2016 DIGITAL TRENDS

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Ten Digital Trends for 2016

We are very pleased to share with you our Ten Digital Trends for 2016. Every year we take a close look at the digital landscape, new technologies, and changing culture and behavior, and identify what we believe are the most interesting opportunities for the coming year and beyond. Our authors come from a variety of disciplines across The Richards Group and bring with them very unique points of view. You'll hear from our digital strategists, of course, but also from our brand management, media planners, brand planners, analytics experts, and user experience architects.

A strong theme is evident in our trends for 2016: digital as a more natural part of our experience spurred by an elevated fusion of technology. We see a coming year that brings with it experiences that are seamless, yes, and more transparent, but also are more organically and intuitively integrated with our lives. It is about technology working harder yet more simply than ever before.

Look for trends covering new technologies such as prototyping and the creative power it builds, as well as the future of design trends in rapidly evolving interfaces and the quick rise of anticipatory design. We also discuss new technology that is quickly changing the TV media landscape.

The evolution of social media has been a consistent trend in past editions of our report, and this year we deepen our look at the social space. Look for articles on what will be the most valuable way to enhance your own social programs and on the dramatic shift in social media consumption/creation with the rise of the newest, fast-growth platforms.

We hope you will explore each article and insight presented here, compare and contrast them with your own trends, and treat this as a resource to help you plan for 2016.

Todd Unruh
Director of Digital Strategy

With more than 15 years in digital marketing and strategy, Todd has worked with many brands, executing everything from mobile apps to website redesigns to social media strategy to digital analytics and measurement. His past experience includes charting new strategic territory for brands such as Nokia, Samsung Mobile, National Geographic, and CarMax. Currently in his third year with The Richards Group, Todd works with AAA, Motel 6, Chick-fil-A, and Pay Half Club, among others.
Back when the Internet simply connected one person’s terminal to another person’s text, the keyboard was all we thought we needed. And then came the mouse. Suddenly we were using our hands to click, and by clicking we shopped and shared and scrolled. Touch screens came next, and with them came pinching to zoom, swiping to date, and tapping to flap. These tools forever changed the way we interact with each other, consume content, and experience brands through our devices. Once again interaction is changing. And so is the way that users experience your brand.

Now, consumers buy goods using stand-alone, Internet-connected buttons. They use voice assistants to find restaurants and movie times.

The convenience of the Internet has become available even when devices are out of reach, giving rise to a seamless world. New interfaces mean new ways of getting what we want. Last year, we shared ways to use this new, connected world to offer brand experiences that feel “real.” Now, we focus on new opportunities at the intersection of human and computer: the interface.

**Where is the intersection?**

Interfaces are ingressing into our environment and finding their way onto our bodies. In some of these new, intimate spaces, brands may be unwelcome. It is important to ask: Should our brands really try to integrate with technology such as Siri or Amazon Dash buttons?

The answer is that each of these technologies offers a promise, an ideal experience for the user. If your brand aligns with that promise, then there is probably an opportunity to use the technology to bring your business and the consumer’s life closer together.

**VOICE ASSISTANTS**

Voice assistants may account for the biggest shift in interfaces in 2016.

To whom are we talking?
Today, always-on voice assistants reside in our mobile devices and ambient computers such as Amazon Echo. A staggering 87% of mobile users say they have used the feature. And they are only becoming more pervasive in our days and devices. Amazon plans to expand Alexa to devices beyond the Echo. Google Voice is now available for the Chrome web browser across devices. And Microsoft has fully ported Cortana to its Windows 10 operating system.

Tomorrow, these assistants will become ubiquitous both indoors and on the go through ambient computers such as the Echo and new, hearable devices such as Intel's Jarvis, perhaps leading us down the path of “Her”-like companions. But how can brands use them now?

**Higher Promise**

Voice assistants have begun to deliver on the decades-old promise of a robot butler, going everywhere you do to answer verbal requests and replacing confusing menus with natural conversations.

**How Brands Integrate**

APIs such as those offered by Google and Microsoft provide brands a way to deep link users from a specific request to branded services.

In some cases, voice requests resemble a search. People “raise their hand” and ask for options. Like search, it will help for brands to structure and expose their information to search engines (e.g., registering a store location with Google).

If your goods are sold online, preparing listings for merchants is also a smart way to stay ahead. For instance, a brand may want to partner with Amazon to become part of its pilot program Amazon’s Choice, which allows Amazon Echo to recommend products that a user has never bought before.

In other cases, voice requests are more direct, prompting an immediate action. Here is a list of branded interactions already enabled by Google:

![Branded Interactions](image)

Source: [15 Tips for Making the Most of the Google App on Your Phone](#)

One strategy for developing relevant voice experiences for your brand is to identify and answer specific questions users may have. The best questions to target are natural to the context in which people use or buy your product. For example, Campbell recently released its Campbell’s Kitchen app for Amazon Echo, a voice-integrated cookbook that offers a daily selection of recipes when a user asks, “What’s for dinner?”

Because voice interfaces are a natural space for prompts and timely information, notifications, digests, alarms, and reminders will also be a natural fit as more functionality becomes available to brands and their apps.
It is clear that—with broadening offerings from giants such as Google, Amazon, Apple, and Microsoft—voice assistants are poised to become a bigger part of our everyday lives and a popular territory for forward-thinking brands in 2016.

**INTERFACES OF THINGS**

As the Internet of Things becomes a reality, small, simple, tangible interfaces for the Internet are becoming more common. Devices such as Amazon Dash buttons have proven that physical interfaces can be useful for serving consumers who don’t want to go through the hassle of pulling out their device. Already, people are creating the ability to do more—for instance, ordering a pizza—with these physical interfaces. In the future, more common needs will have dedicated fixtures in our homes.

**Higher Promise**

A more natural, tangible way to accomplish tasks, dedicated to a specific context.

**How Brands Integrate**

Currently, brands such as Gillette, Huggies, and Optimum Nutrition are using Amazon Dash to sell their products. With or without Amazon Dash, brands have an opportunity to offer a single-purpose, connected interface as a way to make recurring purchases easy. If price sensitivity and switching are an issue for your brand, consider these interfaces as a possible mechanism of loyalty. For example, Bounty could offer as a premium a paper towel holder with an integrated button to order more rolls.

The opportunity is not limited to packaged goods. Brands are experimenting with enhancing the experience of their products and services using “real” interfaces. For instance, Netflix’s Switch allows consumers to use its service instantly, turning on the TV, dimming the lights, and queuing up a show.

In every case, these small interfaces represent the triumph of context over complexity. If there’s a predictable time or physical place where your consumer is consistently in need of your product or service, there may be an opportunity for a simple Internet of Things interface.
PHYSICAL RECOGNITION INTERFACES

Physical recognition interfaces (PRIs) include tech, such as gesture and facial recognition. In the past few years, devices such as Kinect, Leap, and Myo have created a lot of buzz. But the prediction that people would be waving and pointing at their computers hasn’t taken hold yet. Still, interfaces that understand and react to your physical presence and actions continue to evolve.

Google’s Project Soli, for instance, paves the way for devices that recognize simple hand gestures to provide natural interactions. Meanwhile, computer vision has taken great strides toward fail-safe facial recognition.

Currently, the line between gimmick and useful is thin when it comes to this particular type of interface. A useful question to judge a gestural or facial recognition experience is “Does it make things simpler or more natural?” Understanding that some PRIs are further along than others, how do we take advantage of the best?

Higher Promise

Imagine pointing to open your garage door or smiling to unlock your car. PRIs mean that computers can respond to who you are and what you’re doing without typing, tapping, or speaking. The promise is seamless, natural moments that take screens and effort out of the way for consumers.

How Brands Integrate

So far, brands such as Coca-Cola, Tesco, and Listerine have used physical recognition to offer stand-alone experiences and digital signage. But few if any have harnessed the potential of physical recognition as a way to empower consumers.

Opportunities for physical recognition interfaces certainly exist out of home, but for retailers and restaurants, they may also be in-store. Both online and offline, brands have the opportunity to make payment seamless through facial recognition. Start-ups such as Uniqul have developed facial recognition solutions for in-store payment, while MasterCard and Alibaba are piloting in-app face scanning as a way to complete transactions online and offline. While the mass adoption of gestural interfaces such as Project Soli is still on the horizon, it may be wise to consider today how a wave, point, or thumbs-up might provide ease by replacing a button or menu item tomorrow.

FINAL THOUGHTS

In many ways, interfaces are disappearing. The device and its menus are moving out of the user’s way. Harnessing this new simplicity in its various forms is not just a passing tech fad or a cheap trick to sell more widgets – it’s a new way to offer value and endear people to brands. Now is the time to consider how your brand can offer experiences that begin with a spoken question or command, the press of a button, a wave, or even a smile.
REFERENCES

8. Ask Campbell’s Kitchen.
10. Netflix Switch.
15. Uniqul.

Corey Austin
Digital Strategist

A digital strategist who’s at home in the real, solid, nonvirtual world, Corey loves envisioning where emerging technology can fit in everyday life. He helps turn bits and bytes into campaigns for clients such as 7UP, Dr Pepper, Jeep, Ram Trucks, FIAT, and The Home Depot.
Over the last decade or so, the tools of the modern inventor have become less expensive and easier to use. Today, you can buy a serviceable 3-D printer for less than the cost of a new PC, and your fifth grader can show you how to use it. Programmable electronics were once a thing that required post-secondary education in IC chip design. But now, with well-documented and inexpensive platforms such as Arduino and Raspberry Pi, anyone with even a remote interest can very quickly get started. These and other advancements have brought about the current popularity of the “Maker” culture and that magical place called the “Makerspace.”

A Makerspace is a communal area where makers can have access to equipment and, well, space to tinker, hack, and create amazing things. At a Makerspace, you will commonly find a collection of tools and equipment, such as 3-D printers, soldering irons, circuit boards, LED lights, virtual reality headsets, connected devices, etc. More recently, the term “Maker Lab” has come to mean a Makerspace supported by and for a specific organization or company.

Seeing the explosion of creative ideas spawned from the Maker movement, forward-thinking agencies and marketing teams have begun utilizing internal “Maker Labs” to rapidly develop more innovative ideas for their brands and partners. They are enabling their creative teams by giving them the time, space, and tools to build solutions, not just ideate them. Furthermore, by introducing these new capabilities, agencies are fostering entirely new ideas that never would have been part of their teams’ creative vocabulary in the past.

