Introduction to Quantum Marketing

Eldon Y. Li Chair Professor Department of IM National Chung Cheng University https://eli.johogo.com/



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Definition of Quantum Marketing
The 5 Paradigms of Marketing
QM Marketer Mission
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Q & A

Definition

"The Fifth Paradigm [quantum marketing] will feel like a whole new planet for marketers. Crazy new technologies, an extraordinary quantum of data, fleeting life moments becoming accessible, an opportunity or threat of real-time actions, the collapse of the purchase funnels and other classical theories and frameworks—all of these will totally alter the marketing landscape, and marketers will have to reimagine their strategies, structures, and talent. In the Fifth Paradigm, brands will create excitement, engagement, and inspiration for their products and services using new technologies, new media, new frameworks, and new insights. For the consumer, the Fifth Paradigm will be a labyrinth of content, messaging, imaging, new devices, and automation."

The 5 Paradigms of Marketing



Sournce: Rajamannar, R. (2021). Quantum Marketing: Mastering the New Marketing Mindset for Tomorrow's Consumers. New York: HarperCollins.



1p - Product Marketing

The 1st paradigm was product centric. The assumption was consumers made their purchase decisions rationally, on the basis of logic. In this era, to market your product, you just had to show that your product was better than anything your competitors offered. You got experts to endorse your product – doctors endorsed the health safety of Lucky Strikes in the brand's initial marketing. Advertising stressed that your product was demonstrably better. For example, Tide "got clothes cleaner". Dodge cars had "a smoother ride". And if you were looking for a vacuum cleaner, "Nothing Sucks Like Electrolux".

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2p - Emotional Marketing

The 2nd paradigm was built on the premise that people make decisions emotionally, and then justify those decisions logically. This paradigm reigned supreme when TV came along because you could tell stories with visual and audio elements. The good thing about marketing in the second paradigm was emotional claims need no data or scientific proof. Companies started making emotive claims: "Things go better with Coke" or "Pepsi is the drink for a New Generation". Brands like Nike featured Michael Jordan to make emotional connections with consumers.

3p – Data-driven Marketing

The 3rd paradigm was digital and databacked marketing, which became feasible once the Internet went commercial in 1994. Alongside that, there was also an avalanche of direct mail, and direct response marketing. Marketers were empowered by the reach of the Internet, but so too were consumers who could research their options. When Google came along with AdWords, data became a way to quantify the results of marketing with precision. You couldn't do marketing if you were not data savvy.

4p – Digital/social Marketing

Facebook launched in 2008, and the 4th paradigm of social media marketing was born. The iPhone was released in June 2009, and suddenly everyone went online with their mobile devices. Exponential increases in mobile processing power, combined with miniaturization and the all-pervasiveness of an affordable Internet to create the "Always On" era of marketing. Click rates, page views, and algorithms reigned supreme.

5p – Quantum Marketing

- The 5th paradigm, or quantum marketing, will be driven by several emerging technologies which are converging and combining:
 - Sensors (IoT) are now capturing an infinite amount of data about consumers. Connected devices and wearables will generate next-level amounts of data about consumers.
 - Artificial intelligence (AI) will allow marketers to customize marketing to an amazing degree, all in real time. They will be able to create advertising which is responsive, with zero lag for maximum impact.

5p - Quantum Marketing

- Blockchain will establish direct digital contacts between advertisers and consumers. There will be no need for middlemen of any kind. Blockchain will also be used to establish the authenticity of products.
- 5G data connectivity will allow marketers to deploy immersive virtual reality or 3-D experiences around their products and services in real time. It will also facilitate augmented reality information to be layered in, and for compelling virtual reality experiences to be delivered.

5p - Quantum Marketing

- **3-D printing** will mature, allowing far more products to be printed on-site, rather than shipped from elsewhere.
- Autonomous cars once start rolling out, the opportunities for marketers to fill commute time with content will be massive. Presenting impulse purchases to consumers while they are commuting will be pervasive. The Internet of Things being connected means household appliances and such will all become marketing devices. Reaching consumers at the point of consumption will become commonplace.

