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Competing for Tomorrow's Customers: A View from the Future

Compitiendo por los clientes de mañana: una mirada hacia el futuro

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ABSTRACT

This paper includes a compilation of the most important activities that marketers will need to perform in order to be competitive in the coming years. As changes occur and new competitive processes or practices are developed, practitioners often create acronyms that come into general use as a type of shorthand. This paper will discuss several acronyms that have become central to competing for tomorrow's customers. The purpose of this investigation is to provide marketing professionals with important information about where they will need to focus their efforts, update their knowledge, and continue to build their marketing skill sets if they are to succeed in the future and to provide business professors with leading edge information so that they can best prepare their marketing students to be highly competitive when they graduate and enter the business world.

Keywords: acronyms, consumer behavior, technology, government regulations.

Jel Code: M15; M19

RESUMEN

Este artículo compila las actividades más importantes que los mercadólogos necesitan desarrollar ante el ambiente competitivo de los próximos años. Lo único constante es el cambio, lo que deriva tanto en nuevos procesos competitivos como en diferentes y diversificadas prácticas, dando como resultado el uso de acrónimos en mercadotecnia. Detrás de estos acrónimos de uso general, existe complejidad. Este documento discute los acrónimos que implican competir por los clientes de mañana. El propósito de esta investigación es mostrar al especialista en mercadotecnia en qué es fundamental concentrarse, cómo aumentar sus conocimientos y cómo construir continuamente sus capacidades y competencias para un mayor aprovechamiento del futuro. También incluye a quienes enseñan negocios, que mediante el uso de la información, preparen a los estudiantes de mercadotecnia para ser altamente competitivos en el mundo de los negocios.

Palabras clave: acrónimo, comportamiento del consumidor, tecnología, regulación gubernamental.

Código Jel: M15; M19.

INTRODUCTION

The rapidly changing nature of consumer behavior, technology, government regulations, and marketing practices is causing a major and disruptive shift in the competitive marketplace. In order to maintain their competitiveness, companies must look toward the future and strategically plan to create change or to adapt to the new marketplace realities. Competition is no longer local, regional, or national; but rather, companies around the globe are nimbly reaching across borders and attracting consumers via the Internet.

This paper includes a compilation of the most important activities that marketers will need to perform in order to be competitive in the coming years. As changes occur and new competitive processes or practices are developed, practitioners often create acronyms that come into general use as a type of shorthand. This paper will discuss several acronyms that have become central to competing for tomorrow's customers.

METHODOLOGY

In order to construct a view of the future marketing practices, this investigation focused on experts' predictions of the future of marketing. The primary sources used to obtain the most current predictions were non-traditional, non-academic sources, such as magazines, online articles, websites, and blogs aimed at marketing professionals. Traditional academic sources, such as journals and conference proceedings, were not used as they typically focus on current or past marketing practices, theories, and models rather than what to expect in the future.

PURPOSE

The purpose of this investigation is twofold: [1] to provide marketing professionals with important information about where they will need to focus their efforts, update their knowledge, and continue to build their marketing skill sets if they are to succeed in the future and [2] to provide business professors with leading edge information so that they can best prepare their marketing students to be highly competitive when they graduate and enter the business world.

ACTIVITIES CRITICAL TO SUCCESSFULLY COMPETING FOR TOMORROW'S CUSTOMERS

As one reads through the important changes taking place in marketing, one thing will stand out above everything else, and that is the extremely heavy focus on marketing technology. In fact, a new term has been coined for this field of marketing – Martech.

#1 – AI – Artificial Intelligence

The one topic being discussed more than any other by current marketers and marketing futurists is AI or Artificial Intelligence, which has been credited for delivering personalization at scale. Earlier marketing uses of AI have taken the form of chatbots (or Artificial Conversational Entities), which conduct auditory or textual conversations with customers or potential customers to provide information, education, customer service/support, promotion, or entertainment. The most basic chatbots use pattern-matching techniques or word recognition to provide pre-programmed responses. The more sophisticated AI applications combine real-time machine learning of new responses “with evolutionary algorithms that optimize their ability to communicate based on each conversation held” [Wikipedia]. Advancements in messaging apps and bot-creation platforms--such as Facebook Messenger, WhatsApp, Kik, Twitter, SMS, and Slack--have contributed to the growth of chatbots, conversation bots, and virtual assistants, both online and on mobile devices.

