



"Would you like me to order that for you?"

**DIGITAL ASSISTANTS |
REORDERING CONSUMER
LIVES AND REDEFINING
DIGITAL MARKETING**

 **Bing** | **iProspect**[®]



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OK MARKETERS: GET READY FOR DIGITAL ASSISTANTS

The ultimate goal of marketing is to reach the right person in the moment it matters most and to subsequently inspire a response. As technology has evolved, so has human behavior. These concurrent evolutions have given marketers more opportunities to connect with their audience than ever before. However, this explosion of potential connection points is about to shrink. Unless brands quickly shift their strategy, they will be left scrambling for the diminishing ways to deliver their marketing message. What's driving this landscape change? The answer is digital assistants.

Just like the massive behavioral shifts driven by the mobile revolution, the era of digital assistants has quickly evolved from a stylized, science-fiction future to a commoditized, every-

day fact. We look to Siri for directions. We ask Cortana about the weather. We order Alexa to turn on the lights. Today, over 500M people use a digital assistant of some kind (Tractica, 2016). That number is expected to skyrocket to over 1.8B people by 2021 (Tractica, 2016). That essentially means most people in the developed world will be using a digital assistant sooner rather than later.

The most popular digital assistants today include Apple Siri, Google Assistant, Amazon Alexa, and Microsoft Cortana. Digital assistants come in a variety of integrations and devices. The one thing they have in common is the fusion of highly evolved search engines powered by voice recognition and intelligence to enable meaningful, ongoing interactions with individuals.

Digital assistants don't just represent an additional connection point for marketers. Just as the mobile revolution ushered in an entirely new consumer behavior, the foundational voice-based interaction of the digital assistants represents so much more than just another screen. They are changing the way we find information, and permanently altering the way we communicate. In fact, several of the devices powered by digital assistants don't have a screen at all.

Successful brands will be the ones that place this new consumer behavior and intent at the core of their strategies, with a focus on

the value they can deliver to the individual. Domino's Pizza, Starbucks and Uber are early adopters of this mentality. Each allows their customers to transact seamlessly via voice and has made that possible by building on either the Amazon or Cortana skills framework.

Looking forward, this voice-based conversational commerce will drive a new breed of marketing that will initially supplement and eventually replace traditional marketing channels by providing highly relevant, purposeful advertising that supports user engagement.

DIGITAL ASSISTANTS: ALWAYS AT YOUR SERVICE

Estimated number of users of virtual digital assistants worldwide*

*e.g. Cortana, Siri, Alexa, and Google Now; figures do not include enterprise usage
Source: Tractica



A white ceramic mug with a silver spoon is placed on a white tray. Next to it is a white smartphone. The background is a blurred window with a view of a city. The text is overlaid on the image.

**THIS PAPER'S PURPOSE
IS TO HELP MARKETERS
UNDERSTAND THE RAPIDLY
DEVELOPING DIGITAL
ASSISTANT SPACE AND
INSPIRE ACTION WITH THE
ACKNOWLEDGMENT THAT
DIGITAL ASSISTANTS
ARE NOW A CRITICAL
COMPONENT IN BUILDING
STRONGER RELATIONSHIPS
WITH CUSTOMERS.**

A NEW MARKET ARISES

Digital assistants provide a new, always-on way for brands to engage with customers through one-to-one hyper-personalized marketing. Despite their rapid growth and prevalence, they are not a new broadcasting channel.

Rather, ad campaigns will now be targeted to and personalized for the individual. Such as "Jane," who jogs every morning between 6 and 7am, drinks two coffees after lunch and works late on Mondays. Or "Mike," who heads into work at 8:30am, plays fantasy football, and goes out for sushi every Thursday night. Before we explain how marketers should take advantage of these emerging opportunities for personalization, let's start by defining the often-confusing terminology surrounding digital assistants.

WHAT ARE DIGITAL ASSISTANTS?

A digital assistant is a computer program leveraging artificial intelligence that can understand a variety of inputs (text, voice, data) in order to answer questions and carry out tasks for an individual. A digital assistant plays a very similar role to the traditional Executive Assistant in the business world, or to a knowledgeable and helpful expert like your travel agent. They leverage technology in order to deliver a personalized experience for each user.

Let's unpack the pieces of this definition:

Artificial Intelligence means that a digital assistant gets smarter (improves) over time. It gets to know the individual, learning from each interaction and iterating to become more personalized and effective. The digital assistant also becomes smarter via scale, drawing upon its interactions with all users to improve.

A variety of inputs: Microsoft CEO Satya Nadella believes that, in time, human language will become the new user interface. Digital assistants are typically associated with voice recognition, and rightfully so. We've gone from typing into a computer in a language it understands to speaking to a computer in our language, made possible by massive leaps in word recognition over the past few years. However, voice isn't the only way digital assistants can understand both users and the larger world. Text-based input is supported by cross-platform assistants, like Microsoft's Cortana, to accommodate the large number of people who prefer typing when on a computer. Digital assistants also leverage a variety of data connections to answer questions, execute searches and pull information from structured data feeds - more on this later. Image recognition is the next wave of input, and we predict one of the digital assistants will announce a major update involving this feature in 2017.

To carry out tasks for an individual: One basic use of digital assistants is answering questions. Weather, directions, historical facts, calendar reminders, shopping lists—these were the initial features provided by digital assistants. However, the real power of digital assistants is their ability to take action at a user's request, eventually acting in anticipation of the user's need. It's one thing to ask which Italian restaurants are nearby—we've been able to do that since the advent of smartphones. It's another thing to follow-up this question by telling our digital assistant to make a reservation at the earliest available time after 7:00pm, and to inform us when the task is complete. This functionality relies on many components including skills, apps, bots, and data connections.

Utilizing bots are the first step in that direction. While simple bots may function as little more than searchable databases, complex bots are being infused with artificial intelligence to deliver more conversational, meaningful interactions.

These are also commonly referred to as intelligent agents. When combined with personalized user input, intelligent agents further transform into digital assistants that deliver more tailored responses, specific to the individual. Today's most popular personalities include Siri (Apple), Alexa (Amazon) and Cortana (Microsoft).

