# MEDIA 2015
## The Future of Media

A Report From

Unilever

ESPN

MINDSHARE

the futures company

# INTRODUCTION

The past decade has been one of unmatched media change. Big-name media companies have come under consolidated ownership only to have their distribution and content rivaled by upstarts and user-generated content. Consumers have come to rely on multiple sources and are more active participants in their media consumption than ever before. The number of people online has ballooned and the advent of web-enabled mobile devices has brought portability to the Internet.

The increasingly fragmented nature of the industry has made it more difficult to target consumers en masse. And the proliferation of digital communications and social applications has accelerated the online advertising and marketing sector—not without questions, however, about privacy and consumers' relationships with media.

Operating within this uncertain environment, Unilever, ESPN and Mindshare forged a unique three-way partnership to understand today's media industry and unearth its likely evolution and consequent implications in the next half of the decade. The partners set out to define Media 2015 and answer the question:

***How and where will consumers engage with, consume and experience media in 2015 and how will marketers and the communications industry need to evolve in order to succeed?***

Each of the companies approached the question from a different vantage point, aiming, in the end, to, create a collective definition of the future of media. To faciliate the effort, the partners engaged trend consultancy The Futures Company. The group worked through the practiced and proven prediction process of Scenario Planning, a strategic planning approach based on the assumption that though the future may be unpredictable, it is not usually random or chaotic.

The findings gave Unilever, ESPN and Mindshare a set of usable insights into the future of media, with implications for their own strategic planning.

This short report details the Scenario Planning process, the direct findings and the implications for the three partners and the media industry as a whole. Welcome to *Media 2015*.

> **"The purpose of looking at the future is to disturb the present."**
>
> ***— Gaston Berger,***
> Futures Pioneer

## MEDIA 2015

At the heart of the Media 2015 approach is Scenario Planning, a technique adapted from military strategy for corporate use by the big oil companies in the 1970s. Scenario Planning is now an oft-used tool of corporate strategic planners to predict probable future realities and rehearse responses and tactics to mitigate risks and take advantage of opportunities.

What sets *Media 2015* apart is its application of the technique—a unique three-way partnership between:

**Unilever:** a consumer packaged goods company of top consumer brands like Dove, Axe, Hellmann's and Lipton that conceives concepts and content (advertisements, interactive experiences, media storylines, etc.) to reach its consumer base.
**ESPN:** is the leading multinational, multimedia sports entertainment company featuring the broadest portfolio of multimedia sports assets with over 50 business entities.
**Mindshare:** a global media and marketing services company with expertise in strategic planning, media implementation, and multimedia content creation in both traditional and digital media formats.

The three companies combined their expertise in *Media 2015* to address the future beyond a single organization's priority area—to forecast the future holistically across the entire media industry life cycle—from start to finish—conception to implementation to consumption.

## PREDICTION IN PRACTICE

In practice, Scenario Planning combines relative certainties about the future—such as the proliferation of broadband—with plausible uncertain technological, social, economic and regulatory factors. At this intersection of certainty and uncertainty, the factors that are judged to be the most important yet the most uncertain emerge as the scenario builders.

For *Media 2015*, Unilever, ESPN and Mindshare unearthed the factors that will influence how consumers engage with, consume and experience media in 2015. This involved a combined analysis of existing third-party research and primary-sourced interviews with 14 media industry experts—all thought leaders in their respective fields, including digital marketing, mobility, consumer trend spotting and media regulation (Figure 1). The output was a list of future media industry certainties, like the proliferation of broadband, and a host of probable factors as disparate as the consumer desire for fame to the changing roles of intermediaries in media distribution. The partners narrowed these factors to a handful of relative certainties that will shape consumers' relationships with media and uncertainties that will affect the impact and direction of the media industry.

