

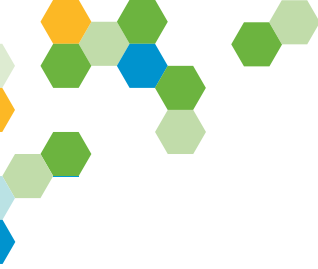


SPECIAL REPORT

Consumer Engagement's trends for 2016

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1. INTRODUCTION
2. COMMUNICATING THE DIGITAL TRANSFORMATION
3. CUSTOMIZE OR DIE
4. THE DEFINITIVE BOOM OF THE INTERNET OF THINGS
5. NEUROCOMMUNICATION, EVERYTHING IS IN YOUR MIND
6. EPHEMERALNESS AGE
7. OTHER IMMERSIVE WORLDS
8. CEOs' STORIES
9. INTERSTITIAL TERRITORIES
10. ENTERTAINMENT IS TRANSMEDIA
11. GOOD BYE TO SOCIAL NETWORKS?

AUTHORS

1. INTRODUCTION

It seems that the progressive sophistication of relations between brands and consumers of contents will significantly boost in 2016. With brands increasingly working in territories, and communities talking about them in an increasingly specialized manner, customization from Big Data will be more relevant, and neuroscience will no longer be exclusive use of marketing to now expand towards communication.

Brands, as the points of contact with their audiences are increasing, will have to tailor their transmedia storytelling to new realities, such as the ones that the triumph of social tools like Snapchat imply, or the ones derived from experiences provoked by the use of Virtual Reality or the IoT.

After all, it will continue to be about telling interesting stories in which CEOs will play an increasing prominent role, although the effective way to do it for reaching a real engagement should be even more sophisticated and specific in 2016.

“One of the most complex challenges companies facing a digital transformation process encounter is communicating such evolution”

2. COMMUNICATING THE DIGITAL TRANSFORMATION

Comparing it geographically, **the internet has been the earthquake that has provoked the digital transformation tsunami.** A tsunami which has promoted the arrival of new actors Spotify, Netflix, Uber, Trip Advisor or Airbnb, among others which have revolutionized the relevant markets and have compelled traditional actors to evolve. In evolutionary terms, **technology is forcing companies to adapt or die.**

Adaptation known as a “digital transformation”, a management process which orientates the strategy, the culture, the processes and capacities of an organization to **channel the disruption created by digital economy**, developing channels and assets based on bits, and capitalizing the new experience of a client empowered by the digital context ¹.

One of **the most complex challenges** companies facing a digital transformation process encounter is **communicating such evolution.** Considering that traditional communication media, channels and formats have been the first to be affected by the digital tsunami mentioned before.

In terms of communication, **digital transformation implies the emergence of new channels and formats that will reach an exacting audience,** which demands messages tailored to its interests, accesses to **more sources of information than ever and has the power and tools to become a potential media.** In this process, transparency and capacity used by companies to transmit their messages through those new channels and formats (social media, Reddit, virtual reality, etc.) will play a decisive role.

3. CUSTOMIZE OR DIE

We all live in an increasingly heterogeneous society, where **those empowered consumers seek for differentiation,** not only by belonging to social groups or layers of society, but also basing on contents, products and services they consume. Therefore, the fact that brands may offer messages tailored to the interests to those consumers is not only a question of consumerism, but of **reaffirming their identity within the society.**

74 % of online consumers got frustrated and angry when content in the web² (offers, advertisements, promotions, etc.) **has nothing to do with their interests.** Such frustration may

¹ *How can your company face the digital era?* <https://www.territoriocreativo.es/estudios-whitepapers?study=119300>

² *Online Consumers Fed Up with Irrelevant Content on Favorite Websites, According to Janrain Study.* Janrain. <http://janrain.com/about/newsroom/press-releases/online-consumers-fed-up-with-irrelevant-content-on-favorite-websites-according-to-janrain-study/>

“There will be 25 billion connected things in 2020, which will generate a turnover of almost 300 billion dollars”

be the Achilles' tendon of brands in this new digital era, in which consumers claim for products, services and contents perfectly adapted to their specific needs.