The most common marketing uses of AI chatbots or VCAs (Virtual Customer Assistants) are in customer service, either online or on the phone, to handle basic customer inquiries or to qualify leads before turning the prospect over to a salesperson or a customer service representative. One expert stated that “conversation bots turn static encounters into interactive engagements, inviting site visitors to participate in dialogue... and can introduce the person to other pieces of related content or start a conversation about a solution to develop a stronger relationship that increases a visitor’s affinity for a brand (Malvilla, 2018). The Discourse.ai Cognition platform creates quality, automated conversations and transactions for customers, and it has “proven performance of over 30 ‘conversational turns’ before human assistance would be required”. (Miller, 2018)

Gartner (2018) predicts that “25% of customer service and support operations will integrate virtual customer assistants or chatbot technology across engagement channels by 2020, up from less than 2% in 2017.”

Some newer uses of AI, VCAs or chatbots include:

- Lead generation and sales (Sweezy, 2018).
- Copywriting, such as crafting email subject lines, Facebook ads, and push notifications and predicting their success (Macaulay, 2018).
- Advertising: AI-powered ads, such as Lufthansa's #SayYesToTheWorld campaign, includes interactive ads that allow consumers to ask general airline questions and offers a destination explorer for European destinations with facts, tips, images, videos, and a flight reservation option. Best Western offers travel trips, virtual 360-degree tours, room booking options based on consumers' travel preferences (Sweeney, 2018).
- Marketing Research, especially statistical analysis, reading open-ended responses, determining sample size, conducting brand awareness tracking, finding insights in feedback data, data cleaning, and finding survey respondents (Qualtrics, 2018).
- Predictive modeling to target and analyze customers (Capan, 2017).

#2 – Video & Ephemeral Marketing

Marketers are drawn to using videos for a number of reasons. First and foremost, videos are viewable on all devices from desktops and laptops to tablets and smartphones. Ashish Gupta (2018) reported that people who view videos retain 95% of what they watch as opposed to retaining only 10% of what they read, and he stated that “businesses that use video content for marketing witness over 40% more organic traffic than businesses that don't use video marketing”. Jack Rheude (2018) reported the following information that points to the importance of using video in the marketing mix: (a) a landing page that includes an optimized video will rank higher in search engine results, (b) marketing emails with video thumbnails (compared to image thumbnails) improved click-through rates by more than 20%, (c) 86% of online consumers have been swayed by a video to purchase a product, and (d) “by 2021, 82% of online consumer traffic is expected to be video traffic” (Rheude, 2018). The most popular genres of video to attract customers, according to Gupta (2018), are product demos, testimonials, instructional content, and explainers. He added that “the next evolution in the video space will be listicles, which are popular for written content now and conversational video content” (Gupta, 2018).

The use of video to promote products and services online has expanded from being able to upload relatively short videos on social media and longer videos on YouTube to a variety of newer alternatives.

- The “story” function on Instagram, Facebook, Snapchat, and WhatsApp allows you to post videos that last only 24 hours. The term, ephemeral marketing has been coined

to refer to marketing that lasts only briefly, perhaps as fast as a few seconds, with any photos or videos disappearing after 24 hours. It has been used primarily in social media, with Snapchat being the pioneer in ephemeral marketing, but with other social media giants like Facebook stories and Instagram stories and other apps like Wickr and Blink following suit (Wood, 2018). Although these examples of ephemeral marketing may seem to be similar to TV or radio advertising, which disappears after it airs, the online version of ephemeral marketing may be effective for visual promotions, for live-event marketing, or for flash sales, time-sensitive promotions or quick discounts with an expiration date. "Using the platform's fleeting photos and videos to give a brief "insider" view or sneak preview so as to create a feeling of exclusivity" was cited as a major benefit (Patel, 2016). Its success has also been explained by the consumer behavior phenomenon of FOMO or fear of missing out.