If you boil it down, there are basically two kinds of things that come out of a Maker Lab: prototypes and ideas. The first is obvious. The second is typically more profound than you would at first think.

**PROTOTYPES**

The tangible output of a Maker Lab is typically a prototype. Prototypes can be built for a number of reasons: to win business, to invent new products, for iterative design and product refinement, and to examine the feasibility of an idea. (We have also seen the Maker Lab used to create props for use in the creation of more traditional ad media.) However, most ideas, once they are vetted, must be presented. A physical, even functional, prototype is one of the most powerful presentation tools.

Consider this: You can tell a client about an idea or you can build a slide presentation to show them the idea. Which is more effective? If the idea involves production of some physical item, you can describe the item in a slide presentation or you can hand them a physical prototype. Which would be more effective?

When radio was the medium of choice, a pitch was presented as a written script. Likewise, print required a sketch of an idea, and television commercials were best presented as a storyboard. With the advent of digital and online channels, wireframes and interactive designs are needed for presentation. We have already seen the recent trend to invent new product concepts, even futuristic branded experiences, to promote a brand as forward-thinking and/or altruistic in its approach to anticipating its customer’s needs. These types of promotions practically require a Maker Lab approach, and they cannot effectively be presented without a prototype.

Until a client holds a prototype in their hands, the idea of it is an abstract thing. It doesn’t feel like something that could actually happen. The process of getting an idea to a finished product seems long and often mysterious. Putting that prototype into someone’s hands totally short-circuits that type of thinking. Suddenly, the thing seems real, attainable, and exciting.

**IDEAS**

It is arguable that the largest benefit of having a Maker Lab comes from the creative wellspring such a lab brings. Photoshop brought a whole new range of creative possibilities that might never have been considered before. Maker Labs do the same thing. Key to reaping this benefit are time and freedom. Individuals and teams that are to take advantage of a Maker Lab’s possibilities must have the time and freedom to experiment with those tools. Using the same metaphor again, think about the difference in having “some idea” of what Photoshop can do and actually having an understanding of how it works. I might know that two images can be edited together, but, in many cases, I wouldn’t know enough to even offer up a solution that Photoshop makes possible.

No matter how “creative” you are, your ideas will be limited to fewer options unless you play with the tools. This is critical. Simply put, until a person is allowed to play in the Lab, their creative vocabulary will be limited.
THE MAKER LAB AND THE INTERNET OF THINGS

Agencies are in the business of understanding the customer and coming up with creative ideas to engage them. Good ideas about new product designs seem a natural extension of our abilities as an agency.

Consider this: Are your client’s products ready to take advantage of the Internet of Things? Are they ready for their products to have a true dialogue with their customers? When a product speaks, what will it say about the brand? Will it use the right voice? What actions will trigger it? Will it post to social media? What impact will that function have on brand identity? Will the experience of using the product serve to keep the brand top of mind? Will the use of that product generate analytics that facilitate better marketing?

By allowing product ideas to flourish, enabled by these new prototyping tools, we get much closer to tangibly answering these questions for our clients, even before they know to ask them. By leading them through these waters, we increase the value of our partnership with them.

BUILDING A MAKER LAB

As mentioned, the advent of relatively inexpensive and easy-to-use tools is what precipitated the current popularity of the maker culture. Consequently, the material cost of a lab is not typically an issue. The real investment is granting time and access to those who are interested in learning the tools.

Three things are needed to take full advantage of a Maker Lab: time, direction, and reward.

Time

Paying for activity not directly tied to income is a big deal. You have to have faith that those activities are laying the groundwork for future success. Forward-thinking organizations are setting aside regular time for their people to learn and use the Maker Lab. This is a model that has been very successful in promoting real outside-the-box creative thinking at companies such as Google. To be clear, time shouldn’t be spent at the expense of project deadlines, but allowing and encouraging Maker Lab time to tinker and experiment is highly productive and an essential part of this approach.

Direction

Participants should be encouraged to tinker with ideas that could conceivably benefit a client or project. It’s not uncommon to end up with a collection of ideas that no one is working on. If someone wants to learn but doesn’t have anything specific on which to work, those ideas can be given to them. The point is to make them do something. At the very least, make them tell you what they intend to learn. That might be an opportunity to provide some direction, guide them to work on something specific in their area of interest, or tell them from whom they might get some expert help.

Reward

Many organizations encourage use of their lab and the skills related to it by organizing regular “hackathons.” Popularized by companies such as Facebook, Yahoo!, and Google, a hackathon is a great way to stimulate new ideas and draw attention to these new capabilities. It starts with everyone being invited to submit project ideas. From those ideas, a few winners are selected and given one week with a maker team to develop a prototype and pitch their idea before a panel of judges. Winners get bragging rights and perhaps the opportunity to proceed with the project. Meanwhile, the capabilities of the Maker Lab and the in-house expertise are evangelized throughout the company.

Such events, and the creative freedom and learning that come from fostering a maker culture, also serve to boost morale and improve teamwork in general. It is largely seen as something that will attract and retain talent.

As we continue our migration deeper and deeper into the experience economy, where memorable and, more importantly, shareable experiences are needed to effectively promote a brand, agencies that don’t effectively create those experiences will fall behind. Creative use of technology to build personal, even visceral, experiences is where leading agencies are differentiating themselves and the brands they represent. Particularly with the very broad implications of the “Internet of Things,” the lines between creating a branded experience and the creation of branded products are disappearing. In 2016, we are approaching a time where doing one without the other will put you at a competitive disadvantage. To ideate, design, prototype, and iterate physical objects and experiences, access to a Maker Lab is a requirement.
Recommendations for starting a Maker Lab in your organization:

- Identify individuals in your organization that already have maker skills and/or a desire to acquire them.
- Task that team with assembling and maintaining your Maker Lab.
- Encourage everyone to familiarize themselves with the Maker Lab’s capabilities.
- Build stuff. Don’t wait for a client-facing project. Make up a project if you have to, but get to work building things now. The more your lab is used, the more ideas will flow from it.

REFERENCES


Brian Edgin
User Experience Architect

At Click Here Labs, Brian acts as the voice of the user for clients including Biltmore, TGI Fridays, and The Salvation Army. This involves planning information architecture, generating site maps and wireframes, and conducting usability testing – all to ensure the best possible user experience. In his spare time, Brian enjoys writing iPhone and iPad apps, playing Minecraft with his kids, and looking through his telescope at the night sky.
TELEVISION GOING PROGRAMMATIC

When considering 2016 digital trends, it is likely television was not the first medium that came to mind. And even more so when used in conjunction with “programmatic,” as typically the idea of programmatic buying (using data to detect the most relevant user and serve the most appropriate ad) is reserved for digital media buys. However, digital technologies are expanding into the television landscape, beginning to unleash brands from the confinement of schedules rooted primarily in age/gender ratings typical to linear television. These technologies, combined with the increase of television content streamed to digital devices or smart TVs, is opening the door for programmatic television (PTV).

PTV is the data-driven automated method of buying and delivering ads within television content – be it content streamed to a device (desktop, mobile, connected television), delivered on a digital set-top box (video on-demand, Apple TV), or, yes, even linear TV (the traditional channel and time-based method of delivering television content).

You may be questioning, what exactly does this mean? First, it’s important to keep in mind that while there are similar components (i.e., demand-side platforms/supply-side platforms), the word “programmatic” is not entirely synonymous with what you may envision with programmatic digital, so let’s dive into where PTV sits now and the promise of what it could become.

DATA-DRIVEN TARGETING

Since proved effective for digital media, the TV industry sees how data, beyond traditional ratings measurement, provide benefits for TV networks and advertisers – aiding in both understanding who is watching TV content and delivering personalized advertising messages to those viewers. PTV platforms use technology to layer first-, second-, and/or third-party data onto traditional television ratings, as opposed to relying on the manual process of marrying ratings with survey-based insights on the propensity to view a program/network.
For example, let’s take a look at how this could play out for an educational children’s toy advertiser. Let’s say this brand identifies its target audience as suburban families with a household income over $150,000, with young children in the household, and who care about education and owning quality products. Using PTV, the advertiser can combine multiple data sets with viewership, available inventory, and costs (typically in cost per thousand, CPM) to identify the best video content environments for its message.

So, perhaps this buy includes kid-oriented programs, but may also expand to include less obvious programming such as news, culinary programs, etc. And it may include a mix of video on-demand, streaming, and linear TV programs.

**SEMI-AUTOMATION OF BUYING**

Instead of creating separate buys and orders for each TV network, PTV exists in a singular platform, creating efficiencies for media buyers. Within the same platform used to define the target audience, an advertiser can bid for the right linear and digitally distributed inventory, serve appropriate creative, and view holistic campaign reporting.

Now, you may be wondering why the word “semi” was added to automation. This is a space where PTV differs from programmatic digital – more on that a little later.

**IS THE TV INDUSTRY EMBRACING PTV?**

TV networks, including premium networks, are increasingly jumping into the PTV space, investing in data technologies, releasing inventory, and testing PTV deployment.

Beyond those networks holding back inventory to test PTV, others (such as CBS and ESPN) are implementing data-driven targeting opportunities. These include TV data management platforms and/or data partnerships to extend beyond traditional ratings.

Additionally, recognizing the potential of PTV, Nielsen acquired eXelate, a data and technology provider, in early 2015. While not fully rolled out to PTV yet (Nielsen is starting with the digital video side of things), given Nielsen’s position in the measurement space, this acquisition will allow advertisers the ability to harness their audience insights with eXelate’s data segments during the buying/selling of advertising. So, in theory, using this combined data, an automotive advertiser could understand what programs a potential consumer currently in the market for a new car is watching.
CHALLENGES WITH PTV

As mentioned earlier, PTV is not the same as digital programmatic buying and has limitations, particularly for linear TV inventory.

Linear TV Infrastructure

Now back to the semi-automation comment. To mimic the full automation and real-time bidding opportunities of digital programmatic buying, the linear TV infrastructure will need some overhaul, so it is not quite there. Until it is better integrated with and distributed by digital systems, there will be a delay between the availability of the inventory and the bidding platform, limiting the ability to bid on and place ads in real time.

