



# 11 for 2011

## Top 11 DIGITAL PREDICTIONS for 2011

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Millward Brown's Global Futures Group identifies  
the hottest digital trends for the new year

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BRANDS WILL JUGGLE THEIR  
PRESENCE IN THE

# Splinternet

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The internet will continue to splinter into a two-tier model of the public open Web and semi-walled gardens (social networks like Facebook, Diaspora, Pip.io and Web sites that are only accessible by members or private groups). Application ‘gardens’ are popular because they allow marketers to control and simplify consumer interactions. However, brands will increasingly need to develop and tend multiple gardens, often building different applications for specific platforms, such as Facebook and the iPhone, to ensure they are where their market wants to encounter them.

When deciding what to plant in which garden, brands must decide whether to have an integrated or discrete strategy. Should there be different offers on Twitter or Facebook than on the brand Web site? Despite the immediacy of Twitter and the opportunity of interaction in Facebook, the open Web — brand Web sites and other general Web sites — is still relevant for more in-depth brand encounters.

Despite the growth of these gardens, not everyone owns an iPhone or likes Facebook, and with brands such as [BlackBerry opposing this world view](#), it's too early to yet write an epitaph for the open Web.

We predict that brands will struggle in the short term, but experience and research will gradually help marketers pull the pieces of the puzzle together. Millward Brown and Dynamic Logic are conducting ever more research into the role and value of apps and fan pages, and how these work best alongside ad campaigns and brand sites. This learning will gradually help brands more confidently manage the various gardens of the Web.

# EVOLUTION OF Online shopping

AS AUGMENTED REALITY  
TECHNOLOGIES BRIDGE  
INTANGIBILITY GAP

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Despite fears around disclosure of personal information, online shopping will continue to grow strongly in 2011 thanks to its unmatched convenience and efficiency. Many countries will follow the US and China in their enthusiastic uptake of collective buying services like Groupon. Fuelled by their love of a bargain, there are more than 500 of these sites in China. The fervor of online shopping in China has also given rise to many other e-commerce models: straightforward transactional, reverse auction, Dutch auction ([www.360buy.com](http://www.360buy.com)) and collective buying on bulletin boards, called “Tuan Gou.” For now, the king of the Chinese e-commerce sector is **Taobao**, which is predicted to generate \$90 billion in transactional revenues next year (more than Amazon). While the Chinese love a bargain, an added attraction is the relative dearth of supply at traditional brick-and-mortar stores, especially in smaller cities.

In the UK, mobile apps will be particularly popular, while in India, use of online travel ticket purchasing that helps consumers bypass long queues at stations is expected to grow.

One remaining drawback of online shopping is that consumers can't touch or feel a product. In 2011 we expect brands to use innovative new technologies including augmented reality to help bridge this “intangibility gap” and keep the shopping process fresh and exciting. The **virtual fitting room from Fashionista** is a great example of a practical tool which also incorporates a social media element so that Web users can start to enjoy window shopping with friends.

# Online display

EXPLODES OUT OF ITS BOX

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Marketers will increasingly attempt to deliver branding messages within the ad itself using expandable formats and interactive features, which often replicate part of the experience of a microsite or social media page. In line with this objective, display formats are constantly transforming and many new formats are emerging. Here are a few we think are likely to catch on more widely in 2011:

**Double teaming.** Media planners are finding neat ways to combine multiple formats on the same page. Background wallpaper ads can enhance the impact of regular banners with the same look and feel. These combinations can also be interactive, such as the [Tipp-ex hunter shoots the bear ad](#) where the video interacts with the display ad on the page.

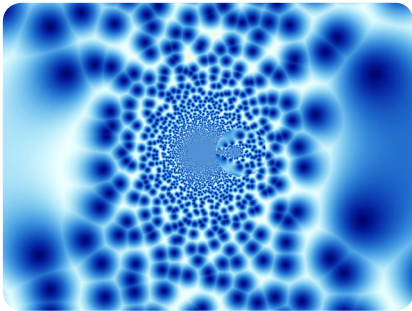
**Slide-up formats** use small but intriguing imagery to capture attention. Once the viewer rolls over the ad it then expands into an overlay or full-page ad that can include video.

**Social titbits.** Marketers seeking to integrate banners with their social media campaigns are increasingly incorporating a taster of live social activity, such as their Twitter feed. Among other display predictions, Google recently claimed that **75 percent of all ads will be social in nature by 2015**.

# Viral Video

NO LONGER AN AFTERTHOUGHT

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Viral potential is no longer considered a nice-to-have, but more frequently becoming a key success criteria for any new communications idea. If advertisers don't believe their ideas will 'travel,' they are less likely to be developed in the first place. At Millward Brown this is resulting in more viral-potential research, not just with finished film videos, but also during early-stage creative idea development.

Viral planning is an increasingly important element of digital campaign planning. One way that planners can help their videos to go viral is to promote them in a viral environment. [Our new YouTube research](#) shows that paid online promotion generates a 'free' incremental viral bonus over and above the paid views.