- For posting videos, Instagram developed IGTV, an app for watching long-form, vertical video, which allows accounts to create new channels from which they can add videos between 15 second and 10 minutes. Larger accounts can upload videos up to 60 minutes. Like YouTube, IGTV videos "remain watchable until removed by an account user, allowing marketers to shape their brand's channel into a curated video experience" (Lewis, 2018).
- Facebook and Instagram also offer live streaming of events, which has become a popular form of video for viewing events in real time.
- A 360-degree video "is a video in which every direction is recorded simultaneously and at the same time slot. This is done by using an omnidirectional camera or several sets of cameras covering the entire 360 degrees. The recorded video is played on a flat surface. Users have control to choose which side of the video they are wanting to view". 360-degree video, which provides a first-person point of view, has been defined as a subset of Extended Reality (XR). YouTube has also introduced 180-degree video, which like 360-degree video, provides a more immersive and theater-like experience (Viraj, 2018). 360-degree content can be static or video, and it provides an additional way to engage viewers for a longer period of time (Forbes Agency Council, 2018).
- Another exciting new use of 360-degree video is at live events held inside large domes where the video is projected inside the entire dome.

#3 - AR & VR & Mixed Reality (Augmented Reality, Virtual Reality & Mixed Reality)

Augmented, Virtual, and Mixed Reality allow the marketer to provide audiences with an immersive, interactive experience that increases engagement time and helps the viewer visualize a product or process more comprehensively (Forbes Agency Council, 2018).

Investopedia.com defines and differentiates between Augmented and Virtual Reality as follows: “Augmented reality uses the existing real-world environment and puts virtual information on top of it to enhance the experience. Conversely, virtual reality involves users inhabiting an entirely different environment altogether, notably a virtual one. Users may be immersed in an animated scene or an actual location that has been photographed and embedded in a virtual reality app. Through a virtual reality viewer, users can look up, down or any which way, as if they were physically there.” Mixed reality is simply the merging of the real and the virtual worlds where they co-exist in real time.

Examples of AR are presented below (Forsey, 2018):

- Home Depot offers customers the opportunity to see how a paint color will look in their homes or how a product, such as a patio set, will look in their homes.
- Timberland offers a virtual fitting room where customers can see an image of their face on a similar-sized body in different outfits.
- Sephora Innovation Lab provides app users with the opportunity to see how various makeup products will look on their face by first using their phone’s camera to scan their face (Kumar, 2018).
- StubHub offers ticket buyers a picture of where specific seats are in a stadium as well as what the view from those seats will look like.

Examples of VR include (Becker, 2018):

- Lowe’s “Holoroom How To” VR experience, provides customers with a VR headset in a VR room that enables them to see and do home improvement projects (similar to Nintendo Wii game system).
- Adidas created a 360-degree VR experience so that customers could go along with two extreme mountain climbers

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- TopShop, a fashion retailer, developed a VR experience whereby the customer could attend a fashion show and have a front row virtual seat.
- Virtual reality applications have primarily focused on sight and sound for creating a new environment, but it is also possible to add the sense of smell and touch. Netherlands-based company, Sense Glove, has developed a VR glove that enables the wearer to add touch to the VR experience (Yurieff, 2018).

#4 – Voice - VX (Voice Experience) – Screenless Future

Hamish Rumbold, CEO at Clearpoint in New Zealand, stated that “Voice is the new search and the next wave of commerce” (AIMCON, 2018). We all know it is harder to type on a smart phone than a keyboard, and it is easier to say something than type it. Stanford University researchers found that “English language searches are three times faster than typed ones” with a 20% lower error rate (Matthews, 2018). As a result, voice search has become more popular with the introduction of “personal assistants” such as Siri, Alexa, and Cortana (Daren, 2018). In fact, experts predict that by 2020 more than half of Internet searches will be voice searches, powered by AI. Marketers will need to develop AI that can speak to multiple virtual assistants (Google Home, Alexa and others) in order to reach customers using these platforms and have their brands be included in customers’ consideration set.

Voice-activated technology and the emergence of smart speakers (Amazon Echo and Google Home) no longer require users to swipe, touch, or type anything, and the ability to correctly understand human speech is quickly improving. As consumers become more experienced with these devices, their usage becomes more sophisticated. Companies, such as Uber and Lyft, are also creating apps for these virtual assistants which allow customers to “ask Alexa to schedule a ride, tip their driver, and remember specific addresses” (Devlin, 2018). One study found that smart speakers have “become the number one device for consuming audio... and are truly the new radio” (Odell, 2018). One can often judge the growth of a technology by the criminal activity that occurs in relation to it; voice hacking and the mimicking of voices has been detected with cybersecurity experts now seeking ways of combating it and preventing criminals from accessing private accounts (Matthews, 2018).