**Future Certainties:**

- Bandwidth will get bigger
- The digital generation will get older
- Information will be even more available
- Devices will become more powerful and increase their range of functionality

**Uncertain Trends:**

- The overall shape and direction of social networking
- The speed of technological innovation
- Our ability to process increasing volumes of digital information
- The shape of the mobile world in 2015
- The effect of continuing media fragmentation
- The level of customization expected and available
- How much people, and regulators, will care about privacy

**Figure 1: Media 2015 Expert Interviewees**

*Adonis Hoffman*
**Chairman, American Business Leadership Institute (regulation expert)**

*Chad Wollen*
**Director of Marketing Strategy, ITV (Television)**

*Dany Levy*
**Founder, Daily Candy (online magazine)**

*Esther Dyson*
**Journalist, commentator, new media investor**

*Howard Mittman*
**Associate Publisher, Wired Magazine**

*Isabel Kallman*
**CEO and founder, Alpha Mom (blogger network)**

*James Surowiecki*
***The New Yorker*; author of** *The Wisdom of Crowds*

*Jeffrey Cole*
**Director, Center for the Digital Future, USC**

*Larry Harris*
**President, Ansible (mobile marketing agency)**

*Margaret DiGiorgio*
**IT Director Innovation, Digital Marketing Institute Services, Unilever**

*Pele Cortizo-Burgess*
**Director, ITV Imagine (TV innovation)**

*Pete Blackshaw*
**EVP, Digital Strategic Services, Nielsen**

*Rob Jaffee*
**Redburn Equities (institutional equities broker)**

*Rob Norman*
**CEO GroupM Interaction Worldwide, digital expert**

## BUILDING FUTURE SCENARIOS

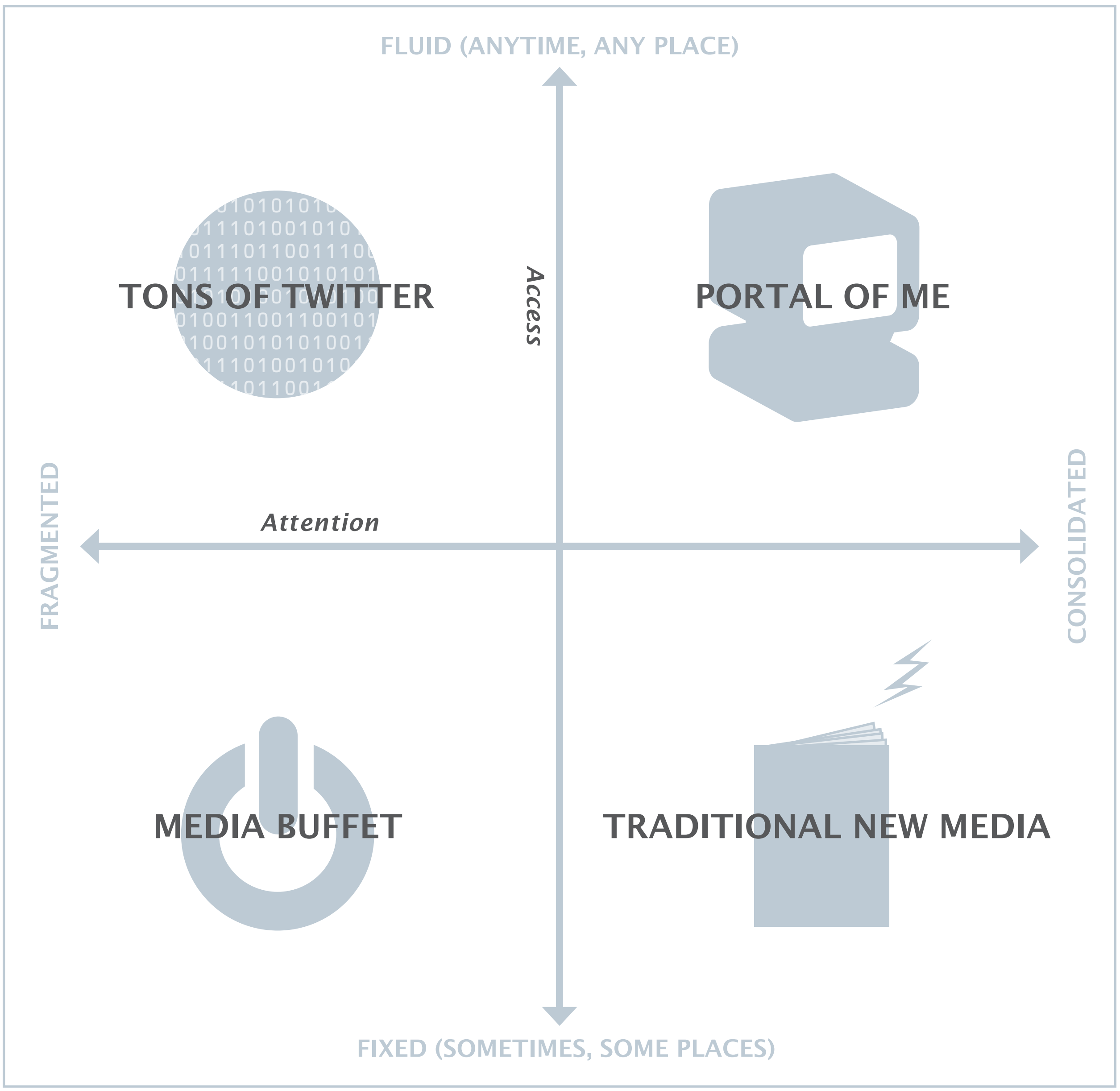
Against the backdrop of the future certainties, the Media 2015 partners consolidated the uncertain factors into two core spectrums—**Attention** and **Access**.

