



Digital Marketing: The New Wave

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Digital marketing is in crisis.

And that spells a crisis in marketing. Big data isn't trusted, corporations are losing face, there is a rising mistrust for data-driven marketing methods: people are tired of being manipulated.

Welcome to the post-pandemic marketing conundrum: the global health crisis highlighted the futility of saving with endless money printing; the overhyped wealth transfer saw the average person go from feeling relatively comfortable to just about managing in the face of rising prices and depleted saving rates. Add in the great resignation, the work from home revolution, the rising tension between Russia and Ukraine and it is, by anyone's standard, a time of change, uncertainty and paradigm shift. This shift of consciousness and our priorities is being fuelled by life changing events.

Almost thirty years since the mass adoption of the Internet and its golden promises are tarnished in the glare of our backlit blue screens. More information available to more people has not resulted in more marketing opportunities: conversely, it has just created more noise.

It's hardly surprising: on an average day our brains are packed with around 34 GB of information and our eyes and ears are exposed to around 105,000 spoken or written words (Bohn, 2009). Our brains are hardwired to pay attention to information in case it's important to our survival, is what is around us a known danger, like a predator or a known hazard? Are our dependants safe and how can our basic needs be met? The amount of information our modern brains have to process compared to our ancestors on the Savannahs is like comparing the processing power of a Casio wristwatch to the databanks of computers harvesting the data on our every move in the apple orchards of Winachee, Washington (Hypernormalisation, 2016).

In 2015 Microsoft Canada undertook a study to find out how good human beings were at focusing: the outcome found that focus (the amount of time concentrating on a task without being distracted) had dropped from the previous 12 seconds to 8 seconds. That was a one second a year decline since the previous study and one second less than a goldfish (Consumer Insights, Microsoft Canada, 2013).

The reason is undeniable: we can't hear the words for the noise.

In 1978 Herbert Simon, a notable prize winner for economics proclaimed a statement which would ring true more than ever forty years later "What information consumes is the attention of its recipients... Hence, a wealth of information creates a poverty of attention." (Simon, 1971).

In his famous 2007 book *Influence: The Power of Persuasion*, Robert Cialdini describes how when people are confronted with too much information they rely on simple concepts or generalisations to make decisions, all of which are unconscious. In essence, we blot out the noise and try to simplify information as a coping mechanism (Cialdini, 2007). Without this ability we would be constantly completely overwhelmed.

As the Internet has grown in popularity, our attention has had a correlated decline. It is becoming increasingly difficult to communicate a story, content or idea, never mind a brand or product. 175 websites are created every minute around the world and that means 252,000 new competitors everyday (Huss, 2022). 5,000,000,000 videos are watched on YouTube everyday (Lucey, 2020). Whilst these statistics herald the fantastic rise of the content creator and a strong stance in the tug of war between large corporations the power of individuals, small groups and communities. Independent producers, new companies, new online communities and exciting grass roots projects are rising as the ethical alternative to exploitative mass producers. The question still remains: how

can any of these things expect to grab the attention of the crowd without the opportunity to be heard?

Gone are the days where the only options for advertising are local or national newspapers and magazines, billboards and expensive radio and television campaigns. This method of product placement, along with sponsorship in events, are representative of a top-down restricted method of information dissemination where you needed enough money to spread the message to your audience. Although prohibitively costly, the advantage of traditional advertising methods was that the demographic and size of the audience could pretty much be guaranteed.

Social media marketing opened up a world of possibilities. A digital message, without the cost of printing and physical materials, was a far more cost-effective method of communicating information. Advertising space on social media platforms such as Meta, YouTube and Twitter is sold as digital real estate and influencers and entrepreneurs vie to build up large followers as though creating a fan base is a guaranteed conversion into revenue.

The problem is: it's not.

In a world in which we are all idea rich and time poor, making the best decisions in terms of marketing are difficult. Social media's answer was to present targeted advertising.

Targeted advertising

2,500,000,000,000,000 (2.5 quintillion) bites of information are created every single day. 2,890,000,000 (289 billion) people use one of Meta's services every day. 156 emails are sent every minute. 90% of the data in the world was generated in the last few years: that data is mined from our online behaviour. Each Google user's data is over 5GB of information (Marr, 2018). This data is used for many things, including targeted advertising. It's a powerful form of online advertising because it uses information about an individual's likes, dislikes and through algorithmic calculations and behaviour analysis can suggest likely patterns of behaviour.

