

essence 2020

About The Takeaway

Great work has always come from challenging the status quo and pursuing a deeper understanding of the human condition. In strategy, our role is to inspire (and sometimes provoke) novel approaches grounded in the world of our consumers.

To share that world with our fellow Essentials, we started *The Takeaway*, a trend-reporting series on the unexpected and the unusual in culture, media, and tech. It's our way of making advertising more valuable, for Essentials and clients alike.

Global Wrap-Up

In 2019, *The Takeaway* expanded to all three regions (EMEA, APAC, and NA). covering hundreds of trends while making bold predictions for the future. In 2020, everything we thought we knew was upended; "in these uncertain times" became the motto of the year. Who we are evolved at a rapid pace, and we sought to catalogue all of it.

This collection highlights some of our favorite Takeaways of 2020, as well as a look at what the future may bring.

LOOKING BACK

North America

Mainstreaming



⋒ NA | SEPTEMBER 2020

CULTURE

This year, we've seen an impressive number of shows and movies pass through the mass cultural limelight. With boredom and isolation intensified by lockdown, we're now seeking connection online, where content is shared, discussed, and consumed as a collective.

Watching the same thing as everyone else makes us feel like we're participating in a monoculture in the same way that watching live events like sports, season finales, and award shows once did. But today's mainstream is largely dictated by algorithms that reflect the diluted tastes of the masses more than our own individual passions.

In reality, modern mainstream culture is decentralized across a greater variety of works than ever before, allowing viewers to find content that resonates with them more than the latest primetime water cooler-fueler. And narrow-appeal narratives and guilty pleasure content aren't necessarily confined to niche audiences. This exceptional year has shown us that content aimed at particular audiences can cross over to the mainstream if it's fueled by enough social conversation, of which there was no shortage during quarantine.

Recognizing the need to reintroduce a social element to TV viewing, streaming services have integrated watch party features and human-to-human recommendations into their platforms. As passionate subcultures find community in non-mainstream content, advertisers may want to consider gauging the popularity of a particular franchise through social metrics indicating fan engagement vs self-reported viewership figures; a better way to predict which shows or movies may soon become mainstream.



We're now seeking connection online, where content is shared, discussed, and consumed as a collective.



The Takeaway Mainstreams are born where we feel less alone. Brands should consider other ways to use social metrics to help define what will become mainstream.

#WithMe NA | MAY 2020 **MEDIA**

While not a new trend, YouTube's #WithMe genre saw a 600% increase in viewership in March compared to the beginning of the year. Of those videos, titles like "Cook With Me" and "Work Out at Home" have seen their average daily views grow by +100% and +200% respectively during COVD-19.



#WithMe first gained popularity in 2010, when creators, namely beauty influencers, would film themselves getting ready in the morning and encourage viewers to get ready while watching. Over the years, new types of #WithMe content emerged, like #StudyWithMe and #PaintWithMe, helping to form three distinct categories: everyday tasks, self improvement, and creativity. Audiences come to these videos with different mindsets and motivators, which are important to understand when considering user need states.



Why the increase in viewership now?

Physical isolation and a warped sense of time are driving us to crave specific needs: normalcy, companionship, and motivation. Digging deeper, we can see that these needs are actually signals for even more innate needs. Referring to Maslow's Hierarchy of Needs, #WithMe content satisfies the need for not only belonging, but also confidence and self-actualization.

The Takeaway #WithMe is not just entertainment; it's an innate necessity. It gives us a sense of belonging when we need it more than ever.

The New Normal



№ NA | APRIL 2020

CULTURE

Throughout history, there have been countless societal shifts as a result of unprecedented events. WWII brought about new ways of working and normalized women's participation in the workforce. 9/11 changed our approach to personal privacy in the name of national security and ushered in new transportation and immigration policies. And the 2003 SARS outbreak was the catalyst for China's e-commerce boom, resulting in the emergence of Alibaba, one of the world's largest online retailers.

We don't know if Zoom happy hours, elbow bumps, or sourdough bread baking will remain once the coronavirus ceases to be a threat, but we do know that larger societal shifts happen because of changes on an individual level. The pandemic has forced us to reassess long-standing habits or notions of how things are done. The question is which attitudinal shifts will remain and which will go away?

