

GO!

Think
Lead
Succeed



GO!

A magazine by  PEGA

Senior Director, Content Marketing	Nick Lake
Editor in Chief	Danny Bradbury
Manager, Brand Strategy	Paula White-Jennings
Senior Marketing Project Specialist	Kate Sutherby
Global Creative Director	Carlos Perez
Associate Creative Director, Design	Jenna Cascio
Art Director	Chuck Matzker
Copywriter	Rick Frisiello
Design Manager, Partners	Steve Miller
Senior Graphic Designer	Ali Eagle Rushman
Senior Graphic Designer	Jesse Ackerman
Principal Graphic Design Manager	Rosie Strom
Senior Graphic Designer	Colleen McGovern
Senior Graphic Designer	Emily Doolittle
Junior Graphic Designer	Katie O'Brien
Senior Copywriter	Zach Giordano
Senior Copywriter	Julie Tepe
Creative Operations Manager	Sara Fix
Copyeditor	Diana Rodón



BOLD STORIES. FUTURE FOCUSED.
SEASON 5: THE FUTURE OF MARKETING
Listen and subscribe at pega.com/podcast



CONTENTS

FEATURES

6
Skilling up for the future of marketing
Tomorrow's marketing professionals will need a whole new set of skills to survive and thrive.
By Cath Everett

10
Creating customers for life
In the future, marketing will be all about the long game. Here's how visionaries are nurturing customer lifetime value.
By David Rand

13
How marketers can prepare for the coming of Web 3.0
Welcome to the new web. It's different from the old web. Are you ready?
By David Rand

14
Third-party cookies are toast. What's next?
Google will phase out third-party cookies in 2024. How can marketing professionals prepare themselves?
By John E. Dunn

16
AI gets personal
Find out how Verizon Business Group modernized its customer engagement strategy with AI-powered personalization.
By Paul Gray

INSIGHTS

3
Living in the age of the influencer
Influencers and the platforms they operate on have changed marketing forever. Here's how to understand them and engage.
By Guy Matthews

8
Genius bar
Two experts talk about the emergence of metaverses and what it will mean for marketing in the future.
By Christopher Null

18
The future of marketing is always-on
Tomorrow's marketing teams will need to focus on customer-centric experiences. That means rethinking their approach to managing and using data.
By Tara DeZao

22
Weathering the coming ESG storm
Marketers must find something real and relevant to say as environmental, social, and governance issues mount.
By Danny Bradbury

24
Coping with Apple's mobile move
Apple wields tremendous power in the mobile market. Here's how it is changing the rules for marketers.
By Howard Rabinowitz

CULTURE

4
Pack mentality
The world is opening up and it's travel time again. Here's what to take with you.
By Joseph V. Amodio

20
When marketing meets science fiction
Some marketing teams have researched outlandish technologies to get an edge. Here are some of the craziest.
By Christopher Null



25
The future of you
What does your horoscope hold for you this fall?
By Reena Leone



Nick Lake
Senior Director,
Global Content Marketing

Nick

Before the pandemic shut down the world in March 2020, CMOs were spending billions on campaigns targeting physical events like South by Southwest, Coachella, and Panorama. When live events disappeared, that investment went elsewhere. Brands doubled down on digital technologies to drive customer lifetime value (CLV). They supported this by investing more heavily in innovations like advanced business intelligence and AI to automate personalization across various channels. Now, they are exploring opportunities to deliver differentiated experiences through Web 3.0 and metaverse environments that are still taking shape.

As everything opens back up, brands are at a crossroads. The experiential marketing that connected with customers through immersive in-person engagements is evolving. Recent innovations are giving life to what I call experiential marketing 2.0.

As the new editor of GO!, I wanted this third issue to detail how marketers will harness emerging technologies to better understand customers and build lasting relationships with them.

Our cover story, "Creating customers for life," reveals that 60% of 750 marketers polled in the recently released "The 2022 future of marketing" survey from Pega plan to increase their CLV budgets in the next five years, even though only 25% are making such investments today. Most respondents (70%) said their marketing technology budgets will go to intelligent automation, with 66% citing AI and 60% pointing to Web 3.0 as specific investment priorities.

This issue also breaks down how AI became such a hot topic, how marketers are putting it to use, and how it's set to become mainstream. It looks at Web 3.0 – so new that the world is still working out what it is and where that's heading.

Web 3.0 is one technology that seemed outlandish yesterday, but could likely be commonplace tomorrow. The marketing sector loves these high-tech experiments. In fact, our story "When marketing meets sci-fi" explores some of the crazier ones in depth, demonstrating how some marketers will tap any new development for a competitive edge.

While marketers are happy to gamble on unlikely tech, some other developments are more certain. One of them is the disappearance of third-party cookies in 2023. This issue reports on how marketers will adapt to continue getting the data they need as they build personal experiences for customers.

We close things out with a smattering of entries on other business issues, including environmental sustainability, Apple's mobile moves, coping with online influencers, hiring for the future, and choosing the right travel tools.

I hope this issue inspires you with its stories of using technology to crush business complexity, engage more personally with customers, and deliver experiential campaigns that will generate more long-term loyalty. Marketing professionals have a new opportunity to reemerge from a tough two years refreshed and empowered.

Now is the time to build new, long-lasting, and values-based relationships with customers. As Tara DeZao says in "The future of marketing is always-on," technology will now allow those relationships to evolve in real time. I hope you share our enthusiasm about what we see coming.

Illustrations: Paddy Mills

WELCOME TO EXPERIENTIAL MARKETING 2.0



John Dunn

"Third-party cookies are toast. What's next?" Page 14

For 25 years, the power of browser cookies has driven user privacy almost to extinction. Now with regulators circling and users uneasy, the tide has turned. Google says it will fix privacy while preserving the analytics that feed advertising. But is the problem really cookies, or Google's addiction to them? A veteran of numerous PC, networking, and technology magazines for 30 years, John Dunn co-founded online title Techworld.com at a critical juncture for privacy and cybersecurity. He's been writing about both topics ever since.

CONTRIBUTORS

Tommi Marsans

"AI gets personal," Page 16

AI has made its way into everything from self-driving cars to washing machines. It's also a game changer for some advanced marketing practitioners. One of them is Tommi Marsans, marketing technology strategist at Verizon Business Group. She told us how the company has used Pega's AI capabilities to power the right next best action for each customer.



Christopher Null

"When marketing meets science fiction," Page 20

Remember that time marketers researched how to inject ads into people's dreams? Or that other time when someone developed billboards that could see you? The marketing world is always looking for the next big tech tool, and some are more outlandish than others. Award-winning journalist Christopher Null has spent years writing about crazy tech for outlets including Wired and Yahoo!. In this article, he mixes a perfect blend of nerdy and crazy, mad-scientist style.



Howard Rabinowitz

"Coping with Apple's mobile move," Page 24

Apple's excellent marketing and product execution has made it one of the two dominant mobile OS players. Now, it is using that position to impose its own vision of privacy on a market accustomed to tracking users for advertising. Palm Beach-based business and technology writer Howard Rabinowitz is no stranger to tracking tech industry movements, having written for outlets including Forbes AI and Quartz. He took time out of a busy international travel schedule to explore Apple's anti-tracking technology and what it means for marketers.



Tara DeZao

"The future of marketing is always-on," Page 18

Marketing professionals have a wide array of tools at their disposal, but don't glean much insight from them. Tara DeZao knows why. As a marketing executive for some of the tech industry's biggest players, she has seen up close what it takes to target customers at light speed. She takes a deep look at what's wrong with the marketing sector and arrives with a clear message: It's time for marketers to stop looking in the rear view mirror. She shows them how they can use data creatively to view their customers individually and in real time.

LIVING in the AGE of the INFLUENCER

Online influencers have become powerful partners for marketers – but this trend is just getting started. How did we get here, and what comes next?

By Guy Matthews

Back in the early days of the web, being internet famous meant little more than going viral for a few days. Today, online celebrity is big business. Online influencers promise powerful partnerships for marketers.

While paying A-list celebrities to endorse products is nothing new, the internet enabled a new generation of special-interest content creators to build their own followings online. As their global popularity became clear, brands noticed these creators and rewarded the more influential ones with gifts and money.

The rise of online celebrity

Social media took this concept to the next level. YouTube and Twitter's appearance in the mid-2000s offered new platforms for content creators to develop themselves as brands and to pump merchandise for reward. Instagram's debut in 2010 was the next critical turning point, offering an optimal platform for a new wave of influencers. They shared carefully airbrushed versions of their lives, often mixed with mentions of their favorite lifestyle-related products.

Sponsored content (sponcon) followed as a potent tool for marketers. The commercialization of social media took a new direction in 2013 when Instagram introduced paid advertisements, designed to connect brands more explicitly to influencers while exerting greater control over the message.