Digital assistants are a rapidly evolving technology, and the landscape will continue to shift in the next few years. While the four primary players today have the majority of marketshare, the space is ripe for disruption. New digital assistants such as Viv (created by the founders of Siri) should not be overlooked.

THE ROLE OF DIGITAL ASSISTANTS

Consider a travel agent. This person provides one convenient and helpful entry point to a complex world of possibility. Digital assistants play a similar role.

The relationship between a vacationer and their travel agent is built on a foundation of trust. The better the two know each other, the more successfully the travel agent can perform her job and arrange custom vacations that not only satisfy but also delight her customer. Knowing how a client spends his free time, his favorite foods and dietary restrictions, and that he prefers the aisle all factor into the success of the trip.

The same is true of digital assistants. The more information a user provides, the more frequently digital assistants will succeed in delivering personalized, high value results. Studies have shown that people are willing to share more and more personal information if they receive personalized, relevant information in return.

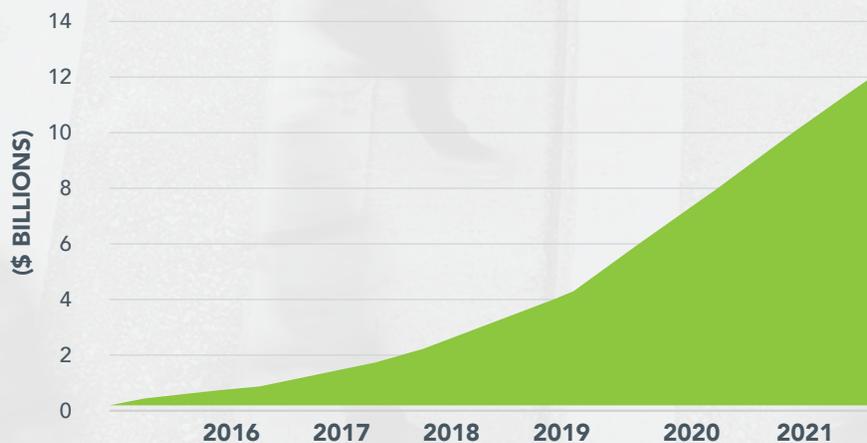
For travel agents and digital assistants alike, exceptional output starts with increased input. The more details a traveler can provide the travel agent upfront, the better the resulting vacation experience. For digital assistants, access to your calendar, email and texts will help them deliver exceptional output such as event reminders, driving directions or restaurant reservations.

Travel agents can't do everything on their own, and digital assistants are no different. Just as travel agents utilize information sources (like hotel services, concierges, insurance agents, etc.), digital assistants will leverage data connections, structured data feeds, and bots in order to collect information and take action on behalf of their user. In looking at near-future opportunities for marketers, bots and structured data are the keys to unlocking success. The easier a digital assistant can access your brand's information, the more likely it is to surface and repeat that information to interested individuals.

THINGS TO THINK ABOUT

As we analyze the different types of digital assistants from a marketing perspective, it is important to note that projected ad spend is forecasted to heavily favor mobile OS-based assistants in the near term; they have a screen and the industry is able to monetize ads based on existing advertising platforms. However, the industry will find a way to monetize ads for screenless devices, like those that sit on our kitchen countertops.

GLOBAL DIGITAL ASSISTANT AD SPEND BY PLATFORM

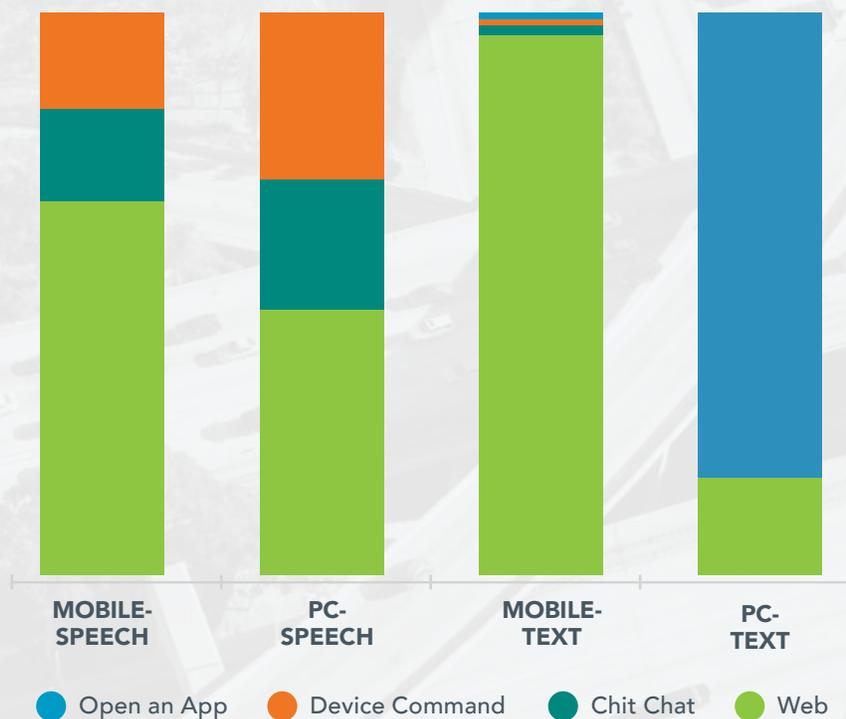


Source: Juniper Research "Digital Voice Assistants: Platforms, Revenues and Opportunities 2016-2021." Published September 2016.

THINGS TO THINK ABOUT

Consumers engage differently with a digital assistant based on the device they are using. Cortana usage findings show a definite divide between text desktop functionality and mobile voice. Which devices will be best suited for which functions? How will this affect your marketing strategy?

HOW CONSUMERS INTERACT WITH CORTANA



Source: Microsoft Internal Data, December 2016

Travel agents have access to a wealth of travel information. They've seen more destinations and researched more tours/cruises/all-inclusives than any of us care to process in a lifetime. Now imagine you could extend that volume of knowledge and convenience across all areas of your life. Today's digital assistants can be viewed as the travel agents of life—empowering each of us with a personalized gateway to retrieve highly relevant results from an ocean of information.