Evaluating the friction in a given situation gives us insight into which behaviors will last. New behaviors that produce more friction are likely to be temporary, like online schooling or virtual real estate buying. On the other hand, several new behaviors like telemedicine and grocery delivery will have lower friction than their traditional methods Forced actions that ultimately reduce friction are likely to last.

Determining where certain behaviors fall on this scale can help us predict which attitudinal shifts are here to stay. Viewing our "new normal" through the lens of a friction spectrum will help brands anticipate consumer needs post-crisis and create value propositions around these new behaviors.

Friction spectrum: how to determine what will stick post COVID-19



The Takeaway Brands who are able to identify and respond to lasting behavioral shifts based on friction will become the champions of our actual "new normal."

LOOKING BACK

EMEA



Relationship with the Elderly



87-year-old Geoffrey told The Telegraph, "[My] grandchildren have been very good at setting me up with all sorts of things. I say, 'I don't know how', and they say, 'You just press this button' and 30 seconds later, I'm 'housepartying.' You can see somebody smile, which you can't do on the telephone."

We've seen the headlines about how this pandemic is disproportionately affecting older populations; almost 15,000 people have died from COVID-19 in care homes in the UK since the start of the pandemic. On top of that, older, more vulnerable populations have had to bear the brunt of self-isolating and social distancing.

According to The Guardian, "Loneliness increases earlier death by 26%, social isolation by 29%, and living alone by 32%." Loneliness is a real health risk, and due to COVID-19, the number of people contacting charities like Age Scotland has increased tenfold, with numbers rising from an average of 70 calls a day to more than 700. However, the pandemic has a

surprising silver lining: 51% of people in the UK believe that they will become closer to friends and family as a result of COVID-19 (Ipsos, 2020).

In many cases the lockdown has brought families and generations closer together through virtual connections. In fact, one in four of us are spending more time socializing as a family since lockdown (Mediacom). Technology has played a principal role in sustaining the quality of life of elderly and vulnerable populations, making it possible for them to stay connected and maintain a sense of emotional wellbeing.

The pandemic calls for a greater need to place tech in the hands of older populations to help them combat loneliness. Age UK Camden has developed a community scheme donating laptops to elderly people in isolation. Hospitality brands like CitizenM hotels in London and Paris have donated iPads to help isolated patients and the elderly connect with family from afar. Facebook Portal launched a campaign to showcase how their smart home displays bring joy to older generations during lockdown.

The Takeaway While the "techlash" has been a hot topic in recent years, COVID has triggered an interesting turn of events. As we begin to define a "new normal," tech brands should look to older audiences to help change attitudes towards technology for the better.



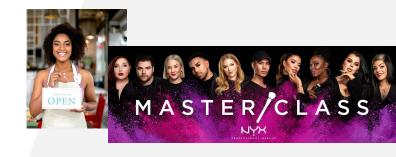
Stereotypes in Targeting

Our responsibility as marketers and the rise of industry watchdogs

As advertisers, we have the ability to both create or reinforce harmful stereotypes in the ways we portray people as well as who we engage with our advertising. The Advertising Standards Authority acts as a watchdog for negative gender stereotypes in advertising, but the way we plan and optimize our campaigns can have the same impact on our communities. The ASA has been joined by agency commitments (Unreasonable Equals, Essence Diversity Charter) and kitemark initiatives (Free the Work, Creative Equals) to ensure diversity and inclusion in the Creative and Media sectors

But the challenges go far beyond gender representation.

We know that equally supporting people of all genders also means not creating hierarchical assertions. We also know that we must bring inclusion to our clients. To meet these goals, we've added important steps to our planning process to ensure that we're creating inclusive campaigns. The first is to challenge yourself and your clients on your growth audience. The second is to consider new buying audiences and interrogate decisions relating to exclusivity.



The Takeaway For businesses and society alike, there are opportunities to explore a more equitable approach to target audience selection. We must evaluate and eliminate unintended biases in our tools and processes to challenge ourselves and our partners to embrace change that makes advertising more valuable to our society as well as the bottom line.

Entertainment Reinvented



€ EMEA | SEPTEMBER 2020

CULTURE

Death to the Digital Detox

Prior to COVID-19, many experts predicted an increased desire for "digital detoxing" to lessen the impact of digital media and devices on daily life. However, the recent surge in social, digital audio, and video usage suggests that the pandemic may have put that on hold

For some time now, we've been blaming digital connections for the increase in loneliness in society. but 2020 saw us turning to technology more than ever to stay in touch with loved ones. The shift in priorities for communications and reactivity from brands and entertainers deserves to be celebrated. So here are a few of the year's most creative executions.

