SPECIAL REPORT

Consumer Engagement
Trends for 2017

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LLORENTE & CUENCA
1. INTRODUCTION

The evolution of both the conversation and storytelling cores set the trends that we have identified as the most important over the upcoming twelve months. Especially, in the relationship between consumers and brands in the communication and marketing field.

In the conversation core the increasing understanding of time will lead brands to have to work with immediacy (streaming live videos) and with channels. Those channels that up until now have failed to enter the market properly (into the ample room for growth in the world of instant messaging). This will imply a true revolution in the working perspective (the importance of awareness of territory, capacity for immediacy and an approach on communities rather than large audiences).

Moreover, the use of the storytelling technique, and specifically of transmedia storytelling—so fashionable in recent years—must evolve in terms of both level of stories told compared to story doing, and the people who build the stories and how (Brand Youtubers, general fandom and a more transmedia view of the Brand PR). All of this should be pictured in a saturated environment. Here the consumer will appreciate a return to brand-related experiences with a strong physical component, but now combined with the digital media: the phigital era.

We take a detailed look at each of these trends hereunder.
2. STORYDOING NOW!

One of the recent milestones in storytelling, as a technique applied to communication and marketing, was the 2013 campaign by Chipotle, “The Scarecrow”. This campaign was traditionally referred to as a transmedia success story. It placed the company’s own corporate narrative at the heart of the story. Daring to focus on what was a powerful and on natural and healthy food within the fast food sector.

A few months ago the prestigious Fast Company magazine published an extensive investigative report entitled “Chipotle Eats Itself”.

The report analysed the key factors in the downward spiral of business and loss of reputation the company had been experiencing. All this since the explosion of the cases of e-coli in several of the chain’s restaurants in the United States publicised since 2015.

“Chipotle has therefore become one of the great fallen giants of storytelling”

Brands have to start creating their stories beyond just telling them. This is nothing new. Historical examples such as The Creators Project and the Red Bull Music Academy are signs of the effectiveness of creating story doing. Experiences based on giving value to communities.

3. A TRANSMEDIA BRAND PR

We can find different definitions and even questions among the communication professionals, such as: What is Brand PR? In which direction is it evolving? And, what are its boundaries regarding other disciplines such as advertising or marketing? If we take a tour of the theory and turn to the most orthodox sources—such as the PRSA (Public Relations Society of America)—Brand PR is a question of constructing mutually beneficial relationships between brands and their consumers through communication. It is a practice that clearly differs from advertising or marketing. There is no direct payment in the generation of

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that communication, relying on information, experiences and **content of value** to that final audience.

However, jumping from the theory to the practice what seems to be clear is that the way brands communicate with their consumers is becoming **increasingly sophisticated and multi-factorial**. The old paradigms no longer stand. Not under the same structure they were based until now (events, social PR, press conferences, etc.).

The new consumer **shuns the ‘spamming’ of branded content.** This is perceived as an annoying bombardment of covert advertising. New consumers demand **real value content** on which they can spend their time and, above all, content they can trust.

They demand **creativity and credibility** in the information they receive or, better put, in the information they seek or share.

We could say that the brands, and those who manage their communication, are no longer dealing with simple consumers. Instead, they are dealing with a type of fan or naysayer, difficult to conquer if it is not through **honest and attractive communication** that could turn them into true brand lovers and brand ambassadors.

It is clear that communication can never be boiled down to simple mathematical logic. That said, an equation that seems reasonable for taking Brand PR to the next stage will contain the following elements: **content of real value** and a **transmedia story** designed for potential ‘brand fans’ that can play an **active role in its dissemination**.

