel like it is not necessary for brands to have this data, in part because they find it hard to imagine what they would do with it. (See Fig. 06). But, there will be a line where things are just too intrusive and well... obvious. In the future, it is unlikely that Amazon will try to sell you flu products directly based on the tone of your voice but they may well direct you to go to the nearest chemist or book a doctor's appointment. (Incidentally, Apple and Amazon have both started building their own employee healthcare clinics). Following its acquisition of Fitbit, it feels unlikely that Google will push ads directly here as well. Whatever happens, the tech companies have big plans for this data yet to come from a marketing perspective.

GDPR is also a massive consideration here in the UK, with preventing the 'processing' and sharing of biometric data without permission – a major concern for people, especially where marketing was concerned. There were lots of questions around how brands might store this type of data, who has access to it and whether companies were passing it onto third parties without their knowledge. It was a must for people to be able to 'opt in' to the use of this type of data. They wanted clear reasons why it was being used and an explanation of how. But no doubt, as with any type of data, whether people have the time to digest this information is another story. Brands will have to work hard to gain people's trust, not only to show them they are doing something for the user's benefit but also that they can handle this and all data types responsibly. (See Fig. 07).

Fig. 07



'I'D ACTUALLY LOVE FOR IT TO GO ONE STEP FURTHER WHERE SPOTIFY GOES, "HI RACHEL, YOU'RE IN A BAD MOOD TODAY, LISTEN TO SOME OF THIS." BOOM. THAT'D BE GREAT.'

Male, 25–34, Non-London

IN THIS SPACE

01

AFFECTIVA AUTOMOTIVE

AI system, using cameras and microphones to help determine a driver's emotional state.

02

SNAPTIVITY

Robotic camera system that captures the emotions of fans in large venues, such as cheering, scarf waving or groans of disappointment.

03

SENTIANCE

Company that specialises in turning IoT sensor data into behavioural insights.

04

VOO

Telecomms company creates voice activated online banners for gaming that respond to moments of rage.

05

NIKE ADAPT BB SMART SNEAKER

Not only self-lacing but also creates data about your running experiences that can be used to get personalised running advice from Nike.

06

WAITROSE

In-store DNA food advice service in conjunction with personal nutrition firm DNANudge.

07

FACING EMOTIONS APP

Huawei launched an AI-powered app called Facing Emotions that translates emotions into sounds for the blind.

08

THE MOODIE COMPANY

In-store facial recognition technology that analyses customers in-store experiences.

09

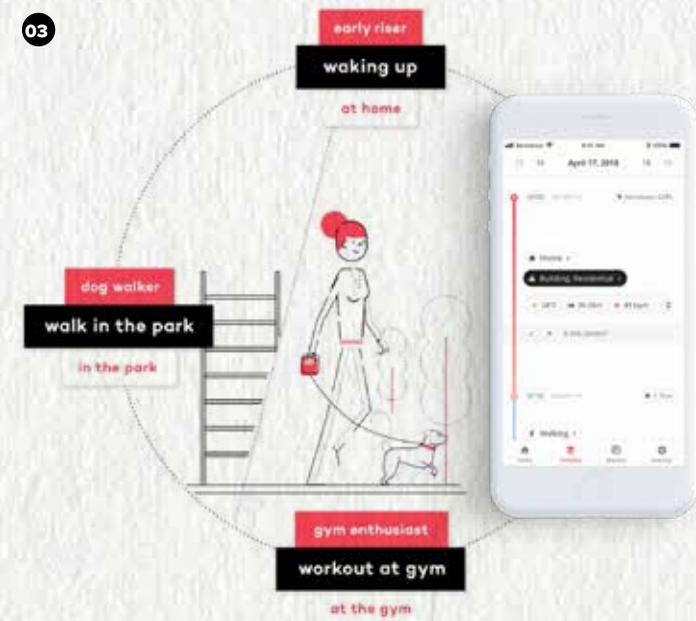
TEPLO

Smart teapot that brews tea according to people's emotional state, which is determined by built-in sensors assessing heart rate, body and room temperature.

10

PETZ

Online facial recognition tool with their ecommerce site that analyses dogs' interest in toys, bones or balls!





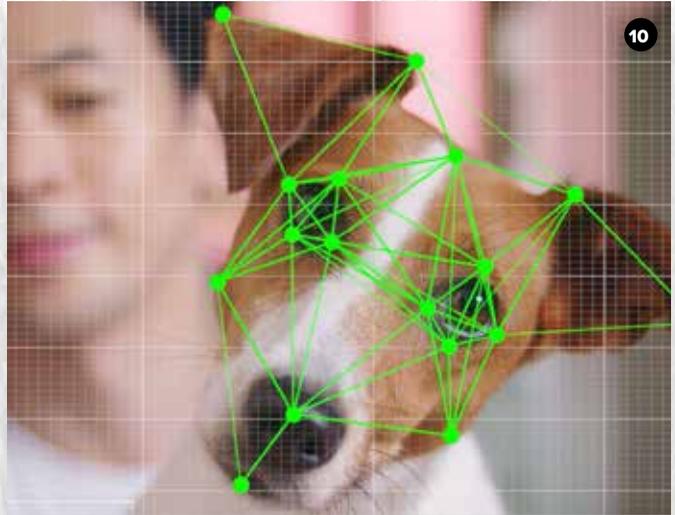
08



07



06



10



09



05

AN INFLUENTIAL SETTING

OM5G?

BODY TALKS

LIVING THE STREAM

BRAND NEW WORLD

AD BREAKS?

WHERE NEXT?



Regulation set to play a pivotal role

Regulation of this type of data will take many forms and differ markedly across the world. It will make people feel more reassured but the fact that it is inconsistent could cause a problem if devices are made in China, for example, but shipped to other countries where rules are tighter. We have already mentioned GDPR in Europe but in the US, laws differ by state and even city (mainly when it comes to the use of facial recognition) and are subject to constant change. More regulation is expected and will only get more complicated as we use more devices and collect more data of different types. A highly regulated environment may restrict innovation in this space and the number of companies that get involved, as brands will need to have the means to navigate the legal complexity. Watch out for some high-profile lawsuits, no doubt involving the big tech companies. At present the use of this type of data is not something people really consider in any depth. It is only when prompted to think about it more carefully that their concerns come to the fore. Any big public data scandals in this area due to unacceptable or bad data use will heighten awareness of this topic and open it up for scrutiny, as happened with Cambridge Analytica.

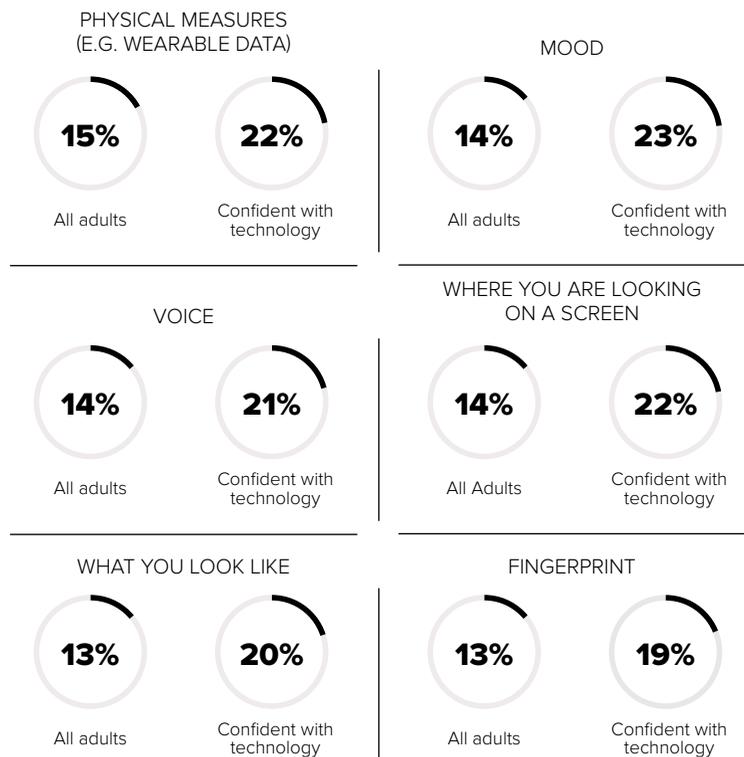


Fig. 08

Comfort levels with the tech and attitude to data need to be considered

Over time, as comfort with the technology sets in, the use of this data will become more acceptable. (See Fig. 08). We can already see this if we cut the data by those more confident with technology currently. As all types of data are used in more innovative and rewarding ways (location and social data, for example), brands having access to 'body talks' data will not seem quite so daunting. With this abundance of data, we could also see a wave of data empowerment as consumers gain confidence and are provided with access to tools that help them manage their own data and who has access to it. People that remain uncomfortable with the tech will need to be provided with 'opt out' solutions and may go as far as using tech that blocks facial recognition sensors.

Comfortable with brands having my...



An influx of 'body talks' data is coming our way

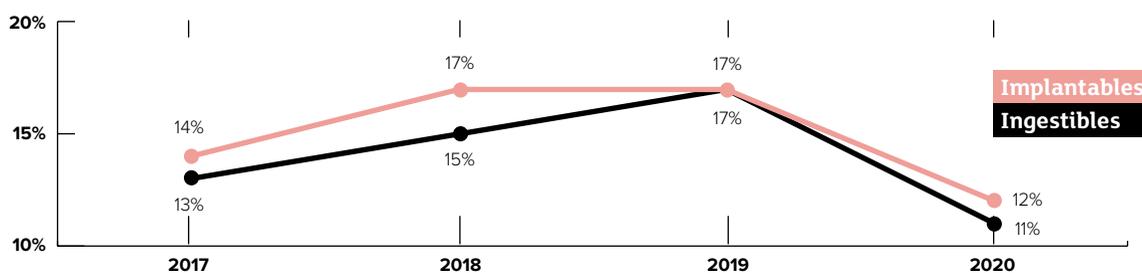
Fuelled by 5G and AI in the cloud, a multitude of additional connected devices are on their way, all producing more data about our bodies and unique forms of identification – think smart shoes and clothing, body-worn smart cameras and smart glasses that we will all have upon our person. Sifting through all this data, linking it to

other data sources and choosing the most meaningful way to use it, will remain a huge challenge, as with any data. Further into the future, as we move to an era of ambient computing where our interactions with technology are 'all around us' and via more natural user interfaces, such as voice, gesture and gaze, this type of data will be part and parcel

of our everyday interactions. And this is before we have even added things such as nanobots, embedded chips and brain interfaces into the mix! Although, people have not got any more comfortable with the idea of implantables and ingestibles over time. (See Fig. 09).

Fig. 09

Comfortable with



WHERE NEXT?



The big tech companies will be heavily involved

For the big tech companies, data is their lifeblood and this kind of data is gold. They are already amassing large databases of facial and voice recognition data as people use their products, which could be used for a multitude of things over time. As

they expand their propositions, not only does it offer them inroads into different markets such as health and wellness, but it also offers opportunities and influence in pretty much every other category from retail through to travel and

entertainment. A large number of patents have already been placed by some of these companies, revealing the nature of their intentions. Apple, for example, is looking at additional biometrics for its devices, such as pulse or skin texture patterns.



Data security will be a focus and some categories and brands will instil more consumer confidence

Many companies will be making huge efforts to clamp down on the security of this data, aiming to make it less hackable, less susceptible to fraud and more secure to store. Heightened security of the devices that collect this data themselves will also be a focus. This may go a long way to allay people's concerns around this type of data but will need to be adopted in a consistent way and on a mass scale. Reception to the use of this data

will also heavily depend on the proposition, the category and the brand itself. Facial recognition, for example, has more obvious benefits for some categories, such as travel. People will have more confidence that particular sectors will protect their data more thoroughly, such as the finance sector. This extends to brands that may have more established and trusted relationships with people when it comes to accessing their data.



1

Those with low consumer confidence are more hesitant to provide companies any type of data access. Concerns are high that their data is simply going to be used to sell them extra things – things that they don't necessarily want or need.

2

Feelings about GDPR are mixed. 41% think that GDPR has improved the way companies use my data, another 41% feel neutral about this statement.

3

People feel more strongly opposed to 'data that defines me' than they do about 'data that my body generates'.



4

Use of facial and fingerprint recognition is on the rise. Currently 38% say that they actively use fingerprint ID and 16% actively use facial recognition ID.

5

Parents, younger people and those who shop mainly online are more receptive to the use of 'body talks' data. They are more familiar with the technology that generates it and also like the appeal of it making their lives easier.

6

Wearable/health data is the most accepted form of 'body talks' data, DNA the least.

7

Use of wearable data and 'mood' data was viewed in a similar vein to location and social data, although people were less sure what brands would actually do with it.



8

Reassurance about the security of any 'body talks' data is key for all audiences with only 38% currently saying that they 'trust brands to keep my info secure and not abuse it'.

9

'Obvious and salesy' uses of 'body talks' data for marketing purposes are a no-go for any audience. Think more useful and relevant.

10

Clear and 'opt in' experiences that involve 'body talks' data are a must.



01

INCOMING: MORE DEVICES AND 'BODY TALKS' DATA

More human context is on its way in abundance. This includes further insight not only into what people are doing, but also how they are feeling, with the opportunity to link the two and create more relevant and engaging communications.

02

BODY TALKS FOR MARKET RESEARCH

The use of 'body talks' data for market research, insight and testing will continue to be a growing area for brands. Are you using it to the best of its ability? Do you know how people are responding or likely to respond to your ads emotionally?

03

ESTABLISH A CULTURE OF INNOVATIVE DATA USE

Generating a culture of innovative data use will be key before using this type of data.

04

THINK BODY TALKS ACROSS THE DECISION JOURNEY

Map out the moods and mindsets you want to engage people in and for different parts of the decision journey. Consider the data signals available to you and how these all correlate. Could you use them more creatively?

05

UNDERUTILISED SIGNALS

Language, semantics and social data are underutilised signals when it comes to determining mood and mindset.

06

MEASURING EMOTIONAL RESONANCE

Emotional resonance will become even more important. Emotionally resonant platforms like AR and VR are coming. How will you measure emotional reaction to this content?

07

PARTNER-SHIPS?

Are there any brand partnerships that would be beneficial in this area?

08

ASSESSING THE COLLECTIVE

Using this data to pull out a collective, aggregated behaviour or opinion is interesting territory and could reflect the actions or mood/emotion of the nation.

09

CLEAR, OPT IN EXPERIENCES WITHIN REGULATIONS

Any use of 'body talks' data will require clear and opt in experiences, that adhere to guidelines and regulations and provide clear user benefit.

10

ESTABLISHED BASE OF TRUST IMPORTANT

An established base of trust will be key along with reassurance about security and the fact the data will not be passed on.



FINAL MINDSHARE THOUGHTS ▼

This type of data will be something many companies are super keen to acquire and those that do will have a real first-party data advantage. From an advertising perspective, this data provide a great opportunity and context to speak to audiences about the right things at the right time, but it is by no means going to be an easy proposition to navigate. Whether it's 'data that my body generates' or 'data that defines me', regulation, ethical concerns and data security will remain major considerations. In the immediate term, we will see the most experimentation from

brands around the area of mood and emotion, utilising all the data signals at their disposal, from content engagement to weather data. Rich rewards are on the table. We are at the beginning of a long journey when it comes to this topic, with many more devices and tech developments to come. Plus, it's a complex topic and people's views are not going to change suddenly overnight. But, there are lots of things brands can do with data right now to experiment, prepare and ingratiate a culture of innovative data use, before the huge impact of this trend is felt more fully.

**Alison Davis**

UK Industry Lead – Telecommunications, Media & Entertainment – IBM

How is data such as this adding value to consumers lives?

As up to 90% of people say they've closed a website when it's carried an ad for something they've already bought, you could argue that we, the purveyors of the digital advertising are getting something wrong. But isn't personalisation the holy grail of data monetisation? As AI enables us to understand an ever more complex view of every individual, the answer is yes... but... only if we maniacally focus on the most basic rules of advertising: will the way your campaign is run, enhance or detract from consumer opinion of your brand? With ever more

personal data points, this line is going to be increasingly tricky to tread, but if an algorithm works out that I might be out of coffee pods a month after I've bought a new machine, and also 'understands' that sustainability is a core value of mine, I'm not going to complain if a timely ad with a discount on a new environmentally friendly capsule drops into my line of sight. I will complain if the same brand shows me the same ad 20 times over the next month. The first experience enhances my brand sentiment, the second detracts. Simple?

Do you think people are fully aware of how the data is being stored and used by brands? If you do, do you think they care?

In a report by Amnesty International in Dec 2019, 74% of people surveyed across 9 countries said they were concerned about how Big Tech (Google, Facebook, et al) collected and used data, with the right to privacy being the biggest issue. So while it can be argued that consumers aren't fully aware of how data is being stored and used by brands, as these giants account for 70% of the digital ad market, it's the way these platforms collect, use and enable brands to access customer data that should have the focus of marketers' attention.

Should brands be using 'body talks' data and if so how can they go about using it in an acceptable way?

Brands should sense check their use of new first-party data against the 3 Cs – Consent, Context and Customer Experience. Imagine you'd just learnt from your doctor that you had an heart issue that needed urgent attention, and as you digested this news, you'd shared it online in what you believe is a private message. Then you go online and are served an ad for heart monitor. Have you given consent for this personal medical info to be used? No. Has the brand taken into account the private nature of the

message where the data was collected – the context? No. Has this left you with a sense of trust in the brand offering the product? No. If, however, you go online to search for home-tech that can help monitor your condition, and you're offered a chance to be targeted in this way, and you accept... perhaps with an additional discount being available if you share more info about your condition so the products are suited to your need, the answer to each of the 3 Cs is different.

When it comes to 'body Talks' data, are there any specific areas we should be watching for the future?

While blockchain has had a bad rap in the 'pit of despair'* over the last 18 months, it does hold the promise of enabling personal data to be collected and encrypted by machine, and smart contracts setting rules that say whether the machine can and should use this data against dynamic business rules, in this case, for ad targeting. This would mean the dawn of the era of

smart ad tech, underpinned by the fact that no human could ever see, misuse or abuse the data that, if used correctly, can drive true value for consumers from digital advertising.

(*Pit of despair as described by Gartner, Hype Cycle for Emerging Technologies)

What is the one thing about this trend that is most important for us to take away?

