SPECIAL REPORT

Consumer Engagement trends for 2015

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AUTHOR

LLORENTE & CUENCA

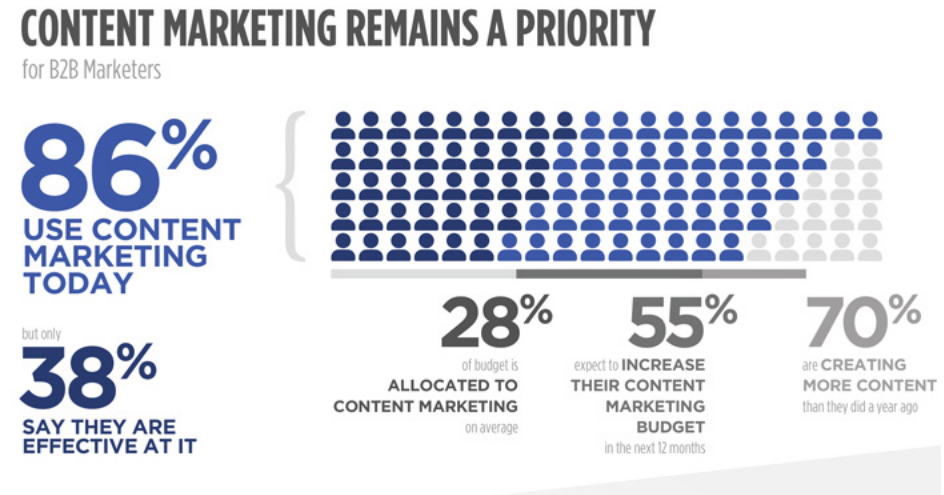
1. INTRODUCTION

2015 will be the year in which the battlefield between consumers and brand will grow. With enterprises increasingly fighting for a greater number of channels and a bigger amount of content within a limited scope of attention, qualitative interactions with consumers will be more valuable than ever before. Some of the **Consumer Engagement** trends established below have been hanging around our saturated digital heads for some time and all the signs are that they will finally take place in 2015. Many are based on technological development to find new linking strategies, but most are built on understanding how content is consumed nowadays. What all of them certainly reflect is the success of a "*consumercentric*" approach in which brands gradually accept a paradigm shift in their communication and marketing strategies, taking an irreversible step from "This is me" to "This is what I offer". These are the predictions of **LLORENTE & CUENCA** regarding the most prominent trends in the field of Consumer Engagement during 2015.

"Content Marketing accounts for 25% of the marketing budget of brands"

2. CONTENT MARKETING HAS COME OF AGE

In the path of transformation, riddled with pitfalls, from traditional marketing strategies to the gradually growing content marketing, many brand strategies creators have learnt the hard way that the point was not to offer the same things with a new name. The proliferation of social media has entailed a new kind of relationship with the audience, more interactive, similar to that of a conversation instead of the usual, divulging monologue-like option. On average, **Content Marketing accounts for 25% of the marketing budget of brands**[1] but this trend will significantly increase in 2015, as **59% of the marketing creators affirm that investment**[2] in this line of communication will be increased during the next year.



Source: Content Marketing Institute

3. AGAINST NOISE, BRANDED ENTERTAINMENT

The term Branded Entertainment has gained importance in the marketing field during the last two years, having its own categories in ceremonies such as the CLIO AWARDS or articles like the one published by **The Guardian** 'Let me entertain you: The rise of branded entertainment'.[3] As brands such as **Red Bull**, **Lego** or **Chipotle** generated cases of success in this category at a worldwide level, the fact that most companies needed to take the steps necessary to go from branded content to branded entertainment became more evident, being one of the few available options in a context of content pollution. Marketing department managers must understand that they do not merely compete among themselves anymore, but above everything, they have to keep up with products of the entertainment industry like **Game of Thrones**, **Breaking Bad** or the **Marvel Universe**; impressive machines to generate social conversation, which made it hard for brand content to stand

1 Content Marketing Institute / Marketing Profs: *2015 B2C Content Marketing Benchmarks, Budgets and Trends* in www.slideshare.net/CMI

2 Content Marketing Institute / Marketing Profs: *2015 B2C Content Marketing Benchmarks, Budgets and Trends* in www.slideshare.net/CMI