Janrain's pool shows the huge demand for customization by consumers, with surprising data: 28 % of users would leave social networks during a week; 25 % of consumers would sacrifice chocolate during a month; and 21 % of consumers would ignore their phone during a day if, in exchange, they found more relevant contents, products and services on the internet.

The use of personal details by companies for adapting their messages to the different audiences may be crucial. In this regard, we have good news: since **57 % of consumers would accept that companies use their personal details, provided that this affected on more customized contents** and, of course, the details were used in a responsible manner.

Along with the personal details, the transparency in their use should be also present. **77 % of consumers trust in companies that explain them how they use their personal details** to improve their personal online experience.

4. THE DEFINITIVE BOOM OF THE INTERNET OF THINGS

The internet of Things refers to the use of technology for exchanging information between the objects we daily use and the Internet.

For instance, applying IoT technology at home can make that the rotating sprinkler of our garden checks the meteorology and the status of the grass automatically before start functioning; or that the lock of the door sends a warning message if someone is trying to enter our home while we are on holidays.

These kinds of examples represent only the beginning of an age in which everything will be connected. This is a phenomenon which represents the technological revolution and will change technology as we know it to affect the everyday life of consumers and companies. It is estimated that **there will be 25 billion connected things in 2020, which will generate a turnover of almost 300 billion dollars.**

From the point of view of communication, **the Internet of Things will democratize the use of personal details,**

“The consumer demands customized solutions”

gathering much more information about every object daily used by us, and making it more accessible to all audiences, not only to Big Data experts. For the very first time, **it will be the consumers who will feedback immediately** on the products, services or contents they consume, because the products themselves or televisions will give this information according to the use made of them by the consumer.

In addition, **IoT technology will allow a better knowledge about this consumer-citizen.** We should consider that his daily life will be connected to the internet, generating data. We will be able to know his personal tastes and preferences to adapt our messages as much as possible to what he demands.

Social networks will be also affected by the Internet of Things. The interconnected objects can be programmed to post and update automatically activities on social networks, with the purpose of **creating communities of conversation around those objects.**

Finally, this technology will favor **the emergence of new formats and channels involving those interconnected objects that will create more intelligent and relevant contents to the user,** and that will be displayed in the moment he needs them. For instance, let's imagine a bulb in our Smart Home (as the application of IoT at home is known). Technology will not only allow that a warning before it blows

was given to us, but also it will send us to our phone several discount offers for a new bulb, advices on how to change it or the telephone numbers of the closest electricians.

5. NEUROCOMMUNICATION, EVERYTHING IS IN YOUR MIND

We are experiencing a veritable revolution of communication. The way in which information is broadcasted and consumed, as well as the way in which different actors -citizens, brands, politicians- interact has dramatically changed. The technological revolution has democratized the information, exponentially multiplying the number of sources to which the consumer can have access. The more information it is, the more options are and thus, the more competition between companies there will be.

The citizen-consumer is increasingly demanding and participatory, even rebel. The consumer demands customized solutions because he can guess that, amongst the whole commercial offer, he will find someone who offers him exactly what he demands. However, **his needs have not dramatically changed,** and they continue to follow the brain and the position of the human being as an animal species. In this **context, neuroscience and social science, like psychology and sociology, offer useful theories to understand those needs. It is in this meeting point where neurocommunication emerges.**

“The content strategies should mix the intensity of experience with the exclusivity in this ephemeralness age”

Neurocommunication researches how the citizen-consumer thinks and behaves with the purpose of developing more precise and efficient communication activities. The purpose of neurocommunication is the knowledge, not the manipulation. The application of science to communication should never pursue deceiving human beings, but **better understanding of what they wish, in order to address them in a closest and individualized manner.**

It is a **budding discipline** in the field of communication (as marketing has already been capitalized), but offers tools and methodology to solve many of the problems consumers and brands have when connecting to their messages. **2016 will be therefore the year in which neuro-science will expand its horizons** from the marketing sphere to the whole communication field.

