Hype Cycle for Digital Marketing and Advertising, 2019

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As labor, paid media and agency spending decline, marketers are growing spend in innovative technologies. However, executives continue to struggle to align marketing spend and performance to business metrics. Use this Hype Cycle to understand which technologies will drive real value for you.

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What You Need to Know

In a crowded and fragmented marketplace, marketing leaders are increasing investments in innovative technologies as they strive to deliver meaningful customer experiences that differentiate their brands. Gartner Research shows event-triggered and real-time marketing are considered the technologies that will have the biggest impact on marketing activities in the next five years. To realize this, marketers must be capable of using predictive analytics and delivering personalized communications.

Omnichannel, personalized marketing and advertising drives many of the technologies in this Hype Cycle. Carefully assess the value of each, alongside their existing ecosystem and organizational capabilities, because the complexity of bringing them to market and time to value varies greatly.

Predictive analytics brings many benefits for both the consumer and the brand. Many technologies in this year's Hype Cycle claim to offer these benefits, but be sure to understand the limitations because the ability to scale across all channels and be leveraged by nontechnical audiences remains challenging.

The Hype Cycle

Since 2018, consumers and their unpredictable behavior, mutable preferences and high expectations drive marketers toward to acquiring, analyzing and activating customer data in real-time and at scale. These market forces — and marketers' pressure to turn technology investments into real marketing and business value — create the momentum driving a core set of innovation profiles in this year's Hype Cycle. Consider the following:

- The customer data platform (CDP), real-time marketing and personalization engine IPs continue their rapid journey along the Hype Cycle as marketing leaders prioritize investments in these areas even as they are forced to cut in other areas. Market confusion and varying degrees of success push the CDP profile dips toward the Trough of Disillusionment. Although personalization engines hold the promise of 1:1 marketing, data quality issues, skills gaps on marketing teams and content requirements slow deeper market penetration and push it further into the trough.

- AI-for-marketing has reached the Peak of Inflated Expectations. But the hype is transitioning into early stage disillusionment as iconic AI vendors like IBM struggle to drive significant revenue from Watson and marketers face the realities of prepping their own infrastructures — particularly their datasets — to exploit AI.

- A barren Slope of Enlightenment and Plateau of Productivity result from several profiles — data management platforms (DMPs); data-driven marketing; multidimensional campaign segmentation, content marketing and social marketing management — that have graduated off the Hype Cycle due to widespread adoption.

- A new profile — scannable marketing — subsumed Bluetooth Beacons into a profile that includes QR codes and near-field communications (NFC) tags.

- All forms of analytics — predictive, customer journey, social, and mobile — are buoyed by the promise of increased speed and refinement as they are augmented by AI and ML techniques.

- Marketers and advertisers invest in and abandon, in growing numbers, developing advanced capabilities like multitouch attribution, dynamic creative optimization and multivariate testing.

