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A Web Without Words

By Stephanie Wierwille

Nothing screams Web 1.0 like a clutter of text. Even text accompanied by an image is so 2.0. Welcome to the visual Web: a place where images create the experience and text plays second fiddle, adding a bit of context. The visual Web is Pinterest, Instagram, Tumblr and your Facebook news feed. But it’s also the content you’re creating, sharing and watching. It’s your new favorite websites and your mobile experience.

Why Visuals?
The Web has always been a highway of distraction. Pop-ups unapologetically dart across our screens. Emails spring into the corner, screaming “Read me!” Our eyes glaze over after reading one paragraph of text online.

And even if a site manages to keep our attention for a few moments, seven modules within that site compete for our eyeballs until we give up and seek solace in our Facebook news feeds.

But when there’s so much to say and no ears to hear, a picture’s worth a thousand words. It kicks off the story and creates an instant emotional connection. As web designers strive to increase site engagement, big, bold visuals have come out on top in creating a user experience that is just that: an experience.

In 2012, content was king. 2013 will be all about context.

Visual Websites
Take Peugeot’s HYbrid4 microsite: to tell the story of the car’s four driving modes, the brand created a parallax-scrolling graphic novel, complete with an auto-scroll option timed to audio of the heroine’s pursuit. And the visual story is just as poignant on mobile devices.

And compare eBay’s before and after redesign. Gone is the cluttered home page with tiny thumbnails. In its place is a Pinterest-like feed, conducive to browsing, discovering and window shopping.

Visuals Get Social
With the rise of Instagram and Pinterest, social network creators are following suit. In 2012, Pinterest hit 10 million monthly unique users faster than any site in history. On Twitter, text-heavy tweets now go beyond 140 characters, allowing users to view photos without leaving the feed. Facebook is moving toward visuals, too, increasing the importance of visuals in the news feed. Photos are one of the key EdgeRank factors determining the reach of a post.

And with 80 million Instagram users and 11 million on Pinterest, people are creating and sharing images like crazy. And in a world where memes and GIFs rule content, your news feed is even more visual than a few photos of your acquaintance’s latest meal.

Content Creators: The Image Factory
The trend-driver can be found at the heart of content creation, the creators themselves. The content we’re creating and sharing is now based on visuals. With more smartphones in more hands, we’re snapping pics on the go and uploading them.
instantly, forgoing digital cameras. In a 2011 survey by Prosper Mobile Insights, an overwhelming 44% of people admitted their mobile device has replaced a digital camera. As such, at the end of 2011, sales of point-and-shoot cameras were down 20% in the U.S. and 30% in the United Kingdom, and have continued to decline.

Brands and the Imagesphere

For brands, a stronger visual presence means more engagement. On Facebook, posts that include an album, photo or video increase engagement by 180%, 120% and 100%, respectively. In search, 60% of consumers are more likely to contact a business if an image shows up. And on product sites, 67% of consumers say the image of a product is very important, compared with 53% who say the online reviews. It can also mean more referral traffic. A year ago, Pinterest accounted for less than 1% of social media e-commerce referrals. Now it accounts for 26%.

Three Takeaways for Brands

1. Invest in Visuals

A strong visual presence comes at a cost of time, assets and resources. Whether your assets are based in photography, design or illustration (or a combination of the three), the development takes investment. But that’s an investment that will be noticed by users, who tire quickly of seeing the same product shots repurposed and whose eyes are strained from trudging through the sludge of text. Bold visuals mean increased engagement, both with the message and with the brand. They tell the story powerfully and concisely, creating an instant emotional connection with the user.

One cost-effective image creation tool is Instagram. Across social, specifically, Instagram content is generating just as much engagement, if not more, as high-quality, costly photography – all while creating a sense of authenticity. And it’s as simple to create as tracking down someone with a smartphone and a good eye – two easy-to-find things in this day and age.

And use your audience. Consumers are creating content at the ground level – in stores, at home with products and on the go. Use them. Scour Instagram, Twitter and Pinterest for consumer-created content. Incentivize your brand advocates and social media communities to create content for you. They’ll be more than happy to do so, and when it’s featured, they’ll share your brand with friends.

2. Create a Story for Your Audience

Especially where web development is concerned, the visual Web means being much more strict about choosing the single most persuasive message to greet visitors. No longer can sites get away with fragmented messages across 12 modules. People need to be sucked into the story immediately and guided along the storyline. The most engaging sites have already chosen for us where they want us to click, scroll and look long before we’ve landed on the home page — and they’re holding our attention much longer than the sites that present 12 forks in the road, making the journey entirely overwhelming. By choosing that engaging storyline and telling it with compelling visuals, a site can keep users’ attention and subtly persuade them along the way.

3. But – Keep in Mind the User Experience

Don’t just be visual for the sake of beauty. The execution should differ depending on the objective, so know your objective and stick to it. Is the objective to engage and tell a brand/product story? Then keep visuals big and bold. Is the objective to sell product online? Then create product visuals that are prominent, clean and interactive, but let functionality play an equal role. Visuals should always provide use for the viewer — be it entertainment, ease of use, inspiration or shareable content to pass along.
This past year, we saw an explosion of new digital devices in many shapes and sizes, and with them a proliferation of displays. Each introduces a new way of interacting with a device that requires consideration of different actions, gestures and points of access. Touch-screen technology, heads-up displays, augmented reality and smarter computers are changing the user’s interactions dramatically.

Augmented Reality Check

Augmented reality is most prolific in today’s mobile and tablet devices. It is coming of age in the way we use it. You may already be familiar with it, because you use it to gather everything from directions, where to eat, ratings and nearby businesses. Augmented reality is a live, direct or indirect, view of a physical, real-world environment whose elements are augmented by computer-generated sensory input such as sound, video, graphics or GPS data. Gone are the days where augmented reality was science fiction. Users are utilizing their mobile devices daily to augment conversations, gather information and even retrieve data points during movies and gather information on the go. Think about the last time you pulled out your phone to end an argument about a movie, article, debate or even sports score.

Augmented reality makes its biggest impact appearing in a car’s GPS navigation screens showing nearby gas stations, banks, restaurants, even hospitals. Some cars like the Prius Hybrid even boast a “heads-up” display on the windshield. There is research being done to display real-time data in everyday places like panels in the subway, glass kiosks in the mall or even the lenses of your glasses.

Google is experimenting with “Google Glasses” that overlay interactive media with reality. There is ongoing research to show data on your contact lenses, perhaps eliminating the exclusive need of handheld devices and screens entirely. Imagine having reminders of your meetings for the day display on your windshield, glasses or contact lenses when you walk into your office. This is the promise of augmented reality.

Augmented reality often removes physical size limitations. The user can gesture to shrink or expand the size of the data field, point or wave to retrieve or dismiss the data. Project Glass utilized the revolutionary Google Glasses to showcase design week during New York’s Fashion Week. Utilizing Google Glasses, they were able to capture Diane Von Furstenberg’s design process from beginning to end. Using Google Glasses, stylists and models were prompted for meetings and tasks, and fed live data from the other users to orchestrate their show in a more efficient way.

Augmented Interaction

A lab at MIT spearheaded by (TED’s) Pranav Mistry is working on a wearable device with a projector that paves the way for a profound augmented interaction with our environment. “SixthSense” technology would overlay the world with interactive data, also making it possible for the user to control the size of what they are looking at with hand gestures, retrieve information with a flick of their wrist and interact with users like never before. By looking at an object, the user could retrieve related information like user reviews, ratings, comments or even where to buy the product. The idea is to give users...
more data about their environment through a wearable device. By removing the size restrictions of screens, it takes into account the user's movements, including eye tracking to return information based on their field of vision. For instance, walking by San Francisco's Golden Gate Bridge and looking at an information plaque could unlock a plethora of historical data for the user to discover.

New technologies like Microsoft's Kinect for Xbox 360 detect full body movements and voice commands. It can sense when you are in a room and respond to your voice and body movements. Suddenly motions and gestures now work to manipulate screen activities. Clicking with a mouse begins to seem archaic and unnatural when a user can manipulate what is on the screen with intrinsic body movements.

