

The year of short-term commitments

 By Agnes Barnard 23 Jan 2012

As the world gets hotter and we become more connected, and brand interaction is now a conversation and no longer a monologue, the trend we are seeing coming through loud and clear are those of "short-term" commitments.



1. Clients are reluctant to sign off annual plans

In an economy where every cent is under scrutiny, signing off a 12-month budget and plan seems like signing for a lifetime commitment. Therefore, there is a reluctance to sign off an annual plan and more of an inclination to commit in chunks of three and six months.

2. Clients to take a view in the last quarter of their fiscal and, if targets are not reached, budget cuts are applied

Clients set adspend as a percentage of turnover. Therefore, the lower the turnover, the lower the budget. These erratic spending habits are forcing creative agencies to be more strategic with the money they have work with.

3. TV in general seems to have become less lenient, with negotiation, compensation and even deadline for material delivery

Television needs every cent of ad revenue it can obtain. PVR has come in to households where consumers are skipping through the advert breaks; therefore the potential reach is down.

Therefore TV is less flexible when it comes to negotiating, taking on a "no-nonsense" approach when it comes to things such as material delivery deadlines. The same overheads apply, regardless of the advertising revenue.

4. Through digital specialists, clients are a lot more informed about the medium and a lot more will budget for the medium

Clients are being educated on the power of social media and digital marketing. Historically, it was a "nice-to-have" and now it is a "need-to-have", and the digital arena is fully integrated into the marketing mix across the line.

AVB deals are becoming the norm

Pressure is mounting on thin margins and the more clients are pushing better deals, the more media agencies are needing to find other sources of income.

On the one hand, media owners are under pressure from media agencies to do more volume deals. Media agencies, on the other hand, are under pressure in pitches to provide the information on the volume deals they hold with media owners, in some cases just to get entry into the pitch process.

5. **CPT trading**

The reality of buying TV on a CPT basis is here and already in practice, certain to become the norm - provided the media owners gear themselves up to manage this new trading process

6. **New shopper journey - role of digital ecommerce key!**

Going back to basics - customers want an easy yet memorable shopping experience where the products they see are available. On the same front, store owners want to follow customer trends and entice consumers in purchasing decisions.

These basics have transferred from the retail space into the e-tail space, where online shopping is fast becoming the norm. Thus, e-commerce involves creating a magic customer experience within the e-commerce set up to convert browsers into buyers.

7. **Content seeking platforms**

Clients are striving to reach their markets outside of the clutter and traditional formats. Content of clients, a content clients can associate themselves with, is being sourced and pushed to market

8. **eBooks are now outselling paperbacks in America**

What Apple did for music with the iPod, so has Amazon for books and written material with the Kindle.

Not only is this a convenient way of consuming written media, but it is environmentally friendly and, as the world becomes more aware of the importance of cutting back on paper usage, digital options will slowly but surely make way for traditional print options - be it books, newspapers, magazines or journals (*But what about the cost of rechargeable batteries, energy for recharging, manufacturing and disposing of devices? managing ed*).

9. **Three times more people watch videos on YouTube than download music**

One could say that streaming is becoming a trend in media consumption, be in video or audio format. In the music arena, consumers are obsessed with listening to bonus content and alternative versions - live, remixes, interviews being just some of the things that are being watched by music lovers all over the world

With the emergence of faster bandwidth, which is becoming less expensive, consumers are less cautious when consuming video content of all types on YouTube.

10. **25% of all phones sold in Q1 2011 were smartphones, which is 85% more than Q1 2010**

Social media is one of the main reasons for this. Blackberry Messenger has taken on the world by storm as consumers partake in their usual Facebook, Twitter and LinkedIn activities while on the go.

This has become an important observation in out-of-home advertising, where campaigns are often integrated with technologies that can be applied by consumers using their smartphones.

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