Martech innovation and efficiency enable marketing resiliency in the era of COVID-19 and stagnating economies. Use this Hype Cycle to drive your innovation agenda and your ability to respond to changing conditions.

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Martech investments in digital tools and techniques are aimed at driving marketing efficiency and innovation, characteristics that might blind some digital marketing leaders to short- and midterm risks from COVID-19 and slowing economies. Yet 38% of marketers surveyed by Gartner between March and May 2020 said that the economic and business climate over the next 18 to 24 months will have a high positive to significantly positive impact on their companies’ ability to meet business performance goals, according to the 2020 Gartner CMO Spend Survey. This optimistic view might seem laudable, but without a more realistic perspective that places a premium on resiliency of the martech stack, many marketers may find themselves in trouble should economic or pandemic conditions worsen.
Despite these headwinds, a majority of the marketers surveyed in the CMO Spend Survey said they expected slight to significant increases in budget allocations for updating brand strategies, investing in marketing analytics and digital commerce capabilities. These adjustments can be seen as focusing on capabilities that can enable marketing resiliency. A focus on resiliency puts the spotlight on a number of maturing technologies and techniques, such as mobile marketing analytics, multichannel marketing hubs and social analytics. Technologies or techniques with longer times to plateau (e.g., AI for marketing and personalization engines) will likely remain protected in marketing budgets given their long-term importance as well as incremental value they will deliver over the midterm.

Note: A number of innovation profiles that appeared in the “Hype Cycle for Digital Marketing and Advertising, 2019” are now included in the new “Hype Cycle for Digital Advertising, 2020.” See the Off the Hype Cycle section of this document for more detail.

The Hype Cycle

Current market and economic conditions should drive marketers to focus on technologies that enable a marketing team’s resilience. Like millions of workers worldwide, marketing teams shifted immediately to work-at-home mode as COVID-19 emerged. Marketing leaders find themselves tasked with deploying technology platforms that enable distributed teams to continue their work amid what is likely to be a halting and uneven return to commutes and offices.

Marketers with brands that have relied on in-person engagements — retail, travel and quick-service restaurants, in-branch services for banks and insurance as well as B2B marketing teams — face a daunting challenge. These marketers must make technology investments that enable them to deliver online engagements that can drive very carefully prescribed physical world interactions as businesses reopen. Moreover, martech vendors need to ensure their systems enable marketers to revert back to shelter-in-place modes if the virus surges during the winter. Note the following developments:

- Marketers continue exploring and testing AI-for-marketing tools, and a number of marketing platforms are evolving their algorithmic and machine learning capabilities. However, hype has turned to reassessment and, in some cases, a certain amount of doubt as these technologies continue to mature quickly and marketers struggle to operationalize them. It’s worth keeping in mind that marketing leaders who were eager to embrace AI found that transforming their internal capabilities — particularly around data and content — hampered implementation.

- A lightly populated Innovation Trigger illustrates the fact that marketers and marketing platform vendors are still digesting and refining the deployment and maturity of a host of important technologies. These technologies have been maturing at different rates in the course of the past three to four years. It’s worth noting that, in Gartner’s 2019 Marketing Technology Survey, marketers noted they were only using 58% of their martech stack’s full capabilities. As digital marketing leaders gain more experience with these platforms, predictive analytics, for example, has morphed from stand-alone tools to integrated capabilities or features in larger platforms (e.g., multichannel marketing hubs [MMHs] and mobile marketing platforms [MMPs]).
The polarizing and potentially explosive combination of two factors drives demand for marketers to establish moral and ethical frameworks for how they use customer data. The first factor is the concentrated market power of a few digital tech titans (such as Amazon, Apple, Facebook and Google) controlling massive amounts of consumer data. The second is consumers’ deep-seated concerns about how their data is collected and used by brands. As a result, we are introducing a customer data ethics innovation profile.

**Figure 1. Hype Cycle for Digital Marketing, 2020**

### Hype Cycle for Digital Marketing, 2020

To ensure marketing resilience, digital marketing leaders need to know their customers and prospects across devices and channels — a timeless requirement regardless of economic conditions or pandemics. As such, marketers continue to invest in mobile marketing analytics as components of multichannel marketing hubs and purpose-built mobile marketing platforms. Gartner expects that mobile marketing analytics will graduate to the Plateau of Productivity in the next year. Similarly, multichannel marketing hubs, particularly those that have refined their cloud deployments with remote access, are creeping up the slope toward the Plateau of Productivity.
The tension caused by gathering large amounts of customer data to drive personalized engagements and consumers fearing how the data about them is used by marketers is driving two emerging technologies. As the consent and preference management technologies near the Peak of Inflated Expectations, Gartner expects a long sojourn through the Trough of Disillusionment as marketers wrestle with the technical, policy and legal implications of how this collection of technologies is deployed. This same tension is driving the requirement for marketers and their brands to start embracing ethical frameworks based on the values a company and its leadership believe should guide the use of consumer data. Customer data ethics makes its first appearance on the digital marketing Hype Cycle. Given the nuances involved — and the pressure from investors and board members to relentlessly pursue shareholder value — Gartner expects customer data ethics to take at least 10 years to reach the Plateau of Productivity. However, it will have a disproportionate impact on the market while making that journey.
Off the Hype Cycle

- **Predictive Analytics.** This has been subsumed by artificial intelligence for marketing, as marketers increasingly turn to built-in functionality. Predictive analytics is rarely a stand-alone product for marketers. Rather, it is an option incorporated into other marketing platforms, often in the campaign or audience workflow. Relevant platforms include customer data platforms, mobile marketing platforms, multichannel marketing hubs and personalization engines.