5p - Quantum Marketing

- Smartspeakers like Google Home or Amazon's Alexa – allow consumers to purchase products and services audibly. How brands will exist in a nonvisual environment still remains to be seen.
- Wearable devices are incredible data gathering and communication tools for marketers. There will be amazing opportunities to use those devices effectively in the immediate future.
- **Robots and drones** are maturing, and are being used as waiters, as delivery services, and elsewhere. They will offer marketers significant efficiencies throughout the value chain.

QM Marketer Mission

Build the	Protect	Fuel the	Build Platforms for Sustainable
Brand	Reputation	Business	Competitive Advantage

 Build the brand - Marketers need to be always building the brand for the future. A strong brand will be important for the short-, medium-, and longterm health of the company.

Quantum Marketer Mission

- Protect the reputation Quantum marketers manage and protect the company's reputation. Marketing is when you talk about yourself, whereas PR is getting others to talk about you positively. Marketers need to be building and protecting their brand all the time.
- Fuel the business Marketing is all about driving profitable business growth. It's only when you take responsibility for fueling business growth that people will genuinely value the marketing role.
- Build platforms for sustainable competitive advantage These platforms need to leverage marketing assets to build a strong moat around the company, its products and services.

QM Core Technologies

- DATA More than ever before
- AI The ultimate marketing propellant
- 5G TECH A quantum speed upgrade
- BLOCKCHAIN Virtual record keeping
- SCIENCES Multisensory marketing

In the 5th paradigm, (5p) data is the most precious commodity that exists. If you think marketers have historically used lots of data, rest assured you haven't seen anything yet. As many more connected devices and mobile sensors come online, a figurative tsunami of consumer data is about to flow through, and drive Quantum Marketing. To illustrate, consider the mobile phone. To a consumer, their mobile phone is a virtual window to the world. Phones can be used to make calls, to shop, to learn and look up facts, and much, much, more.

In the 5p, data is the most precious commodity that exists. If you think marketers have historically used lots of data, rest assured you haven't seen anything yet. As many more connected devices and mobile sensors come online, a figurative tsunami of consumer data is about to flow through, and drive Quantum Marketing. To illustrate, consider the mobile phone. To a consumer, their mobile phone is a virtual window to the world. Phones can be used to make calls, to shop, to learn and look up facts, and much, much, more.

To a 5p marketer, however, the mobile phone is a sensor on many different levels. It can generate enormous amounts of data about consumer preferences, customer actions, health metrics, buying triggers, and more. The sheer volume of data which will be generated in the near future by mobile devices is awe-inspiring. It will force companies and marketers in particular to rethink their data strategies, in order to figure out what data is relevant and what data is merely clutter. Quantum Marketers will need to figure out what data will give a true picture of their customer's realities, and then respond to that in real time, without being intrusive. As with most technology, this will be a balancing act.

With regards to the imminent flood of data, savvy Quantum Marketers will need to:

 Take the lead – in defining the future. Marketers will have more data than anyone else in the organization, so it will be important that they drive the evolution to 5p marketing rather than sit back and let others do that. Besides, a significant part of data gathering will be funded out of marketing dollars. Be deliberate about how you want to use data in the future.

- Become better educated about policies and regulations for data sharing right across the entire value chain. Marketers need to know in detail how data is to be collected, organized, analyzed, and then used. You don't necessarily have to become a data expert, but you need to know enough to be able to ask the right questions, and then act on the answers.
- Invest in the right relationships specifically striking deep partnerships with your IT colleagues who manage the data infrastructure, and your legal colleagues who will help you navigate the data ecosystems safely. You also have to be aware of what data your vendor partners are collecting and sharing with you as well.

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Without hyperbole, artificial intelligence (AI) is going to be a game changer for marketing. It will come into play in every step of the marketing process. AI will not replace marketers entirely, but marketers who fail to use AI will fall behind those who do understand AI, and can harness its power. In practical terms, artificial intelligence is a machine capability, which is created by training machines to think like humans, it incorporates all the various forms of human capabilities like recognition, reasoning, judgment, decision-making, and so on.