At one end of the Attention spectrum, consumer attention is fragmented. Consumers use multiple media sources and their attention is scattered across them. As a result power and influence in the media environment is dispersed. At the other end, attention is consolidated. Consumers use a limited number of media partners. Trust in these media partners is high, but has to be carefully earned.

On the Access spectrum, at one end, media access is fluid, even portable. Media is always on and effortless access and high social acceptability make media a constant companion. At the other end, access is fixed. Media use is bounded by government regulation, the speed of technological innovation, and concerns from consumers about time and privacy.

Charted visually on intersecting axes, the spectrums of consumer attention and media access create quadrants—each representing a unique scenario of how consumers will engage with media in 2015 (Figure 2).

**Figure 2: Media 2015 Scenario Matrix**




**Source: Unilever, ESPN, Mindshare**

## TONS OF TWITTER

Tons of Twitter represents a future where media access is unbridled and consumer attention is highly fragmented. Consumers frequently access information and entertainment, communicate with others and express themselves, and they do this across a wide range of sources and applications seamlessly from multiple locations. Consumers' interaction with media begins when eyes open and ends when eyes close. A large share of consumer time is spent creating, receiving, searching for, and sharing information and entertainment for both work and leisure.

This is a scenario in which big media brands' relationships with consumers have deteriorated and in which user generated content is more commonplace than in any of the other scenarios. Because of the 'always-on' nature of this scenario, there is an expectation that services, promotions and communications will be tailored to time and place.

Evidence of this scenario is emerging today. Highly portable devices like the Apple iPhone, G1, Ford's Sync and Blackberry allow many consumers to be literally 'always-on'. And audience numbers for big-name media outlets are rivaled by top bloggers and Tweeters.

*A DAY IN THE LIFE:*
TONS OF TWITTER

**Wake up. Scan screens for messages and information. Stream back thoughts and contributions. Shout commands at devices over breakfast.**

**Video call with son en route to work. Skip through favorite news aggregators while listening to online radio.**

**Constant news and entertainment feed on at work. Create flash poll for where to eat dinner. Receive local promotions based on past behavior.**

**Great night out. Stream live to kids' friends via wearable mobile devices. Check emails before bed.**

### 2015 HEADLINES

- SERVER FARMS RESPONSIBLE FOR 60 PERCENT OF WORLD'S CO2 EMISSIONS
- NUMBER OF WIKI ENTRIES HITS 20 TRILLION
- U.S. CONSUMERS SPEND MORE TIME ONLINE THAN ASLEEP
- PANDORA OFFERING OF INTELLIGENT SERVICES HITS 200,000
- WORLD LEADERS GATHER TO DISCUSS GLOBAL MEDIA ADDICTION EPIDEMIC

## PORTAL OF ME

Portal of Me is a scenario in which media access remains always on but in which consumer attention has been narrowed and focused to a number of trusted partners. Media is a constant companion for consumers but it is customized and filtered by these trusted third parties who tailor information and entertainment based on user preferences, both stated and learned. Consumers may be very active and participatory in this scenario, but only within the parameters they choose.

