THE MARKETING & ADVERTISING TECHNOLOGY REPORT: NEW & FUTURE TRENDS TO LEVERAGE

FOREWORD/ABOUT THIS STUDY

This report is intended to provide recipients with a deeper understand of the fast changing landscape that is the convergence of technology and marketing/advertising. This document offers not current digital intelligence but also cultural intelligence around consumer behavior and mindset, now and trending in the future.

Lauren deLisa Coleman, digi-cultural trend analyst, along with Lnk Agency, specialists in deciphering and forecasting trends within the convergence of culture & emerging technology and studying the impact of such on business and governance, have tracked, analyzed and interviewed key researchers, C-Suite executives, data science trends, and ethnographic settings to create a unique offering that provides opportunity identification, analysis and outook for the coming year period. It is no longer sustainable to solely do studies over a year(s) long period when the industry is moving at such a rapid pace, therefore, our reports are intended for real-time, of-the-moment snapshots to more completely support today's executive demands. Further, presentation of hard statistics without true cultural intelligence applications and observations around them are not holistic enough for the skill that is needed today to truly engage with today's popular culture, tech-savvy individuals. Thus, we are presenting a newer style in professional report documentation.

This study reflects some of the key findings.

EXECUTIVE SUMMARY:

Digital Advertising/Marketing and consumer engagement in the United States is a massive, growing market undergoing a significant technology-driven evolution. Technology is reshaping the way consumers engage with advertising and marketing messages and, in turn, how media, advertising companies, and marketing professionals create and delivery strategy.

With such rapid advancement and disruption, all professionals are asking the same questions: what tools and trends will the industry need to support growth and consumer interaction and immersion? What is the future intersection of marketing/advertising and wearable technology? How will the paradigm shift in media company structure continue to affect digital marketing/advertising, and how quickly? In addition, given that Millennials have now over taken Baby Boomers as of the writing of this report, how will new values challenge tradition, and how will marketers and advertisers stay ahead of a faster moving, tech-savvy demographic of 80 million+?

The challenges are real and accelerating. This report serves a unique real-time resource of trends and information that is the result of top executive interviews, data research, and surveys that are exclusive.

 For marketers and media buyers, the marching orders are clear: quickly marry precision marketing, interactivity and measurability of online with the enormous scale and persuasive power of TV. At the same time, marketing and brand executives are desperately trying to move beyond procurement's shadow, where media investments are valued as cost centers rather than profit drivers. Going forward, true cross-platform measurement, as well as the use of resonance and reaction insights tying investments to business outcomes, will become critical in shaping the market. Thus, absolute knowledge around current and future trends in consumer sentiment, technology behavioral insights, and emerging technology software is the most important space of knowledge for today's marketing and advertising professional.

CONTEXT

Framework is everything.

It is fitting that this report is just being concluded as the key speakers of the 2016 Cannes Lions International Festival of Creativity have been announced. The previous year's event focused more than ever on marketing and advertising technology, and 2016 will prove to be no different. The reason is that the tech phenomenon is boldly changing how advertising is created, bought, and sold. Inclusive of a giant exhibition space is focus on digital advertising, social media marketing and analytics, and for the first time, a separate Cannes Innovation festival that centered exclusively on data and technology.

Currently, content is not as much the topic of conversation, as tech is the center of activity. The focus is on data-driven products that give marketers the ability to target consumers and assess the effectiveness of their campaigns. The ad tech, the data, the insights, and the programmatic players are driving much of the activity because it is perceived that the consumer data allows marketers and advertisers to deeply influence and shape the dialogue. The current advertising and marketing landscape sees technology as enabling creativity and reach. This is the new news.

But just as today's advertisers and marketers arm themselves with micro tech skills to reach the consumer, millions of individuals are beginning to push back against such tech enabled targeting. For example, masses of people have installed extensions to their web browsers that delete ads from most, if not all, of the sites they visit. One popular ad blocker, AdBlock Plus, claims that it's been installed on people's browsers more than 400 million times and that it counts close to 50 to 60 million active users. Such counter-activity has always been the case, but now it seems to be shifting toward the norm rather than the exception.

AdBlock Plus has averaged 2.3 million downloads a week since 2013. Ad blockers can't erase the advertorials, but they are able to block the paid placements that point people to various pieces of branded content utilized for marketing. And brands' target audience du jour -- millennials -- appears to be more likely to use ad blockers than any other age group. In addition, Apple's latest announcement regarding ad blockers comes at the dismay of every industry at work to sell, track, and convert. The IAB will be convening a task force in the months ahead to discuss ad blocking and devise best practices and guidelines over how publishers should address the issue. Potential solutions might include frequency caps on the amount of content individuals are able to consume and an extreme case would be actually restricting access to the site entirely. Thus, several styles are being tested and perfected from "native" to "freemium." This so-called "freemium" model that offers a free, ad-supported version and a paid, ad-free version of a site has been adopted by companies like music streaming services. It is truly the wild, wild west of business models, consumer authority, and technology. We will only see more turbulence before comfortable standards are created.

Yet there is an additional layer that makes the arena either deliciously more fascinating or devilishly more complex, depending upon one's point of view.