The infrastructure also minimizes the level of measurement with PTV – unfortunately, it is not yet feasible to analyze digitally based metrics such as video completion rates or site visits within the linear TV space. However, this, too, may be possible in the future. Tapad, a digital cross-device platform, released a new technology, TV Pulse, this summer to increase linear TV measurement. Through a partnership with an undisclosed technology vendor and its proprietary cross-device measurement, the Tapad Device Graph™, Tapad gathers viewership data and can identify when a consumer visits an advertiser’s website after viewing a TV commercial. While TV Pulse is not a PTV offering, it points to the continued growth in TV measurement opportunities that are expected to continue.

TV Network Control

Inventory is managed closely by the TV networks and is distributed via set day/time schedules. While networks are increasingly testing and releasing inventory to PTV, ultimately, they will be hesitant to open up their highest-rated, premium programming while they are still able to sell directly. It is expected that their most valuable, premium inventory may exist in private marketplace programmatic deals as opposed to open exchanges.

All that to say, while Oreo and Ritz did buy an ad programmatically in the 2015 Super Bowl (it aired in Erie, Pennsylvania), it’s unlikely that will become a major national trend with the highest-rated programming anytime soon.

WHAT DOES THIS MEAN FOR ADVERTISERS IN 2016?

Even with the current challenges, PTV represents 4% ($2.5 billion) of the 2015 U.S. TV advertising budgets, and is forecasted to grow to 17% ($10.0 billion) by 2019. Therefore, it is important to consider how to approach PTV for 2016 media investments.

• **Develop robust target audience definitions, beyond age and gender.** Consider psychographics, purchase behaviors, and employing multiple audience segments for different lines of business. If you have first-party data available, explore mapping that data to viewership information.

• **Test PTV.** Identify a time period or campaign with test budgets to evaluate how PTV may perform for your brands and begin to shape learnings as opportunities and inventory grow. Keep in mind the measurement is not on par with digital, so it is important to consider key performance indicators (KPIs) that address that limitation. These could include KPIs as simple as evaluating the programming in your PTV buy or testing how the PTV automation process improves buy efficiencies.

• **Monitor PTV growth.** Keep a close eye on new opportunities within the PTV space – be it networks releasing inventory, new digitally distributed TV opportunities, or the expansion of data and technology providers. The space is changing almost weekly as the industry sees the potential.

FUTURE POTENTIAL

Even though it is in its infancy, PTV has a strong future potential. It is expected to be used heavily with 2016 political campaigns, given the data targeting capabilities and buying efficiencies. But the real tipping point will be when linear content distribution shifts to digital, cloud-based distribution. This shift would revolutionize television buying as advertisers have the ability to layer data onto viewing behaviors and dynamically insert ads targeting the appropriate viewer. While seemingly far off, it is a possibility in the near future as major network groups such as Disney/ABC and Viacom have announced the transition to cloud-based distribution platforms. Other network groups are expected to follow, increasing the future potential for PTV.
REFERENCES

Sarah Franks
Brand Media/Planner
Sarah is an anomaly. She’s a right-brained, creative thinker who also loves numbers and analysis. While in college at the University of Texas, she discovered media planning, the perfect balance of art and science, and jumped into the advertising media sequence. Immediately after graduation, she headed to The Richards Group and put that analytical and creative mind to work for clients such as H-E-B, MD Anderson Cancer Center, Sewell Automotive Companies, and the Dallas Symphony Orchestra.
AND HOW IT WILL TRANSFORM YOUR NEWS FEED

Have you ever noticed how “unreal” your Facebook and Instagram news feeds have become? The same type of posts, the same overly filtered photos. We’ve all experienced it, and we find ourselves hungry for a more realistic view. It is a growing trend that is now reflected in many new apps that have launched and are growing in popularity. These apps help deliver that unvarnished view and are reshaping our social content. The very foundation of what made Facebook and Instagram apps so successful is the opposite of what makes these new apps, such as Beme, Snapchat, Periscope, and others, so attractive to social media users.

A NEW SOCIAL PSYCHOLOGY

If these new apps tried to launch five to eight years ago, they wouldn’t have stood a chance. Why is now the primed and perfect time for them? The answer is simple: people are tired of the “curated self.”

Casey Neistat, founder of Beme, states, “Social media, it’s supposed to be a digital or virtual version of who we are as people. Instead, it’s this highly sculpted, calculated, calibrated version of who we are, told through filters that make our eyes bluer in carefully selected images to portray a version of who we are that doesn’t really resemble the reality of things. [We’re] trying to remove the self-awareness and self-consciousness from sharing on social media."

In these new apps and platforms, users still find ways to connect and share, but in a way that is more real, valuable, and compelling.
THE PUNK ROCK OF SOCIAL MEDIA

You’ve heard about up-and-coming social networks such as Snapchat, Meerkat, Periscope, and more recently Beme. And Millennials are flocking to them. Often, marketers will say these platforms are gaining traction because Millennials are running away from the party that their parents and grandparents crashed on Facebook. However, that is far from the truth. These platforms are fundamentally different. They are WAY different. Within these apps is a new way to experience the world around you. Here’s a topline overview of these platforms:

<table>
<thead>
<tr>
<th>Platform</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Snapchat</td>
<td>In its simplest form, Snapchat is a personal messaging app. Users send each other messages in the form of text, photos, or videos. In recent months, Snapchat has become a powerful broadcasting platform, fueled by its local stories and publishing partners.</td>
</tr>
<tr>
<td>Meerkat</td>
<td>Meerkat is the easiest and most powerful way for spontaneous shared experiences. Press “Stream” and instantly livestream video from your phone to everywhere.</td>
</tr>
<tr>
<td>Periscope</td>
<td>Periscope lets you broadcast live video to the world. Going live will instantly notify your followers who can join, comment, and send you hearts in real time. The more hearts you get, the higher they flutter on the screen.</td>
</tr>
<tr>
<td>Beme</td>
<td>The simplest and most authentic way to share your experience on video. Instantly capture real moments from the world around you with a simple gesture and without interruption. See how friends, family, and interesting people honestly live their lives, and send them genuine reactions.</td>
</tr>
</tbody>
</table>

SHARING WITHOUT DISTRACTION OR ANXIETY

These apps all have something in common that sets them apart: They allow social sharing without distraction from the present moment and without anxiety.

When a user posts to social media today, two things usually happen: First, they pause and completely remove themselves from the moment, whether that be a concert or the birth of their first child, and take the time to craft their post. Then they experience some kind of anxiety and self-scrutiny. Does this caption make sense? Is it actually funny? Does my elbow look weird in this photo? Should I post this? What will people think of me?

With the new wave of social apps, these negative elements are eliminated. They allow you, first and foremost, to be present in the moment you’re in without distraction while also allowing followers to be present in that moment with you. You’re not pausing, then crafting, then sharing. Users simply just share. These apps are also eliminating the anxiety of having to craft the perfectly orchestrated post. Since, in some cases, there isn’t the chance to review the post, the user skips the evaluation stages and just posts.

#NOFILTER

Wait. The user just posts? No chance to filter the image to make my teeth look a little whiter? Nope. No chance to be doubly sure my caption makes all my followers think I’m the wittiest person on their news feed? Nope. So I’m sharing this moment with the world…with no filter? That’s right. This is the realm of the real #NoFilter. Enter at your own risk. It might seem daunting and completely against all of your social media standards, but that’s the point.

It eliminates all the puffery from your feed, leaving real, raw, unfiltered moments. And because content doesn’t live forever, there’s less anxiety for the user to create perfect moments. And, it turns out, we don’t need beautiful filters on our experiences for those moments to be interesting. Imagine your experience with Apple’s Facetime or any other mobile video chat. In addition to this type of raw, unfiltered one-to-one moments and communication, these experiences can be shared with the world. Your world and the moments you live in are portrayed as they happen, as they exist.
THE NEW NEWS FEED

Thanks to mobile, our digital content consumption is driven by “the feed.” Marketers are in constant search for thumb-stopping power. Content so good that you've got to stop your scroll. However, the social media news feed is changing, and the infinite scroll is taking a backseat. With Snapchat, Periscope, Beme, and others, the news feed is morphing away from an infinite scrolling to an interface where users choose which immersive experience they are going to dive into. Users cannot consume content in the feed. They must exit the feed and focus their attention on one thing, without distraction, or the urge to scroll. If you think this platform trend is a fad, think twice. Facebook just rolled out 360° ads. It is an ad product that takes you into an immersive in-ad experience. And don’t forget about Instant Articles, Facebook’s move to bring content in-app.

LOOKING AHEAD

Just when marketers and brands felt as though they were getting a handle on social media, the rules have changed. What works on legacy social platforms cannot be translated to emerging social media. With your eyes on video and real-life experiences that feed new content needs, your brand can be on the right track to take advantage of this new social media trend. Here are two key points to keep in mind.

Ephemeral Content That Expresses Your Brand in a Completely New Way

We're moving beyond real-time content and into ephemeral content. This is content that lasts for a very short time. The content itself feels more truthful generally as it hasn’t gone through rigorous editing before it has been posted. It’s a realistic depiction. This is the content that consumers now crave. And with that, the content hub will be a thing of the past.

Brands and agencies are now tasked with producing more of this content than ever. When it comes to producing content and advertising for this new wave of social, you can throw your fancy cameras and editing software aside. Your iPhone is all you'll need. The resources put into production and post-production should be shifted toward creating real-life experiences that in turn produce content that has a very short shelf life. In the history of business and advertising, there’s never been a greater opportunity to create an insiders’ club at scale by creating moments in a brand’s story that won’t ever be seen again. And that’s OK. Because a brand is a living, breathing thing.

Video and a New Vertical View Will Dominate

First and foremost, video content is at the core of these platforms. Brands and agencies should expect to align their teams, resources, and campaigns around video creation. But simply producing more video won’t be enough. Consumers are viewing video on their mobile devices much differently than the industry was expecting. Emerging social networks were the first to catch on to this and have adapted their platforms to fit this behavior. The trend is vertical video. Consumers are not turning their phones to watch video content in landscape mode, as we once expected.

