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LUT School of Business

Master's in Strategy, Innovation and Sustainability

Master's Thesis

SCENARIOS FOR DIGITAL MARKETING – A DELPHI-BASED ANALYSIS FOR 2028

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ABSTRACT

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The purpose of this thesis is to find out what kinds of future scenarios for digital marketing can be created based on the views and opinions of selected industry experts. In order to form or analyze futures for digital marketing, an overview of the history had to be taken. The thesis introduces the history of digital marketing from 2000 to 2019. The goal of the history review is to create a comprehensive picture of the broad spectrum of digital marketing from the point of view of consumers, research and marketers. The thesis has specifically sought to examine how the development of technology over the years has influenced the development of digital marketing and the change in consumer behavior.

The empirical part of the thesis, i.e. the creation of scenarios, was conducted with the Delphi method. In the first phase of the Delphi study, ten experts in the field of digital marketing were selected to share their expertise by answering to a survey and describing digital marketing in 2028. Based on the responses to the survey, 206 events were identified, analyzed and classified according to themes. To create scenarios, themes and related events were placed into the future table as variables and variable values. Impossible combinations between values that were illogical or impossible in the same scenario were identified. Five different scenarios were created using a future table, one of which was rejected because of its non-relevance and overlap with other scenarios. In the second phase of the Delphi study, experts were asked to evaluate four very different scenarios according to their probability and desirability. Four different scenarios for digital marketing in 2028 were presented as the results of this thesis: 1. Back to Basics (most probable) 2. The Device Free World (most desired) 3. Marketing as a Service and 4. The Power of Privacy.

TIIVISTELMÄ

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Tämän tutkielman tarkoituksena on selvittää millaisia erilaisia tulevaisuuden skenaarioita digitaaliselle markkinoinnille voidaan luoda valittujen alan asiantuntijoiden näkemysten perusteella. Jotta olisi mielekästä muodostaa ja analysoida digitaalisen markkinoinnin tulevaisuutta, oli ensin toteutettava katsaus historiaan. Tutkielmassa tutustutaan digitaalisen markkinoinnin historiaan vuodesta 2000 lähtien aina vuoteen 2019 asti. Historiakatsauksen tavoitteena on muodostaa kokonaiskuva digitaalisen markkinoinnin laajasta kokonaisuudesta niin kuluttajien, tutkimuksen kuin markkinoijien näkökulmasta. Tutkielmassa on haluttu erityisesti tarkastella miten teknologian kehittyminen vuosien varrella on vaikuttanut digitaalisen markkinoinnin kehittymiseen ja kuluttajakäyttäytymisen muutokseen.

Tutkielman empiirinen osuus eli skenaarioiden luonti toteutettiin Delphi metodilla. Delphi tutkielman ensimmäisessä vaiheessa kymmenen alan asiantuntijaa valittiin vastaamaan kyselyyn ja kuvailemaan digitaalista markkinointia vuonna 2028. Kyselystä saatujen vastausten perusteella 206 tapahtumaa tunnistettiin, analysoitiin ja luokiteltiin teemojen mukaan. Skenaarioiden luomiseksi, teemat ja niihin kuuluvat tapahtumat sijoitettiin tulevaisuustaulukkoon muuttujiksi ja muuttujien arvoiksi. Muuttujien arvojen väliltä tunnistettiin mahdolliset tilaparit, joiden samanaikaisuus samassa skenaariossa olisi epäloogista tai mahdotonta. Viisi erilaista skenaariota luotiin tulevaisuustaulukon avulla, joista yksi hylättiin sen epäoleellisuuden ja päällekkäisyyden vuoksi. Delphi tutkielman toisessa vaiheessa asiantuntijoita pyydettiin arvioimaan neljä hyvin erilaista skenaariota niiden todennäköisyyden ja toivottavuuden mukaan. Tutkielman tuloksina esiteltiin neljä erilaista tulevaisuuden kuvaa digitaalisesta markkinoinnista vuonna 2028: 1. Takaisin perusasioihin (todennäköisin), 2. Laitteeton maailma (toivottavin), 3. Markkinointi palveluna ja 4. Yksityisyyden voima.

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I cannot believe I am writing the last part of my Master's thesis. This thesis has certainly been a long but foremost an educating project. With this thesis one important chapter of my life comes to an end.

Writing this thesis has taught me a huge number of things in the world around us and especially its continuous change. I have also learned a lot about myself as a writer and a person. Although it felt like there were hundred easier paths to take in order to finish my thesis, I am extremely happy I chose to study future scenarios. The broad scope of the subject kept surprising me over and over again, keeping me genuinely intrigued by the topic during the entire process. While studying at LUT has been something to remember, today I am relieved to say that I no longer need to complete any course or visit Lappeenranta...at least for a while.

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In Helsinki, April 22th 2019

Mira Kuusinen

1 INTRODUCTION	1
1.1 Background of the study	1
1.2 Purpose of the study and research questions	3
1.3 Defining Digital Marketing	6
1.4 Defining important concepts	9
1.5 Research methodology	11
1.6 Delimitations	12
1.7 Structure of the thesis	12
2 EVOLUTION OF DIGITAL MARKETING	14
2.1 Brief history of information technology	15
2.2 Most popular DM topics in academic and business press in 2000-2018	17
2.3 Digital Media Shapes Consumer Behavior, 2000–2004	19
2.4 Consumers Shape Digital Marketing, 2005–2010	24
2.5 The Age of Social Media, 2011–2014	28
2.6 The Rise of DM Culture and the Post digital World, 2015-2019	31
2.7 Digital Marketing Trends for 2019/Future Trends of Digital Marketing	37
3 FUTURE RESEARCH – SCENARIO DEVELOPMENT	39
3.1 Future Scenarios - Reasoning and background	39
3.2 Defining scenarios	40
3.3 Scenario development – different categories and techniques	42
3.4 General attributes and features	43
4 METHODOLOGY – DELPHI METHOD FOR FUTURE SCENARIOS	46
4.1 Background and Definition of Delphi	46
4.2 Characteristics and reliability	47
4.3 The use of Delphi Method in Scenario development	48
5 SCEANARIOS FOR DIGITAL MARKETING IN 2028	55
5.1. Digital marketing in 2028: Back to Basics	55
5.2. Digital marketing in 2028: The Device Free World	58
5.3. Digital Marketing in 2028: Marketing as a Service	61
5.4. Digital Marketing in 2028 – Power of Privacy	65
6 DISCUSSION AND CONCLUSIONS	69
7 REFERENCES	74
8 APPENDEXIS	82

APPENDICES

Appendix 1: Delphi Round 1: Open questions

Appendix 2: The Future Table

LIST OF FIGURES

Figure 1: Study Framework

Figure 2: Elements of Digital Marketing

Figure 3: Research process for scenario development by using a Delphi method

Figure 4: Scenario categories and types

Figure 5: The Futures Cone

Figure 6: The Delphi process: The use of Delphi method in scenario development

LIST OF TABLES

Table 1: Research questions

Table 2: Research questions (2)

Table 3: Scenario evaluation table

1 INTRODUCTION

Over the past two decades marketing academics and practitioners have witnessed a major transformation in marketing (Lamberton & Stephen, 2016). While marketing was already revolutionized with the invention of radio, telephone and television, long after that, the development of the first personal computer set the opening shot to the evolution of digital marketing.

Mass adoption of the internet, increase of personal computers and later smart phone usage has significantly changed the way we communicate with brands. Marketers have had a full-time job to keep up with the rapidly developing technology and the relation between consumers and technology. As technology develops and consumers adapt to new ways to use digital technology, marketing academics and practitioners will face challenges in understanding digital marketing as a whole.

Anticipating future events in the digital marketing environment helps us to better understand the constantly evolving technology and transformation in consumer behavior. We do not know for sure what will happen in the future of digital marketing but by creating and examining probable future scenarios we can create holistic views of what may happen and make better decisions based on what is probable or desired. This thesis provides four very different scenarios for digital marketing in 2028.

1.1 Background of the study

The world of digital media has changed at an exceptional pace during the last 15-20 years. Constantly evolving technology and free access of information has taught us to use and understand technology like never before. From being only a source of information a decade or two ago, the Internet of today has transformed the way we communicate and interact globally with each other and how we make buying decisions (Ryan & Jones, 2009). Due to the increasing usage of digital technology and the internet, today's consumers are more civilized and powerful than ever before (Kucuk, 2011). What comes to being tech savvy, digital technologies are no longer considered for younger generation of early tech adopters, technology is a part of our everyday life (Ryan & Jones, 2009).

Technological innovations have played a key role in digital marketing development. Innovations such as home internet and affordable high-speed broadband has availed the expanding transformation of marketing and consumer behavior (Lamberton & Stephen, 2016). The use of the internet has increased significantly over the past three decades. In 1995, Internet had 60 million users worldwide, which was 0.4 % of the world's population back then. By December 2018, the amount of Internet

users has increased into 4.3 billion users, which is about 55.6 % of the world's population (Internet Growth Statistics, 2019).

Afterwards, developing technological innovations such as social media platforms and the dramatically increased use of mobile devices have had their own role modifying consumer behavior. The development of social media platforms and widespread adoption of mobile devices has significantly influenced how consumers behave, communicate, share information and interact with brands. Fast adoption of mobile devices has also unlocked new possibilities for marketers to communicate with consumers and target audiences. (Lamberton & Stephen, 2016)

Evolving digital technology has created platforms that connect communities and consumers with each other. Due to social networks platforms like Twitter and Facebook the use of social media has skyrocketed during the past ten years. Today, social media is present at all times and most of our internet usage goes via mobile devices. The constantly evolving digital and social media has not only changed the way consumers access information, it has also transformed the way we choose to buy our products or services (Ryan & Jones, 2009).

Technology has also the ability to create new markets and change the existing ones completely. Adoption of the internet, software applications and the use of portable devices allows consumers to connect and networks with each other whenever and wherever. This makes the internet the single most disruptive development of the history of marketing. (Ryan & Jones, 2009)

The inventions of the printing press, radio, television, computer and internet are certainly huge technological breakthroughs that changed our lives and relationship between marketers forever. However, digital marketing is not all about technology, it is about changes in consumer behavior enabled by the developing technology, examined from the marketing perspective. (Ryan & Jones, 2009)

As technology created novel ways to communicate to and with customers, it has also redefined the entire term of digital marketing. Digital marketing has changed from a definition of marketing products and services to consumers using digital channels to an umbrella term describing the process of using digital technologies to build customer preferences, retain and gain more customers (Kannan & Hongshuang, 2017; Financial Times, 2018).

A decade ago, fraises like *digital natives* who speak *digital language* was a discourse to explain something new and strange. Today these digital natives are just ordinary online consumers. Digital technologies are no longer a choice by the early adopters, the use of internet and digital devices are now a significant part of our everyday life.

The fuzz is no longer about technology, digitalization nor marketing, it is about radical changes in the way we as consumers behave and live as a part of the digital society. We as individual consumers play a significant role in defining how products and services are marketed for us, not forgetting the substantial power evolving technology has on our buying behavior. Individual decision making has changed from consumers knowingly receiving marketing messages to consumers purchasing products and services without even knowing the decision was part of their personal marketing plan. We are facing the reality of someone or more like something (computer) knowing us and our preferences better than we know ourselves. This all might sound terrifying, but it might also make our lives easier in many ways. Technology will develop, consumer behavior and motives behind decision making will keep on evolving and the way we utilize technology to understand human behavior will have even more revolutionary effects on marketing. In order to better understand future developments and their impact on consumer behavior and marketing a look in to the future must be taken.

1.2 Purpose of the study and research questions

The pace of technology development has increased significantly, pressuring companies to rethink the ways to gain competitive advantage through digital technologies. In order to understand how the developing technology affects digital marketing and consumer behavior, practitioners and researchers need to extend the knowledge they have on the ever-changing digital environment. (Kannan & Hongshuang, 2017)

This paper explains how the developments in digital technology has reshaped digital marketing and explains how the fast adoption of novel technologies has changed the way consumer behave and interact with each other. However, the main research focus of this paper is in future developments. The aim is to anticipate what the constantly evolving environment of digital marketing will look like in ten years from now.

This study provides relevant insight for marketers, researchers and all businesses aiming to succeed in the future. The use of digital mediums has already increased in a fundamental way, continually conquering the media sector. Changes in the field of digital marketing will prevail new ways and channels for businesses to engage and reach customers.

This constantly changing business environment forces companies to seek and adapt new realities, new concepts, products and technologies. The organization competitiveness is much determined on the ability to recognize future trends and cope with the uncertainty and rapidly adapt to extensive

changes. (Varum & Melo, 2010) Digital marketing is no longer an alternative approach to marketing but an essential key competence and a starting point for the success of any business.

We cannot forecast the future but in order to better view and imagine the developments of the future, we need to take a look back to understand how technology has evolved and the digital marketing and consumer behavior with it. This study will introduce the wide domain of digital marketing, introducing five past eras of digital marketing and explain the main elements impacting digital marketing research. In order to fully understand the plausible developments in the future, four distinctive future scenarios will be created based on a Delphi method study. The aim of this paper is to acquire an understanding of digital marketing in whole and provide a convincing future scenario of digital marketing in 2028.

Before any methodological examinations or conclusions are made, the term digital marketing is more closely defined and the technology behind digital marketing is introduced. In order to understand the rapid future development of digital marketing, this thesis will take a backward look at digital marketing research and go through the major themes that have emerged and evolved in the digital marketing domain in the past two decades. By viewing the history of DM research and digital technology behind the substantial transformation of marketing, a future-research-oriented perspective can be adopted, and possible future scenarios of digital marketing can be created. As a result, the paper will provide a holistic view of digital marketing in 2028, introducing distinctive future scenarios created based on experts from the field of digital marketing.

In addition, for discussing the relevant research implications of digital marketing research and academic publications I tend to focus on the technological aspect of digital marketing. I aim to examine the effect relationship of digital technology and digital marketing conducted from the broad domain of digital marketing research. Even though my focus is more in methodological and descriptive research, this study also provides benefits in business understanding and managerial relevance. The significant impact that developing digital technology has on digital marketing, without doubt also has a huge relevance in consumer behavior, marketing analytics, economics, consumer science not to forget company strategy and performance.

Marketing is a powerful tool for modifying the reality we all live in. It enables us to influence people and impact the belief system of consumers. Marketing has been developed over the years by people who have first imagined and then created it. (De La Paz, 2014) The reality what we call digital marketing today is also something that we have created over time and is impossible to change at this instant. By understanding the history of digital marketing and realizing how much power it has on our daily lives we can however try to create scenarios for the future.

Table 1. Research questions

RESEARCH QUESTIONS	
<i>What are the main phenomena of digital marketing in 2028?</i>	
Sub questions	Objectives
What is digital marketing and how has it evolved over the past 20 years?	To analyze the main elements in the digital marketing environment and understand the research behind digital marketing.
What is the recent history behind digital technology development and how has it influenced the digital marketing landscape?	To review technology development and analyze digital technology innovations to understand their connection to the evolution of digital marketing
What kind of future scenarios can be created for digital marketing from the basis of expert opinions?	To construct digital marketing scenarios based on the expert information and their tacit knowledge and to choose one to represent the plausible future of digital marketing in 2028.

Research questions of this study are introduced in the table above (Table 1). This study aims to answer one main question: *What is the main phenomena of digital marketing in 2028?* In order to find results for this question, three sub questions were formed. The first sub question focuses on the research history of digital marketing and aims to describe the DM environment. The second sub question aims to explore the technologies behind digital marketing, whereas the third aims to find out what kind of future scenarios can be created for digital marketing from the basis of expert opinions?

A capsulized study process is illustrated in the study framework presented below (picture 1.). The framework aims to describe how the evolution of digital marketing is explained through three elements: the development of digital technology, existing research and changes in consumer behavior. These elements largely define the changes in digital marketing in the past and also operate as drivers for the changes in the future. After the evolution of digital marketing is examined, the topic of future studies, more specifically scenarios is introduced and the Delphi method is used to anticipate changes in the domain of digital marketing. At the end, four various future scenarios are introduced to describe various alternatives of digital marketing in 2028.

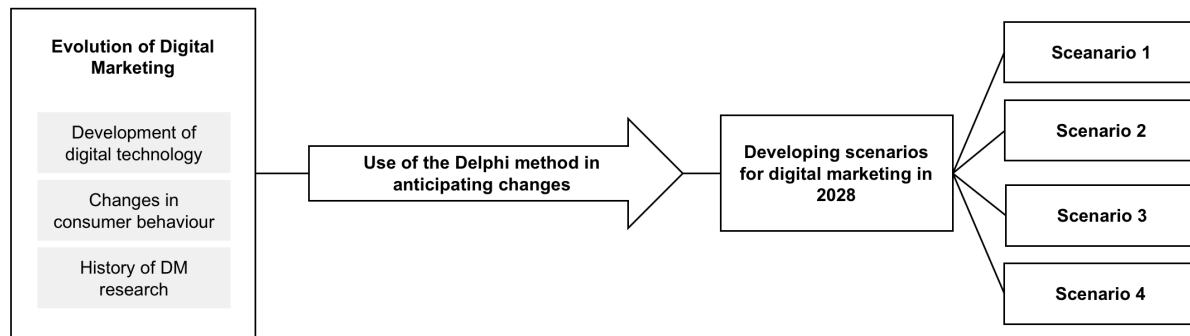


Figure 1. Study Framework

1.3 Defining Digital Marketing

The intention of defining digital marketing is as accurate as painting a tree on a windy day. You might think you can catch it, but sooner than you notice, the tree has already changed its form and the reality is something totally different you previously imagined. The rapid development of technology continually provides new possibilities and boundaries for digital marketing. Consumers do their part in determining what technologies are adopted. Evolutions in technology and changes in consumer behavior also enables new possibilities for marketers to influence consumers. To understand the complex domain of digital marketing, it is essential to realize that as technology continues to develop and consumer's, needs and expectations change, digital marketing will constantly evolve.

To better understand the topic of this thesis, and the main idea of digital marketing let's start by explaining how marketing has evolved over time. Historians claim that the first sign of marketing or more precisely advertising was seen in the ancient Roman city of Pompeii, where an engraved penis, strategically positioned to point the direction to one of the most popular brothels in the area at the time. This sign is said to be the *"oldest advertisement in the world, for the oldest business in the world"*. Even though the first signs of marketing as a part of business are said to be seen already in the ancient Pompeii, business historians argue that marketing truly became a business function as late as in the 1950's (Ryan & Jones, 2009).

As any field of business research, marketing research has also faced variation from the beginning of its time. Over the years, the American Marketing Association (AMA) has modified its definition for marketing as the field of marketing and academia has developed. The very first, quite simple definition by AMA presented in 1935, described marketing as *"the performance of business activities that direct the flow of goods and services from producers to consumers"* (De La Paz, 2014). I dare to claim that many marketing professionals and researchers would argue this term as unilateral and

insufficient and far from describing the broad marketing field in which we operate today. Today, AMA describes marketing “*as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large*” (AMA, 2017). As can be noted from the two fairly diverse definitions mentioned, nowadays the term marketing, represents the value for a consumer rather than for a company. Similar customer centric thinking appears strongly also in digital marketing, content creation being one of examples. Digital content is not only created in companies and targeted to consumers, but together with consumers and sometimes solely by consumers.

But what makes marketing digital? Digital marketing can be defined as operations of marketing techniques used to offer products and services and influence consumers through digital channels and devices. However, where marketing is traditionally described as companies communicating with customers in order to influence their purchase decisions, digital marketing can be described much more customer centric and even more evolved. The possibility today to gather useful consumer data has totally transformed the way we practice marketing or in this case digital marketing. Today we can largely link digital marketing as a part of good customer experience. Digital marketing allows us to improve customer experience by providing the tools and knowledge to analyze what customers need and desire, hence creating better products and services.

There is no doubt that digital marketing is a trendy not to mention highly relevant and influential subject that impacts every element in the digital economy from human behavior to business success. The word digital marketing can be found all around us, from technology advertisement, company strategies to job posts. Digital marketing is not only a necessary function for companies, it has also opened numerous new businesses. Digital marketing is one of those highly used terms that everyone knows but only few knows how to accurately define.