The confluence of the aforementioned also coincides with the fact that the notion of the "media company" is simultaneously being re-defined. Those at the helm of the neo-media company are creating new models and tactics that force today's marketer and advertiser to adapt or perish. The trend is to now center content around the consumer journey, experience, or behavior, rather than the individual platform. A media company believes a consumer's day is complex and woven together from multiple touch-points beginning with mobile, then spanning desktop, out-of-home,

COMMON MEDIA METRICS USED IN THE PAST
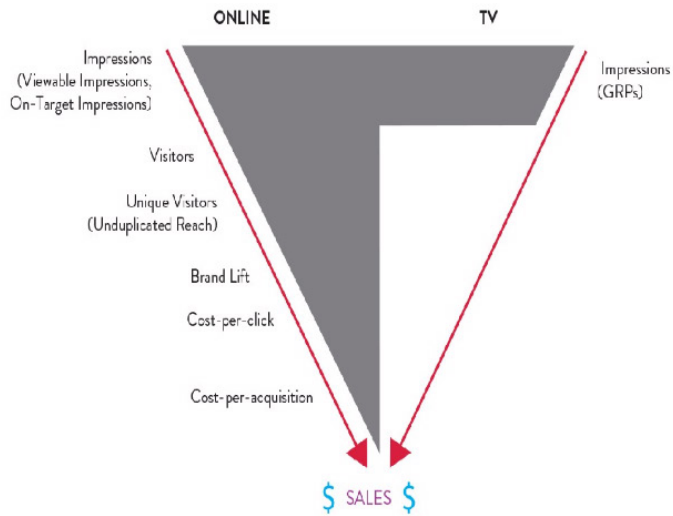
COMMON MEDIA METRICS OF TODAY AND TOMORROW
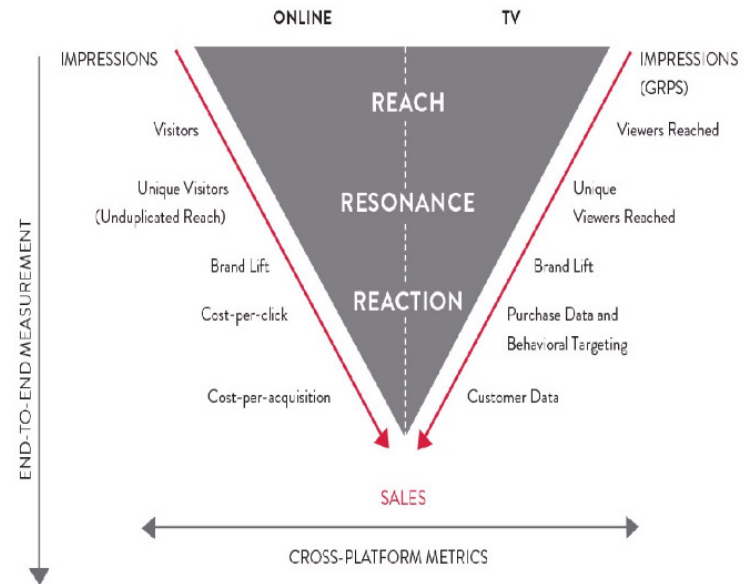
and television, and any combination of usage, thereof, and is creating a new approach to support such activity. This shift is demonstrative within some of the latest statistics involving social media. For example, in Q1 2015, television and media publishing properties combined captured a 49% share of voice of all engagement among U.S. brands across Facebook, Twitter and Instagram. Social media is the ultimate one-on-one marketing, thus the trend is now toward media companies transitioning more and more from a broadcasting mentality towards a messaging mentality, and utilizing big data to better understand how to create a unique experience for the consumer. Yet the forecast of such applications is even wider, all encompassing, and via a foundation that will penetrate even more deeply via data, engagement and nimble content creation.

The neo-media companies will still be driven by staff but will become more and more adept at incorporating consumer/individual voice, such as the recent incorporation of CCTV enabling individuals to upload their own reporter footage via mobile beacons placed strategically within the city. Such re-definition of hierarchy, media, and information source has, until today, been completely foreign. We are now in a new era where this re-definition of media power as it intersects with a flattening of hierarchy is unfolding. Those in the space who are flexible and truly understand new

integrative techniques that provide value for consumers will win; others who resist will simply disappear. The primary impact on the shape of such companies, from a digital advertising and consumer consumption point of view, will be massive. By placing the consumer at the center of its marketing efforts, the future media company will further build content experiences designed with multiple screens in mind, with values such as speed, ease of access and navigation held very highly. For brands and ad providers, the challenge will continue to be to find creative ways to seamlessly integrate native content and advertising so that, rather than being disruptive, they build enticing and enriching experiences with the end-user. Companies can prepare by better understanding that there are no more gurus, only experiences. This means that cultural intelligence and behavioral insights regarding fragments and micro-fragments of demographics will increasingly become even more important as the order of the day will be to become more adept at creating organic engagement within such intimate scenarios. Only the best will win.

And yet… several millennial-inclined publishers are now stating that programmatic ad-buying is damaging the overall digital experience and leading more people to install ad blocking software. These publishers are particularly wary of third parties selling their advertising space or accessing their reader data – data that

might be shared with anyone. The real question here is, should these media companies become successful in rejecting the ad tech trend, might others look to follow their lead over time? If so, the potential for mass disruption in the space is great. The more new publishers see ad tech as degrading the website experience – particularly one reliant upon visuals – the more pushback could occur. The concern ranges from over-crowding to lack of speed. Hence, the industry is witnessing more and more content paid for specifically by the brand, which can then be shared and tracked just as all other creative content. While still devoted to analytics, they are employing ad tech, just that which the company itself can manage.

Some say that this stance is a luxury that will wash away once venture dollars of these newer tech-media companies is exhausted. Others in the industry who counter this position also say that building a business entirely on sponsored content is not easy to scale. Part of this may be why $10 billion alone was spent on programmatic advertising in the U.S. last year, according to the Interactive Advertising
Bureau. For now, the verdict is still out on an ad tech versus content driven debate.