Accessibility Becomes Revolutionary

While advances in wearable devices and augmented reality are impressive, for those with disabilities, they become major life-changers. By integrating the Microsoft operating system with gesture- and voice-based analysis, Microsoft opens up whole avenues of opportunities for the impaired to utilize the Web and native applications. It is now possible to identify sign language and translate it into text. For the sight-impaired, it can use speech to navigate and complete tasks. Suddenly, major usability hurdles become a thing of the past for handicapped users. But even for the capable, there is real value for voice-navigated applications that can connect brands with customers. Building software that is “accessible” for handicapped users has led to revolutionary breakthroughs for capable users.

How consumers are influenced to use body gestures in conjunction with voice and touch changes the way consumers interact with various interfaces. Intel has just announced its intention to release new software that is shifting to one based on perceptual computing where devices will take on human-like senses to perceive the user's intentions. By utilizing gesture integration, facial and voice recognition, and bringing “augmented reality to life,” Intel is stepping up its game, challenging Microsoft to design for the future. The race is on to see whose software has the most saturation in the market because of user acceptance. As we look forward to these changes, we must make adjustments when designing an interface for an application and consider the user base utilizing the design.

Responding to the User's Voice

Getting to Starbucks has never been easier. Today's smartphones allow users to tap to share their music, images and favorites with friends. Talk to iPhone's Siri to get directions. Instead of unlocking your smartphone, going to the browser and typing in Starbucks, users can simply navigate with their voices. However, we have to understand that when navigating by voice (or alternative methods), the user doesn't always land on your brand's home page. Apple's Siri bypasses typical user paths and often the entire website experience by directly loading the native map application with locations plotted.

How can usability counter ease of use when applications are built to bypass your brand's website to get the intended information in another manner entirely? It becomes critical for a brand to build a customer journey road map for functionality that considers all of these avenues. Users are no longer approaching websites in a traditional manner. We must strive to stay aware of these various opportunities afforded to our users and think of new ways to provide valuable access to wherever our customers roam digitally.

Stay ahead of the eight ball when building digital solutions that are primarily responsive. With responsive, speech- and touch-enabled design, your website allows users to touch, tap, swipe and talk to your brand. It's important to use these interactions wisely so that they complement the online brand without overwhelming the experience. Keep in mind that your users may evolve to utilizing different devices every year, so it's imperative to remain nimble enough to change with your users' needs.

The Touch Revolution

Brands must be aware of the many new touch-enabled tablets and mobile web devices being delivered in the 2012 holiday buying season. Touch-screen devices will be in a majority of your users' hands by the end of 2013. The attractive price of these touch-screen devices is affordable to the mobile masses looking for portable alternatives to their traditional personal computers and laptops while boasting a native touch-screen environment that will be widely accepted and adopted by businesses already familiar with Microsoft. Microsoft's “Surface” with Windows RT (starting around $499) is similar to the Apple iPad and is positioned to take the place of the iPad in the everyday “work world,” giving employers more control over the devices and the data on them. Being "touch-based" and highly portable, these small touch-screen tablets could very well take the place of laptops in the workplace. This would potentially make touch-screen applications have a higher adoption rating than we currently see in the mobile environment. Microsoft has been working on touch-screen and "surface" environments far longer than the Apple iPad has been released, and may become the heavy hitter in the office space.

Interaction Overload

Trends are showing a downturn in PC and laptop sales, while tablet sales are trending higher as employers realize they may not need anything more robust than a tablet or an iPad for their employees. Ease of use and portability become the critical features of these new devices. Microsoft is adapting by working with manufacturers to put its operating system on smaller devices and even developing its own brand of touch-screen devices. Apple has the new iPad mini for the 30% of the tablet market that stated they liked the smaller 7" screens for reading purposes. Mini users will still demand to be able to browse the Web. So the challenge remains that brands must be ready with a responsive site to adapt to these various screen sizes.
Take Action

1. Looking ahead at 2013, we will see more touch-enabled devices with more display sizes than ever before. Brands must build solutions to accommodate and optimize touch, swipe and voice experiences.
2. With augmented reality coming of age, we must be mindful of the new opportunities to build relationships with our customer’s expectations. We must challenge our brand to incorporate valuable augmented reality experiences that perceive users’ intentions as well as providing accessibility for differently abled users.
3. Since users are shifting their activities across multiple devices, brands must be prepared to accommodate their needs on various platforms. Be ready with a brand experience that anticipates their needs and adapts by building on the principals of responsive design.

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When we hear or read the words “perceptive media,” we imagine media portrayed in sci-fi movies, like “Minority Report,” where ads address characters by name as they move past them. But these are no more exotic than highly advanced targeted ads.

Perceptive media is a relatively new concept of responsive content, usually digital, which acts upon the behavior of the individual within their natural environment.

Hence, what we really mean by perceptive media is intuitive media.

*Intuitive: Using or based on what one feels to be true even without conscious reasoning.*

If this is our expectation for media, that it *feels true even without conscious reasoning*, then we are on the verge of having that expectation realized. The elements for perceptive media are being used today, and what it takes to realize perceptive media as intuitive is for those elements to come together to create experiences.

### Targeted, But Unperceptive

Media are becoming more targeted and personalized as data about users grow more immense and rich. Collecting information about our mobile and connected activities allows us to target a user more directly.

* • Retargeted ads that follow us on our sojourns across the Internet are ubiquitous.
* • Mobile apps give us nearby weather as we check in to our favorite locations.
* • Brands use Facebook Connect to create individualized, customized content. Intel’s “Me The Musical” creates an online musical that draws its content from the activities of a user’s Facebook profile.
* • A recent BBC R&D effort called “Breaking Out,” an Internet audio play (a radio story format) that adjusts narrative to reflect individual users’ weather, date and active social networks, is a rudimentary effort in making truly unique responsive content.

Targeting online is mostly innocuous, sometimes annoying and, for the paranoid, slightly creepy. But ad targeting in the mobile space is usually welcomed by users as valuable. Most of us appreciate being offered a deal when and where we find them most relevant, and mobile executes this service better than online or traditional media. Knowing where we physically are is information that has implications beyond building better maps.
Google Maps is more than a mapping project – it’s essential data for social-predictive algorithms. Mapping a location is a prelude to mapping a person. Google already personalizes search based on knowledge of the user’s online activity. Once the data giant (no one really calls Google a search giant anymore, do they?) can incorporate social activity and offline activity into the mix, personalization and targeting of content within mobile will be delivered with eerily accurate precision.

The Perceptive Horizon

True personalization – when media is not just a content bullet shot at a specific target, but upon arrival can respond in real time to the user’s interaction with it – is still beyond the horizon. But we can definitely see perceptive media’s sail tip as the ship comes to shore.

But the kind of media that literally speak to/with us, which are intuitive to our responses, are possible and can be here tomorrow.

True perceptive media require: the ability to know where we are, the details of our lives and vast processing power. The first two criteria are currently in use. The processing power to generate truly perceptive media takes more imagination than engineering.

Researchers in Britain have developed an algorithm that can predict where a smartphone user will be 24 hours from the present and within 20 feet. The algorithm uses tracking data from the user’s phone and the user’s friends’ tracking data. Most people follow fairly consistent patterns, so by correlating the pattern of a user with the patterns of a user’s friends, the algorithm can predict where a person will be and when. For businesses, an algorithm that can serve a promotion when and where a customer most likely will use it fulfills the promise of truly targeted, personalized marketing.

But it’s still not truly perceptive.

Ultimately, perceptive media need to be able to adjust on the fly to user responses. This requires processing power. And energy. Current outdoor media are incapable of providing the necessary load for either. Billboards are dumb, but smartphones are smart. And they can network with each other, thereby increasing total processing power indefinitely depending on how many users are gathered in a spot.

CrowdOptic, a mobile technology company, has developed a way for smartphones to be able to detect each other and work together to provide users with richer experiences for events. The technology enables a smartphone to detect when other smartphones are being pointed in the same direction by a crowd at live events and then auto-curates the images, videos and social media to give an individual user the most relevant crowd-sourced content.

Imagine you’re at a concert and you can’t see the performer because of a structural obstacle, like a column or a wall; you can use the CrowdOptic technology to access points of view from other smartphones that do have direct lines of sight to the action and watch it on your smartphone screen. CrowdOptic knows where the action is based on the multiple smartphones’ lines of sight converging on one spot.

The additional benefit of this sort of technology is that it takes advantage of existing user behavior. We’ve all been conditioned to use our mobile devices to record events. There is no user education necessary, which is often a hurdle for innovative technology. The CrowdOptic technology runs in the background and builds a layer of value-added experience for those interested in the event, who might or might not be in attendance.