Digital marketing (DM) as a term has also evolved over time, from service and product marketing through digital channels to more comprehensive umbrella terms that more broadly describes online interaction through digital channels. Nowadays, most specialists think that *digital* cannot be delimited as another marketing channel, it needs to be regarded as a novel approach to marketing, which requires new understanding of consumer behavior (Financial Times, 2017). As an example Kannan & Hongshuang (2017) describe digital marketing as “*an adaptive, technology-enabled process by which firms collaborate with customers and partners to jointly create, communicate, deliver, and sustain value for all stakeholders*”. To complement the previous definition digital marketing can be described as product and service marketing through digital channels in order to reach consumers by promoting brands through various forms of digital media, extending beyond the use of the internet, including e.g. SMS and MMS marketing, social media marketing, advertising, search engine marketing (SEM) and other forms of digital media (Financial Times, 2017).

To really emphasize the scope and comprehensiveness of the term, Gartner (2016) describes digital marketing as “a set of techniques, enabled by technology, to target, acquire and retain customers, improve the processes to support customer engagement across multiple channels, align marketing and business goals, create new products and services, enter new markets, and allocate resources appropriately for future growth”.

These definitions are presented to implicate the wideness of this topic, however highlighting the role of digital technology and consumer behavior in brand promotion through various digital channels. Digital marketing is often also defined as a list of techniques, channels or other sets of daily marketing operations. The fragmentation of defining digital marketing is largely due to the combination of multiple digital technologies, communication channels and marketing tactics, which makes demarcation of digital marketing a challenge. Due to this obscurity, the main elements of digital marketing are presented in figure 2.

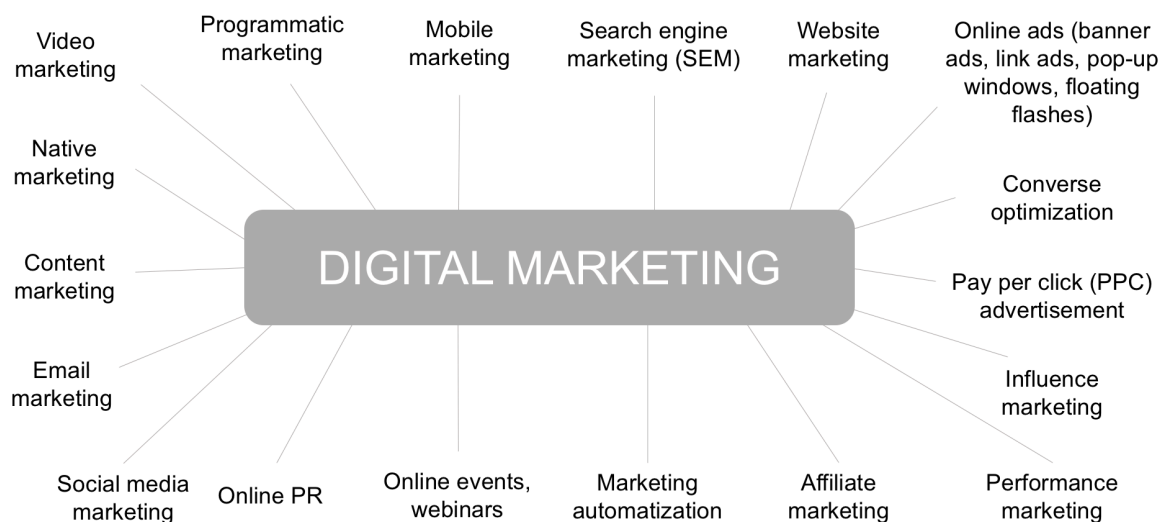


Figure 2. Elements of Digital Marketing compiled from Karjaluoto (2010, 129), Salminen (2015), Lincoln (2017), Ryan & Jones (2009).

Even though digital marketing is often defined through digital channels that development of technology has enabled, digital marketing is far more than just marketing actions through digital channels. In fact, digital marketing is not all about understanding technology, even though it makes digital marketing way easier if you do, it is about understanding human behavior. Digital marketing is all about people, people (marketers) connecting with other people (consumers) to build relationships (Ryan and Jones, 2009). By truly understanding how people use technology and how to engage with them through digital platforms is the key to successful digital marketing.

1.4 Defining important concepts

Key concepts presented in the thesis will be defined next.

Artificial intelligence (AI)

The theory and development of computer systems able to perform tasks normally requiring human intelligence, such as visual perception, speech recognition, decision-making, and translation between languages (The English Oxford Living Dictionary, 2019).

Augmented reality (AR)

Augmented Reality, more commonly called AR, is an environment in which 3D virtual objects are integrated into a real environment. In contrast to Virtual Reality (VR) in which the user is completely immersed into a synthetic environment and unable to see the real world around him, AR allows the user to see the real world and various virtual 3D objects integrated to the real world. Whereas, VR completely replaces the real world, AR only supplements it. (Azuma, 1997)

Big Data

Big data refers to a large data sets, that are commonly complex to work with using standard statistical software. The increase of digital communication around the world has enabled us the access to such large data sets. (Snijders et al., 2012)

Blockchain

Blockchain is a technology that enables the world's first distributed and transparent database. This database can be reliably maintained by anyone who is willing or unknown to others. One block of a blockchain can be compared to an accounting account that records all events for a certain period of time. When events, such as money transfers, have been recorded and the account has been closed, it can be included in previous accounts. This way, a whole chain of blocks is created. (Storås, 2016)

Decision aids

Decision aids is often linked in the context of online shopping, in which electronic decision aids help consumer's decision making by providing suitable content to aid their decision. (Bechwati & Xia, 2003)

Digital, social and mobile marketing (DSMM)

A classification and abbreviation for digital social and mobile marketing (Lamberton & Stephen, 2016).

Internet of Things (IoT)

It is a concept of various devices (mobile phones, coffee makers, washing machine, lamps) connecting to the Internet and that way with other devices (Morgan, 2014).

Machine learning (ML)

Scientific approach of algorithms and statistical models that computer systems utilize to execute a certain task without instructions, by solely committing to patterns. Machine learning algorithms build a mathematical model to make predictions or decisions without being specifically programmed to execute a task. ML is commonly seen as a part of Artificial Intelligence (AI). (Bishop, 2006)

Online WOM

Online word of mouth (e-WOM) refers to consumer-to-consumer interaction in an online environment that influences consumer behavior. Consumers can be exposed to online WOM through websites, blogs or other online channels. (Gupta & Harris, 2010)

Scenario

Hypothetical future perspectives that holistically sketch the multi-dimensional future operating environment and describes the development path from the present to the future (Meristö 1991, 45).

Social network

Social networks refer to online social networks or social network sites (SNS's) such as Facebook, Pinterest and Twitter that have rapidly become very important hubs of social activity and channels of information (Zhu et al., 2015).

User generated content (UGC):

UGC (user generated content) is a term that refers to conversations, photos and text that are created together by online users, which as a whole make media social. The idea of social media is that each user consumes the content but also works as a content producer. (Korpi 2010, 6.)

Web 2.0.

Whereas Web 1.0 allowed internet users to search and read information online, the more evolved version of the world wide web, Web 2.0 enables users to create content and publish it directly to webpages and produce collective intelligence (Strickland, 2007)

1.5 Research methodology

Due to emerging new technologies, constantly changing consumer behavior and high degree of uncertainty in the future, the future of digital marketing is studied. This thesis provides a holistic overview of digital marketing in the past two decades and suggests four very different future scenarios that are built upon future projections given by ten selected experts from the field of digital marketing. Addition to a comprehensive history overview from the past two decades, the future scenarios of digital marketing in 2028 are developed by using a Delphi method.

As a result of this thesis, four future scenarios of digital marketing are introduced and discussed. Scenario planning or development is specifically suited for assessing future developments, long-term strategic planning and uncertain events (Varum & Melo). Therefore, in this study scenarios as a future approach, is selected to study the vague future of digital marketing. Scenarios do not only provide interesting new viewpoints of the future, they aid decision makers to critically consider existing assumptions and possible future developments (Ramirez et al., 2015).

The Delphi method is selected to create scenarios for digital marketing. The Delphi method is a collaborative technique for generating important events or future scenarios (Bañuls & Turoff, 2011). In the Delphi method, experts from various fields are asked to individually share their expertise, knowledge and opinions on future events. Delphi method is a technique used to compose present and future scenarios based on these insights and opinions.

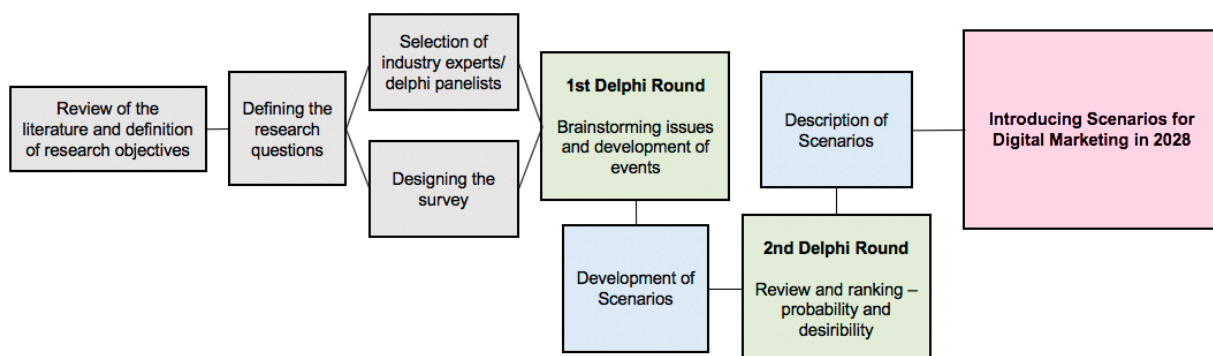


Figure 3. Research process for scenario development by using a Delphi method

The main steps of this study are introduced in the figure 3. In the first phase of the Delphi process the literature is reviewed and the research objectives are defined. Next the research questions are formed and the survey for the first Delphi round is designed. The results of the Delphi method are based on the opinions of experts of the field of digital marketing and therefore the assessment and

selection of experts is performed. In the first Delphi round the designed survey is presented to all experts participating into the study anonymously. Each of the experts answer the survey based on their knowledge and insight of the matter. Experts will brainstorm future events related to technological development, consumer behavior and digital marketing. Events are listed, categorized and evaluated based on the ideas from the first round. Then events are narrowed down, validated and developed into scenarios for the second Delphi round. In the second Delphi round the experts are asked to review and rank the scenarios by their probability and desirability. After the second round the evaluations and comments received from the experts are analyzed and final scenarios are described as coherent stories. Lastly, final scenarios are introduced and discussed.

1.6 Delimitations

This thesis follows the previously set thesis framework. This thesis aims to form a comprehensive and broad picture of the development of digital marketing by discussing the phenomena from the research, marketer's and consumer's perspective.

The history review and the research topics discussed in it are largely based on Lamberton & Stephen's (2016) research on the development of digital marketing in 2000-2015. In each era, research on digital marketing is introduced and digital marketing in practice is discussed. Each chapter also addressed the development of technology during its own era.

The scope of this thesis is aimed to limit by designing the survey around ten main questions. The expertise and experience of each expert participating in the research will set their own limits on the scope of this study. The results of this concern only the year 2028.

1.7 Structure of the thesis

My objective for the **theoretical part** of this study is two-fold. First, the history of digital marketing is introduced and five distinctive eras of digital marketing evolution from the past two decades are discussed and then the topic of future research is examined. In the second chapter the most important research topics are discussed and the past eras of digital marketing are introduced. Also, some predictions for the future are discussed. The third chapter focuses on explaining the background of future scenarios and describing the objective and key attributes of scenarios. The theoretical part of this thesis aims to form a holistic, retrospective overview of digital marketing and the factors impacting its development but also give a comprehensive overview of the objectives in future studies and justify the selected methodology approach.

Aim of the **empirical part** of this thesis is to create various future scenarios of digital marketing in 2028. First the selected methodology, Delphi method is introduced and discussed and then the entire study process is explained, and results are discussed. Scenarios are created by using a Delphi method. Selected industry experts are first asked to describe the future of digital marketing in 2028. Insights gathered are then analyzed, categorized and phrased as 206 events of the future. Projections are then themed and added to a future table. In order to create future scenarios, four different route options in the future table are created and scenarios developed based on those routes. Lastly, the industry experts are asked to evaluate the developed scenarios by their probability and desirability. Lastly the scenarios are named, and the most plausible and desirable ones are introduced. At the end of the thesis the results are explained, and future research is discussed.

2 EVOLUTION OF DIGITAL MARKETING

The world of digital marketing is transforming as we speak. Technology industry is constantly providing us digital technologies and devices that shape the way consumers use technology and giving marketers novel ways to influence consumers. Over the past two decades consumers have embraced new technologies with a pace that has forced marketers and organizations to redesign their communication and invent new ways of influencing the consumer. Developing technology has also played an important role in creating new types of experiences and novel market behavior, giving us endless new ways to communicate and share information globally (Ryan & Jones, 2009, Lamberton & Stephen, 2016).

Fifty years ago, only a few companies were on the top of using digital technologies. Companies that could invest in television, print or radio marketing, were automatically dominating in their own category. At that time, reach and frequency was all that mattered. A company that pushed its brand name repeatedly everywhere was considered “media driven”. (Sheehan, 2017) Since then, due to the rapid development of digital technology and the fast adoption of the Internet, digital marketing has changed at a furious pace. Use of the World Wide Web for commercial purposes began almost a quarter century ago (Kannan & Hongshuang, 2017). Innovations such as home internet and affordable high-speed broadband connections has availed the expanding transformation of marketing and consumer behavior (Lamberton & Stephen, 2016). Imagine, it took television 22 years to reach 50 million households and five years for the Internet to reach the same level of penetration (Ryan & Jones, 2009).

Online communication has changed significantly from the first commercial email to the online communication through various networks we use today. During the past 20 years, various digital media platforms have not only revolutionized marketing, creating a tremendous need for digital marketing research but also changed the way we as consumers communicate with each other. Social media platforms such as Facebook, Twitter and LinkedIn, and the dramatically increased use of mobile devices have had their own role modifying how consumers interact online. These dominating digital media platforms has provided novel ways to reach, inform, engage, sell, educate and offer services to customers. (Lamberton & Stephen, 2016) Emerge of the Internet has also created the need for a new industry of internet services. Established global corporations such as Google, Facebook, Amazon, Alibaba, eBay and Uber, no one had heard of two decades ago, have appeared as key players in the modern economy we live in (Kannan & Hongshuang, 2017).

In order to form a more comprehensive and deeper understanding of the fragmented history of digital marketing, this chapter explains the colorful evolution of digital marketing. The aim of this chapter is to describe how digital marketing has evolved from the beginning of the millennia to this day, first

taking a brief look at the history of information technology development, then introducing the most popular topics in academic and business press from the last two decades and finally offering a deeper overview at the development of digital marketing in five separate eras. The five eras of digital marketing are each studied in a 5-year time frame, starting from year 2000 to current year 2019.

The aim of this chapter is to give the reader an understanding of how digitalization and changes in consumer behavior has modified the environment of digital marketing and provide insights from both the research and practice perspective.

2.1 Brief history of information technology

To truly understand the factors behind digitalization and the subject we today call digital marketing, we need to take a brief look back at the history of information technology development. A logical development in the evolution of the term digital can be seen, when we look at the development of communication technology. The exact birth of digital is challenging to define but according to Ryan and Jones (2009) the term digital appeared between the first telephone was invented in 1877 and almost 100 years later, in 1971 when the first email was sent.

Email was certainly a huge technological breakthrough in the field of communication technology, but before that there were a lot of significant innovations in the development of computers not to mention the digital communication between two computers. The world's first general-purpose computer took its first steps in 1951 enabling effective customer communication, not only by sending mail but also permitting segmentation of the customer file (Webber, 2013).

The term Internet was first heard to be used in 1974, by a US Computer scientist Vinton Cerf who later has been referred as the *Father of the Internet* (Ryan & Jones, 2009). In the beginning, the Internet was designed to serve government research and interconnect laboratories with each other (Internet Growth Statistics, 2019). Later on, the internet or commonly known Web 1.0, was all about information sharing, read only content and static HTML sites, an information portal owned by a few people. This period was dominated by a few web-hosting services such as Yahoos Geo Sites (founded 1994) and web-based email services such as Hotmail (founded in 1996). (Strickland M., 2007) In the 1990's the Internet had already expanded to serve millions of users for numerous purposes in all over the world (Internet Growth Statistics, 2019).

The very first web page was published online in 1991 by CERN (European Organization for Nuclear Research) and it contained information about the world wide web (Web 1.0) and instructions how to get a web browser and set up a web server. By 1998 more than 100 000 hosts were connected to the internet and so this technology that was previously mainly used by researcher and scientists

became accessible for much broader audience. Between years 1991-1997 the annual growth of web was significant 850%. The impressive growth of web caused a lot of interest and new ideas among tech-savvy marketers, which not so long after induced the birth of digital marketing. (Ryan & Jones, 2009) Similarly, the context of digital advertising was firstly introduced in the 1990's (Brosnan, 2012). Today, the Internet has 4,3 billion users globally, which is 56,1 % of the world's population and the amount is skyrocketing as we speak (Internet World Stats, 2019).

The real explosion of digital marketing began in 1990 when the first search engine Archie was created. Cookie technology was developed soon after that. Digital cookie is a common part of website technology of today and it refers to a piece of code that websites leave in a user's browser to collect information about the user. Cookies were not always utilized for the purpose we use it today, but it has played an important part in the evolution of digital marketing. Another milestone was reached in 1993 when the first clickable banner ad went live. Search engine Yahoo was born in 1994, enabling individuals to search information from the web. Four years later the world's most used search engine giant and the dominant player in the digital economy of today, Google was born. (Lincoln, 2017)

As search engines such as Google, Yahoo and Bing advanced, individuals also began to use search engines to find products and services in addition to previously only for information seeking. This created pressure for companies to set up a website in order to compete in the global market. As websites became a trusted source of information and an important channel for searching goods, companies started to implement the first forms of SEO (search engine optimization) strategies. (Solis2017) In contrast to today, search engine optimization was much easier in the 1990's. In order to rank your product towards the top of searches all you needed to do was put the product category in your site as many times as possible and include it in the title (Lincoln, 2017).

The printing press, radio, television and the invention of the internet are all great breakthroughs in technology that have significantly reshaped the relationship between marketers and consumers (Ryan & Jones, 2009). Significant innovations in technology was accomplished in the 1990's that had huge impact on the internet we speak of today, not to mention digital marketing. However, with the appearance of social media and mobile devices during 2000 and 2010, the concept of digital marketing has significantly amplified, from an advertising-oriented technique in the beginning of the millennia to the creation of experiences (Brosnan, 2012). The turn of the millennium was also a breakthrough in e-commerce since the first most simple products were sold and purchased online (Merisavo et. al., 2006, 25).

Today, anyone or any business can have a web page in the internet and the possibilities to reach consumers almost at any market, directly, fast and with a very low investment. The internet has not

only disrupted the way businesses reach consumers; it has also transformed entirely the way individuals communicate with each other. Content creation and sharing (blogging), not to mention the use of various social media allows individuals to express and publish their ideas, feelings and opinions faster and to wider audience than ever before.

Needless to say, development of technology and the evolution of digital marketing walk hand in hand and digital marketing would not even exist without the invention of the internet. However, this thesis is not about technology nor the development of the internet, it is about the relationship between marketers, technology and individuals. From a marketing perspective, technology is only interesting, when it connects people with other people (Ryan & Jones, 2009).

2.2 Most popular DM topics in academic and business press in 2000-2018

Digital, social and mobile marketing research has skyrocketed over the past two decades. The rapidly growing research interest towards digital marketing has highlighted the importance of scientific understanding of DM phenomena. Since the launch of first DM journals like Journal of Interactive Marketing, the need for new scientific approaches to data and theory has been realized. In order to comprehensively understand the varying scientific interest towards different topics in the DM domain, Lamberton & Stephen, (2016) conducted a macro-level analysis of the most popular keywords, citations and popular DM research topics in academic and business press published between 2001 and 2015. Distinctive keywords were combined into categories and the most popular topics in DM research were recognized. The authors noted a huge variation on how researcher define their work and how fragmented the digital marketing research really is.