From a marketing perspective, AI brings richness to every step of the marketing cycle. AI injects a deeper level of understanding and real-time responsiveness into marketing. For example, before AI, marketers would use a correlation or causality analysis to try and figure out what level of discount drives the most conversions. They would use surveys, test marketing, factor analysis, and the data from past promotions, to try and get a feel for this at a segment or an aggregated level. With AI, a company can analyze a specific consumer's past behaviors to establish a baseline propensity to buy.

AI can then factor in their behavior in other product categories in real-time, and send a highly personalized offer which will be good for the customer, but also great for the company. Potential lost sales can be captured, without the customer being aware they are being treated differently to everyone else. When you also factor in that everything will have a sensor - from watches to shoes to cars to thermostats to sporting goods like golf clubs, etc. - and that data will be captured from these sensors 24/7, and fed into AI machines which dedicate all their processing power to figuring out how to make you buy, then you get a sense of what 5p marketing is all about.

From a marketer's perspective, hooking into that data stream will generate all kinds of insights. AI will empower marketers to act on those insights in real time. It will work with personalized products, with services, with targeted promotions, and much more. Marketing will become much more seamless, nonintrusive, and persuasive. AI will also be used in marketing to run chatbots – virtual assistants who can answer questions, provide help, and close sales. AI will become integrated into media buying, content creation, and more. Admittedly, marketers don't have to become AI experts to tap into its power, but they will need to be familiar with what AI has to offer. They will need to know how to go about leveraging AI to remain relevant. Many business schools are now providing executive-level education courses about AI, and that number will grow rapidly. To succeed, marketers will need to buddy up with their IT colleagues.

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Imagine being able to access the Internet on mobile devices at 50- to 100-times faster than is possible with 4G technology. That's the promise of 5G connectivity. 5G will even allow multiple devices to connect simultaneously with very low latency the delay between entering a command at one end of the network and that command being executed. 5G really is a big deal. From a marketing perspective, 5G means interaction and engagement will be in real time. Consumers who are shopping for something will, with their permission, be able to receive personalized offers which relate directly to what that consumer is looking for.

Contrast of 3G, 4G, 5G

Mobile Generation	Usage ID	The range of Frequencies; (Examples)	User Data Bandwidth (Practical examples)	Coverage per Antenna & usage
3G	Mobile	850MHz, 2100MHz	2-10 Mbps	50 – 150km Suburban, City, Rural area
4G	Mobile	750MHz, 850MHz, 2.1 GHz, 2.3GHz and 2.6GHz (Centimeter wave)	10-30 <u>Mbps</u> Long-Term Evolution (LTE) version	50 – 150km Suburban, City, Rural area
	Fixed Wireless		50-60 <u>Mbps</u> Long-Term Evolution (LTE) version	1 – 2km Home, office and high density area
5G	Mobile	3.6 GHz, 6 GHz	80-100 <u>Mbps</u>	50 – 80km Suburban, City, Rural area
	Fixed Wireless	24-86 GHz (Millimetre wave)	1-3Gbps	250 – 300 m Home, office and high density area

The summary of Frequency and data bandwidth: 3G to 5G cellular mobile generation - 5G network real-world test: examples by Qualcomm's simulated 5G tests on Feb/2018

5G will enable all kinds of richer marketing interactions. For example, 5G can power augmented reality where there is an overlay of digital information on a physical environment. You will be able to point your smartphone at a street, and immediately be updated on the shops or other points of interest in the buildings up ahead. You'll also receive compelling offers to come into the shops you pass while walking along. You'll see: "There is a special offer going on here" or "It's happy hour. Come in and take advantage of our Buy 1/ Get 1 FREE offer."

5G will power the overlay of much richer information in your physical environment. It will also enable each and every device at home and at work to both gather marketing information, and present offers. A 5G powered refrigerator, for example, could gather data and then present you with personalized ads on the control screen on the fridge door. Or it could use your car's speakers to send you an offer while you're driving. The possibilities are endless.

