Advertising in 2030

Expert predictions on the future of advertising

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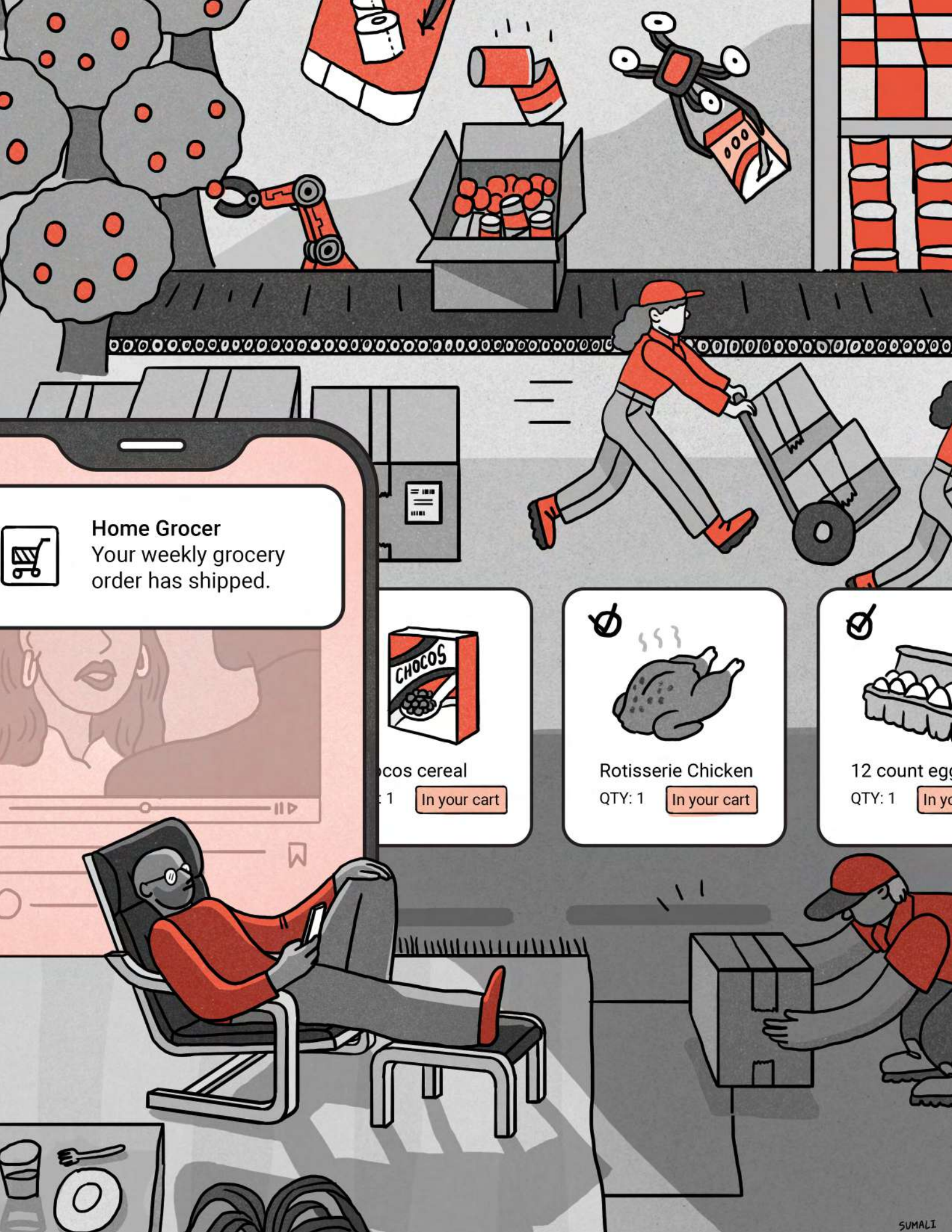**Vivienne Ngo**
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Introduction

Marketers have always been captivated by the future, whether selling it—foldable phones and self-parking cars—or trying to interpret and predict it to gain a strategic advantage.

This has never been more true than over the last decade, where our collective imaginations have been shaped by the technologies and technology companies remaking the way we do business and live out our daily lives.

Yet for all the insight into the potential paths for technologies to evolve over the next decade and well into the 21st century, we were struck by the lack of clarity around how marketing and advertising might evolve in conjunction with those changes.

With so little certainty around what brand marketers should expect over the coming decade, we set out to identify the boundaries of expectation and the areas of conventional wisdom and agreement. We were curious: Do leading decision makers and experts in our own field even believe advertising will continue to exist in ten years' time?

Methodology

Between January 4 and February 24 2020, Essence canvassed nearly 50 advertising and marketing experts—representing brands, agencies, academia, publishing, and trade organizations—to rate how likely 15 different scenarios were to be true in the year 2030 and to expound on their rating as well as the implications for the future of advertising. Each potential future scenario tested was designed to elicit predictions about the behaviors and drivers expected to play a key role in defining the future of advertising.

The scenarios tested are listed on the following page.

The results of this canvassing are qualitative in nature and are only representative of the individuals surveyed. This is a non-random sample, selected by Essence to uncover a range of perspectives across various roles, tenure, and geography. The opinions cannot be projected onto the population at large. The majority of our findings below are taken from the respondents' written explanations and recorded interviews.

1. **Biometrics.** Biometric data is standardized and commoditized to the extent that it is widely used to access, personalize, and/or secure data and services.

2. **Personalization.** Everything is personalized to individuals based on chosen settings, historical data, genetic and medical information, and other sources.

3. **Privacy.** Governments and corporations have vast or total access to information about who people are (DNA and biometric data), what they do (GPS and communication data), and what they think/believe (search data, listening devices).

4. **AI.** Companies rely on artificial intelligence to produce the majority of creative content including music, tv, movies, and art.

5. **Ad blocking.** It is easy for individual consumers to eliminate all exposure to advertising from their daily lives.

6. **Social media.** Most people use social media platforms privately while the public social space is dominated by promotional content, mainly from brands and public institutions.

7. **Automation and the economy.** Reduction in working hours and wages due to the application of artificial intelligence and automation lowers consumer purchasing power.

8. **Bot-to-bot interaction.** Most interaction between brands and consumers is bot-to-bot with personal digital assistants interfacing directly with customer service bots or virtual representatives.

9. **Virtual reality.** People spend more time interacting with virtual worlds than the physical one.

10. **Subscriptions.** Most products and services are purchased as part of individual or bundled subscriptions.

11. **3D printing.** Consumers have embraced 3d printed alternatives to mass-produced products.

12. **Micropayments.** Publishers have embraced seamless micropayments as a meaningful alternative to subscription and advertising revenue.

13. **Regulation.** A single global approach to consumer privacy and identity has replaced regional regulatory approaches.

14. **Platform sustainability.** Today's leading internet-based service providers, platforms, and social media companies remain intact as global consolidated entities.

