When Tomorrow Comes: The Present and the Future of Advertising

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The aim is to analyse the present and the possible future of the concept of advertising. The present concept is more related to the fact that marketers moved from a product focus to a sales focus, and now to eventually a relationship focus. The future concept is related to the growing customization of strategies based on the nature of the product category and the life-cycle stage of the product and the customers in the context of the development of the convergence culture, the experience economy and the new technologies connected to the Fourth Industrial Revolution.

Keywords: advertising, convergence culture, experience economy, Fourth Industrial Revolution, technology

Introduction

The concept of advertising has fractionalized into short-term activities rather than on long-term communication, which created obstacles for a widely accepted definition of the concept (Schultz, 2016). Part of the definitional challenge is related to the educational system that has developed around advertising, particularly how the subject is taught, how the young professionals are trained, and how the field is practiced, which is different from one territory to the other (Figueiredo, Jesus, Robaina, & Couri, 2019; Jesus & Kamlot, 2016; 2017; Jesus, Kamlot, & Dubeux, 2019). In the academic community, advertising is based on attempts to engage consumers and influence them in their purchase or acquisition decisions (Schultz, 2016). Advertising is changing in a new era of globalization, characterized by the relentless innovation in products and markets, the rising pressure on free market-oriented governments due to societal transformations, and the interconnectivity of capital, goods, information, and people (Hendrix, 2012; Jesus, 2009; 2010; 2013a; 2014a; 2014b; 2017b). This is also the moment of the Fourth Industrial Revolution, which combines disruptive physical and digital technological innovations, such as artificial intelligence (AI), internet of things, and augmented reality (Barbosa, Costa, & Pontes, 2020; Jesus, 2017a), and traditional sectors of the economy try to change practices and processes to incorporate innovations (Jesus, 2011; 2012; 2013b). Technology has transformed the ways of identification of people who are more likely to buy, as well as what, when, why and how they are more likely to buy and recommend. Companies must deal not only with aggressive competitors but also with empowered customers (Kumar & Gupta, 2016). The development of advertising as a creative sector has been recently affected by the COVID-19 pandemic and may be even more vulnerable to future health issues (Jesus, 2020; Jesus, Kamlot, & Dubeux, 2020).

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The Present Concept of Advertising

In the past, practitioners used to see advertising as the creation and distribution of persuasive messages by or on behalf of brand marketers from profit-seeking sellers. In contemporary times, practitioners seem to realize that advertising interlocks multiple pieces and players, reinvented on a permanent basis. In the academic perspective, this instability creates challenges of defining the concept, but researchers and professors understand that there must be producers of goods and services who enter the marketplace with the intent of creating exchanges, which justifies the need for producers to advertise. They also argue that people or organizations will consume the outputs of the producers. The communication activities are developed by sellers, directed to consumers, and distributed by media organizations based on some type of payment. In the context of the relationship among advertisers, agencies, media firms, and the research and measurement groups that estimate the size of media audiences, the advertising measure is usually done in a calculation of returns on the costs of the used tactics or some change in communication or psychological effect, such as brand preference or intent to purchase on the next occasion (Schultz, 2016).

Advertising has gradually taken an interactive form, and marketers moved from a product focus to a sales focus, and now to eventually a relationship focus. Social media—technological innovations in terms of both hardware and software that facilitate content creation, interaction, and interoperability by online users, who are not only consumers but producers—brought transformations in the planning and implementation of advertising communication, in part because product proliferation and easy internet connectivity created the conditions for a radical change in the advertising space, leading to increased investments in digital media advertising. Regarding the customers' demands, they have expectations for communication designed to fulfill specific needs, which helps firms accelerate a consumer's decision-making process. Consumers also place their trust—which is more cognitive and perceptual in nature—in advertisements influenced by the credibility of the context, such as celebrities and digital influencers endorsing the product. Regarding the firms' focus, companies have started to realize the importance of having not just a large, but a profitable customer base. Effective advertising may enhance overall customer engagement value, which considers the customers' lifetime value, their referral value, the influence value of other customers, and the customer's knowledge value (Kumar & Gupta, 2016).

The Future Concept of Advertising

The traditional focus of the supply-chain model of advertising—designed to call attention to product differences and benefits—is already changing towards a demand-chain approach, because the sellers' use of persuasive tactics against the buyer is being challenged and buyers have more access to information about alternative product choices. Sellers will have to focus even more on understanding what the buyer wants and needs, and prospective buyers will become the driving force in advertising. The professionals will focus on understanding and filling customer needs and wants rather than on trying mainly to create those prospect needs.

In the light of the dissemination of information technology, many activities will likely become automated based on big data and neural analysis. Managers will gather the resources of the selling organization, present them as a package to prospective and ongoing buyers and build stronger customer relationships with emphasis on personal attention. For researchers and practitioners, the greatest challenge will be the capability to measure the impact of short-term activities and longer-term brand equity returns (Schultz, 2016).

