

Setting the scene for 2013

Thoughts from the Media,
Marcomms & Technology team



SPA
Future
Thinking

Five themes for 2013



As Christmas 2012 starts to become a distant memory we're turning our attention to 2013, thinking about those all important holiday dates and perhaps wondering what the new year might bring.

Here at SPA Future Thinking we've been spending our time talking to a lot of consumers about the technologies they're using, the content they consume and what they want out of the companies they deal with.

So we thought we'd share with you a few of our thoughts from the Media, Marcomms and Technology team on some of the key themes we expect to be hearing about in our research in 2013.

1. Thrifty Times
2. Big Society
3. Minimalism
4. Less Voice More Noise
5. Distracted Britain



1

Thrifty Times



1 Thrifty Times



So the 'Value Christmas 2012' is out of the way and you can relax knowing that you've done your bit for the economy in buying your loved ones the perfect gift without breaking the bank.

With economists predicting slow growth and declining real household income set for the next few years it's hard to know how and where consumers will spend their money in 2013. However, we can be sure consumers are going to be a lot more thrifty about parting with their cash!

At the same time companies can't rely on economic growth and consumer confidence to increase revenues, so many will be looking to stretch their budgets further than before and develop ways to get greater return on investment without hitting margins.

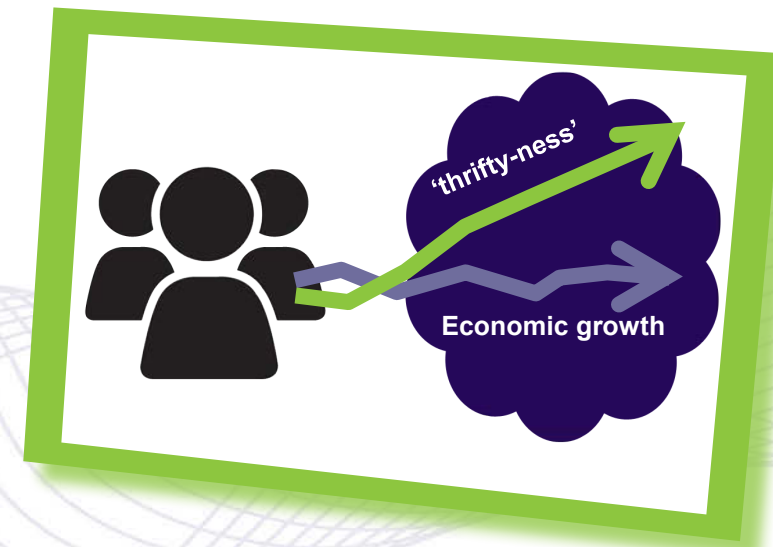
Maintaining loyalty is as much about getting the basics right as it is about surprising and delighting customers.

So with more rational minded customers, ensuring a product hits the value equation in their mind will become more important without compromising on quality.

As more companies look to real-time marketing to attract customers we expect 2013 to be the year when tailored messages and offerings become more mainstream as companies look to utilise the data they have on customers.

Companies will need to work harder to engage customers on an emotional level too. The emotional aspect remains an important part of the value equation.

Maintaining loyalty is as much about getting the basics right as it is about surprising and delighting customers. This is what some brands like O2 have been doing for a while but we're seeing an increased focus on this across a wide array of categories.



Our research has helped highlight the benefits on loyalty schemes in driving improved advocacy. In a time when brand recommendations strongly influence purchasing, surprising and delighting customers can retain and help attract new customers.

2

Big Society

The power of communities



2 Big Society



Companies are increasingly utilising the power of 'big society' – be that consumers looking for a bargain, or companies rewarding customers to act as brand ambassadors.

Whilst companies such as Groupon have been around for a while now to enable cheaper price through bulk buying power, we are starting to see more companies embrace the power of groups to build brands.

This community building has many advantages making the job of marketers easier as customers promote brands for rewards.

Whilst this itself is not new, after all companies have been using trend setters to try and market their products through word of mouth and influence for years, the connectivity of devices and social media opens this up on a much larger scale than before.

