TEN DIGITAL TRENDS FOR 2014
Each year, we challenge ourselves not to predict the future, but to explore the tough questions and exciting opportunities that new technologies pose for our industry and clients. This year will mark the fifth installment of our annual trends report. What are we still talking about? Are there places where we missed the mark?

Mobile has made an appearance in every trends report for the last five years. We’ve talked about mobile apps and sites, responsive design and mobile commerce. We witnessed the introduction and meteoric rise of tablets. Yet what I’m most surprised about is that despite many years of seeing the writing on the wall, consumer mobile adoption has far outpaced many brands. This year, we’ll talk about the unlocked potential in mobile loyalty programs and the implications of mobile data. You’ll also see Apple’s new iBeacon program mentioned a few times. We’re very excited about what this new technology could make possible and expect to see some very interesting implementations in 2014.

In our 2010 trends report, three years before Oreo’s award-winning Super Bowl campaign, we wrote about the rise of real-time content. It’s become an even more important topic today. This year we’ll look at how social and content are transforming retail, and the new challenges brands are facing in creating content—namely, in producing video cost-effectively and integrating data and creativity in meaningful ways.

One of the exciting new themes for 2014 is wearable technology. While some of this may feel like science fiction, the opportunities are all very real. We expect to see this topic surface many times in the next five years.

I believe that 2014 marks an important year for our industry. We’ve spent the last five years trying to understand how social and mobile would disrupt our industry. We’ll spend the next five imagining how we can use these technologies to build a new one.

John Keehler
Director of Digital Strategy and Emerging Platforms
Social media giants Facebook and Twitter have reached a mature state where solidifying strong monetization models is necessary for long-term success and survival. Both platforms are bridging the gap between television and social media advertising, ensuring brand advertisers have an opportunity to engage with target audiences like never before. Let’s look at the past, analyze current trends and predict what 2014 has in store for Facebook and Twitter’s social TV playbook.

The Evolution of Water-Cooler Buzz
Twitter, considered the bellwether for social TV conversation, earned its reputation by turning live TV events such as the Super Bowl and presidential debates into chatterbox events. For Facebook, the walled garden is finally opening up, with the mega-sized social network now showing how much of its user conversation is geared toward the world of television.

It is no accident that Twitter and Facebook invested heavily in their platforms and pursued partnerships to align with television. Now that both companies must answer to shareholders, television is key in delivering value. The stage has been set – consumer engagement with social media is at an all-time high, and television’s natural ability to drive conversation has never been greater, so prepare yourself for the collision of social media and TV.

The Current Landscape
If you are ready to wade into social TV waters, here are a few opportunities to consider.

Bluefin
Twitter spent the past year bolstering analytical and audience-profiling capabilities with the acquisition of Bluefin Labs, pioneer of social TV analytics. Bluefin’s social TV data mining and analytical technology cull through volumes of tweets about a particular TV program and pinpoint viewers’ brand preferences. They tell if viewers are partial to ice cream, dogs or traveling abroad. For advertisers, this deep well of customer insights is especially intriguing.

With a clearer picture of an audience’s profile, you can develop more efficient and relevant ad campaigns that are targeted by network and show. And with the ability to monitor hashtags and digital CTA performance, you can optimize a campaign’s performance in real time.
Amplify

Twitter is partnering with certain broadcast networks to offer dual-screen sponsorship opportunities via Amplify. This ad product tool provides snippets of favorite shows and sporting events in Twitter feeds in near real time. Network partners include Turner Sports, ESPN, A&E, The Weather Channel and Fox.

Twitter is packaging the short videos with advertisers’ six-second pre-roll, logo and Twitter handle to a highly engaged, targeted audience. For example, Twitter knows you’re a fan of a basketball team. So you receive a snippet of your team scoring a crucial basket in near real time with a six-second sponsored video.

As Twitter and Facebook escalate new technologies, here’s how to prepare for strategy shifts and ever-evolving tactical opportunities.

Nielsen Twitter TV Ratings

TV buyers will lean on a show’s social chatter to determine its relevancy and value, adding a new dimension when planning a buy.

Nielsen’s Twitter TV ratings rank shows by unique audience and include four metrics for each of the top episodes.

**Tweets** – Tweets ascribed to a linear TV episode.

**Unique Authors** – Unique Twitter accounts that have sent at least one tweet ascribed to a specific TV episode.

**Impressions** – The number of times any tweets ascribed to a TV episode were seen.

**Unique Audience** – The total number of distinct Twitter accounts accruing at least one tweet impression ascribed to a TV episode.

Facebook Ads Triggered by Television

The conversation around Facebook’s social TV product line is lagging behind Twitter, but that isn’t to say we shouldn’t see big things from this category leader in 2014. Facebook’s preferred marketing developer, Optimal Social, won this year’s grand prize at Facebook’s Preferred Marketing Developer Innovation Competition. Optimal’s product Open Signals let advertisers synchronize their Facebook ads with television ads. With tens of millions of users logging into Facebook during prime-time hours, brands now have the opportunity to synchronize video and social messaging in real time.

Looking Ahead

Advertisers now have more ways than ever to create cross-platform synergies as TV and social media partnerships continue to develop.

Instagram on the Red Carpet

Already a hit for sharing beautiful images, it doesn’t take much to imagine Instagram’s logo, hashtags and @ handles eloquently incorporated within television events such as the Emmys. Instagram wants to help capture and share the world’s moments, while building a sustainable business model. Much like Twitter’s logo placement within presidential debates, the Instagram team is actively pursuing partnerships to extend second-screen red carpet experiences that guide viewers to follow specific @ handles and hashtags.
Expect to see numerous large cross-platform sponsorship opportunities sold by TV properties, where brands place themselves at the center of Instagram’s social TV presence, along with sponsored posts within feeds.

Facebook Public Feed API and Keyword Insights API Will Inform More Creative and Media Strategy

In September, Facebook released two APIs that will inform brands about conversations taking place on the world’s largest social network. Leading social blogs like BuzzFeed have already begun to listen to Facebook’s public conversation. And with these insights, creative and media can develop strategies that tie TV and social together.

Brands Battle to Align with Major Television Moments

With Facebook and Twitter developing tools to reach television audiences in real time, brands will now leverage opportunities to deliver ads to consumers when they are highly engaged. Instead of posting a tweet during an event like the Super Bowl and hoping it gains traction, brands will craft a series of tweets and promote them to a variety of segments that are engaged with the big game.

Capitalizing on the Social TV Conversation

One of the most interesting and challenging aspects about writing this article was tracking the sheer number of social TV updates and new ad product offerings whizzing by us at breakneck speed. It’s no wonder that there’s so much attention being thrust upon this topic. An eMarketer survey indicated that 15%-17% of TV viewers engaged in social media in real time are socializing about TV shows. And social TV is estimated to generate an aggregated $30 billion in spending by marketers between 2012 and 2020.

Here’s how to keep pace so this growing trend can provide greater focus and engagement for your 2014 marketing efforts:

1. Develop a test-and-learn mentality by allocating 2%-5% of your TV budget to support social media. Depending on your target audience’s media usage and habits, along with creative strategy and primary objectives – this rule of thumb can be scaled appropriately.
2. Create alignment with your creative, media and digital/social media teams to capitalize on the plethora of social chatter insights that can inform near real time content and placement of your social TV ad campaigns.
3. To manage budgets and execute sound strategies, brands should look for cross-disciplinary agencies with strong capabilities across social and TV with integrated creative and media processes.

If you keep these three things in mind, you’ll ensure your brand is enhancing the social TV conversation in 2014.

References

12. ANA Magazine, June 2012.
Big, bold visuals were every brand’s must-have in 2013. But as the year comes to a close, consumers have moved on. They’re video drones – watching, creating, sharing and snacking on it constantly. And it’s happening on every channel: mobile, tablet, desktop and connected TV.

As a branding agency, we’ve told countless brand stories through video. We’ve seen TV as a branding constant for decades because video is one of the best ways to tell a linear story. But storytelling is evolving, and with it, branding is changing, too.

**Video, Video Everywhere: A New Canvas for Storytelling**

Today alone, 89 million people in the U.S. will watch 1.2 billion videos online. For Millennials, 34% consume most or all of their video content online, and 10% don’t consume any TV content. In the future, video will become a much bigger part of the canvas of the Web: online video traffic will be 55% of all Internet traffic in 2016.

