



2018 TRENDS

KEY DRIVERS AFFECTING BUSINESS TODAY

ST. JOHN PARTNERS

STAY AHEAD IN 2018

Today, we live in a fast-paced world with options, information and distractions at every turn. Culture is moving at just as fast of a pace with technology providing immediate access, gratification and connectivity like never before.

In 2018, we must take a step back and think about where we are today, where we are going in the future, and how (as brands) we will respond.

At St. John & Partners, we're constantly revisiting trends driving growth today.

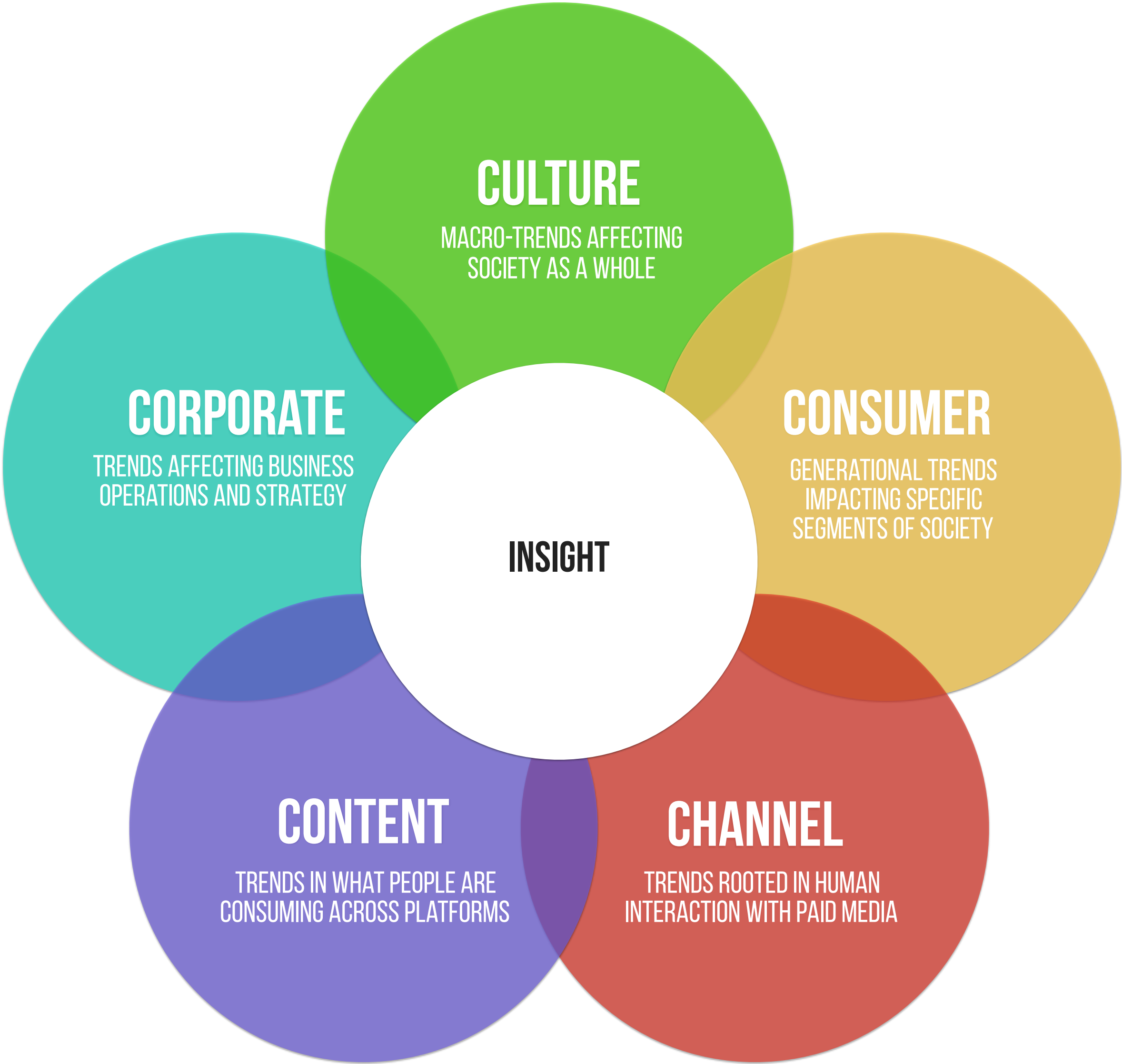
We've scoured all the latest trend data from our leading industry and research sources, digested all of macro and micro-level detail, cut the fluff and boiled it down into bite-sized pieces of inspiration that are not only meaningful but also actionable.

We seek to answer the “so what?” on so many marketers minds today.

We hope you enjoy our recap of the top trends driving business in 2018.

WHAT'S INSIDE

We believe the most powerful insights lie at the intersection of five key sectors. In this presentation, we break down the top trends impacting each sector today.





CULTURE

MACRO-TRENDS AFFECTING SOCIETY AS A WHOLE



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CULTURE

SELF-PRESERVATION & POPULISM

Emerging value patterns

Pattern	Value		Rank in 2017	Rank change, 2014 to 2017
Secure Comfort	comfort	I need to be comfortable and content with life.	12	+1
	relaxation	I greatly desire and search for those occasions when I can just rest and relax.	24	+3
	security	I need to feel secure and protected.	33	+16
Everyman Equality	equality	I strongly believe that all people should have equal opportunity and equal access in all areas of life.	5	+2
	inclusion	I believe equal consideration and inclusion of others advances the culture.	22	+9*
	justice	I believe that we must always uphold rights and principles of fair treatment and the law.	4	+4
	populism	I believe that the voice and actions of the common people are very important to the welfare and improvement of society.	17	+7
Striving Pursuits	balance	I strive to have balance in all areas of my life.	29	+6
	happiness	I continually seek to be happy in my life.	10	—
	health	One of my highest priorities is to be physically and mentally healthy and free from illness.	21	-1
	learning	I consider myself a lifelong learner and continually seek out educational opportunities and experiences.	26	+6
	safety	I actively seek ways to keep myself, my family and my friends safe from harm or danger.	20	+2

* Change from 2015
Note: Increases listed above are rank changes based on the percentage of consumers citing "top two box" agreement on a 7-point scale, where 1 is "does not describe me at all" and 7 is "describes me exactly."
Source: CEB Iconoculture Values and Lifestyle Survey, October 2017

IN TODAY’S TURBULENCE, PEOPLE ARE STRIVING TO PRESERVE, CONSERVE, PROTECT, GUARD, PERPETUATE AND DEFEND

Focus communications on preservation — of one’s comfort and safety, of basic rights like equality and inclusion, and of a committed path to betterment.

CULTURE TRUST CRISIS

FAKE FAKE FAKE FAKE FA

AMERICANS DISPLAY RECORD-BREAKING DROPS IN TRUST IN COMPANIES, ORGANIZATIONS, POLITICIANS AND THE MEDIA

Build trust, starting with how you treat your employees. **Show them empathy**, and in turn they will show the world you really do care about more than just profits and products. Always **operate with integrity**, even when it means being transparent about things that didn't go as planned. And **be a resource** to all with smart, simple solutions that solve problems or fill needs.

WHAT

HOW

WHY

BRANDS ROOTED IN PURPOSE GAIN LOYALTY, BUT CONSUMERS ARE WARY OF THOSE THAT BORROW (VS. OWN) THEIR VALUES

Take a longer-term view to ensure your purpose is truly rooted in your brand values and objectives vs. a fleeting social cause.

Show (don't just tell) how you live your purpose inside and out with consistency across all communication and interaction.

This is the key to **3x growth over your competition.**

CULTURE
**START WITH
“WHY?”**



THE REUNITED STATES OF AMERICA

HOW WE CAN BRIDGE THE PARTISAN DIVIDE



AN INCREASINGLY DIVIDED COUNTRY CAUSES AMERICANS TO IDENTIFY MORE WITH NICHE COMMUNITIES THAN OUR OWN NATIONALITY

Inspire unity - brands trying to reach the masses should tap into a longing for belonging.

Find growth in smaller worlds - specialize in the unique needs of smaller communities who are connected by the same shared values and interests that drive your brand. Celebrate those qualities that set them apart and make them the exceptions to the aggregate for more memorable, valuable customer experiences.

Campaign, *One year in Trump's America: what advertisers and marketers have learned about the rest of the country*, January 2018
Kantar Futures, *U.S. Outlook: Winning in New Ways*, August 2017
Mintel, *North America Consumer Trends 2018*, October 2017
Iconoculture, *This Must Be The Place: Consumers locate refuge and resistance through geographic alliances*, November 2017

CULTURE EXCEPTION-ISM

CULTURE GREAT EXPECTATIONS



Consumers today want food fresher, cheaper and easier

Shoppers want all of the above, and retailers can't afford to let them down on any count

SN SUPERMARKET NEWS

IN A PROGRESSIVELY COMPETITIVE LANDSCAPE, PRICE AND VALUE ARE EXPECTED, BUT SERVICE AND CONVENIENCE ARE DIFFERENTIATORS

Help people save time, energy, and headspace.

This is more important than ever at a time when the amount of content people are exposed to outpaces our cognitive capacity to keep up by 7 times.