The problem with targeted advertising is that it has a bad reputation. The Cambridge Analytica scandal of 2016 brought to the forefront the fact that every technology user is being farmed for their data and what's worse, manipulated because of it. With the realisation that major world events could be traced to the use of Cambridge Analytica, for example Donald Trump being elected as president in the USA and the UK voting for Brexit, events which changed the course of history, has made many people extremely suspicious of the power of social media (Laza, 2020).

The knowledge that our technology, whether it is our phones or Alexa devices, is always listening and predictably suggesting new ways to spend our money is something which is seen as an inconvenient invasion of privacy. This form of advertising is at best suitable for some situations: for example, the algorithms which allow YouTube to suggest videos which might be of interest. In terms of advertising space on websites offering personalised adverts or Amazon suggesting a different version of a product you bought last week, targeted advertising peaked too soon and didn't deliver enough.

Marketing Funnels

Although the concept of the marketing funnel has been around for over a hundred years, it has become a finely tuned process in the wake of the introduction of the GDPR law in recent years. The EU's General Data Protection Rules came into effect in 2018 and had strict rules about the consent

of the use of data by companies (Consumers International, 2018). This law was refreshed post Brexit as UK-GDPR. This was a direct reaction to the data breaches made famous by the media only two years before, in fact 14th April 2016 is when GDPR law was adopted, a month after the Cambridge Analytica scandal. A new way of collecting email addresses for marketing purposes was required and so convoluted funnels sprang up across the Internet, offering free digital gifts in return for filling in an online form in order to harvest the email addresses of the hopeful recipients. The problem is that this kind of campaign is seen as a trap or at best another email campaign to unsubscribe from or ignore.

Email campaigns

Email advertising and its closely related cousins (text message or social media messenger service) have very low rates of effectiveness. For an average email campaign, a clickrate of 2% is considered successful (Chaffey, 2022) and that's before any purchases are made. Although this kind of marketing has on its side the fact that it is relatively cheap it also gets classified by the recipients as 'noise' or 'nuisance' since it has an association with scammers and being manipulated by a marketing funnel.

Clickbait

Click bait abuses writing and linguistic techniques to trick users to clicking on the content, with little regard for whether it's true or not. Researchers at the University of Michigan's and the University of Oklahoma analysed 1.67 million Meta posts by 153 media companies. It saw a rise in click bait headlines from less than 1/5 of all headlines in 2014 to over ¼ in 2016 (Md Main Uddin Rony, 2017). Click bait manipulates and warps focus by using:

- Curiosity
- Pattern interruption
- Polarisation
- Dopamine

In 1994 behavioural economist George Loewenstein described curiosity as "a cognitive induced deprivation that arises from the perceived gap in knowledge and understanding." Clickbait harnesses this by simultaneously hinting at information and concealing it. This causes an uncomfortable information gap which causes us to want to learn more about it, this is the pattern interruption and the most satisfying part of this processes is the need to satisfy the curiosity. The most successful headlines are considered to be those which are the most polarising, showing that the sentiment in the headline is more likely to stimulate curiosity if the reader does not already agree. The most effective all of, though are those which provide a dopamine hit: we forage for information to put us in a position of being better informed (to impress people, help our careers and be more entertaining). Dopamine incentivises behaviour through wanting things: it creates a need which must be satisfied to feel good. We are satisfied by the need to click to satisfy our curiosity. Dopamine is at the heart of all addictions.

Push notifications

Push notifications tell you that something needs your attention on your phone. They ring, vibrate and flash up on the screen and make a powerful dopamine hit. Software developers even manipulate users by altering the way that push notifications are sent. Instagram, for example, sends

out a large amount of likes in one go rather than individually as it is more pleasing to receive a report of a large number of likes. Some apps have a short delay which builds anticipation while the user waits to find out how successful they were with their attention-grabbing efforts. That's why we want to check our phones every 12 minutes (Ofcom, 2018).