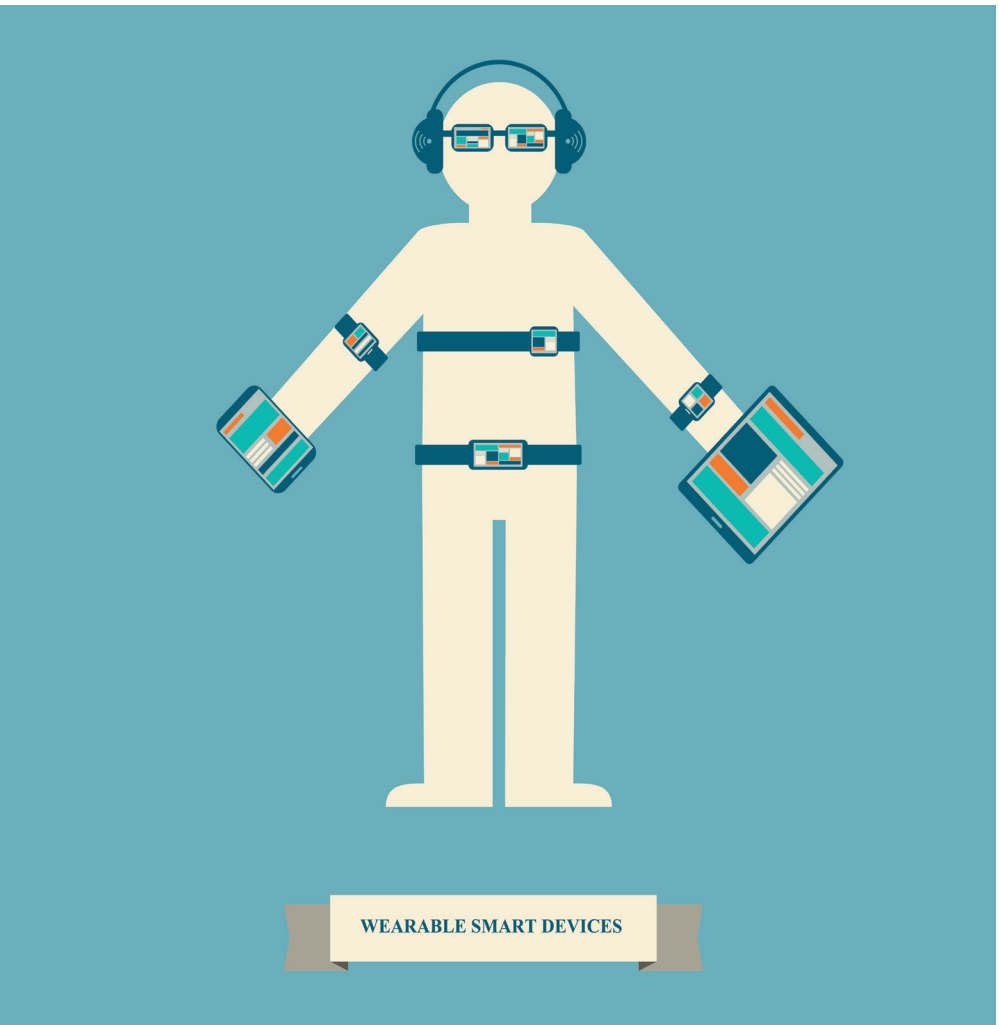
3 Rose, Jonny.The Guardian: 'Let me entertain you: The Rise of Branded Entertainment' in www.theguardian.com

"On out of five people will use wearables by 2015"

out in the past, and entailed a feeling of inferiority due to its commercial object. Having these entertainment tools will allow brands to generate content focused on consumers' interests in 2015. Thus, they will finally become part of the leisure, amusement and entertainment industry of the future. **74% of the consumers say that they cannot avoid feeling frustrated with irrelevant content**[4] from brands, which, for too long, has transformed YouTube into a necropolis, with content that generated no interest, created with the urgency of carrying out content policies at all costs, and not with the objective of entertaining. The social noise will continue to grow within the next year, and the objective will be to find new ways to stand out within this noise and conquer the attention economy of consumers and entertainment will be the spearhead to attain the objective.

