

Content, at your service

Issued by [Dentsu](#)

9 May 2019

Brands are seeing a global shift from selling products to selling services, but where does content fit in to the "Life as a Service" model, asks Jordan Leschinsky, group digital editor at [John Brown Media South Africa](#).



Many global brands have seen a shift in focus from selling products to selling services. Companies like Netflix and Spotify, for example, have encouraged consumers to subscribe to a service rather than purchase single pieces of content like movies or albums. Global media agency [Carat](#) calls this trend "Life as a Service" (or LaaS) in their report, [The Year of Expanding Connectivity: Carat Ten Trends 2019](#).

Shared value, on repeat

For some brands, the value of LaaS lies in the recurring payments they can rely on – with the potential to up-sell on top of this. Regular payments give companies more certain revenue, but also data that they can use to calculate lifetime values and future demand. More than 80% of American households with income over \$112,00 per year have an Amazon Prime membership. In the US, the level of recurring payments for services like Netflix or Amazon Prime is expected to reach nearly \$500bn in 2021.

What do these LaaS examples have in common? Besides being made possible through the analysis of increasingly accurate customer data, these models are also driven by the desire to make customer relationships more service focused and continuous. Service design is something every company needs to consider in their product and business architecture. However, LaaS should be deployed carefully, with factors like the value proposition and frequency of purchase core to building service into the offering.

Let them eat content

This method of building a long-lasting relationship with customers doesn't always need to be a direct pay-for-service model in order to influence revenue. In South Africa, retail giant Pick n Pay makes use of the Smart Shopper loyalty program and [Fresh Living magazine](#) to analyse data, personalise content and reward customers monthly in return for choosing their store over others.

Pick n Pay's Smart Shopper started out as the classic loyalty model, offering cash-back vouchers for every rand spent, but today this model has evolved to include content, data analysis and personalised rewards. Fresh Living magazine,

created by [John Brown Media South Africa](#), is free to Pick n Pay Smart Shoppers and includes strategic content around product, the uptake of which is then measured.

An example: Shimeji mushrooms were, until recently, relatively new in Pick n Pay stores and not seeing high customer uptake. On the back of a recipe feature on ways to use mushrooms in the April 2018 issue of Fresh Living, sales of Shimeji mushrooms rose by 66%* with no other collateral support – a direct result of providing customers with content as a service.

Getting LaaS right

Brands selling physical products need to think how to create a service – and how to keep the experience of using it special, with the likes of one-offs, birthday deliveries and layers of membership personalising the offering. Brands might be better off partnering with existing services, or finding complementary services rather than establishing their own, depending on the role the brand is trying to play in its customers' lives.

*Shopper Centre Performance 26 March 2018 – 20 May 2018 (8 weeks) vs 3 Apr 2017 – 28 May 2017.

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