Snapchat encourages media companies and marketers to shoot ads vertically, a clear departure from using wide-angle landscape shots. In terms of performance, the best-performing shows and ads on Snapchat are those that are shot vertically. These ads are viewed to the end nine times more frequently than horizontal ones.
REFERENCES

Jeff Kauffman
Brand Media/Planner
As a group media director, Jeff spearheads planning in both traditional and digital media for The Salvation Army and RiceSelect. He also leads the agency’s planning group in charge of paid social media. Whatever the medium, he makes it his mission to deliver the right message to the right person at just the right time and to track the results to the nth degree.

Clare Shawaker
Brand Manager
Clare graduated from the University of Oklahoma in 2013 with a degree in Advertising. Following graduation, she joined The Richards Group, where she works on the digital new business team and leads clients such as Main Event Entertainment and RiceSelect. When she’s not navigating the digital landscape, you can find her navigating the culinary one, indulging in her passion for cooking or exploring the newest Dallas restaurants with her husband.
Want to deep-sea dive?
Be Captain America?
Sit courtside at the NBA All-Star weekend?

Now epic adventures can be experienced affordably and simply. Virtual reality (VR) has become more accessible to consumers and brands than ever before. It is available in the palm of our hands and from the comfort of our homes. The best part is you won't have to break the bank to experience it.

KEY PLAYERS MERGING WITH BIG BRANDS

The 2015 Cannes Mobile Grand Prix Winner Google Cardboard and the first-of-its-kind Samsung Gear VR have transformed VR hardware. Google Cardboard, the most affordable, can be less than $25 and supports larger phones up to six inches. Consumers can use their own mobile device as a portal to explore, along with the Google-provided instructions to build the hardware to hold the device. Currently, the Samsung Gear is $199, only works with Samsung phones, and is powered by Oculus. Samsung and Google bring immersive experiences for everyone.
Sony, Microsoft, and Oculus (owned by Facebook) will be launching VR devices in 2016 for the mainstream consumer. Sony (PlayStation Project Morpheus) will mainly feature gaming, but Project Morpheus creates two sets of images, one for the headset and one for a TV, so everyone can join in. Microsoft HoloLens will focus on holograms. For the first time, holograms will become practical tools of daily life. It will change how we work, play, create, learn, and explore.

These headsets still fulfill the ultimate gamers’ dream with an array of games to download, but Samsung, Google, and Microsoft go beyond just gaming. Brands such as Mountain Dew, Refinery29, the NBA, and MLB are already starting to use virtual reality and augmented reality as a platform to launch new ways for consumers to interact and experience brands firsthand, no matter where you live in the world. This opens up a new door for brand consumption that has never been there before. Yes, gamers have already had a taste of brand advertising, but this is different. Before, gamers saw advertisements simply through the world of the game they were playing, such as a billboard, brand of car, or music. Now, through VR, consumers can experience a 360° view of a brand’s experience – where imagination meets reality.

Here are a few pioneers paving the way for brands integrating with virtual reality. These brands don’t use VR technology for the sake of using the new technology, but have found a way where it makes sense in providing a new, interactive, immersive experience for the consumer. These consumers have grown up knowing anything is possible. The target demographic is a mix of:

- **Millennials.** This is the generation that started Facebook at its infancy, and has the faith to see innovation grow and to explore new technologies.
- **Generation Z.** It is projected that by 2020, those born since 1995 will account for 40% of all consumer spending. This is the generation that doesn’t know what it’s like to be without an Internet-connected cellphone or device.

**RETAIL AND VR**

**Automotive**

Volvo is one of the first automotive companies to build an experience with Google Cardboard. Think with Google talks about Volvo’s brand challenge. The XC90 wasn’t going to be available in showrooms for many months. Volvo wanted to solve the problem of how to get consumers inside the XC90 and experience what a drive would be like with the new car. Volvo’s partnership with Google Cardboard allowed it to reach the mass consumer and change the way consumers shop for a car. Other car brands have joined the virtual reality movement for test-driving new car launches: Mercedes with Google Cardboard and Acura with Samsung Gear VR.

Source: YouTube, Volvo Cars US, "#VolvoReality XC90 Behind the Scenes"
Fashion Redefined

Refinery29’s Fashionably Bound takes consumers on a stylish tour across the world with top style icons as their guides. Refinery29 partners with the Samsung Gear VR to bring a real-life view of the busy streets, nightlife, boutiques, and restaurants in cities across the world. This is a new avenue for the fashion world to pursue the tech target, which may be harder to reach through brick-and-mortar and online shopping.

VR is still in its infancy for the fashion industry, but Rebecca Minkoff officially brought VR to this world from a high-end designer’s perspective during the September 2015 New York City Fashion Week, as reported by Bustle.com. Refinery29 is an online fashion website, and Rebecca Minkoff brings the retail and virtual worlds together. The designer sold exclusive Rebecca Minkoff-branded Google Cardboard headsets on her website prior to her show during Fashion Week. The show could be downloaded from Apple or an Android phone and viewed through the headset. The branded Google Cardboards immediately sold out online.

“We’re the first fashion brand to democratize access to VR by making it available to our audience at home, or anyone who has a Google Cardboard headset,” Uri Minkoff, CEO of Rebecca Minkoff, told Racked. “The great thing about our platform is that it doesn’t require a super-expensive computer. For $20, you can put your phone into a cardboard headset and be transported to the front row at our fashion show.”

There is more to come with fashion, technology, and retail in 2016. Vogue.com and The Metropolitan Museum of Art announced their annual 2016 Gala and Costume Institute exhibition will be sponsored by Apple, with Jony Ive serving as co-chair. The theme for the event, which will take place on May 2, is “Manus x Machina: Fashion in an Age of Technology.”

ADVENTURES AND EXPERIENCES TRANSFORMED

Tourism

This is a category where virtual reality is a game changer. Planning a honeymoon or family vacation, but don’t want to invest in a place you’ve never been? The Oculus Rift partnered with the South African Tourism board and Visualise, a production company that specializes in virtual-reality filmmaking, and created an immersive experience that puts the viewer right in the heart of the action of a South African vacation – feed the elephants, deep dive with great white sharks, and explore the local town’s markets.

Source: Vimeo, Visualise, *South Africa Tourism Case Study 2014*
Design and Construction

As we move into 2016, the Microsoft HoloLens will again change how we look at categories such as home improvement, education, and construction. Need to fix the sink? Friends, colleagues, and possibly store associates can help you with difficult tasks. With HoloNotes and Skype, they can see your environment as you see it, and from their tablet or PC they can draw tips. These tips appear as holograms in your world, a new way to teach and learn.

Beverage

The consumer packaged goods and beverage categories may not be the first category you think would experiment with VR, but Patrón was able to bring storytelling to the next level. The craft of tequila making is a traditional, time-honored, and ancient process, yet Patrón was able to create an immersive experience with cutting-edge technology that made sense for the brand. Patrón brought the VR experience to events, where consumers could put on the Oculus headset and see the world from the perspective of the bee. The bee gave them a virtual tour of how tequila is made in the Patrón distillery in Jalisco, Mexico.

Patrón is just one of many alcohol brands using drones to film the virtual reality content; others include Jim Beam and Dos Equis. Jim Beam set up Samsung Gear VR headsets at 250 bars in 16 markets in 2015, which were used during 750 sampling events.
THE MAGIC OF V-COMMERCE

Virtual reality content is already here, and it’s growing. Brands have started to integrate themselves, and consumers are noticing. Brands and consumers may still be exploring virtual reality together, but the reality is we’ll see more growth with the v-commerce trend in 2016.

The Mobile Marketing Association case study reveals the results specifically for the Volvo campaign. It generated:

- Over 40,000 app downloads
- 238 million PR impressions
- 159 million paid media impressions
- 19 million social media impressions
- Nearly 3 million video views
- 24 earned news stories
- Half a million web page views

How were the sales for the new vehicle? The entire run of the first edition of the XC90 sold out in less than two days.

As we saw with Patrón, Volvo, and the South African Tourism board, each utilized v-commerce to go beyond the physical and digital channels. They created magical, contextual, and real experiences. Virtual commerce could eventually be another step in the consumer’s journey and path to purchase.

The graphic above illustrates a hypothesis for future technology functionality: the customer journey using virtual reality. Essentially, in this example, the shopper could be transported to the newest Target and Kate Spade fashion show collaboration. Why wait to buy it in-store? The shopper can instantly select the apparel and size they would like to purchase, all from their virtual reality headset. The items to be purchased would be sent directly to the shopper’s Target shopping bag, since the mobile phone is synced and is used as part of the virtual reality headset. The order can then be completed with just the click of a button.

This brings another level of consumer engagement and buying power to retail.
A GUIDE FOR VR IN 2016

Like any touchpoint, it needs to make sense. If brands are going to experiment with virtual reality, it has to be done right and with a strategy that will really connect with consumers.

Explore

There are so many new headsets and software coming out in 2016. Take the time to learn about each one. It’s not just about the hardware. Explore storytelling at the next level and discover the best, right way to utilize the platform for your brand. CCS Insight reveals that the market for mobile augmented reality and virtual reality devices will reach $4 billion by 2018.

Imagine

VR bridges the gap between the online and mobile digital worlds. Mass consumers gravitate to the headsets that use mobile devices. Also, brands post the VR content on YouTube, where consumers view it through their mobile-enhanced VR headset. The technology will evolve and the consumer will evolve with it. V-commerce allows brands to customize experiences anyway they want. The possibilities are limitless. Go create!

Be Proactive

Remember, this is still a growing trend and it is in its infancy. The code to understand how virtual reality impacts sales growth and increases ROI still needs to be cracked; however, it’s a playground that’s being explored. When the spike hits, the brands that have already tested and explored will be ready.

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Lindsey Barker

Brand Manager

If Lindsey’s story were written by Andrew Lloyd Weber, it would be an award-winning Broadway musical. The story of a girl who, inspired by her hardworking and language-loving mom, made her way to the top, Richards/Lerma. A story of music. A double major in Advertising and Spanish. A multicultural and bilingual trip through the Lone Star State, from Houston to Austin, from San Antonio to Dallas. An adventure that’ll take you from her days working for consumer packaged goods accounts, to the sparkle and glamour of mobile technology, through retail and restaurants. This is the story of Lindsey Barker, and this is her song.
Ad blocking is a term that brings joy to consumers and panic to marketers. As a concept, ad blocking is not new, but it’s growing. Apple’s iOS 9 update has boosted public awareness, and both consumers and the ad industry are taking notice. Its popularity is now strong enough that the “TODAY” show, The Wall Street Journal, and other big media outlets have taken notice and started to spread the word. This means that in 2016, special attention will need to be paid to the actual growth of ad blocking and how it might affect our media plans.