The other point to note with regards to 5G is it is a technology advance which will enable lots of other technologies. 5G will power:

- Augmented reality devices and apps where all kinds of digital information gets overlaid on a physical environment.
- Virtual reality devices where users get transported into the midst of whatever they are viewing. Shoppers will be able to view products in their homes, not just in showrooms.
- **Smart speakers** where users can access virtual assistants. Voice commerce is now starting to gain momentum in a big way.

- Holographic projections where virtual speakers can show up, speaking any language, to make presentations and product demos.
- The Internet of Things (IOT) where every device is connected and gathering marketing data, from home appliances through to smart bookshelves and more.
- Wearables watches, sneakers, armbands and more which gather data continuously.
- 3-D printing where parts, merchandise, small products and more are made and personalized. 3-D printing will allow marketers to send product samples to consumers electronically. It also allows products to be customized at the press of a button.

BLOCKCHAIN – Virtual record

Many people associate blockchain with Bitcoin or other cryptocurrencies. While it's true, Bitcoin uses blockchain as an enabling technology, the potential uses of blockchain are far wider and interesting. At its heart, blockchain is a virtual book for record keeping. It's a virtual ledger of transactions, with all associated details being attached. Blockchain is distributed to, or shared with a community, rather than restricted to a physical book. Blockchain creates a high level of trust, because everyone can see every transaction detail, so there is incredible transparency. Blockchains reduce the complexity of transactions by eliminating the need for intermediaries to verify or validate, thereby lowering costs.

BLOCKCHAIN – Virtual record

For example, in the advertising industry, only around 60 percent of ad dollars paid by a brand owner goes to the publisher, with the balance going to intermediaries like agencies, ad servers, platforms, data verification partners, etc. With blockchain technology, brands can have smart contracts where real-world data is viewed and verified by everyone, no intermediaries required. All parties can see exactly what is happening, and the results of the ads being run are visible and open. That may not sound very advanced, but for the global online advertising market worth \$350 billion a year, \$65 billion in savings is quite substantial. In addition to marketplace efficiencies, blockchain can track the origin and journey of any item. This will have significant advantages in terms of verifying product authenticity and sourcing. That has become important for food, organic products, and much more. In the 5th paradigm, blockchains will become core to the entire marketing ecosystem.

SCIENCES – Multisensory mktg

Quantum Marketing won't be restricted to the traditional models of static print, television, audio ,and digital ads. It will be rich and multisensory, thanks to the capabilities of new consumer devices. Quantum Marketing will leverage as many of the five human senses as possible. Jingles had previously been used to create associations between tunes and a brand, but sonic branding will go much further. Mastercard, for example, has created a thirtysecond melody for its sonic brand that is memorable and appealing. The company uses this melody as the background or foreground music on all its television ads. The melody is also played at all Mastercard events and forums, and as the on-hold music for the company offices. A small 1.3-second subset of the melody, called the "sonic signature", is also used to signal that a payment transaction has gone through successfully. That gets incorporated into around 50 million points of interaction with Mastercard worldwide.

SCIENCES – Multisensory mktg

More and more companies will follow a similar path in the 5th paradigm to make brand marketing multisensory. Mastercard is also working to integrate taste into its branding as well. The company launched its iconic "Priceless Tables" program which saw fabulous dinners being served at a table or two set up in exotic and unexpected places - like the top of a billboard in Manhattan, or in the middle of a baseball diamond. Aston Martin is also a pioneer in multisensory marketing. Aston's sonic brand is the distinctive sound of its engine. That sound is used to remind people to fasten their seat belts. The interiors of its cars are crafted to deliver a sensory experience, complete with the unique smell of genuine leather. And, of course, Aston Martin's links to the James Bond movies are famous.