Voice technology is also expected to be executed in emails. Devlin (2018) suggests that “smart email” could probably read itself or be read by a device and it could be interactive as “many email marketing platforms incorporate elements of AI, audio, and video.” Marketers would need to develop a trustworthy “brand voice,” decide on a male or female voice, create conversational messages, and hire audio talent, writers, technicians and engineers to create email content (Devlin, 2018).

The Voice Experience – VX - Although eMarketer reported that only 2% of marketers considered voice a priority at the start of 2018, a report by Juniper Research forecasts that ad spending on voice will grow explosively to \$19 billion worldwide by 2022. They also stated that “unlike smartphones, voice-activated technology doesn’t require learning a new skill or tinkering with a complex interface, thereby reducing the obstacles to adopting it”. To take this technology one step further, Patrick Guerrero, CEO of brand consultancy Re, stated, “There is real potential for a screenless future where we won’t even need screens to engage. And in the words of Joy Howard, CMO of Sonos, “the screens of the future will increasingly be speakers” (RE, 2018). Speaking at a marketing professionals conference in 2018, Chris Neff, senior director of innovation at the creative agency, The Community, suggested that “the future will see fewer screens” and “the Hollywood depiction of the future, full of holograms and virtual reality-type experiences may not be that far away” (Klein, 2018).

#5 – Mobile First, Mobile-Only

Mobile First Indexing: According to Statista.com, the number of mobile phone users in the world is expected to pass the five billion mark by 2019. Mobile devices (mobile phones & tablets) are estimated to represent 62% of all Internet search traffic in 2018 (Bright Edge, 2018). Google has recognized the shift away from desktop computer search to mobile search and, as a result, they are introducing “mobile first indexing” in late 2018 or 2019. In order to provide the best search results in terms of content and quality of websites, “Google’s move to mobile first indexing means the robots will look at your mobile website first before crawling the desktop version” (Crowe, 2018). In order to rank higher in Google searches, marketers must ensure that the information, images, and videos for mobile sites is comparable to the desktop version and mobile optimized.

The Mobile-Only Future: McMenemy (2018) predicts that “penetration of smartphones among adults in developed countries will surpass 90 percent,” and many of those smartphone owners do not use any other internet connection at home---thus, the mobile-only revolution. To prepare for this, she recommends that marketers ensure that their websites are mobile-optimized with shorter headlines & smaller chunks of text, with instantaneous mobile page load times, and with more videos, especially videos presented in *vertical* format. Digital marketing expert, Bob Gilbreath (2009), predicts that banner ads on mobile devices are a dying form of promotion.

5G, 6G, and Beyond: As cell-phone technology advances from 4G to 5G and beyond, marketers can expect “screaming fast transmission” and “low latency” (delay), which is considered essential for video. 5G is also expected to cost less (Davis, 2018). Another mobile advancement is the category of augmented location apps that provides “real-time notifications based on the user’s time, location, and context... Using this innovative approach will allow successful marketers to find exactly the right moment to engage with users, keep

the application relevant, and personalize communication for a richer user experience” (Laetitia, 2018).

#6 - Programmatic Advertising

In the earlier years of advertising, companies wanting to advertise would purchase advertising directly from the advertising medium or through their ad agencies. With the advent of the Internet, companies began buying display advertising on websites or on search engines. Pay-per-click advertising using keywords was introduced. Over the past 20 years, the advertising capabilities on the Internet have become complex, data driven, and high targeted. It is ironic that, over the past 10 years, automation, big data analytics, and a variety of programmatic advertising alternatives involving machines talking to machines have actually increased the ability to target individuals with relevant, personalized messages.

Programmatic Advertising is used in digital advertising as well as across more traditional media, and it has expanded with a variety of options. Newer media options include advertising on streaming media (such as Netflix and Hulu) as well as Digital Out of Home media (screens in taxis, elevators, billboards). eMarketer estimates that programmatic display ad spending will reach \$33 billion this year and \$46 billion in 2019 (Judeh-Gonzalez, 2018).

The concept of programmatic buying includes both real-time bidding and automated direct advertising buys from a publisher. “Old-fashioned” manual buys are also an option.