As ever, brands must keep customer experience and trust at the forefront of their decisions around which data and platforms to use. We must also work together to tighten up the digital advertising guidelines – frequency capping surely being the most simple fix – to encourage consumer confidence in ad tech as we look to machines to improve consent, context and customer experience.



LIVING.THE.STREAM



**WITH A GROWING ARMS
RACE BETWEEN STREAMING
COMPANIES WISHING TO
MONOPOLISE PEOPLE'S
FREE TIME, WE WILL BE LEFT
WITH MORE CHOICE OF
CONTENT THAN EVER, BUT
WILL THIS BE TOO MUCH
FOR PEOPLE TO HANDLE?**



LIVING THE STREAM

WHERE HAS IT COME FROM?

Gone are the days when there were only a handful of alternatives to traditional media that presented people with more choice and flexibility. Netflix has been around for 22 years, launching its streaming service just over a decade ago, and since then a number of similar-style services have emerged, wishing to replicate its success. And people have grown very accustomed to being able to access content whenever they want, wherever they are. When asked where they go for entertainment these days, most people mention a variety of streaming platforms. Our research found that, on average, people in the UK pay for or use around 3 to 4 subscriptions across video and audio, and 71% are planning to continue to do so next year. TV viewing is also shifting – among 16–34s, the proportion of people stating most of their TV viewing is done on-demand has increased by 9% since last year, to reach just over 7 in 10 people.

With its faster speeds and more instant connectivity, 5G will mean that streaming is here to stay. However, it seems like the supply of streaming media will soon exceed the demand; only 8% of all adults are planning to add new services to the mix next year. An interesting finding when we look at the trajectory of the marketplace, which

is becoming even more crowded, as new and existing companies prepare to fight for every minute of our time. New services like Apple TV+ and BritBox launched at the end of 2019, and there are more to come in 2020 – Disney+ is set to launch in the UK in the spring. And it's not only limited to the video landscape – these streaming wars also reach across music, podcasts and gaming, and are bringing about big changes for how we participate in media in the future. For people, this means increasingly more choice; for the companies growing budgets and an arms race to secure the best production talent, ensuring their content is what subscribers are willing to pay for.

We're entering a new phase of competition, one fuelled by technology and people's desire for on-demand content. But some big questions are yet to be answered: How many services can people take on? And how far are they prepared to stretch their wallets to get access to the content they want? What will it take for services to lock people in? And what does this mean for the future of entertainment? One thing we know for sure is that only the people will decide what works for them, determining the fate and profits of the big players in the market. Exciting times ahead.

HOW IS IT DEVELOPING?



More content, better content, too much content?

From an entertainment provider's point of view, the problem with our free time is that it's finite – any time gained by one activity is at another's expense. As Netflix founder Reed Hastings puts it *'We're competing with sleep. Sleep is my greatest enemy.'*

Companies are doing as much as they can to ensure they are the ones capturing our attention; subscription services allow us access to vast libraries of content, with new releases coming often enough to make them look fresh. Big players like Netflix and Spotify are investing heavily, making deals and acquiring smaller businesses to make sure they can produce exclusive content that keeps people hooked on their services. So, it is hardly surprising that people are

beginning to feel overwhelmed by choice, particularly when it comes to video. Always having something new to watch is one of the main reasons people buy into video streaming services like Netflix, Sky or Virgin, yet over half of the people we surveyed agree that there is so much content out there it's getting hard for them to decide.

The high level of investment into shows from streaming companies like Netflix has undoubtedly contributed to this feeling. The cost of programming has ballooned as viewers have grown accustomed to original content that's movie-quality and as services have competed for the rights to re-runs of hit series. The over-abundance of options is also having an effect on more traditional

ways of viewing – 4 in 10 people now admit 'regular' TV feels poor in comparison. With media giants like Disney, Warner, NBCUniversal and Netflix set to increase their budgets even further over the next 5 years, any content providers hoping to engage viewers will need a thorough understanding of audiences to remain relevant – and that means digging into the data.

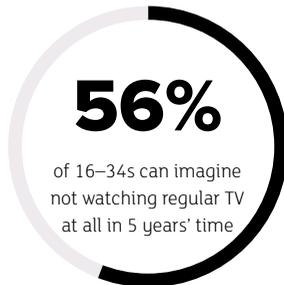
Younger generations are slowly moving towards cutting the cord altogether and it is unlikely they will want to come back (see Fig. 01), whereas older generations are beginning to question whether the value they get from pay-TV providers is worth the money.



**'I FEEL LIKE NETFLIX
KEEP RELEASING
SOMETHING NEW ALL
THE TIME.
MY TO WATCH LIST IS
GETTING BIGGER AND
BIGGER, AND I CAN'T
KEEP UP'**

Female, 45–54, Manchester

Fig. 01



'I said to my husband the other day, "Why are we still paying for Virgin?" I said, "We only ever watch Netflix.'

Female, 45–54, Manchester

Sport is one of the few remaining content areas that keep people tied to their pay-TV packages. But with broadcasting rights being sold to the likes of Amazon, we might see this starting to shift, especially if it enables more choice, and a superior viewing experience for people. In this crowded marketplace, the difference in investment into content production and distribution will likely dictate who remains and who disappears – and it will ultimately come down to a platform being able to sustain high levels of audience engagement over time.

While most streaming companies started out as aggregators, as new players enter the market, what we are beginning to see is the fragmentation of libraries across different platforms. For the first time in a few years, we have hit a window where content owners are starting to get their rights back on deals made with the likes of Netflix around 5 years ago – meaning companies like Disney and Warner can use the appeal of titles such as *Star Wars* and *Friends* to their advantage when launching their own services. As a direct consequence, viewers will find they might have to pay for a fistful of streaming subscriptions to watch all their favourite programs.

While there is an enormous cultural attachment to entertainment, the balance between wanting access to content and willingness to pay for it is a delicate one. People are incredibly resistant to incremental media spend – a \$2 increase in monthly prices for Netflix has seen its shares drop by 13% as the company lost subscribers. Simply put, people are not prepared to pay a lot for media. But, we also saw that the financial implications of juggling several subscriptions has not fully hit home yet – spending a few pounds here goes unnoticed, and people rarely sit down to do the maths – but the prospect of having to pay for more services in the future is daunting. Just under two-thirds of people agree accessing everything they want to watch will get too expensive with so many new services emerging, and there is a sentiment among younger people that the easiest solution to this might be a return to digital piracy. As of now, people are waiting to see what will happen, how good the content on offer is, and will seek to trial any new services before they reach a final decision.

HOW IS IT DEVELOPING?

Ecosystem wars

In this scenario the efficient use of content is to use it to drive monetisation elsewhere – the direction most new entrants to the market seem to be heading in. For big players like Apple, Amazon and Disney, what the media has dubbed the ‘streaming wars’ seem merely a battle in the greater ‘ecosystem war’ – one won by synergy and alternative sources of revenue (see Fig. 02). Amazon, Apple and Google have each been operating structurally unprofitable music services, yet the money they lose per subscriber is outweighed by the revenue generated elsewhere – and we expect to see the same dynamics unfold in video streaming.

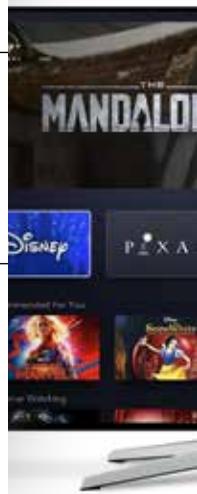
The move into video gaming from the big four is also likely to be underpinned by a business strategy of driving categories with bigger economics. It’s only a matter of time before all entertainment services from one provider are all bundled up and offered to people with a discount – the future that tech companies seem to be strategically planning for (see Fig. 03). For people, the benefit of service aggregation in this case is clear: more value for the money they are prepared to spend, and a more seamless user experience, which is becoming increasingly important.



Fig. 02

Key player breakdown – Subscription VOD models

NETFLIX	prime video	apple tv+	Disney+
ROLE OF SVOD Entire business	ROLE OF SVOD Enhance value proposition of Prime	ROLE OF SVOD Anchor to ecosystem bundle	ROLE OF SVOD Anchor to ecosystem Accumulating data on audiences
AMBITION IN VIDEO Maximise ownership of video viewing time Replace non-live TV at large	AMBITION IN VIDEO Drive adoption of broader platforms	AMBITION IN VIDEO Deliver as much premium video viewing as possible	AMBITION IN VIDEO Be the core of the Walt Disney Company – maximising ARPU elsewhere
SVOD PRICING STRATEGY Tiered approach, cheapest £5.99 per month	SVOD PRICING STRATEGY Free with Prime (£79 per year / £7.99 per month) Free 30-day trial, £5.99 per month after	SVOD PRICING STRATEGY Free with new Apple Device Free for students on Apple Music plan Free 7-day trial, £4.99 per month after	SVOD PRICING STRATEGY Available in the UK from March 2020 US subscription is \$6.99 / \$12.99 with Hulu & ESPN+
PRIMARY PROFIT DRIVER Prices Subscribers	PRIMARY PROFIT DRIVER Add-on video subscriptions Content transactions Device sales Ecosystem	PRIMARY PROFIT DRIVER Add-on video subscriptions Content transactions Device sales Ecosystem	PRIMARY PROFIT DRIVER Add-on video and content subscriptions Disney-related transactions Ecosystem bundle





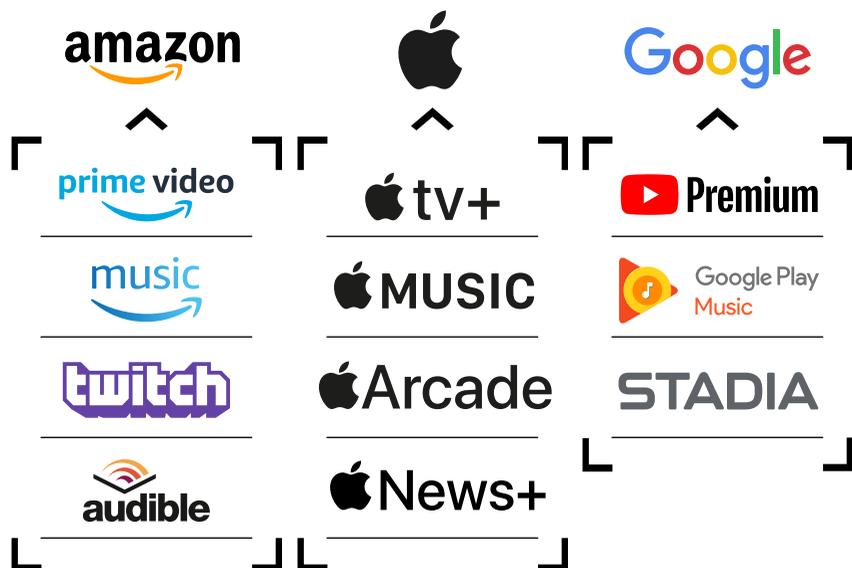
Media is not a zero-sum market, so the success of one service does not mean the others are doomed. We are seeing far more business model diversity than ever before – not just in monetisation and packaging, but, more importantly, in objectives – so there is no reason all the key players won't thrive in this new world. Since everyone is playing a different game, 'winning' will mean different things – Netflix wins when it gets more subscribers, Apple, Amazon and Disney (to an extent) win when they sell more. Over the coming years we can expect to see adjustments being made around pricing, catalogue, levels of investment into content and marketing spend, until a balance is struck that satisfies both users and investors. But one way or another, for the big companies, streaming is here to stay.



Fig. 03

Multimedia entertainment bundles

The big tech companies are moving towards consolidating multimedia services under one brand name



HOW IS IT DEVELOPING?

All for one, and one for all

Today, the curation of people's entertainment experiences requires much more effort than ever before, and in this new multiplatform world, it is only going to get more challenging. Most of the services being launched are coming to solve an internal business need, rather than any unmet audience wants – people don't need infinite services – and the prospect of having to manage numerous accounts and payments is a source of growing frustration. Climbing costs are just part of the issue for people – as a few of our respondents pointed out,

several subscriptions may still come cheaper than a pay-TV package – but the managing of it all is what makes them feel uneasy.

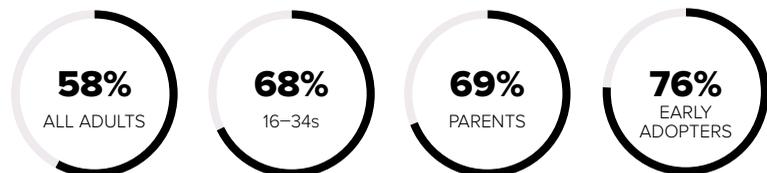
The viewer experience in a fragmented landscape will also increasingly mean contending with multiple apps, with different watchlists and interfaces, so it's natural the idea of having one provider for everything is becoming more and more appealing to people (see Fig. 04).

Fig. 04

'I would like one place where I can see everything I have access to across all of my entertainment subscriptions'

'It's just the thought of another direct debit, I have plenty already all coming out on different days, it's hard to keep track of'

Female, 25–34, Manchester



'THEY TALK ABOUT ANTI-MONOPOLY, BUT I'M NOT BOTHERED. LIKE, HONESTLY, LET'S JUST HAVE ONE PLACE TO GO TO AND I'LL PAY THEM WHATEVER THEY WANT'

Male, Cardiff, Majority

With multiple subscriptions, people might once again end up paying for lots of shows and movies they'll never care to watch – and there is definitely appetite for curators to help navigate choice and deliver a more customised service. Over half of UK adults would love to have one service that hand-picked all their favourite content, or to be able to pick the shows they want from different providers and only access them for a custom fee. The question remains as to who is best positioned to do this – there is a view it might be the TV or device manufacturers, like Samsung, Apple or Amazon, as they already have huge device penetration and are able to integrate various streaming apps into their interface. Amazon

and Apple have already taken a step in this direction, offering one user interface so that users can browse all the content available to them without having to switch between apps. It could also be pay-TV providers such as Sky or Virgin, who have included Netflix in their package and now offer one simple bill to streamline and simplify payments.

Whether we will see these kinds of curators or cross-provider bundles emerge or not, one thing is clear: companies playing in the entertainment space will have to work hard to simplify the user experience for people and help them manage their subscriptions in an easier, more straightforward way.

**'YOU'RE MISSING A TRICK
IF YOU'RE THESE BRANDS
AND YOU'RE NOT TEAMING UP
TOGETHER.'**

**IF YOU COULD GET A PACKAGE
WHERE YOU COULD GET APPLE,
DISNEY, WARNER BROTHERS,
WHY WOULD YOU NOT?'**

Female, Early Adopter, London



IN THIS SPACE

01

SPOTIFY, HULU & SHOWTIME BUNDLE

For a short time, Spotify offered a 'Premium Student' plan in the US, allowing users to add-on Hulu and SHOWTIME for free.

02

SYNAMEDIA

Identify and analyse unusual sharing activity across accounts, giving subscription service providers an opportunity to tackle password sharing.

03

TRACK MY SUBS

A subscription management tool that sends payment reminders and helps people track their subscription expenses.

04

FREE TRIAL SURFING APP

Virtual credit card and invented name to sign up for a free trial, then automatically cancels subscriptions at the end of the offer.

05

RYFF

Technology that can identify objects in a video scene and replace them with branded products that can be tailored based on customer data.

06

HULU REWARD BINGE-WATCHING WITH NEW AD FORMATS

Binge-watching of a show is met with the reward of commercial-free or personalised ad experiences.

07

PLEX

A new ad-supported movie streaming service available in over 200 countries.

08

TORQUE STREAM HATCHET

One of the leading suppliers of streaming data to key players in the gaming and esports industries.

09

UNIVERSAL MUSIC ARTISTS APP

Artists can access data and actionable insights on their music from major streaming platforms, as well as social media.

10

APPLE TV+ GOLDEN GLOBES

The first streaming service to earn nominations in its launch year, including Best Television Series and Best Performance for *The Morning Show*.

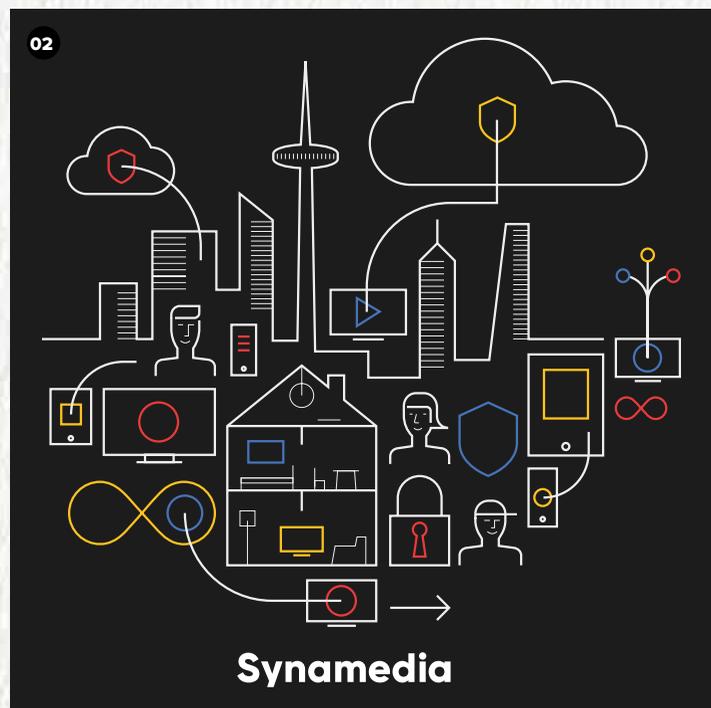
07

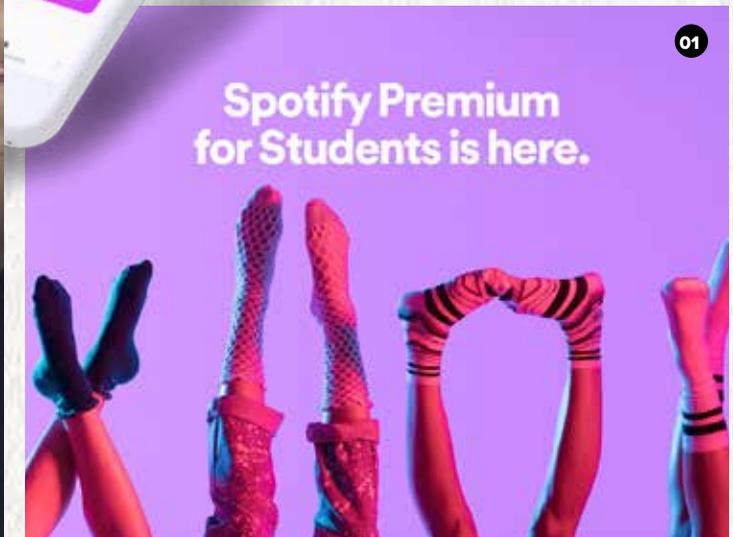
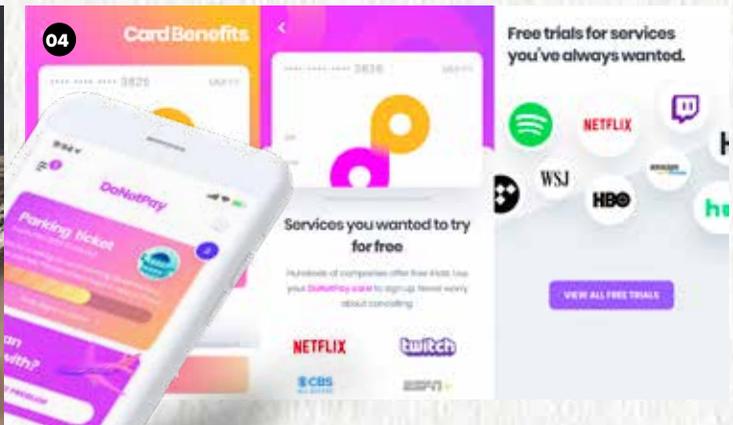


03



02





AN INFLUENTIAL SETTING

OM5G?