4. HARDWARE RETURNS TO POWER

From the USD 750 million of 2012, wearables will generate 5.800 million in 2018[5]. Meanwhile, certain brands have been using them in quite successful strategies such as **Nike + Fuel Band** in the field of running, which entailed the development of more complete brand experiences. **On out of five people will use wearables by 2015**[6]. Therefore, notwithstanding early adopters, the popularization of *smartwatches* on the first place and smartglasses on the second will ensure the creation of a new range of opportunities to generate more advanced and personalized content and interactions. **3D printers**, even without the user penetration rate potential of *wearables*, will also become a clear trend, with



4 Wheelhouse Advisors: "*10 Marketing predictions for 2015*" in www.wheelhouseadvisors.net/

5 Transparency Market Research: "*Global Wearable Technology Market to Be Worth USD 5.8 billion by 2018*" in www.transparencymarketresearch.com/

6 Wheelhouse Advisors: "10 Marketing predictions for 2015" in www.wheelhouseadvisors.net

a growing prediction of 98% in 2015, which will double again in 2016[7]. Its industrial use will grow in parallel in fields such as the food or design sectors.

5. COMMUNICATION MOVES

"According to Forbes, by 2017, 87% of the devices connected to the network will be tablets and smartphones"

In 2015, mobile devices will definitely outnumber computers, according to Morgan Stanley. Tablets and *smartphones*, together with the aforementioned development of *wearables*, will pose a new challenge for brand communication, but above everything, will generate an opportunity in which content geolocation and accessibility will create experiences which were unthinkable in the past. According to Forbes, by 2017, **87% of the devices connected to the network will be tablets and smartphones**, while investment in communication through small devices will increase seven times faster than in the case of computers. E-commerce will also expand vastly, thanks to the mobility of these devices, with mobile payment becoming a mainstream trend which generated, for example, **a third of all online sales in the United States during last Black Friday.**[8] On the other hand, communication tools that have not been commercially exploited yet, such as WhatsApp, pose challenges for brands, since they are excluded from the conversation regarding them that takes place in these areas.

6. NO VIDEO, NO GAIN

We live in the golden age of audiovisual content. In the last years, few social platforms have been as disruptive to their environment as YouTube, democratizing access to both content and distribution. The truth is that videos are the content tool par excellence, even **increasing brand sales by 174%**[9] and becoming a basic tool both for social conversation, retail and e-commerce. This is a content format that convinces both users and professionals, as **75% of executives admit consuming online videos at least once per week, 50% of them in Youtube**[10]. In this sense, the challenge for brands in 2015 will be more related to the creation of relevant content than to ad payment, although in the latter the trend will be to create revenue per viewing time and **Google** estimates that 50% of online advertising will be through videos. **YouTube** is

7 Gartner: "Top 10 Strategic Technology Trends for 2015" in www.gartner.com/newsroom

8 BrandingBrand: "1/3 of Black Friday Online Revenue Was Mobile"in www.blog.brandingbrand.com

9 Wheelhouse Advisors: "*10 Marketing predictions for 2015*" en http://www.wheelhouseadvisors.net/

10 Wheelhouse Advisors: "*10 Marketing predictions for 2015*" en http://www.wheelhouseadvisors.net/

already the second search engine in the world, behind **Google**, although the challenge for the website will be to bring back to its domains the social dialogue taking place in other networks in relation to YouTube content. At the same time, **Facebook** and **Twitter** are gaining importance with its own video strategies which seek the exact opposite of the aforementioned strategy. In either case, videos win.

"There are few better ways to encourage interaction, generate involvement and boost excitement than the freedom degree achieved within the gaming universe"

7. BUSINESSES AND CONSUMERS: LET´S PLAY

Some pioneers such as Jane McGominal already announced it in 2010: If we were to use the time we spend playing World of Warcraft trying to solve real problems, we would be able to change the world. Gradually, *gamification* has transformed the way in which leading companies interact with consumers and employees. 2012 will be their year. Forbes estimates that, over the next twelve months, **over 70% of the businesses in their Global 2000 ranking will be investing in *gamification* techniques**. This means that the mere 100 million invested in 2011 will surpass the 2.8 billion mark in 2016[11]. Beyond these figures, what is undeniable is the fact that the gaming world is a field of potential engagement which brands are identifying as an opportunity. There are few better ways to encourage interaction, generate involvement and boost excitement than the freedom degree achieved within the gaming universe. Brands such as Nike, Starbucks, Chipotle, McDonalds, Coca Cola and Magnum have already worked in this field with excellent results which are working as an incentive to further develop an industry that will finally expand in 2015.