Before long, influencers could share what they enjoyed, or claimed to enjoy, and directly get paid per mention. TikTok expertly jumped the sponcon bandwagon in 2016, offering influencers the opportunity to align themselves to trends in dance, fashion, and food as well as use the platform to push sponcon in new and more compelling ways.

Working with online influencers

Those wanting to build a brand on social media – by far the fastest means of doing so – must first understand the emerging science of influencer marketing.

There's the matter of how influencers are segmented. Numbers vary, but reports have classified those with between 1,000 and 10,000 followers as nano-influencers. Micro-influencers reach up to 100,000 people, while ranging up to a million followers

makes you a macro-influencer. The big beasts are the mega or celebrity influencers with audiences numbering over a million.

Mega-influencers make all the headlines. When rapper Nicki Minaj sported a pair of bejewelled pink Crocs on Instagram, her 180 million followers boosted demand by 4,900% within hours. Mega influencers like Kylie Jenner, with over 300 million Instagram devotees, can bring in as much as \$1 million for a single post.

Successful influencer marketing can be more nuanced than simply chasing the biggest fish. If you're looking for brand ambassadors to embody a product's values to perfection, then a small brigade of niche nano-influencers can be more effective than an all-out, Kardashian-led assault.

Some brands look to collaborate intimately only with nano-influencers that are highly relevant to their audiences. They tap into an engaged and highly niche audience to build awareness authentically using the influencer's carefully-crafted bond of trust.

What comes next

The future might see the marketing sector try to gain better outcomes from influencers through tighter control through performance-based deals. New influencer platforms will also emerge based on smarter algorithms and craftier AI. As computer-generated imagery improves, we're already seeing the rise of virtual influencers that exist only in software. These are entirely brand controlled. The companies that create them define how they look and act, and what they say. They own all of the avatar's content, can avoid

any embarrassments with the influencer going off-script, and don't have to hand over bundles of cash for every post.

Virtual influencers such as Magazine Luiza's Lu do Magalu have millions of followers on Instagram. Mattel is also in on the act; its computer-generated Barbie has almost 11 million subscribers on YouTube. Some synthetic celebs, such as the hyper-realistic Lil Miquela, are independent startup properties. This computer-generated 19-year-old, created by LA-based Brud, has a big client list that includes Prada, Dior, and Calvin Klein.

Another growth area for influencer marketing is social commerce. This trend, which closes the gap between social media and ecommerce, enables influencers to share their recommendations online and offer their followers the chance to buy instantly. Social commerce will enjoy a compound annual growth rate (CAGR) of 30.8% between now and 2030 to reach \$6.2 trillion, according to Grandview Research. Brands will need to tap into this by investing in better and more frictionless social commerce engines.

The quest for authenticity may also drive consumers in new directions. Who are you more likely to really trust – Taylor Swift or your close friends, family, and peer group? We'll see marketers look for ways to reach out to nano- and micro-influencers. By connecting a brand to user-generated content, you can gain an army of ambassadors who owe a lot more to the unforced enthusiasm of the web's early bloggers than to Miley Cyrus.

Illustration: Richard Parry

By Joseph V. Amodio

PACK MENTALITY

AS POST-PANDEMIC TRAVELERS HEAD OFF ON LONG-POSTPONED VACATIONS AND BUSINESS TRIPS, THE QUESTION ARISES: WHAT TO BRING? HERE'S YOUR GUIDE TO POST-COVID GEAR YOU CAN'T LEAVE HOME WITHOUT.

In June, the U.S. joined a parade of nations dropping their COVID-19 testing requirement for travelers entering the country. Their goal? To get us moving again.

Not that we need much encouragement. An Expedia survey of 12,000 travelers across 12 countries found that 59% of U.S. adults polled expected to travel domestically in 2022. Over a third (37%) were planning domestic and international vacations, and 40% were more willing than ever to splurge on upcoming trips.

Still, it's been a while since many of us last headed to the airport or checked into a hotel. A reminder or two may be in order. Masks, for instance, remain essential. Though no longer required on many planes, the Centers for Disease Control and Prevention (CDC) still recommends that people wear masks in indoor public transportation settings. This is especially good practice in security lines and stagnant airport terminals, where air circulation is minimal and people wind up in close contact with one another.

Masks aren't the only travel items to pack. Here's your primer on other must-have travel gear to make your trip go smoothly.

FOR THE FLIGHT

A Arlo Skye Zipper Carry-On Max with Front Pocket packs your stuff in style thanks to a sleek hard-shell exterior that comes in a variety of shades. Handy storage features include a laptop sleeve, laundry bag, and front zip pocket for quick-grab essentials like travel documents or headphones; **\$375 at arloskye.com**

B Tracki GPS Tracker can tell you where your luggage has landed when baggage handlers can't. Using GPS, Wi-Fi, and Bluetooth, it's super light, super loved (20,000-plus positive reviews on Amazon), and works in 188 countries; **\$28.88 plus a \$9.95 monthly subscription at tracki.com**

C BÉIS Convertible Mini Weekender serves as your carry-on or personal item. It fits snugly over a rollerboard handle, and the convenient zip-off shoe carrier at the bottom lets you use the top as a beach or gym tote; **\$108 at beistravel.com**

D Bose Noise Canceling Headphones 700 UC block ambient sound from your music and phone calls. They work with Microsoft Teams, Google Meet, and Zoom; **originally \$449, now \$399 at bose.com**

E Cabeau Evolution Cool neck pillow boasts a flat back and raised sides to prevent forward or side-to-side head-bobbing, plus mesh vents and an open front to limit heat buildup while snoozing; **\$59.99 at cabeau.com**

F Mrs. Meyer's Clean Day lavender hand sanitizer proves the pocket-sized point that you can never be too clean or too calm. Its essential oils promote tranquility for a stress-free flight; **\$3.49 for 2 fluid ozs at mrsmeyers.com**

A Surfshark VPN (virtual private network) uses over 3,200 servers worldwide to let you connect more securely from your hotel or coffee shop, whether you're working or streaming your favorite show. It offers excellent domain name system (DNS) leak protection and doesn't log your data for billing info; **\$2.30 a month for a two-year plan (plus two months free) at surfshark.com**

B eTherm Plus, newly redesigned this year, is a contactless forehead thermometer that works for the whole family. It stores 19 readings and flashes red when you've got a fever; **\$29.95 at elepho.com**

C Waverly Labs Ambassador interpreter over-ear-style earbuds use speech recognition neural networks to translate 20 languages and 42 dialects. Listen mode pipes translation into your ear, while the lecture setting streams your words through your smartphone's speaker in another tongue. Converse mode translates chat between you and a friend if they're wearing one of these; **\$169.99 at on-running.com**

D PhoneSoap3 is a UV phone sanitizer and charger that – unlike other brands – has actually been lab tested. COVID is spread via air particles, but it's nice to know this baby zaps other gross bacteria and viruses; **\$79.95 at phonesoap.com**

E Manduka EKO Superlite travel yoga mat is a compact de-stress tool to keep you calm on your trip. True to its name, this 1.5 mm thick mat weighs in at about two pounds. It is made from sustainably harvested tree rubber, with a closed-cell surface that prevents sweat from seeping into the mat; **\$45 at manduka.com**

F Pure Enrichment PureZone Mini Portable Air Purifier is lightweight and totes from room to room (diminishing airborne irritants like dust, pollen, and pet dander) to rental car cup holder (dealing with smoke or other funky odors); **\$44.99 at pureenrichment.com**



SKILLING UP FOR THE FUTURE OF MARKETING

Tomorrow's marketing landscape will look very different from yesterday's. Smart marketing professionals should hone their skills to be ready for what's to come.

By Cath Everett

It takes a brave person to be a marketing professional in 2022. Macroeconomic concerns, including fears of a possible global recession, are squeezing budgets and team sizes. The marketing landscape is also becoming more complex, putting pressure on teams to do more with less.

On the upside, they have more data at their fingertips to help them meet these challenges, and more technology to make sense of it. Using these resources and adapting to changing conditions calls for new skills. Marketers of all experience levels must put a new focus on self-development.

Tomorrow's marketing team is context-aware

As data and technology tools proliferate, the pressure is on for marketing professionals to produce more tailored outcomes. David Steuer, a managing director at Accenture, cites a growing demand for more personalized customer experiences, which calls for a better understanding of the customer's context. This spans big, longer-term global events, such as the impact of the pandemic and inflation on customers, but also more fleeting, localized occurrences.

To illustrate the point, Steuer describes watching the first episode of the new series of "Stranger Things" and hearing a song by Kate Bush. He hadn't heard the song, "Running Up That Hill", in years. He used Shazam (the music identification system that Apple acquired in 2018), to save it to his library.

"That's a great example of how you can have a desire for something, and not even know you have that desire, but act on it very quickly," Steuer explains. "That's what I mean by context; understanding context is critical, but it can change very swiftly."