BODY TALKS

LIVING THE STREAM

BRAND NEW WORLD

AD BREAKS?

WHERE NEXT?



The 'great re-bundling' of entertainment

In the history of media, we have seen content move from bundled (albums, print subscriptions), to unbundled (single songs, free access), and transition back to centrally bundled (digital subscriptions). So, it's only a matter of time before the fragmented market returns to bundling again, and there are a few ways that could unfold:

- The tech companies re-bundle content across entertainment categories: we're in the early stages of video games evolving into Netflix-style subscription models as opposed to single-transaction businesses – we can expect these to be added to existing video and music propositions to make a cost-effective 'ecosystem' bundle.
- While the big tech players fight it out with different ecosystems, there might be opportunities for independent market leaders in each category to collaborate and compete more effectively. Think Netflix partnering with Spotify and a news/gaming provider.
- The rise of aggregators, in the form of devices or operating systems that offer a simpler, integrated solution. This might come from existing cable providers like Sky and Virgin who already have deals in place with content owners like Netflix and Disney, or device producers like Apple, Samsung or Amazon – the latter has recently announced the arrival of its own OLED TV. The battle in this case will be for 'owning HDMI1' – and being the default and dominant TV experience in people's homes.

'The great un-bundling could give birth to the great re-bundling'

Matthew Strauss, Comcast



'I WOULD LOVE TO THINK THESE COMPETING COMPANIES COULD COME TOGETHER AND STREAMLINE THE OPTIONS FOR CUSTOMERS'

Male, Parent, Edinburgh

New ad models

The financial implications of getting access to everything they want is making people reconsider the trade-off between ads and subscription models (see Fig. 05, Fig. 06), and there might come a time when businesses will start to accept advertising or change their models to cover their mounting costs. Ad-supported platforms like Hulu have already introduced non-interruptive formats such as pause ads, designed specifically for streaming, and we can expect this to develop further. Given production budgets will increasingly be under pressure, there will likely be new strategic opportunities for advertisers, such as product placement, branded integrations and cross-promotions, as well as funding shows directly. Fully-integrated multidimensional partnerships with content creators will become increasingly important for brands, but this relationship is likely to be a two-way street: (1) a chance for online streaming brands to maintain offline presence – we've seen Netflix partnering with Subway to offer a sandwich named after its new series *Green Eggs and Ham*; and (2) a way for brands to get in front of audiences hiding behind the paywall of ad-free streaming services – like Coca Cola appearing in an episode of *Stranger Things*.



Fig. 06

Ad acceptance by platform

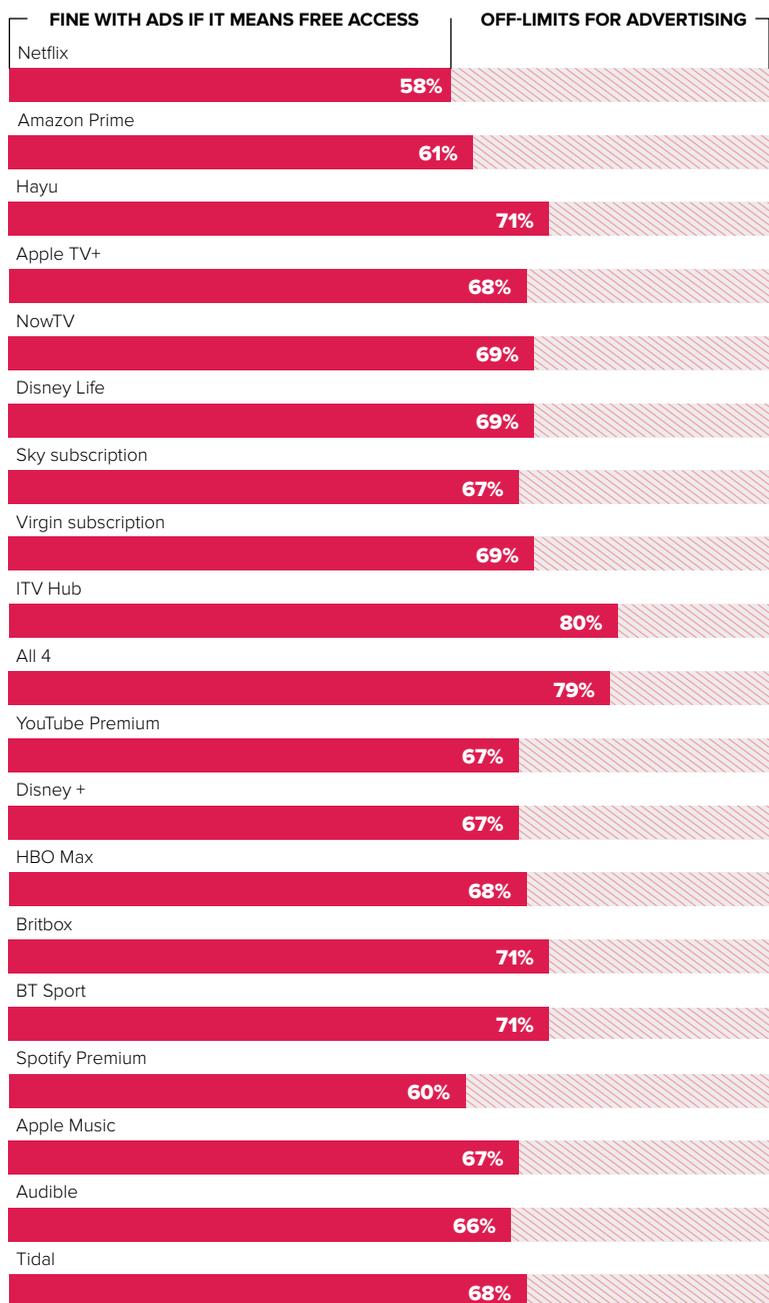
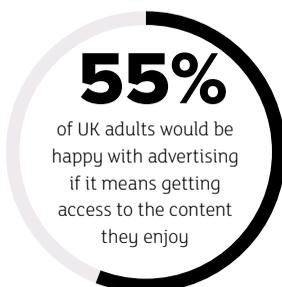


Fig. 05



WHERE NEXT?



Increase in piracy?

The sporting world offers a good example of how fragmentation can cause an upsurge in illegal activity, and for streamers with titles that generate a lot of buzz – like Disney’s *The Mandalorian* (predicted to be amongst the top pirated shows of the year) – this might be a cause for concern. With popular sites like The Pirate Bay testing out streaming

options alongside torrents, it will be up to the companies to decide whether to turn a blind eye, make their content more accessible to people, or clamp down on streamers by embedding hidden, individual codes in each stream so they can quickly shut down those who might be redistributing content illegally.

‘If it stacks up and I’m going to one place for one programme, I’ll spend my set fee and then I’ll pirate everything else because it’s maybe one or two things’

Male, Early Adopter, Manchester

The churn scenario

Cancelling and re-subscribing in time for new releases is already a common behaviour, and in a highly fragmented market with low consumer confidence, we can expect people to bounce between subscriptions to avoid rising costs.

To combat this, streaming companies might introduce new models to

incentivise people to pay – like 12-month packages at a cheaper price. Trials might also become less generous or disappear altogether – Netflix has recently cancelled its free trial in the UK. And Disney+ only drop 1 episode a week for their new shows, so people hoping to binge everything during the free trial week might be left with no other choice than to subscribe.

‘Sky, Netflix, iPlayer, Amazon Prime & YouTube...I have a subscription to all of the above but tend to swap out depending on what new series are available for watching’

Male, 16–24, Non-London

Monetisation of individual users

The challenge for streaming companies in a highly fragmented market is going to be making it a profitable business in the long run – and that means monetising individual users. Password sharing currently takes some of the financial pressure off for people, especially in

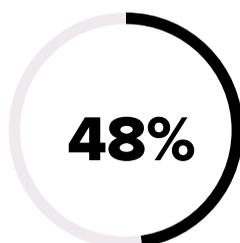
the younger age groups (see Fig. 07), but we expect companies to put better measures place to crack down on this behaviour, as well as introduce ISPs and Wi-fi signal data tracking to identify unusual patterns and activity.

Fig. 07

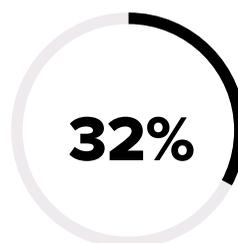
Password sharing is a common behaviour among 16–24s



Agree 'Sharing subscription passwords is a great way to save money'



Use accounts of people they don't live with



Share their accounts with people they don't live with

THE PEOPLE'S POV



1

New entrants in the market are likely to have a tough ride: while most will continue paying just for the services they already have, people are more likely to reduce their number of subscriptions than add on new ones!

2

While only 8% plan to add new subscriptions to the mix, there are opportunities for new entrants with specific audiences – this number jumps up to 18% for 16–34 men, 10% for parents, and 14% for people with high consumer confidence.

3

Younger people are more financially concerned, so tightly manage their subscription expenditure. Older groups are less organised, finding themselves paying for services they don't really use, or a few that serve a similar purpose – often for no particular reason.

4

Quality of original content is among the top reasons for paying for a service like Netflix or Sky. In fact, people are highly content-orientated, often adding on subscriptions just in time to access new releases.

5

Half of UK adults agree subscriptions with more than one type of content are the most appealing. Amazon Prime are satisfying this demand, with people stating that the multitude of features offered are the main reason they subscribe to the service.

6

The subscription market is becoming increasingly difficult to navigate. Money-poor younger audiences in particular demand higher content customisation and are 30% more likely to want a simpler solution, where they only pay once.

7

Netflix wins as the one service people want to provide everything (22%), closely followed by BBC (21%). There is a distinct difference in age: younger people want Netflix (16–34 37%), while older groups would prefer the BBC (55+ 34%).

8

Over two-thirds of adults are currently worried that the increase in subscription offerings will make it too expensive to watch everything they want. The consensus is that people would prefer to see/listen to ads in exchange for free access.

9

Streaming has shifted attitudes towards TV ads: the majority of people agree that with a large proportion of their viewing done via ad-free platforms, they now both really notice and aren't fans of ads on 'regular' TV.

10

People across all age groups are doubting the need for a TV licence. There is a general agreement the BBC's independence is worth supporting, but people are starting to question if there are alternative ways of funding it.



01

NEW OPPORTUNITIES FOR BRANDS

An abundance of content will mean new strategic opportunities to get your brand message across, such as product placement, branded integrations, as well as funding shows directly. Content can be more closely aligned to your audience and opportunities will exist to own a conversation around a passion point or tap into a cultural moment.

02

CULTIVATE RELATIONSHIPS

Think about the relationships you have with entertainment providers. Where are the opportunities for collaboration? How can you get in early on content conversations?

03

MULTI-DIMENSIONAL PARTNERSHIPS

Think beyond content itself, can you leverage the data from partners to your advantage? Is there a place for co-promotions?

04

UNDERSTAND MOMENTS AND MINDSETS FOR TARGETING

How does your advertising differ by the mindsets of the people watching? Think about where, when and what you place in front of people, and what you are trying to achieve with your communications.

05

DEPTH AND BREADTH OF AUDIENCE KNOWLEDGE IS KEY

Understand what they care about and what is important to them beyond your category – this will help you to both identify new partners and find new content opportunities.

06

MEASUREMENT GETS COMPLICATED

Prepare for a world of more complicated measurement. Think about how you are going to measure reach across multiple platforms and set specific goals for each one.

07

IF YOU ARE A CONTENT CREATOR, BRANDING IS CRUCIAL

In the streaming era, you need people to correctly attribute content to your brand, not to the platform they streamed or downloaded it from. How can you elevate your branding and create a distinct identity?

08

THINKING BEYOND THE PAYWALL

Consider where your audience is – are they sitting behind a paywall? If so, what are the other channels and ways that you can reach them?

09

MONITOR A DISRUPTIVE MARKET

Disruption is here to stay, norms are changing quickly, along with people's opinions. Closely monitor how people are feeling, and where they are getting their content from – and make sure you are right there with them.

FINAL MINDSHARE THOUGHTS ▼

It is clear that on-demand entertainment is a future most people find appealing, and with 5G gaining steam, streaming is here to stay. But how that plays out is yet to be decided: while there is not going to be one clear winner, what matters more is that there will inevitably be losers. The big players are not just going after share of video, but they're out to monopolise people's free time, spend, and data – so brands will find themselves competing with them for attention. Streaming

companies have set new expectations for entertainment, and any company that falls short will miss the opportunity to stay relevant. The next few years promise to bring exciting changes to the way we consume media, and there will be great new opportunities for brands to engage people through strategic partnerships and product placement. Ultimately, brand, content and user experience will all need to merge to deliver on the viewer's terms. That's what will keep us watching.





Amit Katwala

Senior Editor – WIRED UK

What's fuelling this bout of content wars?

Firstly – a seismic shift in the way we consume content, driven by smartphones and faster internet speeds. Secondly – the shift towards more subscription-based business models, which different companies are pursuing for different reasons. For Apple, it's because people have stopped buying a new phone every two years, so it's a way of ensuring they still have a revenue stream and

tapping into their massive user base. For Amazon, it's a way of getting people into the Prime ecosystem, in the hope that they'll use Amazon for other things. And for Disney+ and other entertainment companies, it's more of a defensive move – but they're all spending massively to try and compete with each other.

What does this mean for people and what happens next?

Each new service that launches faces more of a struggle. Even if services are only a few pounds a month, that quickly starts to add up, and it's hard to see many people forking out for Netflix and Amazon and Apple and Disney. History tells us that the harder or more expensive you make consuming content legally, the more inclined

people are to turn to piracy. We'll see a rising subscription fatigue among viewers – they'll probably start sharing their passwords with friends and family members (and companies will have to decide whether to police that or turn a blind eye), and we may see a return to rampant file-sharing for the biggest shows.





How can brands navigate the vast range of places to create and place content?

Subscription services haven't really got a natural place for brands – with Netflix, viewers have become accustomed to life without adverts, and it would be a brave platform that launched a subscription service with pre- or mid-roll advertising. With the rise of subscription fatigue, an ad-supported model like the one used by Spotify might

come back into fashion, though. Otherwise, brands will probably have to work more closely with content creators on product placement native advertising. We've seen this a bit on AppleTV+ – whose flagship *The Morning Show* is packed with Apple products. But crossing the line can turn viewers off quite quickly.

How will this all pan out? Who will come out on top?

It's really difficult to say – you could make the case for any one of them. I think Disney+ is going to be a really alluring proposition for a lot of people – they've got such a massive back catalogue of films and TV shows, plus a whole host of spin-offs based on *Star Wars* and the Marvel movies. What's interesting is that the two players with the deepest pockets (Amazon and Apple) are the ones that don't have that history of making quality entertainment. I think objectively most people would say that the shows on Prime largely aren't as good as what's available on

Netflix. Part of that might be cultural. Apple have this reputation for being quite conservative with the products they make – they can't really afford to risk upsetting their customer base, which perhaps limits the kinds of shows they can make. Amazon has been dabbling in sports rights with the Premier League this season, which could be a factor too. Ultimately though, these services can only run as loss leaders for a limited amount of time, so the people who end up losing out could be the consumers – as they end up paying more.