8. COMMUNICATION BECOMES EXPERIENCES

Beyond the fact that the our devices will experience an enhancement in the degree of *experientiality* of content actions thanks to *geolocation*, personalization or augmented reality experiences, the challenge brands will have to face is generating physical

11 Online Business School: "Mercado Global del E-learning" in http://www.obs-edu.com/

experiences in our daily lives, which have an impact in our belief system through our senses. In this line, retail is a source of opportunities which will have to increasingly base itself on *neuromarketing* to find the most significant experiential points and boost them. At the same time, brands will further develop the relationship with potential clients towards a *devirtualization* of its digital strategies, based on experiential matters to generate a feeling of remembrance which fosters loyalty towards a specific positioning.

9. EMPLOYEES, ENGAGEMENT TARGETS

The number of engaged employees after the first six months of work does not even reach 60%[12]. The basic problem is knowing what is being done for the remaining 60% that, in such a short period of time, have already dropped their commitment level towards their employer. In this sense, an increasing number of employers must re-use techniques which were first utilized on consumers, but by developing them towards employees. This is the aforementioned case of *gamification*, which creates great opportunities by generating employee engagement dynamics, but also video as a relationship tool or *experientiality* as a means to create deeper relationships.

10. ARE YOU IN THE CONVERSATION? RIGHT TIME MARKETING

How many times do we see brands committed to launch topics and *hashtags* that do not go beyond their area of interest? From attempts to generate further discussion, the challenge for companies in 2015 will be, more than ever, to capitalize on existing conversations based on a contribution of value. According to Chris Kerns and his book ***Trendology***, brands that *use Right Time Tweets* receive 400% more RT and 421 % more FAV than their average per tweet.[13]

In that sense, will become increasingly important active listening, necessary to detect issues that may be of interest, but also the creation of rapid reaction structures within brands and an increasingly refined mix between planning and improvisation. Proof of this would be 1200 % of RT per follower that a brand experiences when tweets unexpectedly during important events.

What is even more fascinating is the increasing capacity of some brands to generate very

"From attempts to generate further discussion, the challenge for companies in 2015 will be, more than ever, to capitalize on existing conversations based on a contribution of value"

12 AON Hewit: "*2013 Trends in Global Employee Engagement*" in http://www.aon.com/

13 Kerns, Chris. Trendology. 1º Ed. Estados Unidos: Palgrave McMillan. 978-1137479556 in www.marketingland.com/real-time-marketing-really-work-new-book-says-yes-data-prove-106590

"Native advertising is an option that links the media with a reality of brand journalism, which left them outside in the past"

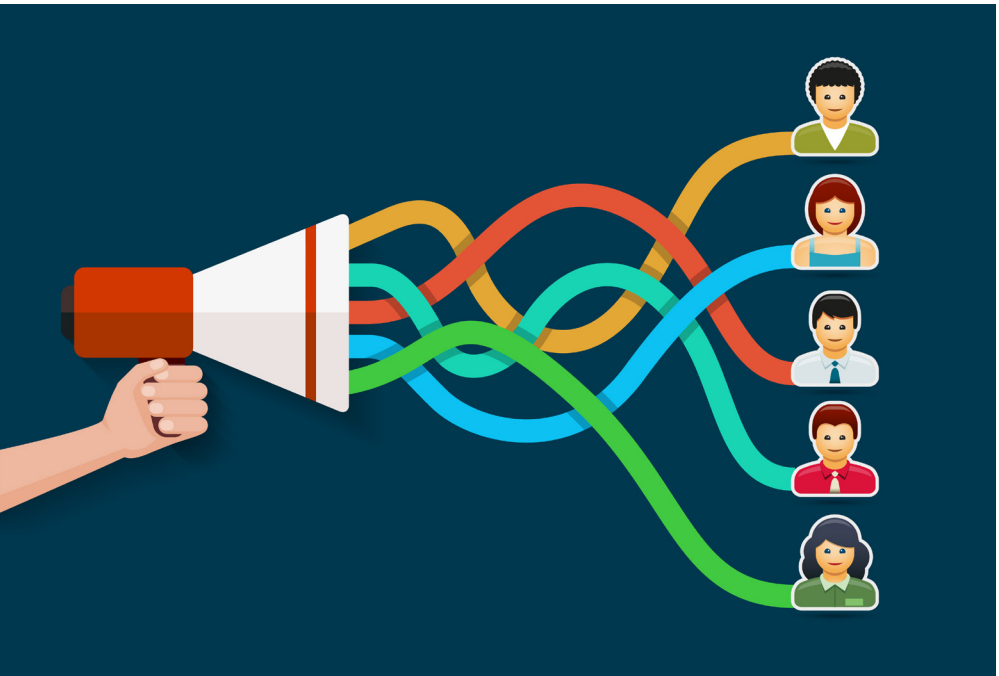
specific actions from social conversation. That is the recent case of **Airbnb** when they react to the case of a **Waterstone** client who was locked inside a bookstore and asked for help by twitter. **Airbnb** responsible then proposed through the same social network to **Waterstone** to create a contest in which participants would voluntarily stay reading at a bookstore of the group overnight. The future lies in knowing how to detect such opportunities and turn them into actions relevant content.

