Trending Topics in Advertising

Toccara Baker • Product Marketing Manager
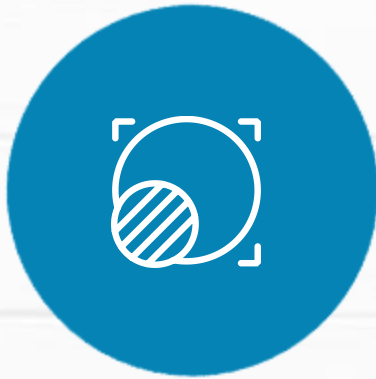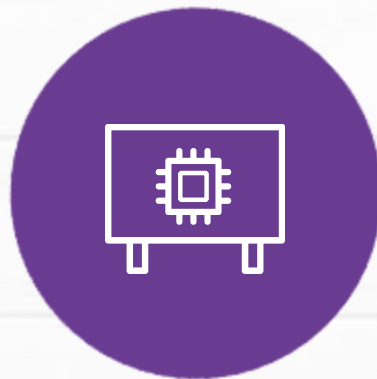
Adobe Advertising Cloud

Trending Topics
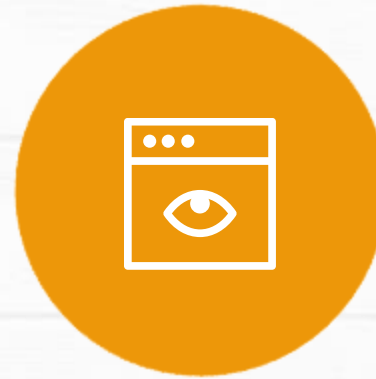
Omni-Channel Transformation

Personalization At Scale

AI In Advertising

The Privacy Paradox
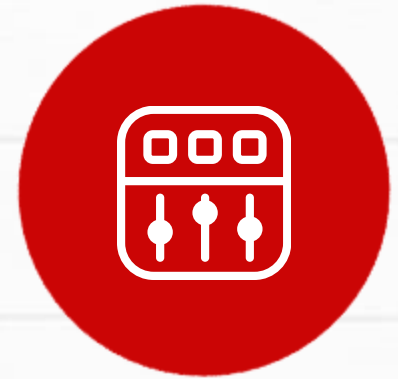
Control

Omni-Channel Transformation

It Has Always Been Important to Reach Consumers Where and How They Spend Their Time

% of Time Spent in Media vs. % of Advertising Spending (2017)

- **Time Spent**
- **Ad Spend**

	Print	Radio	TV	Desktop	Mobile
Time Spent	4%	13%	36%	18%	29%
Ad Spend	9%	9%	36%	20%	26%

~$7B Opportunity
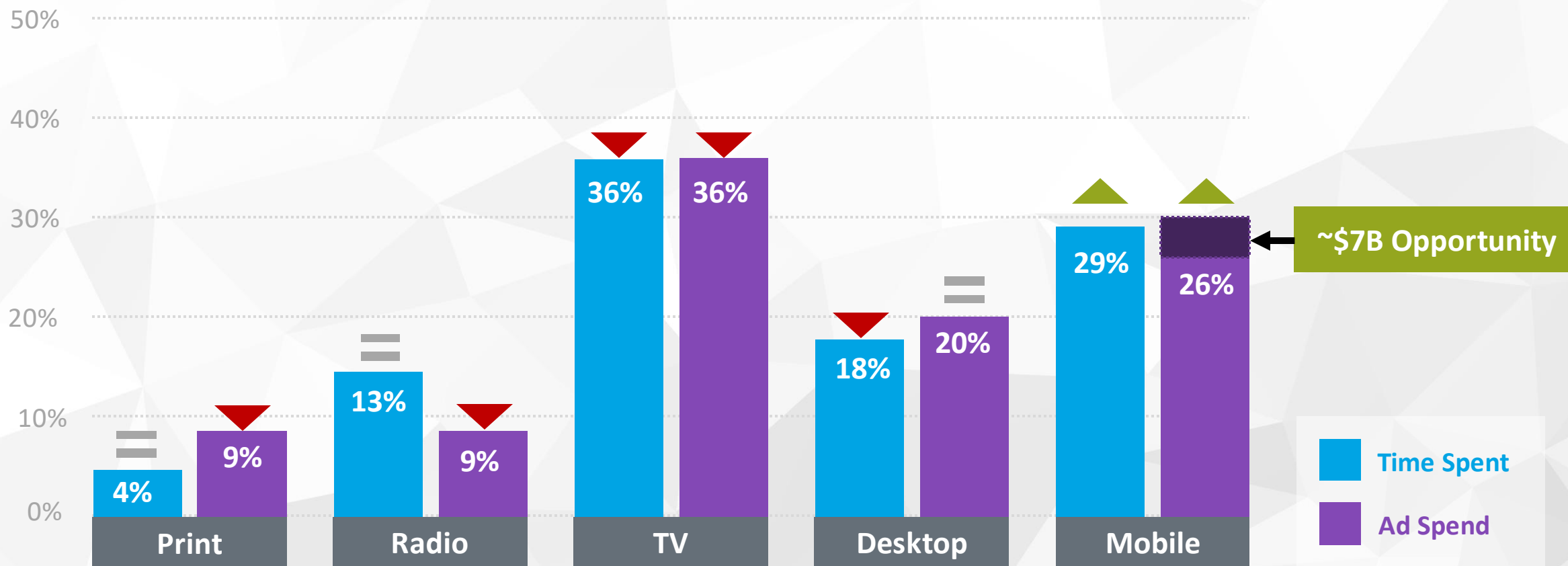
What Does Omni-Channel Really Mean?

Integrated Experience

VS

Channel Investment

Omni-Channel

Multi-Channel

Fragmentation Doesn't Make This Easy

So What Are The Omni-Channel Trends?
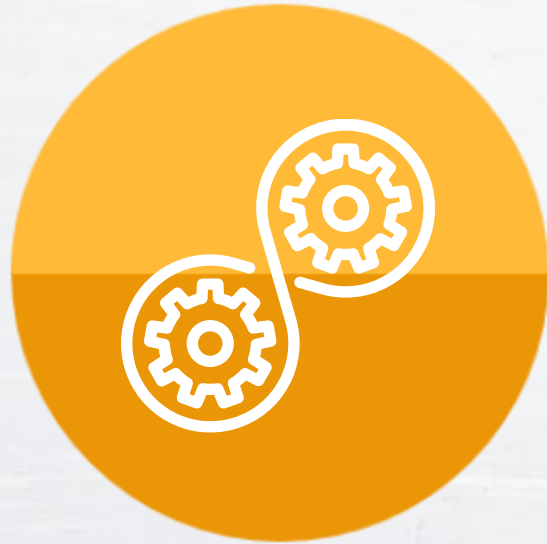
Transformation
of legacy systems

Transformation of
consumption habits

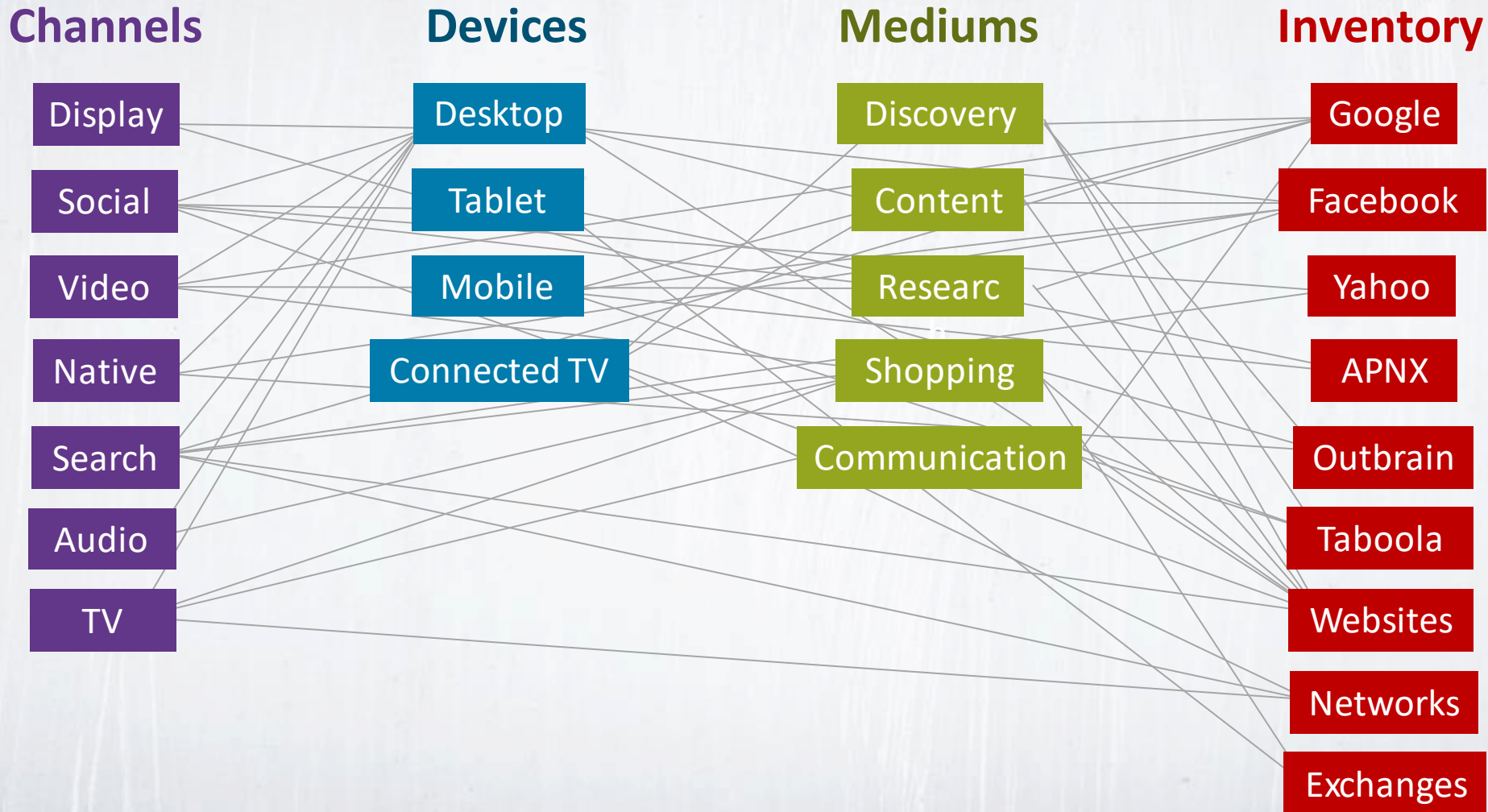The systems of legacy channels are finally moving into the digital age