CONSUMER

GENERATIONAL TRENDS IMPACTING SPECIFIC SEGMENTS OF SOCIETY



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Each generation has its own perspectives.

Recognize these differences and speak to each audience in ways that will resonate without diluting the integrity of what the brand stands for.

CONSUMER

GENERATIONS AT-A-GLANCE



	Centennials	Millennials	Xers	Boomers	Matures
BIRTH YEARS	1997 to present	1979-1996	1965-1978	1946-1964	Before 1946
ALSO KNOWN AS	Gen Z	Gen Y	The MTV Generation	The "Me" Generation	The Greatest Generation
WORDS TO LIVE BY	"You do you"	"You only live once"	"You're on your own"	"Forever young"	"The American Way"
STEREOTYPED AS	Distracted techies	Entitled whiners	Cynical slackers	Selfish narcissists	Docile traditionalists
RAISED AMID	Unceasing volatility	Booms and busts	Stagnation	Post-war boom	Crisis and threats
DEFINING IDEA	Pragmatism	Authenticity	Self-reliance	Individuality	Duty
IN PURSUIT OF	A purposeful life	An interesting life	A balanced life	The meaning of life	A middle-class life
ALWAYS AFTER	The next iteration	The next moment	The next improvement	The next new adventure	The next rung on the ladder
THE AMERICAN DREAM IS	A moving target	A sea change	A struggle	A birthright	A contract
WORK	On my terms	A fluid situation	A difficult challenge	A meaningful adventure	An inevitable obligation
CONSUMPTION STYLE	Creation	Curation	Compromise	Choice	Conformity
DIGITAL LIFE	Rewriting the rules of the game	#winning the game	Helps you get ahead of the game	Keeps you in the game	Keeps you in touch

CONSUMER:
CENTENNIALS
**GROWING UP
GRITTY**

SLIDE / 12



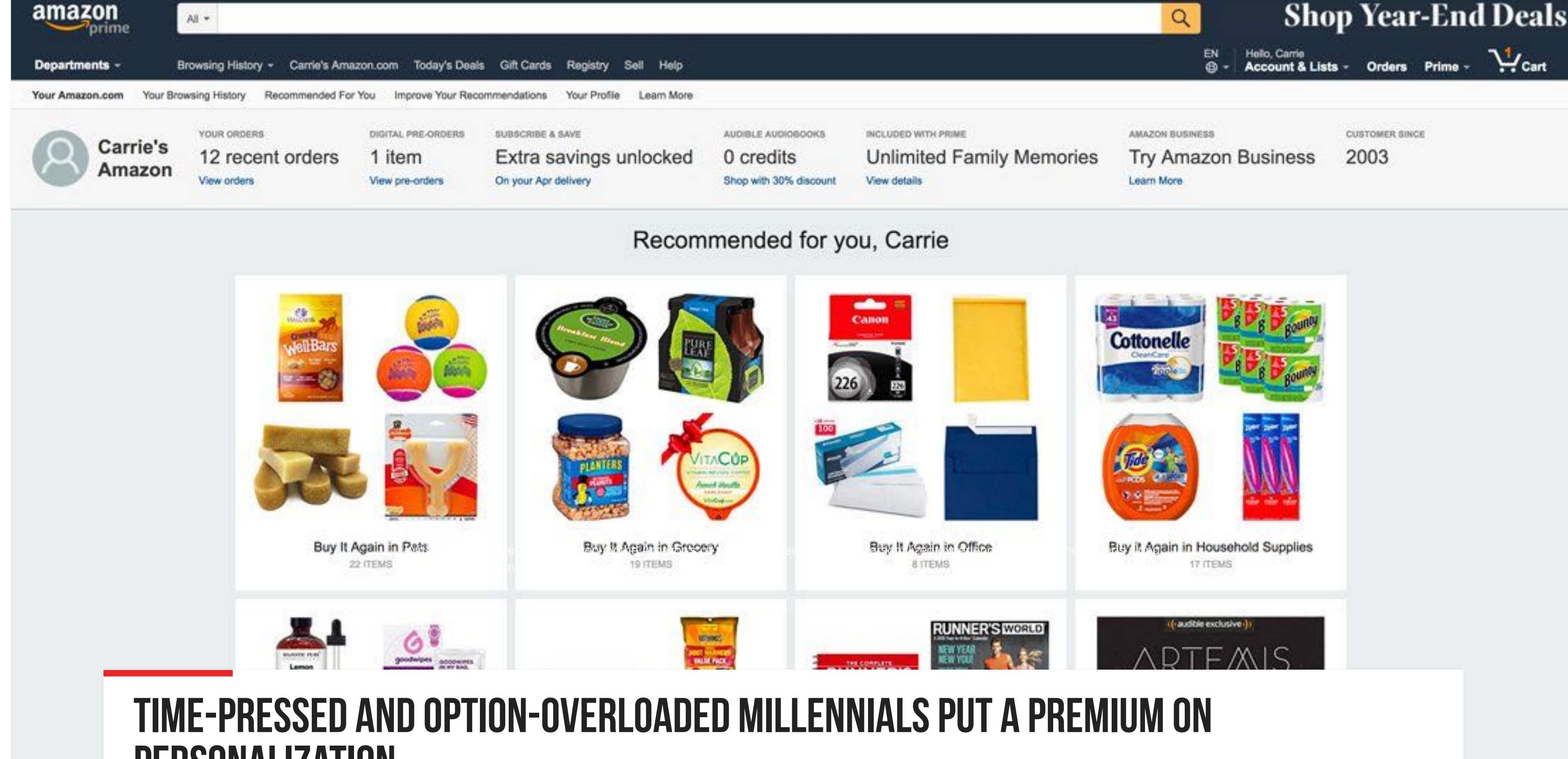
AS PARENTING STYLES SHIFT FROM CODDLING TO SELF-RELIANCE, CENTENNIALS BECOME MORE RESILIENT AND AMBITIOUS TO MAKE A CHANGE IN THE WORLD

Embrace the entrepreneurial spirit - be brave, bold and unafraid to strive for the impossible.

Act as a partner to Centennials on their path to success.

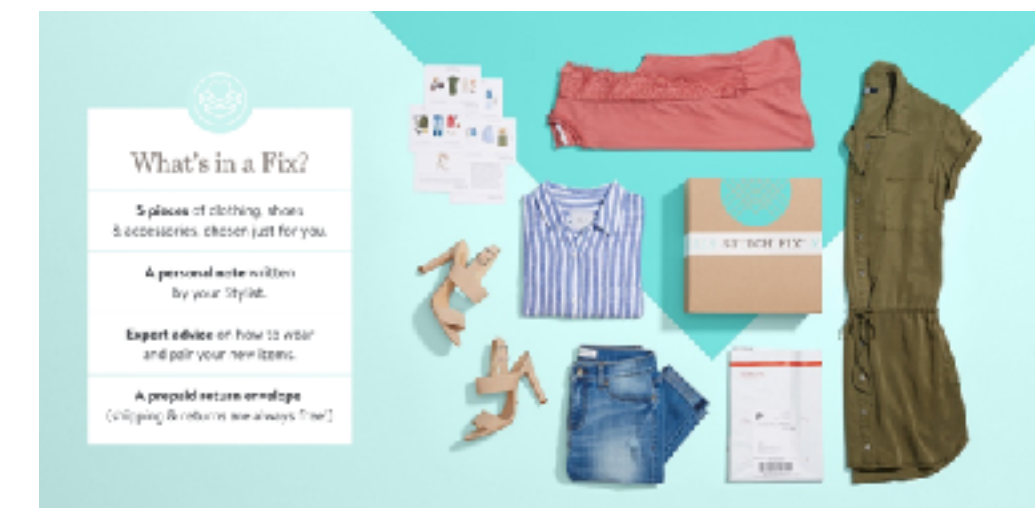
Invite them to co-create the solution that best meets their needs, or the needs of others in their niche communities.

CONSUMER: MILLENNIALS OUTSOURCING CHOICE



TIME-PRESSED AND OPTION-OVERLOADED MILLENNIALS PUT A PREMIUM ON PERSONALIZATION

Help Millennials **save time, energy and headspace** by **curating the best options** for them based on customer data and digital footprints.



With growing expectations driven by the Amazon's of the world, people expect personalized experiences to meet their needs along the customer journey.

Stitch Fix is another great example of outsourcing choice. It uses both algorithms and human stylists to get to know your personal style, then recommends a limited number of pieces just for you. It is now the eighth most popular online retailer for Millennials.

CONSUMER:

GEN X

SANDWICH GENERATION



ALTHOUGH XERS CLIMB THE CAREER, CULTURAL AND CIVIC LADDERS, THEY STILL FEEL OVERLOOKED BETWEEN TWO MAMMOTH GENERATIONS

Shine your spotlight on them. Show them you care. Create specific, culturally meaningful communication that resonates with this group.

Think small - Xers are independent, Do-it-Yourselfers who scorn selling out. They're drawn to more valuable experiences with smaller, underground brands. Make your brand experience more intimate and gritty to win their hearts.

