

IPG MEDIA LAB: OUTLOOK

2013, The Year of Anticipation and Refinement

Welcome to the IPG Media Lab's 2013 Outlook.

As in years past, we have put together this report to share with you our areas of interest and focus for the coming year.

We are 20 marketers from nontraditional backgrounds. This past year, we logged thousands of hours working with clients to understand their marketing challenges, while spending equal time working with today's innovation economy of products, platforms and companies to get in front of future marketplace solutions. This report represents our top-line thinking and observations and provides a snapshot of what we look forward to further exploring in 2013.

It would be impossible for one report to catalog all of our interests, but we hope that the areas of focus highlighted within can help give you a sense of what we look forward to in 2013.

Thanks for your time and attention. Please share your thoughts at [@ipglab](https://twitter.com/ipglab) or www.ipglab.com

To 2013 and beyond,

David Rosenberg & Chad Stoller
Managing Partners, IPG Media Lab



2013: The Year of Anticipation and Refinement

“We’ve let a thousand flowers bloom; now we want to put together a coherent bouquet.”

Sergey Brin, Co-Founder, Google

If 2012 marked an inception point for computing¹, 2013 will be the year of refinement and anticipation of what’s to come.

Can we finally loosen our (tech-savvy) seatbelts? Not quite.

For the first time in years, we’re not predicting any huge innovations in consumer tech in 2013. Rather, the next wave of tech is being tethered by slower innovation, which has not followed the pace of Moore’s Law. Take battery performance, arguably the least satisfying aspect about device ownership². With no real advancements ready to hit market, battery power is likely to remain the Achilles heel of major tech innovation for the next few years³.

But don’t undo that belt just yet. Because while we won’t see self-driving cars and augmented reality glasses on a commercial scale for some time, there is still plenty to look out for in 2013. Besides certain key refinements on the innovation that we’ve seen over the past four years⁴, 2013 will be a year to catch up on major innovations that are clearly here to stay, in an effort to refine for the future.

¹ IPG Media Lab 2012 Trends

² JD Power Survey, May 2012

³ Professor Bruce, University of St Andrews, on belief that lithium-ion batteries are “here to stay” for at least another few years

⁴ IPG Media Lab Trends 2009, 2010, 2011, 2012

TREND:

With refinement comes anticipation: How Anticipatory Computing will inform today and tomorrow in 2013 and become the trend to watch



WHAT THE EXPERTS SAY

“Anticipatory means listening and delivering information before you ask for it. The next generation of computing platforms we use, whether they be smartphone, tablets, or something built into our glasses or our wall, will all have the technical ability to access lots of rich streams of information, and will be listening in the background as you do other things. The way we find information right now could and should be dramatically improved.”

Tim Tuttle, Expect Labs CEO

In 2013 look for big data, intelligent assistants and natural user interfaces (hot topics last year⁵), to be harnessed in an exciting new genre of applications to anticipate our future needs better than we can. This represents a new wave of information gathering designed to help simplify our lives. Case in point- if you've ever worried about missing your flight, Google Now can notify you in real time based on current traffic conditions when you should leave for the airport – and we all know how crucial every second is when dealing with our busy, overscheduled, multitasking lives.

And we're just scratching the surface of the potential of this industry. Anticipatory computing will be the trend to watch for years to come, and will effect everything from shopping to behavior to social media and back again. The opportunity for brands to intercept a consumer's needs before they realize it is huge: imagine a day in the near-future when a Tylenol ad will pop up on your device's screen because Google knows you're getting sick.



If you're looking for technology that anticipates consumer needs... You might want to consider Expect Labs... Because they deliver contextual information based on real-time conversations.

IN OUR SIGHTS:

Shopping



WHAT THE EXPERTS SAY

“The publishing business has been going through a dramatic evolution and ecommerce is the next logical step for their growth. 72 Lux is helping retailers bring their products to where the consumers already are and enabling publishers to finally implement their ecommerce strategies. Content and commerce were once very separate, but they are increasingly becoming one in the same digitally.”

Heather Marie Founder & CEO, 72Lux.

Pre-Purchase gets refined and content goes shopping

The success of Kickstarter is flipping the purchase funnel, with consumers now paying for products before they are in market or on the shelves. Brands who take advantage of this new model can build a ready market of customers, and save on market research and guesswork.

In 2013 we will continue to see the purchase funnel being squeezed at both ends as companies strive to satisfy consumers' need for instant gratification. Content and commerce used to be different, but now we are starting to see the two come together more and more. Software applications, such as Fancy's "Buy" button and 72 Lux's Shoppable Platform, are turning the entire web into a store.

