

The surprise-gen

Fresh predictions for the

The title of this article is a quote from digital expert John Naughton, referring to the ability of the digital revolution to catch us unawares again and again. But, argues **Julian Saunders**, the sure predictor of success is the presence of a basic human need – to communicate and connect

HAVE a look at the box below. The meaning of all of the icons in it would have been a mystery to you 10 years ago. You would also have been surprised at the idea that a TV celebrity from California would try to “break the Internet” armed with no more than a hashtag and some naked photographs. And what is a hashtag, who is Ms Kardashian and why does she obsessively share something called ‘a selfies’? The web has truly turned out, in Professor John Naughton’s phrase, to be a surprise-generating machine.

Back then, I published a crystal ball gazing chapter in a book about the future impact of digital technology on brands and media¹ (reviewed in *Market Leader*, March 2004). There was much that I did not predict – not least the rise and rise of global celebrity brands such as David Beckham and Kim Kardashian.

Scan through the index page of my book and the absences are humbling: no mention of Facebook and Twitter, let alone search marketing. Today’s big tech brands had, at the time I was researching the book, not been invented. Google had yet to become a verb. What have I learnt from my hits and misses as a futurist? Here are my five lessons, along with predictions about what will be important in the coming decade.



LESSON 1: FAST CHANGE REQUIRES A PERFECT STORM

The storm that gave birth to YouTube, Facebook and Twitter is made up of four drivers:

- New ideas that satisfy a deep human longing and a daily itch that most of us just can’t help scratching.
- Well-funded commercial interests are aligned behind success.
- They are easy to use and the barriers to access are low.
- May have started as expensive but it gets cheap quickly.

Facebooking or using an app such as WhatsApp looks like a dead cert with the benefit of hindsight.

The main commercial actors are aligned – social media brands like Facebook are now well funded plcs that constantly evolve their experience to hook us into daily use and the mobile networks want us to access their app on the move to drive up data usage.

Images fuel social platforms and phones are now equipped with good cameras. Facebooking that photo of a new baby, kitten or ‘look at me’ holiday destination is the work of seconds, followed by a flurry of likes and comments from your network – also the work of seconds. Apps of all kinds, device manufacturers and mobile networks are a powerful alliance that is driving many actions on to a mobile device. Google has changed its search algorithm to favour mobile-ready websites. So my first prediction is no surprise.

PREDICTION 1: MOBILITY – YOU AIN’T SEEN NOTHING YET

The forces of change are still gathering in the mobile revolution. *The Economist* predicts that by 2020, 80% of adults will have a smart-



phone and the volume of devices in use will double to four billion. True mass penetration will require dramatic drops in price.

Xaomi (marketed as Mi) and Micromax will penetrate markets with devices for as little as \$40. We will get smarter at buying mobile data and using free wifi, which will cover whole towns and villages. With the growing penetration of tablets, we will also have a device in our hands that is good for pleasurable browsing.

You can see the signs of this future now. Online media brands will fully evolve away from their print parentage and make good revenues from image display and pre-roll advertising. Extra investment and innovation will further accelerate their growth. The centre of gravity of news media brands will

erating machine

digital revolution



decisively shift from the print editions to the online multimedia versions that have been redesigned for mobile devices.

PREDICTION 2: FROM SMARTPHONE TO SMARTPA

Your smartphone will become a kind of personal assistant because it understands your context (location, proximity, history, habits). Uber is the poster child for a new wave of service innovation. Whenever we get something new, we will download the app so we can monitor it or control it. Old services are being upgraded – right now I can use my Transport for London app to track the progress of the bus I want to catch.

I quite like the idea of being able to see where my cats roam while I am at

work – they have chips in their collars so it is possible. Fanciful? Maybe. But you can be sure someone is working on the idea.

PREDICTION 3: YOUTUBE – THE ‘HOW-TO’ RESOURCE FOR EVERYTHING AND EVERYONE

If you want to know how to do something – from mending a washing machine to doing your hair in the style of *Game of Thrones* to making lasagna – there is probably a video about it. Young people know this already and older people are learning fast. YouTube is evolving into a ‘how-to’ search engine and resource for almost anything you can imagine. Consequently, oldsters will also discover the potential of vlogging. In just a few years, oldsters learned to Facebook like their kids

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and we expect them to start vlogging too. We will see the mums and dads of YouTube stars, celebs ‘off the telly’ looking to boost their profiles and people you have never heard of.

PREDICTION 4: TODAY’S BIG TECH BRANDS WILL STILL BE STRONG, BUT NOT WELL REGARDED

Deep in the DNA of big tech is the fear of being the next MySpace or Second Life – companies that were popular but failed to innovate fast enough to keep users in the habit. To protect their positions, they are using their well-stocked war chests to buy out upstarts and corner the market in specialist talent. The reputational consequences are already apparent. Lobbyists are trying to make the charge of monopolistic behaviour stick. Successful American global media brands have awakened the protectionist instincts of our European partners. (The Chinese didn’t let it happen in the first place, favouring national champions that look spookily like the US-originated versions.)