The Web is no longer a multiscreen interactive book with text and images. Imagine the Web as an interactive TV. It’s a TV where channels include the big media networks, online video networks, users and even brands.

This is our new canvas for branding. It’s exciting and full of storytelling opportunity. Yet, only 24% of national brands are using online video to market to consumers.

**Cheap, Fast and Great Video…Is It Possible?**

The challenge: video production requires significant investment – in time, money, tools and talent. Brands traditionally produce a couple of videos each quarter to use on TV and in online ads. When the trend is toward brands acting like media networks, producing libraries of video content and staying nimble enough to be timely and reactive, many are struggling to keep up. There’s a divide between the video-rich and the video-poor brands: those who have invested in video and have libraries of content versus those who see video production like TV spot production – with an expensive, process-heavy, long production timeline.

So how will brands answer the video call in 2014?

**Outsource. Crowdsource. Insource.**

In 2014, brands will get scrappy with video by making the most of emerging platforms, tapping into new talent and leveraging brand ambassadors. In online video production, there are three strategies taking off: outsourcing, crowdsourcing and insourcing. And each fills a specific role within branding.

**Outsourced Video: Advertising, Meet Hollywood**

Advertising is often entertaining, but it is rarely entertainment. Traditional video ads often have a formulaic approach: story + product benefits + logo = communication. Branded film, on the other hand, has roots in entertainment. Like a Hollywood film, it
Brands in Motion

establishes a higher vision or belief about the world that emotionally resonates with audiences and takes them along for the ride. The marketing objective is often engagement.

Both video ads and branded video can create brand familiarity. But branded video can also forge an emotional connection like a quick, sharp knife. And already, fast food companies, retailers and consumer packaged goods products have come to play.

So how are they accomplishing it?

Many are outsourcing video production – often to online video studios. Online video studios, such as Fullscreen, Maker Studios and even the YouTube Creator Hub, were built as talent agencies for online video stars and are linking brands with creators for video production. Brands brief studios on their audience, creative parameters, budget and timing – leveraging networks of video creators for production. And with YouTube, brand partners make use of their lavish production space.

As online video becomes a bigger piece of the brand pie in 2014, we’ll see a rise in made-for-Web video studios and more opportunities for brands to go Hollywood.

Crowdsourced Video: Production Comes to the Masses

Remember the late 1800s when technology birthed motion pictures just a few decades after the photograph came to life? (Yeah, me neither.) The past few years have brought a similar revolution. Smartphone cameras and social media mean a constant addiction to documenting every waking moment. And the birth of Vine, Instagram video and Snapchat Stories brought a video revolution: sharing for everyone.

The magic quartet of video is time, money, talent and tools. Tools are now in the hands of new talent. Consumers have become the creators, and they’re a powerful well of content. Most brands making great Vines are doing so with the help of Vine power users. Trident, Airbnb, Burt’s Bees, GE and Lowe’s all made headlines for amazing Vines by contracting Vine influencers.

Where branded film creates an emotional connection, crowdsourcing video builds an army of advocates. It puts brand stories into the hands of customers, asking them to put their spin on it. This means that crowdsourcing works best when there’s high brand familiarity among the audience.

Insourced Video: Brand Journalism, Evolved

For those brands that have both an established story and an army of advocates, the next step is leveraging loyalists through consistent content. Advanced brands are building video right into their hiring strategies. They’ve seen that it works. It’s creating engaging media placements, generating word of mouth and encouraging sharing on social—and they’re committing to it.
Brands in Motion

You probably know that Red Bull does a great job of content marketing. But you may not have heard of Red Bull Media House, a 400-person media company that controls production, strategy and distribution for all of Red Bull’s video content. The company is made up of film producers, video editors, motion graphics designers, video distributors, game developers and on-air promotion producers.

And Apple is rumored to be expanding its own creative capabilities by doubling its in-house talent (from 300 to possibly 600) to create tutorial videos and maintain a large internal commercial-production facility.

Not all brands can (or should) go out and hire hundreds of people to produce video. But if they’re serious about telling their story through digital, small scrappy teams can create video quickly through insourcing production. Think of social strategists, content strategists and creatives on the ground with smartphones and small video cameras at grand openings, store events, print and TV shoots, and partner events.

Just as indie films have boomed in the last decade, in 2014, brands will bring production in-house to meet the needs of nimble storytelling.

Three Takeaways for Brands

1. **Think Like a Reporter. Get People on the Ground.**
   Make sure that every event, store opening, sponsorship and new product unveiling has someone present to capture the moment – and publish it on the brand’s channels.

2. **Invest in Tools and Talent.**

3. **Consider Your Specific Marketing Needs Before Diving In.**
   Are you looking to drive sales or create an emotional connection? Do customers know what you stand for or just what you sell? Do you have established social media channels or do audiences need to be built? Answering these questions will help you determine what type of video is right for your brand.

References

PAID ADVERTISING OPPORTUNITIES IN WEARABLE TECHNOLOGY

By David Rowe

As marketers, we’ve become adept at delivering paid advertising to consumers on “traditional” computer-like screens: desktops, laptops, tablets and smartphones. But how will we reach consumers through Google Glass or the Samsung Galaxy Gear smartwatch?

None of the companies creating wearable technology are offering much information to help answer that question yet, with Google going so far as to say it doesn’t plan on ever offering paid advertising opportunities within its Google Glass product. On the other hand, it has filed a patent for a “pay-per-gaze” cost model that would seem to exist strictly for paying advertisers, so we’ll have to wait and see.

Even if this option isn’t a reality just yet, let’s dream just a little bit: what might the ad formats be within these wearable tech devices? How might they be priced, and how could they target audiences? Maybe they won’t be “ads” in the traditional sense.

Wearables as Mobile Extensions

The first clue that these new wearable devices present an opportunity for advertisers is from a pure exposure standpoint. We currently check our phones 150 times a day. Imagine how many more times we might look at a smartwatch that we don’t have to pull out of our pocket, especially if it offered similar types of information. In the case of Google Glass, it’s almost impossible to count how many times one might “look” at information presented to them, as it will be practically an extension of one’s sight. These are new “mobile” devices that consumers, and ultimately advertisers, might interact with even more than a smartphone.

It’s All Connected

None of these wearable products will replace our smartphones. The truth is that these devices will actually depend on, and work in conjunction with, each other.

Within this connection lies one of the primary benefits of these devices to advertisers: the ability to garner data from one device that will provide an opportunity for more focused, informed advertising messages on the other. The data these devices can provide advertisers about what their target audience sees, feels and interacts with is the real game-changer.

And we’re not just talking about using wearables to enhance smartphone advertising; cross-device targeting is already possible between smartphones, tablets, computers and even TVs. As our entire media world becomes more connected, the possibilities for cross-device targeting will continue to expand. In that sense, wearable technology presents the opportunity to enhance advertising across an infinite number of media platforms.

Though there are many wearable devices entering the market, two have garnered more attention: smartglasses and smartwatches.
Paid Advertising in Google Glass

So where can paid advertising fit into this buzzed-about technology? Currently, Google is saying there is no place for it:

“Section 2: Advertisements

No Ads. You may not serve or include any advertisements in your API Client.”

But it's hard to imagine a company that relies on advertising for 95% of its revenue not finding a way to take advantage of this.

Perhaps the easiest way to imagine the possibilities is by considering the current ways to advertise with Google, with search being the largest. Sponsored listings could appear alongside natural listings in Google Glass, just as they do within normal Google search results. This could be beneficial for the same types of companies currently buying mobile search ads – think retailers, coffee shops or restaurants – any business consumers might search for on the go. Rather than paying when the user clicks, advertisers could pay for a different type of action: a gaze.

The functionality of Google Glass is meant to overlay the digital world onto the physical world, and within advertising this could mean a merging of digital and offline ads. Imagine a user gazing at a real-life Chick-fil-A billboard, and then, through Google Glass, that billboard would come to life with a video of the Cows. Chick-fil-A would only be charged once a consumer “gazes” for a period of time that Google considers significant.

Something similar could be done for a print ad, or even a TV ad, that might lead the consumer directly to a website viewable in the Google Glass browser, eliminating the need for a consumer to type in the URL on their computer, tablet or smartphone. Maybe, at a minimum, all Google Glass does is use the facial recognition technology to tell us if someone actually watched a commercial on TV.