CONSUMER:
BOOMERS
**LIFE STARTS
NOW**



AS BOOMERS REDEFINE AGING, THEY SWAY TOWARDS BRANDS THAT REINFORCE THEIR YOUTHFULNESS

Inspire Boomers to take advantage of the full life they have ahead. **Celebrate their (finally) empty nests. Avoid talking about age**, using terms like “older” or “elderly,” stereotypes that do not resonate (the token old person, the romantic couple, the kindly grandparent) and depressing images of old age. **Include appropriately aged models, but “on a good day.”**

CONSUMER:
MATURES
**SKIP-GEN
TRAVEL**



Road Scholar is an educationally focused travel planning service that offers over 150 grandparent trips that can be customized based on age of children (5-18), activity level (easy to challenging) and a range of experiences from modest stateside excursions to exotic adventures in far-flung locales.

GRANDPARENTS SHIFT AWAY FROM MULTI-GENERATIONAL TRAVEL AND TAKE ONLY GRANDKIDS ON TRIPS, GIVING PARENTS A CHILD-FREE VACATION OF THEIR OWN

Market to grandkid and grandparent as a unit. **Highlight a mix of experiences with a range of physical activity levels for different age ranges** and travelers seeking customization. Consider messaging to parents as an opportunity for a well-deserved "staycation."

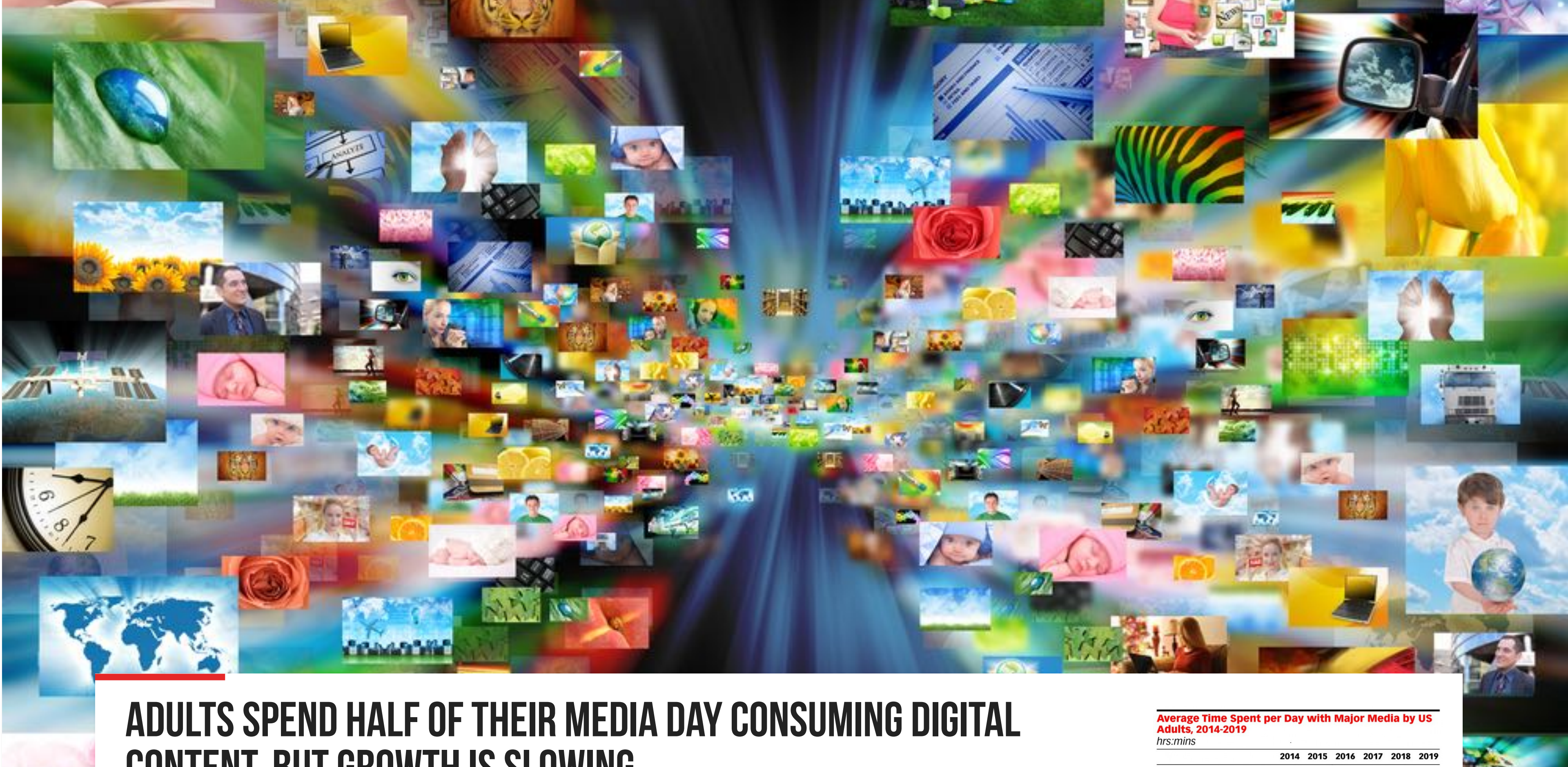


CHANNEL

TRENDS ROOTED IN HUMAN INTERACTION WITH PAID MEDIA

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CHANNEL
OVEREXTENDED
MINDS



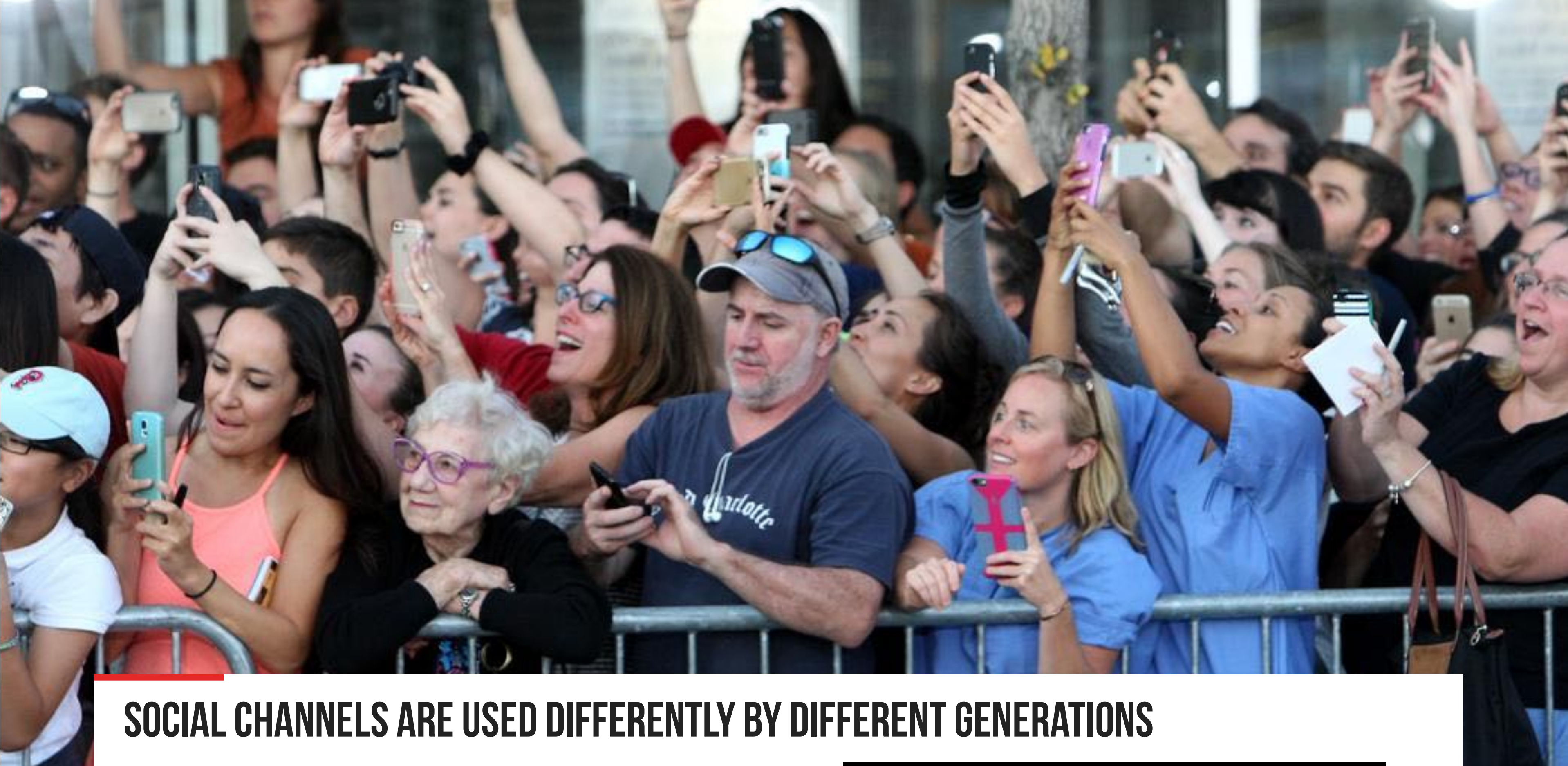
ADULTS SPEND HALF OF THEIR MEDIA DAY CONSUMING DIGITAL
CONTENT, BUT GROWTH IS SLOWING

Implement an omni-channel approach. Digital is one (albeit important) piece of the puzzle as time spent with traditional TV exceeds time spent on any singular digital platform and time spent with traditional radio exceeds social media alone.

