

THE FUTURE OF DIGITAL MARKETING: HOW THE FUTURE OF DIGITAL WILL TRANSFORM LIFE AS WE KNOW IT

An essential report for marketers looking to stay ahead of the curve

By acclaimed Futurologist, Dr Ian Pearson, and digital strategy expert at Search Laboratory, Jimmy McCann.

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FOREWORD

JIMMY MCCANN, HEAD OF DIGITAL STRATEGY AT SEARCH LABORATORY

Embracing digital transformation is a commercial necessity for marketers. Emerging technologies continually shape how businesses operate, and in turn how brands and consumers communicate. Compared to ten years ago, marketing is radically different; consumers are constantly online, looking for and engaging with brands across multiple channels. By using the advanced data insights and technology available, brands can create highly targeted campaigns, reaching the right audience at the right time across multiple touchpoints, resulting in more customers and conversions.

The focus for marketers needs to be on utilising their data to deliver a more personalised, authentic customer experience. Without fully embracing the flexibility and personalisation digital marketing in 2020 offers, brands will fail to resonate with their audiences. Those that do get it right will see a huge return on their investments.

This paper is designed to provide marketing professionals with the foresight and tools to future-proof their brand. I hope that you find this a useful insight into the importance of intelligent digital marketing and a useful launch pad from which to reevaluate your own attitude and approach to marketing in the future.

The past is fixed. The future is yet to happen and is in your power to change.

DR IAN PEARSON, FUTUROLOGIST

Between 1983 and 1985, the fastest computer on Earth was the Cray X-MP. Its two 105MHz processors and 16MB of memory provided a peak performance of 400MFLOPS. It cost around \$15M + disks. The Apple iPhone XS is 1,500 times faster and 15,000 times cheaper. Think about that next time you're typing a text.

The extremities of this statement are true to the dramatic shift tech has experienced over the last few decades, and none more so than digital technology. Much of this is as a result of digital advancements and, if we look forward, we can expect it to continue. In fact, I have before anticipated that the world will enjoy digital immortality (the hypothetical concept of storing a person's personality in more durable media) by 2050.

The predictions put forward in this whitepaper present the notion that, soon, digital will be the largest factor influencing marketing spend, strategy and focus for businesses.

This is because digital will shape the way we as consumers shop, experience, see and purchase.

The future offers a broad landscape of potential and it is centred on the continuing evolution of digital technology.

THE NEW HIGH STREET

“As the high street shifts and changes, so too will the importance we place on brand. Brands will become fully immersive and will be defined by experience.” Dr Ian Pearson.

EVOLVING BRICKS AND MORTAR CUSTOMER EXPERIENCE

The rise of online retailers and digital marketplaces has already drastically changed the shape of the UK highstreet, with some highstreet retailers turning to tech in a bid to cut down on the overheads related to bricks and mortar retail and ultimately increase profits.

Creating an engaging and personalised customer experience is crucial for retailers who want to succeed both now and in the future. This is one area which brands have looked to technology to deliver this but unfortunately, these implementations often negatively impact the customer experience.

Take self-service tills, which are already rolled out in many stores across the UK. While the concept of selfservice is sound, aimed at helping speed up the checkout process, the reality couldn't be more different. Failure to recognise items and bags mean that using a self-service till often relies on a waiting for a member of staff to help with the checkout process. This can take more time than if they were to use a normal till, yet the number of staffed tills has declined due to the rise of self-service ones, which can often leave consumers frustrated by the contemporary check out process.

Marketers can use this example too as a learning point: just because something is perceived to be modern and high tech doesn't mean it truly improves the customer experience. Any digital tech used to 'enhance' the shopping experience must be focused on genuinely making the process better. For example, click and collect services make it easier for customers to buy products online (where there is a far bigger range and they can avoid crowds and queues) without having the disadvantage associated with buying online (missing a parcel or paying for delivery).

An example of a tech that can and will improve the high street experience for consumers is the use of AR for consumers shopping for clothes: enter the digital dressing room. Where most shoppers currently default to sites like Instagram for fashion inspiration and swipe up on items they like, in the future they will be able to visit stores and experiment with digital accessories, colour shades and outfits without needing to undress or go back and forth from the fitting room. We're already seeing this technology starting to emerge, with companies like Toronto-based NextTech AR Solutions, putting the foundations in place to bring augmented reality to ecommerce. As this technology advances, we will see huge opportunities for marketers to cross-sell and upsell in a way that's personal and pleasurable emerging.