11. MEDIA SPEAK IN THEIR NATIVE LANGUAGE

Despite arising suspicion in journalistic sectors and skepticism in advertising makers, native advertising will be one of the most obvious investment options for brands in 2015. Compared to the pure model of advertising exposure, **native advertising** is an option that links the media with a reality of brand journalism, which left them outside in the past. **By 2015, investment in Native ads will reach USD 4.8 billion**, which translates into an increase of 34% and, according to the estimations, it will reach 8.8 billion by 2018[14]. Archetypal cases like **Look Ahead** by General Electric together with **The Economist** have shown that stable collaborations between prestigious media groups and brands is not only possible, but may generate significant added value for audiences. The most advanced media, such as New York Times, The Guardian or The Economist seem to have understood that native advertising is not about converting the structure of classic infomercials, but finding new ways to tell stories at the intersection between journalistic credibility, commercial interest and entertainment. In 2015 we will witness whether the remaining ones are able to follow their path.

12. BIG DATA FOR MICRO TARGETS

According to the estimations of Gartner, **Big Data will generate USD 232 million spending by the end of 2015**. A greatly growing industry in which 70% of the volume is generated from individuals, while 80% is stored and managed by businesses.[15]



14 Sebastian, Michael. Ad Age: "Native Ad Spending To Jump Despite Marketer Reservations" in www.adage.com

15 Computer Sciences Corporation: "Big Data Universe Beginning to Explode" in www.csc.com

This industry will create 4.4 million jobs in 2015 to support its management, based on the analysis of data matching that allows companies to know more about our tastes. The era of Big Data is also the era of audience atomization; therefore, personalization will become more prominent in the relationship with consumers. On one hand, there are 73% of the consumers who are willing to provide personal information in order to obtain some kind of revenue[16], on the other, 94% of the businesses consider content personalization to be essential, although some of these companies might not use it[17]. In 2015, data interpretation and content personalization will be key to conquer micro targets.

13. THE ERA OF COLLABORATIVE ECONOMY

Collaborative economy, currently significant given the disruptiveness it brings to the business systems established in our society, has a development potential and is yet to be explored. Nowadays known for a range of services and start-ups based on P2P exchanges with an important technological base, collaborative economy seems like a complete alternative socioeconomic system based on collaboration and sharing as cornerstones of a new way of understanding business relationships. **The potential of collaborative economy stands at USD 110 billion**, according to MIT. Individuals are at the center of this new era in which, beyond the creation of alternative business models, co-creation will play a key role in the relationship between existing brands and consumers or businesses and workers; but it should also play an important role in the relationships in which confidence crisis are even more prominent, as, for example, the one existing between citizens and institutions.

16 PWC: "*The speed of life: Consumer intelligence series*" in www.pwc.com

17 Forrester Consulting: "*The Personalization Imperative*" in www.siteworx.com/news/2014/articles/personalized-experiences-key-to-increasing-conversions

AUTHOR

David G. Natal is Head of Consumer Engagement Area in LLORENTE & CUENCA. Graduated on journalism by Complutense University. He has worked in medias such as El Mundo or Cadena Ser and in the press department of Círculo Bellas Artes in Madrid. Before leading the Consumer Engagement Area in LLORENTE& CUENCA he had run for seven years communication campaigns for brands such as Heineken, Red Bull or Movistar from his position as Manager in the PR Agency Actúa Comunicación, where he leaded a team of a more than ten people. He is also one of the founders of the cultural and trendy website www.numerocero.es and of the content production company of the same name.

dgonzalezn@llorenteycuenca.com

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Organisation

CORPORATE MANAGEMENT

José Antonio Llorente
Founding partner and Chairman
jallorente@llorenteycuenca.com