Figure 1. Hype Cycle for Digital Marketing and Advertising, 2019
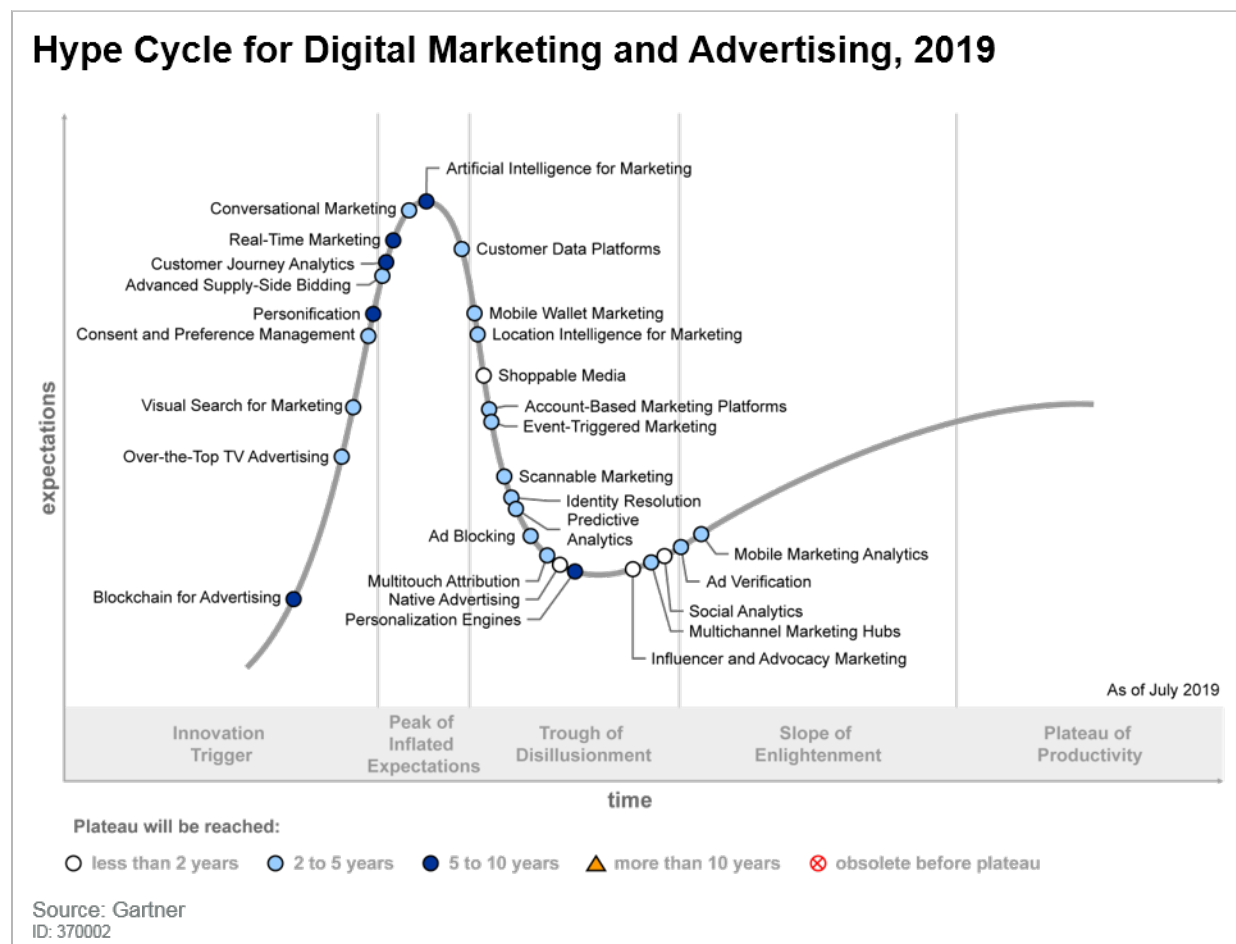
The Priority Matrix

As marketers strive to simultaneously provide value to their business owners and customers, they must strike a precarious balance of measuring and acting on both audiences that require disparate KPIs. This balancing act must not only be done at significant scale, interacting with audiences across multiple devices and fractured channels, but must happen in real time. Given these challenges, it is no surprise that marketers are increasingly investing in innovative technologies.

Our Priority Matrix will help you decide which technologies and innovations you can use to address these challenges. The following four technologies have the capability to transform how marketers run their technology ecosystems:

- CDPs

- AI for marketing

- Blockchain for advertising

- Real-time marketing

With three of these four technologies not expected to mature for more than five years, look to using these as paths to make iterative innovations — as opposed to step changes or capability pivots. As the technologies mature and marketers become more attuned to using them to make small iterative changes, the moments for large shifts may become apparent. When using transformational technologies, consider these moments to be additional opportunities, rather than standard expectations.

In addition, continue to monitor and be aware of other technologies such as conversational marketing and multitouch attribution, which are high impact and moving forward.