Another possibility is that Google Glass could replace the image on a physical billboard with a different ad targeted to an individual, a more tailored and personalized experience. Perhaps “Minority Report” was just a little bit ahead of its time.

Ads could also be exclusive to the Google Glass environment, overlaid on the physical world but not on physical ads. For example, a consumer stops and looks through the window of a restaurant for a couple of seconds. A virtual menu pops up in Google Glass, and depending on how long that consumer spends “gazing” at the menu, Google charges the restaurant for the advertising. If that consumer goes inside and orders something, the advertiser is charged even more. Or perhaps they’re not hungry at the moment, but when the virtual menu pops up they also see an option to “like” the brand on Facebook, providing the restaurant another opportunity to speak to that user in the future.

What if Google charged based on the intensity of the gaze? Google Glass will be able to detect some physical reactions, such as pupil dilation. Bigger pupils would equate to greater engagement and a higher price.

Because Google Glass will be able to connect with multiple devices from one user, it can use data on a user’s behavior to target the consumer in other environments. For example, a consumer staring at a Lexus driving by may not be served an ad within Google Glass right away, but they could later be retargeted on the Web when that consumer might be willing to take their interest one step further, even signing up for a test drive. Or maybe BMW uses this data to “conquest,” serving the consumer a video ad through their connected TV, introducing its brand into their consideration set to counter what Lexus is promoting.
Paid Advertising in Smartwatches

A few of the first smartwatches to enter the scene include the Samsung Galaxy Gear, the Sony SmartWatch (now on its second version) and the Kickstarter-born Pebble. The Apple iWatch is rumored to be coming soon as well.

Just as Google Glass would be connected to a user’s phone, a smartwatch would also become an extension of a mobile phone and would likely be much more closely connected to it as compared to Google Glass. Think of the smartwatch as the device that tells a user whether to look at their phone. Users may not want to talk through it nor would the screen be large enough for them to easily browse the Web or apps, but it could push text messages from a phone, and if a user wanted to respond, they could then pull out their phone to do so. It could give them score updates, remind them of appointments or send offers for stores they’re approaching.

From an advertising perspective, the smartwatch would seem to work best for communicating quick pieces of information, SMS-like, rather than delivering engaging and rich ad experiences. Perhaps the watch could be tapped to indicate interest in an ad, and based on that, the user would be sent an email from the brand later or greeted with a full-page prestitial the next time they unlock their phone.

It’s also possible that the smartwatch could have some of the functionality of other wrist-wearable health-monitoring devices, like Fitbit® or the Nike+ FuelBand. The data that can be gleaned from these types of health-tracking monitors could inform advertising on any number of devices.

What if a brand could reward someone based on their physical accomplishments, tracked through a built-in pedometer – “That run was your fastest in the past month; you deserve a treat – here’s an offer for free gelato at Paciugo.”

A restaurant could target a certain menu item to a consumer based on their health habits. Consumer packaged goods companies could do something similar in a grocery store.

Key Takeaways

Smartglasses and smartwatches could help take mobile advertising to the next level because of the data they will provide on the people wearing them. Right now there are only 1,500 Google Glass products circulating. The Samsung Galaxy Gear was just released on October 4, 2013. Will these devices catch on? We’ll have to see.

Three action items for brands:

1. Get the devices and experiment! What benefits do they offer you, as a consumer? This experience will help make the potential advertising opportunities clearer.
2. Create a test budget for new technologies. This will enable you to jump in as soon as there are paid advertising opportunities available, testing the waters and working out the kinks before the products reach critical mass, when any “kinks” will be more costly.
3. Wait it out. It may be a while before we can advertise to people on wearable devices, and we don’t yet know which will pan out. Just keep watching, because there is something big going on here.

References

COMMERCE-ENABLED CONTENT: A STORY THAT SELLS

By Cody Hudson

In a world of Amazons and Costcos, brands need to differentiate themselves from the traditional price-driven sales model to gain market share. A few have found success by becoming storytellers who not only sell products, but ideals.

Brands like One Kings Lane and Mr Porter are blurring the lines between commerce and content. Their commerce-enabled content moves seamlessly between entertainment and purchase with curated, shoppable features. Pause a short film and add the model’s jacket to your shopping cart. Follow a designer’s journey across the Orient and purchase his finds along the way.

The ROI and inventory turnover of both One Kings Lane and Mr Porter are staggering, surprising even the masterminds behind them. Seeing the measurable return on commerce-enabled content, retailers are siphoning editorial teams away from magazines and magazines are diversifying into retail. While their peers try to catch up, the forerunners keep raising the bar.

A New Model for Retail

While many of its flash-sale peers struggle, One Kings Lane is projecting $300 million in revenue after just four years of operation. Its differentiating strategy is bold: create a lifestyle out of an online brand.

Its initial approach involved curating product selections into small, shoppable vignettes.

A turning point came one year into operation when the brand purchased Helicopter, the publishing design firm behind Domino Magazine, in an effort to strengthen its content. As foretold by Helicopter co-founder Josh Liberson, “Consumers, inspired by the content, will be able to shop with a sense of context and feel confident in their buying decisions because they’ve been given a back story or expert advice.”

Shoppable vignettes were only the first step. The second was bringing products to life via professional photography and editorial content. “It’s one thing to say that we curate products, and it’s another to say we invest in the imagery that brings curation to life,” Liberson later explained.

The change has been monumental, with customers coming to the site for inspiration outside of planned purchases. Content is not relegated to a blog and can be easily found within a browser’s path or social feed.

Their investment in content is massive and continues to grow. Since acquiring Helicopter, One Kings Lane has gone on to hire full-time photographers and stylists to shoot products at home and abroad. Employees at its New York headquarters spend their days painting sets for photo shoots. The justification is in the numbers.
A New Model for Publishing

Domino Magazine closed its doors not long after One Kings Lane came into being. Seeing the success built with its prior publishing firm, the publication has now resurfaced as a content-commerce hybrid.

In a reversal of retail’s editor-poaching behavior, it brought in retail experts – like the former CEO of Etsy – as advisors. The model is very familiar: put the story first.

“Most sites start with products. We are starting with the story and then letting readers know how to get the products,” explains founder Andy Appelbaum. “We have tens of thousands of images and every one is an opportunity to call out product. The products are the crayons used to color in the pictures.”

New content has been combined with two years’ worth of archives, and 80% of the objects featured within images are shoppable. In total, the magazine-turned-retailer debuted with 30,000 products for sale. In addition to original editorial, the brand has plans to invite readers, bloggers and designers to contribute content.

“We see ourselves as providing top-down editorial content and facilitating influencer content from the blogger and design communities, and ultimately being able to activate user-generated social content that also can be shoppable,” continues Appelbaum.

With the magazine’s commerce component driving 85%-90% of revenue, the quarterly print magazine was able to significantly lower its print-to-ad ratio. As to whether this new model is the future of publishing, Domino is an experiment, and minority investor Condé Nast will be watching.

“The idea that they can become part of the stream of commerce is interesting to them,” said Appelbaum. “Incubating that kind of a cultural change is difficult in a large organization, so Condé Nast decided to take it outside and allow us to experiment with it.”

What the Future Holds

As commerce-enabled content sees more widespread adoption, commerce will become so thoroughly embedded within brand communications that the two will become one and the same.

The underlying insight is that brands must provide value beyond the product, and they must do so extremely well. A brand’s digital network has become an arsenal of channels, requiring comprehensive programming no different from a television network.

“Over the last decade,” says Avi Savar, author of Content to Commerce, “the convergence of media and technology has turned the marketing world on its head. In order for brands to succeed in today’s socially connected world, they must think like publishers and act like media networks.”

Those seeking to transform their content strategy can learn a lot from successful brand models and the technology that is changing in step. The trends emerging for the coming year underline the importance of specialization, organization and measurable results.