**The time when Brand PR only needed to consider the media and influencers is over.**

### 4. YOUR BRAND IS EXPERIENCED LIVE

Earlier in April this year, Buzzfeed made a watermelon explode using rubber bands; live on FacebookLive, in a video that lasted 45 minutes. This seemingly insignificant event marked a turning point for live videos and their impact
In a world where immediacy is everything, “live the moment” has become the mantra of communities. Also, the visual format prevails over any other. Brands are finding themselves in a fast and ephemeral world. Live videos are fashionable and this trend will continue to increase, so companies must adapt to it.

While Twitter purchased Periscope to add value to the immediacy of its platform and Snapchat championed quick videos, Facebook did not want to be left behind. After acquiring Instagram, the social network par excellence, has joined this new trend with the Facebook Live tool. This allows users to watch and broadcast live videos. Facebook also created Instagram Stories, a new function where users can send photographs that will expire after seconds, and also allows adding live videos.

Live videos open up a wide range of possibilities for brands. Viewers will provide feedback through their live comments and questions during the broadcasts: something that will increasingly favour communication between brand and user. More precise and unique information about the experience can also be obtained first-hand. The example of the BuzzFeed watermelon demonstrates another important factor: the content of the video will be more important than its quality.

Companies will reduce filming costs, as the viewers prefer interesting content to grand visual productions.

In addition, being live will force brands to adopt an almost instantaneous commitment to their consumers, offering quick, effective and responsible accountability to the audiences. Live videos will promote immediacy and users will demand more transparency. Companies must develop a greater ability to react to the needs of each community.

“Live videos will promote immediacy and users will demand more transparency”

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2. https://www.buzzfeed.com/brendanklinkenberg/this-exploding-watermelon-was-facebook-lives-biggest-hit-to?utm_term=.qhNZRNqPL#.miVBeK2yL
5. THE GROWING REALM OF FANDOM

The content and the conversations created by the most engaged users in the communities will acquire increasing importance in our culture. As explained by Henry Jenkins, the institutionalisation of the participatory culture through platforms such as YouTube and Wikipedia has contributed democratising the expansion of the current transmedia stories.

These great stories are no longer created; they are co-created with the fans. TV-shows golden age has also helped the development of content generated by fans. It helped as well to vindicate that this fan created content has stopped to be peripheral. It has positioned itself at the centre of a culture where it is increasingly difficult to create a hierarchy. All this in terms of the importance of the orthodox content developed by traditional content producers and the importance of the content on Youtube developed by the fans.

The emergence of fandom also affects the stories developed by the brands. These stories should aspire to generate a fandom that promotes and boosts them.

We have moved from the era of transmedia to deep media. It is no longer useful to detailed design strategies where storytelling expands through different perspectives in different formats and channels. Now it is also necessary to encourage fans to complete this story. This involves a loss of control but it is also the only opportunity to stand out in a saturated environment.

6. THE CHALLENGE OF THE MESSAGING PLATFORMS

Brand’s communication with consumers through messaging platforms such as Whatsapp, Facebook Messenger and Viber is no longer “one for all”, but “one for one”. Brands will have to speak to their audiences through these platforms in an intimate and personalised manner rather than launching a general message that may get lost.

The secret is the way they are used. The difficulty lies in the fact that these are closed sources. People use Whatsapp and other apps to create their own communities: understanding and forming a relationship with them will be the key objective for those brands that want to take advantage of the instant messaging opportunities.

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“Companies can start personalised real time conversations with consumers and invite them to ask questions and get in contact directly.”

Whatsapp, Facebook, Line, Viber, Snapchat, WeChat... all of these are going to revolutionise strategies for marketing, communication and, above all, customer service. According to a study conducted by e-Marketer last year, in 2018 the number of users of this kind of applications will reach 2 billion. It will represent 80% of all smartphone owners. The users of these apps do not want to be swamped with intrusive and annoying advertising; instant messaging offers a secure and “private” space. Thus, the challenge will be to find a way into this space where the audience already feels comfortable and where brands can speak with direct messages—personalised and relevant–.

Companies can start personalised real time conversations with consumers and invite them to ask questions and get in contact directly. They can also create competitions such as the one from the Israeli chocolate company Klik, in order to actively involve consumers in an entertaining manner.