Figure 2. Priority Matrix for Digital Marketing and Advertising, 2019

Priority Matrix for Digital Marketing and Advertising, 2019

benefit	years to mainstream adoption			
	less than 2 years	2 to 5 years	5 to 10 years	more than 10 years
transformational			Artificial Intelligence for Marketing Blockchain for Advertising Real-Time Marketing	
high	Shoppable Media	Account-Based Marketing Platforms Advanced Supply-Side Bidding Event-Triggered Marketing Identity Resolution Mobile Marketing Analytics Multichannel Marketing Hubs Multitouch Attribution Over-the-Top TV Advertising Predictive Analytics	Customer Journey Analytics Personalization Engines Personification	
moderate	Influencer and Advocacy Marketing Native Advertising Social Analytics	Ad Blocking Ad Verification Consent and Preference Management Conversational Marketing Customer Data Platforms Location Intelligence for Marketing Mobile Wallet Marketing Scannable Marketing Visual Search for Marketing		
low				

As of July 2019

Source: Gartner
ID: 370002

Off the Hype Cycle

Voice of the Customer

Voice of the customer (VoC) has been removed from this year's Digital Marketing and Advertising Hype Cycle because marketers are repositioning the opportunities it represents into other projects. Technologies associated with VoC, such as speech analytics, text mining and web analytics, continue to develop at pace. Today, marketers are deploying these against departmental needs to solve right-now use cases. With the rapid emergence customer journey analytics (CJA) and Real-Time Marketing the VoC departmental initiatives is now being pivoted to be under a customer experience banner that includes CJA and real-time.

Data-Driven Marketing

Data-driven marketing graduates off the Hype Cycle because it is a pervasive component of marketing leaders' strategies. Investment in analytics products continues to be a top priority for marketing leaders and marketing technology vendors have all embraced data collection, analysis capabilities in their platforms. Although many marketing organizations struggle with centralizing datasets and eliminating data silos, this reflects the actual maturity of data-driven marketing: all marketers know a data-driven approach is required. The struggle to centralize is a tactical challenge, not an indictment of data-driven strategies and tactics.

Content Marketing

This is widely adopted with use across marketing organizations and so it graduates off this year's Hype Cycle. Gartner continues to publish research on content marketing. Gartner analysts still receive regular inquiries on the topic, but these are often focused on fine-tuning or enhancing content marketing strategies.

Social Marketing Management Platforms

Social marketing management platforms are adopted and a standard platform for brands publishing and advertising on multiple social networks. Although platforms add new products to address market needs, like customer care, the use case and technology to support social marketing execution remains the same and therefore it has graduated off the Hype Cycle.

Data Management Platforms (Advertising)

Data management platforms (DMPs) have graduated from the Hype Cycle as the market is reaching saturation. According to Gartner's 2018 Marketing Technology Survey, 61% of U.S.-based organizations surveyed have fully deployed a DMP, 21% are in the process of deploying, and 12% plan to do so within two years. In the U.K. and Canada, 45% and 41% of respondents, respectively, report having fully deployed DMPs. DMP providers will to continue to develop their products, but in many cases as part of larger ad tech and marketing suites. Gartner will continue to provide research and insights on these products and services.

Multidimensional Campaign Segmentation

Multidimensional campaign segmentation graduates off the Hype Cycle as it becomes a component of marketing and advertising tech products, and less of a stand-alone innovative technique. Nearly every vendor evaluated for the 2019 "Magic Quadrant for Multichannel Marketing Hubs" contains machine learning and AI capabilities, in some stage of development, designed to make algorithmic segmentation and customer insights more accessible and actionable. Multidimensional segmentation is used within these engines to enable practical solutions such as automatic campaign generation based on business goals and autonomous campaign optimization capabilities.

Wearables

Although consumers have adopted wearables like smartwatches and fitness bands in significant numbers, marketers' efforts to leverage these devices have been limited to data collection to inform customer profiles and mirroring smartphone experiences. The current and evolving state of this category does not offer meaningful marketing-driven engagement opportunities and so will be obsolete before the Plateau of Productivity.

Bluetooth Beacons

The most prominent use cases and vertical industries for Bluetooth beacons have stabilized (primarily footfall analysis in retail), with push-oriented direct engagement efforts failing to deliver positive results. We have reclassified this innovation profile as scannable marketing to include the variety of pull-based techniques that marketers are utilizing in with increasing frequency today.

On the Rise

Blockchain for Advertising

Analysis By: Andrew Frank

Definition: Blockchain for advertising covers a range of applications of blockchain technology to elements in the advertising supply chain that currently suffer from fraud, lack of transparency, privacy issues and barriers to open competition. Many are speculative, but collectively they represent a common innovation theme aimed at securing and decentralizing digital ad markets.

