FIVE TRENDS SHAPING THE MARKETING LANDSCAPE

Marketers are waking up to a new reality: The always-on consumer is always-on everywhere.

Not only is she interacting with your brand on your website or on Facebook, she’s also comfortably using her smartphone to size you up against your competitors while she roams the aisles of a brick-and-mortar store. The always-on consumer shares and consumes content across a mosaic of connected devices, locations, and web properties – and she does so increasingly across multiple countries. We call her the connected consumer. She is changing the way brands are built around the world. And she is driving five major marketing trends that form the foundation of Insights 2014.

While these forces are not new, we have called them out as the five key trends for 2014 because they have now converged to make this the year that dealing with all of these elements, both individually and taken together, can no longer be deferred.

As SapientNitro and our clients innovate at the intersection of technology and story, we believe these trends highlight both the breadth and the scale of change facing marketing leadership. New, informed marketing leaders – intimidated and excited – are working their way through it all, as best they can. In this overview, we invite you to explore and challenge our thinking, as we look for a path through this time of tremendous change.
TREND 1:
Always-On: Changing Global Consumer Behavior
The first trend covered in this report is the always-on global customer. Of course, we’ve been talking about the connected customer for years – but what’s key for the next year is that shoppers are embracing shopping-in-increments behavior at scale, and they are doing so globally. This has massive ramifications for how companies build marketing solutions. For example, our research on retailers found just 12 of 72 retailers connect an essential aspect of the shopping experience – shopping lists – between mobile and web channels, and just one completes the loop by offering access in-store. These types of connected experiences are essential to reach the shopping-in-increments customer.

In this section, our first article provides our perspective on this customer who shops in increments, expects their marketing to be conducted in real time, and who lives in developing and emerging countries – but behaves much like consumers in more established nations.

Later in this section, “Mobile Velocity: A Model For Selecting Global Markets,” notes the importance of mobile tools in developing and emerging markets and their role in evaluating market attractiveness.

In “The Future of B2B,” we explore how smart, fast-moving B2B firms are finally embracing the always-on world, for their employees, business partners and end customers.

Finally, in “Gen Z: Rules to Reach The Multinational Consumer,” we explore the upcoming generation and note that they are incredibly tech savvy and mix-and-match tools and attitudes from the global culture in which they were raised.

TREND 2:
New Storytelling Tools
The second major trend we cover in the report is the rise of new storytelling tools. As consumers shift, skip and block ads; unplug from television; and fragment their attention across multiple devices, channels and times; brands are developing groundbreaking communication methods to respond.

Core to these new communication methods is the idea of a Storyscaping approach. This approach is an evolution from creating ads to creating multi-dimensional worlds where consumers interact with brands through immersive experiences (and they still often include ads). Within these worlds, each connection inspires engagement with another, and each experience reinforces the brand’s story. These connections end with a comma, rather than a period.

To explore the ramifications, we’ve selected several articles in this section. The first, “Brand Messaging in Real Time,” highlights the changing nature of brand messaging, and how leading companies are using real-time storytelling to deliver persistent, compelling and contagious brand-linked experiences.

We also realize that we’re not the first agency or brand to struggle with creating new storytelling methods. To understand today’s leading, experience-led brands, “Evaluating Real-World Experience” presents proprietary research on leading companies and highlights the good and the bad associated with the customer experience, and introduces the idea of co-creation.

Many of these storytelling tools place a high value on the power of the experience. The article “The Bottom Line On Experience” explores what can be learned when you actually measure experience and understand its potential financial and non-financial rewards.

Finally, “Building Social Businesses and Brands” notes how systematic application of social tools at every level of the enterprise has evolved and grown to be an essential element of businesses in a two-way, co-created environment.
TREND 3: Connecting the Physical and Digital Worlds
The third major trend is the growth of connections between the digital and physical environments. We’re seeing a tremendous rise of connected technology in the physical world around us. From wearable computing, gesture and voice technology, the Internet of Things, the rise of NFC scanners, and self-driving cars, we’re still on an upward trajectory of connectivity.