12mn

6am

8am

10am

12nn

3pm

6pm

10pm

Home

Commute

Work

Retail

Work

Commute

Social

Bed

TV

OOH Ads

Audio
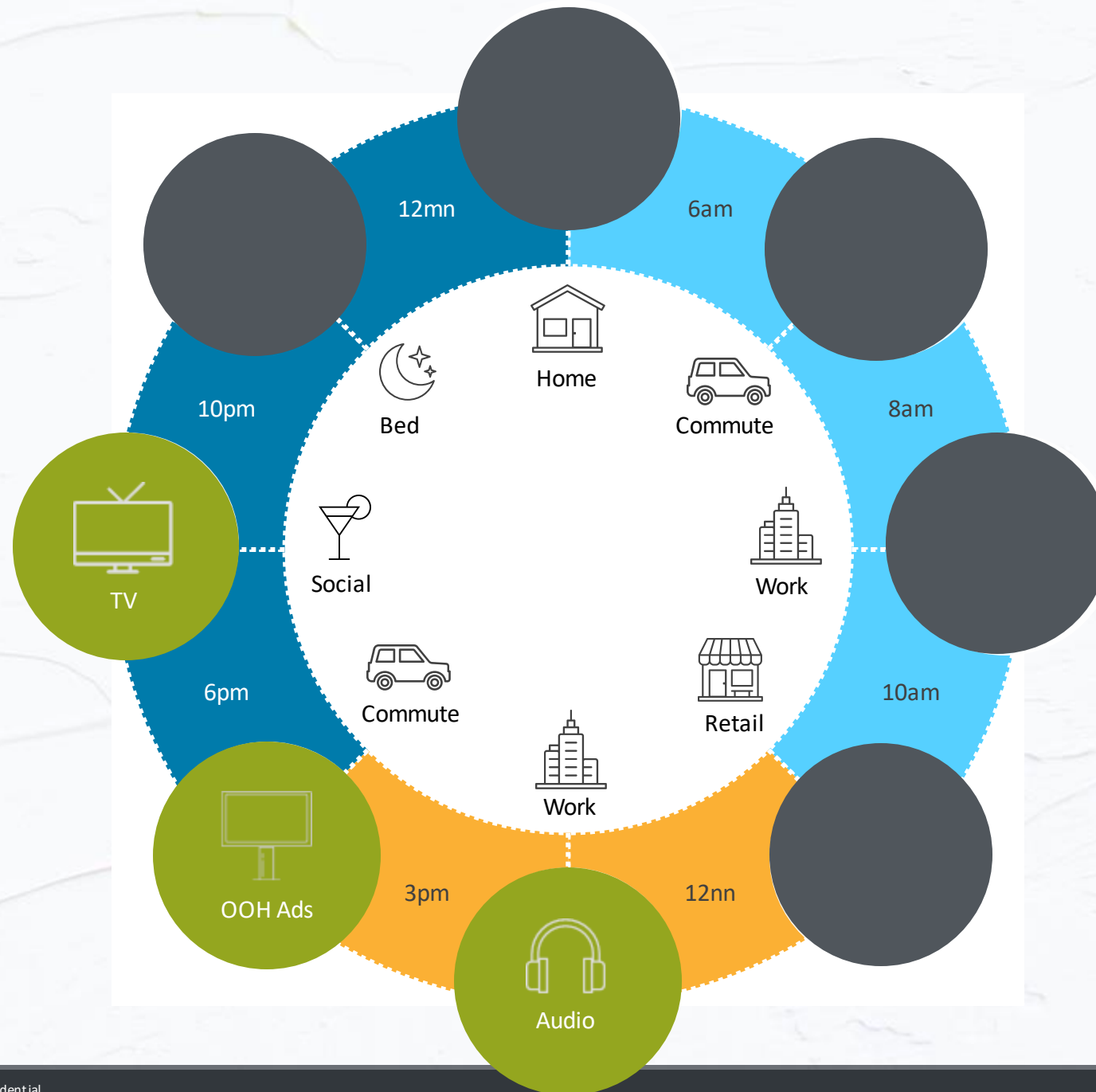
What's Held These Channels Back?

long cycles slow measurement

INCONSISTENCIES

NO ability to optimize real-time capabilities

PHONES, FAXES
&
EXCEL SHEETS

reliance on specialists   **fear** of the inventory being de-valued

Adobe

Technology Is Creating Change

TV

Radio

Out of Home

Consumption Habits
are transforming
inventory

WHAT'S NEXT?

7th Gen Game Console

Time-shifted Viewing

Satellite Radio

HD DVD Blu-Ray

DVR

Smart TV

Tablet

Streaming Radio

8th Gen Game Console

| 1975 | 1980 | 1985 | 1990 | 1995 | 2000 | 2005 | 2010 | 2018 | 2020 |

VOD

DBS Satellite

HDTV

TV Skinny Bundles

Cable

Broadband

Smartphone

chromecast

VCR
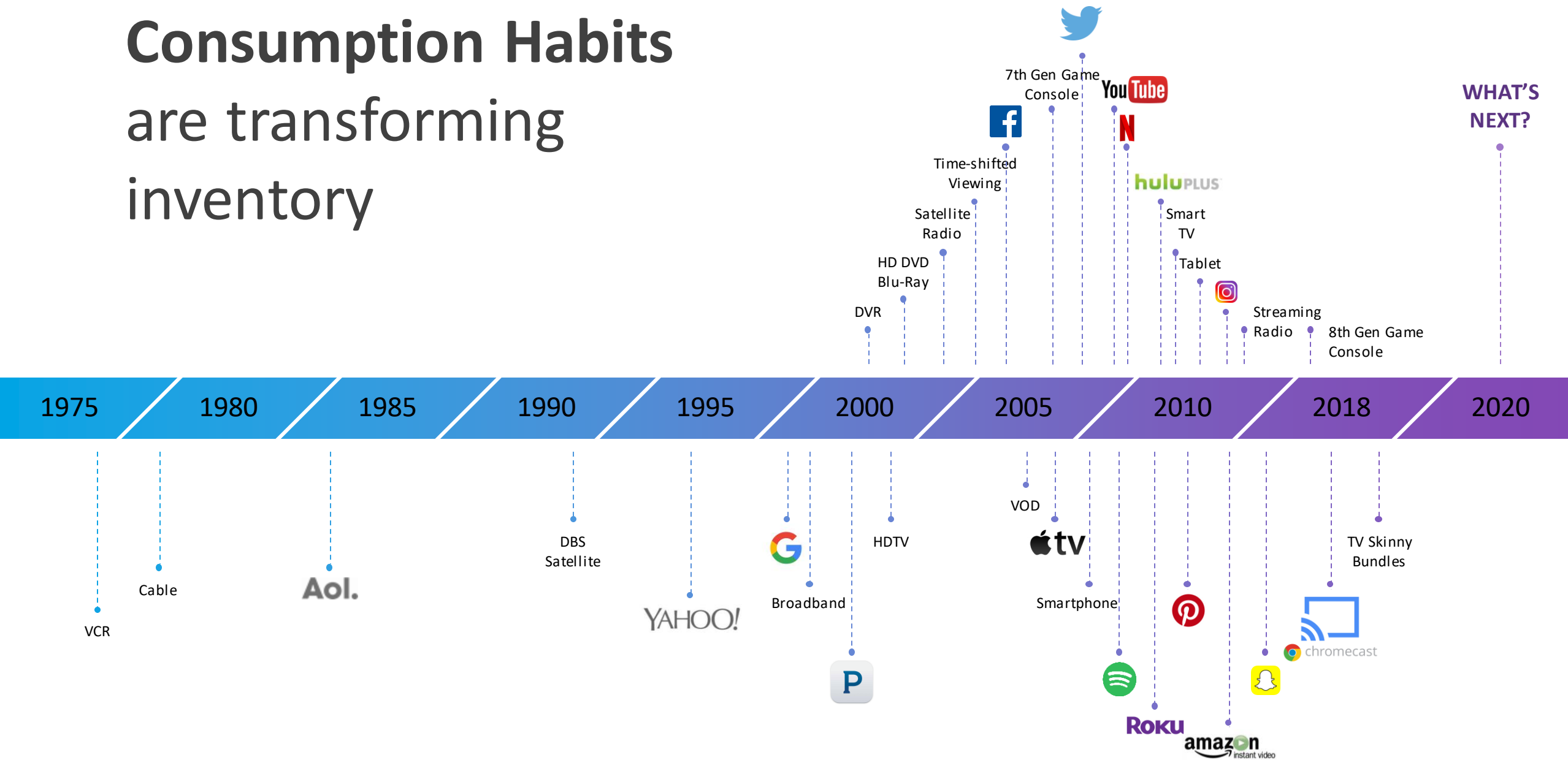
"**If you haven't optimized your website for voice search, you're already behind.**"

\- Neil Patel

The Rise of Voice Search

More than 70 million US households (~55%) will have at least one smart speaker by 2022

35.6 Million Americans used a voice-activated assistant device at least once a month in 2017—a year-over-year increase of 128.9 percent.