15. **The environment.** Environmental impact is as important as price in consumer purchase decision-making for both goods and services.
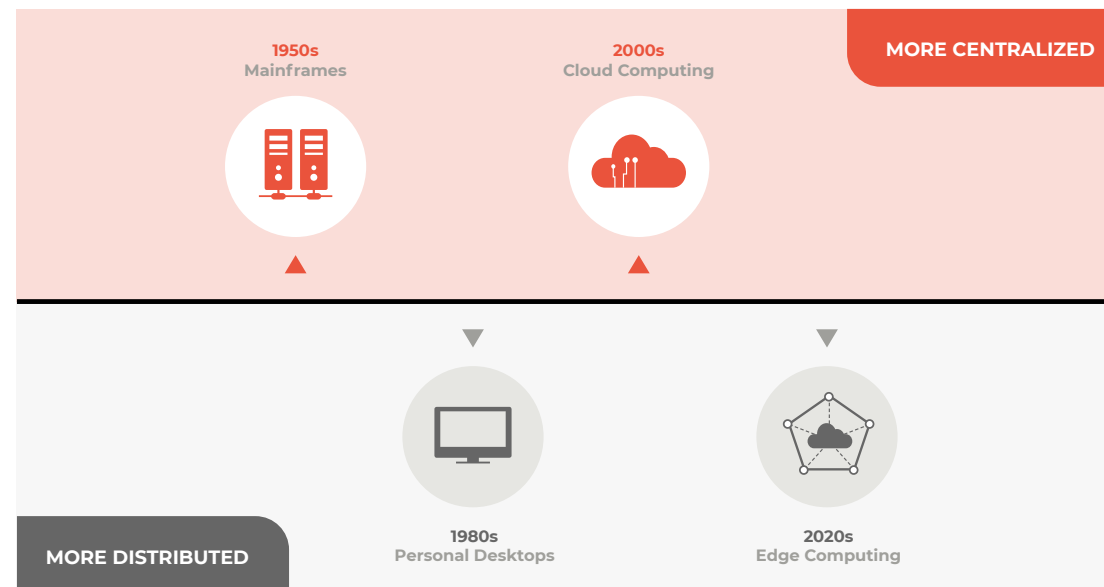
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The 10-year Horizon

Given how quickly the world seems to be changing—it took TikTok three years to hit 500 million monthly active users, roughly half the time it took Instagram—attempting to pin down a vision for advertising in 2030 is admittedly a little ambitious, or maybe a little crazy. We felt the 10-year horizon would give our experts the freedom to stake out some bold predictions without the pressure of accuracy expected from forecasts for this year or next year. We are hoping that a 10-year window will give us and the industry time to retool and reimagine products and offerings, preparing for a future where those making household purchase decisions are the household appliances themselves, and not the humans using them.
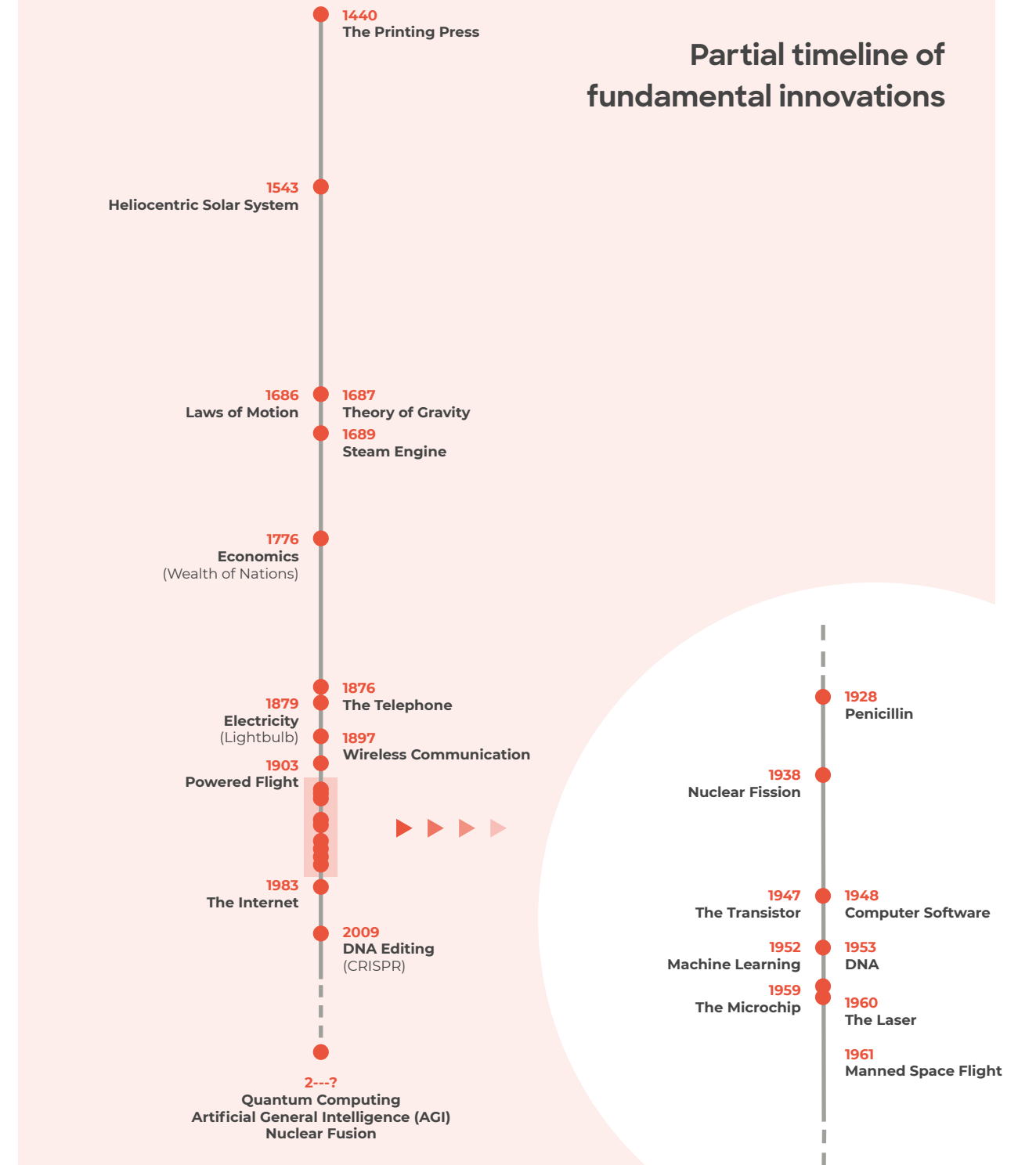
Fundamental innovation

What feels like a period of radical technological advancement over the past 10 years could instead be viewed as an explosion of combining existing technologies, rather than developing new breakthrough innovations. Any list of "fundamental innovations" is subjective, but many of the most recent fundamental innovations took place 50 years ago or more. The term "machine learning" was coined in 1952, and it is the expanded capacity of compute and the availability of data that have led to those algorithms permeating every industry over the last five to ten years.

We are beginning to see the limitations of forward progress. Moore's Law, which theorized that the number of transistors on an integrated circuit board would double every year, has held true for 50 years. These huge gains in processing power have underpinned the development of entire industries—not to mention the success of Silicon Valley. But in recent years, the pace of progress hasn't kept up. And for all the fascination with landing on Mars, it will be little different, fundamentally, than the lunar landing 50 years ago. Other well-known cycles continue to march on, such as the centralization and decentralization of computing.

MORE CENTRALIZED

1950s
Mainframes

2000s
Cloud Computing

1980s
Personal Desktops

2020s
Edge Computing

MORE DISTRIBUTED

Partial timeline of fundamental innovations

1440
The Printing Press

1543
Heliocentric Solar System

1686
Laws of Motion

1687
Theory of Gravity

1689
Steam Engine

1776
Economics
(Wealth of Nations)

1876
The Telephone

1879
Electricity
(Lightbulb)

1897
Wireless Communication

1903
Powered Flight

1928
Penicillin

1938
Nuclear Fission

1983
The Internet

1947
The Transistor

1948
Computer Software

2009
DNA Editing
(CRISPR)

1952
Machine Learning

1953
DNA

1959
The Microchip

1960
The Laser

1961
Manned Space Flight

2---?
Quantum Computing
Artificial General Intelligence (AGI)
Nuclear Fusion

Scenarios ranked from most to least likely

Least Likely	Neutral	Most Likely

- Environmental impact > price
- Brand interactions are bot-to-bot
- Use of biometric data
- Everything is personalized
- Gov't & corp. access to data
- Publishers embrace micropayments
- Ppl use social media privately
- Largest tech co's still intact
- Consumers use 3D printing
- AI creates art
- VR = more time than IRL
- AI replaces human labor
- Easy to eliminate ads
- Global privacy law

Key Findings

Expected futures

Experts were most confident about the impact of the environment on purchase decisions and the likelihood that bot-to-bot interaction will become a dominant component of marketing activity, meaning that personal digital assistants will interface with company chatbots, potentially creating more frictionless transactions and simplifying customer service. Experts were least likely to predict a future in which consumers would be able to opt out of advertising or where a global approach to privacy and identity would be in place by 2030.