1. Staff for Content

Consumers know the difference between editorial and promotion, and if a brand wishes to become a content destination, it needs to staff accordingly. In 2014, brands will continue luring traditional print staff away from publications to become style advisors and product curators. With the financial backing of a brand, writers will have creative freedom to push editorial innovation (videos, artist collaboration, branded magazines and even TV shows, for example). All of this positions brands to become more skilled guides, housing original content that rivals the quality of daily publications.
2. **Optimize Content to the Platform**
   Brands using social platforms as one and the same miss the opportunity to capitalize on each one’s strengths. As social becomes increasingly shoppable, brands must tailor content calendar messaging to each platform and experience. Though platforms may have distinct roles, there will be a singular goal to elicit attraction for branded lifestyles. Far from an afterthought, commerce will be woven into the narrative of a brand via social media.

3. **Search Is Still Important**
   Search engine optimization (SEO) is changing, and content must be written with consumers – not search engine keywords – in mind. Having already placed renewed importance on social activity, Google Hummingbird’s latest algorithm update is geared toward content rather than keywords. Structured around “conversational” search queries, the search engine will seek to think more like a human and take semantic structures into account. This reaffirms content’s purpose and ROI within organic search.

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It might remind you of an odd sort of record player. Small, black and round, with what looks like a handle. It was the most important announcement at SXSW in 2013. But it’s not an app or a new digital platform. It’s the first personal 3-D scanner from MakerBot – the Digitizer.

3-D printers have been around for a few years. There are several affordable models available. Yet this 3-D scanner begins to solve one of the biggest problems of home 3-D printing – people simply don’t have anything to print. Most 3-D printer manufacturers have created marketplaces where owners can download or purchase 3-D objects they want to print. The selection isn’t great, and the quality is questionable. This means that unless you know how to create a 3-D model, you’re limited to what’s available in these marketplaces. 3-D scanners will allow anyone to create a high-quality 3-D object to print. The question is, what will people do with this technology?

Replication
The most obvious use of 3-D scanning will be to replicate existing objects. The MakerBot Digitizer can replicate objects that are smaller than 8 inches in diameter and 8 inches high. Home scanners will likely be limited at first to smaller objects or smaller components of larger objects. What kinds of things will we scan? Well, anything. It might be something we treasure, like a small keepsake. It might be something useful we need to print out, like a duplicate of a spare part we need.

More recently, a Kickstarter campaign from Occipital raised more than $1 million to create Structure, a 3-D scanning sensor for mobile devices. It’s designed not just to scan objects, but entire rooms. It’s also designed with developers in mind, allowing them to create applications to “interact with the three dimensional geometry of the real world for the very first time.” One of the earliest examples is integration with 3-D marketplace and printing service provider Shapeways.

Preservation
Another potential use of 3-D scanning is in the preservation of objects. In some cases, printing may not be the only objective of 3-D scanning. Virtual models do not erode or break, they live on forever. CyArk 500 is a recent initiative launched to digitally preserve 500 cultural sites over the next five years to build a digital library of some of humanity’s most important monuments – Mount Rushmore, Chichen Itza, the Leaning Tower of Pisa and more. You can imagine that on a personal level, we might all have something precious to us that we’d like to scan and preserve.

If we can find value in scanning and preserving heritage sites or objects, why not people? Dallas-based Captured Dimensions has developed a studio that uses photogrammetry, a particularly good way to capture 3-D models of people. Imagine a model of yourself that provides exact measurements for clothes or an avatar of yourself used in video games. We’ve just scratched the surface of what we might do with a high-resolution virtual model of a person. Soon, advances in scanning will create things we never imagined.
Challenges Ahead

With all the possibilities that 3-D scanning enables, it will come under much legal scrutiny in the next several years. The industry will have to consider the legality of scanning and replicating objects, as well as how scanned objects can be used. Copyright, patent and trademark law will see a flood of new cases. Early adopters will have to ask tough questions and figure out where legal limitations meet what’s possible, much like those who ushered in the dawn of personal computing.

Key Takeaways for Brands

In 2014, there are a few things brands should be considering:

1. Establish a point of view on how 3-D scanning and printing could affect your business. Is there a preservation or replication opportunity? What would having a 3-D scan of your product make possible?
2. Planning to pursue 3-D printing? Understand your risk tolerance.
3. Finally, if you’re not sure there’s an opportunity for your business, create one. Perhaps the greatest opportunity that 3-D printing represents is the democratization of manufacturing. What could you build?

References

The digital media industry is now at a crossroads. For a few years, we’ve heard the buzzword “big data” and all the implications it has for the marketing industry. After all the hype, we’re starting to see the platforms become a reality for clients. Many data management platforms (DMPs) now allow client data to be paired with media information. In 2014, these DMPs will finally let marketers send out personalized creative at scale.

Data management platforms are huge databases that house an incredible amount of data. In the past, the platforms focused on housing the data and gathering insights from digital media campaigns. The purpose was to make the data as easy to interpret as possible and then apply the learnings to future campaigns. But we’re starting to see these systems evolve to take in more data and create a more holistic picture of a business rather than focusing solely on the digital media. As these systems mature, we see a shift from a media-focused marketing strategy to a truly consumer-focused strategy.

The major players in the DMP space are mainly the large data companies that build out the demographic, psychographic and content segments used widely in digital campaigns today – BlueKai, eXelate, Lotame and Turn. In essence, these companies are all offering the same thing – a centralized place to aggregate and interpret a client’s data, so that more intelligent marketing decisions can be made. To get a true view of how these data management platforms work, you would have to enlist a whole team of data scientists and computer engineers – luckily for you, we are well versed in nerd-speak and are only too happy to translate it to English for you. As the picture on the following page illustrates, DMPs aggregate many different kinds of data, sort it according to rules that the advertiser sets and organize it into an easy-to-interpret view. Most of the data that was put into DMPs in the past were digital media results and the third-party segments used in those campaigns. Now, they are incorporating more kinds of data, such as loyalty program information, coupon redemptions and sales data.

So the question that comes up after all of this is, “OK, this technology is pretty cool, but tell me why I need to invest in a DMP for my company?” And the answer is, “How much time do you have?” The number of things that aggregation and interpretation of data can do is staggering. At their core, DMPs make a truckload of data easily accessible and digestible, so that marketers can see trends and insights quickly.

DMPs help make marketing more personalized. From an advertising standpoint, a marketer can see when and where messages are responded to most. They also help show when coupons are most effective. By tying all of this back to specific demographic data about an audience, they allow marketers to speak to the different subsets of targets in preferred ways. Now, users tell companies how they want to be reached instead of marketers driving the conversation.
If we take this a step further and incorporate the site data into a DMP and pair all of this with a dynamic website, a company can show one version of its website to a male user who is browsing during the week and an entirely different version to a female user who is browsing on the weekend.

By letting marketers know what environments users are browsing when they interact with ads, marketers get a sense of what other interests their targets have. These are not inferred interests, but insights based on actual actions taken by anonymous users. A company can then take that interest information and use it to inform the partnerships they enter into with other companies.

The power of these insights is not hard to imagine. Consider an advertiser running a promotion or contest. This advertiser can feed the third-party audience data into a DMP along with the digital media performance and the company’s own internal registration data. The DMP then sifts through all that data and builds an ideal consumer. It tells when that user is consuming media and where the person is located. All this information is stored and readily available. So next time the company runs a contest, it has a step up on who the most engaged consumers are.

**Three Takeaways**

1. DMPs are evolving and their information will be scalable in 2014. With the proliferation of online impressions and addressable TV, there is finally enough scale to divide messaging into specific segments and reach a large number of consumers.

2. Companies are getting smarter about their target audiences. Marketers are able to know targets better than ever before based on actual actions online.

3. Marketers are learning more than ever about their core audiences. They see an entirely new set of consumers interacting with brands that they didn’t know about. And this opens up new business that previously would have been lost in a mountain of data.

**References**

REAL-WORLD ANALYTICS: APPLYING ONLINE TRACKING METHODS TO THE REAL WORLD

By Brian Edgin

Personalization, Visitor Tracking, Visitor Profile, Traffic Source, Visit Duration, Bounce Rate, Targeted Ad, Funnel Tracking, Impressions, Clickthrough, Conversion, A/B Test...

If you were told that this article directly relates to the terms above, you would be forgiven for thinking it was about the Internet. It’s not. It’s about going to the mall, a restaurant or a gas station. It’s about driving down the freeway, going to a movie or listening to the radio.

A collection of new technologies has brought us to a point where real-world behavior can be captured, aggregated and analyzed in the same way that online behavior can. All of the terms above can now apply to activities that occur offline.

Take a minute to let that sink in.