- Real-Time Bidding (RTB) – dynamic CPMs, non-guaranteed impressions
- On Open Exchanges (Public Auctions) – millions of websites, thousands of advertisers - somewhat targeted – where majority of programmatic buying (90%) takes place.
- On PMPs (Private Marketplaces) – publishers invite select number of companies to bid on their advertising inventory – more targeted
- Programmatic Direct – used for premium inventory; automation of ad buys between a publisher’s sales rep and an advertiser, frequently at a fixed price for guaranteed impressions – most targeted (Dun & Bradstreet, 2018; Golden, 2018).
- Programmatic buying provides a fast way to buy advertising coverage on the Internet, but there have been a variety of fraudulent abuses in terms of sellers not delivering on the audience and number of impressions. For the highest quality advertising audiences that deliver consumers in your target market, programmatic direct is the better choice.

#7 – Account-Based Marketing & “Smarketing”

Many business-to-business marketers have adopted a data-driven marketing strategic initiative called Account-Based Marketing (ABM). While focusing on your company’s best customers is nothing new, ABM offers a different approach. ABM is “a strategy that directs marketing resources to engage a specific set of target accounts. ABM doesn’t just call for alignment between sales and marketing teams – it forces teams to align because personalization at the account level requires sales and marketing to be in sync on account-specific messaging... ABM focuses you on relationships in your highest opportunity, highest-value accounts” (Golden, 2018). The desired end result is more satisfied customers and a higher ROI.

Golden suggests the following approach to ABM: (1) sales and marketing personnel work together to identify the most promising or ideal customers, including current customers and potential customers, “Look-alike Modelling” can help find prospects similar to current customers; (2) the “*smarketing*” account teams then identify the decision makers at each targeted company; (3) the next step is to develop a personalized and targeted campaign for each company *and* for each member of that company’s buying team; (4) then to determine the channels they use to research your product and industry; (5) develop a strategic playbook which sets out who does what and when, specifying the tactics, relationships, messages, and channels to be used with each customer; and, (6) track engagement and measure the impact of the joint marketing and sales effort.

The biggest obstacle that companies face when trying to implement a successful ABM program is the difficulty in obtaining accurate data to identify market segments, customers, and prospects. The teaming up of sales and marketing staff is sometimes problematic when sales and marketing have used different information platforms.

#8 - Influencer Marketing & Rise in Earned Media

Influencer marketing works on the well-known principles of the power of reference groups and opinion leaders. For years, marketers have placed ads in the traditional media (paid and owned media) using movie stars, sports figures, and industry experts, who were able to exert referent and expert power to influence buyers. However, today’s “influencer marketing” is focused on social media platforms, such as Facebook, Instagram, Snapchat, and YouTube, and the majority of the influencers are not celebrities, but rather ordinary people, online experts, trendsetters, and bloggers who have a large follower base on social media. Identifying your brand’s influencers whose followers represent your target market or niche is critical. Social media influencers fall into the category of earned media (as opposed to paid

or owned media), which is considered to be the most authentic form of marketing because it is trusted by consumers, produces higher engagement, and influences customers' buying behaviors (Cision, 2018). Partnering with a social media influencer often leads to the influencer's followers associating your brand with the influencer. Hence, McCleary (2018) states that it is important that your content be in sync with the influencer's voice, mission, and aspirations. When that happens, the positive feelings toward the influencer and the influencer's reputation are most likely to rub off on your product or service (McCleary, 2018).

More marketing dollars are being invested in influencer marketing because these online influencers have already established rapport with their followers, they are trusted and can build brand awareness, and they provide a credible, third party's opinion and content. Influencers are typically paid by companies for a specific number and type of posts. Celebrity influencers and influencers with a large following are paid the most (Selena Gomez is reportedly paid \$550,000 per post). However, most influencers are paid about a penny per follower, while micro-influencers with a smaller number of followers (1,000-100,000) might negotiate to be paid or given product in exchange for their posts. (Carbone, 2018)

The price structure varies depending on whether you want the influencer to post a video, a sponsored giveaway, an Instagram post, an Instagram story, a dedicated post, a captioned mention, a blog post and others. It was estimated that more than a billion dollars had been spent in 2016 on Instagram influencers alone, with that figure expecting to double by 2019 (Rogers, 2018). Finally, for a promotional technique that seems to have been operating under the radar, influencer marketing appears to have become a major player in the media mix.