Position and Adoption Speed Justification: Opportunities for blockchain-based solutions in the digital advertising market include applications such as:

- Mediation of contracts between advertisers, agencies and publishers (eliminating unnecessary intermediaries)

- Registration of consumer consent for use of personal data

- Independent verification of content, ad impressions and conversions

- New forms of currency to represent attention as a basis for media economics

Over the past three years, dozens of companies have launched experimental blockchain platforms for advertising, but none has achieved scale suitable to demonstrate ongoing viability.

While blockchain capabilities provide a theoretical solution to many problems facing digital advertising, significant problems of scalability, performance and adoption must be surmounted before blockchain can alter the status quo. While, skepticism is warranted, support from organizations such as the Interactive Advertising Bureau (IAB) and innovations from technology companies such as IBM, Comcast and Amazon that are working with industry leaders on the buy and sell side of media are gaining momentum. A number of disruptive challengers from outside the industry is also adding urgency.

Beyond technical challenges, the complexity of advertising value chain and the variety of approaches make the ultimate form of blockchain solutions for advertising unpredictable. But, barring large-scale retreat from blockchain architecture in general, its eventual impact on ad markets is unavoidable.

User Advice: Marketing leaders responsible for advertising should:

- Familiarize yourself with blockchain-related innovations in advertising and seek opportunities to participate in trials and pilots.

- Ask martech providers and agencies about plans and support for blockchain and blockchain-inspired implementations and how you can participate.

- Evaluate with skepticism claims of blockchain's suitability for applications that require large-scale, low-latency transactions with skepticism.

- Distinguish between public and permissioned blockchain infrastructure and recognize the limitations and benefits of both. Public blockchains have the advantages of being open and accessible, which come at the cost of latency, computational needs, and weaker privacy and security features. Implementations and trade-offs depend on use case.

- Assign a resource to track and report periodically on the efforts of standards bodies such as the IAB, AdLedger and the Blockchain Advertising Alliance.

Business Impact: The stakes for blockchain-based disruption in digital advertising are extremely high. A May 2019 AdAge report says the Association of National Advertisers and cybersecurity outfit White Ops estimate that advertisers across the globe will lose $5.8 billion in 2019 due to fraud; this alone represents a significant market opportunity for investors and innovators promoting blockchain as a solution to fraud. But fraud prevention is not a given: some solutions may expose new vulnerabilities to large-scale exploits. If successful, however, blockchain-based ad markets could do more than eliminate fraud: they could substantially streamline a programmatic ad supply chain infamous for its opaque inefficiencies that skim off around 65% of each transaction between buyer and seller.

Another substantial target is concentration of digital ad revenue in centralized platforms such as Google, Facebook and Amazon. Blockchain could level the field with decentralized markets that

offer benefits currently only available from "walled gardens." In turn, this could redistribute revenue to media, and especially news outlets suffering under contracting digital ad revenue streams.

Privacy concerns point to new mechanisms for consumers to manage access to their personal data, upending the way they deal with advertisers, publishers and data brokers. Although personal data can't be stored on a blockchain in a way that complies with GDPR's right to erasure, it could provide more useful ways for consumers and marketers to manage access to data stored privately. This would improve both ad efficiency and consumer acceptance of targeted ads.

Last, but significantly, blockchain-based proof-of-authenticity applications could benefit advertisers, publishers, and the public by providing ways to assure the provenance of content and goods, reducing the threat of association with fake news, counterfeit products and the ads that promote them.

Benefit Rating: Transformational

Market Penetration: Less than 1% of target audience

Maturity: Embryonic

Sample Vendors: AdEx; AdLedger; ADconity; Brave; Comcast; Faktor; IBM; Kochava; MetaX; NYIAX

Recommended Reading:

"Innovation Insight for Blockchain in Marketing: Ad Contracts and Reconciliation"

"Innovation Insight for Blockchain in Marketing: Identity and Consent"

"Innovation Insight for Blockchain in Marketing: Proof of Authenticity"

"What's Next for Programmatic Advertising?"