Average Time Spent per Day with Major Media by US Adults, 2014-2019
hrs:mins

	2014	2015	2016	2017	2018	2019
Digital	5:05	5:23	5:38	5:50	5:59	6:07
—Mobile (nonvoice)	2:33	2:50	3:03	3:14	3:22	3:28
—Radio	0:43	0:49	0:52	0:53	0:54	0:55
—Social networks	0:22	0:26	0:30	0:33	0:35	0:37
—Video*	0:21	0:26	0:30	0:33	0:35	0:38
—Other	1:07	1:09	1:12	1:16	1:18	1:19
—Desktop/laptop**	2:13	2:11	2:09	2:08	2:07	2:06
—Video*	0:23	0:24	0:25	0:25	0:25	0:25
—Social networks	0:16	0:15	0:14	0:13	0:13	0:12
—Radio	0:07	0:07	0:06	0:06	0:06	0:05
—Other	1:27	1:25	1:24	1:24	1:24	1:23
—Other connected devices	0:19	0:23	0:26	0:28	0:30	0:32
TV***	4:22	4:13	4:10	4:04	4:00	3:57
Radio***	1:28	1:27	1:27	1:26	1:25	1:25
Print***	0:32	0:29	0:27	0:25	0:24	0:23
—Newspapers	0:18	0:16	0:15	0:14	0:13	0:13
—Magazines	0:13	0:12	0:12	0:11	0:11	0:11
Other***	0:26	0:24	0:22	0:21	0:20	0:19
Total	11:52	11:57	12:04	12:07	12:09	12:10

Note: ages 18+; time spent with each medium includes all time spent with that medium, regardless of multitasking; for example, 1 hour of multitasking on desktop/laptop while watching TV is counted as 1 hour for TV and 1 hour for desktop/laptop; *excludes time spent with video via social networks; **includes all internet activities on desktop and laptop computers; ***excludes digital
Source: eMarketer, April 2017
225409 www.eMarketer.com



SOCIAL CHANNELS ARE USED DIFFERENTLY BY DIFFERENT GENERATIONS

Connect with each generation on their terms.

	Boomers	Xers	Millennials	Centennials
 Texting	"Please call me"	"Can you pick the kids up?"	"Who's going out tonight?"	
 Email	"Here's an article I thought you'd like"	"Let's schedule a meeting"	"Where's my Amazon package?"	"This is just a login for other apps"
 Facebook	"I'm so proud of my grandkids"	"I have thoughts about that article you shared"	"Here's an article I have feelings about"	"Hi, Grandma"
 Snapchat	"Snap what?"	"My kids like the filters"	"Check out how much fun I'm having!"	

CHANNEL SOCIAL SPECTRUM



CONSUMER-CONTROLLED CONSUMPTION PATTERNS CAUSE BRANDS TO RE-EVALUATE THE IMPORTANCE OF PREMIUM PLACEMENTS

Catch ad-blocking consumers' attention with more lean-in environments. **Seek “best of” placements.** Desktop display declines as cross-platform video, mobile and native will grow in importance. Instagram may become the “go-to” social platform given its engagement and advertising controls. Instagram Stories become more popular than Snapchat just one year after going live.

CHANNEL
**PREMIUM ON
PREMIUM**

CHANNEL ADVANCED TV

DATA ENHANCEMENTS AND SCALE DRIVES VIDEO TARGETING AND MEASUREMENT OVER-THE-TOP (OTT)

Explore **OTT streaming platforms** to meet consumers where they are increasingly spending time with premium video content. **Take advantage of granular targeting and measurement** to monetize the value of high impact mediums. **Keep an eye on the progress of advanced TV in years to come** - while buying opportunities may be currently limited, more media partners will adopt this technology leading to higher reach and true cross-platform measurement that provides ROI across devices in the household.

Kantar Millward Brown, *Media and Digital Predictions 2018*, December 2017
dataxu, *Unpack the potential of Advanced TV for your clients*, 2018 Infographic

Programmatic Linear TV
TV advertising that is aired on traditional linear TV, but is backed with a data-defined audience pool



Connected TV (CTV)
Real-time buying of TV ads airing on internet enabled over-the-top (OTT) devices or smart TV applications



Addressable TV
Ads aired on traditional TV but only to specific households that align with a target audience

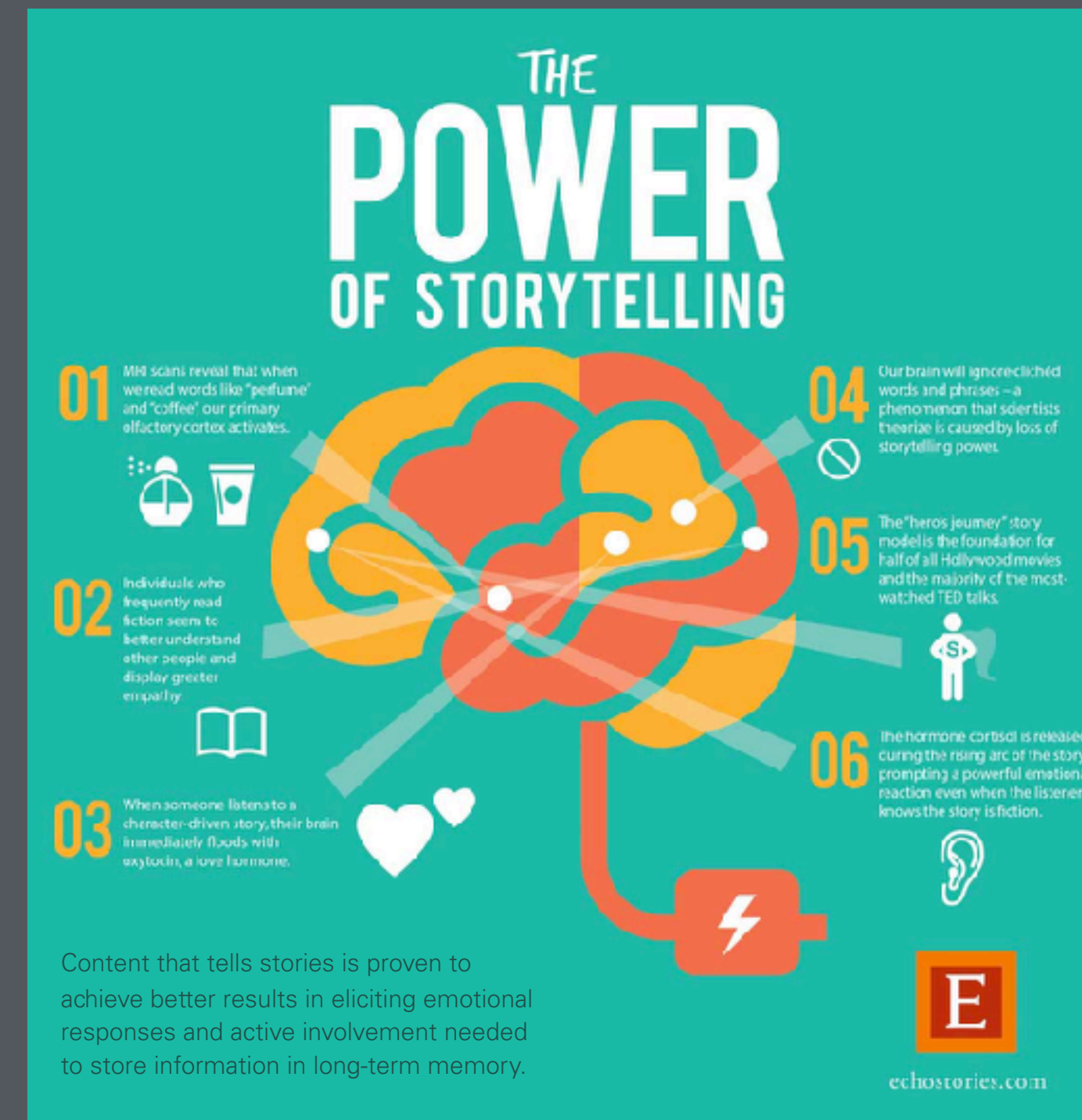




CONTENT

TRENDS IN WHAT PEOPLE ARE CONSUMING ACROSS PLATFORMS

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WITH LIMITED COGNITIVE CAPACITY, STORYTELLING BREAKS THROUGH AND LEAVES A LASTING IMPACT

Establish an emotional connection. Don't get hung up defining what content is - sponsored, native, branded, user generated, etc. Just **find a way to make people care about the brand.** Start with the story and from there, figure out what content is needed to fit the format.

CONTENT
**START WITH
THE STORY**

CONTENT CREATIVE BRAVERY



Agencies revamped classic tales, including Little Red Riding Hood, as a way to experiment with how storytelling can come alive in just 6 seconds with YouTube's recent bumper ad formats.

TODAY, BRAVERY IS THE PRICE OF ENTRY AS PEOPLE'S EXPECTATIONS RISE AND ATTENTION BECOMES HARDER TO CAPTURE

Embrace creative experimentation and new storytelling technologies. Explore how constraints (be it budget, talent or format) can actually help spur vs. hinder creativity by taking a fresh look at an old problem. **Invite your audience to be part of the story** - consider how they can help source creative or be storytellers for your brand among their own engaged communities. **Draw inspiration from social and cultural context** and **find common ground** with an audience that shares your brand values.