BrewDog Bars: 102 virtual bars that bring us together to enjoy a beer. BrewDog co-founder James Watt said, "The role that community and great beer play in our society is now more important than ever."

UK Listening Parties: Artists play a chosen album at 10pm every night and guide fans through it in a Twitter-stream of studio memories. backstage revelations, memorabilia, and more.

PE with Joe: The online phenomenon has hundreds of thousands of people getting off the couch and moving their bodies.

THE SHOW MUST GO ON

2020 also saw creative ways to bring back IRL entertainment. For one, drive-ins made a comeback—cinemas, comedy shows, and even raves can now take place right from your car. Socially distanced concerts and theatre have also been booming: Sam Fender sold out the UK's first socially distanced music venue in minutes

The Takeaway The rise of digital isn't driving loneliness—in fact, it's become our main lifeline for connection. Just as the performance ecosystem is evolving, brands must continue to find innovative ways to entertain and build new digital norms.

LOOKING BACK

APAC



The Supposed "Dystopian" Future of Gaming after COVID-19

The unprecedented COVID-19 pandemic has brought about countless behavioral changes. Chief among them is that gaming has become the go-to activity for both individuals and families.

The Console Boom

Since COVID-19 impacted the world, time spent gaming has increased an average of 27% globally. Growth is mainly attributed to mature markets like the US, UK, Japan, and Korea, where gaming time increased 45%. There has also been a huge console boom, with purchase intent for top brands like Sony, Nintendo, and Microsoft increasing fivefold since the pandemic started

People are Watching as Much as They're Playing

One of the key gaming trends that's increased significantly is livestreaming. Mainstays like Twitch and Mixer are enjoying notable increases in time spent compared to OTT platforms like Netflix. However, what's surprising is the rise of newer streaming platforms like Facebook Gaming and YouTube Gaming that are having great success with their inbuilt communities and low barrier to entry for streaming.

The Shift from Mobile to Web or PC

In mature markets, mobile gaming has decreased 20%, while web- or PC-based gaming has increased more than 40% in the first 3 months of the COVID pandemic. This clearly shows that, with added time at home, COVID has led a push to playing games on bigger screens and with family members.

Increased Ad Inventories In-Game

Gaming inventory represents a relatively safe space for advertisers to reach consumers looking to take their minds off the current pandemic-related anxieties. Since the outbreak, we've seen an increase of almost 70% in impression opportunities on gaming domains and apps, with the largest increases in the US, followed closely by the APAC region.

E-Sports, Bigger than Real Sports

The live sports industry took a big hit in terms of ratings, but online viewership of e-sports events hit an all-time high to fill the entertainment gap. NASCAR organized its iRacing series, where professional e-sports drivers take part in an online race; 1.3 million viewers tuned in to broadcasts on traditional sports networks like ESPN.

From Casual to Converts

56% of new gamers globally agree that gaming is an activity that they will most likely continue enjoying post-pandemic. These new gamers, who span various ages and demographics, were responsible for a 27% increase in global downloads in the first 3 months of the COVID-19 pandemic. While they may have entered the pandemic as casual gamers, it's likely that the majority will emerge as enthusiasts.

The Takeaway Brands will need to consider gaming as a standard part of the media mix, treating it not only as a place to play, but as a channel for meaningful communication with consumers.



Clash of the Titans

The recent uproar and battle between **Epic Games** and **Apple** may seem small, but could have many big implications for gaming, app stores, and more.

Why the battle?

With the recent roll out of V- Bucks, an in-app currency on the popular game Fortnite, Epic Games violated two regulations stated by Apple for App Store developers. First, pushing server-side updates without going through the App Store, and second, redirecting users to external payment methods instead of using App Store's payment method. In retaliation, Apple pulled out Fortnite from their App Store, leading to a series of legal lawsuits and an all-out #FreeFortnite movement.

A consortium lies ahead?

However, it's not just Epic Games who is dissatisfied with app store monopolies. Spotify has expressed similar disappointment with the position App Store and Google Play Store hold, exhibiting monopolies and charging 10x commission as compared to standard processors such as PayPal, Visa, and UPI. Major leaders such as PUBG Mobile, Pokemon Go, and Candy Crush could all follow a similar approach and create a consortium app store for external payments.