THE DEVICE LANDSCAPE

Much of the confusion around this topic stems from the fact that a digital assistant is inherently intangible. It's a program, an artificial intelligence, a disembodied voice answering questions and fulfilling requests.

The tangible portion of a digital assistant is the device it lives in. For example, Amazon's digital assistant Alexa is housed in their smart home device called the Echo. Google's competing product, Google Home, is powered by their assistant, simply called Google Assistant.

Assistants are found in far more places than just smart home hubs. Currently, there are four main types of devices that house digital assistants:



SMARTPHONE OPERATING SYSTEM

Cortana for Windows 10 Mobile, Google Assistant for Android, Apple Siri for iOS



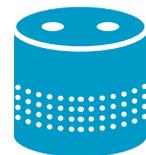
SMARTPHONE MOBILE APP

Cortana app for Android and iPhone, Google app for iPhone



DESKTOP COMPUTER

Cortana for Windows 10 or Siri for MacOS Sierra



SMART HOME HUB

Amazon Echo or Google Home

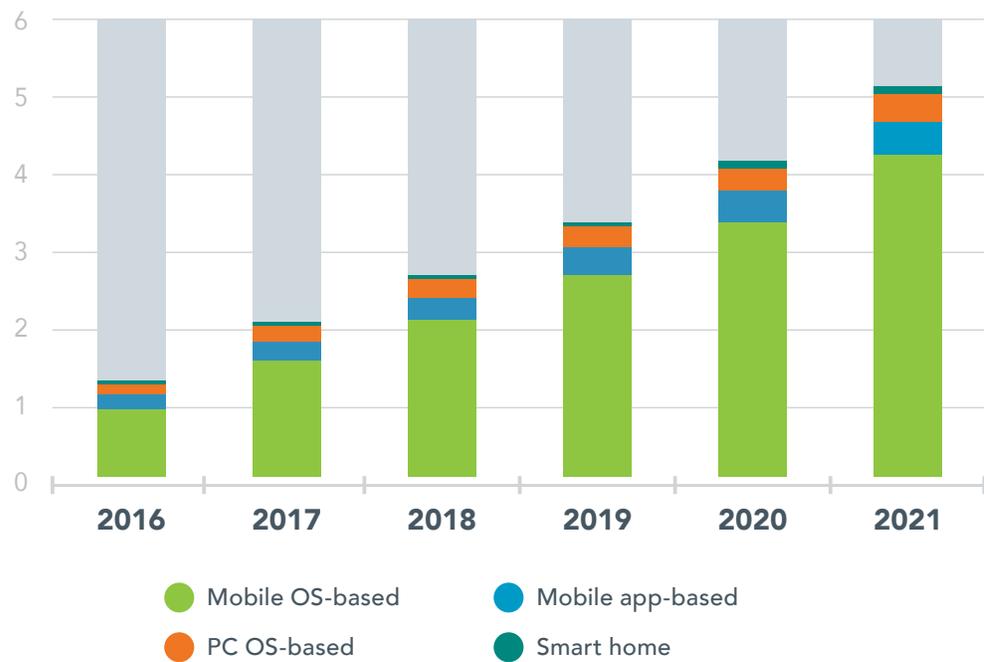
Mobile assistants have a clear adoption advantage due to the mobile behavior that has emerged over the past eight years—people always have their phone with them. Mobile OS-based assistants come pre-installed on a smartphone and are fully integrated into the phone's OS, providing features beyond what app-based assistants can provide. While app-based assistants often have reduced functionality (the user having to actually open the app, rather than just speak a command to the always-listening OS-based assistant), assistant apps allow users to install a different assistant on their device. For example, an Android user might want to use Cortana, or an iPhone user might prefer Google Assistant.

Despite the buzz around new devices like Amazon Echo and Google Home, these devices actually represent the smallest piece of the digital assistant

opportunity. Juniper Research predicts that smart home based assistants will only have a small portion of market share in the coming years. Consider estimates from April 2016 that indicated Amazon had sold approximately 3 million Echo devices—impressive, but not when compared to Gartner’s reported 1.5 billion smartphones sold globally.

But no matter how the exact device mix shakes out, the success of digital assistants will depend on a cross platform solution. Users are looking for technology that is readily available wherever they may be. Each player is walking a fine line of trying to provide the best functionality and the most effective proprietary devices while also ensuring users can sample or leverage their assistant in competing ecosystems.

GLOBAL DIGITAL ASSISTANTS USE BY PLATFORM (IN MILLIONS)

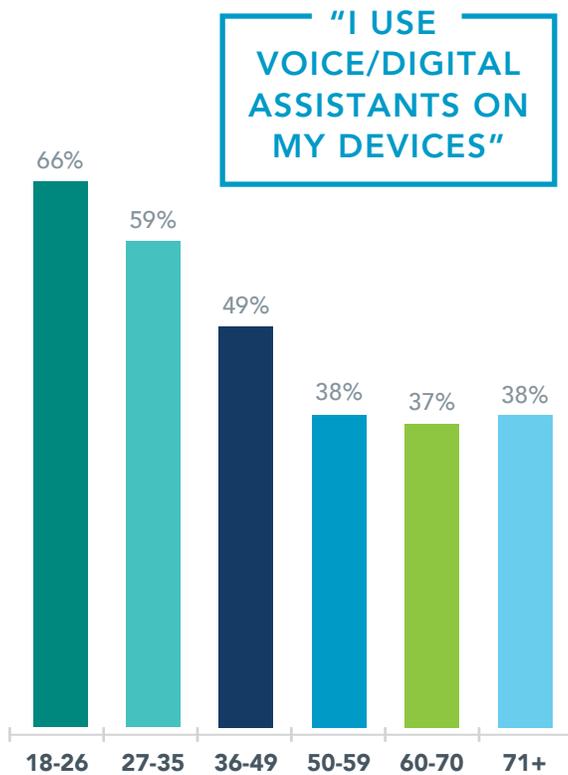


Source: Juniper Research “Digital Voice Assistants: Platforms, Revenues and Opportunities 2016-2021.” Published September 2016.

