

# It's a Wild. Wired. Wellthy. World!

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The recent global recession has changed our world forever. In a new digital age, characterised by oversupply and too many product types in almost every market, the challenge for companies will be to locate and capture pools of high-profit demand and be able to move with speed and flexibility to take advantage of them. Here are 11 trends for 2011.

## **BIZ 2011 MARKETING TRENDS**

### **1. Lions on the move:**

This is how the McKinsey Global Institute refers to Africa's economic growth, which they say is "creating substantial new business opportunities that are often overlooked by global companies.

Consumer-facing industries, resources, agriculture, and infrastructure, together could generate as much as [US]\$2.6 trillion in revenue annually by 2020, or [US]\$1 trillion more than today. The rate of return on foreign investment is higher in Africa than in any other developing region. Global executives and investors must pay heed."

Unsurprisingly, Africa expects an Internet revolution. According to the [Trends in Africa 2010](#) report by World Wide Worx, more than 90% of business decision-makers across Africa are expecting prices to drop and competition to increase dramatically in 2011.

"ADSL is fast becoming the standard form of business Internet access across Africa - more than 40% of businesses in these 20 countries are using it," says Arthur Goldstuck, MD of World Wide Worx.

Expect more double-digit growth in users of general Internet applications, email on cellphones, banking and the emergence of cloud computing in Africa.

### **2. Wild ascent of the 4th screen (mobile):**

More eyeballs and more money will be invested in this channel in 2011. South Africa's mobile penetration rate is more than 110%. Mobile is *über-omnipresent* and transcends most barriers - solar panel technology is even enabling poor isolated rural communities with no electricity to charge their cellphones and connect to the commercial world.

Apart from offering mobile transactions, local banks led in 2010 by enabling mobile money transfers into cash in pocket. Growing affordability of smartphones will put the www in more South African hands than ever before. These devices will increasingly enable consumers to participate in social and mobile commerce, find or receive dynamic deals right at the point of sale, compare prices online, partake in group or member deals and buy, buy, buy!

Collective buying models such as [Groupon](#), with 35 million registered users, make social mobile commerce very appealing. [Trendwatching.com](#) warns companies to watch out for pricing pandemonium where "consumers are constantly connected, and when they hear about new deals online can quickly and easily spread them through their social networks."

Think group member sales and flash sales!

### **3. Gadgets, gadgets and more gadgets:**

Technology will continue to change the way we live and consume.

The recent International Consumer Electronics Fair in Las Vegas revealed key trends: forget 3D television, which is still slow in its uptake; new gadgets and software will let you create your own 3D photos and videos using 3D consumer cameras.

Smartphones are becoming more capable, and wireless streaming technology is becoming more faster than ever. Consumers will also be able to use their smartphones as remote controls and there are developments in 4G Wireless and Windows Phone 7. All the major chip companies are touting new, mobile-focused versions of their processors.

While there is some product availability lag in South Africa, we don't lag in desirability! SA is still waiting for decent availability of tablets, but it will come. Industry analysts predict as many as 20 different varieties of tablets to premiere globally over the coming year.

#### **4. Integration and innovation:**

Investment in brands remains under pressure.

Advertising spend in SA showed little real growth for the past two years, if you exclude rate increases and spend directly related to the 2010 FIFA World Cup. In 2011, prospects will be more positive; however, only double-digit growth (real) will come from digital channels.

As this category is hopelessly under-read, we won't really know how much, only that it'll grow in leaps and bounds off its small base.

Certainly, though, we can expect more competition between and innovation from SA media houses, which will ramp up efforts to integrate media platforms and offer consumers multiple entry points to access information and content (web, radio, print, TV, mobile, out-of-home) and provide advertisers more integrated cross-platform advertising opportunities.

#### **5. Move out of traditional sponsorships deals:**

In the latter half of 2010 Standard Bank, one of South Africa's largest advertising spenders, announced its decision to withdraw investment by May 2011 from its sports sponsorships. It had invested around R100 million a year into Cricket South Africa; it also announced a cut in ties with Kaizer Chiefs and Orlando Pirates.

This has sent a strong message to the sponsorship community and also to other marketers who invest in traditional sponsorships. It's hard to believe they won't question the value of their deals.

In 2011, where will the money that was invested in the 2010 FIFA World Cup be redirected? Will it be reinvested in company margin or will we see some new innovation in the sponsorship area?

