

Frictionless Future

Trends Report

2022

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Change is Constant

Consumers' preferences are always evolving, and this nearly two-year long global pandemic has accelerated that evolution and brought about major shifts to many elements within the digital marketing world.

Now, digital marketers, businesses, and brands alike must take bigger moves and more creative, automated, authentic, and inclusive ways to connect with their audiences.

Want to stay ahead of the curve?
Read through these trends
to know and watch as you
strategize for a successful 2022.



Seeking Cookieless Clarity

There is no shortage of discussion around the deprecation of cookies. However, there is still little clarity—and advertisers still have a lot of questions.

Most are wondering about the impact on targeting and performance:

How will I reach my target?

How will I know my media is working?

How will I measure conversions?

Many prospective solutions are still in beta stages, while others promote foggy offerings that don't address deeper concerns.

As it stands, **Google Chrome**, the world's most popular web browser holding 64% of the global market¹, is looking to transition marketers and advertisers over to an **alternative identity solution** after the withdrawal of third-party cookies.



In place of cookies, Google hopes the industry will leverage Privacy Sandbox—a set of tools that let advertisers run targeted ads without having direct access to users' personal details.² When cookies do finally disappear from Chrome in 2023, one alternative for advertisers will be to use Google's first-party data within its own tools.³ The general expectation is that first-party data will become highly relied on and that some open-source ID frameworks (e.g., Unified ID 2.0) will allow advertisers and publishers to expand the current possibilities of programmatic advertising to all sorts of environments.

The impending loss of third-party cookie deprecation doesn't demand that advertisers only sweat over what will be lost. Instead, it offers an opportunity for brands and businesses to reassess what's most important to them—to rethink consumer engagement strategies and approach marketing as a two-way conversation between brand and consumer. Without cookies, marketers must leverage new tools and techniques to learn more about their customers and deliver more targeted and relevant communications to them.⁴

There are many emerging identity solutions that businesses and marketers are tasked to consider. Accordingly, each potential identity solution must be thoroughly considered before adoption.

Points to evaluate include the following:

+ SCALABILITY

Check how audiences are being scaled for broader use.

+ COMPLIANCE

Ensure privacy requirements are upheld.

+ COMPATIBILITY

Determine how well it interacts with other systems.

+ INVESTMENT

Assess investment requirements to find the best fit.

Defining DeFi

After years as a niche interest with untapped potential, decentralized finance (or DeFi) appears ready for its big moment.

Conversations around the core components of DeFi—such as **blockchain technology**, **cryptocurrency** (ex. Bitcoin) and **NFTs**—have grown from a whisper to a roar in recent months, and 2022 could represent a breakthrough moment for the latest tech phenomenon.

When it comes to marketing these elements of DeFi, there are ample opportunities...and several challenges.

96%

of American fail to fully grasp
basic crypto concepts.

—*State of Crypto Literacy*. [CryptoLiteracy.org](https://cryptoliteracy.org), 2021.

SCHOOL IS IN

With the recent \$700 million naming rights deal that will make the home of the NBA's Los Angeles Lakers and Clippers "Crypto.com Arena,"⁵ it's safe to say that DeFi is hitting the big time. That said, concepts like cryptocurrency, blockchain technology and NFTs are still quite foreign to much of the population. Interest is high, with 86% of Americans reporting they've at least heard of cryptocurrencies,⁶ but comprehension is still fairly low: a recent survey found that 96% of Americans could not "pass" a 17-question quiz on basic crypto concepts including cryptocurrency, blockchain and NFTs.⁷ As such, education is likely to be a key aspect of successful DeFi marketing efforts for the foreseeable future.

In the past, many blockchain-related ads have focused on the technology's potential rather than its real-world impact. Meanwhile, ads for things like crypto have conveyed a sense of urgency ("Don't miss out on this hot new trend!")⁸ without necessarily providing any insight into what crypto actually is.

NFT TIME

Marketers have dived in headfirst into the burgeoning world of NFTs, seeing the creative and "fomo"-driven opportunities offered by these unique digital assets.

Brand-centric offerings like Taco Bell "tacos", Asics sneakers, and even Charmin toilet paper (aka "NFTP") have been sold and/or auctioned for thousands while grabbing coveted headlines.^{9 10 11}



NFTs are a still burgeoning opportunity that present fascinating possibilities for marketers who want to get creative in utilizing this new technology.

POTENTIAL CHALLENGES

Additionally, this is still a fairly new industry—one that (at least in the United States) has mostly evaded any real governmental regulation. That may well change in the months ahead. This past year, swift and decisive regulatory action crippled the booming crypto trading and mining markets in China.¹² The odds of such a dramatic shift taking place in the U.S. is not likely, but advertisers would still be wise to stay cautious from a liability perspective.