The use of biometric data, and the personalization of products and services were seen as likely by nearly three-quarters of the respondents.

Contested futures: Two key drivers

There was less clarity when it came to questions of human control—over our data, and over our purpose as workers. There were strong, and polarized, opinions about how much AI would replace versus augment human effort. There was likewise a spread of opinion about how readily data would become available to governments and brands—especially highly sensitive personal data such as medical or DNA data.

The treatment of data obviously depends on the country in question, and the data type, but it was surprising how many of our panelists thought DNA and other personal data would be shared and readily accessible by various parties. This is quite a large change from the types of data shared today. Many said sharing would be controlled by the user, in line with recent regulations in Europe and elsewhere around the world, with consumers, on the whole, happy to share with trusted brands or service providers in return for personalization, improved health and wellness, or even help with the myriad micro-decisions we make on a daily basis.
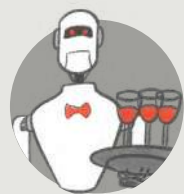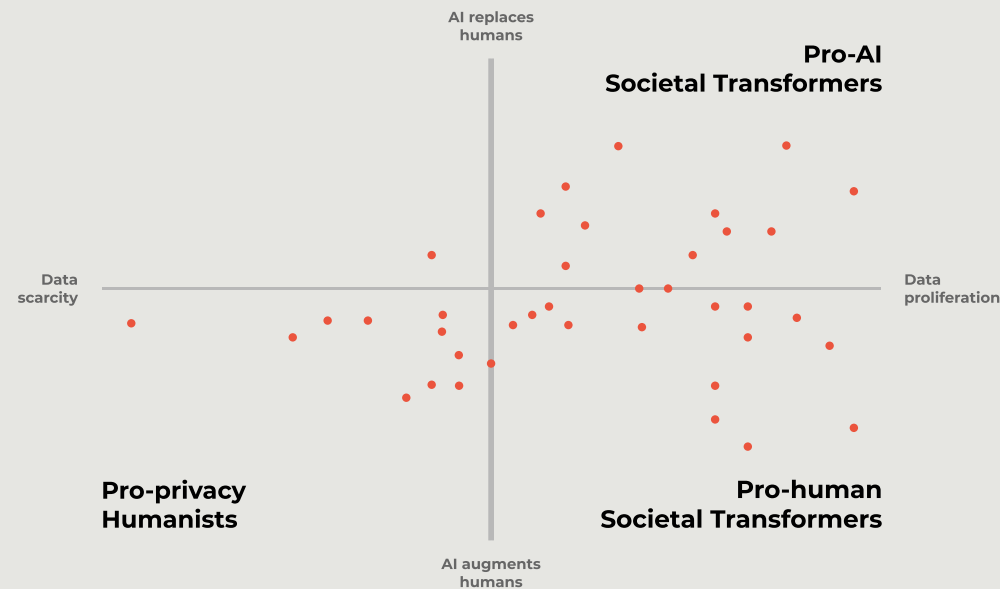
Another group of panelists expected greater pushback from users and a future where access to data is scarcer and tightly controlled, especially for sensitive data related to health and genetics. However, with the price of genomic sequencing falling 100,000-fold in just the last 10 years and massive investments in digital health startups, it's easy to see why the majority feel the continued proliferation of data and broad access to it is a foregone conclusion.

Fewer than half of our experts felt the same sense of inevitability about automation and AI capabilities. The largest group believes AI will enhance human workers rather than take their jobs outright. Our panelists were most confident that AI assistants, bots, and algorithms would become instrumental in customer service, retail transactions, and creative operations, potentially even reducing reliance on human labor in those areas. But most felt 10 years was too short a time horizon to see such dramatic shifts, or thought consumers would push back against impersonal technology, preferring continued interaction with human beings.

We looked at the relationship between how our panelists responded to the three data scenarios and the three scenarios tied to AI's propensity to replace functions currently served by humans—whether brand interactions would be bot-to-bot, whether AI would be used to create content, and whether the ascendancy of AI would lead to human wage loss.

Plotting each of the respondents against these two axes (high to low data access and high to low job displacement) revealed three clear groups of respondents, as seen in the chart below.

Respondents plotted by their responses to six scenarios involving data and AI

AI replaces humans

Pro-AI Societal Transformers

Data scarcity

Data proliferation

Pro-privacy Humanists

**Pro-human Societal Transformers**

AI augments humans

Pro-AI Societal Transformers

Similar to Iron Man's onboard assistant Jarvis, AI will act as a valet, intermediary, and all-around helper for life's daily tasks. Brand-side AI will be invited to access consumer data, controlled by the user.

Pro-Human Societal Transformers

While data will continue to be generated and collected around the world, AI won't have advanced sufficiently to operate without explicit human guidance, training, and oversight, meaning humans will very much be at the controls.
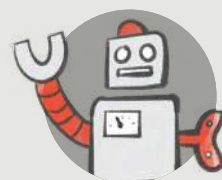
Pro-Privacy Humanists

This group believes data will be less widely available/used as privacy controls come onboard and regulations are passed. Additionally, they are more conservative about AI's ability to take on even relatively simple transactions or creative tasks.

The world is unlikely to advance at the same pace everywhere, or in the same way. For that reason, many future states may exist simultaneously as we progress through to 2030.

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Data and Personalization

The rise of biometric data

Most of our panelists agreed on one thing: Biometric data is here to stay, as it represents the gold standard when it comes to identity proof. As **Dirk Stader,** GroupM CFO, Germany, said, "Data security at its best can only be provided by using biometric data; it's the only unique answer." In 10 years, its prevalence will only be limited by the spread of technology. "In Africa, the retail industry is very different than the Western and Asian world. Informal retail structures still dominate in most markets (80% in Nigeria). These countries are mobile first and mobile focused and if biometric data comes with mobile, it will have an economic relevance. There are fewer concerns about privacy," said **Federico de Nardis** of GroupM Sub Saharan Africa.

However, there is disagreement over the extent to which biometric data will be in use as a common data currency. Most people felt a global approach was unlikely, and that the use of biometric data would vary by region—i.e.,

an inescapable surveillance society in some countries with authoritarian regimes, or a much more respectful and user-controlled world in others. **Vismay Sharma**, Managing Director of L'Oréal in the UK and Ireland, commenting on European societies, said "Consumers will be able to have full control and provide access to their personal data to corporations depending upon the value exchange. Technologies like blockchain will facilitate this as the interfaces become more sophisticated and adoption rates go up." **Konrad Feldman**, CEO of Quantcast feels that there is work for brands to do, to take advantage of the opportunities— "While increasingly used, there will be questions around the privacy and security implications. I expect to see significant differences in different parts of the world with biometrics being used extensively in countries like China. Elsewhere, companies that provide a clear value proposition to consumers in terms of convenience will have an opportunity to become trusted brands in the biometric access space."

The value exchange: Personalization in return for data

Many of the people we interviewed thought that in return for the use of data, customers would demand an ever-more personalized experience. **Aaron Goldman**, CMO of 4C Insights, said that "Consumers have an expectation of pervasive personalization in all experiences, especially content and commerce. By 2030 it won't just be an expectation, it will be a reality. When it comes to content and commerce, the delivery mechanism will be closed ecosystems that enable brands to insert themselves fluidly into the experience as a true value add."

However, there was no consensus on how fully this vision would be realized by 2030. **Christian Juhl**, CEO of GroupM, sounded a more cautious note: "One thing I've learned is that the rate of change even 10 years out will be slower than we think it's going to be. In order for that to be happening you've got to retool every manufacturing facility in the world. You'd have to get consumer buy-in for the leveraging of DNA and medical information. That's far away." **Rob Norman** agreed: "There'll be a third of the people for whom that is true and think it's a good idea; a third of the people for whom it will be true, but see it as a bad idea; and a third of the people for whom it won't be true." But hyper-personalization is a trend that's here to stay, and will spread into more areas of content and experience.