Over-the-Top TV Advertising

Analysis By: Eric Schmitt

Definition: Over-the-top (OTT) television or video refers to on-demand or live programming streamed to any device over the internet. Connected TV (CTV) refers to OTT viewing that occurs on a TV set, streaming through the native TV interface or via a TV-connected device from a company like Amazon, Apple, Google or Roku. Streaming video advertising on OTT is one segment of a broader advanced TV ad market that includes optimized linear and addressable TV.

Position and Adoption Speed Justification: Streaming video services now reach more than half of all U.S. TV households, and connected TV viewing exceeds 8 billion hours per month. The audience includes a substantial segment of younger viewers who can't be found on cable or broadcast TV.

For both advertisers and consumers, the options are dizzying. At least 15 significant new OTT streaming video services were announced between 2017 and 2018. Services come from both

familiar TV brands (e.g., Fox, MTV) and new names (e.g., Philo, Vidgo). For 2019, it's more of the same: New services from Apple and Disney add to the frenzy, which includes WarnerMedia and NBCUniversal. The majority of services offer standard commercial ad inventory; even those that don't — like Netflix and Amazon Prime Video — offer ad opportunities such as product placements.

Collectively, OTT advertising has achieved scale that commands the attention of national advertisers. Growth in viewing means that, in the coming years, OTT is likely to become an essential component of the integrated video media mix. MAGNA's April 2019 revised forecast pegs U.S. OTT spend at $3.8 billion, up from $2.7 billion in 2018, as spending on traditional national and local TV falls.

Meanwhile, down in the execution trenches, the immature supply-side market for OTT ad inventory is crowded and confusing. To buy OTT inventory, advertisers can work with everyone from ad-supported OTT services like Hulu, Roku and Pluto TV to networks like CBS, Viacom and ESPN, to traditional TV distributors like AT&T, Comcast and DISH Network. Inventory also can be sourced through demand-side platforms from vendors like Adobe, Amobee, dataxu, Innovid, MediaMath and The Trade Desk.

Although hampered by fragmentation, the OTT capabilities available to advertisers are progressing apace. Audience targeting, dynamic insertion, innovative formats and measurement data availability are steadily evolving. An increasing pool of inventory is available, including via mainstream ad tech platforms. Programmers are readily bundling OTT impressions with linear TV ad buys — this is likely to be a common phenomenon at this year's TV upfront. As more standardized and interoperable ad measurement approaches are advanced by the Media Rating Council (MRC) and vendors, adoption may accelerate.

User Advice: To put OTT to work, marketing leaders responsible for advertising should:

- Assess the potential of OTT advertising, and deploy campaigns using a simple approach to extend TV or digital ad programs.

- Leverage OTT-specific opportunities for more robust programs, including product placements, sponsorships and interactive ads.

- Draw on both TV and digital skill sets and budgets. Consider OTT programs and teams to be a core pillar of future integrated TV and digital video advertising plans.

- Manage OTT programs closely now to institutionalize lessons and to lay groundwork for future growth.

- Pull budget from the TV and digital media lines, and align team incentives to minimize friction between camps.

- Make the best of limited measurement by focusing campaign learning agendas on practical questions that can be answered with directional data.

Business Impact: The $250 billion global TV advertising market has spent more than a decade fortifying itself against digital disruption, which has had devastating effects on neighboring media

sectors such as music and publishing. Shifting consumer viewing habits and advertiser demands now compel the market to enter a more perilous phase, which will reconfigure the value chain. As cautious as the content producers and TV networks have been, power is up for grabs as data plays a growing role in the market and various sectors vie for control over key data assets. These include not only familiar intermediaries like Google, Amazon, Apple and Netflix, but also TV distributors such as AT&T and Comcast, data intermediaries, media agencies, and even TV manufacturers. Meanwhile, shifting government regulations add a complex wild card to the picture.

For marketers, this creates a risk that the value chain will become crowded with intermediaries claiming a cut of every transaction and obscuring transparency, as has happened in digital. This should motivate marketers and content owners to build more direct relationships with the help of software platforms that provide service without becoming media businesses themselves. It also means resisting provider efforts to transform TV into a pure audience buying medium that ignores the power of highly engaging content to frame a brand message in a compelling light.