Mastering omni-channel and multichannel

Another significant shift has been the move toward omni-channel marketing. It calls for the integration of digital channels such as messaging systems, mobile apps, and websites, along with offline venues such as retail stores. It uses real-time context from all these sources to modify customer experiences on the fly.

A robust omnichannel strategy links online data, like customers' click histories, with offline data from interactions with stores and call centers. Only the most advanced companies have mastered these techniques to date.

Marketers must also tackle the complexities of multichannel attribution. The focus here is on assessing the value of individual channels. "How do I measure and assign attribution to lines of business and channels when a customer [researched an item online] but bought it three days later in a store?" asks Steuer.

New working practices call for new skills

Answering such questions requires a significant shift in organizations' operating models. These include new technologies and more collaborative, cross-functional ways of working. Marketing professionals must prepare themselves with the skills to support those new working tools and techniques, points out Piyush Vakil, a consulting director at Accenture.

"The skills and collaboration required, and the complexity of the technology involved is making the life of the marketer quite challenging," he says. Those who don't improve their skills might survive, but it takes a learning mindset to thrive.

"Marketing professionals need to know technology. They need to know analytics and data," he continues. "But more importantly, they also need to know how to collaborate across the organization, including technology services, lines of business, and channels [when working on projects]."

For example, you might want to create a new, personalized offer in your mobile app and track its uptake. That would probably call for support from app, marketing, and data teams.

"There's probably also a separate technology team that's building out cloud capabilities, and there may even be a customer experience team, all of which will have to come together," says Steuer.

Marketing leaders are in a good position to plan, coordinate, monitor, and control organizational initiatives like these, says Vakil. They can fill the role of project managers that take ultimate responsibility for the success or failure of critical projects.

"It's all about critical thinking and soft skills in terms of interacting with others," he explains.

Focus on process, technology, and data

Other key capabilities will become integral alongside collaboration skills. These include a solid understanding of underlying business processes. Somebody who can define and manage an end-to-end customer experience process from idea to activation is valuable, says Steuer. "You must understand what the process is before you can automate it," he explains.

Data literacy and a working knowledge of technology will also be crucial. "A lot of times when people think of marketing, they think of the creative side – and you still absolutely need that," Steuer says. "But you also need people who are analytical, who can dive into the data, help track the key performance indicators, and link them to the objectives and key results."

We are not suggesting that a marketer needs to understand how to code – though it certainly doesn't hurt. Once the processes are defined, software such as low-code application development platforms accelerate the creation of technology solutions. This empowers marketers without requiring them to become professional programmers. Similarly, data literacy doesn't necessitate a degree in data science. Marketing professionals can understand data and statistics while mastering analytics, but they needn't double as data architects.

Understanding value

These data-oriented marketers will be instrumental in meeting one of the key challenges in the marketing business: quantifying value. Marketers will be under pressure to define the value of a campaign, Steuer says. "They must understand how to quantify the impact of a certain campaign or offer or treatment, and then be able to measure the value on the back end."

One skill for any team keen to excel in this kind of value-driven marketing context is testing. "Savvy marketers frequently conduct AB, champion-challenger testing and optimization that helps them to improve the customer's experience," Steuer says. "So testing and tuning the experience and being able to work within an agile framework become really important."

In the quest for accountability, some marketing departments have set up dedicated value functions. Vakil describes them as constant optimization systems to help teams understand whether individual customer experiences are generating value and how best to enhance them.

Others are taking it a step further and looking beyond the marketing function for leadership. That includes targeting executives currently in a strategic role or leading a business unit.

"We're seeing commercial people moving into CMO roles quite a lot these days," Vakil says. They're seeing more success because the CMO's responsibilities are becoming more data driven. It's no longer enough to convince people to act on your strategy. Now, metrics such as ROI are key.

The search for new skills

As marketers' skill sets broaden, Steuer advises employers recruiting new graduates to look beyond the traditional talent pool, which focuses on marketing majors. He recommends targeting candidates who can demonstrate both creative talent along with science, technology, engineering, and math (STEM) skills.

As for existing employees, the most valuable thing they can do to keep their skills up to date is to learn how to work with and analyze data. They should get to grips with new technology, such as low-code systems.

"If you're willing to learn, then as long as you have the basic critical thinking skills, you'll be able to pick it up in the time window provided," Vakil says. "That's generally around eight months to a year."

Tomorrow's marketing executives must be prepared for change. Digital-first organizations might be ahead of the curve here, as they've had the chance to build dream teams that understand new technologies and prioritize data-driven decision making. Brick-and-mortar companies that are modernizing might find themselves playing catch-up. Either way, marketing professionals that invest the time and energy in these new skills will find themselves well-positioned for the future.

Q

What is the metaverse and why is it getting so much airtime now? Does it even exist yet? We asked two industry commentators for their views on this exciting new development.

An innovative way for brands to engage

It's easy to focus on the cool and sexy parts of the metaverse, but there's a real business case for this technology. The metaverse is designed to be a compilation of universes featuring shared experiences between individuals and organizations. Commerce, community, and currency will be cocreated by both to build the metaverse experience.

Brands need to be able to bring their part of that experience to the table and determine what that looks like, what they stand for, and how they will sell in the metaverse. What currency will they use? What does currency even mean in the metaverse? And most importantly, what will it mean to be our customer? All of these definitions will happen in real time, so the metaverse starts to look and feel like both decision velocity and time compression rolled into one.

Do customers want to engage with brands like this? I think they already do. When you remove the virtual reality (VR) experience of the metaverse, they're already sharing their data when they fill out a form, transact with a business, comment on social media, or share information with friends. They believe that as consumers, they are part of a relationship where they are giving with the expectation of getting something in return. Customers are already telling us what they want to bring to the relationship with a brand. The real question for brands: Are they ready to hear and act on that?



Liz Miller
VP and Principal Analyst, Constellation Research

All of this is closer than you think, but it won't all be virtual changing rooms and avatar fashion shows. There are compelling use cases, for example in field services. An agent with an iPad can diagnose a problem with a machine by making it available to a swarm of experts through an augmented reality overlay. The metaverse opens up new business opportunities and revenue streams, making possible the idea of Everything-as-a-Service. But I think we're three to five years away from fully baked business cases.

Today the major challenge is the form factor. Do we really need to wear the VR goggles? They give so many people motion sickness. As one of my colleagues here at Constellation said after about 45 minutes in them, "Whoa, I gotta sit down."

Welcome to the new digital economy

The term "metaverse" is broad. At this time, rather than referring to a specific technology or platform, the metaverse describes a new model of human connection and experience that is mediated by immersive technology. The term's ambiguity and newness make it difficult to paint an accurate picture of its future. Some companies that are invested in building out the metaverse, like Meta, are pushing a fully immersive virtual reality experience in which users put on VR headsets and are transported to an entirely different, virtual world. Others are exploring models of augmented reality in which virtual functions and experiences are integrated into the physical world.

Though there are several approaches to the logistics of the metaverse, the mission is consistent: using immersive technology to create more engaging real-time digital experiences. These range from having a 3D chat with a friend through to playing a game of VR laser tag or even using augmented reality (AR) tech to make chores easier.

Alongside offering countless opportunities for social networking, the metaverse is expected to host a new kind of digital economy. This economy will incorporate cryptocurrency, non-fungible tokens (NFTs), and digital assets. It will also likely be influenced by decentralization, with elements that enable peer-to-peer transactions and higher levels of agency.



Tomas Oscar Andrén
Chief Visionary Officer and Founding Partner, UPRISE Management

This shift toward a consumer-led economy is not new, and many strategies that marketers use today can remain fruitful in the metaverse. In fact, it is crucial that brands learn to balance established, effective marketing strategies with innovative marketing techniques, applying and adapting what works to this new technological frontier.

Brands should have clear marketing goals and metrics to measure success. They should also have a defined brand voice and use data-driven insights to identify which platforms and cyberspaces align with their goals. Innovation and immersion are key in the metaverse. Brands should use metaverse capabilities to craft marketing experiences like gamified campaigns and interactive launches. Finally, partnerships and influencer marketing will likely be more important than ever in the metaverse as a large share of activity and excitement in this space will be driven by content creators, making collaboration crucial.

THE FUTURE OF

M

K

Tomorrow's marketers will take a long-term view of the customer to focus on lifetime value. That means making some shrewd technology investments, and maybe even some short-term sacrifices.

NEXT UP

10
Creating customers for life

In the future, marketing will be all about the long game. Here's how visionaries are nurturing customer lifetime value.

16
Third-party cookies are toast. What's next?

Google will phase out third-party cookies in 2024. How can marketing professionals prepare themselves?