It's clear that a debate on issues of privacy and data ownership, especially with regards to biometric data, is long overdue. **Janet Balis**, Partner at EY, suggested that global authorities could step in to regulate the emerging situation, "In an ideal world, there is no question that a universal framework for consumer data privacy and regulation would benefit government, consumers and businesses (if structured properly). However, the likelihood is that the federated nature of this issue in the US alone won't even let this be a national issue in this critical economy. Currently, an institution like the UN seems unlikely to facilitate alignment on this type of issue, given the magnitude of other global challenges they face, let alone sufficiently understand the 'network' effects – both cost and benefit – of regulating these complex data and technological issues appropriately."

The challenges facing advertisers and consumers are increasingly global in scale, and yet it seemed to our experts as though the solutions are likely to be more fragmented and thus less predictable. Nearly 68% thought it highly unlikely that the world's governmental bodies would all align on a single approach for regulating digital identity and privacy.

Will biometric data free us or enslave us?

An underlying theme in many comments suggested that governments everywhere would be making more use of highly personal data, such as DNA. "Governments already have access to considerable amounts of personal data. With respect to corporations, consumers will have a choice over which corporations have which data and for what purpose," said **Konrad Feldman.**

However, the growth of biometric technology and data are not without positives. **Matt Pollington**, Head of Digital, Discover Lab at Sky, felt that those positives can be realized, but that it will take a high degree of effort among businesses to enable that. "I think everything being personalized based on chosen settings such as historical data or other sources is highly likely to happen. My bias and my hope is that things that are incredibly sensitive such as genetic and medical information will be more closely governed. I think what's really interesting here is the emergence, whether it be privately or publicly governed, of a kind of middleware that's going to allow all of that to be aggregated and secured. I definitely think that that's a burden on industry, so it'll be interesting to see how that's built into future legislation or even productized from a privacy perspective."

What does this mean for the future of advertising?

Take the opportunity to create a data strategy, if you have not already done so, and make sure that it's future-proof enough to deal with the increase in biometric data and permission management that's bound to come with its use. Doing so will create the platform to have ever more meaningful and in-depth conversations with your customers.

Global brands should cater to all potential customers—hyper-personalization may be a desired and sought-after thing in advanced economies, but it will not be relevant for the third of people who struggle to put food on the table. Technology may not advance quickly enough in all regions to enable this before 2030. Change happens slowly—and then quickly—so you will need to be ready to move having anticipated what your customers will need.

The lines between advertising content and customer relationship marketing will continue to blur. People do not want to see the joins between these elements—they just want to consume the brand or brand experience. The technology and data to do this at scale will emerge in the next 10 years.

Content, Creativity and Media

AI and content

By 2030, will AI be creating the content you watch in the evening or read over breakfast? In general, our panelists say that it won't—though some, including many of our European experts, disagree. According to **Tobias Hefele** of Weischer. Cinema, it's already here: "The first examples have already arrived in society—whether Alexa, Echo, or the machine learning product from Audi to calculate traffic light phases in real time. Partially autonomous driving due to ACC or lane assist and soon fully autonomous driving are indications of this. Why should it be different in the media and advertising companies?"

Dr. Veronica Barassi, from the University of St. Gallen, thinks there will be limits to what AI can achieve: "I believe that AIs are not going to be able to learn the symbols in the same ways that humans learn symbols. When we learn symbols and when we learn about life, we have different ways of understanding what is being taught to us. And one way in which we understand things and we learn things is through our bodies and through our lived experience. Creative energy stems from that embodied experience, which an AI won't have." Many of our panellists felt that the human element was always going to be

needed, although AI could play a role in mass tailoring of content or in creating low-grade content. However, some of our panellists were looking forward to a world where AI creativity was making a larger impact.

Cliff Kuang, author of *User Friendly*, felt that the spread of AI would necessitate a change in the human creative process: "Certainly AI might be used to tailor a movie to an audience, for example. The locus of creativity would then move from creating a fixed artifact, to creating a framework for an evolving or mutable artifact." **Rob Middleton** of Sprinklr said, "We'll probably see things we have never seen before. We'll see new forms of creativity that we couldn't have anticipated that will come from this." **Mahesh Sudhakaran** of IBM highlighted to us: "It won't be efficient for individuals to make the hundreds of daily decisions that advertisers seek to influence. AI will make more and more of those decisions, freeing up people to be more efficient, creative, and productive. AI will disrupt industries in the coming decade, and we will see tighter partnerships between man and machine, with each augmenting tasks they are good at."

Ad avoidance continues

It was generally felt that while many people would still seek to avoid ads, it would be difficult to actually achieve this. More established physical media may even see a revival in popularity as the world divides into those who pay to avoid ads, and those who remain easily reachable. **Jane Ostler**, Global Head of Media Effectiveness, Insights Division at Kantar, said, "I think that we see outdoor advertising, for example, having a resurgence—it will be driven more by personalization, and you can't really avoid outdoor advertising. Online, there will probably be other ways that we haven't thought of yet to avoid advertising. I do agree with the thesis that there will be people who will see more advertising because they are accessing free services, and a greater divide. If you can afford to, you can avoid it." It remains to be seen whether the business models of the many subscription video on demand services will survive to 2030—Netflix dominates currently, but it is not profitable and is now surrounded by competitors.

Consumers may well come up with new techniques to avoid ads, but marketers will of course come up with new and different ways to reach them. They may even make better use of much older, more established techniques. "Advertising will increasingly take subtler forms, such as product placement or sponsorship", said **Allègre Hadida** of Cambridge Judge Business School. It feels hard to see how these types of commercial opportunities won't become more common in a world that may become even more dominated by ad-free subscription platforms. It will be interesting to see whether these commercial opportunities end up belonging to the platforms, or to the actual content producers. The world of TV content production has changed dramatically in the last five years—with the UK's ITV becoming the largest creator of scripted programming for Netflix in the US and studios such as Disney and the BBC pulling their back catalogues from the service to help bolster their own offerings. Advertising will continue to evolve as the means of content transmission and production continue to democratize. We have already seen the mire created by influencers in social media and on video platforms whose contents often promote products and are not always labelled clearly as advertising.

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View Products

Get the experience

Venue
Napa Winery

Flowers
Betty's Floral

Caterer
Hungry Bear

We've customized a unique wedding experience based on your likes. No need to plan or call vendors - just review and we'll take it from there!

Book my wedding

Shop the looks from season 38

Diamond Ring
Kay Jewelers

Wedding Dress
BHLDN

Earrings
Claire's

How will social media evolve?

It seems clear today that there are two types of social media—broadcast channels where individuals or brands can present themselves to many people and private channels where messages and postings are for small groups or are between individuals. As it stands, the current growth is generally coming from those platforms that are designed for more intimate use.

Many of our panelists agreed there would still be places for brands and celebrities to communicate with a wide audience and a need for one-to-one or one-to-few messaging services. But there were some big disagreements about where social media will be in 10 years' time. **Chris Copeland** of C2Next thinks that social platforms will be very different in 2030: "Social platforms as conceived today will not exist in a decade. Within two to three years the backlash against influence and social posturing combined with the toxic nature of bots will lead to a sharp turn to alternate behaviors. It's possible private becomes the new model but dual social structures feels unlikely."

But these are channels for individuals, and the world is not a culturally uniform place. **Federico de Nardis** said, "People in Africa, and elsewhere, they like to have a say. That's why they use social media. It's not just about their friends, they want the piazza."