- **Native Advertising.** Native advertising, which is paid media designed to blend in with its surrounding editorial context, moves off of this year’s Hype Cycle. Native ads are ubiquitous on Facebook, LinkedIn and Twitter in the form of sponsored or promoted posts. These
programmatic ads are considered native to a particular platform because they appear in a user’s news or social feed. Other types of native advertising, such as advertorials, typically appear in print and online versions of media such as newspapers and magazines. This type of native advertising often involves the promotion of custom, one-off content assets.

- **Scannable Marketing.** Marketeters can use these techniques to engage customers via their mobile devices, bridging the gap between the digital and physical worlds. Scannable marketing is most closely related to visual search. However, Gartner believes that scannable marketing has lost relevance to most marketers, save for some narrow applications in the food and beverage markets.

- **Additional changes.** The following IPs previously covered in the digital marketing and advertising Hype Cycle are now covered in the advertising Hype Cycle: blockchain for advertising, over-the-top advertising, advanced supply-side bidding, ad blocking and ad verification.

### On the Rise

**Customer Data Ethics**

**Analysis By:** Andrew Frank; Mike McGuire

**Definition:** Customer data ethics focuses on aligning business practices with moral and ethical policies that reflect a company’s avowed values. The need for a customer data ethics platform arises from the often unintended social and environmental consequences of using customer data with the singular goal of maximizing profits.

**Position and Adoption Speed Justification:** Historical checks on unethical marketing practices have always had mixed results, but the rise of automated decision making unencumbered by morally or ethically grounded algorithmic constraints has elevated these risks to a new level of concern. It has triggered a new discipline focused on developing and introducing constraints and checks on ethical consequence of marketing automation. Leading technology companies have established senior executive roles focused exclusively on ethics (see “The Rise of the Chief Ethics Officer”). IBM has long had an ethics program within its office of Trust and Compliance. In late 2018, Salesforce hired its first chief ethical and humane use officer. And in May 2020, Facebook announced the Oversight Board charged with determining which content stays up, is taken down and why. But for some tech giants, developing ethical oversight of advanced technologies like AI is a struggle. Google created a board in March 2019 charged with upholding company principles regarding the ethical use of AI and other areas. However, the board was quickly disbanded after protests from within Google and outside of the company.

Customer data ethics enters the Hype Cycle near the midpoint of the upslope to the Peak of Inflated Expectations. However well-intentioned early efforts are reigning in the ethical hazards of automated decision making, when machines are trained with data that reflects existing biases in markets and societies, their decisions will reinforce and amplify those biases. Whether intended or not, such systems will learn to exploit people’s weaknesses and perpetuate destructive behaviors if that
increases profits. Addressing these problems will take more than appointing new officers or exposing bias in data and technology platforms. It will require a collective shift in priorities that may currently seem far-fetched. A five- to ten-year forecast acknowledges present skepticism while recognizing that demand for ethical treatment of customer data will intensify as abuses proliferate. To win back consumer trust, companies must extend their definition of “success” beyond increasing profits and shareholder value. Emerging economic theories such as “triple bottom line” are examples of this approach.

**User Advice:** We recommend the following:

- Customer data ethics extends beyond compliance and governmental regulations and laws — it is an ethos that a company publicly shares with customers and prospects in its outbound communications.
- Make top-level stakeholder and firmwide employee buy-in to socially aware marketing and business metrics top priorities. Invoke the trust crisis to motivate explicit commitments to ethical initiatives. Don’t expect algorithms that are trained on pure economic objectives to be ethical. Operationalize ethical evaluation of automated decision making. Any global brand or corporate frameworks must be specifically tailored and nuanced to specific to geographies, audience groups and societies as definitions of ethical behavior vary for each. Hunt for disparate impact in targeted promotions and advertising, and apply calculated constraints to automated decision systems.
- Develop a credible ethical approach to customer data and define success to include societal benefits delivered by the company.
- Seek out like-minded change agents throughout your organization and find opportunities to align efforts at escalating ethical initiatives.
- Focusing on customer data ethics doesn’t mean stop collecting data or eschewing advanced analytics or use of AI or ML. It means incorporating ethics into every application of technology. Data ethics extends beyond compliance to governmental regulations and laws — it is an ethos that a company publicly shares with customers and prospects in its outbound communications.

