Six macro trends that could change brands forever

a white paper by Andrew Eklund

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Greetings, Earthlings!
But wait? Are we still on Earth?

I thought we were all in the Metaverse! Will we all be Metaversians by the end of this year? Will your daughter's 3rd grade drawing of an ape become an NFT and her ticket to extreme wealth and subsequent college payments? And what about that cousin of yours who sold his 2011 KIA for SHIB coin? Will he ever have enough money to buy a used 2010 KIA?

As you can tell, we have some new, shiny things to talk about in 2022. I did what no good prognosticator should do and reread last year's predictions for 2021. No mention of metaverse. No talk about Bitcoin and NFTs. Zippo about tokenization of brands. Web3 wasn't Web3 yet.

The pace of change is so fast I had to hire a CEO — the amazing Tina White — just to give me the time to immerse myself into the new, the untested, and myriad paths forward. 2022 will be transitionary. Some themes which were put on hold from last year will reemerge as priorities, while entirely new business models will come online concurrently. Many new technologies will fail catastrophically. Some will be the new Google and Amazon.

So, let's dig in. And be patient. This is long. I've attempted to link every word of jargon to a source that will provide context.

Enjoy!

"Joining Ciceron in this journey toward the next future is a once-in-a-lifetime opportunity. The agency has a long history of being right where the brand new and activation intersect. It's the most exciting place to be, if you're an agency person like me."

Tina White, CEO, Ciceron

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I It's all inside:

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What Happened to the Cookieless World? It's Back with a Vengeance

The death of cookies was the RAGE a year ago, and we spent most of our strategic time investing in it for the first part of 2021. It was so urgent, we established an entire division and website, Atlas, for our clients to stay on top of everything.

But it should be no surprise that 2021 was no time for massive changes, unless you paid attention only to developments in the emerging undercurrents of blockchains, NFTs, and the Metaverse — basically Web3. Nearly the entire conversation about moving cookieless was put on ice when Google announced in Q2/21 that it was delaying all moves in that direction until the beginning of 2023.

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Does that mean it's all just back to square one on the cookieless migration for 2022? Pretty much.

But I want to tell a story about that. When we launched Atlas in January last year, we felt like we were early, and wanted to take people on a journey like the cicerones we are (trusted guides). Even before Google's planned delay, our experience was that very few people wanted to go on that journey toward preparing to become cookieless marketers. And who could blame them? "We're in a global pandemic. We need to post good numbers now and not deal with some undefined future boogieman." I get it,

First-party data – the rich data you own on your customers – is the vaccine against the death of cookies.

but then is now, and it's time to start getting really serious about building out first-party data streams, become much more intimate with your consumers, and earn their trust, because the crutch of cookies will no longer allow

you to simply buy your way into advertising relationships. So we're going to have to recharge the battery on the cookieless conversation in 2022, because it is about to pick up steam again. Everything we talked about exactly a year ago is back on the table. Your cookieless future is now here again, and with more time on our side, perhaps the tech for solutions has matured. We'll continue to keep you posted.

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Action: Use 2022 to aggressively grow, organize, learn, and execute test models against your first-party data.

Forget Alternative Facts. What About an Alternative Reality?

I need to talk about the metaverse in very practical terms in order to show that it's already very real. For those early citizens of the gaming metaverse, it is quickly becoming a dual-reality rail in their actual lives. In many parts of the developing world, young people are quitting their jobs to play [Axie Infinity](#) and earn play-to-earn digital currencies. [For example, in the Philippines, players of Axie are making a better living playing the game than working at a job.](#) Axie is one of several metaverse platforms beginning to offer an alternative reality in an alternative world with alternative skills and alternative currencies. Other platforms like

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[The Sandbox](#) and [Decentraland](#) are alive and well, albeit all of them very, very early to most of you, but very, very real to those who participate. For non-gamers, this may seem, well, dangerous. How can you expect us to keep everything together in this reality if people are opting out to a new one? And what's the value of game-playing vs. a job where you create something? Well, if you're in the Philippines with stagnant wages and often horrible working conditions, it doesn't matter. You're supporting yourself and your family with better income. Period, full stop.

The fact is that we have all been participating in a metaverse for the past two years — it's called Zoom.