A R

E T

N G

CREATING CUSTOMERS FOR LIFE

By David Rand

Tomorrow's marketers will take a long-term view of the customer to focus on lifetime value. That means making some shrewd technology investments, and maybe even some short-term sacrifices.

"I REALLY LOVE RENEWING MY CAR INSURANCE," SAID NO ONE, EVER.

Along with taxes and reconciling your checkbook, it falls on the list of mandatory tasks that bring you little joy. Now, a Dutch company is doing its utmost to change that dynamic.

Achmea is one of the largest financial services companies in the Netherlands, specializing in insurance. It pays close attention to the age of its subscriber vehicles. When records indicate a car might be getting older, the company contacts customers and suggests reducing their coverage to save a few euros.

Unlocking long-term customer value

That short-term sacrifice is part of a long game. Achmea is an example of a forward-thinking company that is viewing its customers in a new light. Instead of focusing just on the next sale, it is targeting customer lifetime value (CLV), which describes a customer's total worth to the business throughout their entire relationship.

This means potentially foregoing some short-term revenues, but Achmea is determined to do whatever it takes to develop a long-term relationship, explains Jeroen Dijkstra, the company's manager of omni-channel personalization.

"If the customer stays with you for the long term, you have more opportunities to cross-sell other products to them over time," he says. "Our focus is on making the customer happy and driving lifetime value."

CLV is a metric that will feature heavily in the future of marketing. Gartner expects marketing budgets to hit 9.5% of company revenues this year, up from 6.4% in 2021. Much of that increase will fund programs and technologies that build long-term customer relationships.

Pega's 2022 "The future of marketing" survey polled 750 marketers across multiple industries. It found 25% of them are moving beyond one-time sales and ROI to emphasize CLV. Another 60% plan to do so in the future.

The power of personalization

A key to accomplishing that will be to move beyond spray-and-pray marketing campaigns targeting a large demographic or behavioral

segments, the study indicates. Such methods are rarely effective and can even aggravate customers if they receive too many off-base or ill-timed messages from a brand.

Instead, CMOs will shift toward better understanding their customers to deliver more personal experiences. They will focus on metrics that measure one-to-one interactions. For example, 39% of survey respondents expect to have KPIs for reducing customer attrition, 28% will be expected to boost customer cross-selling, and 27% will be expected to increase registration for company events.

"Every customer should feel like their interactions with us are meaningful, personal, and adapted to their needs," agrees Curig Johnston, a marketer specializing in personalization for British telecommunications giant BT.

Nevertheless, driving enduring relationships won't just involve individuals. Curig's team tailors communications to entire households as well. After all, many subscribers sign up for telco services through family plans, making it important to personalize communications in context with relatives, he explains.

BT's approach allows it to examine a household's combined value across a range of products and services. It also ensures that families and individuals alike have consistent experiences. If one family member receives a device upgrade offer toward the end of a contract period and another does not, it could lead to confusion, alienation, and missed sales opportunities.

BT heads off this chaos with its welcome journey, an educational onboarding program that helps customers understand the benefits of their plan from the beginning. It also highlights how to connect as needs or issues arise. In short, it's a CLV hub.

"The welcome journey has effectively doubled customer engagement and reduced the drop-out rate by a factor of four," Johnston says.

Marketers say that after an initial engagement, the ability to connect with customers consistently and regularly across every channel they visit is increasingly important. Pega found 76% of marketers are still prioritizing social media marketing strategies, but their omni-channel approaches will also focus on mobile and

personalized techniques, influencers and video marketing, and experiential marketing.

The medium won't be the only factor; the messages will also change, according to Pega's survey. Brand marketers are moving beyond traditional sales and service messaging to position themselves as thought leaders.

Investing in new technologies

Personalization plays a key part in this approach. A tech company promoting its environmental expertise might share advice for reducing energy consumption based on a customer's specific energy use history. A bank could demonstrate its economic prowess by sending notes explaining the inflation crisis and offering tips for navigating it based on a depositor's spending habits.

Leveling up personalization to drive CLV will require new technology, as 57% of respondents in the Pega survey expect to invest in it to support their marketing digital transformation. Half say they will have to become more digitally savvy, while nearly 40% believe marketing will have to step up collaboration with IT departments to get the job done.

Intelligent automation will be an important technology in personalizing interactions, and 70% of customers expect to invest more in this technology. It includes the low-code platforms that allow them to create what Achmea's Dijkstra calls a "personalization brain," or real-time interaction management (RTIM) platform. Forrester defines this as marketing technology for delivering contextually relevant experiences, value, and utility at the appropriate moment in the customer lifecycle via preferred customer touchpoints.

Dijkstra has added several other technologies that help to deliver more complete CLV, including email marketing and content management software, third-party and in-house analytics tools, and an automated customer experience and call center solution.

Empowered customers are happy customers

These are the technologies that enabled Achmea to track the age of cars and offer ways to save money on auto insurance. They also underpin self-service tools that let customers see if their policies align to their needs.

These tools help maintain ongoing relationships with customers, especially at renewal time,

Dijkstra says. "A lot of people are unhappy because their premiums might be increasing. We found it difficult to explain why in a letter." The company offers an app that customers can use to see if their insurance coverage still fits their needs.

"There is, of course, a risk some customers will decrease their premiums," he admits. "But if the end result is the customer is happy, then they stay with us, and we are happy."

Many marketers also expect AI to bolster CLV. It can mine customer behavior to generate actionable insights that deliver more personalized experiences. But as BT's Johnston notes, organizations must spend considerably more time getting their data houses in order before it can deliver that kind of value.

"You've got to start with the data because, at the end of the day, you can't have artificial intelligence without a good data foundation," he says.

The Pega survey indicates marketers also have growing interest in web 3.0, the next generation of the internet. This will be a more decentralized version of the web, moving it beyond the control of traditional centralized platforms. It will rely on decentralized financial tools such as crypto-

currency and nonfungible tokens (NFTs) – with blockchain, a digital ledger, underlying it all.

Web 3.0 is still evolving, and most marketers aren't sure how they'll make use of it. But at a minimum, most see it as an additional key channel for delivering personalized experiences that generate CLV. NFTs, which are certificates certifying ownership of unique digital items like art or songs, could also be used as incentives in sales promotions, loyalty programs, and get-out-the-vote campaigns.

Marketers say driving CLV will always come down to the basics. That means understanding what's on customers' minds and finding ways to personally serve and meet their needs. It includes applying the right technologies to deliver exceptional experiences quickly, efficiently, and affordably.

No marketer has CLV all figured out, but most intuitively understand its importance. They know they'll need a mix of new and existing technologies to unlock more value over a customer's entire lifecycle and stay ahead of the competition. Brands that don't invest are likely to fall by the wayside.

Third-party cookies are

🔍 Cookies are toast

🔍 Cookies are crumbling

🔍 Cookies are going away

🔍 Cookies are required to access this site

🔍 Cookies try the top three recipes

🔍 Cookies are tasty

TOAST.

What's next?

By John E. Dunn

As Google abandons third-party cookies, an anxious industry wonders what will replace them. The answer might require a new wave of data innovation.

In 1994, Netscape engineer Lou Montulli invented a tiny text file that would become one of the most consequential creations of the digital age. He called it a cookie. Websites could save one of these files to a person's computer every time they visited, remembering that person rather than treating each visit as a separate, unconnected event.

Montulli's first-party cookies focused on helping websites to remember preferences such as language, location, or shopping cart contents. However, by the time Microsoft's Internet Explorer started grabbing market share from Netscape two years later, a variation on the theme had appeared.

Third-party cookies extended the tracking option beyond a single website. Anyone could use them in any number to track user visits across multiple sites. This allowed businesses to catalog user interests, measure ad response, and identify deeper patterns of behavior. Advertisers caught on quickly, using third-party cookies to build real-time graphs of people's interests at scale and across devices. There was just one problem: nobody told users this was happening.

Closing the file

Almost three decades later, Google claims it wants to close the privacy hole Montulli inadvertently opened. The days of the third-party cookie are numbered.

In late 2023, Google's dominant Chrome browser will begin phasing out third-party cookie support as part of its 2019 Privacy Sandbox initiative. A new Topics API will replace them with a machine learning system that categorizes users according to the websites they visit. It will also constrain alternative user tracking methods such as device fingerprinting.

This move isn't entirely of Google's choosing. Successive waves of regulation, including the EU's GDPR and ePrivacy Directive (ePR), have tightened rules on cookie consent. The ePrivacy Directive, often known as the EU cookie law, requires websites to obtain prior consent from users in the EU before showing them cookies.

The pressures are also commercial and technical. Ad blockers and rival browsers, such as Apple's Safari and Netscape's successor Mozilla Firefox, have taken to blocking third-party cookies by default, making it harder for marketers and advertisers to use them.