So, what exactly is ad blocking, why does this matter, and what can we do about it?

A CLEAR DEFINITION OF AD BLOCKING

An ad blocker is a piece of software or hardware that blocks ads from being viewed. The effect is that the ad is never shown or content is rendered without ads. Most ad blockers work by either totally blocking a device’s communication with known ad servers (so suspected ads are never downloaded) or filtering data once it is downloaded to only show content without ads on the screen.

A/D END BLOCKER/S END

Ad blocking cost publishers $10.7 billion in 2015, and it is expected to rise to $20.3 billion in 2016.

Search demand for ad blockers is on the rise.
WHY IT MATTERS SO MUCH NOW

First, the availability of ad blockers is at an all-time high since Apple’s release of the iOS 9 update with content blocking this past September. The update added content blocking to the operating system of the latest mobile devices from Apple — marking the first time that support for ad blocking was built into the operating system of one of the two major mobile platforms. Apple announced these changes live at its highly followed media conference and also recently began approving ad blocking apps for distribution in the App Store. While Google Play still does not allow ad blocking (51.7% of mobile devices have Google Play), Apple’s news sparked awareness and growth in ad blocking that we’re going to see through 2016 and beyond. Installing an ad blocker used to be a cumbersome process, but now many users are only a click or two away from blocking any targeted ad in a media ecosystem.

In addition, the intimacy of the mobile experience may cause people to adopt mobile ad blockers at a much faster rate than desktop. Mobile devices can be with you at all times, and with location tracking and personally identifiable information at their fingertips, consumers could be willing to download content blocking apps to avoid feeling invaded. In addition, people in the U.S. generally pay for mobile Internet use based on the amount of data they consume, so they’re eager to filter out things such as ads and tracking that can eat mobile bandwidth. With increasing ad spend being dedicated toward mobile, media plans are greatly impacted by its adoption.

Finally, ad blockers are blocking more than just ads. Many of the newest ad blockers block Google Analytics and other platforms. Without accurate site analytics, businesses will have difficulty understanding traffic numbers and conversions on their own sites. So even the people who choose to come to your site might not be counted properly if they are using an ad blocker.

Ad blocking has become a real and growing threat to advertisers and content creators. The impact of ad blocker use extends across advertising and even to owned consumer-facing websites, potentially affecting an entire marketing plan rather than just an occasional digital ad unit.

HOW SHOULD WE REACT? LOOK AT THIS DISRUPTION AS AN OPPORTUNITY

Ad blocking is here to stay. The good news is that almost any problem that goes across an entire market can be turned into an opportunity, and this is no different. In 2016, marketers should do these three things to weather the ad blocking storm:

Experiment with the Latest Technology

While ad blockers evolve, there are also companies that are constantly coming up with technologies to help content creators circumvent them. Several companies have emerged that specialize in fighting ad blocking, such as PageFair, Secret Media, SourcePoint, and Yavli. These companies address ad blocking in a variety of ways. Some, such as PageFair and Secret Media, are developing technology solutions, such as encryption, to circumvent ad blockers. Others, such as Yavli, focus on overall strategy, shifting toward sponsored content that is less likely to be blocked and can enhance the online experience.

Content providers are also exploring ad-blocker detection so that blocking has to be disabled for the site experience to work. For example, if a consumer wants to watch the latest episode of “The Flash” on the CW’s website but has an ad blocker installed on their browser, they might get a message like this:

While “ad-blocker blocking” is still missing today from many major sites such as YouTube, we’ll likely see more content providers taking such approaches as ad blockers become more prevalent. In turn, ad blockers will likely look for new approaches to avoid such detection – a cat-and-mouse game of technology.
As a partial technology fix for making sure that your websites are able to accurately measure traffic, tag management companies such as Ensighten or Signal have the ability to analyze data from the server side. This allows site analytics to get around the disruption of blockers and see total traffic numbers and conversions.

In 2016, it will be important for marketers and brands to get to know these new platforms and technologies, and then experiment to find ways to address the ad blocker trend.

Let the Data Lead Your Decisions

Digital media planning has never been a set-it-and-forget-it endeavor, and in the coming year it will be even more important as ad blocking grows. It’s important to judge the true effect of ad blocking and to do that, marketers must consistently measure performance – looking for drastic changes in volume of clicks, conversions, and site traffic that could be the result of users adopting ad blocking on their devices. If ad blocking is detected, keeping a budget flexible to alternative forms of creative that are being blocked at a lower rate can make media more nimble. This means diversifying content production and media plans – and regularly monitoring and adjusting those plans based on analytics. So, as the ad industry and content publishers race to develop ways around ad blocking (while balancing the customer desire not to see intrusive ads), marketers who build a diversified messaging portfolio beyond highly blocked forms of ads may see a silver lining in these clouds of uncertainty.

Look Beyond the Technology to How You’re Impacting the Consumer Experience

Although you should be familiarizing yourself with the latest and greatest ways to serve ads around ad blocking, think about the reasons we’re having to do that in the first place. Is your ad informing or only disrupting your user’s experience online? Is your content adding value for the majority of the people who see it? Are you serving something that’s appropriate to its context? As marketers, it’s our responsibility to bring positive brand experiences that are relevant and nonintrusive, so our consumers come back to the brand for more.

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12. Ensighten.

Allison Keller
Brand Media/Planner

Allison works in the media department across several accounts, planning and executing media solutions for AAA, as well as eight schools within the SMU Graduate Programs. With each client, she looks at her media plans as part of a greater strategy that needs to be married with creative, digital strategy, and analytics.

Nathan Toft
Digital Strategist

Nathan spent five years in research and innovation in the biotech field, where he learned that he loved to find new ways of doing things. After realizing how rewarding it was to think about someone who has a need, look at how they’re meeting that need now, and then dream up ways to help them do it better, he decided to go from studying human brains to inspiring and delighting them through creative problem-solving as a digital strategist. At The Richards Group, he puts his brain to use for clients such as Charles Schwab, Main Event Entertainment, and Orkin.
DIGITAL SPEAKS BACK

Fifty-two percent of the 56 million Hispanics in the United States are under the age of 30. They are young, tech-savvy, and among the most influential trendsetters and tastemakers. Marketers see the clear opportunity and power of this group as long as they can connect with them in an effective way. But what is the language to do this. It’s code. Digital code.

Everyone talks about the “more” in Hispanic marketing:

- More likely to turn to online resources when shopping (88% as much as the general market).
- More likely to use mobile devices when making purchases.
- More social than any other multicultural group in the U.S.

<table>
<thead>
<tr>
<th>Internet Usage</th>
<th>Values</th>
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</thead>
<tbody>
<tr>
<td>U.S. Hispanic Internet users who are bilingual</td>
<td>41%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social Media</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Hispanic social network users in the U.S.</td>
<td>28.7m</td>
</tr>
<tr>
<td>Facebook’s unique Hispanic visitors per month in the U.S.</td>
<td>16.7m</td>
</tr>
<tr>
<td>Percentage of Hispanic WhatsApp users in the U.S.</td>
<td>46.5%</td>
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</tbody>
</table>

Types of Ads that Are Most Likely to Influence a Purchase Decision According to U.S Hispanic Digital Shoppers, July 2014

<table>
<thead>
<tr>
<th>Ad Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>43%</td>
</tr>
<tr>
<td>Online display</td>
<td>28%</td>
</tr>
<tr>
<td>Social</td>
<td>27%</td>
</tr>
<tr>
<td>Mobile</td>
<td>26%</td>
</tr>
<tr>
<td>Online video</td>
<td>22%</td>
</tr>
<tr>
<td>Magazines</td>
<td>21%</td>
</tr>
<tr>
<td>Radio</td>
<td>19%</td>
</tr>
<tr>
<td>Billboards</td>
<td>16%</td>
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</tbody>
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What does all this “more” add up to? There is a unique digital Hispanic culture that goes far beyond language and clearly goes beyond the clichés created by marketers in the past. In the digital space, Hispanics have often been treated as a kind of anonymous group without a true insight into how to communicate with them. But Hispanics have emerged from this anonymous digital world, and in 2016 we will see this emergence more developed than ever.

To understand the idea of the digital more with Hispanics, it is important that we understand the why. For some, Spanish is their first language and English their desired second, and sometimes the other way around. No matter the case, based on Nielsen’s 2015 report on multicultural consumers, digital is the third language U.S. Hispanics relate to the most. This might explain the “more” when it comes to digital usage. As Hispanics put language aside when it comes to content relevance, digital becomes a kind of middle ground we can all relate to.
As we read on, we will analyze at a deeper level the following:

- Challenges marketers face when reaching digital-savvy Hispanic consumers.
- Indicators of the digital Hispanic marketing evolution and its approach for 2016.
- Recent events have accelerated Hispanic digital consumers to surface and made them a more identifiable group.
- Recommendations on commitments looking into 2016 when it comes to targeting digital-savvy Hispanics.

THE BIG CHALLENGE

The U.S. comprises diverse ethnic groups that show different behaviors and passion points, both offline and online. A big challenge for digital marketers is how to connect with these groups within a vast and widely varied digital ecosystem.

Hispanics are highly digitally savvy, and they’ve found a space they can own, where they can create and consume content that truly connects with them. This is what was missing in the past. Looking back from a media perspective, Hispanics were a niche market that was underserved and misrepresented with only the BIG Hispanic networks reaching them. When digital evolved from a 1.0 (flat “readable” data) to a 2.0 (“writable” interactive) approach, and content creation was made available to everyone, new sources and channels started forming and taking a more natural course, as “desire paths” form where the imposed road does not meet popular demand and expectations on its designated route. This is the challenge for marketers, to understand this and get the insight on where and how to connect with Hispanics in more personal and natural way.

EMERGENCE

Hispanics are emerging from their once anonymous digital world. Let’s look at some indicators of this emergence and how the digital landscape is evolving as a result.