A Marketing Revolution

Eddy Bernays Revolutionised advertising in the 1920s: he took ground-breaking research into human psychology and put it into good use and in doing so he made a lot of money. He realised that human beings don't make rational decisions, it should be mentioned at this point that he was the nephew of Sigmund Freud and so his understanding of the human psyche is more than just coincidental. During the Easter Sunday parade in New York, he instructed a number of women in the parade to light cigarettes at the same time, just when the photographer was taking pictures. When the pictures were being printed, he told the reporters that the women weren't lighting up just to smoke but to demonstrate their newfound independence, self ownership and their right to rebel against sexual taboo. He called it "lighting torches of sexual freedom": he knew that there was a swell towards self interest, self assertion and self independence (and indeed these led to into the Women's Rights Movement 40 years later). He made a lot of money from this marketing manoeuvre but more than just proving that timing and locality are important, he demonstrated something of huge significance: that human beings copy other human beings, that behaviour is contagious (Suman, 2021).

It is a function of human nature to follow the herd. Nomadic tribes survived because of this flocking behaviour but now that 98% of the planet live rooted in accommodation (Brannon, 2021) this innate instinct presents itself in the form of fashions, trends and market cycles. It is these cycles of behaviour which enable supermarkets to order the right amount of food for their customers, that allow market analysts to predict trends and financial traders to make money from stock markets. Our herd mentality is also invaluable to marketing products, services, ideas, information and news: enter the power of the hashtag, the re-tweet, the like, share and repost.

From the Arab Spring uprising to the Occupy Wallstreet Movement, we have seen countless examples of social media being cited as the medium which spread the messages; messages which changed the way our world operated. Whilst the mechanics behind these political revolutions may never be revealed, the fact is that social media trends have the power to change the way people think and behave. Up until now, that power has been reserved for the lucky few who's posts happen to go viral, or in a more cynical light, those who have the money and influence to get their message to be heard, or should I say, "to the herd"?

Web 3 Marketing

When the Occupy Movement moved to The Senate all of the meetings used the idea of the human microphone: people throughout the crowd repeated a speaker's words so everyone could hear them. If someone wanted to challenge the speaker, the human amplifiers also had to repeat their words so their voice had equal power. This made each person an autonomous individual who expressed what they believed but together they became components in a network that organised itself through the feedback of information around the system. These people were organised without the exercise of power (Hypernormalisation, 2016).

Abraham Maslow wrote 'A Theory of Human Motivation' in 1943 and the hierarchy of human needs which is postulates has been the basis of business decision justifications and marketing methods ever since. This well-known taxonomy, although academically contested, went some way to explain and justify human behaviour. This reasoned justification of human motivation was, of course,

written before the invention of the Internet and the advent of social media. There have been many studies documenting how the human brain is changing because of these developments in modern history and combined with our sense of economic and technological development, our focus has shifted from the survival ethics of the base of the pyramid to the self-possessed behaviour promoted by the comforts and luxuries we are accustomed to. With a higher proportion of the world living in relative comfort as countries rebuilt and capitalism and globalism developed, our concentration on the 'Physiological needs' which form the base of Maslow's pyramid (those which include air, water, sleep, clothing and reproduction) have seemingly been reliably taken care of in a liberal and global society; as have the 'Safety needs' (personal security, employment, resources, health and prosperity) of the next level of the pyramid. The third level which Maslow described is that of 'Love and belonging' (friendship, intimacy, family, sense of connection) is remarkably well served by social media and the Internet with people forming relationships and tribes with people that they would have had no recourse to have met without the technology in place to enable it.

This profound shift of focus is either enabled or inspired by the Internet and social media is one of community, equality and connectedness. These qualities are most easily seen in the shift from Web 2.0 to Web 3.0.

After the messy free-for-all of Web 1.0, Web 2.0 emerged almost two decades ago. An explosion of user generated content, a shift in our buying, working and entertainment habits, all enabled by tech companies who fast became the world's biggest corporation by market capitalization: Apple, Amazon, Google, Meta, and Netflix.

Web 3.0 heralds a very different era: one of rapid decentralisation and bottom-up design. A time where the reign of the giants of Web 2.0 is challenged as the human microphone takes over and the political hierarchies, in all of their forms, dissolve into history. Web 3.0 offers a future of fairness and equality: decentralisation, not just through blockchain technology but also in the social structures we are used to; open-source software will be trustless and permissionless allowing participation by anyone without a governing body; AI and machine learning will change the way we need to react with technology; connectivity and ubiquity will enable new realities to exist seamlessly (Investopedia, 2022).