#9 – CX, CCO, Omni-channel, and MTA (Multi-Touch Attribution)

CX (Customer Experience) is an important focal point for consumer-centric companies today, and “Amazon CEO, Jeff Bezos, hammered home the point when he said, “If you make customers unhappy in the physical world, they might each tell six friends. If you make customers unhappy on the Internet, they can each tell 6,000 friends... through their Facebook status, or posts on the brand's Facebook page, a tweet, review, or forum thread”. (Newman, 2018)

As a result, many companies have created a new C-suite position that focuses on the customer – the Chief Customer Officer (CCO) – who typically reports to the Chief Marketing Office (CMO) or the President. Many companies are studying and trying to improve their understanding of the entire customer journey from catalyst to disposal for each customer or customer segment. Companies offering customer experience management solutions and

MAPS (Marketing Automation Platforms) specialize in helping companies improve their CX. (Fish & Keehner, 2018)

However, in order to track and improve their customers' experiences, marketers recognize that consumers often use multiple touch points, devices or omnichannels as they go through their customer journeys. In order to be able to engage customers at various points in their customer journeys, marketers must first be able to track them. Cross-device tracking is now available from Google Analytics. The Google Analytics report features the following ways of analyzing consumer journeys and gaining insights:

1. Device Overlap – the types of devices (desktop, tablet, smartphone) being used by your audience, which can be segmented by engagement, conversion rates, and other data points to determine which devices are high performing or struggling.
2. Device Paths – the ways in which users move from one device to another; can also segment by single device consumers or multi-device consumers.
3. Acquisition Device Report – will enable marketers to segment consumers by what device they were using when they were acquired and what device they were using when they converted to a purchase (Crowe, 2018).

With the Google Analytics reports (and additional big data analytics obtained through AI, natural language processing, machine learning and deep learning), meaningful insights can be derived and used to create marketing strategies and content for the consumers' next touch point in the buying process (Hagan, 2018).

MTA - Multi-Touch Attribution – Consumer behaviorists have developed a number of Multi-Touch Attribution models that attempt to explain what leads to a purchase. Put another way, they ask “to which touch point(s) can this consumer action or purchase be attributed?”. The models are useful for determining which campaigns or media are most effective so that marketers will know where to budget their money and how to project sales. The advantage of using the MTA models is that because data is collected and analyzed while marketing campaigns are still running, the marketer has the opportunity to adjust marketing and media expenditures before the campaign ends. (St Amand, 2018)

The simpler attribution models are the Last Touch and First Touch attribution models. The Last Touch model attributes the consumer's action or purchase to the touch point, marketing campaign or marketing channel that immediately preceded the consumer's action or purchase. The First Touch model attributes the consumer's action or purchase to the very first touch point, marketing campaign or channel encountered during the customer's journey.

The Multi-Touch attribution model is more complex in that it includes all of the consumer's touch points that lead to a conversion. In the MTA, each touch point along the customer's journey is weighted. In a linear MTA, each touch point is weighted equally. In a time decay MTA, the most recent touch points are weighted more than the ones further back in time. A custom MTA will vary the weights of the touch points based on the model builder's judgment and/or trial and error. (Segment, 2018)

#10 – Increasing Privacy Protection

GDPR (General Data Protection Regulation) & CCPA (Cal. Consumer Privacy Act)

As a result of increasing problems of illegal hacking into computer databases and large-scale identity theft, privacy issues with respect to customers' data are a growing concern around the world. As a result, legislation has been enacted in places such as the European Union, Australia, and the U.S. State of California. The General Data Protection Regulation of 2016 (GDPR) went into effect in Europe in May 2018, and it has expanded its jurisdiction to include "all companies processing the personal data of data subjects residing in the Union, regardless of the company's location" (eugdpr.org). The penalties for violating the law have increased significantly (up to 20 million euros or 4% of a company's annual global turnover, whichever is greater). The law provides for notification when there has been a data breach, guidelines for data protection, expanded rights of data subjects to access and delete data and to object to data use, and the appointment of a Data Protection Officer (DPO) in some cases. The most visible (and annoying) requirement of this legislation is the consent that is requested when individuals access information on websites.