The most dominating keyword category in the digital, social and mobile marketing (DSMM) research domain, **model types and analysis** can be explained by the growing amount of new types of data analysis methods and empirical models that have emerged as marketing practice has digitally transformed over the years. The prevalence of **advertising** as the second most popular keyword reflects to the importance of paid media in the DM domain, the continuous digital transformation of advertising, emerging new advertising channels, such as mobile and social media and novel advertising techniques such as retargeting. The third most popular keyword category, **psychological processes and outcomes** highlights the importance of behavioral topics and psychological theories in digital marketing. The high frequency of such topic emphasizes the importance of understanding consumer behavior and the role of individual in digital marketing. Reasons why consumer focused research topics have been highly cited are popular subtopics such as consumer decision making, customer experience and psychology. In the first years of millennia, **social networks** were not the most common topic in the DM research, but it rapidly reached interest

as social platforms such as Friendster, Myspace, Facebook and Twitter gained popularity and grew as the fourth most used keyword. (Lamberton & Stephen, 2016).

Lamberton and Stephen (2016) also studied the prevalence of more major DM topics in well-known business journals, by the amount of mentions per topic. According to the authors, a clear consistency between DM topics in academic journals and in practitioner focused business press was seen. Some of the most frequent topics in academia, such as **advertising, search advertising, social networks, ROI** and **UGC** closely align with practitioner's discussion topics such as **digital advertising, social media, social networks, ROI** and **UGC**. The interest in analytical methods development however has not been as strong among practitioners as among academics.

In order to pinpoint the most frequently studied topics during the 15-year time frame, Lamberton and Stephen also examined topics by their citations in DM publications. Four distinctive topics in the DSMM domain were recognized. By far the most popular topic in DM research was **word of mouth (WOM)**, followed by **social networks, decision aids and user generated content (UGC)**. Even though **mobile marketing** had the least citation counts and had not yet received a significant amount of attention in the academic world before 2015, the increasing importance of the subject can be seen in the practitioner's side. Loss of citations can be explained by the novelty of the research topic. However, the fast-growing use of mobile devices suggest that the topic of will receive a lot of attention in the future also from the academic side. These important topics mentioned, will be more closely introduced later as we take a closer look at the development of digital marketing in five diverse eras.

To complete Lamberton & Stephen`s macro-level analysis of the most popular keywords, citations and popular DM research topics in academic and business press published between 2001 and 2015, an overview of the most popular DM research topics during 2016 and 2018 are introduced in the next chapter/table.

2.3 Digital Media Shapes Consumer Behavior, 2000–2004

Beginning of academic research in digital marketing

The first five years of the new millennia were all about the rise of digital media impacting consumer behavior, novel ways of consumers providing information to each other and all new ideas for marketers to approach consumers. This was also the first era when academic research started to produce literature focusing on digital communication. Even though during years 2000-2001 none of the most impactful marketing journals published articles that related to digital, social nor mobile marketing themes, topics like social networks and decision aids saw their first light in the marketing research domain. Since then, word of mouth (WOM), social networks and decision aids have been in the top 3 most cited topics in the digital marketing discussion in the entire 15-year time period (2000-2015). (Lamberton & Stephen, 2016)

In the analysis of DSMM publications in academic and business press, Lamberton & Stephen (2016) found that there are three factors how digital media and the internet have shaped consumer behavior during the years 2000 and 2004. First, the internet provided new possibilities for consumers to access other consumers either by expressing themselves online and sharing information or acting as an audience by receiving information. Secondly, the internet also abled decision aids as in providing online searches and helping consumers to make purchase decisions and search for products. Thirdly, the internet functioned as a marketing tool for marketers allowing them to anticipate consumer's preferences, hence offering products and services that match consumers preferences better.

Web 2.0 transforming the business environment

This era was also a significant turning point from the technological perspective. In March 2000 the dot.com bubble busted pushing technology companies into a massive crisis. In two years about \$5 trillion US dollars were wiped off from the market value of technology stocks. Most tech companies were struggling with the crash of technology stocks, forcing unsuccessful businesses to exit, leaving smartly managed businesses to recover and conquer the internet business. Key factors in overcoming the collapse of the dot.com bubble was to understand how services improved automatically as more people were using the service. In this kind of collective intelligence, the service acted as a platform for users to exploit their own power. This revolutionary phenomenon of web transformation was later called as an umbrella term "Web 2.0". (O'Reilly, 2007)

According to Mata and Quesada (2014) the development of Web 2.0 was an evolutionary process from the technological viewpoint and even a true revolution from the social angle. Realizing the

power of collective intelligence and online empowerment, the start of Web 2.0 became a remarkable turning point for some technology companies that were born during the era of Web 1.0 and faced the collapse of the dot.com bubble, raised from the uncertainty and became one of the leading players in the era of Web 2.0. One of these firms were Yahoo!, Google (search), eBay, Amazon, Wikipedia, del.icio.us, Flickr and Cloudmark (Ryan & Jones, 2009, O'Reilly, 2007).

This era also included the birth of many successful digital marketing tools and channels we are today very familiar with. In 2000 Google released Adwords and WordPress made its debut. This era was also a breakthrough in mobile, when in 2001 Universal Music launched the first mobile marketing campaign (Monnappa, 2018). Year 2002 was also the birth of a massive online business community LinkedIn (Monnappa, 2018). Not to forget MySpace, that soon became the pioneer of social media was established in 2003 (Lincoln, 2017). In 2004 the world's most popular email service provider Gmail was launched and the largest social online community, Facebook went live, however serving only college student at the time (Monnappa, 2018).

The rapidly growing use of digital channels brought in almost \$3 billion USD from Internet advertising and online marketing in 2004 (Lincoln, 2017). During the years 2004 and 2005 online advertising increased 40-50%, for the first time ruling traditional and radio advertisement (Merisavo, et.al., 2006, 15). Soon after that digital channels became a permanent element to the traditional marketing mix (Merisavo, et.al., 2006, 15). This was of course a delightful news for website owners like Google, who had just released AdSense, a service that gave publishers the opportunity to monetize their sites (Lincoln, 2017).

Harnessing the collective intelligence – First digital media agencies

Almost twenty years ago the term Web 2.0 and more precisely connected to Web 2.0 marketing was something that everyone was talking about. Web 1.0 only allowed a set of people to generate and publish content and users to search and read information online, but the Web 2.0 was all about creating content online and publishing it directly to webpages. Web 2.0 did not only admit the user to create content, but it also had the ability to alter to user's needs, requirements and depth of communication such as collective intelligence, collaboration, learning and social behavior as well as social connections (Strickland M.,2007, Viswanathan et. al., 2010). Not only was creating content and marketing online seen as a great possibility for businesses, digital marketing could also be executed with a low cost. Effective marketing was no more dependent on marketing investments, anyone could share marketing content online and reach consumers around the world. The novel features in Web 2.0 and growing understanding of analytics also proved that digital marketing strategies should be based on observations in online marketing information and data instead of uncontrolled enthusiasm and guidance of Internet marketing gurus (Lohse et al., 2000).

Rapidly increased usage of internet brought an extensive need for digital marketing and soon were the very first digital media agencies born (O'Reilly, 2007). In the beginning of this era, first digital agencies were established to exploit the advantages of the Internet. Digital media agencies saw the possibilities in digital marketing, that were left unseen by the traditional marketing agencies. Digital media agencies differentiated by offering services such as website design and development, internet advertising, search engine marketing (SEO), email marketing, blog content and e-commerce consulting. (Sheehan, 2017)

Evolution of social networks

After the dot.com crash, Web 2.0 became the new buzzword and companies such as Google, Facebook, Flickr and Wikipedia its icons (Meadows-Klue, 2007). Some of Web 2.0 most successful applications like Twitter, Facebook and LinkedIn gained remarkable number of users (Mata & Quesada, 2014) allowing them to produce and share content through social media, connect with other users in social networks (Meadows-Klue, 2007). Social networks soon became extremely valuable marketing channels for many businesses (Mata & Quesada, 2014), especially in customer service and e-commerce (Merisavo, et.al., 2006, 15). According to Sharma and Sheth (2004), The Internet revolution changed consumer behavior quite radically since the Internet offered new platforms and channels for online communication.

Academics were interested how consumers share feedback in online communities and how this impacts individual behavior. Three types of online communities can be recognized to illustrate the differences in consumer behavior. Online communities can be divided into subcategories by their core purpose. **Commercial communities** are usually associated with e-commerce like Amazon and e-Bay that enable commercial transactions between buyers, sellers and brokers, whereas **information communities** like Wikipedia facilitates information sharing. Whereas Facebook and LinkedIn can be considered as **social communities** that maintain social relationships and Twitter as a community of practice with the purpose of sharing opinions or experiences. (Turban et al., 2008)

Academia soon also realized that sophisticated social network platforms such as Facebook and Twitter could be rich sources of consumer insight that could help researchers to understand online consumer behavior. While qualitative research focused on utilizing online communities as sources of insight, qualitative research focused on online WOM. Researchers were especially interested to know if online WOM could be used to predict offline behavior and if the influence between offline and online behavior could be modeled. Lamberton & Stephen (2016)

Blogging

Along with the Web 2.0 came the rise of blogging (O'Reilly, 2007) as individuals noticed that the internet worked as a perfect platform for content creation (Lamberton & Stephen, 2016). Personal diaries and daily opinion columns have existed forever, but it was the novel technology called RSS (Rich Site Summary) what made this digital way of sharing personal content so unique. According to O'Reilly (2007) RSS was the most significant advance in the web architecture, that allowed users to subscribe to a page instead of just entering one. This fine feature of the Web 2.0 originated the term "live web" where online users could comment, subscribe and access updates and notifications every time online content changed e.g. when new blog comments were added. This allowed users to not only create and share content but have an interactive online conversation. (O'Reilly, 2007)

Nowadays blogs are one of the most popular and used digital marketing activities. Blogs can direct a great amount of traffic to a website. With effective search engine optimization (SEO), blog sharing and guidance of blog readers, a marketer can build trust between the company and the consumer, directing more leads to the business. Blogs are often the only way to drive continuous long-term traffic to the website. (Wainwright, 2015)

Blogs also function as an important platform for advertisement. As an addition to traditional website advertisement, also called affiliate marketing, where a company A gets a commission when Company B's products are bought due to an ad in company A's website, blogs are also an efficient platform for subliminal advertisement. In subliminal advertising, products, logos and references to a product are hidden among other materials hiding the commercial agenda. This aims to influence the consumer's buying behavior without notice. Today, embedding advertisement on blogs and blog hosting web pages, has developed so that private bloggers (influencers) can earn their living with their posts. (Häkkinen & Koivumäki, 2013, 186)

E-commerce and decision aid

In the beginning of 2000, the number of Internet users was 3.4 million, which was only 5% of the world's population at that time, however the number increased by 513 million users during the 4-year time period of this era representing 12.7 % of world's population (Internet Growth Statistics, 2019). The rapid growth of internet users had great impact on digital marketing in many ways. Especially the turn of the millennium was a true breakthrough in e-commerce when the first most simple products were sold and purchased online (Merisavo et. al., 2006, 25).

Along with e-commerce came stronger price competition and lower prices. Marketers started to use Decision aids as a tool for attracting more customers. Decision aids describes how marketing

managers use digital marketing knowledge to support consumers' decision making for example how e-commerce can help consumers to find new products or how internet search can lower consumers search costs (Lamberton & Stephen, 2016). Utilizing marketing knowledge was not only beneficial for the marketers, but also for consumers to search and select suitable products easier.

Even though it was commonly acknowledged that e-commerce tightened the price competition, researchers realized that the power of a brand still mattered online, and consumers did not follow the cheapest price. While researchers were highlighting the possibilities of deriving insights from the internet and the possibilities in online WOM and brand communities, marketers did not utilize the full potential of digital marketing. Marketers did not see the Internet as a promising marketing tool, and they were still uncertain if online communication shared long term growth and concerned about the methods in data collection. Lamberton & Stephen, 2016

2.4 Consumers Shape Digital Marketing, 2005–2010

In contrast to years 2000-2004, when the Internet and digital media began to shape consumer behavior, years 2005 to 2010 was the time when online social interactions through online WOM and social networking became mainstream and in turn consumers started to shape digital media. This change in roles was due to few significant events. The Internet became increasingly important part of people's lives, user generated content (UGC) in online reviews became more common and the first social network platforms, that we today call social media gained more users. (Lamberton & Stephen, 2016)

Changes in the digital marketing environment

In the beginning of 2005, the amount of Internet users had grown into 888 million users which was already 13.9% of the world's population (Internet Growth Statistics, 2019). The adaptation of internet was exponential and faster than could be estimated. Projections from 2009 suggested that global online population would hit 1.8 billion by 2010 (Ryan & Jones, 2009), however the number grew even larger hitting up to 2 billion by 2010 (Internet Growth Statistics, 2019).

According to Lamberton & Stephen (2016) the rapid growth of internet users, popularity of social media channels and consumers impact in online WOM and UGC caused a true need for developments in digital marketing. Valos et. al., (2010), also participated into the discussion of digital marketing development by identifying six key factors that influenced the growth of digital marketing. Six main factors were found:

1. Growth of online population
2. Moving from mass marketing to personalization, which allowed firms to customize marketing for individual consumers at a relatively low cost
3. Integration of digital marketing into the communication mix
4. Online marketing knowledge management which allowed marketing executives to process information faster and more thoroughly than before.
5. Analytics - evaluation of advertising effectiveness and
6. Change in advertising-agency capabilities, that shifted digital marketing from ad agencies to managers.

According to Valos et. al., (2010) the topic of personalization was already taking its stand and changing the focus out of traditional mass marketing. The topic of personalization will be thoroughly discussed in the upcoming chapters focusing on the present and the future.

Conquest of social media platforms

This five-year period was really the era of social media platform growth. The world's very first social networking website Six Degrees (launched in 1997) was shut down in 2001, giving room for other social networking platforms to grow and flourish. Many popular social networking channels (e.g. Habbo, Friendster, LinkedIn, Facebook, Flickr) were already launched during the previous era, now gaining their foothold in the field of social media. One very important milestone in digital marketing was reached when YouTube was launched in 2005 (Lincoln, 2017, Monnappa, 2018). Marketers soon realized that YouTube could offer them novel ways to promote their brand through videos. The word "analytics" also became much more popular in 2005 when Google launched its free tool for website traffic and user behavior data management, Google Analytics (Lincoln, 2017).

In 2006, Microsoft introduced MS live search, Twitter was launched and Amazon's sales crossed \$10 billion (Lincoln, 2017, Monnappa, 2018). The year 2007 was an important year for blogging, since Tumblr was launched providing anyone the change to become a blogger (Lincoln, 2017). The very first iPhone was launched in 2007, which meant that soon millions of people would walk around with their smart phones, constantly connected to other mobile users, despite the place and time. Online mobile communication truly revolutionized as the world's most popular message application WhatsApp was launched in 2010 (Monnappa, 2018). While the technological development and adaptation of the internet was mainly centered in the US, China was ambitiously keeping up. In 2008, China overtook US in the number of Internet users and becoming the country with most internet users (Monnappa, 2018).

In the dynamic marketing context, the role of the Internet and specifically the development around Web 2.0 as well as the role of social media become more important. For marketing strategists, the idea was clear: surviving in the age of empowered customers, requires less reliance on traditional mass marketing tactics, more understanding of technology in forming the marketplace and more importantly social media becoming a strategic necessity in the marketing toolbox. (Constantinides, 2014)

Online WOM and UGC in online reviews

According to Lambertson & Stephen's (2016) analysis, WOM as a research focus really popped up during this era and since 2006 WOM have continued to be by far the most cited topic in the digital marketing domain. It can be argued that the increased interest towards online WOM and UGC was partly due to the rapidly growing popularity of social network platforms (social media), e-commerce sites allowing users to post reviews online and the emerge of online review sites such as Yelp, that was founded in 2004 for restaurant online reviews. Yelp became incredibly popular, and therefore it

has later on expanded to other industries and become the most popular consumer review platform in the world.

Already during the first era, Hennig-Thurau et. al. (2004) argued that relationship between consumers and marketing has changed and online consumers have become more critical than ever. Whereas, according to Merisavo et. al. (2006, 16) the change in buying behavior and customer cycle was already seen a decade ago when consumers increasingly began to start their buying process online by utilizing the internet to seek information and to create and share experiences with other consumers. The Internet had expanded consumer's choices to acquire impartial information from other consumers, also giving consumers the opportunity to make their own consumer advocacy by participating in online WOM.

While consumers began to share opinions and stories online, global brands realized the potential in using social networks and channels for digital marketing. Content like online evaluations and comments generated by users were soon analyzed, measured and even managed by companies with the objective of controlling UGC's impact on sales and new customer acquisition. (Lamberton & Stephen, 2016)

Researchers found that online WOM, more specifically UGC had measurable impacts on sales. Studies in online WOM examined the impact of "refer a friend" emails on new customer acquisition and it was also found that long-term effects on online WOM referrals were greater than in traditional marketing activates. Positive impacts of online WOM in sales also couraged academics to study if online WOM could be generated by businesses or strategically manipulated. (Lamberton & Stephen, 2016)

Outcomes from online WOM research and DM practice

Significant developments in digital marketing domain, in both research and practice was seen during this era. Marketing academics interest towards online social networks grew as consumers adopted new channels, social media became mainstream and new interesting phenomena in consumer behavior and marketing were found. Even though consumers were adopting new channels fast, Merisavo, et.al. (2006, 16) wondered why marketers were not as active online as consumers and why marketers were so much slower in adopting new channels.

Increasing amount of questions related to networks and researches in online WOM led to the development of many significant advancements. For example, the first online WOM marketing communication strategies were developed to exploit consumers in the construction of WOM in the form of stories (Lamberton & Stephen, 2016). Researchers were also intrigued by the question, who

was driving diffusion in online social networks, being the most “influential” person (Lamberton & Stephen, 2016). Companies began to plan which influencers they should target as a part of their WOM strategy. This phenomenon has later been called as influencer marketing.

In accordance with Valos et.al. (2010), six key factors influencing the growth of digital marketing, Lamberton & Stephen (2016) also indicated the first appearances of online advertising analytics. According to Lamberton and Stephen (2016) The very first analytical modelling study of utility maximizing in websites and online advertising in order to purchase traffic by Katona & Sarvary (2008).

Researches in this era also provided the base for some of the popular business models we use today. As an example, Stephen and Tobia’s (2010) study on “Deriving value from social commerce networks” discussed about social commerce that allowed individual consumers to act as firms, selling products or services to other consumers through a marketplace that benefited from the transactions made on the platform. When we think about it, this sounds quite familiar. These marketplaces were the basis of today’s very popular platform-based business models like Uber and Airbnb.

During this era, marketers were getting more interested about search engine optimization (SEO) as well as utilizing social networks as marketing channels. It was commonly recognized that social networks or social media as we generally call it today, could be used to gain competitive advantage. However, the topic only received 8 % of total marketing spend at the time, whereas SEO was seen as a top priority of marketer’s Years 2005 to 2010 certainly cleared the way for an important research topic and element of digital marketing of the next era, social media marketing. (Lamberton & Stephen, 2016).

2.5 The Age of Social Media, 2011–2014

In the beginning of 2011, the amount of Internet users had increased into 2,095 million, representing 30.2 % of the world's population and by 2014 the number had grown by 1 billion users (Internet Growth Statistics, 2019). Facebook had become the most popular social network platform luring more and more users to join the crowd. In 2011, 250 million Facebook users were logged in every day and Twitter was rapidly gaining more users (Lamberton & Stephen, 2016). Google also wanted to get into the game by launching its own social media platform, Google+ in 2011 (Lincoln, 2017). Although, Google+ never took off like Facebook or Twitter and eventually it was decided to shut down in 2019, at this era Google+ was destined to play an important role in the history of digital marketing (Lincoln, 2017).