Replacing third-party cookies

What does the disappearance of third-party cookies mean for the data mining ecosystem they spawned? "The industry is quite split," believes Philip Acton, UK country manager for ad platform provider Adform. "Some think it will be a challenge, while the other half think it is a real opportunity for us to clean up our act and focus on something that is more compliant and user friendly."

In the worried camp are German publishers such as Axel Springer. It

recently complained to the European Commission that Google's third party cookie ban will reinforce the company's grip on advertising and breach EU law.

In Acton's view, the industry has three options. The first is the status quo; the established idea of contextual data, which uses content to feed users ads based on their viewing habits.

The second is Google's Topics, itself a refinement of the contextual idea but with an important twist.

"It's Chrome acting as the gatekeeper. It's another example of Google making changes but wanting to be the controller," says Acton.

Data quality could be a limiting factor in Google's approach. "The data you'll get on your advertising campaigns will most likely be aggregated with data from other brands and potentially your competitors," he warns.

Relying on first-party data

That leaves a third option: the first-party data that brands and publishers collect themselves, implicitly gathered by first-party cookies and explicitly provided by the users themselves. This data is more persistent, and as long as the user agrees to be tracked it solves the consent problem. First-party cookies also offer a rich data source for programmatic advertising. Adform figures suggest that this is already matching the popularity of third-party data in European countries.

The challenge is that there are many different types of first party ID, including publisher consortia, probabilistic IDs, and authenticated IDs. In response, Adform added a new feature to its Flow platform, ID Fusion, which works with multiple IDs.

For Acton, simply sticking with Google will come at a cost, forcing a business to rely on its ad framework. Diversifying is essential. "The advertisers and tech partners that jump on board with first-party data are going to be the ones who win as opposed to those who go all in with Google," he predicts.

The omni-channel grail

Jacqueline Leng, VP of global solutions for data marketing company Kinesso, agrees that first-party data is the way forward but thinks that the industry must still become more multi-dimensional. It must support the omni-channel concept, in which multiple channels including mobile, PC, telephone, and brick and mortar fuel a single understanding of the customer.

"The biggest challenge is consumer journey mapping," says Leng. Something has to bind those data sources together across the different channels. "The question is what the connector will be."

Third-party trackers excelled at this, and the industry will have to make first-party

alternatives work a lot harder to do the same job in their absence.

Meanwhile, regulation could have unintended side effects.

"It's given more power to the customers, but it's also given a lot more control to the walled gardens," says Leng. "Google is getting bigger while the small players can't survive. This is why Facebook faces a challenge. They only have an app. That's why they are pivoting to the metaverse."

AI to the rescue

Looming over the debate about cookies is the potential for new technologies like AI to support connected omni-channel experiences. This also lies at the heart of Google's vision.

"We stand against tracking and profiling," says Colin Hayhurst, CEO of UK-based privacy search engine startup Mojeek. His company focuses on using contextual data to serve advertisements to users. Although a minnow next to Google or Bing, Hayhurst believes this approach works well without the need to smash privacy.

"People express their intent in a search query. Given a location and a language setting, you can serve them relevant ads," he adds.

He believes that this basic contextual advertising is just the beginning: "We are reaching a stage in machine learning where we can start to have contextual ads outside search."

This might not be that far from what Google has in mind for Topics – a gigantic algorithmic ad system that can understand the subtleties of changing context from page to page as the user browses.

"I think we will see the rise of startups doing contextual advertising," says Hayhurst. "If I were starting a new company now, I'd do contextual ads for publishers."

Back to the future

Ironically, this sounds not dissimilar to Google's stance when it reinvented search in 1998. Montulli invented the cookie, which advertisers and publishers pounced on. But it was Google's empire across desktop and mobile that turbocharged it.

Since then, though, the tools have changed. Widespread AI has become a reality, providing a promising alternative to those small tracking files when it comes to viewing peoples' online activities in context.

With regulators bearing down on Google's hegemony, it has little room for maneuver. For the advertising giant, this is a moment of danger. For everyone else, it spells opportunity.



MARKETERS MUST LEARN HOW TO THINK ABOUT THE CUSTOMER'S NEEDS RATHER THAN THEIR OWN. VERIZON HAS BEEN USING AI TO DO THAT AT SCALE, WITH IMPRESSIVE RESULTS.

By Paul Gray

"Psst. You want to buy a watch?"

That, says Tommi Marsans, marketing technology strategist at Verizon Business Group, is how many companies today approach their relationship with customers. It's an old-school strategy focused on pushing a product or service. It shows no regard for an individual customer's needs and desires. "It doesn't work," says Marsans.

She should know. Like many companies, Verizon used that approach for years. Even the personas and segmentation that the marketing teams used to try and fine-tune their messaging proved ineffective.

As digital marketing promises more precision, these old-school approaches are embarrassingly inept. "They're as far as you can go in an analog world," she says. "The name of my particular segmentation might be soccer and chardonnay." Characterizing someone as a soccer mom is obtuse at best. "That's insulting to me. That's not personal to me."



AI to the rescue

Today, Verizon has a company-wide credo to focus on the customer and personalize every single interaction with them, from its marketing emails to its online self-serve portals. It's able to do this with the help of artificial intelligence.

AI is still relatively new in marketing, but it's gaining more traction. It excels at the kind of pattern recognition that people are good at, such as identifying pictures or speech. It does this using statistical models that it has built from analyzing mounds of historical examples.

Marketers can use AI to find patterns in customer data too. It can analyze customer behavior and use these insights to make automated decisions. It not only improves the customer journey by delivering the sort of high-touch experiences they've come to expect, but boosts return on investment.

Last year, 84% of digital marketing leaders told Gartner that AI could help them deliver real-time, personalized experiences to customers. With 63% struggling to personalize their interactions, they could use the help, yet only 17% have turned to AI in practice. As the American Marketing Association noted in its report on the topic, "it's no wonder the efforts stall out."

Putting AI into practice

Marsans was determined to not let that happen to her team or to Verizon's business customers. So, three years ago, with a basic understanding of how AI works, she began to build out the team's capabilities.

"The concepts are not challenging," she says. Indeed, AI is best suited for learning things that require low skill, like pulling data from a customer's profile, their previous purchases, and past interactions across different channels. Unlike a person, it does this in real time, and at scale to make accurate predictions about the customer's behavior and intentions.

"That's the part I'm really excited about: the predictive analytics," says Marsans. "So, depending on four or five actions the customer has previously taken, the AI can pretty accurately predict what the sixth, seventh, and eighth actions will be. That's tremendously helpful for us and them."

AI in action

Here's how it works. Let's say you're a Verizon business customer and you have 15 phone lines but you're no longer using five of them. So, you log into your self-serve portal to cancel those.

As you log in, the AI, which knows you have five dormant lines, recommends how to repurpose them. You might choose to ignore those and go straight to what's called the disconnect flow. The AI might then offer you a 20% discount to set up wireless business internet service on those lines. "The AI is creating more value and more possibilities for the customer," says Marsans.

Marsans admits that a decade ago, such suggestions from a machine may have seemed intrusive to many people. But today, your phone is your friend and the apps you use on it are your business assistants. People have learned to love the machine.

That's partly because AI offers better results. Verizon has a complex portfolio of over 3,000 products and services. "A rep is going to remember about seven of them," says Marsans. AI can keep them all in mind to make more useful recommendations.

Access to all the data also makes customer recommendations more consistent. Verizon's previous messaging varied between channels. "I might get one offer in an email, I might see another offer in the portal, and I might get a third offer from the rep," says Marsans. "There was no ecosystem connecting them."

Marsans compares the experience to the animated movie "Finding Nemo". "It was sort of like we were Dory," she says, recalling Marlin's memory-challenged blue sidekick. "Hi, we're Verizon! Hi, we're Verizon!" It was a brand-new day every time you had a conversation with us. With AI, it's a continuous conversation. It feels like a conversation."

AI: Your customers' BFF

In the next few years, Marsans would like to see AI contact customers and help them find more value in the company's products and services. Ideally, it would see gaps in what they're using and make targeted offers.

That might sound Orwellian, but she believes moving from a product-centric to a customer-centric approach will change the game for all enterprises in the future.

"Focus on use cases that matter to the customer and that you can measure," she concludes. "The customer is going to lead you in the right direction."

THE FUTURE OF MARKETING IS ALWAYS-ON

BY TARA DEZAO

WE NEED TO SHIFT OUR MINDSET, MESSAGING, AND METRICS TO OFFER CUSTOMER-CENTRIC EXPERIENCES.

Marketing and customer engagement practitioners have been on a collision course with consumer expectations, legislators, and marketplace conditions for years. Innovations in marketing and advertising technology (MADTech) promised more data-driven, relevant customer interactions but haven't delivered. And according to martechmap.com's State of Martech 2022 report, there were just 150 available marketing technology solutions in 2011. Today, there are 9,932.