With most technological advances, our understanding of how to best take advantage of that technology evolves as the technology itself matures and becomes more available. Because real-world tracking is so analogous to online tracking, the situation here is different. For example, we already have a commonly understood set of terminology related to web analytics that can now directly apply to real-world activity. For example, targeted ads online are frequently billed as “pay per impression” or “pay per click.” With real-world tracking, those business models are now possible for traditional, real-world advertisements. That business model doesn’t have to evolve with the capabilities, because it already “evolved” online. The new tracking technologies enable businesses to apply all that they have learned about online tracking and personalization to their physical businesses.

An Example Scenario: The Mall

Consider the following: A person goes to a mall and visits a clothing store targeted at preteen girls and makes a purchase. They then visit Victoria’s Secret. After leaving Victoria’s Secret, they notice a digital sign promoting a sale at a women’s shoe store in the mall. They then visit the shoe store and make a purchase.

Two types of tracking technologies are being used in this example: passive device tracking (which tracks your cellphone location via Wi-Fi) and optical tracking using a single camera in the digital sign. Both of these technologies are currently available and in use. For more information related to the various technologies available, see The Coming Revolution of Real-World Analytics infographic later in this section. Now, let’s examine that seemingly simple scenario while keeping those established web visitor tracking terms in mind.
Subject Enters Mall and Visits Stores

The entrance to the mall begins the visitor tracking. Just as with web analytics, as they go from store to store, we can track where they came from (traffic source), how long they stay in each store (visit duration) and purchase activity (conversion). From this information, a visitor profile can be built. Based on the scenario, the system would surmise that the visitor is a female mother of a preteen girl.

Subject Enters the Vicinity of Digital Sign

In the scenario, the digital sign has been developed with the ability to use the visitor profile to display a targeted ad. This is a form of content personalization. In online ad unit terms, when the shoe store ad is displayed, that is counted as an impression.

Subject Notices Ad

In online tracking, there is no way to tell if a visitor actually notices an ad unless they interact with it in some way. However, in the physical world, the fact that the ad has been noticed can be tracked with a fairly high degree of accuracy. This is accomplished through the use of camera-based tracking embedded in the sign. In web analytic terms, this is probably the point at which funnel tracking begins.

Subject Visits the Advertised Store

Going to the store itself would be tracked as clickthrough.

Subject Makes a Purchase at the Advertised Store

This would be tracked as a conversion, and complete the funnel from the perspective of the shoe store.

With real-world customer tracking, we aren’t cautiously maturing with the technology. We are being born into adulthood. Retailers have seen and experienced the huge benefit in online-targeted advertising. They are already intimately familiar with the cost-per-impression/cost-per-click business model. There are no technical barriers that prevent that same business model from being deployed into the physical world today.

There are, however, ethical and legal issues that need to be worked out. It’s important to note these are “issues” and not “barriers.” Currently, there are no laws specifically prohibiting the type of tracking being discussed here. However, there have already been a number of forays into real-world visitor tracking that have led to consumer backlash. While these ethical issues are more than worthy of discussion, it will be a far more effective discussion if it takes place with an unfettered understanding of what is possible.

So…what is possible?

A Deeper Look at Our Example

As stated before, in our example scenario there were two technologies at work: passive device tracking using Wi-Fi and optical tracking used at the digital sign. By having these two technologies tied to the same tracking system, a number of useful real-world tracking features, over and above those demonstrated in the example, are made possible.
Repeat Visitor Tracking

Every device that can be connected to a network has a unique ID called a media access control (MAC) address. When Wi-Fi is used for tracking, that MAC address is recorded. This unique “signature” gives the tracking system the ability to track customers across multiple visits. The obvious benefit of this capability is the ability to build a better, more targetable profile over the course of many visits. The less obvious use involves building a system that watches for, and records, relationships between multiple devices. That approach would enable the system to know a number of interesting, and potentially useful, things:

• Is the visitor currently shopping alone or with others?
• If with others, are those others consistently the same shopping companions?
• What’s in the profiles of the others? Are there common interests?

What if, through repeat visitor tracking, the system established a relationship between a mother and her teenage daughter. It then observes that on Saturday they visit a specific store together two times without a purchase. Then, on Sunday, the daughter returns to the mall with other “known profiles” (her friends) and visits the same store, still without making a purchase. On Tuesday, the mother goes to the mall by herself. What if the digital sign presented her with an ad for the store in which her daughter was interested? That ad could go a little further and entice her with a call to action to “Scan this QR code and give us your email address for 25% off your next purchase.”

Bounce Rate

Online, we frequently judge a page’s success by looking at its bounce rate. A bounce is recorded for each visit to that page where the visitor ends that visit by clicking the back button or closing the browser window/tab. In our example scenario, if the customer had visited the shoe store and left almost immediately, then that tells us something similar. The ad they saw on the digital sign was appealing enough to get them to the store. So, what was it about the store that didn’t fulfill the expectations the ad set up?

A/B Testing

Digital signs equipped with cameras that are used to trigger content, and even measure that content’s effectiveness, are becoming more and more common. However, if we consider the possibilities enabled by tying that sign to a larger Wi-Fi tracking system, as in our scenario, the possibilities multiply. Now the system can A/B test different advertising options to different profiles and immediately capture their effectiveness. With just the camera, the sign is limited to recording only when it is successful in getting someone’s attention. Tied to the Wi-Fi tracking system, it can now also measure if those that pay attention to it are visiting the store (clickthrough) and making a purchase (conversion). That same sign could also change how it displays ads based on overall traffic pattern, the average age of the shoppers passing by or the number of individuals within viewing distance.

But That’s Only Scratching the Surface

As impressive as our scenario is, it is only a very small part of the possible real-world analytics ecosystem. Let’s look at a few other brief scenarios.

Tracking Billboard Effectiveness

Cars are commonly tracked a number of different ways: RFID (toll tag), license plate (optical) and Wi-Fi (passive device tracking). Those same technologies can be used to “tag” vehicles that are within viewing distance of a digital billboard when a specific ad is displayed. This idea has been around for some time now. However, now that “wide-area tracking” can be tied to the visitor tracking from our mall scenario. This gives us the ability to not only track impressions (who saw the sign), but also clickthrough (who entered the store) and conversion (did they purchase). Apply the same metrics to two or more ads for the same promotion, and you have A/B testing.

The ability to track such things will impact how retailers pay for billboard ad space, possibly moving billboards from an impression-based fee to a pay-per-click model.
Passive Experience Tracking

“Second screen” apps, those that use the audio from a mobile device’s microphone to deliver synchronized content related to a show someone is watching, are becoming more common. With that in mind, consider that newer Android phones are touting the device’s ability to always be listening for a verbal command so the device can respond to those commands “hands free.” The next logical step is to give apps the ability to “register” for specific audio cues so they could better target content based on hits against their “audio cue list.” This type of passive, in-the-background, always-on experience tracking will become more common in the future.

This type of advancement would allow business owners to know that 25 minutes ago, the person buying something in their store had been in their car listening to the radio when one of their spots played. Just like the billboard example, radio and TV spots could potentially move from an impression-based model to a pay-per-click model.

Linking Online with Offline

Remember the “Scan this QR code” idea? The customer in the scenario was not scanning a generic QR code. They were scanning one that was created on the fly. This would allow for an individualized special offer. However, it also would allow the retailer to connect that customer’s Wi-Fi tracking profile with that customer’s online profile. Then both online ads and real-world ads could be further refined and work in concert. Has the customer been looking at a particular item repeatedly online? Display an ad for that item on the digital sign. After they make a purchase at the store, display personalized ads for relevant accessories the next time they visit your website.

Here is a real-world example: GameStop currently has a program where customers can track their personal inventory of games using their GameStop account. GameStop then encourages them to trade those games for newer games as they come out. What if, when a member walked into a GameStop store, digital signs in that store displayed ads based on what they currently own? Those signs could avoid ads for games the customer already owns, but choose to advertise others in a similar genre.

The Coming Revolution of Real-World Analytics
Where to Go from Here

Here are three takeaways for brands to consider:

1. The debate about proper use of these technologies is coming. Don’t leave that debate to others. Discuss the issues internally, and engage in the debate externally.

2. Effectiveness in that debate will greatly depend on understanding the technologies involved. Continue learning about them, and watch the media for new developments.