We're also seeing this come into the world of research, with companies increasingly placing customers at the heart of decision making by forming communities that generate ideas and can act as undercover agents to explore key issues.

Whether it's design, product development or generating feedback communities have never been more important to businesses looking to thrive.

Crowdsourcing and crowdfunding are viable and cost effective ways to generate money making ideas – whether it's design, product development or generating feedback communities have never been more important to businesses looking to thrive.



3

Minimalism

Less is more

More in Less



3 Minimalism



As digital becomes the default, the traditional boundaries of ownership are blurring. The growth of smart phones and tablets changes the role of technology, as it forces its way into our personal eco-systems.

Behaviours we once associated with certain devices and products are changing. You don't have to wait to get to work to check your emails, your music collection can be accessed anywhere in the world from a single device thanks to the likes of Spotify, and you can now have the power of your games console on your phone should you be so inclined.

Technology is outpacing the market in some aspects. The growth of tablets and car radios with no CD drives changes the concept of ownership as you no longer need to buy CDs to access your content.

Whilst 2013 won't be the death bell for physical products – our research highlights there remains a strong consumer demand across gaming and music platforms – the convenience of digital and phasing out of old technology forces the market to become digital whether the consumer wants it or not.

With the launch of UltraViolet, the digital cloud-based storage solution, the landscape is set to change even more. Amazon has been the first to announce this, with its 'AutoRip' service in the US. So whilst we watch closely the take up, we expect 2013 to be a year of greater adoption of cloud based services as more retailers start rolling out services.

However, with greater adoption can come greater confusion. This is particularly true if the benefits are not easily communicated so that even your mum would know how to use it.



We also expect NFC technology to become more commonplace on smartphones. We're starting to see O2 and Google push their 'wallet' services, so expect that with mass adoption this technology could change our perception of ownership even further – 'wallet, keys and phone' soon you'll only need one of these!

And would this actually make physical products more valuable commodities than ever before? After all the resurgence of vinyl shows that its not all digital!

4

Less Voice, More Noise



Tweeting Seat designed by Chris McNicholl
www.chrismcnicholl.com

4 Less Voice, More Noise



With smart phone ownership at an all time high of 58% and over 1 in 5 of us estimated to own a tablet, devices have changed how we communicate with other people.

An Ofcom report in 2012 highlighted that after years of unprecedented growth in mobile calls the amount of time spent talking on the mobile went into reverse.

The ease of texting and emailing from a device means we're never alone and the need to speak to people is being replaced with written communication such as text, email and social media - though recent figures also suggest text messaging is in decline. This has consequences for how brands interact with consumers

With over 10m active Twitter users in the UK and 80%¹ accessing Twitter via mobile there is a great collective power. Our own research highlights that users tweet on average 11 times a week compared to just over 4 posts a week on Facebook² making Twitter a powerful medium.

This is particularly important when considering 90% of consumers trust recommendations from people they don't know online and 70% trust consumer opinions posted online³.

Some companies have been good at harnessing the positive power of recommendations; take the example of the Special K 'Tweet shop' where shoppers got free crisps in return for tweeting reviews online.



Given the ease at which people can use social media to comment on brand experiences it is important for companies to treat this feedback appropriately.

More companies are looking to a Voice of the Customer solution to capture a real time customer sentiment to enable reactive engagement.

This also has implications for brands who rely on traditional call centre touchpoints. With smartphones and tablets set to account for a greater share of customer service traffic moving forward, companies will need to adapt to make their online touchpoints more inclusive so that social media and apps are not just another silo, but a fully integrated part of the CRM system.

¹ Source: Guardian <http://www.guardian.co.uk/technology/2012/may/15/twitter-uk-users-10m>

² Source: Essential Eye data May-Jul 2012 (3000 online adults)

³ Source: Business zone: <http://giff.ly/md0s0B>

5

Distracted Britain





5 Distracted Britain

Are we ever disconnected from our technology any more? With more devices and more content to consume than ever before, how do you engage with customers when there are more distractions?

We're literally sleeping with our technology as phones become the last thing you see at night and first thing you check in the morning. We are constantly contactable and consuming more...