Given our focus at the intersection of brand storytelling and technology, we’ve selected four articles which highlight the application of connectivity.

The first article “In-store Digital Retail Study: Exploring the Reality of the Digitally-Enabled Store,” is proprietary research to understand to what extent are retailers connecting their physical environments. We audited 72 stores across North America and Canada, surveyed 1,500 consumers, and collected over 500 points of data.

The second piece, “The Future of the Store,” contains some of the most far-reaching reflections in the entire report. We explore how the rise of wearable and connected devices will change the way we interact in the physical world. We delve into the ways in which prolific content and media – that are often taken for granted when we are online – will be combined with the physical world of shelves, walls and space.

Thirdly, “Retailers as Media Platforms” examines opportunities created by in-store digital screens – specifically advertising networks. In-store digital marketing for retailers, in particular, is a significant opportunity.

The final article, “Second Story,” is a Q&A with the leaders of SapientNitro’s innovation lab that specializes in emerging technology in physical environments, from museums to retail. The authors share their approach, and highlight its newest experiences including walls which become “information radiators,” and motion-sensitive interactive placements. They reflect on how architects have been leading technologists in creating innovative, real-world experiences with technology.

TREND 4: Enabling Experience through Technology and Data
Technological prowess is changing the type of stories that can be told by brands and how we can actually tell them in meaningful ways. With tablets outpacing PC shipments for the first time in Q4 2013 brands are embracing new technology to tell their stories in new ways. This section explores how to maximize the value of technology and data.

Our first article, “Enabling Connected, Always-On Environments,” identifies five technologies enabling the creation of entirely new experiences for brands. It explores the underlying technologies that leading brands use to deliver great experiences – from mobility to HTML5/CSS3. It also reveals how leading brands are working with big data and analytics to make sense of the digital exhaust of modern life. Finally, it reveals a perspective on how new sensors (e.g. RFID, digital video) in the physical store are enabling connected environments.

In “Delivering Big Data’s Potential: A Marketer’s Primer,” the author explores the promise of big data – and also attempts to address one of the key failings of the modern big data team: communication and lack of a common language between the marketer and analytics team.

Finally, great experiences are not valuable if none of your customers can find them. “Placing Experiences Within Reach: QR, NFC and the Future of Contextual Activation” explores some of the latest technologies available to trigger digital experiences in the physical environment. We believe marketers must make use of the latest technologies to deliver instantaneous and engaging digital experiences.

3 “Information radiators” are digital displays which continuously stream information. See the article “Second Story: A Q&A on Innovation and Ideas for the Future” for more details.
4 IDC 2013.
TREND 5: An Expanding Role of Marketing Leadership

Even though the average lifespan of an S&P 500 company has dropped from 60 to 15 years, many marketing executives struggle to adapt and make the case for change to help their companies survive and thrive.

Many businesses – perhaps most – will need to be reinvented to operate in the always-on, real-time world. We’re seeing traditional functional silos – the brand team, the e-commerce team, the store team, the merchandiser, the IT team, the marketers – tend to hold progress hostage and fog the way forward for most senior marketers.

In this report, we developed several articles to help guide marketers along a narrow path. In “Disruptor or Disrupted,” we emphasize the power of narrative in helping companies power innovation and permanent disruption. In “Organizational Transformation,” we compare the difference between Pirates and Gardeners – and the need for both. And “The Innovative CMO” talks about a portfolio approach to marketing investment, which hedges risk by investing across multiple areas.

And finally, in “Leadership Lessons from Omnichannel Pioneers,” we highlight some management lessons learned by successful omnichannel pop culture icons over the last decade.

Summary

We believe leading marketers are operating at the intersection of technology and story.

At that spot, the collective impact of these five trends can seem overwhelming, but we believe it also unlocks new opportunities if managed in the right way.

In the articles which follow, we hope to offer a compass for progress, success and, ultimately, some small degree of insight.