Such is the landscape for today's marketing and advertising professional.
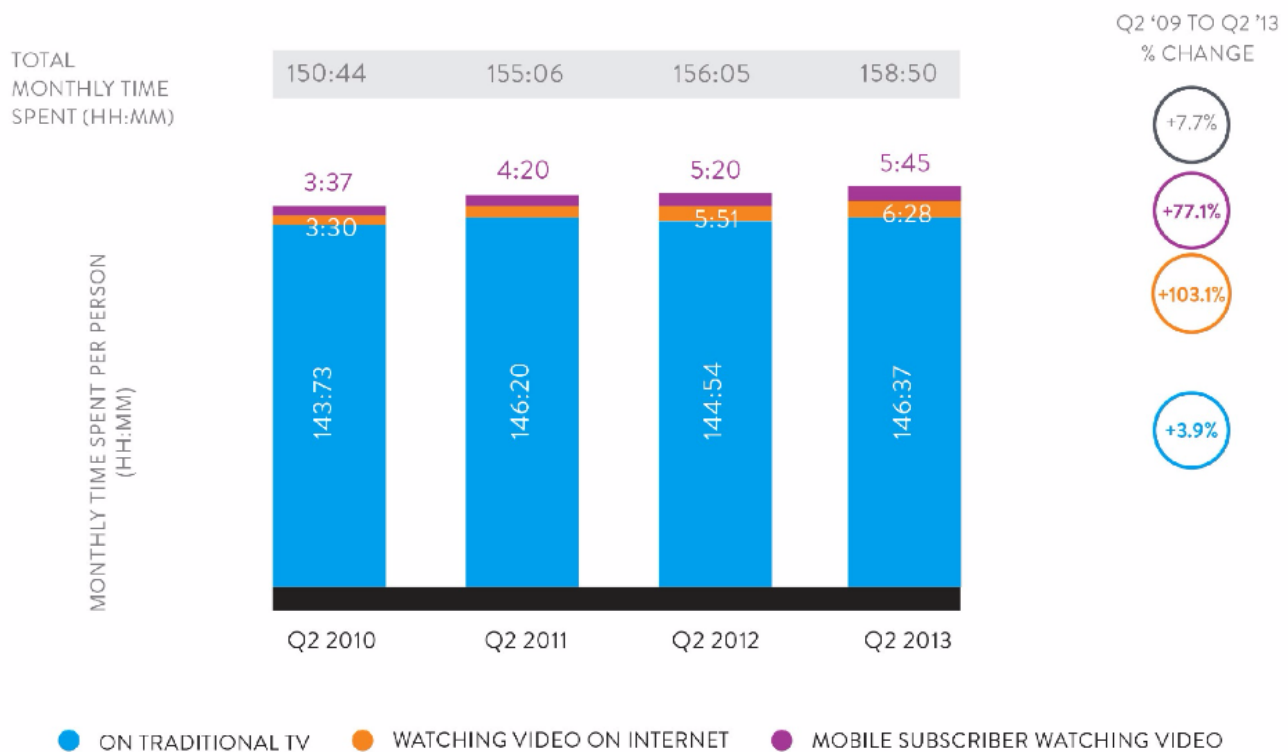
SHAPE AND OPPORTUNITIES:

Given the above context, the following are several of the key current and future applications utilized at the intersection of marketing/advertising and technology platforms and where greatest opportunity seems to rest, at the moment.

TRENDS AND DEBATE AROUND CONTENT LENGTH & MARKETING/ADVERTISING:

The debate regarding long versus short content is still trending and will probably not be put to rest any time soon. The latest FreeWheel Video Monetization Report says that the last quarter represented a 43% increase in video ad views on long-form content (long form as defined by anything over 20 minutes), yet it is undeniable that those numbers are linked to type of content and context. Snackable, short-form content is equally strong. The question is when, where, and to what extent should a mix exist? Marketers now have to be experts at deciding which version to use and at what time or it could mean loss of attention, and that converts to loss of market share. Success seems to be linked to starting with the concept and allowing the length to derive from that. In the case of Virgin Airlines, for example, there was a recent objective to put a mirror in front of people who are still beholden to other airlines and ask, "why are you still flying like this?" The brand thought that the best way to capture the feeling of a generic, never-ending flight was to actually recreate it in real-time with a seemingly never-ending film (see Google for the video).

TIME SPENT VIEWING VIDEO ACROSS TV, ONLINE AND MOBILE

	Q2 2010	Q2 2011	Q2 2012	Q2 2013	Q2 '09 TO Q2 '13 % CHANGE
TOTAL MONTHLY TIME SPENT (HH:MM)	150:44	155:06	156:05	158:50	+7.7%
MOBILE SUBSCRIBER	3:37	4:20	5:20	5:45	+77.1%
INTERNET			5:51	6:28	+103.1%
TRADITIONAL TV	143:73	146:20	144:54	146:37	+3.9%
TV (top)	3:30				

MONTHLY TIME SPENT PER PERSON (HH:MM)

● ON TRADITIONAL TV   ● WATCHING VIDEO ON INTERNET   ● MOBILE SUBSCRIBER WATCHING VIDEO

Some experts in the industry have said that long-form leads to better conversion rates. However, this might not always be the case. There is no black and white strategic advantage with longer form content. The only simple answer as to why long form could be better is that, when well-executed, users spend more time immersed with the brand and/or the world that is created for them and, in theory are more seduced by the message. As a result, they may be more likely to engage. If this is the case, however, the trick may be to, whether short of long, make a connection with people, and steer certain behavior.

The debate over length will not retract any time soon given the emerging digital platforms on the horizon and unique usage across them. For example, Snapchat is primarily a short-form driven tech platform and projected to book $1 billion in advertising sales this year. This is in direct opposition to such digital media companies as The Huffington Post which recently decided to actually increase long-form content, as well as contrasted against POLITICO which offers both short and long propositions. Therefore, there is an elusive mix of age demographics, sensibilities, behavior, platform, the offering, and so much more when creating content. No matter what the length, the importance is, tell a great, compelling story, and one that the creator would actually watch or read even if he or she did not work for the company. This is rare. Content that seems to stick tells secrets, provides insider views, shocks, amazes, and dazzles via video. Savvy marketers understand this forumula. Length is only one part of the puzzle on which far too many are stuck.