The Australian Privacy Amendment Act of 2017 lays out the responsibilities of an organization to data owners/subjects when a data breach has occurred. It took effect in February 2018. (Barlow, 2018)

The California Consumer Privacy Act of 2018 (CCPA), which will take effect in January 2020, will require marketers "to comply with a new set of data management obligations, including disclosing to consumers what data you are collecting on them as well as to whom it is shared or sold. Californians can demand that you stop selling it... or even delete it altogether" (Rastagar, 2018). Although other U.S. states are also considering privacy laws, Apple CEO Time Cook has gone on record in support of a comprehensive U.S. federal privacy law (Chan, 2018).

#11 – Blockchain Technology & How It Might Impact Marketing

Most people who have heard of the newest buzzword, blockchain, have heard it discussed in terms of cryptocurrencies and mining operations. But what is "blockchain?" One definition of blockchain is that it is "a method of digital record-keeping that creates a ledger of transactions that is transparent and impossible to tamper with" (Chander, 2018). Another

definition states that blockchain “describes blocks of data strung together as a distributed ledger running over a peer-to-peer network that authenticates and protects data” (Berkowitz, 2017):

Blockchain technology is predicted to have the ability to affect many of the issues and trends discussed in this paper, particularly those related to big data. Here is a brief list of how marketers may be able to use blockchain technology in the coming years:

- A high percentage of fraud has been found to occur in digital and programmatic advertising due to the lack of transparency and the inability of advertisers to determine if their ads were actually delivered to real people. Ghose (2018) stated that “Blockchain can make data-driven marketing more transparent by validating and analyzing every consumer’s journey through verified ad delivery, confirming that a real person saw the ad” (Ghose, 2018).
- Instead of having to use streaming services, where artists are paid very little for their work, a “blockchain-based entertainment economy could allow artists to market themselves directly to their audiences without ceding control of their work or a share of their revenue to a platform like Facebook or SoundCloud” (Chander, 2018).
- “Verify that influencers are really influencers, and that they meet the marketer’s criteria” (Berkowitz, 2017).
- “Verify that anyone’s followers are real people and not bots” (Berkowitz, 2017).
- Instead of going through traditional gatekeepers, such as ISPs and web browsers, where everything we do online can be tracked, Blockstack, a network built on blockchain, allows your personal data to remain with you instead of on someone else’s servers. This innovation can have serious ramifications for digital marketers who rely on consumers’ cookies and clickstreams to target messages (Chander, 2018).
- “Prevent the same ad from being overserved to anyone, and ensure optimal frequency” (Berkowitz, 2017).
- “Pay consumers for use of their implicit data, such as behavioral or psychographic data, and reward consumers for providing explicit data, such as personally identifiable information, interests, and purchase plans” (Berkowitz, 2017).

#12 – Fusion of Humans and Tech

If you should lose your smartphone or if the Internet should go down, you realize how dependent you are on technology in your daily life. Well, Chris Stephenson (1973), one of the authors of **Merge – The Closing Gap Between Technology and Us**, spoke about the five stages of an “evolutionary road between 1950 and 2050, culminating in technology and humanity fusing together both symbolically and literally.”

Here's a look at the 5 stages (Toomgum, 2018; Stephenson *et al.* 1973):

Stage 1 (1950-1995), the period of “surfacing,” was the introduction and early spread of computer screens and the dawn of the Internet, which enable people to surf information.

Stage 2 (1990-2015) is the era of “organizing” – the organization of information through search engines, browsers, operating system and applications that helps people get what they want.

Stage 3 (2010-2025) represents the maturation of the modern day web, search engines are smarter, mobile penetration is widespread, connectivity is fast... but the developments in machine learning have led to the “extracting” of new meaning from information via operating systems, semantic search, and cognitive assistants.

Stage 4 (2020-2035) is the period of “anticipating,” with the maturation of deep learning AI, technology would begin to understand humans, their context, their routines – and even start to run their lives for them. The AI-based virtual personal assistant would help its owners tackle all kinds of general tasks and anticipate their needs and desires.