The real power of hypertargeting is the potential to determine context. With technology that can sense the proximity of other similar technologies, knowing exactly where a person, or consumer, is at the moment is much less important than the context of their location. Who is nearby, the space they’re sharing and what they are doing in coordination with one another provide the context within which meaningful media can make connections. A piece of perceptive media would be able to react to changing audiences in real time and literally create content within the context of that moment, space and audience.

Imagine a scenario where the mobile devices of all the attendees at a sporting event work in coordination to produce a singular experience for that event. A typical NFL stadium holds well over 50,000 spectators. Now, let’s say those 50,000 attendees all have a smartphone on their person. Imagine all of those smartphones networking to create a piece of video, on the fly, that appears on the stadium’s giant flat screen while the game is being played, tailored to the aggregated social graph of all 50,000. Maybe the video features images culled directly from the fans’ smartphones captured during the game, and a digital cheerleader encourages the home team fans to get excited and addresses individual fans by name using lifelike language, targeting the most passionate of them to rouse nearby fans.

The difference between this and the ads as seen in movies that call out to us is that in the one from the movie, the ad is hyperlocalized and targeted, whereas in our example, the content is locally generated and responsive.
Insights for Marketers

It’s clear the world is shifting to mobile for its information needs. Every recent study of technology and media use indicates a trend of fast-growing mobile infiltration. Mobile ads are currently in an incipient stage of hyperlocal and in-app messaging. The next step toward a truly perceptive media requires content providers to fully utilize the processing capabilities of our very powerful mobile computing devices.

The expectation of media that interact with a user in the user’s physical space and react to the user’s responses will soon bear fruit. Until it does, marketers can prepare for the perceptive media environment by reframing media in a new light.

Marketers need to continue to:

• Explore opportunities in the social graph of users to build media that take advantage of predictive analyses to forecast users’ behavior.
• Challenge the limits of mobile processing and networking capabilities by understanding that “mobile” is not a single device used by a person on the move, but an ecosystem of devices that interact with each other.
• Take advantage of the vast amounts of geo-location data beyond targeting to build experiences, rather than ads, that take advantage of not just location but space — which means the history of a location as well as the mind “space” of the user. For example, Coca-Cola sends a truck filled with ice-cold soda to a location where people are congregating on a hot summer day. Mobile data ties in weather conditions with information that tells the company when a critical mass of people is clustered.
The Battle for the Living Room

By Chris Ferrel & Caitlin Mitchell

Our TV watching habits have evolved. The television screen is no longer the only screen in our living rooms. Laptops, smartphones and tablets have invaded the living room and are bidding for our precious attention. But in 2013, the battle for the living room will not consist of competing devices aimed at replacing the TV screen. Rather, the challenge for TV publishers and advertisers will be to unite these screens into a complementary experience.

Evidence shows that multiscreen use is evolving at a rapid rate and has already expanded beyond early adopters. With the growing number of consumers owning two, three and four screens (TV/computer/smartphone/tablet), the prevalence of multiscreen usage in the living room is on the rise. Sixty percent of three-screen owners and 65% of four-screen owners report multidevice use while watching television.

But despite the increase in smart device ownership, Internet-connected devices are not replacing the television screen. The television remains the primary screen for video viewing, and TV ownership does not significantly drop for smartphone or tablet owners. However, the role of the television screen is changing. TV watching is no longer a passive viewing experience, as second-screen technology has turned the living room into a multidevice ecosystem.

To triumph in the battle for the living room, publishers and advertisers must understand the impact of simultaneous device usage while watching TV. As the name implies, simultaneous usage refers to the concurrent use of two or more devices while watching television. Simultaneous usage can be split between two distinct types: (1) multitasking and (2) complementary usage. Multitasking occurs when a consumer uses multiple devices to simultaneously perform unrelated activities, such as checking email on a mobile device while watching the evening news on a TV. Complementary usage occurs when a consumer uses multiple screens to perform related activities, such as viewing a live stream of in-game statistics on a tablet computer while watching the broadcast of the same game on a TV.

Of significance for advertisers, multitasking distracts from the television broadcast while complementary usage results in higher engagement and increased brand association. Brand recall from a TV program increased by as much as 19% among consumers who engage in multiscreen activities. The highest brand recall was among 18-44 year olds who owned four devices. Multiscreening’s effect on brand recall is closely tied to the type of television program. “Live feel” reality programs such as “Dancing with the Stars” and “The Voice” received the highest brand recall in multiscreen environments at 65%. Recorded reality and independent dramas also scored well in sponsor recall, while comedies and procedural dramas scored the lowest.

Interestingly, social networking activity mirrored brand recall in terms of program type. Reality television and sporting events received the highest amount of social network activity, while comedies and procedural dramas experienced the lowest social activity. A similar study from Ericsson found that 62% of people use social media while watching TV, an increase of 18% from just last year.
During the past year, several TV networks have attempted to capitalize on the social TV trend by incorporating Facebook pages and Twitter hashtags into their programming. It has become common for TV shows to display a dedicated Twitter hashtag for each program, with an increasing number of programs displaying a Twitter hashtag for each scene. The August 28 finale of “Pretty Little Liars” generated 1.6 million comments on public Twitter and 13,000 comments on public Facebook. “Pretty Little Liars” took advantage of several scene hashtags and also included an eight-part mini web series for fans to watch while waiting for the next season.

2013 will show that hashtags are not the only way to engage in conversations around your favorite TV shows. Social TV will play an integral role in the battle for the living room as part of a concerted effort to blur the line between live and on-demand content. FX and Twentieth Century Fox seek to be leaders in this space, exemplified by their “Sons of Anarchy” app, completely redeveloped for the fourth season of the show. By taking advantage of audio fingerprinting technology, the app automatically detects audio from the episode and displays real-time content on the second-screen device. Everything from 3-D gyroscopes, virtual scene tours, real-time content, an e-commerce merchandise store and social sharing are integrated right within the app.

Another source of innovation will come from integrated TV platforms such as Yahoo!’s IntoNow, Zeebox and GetGlue HD. The goal of these forward-thinking platforms is to unify the multidevice experience by creating a service where devices work in concert with content and consumption. Rather than viewing smart devices as supplementary to the television broadcast, these new platforms treat all screens as integral components to the smart TV ecosystem. The features that appear set to make the most impact in 2013 are: (1) the ability to automatically sync second-screen content with live TV broadcasts by means of audio fingerprinting; (2) content discovery based on mood, viewing behavior and/or social graphs; and (3) seamless social media integration. The most recent version of IntoNow demonstrates how these features will work together to create a complementary multidevice ecosystem.

The wild card in the battle for the living room remains with companies such as Apple, Google, Samsung and, to a lesser degree, Amazon and Microsoft. Each of these companies seeks to shake the foundation of the TV ecosystem by offering vertically integrated systems of devices, content and connectivity. Apple is perhaps the most apt to impact the living room should it secure content agreements with major television networks. With the popularity of its iOS devices, it already has the multiscreen technology, connectivity and market appeal.

New business models and technology adoption in overseas markets may shed light on the future of television. China may be the first to see multiscreen ecosystems on a massive scale, with smart TVs claiming 44% market penetration (compared to just 11% in the U.S.). European markets may be the first to experience mass cord-cutting as consumers ditch expensive cable subscriptions in favor of low-cost streaming services. For example, HBO Nordic is allowing its customers to access its popular HBO GO app à la carte without the need for a cable/satellite subscription, and Google is offering a YouTube video-on-demand service in select European countries.

While the long-term development of the television ecosystem has yet to play out, simultaneous and sequential device usage is becoming commonplace in the living room. Marketing strategies and related media partnerships should be mindful of the multiscreen trend in television consumption behavior. While the platforms and touchpoints will continue to evolve, multiscreen activities represent a fundamental shift in how consumers interact with content and brands.

1. The TV is no longer the only screen in the living room. There are opportunities for brands to create and participate in engaging multiscreen experiences.
2. Cross-platform media buys are key to engaging multiscreen consumers. Media planning and television buys should be adjusted to include second-screen devices.
3. Multiscreen = multiplatform. Advertisers should seek out media partners that offer seamless and consistent experiences across multiple devices.