TRENDS AND DEBATE AROUND DIGITAL CONTENT PERMANENCE MARKETING & ADVERTISING:

Experts indicate that ephemeral content and the platforms that support it are a direct result of user behaviors and needs. New demographics are forcing a conversation around the concept of perpetuity and the relevance of permanent existence of digital offerings. Ephemeral content in many ways exists because there is no consequence or burden of historical reference, hence its growing allure. This is evident in everything from platforms such as Snapchat to the rise of live video streaming.

As a result, ephemeral, or "disappearing"/short-lived content is a growing challenge for advertisers and marketers accustomed to creating campaigns intended for deep and consistent, organic engagement. Given that, for example, the half-life of a Tweet is approximately 24 minutes, a brand message that is intended to disappear may end up being more fleeting than the company would have would have liked. The resulting action from advertisers is evident in the advent of the rise of paid advertising across social platforms.

For brands that are intrigued by platforms such as Snapchat, there are currently two schools of thought on how to best approach the medium. There are those who treat it in a manner similar to that of a social network, trying to find ways to engage as a user would, 1:1, sending individual snaps or, more likely, stories. However, the challenge is that such work is executed manually and it is difficult to reach scale. The second option is for advertisers to focus on reaching hundreds of millions of 18-24 year olds with short, entertaining video clips. Thus, this interaction more closely resembles television than that of social media. This approach may yield the most impactful results but only with significant budget application or significant creativity not typically found inside agencies but more inside the bedrooms and garages of millennials. The important take-away here is that we are witnessing the blurring of lines between network, social space, personal space, and corporate space. That is what makes this era so exciting yet raught with challenge.

Whichever way one chooses to go, the mandate is to remain authentic and to deliver content of true value to your audience. This is paramount.

As the live streaming trend across such platforms as Periscope, begins to build, marketers and advertisers may soon find themselves with the robust opportunity of a broadcast/YouTube ad model proposition, and a unique creation of personalities from ephemeral and non-ephemeral digital platforms may end up being leveraged by brands in order to drive messaging. But the terrain is not without peril. An early example is that of which was reported by Mobile Marketer regarding a recent campaign by The Wendy's Co. The food brand offered fans a full day of live-streaming and improvisations featuring Rhett and Link, who have amassed a significant following

on YouTube with their humorous music video interpretations and sketches. The duo provided a behind-the-scenes perspective as they promoted Wendy's new Fruitea Chillers in a way that felt organic and creative, but many viewers were left disappointed when they were not able to get onto the microsite. Wendy's used its Twitter account to drive social media fans to the designated microsite, https://sipmeup.wendys.com/, which featured images of the Orange Mango and Blueberry Pineapple Fruitea Chillers on the sides. Consumers were asked to help customize their experience by answering some questions while they waited for the videos to load, after which select visitors could be connected with Rhett and Link during their day-long sketches.

The campaign was created to promote the brand's new drinks, and proved that social media influencers can offer a dose of freshness to seasonal campaigns and encourage trial among millennials. Rhett and Link have a massive audience who reach this sought-after demo and spend time engaging. So for Wendy's to employ the influence of these YouTube stars sends a signal to fans that they are confident in their new drink menu, but also, that they value what feedback the audience has to give. However, the microsite was inundated with so many visits that it temporarily overloaded, preventing excited guests from interacting with and seeing the comedic YouTube duo. The fast-food chain saw its microsite for new seasonal drinks become overloaded, suggesting that brands may not be ready for the massive viewing power that social media influencers can bring to live-streaming applications. If another similar incident occurred the next time Wendy's or a fellow fast-food chain decides to bring YouTube celebrities to Periscope, it could have a more detrimental effect on fans. Thus, proper technical maintenance support is vital.

Despite these complications, Wendy's walked away from the promotional day with more than 2,700 Periscope followers and 65,000 "likes." This is what is becoming known as "influencer marketing," and one that is poised to become a huge trend and could even replace traditional advertising in some instances in the very near future. The danger here is in targeting influencers that the company thinks appeal to all people and stopping at that point. In a country which is becoming more diverse, one in which females are the key breadwinners, where the varied

interests among millennials is wide, such campaigns will have to move with the same fragmented sensibilities, particularly across devices which are so intimate.

TRENDS AND DEBATE AROUND DYNAMIC DISTANCE AND ADVERTISING:

Location is a data point that is unique to the mobile device and, if used skillfully, has the potential to greatly improve a shopper's experience and a brand's profits. There are currently three ways in which location signal is used to deliver a greater shopping experience and increase conversions:

1) leverage real time location to deliver an ad that is relevant

2) leverage real time location to make an ad more creative/tailored and prompts action to be taken

3) data mining of consumer's past behavior to project out future behavior

Mobile gives brands the opportunity to connect with consumers throughout their day, in any context, and at any time. Leveraging a user's real time location, understanding it in relation to the physical world and combining it with other contextual data points (such as the time of day or the weather) is considered "dynamic distance" and a yardstick by which to determine whether effective use of the "moment" has taken place or not.

The "Moment," as it pertains to distance/location and simply on its own, is the buzzword of the day. A definition of a mobile moment could be defined as when one has his or her phone in hand with visual engagement, preparing to either initiate an action or move from one action on the phone to another. This is magic time for the advertiser and marketer.

Reaching a consumer at the right "moment" is the first step in creating interest and desire. The next one is to prompt him or her to purchase. The challenge is learning how to best leverage the advertising creative to prompt the consumer via a call-to-action. Data shows that 80% of U.S. Shoppers want the ability to check for nearby product availability. Thus, advertisers are working to include

more detailed address/store locator with listings, greater interactivity with product, and leveraging data feeds to make the offer as relevant as possible. The trend of micro-sizing – or seizing moments – along with maximizing location and distance is complicating the shift toward heavy reliance upon technology platforms.

