





## Last year the internet came of age

Invented by Tim Berners Lee in 1989, it has changed the way we live our lives completely. The internet has connected the world together, and allowed information and ideas to be shared at lightening speed with millions of people. Nearly two thirds of the UK are online now with the government planning to reach 100% adoption by 2012.

The figures speak for themselves:

- Worth £100bn a year to the UK economy, it currently represents 7.2% of GDP forecast to rise to 10% in two years
- Between 35-40m users go online every day or most days
- A third have posted daily updates to a social network
- Nearly 1 in 5 have become 'friends' of a brand
- On average we have 5 relationships with brands, and on average 160 connections

# A marketing shift is happening

Our global economy has been shaken, and the future is still uncertain.

Consumers have emerged with new attitudes and values, and we are now living in an **Era Of Consequence**.

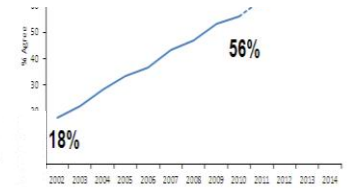
The internet has empowered consumers with the gap between baby boomers, generation X and Y closing. We experience and adopt digital behaviours, enabling greater control than ever before, wherever we are.

Social networking has become the dominant form of communication, overtaking email on 9<sup>th</sup> July 2009, with the potential to connect everyone to everything.

Brands and media are having to change in order to survive and stay relevant.

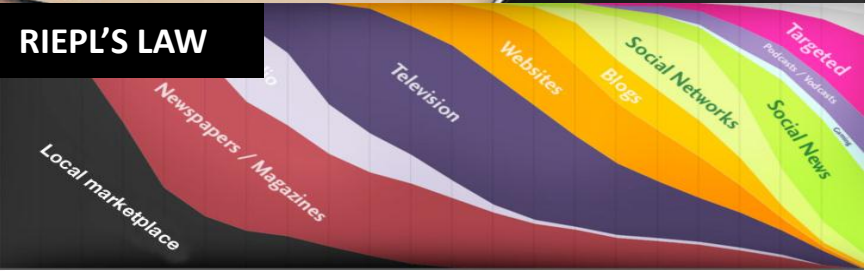


“when I need information, the first place I look is the internet”



The new consumer is cautious, connected and in control

# RIEPL'S LAW



	1993	2002	2007	2012
	26	271	320	500+
	31	70	90	96
	1,848	2,500	3,380	3,560
	126	350	520	640
	0.5%	43%	62%	90%

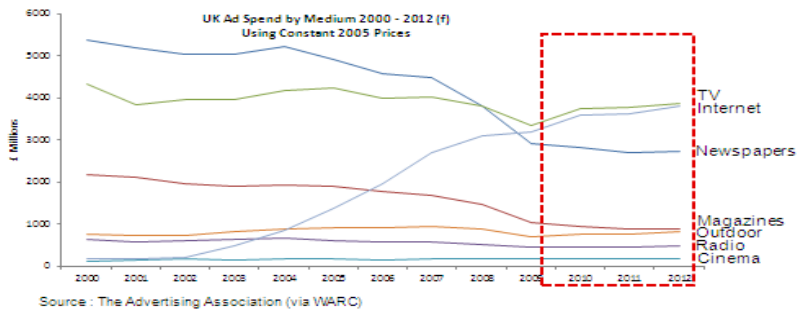
But this isn't a .com future...

# All media still has value

Riepl's Law dictates that as new technology is discovered, old technology doesn't die but changes its context, creating **convergence** with new usage.

We can see this across media history: video didn't kill the radio star, and the internet has not stopped us enjoying all forms of media old and new.

We are consuming and investing, in more media, more often, with online finding a natural ~30% share of ad spend.



Source: The Advertising Association (via WARC)

# So what we think of as media has changed...

Whilst we are still consuming all forms of media – analogue, static and digital – there is a greater opportunity to bring it all together. We are consuming and interacting with content wherever we can: we now watch TV online, and download data from out of home posters.

- By year end, more than a third of broadband households will interact with what they are watching on television through a mobile device.
- There are 25m households with a console device. As well as playing games, we use it to chat online. 1 in 5 even use the device to watch films.
- By 2014, worldwide shipments of internet-enabled TVs are expected to make up over 50% of new flat-panel TVs.
- 8 out of 10 of online users will watch video online, and 56% of 15-24s use catch up services.



**It is now converged, non-linear and on the move**

# A new landscape has emerged, where media is either *bought, owned* or *earned* and everything is measurable

**PAID**  
advertising  
media space

**OWNED**  
content &  
brand assets

**EARNED**  
interaction &  
contribution

Better  
targeted,  
more digital

discover



Retail

Event

Product

Brand Assets

Content  
Video/Images

share

Website



Apps

Social networks

Driving  
interaction,  
engagement  
and WOM

Share of  
Voice

Reach

Frequency

Click  
Through  
Rate

Visits

Engagement

Actions

Sales

Share of  
Consumer

Share of  
Market





**Accelerated technologies  
provide more control,  
connectivity and choice for  
consumers**

**As digital comes of age, all  
media still has value across  
paid, owned and earned  
touch-points**

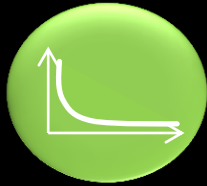
**If we create a value  
exchange, data can write the  
future**