EVOLUTION AND CONSUMER IMPLICATIONS

Digital assistants are not just an upcoming trend—they have already become mainstream, used by over 500 million people and growing. Typically, adoption of a hot new technology trend is driven by the young and the tech savvy. It is important to note that this phenomenon is not limited to millennials. According to Forester Research, the use of voice search and digital assistants is growing across all demographics, even the over 50 crowd.

While there are many implications of digital assistants, we have identified eight key considerations both for consumers and digital marketers.



Source: Forrester Consumer Technographics North American Technographics Consumer Technology Survey, 2015.

DECREASED DIGITAL OVERLOAD

Digital overload is a serious problem. The average mobile user has more than 33 apps on their phone, but spends 80% of their time in just three of them.¹ Over 70 million consumers used adblockers this year—a YOY rise of 34%—because “the ads were irrelevant and intrusive.”² Consumers are looking for a better way to engage with the technology around them. Digital assistants offer the relief consumers are seeking by providing one central, cross-device entry point to their digital lives. From quick answers, to appointment reminders, to traffic updates and ordering an Uber, digital assistants make it easy to accomplish a variety of tasks seamlessly without switching between apps or devices.

HYPER-PERSONALIZATION

Now, more than ever, consumers expect heightened levels of personalization as they research and transact. More than 70% of consumers expect a personalized experience when interacting with brands.³ Traditional digital broadcast methods are all but obsolete as consumers willingly share more and more personal data in exchange for increased relevance. Today’s consumers have come to expect

hyper-personalized and targeted ads; they expect AI and assistants to help with mundane tasks like completing forms, filling out address information, and even providing credit card information for payments. They expect immediate assistance regardless of call volume or standard business hours. Consumers are ready to engage with technology in more intimate ways in exchange for an easier, more convenient way of life.

IMPROVED WORD ERROR RATES

Early voice recognition was inaccurate and unreliable. Just last October, Microsoft researchers achieved human parity in Word Error Rate (WER) for natural language processing.⁴ Improved WER rates have greatly enhanced the voice user experience, allowing even the “technology-challenged” to effectively utilize the Internet. Conversations with digital assistants are now much more enjoyable and accurate, which encourages consumers to use them more frequently for more tasks.

(1) Meeker, Mary. “2016 Internet Trends Report.” Kpcb. KPCB, 1 June 2016. Web.

(2) “A Glimmer of Hope in the Ad Blocking Battle.” EMarketer. EMarketer, 28 Nov. 2016. Web.

(3) “Consumer Survey Marketing Report.” AgilOne. AgilOne, 2016. Web.

(4) “Historic Achievement: Microsoft Researchers Reach Human Parity in Conversational Speech Recognition.” Blog post. Microsoft. Microsoft, 18 Oct. 2016. Web.



THE AVERAGE MOBILE USER HAS 33 APPS ON THEIR PHONE YET SPENDS 80% OF THEIR TIME IN JUST 3 OF THEM.

SOURCE: KPCB



**INTERACTION WITH A DIGITAL ASSISTANT
IS NOT A SERIES OF ISOLATED
TOUCHPOINTS — IT IS AN ONGOING
CONVERSATION.**

CONTEXTUAL UNDERSTANDING

Now that WER is no longer a limitation, developers are shifting their focus to understand contextual meaning behind questions and empowering digital assistants to respond successfully to follow-up questions. For instance, if a user asks Google Assistant, “How far is it to Whistler Blackcomb from Seattle?” and then follows up by asking, “What 5-star hotels have availability Thursday through Saturday?” the assistant will recognize the context of location based on the previous question, delivering an ongoing conversation rather than the individual, isolated responses of the past. Contextual meaning is an important component of conversational interactions. Other examples include, “Who was the first President of the United States?” followed by, “When did he take office?” Or the question, “What restaurant has the best Chinese food in Dallas?” followed by, “How far is it from me?”

Perfecting this ability to understand what we are saying combined with continuous improvements to contextual meaning means that interaction with a digital assistant is not a series of isolated touchpoints—it is an ongoing conversation, one in which people will engage more frequently and more deeply.

SIMPLIFIED PATH TO PURCHASE

Digital assistants allow consumers to shop quickly and easily using just their voice. The seeds of this behavioral shift began as consumers started handing over small purchase decisions to subscription services through eCommerce retailers like Amazon and Target. Another early example is Amazon’s Dash buttons, which allow consumers to reorder staple household goods with the click of a button. Smart home speakers create a new, easy way for individuals to restock home goods and everyday items. Why add an item to your shopping list when you can purchase it immediately with a simple sentence? Savvy brands are building integrations around this behavior as well. Starbucks recently released a skill for the Amazon Alexa that allows customers to order their favorite drink simply by saying, “Alexa, order my Starbucks.” Consumers are always seeking superior, easier ways to shop—especially for high frequency, low cost goods that don’t require much research prior to purchase.

VIRTUAL ENVIRONMENTS

Looking further down the road, virtual and mixed reality devices will also play an integral role for consumers as they redefine the shopping experience. Mixed reality devices such as Microsoft HoloLens will enable consumers to see holograms of products they can overlay on to their physical world before they buy. Mixed reality and voice commands make a very natural pairing, fulfilling the human desires to see, touch, flip, shrink and zoom in on a product before they ultimately buy. Today’s retailers should consider how their brand could benefit

from mixed reality, as some brands have already taken advantage of the technology. For instance:

- **Volvo** is leveraging mixed reality technology to delight consumers with 3D models of their cars.
- **Rebecca Minkoff** used mixed reality technology at Fashion Week in New York. The designer integrated the app Zeekit, which allowed customers to preview outfits from her collection on their own body, and removing the need to try it on in store.

OMNI-LINGUAL PLATFORMS

Digital assistants have the ability to receive lingual input from any language and translate it in real-time. Microsoft Translator and Hound can now simultaneously translate between groups speaking multiple languages in person and in near real-time. Google's Translate app can analyze images and translate the text in real-time while matching the font and color of the original text. Translation is no longer a separate step during communication, but instead occurs seamlessly and instantly, negating language barriers for both professional and social applications.