Location is the key to unlock interest and intent in an economy where over 90% of total retail sales are still conducted within brick and mortar stores. With mobile becoming the primary device for content consumption, location data has the unique power to connect this digital world to the physical world.

Today, most brands already leverage a user's real time location as a targeting parameter in their mobile campaign tactics. They have fully embraced the notion that a consumer will be more or less receptive to their message depending on where he/she is at any given time. They look to create a "mobile moment" by tapping into standard geo-fencing capabilities enabled by ad tech providers. Ad tech providers enable geo-targeting by matching a mobile device's real time location (where the user is located) to accurate and up to date place data (where the physical world places are located).

Some brands and agencies have moved to the next level, leveraging a user's real time location to dynamically adjust creative based on this specific information (for example, providing a user directions to the closest store) or looking at consumers' historical patterns of repeat location behavior as an indicator of their interests and values (for example, an active lifestyle audience segment could be built by looking at consumers who tend to visit health & sports clubs or outdoors activity areas, shop for sportswear and sporting goods, and go to organic grocery stores and farmers markets, and analyze them against the amount of time spent in these activities).

Ad tech providers are now working to connect all of the dots within a consumer's shopper journey, from exposure to ads on TV, to search browsing history on desktop, to content usage on mobile or to the viewing of billboards out of home. New data matching technologies are being developed (such as desktop cookie-to-mobile device-ID matching) and new players with unique data are entering the ad space, such

as Verizon's AOL acquisition play or MasterCard's attribution product. Fast forward two or three years, and there will be ubiquitous data regarding nearly all of a consumer's digital and ad consumption across all devices. The industry will finally understand the purchase funnel based on all the touch points with a consumer. And the usage of location, both as a data signal to predict future behavior and as a trigger for a hyper local proximity experience, will continue to be at the core of delivering these wider shopping experiences.

The challenge in trying to create this marketing and advertising utopia is that consumers will not want to be interrupted at each "moment" so brands will need to be incredibly sensitive and provide value that actually enables users to, perhaps, widen both the presence and power of their personal brands, in order to be relevant at all. It could be said that supporting an endless immersion, promotion, and self-gratification/information-ingestion will be needed in order to truly intrude on the "moment."

Further, there are growing concerns by user privacy groups on just how much a location signal can be accessed, thus the issue of protecting consumers against abusive use of their data.

However, there are multiple ways to enable solutions that support user and location privacy: on the front end, tech professionals can enable users to easily opt-out of receiving certain ads through ad-blocker solutions such as AdChoices; on the back end, they can ensure the data that is manipulated is done anonymously (hashing of IDs) and at an aggregate level.

With the mobile device being such a personal item in people's lives, all actors of the ecosystem (brands, agencies, publishers, tech providers, consumers) must work to find that proper balance between relevancy and "big brother syndrome." As user protection & ad targeting technologies become more sophisticated, consumers may or may not become more trusting in sharing their personal data to receive the types of offers that are truly relevant to them. One thing is certain, this area of tracking behavior and deep targeting, will be one of the biggest issues of our time.

DATA-INTELLIGENCE — DEEPER DIVE — CONTEXT. INSIGHTS FROM MICROSOFT AND OGILVY:

The consequence of this new digital era is the proliferation of consumers' behavioral data. Years ago when the points of contact with brands concentrated on very few channels, intuition-based decisions drove most companies' marketing strategies. Now we are deeply into the data-driven era of all things branding.

But whether we're feeling outrage or having a LOL, it's through storytelling and sentiment that brands drive engagement; understanding how this works can prove even more complex than analyzing the numbers. Companies, both large and small, are now recognizing the importance of adopting both tools of sentiment as well as technology.

In a 2014 Marketing Trends Survey, marketers ranked sentiment as the third-most valuable element to be extracted within data-driven strategies, after web behavior and browsing behavior.

Thus, today's executive seems focused on cracking the code of balancing data and emotion within a brand strategy consist with today's demands, while also meeting the challenges of tomorrow. Such challenges will represent the intersection point of technology and sentiment, and even the early stages are quite controversial and complex, yet exciting.

Wired magazine recently reported that, despite significant advances in computer-facilitated learning, it is still difficult for these machines to understand and process natural language, automate sentiment analysis, or determine ambiguous context. But given the progress of technologies such as Natural Language Processing (NLP) and social media, brands do at least have the opportunity to pinpoint levers that are most relevant to them today.

Being able to access and decipher language, and therefore emotion, has become the holy grail for today's marketing executives. As Matt Wallaert, Be-

havioral Scientist at Microsoft's Bing, explains, "we now know emotions are a huge factor in how people make decisions– not just what they think, but how they think, which is the key distinction that marketers are just now catching up to."

Compare it to the Mad Men era of advertising, when emotions were seen in more of a black and white sense: if you could make people happy and show them a Coke, they'd love Coke. We now understand that emotions work more like perceptual filters, tying in with our daily habits and influencing our decisions.

This new reality has made the consumer-brand relationships even more challenging. Some analytics tools in the market can now easily process a large volume of data and model consumers' behavior using mathematical algorithms to predict customers lifetime value, estimate their likelihood of purchasing in a near future and maximize total return on marketing investment.

Analytics can also jump silos of common information within corporations and extract insights on most relevant attributes of customers, automatically clustering them with a micro-segmentation approach. And this is part of the capability that marketers look for to allow them to generate campaigns with greater confidence.

While very much data-driven in terms of metrics and optimizations, the creative nature of campaigns actually taps into the emotions of a consumer and drive certain behavior. From an advertising agency's perspective, the challenge lies in obtaining an elusive emotion-data balance right, over and over again. According to Leigh George, former Vice President of Social at Ogilvy, the immediacy and reach of social media have pushed emotion and storytelling front and center of their strategies, "Social media has forced brands to adopt a human-to-human approach to marketing, so that relationship building is empha-

sized over corporate anonymity and the hard sale. Our approach to research and data has had to move away from numbers-driven, demographic buckets to include psychographics and an awareness of people's personal beliefs and values."