6. EPHEMERALNESS AGE

From the repository of our lives that Facebook implies to the ephemeralness age announcing the success of Snapchat in United States (already exported), **an earth quake mixing the reign of real time updates that Twitter brought to us with the exclusivity of contents** have occurred in

social networks' users' heads . It is the same path which led us from common to customized experiences, in which we devour any proposal, but we do spend little time on it. **30 % of millennial from United States already use Snapchat frequently**, an app that, in the midst of debates about the right to be forgotten, appears to be based on the famous self-destructing messages of James Bond. It is a celebration of carpe diem, which fits in with irresponsible real time updates of new generations. They are decided to live for the good and the bad within the limited world of their cell phones, and to picture or video record everything thanks to their latest-generation cameras. **A hundred million people already use Snapchat throughout the world and post every day an average of 400 million snaps³.**

Brands, usually concerned that the messages in which they have invested remain, begin to understand that **their content strategies should mix the intensity of experience with the exclusivity in this ephemeralness age.** For example, Burberry hired the prestigious photographer Mario Testino last year to take photos and record videos of the 2016 spring campaign shooting for its Snapchat account. Such pictures and videos vanished 24 hours after being published.

³ Why the Millennial love Snapchat?, Infobae. <http://www.infobae.com/2015/10/10/1761265-por-que-los-millennials-aman-snapchat>

“Certain experts compare the arrival of the Virtual Reality to the revolution produced by the color or sound in the world of cinema and entertainment”

However, beyond the fashion or the lifestyle, **Snapchat can also be the ideal tool to capture the attention of unbelieving audiences.** This is the case of the awarded campaign of the New Zealander Directorate General of Traffic (DGT) to raise youth awareness on the risks that driving after having used marijuana entails. It was a Snapchat group in which during the day some friends updated jokes after having smoked marijuana, which became a striking communication strategy when it led to a traffic accident.

In the ephemeralness age, capturing the attention of audiences is even more difficult, although Snapchat offers a wide range of ephemeral possibilities.

7. OTHER IMMERSIVE WORLDS

Mark Zuckerberg said at the beginning of March in the Mobile World Congress that **virtual reality will be the most shared content in Facebook** in the future: “Imagine enjoying a court side seat at a game, studying in a classroom of students and teachers all over the world or consulting with a doctor face-to-face—just by putting on goggles in your home” —Zuckerberg declared when announcing the agreement by which he bought Oculus, the Virtual Reality company, for 2 billion dollars.

Certain experts, like Linda Boff, Marketing Executive Director of General Electric –a global brand–, **compare the arrival of the Virtual Reality to the revolution produced by the color or sound in the world of cinema and entertainment.**

The two main formats that will capitalize the virtual reality sector will be the VR Videos and 360 degrees Videos. Both have Google as their major driver for democratization. YouTube already supports 360° videos and anyone with a printer and a cell phone has available the Google Cardboard, glasses with which you will enjoy VR Videos anytime and almost for free.

This is only the beginning. **The virtual reality is the closest thing to literally teleportate yourself to a real scene on the other side of the world.**

For instance, Facebook is researching on the creation of scenarios where we could enter to socialize or work remotely with our own virtual presence.

Although the virtual reality sector is not moving in significant numbers yet, **companies like Samsung, Facebook or Disney have already invested millions dollars in this growing market.** According to certain sources, like the Business Insider Studies Center,

“CEOs should play the role of Storyteller in Chief of their companies in the future”

sales of Virtual Reality devices will increase exponentially during the next 5 years, even doubling the volume of business every year until 2020.

There have been already brave launchings made by certain branches (including Ramón Bilbao or Avis, in Spain) and interesting experiments made by audiovisual producers (with the virtual reality app of Insidious) and videogames creators –the true kings of the entertainment field that are leading the development of new ways for interacting in the virtual reality–.