22% of U.S. Smart Speaker Owners have purchased something using their devices

About 30% of Searches will be done without a screen by 2020

How People Use Voice Search

Check weather/new: Daily 35%, Monthly 50%
Play music: Daily 33%, Monthly 49%
Search for something that I'd normally type into a search engine: Daily 32%, Monthly 57%
Send a text or email: Daily 31%, Monthly 43%
Ask a quick question: Daily 29%, Monthly 59%
Set a timer or reminder: Daily 23%, Monthly 58%
Check traffic/navigation: Daily 19%, Monthly 54%
Control other smart devices: Daily 16%, Monthly 28%
Add items to shopping list: Daily 13%, Monthly 45%
Buy/order something: Daily 10%, Monthly 40%

Legend: ■ Daily ■ Monthly

When People Use Voice Search The Most?
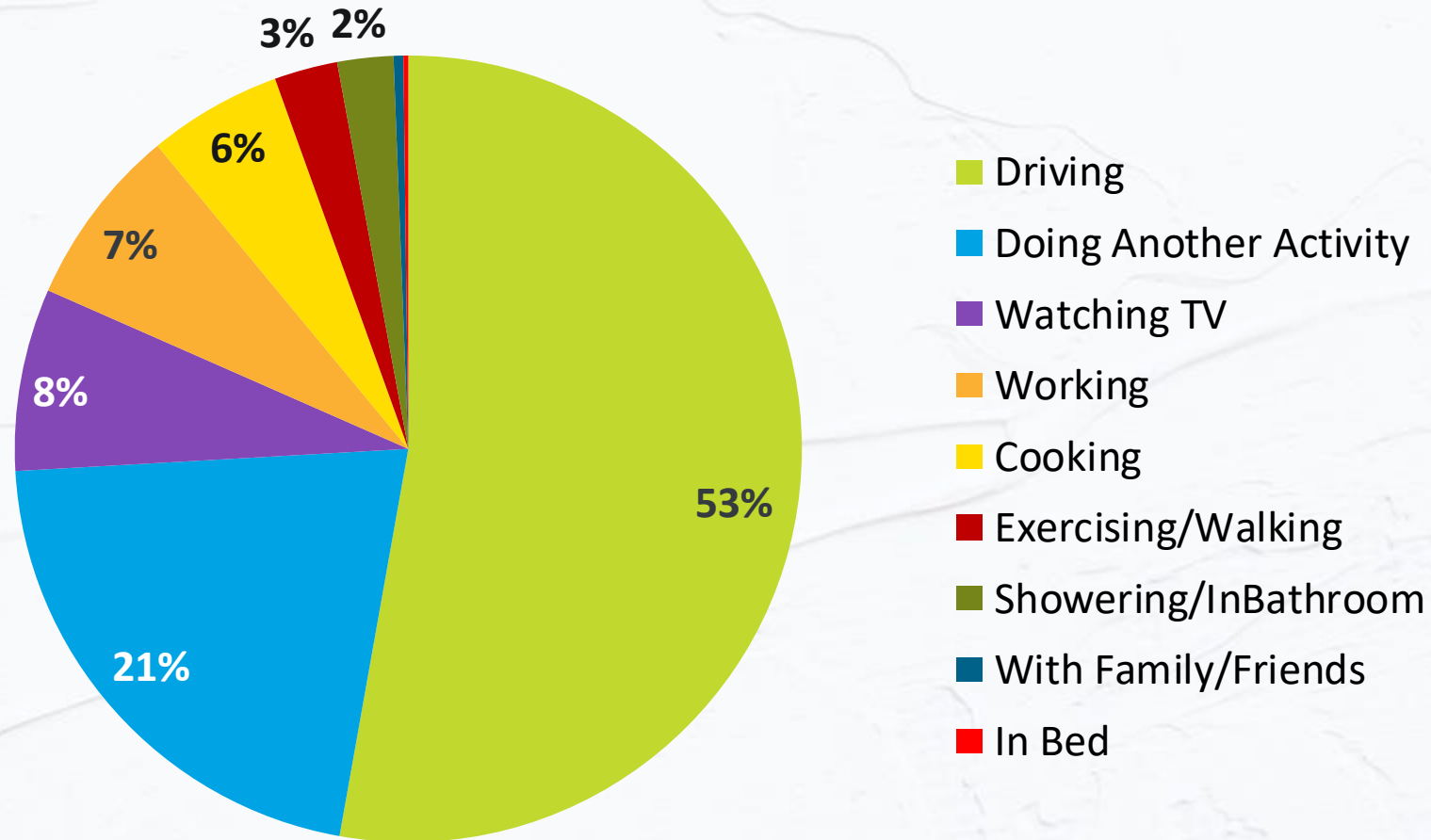
Legend:
- Driving — 53%
- Doing Another Activity — 21%
- Watching TV — 8%
- Working — 7%
- Cooking — 6%
- Exercising/Walking — 3%
- Showering/InBathroom — 2%
- With Family/Friends
- In Bed

Patrón Tequila

offers both an Alexa skill and a Google action that provide cocktail and food recipes, serving suggestions, tips and trivia.
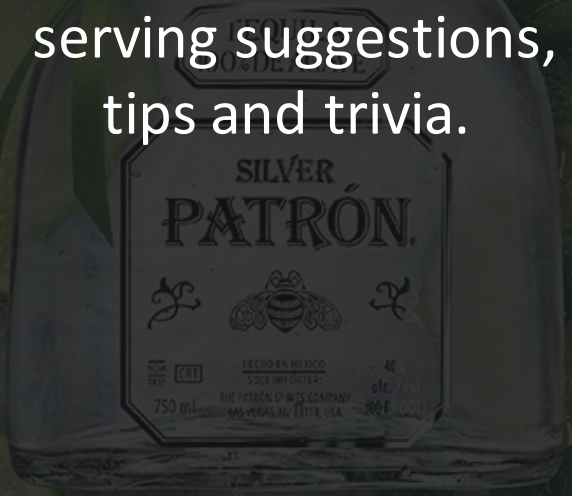
Procter & Gamble's Tide brand

developed an Alexa skill that gives step-by-step voice instructions for removing more than 200 different kinds of stains.
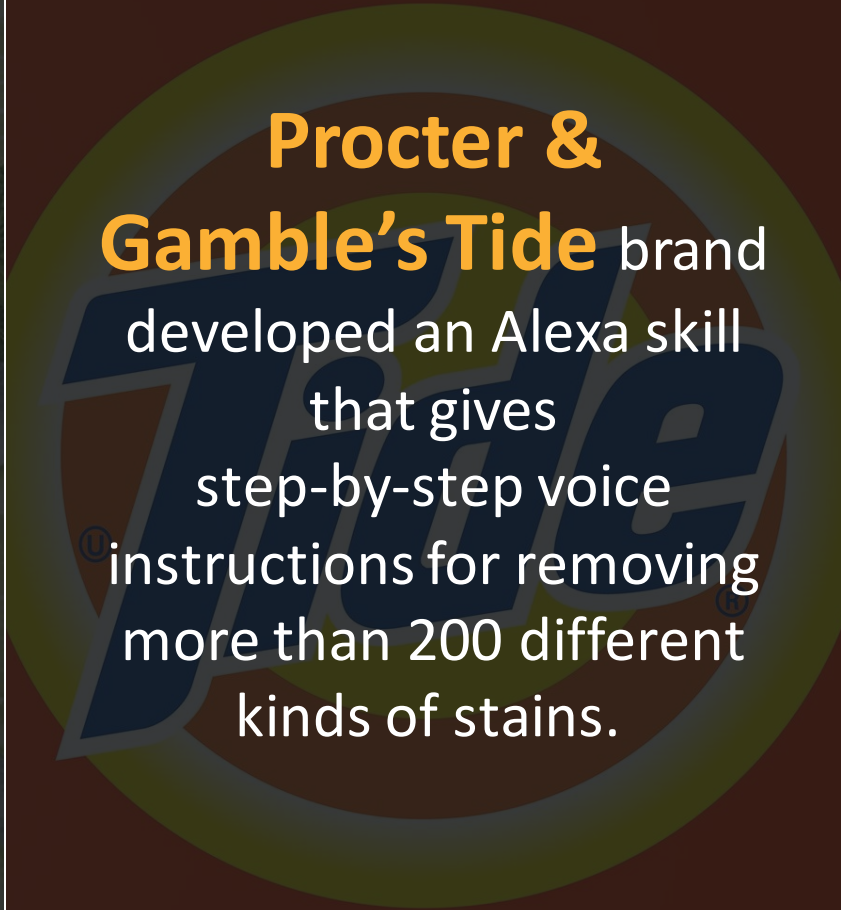
Philips Hue