BRAND.NEW.WORLD



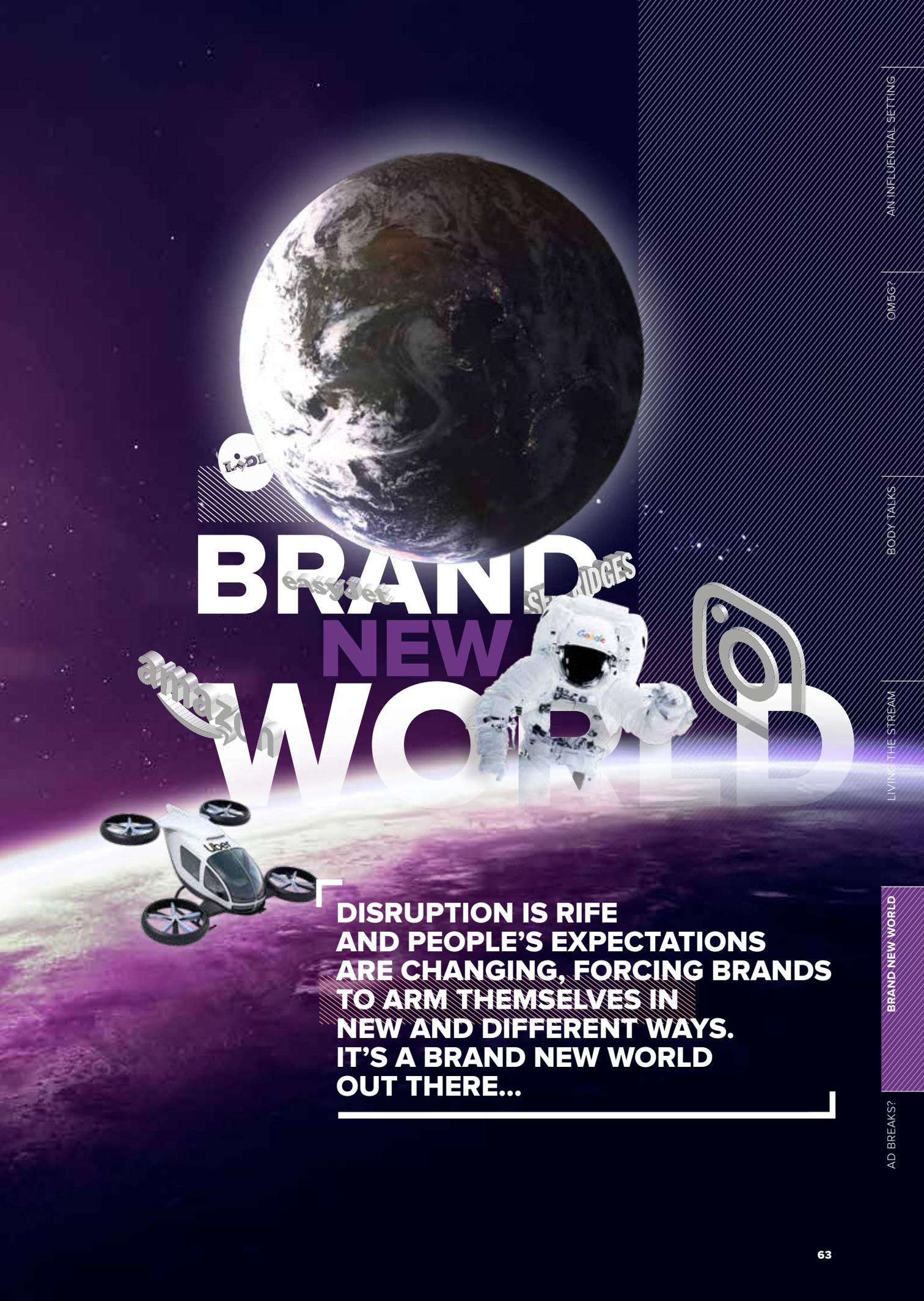
WHERE HAS IT COME FROM?

It's a tough old world out there for brands as the digital world, mobile connectivity and a changing retail landscape are causing people to re-think who and what they buy into. Cynicism is rife, savvy shopping is encouraged and we are faced with more choice across every buying decision we make. There are more competitors to consider and rival brands challenging the status quo, and products are made available via an increasing number of channels. With over 72% of people agreeing that discovering and buying new brands is much easier than ever before, technology has clearly changed the way people engage with companies.

Today, brands can't just assume or demand loyalty. It is hard-fought and hard-won, with no single clear solution to keeping customers engaged. It is not just customers' interactions with brands that impact loyalty, gatekeepers such as Amazon, Aldi and ASOS are heavily influencing the choices people make, as consumers look for assistance navigating through the proliferation of brands, channels and marketing tools.

43% of people believe they are less loyal to brands than they used to be (rising to half of online shoppers). But, less than half of people believe that brand names will matter less in 5 years than they do today – clearly still a role for brands

Consumers continue to believe brands still have a lot to offer, but disruption is in the air, change is accelerating, and people are starting to embrace or reject brands far quicker than they used to. In the coming years we will see brands arm themselves in new ways in order to deliver what really matters to the people buying their products. They will reassess their routes to market, turn to new sales channels, re-evaluate their products, initiate new partnerships, acquire new companies and build new propositions. But it won't end there – this reinvention will be a continuous process and is here to stay. This is the brand new world.



BRAND NEW WORLD

**DISRUPTION IS RIFE
AND PEOPLE'S EXPECTATIONS
ARE CHANGING, FORCING BRANDS
TO ARM THEMSELVES IN
NEW AND DIFFERENT WAYS.
IT'S A BRAND NEW WORLD
OUT THERE...**

AN INFLUENTIAL SETTING

OMEG?

BODY TALKS

LIVING THE STREAM

BRAND NEW WORLD

AD BREAKS?

Gatekeeper brands redefine expectations.

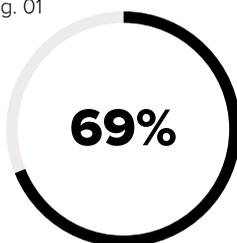
Digital is revolutionising both how people learn about and engage with brands, and how companies learn about and engage with people. The internet has become a global shopping mall with people moving away from 'going shopping' to a near constant state of 'graze shopping' across a bevy of retailer, social media, service and entertainment platforms. The ecommerce landscape is vast and complex – there are ever more channels for brands and vendors to promote and sell their products. We are seeing the rise of dominant gatekeeper brands both online and offline. Gatekeepers have the ability to control people's access to new brands and can be anything from a marketplace (e.g. Amazon), aggregator (e.g. GoCompare), retailer (e.g. ASOS or Lidl) or increasingly media brands (e.g. Instagram). With

access to so many potential retail channels, brands are now reassessing their routes to market, working out their priorities and deciding which gatekeepers to work with (if at all). This year we have seen a plethora of big brands such as & Other Stories, Tommy Hilfiger and Topshop join the ASOS brand portfolio despite having their own eCommerce platforms. On the decision to partner with ASOS, Topshop Topman CEO Paul Price said: 'ASOS is the pioneer of online shopping so we are thrilled to be partnering with a digital leader'. Shoppers were equally pleased with the news, posting tweets such as 'life just got a little easier' and 'I never need to leave the house again now'. The appeal of one stop shopping is hard to resist. But the rise of the gatekeeper is creating a two-tiered challenge for brands.

Firstly, gatekeepers are raising expectations of brand interactions. Over half of people agree that Amazon is setting expectations for what they're looking for from other brands and retailers (71% of Prime subscribers) for example. Savvy online shoppers are increasingly being primed to expect seamless experiences, quicker delivery times and hassle-free returns without any risk, and in some cases, when coupled with 'buy now pay later' services such as Klarna, they don't even need to part with their money upfront.

Secondly, trusted platforms are increasing the confidence of people to experiment with whatever products are available, regardless as to whether they are familiar brand names or not. This is clearly evident amongst online shoppers, with over

Fig. 01



of online shoppers think free return policies have made them more likely to try new brands



of online shoppers feel that sites like Amazon and ASOS offer such good aftercare service that they are safe if anything goes wrong



'With Klarna as well, you can buy and return and your bank account hasn't even got involved.'

Female, 16–24, Early adopter

'Well, if you have a problem with something you bought through these companies, then normally there's redress, isn't there? Especially through people like ASOS and eBay.'

Male, Majority, London

'Nine times out of ten, the brands I buy online I've never heard of before.'

Male, 25–34, Parent

half finding themselves increasingly buying more brands they've never heard of before and over two-thirds believing that free return policies and good aftercare make them more likely to try new brands because they are safe if anything goes wrong (See Fig. 01).

Expectations around goods and services are changing too. Six in ten believe the competition between new and established brands is making products and services better. In their quest for value and quality, people are becoming less attached to particular brands and are reassessing what constitutes quality. Two-thirds of people agree that premium brands don't necessarily equal premium quality. Although, this is more pronounced for particular categories and, of course, brands still play an

important role when selecting more substantial items (See Fig. 02).

This is creating opportunities for a resurgence in private label brands. In the past, 'private label' has been synonymous with cheaper products of a lesser quality, but these 'brandless' brands are now out to prove that they can provide good, sometimes better quality, while still offering value. As a result, people's attitudes towards these types of brands are changing – own label is no longer just for the thrifty (See Fig. 03). In fact, 60% of people believe that a lot of unknown brands are just as good, if not better than many established brands and two-thirds of shoppers claim that they are focusing more on the functional benefits that a product offers than the brand name these days. Brands and retailers are

seeing the growth potential in this area and investing in the creation of quality in-house brands, building out their portfolio to reach underserved audiences and to suit certain groups. Amazon, for example, now offers over 135 private label brands, 80 of which are in clothing.

'If something's at a decent price and it's an unfamiliar brand but it's got brilliant reviews and it's on a site you know, then why not?'

Female, Parent, London

Fig. 02

Categories where people would be happy to experiment with new brands (All Adults)

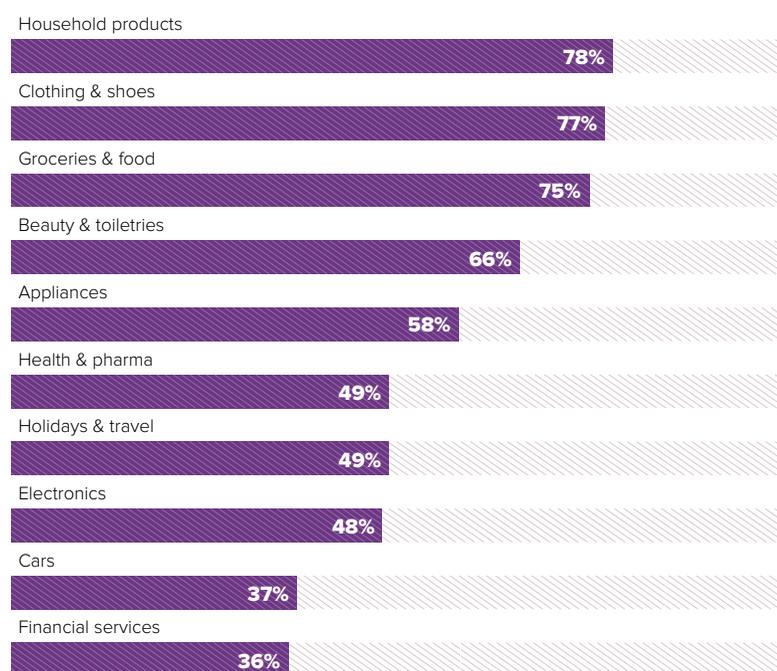


Fig. 03



HOW IS IT DEVELOPING?

Shoppable Media – Another sales channel to consider

As it becomes increasingly shoppable, media is also evolving into a form of gatekeeper, adding to the complexity of the retail landscape and now needing to be considered as another channel to market for brands and

products. Social platforms, in particular, have always been an ideal environment for the discovery of new brands, but are now evolving into places for more than just inspiration (See fig. 04 & 05).

Fig. 04

Platforms that help discovery of new brands

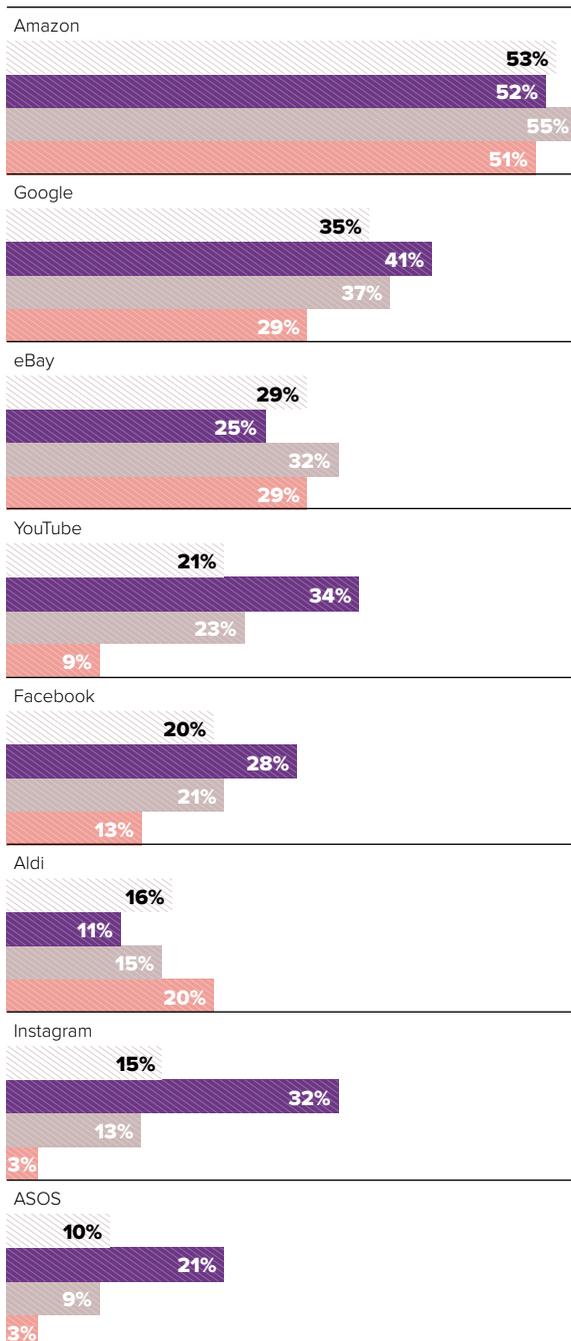
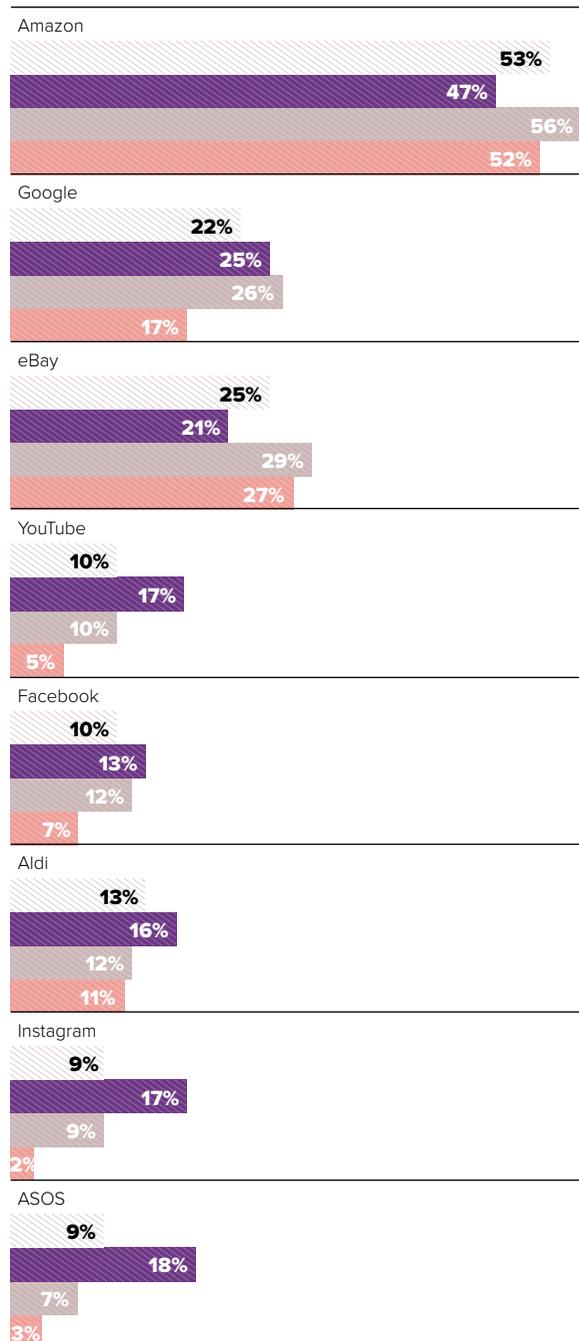


Fig. 05

Platforms that help purchase of new brands



Buy capabilities are being integrated into the main social platforms, completing the loop to include transactions within the platform itself. Pinterest, Snap, Facebook, Instagram and now TikTok all have integrated purchasing options in some markets – particularly useful for mobile users who want to buy there and then with minimum hassle. Although it is not quite universally available yet, just under quarter of under 34s already think they are buying directly from social sites, when in fact they are being redirected to purchase from retailer sites, so demand is ready made. But shoppable media is set to extend way beyond just the social platforms and their feeds. QR codes have taken on a new lease of life and are more frequently being added to outdoor ads and other media, as links to buy directly. NBCUniversal have even trialled QR codes within TV content – which will likely move towards more voice integrated activations as devices and usage evolves. Already a mainstay in mobile dominated China, shoppable media is taking a little longer to land in the West. We are only just starting to see some of the shoppable media formats popular in China start to resonate here – shoppable video and livestream shopping, for example. Both Google and Amazon have integrated shoppable options either via images or shoppable video. Earlier in 2019, Amazon launched Amazon Live, allowing sellers to live stream videos of their products on the platform which are linked to purchase options. And brands are also trialling the livestream shopping option on their own platforms – H&M owned brand Monki recently integrated this feature into a campaign on their site.

All of these developments mean a hugely different ecommerce landscape on its way for brands and the possibility for new players to dominate the retail space. The Facebook/Paypal partnership and Facebook's creation of its cryptocurrency, Libra, nod to a future where social and retail could be heavily intertwined, as they already are in the East. With Chinese platforms like WeChat and Weibo, users can do anything from making payments, doing business and booking flights through to playing games, all within the same ecosystem – the messaging platforms themselves. Facebook's recent launch of new branding for its subsidiary companies in which 'From Facebook' has been added to apps, including Instagram and WhatsApp, suggests that this shift towards ecosystems is already well on its way. It will be difficult to establish the same shopping behaviours in the West, but with true social commerce on its way, social platforms, along with any other platforms including shoppable media will certainly have more retail clout and should be thought of as another channel to market for brands. Younger people in particular find shoppable media appealing – for example 34% of 16–34s say they would like it if the products in TV shows were directly shoppable (See Fig. 06). But there are concerns from all age groups that shoppable media means it's not as clear who they are buying the product from (See Fig. 07). Clarity and simplicity will be key.

Fig. 07

'Shoppable media means it is not as clear who we're buying the product from'

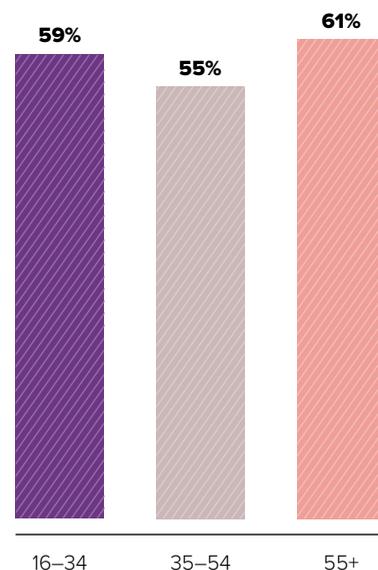
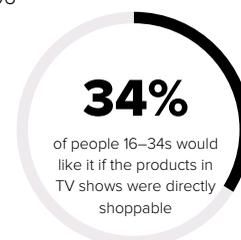


Fig. 06



'Social media, and Instagram in particular has definitely opened my eyes to new brands'

Female, 16–24, London

HOW IS IT DEVELOPING?