Many companies find themselves having to play catch up, or simply missing opportunities and losing gradual market share.

"I think there is a very real danger that psychology becomes an arms race between marketers and consumers," says Wallaert. "We have a limited amount of cognitive attention that we can devote to the world in a day, and as more brands are clamor for it, they each get a smaller piece of the pie.

"If we don't reverse that trend, we risk fragmenting consumers among so many cognitive experiences that the switching costs between them actually outweigh our time spent in them."

While many in advertising are committed to a data-driven approach, at the same time more and more professionals are becoming sensitive to the emotional connection needed to truly connect with the target audience. The following are some of the latest approaches and trends.

TRENDS-TO-WATCH AROUND DIGITAL STORYTELLING, EMERGING TECHNOLOGY, AND ADVERTISING:

Digital Storytelling Becomes Neo-Storytelling: Disjointed storytelling coupled with Interactive Touch Hotspots on-screen for video will begin to grow in usage and in interest. We are moving past linear and into intriguing forms of relating stories in new and varied orders. This is driven by a growing trend within several sub-segments of millennials. Reinforced engagement is driven by video touch-points that expand the story experience. This is extremely important development and capability given that there is a 400% jump in growth on mobile video viewing in just the last few quarters, alone. Advertisers such as Under Armour and Purina are beginning to experiment with such formats in order to get onto the radar of their target audience in contemporary ways via mindset parallelism. This means dis-jointed story telling, the ending in the middle, two outcomes at once, and more. Why? Because today's tech-sav

vy consumer, particularly millennials, are used to juggling multiple "stories" via text conversation which get picked up and dropped on-demand, peer description of endings to legacy created content perhaps picked up in the middle, GIF creation, which actually repeats the one part of the story into infinity, and so much more, all simultaneously. Thus, traditional unfolding is no longer absolutely mandatory. This is the new news. Watch for expanded levels that also incorporate user video.

Smart Products/Biometric Tattoos: These are interesting, new products often times within the line of NFC smart products. They incorporate Near Field Communication technology, which allows for safe and secure two-way communication between two devices, or in some cases, a smartphone and an NFC chip that is embedded in the smart skin wearable. Using a medical grade adhesive, innovative companies are beginning to embed the NFC chips between multiple layers to provide a durable, safe and waterproof construction. Made to last 1-3 days, they are designed to withstand daily wear and tear. The produce offers intrigue and cutting-edge appeal to marketing and advertising campaigns.

The use of NFC technology, in general, is becoming more and more mainstream. What was once mostly seen in Asia and Europe is gaining more significant traction in the USA with global brands, media giants, and the general public. Every new smartphone made today has the world standard NFC reader built right into it. While deployed mainly as the safe secure global standard for mobile payments, NFC has seen increasing use as a mobile engagement technology and will be seen more in conjunction with such items as skin wearables. Through the usage, there is the ability to capture all of the mobile engagement data, live, in real time; and it provides insights never before available to brands about their users. This methodology allows for two-way communication between devices for frictionless engagement and access to the cloud anywhere and anytime. Unique solutions in creative proximity marketing and advertising in the commercial arena enables a "smart experience" so that hand-to-hand materials become more compelling and enriched for data capture. This will be utilized more and integrated within advertisers on-site at live events and promotional dates in order to heighten experience for both participants and the brand, itself.
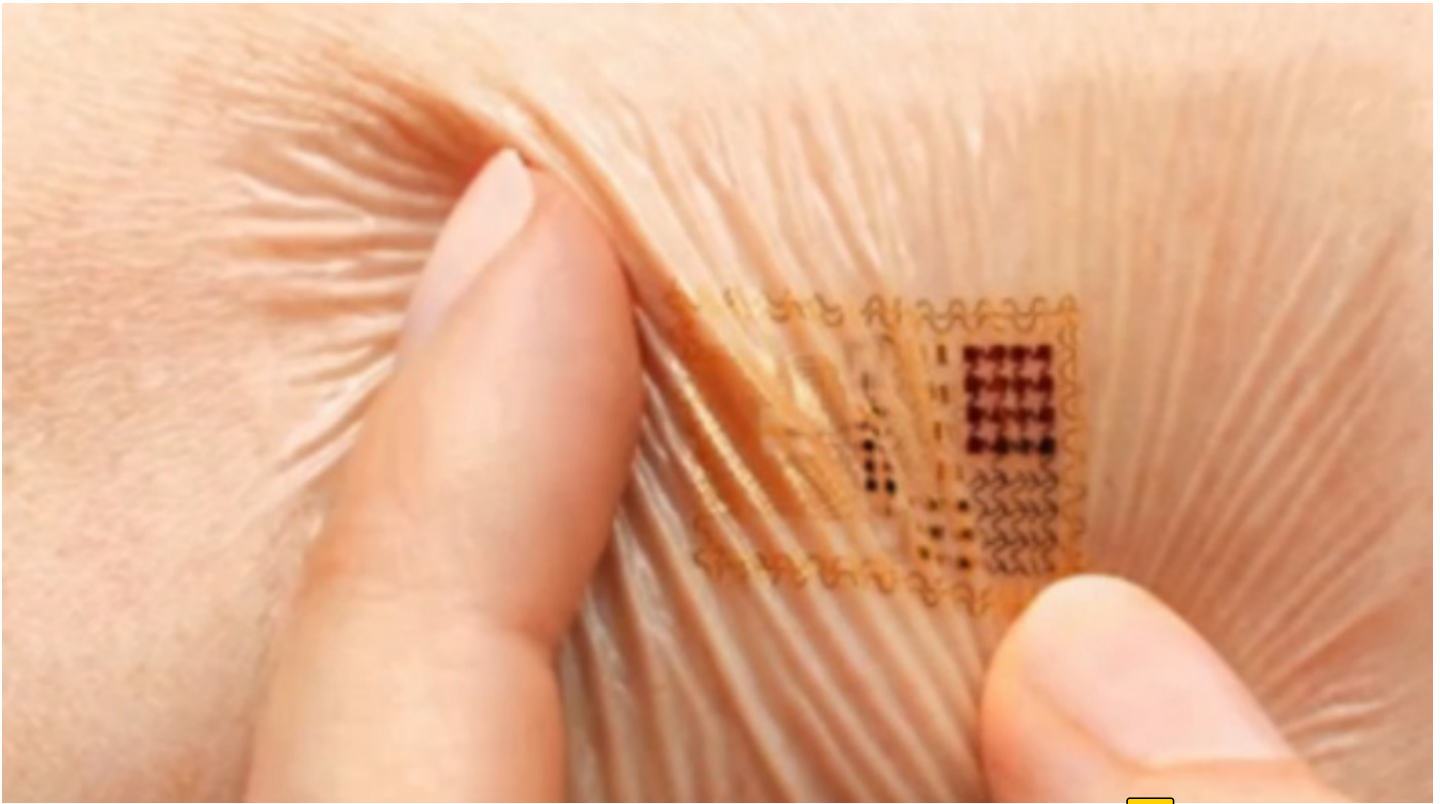
Virtual Reality – We are at the beginning stages of a platform to which consumers are gravitating to as the next level of immersive content. Think back to the advent of HD TV's. Consumers invited friends to partake in the high-tech experience, no matter what the content choices. Similarly, anything in VR is currently being downloaded and consumed, voraciously. As the platform begins to scale, we should see both slick, corporate production as well as guerilla approaches geared to various market segments. Either way, as adoption mounts, the market will be certain that savvy advertisers will be prepared with innovative offerings unique to the platform.