Alexa skill and Google action enables users to control compatible Philips Hue lights within their smart home, including setting various colors and scenes.
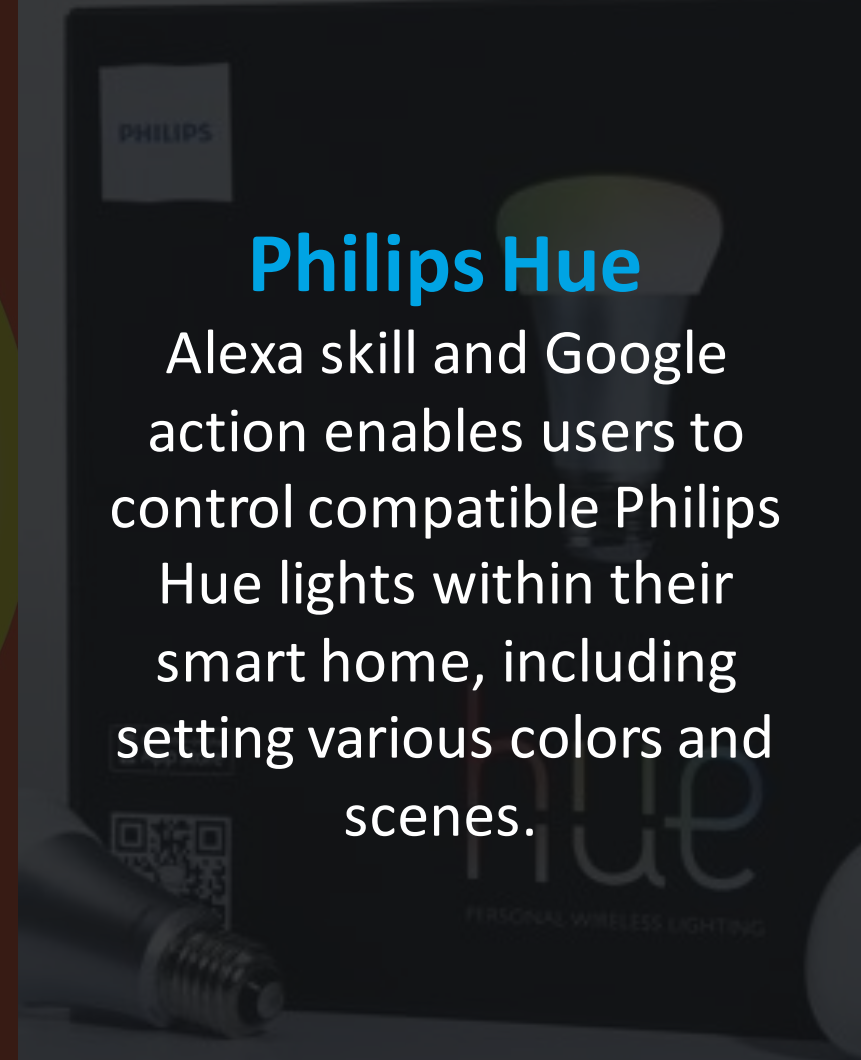
Omni-Channel Transformation Requires A Shift in Planning

Experience Planning

Focus on the buyer journey

Make it an iterative process

Sequence creative

Validate channels against experience driven KPIs

Remove silos within your organization and across your partners

Personalization
At Scale

Achieving This Isn't Easy

Leading Barriers to Achieving Their Company's Personalization Goals According to UK and US Marketers, April 2017

% of respondents

Barrier	%
Lack of resources (e.g., time, people, money)	42%
Challenges around data (don't collect enough, structure usage)	23%
Strategy/internal knowledge of how to accomplish	17%
Technology challenges—don't have right tech/difficulty using tech	14%
Lack of buy-in from the organization/exec team	10%
Challenges with cross-team/internal cooperation/silos	10%
Other	27%
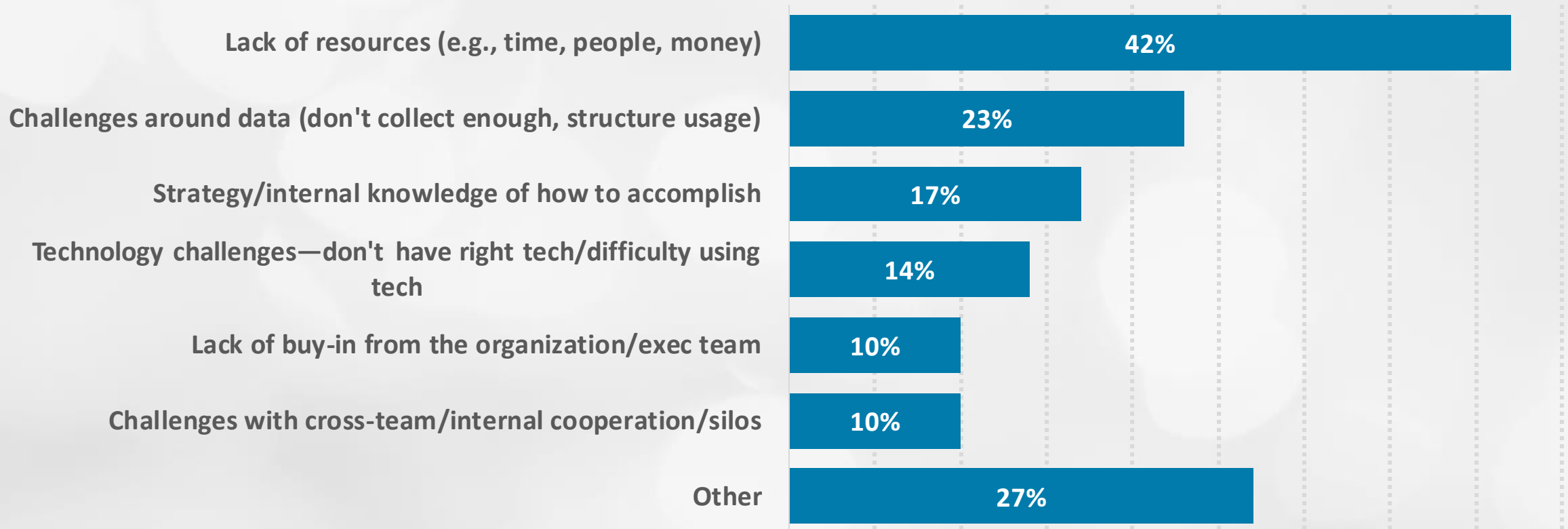
Source: Sailthru, "Decoding Personalization," Oct 16, 2017

91% of senior decision makers acknowledge that their company needs to improve upon personalization

Effective Personalization Requires

Content

Data

Real-Time Delivery

Evolution of Commerce Drivers

1890s – 1940s	1940s – 1990s	1990s – 2010s	2010s – …
Demographic	**Brand**	**Utility**	**Data**
Catalogs	Department Stores/Malls	E-Commerce – Transactional	E-Commerce – Personalized
Limited product selection + shopping moments	Rising product selection + shopping moments	Massive product selection + 24x7 shopping moments	Curated product discovery + 24x7 recommendations

Turning Consumers into Customers
Creating Lifelong Repeat Customers
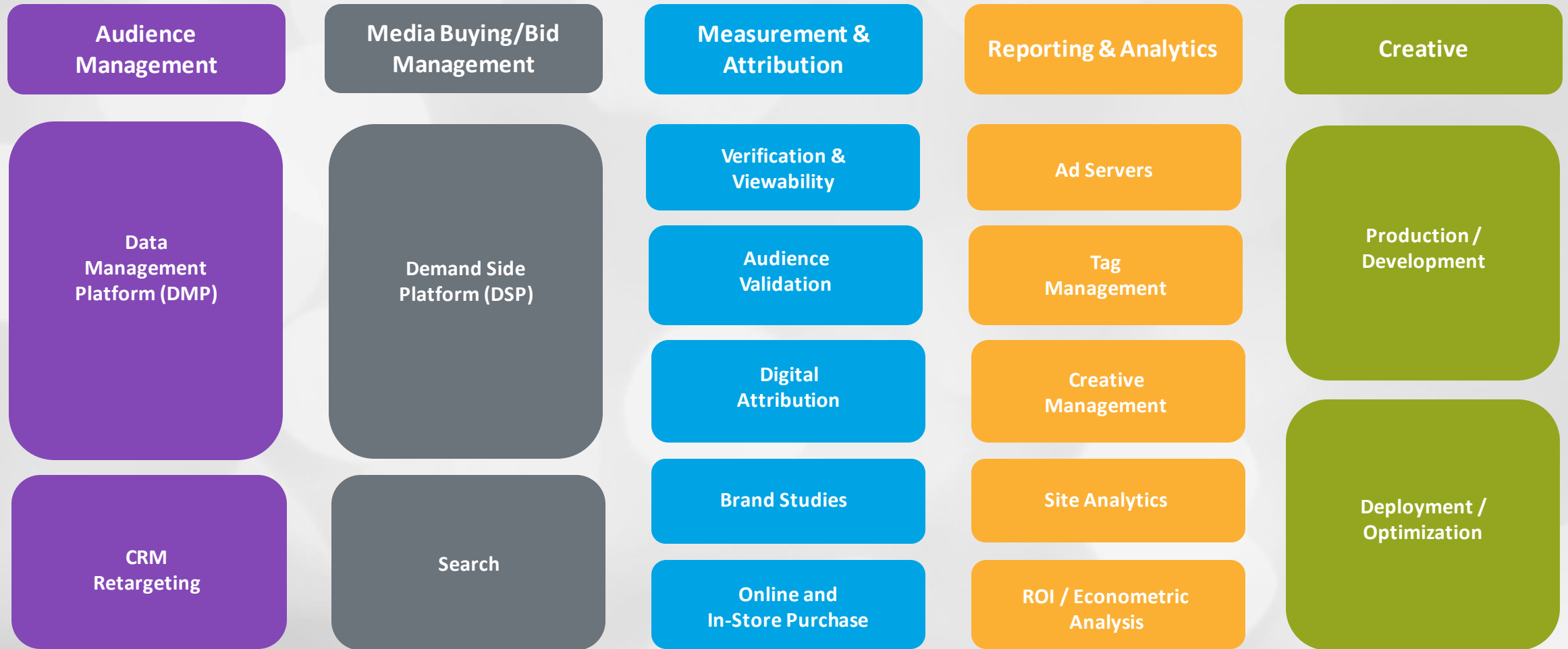
Converging All Data With Your Tech Stack