The deeper long threat over the next decade is loss of consumer confidence. The digital revolution’s prospectus is a better and more liberated life for all. It brings, the cyber-utopians say, a radical democratisation of power and access to international markets. ►

Freelancers and small businesses everywhere will attest to these benefits. YouTube stars have been born using no more than a Mac and their imagination to create personas that attract global audiences. Ever-optimistic about change, we marketers will be continually excited about the innovation potential of data, automation, robots, artificial intelligence and the 'Uberising' of markets.

Yet an alternative narrative will take hold over the next decade that big tech brands are sucking up profits to a small, super-rich, globalised elite and cornering markets. New jobs created will be vastly outnumbered by hollowed out jobs, driven down wages and unemployment. This is not, of course, the sole fault of big tech brands – the forces producing an increasingly unequal society are broader and deeper – but they will come to symbolise it.

PREDICTION 5: **CYBER DYSTOPIA WILL FAVOUR BIG TECH**

Optimists are excited about the Internet of Things. Its long-term promise is to automate and make people's lives easier (not just another mobile app jostling for attention). This is highly appealing to the young and time-pressed, who don't fret too much about who has their data. But it also means more vulnerability as security is only as strong as the weakest point of entry. Utopia and dystopia have always walked hand in hand with the digital revolution. Expect more hacking and security lapses as cyber criminality is pervasive, protean and state-sponsored. Paradoxically, this will favour the reputations of big tech because only the well-funded can continually invest to keep their platforms safe and secure. In this sector (as in many others) we will reluctantly accept that big companies are essential to a well functioning market.

LESSON 2: **EARLY ADOPTERS GIVE ONLY A GLIMPSE OF DEEPER CULTURAL CHANGES**

It requires a leap of the imagination to describe how things will turn out when they go mainstream. 'Empowerment' is a clichéd term but no other word so accurately expresses media and technology adoption as a profound cultural change, not just a change in behaviour. As empowerment went mainstream, it morphed into something altogether more potent and challenging for both brands and organisations. We are now not just an empowered but an impatient culture. New ways of communicating became norms – expected as a minimum requirement.

Our impatience leads not only to expectation but to assumptions:

In the next few years, a combination of our impatience culture and the complexities of delivering 'omni-channel' service will be a toxic combination for brands that are unable to keep up

- To find information with a click in a few seconds (Google).
- Customer services to respond dead quick (otherwise I will tweet about it).
- I expect I will find a customer review about it (on Amazon or a forum).
- Thanks to Amazon, I now expect to order on a Saturday and receive delivery on a Sunday.

Buttons on lifts are wearing out more quickly these days as we jab at them repeatedly to get the doors to close sooner. Online, a few seconds of delay (as orders are processed) causes us to abandon our shopping baskets.

My role as domestic IT manager is proving to be painful. As our home internet connection is lost (yet again) I receive a chorus of abuse from my children, who regard access as a basic human right, rather than a privilege. At the time of writing, A&E departments in hospitals are bursting with patients – a good number of whom just didn't want to wait for a doctor's appointment.

For brands, it means that whether they like it or not, they are in a conversation with their customers – most of them are impatient and some of them are angry.

PREDICTION 6: **FROM BRAND ADVERTISING TO CUSTOMER SERVICE**

In the next few years, a combination of our impatience culture and the complexities of delivering 'omni-channel' service will be a toxic combination for brands that are unable to keep up. Advertising isn't the answer.

A recent Zendesk study showed the gap between expectation and delivery (see figure 1), which means a lot of pissed-off phone calls, emails and angry tweets.

Digital native brands will continue to set the standards that customers will come to expect – brands such as Amazon, Uber and eBay. They will mainly be built through their

quality of service and innovation, rather than brand advertising. Brands with complex legacy systems and structures will do well to play fast follower.

More complexity will mean more cock-ups. Brand reputations will be made not just by slick use of technology/data but also by training staff to deal well with them and by giving customers the option to speak to a person if they want to.

LESSON 3: **HUMAN NATURE DETERMINES THE SUCCESS OF A TECHNOLOGY TREND**

I originally predicted the decline of 'water cooler moments' (WCM). I was wrong. They still come thick and fast – for example, the ebola virus outbreak, the World Cup 2014 and the referendum on Scotland leaving the Union. We still have plenty of excuses to talk to complete strangers or strike up a conversation with fellow workers.

TV media have fragmented – 12 million is now considered a big rating show – but old and new media now work in concert to whip up a WCM. A candidate WCM might start in a different place – Twitter, for example – but the news media will pick it up because the web is where many time-pressed and office-bound journalists now find their stories.

Saturday night TV still aspires to the big ratings and now social media fans the interest of these shows to reach a mass audience and be part of a wider conversation.

The bigger truth – which I missed 10 years ago – is that as profoundly social animals, we want and seek out topics of shared interest, even if it's something as silly as Kim Kardashian's plan to 'break the internet' or charitable acts involving celebrities throwing buckets of iced water over their heads.

