Future of Digital Advertising

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Hypotheses

I THINK MY NEST SMOKE ALARM IS GOING OFF. GOOGLE ADWORDS JUST PITCHED ME A FIRE EXTINGUISHER AND AN OFFER FOR TEMPORARY HOUSING.

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Advertising Today

Curse you ADS!!

Nuisance
Advertising Tomorrow

Address need

Push Marketing
(through Broadcast)

Business A

Consumers Who *May* Need Your Product/Service
Advertising Tomorrow

Address need

Push Marketing (through Broadcast)

Business A

Consumers Who May Need Your Product/Service

Pushing message onto consumers

Radio
TV
Print

Push & Pull Marketing

Business B

Consumers will see ads targeted to their need
Hypotheses

Technology

Wearables

IoT

Virtual Reality

Enables *need* based advertising
Market Analysis
You see, advertising first pervaded all things *print*. 

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PRE-DIGITAL

POSTERS - 1472

PRINT

NEWSPAPERS - 1650

MAGAZINES - 1844

BILBOARDS - 1867

RADIO - 1922

TELEMAILING - 1970

JUNK MAIL - 1954

TV - 1941

DIGITAL

MOBILE SMS PPC

TECHNOLOGIES - 2000

MOBILE WEBSITES (GOOGLE ADSENSE)

FACEBOOK YOUTUBE BLOGS (GOOGLE ADSENSE)

POP-UPS - 2001

MOBILE APPS - 2009

ONLINE ARTICLES (IN-TEXT ADS)

LINKEDIN 2008

FACEBOOK MOBILE TWITTER 2010

NATIVE ADVERTISING 2012
Then found its way into radio, TV, mailers, and the telephone.
And in the last 20 years, it’s penetrated almost every digital channel.
Now and next 10 years is all about **mobile, video** and influence of technological **advances in devices, IOT** and **Virtual reality**.
Market Summary/Analysis

Digital Ad Spending Worldwide, 2012-2018
billions, % change and % of total media ad spending

Note: includes advertising that appears on desktop and laptop computers as well as mobile phones and tablets, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging-based advertising
Source: eMarketer, March 2014
www.emarketer.com
Future
Future

offline + online data
( Bigdata processing)
Future

real-time data
(phone, watch etc..)

offline + online data
(Bigdata processing)
Future

*User* walks into a **shopping mall**, depending on **time, day, weather** and **mood** of the person - **Personalized Ad** shows up in his mobile for a restaurant, apparel store or movie running in theater.
Future

User walks into a shopping mall, depending on time, day, weather and mood of the person - **Personalized Ad** shows up in his mobile for a restaurant, apparel store or movie running in theater.

**User**

**Shopping mall**

**Time**, **Day**, **Weather**, **Mood**

**Personalized Ad**

- **Real-time data** (phone, watch etc.)
- **Offline + online data** (Bigdata processing)
- **Futuristic advertising system**
- **Sensor/Signal**
- **Personalized Ad**
Market Scope

U.S. Mobile Spending Goes Local

Non-location Targeted | Location Targeted

2012: $3.65 | 2012: $1.36
2013: $7.03 | 2013: $2.85
2014: $10.15 | 2014: $4.35
2015: $13.94 | 2015: $6.60
2016: $17.22 | 2016: $8.45
2017: $20.68 | 2017: $10.81

37% | 52%

Note: Numbers are rounded.
Market Scope

Local Targeting

Dunkin’ Donuts experienced click-through rates that were 6x industry rates.
Smartphone Ads Most Likely to Lead to Action

% US mobile users

August 2014

“When it comes to a mobile ad on your smartphone, which of the following would most likely motivate you to take action (such as purchase a product/service, visiting a location, etc)?”

