

Advertising 3.0: A Proposal

"The future is here. It's just not evenly distributed yet."

William Gibson

The world ain't what it used to be...

Over the past decade and a half, the world has changed. Radically. That which was and that which is now are nearly indistinguishable from each other at a practical level. Advances in media, in networking, in product development, in communication, in design, and in the democratization of information have created a world far more chaotic, far more complex, far noisier, far faster, far more connected and a hell of a lot more complicated than the one that most of us grew up in. Anyone plugged into the global grid (and that's more than 60 percent of the industrialized world) has access to countless Web sites, podcasts, videocasts, RSS feeds, streaming media, animations, and non-stop bombardment via email, pop-up ads, instant messaging, and thousands of other electronic signs begging for our attention. Anyone who turns on the TV faces hundreds of cable channels to choose from, hundreds of video-on-demand choices, and countless streams of information within the shows they watch in the form of bugs, tickers, and fast-cut promos. The savvier technophiles find their time in front of "traditional" media choices being siphoned away by video games played on their TV or taken on the road, video that they've shifted in time and space via digital video recorders, portable digital video players, and IPTV technologies, and a constant stream of incoming messages to their cellphones, PDAs, and portable email devices. Even those avoiding teetering on the cutting edge still often have to contend with dozens of more streams of information than they had to deal with a decade ago.

In this landscape, the practice of communicating with people has gotten infinitely more difficult. New media don't kill old ones: they find their place within the mix by cannibalizing the available attention space. The messages still matter, people still seek information, but getting the information from the sender (our clients) to the receivers (their customers or prospects) has become incredibly difficult.

And it's just going to get worse. The body of human knowledge now doubles every 18 months. New technologies that utilize ubiquitous IP channels such as IPTV have the potential to create an infinite number of media "channels." Portable audio and video allow people to watch or listen to what they want when they want where they want. And new developments in technology such as "printable" computers, augmented reality, ubiquitous wi-fi, digital paper, and smart objects Bruce Sterling calls "spimes" mean that at some time in the not-so-distant future, the mediasphere and the meatspace will become indistinguishable.

Five Vectors Changing Everything

It may be possible to trace the beginning of the digital revolution back to the morning of August 15, 1971. On this day the US Government abandoned the gold standard and changed the value of money from a product of physical reality to a product of consensus reality. Whether the citizenry knew it or not, their lives were now ruled by information. Value became a product of agreement, and the very baseline most measure themselves against-- how much money they had or wanted or lost-- changed from atoms to bits.

The change was gradual and stealthy at first, known and understood only by an elite few. For most people the concept that information ruled their lives was meaningless. They lived in the physical world, for the most part their work effected physical changes, and that which they spent their (now imaginary) money on was stuff that they could hold in their hands.

Sean Carton

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The explosion of the Internet in the 90's changed all that.

All of a sudden, people had to come face to face with the reality that their reality had become digitized. Their lives were increasingly permeated by digital streams of information delivered through an ever-growing dataverse of devices. Their work was increasingly no longer about making things but about manipulating information. More and more people got used to the idea that purchases didn't have to involve physical objects anymore: music was music whether it was held captive on a circular piece of shiny plastic or downloaded from a store somewhere in cyberspace. Entertainment and media became more and more fungible and could be transported from place to place and experienced in a dizzying array of forms. Information that had previously been the property of a select few with the money and equipment to access it now flowed freely into livingrooms across the world where it could affect everything from job searches to vacation plans to household purchases.

These changes have changed people and has changed the way they live. Even those who aren't all that plugged in technically (and that distinction is becoming increasingly more difficult to find) have found the world around them changed by the digitization of culture and the democratization of information. These changes have lead to five major trends affecting the way we live and communicate:

1. **The consumer is in control.** Readers of the Yankelovich *Monitor* have been reading about this for years, the idea that the availability of information has shifted the balance of power from the producer to the consumer. Digital technology has continued to increase the pace of this trend and industries as diverse as travel, automotive, and medicine have been inexorably altered by the fact that anyone can find out just about anything anytime. Patients have been empowered to ask their doctors about their health (leading to the trend in direct-to-consumer pharmaceutical advertising), consumers have become their own travel agents, car salesmen run in fear from comparison price-toting customers, and anyone in the market for anything can compare prices globally at any number of Web sites. In terms of media creation, the development of cheap, easily-accessible digital video, audio, and publishing tools have given individual citizens the ability to become their own news and entertainment outlets. Power to the people.
2. **Atoms to bits.** The entertainment and media industries have been shaken to their cores as content has become decoupled from the medium it used to be sold on. Record companies have had to come to bits that they can't contain the means of distribution anymore and entirely new business models have had to be created (and are still in the process of creation) to deal with the shift. Other industries as well, from film and TV (see the new iTunes video store) to sports (see the electronically-generated lines on the field and the rise in real-time stats) to even formerly industrial products companies re-casting themselves as "solution providers" or information companies have been overtaken by this trend. Whole industries that used to sport privileged positions due to the skills needed to enter them (see the whole IT industry) have found themselves becoming commodities as information has allowed the outsourcing of their main functions.
3. **Real time to My Time.** There's do doubt that the world is becoming more non-linear. Media which used to have to be consumed in only when it was served up -- radio and TV in particular-- are finding themselves ripped from their roots as consumers become their own programmers, recording, watching, and listening what they want when they want. The ad industry has only now begun to grapple with the long-term effects of consumers having total control over when and where they consume media. And while TiVo may be in financial trouble, there's no doubt that the digitize and record trend will only continue into the future. People want it. They're going to get it. More power to them.