Yet there is less shared culture between the generations. Recently I mentioned working with Peter Cook to a training session of account planners half my age. The blank faces at the mention of his name took the wind out of my sails. At 25 I would have known exactly who Tony Hancock or even the Goons were. They were big in my parents' time and mass TV had endlessly recycled their shows, introducing them to younger generations.

PREDICTION 7: **MASH-UP CULTURE MAKES STRANGE BEDFELLOWS AND BROADER AUDIENCES**

Culture has fragmented but the barriers to accessing knowledge have never been lower. You can find a 30-minute tribute to Peter Cook and many episodes of *Hancock's Half Hour* with a couple of clicks, for free. Consequently, culture now is an endless rediscovery. In place of shared culture, we

FIGURE 1: Understand the customer

67%

of online shoppers have made purchases in the past six months that have involved online channels

47%

expect to be able to return purchases through a different channel than the purchase channel

73%

think brands pay more attention to generating sales than they do to providing a seamless, integrated customer service experience

64%

expect to receive real-time assistance, regardless of the customer service channel they use

7%

are "extremely satisfied" that brands provide a seamless, integrated and consistent customer service experience across all channels

78%

say a company's reputation for customer service is important to them when choosing to buy from a particular brand

69%

believe expectations for customer service are increasing year-on-year

87%

think brands need to work harder to create a seamless experience for customers

Source: Zendesk study – *The Omnichannel Customer Service Gap*

now have the never-ending cultural mash-up.

Take 'Epic Rap Battles of History' – a video series that pits famous historical and pop culture figures, real and fictional, against one another in a rap battle format. We have Oprah versus Ellen DeGeneres; Jack the Ripper versus Hannibal Lecter and Ghostbusters versus Mythbusters (this last one has over 18 million views). Or *The Voice* – a big rating Saturday night show on BBC1 that features Sir Tom Jones alongside Will.i.am, Rita Ora and Ricky Wilson. At 24, Ora is young enough to be 74-year-old Jones's granddaughter.

Media owners profit from the premium advertising value a broad audience delivers at a time of media fragmentation. They will be keen to commission new ideas that appeal across generations. It will surely produce a stream of 'high concept' formats and strange bedfellows, some of them involving Jeremy Clarkson.

LESSON 4: ALL BIG TRENDS HAVE COUNTER-TRENDS

In 2004 technology, especially gaming, was blamed for making us live more isolated lives. Commentators fretted that teenagers were becoming antisocial, holed up in their bedrooms, obsessively playing violent video games and texting each other, rather than meeting up. We feared we would become 'people who stare at screens'. This seemed to me in 2004 to be against human nature and led me to predict an increase in experiences that bring customers into close contact with brands as a way to break through the clutter and make connections.

The whole experience economy has

boomed. Seemingly every town has a festival. There are over 500 festivals in the UK – more than a tenfold increase in 10 years. Farmers markets have boomed, which reflects an ancient truth about marketplaces. They are places to meet and trade face-to-face.

The growing popularity of craft products is essentially the promise of reconnection – to a known place, a known maker with a story that creates a sense of shared identity and values. It is an appealing antidote to a working week spent staring at a screen. Today there are over 800 farmers markets – more than Sainsbury's has UK stores.

PREDICTION 8: THE HIGH STREET WILL PROVE RESILIENT

Our high streets have faced gale-force headwinds over the past decade, hollowed out by superstores and the twin forces of online shopping and recession. Yet for all the empty facades and charity shops, high streets remain social spaces that provide vital life support in local communities – coffee shops, newsagents, betting shops, bakers.

In 2004, multiple grocers were planning to install in-store TVs to capture 'shopper eyeballs' as they wandered the aisles. It proved unappealing to shoppers. Today, if you go to an out-of-town superstore, you are more likely to find a coffee shop – a place to rest, meet and chat. This tells you something profound about the social importance to people of meeting places like shops and markets.

Consumers are also replacing their one big weekly shop with multiple smaller shops, and this has served to revive some high streets.

In its wake has come the return of butchers, fishmongers, greengrocers and delicatessens.

The desire for a human scale and face-to-face contact will continue to reassert itself. I expect we will find Amazon on our high streets by the end of the next decade, with shops that will also double as depots for the fruits of e-commerce.

PREDICTION 9: STRANGE NEW PUBLIC BEHAVIOURS

In 2004, 'digital' meant a big screen inside a building. Smartphones then dissolved the barrier between the digital and physical worlds and ushered in a new behaviour – people in public spaces staring fixedly at a small handheld screen. In 10 years' time, we will be exhibiting strange new public behaviours as a consequence of all the technology that will be embedded around us. We will be waving and speaking out suddenly and seemingly doing nothing at all as we interact with our environments. Being constantly preoccupied with a small screen will be seen as distinctly uncool – as will hipster beards in Hoxton.

Too dramatic a change to imagine? My final lesson comes from Neil Armstrong, who said: "We expect too much change in a year and too little change in a decade."

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1. The Communications Challenge, a Practical Guide to Media Neutral Planning, edited by Julian Saunders, APG, 2004