D2C brands spur on a whole new mentality

Gatekeeper brands offer people simplicity. Equally there is another type of brand gaining traction for that reason – D2C (direct to consumer) brands. The number of D2C brands, that is those that take products more directly to the customer cutting out the middleman or middlemen, have grown considerably in the last 5 years. These new brands own the end-to-end relationship with the shopper, from manufacturing right through to marketing and delivery. As a result, they have access to a whole host of joined-up consumer data and power over the bigger picture, which makes

them well equipped to deliver the tailored, seamless and integrated experiences that people want (See Fig. 08). These brands are disrupting industries, removing costs and complications and allowing shoppers to have greater control over their interactions with brands. So, similar to gatekeeper brands, they are also raising people's expectations of what brands should deliver. Although D2C brands are certainly not a new concept, in combination with the rise of gatekeepers, the effects are being strongly felt.

A significant change in mindset is required to thrive in this environment. We are seeing more established brands making big changes to how they operate. They are going back to basics – the fundamentals of what their product offerings are and how they can genuinely best serve their customers. Some are investing in their own D2C brands either by starting from scratch or by making acquisitions in the current space – Unilever with Dollar Shave Club, P&G with This is L, Target with Casper, and Walmart with Bonobos. Interestingly, Walmart also has also been buying up gatekeeper brands

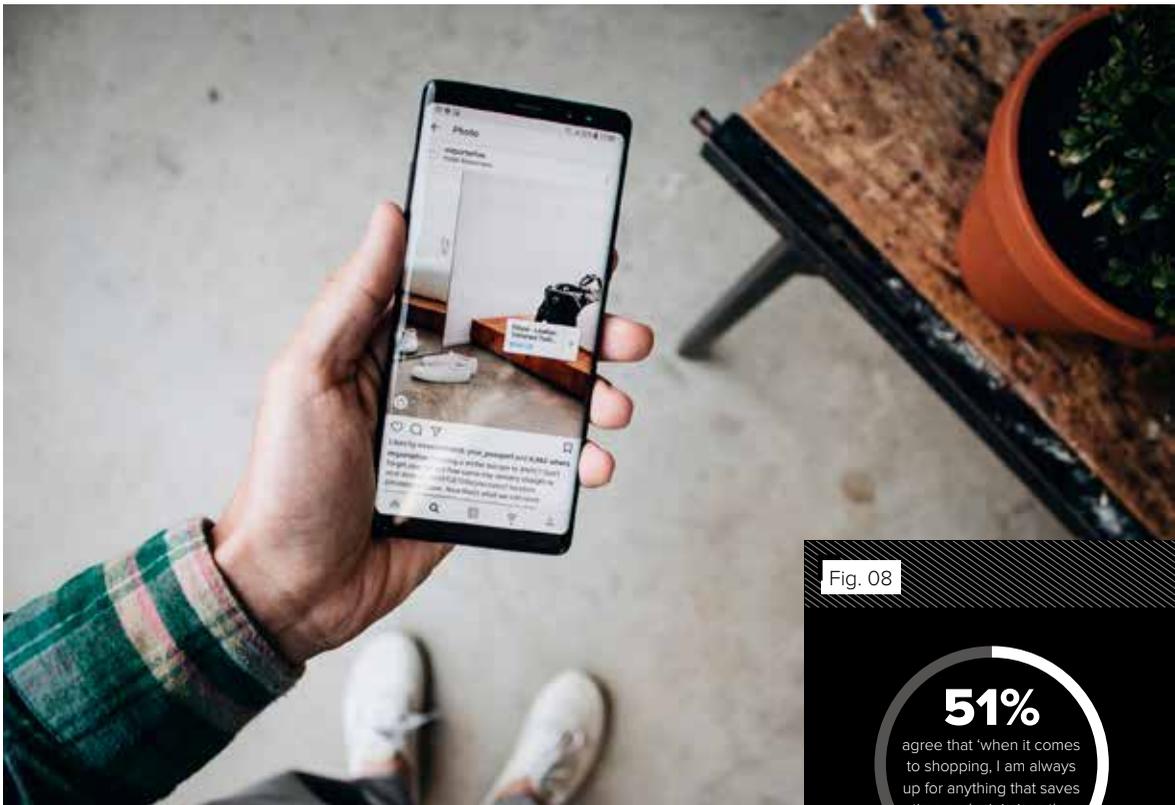


Fig. 08

51%

agree that 'when it comes to shopping, I am always up for anything that saves time and minimises the effort I have to make'

such as Jet.com. Along with these acquisitions come new learnings, ideas and approaches, new resources, data sources, customer insights and in some cases a whole new type of customer.

Partnerships are another route in to access some of these things – Sainsbury's have recently partnered with Harry's, stocking the men's care range in their stores, as part of their Future Brand Initiative, an incubator programme for new and distinctive brands. Other types of partnerships are giving brands the capabilities for more end-to-end transactions – such as the M&S £750 million joint venture with online delivery brand, Ocado, now providing M&S the fulfilment capabilities for online food shopping and will be a massive step in the transformation of their business.

Other brands are also focusing on delivering a better end-to-end experience and are acquiring companies to help them do so. Nordstrom, for example, is investing in retail technology companies to help improve their ecommerce proposition. And brands like Nike are focusing in on their own D2C proposition too, proving that joining forces with existing gatekeepers isn't the only option. Nike pulled out of selling its products on Amazon in 2019 to focus on its own D2C strategy, selling exclusively on its own online store. As the dominance of gatekeepers and D2C brands continues to rise (See Fig. 09), we will increasingly see brands reassess their business models and how they can best deliver to customers, re-imagining what it means to be a brand.

Fig. 09



IN THIS SPACE

01

PERSONAL SHOPPER BY AMAZON'S PRIME WARDROBE

This service solves the very problem the platform itself created, sorting through its mass offerings and providing a curated selection.

02

INSTAGRAM CHECKOUT

When people discover new brands on Instagram they can now buy from them without leaving the app.

03

PINTEREST SHOP

The platform emphasises mission-driven creators with unique products, and businesses must submit their brand story to Pinterest for consideration.

04

M&S X OCADO

M&S agrees £750m food delivery deal with Ocado to leverage their technology and delivery network.

05

FOOTLOCKER X GOAT

Footlocker invests \$100m USD in the sneaker marketplace and retailer of rare and exclusive trainers and lifestyle shoes.

06

BRANDLESS

Manufactures and sells a selection of grocery, wellness and home products under its own brandless label for 'shoppers that prefer more natural products and have a different view of brands'.

07

FRIENDS OF JOULES

Online marketplace for a 'contemporary country lifestyle', selling products from both individuals and other partner brands.

08

INSTA X SELFRIDGES

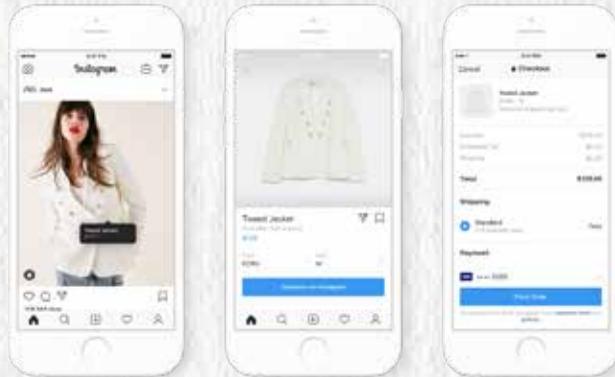
Instagram has partnered with Selfridges to let people shop a selection of brands from the social platform in real life.

09

NOTE LIVESTREAM SHOPPING PARTIES

Live shopping platform allowing influencers to host 'Shopping Parties' and chat to groups of potential buyers in real time. Urban Outfitters have partnered.

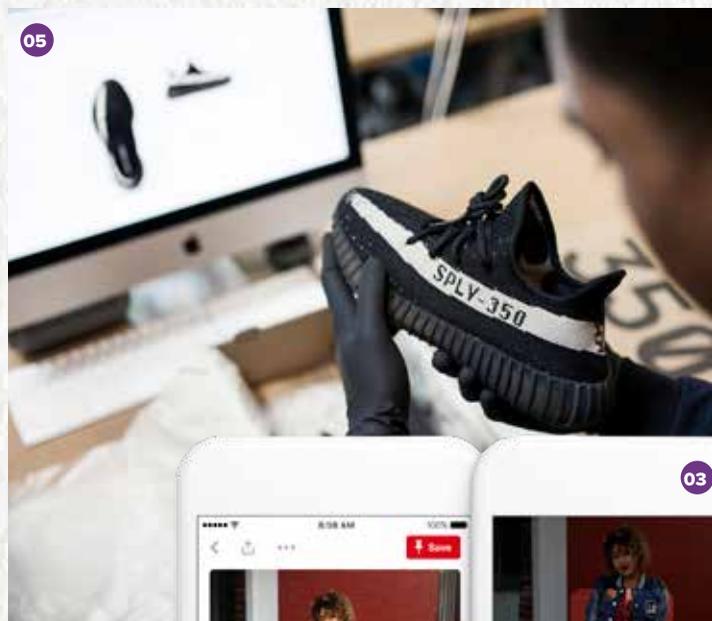
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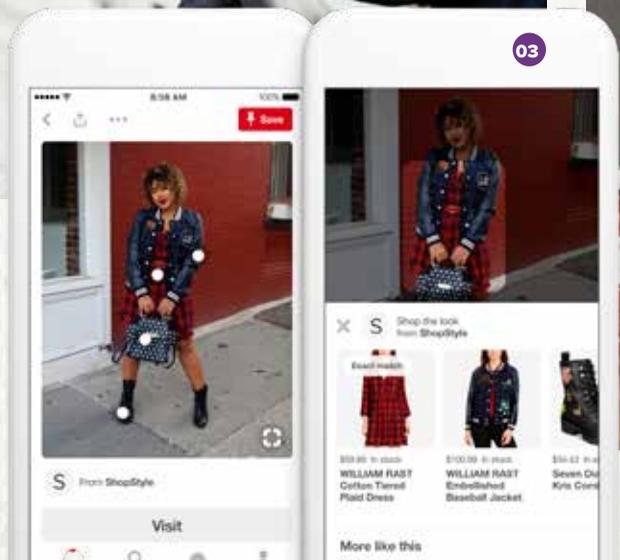
04



05



03



07

Meet our **FRIENDS of Joules**

YOUR ONLINE MARKETPLACE FOR A CONTEMPORARY COUNTRY LIFESTYLE

We're partnering with 100s of creative people and businesses to bring you 100s of perfect products for you and your family (even your four legged friends)... in just one place.

FIND OUT MORE >

01

amazon

personal shopper

What would you like to be styled for this month?

Your wardrobe updates

Season and getaways

Any additional information you'd like to share with your stylist?

Example tip to 300 characters: I'm looking for prep of color this month along with new brands I can add to my closet. I'd like to focus on casual tops and dresses.

CONTINUE

09

9:41

URBAN OUTFITTERS

Out From Under Christine Salin Bodysuit

\$44.00

See shopping

See history

See activity

See likes

See comments

See shares

See saves

See tags

See filters

See more

09

9:41

See activity

See likes

See comments

See shares

See saves

See tags

See filters

See more

06

VANILLA COCOA GRANOLA

COTTON BALLS

Organic Hypoallergenic "no-stress"

BLUE CORN TACO SHELLS

FRUIT TEA & PEARL SWAPLER

08

Instagram

WHERE NEXT?

The next chapter for gatekeeper brands

People will increasingly skip search engines, turning instead to online sites such as aggregators and marketplaces, to get the job done with more efficiency (See Fig. 10). This type of shopper behaviour offers greater opportunity to lock in customers, and capture a greater portion of their attention, time and value, so we can expect many new marketplaces to emerge. Expect to see an influx of niche marketplace platforms from authenticated luxury consignment (TheRealReal) to second-hand luxury watches (Chrono24). Established brands will also create marketplaces of their

own, such as Joules with 'Friends of Joules'. With its revamp of Google Shopping, even Google is veering towards more of marketplace model. Some brands, like Nike will stop selling directly through the online retail giants like Amazon, opting for their own D2C strategy, while others will forge partnerships elsewhere. But, with brands like Amazon already taking over a third of all online sales in the UK and rapidly expanding into other areas, including physical retail, it could point to a future where the majority of our shopping is done via only a few huge gatekeeper brands.

Brand stretch

Historically, successful brand extensions have stayed close to a company's core product or brand. But we will see brands experiment more, moving out of their comfort zones. In a bid to keep shoppers safe within the confines of their digital ecosystems, gatekeeper brands in particular will leverage their reputation and popularity in product and service categories where they haven't traditionally had associations. Amazon is a leading example of this approach, with their strategy to

fill any gaps they've identified in a market. Regardless of whether people are Amazon customers or not, 4 in 10 would be comfortable purchasing things like toiletries, clothing, electronics, appliances and furniture from the brand.

Interestingly, and testament to the power of the brand across so many different groups of people, the categories of products and services that people are comfortable to purchase from Amazon are

Fig. 10



'Honestly, I think Amazon could get into anything they want to'

Female, 45–54, Manchester

consistently positive across 16 to 24-year olds and those over 55 (See Fig. 11). While not nearly as dominant as Amazon, Instagram has a clear strength with younger audiences in categories such as beauty and clothing (See Fig. 12). Though not all categories will be as easy for gatekeeper brands to enter (e.g. cars or utilities), these brands will continue to push the boundaries and appear where you least expect them.

Fig. 11

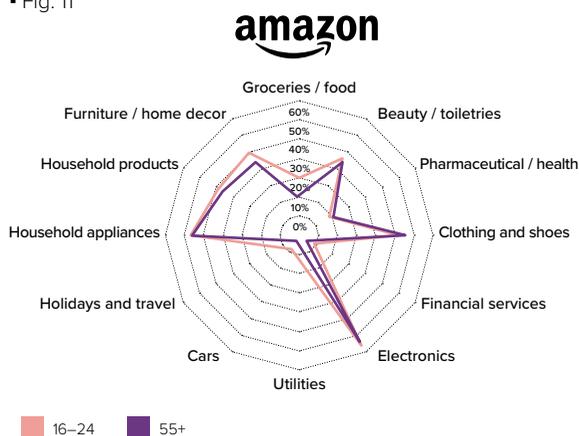
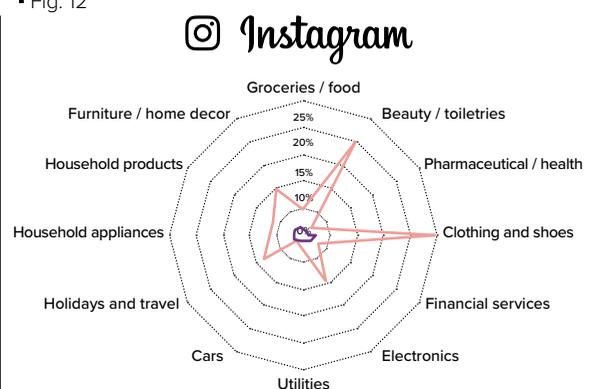


Fig. 12



Blurred lines between media companies and retailers

We will see more brands experimenting with shoppable media and advertising formats which will transform the ecommerce landscape as we know it, with more channels not only for discovery of product but for the final purchase also. In addition, it will bring an extra source of revenue for media companies, who will take a cut of the spoils and start to take on the role of retailers. Some will even extend out into the world of payment and fulfilment.

As the lines blur, we will also see retail brands moving into media and publishing, selling ads of their own. It won't be long before Amazon's ad revenue makes a dent in Google and Facebook. Agencies are already gearing up for this change. Ebay, Uber Eats, Walmart and Target have already dipped a toe into this space and with their first party customer data advantage, this could be an area to watch.



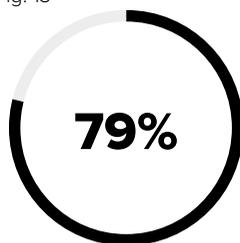
Voice commerce shortcuts

With the increased dominance of gatekeepers, brands that have voice technology already integrated into their ecosystems will have a massive impact on brand discovery. As digital assistants such as Alexa, Google Assistant, Cortana and Siri play more of a role in our day to day lives, people will come to rely on them more for shopping shortcuts. Of the people we surveyed, 44% of people believe they would trust their virtual

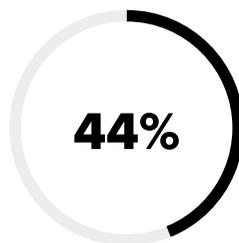
assistant to make brand choices for them (rising to 53% of parents and 60% of early adopters) and 79% say they would be happy for virtual assistants to suggest new brands to them (See Fig. 13). Whether we completely pass on control or simply use these assistants to help filter and make suggestions, the technology is set to have a big impact on the way we shop, particularly for repeat purchases and favoured brands.



Fig. 13



I would be happy for virtual assistants to suggest new brands to me



I would trust my virtual assistant to make brand choices for me, rising to 53% of parents and 60% of early adopters



I would only want my virtual assistant to order the brands I have purchased before



would make a point of setting their favourite brands as default choices for their virtual assistant

WHERE NEXT?



Stores expand the playing field

Experimentation in this new and disruptive world is essential and online won't be the only space to play in. Many brands are already using pop-up stores to test their propositions and we are now seeing more D2C brands moving into stores as well to create 'physical' presence. According to Retail Economics, online shopping is expected to account for 53% of all retail sales by 2028. But despite this trend, 80% of people

agree that even with the growth of online shopping there is still an important role for stores. As stores that fail to keep up with shopper expectations, continue to decline, more established D2C brands will take advantage of this. They will build on their expertise in supply chain effectiveness and start to introduce targeted retail formats through key relationships with large retailers, bridging the gap between

digital first operators and physical spaces. While in effect digital first brands may appear to become more like traditional brands as they mature, their more sophisticated management of the lifetime value of individual customer relationships means there will still be plenty that established big brands can learn from their digital approaches.



A focus on mental availability

Digital-first brands present significant opportunities but do have their drawbacks – in particular the physical product and packaging aren't there to influence choice. And for these types of brands, it is easy to become obsessed with generating a direct response using advertising to drive short-term sales, especially when recruiting new customers. In reality, what is needed is more mental availability making brand communications more necessary than ever (See Fig. 14). Once digital marketing channels are maxed out,

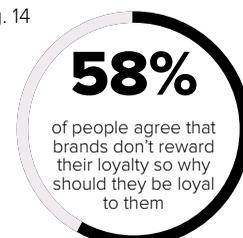
the cost of acquisition soars and new competition is continually appearing.