CONTENT LEADING WITH PROVENANCE

SLIDE / 25



A CONSISTENT, RELEVANT, DISTINCTIVE HERITAGE EVOKES A SENSE OF CREDIBILITY AND TRUST IN SKEPTICAL CONSUMERS

Wear your heritage as a badge. Stay true to the values and purpose your brand was built on. Let it guide all future communications and interactions across stakeholders **providing everyone from customers to employees with permission to believe.**



Provenance can play a key role in comeback brands rediscovering their heritage. Chrysler got back to its geographic roots and KFC got back to its wacky Colonel roots - both leading to reclaimed relevance and success.

CONTENT

MOBILE-FIRST STORYTELLING



FASTER, MORE FREQUENT CONSUMPTION LEADS BRANDS TO EXPERIMENT WITH SPEED, RHYTHM AND ORDER AS WAYS TO GRAB ATTENTION EARLY

Catch rapidly scrolling eyes with relevant content and **hooks that draw people in within the first 5 seconds**. Key brand messages should be introduced early for better recall. Striking visuals and music choice can be bigger players than message, particularly for Centennials.

Experiment with shorter videos as research suggests they can be just as effective as longer formats. Remember that different lengths may work best across different platforms - overall, **prioritize stories over seconds**.



CONTENT DEEPER RELATIONSHIPS

SLIDE / 27

CONTENT THAT FOSTERS MEANINGFUL HUMAN CONNECTION, INTERACTION AND CONVERSATION WILL SEE MORE SUCCESS

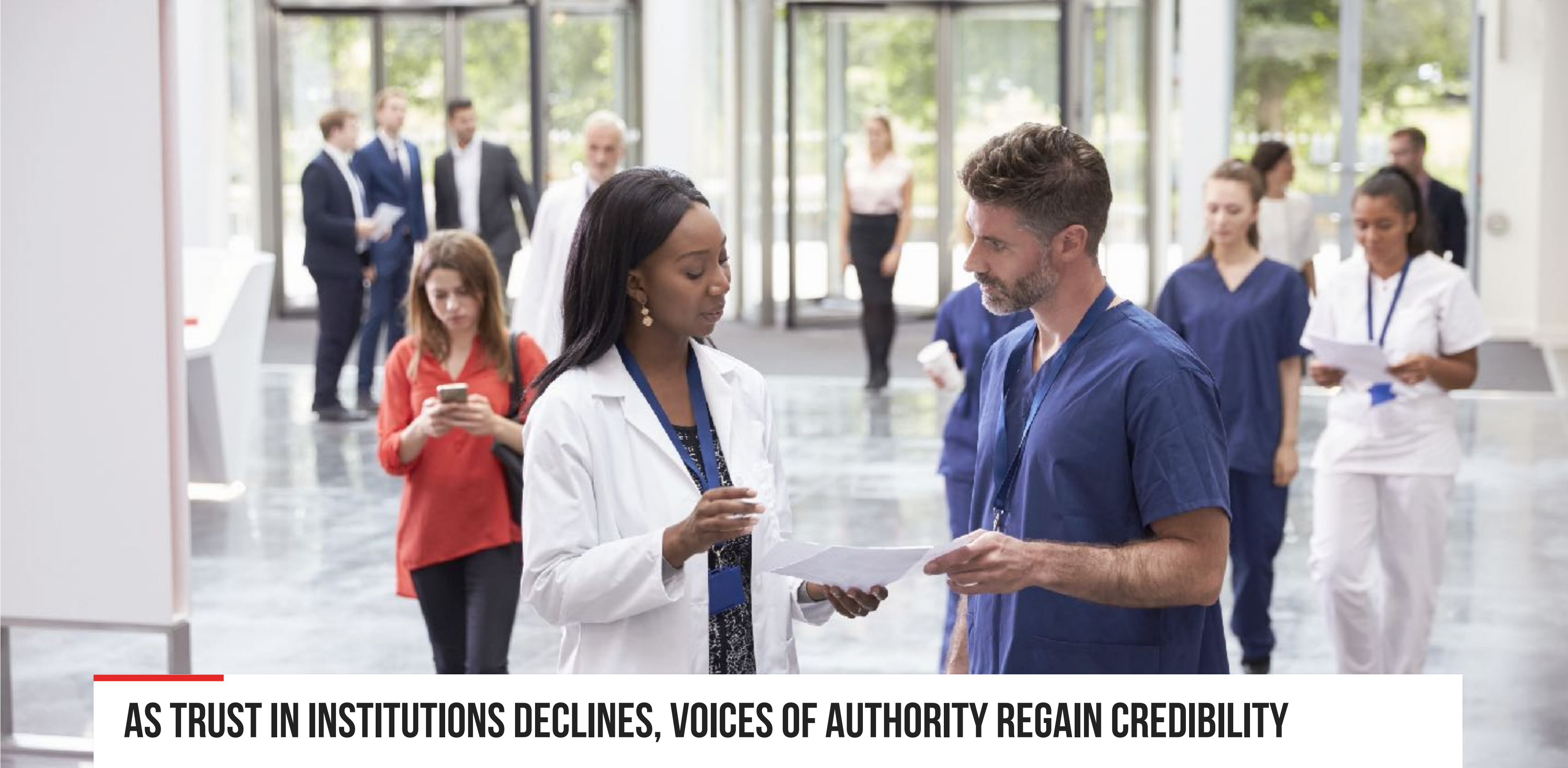
Prioritize influencer marketing and paid advertising as organic brand reach decreases.

Use engaging formats like live video that provide real-time, unfiltered interaction for more authentic experiences. **Invest time in smaller communities**, like Facebook Groups, where you can provide more valuable experiences for those with shared passions and values that align with your brand. **Prioritize social listening** to develop more relevant content with a purpose that users will want to interact with.

Facebook Newsroom, *Introducing New Ways to Create, Share and Discover Live Video on Facebook*, April 2016
Forrester, *Predictions 2018: The Crisis Of Trust And How Smart Brands Will Shape CX In Response*, November 2017

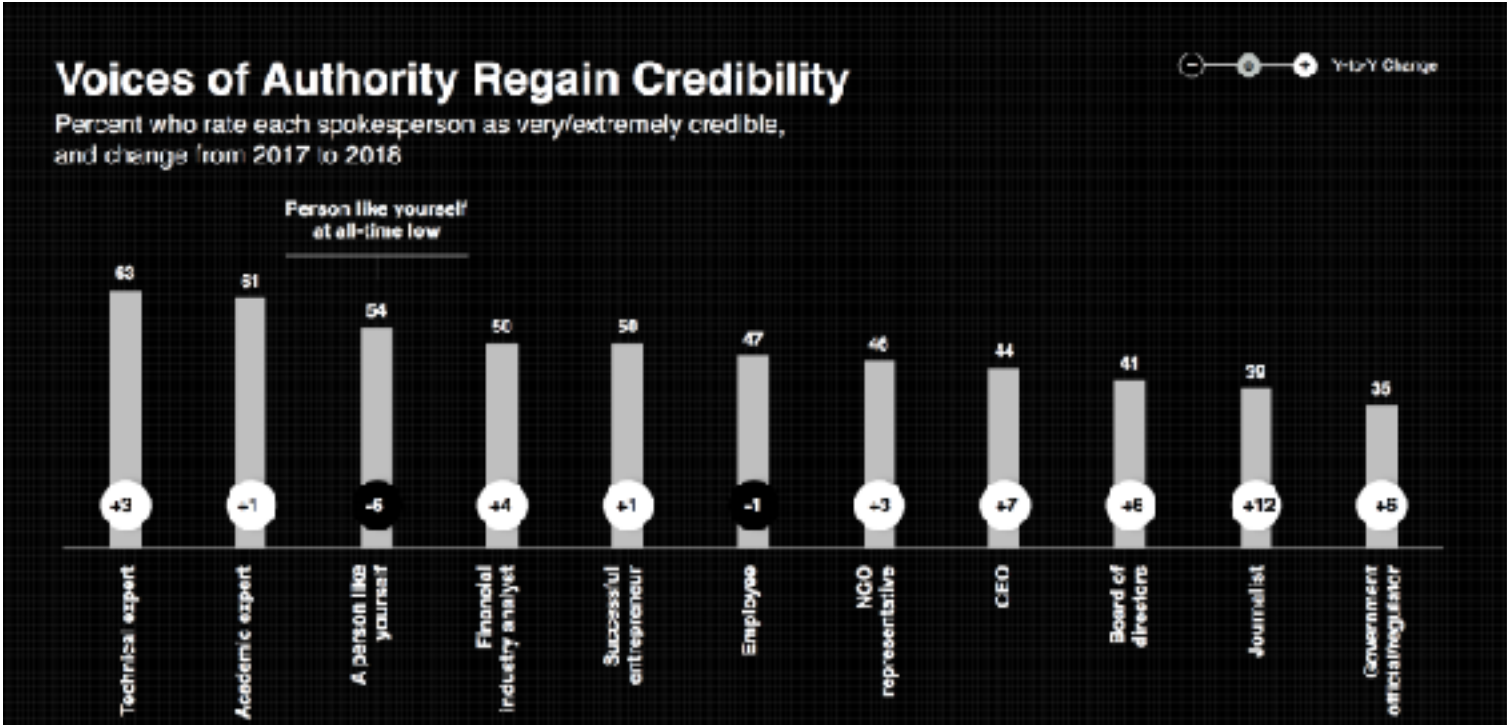
CONTENT

RETURN TO THE EXPERTS



AS TRUST IN INSTITUTIONS DECLINES, VOICES OF AUTHORITY REGAIN CREDIBILITY

Build relationships with those that could be a strong and trustworthy voice for your brand. Think outside the box on the who and what of this voice (**subject matter experts, experienced customers, etc.**).