De Nardis went on to point out some fundamental differences between Africa and the rest of the world—differences that will still be here in 10 years' time: "By 2050, 35% of all those below age 20 will live in Africa, and the continent will represent 41% of new babies born worldwide according to Gapminder. It is the only area in the world where the population is still increasing substantially. Much of the population here is below age 30 making the approach totally different versus the older Western world."
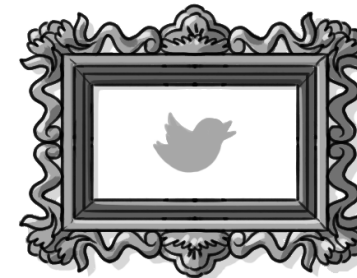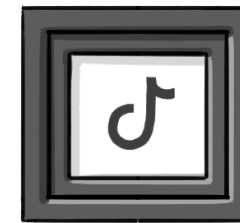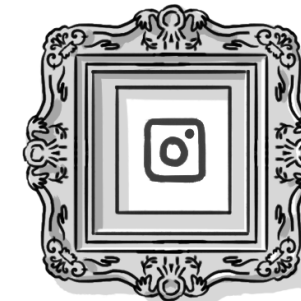

SOCIAL MEDIA HALL OF FAME

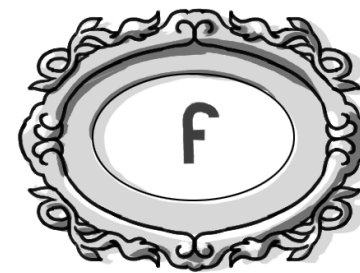MYSPACE · FRIENDSTER · TWITTER · VINE · TIK TOK · INSTAGRAM · AIM · FACEBOOK

What does this mean for the future of advertising?

AI is here to stay in the world of content and creativity—so embrace it, and use its developing capabilities to create a competitive advantage. Consumers will demand ever more tailored experiences—starting with the first ad that they see, to their experiences on your owned properties, to the purchase of an item or service. The quality of this experience will make them continue to give you their loyalty in the future. There is no way that this level of tailored content could be created by humans—it will have to be created with the help of AI (e.g. text, images and video).

Your customer relationship management program and your automated customer service program, will gain new importance in the world of 2030. Why only focus on acquiring new customers when we can engage with people to encourage brand loyalty and repurchase? This will become especially important if wealthier audiences are able to avoid ads to a large degree—it will be harder to fill a leaky bucket. New versions of more traditional channels such as outdoor ads will take on new value.

The nature of social media will see rapid evolution—arguably just a continuation of the current trend—and it will take increased effort to keep up with this evolution and continue to exploit these channels for brand communications. Constant experimentation will be needed, and for this reason, we suspect that automation will not be as prevalent in social until this trend slows down. Messaging apps and channels will take on new importance as more and more of the world gets online and it is hard to believe that these channels will not become more saturated with ads and brand engagement opportunities than they currently are.

Society, AI, and the Future of Work

AI as replacement or enhancement

The most striking result was the general optimism that AI and automation would reduce the friction of transactions, take over tedious daily tasks, and yet not result in widespread joblessness or underemployment. Some respondents echoed a familiar refrain, saying that AI would create new jobs to replace those it made redundant. "There probably will be a short dip during the paradigm shift that is bound to happen as AI takes over certain tasks. But new jobs will arise and I am positive that wages will be compensated—after all, having enough individual purchasing power is in the best interest of corporations AND governments," said **Peter Petermann**, Chief Strategy Officer for Wavemaker in Germany. Our experts also voiced skepticism that the replacement of human labor with computers or robots would materialize within our 10-year window. "There

is a long, long way to go before truck drivers are eliminated completely. You're not going to have 80 percent self-driving cars on the road in 10 years' time. We will have artificial intelligence doing some things very well: reading contracts faster than an attorney can, or analyzing an MRI better than a radiologist. And yes, there will be more kiosks at fast food restaurants, but I don't believe that will be enough to materially move the dial with respect to widespread consumer purchasing power," explained **Michael Hayes**, previously of Initiative Worldwide. The timing of that "paradigm shift" will also be dependent on geography, as **Federico de Nardis** pointed out, "In Africa, the cost of labor is so low, there are many tasks that a company might automate in other regions, but not here because the cost of investing in automation is higher than the labor costs."

However, there were several respondents who, while cautiously optimistic, were very clear that this is indeed a conversation we should be having today, not just as an industry but as a global community. "We're at a cognitive point in the conversation around how artificial intelligence is affecting work. Meaning that we're not seeing the gains in productivity for knowledge workers necessarily translating into higher wages and fewer working hours. In fact, it's translating into lower wages and longer working hours," said **Devin Cook** of the MIT Initiative on the Digital Economy. **Jane Ostler** agreed that there are fundamental questions about the future of work which need to be answered in the next 10 years: "The automation of processes will accelerate much more quickly than we may imagine today. There are many jobs that could disappear as a result, and we've already seen some countries considering solutions such as a four-day work week. It's quite a radical shift in how economies pay for their labor and support people who don't work full time."

Bot-to-bot

The picture seemed clearer when looking at a narrower slice of service and retail applications. Two-thirds of our experts expected that most brand interactions will take place bot-to-bot, meaning that personal digital assistants like Google, Siri, and Alexa will interface directly with brand chatbots and virtual customer service

agents. "People will still want some choice and serendipity, but anything that saves time and effort, and reduces time on a call with a brand would be welcomed," said **Charlotte McEleny**, Publisher, APAC of The Drum. **Aaron Shapiro**, founder and former CEO of Huge agreed: "As bots become more useful, they will take over more and more of the menial tasks now done by consumers, which will include more and more purchasing decisions."

Skeptics wondered whether technology would be able to master the complexity of human reasoning and decision-making for anything beyond the most tedious and low-risk tasks. **Cliff Kuang** noted, "It's not clear that bots are capable of understanding enough about the user to represent preferences in a more robust way than simple transactions." And even if the technology hurdles are cleared, there remains the question of whether people will accept and adopt widespread use of personal digital assistants. "It requires letting go and trusting in the technology and the system," said **Andrew Stephen**, L'Oréal Professor of Marketing at Oxford Saïd Business School. But he also noted that people have surmounted this barrier recently with respect to smart home devices: "Probably three, four years ago, people would have said, 'Yeah, no way am I going to talk to the speaker in my living room and rely on it to do stuff for me.' But they do."
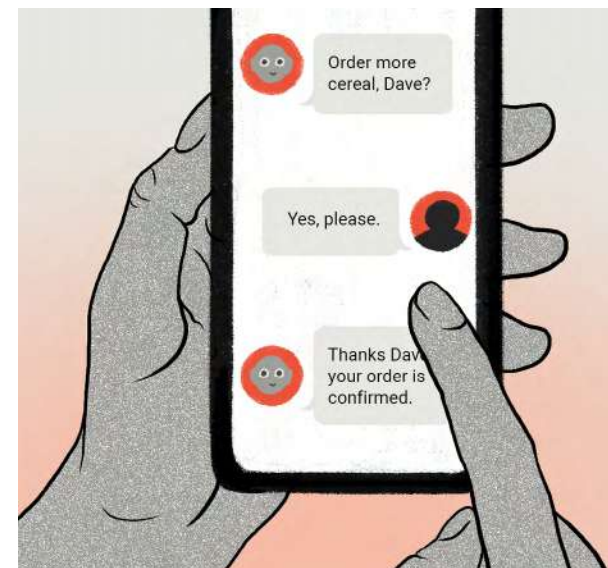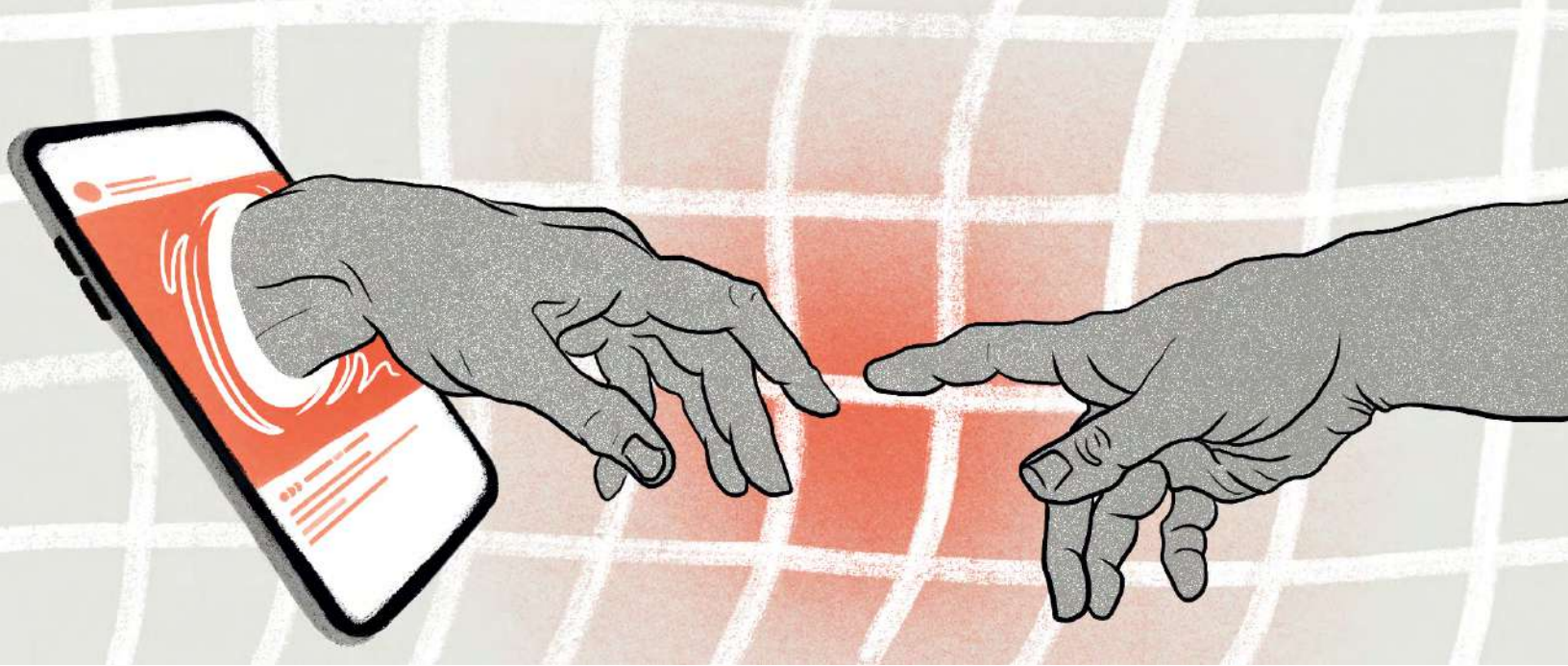
with other people as well as physical health and fitness so this change in interactions must be managed with care," added **Gai Le Roy**, CEO at IAB Australia. It will be interesting to note the impact of the travel curbs imposed as a result of the novel coronavirus restrictions on the growth, and impact of, virtual meetings.