The age of social media and constant connecting had truly begun. In 2012, social media budgets went up to 64 %, proving the interest of marketers and effectiveness of social media marketing (Monnappa, 2018). Later on, another search engine giant, Yahoo! acquired Tumblr, Facebook launched its messenger application and acquired the world's most popular message application WhatsApp in 2014 (Monnappa, 2018). Year 2014 was also an interesting year from the technology perspective. For the very first time, in 2014 the mobile usage exceeded desktop usage (Lincoln, 2017, Monnappa, 2018). Academic and marketer's focus on social media really stood out when platforms such as Facebook, Twitter, Instagram, Pinterest and Snapchat gained more foothold in the business of online social networking (Lamberton & Stephen, 2016). The hype of social media marketing had begun.

Social media marketing

The popularity of social medias induced a need for clarified definitions. Talk about social media marketing is obviously connected to various social media channels we today actively use for marketing. In line with American research company Gartner's definition (2016), **social media marketing** happens in a digital environment or in other words in social media where content is created, consumed, promoted, distributed, discovered or shared for purposes that are primarily related to communities and social activities.

This definition however is in a way too broad context to understand what social media truly means. Social as a word refers to people connecting with other people and media as platform or an environment for this communication. According to Korpi (2010, 6) social media consists of people using services and interacting with each other in digital environments. Users of social media produce and share content inside one or between social medias.

Nevertheless, Van Dijck (2013, 8) pointed out a distinction between various kind of social medias. Facebook, Twitter, LinkedIn, Google+ and Foursquare as an example are well known social medias, however they are more precisely classified as social network sites (SNS's) for their attributes to promote personal, professional or geographic contact between individuals or groups. Another category represents sites for user generated content. Commonly known UGC sites are Wikipedia, Flickr, MySpace and YouTube. Sites that are built to exchange products or services belong to the third category, trading and marketing sites (TMSs). Popular TMSs are Amazon, eBay and Groupon. The fourth category play and game sites (PGSs) are not always considered as social media. Well known PGSs are popular games like Angry Birds, FarmVille and The Sims Social.

From markets of individuals to social commerce

To better explain the development of Web 2.0 as a social and technological revolution, Mata & Quesada (2014) introduced two marketing perspectives that have shaped the way we approach social media (more precisely SNS) marketing. Previously marketing in online social networks has followed the *market perspective*, which defines online social networks as individuals who create the market. Also, referring to marketers taking an advantage of users in online social networks by acknowledging them as potential market, in which the main purpose is to maintain or create social networks around individuals. In this perspective additional services related to e-commerce are provided to cover expenses but not as core services.

As a comparison for the *community perspective* (more common during this era), in which online social networks are described as virtual communities, where individuals share common interests. Marketers see online social networks as virtual communities of individuals, which in addition to social have also economic and commercial purposes. In this perspective e-commerce is offered as a service to support integration between online social networks and e-commerce to become *social commerce*. (Mata & Quesada, 2014)

The increasing digital empowerment of consumers

One of the most significant changes in human interaction was the conception of social networks. Fast increase of Web-based platforms that facilitated online social behavior had significantly shaped the nature of human behavior, habitats, and communication. Real-world social interactions had been integrated to the virtual world, resulting online communities that brought consumers together from around the world. This shift into the digital extent allowed consumers to share knowledge, entertain one another, and promote conversations among various cultures. (Tiago & Verissimo, 2014)

The theme “the connected consumer” and other findings from the previous era had a significant effect on the third era, that highlighted the topic of consumers not only being connected consumers but also empowered by their connections with each other. The increased use of the internet and mobile devices such as iPhone allowed any consumer to act as a brand advertiser and a consumer at any given time. (Lamberton & Stephen, 2016.) Following this topic, in 2013 Vaynerchuk (2013, 2) stated that social media users exploit social media to find information about a product or a service before a purchase decision and the ongoing rapid growth of mobile users will significantly grow the amount of product and service reviews online in the future.

The past two decades of information and online communication has raised the consumers in control of content and communication. During this era, the increased power of consumers had lowered the trust and similarly the effectiveness of digital marketing. Marketers were facing a true challenge and therefore new attitudes to survive in the era of Web 2.0 marketing were required. Instead of looking at consumers as passive audience, researchers suggested that marketers should understand online consumers sophistication and that businesses needed novel marketing strategies in order to survive in the consumer dominated environment. (Constantinides, 2014)

Research versus practice

Researcher’s interest was shifting from network influencers that differentiated with their position in the networks into reviewing empowered individuals that all have a “voice” and equal power to influence. Researchers specifically wanted to understand consumer’s power (UGC) in two largest social media platforms, Facebook and Twitter. Researchers wanted to know what kind of content was shared or retweeted, why people even tweet and how regular Twitter user’s posting activity changed as they gained more followers and increased their social status. (Lamberton & Stephen, 2016)

On the other side, observation of consumer behavior in digital channels, so called “social listening” was gaining popularity in practice. Even though researchers had shown how to understand UGC and data gathered from online channels and platforms, marketers did not yet know how to transform data into insights. In contrast, companies were focusing more on “likes” assuming that engagement would increase sales. Also, cross-channel marketing campaigns (e-mail, mobile, social) was gaining popularity. Companies started to see the advantage of e-mail, mobile, social and cross-channel marketing and some experienced it as the next big challenge. Another challenge appeared in this era when consumers started to use ad-blocking software. (Lamberton & Stephen, 2016)

2.6 The Rise of DM Culture and the Post digital World, 2015-2019

The rapid pace of technology development, changes in consumer behavior and the entire shift into the digital marketing environment has taken us to the post digital era, where consumers are demanding for superior experiences faster than businesses can deliver. In the current era we have seen the customer behavior changing and marketers' pressure to plan marketing actions based on behavior. People spend more and more time on mobile devices and various applications. Machine learning and artificial intelligence have become very hot topics in marketing and already some very functional solutions have been built. Technological developments today enable intelligent and personalized content, programmatic buying, targeting, dynamic pricing, not forgetting automation. Marketing tactics have also seen a change. Among all, content is designed to train, entertain, inspire and convince the consumer. Also, new platforms like AR and VR are rapidly appearing into the scene.

DSMM Research

Lamberton & Stephen (2016) estimated that the 4th era will be the boom of digital, social media and mobile marketing (DSMM) research. In the beginning of the post-digital world, as Stephen and Lamberton originally named the era, a few important observations from research was found. First of all, in 2015 a few novel meta-analyses abled academics to form the first empirical generalizations of DSMM. Secondly, the authors found research topics that were getting significant attention. Popular topics related to individual expression online, understanding how social and mobile activity generates value, observations how consumers search and learn online, and findings from psychological theory on more precise studies of human behavior. Work from 2015-2016 also contained novel use of multiple data sources in research, for example, field and lab experiments, transaction data and Google Trends data.

Lamberton and Stephen (2016) also classified four main topics that were predicted to have researchers focus in the near future. These insights of emerging future research topics were conducted from academia and practice. First topic discusses the collective behavior of consumers through crowdsourcing and social networks and collective activities that are facilitated by digital, social media and mobile technology. Second important topic rolls around firm regulations and digital consumer privacy issues taking acquisition and use the of consumer data into closer inspection. Third topic were estimated to discuss online and offline crossover on consumer and marketing actions. Consumers multitasking across different technologies and the efficiency of marketing actions makes this topic quite interesting. When consumers multitask among various technologies, which marketing action, what technology and what channel induce consumers towards a buying

decision? And when this decision is made, how a consumer decides whether to buy online or offline? The authors point out a research gap in mobile marketing theory and possible theoretical connections with digital and social media tools, indicating mobile marketing research as a fourth main topic for future research. Similarities and differences between mobile marketing and other marketing tools are worth studying to find out if this novel area of marketing technology can be assimilated into other marketing theories.

According to Schwarzkopf (2015) there is still a distinct difference between the history of marketing, studied by academics or historians. Academics are likely to ignore the voices of ordinary consumers whereas historians tend to miss the marketing related technical knowledge to completely understand the sources they discuss. Due this history divergence Schwarzkopf suggests that more genuine people's approach to the history of marketing is needed.

Earlier research concepts, consumer expression and online WOM are familiar from the previous eras but also in the focus of researcher during the fourth era, although with a different approach. Due to the rise of social media, academia got interested in firm-generated content in social channels, also called content marketing. Content marketing was already being studied in the earlier era but from the customer engagement perspective. In this era the research focus was more on advertising perspective, discussing content marketing as a complement or even a substitute for traditional advertising. (Lamberton & Stephen, 2016)

The boom of mobile marketing

Since Lamberton & Stephen's study, mobile marketing has undeniably gained significant attention from academics. Location based mobile advertising for example is a rapidly growing section in digital marketing. Zubcsek et. al., (2017) studied consumer behavior and movement patterns to examine if marketers could benefit from network data that captures co-location events (appearing to the same place at the same time) and its connection to product preferences. 217 mobile application subscribers were studied over a three-month period to examine their response to mobile ads. Participants received m-coupons from retailers in various product categories through a mobile application. Researchers received data about coupon conversions, demographic and psychographic information, GPS locations of participants and information about their social ties in the form of referrals. A significant positive relationship between responses to the same product category and consumers co-location events were found. The study also suggests that by utilizing consumer location data in smartphone ad applications, accuracy of predicting conversions will increase by 19%.

Regardless of all emphasis of engagement in company talks, consumer awareness has become vital again. In the current world of on-demand and interpersonal media, awareness should be the most important objective of marketers. Nowadays consumers are engaged with digital media throughout the entire day, from the moment they turn off the alarm from their mobile phones to the moment they silent it when it is time to fall asleep. Marketing messages from countless brands are trying to influence consumers' attention day and night by taking over their screens or sending sound messages. The use of digital devices differs in populations and especially by generations. Not unexpected, nearly all millennials sleep within arm's length of their mobile phones. In today's digital world, increasing awareness is crucial due to the excessive amount of content and confusion derived by fragmentation, social media and native advertising. (Sheehan, B., 2017)

When digital marketing became “marketing”

We are currently living in time, where the lines between traditional marketing and digital marketing are fading. We are heading to the phase where all marketing becomes simply, marketing. There is no longer a distinction between traditional and digital marketing. This shift is partly due to the shift in customer journeys, where almost all marketing activities of today are partly or fully digital.

According to Philips (2015) companies are focusing more and more on creating comprehensive “digital relationships” with customers instead of concentrating on actions on traditional or digital. Like stated before, media habits and behavior of consumers are constantly changing creating marketers' pressure to adapt increasing demands. Traditional media habits such as reading, listening and watching have been replaced by set of technological habits such as tweeting, streaming and scrolling. Developing technology and changing consumer behavior create entirely new ways of communicating and gathering information. These new tech habits produce data, which is the most valuable currency of the intelligent connected age of today. (Greblo, 2017) Like Constantinides, E., (2014) framed the relationship centered marketing approach in the following way. *The future marketing paradigm will be based on openness, cooperation, co-creation and an honest commitment to listen to and help rather than control the customer.*

Increased number of digital touchpoints create challenges for marketers

Digitalization is becoming the main environment for consumer journeys. Many consumers are already using digital tools extensively and the number of digital touchpoints is expected to increase. Marketing challenges can be expected to increase as more consumers select digital paths to interact with brands. According to Bughin (2015) the probability that a fully digital consumer makes a purchase decision is only 25 %, whereas consumers who use digital channels only in the consideration phase of a brand, brand conversion reaches around 40 %. Reasoning behind this

variation is that the consumer journey of a fully digital consumer has more touch points than less digital consumers. Fully digital consumers might have for example used product evaluation platforms, such as Facebook or Twitter to evaluate the product or service and are more likely face a deal breaker along the digital consumer journey. The number of digital touchpoints has created challenges for companies in predicting the consumer journey and controlling the today independent purchase interaction of a digital consumer. Another critical factor in companies control of decision making is that the influence of advertising in social media does not yet reach the same level than ads in offline channels and so digital brand messages are less likely to influence purchase decisions. (Bughin, 2015)

Standing out in social media

The expansion of social media continues as more social media platforms and applications are launched. In January 2019, Facebook was still holding its place as the most popular social network in the world with 2,271 million users worldwide. YouTube (owned by Google) is holding the second place with 1,900 million users and the world's most used messaging applications WhatsApp and Facebook messenger keeping up with 1500 (WhatsApp) and 1300 users (Facebook Messenger). A Chinese message platform WeChat and Instagram are also in the top of the list with over 1,000 million users. (Statista, 2019)

Due to various social media channels, companies and consumers are able to interact with each other in many multiple ways. Competition among brands is steadily increasing as branding channels and messages rapidly increase. As consumers become more digitally empowered, brand messages diminish their effect, and the probability of conversion lessens. The most successful players focus on building positive WOM in social media and creating experiences (Bughin, 2015). O'Reilly (2007) also supports the argument by stating that, the greatest success stories do not advertise their products, their success is driven by viral marketing as in recommendations from one user to another.

Consumers have become tech-dependent

In the beginning of millennia, we used to classify people who were using digital technologies as tech savvy. Later on, as millennials became a significant generation of making purchase decisions and impacting adoption of technology, we used the term digi-natives. According to Tiwari (2018), now the tech savvy and digi-native people have become tech-dependent.

Looking at a few statistics of the adoption of digital technology and the use of devices we can see a significant change in the human-computer interaction. The growth of internet usage has increased exponentially during last two decades. Compared to all previous eras the current era from 2015 to

2019 has had the highest growth. In the beginning of 2015, the amount of Internet users was 3,270 billion (45% of world's population) and already in March 2019 the number of internet users had grown into 4,346 million users representing more than half (56.1 %) of world's population. (Internet Growth Statistics, 2019)

Not only the adoption of the internet has had remarkable changes in the way we operate, also the devices we use. People are using more and more time on smart phones and already more than 50 % of online searches are done on mobile (Chaffey, 2019). From all online sales in total, online trade through mobile devices have increased into 27 % (Rao, 2015). 90 % of time spent on mobile goes through applications such as Facebook. No wonder that 80 % of Facebook's advertising revenue comes from mobile (Chaffey, 2019).

It is important to acknowledge the impact of younger generations as internet not to mention mobile device users. In 2017, the percentage of youth (age 15-24) using the internet was 71 %, which was significantly higher than the total proportion of the world's total population using the internet (48 %) (International Telecommunications Union, 2017).

Digital technologies have not only created new digital environments and channels for customer interaction but also new ways to create value for consumers. Novel processes enabled by digital technologies create value through digital touchpoints generating new customer experiences (Kannan & Hongshuang, 2017). The overall number of touchpoints has increased over 20 % annually and keeps on growing as more consumers turn to use digital technologies and the younger digital-savvy consumers become the major dominating group of buyers (Bughin, 2015). New digital technologies also create novel means for company-consumer interaction, new value creation processes in new environments (Kannan & Hongshuang, 2017).

Trending technologies

Since the development of technology has increased rapidly over the past decade, digital marketing is today considered as a significant part of companies marketing strategies and activities (Kannan & Li, 2016). Since the prevail of iPhone in 2007 combined with constant mobile connectivity, various new products, applications and services have emerged. The growing ecosystem of technologies and applications used by individuals, governments and companies is powerfully driving the digital transformation forward.

According to Tiwari, S., (2018) today's marketers have to keep up with their game to deliver a smooth experience despite the channels or devices consumers use. Further, to meet consumers increased expectations of an omnichannel experience, marketers should invest in omnichannel technologies.

Novel channels like Neuro-marketing, Artificial Intelligence (AI) and Augmented reality (AR) are said to be the future of digital marketing. According to Kannan & Hongshuang (2017) digital technologies and devices such as smartphones, the Internet of Things (IoT), Artificial Intelligence (AI), and deep learning will be in a significant role of transforming consumers' lives in the near future. Also, according to OECD report (2017) there are currently four key components representing the digital ecosystem of technology and applications; The Internet of Things, big data analytics, artificial intelligence and blockchain. Developments in blockchain technology and crypto currency will surely take the work of marketers and the concept of trading to new level (Tiwari, 2018).

Consumers tech-dependence has raised the expectations of consumers and diversified marketing technology. New businesses providing novel digital marketing solutions are emerging with speed with the intention to compete with big corporates like IBM, Oracle and Google, which in turn try to stay ahead by acquiring other players. Marketers of today are facing critical challenges in deciding which solution to invest in, how to utilize all these technologies and how to still keep the customer in the focus instead of new exciting marketing tools and technologies. (Tiwari, 2018)

2.7 Digital Marketing Trends for 2019/Future Trends of Digital Marketing

To conclude the previous discussion about the history of digital marketing, the biggest trends and predictions for the year 2019 are discussed. Bastos et al., (2019) Future Focus 2019 study highlights the views of over 300 global marketers and decision-makers, as well as findings of the future of digital marketing. Respondents shared their views on key challenges in 2019 and how they plan to prioritize their business growth in a fast-moving digital environment with high expectations. The results indicate that **trust** is one of the main themes of marketing for 2019. 88% of the marketers will raise it as their top priority this year. 76 % of the respondents announced that overcoming consumers trust is the key to business growth and prerequisite on consumers re-purchase. The respondents (34 %) also raised the focus on **voice-controlled searches** to be one of the most important focus areas of 2019. More than half of the respondents (60%) also believe that **artificial intelligence** will still play an important role, especially when building consumer trust through relevance and individual encounters.

Three main challenges of future digital marketing were also shown as result of the study.

- 1) **Credibility during doubt:** What is the role of relevance as part of the digital ecosystem, and how do brands brand digitality to build and strengthen credibility?
- 2) **Relevance in the era of noise:** The growing challenge of reaching consumers' attention in the ever-fragmented field of encounters and platforms.
- 3) **Reliability against convenience:** successful brands are those who continue to focus on relevant encounters and are able to understand and respond to the multidimensional behavior of consumers, especially through digital content.

A research agency named Smart Insights had more technical approach to digital marketing trends. The co-founder of Smart Insights, Dave Chaffey (2019) introduced ten digital marketing megatrends for 2019 that are introduced in the list below.

- 1) Increasing smartphone adaptation.
- 2) Increased use of Conversational User Interfaces such as chatbots, human assisted live chat support, voice-controlled search assistants and voice controlled IoT devices
- 3) Always-on lifecycle marketing optimization. Chaffey believes that lifecycle marketing optimization is essential to create a customer-centered, integrated approach to improve the effectiveness of interactions with customers on different devices using different communications channels.
- 4) Omnichannel marketing strategies
- 5) Mobile optimization
- 6) Content and inbound marketing

- 7) Digital transformation
- 8) The rise of the marketing clouds including automation and programmatic marketing
- 9) Applying machine learning and artificial intelligence to engage, persuade, and serve customers
- 10) Growth in customer data platforms and predictive analytics

As can be seen from the listing, all trends have already emerged as a topic for discussion in previous eras. It is noteworthy that these so-called megatrends are strongly related to the development of technology rather than the relationship between the marketer and the consumer. However, at the end of the day digital marketing is about influencing a consumer.

Technology will develop, consumer behavior and motives behind decision making will keep on evolving and the way we utilize technology to understand human behavior will have even more revolutionary effects on marketing. To follow similar thought than Lambertson and Stephen's themes, it can be expected that digital marketing will be built around individuals, technology and marketing intelligence also in the future.

3 FUTURE RESEARCH – SCENARIO DEVELOPMENT

Throughout the history, people have attempted to make decisions by exploring the possibilities of tomorrow. If the possibilities of tomorrow were more predictable than uncertainties, people had a good chance of choosing the right decision. (Ringland, 1998) Though, in a today's world of rapid technology development and swift flow of information the only certain thing is change itself. There are however various methods to handle future uncertainties and unpredictability. One widely used method for exploring the possibilities of tomorrow is to create future scenarios that aid decision making in the corporate world. In this chapter the concept of future studies, more accurately future scenarios are introduced, and the main idea of scenario building is explained. Also, the main categories and characteristics are discussed.

In the following chapter the methodology of this thesis is more thoroughly introduced and the step by step study process is explained. First, the background of the Delphi method is introduced, the definition is explained, and the main idea is discussed. Then the Delphi method process is explained stage by stage, by starting from the problem definition all way to the stage of scenario description.