Converging All Data With Your Tech Stack

CONSUMER DATA & IDENTITY

| Web | Mobile | App |

CONSUMER EXPERIENCES

| Attract | Convert | Retain |

Data

Adobe Analytics

Adobe Analytics

Data & Segments

Data

Traits & Segments

Adobe Advertising Cloud

Adobe Target

Adobe Campaign

Segments

Adobe Audience Manager

Adobe Experience Manager (Assets + Sites)

Data, Traits & Segments

Traits

Internal 1st Party Data

2nd & 3rd Party Data

Assets

Adobe Creative Cloud & Document Cloud
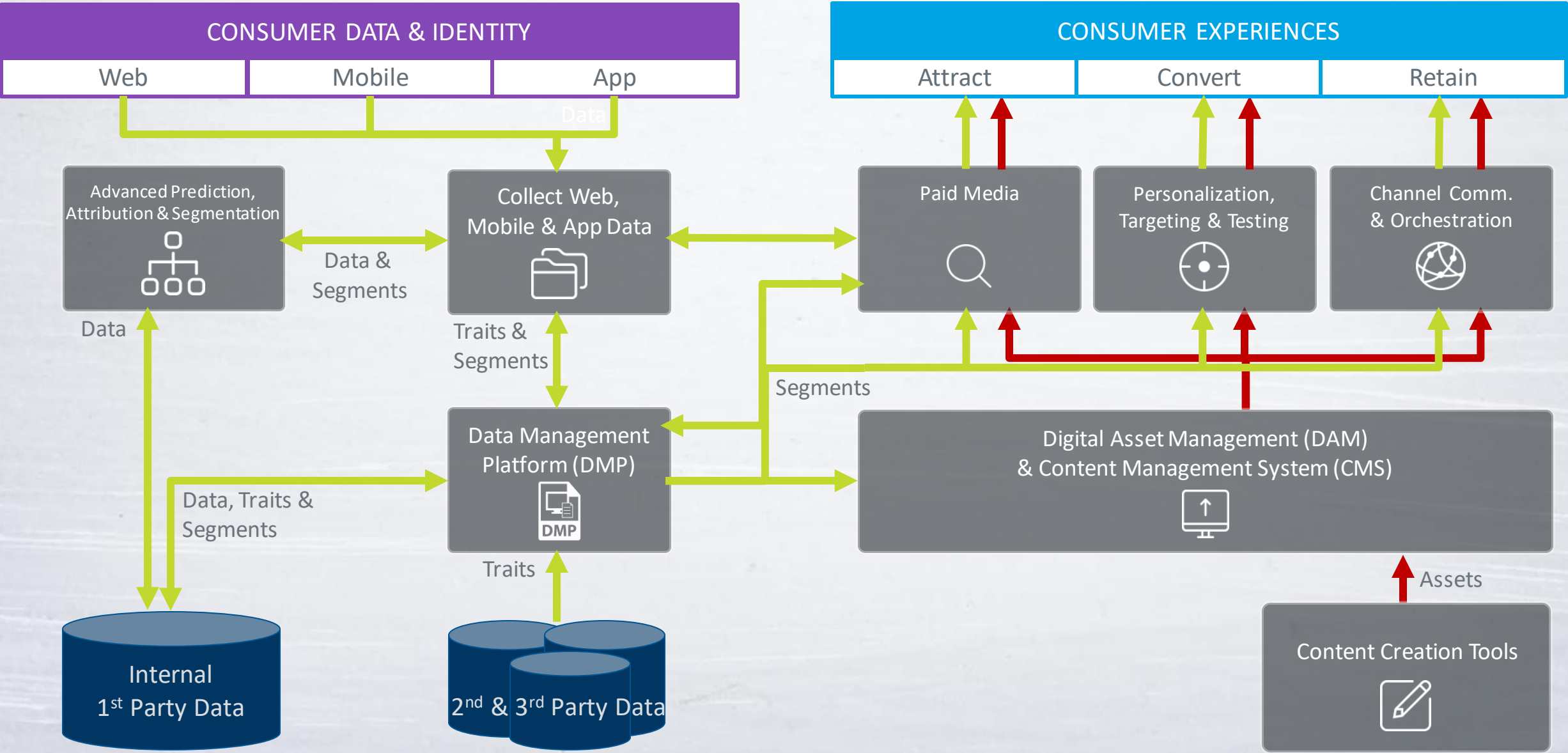
Unified Tech Provides
A Single Foundation for Data Activation and Journey Management

Advertising
Investment

Marketing
Investment

CRM
Investment

Join your data, and make smart decisions with it

AI
In Advertising

The **Ultimate** Goal of a **Brand Marketer**

to drive sales through positive brand experiences – but with massive amounts of content and millions of places to show it, it's important to quickly determine the optimal place, for each piece of content, for the right audience

Adobe

> " By 2020 AI technologies will be virtually pervasive in almost every new software product and service. "
>
> —Gartner, June 2017

" The influence of Sensei AI was prominent in nearly all product announcements at MAX, suggesting that Adobe feels its AI capabilities serve as a key differentiator."

CNBC October 19, 2017

Google's new AI investment arm leads $10.5M round in Algorithmia machine-learning marketplace

BY TOM KRAZIT on June 23, 2017 at 5:00 am

INSIDE SALESFORCE'S QUEST TO BRING ARTIFICIAL INTELLIGENCE TO EVERYONE

WIRED August 2, 2017

Killer robots? Musk and Zuckerberg escalate row over dangers of AI

theguardian July 25, 2017

MIT Technology Review — Nividia CEO: Software is Eating the World, but AI is Going to Eat Software

May 12, 2017

Microsoft Debuts AI Unit to Take on Tricky Questions

FORTUNE July 12, 2017

Alphabet Shows AI Is Increasingly Important in Latest Earnings

July 27, 2017

Facebook AI Creates Its Own Language In Creepy Preview Of Our Potential Future

Forbes July 31, 2017

Adobe CEO Hints at Artificial Intelligence on Photoshop

FORTUNE June 10, 2017

'Alexa, Where Have You Been All My Life?'

The New York Times July 11, 2017

In what areas is your organization using or prioritizing **artificial intelligence**?

67% Marketing/sales
53% Customer service
42% Product expansion
30% Optimizing lending decision-making
23% Smart wallet function
16% Fraud detection
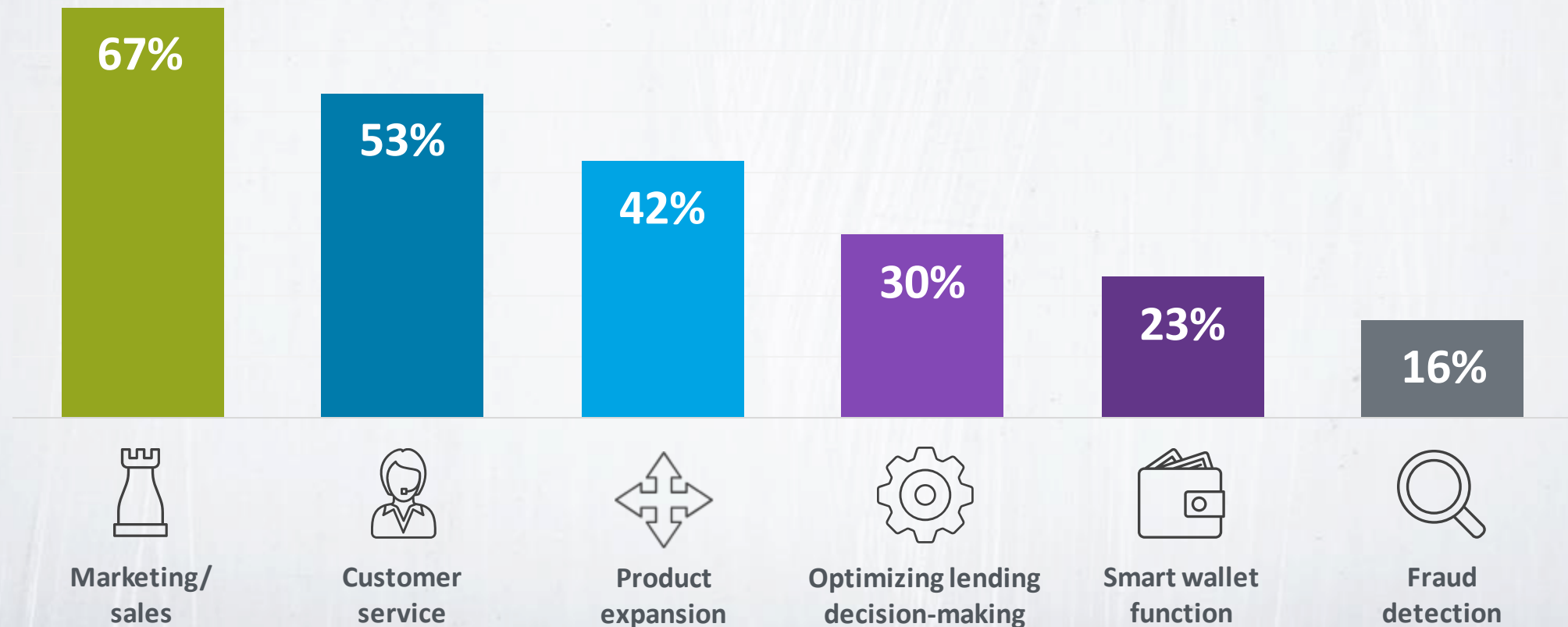
AI, The Rise of **Machines**

Artificial Intelligence (AI) is…

" …the development of computer systems able to perform tasks that normally require human intelligence, such as decision-making… "

Machine Learning is…

" a type of artificial intelligence (AI) that provides computers with the ability to learn without being explicitly programmed…computer programs that can change when exposed to new data. "

