



Top 10 Digital Predictions for 2010

In our discussions about what will happen in the digital marketing industry during the next 12 months, one overarching trend emerged. The basic rules of brand building are just as important for innovations in the digital space as they are for traditional forms of communication. Using new technology won't in itself bring success; digital communications still need to be creative, engaging and relevant if they are to cut it during the second decade of this century. Here are our top 10 trends for 2010.



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.

1 Online display — shiny and new proves attractive to begin...

In 2010, advertisers will experiment with new, larger ad formats. To begin with, these formats may be attractive because they are different and impactful, but the basics of brand building beyond awareness shouldn't be ignored. Some of these formats are likely to prove too intrusive and will make viewers less favorable toward the advertised brand and perhaps even less so toward the Web site where it was served. Other advertisers and agencies will use these formats more cautiously, taking note of creative best practices gleaned from prior work. Ultimately, the next several years will be a period of survival of the fittest for these larger formats. They will morph, some will cease to exist and new versions will emerge and be tested. Most of the new formats will perform very well in the short term. Dynamic Logic has [previously reported](#) the high performance (brand impact) of video ads when they were first introduced. We found that video ad performance, relative to average ad performance, declined over a two year period following introduction as the novelty wore off. We'd expect this to be true for most of the new, larger ad formats and their progeny.

2 Viral video — from art to science

As online video consumption continues to rise, advertisers increasingly value viral viewings as a clear and visible sign that their campaigns are engaging audiences. In response, viral video analytics are becoming sophisticated. YouTube has enhanced their video analytics offer, and companies such as Visible Measures and Unruly Media are providing comprehensive viral monitoring services across multiple online video platforms.

This information will help fuel a more scientific approach to viral campaign planning in 2010. Rather than just place their videos online and hope that an audience will come, advertisers seem likely to invest more in viral seeding strategies. This will see them promoting their videos via online influencers, Facebook video-sharing applications and using targeted, paid placements to fan the viral flames. Advertisers will also become smarter about developing and selecting ads with the most viral video potential before they employ their seeding. New metrics from Millward Brown's Link pre-test can now be employed to help with this process — a recent calibration exercise has identified the creative factors which explain most of the variation seen in levels of viral viewing.



While there are likely to still be more misses than hits in the viral space, the opportunity of being next year's T-Mobile Dance or Evian Roller Babies is something that many marketers will be planning for.

3 Gaming gets socially mobile

The year 2010 is shaping up to be HUGE for gaming. With the holiday service update for Xbox, we are going to see console gaming becoming a lot more social with access to Twitter and Facebook from the console. Games such as *Uncharted 2* already allow you to tweet your progress from within the game and we anticipate seeing these features implemented in more games. Project Natal from Microsoft promises to bring even more interactivity to gaming by playing games using your actual body movements and no controllers — immensely improving on a gaming model created by Nintendo.



The reach of gaming is already significant, with *Modern Warfare 2* the biggest entertainment launch ever, but the social elements are going to make the growth exponential. Gaming is one of the main drivers of Internet growth in China. However, the proliferation of phone games such as *Doodle Jump* for the iPhone, which allows the user to interact with other players, is bringing gaming to the masses.

Perhaps the most promising and category-busting idea appears to be OnLive — a games-on-demand service that allows you to play any console or PC game on your TV or computer, using a browser without the need for a console at all.

Dynamic Logic's research has already shown that gaming can be very effective in increasing brand metrics. As interactivity increases and gaming becomes ubiquitous, we expect more advertisers to enter this space. Some are already realizing the power that games have to influence brands. For example, in the Fall of 2010, Disney will be launching *Epic Mickey* for the *Nintendo Wii*. The game is being used as the first major communication vehicle for a significant repositioning of this much loved global brand. Brand research to assess the return on investment of these games also seems certain to grow.

4 Mobile prepares to take a bite out of online

According to the Mobile Marketing Association, total spend on mobile marketing will grow from \$1.7 billion this year to \$2.16 billion in 2010 in the US alone. Google's \$750m purchase of mobile ad network Admob reinforces that 2010 will be a significant year for mobile. We expect to see more consolidation in the mobile space.

With Apple's iPhone, Google's Android platform and RIM's BlackBerry making the smartphone choices more attractive to consumers and cost of access slowly coming down, we will see mobile web usage numbers increase. The iPhone alone has now reached 57 million units worldwide, the fastest uptake in the history of technology. The real innovation will be increased adoption of the next generation mobile browsers that will help give a more "application" like look and feel to the mobile Web.

Despite the rapid growth of Web-based mobile, it still only reaches a relatively small number of people. However, this niche audience can be particularly attractive to some brands — we have seen many targeting successes. Mobile provides the ability to target by site, phone model, demographics and location, all of which can be useful to advertisers. In addition, Dynamic Logic's normative advertising effectiveness data already suggests that mobile is two to five times better at driving brand metrics than online, and we expect this differential to remain consistent in 2010. All of this means that mobile may well start to take ad dollars which would previously have been spent online. Since it is a new medium, there remains some consumer resistance to mobile advertising, so we expect advertisers will initially favor the soft-sell approach of providing useful content in this space, rather than pushing hard-sell messaging.



