CONNECTED LIFE
How connectivity is reshaping consumers, connections, content and commerce
What does it mean for marketers when their audiences become more connected? It should mean more opportunities to engage through more touchpoints, delivering more services and fulfilling more of people’s needs. However, all too often, increasingly connected and personalised lives involve people disconnecting from brands.

This year’s Connected Life study suggests that many businesses are struggling to find a relevant role in people’s lives—and this is often because their perception of value-adding experiences does not match the viewpoint of those they are trying to influence.

Our annual study of how connected people are and how they use that connectivity shows that people’s relationship with brands, media owners and technology platforms is changing—and the gap between the experiences they want and the experiences they get is often growing.

In this report, we summarise the key insights that guide how marketers should respond. We do so by looking at the four essential areas that any business needs to understand to grow profitably in the connected world: the level of consumer connectivity, the connections consumers make, the content they seek, and their relationship with ecommerce.

“All too often, increasingly connected and personalised lives involve people disconnecting from brands”
Increasingly connected consumers create a significant challenge for businesses. They expect to be able to meet their needs and fulfill their desires through all of the different touchpoints they use. However, marketers don’t have endless budgets to create experiences at all those touchpoints. They must, to some extent, prioritize.

This is where a nuanced understanding of connectivity is so important: which platforms do marketers’ most valuable audiences expect to connect through, and which experiences do they seek through them? It’s essential to address these questions from the outset of strategic planning—not just as an exercise to guide final execution. Marketers need integrated strategies that are focused on the most important touchpoints and experiences—the moments that matter for their target.

**WHOSE TOUCHPOINT IS IT ANYWAY?**

The disconnect between marketers and their audiences is particularly apparent when brands attempt to use a touchpoint for one purpose, only to find people using it for something else. For example, a brand may launch its expensive, content-led campaign on Facebook, only for customers to complain about defective products or bad customer service.

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**A MORE NUANCED APPROACH**

Too often, traditional audience segmentations—based on cohorts and categories but not connected behaviours—don’t help. Marketers have been accustomed to hearing how this or that generation uses more and different platforms than the one before—how Gen Z lives on Snapchat, or that millennials experience the world through a Facebook feed.

**CONNECTING WITH CUSTOMERS**

Understanding what your customers want through different channels is the challenge for marketers.
But such generalisations don’t cut it when it comes to identifying the experiences that individuals are seeking. Look closely, and the ranks of millennials and Gen Z-ers contain immense diversity in connected behaviour. Our survey shows that in the USA, for example, 14 per cent of 16–24 year olds are “functional” users of technology. This subgroup is noticeably less engaged both with digital platforms in general and social media in particular and see social media as a channel for transactions rather than entertainment. Targeting these people with video content is likely to be unproductive – but making intuitive suggestions for their next purchase has a better chance of being appreciated.

For segmentations to enable better decision-making, they need to move beyond generalisations and identify individuals’ agendas on digital platforms. They can only do so by applying the lens of how people use digital and social media – not just which digital and social media they use.

**Towards Consistent Customer Experiences**

The barriers to such understanding are often internal. Shoppers, customers and consumers are often managed by separate teams within a business and treated as separate people. This makes it difficult to develop a coherent view of people and how they behave, which in turn makes it extremely difficult to deliver consistent customer experiences. The Connected Life data shows that the more connected people are, the more frustrated they are at inconsistent experiences.

“The more touchpoints customers encounter a brand through, the more frustrated they are at inconsistent experiences”

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**Online vs Offline Customer Service**

% of respondents that believe brands have different levels of customer service between online and offline.

- **Global:** 36%
- **55+**: 32%
- **45-54**: 28%
- **35-44**: 24%
- **25-34**: 20%
- **16-24**: 16%

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Does the rise of ad blocking mean that marketers need new ways to reach their target audiences? Connected Life shows that ad blocking is less prevalent than people may think—but this is no cause for complacency.

Ad blocking is highest in those markets that have the most developed ad tech and the most sophisticated targeting capabilities. It peaks at around 30 per cent in Europe and North America but it’s also high in developed Asian markets. It is most prevalent among younger people: 20 per cent for those aged 16 to 24 and 25 to 34 respectively. In short, the more connected people are and the more digital ads they encounter, the more likely they are to seek to block those ads.

Ad blocking itself is symptomatic of a wider malaise. People are increasingly resistant to online advertising, frustrated at the sensation of being followed around the web and seeing no value in the content served up by marketers in return for use of their data. Worldwide, 30 per cent of people object to the idea of brands tracking them online to serve them more relevant ads. Only 13 per cent think that ads tailored to their tastes and interests are definitely a good idea.