One group is already accustomed to interacting virtually—gamers. Many of our panelists suggested that younger generations, well versed in virtual applications, would make this scenario more likely by 2030.
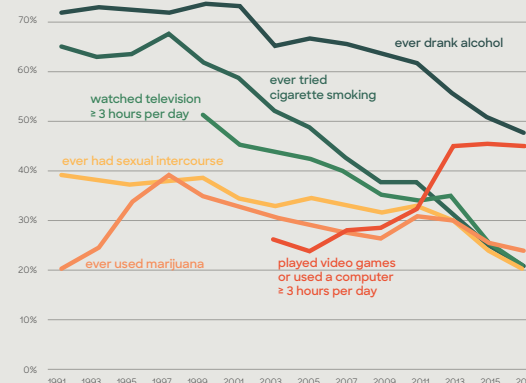
Virtual Existence

With more of their time potentially freed up by AI, and bots taking over tasks both at work and at home, will people retrench into virtual escapism? Definitely not, said **Jane Bloomfield**, Chief Growth Officer for Kantar UK. "I think we will have a post-technological innovation culture where people are looking less for mass technology and more for the physical world and physical experiences. Within the next 10 years we'll see a peak of the virtual world and then people beginning to come out the other side of it. We haven't peaked yet; people aren't quite as overwhelmed and oversaturated yet as they will be." We are also likely to see more blending of the physical and virtual worlds mused **Cliff Kuang**: "It's possible that digital worlds such as Instagram and TikTok demand more time. But it's also possible that digital embeddings into the physical world create new experiences that make the purely digital world less appealing. Imagine, for example, a world of technology geared toward being together in a group—for games, entertainment, in the home—rather than solitary, person-to-phone interactions."

Experts also noted that in many cases, the move to virtual experiences within the work environment was already happening, and has significant potential benefits. "In any given day, if you're reading this report, you likely spend as much if not more time on email, in browsers, in apps, in gaming environments, in all the digital tributaries afforded you than you do

interacting, face to face, or via live calls. How we frame personal and professional interaction changes over time... and the physicality behind these changes lessens, no doubt," said **Douglas Grinspan**, Chief Industry Officer at Condé Nast. "The increase in virtual time will be liberating as well as positive for the environment—less unnecessary travel for work whether that be day-to-day commuting or environmentally unfriendly corporate travel. But as always, human mental health is reliant on strong connections

Youth behavior trends
in the United States (9th grade, 14-15 years old)

ever drank alcohol

watched television ≥ 3 hours per day

ever tried cigarette smoking

ever had sexual intercourse

ever used marijuana

played video games or used a computer ≥ 3 hours per day

70%
60%
50%
40%
30%
20%
10%
0%

1991 1993 1995 1997 1999 2001 2003 2005 2007 2009 2011 2013 2015 2017

https://www.cdc.gov/yrbs

What does this mean for the future of advertising?

Consumers will expect more and more frictionless touchpoints with brands. Enable customer journeys that take the onus off consumers when it comes to remembering to take an action, or initiating communication via phone or email.

Consider how your brand's products, messaging and tone will exist in virtual environments, not just physical ones. But when there are physical touchpoints, craft rich experiences that provide tactile and human connections between brand and customer.

It will be possible to learn, with permission, how a traveler (for example) prefers his or her home environment and replicate those IOT settings, such as temperature and lighting, in the customer's vacation environment.

Be prepared to offer transparency around how your brand is balancing the convenience and cost benefits to consumers against the job losses in communities as automation and bots augment or replace human workers.