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Many articles have been written about the difficulty of monetizing social advertising: "Does allocating dollars to drive ‘likes’ on my sponsored Facebook page or sponsoring tweets successfully move people to buy my product or service?" Because these popular tactics have been hard to quantify, many marketers have become disenfranchised with social advertising altogether and have moved these dollars to other online advertising opportunities that provide measurable results.

But before anyone gets too down on the subject, there are some new trends developing that may breathe new life into social advertising.

Why Social Is Important to Advertisers

We are seeing huge increases in social networking in all age groups as their preferred choice of communication. Instant messaging (IM) and email are on the decline.

Social networking is becoming the hub for all information and communication... social, news and correspondence. Therefore, being able to effectively advertise in social platforms to capture this migrating audience becomes highly desirable.

Current Landscape

It's hard to think about social networking and not associate it with Facebook.

Facebook currently dominates the social networking scene with over 160 million unique visitors per month, garnering just over 81% of the time spent socializing online. The next largest is Twitter, with just over 40 million unique visitors per month acquiring less than 2% of the time spent socializing online.¹

To see the size difference visually, this chart shows the relative size of the major social online platforms based on the average minutes spent per visitor in July 2012:

Facebook also delivers the most display ad impressions of any online site with almost 23% of all impressions served during the first half of 2012, outpacing Yahoo! at 11% and Google at 5%.²
Social Advertising Competition

Outside of Facebook, the availability and scale of online social advertising are limited. The other online social networks are just dipping their toes in the water (if at all) when it comes to providing viable advertising opportunities within their sites. Most social advertising seems to fall within the branding bucket since it has more of a “sponsorship” feel, such as Twitter’s sponsored tweets. Therefore, the main competition for online advertising dollars comes from other online display advertising platforms.

In general, online display advertising has begun to show huge strides in more efficient and effective online advertising with the advent of Demand-Side Platforms (DSPs) or programmatic buying that incorporates third-party data (for audience targeting) in real-time buying environments along with retargeting and look-alike modeling (to name a few). For social advertising to attract new dollars, it will need to compete in this arena and demonstrate it can also achieve efficient or similar ROI metrics. Online social networks need to build their advertising platforms to provide the same or similar capabilities.

How Will Online Social Advertising Need to Change?

Comparable metrics for online social advertising to standard online display advertising have been sparse. For example, Facebook has been very tight with relinquishing data from online advertising campaigns. In the past (and still for some of its platforms), Facebook hasn’t permitted access to impression data through a third-party ad server, only allowing us to see site data based on clicks. This doesn’t allow us to see view-through data or the effect an impression has on ROI or branding metrics. This is key for any platform to survive in the heavily competitive online advertising environment where both view-through and clickthrough data are used to evaluate campaigns.

Online social advertising will also need to incorporate more sophisticated and unique targeting capabilities. Being able to retarget users that have been to a site is a fundamental tactic in most direct response campaigns. Yet in online social advertising, it is rare or nonexistent.

Becoming More Than a “Like”

We are finally seeing advances in social advertising that will compete with other online display initiatives.

Facebook has made the first bold attempt at getting there with its Facebook Exchange (FBX). Where once Facebook only let advertisers track clicks through a third-party ad server, it has opened up its API to DSPs, enabling them to compete alongside millions of display impressions. This enables advertisers to track impressions and allows Facebook to offer retargeting capabilities in real-time bidding environments.

Facebook has also begun to offer more sophisticated and unique targeting by providing access to OpenGraph, a protocol enabling marketers to target actions from user activity on apps as well as develop custom audiences from an advertiser’s first-party email address. Providing these unique capabilities along with access to all data puts Facebook’s social advertising on the same footing as other online display advertising platforms.

More online social platforms will need to follow suit to compete for online advertising dollars and move out of the realm of soft branding opportunities.

Looking into the Crystal Ball

We’ve already seen some movement with Facebook opening up its inventory to compete for display advertising budgets with FBX. We see this trend continuing as social networks begin to fully monetize their audiences by providing viable advertising opportunities. There seems to be a huge potential in online social advertising as the Internet continues to evolve.

• We are seeing substantial audience growth with the shift from instant messaging and email to social networks as the place to get information and communicate. This audience is virtually untapped when it comes to advertising opportunities and should prove to be a breeding ground to reach specific target audiences as social platforms start to incorporate more advertising alternatives.

• Online social advertising opportunities are starting to go beyond the branding “sponsorship” feel and successfully compete with other online display platforms for advertising budgets. Being able to provide comparable messaging between platforms puts social advertising on an even playing field with display advertising.

• We are also beginning to see comparable reporting capabilities and standards so that we can begin to monetize online social advertising in the same ways we do other display advertising, such as ROI, CPA, CPS, CPWhatever. Just like online display advertising, these will give online social advertising a chance to compete for digital budgets.

Based on recent market moves, we are seeing lots of opportunities coming in the near future. Therefore, we recommend marketers assess these new opportunities and continue the practice of test, evaluate and repeat.

References

1. comScore, 2Q average 2012
2. comScore, January-June 2012
Think about how dramatically mobile fortunes have changed in the last five years. The iPhone changed the smartphone landscape permanently. Previously dominant phone manufacturers are now fighting to keep market share, driven by the shift to a smarter mobile device. It’s that shift to “smart” that has radically changed how customers are using mobile channels. According to Pew, more than half of mobile phone owners now go online with their device. In many cases, visits via mobile are eclipsing visits from laptops and desktops.

This is the mobile majority. Many brands have already reached this tipping point and many more will in 2013. This coming “mobile majority” should change how you approach digital.

Social media has already reached the mobile majority. In 2009, only 13% of Facebook’s users were accessing the platform via mobile. Less than three years later, more than 50% of visits are from mobile. In fact, Facebook amended its IPO filing to cite how the shift of users from the Web to mobile represents a decrease in ad inventory, which could hurt business in the long run. How will the mobile majority affect your business?

Even in retail, the current average of mobile traffic to the top 500 online retailers is only 24.6%. By 2014, however, that number is estimated to be 53.2%. 2013, then, is a key year for retailers to prepare.

What’s more, the term “mobile” has largely been interpreted as referring to smartphones and handsets. However, the spring of 2010 saw the arrival of Apple’s iPad and with it a new category of mobile devices to keep in mind. The tablet revolution will speed up the arrival of the mobile majority, and the “post-PC” world.

Being prepared for the mobile majority means evaluating which of the following camps you fall into:

1. Unprepared — Your website doesn’t work or display properly on either a smartphone or tablet. Many brands still fall into this category. If you do, check your analytics to see what percentage of your current site visitors aren’t getting the best brand experience.

2. Maintaining Mobile Compatibility — If you’ve paid attention to your rising mobile site visitors, you may have taken on some minor adjustments to ensure that the site displays well on mobile or tablet and that all functionality is working. This may be classified as a “responsive” approach, but you haven’t gone out of your way to tailor an experience to the mobile majority. A compatible approach isn’t likely where you’ve landed if you’re considering how a customer accessing your site via mobile might be different than a normal site visitor.

3. Mobile-Optimized — You’ve gone beyond just responsive and have built a mobile website with a different feature set and design than your standard brand site. You likely have created a streamlined site, with just the features that are most important, or you’re highlighting them. It’s important with this approach to look at the data to continue to optimize and to ask yourself if you should be thinking about a mobile app to take advantage of some additional mobile features. Have you addressed tablet visitors as well?

4. Gone Native — If you’ve built an app, it doesn’t mean you don’t have a mobile site. In many cases, you have both, but the app should involve a feature set, content and creative elements that have been designed and developed specifically for the app and that make use of unique features that mobile can provide — location, context, time of day, voice, accelerometer and more. If you aren’t taking advantage of those unique features, it might be worth considering whether a site would suffice.
If you aren’t preparing for #3 now, you’re already behind. With such a rapid rise in mobile visitors, the advantage will be held by those brands already in the second and third iteration of mobile sites and apps.

Here are a few key takeaways to help prepare for the mobile majority:

**Stop Thinking of the Website as the Center of Your Digital Ecosystem**

It may be where you’ve spent most of your budget, but let the traffic numbers and smart customer research shape where you invest. The mobile majority, by definition, means the website you built for the “PC” world is becoming less relevant.

**Develop a Mobile Strategy**

Don’t just repurpose, create a mobile strategy. What are the goals and objectives for mobile, specifically? How is your mobile customer different from the rest? Should you build a website or an app?