As a result, many brands are starting to re-assess this balance between short-term performance and long-term brand building. While social media platforms may help them to launch, we are increasingly seeing mature D2C brands turning to more traditional media channels as part of offline strategies that aim to build closer connections and acquire long-term customers.

'I find a lot of brands that I like from scrolling through Instagram, even though half the time I just tap and buy, I don't even notice the brand.'

Female, 23–34, Early adopter

Fig. 14





1

Expectations of brands are changing. 6 in 10 believe competition between new and established brands means products are getting better and over half claim that with so many new brands coming along every day, their expectations of what a brand should offer now are being challenged.

2

Strong aftercare offerings and free returns policies have stimulated experimentation with new brands, particularly amongst younger people. The service provided by sites like Amazon and ASOS significantly reduce the risks involved in purchasing – aiding in the trial of new brands.



3

While clothing, groceries and household goods are the perfect testing ground for new brands, when it comes to bigger ticket items, the high price and high cognitive involvement in these types of categories, mean people are significantly more likely to stick with brands they know.

4

Parents are the most open to trying new brands as they search for value – a third feel that the financial position of their household has worsened over the last 12 months. Two-thirds believe unknown brands are just as good, if not better, than established brands, this behaviour won't be stopping any time soon.

5

Those who feel that the financial position of their household is going to improve or worsen over the next year are more likely to experiment versus those who feel it will stay the same. Drivers behind are clearly very different with the first group doing it to enhance the way they feel, and the latter to compensate for it.

6

Younger people and parents are the least likely to equate a premium brand name with premium brand quality – perhaps as they are the most likely to have tried, and had good experiences, with new brands. As a result, they feel that brand names will matter a lot less in 5 years than they do today.

7

The rise of the trusted gatekeeper has had a huge impact on the way we shop. While in-store, people feel they are more likely to make a choice from a set of familiar brands, online they are much more open to algorithmic recommendations and user reviews.

8

Audiences are most trusting of Amazon, with over half of people using Amazon to discover and buy new brands. Younger people use a wider range of platforms to discover brands, being twice as likely to use Instagram for this purpose, and 60% more likely to use YouTube for inspiration.

9

Shoppable media is appealing with many already believing that they are buying directly from social media channels. However, any brand using this approach will need to make it an uncomplicated process and clear to people where they are buying the product from.

10

People want to be in charge when it comes to deciding which brands they buy. While 7 in 10 are happy for a virtual assistant to recommend a new brand to them, less than half would be comfortable with it making a brand choice for them.



01

MULTIPLE CHANNELS = MORE COMPLICATED ENVIRONMENTS

As potential routes to market continue to emerge and evolve, the retail environment will become increasingly complex. Media and ads will now need to be considered as part of the sales ecosystem, for example. Data will need to be fully connected across all potential online and offline channels for a consistent brand experience across any touchpoint people choose to interact with.

02

CLARITY AROUND THE PURCHASE PROCESS

When it comes to shoppable media people want clarity around who they are buying the product from. This is not required when it is shoppable media integrated into a brand's own site, but when buying via another media platform, people want reassurance that their transaction will be safe and uncomplicated.

03

CHAMPION THE CONSUMER

New brands are authentically and purposefully addressing unmet needs while maintaining a strong consistent connection to their customers. There's never been a more important time to champion the consumer, refocusing on insight and 'demand-led' growth in order to respond quickly to people's emerging needs.

04

SEEKING A BRAND NOT A SECTOR

The rise of automated commerce and the continued rise of gatekeeper private label brands mean that brands will need to compete beyond just the functional, so that people seek out a specific brand rather than a category. Mental availability is key and building brand equity will need to be prioritised for long-term success.

05

THE ADVANTAGE OF SCALE

New DTC brands may be more agile, but big established brands can effectively leverage their advantage to create unique and distinctive ecosystems that connect products and experiences both offline and online.

06

LEARNING FROM BIG TECH GATEKEEPERS

The likes of Amazon, eBay and ASOS have changed people's buying behaviours with the most convenient, consistent and trustworthy platforms gaining the biggest market share. How can your brands become trusted gatekeepers? Is there scope to launch your own marketplaces?

07

DATA IS THE BEST WEAPON

One of the greatest advantages of digital-first brands is their complete customer data. Brands will need to focus on their own first-party data giving them as complete a picture of the entire transaction as possible.

08

FLEXIBLE AND FLUID MINDSET

To compete in the era of market places and retail ecosystems, brands will need to become more nimble and adaptive, actively embracing a proactive two-way dialogue with their customers. Brands that are more entrepreneurial, willing to take risks, and are able to learn quickly and be flexible, will thrive.

09

END TO END EXPERIENCE, NOT JUST THE TRANSACTION

Brands that will win out in the next generation of commerce will create connected, consistent, one on one experiences at every touchpoint both online and offline. Look at your brands overall value proposition to account for the end-to-end experience, not just the transaction itself.

10

LOYALTY AND POSITIVE BRAND EXPERIENCES

With 52% of people wondering why they should be loyal to brands when brands don't reward their loyalty, it's important for all brands (digital-first or not) to remember that loyalty is earned through positive brand experiences, rather than transactions. Loyalty will be built by brands exceeding people's expectations, having a clear reason for existence, creating positive and relevant interactions, and creating a seamless experience.

FINAL MINDSHARE THOUGHTS

Both gatekeeper brands and D2C brands have significantly raised consumer expectations of brand interactions. With many owning the end-to-end relationship with the customer, they are able to provide the smoother, more delightful experiences that are now setting the standard. And as the commerce landscape gets more complicated with more sales channels to consider, including shoppable media, over the coming years we will see brands reassessing their

routes to market, going back to basics and making big changes to how they operate. Regardless of whether a brand's goal is to explore a D2C solution, partner with a gatekeeper brand, carve out a gatekeeper role for themselves, or simply keep up with the competition, the future looks bright in this new world for those brands which can gain a holistic understanding of their consumer across the entire retail ecosystem.



Tom Johnson

Managing Director – Trajectory Ltd.

What do consumers now demand from brands? How has this environment changed in the last 5 years? Are brands still valued?

Expectations are rising as platforms and gatekeepers improve the consumer experience. A rising tide doesn't lift all boats but it does raise expectations across the board: when consumers get used to a seamless experience in one area, they will naturally expect it to be present in the next.

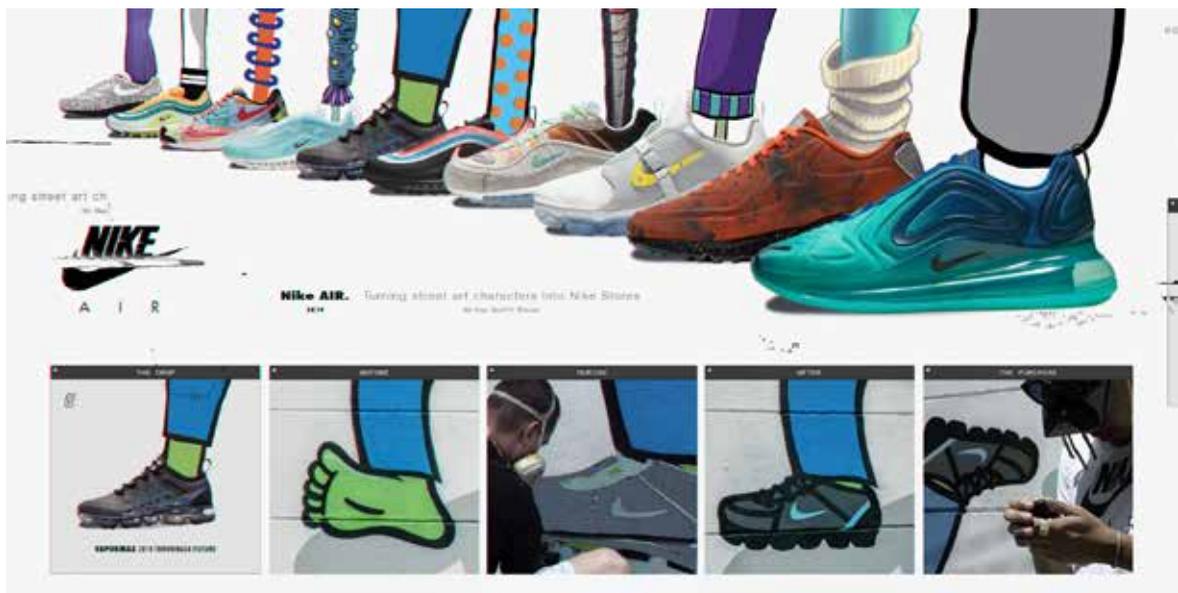
There are pros and cons here. On one hand, good service delivery and frictionless user experience can be easily achieved. On the other hand, brands lose a little bit of control and distinctiveness.

Going forward how do you expect this to pan out in the next 5 years? Will it be radical change?

Consumers aren't going to turn away from gatekeepers like Amazon – although those gatekeepers could find themselves disrupted by political change in the next five years. Those platforms have become essential in enabling consumers to navigate increasing product complexity and simplify choices. For any given product or category, a consumer can make a choice based on one or all of the metrics that matter to them: features, reviews, price and more.

New platforms, gatekeepers and channels also raise the risk of damage by association. You might like a brand but be troubled by its choice of courier, or media partner. The potential pitfalls are evolving all the time: what might have been perfectly safe and ordinary commercial activity can quickly become controversial. Look at Paperchase, Pizza Hut and others apologising after promotional activity with certain newspapers. If online platforms like Facebook or Amazon become similarly polarising then brands could be forced to rethink their activity here.

Sometimes the brand lacks any agency in this at all – appearing alongside fake news on YouTube damages trust, but is largely out of your control. Brand health needs to be carefully monitored to ensure that even external factors aren't undermining trust or perception.



How can brands stay successful and what will we see brands do differently in the next 5 years?

We used to talk about national trends but they are few and far between today. In a stubbornly polarised landscape, the notion of a 'nationwide' brand is under threat. Consumers do not so much segment as fragment: on finances, demographics, values and cultural outlooks. Value fragmentation is particularly powerful because it underpins so much: our data shows us how different groups have radically different views on everything from whether life is better today than in the past to their identity, technology as a force for good in society and how much autonomy they feel over how their life turns out. This is big picture stuff but it influences day to day behaviours – and it's never been more volatile or divergent.

To engender trust, brands must speak to consumers' values and worldview; reach them where they are but also talk to them in their language. Brands will continue to play in this space but will need to be shrewd in the causes they speak to – play it too safe and they will lose meaning and visibility but be too strident and they'll alienate more people than they attract.

Of course, brand will still play a role but I suspect we'll see increasing mercuriality from consumers, who have been in a recessionary mood for some time: further financial pressures will hit brand loyalty and raise the importance of price as a bottom line.

What is the one piece of advice you would give brands when thinking about the next 5 years ahead?

Do as consumers say, not as they do. When O2 lost network coverage for a day last year they asked their customers what they should do with the compensation – donate it all to charity or reimburse each individual customer about 90p. The majority of customers voted for the 90p compensation, rather than charity – if everyone had voted for charity, the donation would have been more than £1m. If a business had displayed that level of self-interest they would have been crucified.

Consumers are increasingly telling brands one thing but acting in a different way: as consumers we expect higher standards of probity, purity and selflessness than we would ever hold ourselves to. This means that for brands to stay relevant to and trusted by consumers they need to stay on the high ground – while meeting all the other demands for value, quality and availability too.



AD.BREAKS?

WHERE HAS IT COME FROM?

Who and what we trust has been taking a beating. The challenges of austerity, multiple scandals and Brexit have badly eroded people's confidence in the traditional pillars of society. Meanwhile, technology has been actively redefining the boundaries too; allowing distrust to prosper. People have found themselves living in a time when division, ongoing uncertainty and the rise of fake news, post-truth and disregard for experts and facts, are challenging their beliefs every single day.

The crisis of trust impacting wider society is also playing out in how people respond to advertising and to brands. The Advertising Association has found that consumer trust in advertising had hit an all-time low of 25%, just half what it was in the mid-90s. Increasingly sceptical consumers feel like they are being overwhelmed by too many irrelevant, intrusive and overtly sales-driven ads. And this feeling is even more marked in some areas of the country. The response people have to advertising has hit rock bottom. Those that are not peeved, are simply becoming a bit numb to the barrage of advertising clambering for their attention.

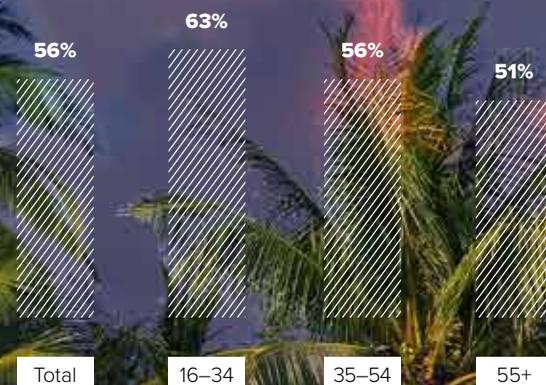
These feelings of distrust are not just confined to advertising; it's the motivations the brands have behind the advertising as well. The integrity behind many brands' intentions is being increasingly questioned. 57% of the people we spoke to were cynical about brands associating with meaningful causes, claiming that brands which took this route were just doing so as publicity stunts – with levels of cynicism even higher amongst older audiences and males.

Given these negative views, it's little surprise that people are turning to ad blockers and paid for ad-free environments to escape the brand clamour. At the same time, 'real', people-led sources of influence, are instead gaining traction with consumers, often at the expense of more traditional forms of brand advertising. But it's not all bad news. Not everyone is downloading ad blockers,

or willing to cough up for ad-free services. Meanwhile 'advertising' is finding ways to incorporate some of these new sources of influence into its arsenal. And perhaps, most importantly, just over half (56%) of people still feel that advertising has a role to play in telling them about brands, increasing for younger age groups (See Fig. 01)

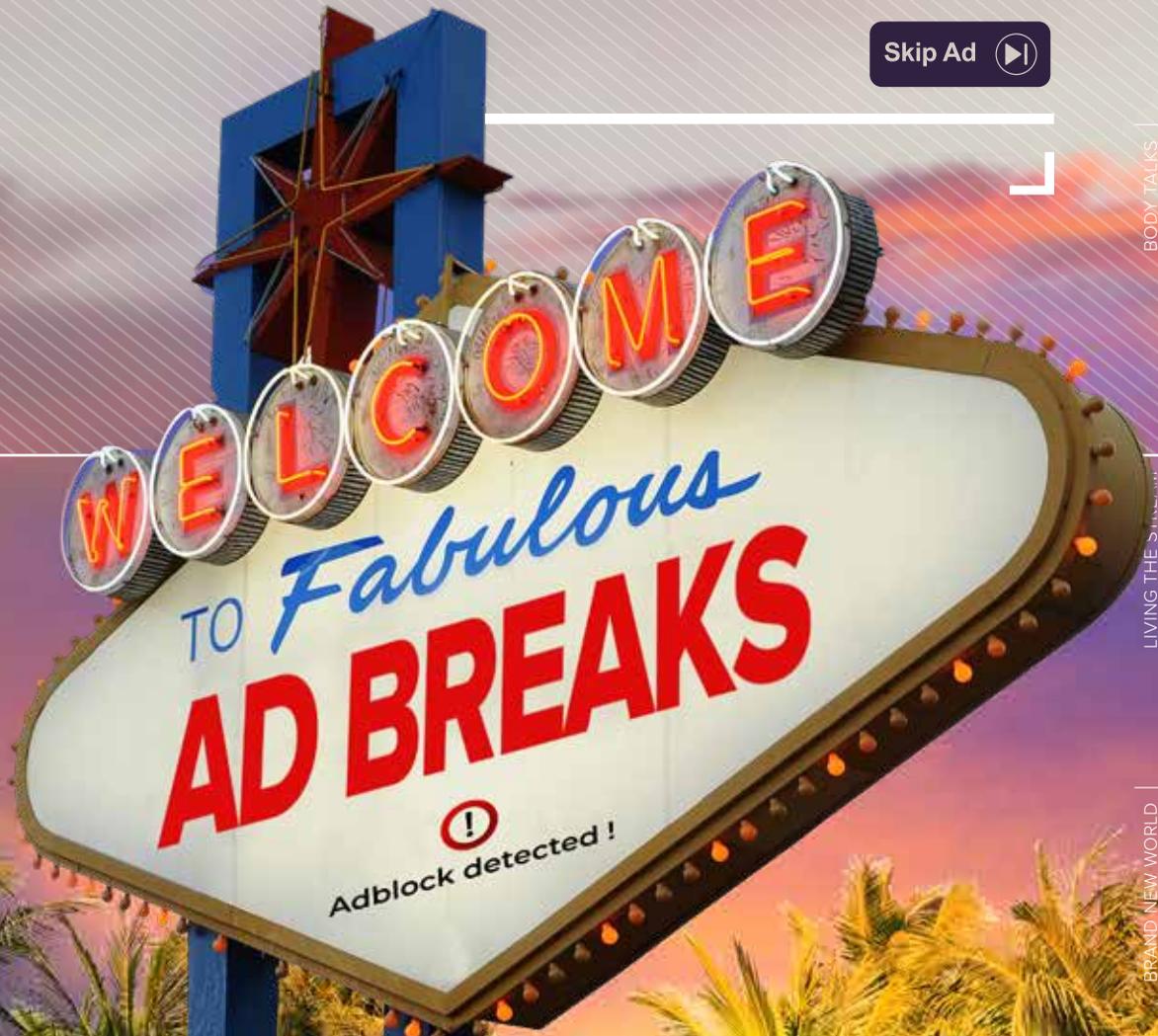
However, there is no getting away from the fact that some advertising approaches have become alienating for many people, and that change will be necessary for the discipline to flourish again. People accept that advertising isn't going to disappear any time soon, but they do want it to be different from how it is now. Just under half (48%) of people we spoke to said that brands really need to be looking for new ways to advertise themselves, rising to 58% amongst under 34s. Thankfully, the industry is on a path of reinvention and is working collaboratively to change its ways. Yes, there's still a hill to climb on many things, including how we use people's data, where ads appear, and what they say, but evolving ad formats and brand messaging opportunities are beginning to address some of the roots of the problem. And technology is on hand to lend a hand.