Advertising messages for replenishment goods may need to be tailored to rational smart home appliances rather than human purchasers. This could dramatically disrupt marketing for a subset of household goods.
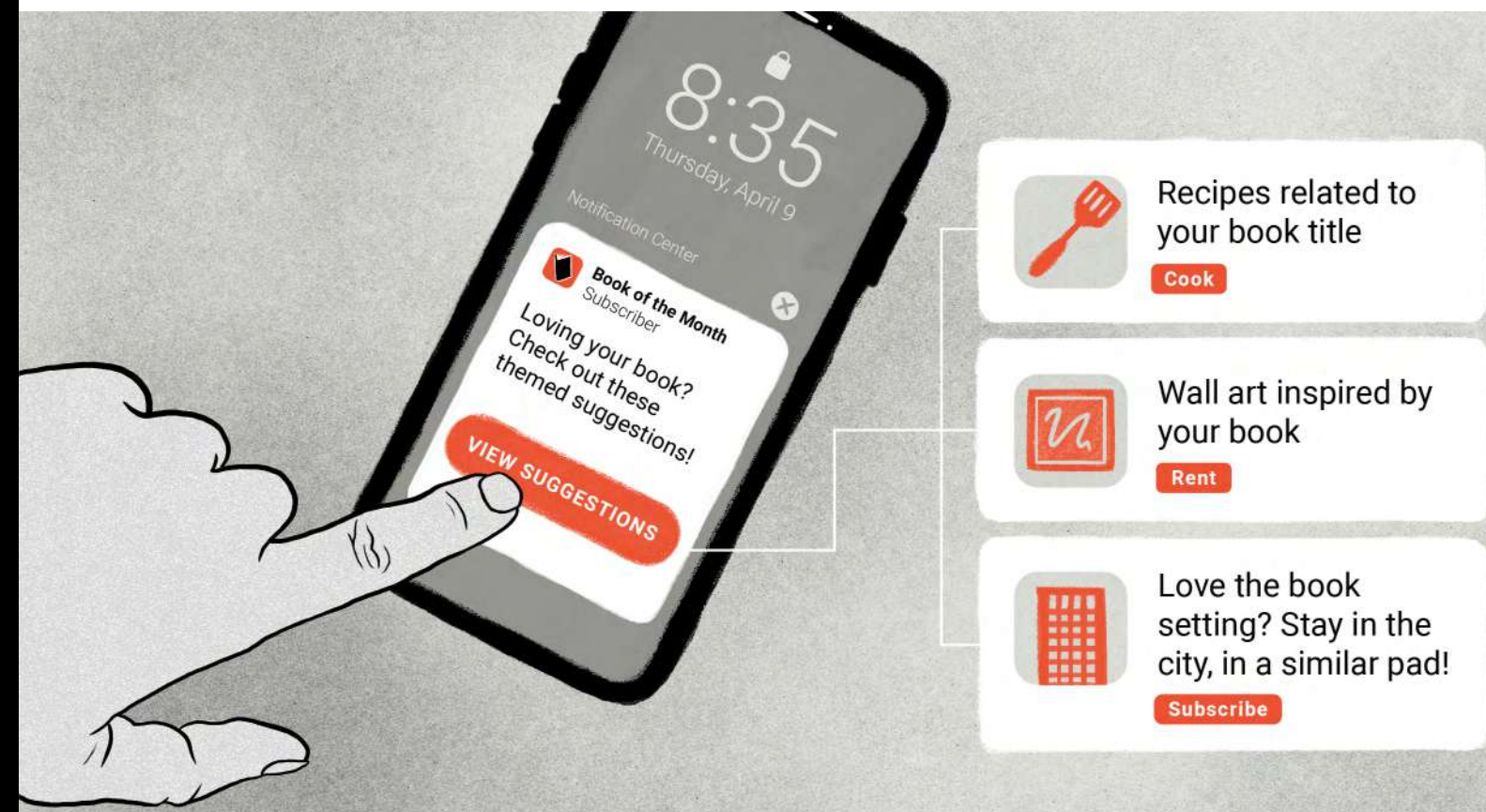
Innovation and disruption will very likely flow from Africa and Asia to more developed nations when it comes to manufacturing and consuming goods and services in smaller units. "In Africa, mobile users are happy to pay for a specific film, sport event, etc., but they often don't have the money for a full subscription," said **Federico de Nardis**. Sometimes a single specific item is all a consumer needs, and it doesn't make sense to purchase more, or for that consumer to travel miles to a retail location that stocks that item in bulk. There have been notable applications for 3D printing in rural areas, points out **Jane Bloomfield**. "Little things like valves for wells to access water. If you're waiting on parts being delivered from somewhere, you could just print it instead!"

3D printers haven't exactly caught on in households, despite years of hype, leading fewer than half of our experts to expect consumers to embrace the technology by 2030. However some were optimistic about the potential future benefits of more local production and consumption as well as personalization at scale. **Miranda Dimopoulos**, Regional CEO of IAB Southeast Asia and India, said she foresees "3D printers being as commonplace in the home as fridges."

Subscription economy

If consumers are purchasing content in one-off "snacks" rather than ongoing subscriptions, and if they can print products on-demand, what does the future of the subscription economy look like? Our respondents were split, with just over half agreeing that most products and services would be bought through subscriptions. Many felt there would be greater "hybridization between physical and digital subscription bundles, where the physical experience is enhanced with digitally purchased subscriptions," as **Janet Balis** explained.

Commerce and Payments

New commercial models

Although we think of 2020 as post-globalization for the most part, the fragmentation of regional and even national or state- and province-level institutions and regulations remains a huge barrier to seamless global commerce. As mentioned in the section on data, our experts don't expect a consistent worldwide approach to privacy legislation. It is more likely that global corporations will tacitly, or overtly, collaborate among themselves to enact standards across payments, identity, or even additive manufacturing.

To enable broad adoption of micropayments, for example, there needs to be an easy way for consumers and publishers to securely transact without the need to exchange personal data. If a user is only interested in reading a single article, they may be willing to pay the author and paper (likely a fraction of a US dollar), but they are certainly not interested in taking the time to enter credit card details. China's WeChat Pay and AliPay have enabled micropayments for some content and creators, but the expansion of this beyond country borders requires fintech solutions beyond what currently exists. So while 60% of experts think publishers will indeed embrace micropayments as an alternative revenue source, "it's far more likely that consolidation of media and subscription services leads to fewer, pricier options," countered **Chris Copeland**.

Moving to a subscription model blurs the line between product and experience and carries certain caveats. "That will inevitably mean keeping the product up to date and adding new things as they become services," said **Christian Juhl**. **Justin Merickel**, of Adobe, which itself has transitioned from boxed software to software subscriptions, believes "it changes the requirements on the brand in terms of knowing that customer and delivering a consistent experience over time."

For more functional, recurring needs such as household goods and groceries that could be managed easily through subscriptions, the future mode of purchase will be forever changed. "Expect the weekly shop to be obsolete in 2030," said **Matt Pollington**.

What does this mean for the future of advertising?

Advertising will continue to be a key economic enabler of content and services, especially in developing nations where users are accustomed to exchanging attention for data.

You may cease to sell physical goods, and instead sell patterns or raw materials that can be turned into goods in the home or at a local "printing" center. You would need to make money from the design and intellectual property of the item rather than the item itself, and you would need to reassure the buyer of its value vs. that of the competition and also vs. open source versions of the same product. The value of the brand will take on new meaning and importance.

What and how you sell is going to change, and your ad campaigns and supporting infrastructure will need to change with it. The art of selling subscriptions, and in retaining customer loyalty in a subscription environment will have to be learned by many more sectors and brands. You will be competing not only in share of voice or consideration but also in share of wallet and the impact of bundling and unbundling of subscription services.

Printed beef, reducing the environmental impact of meat could revolutionize the food supply chain. Even if printers don't become a common household appliance, they will likely become fixtures of restaurants and retailers. Beyond additive manufacturing, customization (e.g. combining ingredients for a personal shampoo, nail polish, or beard wax) will become a premium service of many salons and pharmacies.

Public Policy and Regulation

Climate crisis

Nearly everyone agreed that environmental impact would be of paramount importance by 2030. Many of our respondents focused on behavioral changes expected among consumers in the developed world, those who have high carbon footprints and the means to pay a premium for eco-friendly products. Some of our experts were optimistic while also noting the inequity between consumers in developed vs developing nations.

Chris Copeland said, "While the likelihood should be extremely high, in reality, it will remain low.

This is due to the increasing economic disparity, which does not allow for choice to be based on anything else but price." This was echoed by **Federico de Nardis** who said, "Environmental impact isn't currently an issue being driven by consumers in Sub-Saharan Africa; instead the pressure is coming from a small elite, corporations, and increasingly governments, some of which are considering single-use plastic bans." He was convinced, however, that consumer consciousness and pressure would grow in the coming decade, as it has in other parts of the world.

Generation G(reta)

Many experts mentioned the role younger consumers would have. "The next 10 years belong to GenZ, who will drive culture, consumerism, and companies in that direction. Companies that don't adhere to [current environmental] codes and even stricter ones in the years to come will simply vanish," said **Peter Petermann**. It took ExxonMobil fewer than 10 years to shed $200 billion of its market value, and Tesla just one year to nearly triple its market capitalization.

The growing influence of eco-conscious consumers is already being seen in Kantar's brand data. **Andrew Stephen** explained that "The indices related to purpose, sustainability, and environmental aspects have gone from having no impact on brand value, to having a massive impact" in just the past two years.

Brian Wieser, Global President of Business Intelligence at GroupM added that "The ultimate issue in sustainability for brands is making sure that they are concurrently capital efficient and efficient in providing consumers with the products and experiences they want to pay for. That can mean limited waste—defined rightly or wrongly—in spending on marketing as well as limited waste in producing and distributing products."

Regulatory heterogeneity

The other two scenarios in this section dealt with the likelihood that global governments and regulators would find consensus in approaching data privacy, consumer identity, and digital commercial models. Our experts expected the current landscape to remain largely unchanged over the next decade, with continued regional fragmentation of data legislation and many of the same large tech players remaining intact through 2030. In fact, many panelists felt disruption by new entrants was more likely than government regulation to affect large enterprises.