**Prepare Your Organization for Mobile Success**

Do you have anyone in your organization responsible for mobile? Are your technical resources ready to support mobile?

Remember, 2013 is a key year to not only answer these key questions and formulate an approach, but to execute as well. The mobile majority is already here. When will it reach you?
One of the best things about digital marketing is the rich availability of data – almost too much data. Now a whole new class of tools is allowing us to better harness data to more clearly see how customers research, shop and interact with brands. And since big data requires big thinking, we’ve tapped the “big minds” in our analytics and business analyst practices to provide a cross-discipline view of this important new field.

So Why All the Fuss Over “Big Data”?

It was only a few years ago that the technology and methodology surrounding data management was a field reserved for data scientists and major research and development concerns. After all, it required significant resources and computational horsepower to crunch the numbers to glean meaningful insights. Then along came cloud computing – and the world changed.

Cloud computing enables any business – from the smallest start-up to the largest enterprise – to make efficient use of on-demand, pay-as-you-go, large-scale computing resources. Say so long to mega-server-storage buildings and all the related expenses to maintain and operate such outdated infrastructures.

So you might be asking, “Does my company have that much data to really make a difference?” Maybe. In today’s digitally centric marketing world, you most likely have big data, and then some, through the multitude of customer touchpoints already at hand. Plus, if you consider data diversity, comparing your marketing pipeline with your operations data, for starters, you could easily take advantage of some of the new big data applications.

Most importantly, it’s very likely that some of your current data processing and analysis could use the velocity, data resourcing and insights that these new systems can provide. Imagine more timely decisions about product, pricing, production, scheduling and, last but not least, advertising impact and effectiveness.

So what kind of opportunities and challenges will big data provide to the advertising ecosystem in 2013? Let’s dive in…

1. Ad Agencies – The Next Data Hub?

Advertising is dependent on trends, how to recognize them and how to create new ones. To recognize something as a trend, you need a lot of data (clicks, forms, followers, likes, tweets, retweets, ratings, dollars) and a smart way of sorting through it.

Brands have a lot of this data at their disposal. Not as organized information, but as raw data full of unlocked potential. Having the technology and data management solutions to find significant relationships between all of this data can help with the type of campaign analytics needed for today’s leading marketers.

This amalgamation between technology and advertising has been brewing in the last couple of decades. And as ad agencies provide a valuable communications conduit between brands and consumers, agencies have an opportunity to provide insights in both directions. In essence, by gaining better access to the client’s information about consumers and tapping into their own valuable data, agency partners can truly become data hubs.

Behind data there should always be a question. The answer found should be able to serve multiple purposes. The relationship between client and agency should dictate how these answers are used and if they can be reused for subsequent efforts. This is an important part of gathering data, being able to own the data and become innovative for putting the extra effort to find it. This process will take an effort from the technology side of the advertising community as well as the creative and media sides.

In 2013, advertising firms have to become aware of the possibilities that lie inside data, learn to harvest data, digest it and deploy services to manage it and take full advantage of the answers that data holds and how these answers can predict and create new trends.

Big Data Meets Advertising

By Bo Reed, Richard Sanchez & Jayr Sotelo

One of the best things about digital marketing is the rich availability of data – almost too much data. Now a whole new class of tools is allowing us to better harness data to more clearly see how customers research, shop and interact with brands. And since big data requires big thinking, we’ve tapped the “big minds” in our analytics and business analyst practices to provide a cross-discipline view of this important new field.

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In 2013, advertising firms have to become aware of the possibilities that lie inside data, learn to harvest data, digest it and deploy services to manage it and take full advantage of the answers that data holds and how these answers can predict and create new trends.
2. No More Silo Analysis

The challenge for most brands and their agency relationships is incorporating the new “big data” with existing data to arrive at meaningful conclusions. The new big data sources and new data types are not structured the way traditional data sources are, and so create certain challenges to the analyst assigned to a client. Too often, much of the work of the analyst is performed in a vacuum irrespective of competing influences of certain actions on the outcomes. This is perpetuated with disparate data sources. One of the challenges with new “big data” sources is how to keep it from becoming yet another disparate source of truth.

Modern data warehousing has been delivering data-driven insights for over two decades based primarily on historical transactional data. Consumers were evaluated on direct actions, be it actual purchases or trackable responses to direct marketing activity. A recent shift in the last decade was the growth of nontransaction activity that was found in “clickthroughs” and customer engagement in other activities that led to path analysis and insight into monetizable customer behavior. The latest shift is in the huge amounts of preferences and sentiments from social media. That, in turn, has led to two important questions:

• How do we analyze this stuff?
• How do we align it with the traditional transactional data and the customer path data so that we have a nonsiloed view of the customer?

While clients often struggle with getting their data consolidated into one analytic view, agencies are victims of data silo issues since they often do not have access to large portions of their client’s data. They are often dependent on other agencies and the client’s internal IT organizations with no desire to share data.

The good news is that the vendor community is now spawning a new level of big data service providers specializing in combining big data sources with traditional operational and transactional data to serve the overall good for the brand. As agencies demonstrate value in delivering actionable analytics on the big data available, clients will be more willing to share their data with agency partners to glean more impactful insights, further sharpening their messaging.

One of the keys for success in leveraging big data for gains in advertising will be in better managing and controlling the data. By using standard naming conventions, consistent digital tagging and planning the organization of owned data, the analyst can deliver relevant, actionable information to advertising and marketing decision-makers.

3. Infinite Mobile Data Streams

The mobile ecosystem provides rich opportunities where all kinds of “big data” mash-ups can deliver distinct advantages. Mobile’s immediacy, portability and custom-app-ready platform offer even greater insights than the span of current channels.

Even so, the various operating systems and thousands of always-on mobile device types create a massive data stream that requires velocity in analysis and execution for real-time geotargeted campaigns. Plus, just imagine adding in third-party data (from various data providers who sell and lease information) into the mix, and we’ve got a data fest!

It all sounds intriguing, but to maximize our efforts, the key is determining how we identify a user’s likely intent once he or she has clicked in our ad unit, searched for our product or, for example, reviewed a restaurant guide.

There are many types of rich data streams. For instance:

• Sensor Data – We want to know if you are walking by my store or across the street. Once you are in my store…please download my app!
• Profile Data – You’ve downloaded my app before and I know you! Let’s get you started on our loyalty rewards program.
• Social Profile Data – Since you or someone you know likes and interacts with my Facebook page, it’s very likely you will also like what I have to offer for you.

Together, the cumulative insights provided by each data stream will help us get closer to understanding the user’s current and future intent. And that will help us tailor an offer that is relevant to the user.

And now social media localization features (Foursquare Radar Buzz, Facebook Places, etc.) will continue to add flow to our mobile immediacy and context. But beware; this evolution will not occur overnight or painlessly. However, by continuing to help brands and advertisers reach and inform audiences at a most sensitive time, in the most appropriate setting and where intent is most clear, mobile advertising will grow to love big data technologies in 2013 and in subsequent years.

4. Social Media and the Data Chatter Universe

Understanding the impact that our social media efforts have on our brands’ perception, products and services adoption, as well as all other media’s effect on social media (in a continuous cycle), has proved particularly elusive. The main questions we hear from clients:

• How do we optimize these efforts?
• How do we know which social media network to use, at what specific time and day, that will provide us with the desired results?
• And, of course, budgetary allocations are another question: what percentage of our budget should be dedicated to production, management and optimizing for each social network?
Big data to the rescue! Well, kind of. One of the extraordinary capabilities provided by these technologies is the never-before-possible real-time analysis of unstructured data captured by social networks and the Internet at large (comments, conversations, posts, images, videos). Large data analysis can inform mass digital users' perception of a product, service and even a presidential campaign.1

But responding to the stronger opportunities that a slice of these users may represent, in a precise way (narrowcasting), to serve a more specific offer is still in the works. Even with all that, here lies one of the biggest promises that social media and big data hold: large-scale responses to your advertising efforts and the insightful gems and noise that come with it.

Sentiment analysis and social TV analytics are just a couple of trends that have taken a stronger hold during 2012. Although the technologies required to further engage your customers are still being tuned, make no mistake, social media is a big data natural, and adding services and management that provide this value, and that keep up with the evolving nature of these networks, is not optional. A brand must remain engaged on the social media conversation, stimulate it and, if possible, shape the conversation, or run the risk of losing its place at the table.