#### **6. More digital newsstands:**

It's been reported that Google may build a digital newsstand for Android in order to compete with a similar service offered by Apple via its iTunes store. This is clearly a major challenge and one to watch in 2011.

Digital newsstands will impact traditional newsstand sales of a variety of media and entertainment products. They break geographic boundaries and open products to new markets and consumers. With the very high mobile penetration in SA and increased accessibility to smartphones, this cannot be underestimated.

Some believe successful digital newsstands will not focus on brands, but will focus on artists, authors, topics and articles. That'll really pose a major shift for brand, media and entertainment companies if it becomes a reality!

## 7. Social media gets sexier:

And continues to change the way in which consumers interact with media, brands and companies. Everyone will be taking social media more seriously in 2011.

Expect more companies conversing with more consumers on Facebook (there's no single traditional media channel that holds captive the sheer number of consumers that social phenomenon Facebook has - 600 million users and growing); more businesses and their CEOs on Twitter and other networking platforms; and more money to service providers which generate effective brand solutions and creative, profitable, ideas to companies.

Consumers are no longer just content generators; they are also *content curators* and don't necessarily want their "walls turned into malls," so companies have to learn from best practice and understand consumer needs in much more precise ways than ever before.

Social gaming is predicted to become the "Super Bowl of Marketing." Companies must come up with clever ways to incentivise social media participants in games with rewards.

## 8. More consumer consciousness:

This social world is leading to more consciousness, and more sharing of this consciousness with their communities.

Whether it's concerns about the effects of global warming and a greater appreciation for environmental issues as communities feel the full effects of floods, snowstorms, earthquakes and many other disasters sparked by environmental disruption; worries about the abuse by political leaders of their power of office; global human or animal right challenges; or even just the challenge of basic labour rights of workers in a local corporate institution, unquestionably consumers are more empowered than ever before, with information brought real-time to their mobile or pc devices.

## 9. More consumer activism:

A more conscious and connected consumer will have a profound impact on the growth, or not, of brands, companies, countries and even individuals - a disturbing trend in Asia of late is the rise of "hate mobs", spawned by social media.

Consumers are realising they have a voice online and with this comes more risqué behaviour and brashness, including fair dollops of brand-bashing, as increasingly open and transparent conversations about brands and companies take place on social media platforms. They are more powerfully organised and networked, so news travels fast. More companies and governments named and shamed, Wikileaks or other "leaks" and, yes, it's unlikely that Julius Malema will topple Twitter.

South Africans will see the introduction of the new Consumer Protection Act in 2011, which will add serious weight to consumer rights, so companies had better be prepared for active and intelligent engagement! Think more reputational management, a renewed focus on values and adherence to a moral marketing code!

## 10. Consumer longevity:

According to the UN Population Division, "by late 2011 there will be seven billion humans on earth". Today, half the world's population, that is three billion people, live in urban areas. Also, close to 180 000 people move into cities daily, adding roughly 60 million new urban dwellers each year. (Source: *Intuit*, October 2010).

Not only are there more people but also people living longer, and scientists estimate the population may reach nine billion before 2050-in 2045. Obviously, not all are active consumers. However, the progress is notable.

It took more than 20 000 years to reach one billion consumer participants in the world. It took 20 years to reach the second billion. By 2012 ,we'll have reached the third billion. The effect this is having on Earth is critical and *Africa and South Africa* are no exception!

As *National Geographic* reports, "Water tables are falling, soil is eroding, glaciers are melting, and fish stocks are vanishing. Close to a billion people go hungry each day. Decades from now, there'll likely be two billion more mouths to feed, mostly in poor countries. There'll be billions more people wanting and deserving to boost themselves out of poverty. If they follow the path blazed by wealthy countries-clearing forests, burning coal and oil, freely scattering fertilisers and pesticides-they too will be stepping hard on the planet's natural resources. How exactly is this going to work? "

## 11. 'Wellthy':

In humankind's desire for longevity, good health is becoming as important to some consumers as having the biggest, newest or shiniest status symbols; there is a growing appreciation of the priceless value of good health.

Around the world, increasing numbers of consumers will expect health products and services in 2011 (and beyond) to prevent misery and improve their quality of life, rather than merely treating illnesses and ailment. So says Trendwatching.com, which adds: "An estimated 500 million people worldwide are expected to be using mobile healthcare applications by 2015."

In SA, the planned introduction of a National Health Care system over the next few years will have a fundamental impact on a consumer's personal health and management thereof! Information and technology will be a key and positive enabler of consumer health consciousness. In 2011, be *wellthy*.

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