SCIENCES – Multisensory mktg

Multisensory marketing is necessary because conventional advertising is dead. Consumers today have so many screens – tablets, smartphones, laptops, desktops, TV screens – that it is estimated they are exposed to between 3,000 and 5,000 marketing messages on those screens every day. Trying to cut through that clutter is a challenge. The best multisensory marketing in the 5th paradigm will be experiential, multisensory marketing, where you create or curate a mix of physical and digital experiences around your products. You also blend in social communication tactics by reaching out to influencers, and get them involved in designing and developing new product variants. You grab their attention by providing unique experiences, and then facilitate them sharing those experiences with others. When combined with multisensory elements, you can create experiences people are incredibly happy about. Doing this in an authentic manner is the key.

Sonic Brand Signatures

Mastercard Debuts Sonic Brand Signature

Soundout Index 2021 - US

Soundout Index 2021 - UK
The Future of QM

PERSONALIZED – Appealing to people
AUTHENTIC – P2P, not B2C or B2B
PARTNERSHIPS DRIVEN – No going it alone
PURPOSE LED – Doing good for society
ETHICAL – Earn people's trust

Marketing in previous paradigms has always talked about consumers, but for any individual, consumption is just a small part of their life. What happens outside that narrow period of consumption affects consumption more than what happens during consumption itself. Therefore, if marketers are focused solely on optimizing the customer experience, they are missing out on the bigger opportunity. Instead, Quantum Marketers will be aiming to gain new ground by focusing on human behavior. Specifically, they will look at their customer's total life and look for ways to genuinely add value more than ever before. This should lead to upgraded or modified product and service offerings.

Quantum Marketers will try and make the purchase process disappear altogether – by analyzing the purchase funnel and consumer preferences in detail. Amazon is already well down this path with its Amazon Go stores which eliminate the checkout line. People simply choose the items they want from the shelves, load it into their shopping carts, and then walk out of the store. Sensors keep track of their purchases and deduct the cost from their accounts.

Thanks to 5G-powered appliances, automatic ordering will become far more commonplace – which will be another major revamp of purchase funnels. Samsung already sells refrigerators which track how much and what owners consume, and reorders those items from the grocery store so the fridge is always packed at its optimum level. This certainly frees the owner from tedious tasks, but it does raise the question of whether future marketing should be directed to people or appliance algorithms.

Brands will define higher order purposes —as opposed to simply increasing revenue. For example, Dove Soap looked at its customers and found young girls were under increasing pressure to conform to society's unattainable stereotypes and definitions of beauty. Therefore, they marketed Dove as being about real beauty: "Being the authentic, unique, real, and best version of yourself". Dove's sales have enjoyed tremendous year-to-year growth in this intensely competitive product category.

Brands will need to be smarter and more inclusive – because everyone has digital tools these days. For example, at one time travel marketers would offer family trips to Disney World during school holidays. They would market to parents on the assumption kids would automatically be delighted. Today, however, those same kids are digital natives, and they will want to watch videos, do research about options, comparisons, and preferences. In many cases, the kids become the key influencers, not the parents.

AUTHENTIC

Historically, when marketers have attempted to market a service or product to businesses, they have focused on product specs and features. That will change in the 5th paradigm. Technology will humanize things much more, and B2B (business-tobusiness) or B2C (business-to-consumer) will all be replaced by P2P, person-to-person marketing. Quantum Marketing will see everything get humanized. CRM (customer relationship management) systems will go to the next level, and integrate much more relevant personal information and preferences into the database.

AUTHENTIC

Keep in mind that much Quantum Marketing will involve marketing to machines. To influence purchase decisions, you'll need to optimize your brand's use of algorithms, search engine optimization, and search engine marketing. The intermediaries of the next generation will also include smart speakers and connected devices, many of which will have AI embedded.

PARTNERSHIPS DRIVEN

Internal partnerships – with your IT people, but also with your CFO (metrics), human resources (talent), and your legal team (policies and compliance). You will also need the support of your CEO and any stakeholders who deliver parts of your overall customer experience.

Agency partnerships – with advertising specialists, researchers, media buyers, PR agencies, etc. These creative people will be able to add to your brand.

PARTNERSHIPS DRIVEN

Innovation partnerships – with start-ups, emerging growth, and large companies. Effective partnerships will inject your customer base with fresh ideas, and other intellectual property.