Enrique González
Partner and CFO
egonzalez@llorenteycuenca.com

Jorge Cachinero
Corporate Director for Innovation
jcachinero@llorenteycuenca.com

SPAIN AND PORTUGAL

Arturo Pinedo
Partner and Managing Director
apinedo@llorenteycuenca.com

Adolfo Corujo
Partner and Managing Director
acorujo@llorenteycuenca.com

Madrid

Joan Navarro
Partner and Vice-President of Public Affairs
jnavarro@llorenteycuenca.com

Amalio Moratalla
Partner and Senior Director
amoratalla@llorenteycuenca.com

Juan Castillero
Financial Director
jcastillero@llorenteycuenca.com

Lagasca, 88 – planta 3
28001 Madrid (Spain)
Tel. +34 91 563 77 22

Barcelona

María Cura
Partner and Managing Director
mcura@llorenteycuenca.com

Muntaner, 240-242, 1º-1ª
08021 Barcelona (Spain)
Tel. +34 93 217 22 17

Lisbon

Carlos Matos
Founding Partner and Managing Director
cmatos@llorenteycuenca.com

Madalena Martins
Founding Partner
mmartins@llorenteycuenca.com

Rua do Fetal, 18
2714-504 S. Pedro de Sintra (Portugal)
Tel. + 351 21 923 97 00

LATIN AMERICA

Alejandro Romero
Partner and Latin American CEO
aromero@llorenteycuenca.com

José Luis Di Girolamo
Partner and Latin American CFO
jldgirolamo@llorenteycuenca.com

Antonio Lois
Regional Director of Human Resources
alois@llorenteycuenca.com

Bogota

María Esteve
Managing Director
mesteve@llorenteycuenca.com

Germán Jaramillo
Chief Executive
gjaramillo@llorenteycuenca.com

Carrera 14, # 94-44. Torre B – of. 501
Bogota (Colombia)
Tel. +57 1 7438000

Buenos Aires

Pablo Abiad
Partner and Managing Director
pabiad@llorenteycuenca.com

Enrique Morad
Chief Executive for the Southern Cone
emorad@llorenteycuenca.com

Av. Corrientes 222, piso 8. C1043AAP
Ciudad de Buenos Aires (Argentina)
Tel. +54 11 5556 0700

Lima

Luisa García
Partner and CEO of the Andean Region
lgarcia@llorenteycuenca.com

Cayetana Aljovín
General Manager
caljovin@llorenteycuenca.com

Av. Andrés Reyes 420, piso 7
San Isidro. Lima (Peru)
Tel. +51 1 2229491

Mexico

Juan Rivera
Partner and Managing Director
jrivera@llorenteycuenca.com

Bosque de Radiatas # 22 – PH7
05120 Bosques las Lomas (México D.F.)
Tel. +52 55 52571084

Panama

Javier Rosado
Partner and Managing Director
jrosado@llorenteycuenca.com

Avda. Samuel Lewis. Edificio Omega, piso 6
Panama City (Panama)
Tel. +507 206 5200

Quito

Catherine Buelvas
Managing Director
cbuelvas@llorenteycuenca.com

Av. 12 de Octubre 1830 y Cordero.
Edificio World Trade Center, Torre B, piso 11
Distrito Metropolitano de Quito (Ecuador)
Tel. +593 2 2565820

Rio de Janeiro

Yeray Carretero
Director
ycarretero@llorenteycuenca.com

Rua da Assembleia, 10 – sala 1801
Rio de Janeiro – RJ (Brazil)
Tel. +55 21 3797 6400

São Paulo

Juan Carlos Gozzer
Managing Director
jcgozzer@llorenteycuenca.com

Rua Oscar Freire, 379, CJ 111, Cerqueira César
CEP 01426-001 São Paulo SP (Brazil)
Tel. +55 11 3082 3390

Santiago de Chile

Claudio Ramírez
Partner and General Manager
cramirez@llorenteycuenca.com

Avenida Vitacura 2939 Piso 10. Las Condes
Santiago de Chile (Chile)
Tel. +56 2 24315441

Santo Domingo

Alejandra Pellerano
Managing Director
apellerano@llorenteycuenca.com

Avda. Abraham Lincoln
Torre Ejecutiva Sonora, planta 7
Santo Domingo (Dominican Republic)
Tel. +1 8096161975

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