**Indicator 1: Google Publishes White Papers Showing Commitment to Hispanic Digital Behavior Research**

- [Your Next Big Opportunity: The U.S. Hispanic Market](#)
- [How to Connect with U.S. Hispanics Online](#)
- [Hispanics Use Digital to Connect with the U.S. Government](#)

**Indicator 2: Google Launches .soy Domain**

The .soy domain creation gives a dedicated space for Hispanics where they would reconnect and also be more identifiable. Consequently, [.latino](#) was created. These are both indicators of Google trying to create a space unique to Hispanics in the U.S., or perhaps to point them in the right direction so they can be a more marketable group for brands.
Indicator 3: BuzzFeed Latino

This year BuzzFeed started to strategically produce videos and content that was completely catered to the Hispanic community.

Indicator 4: Hispanic Digital Networks

In the past, the Latino digital community was “less organized” than what it is today. Then MiTu launched as a multichannel network and aggregator of digital content creators that in only two years has reached 36 million subscribers.

Indicator 5: Evolving Hispanic-Targeting Capabilities

Facebook, Twitter, YouTube, Pandora, and Spotify, among others, have launched an aggressive effort to make brands aware of their ethnic targeting capabilities and plans. As an example, Spotify for Brands was just launched this year. To no one’s surprise, Spotify’s content consumption targeting capabilities include genre targeting. Overall, platforms are becoming more surgical about how to find U.S. Hispanics using passion points, content consumption patterns, and preference. YouTube is no exception as The Wall Street Journal points out that Marla Skiko, executive vice president and director of digital innovation at SMG, confirms that targeting capabilities for the Hispanic market have been previously underserved, especially when it comes to digital video.

Indicator 6: Univision Digital Partnerships

Univision has swiftly moved to evolve its digital footprint beyond a reflection of its traditional content properties, partnering with Snapchat. And additional Hispanic digital channels have been created that have more of an “indie” feel to appeal more to the digital Hispanics: Flama.
ACCELERATION

There is now an acceleration of this Hispanic digital emergence, and several recent events are evidence of this.

Accelerator 1: 2014 World Cup

In the 2014 Brazil World Cup, digital played a critical role in amplifying fútbol content by attracting Hispanics in the U.S. to come out and show their digital faces. Content was created for them and by them inspired around the game where brands sometime played a role.

As an example, see the famous “Corrido de Memo Ochoa” created by Los Tres Tristes Tigres, YouTube content creators inspired by Mexico’s goalkeeper on his performance during the Mexico vs. Brazil game. This video accumulated over 5.5 million views. To further understand the reach of this event, see this Flama video that details how the World Cup works. Keep in mind, this video is hosted and created on a U.S. Hispanic digital platform.

Accelerator 2: 2016 Is an Election Year

Hispanic voters played a key role in electing President Barack Obama. In 2012, an overwhelming 71% of the Hispanic votes were cast for the Democratic candidate. Interestingly, Obama’s campaign was the most digitally savvy presidential campaign in the history of the U.S. With 2016 being an election year, we see vigorous digital activity from Hispanics. Their digital voices are bold, their views expressed clearly, and opinions about candidates quite strong. For example, see #DumpTrump, a social movement in the U.S. that has developed strong support from other Hispanic countries as well. The race is just starting, but this election will inevitably paint a better picture of how Hispanics digitally move and operate in America.

Accelerator 3: Hispanic Digital Activism

Controversies in Latin American countries have started social conversations without precedents. Venezuela’s digital uprising during political turmoil has pushed U.S. Venezuelans to raise a social voice and encourage fellow U.S. Hispanics to join the conversation. The recent Cuba/U.S. policy has also had a similar effect.

2016 LIST FOR COMMITMENT TO HISPANIC DIGITAL MARKETING

In 2016, it will be easier to connect with Hispanics in digital spaces, but you must set up the right touchpoints and commit to communicating to them in more sophisticated ways. Here are a few commitments you can add to your New Year’s resolution list that could prove useful to start the year off right.

Tap into Relevant Content That Ignites Hispanics’ Passion Points in Platforms They Are Already Using

Look at digital in a unique way as an essential tool in your arsenal to market to Hispanics. Ask simple questions such as: Where are they? What are they doing? And where does my brand fit in? But in answering these questions, do not assume. Instead, observe and develop true insight. Their real digital behavior already can tell you much about their passions and help you break down stereotypes. Be prepared to throw out assumptions and radically change your approach.
Close the Loop on Hispanic Digital Experiences

Many brands start strong by creating digital experiences that are relevant and meaningful to Hispanics, only to lose them as they travel down the customer journey. For instance, a brand might invest in a substantial search campaign that is relevant and highly targeted to Hispanics based on insight about their search behaviors. However, after the search campaign and the first click is achieved, the experience ceases to be relevant to Hispanics and becomes weak, wasting the initial effort and investment. Remember to close the loop and don’t rely on half-built digital ecosystems.

Invest in Testing

Do not leave questions unanswered in your Hispanic marketing efforts. Do you question language? Test it. What about content relevance? Test it. That testing is money well spent so that you can close the loop. Don’t make uneducated assumptions or work on what used to be a rule ten years, five years, or even a year ago. Digital is changing, and along with it are the new behaviors that Hispanics demonstrate in relation to it. There is still a big gap between advertiser spending in this demographic vs. the audience size that could be reached. Many brands will test their campaigns, optimize, and start to close in on that gap and tap into this growing Hispanic online audience in the U.S.

Embrace Spillover

The question is out there. What percentage of my multicultural (Hispanic) budget is actually reaching Hispanics? Know that your digital experiences, if they are good enough, will have spillover reaching multiple audiences, including Hispanics. Good campaigns and good content will resonate and help you meet your goals. Remember, we are multicultural and inclusive. Hispanics are omnicultural, protecting their cultural heritage and preserving the ability to embrace the wide range of cultural influences in the U.S.

2016 should be your time to change your approach to Hispanic marketing, and see it as a fertile testing ground to discover new insights and create digital experiences that are more creative, more interesting, and more meaningful for everyone, not necessarily just the Hispanic audiences you may be targeting. In this effort, consider your ad agency an agnostic partner in an ever-changing digital world that is always working in your brand’s best interest and keeping a consumer-first mentality.

See you out there.
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Francisco Cardenas
Director of Digital Strategy, Richards/Lerma

Francisco’s title? Director of digital strategy. Behind that title? A storybook career. Francisco’s tale starts in Mexico City, with jobs at GibertDDB and JWT. The next chapter finds him graduating from the University of Texas and working for Leo Burnett and Dieste. Turn the page, and he’s earning an MBA in Sports Management from the Universidad Europea de Madrid. Then returning to Mexico to start his own agency. Then partnering with Lead2action, a top digital shop. Then restructuring that shop for acquisition by Publicis. Dieste brings Francisco back to Dallas, where he earns acclaim from Cannes and the Clias – and attention from Richards/Lerma. Here, Francisco tells impressive stories for brands such as Dr Pepper, MetroPCS, and Bud Light.
SMART CITIES ARE THE BLUEPRINT FOR DATA-DRIVEN MARKETING SUCCESS

Attend any marketing conference this year, and you’ll notice a paradigm shift in the conversation among attendees and speakers. Topics will center less on breakthrough ads and more on data-driven marketing as close to 67% of marketers plan to increase their budget in technology expenses. And while the talk of big data and personalization is nothing new, the real-world application of it is just now being realized. The challenge for many marketers is figuring out how to create a system that not only collects and organizes customer data, but also connects this data to their larger marketing efforts to make smarter decisions.

Keeping your head above water in the sea of data management platforms, automation, programmatic, personalization, and optimization can be a daunting task. Fortunately for us, there’s a blueprint for success in creating a data-driven world. We just have to look outside the marketing landscape to find it.

For years, architects, engineers, and city planners have focused their efforts on turning our cities into smart cities. They have successfully connected cities’ infrastructure, technology, and operations to make data-driven improvements that range from cost savings to service quality to citizen health. Similar to these smart cities, our brand’s marketing efforts can benefit from the connection of infrastructure, technology, and operations.

SMART CITIES CONNECT DATA STREAMS TO PINPOINT OPPORTUNITY IN REAL TIME

Streetlights can be a big problem for cities and residents alike. Lights go out without warning, and it usually takes several complaints and a vast amount of time before the proper channels are even aware there’s a problem. What’s more, because streetlights are locked into a predetermined system that turns them on and off in rigid patterns, they’re wildly inefficient, with cities paying flat-rate tariffs regardless of actual use.

But in San Diego, 4,000 streetlights are making the city more efficient. Part of GE’s LightGrid Outdoor Wireless Control system, the LED streetlights installed in San Diego’s Downtown District have a small node that collects data about each individual light’s usage and performance before transmitting it to a centralized server. This smart streetlight system has resulted in streetlights that are 40% to 60% more efficient, with a life span of over 11 years based on 12 hours of use per day. So far, these lights have saved the city of San Diego $250,000 annually on electricity.

Similar to GE’s smart city technology, within the latest marketing data platforms there are now readily available tools and resources that collect data from separate entities and synthesize them to create actionable insights. Brands such as MD Anderson, The Salvation Army, and AAA are beginning to implement and experience the successes in pairing a data management platform with a strong optimization strategy and analytics team.
SMART CITIES PROVIDE PERSONALIZED SERVICE AT SCALE

Cities are beginning to utilize disparate data to help improve residents’ lives. Salt Lake City is utilizing real-time data gathered from sensors to improve traffic flow. And in New York City, data are being used to fuel a system called ShotSpotter to help reduce gun violence and make its streets safer. Barcelona’s use of data sensors in its irrigation system allows the city to adapt watering schedules based on individual data points, such as humidity, temperature, wind velocity, sunlight, and atmospheric pressure. The personalization of these schedules has led to an estimated 25% reduction in water usage and a savings of $555,000 a year for the city.

While these implementations can range from the mundane to the extraordinary, the central focus remains on providing an improved experience for city residents. In a similar vein, brands have begun to utilize and wield data to create an enhanced ecosystem for their customers.

The central focus remains on providing an improved experience for city residents.

For example, Wells Fargo has begun to use the data it collects from its customers to help provide a more intelligent customer experience. By analyzing patterns of behaviors, Wells Fargo is able to learn and adapt to how customers prefer to interact with the brand across its multiple channels and platforms.

SMART CITIES RECOGNIZE PATTERNS TO ANTICIPATE NEEDS

As these pieces of technology become indispensable assets in our daily lives, they begin to take the data we provide them and adjust to fit into our own private ecosystem. For example, a user’s smartphone is well aware of the correct spelling of their grocery store and corrects it accordingly when misspelled.

