

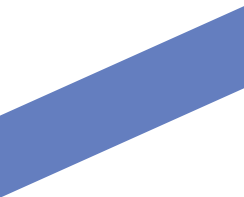
# 5 X 5

5 MARKETING PREDICTIONS FOR THE NEXT 5 YEARS



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# INTRODUCTION

Predictions have always been a vital aspect of our culture. As every year concludes and a new

*It's key to constantly evaluate the industry and marketplace in order to stay current and competitive when changes happen.*

one approaches, we pause to reflect back on what we've learned, what's changed, and what we think will happen in the coming years. We use this as our opportunity to start a new chapter, learn from past mistakes, and set goals for future endeavors and challenges we want to overcome.

This process is just as important for marketers. As the marketing world continues to evolve so rapidly, and often without warning, it's key to constantly evaluate the industry and marketplace in order to stay current and competitive when changes happen, or risk being left behind.

In this whitepaper, we'll explore five predictions we believe marketers should prepare for in the next five years, and we'll give actionable advice for how to do so.



OMNICHANNEL DATA  
CONNECTS OFFLINE  
TO ONLINE (O2O)

# OMNICHANNEL DATA CONNECTS OFFLINE TO ONLINE (O2O)

E-commerce retailers, regardless of organizational size or specialty, will continue to see a convergence between online and offline channels, with blurred lines between what a traditional in-store or in-person experience resembles, compared to its online counterpart. Today, the offline consumer experience, such as brick-and-mortar stores, includes visiting a physical storefront, trying on clothes, browsing the shelves for a certain item, or carefully examining produce to hand-pick groceries. Consumers stand in line to purchase their items with the help of an employee or check themselves out at a self-serve kiosk, load up their purchases, and then move on to the next stop. For so many reasons, this process is cumbersome; it doesn't make sense for inventory purposes as it requires a significant amount of stock on hand, and it's time consuming and often frustrating for consumers. We can all relate to the frustrations as we participate in this process every day, sometimes multiple times a day.

But the entire offline and online experience will converge over the coming years. In the near future, consumers will go into a brick-and-mortar store to browse, hold and weigh options, but all of the ordering will be handled by a roaming data associate. Meanwhile, the online purchase will be executed and delivered to a consumer's house without the hassle of the traditional and cumbersome check out process, or the loading of items into cars or onto public transportation. In this future commerce, stores won't carry inventory. Instead, they'll have displays and options for sizing, colors, and other choices, that consumers can browse and touch in order to make their choices.

Marketers have moved on from marketing the same products along different channels. Now the channels themselves, whether offline or online, dictate the content.

*“Customers behave very differently according to the channel, both in terms of responsiveness and in buying strategy; fitting that into a multi-step communication framework is the challenge we currently face.”*

– Daniel Eisenhut, Head of Professional Services at Emarsys.

This is why many of the latest conversations around Big Data have really been focused on working with data from different sources and channels, all with the aim of finding out more about customers and lost opportunities. Marketers need to have a clear vision of what they're looking to achieve when combining data from different offline and online channels; making a conscious decision to put the customer at the center of the equation in every circumstance, no matter the channel.

Many e-commerce retailers have multi-channel marketing efforts, but recently, more of those organizations have been trying to work across those channels more effectively and enable commerce to happen efficiently and measurably, independent of the channel itself, whether offline or online.





# FROM MOBILE-FIRST TO MOBILE-ONLY

# FROM MOBILE-FIRST TO MOBILE-ONLY

It's no secret that mobile marketing has accelerated in growth over the last decade. We've watched as organizations across all industries have adopted mobile strategies ranging from the development of mobile apps, to the use of notifications, and the adoption of mobile email, wearables, and beyond. Consumers rely on their smartphones and tablets more than ever before, often visiting websites or pulling up apps on their mobile device first; a trend that will only increase in the coming years.

Each year, mobile technology becomes more intuitive, more functional, and more sophisticated in its capabilities. According to a Gartner press release issued in Q1 of 2016:

*"Global sales of smartphones to end users totaled 349 million units in the first quarter of 2016, a 3.9% increase over the same period in 2015 [...] Smartphone sales represented 78% of total mobile phone sales in the first quarter of 2016."*

Organizations across all industries need to continue testing and optimizing their mobile marketing strategies. Just because a mobile tactic was effective in years past doesn't mean that the same tactic will continue to work in the future. Smart marketers need real-time insights into mobile marketing performance in order to understand how end users are (or aren't) engaging with their mobile marketing programs or applications.