Gamers' disappointment

Given the passionate (and sizable) fan bases of games like Fortnite and PUBG, fans may move to other platforms like consoles to play the games they love. These games have evolved into third spaces over the course of the pandemic, making fans title loyal, not platform loyal. This is important to recognize, especially as games continue to grow in popularity. In the fight for profits between platforms and developers, the users suffer and are left with limited choices.

The Takeaway Traditional advertising on gaming platforms can be tricky with volatile conditions. For advertisers, the safer pivot may be to focus on in-game experiences as opposed to traditional media approaches.

New Travel in the New Normal



⋒ APAC | SEPTEMBER 2020

CULTURE

Before the pandemic brought the world to a halt, the travel industry in APAC was healthy and booming, valued at \$446 billion in 2019 (ThinkWithGoogle). Unfortunately, it became one of the hardest hit in the wake of COVID. Luckily, it seems that recovery is in the future, with 1 in 2 consumers across APAC eager or very eager to begin travel and exploration again (TWG). However, one size does not fit all.

The "new normal" has seen the rise of newly splintered regional consumer shifts when it comes to travel, as well as a marketplace attempting to adapt and survive.

Safer travels (literally) mean different things:

40% of people in China prefer hotels, whereas New Zealanders prefer domestic bookings or AirBnb as safer options. 48% of Chinese feel hotels have better health protection measures than vacation rentals (12%). In New Zealand, travelers preferred vacation rentals to avoid crowded city areas and facilities such as kitchens, which help reduce contact with other travelers during their holiday.

Influx of new travel trends: APAC is now witnessing a rise in "workations," a trend that allows for changes of scenery while still working a normal schedule. Travelers are moving to the hills or the beach on both short- and long-term bases to work from there. This gives them a much-needed respite from WFH cabin fever. In Japan, there are concerns that it could blur the line between work and personal life to the point of encouraging overwork.

Travel is evolving

Online travel agencies like trip.com are also witnessing positive growth because they are offering "safe travel" packages and dynamic pandemic travel information.

Immersive virtual tours are now taking a whole new meaning with the beta launch of Amazon Explore in the US. These tours let you book live, virtual experiences led by local experts. The experiences may be focused on creativity, learning DIY skills, taking virtual tours of far-off places or cultural landmarks or, in some cases, shopping local boutiques from around the world.

The Takeaway Fragmented travel recovery calls for a dynamic country-by-country approach. We need nuanced media choices based on dynamic and granular data analytics, accounting for sociocultural, regional, behavioral, and pandemic stage factors.

Looking Forward

Today's insights seed tomorrow's predictions. Here's what we see on the horizon for 2021.

Culture





Destination Unknown

This year, many have had to look beyond borders to "get away," with domestic vacations rising and travel experiences going virtual. Airbnb launched Online Experiences, while art destinations like the Louvre and the Vatican offered virtual tours. In the wake of its absence, travel has taken on a renewed sense of value beyond just a destination, instead provoking a personal experience—a way to relax, a form of therapy, or a method of escape. According to a GWI COVID study, over 70% of Europeans are already planning their next vacation, with "feeling safe" and "relaxation" being the most important factors when deciding where (and why) to go.

Moving forward, the future of travel will look a lot different, with personal experience at its core. Brands should look to tap into these experiential moments for an audience craving "the feeling of sun on my face" or "the sound of silence," whether on the other side of the globe or closer to home.



The Rise of "FOBO"

Last year, we predicted the rise of JOMO (joy of missing out) due to consumers generally being tired of the experience economy. However, the normal outlets we use to escape—visiting friends, live music, group dining—disappeared. Digital became our escape, with 55% of US households now subscribed to more than one streaming service. Instagram livestreaming exploded, launching programs like Verzuz. This increase in digital content has evolved our FOMO to FOBO—fear of better options. 40% of generation Y is overwhelmed by subscriptions, and 43% intend to cut down.

With screens dominating our daily lives, less may be more in 2021. Streamlining offerings to combat choice fatigue or expanding the definition of self-care may be options to cut through FOBO.