- Offers a coupon/promotion
- Targeted to what I was searching for
- A familiar brand
- Is within driving distance

MarketingCharts.com | Data Source: xAd / Telmetrics
Future

IoT enabled Home

Futuristic advertising system

Merchant/Advertiser

Engineering Leadership
Future

Ikea app

More catalogues

Automatic recommendations

Better manipulation of objects

Restructuring spaces
Market Summary/Analysis

Home Remodeling is Growing Fast

Source: Home Improvement Research Institute

Developer Investment in Virtual Reality

Engineering Leadership
Challenges

DON'T WORRY, IT'S ONLY MARKETERS COLLECTING OUR PERSONAL DATA SO THEY CAN CREATE MORE RELEVANT ADVERTISING FOR US.

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## Customization & Big Data

<table>
<thead>
<tr>
<th>Statement</th>
<th>Global</th>
<th>U.S.</th>
<th>EU</th>
<th>APAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizations Know Far More About Consumers Than Consumers Do About Organizations</td>
<td>87%</td>
<td>91%</td>
<td>92%</td>
<td>80%</td>
</tr>
<tr>
<td>There Are Too Many Technologies Tracking And Analyzing Our Behavior</td>
<td>84%</td>
<td>88%</td>
<td>88%</td>
<td>78%</td>
</tr>
<tr>
<td>Companies Collect Too Much Information On Consumers</td>
<td>82%</td>
<td>85%</td>
<td>87%</td>
<td>77%</td>
</tr>
<tr>
<td>Consumers Have Lost Control Of Their Privacy</td>
<td>77%</td>
<td>86%</td>
<td>76%</td>
<td>74%</td>
</tr>
<tr>
<td>It’s Creepy When Companies Target Advertisements To Consumers Based On Their Behavior</td>
<td>68%</td>
<td>74%</td>
<td>71%</td>
<td>63%</td>
</tr>
</tbody>
</table>

Please rate each of the following statements based on whether you agree or disagree.
### Collecting personal data and sharing with third parties are considered more invasive

#### Customization & Big Data

<table>
<thead>
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<th>APAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>When I Have To Enter My Social Security Number</td>
<td>62%</td>
<td>86%</td>
<td>60%</td>
<td>55%</td>
</tr>
<tr>
<td>When The Information Is Shared With Third Parties</td>
<td>74%</td>
<td>83%</td>
<td>87%</td>
<td>67%</td>
</tr>
<tr>
<td>When The Information Is Collected Without My Knowing It</td>
<td>79%</td>
<td>83%</td>
<td>82%</td>
<td>75%</td>
</tr>
<tr>
<td>When An Ad Follows Me Around From One Website To Another</td>
<td>51%</td>
<td>65%</td>
<td>60%</td>
<td>38%</td>
</tr>
<tr>
<td>When I’m Asked About My Personal Preferences Beyond The Product I’m Considering Buying</td>
<td>47%</td>
<td>52%</td>
<td>61%</td>
<td>31%</td>
</tr>
<tr>
<td>When A Website Knows My Geographic Location</td>
<td>48%</td>
<td>46%</td>
<td>50%</td>
<td>48%</td>
</tr>
<tr>
<td>When A Website Recognizes Me</td>
<td>37%</td>
<td>30%</td>
<td>35%</td>
<td>41%</td>
</tr>
<tr>
<td>When A Website Reminds Me Of Past Purchases</td>
<td>28%</td>
<td>27%</td>
<td>29%</td>
<td>28%</td>
</tr>
</tbody>
</table>

- Global Consumers
- Consumers

At what point does collection of personal information cross the line from customization to invasion of privacy? (Check all that apply)
Summary

• Global Digital Advertising market to grow into 300+ billion dollars by 2020
• Digital transformation in progress via technological advancement
• Indistinguishable Ads from Content
• Big Data Innovations helping to deliver real time Need based Ads
Thank You!

THE FUTURE OF ADVERTISING

JOHN ANDERTON, HOW ARE YOUR HEMORRHOIDS?
100 OFF PREPARATION

JOHN ANDERTON, ARE YOU READY FOR THE NEXT DANIELLE STEEL?

STILL STRuggling WITH INCONTINENCE, JOHN ANDERTON?

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