

How Will Consumers Adjust and Adapt to the Digital World of 2020?

WINNING IN 2020

SIGNE WANDLER 31 MAR 2014

MediaCom's Signe Wandler in discussion with Jeffrey Cole, Director of the Center for the Digital Future at the USC Annenberg School for Communication and Journalism and Founder of the World Internet Project.

THE EVOLUTION OF SOCIAL MEDIA

Will Facebook's growth and dominance continue in the lead-up to 2020?

Facebook already has more than 1 billion users, and will eventually become a phone directory for the planet: anyone who wants to find someone, somewhere, will turn to Facebook. This is all the more remarkable considering that 1.3 billion people – the Chinese – are blocked from accessing the site. But will Facebook be able to maintain its popularity

with teenagers, its core audience? That's not as clear. For this age group, an online community is like a nightclub; when the place becomes too popular, or the uncool kids begin showing up, they are out of there. And the worst thing that could happen to a group of teenagers in a nightclub is their parents show up... and now their mothers want to friend them on Facebook. Nevertheless, it's an open question as to whether any other platform will ever establish such dominance. When [1Q13] research showed that Tumblr had become more popular among American teenagers than Facebook, reporters scrambled to ask whether Tumblr would become "the new Facebook." The answer is that Tumblr became the Facebook of 2013. If you asked teenagers now, in 2014, they would tell you that they are much more likely to be on Snapchat than Tumblr or Facebook, so Snapchat will be "the Facebook of 2014," and so on and so on. While this trend away from Facebook has started in the US, Canada and the UK, it seems to be part of a global trend.

Where will the new social media challenger brands come from?

It's impossible to know. Some will come out of nowhere, like Snapchat. But one thing is for sure: there are a lot of ideas out there, and we will be hearing about the best ones sometime in the near future.

RETAILING

How will shopping evolve and what role will digital retail play in 2020?

E-commerce will continue to grow at an extraordinary rate. We can already see that people are willing to buy almost every conceivable product and service online, from toothpaste and batteries to jeans and televisions. Half the diapers in America are sold online through subscription models and, by 2020, that percentage will probably be higher. Brick-and-mortar stores will remain important, although there may be fewer outlets. The successful ones will have found a way to be additive to the decision-making process, rather than just duplicating what can be accomplished online.

What key trends are you seeing now that will be even more significant in 2020?

Two things. One is that retailers are finally coming around to the idea that the offline and online retail experience must be completely seamless. Customers should be able to buy online and return to the store, or buy in the store and return online, and there has to be a specific, understandable reason for any price differential. The most successful retailers understand that consumers may buy online today and be in their stores tomorrow. The second trend is that the very definition of online retail is changing. Take Amazon, for example. Amazon believes it can sell just about anything to anyone, anytime. In the US, it has begun Sunday delivery, and Jeff Bezos has suggested (only half-jokingly) that the company may eventually use drones for home delivery. Not wanting a costly shipment to contain only \$4 in batteries, Amazon is making deals with fashion houses to deliver much more expensive goods, and is also moving aggressively into selling wine. Ultimately, I believe that Amazon will become a major force (if not the major force) in automobile sales. I mean, who knows? Just this weekend, I saw an advertisement for “Fine Art at Amazon,” with an Andy Warhol acrylic Campbell’s Soup print selling for \$166,250... plus free shipping, of course.

BRAND MARKETING IN 2020

How do you view the relationship between consumers and brands?

What social media has shown us is that consumers want to have relationships with brands. I always tell clients that their customers will talk whether they’re there or not, so you may as well have a social media presence to (a) move the conversation forward, and (b) intervene when absolutely necessary. This is not a dynamic that is going to change. Consumers will continue to tell brands what they think of their products, marketing campaigns, corporate social responsibility campaigns and anything else on their minds. What will change is that consumers will increasingly expect brands to anticipate and respond quickly to both “good” and “bad” feedback.

What should brand marketers do now to prepare for the landscape of 2020?

The goal of any brand should be to foster a very steep learning curve and institutionalize a

very shallow action curve. By that I mean brands need to study, track, watch, explore and investigate everything. Every CMO should be asking herself, what's next? Brands, for example, should be paying a lot of attention to Google Glass, Nike's FuelBand, the FitBit Flex and other wearable technologies right now. You may not need an expensive strategy embracing each of these technologies, but how can you know for sure, and what innovation processes can you implement so that you can change your mind if circumstances change? The pace of technology development is not going to slow down; marketers need to be in a constant state of test-and-learn, 365 days a year, in order to intelligently decide what makes sense for their businesses.

[Jeffrey Cole](#) is Research Professor and Director of Center for the Digital Future at the USC Annenberg School for Communication and Journalism. In 1999, Cole founded the World Internet Project, a longitudinal study of the effects of computers and Internet technology on all aspects of society in more than 30 countries.

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