ZERO-UI: SCREENLESS INTERACTIONS

For the last decade, brands have been obsessed with creating visually appealing websites and ad content. While the desktop and mobile screen will continue to be important interaction points, brands need to begin thinking about screenless advertising and screenless user experiences, where the only output is the voice of the digital assistant. They must extend the web experience to consumers as they are doing other actions such as driving, cooking dinner and exercising.

As consumers choose voice interaction more frequently, it will lead to a simpler, seamless user interface. There will be less need for navigation and buttons as searchers use voice commands to delve deeper into websites and content. Think of the essentials that a digital assistant would need to access, traverse and control—those are the priorities that will remain. In addition, screenless interactions extend the web and provide more frequent opportunities for interaction by empowering consumers to connect while their hands are otherwise occupied.

By 2020, Gartner predicts 30 percent of Web browsing will be done with screenless experiences. We have a hunch it might be even more, and concentrated in consumer segments like Millennials and Gen Z. If your brand's target consumer falls in those groups, it is even more imperative for you to think about marketing without a screen.



**BY 2020, GARTNER PREDICTS
30% OF WEB BROWSING WILL
BE SCREENLESS.**

MARKETING TO THE MACHINE: REDEFINING DIGITAL MARKETING

As digital assistants become the primary access point to the consumer, how does a brand align with the assistant to become the brand it chooses to share? In the near future, brands will not just be marketing to the consumer, but to digital assistants. In a zero screen interface, the experience is linear—instead of browsing a search results page full of links, consumers will be looking for a single answer or solution. How will digital assistants determine which content to share with their customers?

RELEVANCE

It's already a key component of digital marketing today. Google reinvented search marketing by introducing the concept of "Quality Score" in paid search, rewarding advertisers for providing relevant ads by discounting the cost based on ad quality. Hundreds of ad tech companies have found success by identifying ways to more effectively target and customize ads to each individual person. Today, brands that focus on providing relevant ads reap the benefits in efficiency and performance. But as consumer interaction shifts to digital assistants and voice search, relevance doesn't just become a benefit—it becomes the barrier to entry. If your ad is not relevant today, it is not efficient. If your ad isn't relevant in the near future, it will not be served to your audience at all.

Although the use of digital assistants is growing at an astounding rate, the technology is still young, and the space is competitive. Google, Microsoft, Amazon, and Apple are intently focused on the "stickiness" of their digital assistant. In order to continue to gain consumer adoption, a digital assistant has to be useful, helpful, and provide tangible value. The only reason for a consumer to use a digital assistant is because it is relevant to their life. Relevant to their daily rhythm. Relevant to the point that it knows Anna's three kids like stopping for ice cream on Fridays after school. If an assistant fails to provide this quality of experience, the user will either stop using it or switch to another digital assistant that meets their expectations.

As the tech giants battle for dominance in the new world of digital assistants, they are very cautious about monetizing the experience too quickly. A single disruptive ad or poor experience could be enough to cost them a user. Nevertheless, there is a place for advertising in this new space. In order to get a message in front of consumers, brands will have to be more appropriate than ever.

THINGS TO THINK ABOUT

If a consumer asks his digital assistant for information on flights to Paris, how does the digital assistant decide which bot to invite to the conversation? There would be numerous options in a scenario like this, from an aggregator like Expedia or Kayak to a travel concierge to airline bots themselves.

What is the new "Quality Score" for digital assistants? Could it be a "Relevance Factor?"

RELEVANCE IN ACTION

Let's take a look at a hypothetical example of how marketing to a machine might work.

Jane owns and uses a digital assistant. In the past month, Jane asked her digital assistant to show her a map of the highways in Colorado. She used voice interaction to text two friends about a road trip through Colorado. She asked her digital assistant about the weather in Colorado for the next two weeks. She also recently asked her digital assistant to schedule and pay for an oil change.

In response to her voice search for the oil change, an auto manufacturer serves her digital assistant an ad for low interest loans on new cars. The digital assistant declines, and Jane never hears the new car ad. Why? Because her digital assistant knows her well. It knows that she's been planning a road trip, and that the oil

change was in preparation—not a signal that her car is getting old.

Another auto manufacturer offers her digital assistant an ad for their road trip planning app, and the digital assistant shares this with Jane. This ad is relevant not just to the single voice search interaction point, but to who Jane is and what she's interested in currently. The ad brings value to Jane. Getting it right will be essential for marketers hoping to succeed in the digital assistant world.

In order to effectively deliver relevance, brands will have to focus on three things: customer advocacy, brand loyalty, and conversational commerce.



CUSTOMER ADVOCACY

Digital assistants will dramatically increase the number of opportunities a brand has to connect with consumers, but not every connection point is the right time to jump directly to selling. Marketers will need to pivot from traditional customer advertising to a new type of customer advocacy. It's a deeply nuanced, subtle and insightful shift that requires the deep machine learning that's now available with digital assistants in order to truly understand who the individual is, not just what they are searching for in a single moment. Parsing meaning and intent is critical, and the ongoing personal relationship with a digital assistant provides more opportunity to understand context and intent than ever before. When a brand is advocating for their consumer, they are looking out for the consumer's best interests and providing a benefit. Advocacy is offering value at any interaction point based on what the customer needs, rather than the final action the brand wants the customer to take.

In the digital assistant future, the volume of advertising will decrease, but the value of reaching the consumer through relevance will increase dramatically. Brands that adapt to this new model of customer advocacy will come out on top; those that do not will wonder what happened.

BRAND LOYALTY

Although brand loyalty has always played a major role in advertising, it's even more important in the world of digital assistants. What was previously viewed as the path to purchase is now becoming the path to brand loyalty. Digital marketers are no longer optimizing campaigns for conversions, but rather adding value to the multiple touchpoints along decision journeys, thus creating relationships that go beyond a single engagement.