Privacy and control are the trade-offs for this precise and personalized information. But consumers, for their part, know the value of their data. Trust is strong, and loyalty runs deep, provided the service provider is honest and open and continues to provide value. This creates a challenge for brands on the outside of consumer media bubbles but a huge opportunity for those that are permitted access and get delivery and personalization right.

There are clues pointing toward this future scenario today. Many consumers like customization, and the millennial generation flat out expects it—59 percent of 16 to 24-year-olds say they 'like to customize products to express their personal style'. Customized aggregation is gaining in popularity with tools like *iGoogle* (21 million users worldwide), and 'smart sites' like *last.fm* and *ffffound.com* that tailor content to individual behavior are raising expectations for personalization.

*A DAY IN THE LIFE:*
PORTAL OF ME

Device suggests breakfast choice based on nutrition plan. Day planner suggests schedule, taking into account workload, real-time traffic news, kids' agendas and husband's moves.

Main media partner sends reminder about broken heel on favorite shoes. Personalized news site gives updates throughout the day on favorite subjects.

Punctuate day with online chats through social network. Network knows my mood and interface adjusts accordingly.

Night cap. Access networked CNN TV which recommends shoe fashion show.

**2015 HEADLINES**

- NEWS SERVICE FROM MYGOOGLE OFFERS MOOD-BALANCED NEWS SERVICE
- PUBLIC HEALTH CRUSADE AGAINST CHILD OBESITY GAINS NEW SUCCESS THANKS TO FREE DISTRIBUTION OF MONITORING DEVICES IN ALL PUBLIC SCHOOLS
- THE END OF MONEY? U.S. TREASURY CLOSES MAJORITY OF BILL PRINTING PLANTS AS MOBILE PAYMENT TAKES OVER
- GOVERNMENT MOVES TO PROVIDE PERSONAL GENETIC PROFILING TO ALL
- GLOBAL ANTI-SOCIAL ATOMIZATION LEAGUE MEETS FACE-TO-FACE

## MEDIA BUFFET

A Media Buffet future reflects highly fragmented consumer attention and restrained media access. In this scenario, consumers dip in and out of media, taking a little of what catches their eye here and there. They use multiple devices to sample multiple sources, because no single provider ever gives the complete picture. But their appetites are limited, perhaps because technology and content access is not seamless or relevant, or perhaps because of a lack of trust in media owners and marketers means they are keen to tune out of the media world and into real life.

This is a task-oriented scenario in which people use the best tool to get the job done. Though consumers are careful about whom they trust, they will draw on media industry and user-developed content even-handedly if it helps them get the information or entertainment they need. Brand marketers and media organizations that deliver spot-on information via multiple channels are most likely to capture consumers' attention at some point.

There are precursors to this scenario showing up today. The number of devices and ways to access content are increasing, yet people are choosing to sometimes turn off. Even companies like Intel are encouraging employees to switch off from email at certain periods.

*A DAY IN THE LIFE:*
MEDIA BUFFET

**Check a few sources on the TV for traffic news, Get annoyed with all the embedded ads. Thought I'd filtered those out of preferences. Decide just to head out instead.**

**Spend lunch flitting between news sites in current top ten list. None engage me long.**

**Planning a vacation with husband and kids. Visit a few aggregators. End up at one I've tried and tested before. Request opt out on all personal information use.**

**Send ask for vacation tips to immediate network. Don't expect too many responses. Seeing them later and they'll fill me in then.**

## 2015 HEADLINES

| 'SWITCH OFF' CONSUMER MOVEMENT MARCHES ON SILICON VALLEY | 100TH WIKI COPYCAT SITE IS LAUNCHED | NEW SURVEY FINDS TRUST IN MEDIA AT ALL-TIME LOW | DEVICE AND DATA MANAGEMENT IS THE BIG GROWTH INDUSTRY | ATTENTION DEFICIT DISORDER LISTED AS GLOBAL HEALTH CRISIS |
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## TRADITIONAL NEW MEDIA

The most passive of the scenarios, Traditional New Media is a future in which consumer attention and media access is limited. Consumers' media interaction is habitual, functional and relatively stable. They care about utility and entertainment more than connectivity and active engagement. Media consumption is very linear. Consumers don't have time or energy to build their own media worlds or engage in the active hunting and contributing to content that technology offers.