But all this choice hasn't helped marketers level up their game. In fact, they struggle to use the tools at all. In a 2020 survey, Gartner found marketing leaders use only 58% of their marketing stack, wasting almost half of their technology investments.

These complex tools haven't helped us master the basics of data-driven marketing. We still struggle to deliver personalization without overstepping. We don't fully understand a consumer's context as they move through the web – let alone across different digital and offline channels. Many haven't even mastered message frequency and still irritate customers with too many communications.

Consumers aren't happy These failures have left consumers less engaged than ever before. Marketing software company Merkle surveyed over a thousand consumers who purchased something online in the prior year for its Consumer Sentiment Report. Two-thirds complained that current marketing and advertising did not meet their needs. Half felt that brands were invasive and knew too much about them. Worse, 30% of respondents had received a brand communication that they found tone deaf or offensive.

Brands struggling with these marketing basics face other pressures from evolving regulations and technology changes.

On the regulatory side, the EU's Digital Markets Act (DMA) is set to regulate the digital platforms that connect brands and consumers. It will likely require platforms to get permission from individuals to combine information collected across multiple properties owned by the same company, such as Facebook and Instagram for example. That alone will create new challenges for marketers.

The DMA will likely come into force next year. The following year in 2024, Google plans to deprecate third-party cookies in its Chrome browser. These, along with device IDs, are primary tools for advertisers and marketers to connect consumer touchpoints, enabling unified, consistent messaging and customer experiences.

The industry is developing solutions to overcome those obstacles, but the DMA will render some of them ineffective – particularly those that rely on opaque data sharing. Some advertisers saw this coming and have diversified their efforts by investing in artificial intelligence (AI) and other technologies. These will enable them to marry their own information with data collected voluntarily from consumers. However, many won't opt in.

None of this spells doom for marketers, but it does highlight the need to adapt. They must upgrade their MADTech tools, transform their engagement strategies, and rely on data and technologies that build stronger relationships. Yesterday's solutions have only pushed customers further away.

Move away from campaigns and toward always-on marketing

Today's customers judge brands by the overall experience they deliver. As they move to digital-first environments, they demand consistent, contextual, and personalized experiences. They want brands to treat them as unique individuals. That's a challenge, especially when customers receive hundreds of messages a day.

This challenge calls for some uncomfortable changes. Brands must transition from campaign-based marketing to always-on marketing in the quest for long-term brand loyalty.

Traditional marketing technologies rely on a campaign management framework. They focus on selling products and services to groups of customers with shared attributes. They use disconnected channels and point solutions. Their predetermined messages can't adapt to changing customer direction.

Technologies that use segments, batches, and campaigns can't handle these more nuanced conversations. Neither can they scale to millions of customers with huge product sets across multiple channels and touchpoints. They fall short in three areas:

- **Messages are not customer centric.** Campaign-focused stacks are rooted in what we want to sell rather than what customers need in the moment. This prevents them from adapting to changing customer context and silences campaigns when they have nothing relevant to say. This leads to low response rates in digital engagements.

- **Campaign approaches are rooted in silos.** Campaign management stacks prevent unified approaches to marketing. Their disjointed tangle of point solutions prevents data sharing and scaling. This leaves teams operating independently, focused on their own business lines, their own products, and their own KPIs. They also use their own data sets. All of it fragments the customer experience.

- **Results aren't impactful.** How can you know if your marketing is working when you can't connect your activity to results? Complex MADTech stacks force an organization to gather and analyze opaque data, tying it back to results retroactively. It's a manual, time-consuming process leading to stale data. Obtaining results after a campaign has ended prevents a brand from optimizing its approach in-flight.

Consolidate data sources and activate messaging across all channels

As the end looms for third-party cookies, brands must use as much first-party data as possible. This isn't as scarce as it might seem. Many of them are sitting on a mountain of it. The problem is that it's sitting outside of the marketing department and there hasn't been a solution to stitch it together.

We need a unified environment to fix this problem. An environment that needs the right combination of data and technology. Businesses will benefit most

from solutions with AI at their core. This will empower them to aggregate and centralize disparate data for their marketing and customer engagement programs.

This centralized data flow will eliminate the need for per-channel budgeting and planning. And data signals should tell you where and when to speak to consumers. AI can take the guesswork out of interactions and assist frontline employees, such as call center workers or salespeople, during customer conversations across all channels.

Shift the measurement mindset

Marketers must prove that their programs are working by measuring what matters. KPIs like click-through rates and page views are no longer enough. A click doesn't register satisfaction or a sale.

Instead, we need metrics that help us understand the health of our marketing programs and customer relationships and the longevity of our strategies. These are KPIs like customer lifetime value, return on advertising spend, customer retention, and Net Promoter Scores. They tell us more about our customer relationships and help us understand how and when to change our approach. They measure long-term revenue potential and help us budget effectively. They tell us whether our customer engagement strategies are working.

Driving short-term sales is important, but it shouldn't be the core focus of your business in 2022. Proof points from Pega's "The future of marketing" report confirm this. The largest proportion of survey respondents (35%) stated that the importance of customer lifetime value as a metric will increase in the next three to five years. Only 5% said the same about click-through rates.

The future of marketing report gauges what marketers predict will happen in the next five years, but the future of marketing is already here. Customers, prospects, analysts, and regulators have already told us what it looks like. Switch your marketing programs to always-on mode or get left in the past.



Selling is just one conversation that a brand can have with customers. Others include retention, service, nurturing, and resilience. Expanding into other conversations means going beyond traditional creative strategies. Brands must build conversation libraries with messages that engage clients and prospects based on their needs in any moment.

WHEN MARKETING MEETS SCIENCE FICTION

SOMETIMES YOU NEED TO THINK DIFFERENTLY TO GET AN EDGE, WHICH IS WHY SOME MARKETERS HAVE PURSUED OUTLANDISH TECH CONCEPTS. HERE ARE A FEW OF THEM.

By Christopher Null

Hey, remember when Microsoft set a poorly trained AI named Tay loose on Twitter, only for it to begin spewing racist and sexist vitriol in less than a day? That was just one of the many strange intersections of technology and marketing that made it to the market – albeit briefly. Turns out history is crawling with even bolder, crazier examples of brands that thought technology and marketing sounded like a match made in robot heaven.

Concepts like Tay seem quaint in comparison to some more aggressive MarTech ideas. Here's a look at four of them. While the ideas may sound outlandish, most of them have actually come to fruition in one form or another.

But did you wash your hands?

Smart speaker vendors like Amazon and Google swear up and down that they're only listening when they're being asked to. Recordings are not archived for eternity, they say, and spoken commands are separate from marketing activities. Perhaps, but recent patent applications foretell a dystopian future that ties information picked up by smart sensors to aggressive forms of marketing.

These patents include technology that can listen for sentiment in a speaker's language and use it to target advertising on other media. They also promise the ability to monitor household behaviors detectable via audio (whether or not you use the special wake word first), including when people eat meals or even flush the toilet.

These devices can learn who's coming and going from the house, when they go to bed, and when they awaken – not to mention what everyone's talking about and what their interests are. A Google patent even aims to tie together information from its Nest surveillance camera – such as spotting a book on a nightstand, a basketball in a child's hands, or a logo on a t-shirt – with the owner's web search history to deliver highly targeted advertisements.

For its part, Google – which now has a privacy policy that is 32 pages long – says that it merely “uses information you permit it to access.”

In modern America, the billboard sees you

Billboard technology has long been considered the ultimate one-way marketing tool, with no way of knowing who or even how many people see the ad in a given day, week, or month. In 2016, Clear Channel got the idea to change that. It wanted to monitor mobile phone signals to determine whether consumers who pass by a billboard (“out of home advertising,” in industry parlance) take action afterward. This includes making a purchase or talking about the advertised brand on social media.

The good news is that the Clear Channel Outdoor RADAR Suite purportedly doesn't track drivers individually. Instead, it uses “anonymous, aggregated mobile location data ... to more effectively plan, amplify, and measure the impact of out of home advertising.” The bad news?

The system isn't a hypothetical concept. It's fully up and running, making it clear that consumers are being monitored in more places than ever – including areas previously felt to be off limits.

If you can dream it, we can sell it

Subliminal messaging has been a thing since at least 1957, when marketer James Vicary inserted single frames lasting 1/24th of a second into motion pictures urging audiences to “Eat Popcorn” and “Drink Coca-Cola.” The idea is that you wouldn't consciously see the message, but your brain would register it and urge you subconsciously to obey the instructions.

While subliminal stimuli have been shown to indeed have a small effect on consumers, in 2021 a cadre of academic researchers took the basics of the concept and ratcheted it up – attempting to inject messages directly into the brain of a sleeping individual via a system called Dormio. This gizmo is described as “an interactive social robot accompanied with a custom sleep stage tracking system and auditory biofeedback,” which can influence and extract information from “hypnagogic microdreams” for the first time.