Fig. 01
Advertising still has a role to play in telling me about brands (% Agree)



WITH TRUST IN ADS IN DECLINE AND CRITICISM MORE RIFE THAN EVER, WE COULD BE FORGIVEN FOR THINKING THAT ADVERTISING WAS ON THE VERGE OF A BREAKDOWN. BUT A JOURNEY OF REINVENTION HAS BEGUN.

Skip Ad



HOW IS IT DEVELOPING?

Right message, right moment, right mindset

The irrelevant, interruptive, shouty nature of advertising has become a growing area of complaint for many people. With so much content now being accessed in ad-free spaces such as Netflix, the disruptive, wide net push of advertising, too often featured in other environments, is beginning to feel increasingly annoying in contrast.

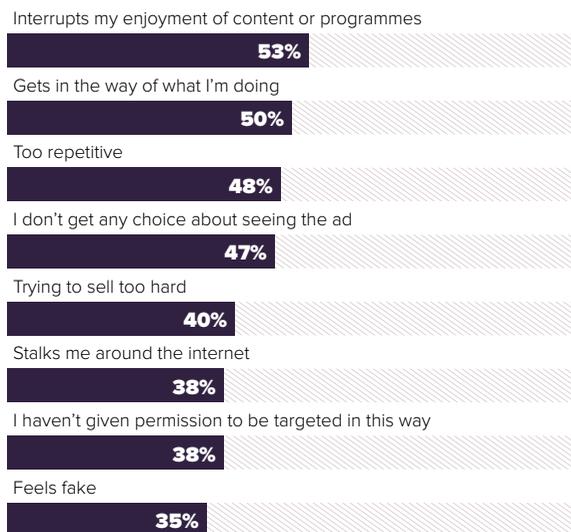
Over half (53%) of people we interviewed said the most annoying thing about advertising was the way in which it interrupts their enjoyment of other experiences (see Fig. 02) – a complaint that was particularly relevant for advertising found around video related environments, with the intrusion on content flow and experience. One respondent explained: ‘You’re flicking through your feed and there’s a video on there for a minute and a half and you’ve got an advert slap in the middle, you’re like GO AWAY it’s so infuriating,’ and ‘I think we’re getting more and more used to not having ads now... whereas now, like, for example, on YouTube, I really resent when you have that ad at the beginning – I’m like, “Oh, this is so annoying”’.

People are willing to accept that advertising has a role to play, but for it to work successfully, the message, the moment that is being accessed, and the mindset being tapped into need to be much more pertinent to their lives. However, with over two-thirds (68%) of people currently saying that many ads seem irrelevant to them, rising to over three quarters amongst over 55s – there is clearly still much work to be done here.

Using data better to anticipate, rather than just respond to, to people’s needs, will be the key to addressing this issue in the future. Facebook, for example, already talk about people no longer finding products but products finding them. And one of Facebook’s platforms people felt was getting it right was Instagram. 44% of 18–34s agreed that they found the advertising here much more relevant to them than in other channels, and in our qualitative research stage, the feedback was very positive, with comments around the content suitability, their look and feel, and their blend with the content around them.

Fig. 02

Characteristics of most annoying places for advertising



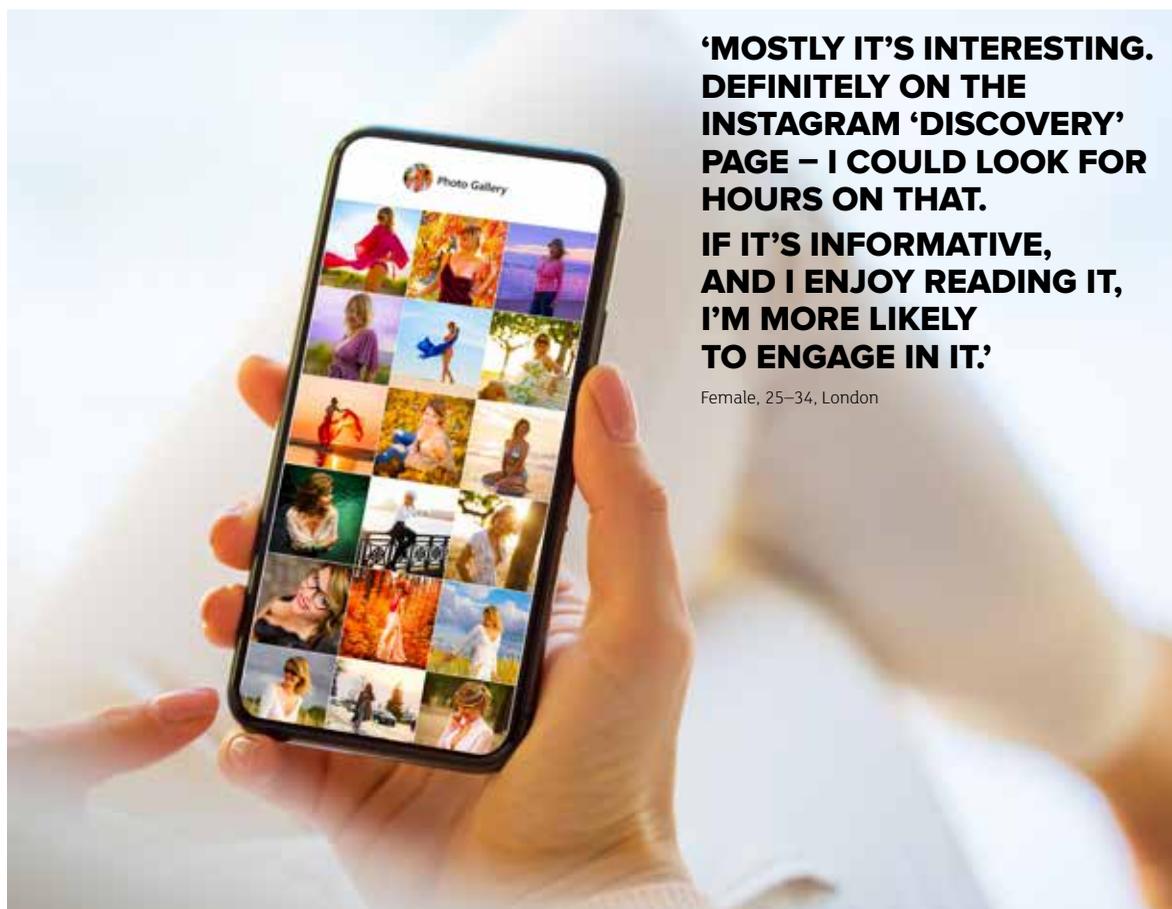
‘They don’t feel like ads either... maybe because my Instagram knows me and my habits so well, it just looks like content. It doesn’t look like an ad.’

Female, Majority, London

Context is king and indeed, native advertising, which integrates into people's passion points or blends into the context of the environment, is predicted to be a \$400 billion global industry by 2025, according to native ad firm AdYouLike.

However, any form of relevant ads can sometimes come at a price and the line between relevance and intrusion must be considered carefully. In response to demands for more data privacy and regulation across the board, 2020 promises to be another year where data ethics is in the spotlight for advertisers, with the California Consumer Privacy Act (CCPA) coming to the fore in January, and with the continued clampdown on third-party cookies.

Personalised offerings will become harder to deliver, with companies like Gartner predicting that by 2025 80% of marketers who have invested in personalisation will abandon their efforts, due to lack of ROI and the dangers of customer data management. On this basis, other routes to build relevancy are likely to become more important to brands – with increased use of context, environment and smart use of other information sources. We are already seeing companies, such as Google, doing more with less data, utilising AI to build predictive models for example.



'MOSTLY IT'S INTERESTING. DEFINITELY ON THE INSTAGRAM 'DISCOVERY' PAGE – I COULD LOOK FOR HOURS ON THAT. IF IT'S INFORMATIVE, AND I ENJOY READING IT, I'M MORE LIKELY TO ENGAGE IN IT.'

Female, 25–34, London

HOW IS IT DEVELOPING?

Blurred lines – beyond ‘advertising’

It is not just the interruptive nature of advertising that people don't like, it's the overtly salesy messaging that they feel can be just too much. And the two in combination are currently resulting in a very blunt, downbeat assessment of the industry, with 78% of people agreeing that 'I feel like a lot of advertising these days is just trying to flog me stuff' and 70% saying they would 'prefer it if advertising were less shouty'.

But in reality, brand messaging is already moving to a much more subtle and integrated future – it's just people haven't noticed it yet or acknowledged these new formats as being 'advertising'. Only a quarter of people think 'ads are becoming less obvious', when in reality, this

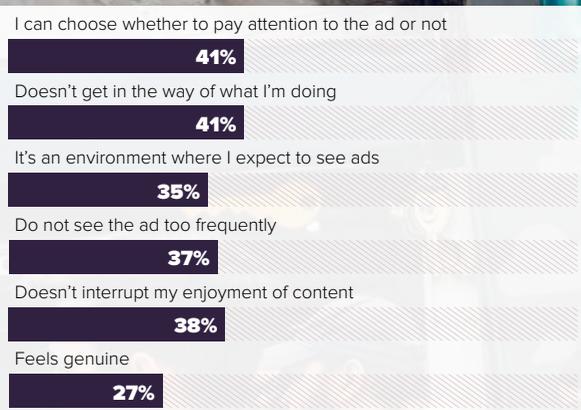
change is well underway. Nike Air Max trainers appearing on the feet of characters in local graffiti artworks around cities for example, or product placement in Netflix shows. *Stranger Things* is reported to have referenced 75 brands in season 3, including brands such as Burger King and Coca-Cola. Whilst Netflix have made it clear they weren't actually paid for this involvement, the brands have been promoting the show through their channels in return. And opportunities around Netflix brand partnerships are likely to grow in the future, with Forrester reporting that they are 'actively beefing up their marketing team'. And with more subscription-based entertainment services all producing their own content, opportunities for brands are

only set to grow in this space (see our trend 'Living The Stream').

In reality, the way that many brand messages are now being integrated does actually fit the criteria of what people want from advertising – they can choose whether to pay attention to the ad or not, and the enjoyment of the content is not interrupted (See Fig. 03).

And brands are increasingly looking for ways to be the content themselves – a growing area of development that people were positive about (See Fig. 04). Airbnb, for example, has announced that it has plans to develop original shows and content that will help to promote its hosts, guests and travel

Fig. 03
Characteristics of most acceptable places for advertising



destinations. We are also seeing ambitious brands investing in longer form entertainment, with the aim of creating compelling enough content able to compete with the endless amount of choice out there. A tough gig, but brands such as P&G, Nike and Red Bull are doing it and doing it well. Think Red Bull Stratos and P&G's six-part documentary series with Nat Geo. A few smaller brands are also managing to perfectly balance the skill of telling a meaningful story versus delivering a brand message that's not just about embedding a product. A tricky but rewarding area to watch, especially as many of these solutions integrate other extended brand opportunities, in addition to the content itself.

The majority of today's brand communications are a far cry from the bluntness of 'trying to flog me stuff', but the industry has a job on its hands to convince people otherwise. While overtly salesy and interruptive ads are still there to annoy people, the harder the task becomes. But, the perception of what constitutes 'advertising' can only evolve in the coming years as more integrated and creative communications and content becomes the norm rather than the exception.

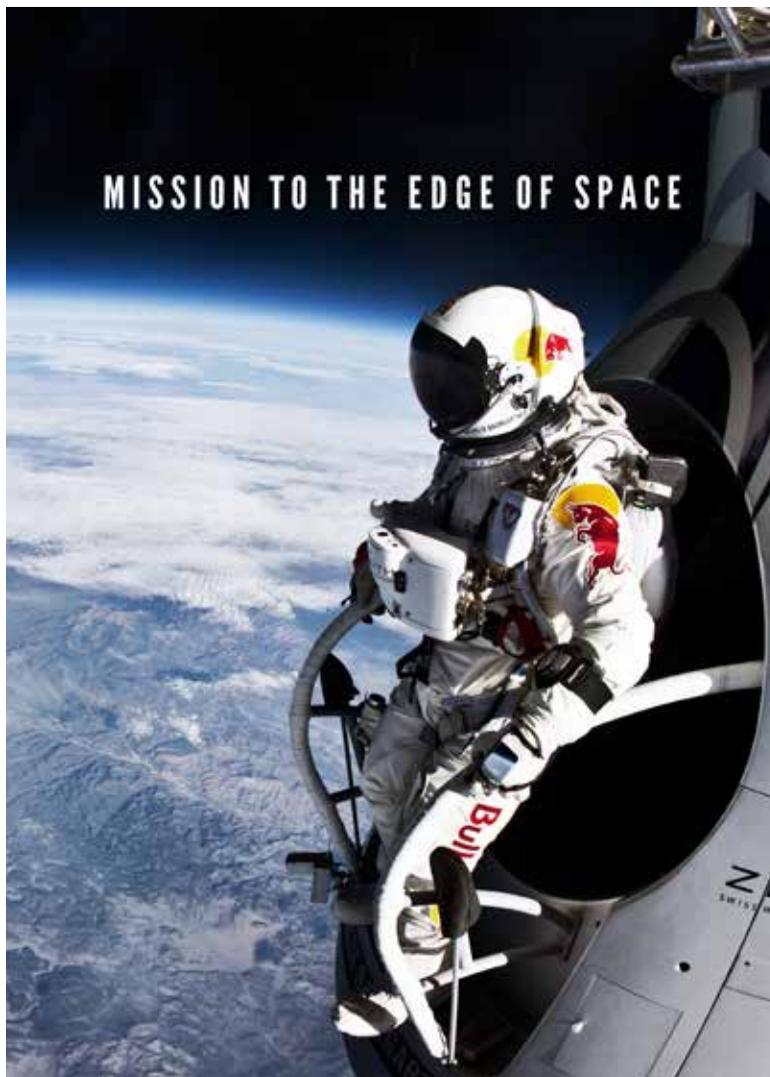
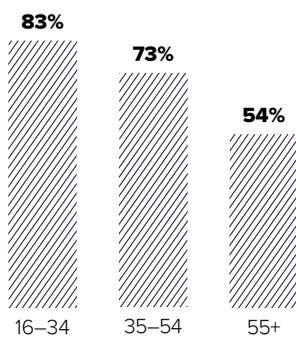


Fig. 04

Should brands create less, the same or more of their own content?

Keep the same or create more of it



HOW IS IT DEVELOPING?

People like us

The range of sources that people view as being credible in their day to day lives has contracted considerably. For many, there is now an almost exclusive reliance on ordinary people as their go-to source of trust across multiple areas and decisions – on families, on people who are like us, on our friends. This narrowing trust window, when combined with the low standing that advertising now enjoys, has resulted in 6 in 10 people claiming that the views of other people – either known to us or digital strangers – are now much more likely to influence their decision-making than the actual advertising for the product. It seems the more digitally connected we become, the more we are engaging with and trusting people we don't know (See

Fig. 05). We are buying, selling, sharing or communicating with digital strangers and taking product recommendations and inspiration from faceless people – a behaviour that is particularly the case amongst younger age groups and females. Technology is driving the accessibility and popularity of this reliance on the views of real people, with its widening influence having increased massively with consumers.

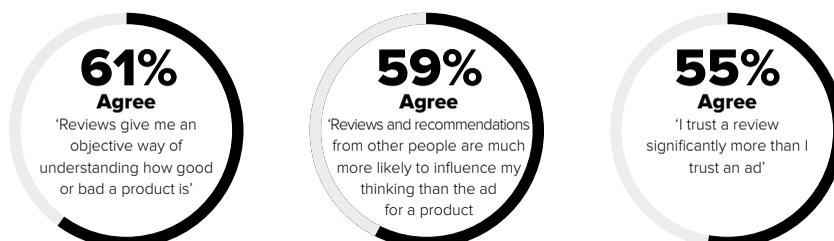
It's little surprise then that product reviews were one of the most widely trusted sources quoted in our study, particularly amongst younger age groups – two-thirds of under 34s now claim to trust a review significantly more than they do an ad. Amazon, a key gatekeeper for much of this

content, has quickly become one of the top ways of getting advice and information for just over a third of the UK population (See **Fig. 06**). In the US, Amazon are now tapping into this consumer trust with the launch of physical stores – Amazon 4-star – that feature products curated from their highest customer ratings, reviews and wish lists.

Recent stories around the rise of fake reviews have, however, started to raise concerns for some, and as a result there is growing interest in tools that can help verify whether content is genuine. Consumer facing start-ups such as Fakespot, for example, use algorithms to analyse millions of product reviews, looking for suspicious patterns



Fig. 05



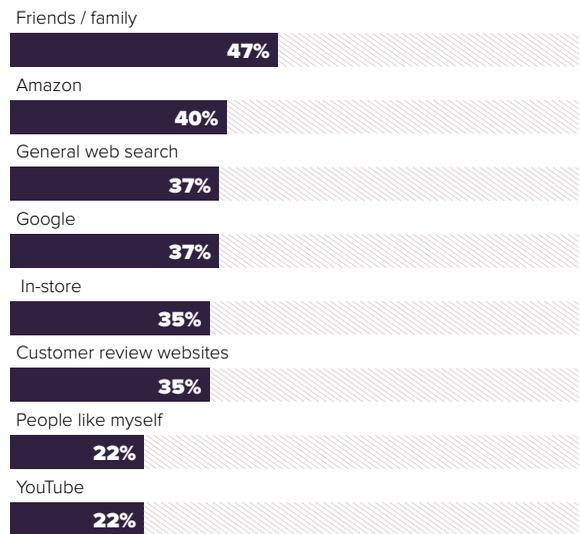
and incentivised reviews, excluding the unreliable ones. Peer-to-peer platforms, such as Masse, that promises only reviews written by genuine customers, and Countr, a platform that promises only reviews written by people similar to you and the styles you follow, are also starting to address this need.

And brands are shifting towards a culture of generating more earned media, where other people are effectively doing the hard graft of the marketing work. This kind of media blurs the lines of what classes as 'advertising' for people. Take TikTok hashtag challenges, for example, where people share brand featured video content, with an ecommerce feature also adding a shoppable component to the activity. A number of brands have been using this approach with great success – the #ChipotleLidFlip, for example, generated 104 million video starts.

Meanwhile a dimension of 'People Like Us' that has had slightly more mixed fortunes is that of the influencer – another touchpoint that is reshaping the definition of advertising with 34% of people saying that they 'don't see influencers as being the same as advertising'. Brands have been upping their investment in this area in the hope that people will help to make their products more sought after, and they do have sway in some situations, with a third of 18–34s agreeing there are specific influencers that they really trust around new products and trends. However, there is a growing awareness and unease amongst consumers around influencers making these paid product endorsements. People are considering that influencer recommendations may not be as genuine as first thought and credibility around this area, when considered as a whole, is much lower than for other forms of people-led recommendations.