What is **AI** in Paid Advertising?
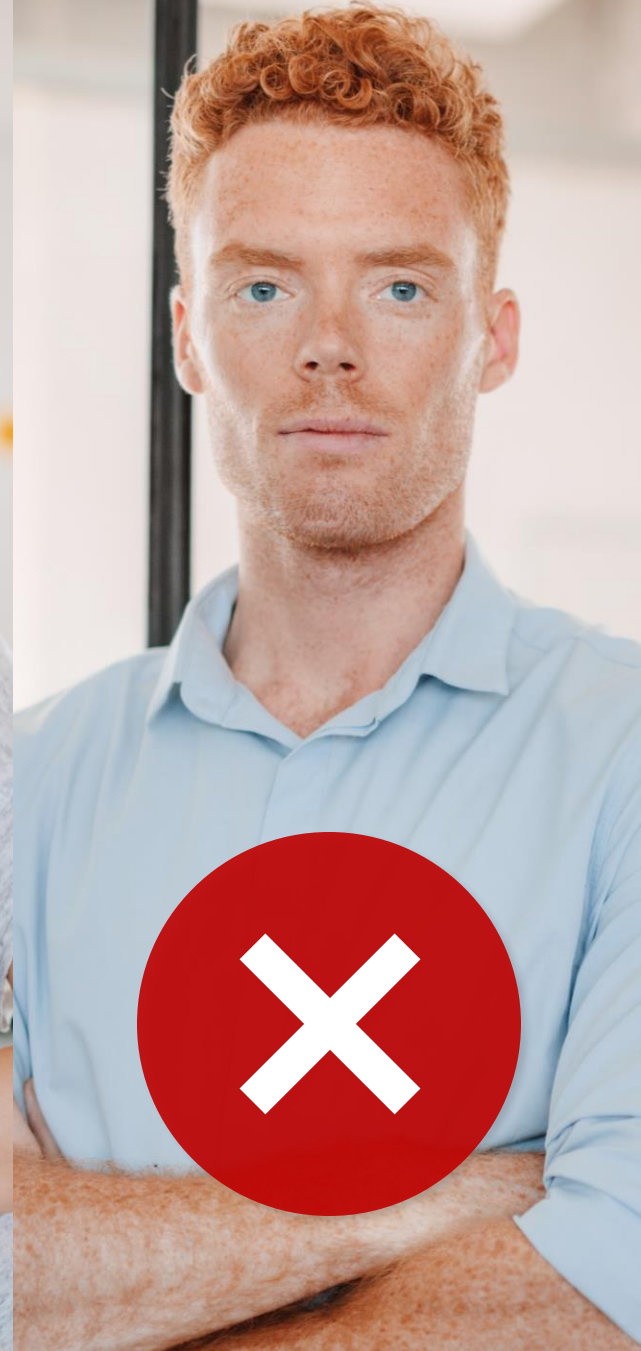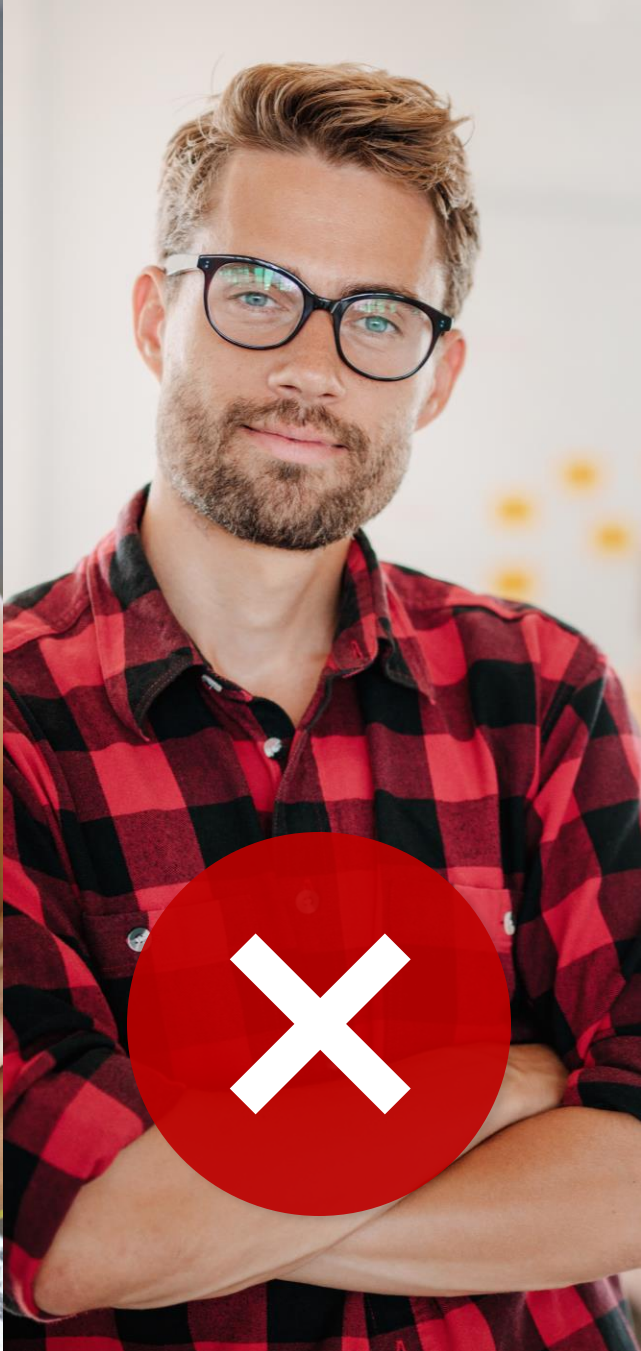
AI Will Continue to **Impact Advertising**

Recommendation Engines

Media Buying & Forecasting

Predictive Analytics

Targeting

Creative

Understand where AI can provide value, today

Privacy

We've Hit the Perfect Storm

- Technology disruption is increasing

- Consumer adoption is rising

- Companies are quickly transforming

Companies are more data-driven

Customers are responding to seamless customized experiences

Providing access to more data for the company

Time spent and engagement increases

The Privacy Paradox

"Scrutiny is rising on all sides—users, businesses, regulators...Technology-driven trends are changing so rapidly that it's rare when one side fully understands the other, setting the stage for reactions that can have unintended consequences**."**

- Mary Meeker

79% of consumers are willing to share customer data for "clear personal benefit",

but will protect their data when the benefits are not clear

Consumers Taking Action To Address Data Privacy Concerns

- Deleted / Avoided Certain Apps — 64%
- Adjusted Mobile Privacy Settings — 47%
- Disabled Cookies — 28%
- Didn't Visit / Closed Certain Websites — 27%
- Closely Read Privacy Agreements — 26%
- Did Not Buy Certain Product — 9%

0%   25%   50%   75%

% of Respondents that Took Action in the Last 12 Months Due to Data Privacy Concerns, USA
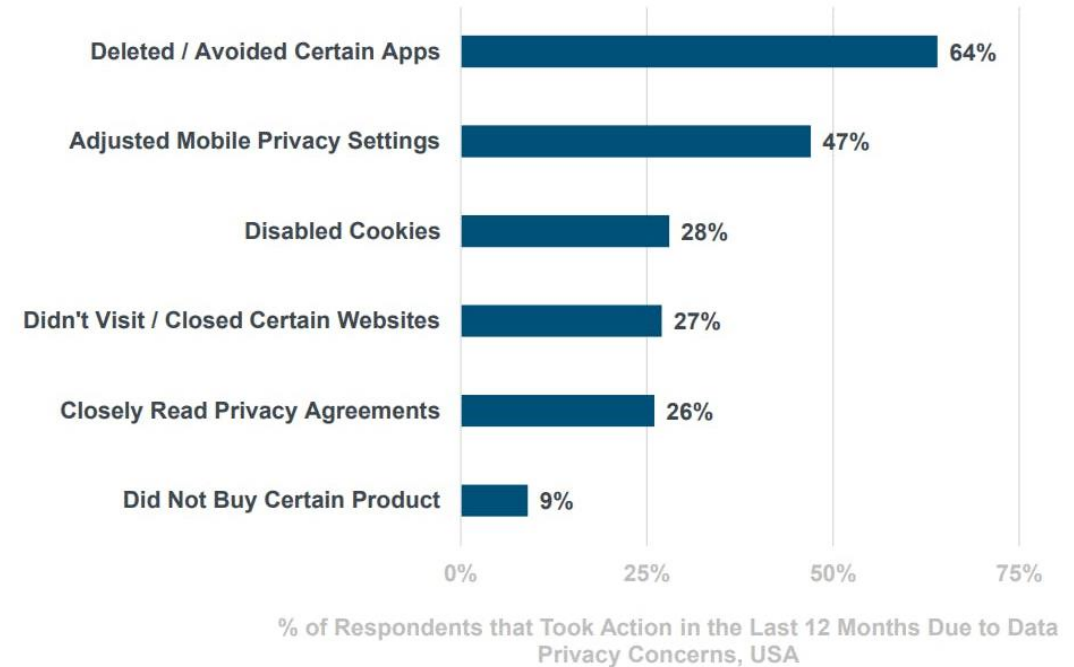
KLEINER PERKINS
2018
INTERNET TRENDS

Source: Deloitte *To share or not to share* (9/17)
Note: n = 1,538 USA consumers in cooperation with SSI.

206

Large Data Scandals Have Emerged

CNBC

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TD Ameritrade GET A RECOMMENDATION WITH ESSENTIAL PORTFOLIOS.

TECH

CYBERSECURITY | ENTERPRISE | INTERNET | MEDIA | MOBILE | SOCIAL MEDIA | VENTURE CAPITAL | TECH GUIDE

Google will acknowledge privacy 'mistakes' before Senate committee on Wednesday

The device to cloud cybersecurity company.

ZDNet — EDITION: US

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MUST READ: How to decide: Picking the 2018 iPhone that's right for you

Data breaches affect stock performance in the long run, study finds

Study finds that stocks from 28 companies that suffered large breaches had underperformed on the stock market.