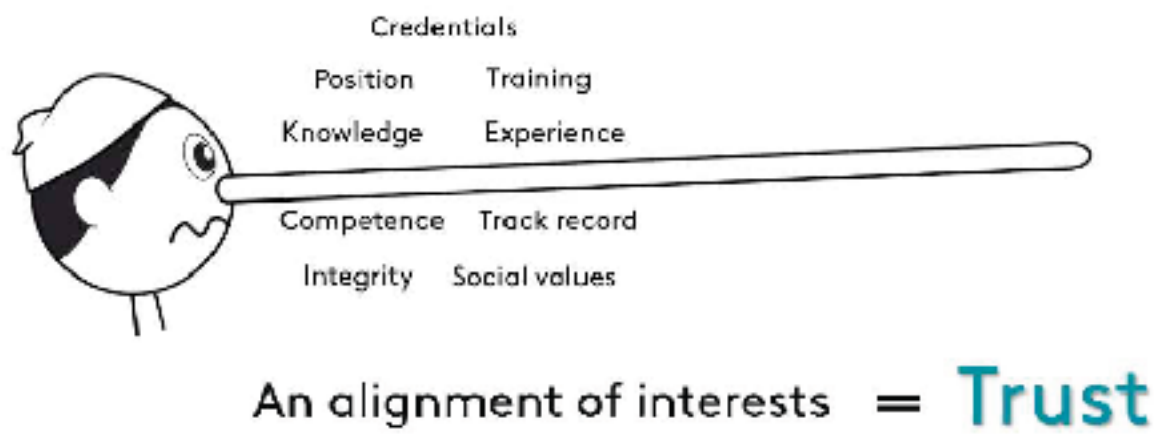
CONTENT

BEYOND CREDENTIALS



IN A POST-TRUTH WORLD, PEOPLE TRUST BRANDS WHOSE ACTIONS AND VALUES ALIGN WITH THEIR OWN

Remember that authorities can be credible, but not trustworthy. **Show how you have your audiences’ best interest at heart.** Act with purpose beyond profit making.





How-to videos earn the most attention of any content category—even more than music clips or gaming, for example.

The Tasty series is an example of how-to videos that have become wildly popular. Their One Top hotplate even syncs with videos and auto-adjusts temperature and function at each stage of the recipe.

HOW-TO'S, BEST-OF'S, TUTORIALS AND CONTENT GEARED TO SIMPLIFY HELPS ADULTS LIFE-HACK

While entertaining is still a viable, valuable goal of content, there is plenty of room to expand the educating, empowering and validating role as well.

Consider content that teaches life skills, outsources daily tasks, or helps post-demographic consumers realize personal life goals.



More than **7 in 10** viewers often use YouTube to **solve a problem** when it comes to their job, studies or hobbies.

Source: ThinkWithGoogle, "The Values of YouTube" Study Oct. 2017 (n= of 1,000 consumers between the ages of 18-54, with 918 monthly YouTube users).



86% of viewers say they often use YouTube to **learn new things**.

Source: ThinkWithGoogle, "The Values of YouTube" Study Oct. 2017 (n= of 1,000 consumers between the ages of 18-54, with 918 monthly YouTube users).

Think With Google, *Why you should lean into how-to content in 2018*, December 2017
TrendWatching, *5 Trends for 2018*, November 2017