The fact that this resentment and frustration is highest in developed markets (the proportion of people objecting to ads tracking them is over 40 per cent across many European markets and over 65 per cent in Denmark, for example) suggests that it results from experience. Digital advertising is supposed to be more targeted and therefore more relevant—but marketers’ concept of relevant, value-adding advertising clearly falls short of their audiences’ expectations.

GLOBAL AD BLOCKING
% of respondents that use ad blockers by country and age range

16 to 34 year-olds globally ad block
For more and more people globally, interacting with brands is something that happens on mobile devices. This is true of emerging, mobile-only markets where social apps tend to dominate use of their often limited mobile network data. It’s also increasingly true of developed markets, where consumers may have many different apps on their smartphones but tend to use only half a dozen or so on a regular basis.

A FAST-EVOLVING SOCIAL WORLD

Roughly three quarters of people outside of China who access the web in some form use Facebook on a weekly basis. Around half use WhatsApp and YouTube with similar frequency – and a quarter are on Twitter. Other platforms have even greater dominance within specific markets: 85 per cent of people in China use WeChat every week, 83 per cent of Koreans are on Kakao Talk regularly, and 90 per cent of those in Thailand use Line. Still others are growing fast among particular demographics: the increase in use of Snapchat and Instagram among those under 24 is particularly noteworthy – showing appetites for new forms of intimate (and often time-limited) content and conversations. The best way for marketers to reach most digital audiences involves a mobile phone and a social network – but which social networks best suit their purposes, and which functions can they most effectively fulfil? The answers to those questions keep changing.

As social and instant messaging (IM) platforms evolve they tend to broaden their range of functions, creating different types of connection opportunities for brands.

Smart brands know social is only one piece of the marketing puzzle.

“As social platforms evolve they tend to broaden their range of functions, creating different types of connection opportunities for brands”
The key to success lies in selecting a context that fits not just the target audience but also the strengths of the brand. This is particularly true of IM platforms that have evolved into multi-faceted social networks within Asia—a model that is now being applied worldwide through Facebook Messenger. It’s also true of the rapidly growing Instagram, which has added story functionality that echoes that of Snapchat and provides a new form of storytelling platform for both people and brands.

**CONNECTING WITH AUDIENCES**

However, just because people are spending time on social, it doesn’t always make social the right channel for brands. In emerging markets such as Cambodia and Colombia, where social and mobile dominate the internet experience, people are most likely to seek to engage with a brand through its Facebook page. That’s not always the case, in the US, UK or other European countries, where people have more digital touchpoints to choose from, many will prefer to engage via a company’s website or visit a store to talk to someone in person. Preferences also vary by category. When it comes to exploring options for financial services and insurance, for example, many people feel more comfortable navigating a website than getting information through social.

Marketers need to be where their audiences are, but the truth of the matter is that audiences can be found in many places, both through digital and traditional media. The key to success lies in selecting a context that fits not just the target audience but also the strengths of the brand and the purpose of its activity. This applies to marketing campaigns as much as it does to customer service or providing information. For example, auto brands and retailers such as the UK’s John Lewis continue to invest in high-profile TV advertising, and make it the centre piece of their integrated marketing strategies. This is because TV fits their expertise and brand positioning, enables them to reach lots of people and provides the right emotional context for their messaging.

“The key to success lies in selecting a context that fits not just the target audience but also the strengths of the brand”
The content that people seek out, consume and share is a big part of their online identity – and with more sources of content available, people are expressing that sense of identity in new ways. This is particularly true of young people, who turn to vloggers and other influential peers with far-reaching social networks – sources of influence that simply weren’t available to previous generations.

Four out of ten 16 to 24 year-olds say they watch user-generated content more often than they do content from professional TV stations – or from brands. The influencers cutting through are not those with the largest budgets or highest production values, but often those with the best understanding of what the audience needs. They also use the channels (such as Snapchat and Instagram) that those audiences have adopted as their own. At a time when the most followed account on YouTube is a gaming vlogger posting videos of people playing video games (and with twice the followers of Justin Bieber), marketers need to adjust.

That adjustment may involve partnerships with the influencers creating and sharing user-generated content on social platforms. It should also involve learning from those influencers about what the real interests of a new generation are. Cultural relevance is the real killer app where online influence is concerned.

16 to 24 year-olds watch user-generated content more often than they do content from professional TV stations – or from brands
RECEPTIVENESS TO BRANDED CONTENT – A GLOBAL VIEW

Branded content’s appeal is waning in traditional markets but flourishing elsewhere.