GETTING THE HIGH STREET AND DIGITAL BALANCE RIGHT

Real-world customer experience technologies which genuinely drive a more pleasurable shopping experience, rather than simply cut costs, will be the saviour of the high street as stores will be able to merge digital and

traditional shopping experiences into an experiential store model. It is likely that these technologies will initially be costly so it is important businesses invest in products which will improve the experience for their target customers, rather than purchase blanket technology in a bid to stay relevant.

EXTRAORDINARY EXPERIENCES

Although ecommerce will continue to take a larger share of the market while the high street shrinks, online shopping will never completely replace the physical shopping experience for several reasons. For one, online shopping comes with risks (although these risks will be lessened as AR and VR technology advances) and for high-risk and high-value purchases, consumers will always want to physically examine the product before committing financially. There is also the experience element of shopping. Humans are tactile creatures; we like to feel, smell and experience our purchases. The high street is a social experience, too; shopping often involves food and drinks with friends. These experiences cannot be recognised online so while the bulk of shopping may be made online for ease, consumers will always turn to the high street for a true experience. Retail brands who acknowledge this and base their business decisions around the concept of extraordinary experiences will see consumers continue to shop in their physical stores.

As the high street becomes more immersive, brands will be defined by the experience they provide, not their logo or a colour palette. Rather than fast fashion and unbeatable prices, customers will look for a great customer experience, as well as quality and longevity of a product. A side effect of this

change will be the power of reviews; if a brand is defined by the experience it offers a consumer – be it physically or virtually, the customers' perception of the brand experience becomes extremely valuable.

Moving forward, a huge part of a marketer's role will be to create these mesmerising brand experiences and utilise technological advances such as AR, VR and AI to build positive engagements and a strong customer sentiment. Ultimately, these metrics will be the barometer of a successful brand and a defining factor in whether consumers continue to visit their stores on the high street or shop with them online.



THE EVOLVING ONLINE CONSUMER

“As the high street shifts and changes, so too will the importance we place on brand. Brands will become fully immersive and will be defined by experience.” Dr Ian Pearson.

THE RISE OF VOICE SEARCH

As consumers have shifted online, we have seen a new wave of technologies such as voice search that can be utilised by consumers and marketers alike. While the popularity of voice search is undoubtedly increasing, there is still an element of caution among consumers that comes with the adaptation of the new technologies.

As we move into the future and voice search becomes more widespread, this caution will lessen and the technology will have a greater role, particularly within private spaces. However, it will be less prominent within public spaces such as an office environment as there is little room for discretion and privacy and consumers rarely want to publicly announce what they're searching for online.

Despite barriers to the adoption of this tech, consumers are and will continue to use voice search and it is crucial that brands ensure they are optimising for voice search to avoid missing out on search opportunities.

There is also potential for this technology to develop in other more nuanced ways to become more suitable for office or more public environments. Consider lip reading as an example, or emotion detection. This could become a viable and effective way for consumers to communicate with their tech when in public.

In the future, SEO will not be the only channel which brands need to cater to voice search. As the technology advances, we will see it being used to help brands create a more personalised experience which builds brand loyalty and improves customer acquisition. One example is using voice chat bots which will allow brands to interact with consumers in a more natural and seamless way, reducing barriers to convert and encouraging customer retention and loyalty. Voice interactions take less time and effort than text-based ones, meaning brands who adopt voice technology are more convenient to interact with – a factor which is particularly important for busy consumers who expect a quality experience and instant gratification every time they interact with a brand. Customers want brands to be on call until needed, at which point they want immediate support and service; voice technology may help brands to better fulfil this need.

As voice technology continues to grow and become more popular among consumers, it will become increasingly important for businesses of all shapes and sizes to include voice search strategy as part of their overall digital marketing plan.

Along with already changing the way we approach SEO, voice search is also giving businesses an opportunity to create an enhanced customer experience, and brands that want to compete and stay relevant will have to get on board.

