

# 12 FMCG social, digital, mobile trends for 2012



By [Steve Cragg](#)

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What does 2012 hold in terms of marketing and advertising in the FMCG sector? It is going to be the year of helping consumers empower themselves through mobile and social media platforms, of turning over cents and creating value, in short, of making peace with technology and its influence on the behaviour of consumers, while taking steps to counter the continued effects of the Great Recession.



## 1. Mobile

Last year 39% of urban South Africans and 27% of rural users were browsing the Internet on their phones. We are a mobile nation and our phones are getting smarter. Trade needs to be organised to manage near field communication for mobile coupons - and fast. Enough spam from group couponing companies! Expect the advent of contextual location-based mobile deals to put the user back in charge.

## 2. Free access

Expect to start seeing more and freer internet and Wi-Fi coverage in malls and shops to attract shoppers as well as to allow brands to communicate with shoppers in-store, via their mobile devices.

## 3. Rising video and social communication

Through video ads, videos on YouTube, videos on social media pages, web video will continue to increase in importance for marketers when engaging with consumers via digital - this also holds true for FMCG brands. In the UK,

increasing investment in video and social media is credited with helping FMCG brands to shift focus from direct response activity. In the US, marketing spend on digital video increased 42% from 2010 to 2011 and in the UK it grew by 100% over the past year, (in the UK, marketers now spend more online than they do on TV).

In South Africa, we are seeing increased bandwidth and the rise of tablets facilitating more consumer interaction with video. Expect more webcam shopping experiences and product information videos. Mobile video traffic represented 49.8% of total mobile data traffic at the end of 2010 and accounted for 52.8% of traffic by the end of 2011. An expected two-thirds of the world's mobile data traffic will be video, by 2015.

#### **4. More pre-purchase online research**

Pre-purchase online and mobile research is something which consumers will be doing more of. Online and web-influenced offline sales are already accounting for 42% of total retail sales in the US (Forrester Research: US Online Retail Forecast, 2009-2014). South Africans are using search tools and social media to do their pre-purchase research via the internet rather than in store and will increasingly be utilising mobile to quickly do research in-store. Expect more digital sites, platforms and apps with new (social driven) indexes of recommendations, ratings, testimonial, experiences, reviews and rankings to help shoppers buy better and faster.

#### **5. Online grocery shopping boom**

The app economy (driven by smartphones and tablets) is familiarising a great number of people with digital commerce. Expect that newfound confidence to spill over into other digital commerce. In 2011, the local industry expected 40% growth year on year.

In addition, the longer people have experience with digital environments, the more comfortable they get with the idea of electronic commerce. By 2015, the number of South Africans online with more than five years of internet experience will top 6.8 million.

#### **6. Healthier choices**

More consumers are turning towards healthier and organic food items and digital will play a role in helping them research and ultimately source these food products. Healthier lifestyles goes beyond food to reconnecting with communities of interest - and digital will play its role as the platform of choice here - but will also help facilitate real life meetings and get-togethers for members of these digital communities.

#### **7. QR codes**

The jury will be out on QR (Quick Response) codes during 2012; however, the rise in smart phone usage will no doubt drive QR codes into the mainstream and beyond geeks and early adopters. Expect to see marketers place QR codes across media, thus integrating mobile with the rest of their marketing activities. To help speed up adoption marketers should include QR code usage instructions in their communication and ensure that the content it links to be on par with consumer expectations. This will be the year of the first TV scanned QR code - true instant integration.

#### **8. More digital coupons and loyalty efforts**

A tough economy and multiple pre-purchase price comparisons both link to the continued rise of digital coupons. 2012 will see even more consumers embed digital couponing as a way of life, as grocery stores expand programs to enable consumers to more easily download and print or use their smart phones to take advantage of special offers.

Loyalty programmes will also continue to expand with the major manufacturers joining the major retailers and launching their own loyalty cards in a bid to grow market share in a tough economic cycle.

Do not be surprised to see leading manufacturers create alternative direct channels (think Amway for staples) to fight

the surge of retail outlets' DOB (distributor's own brands).

#### 9. Social media needs to move beyond 'like'

Social media's honeymoon may soon be over, as marketing clients will also increasingly focus on Return on Marketing Investment (ROMI) for their social media marketing investment. FMCG marketers will be more focussed on measuring the offline sales impact of their social marketing strategies.' Likes' just will not cut it.

#### 10. TVCs get shorter

The cost of major local TV production will keep rising, as the global demand for SA work becomes less and less affordable - thanks to a strong rand and a poor Europe. Couple this with the on-going inflationary cost of TV airtime and we will see a record number of inventory being taken up via local adaptation of global ads and flighted as 20 sec TVC spots.

#### 11. Affordable production alternatives

All this will help facilitate the advent of multi-media creative production hubs producing massive quantities of affordable 'bite-size' online/mobile video content. Providing clients with content that is created, tailored and customised to the right digital environment - be that social, mobile, web, online shopping. Given the above, expect the likes of China and India to make a move into commercial content production in SA.

#### 12. Offline word of mouth marketing returns

Yes that's right - it will be a year for brands to get back to the power of good old fashioned word of mouth, between two or more human beings, in real life, without any use of technology. Throw a product sample in the mix and brands will find they may just have the year's promotional Molotov cocktail.

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