While not considered a metaverse play (yet), Zoom is a good starting point to understand where things might be headed. All those Zoom meetings and family gatherings were essentially a two-dimensional metaverse, and because Zoom is experienced in two dimensions, they've become exhausting. We're so over it.

Why? Because Zoom is boring and flat. Enter the metaverse, where, through technology like VR, those meetings could be in 3D in spaces that are intensely more real. What if my new Zoom avatar is just me in a virtual hi-def space that looks like Ciceron's offices or a coffee

shop, where I can interact with my peers and do collaborative work like in the real world? If we're going to be conducting more virtual work because of a) the pandemic, b) permanent hybrid work models where people are in peak productivity mode, or c) it simply removing huge amounts of unproductive and worthless time (travel, commutes, etc.), then those environments have to move to a new dimension. Now imagine essentially doing anything like that. Forget Google Earth via a web browser. Go to that place in the metaverse. Interact with other visitors. Exchange native digital currencies in virtual but very real stores from your favorite brands, just like olden times. Or better yet, discover new, international brands or products. Buy art or music or ideas from other creators using their tokens. Imagine there being micro-economies, with real exchangeable digital assets, for all community niche interests on Earth.

I remember the first time around with the whole metaverse, whether it was Apple's eWorld in the early '90s (really a Facebook predecessor by 15 years) or then Second Life. Second Life (which still exists, apparently) was entirely vector-based. Cartoon-y avatars walking around doing nothing but trying to find something to do in geometric rooms on low-bandwidth internet connections using screens as the interface.

The new metaverses are becoming realistic virtual worlds, with realistic avatars, with their own governance and currencies, all using immersive, 3D technology that merges the virtual with the real world. It's not Second Life.

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But I also don't want the metaverse to be Facebook or Meta (nice change in brand, Mark, as [you're bleeding credibility](#)). I want to be very clear about that. Facebook is the ultimate in a centralized platform that consumes power and control in a vacuum. The evolving metaverses on The Sandbox or Decentraland, on the other hand, are decentralized, community-driven worlds where success is measured based on the outcomes for the many, not the few.

Seem outlandish? Remember when grandma didn't know how to use a QR code? Remember when she didn't know how to open any other app other than FaceTime on her phone? Well, she's a full QR code beast now who's ready and willing to pinch your cheeks on Zoom. Who's to say she won't don a headset and actually meet with you for egg coffee in the metaverse if it's more real than the current 2D alternative?

Action: Buy a VR headset. Explore. Think about the elements of your business that would improve through more human interaction, even if continued virtually.

Enter Tokenization as the Currency of Brand Success

A brand [token] — a crypto asset with the potential for intrinsic value in Web3 — may break down the barrier between advertising and equity. Brands already do this. Any loyalty program is a tiered system by which those most engaged with the brand are also the ones who spend the most money, have the greatest value, and are rewarded with currency (points) and tiered experiences that are distinctly better than those at lower tiers. Points are the currency. In a Web3 world, those points become harder digital assets that can be earned and traded for anything and all that points can … and more. Infinitely more.

Take Delta Airlines as an example. They run a family of Delta Sky Clubs. These are physical spaces that are largely filled with business travelers (during the week) and their families (on vacation). You never know who's in the physical club, but in a virtual space, these clubs could become hubs for business connections, travel tips, and productivity. By investing in the virtual value of the club membership, Delta creates value for its tokens and members. This takes social community management to a whole new level. Nurturing these communities, investing in new experiences requested and/or built by token holders, and creating opportunities for the token holder to add value would increase the value of the token and the brand itself.

Loyalty points are the easiest path toward understanding tokenization. But true community is where it thrives.

Right now, much of that value for Delta is held with centralized organizations like American Express. But what if Delta wanted to hold all of that value themselves, making their tokens exchangeable with non-Delta brands like Airbnb, Tesla, and Stitch Fix? What if Delta SkyPoints becomes Delta SkyTokens, where 100% of the value is held by Delta and its customers, much like actual equities? This is the world we're heading toward. I believe these types of tokenization will become the earliest and most actionable activities because they're improving upon

existing frameworks that create more value than the current centralized points system for both brands and consumers alike.