Fig. 06

When it comes to shopping decisions, where do you go to for advice and information?



HOW IS IT DEVELOPING?

Demonstrating purpose

The combination of declining trust levels on the one hand, with increased access to news, information and knowledge on the other, is creating new challenges for brands, both in terms of what they say, and the context they appear in. People are now far less willing to take things at face value and are instead adopting a much more cynical viewpoint. Any brand communication will need to not only talk the talk, it will also need to walk the walk.

Expectations around how brands should be acting are high, but it doesn't naturally follow that people expect them to be met in the way they would like them to be. Many people are aware of brand purpose marketing, with 58% claiming they have noticed many more examples of brands trying to promote more ethical or meaningful messaging in

their comms. Exposure to this type of activity is, however, still being met with some cynicism about why the brand has decided to promote this type of message or association, although this is offset to a degree by the acknowledgement that some good can still come out of these types of activity.

With brands increasingly trying to stand for more meaningful things – from environmental issues through to gender politics to social injustice – avoiding hypocrisy and promoting authenticity will be crucial. Over two-thirds (68%) of people agreed that brands can't get away with saying one thing and doing another; values behind the scenes have to match what the public face is saying. Expect to see increased transparency coupled with better verification of behaviours, through the growing

adoption of common standards, kitemarks and partnerships to help provide reassurance for consumers. Common standards such as the BCorp certification, which demonstrates a brand places people and planet on equal footing with profit, are now starting to appear on product and service labels. Similarly, new partnerships, such as the Circular Fashion Fast Forward project, that demonstrate a fashion retailer's commitment to more sustainable business models are also gaining ground. We can also expect some brands to go further than reports and certifications, with the application of blockchain technology to provide customers with fully traceable information from the origin of raw materials all the way through to point of sale.

'No brand is going to say anything bad about themselves'

Male, 35–44, Scotland





IN THIS SPACE

01

NETFLIX GREEN EGGS AND HAM PARTNERSHIP WITH SUBWAY

Netflix worked with Subway to start offering a Green Eggs and Ham Sub tied to the new series.

02

NETFLIX STRANGER THINGS PARTNERSHIP WITH BURGER KING

Burger King created an upside down whopper to celebrate the season 3 partnership.

03

LOUIS VUITTON LEAGUE OF LEGENDS PARTNERSHIP

Included designing everything from the Trophy travel case for the esports world championships, through to champions skins and even a capsule collection.

04

P&G AND NATIONAL GEOGRAPHIC PARTNERSHIP

Six-part documentary series, highlighting the work of grass roots activists across the globe, featuring ambassadors such as Hugh Jackman and Pharell Williams.

05

WENDY'S 'KEEPING FORTNITE FRESH' CAMPAIGN

Cannes Lions winning campaign, where the brand was embedded into the gameplay in Fortnite to spread a message about the evils of frozen beef.

06

BERROCA AND C4'S EXTREME EVEREST WITH ANT MIDDLETON

Branded TV documentary about climbing Everest, which also included product placement, a VR film and a spin-off content series.

07

MASSE APP

Masse is an app which harnesses the value of word-of-mouth in a digital, shoppable platform.

08

FAKESPOT

Uses algorithms to analyse millions of product reviews, looking for suspicious patterns and incentivised reviews, then excludes the unreliable ones.

09

MAIRO PACK OF LIES

Creating transparency about the products and packaging in the beauty industry.

10

MINDSHARE #CHANGE THE BRIEF

A Mindshare initiative to drive industry change, by the creation of media and marketing plans encouraging small changes in behaviour that will help address the climate crisis on a larger scale.

11

TIKTOK #CHIPOTLELIDFLIP

Tiktok hashtag challenge where influencers and fans alike shared their own lid flip videos.

12

NIKE AIR MAX WALL GRAFFITI

Nike placed shoes on graffiti street art characters which then unlocked purchases at Nike.com using geolocation.

07



03



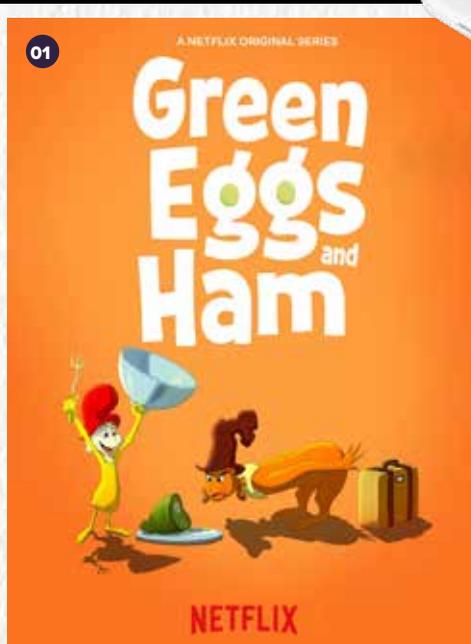
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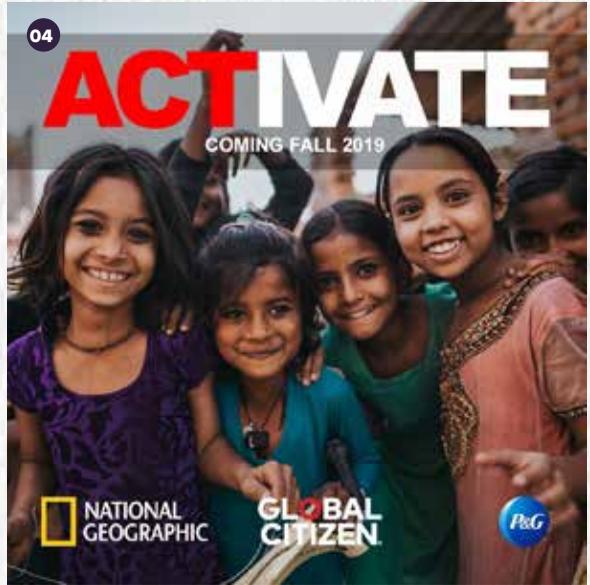
10



01



12



Consumer confidence will lead the way

From a consumer perspective, people's feelings about advertising are not going to be turned around quickly. The industry is going to have to work hard to change their mind. The chances of there being a quick fix out there for such challenged trust levels is highly unlikely – consistency and reliability are cornerstones of whether we trust someone or something and these take time to build up again. However, one area that will help it to recover is returning consumer confidence – without fail, consumers who are worried about the future for their homes or the country in general are more likely to be distrustful of and adverse to advertising.

Reviews unbound

Reviews are increasingly likely to be influencing many more of the brand choices we make in the future, not just the big shopping decisions. Nearly two-thirds (63%) of early adopters say they are now using them across a wider range of decisions than ever before, and according to 6 in 10 under 34s, they are likely to influence the majority of their purchasing decisions in the future. This could well change what we buy, encouraging experimentation for unknown brands without the ad profile.

New locations and moments for relevance

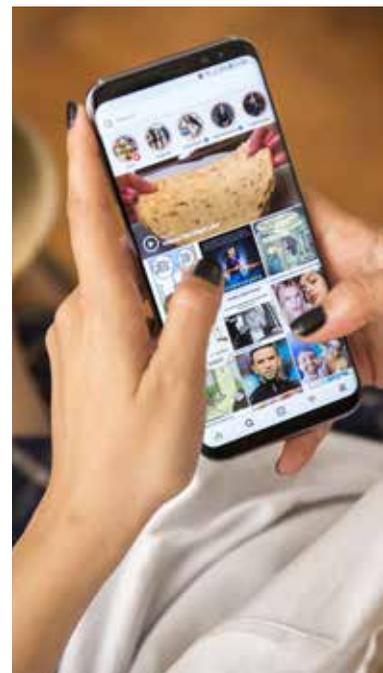
Relevancy – of message, mindset and moment – is what's needed to help advertising to become more appealing again. The creation of new advertising locations and moments will help this aim become more achievable. 5G will fuel not only more, but different types of connected devices used at different moments in people's lives, as we can see from our other trends 'Body Talks' and 'OM5G'. These new and wider-ranging data sources will create a wealth of opportunities for more refined targeting in different locations and moments. This will likely mean a move from the creation of big ad campaigns to the adaptation of a multitude of messages in real time, as moments happen.

The importance of emotional pull as the human dimension narrows

For some sectors and functional products, people are increasingly open to the idea of moving towards more passive shopping, through repeat subscriptions and automated reordering – effectively making the role of advertising largely redundant around these decisions. Influence and inspiration to buy will need to filter through in other ways and in some circumstances it may be that it is the machines themselves we need to market to rather than the person. 5G will facilitate the development of automated services, fuelling a proliferation of smart products able to cut out the human element. The emotional pull of brands will need to be stronger than ever to cement people's choices in this new world.

The payroll opportunity

As we move towards more payroll and subscription-based services, the opportunities for brand communications are in fact opened up, rather than restricted. Content makers are going to need help funding much of this new and wide-ranging content somehow. This competitive environment will create new opportunities for brand messaging, through brand placement, shared funding of content, or through enabling access to content in ad-based environments. And in reality, people aren't going to be able to pay for everything – both the content makers and consumers will be reconsidering ad-based models. Advertising is going through a tough period at the moment in consumer psyche but realistically the majority of people don't hate it enough to actively pay to exclude it – only 24% say they 'often pay so they can access content in an ad-free environment'.





**I'M NOT LYING,
I'M ADVERTISING** 🤪

1

Many people still see advertising as having a role to play in telling them about brands – particularly for female and younger consumers.

2

But there are major issues with how advertising is working at the moment – the vast majority feel bombarded by ads – it's often too shouty and its tone is all about trying to flog stuff.

3

The less confident people are about the future – whether for the country as a whole, or for their own circumstances – the more negative they are about advertising in general.

4

Whilst relevancy in advertising is particularly welcomed, being too personalised isn't – this was particularly an issue for older audiences.

5

Younger audiences are the most likely to rely on the recommendations of others, whether that be influencers, reviews and recommendations by people like them, or expert opinions.

6

Younger age groups are also 70% more likely to classify Instagram ads as an acceptable form of advertising. In particular they like the relevancy of the content and the fresh, exciting brands that they see.

7

Around a third of under 34s follow influencers that they trust on new brands and services, and who they view as being real experts in their field.

8

Parents are more likely to describe TV advertising as still one of the best ways in which they can find out about new brands.

9

There is interest in brands creating more of their own content – particularly amongst under 55s.

10

Celebrity endorsement is negatively received by all audiences, particularly amongst older generations, where over two-thirds believe it is unacceptable. In fact, celebrity endorsement is rated as the least credible form of advertising.



01

IT WON'T BE ABOUT SHOUTING THE LOUDEST

Stand out won't be achieved by spending more money or shouting louder, it will be about relevance, making connections with people and being a useful brand

02

USE ALL THE DATA SIGNALS AVAILABLE TO YOU

Brands will need to spend time understanding the mindset, the mood, the needs that their audience has at a specific moment, and work with these signals, not against them. Embracing the tone and spirit of the surrounding context, and clever use of data signals to adjust to audiences' requirements will be much more welcomed.

03

BALANCE THE FINE LINE OF RELEVANCE AND PERSONALISATION

Relevance is great, knowing too much about what's going on isn't. Too much personalisation, too much awareness of someone's actions, too much intrusion without permission, will move a brand into stalker territory. Trust levels are low at the moment and people will not give you the benefit of the doubt.

04

HOW CAN BRAND PRESENCE GENUINELY OFFER VALUE TO THE CONSUMER?

Less overt brand formats are a great way to create a worthwhile value exchange with your consumers. One route could be through easier, cheaper access to content they want. On a more ambitious scale, collaborating around that content creation itself can give your brand the opportunity to tap into relevant values and prestige cues.

05

COMPETITION WILL BE FIERCE FOR BRANDED CONTENT

Any brand creating branded content, whether that be short- or long-form will be competing against an ever increasing pool of choice. Content needs to be meaningful and something people would actively choose to watch and share.

06

EARNED MEDIA SHIFTS UP THE PRIORITY LIST

With people relying more heavily on the word of others, earned media will be increasingly important along with the paid media that supports and promotes it. Some brands are even contemplating what they would do in an ad free world, to help them focus on this more specifically.

07

BE YOURSELF, AND IF YOU CAN'T BE YOURSELF, DON'T DO IT

Innovation and content creation, whether as a brand stand alone, or in collaboration with a partner, can be exposing. It can allow a brand to share previously unseen dimensions, or to borrow the halo of values from another. These new brand expressions need to be genuine and 100% consistent with how the brand is – both up front and behind the scenes. Hypocrisy will be called out and rejected fast.

08

CAMPAIGN MEASUREMENT SET TO BECOME MORE COMPLEX

Not only in a potential cookie-less era (or even part cookie-less era in the more immediate term) but also with different ad formats emerging.

09

A REVIEW OF HOW MUCH PERSONAL DATA IS REALLY NEEDED

What data do you really need to create relevant communications? You might not need access to some of the data sources you currently have, it's about choosing the right ones. Equally personal data might not be available – think about ways to make your communications more relevant using minimal data points.

10

BALANCING BRAND AND DEMAND COMMUNICATIONS

Too much performance or push style marketing will only exacerbate people's feelings of being bombarded with too much overtly salesy advertising. The age-old debate of how much to invest in brand and demand advertising will rage on, but something needs to change if we are ever going to turn around people's negative views of advertising.

FINAL MINDSHARE THOUGHTS ✓

Trust in advertising has been in decline for several years now, fuelled both by the crisis of trust impacting wider society, and more specifically by the use of ad approaches that are seen as intrusive and alienating. However, reinvention is on the way, with the boundaries of what people think of as advertising being redefined by new formats built around content opportunities, by the adoption of more subtle and integrated solutions, and by finding new ways to engage with people owned material such as reviews and recommendations. From the consumer perspective, growing confidence levels will help matters too.

Relevancy – of message, mindset and moment – fuelled by new data signals, will help advertising to appeal once again. When combined with a genuine and consistent approach to brand values both up front and behind the scenes, this will result in more thoughtful connections, helping the brand to be perceived as more useful and valuable to the consumer.

**Jane Ostler**

Global Head of Media Effectiveness, Insights Division – Kantar

How do you think consumers feel about advertising at the moment? Why?

There are some occasions, for example Christmas in the UK, when advertising is anticipated with excitement. But generally, indifference reigns supreme: Kantar's research shows that more than half (55%) of connected consumers – those with access to the internet – neither like nor dislike advertising (DIMENSION 2019). And the increase in ad-free subscription streaming services means that people can avoid advertising. So, when brands do advertise, they need to be considerate and understand their audience. For example, we know that Gen Z prefers digital ad formats that they can control (AdReaction: Gen X, Y Z).

Consumers display a healthy cynicism for perceived paid-media forms, with advertising scoring lowest in our trust index. This means brands need to think about the optimum investment across paid, owned and earned media channels to make sure their target audience engages with their message. There are many other touchpoints which influence consumers' views of a brand, in addition to paid-for media: for example, instore, product/service experience, sales staff, customer service, influencers, and press coverage.

Targeted advertising has its issues too: while 45% of people agree that ads tailored to them are more interesting than other ads, over half (54%) object to being targeted based on their past online activity. So it's a mixed story, and marketers need not only an intelligent strategy, but also excellent and well thought-through execution.

How can a brand make sure their advertising a) gets cut through and b) is authentic for consumers?

There are three aspects to advertising being noticed: the creative, which needs to make a lasting impression; the media plan, which needs to do all the obvious things including delivering the right frequency – with 73% of UK consumers saying they see the same ads over and over again (DIMENSION 2019), we know advertisers still aren't getting it right; and choosing the right format and context.

We often forget that humour is one way to get noticed. I'm a big fan of humour in advertising and it can work for nearly all categories, even serious ones (e.g. Thailand's Chaidrite Termite-ator). I'm not alone: humour improves ad receptivity more than any other ad characteristic – 48% of people say that humour makes them more positive towards ads.

Authenticity is a complex topic and easily banded around. Brands need to understand what consumers think on a whole range of topics before they can figure out what authenticity means to them. Authenticity is a broad term: it can be about what the brand stands for, how credible the message is, where it's being delivered, and how it's executed. Authenticity goes far beyond advertising. For a beauty product, it may mean the ingredients or the packaging; or it may mean climate activism, or a helpful app; for a supermarket it may be its stance on waste food or plastic; whatever it means, it has to be more than a surface veneer of looking like you're doing the right thing.

How can brands keep their advertising fresh and engaging?

We know that advertising that is both integrated, and customised performs 57% better on key brand metrics. By integrated we mean that executions are recognisably part of the same campaign, and by customised, we mean executions tailored to each channel. Context is vital to ensuring the advertising is engaging: where an ad is placed, and the mindset of the consumer in a particular media environment. Content should be tailored to each specific context and platform, and we know an integrated campaign tailored to each platform's strengths will ensure strong campaign impact. Unsurprisingly, in-context testing is now much in demand. Most importantly, advertisers need to align their objectives with what each platform can deliver.

Are there any new and interesting ad formats you think will grow over the next 5 years?

Influencer advertising will continue to grow, but hopefully in a more mature, considered way. Brands need to ensure that influencers they work with are credible on the platform they specialise in, perhaps meaning more niche influencers with verified followers. Influencers will need to clearly disclose the commercial nature of the relationship. I think (and hope) there will be a more grown-up approach to the measurement of influencer marketing, moving beyond 'likes' towards brand impact and sales, particularly via collaborations.

What is the biggest thing advertisers will need to tackle in the next 5 years?

Without doubt, it's all aspects of effectiveness measurement. The disappearance of the third-party cookie, advertisers' desire for true cross-publisher measurement and multimedia effectiveness measurement at scale, mean that advertisers will need forward-thinking measurement partners (like Kantar). Currently only half of advertisers are sure they have the right balance between brand-building and performance advertising (Getting Media Right, 2019), so advertisers will also need to understand how their advertising is working to drive short- and longer-term metrics, and how they correlate.

Mindshare Futures is Mindshare's emerging media and technology research programme. It focuses on the underlying consumer behaviour behind future trends and advises marketers on the implications for communications. It produces annual trends publications, deep dive reports on specific tech trends and offers consultancy services.

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