72Lux

If you're looking to turn your website into a store...
You might consider 72 Lux...
Because their technology turns any publisher into a retailer.

Anti-Showrooming

WHAT THE EXPERTS SAY

“Retailers are treating showrooming the same way the music industry tried to fight piracy for years. At the end of the day, you’re probably better off embracing it. By providing the internet access people want, you have an opportunity at that juncture to get into the conversations and flow of what is happening inside your location.”

Mike Perrone, CEO, Social Sign In



⁶ Best Buy’s average “showroomer” spends \$281.50 online after trying out a product in a Best Buy store; 75% of products at Best Buy were 17% cheaper at Amazon (InvisibleHand)

Retail Watchout: Time to embrace Showrooming

In 2012 we highlighted the “showrooming” trend (the act of consumers looking for products in-store and then going online to get them for less) and raised early signs of how brick and mortar retailers were fighting it. Attempts to deter “showrooming” have been fairly unsuccessful across the board, with price continuing to be the main driver⁶. So the question remains – how can brick and mortar retailers justify their considerable margin?

The best way to put an end to “showrooming”? Stop fighting it. Retailers need to provide an authentic customer experience that makes up the difference in the price (along with the immediate satisfaction of having product in hand).

In 2013 we will see brick and mortar retailers experiment with and refine different strategies to anticipate the growth of this trend. One to watch will be new in-store Wi-Fi services that create an additional channel through which retailers can serve their customers.



If you’re looking to alleviate showrooming...

You might consider Social Sign-in...

Because they provide a wifi platform that puts you in charge of the digital activity happening in your location.

Behavior Modification

WHAT THE EXPERTS SAY

“I often find it difficult to remember how delicious an apple is, and it becomes sort of a painful thought, like I should eat apples but it’s a little bit of a drag, but I’m always surprised whenever I eat an apple by how delicious it is. Some of the gamification in habit-forming apps adds color to something you know is valuable but which sometimes gets jostled out of your mental space. The idea behind Memrise was to make it possible to learn for the fun of it.”

- Ed Cooke, CEO, Memrise



Habit forming.

A new genre of applications that aim to help us do otherwise difficult or tedious tasks are emerging. Apps like Lift help establish good habits, and Daily Feats offers tangible rewards such as gift cards for good deeds. But be warned, there is a danger in creating compelling motivations outside of the behavior itself, and encourage the wrong habits.

So how do we keep brand loyalty intact while habit shifting? For each habit we want someone to form, we need to anticipate whether or not the behavior is one that customers are naturally inclined to do:

YES PLEASE!	NO THANKS
Identify barriers	Create an external motivator
Create solutions that reduce the barriers and make it easier	Change the context of the behavior (i.e. what if balancing a checkbook could be organized like a Sudoku?)
Call attention to the intrinsic motivation (i.e. “Would any of your friends like this product too?” vs. “Tell your friends”)	

Google gets it (they know us, they really know us). With Ingress, a high production, invite-only AR game, Google had people lining up to do data-entry to help them improve their geo-local product suite. The game had users on the street uploading pictures of landmarks in their area, motivated by the idea that they were taking control of “portals” in order to control points for their city.

In creating external motivators, game mechanics can work wonders. No one likes doing data-entry, yet with the right context and arbitrary rewards, people have chosen to do just that for hours on end.



If you’re looking to motivate behavior...
 You might consider Memrise...
 Because they leverage game mechanics to make learning fun and effective.

The new social

WHAT THE EXPERTS SAY

What the experts say:
“We have integration into two dozen platforms and we aggregate all this information to ascertain out of those 15,000 images, which ones drive the most engagement, which ones are the most compelling that we should place in front of consumers from a data driven perspective. We believe that understanding how consumers engage with images online and the data associated with that is incredibly valuable.” -

Ari Lewine, co-founder & chief strategy officer, Triple Lift



SAO: Social Aggregation Optimization

If SEO (Search Engine Optimization) is the practice of tweaking content so that it can perform better in search, SAO (Social Aggregation Optimization) is the practice of tweaking content so that it can perform better on the social web. While SEO relies on algorithms, SAO depends on individual consumers making a decision to share or engage with a piece of content. How can we anticipate and refine our strategies to be big performers on the social stage?

Images are the digital unit of the social web.

Over 2012, we've seen the emergence of an ideal format for sharing social content: the image. More time is spent on Instagram than on Twitter, and over 300M photos are being uploaded to Facebook each day. Movies are a large commitment for the multi-tasking Internet brain, as are paragraphs of text. Images, however, are instant and quick for our brains to decipher⁷.