The Atlantic

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TECHNOLOGY

What We Know About Facebook's Latest Data Scandal
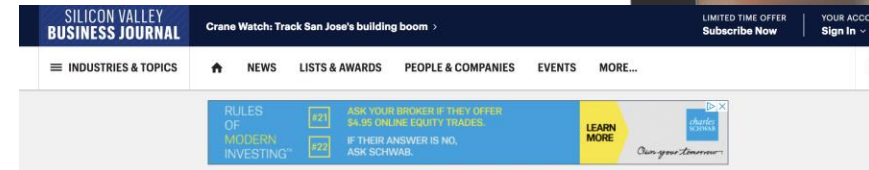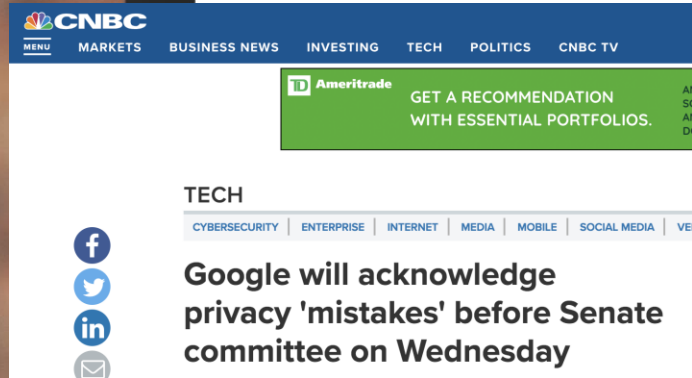
A new report raises questions about just how much Facebook data phone manufacturers could access.

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Technology

Yahoo's holding company will pay $47M to settle biggest data breach in history

QUARTZ

POPULAR | LATEST | FEATURED | OBSESSIONS | EMAILS

INSULT, MEET INJURY

A year after the Equifax breach, there are consequences—for consumers

Adobe

Regulatory Scrutiny Is Rising

Data / Privacy

The European Data Protection Regulation will be applicable as of May 25th, 2018 in all member states to harmonize data privacy laws across Europe.

- European Union, 5/18

Facebook's collection & use of data from third-party sources is abusive.

- German Federal Cartel Office, 12/17

Competition

Commission fines Google €2.42 billion for abusing dominance as search engine by giving illegal advantage to its own comparison shopping service.

- European Commission, 6/17

Commission approves acquisition of LinkedIn by Microsoft, subject to conditions.

- European Commission, 12/16

Safety / Content

The Germany Network Enforcement Act will require for-profit social networks with >2MM registered users in Germany to remove unlawful content within 24 hours of receiving a complaint.

- German Federal Ministry of Justice & Consumer Protection, 10/17

Taxes

Commission finds Luxembourg gave illegal tax benefits to Amazon worth around €250 million.
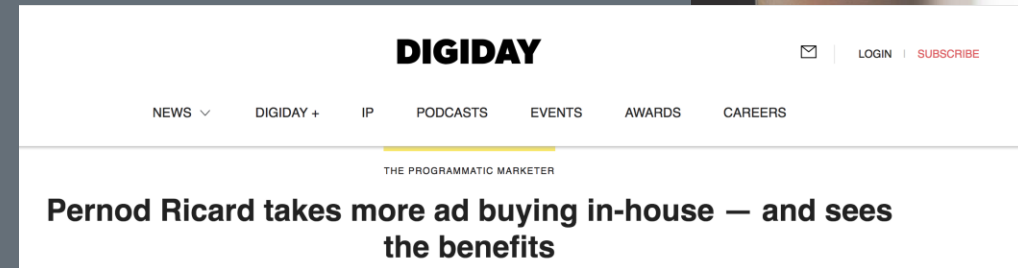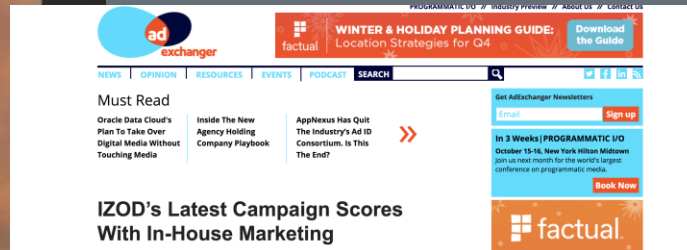
- European Commission, 10/17
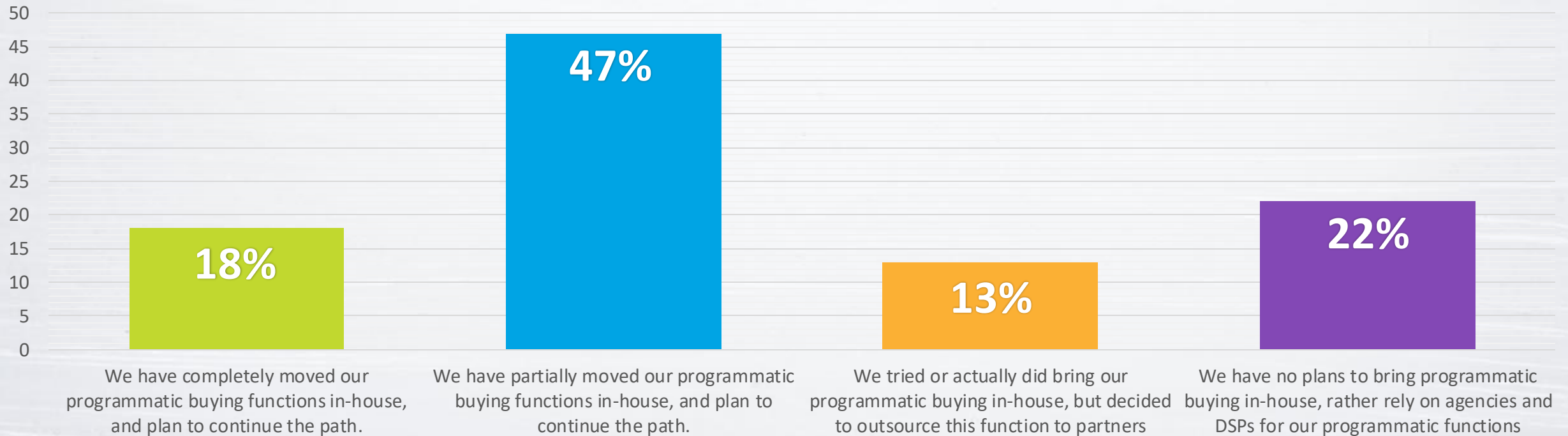
If you're asking for it, treat it wisely

Control

Brands Are Exploring In-House Models

Beet.TV — The Root to the Media Revolution
ADVERTISING REIMAGINED — THE VIEW FROM DMEXCO 2018

Desire For Transparency Drives Marketers In-House: OMD Global's Adamski

AdAge

P&G TO BRING MORE MEDIA AGENCY WORK IN-HOUSE AS AGENCY FEE CUTS CONTINUE

adexchanger
WINTER & HOLIDAY PLANNING GUIDE: Location Strategies for Q4 — Download the Guide

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Oracle Data Cloud's Plan To Take Over Digital Media Without Touching Media | Inside The New Agency Holding Company Playbook | AppNexus Has Quit The Industry's Ad ID Consortium. Is This The End?

IZOD's Latest Campaign Scores With In-House Marketing

DIGIDAY
THE PROGRAMMATIC MARKETER

Pernod Ricard takes more ad buying in-house — and sees the benefits

THE WALL STREET JOURNAL.
CMO TODAY

BUSINESS | MEDIA & MARKETING | CMO
In-house Agencies on Rise as Advertisers Seek Services Closer to Home
Advertisers with in-house agencies increased to 64% from 42% a decade ago, according to an in-house agency trade group

Forbes
As In-House Agencies Become The Norm, The Opportunities For Outside Agencies Evolve

Buying Practices are Evolving

Which of the following best describes your programmatic buying practices when it comes to bringing programmatic buying in-house? (Among programmatic advertisers only)

Category	Value
We have completely moved our programmatic buying functions in-house, and plan to continue the path.	18%
We have partially moved our programmatic buying functions in-house, and plan to continue the path.	47%
We tried or actually did bring our programmatic buying in-house, but decided to outsource this function to partners	13%
We have no plans to bring programmatic buying in-house, rather rely on agencies and DSPs for our programmatic functions	22%

Source: Advertiser Perceptions Omnibus April 2018 Base: 83 U.S. brands that are involved in programmatic ad buy