Naturally, marketers quickly took notice, with Molson Coors creating a Super Bowl 2021 ad featuring trippy imagery, specifically designed to promote dreams about beer. It's unclear if Molson Coors ever measured the results of the experimental ad in a scientifically meaningful way, but it's worth noting that the company's sales were up 14.2% in the year that followed.

Despite heavy backlash against the concept being used for commercial purposes, one shocking study claims that 77% of marketers are planning to deploy the technology in the field over the next three years.

So how does this make you feel?

Major breakthroughs in brain-computer interfaces (BCI) are giving amputees the ability to control prosthetic limbs, granting paralyzed individuals the ability to communicate, and returning eyesight to the blind. Naturally for marketers, this type of technology also sounds like a great way to help them sell you something.

The idea is that with a BCI device your brain can connect directly to your phone or computer, allowing you to interact with the web, apps, and social media by simply thinking about it instead of having to type or swipe on a screen.

For marketers, however, this represents a two-way street. If you happen to think about french fries, it's the perfect time for McDonald's to push a coupon your way, perhaps delivered straight into your eyes via a pair of augmented reality smart glasses. BCIs could even let you order those fries and pay for them without ever having to fish your phone or a credit card out of your pocket.

There are many brands actively working on concepts along these lines, though BCI products are currently proving they're more useful for consumer research and marketing studies than delivering advertisements.

For now, anyway.

WEATHERING the coming ESG STORM

My company treats sustainability like a PR stunt

41%
Supply chain

38%
Media

33%
Financial services

29%
Manufacturing

28%
Healthcare

26%
Retail

20%
Technology

With the world facing some uncomfortable environmental, social, and governance (ESG) issues, marketers need something authentic to say. How can they build believable sustainability messages?

By Danny Bradbury

If you don't think sustainability and ESG messaging are important, just take a look outside. The past seven years were the warmest on record, according to the World Meteorological Association. NASA said this June was tied for the warmest ever. In July, eight months after 120 world leaders fretted about the climate change emergency at the U.K.'s COP26 conference, the country's temperatures hit record heat levels that meteorologists weren't expecting until 2050.

It isn't just environmental problems that are evolving more quickly than expected. Social ones are too. Unrest is growing at historical levels as inequality soars.

Companies are interested in addressing their customers' values and concerns. With that in mind, marketers should be telling people how their organizations are mitigating environmental, social, and governance (ESG) concerns that are now impossible to ignore. But in reality, they may not be doing as much as they should – making it difficult to communicate their ESG messaging authentically.

In a report on sustainable transformation this summer, Google Cloud surveyed almost 1,500 executives across 16 markets. Two-thirds of the respondents questioned how genuine some of their organization's sustainability initiatives were.

Some respondents went further, with 58% flatly stating that their company is guilty of greenwashing and 29% complaining that they treat sustainability "like a PR stunt." These complaints were even higher in the U.S., at 72% and 35% respectively.

TIME FOR CHANGE

Organizations must do better or risk losing trust as consumers get wise.

In its 2021 Consumer Intelligence Series Survey on ESG, PwC noted that 83% of consumers wanted companies to shape ESG best practices. And just over three in four said that they were more likely to buy from a company that stands up for ESG values.

Consumers are waking up to greenwashing rhetoric. European consumer rights group Euroconsumers found in a December 2021 survey that people find environmental labeling on products confusing, with 54% believing it's merely a marketing strategy to increase sales. Fewer than one in five trust public authorities to verify green claims. It's clear that fake sustainability is no longer an option.

6 WAYS TO DO BETTER

Marketers must look for authentic sustainability in their organizations. Without it, they're limited in how they can become part of those conversations and address their customers' concerns.

Here are six steps that organizations can take to support sustainability and give marketers something helpful to say:

CHART YOUR GOALS.

Work out what's important to you and your customers. A corporate social responsibility (CSR) strategy should provide clear ESG goals that you can adhere to. If you don't have one, now's the time for a materiality study to identify and quantify the sustainability issues that matter to your business and its stakeholders – including your customers.

These issues will vary between sectors. For example, Google and its rivals are focused heavily on carbon emissions because of their large data center portfolio and power consumption.

START A ROADMAP.

The materiality assessment will help you articulate your goals, which should be quantifiable and realistic.

The longer term those goals are, the more you'll need to support them with a roadmap defining how to get there. These milestones should also be quantifiable, with clear information on how you'll meet them. That way, your "net zero by 2030" commitment won't seem like you're kicking the can down the road.

FIND THE DATA.

Assessing your progress relies on appropriate data from your operations. Just over a third of companies told Google that they have measurement tools in place to quantify their sustainability efforts, yet only 17% are using the measurements to optimize their efforts.

Getting this data relies heavily on input from operations. Building the alliances to fund and collect it might be the biggest challenge for committed marketers.

EDUCATE CONSUMERS.

Getting the data to demonstrate your achievements is one thing. Communicating that to distracted consumers is another. Educating them about how and why you're supporting these values is a challenge, but also an opportunity to differentiate yourself from your peers. Tools like the Provenance Framework, an open-source guide to making and supporting sustainability claims from U.K.-based B Corp Provenance, can help.

Build credibility by participating in sustainability initiatives that will certify you and hold you accountable. There are plenty to choose from that focus on issues ranging from responsible packaging to sustainable wood and food to climate issues.

OWN YOUR FAILINGS.

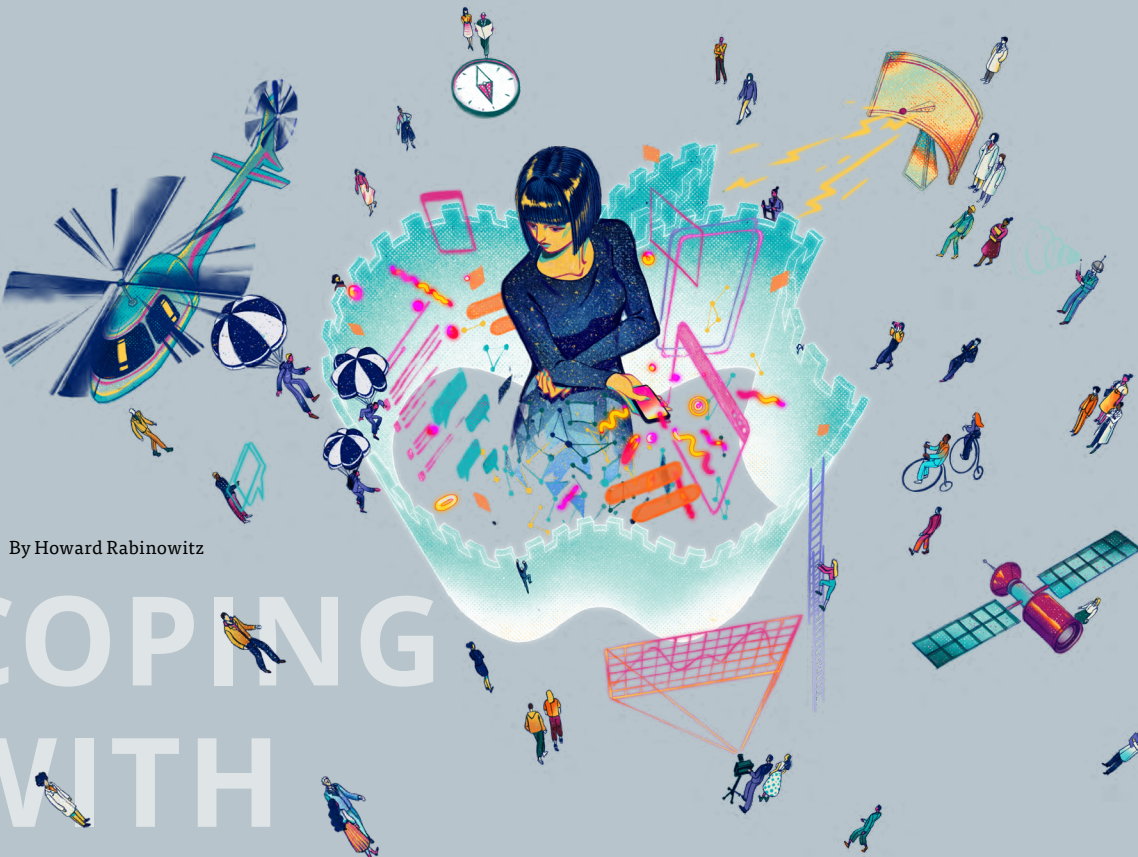
The data will likely show that you're falling short in some areas. Owning that and committing to doing better might be the second hardest step you can take as a marketer. It's also a chance to show vulnerability and build trust with your audience.

BUILD ALLIANCES.