The future of advertising also lies in going beyond the relationship focus to the engagement focus, which ensures that advertising messages serve as helpful and relevant tips to consumers as part of their decision process rather than sponsored intrusions (Kumar & Gupta, 2016). This future also recognizes the primacy of the "convergence culture", in which the boundaries among media platforms become blurred through their interaction, collaboration, and cooperation. Convergence refers to the flow of content through multiple media platforms, cooperation among multiple media markets and the migratory behavior of media audiences, who go almost anywhere in search of entertainment experiences. The synergy among multiple media channels has paved the way for marketers to target customers at a new level of precision and customization and achieve maximum benefits from various media channels by adopting a data-driven optimal budget allocation strategy to identify the most effective media channels (Jenkins, 2006).

The development of the experience economy is also related to the future of advertising. Several companies will seek to link the consumption of goods to the production of experiences—escapism, fruition, or immersion —capable of mobilizing the imagination of individuals. When the consumer acquires a sensation, he/she is paying to enjoy a series of memorable events that a company stages, as in a theatre play. The moment of consumption may be conceived by companies as part of staging, the basis for mobilizing the sensations of the consumers who will absorb entertainment with their senses. The conception of spectacle already assumes the consumers not only as an audience, but also as active characters, which requires improvisation and client-centred management. The show consists of the multiplication of icons and images through media. In the future, advertising messages will transmit even more feelings of permanent adventure and happiness (Pine II & Gilmore, 1999).

The augmented reality technology will make it possible for advertising to create four-dimensional, immersive experiences that let the consumers touch and feel products and experience product usage and visualize how the product can fit in their lives. Advertising will evolve into a truly engaging channel of communication, interaction, and experience, aimed at starting a conversation with consumers and helping them buy (Kumar & Gupta, 2016). The internet of things makes it possible to develop communications among machines and the self-management of physical objects. AI systems transform large amounts of complex and ambiguous information into insights, which are driving personal analysis to advertising studies. When intelligent analysis is applied to all digital information, it is possible to understand consumers' motivations intimately despite ethical considerations, such as biased data, algorithms that make wrong decisions and violations of personal privacy (Barbosa et al., 2020). In machine learning, AI applies algorithms as learning methods. Machine learning addresses the question of how to build computers that improve automatically through experience. Recent progress has been driven by the development of new learning algorithms and theory and the ongoing explosion in the availability of online data and low-cost computation. The adoption of data-intensive machine-learning methods can lead to more evidence-based decision-making across many walks of life, including marketing (Jordan & Mitchell, 2015). Deep learning is used to solve problems mobilizing neural networks to assimilate human decisions and preferences and is applied to perform humanized tasks. It

uses learning methods with multiple levels of representation, obtained by composing simple but non-linear modules that each transform the representation at one level (starting with the raw input) into a representation at a higher, more abstract level (LeCun, Bengio & Hinton, 2015; Jesus & Holanda, 2020). Cross-device advertising will deliver targeted ads to the consumers irrespective of the device, thereby offering a measurable experience, and track the consumers' browsing/viewing behavior as well as ad response behavior across multiple devices (Kumar & Gupta, 2016).

Advertising agencies will need to reformulate themselves even more to enable new operations and functions related to strategic positioning, branding consultancy, the development of technological solutions involving internet of things or virtual reality, data storage and crossing, product prototyping, the production of innovative content that generates incremental and disruptive solutions to new and existing issues and real-time activities, such as social media administration and the monitoring of media performances (Marcondes, 2002). New roles related to new media and technologies need to be internalized in areas, such as account management (customer engagement manager), strategy (strategic communications planner, user experience strategist, digital strategist, community manager, and content strategist), and creative process and production (creative technician, user experience designer, interactive designer, and quality analyst) (Windels & Stuhlfaut, 2018; 2019).

Conclusion

In the future, firms will probably focus even more on customizing their advertising strategies based on the nature of the product category and the life-cycle stage of the product and the customers to better serve their needs, given the location and nature of the target markets. In the academic community, future research will probably focus more on media, content, messaging sequence, data, and modeling (Kumar & Gupta, 2016). One possible future of advertising is the adaptation of the current practices through incrementalism. Nevertheless, it is not always possible to apply traditional approaches and methodologies into radically different situations. In some occasions, the reversal of the buyer and seller roles may be possible, because sellers may realize that the increasing development of consumer knowledge and interactions with multiple ways to communicate will impact them significantly. In this context, buyers and sellers interact on a continuous basis. The development of technologies can promote the reinvention of advertising, with the machine-driven preselection of audience groups matched with media availabilities and negotiations handled electronically. Innovations, such as the development of robots that can evaluate types of audiences and even generate content may be followed by the estimation or measurement of results of the advertising communication programs in financial returns (Schultz, 2016).

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