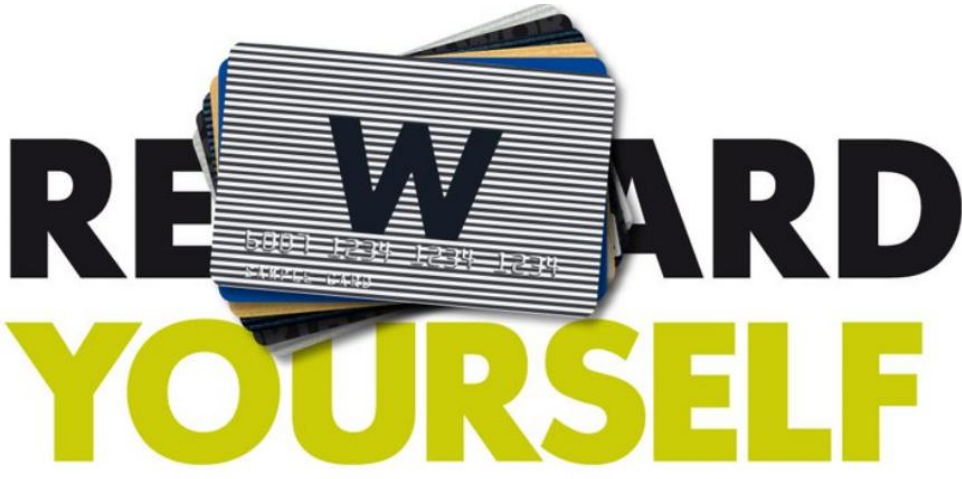


Ornico **INSIGHTS**

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Brand Trends for 2011... Africa's hot. Consumer activism's here to stay. Ethics become more important. People want comfort and love nostalgia. Integrated digital agencies scale up.



social media =
more activism

More bad news for brands is that consumer activism is here to stay, and has gone online. As more local consumers migrate to social networks and with consumers realising their crowd power social networks will be the place where consumers will wield their influence against big brands.



The foray of this was seen in 2010 when consumers forced Woolworths to recant policy on the stocking of Christian magazines. Now that consumers have seen their ability to influence big brands they will learn to organise and petition more effectively online, and brands operating in social networks would do well to get good advice on how to deal with this.

With the recession continuing value will become a watchword for brands. Consumers will be looking for greater value, but brands will be looking for greater value from their advertising and media partners. Advertising agencies, media owners and communications businesses will be placed under even greater pressure to deliver as brands seek to get more bang for their buck.

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Recessionary environments will still affect brands, but opportunities exist in Africa, with brands that deliver value, in social networks and brands that are ethical and environmentally attune. CEO of Ornico Oresti Patricios looks at what will be happening in the worlds of branding and media in 2011.

With global economists saying that the world's economy is not yet out of the woods and local economic experts warning that South Africa's rates cut by the Reserve Bank is too little too late, it looks like local marketers will continue to operate in a recessionary environment in 2011.

This is bad news for local sporting brands who have already felt the brunt of the recession as financial brands which have been heavily invested in South African sporting events started to withdraw. Fringe sports will suffer the most as the money migrates to those events with the most obvious and easily understood value. This means that non-mainstream sports will have to fight harder than ever to attract sponsorship from brands.

In 2010 we saw brands like **Woolworths** and Cell C enter the social media fray with mixed fortunes. The bad news is they burnt their toes stepping into social media's hot water, the good news is that they have learned from the experience. More mainstream consumer brands will flock to the likes of Twitter and Facebook but as they join the masses already online they will find it harder to get user attention unless they have a compelling and differentiated online offering. In the age of information overload consumers will need a strong reason to follow commercial brands.

Green and organic will be the watch words of upmarket consumers who will be looking to become healthier and to make commercial choices that are more responsible and environmentally friendly. Buying green brands is an easier way for consumers who can afford it to show their green affiliation. 2011 will see green and organic shelf space in upmarket retailers continue to expand.

The birth of Native saw the creation of South Africa's first large scale digital agency. A merger between Cambrient, Brandsh and Stonewall Native under the leadership of digital veteran Jason Xenopolous, Native is all about scale and gearing for the continuing growth in digital and the awesome opportunity presented by mobile marketing. Time will tell whether this will realise a change in lead agencies, with the creative lead coming from newer digital agencies rather than older, established advertising agencies. Native will very much be a testing ground for this trend.

Ethics will become a very important watchword for brands in South Africa in 2011. This country has been saturated with corruption and stories of fraud, embezzlement of public funds and financial mismanagement of resources to the detriment of voters has been a strong theme in the media. Ultimately government corruption is thieving from the electorate and consumers will respond to this by demanding that brands become more ethical, responsible and accountable. This will become particularly true of the tech elite who will watch brands closely and vent brand violations online in socially networked forums. The bottom line for brands is that if you want to appear to be good, just be good. It is as simple and easy as doing the right thing.



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consumerism
collaboration



the nouveau riche colonise luxury brands



There are some sectors that will escape the recession relatively unscathed and this is South Africa's nouveau riche who include those who have obtained new wealth through good old fashioned blood, sweat and tears and those who have benefitted from government connections and friendships. Regardless of how they've acquired their fortunes the local nouveau riche will seek to wear their wealth on their sleeves by purchasing status brands. These will include upmarket cars through to luxury branded clothing, jewellery and apparel. In reaction established wealth will look for craftsmanship over luxury brands they feel have been vulgarised by the nouveau riche. For luxury brands the battleground will be figuring out how to appeal to both sets of moneyed consumers.

Africa was hot but in 2011 it is becoming even hotter. Not in the patronising image cast by Bono or Bob Geldof, but rather in its own image as the like of crowdsourcing phenomenon Ushahidi and payment solution M-PESA proof that Africa has what it takes to deliver good global solutions to societal and economic problems. The rise and rise of regions like East Africa, West Africa and North Africa. Nigeria is an emerging powerhouse, South Africa is still strong, Kenya is seeking to reform corruption and could be set to be a strong player on the contender while oil producing countries like Angola (and Nigeria) will see good growth.

Because Africa is commodity rich, Chinese penetration of Africa will continue as the Chinese seek to bed down the import of resource from Africa to China. This means the opportunity for the export of Chinese brands and technologies to the continent. South African brands have also been entering Africa more strongly as evidenced by the proliferation of mobile brands throughout Africa. In 2011 we will see greater penetration of these brands in territories that have yet to be conquered like Angola, where Standard Bank has pioneered the entry of local financial services in that region. What brands entering Africa will need to learn is that Africa is not a homogenous continent but is highly differentiated and that each country has its own political, economic and social rules.

Continued spending in infrastructure in Africa will bring good fortunes to construction and associated brands, and ultimately will mean better fortunes for the continent. The investments in telecommunications, mobile and digital technologies and infrastructures will also begin to mature opening opportunities for business, entrepreneurship and education.

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Back home 2011 will see brands continuing to collaborate to reach consumers and joint ventures between allied brands will become more commonplace.

Crowdsourcing and crowd collaboration will intrigue brands and pioneering brand owners will investigate this for working with consumers to improve products and services.



On the agency side crowdsourcing could see some disintermediation of agency services as brands go directly to creative crowds to get intellectual property and to get creative work done. This will remain in a test phase in 2011 but will broaden in the years to come.

On the consumer front hard working and time stressed people will appreciate brands that simplify their lives and give them more time.

This was a trend that was initiated by recessionary factors and which will continue. Then South Africa's choppy political climate will see consumers appreciate nostalgia brands and those brands that offer a sense of security.