Planners are also benefiting from more readily available viral measurement, which means they can track progress in real-time, and make media adjustments accordingly. In 2011, sophisticated new services such as Kantar Video will be used more often, allowing marketers to track progress of both viral and paid video in real-time and make media adjustments accordingly.

However, while higher traffic volumes and better measurement tools are making life easier, the creative challenge could get ever harder as each new viral hit raises the bar of consumer expectation. Advertisers may need to be more distinctive than ever if they want to be 2011's "Old Spice" success story.

MORE "MADE FOR WEB"  
Online display  
CONTENT



Online video advertising spend is still growing and expected to grow further. Some forecasters are predicting global growth of over 50 percent in the coming years, since it is still a relatively new and emerging medium in some developing Web markets. In the US, eMarketer is predicting that online video ad spending will jump from \$1.5 billion in 2010 to \$2.1 billion in 2011.

Growth is partly being driven by brands becoming smarter in how they use online video paired with display. Growth is also likely to be driven by ever more mobile video consumption, via smartphones and tablet devices. High-quality mobile video viewing environments, such as the TED iPad app, could become very desirable video advertising locations.

Perhaps the most interesting development in 2011 will be the roll out of Google's TrueView advertising format, which puts users in control and allows them to skip ads they don't find relevant. If they are successful in finding a format that both users and advertisers (who only pay for viewed ads) can accept, this may finally enable YouTube to take full advantage of their huge viewing figures, and make inroads into Hulu's significant lead in online video advertising revenues.

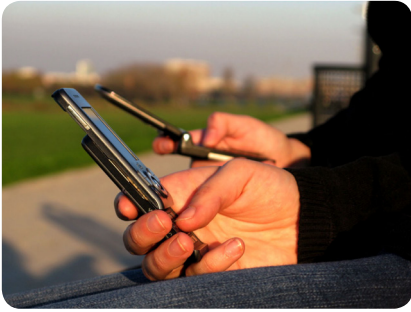
**Recent research from Dynamic Logic** has compared made-for-Web video content to repurposed TV ads and found that made-for-Web video is better for persuasion, while repurposed TV ads worked well in generating awareness for brands. We hope this will lead to more considered decisions about online video creative in 2011.



# MORE Mobile EYEBALLS

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Marketers will take advantage of the improved performance capabilities of mobile devices that mean more people are online, more of the time, and allow for better mobile ad experiences.

There will be a stronger demand for the higher-end phones — IDC predicts the smartphone market will grow by 24.5 percent during 2011. Nokia remains the number one smartphone vendor, but their Symbian operating system is facing considerable competition from Android. Apple, with its continued focused on innovation, non-exclusivity with carriers, and a passionate customer base, will open up a larger gap on RIM's BlackBerry.

Mobility will be further increased by devices such as e-readers and tablets. The iPad adoption rate has already surpassed the iPhone at its launch in 2007 and sales are expected to reach 11 million in 2011. The expansion of the market with other tablets, including the Samsung Galaxy Tab, BlackBerry Playbook and other tablets will help expand the market, especially for business use. At a lower price point, e-readers like the Kindle will also remain popular.

Mobile advertising budgets will increase significantly over 2010 and the brand impact achieved from mobile will continue to outperform online through 2011.

# BRANDS FIND THEIR PLACES WITH Geo-location

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Geo-location services have already expanded from last year, thanks to the growing number of consumer services. Today, geo-location is all about ‘checking in,’ but 2011 will provide a more rewarding experience once the user has checked in. We expect to see more detailed and dynamic information than just tips and a list of who else has checked in. It also seems likely that there will be a significant development in “check-out” features (e.g. suggested activities/venues of where to go next).

We also expect to see growth in check-in rewards. This will significantly increase the size of the deals and discounts available to consumers. Apps such as **Shopkick** automatically award points/promotions upon entering a store. Shopkick is already live in stores like BestBuy, Macy’s, and American Eagle Outfitters.

The arrival of **Facebook Places** will be helpful for brands, for example to identify whether they should have a greater retail presence in a different location. More brands will use location as an app feature e.g. tailoring their services based on location as Flixter does; as a communication platform e.g. **MTV’s *Get yourself tested* campaign on foursquare**; as the key to a deal via **Facebook’s Deals** application and as a connection with loyalty card data — **Tasti D-Lite** was one of the first brands to do this via foursquare.



# Search:

INCREASING PERSONAL, MOBILE  
AND IMPACTFUL.



Consumers will trade privacy for relevance. Links with social media profiles, search history and behavioral segmentation allow greater search relevance for users prepared to share this information with search engine providers. Although Google's Social Search hasn't really taken off in 2010, Bing's recently announced Facebook tie-up might have greater impact in 2011. This could also lead to a similar Twitter deal for either Bing or Google in the future. Eventually, brands with strong social media campaigns may start to see the benefits of this feeding through into an improved search standing.