3. Acknowledge that these techniques will be used, and that, if the early adopters can avoid a backlash, the organization that uses them first will have an advantage. If you decide to be an early adopter, plan ahead for how to deal with any potential fallout.

Most of these tracking techniques are already in use, but we are reaching a point where the convergence of cost-effective hardware, the ubiquity of mobile technology and the software to tie them all together will accelerate the adoption of more and more capable tracking implementations. With careful consideration of the public perception issues, these technologies can be utilized to provide many more options for brands to find and interact with their audience.

References

THE MOBILE LOYALTY PROMISE

By Megan Smith

It’s a simple equation—the more relevant you are to customers, the more loyal they are to you. This year, we’ve witnessed an explosion of off-the-shelf loyalty programs, such as Belly, FiveStars, Front Flip, PunchTab and Spendgo, all designed to turn the paper-punch card into a mobile experience that drives repeat business. These business models are focused on helping businesses become more relevant and modern, thus helping drive customer loyalty.

The New Loyalty Experience

So why are more than half of the programs in which a household has enrolled not active? Are marketers failing to provide relevant offers and communications to members once they enroll? According to the 2013 Colloquy Loyalty Census, loyalty program membership reached an all-time high in 2012—2.65 billion U.S. memberships that represented 26.7% growth from 2011 to 2012. And the average number of programs per U.S. household grew to 21.9, yet only 9.5 of those memberships are active.

Most loyalty programs take the form of the traditional “earn and burn” method to reward customers. This approach rewards transaction-based behavior (whether number of transactions or spending level) with a discount or rebate to promote another purchase. But this structure has created a discount addiction rather than brand loyalty.

Furthermore, the construct of these programs—how one earns rewards—has been static for years. Most programs don’t take the mobile consumer into account and integrate the rewards structure to how consumers are living and using mobile connectivity.

But first, let’s explore the usage of smartphones in the United States.

If you leave home without your mobile phone, you would probably go back to get it, even if it meant being late. And customers are no different. In fact, consumers are using smartphones more than ever—75% of smartphone users access the Internet while shopping in-store and 65% access the Internet while dining in restaurants.

Consumers are using smartphones to research products, look up competitive prices, check product inventory, consult product reviews and even pay at the point of purchase. Marketers should evolve their loyalty programs to tap into these behaviors to improve the omnichannel loyalty program experience.

Loyalty Outside the Box

To date, many marketers have not invested appropriately in the mobile channel, and many are overwhelmed with the technology platforms and software choices available today.

By mobilizing the customer journey to create loyalty-driven interactions, marketers can improve customer acquisition and retention. Mobile loyalty programs can reward customers for activities surrounding the brand, act as stepping stones in the consideration process and increase purchases both at point of sale and via mobile devices.
The Mobile Loyalty Promise

According to the June Consumer Data, consumers want mobile loyalty programs:

• Forty-seven percent of consumers wish more stores offered mobile apps to collect and redeem loyalty points.
• Forty-six percent would strongly recommend a company to their families and friends if it had a mobile loyalty program that offered personalized rewards.
• Forty-seven percent would shop at a store that offered a mobile loyalty program over another store.

Loyalty programs must improve their mobility and customer experience to remain relevant and drive brand engagement. Expect a rise in the following technologies – specifically within loyalty marketing programs – in 2014 and beyond.

SMS
Send timely and members-only offers to customers via opt-in SMS. Ninety percent of all text messages are read within three minutes of delivery, and over 99% of all text messages are read by the recipient. SMS messages have a much shorter shelf life; thus, limited-time offers or capped deals, such as the first 20 to activate, are ways to drive traffic. It’s also a timely way to send rewards to your best customers and provide relevant messages based on what’s happening in their local market.

Mobile Apps and Push Notifications
For marketers who have a mobile application or are thinking about adding a mobile app to their arsenal, it’s a no-brainer to include a tab specific to the loyalty program experience. Being able to register for the program, check account balances or review available rewards or members-only offers is critical to the program’s mobile success.

Application push notifications are another important communication vehicle. A communication strategy for push notifications should be outlined prior to launching your mobile loyalty program to prioritize and manage outbound communications. Too many notifications, and customers are apt to turn off the app’s alerts. Too few, and customers are bound to forget about you or, worse, delete the application altogether.

Even more important, the notifications should be relevant to the end user. A one-size-fits-all approach may be fine at launch, but communications should quickly evolve to be more personalized as customers’ loyalty account data is fed into the app, and you track their distinct habits and interests with your brand in-store, online and within the mobile application itself.

Apple iBeacon
Native technology to the iOS 7.0 for the Apple iPhone and further evolution of Apple’s Passbook, iBeacon has the potential to know more about customers’ shopping behavior than ever before. The technology uses Bluetooth Low Energy (BLE) to pass data while not draining the device’s battery and can also enable mobile payments through the device.

With iBeacon sensors placed strategically throughout locations, companies know when customers enter a store, in which aisle they are standing and how long they stay. They can then use this data to push messages, offers and follow-up communications. Through the application, individual customers could be recognized upon arrival and loyalty members could receive special messages and offers as they pass by a store or upon entry. Push notifications can be utilized to alert customers of deals that are exclusive to loyalty members or “unlock” offers based on the duration spent in-store.
Social CRM Integration

To connect with customers across all channels, a social CRM analytics tool is needed to capture social media engagement, preference and influence data. Knowing the value of loyalty members is crucial, but imagine the insights when you combine social data with the loyalty profiles of customers. Social data allows us to paint a full picture of each customer through self-reported data – what their likes are, what brands they follow and how active they are across social channels. Using this self-reported data combined with loyalty data creates more robust, accurate customer segmentation and predictive models.

Customization Is Key

Off-the-shelf programs have exploded in the market over the last year or two. While these programs are a great solution for smaller budgets or mom-and-pop shops, they don’t allow for true customization or differentiation from other retailers. They provide a one-size-fits-all solution that reinforces an “earn-and-burn” mentality. Oftentimes, they don’t allow for custom rewards to be utilized or allow for rewards beyond a purchase – such as a social media post or referral of a friend – to be counted as a loyalty transaction. And we politely disagree with this approach.

A loyalty program that has a true point of differentiation and sustainable competitive advantage should be built on a foundation of three pillars:

Know Me

By using behavioral, transactional and attitudinal data to inform messages and rewards, you can know the program members you communicate with and understand what they value. By making the program more relevant to their needs, you can differentiate it from other loyalty programs and evolve it over time to encourage ongoing engagement and advocacy.

With the rise of mobile applications and loyalty memberships in the U.S., we have more responsibility to capture customer data through our mobile offering and use it appropriately. Knowing who our customers are and where they are in their shopping experience can greatly impact the success of loyalty programs.

A great example is MyStarbucks Rewards. It uses a mobile app to let customers view their current status, access available rewards for redemption, view past transactions, download free music through iTunes integration and save their favorite drinks and food. But the MyStarbucks Rewards program still has room for improvement within the mobile space. The mobile experience lacks timely notifications, geo-fencing of members when they are near a brick-and-mortar store and activating in-app behavioral data to drive relevant, personalized messages across channels, such as the many Starbucks’ websites and loyalty email communications. Additionally, Starbucks could trigger reminder SMS and push notifications to members when awards are loaded to their account or about to expire to reinforce they appreciate and, more importantly, know each member.

Reward Me

A strategic reward structure can actively drive desired responses, such as more visits and higher ticket value. When members accumulate rewards that they value, they are motivated to increase share of wallet with your brand. Rewards should take several forms – discounts, free product trials, surprise gifts, exclusive experiences and VIP treatment. The point is to reward people differently and avoid a one-size-fits-all points-based solution that is easily imitated by competitors.
The Mobile Loyalty Promise

It goes without saying that in a highly mobile world, the rewards should be easily earned and activated within the mobile channel. Loyalty program constructs could easily evolve to reward members for:

- Downloading and using a mobile app.
- Paying via a mobile app or linking the app to their checking account for quicker payments.
- Adding the mobile loyalty app to Apple’s Passbook.
- Checking in when they arrive in-store.
- Redeeming SMS or in-app promotions.
- Unlocking hidden rewards through in-app activity.
- Using the app within geo-fenced areas of the store.
- Product reviews submitted via mobile.
- Purchasing products in-store, online or through mobile after reviewing competitive prices (i.e., combating showrooming).
- Sharing the mobile program with friends and family.