THE IMPACT ON OUR ONLINE EXPERIENCE

Despite being one of the most talked about advances in the industry, voice search is just the tip of the iceberg and forms part of a bigger picture on how personal assistants will impact our online experience. We already know that brands will create a more personalised and interactive customer journey using customer data, but it's unlikely that the public fully anticipate to the full extent just how well our technology will know us by 2030.

As smart assistants' AI gets more advanced, we will see voice recognition and face recognition play a part in the customisation of the online customer experience. When searching, our tech will automatically know our consumer preferences. An online search will no longer produce standardised or location specific results; your budget, your location and your ethical values will be taken into consideration. This data will be pulled from all over the web, from the ads you've engaged with and the content you've liked to the reviews you've left.



THE IMPORTANCE OF PRIVACY AND TRUST

As technology advances and becomes increasingly more entwined with our day to day lives, brands will need to prove to customers that they are responsible with their data and can be trusted. Without trust, consumers are reluctant to adopt new tech and so they quickly breakdown, stagnate and become irrelevant. Once trust has been attained, the more we let it into our lives, which gives greater scope for both AI and brands to learn and adapt to our needs.

Home assistants are the perfect examples. At present their lack of understanding and access to our way of being (tone of voice, gestures and communication styles), only inhibits the technology. To be fully functional and add real value, these tech devices need full access to our everyday. For example, using cameras to monitor our activity 24/7 ensures they can identify behaviour patterns and predict or warn of any changes. Constant microphone access means they can assess the changes to our tone of voice – a crucial element of natural conversation. Once security risks are limited and consumers trust technology with full access to our lives, we will see the true potential tech can have.





USERNAME



☒ Remember me[Forgot password](#)

LOGIN

HOME TECHNOLOGY

“Marketers need to consider what smart home platforms integrate with ease into the consumer’s everyday life before choosing them as a viable marketing channel.” Dr Ian Pearson.

HOME ASSISTANTS

As consumers become more familiar with and trusting of home technology, home assistants such as Alexa will increase in popularity – featuring in up to 75% of households by the late 2020s. That said, this will only be the case for home assistants that add real value for consumers.

Items that are more of a gimmick than a viable solution will be introduced to the market and flop. Brands should only look to invest in new technologies and genuinely add value, rather than adopting these technologies as a quick way of generating sales.

It will become all too easy for the businesses of tomorrow to become distracted by the sheer volume of ‘smart home’ products as a way of achieving commercial KPIs, but these platforms have to integrate with ease into the consumer’s everyday life in order to make a long lasting impact. Products which genuinely make a difference to consumers’ everyday lives are the ones which will offer a viable business solution.

DATA PROTECTION

When it comes to data protection in the home, we already understand that trust is key; these devices have access to our private lives and conversations, so a data breach is a huge violation of consumer privacy. Consumers will understandably be cautious to adopt these technologies as the opportunities for backdoor hackers are unknown. However, any data protection and security issues will be addressed and smoothed out by the late 2020s, when we will see a surge in consumers trusting and purchasing smart home tech.

Once a more secure infrastructure is in place, the market will explode with opportunity for consumers and brands alike and smart and interactive home technology will become an intrinsic part of day to day life. From digital home décor wall overlays to personalised smart countertops, consumers will become more and more intimate with their devices.

PERSONALISED HOME MARKETING

The biggest opportunity for marketers when it comes to home technology is undoubtedly the potential of AR. With the rise of new personal tech accessories, such as wearable glasses and AR apps, comes an opportunity for brands to offer consumers a private and personal experience from which marketers can advertise directly to potential customers. An added benefit for both consumer and marketer is that only the user can see AR content, which means they will be more willing to express their true interests.

Future marketing will grow most dramatically in these areas where privacy isn't compromised. But, whilst tech like glasses may protect a user's digital activity from prying eyes, it's important for businesses to look after and respect their customers' privacy too. If there are no privacy and trust issues, marketers could personalise to currently unfathomable levels.





PERSONAL TECH AND ACCESSORIES

“The rise in active glasses and contact lenses will see screen time transform dramatically. Screen time will be full time.” Dr Ian Pearson.