For 2013, we foresee a stronger collaboration of social media networks with the advertising ecosystem, social media analysis vendors, social media management services and directly with brands. Social media elements will increase their predominant role in most new ad product development initiatives. The development of strategies, tools and processes that can further foster the potential that social media and its mountain of data represent is key to the fulfillment of the social media promise — closer one-to-one relationships with customers in the social media universe.

5. Getting a Clear Perspective with Data Visualization

As big data infrastructure continues to mature, there is increased focus on analytic insights and visualization. More vendors are providing robust visualization tools to deliver stunning graphics that tie in to the big data platforms.

These visualizations must take into consideration their intended industry customer. The two primary customers are (1) the advertising/marketing decision-makers and (2) the day-to-day user of the tool. As such, the utilization of any visualization resource becomes the responsibility of two different kinds of developers.

The former falls to the analyst whose role is to provide decision-makers with actionable information in a presentation that is quickly digestible. Here, the desire is to provide advertisers with pertinent and informative data in a graphical and/or non-graphical manner with the focus on effectively communicating information. Simply, does the decision-maker get the information he or she needs to make the decisions he or she needs to make?

The latter is in the hands of the front-end developer working with the advertiser to leverage the latest technology to deliver the coolest visualizations and eye-grabbing infographics to connect with end consumers. The question here is does the graphic representation meet the objective, whether it be direct engagement, brand awareness, sentiment change or some other objective.

Key Takeaways

As we’ve seen, big data's application depends on the specific challenge at hand, our role in the digital ecosystem and the channel(s) we choose to incorporate in our effort to better understand the customer. Here are three basic reference points we hope can help you develop and adapt to this new world of opportunity.

1. Understand and generate clear achievable goals that the project should accomplish to help align the business need to the opportunities that big data provides.

2. Invite your agency partner to the table in this new path. Certainly our team has a deep interest in being involved in your big data efforts. Our diverse category experience combined with our own in-house analytics resources can provide that extra level of thought leadership, perspective and expediency required with new, challenging efforts.

3. Create sensible, adaptable data strategy and data governance rules. This cannot be done in a vacuum. Sharing valuable data is not something that companies are keen to do, but these walls are crumbling. Always proceed in a mindful, secure and effective manner for all parties involved.

Finally, depending on the degree of complexity, it’s likely that most projects will be ongoing and iterative. As such, initial assumptions and objectives will need to reviewed frequently.

So whether you’re ready to dive into the big data pool or just dangling your toes with a project, we hope this information provides additional considerations and perspective.

References

1. Big Data Takes Center Stage in the 2012 Presidential Election
We've seen the reports for years. Trust in paid branded communications continues to drop in the U.S. and across the globe. In Nielsen's global trust survey, for instance, trust in any paid communication from a brand was below 50% and declined dramatically between the 2009 and most recently published 2012 reports. As a result, those brands that overrely on paid communications always feel at arm's length – even to their most loyal customers.

Despite these concerns, advertising spend continues to rise, creating more clutter in a marketplace where customers are already attempting to tune out brands, opting to grab their phone/laptop/tablet/phablet — anything near them — to look through recent emails, play a game or see what their friends are talking about on social media.

Trust, though, has not disappeared. It has simply taken refuge. The sources of information that audiences do trust, like recommendations from friends, opinions of those online and published content in articles, are places where trust cannot simply be bought, but instead has to be earned. Where the brand must connect with an audience — or an audience that has an audience — in a way that creates goodwill.

A Shift in Trust

Simultaneously, and outside of brand communication, a new environment where people tap into their trusted sources has risen in social media — the new home for trusted communication. As a platform for instantaneous-reaction, real-time conversations, social media didn't start from such noble beginnings. Twitter and Facebook were often and correctly scoffed at as media defined by their minutia — a land of “what I ate for breakfast” and “why doesn't he love me back.” Their upstart, particularly for those of us who had no time to delve into the more bromidic parts of our friends' and loved ones’ lives, left us disinterested to the world of the real-time status update.

That is, until the status started to matter.

As Twitter and Facebook became go-to vehicles for global movements, product announcements, sports play-by-plays and presidential publishings, we all started to pay a little more attention. We began to see the platforms through the eyes of their founders, for their intended purpose: to have a global conversation, an open dialogue between we plebeians and the powers that be, to put their feet to the fire and require transparent, honest feedback. We began to use them as such: aggregators of the important things in our lives, the things we need to know or respond to. Sure, there’s still the overbearing parents posting day-by-day baby photos and teenage girls uploading pursed-lipped mirror shots, but we’ve learned that these platforms can do and be more. And as we’ve learned the strength of these platforms, we’ve learned how to filter through the noise to hit the signal.

From this environment comes an opportunity for brands to have these same kinds of conversations — open and transparent ones — with their customers.

The Brand Journalist

As a newly trusted resource, social media has uncovered a rich opportunity for brands: a brand journalist. The philosophy is simple: brand journalism is combining the tenets of journalism with brand storytelling, thereby creating a new kind of value to its customers. Not just in the products or services it sells, but in the communication itself. It’s ideal for a social media environment because it shares a similar goal: to become a transparent, open and engaging way to have a conversation about a brand and tell its story to an interested audience.
Rise of the Brand Journalist

Tenets of Brand Journalism

Brand journalism has been about taking the tenets of journalism and applying them to branded communications.

• Trusted Relationship Between Journalist and Reader – To build trust with their readers, journalists often aim for a perspective of objectivity in their reporting. Many journalists – great ones, even – build trust not through objectivity, but through transparency. Readers know where they’re coming from and apply that knowledge to decide whether the journalist is credible.

• Access – Additionally, the journalist has access. Between press passes, payoffs and power relationships, the journalist has a stunning ability to be where the story is, and his readers trust him to turn over rocks they never could.

• Long-Form Storytelling – Beyond a single piece, the journalist often uses multiple columns or segments to tell the whole story: seeing a story unfold over time as more evidence is discovered, more perspectives heard. A clear story takes time to be told well, and the journalist knows it needs an author that can keep it full of purpose and direction.

• Rapid Production and Publishing Schedule – The journalist is fixed to a rapid production and publishing schedule. Any photo, video or written content has to be produced quickly to make it in the magazine/newspaper/website/10 o’clock news. The journalist’s column is dedicated, and his or her readership expects some content.

• Up-to-the-Minute Relevance – Beyond expecting some content, the journalist’s reader expects relevant content. Journalists work hard to deliver stories and information they see as timely, local and effective.

The collection of these aspects of journalism, when applied to branded communications, makes for a powerful tool for brands to tell their story in a way that helps to build trust with their audience. It allows a brand to have an identifiable human speak on its behalf, challenging its detractors and nurturing its advocates.

Beyond speaking on behalf of the brand, one of the powerful features of brand journalism is its role as mediator. Because it’s supplying the customer-facing voice of the brand, it hears the good and the bad of customers’ opinions about that brand, and customers that encounter a brand journalist will expect him or her to be empowered in the organization. As a result, any company that embraces brand journalism will have to do so in a more-than-superficial manner if it hopes to gain the benefits.

The Brand Journalist’s Process

The process behind brand journalism is different from the typical process of an advertising agency in two critical ways:

• Rapid, Inexpensive Production – Brand journalism has a need to meet daily demands. A single piece of communication, which would require the time and money investment of a TV spot or a magazine ad, would not work here. We could not produce enough content quickly enough to hold attention in a way that can remain engaging. Instead, because they follow the path of journalism, the brand journalists know that they need to become quicker and leaner in the way they produce content, more able to run on smaller budgets so they can rapidly create great content, which, instead of telling the whole story in a single execution, can tell the whole story over the course of weeks, months or years.

• A New Filter – The brand journalist also must answer a new question: Does this piece of communication create tangible value for my audience? Does it go beyond simply communicating a message, one that we’d like to pound over and over into the audience’s head over the course of this six-week flight, and toward a message tied to something of value that we’re giving to our audience, something that they can share to better define their personality, something that they can learn from, something that’s honest enough to help make a better-informed decision. Is it something that you or your customers would share?

Rebuilding Trust for Brands

On a day-to-day basis at The Richards Group, we’re encouraging our clients to take the plunge into brand journalism because it creates real impact for the brand and real benefit to its audience. Brands gain top-of-mind awareness with the people that matter the most to their brand, the ability to tell their story – at least their side of it – and trust from their customer base. Consumers gain transparency, accountability and human interaction from the brands on which they spend their time, money and attention.