3.1 Future Scenarios - Reasoning and background

Many revolutionary innovations initially originate from military action and government's development projects aiming to create methods to overcome a victory. During the Second World War, large amount of academics and researchers were recruited for the US government. Due to major research projects of that time, huge scientific breakthroughs such as atomic and nuclear energy, radar and the computer were invented. Among the change of energy, huge breakthroughs were also developed in the field of corporate planning and future study techniques. However, the progress of future research was not completely linear. (Ringland, 1998, 12)

After the Second World War, a company called the RAND Corporation was established to study novel forms of weapon technology (Ringland, 1998, 12). An US military strategy planner and system theoretician Herman Kahn (1922-1983) who worked for RAND is commonly known to be the father of scenarios by pioneering the "future-now" thinking technique in the 1950's (Rubin, 2015; Ringland, 1998,12; Varum & Melo, 2010) and developing the first scenarios on the base of system and gaming theories (Rubin, 2015). Working in the RAND Research institute, Kahn was involved in the development of the US nuclear strategy as a part of weapon and war strategy. Working for RAND and the US Air Force, Kahn used scenario development to create alternative futures of possible nuclear war between the Soviet Union and the United States.

Later on, Kahn expanded the use of scenarios from military use to other work processes and social and economic thinking. At the beginning of the 1960s, Kahn founded the Hudson Institute, whose purpose was to develop multidisciplinary future tools and, in particular, scenario thinking for both the public administration and for the business world (Rubin, 2015). Later on, scenarios and future studies were used broadly for public policy analysis, social forecasting and decision making (Amer et. al., 2013). Scenarios, however, found their way into corporate planning only in the 1970s (Millett 2006, pp. 16-17). According to Amer et. al. (2013) nearly 50 % of all US Fortune1000 companies were actively using scenarios in the early 1980s. Today, scenarios and various scenario methods had gained a lot of academic attention and are widely used in business and especially in strategic planning.

Kahn understood the significance of many different alternative future models and foresight as a tool of strategic planning and he was the first who began to use the term "future scenario" to describe this process (Rubin, 2015). Even though Kahn was the first to describe scenarios, the term was originally created by a writer Leo Rosten, who associated the scenario methodology to a screenplay. Rosten suggested the term would relate on Hollywood terminology. Later on, Kahn adopted the term because it highlighted the story element more than forecasting. (Ringland, 1998, 12)

3.2 Defining scenarios

Definitions for the word scenario probably exist as much as researchers studying this subject. The term "scenario" originally means a functional manuscript for a screenplay, which does not only include lines for the actors but also includes instructions for the director, cameramen and set designers for lights and scenery (Rubin, 2015). In a future study context, the term is more commonly used to describe possible events in the future. According to the father of scenario thinking, Hermann Kahn (1967), scenario is "a set of hypothetical events set in the future constructed to clarify a possible chain of causal events as well as their decision points". Later on, scenarios have been defined as hypothetical future perspective that holistically sketches the multi-dimensional future operating environment and describes the development path from the present to the future (Meristö 1991, 45) or a plot for a drama, script or a tv program, that resembles the outline of certain aspects of future (Joseph, 2000). Even though scenarios are often related to drama language, it is however a valuable tool for strategic planning. Scenario describes the future situation and defines the important events that occur while a e.g. a company moves from the present situation to the future (Godet, 2000) and the development process is that part of strategic planning which connects the tools and technologies to manage uncertainties (Ringland, 1998).

To summarize the definitions mentioned, scenarios can be explained as descriptions of various futures, that are created to give a logical picture what might happen in the future. They are not

predictions of the future or forecasts; they describe multiple possible future occasions. Forecasts present the most probably future event, whereas scenarios are commonly used to explore plausible future outcomes resulting from various uncertainties. The main idea behind developing scenarios is to create a logical series of events aimed to demonstrate how a potential or probable, objective or threatening future environment develops step by step from the present state (Mannermaa 1999, 220).

In a comprehensive scenario planning literature review by Varum and Melo (2010) a wide range of terms attached to scenarios were found. Over time academics have commonly mentioned planning, thinking, analysis, development, techniques and building in the scenario literature. Varum and Melo recognized that these terms are commonly used as synonyms even though subtle differences in these terms were found. Bishop et al. (2007) also pointed out the confusion in terms and suggested that scenario planning would be defined as a complete foresight study, whereas scenario development is a part of scenario planning that focuses only on creating actual future stories. Another confusion was found in terms method and technique as they were used interchangeably.

In this thesis the term scenario is defined by following the definitions by Ralston and Wilson (2006, 15) and Niemi (1990, 25). *Scenarios are stories of possible futures and general pictures of change, trends and factors that affect the future prediction.* The term *scenario development* is used to describe the process of creating scenarios. Whereas, the Delphi method that will be thoroughly introduced later, is used as a research method to complete the study.

What are scenarios used for?

Scenarios represent alternative futures that are developed from a combination of trends and policies (Fontela & Hingel, 1993). These futures are widely used in strategic planning and decision making, because they provide us a picture of a possible future that might happen if certain events occur. Scenario development is a useful tool for addressing uncertainty and support long-term planning and decision making (Linz, 2012) and it helps organizations to become more innovative and flexible by allowing participants to form possible eventualities (Hiltunen, 2009). They are extremely relevant and useful because they allow us to think creatively and in depth about the future and its uncertainties and aids us to avoid surprises and prepare for numerous plausible futures (Bishop et. al., 2007). Scenario development encourages strategic thinking and helps to overcome thinking limitations (Amer et. al., 2013). It is also good to remember that scenario development is not used to predict the future, it allows us to observe all possible uncertainties and their transformation in the future (Godet, 2000).

3.3 Scenario development – different categories and techniques

As in all future studies, also scenarios can be developed for many different reasons and in various ways. One type of scenario does not necessarily serve all causes and one scenario technique cannot be used in every situation. A study conducted by Börjeson et al., (2006) introduces scenario typologies and explains extensively the differences between scenarios and scenario techniques (figure 4). According to Börjeson et al., (2006) scenarios can be categorized into 3 main scenarios: *predictive*, *explorative* and *normative* scenarios. Predictive scenarios answer the question “What will happen?” and are divided into two scenario types: *Forecasts* and *What if?* scenario types. Explorative scenarios answer the question “What can happen?” and are grouped into External and Strategic scenario types. Whereas, normative scenarios answer the question “How can a specific target be reached?” and are alike grouped into two: Preserving and Transforming scenario types.

In this thesis, scenarios are categorized as **explorative** scenarios, because the study answers the question “What can happen in the future of digital marketing?”. Reasoning behind explorative scenarios can be explained by explorative scenario’s tendency to help explore developments in situations when the structure to build scenarios are unknown for example in times of rapid or unknown changes (technology, consumer behavior, regulation etc.). Explorative scenarios are also convenient in cases where the experts have fairly good knowledge how the system works (in this case the environment of digital marketing) but the study also aims to explore alternative developments. (Börjeson et al., 2006)

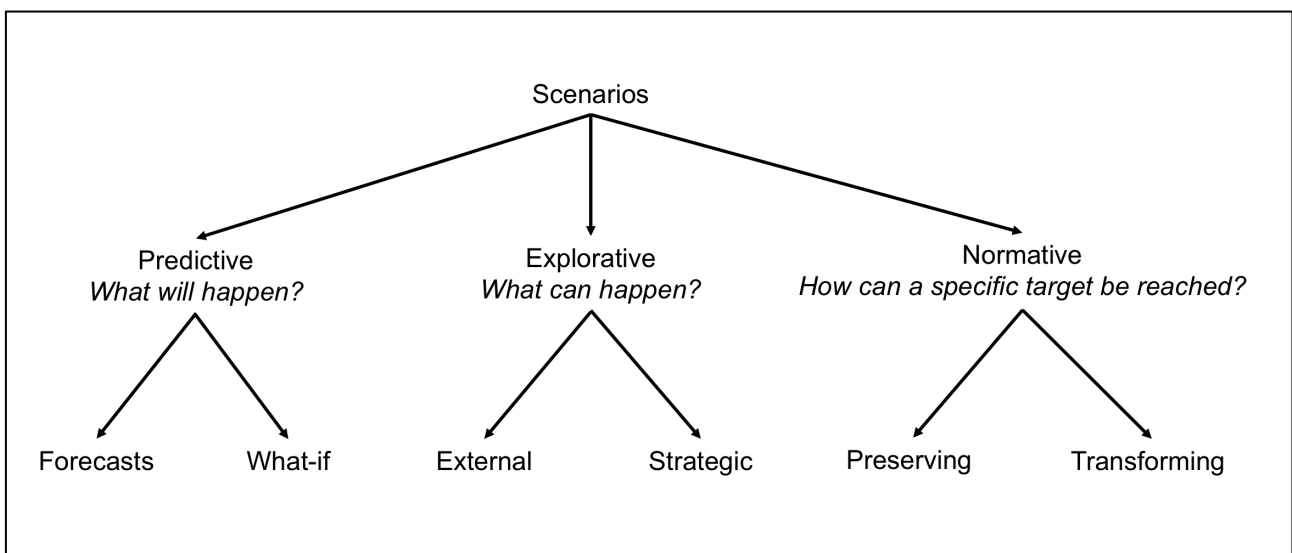


Figure 4. Scenario categories and types. Börjeson et al. (2006)

Developed scenarios are grouped as **external type** because external scenarios can be produced with a broad expert group and are often process topics that are quite general for example climate

scenarios. The outcome usually depends on the assumptions of selected experts and various developments (Börjeson et al., 2006).

In a scenario development process, the predictable variables and the factors affecting them are defined. Different factor variations affecting the predictable variable generate several different scenarios (Buffa & Sarin 1987, s. 83- 84). In this study the predictable variables are defined and formed as ten questions in the methodology (survey) phase. The scenario development process has generally three stages: 1. generation of ideas and gathering data, 2. integrating parts into wholes and 3. checking the consistency of scenarios (Börjeson et al., 2006).

Scenario development has three different approaches, intuitive, heuristic and statistic (Masini & Vasquez, 2000). In this thesis the approach to building scenarios is heuristic, which means that the building process highlights the knowledge and creativity of the attendees and the process-like work.

3.4 General attributes and features

Scenarios are a widely used approach to study future situations that are driven from probable and significant changes and events in the future whose explicit relationships is difficult to define. New or changing regulations or policies with long term impact or new disruptive technologies could be an example. These events have a binary nature, they may or may not occur, which creates the future two possible impacting options. Bañuls & Turof, (2011) Scenarios are commonly created to serve more than one purpose (Niemi, 1990, 25).

Scenarios are predictions of a set of events in a time period that describes the future story from the present situation to various plausible futures (Bañuls & Turof, 2011). Scenarios do not represent reality nor is it their intention in the first place (Rubin, 2015). This method is used to create a plausible picture of futures but also to describe the path, in this case set of events from present to a desired future. Decision makers have generally used scenario-generation method as an instrument to build landscapes of possible futures (Bañuls & Turof, 2011) According to Ringland (1998, 2) a successful future study model has either “the ability to anticipate real world behavior, which may be unexpected, through exploring the constrains or changes in the external environment or the relationship between forces” or it creates a mental model that allows people to search for confirming proof. Scenarios are views of the future used to create those mental models.

According to Meristö (1991, 55-56) five key features of scenario development were found when scenario-based work was studied in large European companies.

- 1) Time span in scenario work extends up to 6-15 years, which is longer than in average strategy work.
- 2) Scenarios are possible futures, but not necessary probable.
- 3) Scenarios manage uncertainty. Uncertainty factors can radically alter the company's operations, even though their implementation now seems very uncertain.
- 4) Most often scenario development produces two or three scenarios, of which impact is analyzed on the company's operations and strategy.
- 5) Scenarios are often characterized with optimism rather than pessimism.

Scenarios show what kinds of possible outcomes different decisions and choices cause for the evolution of events, so that the final situation described would logically be the consequence of these events. The scenario must therefore be **possible** both in terms of development of events and chains of events as well as in the psychological sense. **Understandability** and **clarity** are also signs of good scenarios. At the same time, the scenario must be **socially credible** and **logically coherent**. This means that the assumptions in the scenario of human activities and choices can be explained by values, attitudes, cultural perceptions and traditions, and thus do not contain unexplained contradictions with social reality. In addition to these criteria, the scenario must be **interesting**. It must tell something **new** and **essential** about the future, something that has concrete benefit at the present moment of decision-making. Sign of a good scenario is that it has a clear **impact on the decision** that will be made. (Rubin, 2015)

Futurists often discuss about three main classifications for scenario outcomes: **possible**, **probable** and **preferable** futures (Voros, 2017; Amara 1974; Bell 1997). Voros (2017) however, assert that it is possible to expand the framework of three alternative futures to include at least 7 major types of alternative futures. These futures are demonstrated in the figure 5.

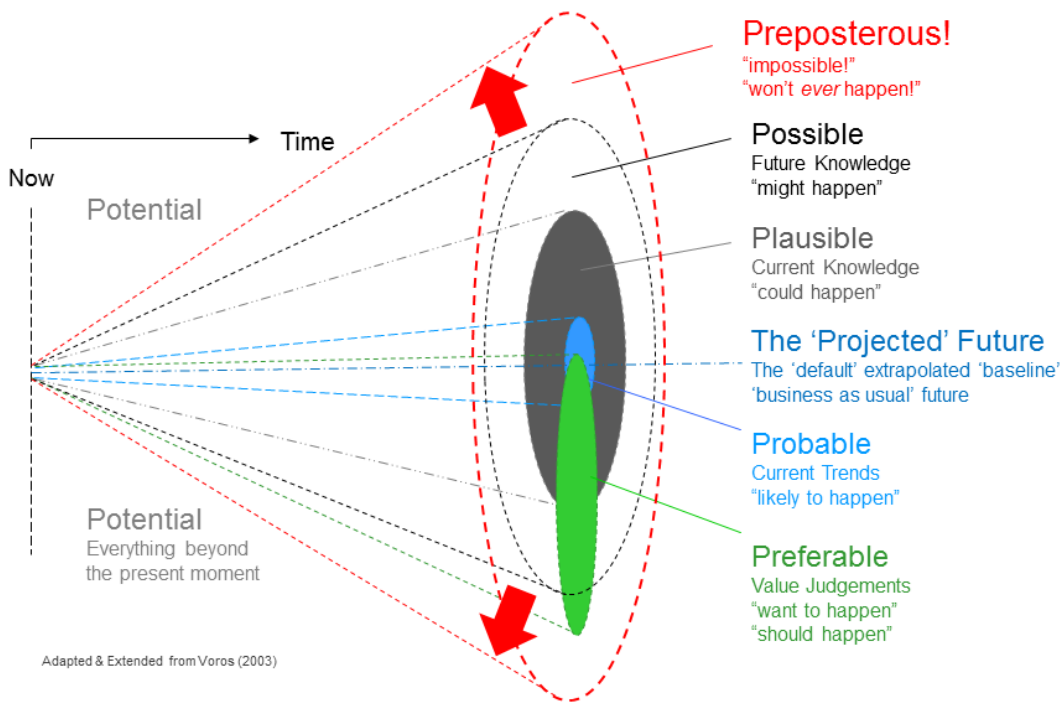


Figure 5. The Futures Cone. Voros, 2017

Potential futures are everything beyond the present moment including the following six alternatives. *Preposterous* describes futures that will never happen and even ridiculous, whereas *possible* futures might happen someday, but we do not possess enough knowledge yet to be sure. *Plausible* futures could also happen on the evaluation of our current understanding of how the world works. *Projected* futures, also defined as business as usual (BAU) futures are considered most likely to occur, whereas *probable* futures follow trends and are also likely to happen. *Preferable* futures are based on expert's judgement and values of what is desired to happen or should happen. (Voros, 2017)

4 METHODOLOGY – DELPHI METHOD FOR FUTURE SCENARIOS

This chapter explains the methodology used in this thesis and introduces the study process from the beginning to the discussion of results. Objective is to clarify the reasoning behind the selected methodology and explain how the study was conducted. The aim of this thesis is to develop various future scenarios for digital marketing in 2028. In order to form these futures and achieve results, a Delphi method was selected and applied to the scenario development process.

Before explaining all various steps in the study process the background and purpose of the Delphi method is discussed. Secondly, the main characteristics and reliability of the method is described. Lastly, this chapter aims to explain how the study was conducted by applying the Delphi method to the scenario development process and how the results of this thesis, four future scenarios were developed.

4.1 Background and Definition of Delphi

The Delphi technique is commonly used to create various scenarios. Like scenarios and scenario thinking, Delphi technique was also developed by the RAND Corporation in the 1950's as a method for gathering information about the future (Ringland, 1998, 19; Kuusi, 2014). In the 1970's, through the work of RAND's Olaf Helmer and Norman Dalkey, the Delphi technique became a formal scenario planning technique. (Ringland, 1998, 19). The term Delphi is named after an ancient Greek oracle at Delphi, where the priestesses could predict the future with magical rituals (Ringland, 1998, 19; Renzi & Freitas, 2015).

Delphi method is a collaborative technique for generating important events or future scenarios (Bañuls & Turoff, 2011). In the Delphi method, experts from various fields are asked to individually share their expertise, knowledge and opinions on future events. Delphi method is a technique used to compose present and future scenarios based on these insights and opinions. Selected experts of various fields are asked individually to estimate the probability and desirability of diverse future events.

The technique aims to gather future views and developments based on expert's opinions and experiences and compare them together in order to construct a unified scenario and select plausible future projections (Ringland, 1998, 19; Linz, 2012; Renzi & Freitas, 2015). However, according to Myllylä (2002), the prior objective of gaining consensus between experts has changed towards highlighting new ideas and finding as many novel perspectives as possible rather than looking for a

unified point of view. It is a complex process due to the uncertainty of event occurrence and various interrelations among events affecting the scenario decision (Bañuls & Turoff, 2011).

The Delphi method was selected as the research method because the method supports the objective of creating **explorative scenarios** with the focus on **external factors**. Delphi based scenarios are specifically recommended for long-term explorative future studies. According to Nowack et. al (2011) the Delphi method is suitable for the derivation of probable and surprising wildcard scenarios.

The Delphi method allows researchers to create future projections and consequence predictions based on previous developments, therefore the method is best utilized when the events in the past are first studied. Information collected with traditional methods are a good source for background information, which can be used to create a comprehensive view of the past and present. Descriptions of the past can be utilized as background material when interview questions or questionnaires are formed. If the study is planned and implemented carefully, the Delphi method can provide useful and extensive predictions of the future. (Myllylä, 2002)

4.2 Characteristics and reliability

The Delphi method can be seen to have three key features: the anonymity of panelists, argument iteration, and two or more feedback rounds. *Anonymous* in this methodology means that experts present and justify future claims, often without knowing who other experts are involved in the study. Anonymity aims to provide the experts a chance to express their true opinions and views on the subject of the research without the need to worry what other experts might think of the matter. (Kuusi, 2014) Whereas, argument and feedback rounds allow panelists to justify their viewpoint or provide explanations for arguments given by themselves or other panelists.

Delphi methods can be classified into two main categories: classical Delphi methods and modified Delphi methods. The main idea behind a **classical Delphi method** is to gather and harmonize the opinions of panelists. It sees human judgement as a legitimate input to scenarios and prefers the input of groups instead of the judgement of a single individual. In a classical Delphi method questions are sent to panelists in numerous rounds. In contrast, in the **modified Delphi method**, the opinions of panelists are analyzed already after the first round of questionnaire. The objective of the latter method is to form significantly different possible futures. (Börjeson et al. 2006) This thesis utilizes the modified Delphi method in scenario development.

Well selected panelists are the key to a successful Delphi method. Since the qualitative data is collected directly from panelists and the results depend on panelist's knowledge and opinions on the

topic, the selection of Delphi panelists is essential. It is important to invite specialists to contribute who have meaningful knowledge that can be utilized in the research. (Renzi & Freitas, 2015)

Even though scenario development and Delphi method as a qualitative method is subjective it can be considered reliable for its thorough scope (Niemi, 1990, p.25). The biggest strength of applying Delphi method into scenario development is its ability to objectively and smoothly explore issues that require human judgement and it can be considered as powerful technique when asked appropriate questions (Glenn & Gordon, 2009).