Gamification

The notion of herd mentality to solve a problem has long since been known. In 1907, Sir Francis Galton asked 787 villagers to guess the weight of an ox. None of them got the right answer, but when Galton averaged their guesses, he arrived at a near perfect estimate. This is a classic demonstration of the "wisdom of the crowds", where groups of people pool their abilities to show collective intelligence (Young, 2013).

What has only recently been appreciated is how motivating and satisfying playing games with large groups of people is. From multiplayer online games like Minecraft and Fortnite to the global phenomenon of geocaching there are numerous examples of people enjoying being a part of a group that engage in a task, either collaboratively or competitively. There are also many examples of this kind of behaviour being used to find solutions to things.

Take the website Fold.it, which attempts to tackle the computationally difficult problem of protein folding by turning it into a game played by thousands...The genius behind Foldit is the tackling of a complex, meaningful scientific problem in which many humans – using their

visual systems and dynamic, multiplayer search strategies – may prove more effective than massive number crunching.
(Eagleman, 2020, p. 55)

In another example, Netflix wanted to make an algorithm for viewer recommendations 10% better than it was. Instead of paying their existing developers to improve it they set the problem as a challenge to the community and opened their database of records to thousands of programmers. Netflix awarded the \$1 million prize to a team of programmers who had combined several techniques to improve the original algorithm by 10.06% (Eagleman, 2020, p. 56).

Reward

We have already seen how dopamine acts as a reward so powerful it causes addiction; this is how clickbait works. In a world which is becoming more about community and decentralisation, it makes sense that reward (just as wealth and power) is shared out in a fairer way.

In 2009 Sprecklemeyer et al conducted a study with a functional magnetic resonance imaging (fMRI) device to ascertain the effect of monetary reward on the brain. The study found that through the fMRI data there was citation of neural structures relating to the reward system when anticipating a reward. It has also been found that the bigger the potential reward (the more money) the greater the brain activity in the reward areas. These findings provide us with a better understanding of how reward systems work in the brain and how the brain area can stimulate a reward response without experiencing reward yet (Guy-Evans, 2021). This goes some way to explaining why gambling can be so addictive.

The neural structures that are activated in terms of social media rewards were investigated by Sherman et al in 2018 and it was discovered that the 'Like' button gives social rewards to those who receive the interaction from other social media users. The most interesting part of this research was that the same reward circuits are activated when a user *gives* 'likes' (Guy-Evans, 2021).

These reactions have long been understood by marketing agencies, corporations and social media giants but until now they have been used as tools of manipulation and for the harvesting of user data. It is time for a new approach which rewards the people involved rather than inconveniences them.

Conclusion

Big data was supposed to be the thing that revolutionised marketing and instead it has ruined it. Rather than allowing apps and online services to be able to provide a better service, it has aimed to make individuals more profitable customers: there is a very big difference in these two approaches, in one the end user feels valued and in the other the end user is a value. GDPR legislation was the direct response to high profile data breaches and four years since these laws were brought into force, the world of marketing is still scrabbling to catch a foothold in an fast changing socioeconomic landscape.

There is a rising mistrust for authorities and a tide of economic change, fuelled by the Covid-19 pandemic. Change is happening in every arena and not always in a positive way. The damage which many high-profile events has done to marketing may mean that even the less than effective methods such as funnels, email campaigns and Clickbait become more and more ineffective as time goes on.

The tide is turning. This wave of change brings with it a swell of opportunities for marketing to be effective, ethical and empowering.

The New Wave in Marketing

Imagine a marketing solution which combines the functionality of sharing information through social media but which does it in an ethical way, one which doesn't intrude on a person's data or online behaviour and the people spreading the message are completely complicit in what they are doing because they are being rewarded for their involvement. The audience is relevant because the things that are shared are relevant to a person's social media followers. And because the products, services or content shared are done so from individual accounts and not corporate marketing machines or bots they are far more likely to have an impact. And the key to this ingenious solution: gamification and reward.

Octopush combines social media and gamification to maximise engagement through incentivising with reward in a way which will disrupt the marketing scene in the biggest way since women began "lighting torches of sexual freedom". To find out more about how this market disrupter works read "Octopush: The Marketing Revolution".

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