The bold challenge, then, for this advertising industry, is that to stop or slow the downward spiral of trust in branded communications, we have to find new tools, create new processes and replace some of our filters to make sure that we’re giving our audiences messages that are worthy of their trust. The brand journalist is all of these things – and a hugely important component of an overall branded communications plan for the foreseeable future.

Three key takeaways for any brand manager, then, are:

• Create opportunities for your brand to be more transparent, honest and open, particularly in the social media space where that kind of conversation is expected.

• Utilize a brand journalist! Give them access inside your plant, executive meetings and events, and train them as you would the ground forces. This way, they can accurately represent every facet of your brand to tell a great story.

• Shake up your production process. The reliance on the biggest camera, an esoteric director and extreme polish is unnecessary: too expensive, too slow and too calculated for the brand journalist. Instead, look toward more journalistic approaches like small crews and utilitarian equipment that allow you to get more content up, more quickly and more appropriate for the goal of building trust with your audience.
The Promise of Social CRM

By Megan Smith

Social CRM isn't just a buzzword; it's the ability to create more targeted messaging and build relationships through social media. Most brands aren't currently realizing the full potential of this powerful new way to use social channels.

The Evolution of CRM

For decades, customer relationship management (CRM) has been described as a business strategy that seeks to identify, attain and retain customers by developing relationships through consistent and relevant communications.

Just a few years ago, there was a lot of hype around electronic CRM, or eCRM for short, and how this radical new approach was going to change the CRM landscape and completely wipe out direct mail as we knew it. While many marketers refined their approach to CRM by including more electronic touchpoints, the claims about the demise of direct mail were wildly inaccurate, largely because direct mail still works and is a great response driver across industries. In fact, ExactTarget's 2012 Channel Preference study found that 65% of online Americans have made a purchase as a result of direct mail. Email results were slightly higher at 66%, but Facebook and mobile SMS came in much lower – 20% and 16%, respectively.

Today, the hype is centered on social CRM, and there are claims that social CRM is going to completely replace email. Just like direct mail, it's safe to say that email marketing isn't going away any time soon. In fact, before you throw away your email marketing database, think about why traditional CRM programs have been successful over time – they deliver the right message to the right customer at the right time through the right channel. For this reason alone, you'll always have customers who prefer to hear from you via email rather than Facebook or Twitter. It will become even more important to set clear marketing objectives for each channel and to establish an integrated strategy across your CRM, eCRM and social CRM marketing initiatives.

Rewarding Customers Through Social CRM

A key marketing trend is leveraging the idea that social currency gains greater traction. Why? Because 80% of U.S. online adults participate in social media and 38% of Facebook brand fans report that they are more inclined to purchase products or services from a brand they follow. Further, the U.S. penetration for smartphones (44%), tablets (23%) and online video usage (71%) supports the idea that consumers are on the go.

Instead of the old days of consumers seeking out a brand they like and actively looking for “deals,” now the challenge for marketers is to keep up with consumers and provide individuals with relevant value on their terms. Perceived value can be in convenience, experiential perks, branded content and exclusivity — well beyond simple discounts, and this can be illustrated through the reasons customers join online brand communities.

Because of this, we expect to see marketers overhaul their CRM program constructs and find ways to add member benefits and rewards for their social media engagement and brand advocacy. For example, brands may choose to surprise customers with a free iTunes song download when they post images to Instagram with a branded hashtag or send them a free product sample when they join a social community.
The Promise of Social CRM

But this assumes that brands sort through hundreds of emerging social media analytics vendors and find the right partner for their needs. While social media analytics have come a long way in the last few years, many solutions are lacking as they don’t have the ability to integrate with existing one-to-one marketing systems to trigger email, mobile and social media communications, or, more appropriately, responses, in real time. There are even fewer solutions that have integrated social media analytics within their loyalty marketing platform, thereby providing a turnkey solution for rewarding customers for their brand advocacy and engagement. This means a very manual and daunting undertaking for marketers, so we expect that many brands will postpone the investment until better social media analytics tools are readily available.

Social CRM = Endless Possibilities

Social CRM will provide brands endless opportunities to connect with their brand advocates, and we expect to see an onslaught of social rewards in the coming months. But marketers should take caution before diving headfirst into social CRM, as there are pitfalls if the social CRM strategy is not well thought out or operates in a silo. Since the main objective is often customer retention, social CRM should be fully integrated with existing loyalty programs and customer retention marketing efforts as brands will benefit from integrated campaigns. This will also allow brands to communicate consistent messages across multiple channels to drive customer engagement and deliver value.

Take Starbucks as an example. Earlier this fall, Starbucks launched a limited-time promotion with LivingSocial where customers could spend $5 and receive a $10 Starbucks Card eGift. The promotion was sent to My Starbucks Rewards members via email, promoted through the messages feature on the Starbucks mobile app and posted on Facebook Timeline. Brand advocates received the message across multiple channels and, collectively, the promotion was liked, shared, commented on and tweeted more than 250,000 times, not including forwarded emails and sharing through the LivingSocial tool. Assuming the average social media user has 634 connections and 50% of those connections saw their friends share this promotion, more than 79 million consumers could have been exposed to this Starbucks promotion.

In addition to the social media advocacy and impressive sales, it can be said that the promotion may have helped fuel new member acquisition for the loyalty program. You may be asking yourself how this is possible, but it’s quite simple. To become a member of the Starbucks loyalty program, customers simply need a registered Starbucks card. They sold 1,500,000 cards, thus possibly acquiring 1,500,000 more loyalty program members through the integrated campaign.

There are many lessons we can learn from Starbucks, as they are a leader in the loyalty, social CRM and integrated marketing space:

• Deliver a relevant, simple message across multiple channels.
  – Coordinate messages across channels and personalize the message according to the channel and recipient.
  – Utilize direct mail and email databases to grow the social media fan base while delivering incentives to known customers.

• Create compelling incentives that work for current customers and prospects.
  – Give consumers a reason to engage with your brand within social media and reward them for their participation.
  – Make it easy for brand advocates to receive and share branded content and promotions.
  – If it’s simple to understand and simple to share, your fans will naturally share among their personal connections, igniting brand advocacy.

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The Evolving Social Media Landscape

By Kristina Jonathan

The tectonic plates have shifted quite dramatically this year in social media, setting the stage for yet another significant year of change in 2013. New trends will emerge due to consumer shifts, channel shifts, brand shifts and new entrants as brand stewards will evolve in this space. Let’s take a moment to rewind and examine what’s happened in the landscape and how that will affect brands in 2013.

Channels

Facebook — It was a year of hits and misses for Facebook. They hit the one billion mark in October, but ever since the company went public in May, advertisers, brands and consumers have felt a distinct difference. Clearly there is a push to monetize the audience, and with that has come a frenetic change of pace in the algorithm and ad platform — leaving marketers weary travelers. One of the misses has been the lack of attention to their mobile experience and offering. There has also been some backlash from consumers who remember the purity of a private circle of a hundred or so friends and family, and now see an increasingly noisy (e.g., coworkers, extended family, neighbors) and interrupted stream of advertisements, promoted posts and brand postings several times a day. Essentially, it’s a fundamentally different experience today than it was two years ago. This is a concern. Some predict that Facebook could experience an AOL-like decline over the coming years. Too big to fail, you say? Next year is critical for Facebook’s future — hopefully, they will protect the overall and, especially, the on-the-go experience.

Twitter — On the other hand, it was a huge year for Twitter. Twitter played a political role in championing public sentiment and offering a public platform to facilitate protest, eventually leading some countries to revolution. In the sports arena, Twitter’s involvement in the Olympics was a key catalyst for the platform with athletes tweeting real-time about results halfway across the world that television hadn’t broadcast yet. In the entertainment industry, we’ve figured out that Twitter works really well with information-driven events, such as award shows, the news, politics and reality shows — with almost everyone highlighting a hashtag to organize conversation. Pop culture news continued to break on Twitter, like the death of Whitney Houston 27 minutes before the media picked it up. Although its advertising platform started in April of 2010, promoted tweets and accounts in mobile took off this year. Twitter now has over 500 million active users and exceeds Facebook in mobile ad revenue. In sum, Twitter has definitely matured in 2012 from what some saw as “mindless babble” in 2006 to a valuable source of breaking, unfiltered information and unprecedented access to those in power. Twitter will be even bigger for brands and for conversation swarms in 2013.