For an agency like Ciceron and brand marketers in general, managing and growing a tokenized brand is essentially helping run a subculture of humans with both vested interests and vested ideas. It's co-creation at its finest. As consumers become more embedded in a brand's existence, they will become more united, more empathetic, and more responsive. Much like publicly traded companies are with shareholders. We're going to need a whole new set of skills, from community leaders (most likely carried over from the "old" organic social community management) to economists (to manage potential "tokenomics" issues) to, potentially, people with knowledge of architectural design, human-centric design, and, for sure, developers. Web3 will still need its properties built, just like websites were needed in Web1. It's going to feel somewhat eerily familiar to those of us who were around for that pass around the sun.

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Action: Thoroughly evaluate the community potential of your brand. Can it grow exponentially? Can you hit the "network effect"? What intangible value can you create?

A Pandemic of Mistrust Followed by a Rebirth?

The world — through both honest and nefarious means — is too uncertain right now, and our information flow is unmanageable. We don't know if the pandemic is now endemic. We don't know if we're ever going to all work together in person. We're not certain we trust our friends, neighbors, governments, and family members. It's gross. It feeds all sorts of anxiety about the future, the camps we want to be a part of, what's important to us as individuals, and the lives we want to live. For example, The Great Resignation is real. You've probably felt it or were a part of it yourself. People are re-prioritizing their lives and cocooning themselves into a new reality based upon a new set of rules they're determining in real time. And cocooning

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is simply the gestational period before rebirth in a new and improved form. (I believe a butterfly is better than a caterpillar. Sorry, caterpillar.)

In a management meeting the other day, we were struggling with some topic, and I simply stopped the meeting and asked my team members, "Aren't you seriously different now than you were prior to the pandemic?" I know I am. I know what's important to me. I know what I'm able to accommodate from the world and what I simply cannot. For example, empathy is the #1 value at Ciceron, but personally, I think I've gone beyond the tipping point for those people holding uninformed or poorly informed conspiracy theories about vaccinations. Sorry, but that's just where I am at right now.

These dynamics, whereby we're supposed to somehow function under two rule books — one based on facts and the other based upon manipulated fears — are the macro backdrop to everything we're dealing with right now, from economic uncertainty to tribalism. Tribalism will live far beyond the darkest days of the pandemic, and it, too, is a new pandemic that is sowing mistrust everywhere, including between brands and consumers. I believe we're living in the dissociative space between a world run by current power holders who benefit from fragmentation, and a new reality where their power may be replaced — by market forces, I might add — bit by bit, with better systems of human empowerment and overall accountability. But we're not there yet, and the visions of that future are only now beginning to take form.

The COVID-19 pandemic has provided a unique opportunity to think about the kind of future we want.

Source: TIME Magazine's [“The Great Reset”](#)

We do share some common perspectives, however. People want to have more control over their lives and more power. People on the left want more equality and less income disparity. People on the right want more so-called "freedom" and ... less income disparity. I think we're a lot closer to one another than we think, but how the conversation plays out has been divisive and driven by external media forces amplifying the outrageous for page views and clicks. And in many cases, the gap between actual reality based on actual facts and a manufactured reality based on falsehoods is monumental. It's going to get ugly as these new systems root out the centralized narratives that have driven wedges between us.

The world will gravitate toward brands and institutions that can accommodate how we've fundamentally changed what we value as humans.

Yet even with all of those forces in play, I believe we are in the very early stages of mass renewal, and brands can play a crucial role in helping people find their way. Beyond the headlines of "We're all in this together" comes real change, real investment in humanity, real relationships and connections, where brands develop experiences and products that help people find deeper meaning, new talents, and new ways of interacting with the world around them. Ambitious brands don't want to replace the old world at large; rather, accentuate and enable the great potential of the human spirit. I believe we are at the beginning of a renaissance in creativity, compassion, and

human potential as we unshackle people from oppressive systems that control people's time. The wealth that many talk about in this new future isn't measured in money, but in time for each person to pursue their own human passions and potential. I like this vision. But I'm not naive. I know there's a market for horribleness; I simply don't believe it's going to be the winner in the long run.

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Action: Reevaluate the gap between what you want as a brand and what your customers desire from you. You will need to reinvent and reinvigorate different parts of your business.

The Radical Concept of Decentralization

Perhaps what we're all confronting in 2022 is an increasingly smaller and decentralized modern world still dominated by centralized power. Governments are the epitome of centralized power, and so beholden to campaign money and influence that they are barely able to function for everyday people. Transparent money, not bills passed, could solve this. Central banks keep printing [Fiat money](#) and debasing the U.S. dollar, making inflation seem no longer cyclical but permanent. Bitcoin could solve this. Companies are no longer centralized places with physical headquarters filled with employees. Immersive and real collaborative human metaverses could solve this.