**Business Impact:** Customer data ethics is best viewed as progression that starts with merely being compliant, moves to reducing risks and ends up where trust becomes more than a word used in advertising slogans. Customer trust will grow if marketers talk about customer data ethics and demonstrate, in transparent ways, their commitment to be more than legally compliant. As a Gartner colleague put it: “Compliance isn’t a market advantage. Trust is.”

Marketing operations where customer data ethics will be particularly important:

- Mobile marketing and advertising targeting.
- Marketing data and analytics for audience (advertising) and marketing campaign design, customer segmentation, execution and measurement.
- Emerging applications of IoT-enabled physical spaces and passive data collection.
- Customer service and loyalty programs.
**Benefit Rating:** High

**Market Penetration:** 1% to 5% of target audience

**Maturity:** Emerging

**Sample Vendors:** Accenture; IBM; KPMG; PwC; Salesforce

**Recommended Reading:** “Practical Privacy — Successfully Transition to Privacy-Preserving Marketing and Adtech”

“Marketing to Privacy Focused Consumers in the Era of Personal Data”

**Visual Search for Marketing**

**Analysis By:** Nicole Greene

**Definition:** Visual search is the ability to initiate a search (query) using real-world images captured by a mobile device, including smartphones and tablets. Visual search for marketing applications of this technology include identifying a specific product, providing related content or detailed information, locating retail outlets for purchase, suggesting complementary or competitive products, or otherwise triggering engagement.

**Position and Adoption Speed Justification:** Fully realized visual search tools will enable marketers to drive consumers from the awareness phase of the buying cycle to the purchase/conversion stage in an instant. Such searches can include physical places and things. For example, one can hold a phone with a visual-search-enabled app up to the object, or the front of a restaurant and get detailed information such as the restaurant’s menu, hours of operations or ratings. Visual search capabilities are available in apps such as Google Lens (Android), the Google App (Android and iOS) and Prism (iOS). Major companies like Google, Microsoft, Pinterest, Snapchat and a host of augmented reality vendors continue to invest in technologies that use computer vision and artificial intelligence (deep neural networks specifically). For example, Pinterest processes as many as 600 million visual searches per month, supported by tools including Shop the Look and Pinterest Lens. It continues to refine the UI to make the visual search more prominent and provides shortcuts to extend the capability to other elements of the app. Snapchat’s visual search allows users to take a picture of an object then search for it on Amazon. Brands already leveraging visual search include ASOS, the U.K. online fashion retailer. Their Style Match tool is integrated into their mobile app and helps shoppers find similar apparel from photos they upload across its catalog of more than 85,000 SKUs. Marketing success depends on the maturation of these technologies, in concert with mature data and image metadata and tagging capabilities.

**User Advice:** Marketing leaders responsible for e-commerce, search marketing, content marketing and mobile marketing must ensure that they have made the necessary investments in structured data — for products and services — and have built advanced metadata tagging processes into workflows. This precision is required for complex products with long lifespans that are repaired or serviced regularly (e.g., cars, home appliances, etc.), and for seasonally driven products where nuance matters, like in fashion and beauty. Consider the evolution of the Ford Mustang. When
consumers use their smartphones to do a visual search on 2020 Ford Mustang, are they interested in new Mustangs or just a specific model year? Search marketers need to define the value of bidding on these kinds of searches. The ability to apply visual search to video will be an increasingly important consideration as technology advances. For example, if a brand develops a promotional video that features multiple products in workout apparel, visual search will require precise tagging to allow a consumer to choose the specific item of interest, the sneakers versus the leggings. To leverage the data flowing from consumers’ visual search usage, marketers must ensure that privacy statements and disclosures for their apps and websites are updated with clear descriptions of how visual search data is used.

**Business Impact:** Visual search benefits marketing leaders who are responsible for e-commerce operations, content marketing, product and search marketing. It can enhance customer experience across all phases of the buying journey from awareness to postsale service and support. Beyond reducing friction for the customer or prospect at the top of the funnel, visual searches are a source of contextual information (e.g., location, time of day, local weather). This translates to impact on SEO, where images should reflect the time of day that most visual searches will occur. Understanding where and when consumers are starting their searches with pictures can enhance journey building and customer profiles. This step will require a clear and concise request that users opt in to share their location. For example, Instagram is using location tags to support visual search efforts that support business location discovery and travel.

**Benefit Rating:** Moderate

**Market Penetration:** 5% to 20% of target audience

**Maturity:** Emerging

**Sample Vendors:** Amazon; Blippar; Facebook; Google; Microsoft; Pinterest; Slyce; Zebra Technologies

**Recommended Reading:**
- “Mobile Marketing Maturity: Moving From the Nascent Level to the Developing Level”
- “A 3-Step Guide to Unlocking Marketing’s Voice Search Opportunity”
- “Maximizing Search Marketing Investments”
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