Pinterest — This year, we witnessed the emergence of a new social media platform: Pinterest. There was a lot of attention paid to Pinterest in the early part of 2012, and by July there were 23 million unique users, but as the year progressed the fever quieted down. Consumers use the platform to collect “things I like”; however, there is not much framework to follow past that. For example, most content consists of “repins” of existing content, not from native authors. Although there are reports of some retailers getting traffic, from what we’ve seen it’s a social network in search of a revenue model, back-end analytics and a more structured purpose. Late this year, there have been reports that Pinterest growth has slowed, and even reversed. Why? Some say questions around copyright laws led content producers to exclude their site’s visuals from Pinterest with simple code, which may have contributed to slowing growth. Others say the connection to Facebook, which logged every move on Pinterest, proved annoying and caused some users to deactivate this connection. Whatever the reasons, Pinterest will need to find its way in the social and/or e-commerce space quickly, or it may be an afterthought in 2013.
The Evolving Social Media Landscape

**Google+, Spotify, MySpace, Foursquare** – Google+ has still not caught on broadly with consumers, and so we are still keeping the pause button pressed there. Spotify entered the scene with a vengeance and now has 22 million monthly users and a command in the social music scene. Interestingly, MySpace missed this boat, and although they relaunched in September, it is doubtful they will regain their luster of 2003 given the management issues and talent leak. Foursquare is still growing steadily and has a loyal, 20-million-strong user base. There have been successful Foursquare marketing campaigns with restaurants, travel and credit cards (i.e., American Express) among the loyal base, but ultimately the reach issue will need to be solved by Foursquare. LinkedIn continues to dominate the professional networking space with its 175+ million members.

**Instagram** – Instagram now has over 100 million users and is wildly popular. Since it’s part of Facebook (bought in April for $1 billion in a defensive move), we should watch for how they integrate the two to both monetize this emotive experience and try to rekindle the soul of Facebook.

**Brands**

In 2012, the most sophisticated brands realized that social media impacts nearly every discipline, from PR to advertising, digital marketing, customer service, product innovation, government relations, in-store experiences and market research. While many are still testing the waters, sophisticated organizations have started to restructure internal processes and activities around social media and the concept of a transparent orientation with consumers.

Along with the internal changes, brands realized that content is still king online, asking themselves, “What is the story that the brand has to tell and how can that story come to life through branded content?” The other “aha” moment in 2012 was realizing that social media requires a bottom-up approach, and marketers who were able to respond to trends quickly based on responsive listening did well.

**Third-Party Vendors**

As social media has grown, there has been an explosion of supporting vendors as well, because of open APIs. There are hundreds of social listening vendors, social content management system (CMS) vendors, social app vendors and more. Brands are hungry for a one-stop-shop answer to their social media needs, but it still does not exist today. However, that could change in 2013. In 2012, the big guys stepped in and started to place their bets. Oracle purchased Vitrue and Collective Intellect, Salesforce bought Buddy Media and Google bought Wildfire – showing that they are invested in social media and perhaps trying to combine paid, earned and owned media into one place. Why is this important? With this type of investment and infrastructure around social media in analytics and monetization, it will enable brands to execute in smarter ways, perhaps solve the ROI questions and then devote even more time and energy to social media marketing.

**Devices**

A social media conversation would not be complete without the devices. This year, smartphone penetration crossed the 50% mark in May. Historically, Android has led in share, and Android still dominates with almost 53% of the U.S. smartphone market, as compared to Apple’s 34% share. In the tablet space, iPads still count for approximately three-quarters of all tablet owners, but that percentage is expected to fall in the next three years since the less-costly Android and Kindle Fire options are growing, which will bring the overall tablet penetration to almost 30% by the end of 2012. What does all this mean for social media? It means a dramatic increase in second screens in the hands of three-quarters of all tablet owners, but that percentage is expected to fall in the next three years since the less-costly Android and Kindle Fire options are growing, which will ultimately the reach issue will need to be solved by Foursquare. LinkedIn continues to dominate the professional networking space with its 175+ million members.

**Audience**

Just as brands have evolved, audiences have evolved along with social media. First, audiences are becoming accustomed to snackable and highly visual content online. They have less tolerance for long-form reading. Second, audiences are oriented toward personalization to an extreme. They expect tools to help them make decisions and live inside insulated friend bubbles. Third, they now have established, hardwired, multitasking habits that drive the want to augment lives and experiences through social media (e.g., document personal artifacts, tag something for future reference). Fourth, they have an insatiable need to want to know everything near, new or happening now. Fifth, our audience now has its own audience, which means that understanding communication flow and influencer catalyst points is increasingly important. And lastly, social media profiles have ultimately become vehicles of self-actualization, with all the pictures, connections and even brands creating a personal brand. Noting these culture and behavior shifts is perhaps most important of all, because we’ve fundamentally moved from the Information Age online to the Communication Age – a seismic evolution.
Social Media in 2013

What do we, as advertisers and marketers, need to be thinking about to effectively navigate the social media landscape as brands in 2013?

If you haven’t already:

**Get Visual** — Photos and videos will be key as social content competes for limited attention spans. Gone are the days of expensive production budgets and polished, airbrushed visuals. Are you able to create content that is authentic and tells your brand story in a cost-effective way?

**Go Mobile** — Smartphone device ubiquity is going to drive social media use and growth even further. Location context will become an increasingly important use of the mobile GPS technology. Is your mobile strategy a social strategy? Is it a local strategy?

**Link Search Engine Optimization (SEO) to Social** — The content explosion is resulting in more searching within social networks like YouTube, Facebook and Twitter. Does your content strategy also make sense with how consumers search for content?

**Think Channel Differentiation** — Audiences fundamentally use Twitter differently than how they use Facebook, and the two channels will continue to change and evolve uniquely. Do you have different activation plans around these two channels? Does your brand interact and deliver, or do you simply push out messages to click on?

**Be Transparent** — Social media requires brand transparency. If a brand does not have a story to tell, it will be apparent in pictures, descriptions, ratings and conversation volume. Does your organization need to break down silos in the marketing processes and operational activities, and reorganize around an integrated approach?

In 2013, brands that can capitalize on the following connectedness trends will do well:

**Multiscreen Experiences** — Especially for the entertainment, sports and news spaces, there will be more programming content specifically for engaged audiences (not just entertained, but engaged) in the white spaces of TV and to extend TV. The tie will move well beyond the hashtag. Brands can activate in this way by experimenting with tailored approaches to specific psychographics, and thinking about how their unique audiences will consume and want to interact on their terms.

**Trend Marketing** — We will see more real-time marketing to capitalize on inherent interest in newness and the growing volume of public conversation. Tapping into movements as they are happening is a major opportunity for brands going forward (i.e., think memes and trending topics). Brands that can act on trends and be part of the story as it’s happening will effectively win the title of relevance for their brand. Those that cannot pivot quickly will not do well in riding, guiding or developing these conversation swarms.

**Behavior Data** — There is more consumer behavior information available than ever before and more complexity in how to use it. There is information on conversation flow and which influencers/brand advocates have the right bullhorns. Also, consumers are buying connected gadgets (augmenting their mobile devices) and using apps to help deliver personal context to things like health, finances and relationships. (Do you know how many calories you burned last week? If not, you don’t have enough sensors.) Social media and connectedness analytics that enable sophisticated engagement strategy will take hold.

**Experience Design** — Online lives and individual digital personas are becoming exponentially important in our evolving culture. (There are some real consequences — for example, jobs can be won or lost based on Klout scores and LinkedIn connections.) With the shift from anonymity online to parallel living online and the increase in transparency, there is a hunger for unique experiences to brag about, share and recommend. Audiences will gravitate toward brands that provide boutique digital and real-life experiences.

In summary, let’s examine a simple analogy. Optometrists sometimes say to young patients, “Try looking through the glass, not at the glass.” In essence, the tool (i.e., the glasses) is the means to enable better experiences; the usefulness is beyond the tool. In social media, we are in the phase where we are looking at Facebook and Twitter, and playing in and around those borders. But that is not the end. The ultimate goal is to use social connectedness as the mechanism to create experiences and connect with our audiences with our brand’s story. Look past these channels and tools to the vision that lies beyond for your brand. What does that look like?

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