Today's marketers should focus on the lifetime significance of a consumer and how they can leverage digital assistants to create longer, more meaningful customer relationships. Remember, digital assistants will be the gateway to the consumer, filtering out any noise and irrelevant content to enrich the consumer experience. This will likely cause less consumer movement across brands, and empower brand loyalty to become the default reaction. For example, a digital assistant will know what brand of coffee an individual likes, so when she says "Alexa, order more coffee," the assistant

THINGS TO THINK ABOUT

What will future voice analytics platforms look like? By combining voice analytics with the latest advances in big data, companies will be able to analyze full conversations rather than individual keywords in order to glean new insights about their customers and identify new market opportunities.

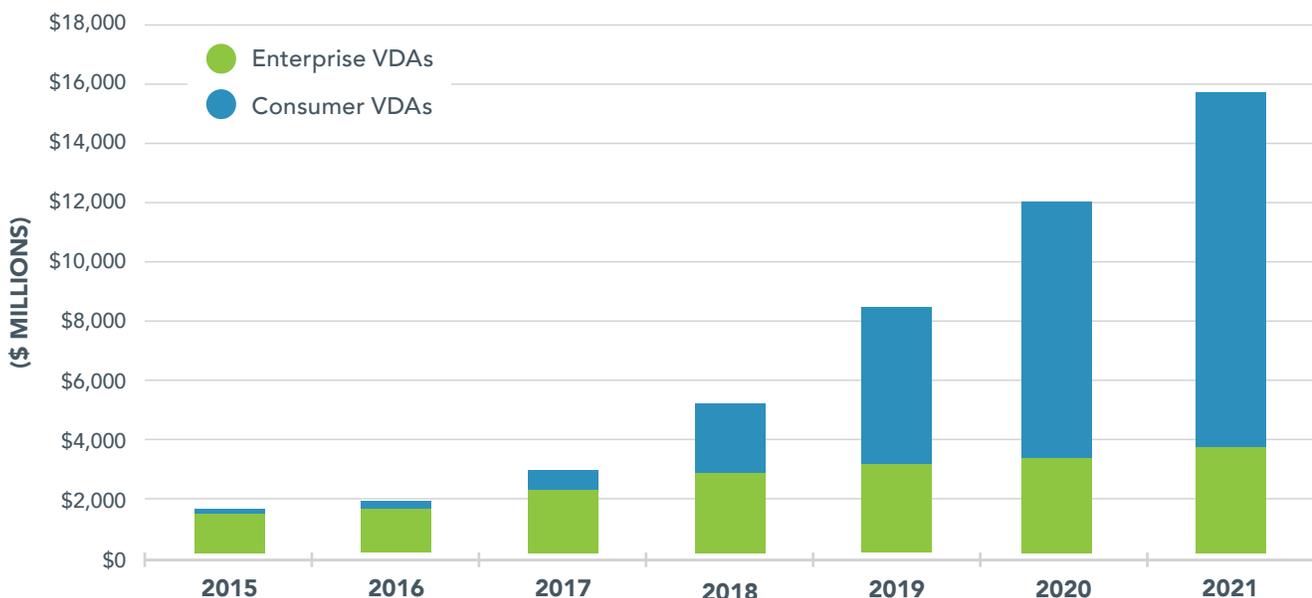
will default to the known preference. Established brands will need to focus on deepening current customer relationships and new brands will have to be even more persuasive to attract attention.

ESTIMATES SHOW THE VOICE MARKET GROWING FROM \$1.6B IN 2015 TO \$15.8B IN 2021.

CONVERSATIONAL COMMERCE

Conversational commerce provides a unique opportunity to not just talk to your consumers, but to listen to them. Because the consumer can ask questions and drill into specifics with their assistant, brands have the opportunity to be much more specific and relevant. Some of these capabilities will be based around content, while other elements will be based around the bots that can answer questions. By researching when consumers end the conversation, brands can obtain deeper insight into what's missing in their value proposition. This is a chance for brands to learn much more about their consumers. This is one-on-one interaction at scale—something we have never seen the likes of before. In order to harness this wealth of new information, brands have to begin with the first rule of being a good conversational partner—listening.

TOTAL VDA REVENUE BY SEGMENT, WORLD MARKETS: 2015-2021



Source: Tractica



**BY 2020, 50% OF SEARCH
WILL COME FROM VOICE.**

SOURCE: COMSCORE

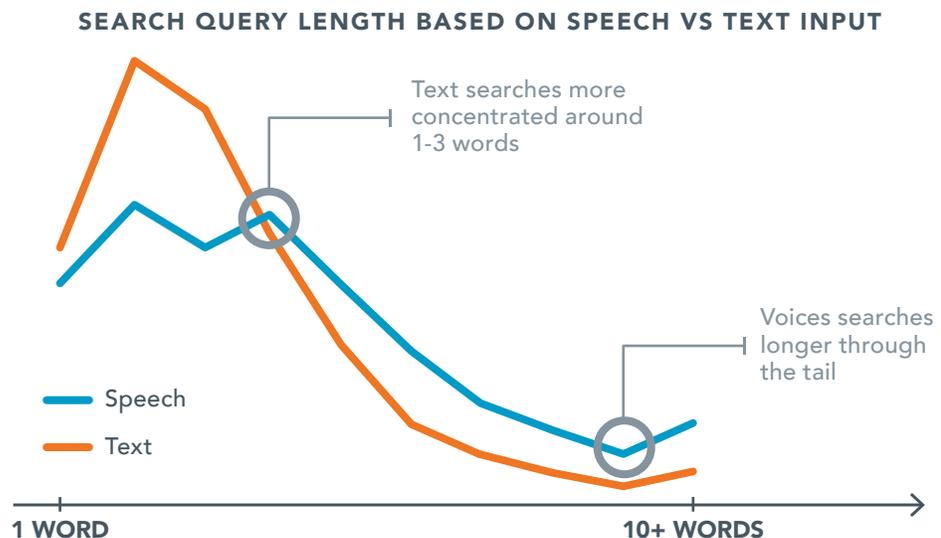
TAKING ACTION TODAY

What actions can marketers take today
to prepare for digital assistants?