What does this mean for the future of advertising?

Brand purpose, especially as it relates to sustainability, will need to permeate every aspect of a company, not just its marketing. Consumers will become adept at gauging the authenticity of interactions they have with a brand, perhaps helped along by the implementation of standard metrics like those we see on nutrition labels today which could quantify the "cost" of not only production but advertising as well.

It may become just as important for brands to make clear who they are "not" for. Taking a stand for environmental causes may result in boycotts by some consumers, but fierce loyalty from others.

Conclusion

While the results from the experts we surveyed show they clearly believe advertising will still be a part of our lives in 10 years' time, it's also clear there are issues we must grapple with as an industry to create a sustainable future for advertising and realize the best of these potential futures.

The alternative is an advertising landscape that almost none of our experts felt was likely: one characterized by the heavy use of AI (in place of human workers) and a scarcity of available data. We call this fourth section of the quadrant Pro-Privacy Automatons. And it could be closer than you think. There are several technologies and cultural forces converging to enable this.

- **Edge computing:** This would allow consumer data to stay on their device, rather than being shared with third parties.

- **Data clean rooms:** Depending on market competition and regulation, platforms that hold user data may be less able or willing to make it available for use, let alone export.

- **Loss of cookies:** Not that good marketing always requires the use of granular, programmable data, but expect this to disappear from web browsers nearly completely by 2022.

- **Avoidant younger consumers:** Teenagers are sharing Instagram accounts to obfuscate their identities, and will be more and more educated about how to opt out of data collection.

- **Data regulation:** The standardization of privacy settings will make it easier to manually or automatically opt-out.

There has even been a new crop of startups creating a market for privacy-first services. There are companies that will act as privacy assistants, sweeping up your digital footprint, and companies that use AI to file "do not track" and "do not sell" requests on your behalf, then sue the data processors that don't comply (under California's new CCPA legislation).

We have to find respectful and relevant ways of speaking to consumers that will prove the value exchange for data, and result in better and more personal brand experiences.

Here are four things we as an industry must get right if we want advertising to be sustainable through 2030 and beyond.

1. **A respectful and agile approach to privacy**
   Every company needs a robust data strategy beyond its marketing team. Every business unit and its unique sources of data should be connected in service of both operational efficiency and consumer experience. The strategy and privacy considerations should be designed with future data sets, such as genomic and biometric data in mind, as most of our experts believe it is a question of when, not if, that data will be accessible.

2. **Seamless customer experiences over a lifetime**
   Experience will be exceedingly important across the entire customer journey and users will expect it to be seamless, personal, and effective. As more products and services move to a subscription model, that customer journey will extend further into retention and will mean more brands are focused on long-term metrics such as lifetime customer value. It will be increasingly worthwhile to devote the funds necessary to acquire and retain those customers, even as the cost of doing so ticks up. One way brands can address this is through strategic partnerships and bundling of products and services that take advantage of overlapping consumer groups within two or more brands. The discovery, personalization, and logistics it takes to accomplish all of this will be powered by AI.

3. **Application of AI and machine learning**
   The only way to customize creative and experiences for individual consumers is by utilizing AI. But advertising applications extend far beyond optimization and scaling. The democratization of machine learning, especially through low code environments, will help marketers effectively use proliferating data sets in privacy-safe ways and contexts. Future brand marketing and customer service strategies must also take into account the likelihood that virtual digital assistants will be undertaking more transactions and purchase decisions and will require new methods of discovery and persuasion.

4. **Purpose-driven transparency and stewardship**
   Many brands today already feel the need to make environmental statements. In the future, this will become a necessity for all brands as younger consumers grow up and apply their values to household and B2B purchases alike. And while environmental impact will remain a critical barometer of a brand's ethical standing, so too will measures of societal impact such as the number of jobs replaced by automation and AI. Successful brands will be transparent about the cost/benefit involved in every step of the supply chain from ethical sourcing, to last-mile delivery.

Market-level differences

None of this will happen uniformly across the globe. The rates of growth and innovation are often wildly different from Cali to Kiev and from Kigali to Kyoto. Brands should understand what the cutting edge is within each market and develop business models that will resonate with consumers there, rather than applying a universal plan with a staggered roll out. As we've seen happen with mobile web leapfrogging fixed broadband in parts of Africa and Asia, it may be that genetically customized nutrition arrives in India before Indiana.

List of Panel Experts

Anonymous
Gartner

Archana Aggarwal
VP Media at Airtel

Janet Balis
Partner, Global Advisory Leader for Media & Entertainment and Americas Marketing Practice Leader at EY

Dr. Veronica Barassi
Professor of Media and Communication Studies at the University of St. Gallen

Frieder Bartussek
Marketing and Communication Director GSA at Bandai Namco Entertainment

Jane Bloomfield
Chief Growth Officer UK at Kantar

Devin Cook
The MIT Initiative on the Digital Economy at MIT Sloan School of Management

Chris Copeland
Co-founder and CEO C2Next

Federico de Nardis
CEO Sub Saharan Africa at GroupM

Miranda Dimopoulos
Regional CEO at IAB Southeast Asia and India

Asmita Dubey
Chief Digital Officer, Consumer Products Division at L'Oréal

Konrad Feldman
Co-founder and CEO at Quantcast

Aaron Goldman
CMO at 4C

Douglas Grinspan
Chief Industry Officer, Head of Revenue - Technology, Business and Finance at Condé Nast

Allègre Hadida
University Senior Lecturer in Strategy at Cambridge Judge Business School

Michael Hayes
Founder PalmariWorks, previously Chief of Digital at Initiative Worldwide

Tobias Hefele
Director Programmatic and Platform at Weischer.Cinema

Christian Juhl
Global CEO at GroupM

Stephanie Keeley
US Agency & Platform Solutions at Twitter

Cliff Kuang
Author of *User Friendly* and UX Designer at Google

Jonathan Lee
North American Chief Strategy Officer and Global Chief Data Officer at Grey Group

Gai Le Roy
CEO at IAB Australia

Charlotte McEleny
Publisher APAC at The Drum

Justin Merickel
VP Media Optimizer at Adobe

Rob Middleton
Global Agency Alliances at Sprinklr

Rob Norman
Director at Simpli.fi and Senior Advisor at GroupM

Ciaran O'Kane
CEO at Wirecorp

Jane Ostler
Global Head of Media Effectiveness, Insights Division, Kantar

Peter Petermann
Chief Strategy Officer at Wavemaker Germany

Olaf Peters-Kim
Co-founder at Welect

Matt Pollington
Head of Digital at Sky

Jochen Runde
Professor of Economics and Organization at Cambridge Judge Business School

Robert Sawatzky
Head of Content at Campaign Asia Pacific

Frank Schmidt
International Sales Manager Digital at iq Digital Media Marketing

Aaron Shapiro
CEO at A Stealth Company, former CEO at Huge

Vismay Sharma
Managing Director UK & Ireland at L'Oréal

Jeremy Sigel
VP Site Strategy, Integrated Marketing at CBS Interactive

Dirk Stader
CFO at GroupM Germany

Andrew Stephen
L'Oréal Professor of Marketing and Associate Dean for Research at Oxford Saïd Business School

Neil Stewart
Head of Agency APAC at Facebook

Mahesh Sudhakaran
Chief Digital Officer at IBM Energy, Environment & Utilities

Sue Unerman
Chief Transformation Officer at MediaCom, Author of *The Glass Wall*

Brian Wieser
Global President Business Intelligence at GroupM

Ben Wood
Director Agencies EMEA at Facebook

Advertising Facts

Campaign Size 1

Impressions 2.5m

Engagement 500k

%GDPR Compliance

Existing data audit	76%
Compliant cookies	80%
Data protection	88%
Privacy policy	83%
Privacy shield cert	86%

Instagram	94%	Facebook	73%
Snapchat	64%	Reddit	46%
TikTok	99%	NextDoor	53%

Notes

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