Our SEO, keyword-based content strategy doesn't work quite as well when it comes to social. For instance, a text-based quote won't be shared on Pinterest, but an image of the quote will be. As we move into 2013, we expect the content strategy around image-based content to grow and mature dramatically as our love affair with the image continues.



If you're looking to harness the power of the visual web...

You might consider Triple Lift...

Because they identify and amplify a brand's most compelling images.

⁷ The brain can decipher images, symbols and emblems long before it can decipher language and written text (Echo Objects: The Cognitive Work of Images, Barbara Marie Stafford)

Redefining our (immediate) past: The New Nostalgia

WHAT THE EXPERTS SAY

“The most powerful thing about TimeHop is meeting people at that emotional moment when reliving an experience in the past. There is a clear urge to recreate the past – to go back there, to see that friend again. Nostalgia moves people to act, making it a great fit for brands during that moment.”

Jonathan Wegener, CEO, TimeHop



Research shows we're programmed to recall our past memories in a more positive light as time goes by, and events on average improve by as much as 35% in the short space of two years⁸.

Now that most of us are armed with smartphones with sophisticated cameras, the cost of immortalizing our lives has entirely disappeared, leading us down the path of “hyper-documenting.” This hyper-documenting is resulting in a new breed of “accelerated nostalgia” where what happened only a year ago seems like a bygone era. Nostalgia is a potent emotion that has frequently been evoked by brands to establish a connection with consumers; in fact, approximately 20% of new product launches use nostalgia⁹.

Cut to now where services like Rewind.me* and TimeHop dig into our vast (digital) memory tapestry to systematically resurface them in our inboxes each day. And as we refine and fine-tune for the future, the opportunities for brands to take advantage of nostalgia are greater than ever. We think it won't be long before TimeHop remembrances are accompanied by ads encouraging you to (literally) revisit that holiday destination with the same group of friends, in a sort of digitally enhanced same time, next year.

* For disclosure purposes, a member of the lab team has formally advised Rewind.me



If you're looking to cultivate a powerful sense of nostalgia... You might consider Timehop... Because they package up and re-surface social media activity from one year ago or more.

⁸ Brandwashed, Martin Lindstrom

⁹ Brandwashed, Martin Lindstrom

Top Ten Tips to Refine and Reboot in 2013.

Here are some “must dos” for marketers in this year of refinement and anticipation:

Get social with CRM

Using social to manage a brand’s relationship with customers will continue to pay off.

Choose quality over quantity

“Likes” just generate a media network; it’s compelling content that keeps brands on news feeds.

Transparency 2.0

Truthful social communications remain paramount.

Tie social to business goals

Properly map connections between business objectives and social measurement.

Embrace Mobile

Consumers are spending 10% of their time with mobile, but marketers are still only spending 1% on mobile.¹⁰

Invest in Responsive Web

The extra work upfront will pay off with a high quality multi-device site that only needs to be maintained once.

Reduce clutter

The less time the user must spend on your site to accomplish the task, the more re-use you’ll see.

Think outside the (TV) box

Linear TV is on the decline¹¹ while content streaming continues to provide a superior user experience.

At home with YouTube, Xbox Live and Hulu

They’re showing ads on an ever-increasing number of living room TVs, and unlike the DVR world, these won’t be skipped.

Anticipate multiscreen behavior

Use the second screen for more interactive tie-ins.

¹⁰ Mary Meeker, Kleiner Perkins Year End Update, 2012

¹¹ 10% of US homes will rely on streaming by 2016, Magnaglobal Forecast

ABOUT:

IPG Media Lab

“Every day is like Christmas morning.”

Matt Seiler, CEO, Mediabrands

Well, it’s not exactly Christmas, but it’s pretty exciting when every day you come to work and do something totally new.

The Lab’s single focus is to find new ways to solve problems by applying the latest technology to marketing challenges through custom-tailored, client-led experiments. We start with talking to our clients and identifying their challenge, and then determine how to use emerging technology to solve that problem. We find successful solutions that are then implemented into the real world and utilized for all to see.

So what exactly is “The Lab” and what do we do? Our team is comprised of marketers, engineers, and creative talents who are tasked with creating new solutions every day. There is never a dull moment.

More specifically, our work consists of the following:

- Client Specific Initiatives
- Agency Consulting Services
- Scouting & Partnerships
- Media Consulting
- Custom Publishing

ABOUT:

The Virtual Lab

The Virtual Lab is the industry’s deepest directory and knowledge base of current and future digital media solutions. From products to platforms, the Virtual Lab is the future of media. Its access is limited to Mediabrands employees and subscribing agencies.

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