Lastly, dozens of reports have noted the devastating environmental impact of crypto mining operations. With Gen Z's noted passion around curbing climate change, advertisers in the cryptocurrency and NFT realm will need to stay mindful of those concerns as they develop their marketing strategies.^{13 14}

Examining Hybrid Reality

Brands are currently expected to deliver the correct blend of convenient digital and real-life touchpoints to create seamless customer experiences. Today's consumers have less tolerance for brands/companies that can't figure out the right blend. Friction between consumers and intended brand experiences could potentially damage brand loyalty and optimal lifetime value (LTV).

53%

More than half of consumers report they're interested in using VR or AR in the next three months.

65.9 Million

Units expected to be sold by the end of 2022, up from 8.9 million in 2018.¹⁵

RECENT TRENDS

Many popular brands have apps that offer AR functionality to enhance the customer journey and user experience. Instagram and Snapchat's filter functionalities take real-world visuals and project virtual, computer-generated augmentations to them (e.g., when you take a picture of yourself with a virtual top hat or mustache).¹⁶ On the flip side, Target, IKEA, and Houzz all offer more practical and functional AR experiences for consumers to virtually try furniture before they buy).

AR is becoming increasingly popular with a rising number of retailers, as it has elevated customers' shopping experiences with augmented reality-based indoor or in-store navigation, virtual try-on solutions, fitting rooms, and showrooms.¹⁷ Schools and professional development courses—specifically in niche industries, such as construction and healthcare—are able to train employees in simulated environments that provide a significant degree of accuracy, while also allowing for social distancing and risk avoidance.¹⁸

EXPLORING THE METAVERSE

First, let's address the big question: what exactly is the metaverse? Oddly enough, the topic is still up for debate. Wikipedia defines it as “a hypothesized iteration of the Internet, supporting persistent online 3D virtual environments through conventional personal computing, and virtual / augmented reality (VR/AR) headsets.”¹⁹ The term doesn't refer to any one specific type of technology or tech platform but represents a broad shift in how we interact with technology.

At a high level, the technologies that make up the metaverse include virtual reality (a computer simulation of a real or imaginary system that enables a user to perform operations on the simulated system and shows the effects in real-time²⁰) and augmented reality (which combines aspects of both physical and digital worlds). However, it doesn't require those spaces be exclusively accessed via VR or AR. For example, aspects of the virtual game worlds of Fortnite or Minecraft that can be accessed via PCs, game consoles and phones, could be metaversal, but that doesn't necessarily encompass the entire scope of the metaverse. The metaverse could also include a digital economy—where users can create, buy, and sell goods—and include a certain level of interoperability, which allows users to take virtual items (e.g., clothes and cars) from one platform to another.²¹

Bottom line? We have a vague sense of things that could make up the metaverse—and we know which companies are investing in the idea—but what it is, exactly, is still being defined.²²

Finding Your Brand's Heartbeat

Since March 2020, the world has faced a series of economic crises—from the COVID-19 pandemic, to ongoing supply chain woes and creeping inflation, to the Great Resignation. Many of these predicaments are due to global shifts beyond the control of any one company or brand. However, as a result of these myriad of challenges, brands are facing an unprecedented test when it comes to maintaining customers' patience, focus and allegiance.

In 2021, more than **80%** of consumers switched brands.²³



LOYAL NO LONGER

As supply dwindles, prices rise and challenger brands emerge from the digital world to threaten the supremacy of legacy brands, brand loyalty is very much under threat. In 2021, more than 80% of consumers bought a different brand than their usual choice, driven largely by lower prices and/or dwindling supply.²⁴ Of those, more customers said they'd prefer to stick with their new brand than return to old go-to's.

In light of this, brands will need to change how they advertise and present themselves to the world. The key for advertisers will be to go beyond products and services to highlight their brand's heartbeat—the traits, culture, goals, mission, vision and community that brand embodies.



BE YOURSELF

Generationally, this is a matter of particular import. Studies have found that half of millennials and nearly 60% of Gen Z say they don't trust companies, while around 40% of millennials and almost half of zoomers believe most brands come across as inauthentic.²⁵

In an era where audiences/consumers have more choices than ever—and many Gen Z and millennial consumers aspire to support companies whose corporate values and “style” reflect their own—showcasing ethos can drive brand loyalty in an era where stickiness is increasingly hard to come by.²⁶ Ads trumpeting values and purpose help lend a brand some much-needed authenticity, and that is a currency that's always in short supply but high demand.

It's no surprise that the digital world will dominate marketing in 2022. However, amidst the focus on technology, digital marketers will still need to work at meeting consumers' desire for marketing that feels a little more *human*. Even as they embrace the latest digital trends, brands will need to ensure advertising initiatives continue to highlight the things that matter most to the people (yes, people!) who trust their product and services, in order to meet consumer demands.

Take these four trends into account and **watch our latest webinar, “[2022 Trends: Our Frictionless Future](#),”** for more details on how to stay ahead of the curve in 2022.

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COOKIELESS CLARITY

2 DEFINING DEFI

3 EXAMINING
HYBRID REALITY

4 FINDING YOUR
BRAND'S HEARTBEAT



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