Trust is high, but concentrated on a few preferred sources, some of which are the newer brands of today (e.g. *Google*, *Facebook*). Consumers create clear distinctions in their lives—for example, between work and home. Within this, media also has its time and place. There have been new regulations in advertising—more categories are restricted as what they can promote and when, despite protests from media owners. Big, shared set-piece entertainments, especially live events, are a central part of the media mix.

Traditional New Media is in many ways an extension of today's media environment. Consumers tend to gather around big events and main media channels—the average U.S. household has access to 119 TV channels but only watches 16 of them on a regular basis. And although consumers in DVR households have the ability to time shift all of their TV watching, they do so with only 12 percent of all viewing.

### *A DAY IN THE LIFE:* TRADITIONAL NEW MEDIA

**Flip through *The New York Times* e-newspaper during breakfast.**

**Have an hour at lunch. Flit between my Big Five—the outlets I always go to for sports updates, news, and friend connects.**

**Have dinner with family at home. Watch show of the moment on TV.**

**Fortnightly video call with parents before bed. Could talk to them everyday, but everything has a place and time.**

### 2015 HEADLINES

| | | | | |
|---|---|---|---|---|
| THE NEW YORK TIMES SETS NEW GUINNESS RECORD FOR LARGEST VIRTUAL BOOK CLUB WITH AMAZON'S KINDLE | AUDIENCE NUMBERS FOR CABLE SITCOM REACH RECORD LEVEL | FACEBOOK LAUNCHES SERVICES FOR EXPECTANT PARENTS TO SET UP BABY PAGES | CONSOLIDATION OF MEDIA INDUSTRY CONTINUES; GOOGLE ABSORBS AMC | CREATIVE FORUM MEETS TO DEBATE END OF THE NICHE INDEPENDENT |

## INTERPRETING IMPLICATIONS

It is worth reiterating that the purpose of scenario planning is not to come up with a single prediction of the future. It is very unlikely that the future will entirely resemble a single scenario. Instead, the future is most likely to be an amalgamation of scenarios, evolving differently for varied sectors, audience groups and geographies.

The purpose of exploring these possible future scenarios is to stretch our understanding of possible change and to challenge our assumptions about the world so that we make better, more informed decisions in the present.

Looking across Media 2015's four future media scenarios, there are four broad implications that will significantly impact the entire life cycle of the media industry and how the players within each space—advertisers, media agencies and content distributors—will interact with the new media consumer.

### CREATING DYNAMIC CONTENT

Across the scenarios, the relationship between the occasion and the consumer and his or her location and motivation for engaging with content at that moment, becomes central. No longer is the 30-second advertisement king, nor are audience numbers guaranteed. People watch, listen and interact with what they want, when they want and where they want. Media providers have a deeper insight into consumers' media lives and needs. High value consumer experiences are based on the media moment: the right experience, on the right platform, responding to the right need. One size does not fit all. A broader canvas of content and tailored messages are required. Sometimes this involves consumers pulling something from a network or media provider; sometimes it involves the media provider pushing something to the consumer at the right time.

### AGGREGATING TO MEET DEMAND

On the face of it, only some of the Media 2015 scenarios positively encourage aggregation. However, uniformly, the complexity and sheer glut of content needed by media providers to compete effectively are too much for a single organization to deliver on its own. The largest may have enough material but not sufficient flexibility to respond to consumer demands. The smallest may have the agility to reach consumers where they are in meaningful ways but not deep and varied content. The solution is aggregation of assets via strategic partnerships between advertisers, distributors and implementers—with big-name and no-name match-ups, high and low connections.

### BALANCING DATA WITH TRUST

The consumer is president of the new republic. The consolation? Media providers know more about consumers than ever before. Consumers leave data trails wherever they go. The pieces of individual behavior synthesized are a powerful tool, but used carelessly create distrust in brands and media providers. In a world in which consumers increasingly hold the strong cards, they will punish companies they believe are abusing them.