Entertainment models like film and music are holding on for dear life to 20th century models whereby creators are simply the devalued gas for their centralized engines. Creator- and fan-incentivized NFT platforms could solve this.

Now countries like El Salvador are dabbling to opt out of the old centralized economic models by allowing and distributing Bitcoin to Salvadorans as legal tender. Even U.S. mayors, like Miami's Francis Suarez and New York City's Eric Adams, are pledging to commit to Bitcoin as a means to a better future through economic expansion and access. People are opting out by investing in new monetary rails. Very-well-financed start-ups are sprouting up within the blockchain world simply to crush centralized models. And the venture capitalists are here — even if they don't know what they're investing in yet.

"... Decentralized networks are engendering new revenue-sharing business models amongst the P2P upstream content/data creators and downstream content/data consumers by distributing more of the profits currently being monopolized by the entrenched centralized aggregators-distributors. Creators can now have the right to own and be compensated for their data through smart contracts that automatically pay based on pre-set terms."

Source: Roomy Khan, Forbes

Action: Game-theory your business as a decentralized organization where new value is created by those who participate in your economy.

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Advertising
Is Next

You're next. I believe we'll solve the identity and data privacy

problems, which the cookie problem has only magnified,

through a decentralized blockchain solution in which

identity is stored and held pristine. It might be something

totally decentralized and wholesome like Satoshi's vision for

Bitcoin, but it might also be Apple or Google making the

solution scale very quickly. A centralized identity and

privacy solution isn't ideal, but it may be the only way to

onboard billions of people quickly.

But will the new world look anything like advertising? I

hope not. Advertising was created for the two-dimensional

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world. I believe the future of advertising is more like brand ambassadorship rooted in a deflationary value structure where community members gain more than just products and services. They gain actual value — tradable, exchangeable, intrinsic value. Like stock. So what if brands decide that issuing tokens is more decentralized and productive than going public? What if running a company is essentially running a [DAO](#) that's entirely beholden to the needs of its consumers rather than Wall Street? If this vision takes hold, then marketing and advertising is all about the brand's community, the experiences the brand creates, its responsiveness to its community, and, in the end, its token value. Marketers will become fully embedded in the community of token holders — listening, incorporating, communicating, delivering, and extracting value. The key difference being that token holders are individuals, not institutional investors, who receive the value. You want to solve income disparities? Here's your chance.

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Action: Organic social community management is back. Test new decentralized incentives that benefit the community first.

I Conclusion

As everyone in the emerging tech space agrees, we are very, very early in these transformational times. Very early. 2022 may be the year to try and fail at a whole bunch of experiments. Some may succeed. Lots will fail. Lots of news will spread about liquidated speculators losing everything, just like the dot-com craze of the late '90s. But don't let that fool you about what's really going on. This is '90s-level internet disruption going on. For every Pets.com, there's a Google emerging. Be on the right side of history. Learn as much as you can. Be skeptical. Embrace change. Focus on the dynamics of decentralization, not the headline-grabbing news of the latest coin craze. Most of them will die a violent

"It's no longer the big beating the small, but the fast beating the slow." —Eric Pearson, CIO, InterContinental Hotel Groups (IHG)

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death. But those that evolve and lead will be the companies and protocols of a new future. Be part of that. Be in it. Be brave and curious and nimble. Most importantly, help change the world to bring us out from under these clouds that have been hanging over us. Someone's gotta do it, and it should be good people like you. Engage and renew the human spirit, not through catchy headlines but immersive brand experiences that add exponentially to the human experience.

As an internet old-timer, I can't believe I get to experience this level of change all over again. I believe I'm lucky to be alive right now and can help shape a better, more equitable, more honest future. I hope you feel the same way. We have a choice: Wallow in misery or create a new reality. Honestly, this reality kind of sucks right now, so let's get on with it.

Andrew Eklund has led Ciceron for 26 years, successfully navigating the agency's clients through the entire digital world since its inception.

Go deeper into how these technologies and concepts can affect you and your brand by scheduling some time with Andrew or others on the Ciceron team.

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