COUNTRIES SURVEYED

LATIN AMERICA
Argentina
Brazil
Chile
Colombia
Mexico
Peru

MIDDLE EAST AND AFRICA
Egypt
Ghana
Israel
Kenya
Nigeria
South Arabia
South Africa
Turkey
UAE

EUROPE
Belgium
Czech Republic
Denmark
Finland
France
Germany
Hungary
Ireland
Italy
Luxembourg
Netherlands
Norway
Portugal
Russia
Slovakia
Spain
Sweden
Switzerland
UK
Ukraine

ASIA PACIFIC
Australia
Cambodia
China
Hong Kong
India
Indonesia
Japan
Malaysia
Mongolia
New Zealand
New Zealand
Singapore
South Korea
Taiwan
Thailand
Vietnam

% OF RESPONDENTS THAT ENJOY READING OR WATCHING CONTENT FROM BRANDS ONLINE

51-60 %
41-50 %
31-40 %
21-30 %
11-20 %
INFLUENTIAL CONTENT

High-value, timely content can delight audiences, creating powerful emotional connections with your brand.

What can brands do to avoid the perception that they are stalking their audiences while offering nothing in return? Content marketing has become a go-to strategy for many—and with good reason. Connected Life shows that over a third of people worldwide, 43 per cent of those in emerging markets and 42 per cent of those aged 16 to 24 express some enjoyment in reading and watching content from brands on social. And yet the content landscape has never been more competitive, with user-generated content vying with the output from traditional publishers and broadcasters for attention.

A COMPETITIVE CONTENT LANDSCAPE

The mechanisms by which content is discovered and shared add to the competitiveness of the content environment. Algorithms take an ever-more sophisticated approach to identifying when content is adding value and when it isn’t, and this keeps raising the bar for brands. If their content fails to signal its quality and value in the right way, it won’t just be ignored by users—it won’t reach them at all.

The more brands understand the algorithms that shape content distribution, the more chance their content has of engaging. They can seek to “game” the system, invest in expertise to optimise their content, or work with platforms directly and pay for a strong position—but exposure is not the same as impact. Incorporating video content because a platform’s algorithms value it will only work if the video itself adds value. Finding the right balance between discoverability, originality and standout is essential for successful content.

PERCEPTION OF BEING CONSTANTLY FOLLOWED BY BRAND ADVERTISING

% of respondents that feel followed, by country

<table>
<thead>
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<th>Country</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Ukraine</td>
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<td>49%</td>
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<td>Global</td>
<td>34%</td>
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<tr>
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<td>Cambodia</td>
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<tr>
<td>Myanmar</td>
<td>7%</td>
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“Businesses need to ask themselves whether the content and experiences they deliver are useful for either their audience or their own objectives.”

USING DATA TO DELIVER RELEVANT EXPERIENCES
Programmatic technology and data-driven targeting have unlocked great opportunity for businesses in how they segment and buy their audiences online. However, problems arise when businesses fixate on using this to chase eyeballs on a cheapest cost-per-view basis, and ignore questions of context and timing. Businesses need to ask themselves whether the content and experiences they deliver are useful for either their audience or their own objectives.

Rather than simply trying to buy more touchpoints where they can expose their audience to a given message, marketers’ use of data should focus on matching the right audience member with the right experience. Those experiences might involve greater convenience, emotional rewards or financial benefits.

People’s perceptions of the value exchange with brands certainly shift when more tangible value is coming their way. Even in markets where resistance to advertising is highest, 39 per cent are happy to interact with brands and exchange information in return for rewards - and this enthusiasm is far higher elsewhere. And, of course, a freer exchange of information provides the basis for smart marketers to deliver more individually rewarding experiences.

OPEN TO CONTENT FROM BRANDS ON SOCIAL
% of respondents that indicate a positive response to reading or watching content from brands on social media

COUNTRIES
1. CAMBODIA
2. SOUTH AFRICA
3. GREECE
4. MEXICO
5. IRELAND
6. SWEDEN

AGE RANGES
16 - 24: 42%
25 - 34: 41%
35 - 44: 39%
45 - 54: 33%
55 - 65: 25%

OPEN TO SHARING INFORMATION WITH BRANDS IF OFFERED A REWARD
% of respondents, by country

GLOBAL: 38%

TOP FIVE
1. BRAZIL: 65%
2. CAMBODIA: 61%
3. TURKEY: 56%
4. SAUDI ARABIA: 53%
5. MONGOLIA: 51%
New, digitally driven business models have spread across categories—from technology to media, fast-moving consumer goods, financial services and beyond. However, the nature of these disruptive threats and opportunities varies hugely depending on the market that a business is operating in—and the triggers and barriers that exist concerning new ways to buy. When it comes to developing online shopping strategies, ecommerce dances to a local tune.