### INTEGRATING MEDIA CONSUMPTION EARLY

The rising complexity and volume of media requires brand communications be introduced early in the product development process. Media and consumer communications move to the beginning of the supply chain and are at the center of strategic planning. Message development comes first—defined by consumers' mindsets and preferences—and creative assets are varied and complex. Only after that is the distribution method selected.

## SCENARIOS

Scenarios are a way to structure thinking about the future—a way of creating rational, well-thought through perspectives grounded in the evidence available today. They are realistic stories about how the world will look and why it will look that way. *Media 2015* creates a probable answer to the question of how and where consumers will engage with, consume and experience media five years from now. Some of the predictions are even emerging as reality already. These scenarios, now developed, are not end points but rather starting points to help the media industry define how it will respond.

## SCENARIO IMPLICATIONS

### TONS OF TWITTER

***Advertisers (Creators)***

- Develop flexible media mix to reach consumers who are everywhere
- Echo the fragmented and niche mediascape with fragmented and niche marketing tactics
- Tell brand stories in snippets, with different narrative styles and a balance of information and entertainment, allowing consumers to find different pieces in different places
- Up-level listening and observation skills, as WOM and social networks gain influence

***Media Owners (Distributors)***

- Create content that is seamless, optimized to devices, customized and customizable
- Develop good relationships with device owners/producers and advanced mechanisms to understand and adapt to consumer behavior
- Be everywhere all the time—may need new distribution partnerships to deliver this

***Media Agencies (Implementers)***

- Turn the enormous amount of data that is generated into meaning
- This means sophisticated data analytics and interpretation skills are key
- Develop a set of new standardized metrics
- Establish ways to be culturally tapped in, helping clients navigate the speed of change

### PORTAL OF ME

***Advertisers (Creators)***

- Build relationships with different partners to access different consumer groups and their protected, niche worlds
- Provide utility and build trust in marketing initiatives so consumers choose to opt in based on relevancy to their world

***Media Owners (Distributors)***

- Look to new sources for distribution—the new consumer portals and partners—develop relationships with them
- Offer additional services and provide additional utilities—e.g. discovery, guidance, news, healthcare, fantasy leagues
- An increased intermediary relationship/enable discovery between customer and advertisers

***Media Agencies (Implementers)***

- Develop and lead consumer permission strategies
- Establish skills and tools around the re-aggregation of data
- Focus on creative content as a way in to the niche world—permission will follow desire
- Media owner partnerships are key—media owners have a heavier center of power in this scenario

### MEDIA BUFFET

***Advertisers (Creators)***

- Develop brands that stand for something and can deliver high-quality, differentiated content
- Cut through media clutter and short consumer attention spans with catchy marketing initiatives

***Media Owners (Distributors)***

- Onus on authenticity and quality in respect to content or consumers will go elsewhere
- Stand for something unique in order to differentiate
- Portfolio management becomes more critical
- Big players need to deliver innovation—and pick up tricks from smaller, niche players

***Media Agencies (Implementers)***

- Target understanding becomes even more critical—here it‘s harder to connect to consumers
- Work more closely with those creating the messages to ensure fit with media channel
- Translate ideas and messages for different audiences and customize the content accordingly—figure out how to do this in a cost efficient way

### TRADITIONAL NEW MEDIA

***Advertisers (Creators)***

- Deliver authentic information in a genuine and credible way to build trust with the consumer
- Develop strong brand identities for long-term consumer relationships
- Master pull communication strategy

***Media Owners (Distributors)***

- Understand how permission works
- May need to invest more to maintain audiences
- Become synonymous with an area of expertise
- Relationships with studios/studio contracts key owners as the total portal to show‘s success

***Media Agencies (Implementers)***

- Better understand the passions and the big ticket events which we have to connect to
- Create strong relationships and opportunities with the new media owners—means starting relationship now with the emerging players
- Retain much of the current planning and investment structure

**"The test of good scenarios is not getting the future right—the real test of a good scenario is: did I make better choices as a result of having looked at and understood both my own environment better and the consequences of my actions?"**

— ***Peter Schwartz***
Futurist and Author

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