Stage 5 (2030-2050) is the “elevating” stage when people have grown so dependent on technologies that the boundaries between the two have completely blurred. “Artificial General Intelligence” would change the way people engage with day-to-day reality, and biological breakthroughs would grant humans unprecedented control over their bodies and minds. Nanobots would travel through people's bloodstreams. The human experience would be elevated. (Toomgum, 2018)

Stephenson (1973) predicts that “marketing and media agencies would fundamentally act as consultancies, filled with people skilled in working with intelligent machines... and able to accumulate different sets of data and use it in creative and innovative ways with the support of technologies... the agencies would recruit more technology strategists and data scientists... to work with the machines that use and analyse the data... humans would still be needed by agencies for their problem solving capacity and creativity” (Toomgum, 2018).

SUMMARY

It is quite clear that **technology** is related to just about every aspect of marketing today and in the future. Consumers and marketers, alike, have discovered that their **mobile devices** and computers have become incredibly powerful, with greater memory, and they are able to perform more functions and host more apps... They have simply become indispensable. Furthermore, most people today would admit that they also cannot live without the Internet.

Technology would not be nearly as important if it didn't process data; and the warehouses of data that are being collected and generated daily have created today's "**big data**" that is being mined for greater insights into consumer behavior and for more effective marketing and **personalization**. Artificial intelligence, machine learning, and natural language processing have produced chatbots and virtual assistants that perform customer service functions and voice-activated technology that is giving consumers greater search capabilities as well as apps for managing more sophisticated tasks.

Social media continues to engage billions of people around the world with more capabilities, such as live streaming, long and short videos, 180- and 360-degree videos, disappearing pictures, and videos, etc. Influencer Marketing has become an important method of reaching specific markets through the use of established opinion leaders who have large numbers of social media followers. AI and more sophisticated computer technology have also made **augmented reality (AR), virtual reality (VR), and mixed reality (MR)** possible, which have enhanced consumer experiences. **Programmatic buying** of advertising on the Internet, as well as in other advertising media, has allowed for the timely purchase of advertising at lightning-fast speed and with greater precision in reaching desired target markets with a personalized message.

The **consumer experience (CX)** along the consumer journey is being tracked like never before and, with the help of analytics programs, marketing researchers are engaging in **Multi-Touch Attribution research** to learn what devices, what media, and what touchpoints lead to purchases or other consumer behaviors. A more personalized approach used in B2B selling, **Account-Based Management (ABM)**, involves the teaming up of sales and marketing personnel (**smarketing**) to target and focus on specific accounts by creating an in-depth, data-driven, personalized plan for each account. This approach calls for a comprehensive information system, such as a Customer Data Platform (CDP) or a Customer Relationship Management (CRM) system, in order to implement a one-to-one marketing strategy.

Consumer **privacy** advocates and legislation is reigning in marketers by requiring them to gain the permission of data owners prior to using cookies and tracking their searches. Most legislation also establishes rules for dealing with data breaches. **Blockchain technology** has many potential uses in marketing, and some of these uses will protect consumers' data ownership and will also protect marketers from fraud.

RECOMMENDATIONS

We are approaching scenarios that were imagined many years ago in Hollywood, from the Jetsons to Star Wars, with today's smart watches, voice commands, implanted chips, ubiquitous cameras, drones, holographic images, and driverless cars.

In order to be competitive in the coming years, here are some things to keep in mind:

- (1) Stay up to date on the current technology and new media. Take advantage of demonstrations of new products and systems. Attend conferences and webinars on state-of-the-art business practices.
- (2) Some of the technology behind tomorrow's advancements may be too technical for marketing practitioners to understand, but it is important to learn generally about how things work, what their benefits are, and how one technology compares with, and is better than, another technology.
- (3) Adopt the technology that has clear advantages for your company and your customers.
- (4) Don't adopt technology for technology's sake, especially if that technology doesn't make your customers' lives easier and better.
- (5) Big Data is here to stay. Keep building on your skills and knowledge in the field of data analytics.
- (6) Always keep in mind that your customers are human and that they appreciate thoughtful, personalized communications, whether face to face, through advertising or via devices.
- (7) Conducting research into the future of any discipline or industry is a valuable activity. This author recommends: (a) that professors in any discipline conduct this

type of research every couple of years so that they are up to date in their disciplines and in their course content and (b) that students in any discipline conduct this type of research so that they will be prepared with the vocabulary, knowledge, and skills to be attractive to potential employers and productive when they enter the workforce.

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