Businesses in developed, western markets have been encouraged to imagine the potential of drone deliveries, automatically restocking fridges for grocery orders and voice-activated online shopping. Connected Life confirms that there is some appetite for such innovative shopping experiences in these countries. However, the real opportunities lie elsewhere. Many people in many markets have an appetite for new ways of buying—but lack ecommerce solutions that effectively meet their needs.

The huge differences between the products and services available to urban and rural consumers are a powerful driver of interest in buying online. But rural communities with limited internet or transport infrastructure require innovative business models for ecommerce to take off. We find such urban–rural divides from India to the Midwestern US. The solutions that can remove friction and unlock the ecommerce opportunity may well come from unexpected places. Business models developed in India—which enable shoppers in rural regions to order goods online and have them delivered to local “mom and pop” shops—are already now echoed in the delivery models being developed for some western markets.
The internet is exerting an increasing influence on people’s purchasing decisions. But the nature of that influence varies considerably from market to market – and across different audiences. To identify the next commercial opportunity, businesses need to be alive to what different people want from ecommerce – and understand how to overcome their concerns.

**TRIGGERS AND BARRIERS**

In developed markets, large numbers of people are already experienced online shoppers, having overcome initial concerns around product quality, payment security and the process of placing orders and receiving deliveries – at least for some categories. The decision to buy online comes down to a trade-off between the three shopper currencies of time, money and energy. By selecting an online shopping channel they hope to save money and access a broader range of products more easily.

In emerging markets, the triggers and barriers for ecommerce look significantly different. The importance of guaranteed product quality and a manageable process are almost as important as price in deciding whether buying online is worth the risk. When asked about potential technologies and services that could change their shopping experience, people in emerging markets show significant interest. However, they need ecommerce providers and brands themselves to demonstrate that such shopping experiences are really viable.

“Ecommerce opens up myriad different ways in which businesses can remove friction from the buying journey – or inadvertently add it”
The online shopping experiences that emerge will often involve focusing on new kinds of value. Across Indonesia, for example—a far-flung archipelago of islands—deliveries are typically slow and expensive. This doesn’t mean there isn’t a viable ecommerce solution for the market. But brands may need to focus more on the benefits of product availability than on price or the speed of delivery.

What’s true of ecommerce as a whole in emerging markets is also true of categories in developed ones that have not yet reached the online shopping tipping point. From clothes and shoes to childhood nutrition, significant growth opportunities exist for businesses that can recognise what holds people back from buying online—and assure in terms of time, money and energy.

TOWARDS FRICTIONLESS SHOPPING

Ecommerce opens up myriad different ways in which businesses can remove friction from the buying journey—or inadvertently add it. It has always been a truth of shopper behaviour that the easier you can make it for people to buy, the more they will buy from you. The businesses that can use technology to remove barriers to purchase will benefit from this. On the other hand, those that create overly complex online shopping journeys will leave themselves vulnerable.

The race towards frictionless shopping involves applying the principles of shopper marketing to the growing range of ecommerce touchpoints. Doing so holds the real key to accommodating consumers’ growing desire to complete purchases through any relevant social network messaging platform. This isn’t just a case of adding “buy now” options to your Instagram feed, for example; it also requires brands to put the right products in front of the right Instagram users.

At the same time, businesses need to ensure that the technological and logistical ecosystem is in place to deliver an ecommerce experience that is genuinely smoother than buying offline. Encouraging people to order products from your website if their internet speed is slow and their connection unreliable might make their purchase experience more frustrating than if they had travelled to a nearby town to pick up their goods from a store. An instant purchase button on Twitter feels a lot less instant if the transport infrastructure doesn’t exist to make swift deliveries.

The varied nature of ecommerce environments means that businesses must develop a range of different business models, and develop the right kinds of partnerships (for example, with delivery providers), to deliver genuinely frictionless shopping experiences.
The impact of greater connectivity on the relationships between people and brands is difficult to predict. Such connectivity certainly provides the opportunity for more frictionless journeys, enabling people to access what they want and need in more satisfying ways. It enables brands to play a more relevant, intuitive and meaningful role in guiding people through those journeys. However, it also creates opportunities for businesses to display greater inconsistency, to show disregard for what really matters to their audiences, and to pursue their own agenda in ways that can be frustrating and overbearing.

In this year’s Connected Life study, we can find evidence of all these things happening. There are opportunities to meet people’s appetites for new types of content and new types of e-commerce solutions. But there are also clear warning signs that marketers’ priorities need to change if they are to avoid being locked out of the moments that matter in people’s lives. A more nuanced understanding of what connectivity means to people, and the role that different platforms actually play for them, is a great place to start.

“Marketers’ priorities need to change if they are to avoid being locked out of the moments that matter in people’s lives”