For instance, think about Uber, an on-demand private driver service that is available in select major cities and allows you to request a ride at any time. While its mobile app isn’t specific to loyalty, for every successful new user a customer refers with their unique referral code, Uber rewards both parties with $10 off their next ride. It’s a great incentive to get satisfied customers to share the program, and users feel gratification that they are earning free rides and helping their friends try Uber for the first time at a discounted rate – it’s truly a reward that is a win-win.

Another great example of mobile loyalty rewards is Walgreens Balance Rewards program. Members earn points for traditional in-store and online purchases, but also for wellness activities – all tracked through members’ smartphones – through integrations with MapMyFitness (an app that tracks your daily exercise through GPS location services and tracks your daily caloric intake). Based on the data captured through the Walgreens Balance Rewards mobile app, members earn points for healthy activities, such as 20 points for every mile walked or run and daily weigh-ins. Members can also use the app to set wellness goals, engage with others in the Walgreens community and earn badges for healthy activity.

Engage Me

Encouraging members to engage with your brand beyond standard purchases fosters a deeper brand relationship and sharing among members’ social networks. The value of your members is a combination of both their direct revenue and the degree to which they influence other consumers.

Marketers can use mobile loyalty to drive incremental revenue through personalized reminders and alerts. High-value loyalty members could receive limited-time offers, via push notifications, SMS or emails, to drive traffic during key promotional windows. Alerts can also be used to remind customers of expiring rewards to drive an incremental trip and increase basket size.

The evolving mobile channel gives loyalty members increased contact with brands and opportunities to share with their social networks — increasing word of mouth and customer advocacy. Mobile loyalty programs can reward members for common social CRM behaviors, such as sharing branded content on Facebook or Twitter and posting photos to Instagram or videos on Vine.
The Mobile Loyalty Promise

Three Key Takeaways

1. **Evolve Your Loyalty Strategy to Include Mobile.**
   Your customers are living in an always-on, always-accessible world, so it’s time to put the loyalty experience at their fingertips. Bringing the loyalty program to the mobile space will result increased revenue, increased customer engagement and increased data about your best customers.

2. **Assess Which Technology Investments You Need to Make to Deliver a Relevant Program to Your Customers.**
   Your customers are using mobile, so spend time researching their mobile behaviors to determine the right way to activate your mobile program. Successful programs pick two to three mobile solutions and truly own the member experience – it’s better to be great in a few areas than mediocre at everything.

3. **Build a Customized Program to Differentiate from the Competition.**
   Traditional loyalty programs should be customized to your brand and reinforce your brand promise consistently through every loyalty interaction. The mobile loyalty program is no different – it should help differentiate you from the competition, not lump you in the same melting pot of discounts. Invest in a data structure that will allow you to know, reward and engage your members over time and across channels.

References

The premise is as old as commerce itself – the more you know about your audience, the better you can sell them what they want and need. But how can we use something as cold, raw and impersonal as data to capture the hearts, minds and wallets of those we reach?

Much of the promise and focus on data involves targeting individuals, reaching the right person at the right time for that magical connection. Let’s explore how forward-looking marketers use search, social and behavioral data to inspire creative experiences that captivate, entrance and delight.

**Using Data as a Canvas**

The most readily apparent use of data to inspire and express creativity is through interactive data visualizations. These sites and experiences create a framework for data to tell a story, allowing people to be awestruck by the sheer scale of a situation and dazzled by the beauty of human interactions. The data that works best for this is typically based on factors such as location, scale or time.

**Using Data Over Time to Show Patterns – Foursquare Data Visualization**

Contrary to popular belief, New York City does actually sleep. Just not until 3 a.m. to 4 a.m.

**Using Real-Time Data to Visually Identify Global Sentiment – Emoji Tracker**

Patterns and inspiration come from the most unlikely sources of internal data. By looking at routine data reports, tapping into social data streams with a fresh perspective and reframing the lens through which it is analyzed, seemingly innocuous data identifies cultural and geo-social trends for how brands are used. Expect more brands to employ data visualizations to inform and refresh content marketing efforts in social media, direct marketing, public relations and native advertising opportunities.

**Using Data to Create Hyper-Relevance**

If the Internet is, as Twitter founder Evan Williams suggested, at its core “a machine designed for giving people what they want,” data may be one of the most powerful tools marketers have for decoding peoples’ desires. Site-dropped cookies, search history, and social interests and connections help paint a historical picture of people’s past desires. The challenge is using this to predict future wants and needs.
Data-Driven Creativity

Using Intent Data to Push Predictive Advertising

One opportunity is building constantly iterative look-alike models to forecast the shopping, research or entertainment task someone wants next. Social ad platforms are working hard to build targeted products to make this more attainable for advertisers.

Twitter has incorporated two new predictive engagement experiments into its core product with Tailored Follower suggestions and EventParrot. These features use a person’s Twitter engagement patterns to recommend other accounts to follow and push news that adapts to that person’s interests.

Similarly, Foursquare has been working to evolve its platform from “I’m here” to “What’s next?” The earliest examples of brands taking advantage of this are spirits brands capitalizing on the app’s nightlife scene. While this is one category that has identified upstream triggers, capabilities like Foursquare’s check-in ads or predictive push notifications open up new creative possibilities for advertisers to get closer to the decision moment.

Dynamic Creative Based on Multiple Triggers

Advertisers have used dynamic optimization for display units and home page elements to create more relevant advertising for quite some time. Currently, triggers such as location, time of day, past interaction, browsing history and social connections can be used to populate various creative components. But these triggers can be used to build creative experiences beyond display.

To illustrate the full possibilities of dynamic creative now feasible outside of display, Google developed a dynamic video experiment as a component of the Art, Copy & Code program.

To realize the full potential of dynamic creative – whether in online video, addressable TV or simple social ads – advertisers will need to break through the novelty of the technology to speak to each person’s unique perspective.

Recapture Interest Outside of Task-Oriented Interactions

Uber, the town car and ride-sharing service, excels greatly at this tactic to grow its footprint in cities with regulatory hurdles. For example, on a recent trip to Houston – a city with strict taxi and limousine regulations that prevent Uber from operating – I tried using Uber to order a town car for a short trip. The app quickly identified that Houston does not currently offer Uber service.

The team at Uber, however, was not content to risk this being my last interaction with the company. The following day, by matching my app usage and my CRM data, Uber sent an email notifying me of the regulatory situation in Houston and requested I help raise awareness of it through a simple online petition. Further, as I scanned through my Facebook feed later in the week, I saw sponsored posts from Uber (targeted using my email address) offering discounted rides in Dallas to make up for my bad experience in Houston.

Had Uber tried to tell the story of bad operating conditions as I was searching for a ride, I would have been extremely frustrated because it interrupts my current focus. However, by taking a longer view, Uber softened a bad experience by bringing awareness to an issue and ensuring I remain a customer.

Using Data as Inspiration or Guidance

The least visible way data shapes creativity is to inspire or course-correct an idea. By mapping the rise and fall of memes or using data to quantify the spread of cultural shorthand, brands can create more impactful experiences in real time, reducing the time necessary to validate a creative concept prior to launch. Also, brands producing campaigns, social or other content on an ongoing basis are able to more rapidly make adjustments.
Using Data to Validate Creative Expression

The scale at which data is used to validate creative directions and identify successful work will continue to increase in 2014. One brand taking this data-driven optimization approach to heart is Amazon. In generating interest and sales of its Kindle line of products, Amazon has shown an ability to rapidly iterate and introduce complementary creative elements to test which are most effective. Looking at the Kindle Paperwhite display units, in the order in which they ran, helps visualize which changes were effective and which were not.

By analyzing clickthrough and sales data, Amazon determines which creative elements and messages resonate most and can continue to use them in future ad units.

Use Nonbranded Data to Develop a Campaignable Idea—Jello FML

Flipping the fun on first-world problems, Jello set out to turn frowns into smiles by responding to tweets using the woe-is-me hashtag #FML as if each post were an invitation to “Fun My Life.” The team was able to validate this idea prior to investing the time and resources of building the campaign microsite by using social mention data to estimate the number of brand-appropriate tweets they could respond to authentically.