Technology partnerships – with the vendors and developers who are bringing digital platforms to bear. The 5th paradigm will be technology driven so you need great partners to assist here.

Media and personal passion partnerships – with publishers, sports organizations, music providers, and so on. All of these partnerships will help with gaining consumer attention, and cutting through the clutter and background noise.

More and more, consumers are starting to vote with their wallets for brands which are purpose-led. The new generation of workers want to work for a company they believe is doing good for society. Being purpose-driven isn't just something that's nice to have, it's becoming a necessity, and the source of a sustainable competitive advantage.

Purpose isn't puffy or fluffy. It doesn't exist for political correctness, or to dress up annual reports. Purpose is the direct connection between business actions, and the reason why. Marketers can and should help shape, express, and position a compelling purpose at the heart of the organization.

Companies should be purpose-driven for two main business reasons:

It's a philosophy – if the company is in the position to do some good for society, why would they not do it? Purpose is a fundamental value and aim.

It builds trust – companies that have a well articulated purpose, and act consistently with that purpose, are seen as more authentic, and therefore more trusted.

Some good examples of purpose-driven companies include:

- Mastercard which wanted to raise awareness of cancer and help find cures, so it struck a partnership with Stand Up to Cancer. Card members who pay at restaurants during the promo period have a portion of their charges donated to medical researchers.
- Microsoft creates accessibility tools for people with special needs. They hire workers with disabilities to help them develop products for their needs.
- SAP hires young adults with autism as coders. They then work to help them be able to function in the broader work environment.

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Patagonia donates 1% of their sales to grassroots environmental organizations. They're on a mission to save our home planet. Once you identify your purpose, you can then undertake some cause marketing initiatives that align with that purpose. Just make sure you walk the talk, and do this authentically. Make sure your employees embrace the company purpose, otherwise it will be just a gimmick.

Ethics and trust will be very big issues in the 5th paradigm. While the relevance of brands at large might be on the wane, having a brand which is trusted and will stand tall will still be a strong competitive advantage. Marketers are tasked with building that trust. The integrity and ethics around data and its use will also be key issues. The World Federation of Advertisers recently stated: "There should not be a gap between what we could do with data and what we should do with data". Companies are coming under increasing pressure to use data responsibly, transparently, and fairly.

- All advertisements are authentic and truthful rather than misleading. Avoid deceptive practices or opportunism assiduously.
- Never lose sight of the fact you're a decent human being first and foremost – and therefore you refuse to do to consumers what you don't want done to you. Be committed to making ethics one of your top priorities.
- Always respect the privacy of consumers without exception. Understand you have no right to snoop or to sell your customer's information without their explicit permission.
- Look at your partners as well and hold them to a high ethical standard as well. Make sure their practices are ethical, rather than turning a blind eye to anything that's questionable.

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Marketing through a crisis like COVID-19 has been challenging for brands because of all the disruptions which people have had to work through. The best you can do is to be aware of the risks that your marketing may be subject to. Make sure you have up-to-date crisis management plans in place, especially where entire industries can be shut down at short notice. Also ensure management knows who does what and when, in the event of any kind of disaster.

For most companies, there is a time to sell and a time to serve. A crisis is a time to serve. It's not a time to raise prices because of limited supply, caused by production shortfalls, or supply chain disruptions. People will always pay attention if you choose to serve them during hard times, and they will reward you in good times. Make sure your brand stands tall when the pressure is on. You can guarantee the 5th paradigm will have its fair share of ongoing crises, even after COVID-19 has been addressed and recedes. Expect more crises, and be ready to tackle them.

The reality is marketing is going to be incredibly valuable in the 5th paradigm. It will be vital for any company to succeed. Marketing will enable companies to differentiate their offerings on the basis of lasting trust, the customer's aspirations, and brand affinity. Product designs, functionality, and even price will fade away as marketing factors, because they will be able to be cloned so easily. Trust and personal connections will reign supreme in the 5th paradigm.