WEARABLE TECHNOLOGY

The future overwhelming need for privacy will shape wearable technology beyond recognition, within a relatively short period of time. In fact, in just five years’ time we will see more wearable alternatives to the mobile phone being introduced to, and used by, the public.

AR assisted glasses, which work by using wireless chips to store data and software, will become as popular as tablets and phones. These chips will first be worn as glasses but by 2030, they will have been adapted further into active contact lenses.

Such technology developments lend themselves to greater AR experiences. Marketers will be able to launch augmented reality hot spots in city centres, where personalised adverts can target individuals wearing lenses. We will see advertising become more interactive and integrated into everyday life and, in turn, the tone of marketing will change. Advertising campaigns will become more bespoke, with different audiences receiving different adverts. The promotions themselves will be more experiential rather than focusing on the benefits of a product; successful campaigns will immerse audiences in new

experiences using AR, but also tap into other senses via sound, smell, touch and taste.

Marketers who want to stay relevant need to be aware of different screen types and interfaces as they are released and become popular. Just like it’s essential for companies to ensure their websites are mobile optimised today, tomorrow’s marketers will need to consider how their content is targeted to different screen sizes and levels of interactivity.

THE NEW SCREEN

The rise in active glasses and contact lenses will see screen time transform dramatically; screen time will be all the time. However, screen activity will enhance, as opposed to distract from, day to day life. Rather than staring at a screen, you’ll be looking through a screen. The tech will integrate into and work with day to day life; for example, directly translating menus whilst abroad, or identifying species of plants.

This technology will also lend to completely customised experiences. Consider going to the cinema. Thanks to active lenses; individuals can all enjoy entirely different experiences; whilst one friend may choose to watch a film complete with fact pop ups, another opts for subtitles. The adverts shown beforehand, as well as any product placement, will be bespoke based on your past purchase behaviour. This personalisation can be applied to almost anything. At music concerts, you may see different pyrotechnics to your friends, at art galleries you may be offered educational information according to different knowledge levels, and simply just walking down the street you may receive recommendations, offers and advertisements from different shops, stores and restaurants – all according to your own personal preferences.

THE FUTURE IS NO UTOPIA

"In the future, AI will be integral to every piece of technology."

PRIVACY AND SECURITY CONCERNS

For all the positives digital technology will deliver to future consumers, there will be negatives: fears around privacy and security, many of which are valid. We will see consumer backlash against big brands before trust is built. This is something we have already seen with brands such as Facebook and Uber, where the customer trust and usage has been hugely impacted as a result of data breaches.

Although these breaches have led to businesses becoming more cautious with how they store and protect data, this is by the far the last we have seen of such instances. For every development in technology, there are new hackers, phishers and terrorists that will use it for negative purposes. This will be a huge problem for marketers over the next five to eight years as they battle to build reputation while managing crisis comms for any high-profile data scandals.

AI WILL SHAPE THE FUTURE

Artificial Intelligence will become a leading technology in the future, from helping doctors find cures for some of the world's most resilient diseases, to training, upskilling and assisting workforces.

We will see more time consuming and repetitive tasks become streamlined by AI - from the basics, such as setting up impactful PPC or social media advertising campaigns, to the complex such as building new websites and content to feed the algorithms. This will see the role of the marketer shift completely away from set up and administration, to focus more on higher level strategy and creative thinking: how to engage with consumers, clients and customers in a way that is truly personalised and authentic. Brain power will replace tech ability - the human mind's aptitude for thinking flexibly and responsively will be key for successful marketers.

Of course, the alleviation of admin extends to the management of resource and skills too. Take agency management for example – rather than spending time drafting briefs, checking in on deadlines and chasing down suppliers, marketers will be able to rely on AI to manage these processes for them.

AI will grow from strength to strength, but also it has its draw backs – it isn't as simple as machines replacing humans. Future businesses will need to invest in data scientists and engineers who can build AI and ML models to do the jobs required. Even then, we need huge amounts of clean data for AI to function effectively. If the initial data has any bias, the algorithms that AI use can become systemically prejudiced or inaccurate, damaging the brand and costing businesses money. Marketers need to be wary of these issues when embracing the technology.