LOCAL AND MOBILE

Mobile campaigns and future digital assistant campaigns require marketers to think globally, but act locally. As voice queries are often conducted on mobile devices, it is imperative that marketers build their digital strategy using the lens of local and mobile search intent. In 2015, Google confirmed that their number of mobile queries now officially outnumber desktop queries. In order to stay mobile-friendly, brands must update and manage local business listings to ensure their addresses, phone numbers, and business hours are accurate. Brands should take a similar approach to third party listings such as Yelp, TripAdvisor and Angie's List. Check those frequently and be sure to include strong calls to action in your listings such as Call Now, Get Directions or Make Reservations. When possible, leverage site extensions to enable searchers to take action directly within the SERPs.

Local searchers are looking to take action immediately, and searches with local intent are rapidly growing on digital assistants. Brands that provide the path to take that action will bridge that last digital mile, from online interaction to in-store purchase.



Source: Microsoft Internal Data, December 2016

VOICE

Voice is quickly becoming the search method of choice. comScore predicts that half of all searches will be voice searches by 2020. However, none of the search engines currently allow you to target voice search interactions separately from typed searches yet. So for now, in order to successfully target voice searchers, marketers should build out keyword lists to include longer, more conversational, question-based keywords. Internal Microsoft data shows that voice searches are typically longer than text searches and have much higher distribution of search volume through the long-tail.

Be sure to include question words in your paid keywords and site content—who, what, when, where, why and how. When building content and devising marketing strategies to target these searches, always wrap question words in a relevant context.

For example, your keyword shouldn't just be *"beef bourguignon"* or *"toddler clothing."* It should be, *"How do I cook beef bourguignon?"* or *"How do I layer toddler clothing in the winter?"*

Brands should build questions and answers about their products and services. If a retailer has a page on their site outlining their return policy, simply adding the relevant question at the top of the page will make their content more likely to be chosen by a digital assistant when a consumer asks that question.

The longer, more conversational queries of voice interaction not only provide more information about intent, they also represent a white space many marketers are not yet targeting in their paid search or natural search strategies. The chart below shows queries with the same intent as they are entered by both voice and text.

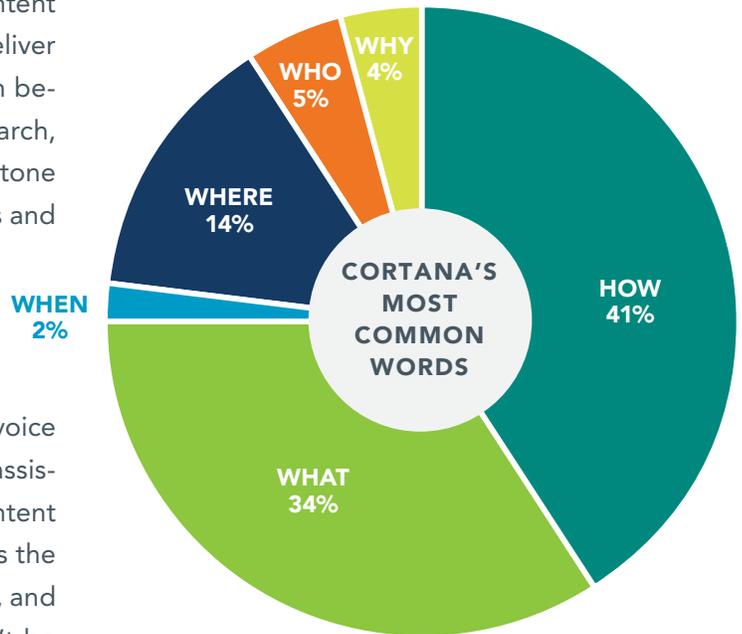
	TEXT	VOICE
Weather	Weather Weather Channel	What's the weather like today? Do I need an umbrella?
News	News MSN News Fox News	Show me today's news. What are the top headlines? What's the news?
Food Related	Restaurants near me Recipes All Recipes Cooking	Find restaurants near me. Places to eat near me. What should I eat for dinner? Where should I go for lunch? Give me a recipe. How do you cook...
Movies	Movies Theaters nearby	What movies are playing near me? When does the next Star Wars movie come out?
Flights	Flight Cheap Flights	What time does <flight> depart? Flight status <flight number>? What is the price of the cheapest flight to New Orleans?
Retail	USPS Nordstrom Boots	Where can I buy stamps? Where is the nearest Nordstrom? Where can I buy black waterproof boots in size nine and a half?

To win in voice search, optimize your site content so that digital assistants can easily find and deliver your information to the end consumer. You can begin by optimizing your site for organic voice search, including writing content in a conversational tone and using question words, longer tail keywords and mobile-friendly content.

STRUCTURED DATA

Consumers interact with digital assistants via voice and text. Brands provide information to digital assistants via bots (discussed below) and data. Content is one type of data, but even more important is the structured data around your products, services, and locations. In the zero UI future, searchers won't be looking for a full page of potential choices—they'll instead receive one answer said aloud to them by the digital assistant. When they ask specific questions, brands that have highly structured data will be the ones the digital assistant turns to for answers.

For example, if a searcher asks their digital assistant for the nearest Italian restaurant, the assistant will turn to local data to answer the question. If a searcher asks for the cheapest place to buy a tuxedo, the digital assistant will turn to structured product data to answer the question. A clothing retailer who doesn't have accurate data, current inventory, and pricing in a format the digital assistant can understand won't even be in the consideration pool when that question is asked. Structured data has many benefits today, but it will become even more powerful in the future—so ensure your data is sound, detailed, and updated frequently.



Source: Microsoft Internal Data, December 2016

TAKING ACTION TOMORROW

What actions should digital marketers be thinking about in the near future?

BOTS

Bots aren't new. Many brands have already invested in and built bots to provide customer service, answer questions, or just promote products. However, today's bots are often viewed as a novelty rather than a core marketing opportunity. As digital assistants mature past providing answers to taking actions on a consumer's behalf, bots will provide the means for them to take these actions. Brands that build bots with both consumers and digital assistants in mind will reap the benefits.