It should be noted that scenarios cannot be judged good or bad on the basis of whether the future will be fulfilled. The only criterion for assessing goodness or badness of a scenario is how good tool it is in a strategic choice and decision-making process when a decision is to be made. Moreover, because of the fact that it is formed and presented, a well-constructed future scenario may already have an impact on the future, as it presents and exhibits what different alternatives exist. Therefore, it can make itself impossible simply because it was created. (Rubin, 2015)

Nonetheless, Delphi method does have its weaknesses. The weaknesses lie on the issues of performing the study well. Challenges in Delphi can derive from the wrong choice of participant or questionnaire that would have been better prepared. These kind of multi-round studies also require a lot of time both from the researcher and selected participants. There is a risk that some panelists will drop out during the process. (Glenn & Gordon, 2009)

The Delphi method does not produce 100 % accurate views of the future and nor is it attend to. The objective of the Delphi method is to explore the selection of future events and form possible future views based on opinions of selected panelists and there is no better way to collect and synthesize these opinions than Delphi. (Glenn & Gordon, 2009)

4.3 The use of Delphi Method in Scenario development

Scenario development is specifically suited for assessing future developments, long-term strategic planning and uncertain events (Varum & Melo, 2010). Therefore, scenarios as a future approach was suitable for this study of the future of digital marketing. Scenarios do not only provide interesting new viewpoints of the future, they aid decision makers to critically consider existing assumptions and possible future developments (Ramirez et al., 2015). As a result of the Delphi method four future scenarios of digital marketing are introduced and discussed.

In order to develop scenarios, a suitable research method was needed. The Delphi method was selected to complement the scenario development process and to eventually underlay the creation

of digital marketing scenarios. The main idea behind the Delphi method is to ask industry experts to individually and anonymously share their expertise, knowledge and opinions on future events. Using the Delphi technique, two survey rounds were carried out for ten carefully selected industry experts who participated by sharing their knowledge and opinions by answering the questions independently. Two rounds in the research gave the experts the possibility to impact their answers collected in the previous round (Kamppinen et al. 2003, 206–207). The Delphi method is a collaborative technique for generating important events or future scenarios (Bañuls & Turoff, 2011). As an outcome of this study, events based on insights and opinions were analyzed and used to compose four very different future scenarios of digital marketing in 2028.

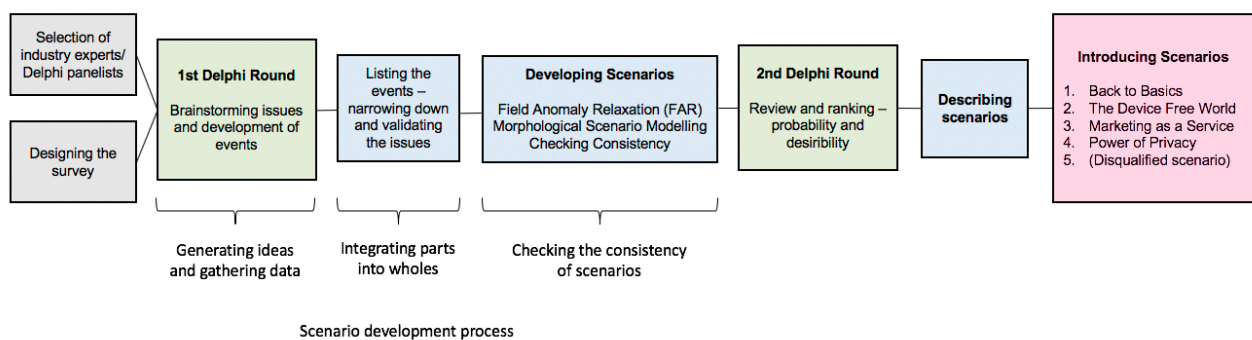


Figure 6. The Delphi process: The use of Delphi method in scenario development

The main steps of this study are introduced in the figure 5. In the first phase of the Delphi process the literature is reviewed and the research objectives are defined. This phase has already been discussed in the previous chapters of study objectives and the history of DM. The results of the Delphi method are based on the opinions of experts of the field of digital marketing and therefore the assessment and selection of experts is performed as the third phase. Next, ten research questions are formed and the survey for the first Delphi round is designed. In the first Delphi round the designed questionnaire is presented to all experts participating into the study anonymously. Each of the experts answer the questionnaire based on their knowledge and insight of the matter. Experts will brainstorm future events related to technological development, consumer behavior and digital marketing research. Events are then developed and evaluated based on the ideas from the first round. The events are listed, narrowed down and validated for the second Delphi round. In the second Delphi round the experts are asked to review and rank four various scenarios by their probability and desirability. After the second round, expert's evaluations and comments are assessed and all scenarios are described as stories on the base of the evaluations from the last Delphi round. In the last phase of the Delphi process, four different scenarios are introduced.

Research problem identifications and research questions definition

Since the literature overview and definition of research objectives have already been discussed in the previous chapters, let's begin by identifying the problem and defining the research questions. According to Linturi (2003), a good Delphi research problem is a question that does not have the unambiguous correct answer, at least before the study and rarely in the secular questions afterwards. The absolute and self-evident condition of the problem is that it is considered important (Linturi, 2003). The main research question and three sub questions are listed in the table 2 below. The main research question for this study is *What are the main phenomena of digital marketing in 2028?* Three additional sub questions are needed to answer the main research question, of which two have already been discussed in the previous chapters. This chapter focuses on the third sub question: *What kind of future scenarios can be created for digital marketing from the basis of expert opinions?*

Table 2. Research questions

RESEARCH QUESTIONS

What are the main phenomena of digital marketing in 2028?

Sub questions	Objectives
What is digital marketing and how has it evolved in the past 20 years?	To analyze the main elements in the digital marketing environment and understand the research behind digital marketing.
What is the recent history behind digital technology development and how has it influenced the digital marketing landscape?	To review technology development and analyze digital technology innovations to understand their connection to the evolution of digital marketing
What kind of future scenarios can be created for digital marketing from the basis of expert opinions?	To construct digital marketing scenarios based on the expert information and their tacit knowledge and to choose one to represent the plausible future of digital marketing in 2028.

Selection of industry experts

As Renzi & Freitas (2015) pointed out, the key to successful scenarios, reside in the participants or experts as they are called from this point forward. Since the results of this study are based on the knowledge and opinions of experts, it was extremely important that the selected ten experts had sufficient experience and knowledge from the field of digital marketing. In order to collect as much valuable insights and ideas of the future of DM, all selected experts were expected to have at least 15 years of relevant experience from the field of digital marketing either from the academic or the practical side. This limitation was based on the requirement that all ten industry experts would have valuable experience and knowledge also from the history of digital marketing, in addition to valuable insights of the future.

Designing the research questionnaire

The research questionnaire was designed based on the research problem and questions and the theoretical overview of digital marketing research and practice from the previous two decades. Formulation of the questionnaire was strategically designed to bring as much opinions as possible regarding the subject but also keeping the discussion around some of the main variables. To get the most comprehensive vision of the future, eight themes were selected as preliminary predictable variables. These predictable variables were change drivers, overall definition of DM, technology development, market development, consumer behavior, political and regulation issues, challenges and trends.

The eight predictable variables were presented as ten questions in the questionnaire. The questions were formed as clear and objective as possible to avoid any misinterpretation. Questionnaire had 10 open space qualitative questions. The questionnaire (Appendix 1) was sent separately to each expert via SurveyMonkey research tool. All experts were asked to answer the questions based on their own experience, expertise and opinions. The questionnaire included 10 following questions:

1. How would you describe digital marketing in 2028? What has changed and what not? Any new characteristics?
2. What will be the key factors or forces that drive towards those changes in digital marketing in the next 10 years? Please specify why.
3. What role does the developing technology play in digital marketing within the next 10 years?
4. What are the main/dominant technologies used in 2028? What are the obsolete technologies?
5. How will the dominant technologies impact markets?
6. How does locality and globalization appear in digital marketing?

7. How do you see consumer behavior changing as technology develops and digital marketing evolves?
8. How legislation and regulation have developed in 2028? Will these factors have an impact on digital marketing?
9. What do you consider to be the most central challenges in digital marketing in 2028?
10. What other trends or phenomena do you see in the future of digital marketing?

1st Delphi Round – Brainstorming, development of events

In this study the modified Delphi method was used to construct various scenarios, which means that the opinions of panelists are analyzed already after the first round of questionnaire (Börjeson et al. 2006). When all the experts had responded to the questionnaire of the first Delphi round, the answers were compiled into one table. Responses were analyzed and formatted as events. A total of 206 events were received on the basis of all responses. These events were themed under 21 different main topics. Eventually, the themes were compiled under 11 most important main themes. Themes with only one mention or events that did not agree with the framework examined were deleted. The aim of the analysis and theming was to categorize the events with same subject under larger themes and to understand the totality of the qualitative data.

Developing scenarios

According to Börjeson et al. (2006) the objective of the modified Delphi is to form significantly different possible futures. In the field of future research, there are a few methods which directly produce different scenarios from the survey data, for example, morphological scenario analysis, also called the future table method and different future workshops (Rubin, 2000). In this study the modelling of scenarios is executed by utilizing the morphological analysis.

The purpose of morphological scenario modelling, or the future table method, is to identify the key variables of the phenomenon being studied and their possible future alternatives. The future table is a comprehensive method for creating scenarios and examining important variables and drivers. The future table defines and limits the variables that are being processed. In the table (appendix 2), the first column represents 28 different variables that are classified under 11 themes and the table cells are seen as different values resulting from the variables. The table contains all the possible values of the variables that are reviewed in that study. In the future table, possible worlds can be divided into groups of attributes or variables. Cross-tabulating these variables show what possible worlds exist. That is to say, the future table provides a comprehensive overview of all possible worlds. (Kamppinen et al., 2003, 33-38; Seppälä, 1984; Rubin, 2007)

However, before any scenarios were developed, all variables were examined through a Field Anomaly Relaxation (FAR) method, which aims to identify impossible combinations of values. FAR aims to systematically exclude futures that contain elements that are unsuitable for each other. The FAR table can also be viewed by cross-tabulating the values of the future table and then separately marking them as a combination of values that cannot be true in the same reality. (Rubin, 2015)

The aim of scenario development was to create five different scenarios with a use of the future table. According to Seppälä (1984), one of the main challenges in developing scenarios with the Future Table is to limit the number of scenarios and select the relevant ones. Because of the attractiveness of the study, it was decided to form four highly professional scenarios and one well-considered scenario. There were five different approaches for developing scenarios with the future table. The starting points were business as usual (BAU), futuristic approach, customers first, regulation and lottery. The scenarios can be found in the annexed future table.

Five different scenarios were developed. Scenarios were initially named as followed:

- 1) Scenario 1: Back to Basics (BAU)
- 2) Scenario 2: The Device Free World (futuristic)
- 3) Scenario 3: Marketing as a Service (customers first)
- 4) Scenario 4: Power of Privacy (regulation)
- 5) Scenario 5: (lottery)

In the third phase of scenario development the consistency of the scenarios was inspected. Was noted that one of the scenarios developed during the of morphological scenario modelling phase, was missing consistency and was considered too similar to other scenarios. Therefore, it was decided that the fifth scenario (Lottery) was limited out as irrelevant. Other four scenarios were named and phrased for the second Delphi Round of this study.

2nd Delphi Round – Review and ranking

In the second Delphi round, the experts were asked to review and evaluate the scenarios developed in the previous phase. All four scenarios were assembled into a scenario evaluation table, which was sent to the experts via email. Experts were asked to read the scenarios and evaluate the expected probability and desirability of each scenario. During the second Delphi round, the experts were asked to assess each scenario in terms of its expected probability and desirability for the year 2028. The expected probabilities were measured in percentages (0 % = Scenario will not occur, 100 % = Scenario will occur) and desirability on a scale from 1 to 10 (10 = very desirable, 1 = very undesirable). Experts could also write a written justification for each estimate. Evaluation results are presented in the table 3.

Table 3. Scenario evaluation table

Scenarios	Probability average (n=5) (0-100%)	Desirability average (n=5) (1-10)
Scenario 1: Back to Basics	57,5 %	6,5
Scenario 2: The Device Free World	42,5 %	6,75
Scenario 3: Marketing as a Service	43,75	4,25
Scenario 4: Power of Privacy	50 %	4

Scenario 1: Back to Basics was estimated as the most probable (57,5 %) scenario for year 2028, whereas *Scenario 2: The Device Free World* was considered least probable (42,5 %).. Even though the second scenario was evaluated less probable, it was evaluated as the most desired future (6,75). *Scenario 4: Power of Privacy* was evaluated as the least desired future (4).

Describing scenarios

One of the distinctive attributes of scenarios are their narratives. According to Ringland (1998, 12), the father of scenarios, Hermann Kahn (1922-1983) originally adopted the term because it highlighted the story element more than forecasting. Hence, the last phase of scenario development was to write the scenarios into descriptive stories. Final descriptions of these scenarios are introduced in the following chapter.

5 SCEANARIOS FOR DIGITAL MARKETING IN 2028

As a result of the scenario study, four different futures were created. The scenarios were evaluated according to their probability and desirability. This chapter presents all four scenarios, starting with the most probable scenario: *Back to Basics*, after which we will focus on the most desirable scenario: *The Device Free World*. Two other scenarios, *Marketing as a Service* and *Power of Privacy* will also be described. The scenarios have been created to describe four very different futures that aim to give readers new perspective on the future as well as to reflect on the theme in broader decision-making.

5.1. Digital marketing in 2028: Back to Basics

In this world of steady development of digital marketing, no major changes have been seen over the last decade. As predicted, many traditional marketing integrated to digital marketing and advertising, but there is still a distinction between digital and traditional marketing. Digital marketing is still described as marketing of products or services using digital channels that require the use of the Internet.

The world of marketers

Despite the fact that digital marketing is constantly changing as technology develops, the same basic principles still apply in 2028. By creating a well-organized website (desktop/mobile) and producing the best content you can, you will succeed. Website traffic and email marketing are one of the most effective digital marketing channels that generate business and provide high ROI. Ads containing images or text have been found to be the most effective ways to advertise. Due to the rapid global adaptation of mobile devices, the growth of search engine usage has increased even more. Marketing technology has evolved, and new software has appeared but none of these have disrupted digital marketing or the way marketers tend to impact consumers.

We have seen some advanced development in the marketing technology. Novel project management tools have changed the way marketers manage, organize and delegate their work. Artificial intelligence (AI) and automatization technology have automated some manual tasks and increased work efficiency. As an example, targeting and marketing analytics are nowadays fully operated by AI. However, over the past ten years marketers work load and tasks have remained more or less the same. Even though a part of all manual tasks have become automated, marketers are still responsible for strategy, planning, creation and execution. Creative work like content creation remains as manual work and is seen even more valuable than a decade ago.

Use of personal data in marketing

The EU General Data Protection Regulation (GDPR) has been an important and a corrective change in data privacy across Europe. GDPR is considered as a necessity, a generally accepted protective regulation that has harmonized marketing activities in Europe. GDPR has transformed marketing transparent, obligating marketers to use secure technologies, without restricting marketing activities. Even though GDPR clauses have been re-assessed in every few years, the regulations cannot stay in pace with technology development or market evolution. GDPR attends data privacy inside EU but there is a clear conflict in controlling data globally. Data privacy regulations are well controlled locally but from a global point of view totally out of touch and asynchronous with the reality and the global market we operate in.

Consumers are now better aware of the meaning of personal data and the common rules of digital marketing. They have demanded full transparency with their data but as transparency has become the norm, consumers have gained back trust, allowing them to fully enjoy having better service and tailored content. Consumers can partly decide what content they receive by opting out. However, ads are tied to websites and mobile applications and therefore always targeted to users.

Media environment

The world wide web has remained as a centralized platform where brands are introduced and where traffic data is processed. The battle ground of digital marketing is dominated by global search engine, Google and a social network platform Facebook. Local traditional media operators (e.g. Sanoma and Alma in Finland) are still holding their position in the field of traditional marketing.

Partly personalized digital marketing (especially website, email, social media, mobile marketing and display ads) has gained more foothold in the field of marketing but the affect in traditional marketing has been limited. Mass marketing in broadcasting TV and radio are holding their place. Global brands like McDonalds carry on successfully mass marketing in TV and radio. Addition to personalized marketing enabled by AI and automatization, quality content, traditional marketing activities and understanding of personas and segments are still highly valuable.

Changes in the market

Nowadays browsing online, the country of origin of companies is quite difficult to verify from the first glance. Google's language technology automatically translates any content based on user's location or nationality. Currency is also transformed automatically. This creates difficulties separating local from global companies. Due to the development of Google's tools, Chrome has a monopoly in the

playground of browsers. However, there is no certainty how long this monopoly will last. But for now, the wealthiest western nations and tech giants Google and Facebook lead the development of technology and dictate the possibilities in digital marketing.

As the dominant social network platform, Facebook does it's best in aiding local businesses to survive. In order to compete in the market, local businesses need to assimilate as a part of Facebook's ecosystem. Facebook offers low-cost technology, which allows smaller businesses to keep up with the big players in the market. Through Facebook's ecosystem, small and medium sized companies also have access to AI, automatization and big data solutions in every day marketing and sales. Similarly, Facebook needs local businesses to activate local communities and users.

As e-commerce have become more global, also the need for physical shopping experiences has increased. Consumers are longing for shopping experiences in brick-and-mortar stores and shopping malls. Consumers long for personalized good services, quality products and good prices. Making payments online with application like MobilePay, ApplePay and PayPal has become the norm, whereas wire transfers have become obsolete. What it comes to physical purchases, same applications in mobile are the norm for money transaction. Card and cash payments are no longer accepted.

Major challenges and academic research interests

Due to language translation technology and grown users in social networks, there has been a remarkable increase in user generated content (UGC). Social connections have fragmented, which has caused the need for classification of social contacts. The amount of content created by friends, colleagues, influencers, media and brands has reached the critical mass. In the eyes of a consumer everything is global but the biggest challenge for marketers is: How to create awareness globally when the content and competition has grown exponentially? Another challenge in digital marketing is exactly the same as it was a decade ago, how to find the most skilled people to do our marketing and how to stand out in the crowd. How to rapidly generate ideas of attraction and increase creativity? Marketers role in a world of technology has grown as a popular research topic among academics. How automatization will affect digital marketing and how long creativity and decision making will be done by humans?

5.2. Digital marketing in 2028: The Device Free World

Welcome to the world of virtual and augmented reality where endless amount of perfectly-tailored, high quality content is offered just for you. Every picture, information, song or person is at your reach, seen in a holographic display, controlled by your voice or hand gestures. You can purchase a clothing instantly when seeing it on a passer-by or during a movie, that you are watching from the roof of your bedroom. Buying items has never been this easy and fast.

Blockchain is the new black

With the technological revolution of blockchain, developments in nanotechnology and as more and more chatbots have passed the Turing test, the entire media landscape has transformed. The world wide web as we used to call it, is nowadays a free and decentralized platform run by blockchain technology. Traditional and digital marketing media as we used to know them, not to mention mass marketing are history. New super-fast personal area networks have taken over old medias.

Hyper-personalization broadcasting. All content will be tailored based on profile data, relevance and recipients. A central social platform such as Facebook will be obsolete. Consumers choose how, when and where they communicate.

Device free world

Mobile devices or wearables like smart watches are no longer used to connect with the world. The era of device free world is here. All we need, is programmed into our contact lenses and seen on heads-up displays. Commands are done by voice and hand gestures. Personal assistants and chatbots built upon complex decision trees suggest information, you only a second ago thought you should look into. What we see around us is interactive AR content that suggests us which products to buy and on what price. Along with mobile, disappeared desktop computers, email, SMS and MSM messages.

AI gives digital marketing super powers

Machine learning and AI have disrupted the landscape of digital marketing by giving DM superpowers never seen before. AI powered personalization has had a huge impact on marketing, with the functionality of identifying customers interests and providing content personalization in every touchpoint and channel. Marketing tools have changed dramatically as all data-based decisions are made by AI. AI will decide who to post, when and where, with what content and in what channel. Also, the principles of affecting people's behavior has changed dramatically as personalization has

evolved over the years. Old marketing tactics won't have an affect anymore. The era of true data-driven marketing and sales is here. Scrolling screens have changed into holographic displays with AR and typing into voice and gesture controlling. There is no longer a distinction between digital marketing and marketing. There are only display surfaces of various sizes that provide the ways of influencing a consumer. All marketing is digital, highly contextual and real time activities.