# 6 future dynamics



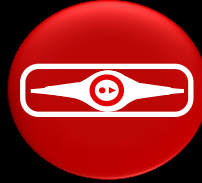
Big Head  
v. Long Tail



Converged  
v. Diverged



Me v. We



Linear v.  
Non-Linear



User Generated  
v. Professional

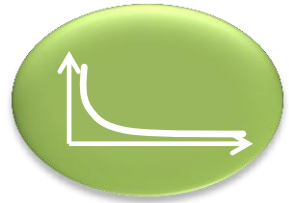


Paid v. Free



*“Every one of us - no matter how mainstream we might think we are, actually goes super-niche in some part of our lives... we let our enthusiasm take us deep.”*

**(Chris Andersen)**



### **BIG HEAD:**

Blockbuster moments, high awareness, mass commercial appeal



**1.**

## **Big Head vs. Long Tail**

*Media want to maximise revenue and brands wish to target ever more discrete audiences with deeper levels of engagement, as well as continue to reach mass audiences.*

*Some media can only make money from the big 'hits' whilst others focus more on the long tail of people's passion points.*



### **LONG TAIL:**

Niche opportunities, targeting specific communities & passion points

*“The desire for a common experience has been greatly heightened by the growth of the personal space.”* **(Claire Enders)**

*"If you have to go to one place, rather than 25 places to get your content, isn't that better?"* **(Alan Yentob)**



### **CONVERGED:**

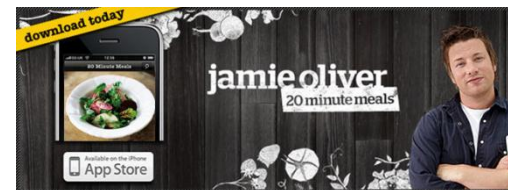
Media format is crossing over to provide a one stop shop for content



## **2.**

## **Converged vs. Diverged**

*Technology is making it easier to receive multi-media, and offer deep, interactive experiences. At the same time our passion points are being fed through many diverse media channels making it hard to reach specific groups in specific media.*



### **DIVERGED:**

Certain media still offer discrete silo'd opportunities to reach like-minded people such as magazines

*"It's inconceivable that a world that has been spawning multiple layers and channels is going to simplify..."* **(Claire Enders)**

*“If brands are to succeed you need to assemble tribes that spread your idea until it becomes a movement.” (Seth Godin)*



## ME

Technology and media are making it easy to wear many different identities



## 3. ‘Me’ vs. ‘We’

*Social networking is making it easier to live multiple lives and feed our passions, as well as helping us to share experiences and content with our friends and other fans.*

*To cope with this influx of information we are creating and multi-tasking multiple identities, depending on who we are engaging with.*

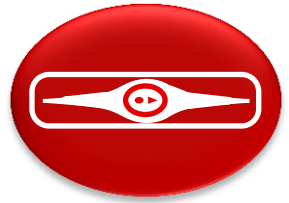


## WE

Whilst we strive to belong and share a passion for community

*“Treating consumers as individuals by engaging them through social media can help make a relationship between a company and its customers a more powerful experience and win-win for both.” (Mirna Bard, Social-Media Consultant, University of California at Irvine)*

*“People only want to exercise choice about important things such as mortgages, cars etc... NOT what is on TV.” (Claire Enders)*



**LINEAR:**

Consuming media, as it happens, scheduled, in real time



**4.**

## Linear vs. Non Linear

*Technology allows consumers to become the editors of their own media schedule. The growing consumption of time shifted content creates a new relationship between the viewer and the publisher where the context in which we receive content affects our attention and engagement with it.*



**NON LINEAR:**

Consuming media when we want to , how we want to, on the device of our choosing

*“The consumer can now say ‘I will watch what I want, I will seek out what I want, I will create my own channels, I will create my own favourites.’” (Peter Bazelgette)*

*"You don't make Frasier by saying 'is Niles going to be eliminated tonight?'"*  
**(David Elstein)**



### USER GENERATED:

Content produced by real people, inspired through earned media, as a result of a brand or media owner



**5.**

## User Generated vs. Professional

*Consumers are producing more content themselves which they are happy to share; this puts more pressure on publishers who are finding it harder to produce good quality content which they can monetise. So how do the two sit together?*



FINANCIAL  
TIMES

### PROFESSIONAL:

Content produced by a production house, for the benefit of advertising or media

*"Professionally produced content will always be better than User Generated Content [UGC], but if UGC is good enough, people will consume it." (Daniel Ek)*

*“Free gets you to a place where you can get paid.” (Fred Wilson)*



**PAID:**

A media model that requires payment to consume its content

**6.**

**Paid vs. Free**

*Publishers are experimenting with pay walls and subscriptions in order to retain value. Illegal file sharing is becoming more socially acceptable and easier.*

*Consumers will ultimately dictate which model will work, for what type of content, based on what they are prepared to pay for.*



**FREE:**

A media model where content is given away to the consumer & advertising funds the production



*“Free is the enemy of quality.” (David Elstein)*



These 6 dynamics provide a blueprint on how we can navigate through the new media landscape

In the coming weeks we will take a deeper dive into each of these dynamics, covering predictions and implications for advertisers