5 Here I am. Over here!

The promise that technology would enable automated direct-marketing messages to be pushed to consumers with GPS-enabled mobile devices has yet to come to fruition. Consumers are understandably reluctant to broadcast their location randomly or to be interrupted by unexpected messages without their consent. Instead we are seeing a variety of innovative solutions created to facilitate geo-targeting of marketing messages (when in-aisle, in-store or in-proximity) as the number of GPS-enabled devices continues to rise.

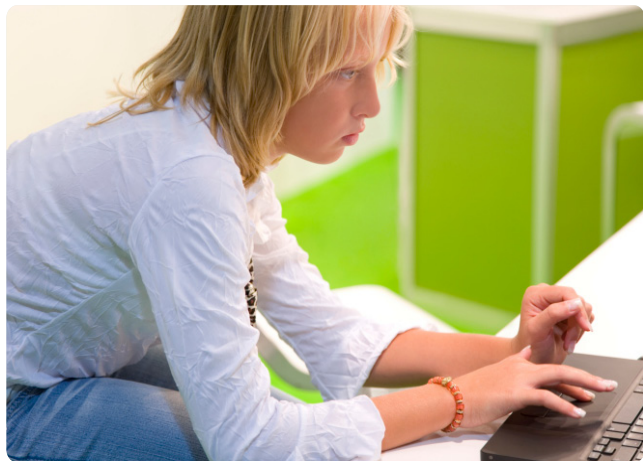
Services such as the mobile application [FourSquare](#), contain a social media element that allows users to broadcast their current location to a network of friends and other users in their respective cities. The social element of this voluntary disclosure has allowed marketers to tap in to an engaged network of users and offer special promotions based on reported location. We expect FourSquare and other apps with a hybrid location/social networking component to grow significantly in 2010.

We also expect to see utility-focused location applications to gain popularity on GPS-enabled mobile devices during 2010. ComScore has reported that 11 percent of their mobile panel is currently using map- or direction-based applications on their device, representing a 41 percent year-on-year growth, and potentially stealing market share from standalone GPS devices. How these applications are eventually monetized remains to be seen, but the "Minority Report" scenario of "push" location-based advertising is starting to become a reality through voluntary user disclosure of location.

Even if consumers won't share their location with brands, then brands can always share their location with consumers. In this vein, marketers will increasingly make location a feature of their campaigns, as the recent [Levi's Twitter promotion](#) in Australia demonstrates.

6 Search evolves, but not everyone notices

As marketing budgets remain under intense pressure, search will do well thanks to its clear and measurable short-term ROI, and its core role as the oil in the online marketing engine. In 2010 search will become both more relevant and efficient for users. The arrival of Bing has intensified competition between the major search engines, who will develop and experiment with new features such as vertical searches and more visual integration. Google may adopt Bing's handy 'more on this page' hover-over. Most consumers will continue to prefer a simple experience, and so more complex new features will be used by just a small minority of users.



Social media will impact search in two ways. Firstly, search will become increasingly real-time as users take advantage of Google and Bing search results including [Twitter](#) and [Facebook](#) updates, or use [Twitter search](#) as a standalone application. Secondly, the meshing of search and social will be embodied by the arrival of [Google's Social Search](#) option where you can see the information posted by people within your online social circle.

Major search providers, including Google, MSN and Yahoo! are all focusing heavily on the new .mobi search domain. Travel and hospitality brands in particular will be interested in this new development as it fits well with the behavior of their target customers. Rapidly improving mobile applications such as map-based search and [Google Goggles](#) picture-based search will encourage more consumers to search on the move.



We also expect research to continue into the interaction between search and display advertising. The influences between them are well established, but we expect experimentation to increase as more advertisers appreciate the branding role of search and the search influence of display, and then try to optimize this relationship for their brands.

7 Realization dawns that online video is not a panacea

Online video advertising continues to grow at a high rate, and we expect this trend to continue into 2010. Not only will online video content be consumed via PCs, but increasingly via gaming consoles (eg. Xbox360) and mobile devices such as the iPhone. Developments in the sector will be driven largely by competition among major industry players such as Hulu and YouTube. Hulu, the ad-supported premium content site, has been growing fast, and some analysts estimate it accounts for 20 percent of all online video spend. YouTube still has a far higher number of viewers, and is incorporating increasing volumes of premium, long-form content from providers such as MGM, BBC, CBS and Lionsgate, and partnering with the new music site, Vevo.