Marketers can't do all this alone. They need to build a multidisciplinary consensus across the organization. That takes political capital.

The hardest step of all might be crafting the alliances to support this effort and persuading leadership to fix the areas where you're falling behind in your sustainability goals. As it stands, over four in five people want senior leadership to give them more room to prioritize sustainability, according to Google's survey.

For many, the quest to build a truly believable sustainability message and demonstrate how your company is making a difference will be long and difficult. But the alternative is looking less appealing by the day.



By Howard Rabinowitz

COPING WITH APPLE'S MOBILE MOVE

Apple's new data privacy safeguards have shaken up the mobile ad game, leaving Facebook reeling and marketers scrambling for strategies to thrive in the new normal.

In May, Apple launched an ad called Privacy on iPhone, in which a young woman called Ellie wanders into a Sotheby's-style auction of her personal data. She shuts down the auction with a flick of her finger by turning on her phone's App Tracking Transparency (ATT) and Mail Privacy Protection (MPP) features.

While many tech professionals view the ad as a sideswipe at Facebook's data privacy policies, the campaign is a savvy marketing move. It positions Apple as an ethical company that empowers consumers to safeguard their private data.

Apple introduced these opt-in privacy features with iOS updates in 2021. ATT blocks companies from tracking user activity across third-party platforms and apps, while MPP stops marketers from accessing consumers' email contacts. Together, both iOS features have changed the rules of the multibillion-dollar mobile marketing game in which Apple is a major player.

It's not just major platforms like Facebook that must adjust to the new rules. They have also left marketers scrambling to adapt at a time when mobile ad spending is soaring to new heights. Analytics firm Data.ai says it will reach \$350 billion by the end of 2022.

In recent years, companies have come to rely on the granular data insights generated by third-party tracking to target mobile ads to individuals. Now they must find new strategies to win over potential customers.

Fingerprinting and finger-pointing

One strategy that won't fly is fingerprinting. An easily exploitable loophole in Apple's ATT feature lets marketers identify a mobile device's unique properties (such as its serial number and geolocation) to stealthily track activity on a device. Apple's privacy policies

ban fingerprinting – and the practice itself violates Europe's GDPR data rules – but a March 2021 investigation by the Washington Post in conjunction with security company Lockdown suggested that the company has been lax in its enforcement.

Things changed at Apple's 2022 Worldwide Developers Conference. It threw down the gauntlet in a session titled "Fingerprinting Is Never Allowed," which strongly suggested that it would no longer tolerate the sneaky workaround. It's time for marketers to play by Apple's new rules, the company signaled.

Not everyone has reacted positively to those rules, notably Facebook's parent company, Meta. In February, Meta reported on an earnings call that it has lost \$10 billion in Facebook ad revenue since Apple rolled out its privacy features, causing its stock to plunge 23% in one day.

The social media giant has accused Apple of boosting its own advertising haul at its competitors' expense – a claim currently under investigation by German authorities. In April, Apple rebutted the accusation by citing the findings of an Apple-funded study by a Columbia Business School professor.

Amid the sniping, Meta has been quietly adjusting to

the new features by rebuilding its iOS ad infrastructure on Facebook. And many small companies are reporting that their Facebook ads are performing better than usual despite Apple's new privacy features. Although the reasons for the uptick are murky at this time, the improvement may signal that some marketing professionals are finding novel ways to thrive in the new landscape.

New strategies for mobile marketing success

What strategies should marketers and advertising professionals adopt to cope with Apple's new privacy features? Here are four to consider:

// Embrace the SKADnetwork.

In the past, marketers could bid on ad placement using data generated by the identifier for advertisers (IDFA), a code used to identify individual phones. Apple has created an anonymized framework for data analytics called the Software Kit for Ad Networks (SKADnetwork) that will protect consumers' identities when they opt out of IDFA tracking. Savvy marketers will master the SKADnetwork to use less granular, macroscopic insights in their spending.

// Sharing is caring.

Relying on first-party data might call for strength in numbers. Data co-ops are emerging as a viable alternative for organizations wanting to enhance their own data with information from elsewhere. These co-ops allow them to share the data that they have gathered with their peers, assuming that they have the data subjects' proper consent. Another potential data sharing tool is Unique ID (UID) 2.0, an identification technology that uses anonymous identifiers based on hashed emails rather than cookies. Publishers, which must run an email gate to create these UIDs, can then share them with each other.

// Less data means more modeling.

The shift from third-party to first-party data insights has left marketers with less data to analyze. Over time, marketers have relied more on algorithms to analyze their data for them and direct their bidding on targeted ad space. They should wean themselves from outside data sources and connect the internal first-party data sources they already have, using AI for improved messaging at the right moment in the right place. They should invest more time and money in data analytics such as conversion value modeling and media mix modeling to assess which campaigns will win over consumers.

// Get more creative on mobile platforms.

Without the crutch of granular data to help them target individual users, marketers will have to roll up their sleeves and get creative. They need more engaging creative approaches on mobile platforms, including more innovative advertising technologies and the ability to serve the right messages at opportune moments. Marketers will need to test which creative approaches work well and which do not over a period of time.

Illustration: Dawn Yang

GO!

Illustration: Ali Eagle Rushman

GO!

Your HOROSCOPE

25



ARIES (March 21 – April 19)

It's time to align your heart and your head. If you've been conflicted about where you stand on important issues, it's time to dig deep. This might put you at odds with people close to you, but avoiding it will prolong the struggle. Emotional fulfillment and relief are waiting for you on the other side. Embrace your Aries nature and meet the conflict head on!



PISCES (February 19 – March 20)

It's OK to rest up this quarter, Pisces. If you're not feeling like being social, don't force yourself to be. If a hobby or interest isn't bringing you joy, consider stepping away for a bit. Everyone needs a break every once in a while, especially introverts. Use this time to recharge your social battery and let go of what's no longer serving you. However, with all this extra time, be sure to avoid negative self-talk creeping in. There's no need to feel bad about taking time for yourself!



AQUARIUS (January 20 – February 18)

You can't be everything to everyone, Aquarius. It's time to turn your focus inward. This will require you to set boundaries with those around you. Some might not like it, but that's too bad for them. It's time for you to think strategically about what you want, not what others want from you. Think long and hard about your goals and what you want from this life. If you're struggling to figure that out, meditation or walking in nature can help ground you. Find your zen.



CAPRICORN (December 22 – January 19)

Things are moving quickly for you, but you're digging your heels in and resisting. Maybe you've been burned by a similar situation or you've been struggling and feel like you can't deal with anything new right now. This change is the push you need! Embracing it will put you on a better path with an opportunity to travel. Pack your bags – but ditch your baggage.



TAURUS (April 20 – May 20)

The key question on your mind should be what success looks like to you. It's likely not how society defines it, and that's OK. You may have been keeping some personal wins to yourself because you don't think others will see them the same way, but if it's important to you, it's important to those who care about you. Everyone's journey is different. Celebrate how far you've come!



GEMINI (May 21 – June 20)

If you've recently had an insight, particularly in terms of your career, it's time to set things in motion. Make a plan on how to get from where you are now to where you want to be. Even though this discovery has you feeling energized, it's important not to rush into it. Think clearly and document each step you need to take to get to your end goal. You're setting yourself up not just for success now but for the long term.



CANCER (June 21 – July 22)

Sometimes great ideas take a long time to get off the ground, Cancer. If you've got a new project that seems to keep hitting roadblocks or sending you back to the drawing board, don't give up! Maybe there's a new way of doing things you haven't explored. Lean on those around you. There are people out there willing to help you make your dream a reality. If you believe in what you're doing, they will too. Stay focused and be kind to yourself.



LEO (July 23 – August 22)

The message this month is to embrace the new. Maybe you've developed a new skill, a new way of thinking, or even a new way to express yourself. This openness offers you a path to success and harmony. Gather all the information you can on what has lit this spark and watch the fire grow, Leo. This is what you're meant to do.



VIRGO (August 23 – September 22)

A cycle is ending for the better. If you've been struggling, that time is over now. This quarter will be transformative for you. However, change is often hard. Starting fresh means not dwelling on the past. Focusing on what you don't have can blind you to the great things ahead of you. Embrace what's coming with a positive attitude.



LIBRA (September 23 – October 22)

After a period of growth, everything you've dreamed of is about to be yours, but with a caveat: You must believe that you deserve it. You've worked hard for this. No one handed you anything. There's no reason not to embrace the abundance coming your way. Self-deprecation is doing you no favors. The only thing standing in the way of your happiness is you, Libra. Step aside!

By Reena Leone



PegaWorld*i*Nspire

JUNE 11-13, 2023 | LAS VEGAS

Step outside the ordinary and into our world

Join us live to hear the stories, meet the people, and tour the tech that will inspire smarter, more adaptable ways of working.

Register now at PegaWorld.com.