VR content gives marketers and advertisers a way in which to completely captivate while also differentiating. Currently, traditional content forms are ubiquitous. Experts in the VR field forecast that upcoming formats will hold a new, unique type of offering in that it is advertising and marketing in the form of entertainment. Thus the theory is that the messaging will be more powerfully and more deeply adopted by the user/viewer. This phenomenon is beyond call-to-action in that it also could possibly even drive behavioral change or education. A current example of such, is Reel F/X's US Air Force's experience: Performance Lab.

As we move deeper into 2016, we will see the mass market release of VR product. And as this technology scales, we will begin to see greater and greater story telling and non-advertorial original content and narrative content created specifically for VR. The content will also become longer as the technology improves; current maximum times are approximately 25 minutes.

The VR platforms' repetitive nature will be a compelling draw for advertisers as well. Studies have shown, regarding the recent Acura VR content for example, that viewers have asked one another, "did you see this particular moment?" thus encouraging repetitive views given the fact that not all viewers will make the same observations with the first couple of interactions. In a world driven by both ephemeral and instamatic content, VR could actually provide a different time consumption option for both users and advertisers, alike.

Mobile Beacons: Beacons, which use Bluetooth technology to broadcast data to a designated smartphone app in close proximity, have been used in retail for about two years and are now beginning to gain traction, but in unanticipated ways.

The intersection of live events and mobile beacons is a key growth area. Large conferences such as South by Southwest (SXSW) deployed 1,000 beacons in

Austin recently to add a digital layer of experience for attendees. For those who downloaded the media and music convention's mobile application, updates, contests, directional information and content were sent directly to their smartphones. In return, SXSW obtained data from which the organization could mine and to which it could potentially re-market. The Cannes Film Festival also employed mobile beacons to offer real-time agenda changes, updates, and more.

One of the most impressive offerings about beacons is their open rate. Data shows that the content beacons send out to smartphones garners an open rate, on average, of between 60-80 percent. Thus, within the proper circumstance and provided that great value is provided to the end user, there will is a unique proposition to fold brands and/or messaging into such beacon dissemination. And naturally the data that is attached to a user's opt in is a coveted, added bonus.

The challenge will be in the frequency, timing and content delivered. Watch for bold trials and tests in this realm.

Internet of Things: According to the September 2015 report by Goldman Sachs, the Internet of things is the third wave of the Internet; a great mega trend that will quickly and exponentially impact the lives of individuals, companies and governments. By 2020 there will be over 30 billion Internet-connected devices, and most will neither be pc's nor phones or tablets. Within every home there will be over 500 devices connected to the Internet. Here are just a few:

Connected Cars. Vehicles will become connected, causing both safety and the functionality of the vehicle a true boost. Audio will be key here in terms of connecting with the consumer.

Houses Connected. Deeper in-home connection will drive greater interaction, comfort, and supported lifestyle. Audio and image will be even more key here for connecting with individuals in the privacy of their homes.

Cities Connected. The impact on cities will be very important. Of the 9 billion people who populate the planet by 2025, it is estimated that 70% of them will live in connected cities.

There will be a new population impact on high density sites facilitating and driving a need for information and data.

Health Connected. Health is one of the major sectorsthat will allow greater impact to take place via the Internet of things, as it will help to more greatly define both economic and population impact on people. Already today some insurers are working on projects to understand the habits around health, food and areas in order to reward people regarding positive health habits.

The Internet of Things will force the advertiser and marketer to completely rethink the consumer's need and lifestyle. This will be even more about meeting people's needs and all that relates to convenience and use of "things." The phenomenon may significantly improve the quality of life of people; and mental well-being, helping them to feel balanced in different aspects of their life. Equally important will be security in all aspects, being able to feel reassured by having controlled aspects like security and protection. Given the context, however, all forms of "advertising" will truly need to move to information and support rather than direct selling and product characteristic promotion. Overall, this will yield a completely new, Jetsons-type era where messaging and images will be lifted to an entirely new height and sales will take place at the swipe of a hand while seated on a sofa or at the kitchen table.