The combination of this personal data with publicly available data can help create services, products, or experiences that are not only personalized for us, but could even help us make better decisions. Harking back to San Diego, each individual light pole within the LightGrid system transmits performance data that trigger quicker, more efficient maintenance when a light unexpectedly goes out and, in some instances, let the city know in advance of a burnout.

And while human beings are much more nuanced and private than wooden poles, using passive data points to inform our experiences could create much more intelligent interfaces. One of the first examples of this is Waze, a maps application that combines a user’s personal data (their location) and publicly available data (traffic conditions) to optimize driving routes for each driver. More sophisticated interfaces can be found in Digit, a financial service that assesses income and spending habits to automatically move expendable money into a savings account, and Peapod, a mobile app that allows users to automatically fill their shopping cart with just a few clicks based on previously purchased items.

Like any city investing in technology, brands must maintain a focus on pragmatic initiatives that stem from needs.

Smart cities excel at keeping the focus on how the systems they’re employing benefit their direct community. Their mission is clear. For brands and marketers seeking to understand how to leverage data in smarter ways to anticipate and deliver more sophisticated brand experiences, the crystal ball can be a lot cloudier. Like any city investing in technology, brands must maintain a focus on pragmatic initiatives that stem from needs. And that’s where data and technology partners that facilitate and centralize data sets come back in. Centralized data can deepen insights, highlighting how and when to interact with customers at every step of their journey. Looking into 2016 and beyond, we must not only uncover which tools provide these data sets, but we need to understand how these tools work together to create a more intelligent landscape for your brand and its customers.

IMPLICATIONS FOR BRANDS

- Connect disparate data streams to pinpoint real-time opportunities for your customer.
- Personalize your services by reacting to changes in an individual’s data profile.
- Recognize patterns in data to anticipate consumer needs.
YOUR BRAND IS LIKE A SMART CITY

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Chris Ferrel
Director of Digital Strategy
Chris is a digital native and spends his days connecting the dots among online, mobile, and in-store experiences. He's set about putting all his knowledge to work for tech start-ups and some of the nation's best-known brands in retail, consumer packaged goods, consumer healthcare products, and technology. At The Richards Group, he's bettered the digital brands of Snapple, Mott's, The Home Depot, Summer's Eve, and Sub-Zero/Wolf.

Jessica Kingman
Digital Strategist
Jessica started her career as a social strategist with a small agency in North Carolina. She quickly realized, though, that her true calling was in the digital space, so she returned to school to get a Master's in Interactive Media. With her newfound knowledge of everything from coding to videography to holistic digital media, she packed her bags and came to The Richards Group as a digital strategist. Here, she serves clients such as Sub-Zero and Wolf, Fleet Laboratories, and Dr Pepper Snapple Group.
FINDING A MEANINGFUL BRAND VOICE IN THE EVOLVING DIGITAL LANDSCAPE

With the cacophony of the coming presidential election growing by the decibel, 2016 will usher in the maturation of social media as a platform for debate and honest communication. And brands that have shied away from opportunities to build relationships with consumers out of an aversion to risk will come to understand that they risk even more by clinging to traditional advertising tactics in a conversation-filled world: irrelevance. It’s never been more important than it is right now for brands to connect with consumers on digital platforms in meaningful ways.

For many, that means a new measurement consideration, a reevaluation of the perspectives critical to successful efforts (including one you might have overlooked), and strategies specifically designed to humanize your brand’s voice in the conversation.

THE “MATTER METRIC”: WILL AUDIENCES MISS YOU IF YOU’RE GONE?

Marketing legend Seth Godin makes this clear in a 2015 interview with Contently. When asked what metrics he considers best for measuring the impact of “doing work that matters,” he responded: “I think the only (metric) that I care about is: Will people miss you if you are gone?”

Does your brand truly matter? Would it be among the 23% of brands that people would actually miss if you went under tomorrow?

Procter & Gamble’s Always brand is betting on the matter approach. After conducting its own consumer research via sponsored surveys, it found that girls’ confidence and self-esteem plummet once they hit puberty. In response, Always created the groundbreaking #LikeAGirl campaign. Built around redefining what it means to do things “like a girl,” the campaign turns the phrase from an insult into a compliment. While best known for its Super Bowl ad (which was watched some 90 million times worldwide), #LikeAGirl has also included offline events such as a confidence summit for girls. It’s a message that resonated on a deep and personal level with women – #LikeAGirl was the most talked-about Super Bowl ad in 2015, quickly generating 400,000 mentions. And with 30 years of partnering with teachers and schools to provide puberty and confidence education to girls in its back pocket, it’s a credible, natural fit for the Always brand. Always’ #LikeAGirl campaign is a powerful example of a brand truly invested in its consumers and improving their lives. Always is not just hawking product – it’s doing something that matters to consumers.

Source: YouTube, Always, “#LikeAGirl”
So, why now? Why is this human, meaningful approach so much more critical today than even a few years ago?

**We’re More Social, But Less Trusting**

Today, everyone’s a publisher and a storyteller – from individual voices that once went unheard, to brands by the thousands eager to leverage digital channels to connect with consumers. As a result, the conversation landscape is noisier than ever – and in turn, consumer expectations have only risen. A great story alone is no longer enough.

**We Expect More Brands to Have a Point of View**

Fifty-six percent of Americans now believe companies should have a point of view on social-political issues, even those considered controversial. And Americans are 8.1% more likely to purchase from a company that shares their opinions; we’re 8.4% less likely to purchase from one that doesn’t.

![89% of consumers now believe that brands have the power to influence social change.](image)

**We Want to Be Talked WITH, Not AT**

But in 2015, brands still aren’t building trust and credibility the right way. Peter Friedman, chairman and CEO of LiveWorld, puts it succinctly: “Most social media marketing today is still traditional advertising: digital and PR broadcast messages shoved at customers through social channels. Those are all good marketing venues, but that’s not social.”

**THE CONVERSATION STARTER: EARNED MEDIA**

Like all great communications initiatives, consumer insights and sound strategy lead to the most effective brand-building ideas. But the principles behind showcasing a brand’s ability to matter often come from the nuanced perspective that the public relations – or earned media – discipline has always had. From a century of brokering negotiations-wrapped-in-conversations (more commonly known as “interviews”) with the media, earned media pros inherently understand how to craft a two-way conversation that’s mutually rewarding. They know that the best stories happen when you open a dialogue on topics beyond a brand’s sales pitch, and deftly weave that brand’s relevancy to those topics throughout the story. They know that to earn a spot in the discussion, you have to actually matter.

And because social media channels give everyone a voice, the discipline most accustomed to fostering collaboration is an ideal fit to navigate those particular waters. In 2016, we’ll see more brands look to the earned media perspective to steer the ship on their digital marketing efforts – particularly in those designed to engage consumers in dialogue. More campaigns will begin with stories crafted with earned media principles in mind. To be sure, it takes all teams working together to create a successful campaign, but with the earned media perspective integral, brands can be certain that at the core of every digital strategy is a human strategy.
UPPING THE MATTER METRIC

Consider the experience of meeting a captivating, charismatic person at a party. They dazzle and entertain the crowd with exciting stories. But when does this person actually earn your trust? In face-to-face conversations in which you feel like you’re truly being heard and something clicks. When they’re open with you about who they are and contribute to the conversation in ways that broaden your perspective.

It’s no different here.

If you want your brand to matter, generosity and a sense of genuine purpose have to be at the center of your efforts.

• **Begin with your brand promise.** Do you have a promise that’s built with *mattering* in mind? Are you truly living up to that brand promise at every touchpoint? Is there a relevant problem in the world your brand could solve? Ensure your brand promise embodies these values, then seek out ways to live up to and extend your brand promise.

• **Work harder to understand your consumers.** Your consumers are likely already telling you how they want you to behave. Use social listening tools and invest in deeply understanding the psychographic profiles of your core audiences. When Nike decided to salute the last-place marathon finisher in its latest running ad, it endeared itself to the non-athlete, the sometimes-exerciser who’s finally decided to go for it this time. Nike did so knowing that its audience consists not of athletes, but of ordinary people.

By understanding what’s important to your consumers, you’ll discover how to matter in their eyes. That also means being willing to actually listen to responses from consumers in dialogues you’ve begun.

• **Focus everything around your consumer’s perspective.** Keep your audiences’ and consumers’ needs at heart by considering your potential impact from their perspectives. How can you actually create real value for them? Consider the **Human Needs Index** (HNI), newly launched by The Salvation Army in partnership with the Indiana University Lilly Family School of Philanthropy. The HNI is the nation’s newest statistical model for understanding poverty, calculating human need based on services provided since 2004. In addition to allowing The Salvation Army to better allocate resources to serve those in need, it provides a new lens through which to understand poverty beyond income data and creates new opportunities for conversations with policymakers, media, other nonprofits, and donors.

• **Be transparent.** It’s always been important to be transparent to build connections with consumers – but in 2016, brands face even greater demands for communication that are strikingly, intimately honest. And what you don’t say is just as important as what you do – increasingly distrustful consumers are quick to sniff out duplicity. If you screw up, be willing to admit it publicly and personally, and even to go above and beyond to make up for it. Brands that own up to their shortcomings can even come out stronger on the other side.

• **Don’t write checks your brand can’t cash.** Of course, most important of all is that your actions support what you say. While many brands celebrated this year’s monumental Supreme Court ruling regarding marriage equality, many saw it as mere lip service or “rainbow washing.” Only a select few brands had a history of actively supporting lesbian, gay, bisexual, and transgender (LGBT) rights. “The LGBT community knows where their real allies are,” says **JR Little, global head of innovation of media agency Carat.** “Actions speak louder than words.”
For your words to carry weight, you have to do more than just contribute to the noise. You have to have a point of view. Start conversations worthy of consumers’ time and input. And then welcome their points of view. Placing earned media principles at the forefront of your brand stories, strategies, and campaigns will ensure that as digital platforms continue to evolve, your brand will succeed in building trust and equity with your audiences. That you’ll start conversations worth having. That in the eyes and hearts of your consumers, you’ll actually matter.