We will move from a world focused on designing for mobile as a secondary approach, to designing for mobile first. E-commerce organizations will finally fully alter the online shopping experience from responsive to completely mobile shopping experiences.

This mobile-only approach will be different, as it won't just be a smaller design but will also include more responsive websites and shopping experiences. The mobile-only experience will lead to fully tailored shopping experiences primarily designed for engagement on a mobile device.

Consumer applications like Tinder and Uber have become the standard for mobile

user interfaces and experiences. The apps are simple and were designed for an intuitive and beautiful mobile experience. The adoption of these apps has been incredible, so why aren't e-commerce organizations 'Tinderizing' and 'Uberizing' the online shopping experience? Within the next five years, consumers will be able to swipe left, right, up, and down to make their selections, all via their mobile devices. And when the consumer is ready to complete the transaction? Easy. It just takes one click; the purchase is complete, and the items arrive at the consumer's house.

In an effort to remain competitive and innovative in today's digital and always-connected world, marketers should continually be piloting and testing mobile strategies with a small subset of their users or target audience. If a brand slows mobile innovation, or pauses testing and optimization for mobile devices, the brand is risking the loyalty of current users as well as jeopardizing new user acquisition.

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Oculus VR  
HD Prototype

SOCIAL  
COMMERCE AND  
FACEBOOK  
MONEY



# SOCIAL COMMERCE AND FACEBOOK MONEY

Social commerce, the use of a social network in the context of e-commerce transactions, will become a mainstay channel for consumer purchases. While the hype around social media and e-commerce rises, many retailers still aren't sure how social commerce fits into their acquisition strategies. Yet, in 2015, Pinterest launched the 'Buy It' button and Instagram created an expanded ad program called "Instagram Ads". At the same time, other social media channels such as Twitter and YouTube also updated their websites and mobile apps to favor easy e-commerce purchases straight from their sites, clearly showing a trend towards more social commerce options in the near future.

A recent Marketing Week article entitled, "Social commerce: How willing are consumers to buy through social media?" shares several intriguing statistics:

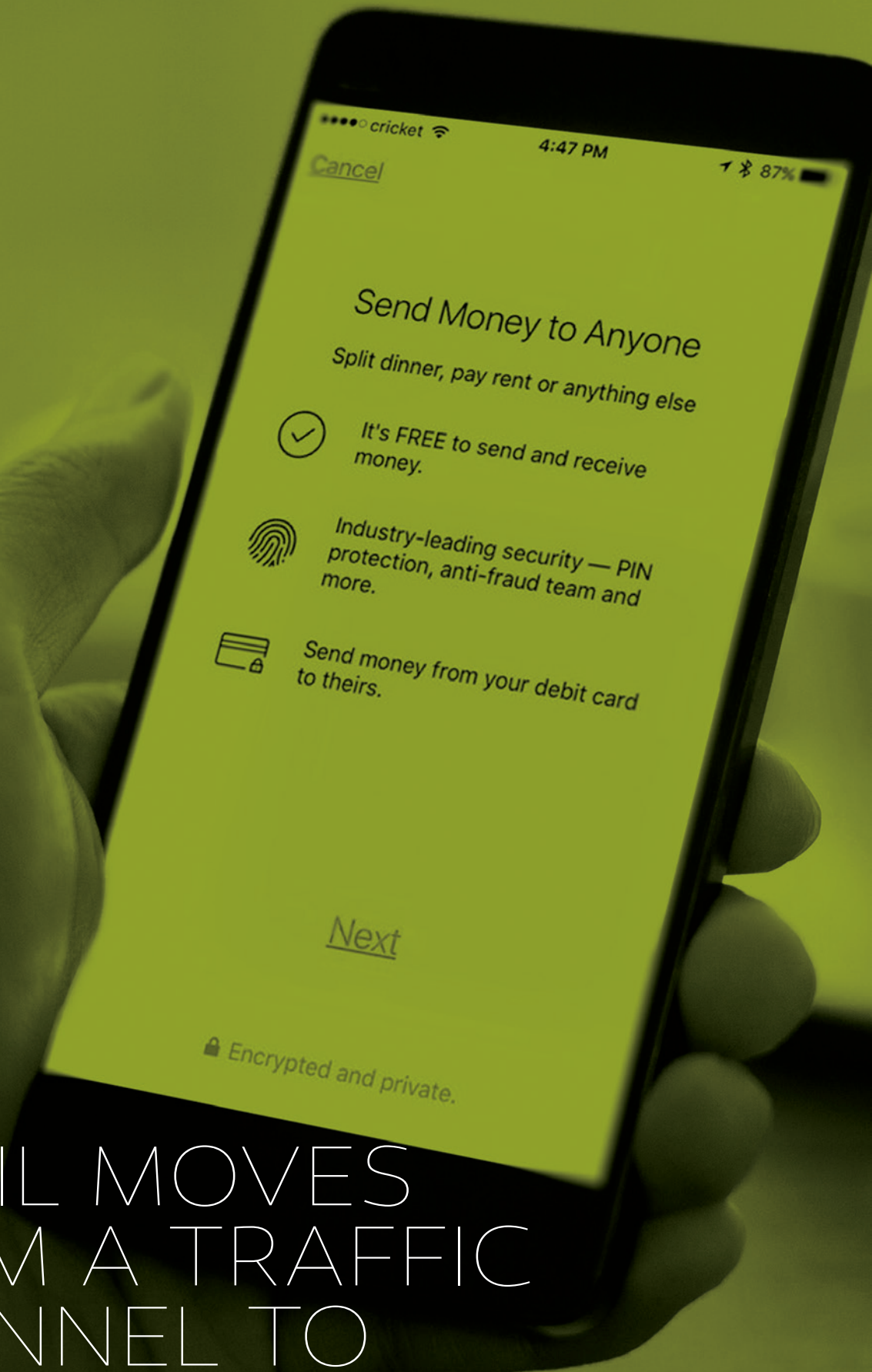
*"More than half (56%) of consumers who follow brands on social media sites say they do so to view products. Dubbed 'social shoppers', research shows that these individuals visit social networks as part of their everyday shopping behavior, and use images they see on social media sites to inspire purchases. Nearly a third of online shoppers (31%) say they are using these channels to browse for new items to buy. Facebook is the most popular network people are using (26%), followed by Instagram (8%) and Pinterest (6%)."*

But perhaps the biggest game changer in social media could be Facebook's recent acquisition of Oculus VR, the leader in Virtual Reality (VR) technology. Why is it that Facebook bought the technology company? What potential did Facebook see in the acquisition? Facebook is advancing on several fronts, including the implications of VR on its platform, but more important is the development of Facebook's new service that lets users send money via its instant messaging app, Facebook Messenger. This service allows users to readily swap money with others (as opposed to businesses) both near and far.

*What potential did Facebook see in the acquisition?*

As Facebook advances and continues to bring on other technologies, such as Oculus, it will become the largest shopping platform in the world, introducing the concept of social commerce into prime time. Other social channels will need to work quickly to catch up with social commerce consumer demands.

# EMAIL MOVES FROM A TRAFFIC CHANNEL TO TRANSACTIONS



# EMAIL MOVES FROM A TRAFFIC CHANNEL TO TRANSACTIONS

Many have predicted the death of email, and this rumor has persisted long enough since the advent of social media. Some suspected that the introduction of RSS feeds would cause the end of email, for some it was MMS, but years later all the doomsayers have been proven wrong, and the channel is stronger than ever, continuing to grow in volume as well as in its many uses.

*Can you imagine a world where emails have an embedded Buy Now button?*

Historically, email has always been a winning channel for retailers of all kinds. This powerful workhorse channel

drives traffic, engagement, and ultimately transactions, on an e-commerce website or a mobile application. Can you imagine a world where emails have an embedded *Buy Now* button? In the near future, retailers will be able to send email directly to their customers and have them conduct transactions directly inside that mail. Email will become one of the largest transaction channels on earth, moving

well beyond being a traffic channel. Google has already developed a proprietary technology called Pony Express that will allow consumers to pay bills directly inside emails. Other methods of conducting business instantaneously upon receiving an email will soon follow.