4. **Centralization is dead.** Hierarchies are a product of linear organization, centralized communication, and non-porous power structures. The networking of the world has changed all that and the “official story” is getting harder and harder to find (or communicate). Companies are porous, information (and rumors) traverse the globe at literally the speed of light, and structures that once made sense seem relics of an earlier age. For communicators (and all of us have become communicators in a much larger sense due to the global ‘Net), reaching who you want when you want has become both easier and more impossible. Press releases have given way to blogs, press conferences are being replaced by Webcasts and podcasts, and the expectations of information and, more importantly, *access* have continued to increase exponentially.
5. **The future is always on.** Today’s consumer (especially those younger than 18) is always on. More than one quarter of all 8-12 year olds have mobile phones and that percentage will certainly increase into the future. While some of us still struggle to deal with answering our cellphones, teen hackers crack into celebrity Sidekicks so that they can download their IM buddy lists and cellphone addressbooks. Pre-teens now see email as an arcane and cumbersome tool, preferring to connect instantly via instant messenger, social networking apps, and text messaging. Ubiquitous wireless internet connectivity is rapidly approaching with new technologies such as WiMax and municipal projects such as Wireless Philadelphia. The time is coming where people will be connected to everyone all the time and will have access to all the knowledge, entertainment options, and services offered by the new Web. Always on. Always connected.

Pattern Recognition

So what does all this mean? Of course, the particulars are hard to tell. But even if its not possible to pinpoint *the* killer app of the new millennium, there are lessons we can learn from these trend vectors. Whether the iTunes video store will take off is irrelevant: the fact that people are getting used to downloading and viewing (anywhere) commercial-free television *isn't* trivial at all. If Apple doesn't succeed, somebody else will.

“We have no future because our present is too volatile. We have only risk management. The spinning of a given moment’s scenarios. Pattern recognition.”

William Gibson, *Pattern Recognition*

So what can we learn? First that communicating in this new age means recognizing the move from the *implicit* to the *explicit*. We don't need to imply or talk around things when we can show and do and involve those we communicate with in the experiences we want them to have. We must also recognize that the gap between *idea* and *implementation* is rapidly disappearing as the rapid flow of information and the lower barriers to entry brought about by digital technology shorten product lifecycles and open a continuous feedback loop between producers and consumers. This two-way flow of information also means that the paradigm of communication as *broadcasting* is being replaced by the intimacy and personalization of *interacting*. It's not just enough to have ads anymore...we need applications.

The speed and interactivity of communication also means that we have to consider that the paradigm of *publishing* where finely-crafted (and spun) elements of communication are released at regular intervals to a waiting public with limited options is being replaced by the paradigm of *streaming* continuous information. Waiting for information is no longer an option for consumers and the luxury of being able to fine-tune carefully crafted media strategies is becoming less and less of an option for advertisers. Measurement and optimization need to happen in real-time to keep up.

Finally, the very nature of who *consumes* and who *creates* is being called into question. Cheap media creation tools and readily available outlets such as podcasts, blogs, and videocasts have begun to blur the line between producer and consumer. Kids growing up today with the ability to create their own mediated realities are going to think about “communications” in a much different way than those of raised in the Age of Broadcast and one-way media.

Advertising 3.0

In some respects, even talking about “advertising” in an age of an infinite number of potential communication channels that can be experienced everywhere smacks of nostalgia and hubris. On the other hand, if we’re going to be in the business of connecting our clients with their customers and prospects, we can’t *not* talk about it. After all, regardless of the changes occurring in the mediasphere, managing *attention*, that most precious of all resources today, is still the job of the professional communicator. Brands still exist, people need to learn about new products and services, companies need to sell those products and services, and public perception still needs to be addressed. The last revolution in advertising (Advertising 2.0) addressed the new challenges of the Internet. The next revolution needs to address the challenges of the connected, time-shifted, always on consumer. The question is *how*?

Today’s (and certainly tomorrow’s) connected consumer cannot be expected to follow the patterns of the past and can’t be expected to follow today’s pattern tomorrow. There are just too many choices, too much media, too much noise. Today’s consumer is bombarded by information from all sides, and that bombardment will only continue to grow as choices expand. But while the choices continue to grow, attention continues to be a constant. Understanding how to attract that attention and deliver a message will require knowing the consumer better than ever, understanding her motivations and patterns, and will require a data-rich feedback loop that measures, optimizes, and targets messages matched and personalized to the individual.

For a communications agency to operate in this new world, all operations must be integrated. The distinctions between what’s “interactive” and what’s “advertising” (and even what’s “public relations” or “community relations” or “word of mouth” communications) are increasingly irrelevant. If “brand” happens whenever companies and customers meet, that brand must be constructed in such a way as to work equally well across media, across location, and across technological capacity. Advertising 3.0 doesn’t mean being everywhere (because that’s impossible) but being everywhere the *customers* are. To do this requires not only a deep understanding of the principles of persuasion and communication but also the technological sophistication to know how to deploy those principles and where. It requires deep knowledge of people, a respect for their preferences and needs, and an understanding of how they themselves communicate. It requires creative that can work across media and that can even work across new media as it develops. It requires the production capability seamlessly deploy everywhere it needs to. It requires a media and measurement team that can track, measure, and respond quickly to changes.

In short, it requires rethinking the notion of the agency itself. Advertising 3.0.