The geolocation of the messaging apps will allow brands to send messages with offers or new products to specific groups depending on their geographic area or proximity to a store. In the e-commerce field the brands may team up with these messaging platforms so that users receive notifications about their purchases directly without having to access the app. One successful case is KLM’s, which sends booking confirmations, flight status information and even boarding passes through Facebook Messenger. The most important brands are already on the lookout for a way to ease themselves into this direct communication space in order to offer services that are even more personalised and relevant to the users.

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10 https://www.youtube.com/watch?v=Bcxm753Zjcg
11 http://www.thedrum.com/opinion/2016/11/24/three-innovative-strategies-which-could-transform-your-marketing-communications
12 https://www.sprinklr.com/the-way/the-messaging-app-marketing-revolution/
7. The New Role of Brand YouTubers

YouTube is eleven years old and is the third most visited site in the world after Google and Facebook—with billions of users. It exceeds 120 million video views each month and although many are determined to define it as the new television, Youtube is an alternative in its own right. It is a new channel with its own characteristics, language and its unique stars, the ‘YouTubers’.

While we can mention some of the most famous names such as El Rubius, Luzu, Patry Jordán and Auron Play who have millions of viewers among the teen audience in Spain and Latin America. There are YouTubers for all ages and audiences. From the famous Verdeliss, who by broadcasting herself giving birth has become a leading figure in the community of expectant mothers; to the untouchables Sara Sabate and Grace Villarreal in the beauty and fashion areas. However, what is the balance between YouTubers and the brands? Where is the limit so that this golden eggs hen does not collapse and end up a broken toy?

The relationship between ‘YouTubers’ and the brands is complex. For many YB’s, companies are an important source of income (to compensate for the limited amount of money they earn from YouTube). However, at the same time they are careful to keep their distance because they do not want to prostitute their channel and lose the authenticity that has allowed them to gain credibility among their followers. In order to be able to survive among the growing competition, it is crucial that they maintain their style and play with real time creation. This will occasionally collide with the interests and protection that the brands logically want to exercise.

With all these pros and cons, the analyses indicate that Youtube and the YouTubers will continue to be a trend and create plenty to talk about in the generation of stories, content for future generations, and thus, for the brands. Like any brand communication that aspires to generate long-term trust, the handicap in managing Brand YouTubers will lie in finding that difficult balance between spontaneity and the provision of valuable content by the brands.

8. The Phigital Experience

The combination of a greater number of mobile devices per person, the boom of hyper-connected devices, along with the possibilities offered by augmented reality, virtual reality, 3D printers and other...
devirtualisation elements, means that we are living at a time when any experience, event, action or approach is not understood to exist without a physical element connected to the digital or vice versa.

Today’s consumers have almost become consumers of experiences more than products. These experiences, especially communication-related ones, require a coexistence of digital and physical environments. They are capable of connecting the different points of contact throughout a Customer Journey or in the communication processes.

Sectors such as real state, automotive and fashion are increasingly incorporating experiences that enrich the buying process but simultaneously facilitate it. This ranges from using virtual or augmented reality to demonstrate the possibilities of a house to—a as Volvo did—allowing us to drive a car from our home with virtual reality. And let’s not forget Massimo Dutti’s contribution of completely virtual and interactive stores for launching some of its latest campaigns.

However, the most important thing of all is that the process is occurring in two ways: digitalising the physical and providing a physical element for the digital. According to Mindtree⁴, 70% of consumers in the United Kingdom stated they prefer a buying model that combines the digital and physical experiences, compared to 5% who prefer only digital, and 20% who prefer physical. This change is being seen in companies such as Amazon. With their recent announcement that Amazon Go combines technology and the physical shopping experience to reinvent the supermarket of the future.

CONSUMER ENGAGEMENT TRENDS FOR 2017

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