

# 2017 will be the year of AR, video and mobile commerce

By Werner Lindemann

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From fake news shaping world affairs to the planet's short-lived love affair with the Pokemon Go augmented reality game, 2016 was a turbulent, exciting year for digital media and marketing. Looking ahead to 2017, we can expect to see as much change and innovation in the global and South African ad and media landscapes. Here are a few of the trends I expect to dominate the headlines during the year to come.



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#### 1. Video advertising explodes

Digital video advertising can be expected to rapidly claim a large share of the display ad market in most parts of the world for the simple reason that it is so effective and engaging. In South Africa, we're seeing an explosion in consumption of video from mobile devices, thanks to affordable data plans and a proliferation of smartphones with good displays.

As consumers start to consume more video online – whether Netflix, YouTube or Facebook – they will also be more receptive to digital video ads. Research from Zenith indicates that advertisers worldwide spent US\$17.5bn on online video ads in 2015, which will rise to \$30.1bn in 2018. Online video's share of digital display ad spend will increase to 31.3% by 2018, according to Zenith.

#### 2. The mobile device will be at the heart of e-commerce

We Are Social's Digital in 2016 report shows that 75% of web pages served to web browsers in South Africa are served to mobile devices. As such, smartphones rather than desktops will dominate e-commerce in South Africa. Brands should be thinking about how they can make it as easy as possible for people to convert and buy from their mobile devices – many online advertisers and stores still take a desktop-first approach.

# 3. The cost of quality digital ad placements will rise

Premium publishers will be focusing heavily on demonstrating value to their advertisers during 2017. They will shift focus from measuring clicks and impressions towards showcasing the quality of their audiences as well as the strength of their engagements and relationships with their audiences. This will enable them to improve the perceived value they offer their advertisers, in turn allowing them to start lifting their prices for quality inventory and audiences.

## 4. Personalisation will be a priority

Following from point three, publishers will place even more emphasis on gathering and analysing data that helps them to understand their audiences. They will use the insights they gain from data and analytics to deliver more personalised content and experiences to their communities, as well as to help brands target consumers with more relevant and tailored marketing messages.

### 5. Quality content will give advertisers and publishers the edge

The quality of native advertising and custom publishing will need to improve if brands want to capture consumers' eyeballs. We can expect advertisers to become more strategic in the content they choose to invest in, with production values improving as a result. But in addition to crafting exciting, engaging content, publishers and advertisers will also be thinking about how they ensure that the content reaches the right audience. There will be even more focus on the discipline of SEO during 2017 as a result.

## 6. Live streaming offers new ways to tell brand stories

We live in an on-demand world where consumers love immediacy. That's why live streaming is set to take off in a big way as brands use it to engage with their customers. The applications are potentially endless: live product launches, allowing people to take part virtually in a brand event like a sponsored concert, or running educational sessions such as live cooking shows or DIY segments. Live streaming is spontaneous, interactive and production costs can be reasonably low.

# 7. Augmented and virtual reality will start to become more mainstream

Virtual reality (VR) and augmented reality (AR) have been around for several years, but the technology was not quite yet there before now to deliver really compelling user experiences. We can expect that change in the next year – AR in particular will start to gain traction because it uses the camera that everyone has in the smartphone they carry everywhere they go.

AR uses a camera to superimpose a computer-generated image on a user's view of the real world VR immerses a user in an artificial environment through a headset. AR could have some interesting retail applications like allowing you to see how you might look wearing that dress in the window or highlighting the route through a mall to a restaurant; VR could be used for virtual showrooms for furniture or cars.

Both technologies have a long way to go before they are mainstream tech rather than novelties, but they'll make great strides in 2017.

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