8. EOS' STORIES

Facing the obsolete figures determined to be talking heads, **CEOs should play the role of Storyteller in Chief of their companies in the future.** Beyond personalities, **CEOs will increasingly take a significant role when setting coherence in the narrative** of brands and should adapt their story to different fields maintaining legitimacy in all of them. This new role leads the way for a further commitment made by the most significant companies' top leaders, not only with their own digital identity, but also with the **leadership of a rich and multifaceted storytelling to their companies.**

The great leaders of the history have always been brilliant storytellers, committed not only with their personal history, but also with that of their projects. Future companies' CEOs should take the reins of the stories they want to tell and, thus, they should draw on an approach going beyond of simplistic oratory skills, to reach the core of storytelling in their companies. A growing demand for transparency will provoke that such figures in the shade, governing our destinies from the *headquarters*, must take a step forward, appearing **as leaders capable of driving stories that involve our values as citizens and consumers.**

9. INTERSTITIAL TERRITORIES

Brands have been building their narratives not only with companies' stories, but also with their stories in diverse territories, which means stable conversational fields generating a structure. **The convergence of narratives from many brands within major fields (sports, innovation, music, etc.) is resulting in the need for a more sophisticated approach to capitalization of territories,** with the majority of brands searching for micro-territories in which building a story that, at the same time it allows

“The explosion of series as the prominent format of entertainment offers the opportunity to create transmedia strategies. From the original content, it favors the development of new storytelling lines”

them to reach communities, helps them to elaborate a credible story for the currently saturated mainstream territories. **Two major trends** in the strategy for conquering micro-territories by brands can be identified:

- **Crossing micro-territory strategy:** It combines two major territories into a new and more specific one, which will be a way more easily to capitalize. This is the case of relevant strategies, such as “The Creators Project” by Intel, in which technology and art are mixed to give a more specific and relevant narrative to communities. The best use of interstitial territories allows the creation of a credible story in both territories of origin.
- **Deepening micro-territory strategy:** The search of a specific narrative leads us once again to thoroughly examine the market in order to find micro-territories with communities and conversations to which we could more effectively listen for further bringing value.

10. ENTERTAINMENT IS TRANSMEDIA

In the context of the economy of attention, **brands have finally understood that entertainment offered useful tools for the engagement**

generation. Beyond its application to contents generation of *branded entertainment*, this line opens **a way of collaboration between entertainment industries and brands that will continue to expand in 2016.** The explosion of series as the prominent format of entertainment in the 21st century offers the opportunity to brands of joining forces with the current most relevant creators of stories **to create transmedia strategies. From the original content, it favors the development of new storytelling lines** meeting the interests of the communities to which the original content aims and those of the brands developing the secondary content.

These transmedia storytelling lines can develop in **webseries, games or branded journalism formats, but also in the form of events** in which fans of products like “Game of Thrones”, “House of cards” or “ Fargo” live the **experience of going deep into their favorite stories for a moment.** The experimentation field for brands which would like to engage these narratives is wide, but it should always be based on the respect for the identity of the original product. Currently, audiences will not accept that brands intrude in their reliable entertainment fields to dilute them, but are more than willing to accept them **provided that its arrival implies increasing the fun.**

“It could be possible that a search for an increasing authenticity is behind this counter-trend, which sometimes appears to be in contradiction with the era of selfies and hashtags we live in”

II. GOOD BYE TO SOCIAL NETWORKS?

The counter-trend par excellence for this 2016 appears to be the progressive abandon of social networks by those whom were the *early adopters* of them at one time. Are the millennial really leaving social networks like Facebook and Twitter, whose boom contributed decisively to? The truth is that beyond the recent famous leavings⁴ and niche strategies, **figures do not seem to prove this hypothesis, which has appeared more than once in headlines⁵.** However, it could be possible that **a search for an increasing authenticity is behind this counter-trend,** which sometimes appears to be in contradiction with the era of selfies and hashtags we live in.

As hyper-connectivity continues to increase and social networks options multiply, it is inevitable that the most advanced niches, both on Millennial and further generations, claim for **a return to more personal and offline relationships.** Brands should not only consider these changes in terms of risks, but also in terms of **opportunity to establish deeper relations with their consumers,** if they are able to combine their huge digital display with action plans aiming to the direct relation with communities.

⁴ *Instagram's star reveals her lies*, El País. (http://elpais.com/elpais/2015/11/03/estilo/1446547570_629565.html)

⁵ *Why are "millennial" deleting their social networks?*, i-Dvice. (https://i-dvice.com/es_es/article/los-millennials-estan-borrando-sus-redes-sociales)

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