Mobile search will make further gains as developers take full advantage of the unprecedented breadth of information available and consumers realise the benefit of searching via applications such as Google Maps. The competition for placement in these geographic search results is something that retailers and small local brands look set to gain most from.

Mobile apps offer opportunities for companies to design very niche, vertical search interfaces that circumvent the search giants. **Orange Wednesdays** is a recent cinema listings example.

Smart technologies such as picture-based search (**Google Goggles**), voice search (part of the Android API) and barcode scanning apps will increasingly link mobile offline experiences with online information sources.

Search results will become more visually impactful and ever more similar to display. An example of this evolution is Bing's "more info" roll-over previews. Google's recently launched "Instant" results will also increase the overall number of impressions served, particularly for big brands.

# Gaming

## ON THE MOVE

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The recent **launches of Sony's Move and Microsoft's Kinect** have provided a new lease of life for PlayStation and Xbox consoles, and will drive further innovation in game design during 2011.

Meanwhile, casual gaming, driven strongly by the capabilities of Apple's iPhone and iPod touch, is likely to grow further as these gamers continue to feed their app-snacking habits, and developers take full advantage of the larger iPad interface.

Social games remain very popular, reflected in the fact that the largest social gaming company, **Zynga now has a greater stock market value than Electronic Arts**. Growth in the use of social games is likely, assuming new titles can build on the success of FarmVille and Mafia Wars.

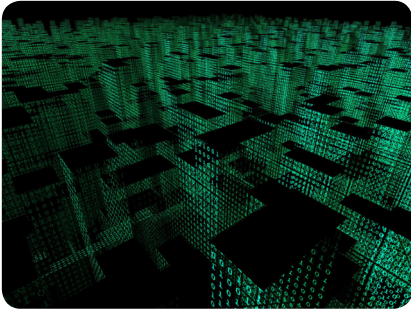
Our only concern is that the sociability of an individual gamer is a finite resource. After the initial flurry of excitement around tweeting scores or posting game updates, this can quickly become old. Unless a game integrates a real reason for people to be sociable, they may start to reserve their sociability for online activities where it's more meaningful.

Research from Dynamic Logic has revealed that brands can benefit from in-game branding where it's seen to be relevant, and we predict this to be a growth area in 2011. We hope to see more branded games with a clear purpose, such as the **Reckitt Benckiser powerRBrands app on Facebook**, which allows potential employees to understand the Reckitt Benckiser approach to marketing.

# 10 Social graphs

WILL MAKE TARGETING  
MORE RELEVANT

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We know relevant social integration will delight consumers, since **a recent Firefly Millward Brown study** has revealed that people are looking for brands in social media to be more relevant to their needs. Facebook, who coined the term “social graph” is set to develop even more uses for it, such as **integration with Amazon** and other sites that allow greater customization and relevance. Other brands are following suit. **Apple’s Ping** builds a social networking layer around your iTunes account. The much-anticipated social platform from Google will follow shortly in some form or another.

People will be involved in the biggest social network (Facebook) because other people are, but increasingly they will be more engaged in other niche networks that appeal to their particular interests. Dynamic Logic’s AdReaction study has shown that consumers continue to find utility in having multiple, separate social identities (e.g. Facebook, Linked In and Twitter). We think 2011 will end up being the year of smaller niche interest or activity-based networks, many of which still take advantage of the Facebook social graph but engage users differently (e.g. foursquare, RunKeeper).

Facebook provides excellent targeting opportunities for brands because of its scale but, to really be effective, sophisticated algorithms are needed to make sense of the complex relationships between people. Without very sophisticated algorithms that target content effectively, it’s possible that the initial concept of the social graph could cave in on itself.

# THE BATTLE FOR Online privacy WILL INTENSIFY

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Marketers will make progress on the development of online transparency frameworks as consumers are increasingly empowered to look under the hood. They will avoid regulatory measures to protect online privacy by enabling users to manage their own profiles and by being clearer about their data models. Examples of these measures include **a self-regulatory program** that has been launched by the online advertising industry in the US where every online ad can have an icon which will open up to reveal profile settings. Despite these efforts, battle continues between regulators and the industry about the scope of personal information that forms the building blocks of online identity.

Trust will become a quantifiable measure as consumers move to ring fence data use. Managing user identities and the sharing of the same with approved commercial partners will become a viable business model. Social media, portals, search engines and telecommunication companies will battle to be the trusted launch platform for “connected everywhere” consumers.

# About Millward Brown's Futures Group

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Millward Brown's Futures Group is a global knowledge-sharing forum of Millward Brown and Dynamic Logic staff, which focuses on the digital trends that will have a significant impact in the next three years.

Special thanks to the following for their contributions to this document:

Christopher Bian	Chris Maier
Bhomik Chandna	Rajith Nair
Laurent Dumouchel	Jennifer Okula
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Christina Goodman	Michal Przadka
Mark Henning	Ali Rana
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