**BY 2020, CUSTOMERS WILL
MANAGE 85% OF THEIR
RELATIONSHIP WITH AN
ENTERPRISE WITHOUT
INTERACTING WITH A HUMAN.**

SOURCE: GARTNER

As bots improve and deliver more intelligent interactions through machine learning, they will continue to gain mainstream adoption as they instantly interact with the world. Bots will bridge the gap between the offline and online world. Gartner predicts that by 2020, customers will manage 85% of their relationship with an enterprise without interacting with a human. Today's bots far exceed human ability and can delight customers with exceptional operations at every level of an enterprise. Marketers should be thinking about how to leverage bots, not just in initial service transactions, but also throughout each stage of a customer decision journey.

The potential of bots is greater today than ever and will only increase in importance. The immediate opportunity for brands is with bots that perform very specific functions. There are many new tools available to help marketers create bots. For example, Facebook Messenger's chatbot service has bots that can be customized to provide a variety of services, including automated subscription content, shipping notifications, live automated messages and basic ecommerce functionality. Zulily and 1-800-Flowers are already using the integration of Facebook's chatbot to communicate with consumers. The Bank of Kochi in Japan is developing a receptionist bot, Rockwell Automation has a bot to automate productions and the Department of Human Services in Australia has a bot to

improve customer engagement. More than 67,000 developers are now using Microsoft's Bot Framework and Cognitive Services. Innovative new features are coming, including new bot connectors for Microsoft Teams and Cortana Bing Location, as well as the new QnA Maker service, which will make it very easy for companies to take their most common questions and integrate them with bots.

In the future of marketing to machines, bots will allow digital assistants to take action on a consumer's behalf. After a consumer gets an answer, bots will be how the digital assistant takes the next step. If a searcher asks about flight prices to Las Vegas, she will listen to the options and then tell her digital assistant to book the 8:00am flight on Monday. The digital assistant will then converse with the bot directly to book the flight on the user's behalf. As the capability for taking action matures, brands that build out robust bots able to interact with digital assistants in this fashion will see massive benefits in the coming years.

SKILLS

Skills are the new apps. They are becoming more prevalent in the digital assistant space as they encourage third-party innovation. Through skills, companies can connect with home-speakers, like Amazon Echo and the upcoming Harman Kardon Cortana speaker, to reach customers through voice-based interactions. Companies across all sectors are experimenting with skills, such as Capital One, FedEx, Dominos Pizza, Uber and Starbucks.

When creating a skill, companies need to structure commercial interactions through the lens of providing value and simplifying the customer's life. If a skill is just a novelty, it will be used a handful of times and then be forgotten. Skills should also deliver a unique experience based on your brand's core value proposition. Think of the first apps that brands built—merely re-skinned versions of their websites. How many of those lasted?

The most successful brand apps of the past few years have been those that provided ongoing value and leveraged the unique attributes of mobile phones (location, Bluetooth, etc). Successful skills will be the ones that leverage the strengths of digital assistants and voice interaction in order to simplify users' lives.

WILL MARKETERS BE READY FOR THE NEXT DIGITAL REVOLUTION?

It's no secret that the mobile revolution caught marketers and search engines by surprise. Consumer behavior outpaced brands, ad networks, technology, and agencies—all of whom scrambled to adapt to changing consumer behaviors and expectations.

The reason mobile was so disruptive is because mobile wasn't simply a new device. Mobile was a brand new consumer behavior. The marketing approach of that day didn't work in the new mobile context; brands needed to step back and understand the needs and the context of the person using the mobile device.

The exact same disruption is on the verge with digital assistants, and the impact will be even bigger as we move into a screenless world. The future of marketing is in understanding how your customer uses digital assistants and voice-powered activations. Let this knowledge inform where your brand

has a right to play. Think about what your customer needs, why they need it, and what value your brand can provide. Start marketing based on intent. Provide useful information to potential customers and ongoing value to current customers, transforming people into fans who will invite you into their homes and devices, and integrate your brand into their daily lives. Make the shift from advertising to advocacy, from conversions to conversations, from mass marketing to "me" marketing. Your customers are looking for answers through their digital assistants and they are just getting started.

**The question is
*will you be there?***

ABOUT THE AUTHORS



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Jeremy champions new breakthroughs across all service lines at iProspect US. He pioneers original ways to leverage channel tools and features to drive business results, and aligns strategies across channels to deliver combined success. By testing and launching new partners and internal tech solutions, he increases both efficiency and performance.

Jeremy knows that innovation goes beyond just testing tech and beta features. Innovation is about creating something new—a unique way of using a feature, combining channels, or identifying new solutions for clients' business challenges.



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Andrea weaves her wealth of business and consumer insights into cutting-edge digital strategies. Leveraging 14 years of industry experience, Andrea plays an instrumental role in ensuring that iProspect is the leading digital agency for luxury and premium retailers. She launched The Luxe Group, iProspect's specialty practice focused on uncovering trends in the luxury space. A passionate advocate for consumer research, Andrea has spearheaded many industry-first studies about affluent consumer behavior. Her industry recognitions include Luxury Daily's "Luxury Women to Watch 2013" and Direct Marketing News' "2013 Top 40 Under 40."



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ABOUT IPROSPECT

At iProspect, we transform our clients' businesses by connecting brands to their consumers. Leveraging our suite of services, smart technology, extensive global footprint, and the industry's best specialists, we provide best-in-class performance strategies to get you the results your business needs.

iProspect is the first truly global digital marketing agency, with 4,000+ employees in 84 offices across 52 countries. A trusted partner with an in-depth understanding of consumer behavior, iProspect reshapes brand strategies to meet the fast-paced demands of the convergent world with a focus on exceeding the client's business objectives.

iProspect has been named the "Best Agency for Performance Marketing" by iMedia for 3 years in a row, the 2015 MediaPost Search Agency of the Year and iMedia's Best Agency for Search. For more information, visit iProspect.com or follow us on Twitter @iProspect.

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Whether it's in the search box, across Microsoft or with one of our trusted partners, the Bing Network connects you with 5.5 billion searches every day in relevant everyday moments and in meaningful ways.

Bing Network. Be there.



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