Benefit Rating: High

Market Penetration: 5% to 20% of target audience

Maturity: Adolescent

Sample Vendors: Amazon; AT&T; CBS; Comcast; Google; Hulu; Netflix; Pluto TV; Roku; Tubi

Recommended Reading:

"Over-the-Top TV Advertising Opportunities"

"How to Put Over-the-Top TV Advertising to Work"

"How to Get the Most Out of Addressable TV Advertising"

"How to Plan for Integrated Video Advertising"

"How to Make Video Advertising Investments Pay Off"

Visual Search for Marketing

Analysis By: Mike McGuire

Definition: Visual search is the ability to initiate a search [query] using only the image captured using only the image captured by the camera lens on a mobile device. Visual search for marketing encompasses the applications of this technology to search marketing, which include identifying a specific product, providing detailed product information, locating retail outlets for purchase or suggesting complementary or competitive products.

Position and Adoption Speed Justification: Fully realized visual search tools will enable marketers to drive consumers from the awareness phase of the buying cycle to the purchase/conversion stage in an instant. Such searches can include physical objects and buildings. For example, users can

hold their phones with a visual-search-enabled app up to the object, or the front of a restaurant and get detailed information such as the restaurant's menu, hours of operations or ratings.

Visual search capabilities are available in apps such as Google Lens (Android), the Google App (Android and iOS) and Prism (iOS). Major companies like Google, Microsoft, Pinterest and a host of augmented reality vendors continue to invest in these technologies that use computer vision and artificial intelligence (deep-neural networks specifically). Marketing success depends on the maturation of these technologies and mature data and image metadata and tagging capability on the marketing team. That means search, CX, commerce and mobile marketing teams need time to learn and experiment.

Brands already leveraging visual search include ASOS, the U.K. online fashion retailer. Its visual search tool, Style Match, is integrated into the ASOS mobile app. Customers using the visual search capability can zoom in on a man's suit in a magazine picture and receive suggestions on similar suits. Pinterest processes as many as 600 million visual searches per month and continued to invest in the technology. It refined the UI to make the visual search more prominent in the app and provided shortcuts to extend the capability to other elements of the app. The company has also increased the number of product categories — up to 5,000 — that advertisers can target via visual search.

User Advice: Marketing leaders responsible for e-commerce, search marketing and mobile marketing must ensure that they have made the necessary investments in structured data — for products and services — and have built advanced metadata tagging processes into search marketing workflows. This precision is required for complex products with long lifespans that are repaired or serviced regularly (e.g., cars, home appliances, etc.). Consider the evolution of Ford Mustangs. When consumers use their smartphones to do a visual search on 2018 Ford Mustang, are they interested in new Mustangs or just a specific model year? Search marketers need to define the value of bidding on these kinds of searches.

Leveraging the data flowing from consumers' visual search usage means marketers need to ensure that privacy statements and disclosures for their apps and websites are updated with clear descriptions of how visual search data is used.

Business Impact: Visual search benefits marketing leaders who are responsible for e-commerce operations, content marketing, product and search marketing. It can enhance customer experience across all phases of the buying journey from awareness to postsale service and support. Beyond reducing friction for the customer or prospect at the top of the funnel, visual searches are a source of contextual information e.g., location, time of day, local weather. Understanding where and when consumers are starting their searches with pictures can enhance journey building and customer profiles. This step will require a clear and concise request that users opt-in to share their location.

Benefit Rating: Moderate

Market Penetration: 1% to 5% of target audience

Maturity: Emerging

Sample Vendors: Amazon; Blippar; Facebook; Google; Microsoft; Pinterest

Recommended Reading:

"Maximizing Search Marketing Investments"

"What Search Advertising's Evolution Means to Multichannel Marketing"

"Your Website's New Job — Supporting Third-Party Content Aggregators"

Consent and Preference Management

Analysis By: Andrew Frank; Nader Henein

Definition: The consent and preference management market comprises an ecosystem of vendors providing services that consolidate end-user choices regarding how their personal data should be handled. This is then synchronized across a variety of legacy, active and incoming repositories, both on-premises and in the cloud. The ultimate intent is to extend visibility and control to users, allowing them self-determination over how much of their data to expose, to whom and for what purpose, and with the option of changing their preferences at will.

