

COLUMNS

## 3 trends that will transform the media industry in 2016

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By A LUXURY DAILY COLUMNIST

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The media industry is facing significant changes in 2016 as media companies and brands double-up their efforts to adjust to digitally savvy consumer needs. These shifts will pave the way for new advertising services and partnerships, as well as foster greater creativity focused on delivering more innovative content to consumers.

The industry has already seen this impact with Procter & Gamble's recent announcement that it plans to move the bulk of its North America media buying and planning business to Omnicom Media Group. P&G said improved data analytics, innovation and talent were the primary drivers behind its decision, adding that to connect with today's consumers, brands need "to be able to reach consumers at the right place at the right time with the right message."

While there has been much written in the North American and European markets on how digital, mobile and social media have disrupted the traditional media landscape, the industry has trailed behind the consumer's level of digital sophistication for years. This dynamic is rapidly changing. Next year will be the year that the media industry responds to new consumer behavior with new business models, improved measurement and more dynamic content partnerships.

Look for three key drivers of this change in 2016:

**Bundling of media buying and measurement services to spark an international wave of analytics company acquisitions**

As digital advertising begins to overtake linear television spend, a larger portion of brands' overall media strategy and budget, bundled services that manage the full lifecycle of the ad, from placement and tracking to impact measurement are emerging.

Many of these new offerings will be created through acquisitions, both in North American and European markets, as buyers rush to establish greater analytics capabilities. As a result of these capabilities providing better information about a campaign's impact on consumer behavior, the value of digital inventory will rise.

Quality digital advertising measurement is the next milestone in the media industry, and 2016 will see many strides in that space. Marketers will increasingly change their view of how to value the media inventory available to them. They will no longer focus on spot price and programs. Instead, they will look at the value of the results. The more

accurate buyers can be in measuring outcomes, the more highly valued their services will be.

"Odd couple" brand partnerships to spread as the industry adjusts to new consumer behavior

The new year will see a surge in the number of non-traditional partnerships between brands, celebrities and media companies. Brands will increasingly choose delivering experiences over taglines in order to capture customers and secure brand loyalty.

One example of this kind of partnership is outerwear company Moncler's sponsorship of Italian explorer Michele Pontrandolfo's trek to the South Pole, which is helping to promote its winter 2015/2016 collection. Another example can be seen with GoPro Workouts, which enables users to follow their favorite professional athlete's daily workout routine.

Brands are starting to internalize that a big part of capturing a digital audience's attention is delivering meaningful experiences in a non-commercial sense, a story with a central narrative, dramatic structure and character arch. This is especially true with social media, where engaging content can go viral at any moment.

Digital audiences are much less likely to pardon brands for their interruption. To attract and keep audiences, brands must deliver compelling content and be comfortable with their products living in the subtext.

Advertising agencies to shift focus to creative and strategy as programmatic technology and fee scrutiny squeeze margin out of media buying

For the past two decades, marketers have placed a premium on their agencies' ability to buy media efficiently. Agencies' buying capabilities often determined whether they won or lost business.

With the rise of digital media, however, advertisers are fighting harder than ever before for media placement relevance.

This coming year the rise of programmatic technology and scrutiny over agency media buying fees will move agency value propositions back to campaign strategy and creativity.

While buying has become increasingly commoditized and media channels have grown exponentially, capturing and engaging audience is more challenging than ever before. Agencies and marketers will turn to creative strategy, new partnerships and integrated cross-channel strategies to break through the cluttered marketplace.

The key is having sharper insights and more creative thinking.

In 2016, we will see brands shifting their priorities and seeking to work with the most innovative thinkers in the agency world.

TO MAINTAIN their competitive edge, marketers will also have to be deliberate about incorporating emerging tactics into their campaigns and overall strategies. This includes calculated risks that do not have the luxury of long deliberation.

While these trends may present their fair share of obstacles and challenges, the companies that face them head on will be well positioned to connect with customers in a more meaningful way, which will undoubtedly translate into stronger brand loyalty and healthy revenue growth.

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