Brands Moving In-House Really Means

Brands are Gaining Control and Ownership

Brands are Changing How They **Operate**

57.7%
Increased our spending on channels that can prove they are brand safe

54.8%
Reviewed our agency relationships

48.1%
Reviewed our supplier relationships

44.2%
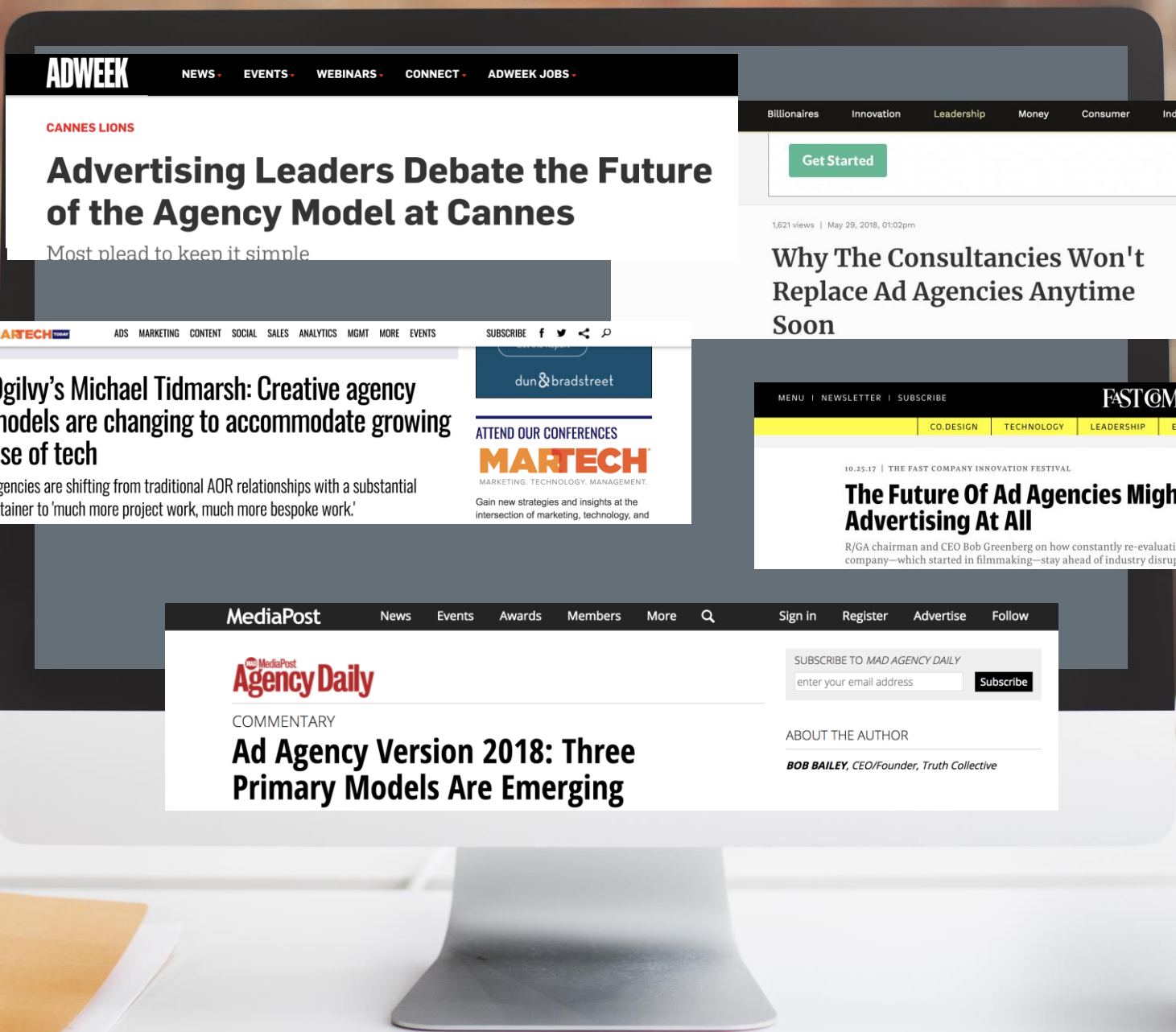Demanded more transparency from the agencies and suppliers we work with

39.4%
Increased our third-party measurement

39.4%
Now have a more direct involvement in the way our digital strategy is executed

Agencies Are Looking Towards a New Future

ADWEEK
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CANNES LIONS

Advertising Leaders Debate the Future of the Agency Model at Cannes

Most plead to keep it simple

Billionaires   Innovation   Leadership   Money   Consumer   Industry   Lifestyle   Featured   BrandVoice

Get Started

1,621 views | May 29, 2018, 01:02pm

Why The Consultancies Won't Replace Ad Agencies Anytime Soon

MARTECH TODAY   ADS   MARKETING   CONTENT   SOCIAL   SALES   ANALYTICS   MGMT   MORE   EVENTS   SUBSCRIBE

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Ogilvy's Michael Tidmarsh: Creative agency models are changing to accommodate growing use of tech

Agencies are shifting from traditional AOR relationships with a substantial retainer to 'much more project work, much more bespoke work.'

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10.25.17 | THE FAST COMPANY INNOVATION FESTIVAL

The Future Of Ad Agencies Might Not Be Advertising At All

R/GA chairman and CEO Bob Greenberg on how constantly re-evaluating has helped his company—which started in filmmaking—stay ahead of industry disruption.

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COMMENTARY

Ad Agency Version 2018: Three Primary Models Are Emerging

ABOUT THE AUTHOR

BOB BAILEY, *CEO/Founder, Truth Collective*

The New Agency Model

"**"**Do I believe there is a place in the supply chain in the industry for media agencies still today? Absolutely, because we will be all about recruiting, identifying, nurturing, training those talents that actually need inspiration working across different client industries**."**

- Florian Adamski, OMD Global CEO

Agency Evolution is Allowing Agencies to Get Paid for Their Consultancy and Centers of Excellence

Strategy

Campaign Planning

Campaign Buying

Operations

Analytics & Reporting

Where to Build vs. Buy

When to Manage vs. Outsource

How to Stay Innovative and Well-Informed

Relationships Are Evolving To Have The Advertiser At The Center

Current State

| Advertiser |
| Agency |
| DSP + Other Tech + Data |
| SSP |
| Publisher |
| Consumer |

Future State

Agency · HOK Managed Service · DSP · Other Tech · Data · SSP · Publisher · Consumer

Advertiser
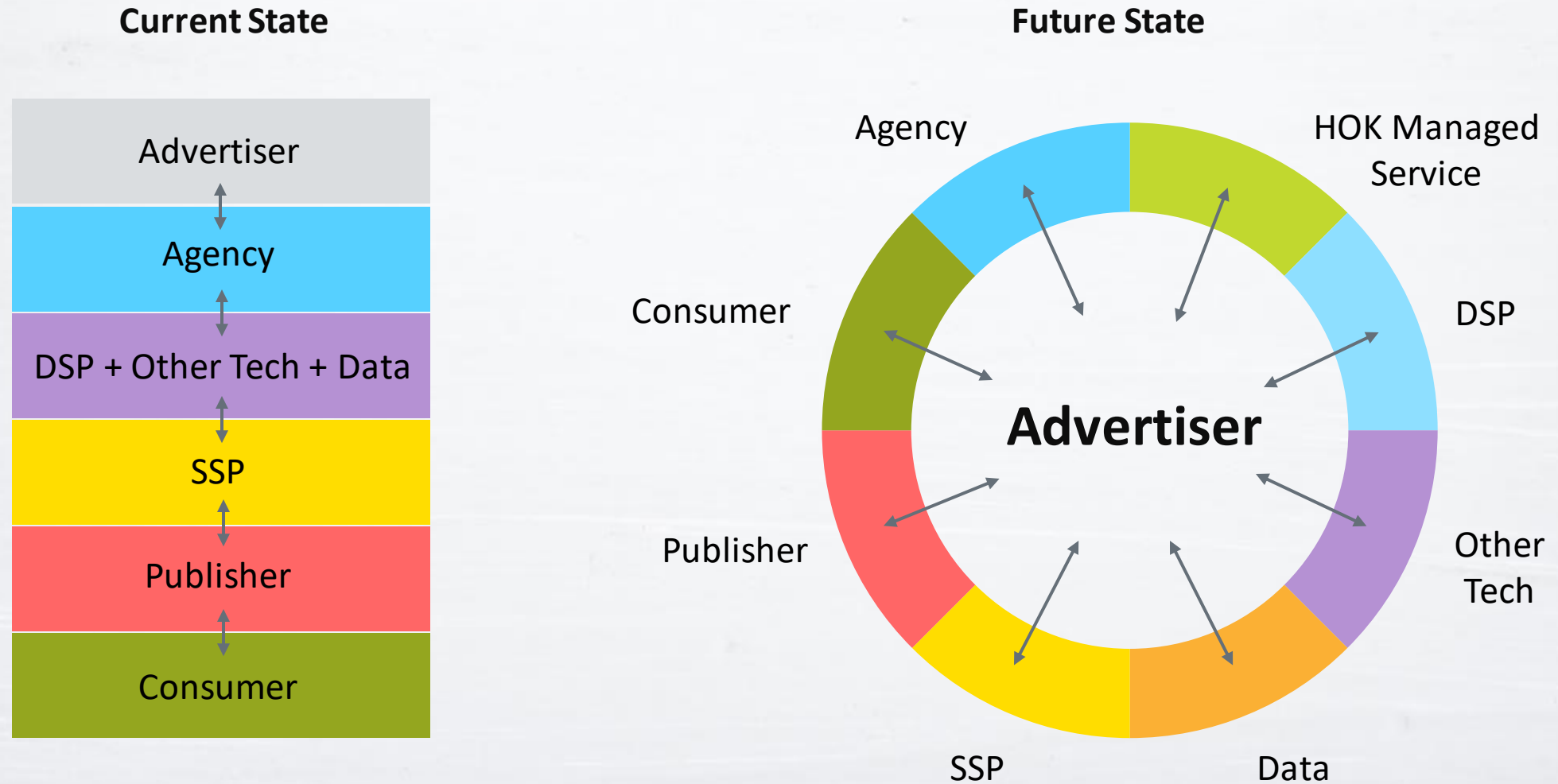
Source: Ad Exchanger, April 30, 2018, Tom Triscari, Programmatic: A Series of Cascading, Interconnected Contracts

Guiding Principles For Brands Having Control

Transparency into costs along the value chain

Responsibility for the definitions of success

Clear external roles and responsibilities

Continued use of specialists partners

Full ownership of data

Full ownership of technology contracts

Data-driven business results at the core

Privacy and security by design

It's not about in-house, it's all about control

Trending Topics

Remove silos
Omni-Channel Transformation

Join your data, and make smart decisions with it
Personalization At Scale

Understand where AI can provide value, today
AI In Advertising

If you're asking for it, treat it wisely
The Privacy Paradox

It's not about in-house, it's all about control
Control

Adobe

MAKE IT AN EXPERIENCE