CONTENT ASSISTED DEVELOPMENT



CORPORATE

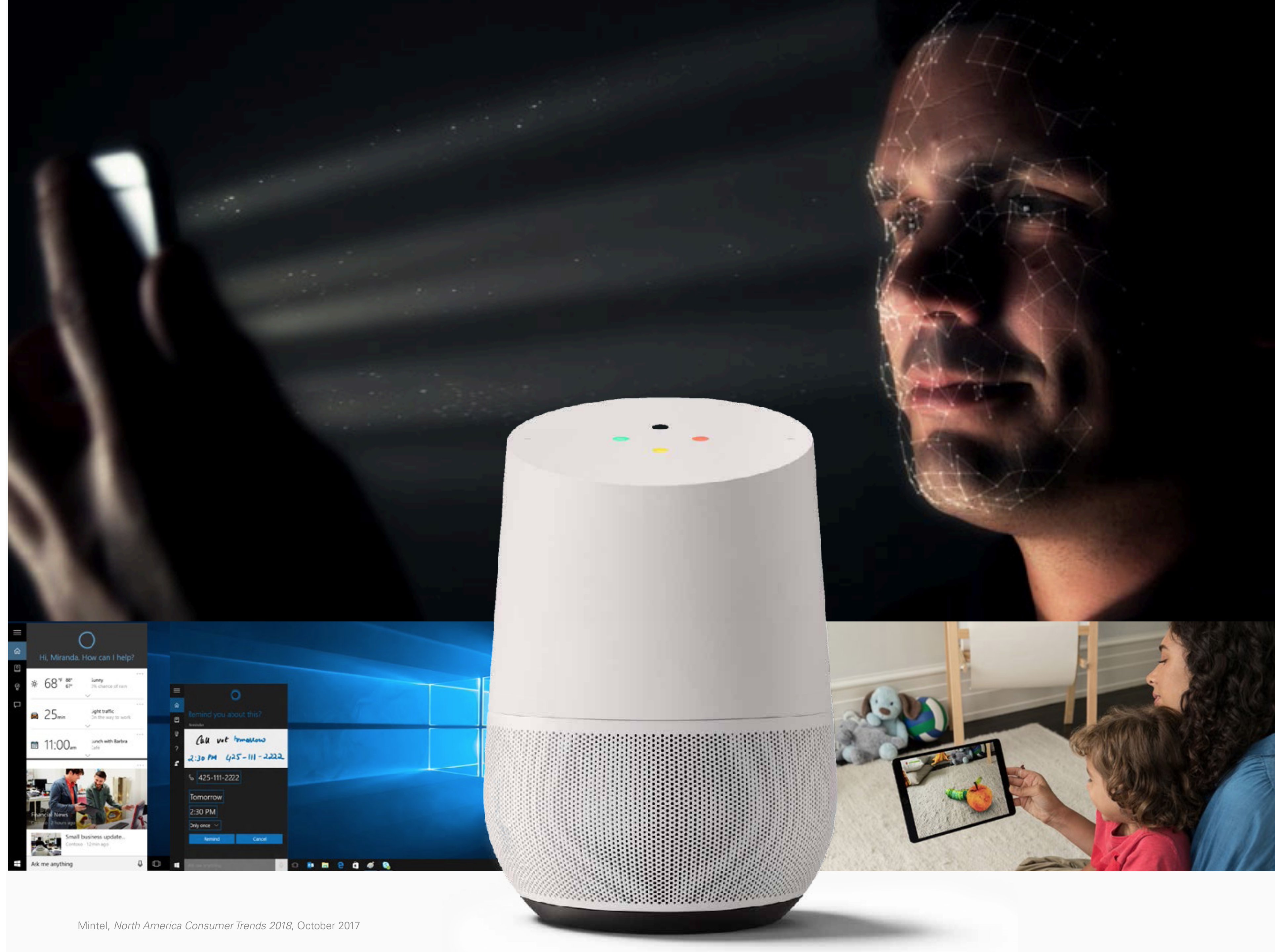
TRENDS AFFECTING BUSINESS OPERATIONS AND STRATEGY

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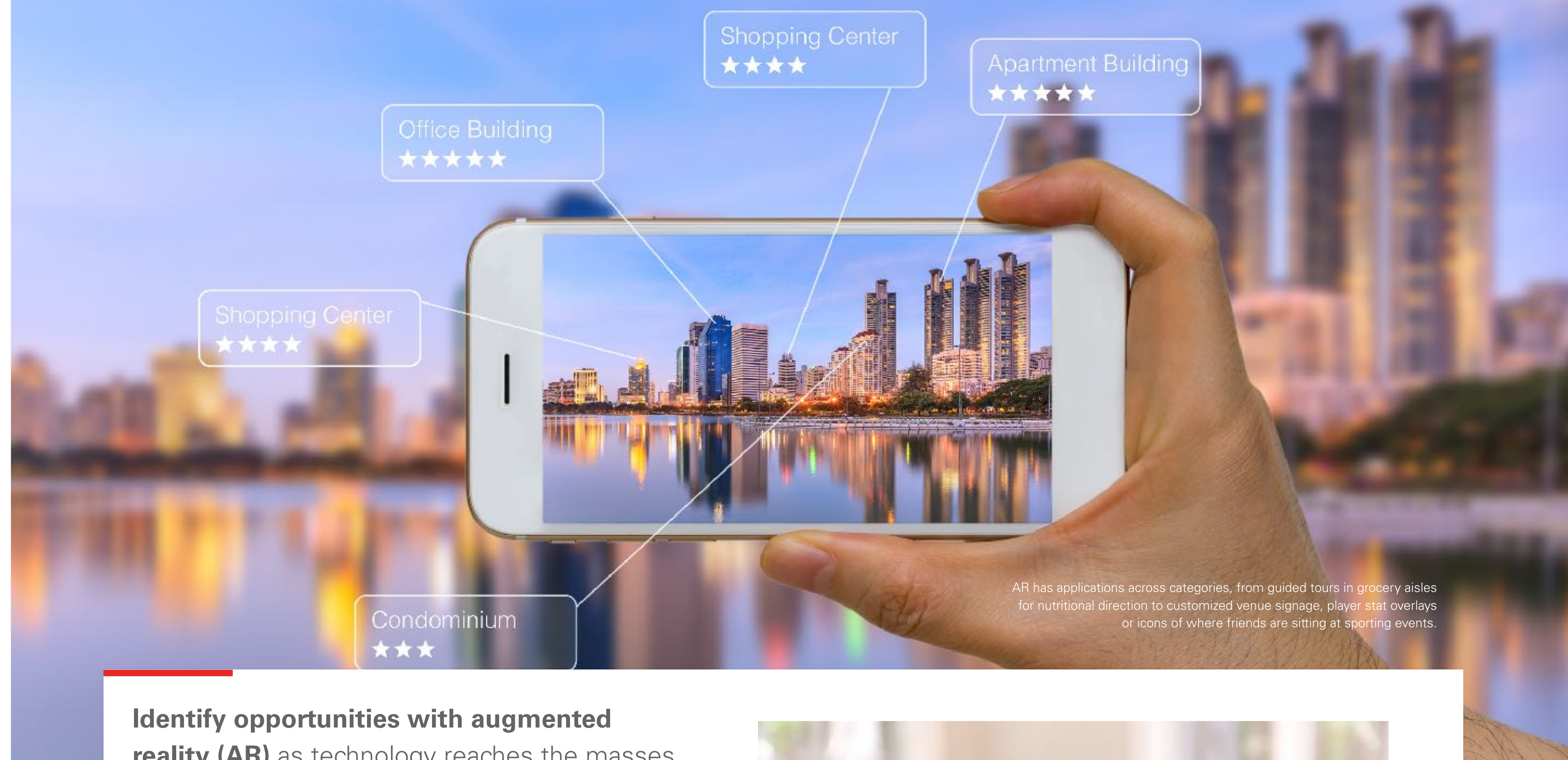
Smart systems deliver seamless experience.

In an increasingly hectic world, consumers are looking for technology that can help **make life more manageable.**

CORPORATE SMART SYSTEMS

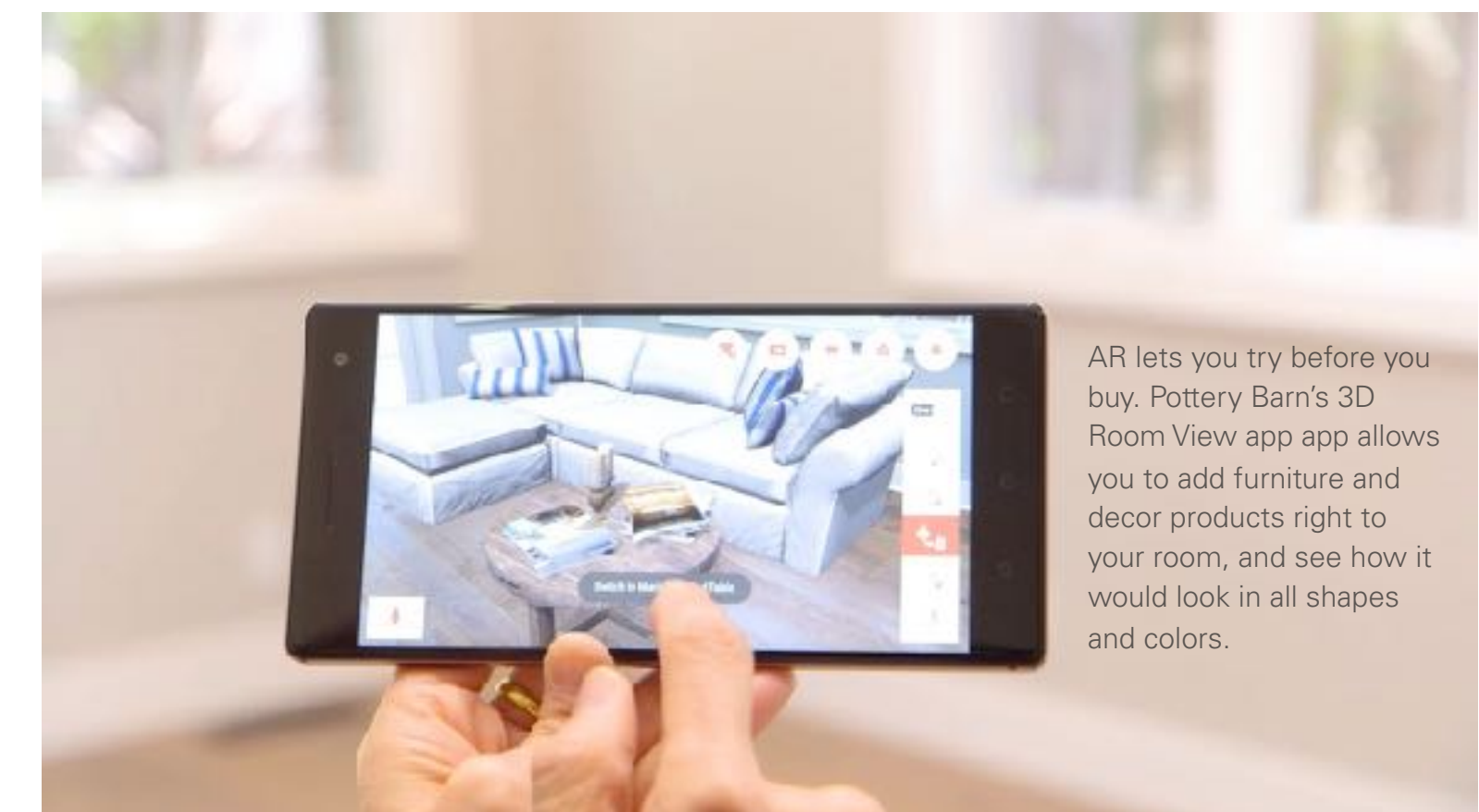


CORPORATE EXPLORE AUGMENTED REALITY



AR has applications across categories, from guided tours in grocery aisles for nutritional direction to customized venue signage, player stat overlays or icons of where friends are sitting at sporting events.

Identify opportunities with augmented reality (AR) as technology reaches the masses via today's smartphones.



AR lets you try before you buy. Pottery Barn's 3D Room View app allows you to add furniture and decor products right to your room, and see how it would look in all shapes and colors.

CORPORATE CAPITALIZE ON VOICE TECHNOLOGY

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Add value through voice tools (help consumers along the customer journey, add a layer of emotional understanding, etc.).

Establish audio guidelines - what kind of personality, tone, or voice does your brand have?

Review likely voice interaction based on consumer involvement with your product or category. Look for brand “moments” throughout the day to capitalize on. Think about time of day and other contextual cues.