More devices out there with multimedia capabilities

With smartphone penetration growing at a strong rate reaching 58% penetration in the UK according to Ofcom. Around 22%¹ of households owned a tablet in 2012 (before the Christmas sales are taken into account).



More content available on devices than ever before

With the likes of SkyGo, Netflix, Lovefilm and iPlayer, but also greater access through apps and the internet on the move. Ultra Violet will also open up opportunities to access content you own anywhere at any time.



More capacity to download content on the move

With the rollout of 4G, the cloud and wider availability of fibre optic broadband. Though we should add a note of caution as there remains a job to educate consumers on the new technology and benefits.



¹ Source: Essential Eye data Aug 2012 (1000 online adults)



5 Distracted Britain

More multiscreening

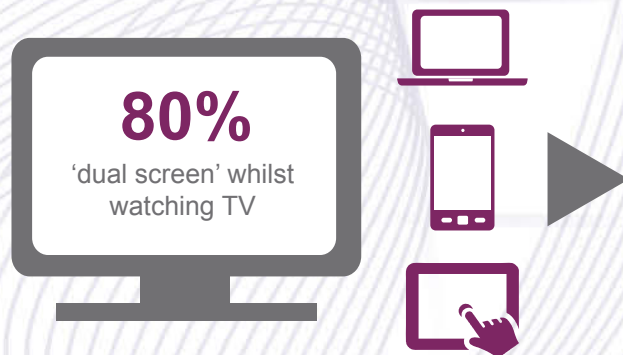
Watching TV is no longer just about watching TV but engaging with programmes in a different way – be that tweeting about the latest baking disaster on the Great British Bake Off, or looking up the sale that's just been advertised, or playing along with guess the price on Antiques Roadshow.

The challenge for advertisers to stand out has never been so tough, but the potential for immediate call to action has also never been greater.

Our research via the Essential Eye shows that around 80% of all online adults multi-screen whilst watching TV with 19% looking up info about what they are watching, and 14% adding comments on social networks about what they are watching.

So, less attention? Or more opportunities to engage audiences?

Brands are already looking for new ways to engage with customers as consumer behaviour changes as a result of technology. Expect to see more 'interactive' TV series as viewers get a chance to influence the programming in front of them - such as with C4's 'Seven Days'.



19%	look up information on what they are watching
14%	add comments on social networks about what they are watching
11%	look up something that was advertised
5%	buy something that is advertised

About the Company



SPA Future Thinking is the result of a merger between a number of specialist agencies in 2010 and 2011, and has developed to become one of the fastest growing and largest independent market research companies in Europe, with more than 200 employees and offices in the UK, France and Italy and a partner network in 38 countries worldwide. With combined industry experience of over 40 years we offer thought leadership across a wide range of specialisms and we provide genuine expertise and understanding across a wide range of industry sectors.

Our knowledge of media and marcomms extends from brand proposition and development, effectiveness of broadcast sponsorship, to researching all forms of today's media.

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About the Author

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Chris specialises in media and technology overseeing some of SPA Future Thinking's key accounts.



Chris oversees large scale tracking projects for pay TV providers across the world, advises high street retailers on changing consumer habits and has run recent projects looking at the role of physical purchasing in the digital age.

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Media & Technology Expertise

We work across all forms of traditional media from broadcast TV and radio, to newspapers, magazines and outdoor. We also have an extensive heritage of working with broadcasters, publishers, production companies, platform developers, websites and mobile operators. Our technology and telecoms expertise extends from an in depth understanding of traditional media into the wider digital environment. From online communications and e-commerce through to user generated content and online broadcast media.

We have conducted projects across a wide range of sectors and have expert knowledge of the key platforms and devices that can be used to access content or communicate.

Recent examples of our work

Pan European study of media consumption habits, particularly looking at the use of the internet for content, communication and commerce.

Online grocery shopper study, including the identification of drivers and barriers, generating an understanding of the online shopper mind-set.

A study to assess the user experience of a telecoms website homepage and provide guidance on how to optimise content, design and user experience.

Segmentation of mobile internet market in order to assess the behaviour, attitudes and needs of the UK audience.

A study to segment the online video market to help our client develop and market their proposed online video.