Other emerging trends must also be considered as part of the wider marketing and business approach. Take analogue as an example. We are seeing analogue coming back into fashion, and this links back to consumers desire to feel something tangible and they want to feel as if products are genuine. The sweet spot will be balancing tech demands, with the want and need for personalised and authentic products and services.

This desire for authenticity will see the rise of the co-bot; humans working in partnership with AI to produce quality services and products. AI will streamline processes and help with automation, whilst humans use their emotional intelligence to create meaningful products and experiences. This will see the budgets available for creativity in marketing increase, as manual tasks which would have been completed by entry-level team members are instead carried out using AI, leaving more budget for creating added value to clients and customers.

In the first instance, the greatest challenge when embracing new technologies for marketers will be the implementation of machine learning models. This will be essential to ensure that the work this new technology completes is accurate. As such there will be a huge need for data scientists and engineers to create machine learning models that are effective.

The hard work for marketers will then become the conceptual part of the job. Whilst AI will take care of defining audiences and setting up ads, marketers will be required for building creative, immersive and experiential campaigns that work across a plethora of personalised audience types. In the future the marketing objective will be to ensure a business stands out from the crowd and offers truly engaging services and products for clients.

THE ROLE OF THE MARKETER

As technology becomes more advanced and more options become available, it might seem like marketing is about to become a whole lot more complex. While this is the case in some respects, there are ways in which technology will simplify the work marketers do.

Artificial Intelligence will make it easier for marketers to deliver high level strategies, as AI will become a commonplace resource for administrative tasks. This will free up time for marketers to use new technology to their advantage.

As new technology becomes available, we will initially see the number of digital disruptors looking to take ownership of the digital space increase tenfold, with brands competing for their share of the market. However, platforms will soon begin to merge to offer better, singular solutions which provide consumers with simpler systems, better interfaces and greater usability. In some respects, we have already seen this: Facebook's acquisition of Instagram, Uber's launch of Uber Eats, and the Google Marketing Platform, for example. These brands already understand the value of combining different platforms, networks and interfaces in a way that allows each channel to have a unique purpose while being fully integrated with one another.

As platforms merge, marketers will be able to capture and analyse data, action activity, and deliver a personalised experience across all available platforms, from one central location. This will make it easier for marketers to plan and roll out fully integrated strategies.





CLOSING COMMENTS

JIMMY MCCANN, HEAD OF DIGITAL STRATEGY AT SEARCH LABORATORY

There are three major considerations for the marketers of tomorrow. Privacy, personalisation and practicality. Consumers will only become more demanding when it comes to what they expect and want from their technology, meaning advances are inevitable. This means it's crucial that marketing professionals look to the future of their own business now, to help facilitate a more robust and secure future.

The starting point must be around privacy. Is your business offering safe, secure and trustworthy support to its clients and customers? Is it ethical? Is it viewed favourably? The world of tomorrow will be unforgiving if the answer to any of these questions is no.

Thereafter, it's time to think about the importance of personalisation. To do this effectively, you must first understand and respect your different audience types. What really makes your audience tick? What do they care about? How much money do they have? Where do they live? What language do they speak? How do they like to communicate? What ethics do they value? The list goes on, but as a marketer you will need to know your customer better than you know your best friend.

It is this need for quality data that will make tools such as Google Marketing Platform invaluable to marketers. Advanced data insights in a secure, privacy safe environment will become a prerequisite of a successful campaign that reaches targeted and granular audience, ultimately resulting in highly effective personalised campaigns.

Finally, in a world that's set to explode with opportunity, it will become all too easy for marketers to become overwhelmed with the options available and lose their focus. This can't happen. Tomorrow's consumer won't be concerned with impractical tech, or gimmicks – they want smart solutions to ease and enhance the everyday. This means that your marketing must reach your audience on platforms they view as useful, in a way that adds value and improves experience.

