

# Ad industry to continue defining, redefining itself



12 Jan 2012

2012 promises to be just as eventful as ever, as the advertising profession continues define and redefine its operations and creativity. I expect to see the following 12 trends and industry issues emerging in 2012: [multimedia]



### 1. Digital integration

Technology evolves so quickly that it's difficult to say what 2012 will hold for us. However, there is one concept that I believe will not only transform the advertising and communications landscape, but keep it fluid in order to keep up with the dynamism of the economy and technology - integration.

Innovation within the online advertising sphere has increased exponentially over the past few years. 2012 will be about integration, better understanding of the use of new media and using the various media options together to better reach and communicate with consumers.

### 2. Video advertising

It is becoming increasingly difficult to define advertising in terms of channels. It is not the channel through which we consume advertising that is important but rather the content we choose to consume that is important.

After years of 'channels' competing to deliver impressions, it seems 2012 will finally be the year that video advertising delivered telephonically or via broadcast transmissions, satellite or fibre optics will co-exist and complement each other.

Video advertising has a strong and healthy future - one only needs to look at the massive success brands have achieved by projecting their advertising into the ether through portals such as YouTube - Old Spice, VW and Nike, to name but a few.

I believe 2012 will be the year when content is embraced and when it is accepted that technology simply provides a means to generate a viewing audience.

# 3. Full-service agencies

It is largely expected that the digital (including mobile) and experiential sectors will yield great future growth. During 2011, we saw a gradual move by clients back to full-service integrated agencies, especially those incorporating digital and experiential in their overall offering.

Such diversity within agencies is being heralded as the answer to agency survival - without the complete erosion of the entire industry.

### 4. Social media

We have seen the social media sphere explode in the past year and expect to see it becoming increasingly integrated into our marketing strategies.

According to <u>Dreamgrow.com</u>, social media marketing will not be a separate activity but rather one facet of an overall marketing plan. Much like SEO or email marketing, social media will be another valuable tool in the box.

I believe we will also see large-scale integration of social media content into digital properties. Brands will use social media and user-generated content (UGC) to get closer to customers.

### 5. Introducing the "new normal"

The <u>annual JWT trends forecast</u> speaks of a "new normal", whereby more brands in more categories will open up entry points for extremely cost-sensitive consumers. Marketers will find new opportunities in creating stripped-down offerings, smaller sizes and otherwise, more accessible products and services.

JWT 10 Trends for 2012 Executive Summary

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### 6. Shared value

Also highlighted as one of JWTs trends for 2012 is that some corporations are shifting their business models to integrate social issues as part of their core strategies. The aim is to create shared value, a concept that reflects the growing belief that generating a profit and achieving social progress are not mutually exclusive goals.

### 7. Sector growth

Again economists have warned that we are approaching yet another global economic downturn, which will no doubt affect advertising and communications revenues. In fact, <u>MagnaGlobal</u>, the strategic global media unit responsible for forecasts, insights and negotiation strategy across all media channels, cut original advertising growth predictions in the US by almost 2%, bringing the total expected growth to 2.9%, as opposed to the original prediction of 4.8%.

These figures should not be seen as doom and gloom for South Africa, as we are fingered as one of the top five growth countries in the EMEA region, with a projected advertising growth rate of 11% over the next five years.

## 8. Protecting IP

New business was scarce during 2011 as less big pitches took place and a few large tenders were cancelled, thereby limiting agencies' potential to grow revenue.

During 2011, agencies became a lot more discerning about participation in onerous, expensive and unreasonably competitive new business pitches. In addition, agencies have become a lot less agreeable regarding parting with their intellectual property free of charge; after all, it dilutes the currency of the profession.

### 9. Alcohol advertising ban

Government has earmarked 2012 as the year to tackle the social issues around alcohol abuse and unfortunately <u>advertising of alcohol products</u> has come under fire. It is likely that outdoor and sponsorships will be the first casualties, with severe restrictions placed on TV, radio and print.

The Association for Communication and Advertising (ACA) will remain close to this matter and will keep members informed.

### 10. Research and self-regulation

<u>Funding</u> of the industry's requirements for research and self-regulation is at a critical stage. This is an issue that threatens the continued existence of industry structures such as SAARF and the ASA.

As an industry, we need to stand together to ensure the longevity and professionalism of our profession.

### 11. Skills-farming

It is no secret that we are experiencing a critical shortage of skills in the profession, particularly copywriting. It's likely that, during 2012, agencies will take the expected economic reprieve as an opportunity to grow skills within their respective agencies and invest in fresh SA talent.

#### 12. Effectiveness in advertising and communications awards:

Due to the current global economic climate, clients demand ROI and not just creativity. The two concepts - ROI and creativity - are not mutually exclusive. In fact, creative communications campaigns are greatly effective and as such we have seen that ROI and creativity are becoming progressively more interrelated.

The shift we are seeing whereby <u>awards shows</u> are taking into account the strategic solution that is creatively presented to address the (sales) problem is welcomed and embraced by the profession because it emphasises that a good idea is as important as its efficacy!

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