



# Connecting with people

## Trends in advertising

September 2013

TRENDS  
& FUTURES

# WHAT'S IN THIS REPORT?



1. BRIC markets driving growth

2. A tipping point for mobile

3. Native advertising

4. Memevertising

5. Adapting to multi-screen  
behaviour

6. Connected TV

7. Wearable Technology

# IF YOU ONLY HAVE A MINUTE...

- Global ad spend is predicted to grow by 4.5 % in 2014 and 10-11% in the BRIC markets . The UK ad industry is now back to 2007 and it is predicted to grow by 5% in 2014.
- Online will be key to drive ad spend across all markets. The mobile advertising market will almost double by end of 2013 as mobile internet use booms.
- The online advertising industry is also looking for less intrusive formats that better engage with consumers, such as native advertising - which matches both the form and the function of the user experience in which it is placed.
- The rise of connected TVs will enable advertisers to combine the emotional resonance which TV affords with the engagement that online content enjoys. Demographic and behavioural targeting will come to TVs in the next 3-5 years, helping to make content and ads even more relevant.
- Wearable Technology also has the potential to change the game for marketers in the next few years. Wearable Technology will become a new advertising platform, although the biggest opportunity for marketers will be in the data generated by these devices.

## 2. A TIPPING POINT FOR MOBILE

- In the UK, 52% of the population have a smartphone, creating a huge opportunity to deliver real time, in-the-moment messages.
- The mobile advertising market in the UK will grow by 90% in 2013 as mobile internet use booms, presenting a c.£1billion opportunity.





# As smartphone ownership grows and more consumers spend more time on their phones...

## ...this audience becomes increasingly valuable to advertisers

- **Smartphone ownership in the UK has nearly tripled in 3 years**, going from 20% in Q2 2010 to 52% in Q2 2013.
- The **average UK smartphone user spends nearly 2 hours a day** (119 minutes) on their smartphone, including 24 minutes a day browsing the web and 15 minutes on social networks.
- According to IDATE, the number of **people accessing the internet via mobile devices will overtake the number using fixed-line connections** by mid-2014.
- In line with this growth, the **UK market for mobile advertising is predicted to increase 90% in 2013**, going from £526m in 2012 to nearly £1b by end of 2013.



**And although mobile is set to grow massively over the coming years, 1 in 5 businesses don't have a mobile strategy in place. The biggest reasons for this are lack of budget (48%) and lack of time (46%).**



# But the growth of mobile advertising is not just about more ads...

## ...it's about the sophistication of them

### Smarter targeting

**Mobile geo-location:** allows us to identify a user's location and deliver relevant and contextualised ads based on their location and time of the day.

*McDonalds can customise banner ads based on time of day and location, so potential customers are tempted with Sausage McMuffins or Big Macs depending on context.*

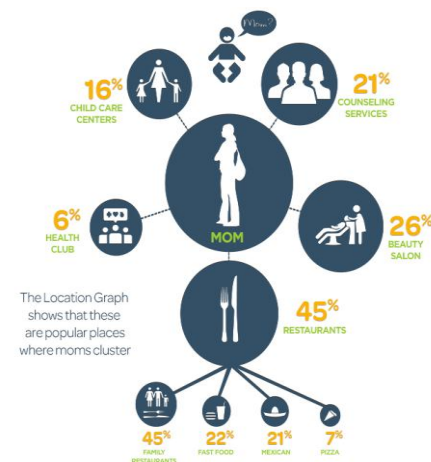


**Mobile geo-fencing:** targets users based on a set distance from a location of interest (i.e. store) and only consumers inside the geo-fence are served the ad. This can be very useful to drive traffic to store.

*Best Buy geo-fenced campaign: when users are nearby a Best Buy location, the geo-fence is triggered, prompting an SMS alert to the user, which includes an offer.*

**Location graph:** uses big data and machine learning algorithms to assign audience profiles based on past and present locations, combining that information with demographic data, creating a profile of each user.

*This allows advertisers to target very specifically: i.e. mums within a certain distance that go to beauty salons and health clubs.*





# Advertisers are also looking into producing better creative

## ...that appeals to and engages with consumers

The use of **rich media**, **touch screens**, **accelerometer**, **mobile apps** and **improved smartphone functionality** are enabling advertisers to produce more creative and engaging campaigns.

“Not only have we witnessed an explosion in mobile advertising but we’ve seen numerous international brands looking for mobile specific creative”

*Oli Roxburgh, Managing Director, Mobile 5*



### Olympus “Captures Your Stories”

Olympus used **rich media to create an ad unit with a dynamic photo reel**. The photos gave consumers a 360-degree view of the camera and by clicking through to a landing page, consumers could experience the camera’s functionalities.



### Oreo “Twist, Lick, Dunk”

Oreo created a **mobile game**, “Twist, Lick, Dunk” to engage consumers. Users are not only playing the game, but also seeing adverts and unlocking Kiip rewards. The game now has 50K daily active users.





# REPORT PREVIEW

**Please register to download the full report**



A large, stylized graphic featuring the words "TRENDS & FUTURES" in bold, black, sans-serif capital letters. The text is centered within a white, irregular, cloud-like shape that has a textured, grainy appearance. This white shape is set against a dark, textured background that resembles a night sky or a dense field of stars, with many small, white, rectangular shapes scattered around the central cloud.

# TRENDS & FUTURES

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