ABOUT THE AUTHORS

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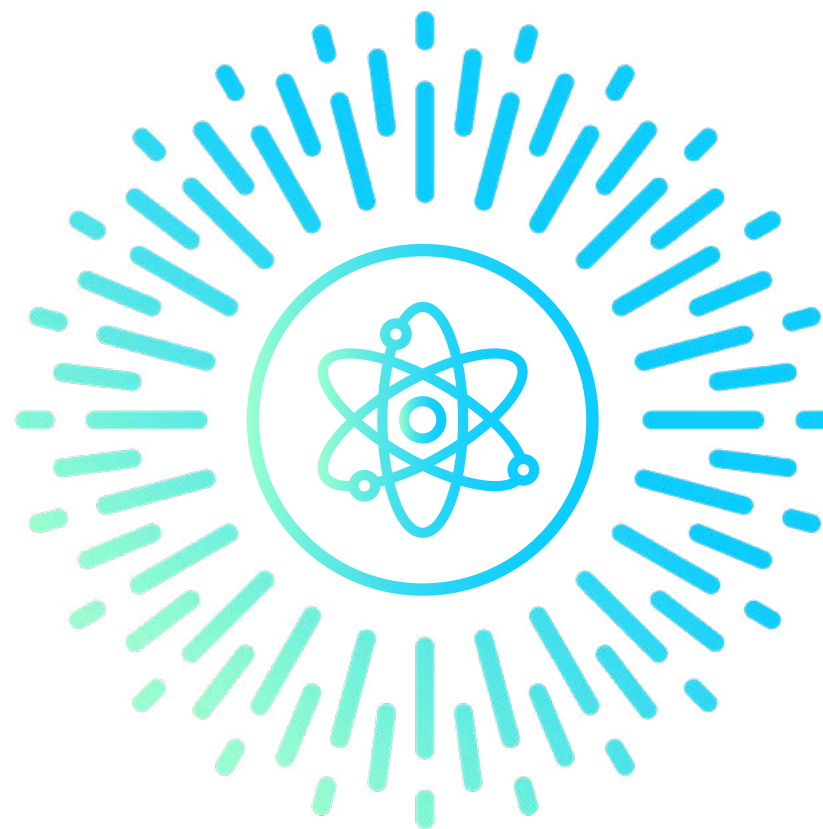
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Ian has written hundreds of commissioned reports, articles and seven books, most recently *Society Tomorrow*, *Space Anchor*, *Total Sustainability* and *You Tomorrow* (2nd Edn.). Ian is a Chartered Fellow of the British Computer Society and a Fellow of the World Academy for Arts and Science and the World Innovation Foundation.

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Jimmy has been the driving force behind Search Laboratory's digital strategy team, who work closely with the business intelligence team to build data solutions which help clients to achieve their business goals.



FURTHER READING

1.0 THE NEW HIGH STREET

Self-Checkout: A global consumer perspective - **NCR**

Our survey says – self-service checkouts suck - **Which?**

37 Instagram stats that matter to marketers in 2020 - **Hootsuite**

NexTech's self-serve augmented reality platform - **NexTech**

Analysis: How technology can save the high street - **Retail Week**

High street left running on empty as retail shrinks - **The Telegraph**

The high street's future is social - **The Grocer**

Shoppers want more sustainable products, but brands are struggling to keep up - **Forbes**

2.0 THE EVOLVING ONLINE CONSUMER

26 voice search stats marketers need to know in 2020 - **DialogTech**

6 ways voice search is shaping customer experience in 2019 - **MarTech Advisor**

3.0 HOME TECHNOLOGY

Voice search statistics and emerging trends - **DBS Interactive**

The smart home products Brits will expect as standard - **ShowHouse**

Google is absolutely listening to your conversations, and it confirms why people don't trust big tech - **Inc.com**

The growth of voice search and what it means for data centers - **VXCHNGE**

4 reasons why augmented reality is the future of marketing - **Business.com**

4.0 PERSONAL TECH AND ACCESSORIES

The smartphone-killing trend is finally here - **Inc.com**

Smart glasses could kill smartphones in the next five years - **TechRadar**

5.0 THE FUTURE IS NO UTOPIA

Here's why Facebook's \$1 billion Instagram acquisition was such a great deal - **Vox: Recode**

Uber's GrubHub killer is finally in the US - here's the inside story on its big bet on food - **Business Insider**

Radically helpful things made by Google - **Google**

Robots vs humans and the rise of cobots - **ERP News**

What is machine learning and how can it be used to improve digital performance? - **Search Laboratory**



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