In Data We Trust - Use of personal data in marketing

Due to the decentralized technologies such as blockchain, there is no longer need for personal data regulation that protects the rights of consumers. People have the full right to choose themselves what data they share and how it is processed. By controlling their data, consumers have become more aware of the usage of personal data and the benefits of having personalized and tailored service. The use of personal data has revolutionized the way we communicate, trade and experience products and services. All products and services are offered to consumers based on personal data. The refusal to share data is more hampering to the everyday life of the consumer than sharing it.

Marketing as Science – The world of marketers

The rapid development of technology has dramatically changed the workload and tasks of marketers. Marketing activities that used to be half automated or manual are today fully automated by AI. Tasks such as marketing planning, content creation, copywriting, image creation, targeting, communication, ad creation, all the way to analyzing marketing data and ROI are executed by AI. Automation and intelligent decision making have not only changed the job description and responsibilities of marketers, it has eaten into the job sector, reducing the jobs of digital marketers. However, even the most evolved AI does not fully operate on its own but needs a highly specialized marketing data scientist to control it. That is to say, the development of technology has reduced jobs from marketers but also created new ones for data scientist. Digital marketing is considered as science, operated and managed by data scientists. Marketing departments took over sales departments and as merged they have become profit-oriented data centers, where activities are evaluated by combined KPI` from both sales and marketing.

Changes in the market

We operate in global markets where the player with most advanced localization and personalization takes the trophy home. Cultures and languages make mid-market and everything else will be global. Might suppose that big companies with resources would lead the competition in the smart utilization of personalization and localization. However, we have seen a remarkable decrease in the prices of technology, which has allowed also smaller businesses to challenge the big players in the market.

Small and medium sized companies have access to AI, automatization and big data solutions in every day marketing and sales. Price reduction has also accelerated innovation creation in start-ups as well as helped local businesses to compete with global giants.

Even though locality is selling, it has become a global phenomenon that content is the same across different markets. As we spend our lives online and content is shared globally, the cultures and markets have begun to mix. Asian cultures and languages are adopted by Western people and mandarin is slowly becoming the common online language (the lingua Franca of social). The amount of content flooding from around the world is already considered overwhelming and even irritating by growing group of consumers.

Sci-fi shopping with your personal avatar

Home based shopping experiences have become the thing. Due to changes in purchase behavior, people are buying products almost instantly when seeing an ad or a product. Seen advertisements and purchases can be solely based on immediate need and what the consumer is currently seeing and experiencing. Imagine seeing a virtual price sticker or the cloths you see somebody wearing. This has pushed brick-and-mortar stores to the corner. Consumers demand immediate fulfillment and real customer intimacy. Realistic AR shopping experiences have transformed home based shopping into a totally new level. Now you can do your shopping with your personal shopper avatar and try on a clothing at your home and get it delivered. You can expect seeing a drone dropping your recently bought item in a few hours. Blockchain technology allows us to make money transactions that are validated by the network rather than a central institution (bank).

There is no longer a possibility to opt-out. As digital advertisement is augmented on top of what the user is seeing, selecting not to see ads is no longer possible. The situation could be compared to billboards in traditional marketing, only with highly personalized content. Some however choose to “live in the light” and live without augmented services.

Major challenges and academic research interests

The biggest challenge marketers are struggling is the creation of marketing methods that match the rapidly developing technology and how to evaluate which technology train they should jump into. Marketing have become more science than art. Marketers have to figure out new ways of getting consumers attention. Marketing research is focusing more and more on the possibilities in complex algorithms in human behavior forecasting. The use of big data will make it easier not only to check the analytics of the past but also to forecast the future more effectively.

5.3. Digital Marketing in 2028: Marketing as a Service

From marketing to experiences

The term digital marketing has a very different meaning in 2028. Not only the meaning of the word has changed, the term has also transformed. What we used to call marketing, then digital marketing and then again just marketing (when all marketing became digital) is now called customer experience management (CEM). Digital marketing is considered as holistic customer service that aims for out-of-sight customer experiences.

Due to the rapid development of Artificial Intelligence (AI), extensive adaptation of IoT devices, and widely increased data collection, brands are able to recognize the upcoming need (new car tires, food delivery, cleaning, real-estate maintenance etc.), and seamlessly suggest an appropriate service for the customer, and even at the right time. In addition to successful brand communication, prospects and customers are also receiving loads of suggestions from their social network. Promoting services (e-WOM) and Net Promoter Score (NPS) are in the core of today's marketing. Companies are gathering and publishing real-time recommendation data to prove the quality of their service or product.

Consumer - the King in the world of augmented experiences

In today's world, millennials and the generation Z are the generation making purchase decisions and defining how new technology is adapted into our lives. As the largest generations millennials and the Z gen are fluent with computers, adapting new devices into use faster than ever. Wearable technology such as smart watches, glasses and rings have seamlessly displaced mobile devices. A decade ago, the use of mobile devices increased exponentially and as a global phenomenon. However, the idea of carrying something with you commonly felt passé, when smart devices became smaller, giving people the opportunity to act hands free. Popularity of audio-visual and behavior supporting devices, such as Google Home and Amazon Echo have also played a key role of displacing portable mobile devices. As chatbots and voice search have become conversational, there has been a natural shift towards operating devices mainly by voice control.

It is difficult to say which came first, the technical ability to serve customers better or customers increased expectations towards service quality and overall customer experience. Consumers rule the world and they certainly know it. People are not only more aware of their own power as consumers and their rights for better, around the clock-service, they are also more selective about brands. Market globalization and technological advancements in the logistics industry have offered consumers limitless possibilities to try new brands and truly choose which brand they are willing to

promote. This expansion of markets allows consumers to give more thought for business ethics, suggestion rates and environmental impact.

Media environment

The digital marketing ecosystem has completely changed from email marketing, marketing in company websites, search engine marketing, and display ad banners to the dominance of social networks, provided by one tech giant. In today's world, Facebook provides a transparent ecosystem where marketing is performed. In this platform driven environment online users interact in their hyper-personalized spaces with brands and other users. Super-fast networks, 5G broadband and personal area devices have taken over old medias. Mass marketing in traditional medias have disappeared as Facebook's platform has allowed highly personalized AR and VR content created and shared both by users and brands.

Marketing as Art

Creativity has slowly taken over technical skills (data understanding, programming, statistics) that used to be highly valued in marketer's profession. Skills of today's marketer are assessed by their ability to understand human behavior, cultural differences, empathy and apply creative thinking. Rapid developments in marketing technology has abled the transformation in marketer's role. Technical tasks such as CRM, SEO, analytics, targeting are fully operated by AI. One cannot however function without the other. Marketers are using technology to create content. Marketers plan the context and how to impact (humor, emotions, informative, inspirational) consumers and AI will suggest what content to use and who to targeted. Due to the unified marketing platform, data gathering and analysis from various marketing activities have never been this effortless. A decade ago marketing performance was still analyzed depending on the channel (email, SMS, website, Twitter...) but today there is only one tool that automates marketing, despite the channel. This marketing tool holds marketing techniques we used to call social media marketing, search engine marketing, CRM all the way to content creation and publishing. As marketing technology became more sophisticated, the need for separate sales departments slowly diminished. Marketing and sales departments became a one profit center with shared KPI's such as MROI, Net Sales, NPS and EBIT.

Regulation as a protective organ

The EU General Data Protection Regulation (GDPR) has been an important and a corrective change in data privacy across Europe. GDPR is considered as a necessity, a generally accepted protective regulation that has harmonized marketing activities in Europe. Consumers have demanded the ownership and control of their data and the right to sell it further or keep it to themselves. GDPR has

transformed marketing transparent, obligating marketers to use secure technologies, without restricting marketing activities. What comes to data misuse, consumers are now fully aware of their rights to know how their personal data is gathered, handled and used.

Due to the advanced development in AI and ML technology, personalization has progressed significantly, providing highly customized content and service at every step of the customer journey. Service can now be personalized in every touchpoint and channel and regardless of the device. Advancement in technology has also allowed marketers to better identify customers interests and schedule communication more conveniently. Even though consumers have full ownership of their data, and the possibility to block ads entirely by opting out, they are more than willing to share it with marketers in exchange for personalized quality service. Consumers have realized the benefits of tailored, personalized and better service and offerings.

Even though GDPR clauses have been re-assessed in every few years, the regulations cannot stay in pace with technology development or market evolution. GDPR attends data privacy inside EU but there is a clear conflict in controlling data globally. Data privacy regulations are well controlled locally but from a global point of view totally out of touch and asynchronous with the reality and the global market we operate in.

Changes in the market

Markets have become global but the focus in marketing is in local. Content and communication is tailored based on many variables, location being one of the main. Small location-based services that have successfully approached local consumers have differentiated successfully from big global companies and gained foothold in the markets. Consumer behavior has also caused a pendulum movement, as people have changed from global tech giants to more local and “reliable” services.

Dominance of Facebook and western countries leading the development of technology have had positive impact in the markets. The development of technology has given new possibilities for smaller companies to compete. Technology is everywhere, at everyone’s reach. Small new players with narrow niche competence are growing fast and gaining market share.

Even though markets have become more global and the amount of content has skyrocketed, highly personalized content has prevented the overload of content and kept content manageable.

Empathy, trust and experience defining success

During the last decade, marketing has certainly changed a lot from mass and digital marketing to fully personalized experiences, however the growing need for consumer's to get real experiences have remained shopping in a physical environment. Online shopping/e-commerce are the main market place, but some brick-and-mortar stores are still going strong. As services have become more online based, the demand for human-to-human service has increased. Brick-and-mortar have become trendy and luxury. If you have "purchasing power" you can do business with people, if not then machines.

Blockchain technology have had a significant impact on how we make transactions. The rules of owning and making purchases have changed. Payment methods are sealed in wearable devices and payments are made wirelessly, the environment and definition of money has only changed. In addition to money and payments, the entire concept of price has also begun to change. Suggestion fee has become an important part on online payments. Customers have can now consider paying a "supporting/suggestion fee" when they pay for good services.

Major challenges and academic research interests

The biggest question marketers are struggling with is, how to create excellent customer experiences and maintain high service quality regardless of the device. What are the main factors in great customer experiences and how to avoid bad experiences? Consumers will publish bad experiences immediately online. Other important topic is the ethics of AI and ow to ensure ethical decision making.

5.4. Digital Marketing in 2028 – Power of Privacy

Gains of Global Giants

During the last decade, large tech companies Google, Amazon, Facebook and Apple (GAFA) have gained even more space in the field of digital marketing and digital technology innovations. GAFA companies have created a steady dominance by binding smaller tech companies and businesses into their own ecosystems. Market globalization and global dominance of GAFA companies have also transformed social networks into culturally unified networks with unite online language, Mandarin. The gap between global giants and smaller companies have grown as forth runners in digital marketing have become even better in localization. Players that are already good in digital marketing have taken a huge leap forward and the rest have fallen behind.

Consumers are more and more conscious and concerned over their personal data and privacy, and therefore they actively keep an eye on companies using their personal data. Data has become a major deal breaker in selecting or supporting a brand. During the past decade, the dominance of GAFA tech/platform giants has strengthen. At the same time consumers distrust towards large tech companies has increased significantly. Consumer's increased concern for their data privacy, distrust towards large platform providers and increased cyber security risks have caused the demand for radical changes in data privacy regulations.

Need for privacy and trust

The need for novel regulations has been a popular subject already for two decades. Consumers are demanding full control and ownership of their data. Since GDPR, the popularity of ad blockers has increased exponentially and the need for novel legal actions to defend the privacy of personal data and communications has raised. During the last decade, EU privacy regulation has been the most significant game changer in the field of digital marketing. Since GDPR came into effect in 2017 and e-Privacy regulation in 2021 (as a supplementing regulation addressing the issues in confidentiality in e-communication and tracking of users), the power of individuals have grown and the predominance of digital marketing technology has slowed down. Due to the e-Privacy regulation, consumers have now the power to control, sell data further or keep it to themselves. This regulation also acts on preventing selling of profiling and personal information to third parties as well as reduces behavioral advertising, spam and online scams.

The work of marketers

The development of artificial intelligence (AI) has enabled accurate personalization of services and ads targeting. Some marketing tasks and analytics have been automated (e.g. content creation and personalization) but the operative role of marketers have remained, and new more creative tasks have appeared. We have seen a great integration in marketing tools, which is today allowing us to make marketing activities and analyze them through a unified tool. Also, the development of AI chatbots, that are built upon advanced and complex decision trees have availed marketing. Online communication between users and machines has revolutionized as advancements in machine learning have furthered chatbots to pass the Turing test. The boundaries between pure marketing and pure sales have blurred. The limits of what is considered as marketing and what selling, and their indirect impact has narrowed. However, there is still a difference between marketing and sales activities.

Developments in technology versus renewals in regulation

Developments in technology has had a significant impact on marketing development. Device technology allows us to connect online by giving voice commands directly to our smart watches and smart glasses and the development of smart rings has given novel possibilities for consumers to move device-freely. Also, advances in machine learning and artificial intelligence have undoubtedly enabled technical developments in personalization. On the other hand, radical changes in regulation are partly preventing the full utilization of data in marketing. Technically we are able to gather and utilize data more efficient than before, but the problem remains in the ability to get a consent from consumers to gather their data. For the same reason, the development made in chatbots has backtracked.

Regulation and marketing

E-Privacy regulation has affected digital marketing in many improving and compelling ways. Regulation covers basically all online communication between users (websites, SMS, email, social networks, applications, blogs, social media messaging) but also machine to machine communication e.g. through IoT devices. Default opt-out policy and changed cookie rule has made it more difficult to target online advertising and e-commerce. All communication between a brand and consumer's devices has become more complex. Challenges in online communication does not only limit on devices, it has also restricted consumers ability to communicate with each other. From consumers point of view, content was previously quite successfully targeted for individuals but today, content has become even more incoherent and even irrelevant. Changes in marketing is requiring marketers to use more creativity and also exploit their best practices in mass marketing e.g. email marketing and mass marketing in broadcasting TV and radio.

The media landscape has transformed quite a bit as the new e-privacy regulation is requiring users to give their consent on the use of cookies and opt-in tracking technologies. Cookie consent has changed from being opt out in default by being opt in in default, which means that consumers need to first opt in before getting an access to a website or receiving targeted content. This has abolished entire programmatic advertising and pushed ad monetization business models into the corner. Regulation has undoubtedly shaken the pack in the markets by weakening the position of Google and Facebook and other firms whose business models and entire ecosystems are built upon data, not to mention companies with ad-supported business models. Formerly dominating platforms collecting most of the ad spending and binding publishers into their platforms have faced sincere problems in ensuring the visibility of publisher's content.

Shopping environment

The line between e-shopping and old-fashioned shopping in a store have vanished as digital marketing has evolved as a link between these two. Online stores and brick-and-mortar have emerged into automated shopping rooms. Augmented reality has undoubtedly affected the shopping experience brick and mortar shopping rooms, providing consumers automated service. Buying behavior of people have not remained unchanged either, as pricing have become transparent and auctions a common place for purchasing. Mobile payments have become the norm of purchase and money transactions.

Thanks to AI and Google's advanced language translation technology, marketing and e-commerce in a global scale has never been this effortless. Content created for one selected group in one location, can now be automatically targeted to any other group regardless of the country, language or currency. It has become a global phenomenon that content is the same across different markets. Nevertheless, the well-known challenge in global marketing remains. How to create awareness globally when the number of competitors has multiplied, and targeting have become more complicated.

Challenge and research interest

Basic principles of affecting people's behavior will remain the same in 2028. We still need traditional marketing activities. Addition to AI, data and automatization, we still need good content and understanding of the personas and for that we still need some traditional marketing activities and techniques.

Digital marketing has gained even more foothold in the discussions of marketers, but the role of traditional and mass marketing has not totally disappeared. Many traditional marketing has

integrated into digital marketing and advertising, but there is still be a distinction between digital and traditional marketing. The new e-Privacy regulation has given marketers new possibilities to exploit the knowledge they have on traditional marketing such as successful mass marketing.

Data security issues and data management are remaining as main challenges in digital marketing. How to gain back consumers trust and receive their data in return? Who is responsible for data, personal information and individual data decision making? What are ethical algorithms and how can we prove to be ethical in the use of personal data?

6 DISCUSSION AND CONCLUSIONS

Over the past two decades marketing academics and practitioners have witnessed a major transformation in marketing (Lamberton & Stephen, 2016). Rapid growth of internet users (), the increase of personal computers and later the fast adoption of smart phones has significantly changed the way we communicate with brands. Marketers have had a full-time job to keep up with the rapidly developing technology and the relation between consumers and technology. As technology develops and consumers adapt to new ways to use digital technology, marketing academics and practitioners will face challenges in understanding digital marketing as a whole.

In order to understand changes and observe the uncertainties in the future we must take a look at the future and try to anticipate the events and change drivers in the future. Anticipating future events and development of scenarios in the digital marketing environment helps us to better understand the constantly evolving technology and transformation in consumer behavior. We do not know for sure what will happen in the future of digital marketing but by creating and examining probable future scenarios we can create holistic views of what may happen and make better decisions based on what is probable or desired.

Scenarios represent alternative futures that are developed from a combination of trends and policies (Fontela & Hingel, 1993). Scenarios are commonly used in strategic planning and decision making, because they provide us a picture of a possible future that might happen if certain events occur. Scenario development is also a useful tool for addressing uncertainty and support long-term planning and decision making (Linz, 2012) and it helps organizations to become more innovative and flexible by allowing participants to form possible eventualities (Hiltunen, 2009). However, it is good to remember that scenario development is not used to predict the future, it allows us to observe all possible uncertainties and their transformation in the future (Godet, 2000).

The purpose of this thesis was to find out what kinds of future scenarios for digital marketing can be created based on the views and opinions of selected industry experts and answer the main research question *What are the main phenomena of digital marketing in 2028?* In order to form or analyze futures for digital marketing, an overview of the history had to be taken. The goal of the history review was to create a comprehensive picture of the broad spectrum of digital marketing from the point of view of consumers, research and marketers. The thesis has specifically sought to study how the development of technology has influenced the development of digital marketing and the change in consumer behavior over the past two decades.

The history of digital marketing was studied by first looking into the evolution of digital marketing

from the perspective of information technology development. Hence, the entire landscape of digital marketing is a result of the revolution of the communication technology.

Fifty years ago, only a few companies were on the top of using digital technologies. Companies that could invest in television, print or radio marketing, were automatically dominating in their own category (Sheehan, 2017). Since on, innovations like the world wide web and later Web 2.0., the entire digital environment has faced a significant transformation. Online communication has changed substantially from the first commercial email, first website advertisement to the online communication through various networks we use today. Social media platforms such as Facebook, Twitter and LinkedIn, and the rapidly increased use of mobile devices have modified how we as individual consumers communicate with brands and with each other not to mention how we interact online.

The history of digital marketing was studied from the research, consumer and marketer's perspective during the years 2000 to 2019. History was reviewed through five eras. The first era from 2000 to 2004, digital marketing was all about media shaping consumer behavior. The first five years of the new millennia were all about the rise of digital media impacting consumer behavior, novel ways of consumers providing information to each other and all new ideas for marketers to approach consumers. After the dot.com crash, Web 2.0 became the new buzzword, blogging, collective intelligence, decision aids, online word of mouth and e-commerce became popular topics in research and among marketers. Companies such as Google, Facebook, Flickr and Wikipedia became the icons of this era (Meadows-Klue, 2007).

In contrast to previous era, years 2005 to 2010 was the time when online social interactions through online WOM and social networking became mainstream and in turn, consumers began to shape digital media. Internet became increasingly important part of people's lives (13.9% of the world's population were internet users in 2005), user generated content (UGC) in online reviews became more common and the first social network platforms, that we today call social media gained more users (Lamberton & Stephen, 2016). During this era, marketers were getting more interested about search engine optimization (SEO) as well as utilizing social networks as marketing channels. It was commonly recognized that social networks or social media as we generally call it today, could be used to gain competitive advantage.