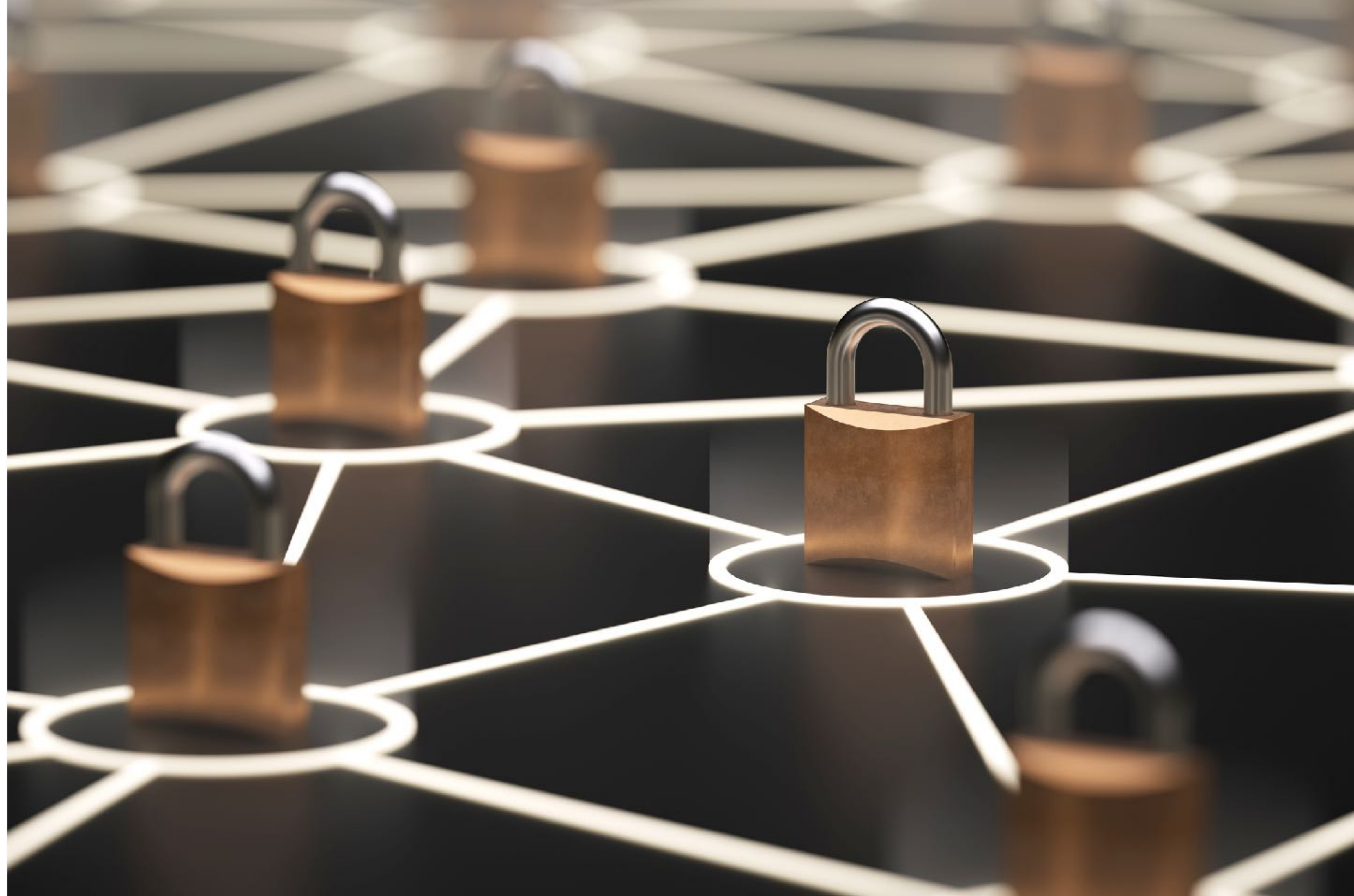
Develop voice-optimized content based on search behaviors. Venture longer, conversational queries. Insert yourself in high-level category searches or get consumers asking for you by brand given the evolution of automated and predictive purchases.

Mintel, *North America Consumer Trends 2018*, October 2017
WARC, *Top 5 Marketing Challenges for 2018 - And How to Respond*, WARC Toolkit 2018 Survey and Analysis

Privacy is a competitive differentiator.

As consumers become more aware of the value of their personal data, **companies must respect their privacy concerns and data preferences** to avoid losing them to a more customer-obsessed competitor.

CORPORATE PRIVACY



CORPORATE

EARN TRUST WITH TRANSPARENCY

Transparency

Help consumers understand what data is collected about them, and how it is used. **Build a value exchange with customers** by providing more personalized, valuable interactions.

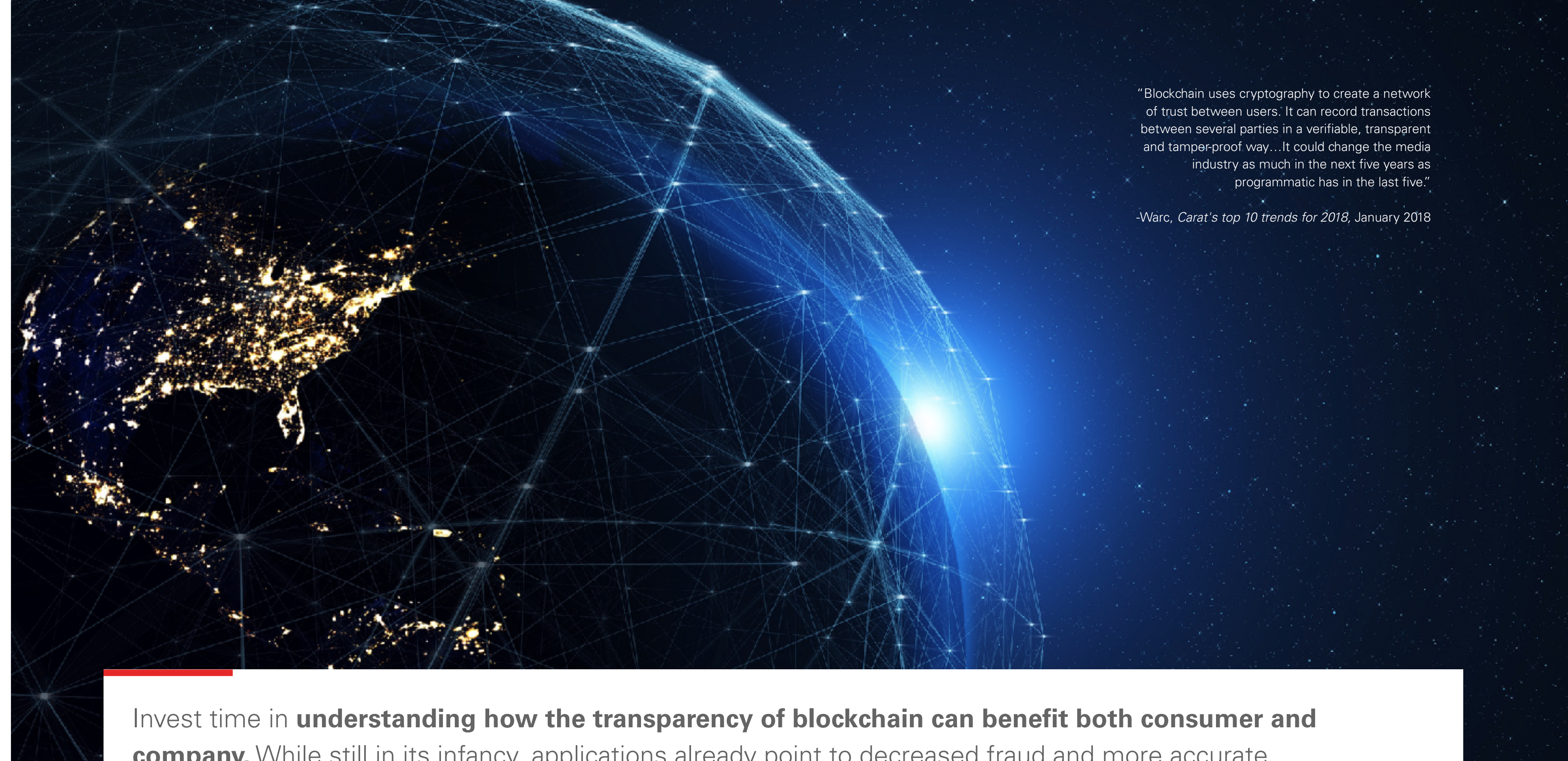
Avoid loophole-ridden privacy policies and the use of questionable third-party data sources.



Adopt cross-functional responsibility for data security and governance. The responsibility lies as much with marketing departments as it does with legal and technology teams. **Invest in data stewards**, or even chief data offices, to manage policies within the organization.

CORPORATE TAKE RESPONSIBILITY

CORPORATE INVEST IN NEW TECHNOLOGIES



"Blockchain uses cryptography to create a network of trust between users. It can record transactions between several parties in a verifiable, transparent and tamper-proof way...It could change the media industry as much in the next five years as programmatic has in the last five."

-Warc, Carat's top 10 trends for 2018, January 2018

Invest time in **understanding how the transparency of blockchain can benefit both consumer and company.** While still in its infancy, applications already point to decreased fraud and more accurate, trackable consumer insights. For example, major sporting events can better understand the actual event attendee vs. the original purchaser by enabling peer-to-peer ticket transfer without a third-party. Health insurance is more equipped for Medicare and Medicaid fraud prevention.

Growth is found in uncomfortable places.

As big brands struggle to find growth in a fragmented marketplace, they must **become comfortable adopting new knowledge, skills and processes to follow demand.**

CORPORATE
GROWTH



Brands have found growth and scale by catering to many small audiences as opposed to trying to reach one mass audience with broad appeal.

CORPORATE SCALE BY ADDING UP SMALL NICHES

Adopt new skills like reverse segmentation to **pull together lots of small things rather than breaking one big thing apart.**

Drive customer loyalty

"I felt..."

Appreciated
Confident
Delighted
Happy
Respected
Valued



How an experience makes customers feel has a bigger influence on their loyalty to a brand than effectiveness or ease in nearly every industry.

Drive customers away

"I felt..."

Angered
Annoyed
Disappointed
Frustrated



CORPORATE ADD VALUE THROUGH EXPERIENCE

Reframe brand and category management as experience management, with the product or service as just one element, albeit critical, in delivering an experience.

Identify physical, face-to-face, and digital touch-points along the customer journey to **eliminate pain, anticipate needs, give customers control and act with empathy.**



Amazon provides an immersive, frictionless experience by wrapping retail with search, payments, video, music, delivery, customer service, AI, third-party sellers, smart devices, entertainment, social media, and more.

SO, WHAT NOW?

Want to dive deeper into some of the trends? Call your SJ&P Account Manager and we can schedule a follow-up conversation.

Or, take a trend and apply it to solving a business problem or creating a new opportunity.

If nothing else, drop one of these trends into your next conversation with a colleague or neighbor. They will be impressed, and learn something new that they can maybe even use.