Why is it that this channel, which many predicted would die out years ago, is still growing? Email is the “tissue layer” of the web, and it is our unique identifier or, in other words, our “digital ID”. Recently, even Twitter started sending digests with the most important tweets from the people an Instagram user is following. Twilert, for example, understood the importance of email notifications, and created a business simply forwarding mentions of Twitter hashtags to those that wanted to see the alerts. Even powerful social media giants like LinkedIn and Facebook won’t move away from email notifications simply because they know that it’s the glue that keeps their users coming back to the site over and over again.





MACHINES FINALLY  
DELIVER ON THE  
PROMISE OF  
PERSONALIZATION



# MACHINES FINALLY DELIVER ON THE PROMISE OF PERSONALIZATION

Personalization is not a new concept. Retailers and store owners have pursued a personalized experience for consumers for hundreds of years because of the tremendous impact relevancy has on consumers. In the past, for example, the local store owner memorized his or her customers' families, birthdays, and even preferred products. And what if a frequent customer forgot his or her wallet? The store owner would kindly say, "No problem, pay me next time." Certainly, e-commerce marketers or retail owners aren't trying to do LESS personalization. But with the explosion of new channels, enormous amounts of data, complex customer records, and thousands upon thousands of variations on what a personalized experience means to each consumer, human-driven personalization simply doesn't scale.

Marketers have moved beyond the human capacity for personalization, and into a world of neural networks, machine learning, and artificial intelligence, and these technologies all finally deliver on the promise of personalization. Marketers use technologies that drive campaigns, choose content, determine offers, select discounts, decide upon channels, and

yes, even optimize for the best time to communicate with valued customers.

*Machine learning and AI will become much more prevalent across the e-commerce industry in the coming years.*

The e-commerce space will experience a radical shift to even more automated processes, especially as it relates to marketing and personalization. E-commerce organizations rely on the ability to personalize the customer journey, and to create incredible and memorable experiences that keep their customers coming back. In addition, e-commerce companies are careful to reduce overhead costs wherever

possible, so they are able to sell their products at a more competitive rate, with a higher profit margin. Machine learning and artificial intelligence will play a significant role in all retailers' marketing efforts, allowing marketers to create more personalized real-time experiences while removing the costs of manual data mining.

We've all seen the many recent articles that describe how machine learning is radically changing the way companies can interpret and make sense of complex data - and also act on it almost as if human and in near-real time. It seems this new technology has literally exploded in popularity overnight, and is already being put to use across many industries, worldwide. E-commerce organizations will benefit from machine learning by automating once-manual data processes and protocols that used to be hard coded, such as visitor profiling and interactions on the website.

While e-commerce companies aren't strangers to advanced personalization, machine learning and AI will allow them to take personalization to the next level. Machine learning algorithms are able to collect data and personalized experiences for each unique visitor based on their behaviors in near-real time, eliminating the need for static profiles based on outdated or grouped data sets.

Machine learning and AI will become much more prevalent across the e-commerce industry in the coming years, but executives must first build the strategy and identify goals for what it means to effectively use machine learning and AI in their organization. Without a well-planned strategy, machine learning can simply become a cog inside of a big machine.

# IS YOUR ORGANIZATION READY?

With the many changes occurring across e-commerce and retail, marketers must constantly evaluate new channels and adapt to new ways of engaging with their audiences. They must keep consumers engaged across proliferating channels, or risk losing them altogether.

Consumers expect brands to treat them like unique individuals with evolving preferences. Digitally transformed channels are growing in number and complexity, and, at the same time, consumer expectations are increasing at a faster rate than ever before. The next several years will be a transformative period for e-commerce and retailers of all shapes and sizes.

How is your organization preparing for the coming marketing shift over the next five years?

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# ABOUT EMARSYS

Emarsys is a leading global provider of marketing automation software and the first marketing cloud for retail and e-commerce. The Emarsys B2C Marketing Cloud enables true, one-to-one interactions between marketers and consumers across all channels — building loyalty, enriching the customer journey and increasing revenues. Machine learning and data science fuels customer intelligence in an intuitive, cloud-based platform, enabling companies to scale marketing decisions and actions far beyond human capabilities.

Founded in 2000, Emarsys data-driven platform helps more than 1,500 clients in more than 140 countries to connect with their customers all over the world. For more information: [www.emarsys.com](http://www.emarsys.com).

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