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Contribution by Stacie Barnett, Public Relations/Principal

Megan Van Groll
Public Relations/Digital Journalist, Richards Partners

Since 2013, Megan has led all aspects of social strategy for The Salvation Army, AAA, and many of The Richards Group’s cause-branding clients. She oversaw the launch of The Salvation Army’s first-ever social-media-driven campaign, resulting in the most successful Red Kettle campaign to date. She also helped launch the award-winning, first-ever World Pancreatic Cancer Day on social media. With these accomplishments under her belt, Megan was up for a new challenge. Recognizing that the public relations discipline requires a digitally native and socially integrated perspective, she recently moved to Richards Partners to lead the development of a new hybrid discipline that lies at the intersection of public relations, digital, social, and editorial strategies.
THE CONSUMER-DRIVEN FUTURE OF COMMERCE

In 2016, brands will put an evolved standard of simplicity at the center of their shopping experience. The rise of new technology will eliminate the view of marketing channels as individual linear paths. Leaders will grow commerce beyond digital and physical to a singular, simple, and consistent experience.

THE VALUE OF SIMPLE SHOPPING

Retail shopping isn’t analog anymore. Think back to the last time you were shopping at your favorite retail store. Did you research online before you visited? Did you pull out your phone while you were there? Maybe you paid with a mobile device. There’s a good chance that you used multiple digital touchpoints to help make your purchase decision: at the store, online, and on your phone. Digital experiences have been a part of the shopping process for years now. But in 2016, we’ll see a new breed of retail technology emerge – one that underlines simplicity at the core of its purpose.

Consumers are increasingly favoring brands that build transparently easy shopping experiences. In a new social listening study, convenience through technology was the most discussed retail topic by consumers across social media. In fact, we are willing to pay a premium for it: 38% of consumers are willing to pay more for simpler brand experiences. And 70% of consumers are more likely to recommend a brand because it provides a simpler customer experience.

Because of this growing consumer demand, brands that value simplicity are outperforming brands that do not: according to the Global Brand Simplicity Index, the world’s simplest brands have outpaced the average global stock index by 170% since 2009. Simple brands have greater customer loyalty, foster innovation, and ultimately increase profits.

Traditionally, brands have used technology to amplify the shopping experience, with devices, apps, and sites made to assist shoppers. This is what we refer to as a Stacked Experience, introducing technology on top of the current shopping experience. By approaching technology as a way to supplement the shopping experience rather than simplify it, brands can create complicated and confusing experiences rather than easy ones.
In 2016, the Simple Experience will replace the Stacked Experience. Simple Experiences solve problems, remove friction, and empower consumers rather than add on additional digital layers to the shopping experience. With recent digital advancements such as wearable and mobile technology, simple has been redefined to a nearly frictionless level that’s never before been possible.

**WHAT DISRUPTIVE BRANDS ARE DOING TO DELIVER SIMPLE SHOPPING**

In 2016, brands that create simple shopping experiences will win with generations of consumers looking for solutions that make our lives easier.

Simple shopping is defined by three characteristics:

- Removing friction
- Empowering shoppers
- Reimagining the shopping experience

Under each characteristic, there are examples of innovative brands that are redefining what it means to shop with technology.

### Removing Friction

Brands that remove pain points from the shopping experience are creating new norms in the way we shop.

One of the most significant pain points in the traditional shopping experience is the checkout process. With the help of new mobile payment technology, retailers are redefining the checkout process by removing barriers to buying.

Last year, biometrics led mobile payment security technology with the introduction of Apple’s Touch ID, the fingerprint-scanning authentication that plays an integral role in Apple Pay™. Apple Pay is limited because it only works with credit card payment systems that are NFC-enabled, and many retailers are slow to adopt this technology. Competitors such as Samsung have responded, launching Samsung Pay in October 2015. Samsung Pay is designed to work even with credit card readers that haven’t adopted NFC technology.

Even with these advancements, mobile wallet solutions are still fragmented and not device-agnostic. To combat this fragmentation, companies are finding ways to create universal mobile wallets with ubiquitous payment options across devices.

Toronto-based start-up Soundpays released an app in October 2015 that allows you to pay from any mobile device with ultrasonic waves. All you need is an Internet connection and a microphone/speaker. Using sound wave technology, anything that emits a sound wave — a television, radio, even a YouTube video — could potentially communicate with a Soundpays-enabled smartphone.
Brick-and-mortar retailers are adopting this new breed of seamless mobile payment technology as well. Macy’s is one of the first retailers taking steps to transform the checkout experience to make it more frictionless for its customers. In September 2015, Macy’s announced that PayPal’s new One Touch™ technology would be available in-store, allowing customers to complete one-touch transactions via their PayPal or Macy’s app by scanning a code to their phone.

As mobile and wearable payment technology gains widespread adoption in 2016, consumers will continue to discover the simplicity and security of mobile payment.

**Empowering Shoppers**

Retailers that empower shoppers let consumers have control of their own shopping experience. This means arming consumers with the information they need, when they need it.

Empowered shoppers know they’re getting the absolute best price, without bringing in competitors’ ads or keeping receipts. They are able to customize their order with a few clicks of a button. They’re able to shop when and where it is most convenient to their lifestyles. And they’re not dependent on sales associates to shop smartly.

Simple shopping technology empowers consumers to do less to get more. Which is why in 2016, we’ll see brands using beacon technology more seamlessly to reach consumers with the right information at the right time.

Beacons are devices placed in-store that communicate with a shopper’s smartphone via Bluetooth technology. When beacons first came to market in 2013, they were devices with the circumference of an apple; today, they’re stickers that can be placed on products or walls. More than half the top 100 retailers in the U.S. were testing beacons in 2015, and by 2018, experts predict there will be 4.5 million beacons in use.

But beacons themselves don’t make for a simpler shopping experience. The true difference is the way retailers use them to deliver the right information at the right moment in-store, without any effort from consumers. In 2016, brands are realizing beacons can do a lot more than send coupons.

We’re watching beacon technology evolve in real time to improve brand experiences:

- **Brands placing beacons on products will help shoppers navigate their shopping lists in big box stores with efficiency.** This technology is led by start-up beacon companies such as Estimote.

- **Beacons in museums, aquariums, and zoos can create more engaging visitor experiences.** North Carolina’s Department of Environment and Natural Resources is exploring this technology.

- **Hotels with beacon technology can instantly recognize loyal guests.** Marriott hotels are testing this new type of check-in experience with what some guests are calling “a special-offer scavenger hunt.”

- **Beacons on mannequins can allow shoppers to instantly access details about the mannequin’s outfit.** High-end fashion brands such as Ted Baker, House of Fraser, and Bentalls are adopting this technology.

**Reimagining the Shopping Experience**

Retailers that think differently about the shopping experience help consumers find delight in the mundane.

YouTube is redefining the discovery phase of shopping by testing new shopping ads on product review videos. More consumers are turning to YouTube to learn about products: Views of product review videos were up 40% at the end of 2015, and one in five young Millennials say they go to YouTube to see what’s cool to buy.

With YouTube’s new shopping ads, users don’t need to search for retailers’ websites to buy the product they’re learning about. Instead, the product link will be available within the video itself, making watching YouTube videos part of the buying experience.
Fast-moving consumer goods have traditionally been a mundane shopping experience. But retailers such as Amazon have reimagined what it means to reorder your staple household goods. Keeping simplicity at the heart of its customer strategy, in 2015 Amazon introduced the Dash Button for Prime members. Amazon Dash is a one-click, Wi-Fi-connected button placed anywhere in your home to reorder staple household items.

Although the Amazon Dash buttons cost $4.99, consumers are still willing to pay to simplify their buying experience. In 2016, we'll see more consumers adopting convenient technology that redefines and simplifies how they shop.

To read more about the simplification of digital interfaces, such as the Amazon Dash, see our trend “New Interfaces, New Brand Experiences” on page 3.

**WHY SIMPLE SHOPPING SHOULD MATTER TO YOUR BRAND**

For years, retailers have experimented with technology in their shopping process with new devices and apps to supplement their shopping experience. This stacked technology doesn’t answer the growing consumer demand to simplify our lives.

In 2016, new leaders will emerge that use technology to create a seamless shopping experience in a way that adds convenience and empowers consumers. Shortly before publication of this article, Walmart, the world’s largest retailer, announced its strategy for the 2015 holiday season is to “wow customers with simplified shopping experience.”

To evaluate what simple can mean to your brand, think about your consumer journey and technology:

- How simple is your customer journey? Have you identified points of friction in the buying experience? Have you empowered your shoppers to shop on their own terms?
- Is your shopping technology aimed at simplifying the experience? Does it add convenience to the lives of your shoppers? Is it stacked onto your experience, or does it truly simplify your experience?

Simple shopping is not about using the latest and greatest technology to supplement the in-store experience. It means putting the needs of your consumer first and removing barriers to create a truly fluid shopping experience. It’s about mastering the inevitable complexity of the digital age and turning this mastery into a competitive advantage.

Brands that use digital technology to fuel simple, meaningful customer experiences will be best poised for retail success in 2016.
REFERENCES

**Alex Luft**
Digital Strategist

Ever wished your brand was the center of attention? That's why we have Alex. From multichannel global campaigns to content marketing, he's done it all, and done it well. He has created a career as a leader in digital strategy for top brands such as IBM, Cisco, and many more Fortune 500 brands. In 2015, Alex joined The Richards Group to set the course for clients such as The Home Depot, Dr Pepper Snapple Group, and Cardinal Health.

**KC Munoz**
Digital Analytics, Quadratic

After graduating from the University of Texas with a bachelor's degree in Public Relations, KC joined The Richards Group in 2015 with a slightly different focus — digital analytics. KC optimizes the user experience both online and offline. She enjoys working to develop insights from the data she gathers, although her favorite part is probably getting knee-deep in the tagging implementation process. She stays busy crunching numbers for AAA, Dr Pepper Snapple Group, Schwab Advisor Services, Biltmore, Neiman Marcus, and Southern Methodist University.

**Mallorie Rodak**
Brand Planner

You've heard of people around the office wearing many different hats? In Mallorie's case, that might include one for Galactic Secret Agent. Which makes perfect sense, as her talent as a voiceover artist for TV, radio, anime, and video games is surpassed only by her skills as a brand planner at The Richards Group. For Mallorie, seeing things — especially brands — from a variety of angles is all in a day's work. At The Richards Group, she provides strategic thought leadership for TGI Fridays and Ruth's Chris, among others.