Position and Adoption Speed Justification: The EU's General Data Protection Regulation (GDPR) and a subsequent global wave of privacy legislation initiatives ignited the demand for consent management solutions. Many regional laws emulate the basic principles of GDPR, but vary in scope and details.

To comply with the GDPR, organizations that collect and use personal data must have one of six lawful bases to do so. Arguably, one of the most widely used is consent, often interjecting explanatory consent forms into the data collection flow.

The GDPR requires consent to be clear, specific, explicit, affirmative and easily revoked, but it leaves implementation details open. Consent and transparency violations have thus far yielded the largest fine under GDPR, with Google receiving a $57 million penalty in January 2019.

In the U.S., the California Consumer Privacy Act (CCPA) has led the way in state-level legislation, and introduced the need to offer individuals the option to object to the sale of their information, adding further requirements for consent management. Other laws differ in details, adding to the complexities inherent in offering a comprehensive solution for global enterprises.

Meanwhile, marketers seek an elusive balance between insufficient consent and high-abandonment rates. These factors drive requirements for design flexibility and high-usability standards.

Another complication is that consent and privacy currently affect a variety of systems that are often managed separately across functional areas of the business. On the back end, the variety of technologies involved in implementing subject rights are driving complex integration requirements. Consent and preference management (CPM) providers have generally left front-end design to the end-user organization, where applicable skills and experience are rare.

User Advice: Marketing leaders and security and risk management leaders responsible for collecting and using consent should:

- Work with data protection officers (DPOs) to document precise privacy user experience requirements in line with data processing consent policies.

- Develop a consent matrix that defines types of communications granularly, and port existing customer databases into this new model. Use it to determine if a packaged CPM solution is justified by assessing requirements against market options and internal costs.

- Provide a self-service customer consent dashboard where consumers can view their consent subscriptions and modify them as they see fit.

- Implement a formal review and approval process for consent flow designs and work with designers and customer experience experts to create prototypes and test alternatives. Test and optimize design trade-offs, and quantify costs of consent flow options in terms of user abandonment and consent decline rates. Adopt designs that solicit consent in contexts where its value is clear to users, rather than leading with consent flow at the onset of a session.

Business Impact: When consumers habitually decline to consent to processing of personal data by brands, marketers will lose the ability to offer personalized services and anticipate customer needs based on behavior, so their value to customers will diminish. Part of the success of the GDPR and related privacy regulation, therefore, hinges on marketers' abilities to craft compliant solutions to the challenge of obtaining consent needed to preserve the benefits of personalization and customer intimacy. Without these, brands risk commoditization and markets risk losing economic value. Consent management solutions are compliance requirements, but, more importantly, they are critical to building a trust-based relationship between consumers and brands that put consumers in control of their personal data. Business benefits include increased brand loyalty and retention levels and competitive differentiation for companies that succeed in securing significant levels of customer consent.

Elevated social awareness of data protection and privacy concerns makes it likely that only a minority of brands will be popular enough to experience immediate success with new consent collection initiatives mandated by GDPR and other laws. This minority will benefit from their head start in cultivating consent-based relationships as consumers seek to exercise rights to limit exposure of personal data.

Benefit Rating: Moderate

Market Penetration: 1% to 5% of target audience

Maturity: Emerging

Sample Vendors: Consentua; Evidon; Janrain (Akamai); OneTrust; PossibleNOW; SAP; Tealium; Trunomi; TrustArc

Recommended Reading:

"Market Guide for Consent and Preference Management"

"Predicts 2019: The Ambiguous Future of Privacy"

"Emerging Technology Analysis: Consent Management"

"What Marketers Need to Know About GDPR: Frequently Asked Questions Answered"

Personification

Analysis By: Andrew Frank

Definition: Personification allows marketers to deliver targeted digital experiences to individuals based on their inferred membership in a characteristic customer segment rather than based on knowledge of their personal identity.

Position and Adoption Speed Justification: Tension between personalization and privacy restrictions is generating innovative approaches to experience targeting that avoid personal data. Personification's goal is to deliver the relevance and marketing value of personalization without processing personal data that is subject to regulatory restrictions.