Of course, these examples would have been possible without the use of massive social data sets to quantify their relevance through traditional or exploratory market research. However, through social mapping tools, strategy and creative teams can tap into cultural moments and validate ideas much more quickly.

What to Expect in 2014 and Beyond

As digital experiences evolve from their genesis in traditional media, the canvas that creators and marketers have to captivate people continues to evolve beyond text, images, video and audio. Data-driven experiences allow us to create personalized, participative experiences that respond to each individual’s interests and actions.

Implications for Brands

1. Make strides to better understand the data sources available. Identifying which data sources or actions can be used as triggers to personalize an experience will help free up creative possibilities to become more relevant to customers.

2. Establish clear measures of success during the planning stage to better express creative intent. This allows creative teams to be more flexible in achieving the desired result. With clear objectives in place, look for opportunities to accelerate creative optimization through real-time data.

3. Be flexible. Data will be most useful for those willing to accept its guidance, without relying solely on it to make decisions.

References

6. Emoji Tracker.
Changes in digital technology have affected every industry, and these changes are very apparent in the world of video games. One of the most interesting changes in the gaming industry is the rise of immersive gaming. But what do we mean when we say “immersive gaming”? In a 2008 study on immersive gaming, researchers C. Jennett and A. L. Cox described immersion as “involving a lack of awareness of time, a loss of awareness of the real world, involvement and a sense of being in the task environment.” Immersive gaming, then, can be defined as gaming that causes the player to forget that they’re participating in a simulated experience. Games can achieve this in different ways, but here we’ll specifically examine gaming technology that utilizes the senses – sight and touch specifically – to closely mimic things we do in the real world. Now, corporate giants stand alongside a new army of independent developers ready to push the limits of technology to redefine the gaming experience. It’s exciting to see the wide swath of innovation taking gaming in new directions – but where will it lead?

A More Immersive Gaming Experience

Developers are finding different ways to pursue a single ideal: make the modern game experience more immersive. One of these developers, Oculus, has generated a lot of publicity around its new virtual reality (VR) gaming headset and console, the Oculus Rift. The Oculus Rift seeks to deliver true virtual reality using a full-immersion headset with a field of view twice that of normal TV gaming experiences. The ultra-low-latency input and motion detection mean that when the user turns their head in real life, their view of the game world will also shift, mimicking natural movement. The result is a dramatically more immersive gaming experience that makes the user feel as if they’re in the game – for the first time, looking around actually means looking around.
The Oculus Rift project was launched through a successful 2012 Kickstarter campaign that raised over $2 million in backing.

Other developers are using Kickstarter to fund an entire range of virtual reality tools designed to complement and enhance the Oculus Rift experience. One example is Sixense’s STEM system. The wireless motion tracking system tracks hand and feet movements to bring the immersion experience of VR systems like the Oculus Rift to the next level.

Other advanced motion-control devices are being developed and launched via Kickstarter, such as Intellect Motion’s iMotion device. Designed for compatibility with a wide range of platforms (PC, Mac, Linux, Android, iOS and Oculus Rift), the iMotion allows accurate 3-D motion control with a unique feature – haptic feedback, which allows a user to “touch” objects by providing physical feedback that provides a stronger feeling of actual interaction with items living on the screen. By establishing a user’s body position in 3-D space and by being compatible with a wide range of platforms, the iMotion opens up a world of developmental possibilities and adds another tool for immersive virtual reality experiences.

Yet another intriguing product (also launched through Kickstarter) being developed to enhance virtual reality is Virtuix’s Omni, an omnidirectional treadmill designed to work with the Oculus Rift. This brings the age-old geeky idea of virtual reality gaming and VR’s new actuality closer than ever before.

It’s fascinating to think about a future where all of these items could be combined to provide one seamless, immersive gaming experience. Imagine a game where you can notice an object on the ground by tilting your head in that direction, walk over to it by walking in real life and bend down to pick it up by bending over and clasping with your hands. Now imagine all the gameplay scenarios offering a different mix of these actions. For gamers, this has long been an exciting thought experiment. Now it’s an attainable reality.

Other areas of the gaming world bear the marks of the move toward immersive gaming experiences. Microsoft and Sony are both investing heavily in advanced motion control systems designed to work in conjunction with their flagship consoles. Microsoft is touting an upgraded Kinect system with a 1080-pixel camera, wider field of view and the ability to process 2 GB of data per second. This is a huge step up from the previous Kinect, and Microsoft plans on using the new Kinect as a multifaceted tool in its media-centric approach to the Xbox One. Microsoft is working on a research project to allow users to navigate Windows by using gesture control on Kinect. With Sony’s upgraded Move platform and Nintendo’s signature motion control receiving an update per the Wii U, it will be interesting to see what sort of experiences these companies are able to craft with motion control technology as their foundation.

Developer Sean McCracken is developing a game for Google Glass called Psyclops, which is a step up for augmented reality (AR) gaming. While the concept behind Psyclops is not new in itself – players shoot alien invaders appearing in the sky – the way it is played is. Players can play and shoot just by looking around and focusing on the aliens, which are overlaid on your surroundings in AR fashion.

What’s Next?

Previous experiments in the motion control and VR arenas have been held back from their full potential because of limits in funding and technology. Interaction with devices was more about the technology itself than the experience it actually facilitated. In thinking about these emergent gaming technologies, we should look ahead to how they will be combined to enhance gaming experiences that already exist.

Immersive gaming technology has the ability to enhance any gamer’s experience, making it more realistic and visceral. Imagine players being able to brush their character’s long hair out of their eyes or save their friends from a charging enemy seen only out of their peripheral vision. Imagine being able to catch the winning touchdown
and being hoisted on the shoulders of teammates in celebration. Imagine walking into a virtual room to conduct a business interview with someone on another continent, reaching out to shake their hand and watching the expression on their face as they answer questions. The possibilities are truly endless, and a diversity of experiences is even more attainable in light of crowdfunding platforms like Kickstarter. Developers and gamers can build and fund entire worlds together.

Key Takeaways for Brands

As the immersive gaming trend continues to grow and diversify, brands should be on the lookout for chances to participate in the growing phenomenon, deliver cutting-edge branded experiences and coexist within existing and emerging virtual communities.

1. **Start Looking for Ways to Participate.**
   
   Spend ten minutes on Kickstarter to look for opportunities. Brands should find ways to be involved in a project that makes sense – whether it’s launching a branded Kickstarter project as a way to serve a niche portion of their audience or becoming involved in an interesting immersive technology project that might benefit the brand in the future. Getting in early and publicly supporting an immersive gaming project could be a way to help change a brand’s image or to reach the notoriously difficult young male demographic.

2. **Imagine a Branded Experience from the Ground Up.**
   
   Widespread, nimble development means that brands can imagine their own immersive gaming experience from conception to production. Instead of trying to wedge themselves into existing platforms, brands can define their consumer experiences to better serve their needs. Of course, there are tons of opportunities to enhance the experience beyond mirroring the real world – fans might engage in some sort of multiplayer game upon checkout to compete for discounts, for example. A retailer might create a “sky store” and allow customers to “fly” into the sky to view and rotate items in 3-D space. A fashion designer might allow customers to try on clothes and walk them down a virtual runway or compete in a virtual modeling competition. The possibilities for unique, immersive branded experiences are endless and more attainable than ever before.

3. **Coexist and Serve a Purpose to Reach Virtual Communities.**
   
   Whether brands join an existing virtual community or build one from the ground up, it’s extremely important to remember that without meaningfully contributing to the virtual community, brands will only hinder the experience and thus negate any benefit from participating. Brands have failed in the virtual space before – companies like Adidas made efforts to wedge themselves into Second Life in 2007 without carefully observing the ethics, etiquette and lingo of the community. This caused a disruption to players’ immersive experience, and most avoided branded interactions as a result. With entire worlds of possibility opening up through immersive gaming technology, brands must be certain that they are meaningfully contributing to the virtual communities in which they participate. Spending time to research the values and language of a virtual community will help a brand gain the insight necessary to participate. Once this has been done, a brand can look for opportunities to fulfill the needs of the community. Branded virtual television shows or songs could be provided. Brands could even sponsor virtual concerts, firework shows or other special experiences. The important thing is for a brand to truly understand the immersive space of which it is becoming a part and to provide something truly useful (rather than self-serving) to the audience it’s trying to reach.

References