It took a Pandemic to Unite Us

The pandemic is melting barriers and making us more humane. We all share a common enemy, and the suffering is uniting us in spite of our geographic and cultural barriers. Developers worked day and night to show nearby shelters and food, water, and clothing centers on Google Maps for the underprivileged and for donors. Sharing is more than caring—it may also be curing. The Government of Taiwan ran a successful social media campaign to contain the spread of COVID-19 becoming a case study for other countries. And a SAARC COVID-19 fund was created following Indian Prime Minister Narendra Modi's call to South Asian leaders.

As we place a higher value on personal relationships, priorities, and life's simple joys, empathetic advertising is poised to dominate in 2021.

Media





Borderless Brand Experiences

Experience-led media has obviously been heavily impacted by the closures of 2020, causing many brands to rethink how to deliver the best experiences to their audience. While nothing can replace that "I was there" feeling, innovative substitutions have been a catalyst for normalizing the digital-first experience. Beyond engaging remote audiences, the online experience has also opened up once-exclusive, city-centric events. For example, this year's London Fashion Week was free to stream online. giving access to those once confined by cost or location. Via platforms like YouTube or in-game activations, brand experiences will defy borders for global reach.

The future of experience media will be hybrid, blending exclusive live or paid experiences with inclusive accessible digital executions for a completely immersive brand event.



Redefining Social Responsibility

2020 proved to be a flashpoint for social networks. Advertisers reckoned with social responsibility, leading to boycotts like #stophateforprofit, with major brands like The North Face and Patagonia leading the way. With the massive increase of misinformation around social movements like BLM, the pandemic, and the election, Twitter, Facebook, and TikTok all tried unique ways to police their platforms, all of which seemed too much or too little, depending on the audience. It's another proof point for just how powerful social networks can be in forming (and eroding) our daily reality.

2021 will be the reckoning of Big Social. Advertisers may need to actively grapple with media echo chambers by intentionally identifying new signals and audiences to serve messaging that breaks through barriers.



Messy Media Consumption

In a post-COVID world, media consumption and customer acquisition have accelerated across channels and industries like e-commerce, streaming, and gaming. Google has called this space of abundant information and unlimited choices the "messy middle," where consumers switch seamlessly between "exploration" and "evaluation." Most of these developments have been positive, as the extensive reach of digital marketing allows new industries to emerge and grow. But we've also noticed some negatives, like media and consumption fatigue as people sample more services online.

If behaviors have evolved as we believe they have, it's critical for us to understand how the customer journey has changed so we can continue unlocking growth opportunities.

Technology





Home 2.0

The way we inhabit, use, and value our homes was completely reframed in 2020. A shift in priorities has led to a shift in demand for in-home technology. For streaming services, demand for download capabilities has switched to a demand for speed and player capabilities. For data providers, more time indoors has signalled a move away from large data packages and 5G to a demand for stronger broadband connections. Insights into how we use the home have resulted in product updates that reflect changing habits and sentiments, like Google's range of mood-lifting activities via its Nest smart speakers and many home assistants now incorporating a Zoom feature.

As we bring more activities into the home, the agility of tech companies to align with shifting priorities is key, particularly when the demand for digital is soaring.



Directed Discovery

Many tech brands famous for disruption will look backwards to find their future. Netflix and Apple Music have recently launched 24/7 streaming channels for both music and content, to help cut through choice fatigue. Amazon, once seen as the death of in-store retail, will push Amazon Go to its Whole Foods division in 2021 to drive in-store traffic. Gaming brands like Panic plan to release devices like the "Playdate," a retro handheld gaming experience offering a curated selection of retro games on a seasonal basis.

2021 will be the year we defy the algorithm, with human directed discovery taking center stage. We should think about where to provide a nostalgic, human touch to cut through the clutter, even on tech-forward platforms.



The Future is here

We face new challenges everyday that are more disruptive than almost any we've ever faced. Digital content innovations like Netflix allowing viewers to make real-time decisions in order to progress with a show in Black Mirror: Bandersnatch are only the tip of the iceberg for us.

We're seeing collaborations between humans and androids e.g. in the Avatar Robot Café project in Tokyo, where robots are controlled from remote locations by people with disabilities.

Tech-forward thinking will dominate 2021. Technology will be utilized to solve pandemic-related issues—from loneliness to social anxiety—by providing new choices.



These are just a few samples of where we've been, and what we see ahead. If you're interested in diving deeper, curious about other trends, or have any questions, ask away.

Essence has strategy teams in every region, ready to help you make your best work yet.

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