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the future of marketing & media: data is the new oil

This guest post was written by media futurist Gerd Leonard. Named "one of the leading Media Futurists in the World" by The Wall Street Journal, Gerd works as a futurist in the media, telecom, technology and communication industries. He is also an author, blogger, keynote speaker and strategist and is the CEO of The Futures Agency and a visiting professor at the Fundação Dom Cabral in São Paulo / Belo Horizonte, Brazil.

With the explosive growth of the Internet, mobile devices and social networking, a connected world is indeed a very different world. Just witness the meteoric rise of YouTube, Facebook and Twitter, and the demise of the recorded music industry as we knew it. I would go so far as to argue the only reason advertising in its pre-Web 2.0 form (a global business worth approx. \$400 billion per year) ever existed was simply because we were not yet truly connected as today's mobile, social and real-time Internet did not yet exist.



Now that it exists, most of us will no longer tolerate interruptions, meaningless pitches, garish pop-ups, Las Vegas-style skyscraper ads or junk email. We are looking for truly personalized offers, real meaning, solid relevance, timeliness, and yes, transparency and truthfulness. In other words, we will be looking for merit and values that are geared 100% towards us, not to everybody else, or someone else. Think micro-sprinkler systems, not fire hoses; droplets of expression, not spigots of noise exploding off empowered consumers (many of which in fact loath that very term).

Clearly, if brands and their marketers, ads and messages do not provide real value (remember: only time is a truly scarce value now), we will quickly lock them out of our lives and put them on the 'infinitely ignored' list.

One might therefore argue that advertising is indeed becoming content (contvertising, anyone?), since relevant and desired, opted-in and followed content is usually quite valuable to us as we spend time on it, while irrelevant messages that encourage us to purchase items we don't even need are just noise. And the Internet has been so fabulously great at



increasing the noise level that the time has come to turn that noise into meaning, to take the firehose of data and turn it into a clever sprinkler system.

The key question for marketers, as ever, is: how can you cut the noise, how can you be relevant, be truly wanted, make a better match, and benefit from meaningful connections? How can you turn the act of selling into content, into engagement, into mutual appreciation? Is that even possible?

This is where we get to the enormous value of Data.

According to a February 2010 Wired.com post and a related IDC study, the total universe of information available to us already amounts to 800.000 petabytes of data. If you stored all of this data on DVDs the stack would reach from the Earth to the moon and back! By 2020 the digital universe will total 35 zettabytes, or 44 times more than in 2009, keeping in mind that an estimated 75% of all data is already generated by the users themselves.

This makes total sense when you think about it: forwarding a link, rating a site, commenting on a blog, twittering, sharing bookmarks, allowing cookies on your computer, sharing your location, logging into websites, liking something on Facebook -- everywhere we go, everything we do, every move we make around the Net (and soon, elsewhere, as well) -- creates click-trails, leaves digital breadcrumbs, produces data exhaust, and creates what I like to call meta-content, i.e. content around content.

Now, just imagine faster mobile Internet access at a much lower cost (or even free, courtesy of Google and O3B); much cheaper, yet more powerful and smart, mobile devices, connected devices that are not phones or computers but things, objects and products; BRIC+Africa coming online at a furious pace; and computing shifting from tethered computers and mouse clicking to tablets, touch-screens and finger-sweeping, and from downloading to cloud-tapping, which without a doubt will generate seriously more data than ever before, and at an increasing faster rate.

The mind boggles (and possibly recoils) over the possibilities and over the huge challenges that these changes will pose, as well. But no matter what one's concerns may be, I think we can safely state that data is indeed the new oil, a metaphor that originated not with me but most likely with the ANA's Michael Palmer and Clive Humby.

Whoever gets to sift through this data, slice and dice it, move it around, make it useful, clear its legal and fair use, and just make sense of it all, is probably going to be more powerful than Shell, Exxon or Mobil have ever been (BigG and BigF emerge as distinct options here). This will, of course, require very careful and sensitive fine-tuning, with utmost attention to giving full control to the user, period. Regulation will be required but should, in my view, not be hastened; however, something that we must certainly come to grips with is that privacy will become something that we must act on to get back, rather than attain or retain by mere default. Those shiny new and very powerful tools of sharing and self-publishing do require that we accept and handle new responsibilities, as well - now that all of us can easily and constantly connect, we also need to learn new limits, new do's and don'ts - and the purveyors of this new power need to help us rather than merely seduce us.



The bottom line is that the data that all of us are increasingly generating and constantly spreading as most of us are switching to an always-on mode, will be at the core of all future success in marketing, branding and advertising -- and for that alone it's roughly worth \$1 trillion, already (counting advertising spend, marketing and communication budgets, data-mining etc).

In a truly connected world, i.e. within the next few years, marketers will need constant and deep access to that data, in all its various forms and levels of permissions, because without this data their efforts will be utterly useless to the people formerly known as consumers (today's users, followers, friends and participants). If the future TV does not know a fair bit about who we are, where we are, what we have watched, for how long, who we have shared shows with, what we have commented on, how we rate things; or if - worst case - we decide to just pay a bit more and keep our click-trails and our data off the grid (yes: Think The Matrix), then the marketers' job will become a lot harder, if not impossible. Matches can't be made, relationships can't be forced, brands can't be followed, connections are interrupted. Yelling is dead, and engagement needs permission - a tough but extremely rewarding challenge.

Getting too little or bad data -- or not understanding it-- will literally mean running out of gas in the middle of the desert. Therefore, the mission is to keep it all fueled up. And just like oil, there will be a myriad of issues (hopefully, not wars) that will arise with the responsible and fair practices of drilling, pumping, shipping, refining and dispensing of data. But without a doubt these issues will be solved in due course because this Data-Oil is very potent and because the responsible use of it will light up so many households that sufficient incentive for problem-solving exists. Telecom companies and mobile operators will want in on this game, as well - after all, it's their networks that make this all work (for now).

My prediction is that we will see a huge influx of companies dealing with the various aspects of data drilling, shipping, refining and remixing, and that the next Exxon or Mobil may well be a data-slicing company. Agencies, marketers and brands need to embrace the challenges and experiment: Get into the new Data-Oil ecosystem!

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