The age of social media and constant connecting had truly begun during the third era 2010-2014. In 2012, social media budgets went up to 64 %, proving the interest of marketers and effectiveness of social media marketing (Monnappa, 2018). Later on, another search engine giant, Yahoo! acquired Tumblr, Facebook launched its messenger application and acquired the world's most popular message application WhatsApp in 2014 (Monnappa, 2018). Year 2014 was also an interesting year from the technology perspective. For the very first time, in 2014 the mobile usage exceeded desktop

usage (Lincoln, 2017, Monnappa, 2018). Academic and marketer's focus on social media really stood out when platforms such as Facebook, Twitter, Instagram, Pinterest and Snapchat gained more foothold in the business of online social networking (Lamberton & Stephen, 2016). The hype of social media marketing had begun.

The rapid pace of technology development, changes in consumer behavior and the entire shift into the digital marketing environment has taken us to the current post digital era (2015-2019), where consumers are demanding for superior experiences faster than businesses can deliver. We have seen customer behavior changing and marketers' pressure to plan marketing actions based on behavior. People spend more and more time on mobile devices and various applications. Machine learning, artificial intelligence, automatization and augmented reality have become hot topics in marketing. Technological developments of today enable intelligent and personalized content, programmatic buying, targeting, dynamic pricing, not forgetting smart automation. Developments in technology, regulation and the ever-changing behavior of consumers are creating pressure for marketers to keep up and researchers to gain understanding of the main research questions and challenges of digital marketing.

The empirical part of this thesis aimed to answer the question: *What kind of future scenarios can be created for digital marketing from the basis of expert opinions?* A Delphi method in scenario development was selected as a methodological approach to answer this question. Delphi method is a collaborative technique for generating important events or future scenarios (Bañuls & Turoff, 2011). In the first phase of the Delphi study, ten experts in the field of digital marketing were selected to share their expertise by answering to a survey and describing digital marketing in 2028. Based on the responses to the survey, 206 events were identified, analyzed and classified according to themes. With the aim of creating scenarios, themes and related events were placed into the future table as variables and variable values. Impossible or illogical combinations between values in the same scenario were identified. Five explorative scenarios were created using a future table, one of which (scenario 5: Lottery) was rejected because of its non-relevance and overlap with other scenarios. In the second phase of the Delphi study, experts were asked to evaluate four very different scenarios according to their probability and desirability. Four different scenarios for digital marketing in 2028 were developed: 1. Back to Basics, 2. The Device Free World (most desired), 3. Marketing as a Service and 4. The Power of Privacy.

The most probable (57,5 %) scenario for digital marketing in 2028; *Back to Basics* was described as the scenario with least dramatical changes in the environment of digital marketing, which could be the reason for the high probability estimate average. One of the experts commented that the scenario does not represent a revolutionary future, rather a natural evolution of digital marketing landscape. Also, the dominance of the social network platform Facebook was questioned.

The second scenario: *The Device Free World* was created with a futuristic approach, describing the future of digital marketing as the world of virtual and augmented reality where technology (AI, blockchain, contact lenses and AR) plays a significant role by steering the advancements in digital marketing and the changes in consumer behavior. This Even though technological advancements in this scenario were quite far-out and even closer to science fiction, this scenario was estimated as the most desired (6,75) one. The experts commented this scenario a bit over-optimistic when it comes to technology development in the next ten years.

Marketing as a Service is a scenario in which the role of a consumer is highlighted as the king in the world of augmented experiences. Due to advancements in technology, marketing is largely operated by technology such as AI and ML leaving skills like creativity as the main responsibilities for marketers, while privacy regulation operates as a protective organ for individuals. According to expert's evaluations this scenario was considered unlikely (43,75 %) to happen and quite undesired (4,25) as well.

The final scenario, *Power of Privacy* focused on the development of digital marketing from the regulation point of view. Taking into consideration that privacy regulation is a significant factor in the adoption and use of novel technologies and a source for various challenges in this particular scenario, it is no wonder that this scenario was evaluated as the most undesired (4). The question if consumers really care that much about their data to demand strict regulation remains a relevant question. One expert stated that if this kind of scenario would actualize, there would soon after be a radical disruption that would rearrange the balance in digital marketing.

Managerial implications

Four very different scenarios described in this thesis are developed upon various events described by the selected industry experts. The aim of this study was to create explorative scenarios that according to Börjeson et al. (2006) answer the question: *What can happen in the future?* Explorative scenarios are convenient in studies where the experts have fairly good knowledge how the environment under examination works (in this case the environment of digital marketing) and situations where the study also aims to explore alternative developments. (Börjeson et al., 2006)

Even though scenario development and Delphi method as a qualitative method is subjective it can be considered reliable for its thorough scope (Niemi, 1990, p.25). According to Glenn & Gordon (2009), biggest strength of applying Delphi method into scenario development is its ability to objectively and smoothly explore issues that require human judgement and it can be considered as

powerful technique when asked appropriate questions. This thesis does not offer 100 % accurate views of the future and nor is it attend to. The objective of this study is to explore the various future events and form different future views of digital marketing in 2028 by collecting opinions form industry experts. This study provides a comprehensive overview of the broad history of digital marketing and contributes with a long list of potential future developments with great relevance to both industry and academia.

Directions for future research

Four future scenarios described in this thesis have provided various interesting future research topics in the field of digital marketing. Some of them are familiar for us and others point out novel challenges in digital marketing. Scenario Back to Basics underlined a intriguing global question: How to create awareness globally when the content and competition has grown exponentially and from the consumer´s standpoint everything feels global? Whereas in The Device Free world the biggest challenge marketers are struggling is the creation of marketing methods that match the rapidly developing technology and how to evaluate which technology train they should jump into. According to the scenario Marketing as a Service, the biggest question marketers will be struggling with is, how to create excellent customer experiences and maintain high service quality regardless of the device? Due to content overload and multitasking between various devices, this is a true challenge now and in ten years from now. The fourth scenario raised questions that is quite relevant in today´s world as well: How to gain back consumers trust and receive their data in return? Who is responsible for data, personal information and individual data decision making? What are ethical algorithms and how can we prove to be ethical in the use of personal data?

Challenges arising from the scenarios are certainly interesting and current despite of the scenario we are looking at. The technology will develop and consumer behavior long with it. We must take these changes and challenges into consideration when planning for the future and the best way to prepare is to examine and understand the uncertainties of the future.

The objective of this thesis was to study digital marketing as an entity that provides pictures for the future with a wide scope. Even though the objective was reached, it would be interesting to examine further what kind of futures can be developed for solely mobile marketing and what kind of form the word mobile can reach.

A good scenario grabs us by the collar and says, "Take a good look at this future. This could be your future. Are you going to be ready?"

Bishop et. al (2007)

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8 APPENDEXIS

Appendix 1: Delphi Round 1: Open questions

Questionnaire

This is the first section of the study (Delphi round 1). In this section you are asked to answer ten open questions about the future of digital marketing. The survey takes about 15-20 minutes to complete.

Please answer the questions based on your own experience, expertise and opinions. The objective of the first round is to gather many future views and impacting factors about digital marketing in 2028 in order to create future scenarios.








11. How would you describe digital marketing in 2028? What has changed and what not? Any new characteristics?
12. What will be the key factors or forces that drive towards those changes in digital marketing in the next 10 years? Please specify why.
13. What role does the developing technology play in digital marketing within the next 10 years?
14. What are the main/dominant technologies used in 2028? What are the obsolete technologies?
15. How will the dominant technologies impact markets?
16. How does locality and globalization appear in digital marketing?
17. How do you see consumer behavior changing as technology develops and digital marketing evolves?
18. How legislation and regulation have developed in 2028? Will these factors have an impact on digital marketing?
19. What do you consider to be the most central challenges in digital marketing in 2028?
20. What other trends or phenomena do you see in the future of digital marketing?















Appendix 2: The Future Table

VARIABLE	Value 1	Value 2	Value 3	Value 4
Web and platform dominance				
Role of world wide web	Web is still the centralized platform, where brands are introduced and where the traffic/data is processed. 1 4	Web (at least what we used to call it) is free and decentralized (Blockchain and other decentralized technologies). 2	Single web sites will not survive, new technologies must be taken into use. 3 ✨	
Companies/Platform providers that dominate the battle ground of digital marketing.	Social networks will run the marketing ecosystem. Facebook dominates. 2 3	Same companies dominate the battle ground of digital marketing. Traditional media: Sanoma and Alma Search engines: Google and Bing Social media platforms: Facebook 1	Companies that are able to bind users to their own ecosystem. GAFAM (Google, Amazon, Facebook, Alibaba). 4 ✨	
Data regulation				
What kind of impact will regulation (GDPR, e-Privacy) have in 2028?	Regulation affecting digital marketing remains the same, protective and transparent but without being entirely restrictive. Legislators has a real challenge to keep up with market developments, especially concerning privacy regulation and legislation globally. 1 3	Due to decentralized technologies such as blockchain, there is no more need for privacy regulation or legislation. Consumers have the freedom to choose what data they share and how it is processed. 2	Changes in legislation (GDPR and e-Privacy law) and regulation is the most significant game changer that slowed down the predominance of digital marketing technology. Strict privacy regulation restricts the field of digital marketing by limiting the gathering and use of personal data. Targeted marketing regressed. E-Privacy law abolished all programmatic advertising. 4 ✨	
How consumers feel about their data privacy?	Data is free and available everywhere. Uncertainties in the use of personal data have disappeared when people have understood the benefits of personalization and data usage in their everyday lifts. 2	Consumers demand the ownership and control over their data. They have the power to sell it further or keep it to them selves. 3 4	There is a growing concern for privacy and the use of personal data in marketing. GDPR is actively forcing us to rethink what data we need and why. GDPR and e-Privacy law has also changed the way people understand the meaning of personal data. Consumers demand to know where and for what their data is used. But once they have gained back trust and knowledge that their data is securely used, they love having better services and tailored content. 1 ✨	

- 1** BAU
2 Futuristic
3 Customers first
4 Regulation
 ✨ Lottery

VARIABLE	Value 1	Value 2	Value 3	Value 4
Marketing techniques				
Role of personalisation in digital marketing	Personalisation has a huge impact on marketing. Marketing will be personalized in every touchpoint and channel. New technologies will help marketers to identify customers interest and schedule communication even better. 2 3	Personalisation as we used to imagine it stayed as a ideology. The idea of personalized marketing failed. Mass marketing will do the trick. 4 ✨	Personalisation provides better marketing for individuals but all marketing activities cannot be personalized. Mass marketing still exists. 1	
Marketing techniques	Basic principles of affecting peoples behaviour will remain the same in 2028. We still need traditional marketing activities. Addition to AI, data and automatization, we still need good content and understanding of the persons and for that we still need some traditional marketing activities and techniques. 1 4 ✨	The principles of affecting peoples behaviour has changed dramatically as personalisation has evolved. The era of true data-driven marketing and sales is here. Old marketing tactics won't have an affect anymore. 2 3	The principles of affecting peoples behaviour has changed dramatically as personalisation has evolved. The era of true data-driven marketing and sales is here. Old marketing tactics won't have an affect anymore.	
Content in ads	Ad content will mostly be rich media like video with audio. 4	Ad content will mostly be interactive AR content. 2 3	Ad content will mostly be pictures and text. 1 ✨	
Devices and channels				
Most used devices	Portable tech: mobile devices such as smart phones, laptops, tablets 1	Implantable tech: contact lenses, brain and wrist chips 2	Wearable tech: smart watches, glasses and rings. 3 4 ✨	
Search technology	Searches/commands are done as queries by typing. 1	Searches/commands are done as queries with voice. Voice search technology is becoming closer to conversational. 3 4	Searches/commands are done as queries with hand gestures. 2 ✨	
The role of mass marketing in traditional media	Mass marketing in broadcasting TV and radio still exists. 1 4	Mass marketing in traditional media is more or less dead. All marketing becomes digital. 2 ✨	Mass marketing and the use of traditional media channels become obsolete. New super fast networks (IoT) and personal area network devices will take over old medias. 3	

VARIABLE	Value 1	Value 2	Value 3	Value 4
	Changes in the market			
Markets: Global vs Local	<p>Super locality. Content and communication will be tailored based on variables such as location.</p> <p>Location-based services will make the difference and if done well, getting close to customers who still want differentiation, they will thrive.</p> <p>3 </p>	<p>Cultures and languages make mid market and everything else will be global. Even if you are a global company the marketing and sales need to offer local themes and offers.</p> <p>2</p>	<p>Marketing has become full global. Everything is done in a global scale. The question remains how to create awareness globally? Due to Google's tools, languages or currencies are no longer a problem in global communication or trade. It has become a global phenomena that content is the same across different markets.</p> <p>1 </p> <p>4</p>	
Competition in the markets	<p>Small and local companies will carry the day.</p> <p>Location-based services will make all the difference if done well. Pendulum movement - people are tired of global tech giants and want to use more local and "reliable" services.</p> <p>Markets will have new players with very narrow niche competence and they can grow fast with the use of technologies. Companies will be smaller.</p> <p>New players will come to the market using these new dominant technologies.</p> <p>3 </p>	<p>Competition between companies will become more even. Cheap tech allows the smallest companies to keep up with the big ones. When the prizes of AI and Big Data solutions decrease, also small and medium sized companies will be able to use these solutions in every-day marketing and sales. Development of DM tools that make it easier for all kinds of marketers to analyze and use data, tailor messages, find insights, find right audiences etc. That also accelerates the innovation creation when start-ups are able to use solutions like AI and big data as a part of their technological innovations. Digital marketing and www has opened the global markets to all. No matter the size of the company, everybody is able to do business globally - and it's not even expensive.</p> <p>1 </p> <p>2</p>	<p>Only big and powerful survive. Globalization will keep on thriving and the global giants will become even better in localization. Leaders in DM will become even better whereas digital marketers which follow behind become even worse. Most likely those who are already good in digital marketing will take a huge leap forward and the gap between good and ok digital marketers' will grow. Either you're in it and win or you're not and you'll lose.</p> <p>4</p>	
Social networks				
Social networks	<p>Audio-visual and behavior-supporting devices, such as Amazon Echo and Google Home will play a big role in the future of social networks. These personal area network devices with 5G broadband will take over old medias.</p> <p>3 </p>	<p>Augmented and Virtual Reality experiences will appear in social networks.</p> <p>2 </p>	<p>Social networks will become even more global and culturally united. Unite online language, behaviour and culture (Mandarin/English). Social connections become fragmented. The amount of social contacts and user generated content (UGC) will reach it's critical level.</p> <p>1 </p> <p>4</p>	

VARIABLE	Value 1	Value 2	Value 3	Value 4
	Shopping environment			
	Mobile payments will become the norm of purchase and money transactions.			
Payment method	<p>1  4 </p>	<p>2  3 </p>		
	Payment methods will be dramatically different as blockchain technology changes the way we make transactions. Blockchain's technology has become a common technology that has overcome the previous prevailing way of making transactions. Blockchain has changed our entire value chains from how we buy, exchange, own or even hold anything in the long run.			
Brick-and-mortar vs online stores	<p>1 </p>	<p>3 </p>	<p>2 </p>	<p>4  </p>
	Brick-and-mortar is not going to die as people still want to spend time and get experiences from shopping malls for example.			
	Brick-and-mortar becomes trendy. Simple tasks can be automated but the demand for human to human service will increase. If you have "purchasing power" you can deal with people, if not then machines. Everything is available everywhere and services dominate over goods ownership.			
	Brick-and-mortar will disappear. Online shopping/e-commerce will become the main market place. People will want immediate fulfillment and real customer intimacy. Shopping will be home based. Trying on clothes and other items will change as VR and AI become an important element in online stores.			
	Online stores and brick-and-mortar will become one. Brick-and-mortar will transform into automated shopping rooms. The line between e-shopping and old fashioned shopping in a store will vanish and digital marketing will be the link between those two. Dominant technologies undoubtedly affect whether there will be any more sellers in brick and mortar stores in the future.			
Buying behavior	<p>3 </p>	<p>2 </p>	<p>1 </p>	<p>4  </p>
	Suggestion fee will become an important part of online purchases. Customers will consider paying a "supporting/suggestion fee" when they pay for good services.			
	Purchases can be made solely based on ones immediate need, or what she/he sees or experiences. Imagine seeing a virtual price sticker on the person's clothes passing you by, and having the possibility to purchase the same item in that exact moment.			
	Browsing websites and online shopping has become even more popular.			
	Buying behaviour changes dramatically as pricing becomes transparent and auctions will be common place for purchasing.			

VARIABLE	Value 1	Value 2	Value 3	Value 4
Consumer behaviour				
	Consumer behaviour has changed dramatically as the younger generation has matured and millennials have become the generation making decisions. As the main generation in the world, millennials are used to use new technology and they demand for superior customer experience. The younger generation that has lived all their life with smartphones and tablets show where we are going.	Consumer behaviour will not change, only the devices they use. People still want good service, quality products and good prices.	Consumer behaviour becomes globally more homogenic as various habits and customs spread and are adopted around the world. As market grows global and the boundaries of language or currency no longer limit marketing in digital channels, the mass of content is considered confusing and irritating.	
Changes in consumer behavior globally	3	1 ☆	2 4	
Consumers' needs	Consumers are more and more conscious and concerned over their personal data and privacy and therefore they actively keep an eye on companies and their usage of personal data. Data has become a major deal breaker of selecting a brand. 2 4	Consumers as "The King". Consumers have never been this aware of their position and rights in the markets. Due to increased customer expectations and accelerated flow of information, consumers dictate the rules by having significant impact on markets. Consumers demand 24/7 superior service tailored just for them personally. Bad experiences are shared immediately, and companies are being observed constantly in order to select the best service at all times. 3	Consumers use more time with their devices and demand convenience at extreme levels. Consumers will interact more with technology instead of other people. Technology have made consumers lazier than ever before. Convenience at extreme levels can bring also plenty of opportunities to local business who are able to capitalize on uniqueness, tradition and customization. 1 ☆	
Opt-out possibility	Consumers have the possibility to block ads entirely 3	There is no longer a chance for consumers to select not to see ads. It is no more optional as digital advertisement is augmented on top of what the user is seeing like with traditional marketing (billboards etc.). 2 4	Opt-out possibility stays the same. Some content is possible to block but ads are tied to websites and are therefore always available. 1 ☆	

VARIABLE	Value 1	Value 2	Value 3	Value 4
	The biggest challenge			
The biggest challenge in 2028	Service quality regardless of device and how to create and maintain great customer experiences. Successful customer experience will be even more important. Bad customer experience will be reviewed and published immediately.	The biggest challenge in 2028 will be the same as now: How to get the most skilled people to do our marketing and how to stand out? How to constantly generate new ideas of what to do and how to be creative?	Data management and data security related issues will be the biggest challenge in digital marketing. How to manage all the data we gather and want to utilize. Who is responsible for the data, personal information and individual data desecision making?	For companies to keep up with the evolving technology development. To create new affecting marketing methods that match developing technology. Push marketing will be obviously obsolete method so we need new ideas how to serve the prospects instead of pushing the information.
	3	1	2 4	✳
Marketing Research				
Definition of Digital Marketing	Customer experience management. Digital marketing becomes good service that aims for great customer experiences. Service brands can recognize the upcoming need (new tires, food, cleaning, house maintenance etc.) and suggest customer want to be served.	Many traditional marketing will integrate to digital marketing and advertising, but there will still be a distinction in digital and traditional marketing.	There will no longer be distinction between DM and marketing, there will only be digital marketing. There will only be display surfaces of various sizes that allow the ways of influencing a consumer.	
	3	1 4	2 ✳	
Popular marketing research topics	Marketing will be more science than art. Forecasting the future with advanced technology. The use of big data will make it easier not only to check the analytics of the past but also to forecast the future more effectively.	The algorithms in marketing technology and the ethics of AI.	Marketers role in a world of technology. Will decisions involving expertise and/or creativity still be taken by humans? How automatization will affect digital marketing?	
	2	3 4	1 ✳	