The precise boundaries around personal data vary by jurisdiction. But certain data available during a digital interaction, such as a subject's regional location, type of device being used and contextual factors such as the time of day and local weather are not sufficient to uniquely identify an individual. Similar clues, such as the type of content surrounding an advertisement, or clickstream behavior during the course of a site visit, are similarly anonymous as long as they are not associated with any unique or persistent identifier.

As legal and technical challenges to the unfettered use of personal data advance, marketers and solution providers seek opportunities to apply modeling and advanced analytics to extract more powerful inferences from contextual data to deliver on the promise of personification. Scaling these capabilities, however, will require changes to the cookie and device ID-based practices that underpin much of today's personalization and programmatic advertising markets, such as standard models to encode and express anonymous contextual and behavioral information.

Analytics firms, data-savvy marketers, and a few leading publishers, such as The New York Times, are spearheading advances in AI-driven insights that summarize and target audience interests and propensities using anonymized data. Although these approaches tend to be marketer- or publisher-specific, the technology is moving fast and the stakes are high, so expect continuing progress for the next four or five years. Meanwhile, marketers must reassess aggressive visions of one-to-one personalization at all stages of the customer journey, especially where consent or data are lacking.

User Advice: Marketers must:

- Reevaluate personalization strategies to focus on content designed to help consumers in ways that both encourage opt-in and require less personal data-driven guesswork to connect consumers with relevant content.

- Make a clear-eyed assessment of the degree and circumstances under which customers and prospects are likely to grant broad consent to tracking and profiling. Few brands can claim a fan base large and devoted enough to assume most interactions can be personalized with consent to use personal data. Assure that customers who decline consent still receive valuable experiences. Beware of tactics that use commercial incentives to gain consent as this can be easily revoked and may run afoul of regulations. Communicate a strong value proposition to customers about what they get for permission to use their data.

- Understand all applicable restrictions, both legal and technical, to the use of personal data in marketing. These include laws such as the EU's General Data Protection Regulation (GDPR) and the California Consumer Protection Act (CCPA). Also, understand the evolving privacy features of browsers such as Apple's Safari's Intelligent Tracking Prevention (ITP) and Google Chrome's new APIs.

- Seek ways to maximize the value of contextual data, such as weather, time, device characteristics, traffic source and observable user actions to define and identify personas.

- Use "atomic content" and experimental design to test and refine persona definitions and their associated content experiences.

- Regardless of regional laws, offer customers transparent ways to discover why they're receiving variable content and solicit feedback on your explanations. Work with IT and privacy counterparts to deploy solutions that allow people to manage their data and preferences.

- Separate personas for true consent-based personalization and personification. Personalization activity may inform personification models by extracting contextual data elements, but make sure that personified segments are free of personal data and can't be combined with other data to identify (or reidentify) an individual.

Business Impact: Personification impacts three areas of marketing:

- Targeted advertising is strongly affected by new restrictions on the flow of personal data. By shifting reliance to nonpersonal data, personification has the potential to restore value lost to the digital advertising supply chain. This shift in reliance also avoids further consolidation of market power among platforms most likely to gain large-scale consent to ad targeting based on massive audience engagement (e.g., Google, Facebook and Amazon).

- Direct marketing (such as email and mobile messaging) is increasingly subject to consent restrictions under GDPR. Personification can reduce the extent of personal data required for profiling, reducing resistance to consent while continuing to optimize relevance and engagement.

- Many personalization solutions assume both presence and consent to use visitor data for personalization. Personification can be applied in a broader range of situations and content strategies with less risk.

Personification is an attractive area of research for machine learning because its goal is to make strong inferences from data that is harder to interpret than traditional demographic and behavioral

datasets. Its utilization of publicly available data, including public posts and profiles on Twitter, LinkedIn, Instagram, etc., may expose new regional and generational disparities in privacy norms.

Benefit Rating: High

Market Penetration: 1% to 5% of target audience

Maturity: Emerging

Sample Vendors: Adobe; Adworthy; Amobee; Analytic Partners; BloomReach; Merkle; Nielsen; Oracle; Segment

Recommended Reading: "Use Personification to Balance Personalized Marketing With Privacy and GDPR"

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