MILLENNIALS — DEEPER DIVE — CONTEXT:

Most all of the aforementioned trends, devices, and technology is being driven by and or designed by the industry, with the mighty millennial demographic in mind. Thus, this section quickly provides a short-take into further insight and trend forecast snapshot into this important demographic.

A key insight to note is that the trend of deeper personalization is something toward which Millennials and GenZers will continue to gravitate. In fact, Microsoft has identified a trend called "Creative Me" that speaks to this generations' need to feel like experiences and products are created just for them. Advertising that is successful must invite this particular generation to not only take part in the creative process but also help them to broadcast the results. This is a completely new approach in advertising and marketing strategy today.

In addition, social platforms that enable or deeply support discovery is another trend that is especially relevant for this group. Rather than looking for permanent social networks, however, they will continue to add and seek out more flexible networks that allow them to flow in and out as their interests change (think subreddits hitting the mainstream). The key for brands is to flex and continuously give many members of the millennial segment conversations to want to participate in for the moment, rather than asking them to permanently engage in one topic or network.

Another key trend to watch is that Millennials are continuing to blur what's "real". As the digital lives becomes just as real and meaningful as one's offline lives so technology is no longer just a tool to help offline, it will actually be the reverse. New platforms that continue to offer this blurring will be an interesting place for brands to take them to the next level, e.g. VR (Oculus), holograms (HoloLens).

Savvy marketers will have to continue to remember

that attention is limited, especially for this generation. Characteristics that show a strong relationship with decreased sustained attention, for example, higher tech adoption, higher levels of multi-screening, higher social media usage, are inherent to this group. The opportunity for brands is that these attributes are also related to faster encoding (memory). So if a brand can capture their attention quickly, end users are much more likely to remember (and share) the message. The distinction between content and advertising is fading. Content with clear calls to action is important, as are companion campaigns through social or additive content. The more content a brand can seed across devices so that Millennials want to follow and seek it out, the longer the brand can sustain the engagement.

Understanding that multiple devices being used to journey around content to connect and share is taking place and is a key pathway to multi-screen engagement is vital. Today, social streaming has actually evolved this pathway where the supplemental content has actually leapfrogged the primary content as the star of the interaction. This particular area is an interesting place for marketers and advertisers, because identification of currently engaged consumers is facilitated. However, they have to be more ready than ever to make commercial content be as compelling as the original.

**A quick note about mobile and millennials since so many believe that millennials are "mobile only." 63% of consumers claim they prefer a retailer's mobile site over downloading and app according to a survey by Siteworx. And consumers are using their phones to shop but not converting on their phones. They seem to prefer a bigger screen to make the actual purchase. The things that are immediate and time-based, they do on the phone. It's much easier to convert on a laptop. 45% use mobile to research products and only 29% of shoppers made purchase on mobile last year, down from nearly 40% in 2013.

MULTICULTURAL BECOMES THE NEO-MAINTSTREAM — THANKS TO MILLENNIALS

With Millennials now having over taken Boomers, in terms of numbers, we are going to start to see an even bigger push toward appeal to this age group. But it's not just about age. Given the fact that this demographic is the most diverse in our nation's history, advertisers will be challenged to create messages that speak to a Neo-America. The trend will move from the simple creation of the "urban" (read: Black version), the Latino version, and the mainstream campaign. In fact, the shift will have to occur given that 7% of all Americans are now identify as multi-racial. This is more than triple the U.S. Census Bureau's previous report (source: Pew Research). Thus, messaging, actors, language, approach, distribution platforms, and more will simply need to be much more inclusive in order to be both effective and cost-efficient. Sensitivity will be key and teams diverse in ethnic background, age, and experience will be vital in order to win in the new era. Becoming data-rich and culturally intelligent poor will create massive loss of market share. This will be about not only how to connect with demographics without stepping on stereotypes, but also being of-the-moment in cultural cues, slang, and values in a fast-moving tech-driven economy. There will need for an understanding of how various sub-demographics define everything from "manhood" to "success" in order to tap into cultural norms to sell. (These points and many others will be expanded upon in our upcoming Millennials Report)

CONCLUSION:

Without a doubt, data-driven advertising and marketing is deeply important. Advertising technology and marketing technology departments will be working more in tandem with each other and changing the face of the customer experience. According to a recent Ad Week piece, the following is what savvy organizations will do in order to seize market share:

- Unify marketing and advertising data to deliver personalized content and ads across all digital channels

- Improve paid media conversions on owned and earned channels

- Enhance display-campaign performance

- Develop deep customer intelligence and meet needs and desires through multiple channels and devices

 The most important long-term goal will be that of solving the problem of the fragmented customer experience. The goal will be to leverage technology and insights in new ways to deliver a consistently intelligent experience across channels that wins customers, particularly tech-savvy Millennials.

Tools that manage marketing and processes, workflows, digital content and customer analytics are all part of the marketing technology ecosystem will become even more important.Yet the challenge will be to remain ahead of the curve while still allowing for deep testing so that campaigns will be most effective.

The struggle over ownership of that data, and how it should be used will definitely continue to heat up and impact advertisers. It would be wise for advertisers to form, deepen, and/or align with organizations that will drive discussion and policy around this area since it will directly impact its business and growth.

However, the primary emphasis for those who truly excel in a new world of marketing, advertising and emerging technology will be balance. Those who who are adamant about obtaining and applying cultural intelligence to that of data will be those who reach customers in the most organic way possible. Understanding public sentiment, cultural trends, and their unique intersection with emerging technology platforms, and vice versa, will be paramount. This will mean a new eco-system of consultants, strategists, and data scientists both internal and external will be needed and create a much more complex yet dynamic marketing approach than ever in our history.