YouTube is also increasingly embracing short (15 second) pre-rolls and skippable video ads. Learning from the latter suggests that creative content plays a greater role in online video success than we see on TV. Content in the online space faces competition for user attention, thereby increasing the importance of creative ad quality — this should lead more smart advertisers to pre-test their online creative before investing in relatively high online CPMs. Dynamic Logic has found that effectiveness may be tapering off as the “novelty” of online video fades and advertisers realize that the platform in itself is not the answer. Video advertising can be highly effective when used well, with strong brand integration and entertaining content. In an effort to maintain impact and drive further engagement, advertisers will continue to experiment with extra layers of interactivity beyond standard pre-rolls — one-third clickable overlays, expanding, interactive companion banners and interactive in-video elements, to name just a few. As they do this, advertisers need to be sure they aren't using technology just because they can: It will only be effective when it is relevant to the brand or the message.

8 Brands start taking advantage of social graphs

If the late 00s were the era of the social network, the early 10s will see the rise of the “social graph” — that segment of a network focused on you, your friends, and the friends of your friends. Everyone has a social graph — in fact the point of social networking has been to build one. We will now see services like Facebook and Google start to use social graph data more aggressively as we move away from the “destination web” towards a “social web” whereby people get information through their networks rather than a specific site. Facebook's new “reconnect with” feature is one implementation of social graph data.



The social graph needs two kinds of tool to work. At the service end, it needs algorithms — the formulae that use your graph to determine what information and connections you value most, which allows services to predict what information you're going to like (including, of course, which products and marketing communications you'll appreciate). At the user end, it needs filters — the ability to group people and information more effectively to get the most out of a network. The effectiveness of both algorithms and filters are improving rapidly, and these will be a big factor in the continued evolution of social media.

In 2010 there will be a heightened need for brands to understand how to be more social in order to access these more segmented networks. There's increasing evidence that the ROI of Social Media is definitely worth the effort.



9 Integration trend stimulated by privacy concerns

We are in the midst of a shift (powered by digital) where information flows side to side as much as from top down or bottom up. This means that the act of consumers talking to one other now has a rightful place within the circle of influential communications that shape brands.

There are some unique rules of engagement in accessing that communication. If marketers and researchers want to be able to tap into the huge amounts of rich, accurate, and timely information that consumers themselves generate, they have to think beyond traditional paradigms.

The next 12 months will continue the “privacy by design” movement whereby consumer privacy and user control will become more important for those seeking to understand consumer behavior. Privacy elements will therefore need to be integrated into consumer generated platforms. This will naturally lead to a land grab where parties join forces e.g. a market research company and a social network provider, so that the transition between the platform and the third party collecting data become seamless.

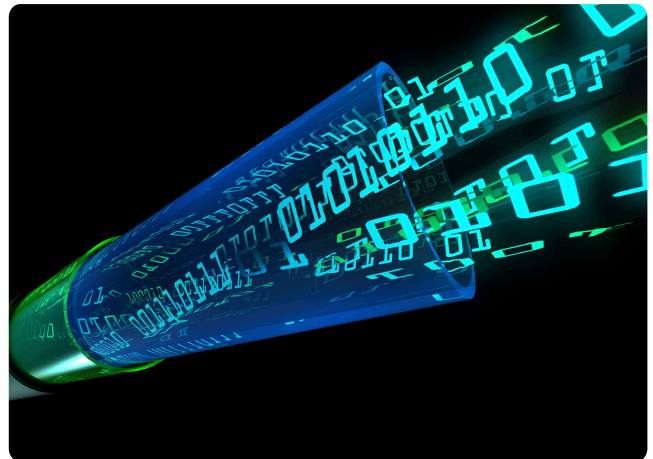
We will also see a continuation of media convergence. The aggressive nature of regulatory regimes means that a global privacy standards framework will become vital. A global framework will allow for a more uniform application of notice and consumer consent regardless of platform. This should allow for greater transparency, but will place a premium on the key partnerships that are given permission to be part of reduced set of data collectors and processors.

10 Data integration enables insightful tradigital learning

During 2009, digital marketing became increasingly complex and marketers have been looking for more guidance regarding which sites to advertise on, what size of creative to deploy, and which tools to use from display to CRM to search to social networks and mobile. Moving forward, the definition will change from managing “digital” to managing “tradigital” as the lines of demarcation between traditional and digital media blur. Media consumption patterns are driving this blurring of the boundaries, as TV viewing is either delayed or online; magazines offer integration of content in print and digital form; and online activities are leveraged for both online and offline sales goals.

This means that data integration will remain at the heart of our measurement challenge and will require a research platform linking many data initiatives that mirror the integration of the technology that delivers the marketing messages.

Survey research will remain the primary tool for understanding branding effects and motivations across these platforms, but the deeper value-add to the marketer will be how the branding effects in surveys help explain the behavioral and sales information coming from a variety of sources including buzz monitoring, online behavior tracking, shopper loyalty databases, consumer sales panels and custom databases. While online listening techniques will continue to grow in importance, marketers will find this of limited value unless they also understand who is saying what.



Special thanks to Christopher Bian, Bhomik Chandna, Sue Elms, Tom Ewing, Miquet Humphryes, Ken Mallon, Jennifer Okula, George Pappachen, Bill Pink, Ali Rana, Duncan Southgate and Rin-On Vithespongse for their contributions.